



## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 [IFRS]

July 29, 2022

Company Name	Premium Group Co., Ltd.	Listed on the Tokyo Stock Exchange
Stock Code	7199 URL <a href="https://www.premium-group.co.jp/">https://www.premium-group.co.jp/</a>	
Representative	(Title) President and CEO	(Name) Yohichi Shibata
Contact	(Title) Director and Managing Executive Officer	(Name) Toru Ohnuki
	Tel. 03-5114-5708	

Scheduled date of quarterly report submission:	August 12, 2022	Scheduled date of commencement of dividend payment:	-
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Preparation of supplementary material for quarterly financial results: Yes

Holding of quarterly financial results meeting: No

(Amounts are rounded to the nearest million yen.)

### 1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 to June 30, 2022)

#### (1) Consolidated Operating Results (fiscal year to date) (% change from the same period of the previous fiscal year)

	Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of fiscal year ending March 31, 2023	5,682	16.2	1,068	34.9	1,157	39.0	845	38.9	841	38.3
First quarter of fiscal year ended March 31, 2022	4,891	21.6	792	47.3	832	(29.4)	608	(21.9)	608	(22.5)

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Yen	Yen
First quarter of fiscal year ending March 31, 2023	899	53.9	65.32	64.72
First quarter of fiscal year ended March 31, 2022	584	(28.7)	47.45	46.87

#### (2) Consolidated Financial Position

	Total assets		Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio
	Million yen	Million yen	Million yen	Million yen	%
First quarter of fiscal year ending March 31, 2023	82,616	10,413	10,385	12.6	
Fiscal year ended March 31, 2022	81,800	9,814	9,710	11.9	

### 2 Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	25.00	-	26.00	51.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (forecast)		10.00	-	10.00	20.00

#### Notes:

1. Revisions to dividends forecast most recently announced: None
2. Based on a resolution by the Board of Directors at a meeting held July 20, 2022, the Company plans to implement a three-for-one stock split of common stock effective September 1, 2022. For dividends on and before the end of the fiscal year ended March 31, 2022, actual amounts prior to this stock split are shown above. Annual dividends based on figures prior to the stock split are 60.00 yen per share, reflecting an effective increase of 9.00 yen per share.

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023  
(April 1, 2022 to March 31, 2023)

(% change from the previous fiscal year for full-year figures; % change from the same period of the previous fiscal year for quarterly figures)

	Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	24,500	17.6	4,700	17.0	3,400	14.7	3,400	15.6	88.20

Notes:

- Revisions to financial forecast most recently announced: None
- In the forecasts of consolidated financial results for the fiscal year ending March 31, 2023, earnings per share reflect the impact of the planned stock split.

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates

- Changes in accounting policies required by IFRS : None
- Changes in accounting policies for other reasons : None
- Changes in accounting estimates : None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at end of period (including treasury shares)	First quarter of fiscal year ending March 31, 2023	13,394,990 shares	Fiscal year ended March 31, 2022	13,394,990 shares
2) Number of treasury shares at end of period	First quarter of fiscal year ending March 31, 2023	506,222 shares	Fiscal year ended March 31, 2022	528,885 shares
3) Average number of shares during period (fiscal year to date)	First quarter of fiscal year ending March 31, 2023	12,866,598 shares	First quarter of fiscal year ended March 31, 2022	12,806,094 shares

\* Quarterly financial statements are not subject to quarterly review by a certified public accountant or auditing firm.

\* Note to ensure appropriate use of forecasts and other remarks

- For additional information on financial results, also refer to the explanatory materials on financial results and quarterly securities report released on August 12.

Financial results explanatory materials: <https://ir.premium-group.co.jp/ja/library/presentation.html>

Quarterly securities report: <https://ir.premium-group.co.jp/ja/library/securities.html>

- The forecasts above are based on information currently available and certain assumptions deemed reasonable by the Company as of the date of release of this document. Actual future results may differ from forecasts figures due to various factors.

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1. Summary Quarterly Consolidated Financial Statements and Major Notes  
 (1) Summary Quarterly Consolidated Statement of Financial Position

(unit: million yen)

	Previous consolidated fiscal year (March 31, 2022)	First quarter of this consolidated fiscal year (June 30, 2022)
<b>Assets</b>		
Cash and cash equivalents	11,433	10,040
Financial receivables	35,733	37,314
Other financial assets	5,786	6,114
Property, plant, and equipment	3,648	3,415
Intangible assets	6,279	6,678
Goodwill	3,958	3,958
Investments accounted for using equity method	1,600	1,647
Deferred tax assets	3	3
Insurance assets	3,284	3,814
Other assets	10,075	9,631
<b>Total assets</b>	<b>81,800</b>	<b>82,616</b>
<b>Liabilities</b>		
Financial guarantee contracts	30,065	31,718
Borrowings	23,759	23,396
Other financial liabilities	7,248	6,841
Provisions	366	341
Income taxes payable	720	192
Deferred tax liabilities	1,238	1,371
Other liabilities	8,590	8,343
<b>Total liabilities</b>	<b>71,987</b>	<b>72,203</b>
<b>Equity</b>		
Equity attributable to owners of parent		
Capital	1,700	1,700
Share premium	1,295	1,347
Retained earnings	7,722	8,228
Treasury shares	(1,201)	(1,150)
Other components of equity	194	259
<b>Total equity attributable to owners of parent</b>	<b>9,710</b>	<b>10,385</b>
Non-controlling interests	103	28
<b>Total equity</b>	<b>9,814</b>	<b>10,413</b>
<b>Total liabilities and equity</b>	<b>81,800</b>	<b>82,616</b>

## (2) Summary Quarterly Consolidated Statement of Profit and Loss

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2021 to June 30, 2021)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2022 to June 30, 2022)
Operating income	4,891	5,682
Operating expense	4,099	4,614
Operating profit	792	1,068
Share of profit of investments accounted for using equity method	63	63
Other finance income	4	37
Other finance cost	27	11
Profit for the term before tax	832	1,157
Income tax expense	224	312
Profit for the term	608	845
Attributable to		
Owners of parent	608	841
Non-controlling interests	0	4
Profit	608	845
Attributable to owners of parent		
Earnings per share		
Basic earnings per share (yen)	47.45	65.32
Diluted earnings per share (yen)	46.87	64.72

## (3) Summary Quarterly Consolidated Statement of Comprehensive Income

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2021 to June 30, 2021)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2022 to June 30, 2022)
Profit for the term	608	845
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	1	(2)
Share of other comprehensive income of investments accounted for using equity method	(25)	56
Other comprehensive income (net of tax)	(24)	54
Comprehensive income	584	899
Attributable to:		
Owners of parent	583	894
Non-controlling interests	1	4
Comprehensive income	584	899

## (4) Summary Quarterly Consolidated Statement of Changes in Equity

(unit: million yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity
					Exercise of warrants
Balance as of April 1, 2021	1,612	1,281	5,403	(1,201)	10
Comprehensive income					
Profit	-	-	608	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	608	-	-
Transactions with owners, etc.					
Purchase of treasury shares	-	-	-	(0)	-
Dividends	-	-	(301)	-	-
Share-based payment transactions	15	6	-	-	0
Total transactions with owners, etc.	15	6	(301)	(0)	0
Balance as of June 30, 2021	1,627	1,287	5,709	(1,201)	10

(unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Other comprehensive income accounted for using the equity method	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2021	108	(2)	116	7,211	79	7,291
Comprehensive income						
Profit	-	-	-	608	0	608
Other comprehensive income	(25)	1	(24)	(24)	0	(24)
Total comprehensive income	(25)	1	(24)	583	1	584
Transactions with owners, etc.						
Purchase of treasury shares	-	-	-	(0)	-	(0)
Dividends	-	-	-	(301)	-	(301)
Share-based payment transactions	-	-	0	22	-	22
Total transactions with owners, etc.	-	-	0	(279)	-	(279)
Balance as of June 30, 2021	83	(1)	93	7,515	80	7,596

(unit: million yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity
					Exercise of warrants
Balance as of April 1, 2022	1,700	1,295	7,722	(1,201)	40
Comprehensive income					
Profit	-	-	841	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	841	-	-
Transactions with owners, etc.					
Dividends	-	-	(335)	-	-
Capital transactions with non-controlling interests	-	28	-	52	-
Share-based payment transactions	-	24	-	-	12
Total transactions with owners, etc.	-	52	(335)	52	12
Balance as of June 30, 2022	1,700	1,347	8,228	(1,150)	52

(unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Other comprehensive income accounted for using the equity method	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2022	158	(5)	194	9,710	103	9,814
Comprehensive income						
Profit	-	-	-	841	4	845
Other comprehensive income	56	(2)	54	54	0	54
Total comprehensive income	56	(2)	54	894	4	899
Transactions with owners, etc.						
Dividends	-	-	-	(335)	-	(335)
Capital transactions with non-controlling interests	-	-	-	79	(79)	-
Share-based payment transactions	-	-	12	36	-	36
Total transactions with owners, etc.	-	-	12	(219)	(79)	(299)
Balance as of June 30, 2022	214	(7)	259	10,385	28	10,413



## (5) Summary Quarterly Consolidated Statement of Cash Flows

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2021 to June 30, 2021)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2022 to June 30, 2022)
Cash flow from operating activities		
Profit for the term before tax	832	1,157
Depreciation and amortization expense	309	350
Other finance income and finance costs	47	53
Decrease (increase) in financial receivables	(1,424)	(1,580)
Increase (decrease) in financial guarantee contracts	1,160	1,654
Decrease (increase) in other financial assets	(212)	(279)
Increase (decrease) in other financial liabilities	(568)	(232)
Decrease (increase) in other assets	244	(58)
Increase (decrease) in other liabilities	1	(279)
Share of loss (profit) of investments accounted for using equity method	(63)	(63)
Other	30	21
Subtotal	357	744
Interest received	0	1
Interest paid	(38)	(50)
Dividends received	98	94
Income taxes paid	(654)	(737)
Cash flow from (used in) operating activities	(236)	52
Cash flow from investing activities		
Purchase of investment securities	(0)	(2)
Purchase of property, plant, and equipment	(38)	(158)
Purchase of intangible assets	(36)	(334)
Payments for loans receivable	(2)	(20)
Collection of loans receivable	4	5
Payments for guarantee deposits	(49)	(103)
Proceeds from collection of guarantee deposits	37	27
Other	1	20
Cash flow from (used in) investing activities	(84)	(564)
Cash flow from financing activities		
Proceeds from short-term loans	4,000	-
Repayments of short-term loans	(4,000)	(100)
Proceeds from long-term loans	1,340	1,276
Repayments of long-term loans	(1,636)	(1,546)
Repayments of lease obligations	(196)	(203)
Payments for purchase of treasury shares	(0)	-
Dividends paid	(299)	(332)
Other	20	13
Cash flow from financing activities	(771)	(892)
Net increase (decrease) in cash and cash equivalents	(1,091)	(1,404)
Cash and cash equivalents at beginning of period	8,054	11,433
Effect of exchange rate changes on cash and cash equivalents	(1)	2
Cash and cash equivalents at end of period	6,962	10,031

(6) Notes on Summary Quarterly Consolidated Financial Statements

(Notes concerning the going concern assumption)

Not applicable

(Changes in accounting policies)

Not applicable

(Change in presentation methods)

Summary Quarterly Consolidated Statement of Profit and Loss

Beginning with the cumulative first quarter of the consolidated fiscal year under review, the difference between operating revenues and operating expenses is shown as operating income. This is intended to more clearly present profit and loss arising from major operating activities. Management of financial results based on this presentation method for profits in reports to the Company Board of Directors has also begun.

In addition, because the relative importance of the Auto Leasing Business has grown since the end of the consolidated fiscal year ended March 31, 2022, interest paid in connection with that business, which had been included under other finance costs, is now indicated as finance costs under operating expense.

To reflect this change in presentation methods, 14 million yen previously included under other finance costs in the Summary Quarterly Consolidated Statement of Profit and Loss for the cumulative first quarter of the previous consolidated fiscal year has been restated as an operating expense.

Summary Quarterly Consolidated Statement of Cash Flows

Due to the growing importance of the Auto Leasing Business since the end of the consolidated fiscal year ended March 31, 2022, lease investment assets, previously included under decrease (increase) in other financial assets, is now included under decrease (increase) in financial receivables.

To reflect this change in presentation methods, (954 million yen) previously included under decrease (increase) in other financial assets in the Summary Quarterly Consolidated Statement of Cash Flows for the cumulative first quarter of the previous consolidated fiscal year has been restated as decrease (increase) in financial receivables.

(Changes in accounting estimates)

Not applicable

(Segment information)

(1) General information on reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information can be obtained. They are subject to periodic review by the Board of Directors for the purposes of informing evaluating business performance and decision-making on management resource allocation.

Through the previous consolidated fiscal year, the Group employed the three reportable segments of the Finance Business, the Automobile Warranty Business, and the Auto Mobility Services Business.

In connection with the establishment on March 1, 2022 of Car Premium Co., Ltd., a new company, and the reorganization of the Group effective April 1, 2022, starting with the consolidated fiscal year under review, the Company employs four reportable segments, adding the Car Premium Business to the existing reportable segments of the Finance Business, the Automobile Warranty Business, and the Auto Mobility Services Business. It has also launched management by business segment by reporting results for each reportable segment to the Board of Directors and other procedures.

An overview of each reportable segment is provided below.

The Finance Business consists of the Credit Finance Business, and the Collection Services Business. All three are primarily involved in providing financial services to enable buyers to purchase products and services via installment payments.

The Automobile Warranty Business consists of automobile warranty services, which allow buyers who purchase vehicles through Group dealers and want warranty services to receive, after paying for the warranty, repair services for purchased vehicles free of charge within the specified scope of the warranty, and other businesses including sale of auto parts necessary for vehicle repairs and other services.

The Auto Mobility Business consists chiefly of the Auto Mobility Service, which provides services necessary to the operation of the automobile distribution business (such as Auto Leasing Business, sale of automobile parts and software, wholesale of automobile, and so on).

The Car Premium Business consists of businesses such as the membership network organization development and promotion business and the automobile maintenance business.

The Group does not distribute assets or liabilities among the business segments used by the Board of Directors.

(2) Profit or loss by reportable segment

In general, the Group prepares profit or loss by reportable segment by the same method it applies for consolidated financial statements. "Adjustments and Companywide" profit and loss include profit or loss not allocated to specific business segments and accounting to offset the internal transactions between segments. Pricing for internal transactions between segments are based on market prices.

Starting from this consolidated fiscal year, the Company Board of Directors will evaluate Group business performance for each of the four business segments: the Finance Business, the Automobile Warranty Business, the Auto Mobility Service Business, and the Car Premium Business. Additionally, starting this consolidated fiscal year, the Group will manage profit and loss by segment. Where feasible, profit and loss figures for the previous consolidated fiscal year have been restated, with profit and loss calculated by segment by the same method applied to this consolidated fiscal year. Where feasible, segment information for the cumulative first quarter of the previous consolidated fiscal year has been restated based on calculations by segment by the same method applied to the cumulative first quarter of this consolidated fiscal year.

Cumulative first quarter of the previous consolidated fiscal year (April 1, 2021 to June 30, 2021)

(unit: million yen)

	Reporting segments					Other*1	Adjustments and Company-wide*2	Consolidated
	Finance	Automobile Warranty	Auto Mobility Services	Car Premium	Total			
Revenue								
Revenue from external customers	3,125	1,357	334	74	4,890	0	-	4,891
Segment profit and loss								
Profit (loss) for the term before tax	649	211	(21)	(22)	817	9	6	832

Cumulative first quarter of this consolidated fiscal year (April 1, 2022 to June 30, 2022)

(unit: million yen)

	Reporting segments					Other*1	Adjustments and Company- wide*2	Consoli- dated
	Finance	Automobile Warranty	Auto Mobility Services	Car Premium	Total			
Revenue								
Revenue from external customers	3,477	1,542	524	138	5,682	1	-	5,682
Segment profit and loss								
Profit (loss) for the term before tax	791	206	52	(33)	1,016	(4)	145	1,157

\*1 The “Other” segment consists of businesses not included in the reportable segments, mainly the computer systems business.

\*2 “Adjustments and Companywide” consist mainly of accounting to offset internal transactions between segments and Companywide figures not attributable to specific business segments.

(Important subsequent events)

In its meeting held July 20, 2022, the Company Board of Directors resolved to implement a stock split and to amend the Articles of Association in connection with this stock split.

1. Stock split

(1) Purpose of the stock split

This stock split is intended to increase the liquidity of shares of Company stock, to broaden the base of investors, and to make it easier for investors to invest in the Company by lowering the price per investment unit.

(2) Method of stock split

The stock split will be conducted by issuing three shares of Company common stock in exchange for each share of Company common stock held by shareholders indicated or registered on the final shareholder registry as of the basis date of August 31, 2022.

(3) Increase in number of shares after the stock split

Number of shares issued and outstanding prior to stock split	13,394,990 shares
Increase in shares after this stock split	26,789,980 shares
Number of shares issued and outstanding after stock split	40,184,970 shares
Authorized number of shares after stock split	144,000,000 shares

Note: The number of shares issued and outstanding after the above stock split is based on the number of shares issued and outstanding as of June 30, 2022. The number of shares is subject to increase due to the exercise of stock options through the basis date of the stock split.

(4) Schedule of stock split

Date of announcement of basis date	Thursday, August 16, 2022 (planned)
Basis date	Wednesday, August 31, 2022 (planned)
Effective date	Thursday, September 1, 2022 (planned)

(5) Impact on information per share

Assuming that the stock split took place at the beginning of the previous consolidated fiscal year, the information per share is as follows.

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2021 to June 30, 2021)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2022 to June 30, 2022)
Basic earnings per share	Yen 15.82	Yen 21.77
Diluted earnings per share	15.62	21.57

(6) Other matters

There will be no change in the amount of capital in this stock split.

2. Partial amendment of the Articles of Association in connection with stock split

(1) Reason for amendment of the Articles of Association

In connection with the above stock split, in its meeting held on the same date, the Board of Directors partially amended the Company Articles of Association effective September 1, 2022, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act of Japan.

(2) Details of the amendment of the Articles of Association (with amended passage underlined)

Current Articles of Association	Amended Articles of Association
Article 6. Authorized number of shares The Company's authorized number of shares is 48 million shares.	Article 6. Authorized number of shares The Company's authorized number of shares is <u>144 million</u> shares.

(3) Schedule of amendment of the Articles of Association

Effective date            Thursday, September 1, 2022