



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

February 3, 2023

Company Name Premium Group Co., Ltd. Listed on the Tokyo Stock Exchange
 Stock Code 7199 URL <https://www.premium-group.co.jp/>
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Scheduled date of quarterly report submission: February 14, 2023 Scheduled date of commencement of dividend payment: —

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 Third Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 to December 31, 2022)

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

	Operating income		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter of fiscal year ending March 31, 2023	18,386	19.7	3,536	25.7	4,640	58.9	3,505	70.2	3,498	70.9
Third quarter of fiscal year ended March 31, 2022	15,362	19.6	2,812	27.7	2,920	4.3	2,060	11.5	2,047	11.5

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Yen	Yen
Third quarter of fiscal year ending March 31, 2023	3,550	74.6	90.40	89.52
Third quarter of fiscal year ended March 31, 2022	2,033	8.4	53.25	52.60

- Notes: 1. Operating income and operating expenses for the previous consolidated fiscal year have been partially revised to account for changes in presentation methods.
 2. Under a resolution approved by the Board of Directors at its July 20, 2022 meeting, the Company implemented a three-for-one stock split on common stock effective September 1, 2022. Calculations of basic earnings per share and diluted earnings per share assume this stock split took place at the start of the previous consolidated fiscal year.

(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	%
Third quarter of fiscal year ending March 31, 2023	89,505	12,781	12,751	14.2
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	-	10.00	-		
Fiscal year ending March 31, 2023 (forecast)				10.00	20.00

- Notes: 1. Revisions to dividends forecast most recently announced: None
 2. Under a resolution approved by the Board of Directors at its July 20, 2022 meeting, the Company

implemented a three-for-one stock split on common stock effective September 1, 2022. Dividends shown for the fiscal year ended March 31, 2022 and before represent actual dividends before this stock split. Annual dividends in the fiscal year ending March 31, 2023 would have been 60.00 yen per share based on figures before this stock split, resulting in an effective increase of 9.00 yen per share in dividends.

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)

	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	17.3	5,300	32.0	4,000	35.0	4,000	36.0	102.59

Note: Revisions to financial forecast most recently announced: None
Percent change from the previous fiscal year reflects comparison of figures after partial reclassification resulting from the change in the presentation method for operating income in the previous consolidated fiscal year.

* 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

- 1) Changes in accounting policies required by IFRS : None
- 2) Changes in accounting policies for other reasons : None
- 3) 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)	Third quarter of fiscal year ending March 31, 2023	40,184,970 shares	Fiscal year ended March 31, 2022	40,184,970 shares
2) Number of treasury shares at end of period	Third quarter of fiscal year ending March 31, 2023	1,437,844 shares	Fiscal year ended March 31, 2022	1,586,655 shares
3) Average number of shares during period (fiscal year to date)	Third quarter of fiscal year ending March 31, 2023	38,690,479 shares	Third quarter of fiscal year ended March 31, 2022	38,438,755 shares

Note: Under a resolution approved by the Board of Directors at its July 20, 2022 meeting, the Company implemented a three-for-one stock split on common stock effective September 1, 2022. Calculations of number of shares issued and outstanding at end of period, number of treasury shares at end of period, and average number of shares during period assume that this stock split took place at the start of the previous consolidated fiscal year.

* 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

1. For additional information on financial results, also refer to the explanatory materials on financial results released today and the quarterly securities report to be released February 14.

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

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

2. 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

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2022)	Third quarter of this consolidated fiscal year (December 31, 2022)
Assets		
Cash and cash equivalents	11,433	10,437
Financial receivables	35,733	41,190
Other financial assets	5,786	6,586
Property, plant, and equipment	3,648	3,282
Intangible assets	6,279	7,586
Goodwill	3,958	3,958
Investments accounted for using equity method	1,600	2,546
Deferred tax assets	3	3
Insurance assets	3,284	4,432
Other assets	10,075	9,485
Total assets	81,800	89,505
Liabilities		
Financial guarantee contracts	30,065	34,675
Borrowings	23,759	24,498
Other financial liabilities	7,248	6,359
Provisions	366	363
Income taxes payable	720	293
Deferred tax liabilities	1,238	1,484
Other liabilities	8,590	9,053
Total liabilities	71,987	76,724
Equity		
Equity attributable to owners of parent		
Capital	1,700	1,700
Share premium	1,295	1,371
Retained earnings	7,722	10,498
Treasury shares	(1,201)	(1,100)
Other components of equity	194	281
Total equity attributable to owners of parent	9,710	12,751
Non-controlling interests	103	30
Total equity	9,814	12,781
Total liabilities and equity	81,800	89,505

(2) Summary Quarterly Consolidated Statement of Profit and Loss

(Millions of yen)

	Cumulative third quarter of the previous consolidated fiscal year (From April 1, 2021 to December 31, 2021)	Cumulative third quarter of this consolidated fiscal year (From April 1, 2022 to December 31, 2022)
Operating income	15,362	18,386
Operating expense	12,549	14,850
Operating profit	2,812	3,536
Share of profit of investments accounted for using equity method	109	1,024
Other financial revenue	26	103
Other finance cost	27	22
Profit for the term before tax	2,920	4,640
Income tax expense	860	1,134
Profit for the term	2,060	3,505
Attributable to:		
Owners of parent	2,047	3,498
Non-controlling interests	13	8
Profit	2,060	3,505
Attributable to owners of parent		
Earnings per share		
Basic earnings per share (yen)	53.25	90.40
Diluted earnings per share (yen)	52.60	89.52

Note: Under a resolution approved by the Board of Directors at its July 20, 2022 meeting, the Company implemented a three-for-one stock split on common stock effective September 1, 2022. Calculations of basic earnings per share and diluted earnings per share assume that this stock split took place at the start of the previous consolidated fiscal year.

(3) Summary Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Cumulative third quarter of the previous consolidated fiscal year (From April 1, 2021 to December 31, 2021)	Cumulative third quarter of this consolidated fiscal year (From April 1, 2022 to December 31, 2022)
Profit for the term	2,060	3,505
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	(1)	8
Share of other comprehensive income of investments accounted for using equity method	(26)	36
Other comprehensive income (net of tax)	(26)	44
Comprehensive income	2,033	3,550
Attributable to:		
Owners of parent	2,021	3,543
Non-controlling interests	12	6
Comprehensive income	2,033	3,550

(4) Summary Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					Other components of equity
	Capital	Share premium	Retained earnings	Treasury shares	Exercise of warrants	
	Balance as of April 1, 2021	1,612	1,281	5,403		(1,201)
Comprehensive income						
Profit	-	-	2,047	-		-
Other comprehensive income	-	-	-	-		-
Total comprehensive income	-	-	2,047	-		-
Transactions with owners, etc.						
Issuance of new shares	0	0	-	-		(0)
Purchase of treasury shares	-	-	-	(1)		-
Dividends	-	-	(621)	-		-
Share-based payment transactions	66	6	-	-		21
Total transactions with owners, etc.	66	6	(621)	(1)		21
Balance as of December 31, 2021	1,678	1,287	6,828	(1,201)		31

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non- controlling interests	Total equity
	Share of other comprehensive income of investments accounted for using 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	-	-	-	2,047	13	2,060
Other comprehensive income	(26)	(0)	(26)	(26)	(0)	(26)
Total comprehensive income	(26)	(0)	(26)	2,021	12	2,033
Transactions with owners, etc.						
Issuance of new shares	-	-	(0)	0	-	0
Purchase of treasury shares	-	-	-	(1)	-	(1)
Dividends	-	-	-	(621)	-	(621)
Share-based payment transactions	-	-	21	93	-	93
Total transactions with owners, etc.	-	-	21	(529)	-	(529)
Balance as of December 31, 2021	83	(2)	112	8,703	92	8,795

(Millions of 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	-	-	3,498	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	3,498	-	-
Transactions with owners, etc.					
Dividends	-	-	(722)	-	-
Capital transactions with non-controlling shareholders	-	28	-	52	-
Share-based payment transactions	-	49	-	49	42
Total transactions with owners, etc.	-	76	(722)	101	42
Balance as of December 31, 2022	1,700	1,371	10,498	(1,100)	82

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Share of other comprehensive income of investments accounted for using 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	-	-	-	3,498	8	3,505
Other comprehensive income	36	9	46	46	(1)	44
Total comprehensive income	36	9	46	3,543	6	3,550
Transactions with owners, etc.						
Dividends	-	-	-	(722)	-	(722)
Capital transactions with non-controlling shareholders	-	-	-	79	(79)	-
Share-based payment transactions	-	-	42	140	-	140
Total transactions with owners, etc.	-	-	42	(503)	(79)	(582)
Balance as of December 31, 2022	195	4	281	12,751	30	12,781

(5) Summary Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative third quarter of the previous consolidated fiscal year (From April 1, 2021 to December 31, 2021)	Cumulative third quarter of this consolidated fiscal year (From April 1, 2022 to December 31, 2022)
Cash flow from operating activities		
Profit for the term before tax	2,920	4,640
Depreciation and amortization expense	946	1,051
Other finance income and finance costs	135	75
Decrease (increase) in financial receivables	(4,809)	(5,457)
Increase (decrease) in financial guarantee contracts	3,518	4,609
Decrease (increase) in other financial assets	(719)	(609)
Increase (decrease) in other financial liabilities	(783)	(689)
Decrease (increase) in other assets	829	(682)
Increase (decrease) in other liabilities	676	453
Share of loss (profit) of investments accounted for using equity method	(109)	(1,024)
Other	50	140
Subtotal	2,654	2,509
Interest received	1	1
Interest paid	(117)	(151)
Dividends received	98	148
Income taxes paid	(1,175)	(1,337)
Income taxes refunded	181	160
Cash flow from (used in) operating activities	1,641	1,329
Cash flow from investing activities		
Purchase of investment securities	(0)	(100)
Purchase of property, plant, and equipment	(226)	(300)
Proceeds from sale of property, plant, and equipment	-	66
Purchase of intangible assets	(301)	(1,321)
Payments for loans receivable	(11)	(28)
Collection of loans receivable	13	13
Payments for guarantee deposits	(233)	(208)
Proceeds from collection of guarantee deposits	70	82
Proceeds from acquisition of subsidiary	-	10
Other	(14)	8
Cash flow from (used in) investing activities	(703)	(1,778)
Cash flow from financing activities		
Proceeds from short-term loans	14,000	1,000
Repayments of short-term loans	(14,000)	(100)
Proceeds from long-term loans	3,514	4,630
Repayments of long-term loans	(4,543)	(4,820)
Repayments of lease obligations	(594)	(638)
Payments for purchase of treasury shares	(1)	(0)
Dividends paid	(620)	(720)
Other	112	90
Cash flow from financing activities	(2,131)	(558)
Net increase (decrease) in cash and cash equivalents	(1,193)	(1,006)
Cash and cash equivalents at beginning of period	8,054	11,433
Effect of exchange rate changes on cash and cash equivalents	(1)	1
Cash and cash equivalents at end of period	6,859	10,428

(6) Notes on the Summary Quarterly Consolidated Financial Statements

(Notes concerning the going-concern assumption)

Not applicable

(Changes in accounting policies)

Not applicable

(Changes in presentation methods)

Summary Quarterly Consolidated Statement of Profit and Loss

To present profit and loss resulting from its primary business activities more clearly and in response to the commencement of business results management based on such presentation of profit and loss in reports to the Board of Directors, beginning with the cumulative period through the first quarter of the consolidated fiscal, the Company presents operating profit as the difference between operating income and operating expenses. As a result, the Summary Quarterly Consolidated Statement of Profit and Loss for the cumulative period through the third quarter of the previous consolidated fiscal year shows an operating profit of 2,812 million yen.

In addition, due to the growing importance of the Auto Leasing Business, interest paid related to the Auto Leasing Business, previously included under other financial revenue, is now included in operating expense (finance cost) starting from the end of the previous consolidated fiscal year. To reflect this change in presentation methods, 49 million yen previously included under other finance costs on the Summary Quarterly Consolidated Statement of Profit and Loss for the cumulative period through the third quarter of the previous consolidated fiscal year is now presented under operating expenses (finance costs).

Due to the growing significance of exchange rate fluctuations for business activities, foreign exchange gains, which had been included under other financial revenue, are now included in operating income (other) starting with the cumulative period through the second quarter of the consolidated fiscal year. To reflect this change, 5 million yen that would formerly have been included under other finance costs in the cumulative period through the third quarter of the previous consolidated fiscal year is now presented under operating expenses.

Summary Quarterly Consolidated Statement of Cash Flows

In light of the greater significance of the Auto Leasing Business, lease investment assets, previously included under decrease (increase) in other financial assets, is included under decrease (increase) in financial receivables starting from the end of the previous consolidated fiscal year. To reflect this change in presentation methods, (2,480 million yen) that would previously have been included under decrease (increase) in other financial assets on the Summary Quarterly Consolidated Statement of Cash Flows for the cumulative period through the third quarter of the previous consolidated fiscal year is now presented under decrease (increase) in financial receivables.

(Changes in accounting estimates)

Not applicable

(Segment information)

(1) General information on reporting segments

The Group's reporting segments consist of the Group's constituent units for which separate financial information is available and subject to periodic review by the Board of Directors for decisions related to allocating management resources and evaluating business performance.

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

With the establishment of Car Premium Co., Ltd. effective March 1, 2022 and the reorganization of Group companies effective April 1, 2022, the Car Premium Business has been added as a new reporting segment, adding to the three existing segments of the Finance Business, the Automobile Warranty Business, and the Automotive Mobility Services Business. As a result, the Group now employs four reporting segments. In addition, the Auto Leasing Business, which had been included in the Finance Business in the previous consolidated fiscal year, has been incorporated into the Automotive Mobility Services Business, and the business of sale of auto parts, which had been included in the Automotive Mobility Services Business in the previous consolidated fiscal year, has been incorporated into the Automobile Warranty Business.

A summary of each reporting segment is provided below.

The Finance Business consists mainly of the Credit Finance Business, which provides financing services that allow customers to pay for products and services in installments, and debt collection services.

The Automobile Warranty Business consists of (i) automobile warranty services that enable customers who choose to add automobile warranty plans when purchasing vehicles through Group partners to receive repairs at no additional cost within the scope specified in advance for mechanical problems with their vehicles by paying a fixed warranty charge, and (ii) sales of auto parts for vehicle repairs and other purposes, among other businesses.

The Automotive Mobility Services Business is made up chiefly of automotive mobility services, which provide multiple services needed for the automobile distribution business (such as the sale of auto parts, wholesale vehicles, and software).

The Car Premium Business consists of the development and promotion of a membership network organization, vehicle maintenance and sales, and other businesses.

The Group does not allocate assets and liabilities to the business segments employed by the Board of Directors.

(2) Profit or loss by reporting segment

In principle, Group profit or loss figures by segment are prepared to the same standards as for consolidated financial statements. However, to clearly indicate the contributions and results of each reporting segment, beginning with the cumulative period through the second quarter of the consolidated fiscal year, the Company shifted to the method of presenting companywide segment profit and loss, which had been presented including adjustments and companywide figures, allocated to individual business segments. Adjustments and companywide figures consist mainly of elimination entries for internal transactions between segments. Prices for internal transactions between segments are based on market prices.

Starting with the cumulative period through the first quarter of the consolidated fiscal year, the Group changed the units used to assess the performance of the Board of Directors to the four business segments of the Finance Business, the Automobile Warranty Business, the Automotive Mobility Services Business, and the Car Premium Business. Segment information for the cumulative period through the third quarter of the previous consolidated fiscal year and for the third quarter of the previous consolidated fiscal year, to the extent feasible, has been calculated and restated by the same methods as those employed for the cumulative period through the third quarter of this consolidated fiscal year and the third quarter of this consolidated fiscal year.

In the cumulative period through the second quarter of the consolidated fiscal year, in the Finance Business, the Group recorded a gain on reversal of impairment losses recognized in past fiscal years (871 million yen). This resulted from the recognition of continuing recovery in share prices driven by recovery in the business performance of Eastern Commercial Leasing PLC, an equity method affiliate. The amount recoverable is

measured by fair value after deducting disposal costs; this gain on reversal is included in the Summary Quarterly Consolidated Statement of Profit and Loss under share of profit of investments accounted for by the equity method.

Cumulative period through the third quarter of the previous consolidated fiscal year (April 1 to December 31, 2021)

	Reporting segment					Other ^{*1}	Adjustments and company-wide figures ^{*2}	Consolidated
	Finance	Automobile	Automotive Mobility Services	Car Premium	Total			
Revenues								
Revenues from external customers	9,721	4,188	1,199	249	15,357	6	(2)	15,362
Segment profit/loss								
Income (loss) before taxes	2,418	490	79	(69)	2,918	17	(15)	2,920

Cumulative period through the third quarter of this consolidated fiscal year (April 1 to December 31, 2022)

	Reporting segment					Other ^{*1}	Adjustments and company-wide figures ^{*2}	Consolidated
	Finance	Automobile	Automotive Mobility Services	Car Premium	Total			
Revenues								
Revenues from external customers	11,097	4,792	1,933	560	18,382	2	2	18,386
Segment profit/loss								
Income (loss) before taxes	3,947	442	257	(0)	4,647	12	(19)	4,640

*1 "Other" refers to business segments not included in reporting segments and mainly consists of the computer systems business.

*2 Adjustments and companywide figures consist mainly of elimination entries for internal transactions between segments.

(Important subsequent events)
Not applicable