

Medium-Term Management Plan

ONE&ONLY

2026



カ-オレニア

TSE Prime Section: 7199
Premium Group Co., Ltd.

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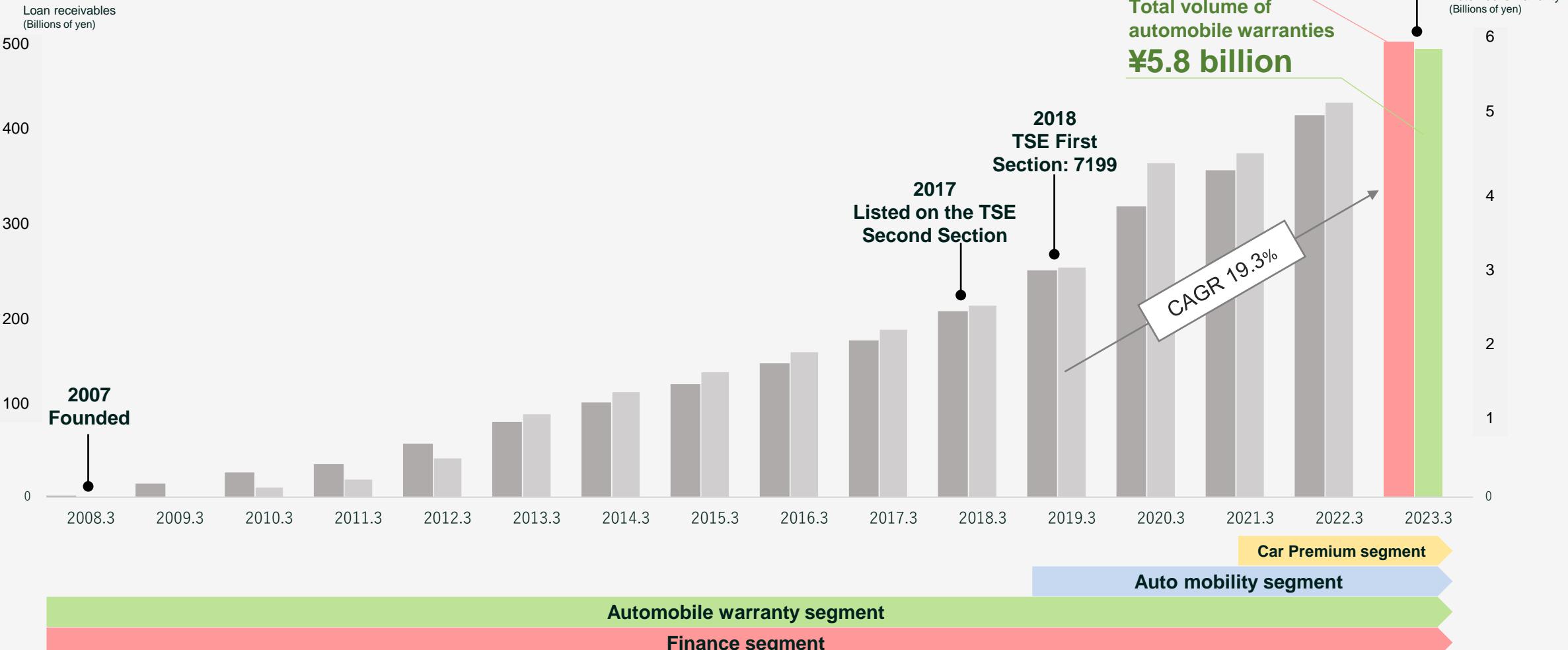
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01

Tracing Our Past Growth

Tracing Our Past Growth: Business Expansion

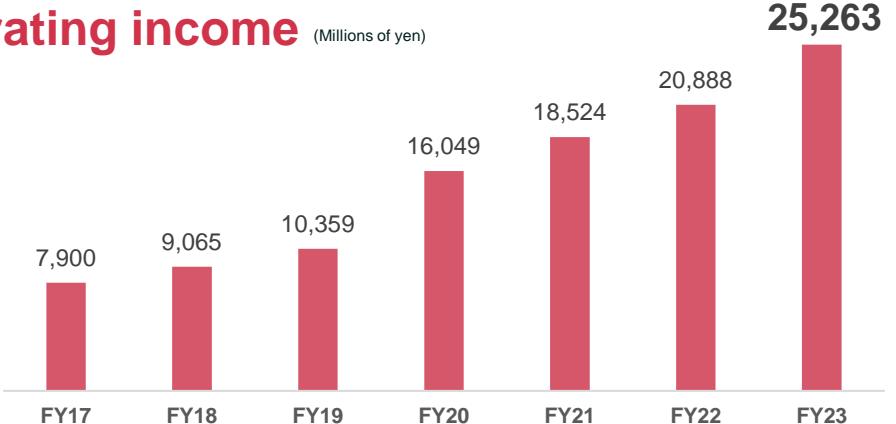
Publicly listed 10 years after founding, growing business lines with a focus on finance and automobile warranty



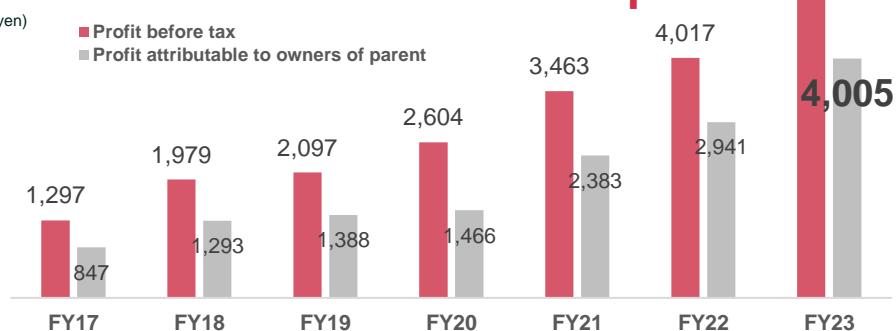
Tracing Our Past Growth: Performance

Continued steady growth and maintaining high ROE

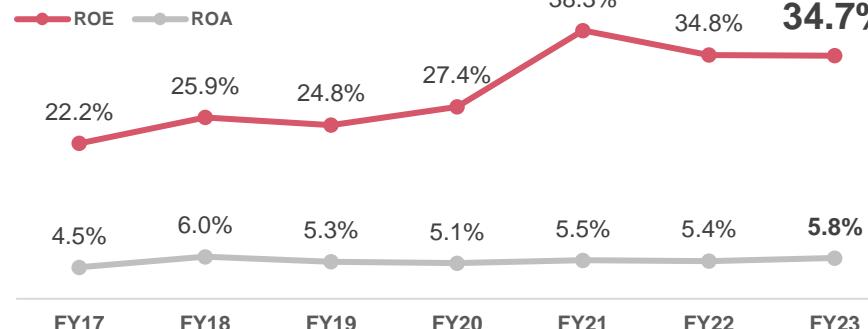
Operating income (Millions of yen)



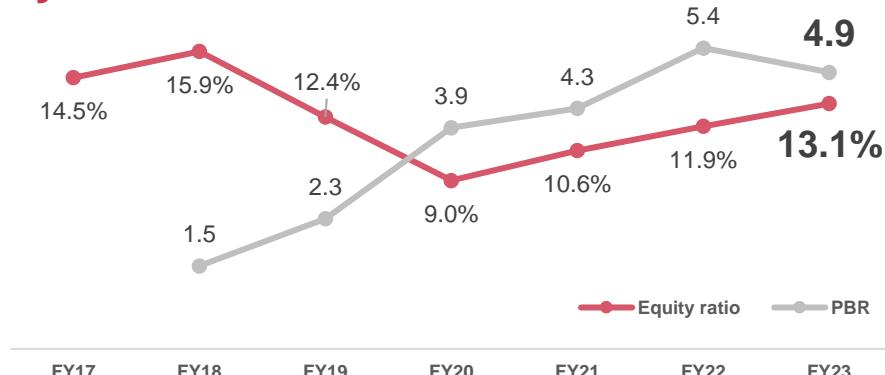
Profit before tax / Profit attributable to owners of parent (Millions of yen)



Return on equity (ROE) / Return on assets (ROA)



Equity ratio / PBR (% / Times)

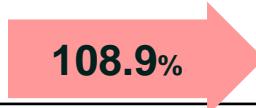
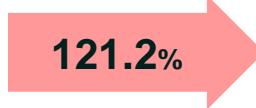


02

Summary of the Previous Medium-Term Management Plan (MTP) VALUE UP ↗ 2023

Summary of the Previous MTP VALUE UP 2023: Quantitative Elements

Despite a used automobile market worse than when the plan was formulated, **achieved profit targets**
More than doubled market capitalization since announcement of previous MTP

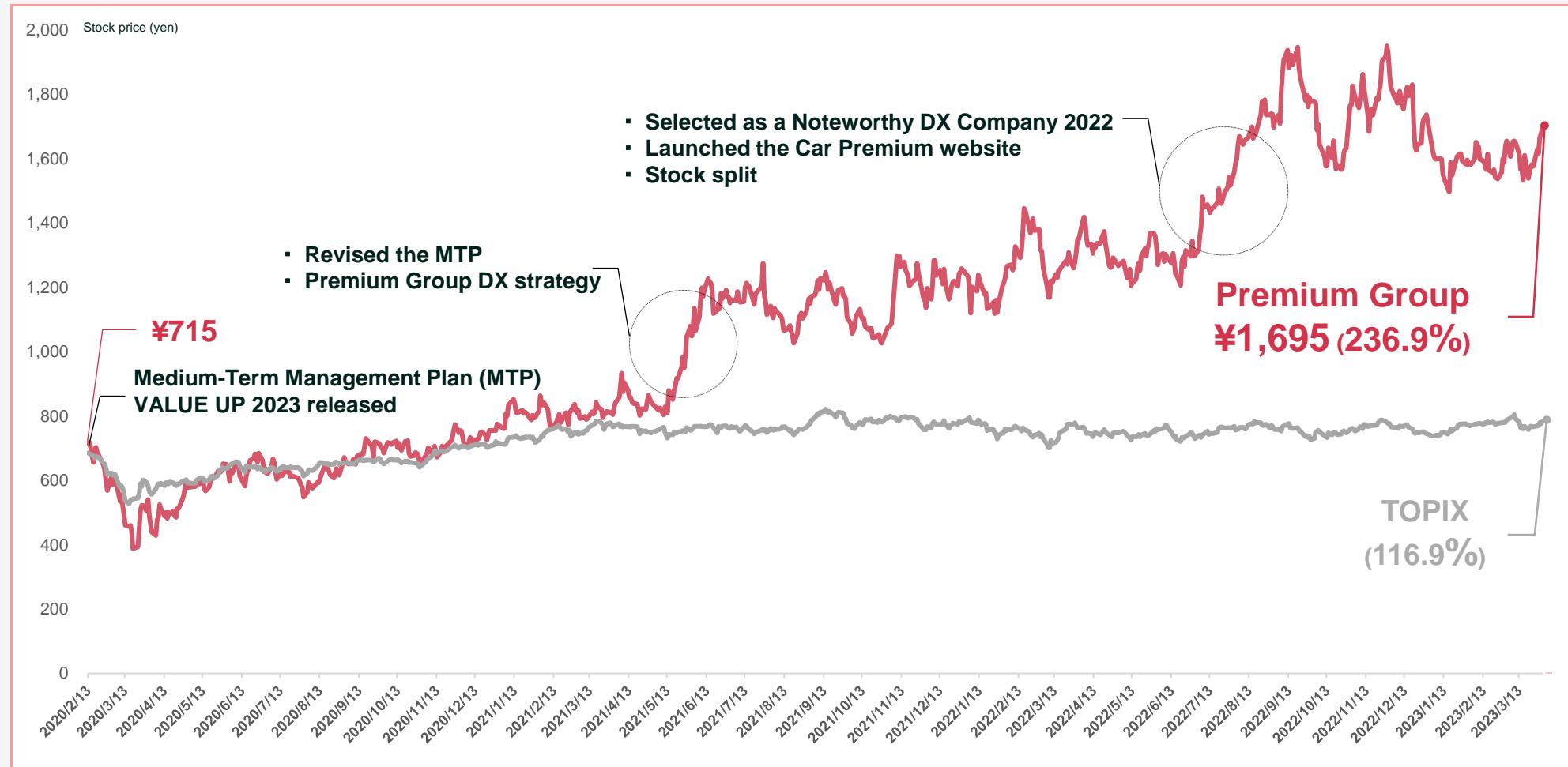
MTP targets		FY23 results
Operating income	¥25.8 billion	 97.9%
Profit before tax	¥4.9 billion	 108.9%
Profit attributable to owners of parent	¥3.3 billion	 121.2%
ROE	31.7%	 +3.0 pts
Market cap	¥90-100 billion	 -¥21.6 billion

Details on the next page

Summary of the Previous Medium-Term Management Plan (MTP)

VALUE UP ↑ 2023: Stock Price

Over 2x growth since release of the Medium-Term Management Plan (February 14, 2020), significantly outperforming TOPIX



Summary of the Previous Medium-Term Management Plan VALUE UP ↑ 2023:

Qualitative Elements

Completion of three years of previous MTP actions to transform into an auto mobility company, transitioning to a new MTP

	Priority themes in previous MTP	Major initiatives taken	Potential future developments
Finance	Expand marketing area using BIZ site format	✓ ✓	<ul style="list-style-type: none"> Introduced BIZ site format, creating more refined organizational structure Streamlined sales activities Approx. 10% of network stores acquired memberships of Car Premium Dealers
	Increase sales staff to 130	✓ ✓	<ul style="list-style-type: none"> Further increase in volume of new loans and profitability
	Grow network stores and promote shift to a membership structure	✓ ✓	<ul style="list-style-type: none"> Creating a structure for boosting performance
	AI credit screening	✓ ✓	<ul style="list-style-type: none"> Further streamlining back-office functions
	Paperless	✓ ✓	<ul style="list-style-type: none"> Building models for expanding AI credit screening
	Automate back-office functions	✓	<ul style="list-style-type: none"> Converting areas other than automotive credit financing to paperless Encouraged streamlining/labor saving without automating
Automobile warranty	Demonstrate Group synergies	✓ ✓	<ul style="list-style-type: none"> Further collection efficiency through digital transformation (DX)
	Sale of repossessed cars for delinquent loans	✓ ✓	<ul style="list-style-type: none"> Delinquency rate remained low Growth in key content for Car Premium Dealers
	Expand sale of existing products	✓ ✓	<ul style="list-style-type: none"> Products developed in-house expanded to 204%, extended warranties to 52x
	Development of products for extended warranties and grow sales	✓ ✓	<ul style="list-style-type: none"> Reduced costs thanks to successfully expanding Group-internal parts procurement and encouraging use of our network facilities Released EV warranties Ran advertising for increasing visibility Ran radio ads, etc.
Auto mobility services	Cost reduction measures and reflection to selling prices	✓	
	Ran advertising for increasing visibility	✓ ✓	
	Expansion of service lineup	✓ ✓	
	Creating a membership structure for used automobile dealers	✓ ✓	<ul style="list-style-type: none"> Car Premium Dealers: Expanded to 2,581 Car Premium Garages: Expanded to 370 Began handling the power purchase agreement (PPA) business
	Maintenance facilities' membership structure	✓ ✓	
International	Development of business helping reduce CO ₂ emissions	✓	<ul style="list-style-type: none"> Launched the P-Gate portal site for network stores Launched the Car Premium website for consumers
	Promotion of platform concept	✓	
	Increase number of countries entered by using tie-ups	✓	<ul style="list-style-type: none"> Developed automotive warranty business in the Philippines Actively expand business as the COVID-19 pandemic ends

03

Mission (Management Philosophy)

Mission: What Premium Group Is Aiming For



Provide top level financing and services to the world, and help make the world a better place



Develop spiritually rich human capital who are always positive and can dedicate themselves to completing processes

04

Long-Term Vision

Achieving Our Long-Term Vision



The ONE&ONLY auto mobility company

ONE

No. 1 in three areas



Finance
Automobile
warranty
Mobility

Used car loans: **No. 1**
No. 1 worldwide
No. 1 in used vehicle
inventories



Originality

The only company in Japan
to create a market in the
used car domain that
includes a finance business



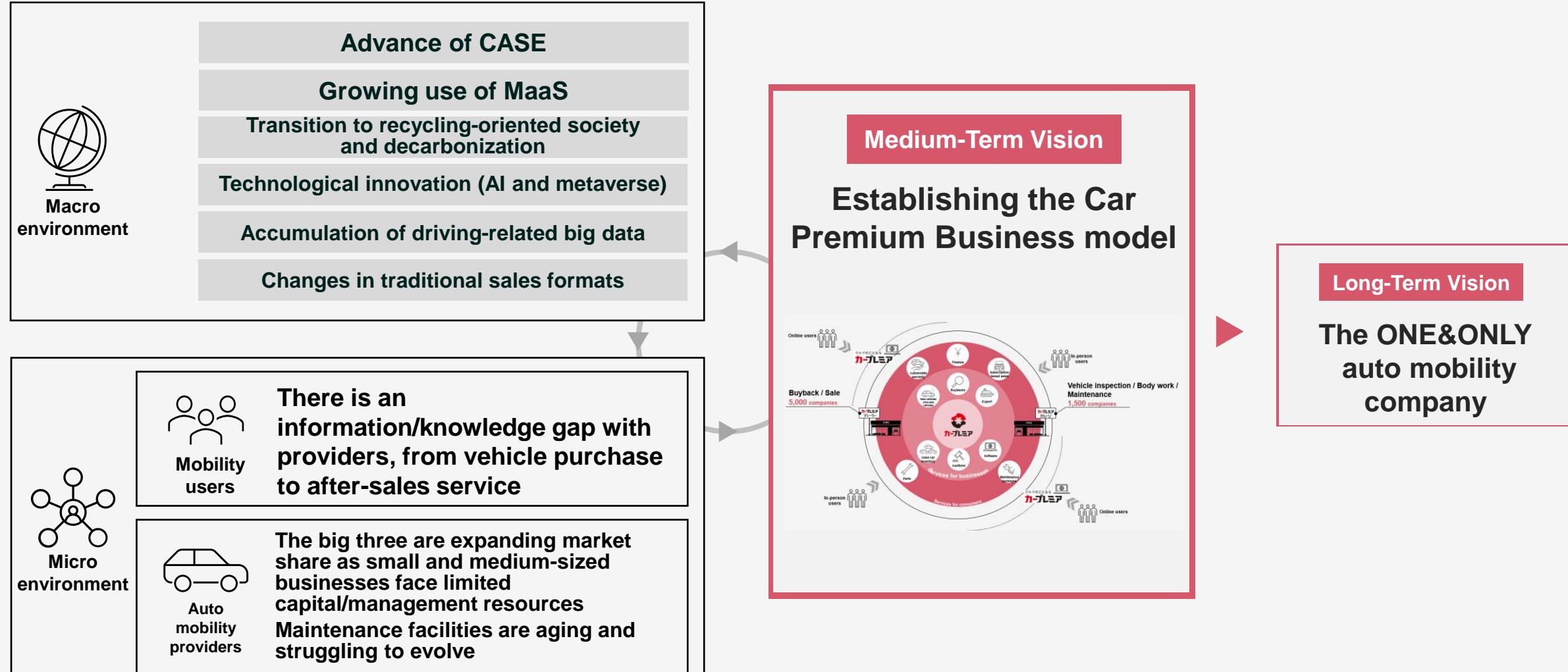
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05

Medium-Term Vision

A Medium- to Long-Term Vision, Derived from the External Environment

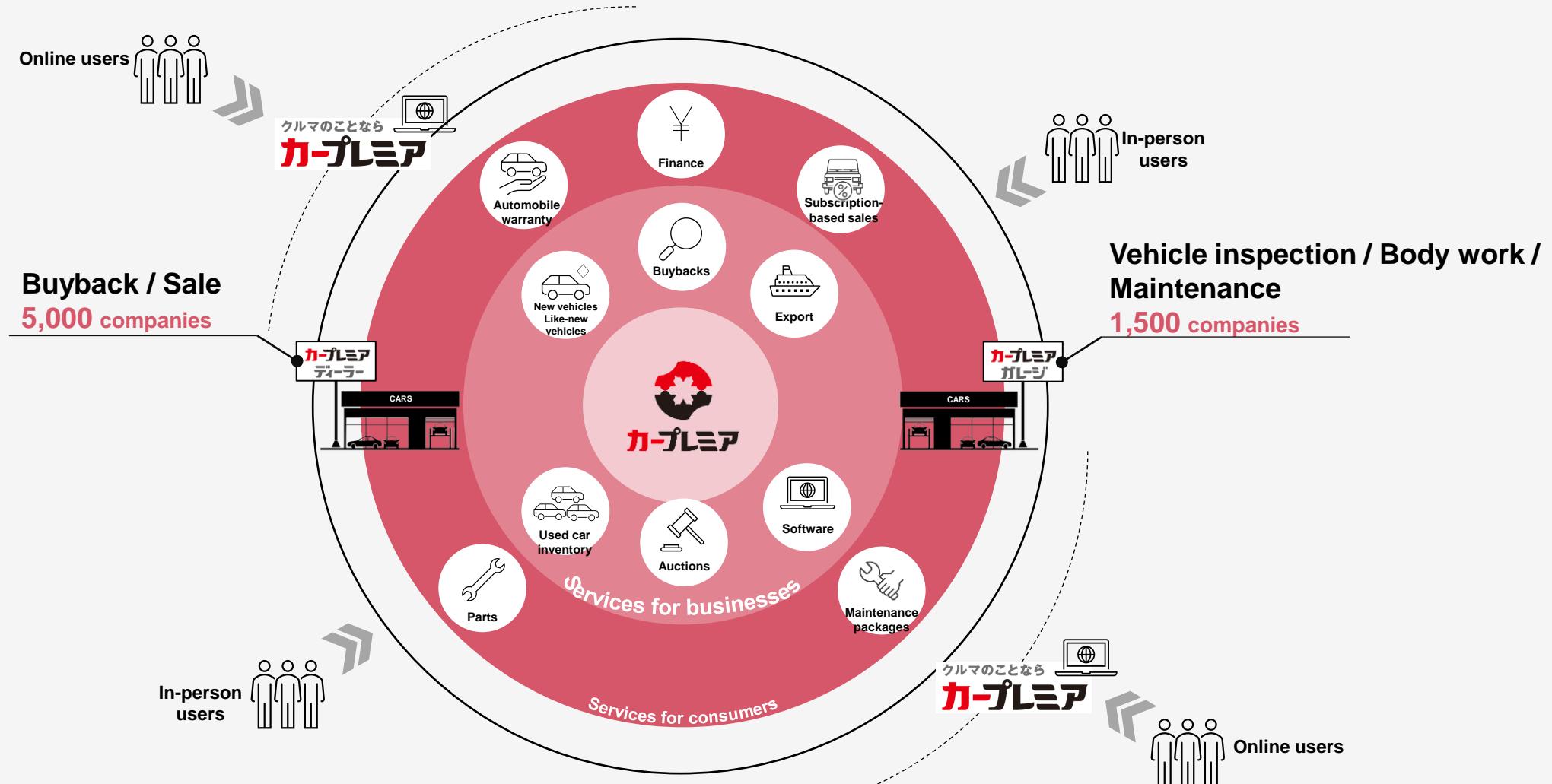
Need a medium- to long-term vision tailored to **macro environment** changes in a once-in-a-century transformative era and **micro environment** needs



Achieving Our Medium-Term Vision

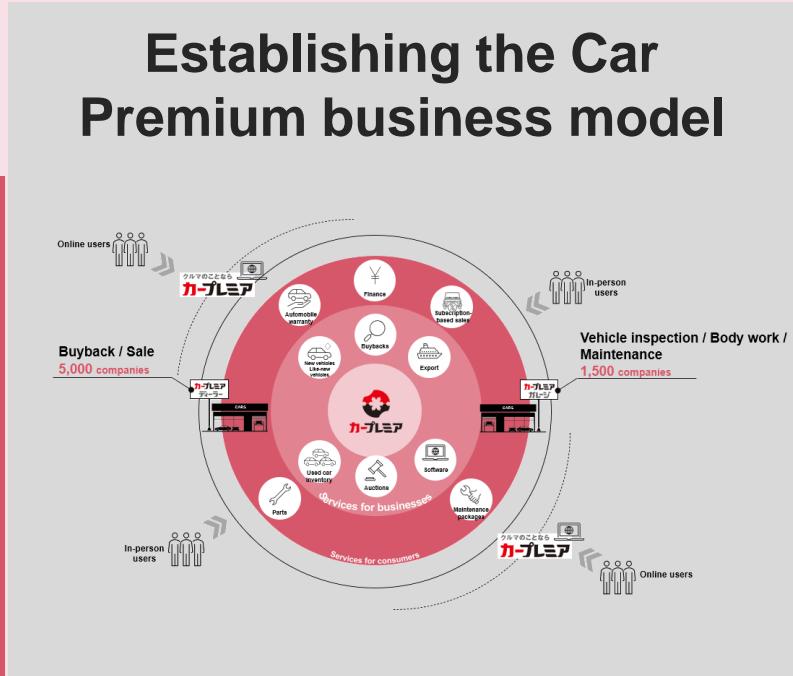


Medium-Term Vision: Establishing the Car Premium Business Model



Materiality (Key Issues) in the Medium-Term Vision

Materiality (key issues) to achieve our medium-term vision are as follows

Key Issues				Medium-Term Vision
Car Premium		<ul style="list-style-type: none">▪ Expanding the Car Premium Club▪ Establishing the Car Premium brand▪ Strengthening ability to attract in-person/online customers		<h3>Establishing the Car Premium business model</h3>  <p>The diagram illustrates the 'Car Premium business model' as a central hub connected to various service offerings and user segments. The central hub is labeled 'カープレミア' (Car Premium). Surrounding the hub are several service icons: Finance (car with yen symbol), Automobile warranty (car with wrench), Buybacks (car with dollar sign), Export (ship), Software (laptop), Parts (wrench and bolt), Services for businesses (bar chart), and Services for consumers (key and lock). Arrows point from the hub to these services. The diagram is divided into three concentric circles. The innermost circle represents 'In-person users' (represented by icons of people in a car and a garage). The middle circle represents 'Online users' (represented by icons of people with a laptop and a smartphone). The outermost circle represents 'Buyback / Sale 5,000 companies' and 'Vehicle inspection / Body work / Maintenance 1,500 companies' (represented by icons of a car and a person working on a car). Arrows point from the hub to these outer segments.</p>
Finance		<ul style="list-style-type: none">▪ Expanding Car Premium Dealers▪ Increasing transaction volume per network store		
Automobile warranty		<ul style="list-style-type: none">▪ Expanding third-party warranties market<ul style="list-style-type: none">- Expanding sales focused on products developed in-house- Reducing repair costs		
Auto mobility services		<ul style="list-style-type: none">▪ Enhancing auto mobility services▪ Expanding scale of each auto mobility business▪ Developing differentiated products		

06

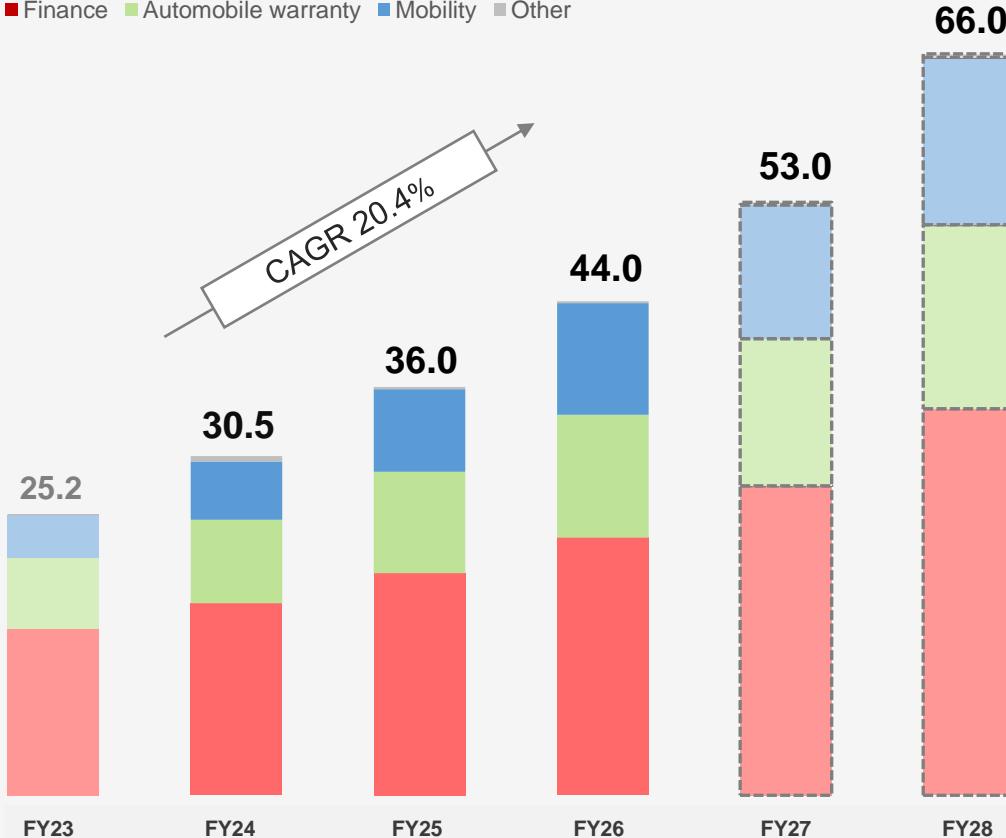
Numerical Targets

Numerical Targets: Management Indicators

Operating income

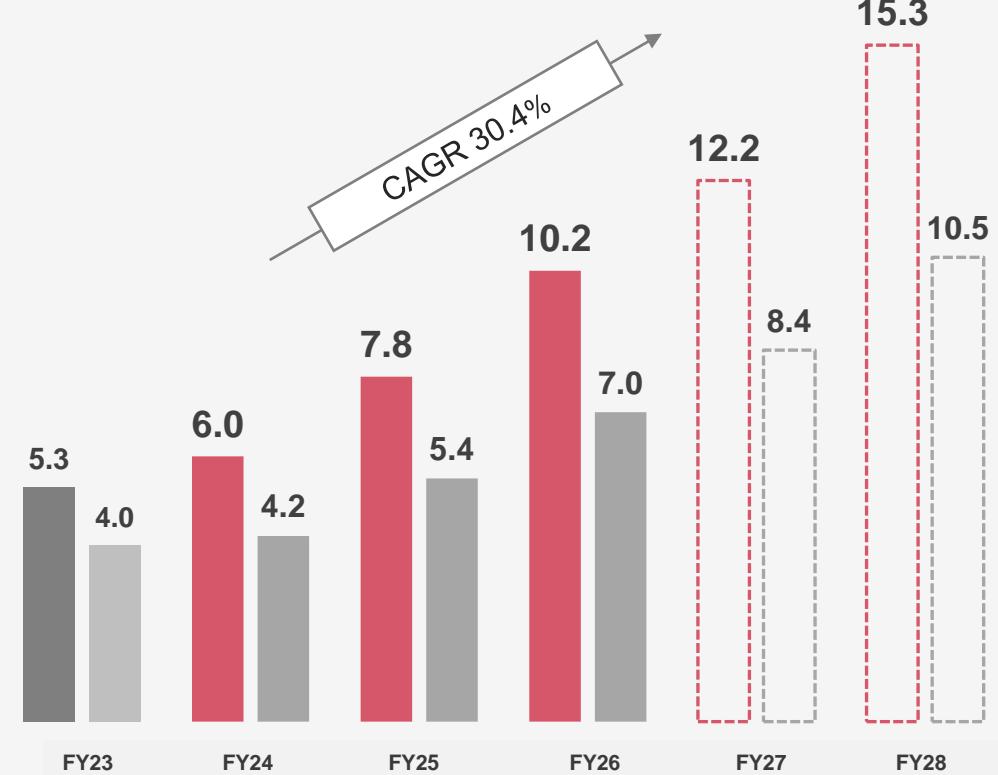
(Billions of yen)

■ Finance ■ Automobile warranty ■ Mobility ■ Other



Profit before tax / Profit attributable to owners of parent (Billions of yen)

■ Profit before tax ■ Profit attributable to owners of parent



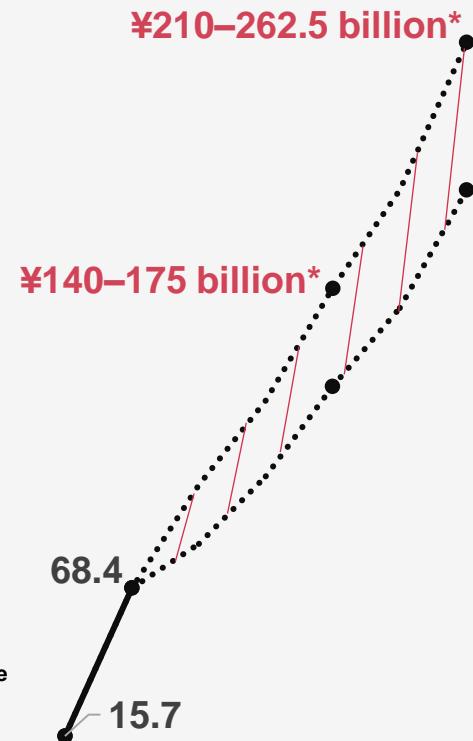
Numerical Targets: Other Indicators

ROE (%)

► Maintaining the 30%–39% range

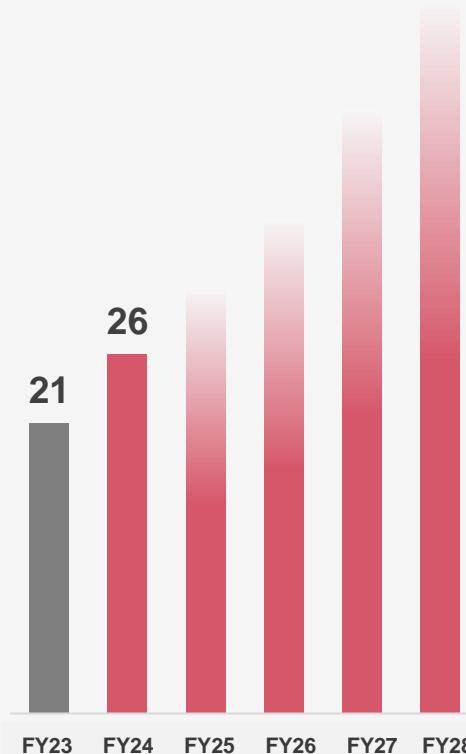


Market cap (Billions of yen)



Dividends (Yen)

► Increasing dividends with growth



Other policies

- Dividend policy
- Dividends

In principle, profits earned are focused on business investment

Note: The Group is currently in a business growth phase. However, we are continuously increasing dividends in line with profit growth.

- Share buybacks

Flexible decision-making based on investment opportunities, cash flow balance, stock price, etc.

- Financial policy

Diversifying funding methods while maintaining stable, long-term funding, mainly affiliated loans

- Obtained A ratings and above

During the period of the MTP, earn ratings of A or higher

*1 Source: "Summary of Financial Results: Fiscal Year Ended March 2022, First Section, Non-manufacturing Data," Japan Exchange Group

* PER used to calculate market capitalization
Upper limit: Calculated using 25x of PER for major mobility-related companies
Lower limit: Calculated using 20x of average PER (Mar. 2023) for companies listed on the TSE Prime Market

07

Key Issues (Materiality)

Car Premium Segment

Key Issues

Expanding the Car Premium Club and strengthening brand and ability to attract customers

Key Policies

Expanding Car Premium Dealers to 5,000

カープレミアディーラー

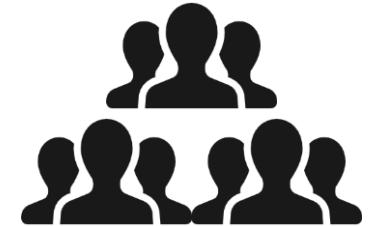
Expanding Car Premium Garage to 1,500

カープレミアガレージ

Branding
(Increasing visibility)



Offline/online marketing
(Attracting/capturing customers)



Key Issues

Expanding Car Premium Dealers, increasing transaction volume per network store, and using DX to streamline operations

Key Policies

**Expanding paid member transactions
Substantially increasing sales PH***

カープレミアディーラー

**Releasing new core system
Cross-functional business improvements**



**Paperless conversion for all offerings
Abolition of applications by fax**



Collection efficiency through DX



* PH: "Per Head," the average monthly total volume of new loans or warranties per sales staff

Automobile Warranty Business Unit

Key Issues

Expanding sales focused on products developed in-house to expand the third-party warranty market, reducing repair costs/using DX to streamline operations

Key policies

Expanding sales of Car Premium Warranty developed in-house



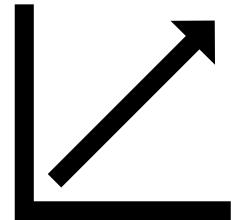
Greater in-house production of repair parts



Automating adjuster tasks
Going paperless



Product pricing and strengthened lineups to meet a wide range of needs



Key Issues

Expanding mobility services and developing differentiated products to entrench the Car Premium business

Key Policies

Purchasing and sales channel expansion (incl. exports) for used car inventories



Expanding sales of products developed in-house / Developing new subscription-based products

カープレミアクラブリース

Nationwide rollout of software for mobility providers to become industry No. 2



Complete mobility platform

クルマのことなら
カープレミア
P-Gate
Portal site

08

International Strategy

International Strategy

○ Basic policy

- **Proactively working to restore momentum stalled by the pandemic**
- **New market entry mainly in Southeast Asia**
 - Selected as a destination mainly due to many Japanese cars used there and active mobility markets
- **Market entry via M&A / joint venture**
 - Building international earnings pillars while hedging risks
- **Combined market entry of our services**
 - **Horizontally rolling out success cases** from our domestic businesses

FY23

○ Future issues and initiatives

- **Securing and developing global and local talent**
 - Recruiting and training global talent
- **Considering new countries for market entry**
 - To secure further revenue opportunities, will gather information on local geopolitical risks and expand business as a unified group
- **Increasing international share of profit (FY26 target: 10%)**
 - **Preparing for shrinkage of domestic market** due to population decline
 - Over the ultra-long term, targeting a 50:50 domestic-international ratio

FY30



09

Initiatives for Sustainable Growth

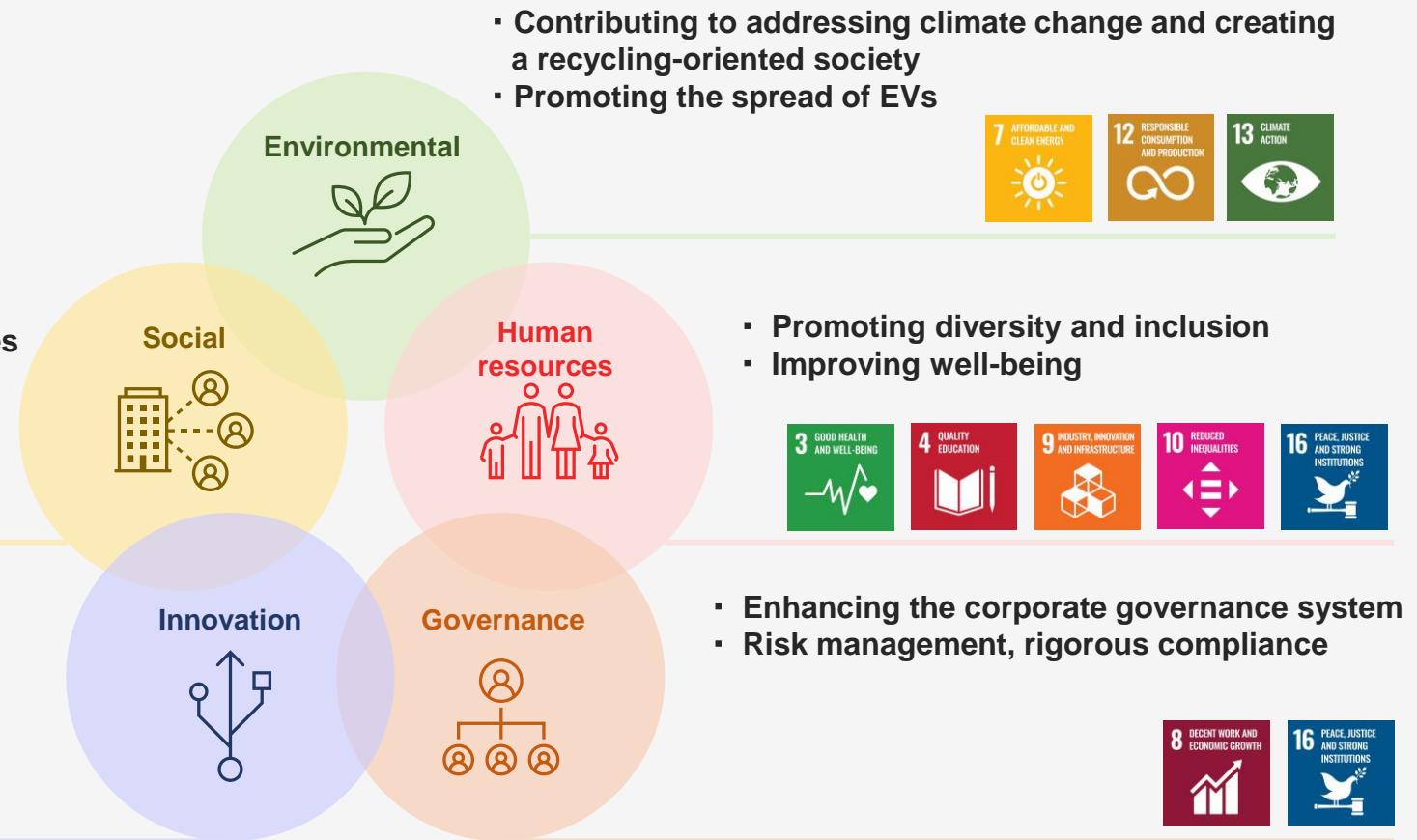
Initiatives for Sustainable Growth: Summary

The following are our key issues set for achieving sustainable growth

- Protecting customers
- Appropriate transactions, sales processes
- Regional revitalization



- Operational innovations through DX
- Value chain management



Addressing climate change

- Declaring support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

To be disclosed June 2023



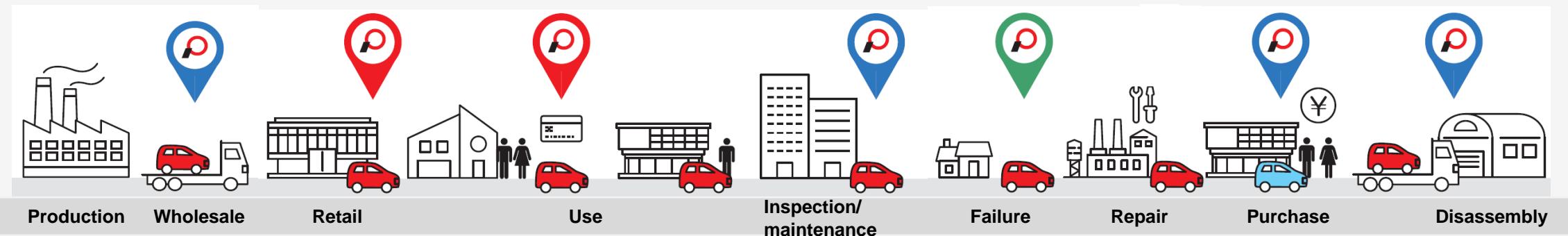
Contribute to creation of recycling-oriented society

- In our business activities, promoting business in the Reduce, Recycle, Reuse, and Repair (4Rs) for automobiles
- Contribute to creation of a recycling-oriented society via expansion of our main businesses



Promoting the spread of EVs

- Installing solar power generation systems and ordinary EV chargers on Car Premium Club premises
- Contributing to the spread of EVs by providing services covering the entire used car distribution process from upstream to downstream



Customer privacy and data protection

- Acquisition of PrivacyMark from JIPDEC
- Establishing and adhering to an internal privacy policy, and implementing several measures to strengthen system security

Appropriate transactions/sales processes

- Obtaining/renewing business registration as an individual credit purchase intermediary as required by the Installment Sales Act
- Establishing internal regulations certified as compliant with the model regulations stipulated by the Japan Consumer Credit Association
- Issuing an internal and external declaration of our basic policy concerning elimination of anti-social forces and creating mechanisms for implementation

Value chain management/DX innovation

- By promoting Car Premium, we are **building a value chain consisting of** consumers, car dealers, maintenance facilities, and the Company.
- Improving productivity by introducing AI, RPA, etc. to streamline business processes
- Creating new business models **adapted to CASE/MaaS**

Achieving both sales efficiency and social contribution

- Introducing next-generation vehicle telematics devices to streamline sales activities and improve vehicle fuel efficiency
- A portion of leasing fees for vehicle devices is donated to learning support projects through the **MIRAI 2030™ SDGs lease** program



Regional revitalization / Education

- Sponsored Yaima SDGs symposium. Provided the symposium's keynote speech.
- **Providing financial education classes at high schools** to improve financial literacy among young people and to provide opportunities to learn about economics and finance

Human resource development

- **Diversifying employment opportunities** by hiring year-round for both new graduates and mid-career professionals
- Providing training programs via our training subsidiary, incorporating expertise accumulated since our founding

Promoting diversity

- **Actively recruiting international talent** and promoting young people and women to management positions
- Raising awareness through "Lean in Premium," a project to empower women

Work style reforms

- Expanding offices to match business expansion, **achieving diverse work styles through use of satellite offices and dedicated remote work assignments**
- Encouraging taking paid leave (encouraging employees to take long vacations twice a year)
- Utilization of company-owned recreation facilities and external vacation facilities

Respecting human rights

- **Disclosing and ensuring compliance with human rights policies**
- Conducting various rank-based training programs and compliance training to create a workplace environment free from discrimination and harassment and to promote business activities

Training expenses per employees

FY23 result
¥75,000 ➤ ¥100,000

Corporate average: ¥29,000

Source: "2022 Field Survey of Education and Training Expenditures" by the SANRO Research Institute, Inc., based on FY2021 results.

Percentage of female managers

FY23 result
19.1% ➤ 25%

Corporate average: 9.4%

Source: "Corporate Attitude Survey Toward the Promotion of Women (2022)," Teikoku Databank

Percentage of non-Japanese employees

FY23 result
12.4% ➤ 15%

Includes equity-method affiliates

TSE Prime Market average
9.0%

Survey by TOKYO SHOKO RESEARCH, LTD.

Achieved 30% share of female officers as recommended by the Asian Corporate Governance Association (ACGA)

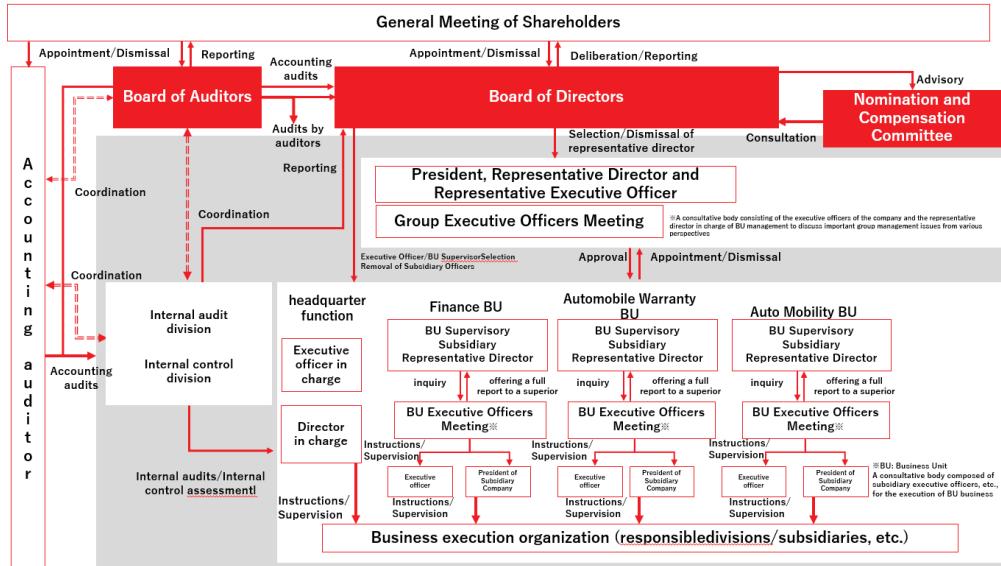
Percentage of female directors

FY23 result
33.3% ➤ 33–50%

Corporate governance

- Reinforce corporate governance system
- **Implementing all principles in Japan's Corporate Governance Code**
- Establishing a voluntary Nomination and Compensation Committee, with **outside directors as a majority of its members**
- Introducing a stock compensation plan
- Conducting effectiveness evaluations of the Board of Directors
- Increasing the percentage of outside officers 50.0% as of March 2023

	FY20	FY21	FY22	FY23
Board of Directors	Total	6	7	8
	Ratio of outside members	33.3%	42.9%	37.5%
Board of Auditors	Total	3	3	3
	Ratio of outside members	66.7%	66.7%	66.7%



Compliance / Risk management

- Carrying out training programs on protection of personal information, insider trading, compliance, etc.
- Establishing a Group Risk Management Committee
- Formulating a business continuity plan (BCP) to manage risk, including the physical impact of climate change
- A **Sustainability Committee** to be established to address climate change

Medium-Term Management Plan, ONE&ONLY 2026: Summary

Medium-Term Vision

**Establishing the Car Premium business model,
seeking to become the ONE&ONLY auto mobility company**

Numerical Targets

Operating income

¥44.0 billion

vs. FY23: +74.6%

Profit before tax

¥10.2 billion

vs. FY23: +91.0%

Profit attributable to owners of parent

¥7.0 billion

vs. FY23: +75.0%

ROE

30–39%

FY23 results: 34.7%

Market cap

¥140–175 billion

vs. FY23: 204–255%

Key Issues



Car Premium

- Expanding the Car Premium Club
- Establishing the Car Premium brand
- Strengthening ability to attract in-person/online customers



Finance

- Expanding Car Premium Dealers
- Increasing transaction volume per network store



Automobile warranty

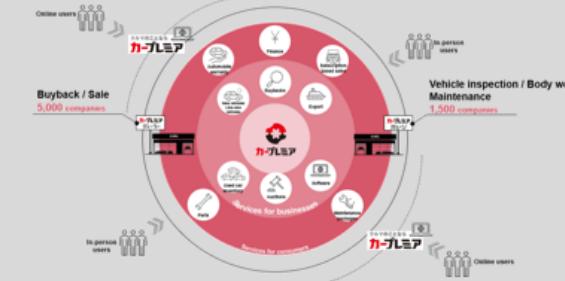
- Expanding third-party warranties market
- Expanding sales focused on products developed in-house
- Reducing repair costs



Auto mobility services

- Enhancing auto mobility services
- Expanding scale of each auto mobility business
- Developing differentiated products

Establishing the Car Premium business model





Premium

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