Financial Results Briefing for 1H of FY Ending March 31, 2027 (November 13, 2026)
Q&A Summary

[November 19, 2026]

On November 13, 2026, the Company held a financial results briefing for first half of the fiscal year ending March 31, 2027, for institutional investors and analysts. This document summarizes the main questions received from attendees at the briefing and our responses, and is being published accordingly. Please note that some content has been added or revised for clarity.

In addition, a video of the financial results briefing held on that day can be viewed at the link below.

▶ Video of the Financial Results Briefing for 1H of FY Ending March 31, 2027 (in Japanese only)

Q1. Regarding the volume of new loans, given the trends of competitors, could you please explain your outlook for improvement and acceleration in the growth rate going forward?

A1. We recognize that the growth in the volume of new loans is primarily influenced by the following two points.

First, the growth of the used car retail market as a whole is currently limited, and we believe that an increase in the number of units sold across the market is a prerequisite for expanding the volume of new loans.

Second, in the current rising interest rate environment, we have prioritized raising our customer interest rates (securing spreads). As a result, an interest rate gap with competitors has emerged, which has weakened the growth rate of the volume of new loans.

Regarding the current situation, we are seeing a steady month-on-month upward trend throughout the second quarter (July, August, and September). For the second half of the fiscal year, we believe we can steadily expand our transaction base in markets where competitors have a large share while maintaining profitability, thereby improving our growth rate.

Q2. Could you please explain what initiatives you will take to control costs in the automobile warranty business?

A2. Since it is difficult to suppress rising costs across the entire market, we will aim to control costs by promoting our "Garage Strategy" within our proprietary Car Premium Ecosystem.

Specifically, we will respond by increasing the proportion of parts supplied from within our Group when repairs occur and by increasing the proportion of repairs performed at "Car Premium Garage" locations, of which there are approximately 1,000 nationwide.

In addition, we revised our warranty fees in April of this year. Since revenue from this business is recognized on a pro-rata basis over the average warranty period of approximately two years,

it will take time for the effects of the revision to be reflected in our financial results. However, our policy is to first execute the aforementioned Garage Strategy while considering further increases in warranty fees as necessary.

Q3. Could you please explain the impact of rising interest rates on the non-bank and leasing industry, your outlook going forward, and the direction for strengthening Car Premium Club?

A3. We recognize that the transition to a world with interest rates is having a significant impact on the entire non-bank industry, including consumer credit companies. While we are also affected by factors such as an increase in finance costs, the majority of our borrowing and procurement for our current balance of loan receivables of approximately JPY 940 billion is at fixed interest rates. Therefore, the interest rate fluctuation risk for our existing receivables is significantly suppressed. For new receivables acquired in the future, we will respond by flexibly passing on the interest rate increases to prices while hedging against interest rate risk.

Furthermore, as for the background to strengthening Car Premium Club, our current operating revenue portfolio is split almost evenly between the Finance Business and the Service Business. Of these, the Service Business is almost entirely unaffected by interest rate fluctuations. Even as the financial environment becomes more challenging, our policy is to further expand the Service Business by leveraging the foundation of the Car Premium Ecosystem. We view changes in the external environment as an opportunity and will steadily execute our medium-term strategy.

Q4. You mentioned that the delinquency rate is on a steady path toward normalization. Could you please share your outlook going forward? In the financial results presentation materials for the third quarter of the previous fiscal year, you outlined a path to "improve to around 1.1% by the end of the fiscal year ending March 31, 2027." Is there any change to this current outlook?

A4. Regarding the delinquency rate, we are steadily on the path to improvement. Although there is an impact from fluctuations in the total balance of loan receivables, which serves as the denominator, our current measures are progressing smoothly. Therefore, we will continue our efforts with the goal of improving this ratio to the mid-1% level by the end of the current fiscal year.

Q5. Considering the absence of one-time expenses from the previous fiscal year (such as costs associated with the system failure), isn't the underlying growth in operating profit weak?

A5. The growth rates in our financial results are 29.1% YoY for operating profit and 30.5% YoY for profit before tax. As you pointed out, this is largely due to the absence of expenses related to the system failure and other issues recorded in the previous fiscal year. Even excluding these

one-time factors, we estimate that the overall underlying growth rate is trending at a level exceeding the same period last year in both the Finance Business and the Service Business, representing solid growth overall.

However, we also feel that the current growth rate is insufficient. Going forward, in the Finance Business, we expect the effects of interest rate hikes on new loan receivables to materialize further. In addition, in the Service Business, since the surge in repair costs in the automobile warranty business is the biggest factor behind the decline in the profit growth rate, we plan to implement specific measures to control these costs and return to a trajectory of double-digit profit growth commensurate with the growth in operating revenue.

Q6. Is it actually possible to lower warranty costs by reviewing the Garage Strategy?

A6. In the current market environment, there are challenges such as a declining number of maintenance facilities and increasing difficulty in finding facilities to accept repair requests. Under these circumstances, we strongly feel the need to maintain and secure our network of maintenance facilities within the Car Premium Ecosystem.

Our Garage Strategy is not merely a measure to increase the number of affiliated facilities. The objective is to control the cost per repair and enhance our nationwide repair response capability, starting with steady repair referrals to our secured network of affiliated maintenance facilities, as well as managing appropriate labor costs and strengthening the procurement of rebuilt and used parts.

While this is not something that can be completed overnight, by building these foundations, we will control repair costs and aim to improve profit margins. At the same time, we also plan to proceed with revisions to warranty fees as appropriate, in line with market realities.

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[Contact Information]
Premium Group Co., Ltd.
Group Growth Strategy Division, Public Relations and Investor Relations Department
Inquiry Form: https://ir.premium-group.co.jp/ja/privacy.html (in Japanese only)