[Revised]



Medium-Term Management Plan [VALUE UP] 2023]

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

Contents

1	Со	Consistent MissionP.3		
2	2 Tracing Our Past GrowthP.5			
3	Me	edium-Term Vision	P.8	
	3-1	Credit Finance	P.14	
	3-2	Automobile Warranties	P.15	
	3-3	Auto Mobility Services	P.16	
	3-4	International Strategy	P.20	
4	Fut	ture Vision	P.21	
5	Pe	rformance Outlook	P.24	
6	Fin	nancial Strategy	P.26	
7	Init	tiatives for ESG and SDGs	P.28	



1. Consistent Mission



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

Further improve credit finance and services to make the world a better place by expanding the reach of both globally

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

Human capital who don't give up before they try simply because they think something is impossible, but rather who think outside-the-box, and maintain a strong commitment to innovation, and paving the way toward the next stage



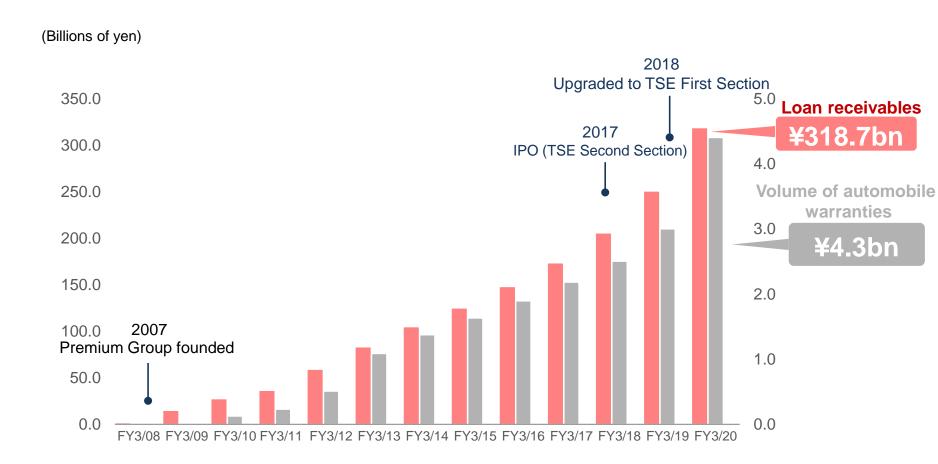
2. Tracing Our Past Growth



Tracing Out Past Growth

Continued steady increase in loan receivables and volume in our Credit Finance and Automobile Warranties businesses since our founding

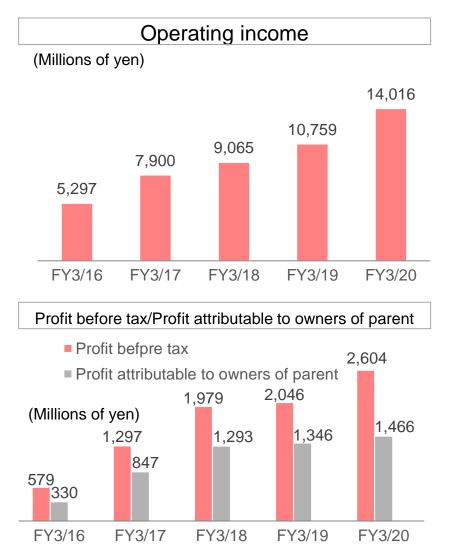
Change in Loan Receivables and Automobile Warranties



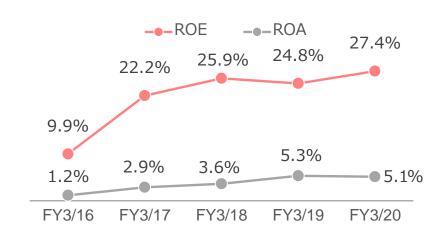


Results/Performance

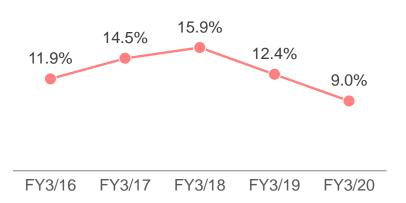
Sharp increase in performance



ROE/ROA

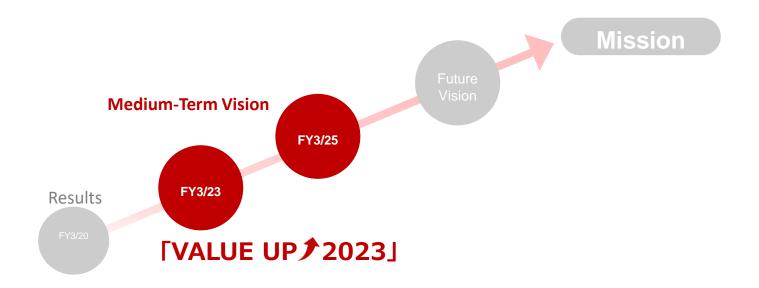


Equity ratio





3. Medium-Term Vision





The revision to the medium-term vision has been prompted by the Group's view on the business environment as follows

	Current situation	Our view	What needs to be addressed
Conditions for individual customers	 State of emergency in Apr-May 2020 →Used car sales slump Rebound in used car registrations in 2H FY20 (+104.7% YoY) 	Reconfirmation of firm demand for used cars as a lifestyle essential	Expansion of Credit Finance and Automobile Warranties businesses crucial to company's growth
Conditions in used car market (dealers, maintenance facilities)	Fall in new car retail volume depresses used car volume →Rise in procurement prices	 Hurts dealers /maintenance facilities with smaller capital capabilities Fall in sales volume/customer contact points 	Smaller dealers/maintenance facilities need business support
Social trends	Previous thinking/methods untenable, move to a new normal era	Establishment of competitive advantage necessary for sustainable growth	Shift to new business model and pursuit of operational innovations vital (importance of DX)

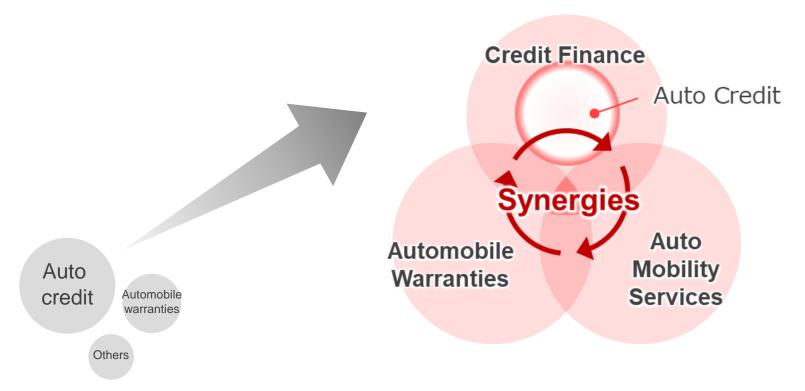


Medium-Term Vision

Given our view on the business environment, we believe we must revitalize the used car market via business support for the used car dealers and maintenance facilities that have direct contact with customers as well as expand our existing businesses

Medium-term vision

Transform from an Auto Credit Company into an Auto Mobility Service Company





Establishment of Materiality Targets Based on the Medium-term Vision

Based on our view of the business environment, we have positioned materiality issues as shown below

What needs to be addressed

Establishment of Materiality Targets

Related SDGs

Expansion of existing Credit Finance and Automobile Warranties businesses crucial to company's growth

- **1) Bolster strengths of Credit Finance business**
- **2** Expand automobile warranty market







Smaller dealers/maintenance facilities need business support

3Grow Auto Mobility Services business

Creation of new business model and pursuit of operational innovations essential via shift to DX

4 Aim to be a platformer in the used car and maintenance markets



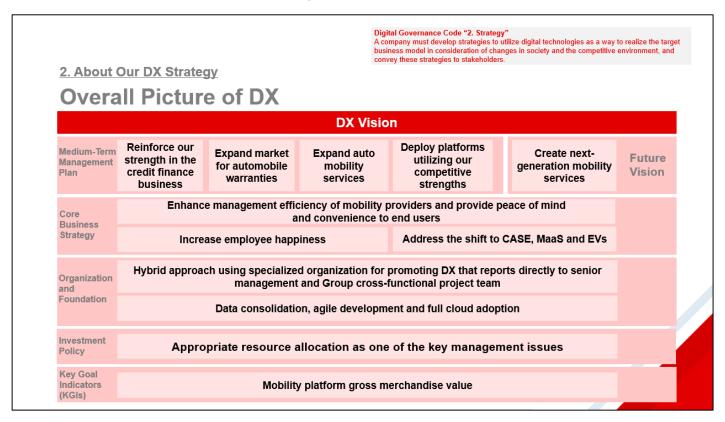




(Addendum) Pursuit of DX to Achieve the Medium-term Vision

The Group sees the pursuit of digital transformation (DX) as a key issue in order to achieve sustainable growth and strengthen its competitiveness

The Group will announce its DX strategy on May 13, 2021



For more details, see the Group's IR website http://ir.premium-group.co.jp/en/index.html



「VALUE UP ≠ 2023」 Medium-Term Vision—Initiatives by Business

3-1	Credit Finance
3-2	Automobile Warranties
3-3	Auto Mobility Services
3-4	International Strategy



Medium-term vision themes for Credit Finance

Auto credit, auto leasing for individuals

Key policies

[Expand marketing]

- Expand marketing area using BIZ site format
- Increase marketing headcount (to 130)
- Grow affiliated stores and promote shift to a membership structure

Achieve strong topline growth

「Operational innovations」

- Establish Al screening system
- Automate back-office functions
- Go paperless

Raise profitability via higher operational efficiency

Servicer company

Key policies

Group-based receivables collection

Strengthen ties with Central Servicer
 Corp.*1 for collection of Premium Group's medium- and long-term receivables

Seek further earnings contributions via creation of synergies

[Sales of Repo cars*2]

 Sell repossessed cars through affiliate store membership structure

Create new revenue opportunities



^{*2···}Repo cars are cars repossessed from credit finance customers who have become unable to repay.



Medium-term vision themes for Automobile Warranties



Key policies

- Further lift existing product sales via increase in marketing headcount
- Develop and grow sales of products with extended warranties
- Reduce repair expenses and return savings to sales prices by using recycled products stored at affiliated maintenance facilities and procured within the Group
- Implement advertising campaign to increase visibility

Expanding the market is a critical issue

Currently only around 8%* of used car purchasers deliberately add a warranty, and increasing visibility and stressing the need for warranties is an important issue going forward



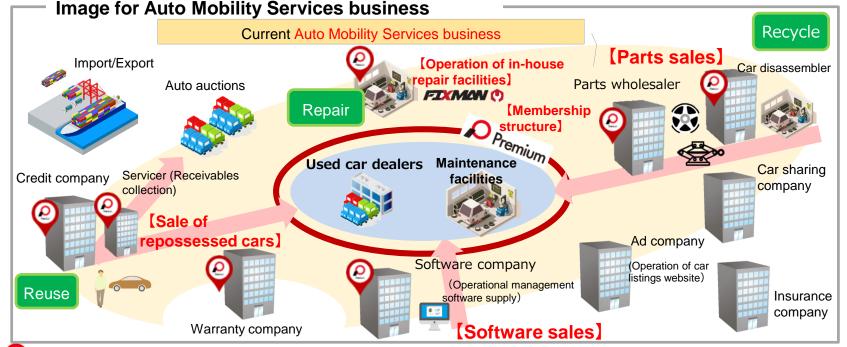
^{*...}According to a consumer awareness survey on "Automobile repair warranty services" by AUCNET RESEARCH (AUCNET INC.) *Japanese only

Medium-term vision themes for Auto Mobility Services

Key policies

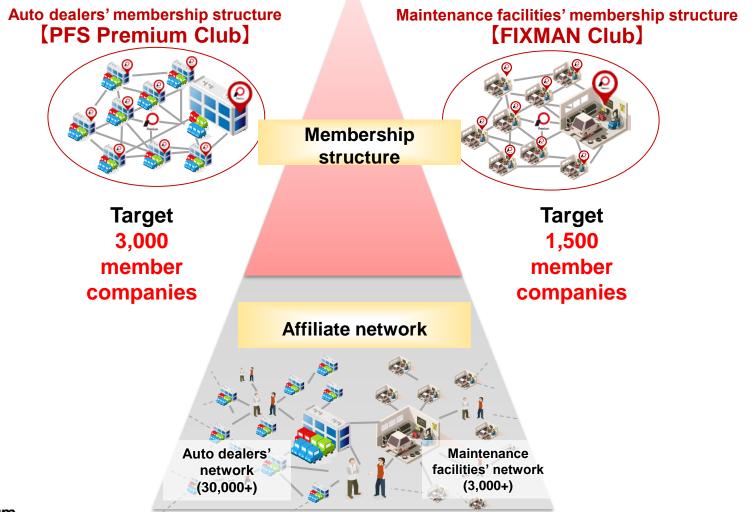
- Expand services lineup
- Shift to a membership structure for affiliated used car dealers/maintenance facilities
- Promote platform concept

Diversify revenue streams to support the Group's sustainable growth



(Addendum) Pursue a shift to a membership structure

To support the platform detailed on P11, we intend to create a membership structure from affiliated stores within the network with whom we have a particularly strong relationship





(Addendum) Business for reducing CO2 emissions

Pursue CO2 emissions reduction measures across the Group by installing solar power equipment at maintenance facilities in the membership structure and promoting the use of EV

Provide finance from Group companies for equipment installation



Install solar panels at maintenance facilities in the membership structure

Open EV charging stations

Start EV rental and repair services



Aiming to become a platformer that links individual customers with used car dealers and maintenance facilities in the membership structure

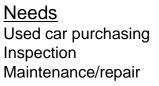
Premium

Proprietary digital infrastructure

Membership structure of used car dealers and maintenance facilities

Individual customers





Choose Premium for cars and finance Services search website

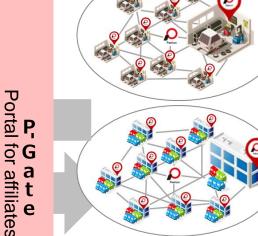
Platform

Reservations, consultations, contracts, settlements. after-sales services

> Orders, settlements, management, etc.



Information on services provided by the concierge





Deliverable services

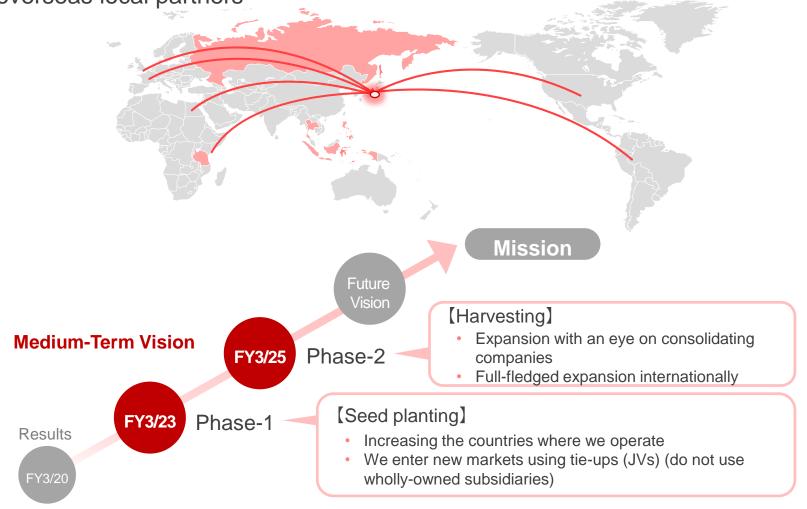
Warranty Vehicle sales Inspection Maintenance, plating/painting



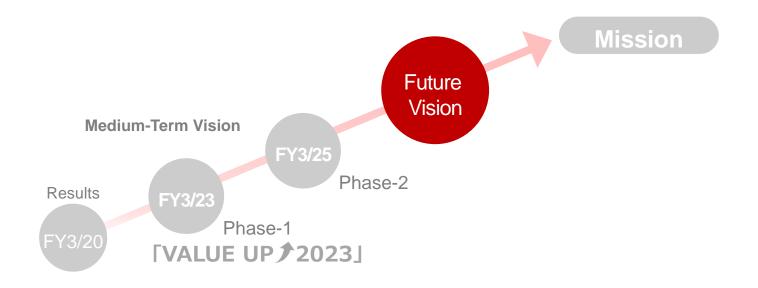
3-4. International Strategy (Phase-1,2)

Continue to develop while monitoring the state of the of COVID-19 pandemic

 Developing international operations by sharing know-how built up in Japan with overseas local partners



4. Future Vision





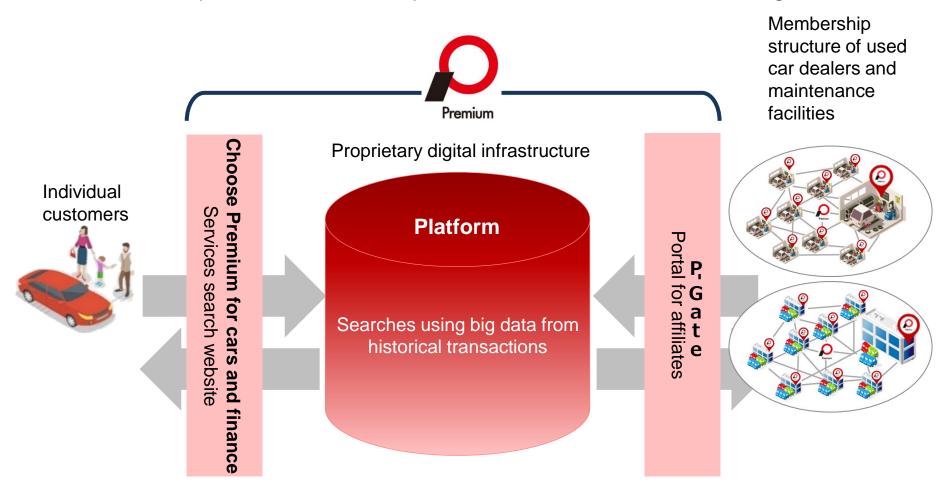
Important to address intense changes in the mobility industry

Accumulation of Shift to carbon big data on neutral, EV driving Changes in Advancements traditional in autonomous B-to-C sales driving formats **Stations Affiliated** used car dealers Internet **Affiliated** maintenance facilities **Stations** Growing use of Emergence of MaaS car sharing Advancements in car mechanisms



Future Vision: Aim to Become a Platformer that Address Changes in the Mobility Industry

Aim to become a platformer that can respond to CASE, MaaS, and the full-fledged EV shift



- Subscriptions
- Car sharing
- EV purchasing

- Settlement systems for subscriptions
- Car sharing spots
- Open-access rapid charging stations
- Supply of EV demo vehicles

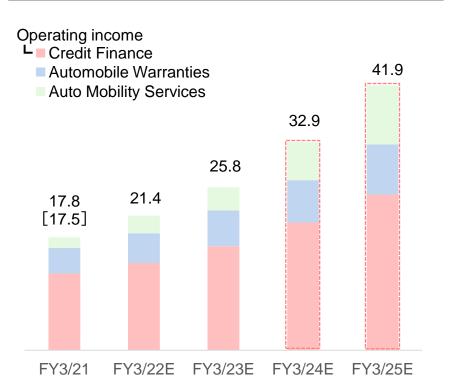


5. Performance Outlook



Despite sluggish FY3/21 performance due to the effects of COVID-19, we believe strong growth is possible given a tailwind from recovery in the used car market as we pursue our medium-term vision



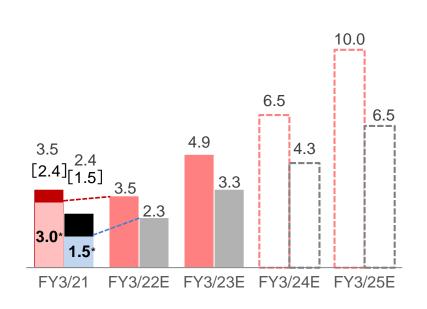


[] ···Forecast of the previous announcement







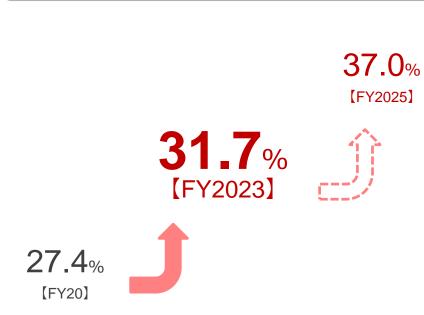


*...Profit before tax and Profit attributable to owners of the parent, excluding one-off profit.



6. Financial Strategy

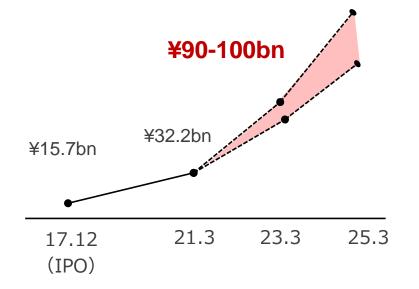




ROE

Market cap





^{*···}This is a calculation based on the outlook for Performance Outlook, and does not take into account the possibility of equity finance in the future.



^{*1···}PER used to calculate market capitalization
Upper limit See PER of similar companies (PER30x)
Lower limit Average PER of companies listed on the first
section of the TSE (as of dec.,2020 PER27x)

^{*2···}For actual figures, market capitalization is calculated using the closing price at the end of each month.

7. Initiatives for ESG and SDGs



E Environmental







■ Contribute to creation of recycling-oriented society

Promoting use of used cars in the Credit Finance business
Also developing our main businesses centered around the reduction, recycling, reuse, and repair of cars

Contribute to creation of a recycling-oriented society via expansion of our main businesses

Reduce business	Reduce the scrapping of cars via auto warranties	
Recycled parts business	Dismantle cars, recover and refurbish parts and promote their sale at affiliated dealers and maintenance facilities	
Reuse business	Promote the sales of repossessed cars at affiliated dealers and maintenance facilities	
Repair business	Repair of cars at in-house and affiliated maintenance facilities	

Cut average annual CO2 emissions by an amount around 12.4 million m³



E Environmental







Other Group environmental initiatives are as follows

Promote reusable energy	Launched our Ecology Credit product for the purchase of solar power systems (personal and industrial) in 2017 Cumulative sales of 11,786 as of end-Feb 2021
Energy management	Installation of system at subsidiary SAINT PARTS Co., Ltd. for real-time analysis of electricity usage volume and supply-demand
Water and emissions management	In accordance with the End-of-life Vehicle Recycling Law, installation of multiple oil and water separators at SAINT PARTS Co., Ltd. and removal of all oil from the waste water produced by the facility
	The same system installed at in-house maintenance facility FIXMAN (Sapporo) Use of water-based paints at affiliated maintenance facilities
Waste product and hazardous materials	Promote water-based paints use also at FIXMAN Club, the membership structure for maintenance facilities
management	Proper recovery of fluorocarbon refrigerants via the recycling activities of SAINT PARTS Co., Ltd.
Reduction of waste	Reduce office paper usage, move affiliate contracts to electronic format
products	Eliminate paper billing of counterparties



Social Capital









Customer privacy and data protection

- Acquisition of PrivacyMark from JIPDEC
- Formulated in-house privacy policy and created structure to prevent data leaks
- Implemented multiple system security strengthening measures to ensure the protection of customer data

Appropriate sales processes

- Credit Finance business has been registered as a subcontractor of individual credit purchases under the Installment Sales Act
- All internal regulations certified as compliant with the model regulations stipulated by the Japan Consumer Credit Association
- Made an internal and external declaration of basic policy concerning elimination of anti-social forces and created an internal structure for implementation













Other Group social capital initiatives are as follows

Social contributions	To help in the fight against the spread of COVI D19, the Group donated more than 200,000 nonwoven masks to 23 institutions across Japan, including medical institutions and government institutions. Also donated personal protection equipment, gowns, goggles, and face shields. Amid concerns about the longer-term impact on economic activity, purchased around 4,000 box lunches from 14 outlets in Tokyo, Saitama, and Osaka as support for food providers suffering from a large drop in sales.
	The upcoming introduction of AI credit screening and resulting faster process will shorten the time for consumers between screening application and car purchase.
Welfare provision to consumers	Using the "engine startup control system" provided by affiliate CIFUT Co., Ltd., the Group is promoting an initiative that allows users with no access to credit to also use cars as a lifestyle essential.



S Human Capital



■ Foster employee awareness and a sense of meaningful work

- To achieve our mission, we have formulated the VALUE (strong, positive, kind)
 code of conduct and aim to share this awareness with all employees
- Create a personnel system and pleasant places to work that contribute to improved employee Well-Being and allows diverse human capital to play a key role by incorporating diversity management and work-style reforms into our growth strategy
- Establish a training company to use the know-how accumulated since the Company's founding into in-house human capital development

Health and safety of employees

- Amid the COVID-19 pandemic, we have formulated in-house guidelines and implemented measures such as working from home, staggered working hours, and financial support for PCR tests
- Established a Safety and Hygiene Committee and created and implemented guidelines to ensure employee safety



S Human Capital

3 GOOD HEALTH AND WELL-BEING 4











Focus on promotion of women's role in the workplace and diversity management as human capital quantitative targets

(Parent and core subsidiaries)	End-Mar 19	End-Mar 20	End-Mar 21
No. of employees	336	391	423
Of which female employees	101	130	140
Ratio	30.1%	33.2%	33.1%
No. of managers	103	117	150
Of which female managers	8	15	28
Ratio	7.8%	12.8%	18.7%
No. of directors	6	6	7
Of which female directors	1	1	2
Foreign employees*	40	58	62



G Governance





Corporate governance

- Explain the three principles of the Corporate Governance Code and comply with all the principles
- The company structure, number of directors and auditors is as follows (as of May 13, 2021)
- Establish a non-statutory Nomination and Compensation Committee, a majority of whose members are independent outside directors
- Introduce stock compensation plan to incentivize sustainable enhancement of corporate value

Company structure	Directors	Auditors
Company with a board of corporate auditors	Seven -Three independent outside directors Including two female directors	Three -Two outside auditor

■ Compliance, Risk management

- Carry out various training sessions, such as on the protection of personal information and prevention
 of insider trading in order to promote autonomous action following the code of conduct
- Establish a Group Risk Management Committee to manage risk across the whole group, including at overseas subsidiaries
- Formulate a business continuity plan (BCP) to manage major incident risk, including the material impact of climate change
- Prepare for market expansion in the Automobile Warranties business by formulating a Compliance
 Program in line with the Antitrust Law and considering an Antitrust Law compliance declaration

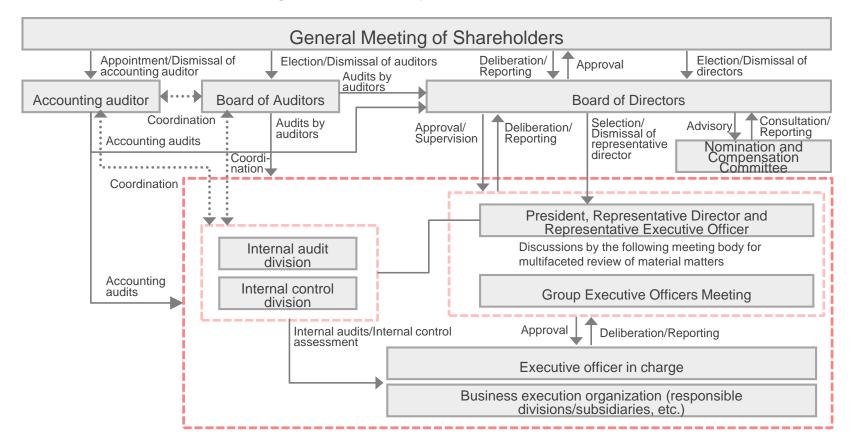


G Governance





Reinforce corporate governance system







IR information in this material is for providing financial data and economic condition of Premium Group Co., Ltd.(hereinafter "Company"). However, his information should not announce and guarantee its contents. Statements contained herein that relate to the future operating performance and strategy of the Company are forward-looking statements. Forward-looking statements are based on judgments made by the Company's management based on information that is available to it as of the date those statements were made. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies. Many of these risks and uncertainties relate to factors such as future market conditions, currency fluctuations, the behavior of other market participants, the exchange rate, tax system and so on. Therefore, it is possible that business performance will change and the Company is not responsible for loss resulted from this change. The Company puts information in this material with meticulous care. However, the Company is not responsible for any information errors, manipulations by outsider computer system errors, and so on. Copyrighted materials in this are under copyright protection. It is prohibited to reproduce, reorganize, translate, distribute or exhibit this material. This material is not for the purpose of investment invitation. Any investment decision with respect to the shares of common stock of the Company should not be based on this material fully but be made solely.

