



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2021 [IFRS]

August 14, 2020

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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 Contact (Title) Managing Executive Officer (Name) Tomohiro Kanazawa
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Scheduled date of quarterly report submission: August 14, 2020 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 First Quarter of the Fiscal Year Ending March 31, 2021 (April 1, 2020 to June 30, 2020)

(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, 2021	4,022	27.7	1,180	(50.1)	779	(49.6)	784	(49.3)	820	(47.1)
First quarter of fiscal year ended March 31, 2020	3,149	23.9	2,364	575.1	1,545	560.4	1,546	561.8	1,548	665.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of fiscal year ending March 31, 2021	61.46	60.57
First quarter of fiscal year ended March 31, 2020	117.09	114.99

Note: Tentative processing of accounts related to the October 15, 2018 business combination with Softplanner Co., Ltd. was finalized during the second quarter of the fiscal year ended March 31, 2020. The figures related to this tentative processing included in the consolidated financial results for the first quarter of the fiscal year ended March 31, 2020 reflect the finalized details.

(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	%
First quarter of fiscal year ending March 31, 2021	63,239	5,874	5,810	9.2
Fiscal year ended March 31, 2020	58,203	5,312	5,242	9.0

Note: Tentative processing of accounts related to the October 15, 2018 business combination with Softplanner Co., Ltd. was finalized during the second quarter of the fiscal year ended March 31, 2020. The figures related to this tentative processing included in the consolidated financial results for the first quarter of the fiscal year ended March 31, 2020 reflect the finalized details.

2 Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	22.0	-	22.0	44.0
Fiscal year ending March 31, 2021	-				
Fiscal year ending March 31, 2021 (forecast)		22.5	-	22.5	45.0

Note: Revisions to dividends forecast most recently announced: Yes

See "Notice Concerning Forecasts of Business Results and Dividends for Fiscal 2021" issued today (August 14, 2020) regarding the dividends forecast.

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021
(April 1, 2020 to March 31, 2021)

(% 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	17,140	22.3	2,865	10.0	1,891	30.2	1,894	29.3	148.38

Note: Revisions to financial forecast most recently announced: Yes

See "Notice Concerning Forecasts of Business Results and Dividends for Fiscal 2021" issued today (August 14, 2020) regarding the consolidated financial forecast.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in scope of consolidation): Yes

(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)	First quarter of fiscal year ending March 31, 2021	13,274,500 shares	Fiscal year ended March 31, 2020	13,274,500 shares
2) Number of treasury shares at end of period	First quarter of fiscal year ending March 31, 2021	525,733 shares	Fiscal year ended March 31, 2020	525,711 shares
3) Average number of shares during period (fiscal year to date)	First quarter of fiscal year ending March 31, 2021	12,748,778 shares	First quarter of fiscal year ended March 31, 2020	13,201,075 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

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

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

(Thousands of yen)

	Previous consolidated fiscal year (March 31, 2020)	First quarter of this consolidated fiscal year (June 30, 2020)
Assets		
Cash and cash equivalents	6,285,647	10,235,760
Financial receivables	20,010,590	21,551,401
Other financial assets	6,408,313	7,321,201
Property, plant, and equipment	3,092,356	3,550,612
Intangible assets	5,950,315	5,987,765
Goodwill	3,958,366	3,958,366
Investments accounted for using equity method	1,224,273	1,297,300
Deferred tax assets	-	9,006
Insurance assets	2,964,814	3,288,808
Other assets	8,308,740	6,038,775
Total assets	58,203,414	63,238,994
Liabilities		
Financial guarantee contracts	22,063,146	22,534,050
Borrowings	16,420,882	20,892,264
Other financial liabilities	6,340,424	5,724,164
Provisions	326,535	292,931
Income taxes payable	385,952	206,770
Deferred tax liabilities	1,354,593	1,580,481
Other liabilities	5,999,461	6,134,004
Total liabilities	52,890,993	57,364,665
Equity		
Equity attributable to owners of parent		
Capital	1,533,686	1,548,912
Share premium	1,259,936	1,266,495
Treasury shares	(1,200,518)	(1,200,557)
Retained earnings	3,587,269	4,090,337
Other components of equity	62,044	104,429
Total equity attributable to owners of parent	5,242,417	5,809,616
Non-controlling interests	70,003	64,713
Total equity	5,312,421	5,874,330
Total liabilities and equity	58,203,414	63,238,994

(2) Summary Quarterly Consolidated Statement of Profit and Loss

(Thousands of yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2019 to June 30, 2019)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2020 to June 30, 2020)
Operating income	3,148,563	4,021,820
Other finance income	6,789	37,999
Share of profit of investments accounted for using equity method	-	12,957
Other income	2,064,527	613,257
Total income	5,219,879	4,686,034
Operating expense	2,784,040	3,484,496
Other finance cost	9,165	19,239
Share of loss of investments accounted for using equity method	61,783	-
Other expense	864	2,595
Total expense	2,855,852	3,506,331
Profit for the term before tax	2,364,027	1,179,702
Income tax expense	819,521	401,099
Profit for the term	1,544,507	778,604
Attributable to		
Owners of parent	1,545,663	783,542
Non-controlling interests	(1,156)	(4,938)
Profit	1,544,507	778,604
Attributable to owners of parent		
Earnings per share		
Basic earnings per share (yen)	117.09	61.46
Diluted earnings per share (yen)	114.99	60.57

(3) Summary Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2019 to June 30, 2019)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2020 to June 30, 2020)
Profit for the term	1,544,507	778,366
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	36	(129)
Share of other comprehensive income of investments accounted for using equity method	3,554	41,172
Other comprehensive income (net of tax)	3,591	41,043
Comprehensive income	1,548,097	819,647
Attributable to:		
Owners of parent	1,549,235	824,937
Non-controlling interests	(1,138)	(5,290)
Comprehensive income	1,548,097	819,647

(4) Summary Quarterly Consolidated Statement of Changes in Equity

	(Thousands of yen)				
	Equity attributable to owners of parent				Other components of equity
	Capital	Share premium	Treasury shares	Retained earnings	Exercise of warrants
Balance as of April 1, 2019	226,792	2,412,157	(590)	2,692,763	9,231
Comprehensive income					
Profit	-	-	-	1,545,663	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,545,663	-
Transactions with owners, etc.					
Dividends	-	-	-	(280,525)	-
Share-based payment transactions	31,028	-	-	-	251
Transfers from share premium to capital	1,164,852	(1,164,852)	-	-	-
Total transactions with owners, etc.	1,195,880	(1,164,852)	-	(280,525)	251
Balance as of June 30, 2019	1,422,671	1,247,305	(590)	3,957,900	9,482

	(Thousands of yen)					
	Equity attributable to owners of parent					
	Other components of equity				Non-controlling interests	Total equity
	Other comprehensive income accounted for using the equity method	Exchange differences on translation of foreign operations	Total	Total		
Balance as of April 1, 2019	122,762	557	132,549	5,463,671	65,423	5,529,094
Comprehensive income						
Profit	-	-	-	1,545,663	(1,156)	1,544,507
Other comprehensive income	3,554	18	3,572	3,572	18	3,591
Total comprehensive income	3,554	18	3,572	1,549,235	(1,138)	1,548,097
Transactions with owners, etc.						
Dividends	-	-	-	(280,525)	-	(280,525)
Share-based payment transactions	-	-	251	31,278	-	31,278
Transfers from share premium to capital	-	-	-	-	-	-
Total transactions with owners, etc.	-	-	251	(249,247)	-	(249,247)
Balance as of June 30, 2019	126,316	574	136,372	6,763,659	64,285	6,827,944

	(Thousands of yen)				
	Equity attributable to owners of parent				Other components of equity
	Capital	Share premium	Treasury shares	Retained earnings	Exercise of warrants
Balance as of April 1, 2020	1,533,686	1,259,936	(1,200,518)	3,587,269	9,582
Comprehensive income					
Profit	-	-	-	783,542	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	783,542	-
Transactions with owners, etc.					
Purchase of treasury shares	-	-	(38)	-	-
Dividends	-	-	-	(280,473)	-
Share-based payment transactions	15,226	6,558	-	-	990
Total transactions with owners, etc.	15,226	6,558	(38)	(280,473)	990
Balance as of June 30, 2020	1,548,912	1,266,495	(1,200,557)	4,090,337	10,572

	(Thousands of yen)			(Thousands of yen)		
	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Total	Total		
	Other comprehensive income accounted for using the equity method	Exchange differences on translation of foreign operations				
Balance as of April 1, 2020	53,449	(987)	62,044	5,242,737	70,003	5,312,421
Comprehensive income						
Profit	-	-	-	783,542	(4,938)	778,604
Other comprehensive income	41,172	223	41,395	41,395	(352)	41,043
Total comprehensive income	41,172	223	41,395	824,937	(5,290)	819,647
Transactions with owners, etc.						
Purchase of treasury shares	-	-	-	(38)	-	(38)
Dividends	-	-	-	(280,473)	-	(280,473)
Share-based payment transactions	-	-	990	22,774	-	22,774
Total transactions with owners, etc.	-	-	990	(257,738)	-	(257,738)
Balance as of June 30, 2020	94,621	(764)	104,429	5,809,616	64,713	5,874,330

(5) Summary Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2019 to June 30, 2019)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2020 to June 30, 2020)
Cash flow from operating activities		
Profit for the term before tax	2,364,027	1,179,702
Depreciation and amortization expense	178,491	314,929
Other finance income and finance costs	30,518	18,959
Decrease (increase) in financial receivables	(1,670,683)	(577,334)
Increase (decrease) in financial guarantee contracts	1,257,004	470,905
Decrease (increase) in other financial assets	(503,010)	(936,526)
Increase (decrease) in other financial liabilities	(460,514)	(392,126)
Decrease (increase) in other assets	(2,982,876)	2,111,875
Increase (decrease) in other liabilities	(480,923)	(73,875)
Share of loss (profit) of investments accounted for using equity method	61,783	(12,957)
Other	(48,307)	(721,367)
Subtotal	(2,254,489)	1,382,188
Interest received	536	1,066
Dividends received	2	-
Interest paid	(21,122)	(41,493)
Income taxes paid	(477,649)	(336,512)
Cash flow from (used in) operating activities	(2,752,722)	1,005,250
Cash flow from investing activities		
Purchase of investment securities	-	(150)
Purchase of property, plant, and equipment	(87,267)	(531,189)
Purchase of intangible assets	(121,018)	(121,710)
Payments for loans receivable	-	(14,639)
Collection of loans receivable	3,308	3,597
Payments for guarantee deposits	(331,317)	(30,021)
Proceeds from collection of guarantee deposits	14,345	134,171
Cash flow from acquisition of subsidiary (After deducting proceeds in cash upon acquisition)	(201,277)	(93,985)
Cash flow from (used in) investing activities	(723,226)	(653,927)
Cash flow from financing activities		
Proceeds from short-term loans	16,012,929	11,423,752
Repayments of short-term loans	(12,337,623)	(7,405,820)
Proceeds from long-term loans	276,515	1,487,535
Repayments of long-term loans	(904,989)	(1,457,974)
Repayments of lease obligations	(81,830)	(197,524)
Payments for purchase of treasury shares	-	(38)
Dividends paid	(266,739)	(277,833)
Other	12,106	25,443
Cash flow from financing activities	2,710,369	3,597,540
Net increase (decrease) in cash and cash equivalents	(765,579)	3,948,864
Cash and cash equivalents at beginning of period	6,186,088	6,285,647
Effect of exchange rate changes on cash and cash equivalents	69	1,250
Cash and cash equivalents at end of period	5,420,578	10,235,760

(6) Notes on Summary Quarterly Consolidated Financial Statements

(Notes concerning the going concern assumption)

Not applicable

(Changes in accounting policies)

Not applicable

(Changes in accounting estimates)

Not applicable

(Segment information)

(1) Summary of 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.

The Group drafts comprehensive strategies for all services at the head office and deploys business activities accordingly. The Group identifies Credit-related Businesses as its reportable segment.

The Credit-related Businesses include the Credit Finance Business and the Automobile Warranty Business, which account for the Group's major business services.

(2) Reportable segment operating revenues and profit or loss

Since the Group has a single reportable segment (Credit-related Businesses), information on reportable segment revenues and profit or loss is omitted.

(Important subsequent events)
Not applicable