



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

November 6, 2020

Company Name	Premium Group Co., Ltd.	Listed on the Tokyo Stock Exchange
Stock Code	7199	URL https://www.premium-group.co.jp/
Representative	(Title) President and CEO	(Name) Yohichi Shibata
Contact	(Title) Managing Executive Officer	(Name) Tomohiro Kanazawa
	Tel. 03-5114-5708	

Scheduled date of quarterly report submission:	November 13, 2020	Scheduled date of commencement of dividend payment:	November 26, 2020
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Preparation of supplementary material for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2021 (April 1, 2020 to September 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	%
Second quarter of fiscal year ending March 31, 2021	8,386	26.0	2,001	(34.4)	1,321	(28.6)	1,313	(28.8)	1,322	(29.2)
Second quarter of fiscal year ended March 31, 2020	6,659	28.5	3,052	192.8	1,850	165.8	1,845	165.9	1,867	152.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Second quarter of fiscal year ending March 31, 2021	102.89	101.38
Second quarter of fiscal year ended March 31, 2020	139.77	137.27

(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	%
Second quarter of fiscal year ending March 31, 2021	63,541	6,397	6,320	9.9
Fiscal year ended March 31, 2020	58,203	5,312	5,242	9.0

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	22.00	-	22.00	44.00
Fiscal year ending March 31, 2021	-	22.50			
Fiscal year ending March 31, 2021 (forecast)			-	22.50	45.00

Note: Revisions to dividends forecast most recently announced: None

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)

	Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
Full-year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	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: None

* 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)	Second quarter of fiscal year ending March 31, 2021	13,286,390 shares	Fiscal year ended March 31, 2020	13,274,500 shares
2) Number of treasury shares at end of period	Second quarter of fiscal year ending March 31, 2021	525,802 shares	Fiscal year ended March 31, 2020	525,711 shares
3) Average number of shares during period (fiscal year to date)	Second quarter of fiscal year ending March 31, 2021	12,764,700 shares	Second quarter of fiscal year ended March 31, 2020	13,203,104 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 released today and the quarterly securities report scheduled to be released on November 13.
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.
3. Traditionally, the accounts and other amounts shown on our Summary Quarterly Consolidated Financial Statements have been denominated in units of thousands of yen. However, beginning with results for the second quarter of this consolidated fiscal year, and cumulative results through the second quarter of this consolidated fiscal year, we have switched to denominating these in units of millions of yen. For ease of comparison, the units of results for the previous consolidated fiscal year and cumulative results through the second quarter of the previous consolidated fiscal year have been switched to units of millions of yen as well.

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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, 2020)	Second quarter of this consolidated fiscal year (September 30, 2020)
Assets		
Cash and cash equivalents	6,286	9,468
Financial receivables	20,011	21,554
Other financial assets	6,408	7,905
Property, plant, and equipment	3,092	3,464
Intangible assets	5,950	5,950
Goodwill	3,958	3,958
Investments accounted for using equity method	1,224	1,262
Deferred tax assets	-	22
Insurance assets	2,965	3,334
Other assets	8,309	6,624
Total assets	58,203	63,541
Liabilities		
Financial guarantee contracts	22,063	23,088
Borrowings	16,421	19,618
Other financial liabilities	6,340	5,488
Provisions	327	293
Income taxes payable	386	561
Deferred tax liabilities	1,355	1,505
Other liabilities	5,999	6,591
Total liabilities	52,891	57,144
Equity		
Equity attributable to owners of parent		
Capital	1,534	1,569
Share premium	1,260	1,267
Treasury shares	(1,201)	(1,201)
Retained earnings	3,587	4,620
Other components of equity	62	65
Total equity attributable to owners of parent	5,242	6,320
Non-controlling interests	70	77
Total equity	5,312	6,397
Total liabilities and equity	58,203	63,541

(2) Summary Quarterly Consolidated Statement of Profit and Loss

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2019 to September 30, 2019)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2020 to September 30, 2020)
Operating income	6,659	8,386
Other finance income	105	3
Other income	2,095	625
Total income	8,859	9,015
Operating expense	5,742	6,944
Other finance cost	20	46
Share of loss of investments accounted for using equity method	43	12
Other expense	2	11
Total expense	5,807	7,014
Profit for the term before tax	3,052	2,001
Income tax expense	1,202	680
Profit for the term	1,850	1,321
Attributable to:		
Owners of parent	1,845	1,313
Non-controlling interests	5	8
Profit	1,850	1,321
Attributable to owners of parent earnings per share		
Basic earnings per share (yen)	139.77	102.89
Diluted earnings per share (yen)	137.27	101.38

(3) Summary Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2019 to September 30, 2019)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2020 to September 30, 2020)
Profit for the term	1,850	1,321
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Foreign exchange differences on translation of foreign operations	0	(0)
Share of other comprehensive income of investments accounted for using equity method	16	1
Other comprehensive income (net of tax)	16	1
Comprehensive income	1,867	1,322
Attributable to:		
Owners of parent	1,861	1,314
Non-controlling interests	6	7
Comprehensive income	1,867	1,322

(4) Summary Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Treasury shares	Retained earnings	Other components of equity
					Exercise of warrants
Balance as of April 1, 2019	227	2,412	(1)	2,693	9
Comprehensive income					
Profit	-	-	-	1,845	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,845	-
Transactions with owners, etc.					
Dividends	-	-	-	(281)	-
Capital transactions with non-controlling interests	-	-	-	-	-
Share-based payment transactions	66	0	-	-	2
Transfers from share premium to capital	1,165	(1,165)	-	-	-
Total transactions with owners, etc.	1,231	(1,165)	-	(281)	2
Balance as of September 30, 2019	1,458	1,247	(1)	4,258	11

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity				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	Total		
Balance as of April 1, 2019	123	1	133	5,464	65	5,529
Comprehensive income						
Profit	-	-	-	1,845	5	1,850
Other comprehensive income	16	(1)	15	15	1	16
Total comprehensive income	16	(1)	15	1,861	6	1,867
Transactions with owners, etc.						
Dividends	-	-	-	(281)	-	(281)
Capital transactions with non-controlling interests	-	-	-	-	10	10
Share-based payment transactions	-	-	2	68	-	68
Transfers from share premium to capital	-	-	-	-	-	-
Total transactions with owners, etc.	-	-	2	(213)	10	(203)
Balance as of September 30, 2019	139	(1)	149	7,111	82	7,193

(Millions of yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Treasury shares	Retained earnings	Other components of equity
					Exercise of warrants
Balance as of April 1, 2020	1,534	1,260	(1,201)	3,587	10
Comprehensive income					
Profit	-	-	-	1,313	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,313	-
Transactions with owners, etc.					
Issuance of new shares	0	0	-	-	-
Purchase of treasury shares	-	-	(0)	-	-
Dividends	-	-	-	(280)	-
Share-based payment transactions	35	7	-	-	2
Total transactions with owners, etc.	35	7	(0)	(280)	2
Balance as of September 30, 2020	1,569	1,267	(1,201)	4,620	11

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity					
	Share of other comprehensive income of investments accounted for using equity method	Exchange differences on translation of foreign operations	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2020	53	(1)	62	5,242	70	5,312
Comprehensive income						
Profit	-	-	-	1,313	8	1,321
Other comprehensive income	1	(0)	1	1	(0)	1
Total comprehensive income	1	(0)	1	1,314	7	1,322
Transactions with owners, etc.						
Issuance of new shares	-	-	-	0	-	0
Purchase of treasury shares	-	-	-	(0)	-	(0)
Dividends	-	-	-	(280)	-	(280)
Share-based payment transactions	-	-	2	43	-	43
Total transactions with owners, etc.	-	-	2	(237)	-	(237)
Balance as of September 30, 2020	55	(1)	65	6,320	77	6,397

(5) Summary Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2019 to September 30, 2019)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2020 to September 30, 2020)
Cash flow from operating activities		
Profit for the term before tax	3,052	2,001
Depreciation and amortization expense	371	616
Other finance income and finance costs	(37)	110
Decrease (increase) in financial receivables	(3,212)	(641)
Increase (decrease) in financial guarantee contracts	2,791	1,025
Decrease (increase) in other financial assets	(1,183)	(1,516)
Increase (decrease) in other financial liabilities	(4)	(592)
Decrease (increase) in other assets	(4,572)	1,256
Increase (decrease) in other liabilities	(34)	358
Share of loss (profit) of investments accounted for using equity method	43	12
Other	(68)	(718)
Subtotal	(2,854)	1,911
Interest income earned	3	1
Interest paid	(61)	(84)
Income tax paid	(470)	(381)
Income tax refunded	414	325
Cash flow from (used in) operating activities	(2,968)	1,771
Cash flow from investing activities		
Purchase of property, plant, and equipment	(102)	(566)
Purchase of intangible assets	(171)	(142)
Proceeds from sale of intangible assets	-	2
Payments for loans receivable	(2)	(15)
Collection of loans receivable	8	8
Payments for guarantee deposits	(358)	(53)
Proceeds from collection of guarantee deposits	24	149
Cash flow from acquisition of subsidiary (After deducting proceeds in cash upon acquisition)	(220)	(94)
Acquisition of affiliate companies	-	(48)
Other	-	10
Cash flow from (used in) investing activities	(821)	(749)
Cash flow from financing activities		
Proceeds from short-term loans	40,514	11,374
Repayments of short-term loans	(36,597)	(7,859)
Proceeds from long-term loans	2,753	2,007
Repayments of long-term loans	(1,814)	(2,761)
Repayment of lease liabilities	(212)	(368)
Payments for purchase of treasury shares	-	(0)
Dividends paid	(280)	(280)
Other	25	48
Cash flow from financing activities	4,389	2,160
Net increase (decrease) in cash and cash equivalents	601	3,183
Cash and cash equivalents at beginning of period	6,186	6,286
Effect of exchange rate changes on cash and cash equivalents	0	(0)
Cash and cash equivalents at end of period	6,787	9,468

(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 accounting estimates)

Not applicable

(Segment information)

(1) Overview of 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.

The Group develops comprehensive strategies and implements business activities for all services at the head office. The Credit Finance Business is the Group's reporting segment.

The Credit Finance Business segment includes the Group's main services (Credit Business and Automobile Warranty Business), and Other Businesses (Automotive Mobility Services Business, International Business).

(2) Operating income and profit for reporting segment

Information on operating income and profit for reporting segment is omitted because the Group has only one reporting segment (the Credit Finance Business).

(Important subsequent events)

Not applicable