



カ-プレミア

Premium Group Co., Ltd

Integrated Report 2025

Integrated Report 2025 Edition

Based on the opinions of stakeholders regarding the integrated report and suggestions obtained through dialogue, we have made the following improvements and enhancements.

Expanded coverage of our initiatives toward the long-term and medium-term visions

- **Car Premium Club—A Membership Organization**
Improved the explanation of “Car Premium Club,” the core of our medium-term vision
- **Premier Group's vision and current challenges**
Summarized our key initiatives for achieving the long-term vision toward 2030

Presented a roadmap for advancing to the next stage following a system failure at a subsidiary

- **Feature: System Failure at Premium Co., Ltd.**
Organized information on the event's timeline, recurrence prevention measures, and impact on performance
- **Outside Directors x Director and Managing Executive Officer**
Discussion between Inside and Outside Directors on the current status and future direction following the system failure

Focused on human capital, one of our key strengths and core elements of our mission

- **Feature: Maximizing the Premium Group's “Human Capital”**
Illustrated how we are revitalizing both the organization and individuals to strengthen human capital
- **Human Resources Strategy**
Enhanced the description of specific strategies to enable diverse talent to realize their full potential

Other Improvements

- Streamlined our information disclosure framework including non-financial information, to make it easier for stakeholders to understand

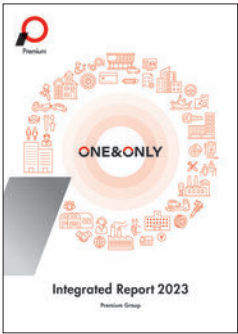


Integrated Report 2025



Annual Report 2022

- Published our first Annual Report
- Focused on business overview and sustainability initiatives



Integrated Report 2023

- Announcing the Medium-Term Management Plan “ONE & ONLY 2026”
- Added Message from Financial Officer
- Enhanced non-financial information



Integrated Report 2024

- Added feature pages
- Expanded the explanation of the Car Premium Club

VALUE UP 2023

ONE&ONLY 2026

Editorial Policy

The Premium Group's fundamental policy is to ensure accurate, timely, and fair information disclosure to all stakeholders. This Integrated Report aims to present a comprehensive picture of the Group's journey, strengths, and achievements to date, as well as the strategic story behind our mission, through both financial and non-financial perspectives. We strive to help shareholders, investors, and all other stakeholders gain a full understanding of the Group's value creation. The report also covers our “ESG Management,” which ensures that material ESG issues are effectively incorporated into our management and business strategies. The scope of this report covers all activities consolidated for financial reporting purposes. The reporting period is, in principle, from April 1, 2024 to March 31, 2025, although certain disclosures and business activities that began after April 2025 are also included. Unless otherwise noted, the titles and positions shown in this report are as of October 1, 2025.

Our Information Disclosure

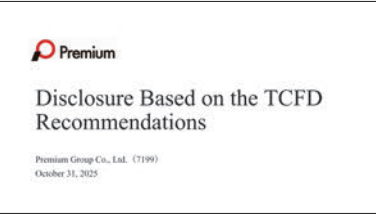
To ensure a broad understanding of our Group's sustainable growth among a wide range of stakeholders, we disclose information through multiple media channels. For details on financial and non-financial information not covered in this report, please refer to the reports and websites listed below.

Sustainability/DX

Information disclosure based on TCFD recommendations

This report explains in detail how climate change affects our Group's business and our corresponding initiatives, organized around the four pillars of “Governance,” “Strategy,” “Risk Management,” and “Metrics and Targets.”

URL <https://ir.premium-group.co.jp/en/library/sustainability.html>



Digital Transformation (DX) Strategy

Through DX, our Group aims to become the “ONE & ONLY Auto Mobility Service Company,” promoting initiatives such as building mobility platforms, improving operational efficiency, enhancing employee well-being, and creating next-generation services.

URL <https://ir.premium-group.co.jp/en/library/sustainability.html>



Websites

Sustainability

This page summarizes our Group's sustainability policies and initiatives. It provides information on environment, society, and governance (ESG).

URL <https://www.premium-group.co.jp/en/esg/index.html>



Information for Shareholders and Investors

Includes performance and financial information, earnings materials, presentation documents, and shareholder meeting materials necessary for investment decisions.

URL <https://ir.premium-group.co.jp/en/index.html>



Inside the Premium Group

An overview of the Group's business, including core businesses, operating revenue structure, trends, market environment, strengths, growth strategies, and promotion of environmentally conscious 4R Business initiatives.

URL <https://www.premium-group.co.jp/companyinfo/about/>



Management Policies

Introduces our Group's basic management policies, including messages from the President, executive introductions, and corporate governance.

URL <https://ir.premium-group.co.jp/en/management.html>



Official SNS Accounts

YouTube

Features videos such as financial results briefings, live streams of shareholder meetings, and medium-term management plan presentations.

URL https://www.youtube.com/@7199_premium-group



X (formerly Twitter)

Shares the latest updates including PR news and event information.

URL https://x.com/7199_koho_ir





MISSION

Premium Group's vision

We contribute to building a richer society by providing the best finance and services to people around the world.

By further improving our financing and services, and spreading them across the world, we will create a richer society.

We will develop and nurture enriched human capital who consistently approach their work with a positive mindset and diligently build upon every process.

We will not give up before we start by thinking we cannot do something, or something is not possible. We will promote innovation with creative ideas and great ambition.

ONE&ONLY 2026

Seeking to become The ONE & ONLY Auto Mobility Service Company
Establishing the Car Premium Business Model

VALUE

Premium Group's underlying principles

Toughness Mind

We aim to become an enterprise and employees that have great ambition and can take on any challenges

Positive Mind

We aim to become an enterprise and employees that can work on things with a positive way of thinking and exchange smiles

Gratitude

We aim to become an enterprise and employees that have altruistic spirits and gratitude

C O N T E N T S

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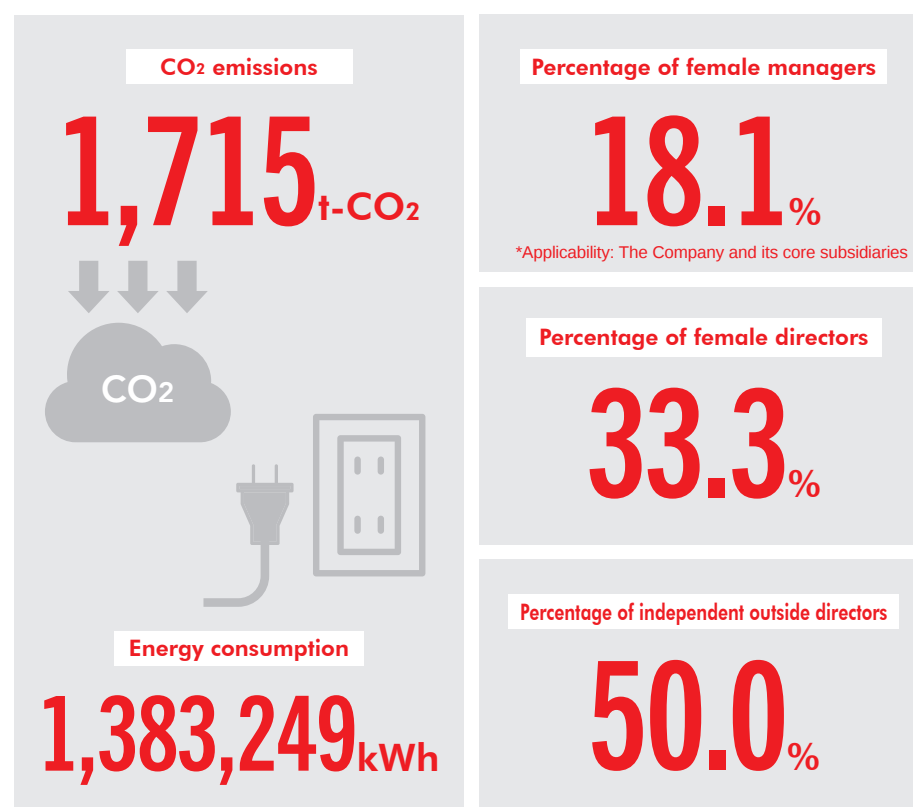


Premium Group in Numbers

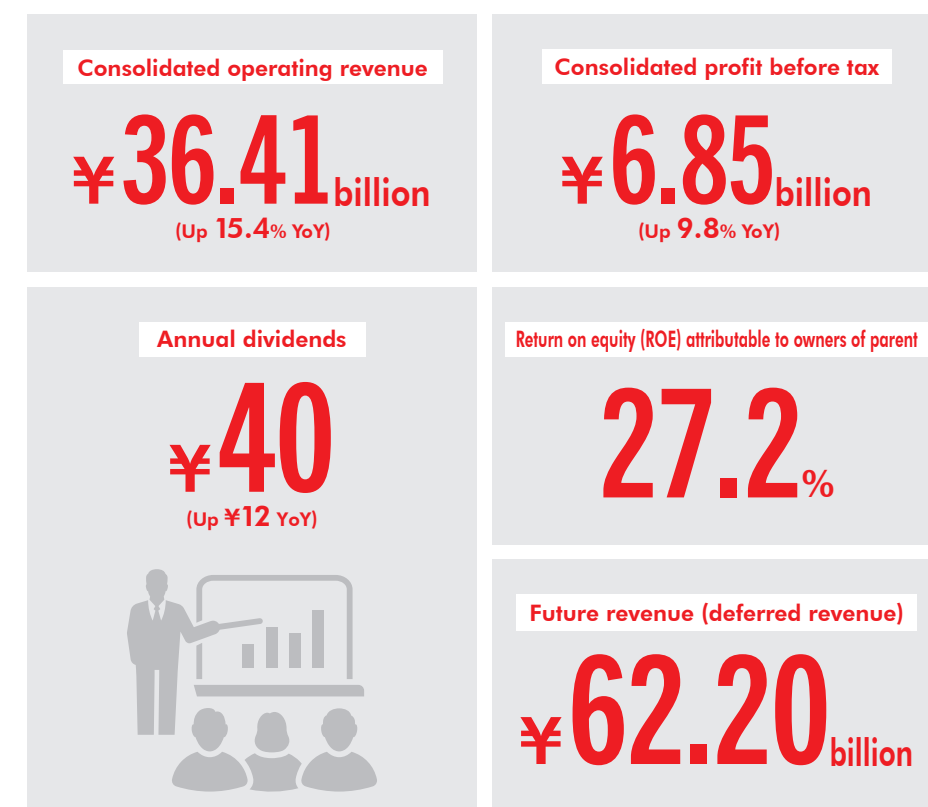
Foundation for the Group's Growth



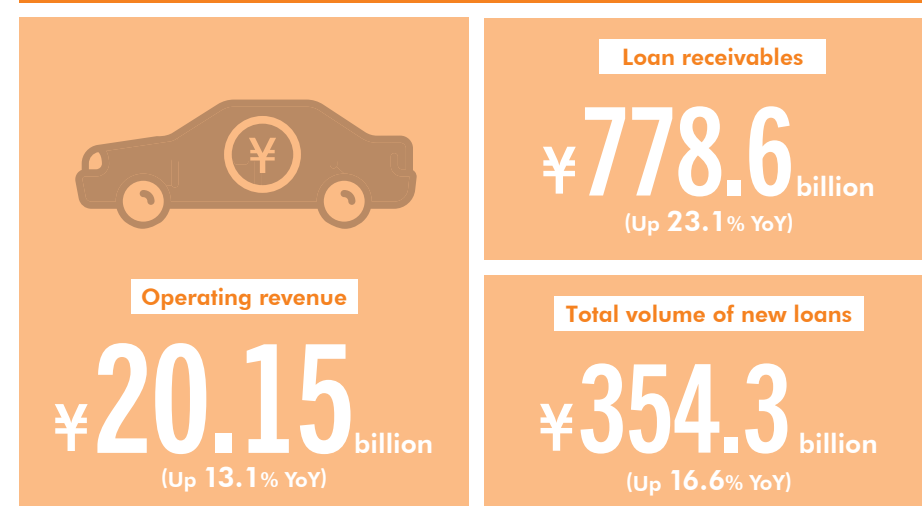
Initiatives to Faster a Sustainable Organization



Business Result



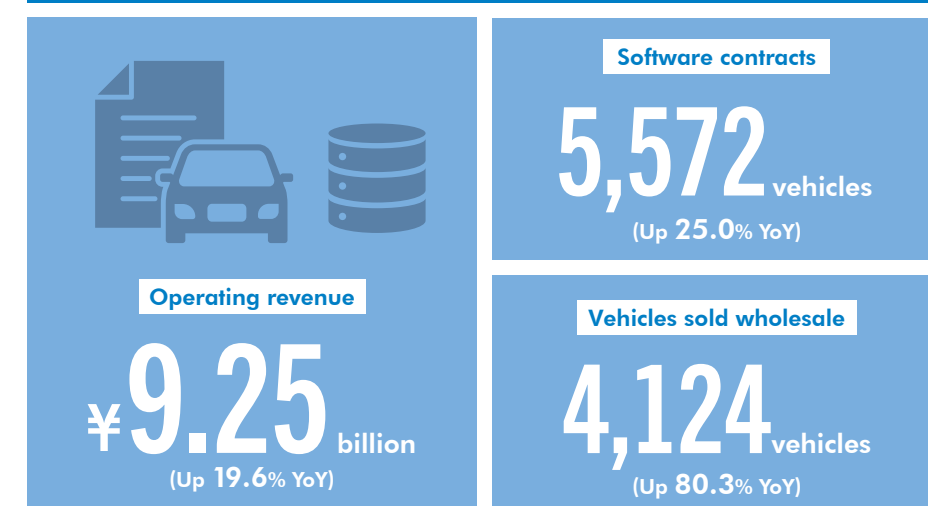
Finance Business



Automobile Warranty Business



Auto Mobility Services Business



*As of March 31, 2025

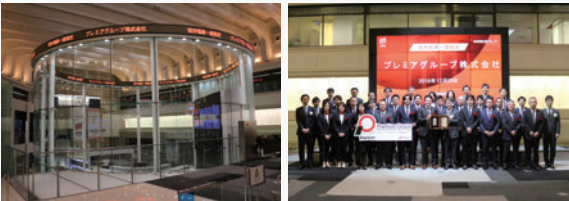


History

The Group has been accelerating its expansion as a business by leveraging its strength as an independent company. Moving forward, we will continue to expand each of our businesses while building an economic ecosystem in the used-car domain (the Car Premium Business Model) to establish the Group's unique identity. We will continue striving toward transformation into the ONE & ONLY Auto Mobility Service Company.

(Billions of yen)
700.0
600.0
500.0
400.0
300.0
200.0
100.0
0

Seeking to become
The ONE&ONLY
Auto Mobility Service Company



- 2007 • G-ONE Credit Services Co., Ltd. (currently Premium Co., Ltd.) was 2007 established.
- 2010 • Became a subsidiary of SBI Holdings, INC., and changed name to SBI Credit Co., Ltd.

- 2013
- 2016
- 2017

- Became a subsidiary of iSigma Capital Corporation, a wholly owned subsidiary of Marubeni Corporation, and changed name to Premium Financial Services Co., Ltd. (currently Premium Group Co., Ltd.).
- Established a local subsidiary in Thailand to promote the Finance Business and Automobile Warranty Business.
- Premium Group Co., Ltd. got listed on the Second Section of the Tokyo Stock Exchange.
- Established PT Premium Garansi Indonesia, a joint venture that provides warranty services in Indonesia.

...Loan receivables
...Total volume of new warranties

08/3 09/3 10/3 11/3 12/3 13/3 14/3 15/3 16/3 17/3 18/3 19/3 20/3 21/3 22/3 23/3 24/3 25/3

Loan receivables
¥778.6billion

Total volume of new warranties
¥7.5billion

(Billions of yen)
12.0
10.0
6.0
4.0
2.0
0

- 2018 • Listing of Premium Group Co., Ltd., changed to the First Section of the Tokyo Stock Exchange.
- 2019 • 2019 L'OPERAIO SOLUTIONS K.K. (currently Premium Warranty Services Co., Ltd.), which provides automobile warranties, became a subsidiary.
- 2020 • Premium Mobility Services Co., Ltd., which operates auto mobility services business, was established.
- 2021 • Established joint venture Premium Warranty Services Philippines, Inc. in the Philippines to provide warranty services.
- 2022 • Listing of Premium Group Co., Ltd. changed to the Prime Market of the Tokyo Stock Exchange.
• Launched the "Car Premium for all your car needs" automotive information website.
- 2023 • Aired first Car Premium TV commercial.
- 2024 • Released the Car Premium Anshin Shop program.

2007—2012

Launch of Finance and Automobile Warranty businesses as our core businesses

Founded by Yohichi Shibata, President and Representative Director. Using his knowledge of automobiles and finance, he launched an auto loan business that had high barriers to entry in order to "provide top level financing and services to the world." Facing the threat of business withdrawal due to the global financial crisis in 2008, the Company overcame the challenge and established its core business.

2013—2018

Diversified business development and overseas expansion by leveraging our strength as an independent company

Leveraging the strength of its independence, the Company diversified its businesses by establishing and making subsidiaries that develop and provide automobile maintenance services and automobile-related IoT devices/software for automobile providers. It also expanded internationally by developing Finance and Automobile Warranty businesses in Thailand and Automobile Warranty business in Indonesia.

2019—2023

Evolving as an Automobile Company

As an automobile company, the foundation for the development of each business was established. Continued to diversify its businesses and expand overseas as an automobile company by acquiring a company that operates an auto parts business and a company engaged in debt collection as subsidiaries, and developing the Automobile Warranty business in the Philippines. DX was actively promoted, including being selected as a Noteworthy DX Company for three consecutive years.

2024 onward

Establishing the Car Premium business model

Aimed to expand the membership organization "Car Premium Club," enhancing the recognition and brand strength of "Car Premium" so that automobile providers can provide better services and customers can feel secure when purchasing used cars.

For details on the "Car Premium Business Model," see P.9

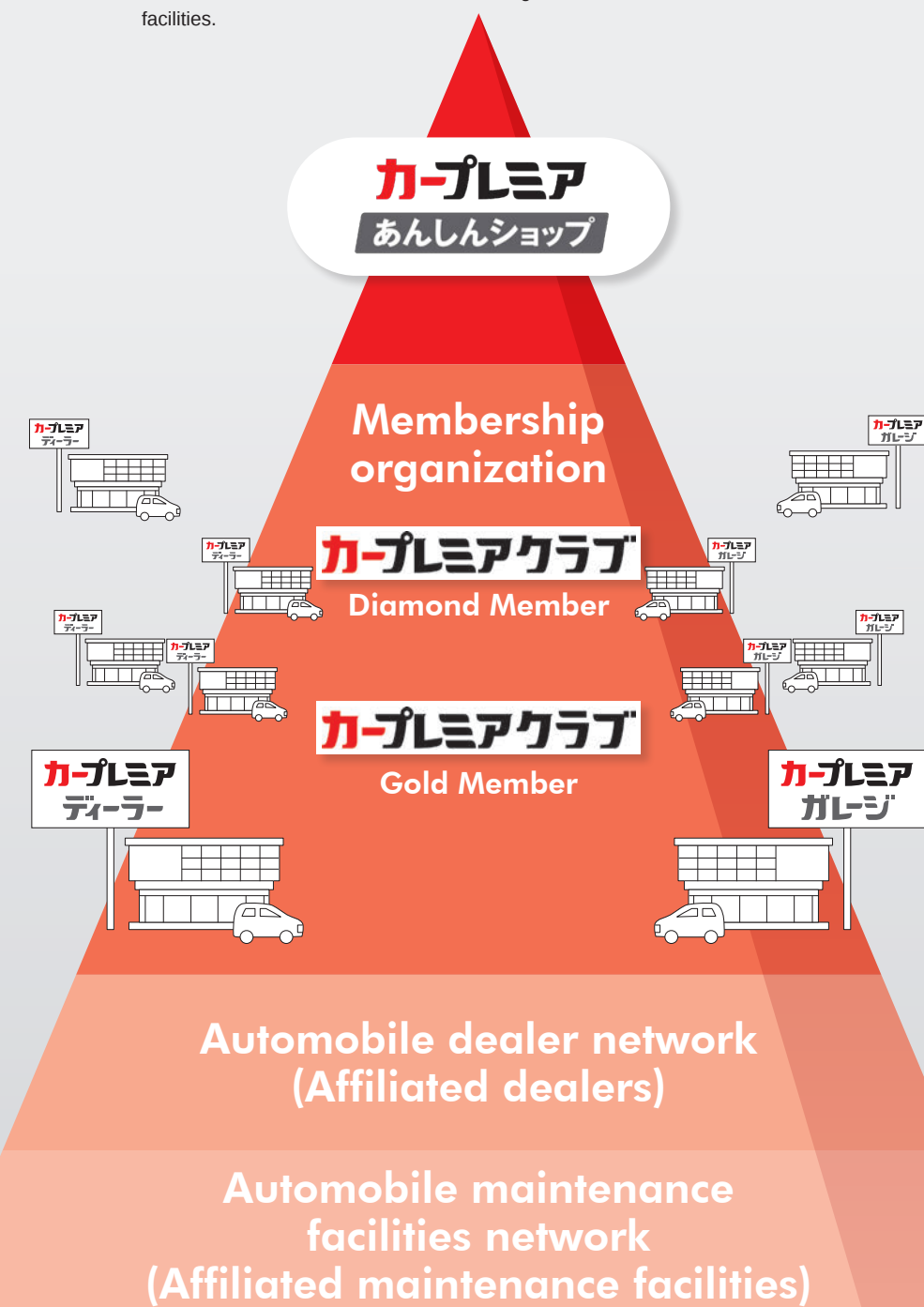


Car Premium Club—A Membership Organization

What is the Car Premium Club?

The "Car Premium Club" is a membership organization formed from a network of automobile dealers and maintenance facilities that have been established since the Company's founding.

It consists of two membership organizations: "Car Premium Dealer" for automobile dealers and "Car Premium Garage" for automobile maintenance facilities.



What is the Car Premium Anshin Shop?

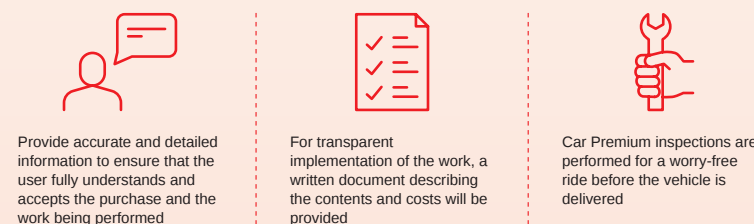
Point ① Anshin Shops certified by our Group

The Group certifies a store as an "Anshin Shop" if it is a Diamond member of the Car Premium Club, meets the conditions, and agrees to the "Anshin Declaration," which promotes transparent operations and price presentation.

Point ② Comprehensive Anshin Declaration and compensation services

The contents of the Anshin Declaration are set at the time of vehicle purchase and at the time of vehicle maintenance, respectively. The content is designed to have the store promise to respond in a cordial and courteous manner to avoid any discrepancy between the customer and the store. If a defect occurs within 14 days after the vehicle purchase and the vehicle maintenance, respectively, up to 300,000 yen will be paid to the customer.

Anshin Declaration for vehicle purchase/maintenance



Car Premium covers up to ¥300,000 for repairs of defects occurring within 14 days after vehicle purchase or maintenance

*Applicable to four-wheeled vehicles registered for private use

What is a Car Premium Dealer?



The "Car Premium Dealer" membership program for automobile dealers offers exclusive services to members of the Car Premium Club. Members themselves also receive a wide range of support services, including customer acquisition, procurement, and sales assistance.

Examples of member-exclusive services: Expanded finance credit limits, dedicated auto leasing, and exclusive automobile warranty programs customer acquisition, procurement, and sales assistance.

What is a Car Premium Garage?



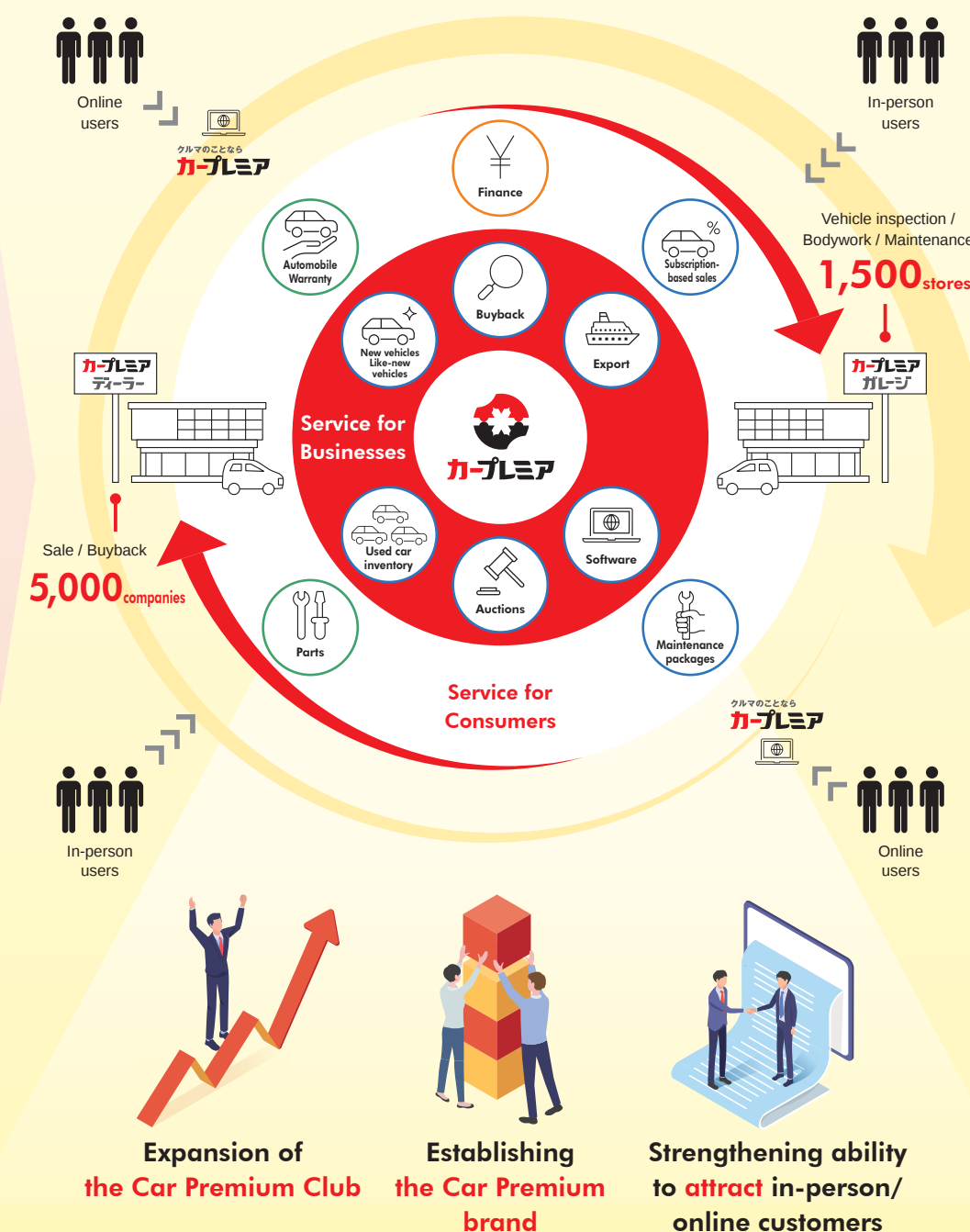
The "Car Premium Garage" membership program for automotive maintenance facilities offers exclusive services to members of the Car Premium Club. Members themselves also receive a wide range of support services, including customer acquisition, procurement, and sales assistance.

Examples of member-exclusive services: Dedicated inspection warranties and exclusive maintenance package sales

Establishing the Car Premium Business Model

The idea is to expand and develop the Car Premium business by facilitating transactions (use of Car Premium services) between Car Premium members and users within the Car Premium network.

Our Medium-Term Management Plan "ONE & ONLY 2026," announced in May 2023, sets forth the goal of establishing this business model. **P.33-34**





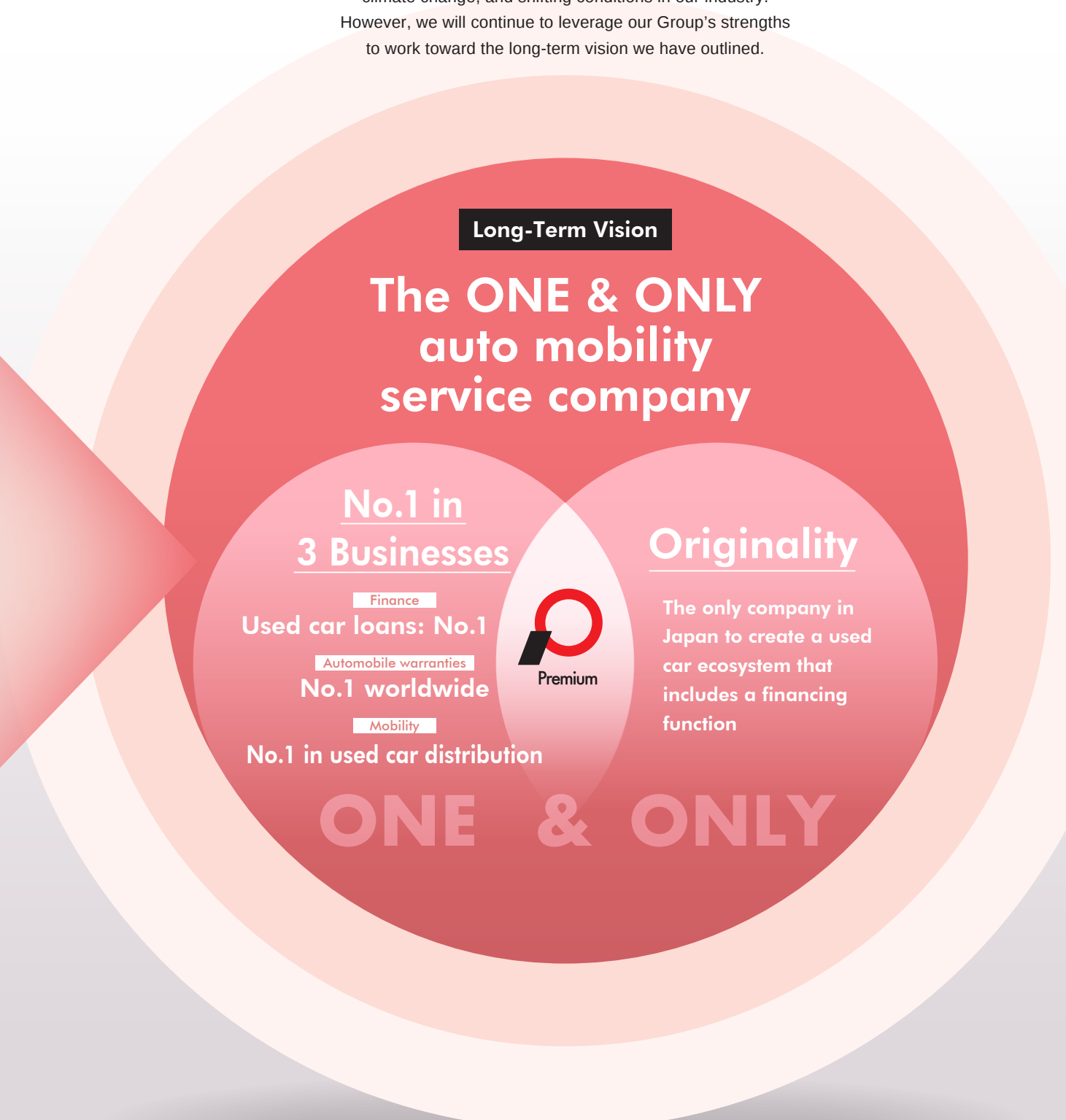
Premium Group's Vision and Current Challenges



Our Group announced its medium-term management plan, ONE&ONLY 2026, in May 2023, setting forth its long-term vision for 2030: becoming the ONE&ONLY auto mobility company.

Our vision for 2030 sets our sights on ranking first in each of our three core businesses and, additionally, establishes the goal of building Japan's only used car ecosystem offering its own finance services.

Our Group's operating environment is changing rapidly, buffeted by global financial tightening, uncertain international circumstances, climate change, and shifting conditions in our industry. However, we will continue to leverage our Group's strengths to work toward the long-term vision we have outlined.





Yohichi Shibata

President and Representative Director
Group CEO and COO

柴田 洋一

President's Message

The future is built by us all

Pursuing sustainable growth and maximal corporate value together with society and our customers

To our stakeholders

The Premium Group has traditionally approached challenges by combining its strengths in finance and mobility. Moving forward, we are firmly emphasizing such themes as establishment of a used car ecosystem, DX, global expansion, investment in human capital, and CSR/ESG to lay the foundations for further growth. Building upon our achievements thus far, I sincerely believe we have a responsibility to create a bright future together with society and our customers and, thereby, achieve sustainable growth and maximize corporate value.

My perspective on the industry environment

The mobility industry presently faces a once-a-century transformation. Advances in electric vehicles and autonomous driving, demographic shifts, soaring new car prices, and scandals that have shaken trust are among the challenging issues confronting the entire industry. The domestic new car market is struggling to grow, and the used car market currently shows slightly softer momentum. However, an assessment from a broader global perspective suggests that Japan's used car market still holds significant growth potential. Many countries overseas are home to mature used car markets that exceed the size of their new car markets, suggesting that ample room remains for future development in Japan. Amid all this, it is ultimately the preferences of our customers that sustain the used car market. Customers are not motivated solely by price; they expect to choose vehicles with confidence and drive with security and peace of mind. We believe the industry's sustainable growth hinges on our ability to meet these expectations. To this end, we launched Car Premium Club under the banner of Safety, Security, and Trust. This is not simply a membership organization; we position it as a strategic platform that ensures customers' peace of mind while invigorating the overall health of the industry and raising our Group's profitability and corporate value.

Next medium-term management plan

Establishing an ecosystem and expanding corporate value

I believe that three years ago, when we announced our current medium-term management plan, many were skeptical and questioned whether its objectives could really be achieved. Nevertheless, from that time, I have held a strong conviction that they can. The Premium Group possesses a unique combined strength in finance and mobility, and our people are unafraid to take on challenges. I believe we can absolutely achieve our objectives. Indeed, these past three years have been far from easy, and we faced a significant setback owing to a system failure at a subsidiary. While we have had to revise parts of the plan, our growth trajectory has never faltered. In fact, our triumphs over adversity reaffirmed the strength of our organization and further solidified our conviction about the future. Throughout all this, our credit receivables balance has expanded to approximately ¥800 billion, and the Car Premium Club network has grown to nearly 5,000 corporate members. These are more than mere numbers; they are proof of the trust and ability the Premium Group has built. Building on this experience, I am confident that the new medium-term management plan starting next fiscal year is also fully achievable and will direct our Group into a new period of growth. Establishing an ecosystem centered on the Car Premium Club is not solely about expanding our network. It entails having a clear vision and strategy for delivering value to our stakeholders.

- We offer customers a secure and trustworthy automotive experience by eliminating the anxiety of choosing a used vehicle.
- We provide Affiliated dealers and maintenance facilities with a platform for sustainable growth, as we share varied growth opportunities including financing, warranties, and



after-sales service.

- Our Group is building the foundation for growth in profitability and corporate value and delivering attractive medium-to-long-term returns to our investors.

Moreover, since accelerating overseas expansion is a key element of this new medium-term management plan, we will establish a beachhead in emerging Southeast Asian markets, collaborate more deeply with local partners, and deploy our domestically developed finance-plus-mobility model. We are confident that overseas markets, given their substantial growth potential, represent the next growth engine that will rank alongside our used car ecosystem in Japan and drive robust global corporate value accretion.

DX-powered growth strategy

The combined strength of mobility, finance, and IT

DX is certainly driving Premium Group's growth. Since our founding, I have been committed to the synergy between finance and mobility. I am confident that by adding IT to this mix, we can deliver unprecedented value to customers. We have already simplified loan procedures and enhanced the efficiency of credit and collection activities using AI. Moreover, we are creating a system to seamlessly connect online purchases to after-sales service and provide a level of reassurance previously unknown in the used car segment. These initiatives not only make things more convenient for customers but also underpin our Group's profitability. Our DX initiatives have also garnered significant external recognition. We are honored to have been selected as a Noteworthy DX Company for three consecutive years and, this year, were elevated to DX Stock status. We view this as evidence that our work is valued by society. I believe this achievement reflects the cumulative challenges undertaken by each member of our staff. At the same time, I feel a keen responsibility to drive digital transformation forward at an ever higher level. Our objectives do not stop at mere convenience. I believe the true value of DX lies in revolutionizing the customer experience (CX). It is about consistently delivering experiences that make customers genuinely feel fortunate for having chosen our Company. I feel assured that this is the most powerful force for enhancing corporate value over the long haul. This is why we are also actively leveraging generative AI. AI is not a simple tool for streamlining operations; it raises customer service and Affiliated dealers and maintenance facilities support to new levels and creates an environment where employees are freed up for more

creative, high-value tasks. I believe AI will become a major impetus for the creation of future service models and business ventures.

We have faced challenges while pushing forward with DX. The failure of a core system at our subsidiary caused significant distress for many customers and stakeholders. As a leader, I profoundly regret this incident. This experience has directly prompted us to implement thorough reforms. We have fundamentally reviewed our system architecture, introduced third-party checks by external technical advisors, and established a new Quality Management Committee to implement multilayered governance across the entire group. I strongly believe that DX must not focus solely on efficiency or convenience and should be a growth mechanism grounded in security. It should support a solid foundation upon which customers can use our services with peace of mind and then be used for creating new value upon that foundation. To my mind, this is the essence of DX at the Premium Group and the path to our next growth strategy. Moreover, investment in human resources and sustainable management centered on CSR and ESG are indispensable to the reliable execution of our strategies. Next, I will explain some specific initiatives.

Sustainable value creation through CSR and ESG integration

I do not view CSR or ESG as obligations. By integrating and practicing both disciplines, I believe we can create value for society as we simultaneously unearth new growth opportunities for our Group in the form of new business ventures.

The core elements of our corporate citizenship focus are business, sports, culture, and regional revitalization.

- **Business:** Combining finance and mobility to provide a safe and secure automotive experience is itself a social responsibility and a sustainable revenue model. Leveraging data and networks based on this model will spur future expansion of new services and financial products.
- **Sports:** Golf and the golfing lifestyle have a strong affinity with the automotive industry. Supporting golf offers opportunities to develop new mobility services and membership businesses.
- **Culture:** Within youth culture, dance symbolizes diversity and self-expression. Supporting the activities of the professional dance league team LDH SCREAM (affiliated with LDH JAPAN Inc.) connects us with younger

generations, helping build our future customer base and enhance familiarity with the Car Premium Brand.

- **Regional revitalization:** Our partnership agreement with Ishigaki City has advanced the cause of mobility support in areas lacking convenient transportation.

Through these efforts, we have come to deeply recognize the importance of not only providing transportation options but also supporting local agriculture and food production. We aim to collaborate with partners to develop new business opportunities linking agricultural support, produce distribution, and tourism.

I believe that placing CSR and ESG at the core of our management program is essential for becoming an enterprise favored by society. However, I am convinced that it is not just that; discovering new business models and opportunities from this foundation and linking them to sustainable value creation is precisely what will become the driving force supporting Premium Group's future.

Investment in Human Capital

The Source of Long-Term Competitive Advantage and Corporate Value

I refer to employees not as "human resources" but as "human capital." People are a company's most valuable asset and the source of energy that creates its future. No matter what kind of excellent systems an organization implements, it is ultimately human capital that creates value. Therefore, investment in the development of human capital is a strategic investment that confers a long-term competitive advantage and builds corporate value.

Among our specific achievements, we have achieved base pay increases for four consecutive periods to help our employees ensure a secure foundation for their lives. At the same time, we have introduced a system that fairly evaluates effort and results rather than seniority alone. Only in an environment where effort and the spirit of challenge are rewarded can talent maximize their potential. Furthermore, we prioritize well-being. Only when employees are in good physical and mental health and able to find pride and fulfillment in their work can they truly reach their full potential. We encourage flexibility in work styles and systems by providing support tailored to each stage of life and creating an environment in which every individual can continue to take on challenges in ways best suited to them as individuals.

Additionally, by combining training, job rotation, and the development of digital skills, we hone our talented staff's ability to pioneer the future. We mandate IT Passport



certification for managers to cultivating talent capable of leading digital transformation. By actively promoting diverse talent without respect to gender or nationality, we draw out fresh ideas and strengthen our organization.

"Talent is not a cost; it is an investment." Guided by this conviction, we firmly believe that providing an environment in which employees can work contentedly and grow is what sustains Premium Group's growth, enhances its corporate value, and builds the trust needed for investors to place their confidence in us over the long term.

Our promise to the future

Since founding the company, I have managed it with conviction, urging our people to always be forward-looking and diligently build processes step by step. Facing difficulties without retreat, fearlessly embracing change without fear, and persistently taking on challenges—this accumulation has been the driving force that has brought Premium Group to where it is today. We will maintain this stance and continue to evolve.

Premium Group will deliver new value for society as we build on our foundations in finance and mobility. In doing so, we will solidify profitability, expand growth opportunities, and continuously enhance corporate value. This is both our promise to our shareholders, investors, and other stakeholders and our mission to remain indispensable to society.

To our shareholders and investors who have supported us thus far, to our Affiliated dealers and maintenance facilities and business partners, and to each and every employee, I express my deepest gratitude.

As a leader of the Company, I will walk alongside you all, stride by stride. True to our commitment, Premium Group will keep challenging itself. I sincerely ask for your continued generous understanding and support.



Outside Directors × Director and Managing Executive Officer

Summary of FY3/25 and path

toward increased corporate value

Director, Managing Executive Officer
Head of Group Administration Division

Tomohiro
Kanazawa

*Photo: First from left

Outside Director

Yuka
Horikoshi

*Photo: Second from left

Outside Director

Hiromi
Oshima

*Photo: Third from left

Outside Director

Tsuguhiro
Nakagawa

*Photo: Fourth from left



From left: Tomohiro Kanazawa, Yuka Horikoshi, Hiromi Oshima, Tsuguhiro Nakagawa

Year in review

Q. How do you assess the progress of the medium-term management plan for FY3/25 and current challenges the Company faces?

Mr. Nakagawa: We assess this past year as one of steady progress in establishing the Car Premium business model, as outlined in our medium-term vision. The total number of Car Premium Club members (Car Premium Dealers and Car Premium Garages) reached 4,326 companies and locations (a year-on-year increase of 956). This marks the kickoff of our quest to build Japan's largest mobility service provider network. While we still face the challenge of driving customer referrals from our website, we view our current standing as a testament to the success of our field teams' effort. Unfortunately, a major system failure affecting our core finance operations system at the end of the period somewhat dimmed performance. Although revenue and profit kept trending up, demonstrating the Group's solid foundation, it was regrettable that we fell short of our business targets as the system failure impeded growth.

Ms. Horikoshi: Despite the difficult circumstances created by the system failure, we were able to keep growing and have maintained trust with our Affiliated dealers and maintenance facilities. This year truly showcased the strength of our sales teams and our organizational resilience. Car Premium Club membership also grew steadily, demonstrating the synergy between our sales and service capabilities. We applaud our field staff for proactively identifying challenges, providing meticulous support to Affiliated dealers and maintenance facilities and customers, earning the trust of our Affiliated dealers and maintenance facilities, and demonstrating resilience in building the Car Premium market ecosystem.

Ms. Oshima: I also feel this past year was one of significant progress toward our vision. Despite the system failure, we managed to steadily grow the business while effectively leveraging our strengths and our status as an independent company. Looking ahead, while we are steadily establishing a strong position in the domestic market, I feel we are approaching a stage where we need to significantly expand our overseas operations to ensure medium-to-long-term growth. As the domestic market is expected to shrink in the future, it is necessary to boldly expand into overseas markets while carefully assessing international business risks.

Mr. Kanazawa: Regarding the targets set in our current medium-term management plan, we are working as one company to make a comeback this fiscal year. Car Premium Club membership is advancing steadily in line with our medium-term management plan and is trending near are target. Regarding the system failure, as my colleagues have mentioned, the top priority for us as executives in charge of internal functions is to fix our shortcomings and seek a complete resolution. At the same time, it is crucial for the entire company to strenuously pursue business strategies such as M&A, capital alliances, and new ventures.

Especially this year, being the final fiscal year of the medium-term management plan, we believe it is essential to implement immediate countermeasures while also maintaining balance with our medium-to-long-term strategies.

Lessons learned from the system failure

Q. Please discuss the causes of the system failure, its impact on management, and the lessons learned for the future regarding critical business infrastructure.

Mr. Nakagawa: Regarding this system failure, we have advised the executive department that damage due to

insufficiently thorough prerelease verification represents a major lesson for the future. Given the importance of system development, we believe it was a case where rigorous double and triple risk checks should have been in place earlier in the process.

I hope this incident is taken as an opportunity to review our broader risk management framework. The shutdown of a system central to our finance operations and underpins our group's growth exposes the entire company to substantial risk. We must do better in sharing information and responding to early warning signs while also fostering a deeper companywide understanding of IT investment.

Ms. Horikoshi: From an internal control perspective, I too feel the renewed necessity for a system that objectively and continuously evaluates and verifies the progress of system development. System development is a long-term project involving substantial investment. Going forward, I believe we should build a system capable of multi-faceted verification, incorporating third-party opinions. The company is also initiating a restructuring of its systems following this incident, and we, as outside directors, intend to closely monitor the process of improvement.

As Mr. Nakagawa mentioned, in the finance business driving our growth, the extension of credit is critically important, and disruptions like this directly impact the credibility of the Company. While the outage did cause delays in debt collection, I believe the management decision to prioritize sincere customer support was appropriate. Containing any losses within a temporary period and minimizing customer impact are vital for building long-term trust. I consider this stance a strength of the Premium Group.

Mr. Nakagawa: That's exactly right. Even amidst the turmoil, customer inquiries were handled accurately, and support for our Affiliated dealers and maintenance facilities was suitably provided. I believe maintaining trust across the entire group has been a major achievement. On the staffing front, we were able to swiftly put the right people in critical positions and quickly establish a structure capable of responding swiftly to the crisis. I believe our success with this will prove valuable for the future management of our Company.

Ms. Oshima: This incident has precipitated a thorough upgrade of our risk management framework and elicited a more cautious approach. As our business has rapidly expanded, it is undeniable that management oversight fell behind in some instances. This incident has inconvenienced our customers and many other stakeholders, and we consider it crucial to learn the lessons from this experience, apply them moving forward,



and definitively prevent a recurrence.

Mr. Kanazawa: My department, which provides an internal executive function, takes this incident seriously and is committed to swift

resolution. While areas for reflection remain, we reaffirmed our strength in maintaining a unified sense of mission and respond flexibly and quickly to minimize losses due to system failure. Building on this, we are advancing the development of our organization to better handle future crises and changes.

Risks and opportunities in the external environment

Q. Regarding the impact and required responses to external variables, such as the so-called “Trump tariffs,” and the rapid spread and evolution of AI, please share your perspective.

Mr. Nakagawa: We currently expect the impact US tariff policies on the domestic used car market to be limited. However, new car sales trends could become an influencing factor, so we need to continue monitoring developments closely. Given the risk of adverse effects spreading across the entire industry supply chain, it is crucial to accurately assess the situation and respond appropriately. We must maintain a flexible stance toward risk, considering not only nominal foreign policy but also feedback from the field and the actions of our business partners.

Ms. Horikoshi: Regarding overseas expansion, we previously invested in Thailand's Eastern Commercial Leasing p.l.c. (hereinafter “EAST”). Now, two Japanese companies have acquired a majority stake in EAST, allowing management to be more agile and proactive. This change also helps diversify our business portfolio. From a long-term perspective, we expect it to promote business expansion. As our influence over EAST's management increases, we expect the scope for strategic collaboration to broaden going forward.

Mr. Nakagawa: I appreciate that EAST is eschewing complacency and continuing to advance. Enhancing our presence in Asia through EAST is of significant strategic importance for the Premium Group. By strengthening our capabilities not only in the domestic market but overseas,

as well, we are driving the expansion of our long-term growth platform.

Meanwhile, another critical management theme is AI, which we believe should be used to not only streamline internal operations but also extensively enhance customer service and credit screening. Other companies have already begun applying AI to customer service, and the Premium Group must likewise actively adopt it. When introducing AI, it is crucial to carefully identify the challenges and needs of the sales function.

Ms. Horikoshi: I feel that developing sophisticated AI-based automation offers significant potential in the debt collection space via social media, as well as for strengthening communication with customers and Affiliated dealers and maintenance facilities.

Regarding points of contact with Affiliated dealers and maintenance facilities, I believe that progress in advanced automation techniques, such as AI selection of optimal wording based on transactional attributes and timing, can also help establish more trusting relationships. Achieving both quality and efficiency in customer service could become a major differentiator for us within the industry.

Ms. Oshima: Regarding overseas expansion and AI utilization, I agree with both of your opinions. While the direct impact of Trump's tariffs may not be substantial, the challenging circumstances faced by the automotive industry could have indirect effects, about which we should not be complacent. Tariffs aside, I believe the current global economy is more difficult to predict than ever before. Geopolitical risks are intensifying, and the concept of normal conditions is fading, leaving us in a situation where anything could happen. In this environment, it is crucial to keep our antennae raised to facilitate the gathering and analysis of information. To ensure resilience, we must establish a robust management structure capable of absorbing a certain degree of business risk should unforeseen events occur. Business expansion and enhanced risk tolerance are equally vital.

Mr. Kanazawa: Even if US tariffs become stricter, we believe the negative impact on the Group will be minimal. High tariffs could particularly impact the automotive industry in Japan and, in the worst-case scenario, automobile exports from Japan to the US could be significantly restricted. However, if there is a resulting increase in new car distribution within Japan, this would also increase the supply of used



cars. This presents an attractive possibility for our group, as it could lead to more opportunities to provide services such as loans and service warranties.

Relying solely on the domestic used car market poses long-term risks as Japan's population continues to decline, and our Group is, therefore, advancing into overseas markets to sustain growth. Our progress with investing in EAST is a prime example of steps we have taken to achieve the longer-term outcomes outlined in our medium-term plan.

Regarding the Board of Directors' agenda and enhancement of its function

Q. Please describe the current nature of the Board of Directors' meetings and measures to enhance its function. Please also share your thoughts on efforts to raise the effectiveness of the meetings and the responsibilities the Board should fulfill.

Mr. Nakagawa: At the meeting of the Board of Directors, we are diversifying the metrics driving our decision process by incorporating such external indicators as advertising impact into our strategy discussions. This has increased the Board's explanatory power, which I view as very positive. Data from third-party evaluations allows us to more objectively assess business progress, thereby further raising the quality of our decisions.

Ms. Horikoshi: To improve accountability, we have sought clearer explanations of member sign-up/cancellation rates and Affiliated dealers and maintenance facilities support status so as to deepen our understanding of the business environment. I sense a more intense focus on ongoing follow-up. This has been highly beneficial in devising strategy based on member retention rates and indicators of churn. Going forward, I believe it will be crucial to evaluate not only numerical data but also customer satisfaction responses and other qualitative information.

Mr. Nakagawa: Pre-emptive explanations and individual communications are also robust. In emergencies, a flexible coordination system is in place not only within the Board but also among outside directors and executive officers. This enables swift decision-making, which is a very positive trend for the organization. The response to

this recent system failure particularly demonstrated how well the daily coordination system functions. Such agile responses are highly significant for enhancing the overall reliability of the organization.

Ms. Oshima: I find discussions at Board of Directors meetings to be very active. At every meeting, decisions are made only after thorough debate proceeds to the point where all parties are satisfied. I truly feel that our internal and external directors form a united management team while maintaining a healthy level of tension. As outside directors, we must never forget our perspective as shareholder representatives and strive to enhancing corporate value.

Ms. Horikoshi: You're absolutely right. Regarding compliance and internal controls, it would be beneficial to have forums beyond Board meetings for exchanging opinions. Given our numerous agenda items and limited discussion time, we need opportunities for deeper exploration. As we move to enhance governance, I hope we can increase opportunities for dialogue with business management going forward. Sustainability initiatives are of particular importance, as this is an area in which greater disclosure and accountability will be demanded in the future. I feel it's crucial to deepen discussions on this topic at meetings of the Board of Directors as well.

Mr. Nakagawa: I believe one of Premium Group's strengths is its consistent delivery of results through its sophisticated crisis management and problem-solving capabilities. Our culture values people at all levels throughout company, and I feel this is clearly reflected in our crisis response procedures and attitude toward our customers. I hope we can espouse these values at the meeting of the Board of Directors as well in the interest of sustainable growth.

Ms. Horikoshi: I am convinced that aligning all group companies along a set of common values, enhancing our focus, and striving to become a fully unified organization will directly drive future growth. As outside directors, we intend to fulfill our responsibilities under the leadership of our president and the rest of the executive staff.

Mr. Kanazawa: We regularly receive candid and rigorous feedback from our outside directors during meetings of the Board of Directors. Moving forward, we will continue to encourage open and robust discussions at meetings of the Board of Directors while working to become ever more effective. We refuse to become complacent with the status quo.





Value Creation Process

In order to build a more richer society, Premium Group will gain a firm understanding of the external environment and maximize its unique management capital and business model to enhance the value it provides.

MISSION

We contribute to building a richer society by providing the best finance and services to people around the world.

We will develop and nurture enriched human capital who consistently approach their work with a positive mindset and diligently build upon every process.

External Environment

Development of CASE and industry / Development of Transformation of the mobility industry

Fluctuations in interest rates and exchange rates

Declining birthrate and aging population

Digitalization

Climate change

Growing social disparities

Diversification of lifestyles

Economic growth in Southeast Asia

Changes in global conditions

Management Capital

*As of March 31, 2025

Financial capital

- Total assets: 185.0 billion yen
- Net assets: 19.0 billion yen
- Loan receivables: 778.6 billion yen
- Future revenue: 62.2 billion yen

Human capital

- Human resources with in-depth expertise in automobiles and finance
- Active promotion of women and young employees to managerial positions
- Percentage of female managers (the Company and core subsidiaries): 18.1%

Social capital

- Automobile dealer network: approx. 30,000 companies
- Car Premium Dealer: 3,468 companies
- Maintenance facility network: approx. 5,000 facilities
- Car Premium Garage: 858 stores
- Domestic business operation: 30 bases
- Overseas business expansion: 5 countries

Intellectual capital

- Finance know-how (screening and debt collection)
- Mobility know-how (purchasing, sale, repair, purchase from customers, maintenance, bodywork, dismantling)
- Human resources development know-how (a subsidiary dedicated to training)

Natural environmental capital

- CO₂ emissions: 1,715 t-CO₂

Business Model

Long-Term Vision Seeking to become The ONE & ONLY Auto Mobility Service Company ▶ P.11-12

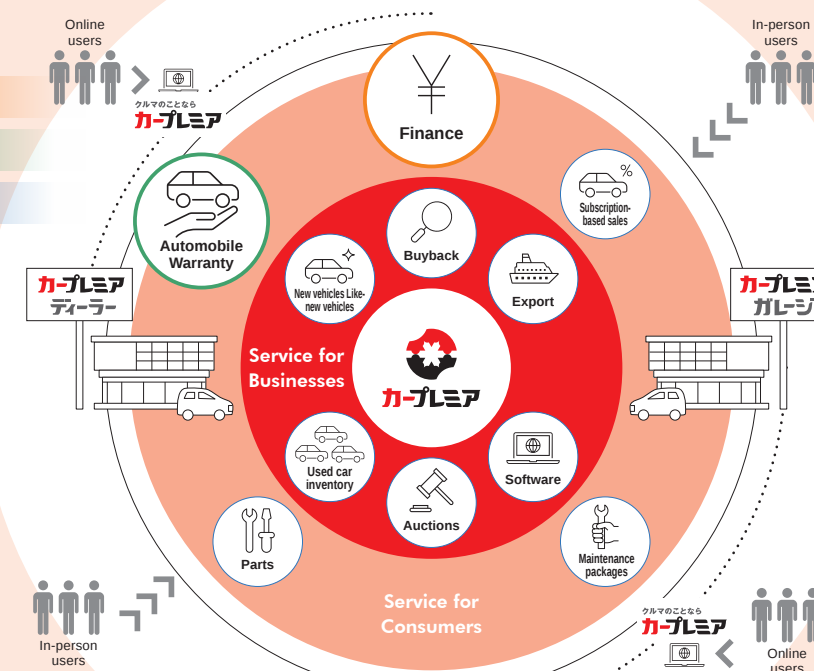
Core Businesses

Finance Business

Automobile Warranty Business

Auto Mobility Services Business

Car Premium Club connects each business to realize synergies



Medium-Term Vision Establishing the Car Premium Business Model ▶ P.33-34

DX Strategy

◆ Core business strategy

Improve the management efficiency of automobile providers and deliver safety and convenience to end-customers

- Well-being of employees
- Realization of next-generation mobility services (CASE and MaaS)

◆ Organization

- DX is promoted through a hybrid approach consisting of a "dedicated DX promotion organization" directly under management and "DX project promotion departments" established at major subsidiaries

◆ Training

- Define and train the human resources required for Premium Group's DX

◆ Foundation

- Data aggregation, agile development, full cloud computing, zero trust

Materiality

• Environment

Contribute to the formation of a recycling-oriented society by promoting the use of used cars

• Society

Building the well-being of employees by fostering motivation and job satisfaction, and education
Formation of security and trust through protection of customers' personal information and appropriate transaction processes

• Governance

Governance system that ensures transparency and soundness of operations

• Toward sustainable growth

Creation of innovations to strengthen competitiveness

Value Provision

Customers

- Realization of a safe, convenient, and richer car life
- Improvement of economic environment and financial literacy

Society

- Formation of a recycling-oriented society
- Reduction of energy consumption and GHG emissions

Affiliated dealers and maintenance facilities and partners

- Improvement of management efficiency and IT literacy
- Mutual development among automobile providers

Employees

- Improvement of employee motivation, job satisfaction, and well-being
- Development of each individual's ability and output capabilities

Shareholders

- Returning profits
- Enhancement of corporate value and stock price

Strengthen corporate governance, risk management, and compliance systems

Further Enhancement of the Value We Provide



Materiality (Sustainability Key Items)

The Group has identified six materiality (material issues: environment, society, human resources, business innovation, compliance, and governance) as important issues to be addressed in order to realize our mission and sustainable growth toward the formation of a sustainable society. Our efforts toward these material issues both fulfill our corporate social responsibility (CSR) and encompass the ESG (Environment, Society, Governance) perspectives demanded by investors and markets.

Through steadily advancing our material issue initiatives, we aim to achieve our Medium-Term Management Plan “ONE & ONLY 2026,” and ultimately realize our mission.

Basic Sustainability Policy

The Group will identify and analyze various risks and opportunities to ensure financial soundness and appropriateness of its operations, and will strive to promote sustainability in an appropriate manner.

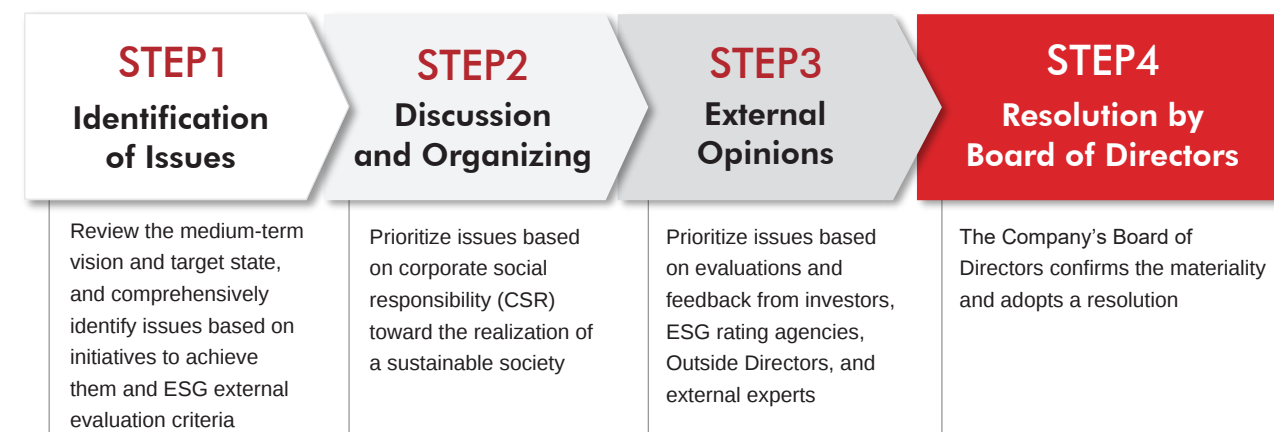
Sustainability Promotion System

The Sustainability Committee, chaired by the President and CEO, formulates sustainability policies and strategies, the measures for which are implemented in collaboration with executive divisions and Group subsidiaries. To further accelerate our initiatives, we established a new Sustainability Promotion Office. Under this new structure, we will integrate sustainability more comprehensively into our management practices.



Materiality Identification Process

In identifying materiality, we comprehensively examine the Group's strengths, areas where its efforts are still insufficient, and issues that society expects and demands to be addressed, based on an analysis of its future environmental outlook, business environment, and other factors. In addition, based on interviews with external parties and resolutions made by the Board of Directors, we have decided to define them as the Group's materiality issues.



Realization of the Group's MISSION

Contribute to the construction of a richer society by providing top level financing and services to the world.

By further improving our financing and services, and spreading them across the world, we will create a richer society.

We will develop and nurture enriched human capital who consistently approach their work with a positive mindset and diligently build upon every process.

We will not give up before we start by thinking we cannot do something, or something is not possible. We will promote innovation with creative ideas and great ambition.

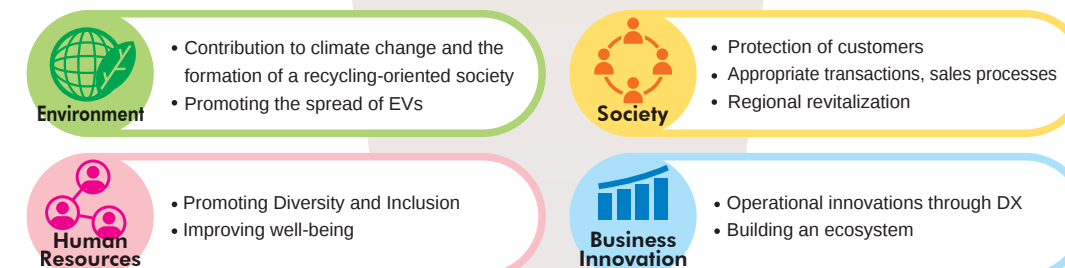
Achievement of the Medium-Term Management Plan

**ONE&ONLY
2026**

Establishing the Car Premium Business Model

Sustainability Management

- Realization of a sustainable society and enhancement of corporate value -



Forming the foundation of the Company



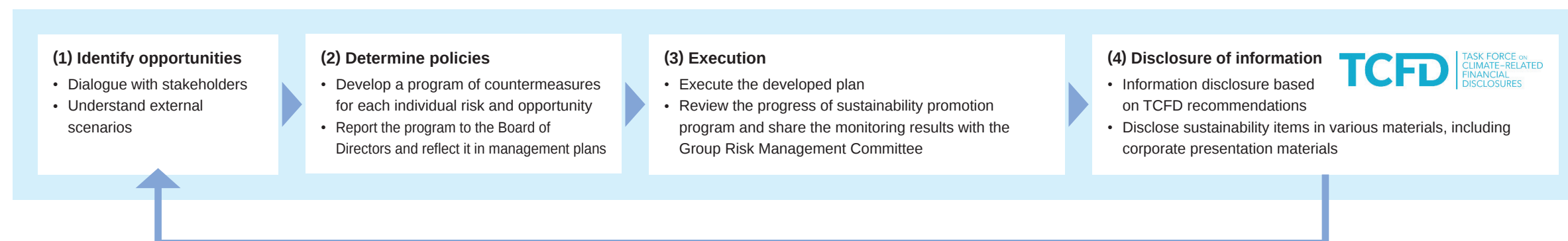
Materiality (Sustainability Key Items)/Risks and Opportunities

Materiality	Risks and Opportunities	Initiatives for Risks and Opportunities	Achievements from our Initiatives (as of March 31, 2025)	Details of Initiatives	SDGs to Contribute
Environment  Contribution to the formation of a recycling-oriented society	Risk Changing customer needs due to rising environmental awareness and decreasing demand for gasoline-powered vehicles Opportunity Expanding demand for used cars and parts driven by increased reuse awareness and accelerating EV market development	- Promote the use of used cars in the Finance business, as well as to “reduce, recycle, reuse, and repair” in relation to automobiles - Reduction of greenhouse gas (GHG) emissions	- Auto credit loan receivables: 778.6 billion yen - Cumulative number of automobile warranty contracts: 2 million vehicles (As of July 2025) - Obtained third-party assurance for GHG emissions for the first time - Established targets for reducing GHG emissions	Environment P.55	  
Society  Customer Privacy and Data Protection Proper Transaction and Sales Process	Risk Decline in corporate strength due to delayed response to technological innovations and changes in stakeholder behavior, etc. Opportunity Expand opportunities to provide solutions through dialogue	- Privacy Mark certification, formulation of the policy for protecting personal information, risk mitigation measures, internal audits, and promotion of employee education - Business registration as a credit intermediary, development of internal regulations, management of automobile dealers and automobile maintenance facilities, and compliance with the policy concerning elimination of antisocial forces	Conduct training on handling specific personal information and personal information protection for all employees	Society P.61	   
Human Resources  Fostering employee motivation and job satisfaction, education and training system Health and safety of employees	Risk Slower growth due to lack of responsiveness with unbalanced attributes and skills of human resources, and increased cost of securing human resources due to intensified competition for acquiring human resources Opportunity Achieve a virtuous cycle in which increased opportunities to acquire diverse human resources and the business development through the promotion of diversity lead to the generation of further innovation	- Code of conduct, improvement of well-being, organizational reform, promotion of women and young employees to managerial positions, in-house human resource development - Establishment of Safety and Health Committee, set up and implementation of guidelines for ensuring safety, implementation of measures against infectious diseases - Preparation and initiatives for the formulation of human rights policy	- Percentage of female managers: 18.1% - Percentage of male taking childcare leave: 77.8% - Percentage of employees taking paid leave: 74.0% - Establishment and disclosure of a human rights policy - Start of implementation of human rights due diligence - First certification as a Certified Health & Productivity Management Outstanding Organization	Human Resources Strategy P.47	  
Business Innovation  Initiatives and innovations to strengthen competitiveness Value chain management	Risk Decline in competitiveness due to stagnant digital strategies Opportunity Rapidly develop and expand solutions, including leveraging expert knowledge and external resources and technologies	- Change business processes, create business models through DX - Establishment of a value chain as a platform provider	- Establishing the Car Premium business model Car Premium Dealer: 3,468 companies Car Premium Garage: 858 stores - Disclosure of “DX Strategy 2025”	DX Strategy P.43	 
Compliance  Risk management and compliance	Risk Impairment of social credibility or interruption of business activities due to inappropriate corporate governance or risk management, inadequate response to cyber-attacks or terrorist financing, etc. Opportunity Strengthen social credibility	Conducting training on matters such as personal information protection and insider trading prevention, compliance, and establishment of Group Risk Management Committee	- Conduct training to improve risk management/compliance: 4 times/year - Group Risk Management Committee meeting: 2 times/year	Risk Management and Compliance P.69	 
Governance  Expansion of corporate governance system	Risk Stagnation in strategy execution due to failure to make appropriate decisions with an inadequate governance system Opportunity Strengthen relationships with stakeholders by ensuring transparency in governance	Corporate management that ensures transparency and soundness of operation to build a relationship of trust with all stakeholders	Continue to thoroughly implement the PDCA cycle to strengthen the effectiveness of the Board of Directors (Board of Directors evaluation: once a year)	Corporate Governance P.63	 

Recognition of Risks and Opportunities

Risks and opportunities are comprehensively recognized, measured, classified and assessed on an ongoing basis. In addition, the sustainability promotion system is reviewed from time to time in response to changes in the business environment, increased risks, and other factors.

PDCA Cycle of Sustainability Management





Feature

1 System Failure at Premium Co., Ltd.

Overview of the Failure

Premium Co., Ltd. (hereinafter “Premium”), a consolidated subsidiary of Premium Group, is obligated under the Installment Sales Act to register credit information, such as payment status of credit obligations, with designated credit reporting agencies.

However, beginning on November 13, 2024, a system failure associated with an upgrade of the core credit system caused delays in the submission of necessary information to the credit reporting agencies and resulted in the erroneous billing of some customers.

As a result of the failure, the Group incurred a one-time charge that impacted profit before tax for FY3/25 by ¥1.31 billion.

Key Chronology of the System Failure

November 2024	Following the implementation of the core credit system upgrade, a system failure caused by a programming error delayed the transmission of data to designated credit reporting agencies and caused some customers to be billed in error.
February 5, 2025	First announcement: The scope of the failure's impact was largely determined, and its occurrence was disclosed. A countermeasures task force was established, and efforts to investigate the cause and restore operations were announced.
March 10, 2025	Second announcement: The company established targets for resolving delays in transmitting information to designated credit reporting agencies and was making orderly progress with customer support measures. *Information transmission delays were resolved as of March 14, 2025.
March 24, 2025	Third announcement: Premium had identified the primary cause and reported progress on resolving programming errors. It was announced that major issues, including erroneous billing, had been largely resolved.
May 15, 2025	As part of its FY3/25 annual results briefing presentation, Premium published an impact assessment covering the effect of the system failure on its full-year results and announced future countermeasures.

Impact of System Failure on Financial Performance

	FY3/25 (Result)	FY3/26 (Forecast)
Cost of system failure response		
Allowance for doubtful accounts	1.02	-0.71
Forfeiture of sales due to various expenses *	0.09	—
Outsourcing Expenses	0.02	0.26
Additional System costs	0.18	1.66
Total (impact on profit before tax)	1.31	1.21

Maintenance & depreciation
- former system:
¥0.42 billion

Maintenance & depreciation
- new system:
¥1.05 billion

Other shared management
expenses: ¥0.19 billion

* Various fees would normally have been charged to customers could not be billed due to system malfunctions and were borne by the Company.

* The additional system investment (assets) is planned, totaling ¥2.08 billion from FY3/26 onwards.

Preventative Measures

This system failure was positioned as a critical management issue. Immediately after its discovery, a countermeasures task force led by the Group's president was established to initiating a groupwide response. Currently, we are strengthening our systems and implementing specific countermeasures to prevent a recurrence, focusing on the following items.

(1) Establishing a Stable Operation Framework by Rolling Back to the Legacy System

To stabilize various operations, including contract management and settlement processes, we have rolled back to the legacy system to ensure stable operation and have established an operational framework centered on the legacy system. We are also progressively strengthening the legacy system's core functionality and plan to continuously maintain a stable operational framework going forward.

(2) Refactoring of the New System

By running the legacy system on its own, we have ensured stable operation and averted further disruption of normal business activity. Concurrently, after addressing the root cause of the system failure, we have commenced refactoring work on the new system, which will undergo fundamental revisions before being redeployed.

(3) Strengthening System Monitoring Framework

We are fundamentally reviewing the monitoring framework that supports stable system operation. By engaging an external IT advisory firm, we are making progress with expanding our monitoring of various functions, accelerating our alert response, and enhancing log analysis, all while being evaluated and advised from a third-party perspective. This has strengthened our ability to detect early signs of potential failures and proactively prevent outages.

Current Status and Future Steps

- ✓ Full rollback to legacy system undertaken in September 2025. This restored stable system operation
- ✓ Refactoring project for new system initiated with newly engaged external vendor
- ✓ For the new system, design, quality assurance, and verification processes will be comprehensively reviewed; phased deployment is planned

During FY3/25, the failure caused data inconsistencies within the system, causing debt collection to be delayed. This necessitated a higher-than-expected allowance for doubtful accounts, resulting in nonrecurring expenses for the period that diminished profit before tax by ¥1.31 billion.

For the FY3/26, we anticipate an impact of ¥1.21 billion on profit before tax as we factor in costs related to system refactoring and the enhancement of monitoring systems, as well as the resolution of debt collection delays. Progress is on track as of the end of the first fiscal quarter.

Operations have been stabilized via rollbacks to the former system. With regard to debt collection delays, we have tightened collaboration with our servicer subsidiary to accelerate recoveries and are seeing results. We expect to recognize reversal of allowance for doubtful accounts from June and will continue applying the full resources of the Group to this issue.



Message from the Head of Finance Department

Join us at Premium Group as we strive to achieve the objectives outlined in our medium-term management plan, “ONE&ONLY 2026,” and pursue further growth based on a balance between financial stability and each business’s potential.

Director, Managing Executive Officer
General Manager of Group Administration Division

Tomohiro Kanazawa



Introduction

We are deeply grateful to our shareholders for your unwavering support and enduring trust, which continues to underpin our growth and progress. I would like to present my thoughts on the business environment and our financial results for FY 3/25, as well as provide an update on the progress of our medium-term management plan, financial strategy, and shareholder return policy. The system failure that occurred during an upgrade of our core system in

November 2024 had an Impact on our financial performance. We are currently implementing preventative measures and refining our operations to ensure stable system functionality and prevent a recurrence. In parallel, we are undertaking system refactoring to enhance long-term resilience. From here, I shall explain the current status of and financial outlook of our Group, covering such topics as the impact of the system failure and our future prospects.

Review of Performance for FY3/25

In FY3/25, the overall economy showed signs of moderate recovery, driven by improvements in employment and income conditions and increased demand from inbound tourism. However, we believe it is essential to remain vigilant against risks such as potential economic downturns overseas stemming from policy shifts following the US presidential transition and uncertain international circumstances, as well as the impact of inflation and financial and capital market volatility. Under these economic conditions, the used car market—our Group’s primary business domain—experienced only a modest recovery. Our Group has been expanding its business reach by providing a comprehensive suite of services-including finance, automobile warranty, and auto mobility services-

	(¥ million)		
	FY3/24	FY3/25	YoY
Operating revenue	31,546	36,409	+15.4%
Operating expense	25,351	29,594	+16.7%
Operating profit	6,195	6,815	+10.0%
Profit before tax	6,241	6,851	+9.8%
Profit before tax (one-off profit)	6,241	8,160	+30.8%
Profit attributable to owners of parent	4,608	4,651	+0.9%
Basic earnings per share (yen)	119.39	122.61	+2.7%

to automobile dealers and maintenance facilities. These efforts have accelerated growth in the scale of our business and earnings while enabling us to pursue a range of initiatives aimed at realizing a new growth model.

As a result, consolidated operating revenue for FY3/25 climbed 15.4% year-on-year, to ¥36.4 billion, reflecting steady revenue growth. While this figure fell short of our initial target of ¥40 billion, this was primarily due to

non-execution of anticipated M&A activity and was not reflective of core operating profit.

On the other hand, profit before tax was limited to ¥6.8 billion (up 9.8% year-on-year) due to the temporary impact of a system failure.

However, adjusted for the impact of the system failure, actual results reached ¥8.2 billion (up 30.8% year-on-year), demonstrating the consistent growth momentum of the core business.

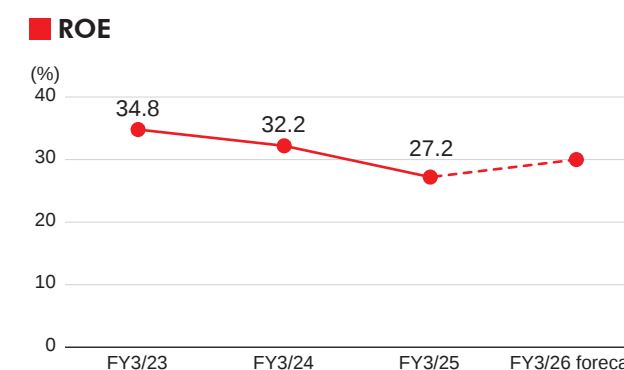
Progress of the Medium-Term Management Plan “ONE&ONLY 2026”

Under the current medium-term management plan “ONE&ONLY 2026,” we are advancing the establishment of an economic ecosystem centered on the Car Premium Club in the used car sector. This serves as the foundation for achieving the No. 1 position in three key areas: finance, automobile warranty, and automobility services, under the goal of “Establishing the Car Premium Business Model.” For FY3/25, the second year of the plan, operating revenue progressed in line with the plan targets. However, pre-tax profit fell short of the target primarily due to the temporary impact of a system failure.

For the final fiscal year of the medium-term business plan, which ends in March 2026, we have revised our initial targets under the medium-term targets and now project operating revenue of ¥42 billion and profit before tax of ¥9 billion, factoring in the one-time impact from the system failure. To achieve these targets, we will continue developing the Car Premium business model and

improving operating efficiency through digital transformation (DX), while balancing the allocation of investment resources to support sustainable growth. Results for FY3/25 temporarily fell short of our return on equity (ROE) target, which we aim to maintain in the 30% range, due to the impact of the system failure. However, we aim to achieve this target by expanding operating revenue and enhancing capital efficiency through strengthening the foundations of existing businesses and expanding new ones. At the same time, we are striving to maintain a streak of consecutive dividend increases that has run since our listing by raising dividends as profit grows. As for our share price, we target a market capitalization of ¥140 billion to ¥175 billion or higher. While equity prices are influenced not only by performance but also by external factors, we are committed to enhancing shareholder value by achieving this target.

	FY3/25 (medium-term management plan)	FY3/25 (result)
Operating revenue	¥36.0 billion	¥36.4 billion
Profit before tax	¥7.8 billion	¥6.9 billion



	FY3/25 (medium-term management plan)	FY3/25 (forecast)
Operating revenue	¥44.0 billion	¥42.0 billion
Profit before tax	¥10.2 billion	¥9.0 billion

	FY3/25 (result)	FY3/26 (forecast)
ROE	27.2%	30%–39%
Market capitalization	¥84.3 billion	¥140.0– ¥175.0 billion

*Medium-Term Management Plan numerical targets



Message from the Head of Finance Department

Financial Strategy: Building a Resilient Foundation that Supports Both Stability and Growth

Diversification and Stabilization of Funding

Our Group's core finance business operates under two models: the advance payment model and the bank-partnered loan model. The first model, in which we advance payments to Affiliated dealers and maintenance facilities for customer purchases and receive repayments from customers in installments, requires considerable amounts of capital to be raised directly. Under the bank-partnered loan model, partner financial institutions extend loans to customers, while our group handles administrative processing, settlement of advanced funds, and operations related to installment repayment processing. For the bank-partnered loan model, which accounts for the majority of our credit receivables, we

maintain a balanced transaction portfolio by dealing with multiple banks and avoiding dependence on any single financial institution.

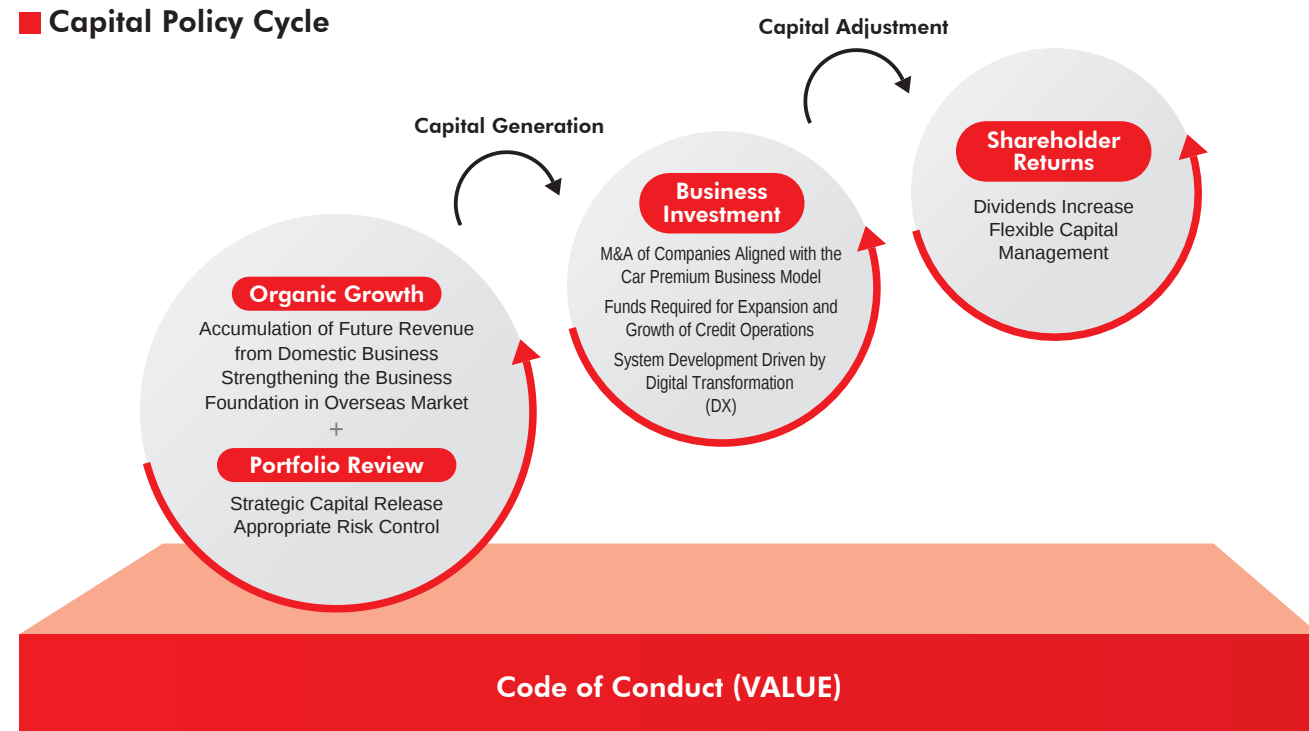
We primarily secure funding at fixed interest rates to hedge against long-term interest risk. We also mitigate credit risk through comprehensive credit insurance contracts. In FY3/25, system trouble caused delays in collecting credit receivables, which temporarily inflated our allowance for doubtful accounts related to uninsured receivables. However, we expect to recover a majority of monies covered of the amounts covered by these allowances during FY3/26.

Profits Allocation: Growth Investment and Shareholder Returns

Earned profits are allocated based on our cash allocation policy, prioritizing investments necessary for sustainable growth while also providing returns to shareholders. We will actively pursue new businesses, business expansion, and M&A opportunities with proven

investment returns to achieve the acceleration of growth. Moreover, to maintain stable funding, we aim to achieve credit rating of "A" or higher by FY3/26, and to build a robust financial foundation that supports sustainable growth.

Capital Policy Cycle

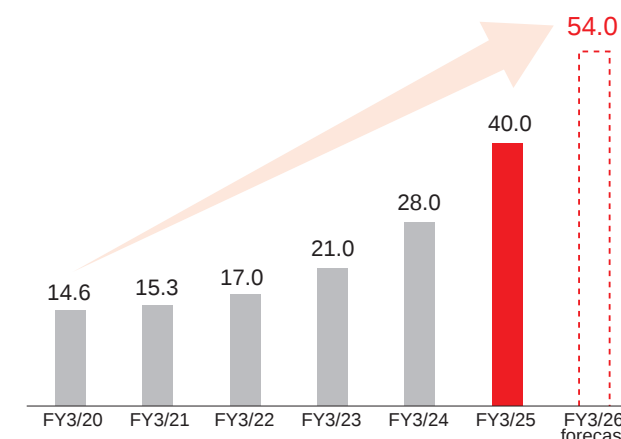


Shareholder Returns: Continuous Dividend Increases Aligned with Profit Growth

Our dividend policy prioritizes reinvesting the majority of earned income into the business while regularly increasing dividends commensurately with profit growth. Returning profits to shareholders is a key management priority and we aim to provide stable and continuous dividends, taking into comprehensive consideration the need to secure internal reserves. Our dividend forecast for FY3/26 is ¥54.00 per share (in total), a year-on-year increase of ¥14.

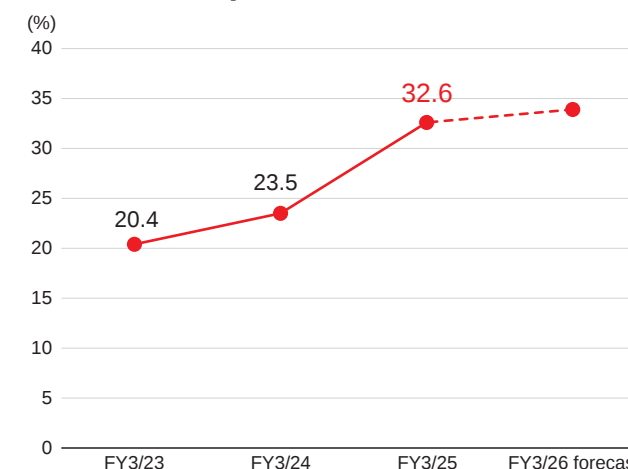
We will continue to make every effort to raise performance to sustain the uninterrupted increases in revenue, profit, and dividends that have been ongoing since our listing. Regarding share buybacks, we will continue to take a flexible approach while carefully weighing investment opportunities, cash flows balance, share price, ROE, and relevant factors.

Dividends (¥)



* The Company split its shares at a ratio of three shares for every one share of common stock effective as of September 1, 2022, per resolution of the meeting of its Board of Directors held on July 20, 2022. Dividends before FY3/22, are calculated as "Dividends" assuming the stock split was conducted at the beginning of FY3/22.

Dividend Payout Ratio



In Conclusion

We place sincere dialogue with all our stakeholders at the top of our corporate priorities. Even as change accelerates in society and the markets, we firmly believe that consistent and transparent information disclosure, along with reliable communication, will build an unshakable relationship of trust with all of our stakeholders.

The opinions and requests we receive from you are extremely important guideposts for us that we take

seriously and apply to our management decisions and business operations. Through our efforts, we aim to achieve sustainable growth, fulfill our social obligations, and remain a company that meets your expectations. We sincerely ask for your continued support and guidance as we unrelentingly strive to deepen our relationship of trust with you as we build our future together.



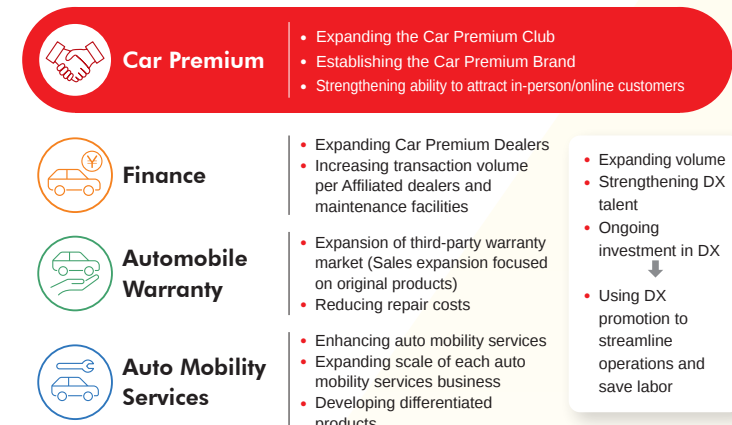
Medium-Term Management Plan (FY3/24–FY3/26)

ONE&ONLY 2026

The second year of the Medium-Term Management Plan “ONE & ONLY 2026,” announced in May 2023, has concluded, and this year marks its final phase. As in the first year, the second year also exceeded target figures, driven by steady progress in our core Finance business, Automobile Warranty business, Auto Mobility Services business, and Car Premium Club. We are making smooth progress toward the plan’s final year.

As part of our long-term vision, we aim to become a “ONE & ONLY” mobility company by establishing the Car Premium business model and building a unique used-car ecosystem in Japan that includes a finance business. Through this model, we engage with both Affiliated dealers and maintenance facilities and individual customers in a multifaceted manner.

Materiality (Key Issues) in the Medium-Term Vision



Dividend Policy

Dividends

In principle, profits earned are primarily allocated to business investment

* The Group is currently in a business growth phase

However, continuous dividend increases will be implemented 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

Obtain A ratings and above

During the period of the Medium-Term Management Plan, earn ratings of A or higher

2030 Long-Term Vision

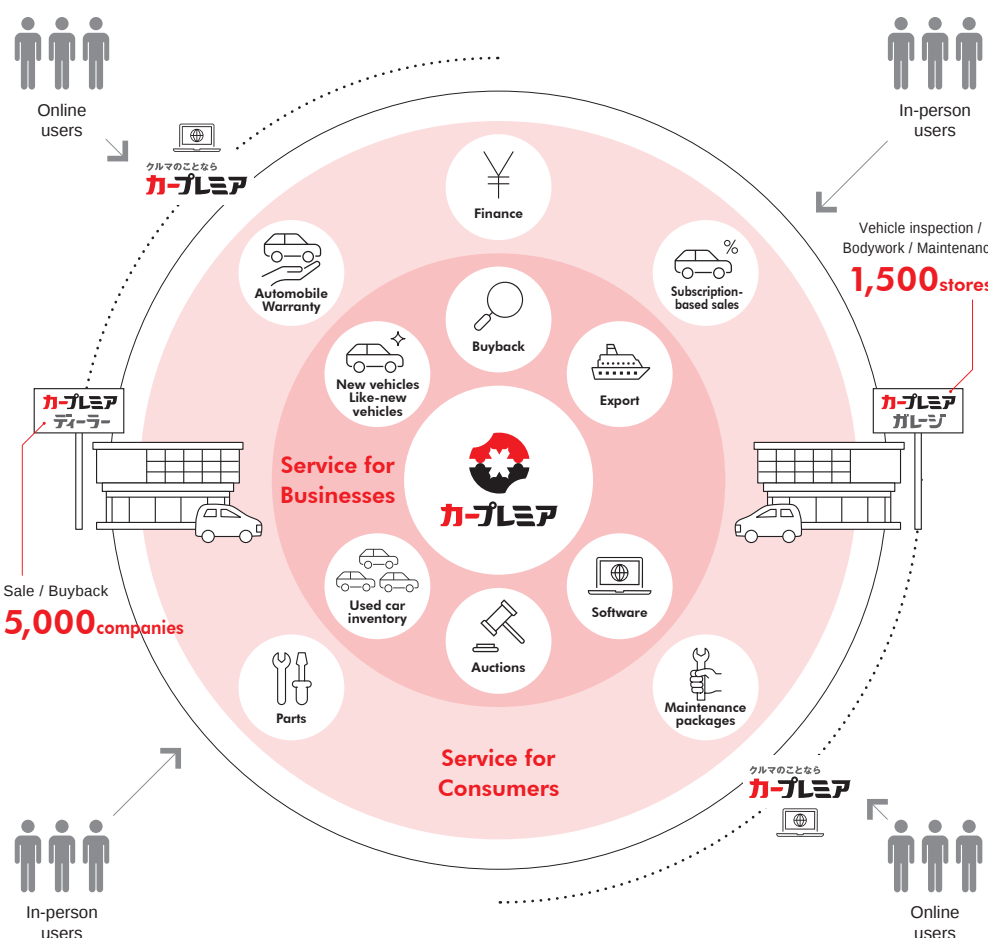
Seeking to become the ONE & ONLY Auto Mobility Service Company

No.1 in 3 areas × Originality

2023-2026 Medium-Term Vision

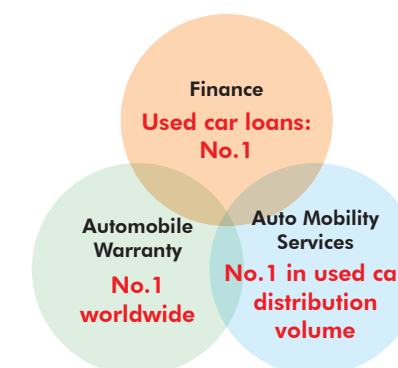
Establishing the Car Premium Business Model

To be No.1 in the three business areas of Finance, Automobile Warranty and Auto Mobility Services, we believe it is important to create a used car domain economic zone with the Car Premium Club at the center. We aim to improve the level of satisfaction of individual members through refinement of the sales organization specializing in members and the structure for managing campaigns by expanding the Car Premium Club, strengthening the ability to attract customers by increasing awareness of the Car Premium brand, and promoting going online for services, etc. This leads to building a more solid relationship of trust, improving the operating ratio of the services offered by the Group and creating synergies with each business.



For details, please visit the Company's Investor Relations page below.

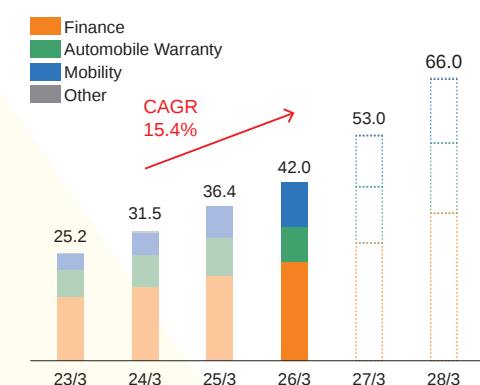
<https://ir.premium-group.co.jp/en/library/plan.html>



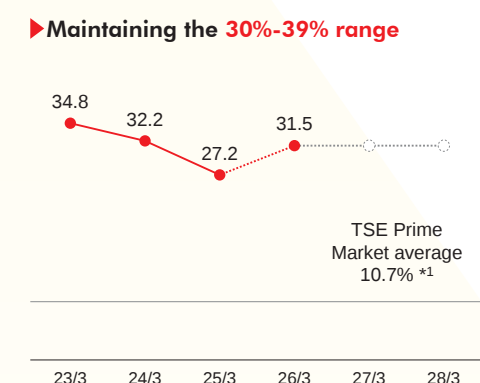
Building the Only Used Car Economic Zone in Japan that Includes a Financing Business

Numerical Targets and Progress

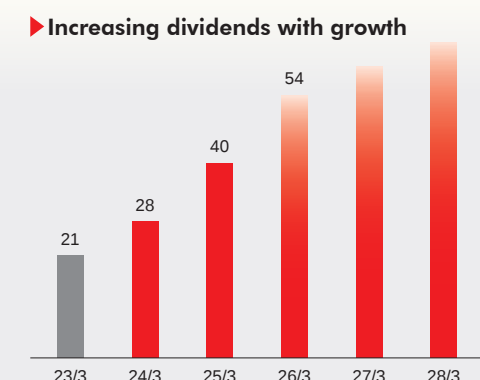
Operating revenue (Billions of yen)



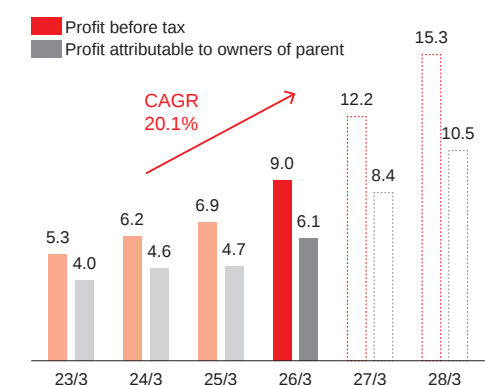
Return on equity (ROE) attributable to owners of parent (%)



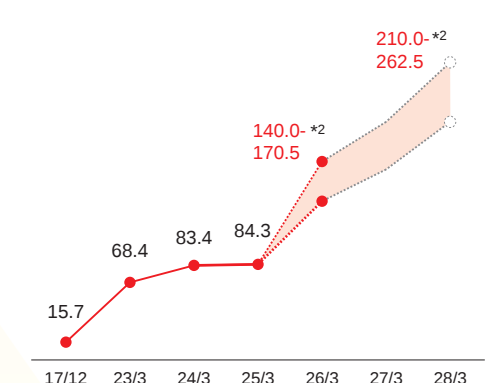
Dividends (Yen)



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



Market cap (Billions of yen)



*1 Source: "Summary of Consolidated Financial Results: Fiscal Year Ended March 2025, Prime Market, Non-manufacturing Data," Japan Exchange Group
 *2 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



Business Overview

Premium Group is an automobile company that works with automobile dealers and automobile maintenance facilities to deliver a richer car life to customers. Its three main businesses are Finance, Automobile Warranty, and Auto Mobility Services, making it an unprecedented and unique company that provides a complex range of automobile-related services.

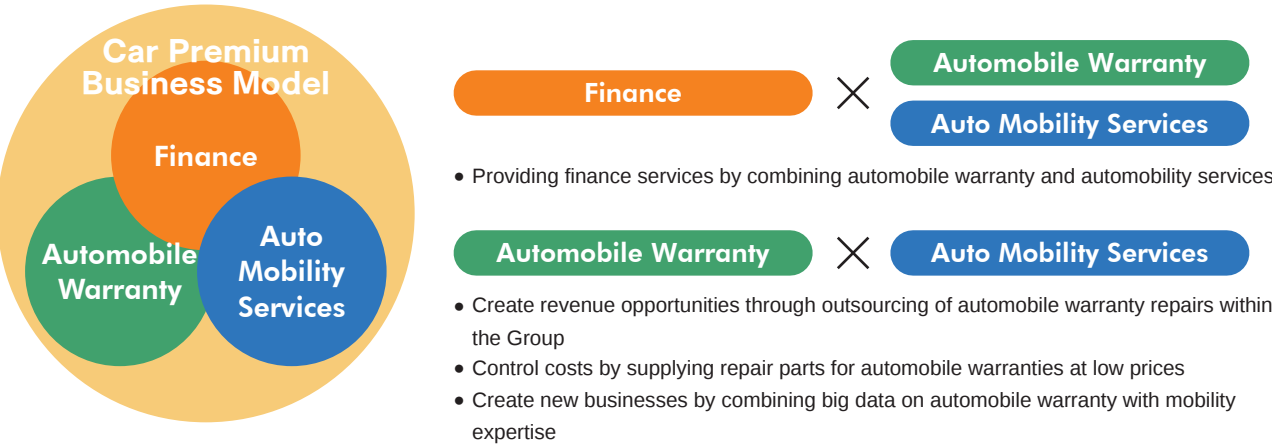
*As of March 31, 2025



	Finance Business	Automobile Warranty Business	Auto Mobility Services Business
Business Activities	Providing auto credit services for automobile purchases in installments, as well as ecology credits for solar power generation systems and all-electric appliances, and debt collection services	Providing free repair services for purchased vehicles when they break down	Providing services that are useful for the business operations of automobile dealers and automobile maintenance facilities, and services that support the car lifestyles of general customers
Main Business Partners	Automobile dealers	Automobile dealers, automobile maintenance facilities	Automobile dealers, automobile maintenance facilities
Main Businesses	- Auto credit - Ecology credit - Shopping credit - Service	- Automobile warranty - Overseas expansion of Automobile Warranty business (Thailand, Indonesia, and the Philippines)	- Vehicle wholesale sales - Business software sales - Operation of in-house maintenance workshops - Subscription (leasing) - Operation of the membership organization "Car Premier Club" - Sales of used parts domestically and internationally
Competitive Advantage	Independent, not affiliated with a bank, enabling cross-selling of non-finance services	- No. 1 share in the third-party guarantee industry - Ownership of proprietary cost containment scheme	- Has a network of automobile providers (approximately 30,000 automobile dealers and approximately 5,000 automobile maintenance facilities) as a sales channel - Owns a platform to match Car Premium Club members and general customers, centered on the Car Premium website

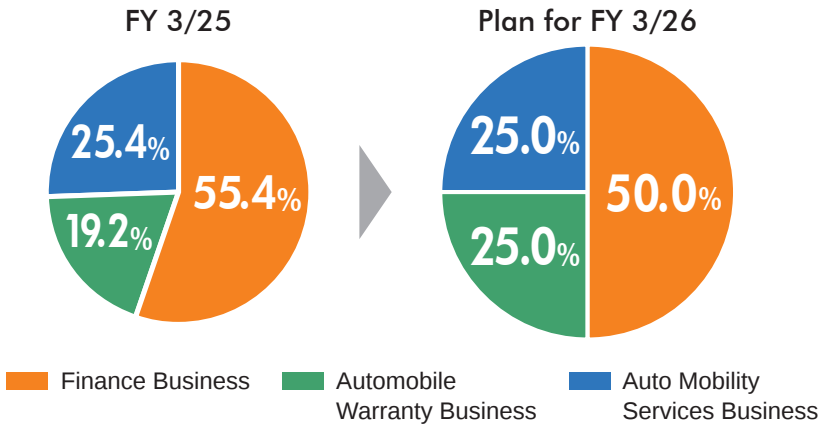
Cross-business Synergies

Each business not only stands alone, but also interacts with each other to achieve further growth and expansion.



Earnings Portfolio to Be Aimed for

Toward March 31, 2026, the last fiscal year of the Medium-Term Management Plan, we will further expand the proportion of the Auto Mobility Services business, while also maintaining the growth rate of the Finance and Automobile Warranty businesses. As a result, we will transform ourselves from an "Auto Credit Company" to the "Automobile Company" through a change in our earnings portfolio.





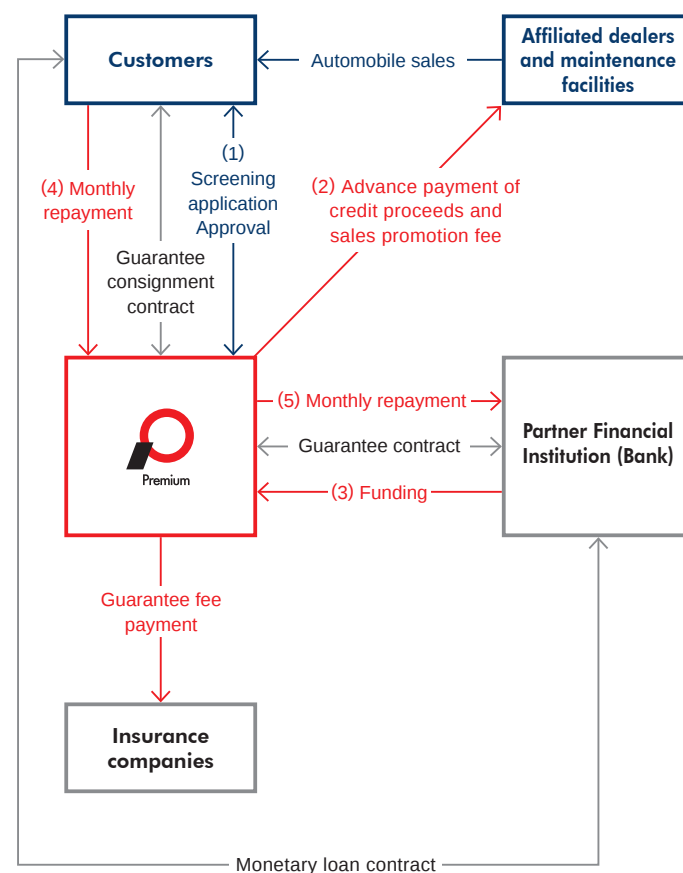
Finance Business

Business Model and Profit Structure

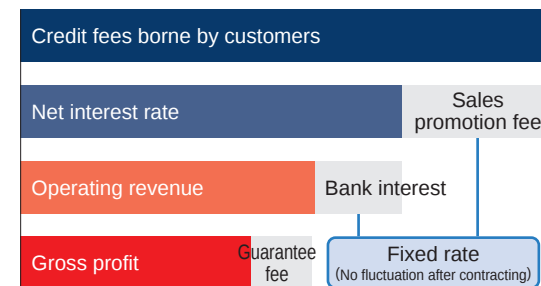
We focus on auto credits that allow customers to purchase cars in installments.

(Others: Ecology credit for the purchase of solar power generation systems, collection of purchased and entrusted receivables, etc.)

Auto credit structure (bank partnered loan model)

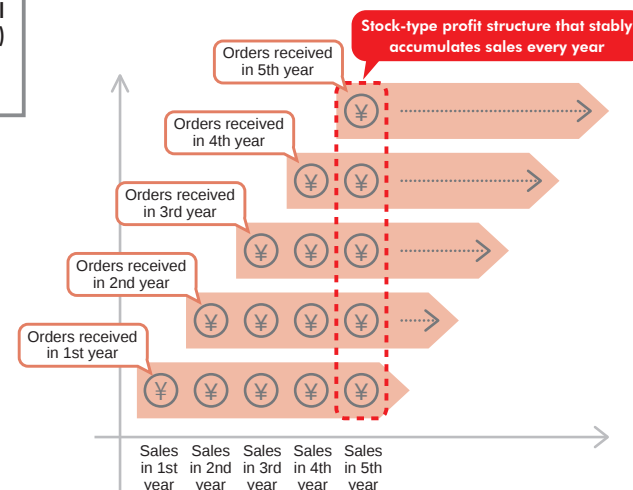


Profit Image

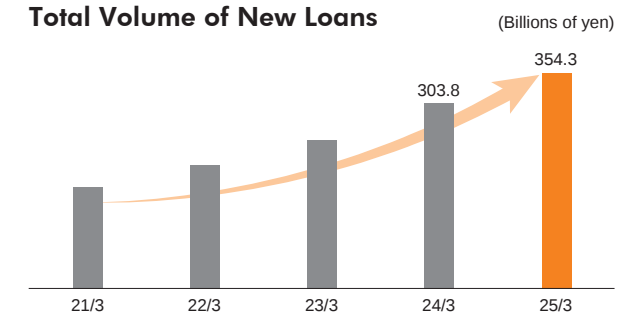


Note: This is an example of a bank partnered loan scheme and may differ from actual transactions.

Stock-Type Business Image

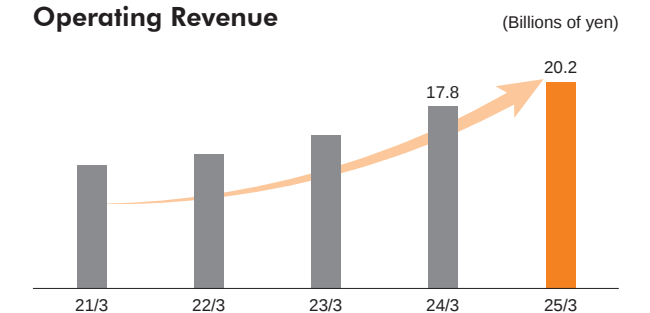


Total Volume of New Loans



Notes: · Total volume of new loans refers to the total amount of credit and lease contracts newly signed in the period
· The figures are inclusive of the total volume of new loans of products other than automotive credit financing (Ecology Credit, etc.), and are the actual results of Premium Co., Ltd.

Operating Revenue



*As of March 31, 2025

Materiality (Key Issues) in the Medium-Term Management Plan / Medium-Term Vision

As part of our Medium-Term Vision through FY3/26, "Establishing the Car Premium Business Model," we have identified the key priorities: expanding Car Premium Dealer network, increasing transaction volume per affiliated dealer, and achieving streamlined operations through digital transformation (DX). To address these priorities, we will advance four key policies.



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

Strengths and Differentiators

- Because we are an independent company that is not affiliated with a bank, we are not bound by laws and regulations (Banking Act) and can provide services other than financing
- We are insured against bad debts, so there is no need to make an allowance for bad debts
- We specialize in auto credit because of our expertise in automobiles
- Auto Credit and related credit businesses are stock-type models, with revenue recognized over multiple years
- Credit-related bank interest is fixed-rate, providing resistance to interest rate fluctuations
- The delinquency rate for auto credits is low due to the small-lot and short-term nature of the loans
- Our servicer subsidiary, CENTRAL SERVICER CORPORATION, has expertise in long-term delinquent collections, which enables us to recover debt

Market Environment and Opportunities

- Demand for automobiles is stable because they are a daily necessity
- High barriers to entry in the auto credit industry make it difficult for new entrants to enter the market
- The Company's share of the auto credit market is about 14% among listed companies, and there is room for further development

What Can Be Achieved in the Finance Business

In the Finance business, we will expand sales opportunities for automobile dealers and opportunities for customers to purchase cars by offering highly convenient auto credit. We will also contribute to environmental preservation by promoting other Ecology Credit products and paperless contracts.

Consumers

- People who have difficulty paying in cash can purchase a car by paying in installments
- Compared to bank loans, no extra procedures or hassles are required when applying for a loan
- Automatic screening using AI allows for quick and accurate results



Automobile Providers

- Expand sales opportunities to customers



Environment

- Contribute to environmental preservation by promoting paperless contracts
- Contribute to environmental preservation by developing Ecology Credit products such as solar power generation systems





Automobile Warranty Business

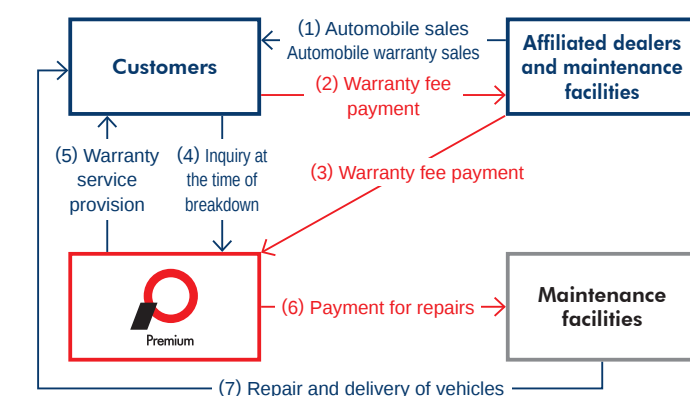
Business Model and Profit Structure

To ensure the long and safe use of automobiles, we offer a warranty service covering natural breakdowns.

Mechanism of Automobile Warranty

Unlike automobile insurance that covers accidents, this service covers repairs for natural breakdowns.

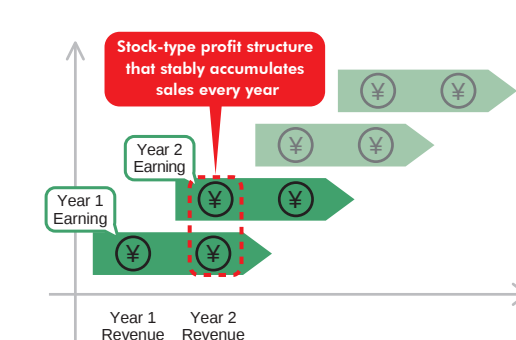
	Automobile Insurance	Automobile Warranty
Scope	Damage caused by accidents	Natural breakdowns that occur under normal use
Payment	Monthly premium payment	Lump-sum prepayment of warranty fee
Policyholder benefits	Payment of premium	Provision of free repair service



Business Model and Profit Structure

Automobile warranty fee paid by customer	
Automobile warranty wholesale price (operating revenue)	Sales promotion fee
Profits	Automobile warranty cost

Stock-Type Business Image



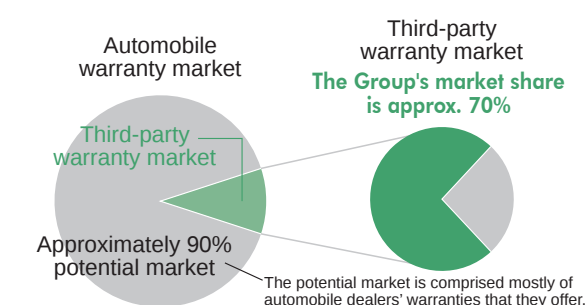
Strengths and Differentiators

- Benefits for both Affiliated dealers and maintenance facilities and customers (Network stores)
 - Network stores can entrust us with handling inquiries and repairs after purchase.
 - A warranty provided by a listed company gives customers a sense of security, which increases sales opportunities.
- (Customers)
 - The warranty is provided by a listed company, so there is a sense of security in terms of cost appropriateness and support provided.
 - The warranty contract with us continues even if the automobile dealer goes bankrupt or out of business.
- No.1 Market Share: We have the largest market share in the third-party warranty industry, and have an overwhelming amount of data at hand.
 - *Cumulative number of contracts exceeds 2.0 million cars (as of July 2025)
- We request repairs to our network of maintenance facilities, and our subsidiary will supply the parts necessary for the repair, achieving significant cost reductions.

Market Environment and Opportunities

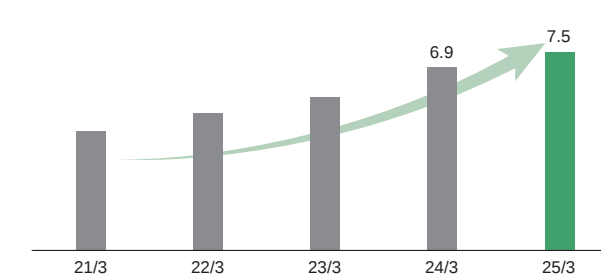
- The rising costs of repairs due to higher performance and sophisticated functions of cars and the trend for long-term use increases the demand for warranties.
- We will be able to reach out to new customer segments by expanding our lineup of automobile warranty products for EVs and other next-generation vehicles.
- Due to the issue of fraudulent insurance claims by major used car dealers, consumer interest in safety has increased, along with growing demand for third-party warranty services.

Share



Total Volume of New Warranties

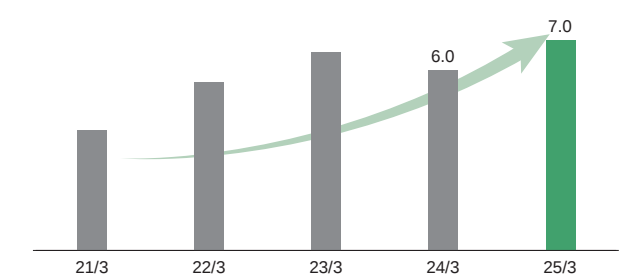
(Billions of yen)



Note: Due to a change in segment classification, the auto parts sales business previously included in operating revenue through FY3/24 is now classified under the Auto Mobility Service Business.

Operating revenue

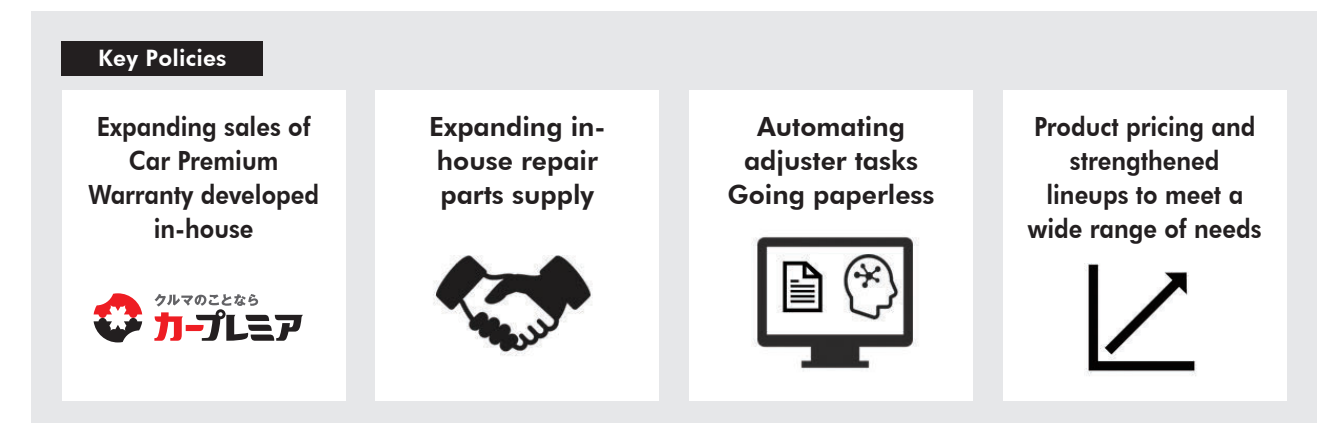
(Billions of yen)



*As of March 31, 2025

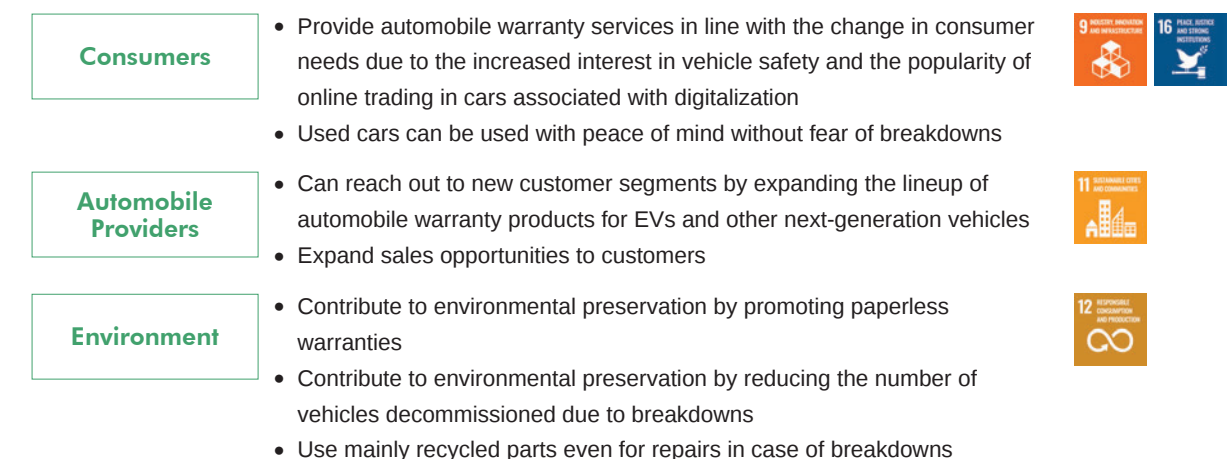
Materiality (Key Issues) in the Medium-Term Management Plan / Medium-Term Vision

As part of our medium-term vision, "Establishing the Car Premium business model," spanning three years through FY3/26, we have identified the following key priorities: expanding the third-party warranty market, increasing sales of in-house developed products, reducing repair costs, and streamlining operations through digital transformation (DX). To address these priorities, we will implement the four key policies.



What Can Be Achieved in the Automobile Warranty Business

The Automobile Warranty business contributes to environmental preservation by reducing the number of decommissioned vehicles through the safe and long-lasting use of automobiles. It will also lead to increased sales opportunities, as consumers will be able to use their cars without fear of breakdowns.





Auto Mobility Services Business

Introduction of Each Business

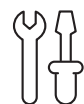
We offer services in collaboration with automobile dealers and automobile maintenance facilities to deliver a richer car life to customers. We are expanding our five main services and diversifying our revenue structure through aggressive new business development.

Automobile Sales and Maintenance



- Support automobile dealers in purchasing vehicles by selling Auto Credit repossessed vehicles* at low prices to our dealer membership organization (Car Premium Dealers)
- * For customers who have difficulty making auto-credit payments, vehicles under contract are repossessed and redeemed to meet remaining obligations
- Operating directly managed automobile dealers and automobile maintenance facilities as model stores for Car Premium Dealer and Garage, providing the latest services, including the introduction of environmentally friendly water- based paints and the advanced development of new products

Automobile Parts



- Sales of recycled, rebuilt, and external new parts to automobile dealers and automobile maintenance facilities in the network through parts trading companies

Software Sales



- Sales of business management software ("GATCH") to automobile providers
- This software facilitates the issuance of quotations, invoices, and order forms, as well as customer management, thereby improving operational efficiency

Membership Fee Revenue



- Car Premium Club is developed through two membership organizations, "Car Premium Dealer" for automobile dealers and "Car Premium Garage" for automobile maintenance facilities
- Collect membership fees from Car Premium Club members

Subscription



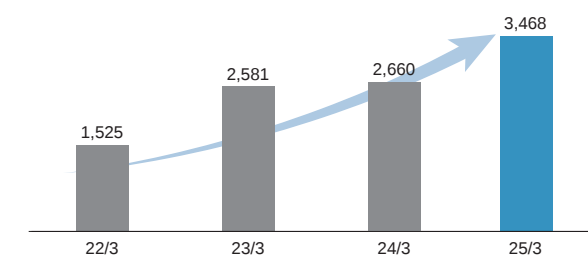
- Auto leasing for individuals with a fixed monthly payment that includes vehicle price, warranty fee, vehicle inspection fee, maintenance fee, etc.

Strengths and Differentiators

- We have an ample market because we have built a network of automobile providers (more than 3,400 Car Premium Dealers and more than 800 Car Premium Garages)
- Demonstrate synergies with each of the Group's businesses
ex. Vehicle wholesale: Use salvaged vehicles generated in the finance business.
Repair shop network and in-house repair shop: Consolidate repairs generated in the breakdown warranty business, etc.
- Own a platform to match Car Premium Club members and end-customers, centered on the Car Premium website

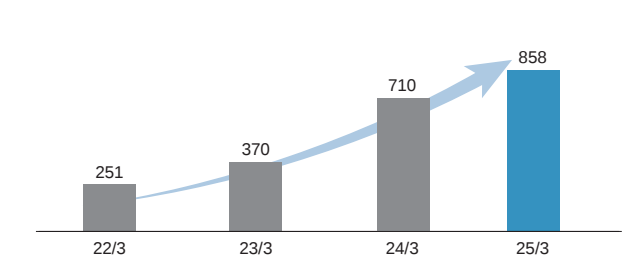
Car Premium Dealer

(companies)



Car Premium Garage

(stores)



*As of March 31, 2025

Market Environment and Opportunities

- Increased demand for new ways of driving (subscription, car sharing) as more people do not own cars
- Increased demand for support for SMEs that are unable to keep up with technological sophistication
- Foreign EV manufacturers that do not have a sales channel in Japan seeking to use the sales channel of a domestic network of automobile providers

Materiality (Key Issues) in the Medium-Term Management Plan / Medium-Term Vision

As part of our Medium-Term Vision, "Establishing the Car Premium Business Model," spanning the three years through FY3/26, we have identified two key priorities: enhancing auto mobility services and developing differentiated products. To address these priorities, we will implement the four key policies.



What Can Be Achieved in the Auto Mobility Services Business

In the Auto Mobility Services business, we will achieve a better car life through the development of a variety of services, and will also actively work to protect the environment.

Consumers

- Will be able to enjoy a variety of car lifestyles that go beyond car ownership

Automobile Providers

- Strengthened competitiveness

Environment

- Contribute to environmental preservation by reducing the number of decommissioned vehicles by providing comprehensive after-sales services that enable vehicles to be used for longer period of time





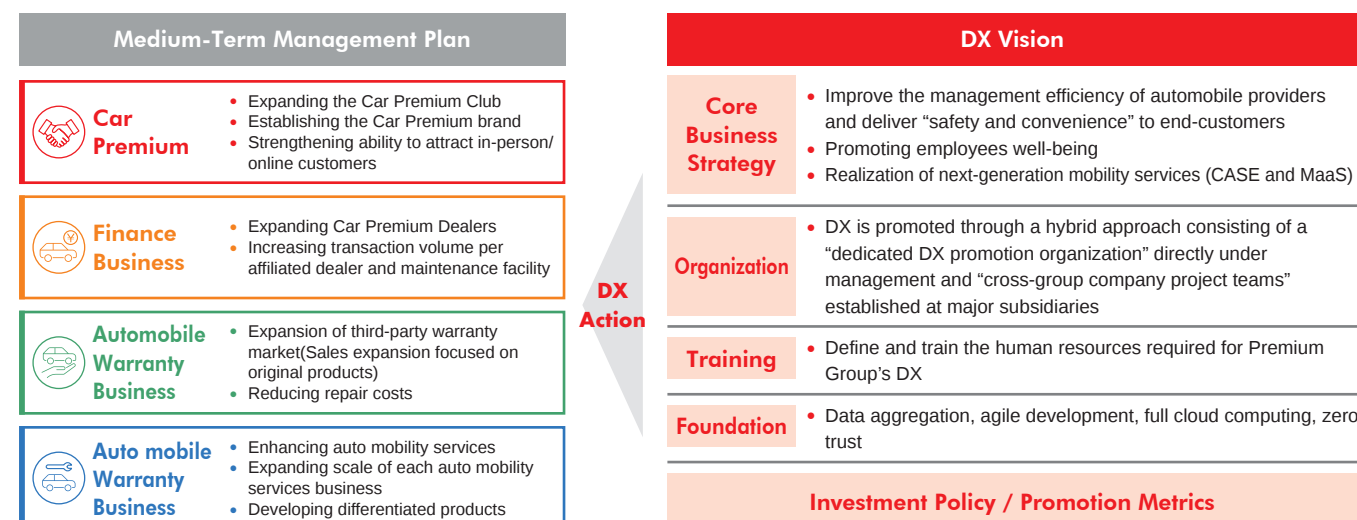
DX Strategy

Our Group's DX Vision

As a platform provider comprised of a team of individuals who shine, we will co-create a "premium" car life with end users and automobile providers.

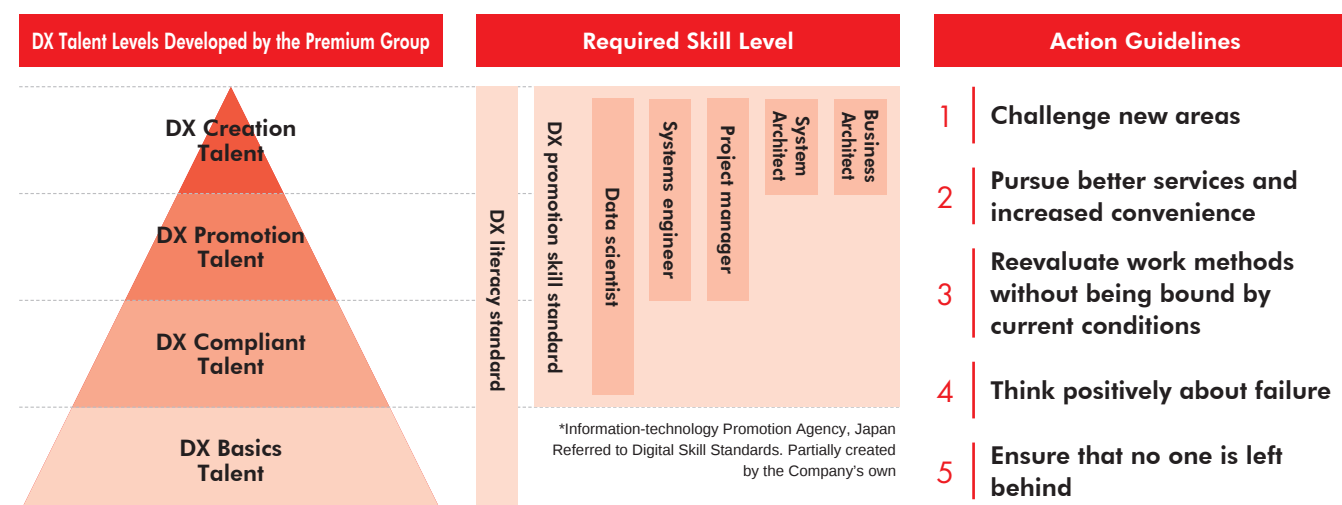
Our Group will strengthen the foundations for digital transformation (DX), including cultivating DX talent and building organizations, renewing core systems, and enhancing information security, and will aim to create new businesses that support next-generation mobility services such as CASE and MaaS. Leveraging our strength as a platform that connects end users and mobility operators both online and offline, we will co-create a "premium" car life by providing added value tailored to the needs of both sides.

Overview of DX and Medium-Term Management Plan



Training for DX Talent

Premium Group defines the human resources required for its digital transformation (DX) across four levels. We promote talent development by fostering the appropriate mindset, providing training programs to help individuals acquire the skill sets required at each level, enhancing the evaluation system, and building an organizational structure that supports growth.



For details, please visit the Company's website below.

<https://ir.premium-group.co.jp/en/library/sustainability.html>

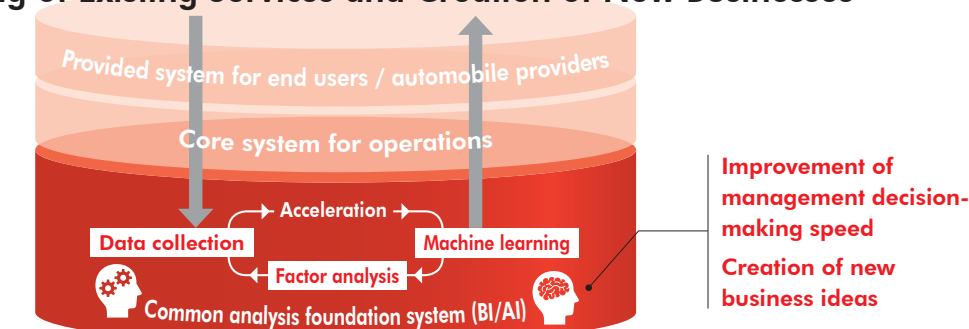


Mobility Platform Concept

We are building an environment in which automobile providers above a certain level (hereinafter "B") and those who wish to purchase used cars and have them repaired (hereinafter collectively "C") can enjoy a full range of mobility services on the mobility platform provided by Car Premium. We will provide a matching mechanism for B and C on the platform, whether real or online, with the aim of maximizing transaction opportunities.

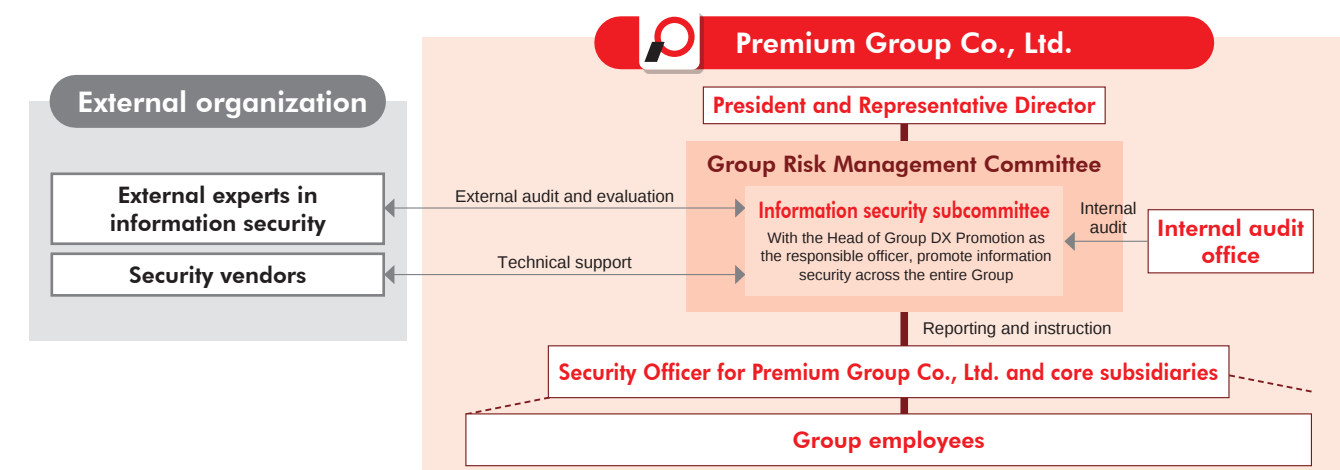


Labor-Saving of Existing Services and Creation of New Businesses



DX Promotion / Information Security Organization Chart

Our Group recognizes it as a critical issue to address ever-changing information security risks, deliver safe and reliable services, and protect the information assets entrusted by customers and partners, as well as our Group's own information assets, from various threats in accordance with our Information Security Policy. We are united in implementing organizational and ongoing security measures. In July 2024, we established an Information Security Subcommittee under the Group Risk Management Committee and are conducting discussions to further strengthen cybersecurity risk countermeasures.





Feature

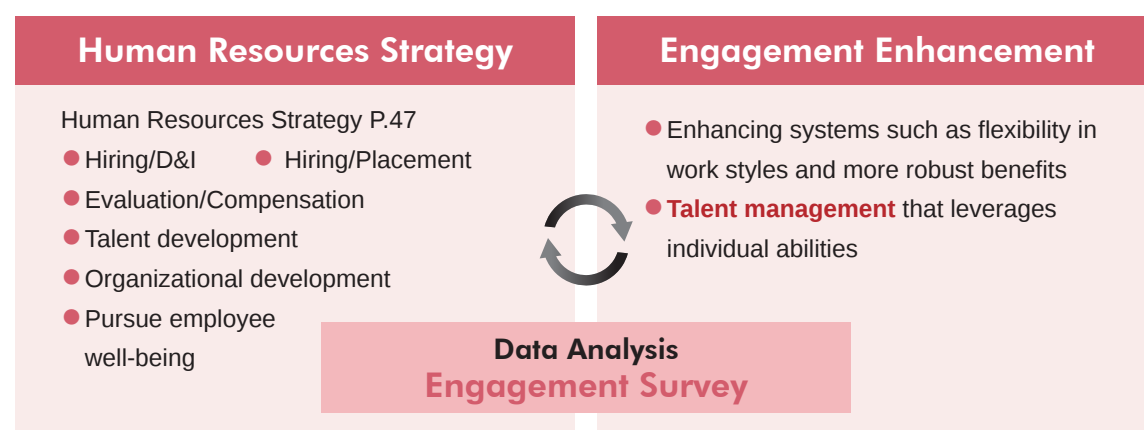
2 Maximizing the Premium Group's "Human Capital"

[We will develop and nurture enriched human capital who consistently approach their work with a positive mindset and diligently build upon every process.]
One of our missions is to develop enriched human capital.

In addition to strengthening overall development to raise the level of human resources, which are the foundation of our Group's strength, we will also strive to cultivate nature enriched human capital, one of our missions, by enabling each individual employee to utilize their own capabilities. To achieve this, we have introduced a talent management system that identifies the diverse abilities and skills of each individual, ensuring that all employees feel highly satisfied with their work and achieving efficient, right-to-right personnel placement for the company. Furthermore, by quantitatively analyzing these results using engagement surveys, we will clarify the challenges facing our group's strategies and strengthen our countermeasures.

Cultivating Enriched Human Capital

Maximizing the Value of Human Capital



Technology-Driven Talent Management

With technological advances such as AI, cloud, and big data, processes for hiring, development, placement, and evaluation have evolved to become more strategic and efficient than ever. Our Group has introduced a talent management system to realize optimal talent management and to accelerate the execution of various HR initiatives.

By utilizing the system, we are able to centrally manage employee information and visualize and analyze their abilities and aspirations, enabling more accurate personnel placement. As a result, this contributes to a wide range of results, including improved engagement, reduced turnover, and even promoted innovation.

Going forward, our Group will maximize the value of human capital and pursue sustainable growth through talent management that integrates technology and human abilities.



Revitalizing the Organization through Engagement Surveys

Our Group has introduced engagement surveys from FY3/25. We have established a system that grasps the "intentions" and "tendencies" of each employee and captures their individual status with high accuracy. This allows us to visualize the situation across the entire organization and analyze the accumulated data to promote the proposal and implementation of effective measures to retain human resources. By comparing with other companies' average scores, we can evaluate our organizational status objectively and clarify directions for improvement.

Enhancing Engagement Increases Corporate Value

The Ito Report for Human Resources defines employee engagement as "employees understanding and empathizing with the vision and direction the company is aiming for and having the willingness to voluntarily contribute to achieving that vision." In other words, mutual understanding between the corporate organization and employees is important to improve engagement. Improving the motivation of individual employees increases their individual productivity, and by activating communication, the productivity of the entire organization also increases. These productivity improvements ultimately lead to improved business performance.



Premium Group's Initiatives

Initiatives to Improve Engagement

- Organizational development
- Review of HR systems
- Greater operational efficiency

The Vision

Revitalize Organizations and Individuals to Achieve High Levels of Organizational Well-Being

Results of Employing the Engagement Survey

The results of the survey introduced in FY3/25, enabled us to organize and analyze our Group's strengths and the issues we need to address. First, one of the strengths of our group is "high satisfaction with management policies," confirming that messages from management have reached a wide range of employees. We believe this is due to the good relationships that have been built through appropriate management by superiors. Building good relationships creates a virtuous cycle in which each employee correctly understands their own goals and roles, leading to the creation of results. On the other hand, we have seen requests to improve HR systems, indicating a need for clearer explanations of evaluation systems and better feedback mechanisms. Some employees also felt a gap after joining, so we will focus on a drastic improvement in the on-boarding process. Furthermore, because there were discrepancies in survey results by department, we concluded that cross-functional measures are needed to further energize the entire organization.

Our Group will address these issues earnestly and drive improvements to achieve further organizational growth.



Human Resources Strategy



The Group has a human resource training-oriented mission to “develop and nurture enriched human capital who consistently approach their work with a positive mindset and diligently build upon every process.” Together with broadminded members (employees), we will contribute to the construction of a richer society by providing top level financing and services and supporting the creation of a recycling-oriented society.

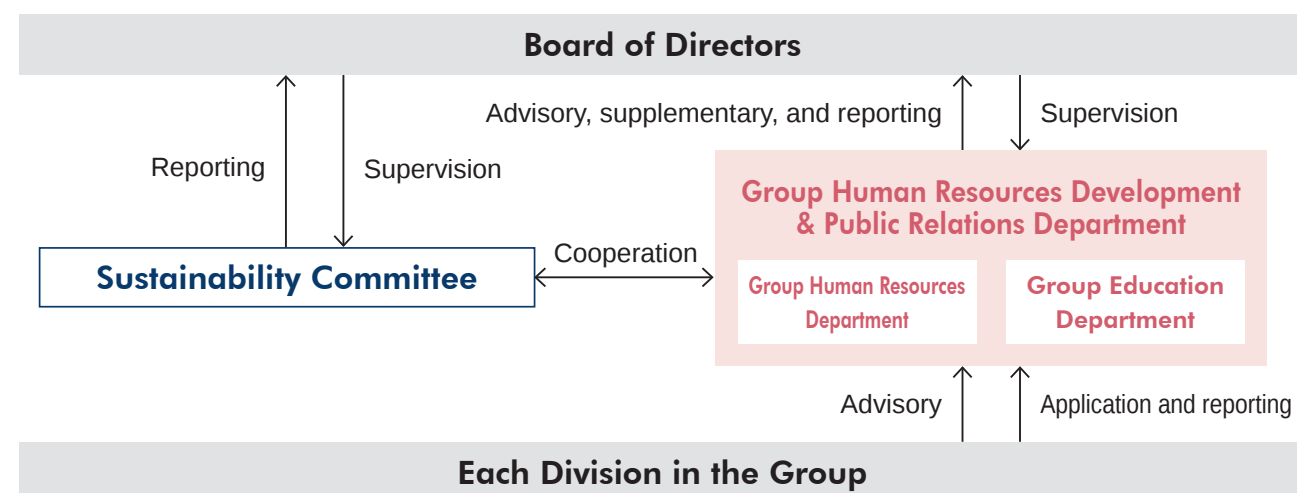


Governance

As part of our human capital management implementation system, we have established a governance structure for personnel affairs by stipulating prior approval and reporting requirements for important personnel assignments and personnel system revisions at Group companies, and by discussing policies from a management perspective.

Our Group's HR framework is structured around two specialized organizations: the Group Human Resources Department, which handles recruitment, labor relations, and benefits, and the Group Education Department, which oversees training and development functions. Organizational development and human resources development within each business and function arrange opportunities for discussions and opinion exchanges with the heads of divisions and teams in the Group. These discussions share and focus on assignment policies and issues to revitalize the organizations and ensure that the right placement of human resources in the right positions.

Governance Structure for Personnel Strategy



Message from General Manager of the Group Human Resources Development & Public Relations Department

Enhancing corporate value through people-centered management and pioneering the future through strategic human resource utilization

Guided by the firm belief that “people are assets,” we are proactively advancing health management. We are working to create an environment where every employee can work in good physical and mental health, thereby improving job satisfaction and productivity. In line with international human rights policies, we respect diversity in gender, nationality, age, and values, and are building an inclusive workplace where everyone can safely and fully realize their potential. These initiatives directly contribute to maximizing our human capital strategy, which supports sustainable growth, and we believe they play a major role in fostering innovation and strengthening corporate competitiveness. Going forward, we will further advance our people-centered management, fulfill our social responsibilities, and aim for long-term enhancement of corporate value.



Executive Officer and General Manager of Human Resources Development & Public Relations Department

Kumi Kondo

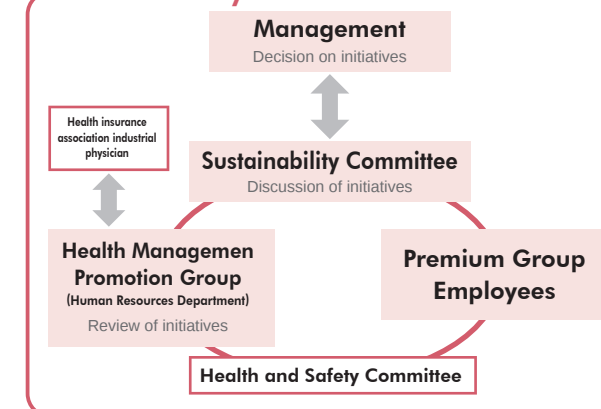
Health Management

Based on the belief that “people” are the drivers of business and the future, and the foundation for unlocking each individual's full potential is “health,” we are promoting health management by building a corporate culture that strives to maintain and improve the health of employees and by working to maintain and improve a safe working environment. With this in mind, we established our Health Management Declaration in 2024.

Purpose of Health Management

By promoting health management, we are building a workplace where diverse employees can fully exercise their capabilities. When employees experience well-being and discover personal purpose in their work, it fosters individual growth, drives business expansion, and ultimately contributes to achieving our Group's mission.

Promotion System



Key Initiatives

Initiative Supporting Diverse Work Styles

- Introduction of flexible and reduced working hour systems
- Implementation of remote work positions
- Introduction of hourly paid leave and “Premium Week”*

*A system that promotes the active use of paid leave, encouraging employees to take approximately six days off every half-year

Health Support Initiatives

- Providing vaccination sites and maintaining infection prevention environments
- Subsidizing costs for gynecological exams and health screenings
- Introducing healthy in-house meal services
- Creating open-terrace offices and green-integrated workplaces
- Providing acupuncture and massage services

Initiatives to Promote Communication

- Hosting events for employees and their families
- Publishing internal newsletters for employees and their families
- Subsidizing in-house club activities to encourage communication and physical activity
- Setting up free areas and huddle spaces for casual meetings and breaks within the office

Goals

- (1) Achieve a paid leave utilization rate of 80% to promote mental and physical refreshment
- (2) Achieve a 100% health checkup participation rate to promote better health



Certified as a KENKO Investment for Health Outstanding Organization 2025 (Large Enterprise)

Going forward, we will continue to promote health and productivity management by working to maintain and improve an environment in which diverse human resources can be both physically and mentally healthy and can fully demonstrate their abilities and play an active role.

Establishment of Our Human Rights Policy

Premium Group Co., Ltd. (the “Company”) formulated the Premium Group Human Rights Policy. The Company formulated the Premium Group Human Rights Policy to deepen the understanding of human rights among executives and employees, as well as to engage in management and actions that respect human rights. The text of the Premium Group Human Rights Policy is attached to this announcement.

For details, please visit the Company's website below.

<https://ir.premium-group.co.jp/en/news/news5423524025747984333.html>





Human Resources Strategy

Metrics and Targets

The Group's vision for 2030 is to become the “ONE & ONLY Auto Mobility Service Company” with the goal of “Establishing the Car Premium business model” in the Medium-Term Management Plan “ONE & ONLY 2026,” which ends in fiscal 2026. To achieve these objectives, we believe it is important to formulate, promote, and evaluate the effectiveness of unified, group-wide personnel measures, for which we have established KPIs for human capital. We will strive to expand human capital, an important metric, while periodically reviewing and adjusting to ensure flexibility in responding to the business environment and societal demands.

Human Resources Measures and Performance Metrics for FY3/25

In our Integrated Report 2024, we presented eight performance metrics, which we have implemented as follows.

Items	Human Resources Measures	Performance Metrics for FY3/25	Results for the FY 3/25
(1) Recruitment	- Secure human resources through a combination of new graduate recruitment and year-round career hiring - Early start-up of business by employing professional and global talent	Fulfill the staffing plan	Achieved as planned
(2) Assignments and Transfers	- Continue implementing the self-reporting system - Support departmental qualification acquisition and clarify human resources requirements - Begin consideration of open enrollment job system	Percentage of respondents who reported feeling “job satisfaction” in internal survey: 90.0% *FY3/24: 87.0%	Percentage of respondents who reported feeling “job satisfaction” in internal survey: 85.8%
(3) Human resources Development	Expand investment in human resources development and foster role accountability by implementing rank-specific training and e-learning programs	Foster a culture of recurrent reskilling through a review of rank-specific training and introduction of e-learning programs	Completed and progressing as planned
(4) Evaluation and Compensation	Accelerate human capital management by increasing salaries, expanding housing assistance allowances, etc.	Salary increase of 6.5% on average Increase housing assistance allowance and expand eligibility	Achieved all targets: Salary increase +6.5%, Housing allowance +35.2% YoY, Expanded eligibility +16.1% YoY
(5) Organizational Development	Introduction of engagement survey to understand the current status and identify organizational issues	Use survey results to understand the current status of the internal environment and establish specific measures and quantitative targets	Achieved as planned
(6) Organizational Development	- Establishment of talent management - Establishment of internal inquiry system using AI	- Introduce talent management - Introduce HR AI tools	- Completed introduction of talent management - Completed introduction of HR AI tools
(7) Developing an Development	- Support for work styles through expansion of work systems - Improvement of the internal environment by establishing a health consultation service and publicizing support for balancing work and nursing care - Development of offices designed for ease of use	- Certified KENKO Investment for Health Outstanding Organization - Turnover rate: 8.5% - Expansion and relocation of offices	- Certification achieved - Target achieved (Result for FY3/25: 7.8%) - Progressing as planned
(8) Diversity Development	- Continued implementation of the project to promote female advancement (Lean in Premium) - Encouragement of male employees to take childcare leave - Implementation of human rights due diligence based on the human rights policy	- Establishment of a foundation for autonomous career development through continuous implementation of Lean in Premium - Establishment of a support system for maternity and paternity leave (periodic updating of the maternity and paternity leave handbook, pre-return-to-work consultations, etc.) - Investigate negative impacts by conducting human rights due diligence and implement countermeasures	Progressing as planned

Toward Achieving the Medium-Term Management Plan “ONE & ONLY 2026”

The fiscal year ending March 2026 will be the final year of our Group's medium-term management plan, “ONE & ONLY 2026.”

Human Resources Development

- Diversify employment opportunities through year-round recruitment of both new graduates and experienced professionals
- Provide training programs developed by a Group subsidiary leveraging expertise accumulated since our founding

Respect for Human Rights

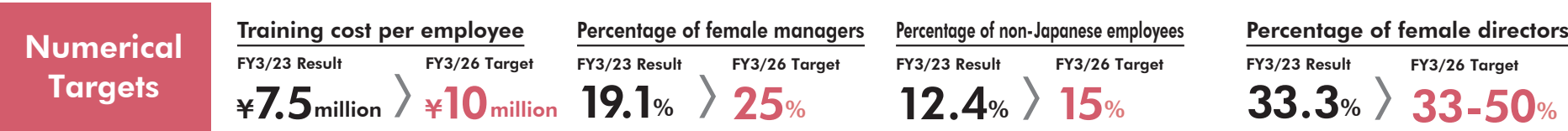
- Ensure disclosure and strict adherence to the Human Rights Policy
- Conduct various level-specific and compliance training sessions to promote business activities and ensure a workplace free from discrimination and harassment

Diversity Promotion

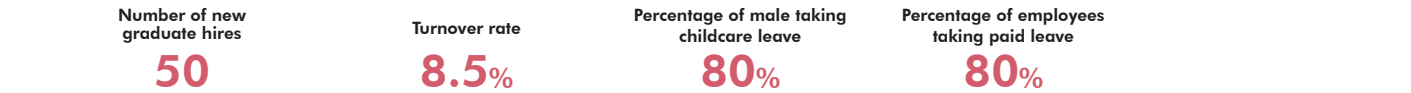
- Actively hiring non-Japanese employees and actively appointing young managers and female managers
- Raising awareness through the project to promote female advancement “Lean in Premium”

Workstyle Reform

- Expanding offices in line with business growth and introducing flexible workstyles through satellite offices and remote-only positions
- Encouraging the use of paid leave, including two long vacation periods per year
- Promoting use of Company-owned and external vacation facilities, and fostering respect for human rights



*In addition to the Medium-Term Management Plan targets, our Group has set the following as key human capital indicators for FY3/26.





Human Resources Strategy

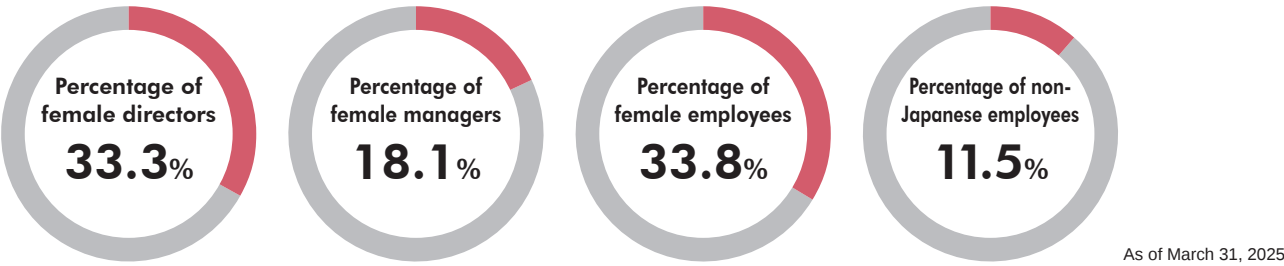
Strategy

We believe that harnessing the individual capabilities of the Group's diverse human resources will lead to growth in each business and further achievement of the Group's mission. For this to occur, we need to strive for improvement in employee well-being so that employees can work with enthusiasm and to foster an environment that enables the optimal performance of each individual. We undertake the following initiatives for this purpose. The Group's initiatives are all linked to "well-being" and the Group's turnover rate is 7.8%, which is substantially below the average of 15%*. We plan to continue the initiatives below, pursue improvements in employee well-being, and achieve certain sustained growth.

*Based on the 2023 Employment Trends Survey.

Recruitment / Diversity and Inclusion

The Group is committed to recruiting individuals who embody the values of "Toughness Mind," "Positive Mind," and "Gratitude," which are common ideals shared by all officers and employees, and who can grow with the Group. We will continuously secure excellent talent that aligns with our Group's values through both new graduates recruitment and year-round career hiring. In addition, we will actively recruit global and DX talent to enable the early start-up and steady progress of each business by equipping them with specialized skills. Furthermore, our Group positions diversity management as part of its growth strategy. We are creating opportunities for diverse human resources to enhance diversity, including women and non-Japanese, by continuing to implement the project to promote female advancement (Lean in Premium), encouraging male employees to take childcare leave, and strengthening the recruitment of foreign nationals. Furthermore, we have established a recruitment quota for people with disabilities and a system in place to recruit people with disabilities from each department for work that allows them to demonstrate their abilities. We will continue to build a gender-neutral work environment in which all employees have motivation and job satisfaction and can demonstrate their abilities.



Assignments and Transfers

Our Group provides an environment where employees can set medium- to long-term career targets and respects each individual's career development. In addition to continuing to implement a self-reporting system to support employees in thinking about their future goals, we have introduced a new engagement survey conducted by a third-party organization from FY3/25. This will allow us to understand employees' intentions and assign the right people to the right positions. By encouraging employees to acquire qualifications with their departments, we clarify the definition of human resource requirements for each department and support autonomous career development. In addition, we have introduced a system of congratulatory monetary awards for acquiring qualifications to motivate employees to advance in their careers. We will continue to support employees in taking on new challenges.

Evaluation and Compensation

In our evaluation and compensation system for employees, the department to which each employee belongs and the personnel department take a comprehensive and appropriate approach to assessing and evaluating the performance, etc. that is expected with respect to the effectiveness criteria indicators for employees and the business activities performed by each employee. We also evaluate the demonstration of the Group's common ideals of "Toughness Mind," "Positive Mind," and "Gratitude" in operations. Based on appropriate evaluations, we motivate employees by increasing their salary base and selecting young employees for positions of responsibility.

Human Resources Development

In order to develop and nurture enriched human capital who will create a new society, we have provided a wide range of rank-specific training programs as well as on-the-job training since our establishment. Led by our training subsidiary VALUE Co., Ltd., we are enhancing our training framework by offering a wide range of original programs for not only new graduates and young professionals but also mid-level employees and executives. Since introducing e-learning in FY3/25, its active use has been growing, and we will continue to invest in motivated individuals eager to develop further. Furthermore, by providing our Group's training services not only within the Group but also externally, we also contribute to the human resource development of society as a whole.



Pursuit of Employee Well-being

For the purpose of promoting the success of diverse human resources, we promote the development of various work styles so that all employees can fully demonstrate their abilities. The Group encourages taking paid leave (system for employees to take long vacations twice a year) and have introduced a flex-time system and a reduced working hours system. We continue to actively consider improving the working environment by expanding the conditions for reduced working hours, adding a short-time flex work system, and extending the duration of the system. In addition, we have also established a health consultation service and publicized support for balancing work and nursing care, thereby introducing measures to enable diverse employees to continue working healthily and for the long term.

Organizational Development

To verify and improve the effectiveness of the human resources strategy, we will introduce an engagement survey to understand the current situation and identify organizational issues. We will continue to strengthen the human capital management and strive to maximize the value of our human resources, which are the assets of the Company.



Overseas Strategy —Providing top level financing and services to the world—

The Premium Group has achieved steady growth in Japan and has steadily expanded its business foundation. Building on the strong reliability and extensive expertise we have cultivated over the years, we aim to further strengthen our presence in the domestic market while pursuing sustainable growth in corporate value.

At the same time, from a medium- to long-term perspective, we position global expansion as a core growth strategy and are steadily preparing to enter overseas markets. In particular, we are establishing business models tailored to local needs and providing unique Premium Group services in promising markets such as Southeast Asian countries, where Japanese cars are widely used and steady demand is expected to continue.

Through these efforts, we aim to build a stable and sustainable earnings base overseas, comparable to that in Japan, and further enhance our corporate value.

Please refer to P14 of the Securities Report for details on each company's voting rights ownership and relationship.

<https://data.swcms.net/file/premium-group/dam/jcr:f12800d8-03b8-4630-a2cb-2c9ede61377d/S100W2A6.pdf>



Status of Market Entries

Number of the countries in operation

5

Operating profits of the 3 major overseas subsidiaries and their respective shares.

31.6%	Premium Service (Thailand) Co., Ltd.
32.5%	Premium Warranty Services Philippines, Inc.
36.0%	PT Premium Garansi Indonesia
*Equity method affiliates	

* Rounding off the number to one decimal place



Status of Market Entries

Thailand Finance Automobile Warranty

<3 companies> Year of market entry: 2016

- Eastern Commercial Leasing p.l.c.
Engages primarily in auto credit financing services.
- Premium Service (Thailand) Co., Ltd.
Operates automobile warranty and automobile maintenance businesses.
- Premium Asset Management (Thailand) Co., Ltd.
Engages in consulting, warranty product development, and market research operations.

Indonesia Automobile Warranty

<1 company> Year of market entry: 2017

- PT Premium Garansi Indonesia
Operates a consulting business related to the development and design of automobile warranty products

Philippines Automobile Warranty Other

<2 companies> Year of market entry: 2017

- Premium Warranty Services Philippines, Inc.
Provision of automotive-related services including automobile warranties, inspections and consulting

Singapore Other

<1 company> Year of market entry: 2024

Establishment of Singapore subsidiary to serve as a base for research and information gathering on the Asian market, management of overseas subsidiaries, and strategic activities

Tanzania Automobility Services

<1 company> Year of market entry: 2021

Exporting recycled parts and operating automobile maintenance facilities

Long-Term Strategy

We will promote overseas expansion based on the following basic policies through FY3/30.

Basic Policy

- Proactively working to restore momentum stalled by the pandemic**
- Market entry with a focus on 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**
 - Build international earnings pillars while hedging risks
- Combined market entry of our services**
 - Horizontally rolling out success cases from domestic businesses

FY3/23

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, we will gather information on local geopolitical risks and expand business as a unified group
- Increase the proportion of profits generated overseas (26.3 10% Targets)**
 - Preparing for the shrinking domestic market due to population decline
 - Over the ultra-long term, targeting a 50:50 domestic-international ratio

FY3/30



Environment



Our Approach to the Environment

Decarbonizing greenhouse gas (GHG) emissions from the production of goods is widely considered extremely challenging. However, the key to addressing this issue lies in building a recycling-oriented society.

Our Group primarily operates businesses related to used vehicles, and we believe that expanding our core operations directly contributes to the development of a circular economy. By accelerating initiatives within our main business, we aim to support global efforts to combat climate change.

We have also formulated a Basic Environmental Policy that will be applied across all Group companies starting in July 2025.

Moving forward, we will continue to enhance transparency in climate-related disclosures and further strengthen our climate action initiatives.

Premium Group Co., Ltd. Basic Environmental Policy

<https://www.premium-group.co.jp/companyinfo/sustainability/environment-policy/> (Japanese only)



Key Initiatives

1. Contribution to the Formation of a Recycling-Oriented Society (utilization of limited resources)

Recycling-Oriented Society

The Group promotes the use of used cars in the three businesses it operates (Finance business, Automobile Warranty business and Auto Mobility Services business), and promotes reduce, recycle, reuse, and repair (4R business) related to automobiles.

Our 4R Business

Reduce business	(Reduce)	Reduce automobile disposal by adding automobile warranties and making automobiles serviceable for a longer period of time
Recycled parts business	(Recycle)	Produce recycled and rebuilt parts at the Group's automobile dismantling shops and provide them to our network of automobile dealers and automobile maintenance facilities through the Group's parts trading company
Reuse business	(Reuse)	Provide used cars salvaged by the finance business's debt collection operations to automobile dealers and automobile maintenance facilities in the network
Repair business	(Repair)	Repair broken-down used cars at own maintenance shop and at automobile maintenance facilities in the network

2. Promote Ecology Credit

Emissions Reduction



We contribute to the spread of renewable energy through the provision of credits for the purchase of solar power generation systems (for personal and business use). By using the Group's ecology credits for these high-cost solar power systems, customers can adopt an eco-friendly lifestyle that benefits both the planet and their finances. This service also offers speedy screening response and allows for partial early repayment, leveraging expertise cultivated through our core auto credit services.

3. Promotion of Automobile Warranty Business

Emissions Reduction



Automobile warranty, which provides protection against possible breakdowns, help customers use their vehicles for as long as possible. If a customer enrolls in the Group's automobile warranty, they can have the cars repaired free of charge for covered parts if it breaks down. Customers can enroll not only when purchasing a car, but also when having the cars inspected or maintained. As of May 2025, the cumulative number of vehicles covered by warranty exceeds 2 million.

4. Promote the Spread of EVs

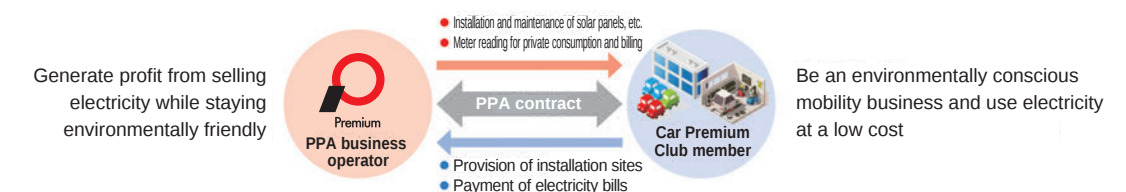
Emissions Reduction

By using the Group's Auto Credit when customers purchase EVs, we support the purchase of EVs, which are in a high price range. By offering automobile warranties for EVs, we reduce anxiety after the purchase and encourage the spread of EVs toward the realization of a decarbonized society. In addition to enabling customers to enjoy a worry-free car life, purchasing an EV also brings the option of contributing to the SDGs closer.

5. PPA (Power Purchase Agreement) Business

Recycling-Oriented Society

For Car Premium Club members, we install solar power generation systems and EV chargers at no cost, contributing to reducing CO₂ emissions. Under our PPA business, we bear the cost of installing solar panels and EV chargers on members' roofs or premises, then sell the generated electricity at meter-based, lower-than-utility prices. Installing the panels is also expected to prevent roof deterioration, mitigate heat, and reduce air conditioning load. EV chargers can serve visitors as well, enhancing recognition as a highly convenient automobile provider.



6. Japan Climate Initiative

We participate in the Japan Climate Initiative (JCI), a network in Japan of non-state entities, including companies, municipalities, organizations, and NGOs, that are actively working to combat climate change in Japan, and operates under the declaration that "Japan will join the world at the forefront of decarbonization." We will leverage the insights and information gained through this network to contribute to a sustainable society.



7. Participation in the Carbon Neutral Working Group of Japan Association of New Economy (JANE)

Recycling-Oriented Society

Since the level of climate change response required of companies, both large and small, is increasing, and an increasing number of companies are working on management and business development in response to a decarbonized society, in order to implement measures based on the latest trends, the Japan Association of New Economy (JANE) has established a new working group as a platform for information sharing and discussion among its members, and we are participating in this working group. As a company primarily engaged in used cars, the Group has voiced its opinions on the formation of an EV recycling-oriented society. We will continue to exchange opinions with other companies to promote carbon neutrality and sustainable management.



8. Participation in JRI's "EV Battery Smart Use Council"

The Japan Research Institute, Limited (JRI) has established the EV Battery Smart Use Council with companies primarily on the demand side of EVs and EV batteries, as well as academics, government ministries, and local governments, aiming to realize a user-centric circular economy for EV batteries in Japan. We also participate in this Council. The council works on developing standards and indicators to accelerate circular use of EV batteries and supports demonstrations toward social implementation of related technologies.

9. Strengthening Disclosure to External Evaluation Organizations

To enhance corporate value over the medium to long term, our Group—under the leadership of the Sustainability Committee—continues to strengthen engagement with external sustainability rating agencies.

As part of these efforts and to further advance climate action, we have endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) beginning in FY March 2024, and disclose relevant information in accordance with these guidelines.

To ensure a high level of transparency in our disclosures, we obtain third-party support and assurance for the calculation of CO₂ emissions and CO₂ reduction contributions.



Disclosure Based on the TCFD Recommendations

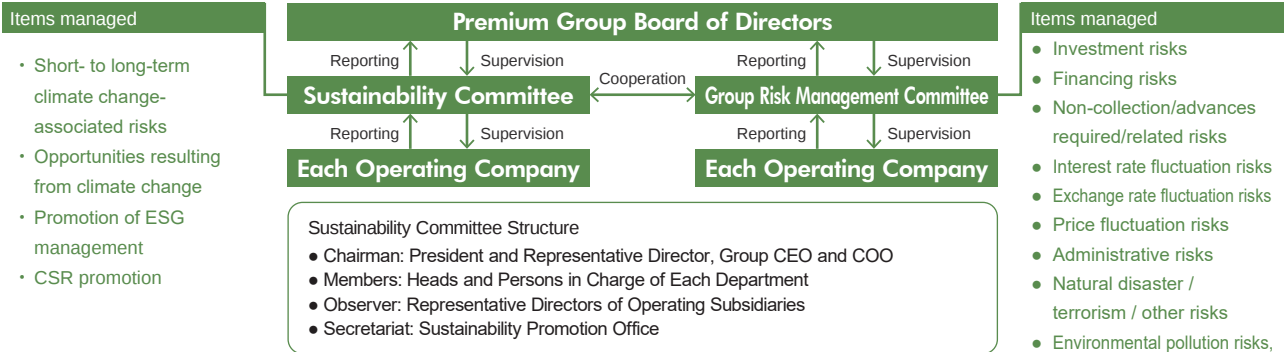


Basic Approach to Climate Change

At the Group, our primary business is secondary distribution support for automobile providers, and we believe that the expansion of our core business itself will lead to the contribution to the formation of a recycling-oriented society. By accelerating efforts in our core business, we aim to help combat climate change, which is a global need. We will continue to recognize the importance of collecting and analyzing necessary data on the impact of climate change-related risks and profit opportunities on the Group's business activities, earnings, and other factors, and will make efforts to further enhance our information disclosure.

Governance

We have established the Sustainability Committee to lead our efforts in identified and addressing social and corporate sustainability issues as business opportunities. These efforts include, but are not limited to, the consideration of climate change and other global environmental issues, respect for human rights, and fair and appropriate business activities for all stakeholders, including employees. The committee meets quarterly to report its activities and material matters to the Board of Directors, and the Board of Directors manages and supervises all Group-wide sustainability initiatives. Led by the Sustainability Committee, we will proactively disclose the status of our efforts to address climate change, a topic of utmost importance for us. Furthermore, we will make continuous improvements through data management in our environmental management system, among other mechanisms, and conduct management reviews on the results of these efforts.



Strategy

The Group has established two scenarios to clarify the risks and opportunities of climate change. The first is the 4°C scenario, defined as “a scenario where no progress is made in measures to address climate change and temperatures rise accordingly, leading to physical risks and opportunities.” We assess the acute and chronic physical risks that arise in this scenario. The second is the 1.5°C scenario, defined as “a scenario where various actions are taken to prevent global warming, leading to risks and opportunities associated with the transition to a decarbonized society.” We assess the policy and legal, technology, market, and reputation risks that arise in this scenario.

Time Horizons for the Short, Medium, and Long Term

We set the short-, medium- and long-term time horizons as follows, aligning them with the timeline of our GHG reduction targets and taking into account the target years under the Paris Agreement and those set by the Government of Japan.

Short Term: FY3/28, Medium Term: FY3/35, Long Term: FY3/51

Aiming to achieve carbon neutrality in FY3/51, we have set a Group target to reduce GHG emissions by 58.8 percent by fiscal 2035, compared with FY3/24.

For details, please visit the Company's website below.
<https://ir.premium-group.co.jp/en/library/sustainability.html>



Scenario Setting

In analyzing climate-related risks and opportunities, we refer to several internationally recognized scenarios.

1.5°C Scenario	IEA NZE 2050 is a scenario presented by the International Energy Agency (IEA) that shows a pathway to achieve net-zero emissions by 2050, aiming to limit the global average temperature increase to 1.5°C compared to pre-industrial levels. This scenario plays a normative role in promoting concrete actions toward decarbonization, such as setting targets for energy policy and technology development.	■ IEA NZE2050 (Transition Risks)
4°C Scenario	■ RCP8.5 is one of the GHG emission scenarios used by the Intergovernmental Panel on Climate Change (IPCC) and is classified as the highest emission scenario. This scenario predicts the effects of climate change if GHG emissions increase significantly and global warming progresses.	■ RCP8.5 (Physical Risks)

Scenario Analysis Procedure

1	Listing of Climate-Related Risks and Opportunity Items	• Identification of climate change risks and opportunities • Setting evaluation criteria for risks and opportunities • Evaluation of risks and opportunities
2	Qualitative Assessment of Business Impact	• Listing highly relevant existing scenarios • Setting of climate change scenarios
3	Quantification of Financial Impact	• Based on the key climate-related risks and opportunities and related parameters identified for each scenario, analyze the financial impact of each scenario
4	Consideration of countermeasures	• Evaluation of the resilience of the Group's strategy to climate change risks and opportunities • Consideration of countermeasures based on the current assessment

Scenario Analysis Results

In conducting the scenario analysis, the Group identifies the classification, content, and time horizon of its main risks and opportunities. It then individually evaluates the quantitative impact (e.g., calculation of financial impact), qualitative impact (e.g., impact by stakeholder), and likelihood of occurrence in accordance with the evaluation criteria below to calculate the overall rank of risks and opportunities.

a. Risks

We have identified risks associated with the transition to a decarbonized society and the expansion of the EV market, and quantified the potential financial impact on our business. Based on the results of this analysis, we have categorized risks by expected scale of financial impact (large, medium, and small) and are studying countermeasures for each.

Scenario	Category	Type	Business Impact	Scope	Time Horizon	Scope of financial Impact	Impact	Likelihood of Occurrence	Risk Rank
1.5°C	Transition risks	New regulations	Shrinking market for gasoline powered cars (Market contraction due to legal revisions and tighter regulations related to climate issues)	Direct operations	Medium term	Revenue	Medium	Medium	B
		Markets	Procurement of EVs (Shift from gasoline-powered cars to EVs)	Value chain (Upstream)	Medium term	Costs	Medium	Medium	B
			Sales of EVs (Shift from gasoline powered cars vehicles to EVs)	Value chain (downstream)	Medium term	Revenue	Medium	Medium	B
4°C	Transition risks	New regulations	Change in energy mix and rise in electricity prices	Direct operations	Medium term	Costs	Small	Large	B
		Existing regulations	Increased costs due to soaring crude oil and gasoline prices	Direct operations	Medium term	Costs	Small	Medium	C
	Physical risks	Chronic risks	Sea-level rise, damage to facilities and equipment in coastal areas leading to delay or suspension of transportation	Direct operations	Medium term	Costs	Small	Large	B

*Impact magnitude: Large, ¥10.0 billion or more; Medium, ¥1.0–9.9 billion; Small, less than ¥1.0 billion.



Disclosure Based on the TCFD Recommendations

b. Opportunities

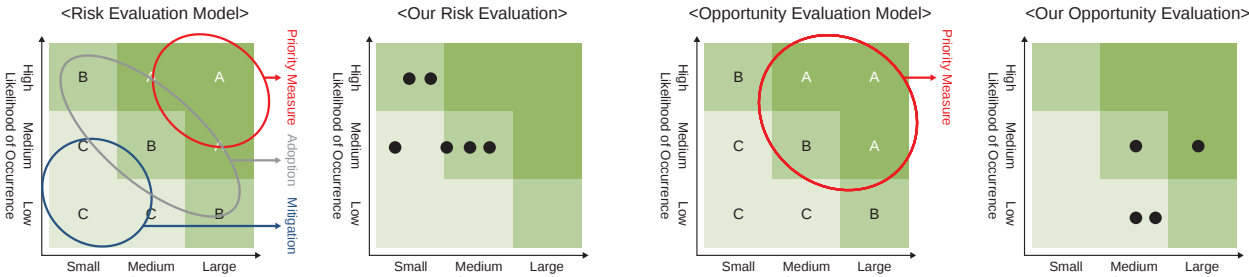
We have studied the scale of opportunities in the event that the Group was to actually undertake a presumed business oriented toward a decarbonized society and an expanding EV market. In addition, we have already begun working on three projects: automobile warranty plans for EVs, installing solar power generation systems and EV chargers using Car Premium Club member stores, and building an EV charging network.

Scenario	Category	Business Impact	Scope	Time Horizon	Financial Impact	Impact	Likelihood of Occurrence	Opportunity Rank
1.5°C	New services	New EV brokerage sales	Direct operations	Medium term	Revenue	Medium	Medium	B
		Provision of EV after-sales services	Direct operations	Medium term	Revenue	Medium	Medium	A
	New market expansion	EV sales	Direct operations	Medium term	Revenue	Medium	Small	C
		Provision of EV charging infrastructure	Direct operations	Medium term	Revenue	Medium	Small	C

* Market size: Large, ¥1 trillion or more; Medium, ¥100.0 billion to less than ¥1 trillion; Small, ¥100.0 billion or less.
* Impact magnitude: Large, ¥10.0 billion or more; Medium, ¥1.0–9.9 billion; Small, less than ¥1.0 billion.

[Risks and Opportunity Distribution Map]

Based on the scenario analysis results, we prepared the following, defining items with an A risk rating and items with A or B opportunity ratings as priority areas for action.



The shift to EVs is an important theme that can be both a risk and an opportunity for the Group. On the risk side, stricter regulations accompanying the expansion of the EV market and a decline in demand for the existing internal combustion engine business could impact earnings. On the other hand, from an opportunity perspective, the development of new EV-related services is being considered for its growth potential.

Risk Management

(1) Risk identification and assessment process

With regard to risks associated with climate change, the Group has identified and reviewed important risks by re-evaluating current risks and identifying and evaluating new risks in consideration of their impact on management, finance, and business. In addition, significant risks are reported to the Board of Directors for management and supervision.

(2) Risk mitigation process

The Sustainability Committee studies each identified risk and determines response policies for their mitigation, deploys the policies to the relevant departments, and monitors response status.

(3) Prioritization process

The significance of identified risks is determined based on their degree of impact and frequency of occurrence, and countermeasures are studied and implemented for risks deemed significant.

(4) Integration with Group-wide risk management

The Sustainability Committee, which studies climate change-related risks with respect to timelines, and the Group Risk Management Committee, which studies risks in a Group-wide perspective, regularly act to align their awareness of risks. For risks manifesting over the shorter term and requiring urgency, the Group Risk Management Committee implements and monitors countermeasures in the interest of Group-wide risk management.

GHG Emissions

(1) Indicators and results

Based on the GHG Protocol, the Group calculates GHG emissions for all consolidated subsidiaries listed in the Securities Report. GHG emissions for FY3/25, are as follows. To increase the reliability of our calculations, our GHG emissions data has been third-party certified by Socotec Certification Japan Co., Ltd. For information on third-party assurance, please see the following URL:

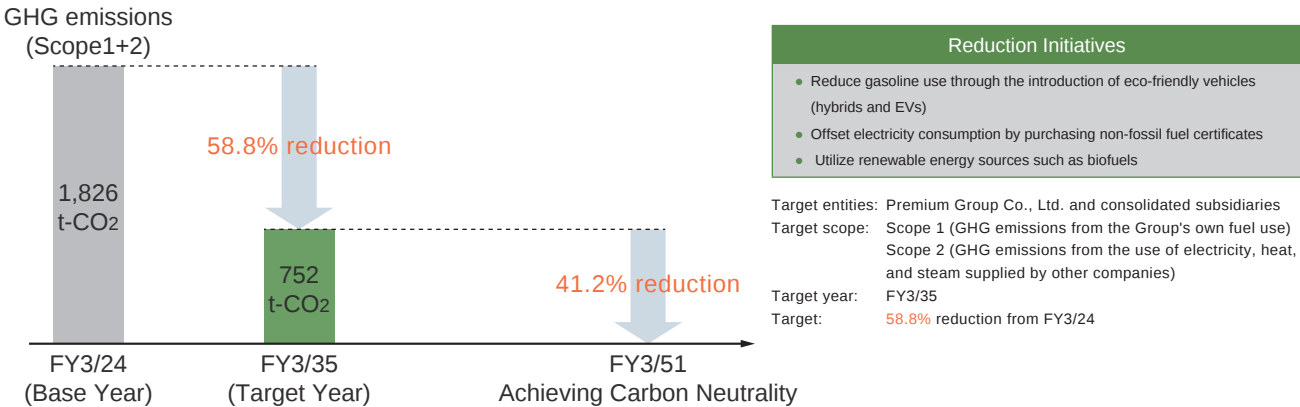
https://data.swcms.net/file/premium-group/en/news/auto_2024111517788/pdfFile.pdf



Emission Category (Scope)	Category	Description	Emissions for FY3/25 (t- CO2)
Scope 1	—	Energy use	1,063
Scope 2	—	Electricity use	652
Scope 3	1	Purchased products / services	8,193
	2	Capital goods	2,411
	3	Fuel- and energy-related activities not included in Scope 1 or 3	396
	4	Transportation and distribution (upstream)	943
	5	Waste generated in operations	52
	6	Business travel	893
	7	Employee commuting	273
	8	Leased assets (upstream)	—
	9	Transportation and distribution (downstream)	—
	10	Processing of sold products	16,651
	11	Use of sold products	2,476
	12	Disposal of sold products	24
	13	Leased assets (downstream)	4,477
	14	Franchises	—
	15	Investments	7

(2) Targets

Aiming to achieve carbon neutrality by FY3/51, we have set a target to reduce GHG emissions by 58.8 percent by FY3/35, compared with FY3/24.





Society

Premium Group, whose mission is to “contribute to building a richer society by providing the best finance and services to people around the world,” is committed to building social and human capital in order to build good relationships with all of its stakeholders.

Customers

In order to ensure that our customers can purchase and use our automobiles with peace of mind, Premium Group has obtained the necessary certifications and registrations, and has established an internal system.

Customer privacy and data protection

Personal information protection	- Obtained Privacy Mark certification by the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) for core subsidiaries in major businesses - Formulated an internal privacy policy and built a system to prevent accidents such as leakage of personal information - Conducted audits by employees of the Internal Audit Division with Privacy Mark internal auditor certification
Data protection	Implemented multiple system security strengthening measures to ensure the protection of Data protection customer data

Appropriate transaction and sales processes

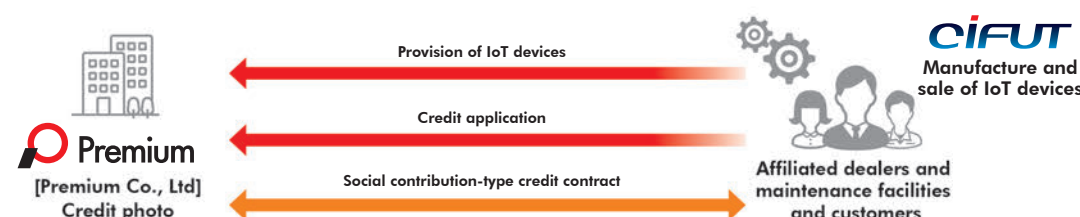
- Obtained and renewed the business registration of the Finance business as an individual credit purchase broker as stipulated in the Installment Sales Act
- Established various internal rules in accordance with the model rules established by the Japan Consumer Credit Association
- Declared internally and externally the policy concerning elimination of antisocial forces and established a system for its implementation, and cooperated with the National Center for Removal of Criminal Organizations, an external professional organization, and other organizations.

Local Community

In order to create a richer society where everyone can live in peace, Premium Group places great importance on its ties with the local community and engages in a variety of support activities through its business and non-business activities.

Social contribution credit “CIFUT”

New screening initiatives using IoT technology will contribute to creating a society where everyone can access automobiles. “CIFUT” is an IoT device (remote engine start control system with GPS) provided by CIFUT Co., Ltd., an affiliate of the Company. By installing this device, the purchased vehicle will be connected to the Internet at all times, allowing for real-time location monitoring and remote engine start control. This technology helps us mitigate the risk of late payments and expand purchase opportunities for customers who have previously faced difficulties in purchasing vehicles.



Sponsorship of the Shigeo Nagashima Invitational Sega Sammy Cup Golf Tournament

We share the Sega Sammy Group's mission of “Constantly Creating, Forever Captivating ?Making life more colorful?,” and we sponsor their initiatives as part of our social and cultural contribution activities. Through this sponsorship, we help create opportunities for civic interaction and promote regional revitalization in Chitose, Hokkaido, in the fields of sports and culture.

Sponsorship of the Maintenance Business Operator Awards 2025

With major changes expected in the automotive market environment, including electrification, autonomous driving, connectivity, and accelerated sharing, the Nikkan Jidosha Shimben launched the “Maintenance Business Operator Awards” in 2021 to highlight exemplary initiatives that can serve as models for service providers. Believing that the industry must adapt together, our Group sponsors this awards program as a guiding benchmark for the sector.

Signed a partnership agreement with Ishigaki City

Ishigaki City, Okinawa Prefecture and the Company have entered into a partnership agreement. Under this agreement, the Group will contribute to the realization of a sustainable mobility society and the improvement of citizen services that contribute to regional development. This will be achieved by providing its know-how and the vehicles needed for the demonstration project to address the mobility issues faced by Ishigaki City.

Volunteer activities to support recovery

We participated in volunteer activities for recovery from the 2024 Noto Peninsula Earthquake. In order to improve the living environment and ensure the safety of those affected by the disaster, we provided mineral water, etc. as relief supplies and removed disaster waste from houses. We would like to express our deepest condolences to those who lost their lives in the 2024 Noto Peninsula Earthquake, and our deepest sympathy to all those affected by the disaster.



Diversity and Inclusion

Update of the Action Plan for Promoting Women's Participation and Advancement

Having reached the final year of the Action Plan for Promoting Women's Participation and Advancement announced in June 2020, we have formulated a new action plan effective April 1, 2025.

Action plan period:

From April 1, 2025, to March 31, 2026

Challenges for our Group:

Create a framework and organizational culture where diverse talent can clearly envision their own paths, feel a sense of fulfillment at work, and fully demonstrate their abilities

Key Initiatives:

- Strengthen support that encourages proactive career thinking
- Improve work-life balance and support for balancing work and family

[Premium Group Co., Ltd.]

Quantitative targets

- Raise the percentage of women in management to 40%
- Sustain a 100% childcare leave take-up rate for both women and men

[Premium Co., Ltd]

Quantitative targets

- Raise the percentage of women in management to 15%
- Aim for an 80% childcare leave take-up rate among male employees

The project to promote female advancement “Lean in Premium”

The Premium Group aims to be a company where everyone can perform at their best and diverse talent can thrive. As a concrete initiative, we launched the “Lean in Premium” women's advancement project in 2018.

Activity Purposes	- Support women who take the first step to become who they want to be - Increase the number of female employees aiming to advance their careers	
Elements	We will advance activities centered on the three pillars of development, systems, and follow-up.	
Activity Results	In FY3/25, we are conducting Lean in training once every half year. Cross-department interaction among female employees is enabling the sharing of different viewpoints and helping to resolve concerns. In addition, discussions with the President and talks by outside directors are helping participants clarify their future career paths.	

Supporting Women's Health Issues

As part of the Premium Group's employee benefits, we collaborate with medical institutions to provide anonymous consultation services and free access to various medical examinations. This initiative aims to help address women's specific health concerns and reduce anxiety. These services are available not only to our employees but also to their family members.

Challenged Hiring (Inclusive Employment)

The Premium Group has established a dedicated hiring framework (Challenged Hiring) to enable people with disabilities to work in ways suited to their individual needs. To deepen understanding of disability employment and expand opportunities for contribution, we have introduced a system in which each department can submit task requests through a dedicated form. The hiring team reviews these requests, after which new tasks can be assigned to employees with disabilities. By building a framework that supports a comfortable working environment, the Premium Group is creating a workplace where everyone has the opportunity to thrive.

Participation in the Totteoki Music Festival

We participated in the Totteoki Music Festival in Machida 2024, held in Machida, Tokyo in November 2024. This event aims to create a “barrier-free society of the heart” through the power of music, where people with and without disabilities can enjoy music together.

The Premium Group seeks to promote an inclusive mindset by not only supporting people with disabilities internally but also by participating with employees in external events that foster understanding. We also engage in volunteer activities and share information through various events to encourage continued reflection and action toward a society and environment where everyone can participate equally.



Promoting Internal Education through e-Learning

In addition to helping employees acquire role-specific skills and knowledge, our Group introduced an “e-learning” program in FY3/25 to support reskilling and career autonomy, enabling quick adaptation to technological advancement and social changes. Employees can take optional courses in addition to required ones, allowing them to actively design and pursue their own career development. Using the same learning materials company-wide reduces variation in learning content and helps build a shared knowledge base across the organization. By empowering individuals to have a broader impact within the company, this initiative contributes not only to personal growth but also to the growth of the organization.



Corporate Governance

Basic Approach to Corporate Governance

Based on the premise of thorough compliance, in line with changes to the external business environment including revisions to laws, the Group upholds its missions to “contribute to building a richer society by providing the best finance and services to people around the world.” and “to develop and nurture enriched human capital who consistently approach their work with a positive mindset and diligently build upon every process” and is determined to make every management decision based on these missions. In order to achieve Premium Group’s missions, it is essential that we build good relationships with all stakeholders, including shareholders, customers, business partners, employees, and society, and it is indispensable to earn their trust. To that end, we recognize that the enhancement of corporate governance is one of our most important managements issues, and strive for corporate management that ensures transparency and soundness, while doing our utmost to ensure the continuous growth and improvement of the profitability of the Group.

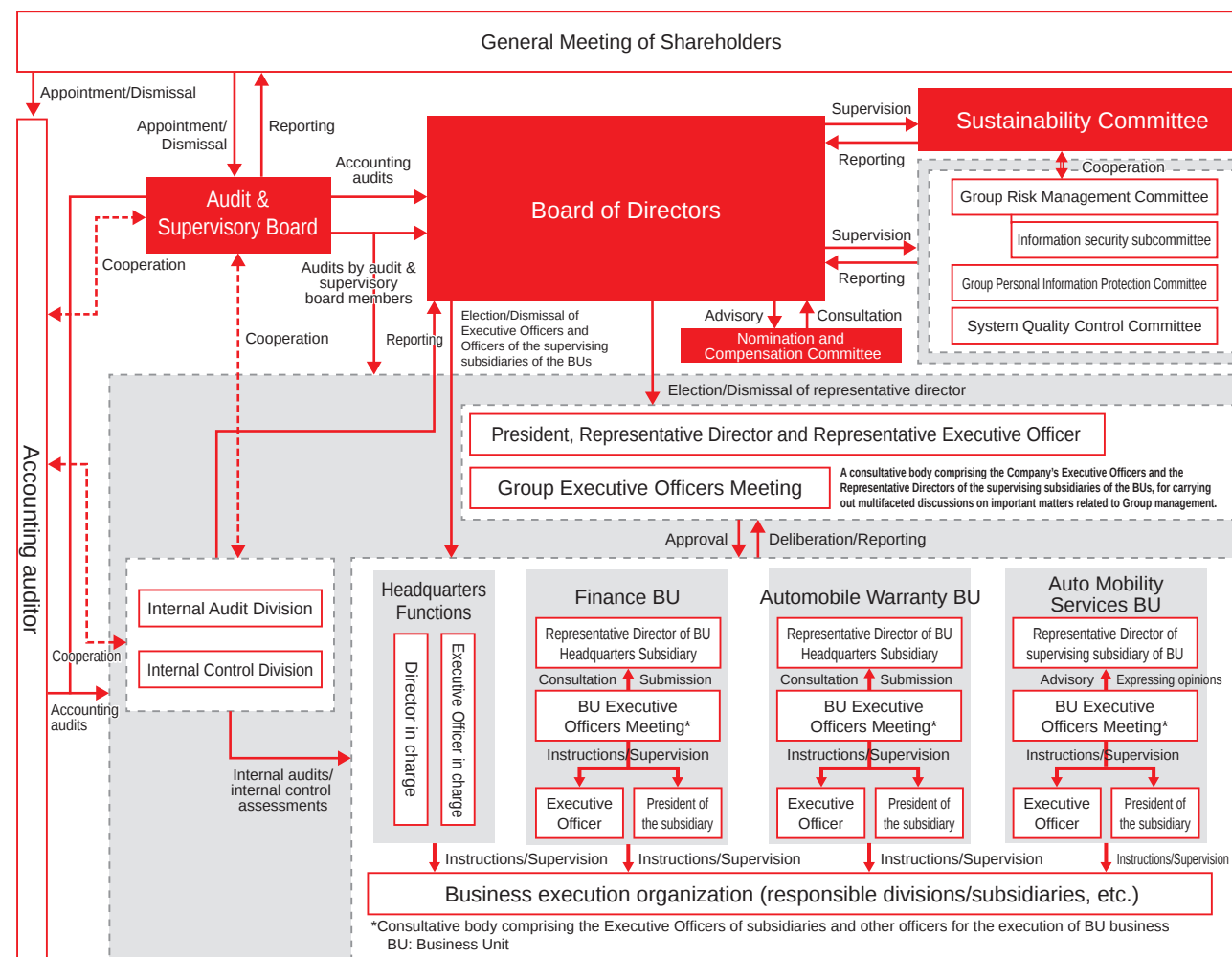
The Company implements each principle of the Corporate Governance Code.

<https://ir.premium-group.co.jp/en/management/governance.html>



Corporate Governance System

Organizational Structure	Company with a Board of Corporate Auditors	Advisory body to the Board of Directors	Nomination and Compensation Committee
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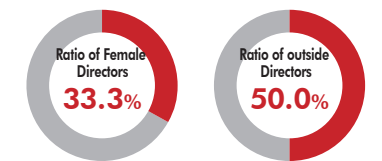


Board of Directors

FY3/25: Held 19 times

Director attendance rate: 100% / Audit & Supervisory Board Member attendance rate: 96.5%

The Board of Directors holds regular meetings once per month, in principle, as well as extraordinary meetings as needed, to ensure communication among the Directors, as well as for constituent members of the Board of Directors, including Outside Directors, to supervise the execution of duties by the Representative Director, and to prevent any violation of laws and regulations or the Articles of Incorporation. Three Audit & Supervisory Board Members also attend the Board of Directors meetings. In addition to resolutions on individual proposals based on the Company's approval standards, important management matters (e.g. Medium-Term Management Plans and investment and capital policies, etc.) and the details of reports from the Nomination and Compensation Committee are discussed and resolved.



Nomination and Compensation Committee

FY3/25: Held 4 times

Attendance rate of all committee members: 100%

The Nomination and Compensation Committee has been established as an advisory body to the Board of Directors, in order to raise the fairness, transparency, and objectivity of procedures relating to the nomination and compensation of Directors, and to enhance corporate governance. During FY3/24, in addition to discussing the succession plan for the CEO, which was a matter for consultation from the Board of Directors, and considering policies and procedures for nominating senior management (Executive Officers), the Nomination and Compensation Committee also deliberated and reported to the Board of Directors on the proposal for the election of Directors (including the skills matrix) and the proposal regarding individual compensation for Directors (excluding Outside Directors) submitted to the Ordinary General Meeting of Shareholders held in June 2025.



Group Executive Officers Meeting

Chairman: Representative Director of the Company / Held once per month / One full-time Audit & Supervisory Board Member attends

To expedite and promote efficiency in the decision-making by the Board of Directors, the Company has adopted the executive officer system and established the Group Executive Officers Meeting, as a body that discusses deliberate matters related to business execution from multiple perspectives. The Group Executive Officers Meeting primarily comprises the Company's Executive Officers, with the Representative Directors of the supervising subsidiaries of the business units attending as observers. It effectively functions as an advisory body to the Representative Directors when decisions are made on important matters, as well as a body for Executive Officers to share information and discuss issues.

Audit & Supervisory Board

Held once per month, in conjunction with the Board of Directors meetings

The Audit & Supervisory Board determines audit policies and audit plans. It receives reports from each Audit & Supervisory Board Member regarding important matters related to audits, and discusses and adopts resolutions. The Audit & Supervisory Board conducts operation audits of the Directors' performance of their duties and the Executive Officers' execution of business operations, accounting audits, and audits of the corporate group for group companies, under the Audit & Supervisory Board Members' Audit Standards and audit plans. It also audits the appropriateness of audits by the accounting auditor, an independent auditor, and reports the results of its audits to the Board of Directors. The audit policy, major audit items, and the annual audit plan approved by the Audit & Supervisory Board are also reported to the Board of Directors.



Changes in Initiatives to Strengthen Corporate Governance

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Institutional Design, etc.	● August Formed voluntary Group Risk Management Committee and Group Personal Information Protection Committee	● July Transitioned to a company with an Audit & Supervisory Board		● April Started evaluation of the effectiveness of the Board of Directors (questionnaire for all Directors and Audit & Supervisory Board Members)		● June Established voluntary Nomination and Compensation Committee	● June Increased number of an Outside Director	● May Conducted third-party evaluation of the effectiveness of the Board of Directors	● July Established the Information Security Subcommittee
Policy				● June Established Corporate Governance Policy				● November Established tax policy and announced anti-corruption initiatives	
Compensation				● May Introduced the restricted stock compensation plan					



Corporate Governance

Conducted an Evaluation of the Effectiveness of the Board of Directors

The Company regularly evaluates and analyzes the effectiveness of the Board of Directors as a whole, in accordance with the Regulations Concerning the Evaluation of the Board of Directors.

Anonymous questionnaire conducted by a third-party organization	The questionnaire was designed to answer questions on 8 main items, using a 5-point scale and a free-response questionnaire format	
	A. The state of the Board of Directors	B. Composition and operation of the Board of Directors
	C. Discussions at the Board of Directors	D. Monitoring function of the board of directors
	E. Performance of inside and outside directors	F. Support system and training for directors and auditors
	G. Dialogue with shareholders (investors)	H. Operation of the Nomination and Remuneration Committee

Initiatives in FY3/25	Evaluation and Future Issues for FY3/25
Past evaluations and issues - Reviewed question items through the utilization of a third-party organization. Received generally high evaluations compared to the previous year - Received evaluation stating that the supervisory and decision-making functions were clearly separated, and that important supervisory matters were adequately discussed by focusing discussions on them during Board of Directors' meetings - Received a higher evaluation than in the previous year due to the improved quality of discussions on the Company's sustainable growth and the creation of medium-term corporate value with respect to management strategies and plans, as well as the enhanced quality of supervision regarding the expected potential risks - Although there are no significant issues, further improvements will be made in areas such as the enhancement of discussions to realize DX promotion and the operation of the Nomination and Compensation Committee	Initiatives and Progress <u>Addressing challenges in promoting DX</u> - Strengthened the DX organizational structure and achieved continuous skill enhancement through recruitment and development of DX talent. - Began considering the appointment of directors with deep DX expertise and strengthened support from top management. <u>Addressing operational challenges</u> - Secured discussion time by fixing the schedule for regular meetings of the Nomination and Compensation Committee. - Improved the quality of meeting operations through upskilling of the secretariat and enhanced preparation of materials. - Drew on third-party input as appropriate to incorporate objective and multifaceted perspectives. Future Issues - Leveraged third-party expertise to scrutinize and revise the validity and coverage of question items. Items that received high ratings in the prior year were removed and replaced with content better able to surface issues. As a result, while overall ratings were slightly below the prior year, we achieved solid outcomes in clarifying issues - Newly identified issues included, in addition to risk materiality analysis, a lack of comprehensive analysis of risks surrounding the company, including talent strategy, using the results of employee attitude and engagement surveys, and insufficient discussion of response policies based on those results.

Succession Plan

At our Company, the Nomination and Compensation Committee, of which a majority are independent outside directors, continuously reviews candidates for the next Chief Executive Officer (CEO). When selecting candidates, we place emphasis on individuals who possess the qualities and abilities needed to contribute to corporate value enhancement, have deep expertise in their respective fields, and embody the mission of the Premium Group. In addition, we consider the overall balance of skills and expertise across the Board of Directors and make selections from a comprehensive perspective.

The qualities and competencies required of the next CEO are thoroughly discussed in light of the Group's medium- to long-term strategy, and clear candidate requirements are defined. Based on these criteria, multiple successor candidates are selected and systematically trained to acquire the necessary skills and management capabilities. Furthermore, we are developing not only the next generation but also the generation that will follow, through continuous training programs aimed at raising overall management competency and building a sustainable leadership pipeline.

The final appointment of the CEO is determined by resolution of the Board of Directors following thorough deliberation by the Nomination and Compensation Committee and is submitted for approval at the General Meeting of Shareholders.

In FYE3/25, the Nomination and Compensation Committee deliberated on and submitted recommendations regarding the CEO succession plan in response to inquiries from the Board of Directors.



Executive Compensation

Compensation, etc. for executives

The Company considers the remuneration system for Directors as a key management foundation for its sustainable growth. The Company consults the Nomination and Compensation Committee, an advisory body to the Board of Directors, regarding the details of the policy for determining the remuneration, etc. of individual executives. Based on the Committee's report, the Board of Directors adopts a resolution.

Determination of compensation, etc., for executives

In order to enhance the transparency and objectivity of the deliberation process, compensation, etc. for each Director is determined by the Board of Directors, following consultation with the Nomination and Compensation Committee. This is based on the compensation policy and compensation system discussed in advance by the Committee, as well as the results of individual performance evaluations for each Director (excluding Outside Directors). The total compensation is kept within the maximum amount resolved at the General Meeting of Shareholders in accordance with the Articles of Incorporation.

Regarding the determination of the amount of compensation, etc. for each Director for FY3/25, the Board of Directors resolved the proposal at its meeting in June 2023. The Committee deliberated on this proposal in May 2023, in accordance with the above determination policy, and subsequently submitted it to the Board. Because the proposal was deliberated by the Committee—with a majority of Independent Outside Directors—in accordance with the determination policy, the Board subsequently resolved it. The Board confirmed that the final compensation amount for each Director aligns with the stated policy.

Compensation, etc. for each Audit & Supervisory Board Member is determined by the Audit & Supervisory Board, within the limit of the total amount of compensation as resolved by the General Meeting of Shareholders in accordance with the Articles of Incorporation, taking into consideration whether the member is full-time or part-time, as well as the status of the division of duties.

Basic policy on Compensation for Directors

Compensation for Directors of the Company shall be determined in accordance with the following approach.

1. The compensation system shall be competitive
The compensation system and compensation level shall support the recruitment and retention of excellent individuals who will contribute to the realization of the Company's mission and medium-to-long-term vision.
2. The compensation system shall focus on sustainable corporate value enhancement
Compensation should incentivize Directors to promote sustainable and continuous improvement of the Company's corporate value and shareholder value.
3. The compensation system shall be fair and equitable
The compensation structure shall be highly transparent, fair, and reasonable enough to fulfill accountability to shareholders and other stakeholders.

Compensation structure for executives

1. Base compensation
The objective is to incentivize the execution of duties based on position, responsibilities, and roles.
2. Short-term incentive
The objective is to accumulate results in order to achieve performance targets for each fiscal year.
3. Long-term incentive
The objective is to encourage management practices that enhance corporate value and shareholder value over the medium to long term.

Type of compensation	Salary method, Fixed/Variable	Performance-linked indicator	Details of compensation	Composition ratio (%)	Directors (excluding Outside Directors)	Outside Director
Base compensation	Cash, Fixed	—	- Fixed compensation designed to incentivize the execution of duties based on position, responsibilities, and roles. - Determined by a basic table prepared based on fixed compensation for each position, including representation authority.	35–40	◎	◎
Short-term incentive	Cash, Variable	Consolidated profit before tax	- Performance-linked compensation designed to accumulate results in order to achieve performance targets for each fiscal year. - Indicators shall be “consolidated profit before tax,” “consolidated profit before tax excluding spot profit/loss,” and “individual performance (company-wide targets for Representative Directors, and performance targets for Directors in their respective businesses and divisions).” - The coefficient set for each of the above indicators is multiplied by the base compensation and determined within the range of 0 to 103.5% of the base compensation, depending on the degree of achievement, etc. for each fiscal year.	35–45	◎	—
Long-term incentive	Share, Variable	—	Share compensation designed to encourage management practices that enhance corporate value and shareholder value over the medium to long term.	20–30	◎	—



Corporate Governance

For the brief career history of Directors and Audit & Supervisory Board Members, please refer to the following website.

<https://www.premium-group.co.jp/executive/pg/>



Directors and Audit & Supervisory Board Members As of October 1, 2025

Name	Position and responsibilities, Positions held concurrently	Classification	Years in Office*	Skills (Skill matrix)											
				Corporate Management	Industry Familiarity			Sales and Marketing	Global	Finance and Accounting work	Legal and Compliance	Internal Control and Governance	Sustainability	Human Resources, Organization Development and D&I Promotion	Major Qualifications, etc.
	Yohichi Shibata President, Representative Director Representative Executive Officer Group CEO and COO General Manager of Group Management Strategy Division		9	◎	◎	◎	◎	◎	◎					◎	
	Yoshiyuki Tsuchiya Director and Managing Executive Officer General Manager of Group Business Strategy Division • Representative Director of Premium Co., Ltd. • President and Representative Director of Premium Mobility Services Co., Ltd. • Director of Premium Warranty Services Co., Ltd.	Newly Appointed	0	◎	◎	◎	◎	◎	◎				◎		
	Tomohiro Kanazawa Director and Managing Executive Officer General Manager of Group Administration • Audit & Supervisory Board Member of Premium Warranty Services Co., Ltd.		4		◎					◎	◎	◎	◎		
	Tsuguhiro Nakagawa Outside Director • Director of Synchro Food Co., Ltd.	Outside Director Independent Officer	8	◎	◎	◎	◎	◎							
	Yuka Horikoshi Outside Director • Partner of Chuo Sogo Law Office, P.C • Outside Director of Regional Economy Vitalization Corporation of Japan • Outside Director of WealthPark Co., Ltd.	Outside Director Independent Officer	6		◎						◎	◎			Lawyer
	Hiromi Oshima Outside Director • Executive Officer , Head of Finance Department of IHI Corporation	Outside Director Independent Officer	5						◎	◎					Certified Public Accountant (CPA)
	Toshihiro Kametsu Full-time Audit & Supervisory Board Member		9		◎					◎		◎			
	Setsuo Higuchi Outside Audit & Supervisory Board Member • Director of Setsuo Higuchi Certified Public Accountant Office • Outside Audit & Supervisory Board Member of SOCIALWIRE CO., LTD. • Outside Audit & Supervisory Board Member of Land Business Co., LTD.	Outside Audit & Supervisory Board Member Independent Officer	8							◎		◎			Certified Public Accountant (CPA)
	Yukari Narita Outside Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member Independent Officer Newly Appointed	0							◎		◎			Certified Public Accountant (CPA)

Skills and experience specifically expected of Directors and Audit & Supervisory Board Members of the Company

Corporate Management	Solid knowledge, management experience, and management achievements in all aspects of corporate management are required to execute sustainable growth strategies and increase corporate value over the medium to long term
Industry Familiarity	Solid knowledge and experience in each business are required to recognize industry transitions, forecast trends, and develop strategies that respond to a rapidly changing industry
Sales and Marketing	Expertise in supervising and promoting effective strategies is required to provide automobile-related services that meet the needs of the market, automobile providers, and consumers
Global	For long-term corporate value enhancement, overseas business expansion is necessary. Global insight, primarily through overseas management experience, extensive knowledge, and an understanding of different cultures and geopolitics, is required
Finance and Accounting	Solid knowledge and experience in finance and accounting are required for accurate financial reporting, building a firm financial foundation, and formulating financial strategies to sustainably increase corporate value by promoting investment in growth and enhancing shareholder returns.
Legal and Compliance	Solid knowledge and experience in legal and compliance affairs are required to supervise and promote appropriate strategies for achieving sustainable increase in corporate value through legal compliance and risk management
Internal Control and Governance	Solid knowledge and experience in internal control and corporate governance are required to establish and improve a system that appropriately incorporates management supervision and control functions, ensuring appropriate and efficient business execution
Sustainability	Extensive knowledge and experience in sustainability are required to understand the impact of social issues and social demands, grasp the essentials of corporate activities related to sustainability, and contribute to the Company's mission of "constructing a richer society"
Human resources, organizational development, D&I promotion	Extensive knowledge and experience in human resources and organization are required to promote human resources development and deepen diversity and inclusion, fostering a corporate culture that embodies the human resources strategy, organizational diversity, and the Company's code of conduct values
M&A	Skills and experience to supervise the execution status related to the formulation of strategies, integration work, and other aspects for M&A and alliances are required to provide comprehensive services in the automobile sector, create new businesses, and realize long-term value creation



Risk Management

Regulations and Other Systems for Managing the Risk of Loss of the Group

- a. The Board of Directors, through the Group Risk Management Committee, etc., will receive reports on the Group's risk management on a regular basis and manage risks appropriately.
Chairman: Fumiya Nakamura, **Committee members:** Tsuyoshi Kitada, Makiko Shimomura, Tomomitsu Hori, Yoshiyuki Tsuchiya, Kunio Saito, Wataru Ohta, Tomohiro Kanazawa, Kumi Kondo
- b. To identify the risks that may prevent the Group from achieving its management objectives, and to adequately assess and manage those risks, we appoint a Risk Management Officer and establish a Group Risk Management Committee by a resolution of the Board of Directors, and work actively to mitigate risks and prevent the risk of losses under the Risk Management Regulations.
- c. If the risks mentioned in the previous paragraph become apparent, the Corporate Management Department determines the policy for a crisis response, investigates the facts, deals with the crisis, and formulates and implements measures to prevent its recurrence, based on the Regulations for Dealing with Sudden Crises. In addition, if a particularly serious risk becomes apparent, Representative Directors establish a taskforce, and a system is established to promptly deal with the risk by obtaining advice from outside experts including attorneys at law, and to minimize the deterioration of the situation and the expansion of losses.

Business Risks

	Details of risks	Countermeasures
1. Risks associated with the economic environment	- Changes in the economic environment and tax reforms, deterioration of the employment situation - Suppression of consumption due to high commodity prices	- Formulate and implement strategies that align with the economic environment - Building a used car economic zone to capture demand when customers replace daily necessities
2. Risk of large-scale natural disasters	Large-scale natural disasters	Formulate regulations related to the business continuity system and the business continuity plan (BCP), and carry out education and training
3. System risk	Cyberattacks, etc.	- Strengthen system security and maintain stable operations - Promote system redundancy, duplication of data centers, and the use of multiple telecommunication network carriers
4. Regulatory risk	Changes in laws, regulations, policies, and current practices, etc.	- Registration and renewal of business permits in accordance with various laws and regulations - Closely monitor changes to laws and regulations with partner attorneys at law
5. Funding risk	- Difficulty in continuing fund procurement due to deteriorating business performance - Deterioration in creditworthiness and turmoil in the financial markets - Fluctuations in borrowing rates	- Strive to improve our business performance - Strengthen governance by regularly evaluating and analyzing the effectiveness of the Board of Directors' composition, which comprises half Outside Directors and one-third female Directors, as well as the Board as a whole. - Appropriate financial management and establishment of a strong financial structure
6. Interest rate risk	Interest rate fluctuations affecting a portion of funding	- Adjust the weightings of weightings of fixed and variable interest rates borrowings - Align financing with borrowing costs and pass costs through to the interest rates of the Group's services to secure a certain profit margin
7. Compliance risk	Serious scandals caused by compliance violations, etc.	- Establish the Compliance Regulations and a compliance promotion system - Carry out various types of training based on the Code of Conduct
8. Personal information risk	Occurrence of leakage, loss, or unauthorized access to personal data	- Acquire the Privacy Mark certification - Establish a policy for protecting personal information (Privacy Policy), and set up a system to prevent accidents - Strengthen network security, confirm and assess subcontractors that handle personal information, carry out employee education, and conduct audits by employees of the Company who have been certified as Privacy Mark internal auditors
9. Human resources risk	Inability to recruit, retain, and develop competent human resources	Continuously improve the labor environment
10. Market competition risk	- Competition intensifies, and profitability and market share diminish due to a decrease in used car sales volume - Weakening of SMEs due to the rise of large used car dealers and manufacturer-affiliated maintenance facilities	- Closely monitor the market environment, capture the developments of competitors, and formulate and implement appropriate strategies - Building competitive advantage and differentiation from competitors - Understanding of needs and issues of business operators through operation of own maintenance facilities, product planning and support
11. Reputation risk	Damage to the reputation, and loss of credibility of the Company due to various reasons such as law violations, fraud by employees, system malfunctions, etc.	- Undertake various types of training and system management to prevent law violations, fraud by employees, system malfunctions, etc., before they materialize - Proactively provide fair, accurate, timely, and straightforward information to ensure appropriate disclosure and transparency
12. Goodwill and intangible asset risks	Reporting of impairment losses	As a non-depreciable asset, there will be no regular depreciation each period
13. Credit risk	- Economic trends and increase in individual bankruptcy petitions - Incurring bad-debt loss that exceeds the limit of insurance payout	Appropriate credit management
14. Risks associated with credit and insurance contracts	Increase in guarantee fee due to an increase in bad-debt loss, and inability to continue insurance contracts due to revision of the Insurance Business Act, changes in the stance of non-life insurance companies, and other factors	- Prevent the occurrence of bad-debt loss through DX measures and cooperation between Group companies - Signed contracts with multiple non-life insurance companies
15. Risks associated with repair costs	Increases in repair costs	- Appropriate product setup by utilizing big data - Carry out original cost reduction measures
16. Risks associated with new businesses	Cases in which new businesses cannot realize business plans, and sufficient profit cannot be reported in the future	Set appropriate KPIs in line with the business plan, and prepare a road map
17. Risks associated with overseas businesses	- Changes to the tax system and establishment, revision, or repeal of laws and regulations, such as restrictions on foreign capital - Occurrence of economic or political incidents and social turmoil caused by terrorism, disputes, pandemics, etc. - Drastic changes in the labor laws and labor environment	- Understand the local situation through close communication between local representatives and the headquarters department - Business development that prioritizes the safety of local employees

Compliance



Regarding Compliance

The Group considers compliance as an important management issue, and has established the Compliance Regulations and built a system for promoting compliance, while conducting various training programs to encourage voluntary actions based on the Code of Conduct, and making efforts year after year to improve corporate ethics and strengthen compliance with laws and regulations.

Education and Training	Details
Compliance Training	Legal compliance, corporate ethics, avoidance of compliance violation risks, understanding social rules, instilling the corporate philosophy
Insider Trading Prevention Training	Definition of insider trading, legal regulations, concrete cases and their impacts, detection methods and countermeasures, review and thorough implementation of internal rules
Personal Information Protection Training	Basics of the Act on the Protection of Personal Information, safety management measures, response to leakage incidents, key caution points and prevention measures learned from case studies

Tax Policy

To enhance corporate governance in taxes, we have formulated and adhere to a Tax Policy that serves as the code of conduct and decision standard for taxation.

<https://www.premium-group.co.jp/companyinfo/sustainability/tax-policy/>



Anti-Bribery Policy

Recognizing the social significance of preventing bribery and corrupt practices, we prohibit officers and employees from engaging in bribery or corruption, and aim to maintain and develop sound corporate activities through sincere and fair conduct.

<https://www.premium-group.co.jp/companyinfo/sustainability/corruption-prevention/>



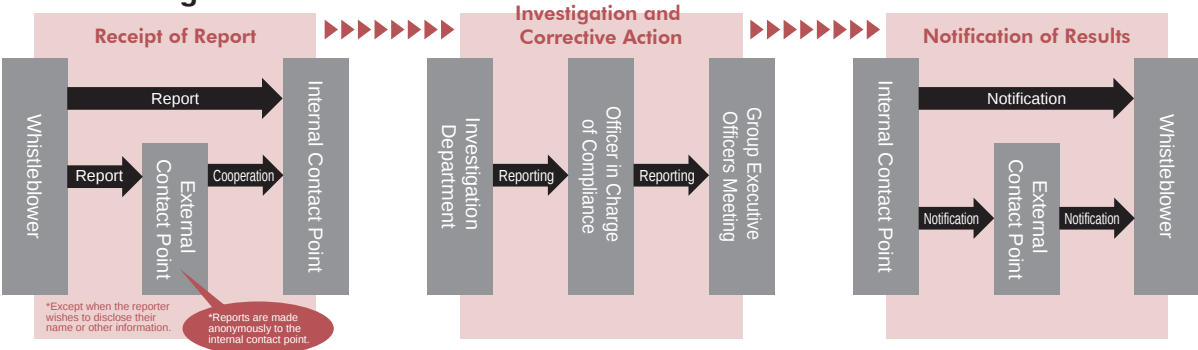
Eliminating Relationships with Antisocial forces

In order to prevent damage from antisocial forces, we have declared our policy concerning elimination of antisocial forces both internally and externally, established an in-house system for actualizing that basic policy (designating a department for managing the response to antisocial forces, and managing and accumulating information on antisocial forces in a unified manner), and report the results to the management. Furthermore, we cooperate with the National Center for Removal of Criminal Organizations, an external professional organization, and other organizations.

Whistleblowing System

To advance compliance management, prevent violations of laws and regulations in advance, and enable early detection and corrective action, we have established shared, internal and external contact points across Group companies where reports and consultations can be made anonymously or under a real name. We also have arrangements in place to ensure that whistleblowers are not treated disadvantageously due to their reports.

Whistleblowing Process

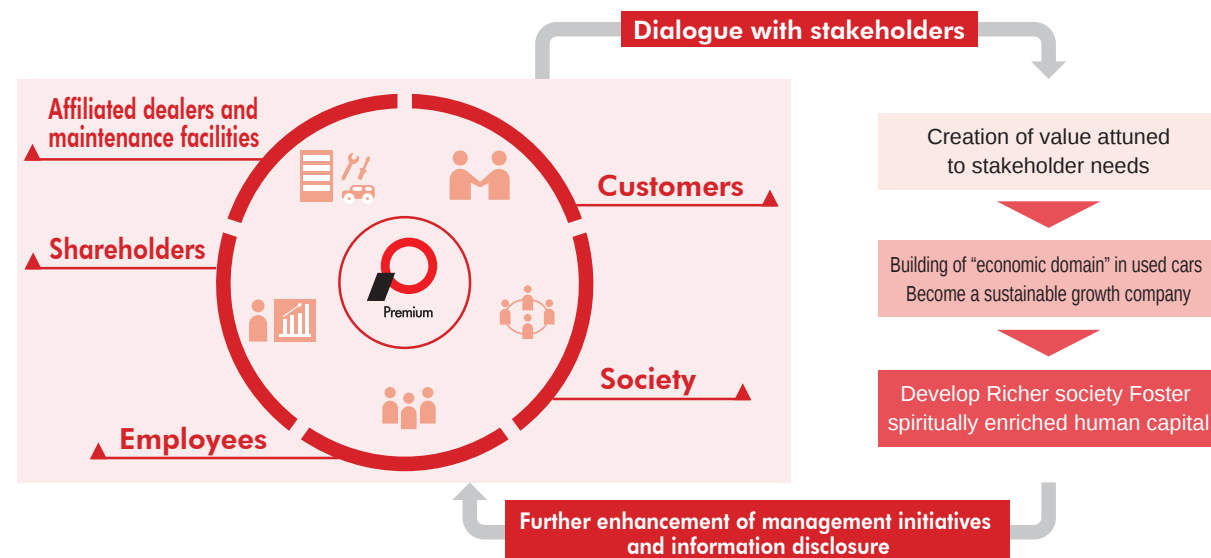




Stakeholder Communication

Basic Approach to Stakeholder Communication

To achieve Premium Group's missions, it is essential that we build strong relationships and earn the trust of all stakeholders, including shareholders, customers, business partners, employees, and society. To that end, we recognize that enhancing corporate governance is one of our most important management issues. We strive for management that ensures transparency and soundness, while doing our utmost to ensure the Group's continuous growth and profitability improvement.

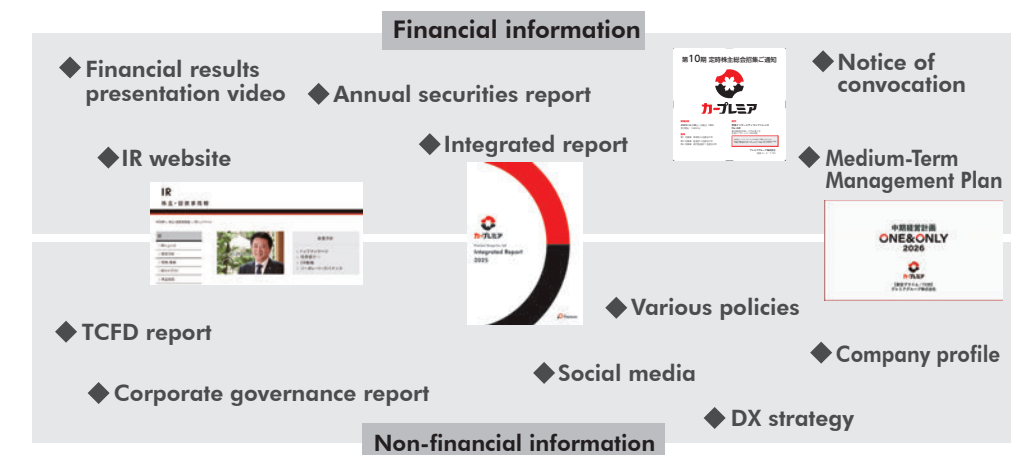


Stakeholders	Main Responsibilities and Issues	Main Communication Opportunities
Customers 	- Providing a safe, convenient, and richer car life - Improvement of economic environment and financial literacy - Appropriate disclosure of information	- Providing information about automobiles on the Company's website for customers - Manage vehicle information within our Group's Car Premium app to enhance convenience - Speaking at events for young adults - Provide inquiry forms
Affiliated Dealers and Maintenance Facilities 	- Improvement of management efficiency and IT literacy - Mutual development among automobile providers	- Supporting through regular visits or telephone calls by the Group's sales staff - Development of new products to meet the needs of Affiliated dealers and maintenance facilities - Establishment of support desk - Build membership organizations for automobile providers and automobile providers websites
Employees 	- Improvement of employee motivation and job satisfaction - Human resources development for improving individual capabilities	- Conducting dialogue with management and employee surveys - Improving the internal environment and welfare benefits - Regular training tailored to rank
Shareholders 	- Provision of equal information - Returning profits - Enhancement of corporate value and stock price	- Holding Company briefing sessions and investor meetings - Swiftly disclosing information via website and social media - Proactive disclosure of materials in English - Increasing dividends due to revenue and profit growth - Acquiring treasury shares - Providing appropriate opportunities for information disclosure (at briefings, on the Company's IR page, participation in events, etc.)
Society 	- Creating a recycling-oriented society (reducing energy consumption and greenhouse gas emissions) - Initiatives for other societal demands	- Participate in seminars and sponsor events - Engaging with the community - Participating in volunteer work - Enhancing human capital and strengthening governance structure

Information Disclosure

We believe cooperation with our stakeholders is indispensable to achieving sustainable growth and enhancement in our corporate value over the medium- to long-term. Accordingly, our basic policy is to actively provide information about the Group's businesses and finances, as well as future growth potential and management policies, in a manner that is fair, accurate, timely, and easy to understand. In order to provide timely and appropriate information, we make use of both online and offline channels. The valuable feedback we receive from stakeholders is also reported to the management team.

<Information disclosure framework>



<Major IR activities for FYE3/25>

Scope	Activities	Number of Times Conducted
All Shareholders	Conducted Ordinary General Meeting of Shareholders (hybrid format) ... Distributed financial results briefing videos	1 time 4 times
Institutional investors and analysts	One-on-one meetings (total) Small meetings (total) Overseas roadshows Participation in broker hosted conferences	301 times 9 times 4 times 1 time
Individual investors	Conducted periodic briefings for individual investors	7 times

Publication	April 2024 Establishment of Human Rights Policy		Late June 2024 Annual Securities Report Corporate Governance Report					February 2025 Updated TCFD Report				
	October 2024 Integrated Report (Japanese/English)											
	April	May	June	July	August	September	October	November	December	January	February	March
Briefing for individual investors		May 2024 Kobe investment study meeting			August 2024 Shonan investment study meeting Kobe investment study meeting			November 2024 Tokyo study meeting Kabu Berry			February 2025 Kobe investment study meeting	
			June 2024 Events IR seminar									
Announcement of financial results	April 2024 Full-year financial results			July 2024 Q1 financial results			October 2024 Q2 financial results			February 2025 Q3 financial results		

<Message from Investor Relations Department>



Thank you for reading our "Integrated Report 2025." This report details our Group's financial condition, business strategy, and non-financial information on initiatives for sustainable growth. In FY3/25, we were able to present at many briefings for individual investors and focused on increasing opportunities for dialogue with investors. The IR team values the trust-based relationships with all stakeholders, including our shareholders, and strives for highly transparent disclosure. We will continue to create value to meet your expectations. We appreciate your continued support. If you have any comments or inquiries, please contact us using the form below.

Scan here for IR inquiry form *in Japanese
<https://ir.premium-group.co.jp/ja/privacy.html>



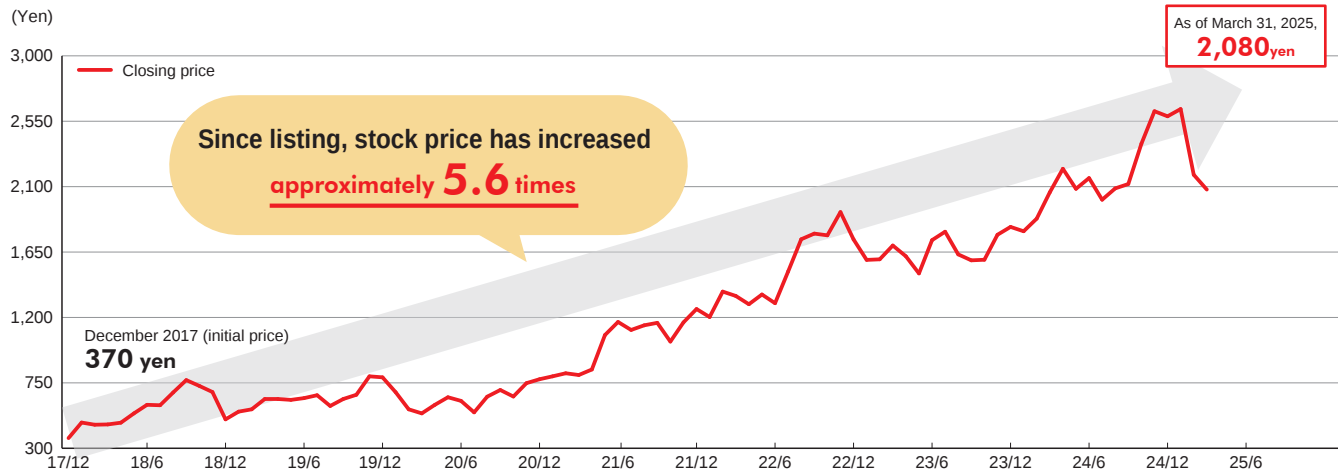


Key Financial and Non-financial Data

	FYE 3/21	FYE 3/22	FYE 3/23	FYE 3/24	FYE 3/25
Consolidated Financial Results (Millions of yen)					
Operating revenue	17,906	20,888	25,465	31,546	36,409
Operating profit	2,847	3,864	4,245	6,195	6,815
Profit before tax	3,463	4,017	5,344	6,241	6,851
Profit	2,393	2,964	4,003	4,617	4,648
Profit attributable to owners of parent	2,383	2,941	3,994	4,608	4,651
Comprehensive income attributable to owners of parent	2,437	2,988	4,079	4,734	4,749
Basic earnings per share (Yen)	62.25	76.46	103.17	119.39	122.61
Total assets	68,156	81,800	101,431	125,274	184,988
Total equity	7,291	9,814	13,353	15,351	18,948
Cash flow from operating activities	1,321	1,608	(449)	2,489	(7,761)
Cash flow from investing activities	(1,172)	(1,028)	(2,320)	(3,093)	(2,456)
Cash flow from financing activities	1,617	2,797	6,181	6,892	6,220
Return on equity (ROE) attributable to owners of parent (%)	38.27	34.76	34.75	32.19	27.17
Profit before tax to total assets ratio (%)	5.5	5.4	5.8	5.5	4.4
Equity attributable to owners of the parent ratio (%)	10.58	11.87	13.13	12.22	10.23
Annual dividend (Yen)*1	15.3	17.0	21.0	28.0	40.0
KPI					
Total volume of new loans (Billions of yen)	166.4	202.3	243.8	303.8	354.3
Loan receivables (Billions of yen)	361.4	422.3	507.8	632.6	778.6
Delinquency rate (%)	0.91	0.78	0.81	1.00	1.83
Total volume of new warranties (Billions of yen)	4.49	5.15	5.76	6.89	7.53
Car Premium Dealer memberships (Companies)	370	1,525	2,581	2,660	3,468
Car Premium Garage memberships (Stores)	—	251	370	710	858
Non-financial					
Number of employees (Persons)	627	679	700	740	814
Percentage of female managers (%) *2	13.7	17.6	19.1	20.4	18.1
Average age (Years old)	35.1	36.9	37.5	36.4	37.2
Average years of service (Years)	6.2	6.2	6.9	7.2	6.8

*1 The dividend amounts up to FYE3/22, have been retroactively adjusted to reflect the three-for-one stock split conducted on September 1, 2022.
*2 The Company and core subsidiaries.
Note: Certain figures have been retrospectively adjusted due to changes in accounting policies. Details of the revisions are provided in the most recent Annual Securities Report.

Stock Price Trend



*The graph shows closing prices, except for December 2017, which shows the initial listing price.
*Stock prices are shown taking into account past stock splits.

Company Profile

As of June 30, 2025

Company Name	Premium Group Kabushiki Kaisha	Listed Stock Exchange	Prime Market of Tokyo Stock Exchange
Company Name in English	Premium Group Co., Ltd.	Stock Code	7199
Head Office	The Okura Prestige Tower, 2-10-4, Toranomon, Minato-ku, Tokyo 105-0001	Main Bank	Aozora Bank, Ltd.
		Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited
		Accounting Auditor	PricewaterhouseCoopers Japan LLC
Founded	July 2007		
Capital	1,683 million yen		
Number of Employees	814 (consolidated)		

Stock Information

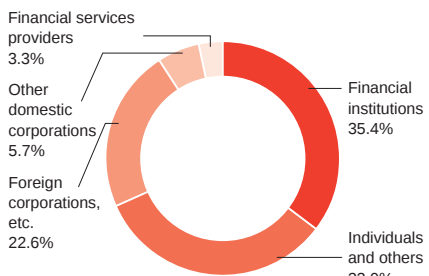
As of March 31, 2025

Total number of authorized shares	144,000,000 shares
Number of issued shares	40,540,170 shares
Total number of shareholders	6,306

Major Shareholders (Top 10)

Name of shareholder	Number of shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,047,600	15.90
Custody Bank of Japan, Ltd. (Trust Account)	5,867,300	15.43
STATE STREET BANK AND TRUST COMPANY 505001	3,133,357	8.24
Recruit Co., Ltd.	1,800,000	4.73
Yohichi Shibata	876,748	2.31
Aozora Bank Ltd.	775,800	2.04
Sompo Japan Insurance Inc.	775,800	2.04
J.P. Morgan Securities Japan Co., Ltd.	637,683	1.68
GOVERNMENT OF NORWAY	544,692	1.43
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	495,140	1.30

Classification of shareholders FYE3/25

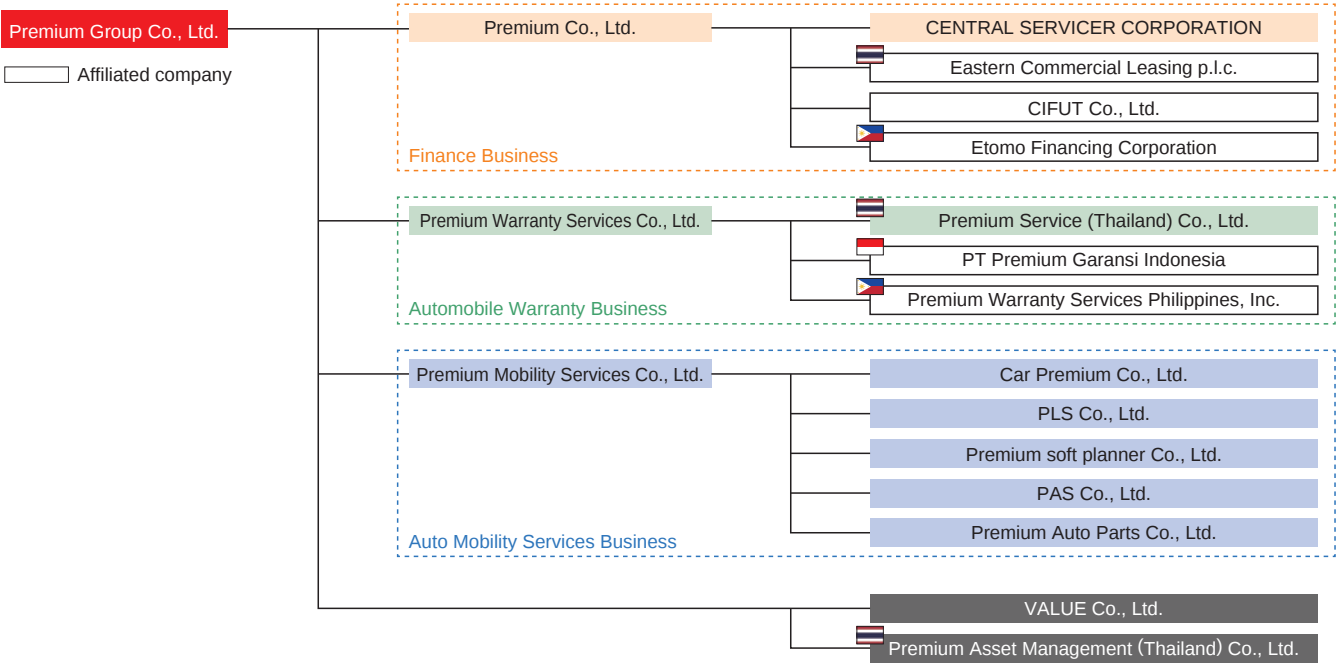


* The number of shares held under own name, excluding fractional shares, is included in "Individuals and others."

* Treasury shares (2,509,334 shares) are not included in the above.
* The shareholding ratio is calculated by excluding treasury shares.
* The shareholding ratio is rounded to the second decimal place.

Group Companies List

As of June 30, 2025





Premium Group Co., Ltd.

105-0001

2-10-4, Toranomom, Minato-ku, Tokyo

19Th floor, The Okura Prestige Tower

<https://www.premium-group.co.jp/en/>



We use an easy-to-read
universal design font.