Q&A Session Regarding the Financial Results for the Second Quarter (First Half) of the Fiscal Year Ending March 31 2026

[November 28, 2025]

Premium Group Co., Ltd. has compiled the inquiries received from shareholders and investors regarding the second quarter financial results for the fiscal year ending March 2026, and we are pleased to announce them as follows.

Please note that this disclosure is voluntarily implemented by Premium Group Co., Ltd. with the aim of further deepening the understanding of market participants. Some content and expressions have been added or revised to facilitate understanding.

In addition, this Q&A session is based on information available as of November 28, 2025.

Q1. Regarding the system rollback, will the old system be renovated and expanded for permanent use, or is the reconstruction of the new system ongoing with a future switchover planned?

A1. There are no plans to use the old system permanently. We plan to migrate to the planned new system once development is completed.

Q2. When is the release of the new system, which is currently under reconstruction, scheduled?

A2. We are proceeding cautiously with the aim of completing the full switchover around the the fiscal year ending March 2028.

Q3. What is the purpose of upgrading to the new system?

A3. The purpose is to ensure operational efficiency, scalability, and security in anticipation of future business expansion.

Q4. Was the decision to roll back to the old system made suddenly? Alternatively, if the rollback to the old system was planned, why was it not explained in the first quarter financial results presentation materials?

A4. While the rollback to the old system was considered a possibility from the beginning, we refrained from disclosing it at the time of the first quarter financial results announcement because the maintenance contract with the former external vendor involved in the development of the faulty new system was still in effect.

Q5. How long was the suspension of new applications for the rollback to the old system? Also, have new applications already resumed?

A5. The suspension period was two days, and new applications have already resumed.

Q6. What was the reason for rolling back to the old system?

A6. This is to reduce the cost burden associated with the parallel operation of the old and new systems and to concentrate human resources on rebuilding the new system. Initially, we determined that stable operation of the new system alone would be difficult, so we operated it in parallel with the old system for maintenance purposes. After the data migration to the old system was completed, the parallel operation became unnecessary, prompting the rollback to the old system.

Q7. Is there any impact on business performance or operations due to the rollback to the old system?

A7. Impact on Earnings Forecast: There is no significant impact on the earnings forecast, as the termination of parallel operations has already been factored into our projections. By solely operating the existing system, maintenance costs will be reduced, resulting in a decrease in system-related expenses from the third quarter onward compared to the first half.

Impact on Operations: There is no significant impact on business operations, as the replacement was not prompted by a failure in the old system.

Q8. Please provide specific details about the amount of the claim for damages against the external vendor and the timing of its recovery.

A8. Regarding the specific details of the claim amount and recovery timing, we will refrain from answering at this time as it involves the counterparty. We will promptly disclose any matters that can be disclosed in the future.

Q9. Why did the volume of new loans decrease in the second quarter? Also, will this trend continue from the third quarter onward?

A9. The main reasons for the decrease are the suspension of new applications due to the rollback to the old system, a decrease in sales resources due to the strengthening of debt collection, and an interest rate hike to secure gross profit. We expect these effects to be resolved in the fourth quarter and to return to the usual growth trend. However, we anticipate that the growth rate in the third quarter will be lower year-on-year than usual.

Q10. Why did the delinquency rate increase in the second quarter compared to the first quarter? Also, will it really decrease toward the end of the fiscal year?

A10. The increase is attributable to prioritizing the collection of early-stage delinquent receivables (those overdue for three months or less) and receivables that impact the reversal of allowance for doubtful accounts. We project a downward trend starting from the third quarter, as we are currently intensifying collection efforts for receivables that affect the ratio of outstanding delinquent balances.

End

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Inquiry Form: https://ir.premium-group.co.jp/ja/privacy.html