



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 [IFRS]

July 26, 2024

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

Scheduled date of commencement of dividend payment: –

Preparation of supplementary material for financial results: Yes

Holding of financial results meeting: No

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (fiscal year to date) (% change from the same period of the previous fiscal year)

	Operating revenue		Operating profit		Profit before tax		Profit for the term		Profit for the term attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of fiscal year ending March 31, 2025	8,674	19.9	1,823	33.6	1,876	33.3	1,276	18.7	1,274	18.9
First quarter of fiscal year ended March 31, 2024	7,233	25.5	1,365	23.8	1,408	21.7	1,075	27.3	1,072	27.5

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Yen	Yen
First quarter of fiscal year ending March 31, 2025	1,318	13.4	33.62	33.36
First quarter of fiscal year ended March 31, 2024	1,162	29.3	27.56	27.36

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio
	Million yen	Million yen	Million yen	%
First quarter of fiscal year ending March 31, 2025	126,926	16,149	16,100	12.7
Fiscal year ended March 31, 2024	125,274	15,351	15,310	12.2

2 Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	13.00	–	15.00	28.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (forecast)		20.00	–	20.00	40.00

Note: Revisions to dividends forecast most recently announced: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025
(April 1, 2024 to March 31, 2025)

(% change from previous fiscal year)

	Operating revenue		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	40,000	26.8	8,000	28.2	5,400	16.9	5,400	17.2	139.57

Note: Revisions to financial forecast most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and estimates, and retrospective restatements

1) Changes in accounting policies required by IFRS : None

2) Changes in accounting policies for other reasons : None

3) Changes in accounting estimates : None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at end of period (including treasury shares)	First quarter of fiscal year ending March 31, 2025	40,470,570 shares	Fiscal year ended March 31, 2024	40,470,570 shares
2) Number of treasury shares at end of period	First quarter of fiscal year ending March 31, 2025	2,584,309 shares	Fiscal year ended March 31, 2024	2,584,309 shares
3) Average number of shares during period (quarter to date)	First quarter of fiscal year ending March 31, 2025	37,886,261 shares	First quarter of fiscal year ended March 31, 2024	38,889,909 shares

* Review of accompanying quarterly consolidated financial statements by certified public accountant or auditing firm:
None

* Note to ensure appropriate use of forecasts and other remarks:

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

Financial results explanatory materials: <https://ir.premium-group.co.jp/en/library/presentation.html>

2. The forecasts above are based on information currently available and certain assumptions deemed reasonable by the Company as of the date of release of this document. Actual future results may differ from forecasts figures due to various factors.

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1. Summary of business results

(1) Summary of business results during the period under review

The Japanese economy in the cumulative period through the first quarter of the consolidated fiscal year under review (April 1, 2024 to June 30, 2024) showed moderate recovery as personal consumption showed signs of vitality due to improved employment and income conditions and increased inbound demand. Nevertheless, we believe we must remain fully aware of the risks posed by external factors such as global monetary tightening and geopolitical uncertainty, in addition to soaring prices and fluctuations in financial and capital markets. In this environment, the used vehicle market, the Company's main target, saw a slight increase in number of vehicles registered in Japan from the previous year. The total of ordinary passenger vehicles, compact passenger vehicles, and mini four-wheeled passenger vehicles registered from April through June 2024 was 1,315,731 (up 0.9% year-on-year). (Source: Statistical data from the Japan Automobile Dealers Association and the Japan Mini Vehicle Association)

Based on the assumption of thoroughgoing compliance reflecting changes in the external business environment, including regulatory changes, our group seeks to realize our mission of contributing to establishing a prosperous society by providing top level financing and services and fostering employees with broad perspectives, a positive outlook, and commitment to their work and generating results. In addition to credit finance and auto warranty services, to expand business interactions and accelerate growth in the scope of our operations and earnings, we provide a comprehensive line of automotive mobility services that assist used vehicle dealers and auto repair shops, our major client base, in related vehicle procedures they undertake. We are also tackling the challenge of implementing various initiatives to realize a new growth model.

Summarized below is the status of each business in the cumulative period through the first quarter of the consolidated fiscal year under review. The results shown exclude operating revenues from internal sales between segments. The Group revised its reporting segments during the consolidated fiscal year; segment information from the previous consolidated fiscal year is calculated in the same way as for the current consolidated fiscal year to the extent feasible. Thus, segment information provided for the preceding year includes restatements that reflect these revisions.

In the Finance Business, due to the recoil from the rapid increase in loan volume in the first quarter of the previous fiscal year, the YoY growth was suppressed. Despite this, loan volume continued to exceed that of the previous year due to the success of ongoing efforts to attract automobile dealers to become paid memberships. As a result, operating revenue of 4,812 million yen (up 19.3% year-on-year) and operating profit of 1,220 million yen (up 19.4% year-on-year).

In the Automotive Warranty Business, Efforts to promote sales of proprietary products and partner products and encourage customers to become paid members boosted transaction volume for automotive warranties beyond the figure for the previous year, resulting in operating revenue of 1,673 million yen (up 19.7% year-on-year). We also took conversion of network stores to paid memberships has led to growth in our high-margin products, resulting in operating profit of 312 million yen (up 82.1% year-on-year).

Operating revenue in the Automotive Mobility Services Business was 2,186 million yen (up 21.4% year-on-year), while operating profit was 297 million yen (up 69.4% year-on-year). In addition to upselling paid membership classes and focusing on the expansion of paid memberships services, stable revenue from the fee price revision implemented in the previous fiscal year for paid memberships contributed to the increase.

Operating costs rose to 6,852 million yen (up 16.8% year-on-year). Measures to reduce expenses, including cost-cutting in the Automotive Warranty Business and computerizing various business processes through digital transformation (DX) were successful, and as a result, absorb increases in various expenses generated by business expansion.

These factors resulted in operating revenue in the cumulative period through the first quarter of the consolidated fiscal year under review of 8,674 million yen (up 19.9% year-on-year), operating profit of 1,823 million yen (up 33.6% year-on-year), profit for the term before tax of 1,876 million yen (up 33.3% year-on-year), and profit for the term attributable to owners of the parent of 1,274 million yen (up 18.9% year-on-year).

(2) Summary of financial position during the period under review

1) Status of assets, liabilities and equity

(Assets)

At the end of the cumulative period through the first quarter of the consolidated fiscal year under review, total assets stood at 126,926 million yen, up 1,653 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 2,075 million yen in financing receivables and 1,220 million yen in insurance assets.

(Liabilities)

Total liabilities stood at 110,778 million yen, up 855 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 1,717 million yen in financial guarantee contracts and 325 million yen in unearned revenue on automobile warranties.

(Equity)

Total equity stood at 16,149 million yen, up 798 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 705 million yen in retained earnings. Total equity attributable to owners of parent grew 790 million yen from the end of the previous consolidated fiscal year to 16,100 million yen.

2) Status of cash flows

A look at cash flow during the cumulative period through the first quarter of the consolidated fiscal year under review shows expenditures of 1,102 million yen from operating activities (vs. 815 million yen in cash flow used in the same period of the previous consolidated fiscal year), 642 million yen from investing activities (vs. 676 million yen in cash flow used in the same period of the previous consolidated fiscal year), and 1,144 million yen from financing activities (vs. 577 million yen in cash flow used in the same period of the previous consolidated fiscal year). As a result, at the end of the first quarter of the consolidated fiscal year under review, cash and cash equivalents (“funds” hereinafter) stood at 18,256 million yen.

The status of each cash flow and contributing factors in the cumulative period through the first quarter of the consolidated fiscal year under review are as follows.

(Cash flow from operating activities)

Funds diverted to sales activities during the cumulative period through the first quarter of the consolidated fiscal year under review totaled 1,102 million yen. Major revenues from operating activities included 1,876 million yen in profit for the term before tax and an increase of 1,717 million yen in financial guarantee contracts. Major expenditures included an increase of 2,046 million yen in financial receivables and an increase of 1,171 million yen in income taxes paid, an increase of 1,149 million yen in other assets, as well as a decrease of 569 million yen in other financial liabilities.

(Cash flow from investing activities)

Funds diverted to investments during the cumulative period through the first quarter of the consolidated fiscal year under review totaled 642 million yen. Major expenditures included 379 million yen on the purchase of intangible assets and 175 million yen on loans receivable.

(Cash flow from financing activities)

Funds diverted to financing activities during the cumulative period through the first quarter of the consolidated fiscal year under review totaled 1,144 million yen. Major revenues from financing activities included 2,336 million yen in long-term loans. Major expenditures included 2,701 million yen in repayment of long-term loans and 566 million yen in payment of dividends.

(3) Explanation of forward-looking information, including consolidated earnings forecasts

Consolidated earnings forecasts are based on information currently available, and actual results may differ from forecasts due to various factors in the future. At this time, the full-year earnings forecasts published in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [IFRS]” on April 26, 2024, remain unchanged.

2. Summary Quarterly Consolidated Financial Statements and Major Notes
 (1) Summary Quarterly Consolidated Statement of Financial Position

(unit: million yen)

	Previous consolidated fiscal year (March 31, 2024)	First quarter of this consolidated fiscal year (June 30, 2024)
Assets		
Cash and cash equivalents	21,150	18,267
Financial receivables	56,419	58,494
Other financial assets	7,524	8,067
Property, plant, and equipment	2,837	3,423
Intangible assets	8,914	9,052
Goodwill	3,958	3,958
Investments accounted for using equity method	3,173	3,210
Deferred tax assets	14	6
Insurance assets	6,893	8,113
Other assets	14,393	14,336
Total assets	125,274	126,926
Liabilities		
Financial guarantee contracts	45,726	47,443
Unearned revenue on automobile warranties	7,184	7,509
Borrowings	42,333	41,969
Other financial liabilities	8,063	7,968
Provisions	383	393
Income taxes payable	1,164	476
Deferred tax liabilities	1,236	1,367
Other liabilities	3,835	3,654
Total liabilities	109,923	110,778
Equity		
Equity attributable to owners of parent		
Capital	1,700	1,700
Share premium	1,534	1,559
Retained earnings	14,626	15,331
Treasury shares	(3,109)	(3,109)
Other components of equity	559	619
Total equity attributable to owners of parent	15,310	16,100
Non-controlling interests	40	48
Total equity	15,351	16,149
Total liabilities and equity	125,274	126,926

(2) Summary Quarterly Consolidated Statement of Profit and Loss

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2023 to June 30, 2023)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2024 to June 30, 2024)
Operating revenue	7,233	8,674
Operating expense	5,868	6,852
Operating profit	1,365	1,823
Share of profit of investments accounted for using equity method	60	17
Other finance income	4	45
Other finance cost	20	8
Profit for the term before tax	1,408	1,876
Income tax expense	332	600
Profit for the term	1,075	1,276
Attributable to		
Owners of parent	1,072	1,274
Non-controlling interests	4	2
Profit for the term	1,075	1,276
Attributable to owners of parent		
Earnings per share		
Basic earnings per share (yen)	27.56	33.62
Diluted earnings per share (yen)	27.36	33.36

(3) Summary Quarterly Consolidated Statement of Comprehensive Income

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2023 to June 30, 2023)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2024 to June 30, 2024)
Profit for the term	1,075	1,276
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	(1)	(1)
Share of other comprehensive income of investments accounted for using equity method	87	43
Other comprehensive income (net of tax)	86	42
Comprehensive income for the term	1,162	1,318
Attributable to:		
Owners of parent	1,158	1,310
Non-controlling interests	3	8
Comprehensive income for the term	1,162	1,318

(4) Summary Quarterly Consolidated Statement of Changes in Equity

(unit: million yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity
					Exercise of warrants
Balance as of April 1, 2023	1,700	1,415	10,952	(1,088)	105
Comprehensive income for the term					
Profit for the term	-	-	1,072	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the term	-	-	1,072	-	-
Transactions with owners, etc.					
Purchase of treasury shares	-	-	-	(0)	-
Dividends	-	-	(428)	-	-
Share-based payment transactions	-	40	-	-	25
Total transactions with owners, etc.	-	40	(428)	(0)	25
Balance as of June 30, 2023	1,700	1,455	11,596	(1,088)	129

(unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Other comprehensive income accounted for using the equity method	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2023	230	8	343	13,322	31	13,353
Comprehensive income for the term						
Profit for the term	-	-	-	1,072	4	1,075
Other comprehensive income	87	(1)	87	87	(0)	86
Total comprehensive income for the term	87	(1)	87	1,158	3	1,162
Transactions with owners, etc.						
Purchase of treasury shares	-	-	-	(0)	-	(0)
Dividends	-	-	-	(428)	-	(428)
Share-based payment transactions	-	-	25	65	-	65
Total transactions with owners, etc.	-	-	25	(363)	-	(363)
Balance as of June 30, 2023	317	8	454	14,117	35	14,151

(unit: million yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity
					Exercise of warrants
Balance as of April 1, 2024	1,700	1,534	14,626	(3,109)	195
Comprehensive income for the term					
Profit for the term	-	-	1,274	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the term	-	-	1,274	-	-
Transactions with owners, etc.					
Dividends	-	-	(568)	-	-
Share-based payment transactions	-	24	-	-	24
Total transactions with owners, etc.	-	24	(568)	-	24
Balance as of June 30, 2024	1,700	1,559	15,331	(3,109)	219

(unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Other comprehensive income accounted for using the equity method	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2024	357	7	559	15,310	40	15,351
Comprehensive income for the term						
Profit for the term	-	-	-	1,274	2	1,276
Other comprehensive income	43	(6)	36	36	6	42
Total comprehensive income for the term	43	(6)	36	1,310	8	1,318
Transactions with owners, etc.						
Dividends	-	-	-	(568)	-	(568)
Share-based payment transactions	-	-	24	48	-	48
Total transactions with owners, etc.	-	-	24	(520)	-	(520)
Balance as of June 30, 2024	400	1	619	16,100	48	16,149

(5) Summary Quarterly Consolidated Statement of Cash Flows

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2023 to June 30, 2023)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2024 to June 30, 2024)
Cash flow from operating activities		
Profit for the term before tax	1,408	1,876
Depreciation and amortization expense	367	453
Other loss (profit)	72	78
Decrease (increase) in financial receivables	(3,236)	(2,046)
Increase (decrease) in financial guarantee contracts	2,650	1,717
Decrease (increase) in other financial assets	(218)	(374)
Increase (decrease) in other financial liabilities	(785)	(569)
Decrease (increase) in other assets	(469)	(1,149)
Increase (decrease) in other liabilities	(94)	120
Share of loss (profit) of investments accounted for using equity method	(60)	(17)
Other	106	49
Subtotal	(259)	139
Interest received	1	1
Interest paid	(69)	(118)
Dividends received	84	46
Income taxes paid	(572)	(1,171)
Cash flow from operating activities	(815)	(1,102)
Cash flow from investing activities		
Purchase of property, plant, and equipment	(81)	(112)
Proceeds from sales of property, plant, and equipment	0	1
Purchase of intangible assets	(554)	(379)
Purchase of investment securities	(50)	(0)
Payments for loans receivable	(3)	(175)
Collection of loans receivable	3	6
Payments for guarantee deposits	(45)	(36)
Proceeds from collection of guarantee deposits	55	53
Other	(0)	(0)
Cash flow from investing activities	(676)	(642)
Cash flow from financing activities		
Repayments of short-term loans	(1,000)	-
Proceeds from long-term loans	3,143	2,336
Repayments of long-term loans	(2,092)	(2,701)
Repayments of lease obligations	(208)	(218)
Payments for purchase of treasury shares	(0)	-
Dividends paid	(425)	(566)
Other	5	5
Cash flow from financing activities	(577)	(1,144)
Net increase (decrease) in cash and cash equivalents	(2,069)	(2,888)
Cash and cash equivalents at beginning of period	14,848	21,139
Effect of exchange rate changes on cash and cash equivalents	3	4
Cash and cash equivalents at end of period	12,782	18,256

- (6) Notes on Summary Quarterly Consolidated Financial Statements
(Notes concerning the going concern assumption)
Not applicable

(Segment information)

(1) General information on reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information can be obtained. They are subject to periodic review by the Board of Directors for the purposes of informing evaluating business performance and decision-making on management resource allocation.

The Group has reported in three segments: the Finance Business, Automotive Warranty Business, and Automotive Mobility Services Business.

An overview of each reportable segment is provided below.

The Finance Business consists of the Credit Finance Business and the Collection Services Business. Both are primarily involved in providing financial services to enable buyers to purchase products and services via installment payments.

The Automotive Warranty Business consists of automobile warranty services that enable customers who choose to add automobile warranty plans when they purchase their vehicles through Group partners to obtain repairs free of charge, within the scope specified in advance, for mechanical problems affecting their purchased vehicles, in exchange for payment of a fixed warranty fee.

The Automotive Mobility Services Business is made up chiefly of automotive mobility services, which provide multiple services needed to operate the automobile distribution business (e.g., the membership-based network business, auto leasing business, vehicle wholesaling, and automotive parts and software sales).

The Group does not distribute assets or liabilities among the business segments used by the Board of Directors.

(2) Profit or loss by reportable segment

The Group's figures for profit or loss by segment are, in principle, prepared using the same standards as those for consolidated financial statements. Adjustments and Companywide consists mainly of offsets of internal transactions between segments. Pricing for internal transactions between segments is based on market prices.

Due to a change in the classification of performance evaluation by the Board of Directors following the reorganization of business units from the first quarter of the consolidated fiscal year under review, the Group has moved the automobile parts sales business previously included under the Automotive Warranty Business to the Automotive Mobility Services Business. Additionally, since the end of the previous consolidated fiscal year, we have moved reportable segment profits defined as profit before tax to operating profit. This is due to the move to performance management using operating profit, which reflects the results of major operating activities, in reporting to the Company's Board of Directors.

Where feasible, segment information for the cumulative first quarter of the previous consolidated fiscal year has been restated based on calculations by segment by the same method applied to the cumulative first quarter of this consolidated fiscal year.

Cumulative first quarter of the previous consolidated fiscal year (April 1, 2023 to June 30, 2023)

(unit: million yen)

	Reporting segments				Other*1	Adjustments and Company-wide*2	Consolidated
	Finance	Automobile Warranty	Auto Mobility Services	Total			
Revenue							
Revenue from external customers	4,032	1,398	1,800	7,230	3	0	7,233
Segment profit and loss							
Operating profit (loss)	1,022	171	175	1,369	12	(16)	1,365

Cumulative first quarter of this consolidated fiscal year (April 1, 2024 to June 30, 2024)

(unit: million yen)

	Reporting segments				Other*1	Adjustments and Company-wide*2	Consolidated
	Finance	Automobile Warranty	Auto Mobility Services	Total			
Revenue							
Revenue from external customers	4,812	1,673	2,186	8,671	3	0	8,674
Intersegment revenue	96	1	449	546	45	(592)	-
Total	4,908	1,675	2,635	9,217	48	(592)	8,674
Segment profit and loss							
Operating profit (loss)	1,220	312	297	1,829	8	(15)	1,823
Other items							
Finance revenue *3	4,017	-	206	4,223	-	(78)	4,145
Interest cost	40	-	71	111	-	-	111
Depreciation and amortization expense	277	63	102	442	3	8	453

*1 The "Other" segment consists of businesses not included in the reportable segments, mainly the computer systems business.

*2 "Adjustments and Companywide" consist mainly of accounting to offset internal transactions between segments.

*3 Finance Business, Automotive Mobility Services Business, as well as adjustments and companywide figures include interest income of 448 million yen, 206 million yen, and -4 million yen, respectively.

Adjustments from operating profit to profit for the term before tax

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2023 to June 30, 2023)	Cumulative first quarter of the consolidated fiscal year under review (From April 1, 2024 to June 30, 2024)
Operating profit	1,365	1,823
Share of profit of investments accounted for using equity method	60	17
Other finance income	4	45
Other finance cost	20	8
Profit for the term before tax	1,408	1,876