



Medium-Term Management Plan 「VALUE UP 2023」

Premium Group Co., Ltd.

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1. CONSISTENT MISSION

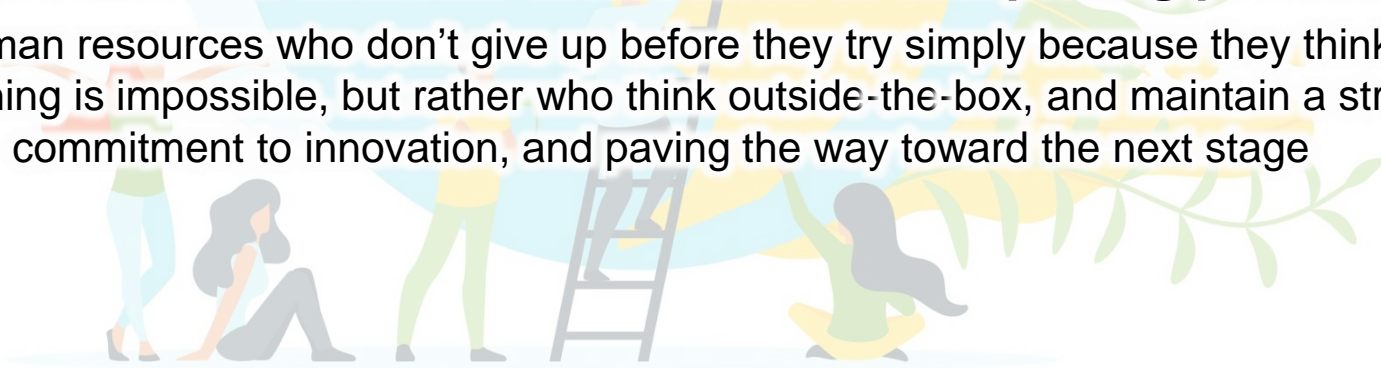


Provide top level financing and services to the world, and help make the world a better place

Further improve credit finance and services to make the world a better place by expanding the reach of both globally

Develop spiritually rich human resources who are always positive and can dedicate themselves to completing processes

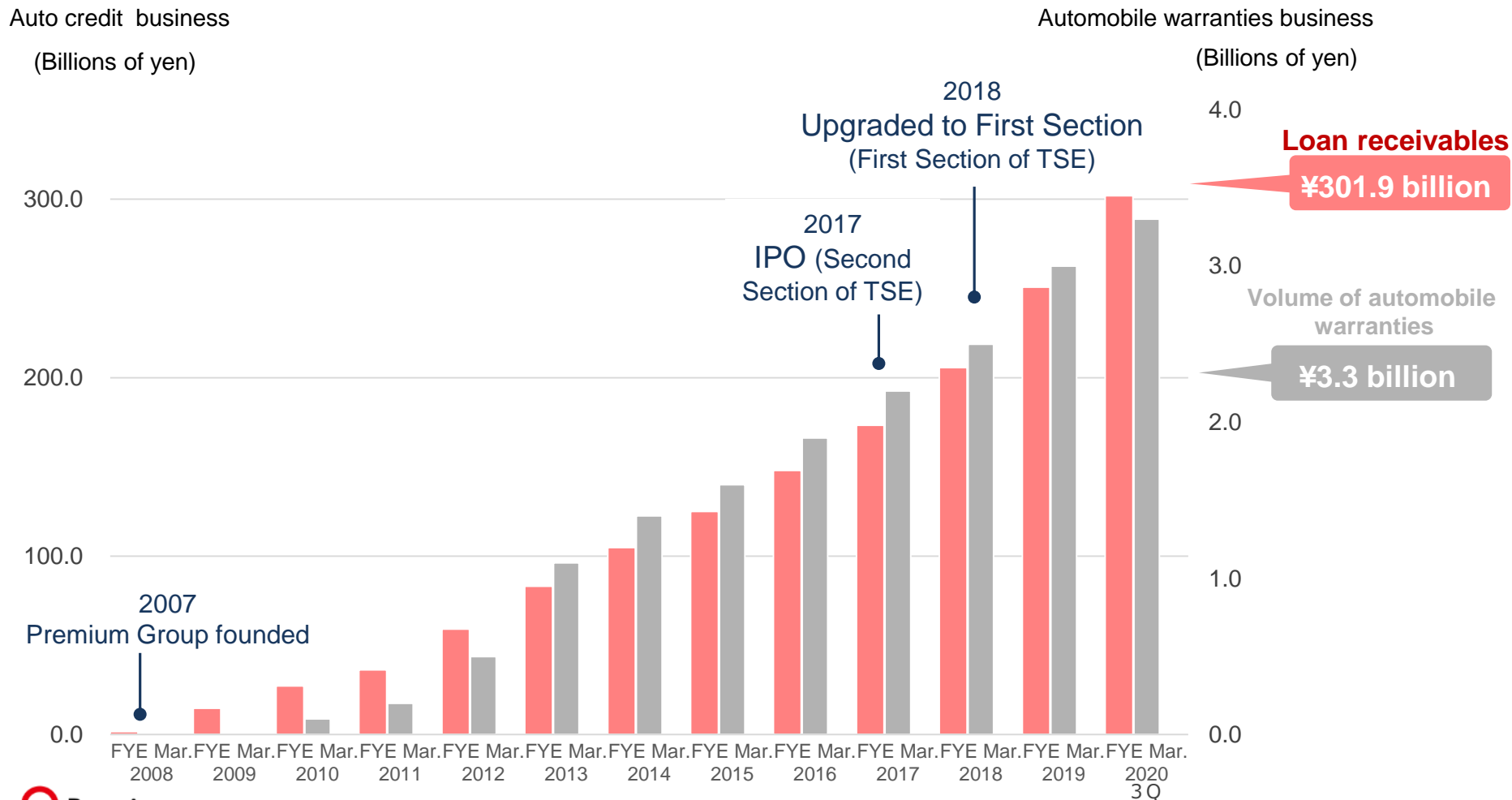
Human resources who don't give up before they try simply because they think something is impossible, but rather who think outside-the-box, and maintain a strong commitment to innovation, and paving the way toward the next stage



2. TRACING OUR PAST GROWTH

Our two core businesses continue to steadily increase receivables and volume since our founding

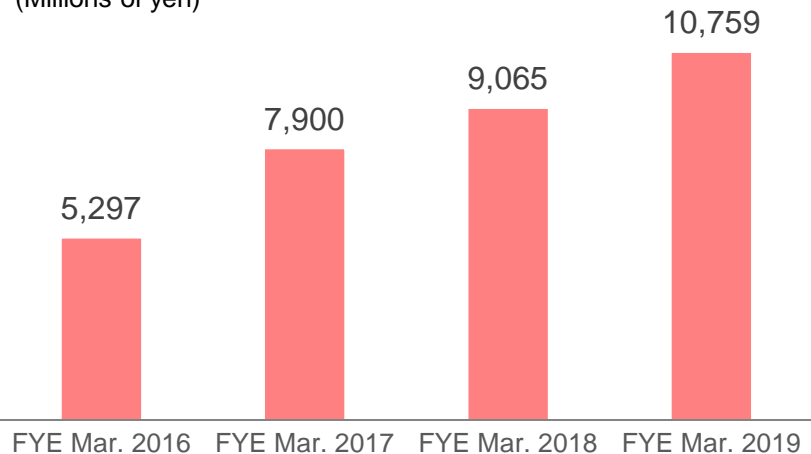
Changes in Loan Receivables and Automobile Warranties



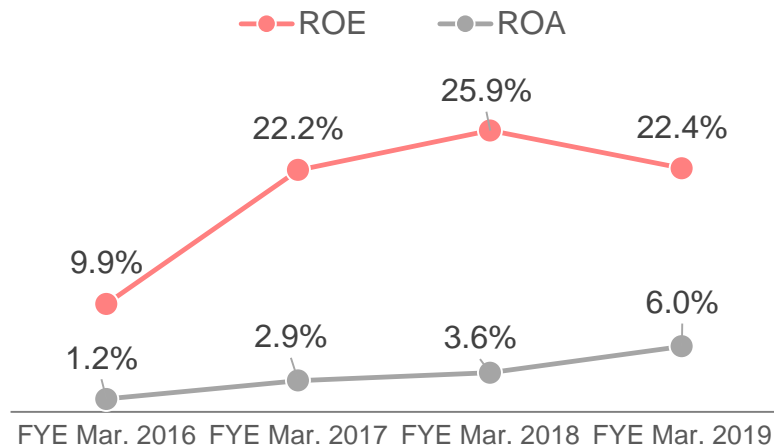
Sharp increase in performance, as profits quadrupled over four years

Operating income

(Millions of yen)



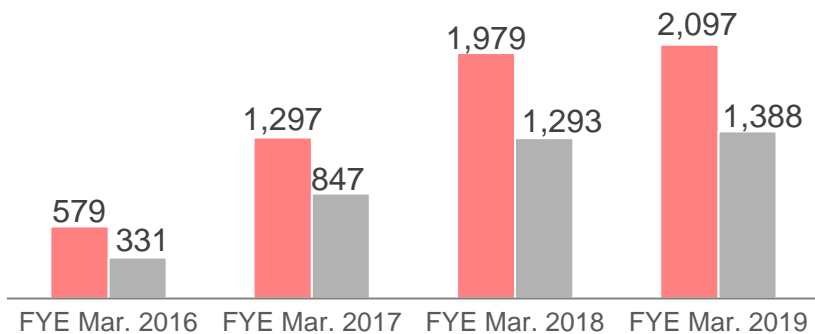
ROE/ROA



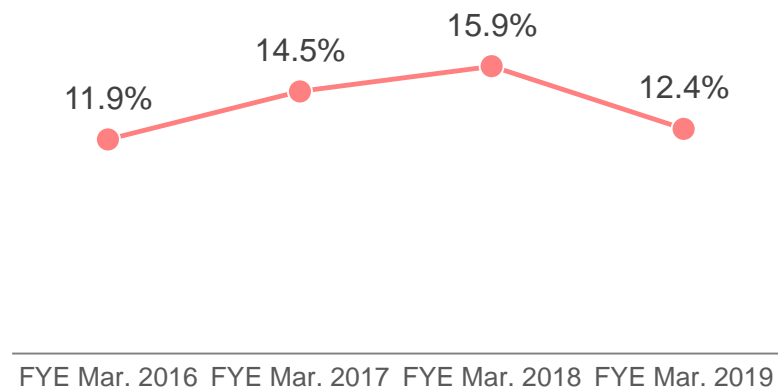
Profit before tax/Profit attributable to owners of parent

(Millions of yen)

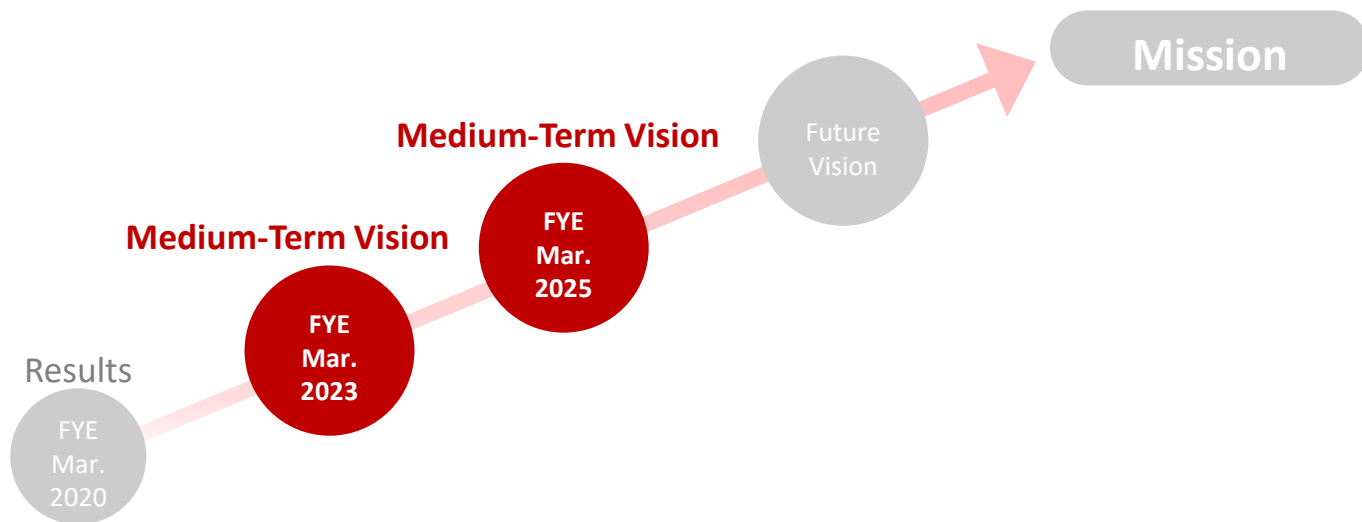
■ Profit before tax ■ Profit attributable to owners of parent



Equity ratio



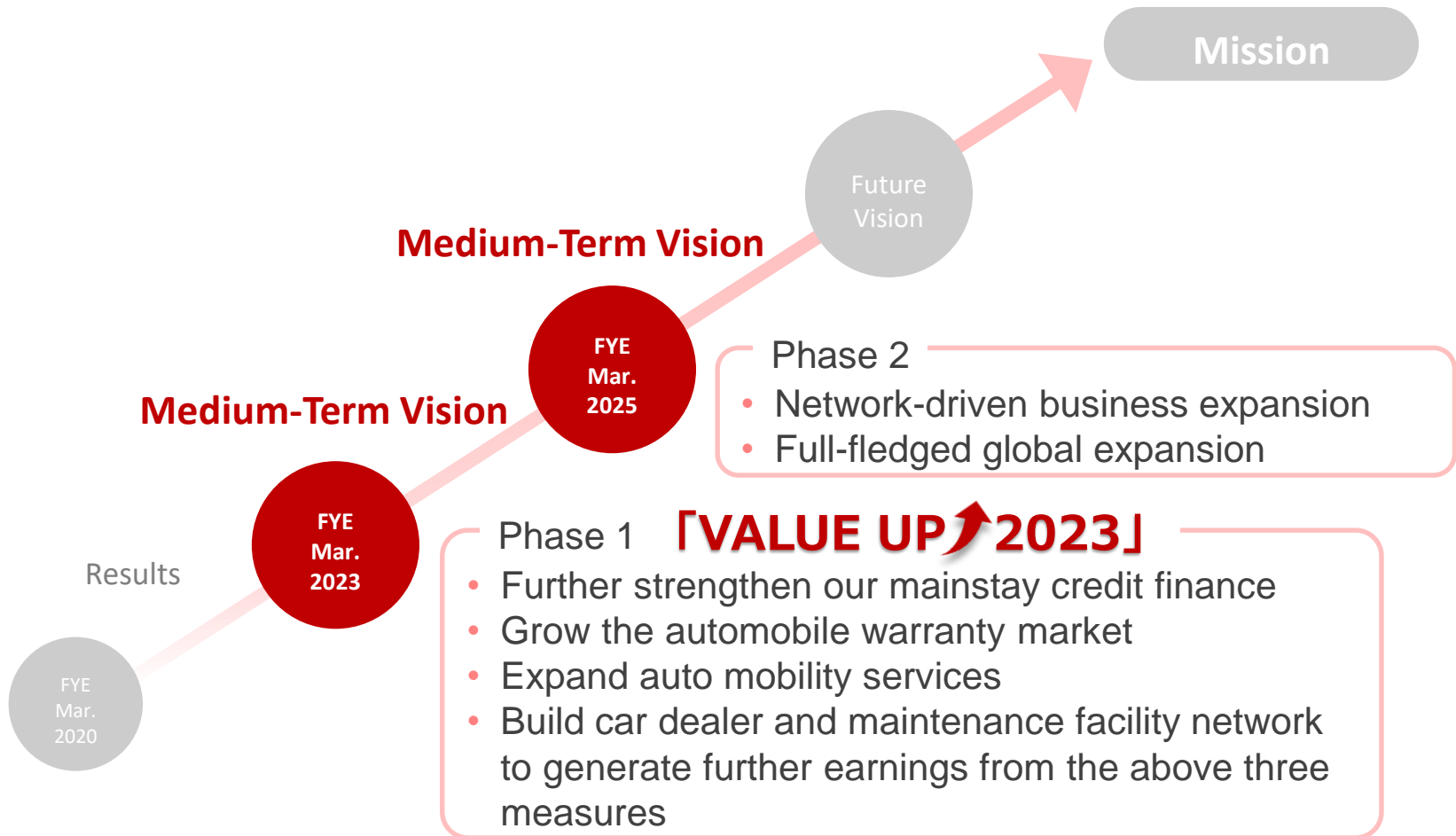
3. MEDIUM-TERM VISION



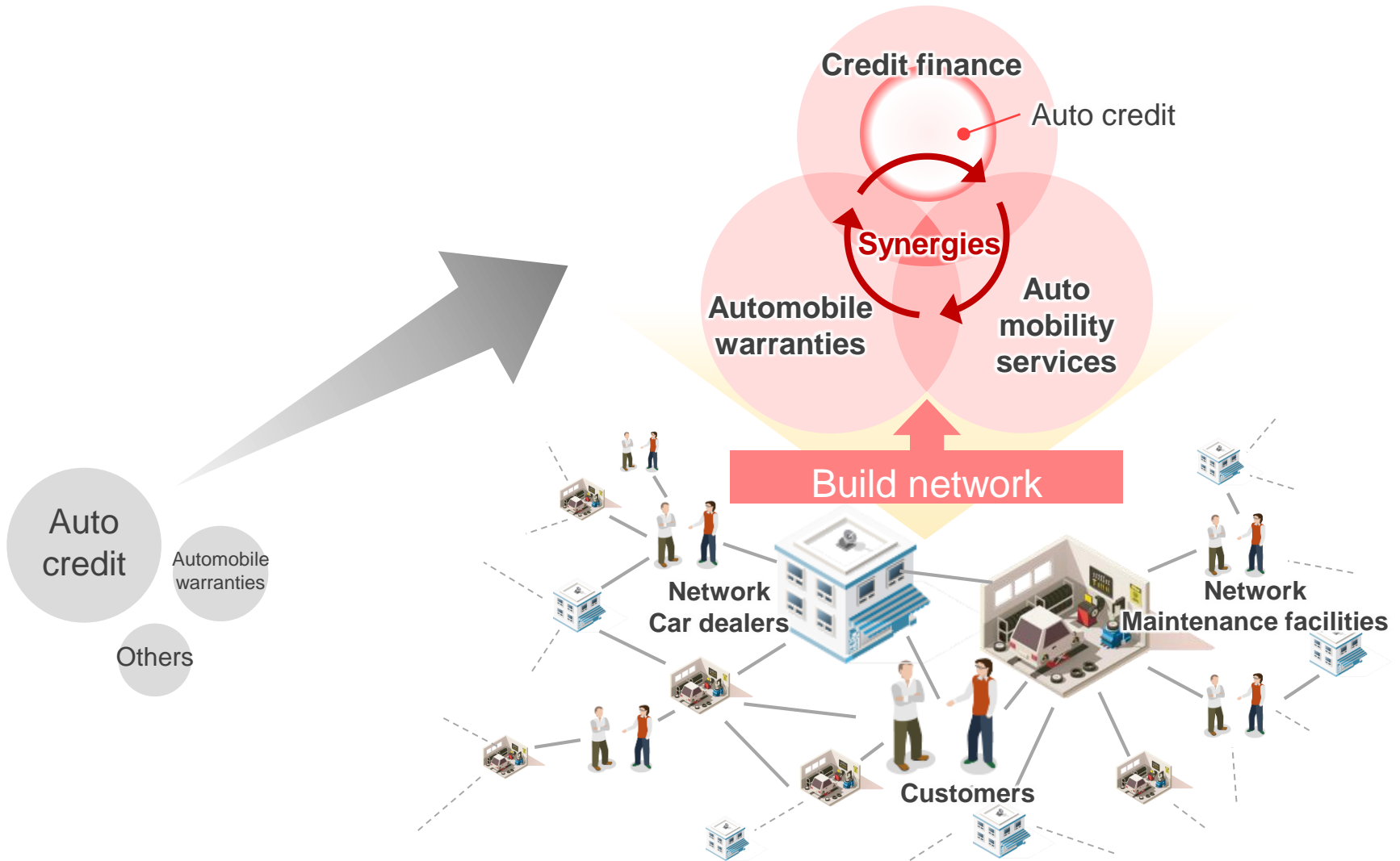
Mission

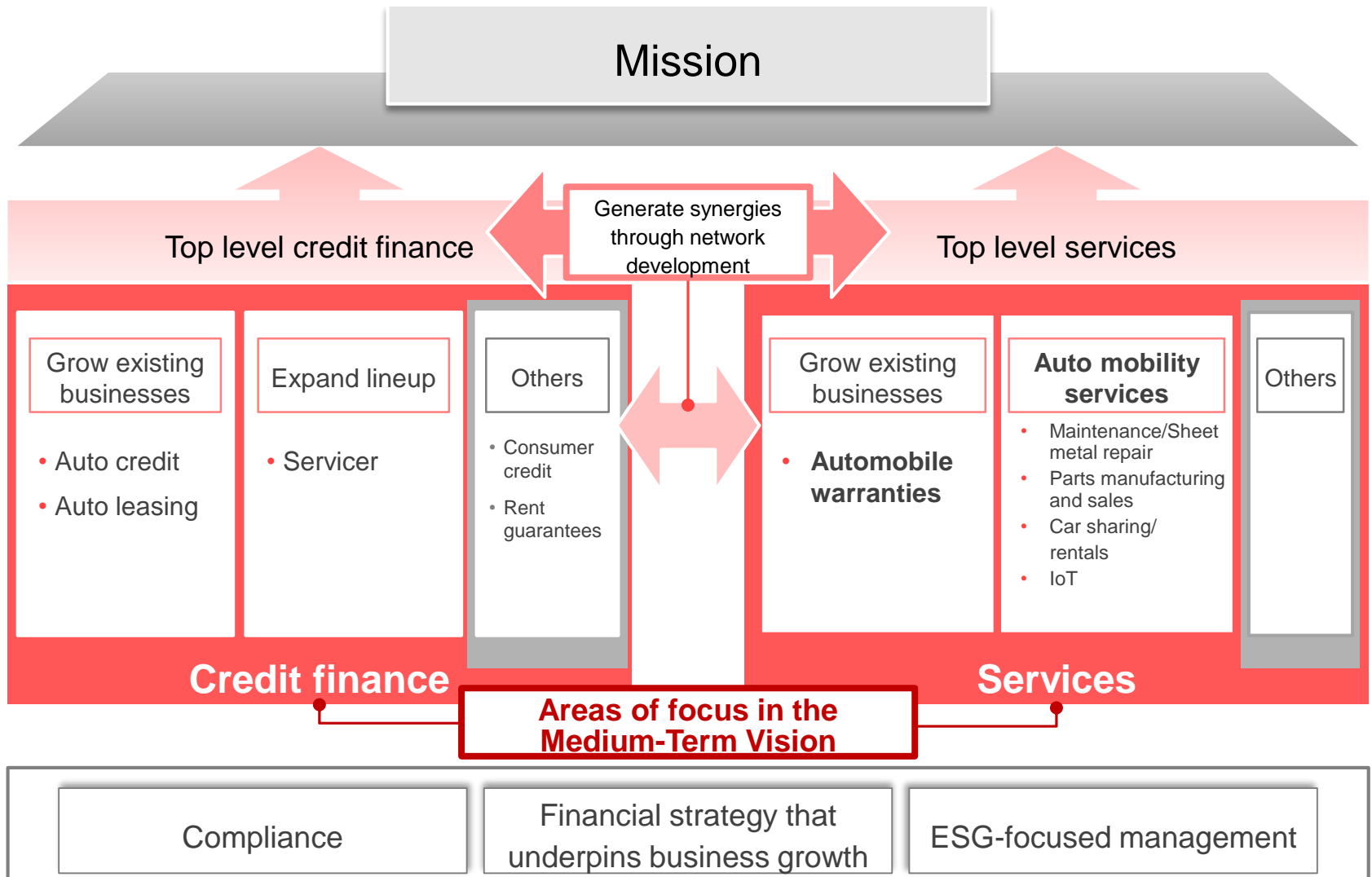
Provide top level financing and services to the world, and help make the world a better place

Mission



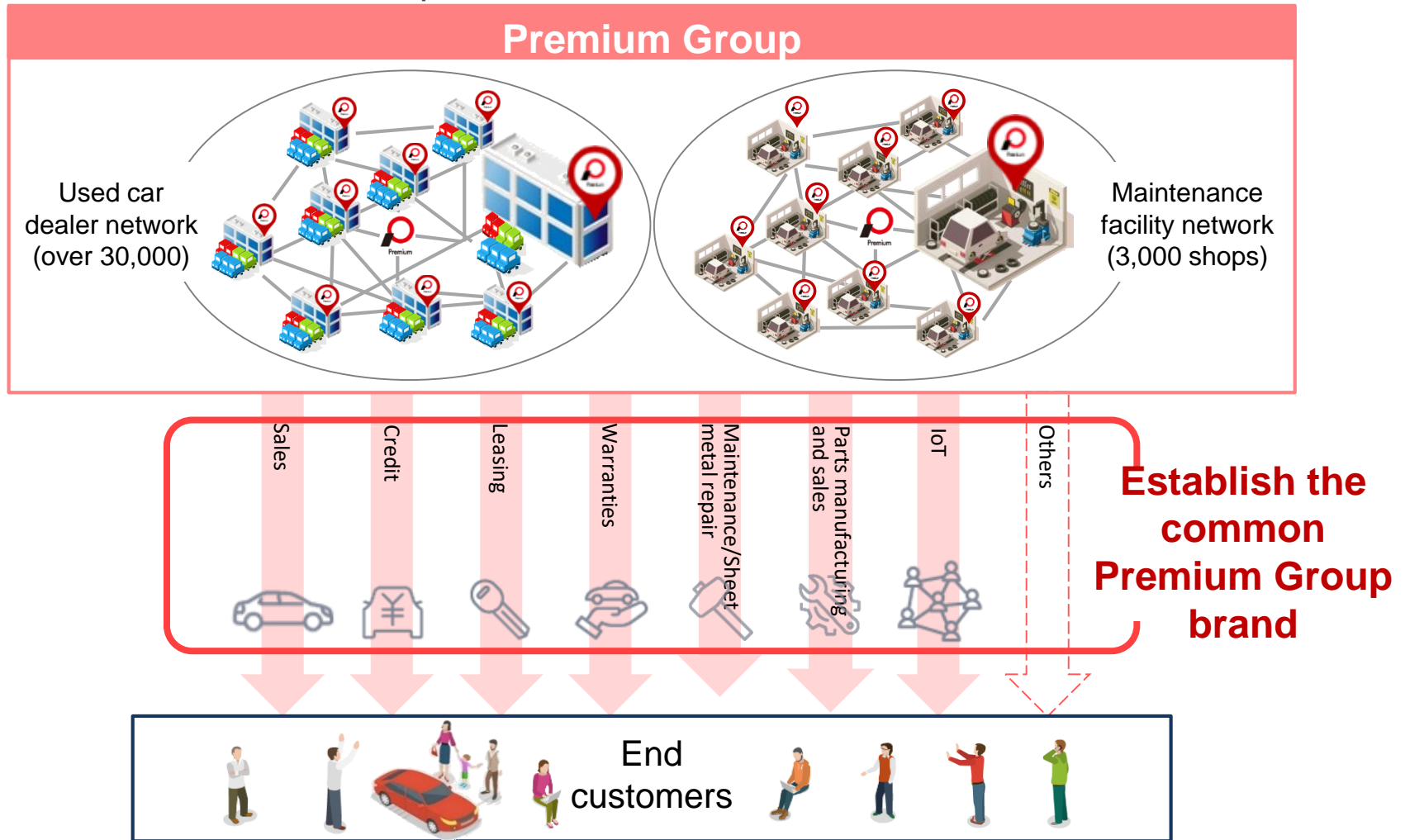
Transform from a auto credit company into an auto mobility service company





Medium-Term Vision—Concrete Efforts to Realize the Future Vision

Establish a network of used car dealers and maintenance facilities and build a mechanism for boosting overall earnings Provide support for end customers to ensure a convenient and smooth car experience



3-1

Credit Finance

3-2

Automobile Warranties

3-3

Auto Mobility Services

3-4

International Strategy

Medium-Term Vision Topics in Credit Finance

Auto credit

Auto leasing for individuals

Servicer

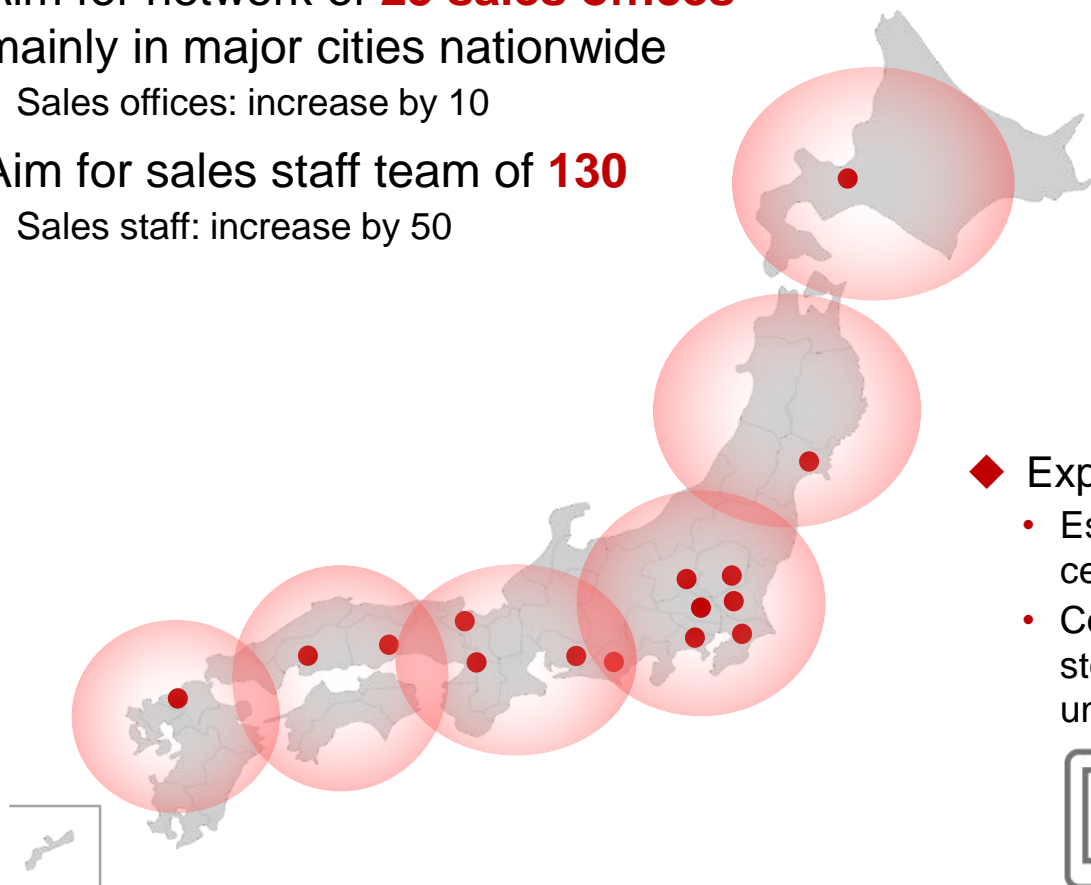
■ Expand sales of auto credit

◆ Aim for network of **25 sales offices** mainly in major cities nationwide

- Sales offices: increase by 10

◆ Aim for sales staff team of **130**

- Sales staff: increase by 50



◆ Expand contact centers

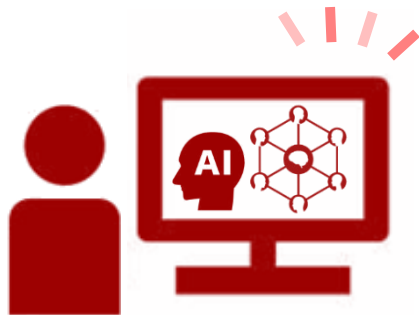
- Establish more outbound-type centers
- Commit to non-operating network stores and begin marketing in untapped areas



Note: Sales staff is the total of personnel in the auto credit business not including part-time workers

■ Streamline auto credit back-office work

Establish automatic
screening system



Go paperless



Relocate back-office functions
to regions for regional
revitalization and cost savings

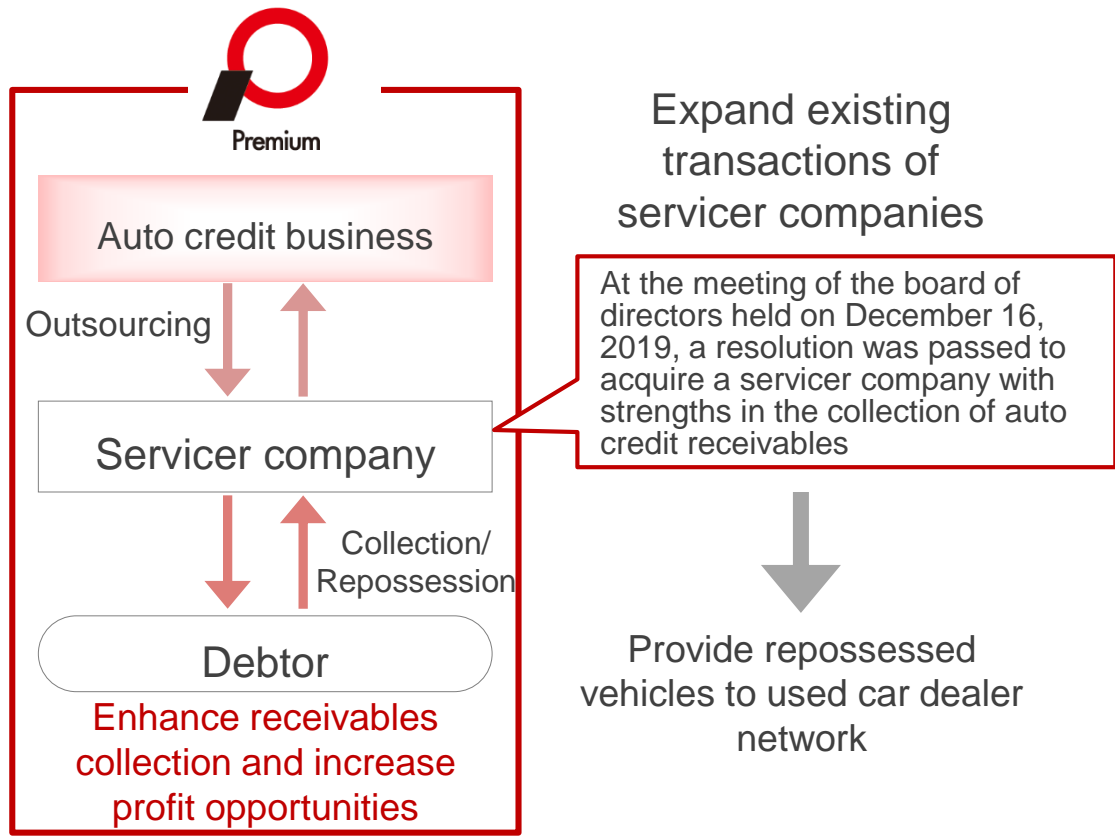


- Aim to generate earnings from auto leasing for individuals
- Acquire servicer company to enhance receivables collection and increase profit opportunities

Auto leasing




Receivables collection



Medium-term Vision Topics in Automobile Warranties

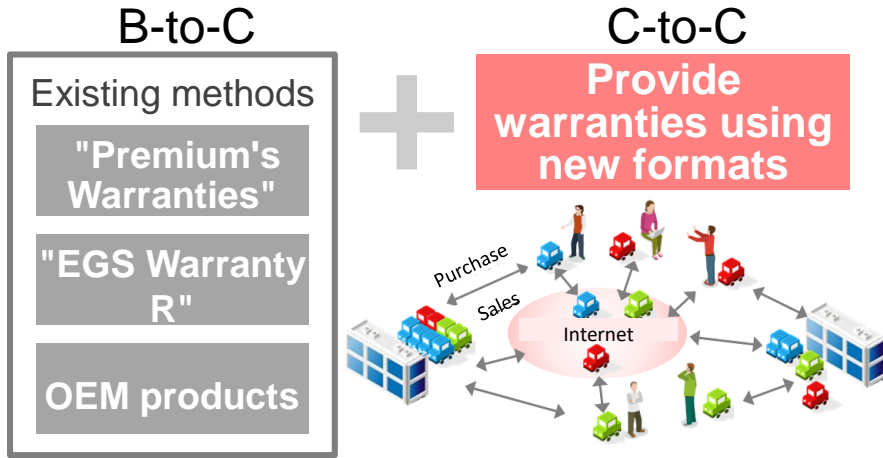
Critical issue is expanding the market

- Increase existing sales and provide warranties using new formats
- Product development for extended warranties
- Monetization using big data of warranty repairs
- Advertising campaign for increasing visibility

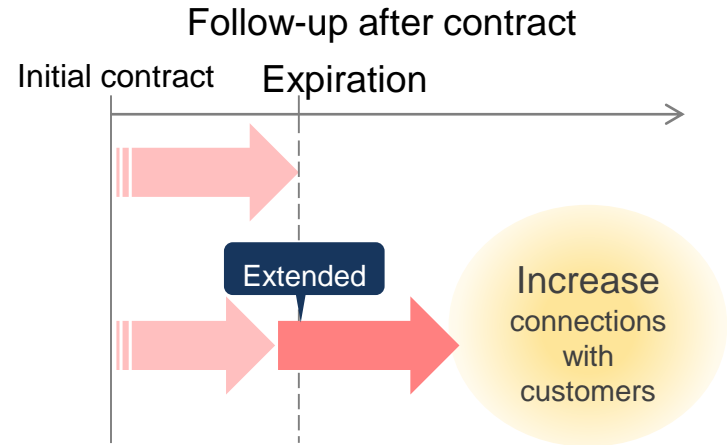


Promote “reduce” of the 3Rs by reducing the number of decommissioned vehicles through maintenance of used vehicles

Increase existing sales and provide warranties using new formats



Product development for extended warranties



Monetization using big data of warranty repairs



Advertising campaign for increasing visibility



Premium Group's auto mobility services involve
**providing multiple services
 required by used car dealers to operate their business**

Promote new 3Rs business (see P.18 for “Reduce”-Warranty)

1 Recycle business

Value chain of parts recycling business

Create network of car disassembly sites
 Acquire rebuilt parts manufacturers through M&A

Acquire parts dealers through M&A to expand sales channels

Provide parts to in-network used car dealers and maintenance facilities

2 Reuse business

Value chain of reuse business

Acquire servicer companies through M&A

Appraise repossessed cars
 Select and expand sales channels

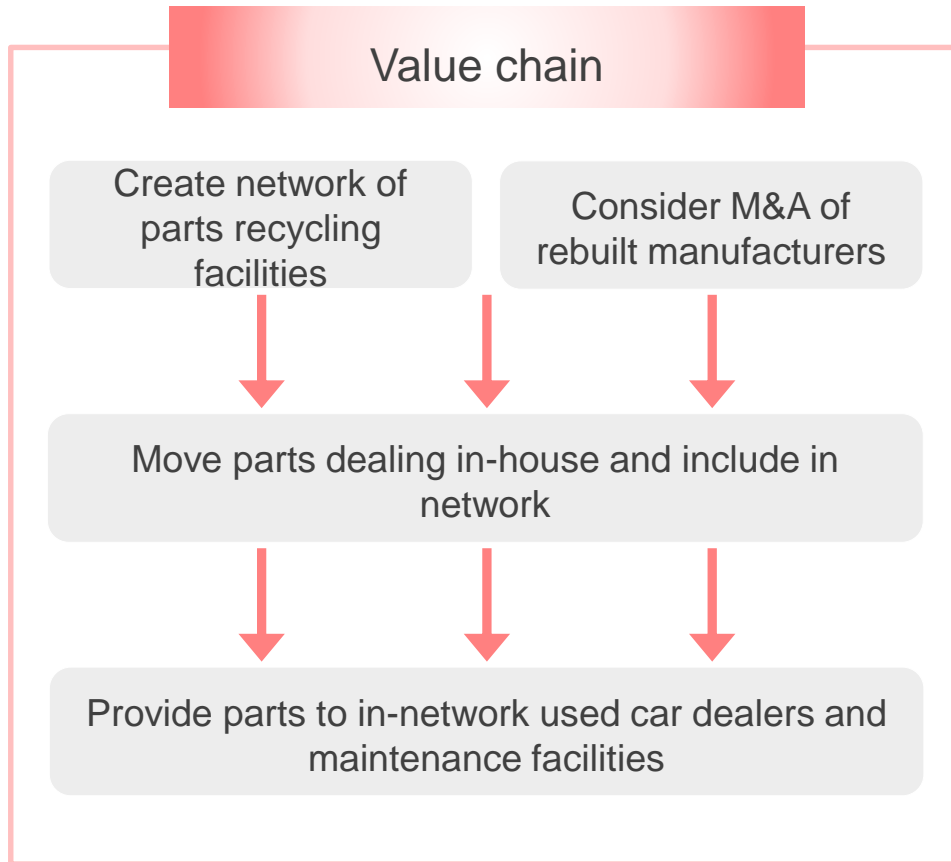
Provide parts to in-network used car dealers and maintenance facilities

3 Repair business

Provide the following services to maintenance facilities downstream in the value chain

- Progressive environmental initiatives at in-house branded facilities (use of water-based paints)
- Support quality improvement activities at other maintenance facilities (provision of know-how)
- Personnel dispatch
- Provide road-side services in-house

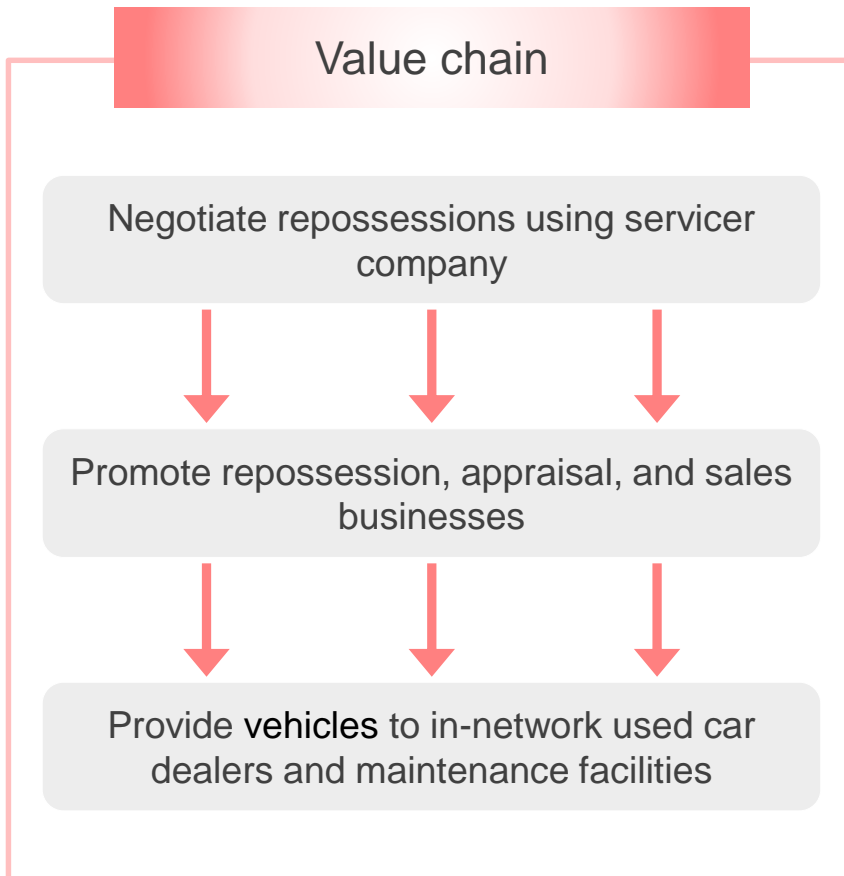
1 Parts recycling business



Bring Japan's excellent quality parts to international markets



2 Reuse business



3 Repair business



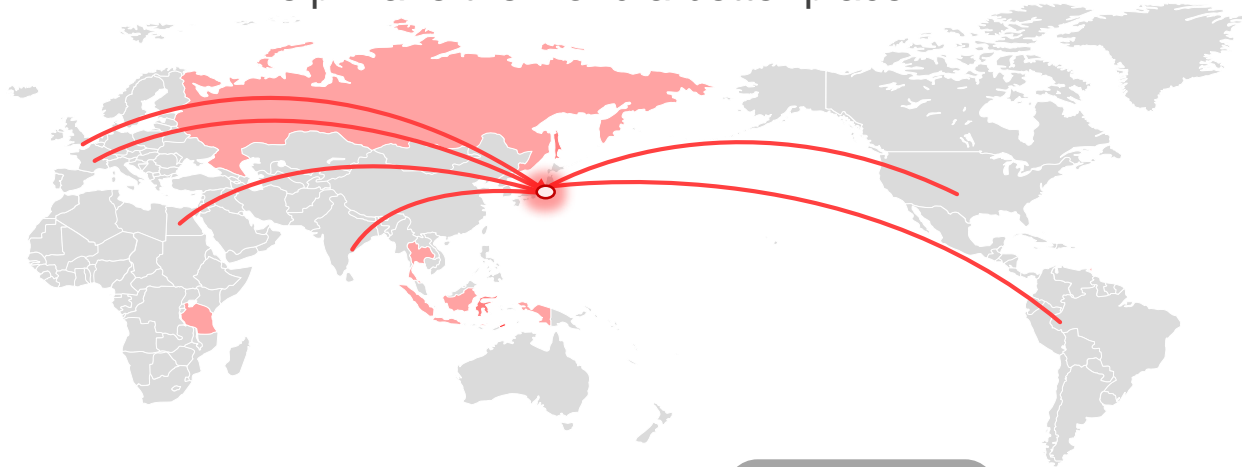
- Progressive environmental initiatives at in-house branded facilities called FIX MAN (use of water-based paints)
- Support quality improvement activities at other maintenance facilities (provision of know-how)
- Personnel dispatch
- Provide road-side services in-house
- Nationwide role out of FIX MAN brand

3-4. International Strategy—Phases 1 and 2

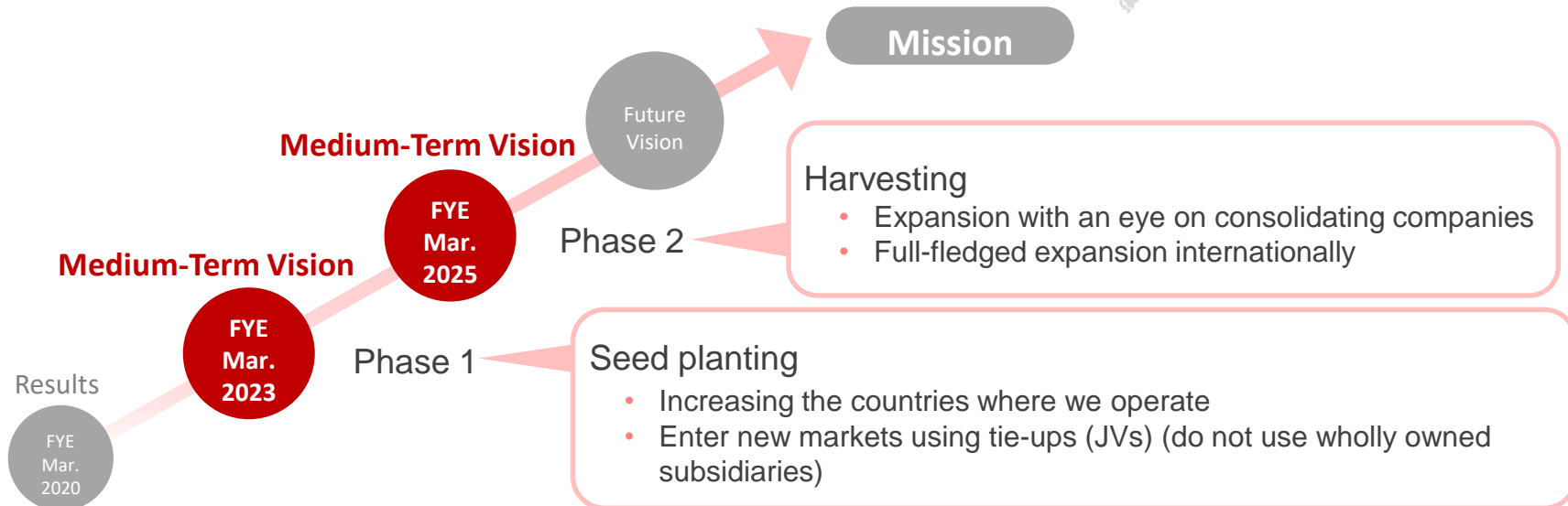
■ Spread know-how from Japan to the world

Mission

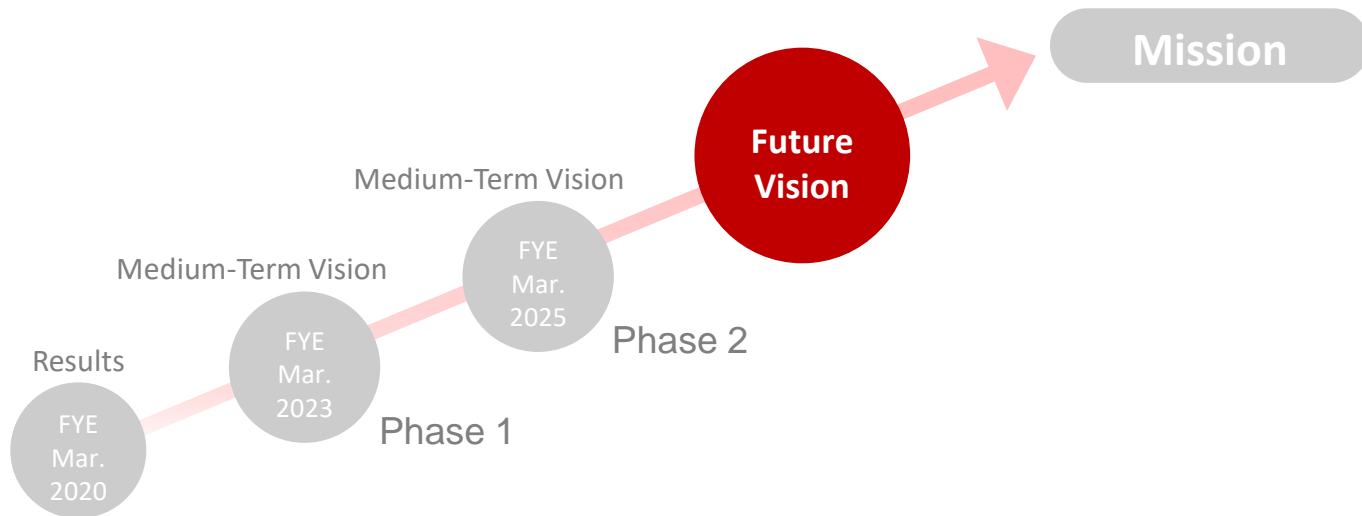
Provide top level financing and services to the world, and help make the world a better place



Mission



4. FUTURE VISION

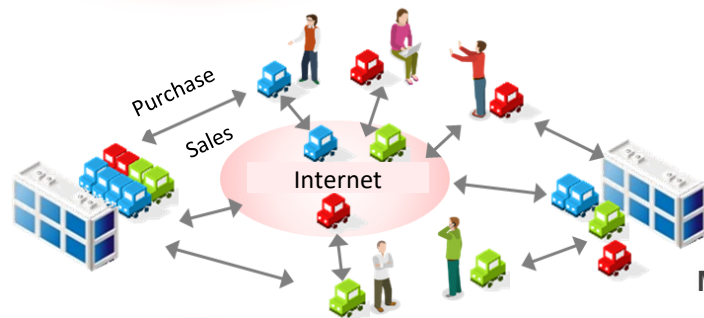


Important to address intense changes in mobility industry

Changes in traditional B-to-C sales formats

Accumulation of big data on driving

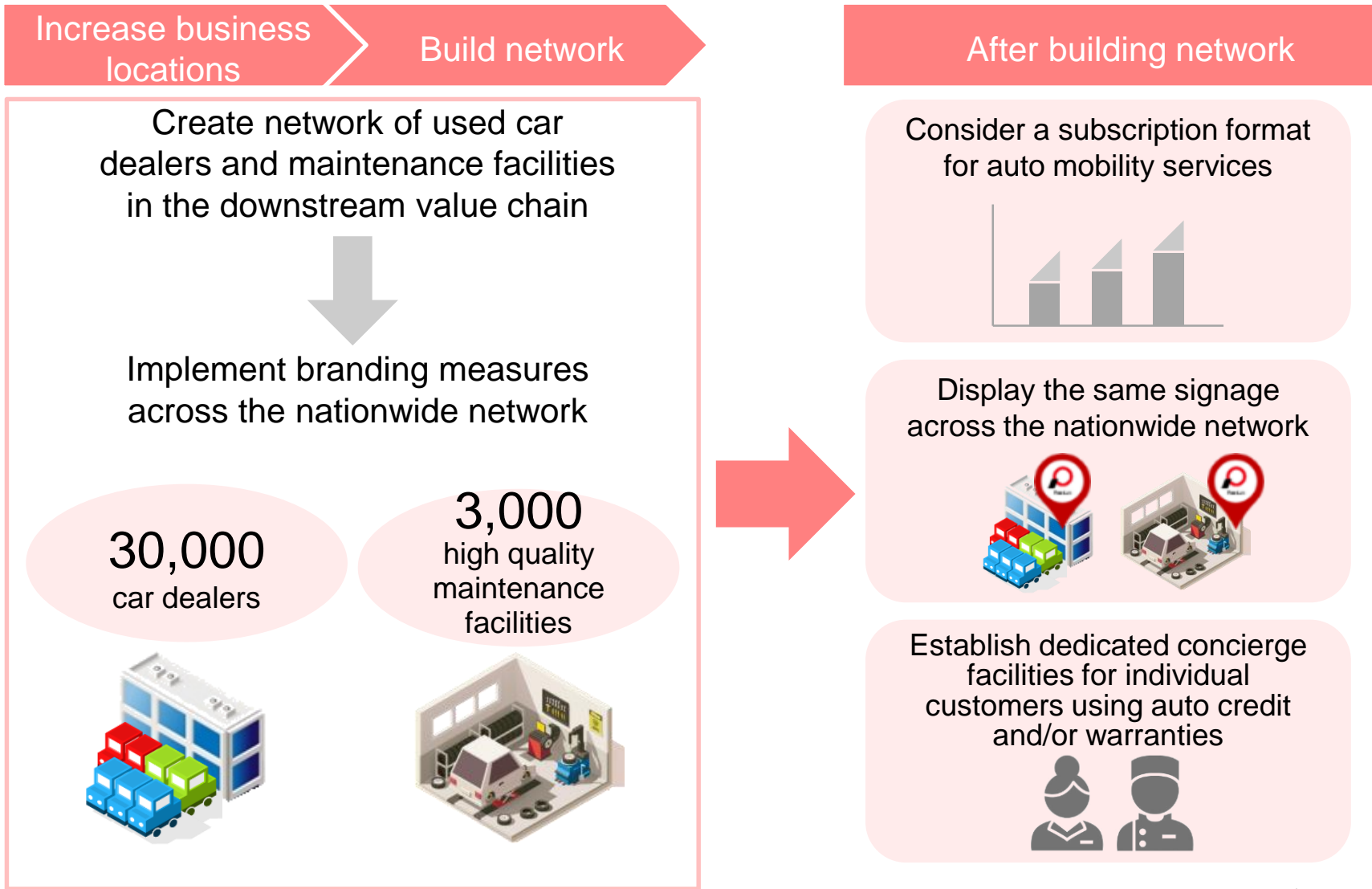
Advancements in autonomous driving



Emergence of car sharing

Advancements in car mechanisms

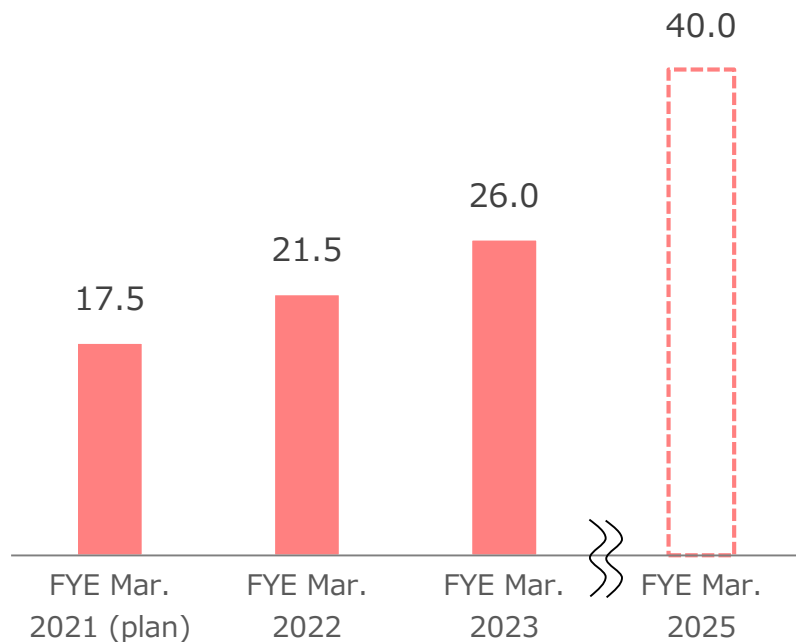
Growing use of MaaS



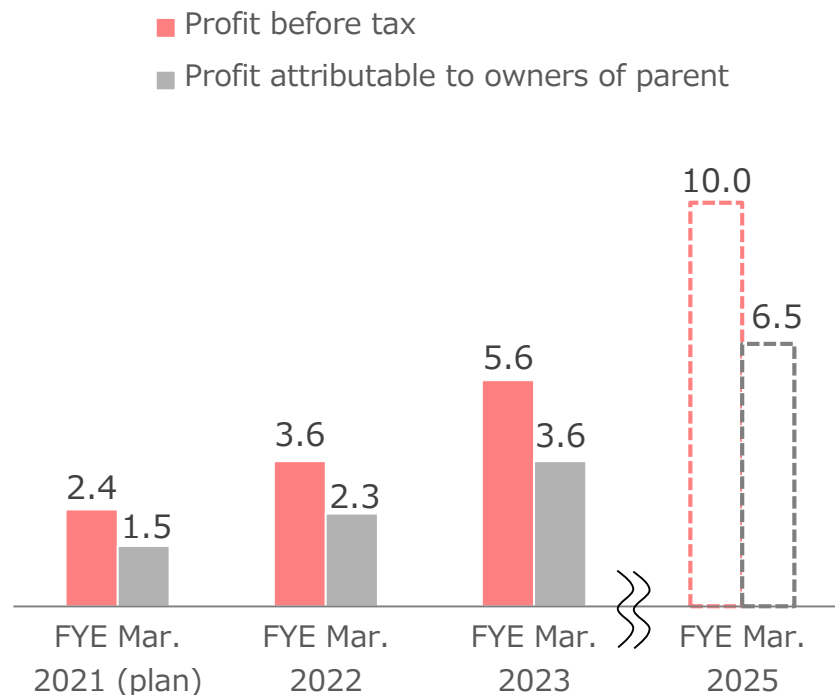
5. PERFORMANCE OUTLOOK

Performance Outlook

Operating income (billions of yen)



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



6. FINANCIAL STRATEGY

ROE

37.2%

FY Ending March 31,
2023

24.8%

FY Ended March 31, 2019



Total net assets

¥11.0 billion

FY Ending March 31,
2023

¥5.4 billion

FY Ended March 31, 2019



Market capitalization

¥100 billion

FY Ending March 31,
2023

¥27 billion

As of 31 January, 2020



7. Initiatives for ESG and SDGs

E Environmental



■ Initiatives for recycling-oriented society

Promote 3R+α business

- Parts recycling business
- Reuse business
- Reduce business
- Repair business

■ Initiatives for a carbon-free society

Encourage spread of solar power generation (eco credit) and initiatives to go paperless

S Social

■ Human resources development

- Establish training company to administer employee training in-house
- Provide year-round job opportunities by actively hiring youth (new graduates and new graduates looking to change jobs after 1 to 3 years at their first job)

■ Promote diversity

- Raise awareness through "Lean in Premium" activities, the project for women's advancement
- Actively promote up-and-coming young employees to managerial positions and recruit foreigners

■ Work style reforms

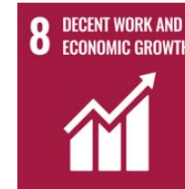
- Create employee-friendly spaces and movements by relocating offices and modifying office layouts nationwide
- Encourage employees to take paid leave (establish system to take extended paid leave twice a year)

■ Respect for human rights

- Conduct various rank-based training and compliance training for a workplace environment/business activities free of discrimination and/or harassment



G Governance



■ Risk management

- Establish Group Risk Management Committee to appropriately manage business risks facing the Group, including overseas Group companies, based on analysis and understanding
- Formulate business continuity plan (BCP), as well as establish, practice and review in a timely manner operating procedures that minimize damages during emergencies and enable the continuity of core business and quick recovery

■ Promote compliance

- Carry out various training sessions, such as on the protection of personal information and prevention of insider trading, in order to promote autonomous action following the code of conduct
- Formulate and strictly implement basic policy on the exclusion of anti-social forces

■ Officer personnel changes/compensation

- Establish non-statutory Nomination and Compensation Committee, a majority of whose members are independent outside directors
- Introduce stock compensation plan to incentivize sustainable enhancement of corporate value

G Governance



■ Reinforce corporate governance system

