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FY2025
IR Presentation Material

April 8, 2026

AEON Financial Service

Stock Listing: Tokyo Stock Exchange, Prime Market
Code No: 8570

- Thank you very much for taking the time to attend our full-year financial results briefing for the fiscal year ending February 2026.

- My name is Oshima, and I am an Executive Officer in charge of Finance and Accounting.

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1 Outline of Financial Reports for FY2025

2 Medium-term Management Plan FY2026–2030

Appendix

- We will proceed according to this agenda today.
- First, I will explain our performance for the fiscal year ending February 2026. The second half of the agenda, the medium-term management plan, will be explained by President and CEO, Fukayama.
- Please excuse the brevity of the first half of the presentation due to time constraints.

The Highlights of the Consolidated Results

	Consolidated	YoY	Domestic	YoY	Overseas	YoY	FY2025 Forecast	Rate of achievement
Operating revenue	¥569.3 bn	107%	¥331.6 bn	106%	¥240.4 bn	108%	¥570.0 bn	100%
Operating profit	¥60.6 bn	99%	¥18.5 bn	83%	¥41.8 bn	108%	¥57.0 bn	106%
Ordinary profit	¥60.6 bn	97%	–	–	–	–	¥57.0 bn	106%
Profit attributable to owners of parent	¥21.0 bn	135%	–	–	–	–	¥21.0 bn	100%

- First, we will look at the consolidated financial results for the fiscal year ended February 2026.

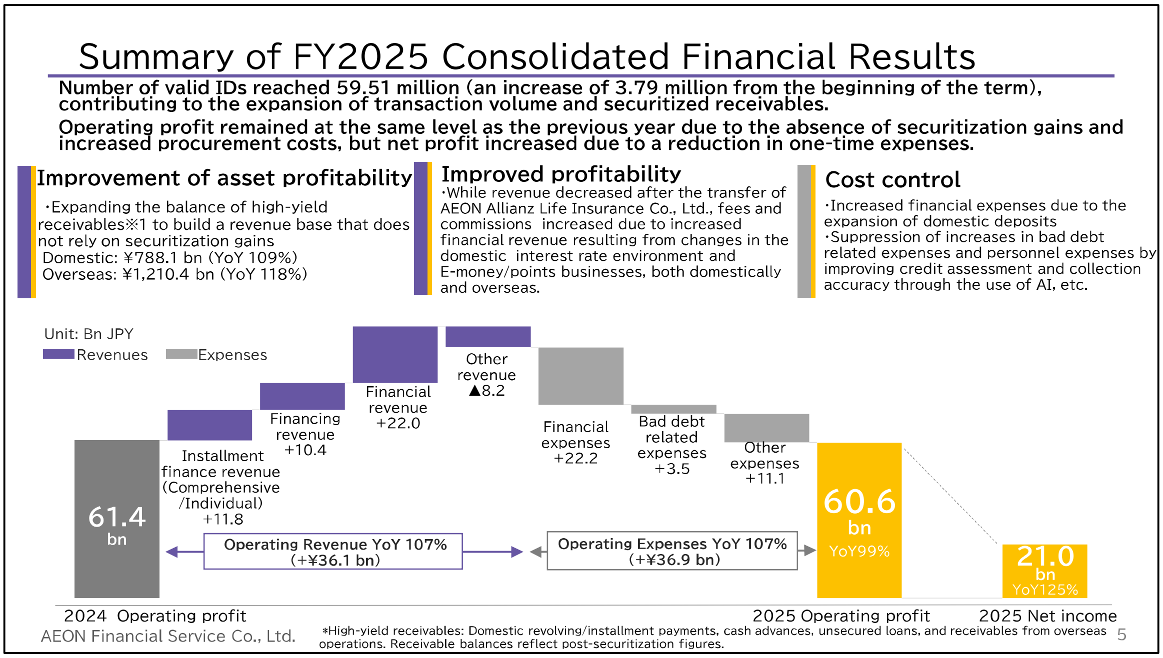
- Please note that we have changed the name of the segment previously referred to as “Global Business" to "Overseas Business," but this has no impact on profit or loss.

- Compared to the initial figures, operating revenue was almost in line with our target, and operating profit and ordinary profit were 106%. Net profit attributable to parent company shareholders was 21 billion yen, the same as the previously announced figure.

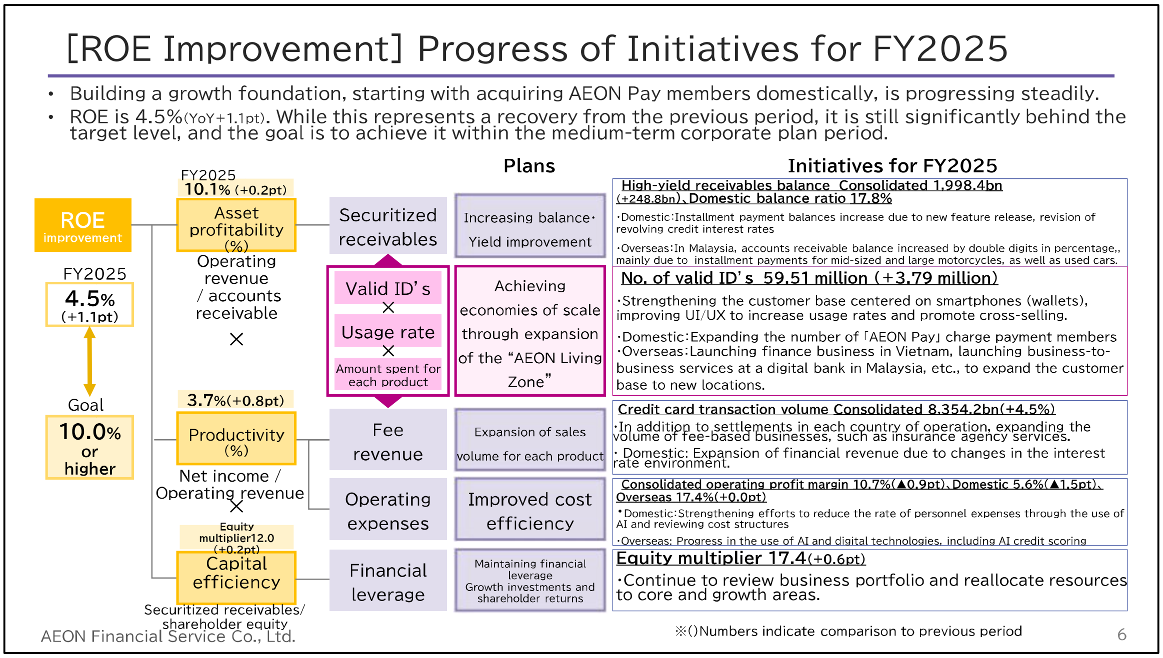
The Highlights of Consolidated Results 4Q Accounting Period(3 months)

	Consolidated	YoY	Domestic	YoY	Overseas	YoY
Operating revenue	¥147.8 bn	102%	¥83.2 bn	96%	¥65.2 bn	112%
Operating profit	¥18.9 bn	80%	¥4.9 bn	50%	¥13.9 bn	104%
Ordinary profit	¥18.4 bn	78%	–	–	–	–
Profit attributable to owners of parent	¥6.6 bn	115%	–	–	–	–

- Our consolidated financial results for the fourth quarter (three-month period) are as follows.



- This is a summary of our consolidated financial results.
- During this fiscal period, we focused on expanding our customer base, including AEON Pay in Japan. As a result, the number of consolidated active IDs increased by 3.79 million from the beginning of the period, reaching 59.51 million.
- The balance of high-yield receivables expanded steadily, with overseas loan balances increasing by 18%, and domestic balances also increasing by 9%.
- Financial revenue significantly exceeded the previous year's figures, driven by the effects of revised loan interest rates at domestic banks and interest and dividend payments on securities.
- On the expense side, financial expenses increased domestically due to rising deposit interest rates and increased balances. However, overseas operations achieved record-high operating profits due to measures such as the use of AI to control bad debt-related expenses.
- Consolidated profits decreased by 800 million yen due to the absence of the 9.9 billion yen securitization gain on revolving credit loans implemented at the end of the previous fiscal year.
- Net profit was 21 billion yen, due to the recording of expenses related to the transfer of shares in the life insurance business as an extraordinary loss.



- Our ROE for fiscal year 2025 is 4.5%, an improvement of 1.1 percentage points from the previous year. However, this still falls significantly short of our target of 10%, which represents an ROE level exceeding our perceived cost of capital.

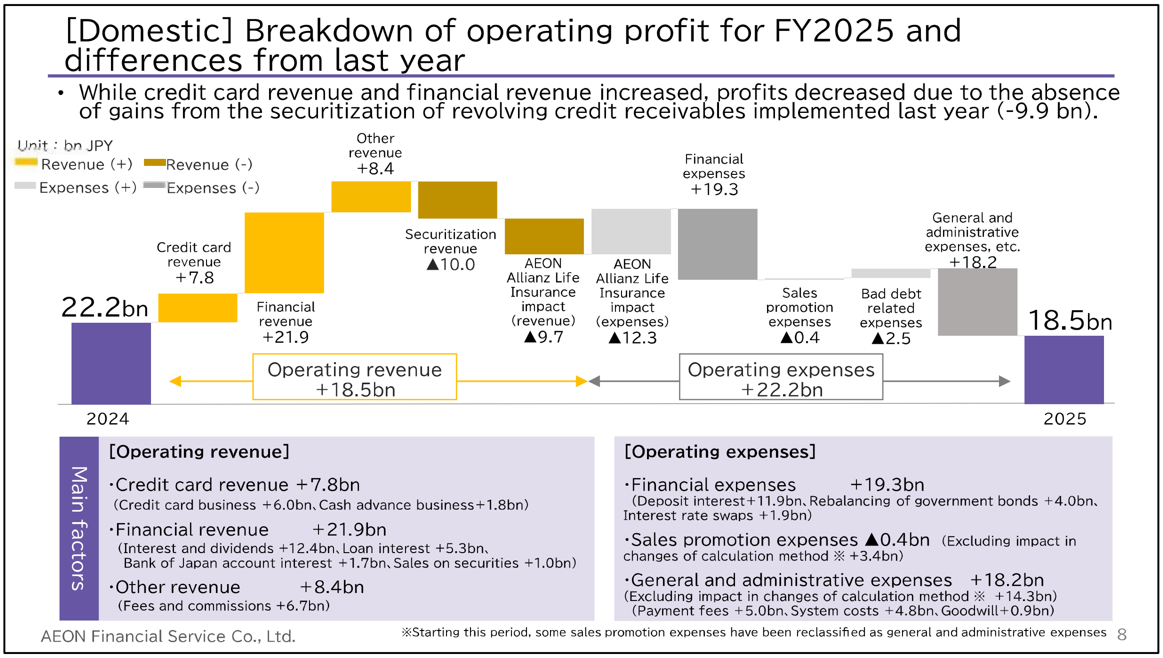
- The page shown details our performance for this fiscal year in terms of "asset profitability," "productivity," and "capital efficiency," as well as the progress of our efforts to address these areas.

- In fiscal year 2025, we were able to improve "asset profitability" through measures such as expanding our balance of high-yielding accounts receivable and reviewing the interest rates on our domestic revolving credit shopping service.
- While "productivity" also improved, we believe there is still room for improvement in expanding the transaction volume of each service and improving cost efficiency.

- Future initiatives to improve ROE will be explained in the latter part of this presentation, in the section about our medium-term management plan.

Domestic Business

- Now I will explain about our domestic business.



- This slide shows the year-on-year change in domestic operating profit.

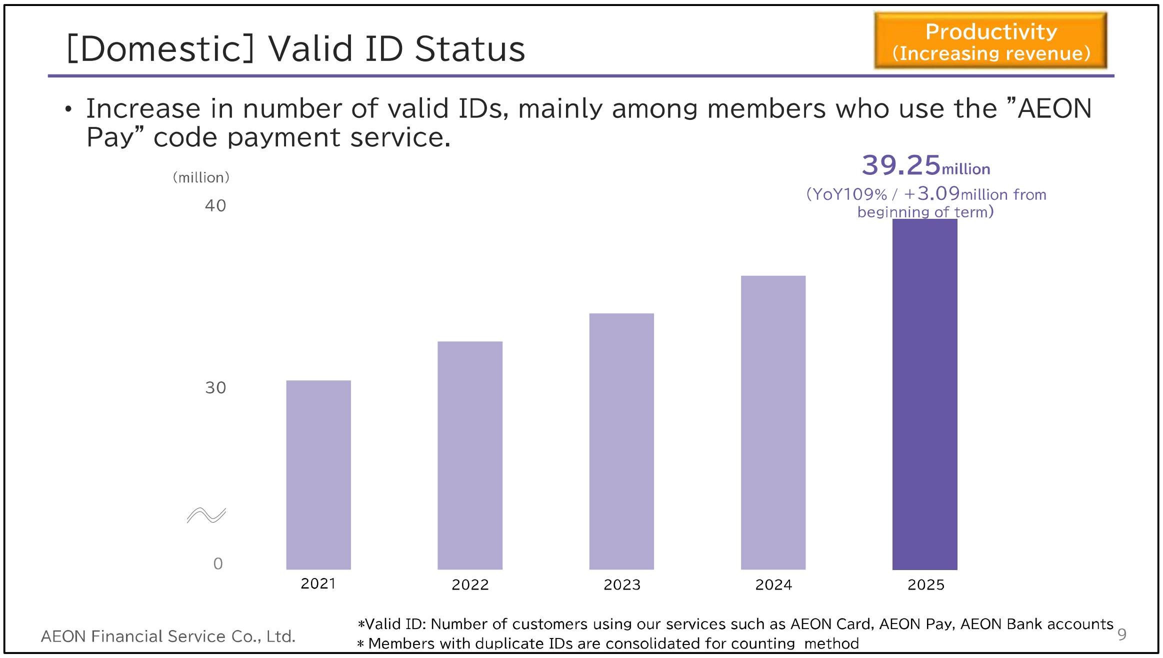
- Operating revenue, represented by the yellow bars, increased by 6% compared to the previous period. This was due to increased card revenue, higher interest and dividend income from bank securities investments, and increased lending interest due to revised loan interest rates. However, there was also the loss of the securitization gains from shopping revolving credit receivables which occurred during the previous period.

- Operating expenses, represented by the gray bars, increased by 19.3 billion yen due to increased deposit interest at AEON Bank and rebalancing of government bonds.

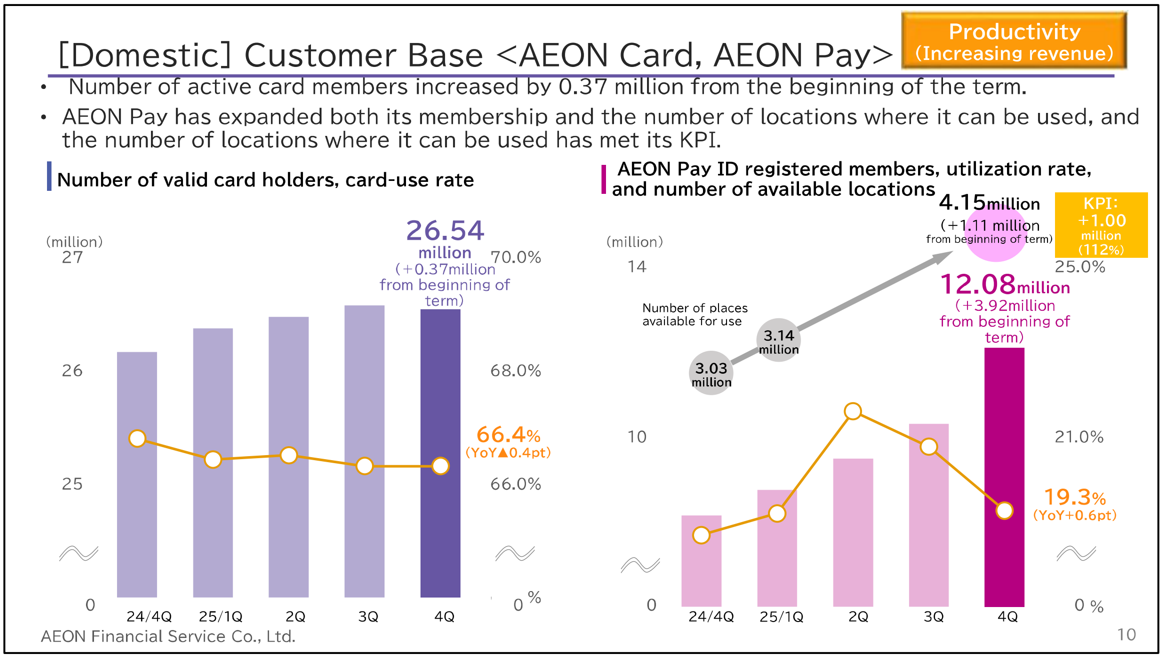
- While sales promotion expenses appear to have decreased by 400 million yen on the graph, some expenses were reclassified as general expenses this period, and there was a net increase of 3.4 billion yen in sales promotion expenses.

- General and administrative expenses increased by 14.3 billion yen, with increases in payment fees and system operating expenses.

- As a result, domestic operating profit was 18.5 billion yen, 83% of the previous period.



- Regarding our domestic operations, as I mentioned earlier, the number of valid IDs is steadily increasing.

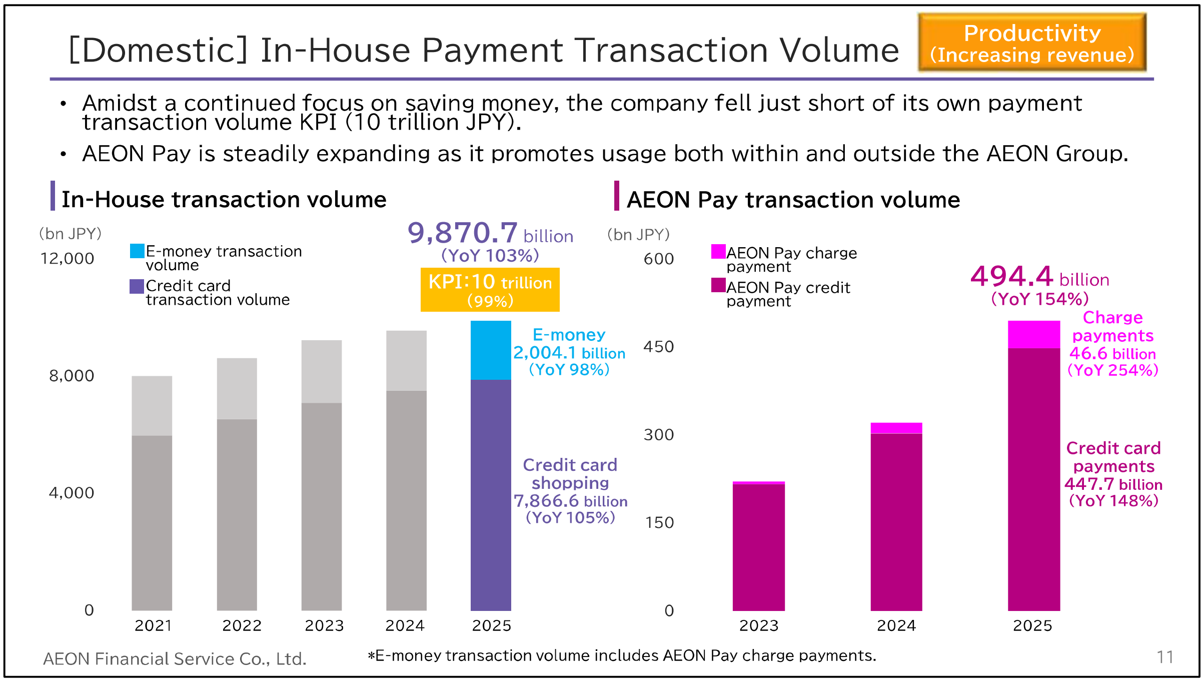


- Now I will explain about our credit cards and the QR code payment service "AEON Pay."

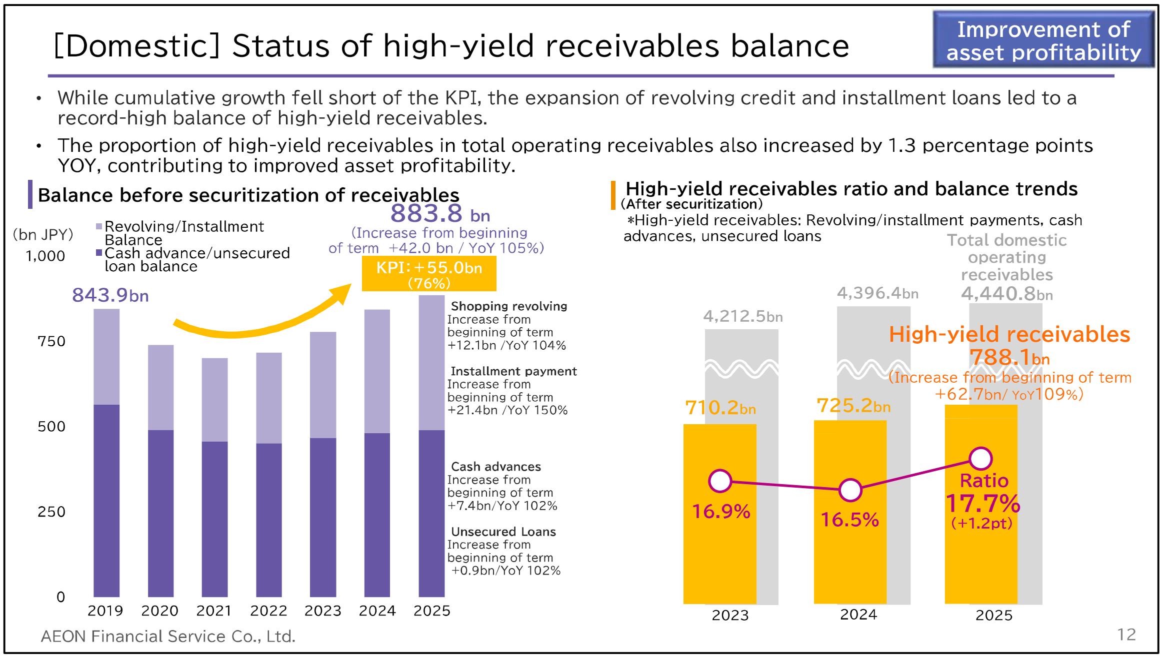
- The number of active cardholders (left) reached 26.54 million, an increase of 370,000 from the end of the previous fiscal year.

- Regarding AEON Pay (right), the number of members increased by 3.92 million from the beginning of the fiscal year, and the number of locations where it can be used also increased by 1.11 million from the end of the previous fiscal year, exceeding the KPIs presented at the beginning of the fiscal year.

- While the utilization rate has decreased compared to the second quarter, which saw a significant increase due to promotional measures following the launch of AEON Pay, it remains above the previous year's level.

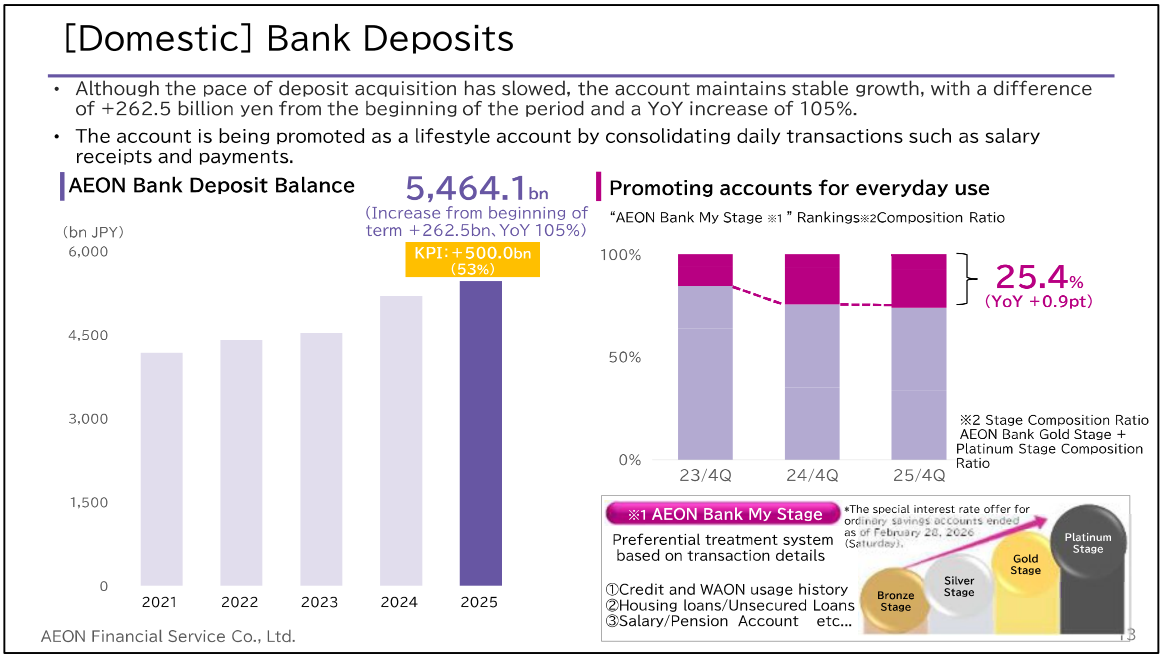


- Next is about the transaction volume.
- As shown on the left, our in-house transaction volume, which combines shopping and electronic money, fell slightly short of our KPI of 10 trillion yen per year.
- Regarding AEON Pay transaction volume, shown on the right, we have been able to steadily increase it to nearly 500 billion yen per year through promotional activities within the AEON Group and the expansion of our merchant network.

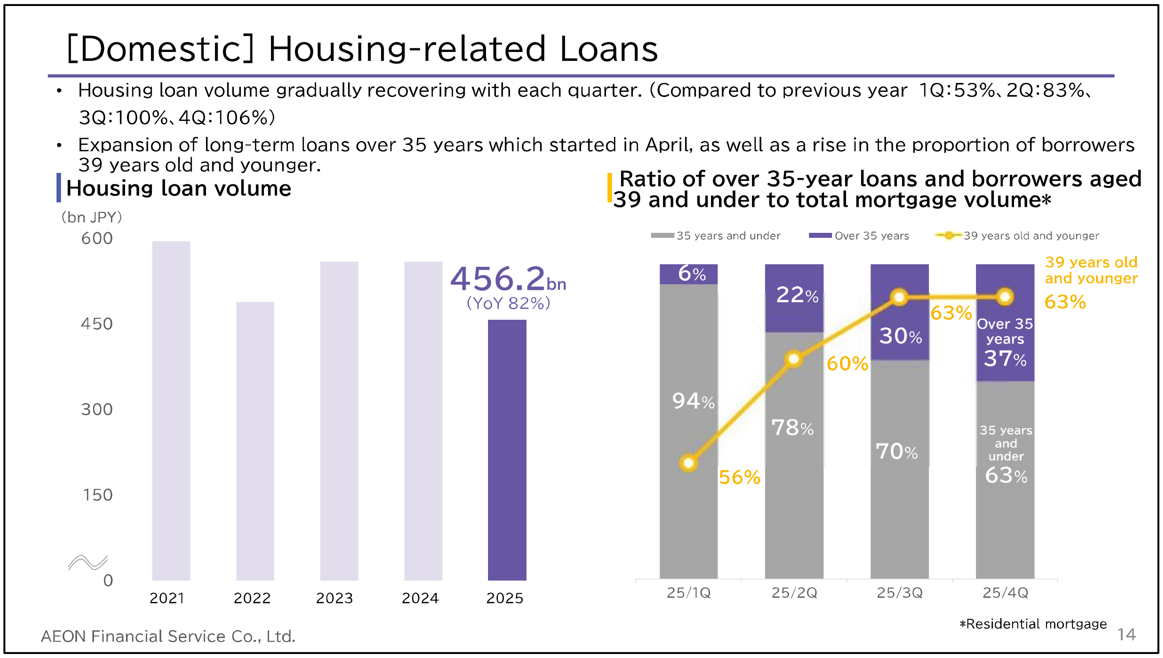


- The breakdown of domestic high-yield receivables, as discussed on the consolidated summary page, is as follows.

- Although we did not reach our KPI target of +55 billion yen in outstanding receivables, the increase in shopping revolving credit and installment payment receivables resulted in a record-high increase in outstanding high-yield receivables.



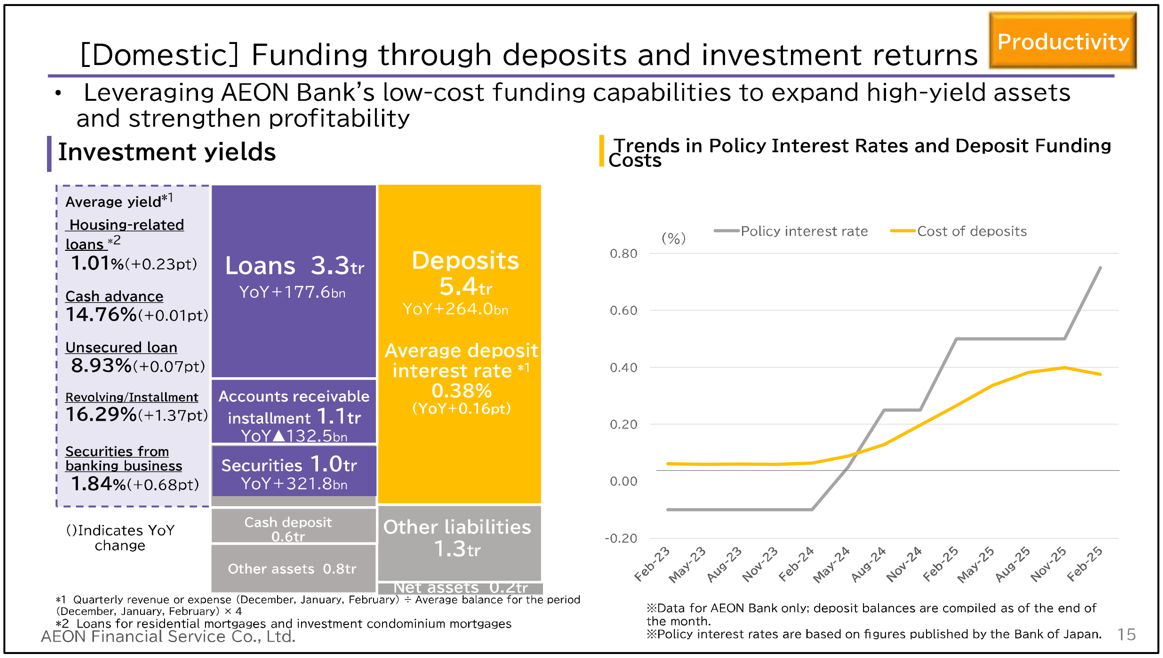
- Now about the business operations of AEON Bank.
- Although the pace of deposit acquisition has slowed, the balance has increased compared to the beginning of the period, maintaining stable growth.
- Although it is a period of rising interest rates, we are focusing on securing stable funding at low interest rates and are concentrating on acquiring a balanced mix of ordinary and time deposits to encourage the use of our accounts as everyday living accounts and to acquire highly loyal deposits.



- Regarding the volume of housing-related loan transactions, the 2025 fiscal year was 82% of the previous year's figure, but the three-month period showed a recovery trend, reaching 106% of the previous year's figure.

- This recovery is attributed to the narrowing of interest rate differentials for housing loans due to interest rate hikes by various banks, as well as the contribution of long-term loans exceeding 35 years, which were introduced in April 2025.

- We are also making progress in acquiring younger customers, which we believe will contribute to the future expansion of our customer base.



- Regarding domestic fundraising, the performance of investment returns and the trends in deposit funding costs are as shown.

- In installment accounts receivable, the yield on revolving credit and installment receivables increased compared to the third quarter due to the revision of shopping revolving credit fees.

- On the funding side, while deposit interest rates increased year-on-year due to revisions, the average deposit interest rate decreased slightly compared to the third quarter due to the expansion of ordinary deposits.

- Furthermore, the benchmark interest rate for housing loans is scheduled to be revised on May 1, 2026.

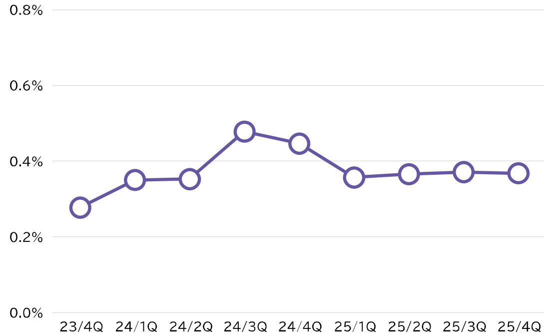
[Domestic] Trends in bad debt-related expense ratios and personnel expense ratios

Productivity (Cost control)

- The ratio of bad debt expenses to securitized receivables remains low and stable.
- The personnel expense ratio improved by 1.3 percentage points compared to the previous fiscal year. Productivity improvements through efficiency measures and a review of the business portfolio largely contributed to this improvement.

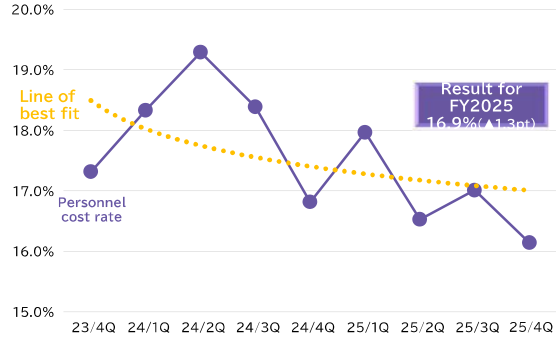
Quarterly trends in bad debt-related expense ratio

※Bad debt-related expense ratio to the total balance of operating loans and installment receivables



Quarterly personnel cost rate

※ Personnel expenses / Operating revenue



- Next, regarding cost control, the trends in the bad debt expense ratio and the personnel expense ratio, which we present every quarter, are as shown.

Achievement rate of KPI's for FY2025

- Excluding locations available to use AEON Pay, results fell short of the KPI's
- Expanding the securitized receivables balance, which forms the revenue base, and utilizing low-interest financing options contributed to achieving the announced values.

Objective	Domestic KPI's			
	Indicator	Goal for FY2025	Result	Rate
Achieving economies of scale by expanding the "AEON Living Zone"	AEON Pay locations available for use	+1.00 million locations	+1.11 million locations	112%
Expanding transaction volume of each product	In-house payment transaction volume	10tr(+0.5tr) Credit card:8.0tr E-money:2.0tr	9.87tr Credit card:7.8tr E-money:2.0tr	99%
Increased balance and improved yields	High-yield receivables balance	+55.0bn	+42.0bn	76%
	Bank deposit balance	+ 500.0bn	+ 262.5bn	53%

- As you can see, the achievement status of the KPI's presented at the beginning of the period fell short, except for the locations where AEON Pay can be used. However, the results of our key initiatives, such as the accumulation of high-yield receivables and investments starting with bank deposits, contributed significantly to achieving the announced values.

Overseas Business

- Next, I will explain our overseas business.

[Overseas] Segment Performance Highlights

- For the cumulative term, operating revenue reached record highs across all regions.
- In the fourth quarter, profits increased in the Malay area but decreased in the China and Mekong areas due to increased bad debt-related expenses.

(bn JPY)

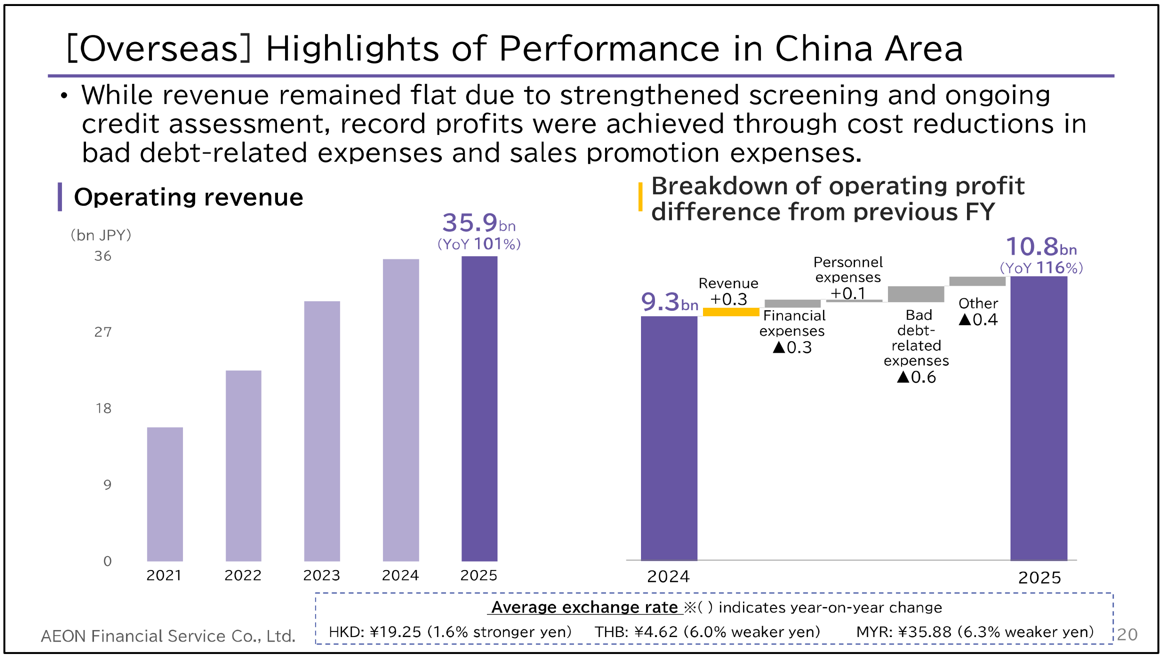
FY2025	Overseas business	YoY	China area	YoY	Mekong area	YoY	Malay area	YoY
Operating revenue	240.4 bn	108%	35.9 bn	101%	102.8 bn	107%	101.7 bn	112%
Operating profit	41.8 bn	108%	10.8 bn	116%	16.0 bn	100%	14.9 bn	111%
<Reference> Bad debt-related exp.	75.1 bn	109%	8.1 bn	93%	35.5 bn	112%	31.5 bn	110%
4Q accounting period (3 months)	**Overseas business**	**YoY**	**China area**	**YoY**	**Mekong area**	**YoY**	**Malay area**	**YoY**
Operating revenue	65.2 bn	112%	9.5 bn	100%	28.0 bn	116%	27.6 bn	112%
Operating profit	13.9 bn	104%	2.7 bn	93%	5.1 bn	90%	6.0 bn	129%
<Reference> Bad debt-related exp.	17.8 bn	115%	2.2 bn	110%	9.5 bn	155%	6.0 bn	82%

Average exchange rate ※( ) indicates year-on-year change
HKD: ¥19.25 (1.6% stronger yen) THB: ¥4.62 (6.0% weaker yen) MYR: ¥35.88 (6.3% weaker yen)

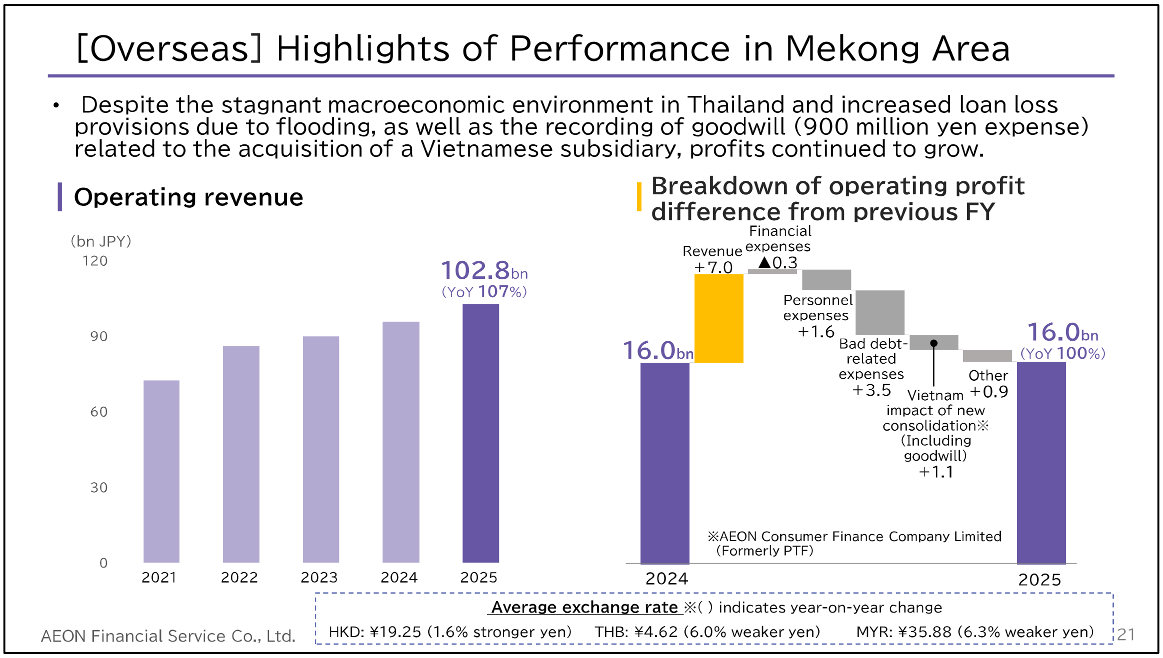
- In our overseas operations, operating revenue reached a record high across all regions for the full year.

- In the fourth quarter, while profits decreased in the China area and the Mekong area due to increased bad debt-related expenses, profits increased in the Malay area, resulting in overall increased revenue and profit for our overseas operations.

- Details of the profit and loss for each region will be explained on the following pages.

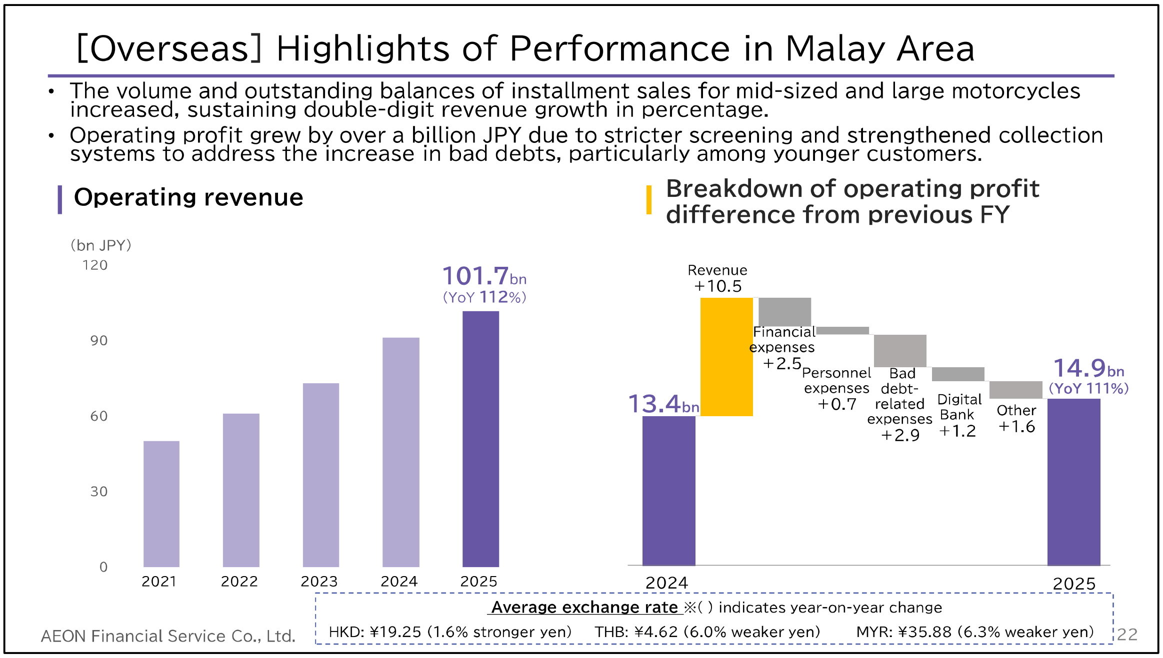


- First, the China area.
- Operating revenue increased by 1% compared to the previous period, despite the persistently high number of personal bankruptcies across Hong Kong and a tightening of credit lending throughout the year.
- Operating profit increased due to reduced promotional expenses and successful ongoing credit strengthening efforts, resulting in a reduction in loan loss provisions.
- As a result, operating profit in the China area reached a record high.



- In the Mekong area, operating revenue increased by 7% compared to the previous period, due to the positive impact of exchange rates and the contribution of a Vietnamese finance company acquired at the end of the previous period.

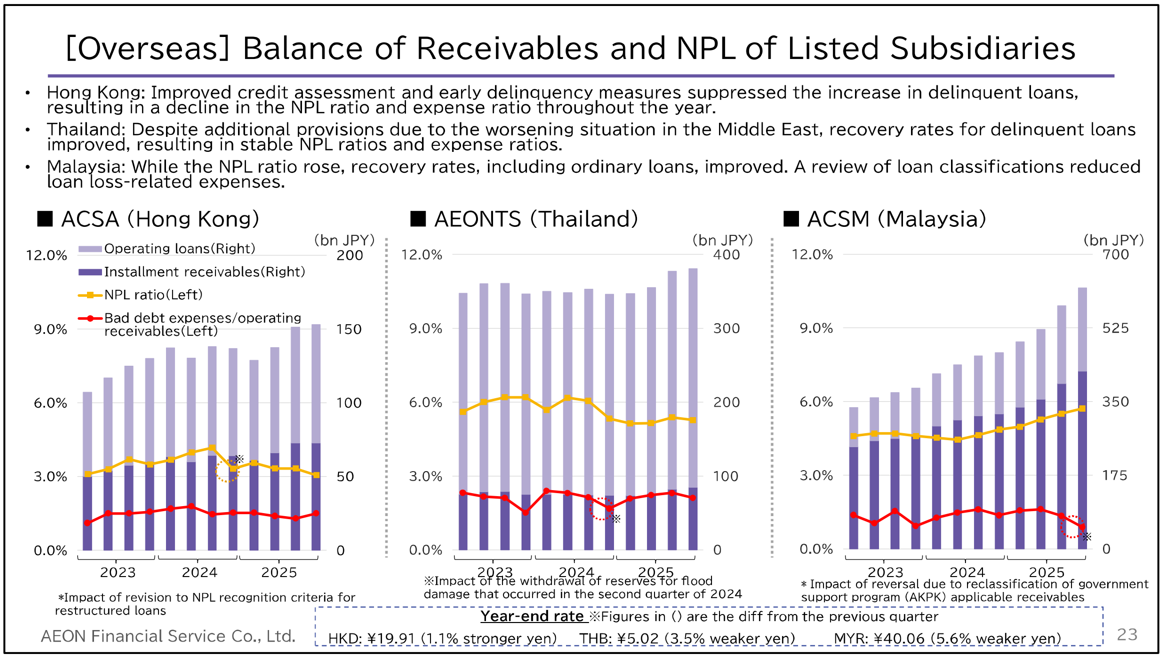
- On the other hand, while bad debt-related expenses increased in the second half of the year due to large-scale flooding in southern Thailand and the expected deterioration of the economic environment due to the situation in the Middle East, operating profit slightly increased, due to restraints in sales promotion expenses and other factors.



- Next is about the Malay area.

- In Malaysia, in addition to individual installment sales for motorcycles and used cars, personal loans and credit cards are also expanding steadily. Operating revenue grew by 12% compared to the previous period, partly due to the positive impact of exchange rates.

- Operating expenses increased in the first half of the year due to an increase in outstanding receivables and a rise in bad debts, mainly among customers of the younger generation. However, by tightening screening processes and strengthening collection systems, the increase in expenses was controlled, resulting in an 11% increase in operating profit compared to the previous period.



- This chart shows the quarterly trends in the balance of outstanding receivables and NPL ratios for the three overseas listed companies.

- Each country is strengthening its credit and collection systems by utilizing AI scoring and other technologies.

- In Malaysia, the NPL ratio significantly decreased due to a change in the criteria for handling loans from customers who applied for government debt assistance (known as "AKPK"), from the previous Stage 3 to Stage 2, the same level as other financial institutions. Bad debt-related expenses also decreased due to reversals.

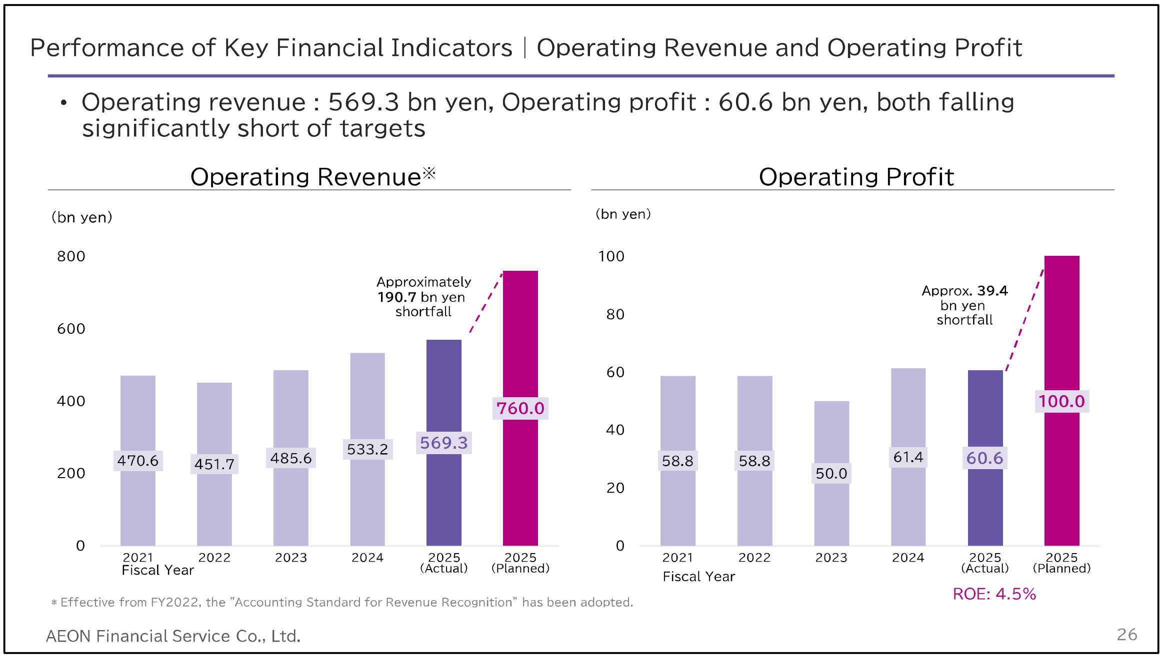
- That will be all from me.

Medium-Term Management Plan
(Fiscal Years 2026–2030)

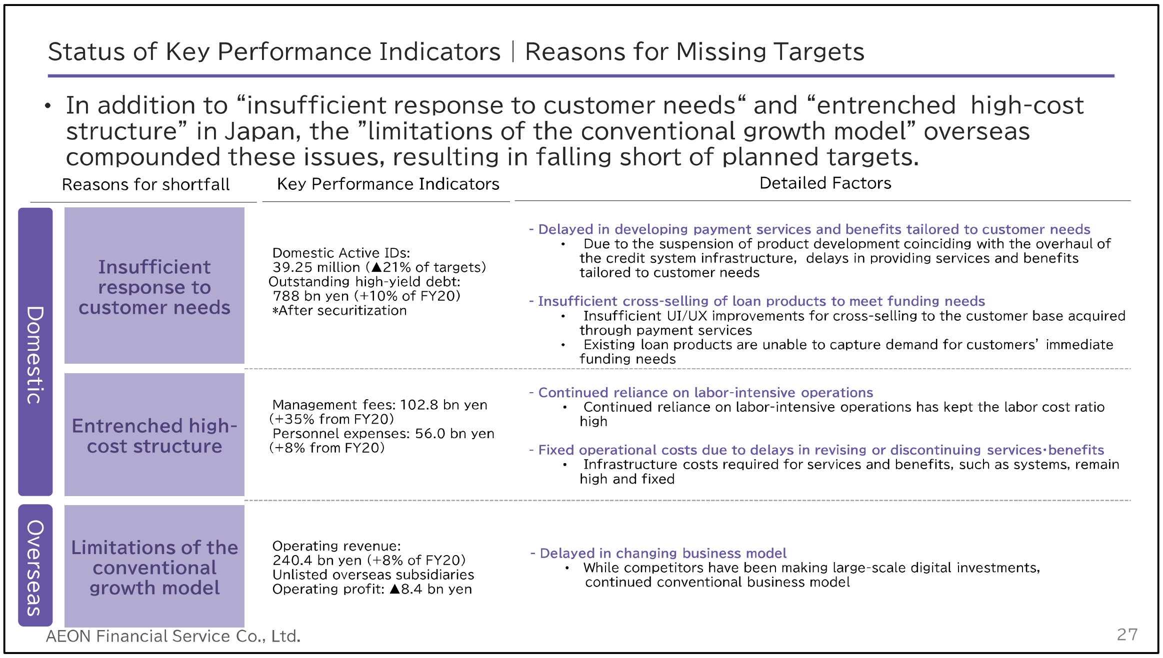
- My name is Fukayama, President and CEO of AEON Financial Services.
- I will now explain our new medium-term management plan from fiscal year 2026 to 2030.

Review of the Previous Medium-Term Management Plan
(Fiscal Years 2021–2025)

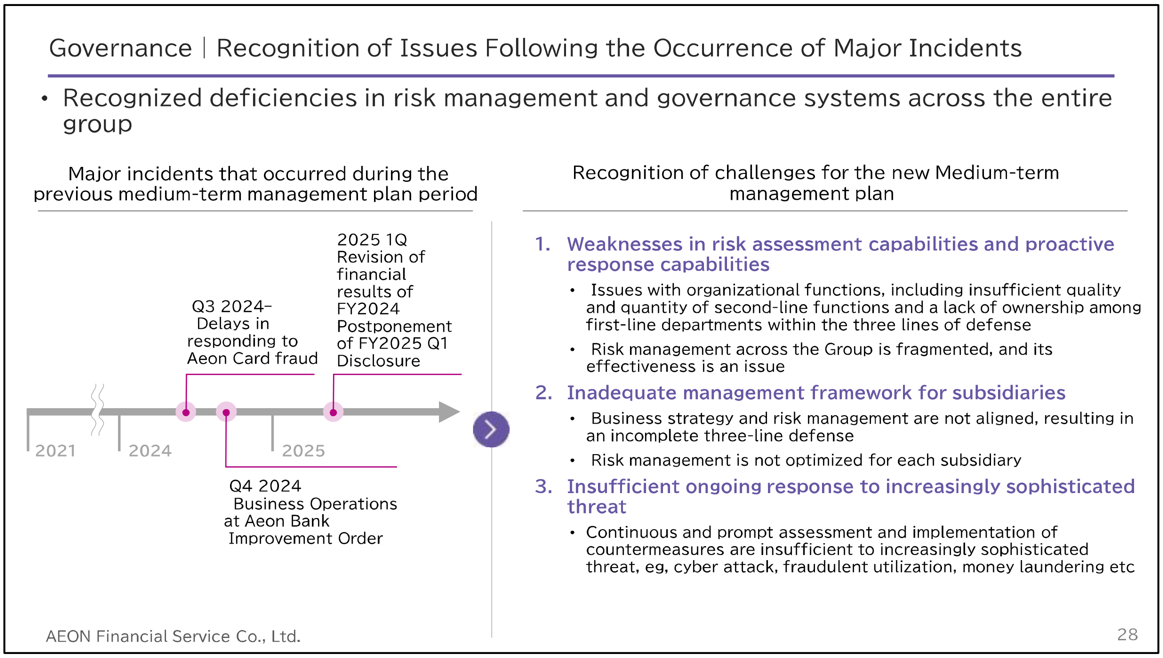
- First, I will explain the results of the previous medium-term management plan.



- In the final year, fiscal year 2025, operating revenue was 569.3 billion yen and operating profit was 60.6 billion yen, both of which fell significantly short of the initial plan.



- There are three main reasons why both operating revenue and operating profit fell short of established targets.
- Firstly, we failed to adequately grasp the changing needs of our customers domestically, resulting in a reactive approach. Amidst the rapid advancement of cashless payments, we were unable to implement payment services that met customer expectations, leading to market share loss to other payment services.
- Furthermore, we failed to capture the urgent and flexible funding needs of our customers for our loan products.
- We believe that all of the above are consequences of our failure to adequately grasp the changing needs of our customers.
- Secondly, we failed to improve our high-cost structure domestically. We did not invest sufficiently to correct our operations, which relied heavily on traditional labor-intensive methods.
- In addition, we were slow to review our services and benefits, resulting in persistently high operating costs.
- Thirdly, we failed to revamp our traditional business model in our overseas operations, preventing us from adapting to change.
- While our competitors expanded their scale through massive digital investments, our limited resources and inability to prioritize investments meant we were unable to adequately respond to market changes, resulting in us falling behind our competitors.
- We recognize that these factors contributed to our failure to meet our targets.



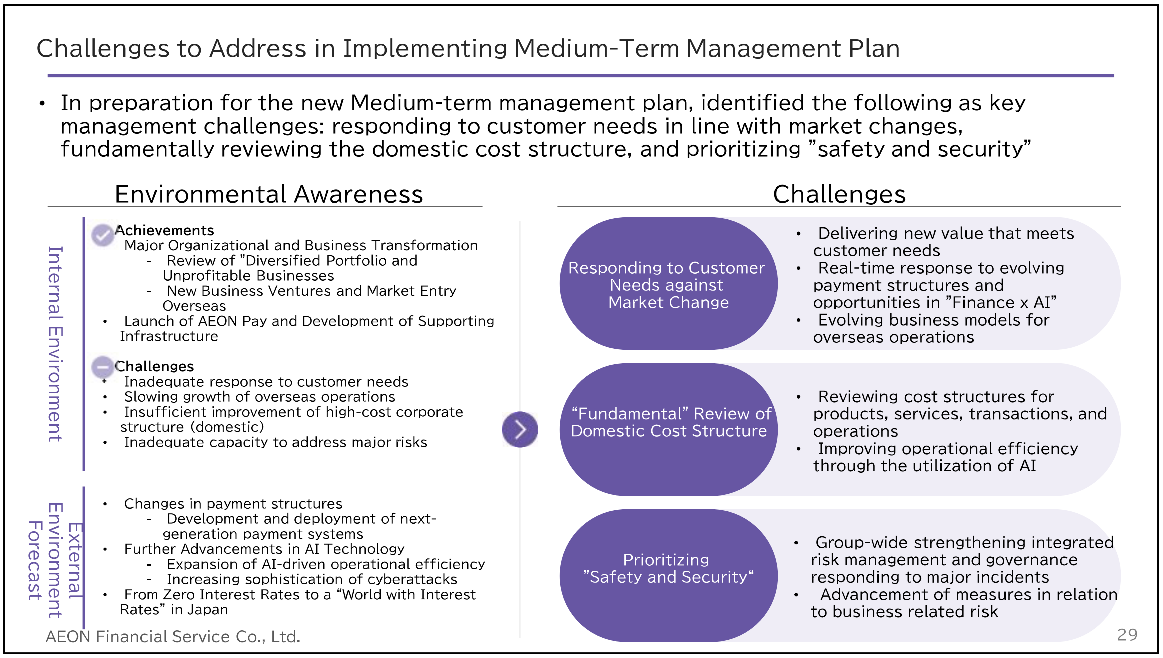
- Furthermore, during the period of the previous medium-term management plan, we experienced a series of serious incidents, including delays in responding to the increased fraudulent use of AEON Cards, a business improvement order for AEON Bank, and the postponement of the financial results announcement due to the acquisition of a subsidiary in Vietnam.

- We recognize that the common issues underlying these incidents are:
    1. Weakness in risk assessment and proactive response capabilities
    2. Insufficient subsidiary management system
    3. Insufficient continuous response to increasingly sophisticated threats.

- For the financial industry, "trust" and "sustainability" are crucial. Without strong defenses, growth will inevitably lead to stagnation.

- In the new medium-term management plan, we will place emphasis on addressing these issues and rebuild our management foundation.

- Instead of one-off corrections, we will strive to prevent recurrence and contribute to sustainable corporate growth and value enhancement by building a system that detects and corrects issues early and continuously improves them.



- To summarize our previous medium-term management plan, while we made progress in diversifying our portfolio, reviewing unprofitable businesses, and developing AEON Pay, we were left with challenges such as insufficient customer service, a high-cost structure in Japan, and slowing growth in our overseas business.

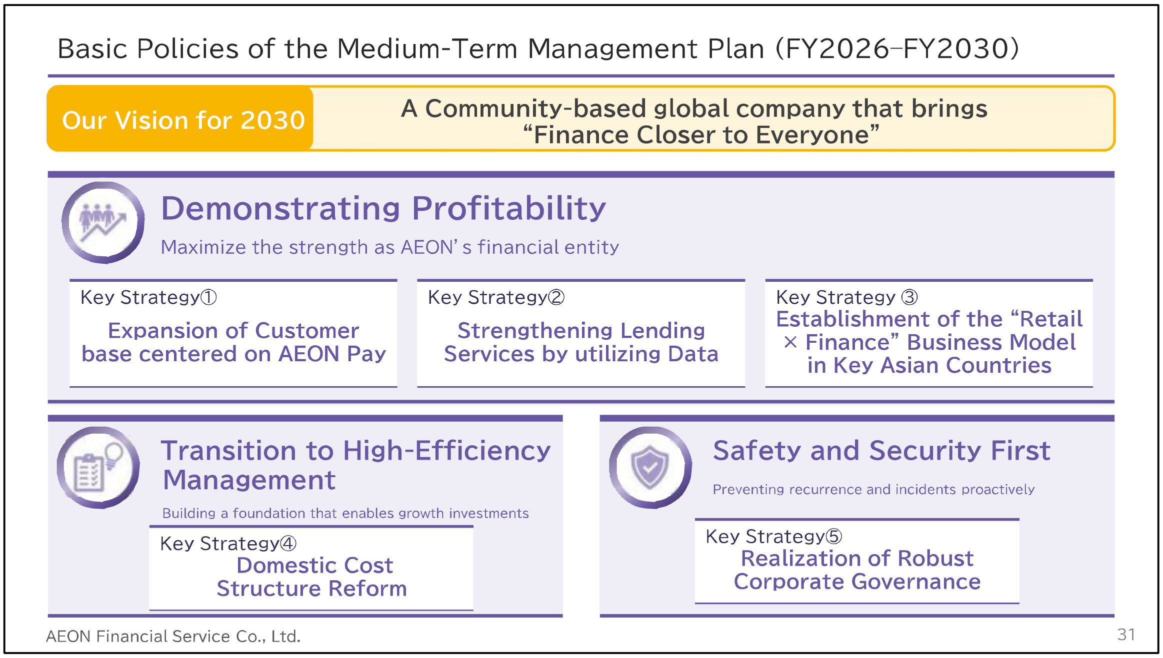
- Furthermore, the external environment is undergoing fundamental changes to business assumptions, such as shifts in payment structures, advancements in AI utilization, and the transition to an interest-bearing world. Sustainable growth cannot be achieved by simply continuing existing practices.

- Based on this understanding, the new medium-term management plan will focus on the following three points:

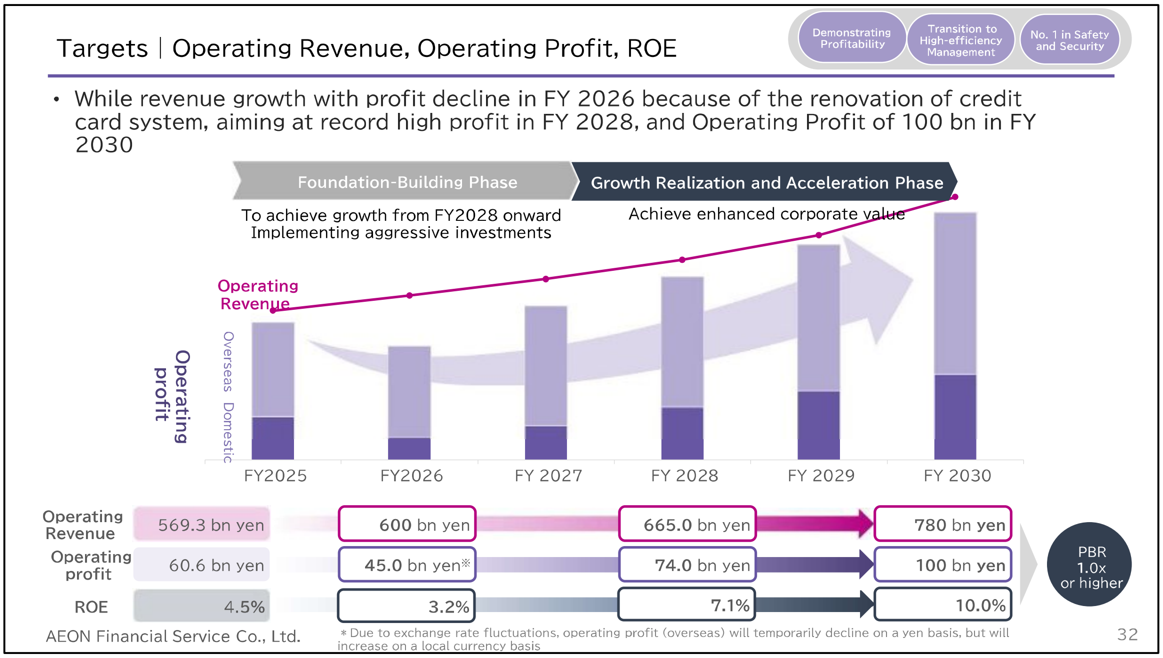
  First, responding to customer needs in response to market changes
  Secondly, a fundamental review of the domestic cost structure
  Third, prioritizing safety and security.

Medium-Term Management Plan
(Fiscal Years 2026–2030)

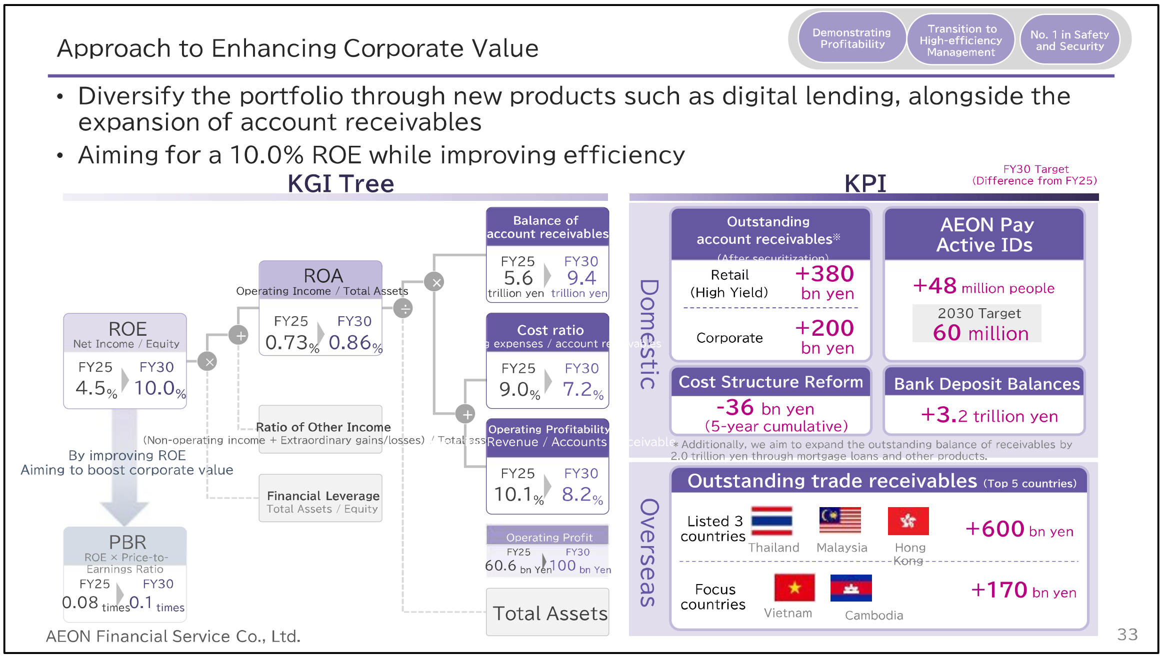
- Now, the basic principles of the new medium-term management plan.



- Our vision for 2030 is to become a community-based global company that brings "Finance Closer to Everyone."
- As a basic policy for achieving this, we will focus on three points:
  ① Demonstrating profitability,
  ② Shifting to highly efficient management,
  ③ Prioritizing safety and security.
- Regarding the first point, "Demonstrating Profitability," we will maximize the strengths of "AEON's finance" and expand our competitive customer base by increasing customer touchpoints, starting with AEON Pay. We will then develop optimal lending and services for out customer base, combining retail data and AI.
- Additionally, in key Asian countries, we will evolve our business model, which combines retail, finance, and digital technologies, and strive to build unique success models for each country.
- Regarding the second point, "Transition to High-Efficiency Management," we will improve our current high-cost structure by utilizing AI to streamline and enhance operations, and by reviewing existing products and services. This will also significantly change the way employees work.
- Additionally, we will secure investment capacity to allocate the cost savings to sustainable growth investments.
- Thirdly, we will establish a robust corporate governance system and a sophisticated risk management system to prevent accidents and other incidents, thereby solidifying our reputation as "Safety and Security First"



- Next, regarding our target numbers:
- By fiscal year 2030, we aim to achieve operating profit of 100 billion yen, ROE of 10%, and PBR of 1.0 or higher, targets that were not achieved in our previous medium-term management plan.
- To achieve this, we will position fiscal years 2026 and 2027 as a phase of strengthening our foundation.
- While fiscal year 2026 will see a decrease in profits due to increased costs associated with the renewal of our domestic credit card core system, we will build a strong business and revenue base through the revenue expansion and cost reduction initiatives we will explain later, as well as aggressive investments, primarily in digital technologies, for growth.
- From fiscal year 2028 onward, we will position this as a growth realization and acceleration phase, ensuring that the investments made by fiscal year 2027 translate into profits, achieving record-high operating profits in fiscal year 2028 and 100 billion yen in operating profits in fiscal year 2030.

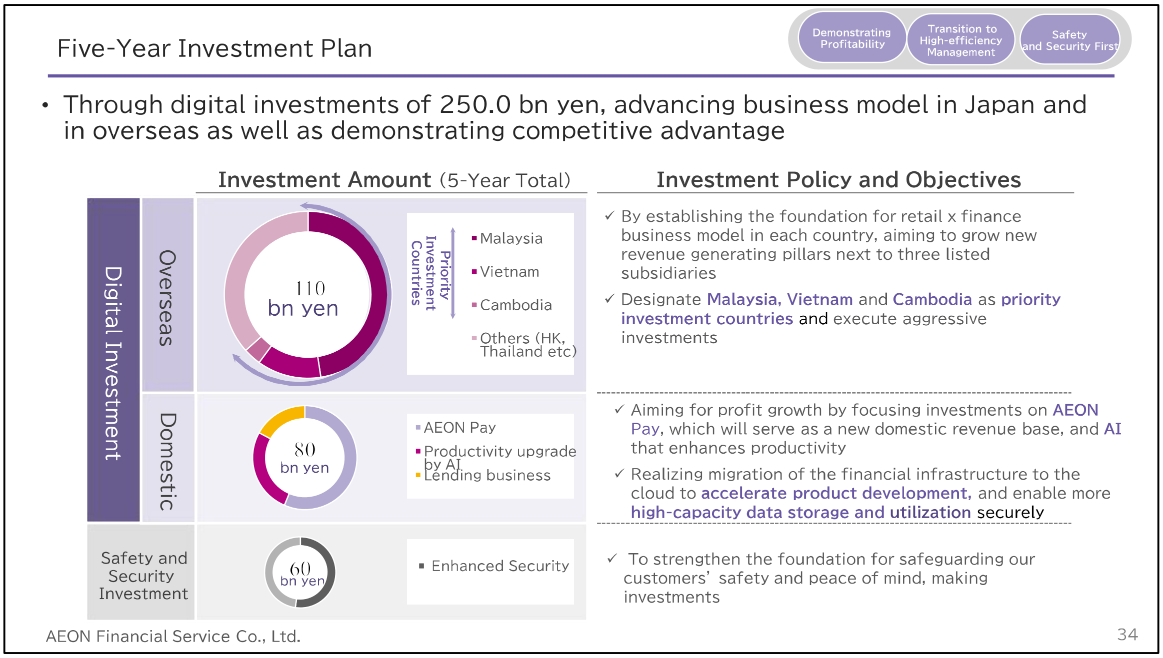


- To achieve a 10% ROE, our company will manage its operations using three indicators: “Balance of accounts receivable," “Cost ratio" (operating expenses divided by accounts receivable balance), and “Operating profitability" (operating revenue divided by accounts receivable balance).

- In our domestic business, we will expand our product lineup, including new lending services. In our overseas business, we will increase our accounts receivable balance, focusing on the three listed companies and key countries where we anticipate future growth and will make aggressive investments, thereby enhancing profitability.

- Furthermore, by utilizing AI to implement cost structure reforms and improve operational efficiency, primarily in Japan, we will steadily reduce our cost ratio.

- While asset profitability will decline from FY2025 to FY2030, this is due to the diversification of our debt portfolio, which aims to build a more stable and sustainable revenue base. This will involve not only continuing with card cash advances and revolving/installment loans, which have been our mainstays in Japan, but also accumulating stable accounts receivable such as corporate loans and mortgage loans, which have relatively lower yields, as well as introducing new lending products.



- Next, regarding our investment plan:

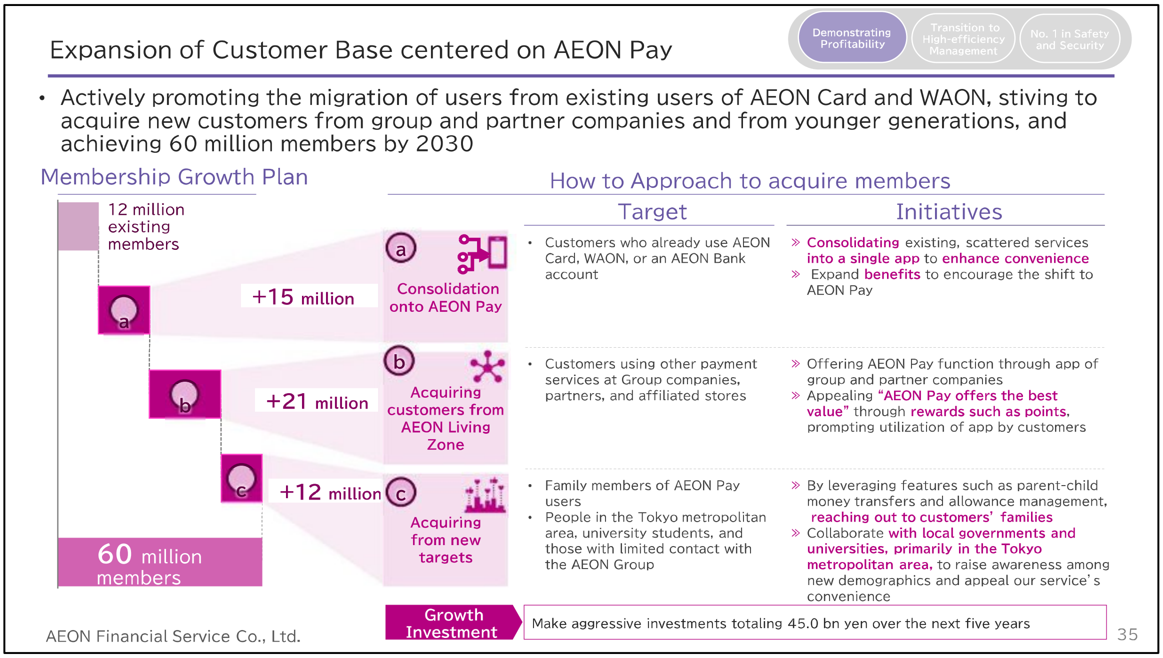
- Over the five years leading up to fiscal year 2030, we will invest a total of 250 billion yen in aggressive growth investments, primarily in digital technologies, including 110 billion yen in overseas operations, 80 billion yen in domestic operations, and 60 billion yen in safety and security investments.。

- In our overseas operations, we will concentrate investments in our key investment countries—Malaysia, Vietnam, and Cambodia—to seize growth opportunities.
- In Malaysia, we will further deepen our market presence through digital banking and marketing businesses. In Vietnam and Cambodia, we will invest in developing promising markets with high growth potential.

- In our domestic business, we will significantly shift management resources to AEON Pay and invest in improving productivity through the use of AI.

- Furthermore, we will enhance governance and security measures to build a foundation that allows customers to use our services with peace of mind in a safe environment.

- Through these efforts, we will transform ourselves into a financial services company that leverages digital technology.



- Next I will explain about expanding the customer base through AEON Pay.

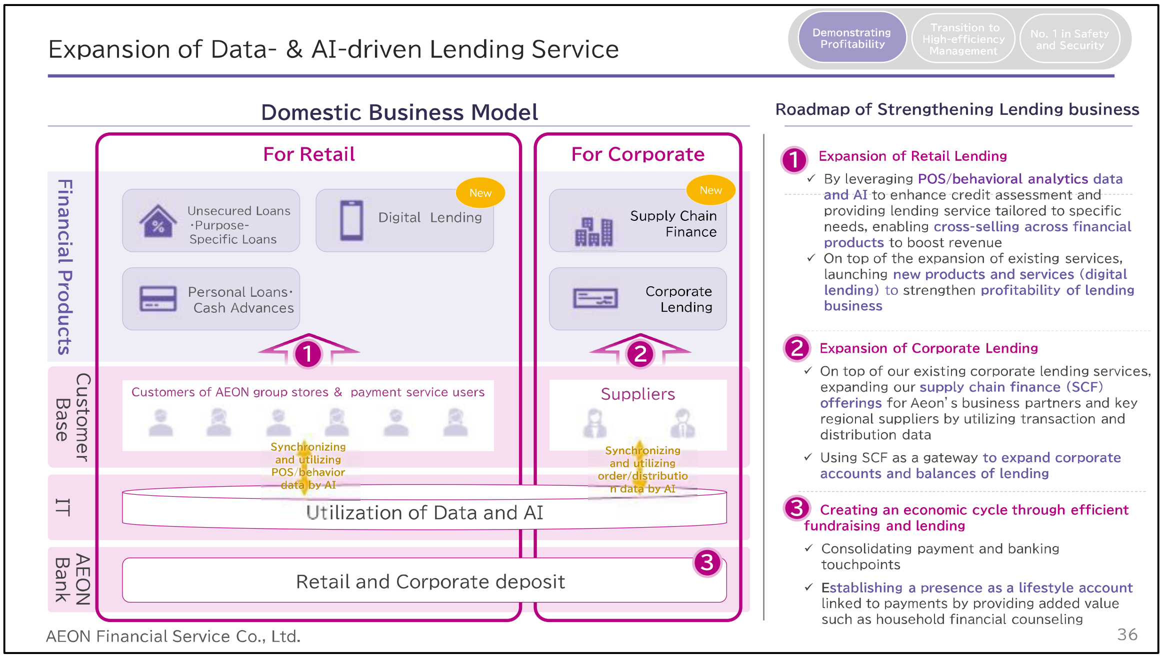
- To expand AEON Pay membership, we aim to achieve 60 million members by fiscal year 2030 by combining the consolidation of users of other services such as AEON Card and AEON Bank accounts, acquisition from AEON Group companies and partners within the AEON lifestyle area, and acquisition of new customers.

- First, we will enhance convenience for our service users by providing the AEON Pay app, which consolidates previously dispersed payment and service functions, making it a commonly used payment method.

- Next, within the AEON Living Zone , including group companies and partners, we will promote the use of AEON Pay by ensuring that customers currently using other companies' payment services recognize it as the most advantageous payment method through points and other benefits.

- Regarding new customer acquisition, we will evolve AEON Pay into a payment and financial app usable by the whole family, and acquire the customers of an entire family through functions such as parent-child money transfers and allowance management.

- Furthermore, we will collaborate with local governments and universities, primarily in the Tokyo metropolitan area, to provide new value to customer segments that we have not been able to fully reach until now.



- Next, I will explain about the strengthening of our lending business through the use of data and AI.
- As part of the AEON Group, we possess unique management resources: a large customer base, the ability to utilize retail data, and the stable, low-interest fundraising capabilities leveraging AEON Bank's highly entrenched deposits.
- We will maximize these resources to strengthen our lending services for both individuals and other businesses.
- For retail lending, we will combine retail data, such as purchase and visit data from AEON Group stores, with financial data, including AEON Pay users, to achieve advanced credit assessment through effective AI utilization.
- Furthermore, in addition to card loans and cash advances, we will enter the smartphone-based digital lending market. We will reliably capture the needs of customers who want to borrow small amounts, instantly and seamlessly.
- In addition, we will significantly strengthen our corporate lending business, which we have not been able to adequately approach until now.
- We will leverage the AEON Group's business partner base to develop supply chain finance based on order placement, receipt, and distribution data.
- By contributing to improving the cash flow of our business partners, such as by adjusting payment terms, we will expand the corporate version of the AEON economic zone.

Evolution of "Retail × Finance" Model in Key Asian Countries

Demonstrating Profitability | Transition to High-efficiency Management | No. 1 in Safety and Security

- Investing strategically into Vietnam, Malaysia and Cambodia -economies experiencing significant growth and considered to have great potential within our group- to realize "Retail x Finance" business model through region-specific growth strategies

	Growth Potential	Growth Strategy
Vietnam	• Real GDP growth(*): +6.7% • Consumer finance market will be expanded approx. 30 trillion yen equivalent by 2030	• Evolution of credit business through app • Expansion of economic zone in line with the growth of AEON stores ➡see next page for details
Malaysia	• Real GDP growth(*): +4.7% • Largest no. of overseas stores of AEON(256 stores) • Active ID members: 6.3 million	• Evolution of a business model integrating **payments, banking, and retail, centered on the AEON Wallet app** - Integrating financial services centered on the digital bank, analyzing customer usage trends, and proposing personalized personal loans - Leveraging retail data to develop loans for SMEs • As a new success story for the "Retail x Finance" business model, **standardizing the model and rolling it out across other countries**
Cambodia	• Real GDP growth(*): +5.6% • Active credit card members: 60,000 (top level among peers)	• **Expanding the payment customer base** in both the metropolitan area and regional areas - Expand credit card membership in the metropolitan area centered on AEON Malls - Rolling out BNPL services in regional areas • **Expanding financial services** in collaboration with AEON - Expanding lending services for individuals and corporations by leveraging the Group's network

(*)Forecast of IMF in 2026 (as of Oct 2025)

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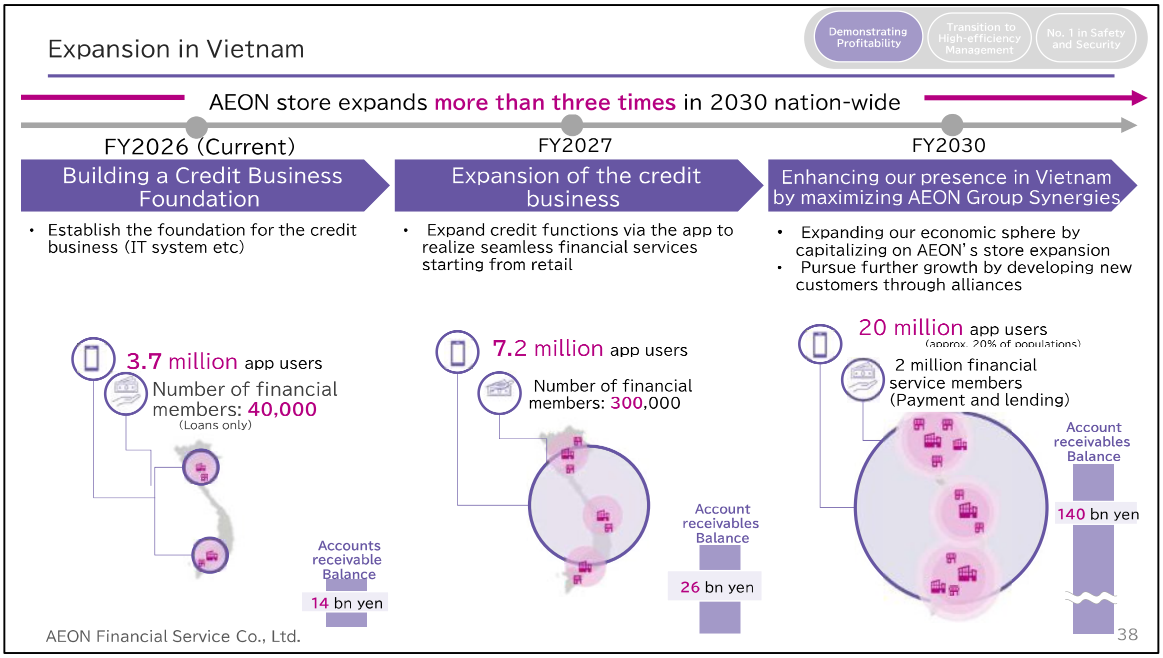
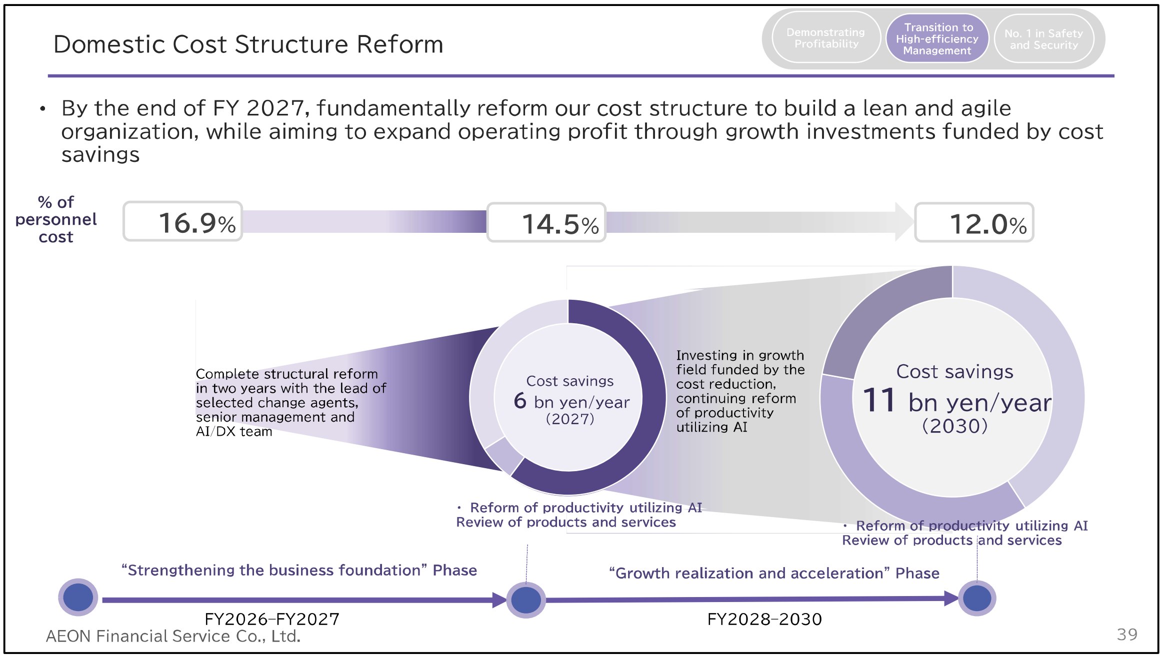
- Next, regarding our overseas business, we have designated Malaysia, Vietnam, and Cambodia as key investment countries and will concentrate our management resources there.
- In Malaysia, we have established a non-bank financial institution, a digital bank, and a marketing company in fiscal year 2025, laying the foundation for establishing a retail x finance x digital business model integrated with the AEON Group.
- We will establish a business model that links payments, banking, and retail, centered on our already deployed app.
- Furthermore, in the digital bank, we will develop personalized loans and loans for SME's optimized for each individual, implementing a business model that balances profitability and growth.。
- We will format this business model in Malaysia as a success story and horizontally deploy it to other countries to accelerate the growth of our entire overseas business.
- In Cambodia, the demographic dividend is expected to continue until the mid-2040s, and the average GDP growth rate per capita is projected to be 5.6% from 2025 to 2030. Therefore, we see Cambodia as a market with significant medium- to long-term growth potential from both a demographic and economic growth perspective.
- Furthermore, our company boasts one of the highest numbers of credit cards issued in the industry, has achieved profitability for 13 consecutive periods, and aims for further growth. We will expand financial services in collaboration with the AEON Group, using each product as a starting point, by employing strategies tailored to regional characteristics, such as credit cards in the Tokyo metropolitan area and BNPL in regional areas.



- Next, I will discuss our business expansion in Vietnam.
- The AEON Group plans to more than triple its number of stores throughout Vietnam by 2030, and our company and business will grow in line with this plan.
- Utilizing the finance license we acquired last year, we will build a revenue base through lending by cross-selling personal loans to our current point card app members, who represent our future valuable customers (approximately 3.7 million).
- Simultaneously, we will invest in systems and establish organizational structures to launch our payment business, a key growth driver.
- By 2027, when preparations are complete, we will launch a digital credit card business using "QR code payment with credit checks," where all application procedures are completed on mobile devices. We aim to popularize this as a daily payment method, particularly among the middle class with rising incomes.
- Towards 2030, in line with the group's store expansion, we will seamlessly expand the scope of our customer transactions, from point card membership to payments and then to loans. Furthermore, we will dramatically expand our customer base by leveraging alliances with leading local companies.
- We will maximize the synergy between retail, finance, and digital technologies, and by fiscal year 2030, we aim to establish a presence with 20 million app members, 2 million financial members, and outstanding accounts receivable of 140 billion yen.



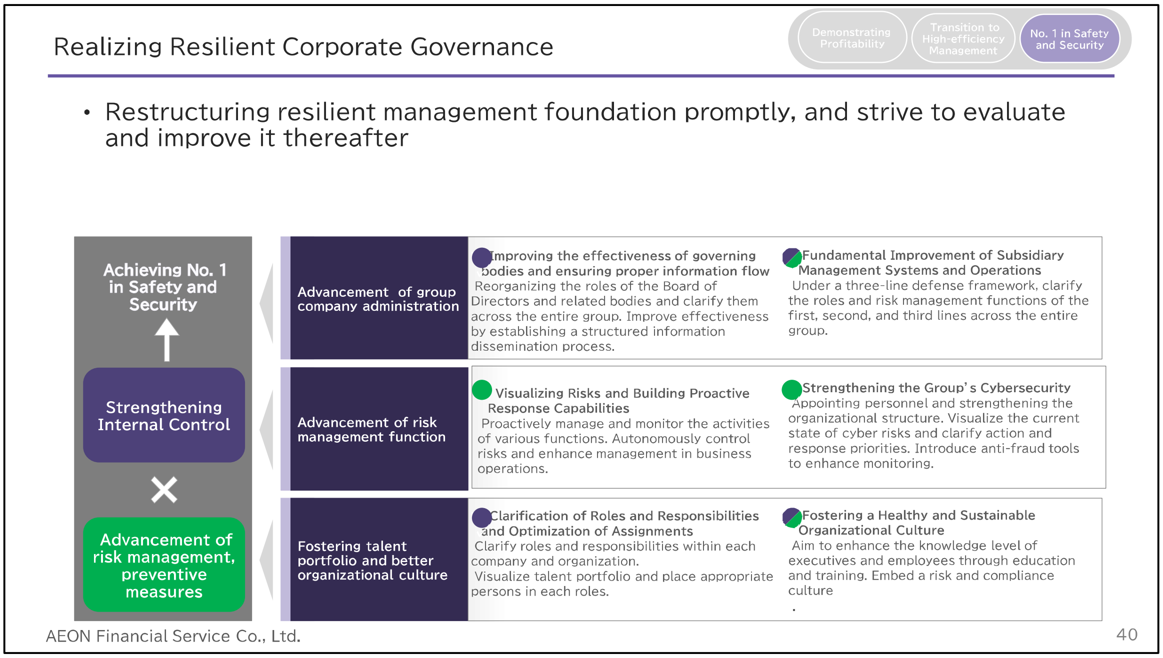
- Next is about the domestic cost structure reform.

- To fundamentally improve our high-cost structure, we plan to promote cost structure reform by the end of fiscal year 2027, transform into a leaner organization, and achieve cost reductions of approximately 11 billion yen by fiscal year 2030 compared to fiscal year 2025.
- Of this amount, 6.4 billion yen will be invested in productivity reforms through the use of AI and DX.

- Specifically, we will promote AI and DX in all operations, and by having AI agents handle routine operational tasks, we will free up the work time of approximately 3,200 people. This will provide opportunities for reskilling, allowing employees to be assigned to higher value-added tasks and priority areas.

- As a result, we expect the personnel cost ratio to improve by 4.9% in fiscal year 2030 compared to fiscal year 2025.

- In addition, we will establish a cycle in which the funds freed up by cost reductions are reinvested in growth areas, including redesigning operations and reviewing products and services.

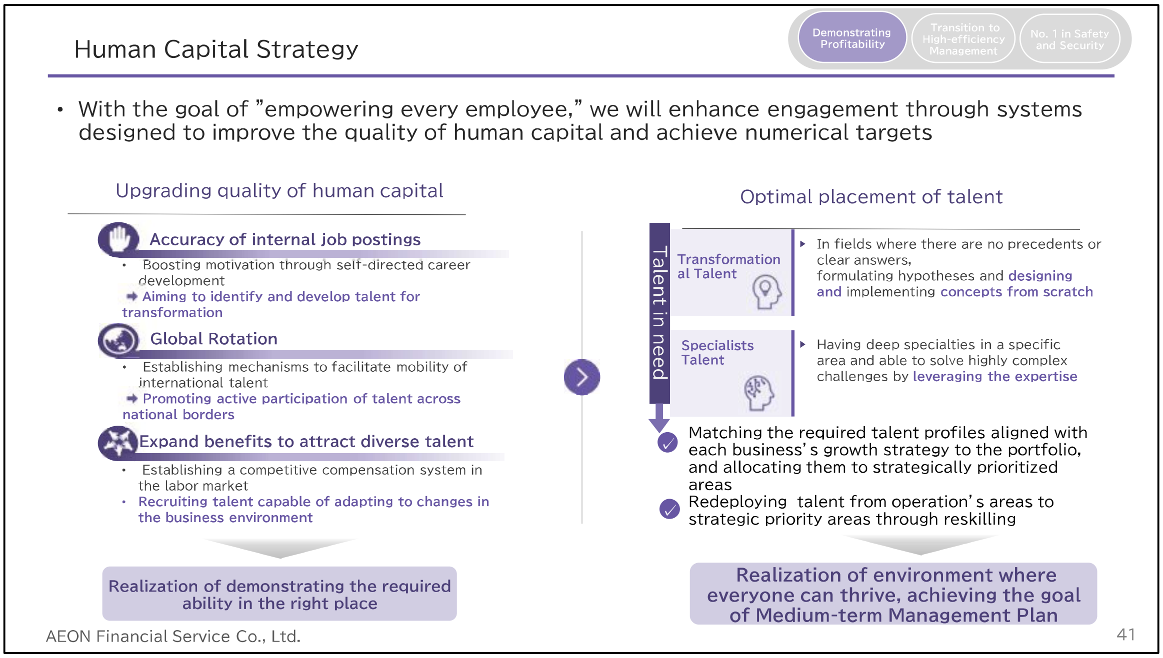


- Next, regarding the realization of robust corporate governance:

- Based on what was learned from the previous medium-term management plan, we will strengthen internal controls, enhance risk management, and establish a system for proactive prevention, followed by a cycle of verification and improvement.

- In the new medium-term management plan, we will build robust corporate governance by repeatedly and continuously implementing the following three initiatives:
  1. Improving the effectiveness of group management
  2. Enhancing risk management functions
  3. Visualizing the human resource portfolio and fostering a sound organizational culture

  By implementing these three initiatives, we aim to achieve prioritize safety and security for our customers.



- Next is about our personnel capital strategy.

- In our new medium-term management plan, we aim to achieve "fulfillment for all," where each employee can fully utilize their abilities, and thereby realize this plan.

- The foundation of our personnel capital strategy is institutional reform. We will enhance the quality and mobility of our workforce through internal job postings, global rotations aimed at stimulating personnel movement, and expanded systems for acquiring highly specialized talent.

- Along with institutional reform, we will optimally allocate individuals and specialists who will drive transformation to strategically important areas based on a visualized talent portfolio. Furthermore, we will promote talent shifts to priority areas through reskilling, realizing "fulfillment for all," where necessary skills can be utilized where needed.

Sustainability

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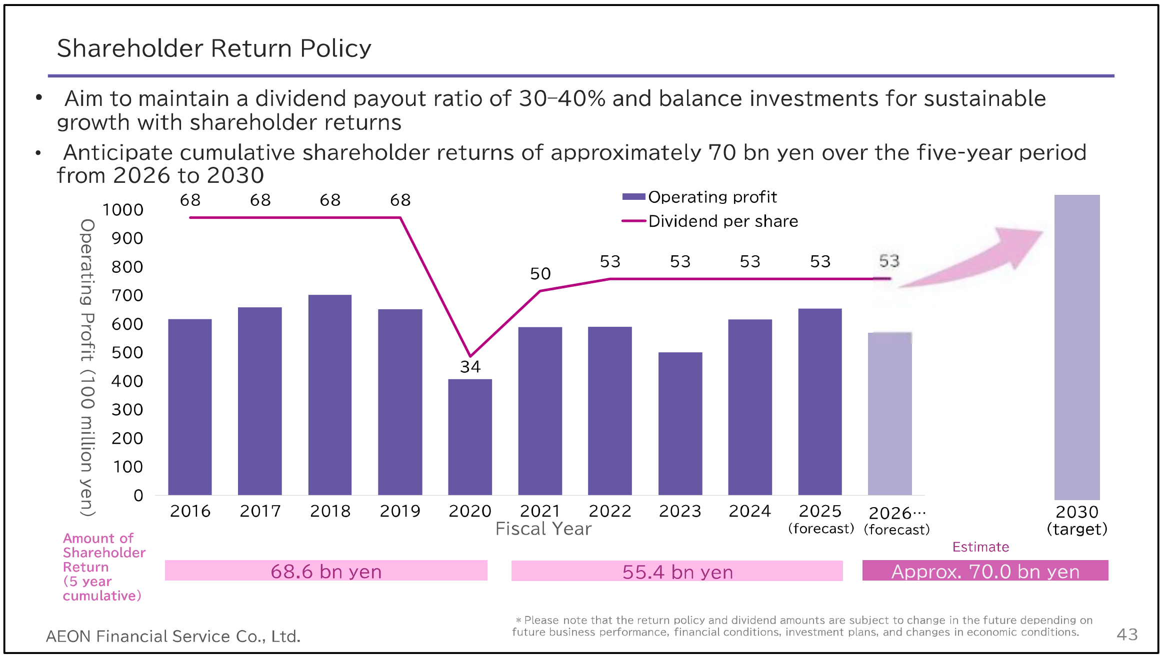
- Establish targets to be achieved by 2030 for four key materiality, and strive to address them to realize sustainable growth.

Materiality		Key Indicators (2030)	
Human Rights	Pursuit of happiness through innovative financial services	• Digital provision of all financial products and services, and continuous updates to security measures to ensure customers can use them with peace of mind • Providing cross-border (borderless) • Developing and securing talent to drive digital transformation • Promoting financial inclusion initiatives	• Collaboration with local regions and communities • Disaster response support through financial services • Total number of financial education participants: 500,000 (Japan: 350,000, Overseas: 150,000) • Review of Sustainable Investment and Financing Policy • Implementation of Sustainable Finance
Human Rights	Diversity and realization of potentials	• Percentage of Women in Management: 30% at Executive Officer level and above, 30% in Department Head positions • Employment rate of people with disabilities: 3% (Japan) • PRIDE Index certification (Japan)	• 100% Men' s paternity leave uptake rate (Japan) • Enhanced Employee Training • Improving employee engagement
Establishment of resilient business foundation		• Compliance with Laws and Regulations • Number of business interruptions due to incidents • Consideration of incorporating sustainability metrics into executive offices' compensation • Improvement in external ESG ratings	• In the event of a business crisis caused by a disaster or other emergency, minimizing damage, maintaining business operations, and ensuring rapid recovery through prompt and appropriate responses (BCP) • Fostering a culture of governance
Addressing climate change and environmental issues		• Environmental Conservation Promotion of Sustainability Initiatives • Reducing greenhouse gas emissions through energy conservation	• Providing environmentally friendly products and services

- Next is about our sustainability.
- For our company, sustainability is not a separate issue, but rather an integral part of our business operations.
- The four material issues we prioritize and the key indicators for 2030, which were announced in our Integrated Report 2025, will continue to be pursued in our new medium-term management plan.
- We will manage the progress of our initiatives using KPI's and continuously disclose both results and challenges in an explainable manner.



- Next, regarding our shareholder return policy:

- Our basic capital allocation policy is to balance growth investments and shareholder returns in order to continuously improve corporate value.
- In this medium-term management plan, we prioritize growth investments, steadily executing a cumulative total of 250 billion yen in growth investments over five years to improve profitability.

- To carry out these investments, we will ensure financial soundness by maintaining and strengthening our cash-generating capabilities and uphold a stable management foundation.

- Furthermore, regarding returns to our shareholders, we aim for a dividend payout ratio of 30% to 40%, providing stable and continuous dividends while maintaining an appropriate balance with growth investments.

- While the dividend payout ratio may exceed the target during investment phases, we expect to pay dividends at the target level in the medium term through steady profit growth.

- The cumulative amount of shareholder returns throughout this medium-term management plan period is expected to be approximately 70 billion yen, exceeding pre-COVID levels.

- We aim to maximize corporate value by balancing aggressive investment in growth with continuous shareholder returns.

FY 2026 Earnings Forecast

Unit: bn yen unless stated

	FY2025 Results	FY2026 Forecast				2030 Target
	Consolidated	Consolidated	YoY	Domestic	Overseas	Consolidated
Operating Revenue	569.3	600.0	+30.7	355.0	245.0	780.0
Operating income	60.6	45.0	▲15.6	50.0	40.0	100.0
Operating Profit Margin	10.7%	7.5%	▲2.7%	1.4%	16.3%	12.8%
Ordinary income	60.6	45.0	▲15.6	—	—	100.0
Net income	21.0	15.0	▲6.0	—	—	58.0
Dividend per share (Annual, yen)	53	53	±0	—	—	—
ROE	4.5%	3.2%	▲1.3%	—	—	10.0%

- Lastly, regarding our performance forecast for fiscal year 2026.

- We project operating revenue of 600 billion yen and operating profit of 45 billion yen.
- We will complete our growth investments over the two years until fiscal year 2027, which we have designated as the phase of strengthening our foundation, and achieve performance recovery from fiscal year 2028 onwards.

- Although not included in the plan, as part of our inorganic strategy, we will consider research into digital currencies and alliances with companies that have a customer base.

- In conclusion, this medium-term management plan was formulated based on reflections on the past, clearly defining challenges and countermeasures, and creating a plan that is based on the premise of execution.

- We are determined to achieve our numerical targets of 100 billion yen in operating profit, an ROE of 10% or more, and a PBR of 1.0x or more by fiscal year 2030, and aim to improve corporate value in the medium to long term.

[Our Purpose]


Our Purpose
Our purpose is to bring
“finance” closer to everyone.
By committing
to each and every person,
we brighten up everyday lives
with peace of mind and smiles.

【Q&A】

■Mizuho Securities Analyst Sakamaki

Q１. Regarding this term's plan, please explain the factors contributing to the expected decrease in profits. In particular, please tell us the total cost, including depreciation and one-time expenses related to the operation of the new system, and the amount allocated to growth investments under the new medium-term management plan.

（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）

A１. We are forecasting an operating profit of 45 billion yen, a decrease from previous years. As we have explained, we are currently preparing a core system for our domestic credit card business. This system is expected to be operational from the second quarter. Preparations are progressing smoothly, and we will soon announce when the system will be operational. The 45 billion yen operating profit plan for this fiscal year includes approximately 15 billion yen in costs related to the operation of the core system. The costs of data migration, which will be incurred temporarily, will be processed in the current fiscal year, which is a unique feature of fiscal year 2026. The securities report includes the year-end balance of non-operational assets related to this core system. The amortization period is not uniform, and for major components, it is expected to exceed 10 years in some cases. We have included slightly over 2 billion yen in domestic system-related costs, mainly for AEON Pay and AI, and we consider these to be investments that will be used to improve operations and expand our customer base.

Q２. Regarding cost structure reform. You plan to reduce costs by a total of 36 billion yen over five years. Will this be due to personnel costs? If there are other areas where reductions will be made, I would like to know. If it's only personnel costs, it will be about a 20% reduction compared to FY2025, but is this a gross reduction? I would appreciate an explanation on how the reductions are planned.

（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）

A２. The reductions are due to ATM operating costs other than personnel expenses and the elimination of unprofitable products. The company has indicated that it will reduce the personnel cost ratio to 12%, which will be achieved by reducing the workload through the use of AI, equivalent to a reduction of approximately 3,200 people, and reallocating personnel to priority areas. The plan is to achieve a personnel cost ratio of 12% by maintaining a pace of wage increases and promoting stable employment and training without increasing the total number of personnel, while maintaining high productivity.

■JP Morgan Securities Analyst Sato

Q１. Regarding the factors contributing to the projected decrease in profits for this fiscal year. While I understand the increase in costs, given the growth in the top line and the full-year effect of the revolving credit rate revision, I believe there are other factors contributing to the projected decrease in profits. If there are any that were not mentioned earlier, I would like to know. Shopping revolving credit and installment balances did not increase significantly in Q4 of FY2025, but to what extent do you anticipate an increase this fiscal year?

（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）

A１. The revision of the revolving credit fee rate took effect from the December billing period of last year, and its effect will extend to the entire fiscal year. We have also factored in the increase in revenue due to the increase in domestic stock receivables. We also plan for cash advance balances to increase and will contribute to this. We are aware that the increase in operating receivables balance in Q4 of FY2025 was weak, but since its launch in FY2025, we have been able to acquire new installment payment users. The continued use by these individuals will contribute to the expansion of our receivables balance, so we are currently working to ensure that growth does not stagnate.

On the other hand, we anticipate an increase in interest expenses due to rising deposit interest rates. Investment costs for AI and other technologies are also contributing factors to the increase. In summary, this fiscal year's expenses will increase due to one-time costs related to the operation of the core system, procurement costs such as deposit interest, and investment costs for AI and other technologies. Excluding the one-time costs related to system operation, we anticipate increased profits domestically, and we aim to see profits quickly. We anticipate a balance growth of over 10% for shopping revolving credit and installment payments.

Q２ The consolidated operating receivables balance is planned to expand significantly from 5.6 trillion yen to 9.4 trillion yen over the five-year period of the medium-term management plan. Calculations show that the financial leverage, which is the ratio of operating receivables balance to equity, will increase considerably. Do you believe this is acceptable? Given the statement about building a revenue base that does not depend on securitization gains, we would like to hear your thoughts on leverage strategy and securitization over these five years. Does this fiscal year's operating profit of 45 billion yen not include securitization gains?

（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）

A２. Given the interest rate environment, we recognize that it is not yet in the phase to continuously implement securitization of receivables. Our strategy is to steadily increase the outstanding balance of operating receivables. While we position securities investment as an investment of surplus funds, we will reduce our dependence on it and focus on domestic and international secured and unsecured loans to customers. The capital required for this is leverage. I mentioned that the proportion of domestic long-term loans is increasing at AEON Bank, but this does not affect capital due to the long duration of receivables. Furthermore, we are planning for securitization gains for this fiscal year to be lower than those of FY2025.

■Mitsubishi UFJ Morgan Stanley Securities Analyst Takemura

Q1. I am in would like to ask about the company's own payment transaction volume, outstanding receivables from individual customers, and outstanding receivables from the three overseas listed companies. While the company's own payment transaction volume was up 3% year-on-year in FY2025, the medium-term management plan projects a CAGR of 14%. Similarly, outstanding receivables from individual customers were up 5% year-on-year in FY2025, but are projected to increase at a CAGR of 7%. Since these are expected to contribute significantly to the plan, I would like to hear your thoughts on the outlook from a probability perspective.

（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）

A１. Domestically, we will increase the number of AEON Pay IDs to 60 million. Leveraging this customer base, and taking into account sales strategies and projected increases in transaction volume, we have set a target for FY2030. Currently, our company is lagging behind the growth rate of cashless payments in the domestic market, but we plan to increase our market share starting with AEON Pay. We believe that achieving an annual transaction volume of 19 trillion yen for our own payment system by fiscal year 2030 will place us in the top 5 in the industry, and we will consider sales strategies while being mindful of our positioning in the industry.
Regarding lending, we aim to create a system where AEON Pay is the first thing that comes to mind when funding needs arise, thereby acquiring new customers, including younger generations, through a combination of existing and new products. To this end, we renewed the UI/UX this week to improve the visibility of AEON Pay.
Regarding overseas operations, we believe that leveraging the overall synergies of the AEON Group, backed by high economic growth, will lead to an increase in outstanding accounts receivable.

Q２. Regarding the concept of financial leverage, the cumulative shareholder return over the next five years will be 70 billion yen, the total amount of new investments is 250 billion yen, and the cash outflow is 320 billion yen. In addition, there is an increase in working capital, so we understand that financial leverage will not decrease. Is there any discrepancy in this understanding? We are concerned about cash flow from the perspective of dividend payout ratio, so we would appreciate your explanation.

(Kazumasa Oshima, Executive Officer in charge of Finance and Accounting and General Manager of the Finance and Accounting Division)

A２ Your understanding is generally correct. Although there are differences in increases and decreases from company to company, we anticipate a slight increase in consolidated financial leverage. However, we believe that there are no issues with cash flow. This fiscal year, expenses related to the operation of the domestic core system will be a factor that will lower profits for several years from 2026, but these expenses include non-cash expenses such as depreciation. When viewed from the perspective of operating cash flow that takes these into account, we believe that we can secure sufficient funds to implement shareholder returns, including dividends. In addition, we recognize that there are assets that are not being fully utilized, mainly in overseas businesses, and we will improve capital efficiency by optimizing the entire group going forward. In FY2026, the dividend payout ratio is expected to exceed the target of 30% to 40% due to the impact of the profit level, but thereafter, in accordance with the progress of the medium-term management plan, we plan to converge it to the target level of 30% to 40% as profits increase.

■SBI Securities Analyst Ootsuka

Q１. Regarding the approach to extraordinary gains and losses, tax rates, and minority interests in the upcoming medium-term management plan.
The plan for FY2030 projects an operating profit of 100 billion yen and a net profit of 58 billion yen. Compared to past trends, the losses leading up to the net profit appear significant. I would like to ask if there will be a shift in the approach to operating profit and below. Will extraordinary losses like those seen in the past not occur in this plan?

（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）
A１. At this point, the medium-term management plan does not incorporate any specific extraordinary losses. In the past, there have been instances where losses from the sale of shares and impairment losses occurred, resulting in a large difference between operating profit and net profit. However, this plan is formulated based on past performance and the average structure over the past five years.
Regarding non-operating income and expenses and extraordinary gains and losses, neither anticipates any particularly abnormal values or one-time losses; they are based on levels expected within the scope of normal business activities. Furthermore, we are assuming the current tax system and do not anticipate any significant fluctuations. On the other hand, overseas operations are highly volatile, including due to exchange rate fluctuations. Therefore, we believe it is important to appropriately distinguish between costs and losses that should be treated as normal expenses associated with business activities and those that should be treated as extraordinary losses due to one-time events, after carefully assessing their nature.

■Millenium Capital Management Analyst Yaginuma

Q 1. Regarding the plan for ordinary deposit balances. You are projecting a CAGR of +12% over five years, but what assumptions are you making regarding the cost of funding ratio? I would like to confirm the growth rate of deposits and how expenses will be incurred.
（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）

A 1. Over the past year to year and a half, AEON Bank has been able to increase its balances, mainly from time deposits, from customers near AEON stores. In the future, we plan to increase ordinary deposits, mainly for living expenses, through AEON Pay. We have never pursued deposit balances by setting high interest rates on promotional fixed deposits, and we do not plan to do so in the future. With policy interest rates expected to rise, we believe that deposit needs will increase, and therefore we intend to further acquire deposits. We are considering a funding portfolio that focuses on the use of AEON Pay for payments and designing a system where those who hold an AEON Bank account receive the best benefits and services, resulting in an increase in ordinary deposits.

Q 2. Regarding the 5.6 trillion yen KPI for ordinary deposit balances. If the ordinary deposit balance target set as the KPI is not achieved, could this potentially constrain the balance sheet from the perspective of expanding trade receivables and financial leverage?

（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）
A １. Even if ordinary deposits do not progress as planned, we do not believe that it will immediately create constraints that would hinder the expansion of trade receivables. On the other hand, we will closely monitor the impact of changes in the funding structure on the balance sheet and capital efficiency. In expanding our outstanding accounts receivable, we prioritize stable and low-cost financing. We believe that expanding our deposit balance, primarily ordinary savings accounts, is a crucial element in appropriately controlling financial leverage.

■Daiwa Securities Analyst Watanabe
Q 1. How do you view the domestic and international breakdown of the 100 billion yen operating profit for FY2030?

（Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and the New Credit Card System Construction Team, and General Manager of the Corporate Planning Division）
A 1. Domestic and overseas ratio is expected to be 4:6, or even higher for overseas. Overseas growth is mainly driven by the stable growth of our three listed companies and the growth contributions of Vietnam and Cambodia. Domestically, we are increasing profit levels by creating capital through cost structure reforms, and our outstanding accounts receivable, including loans, contribute to profits.

Q 2. Regarding shareholder returns. While you stated that you "fully recognize expectations for shareholder returns" during the third-quarter earnings announcement, the annual dividend remained unchanged at 53 yen per share. The company has set a target of 70 billion yen in cumulative shareholder returns over the past five years. If profits do not grow, will the dividend amount be maintained under the policy of a dividend payout ratio of 30% to 40%? Or will the 70 billion yen figure be kept in mind? I would like to ask about your thinking regarding the dividend amount.

(Kazumasa Oshima, Executive Officer in charge of Finance and Accounting and General Manager of the Finance and Accounting Division)
A 2. Regarding the FY2025 dividend, profit levels were as initially projected, and the dividend was kept unchanged. While profit levels are expected to temporarily decline this fiscal year compared to FY2025, the dividend amount is expected to remain unchanged. Furthermore, our performance forecast, particularly regarding overseas business, uses conservative exchange rate assumptions. Therefore, depending on future exchange rate trends and business progress, profits may exceed the plan. In that case, we may review the dividend based on performance trends from the interim period onward. Our approach to shareholder returns is based on a policy of aiming for a dividend payout ratio of 30% to 40%, and we intend to implement the 70 billion yen in shareholder returns we have set for the past five years in line with this dividend policy and the progress of our business performance. We will continue to aim for stable and sustainable dividends.