

FY2025 1Q IR Presentation Material

July 31, 2025



AEON Financial Service

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

Revision of the Financial Results for FY2024

- Regarding PTF, we confirmed that the allowance for doubtful accounts was understated prior to the acquisition of our stake.
- We revalued PTF's assets and have revised the figures for previous years, recording a goodwill impairment loss of ¥3.8 billion.

	Revised consolidated performance	YoY	Difference from 4/10 announcement	Domestic	YoY	Global	YoY
Operating Revenue	533.2 bn	110 %	—	313.1bn	107 %	222.5bn	115 %
Operating Profit	61.4 bn	123 %	—	22.2 bn	191 %	38.7 bn	101 %
Ordinary profit	62.5 bn	122 %	—	—	—	—	—
Profit attributable to owners of parent	15.6 bn	75 %	▲3.8 bn	—	—	—	—

- 1 Outline of the Financial Results for the First Quarter of FY2025
- 2 Priority Measures
- 3 Forecast of Business Performance and Dividends for FY2025
- Appendix

The Highlights of the Consolidated Results

	Consolidated	YoY					FY2025 Forecast	Rate of progress
			Domestic	YoY	Global	YoY		
Operating Revenue	136.5 bn	107 %	81.1 bn	108 %	56.3 bn	106 %	570.0 bn	24 %
Operating Profit	12.9 bn	85 %	3.4 bn	55 %	9.4 bn	107 %	57.0 bn	23 %
Ordinary profit	13.8 bn	87 %	—	—	—	—	57.0 bn	24 %
Profit attributable to owners of parent	4.3 bn	72 %	—	—	—	—	21.0 bn	21 %

First Quarter Summary of Consolidated Financial Results

Expanded customer base both domestically and overseas, with consolidated valid IDs reaching 56.45 million (+730,000 from the beginning of the period)

Increased revenue due to increased transaction volume and trade receivables, but an increase in financial expenses as well

Improvement of asset profitability

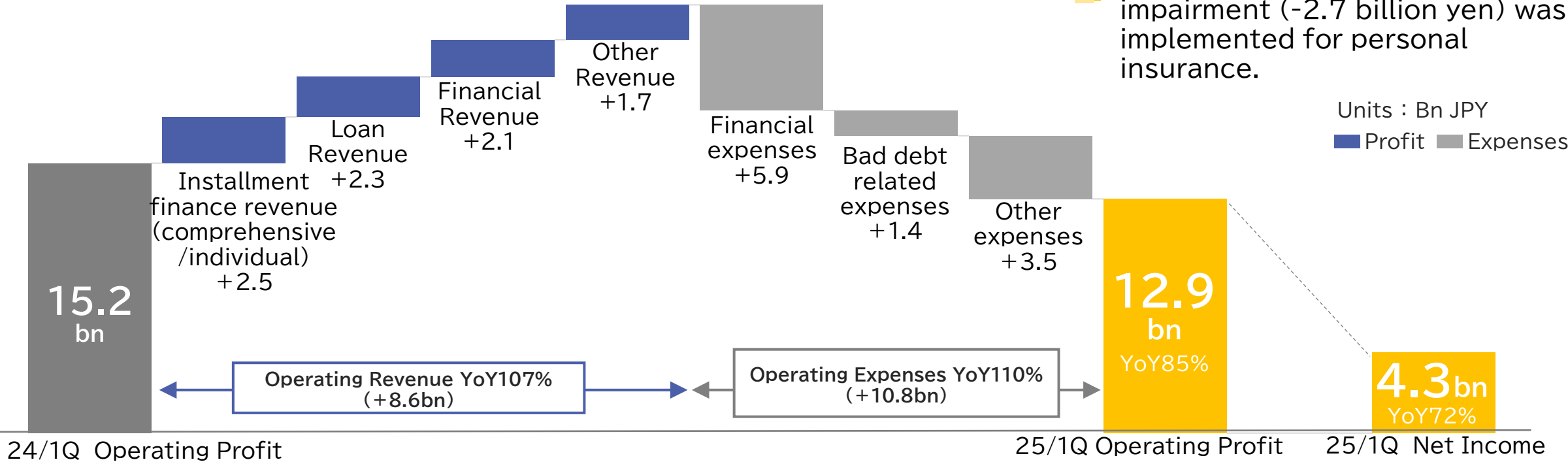
- Steady expansion of receivables balance* contributing to profits
- Domestic : 758.2bn (YoY101%)
Global : 1,029.0bn(YoY107%)

Improvement of productivity

- Suppression of increase in bad debt-related expenses
- Increase in financial expenses, but promotional expenses down 2 billion yen due to emphasis on efficiency

Review of business portfolio

- On July 1, the transfer of AEON Allianz Life Insurance Co., Ltd.'s shares to Meiji Yasuda was completed.
- Prior to the transfer, a system impairment (-2.7 billion yen) was implemented for personal insurance.



24/1Q Operating Profit

25/1Q Operating Profit

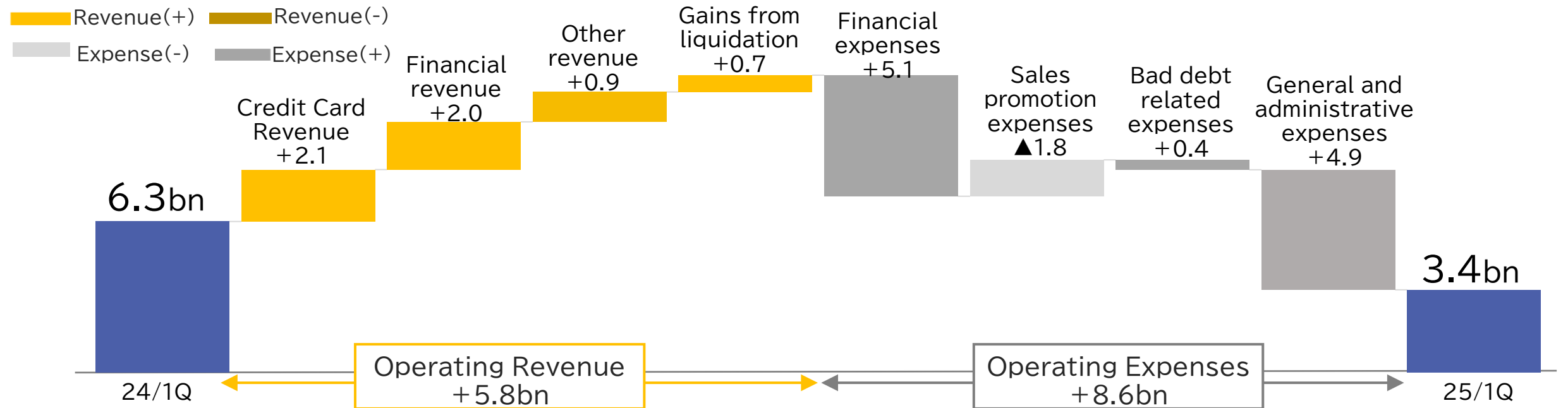
25/1Q Net Income

*Listed receivables balance is after liquidation.
*High-yield operating receivables: domestic revolving/installment loans, cash advances, unsecured loans, and receivables in international business

Domestic Business

[Domestic] Breakdown of Operating Profit

- Financial expenses included an increase in deposit interest and a loss of 1.3 billion yen due to the rebalancing of government bonds, etc.



Main Factors

[Operating Revenue]

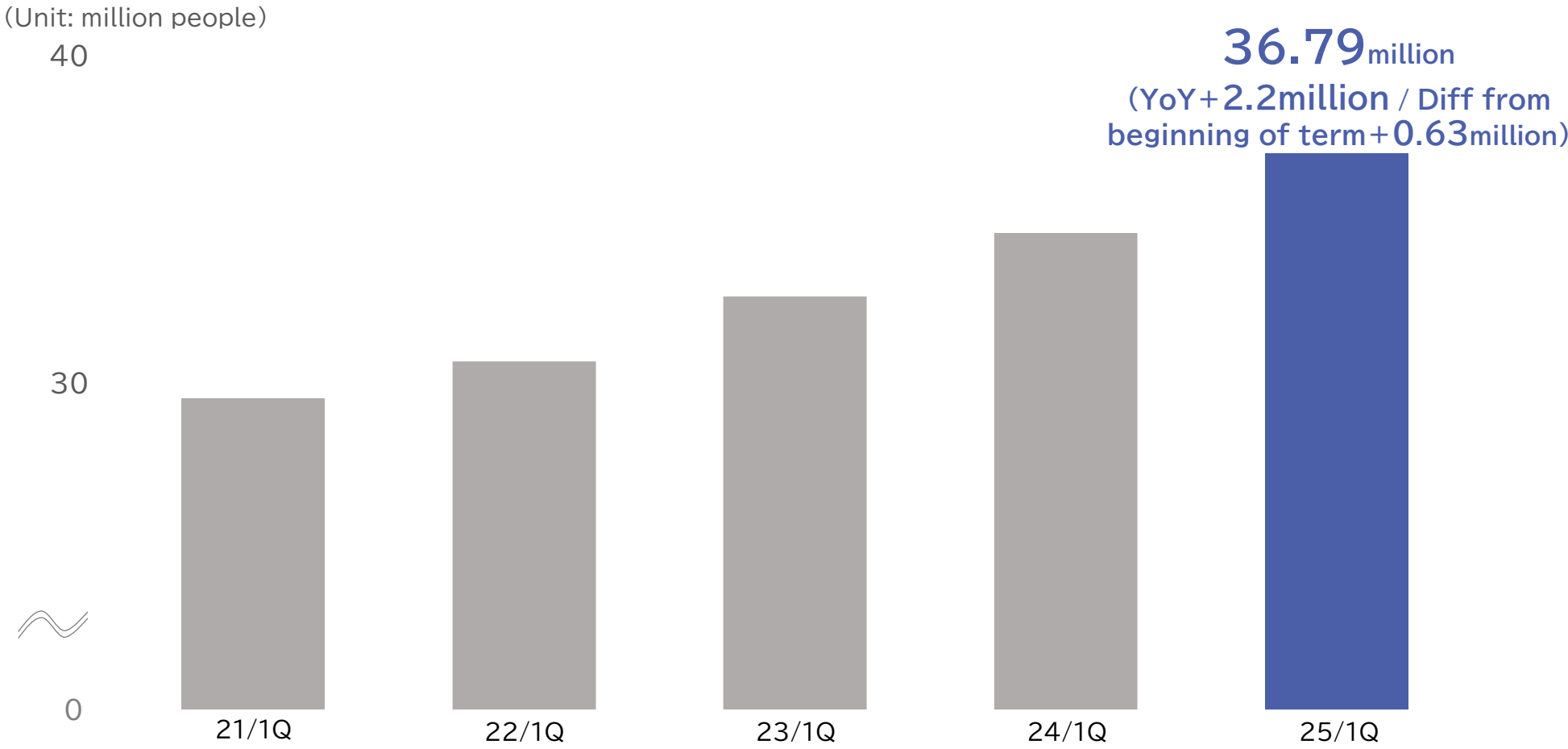
- Credit Card revenue +2.1
(Credit card business +1.6, Financing +0.5)
- Financial revenue +2.0
(Interest and dividends +1.9, Interest on loans +0.4)
- Other revenue +0.9
(Insurance revenue +0.6)

[Operating Expenses]

- Financial expenses +5.1
(Deposit interest +3.3, Rebalancing of government bonds +1.3)
- Sales promotion expenses ▲1.8
(Improving the efficiency of sales promotion expenses)
- General and administrative expense, etc. +4.9
(System operation costs +1.6, Personnel expenses +0.7, Insurance expenses +0.7)

[Domestic] Valid ID Status

- Valid IDs are expanding, with AEON Pay recharge payment members at the center (Diff from beginning of term : +0.63 million)



*Valid ID: Number of customers using services such as AEON Card, AEON Pay, AEON Bank account,
*If there are duplicate members, the names will be collated and tabulated.

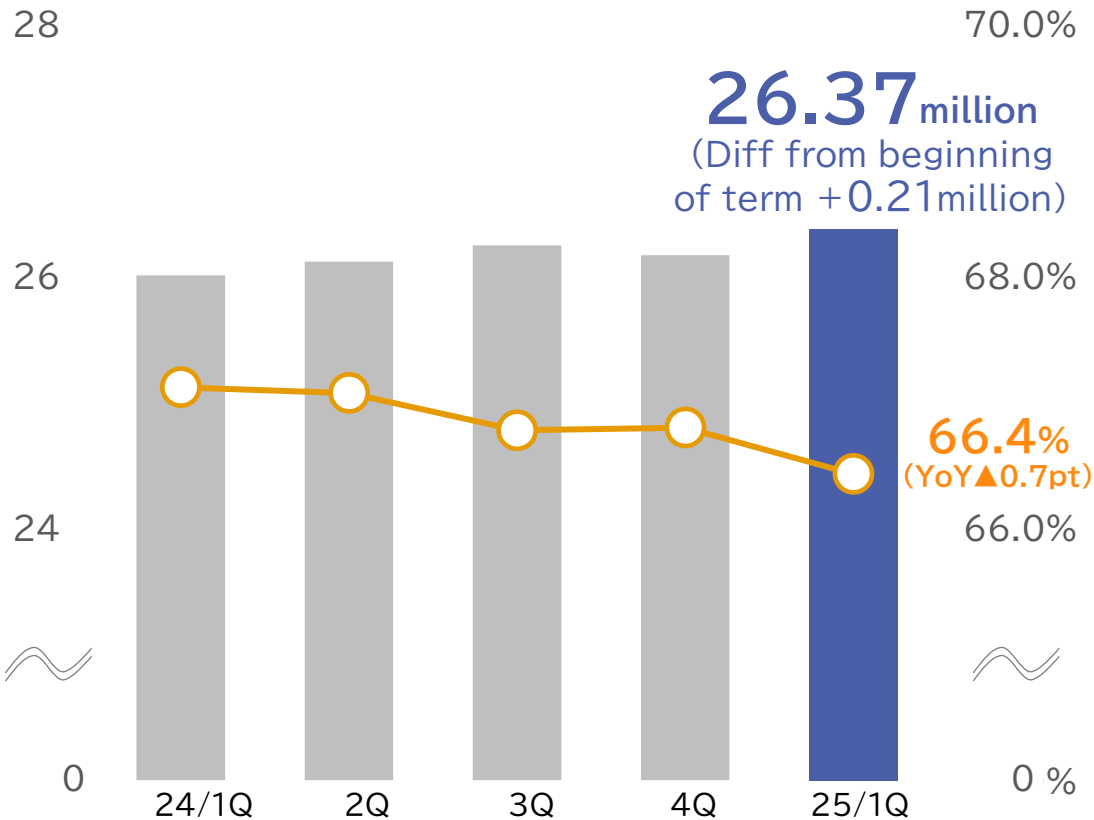
[Domestic] Credit card・AEON Pay

Productivity
(Revenue growth)

- The number of new card members was 380,000 (92% YoY), and the number of valid IDs increased by 210,000 from the beginning of the fiscal year.
- AEON Pay is expanding its use to convenience stores and other locations, and the number of members has grown to 8.75 million.

No. of active domestic cardholders/utilization rate

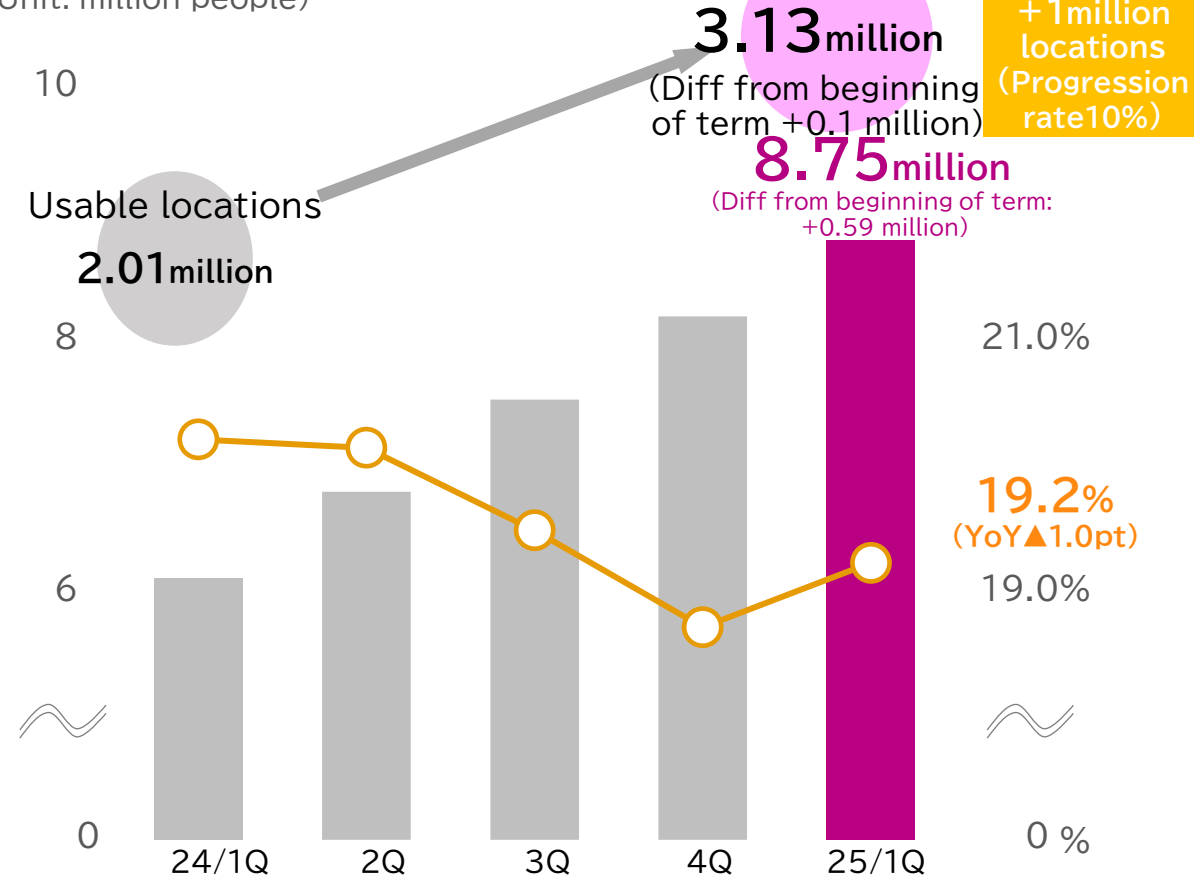
(Unit: million people)



AEON Financial Service Co., Ltd.

No. of AEON Pay members and available locations

(Unit: million people)



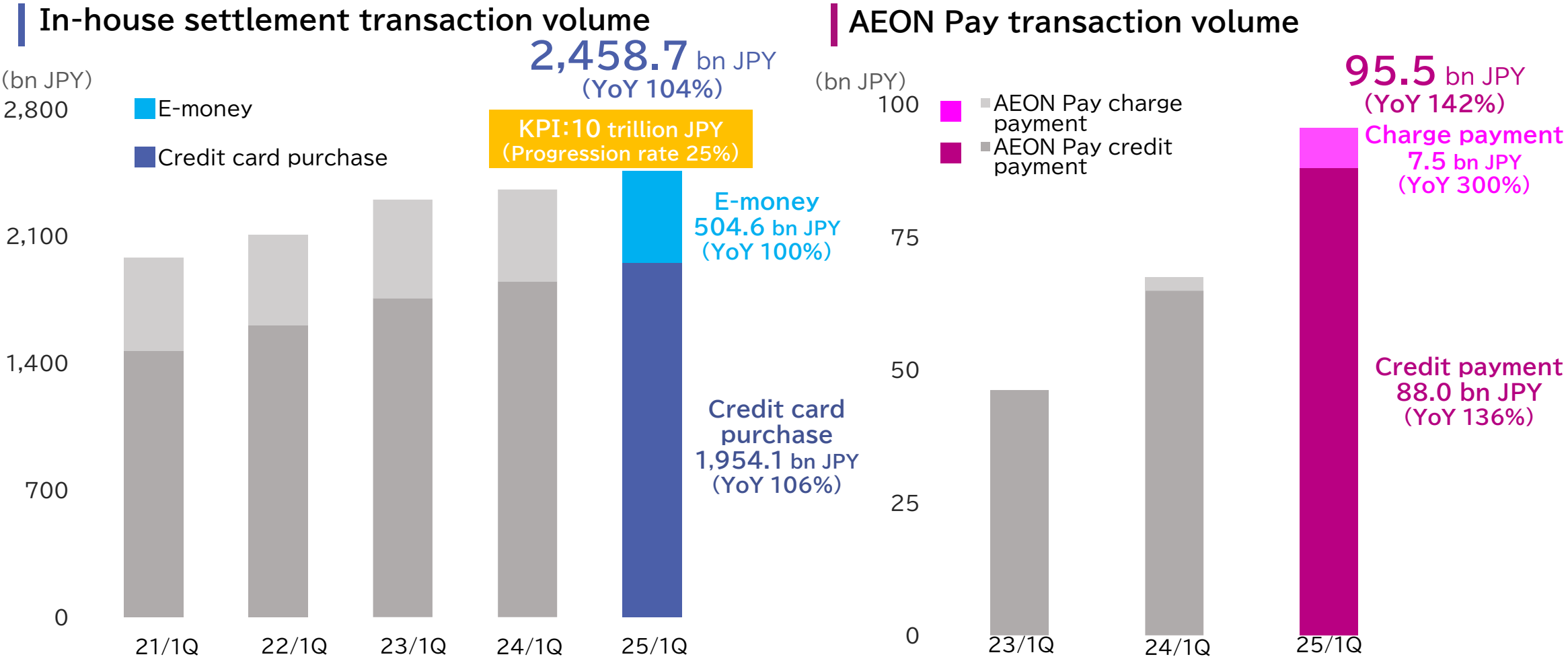
KPI:
+1million
locations
(Progression
rate10%)

※Change in calculation method for memberships. Under the previous method, the number would be 12.42 million (+0.97 million from the beginning of the period).

[Domestic] In-house settlement transaction volume

Productivity
(Revenue growth)

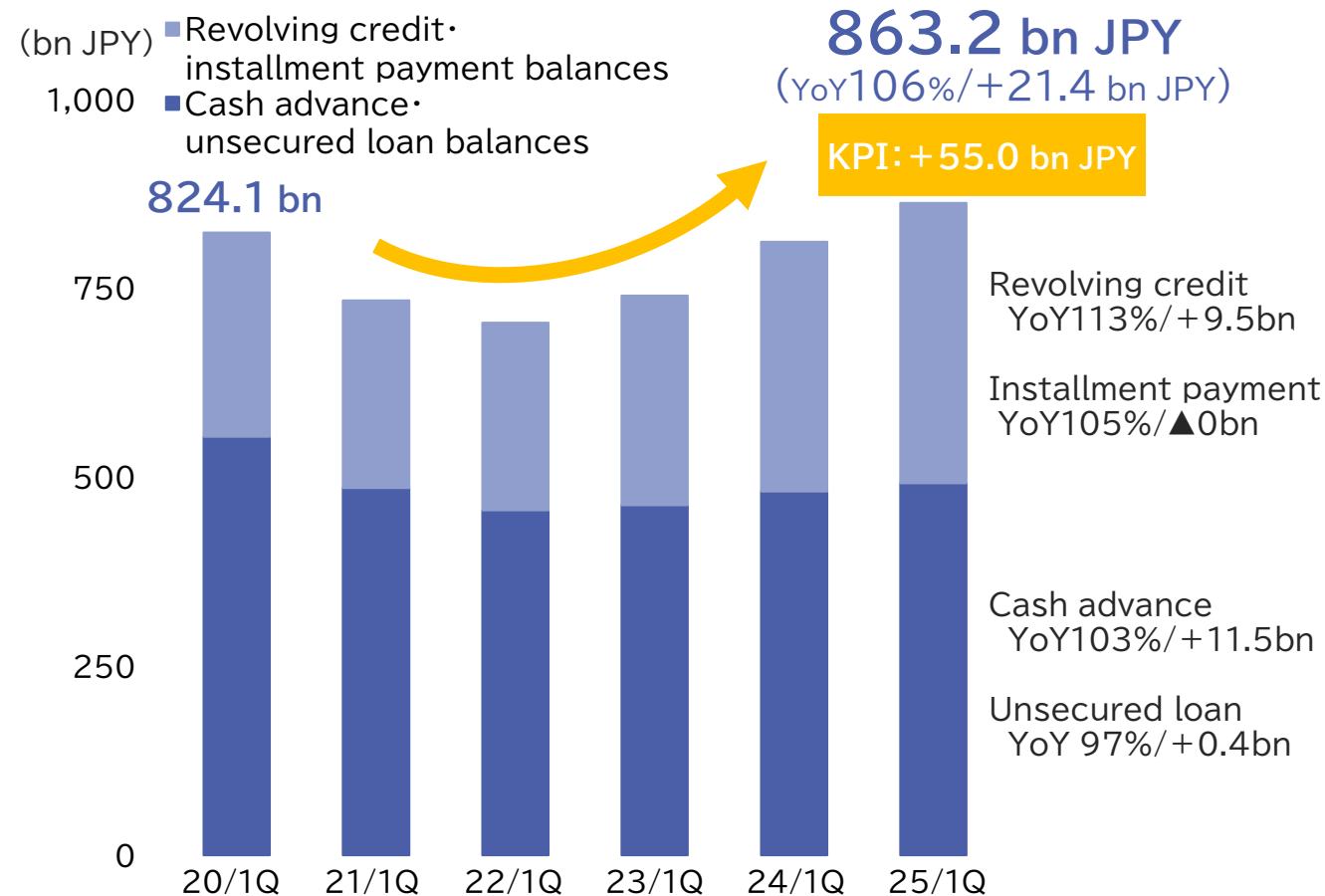
- The promotion of credit card benefits launched last year and the promotion of AEON Pay usage contributed to increased transaction volume



[Domestic] Building a foundation for stock income

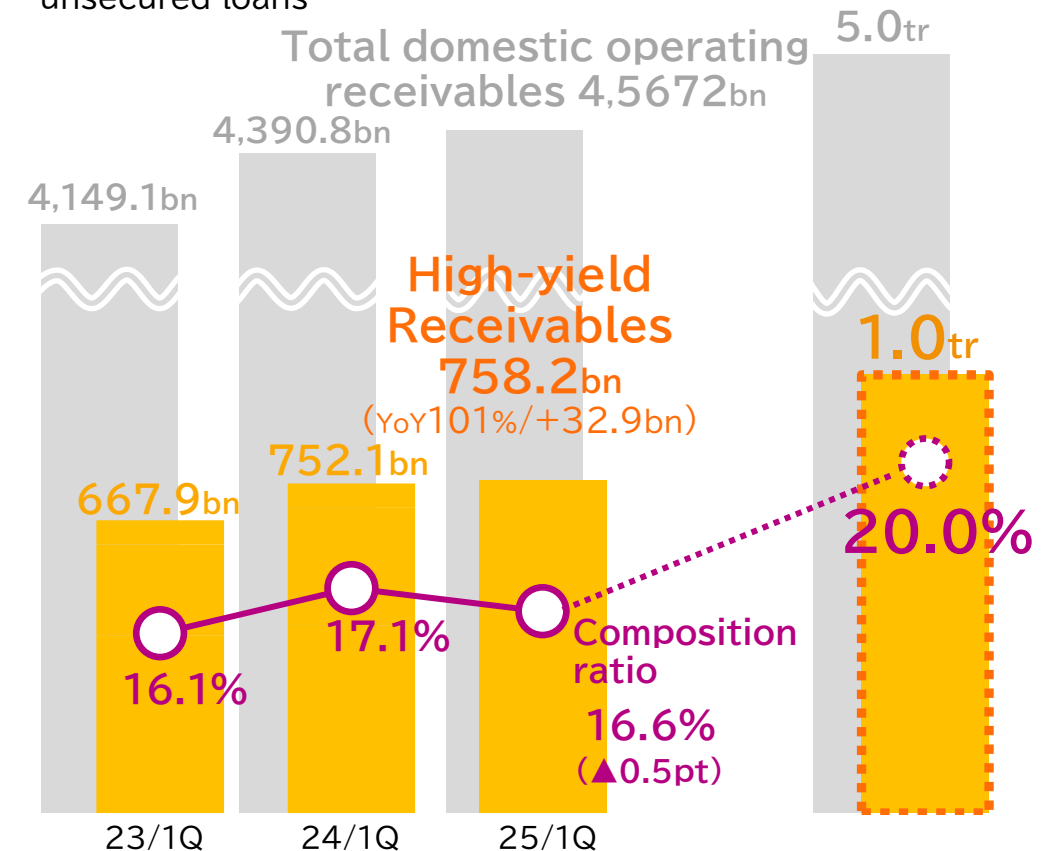
- Accumulation of high-yield receivables to build a profit base is progressing smoothly toward the end-of-period balance KPI of +55 billion yen

Balance before securitization



Ratio of high-yield loans and balances (after implementation of securitization)

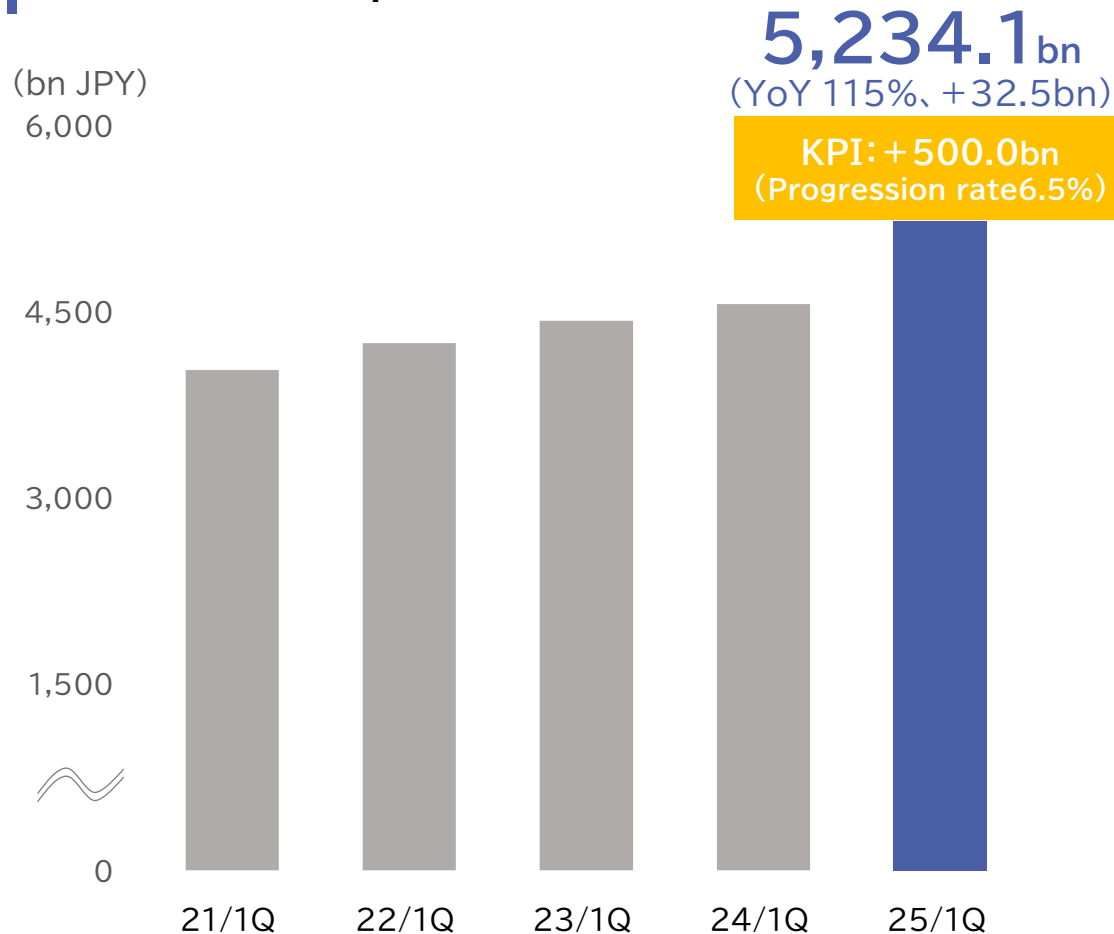
※High-yield loans: revolving credit, installment finance, cash advances, unsecured loans



[Domestic] Banking Business

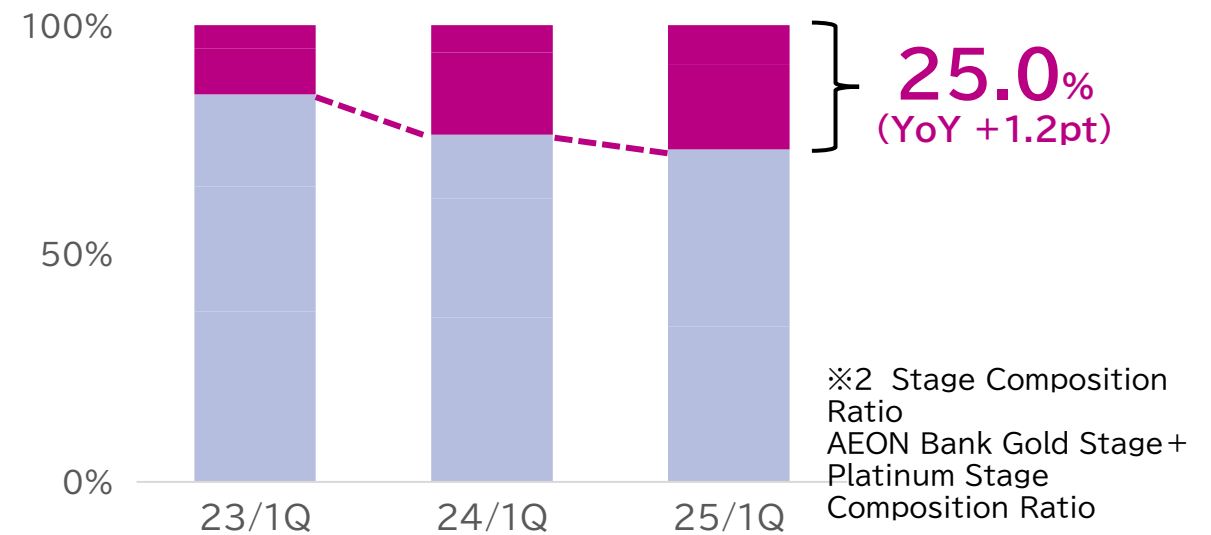
- Deposit balances increased 115% YoY, driven by strong performance from high-value fixed term retirement savings accounts.
- We are promoting the creation of accounts used in daily life, and acquiring ordinary deposits.

AEON Bank Deposit Balance



Promoting the creation of accounts used in daily life

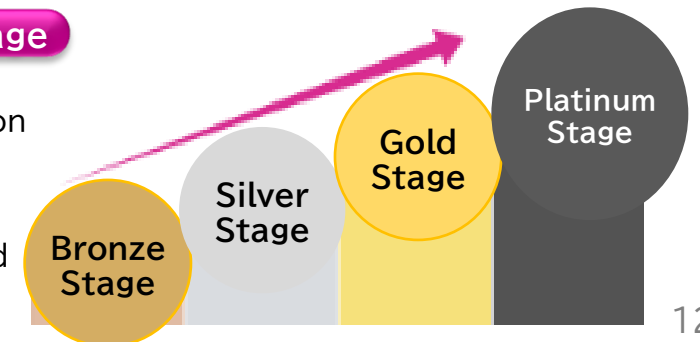
“AEON Bank My Stage” ※1 Rankings ※2 Composition Ratio



※1 AEON Bank My Stage

Preferential treatment system based on transaction details

- ①Credit, WAON use history
- ②Housing loans/Unsecured loans
- ③Salary/pension accounts

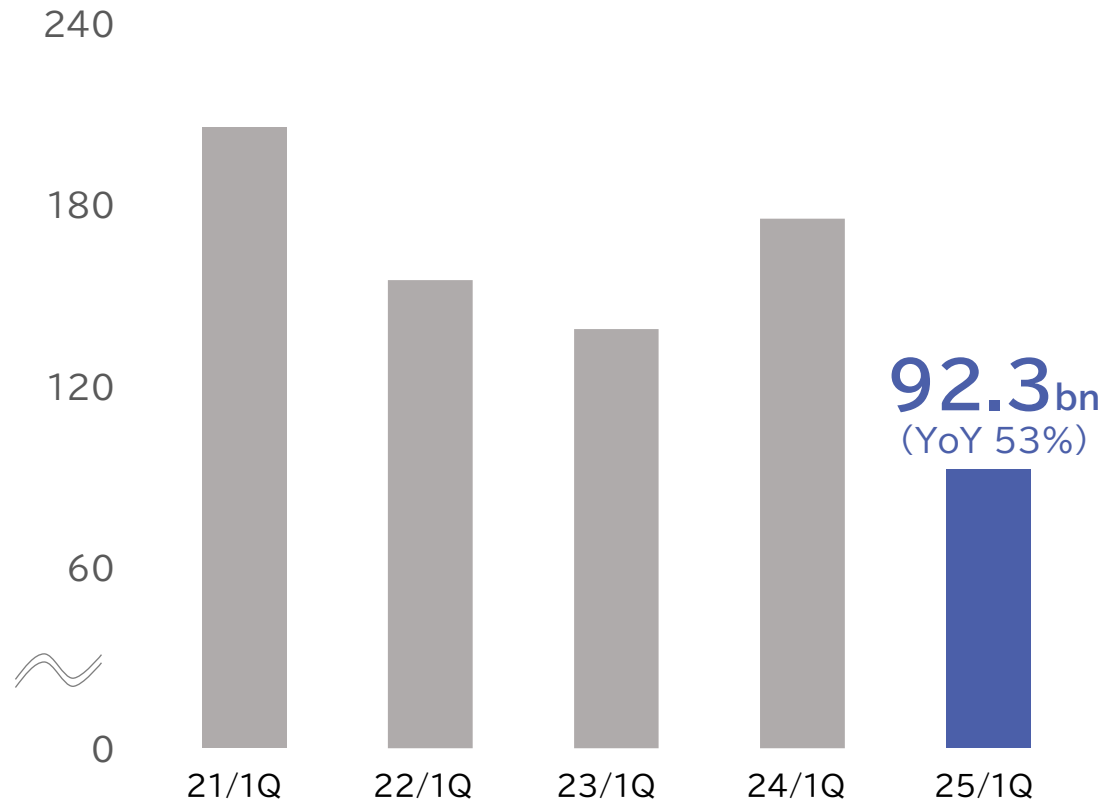


[Domestic] Housing Loans

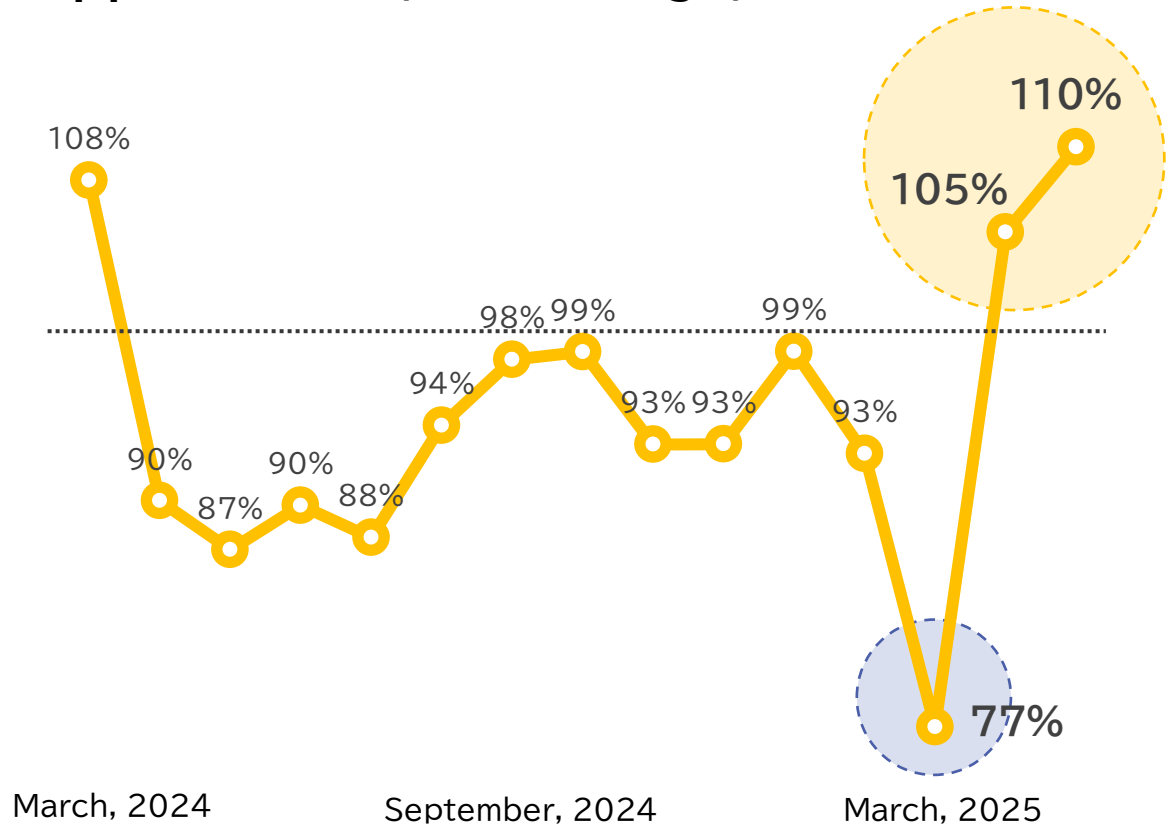
- Due to the interest rate revision in March, the interest rate difference with competitors widened, and the amount of housing loan transaction volume was 53%YoY.
- From April, we started handling loans over 35 years. The number of advance applications has been higher than the previous year since April.

Housing Loan Transaction Volume

(bn JPY)



Residential mortgage advance applications (YoY change)



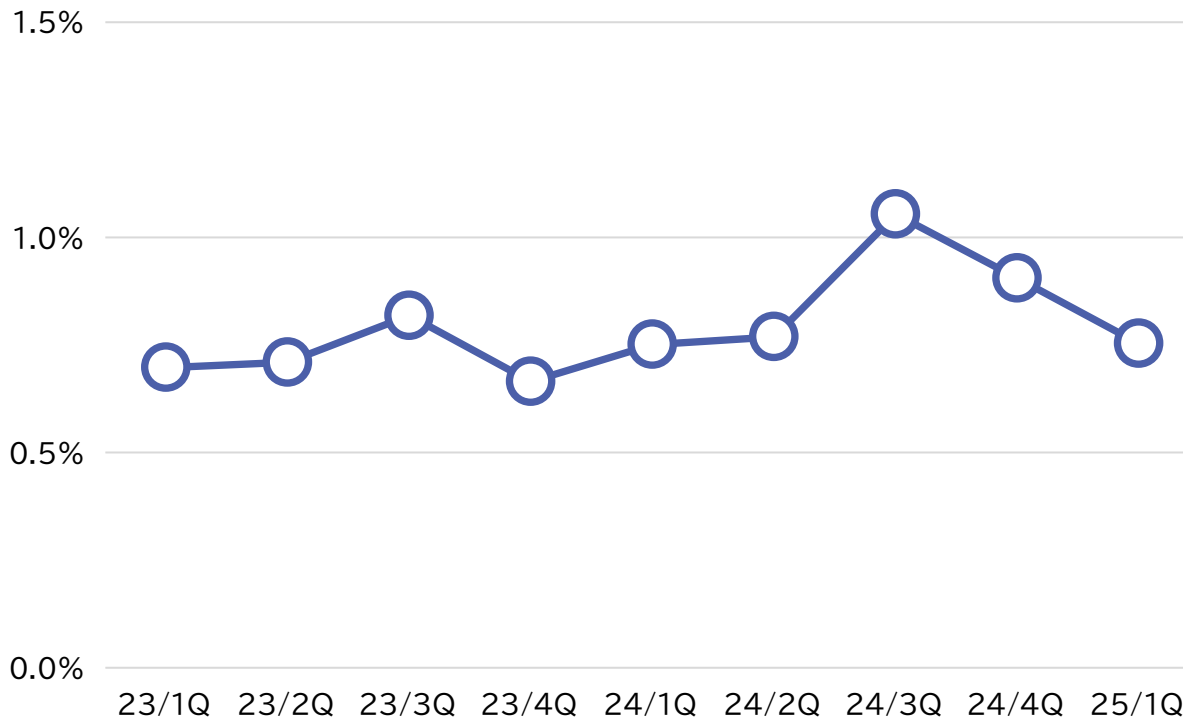
[Domestic] Controlling bad debt related expenses and costs by improving productivity

Productivity
(Cost control)

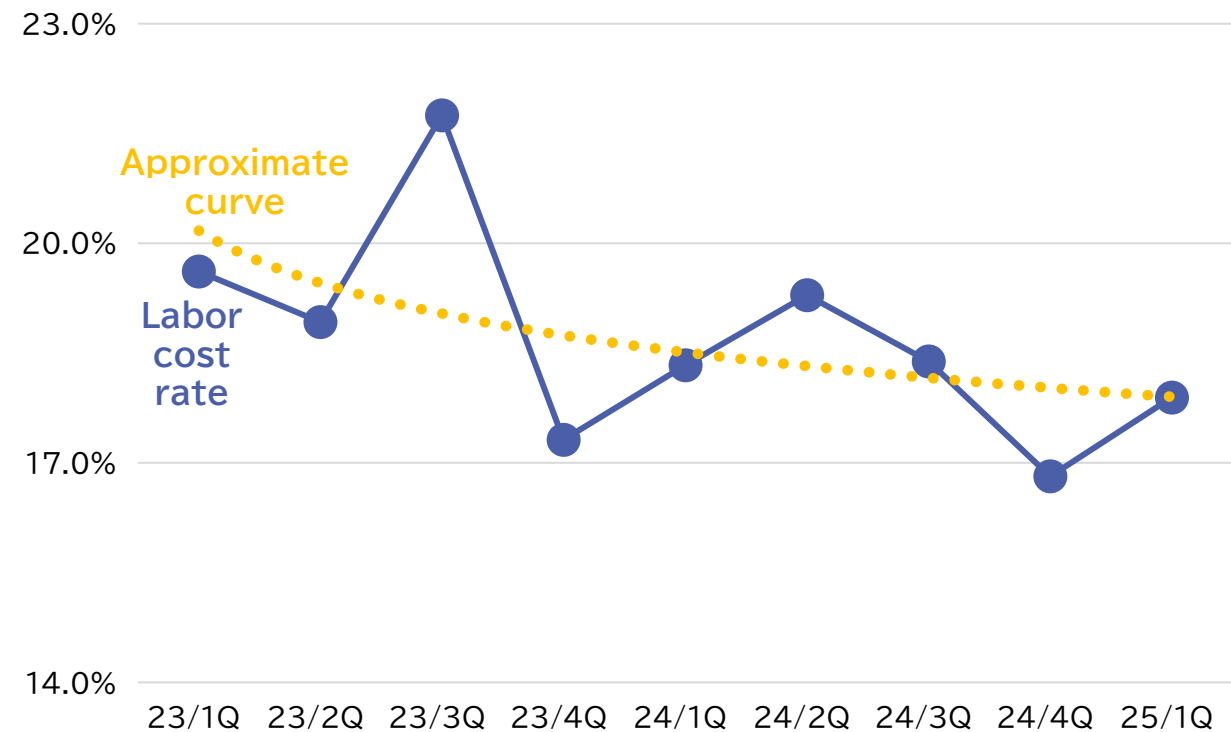
- Bad debt related expense rate declined due to a decrease in compensation for fraudulent use
- Personnel cost rate fluctuated due to securitization gains, etc., but continued to trend downward due to improved productivity

Quarterly trends in bad debt related expense ratio

※Bad debt related expense ratio against the total balance of revolving/installment loans, cash advances, and unsecured loans



Quarterly trends in labor cost rates



Global Business

[Global] Performance Highlights by Segment

- Increased revenue and profits in global business
- In the Malay Area, bad debt-related expenses increased due to the reversal of bad debt-related expenses in the same period of the previous year, but business performance remained steady

	Global business		China Area		Mekong Area		Malay Area	
		YoY		YoY		YoY		YoY
Operating revenue	56.3 bn	106 %	8.4 bn	99 %	24.3 bn	105 %	23.5 bn	110 %
Operating profit	9.4 bn	107 %	2.4 bn	127 %	4.0 bn	156 %	2.8 bn	68 %
<Reference> Bad debt-related exp.	18.1 bn	106 %	1.9 bn	85 %	7.8 bn	89 %	8.2 bn	139 %

Average exchange rate during the period

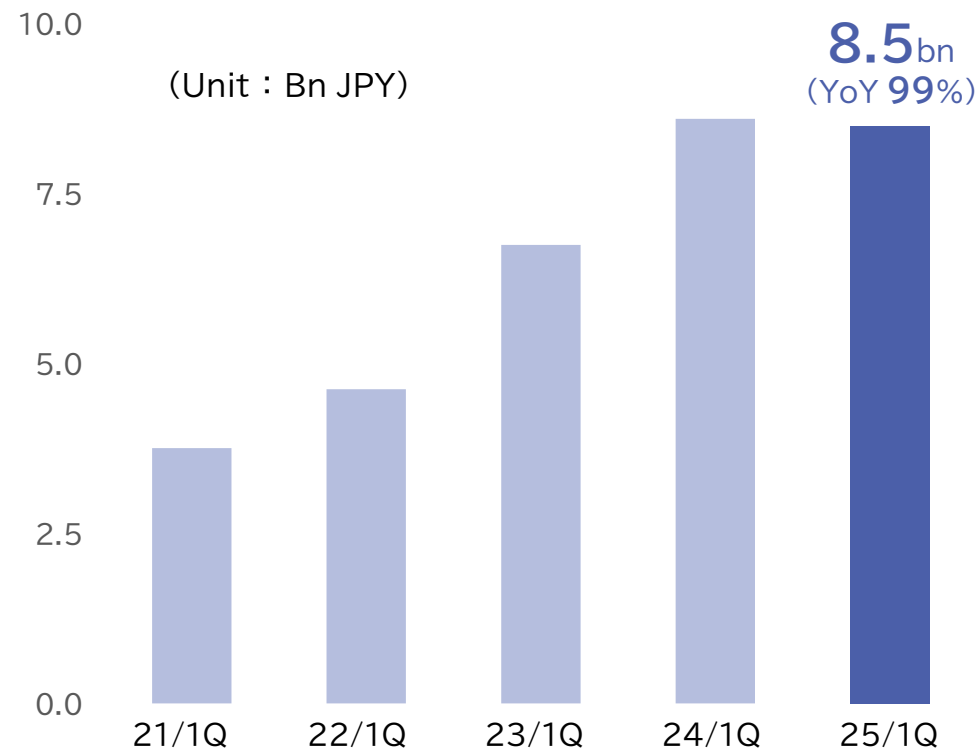
*Figures in () are diff from the same period of the previous year

HKD : ¥18.80 (3.9% stronger yen) THB : ¥4.37 (0.2% weaker yen) MYR : ¥33.57 (0.5% stronger yen)

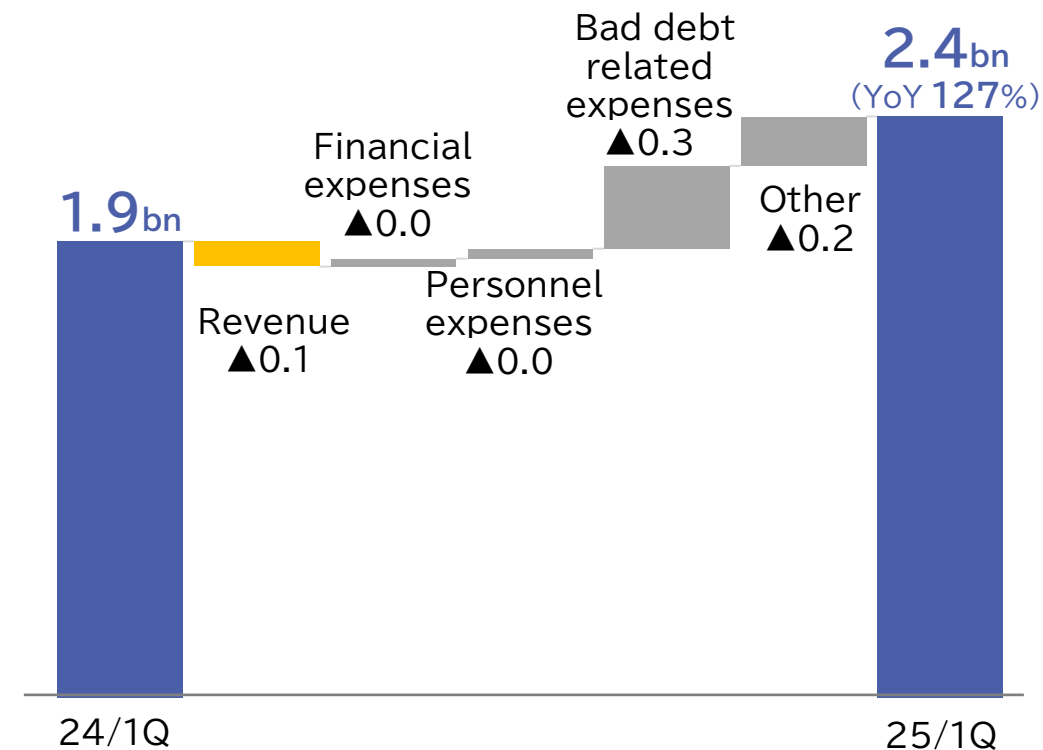
[Global] China Area Performance Highlights

- Revenues remained flat due to strengthened screening and ongoing credit checks, but profits increased due to the decrease of expenses related to bad debts and promotional expenses

Operating revenue



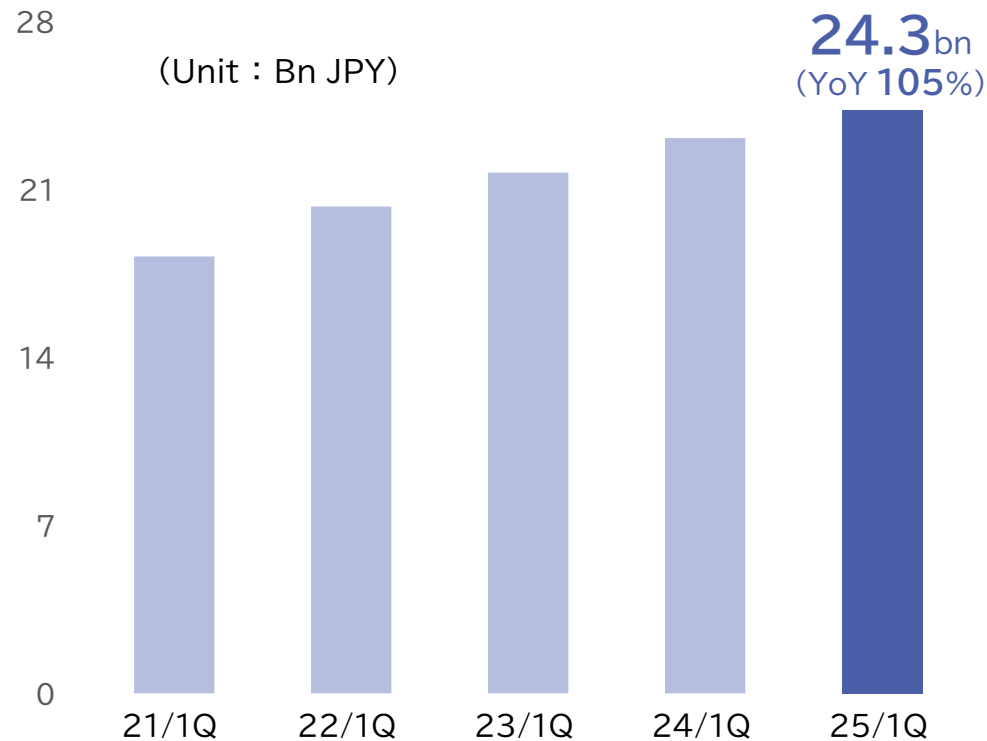
Breakdown of operating profit difference from previous FY



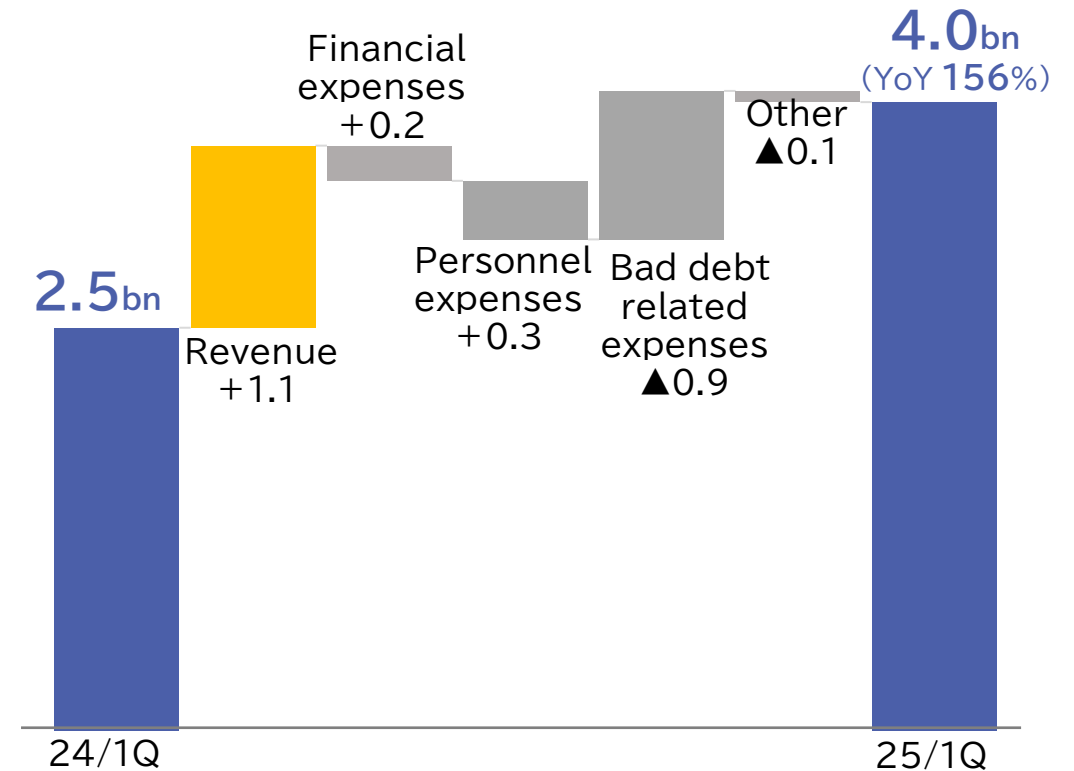
[Global] Mekong Area Performance Highlights

- Thana Sinsap (Thailand) saw a decrease in revenue, but revenue increased in the Mekong Area due to the expansion of the credit card business in Cambodia
- Profits increased due to improvement on preventing bad debt expenses, mainly due to a decrease in receivables balance as a result of stricter credit standards in light of the economic environment

Operating revenue



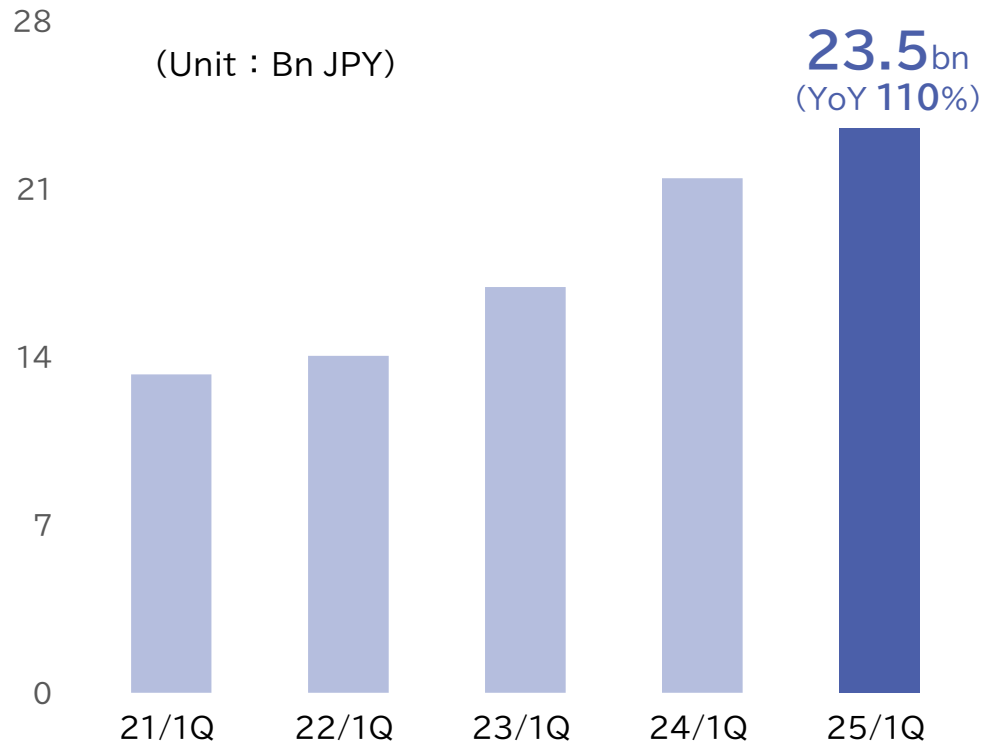
Breakdown of operating profit difference from previous FY



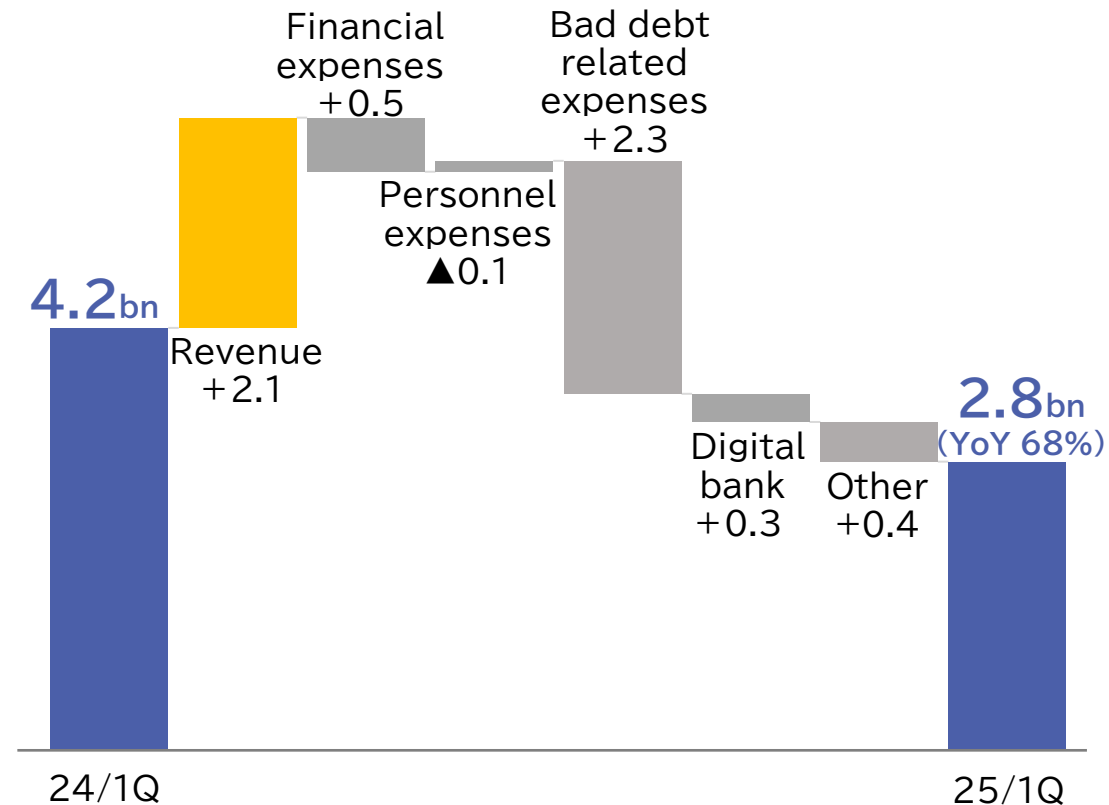
[Global] Malay Area Performance Highlights

- In addition to the installment sales finance, the transaction volume and balance of personal loans increased, and revenues continued to grow by double digits.
- Operating profit decreased due to bad debt related expenses resulting from the expansion of receivables and increased expenses associated with the launch of a digital bank.

Operating revenue



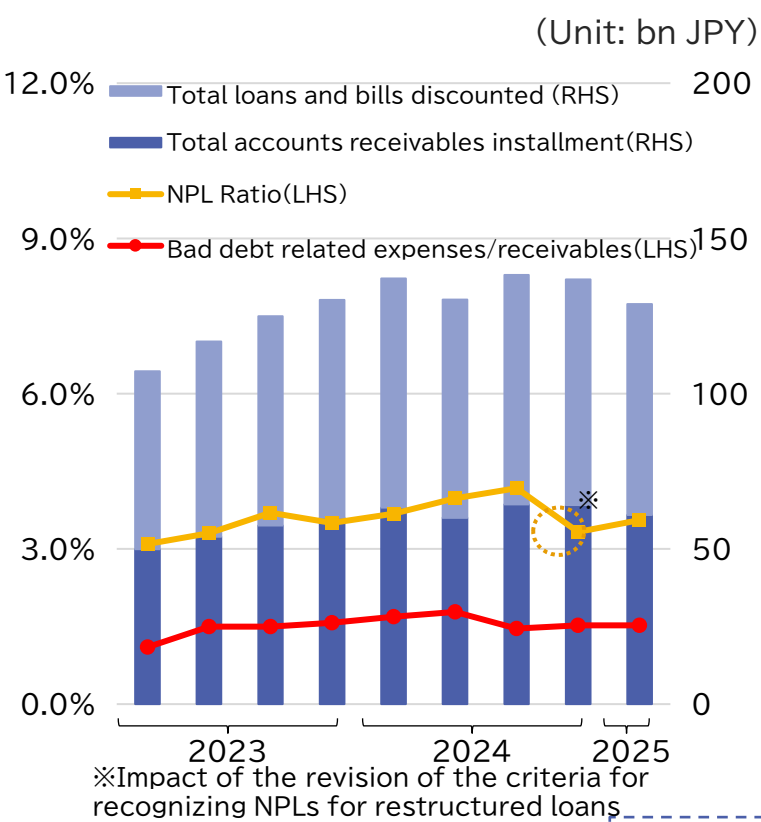
Breakdown of operating profit difference from previous FY



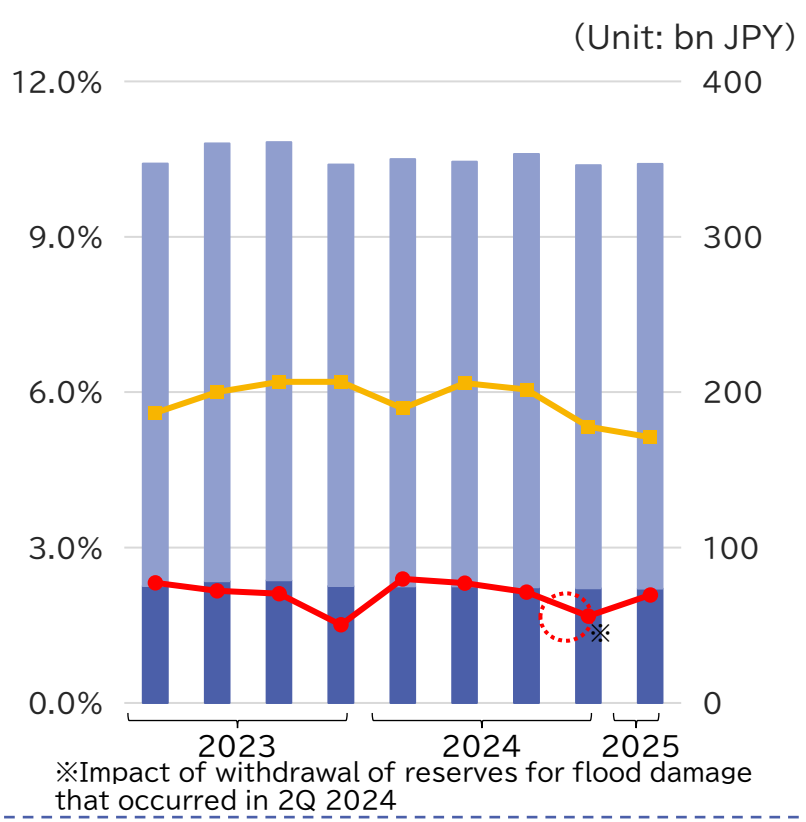
[Global] Balance of Receivables and NPL of Listed Subsidiaries

- ACSA:The number of bankruptcy filings in the market overall remains high, but bad debt expense ratios remain stable due to credit tightening
- AEONTS :The NPL ratio has fallen due to the write-off of past due receivables, but the bad debt expense ratio has risen
- ACSM:The accumulation of receivables balances has progressed well, and the NPL ratio and bad debt expense ratio have risen gradually

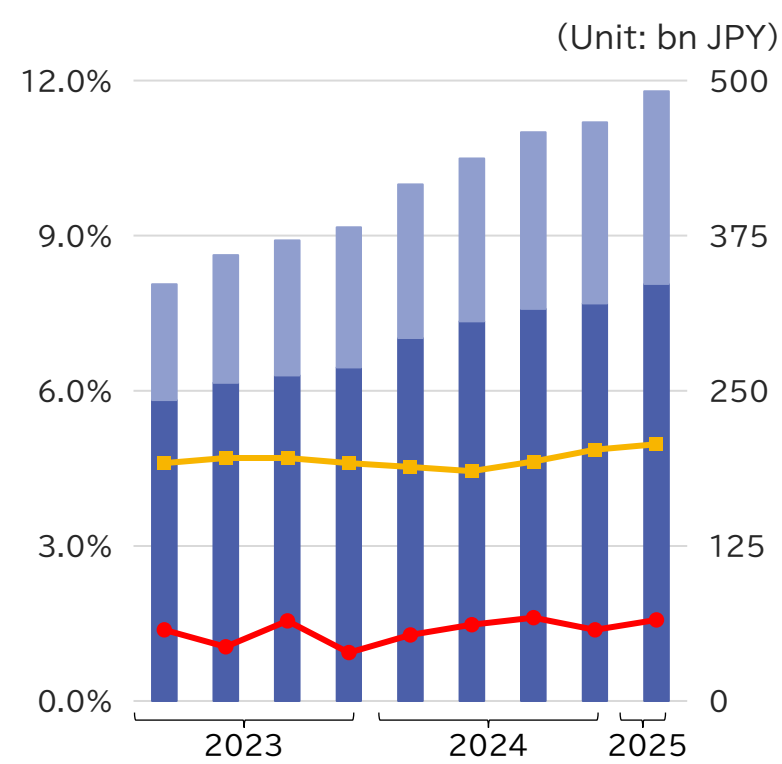
■ ACSA(Hong Kong)



■ AEONTS(Thailand)



■ ACSM(Malaysia)



Term-end rate*Figures in () are the diff from the previous quarter

Strengthening of governance

Initiatives to build a safe and secure user environment

- The number of fraudulent use incidents is decreasing, and the deterrence rate remains high due to strengthened monitoring
- Strengthened security measures, including real-time detection and blocking of phishing sites using AI

Strengthened security systems



Prevention

Real-time detection of phishing sites using AI
Use of 3D Security (SMS delivery, emoji authentication, etc.)



Fraud detection

Continuously improving our AI-based fraud detection system
24/7 monitoring



Strengthening preparation

Strengthening customer support systems, including the establishment of a hotline for consultations
Establishment of departments dedicated to analysis, prevention, and detection measures



External collaboration

Accelerating response time by strengthening cooperation with industry groups and other companies

Building a system for quick response

Strengthening external cooperation to combat phishing fraud



Warning screen display example

July 23, 2013:
Partnership program
signed with Google
Cloud Japan

Strengthening
phishing
countermeasures
using AI and machine
learning

*Google Cloud is a trademark of Google LLC.

AEON Bank's progress in response to the business improvement order

- The improvement plan is progressing smoothly.
- Including for items that have been completed, we will continue to work on improving operations by strengthening our system.

Details of the business improvement order

Foster a sound risk culture that places emphasis on anti-money laundering and terrorist financing measures, establish an effective anti-money laundering and terrorist financing risk management system, and establish appropriate business operations regarding the reporting of suspicious transactions.

Responses

- 1 **Strengthening governance regarding anti-money laundering and anti-terrorist financing**
- 2 **Establishing a system for timely and appropriate reporting of suspicious transactions**
- 3 **Dealing with transactions that were detected by the transaction monitoring system but left unattended without determining whether they were suspicious**
- 4 **Early resolution of outstanding matters in the guidelines**
- 5 **Early release of new system and start of new business operations**

Details of the progress of the business improvement plan can be found on the AEON Bank website.
<https://www.aeonbank.co.jp/company/release/2025/>

Main progress during the 1st Quarter

Strengthening of governance

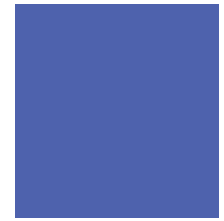
- In order to reaffirm the risks and issues that should be recognized in our business model, we also utilized the knowledge of external experts and reviewed the risk assessment report (March).
- Conducted roundtable discussions between management and employees as well as interviews by executives at all branches with the aim of understanding the situation at the stores, changing awareness, and deepening mutual understanding regarding money laundering and terrorist financing risk management (February-May)

Building a response system

- Continued monthly reporting and verification of KRI performance and trends (from January)
- Reviewed personnel system to secure specialized personnel capable of managing money laundering and terrorist financing risks (April)
- Reviewed organizational structure of anti-money laundering department with the aim of strengthening suspicious transaction reporting system, etc., and added additional personnel according to workload (May)

Education/Training

- Training was provided to anti-money laundering and risk management departments to help them understand their roles and identify issues in the business model (April)
- Training was provided to all employees to help them understand their roles and identify issues in the business model (May)



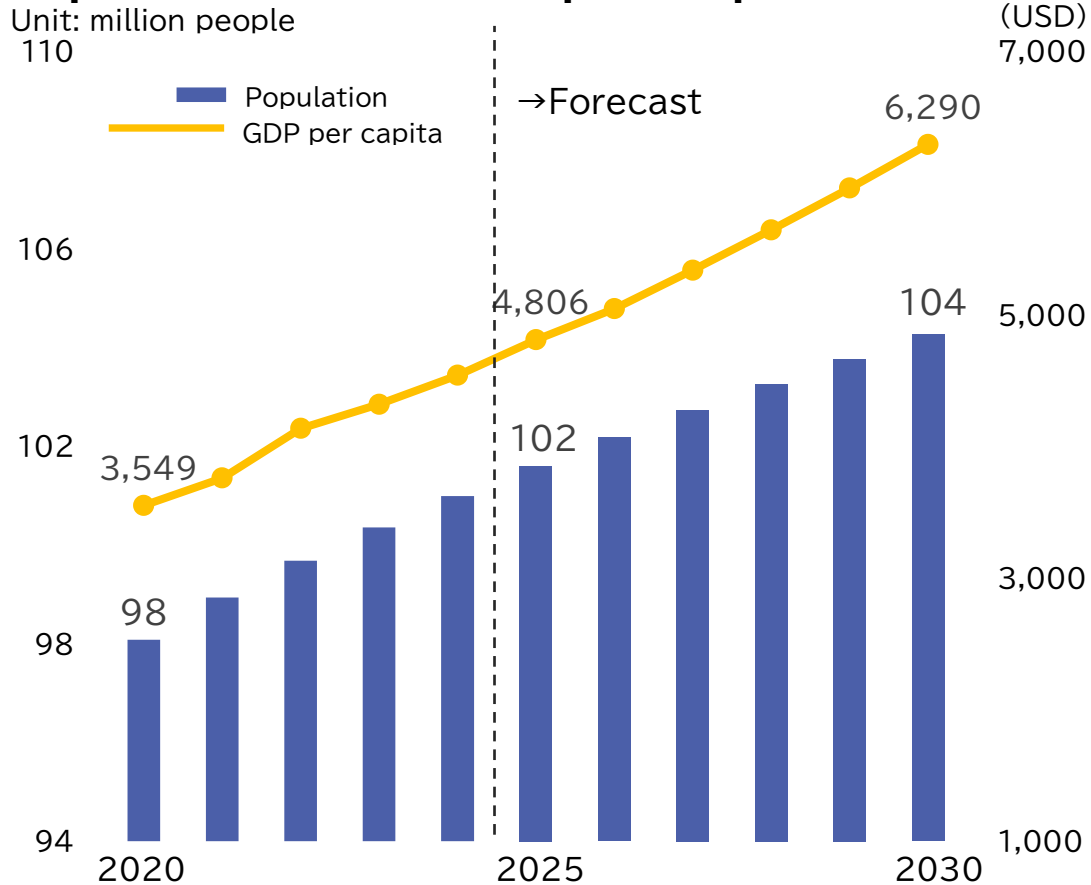
Priority Measures

Direction of the Vietnam business

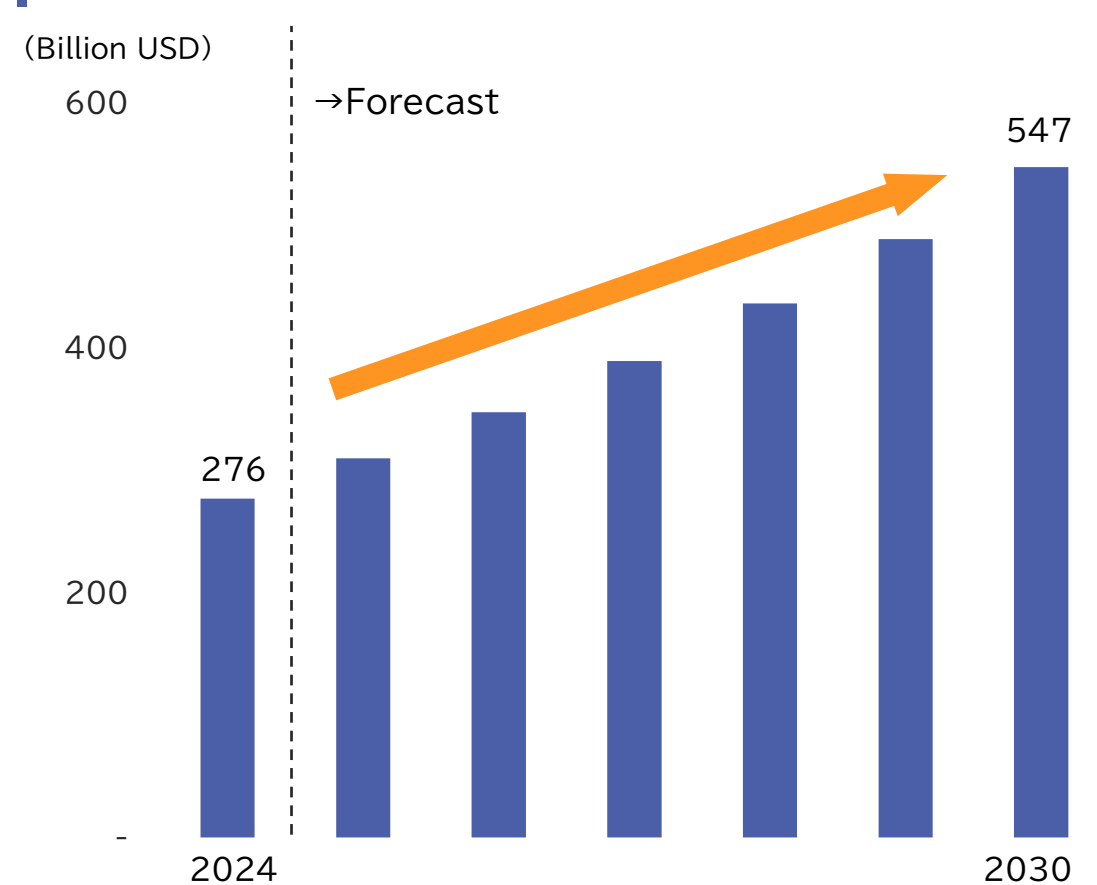
[Global/Vietnam] Market Environment

- A vibrant market with a population of over 100 million and a high proportion of young people. GDP growth is expected to continue at 6-7% per year
- By 2030, the retail market is expected to double (to ¥80 trillion).

Population and GDP per capita

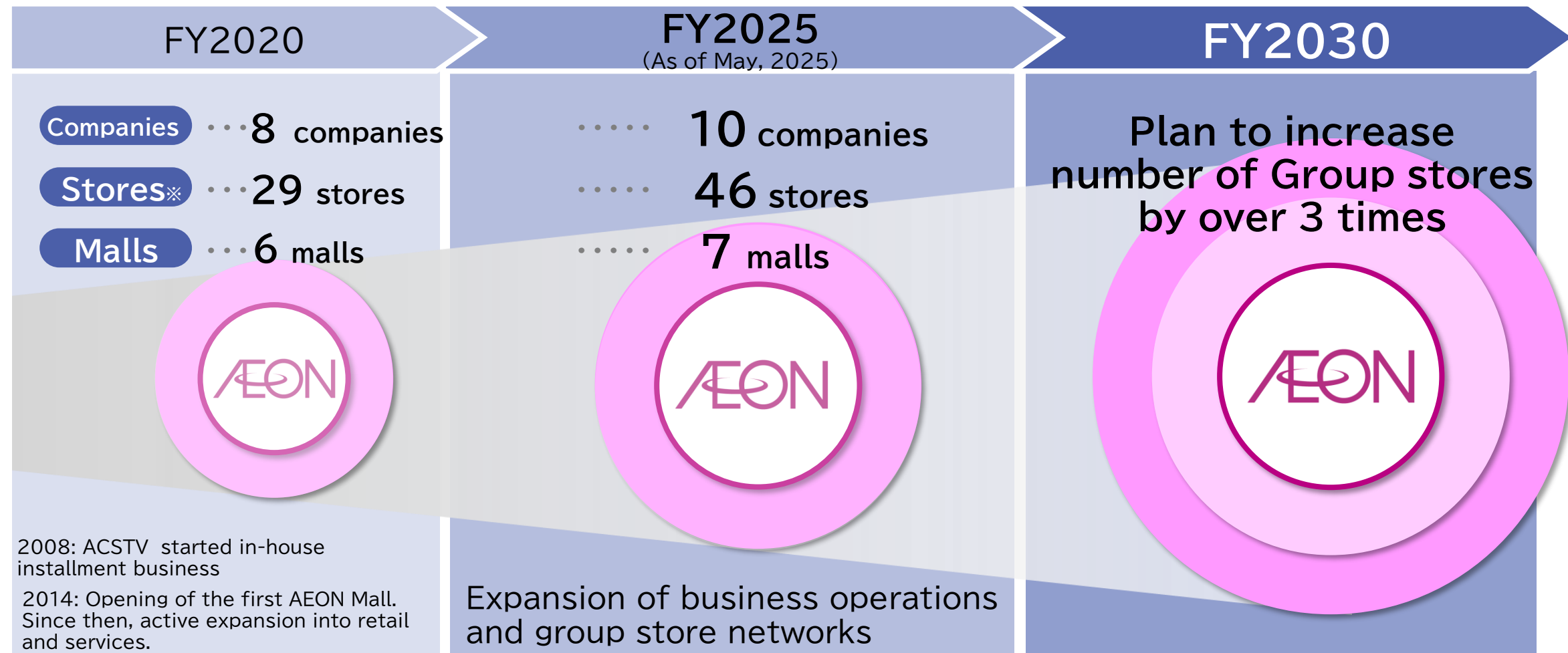


Retail market



[Global/Vietnam] Accelerating the AEON`s Group Expansion

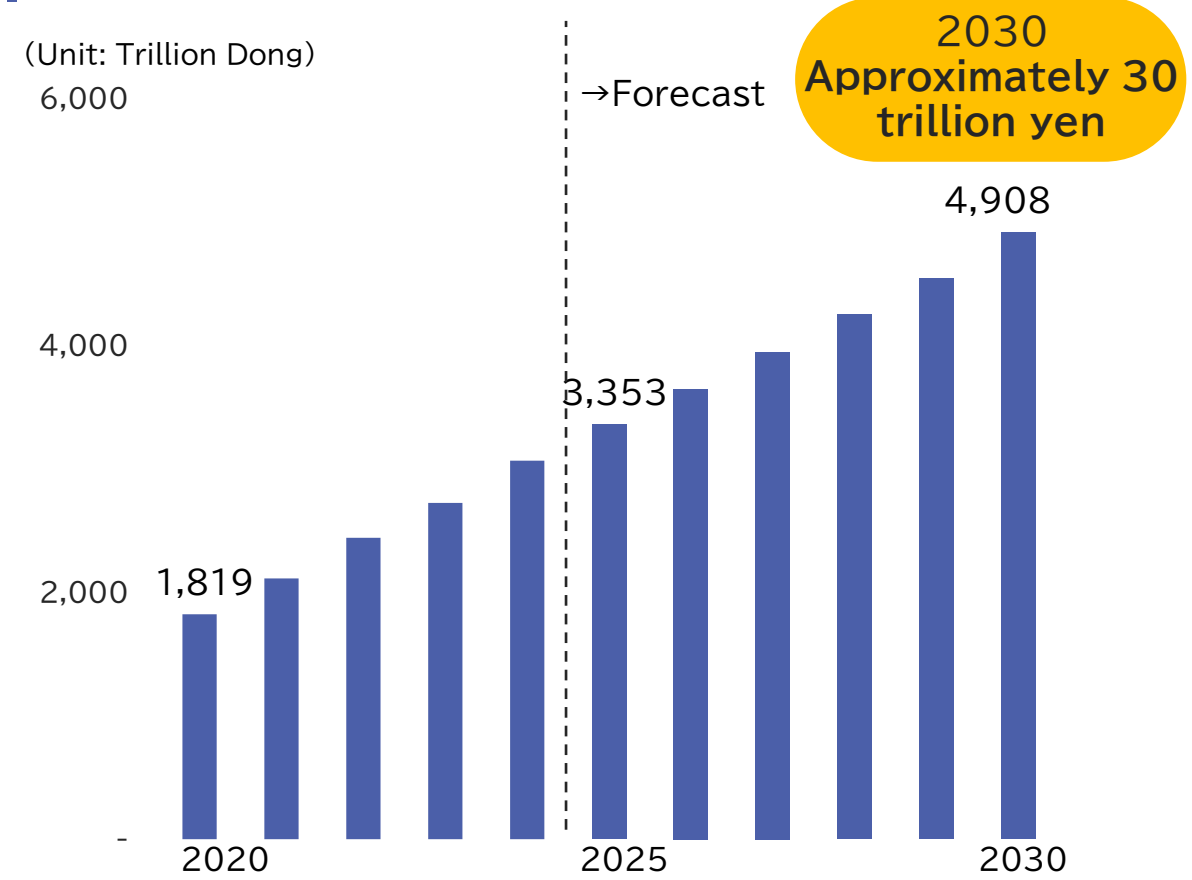
- AEON Group has positioned Vietnam as a key country in its overseas strategy
- In this rapidly growing market, AEON Group’s business, store network, and customer base are expanding at an accelerated pace.



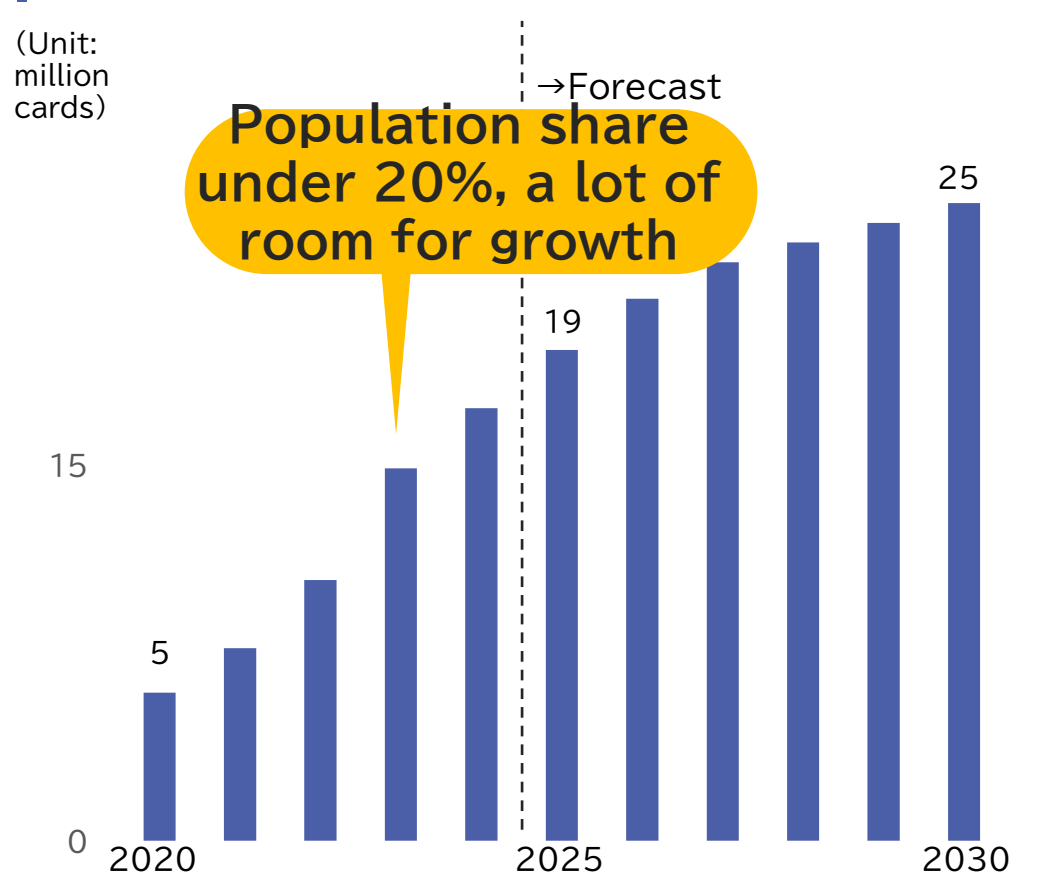
[Global/Vietnam] Growing Financial Needs in the Market

- Financial markets project exponential growth as income and consumption rises
- While cashless payments such as QR codes are becoming more common, the credit card (postpaid) market is still in its infancy.

Consumer finance market



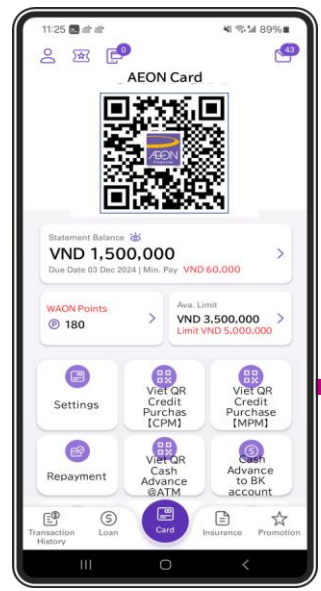
Credit card market



[Global/Vietnam] Launch of Smartphone-based Payment Business

- Launch of digital payment service: Creating an environment where anyone can use highly convenient payment functions
- Aiming to expand customer base to 20 million (approximately 20% of the population) and achieve the industry's top share of payment members in 10 years

Launch of payment business



- Digital issuance allows for instant application and use
- Cross-sell to group customers and point members
- Improving credit by utilizing point membership data

3 mil

2025

Payment members 0.60 mil

No. of ID's 10 mil

2029
(5th year)

No.1 market share

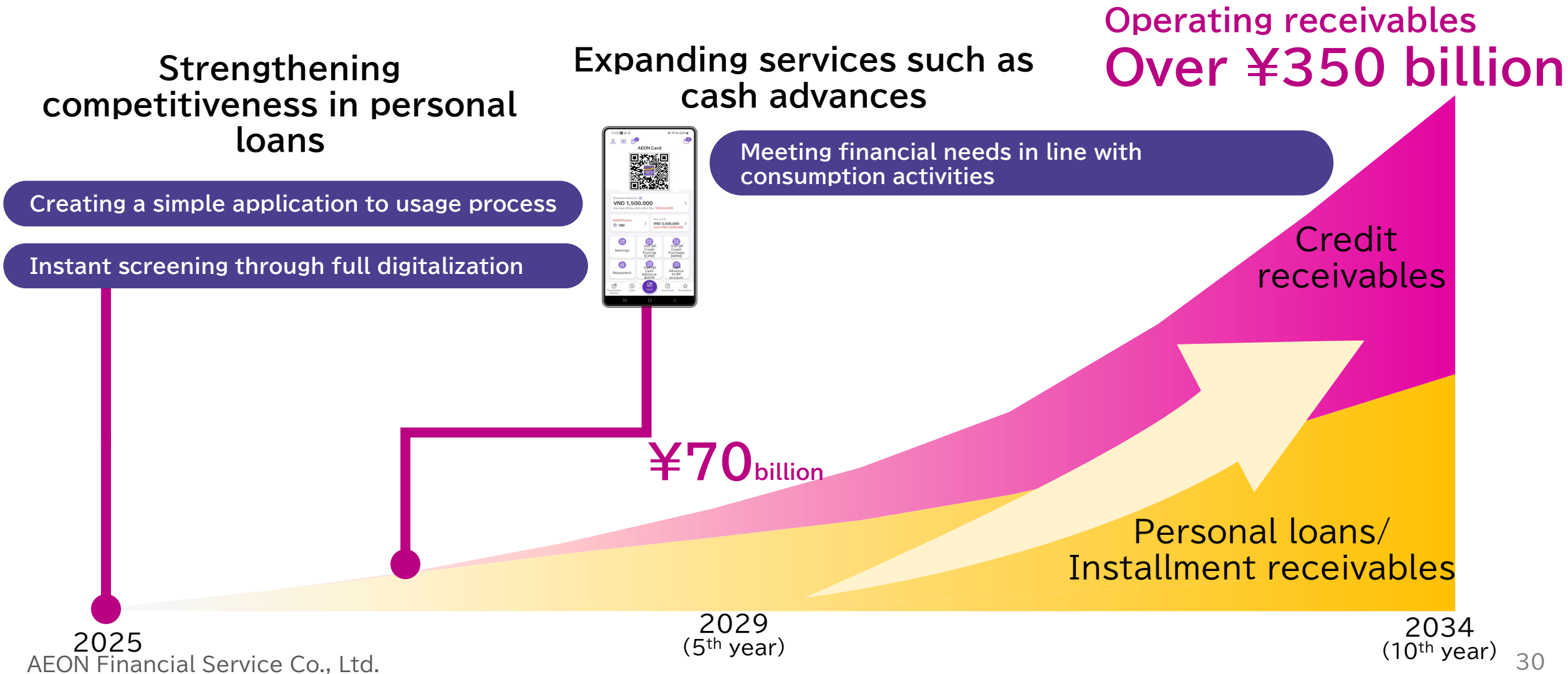
Payment members 3 mil

No. of ID's 20 mil

2034
(10th year)

[Global/Vietnam] Expansion of the Lending Business

- Actively utilize digitalization and AI know-how for instant approvals, flexible repayment methods, etc.
- Promote cross-selling to a growing customer base and expand revenue base



Domestic: Improving profitability

Establishing a System to Strengthen the Stock Business

- Revamping the system to improve asset profitability
- Capital alliance with AND Global, a company with AI-based credit expertise, with the aim to strengthen credit competitiveness both domestically and internationally

2025 KPI

High-yield debt balance
KPI: +¥55.0 billion

First quarter results

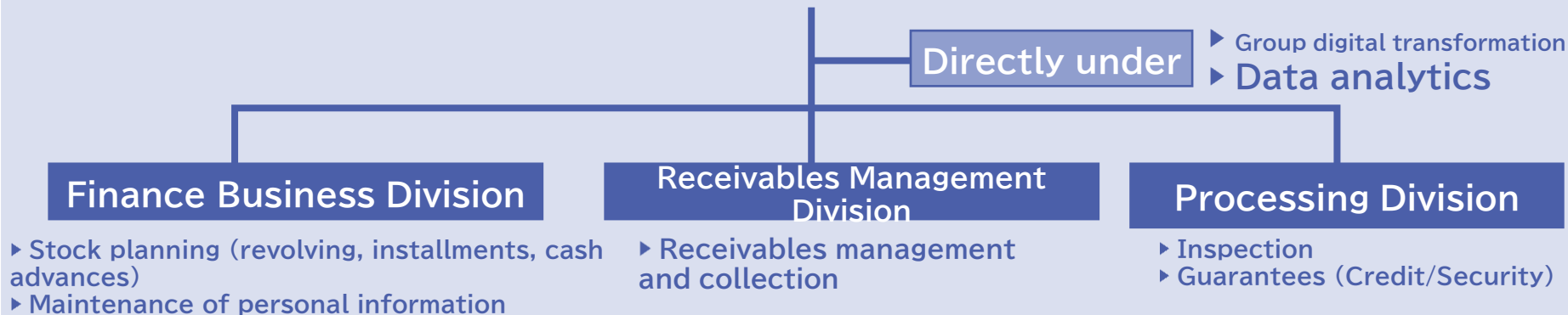
Cash advances
+ ¥11.5billion
(YoY103%)

Revolving credit
+ ¥9.5billion
(YoY113%)

Installment payments
▲¥0billion
(YoY105%)

Unsecured loans
+ ¥0.4billion
(YoY97%)

Head of operations and finance business (new)



Changed to a system that can unify and control the credit, collection and stock planning departments

Use of external resources

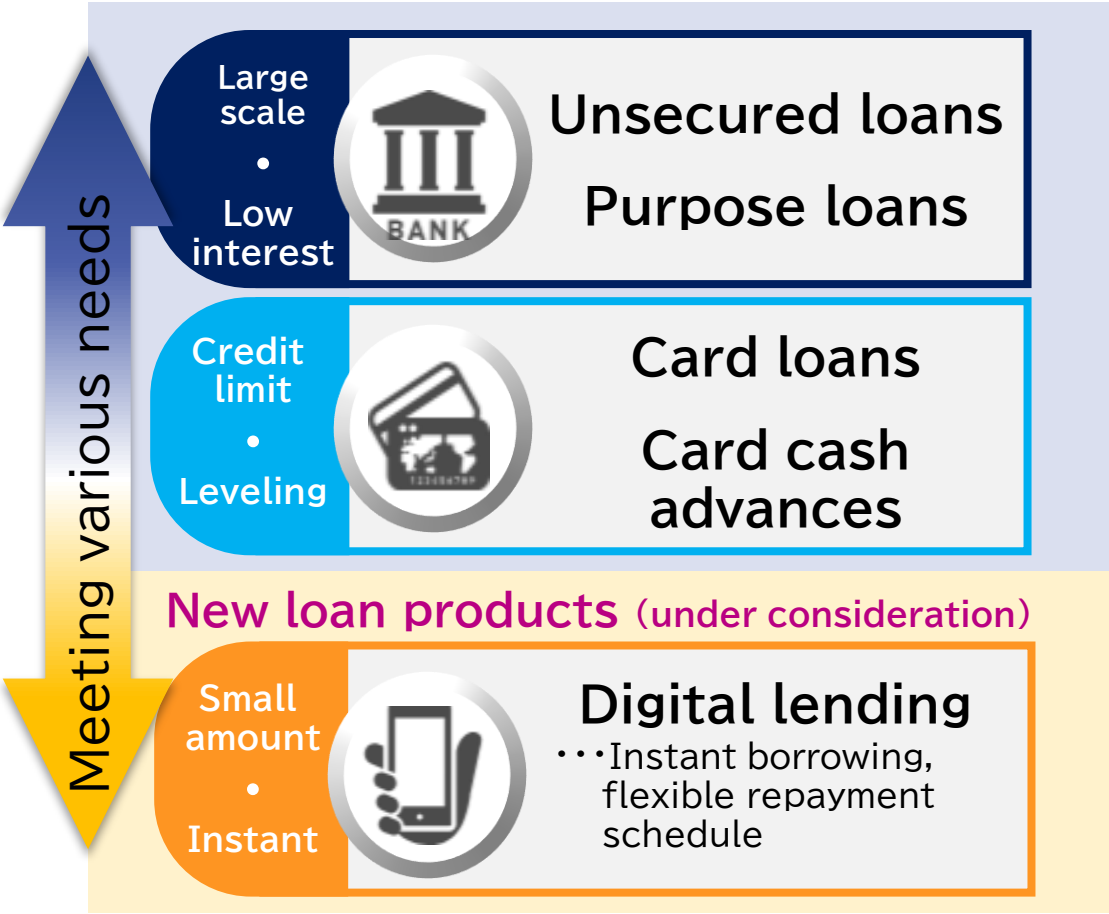
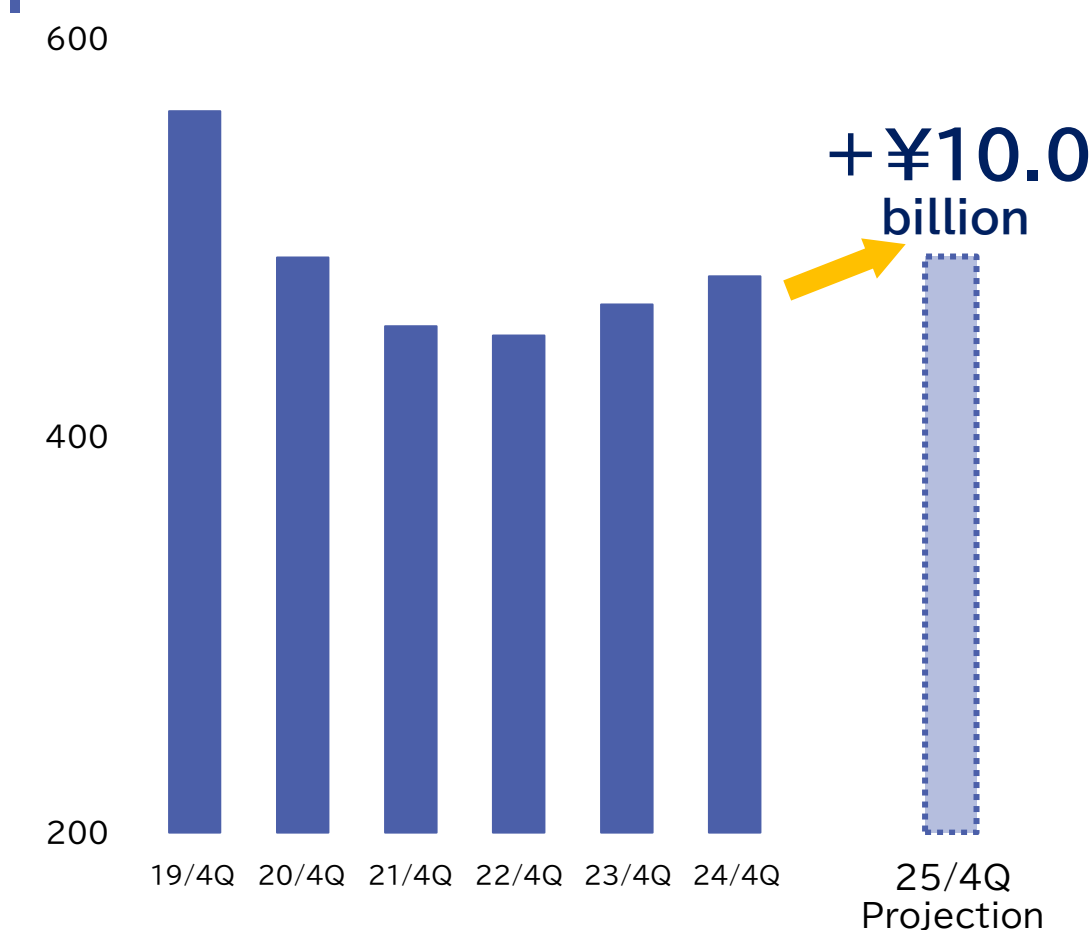


Capital alliance with AI fintech company developing its own digital lending service in Mongolia

Card Cash Advances and Unsecured Loan Balances

- The receivables balance fell by 100 billion yen due to the COVID-19 pandemic. The balance has been recovering since FY2023, but the pace of increase is slow.
- We will also develop small-amount, instantaneous, and highly flexible lending products to meet diversifying capital needs.

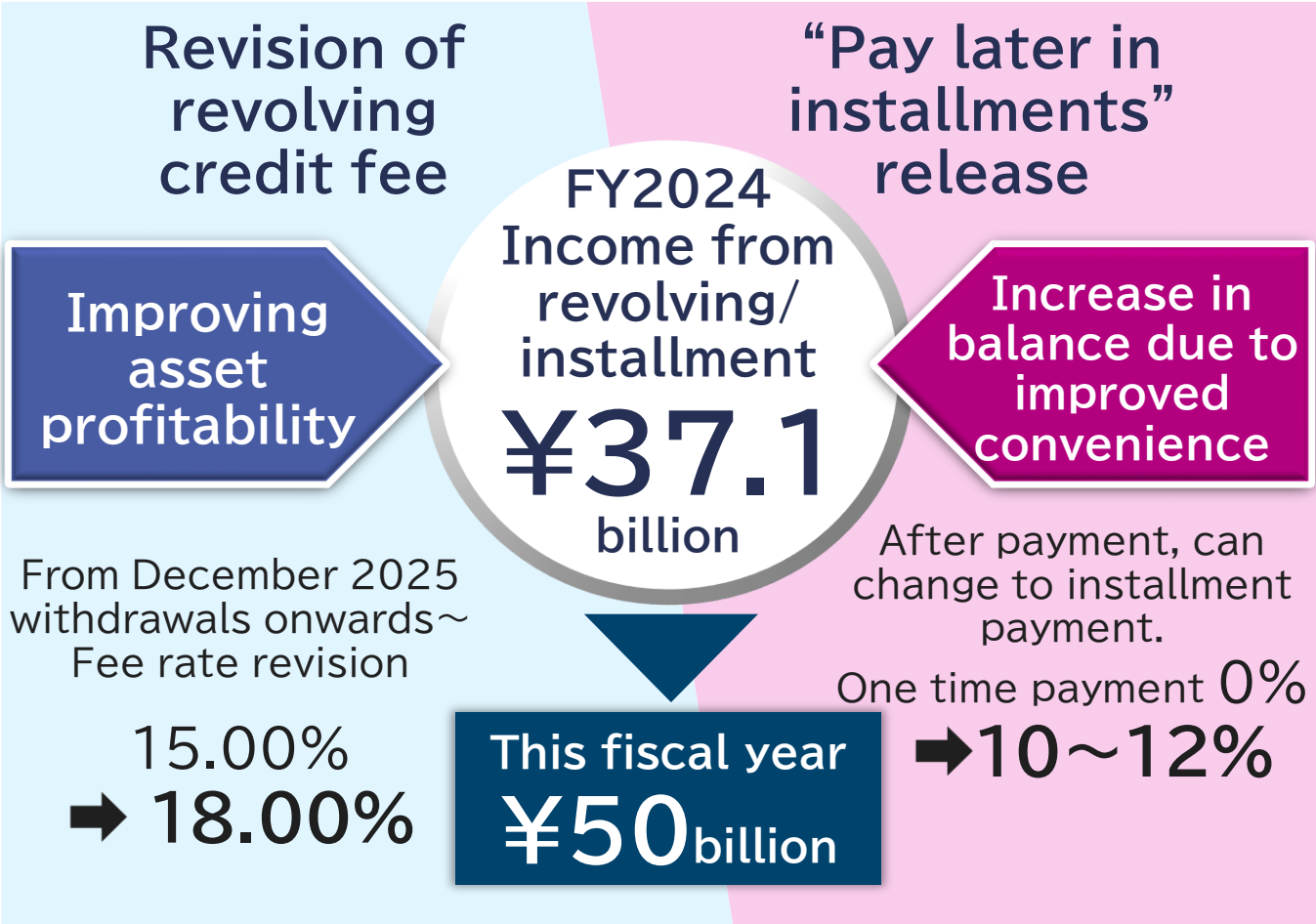
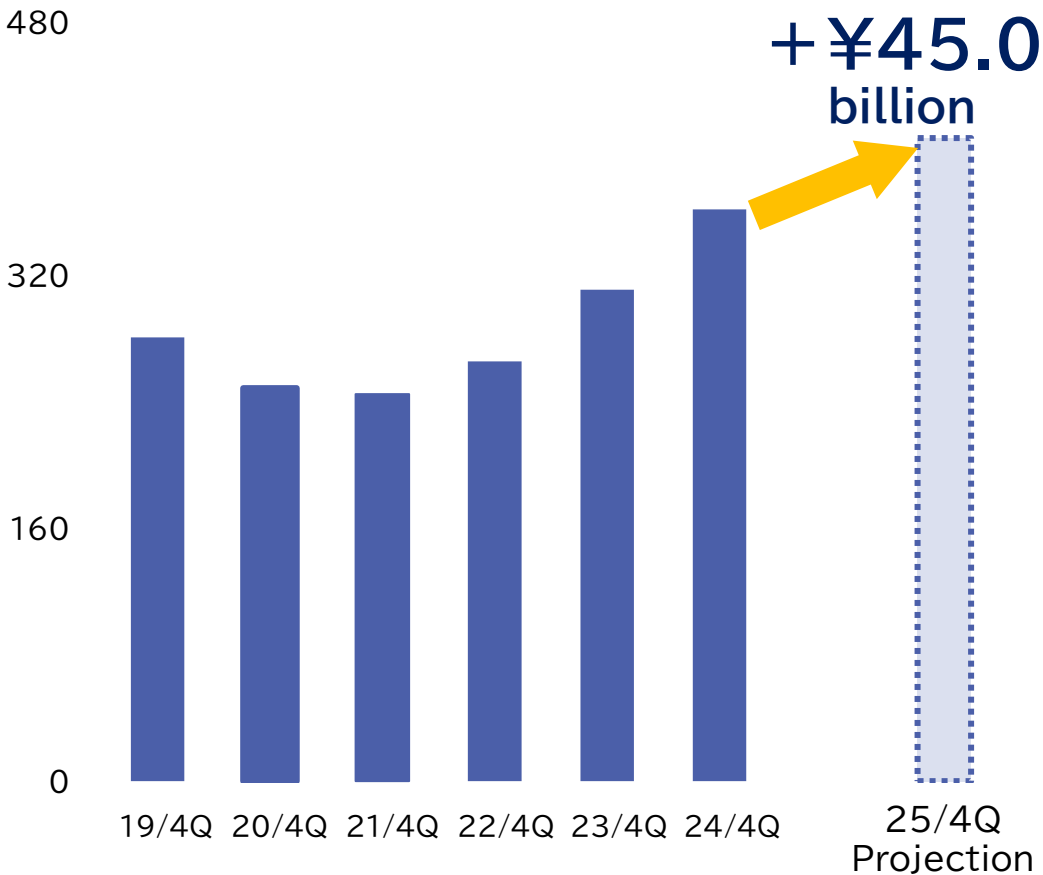
Card cash advances and unsecured loan balances



Revolving/installment balance

- Shopping revolving credit has increased by ¥100 billion over three years, with a projected growth of over 10% in FY2025.
- Will be further strengthened by revising revolving fees (from December withdrawals) and starting “pay later in installments” (scheduled for September onwards)

Revolving/installment balance (Before securitization)

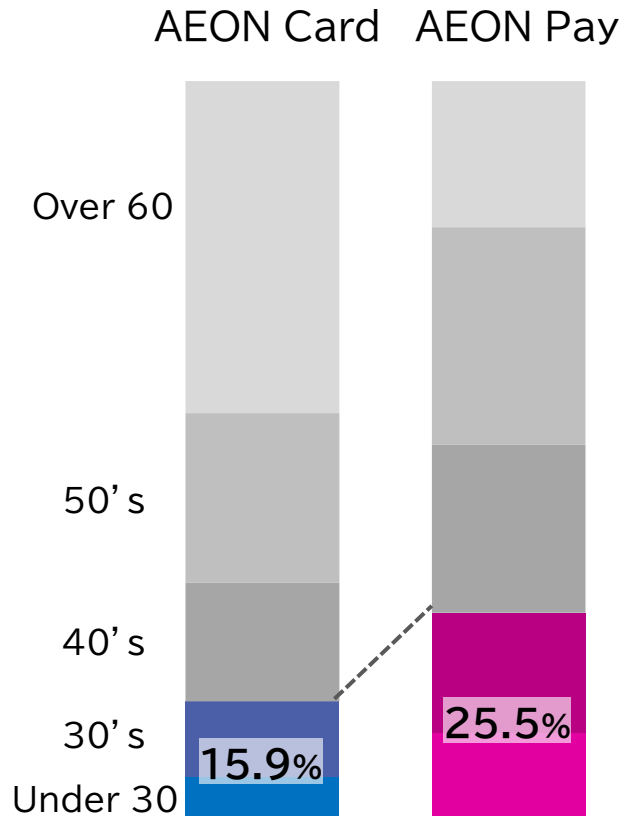


Creating customer experiences that start with the digital wallet (smartphones)

- AEON Pay has a high percentage of members in their 30's or under, who are likely to have higher financial needs in the future.
- Starting with smartphones, building a customer experience that covers everything from payments to various loans, insurance, and other financial products and services.

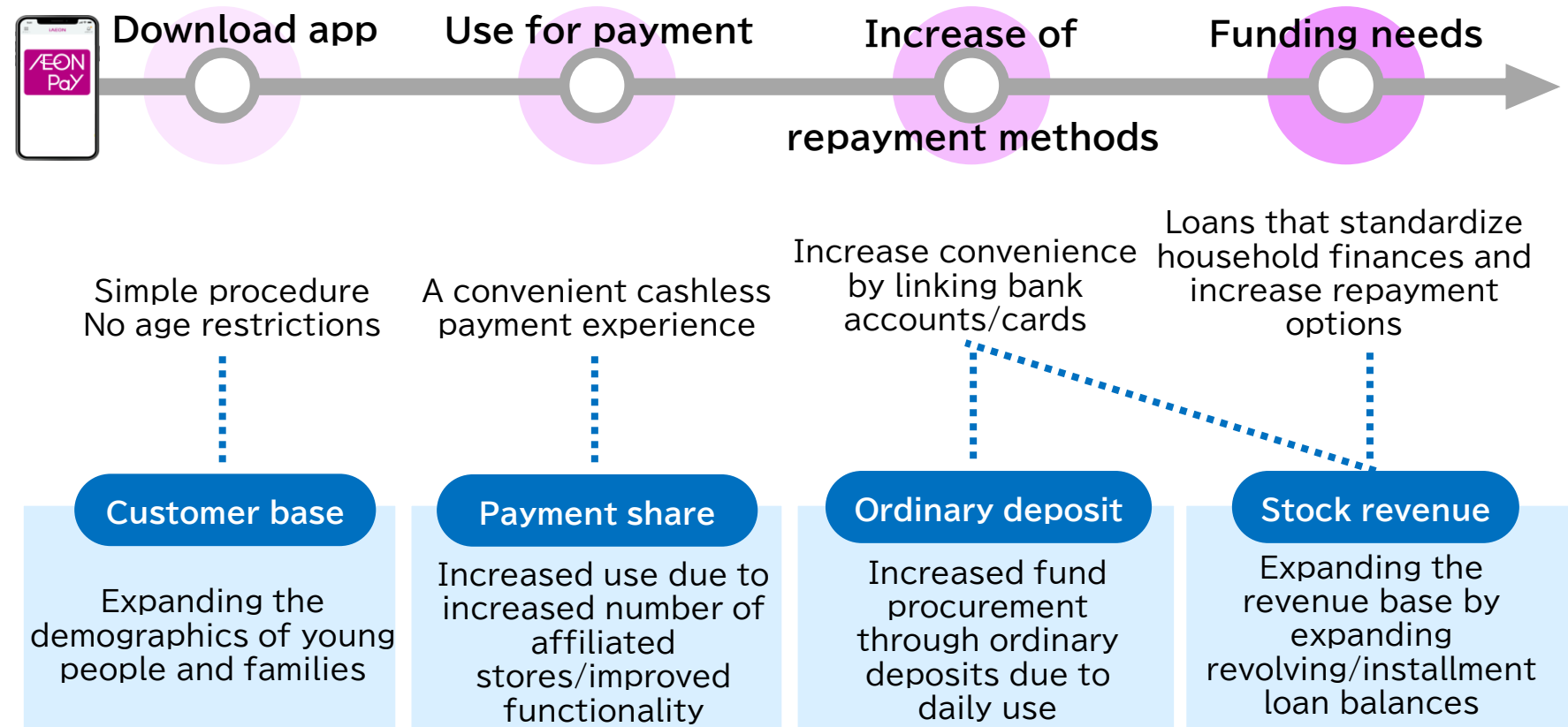
Composition ratio by age

(As of end of February 2025)



AEON Financial Service Co., Ltd.

Strengthening customer experience and revenue base based on smartphones



Expanding the Customer Base <Combining AEON Pay and WAON>

- The “New AEON Pay” was launched, combining two payment methods: code (AEON Pay) and touch (WAON)
- Expand the base by shifting from electronic money to code payments, and aim to spread daily use by expanding the affiliated store network

Code
payment



June 26, 2025~

Can transfer balances
with one touch



AEON Pay members
8.75 million



モバイル
WAON

WAON members
36 million

Touch
payment



Can use at
**approximately 4.30
million locations**



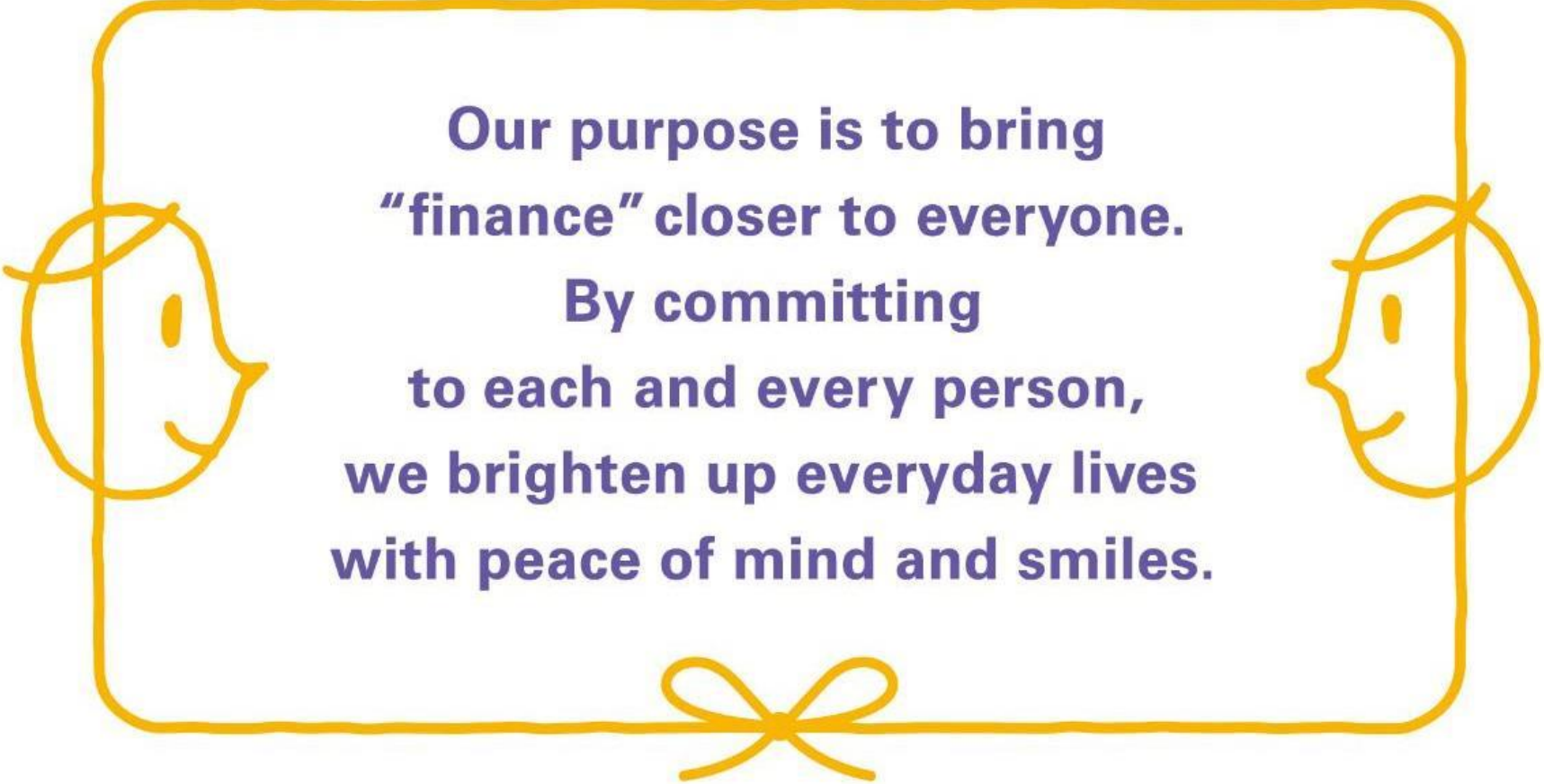
Forecast of Business Performance and Dividends for FY2025

FY2025 Earnings Forecast, Dividend Forecast

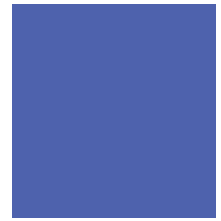
(Unit : JPY)

	Consolidated	YoY				
			Domestic	YoY	Global	YoY
Operating Revenue	570.0 bn	107 %	330.0 bn	105 %	240.0 bn	108 %
Operating Profit	57.0 bn	93 %	19.0 bn	85 %	39.0 bn	101 %
Ordinary Profit	57.0 bn	91 %	Dividend per share		Payout ratio	
Profit attributable to owners of parent	21.0 bn	134 %	Annual: 53	Interim: 25 Year-end: 28	54.5 %	

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.**



Appendix

Revision of the financial results for fiscal year ending February 2025 (Balance Sheet)

- Revaluation of PTF's assets and business value from the time of acquisition

Debit	Revised consolidated	Difference from 4/10
Cash and deposits	814.7	-
Operating loans	979.9	▲ 9.0
Banking loans	2,670.4	-
Installment receivables	1,747.3	-
Allowance for doubtful accounts	▲ 124.4	① + 7.2
Other	1,335.7	▲ 0.1
Total current assets	7,425.7	▲ 1.8
Goodwill	40.2	③ ▲ 1.9
Other	292.4	-
Total fixed and long-term assets	334.2	▲ 1.9
Total assets	7,756.4	▲ 3.8

Reasons for increases and decreases in assets

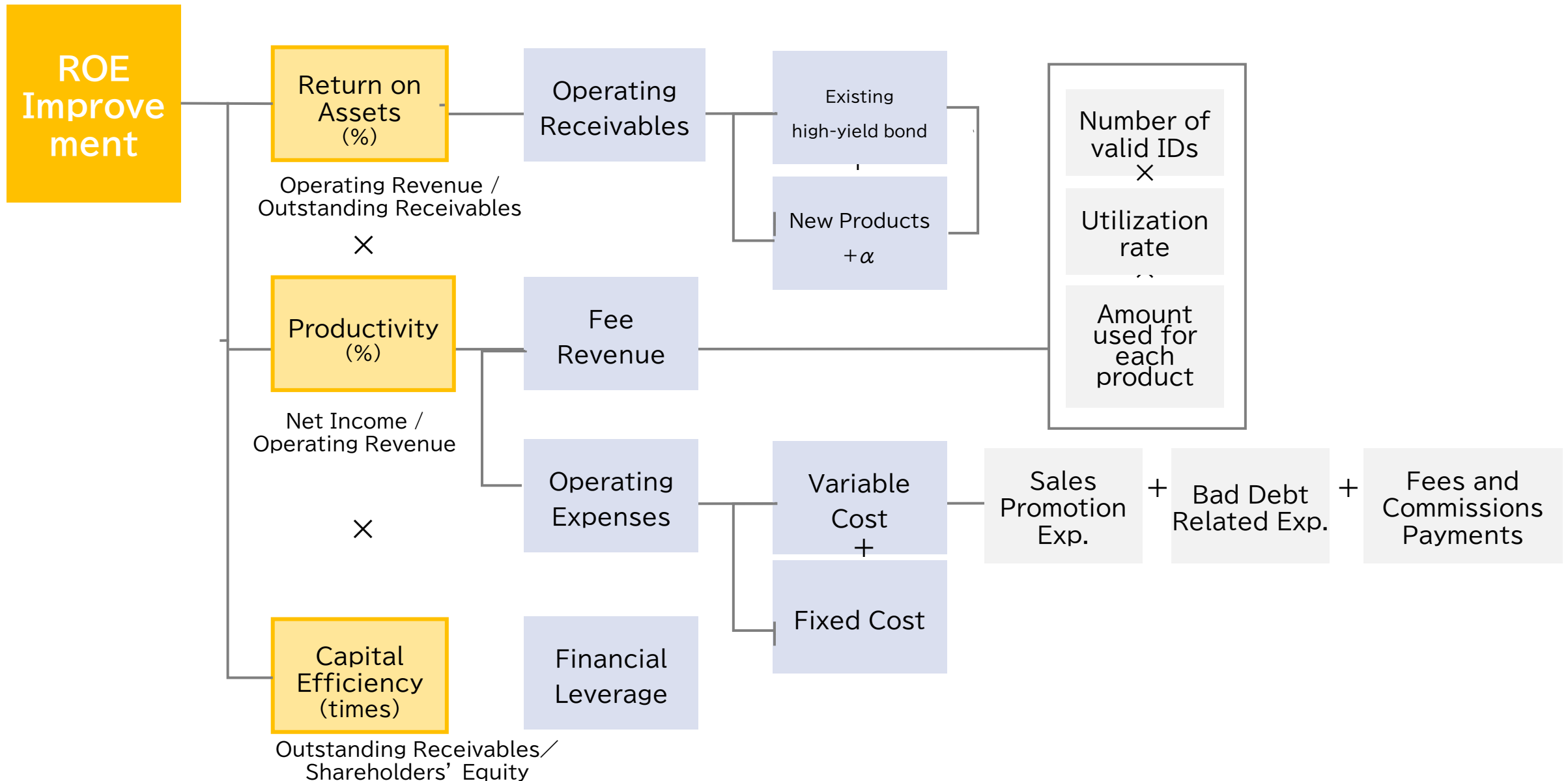
※Includes differences for extraordinary losses (goodwill impairment) and fixed assets (goodwill)

①	Reevaluation of PTF's continuing receivables and provision for doubtful account +¥1.8bn	②	Diff ¥7.2bn
②	Due to a reassessment of collectability following the decision to sell receivables, operating loans and loan loss reserves were offset by ▲¥9.0bn		
	Additional provision for doubtful accounts recorded as goodwill +¥1.8bn	③	Diff ▲¥1.9bn
④	¥3.8bn impairment of goodwill due to reevaluation of business value		

Credit	Revised consolidated	Difference from 4/10
Total liabilities	7,170.7	-
Retained earnings	290.2	④ ▲ 3.8
Other	295.5	-
Total net assets	585.7	▲ 3.8
Total liabilities and net assets	7,756.4	▲ 3.8

Approach to ROE Improvement

【Repost】



Impact of partial changes to transactions in the domestic segment

- Due to the acquisition of the WAON Value Issuer business and a partial review of internal transactions, there has been a partial change in the accounting of revenues and expenses between AEON Bank (retail) and AEON Financial (solutions). This is a change in accounting between segments, and there is no impact on domestic operating profit.

		Retail		(million JPY)		Solutions	
			YoY				YoY
Rev.	Comprehensive credit purchases	15,728	+9,393	Increase in rev	Merchant fees Change in allocation	10,695	▲7,916
	Individual credit purchases	57	+2			0	+0
	Loan revenue	16,435	+849			148	▲206
	Gains on recovery of written-off receivables	31	+31			88	+0
	Financial revenue	14,438	+1,302			770	+676
	Insurance revenue	3,898	+683	Decrease in rev	WAON value issuer business (ABK holdings)	-	-
	Service transaction revenue	7,590	▲847			33,238	+7,958
	Others	1,648	▲151	Decrease in exp		2,056	+155
Exp.	Financial expenses	6,351	+5,234		Review of accounting standards *No impact on consolidated or domestic results due to consolidated adjustments	593	▲148
	Insurance expenses	3,514	+745	Increase in exp		-	-
	Servicing fees	26,123	+6,131			54	▲13
	Administrative expenses	24,477	+5,135	Increase in exp	Changes to the calculation of international card brand fees Old: AFS(Solutions) New: ABK(Retail)	40,802	▲1,795
	Others	70	+28			815	+166

※AFS :AEON Financial Services
ABK:AEON Bank

Consolidated Balance Sheet

(Unit : Bn JPY)

	FY 2025			FY 2025	
	1Q Results	YTD		1Q Results	YTD
Cash and deposits	615.8	▲ 198.9	Deposits	5,235.1	+28.9
Operating Loans	1,012.4	+32.5	Accounts payable-trade	470.6	+152.8
Loans and bills discounted for banking business	2,724.2	+53.8	Interest-bearing debt (excl. deposits)	1,280.9	▲ 28.2
Accounts receivables-installment	1,843.0	+95.6	Other	327.4	▲ 10.0
Allowance for doubtful accounts	▲ 124.3	+0.1	Total liabilities	7,314.2	+143.4
Other	1,814.5	+146.1	Total net assets	571.6	▲ 14.0
Total assets	7,885.8	+129.3	Total liabilities and net assets	7,885.8	+129.3

Results by Segment

(Unit : Bn JPY)	Domestic			Global Total ※				Consol. Total ※
	Total ※	Retail	Solutions		China Area	Mekong Area	Malay Area	
Operating Revenue	81.1	59.8	46.9	56.3	8.4	24.3	23.5	136.5
YoY	108%	123%	101%	106%	99%	105%	110%	107%
Operating Profit	3.4	▲0.7	4.7	9.4	2.4	4.0	2.8	12.9
YoY	55%	-%	208%	107%	127%	156%	68%	85%
Operating Profit Ratio	4.3%	▲1.2%	10.0%	16.7%	29.3%	16.6%	12.3%	9.5%
Change	▲4.1pt	▲12.1pt	+5.2pt	+0.2pt	+6.6pt	+5.4pt	▲7.4pt	▲2.4pt

(Reference) The impact on revenue due to securitization ¥1.2bn (▲¥0.8bn compared to the same period of the previous FY)

※ Domestic and Global figures are after elimination of intersegment transactions in each business segment.
Consolidated figures include headquarters, functional companies, and consolidated eliminations.

Results by Area

(Unit:Bn JPY)		Transaction volume	YoY	Operating receivables (Before securitization)	YTD
Domestic	Credit card	2,057.5	105%	1,940.8	+80.4
	credit card shopping	1,954.1	106%	1,501.5	+68.9
	(of which, revolving and installment)	-	-	371.0	+9.5
	cash advance	103.4	101%	439.3	+11.4
	Housing loan	92.2	53%	3,881.4	+16.7
	Other	-	-	1,278.1	▲10.0
	Total	-	-	7,100.4	+87.1
Global	Credit Card	162.4	94%	295.6	▲5.4
	credit card shopping	115.3	92%	152.4	▲3.6
	cash advance	47.1	102%	143.1	▲1.8
	Installment finance	42.7	100%	358.5	+12.9
	Personal loans	50.5	89%	381.5	+4.3
	Other	-	-	0.6	+0.1
	Total	-	-	1,036.3	+6.4

Cumulative Results of Overseas Listed Companies (Local Currency)

		FY 2024	FY 2025	
		1Q Results	1Q Results	YoY
AEON CREDIT SERVICE (ASIA) HK\$' 000	Revenue	426,547	442,180	104%
	Profit before tax	99,351	131,965	133%
	Profit for the period	83,255	109,325	131%
AEON THANA SINSAP (THAILAND) BAHT' 000	Revenue	5,507,210	5,392,925	98%
	Profit before tax	671,513	1,012,030	151%
	Profit for the period	539,207	808,035	150%
AEON CREDIT SERVICE (M)Berhad RM' 000	Revenue	522,259	599,922	115%
	Profit before tax	144,825	109,031	75%
	Profit for the period	106,413	77,547	73%

Cumulative Results of Overseas Listed Companies (Yen conversion)

		FY 2024	FY 2025		Exchange rates
		1Q Results	1Q Results	YoY	
AEON CREDIT SERVICE (ASIA)	Revenue	8.3 bn	8.3 bn	99%	<u>(JPY / HKD)</u> • FY2024Q1 : ¥19.67 • FY2025Q1 : ¥18.80
	Profit before tax	1.9 bn	2.4 bn	127%	
	Profit for the period	1.6 bn	2.0 bn	126%	
AEON THANA SINSAP (THAILAND)	Revenue	23.1 bn	23.5 bn	102%	<u>(JPY / THB)</u> • FY2024Q1 : ¥4.21 • FY2025Q1 : ¥4.37
	Profit before tax	2.8 bn	4.4 bn	156%	
	Profit for the period	2.2 bn	3.5 bn	156%	
AEON CREDIT SERVICE (M)Berhad	Revenue	16.9 bn	20.1 bn	119%	<u>(JPY / MYR)</u> • FY2024Q1 : ¥32.48 • FY2025Q1 : ¥33.57
	Profit before tax	4.7 bn	3.6 bn	78%	
	Profit for the period	3.4 bn	2.6 bn	75%	

Transaction Volumes and Operating Receivables of Global Business

(Unit : Bn JPY)		China Area (Hong Kong)		Mekong Area (Thailand)		Malay Area		Global Business	
			YoY (Change)		YoY (Change)		YoY (Change)		YoY (Change)
Credit card	Transaction volume	63.2	98%	77.0	85%	22.2	128%	162.4	94%
	Operating Receivables	100.1	▲48	158.9	▲9.1	36.5	+7.2	295.6	▲6.6
Installment finance	Transaction volume	-	-	7.3	104%	35.4	99%	42.7	100%
	Operating Receivables	-	-	42.6	+9.3	315.9	+32.6	358.5	+42.0
Personal loans	Transaction volume	5.2	59%	25.4	80%	19.8	120%	50.5	89%
	Operating Receivables	28.6	▲34	197.5	+17.2	155.3	+29.2	381.5	+43.1
Total	Transaction volume	68.4	93%	109.7	85%	77.5	111%	255.7	94%
	Operating Receivables	128.8	▲82	399.0	+17.5	507.7	+69.2	1,035.6	+78.5

Allowance for Doubtful Accounts and Provision for Loss on Interest Repayment by Segments

【Allowance for doubtful accounts】

(Unit: bn JPY)	Domestic Total	Retail	Solutions	Global Total	China Area	Mekong Area	Malay Area	Consol. Total
Opening allowance for doubtful accounts	57.2	1.7	55.9	66.3	5.0	32.9	28.3	124.4
Bad debt related expenses (allowance for doubtful accounts and losses)	6.5	▲0.1	6.5	18.1	1.9	7.8	8.2	24.6
Bad debt written off (including transferred debt)	8.2	0	8.2	16.4	2.3	7.0	6.9	24.7
Ending balance of allowance for doubtful accounts	55.5	1.6	54.3	68.0	4.7	33.7	29.5	124.3

※Balance at end of period for domestic subsidiaries

<Retail>	AEON Bank:	1.6
<Solutions>	AEON Financial Service:	53.2
	AEON Housing Loan Service:	0.9

【Provision for loss on interest repayment】

(Unit: bn JPY)	FY2024 1Q	FY2025 1Q
Beginning of period	2.5	0.9
Provision	-	-
Interest repayment	0.4	0.1
End of period	2.0	0.7

KPI for FY2025

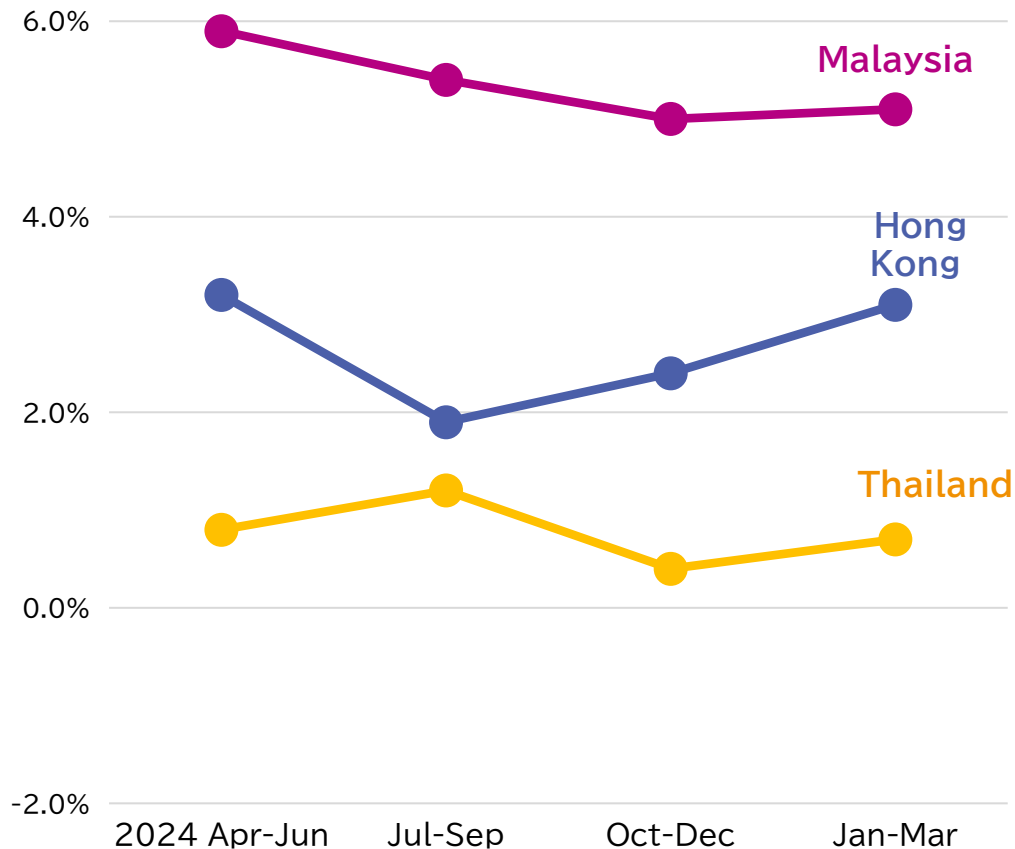
- Aiming to achieve sustainable improvement in ROE through increased asset profitability and productivity resulting from the expansion of the AEON Living Zone

Policy	KPI for domestic	
	Indicator	Target for 2025
“AEON Living Zone” expansion to realize economies of scale	Locations where AEON Pay can be used	+1 million locations
Increase in balance and improvement in yield	Balance of high-yielding loans outstanding	+¥55.0 bn
Increase in transaction volume for each product	In-house settlement volume	¥10 tr (+¥0.5 tr) Credit cards: ¥8 tr, e-money: ¥2 tr
	Balance of bank deposit	+¥500.0 bn

[Global] Environment by area

- In Malaysia, domestic demand remains strong and unemployment rate falls even after increase in minimum wage
- Hong Kong continues to see high personal bankruptcy filings, while Thailand lowers its full-year growth forecast

Changes in real GDP growth rate



Malay Area (Malaysia)

- Despite growth rate slowing for the third consecutive quarter, domestic demand continues to grow at over 6%
- The employment environment remains favorable even after the minimum wage increase in February, and the unemployment rate in April fell to 3.0%, the lowest in 10 years.

China Area(Hong Kong)

- Growth rate improved, but US-China trade friction also had an impact on exports
- Consumption in China (consumption travelling northward) where prices are low continues to increase
- The number of personal bankruptcy filings in Hong Kong as a whole continues to increase, but the statutory minimum wage has increased by roughly 5% since May

Mekong Area(Thailand)

- Growth rate remains low, and annual growth rate revised downward in light of concerns about export industry and decline in tourists
- Government's distribution of 10,000 baht to 16-59 year olds was postponed, budget to be allocated to domestic industry promotion

Statements contained in this report with respect to the Company's management strategies, business policies and results forecasts are forward-looking statements about the future performance of the Company, which are based on the assumptions and beliefs in light of the information currently available. These forward-looking statements involve various uncertain factors including known and unknown risks such as economic trends, industry competition, market demand, exchange rates, tax and other systems that may cause the Company's actual results, performance or achievements to differ materially from the expectations expressed herein.



AEON Financial Service