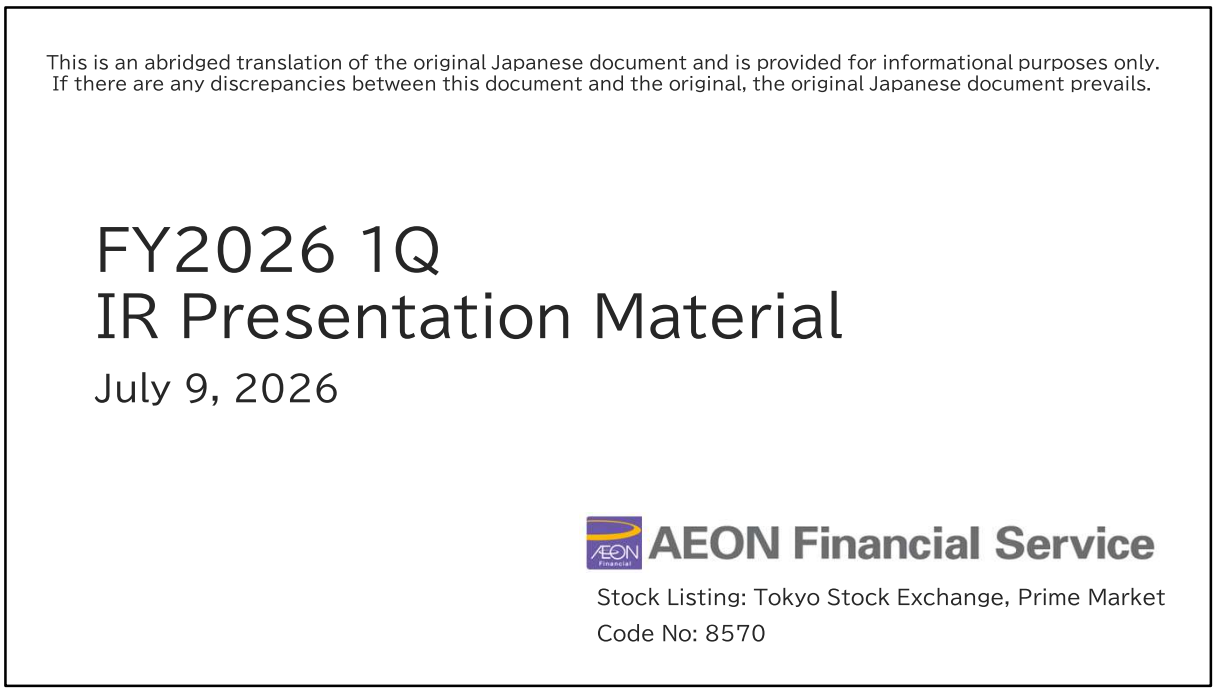
FY2026 First Quarter IR Presentation Manuscript/Q&A

Date and time : July 9, 2026（Thursday） 17:00-18:00

Speakers : Shinichiro Nishimura, Managing Executive Officer, in charge of Corporate Planning and General Manager of the Corporate Planning Division

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



- Thank you very much for taking the time to attend our first-quarter financial results briefing for the fiscal year ending February 2027.

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

Agenda

1 Outline of the Financial Results for the First Quarter of FY2026

2 Domestic Business

3 Overseas Business

Appendix

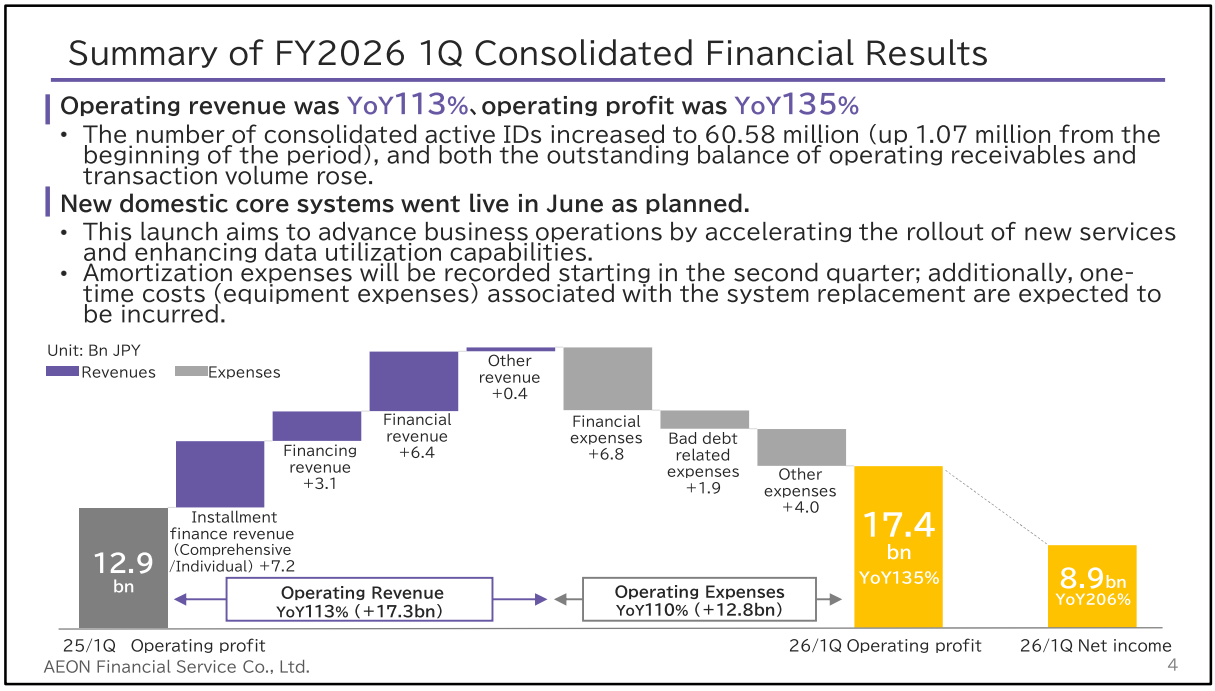
- Today, we will proceed in line with the agenda outlined here.

The Highlights of the Consolidated Results (First Quarter)

	Consolidated	YoY	Domestic	YoY	Overseas	YoY	FY2026 Forecast	Rate of Progress
Operating revenue	¥153.8 bn	113%	¥89.1 bn	110%	¥65.3 bn	116%	¥600.0 bn	26%
Operating profit	¥17.4 bn	135%	¥5.9 bn	172%	¥11.5 bn	123%	¥45.0 bn	39%
Ordinary profit	¥17.5 bn	127%	–	–	–	–	¥45.0 bn	39%
Profit attributable to owners of parent	¥8.9 bn	206%	–	–	–	–	¥15.0 bn	60%

- I will now summarize the first quarter financial results.

- As shown, the consolidated results were 153.8 billion yen for operating revenue, 17.4 billion yen for operating profit, 17.5 billion yen for ordinary profit, and 8.9 billion yen for profit attributable to owners of parent.



- This is the summary of the consolidated financial results.

- During the period under review, the number of consolidated active IDs increased by 1.07 million from the beginning of the period, reaching 60.58 million. This growth in IDs contributed to increases in the outstanding balance of operating receivables and transaction volume, resulting in higher revenue from installment sales and financing.

- Our new domestic credit card system went live on June 26, as planned. This new system will streamline operational processes and enable us to accelerate the launch of new services that meet changing customer needs and enhance our use of data. We will leverage this system as a foundation to drive our future growth and earning power.

- Regarding progress toward our full-year earnings forecasts, we achieved 39% of the operating profit target and 60% of the profit attributable to owners of the parent, strong results for the first quarter. However, following the aforementioned core system launch, we anticipate recording one-time migration-related costs and amortization expenses in the second quarter, so are forecast on profits for the year remain unchanged.

- Please refer to the graph shown for details on the factors behind the changes in operating revenue and operating profit for the first quarter.

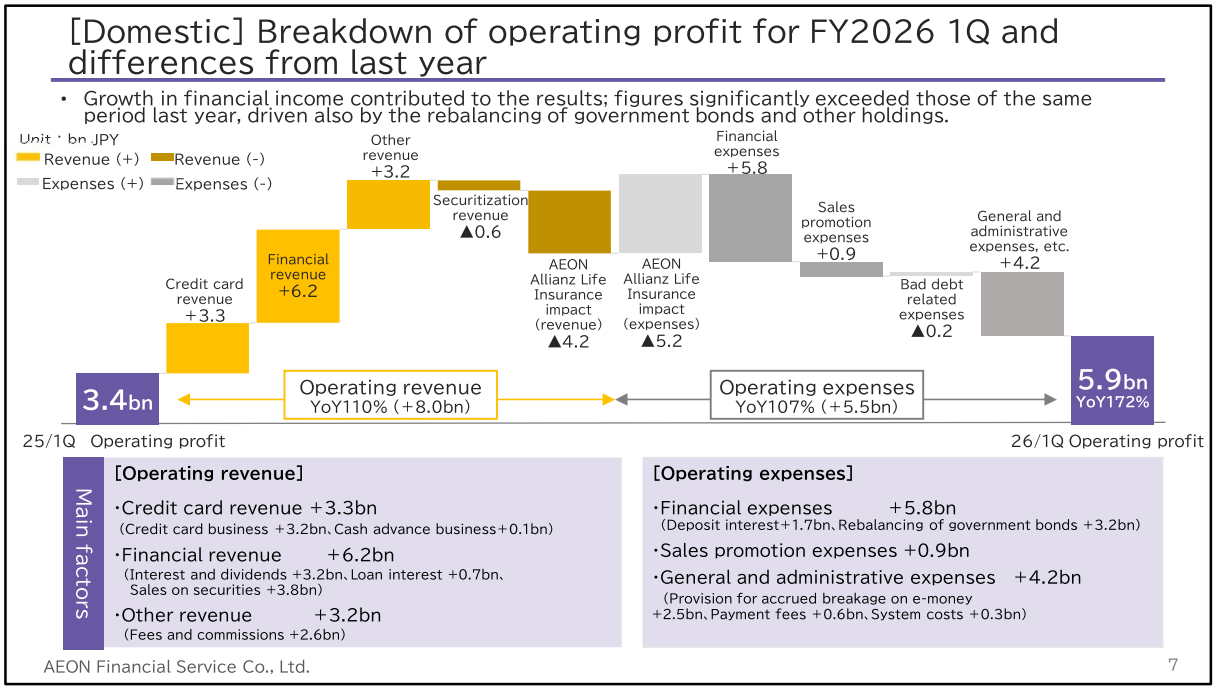
FY 2026 Earnings Forecast

	FY2025 Results	FY2026 Forecast			
					Unit: bn yen unless stated otherwise
	Consolidated	Consolidated	YoY	Domestic	Overseas
Operating Revenue	569.3	600.0	+30.7	355.0	245.0
Operating income	60.6	45.0	▲15.6	5.0	40.0
Operating Profit Margin	10.7%	7.5%	▲2.7pt	1.4%	16.3%
Ordinary income	60.6	45.0	▲15.6	—	—
Net income	21.0	15.0	▲6.0	—	—
Dividend per share (Annual, yen)	53	53	±0	—	—
ROE	4.5%	3.2%	▲1.3pt	—	—

- Progress in the first quarter is proceeding according to plan. However, as expenses are expected to rise temporarily, including the booking of amortization costs related to the domestic core system starting in the second quarter, there is no change to the earnings forecast or dividend projections for the current fiscal year.

Domestic Business

- I will now explain our domestic business.



- This is the slide that breaks down our operating profits and the differences from last year.

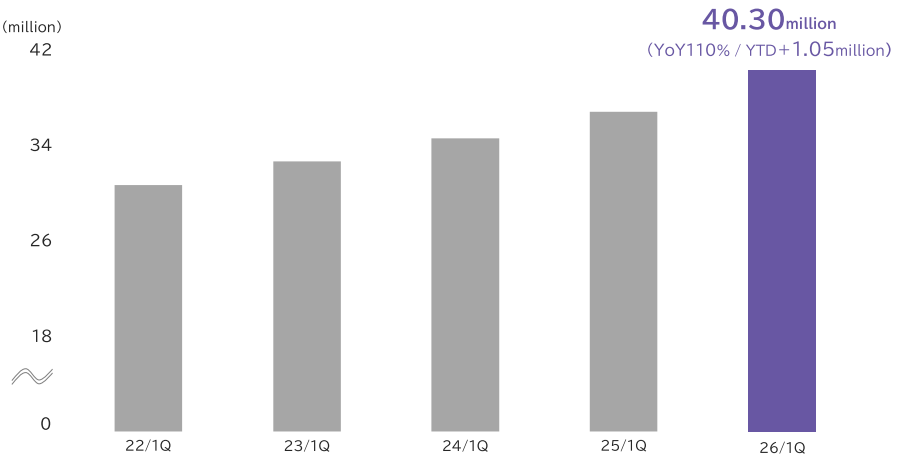
- Operating revenue, represented by the yellow bars, rose to 110% of the previous year's level. This growth was driven by increased card revenue stemming from a rise in installment receivables and revised commission rates for revolving credit as well as higher interest and dividend income from the bank's securities portfolio, increased loan interest income resulting from revised interest rates, and gains recorded on the sale of securities.

- Operating expenses, represented by the gray bars, saw financial expenses rise by 5.8 billion yen due to factors such as increased interest payments on deposits at AEON Bank and the rebalancing of government bond holdings.
- As a result, total operating expenses increased by 5.5 billion yen, and operating profit for the domestic business reached 5.9 billion yen, which is 172% of the figure from the same period last year.

[Domestic] Valid ID Status

Demonstrating Profitability | Transition to High-efficiency Management | Safety and Security First

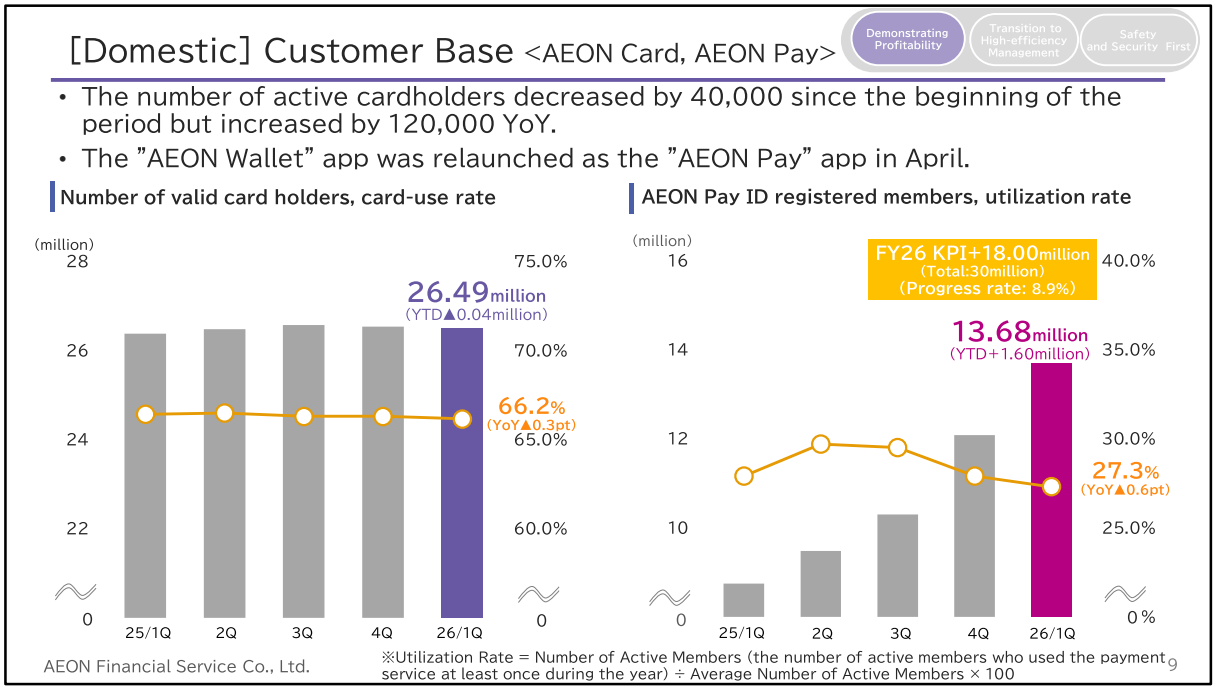
- Growth was driven by an increase of 3.51 million YoY in the number of active IDs and a 2.33 million increase in the number of members using charge payments.



AEON Financial Service Co., Ltd.

*Valid ID: Number of customers using our services such as AEON Card, AEON Pay, AEON Bank accounts
* Members with duplicate IDs are consolidated for counting method

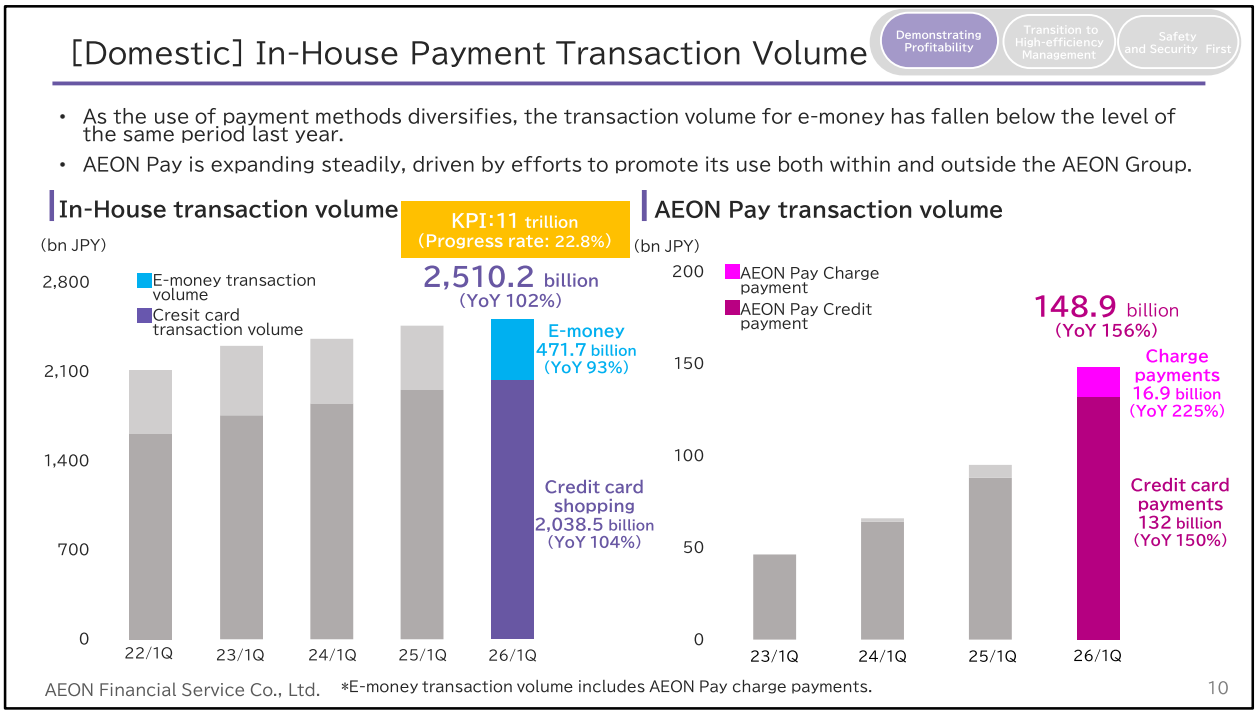
- Regarding the status of our domestic customer base, the number of valid IDs has steadily expanded to 40.30 million due to the increase in members using the AEON Pay charge payment function.



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

- The number of active cardholders shown on the left has decreased slightly since the end of the previous period due to a revision of card renewal criteria aimed at cost optimization.

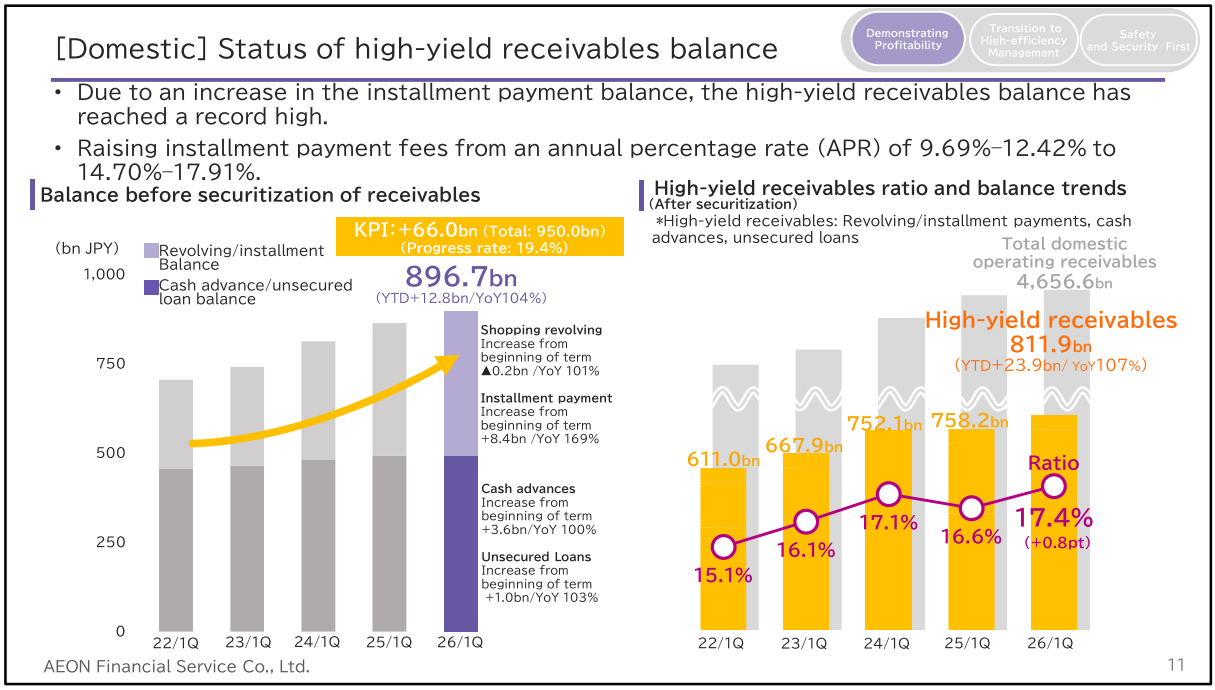
- The number of AEON Pay members shown on the right has increased by 1.60 million since the beginning of the period. While the progress rate against the annual KPI stands at approximately 9%, we anticipate further growth in membership during the second half of the fiscal year driven by initiatives such as integrating AEON Pay into the apps of our Group, and will provide further updates on our progress going forward.



- Now I will explain about our transaction volume.

- As shown on the left, our in-house payment transaction volume, combining shopping transaction volume and electronic money, totaled 2,510.2 billion yen.

- Regarding the AEON Pay transaction volume shown on the right, the figure reached 148.9 billion yen, 156% of the level seen in the same period last year, driven by an expanding membership base and promotional initiatives both within and outside the AEON Group.

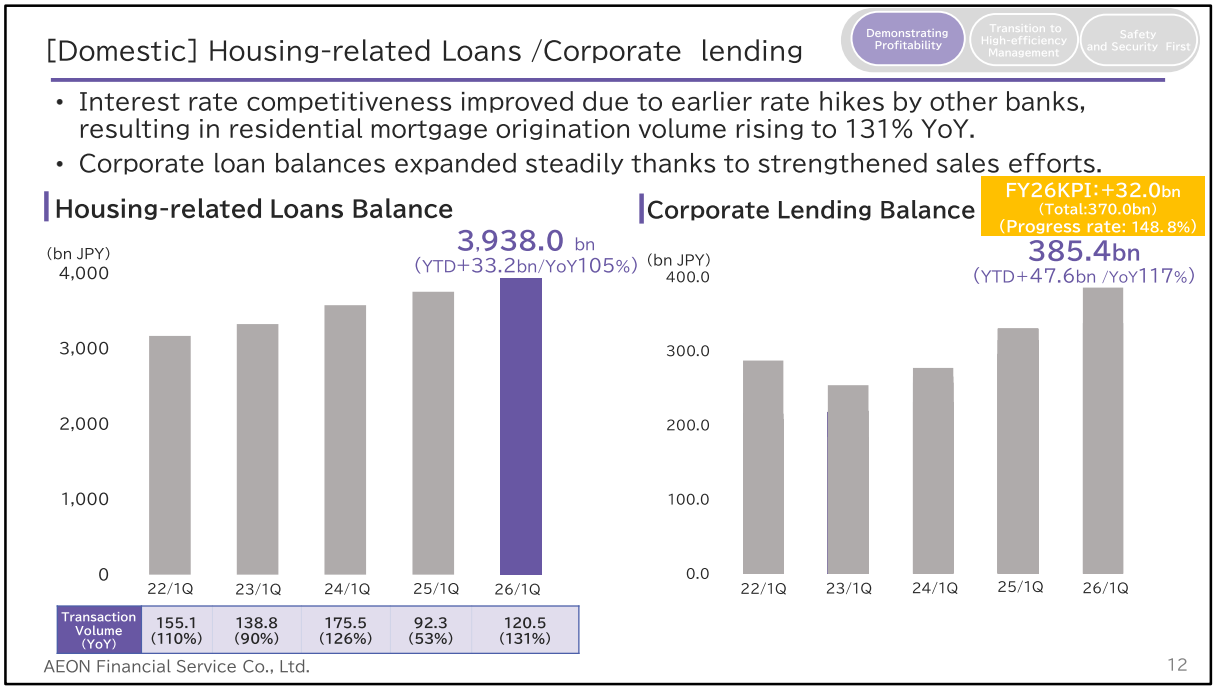


- This slide is about the domestic high-yield receivables balance.

- The graph on the left shows the outstanding balance prior to receivables securitization.
- Although the decision to hold off on certain promotional campaigns in anticipation of the core system migration had some impact, the outstanding balance reached a record high of 896.7 billion yen. This was driven by factors such as the launch of the "Pay in Installments Later" feature last September and an increase in cash advance receivables.

- The graph on the right illustrates the trend in the outstanding balance following securitization. The proportion of high-yield receivables within the total domestic receivables balance rose by 0.8 percentage points compared to the same period last year.

- Furthermore, we have decided to raise the effective annual interest rate for installment payment fees on transactions made on or after November 11 of this year, as we aim to further improve profitability.

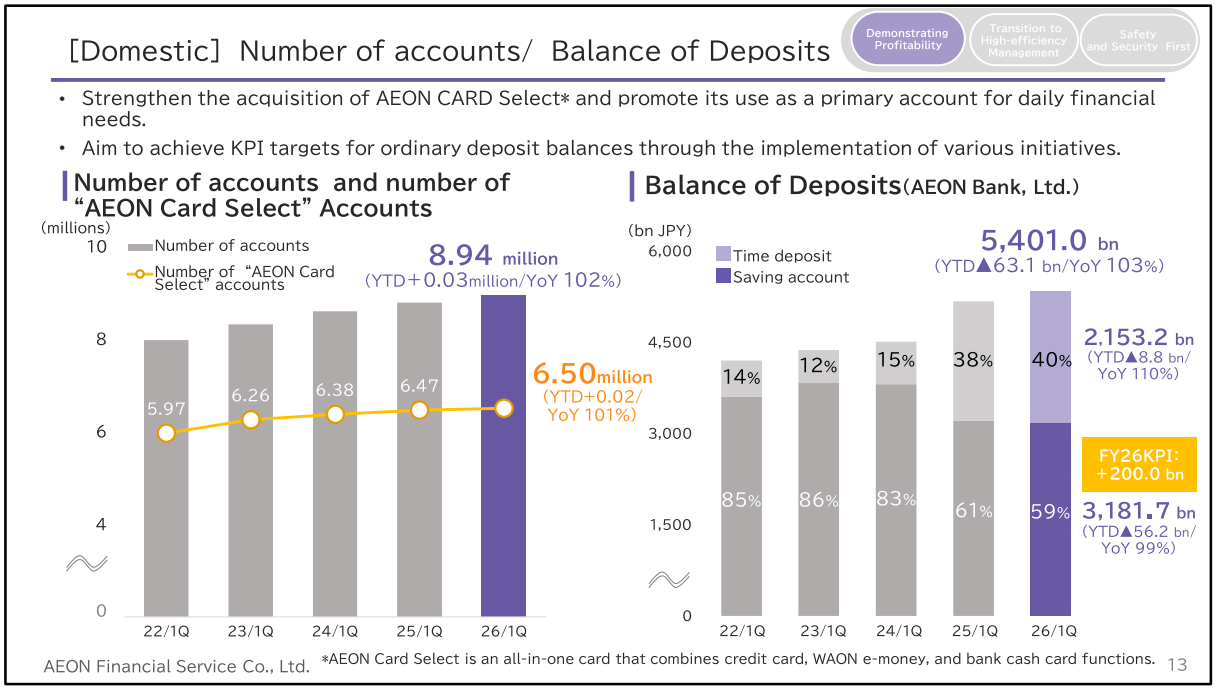


- The outstanding balance of housing-related loans increased by 33.2 billion yen from the beginning of the period, reaching 3,938.0 billion yen.

- Transaction volume for the first quarter reached 131% of the previous year's level, driven by the narrowing of mortgage interest rate spreads resulting from rate hikes by various banks, as well as the contribution of long-term loans with terms exceeding 35 years, which were introduced in April 2025.

- Although the base interest rate for residential housing loans at AEON Bank was raised by 35 basis points effective May 1, the revised rates apply starting the day after the scheduled June repayment date; consequently, the impact on interest income from loans will materialize from the second or third quarter onwards.

- As for the outstanding balance of corporate lending shown on the right, we successfully expanded the balance by strengthening sales activities by leveraging the personnel and sales capabilities of ACS Lease, a company that merged with us last year.

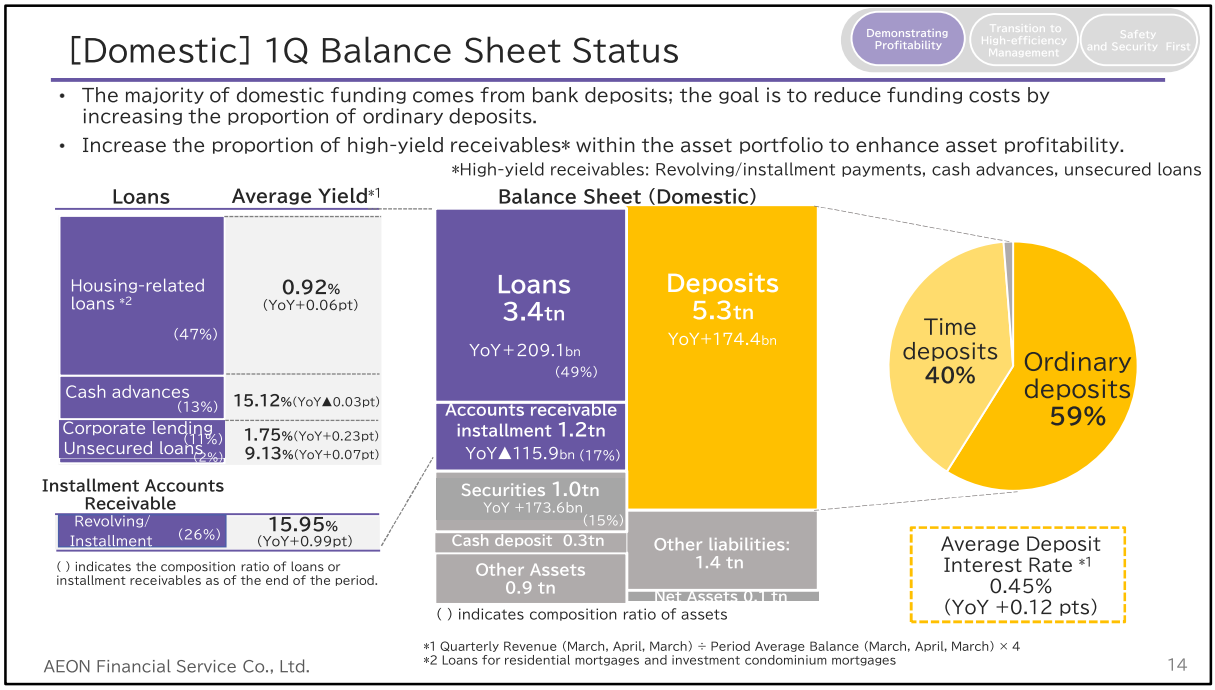


- This is about the number of accounts and balance of deposits for AEON Bank.

- Even amidst rising interest rates, we prioritize securing stable funding at low costs and are actively working to encourage customers to use our accounts as their primary accounts for daily financial needs.

- To achieve this goal, we are promoting the acquisition of "AEON Card Select", a card that integrates credit card and WAON electronic money functions, in order to increase the number of accounts linked to payment services.
- The total number of accounts reached 8.94 million, an increase of 30,000 since the beginning of the period, while the number of AEON Card Select accounts rose by 20,000 over the same timeframe.

- Although the deposit balance stood at 5,401.0 billion yen, showing a slight decrease from the start of the period due to seasonal demand for funds associated with life transitions, we remain committed to acquiring a balanced mix of saving accounts and time deposits moving forward.

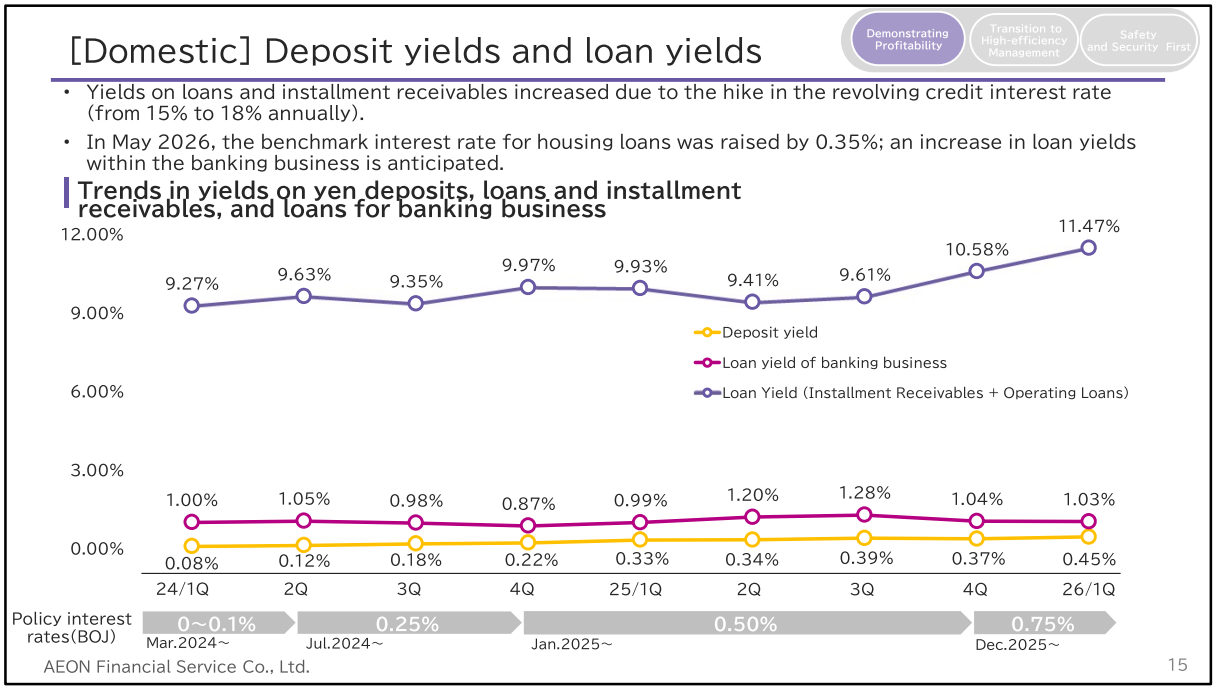


- Next is about domestic funding.

- In recent years, the domestic interest rate environment has undergone significant change. The policy interest rate has been raised from negative territory in 2023 to 1.00% as of June 2026.

- Amidst this environment, our cost of deposit funding rose by 0.12 percentage points year-on-year, reaching 0.45% at the end of the first quarter. However, our ownership of AEON Bank has enabled us to maintain a stable funding base even during this period of rising interest rates.

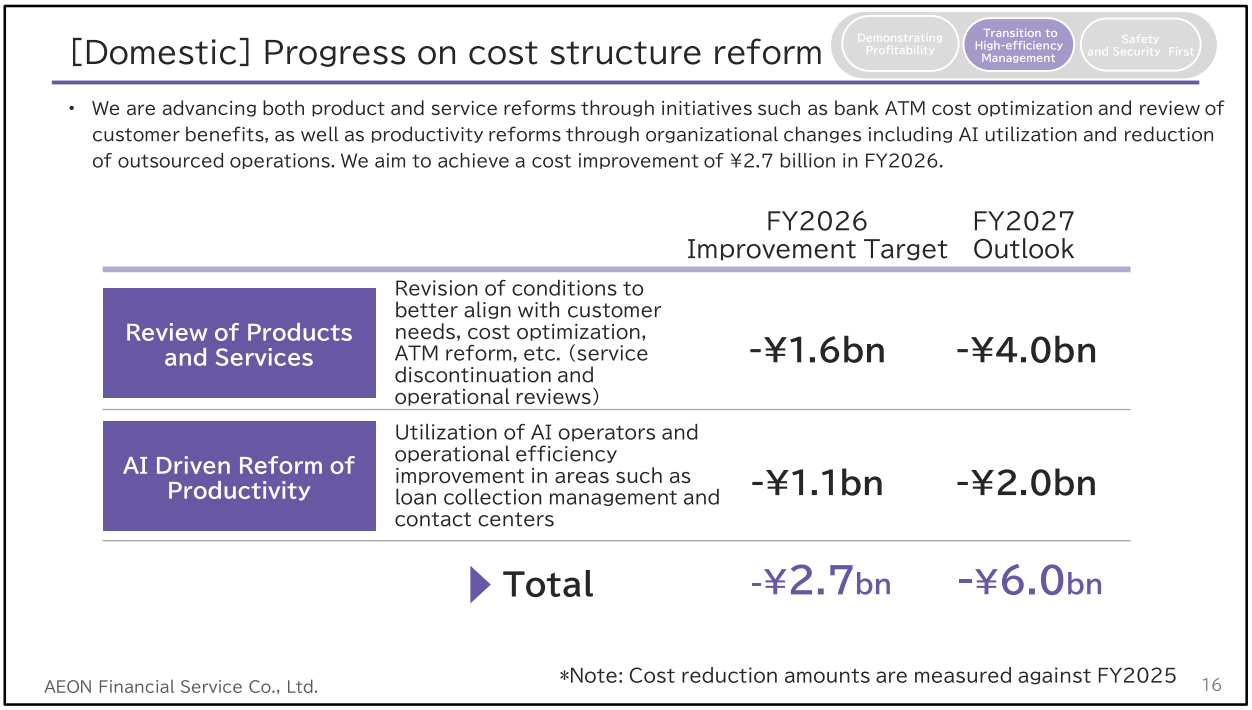
- While I will discuss the quarterly trends regarding the loan yield shown on the left on the next page, our strength is the investing of raised funds into high-yield assets.



- Here are the quarterly trends in domestic loan and deposit yields.

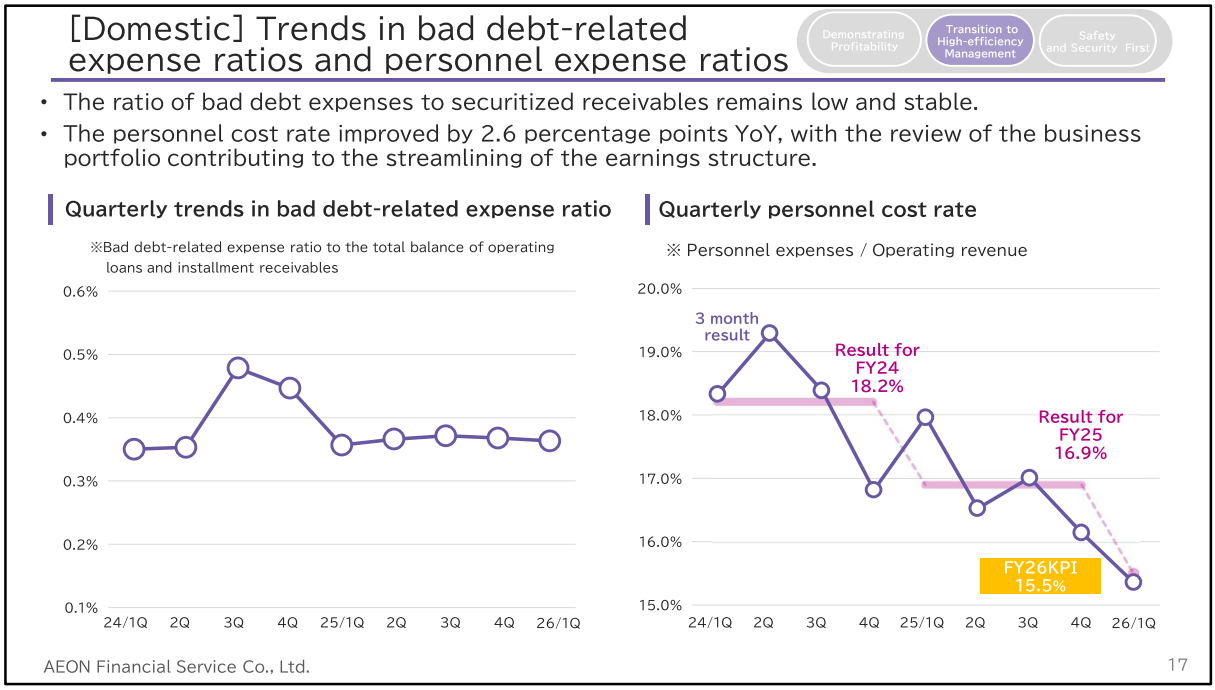
- The yield on operating loans and installment receivables, shown in purple, has risen following a revision to the fees charged for revolving credit purchases.
- The “loan yield of banking business," shown in red, has declined slightly. This is due to a temporary narrowing of interest margins during a period of rising interest rates, as well as a timing difference in revenue recognition.

- As previously mentioned, the base interest rate for residential mortgages at AEON Bank was revised on May 1. This change is expected to be reflected in the figures from the third quarter onwards.
- Additionally, we have decided to raise the annual percentage rate (APR) for credit card installment payment fee, effective for transactions made on or after November 11, as part of our efforts to further improve profitability.



- Now I will talk about the progress of domestic cost structure reforms.

- We are advancing productivity reforms through reviews of products and services, such as cost rationalization for bank ATMs and revisions to customer benefits, as well as organizational adjustments, including the utilization of AI and the reduction of outsourcing. We aim to achieve improvements totaling ¥2.7 billion in fiscal year 2026 and are currently conducting a bottom-up review of costs with the goal of exceeding the ¥6.0 billion reduction target for fiscal year 2027 outlined in our medium-term management plan.



- Next is regarding cost control. The trends in the bad debt-related expense ratio and the personnel expense ratio that we report on a quarterly basis are as shown.

- The bad debt-related expense ratio has remained stable, while the personnel expense ratio improved by 2.6 percentage points year-on-year.

- Reviews of our business portfolio conducted to date, such as the transfer of the AEON Allianz Life business last year and the integration of in-mall insurance shops with bank branches the year before, have led to a more appropriate allocation of the Group's management resources and contributed to greater efficiency in our earnings structure.

Overseas Business

- I will now talk about our overseas business.

[Overseas] Segment Performance Highlights

- Driven in part by a boost from exchange rate effects, all regions saw increases in both revenue and profit.

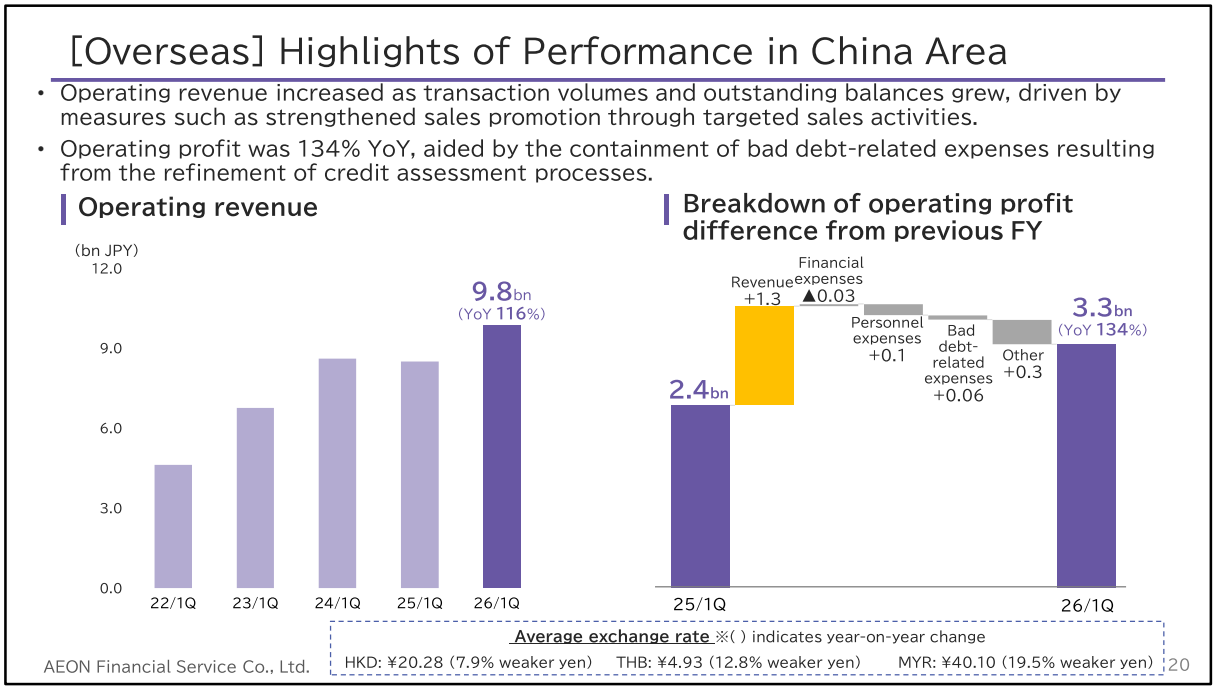
	Overseas business	YoY	China area	YoY	Mekong area	YoY	Malay area	YoY
Operating revenue	65.3 bn	116 %	9.8 bn	116 %	26.0 bn	107 %	29.4 bn	125 %
Operating profit	11.5 bn	123 %	3.3 bn	134 %	4.1 bn	103 %	4.0 bn	141 %
<Reference> Bad debt-related exp.	20.3 bn	112 %	2.0 bn	103 %	8.4 bn	107 %	9.9 bn	120 %

Average exchange rate ※( ) indicates year-on-year change

HKD: ¥20.28 (7.9% weaker yen) THB: ¥4.93 (12.8% weaker yen) MYR: ¥40.10 (19.5% weaker yen)

- In our overseas operations, driven in part by the boost from the weak yen, both operating revenue and operating profit exceeded the figures from the same period last year across all regions.

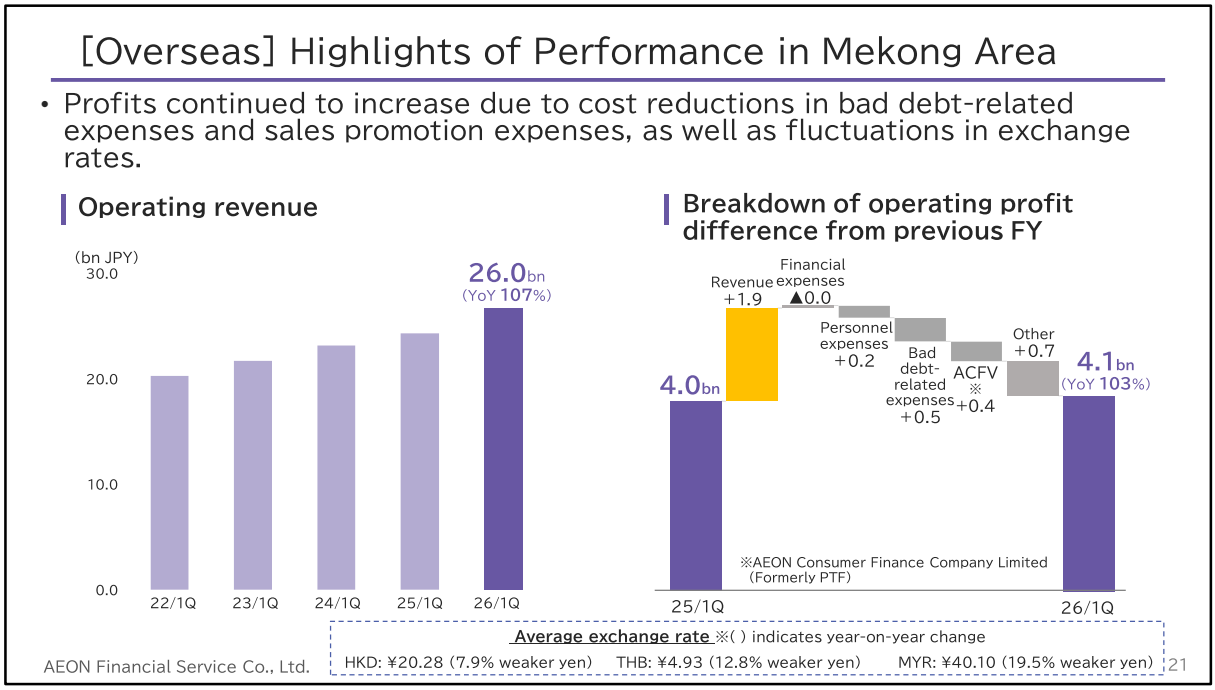
- Starting from the next page, I will explain the details of the profit and loss for each region.



- First is about the China Area.

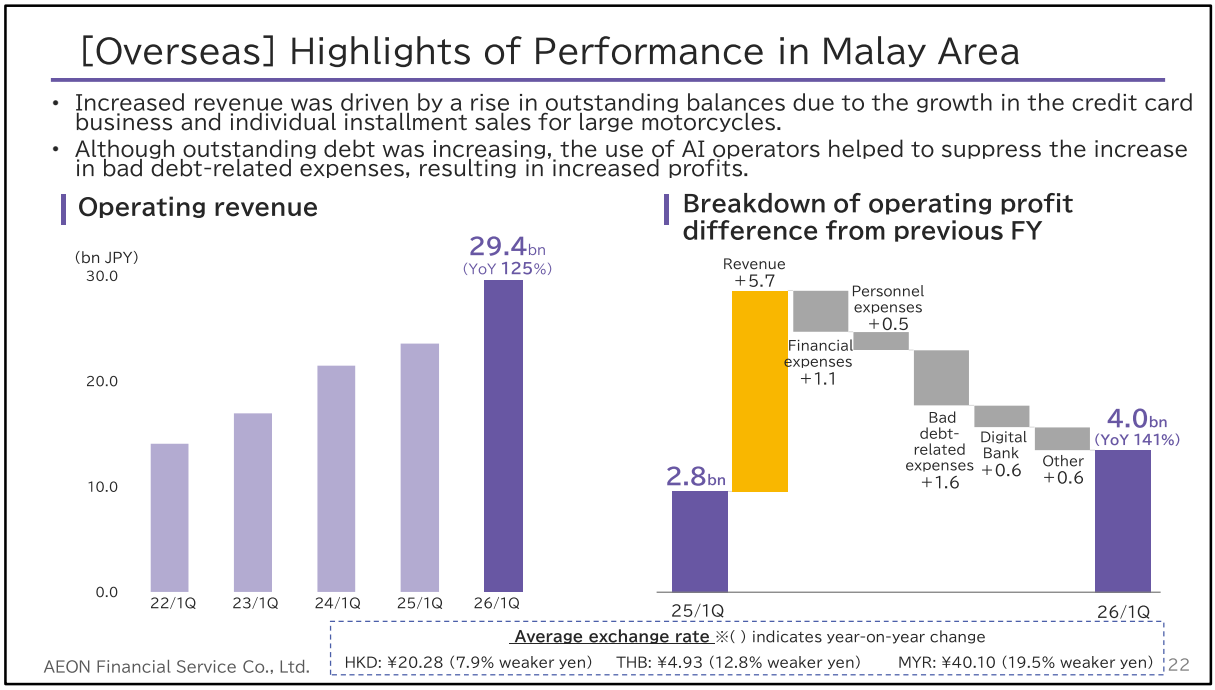
- Operating revenue grew by double digits in percentage to 116% of the previous year's level; amidst a gradual recovery in private consumption, initiatives such as strengthened credit card promotional activities and an expanded loan product lineup proved successful, driving growth in both transaction volume and outstanding balances.

- Operating profit rose significantly to 134% of the previous year's level, driven by the advanced credit assessment capabilities we have been enhancing, which helped curb the provision for bad debts.



- In the Mekong Area, operating revenue reached 107% of the previous year's level, partly due to a boost from exchange rate fluctuations.

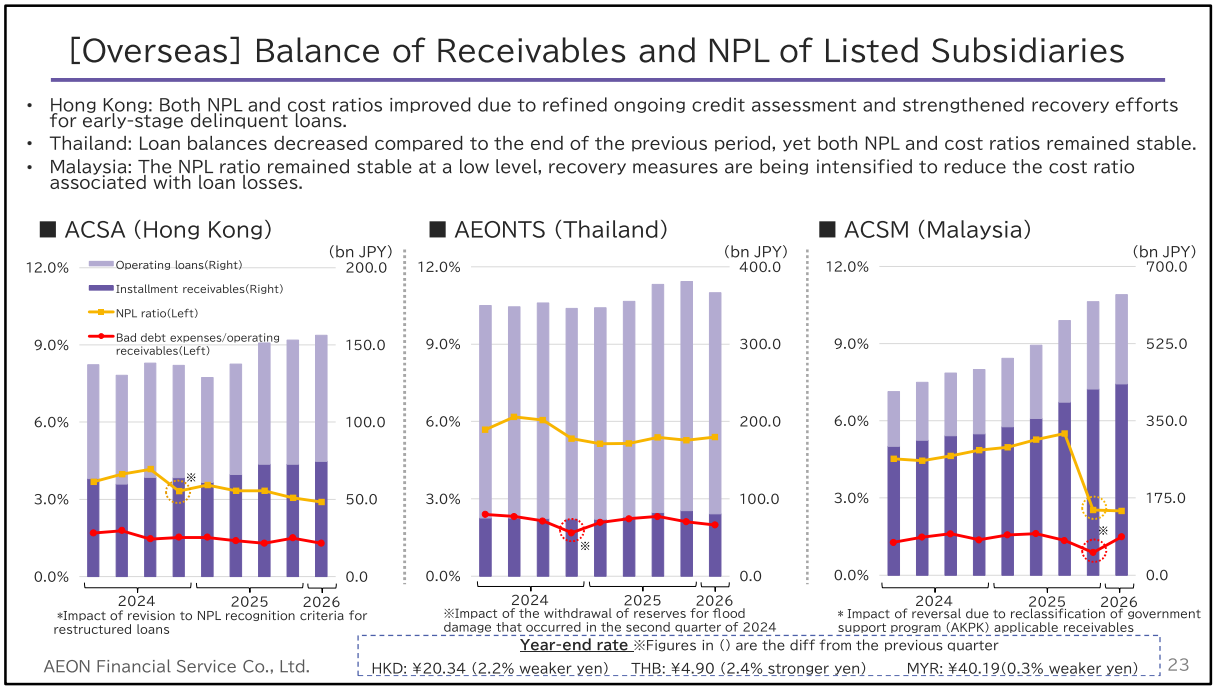
- In Thailand, although the outstanding balance of operating receivables declined—driven by a deterioration in consumer sentiment amidst rising prices linked to the situation in the Middle East—operating profit remained virtually unchanged from the previous year, effectively maintaining profit growth through the containment of costs such as bad debt expenses and sales promotion expenses.



- This is the situation in the Malay Area.

- In Malaysia, alongside installment sales for individual motorcycles and used vehicles, credit card transaction volume expanded steadily, resulting in operating revenue reaching 125% of the figure for the same period of the previous year.

- Operating profit was strong, reaching 141% of the level seen in the same period of the previous year. This was driven by factors such as the strengthening of the collection framework through the introduction of AI operators in the collection division which helped curb the rise in bad debt-related costs, even as the outstanding receivables balance increased.

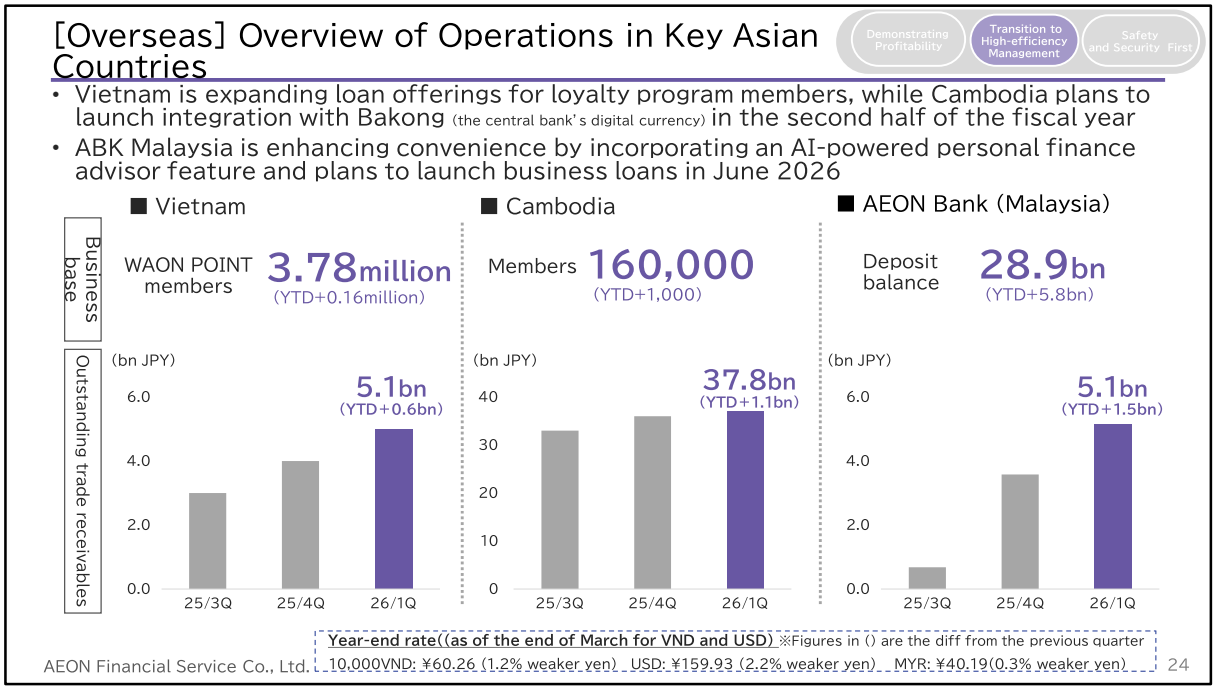


- This chart shows the quarterly trends in outstanding receivables and NPL ratios for our three overseas listed subsidiaries.

- Amid rapid changes in the macroeconomic environment driven by factors such as conditions in various countries and the situation in the Middle East, we have strengthened our credit management and collection systems. Consequently, the ratio of bad debt-related expenses to outstanding operating receivables has remained generally stable.

- In Malaysia, the expense ratio appears to have risen compared to the end of the previous fiscal period. However, this is due to a revision of receivable classifications following changes to government support program criteria at that time, and the underlying trend remains stable.

- Moving forward, we will continue to control bad debt-related expenses as our receivables portfolio grows and will intensify our collection efforts to drive down these costs.



- Here is an overview of the digital banking operations in Vietnam, Cambodia, and Malaysia which are the countries designated as key overseas markets in our medium-term management plan. Starting this fiscal period, we will report quarterly on our foundational metrics, specifically member counts and deposit balances, in addition to our key performance indicator (KPI) of outstanding operating receivables.

- All three entities are seeing steady growth in both their member bases and outstanding operating receivables.

- In Vietnam, the number of WAON Point members is growing steadily, and we are strengthening our lending services for members. In Cambodia, we are currently making preparations to launch integration with "Bakong“, the central bank's digital currency, during the second half of the fiscal year. Meanwhile, ABK Malaysia launched business lending services in June 2026 and is actively expanding its loan portfolio.

KPI Progress for the Mid-Term Management Plan (FY2026–FY2030)

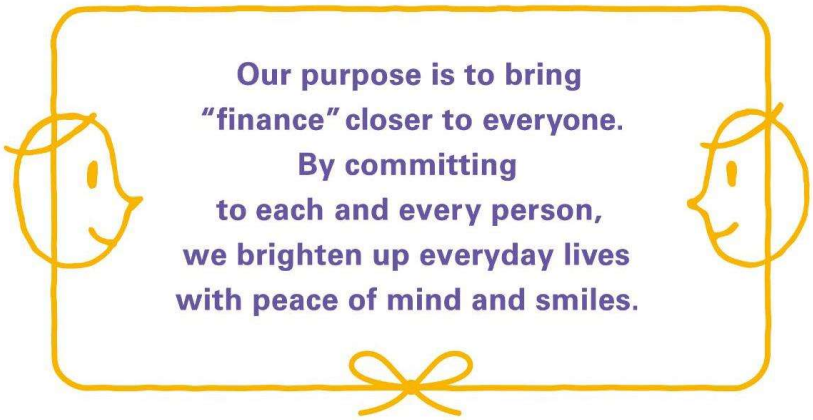
KPI for		Unit	2025 Result	2026 Plan	2026 1Q Result	FY2026 Full-Year Progress Status	2030 Plan
Domestic	Number of Active AEON Pay ID	(10,000 persons)	1,208	3,000	1,368 (Increase from beginning of term +160)	8.9%	6,000
	Outstanding Balance of Current Deposit	(tn yen)	3.2	3.4	3.1 (Decrease from beginning of term -0.05)	—	5.6
	Transaction volume of cashless transactions	(tn yen)	9.8	11.0	2.5 (YoY +0.05)	22.8%	19.0
	Outstanding Account Receivables for individual customers (High-yield)(*1)	(bn yen)	883.8	950.0	896.7 (Increase from beginning of term +12.8)	19.4%	1,260.0
	Outstanding Account Receivables for corporate customers	(bn yen)	337.8	370.0	385.4 (Increase from beginning of term +47.6)	148.8%	530.0
	Personnel cost against operating revenue	(%)	16.9	15.5	15.4 (YoY ▲2.6pt)	—	12.0
Overseas	Outstanding trade receivables (※2)	(bn yen)	1,157.7	1,290.0	1,163.4 (Increase from beginning of term +5.6)	4.3%	1,750.0
	Outstanding trade receivables (※3)	(bn yen)	41.1	59.0	42.9 (Increase from beginning of term +1.7)	10.0%	200.0

*1 Before securitization *2 Total of three overseas listed subsidiaries and AEON Bank (Malaysia) *3 Total of subsidiaries in Vietnam and Cambodia

- This is a summary of our progress on the KPI's of our medium-term management plan.

- While some indicators have had a slow start relative to full-year targets partly due to initiatives that are just getting underway, such as expanding the active user base for AEON Pay, we remain committed to achieving our goals. We plan to provide further details on these initiatives during the announcement of our interim financial results.

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】

■JP Morgan Securities Analyst Sato

Q 1 . The results for the first quarter appear to show a high rate of progress. Please explain if there are any factors suggesting a potential upside, even after accounting for the expenses associated with the launch of domestic core systems from the second quarter onwards. Additionally, please clarify how the plan will be affected by factors such as revisions to AEON Bank's mortgage interest rates and credit card installment fees, as well as gains on the sale of investment securities.

(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 . First-quarter results are progressing in line with expectations. We intend to press ahead with initiatives to steadily realize the benefits of interest margins and cost containment resulting from structural reforms. Regarding gains on the sale of securities, there are offsetting factors involving losses on the sale of government bonds; we ask that this be viewed as part of the rebalancing of our securities investment portfolio rather than a primary driver of overall profit. Furthermore, the securitization of residential mortgages has not been factored into our budget. We aim to build up profits through interest margins and fee income generated from our customer base. As business environments and progress vary by country in our overseas operations, we will manage the balance between revenue and loan losses while monitoring consumer trends.

Q 2 . Regarding the gain on the sale of securities, was the portion recorded as an extraordinary gain included in the 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)

A 2 . The extraordinary profit stemmed from gains on the sale of shares. While the exact amount of the gain had not been precisely projected at the budgeting stage, it had been factored in to some extent.

■Daiwa Securities Analyst Watanabe

Q 1 . Regarding the gains on the sale of securities, please explain the details of the 3.8 billion yen year-on-year increase shown on page 7 of the materials. Also, if you continue to rebalance your Japanese government bond (JGB) holdings, can the gains from sales offset the impact?

(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 . We have been continuing to sell securities and rebalance our government bond holdings over the past several quarters. We are adjusting our net earnings by selling assets with unrealized losses such as long-term government bonds alongside assets with unrealized gains, such as investment trusts. This rebalancing is intended to prepare for rising interest rates, and we anticipate continuing these operations beyond the second quarter. We intend to manage this process while closely monitoring interest rate trends and supply-demand conditions.

Q 2 . I believe AEON Bank held unrealized gains on available-for-sale securities totaling 5.1 billion yen as of the end of March 2026, but it seems a significant portion of that was realized in the first quarter. Can we expect further gains from sales going forward?

(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 2 . The rebalancing of the securities portfolio is expected to continue for the time being. We anticipate the continuation of operations that utilize gains from the sale of assets with unrealized profits to offset, to a certain extent, losses from the sale of assets with unrealized losses.

■SMBC Nikko Securities Analyst Hara

Q 1 . Regarding the outlook for costs: please share your projections for the second quarter onwards concerning the cost increases associated with the launch of the core system, as well as sales promotion expenses and the personnel cost ratio.

(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 . Regarding our cost structure reform initiatives, we have already implemented measures feasible for the current fiscal period and expect to see their effects materialize gradually. For instance, we are utilizing AI operators to handle a portion of call center operations in Malaysia and have deployed them in areas such as receivables management. While domestic implementation remains limited, we intend to pursue further initiatives in this space to drive results from the next fiscal year onwards. Additionally, as the number of AEON Pay IDs has not yet surpassed 14 million, we will allocate promotional spending strategically to accelerate member acquisition. Regarding personnel costs, we anticipate realizing savings through the natural attrition of operational staff in call centers and receivables management, while also keeping future AI integration in mind. We are

working to improve our operational structure to lower the personnel cost ratio by boosting the productivity of existing staff, and we aim to steadily deliver results through these efforts.

Q 2 . Regarding the domestic core systems, is there any change to the assumption that approximately 15 billion yen in depreciation and one-time migration costs will be incurred 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)

A 2 . The assumption that the combined total of one-off costs and depreciation expenses will be around 15 billion yen remains unchanged. Although a decline in profit is projected for the current fiscal year, our immediate focus is to steadily meet our targets and build up factors that could drive performance above planned.

■Mizuho Securities Analyst Sakamaki

Q 1 . I would like to review the factors behind the year-on-year changes in the domestic business. What factors are driving the increase in revenue from fees and commissions?

(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 . Several factors have contributed to the domestic increase in revenue from fees and commissions, including fee income from the recovery in mortgage origination volumes and fees associated with electronic money charging and processing. While the impact of any single factor is not substantial, we view them all as sources of sustainable revenue growth.

■Goldman Sachs Securities Analyst Kuroda

Q 1 . The number of active AEON Pay members remains at a low level; is progress tracking in line with the internal plan? Also, have the promotional expenses for boosting performance in the second half been factored into the plan? Additionally, please explain how the 27% utilization rate for AEON Pay is defined.

(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 . Expanding the AEON Pay membership base is a key initiative for our domestic operations under the medium-term management plan, though the start in the first quarter was somewhat slow. We believe that optimizing user pathways within various

AEON Group apps and expanding promotional activities will be crucial moving forward. We also plan to increase the number of participating merchants, support local government cashless payment incentive programs, and promote the option to exchange government benefit payments for WAON POINTs. Through these efforts, we aim to enhance the customer experience associated with AEON Pay and work toward achieving our targets. Regarding the usage rate, we define it based on annual activity and have recalculated past figures using this same definition. Broadening the membership base while encouraging continuous use of AEON Pay will drive improvements in the usage rate. We also intend to highlight AEON Pay's suitability for everyday purchases. Note that the promotional costs associated with measures to boost performance in the second half of the fiscal year have already been factored into our plan.

■Morgan Stanley MUFG Securities Analyst Takemura

Q 1 . I would like to check on the progress regarding KPIs. Regarding the outstanding balance of operating receivables at your listed overseas subsidiaries, what is your current assessment and outlook? Also, the operating receivables for corporate clients appear to be doing well; could you explain the background behind this?

(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 . Regarding the outstanding balance of operating receivables, a key performance indicator (KPI) for our three overseas listed subsidiaries, progress varies by region. While the balance is growing in Malaysia, expansion in Thailand requires a cautious approach that balances growth against potential bad debt. Although current progress shows some signs of weakness, we aim to drive an increase in the outstanding balance by steadily executing our existing strategies. Growth in Hong Kong, while not as rapid as in Malaysia, is proceeding steadily, supported by stable unemployment rates and an economic recovery; our immediate priority is to meet our budget targets. Regarding domestic corporate lending, we are implementing supply chain finance initiatives to capture financing demand linked to the AEON ecosystem; however, as building a track record of actual cases is challenging, we intend to expand our results gradually.

■Nomura Securities Analyst Kaku

Q 1 . Regarding the transaction volume for card shopping from the second quarter onwards, I assume the pace of growth is expected to shift as the fiscal year-end approaches; what kind of trend do you anticipate?

(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 . Due in part to unfavorable weather, sales performance was not strong from spring through the rainy season. Even now, we have yet to see signs of a robust, rapid recovery.

Moving forward, we will enhance the benefits offered within the Group and implement measures designed to encourage customers to use AEON Pay when shopping at AEON. We remain committed to achieving our targets.

Q 2 . Could the migration of the core system have a positive impact?

(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 2 . Leveraging data has long been a significant challenge for our company. Despite being in an advantageous position to utilize AEON's retail data, the company recognizes that it has not yet fully capitalized on this strength. However, initiatives such as analyzing payment data from AEON Bank account holders, extending beyond mere shopping activity, to offer card loans are beginning to show promising results. Moving forward, the company intends to use data to identify the most effective promotional offers and to better understand the demand for financial products, such as loans, thereby optimizing the use of promotional budgets.

■Daiwa Securities Analyst Watanabe

Q 1 . Regarding dividend policy, is an upward revision to the dividend a possibility, given the trend of better-than-expected earnings?

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

A 1 . Our approach to dividends remains as outlined in the medium-term plan. We intend to achieve our profit targets and focus on securing operating cash flow.

■JP Morgan Securities Analyst Sato

Q 1 . Will the bankruptcy of Zentoshin have any impact? It is one of your affiliated card companies; if there are any potential effects, please outline them for me.

(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 . The situation of the need for responses beyond the scope of our contracts and its impact on our business is not unique to our company, and other card issuers are facing similar circumstances

■SMBC Nikko Securities Analyst Hara

Q 1 . According to the list of creditors held by Zentoshin, a claim is held by AEON Bank. Has this claim already been provisioned for, or is it expected to impact financial results from the second quarter onwards?

(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 . While I will refrain from disclosing details regarding specific loans, we will take the necessary measures starting in the second quarter. As the loans are partially secured, the impact on our financial results will be minimal.