

Brief Report of Financial Results for the Six Months ended August 31, 2025

October 9, 2025

Company name **AEON Financial Service Co., Ltd.**
Listings Tokyo Stock Exchange, Prime Market
Security code 8570
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Preparation of brief summary materials for financial results: Yes
Holding of financial results presentation: Yes (For institutional investors and analysts)

1. Business performance (For the Six Months ended August 31, 2025 and for the Six Months ended August 31, 2024)

(1) Consolidated Operating Results

(Millions of yen truncated to the nearest million, %, yen)

	Operating revenue	Percentage Change	Operating profit	Percentage Change	Ordinary profit	Percentage Change	Profit attributable to owners of parent	Percentage Change
Six Months ended August 31, 2025	278,160	8.7	28,322	4.3	29,192	7.7	8,745	△14.4
Six Months ended August 31, 2024	255,790	7.7	27,142	33.8	27,111	27.2	10,215	41.2

(Note) Comprehensive income; For the Six Months ended August 31, 2025; 9,464 million (△52.0%),
For the Six Months ended August 31, 2024; 19,711 million (△35.2%)

(yen)

	Net Income per Share	Fully Diluted Net Income per Share
Six Months ended August 31, 2025	40.51	40.51
Six Months ended August 31, 2024	47.32	47.32

(2) Financial Position

(Millions of yen truncated to the nearest million, %, yen)

	Total Assets	Net Assets	Total equity ratio	Net Assets per Share
Six Months ended August 31, 2025	8,219,496	583,097	5.5	2,102.02
Fiscal 2024 ended February 28, 2025	7,756,492	585,766	5.9	2,136.09

(Note) Equity capital; For the Six Months ended August 31, 2025; 453,793 million
Fiscal year ending February 2025; 461,139 million

2. Cash Dividends

(yen)

(Base date)	Dividend per share				
	First quarter period	Interim period	Third quarter period	Term end	Annual
Fiscal 2024 ended February 28, 2025	—	25.00	—	28.00	53.00
Fiscal 2025 ended February 28, 2026	—	25.00			
Fiscal 2025 ended February 28, 2026 (Estimated)			—	28.00	53.00

(Note) Amendments from the most recently published dividend forecast : None

3. Projections (For the fiscal year ending February 28, 2026)

(Millions of yen, %)
(YoY is the percentage of change to the previous year)

	Operating revenue	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit attributable to owners of parent	YoY	Net income per share
Full term	570,000	6.9	57,000	△7.3	57,000	△8.9	21,000	34.2	97.28

(Note) Amendments from the most recently published projections forecast : None

※Notes

(1) Change in significant subsidiary during the term: Yes

Newly added: N/A, Excluded: 1 company (Company name) AEON Allianz Life Insurance Co., Ltd.

(Note) For details, see " (3) Notes on the Consolidated Financial Statements (Significant Changes in the Scope of Consolidation During the Interim Period)" on page 12 of the attached documents.

(2) Application of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Change in accounting principle, procedure, disclosure, etc. concerning preparation of consolidated financial statements

① Change due to a newly issued accounting requirement: Yes

② Change other than ①: None

③ Change accounting quotation: None

④ Restatement: None

(4) Number of shares issued (Common stock)

1) Number of shares issued at end of period (treasury stock included):
August 31, 2025; 216,010,128 shares, Fiscal 2024; 216,010,128 shares

2) Number of shares held in treasury at end of period:
August 31, 2025; 125,741 shares; Fiscal 2024; 129,593 shares

3) Average number of shares outstanding during the period:
Six Months ended August 31, 2025: 215,881,825 shares
Six Months ended August 31, 2024: 215,873,193 shares

※The second quarter financial results report is not subject to review by a certified public accountant or auditing firm.

※Explanation of the Appropriate Use of Earnings Forecasts and Other Important Notes

(Caution Regarding Forward-Looking Statements, etc.)

The earnings and dividend forecasts are based on assumptions and projections that are the basis for future outlooks and plans as of the date of this document's release, and are not intended to guarantee that they will be achieved. Actual results may differ from the forecasts due to various factors. For details regarding earnings and dividend forecasts, please see "1. Review of Operating Results and Financial Statements. (3) Explanation of Consolidated Business Performance Forecasts" on page 7 of the attached documents.

(How to Obtain Supplementary Financial Statements)

The Company provides supplementary financial statements regarding our business and earnings on our website.

Attachments

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1. Review of Operating Results and Financial Statements

(1) Overview of Operating Results for the Interim Period of 2025

I. Consolidated Operating Results

Consolidated results for the interim period under review showed increases in both revenue and profit, with consolidated operating revenue of ¥278,160 million (108.7% YoY), consolidated operating profit of ¥28,322 million (104.3% YoY), and consolidated ordinary profit of ¥29,192 million (107.7% YoY), driven by increases in domestic and international transaction volumes and receivable balances. Interim net income attributable to owners of the parent was ¥8,745 million (85.6% YoY), due to the recording of an extraordinary loss associated with the transfer of 85.1% of the issued shares of AEON Allianz Life Insurance Co., Ltd. (hereinafter, AEON Allianz Life, currently Meiji Yasuda Trust Life Insurance Co., Ltd.), a consolidated subsidiary engaged in the life insurance business, to Meiji Yasuda Life Insurance Company (hereinafter, Meiji Yasuda) on July 1, 2025.

In order to achieve sustainable growth through the provision of financial services, the Company defines the *raison d'être* of the Group as Our Purpose: "To bring 'finance' closer to everyone. By committing to each and every person, we brighten up everyday lives with peace of mind and smiles." Based on Our Purpose, the Company aims to provide financial services that respond to changes in the life stages and living environments of all customers in the Asian countries in which the Company operates, taking a consumer-oriented approach, which is the Company's strength as a financial group with origins in the retail industry.

Furthermore, in order to achieve the Company's vision for 2030 of becoming "a global company with deep ties to the local community that brings finance closer to everyone," the Company has positioned its medium-term management plan (FY2021-FY2025) as a "Transformation Phase," and is working to revise its business portfolio to optimize it in light of changes in the business environment and to build new business models that utilize digital technology.

In this consolidated fiscal year, the final year of the Company's medium-term management plan, the Company is reviewing its business portfolio and reallocating management resources to maximize the value provided to customers in the AEON Living Area. In Japan, in addition to transferring AEON Allianz Life Insurance's shares to Meiji Yasuda, the Company has decided to absorb ACS Leasing Co., Ltd., a consolidated subsidiary that operates a leasing business, on September 30, 2025. Through this merger, the Company will build a simpler, more effective, and more efficient organizational structure and aim to expand business through strengthened collaboration between the Company's various businesses.

During the interim period under review, the Japanese economy maintained a recovery trend, supported by improvements in the employment and income environment and a gradual rise in interest rates. However, there has been a trend of rising costs, including labor and logistics costs, reflected in sales prices. Rising prices, particularly for food, are impacting household budgets, and consumers remain cautious about personal consumption. In the Asian countries where the Group operates, economic recovery is taking time due to concerns about a slowdown in the Chinese economy, a worsening outlook for macroeconomic indicators influenced by U.S. trade policy, and sluggish income growth amid continued inflation.

Against these circumstances, the Company has worked to expand its customer base by offering financial products and services that meet customers' payment and financing needs both domestically and internationally, and to increase transaction volume and trade receivables.

Domestically on February 28, 2025, the Company completed the acquisition of the WAON Value Issuer business from AEON Retail Co., Ltd., which operates a general merchandise store (GMS) business. It then worked to provide more convenient services by integrating various payment channels, including code payments and electronic money. Additionally, on July 12, 2025, the Company signed a memorandum of understanding (MOU) with AND Global Pte. Ltd. (hereinafter, "AND Global"), a provider of lending services and fintech solutions, regarding a share subscription agreement for AND Global's third-party allotment of new shares and a strategic partnership. By utilizing AND Global's credit management expertise through AI scoring using alternative data and its business know-how in digital lending in Japan and across Asia, the Company will promote the AI and digital transformation of its services, strengthen the lending business, refine credit assessments using AI and other digital technologies, and improving the debt collection system.

The operating results for the first six months of the current consolidated fiscal year are as follows:

(Unit: million yen)

	Previous Interim Period	Current Interim Period	Amount increase	Percentage increase
Operating income	255,790	278,160	22,370	8.7%
Operating profit	27,142	28,322	1,179	4.3%
Ordinary profit	27,111	29,192	2,081	7.7%
Profit attributable to owners of parent	10,215	8,745	△1,469	△14.4%

Segment results for the first six months of the current consolidated fiscal year are as follows:

(Unit: million yen)

		Operating revenue			Ordinary profit or loss (△)		
		Previous Interim Period	Current Interim Period	Percentage increase	Previous Interim Period	Current Interim Period	Percentage increase or decrease
Domestic	Retail	95,818	122,505	27.9%	7,092	4,759	△32.9%
	Solutions	92,221	95,358	3.4%	4,153	6,443	55.1%
	Domestic total*	148,454	165,375	11.4%	9,478	9,504	0.3%
Global	China area	17,298	17,166	△0.8%	3,985	5,295	32.9%
	Mekong area	47,676	49,281	3.4%	6,829	7,901	15.7%
	Malay area	43,518	48,266	10.9%	6,749	5,560	△17.6%
	Global total*	108,493	114,714	5.7%	17,564	18,756	6.8%
Total		296,534	332,578	12.2%	28,810	29,959	4.0%
Adjustments		△40,743	△54,417	—	△1,668	△1,637	—
Consolidated		255,790	278,160	8.7%	27,142	28,322	4.3%

*The domestic and international totals are figures after elimination of inter-segment transactions belonging to each business

Business Segment Information

<Domestic Retail Business>

Operating revenue for the domestic retail business was ¥122,505 million (127.9% YoY), and operating profit was ¥4,759 million (67.1% YoY).

During the interim period under review, operating revenues exceeded those of the previous year due to a steady increase in the balance of trade receivables, primarily from shopping revolving credit and installment payments, as well as an increase in interest on loans and investment gains from securities due to rising interest rates. However, operating profits fell below those of the same period of the previous year due to an increase in financial expenses resulting from an increase in deposit interest in the banking business.

In the retail business, efforts to improve the UI and UX of the AEON Wallet website and smartphone app led to increased use of shopping revolving payments, installment payments, and card cash advances, resulting in an increase in the balance of operating receivables.

For shopping revolving payments, in addition to statement and daily payment options, the Company has added a new feature that allows customers to change their repayment method to revolving payments on a monthly basis, allowing them to choose a repayment method that better suits their usage. For card cash advances, the Company has strengthened advertising for online cash advances through AEON Wallet, and shopping revolving and installment receivables balance steadily increased to ¥378,975 million (an increase of ¥17,408 million from the beginning of the fiscal year), and the cash advance receivables balance steadily increased to ¥435,128 million (an increase of ¥ 7,225 million yen from the beginning of the fiscal year).

In addition, starting September 11, 2025, the Company launched a "Pay Later in Installments" service that allows customers to change their one-time card shopping payment or bonus lump-sum payment to installment payments via the web or the AEON Wallet app after completing the payment process. The Company will continue to work to improve convenience to meet customer payment needs and expand receivables balance.

AEON Bank Ltd. (hereinafter "AEON Bank") revised the interest rates displayed at its branches for deposits and loans on March 1, 2025, in light of the Bank of Japan's review of monetary policy and changes in the interest rate environment. The bank also began offering new products and services tailored to customer needs.

Regarding deposits, to meet growing customer demand for deposits, the bank strengthened in-store advertising for retirement benefit time deposits, which it began offering in February 2025, and implemented preferential interest rate measures for customers who have designated their account as a salary transfer account. As a result, AEON Bank's deposit balance expanded steadily to ¥5,505,346 million (an increase of ¥303,713 million from the beginning of the fiscal year).

Regarding various loan products, in addition to continuing to promote the unique benefits of the Group by strengthening advertising for the "AEON Select Club," which offers mortgage contract holders a 5% discount every day on purchases at the AEON Group, the Company has extended the loan period from the previous maximum of 35 years to a maximum of 50 years from April 1, 2025, in response to rising housing prices and growing demand for home purchases among younger customers. As a result of these efforts to increase transaction volume, the balance of residential mortgage loans before securitization of receivables was ¥2,910,257 million (an increase of ¥3,121 million from the beginning of the fiscal year).

In the area of unsecured loans, on April 21, 2025, Orient Corporation (hereinafter, "Orico") began guarantee services for card loans, education loans, etc., based on a business alliance agreement between AEON Bank and Orico regarding personal loans in the loan finance business area.

On December 26, 2024, AEON Bank received a business improvement order from the Financial Services Agency pursuant to Article 26, Paragraph 1 of the Banking Act regarding its money laundering and terrorist financing management system. The Company along with AEON Bank take this order very seriously, are sincerely reflecting on it, and are working together to improve the management system.

AEON Bank submitted a business improvement plan based on the intent of the order to the FSA on January 31, 2025, and has been reporting its progress to the FSA on a regular basis. The progress of the business improvement plan as of the end of August 2025 was reported on September 12, 2025. The Company will continue to steadily implement the business improvement plan across the company to strengthen its anti-money laundering and anti-terrorist financing system and strive to restore trust so that customers can use the Company's services with peace of mind.

<Domestic Solutions Business>

Operating revenue for the Domestic Solutions Business was ¥95,358 million (103.4% YoY), and operating profit was ¥6,443 million (155.1% YoY).

During the interim period under review, both revenue and profit increased due to efforts to expand the customer

base and affiliated store network for the credit card and code payment service "AEON Pay," as well as the acquisition of the WAON Value Issuer electronic money business from AEON Retail Co., Ltd. in February 2025, which increased revenue from service transactions and other income.

In the Solutions Business, the Company integrated AEON Pay and WAON electronic money on June 26, 2025, and equipped AEON Pay with a feature that allows users to freely transfer balances between the two payment methods. To coincide with the launch of the service, the Company collaborated with AEON Group companies to strengthen advertising and expand customer base and usage.

To expand the customer base, the Company implemented a campaign offering up to 20% cash-back on spending to first-time AEON Pay users and worked to attract new members by raising awareness of the cash top-up function at ATMs. As a result, the number of AEON Pay members steadily increased. The number of valid IDs in Japan reached 37.49 million (an increase of 1.33 million from the beginning of the fiscal year), of which the number of valid card members was 26.47 million (an increase of 310,000 from the beginning of the fiscal year).

In the payment area, rising prices have led to a persistent trend toward saving on everyday consumption, resulting in slow growth in average spending. However, the Company has worked to enhance the appeal of the card benefits by implementing joint promotional initiatives with the AEON Group, partner companies, and affiliated stores, in addition to adding AEON Town specialty stores in neighborhood shopping centers to the "Customer Appreciation Day" benefit, which offers a 5% discount on purchases at AEON Mall specialty stores nationwide on the 20th and 30th of each month to AEON Card Gold members only. Starting in March 2025, the Company also launched a new promotional campaign in July 2025 that awards 10 times the basic amount of WAON POINTS to those who use AEON Pay at participating AEON Group stores on the 10th of each month, thereby expanding its use as a more cost-effective payment method.

Furthermore, the Company has expanded its affiliated store network with the aim of making AEON Pay a payment method that can be easily used in all aspects of life, and the number of locations where AEON Pay can be used increased by 570,000 from the beginning of the fiscal year to 3.6 million. As a result, card shopping transaction volume was ¥3,906,570 million (105.4% YoY).

To prevent fraudulent credit card use due to phishing scams and other fraudulent activities, which are on the rise in the domestic market, the Company has established a security system that includes the introduction of an identity authentication service (3D Secure) and anomaly detection monitoring to detect fraudulent use 24 hours a day, 365 days a year. On July 23, 2025, the Company signed a partnership program agreement with Google Cloud Japan G.K. with the aim of strengthening countermeasures against phishing scams, and began using "Web Risk*," a service provided by Google Cloud Japan that uses AI and machine learning to detect and block fraudulent websites in real time. Going forward, the Company will continue to strive to provide safe financial services to its customers by sharing the latest information, strengthening countermeasures, and reinforcing its security system through continued deepening of collaboration with external related organizations.

*Google Cloud and Web Risk are trademarks of Google LLC.

<Global: China Area>

Operating revenue in the China area was ¥17,166 million (99.2% YoY), and operating profit was ¥5,295 million (132.9% YoY).

In Hong Kong, a key region of the China area, domestic consumption is showing signs of recovery thanks to government support measures, but the impact of the economic slowdown and rising prices in mainland China continues, placing an increasing burden on consumer household budgets.

In this economic environment, the Company worked to expand usage benefits in line with growing savings-consciousness and strengthen its approach to individual customers based on data analysis, resulting in operating revenue at the same level as the same period last year. Meanwhile, the Company continued to work to strengthen its ongoing credit assessment and collection systems, including refining its scoring model using external credit information and proposing repayment methods tailored to each customer's situation. As a result, bad debt-related expenses were reduced, and operating profit significantly exceeded the same period last year.

In response to rising prices and the growing need to protect one's livelihood in Hong Kong, the Company's Hong Kong subsidiary, AEON CREDIT SERVICE (ASIA) CO., LTD. (ACSA), expanded reward points when using AEON Cards with NFC payment at restaurants, public transport, and other locations, in an effort to increase card transaction volume in everyday life. Furthermore, the Company implemented measures to promote usage during the summer holiday season, implemented a special project to celebrate ACSA's 35th anniversary, and added a feature to the ACSA smartphone app that allows customers to pay the invoice amount in installments in one lump sum. As a result, card transaction volume reached ¥106,303 million (101.6% YoY).

In card cash advances, the Company strengthened its individualized approach, utilizing both digital and physical

channels, including apps, telemarketing, and in-store, based on data analysis. In personal loans, efforts to strengthen personalized sales, such as enhancing face-to-face consultation services, resulted in card cash advance transaction volume of ¥24,352 million (102.1% YoY) and loan transaction volume of ¥12,853 million (71.2% YoY) for the current interim accounting period.

<Global: Mekong Area>

Operating revenue in the Mekong area was ¥49,281 million (103.4% YoY), and operating profit was ¥7,901 million (115.7% YoY).

In Thailand, a key region in the Mekong area, delayed economic recovery from the COVID-19 pandemic, coupled with rising energy prices and persistently high household debt due to inflation, have contributed to a decline in consumer confidence. While the Company worked to expand transaction volume, trade receivables decreased due to continued credit tightening in light of the macro environment. However, operating revenue in the Mekong area increased year-on-year due to the consolidation of Vietnamese finance company Post and Telecommunication Finance Company Limited (hereinafter, PTF) and the solid performance of the card business of the Company's

Cambodian subsidiary, AEON SPECIALIZED BANK (CAMBODIA) PUBLIC LIMITED COMPANY.

In response to growing demand for e-commerce and smartphone payments, the Company's Thailand subsidiary, AEON THANA SINSAP (THAILAND) PCL. (hereinafter, ATS), promoted the acquisition of "AEON NextGen" and "AEON PRiMO" digital credit cards targeting young customers and strengthened its appeal through social media. ATS also reviewed its sales promotion initiatives and implemented initiatives to promote credit card use at convenience stores, restaurants, and other locations where credit card usage is common. However, consumer spending remained sluggish due to high household debt caused by inflation in Thailand. As a result, card shopping transaction volume fell to ¥85,123 million (71.9% YoY), down from the same period last year.

In terms of personal loans, despite strengthening preferential interest rate measures and individualized guidance through telemarketing for both existing and new members, personal loan transaction volume was ¥50,569 million (80.2% YoY).

Furthermore, in order to strengthen its receivables collection, ATS has reviewed its personnel structure and revamped its receivables management system in June 2025, working to improve collection efficiency.

In Vietnam, the transfer of the installment payment business from local subsidiary ACS Trading Vietnam Co., Ltd. (hereinafter, ACSTV) to PTF, a finance company in which ATS acquired an equity interest on February 3, 2025, was completed on October 1, 2025. ATS will promote cross-selling, such as providing personal loans to installment payment users, and will work to expand its customer base by integrating with the shared points membership offered by ACSTV.

<Global: Malay Area>

Operating revenue in the Malay area was ¥48,266 million (110.9% YoY), and operating profit was ¥5,560 million (82.4% YoY).

In Malaysia, a major region in the Malay area, consumer spending expanded against the backdrop of an improved employment environment and rising personal income, and the domestic economy remained strong due to stable domestic demand growth. In this economic environment, the transaction volume for credit cards and personal loans progressed smoothly, and the balance of trade receivables increased, resulting in an increase in operating revenue compared to the same period last year. On the other hand, despite efforts to strengthen the receivables collection system and streamline the screening process through digitalization, an increase in bad debt-related expenses due to the expansion of the balance of trade receivables, resulted in operating profit falling below the same period last year.

The Company's Malaysian subsidiary, AEON CREDIT SERVICE (M) BERHAD (hereinafter, ACSM), launched the "AEON Biker Visa Card," Malaysia's first card for motorcycle enthusiasts, in June 2025. As a result of hosting events inviting motorcycle franchisee representatives and strengthening sales promotions at motorcycle franchisee stores, the number of credit card issuances reached a record high for a single month in July, contributing to increased transaction volume and driving card shopping transaction volume in Greater Malaysia to ¥42,832 million (126.6% YoY).

In terms of personal loans, improvements to the UI/UX of ACSM's smartphone app, "AEON Wallet," increased convenience, leading to an increase in new applications via the app. Furthermore, improved screening efficiency through an enhanced automatic approval function that utilizes past usage data and external credit information led to an increase in personal loan transaction volume to ¥42,696 million (120.5% YoY).

On September 17, 2025, ACSM established a new company, AEON360 SDN.BHD. (hereinafter, AEON360), in collaboration with AEON Co.(M) BHD., the AEON Group's retail business operator. AEON360 aims to provide

comprehensive (360-degree) services related to customers' lifestyles and further develop the AEON Living Zone by combining the AEON Group's 40-year retail business foundation of customers, stores, and business partners with ACSM's locally offered financial products and services, such as credit cards, loans, and electronic money. By integrating ACSM's "AEON Wallet" app as a group app and expanding the development of a group-wide platform, AEON360 aims to standardize customer IDs and loyalty systems, and provide AI-based data marketing.

(2) Overview of Consolidated Financial Position for the Interim Period of 2025

(Assets)

Total assets increased by ¥463,004 million from the end of the previous fiscal year to ¥8,219,496 million. This was mainly due to increases of ¥171,352 million in installment receivables, ¥62,091 million in loans, ¥161,466 million in securities in the banking business, and ¥58,014 million in monetary receivables bought.

(Liabilities)

Total liabilities increased ¥465,673 million from the end of the previous fiscal year to ¥7,636,399 million. This was mainly due to an increase in deposits of ¥307,580 million due to the expansion of use as a fund settlement account, and an increase in accounts payable of ¥178,348 million due to an expansion in trade receivables, while policy reserves decreased by ¥42,655 million yen to the impact of excluding subsidiaries from the scope of consolidation due to business divestitures.

(Net assets)

Total net assets decreased by ¥2,668 million from the end of the previous fiscal year to ¥583,097 million. This was mainly due to an increase of ¥8,745 million due to the recording of interim net income attributable to owners of parent, an increase of ¥14,088 million in deferred gains or losses on hedges, and an increase of ¥4,673 million in non-controlling interests, while retained earnings decreased by ¥6,044 million due to the payment of year-end dividends and a decrease of ¥24,958 million in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Business Performance Forecasts

At this time, there are no changes to the earnings forecasts that were announced on April 10, 2025.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	814,786	769,092
Call loans	1,514	5,963
Accounts receivable - installment	1,747,333	1,918,686
Lease receivables and investments in leases	14,474	16,245
Operating loans	979,935	1,011,616
Loans and bills discounted for banking business	2,670,472	2,700,883
Securities for banking business	768,296	929,763
Securities for insurance business	15,049	—
Monetary claims bought	79,348	137,363
Money held in trust	106,535	80,371
Other	350,500	422,703
Allowance for doubtful accounts	△124,434	△127,360
Total current assets	7,423,813	7,865,329
Non-current assets		
Property, plant and equipment	34,512	38,201
Intangible assets		
Goodwill	40,202	36,481
Software	144,191	148,319
Other	3,147	2,939
Total intangible assets	187,541	187,740
Investments and other assets	110,209	127,922
Total non-current assets	332,264	353,864
Deferred assets	414	303
Total assets	7,756,492	8,219,496
Liabilities		
Current liabilities		
Accounts payable - trade	317,805	496,154
Deposits for banking business	5,206,242	5,513,823
Short-term borrowings	169,081	157,333
Current portion of long-term borrowings	217,297	221,692
Current portion of bonds payable	95,888	77,822
Commercial papers	8,281	8,647
Provision for bonuses	6,195	4,801
Provision for point card certificates	1,633	1,501
Other provisions	122	38
Other	275,682	281,681
Total current liabilities	6,298,229	6,763,495
Non-current liabilities		
Reserve for insurance policy liabilities	42,753	98
Bonds payable	203,976	221,969
Long-term borrowings	586,476	594,436
Retirement benefit liability	1,662	1,384
Provision for loss on interest repayment	932	686
Other provisions	4,223	3,056
Deferred tax liabilities	1,732	10,679
Other	30,738	40,593
Total non-current liabilities	872,496	872,904
Total liabilities	7,170,726	7,636,399

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus	118,729	118,805
Retained earnings	290,209	293,001
Treasury shares	△330	△321
Total shareholders' equity	454,306	457,184
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△29,991	△54,950
Deferred gains or losses on hedges	642	14,731
Foreign currency translation adjustment	35,971	36,520
Remeasurements of defined benefit plans	210	306
Total accumulated other comprehensive income	6,833	△3,391
Share acquisition rights	0	4
Non-controlling interests	124,626	129,299
Total net assets	585,766	583,097
Total liabilities and net assets	7,756,492	8,219,496

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Income for the Six Months ended August 31, 2025)

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Operating revenue		
Revenue from credit card business	67,796	69,651
Revenue from installment sales finance business	24,627	26,530
Financing revenue	82,291	86,625
Recoveries of written off receivables	9,599	9,890
Financial revenue	23,234	34,981
Insurance revenue	6,486	4,102
Fees and commissions	37,162	41,949
Other	4,591	4,429
Total operating revenue	255,790	278,160
Operating expenses		
Financial expenses	17,136	27,664
Insurance expenses	6,003	3,677
Fees and commissions payments	5,225	5,332
Selling, general and administrative expenses	198,720	210,888
Other	1,562	2,276
Total operating expenses	228,648	249,838
Operating profit	27,142	28,322
Non-operating income		
Dividend income	86	160
Gain on investments in investment partnerships	62	1,958
Subsidy income	146	—
Other	78	34
Total non-operating income	373	2,153
Non-operating expenses		
Share of loss of entities accounted for using equity method	—	157
Foreign exchange losses	401	1,123
Miscellaneous losses	3	2
Total non-operating expenses	404	1,282
Ordinary profit	27,111	29,192
Extraordinary income		
Gain on sale of non-current assets	4	10
Gain on sale of investment securities	—	1,013
Total extraordinary income	4	1,023
Extraordinary losses		
Loss on disposal of non-current assets	351	207
Impairment losses	4	2,794
Loss on sale of shares of subsidiaries	2,306	9,539
Other	39	—
Total extraordinary losses	2,701	12,542
Profit before income taxes	24,414	17,674
Income taxes - current	11,198	9,407
Income taxes - deferred	△2,841	△7,843
Total income taxes	8,357	1,564
Profit	16,056	16,109
Profit attributable to non-controlling interests	5,840	7,364
Profit attributable to owners of parent	10,215	8,745

(Consolidated Statement of Comprehensive Income for the Six Months ended August 31, 2025)
(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Profit	16,056	16,109
Other comprehensive income		
Valuation difference on available-for-sale securities	△483	△24,895
Deferred gains or losses on hedges	△1,830	13,170
Foreign currency translation adjustment	6,015	4,982
Remeasurements of defined benefit plans, net of tax	△47	97
Total other comprehensive income	3,654	△6,645
Comprehensive income	19,711	9,464
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,270	△1,479
Comprehensive income attributable to non-controlling interests	7,440	10,943

(3) Notes on the Consolidated Financial Statements

(Notes Regarding the Going Concern Assumption)

Not applicable.

(Notes Regarding Significant Changes in Shareholders' Equity)

Not applicable.

(Significant Changes in the Scope of Consolidation During the Interim Period)

During the interim period, the Company transferred a portion of the shares of AEON Allianz Life Insurance Co., Ltd., a consolidated subsidiary of the Company, and therefore excluded the company from the scope of consolidation.

(Changes in Accounting Policies)

(Application of the "Accounting Standard for Corporate Taxes, Resident Taxes, and Enterprise Taxes," etc.)

The "Accounting Standard for Corporate Taxes, Resident Taxes, and Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") and other amendments have been applied from the beginning of the interim period.

Regarding the amendments to the classification of corporate taxes, etc. (taxation of other comprehensive income), the Company has followed the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso to Paragraph 65-2(2) of the "Guidance on Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance"). This change in accounting policy has no impact on the interim consolidated financial statements.

Furthermore, regarding the amendments related to the review of the treatment in consolidated financial statements of cases in which gains or losses arising from the sale of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, the 2022 Revised Guidance has been applied from the beginning of this interim consolidated fiscal year. This change in accounting policy has been applied retroactively, and the interim consolidated financial statements and consolidated financial statements for the previous interim consolidated fiscal year and fiscal year have been retroactively applied. This change in accounting policy has no impact on the interim consolidated financial statements for the previous interim consolidated accounting period or the consolidated financial statements for the previous consolidated accounting period.

(Segment Information)

【Segment Information】

Interim period of previous fiscal year (March 1, 2024 to August 31, 2024)

1. Information on the amount of operating revenue and profit or loss by reportable segment, and information on the breakdown of revenue

(Unit : millions of yen)

	Segment					Total	Adjustment (Notes) 2	Amounts recorded on the quarterly consolidated income statement (Notes) 3
	Domestic		Global					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Operating Revenue								
Operating revenue from external customers	93,008	54,283	17,298	47,667	43,518	255,775	14	255,790
Internal operating revenue or transfers between segments	2,810	37,938	—	9	—	40,758	△40,758	—
Total	95,818	92,221	17,298	47,676	43,518	296,534	△40,743	255,790
Segment Profit	7,092	4,153	3,985	6,829	6,749	28,810	△1,668	27,142

(Notes) 1. Operating revenue is shown instead of general corporate sales.

2. The adjustment amounts are as follows:

The adjustment of ¥14 million for operating revenue from external customers is operating revenue from holding companies, etc. that do not belong to any business segment.

The adjustment of △¥1,668 million for segment profit is mainly comprised of operating profit from holding companies, etc. that do not belong to any business segment and elimination of inter-segment transactions.

3. Segment profit has been adjusted to match operating profit on the consolidated statements of income for the interim period of the previous fiscal year.

4. Revenues from contracts with customers subject to the revenue recognition accounting standard included in operating revenues from external customers for the interim period of the previous fiscal year, by reportable segment, were Domestic Retail: ¥16,959 million, Domestic Solutions: ¥38,366 million, China Area: ¥3,006 million, Mekong Area: ¥4,680 million, and Malay Area: ¥4,167 million.

2. Information regarding impairment losses on fixed assets or goodwill, etc. by reportable segment

Not applicable.

Interim period of current fiscal year (March 1, 2025 to August 31, 2025)

1. Information on the amount of operating revenue and profit or loss by reportable segment, and information on the breakdown of revenue

(Unit: millions of yen)

	Segment					Total	Adjustments (Notes) 2	Amounts recorded on the quarterly consolidated income statement (Notes) 3
	Domestic		Global					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Operating Revenue								
Operating revenue from external customers	118,777	44,667	17,165	49,273	48,266	278,150	10	278,160
Internal operating revenue or transfers between segments	3,727	50,691	0	8	—	54,427	△ 54,427	—
Total	122,505	95,358	17,166	49,281	48,266	332,578	△ 54,417	278,160
Segment Profit or Loss	4,759	6,443	5,295	7,901	5,560	29,959	△ 1,637	28,322

(Notes) 1. Operating revenue is shown instead of general corporate sales.

2. The adjustment amounts are as follows:

The adjustment of ¥10 million to operating revenue from external customers consists of operating revenue from holding companies not attributable to any business segment.

The adjustment of △¥1,637 million for segment profit is mainly comprised of operating profit from holding companies, etc. that do not belong to any business segment and elimination of inter-segment transactions.

3. Segment profit or loss (△) has been adjusted with operating profit on the consolidated statements of income for the interim period.

4. Revenues from contracts with customers subject to the revenue recognition accounting standard included in operating revenue from external customers for the first quarter of the current fiscal year by reportable segment are Domestic Retail: ¥35,428 million, Domestic Solutions: ¥22,285 million, China Area: ¥3,259 million, Mekong Area: ¥4,728 million, and Malay Area: ¥4,650 million, adjustment of ¥0 million.

2. Information regarding impairment losses on fixed assets or goodwill, etc. by reportable segment

In the retail segment, as a result of reviewing the business plan following the conclusion of the share transfer agreement for AEON Allianz Life Insurance Co., Ltd. (hereinafter, AEON Allianz Life), an impairment loss of ¥2,733 million was recorded on the fixed assets of AEON Allianz Life.

(Significant Subsequent Events)

(Issuance of Unsecured Bonds)

Pursuant to a resolution of the Board of Directors held on February 28, 2025, the Company has issued unsecured straight bonds on October 8, 2025. The details of the issuance are as follows:

1. (1) Bond Name: 26th Unsecured Bonds (with inter-bond Pari-Passu clause)

(2) Total Issue Amount: 25 billion yen

(3) Interest Rate: 1.563%

(4) Issue Price: ¥100 per ¥100 face value

(5) Issue Date: October 8, 2025

(6) Maturity Date: October 6, 2028

(7) Maturity Method: Lump sum redemption at maturity

The purchase and cancellation may be carried out at any time after the payment date.

(8) Payment Date: October 8, 2025

(9) Use of Proceeds: The proceeds will be used to partially repay borrowings.

2. (1) Bond Name: 27th Unsecured Bonds (with inter-bond Pari-Passu clause)

(2) Total Issue Amount: 15 billion yen

(3) Interest Rate: 1.948%

(4) Issue Price: ¥100 per ¥100 face value

(5) Issue Date: October 8, 2025

(6) Maturity Date: October 8, 2030

(7) Maturity Method: Lump sum redemption at maturity

The purchase and cancellation may be carried out at any time after the payment date.

(8) Payment Date: October 8, 2025

(9) Use of Proceeds: The proceeds will be used to partially repay borrowings.