Consolidated Financial Results for the Three Months Ended May 31, 2026

July 9, 2026

Company name	AEON Financial Services Co., Ltd.
Stock exchange listings	Tokyo Prime
Securities code	8570
URL	https://www.aeonfinancial.co.jp/
Representative (Title)	President and CEO (Name) Tomoharu Fukayama
Inquiries (Title)	Managing Executive Officer (Name) Shinichiro Nishimura Tel +81-3-5281-2027
Dividend payable date	ー

Supplemental material of results : Yes

Convening briefing of results : Yes (For institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended May 31, 2026 (from March 1, 2026 to May 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	153,881	12.7	17,486	34.5	17,545	26.7	8,966	105.8
May 31, 2025	136,555	6.7	12,998	-14.8	13,853	-13.3	4,357	-28.4

Comprehensive income: For the three months ended May 31, 2026 -¥1,498 Million (ー%) For the three months ended May 31, 2025 -¥6,670 Million (ー%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	41.53	41.53
May 31, 2025	20.19	20.19

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	8,349,649	617,750	5.6	2,155.03
February 28, 2026	8,313,956	625,209	5.7	2,208.77

Owner's equity: As of May 31, 2026 ¥465,235 Million As of February 28, 2026 ¥476,838 Million

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	ー	25.00	ー	28.00	53.00
Fiscal year ending February 28, 2027	ー				
Fiscal year ending February 28, 2027 (Forecast)		25.00	ー	28.00	53.00

Note: Revisions to the forecast of cash dividends most recently announced : None

3. Consolidated financial forecast for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2027	600,000	5.4	45,000	-25.8	45,000	-25.9	15,000	-28.9	69.48

Note: Revisions to the earnings forecasts most recently announced : None
We have not disclosed earnings forecasts for the cumulative second quarter.

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: ― companies (Company name)、Excluded: 1 company (Company name) AFS Corporation Co., Ltd

Note: For details, please refer to page 11 of the attached document: "1. Consolidated Financial Statements and Main Notes – (3) Notes on the Quarterly Consolidated Financial Statements (Changes in the Scope of Consolidation or the Scope of Application of the Equity Method)."

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

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
(ii) Changes in accounting policies due to other reasons : None
(iii) Changes in accounting estimates : None
(iv) Restatement : None

(4) Number of issued shares (common shares)

① Number of issued and outstanding shares at the period end (including treasury stock)	As of May 31, 2026	216,010,128shares	As of February 28, 2026	216,010,128shares
② Number of treasury stock at the period end	As of May 31, 2026	126,017shares	As of February 28, 2026	125,955shares
③ Average number of shares (quarterly period-YTD)	Three months ended May 31, 2026	215,884,115shares	Three months ended May 31, 2025	215,880,565shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

* Explanation regarding the appropriate use of earnings forecasts and other special notes
(Note regarding forward-looking statements)

The earnings and dividend forecasts presented herein are based on future outlooks, underlying assumptions, and projections as of the date of this document's release; they do not constitute a guarantee by the Company that these targets will be achieved. Actual results may differ from the aforementioned forecasts due to various factors. For details regarding earnings and dividend forecasts, please refer to page 6 of the attached materials, section "1. Review of Operating Results and Financial Statements (3) Explanation of Consolidated Business Performance Forecasts."

(Availability of supplementary materials for financial results)
Supplementary materials regarding the Company's business and operating results are available on our website.

Attachments

Contents

1. Review of Operating Results and Financial Statements

(1) Overview of Operating Results for the First Quarter of 2026

Consolidated operating revenue for the first quarter of the fiscal year under review was ¥153,881million (112.7% YoY), consolidated operating profit was ¥17,486 million (134.5% YoY), consolidated ordinary profit was ¥17,545 million (126.7% YoY), and quarterly net profit attributable to owners of parent was ¥8,966 million (205.8% YoY).

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 of operation and taking a consumer-oriented approach, which is the Company’s strength as a financial group with origins in the retail industry.

Through these initiatives, the Company aims to realize its vision for 2030 of becoming "a global company with deep ties to the local community that brings finance closer to people." The Company views the entire Asian region, not just Japan as its market, where it provides community-based financial services. As a financial company with roots in the retail sector, the Company strives to achieve this vision by standing close to each individual customer and resolving the various "pain points" or inconveniences they face.

Under the medium-term management plan (fiscal years 2026–2030), the Company will leverage the AEON Group's strengths by integrating its domestic and international retail touchpoints with financial data and digital technologies, including AI, to seamlessly connect and provide a wide range of financial services, spanning from payments and lending to asset building. Through these customer-centric financial services, the Company aims to achieve sustainable growth and enhance corporate value across the Asian countries of operation.

During the consolidated first quarter of the fiscal year, the domestic economy maintained a trend of moderate recovery, supported by improvements in employment and income conditions. However, rising prices persisted, driven primarily by increases in food and energy costs, leading to cautious consumer behavior. On the financial front, the Bank of Japan continued its moves toward the normalization of monetary policy, resulting in a gradual upward trend in interest rates. In the Asian countries where the Group operates, growth driven by domestic demand continued, underpinned by a rebound in personal consumption. Nevertheless, the pace of consumption recovery showed signs of slowing in some areas due to factors such as rising prices, monetary tightening by central banks, and heightened geopolitical risks including instability in the Middle East.

In this environment, the Company worked to expand its customer base by providing financial products and services that meet customers' payment and funding needs both in Japan and overseas, while also striving to improve asset profitability through growth in transaction volumes and outstanding operating receivables.

Furthermore, with a view to achieving sustainable growth, the Company is working to strengthen its management foundation by reviewing its business portfolio. By reorganizing functions and establishing an efficient organizational structure within the Group, the Company aims to accelerate decision-making and reallocate management resources.

As part of these initiatives, the Company streamlined operations by assuming the data analysis consulting business of its consolidated subsidiary, ACS Credit Management & Collection Co., Ltd., through an absorption-type company split effective March 1, 2026. Additionally, the Company absorbed AFS Corporation Co., Ltd. effective May 1, 2026, to strengthen group governance and improve the efficiency of subsidiary management. Through these measures, the Company is working to establish a simpler and more effective organizational structure.

Regarding the upgrade of the core credit card system intended to enhance service quality for customers, the upgrade work was carried out in June 2026 as originally planned, and the system has commenced operation.

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

(Unit: million yen)

	Previous 1st Quarter	Current 1st Quarter	Amount increase	Percentage increase
Operating revenue	136,555	153,881	17,325	12.7%
Operating profit	12,998	17,486	4,488	34.5%
Ordinary profit	13,853	17,545	3,692	26.7%
Profit attributable to owners of parent	4,357	8,966	4,608	105.8%

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

(Unit: million yen)

		Operating revenue			Ordinary profit or loss （△）		
		Previous 1st Quarter	Current 1st Quarter	Percentage increase	Previous 1st Quarter	Current 1st Quarter	Percentage increase or decrease
Domestic	Retail	59,830	66,961	11.9%	△706	1,514	2,221
	Solutions	46,999	50,459	7.4%	4,734	5,095	7.6%
	Domestic total*	81,143	89,150	9.9%	3,469	5,957	71.7%
Overseas	China area	8,494	9,847	15.9%	2,486	3,321	33.6%
	Mekong area	24,312	26,036	7.1%	4,033	4,146	2.8%
	Malay area	23,537	29,490	25.3%	2,887	4,064	40.8%
	Overseas total*	56,345	65,375	16.0%	9,406	11,531	22.6%
Total		163,175	182,795	12.0%	13,434	18,141	35.0%
Adjustments		△26,620	△28,914	—	△435	△654	—
Consolidated		136,555	153,881	12.7%	12,998	17,486	34.5%

*1 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 ¥66,961 million (111.9% YoY), and operating profit was ¥1,514 million (up ¥2,221 million from the same period last year).

During the first quarter of the current consolidated fiscal year, the Company achieved increases in both revenue and profit which was driven by improved profitability resulting from a hike in revolving credit fee rates, as well as growth in loan interest income that were spurred by rising interest rates, and investment income from securities.

In the retail business, the balance of shopping revolving credit and installment receivables increased as customers gained the ability to choose more flexible payment options tailored to their usage patterns, facilitated by services such as "Pay Later in Installments" (launched on September 11, 2025), which allow customers to switch their repayment method to installments via the web or smartphone app after the initial transaction. Additionally, the Company revised the fees for shopping revolving credit, effective with the billing cycle starting December 2, 2025, to improve profitability. Regarding card cash advances, the Company continued to strengthen its promotional efforts for online cash advances via the smartphone app.

As a result of these efforts, the outstanding balance of shopping revolving credit and installment receivables were

¥403.387 billion (an increase of ¥8.207 billion from the beginning of the period), while the outstanding balance of cash advance receivables were ¥438.987 billion (an increase of ¥3.610 billion from the beginning of the period).

In light of the Bank of Japan's review of monetary policy and changes in interest rate conditions, AEON Bank, Ltd. (hereinafter "AEON Bank") revised its yen deposit rates on March 1, 2026, and its loan interest rates posted in stores on May 1, 2026.

To meet the growing deposit needs of customers regarding yen deposits, the Company expanded its product and service offerings, such as by running time deposit campaigns and launching "Time Deposit Point Plus" (a one-month time deposit that awards WAON POINTs in addition to standard interest) in April 2026 for customers at the Gold Stage or higher in the AEON Bank My Stage program. However, AEON Bank's total deposit balance was ¥5,401.024 billion (a decrease of ¥63.142 billion from the beginning of the period).

Regarding various loan products, promotion of the "AEON Select Club", which offers mortgage loan holders a 5% daily discount on purchases at AEON Group stores until their loan is fully repaid, was strengthened thereby continuing to highlight the unique benefits offered by the Group. Additionally, in response to soaring housing prices and rising demand for home ownership among the younger generation, the Company extended the maximum loan term from 35 to 50 years starting in the previous fiscal period; as a result, the outstanding balance of residential mortgage loans (prior to loan securitization) reached ¥2,932.502 billion (an increase of ¥20.714 billion from the beginning of the period).

Regarding asset building services, sales related to asset formation performed steadily; this success was driven by a growing customer interest in building assets and supported by initiatives such as promotional campaigns for investment products (including NISA) and the launch of the "AEON Bank Shopping Support Trust" (a joint-investment designated money trust). Furthermore, the Company leveraged the strengths of its physical branches, conveniently located within shopping centers where customers can easily drop by while shopping, to host seminars and meet the demand for face-to-face consultations regarding insurance and other financial products.

<Domestic Solutions Business>

Operating revenue for the Domestic Solutions Business was ¥50,459 million (107.4% YoY), and operating profit was ¥5,095 million (107.6% YoY).

During the first quarter of the consolidated fiscal year, the business achieved increases in both revenue and profit by continuing to strengthen and expand its customer base, centered on the smartphone payment service "AEON Pay", and its network of affiliated stores.

In the Solutions Business, the Company integrated AEON Pay with the WAON electronic money service during the previous fiscal year, introducing a feature that allows for the mutual transfer of balances. Furthermore, on April 6, 2026, the Company rebranded the app as "AEON Pay," revamped its design, and improved both visibility and usability. The Company also worked to enhance convenience by enabling users to transfer balances and point data from plastic WAON cards to AEON Pay, thereby allowing these funds and points to be used for "charge-based payments" and WAON touch payments.

The Company worked to enhance convenience by enabling features such as WAON touch payments. Regarding the expansion of the customer base, the Company conducted a campaign offering a total of 100 million WAON POINTs via a lottery to encourage AEON Pay usage, alongside ongoing efforts to acquire new members; as a result, membership grew, driven largely by users of the "charge payment" (prepaid balance) feature, bringing the number of registered AEON Pay users to 13.68 million (an increase of 1.60 million from the start of the period). Additionally, the total number of valid domestic IDs (including AEON Pay) reached 40.30 million (an increase of 1.05 million), while the number of valid card members stood at 26.49 million (a decrease of 40,000).

In the payment sector, while growth in average transaction value remained slow due to a trend toward conservative spending driven by rising prices, the Company continued to strengthen joint promotional initiatives with the AEON Group, partner companies, and affiliated stores. Concurrently, the Company worked to expand the use of AEON Pay by raising awareness of "AEON Pay Day", an event offering ten times the standard number of WAON POINTs for AEON Pay transactions at eligible AEON Group stores on the 10th of every month.

Furthermore, by expanding the network of affiliated stores with the aim of providing a payment method that can be easily used in all aspects of daily life, credit card transaction volume reached ¥2,038.543 billion (104.3% YoY).

<Overseas: China Area>

In the China area, operating revenue was ¥9,847 million (115.9% YoY), and operating profit was ¥3,321 million (133.6% YoY).

In Hong Kong, a key part of the China area, economic activity remained solid, driven primarily by the finance and trade sectors, while consumer spending showed a trend of moderate expansion. However, uncertainty regarding the future outlook persists due to factors such as rising prices and shifts in consumer sentiment. Amidst this environment, the company implemented measures to boost usage by effectively targeting consumer behavior, resulting in steady growth in transaction volume and the balance of operating receivables. Additionally, operating profit exceeded that of the previous period, as bad debt-related costs were contained through the sophistication of credit assessment processes and the streamlining of receivables management.

AEON CREDIT SERVICE (ASIA) CO., LTD., a local subsidiary in Hong Kong, continuously ran campaigns awarding points for mobile payments (NFC payments). These campaigns covered card usage not only at stores operated by the AEON Group's retail arm, AEON STORES (HONG KONG) CO., LTD., but also at restaurants, on public transport, and in other settings integral to daily life. Regarding e-commerce, the company worked to expand usage in areas such as travel booking and food delivery services through collaborations with partner companies. As a result of these initiatives to broaden card usage opportunities, the volume of card shopping transactions grew steadily to ¥60,917 million (117.8% YoY).

For card cash advances, the company sought to expand usage opportunities by strengthening personalized outreach, utilizing channels best suited to individual customers such as smartphone apps and telemarketing, based on customer analysis. In the personal loan business, the company focused on face-to-face loan consultations, allowing for flexible responses to customers' financial needs. Consequently, the volume of card cash advance transactions reached ¥14,483 million (125.9% YoY), while personal loan transaction volume totaled ¥8,379 million (158.9% YoY).

<Overseas: Mekong Area>

Operating revenue in the Mekong region was ¥26,036 million (107.1% YoY), and operating profit was ¥4,146 million (102.8% YoY).

In Thailand, a key market in the Mekong area, tourism demand has recovered. However, private consumption remained sluggish due to factors such as persistently high household debt, rising prices, and the impact of the situation in the Middle East. Conversely, in Vietnam, private consumption expanded driven by solid income levels and a growing young population, leading to the growth of the retail market and the increased adoption of cashless payments.

Amidst this environment, the Company worked to expand its customer base and transaction volumes in each country while striving to boost productivity by strengthening credit management and debt collection systems. As a result, our business performance remained largely on par with the same period of the previous year.

AEON THANA SINSAP (THAILAND) PCL., a local subsidiary in Thailand, worked to improve credit card services and operations while also cultivating a new customer base through the promotion of "Petster", a credit card launched in February 2026 that offers comprehensive support for lifestyles shared with pets. As a result, the volume of credit card shopping transactions reached ¥36,952 million (85.9% YoY).

In the personal loan business, the company focused on enhancing convenience through measures such as introducing long-term term loans resulting in a transaction volume of ¥27,349 million (107.6% YoY).

In Vietnam, AEON Consumer Finance Company Limited, a local subsidiary engaged in the finance business, strengthened its promotion of cash loans to customers who had previously utilized its individual installment payment services. Additionally, by collaborating with other AEON Group companies operating in the country, the company worked to expand transaction volumes and outstanding receivables through measures such as intensifying promotional activities via their respective smartphone apps.

<Overseas: Malay Area>

In the Malay area, operating revenue stood at ¥29,490 million (125.3% YoY), and operating profit was ¥4,064 million (140.8% YoY).

In Malaysia, a key market in the Malay area, performance remained solid, driven primarily by private consumption amidst improving employment and income conditions. The retail market showed resilience, particularly in the areas of daily necessities and services. Against this backdrop, the company achieved increases in both revenue and profit, driven by steady growth in transaction volumes for credit card services and installment financing for individual purchases including large motorcycles and used cars, which led to an expansion in the outstanding balance of operating receivables.

In the Malay area, the local Malaysian subsidiary AEON CREDIT SERVICE (M) BERHAD (hereinafter "ACSM") began issuing the "AEON Member Plus credit card" in January 2026, which integrates credit card and membership card functions, thereby enhancing convenience through unified benefits and point systems across the AEON Group. Additionally, in May 2026, the "AEON Wallet" smartphone app was updated to include "DuitNow" functionality, Malaysia's common money transfer and payment system, enabling users to make payments via AEON Wallet at DuitNow-affiliated merchants.

In the individual installment credit business, the Company continued its efforts to refine credit assessment by utilizing AI-based credit scoring and implementing instant preliminary credit screening capabilities that leverage external credit information. Regarding personal loans, loan applications grew steadily due to the expansion of pre-screening functions that utilize "FinPlus" data, which determines a customer's tier ranking based on past usage history. As a result, the volume of individual installment credit in the Malay area rose to ¥41,513 million (117.2% YoY), while personal loan volume increased to ¥22,262 million (112.1% YoY).

AEON BANK (M) BERHAD, which operates a digital banking business, is working to promote the uptake of its "Personal Financing-i" consumer loan product while also integrating an account application pathway into the ACSM smartphone app to further strengthen the partnership between the two companies. Furthermore, in May 2026, the bank sought to boost app engagement and raise awareness by launching "Neko Sensei", a household budget management advisory feature powered by generative AI, and by running a cashback campaign to commemorate its second anniversary.

(2) Overview of Financial Position for the First Quarter of 2026

(Assets)

Total assets at the end of the first quarter increased by ¥35,693 million from the end of the previous fiscal year to ¥8,349.649 billion. This was primarily due to increases of ¥111,085 million in installment receivables and ¥112,702 million in loans, while cash and deposits decreased by ¥220,175 million.

(Liabilities)

Total liabilities increased ¥43,152 million from the end of the previous fiscal year to ¥7,731.899 billion. This was primarily due to an increase in accounts payable of ¥96,585 million due to an expansion in trade receivables, while deposits decreased by ¥56,075 million, and a reduction in interest-bearing debt of ¥9,334 million.

(Net assets)

Total net assets decreased by ¥7,458 million from the end of the previous consolidated fiscal year to ¥617,750 million. This is attributable to factors such as an increase of ¥8,966 million due to the recording of quarterly net income attributable to owners of the parent and an increase of ¥13,359 million in deferred gains or losses on hedges, offset by a decrease of ¥6,044 million in retained earnings due to the payment of year-end dividends and a decrease of ¥28,434 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 8, 2026.

2. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	676,814	456,639
Call loans	1,396	1,327
Accounts receivable - installment	1,730,410	1,841,495
Lease receivables and investments in leases	17,712	16,948
Operating loans	*2 1,059,226	1,086,859
Loans and bills discounted for banking business	*2 2,840,788	2,295,858
Securities for banking business	1,097,389	1,081,112
Monetary claims bought	188,214	194,771
Money held in trust	75,228	771,961
Other	350,500	403,508
Allowance for doubtful accounts	△136,658	△135,365
Total current assets	7,954,031	7,991,032
Non-current assets		
Property, plant and equipment	40,867	38,844
Intangible assets		
Goodwill	36,156	35,513
Software	153,642	156,793
Other	2,740	2,640
Total intangible assets	192,539	194,948
Total investments and other assets	*3 126,013	124,377
Total non-current assets	359,420	358,169
Deferred assets		
Bond issuance costs	414	504
Total deferred assets	504	447
Total assets	8,313,956	8,349,649

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	392,830	489,416
Deposits for banking business	5,482,096	5,426,021
Short-term borrowings	160,808	139,711
Current portion of long-term borrowings	259,536	264,913
Current portion of bonds payable	84,124	84,175
Commercial papers	5,932	6,006
Provision for bonuses	6,262	6,519
Provision for point card certificates	1,497	1,105
Other provisions	124	82
Other	336,074	348,494
Total current liabilities	6,729,287	6,766,446
Non-current liabilities		
Reserve for insurance policy liabilities	97	111
Bonds payable	275,069	305,675
Long-term borrowings	619,634	596,196
Retirement benefit liability	1,371	1,339
Provision for loss on interest repayment	484	427
Other provisions	3,147	4,471
Deferred tax liabilities	16,190	20,355
Other	43,464	36,875
Total non-current liabilities	959,459	965,452
Total liabilities	7,688,746	7,731,899
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus	118,588	118,609
Retained earnings	290,951	302,873
Treasury shares	△321	△321
Total shareholders' equity	463,916	466,859
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△69,484	△97,918
Deferred gains or losses on hedges	21,702	35,062
Foreign currency translation adjustment	60,207	60,734
Remeasurements of defined benefit plans	497	497
Total accumulated other comprehensive income	12,922	△1,624
Share acquisition rights	4	4
Non-controlling interests	148,365	152,509
Total net assets	625,209	617,750
Total liabilities and net assets	8,313,956	8,349,649

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Income Statement for the 1st Quarter of FY2026)

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Operating revenue		
Revenue from credit card business	34,912	39,521
Revenue from installment sales finance business	13,142	15,752
Financing revenue	43,010	46,207
Recoveries of written off receivables	4,484	5,386
Financial revenue	15,294	21,769
Insurance revenue	3,807	251
Fees and commissions	19,563	23,335
Other	2,340	1,656
Total operating revenue	136,555	153,881
Operating expenses		
Financial expenses	14,071	20,889
Insurance expenses	3,514	160
Fees and commissions payments	2,402	3,206
Selling, general and administrative expenses	102,583	111,041
Other	984	1,096
Total operating expenses	123,556	136,394
Operating profit	12,998	17,486
Non-operating income		
Dividend income	137	304
Gain on investments in investment partnerships	1,940	40
Other	17	24
Total non-operating income	2,095	369
Non-operating expenses		
Share of loss of entities accounted for using equity method	149	—
Foreign exchange loss	1,090	297
Miscellaneous losses	0	12
Total non-operating expenses	1,240	310
Ordinary profit	13,853	17,545
Extraordinary income		
Gain on sale of non-current assets	8	1
Gain on sale of investment securities	1,013	1,731
Total extraordinary income	1,021	1,732
Extraordinary losses		
Loss on disposal of non-current assets	121	133
Impairment losses	2,794	492
Total extraordinary losses	2,916	625
Profit before income taxes	11,957	18,651
Income taxes - current	6,050	5,537
Income taxes - deferred	△2,008	△171
Total income taxes	4,041	5,365
Profit	7,916	13,286
Profit attributable to non-controlling interests	3,558	4,319
Profit attributable to owners of parent	4,357	8,966

(Consolidated Statement of Comprehensive Income for the 1st Quarter of FY2026)

(Millions of yen)

	Three months ended May 31, 2025	Three months ended May 31, 2026
Profit	7,916	13,286
Other comprehensive income		
Valuation difference on available-for-sale securities	△17,641	△28,441
Deferred gains or losses on hedges	6,077	13,754
Foreign currency translation adjustment	△3,121	△97
Remeasurements of defined benefit plans, net of tax	98	0
Total other comprehensive income	△14,586	△14,784
Comprehensive income	△6,670	△1,498
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△9,544	△5,579
Comprehensive income attributable to non-controlling interests	2,874	4,081

(3) Notes on the Quarterly Consolidated Financial Statements

(Significant Matters Concerning the Preparation of the Quarterly Consolidated Financial Statements)

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc., and the generally accepted accounting standards for quarterly financial statements in Japan.

(Notes Regarding the Going Concern Assumption)

Not applicable.

(Changes in the Scope of Consolidation or the Scope of Application of the Equity Method)

(1) Significant Changes in the Scope of Consolidation

During the first quarter of the consolidated fiscal year, the Company excluded AFS Corporation, a consolidated subsidiary, from the scope of consolidation following its absorption-type merger into the Company.

(2) Significant Changes in the Scope of Application of the Equity Method

Not applicable.

(3) Changes in Matters Concerning the Fiscal Years of Consolidated Subsidiaries

Not applicable.

(Notes on Consolidated Quarterly Balance Sheet)

1. Contingent Liabilities

Guarantee Obligations

	Previous Consolidated Fiscal Year (Ended February 28, 2026)	First Quarter of Current Fiscal Year (Ended May 31, 2026)
Credit guarantee business for general customers conducted by the Group	¥11,437 million	¥11,335 million

*2. Loan Commitment Agreements

(Lending Side)

①The Group conducts cash advance services associated with its credit card business.
The unused portion of loan commitments related to such services is as follows:

	Previous Consolidated Fiscal Year (Ended February 28, 2026)	First Quarter of Current Fiscal Year (Ended May 31, 2026)
Total Loan Commitments	¥11,079,531 million	¥11,111,207 million
Loans Executed	¥604,167 million	¥604,761 million
Net: Unused Loan Commitments	¥10,475,363 million	¥10,506,445 million

The above amounts include receivables subject to securitization.
In addition, these loan commitments are subject to credit screening regarding borrowers' use of funds and credit status, and therefore the full amount is not necessarily shown.

②The Group has entered into overdraft agreements and commitment line agreements for loans with corporate customers.
These agreements obligate the Group to lend funds up to a predetermined limit upon request from customers, unless there is a violation of contractual conditions.
Unused loan balances under these agreements are as follows:

	Previous Consolidated Fiscal Year (Ended February 28, 2026)	First Quarter of Current Fiscal Year (Ended May 31, 2026)
Unused Loan Balance	¥21,454 million	¥19,428 million
Of which the contractual period is within one year	¥14,413 million	¥4,574 million

Many of these agreements expire without being executed; therefore, the unused balance does not necessarily affect future cash flows. These agreements generally include clauses allowing refusal of loan execution or reduction of credit limits in cases such as changes in financial conditions, preservation of claims, or other reasonable causes.
Furthermore, the Group periodically reviews customers' business conditions in accordance with internal procedures and may revise contracts or take credit protection measures as necessary.

③AEON Bank, Ltd., a consolidated subsidiary of the Company, has entered into a revolving credit facility agreement to supplement liquidity for jointly managed designated money trusts established by the bank.
This agreement aims to avoid temporary declines in funding capacity during refinancing.
It also includes an option clause, meaning loan execution is not guaranteed.

	Previous Consolidated Fiscal Year (Ended February 28, 2026)	First Quarter of Current Fiscal Year (ended May 31, 2026)
Unused Loan Balance	¥18,933 million	¥18,925 million
Of which the contractual period is within one year	¥11,663 million	¥11,659 million

＊３． Parent Company Shares

The amount of parent company shares included in investments and other assets is as follows:

	Previous Fiscal Year（Ended February 28, 2026）	First Quarter of Current Fiscal Year（Ended May 31, 2026）
Investments and other Assets	¥2,292 million	―

（Notes to Quarterly Consolidated Statement of Cash Flows）

A quarterly consolidated statement of cash flows for the first quarter of the current fiscal year has not been prepared.

Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the period are as follows:

	Previous First Quarter（March 1, 2025 — May 31, 2025）	Current First Quarter（March 1, 2026 — May 31, 2026）
Depreciation	¥7,696 million	¥7,626 million
Amortization of Goodwill	¥891 million	¥867 million

（Notes to Shareholders' Equity）

Previous First Quarter（March 1, 2025 — May 31, 2025）

１． Dividends Paid

(Resolution)	Type of Shares	Total Dividends	Dividend per Share	Record Date	Effective Date	Source of Dividend
Board of Directors Meeting April 21, 2025	Common Stock	¥6,044 million	¥28.00	February 28, 2025	May 8, 2025	Retained Earnings

２． Dividends whose record date falls within the period but whose effective date is after the end of the quarter:

Not applicable.

３． Significant Changes in Shareholders' Equity

Not applicable.

Current First Quarter（March 1, 2026 — May 31, 2026）

１． Dividends Paid

(Resolution)	Type of Shares	Total Dividends	Dividend per Share	Record Date	Effective Date	Source of Dividend
Board of Directors Meeting April 16, 2026	Common Stock	¥6,044 million	¥28.00	February 28, 2026	May 7, 2026	Retained Earnings

２． Dividends whose record date falls within the period but whose effective date is after the end of the quarter:

Not applicable.

３． Significant Changes in Shareholders' Equity

Not applicable.

(Segment Information)

【Segment Information】

First quarter of previous fiscal year（March 1, 2025 to May 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		Overseas					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Operating Revenue								
Operating revenue from external customers	58,134	22,075	8,494	24,307	23,537	136,550	4	136,555
Internal operating revenue or transfers between segments	1,695	24,924	—	5	—	26,624	-26,624	—
Total	59,830	46,999	8,494	24,312	23,537	163,175	-26,620	136,555
Segment Profit or Loss	-706	4,734	2,486	4,033	2,887	13,434	-435	12,998

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

2. The adjustment amounts are as follows:

The adjustment of ¥4 million to operating revenue from external customers consists of operating revenue from holding companies not attributable to any business segment.

The main components of the adjustment of -¥435 million to segment profit or loss consist of operating profit from holding companies, etc. not attributable to any business segment and elimination of inter-segment transactions.

3. Segment profit or loss has been adjusted with operating profit on the quarterly consolidated statements of income.

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 previous fiscal year by reportable segment are Domestic Retail: ¥18,333 million, Domestic Solutions: ¥10,649 million, China Area: ¥1,592 million, Mekong Area: ¥2,354 million, and Malay Area: ¥2,275 million.

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

Not applicable.

First quarter of current fiscal year（March 1, 2026 to May 31, 2026）

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		Overseas					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Operating Revenue								
Operating revenue from external customers	64,992	23,513	9,844	26,034	29,490	153,875	5	153,881
Internal operating revenue or transfers between segments	1,968	26,946	3	2	—	28,920	-28,920	—
Total	66,961	50,459	9,847	26,036	29,490	182,795	-28,914	153,881
Segment Profit or Loss	1,514	5,095	3,321	4,146	4,064	18,141	-654	17,486

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

2. The adjustment amounts are as follows:

The adjustment of ¥5 million to operating revenue from external customers consists of operating revenue from holding companies not attributable to any business segment.

The main components of the adjustment of -¥654 million to segment profit or loss consist of operating profit from holding companies, etc. not attributable to any business segment and elimination of inter-segment transactions.

3. Segment profit or loss has been adjusted with operating profit on the quarterly consolidated statements of income.

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 previous fiscal year by reportable segment are Domestic Retail: ¥18,906 million, Domestic Solutions: ¥11,400 million, China Area: ¥1,785 million, Mekong Area: ¥2,918 million, and Malay Area: ¥2,824 million.

2．Matters regarding change to reportable segments

During the previous fiscal year, with the objective of making it easier for stakeholders to understand, the reportable segment title which was previously reported as "Global" has been changed to "Overseas." This change is only a change in title name and has no impact on segment information.

The segment information for the first quarter of the previous consolidated fiscal year is also described using the changed title.

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

Not applicable.

(Matters Regarding Business Combinations)

Transactions under common control

（Absorption-type Merger of Consolidated Subsidiary）

At a meeting of the Board of Directors held on October 31, 2025, the Company resolved to conduct an absorption-type merger (hereinafter referred to as the "Merger") with its consolidated subsidiary, AFS Corporation Co., Ltd (hereinafter referred to as "AFS Corporation"). The Company concluded a merger agreement on the same date and executed the absorption-type merger on May 1, 2026.

１．Overview of Transaction

（１）Name of Combining Companies and Nature of Their Businesses

（Remaining Company in the Absorption-type Merger）

Name：AEON Financial Service Co., Ltd

Business Activities：Payment services, banking agency services, and business operation management for Group companies

（Company Dissolved in Absorption-type Merger）

Name：AFS Corporation Co., Ltd

Business Activities：Management of banking and other subsidiaries, and related operations

（２）Date of Combining of the Companies

May 1, 2026

（３）Legal Form of Combining of the Companies

Absorption-type merger with the Company as the remaining company and AFS Corporation as the company to be absorbed.

（４）Name of Company After the Merger

AEON Financial Service Co., Ltd

（５）Other Details Regarding the Transaction

The Company is reviewing its business portfolio to achieve further corporate growth by providing customers with services that are "available anytime, anywhere, safe, secure, convenient, and affordable" and by appropriately allocating resources to its core payment business and its overseas operations, which represent a growth area. As part of this initiative, the Company is executing this merger to absorb AFS Corporation, a bank holding company, thereby establishing a highly effective organizational structure while maintaining governance across the entire Group.

Through this merger, the Company will assume the function previously performed by AFS Corporation (the bank holding company) of ensuring the sound and appropriate operation of AEON Bank, Ltd. (hereinafter "AEON Bank"). Furthermore, regarding AEON Bank, the Company will strive to maintain and enhance a framework that ensures independence and isolates the bank from the business risks of its business parent company and other related entities.

２．Overview of Accounting Treatment

The transaction was accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

（Matters Regarding Revenue Recognition）

Information regarding the disaggregation of revenue arising from contracts with customers is as stated in "(3) Notes on the Quarterly Consolidated Financial Statements (Segment Information)."

(Per share information)

Quarterly net income per share and the basis for its calculation, as well as diluted quarterly net income per share and the basis for its calculation, are as follows:

	Previous First Quarter (March 1, 2025 — May 31, 2025)	Current First Quarter (March 1, 2026 — May 31, 2026)
(1) Quarterly net income per share	¥20.19	¥41.53
(Basis for calculation)		
Proft attributable to owners of parent	¥4,357 million	¥8,966 million
Amount not attributable to common shareholders	-	-
Quarterly net income attributable to owners of parent related to common shares	¥4,357 million	¥8,966 million
Average number of common shares outstanding during the period	215,881 thousand	215,884 thousand
(2) Diluted quarterly net income per share	¥20.19	¥41.53
(Basis for calculation)		
Adjustments to quarterly net income attributable to owners of parent	-	-
Increase in common shares	1 thousand	5 thousand
Overview of potential shares that were excluded from the calculation of diluted quarterly net income per share because they do not have a dilutive effect, but for which there have been significant changes since the end of the previous consolidated fiscal year.	-	-

（Significant Subsequent Events）

（Issuance of Unsecured Bonds）

Based on a resolution of the Board of Directors held on February 26, 2026, the Company issued unsecured straight bonds on July 2, 2026. The details are as follows:

１．(1) Name of the bonds：30th Series Unsecured Bonds (with pari passu clause)
  (2) Total issue amount：10 billion yen
  (3) Interest rate：2.006％
  (4) Issue price：100 yen per 100 yen of face value
  (5) Issue date：July 2, 2026
  (6) Maturity date：July 2, 2029
  (7) Redemption method：Lump-sum redemption at maturity
  Purchase and cancellation may be performed at any time after the day of the payment date.
  (8) Payment date：July 2, 2026
  (9) Use of proceeds：Funds will be used to redeem the 17th Series Unsecured Bonds maturing on July 31, 2026, with the remaining balance allocated to the repayment of short-term borrowings by July 31, 2026.

２．(1) Name of the bonds：31st Series Unsecured Bonds（with pari passu clause）
  (2) Total issue amount：15 billion yen
  (3) Interest rate：2.513％
  (4) Issue price：100 yen per 100 yen of face value
  (5) Issue date：July 2, 2026
  (6) Maturity date：July 2, 2031
  (7) Redemption method：Lump-sum redemption at maturity
  Purchase and cancellation may be performed at any time after the day of the payment date.
  (8) Payment date：July 2, 2026
  (9) Use of proceeds：Funds will be used to redeem the 17th Series Unsecured Bonds maturing on July 31, 2026, with the remaining balance allocated to the repayment of short-term borrowings by July 31, 2026.

*Note: This document has been translated from a part of the original Japanese document for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.