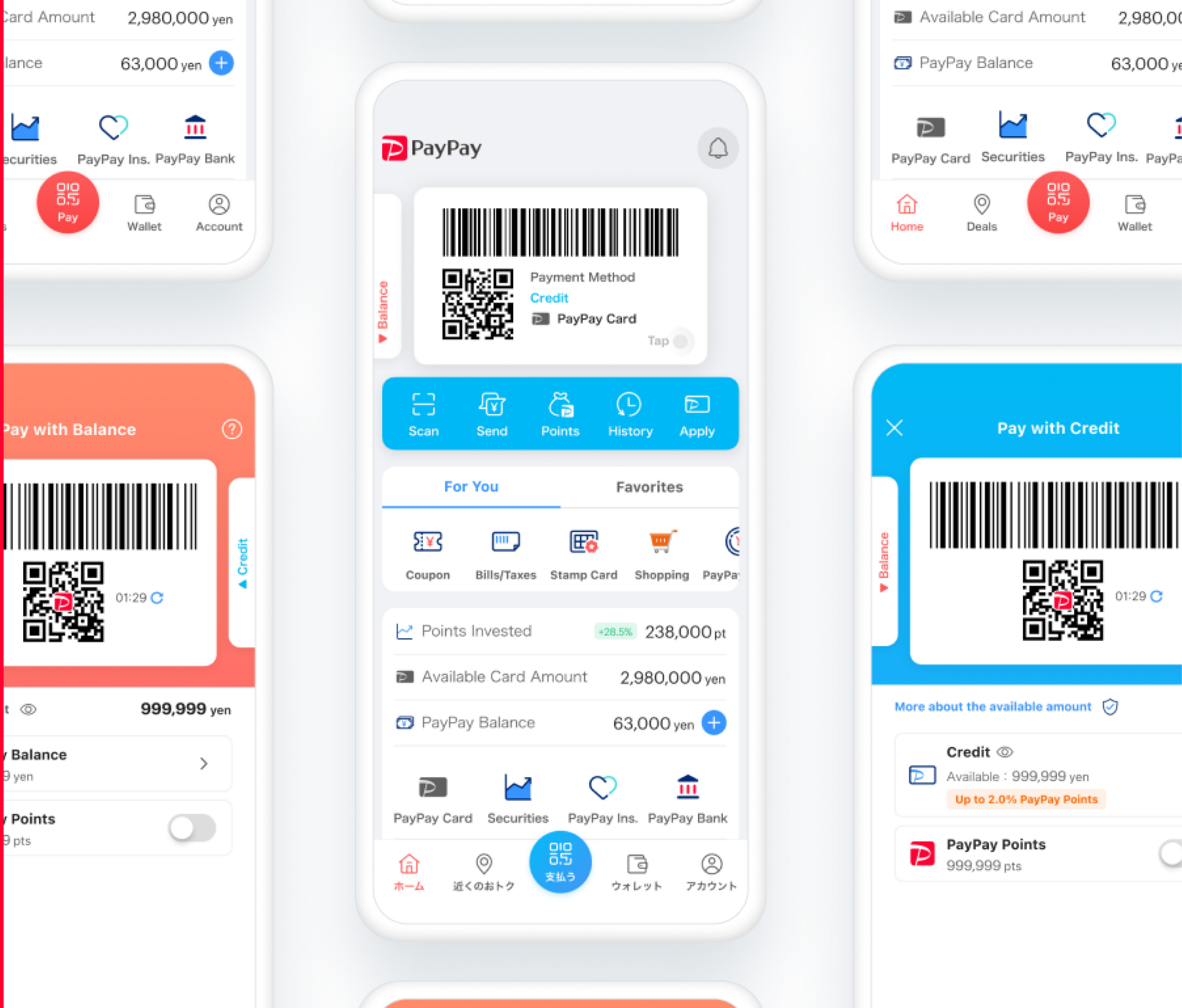
PayPay

Company Overview

Year ended March 31, 2026

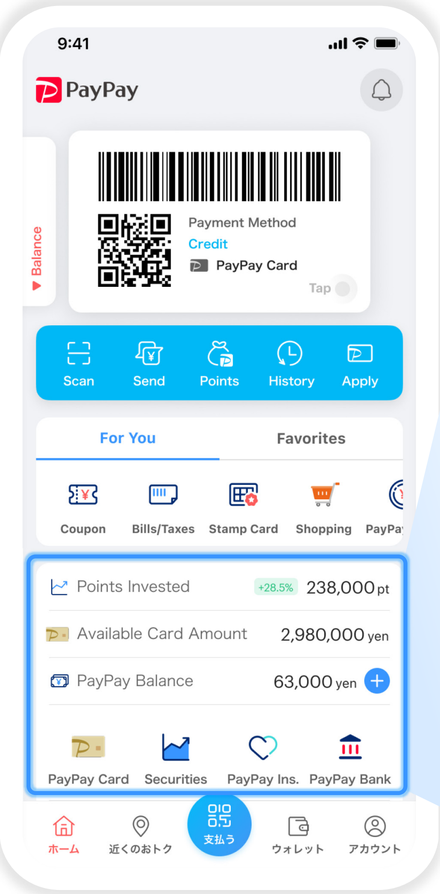


Payment-Led “Digital Finance Platform”

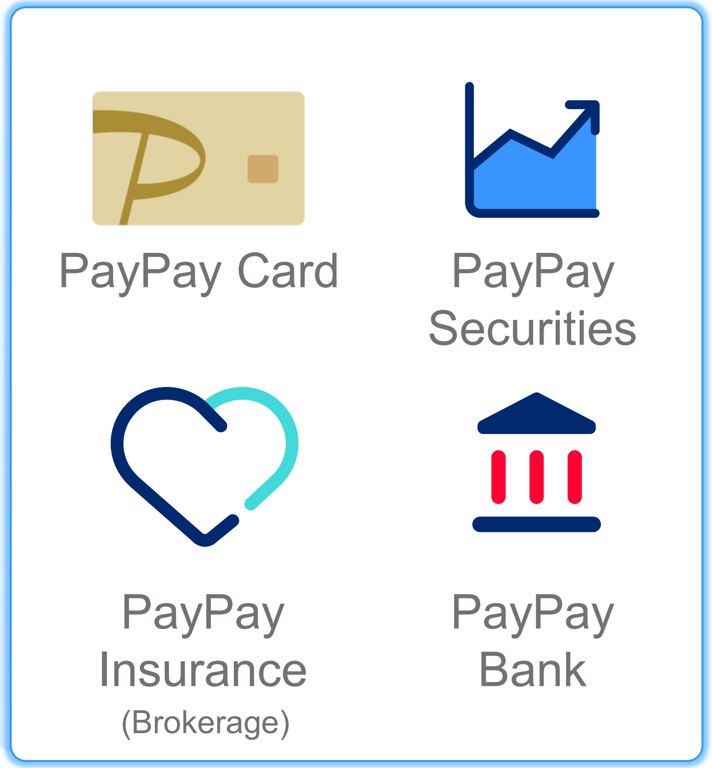
PayPay App: Your First Step into Finance

Dedicated Apps: Deeper Financial Experiences

PayPay



Finance Portal



PayPay Securities

PayPay Bank

At a Glance

Distinctive Strategy	User Centric	Open Platform	Mobile Focused

Enduring Moats

- **Clear Market Leader**: GMV Share 65%[1] P2P Share 98%[1]
- **Habitual Engagement**: 1 in 5 Cashless Payments in Japan Made with PayPay[2]; >75%[3] Penetration among Smartphone Users
- **Tech-driven**: Two-sided Network / Intellectual Property, Application of AI

Proven Financials

	Total Revenue Growth	Adj. EBITDA Margin
FY2025	YoY+27%	29%

Significant TAM

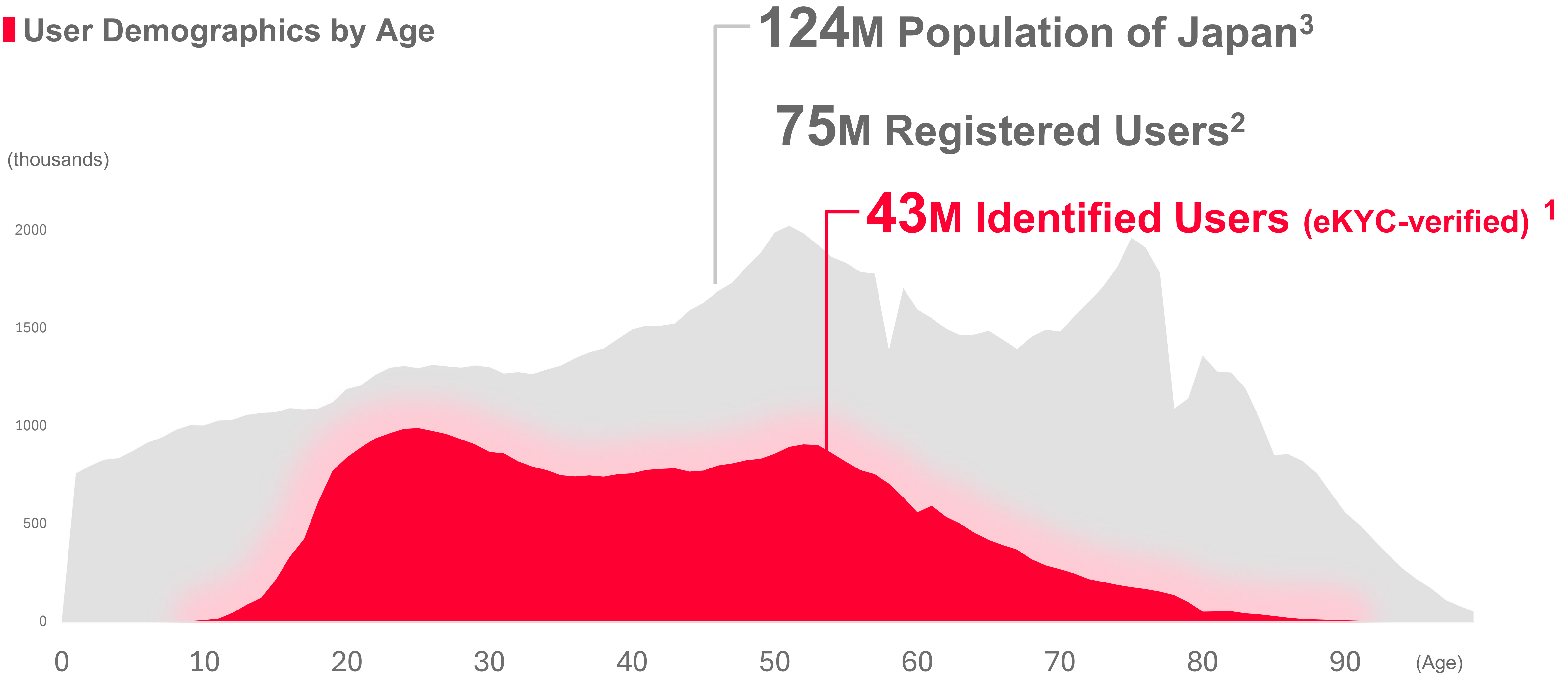
Cashless Penetration	Household Financial Assets	Loans in Retail Markets
58%[4]	JPY2,386T[5]	JPY569T[6]

Note: Please refer to the corresponding footnotes on the following slides for the definitions and details of each annotations; 4: P.9 #1 / 6: P.18 #1,4,6.

1. Calculated based on the PayPay App GMV divided by the GMV for code-based payments from the Cashless Promotion Council's "Code-based Payment Usage Trends Survey" (Released March 30, 2026).
2. Calculated by summing the number of credit card contracts from "Monthly Survey: Credit Card Activity Survey," a document released by the Japan Credit Association; debit card and electronic money transaction counts from "Payment Trends January 2026," a document released by the Bank of Japan; and code-based payment transaction counts from "Code-based Payment Usage Trends Survey," a document released by the Payments Japan Association on March 30, 2026. PayPay's share is calculated from its transactions within the PayPay App for CY2025.
3. Calculated by the Company based on the Statistics Bureau, MIC, "Population Estimates - July 2026 Report" and MIC, "2025 Communications Usage Trend Survey: 1. Ownership of Information and Communications Devices".
5. Quoted from the Bank of Japan's Flow of Funds Accounts, 2026 Q1.

Diverse Reach, Anchored by Youth (teens – 20s)

User Demographics by Age



1. The percentage of PayPay users by age group who have completed eKYC. This calculation excludes some users for whom age could not be determined among those who completed eKYC. eKYC-verified users refer to users who have applied for and successfully completed identity verification through the PayPay App using their My Number Card, driver's license, or driving history certificate. As of June 30, 2026.
2. Number of PayPay registered users, excluding frozen, suspended, canceled, or deleted accounts. As of June 30, 2026.
3. As of October 1, 2024. Statistics Bureau of Japan, Population Estimates (released April 14, 2025).

Financial Overview

Our Revenue Underpinned by Payment Business

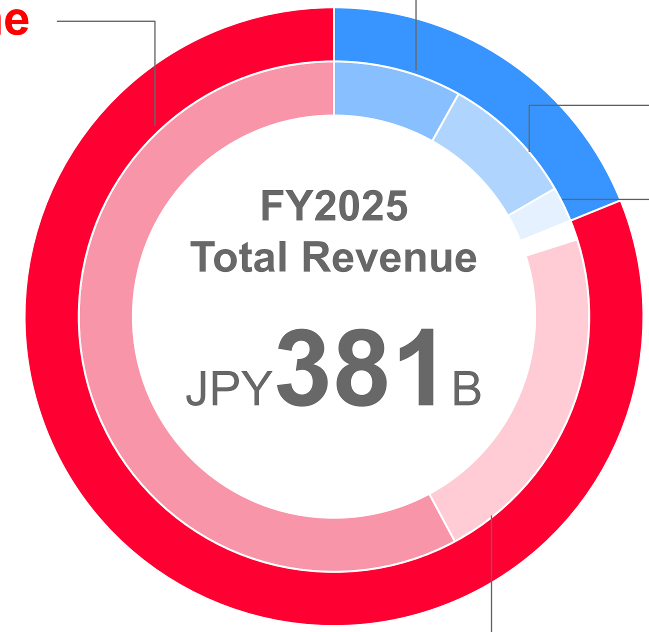
Revenue by Segment

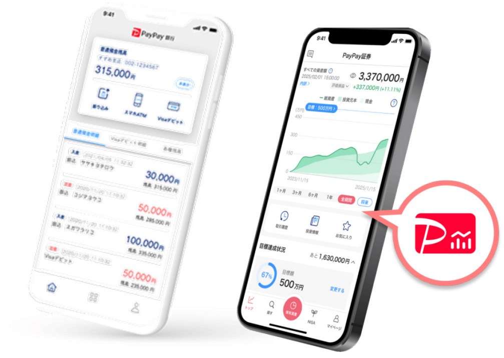
PayPay PayPay Card

Payment 81%[1]

PayPay Bank PayPay Securities

Financial Service 19%[1]

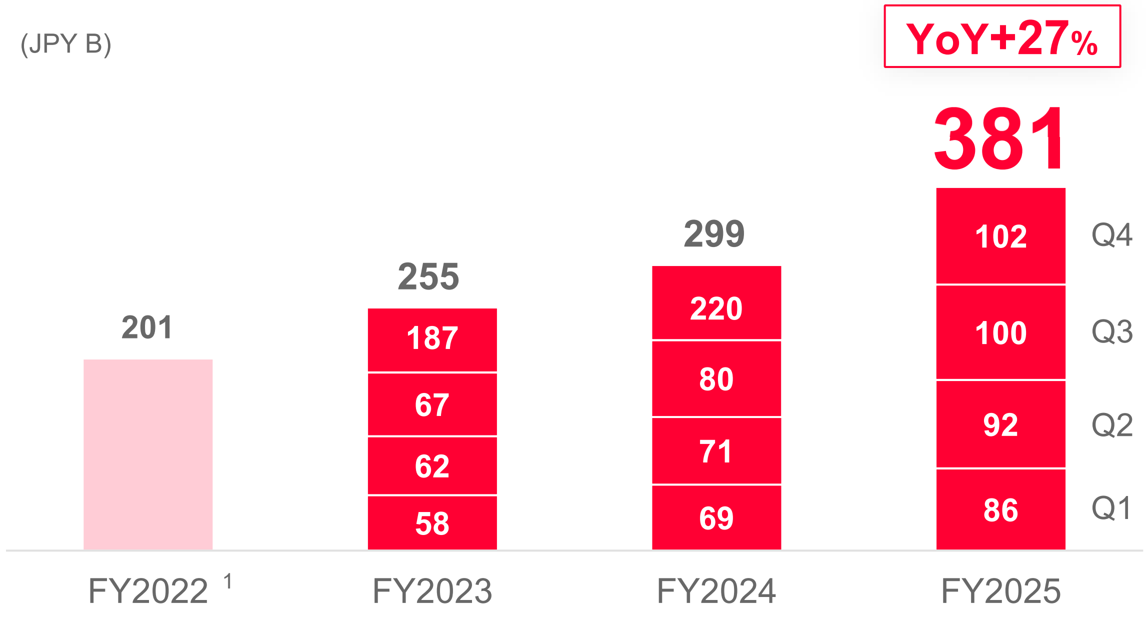


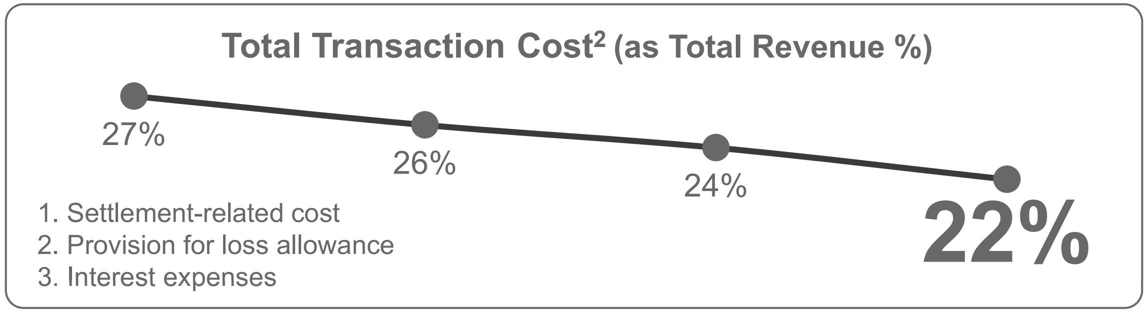


Note: The entities shown are those that make significant contributions to total revenue and do not represent an exhaustive list of all entities within each segment.
1. Represents proportion of Total Revenue of each segment. Includes inter-segment eliminations. The same applies hereafter.

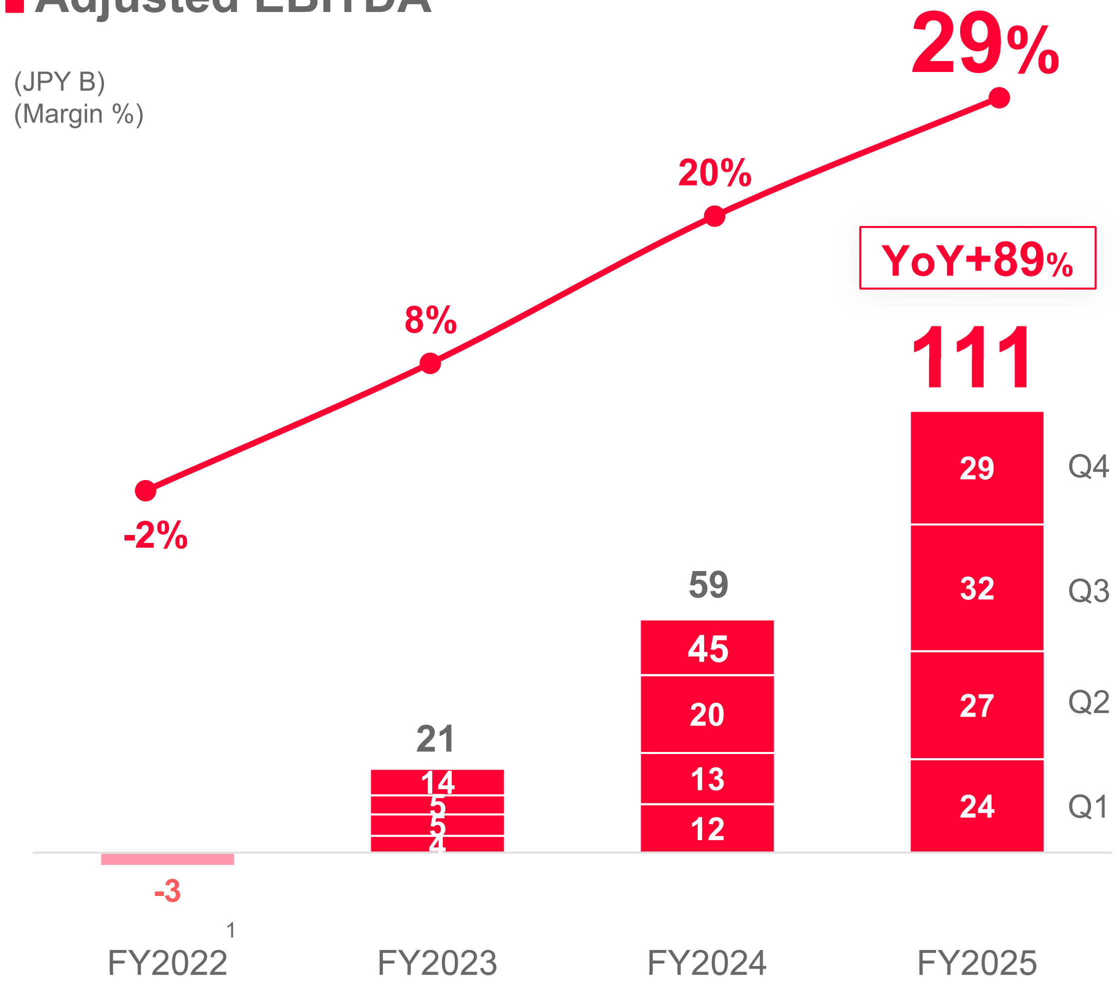
A Unique Combination of Growth and Profitability

Total Revenue





Adjusted EBITDA[3]

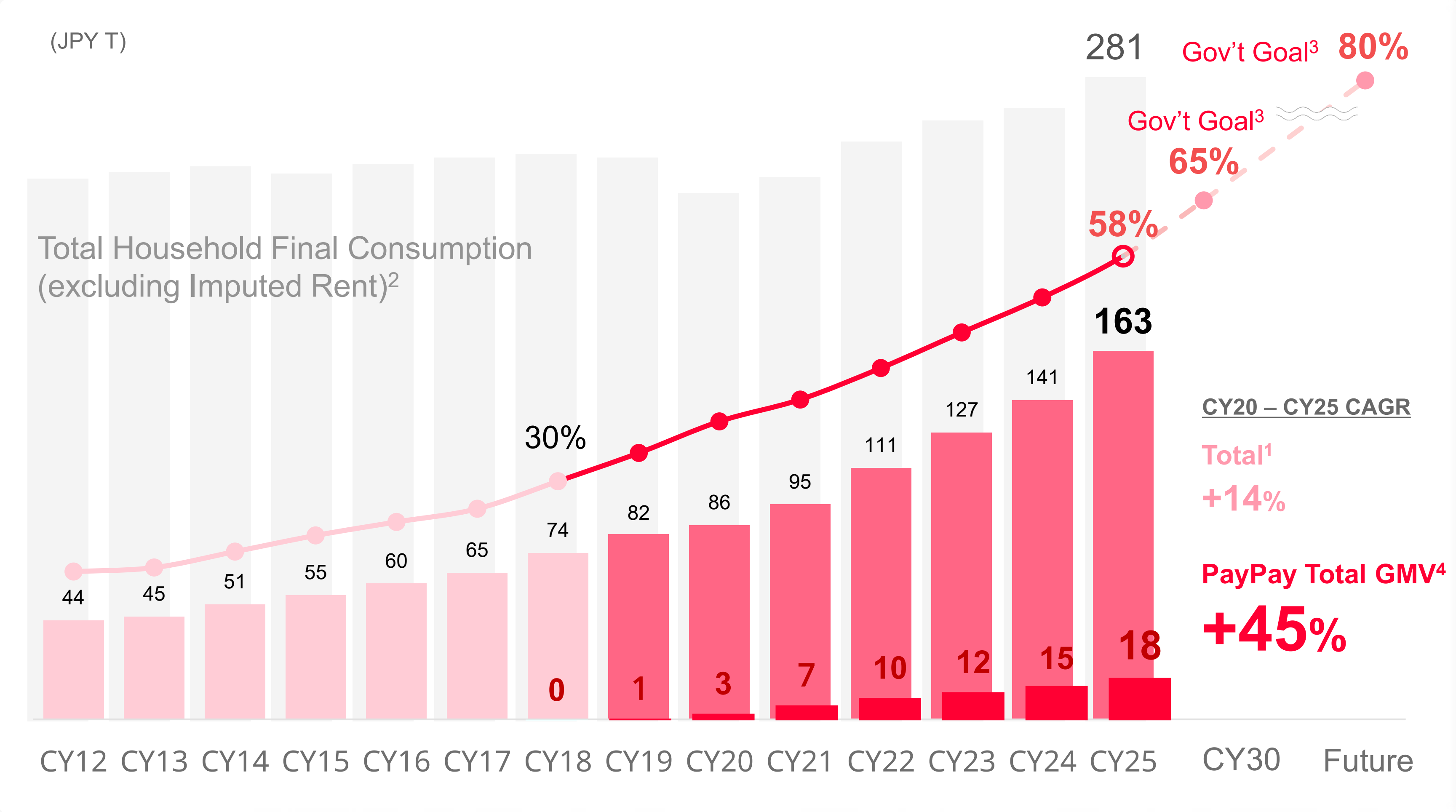


1. Quarterly data is not available.
2. Total Transaction Cost is the sum of three items within Operating Expenses: settlement-related costs, provision for loss allowance, and interest expenses.
3. Adjusted EBITDA is defined as profit (loss) for the year plus income tax expense (benefit), share of loss of a joint venture accounted for using the equity method, depreciation and amortization, share-based payment expenses, amortization of contract cost, loss/gain on disposal of property and equipment and intangible assets , listing-related expenses, M&A-related expenses, and net interest expense from corporate borrowings and treasury assets. Adjusted EBITDA is a non-IFRS measure. Please see the appendix for reconciliations of non-IFRS financial measures to their nearest IFRS equivalents. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by total revenue.

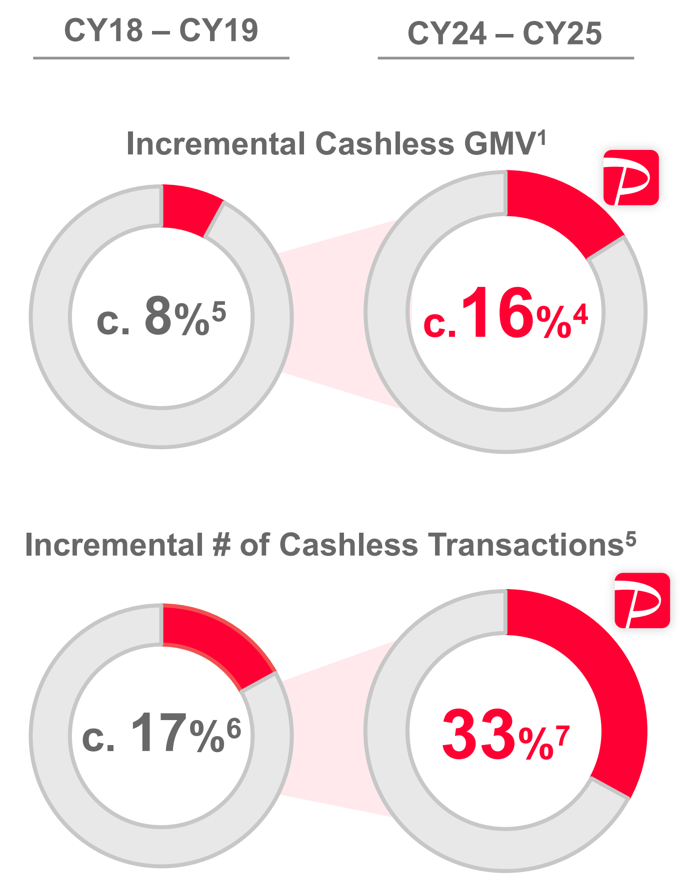
Business | Payment Segment

Driving Japan’s Cashless Market Growth

Cashless GMV and Ratio[1]

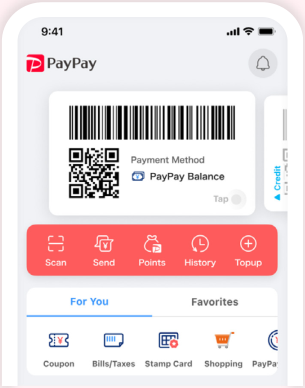


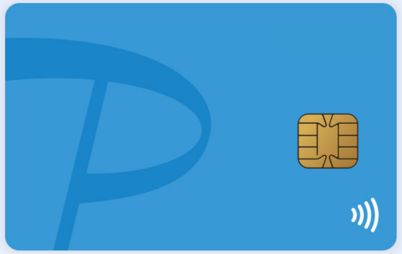
Gaining More Market Share

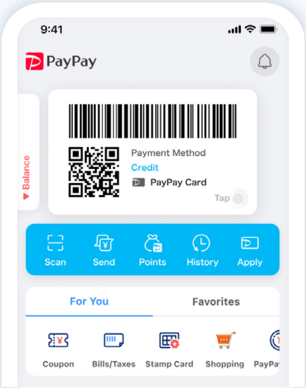


1. Ministry of Economy, Trade and Industry, "Calculated Cashless Payment Ratio for 2025" (Released March 31, 2026), and Cashless Promotion Council, "Code-based Payment Usage Trends Survey" (Released March 30, 2026). Credit card usage within code-based payments is categorized under code-based payments, not credit cards. Cashless payment ratio is calculated as GMV of each cashless payment method divided by total household final consumption (excluding imputed rent).
2. Cabinet Office, National Accounts (GDP statistics), based on the Second Preliminary Estimates for each year. Figures represent household final consumption expenditure excluding imputed rent.
3. “Summary of the Cashless Promotion Study Group,” published by the Ministry of Economy, Trade and Industry, December 2025. The definition used to calculate the cashless payment ratio for domestic use was revised from the previous definition. Under the new definition, the denominator was changed from private final consumption expenditure to household final consumption expenditure excluding imputed rent of owner-occupied housing, while the numerator remains the total value of cashless payments.
4. Total GMV or gross merchandise value, is defined as the total of PayPay Balance GMV, PayPay Credit GMV, PayPay Card GMV and PayPay Bank Visa Debit Card GMV, excluding the GMV of cancelled transactions.
5. Calculated based on GMV for PayPay App (PayPay Balance and PayPay Credit).
6. Calculated based on transactions for PayPay App (PayPay Balance and PayPay Credit).
7. Calculated based on transactions for Payment Segment (PayPay Balance, PayPay Credit, and PayPay Card).

Our Core Payment Products







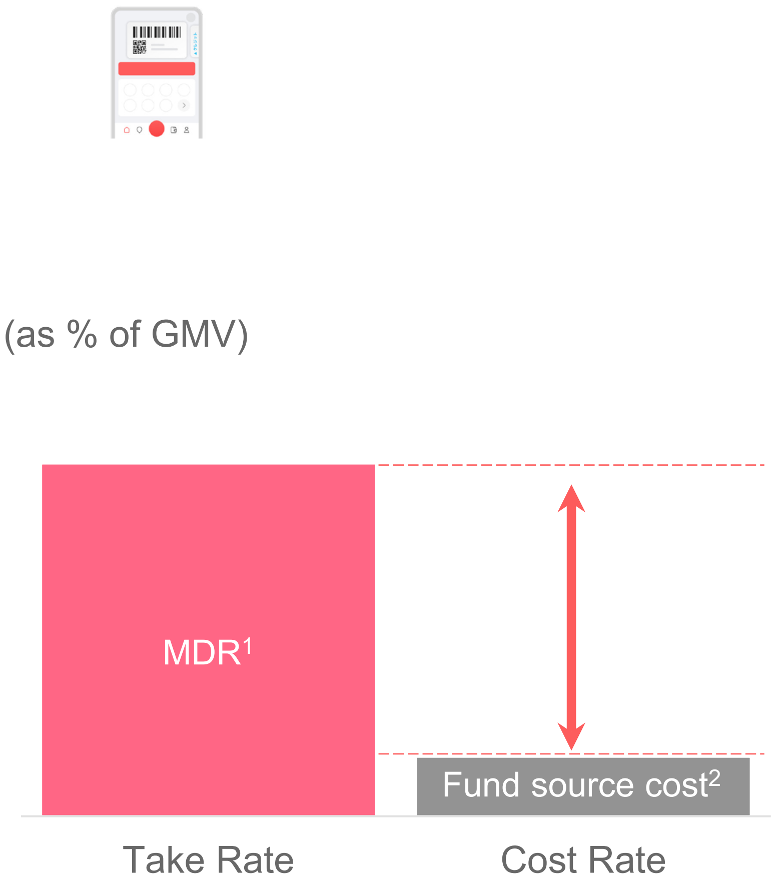
	PayPay Balance	PayPay Card	PayPay Credit
Interface	Code-based	Physical Card	Code-based
Type	Top Up (Prepaid)	Credit	Credit
Revenue Stream	MDR[1]	IRF[2] + Revolving / Cash Advances	MDR[1] + Revolving / Cash Advances
Value / Transaction	Low	High	Middle

1. MDR represents Merchant Discount Rate.
2. IRF represents Interchange Reimbursement Fee.

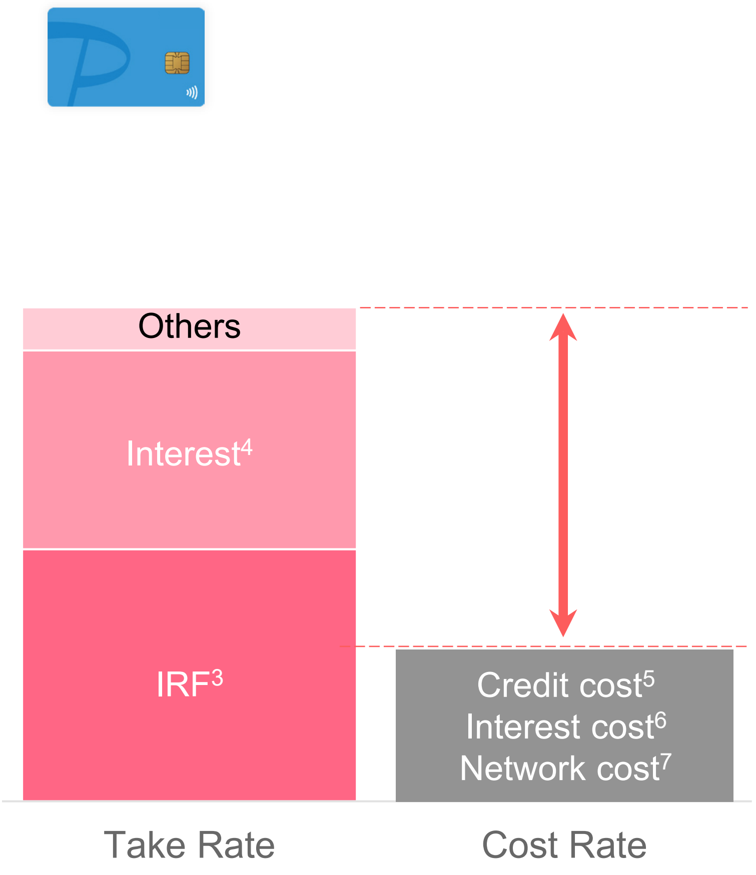
Unit Economics by Payment Product

Management Accounting

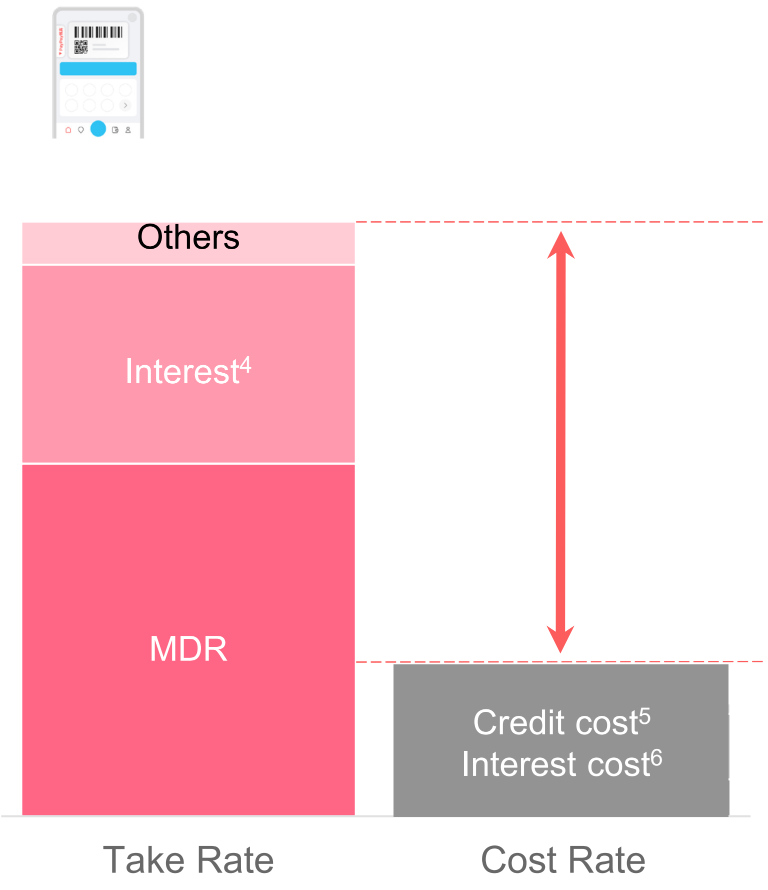
PayPay Balance



PayPay Card



PayPay Credit

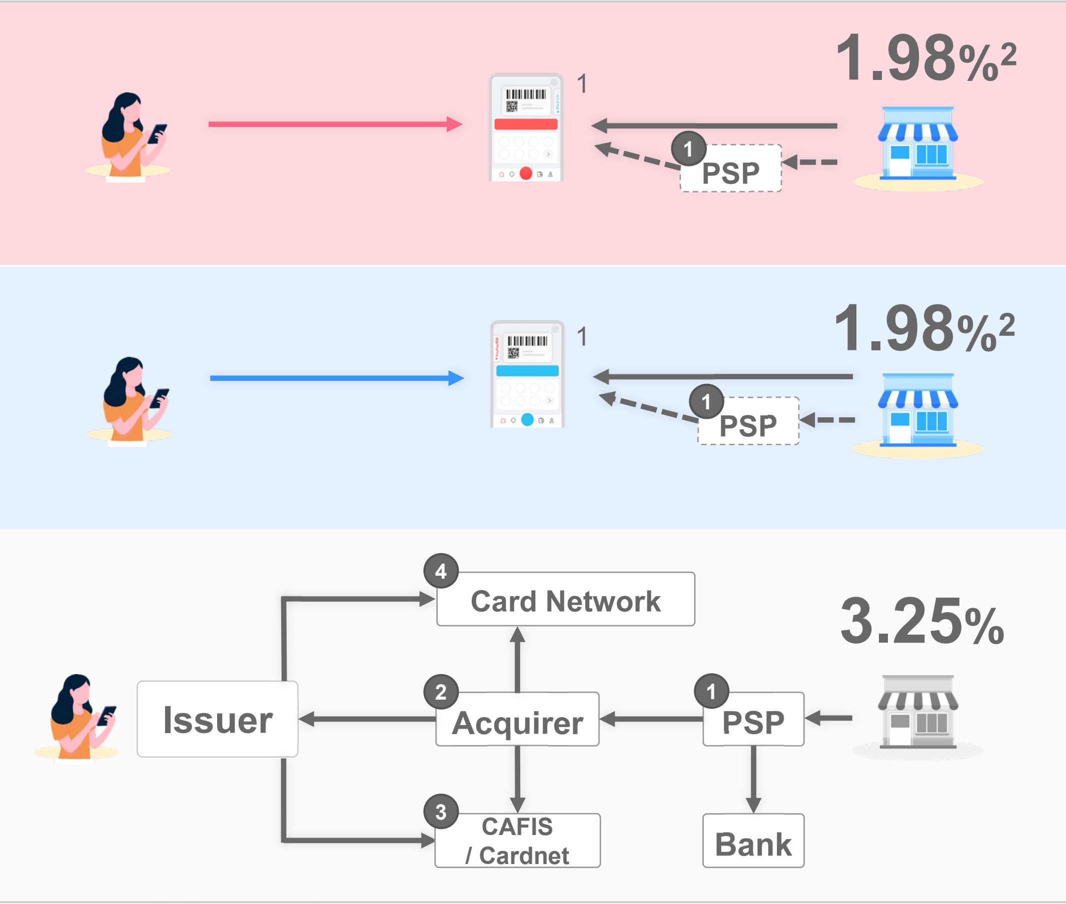


Note: These are management accounting figures provided solely to facilitate an understanding of our business. Please note that they do not necessarily reconcile with IFRS figures. The sales amount shown is the gross amount before any deductions. These figures are simply calculated by allocating each revenue and expense primarily based on the GMV ratio by payment method (PayPay Balance, PayPay Credit, PayPay Card).

1. Includes revenue from MDR (Merchant Discount Rate) and value-added services to merchants.
2. Includes items expensed such as: bank fees related to PayPay Balance; issuing fees for PayPay Card and other credit cards; acquiring fees for PayPay Card; and other connection costs (e.g., gateway fees), less revenue from carrier billing.
3. Includes IRF (Interchange Reimbursement Fee) and acquiring income.
4. Includes Interest Income derived from revolving payment and cash advances.
5. Includes provision for loss allowance and costs associated with the assessment fees, etc.
6. Includes interest expenses on borrowings and other financing incurred for credit business' working capital.
7. Includes card network fee, direct debit fees, etc.

Simple Two-Sided Network with Affordable Pricing

	Transaction Flow	Revenue: MDR	Revenue: Interest Income	Costs: ① PSP Fee	Costs: ② Acquiring Fee	Costs: ③ Processing Fee	Costs: ④ Network Fee
PayPay Balance	1.98%[2]	$	-	($)[5]	-	-	-
PayPay Credit	1.98%[2]	$	$	($)[5]	-	-	-
Credit Cards [3,4]	3.25%	$	$	$	$	$	$

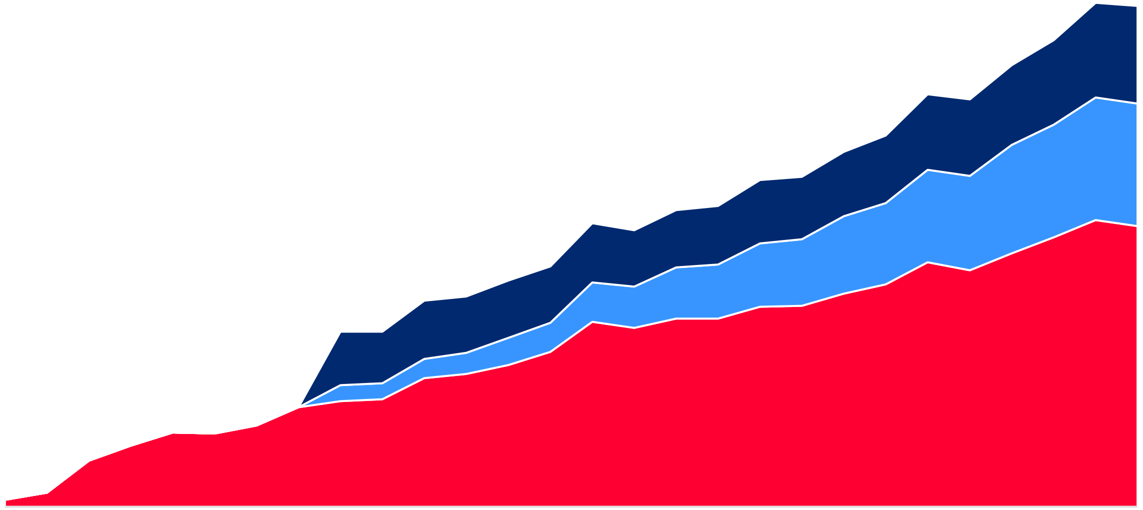


1. Solid arrows represent direct payments (not via a PSP), limited to PayPay app payments via MPM (Merchant-Presented Mode).
2. Standard rate for small and medium-sized PayPay merchants.
3. Excerpt from the model case of "small and medium-sized merchants with an average-priced transactions (Off-us transactions)," from the "Study Group on Promoting a Better Environment for the Further Adoption of Cashless Payments by Small and Medium-Sized Businesses," 3rd Meeting Materials, published by the Ministry of Economy, Trade and Industry on August 27, 2021.
4. An off-us transaction is a transaction where the issuer and acquirer are different entities.
5. When a merchant uses a PSP (Payment Service Provider), as a Gateway to introduce PayPay payments, the merchant will pay the settlement fees to the PSP.

Durable GMV Growth

Payment Segment GMV

PayPay Card[1,4]
PayPay Credit[3]
PayPay Balance[2]



	FY19	FY20	FY21	FY22	FY23	FY24	FY25
(JPY T)	1.3	3.3	7.6[1]	10.2[1]	12.5	15.4	19.0
YoY	-	*+156%*	*+134%*	*+34%*	*+22%*	*+23%*	*+24%*

FY2025 Product Mix
(YoY)

19% (+25%)

24% (+34%)

57% (+20%)

Potential Contributors for Growth

1. **Digital Wallet from Physical Wallet**
2. **Acceptance of Code Settlement**
3. **E-commerce Shift**
4. **Increase in average spend for QR**
5. **Penetration of P2P Money Transfer**

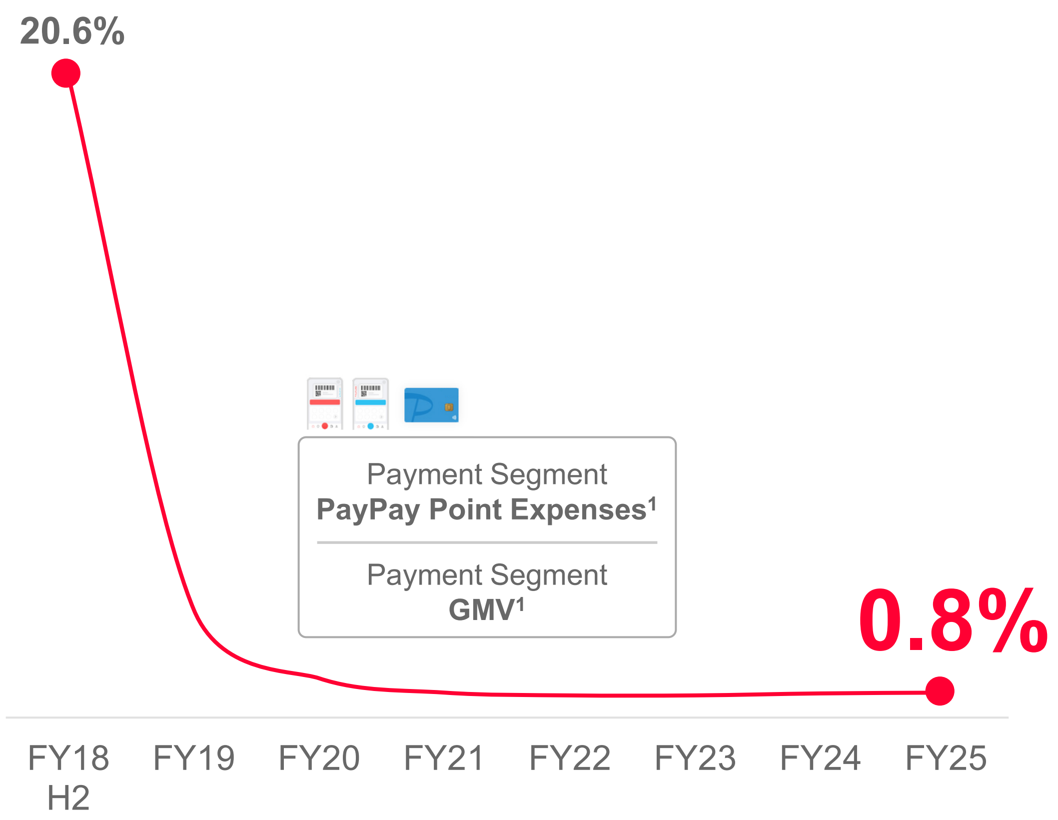
1. The results of PayPay Card Corporation, which became a subsidiary in October 2022, have been retroactively consolidated from the beginning of FY2021, in accordance with the "interest pooling method" in business combination accounting.
2. Includes PayPay Balance, PayPay Debit, PayPay Balance Card, other credit card payment linked to the PayPay app and payments made through other payment services and networks such as Alipay+ and HIVEX® via PayPay code-based payment. Excludes PayPay Card top-ups to PayPay Balance, and GMV from canceled transactions.
3. Includes PayPay Credit, top-ups to PayPay Balance with PayPay Card and GMV made by linking a PayPay Card to the PayPay App without linking a PayPay account, excluding the GMV of any cancelled transactions.
4. Includes PayPay Card (physical card) transactions, but excludes top-ups to PayPay Balance with PayPay Card. Excludes GMV from canceled transactions.

Cost Optimization

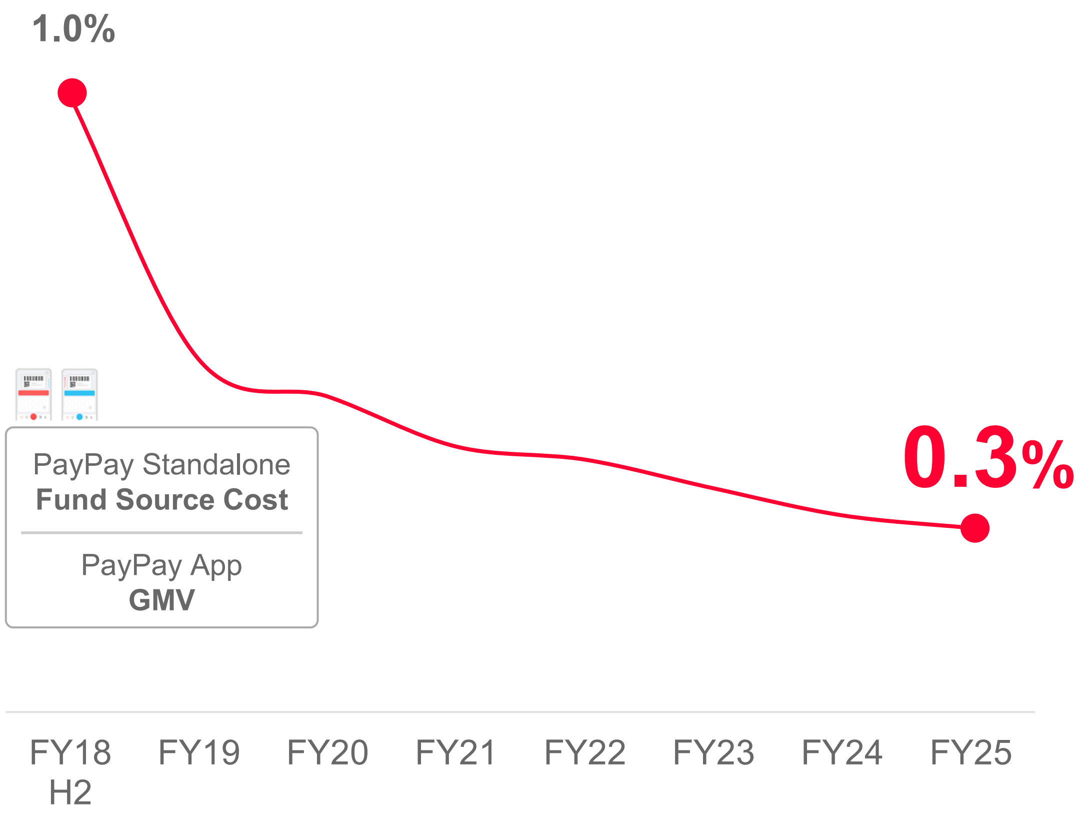
Management Accounting

PayPay Point Expenses

including revenue deduction portion



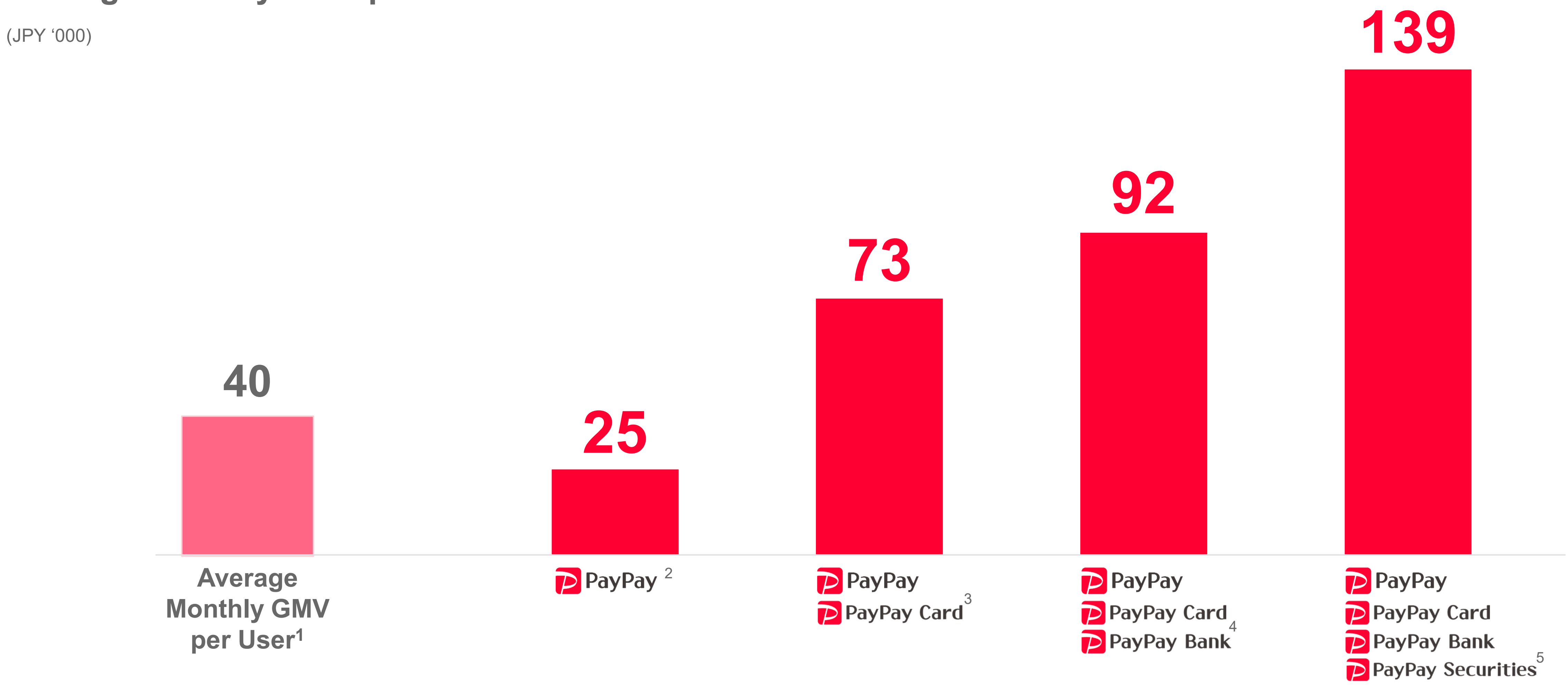
Fund Source Cost Rate[2]



1. Calculated by dividing total point expenses for the Payment segment, including amounts recognized as part of revenue deduction, by Payment Segment GMV of PayPay. PayPay point expenses are unaudited and differ from the point expenses reported in the financial statements. Through FY20, PayPay was non-consolidated. From FY21, these figures include PayPay Card in accordance with the "interest pooling method" in business combination accounting.
2. Calculated by dividing fund source cost by the GMV of PayPay (non-consolidated). Fund source cost includes items expensed during the period, such as bank fees related to PayPay Balance; issuing fees for PayPay Card and other credit cards; acquiring fees for PayPay Card; and other connection costs (e.g., gateway fees, bad debt losses from carrier payments), less revenue from carrier billing. These figures are unaudited.

More Products, More GMV

Average Monthly GMV per User for FY2025



This data represents the average monthly Gross Merchandise Volume (GMV) for Fiscal Year 2025, segmented by users' engagement with various PayPay services.

1. Overall Average: The average GMV per PayPay App MTU (Monthly Transacting User) for FY2025.
2. PayPay Only: The average monthly GMV for users who only utilize PayPay Balance for transactions within the PayPay App. This excludes PayPay Balance top-ups made via PayPay Card.
3. + PayPay Card: In addition to the "PayPay Only" segment, this includes the average monthly GMV for users who also hold PayPay Credit or a physical PayPay Card, and use them for transactions within the PayPay App. This segment does not consider the use of PayPay Bank or PayPay Securities services.
4. + PayPay Bank: Building on the "+ PayPay Card" segment, this includes the average monthly GMV for users who also hold a bank account with PayPay Bank. This segment does not consider the use of PayPay Securities services.
5. + PayPay Securities: Further to the above, this includes the average monthly GMV for users who also hold a securities account with PayPay Securities.

Please note: The data for segments 3 through 5 is calculated based on the number of users who have linked their PayPay App with their PayPay Card, PayPay Bank account, and PayPay Securities account, and have provided consent for data linkage.

Business | Financial Service Segment

Unlocking Japan's Massive Untapped Digital Finance Potential

Banking

Total Deposits

All Banks[1]

JPY1,202T YoY +2%

Internet Banks[2]

JPY44T YoY +16%

JPY2.3T[3]
YoY+23%

PayPay Bank

Investments

Total AUM

All Securities[4]

JPY431T YoY -7%

Internet Securities Brokerages[5]

JPY140T YoY +38%

JPY0.3T[3]
YoY+98%

PayPay Securities

Source: Japanese Bankers Association, Japan Securities Dealers Association, Company disclosures, Shinkin Central Bank and Regional & SME Research Institute, Nikkei Value Search.

1. Total deposits are all banks nationwide from Japanese Bankers Association plus deposits in internet banks shown in footnote 2, and as of the end of March 2026. Also includes the amount of deposits of Japan Post Bank (Company disclosure).
2. Internet banks as defined by Shinkin Central Bank and Regional & SME Research Institute and include PayPay Bank, Rakuten Bank, SBI Sumishin Net Bank, Daiwa Next Bank, Sony Bank, au Jibun Bank, GMO Aozora Net Bank, UI Bank, Minna no Bank (Company disclosure). As of the end of March 2026.
3. As of the end of March 2026.
4. Personal financial assets (including bonds, stock investments, and investment trust certificates, as of the end of March 2025, from Japan Securities Dealers Association.
5. Internet Securities Firms as defined by Nikkei Value Search (PayPay Securities, SBI Securities, Rakuten Securities, Matsui Securities, Mitsubishi UFJ e-Smart Securities, Monex, GMO Click Securities). As of the end of March 2026. Each company has different disclosure standards (e.g., market value or book value).

Tapping into Japan's Opportunities in Banking

Unsecured Consumer Loan

Total Balance

All Banks and Non-Banks[1]

JPY10T YoY -0%

Internet Banks[2]

JPY2T

PayPay Bank

JPY0.3T[3]

Mortgage

Total Balance

All Banks[4]

JPY227T YoY +3%

Internet Banks[5]

JPY20T

PayPay Bank

JPY0.9T[3]

SME Loan

Total Balance

All Banks[6]

JPY332T YoY +6%

Regional Bank and Credit Union[7]

JPY175T

PayPay Bank

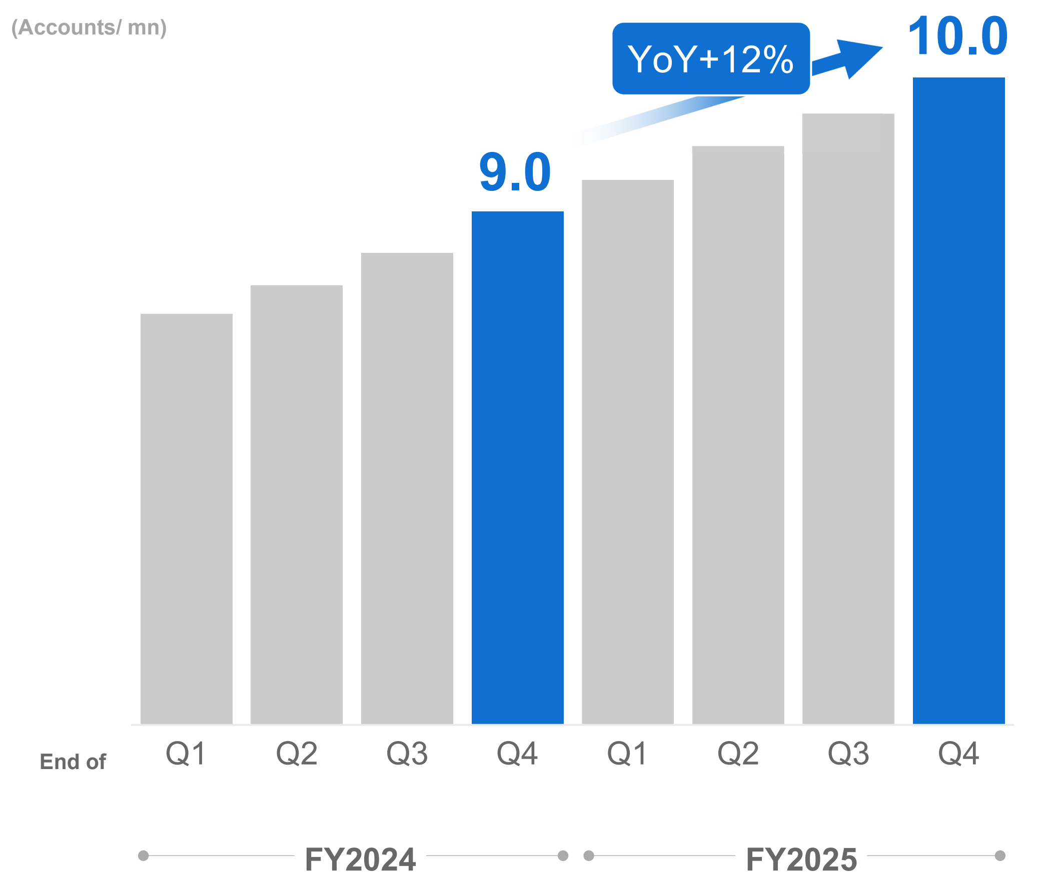
JPY0.06T[3]

Source: Japan Card Business Association, Bank of Japan, Japan Housing Finance Agency (JHF), Shinkin Central Bank, Banks Association of Japan, Company disclosure.

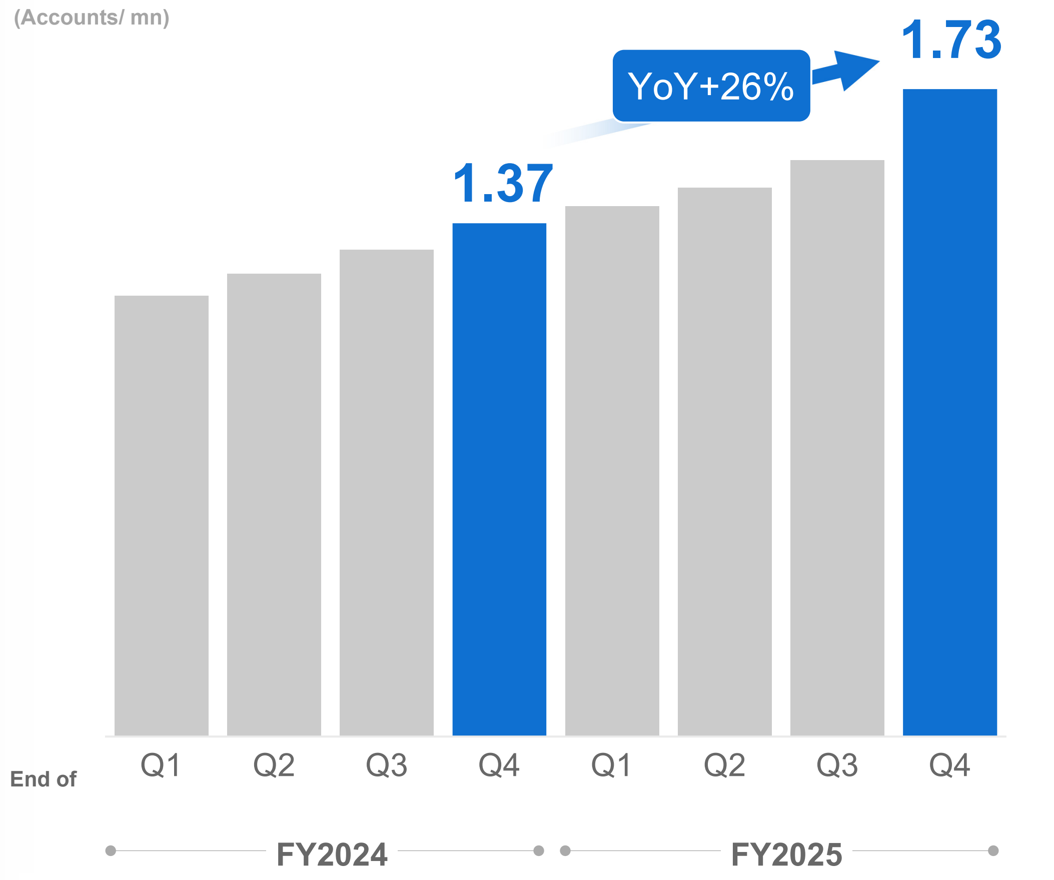
1. Figures for non-banks and all banks are based on the outstanding balance of credit card and card loans for individuals (published by the Japan Card Business Association) and personal loans (published by the Bank of Japan). As of the end of March 2026.
2. Internet banks include PayPay Bank, Rakuten Bank, SBI Sumishin Net Bank, Daiwa Next Bank, Sony Bank, au Jibun Bank, UI Bank, and Minna no Bank (Company disclosures). As of the end of March 2026.
3. IFRS basis. As of the end of March 2026.
4. Total outstanding mortgage balance, based on data published by the Japan Housing Finance Agency (JHF). As of the end of March 2025.
5. Internet banks include PayPay Bank, Rakuten Bank, SBI Sumishin Net Bank, Daiwa Next Bank, Sony Bank, au Jibun Bank, and UI Bank (Company disclosures). As of the end of March 2026.
6. Based on the combined outstanding balance of business loans to SMEs provided by Shinkin banks (published by Shinkin Central Bank) and regional banks (published by the Regional Banks Association of Japan). As of the end of March 2026.
7. Based on the total outstanding balance of business loans to SMEs published by Shinkin Central Bank. As of the end of March 2026.

Number of Accounts

PayPay Bank | # of Bank Deposit Accounts[1]



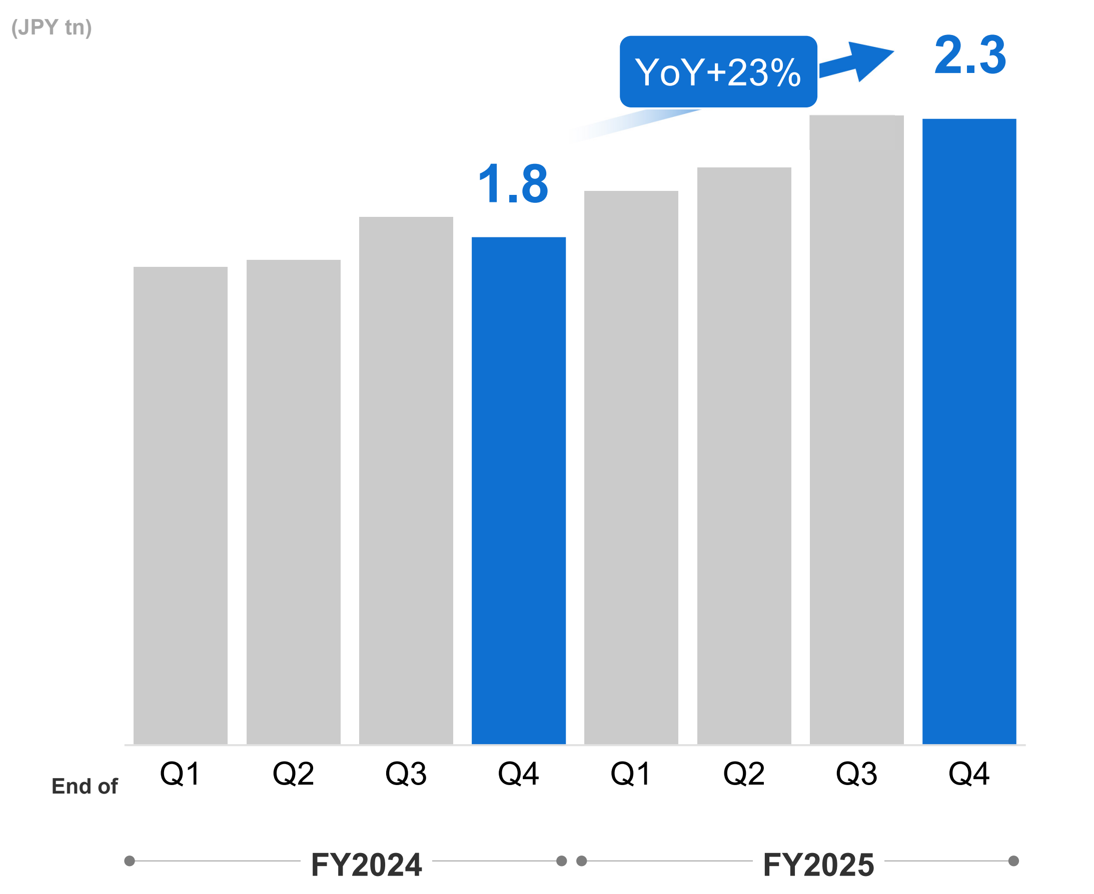
PayPay Securities | # of Securities Accounts[2]



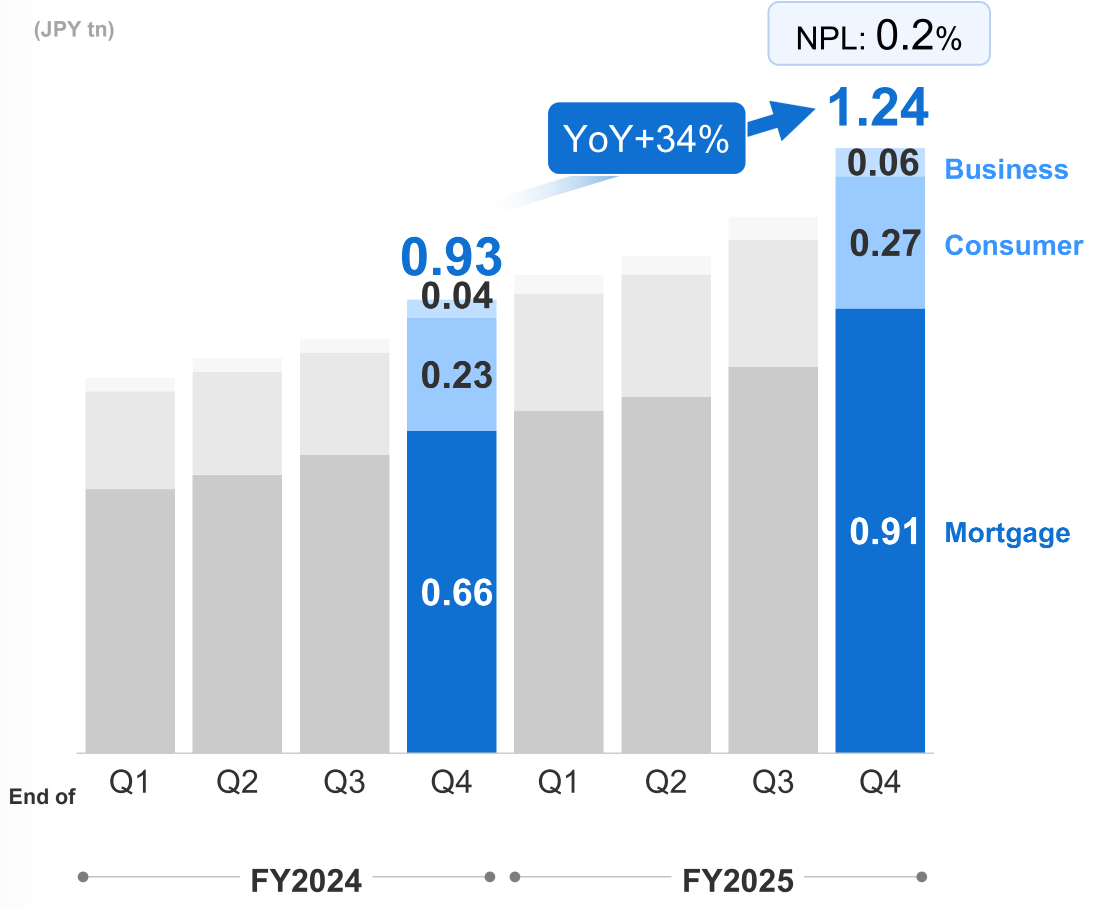
1. The total number of PayPay Bank regular savings accounts as of the end of the month, for both individual and corporate accounts, excluding closed accounts and fixed deposit accounts.
2. The cumulative total number of PayPay Securities comprehensive securities accounts as of the end of the quarter, excluding the number of closed or frozen securities accounts.

Balance of Deposits & Loans

Deposits[1]

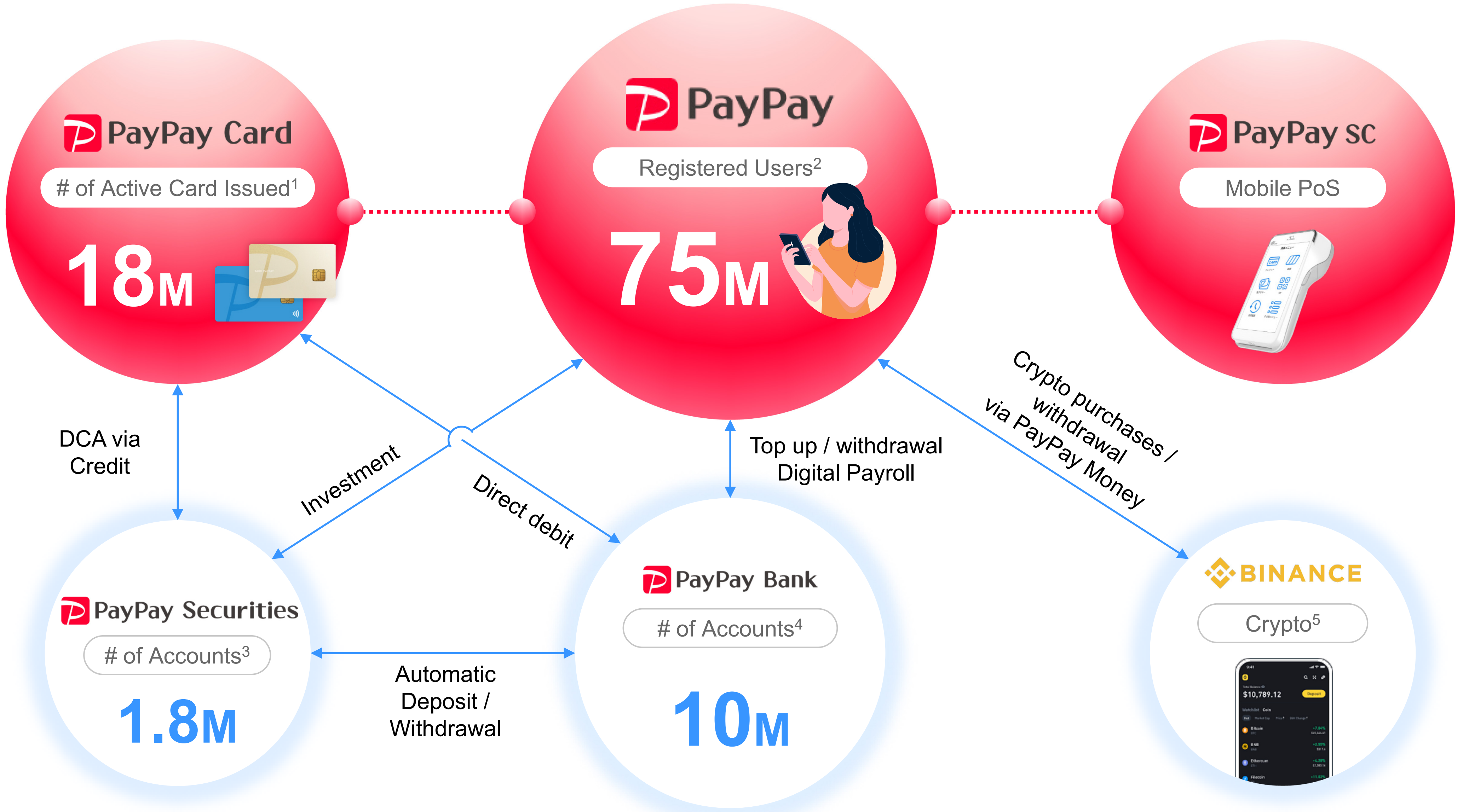


Loans[2]



1. The sum of demand deposit and time deposit.
2. The sum of mortgage loans, overdraft and other.

Digital Finance Platform Underpinned by PayPay App Integration



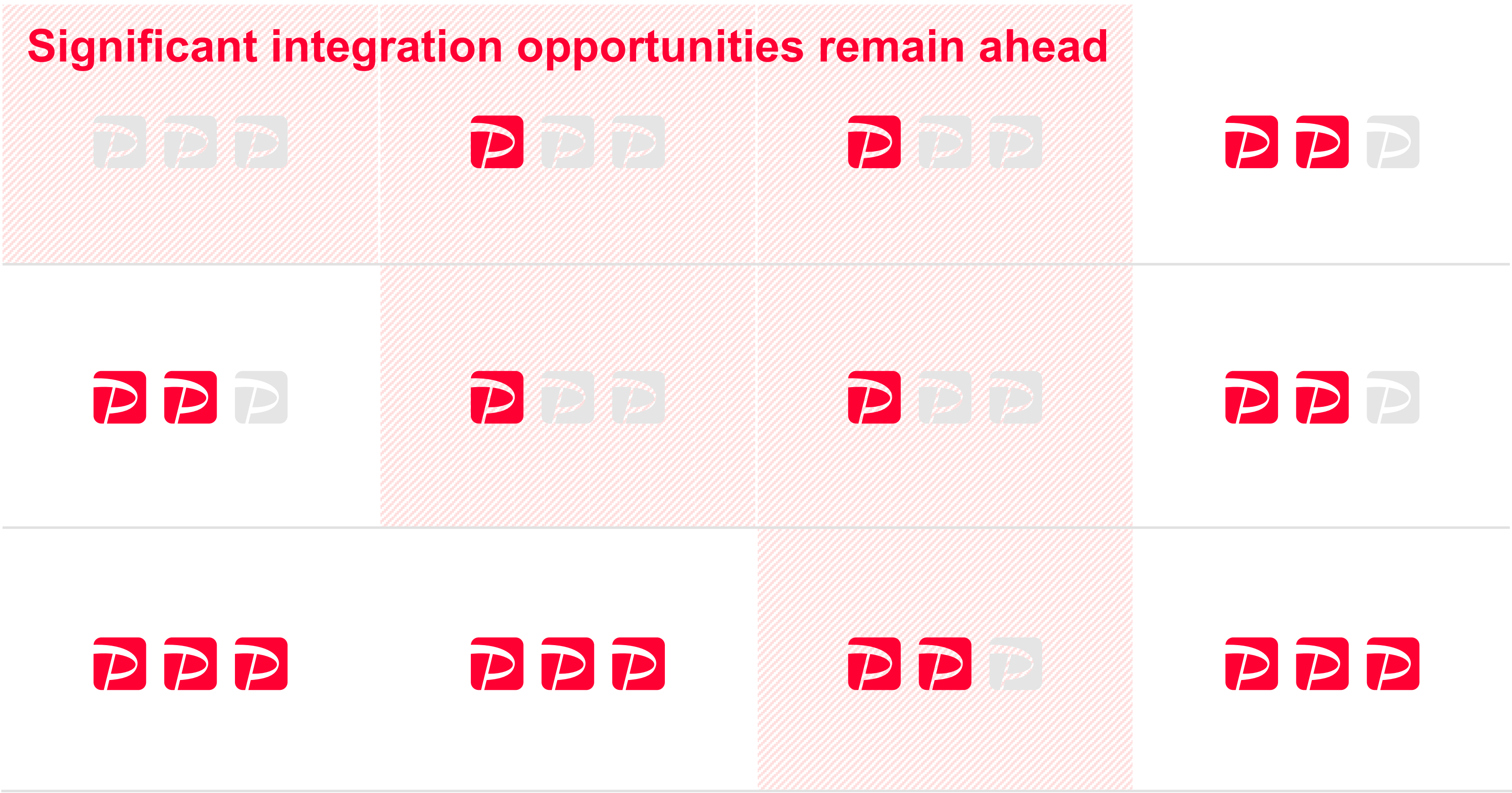
Note: As of June 30, 2026

1. Number of Active PayPay Card Issued is defined as members of PayPay Card, PayPay Credit, and Yahoo! JAPAN Card, excluding members whose accounts have been suspended or who have withdrawn from the service. A single member that is issued multiple PayPay Cards since August 2024 is counted multiple times.
2. PayPay registered users is defined as the number of registered users for PayPay, which is the number of active users excluding those whose accounts have been frozen, suspended, cancelled or deleted as of the end of the last month of the quarter.
3. Number of PayPay Securities accounts is defined as the cumulative total number of PayPay Securities comprehensive securities accounts as of the end of the quarter, excluding the number of closed or frozen securities accounts.
4. Number of PayPay Bank deposit accounts is defined as the total number of PayPay Bank regular savings accounts as of the end of the month, for both individual and corporate accounts, excluding closed accounts and fixed deposit accounts.
5. On November 21, 2025, we introduced a new service that integrates PayPay Money with Binance Japan's cryptocurrency spot trading platform (Dealer Service, available on mobile and web). This integration allows users to utilize their PayPay Money to purchase cryptocurrencies and to convert the proceeds from selling cryptocurrencies directly back into their PayPay balance as PayPay Money. However, Integration of Binance Japan into the PayPay ecosystem remains under discussion and is not yet complete. We may not be able to successfully realize the anticipated strategic benefits from the acquisition, including integrating Binance Japan's business into our ecosystem, and developing compliant crypto-related services in Japan.

Current Stage of Building a Differentiated Digital Finance Platform

	System	UI / UX	Product	Marketing
	In-house Development Cloud-Native System	**PayPay App Integration**	**Fully Digitalized Data / AI-Driven**	**Marketing Integration / Lower CAC[1]**
PayPay Bank				
PayPay Securities				
PayPay Card				

Significant integration opportunities remain ahead



PayPay Bank
2025.04
Consolidation

PayPay Securities
2025.04
Consolidation
2023.04
PayPay Became Largest Shareholder

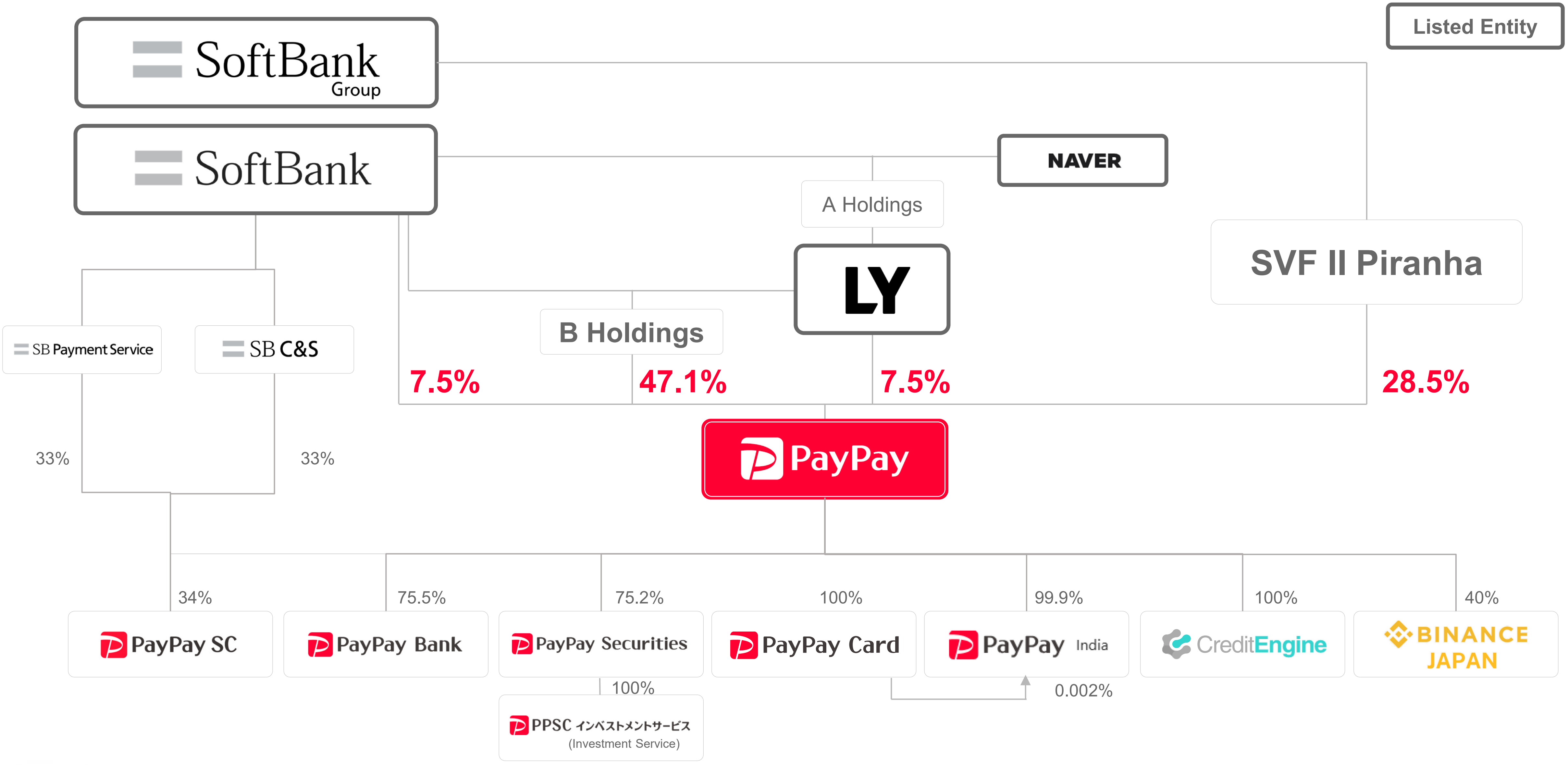
PayPay Card
2022.10
Consolidation

Note: This chart is intended to provide a simplified illustration of the progress of synergies following PayPay's consolidation of each company as a subsidiary and includes evaluations based on our subjective assessment.
The greater the number of PayPay logos displayed, the further progress has been made in terms of synergies indicated.

1. CAC (Customer Acquisition Cost).

Corporate Structure

Corporate Structure



1. As of March 31, 2026.