Earnings Presentation

Q1 2026

Disclaimer

Cautionary Note Regarding Forward-Looking Statements and Financial Guidance

This presentation contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve risks and uncertainties. In some cases, you can identify these statements by forward-looking words such as “expectation,” “forecast,” “anticipation,” “intention,” “plan,” “possibility,” “may,” “will,” “should,” “anticipate,” “could,” “would,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” “goal,” “objective,” “seek,” or “continue,” the negative of these terms and other comparable terminology. Forward-looking statements in this presentation may relate to, but are not limited to, expectations of future results of operations or financial performance of the Company, including expectations related to full-year and quarter revenue and Adjusted EBITDA, expectations regarding certain of our key financial and operating metrics, our business and growth strategy, including future product development plans, our market opportunity, the performance of newly launched products and innovations, our technological capabilities, the demand for the Company’s products and services, our expectations and management of future growth and acceleration, and our expectations regarding our industry and traditional banks, as well as assumptions relating to the foregoing. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include risks related to our ability to manage our growth effectively; our ability to attract new users, retain our active users and expand the scope of our relationship with our active users; our ability to attract new merchants to utilize our services, grow our relationships with our existing merchants, and increase transaction volumes across our payment settlement services; our ability to maintain and expand synergies between our code-based payment settlement services and our credit card payment services; our ability to maintain and strengthen the ecosystem effects of our platform; our alliances with the shareholders of our consolidated subsidiaries and equity-method affiliates; changes in the expansion and development of the cashless payments industry and the digital financial services industry in Japan; our ability to implement pricing strategies and expand our service offerings; our ability to maintain, protect, and enhance our strong and trusted brand; our ability to maintain or improve our technology infrastructure; and the complex and evolving laws and regulations applicable to our business and the banking ecosystem. Further information on these risks and other factors that could affect our financial results are set forth in our filings with the Securities and Exchange Commission, including in our IPO prospectus. Moreover, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation. These forward-looking statements and financial guidance reflect the Company’s views with respect to future events and operating performance as of the date of this presentation and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements or guidance. Except required by law, the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this presentation.

Non-IFRS Financial Measures and Key Metrics

This presentation includes financial information prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”). This presentation also includes non-IFRS financial information, which should be considered supplemental to, not a substitute for, or superior to, the financial measure calculated in accordance with IFRS. Some of the non-IFRS financial measures that are included in this presentation are Adjusted EBITDA and Adjusted EBITDA Margin. We use these non-IFRS financial measures in conjunction with IFRS measures to evaluate our operating performance, formulate business plans, prepare budgets and forecasts, and make strategic decisions, including those relating to operating expenses and the allocation of internal resources. We believe that these non-IFRS financial measures provide useful information to investors, analysts, and others about our business and financial performance, enhance their overall understanding of our performance, and can assist in providing a more consistent and comparable overview of our financial performance across periods.

There are a number of limitations related to the use of these non-IFRS financial measures and their nearest IFRS equivalents. For example, the Company’s definitions of non-IFRS financial measures may differ from non-IFRS financial measures used by other companies. For reconciliations to the most directly comparable IFRS measure, see the appendix to this presentation. With regard to forward-looking non-IFRS guidance and targets provided in this presentation, the Company is unable to provide a reconciliation of these forward-looking non-IFRS measures to the most directly comparable IFRS measures without unreasonable efforts. This is because the information needed to reconcile these measures is dependent on future events, many of which the Company is unable to control or predict. Notwithstanding the foregoing, it is important to note that material changes to reconciling items could have a significant effect on future IFRS results. Additionally, this presentation includes key operating metrics that we use to evaluate our operating performance, formulate business plans, and make strategic decisions.

Unaudited Financial Information

The selected financial data included in this presentation is based on the Company’s management accounts that have not been audited by independent auditors.

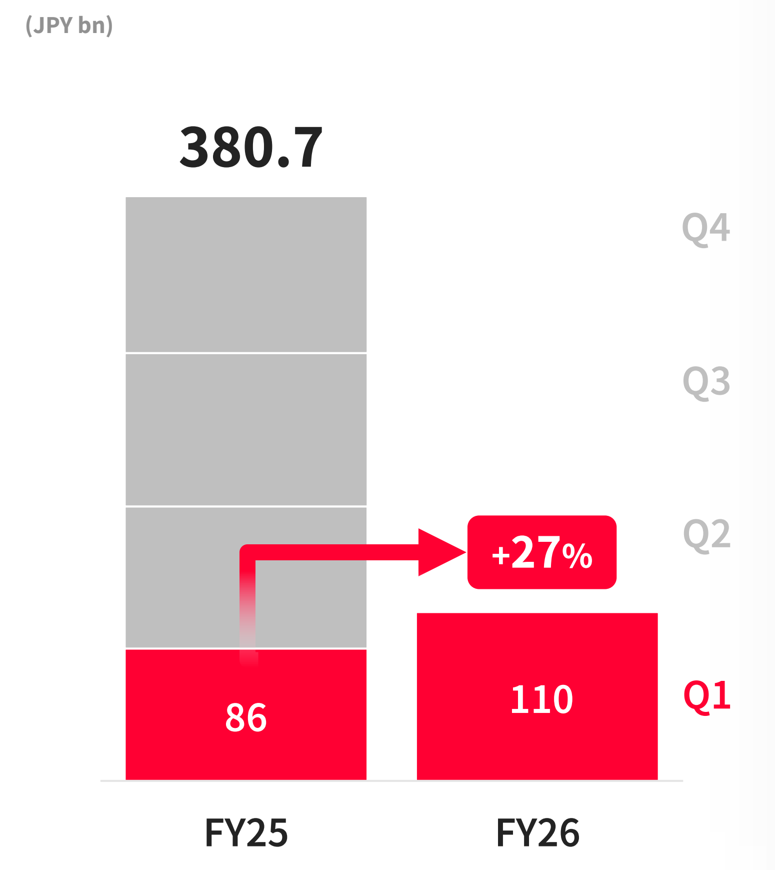
Industry and Market Data

This presentation may contain information, estimates and other statistical data derived from third-party sources, including research, surveys or studies. Such information involves a number of assumptions and limitations due to the nature of the techniques and methodologies used in market research. The Company has not independently verified such third-party information, and makes no representation or warranty as to the accuracy or completeness of such third-party information.

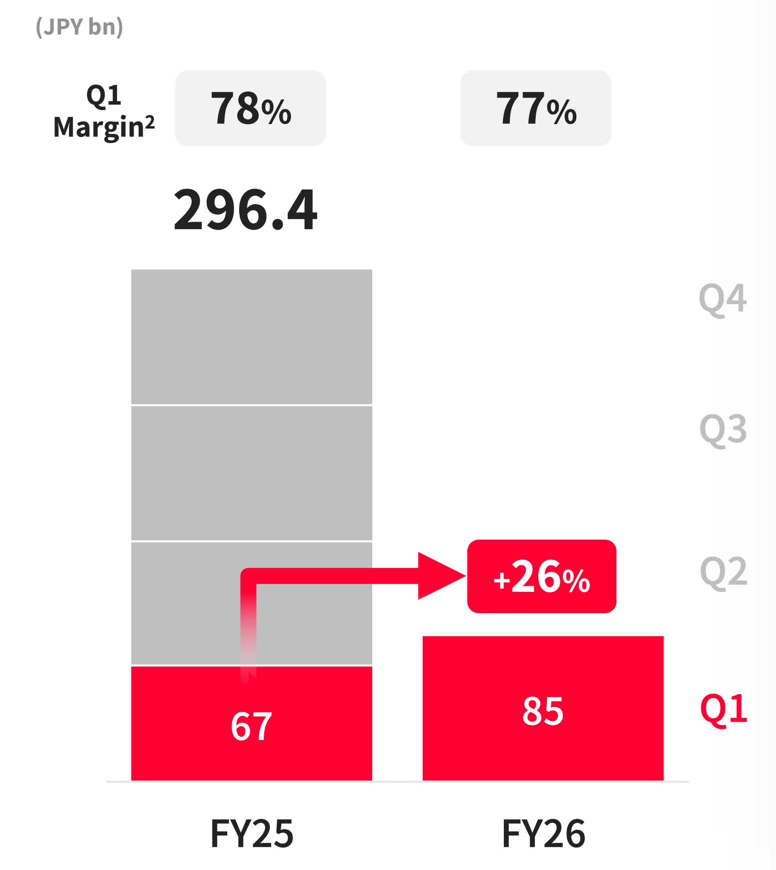
CEO Message

Earnings Overview

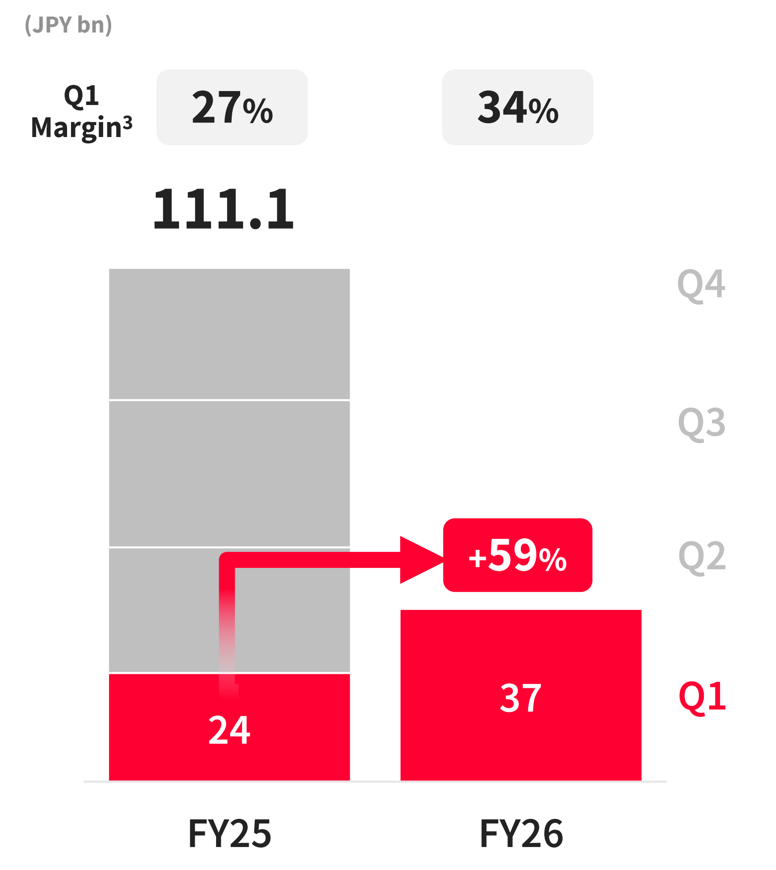
Total Revenue



Revenue Less Transaction Cost[1] (RLTC)



Adjusted EBITDA[3]

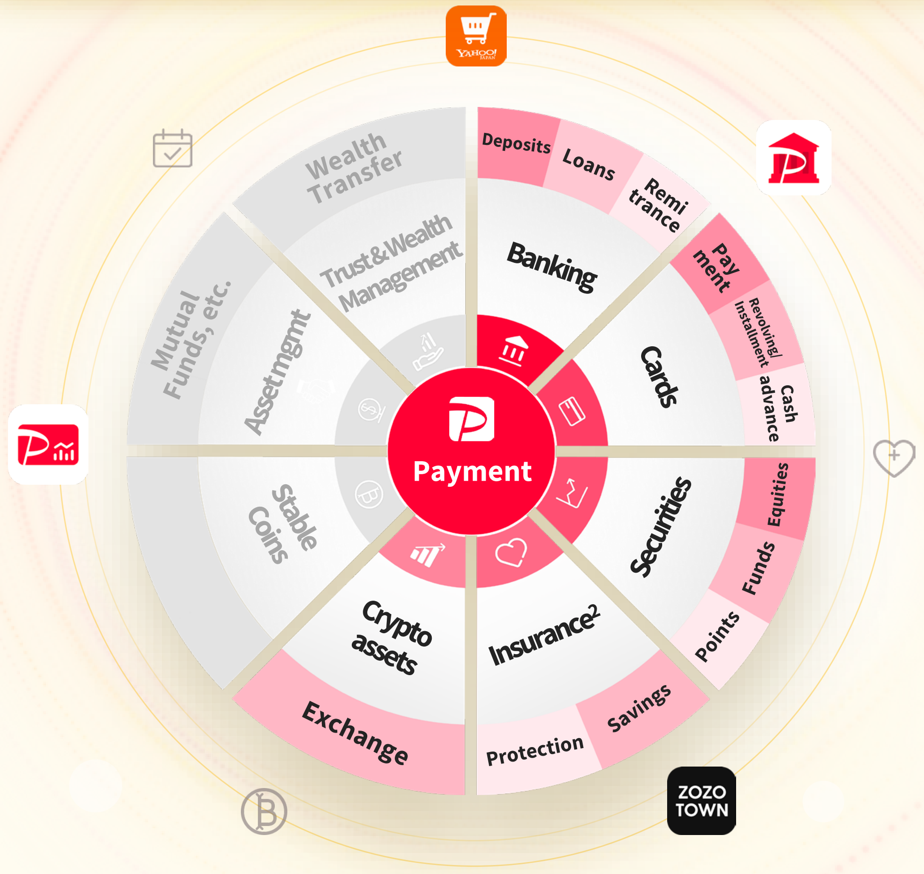


1. Revenue Less Transaction Cost (RLTC) = Total Revenue – (Settlement related cost + Provision for loss allowance + Interest expenses)
2. % of Total Revenue
3. Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures. See the appendix for reconciliations of non-IFRS financial measures to their nearest IFRS equivalents

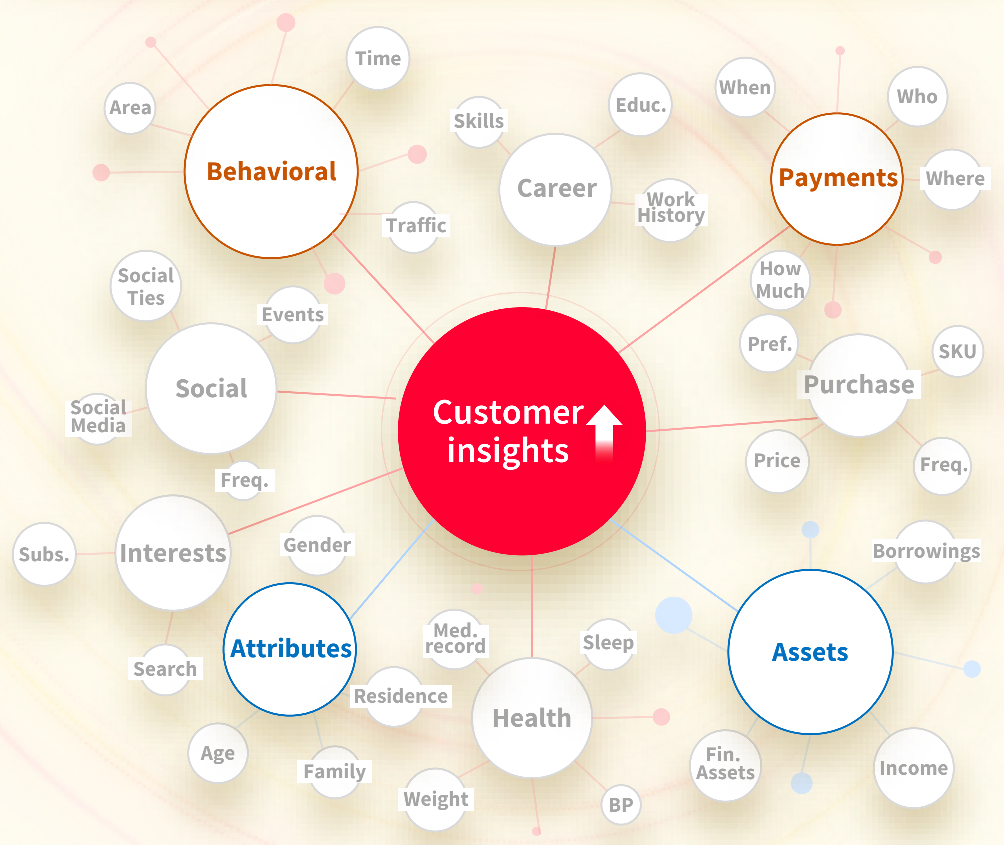
Our Strategy Remains Unchanged

Building Japan's Leading Digital Finance Platform

Expanding products and customer touchpoints[1]



Rich data powered by diverse customer touchpoints[1]



1. The services and data shown in gray are general examples of services that fintech companies may provide and data that may be obtainable, and do not imply or guarantee business expansion into these areas
2. The Company announced on June 4, 2026 that it would acquire shares of T&D Financial Life Insurance Company. The share transfer is scheduled to be executed on October 1, 2027, subject to the satisfaction of conditions precedent, including the acquisition of necessary approvals and permits from relevant authorities

Acquisition of Shares in T&D Financial Life[1]

1. Leveraging PayPay's customer base

Add digital life insurance products

PayPay

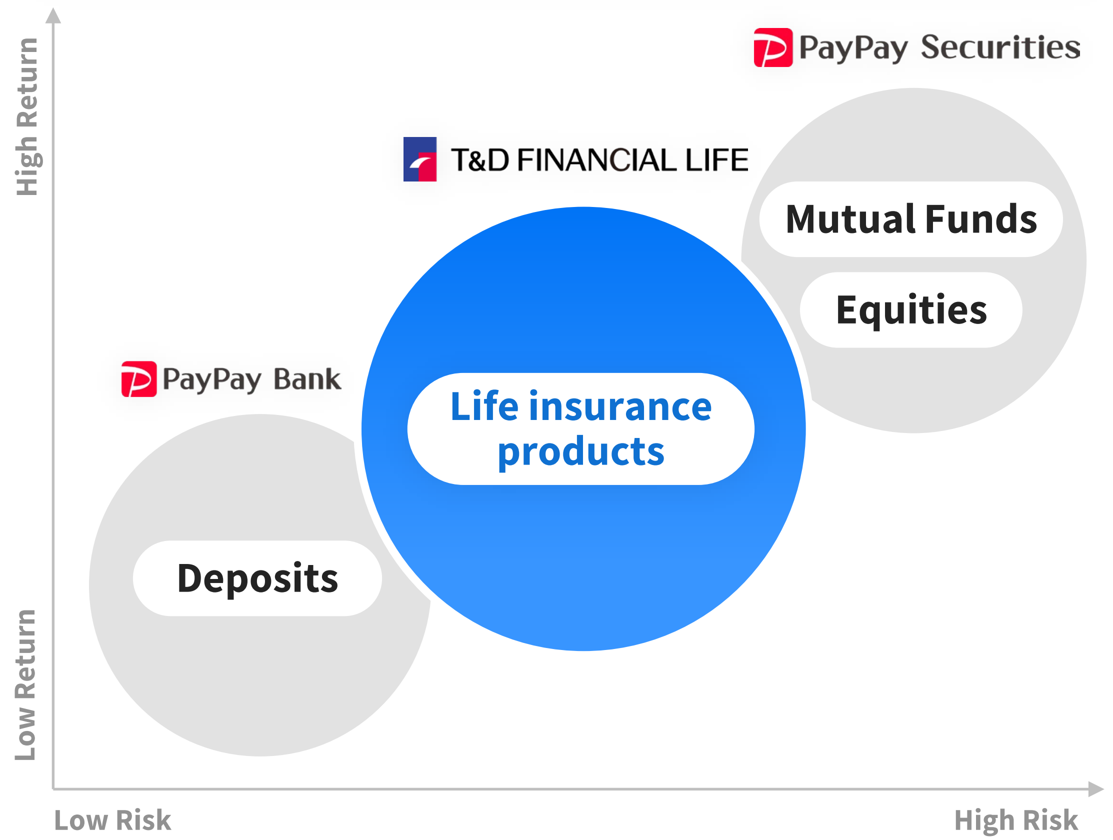
- Investment products
- Life & health insurance

2. Enhancing investment performance

Improve investment spread

- Shift from JGBs-centered investment **to corporate bonds**
- **Add risk assets** to a JGB-centric Portfolio

Provide investment products bridging banking and securities



1. On June 4, 2026, the Company announced that it would acquire shares of T&D Financial Life Insurance Company. Completion is scheduled for October 1, 2027, subject to obtaining required regulatory approvals and satisfying other conditions precedent

No.1 Retailer[1] × No.1 Payment[2]

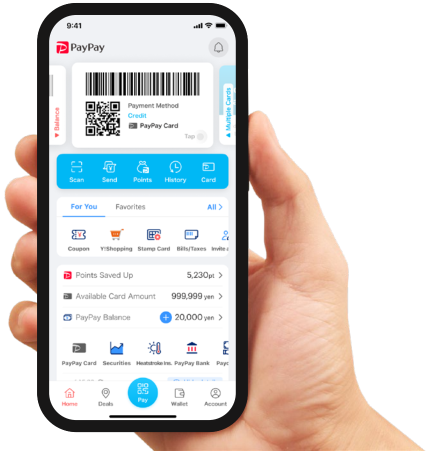
Physical Customer Touchpoints

Stores: Approx. 22,000
Customer Visits: Approx. 20 Million / Day

User ID
Data
Points

Payment Platform

PayPay



Users: Approx. 75 Million
Transactions: Approx. 30 Million / Day

1. SEVEN-ELEVEN JAPAN CO.,LTD. operates the largest number of stores in Japan
2. PayPay processes the highest number of payment transactions in Japan
   Source: PayPay calculations based on publicly available data, including the Ministry of Economy, Trade and Industry's release, "2025 Ratio of Cashless Payment Among the Total Amount Paid by Consumers Calculated."

Strategic Partners to Enhance the Customer Experience

Product Development & Sourcing	Logistics	Store Operations	Membership Platform	Sales Promotions	7-Eleven App
			User ID • Data	Points Personalized Marketing	UX

Strategic Partners to Enhance the Customer Experience

7-Eleven	PayPay
	Digital Customer Touchpoints
Product Development & Sourcing	Membership Platform User ID・Data
Logistics	Sales Promotions Points Personalized Marketing
Store Operations	7-Eleven App UX

Long-Term Strategy to Enhance LTV in the AI Era

18 Billion[1]

Continuous Real-Time Data Points / Year

AI

Enhancing LTV

AI-Driven Learning

Inference & Optimization

1. Estimated annual payment-related data volume (including non-PayPay transactions) observable approx. 3 years post-ID integration with SEVEN-ELEVEN JAPAN CO.,LTD. This is a preliminary estimate and does not represent current actuals, future targets, or forecasts

Strategy for Global Expansion

PayPay's Entry into the U.S. Market

Overseas Convenience Store Operations

Near-Term Growth Driven by Upgrading the Customer Experience

now

Mobile Order

Fast Pickup
with Pre-Payment

Delivery

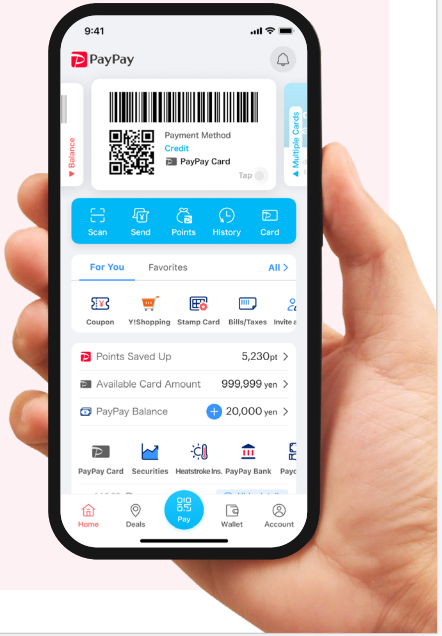
3,000 out of
3,300 In-Store Items
Available for Delivery

×

Massive User Base of 75 Million

Targeted Approach
to Potential Customers

PayPay



One-Stop Financial Services Platform for a 100-Year Life

100-Year Life Era: Seamless Financial Services Tailored to Every Life Stage

(Age)	0	10	20	30	40	50	60	70	80	90	100
Life Stage	Birth	Primary education	Secondary/ Higher education	Employment/ Early Career (career-building stage)	Marriage/ childbirth/ child-rearing	Home purchase/ Asset-building	Career Growth/ Wealth Accumulation	Pre-retirement/ Second life	Travel/ Hobbies/ Community engagement	Long-term care/ Medical care/ Health mgmt	Inheritance/ Wealth transfer/ End-of-life planning

Major Financial Services[1]

Unified ID

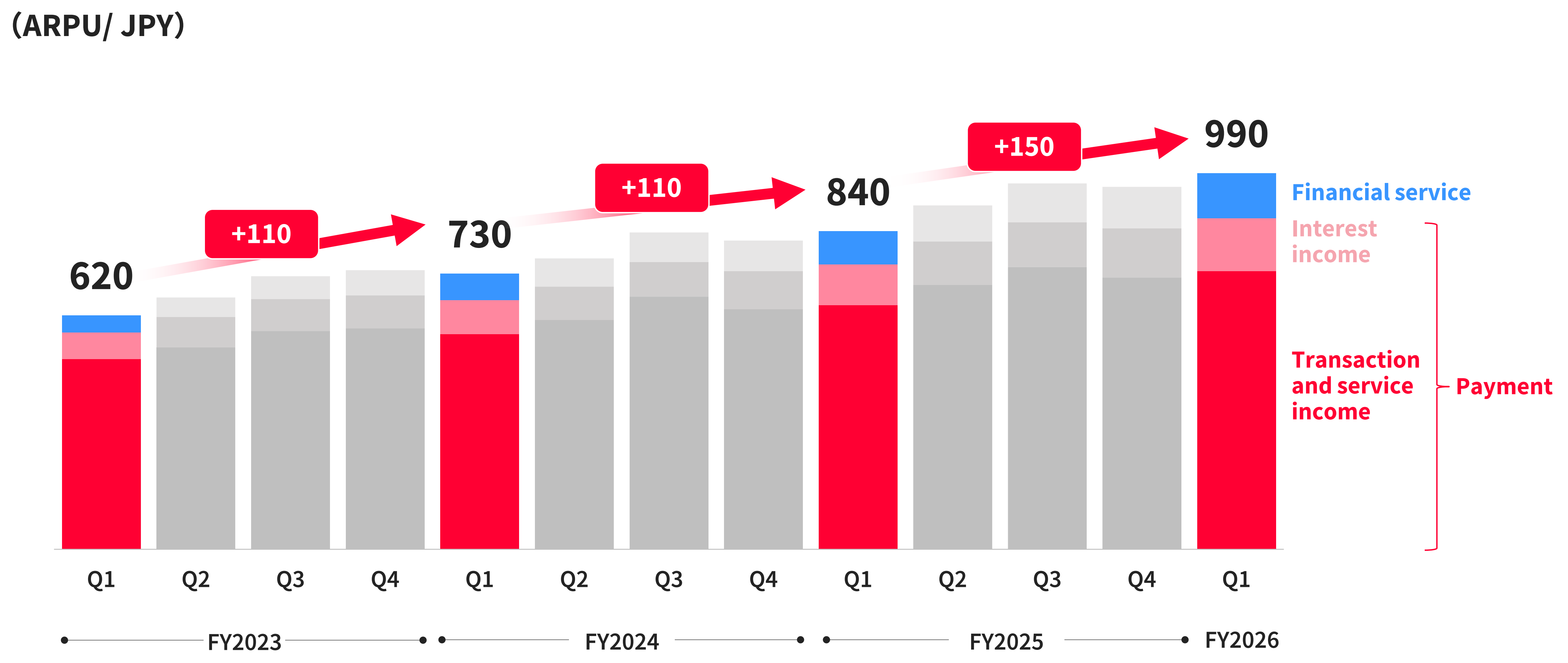
- PayPay …… code-based payments, P2P money transfers, bill payments, utility bills, etc.
- PayPay Bank …… bank accounts, deposits, transfers, debit cards, mortgage, card loans, education loans, etc.
- PayPay Card …… credit cards, revolving payments, cash advances
- PayPay Securities …… mutual funds, equities, NISA, iDeCo, etc.

- Savings-oriented insurance[2] …… savings-oriented insurance, annuities, education insurance, Individual pension Insurance, etc.
- Protection-type life insurance[2] …… medical, cancer, income protection, term life insurance | death protection, whole life insurance
- Long-term care insurance / medical insurance …… long-term care insurance, medical insurance, dementia insurance, etc.
- Trusts & wealth transfer …… Trust services, will & estate services, wealth transfer advisory, etc.

1. The services shown in gray are general examples of services that fintech companies can provide, and do not imply or guarantee business expansion into these areas
2. On June 4, 2026, the Company announced that it would acquire shares of T&D Financial Life Insurance Company. Completion is scheduled for October 1, 2027, subject to obtaining required regulatory approvals and satisfying other conditions precedent

Cross-sell Expansion Drives ARPU Growth

Management Accounting



1. ARPU is a proprietary operating metric based on the Company's management accounts, calculated by dividing total revenue before deduction generated from PayPay users' increased use of services offered across the Group by PayPay MTU. As a general rule, revenue that is not directly linked to increased use by PayPay users—primarily revenue derived from services provided to corporate customers—is excluded. The ARPU figures and year-on-year changes presented are approximate amounts rounded to the nearest ¥10

Financial Highlights

FY2026 Q1: Earnings Highlights

Consolidated

Topline Growth

Total Revenue

+27% YoY

Profitability Expansion

Adj. EBITDA[1]

+59% YoY

Adj. EBITDA Margin[1]

34%

Driven by operating leverage, etc.

Beat Guidance

FY2026 Full-Year Guidance

Raised

Payment Segment

GMV Growth

Online

+44% YoY

PayPay Card

+28% YoY

Credit Balance Growth

Revolving + Installment

+25% YoY

Cash Advance

+57% YoY

Reward Points Revision

GMV Impact & Cost Savings

As Expected

Financial Service Segment

Bank: Transition to New Management

Reviewing **UI/UX & Strategy** (pricing, new products, etc.)

Overhauling **Next-Gen System Plan**

Customer Base Growth

Bank Accounts

10mn Milestone

Securities Accounts

+29% YoY

Loans

+37% YoY

1. Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures. See the appendix for reconciliations of non-IFRS financial measures to their nearest IFRS equivalents

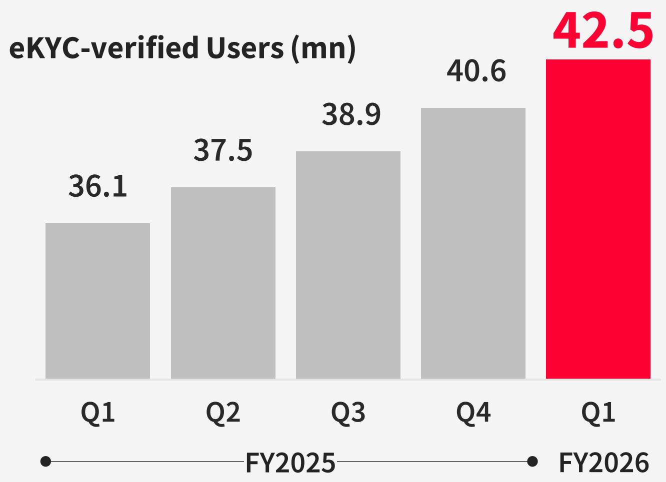
FY2026 Q1: Selected Topics

From June 2026

Reward Points Revision

1

eKYC Expansion



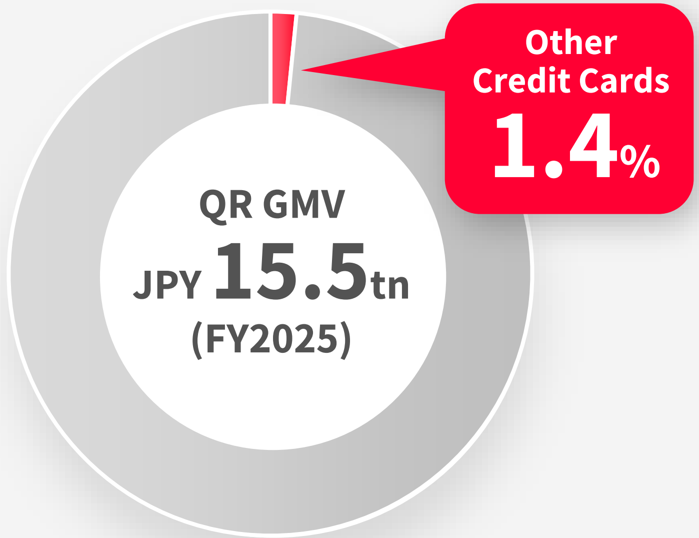
2

JPY 1bn Cost Savings in June 2026 Alone
(Incl. Revenue Deductions)

From July 2026

Changes to Other Credit Card Usage on PayPay

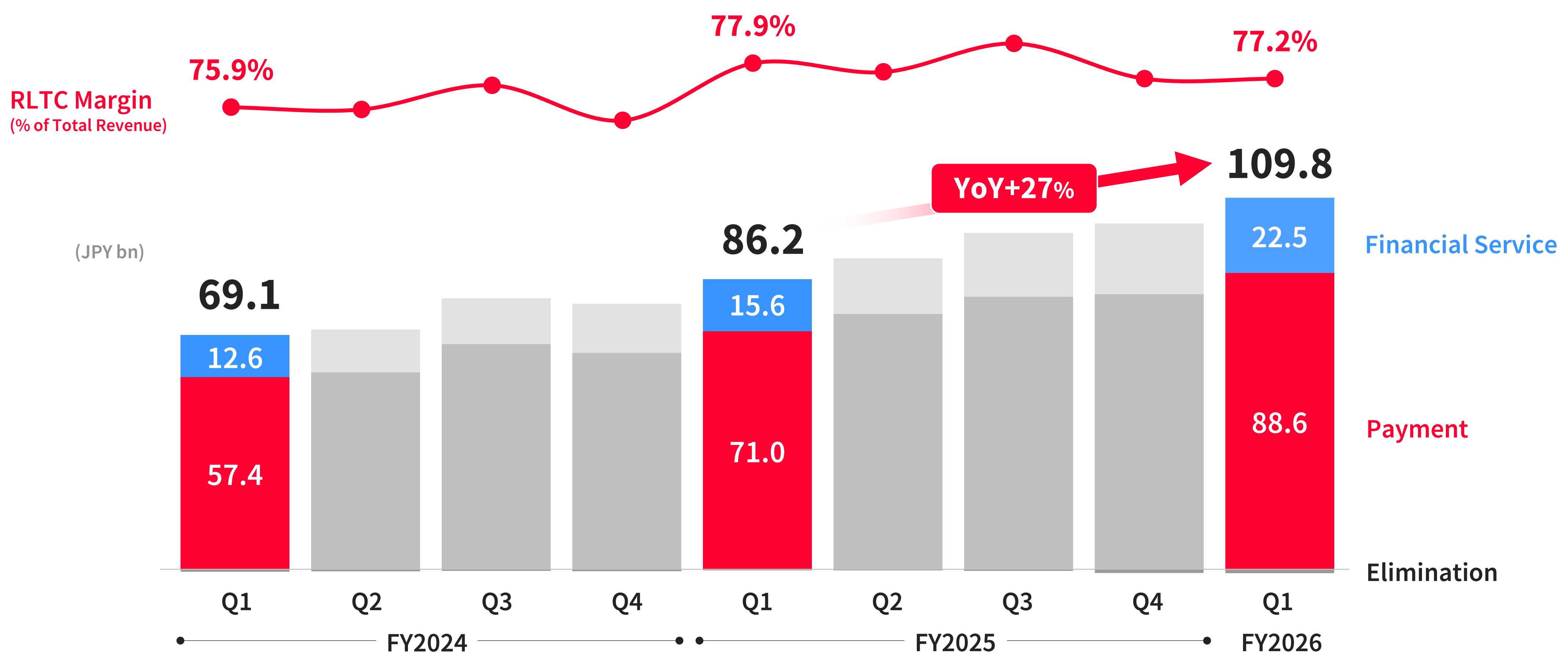
Deficit Eliminated



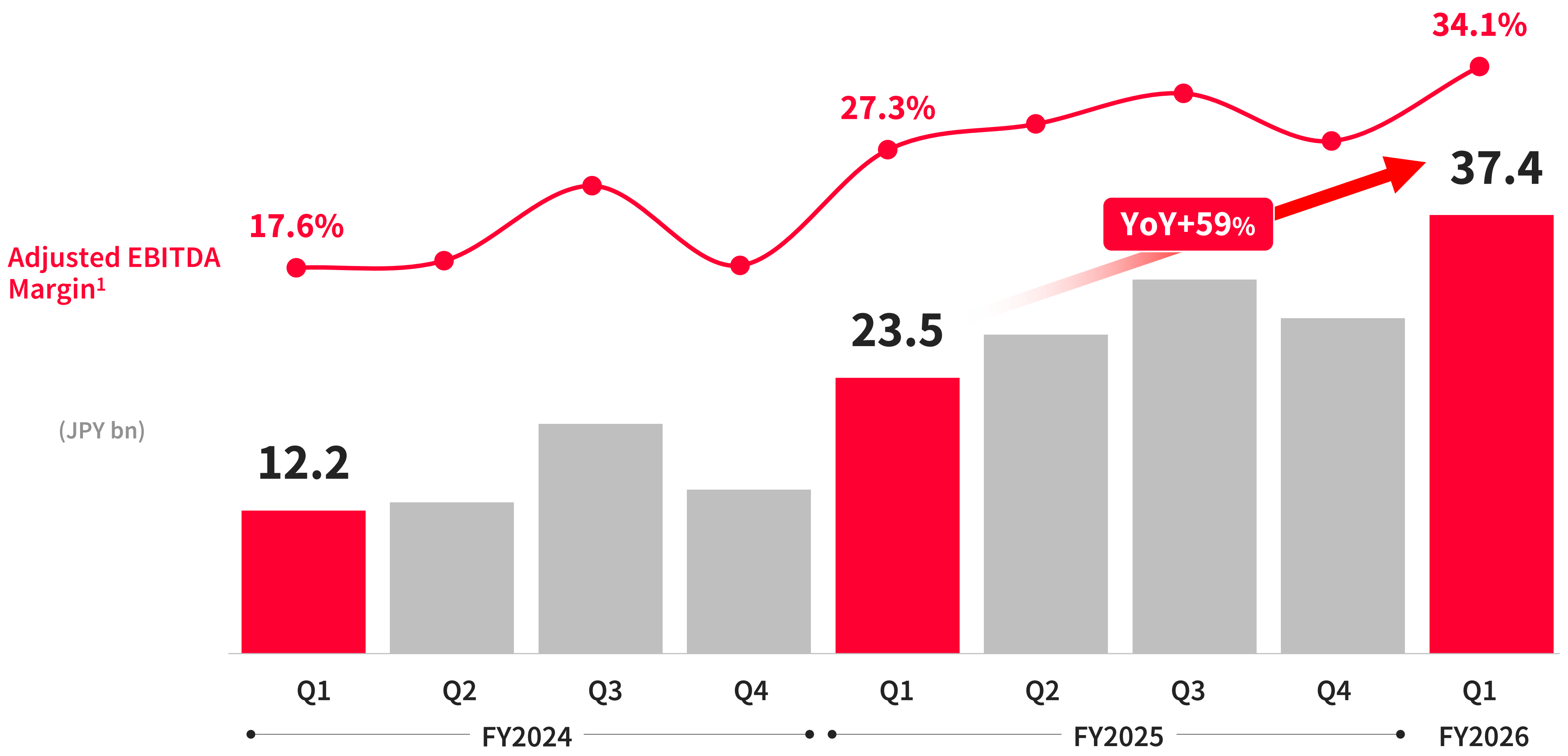
~JPY 100mn/month Cost Savings from FY2026 Q3[1]

1. Based on current estimates; subject to change based on future conditions

Total Revenue

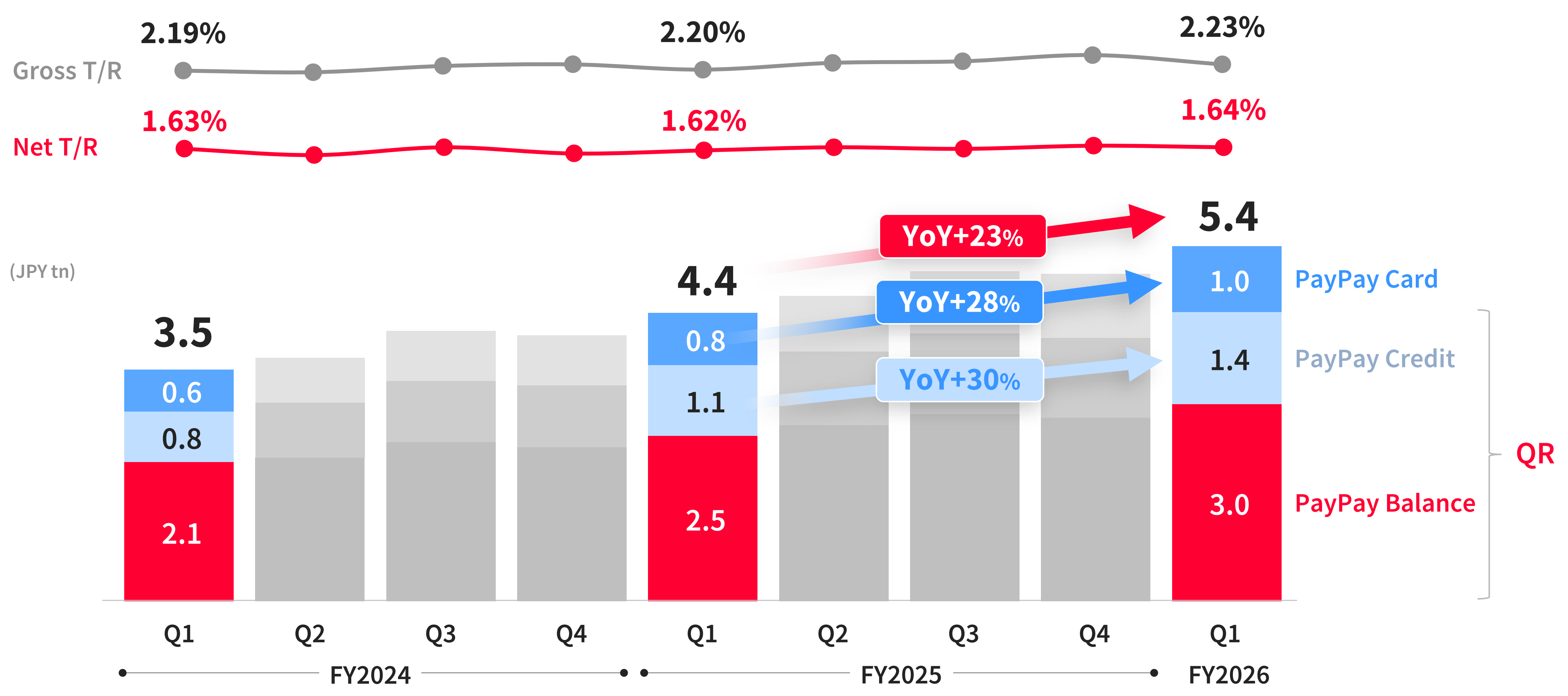


Adjusted EBITDA[1]



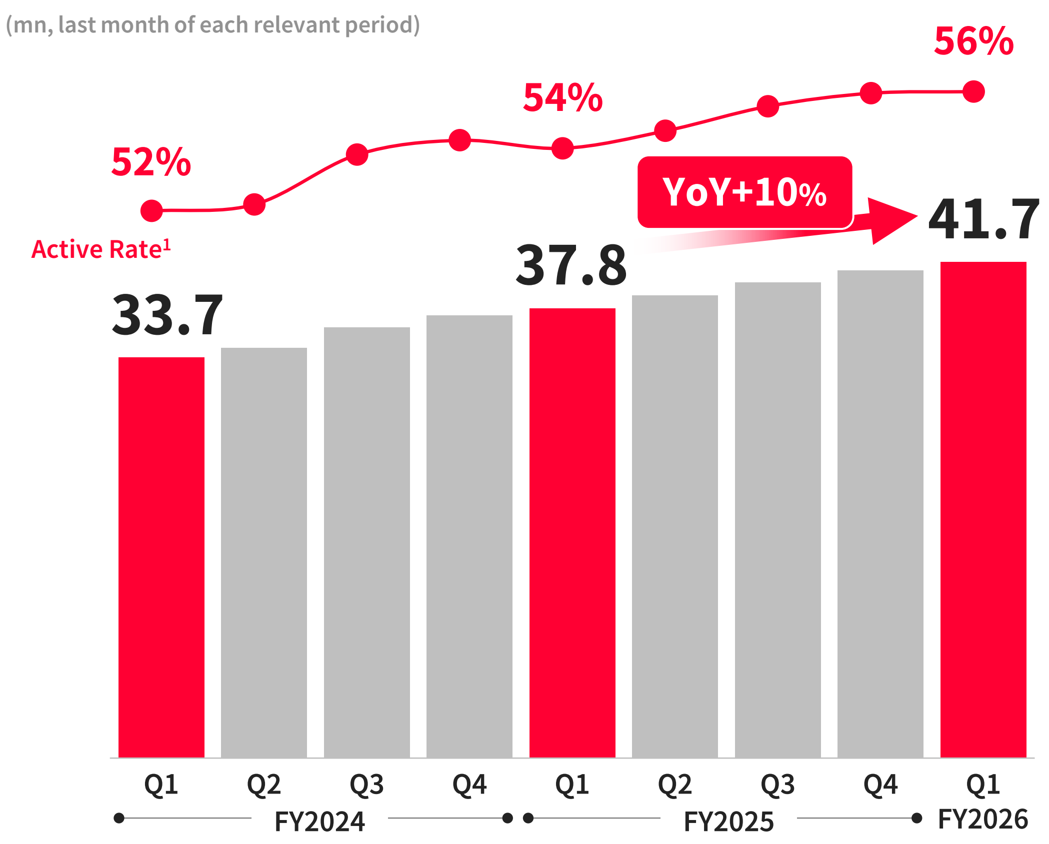
1. Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures. See the appendix for reconciliations of non-IFRS financial measures to their nearest IFRS equivalents

Operating KPIs | Payment Segment GMV & Take Rate

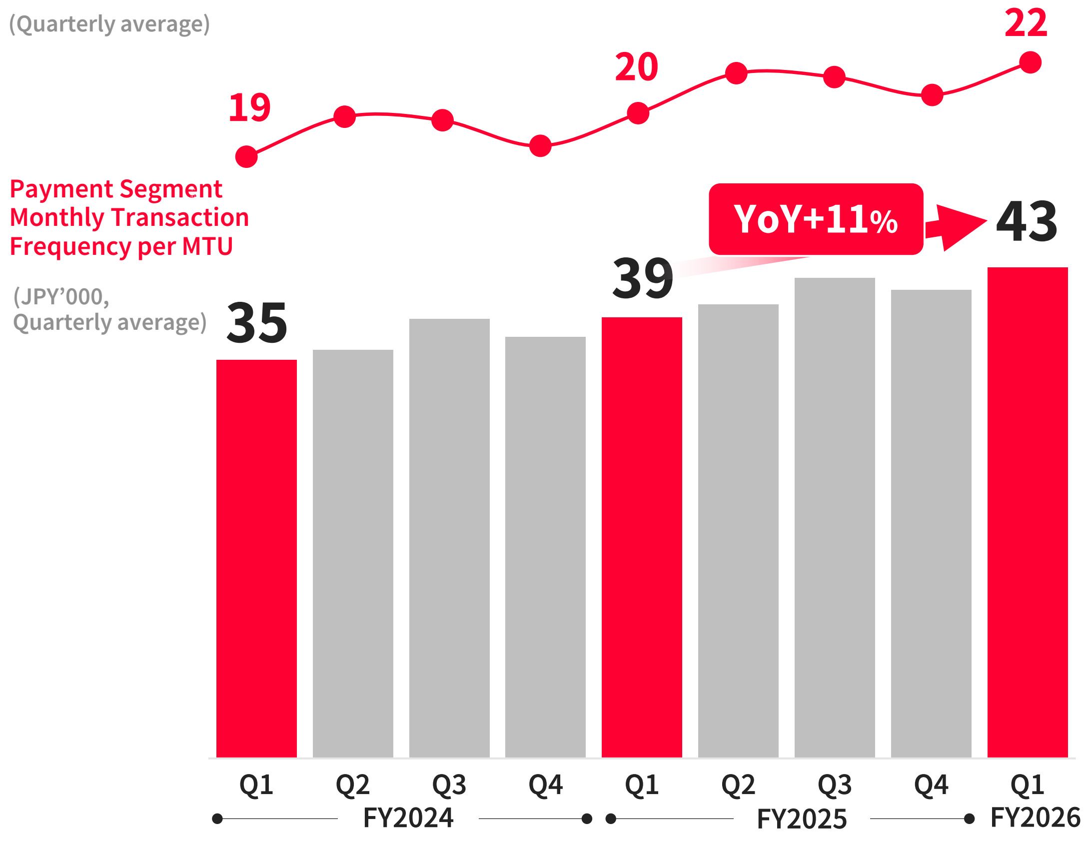


Operating KPIs | Monthly Transacting Users (MTU)

MTU



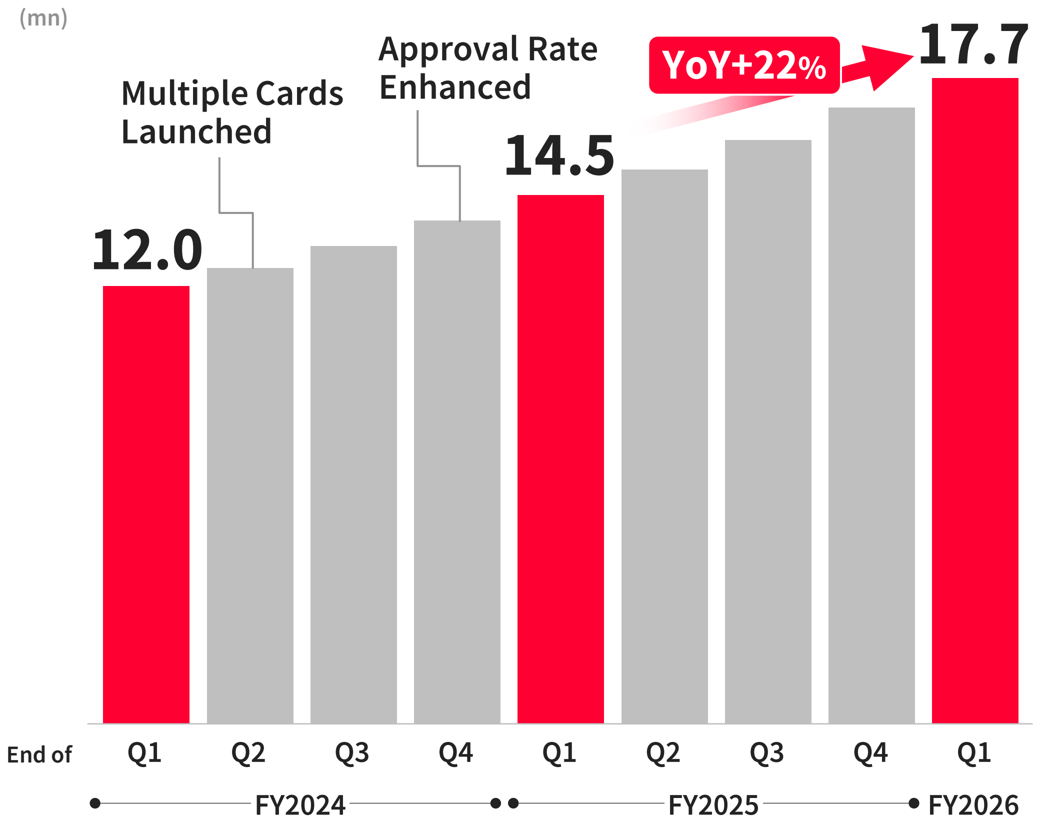
Payment Segment Monthly GMV per MTU



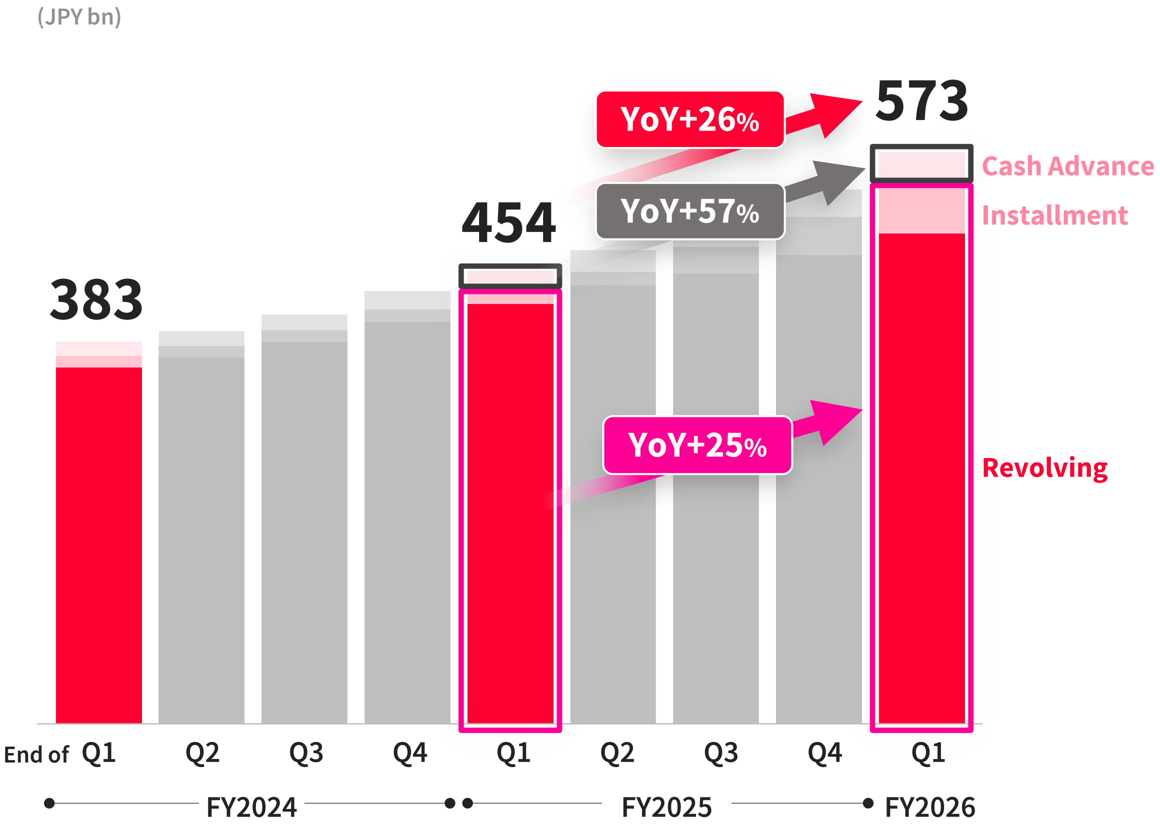
1. Calculated by dividing the number of MTU during the last month of each relevant period by the total number of registered users at the end of each relevant period

Operating KPIs | PayPay Card

of Active Cards Issued



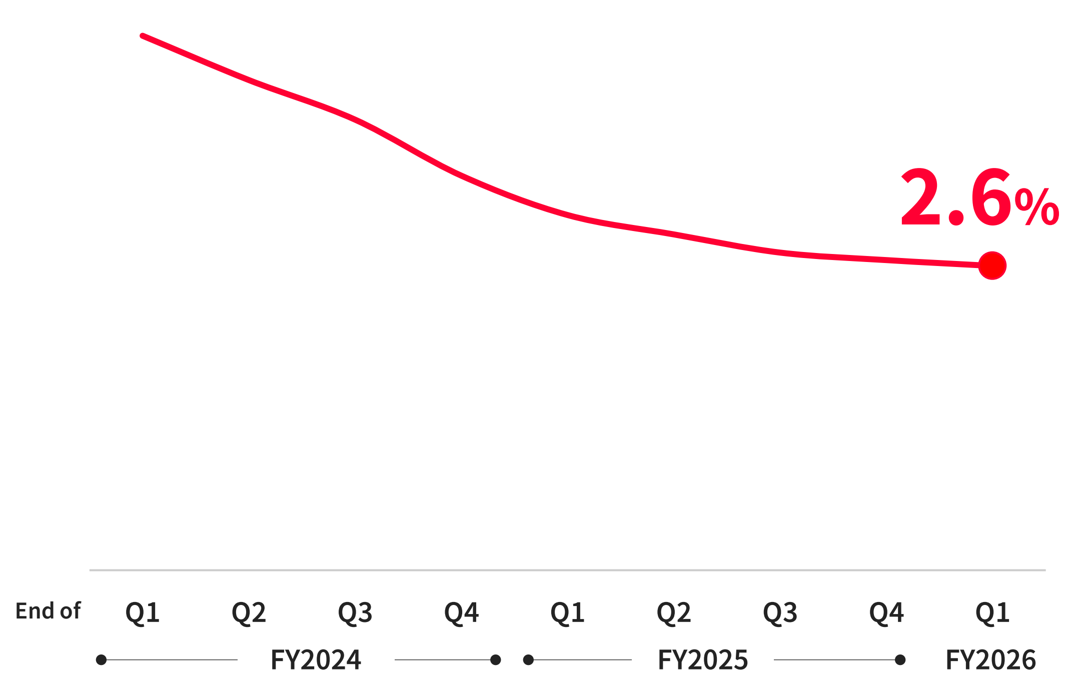
Credit Card Financing Balance



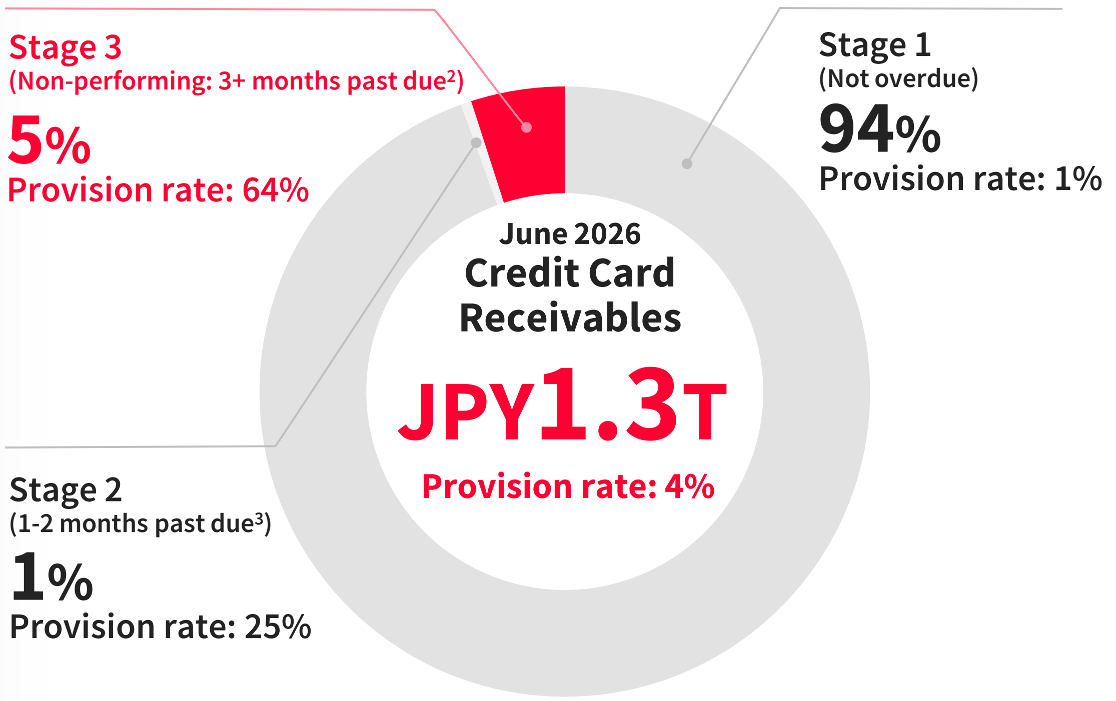
Operating KPIs | PayPay Card – Credit Quality

Management Accounting

Delinquency Transition Rate[1]



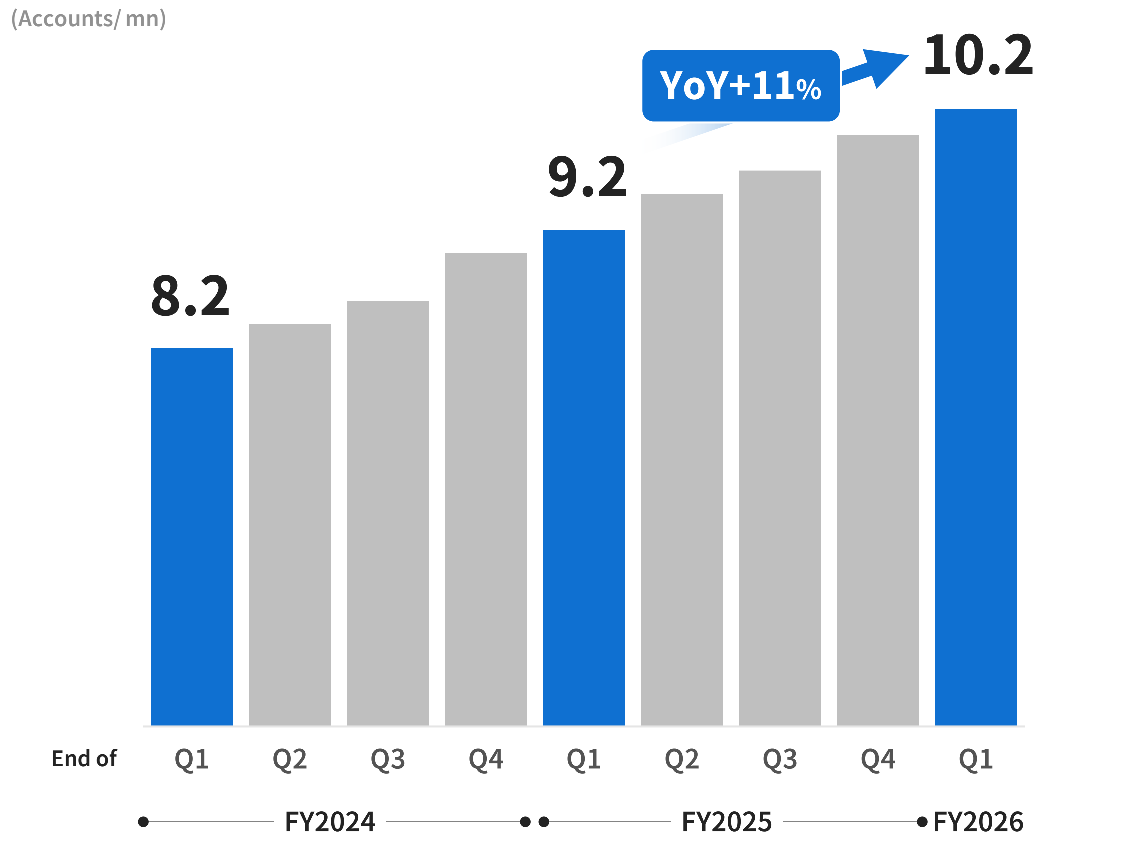
NPL Ratio



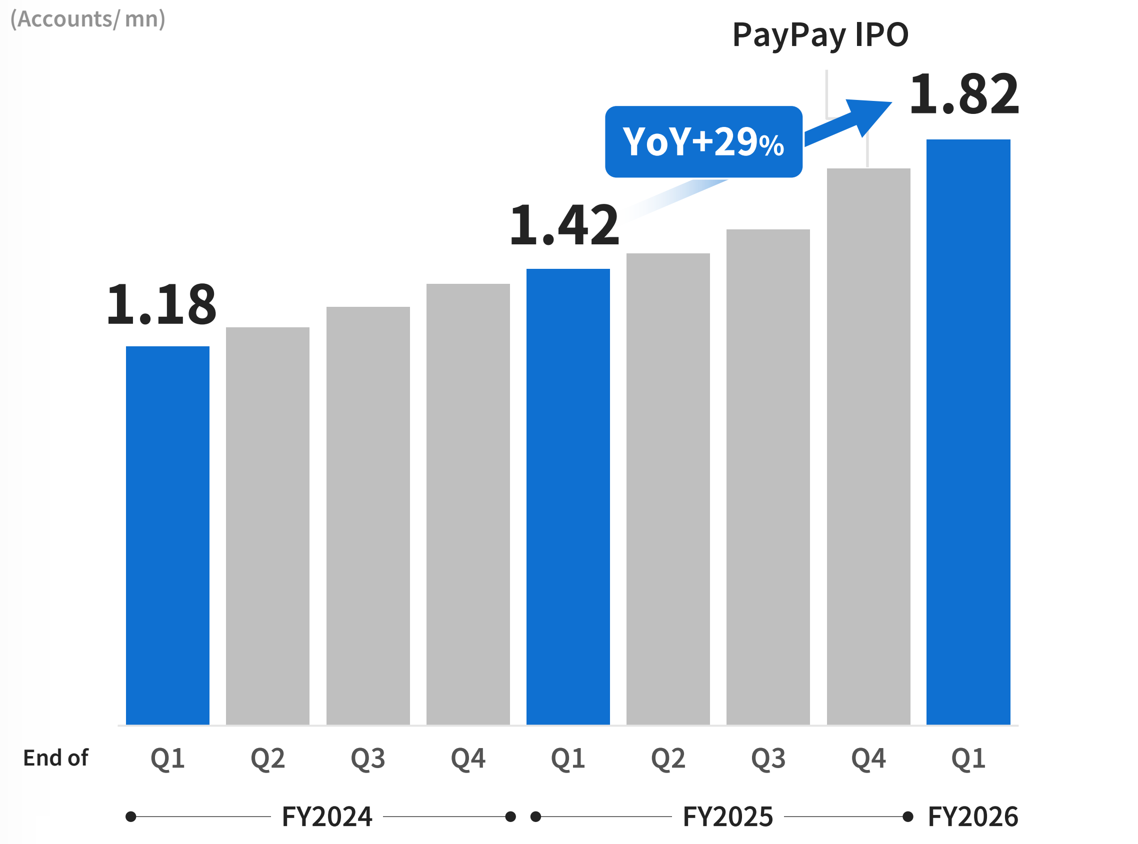
1. Calculated by dividing the amount transitioning to Stage 3 receivables during the quarter by Stage 1 receivables at the end of the previous quarter, annualized as the moving sum of delinquency transition rates over the latest four quarters
2. Includes restructured receivables, etc.
3. For cash advance receivables (excluding shopping related), delinquencies of less than one month are also included in Stage 2

Operating KPIs | Financial Service Segment

PayPay Bank | # of Bank Deposit Accounts



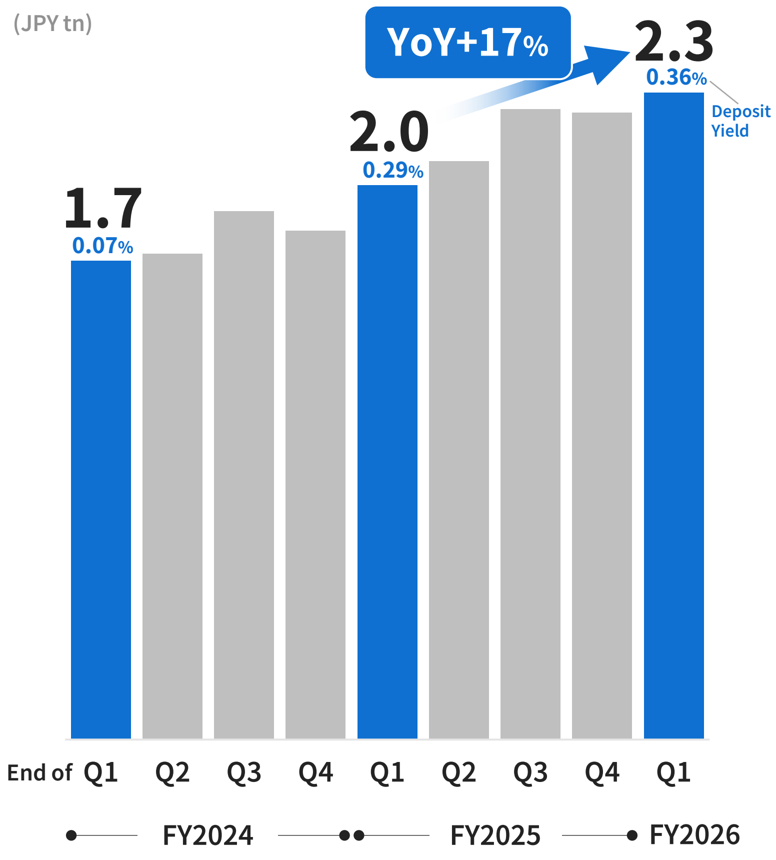
PayPay Securities | # of Securities Accounts



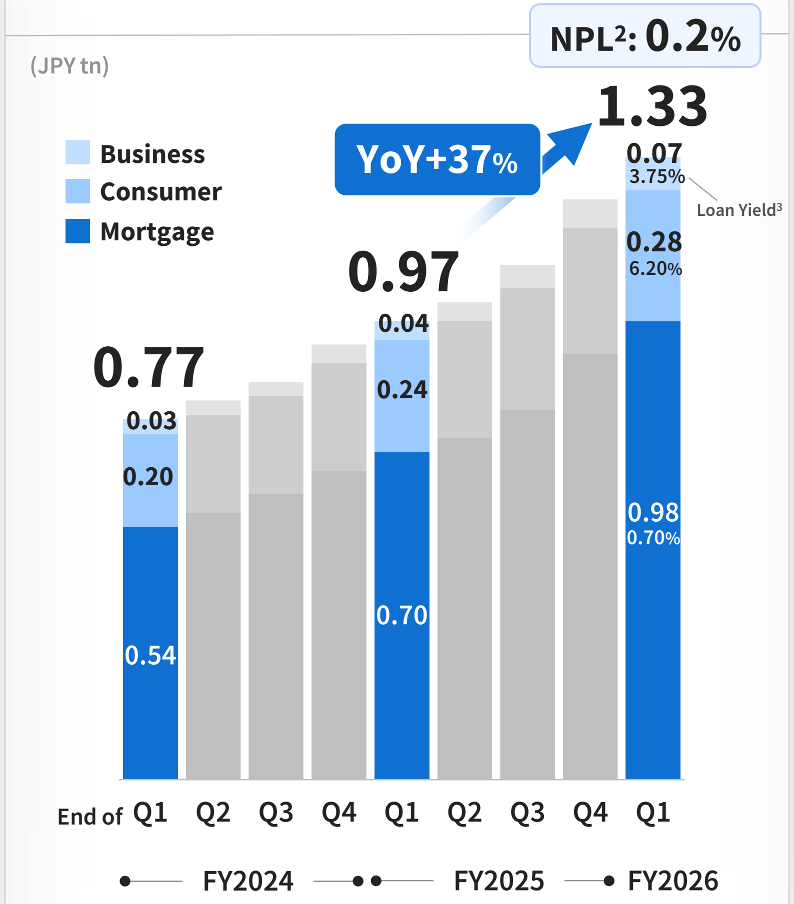
Consolidated | Payment | Financial Service

Operating KPIs | Deposits, Loans, Interest Rate Margin[1]

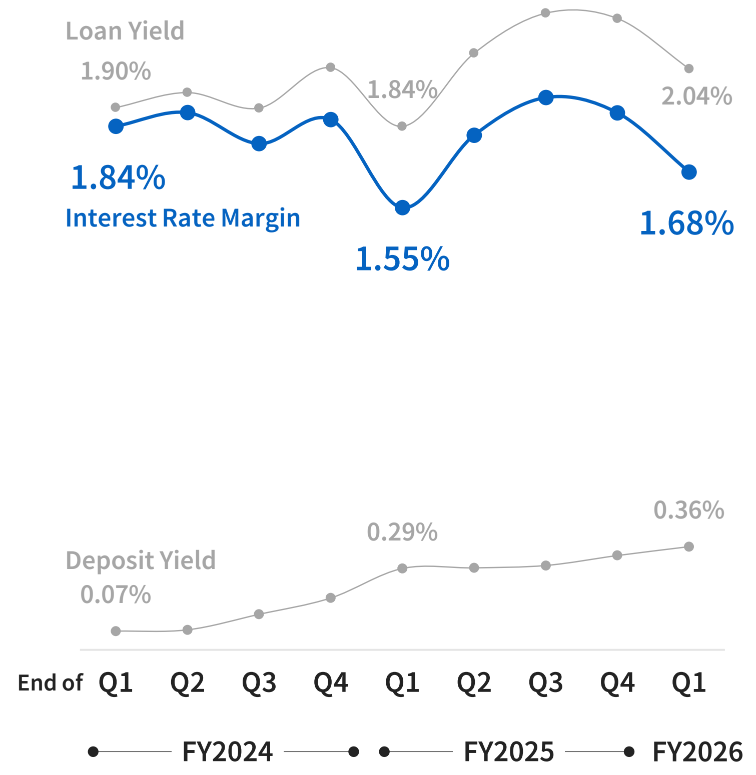
Deposits



Loans



Interest Rate Margin

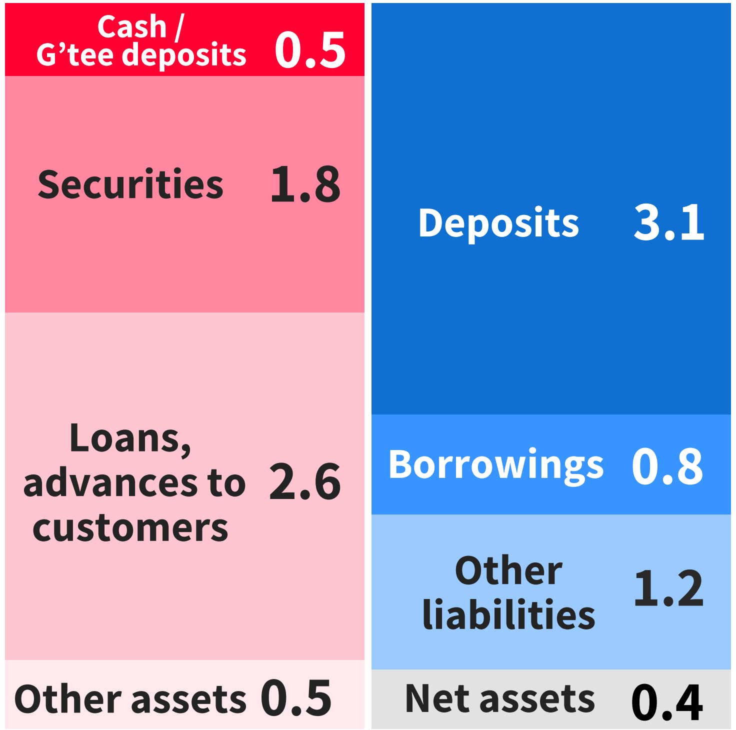


1. Yields presented on this slide are calculated on a simplified basis using the average of the beginning- and end-of-quarter balances. Loan yields are presented net of guarantee fees and other related fees
2. NPL ratio represents claims disclosed under the Financial Reconstruction Act (excluding normal claims) as a percentage of total claims
3. In calculating loan yields by category, the period income figures for Business Loans and Consumer Loans are each based on management accounting data

Balance Sheet

Total Assets (June 2026)

(JPY tn)



FY2026 Q1
Total assets: JPY 5.5tn

Equity Ratio	7.5%
Net Debt (JPY bn)	127
Q1 Adj. ROE (annualized)	22.5%

FY2026 Guidance

Full-Year Guidance Raised on Expected Continued Strong Momentum from Q2 Onward

(JPY bn)	FY2026 Q2	FY2026 Full Year
Total Revenue	114 – 116	465 – 473
Adjusted EBITDA[1]	37.5 – 39.5	149.0 – 155.0

1. Adjusted EBITDA is a non-IFRS measure. See the appendix for reconciliations of non-IFRS financial measures to their nearest IFRS equivalents

Appendix

Non-IFRS Financial Measures and Reconciliations

Adjusted EBITDA & Adjusted EBITDA Margin

(JPY mn)	FY2025 Q1	FY2026 Q1
Profit for the Period	10,809	19,749
Income Tax Expense	5,050	10,056
Share of Loss of a Joint Venture Accounted for Using the Equity Method	105	60
Depreciation and Amortization	5,729	6,125
Share-based Payment Expenses	-	229
Amortization of Contract Cost	386	522
Losses on Disposal of Property and Equipment and Intangible Assets	182	248
Listing-related Expenses	939	27
M&A-related Expenses	274	483
Net Interest Expense (Income) from Corporate Borrowings and Treasury Assets	32	(103)
Adjusted EBITDA	23,506	37,395
Total Revenue	86,154	109,788
Adjusted EBITDA Margin	27%	34%

Glossary

Payment Segment GMV	The total of PayPay Balance GMV, PayPay Credit GMV and PayPay Card GMV, excluding the GMV of cancelled transactions
PayPay App GMV (or QR GMV)	The total of PayPay Balance GMV and PayPay Credit GMV, excluding the GMV of cancelled transactions
PayPay Balance GMV	GMV of payments made using 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 payment, excluding top-ups to PayPay Balance with PayPay Card and excluding the GMV of cancelled transactions
PayPay Credit GMV	GMV of payments made using PayPay Credit, top-ups to PayPay Balance made using PayPay Card and GMV made by linking a PayPay Card to the PayPay app without linking a PayPay account, excluding the GMV of cancelled transactions
PayPay Card GMV	GMV of payment made using PayPay Card (physical card), excluding top-ups to PayPay Balance with PayPay Card and excluding the GMV of cancelled transactions
Online GMV	Excludes GMV from transactions made within e-commerce services operated by LY Corporation (such as Yahoo! Shopping, Yahoo! JAPAN Auctions, Yahoo! JAPAN Flea Market, etc.)
(Net) Take Rate	Payment Segment’s total revenue divided by Payment Segment GMV
Gross Take Rate	Payment Segment’s total revenue before deduction divided by Payment Segment GMV
PayPay MTU (Monthly Transacting Users)	The number of unique users who completed at least one payment per month that contributes to PayPay Balance or PayPay Credit GMV, but excluding P2P (peer-to-peer) money transfers and cancelled transactions. PayPay MTU over a quarterly or annual period represents the figure from the last month in the relevant period

Glossary

Active Rate	Calculated by dividing the number of MTU during the last month of each relevant period by the total number of registered users at the end of each relevant period
Payment Segment Monthly GMV per MTU	Calculated by dividing the total Quarterly GMV for PayPay Balance, PayPay Credit, and PayPay Card by the total Quarterly PayPay App MTU
Payment Segment Monthly Transaction Frequency per MTU	Calculated by dividing the total Quarterly transactions for PayPay Balance, PayPay Credit, and PayPay Card by the total Quarterly PayPay MTU
PayPay Card Number of Active Cards Issued	The number of the 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 has issued multiple PayPay Cards since August 2024 is counted multiple times
PayPay Card Financing Balance	The total of outstanding revolving payment, installment payment and cash advance balances of PayPay Card at the end of the month of the applicable period
PayPay Card Delinquency Transition Rate	Calculated by dividing the amount transitioning to Stage 3 receivables during the quarter by Stage 1 receivables at the end of the previous quarter, annualized as the moving sum of delinquency transition rates over the latest four quarters
PayPay Card NPL Ratio	Calculated by dividing delinquent receivables balance at period-end by receivables balance at period-end
PayPay Card Provision Rate	Allowance balance at period-end divided by receivables balance at period-end. The provision rate excludes the allowance for doubtful accounts related to unused card credit lines

Glossary

Number of PayPay Bank Deposit Accounts	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
Number of PayPay Securities Accounts	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
PayPay Bank Balance of Deposits	The sum of demand deposit and time deposit
PayPay Bank Balance of Loans	The sum of mortgage loans, overdraft and other
Adjusted ROE	Calculated by dividing profit for the year/period attributable to owners of the parent company (before deferred tax adjustments)[1] by average equity attributable to owners of the parent company at the beginning and end of the period
Net Debt	Calculated by ① Borrowings from LY Corp.[2] + ② Deposits (Payment segment) – ③ Cash and cash equivalents (Payment Segment: cash and demand deposits) – ④ Guarantee deposits (Payment Segment: the guarantee deposit balance with PayPay Bank[3] is added back) – ⑤ Securities (Payment Segment: government securities)

1. Results for the three months ended June 30, 2026: JPY 22.7bn
2. As of June 30, 2026: JPY 20.0bn
3. As of June 30, 2026: JPY 208.8bn

PayPay