PayPay

Earnings Presentation

Q2 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.

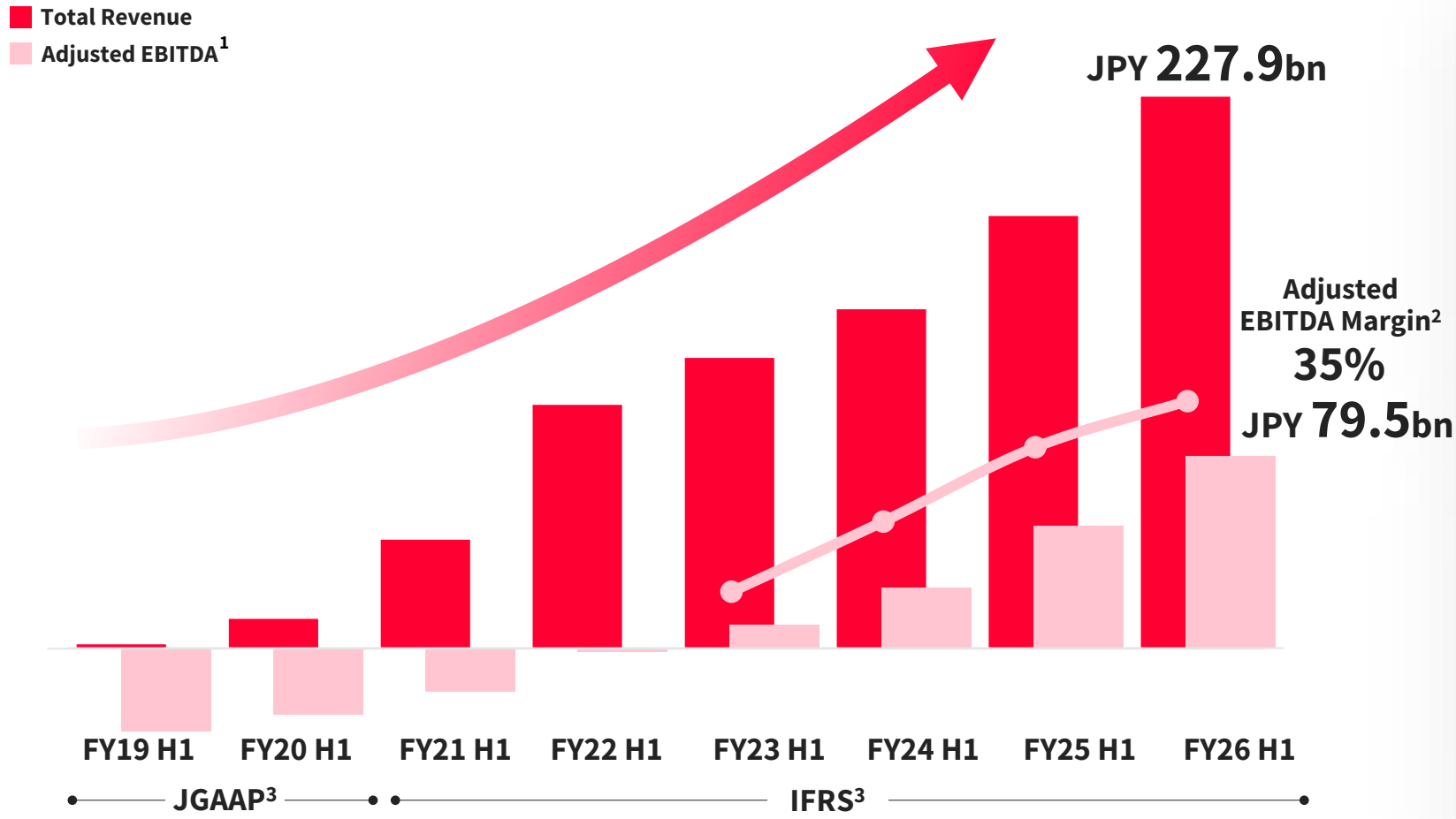




PayPay

Business Highlights

Our Growth Trajectory



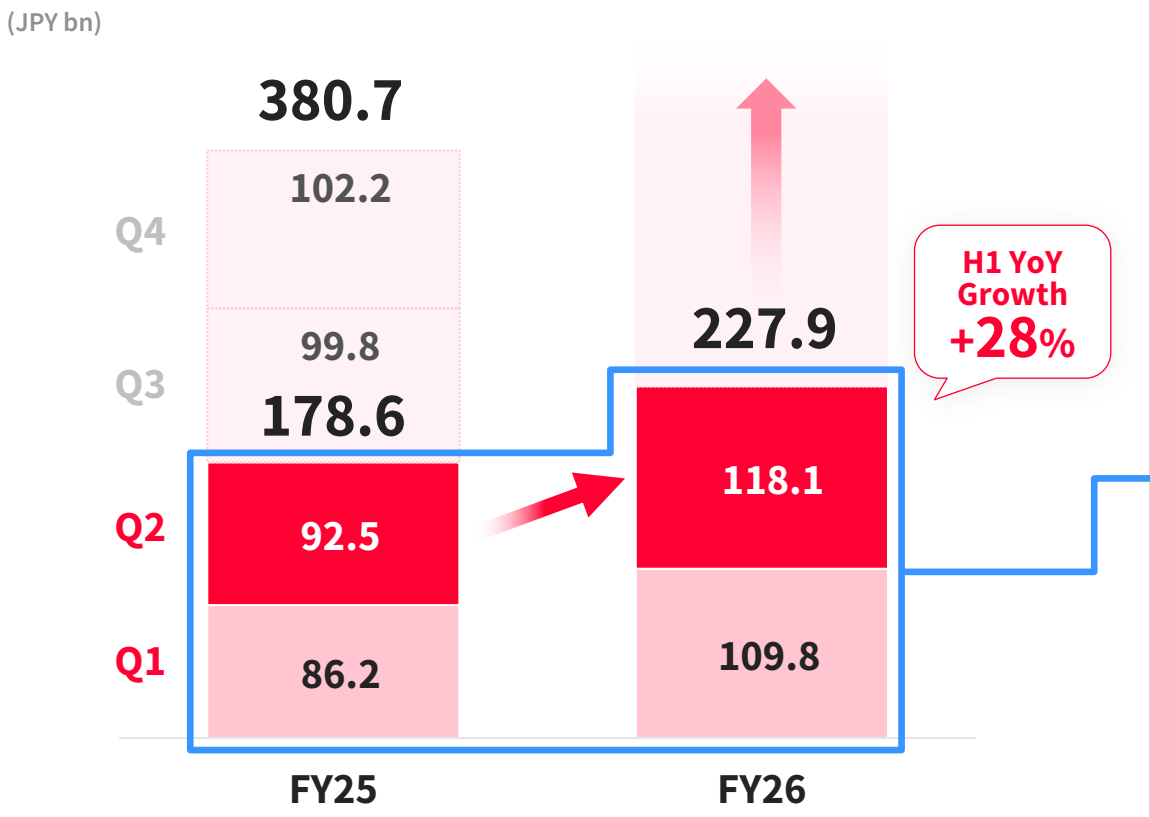
7 Consecutive Years of
Revenue & Profit Growth

Full-year Guidance
Revised UP

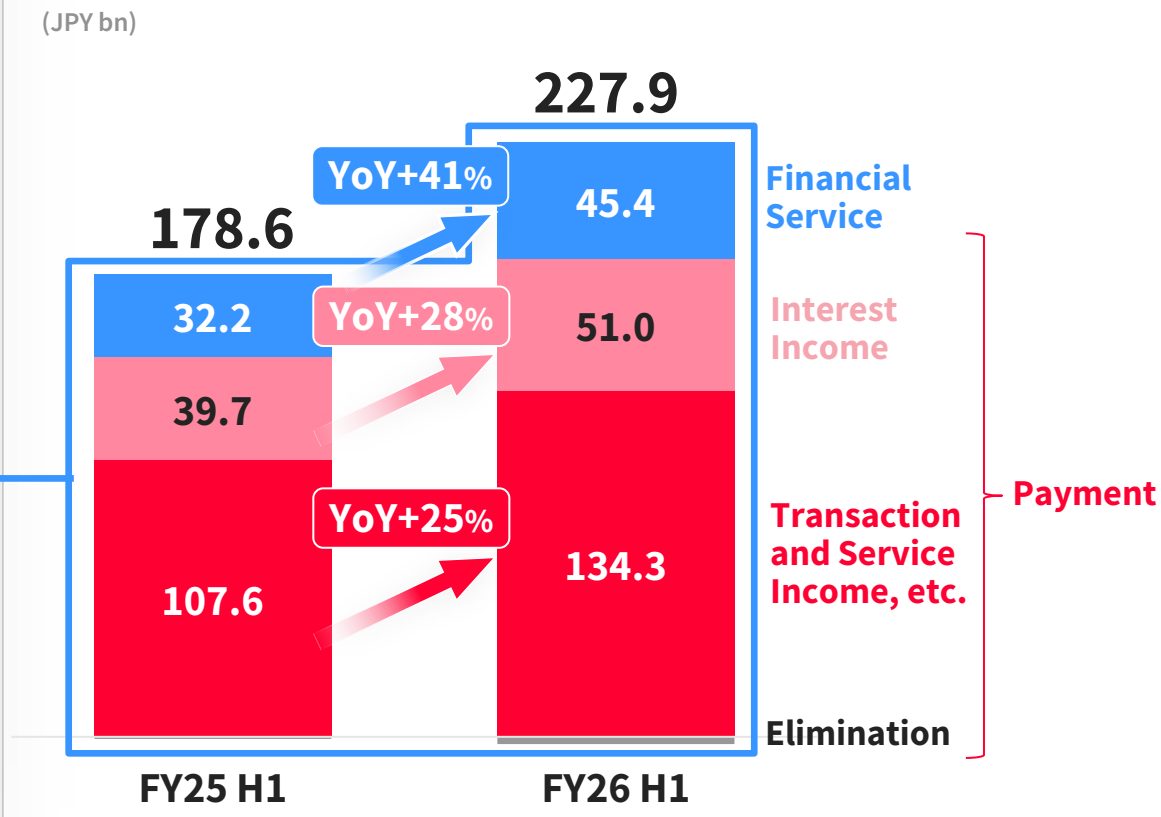
1. Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures. See the appendix for reconciliations of non-IFRS financial measures to their nearest IFRS equivalents
2. % of Total Revenue
3. FY2019–FY2020: PayPay Corporation standalone figures under JGAAP. FY2021: consolidated figures for PayPay Corporation and PayPay Card Corporation under IFRS. FY2022 onward: consolidated figures primarily comprising PayPay Corporation, PayPay Card Corporation, PayPay Bank Corporation, and PayPay Securities Corporation under IFRS

Earnings Overview

Total Revenue

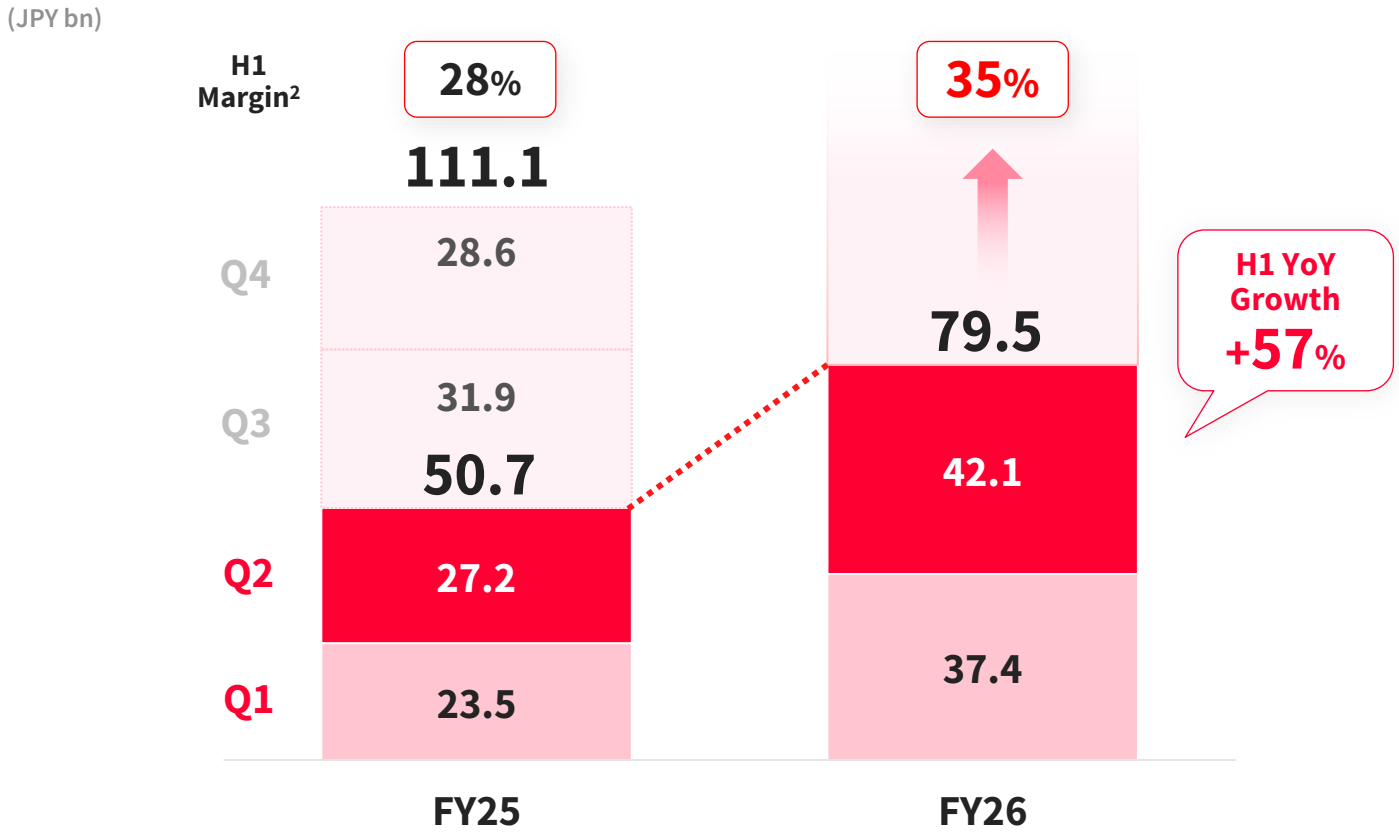


H1 Total Revenue Breakdown by Segment



Earnings Overview

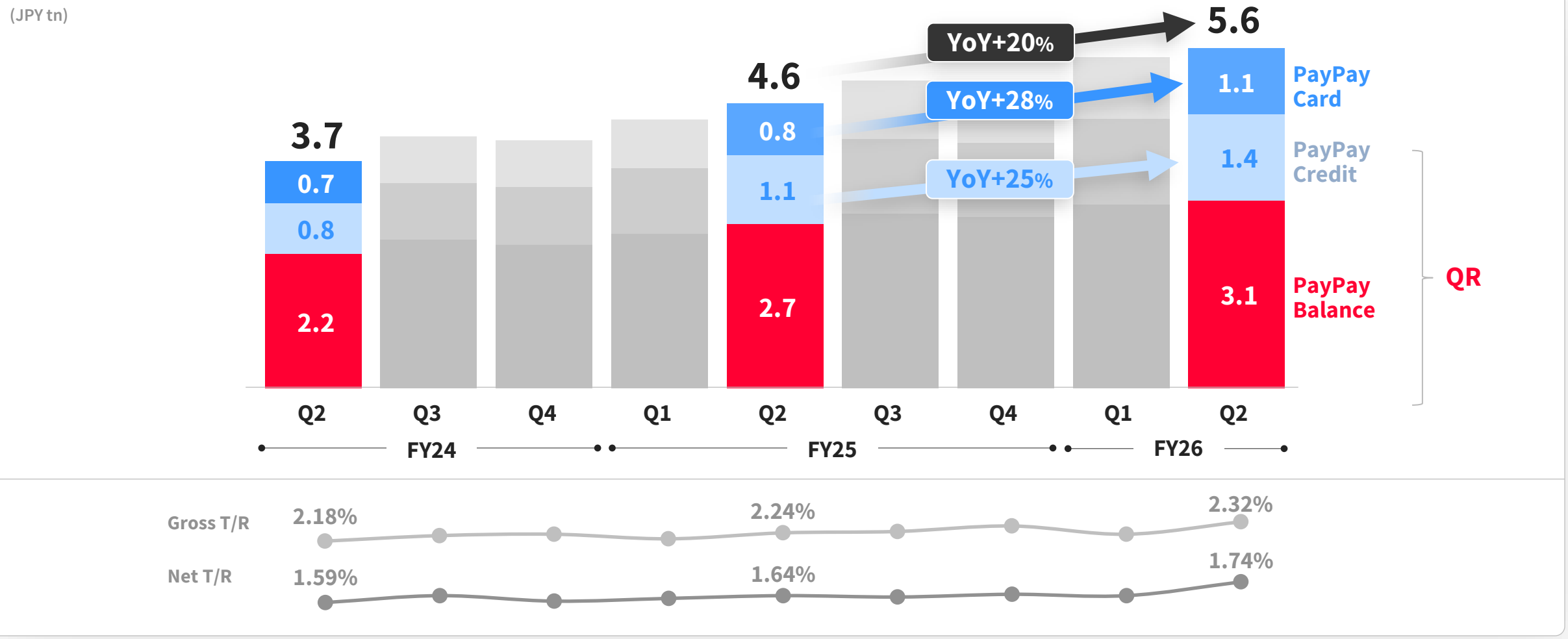
Adjusted EBITDA[1]



Profitability Continues to Improve

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
2. % of Total Revenue

Operating KPIs | Payment Segment GMV





PayPay

Guidance

FY2026 Guidance

(JPY bn)	FY26 Q3	FY26 Full Year
Total Revenue	121 – 123	474 – 478 (Q1 Guidance : 465 – 473)
Adjusted EBITDA[1]	41.5 – 43.5	159.0 – 163.0 (Q1 Guidance : 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

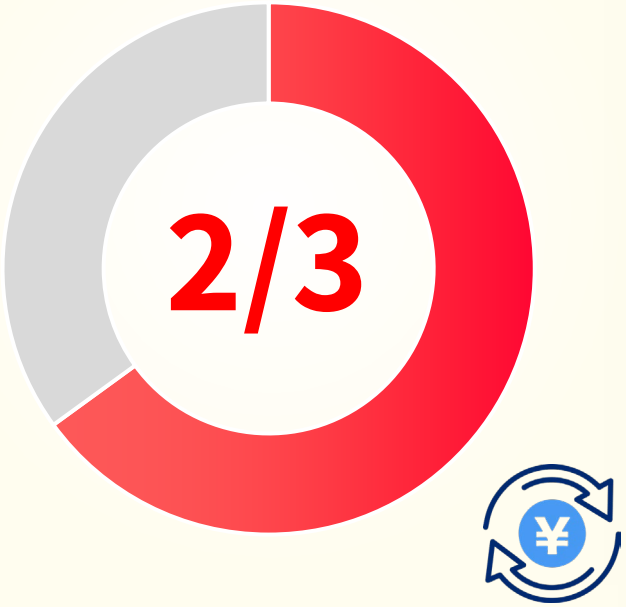


Positioned for Future Growth

An Unrivaled Position in Everyday Life

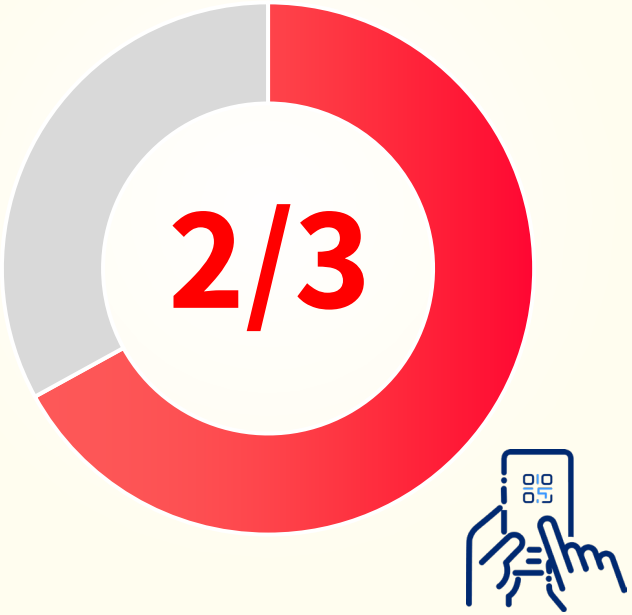
Share of Code-based Payment GMV[1]

Supporting a Wide Range of Spending



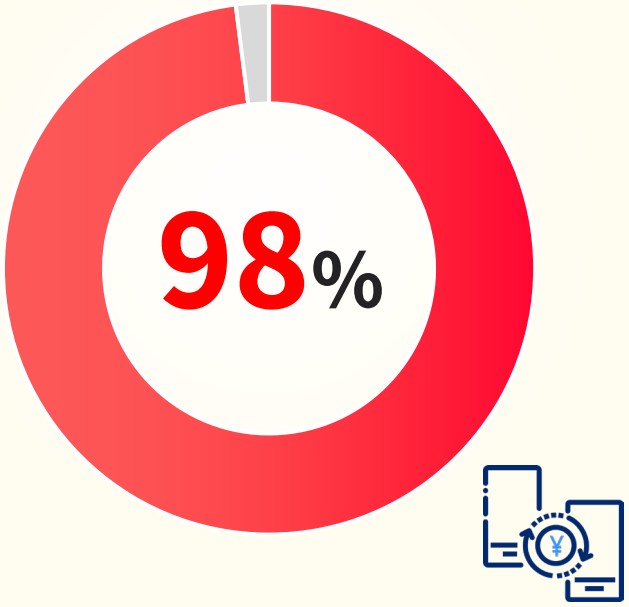
Share of Code-based Payment Transactions[1]

Used for Everyday Payments



Share of P2P Money Transfer[1]

Powering P2P Transfers



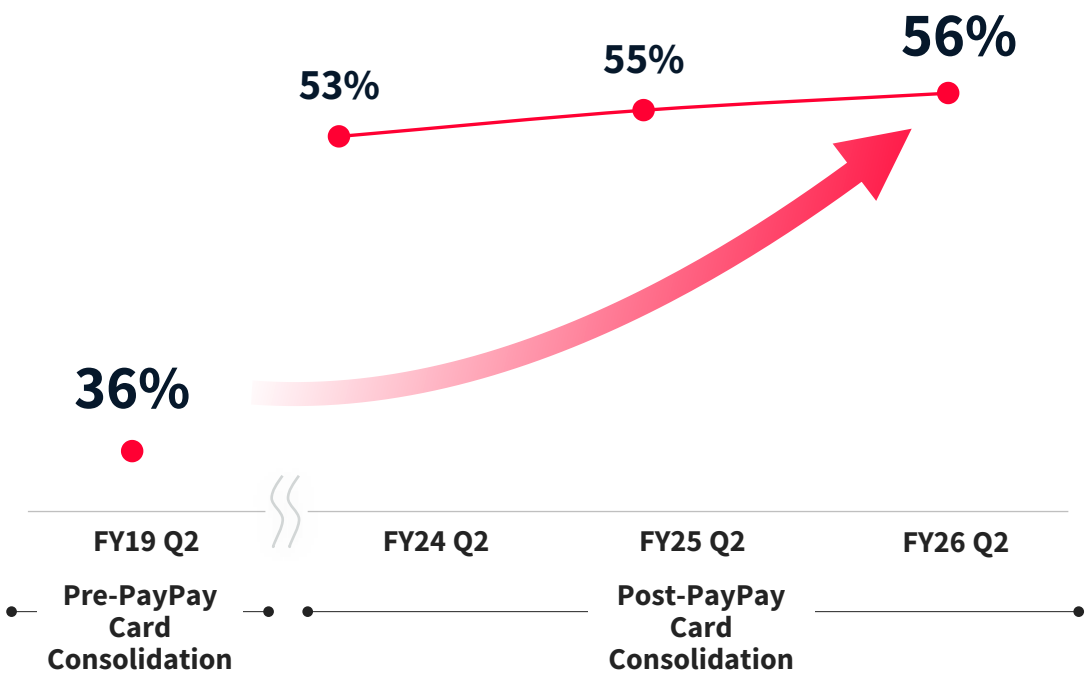
1. Source: Payments Japan Association, Survey on Code-based Payment Usage Trends (published October 30, 2026; April–June 2026).


A Strong Payment Trunk Drives Growth in Financial Services
PayPay
A Massive Inflow of Daily Payment Transactions
PayPay Card
Usage Continues to Grow
PayPay Bank
Toward Growth in Usage and Balances
PayPay Securities
Emerging Growth Opportunity in Wealth Building


PayPay
Payments | Daily Entry Point
Growth Underway
PayPay Securities
More Products and Features for Deeper Usage
Growth Underway
PayPay Bank
From Customer Acquisition to Growth in Usage and Balances
Proven Growth Business
PayPay Card
Payment Touchpoints Drive Usage and Revenue Growth
Phased Expansion from High-Frequency Payments to Financial Services

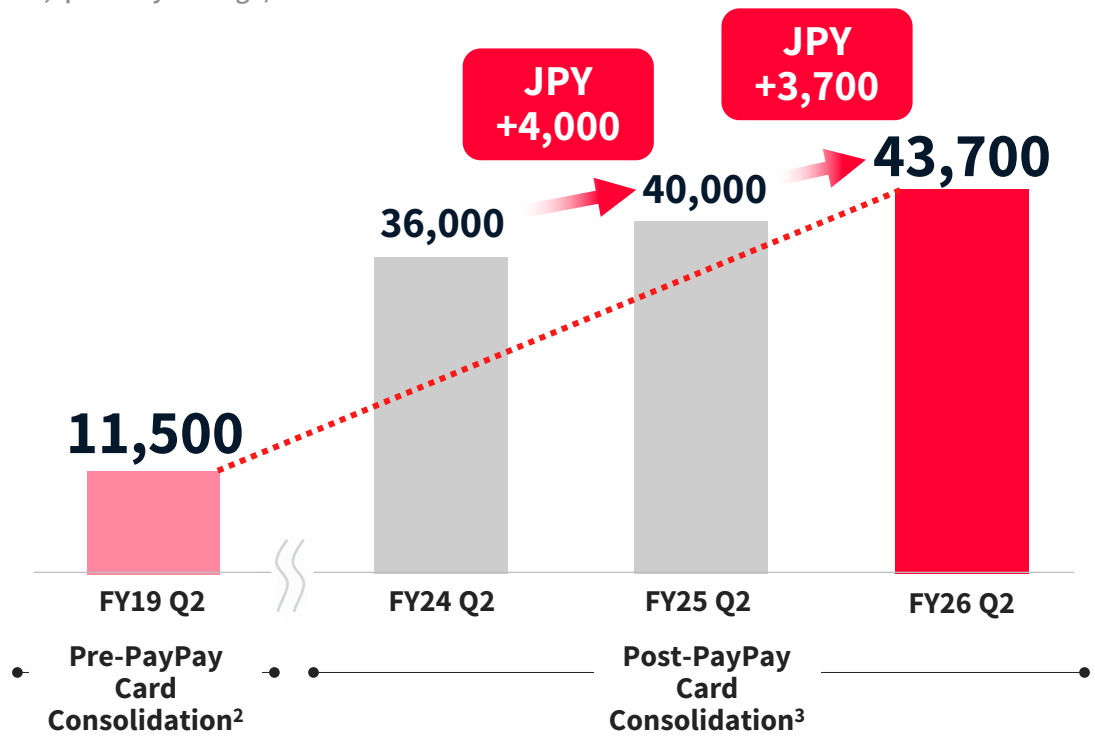
Deeper Everyday Use: Nearly 4x Monthly Spend per User

Active Rate[1] (Monthly Transacting Users / Registered Users)



Monthly GMV per User

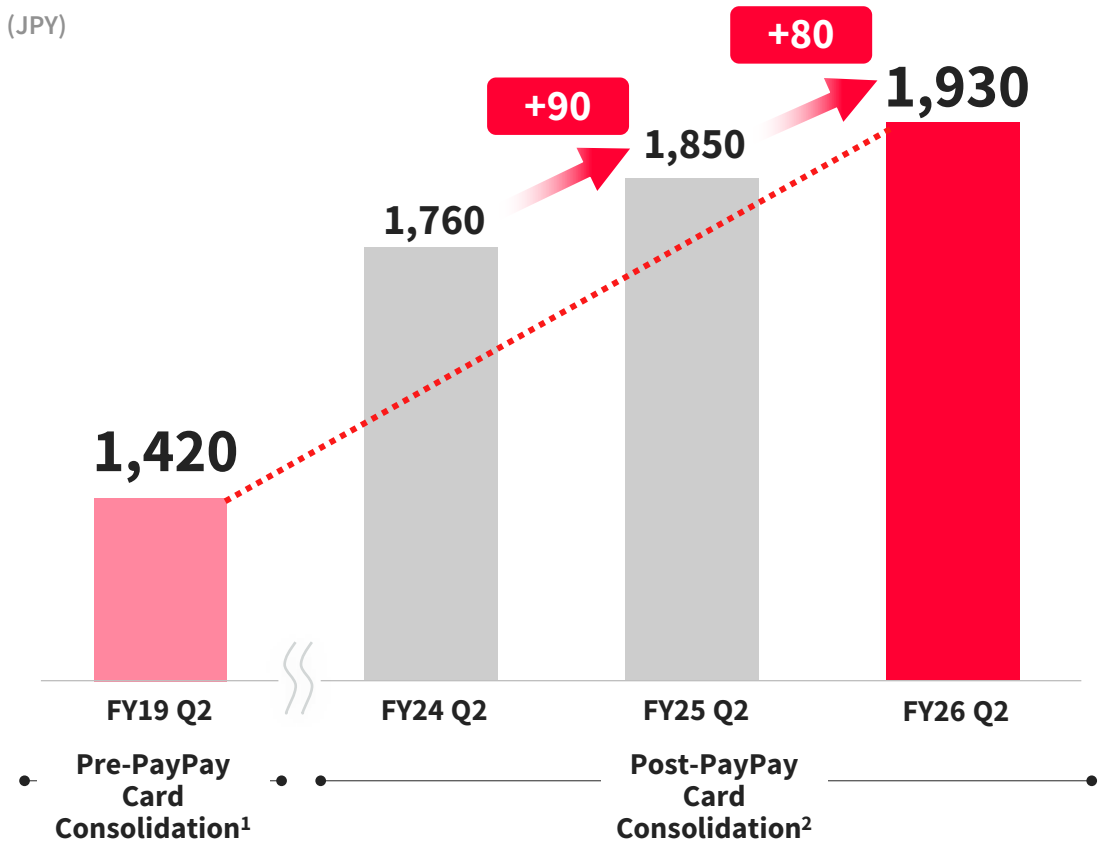
(JPY, quarterly average)



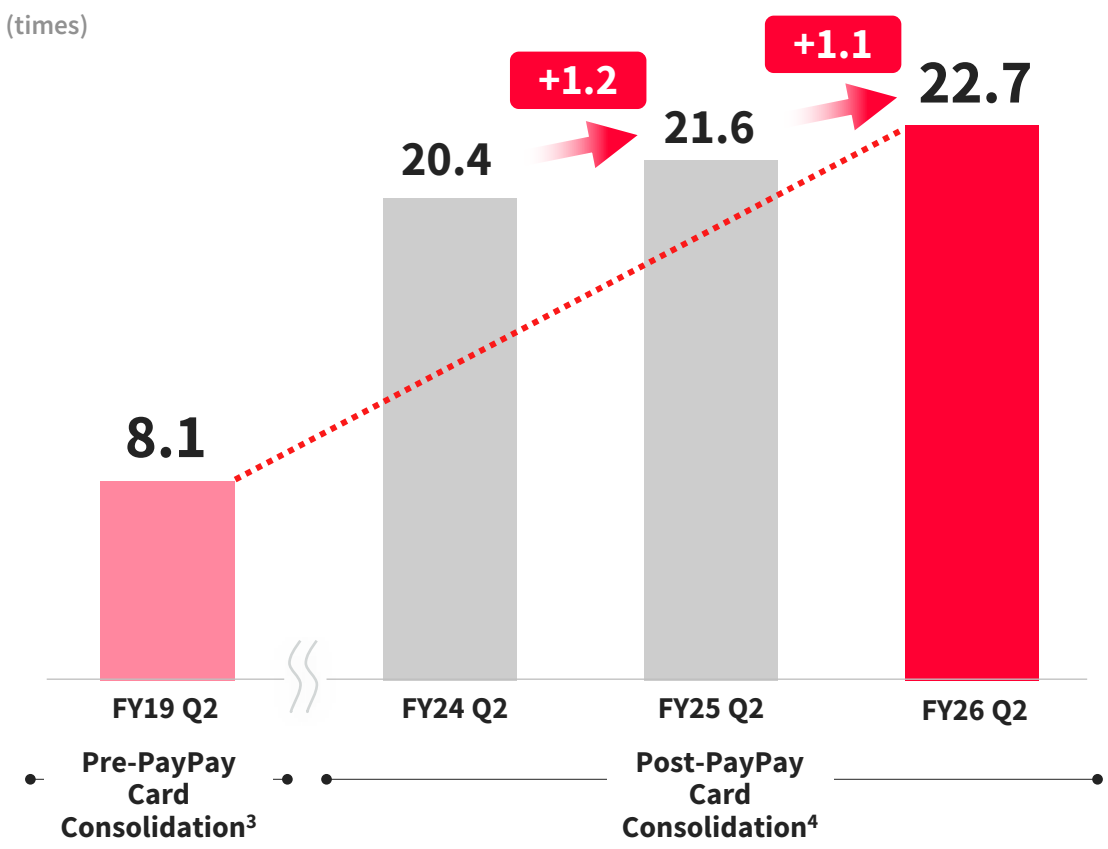
1. Calculated by dividing PayPay MTU in the last month of each relevant period by the total number of registered PayPay users at the end of that period
2. Calculated by dividing total quarterly GMV for PayPay Balance by total quarterly PayPay MTU
3. Calculated by dividing total quarterly GMV for PayPay Balance, PayPay Credit and PayPay Card by total quarterly PayPay MTU

Ticket Size and Frequency per User Continue to Grow

Average Ticket Size



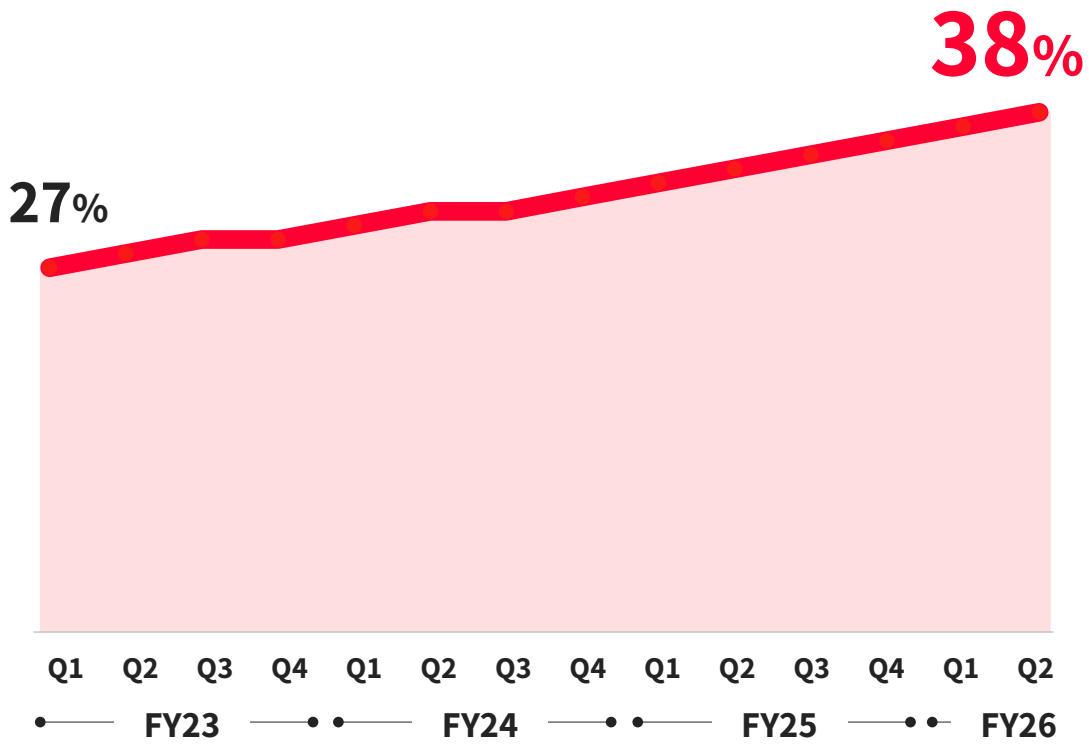
Monthly Transaction Frequency per User



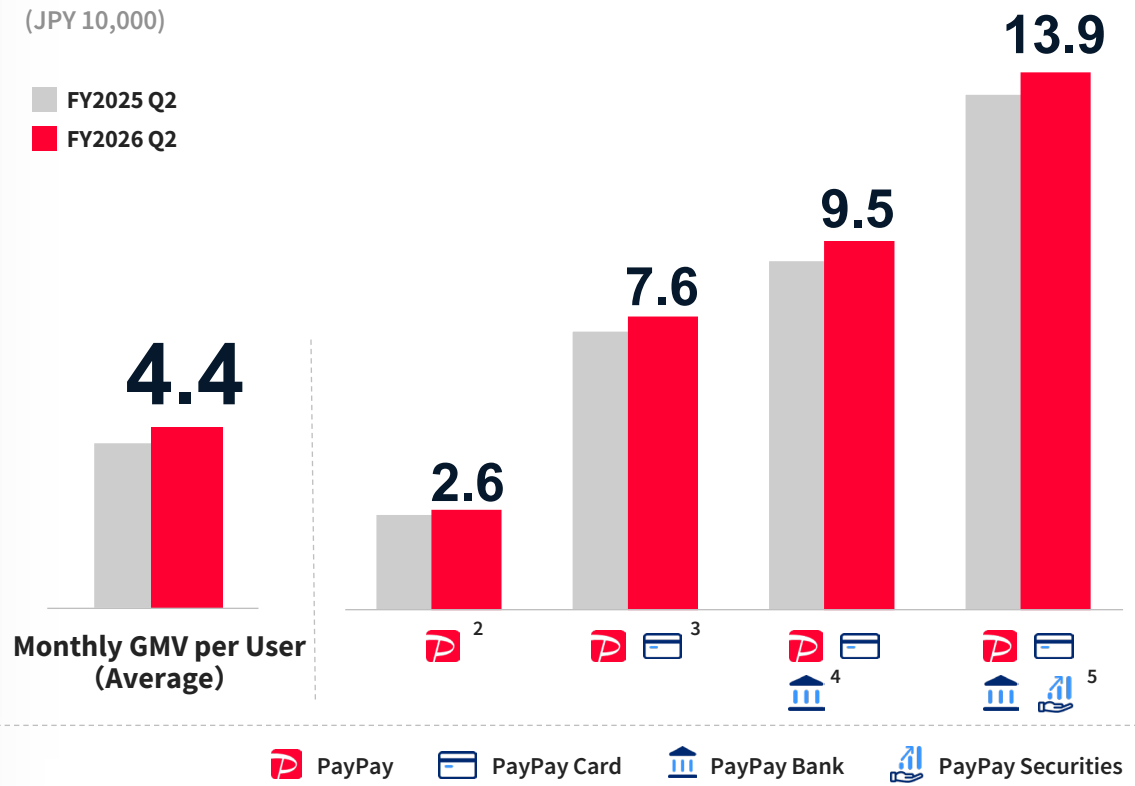
1. Calculated by dividing total quarterly GMV for PayPay Balance by total quarterly transactions for PayPay Balance
2. Calculated by dividing total quarterly GMV for PayPay Balance, PayPay Credit and PayPay Card by total quarterly transactions for PayPay Balance
3. Calculated by dividing total quarterly transactions for PayPay Balance by total quarterly PayPay MTU
4. Calculated by dividing total quarterly transactions for PayPay Balance, PayPay Credit and PayPay Card by total quarterly PayPay MTU

Leveraging Growing Payment to Expand Cross-Use

Users of Two or More Services (%)[1]



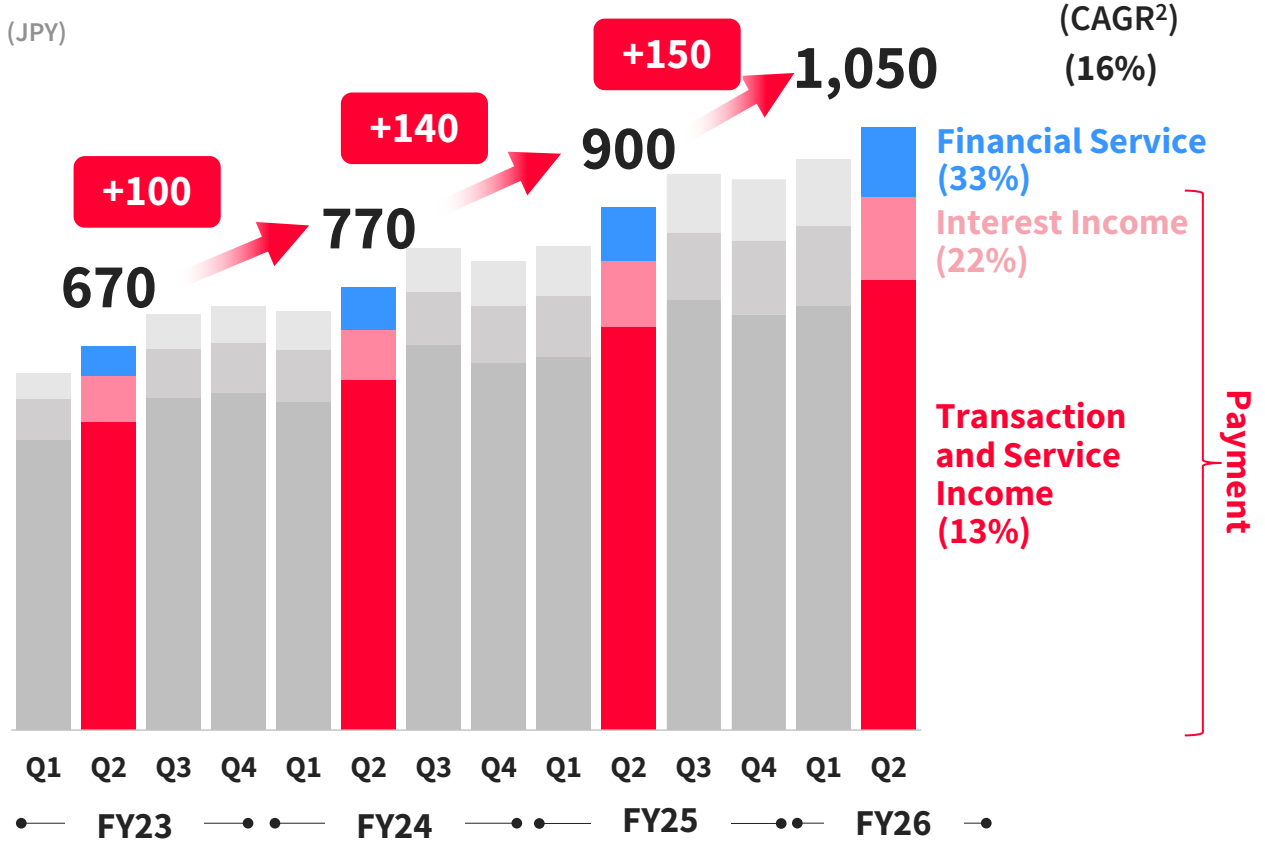
Monthly GMV per User



1. Percentage of PayPay MTUs as of the last month of each quarter who use two or more services. Calculated based on the number of users who, as of that time, have linked their PayPay App with their PayPay Card, PayPay Bank account, or PayPay Securities account and consented to data linkage.
2. PayPay Only: Average monthly GMV for users who use only PayPay Balance for payments within the PayPay App. Excludes PayPay Balance top-ups made using PayPay Card.
3. + PayPay Card: Average monthly GMV for users who make transactions within the PayPay App and also hold a PayPay Card. Use of PayPay Bank and PayPay Securities services is not considered.
4. + PayPay Bank: Average monthly GMV for users in the "+ PayPay Card" category who also have a PayPay Bank account. Use of PayPay Securities services is not considered.
5. + PayPay Securities: Average monthly GMV for users in the above categories who also have a PayPay Securities account.
6. Note: Figures for categories 3 through 5 are 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 consented to data linkage. Amounts are rounded to the nearest ¥1,000.

Payment Drives Continued ARPU Growth

ARPU[1] Management Accounting



Three Drivers of ARPU Growth

03 **Deeper Banking and Securities Engagement** — POTENTIAL
Growth in Active Accounts, Deposits and AUM

02 **Shift to PayPay Credit** — SCALING
Growth in Active Usage, Spend and Financing Balances

01 **Deeper Use of Everyday Payments** — NOW
Higher Transaction Frequency and Monthly GMV per User

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 JPY 10
2. CAGR from FY2023Q2 to FY2026Q2

Progress on Strategic Partnerships and Investments

Strategic Partnership with Seven & i Holdings



Nov. 2026

Launched Joint Campaign

FY2027 H2 onward

Full-Scale Rollout through ID Integration

Investment in T&D Financial Life

On Track
for the Fall 2027 Closing

FY2026 H2

Established PMI Steering Committee / IFRS Conversion Underway

Oct. 2027

Expected Closing

Appendix

Non-IFRS Financial Measures and Reconciliations

Adjusted EBITDA & Adjusted EBITDA Margin

(JPY mn)	FY2025 Q2	FY2026 Q2
Profit for the Period	73,220	18,440
Income Tax Expense (Benefit)	(52,790)	10,114
Share of Loss of a Joint Venture Accounted for Using the Equity Method	58	4,618
Depreciation and Amortization	5,755	6,196
Share-based Payment Expenses	-	233
Amortization of Contract Cost	411	562
Losses on Disposal of Property and Equipment and Intangible Assets	174	1,524
Listing-related Expenses	441	-
M&A-related Expenses	35	572
Net Interest Expense (Income) from Corporate Borrowings and Treasury Assets	(124)	(185)
Adjusted EBITDA	27,180	42,074
Total Revenue	92,478	118,115
Adjusted EBITDA Margin	29%	36%

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
(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
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