Management Discussion and Analysis

For the First Quarter Ended May 31, 2026

AEON Thana Sinsap (Thailand) Public Company Limited (the "Company") has submitted its financial statements for the first quarter ended May 31, 2026, which were reviewed by Deloitte Touche Tohmatsu Jaiyos Co., Ltd. The Company's operating results are summarized as follows:

Overview

In the first quarter of 2026, the Gross Domestic Product (GDP) grew by 2.8% year-over-year (YoY), accelerating from 2.5% in the previous quarter. This growth was primarily supported by the expansion of domestic demand and a recovery in exports, indicating a clear upward trend in the Thai economy at the beginning of the year. Private consumption expenditure continued to expand at 3.2% (YoY), reflecting improved household confidence. This was driven by a high growth rate in private investment of 10.1% (YoY) and continued strong public investment at 9.4% (YoY).

In the external sector, the value of exported goods and services grew by 12.6% (YoY), an increase from the previous quarter, despite a 2.4% (YoY) contraction in the number of foreign tourists. The manufacturing sector improved, especially the non-agricultural sector, which expanded by 3.0%. Although a general inflation decrease of 0.5% helped support purchasing power, high household debt remains a cautionary factor that could pressure spending, along with global economic uncertainty that may affect future exports.

For the second quarter, the outlook is expected to improve, supported by the government's "Thai Plus" economic stimulus package, the approval of the draft Budget Act for the fiscal year 2027 in July 2026, and a downward trend in energy prices. These factors are expected to lead to an expansion in private consumption and credit card spending, in line with economic and export recovery. Meanwhile, improved consumer confidence has led to continuous growth in loan demand. Customers' debt servicing ability and the efficiency of debt collection have improved due to the reduced cost of living, in line with inflation.

Financial Highlights			(Unit: Million Baht)
Profitability	1Q/2026 May 31, 2026	1Q/2025 May 31 2026	%Y-Y
Total Revenues	5,172	5,393	(4.1%)
Total Expenses	4,183	4,381	(4.5%)
Net Profit Attributable to the Owner of Parent	793	772	2.7%
Asset Quality	1Q/2026 May 31, 2026	FY2025 Feb 28, 2026	%YTD
Accounts Receivable	85,375	88,870	(0.9%)
NPL	5.6%	5.1%	-
Allowance to Accounts Receivable	9.4%	8.2%	-
Ratios	1Q/2026 May 31, 2026	FY2025 Feb 28, 2026	%YTD
D/E (Times)	2.0	2.3	-
BVPS (Baht)	113.77	106.78	-
ROE	11.4%	12.0%	-
ROA	3.5%	3.3%	-

Summary of Consolidated Financial Results

1. Profit and Loss

Profit and Loss Statement	Quarterly				
Unit : Million Baht	1Q2026	1Q2025	%YoY	4Q2025	%QoQ
Credit card income	1,574	1,706	(7.7%)	1,643	(4.2%)
Loan income	2,218	2,385	(7.0%)	2,275	(2.5%)
Hire-purchase income	386	371	4.1%	379	2.0%
Other income	993	931	6.6%	1,262	(21.3%)
Total Revenues	5,172	5,393	(4.1%)	5,559	(7.0%)
Operating and admin. expenses	2,066	2,073	(0.4%)	2,164	(4.5%)
Expected credit loss	1,637	1,766	(7.3%)	1,784	(8.2%)
Finance costs	466	537	(13.2%)	478	(2.4%)
Other expenses	14	5	194.2%	14	(3.8%)
Total Expenses	4,183	4,381	(4.5%)	4,440	(5.8%)
Profit before tax income	989	1,012	(2.3%)	1,119	(11.6%)
Income tax expenses	209	204	2.6%	224	(6.8%)
Net profit Attribute to Owner of the Parent	793	772	2.7%	912	(13.1%)
Earnings Per Share (Baht per share)	3.20	3.09	3.6%	3.68	(13.0%)

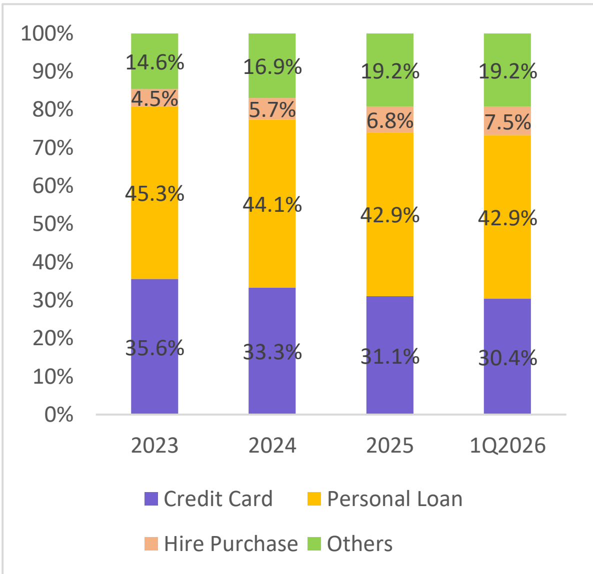
Revenues

For the first quarter operating results of the fiscal year 2026, the Company reported total revenue of 5,172 million baht, representing a decrease of 4.1% compared to the same period of the previous year. The primary factor contributing to the slowdown in total revenue remained the contraction of both the credit card and personal loan portfolios, which experienced a decline in revenue. Conversely, revenue from the hire-purchase business segment continued to expand.

In terms of other income, the total amount stood at 993 million baht, representing an expansion of 6.6% compared to the same period of the previous year.

Furthermore, in order to strengthen long-term financial security and stability, the Company continues to focus on increasing the proportion of revenue generated from other channels. As of the end of the first quarter of fiscal year 2026, the Company successfully maintained the proportion of other income at 19.2% of total revenue.

Revenue Structure



Credit Card

In the first quarter of fiscal year 2026, credit card revenue stood at 1,574 million baht, representing a decrease of 7.7% year-on-year and a contraction of 4.2% quarter-on-quarter. This decline in revenue was a direct result of a smaller credit card loan portfolio, which aligns with the Company's strategy to focus on asset quality management and prioritizing high-value customers (Valued Customers) for sustainable growth. Nonetheless, the Company remains committed to continuously developing credit card products, which includes enhancing benefits to precisely meet customer needs, as well as planning the launch of new credit card products to more comprehensively address the lifestyle demands of each target customer segment. These efforts and strategic directions have enabled the Company to maintain an appropriate yield from the credit card business. As of the end of the first quarter of fiscal year 2026, credit card revenue accounted for 30.4% of total revenue.

Personal Loan

With respect to the loan business, in the first quarter of fiscal year 2026, the Company reported personal loan revenue of 2,218 million baht, representing a decrease of 7.0% year-on-year and a decline of 2.5% quarter-on-quarter. This was primarily driven by the contraction of the personal loan portfolio, resulting from stringent risk management amidst economic volatility and elevated household debt, coupled with ongoing customer support through debt restructuring and continuous debt mediation. Nevertheless, the Company has continued to enhance its business capabilities by promoting "One Loan" as its flagship product to assist customers in debt consolidation, with longer repayment period and special interest rates. Additionally, the Company is strengthening its business ecosystem integration by seamlessly blending digital and offline channels to elevate the customer experience. As of the end of the first quarter of fiscal year 2026, personal loan revenue accounted for 42.9% of total revenue.

Hire Purchase

For the performance of the hire-purchase loan business in the first quarter of the fiscal year 2026, total revenue reached 386 million Baht, representing a 4.1% year-on-year growth. However, as part of yield management, the Company adjusted its portfolio strategy by temporarily suspending the extension of used-car hire-purchase loans to new customers, shifting its focus instead toward higher-yield motorcycle loans and auto title loans. As a result, new loan originations in these target segments continued to grow. As of the end of the first quarter of the fiscal year 2026, revenue from the hire-purchase loan business accounted for 7.5% of total revenue

Others

The first quarter of fiscal year 2026, the Company reported total other income of 993 million baht, with growth of 6.6% year-on-year and constituting a significant proportion of 19.2% of total revenue. The primary component of other income remained bad debt recovery income, which stood at 619 million baht, 9.3% increase compared to the same period last year. This continuous growth reflects the efficiency of debt collection to legal execution. Additionally, the Company generated revenue from the insurance brokerage business, which is another key segment, contributing 166 million baht to total revenue in this quarter.

Expenses

The company's main expenses consist of operating and administrative expenses, expected credit losses, and financial costs. For the first quarter of the year 2026, the company's total expenses amounted to 4,183 million baht. The details of the various expenses are as follows:

Operating and Administrative Expenses

For the first quarter of fiscal year 2026, the Company reported operating and administrative expenses (including directors and management remuneration) totaling 2,066 million baht, representing a slight decrease compared to the same period of the previous year. This reduction in expenses was driven by the continuous implementation of cost control and efficient management policies, primarily attributed to the adjustment of marketing strategies to align with prevailing conditions and enhanced efficiency in branch management. Nonetheless, due to the decline in revenue, the cost-to-income ratio increased slightly, standing at 39.9% in the consolidated financial statements and 38.7% in the separate financial statements for this quarter, reflecting the Company’s strong capability in expense management.

Expected Credit Loss (ECL)

In the first quarter of fiscal year 2026, the Company set aside expected credit losses (ECL) totaling 1,637 million baht, representing a decrease of 7.3% compared to the same quarter of the previous year and a decrease of 8.2% quarter-on-quarter. The provisioning in this quarter incorporated the reversal of management overlay previously set aside to cover potential damages from the southern flood disaster in the prior year, reflecting the Company's prudent and stringent approach to credit risk management.

Finance Cost

For the first quarter of fiscal year 2026, the Company reported finance costs of 466 million baht, representing a decrease of 13.2% compared to the same period of the previous year and a decline of 2.4% quarter-on-quarter. The primary factors contributing to the reduction in finance costs were disciplined management of new loan originations in alignment with economic conditions, the reduction in the policy interest rate, and the procurement of diverse and appropriate funding sources. Furthermore, the Company continues to place strategic importance on managing its capital structure to consistently maintain a balance between robust liquidity management and the highly efficient control of finance costs.

Net Profit

In the first quarter of fiscal year 2026, the Company reported a net profit attributable to the parent company of 793 million baht, representing earnings per share of 3.20 baht. Net profit attributable to the parent company increased by 2.7% year-on-year and decreased by 13.1% quarter-on-quarter. However, excluding the sales of written-off receivables in the previous quarter, the net profit attributable to owners of the parent would have increased by 4.7% quarter-on-quarter. In additions, the net profit margin grew to 15.3% from 14.2% of the previous fiscal year. This net profit growth was achieved through the successful execution of efficient cost management strategies. Furthermore, the aforementioned net profit attributable to the parent company includes the operating results of both domestic and international subsidiaries.

2. Balance Sheet

Statement of Financial Position Unit : Million Baht	May 31, 2026	February 28, 2026	Change %YTD
Accounts Receivable	85,375	86,176	(0.9%)
Total Assets	87,754	88,307	(0.6%)
Total Borrowing	53,236	53,676	(0.8%)
Total Liabilities	58,643	60,178	(2.6%)
Equity Attributable to Owners of the Parent	28,150	27,195	3.5%
ROE (attributable to owners of the parent)	11.4	11.6%	-
ROA	3.5	3.4%	-
D/E Ratio	2.0 times	2.1 times	-

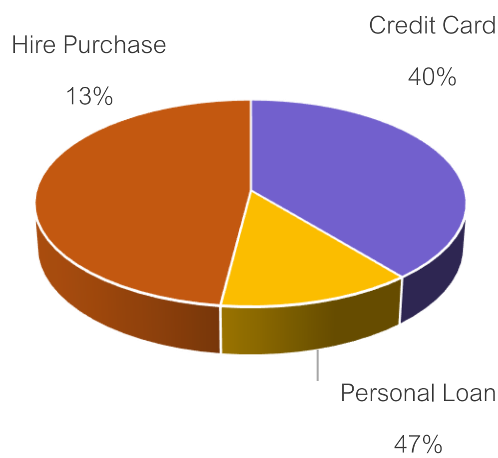
Total Assets

As of May 31, 2026, the company's total consolidated assets stood at 87,754 million baht, a 0.6% decrease from February 28, 2026. The majority of assets consist of net accounts receivable, accounting for approximately 88.1% of total assets.

Accounts Receivable

As of the end of the fiscal period on May 31, 2026, the Company reported a total trade receivables portfolio in the consolidated financial statements of 85,375 million baht, representing a decrease of 0.9% compared to the end of the prior fiscal year. This decline was driven by the credit card receivable portfolio, which stood at 33,369 million baht, representing a decrease of 2.1% from the end of the prior fiscal year, and the personal loan receivable portfolio, which stood at 40,580 million baht, representing a decrease of 0.8%. The contraction in both receivable segments remains aligned with the industry trend and reflects the Company's ongoing implementation of a stringent risk management policy. Meanwhile, for the hire-purchase business segment, the Company adjusted its business operations strategy during the past quarter by focusing primarily on providing motorcycle hire-purchase loans instead. This strategic shift benefited from the continuous expansion of its business partner network over the past period, enabling the Company's hire-purchase receivable portfolio to maintain a strong growth rate, with an outstanding balance of 11,363 million baht, representing an increase of 2.1% compared to the end of the prior fiscal year.

Accounts Receivable Segmentation



Allowance for expected credit loss

As of the fiscal year-end on May 31, 2026, the Company's consolidated allowance for expected credit losses (ECL) stood at 8,057 million baht, a decrease of 0.4% from the prior fiscal year-end. During this quarter, despite the reversal of the management overlay previously established for flood impacts, the Company set aside additional provisions for the hire-purchase portfolio to maintain stringent risk management. Furthermore, the established provisions cover key risks, including economic volatility in Cambodia and the impact of global geopolitical tensions on domestic energy prices, reflecting the Company's comprehensive and prudent credit risk management across all dimensions.

Regarding loan portfolio quality, the proportion of Stage 2 loans remained stable at 2.9%. Meanwhile, the Non-Performing Loan (NPL) ratio stood at 5.6% on a consolidated basis and 5.2% on a separate basis, resulting from the decline in revenue. Additionally, the coverage ratio remained robust at 169%, and the allowance-to-total-outstanding-receivables ratio was 9.4%. These figures reflect adequate and prudent provisioning levels, consistent with the Company's business approach that prioritizes conservatism and caution.

Liabilities

As of May 31, 2026, the company had total consolidated liabilities of 58,643 million baht, a decrease of 2.6% from the previous year-end. The company's interest-bearing liabilities totaled 53,236 million baht, down 0.8% from the end of the prior fiscal year. Of this, long-term interest-bearing liabilities amounted to 24,510 million baht, or 46% of total borrowings. To manage risks that may arise from foreign exchange rate fluctuations, the company has entered into cross-currency interest rate swap agreements to hedge its liabilities.

Debentures, Solvency and Liquidity Management

As of May 31, 2026, the Company had long-term, unsubordinated, and unsecured debentures with maturities within one year, totaling 1,453 million baht. The Company has been able to maintain the financial ratios and other requirements as stipulated in the agreements.

Furthermore, the Company has remaining revolving credit facilities totaling 12,230 million baht and another 3,000 million baht in committed revolving credit facilities with several domestic financial institutions. Cash and cash equivalents amount to 4,145 million baht, which is sufficient for the Company's operations and debt repayment. The Debt Service Coverage Ratio (DSCR) is 0.24 times.

Credit Ratings

The Company has received a corporate credit rating and arranges for a review of this rating every year, conducted by a credit rating agency, Fitch Ratings. In addition, in terms of ESG, the company has been rated 'A' by MSCI ESG Rating and SET ESG, passed the evaluation by FTSE ESG, and received an “Excellent” score from the assessment of good corporate governance of Thai listed companies by the Thai Institute of Directors Association (IOD), as summarized below:

Credit Rating Agency	Credit Ratings
Fitch Ratings	A-/Stable
MSCI ESG Rating	A
FTSE ESG / SET ESG	Pass / A
CGR	Excellence

Shareholders' Equity

As of May 31, 2026, the equity attributable to the parent company was 28,150 million baht, an increase of 3.5% from February 28, 2026. The book value (equity of the parent company) as of May 31, 2026, was 113.77 baht per share.

Key Financial Ratios

Key Financial Ratio	May 31, 2026	FY2025	FY2024
Book Value per Share (attributable to owners of the parent) (Baht)	113.77	109.38	104.20
EPS (Baht)	3.20	12.44	11.44
EBIT margin (%)	28.1%	28.7%	27.6%
D/E (times)	2.0	2.1	2.4
DSCR (times)	0.24	0.30	0.27
ROA (%)	3.5%	3.4%	3.1%
ROE (%)	11.4%	11.6%	11.3%
Allowance for doubtful account to total receivables (%)	9.4%	9.4%	8.0%
Coverage Ratio (%)	169%	169%	154%
NPL (%)	5.6%	5.6%	5.2%
Stage 2 Ratio	2.9%	2.7%	2.7%

1. Sustainability Development

The AFS Group recognizes the importance of driving business growth in parallel with sustainable social development. AFS Group prioritise participation in environmental conservation initiatives and activities that enhance societal well-being. Furthermore, to elevate the Group's position as an integral part of the infrastructure that plays a vital role in society, both in Japan and internationally, we are committed to integrating economic and social value through sustainability-focused management.

AEON Thana Sinsap (Thailand) Public Company Limited, a local subsidiary of AEON Financial Service Co., Ltd., aligns its sustainability practices with the overarching principles of the AFS Group. The Company has appointed both a dedicated sustainability working group and a formal sustainability committee.

The Company operates the business with awareness of environmental, social and governance and bring the Sustainable Development Goals; SDGs as the part of organization driven continuously to respond client and all stakeholders needs and to consecutively operate the business under the challenging situation. Moreover, the company received an ESG rating of 'A' from MSCI ESG Rating and SET ESG. Additionally, the company also passed the FTSE ESG assessment in the latest results announced in December 2025.

Environmental The Company places a significant emphasis on cultivating a sustainable relationship between society and the environment through the implementation of an Environmental Management System (ISO14001) across the entire organization. The Company has joined as a member in Greenhouse Gas Reduction workforce in AEON

Financial Services Group, Japan, in which established goals and, short-term and long-term action plans to reduce greenhouse gas emissions to Zero CO2 Society, with the goal to reduce GHG emission by 30% within the year 2034.

The Company has implemented environmental development through strategic plans. Digitalization Roadmap since 2017 and implementation of resource management in business operations, which are;

1. Reducing the use of paper and plastic;
2. Waste management; and
3. Management of electrical energy, water, and fuel energy.

In addition, the Company has successfully completed the verification of greenhouse gas emissions by an external verifier for the period March 1, 2024 to February 28, 2025, reaffirming its strong commitment to environmental management.

Social

The Company conducts business in accordance to human rights principles, based on its philosophy which places importance to peace, human beings and society, which aims to conduct business with responsibility to both customers; via the development of financial products and services regularly to enhance the financial service accessibility and the use of financial services with safety and fairness, and employees; via our Human Resources Management policy to treat employees equally through recruiting, providing a safe working environment and good occupational healthy environment, performance appraisal, employee development, layoffs, and retirement processes.

In addition, the Company also supports various social projects through AEON Thailand Foundation with the following objectives:

1. Promote and support forest conservation;
2. Promote education, including granting scholarships and/or donations to students and/or schools;
3. Develop Thai society and promote and support general public interest;
4. Conduct or cooperate with other charitable organizations for public benefit; and
5. Do not engage in any political activities.

Governance

The Company is aware of the industry risks, therefore, we place importance to technology development and management as well as financial innovations in response to customer's needs by focusing on providing personal loan services responsibly and customer satisfaction. In addition, the Company develops corporate governance and risk management continuously to maintain credibility and trust of all stakeholders. Besides operating under the supervision of the SEC/SET, Bank of Thailand, related laws and regulations, the Company also complies ISO world-class standards to control various operational processes and using international standard such as COSO, J-SOX and ISO31000 as risk management framework and reporting standard to ensure that the Company conducts business with transparency and fairness for stakeholders' confidence. Moreover, the Company received the "Excellent" rating in CGR assessment by Thailand's IOD.

Details of governance performance results in detail can be viewed in the Sustainability Report and 56-1 One Report, Section 2, Corporate Governance and environmental, social and economic performance in detail can be viewed in the Sustainability Report and Report 56-1 One Report, topic: Driving Business for Sustainability.