



Management Discussion and Analysis

For the First-Half and Second Quarter Ended August 31, 2026

AEON Thana Sinsap (Thailand) Public Company Limited (“the Company”) has submitted its financial statements for the first half and second quarter ended August 31, 2026, which have been reviewed by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. The Company's operating results are summarized as follows:

Overview

Gross Domestic Product (GDP) in the second quarter of 2026 expanded by 1.9% year-on-year (YoY), slowing down from an expansion rate of 2.8% in the previous quarter. This deceleration was driven by a 1.6% YoY contraction in public investment and a slowdown in private consumption expenditure, which grew by 1.9% YoY compared to 3.3% YoY in the prior quarter, due to a slowdown in the consumption of durable goods, particularly automobiles, resulting from tightened credit approval standards by financial institutions. Nevertheless, the economy continued to receive support from private investment, which accelerated to 13.4% YoY, and exports of goods and services, which continuously expanded by 12.5% YoY. Overall, the Thai economy in the first half of 2026 grew by 2.4%.

However, in the third quarter of 2026, external factors remain volatile and continue to face ongoing challenges from US economic sanctions against Iran and its trading partners, which could impact supply chains, inflation, and global interest rate trends. This may indirectly affect the domestic retail credit industry, which remains fragile due to cost-of-living pressures. Consequently, the Company maintains its cautious lending policy, coupled with close management of asset quality going forward.

Financial Highlights		(Unit: Million Baht)	
Profitability	1H/2026 Aug 31, 2026	1H/2025 Aug 31 2026	%Y-Y
Total Revenues	10,325	10,867	(5.0%)
Total Expenses	8,612	8,851	(2.7%)
Net Profit Attributable to the Owner of Parent	1,435	1,563	(8.2%)
Asset Quality	1H/2026 Aug 31, 2026	FY2025 Feb 28, 2026	%YTD
Accounts Receivable	84,415	86,176	(2.0%)
NPL	5.9%	5.6%	-
Allowance to Accounts Receivable	9.8%	9.4%	-
Ratios	1H/2026 Aug 31, 2026	FY2025 Feb 28, 2026	%YTD
D/E (Times)	2.0	2.1	-
BVPS (Baht)	113.27	109.38	3.6%
ROE	10.9%	11.6%	-
ROA	3.4%	3.4%	-

Summary of Consolidated Financial Results

1. Profit and Loss

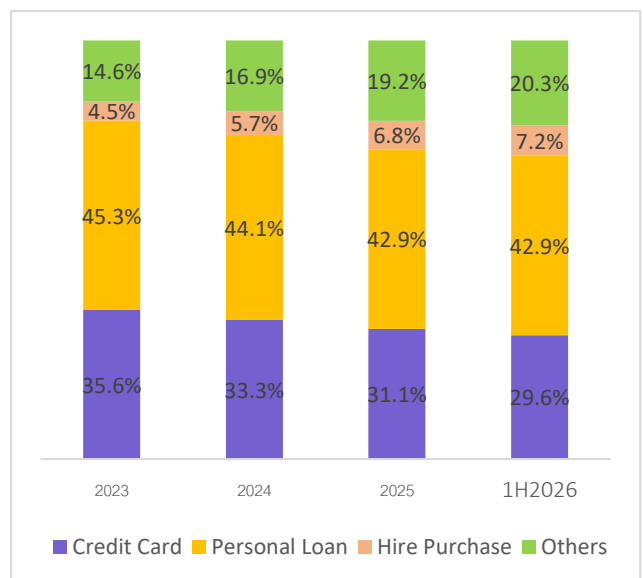
Profit and Loss Statement Unit : Million Baht	Quarterly					Period		
	2Q2026	2Q2025	%YoY	1Q2026	%QoQ	1H2026	1H2025	%YoY
Credit card income	1,482	1,710	(13.3%)	1,574	(5.9%)	3,056	3,415	(10.5%)
Loan income	2,206	2,371	(6.9%)	2,218	(0.5%)	4,425	4,756	(7.0%)
Hire-purchase income	357	362	(1.3%)	386	(7.5%)	743	733	1.5%
Other income	1,108	1,031	7.5%	993	11.6%	2,101	1,962	7.1%
Total Revenues	5,154	5,474	(5.8%)	5,172	(0.3%)	10,325	10,867	(5.0%)
Operating and admin. expenses	1,899	2,024	(6.2%)	2,030	(6.4%)	3,929	4,098	(4.1%)
Expected credit loss	2,061	1,908	8.0%	1,673	23.2%	3,734	3,674	1.6%
Finance costs	470	538	(12.7%)	466	0.8%	935	1,074	(12.9%)
Other expenses	0.3	0.6	(47.4%)	14	(97.6%)	14	5	165.6%
Total Expenses	4,430	4,470	(0.9%)	4,183	5.9%	8,612	8,851	(2.7%)
Profit before tax income	724	1,003	(27.8%)	989	(26.8%)	1,713	2,015	(15.0%)
Income tax expenses	145	218	(33.7%)	209	(30.9%)	354	422	(16.1%)
Net profit Attributable to Owner of the Parent	642	792	(18.8%)	793	(19.0%)	1,435	1,563	(8.2%)
Consol: Earnings Per Share (Baht per share)	2.59	3.18	(18.6%)	3.20	(19.1%)	5.80	6.26	(7.3%)
Separate: Earnings Per Share (Baht per share)	3.18	3.10	2.6%	3.25	(2.2%)	6.43	6.07	5.9%

Revenues

For the financial performance in 2Q/2026, the Company reported total revenue of THB 5,154 million, which remained stable QoQ but decreased by 5.8% YoY. Consequently, total revenue for 1H/2026 amounted to THB 10,325 million, representing a 5.0% decline YoY. This decline in interest income for this quarter continued to reflect the strategic portfolio rebalancing and gradual downsizing of credit cards, personal loans, as well as hire purchase loan portfolios. However, this was well-supported by robust growth in other income.

In this regard, other income in 2Q/2026 stood at THB 1,108 million, growing by 7.5% YoY and increasing by 11.6% QoQ. This growth was primarily driven by a gain on sale of written-off receivables of THB 144 million. The Company remains committed to managing and expanding its other income base to build solid financial stability. As of the end of 2Q/2026, other income accounted for 20.3% of total revenue

Revenue Structure





Credit Card

In 1H/2026, credit card revenue totaled THB 3,056 million, representing a 10.5% decrease YoY. Specifically in 2Q/2026, credit card revenue stood at THB 1,482 million, declining by 13.3% YoY and 5.9% QoQ. This slowdown is in line with the reduction of the credit card loan portfolio under the Company's proactive risk management approach, which prioritizes asset quality preservation over aggressive new loan growth amidst a stable credit card industry. The Company recently launched AEON World Master Card and AEON VISA Platinum cards. These cards offer enhanced benefits, including 5% and 3% cash back on spending at leading supermarkets nationwide. In 2Q/2026, revenue from the credit card business accounted for 30.0% of total revenue.

Personal Loan

In 1H/2026, the personal loan business generated total revenue of THB 4,425 million, representing a 7.0% decrease YoY. Meanwhile, in 2Q/2026 specifically, the Company recorded personal loan revenue of THB 2,206 million, declining by 6.9% YoY but remaining stable QoQ. This revenue slowdown directly reflects the Company's cautious lending policy amidst a fragile economic environment, coupled with portfolio quality control through continuous debt restructuring and mediation. Nevertheless, the Company has focused on strengthening its business capabilities to drive new growth by promoting the 'One Loan' product, which allows customers to conveniently making payments. Concurrently, the Company enhanced its Ecosystem Integration by seamlessly combining digital service channels with physical branch operations. As of the end of 2Q/2026, revenue from the personal loan business remained the primary revenue source, accounting for 43% of total revenue.

Hire Purchase

In 1H/2026, accumulated hire purchase revenue stood at THB 743 million, representing a 1.5% increase YoY. This growth was achieved despite hire purchase revenue in 2Q/2026 specifically amounting to THB 375 million, which experienced a slight slowdown of 1.3% YoY and a decrease of 7.5% QoQ. This deceleration was a result of risk control measures in response to volatility in the used car market, where the Company continued to temporarily suspend new hire purchase loans for used cars. Concurrently, the Company shifted its focus toward continuously expanding its motorcycle loan portfolio, which offers appropriate yields, through its previously developed network of new partners. Consequently, the overall hire purchase portfolio remained stable. As of the end of 2Q/2026, revenue from the hire purchase business accounted for 7.2% of total revenue.

Others

Regarding the financial performance in 2Q/2026, the Company recorded total other income of THB 1,108 million, bringing accumulated other income for 1H/2026 to THB 2,101 million, which accounted for 20.3% of total revenue. For this quarter, the other income structure consisted of bad debt recovery of THB 616 million, representing a 4.5% growth YoY, driven by successful efficiency enhancements in collection processes and legal execution procedures, alongside insurance brokerage income of THB 148 million. Concurrently, the Company recognized additional other income from a gain on sale of written-off receivables amounting to THB 144 million in this quarter.



Expenses

The Company had total expenses of 4,430 million Baht in 2Q/2026 and an accumulated amount of 8,612 million Baht in 1H/2026. The details of various expenses consist of major items, namely operating and administrative expenses, expected credit losses, and financial costs, with the details as follows:

Operating and Administrative Expenses

In 2Q/2026, the Company's operating and administrative expenses decreased to THB 1,899 million, bringing the accumulated total for 1H/2026 to THB 3,929 million. This figure reflects the efficiency of the Company's cost control policies, which include the optimization of marketing costs, systematic management of branches and branch formats. Consequently, the Cost-to-Income Ratio decreased to 38.1% in the consolidated financial statements and to 36.6% in the separate financial statements, with both ratios remaining within an appropriate range.

Expected Credit Loss (ECL)

In 2Q/2026, the Company recorded expected credit losses (ECL) of THB 2,061 million in the consolidated financial statements, representing an increase of 8.0% YoY and 23.2% QoQ. This brought the accumulated total for 1H/2026 to THB 3,734 million, representing a slight increase of 1.6% YoY. The higher expenses in this quarter, in addition to reflecting the asset quality adjustment in the domestic hire purchase business and the loan portfolio in Cambodia, were driven by the Company's proactive measures to support the asset management company (AMC) business's goal of achieving stable and resilient long-term growth. Specifically, the Company enhanced its provision to be more disciplined, resulting in additional provisioning expenses in this quarter. All of these initiatives underscore the Company's commitment to a cautious credit risk control and management policy.

Finance Cost

In 2Q/2026, the Company's finance costs totaled THB 470 million, representing a decline of 12.7% YoY and a continuous decrease QoQ. Accumulated finance costs for 1H/2026 amounted to THB 935 million, representing a 12.9% decrease compared to the same period last year. The primary factors driving the continuous reduction in finance costs were the downward trend of the policy interest rate, alongside the success in securing diversified and optimal funding sources. In this regard, the Company remains committed to financial structure management to strike a balance between maintaining a strong liquidity position and optimizing funding cost efficiency.

Net Profit

In 2Q/2026, the Company recorded a net profit attributable to owners of the parent of THB 642 million, representing earnings per share (EPS) of THB 2.59, which declined by 18.8% year-on-year (YoY) and 19.0% quarter-on-quarter (QoQ). This brought the accumulated net profit for 1H/2026 to THB 1,435 million, representing an 8.2% decrease YoY, with earnings per share of THB 5.80. This decline in net profit was primarily due to the increase in expected credit losses (ECL).

Nevertheless, the Company maintained its core profitability through effective cost control, particularly in managing operating expenses of the core business in the separate financial statements. Consequently, the Company achieved a net profit margin of 17.1% in the separate financial statements and 13.2% in the consolidated financial statements.



2. Balance Sheet

Statement of Financial Position	August 31, 2026	February 28, 2026	Change
Unit : Million Baht			%YTD
Accounts Receivable	84,415	86,176	(2.0%)
Total Assets	85,597	88,307	(3.1%)
Total Borrowing	51,960	53,676	(3.2%)
Total Liabilities	56,659	60,178	(5.8%)
Equity Attributable to Owners of the Parent	28,028	27,195	3.1%
ROE (attributable to owners of the parent)	10.9%	11.6%	-
ROA	3.4%	3.4%	-
D/E Ratio	2.0 times	2.1 times	-

Total Assets

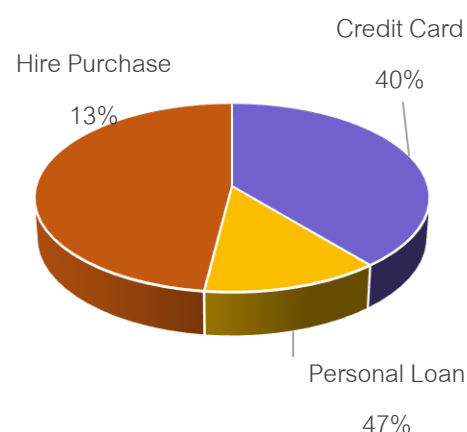
As of August 31, 2026, the company's total consolidated assets stood at 85,597 million baht, a 3.1% decrease from February 28, 2026. The majority of assets consist of net accounts receivable, accounting for approximately 89% of total assets.

Accounts Receivable

As of August 31, 2026, the Company's total trade receivables in the consolidated financial statements stood at THB 84,415 million, representing a 2.0% decrease compared to the end of the previous fiscal year, driven by credit risk control and stringent lending practices in line with the industry trend. Within this portfolio, credit card receivables amounted to THB 32,966 million, down by 3.3%, and personal loans (loan receivables) stood at THB 40,322 million, representing a 1.4% decrease compared to the end of the previous fiscal year.

Meanwhile, the hire purchase loan portfolio maintained its outstanding accumulated balance at THB 11,056 million, remaining stable compared to the end of the previous fiscal year. This stability was maintained amidst enhanced underwriting stringency and the temporary suspension of hire purchase loans for used cars, which consequently led to a deceleration in the overall growth of the hire purchase portfolio.

Accounts Receivable Segmentation



Allowance for expected credit loss

As of August 31, 2026, the Company recorded expected credit losses (ECL) of THB 8,302 million in the consolidated financial statements, representing an increase of 2.6% from the end of the previous fiscal year, which translated to an ECL allowance-to-total-outstanding-receivables ratio of 9.8%.

Regarding loan portfolio quality, the proportion of Stage 2 loans increased to 3.3% from 2.9% in the previous quarter. Meanwhile, the non-performing loan (NPL) ratio in the consolidated financial statements rose to 5.9% from 5.5% in the previous quarter and the NPL ratio in the separate financial statements slightly increased to 5.6%, despite asset quality challenges in the hire purchase business. Furthermore, the NPL coverage ratio remained strong at 166%, reflecting sufficient and stringent provisioning in accordance with the Company's prudent business operations approach.

Liabilities

As of August 31, 2026, the Company recorded total liabilities in the consolidated financial statements of 56,659 million Baht, representing a decrease of 5.8% from the end of the previous fiscal year, of which the Company recorded total interest-bearing liabilities of 51,960 million Baht, a decrease of 3.2% from the end of the prior fiscal year, consisting of long-term interest-bearing liabilities of 25,432 million Baht, or accounting for a proportion of 49% of total borrowings. In this regard, to manage risk from potential volatility of foreign exchange rates and interest rate, the Company has entered into cross-currency and interest rate swap contracts to hedge its liabilities.

Debentures, Solvency and Liquidity Management

As of August 31, 2026, the Company had long-term, unsubordinated, and unsecured debentures with maturities within one year, totaling 1,472 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 11,900 million baht and another 3,000 million baht in committed revolving credit facilities with several domestic financial institutions. Cash and cash equivalents amount to 3,439 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's corporate credit rating is evaluated and reviewed annually by Fitch Ratings, a leading credit rating agency. The Company has maintained its credit rating at 'A-' with a 'Stable' outlook. Furthermore, in terms of ESG, the Company's MSCI ESG Rating was upgraded to 'AA', while its SET ESG Rating was recognized at 'A' through the FTSE ESG assessment. In addition, the Company received an 'Excellent' recognition level (5-star rating) from the Corporate Governance Report of Thai Listed Companies (CGR) assessment, conducted by the Thai Institute of Directors Association (IOD), as summarized below:

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

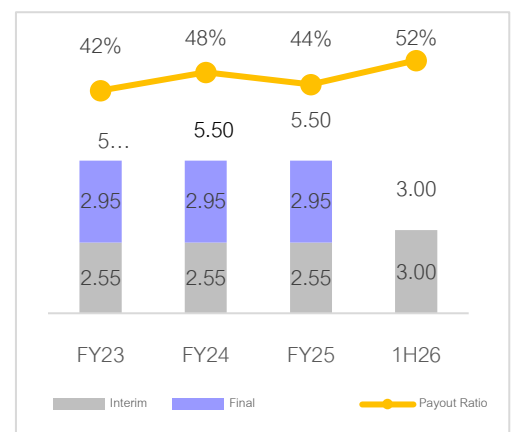
Shareholders' Equity

As of August 31, 2026, the equity attributable to the parent company was 28,028 million baht, an increase of 3.1% from February 28, 2026. The book value (equity of the parent company) as of August 31, 2026, was 113.27 baht per share.

Dividend Payment

The Board of Directors approved an interim dividend payment of 3.00 Baht per share, representing a dividend payout ratio of 52%, with the record date to

Dividend Payment





determine the list of shareholders entitled to receive the dividend scheduled on October 22, 2026, and the dividend payment scheduled on November 6, 2026.

Key Financial Ratios

Key Financial Ratio	August 31, 2026	FY2025	FY2024
Book Value per Share (attributable to owners of the parent) (Baht)	113.27	109.38	104.20
EPS (Baht)	5.80	12.44	11.44
EBIT margin (%)	23.16%	28.7%	27.6%
D/E (times)	2.0	2.1	2.4
DSCR (times)	0.24	0.30	0.27
ROA (%)	3.4%	3.4%	3.1%
ROE (%)	10.9%	11.6%	11.3%
Allowance for doubtful account to total receivables (%)	9.8%	9.4%	8.0%
Coverage Ratio (%)	166%	169%	154%
NPL (%)	5.9%	5.6%	5.2%
Stage 2 Ratio (%)	3.3%	2.7%	2.7%

Key Related Transaction in Q2/2026

On September 11, 2026, the Board of Directors of the Company resolved to waive its rights to subscribe for the capital increase of AEON Specialized Bank (Cambodia) Plc. ("ASBC"), a subsidiary, in the amount of USD 3.5 million or equivalent to Baht 216.52 million. Following the completion of the rights waiver and the capital increase, the Company's proportion of shareholding will decrease from 50.00% to 43.01%.

3. 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 upgrade on ESG rating to 'AA' 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



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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.