July 31, 2014

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Aozora Reports Net Income of 12.3 billion for the First Three Months of FY2014;
- Progress of 29% towards full-year forecast -

TOKYO July 31, 2014 – Aozora Bank, Ltd. ("Aozora" or "the Bank"), a leading Japanese commercial bank, today announced its financial results for the first three months of FY2014.

Earnings results for the first three months of FY2014

For the first three months of FY2014, Aozora reported consolidated net revenue of 21.9 billion yen and net income of 12.3 billion yen, representing progress of 24% and 29%, respectively, towards the full-year forecasts of 92.0 billion yen and 43.0 billion yen.

Shinsuke Baba, Representative Director, President and Chief Executive Officer of Aozora Bank commented, "While the Japanese economy continued its moderate recovery and aggregate domestic loan demand increased gradually during the first quarter, pricing competition in the domestic lending market remained intense. Despite this challenging environment, our net interest margin expanded, and we recorded an increase in net interest income as a result of our disciplined and efficient balance sheet management. Non-interest income also increased due to the continued solid performance of our business groups. With net income of 12.3 billion yen, we were able to get off to a good start towards achieving our full-year earnings forecast of 43.0 billion. In addition, today we announced that the first quarter dividend payment will be 3 yen per common share."

Baba concluded, "We remain committed to enhancing our corporate value through a focus on refining and implementing our business model which is designed to achieve sustainable earnings growth. I would like to express my gratitude to all of our stakeholders for their continuing support."

1. Summary of the results for the first three months (Consolidated)

- Net revenue was 21.9 billion yen, an increase of 1.1 billion yen, or 5.5% year on year, reflecting year on year increases in both net interest income and non-interest income. Business profit was 12.5 billion yen, an increase of 1.5 billion yen, or 13.7% year on year. Net income was 12.3 billion yen, representing progress of 29% towards the full-year forecast of 43.0 billion yen.
  - Net interest income was 12.0 billion yen, an increase of 0.9 billion yen, or 8.0% year on year. The Bank's net interest margin increased 15 bps to 1.20%. Contributing to this result was an increase in the yield on total investments as the Bank continued its disciplined and efficient balance sheet management. Also contributing was a reduction in funding costs of 9 bps year on year as a result of our ongoing efforts to reduce funding costs.
  - General and administrative expenses were reduced 0.4 billion yen, or 3.9% year on year, to 9.4 billion yen. The overhead ratio or OHR (general and administrative expenses as a percentage of net revenue) remained low at 42.9%, reflecting the ongoing priority assigned to efficient operations.
  - Credit-related expenses were a net reversal of 8.8 billion yen compared with a net expense of 3.8 billion yen recorded in the first three months of FY2013. This result included significant recoveries of written-off claims and gains on the disposition of loans, in addition to the reversal of reserves, as a result of preventative measures previously taken by the Bank, including the conservative allocation of reserves.

- Ordinary profit was 21.6 billion yen, an increase of 6.4 billion yen, or 42.4% year on year. During the quarter, an extraordinary loss of 5.7 billion yen was recognized as a result of crystalizing a negative foreign currency translation adjustment previously recorded in consolidated net assets, in conjunction with the sale of an impaired overseas legacy investment. The Bank's total capital was not affected by the recognition of this loss. Taxes were a net expense of 3.5 billion yen, compared with a net expense of 1.8 billion yen in the first three months of FY2013.

- The loan balance was almost unchanged at 2,642.0 billion yen, a decrease of 1.5 billion yen, or 0.1%, from March 31, 2014 as the Bank maintained its focus on balancing risk and return. Domestic loans decreased by 19.0 billion yen, and overseas loans increased by 17.5 billion yen.

- The percentage of retail funding to total core funding (the sum of deposits, negotiable certificates of deposit and debentures) was stable at 64.8%. The Bank maintained adequate liquidity reserves of approximately 500 billion yen as of June 30, 2014.

- Non-performing claims as defined by the Financial Reconstruction Law (FRL) were 74.1 billion yen, a decrease of 6.0 billion yen, or 7.5%, from March 31, 2014. The FRL ratio improved by 0.23 points to 2.75%. In addition, the percentage of FRL claims covered by reserves, collateral and guarantees was 87.8% as of June 30, 2014. The ratio of loan loss reserves to total loans on a consolidated basis remained high at 2.33%.

- Aozora will announce its June 30, 2014 consolidated capital adequacy ratio (Basel III basis, domestic standard) at a later date. As of March 31, 2014, the ratio was 15.13%, and is expected to remain high.

2. Performance in the first three months of FY2014 (April 1, 2014 to June 30, 2014)

Consolidated basis

(100 million yen)	Ordinary Income	Net Revenue	Business Profit	Ordinary Profit	Net Income	Net Income per common share
FY2014 1st quarter (Apr. – Jun.) (a)	364	219	125	216	123	10.24 Yen
FY2013 1st quarter (Apr. – Jun.) (b)	398	208	110	152	133	11.05 Yen
Change (a) - (b)	-33	11	15	64	-10	-0.81 Yen
Percentage change ((a)-(b)) / (b)	-8.4%	5.5%	13.7%	42.4%	-7.5%	-5.3%
FY2014 full-year forecast (c)		920	510	515	430	35.60 Yen
Progress (a)/(c)		23.8%	24.5%	42.0%	28.6%	28.8%

Non-consolidated basis

(100 million yen)	Ordinary Income	Net Revenue	Business Profit before general loan-loss reserve	Ordinary Profit	Net Income	Net Income per common share
FY2014 1st quarter (Apr. – Jun.) (a)	351	197	110	206	172	14.39 Yen
FY2013 1st quarter (Apr. – Jun.) (b)	323	195	105	85	69	5.53 Yen
Change (a)-(b)	28	2	6	121	103	8.86 Yen
Percentage change ((a)-(b)) / (b)	8.5%	1.1%	5.3%	141.7%	150.0%	160.2%
FY2014 full-year forecast (c)		860	475	495	420	34.74Yen
Progress (a)/(c)		22.9%	23.2%	41.6%	40.8%	41.4%

Ⅰ. Revenue and Expenses

(100 million yen)	FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)－(A) Amount	Change (B)－(A) %	Page
Net revenue	**208**	**219**	**11**	**5.5%**	**-**
Net interest income	111	120	9	8.0%	4
Net interest margin	*1.05%*	*1.20%*	*0.15%*	-	4
Net fees and commissions	29	25	-4	-14.3%	4
Net trading revenues	21	24	3	15.7%	5
Net other ordinary income	47	50	3	7.1%	-
Gains/losses on bond transactions	-1	27	29	-	5
Net other ordinary income excluding gains/losses on bond transactions	48	23	-25	-52.7%	5
General & administrative expenses	-98	-94	4	3.9%	6
Business profit	**110**	**125**	**15**	**13.7%**	**-**
Ordinary profit	**152**	**216**	**64**	**42.4%**	**-**
Net income	**133**	**123**	**-10**	**-7.5%**	**-**
Credit-related expenses	-38	88	125	-	6
Extraordinary Profit	-0	-57	-57	-	-
Taxes	-18	-35	-17	-	6

In the first three months of FY2014, the Bank recorded consolidated net revenue of 21.9 billion yen, a year on year increase of 1.1 billion yen, or 5.5%, and progress of 24% towards the full-year forecast of 92.0 billion yen.

Net interest income was 12.0 billion yen, an increase of 0.9 billion yen, or 8.0% year on year. The Bank’s net interest margin increased 15 bps to 1.20%. Contributing to this result was an increase in the yield on total investments of 6 bps as the Bank continued its disciplined and efficient balance sheet management. Also contributing was a reduction in funding costs of 9 bps year on year as a result of our ongoing efforts to reduce funding costs.

Non-interest income was 9.9 billion yen, an increase of 0.2 billion yen, or 2.5% year on year. Net fees and commissions decreased 0.4 billion yen, or 14.3% year on year, to 2.5 billion yen. Net trading revenues increased 0.3 billion yen, or 15.7%, to 2.4 billion yen, mainly reflecting growth in earnings from the sale of derivative-related products. Gains/losses on bond transactions were a gain of 2.7 billion yen, due to gains mainly from Japanese government bonds, compared with a loss of 0.1 billion yen in the first three months of FY2013. Net other ordinary income, excluding gains/losses on bond transactions, was 2.3 billion yen, a decrease of 2.5 billion yen, or 52.7%, from the first three months of FY2013.

General and administrative expenses were 9.4 billion yen, a reduction of 0.4 billion yen, or 3.9% year on year. The OHR remained low at 42.9%, reflecting the ongoing priority assigned to efficient operations.

Consolidated business profit was 12.5 billion yen, an increase of 1.5 billion yen, or 13.7%.

Credit-related expenses were a net reversal of 8.8 billion yen, compared with a net expense of 3.8 billion yen in the first three months of FY2013. This result included significant recoveries of written-off claims and gains on the disposition of loans, in addition to the reversal of reserves, as a result of preventative measures previously taken by the Bank, including the conservative allocation of reserves.

Ordinary profit was 21.6 billion yen, an increase of 6.4 billion yen, or 42.4%. During the quarter, an extraordinary loss of 5.7 billion yen was recognized as a result of crystalizing a negative foreign currency translation adjustment previously recorded in consolidated net assets, in conjunction with the sale of an impaired overseas legacy investment. The Bank’s total capital was not affected by the recognition of this loss. Taxes were a net expense of 3.5 billion yen, compared with a net expense of 1.8 billion yen in the first three months of FY2013.

As a result of the aforementioned factors, consolidated net income was 12.3 billion yen, a decrease of 1.0 billion yen, or 7.5% year on year, representing progress of 29% towards the full-year forecast of 43.0 billion yen.

1. Net Revenue

(1)①Net Interest Income

(100 million yen)		FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)−(A)
Net interest income	(a)-(b)	111	120	9
Interest income	(a)	152	153	1
Interest on loans and discounts		108	102	-6
Interest and dividends on securities		38	47	9
Other interest income		3	2	-0
Interest on swaps		3	2	-1
Interest expenses	(b)	-41	-34	8
Interest on deposits and NCDs *		-31	-25	7
Interest on debentures		-2	-1	1
Interest on borrowings and rediscount		-1	-2	-0
Other interest expenses		-3	-2	1
Interest on swaps		-4	-4	0

* Negotiable certificates of deposit

(1)②Net Interest Margin

		FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)−(A)
Yield on total investments	(a)	1.48%	1.54%	0.06%
Yield on loans	(b)	1.67%	1.58%	-0.09%
Yield on securities		1.15%	1.50%	0.35%
Yield on funding	(c)	0.43%	0.34%	-0.09%
Net interest margin	(a)-(c)	1.05%	1.20%	0.15%
Loan margin	(b)-(c)	1.24%	1.24%	0.00%

Net interest income was 12.0 billion yen, an increase of 0.9 billion yen, or 8.0% year on year. The yield on total investments was 1.54%, an improvement of 6 bps. This result reflected an improvement in the yield on securities with a decrease in the rate of decline in the yield on loans as the Bank maintained its focus on balancing risk and return. Funding costs were reduced 9 bps to 0.34% as a result of our ongoing efforts to reduce funding costs. The net interest margin increased 15 bps to 1.20%.

(2) Net Fees and Commissions

(100 million yen)		FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)−(A)
Net fees and commissions	(a)-(b)	29	25	-4
Fees and commissions received	(a)	32	27	-4
Loan business-related		11	8	-3
Securities-related and agency		17	16	-1
Others		4	3	-1
Fees and commissions payments	(b)	-3	-2	0

Net fees and commissions were 2.5 billion yen, a decrease of 0.4 billion yen, or 14.3% year on year.

Earnings from the sale of investment trusts, insurance and structured bonds, targeting the needs of our mass affluent retail customers, were 1.6 billion yen, a decrease of 0.2 billion yen year on year. This result reflected a decrease in the sale of equity-related investment products compared with the strong performance in the first three months of FY2013, which was due to factors including favorable market conditions. The Bank will continue its efforts to strengthen its asset management consultation services, as well as enhance its product line-up by utilizing its newly established investment management subsidiary.

【Ref. 】Earnings from Retail-Related Business

(100 million yen)	FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)－(A)
Earnings related to the sale of investment trusts, insurance and structured bonds	18	16	-2

Note: Earnings related to the sale of structured bonds are recorded as trading revenues.

(3) Net Trading Revenues

(100 million yen)	FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)－(A)
Net trading revenues	21	24	3
Income on trading-related financial derivatives transactions	14	22	8
Others	7	2	-5

Net trading revenues were 2.4 billion yen, an increase of 0.3 billion yen, or 15.7% year on year, as a result of the favorable sale of derivative-related products to our corporate and financial institution customers.

(4) Gains/losses on Bond Transactions

(100 million yen)	FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)－(A)
Gains/losses on bond transactions	-1	27	29
Japanese government bonds	1	15	14
Foreign government bonds and mortgage bonds	-13	-0	13
Others	11	13	2
Profit from hedge funds	0	3	3
Others (REIT, foreign currency ETFs, etc.)	11	10	-1

Gains/losses on bond transactions were a gain of 2.7 billion yen, compared with a loss of 0.1 billion yen in the first three months of FY2013. During the quarter, gains on the sale of JGBs, J-REITs and foreign currency-denominated ETFs were recorded, while the Bank focused on diversifying its investment portfolio.

(5) Net Other Ordinary Income Excluding Gains/losses on Bond Transactions

(100 million yen)	FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)－(A)
Net other ordinary income excluding gains/losses on bond transactions	48	23	-25
Gains /losses on foreign currency transactions	4	-6	-9
Gains /losses on derivatives other than trading, net	2	0	-2
Gains from limited partnerships	36	13	-23
Real estate-related	8	2	-6
Distressed loan-related	19	10	-10
Others (Buyout and venture capital, etc.)	9	1	-8
Gains on distressed loans (Aozora Loan Services)	4	3	-2
Debenture issue cost	-0	-0	-0
Others	2	13	11

Net other ordinary income, excluding gains/losses on bond transactions, was 2.3 billion yen, a decrease of 2.5 billion yen, or 52.7% year on year. ‘Others’ was 1.3 billion yen, mainly representing gains on overseas investments.

2. General and Administrative Expenses (G & A Expenses)

(100 million yen)	FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)−(A)
G & A expenses	-98	-94	4
Personnel	-49	-48	1
Non-personnel expense	-43	-40	3
Tax	-6	-6	-0

General and administrative expenses were 9.4 billion yen, a year on year reduction of 0.4 billion yen, or 3.9%, reflecting the Bank’s continued focus on cost control. The OHR remained low in comparison with other banks at 42.9% due to growth in net revenue, as well as the Bank’s ongoing priority assigned to efficient operations.

3. Credit-Related Expenses

(100 million yen)	FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)−(A)
Credit-related expenses	-38	88	125
Write-off of loans	-3	-0	3
Gains/losses on disposition of loans	3	26	23
Reserve for possible loan losses	-53	30	83
Specific reserve for possible loan losses	-19	12	30
General reserve for possible loan losses	-35	18	52
Reserve for credit losses on off-balance-sheet instruments	-2	11	13
Recoveries of written-off claims	17	21	4

Credit-related expenses were a net reversal of 8.8 billion yen compared with a net expense of 3.8 billion yen recorded in the first three months of FY2013. This result included significant recoveries of written-off claims and gains on the disposition of loans, in addition to the reversal of reserves, as a result of preventative measures previously taken by the Bank, including the conservative allocation of reserves. The ratio of loan loss reserves to total loans remained high at 2.33%.

4. Taxes

(100 million yen)	FY2013 Apr. - Jun. (A)	FY2014 Apr. - Jun. (B)	Change (B)−(A)
Taxes	-18	-35	-17

A net tax expense of 3.5 billion yen was recognized in the first three months of FY2014, compared with a net expense of 1.8 billion yen in the first three months of FY2013. The effective tax rate, excluding the impact of extraordinary losses related to foreign currency translation adjustment, was 16.4%. In calculating deferred tax assets, the Bank continued its conservative estimation of future taxable income and future deductible temporary differences in consideration of the uncertainty of such estimations.

Ⅱ. Balance Sheet

(100 million yen)	Mar. 31, 2014 (A)	Jun.30, 2014 (B)	Change (B)－(A) Amount	Change (B)－(A) %	Jun.30, 2013	Page
Total assets	**48,054**	**49,224**	**1,169**	**2.4%**	**45,953**	-
Loan and bills discounted	26,435	26,420	-15	-0.1%	25,758	8
Securities	11,686	12,882	1,196	10.2%	12,925	9
Cash and due from banks	4,419	3,728	-691	-15.6%	1,910	-
Others	5,514	6,194	680	12.3%	5,360	-
Total liabilities	**42,894**	**44,114**	**1,220**	**2.8%**	**41,036**	-
Deposits	27,567	26,912	-655	-2.4%	26,618	8
Negotiable certificates of deposit	2,531	2,627	96	3.8%	1,976	8
Debentures	1,976	2,073	98	5.0%	1,594	8
Borrowed money	1,588	2,231	644	40.6%	1,702	-
Others	9,234	10,271	1,037	11.2%	9,145	-
Total net assets	**5,160**	**5,110**	**-50**	**-1.0%**	**4,917**	-
Capital stock	1,000	1,000	-	-	1,000	-
Capital surplus	3,102	2,897	-205	-6.6%	3,102	-
Retained earnings	2,098	2,164	66	3.1%	1,937	-
Treasury stock	-993	-993	-	-	-993	-
Valuation difference on available-for-sale securities	-31	4	35	-	-69	-
Foreign currency translation adjustment	-69	-13	56	81.4%	-73	-
Others	53	51	-2	-4.0%	13	-
Total liabilities and net assets	**48,054**	**49,224**	**1,169**	**2.4%**	**45,953**	-

Total assets were 4,922.4 billion yen as of June 30, 2014, an increase of 116.9 billion yen, or 2.4%, compared to March 31, 2014. Loans were almost unchanged at 2,642.0 billion yen, a decrease of 1.5 billion yen, or 0.1%, from March 31, 2014. Securities increased by 119.6 billion yen, or 10.2%, from March 31, 2014, to 1,288.2 billion yen.

On the funding side, total deposits and negotiable certificates of deposit decreased 55.9 billion yen, while debentures increased 9.8 billion yen and borrowed money increased 64.4 billion yen as compared to March 31, 2014.
Funding from retail customers was approximately 2,050 billion yen, and the percentage of retail funding to total core funding was stable at 64.8%. Total liabilities increased 122.0 billion yen, or 2.8%, to 4,411.4 billion yen.

Net assets were 511.0 billion yen, representing a decrease of 5.0 billion yen, or 1.0%, in comparison with March 31, 2014. This change was mainly due to the repayment of public funds through a super preferred dividend made from capital surplus based on the Comprehensive Recapitalization Plan.
Foreign currency translation adjustment improved 5.6 billion yen as a result of crystallizing unrealized currency losses as explained in “1. Summary of the results for the first three months (Consolidated) ”. The Bank’s total net assets were not affected as a result of this transaction.

Net assets per common share were 306.08 yen as compared to 292.83 yen per common share as of March 31, 2014.

1. Funding (Deposits and Debentures)

(100 million yen)	Mar. 31, 2014 (A)	Jun. 30, 2014 (B)	Change (B)－(A)	Jun. 30, 2013
Retail	20,463	20,486	23	20,436
Corporate, etc.	6,503	5,777	-726	5,130
Financial Institutions	3,166	3,309	143	3,070
Financial Institutions (Debentures)	1,942	2,041	99	1,552
Total core funding	32,073	31,612	-461	30,188

Total core funding was 3,161.2 billion yen, a decrease of 46.1 billion yen, or 1.4%, from March 31, 2014. The Bank continued its efforts to reduce funding costs while maintaining a stable funding base. The percentage of retail funding to total core funding was 64.8%.

The Bank maintained adequate liquidity reserves of approximately 500 billion yen as of June 30, 2014.

2. Loans

(100 million yen)	Mar. 31, 2014 (A)	Jun. 30, 2014 (B)	Change (B)－(A)	Jun. 30, 2013
Loans	26,435	26,420	-15	25,758

Loans were almost unchanged at 2,642.0 billion yen, a decrease of 1.5 billion yen, or 0.1%, from March 31, 2014. In contrast to the decrease of approximately 140 billion yen experienced in the first quarter of FY2013, domestic loans decreased by 19.0 billion yen during the quarter, as the Bank maintained its focus on balancing risk and return. Overseas loans increased by 17.5 billion yen, as a result of the Bank’s selective origination of loans, mainly in North America.

In comparison with March 31, 2014, domestic loans to the leasing sector and the financial and insurance sector increased, while loans to the manufacturing sector and the real estate sector decreased.

3. Securities

(100 million yen)	Book value				Unrealized gains/losses			
	Mar. 31, 2014 (A)	Jun. 30, 2014 (B)	(B) – (A)	Jun.30, 2013	Mar. 31, 2014 (A)	Jun. 30, 2014 (B)	(B) – (A)	Jun.30, 2013
JGBs	3,459	4,047	589	5,708	20	12	-8	12
TDB only	1,702	3,002	1,300	2,802	-0	-0	-0	-0
15Y floating rate only	1,453	941	-512	1,461	23	12	-11	31
Municipal bonds	169	137	-32	150	1	1	0	-0
Corporate bonds	575	488	-87	653	3	3	-1	-4
Equities	295	302	8	263	6	7	1	6
Foreign bonds	3,672	3,885	213	3,328	-108	-61	46	-118
Others	3,516	4,022	506	2,824	38	72	34	46
Hedge funds	79	69	-10	89	21	19	-2	19
ETFs	1,308	1,795	487	701	6	24	19	11
Investment in limited partnerships	430	398	-32	546	0	0	0	4
REIT	349	367	18	250	14	28	14	19
Others	1,349	1,394	44	1,239	-3	-0	3	-7
Money market funds, etc.	1,247	1,274	27	1,195	-3	-1	2	-5
Total	11,686	12,882	1,196	12,925	-40	33	72	-58

Securities increased 119.6 billion yen, or 10.2%, from March 31, 2014, to 1,288.2 billion yen. The Bank's 15-year floating rate JGBs decreased 51.2 billion yen, or 35.3%. Treasury Discount Bills (TDBs) increased by 130.0 billion yen, or 76.4%, and domestic equities and foreign currency denominated ETFs also increased by 48.7 billion yen, or 37.2%.

Total unrealized gains amounted to 3.3 billion yen, increasing 7.2 billion yen from March 31, 2014.

Note: A portion of beneficial interests in investment trusts within 'monetary claims bought' is marked at fair value, but the amounts (balance sheet total 0.8 billion yen; valuation gains of 2 million yen as of June 30, 2014) are not included in the table above.

Ⅲ. Disclosed Claims under the Financial Reconstruction Law (Non-consolidated)

(100 million yen)	Mar. 31, 2014 (A)	Jun. 30, 2014 (B)	Change (B)－(A)	Jun. 30, 2013
Bankrupt and similar credit	36	26	-10	29
Doubtful credit	567	538	-29	704
Special attention credit	199	177	-22	243
FRL credit, total (a)	802	741	-60	976
Normal credit (b)	26,033	26,123	90	25,364
Total credit (c)((a)+(b))	26,834	26,864	30	26,340
FRL credit ratio (a)/(c)	2.98%	2.75%	-0.23%	3.70%

Non-performing claims as defined by the Financial Reconstruction Law (FRL) were 74.1 billion yen, a decrease of 6.0 billion yen, or 7.5%, from March 31, 2014. The FRL ratio improved by 0.23 points to 2.75%. In addition, the percentage of FRL claims covered by reserves, collateral and guarantees was 87.8% as of June 30, 2014. The ratio of loan loss reserves to total loans on a consolidated basis remained high at 2.33% as of June 30, 2014.

Aozora Bank, Ltd. is a leading provider of lending, securitization, business and asset revitalization, asset management, loan syndication and investment advisory services to financial institutions, corporate and retail customers. Originally established in 1957 as the Nippon Fudosan Bank, Ltd., the Bank changed its name to Aozora Bank, Ltd. in 2001. Aozora is proud of its heritage and the long-term relationships it has developed with corporate, financial and individual customers over the years. Building on this heritage, Aozora has created a strong customer-oriented and performance-based culture that will contribute to both innovative business solutions for customers and sustainable earnings growth for investors and shareholders.
News and other information about Aozora Bank, Ltd. is available at http://www.aozorabank.co.jp/english/

Forward-Looking Statements
This announcement contains forward-looking statements regarding the Bank's financial condition and results of operations. These forward-looking statements, which include the Bank's views and assumptions with respect to future events, involve certain risks and uncertainties. Actual results may differ from forecasts due to changes in economic conditions and other factors, including the effects of changes in general economic conditions, changes in interest rates, stock markets and foreign currency, and any ensuing decline in the value of our securities portfolio, incurrence of significant credit-related costs and the effectiveness of our operational, legal and other risk management policies.