

March 22, 2019

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Listed exchange: TSE, Code 8304
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Revision to FY2018 Full-Year Earnings and Dividend Forecasts

TOKYO March 22, 2019 - Aozora Bank, Ltd. ("Aozora" or "the Bank") today announced revisions to its full-year earnings and dividend payment forecasts announced on May 14, 2018.

1. Revision to FY2018 Full-Year Earnings Forecast (April 1, 2018 to March 31, 2019)

Consolidated basis

(billion yen)	Net revenue	Business profit	Ordinary profit	Profit attributable to owners of parent	Profit attributable to owners of parent per common share
Previous Forecast	92.0	40.0	58.5	43.0	368.59 yen
Revised Forecast	83.0	33.0	47.0	36.0	308.55 yen
Change	-9.0	-7.0	-11.5	-7.0	-60.04 yen
Percentage change	-9.8%	-17.5%	-19.7%	-16.3%	-16.3%

Non-consolidated basis

(billion yen)	Net revenue	Business profit before general loan-loss reserve	Ordinary profit	Profit	Profit per common share
Previous Forecast	84.0	41.0	59.0	42.0	360.02 yen
Revised Forecast	78.0	36.0	49.0	36.0	308.55 yen
Change	-6.0	-5.0	-10.0	-6.0	-51.47 yen
Percentage change	-7.1%	-12.2%	-16.9%	-14.3%	-14.3%

Reason for revision

The Bank has continued its focus on disciplined balance sheet management and diversification of income sources amid the ongoing challenging business environment facing the banking sector. However, the Bank has decided to revise its previously announced FY2018 full-year earnings forecast at this time mainly due to lower than expected transaction revenues from retail and financial institution customers, as well as poor results in the Bank's trading activities.

While we expect this challenging business environment to continue going into FY2019, Aozora is taking steps to develop a highly efficient business model tailored to the current business environment as well as our expectations of the future. An official FY2019 earnings forecast will be announced in May, together with our FY2018 full-year earnings results.

2. Revisions to FY2018 Full-Year Dividend Forecast

	Dividend per common share				
Record date	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Total
Previous forecast				64.00 yen	184.00 yen
Revised forecast				34.00 yen	154.00 yen
Payments in FY2018	40.00 yen	40.00 yen	40.00 yen		
Payments in FY2017	4.00 yen	4.00 yen	50.00 yen	54.00 yen	—

* The Bank consolidated every ten common shares into one common share on October 1, 2017. Figures in the 1st and 2nd quarters of "Payments in FY2017" reflect amounts from before the share consolidation went into effect, and the "Total" dividend payment amount for FY2017 has been left blank to avoid any confusion.

Reason for revision

The change to the cash dividend forecast reflects the revised earnings forecast while applying the Bank's 50% target dividend payout ratio.

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The forecasts contained in this announcement are based on certain assumptions reasonably determined by the Bank according to the most recently available information, and are not intended as a guarantee of future results. Actual results may differ from the forecasts due to a variety of factors.