

FY2024 Financial Results Overview

May 14, 2025

Key Points

V-shaped recovery with earnings exceeding forecast with higher dividend compared to forecast

Net revenue

85.6 billion yen

34.7 billion yen increase year-on-year
102% of forecast

Business-related profit*

27.1 billion yen

34.5 billion yen increase year-on-year
110% of forecast

Profit attributable to owners of parent

20.5 billion yen

70.4 billion yen increase year-on-year
114% of forecast

Business overview

- Net interest income increased due to the normalization of yen interest rates as well as an increase in domestic lending
- Non-interest income, especially fee income from LBO financing, increased mainly due to growing M&A needs in response to corporate governance reformations
- GMO Aozora Net Bank (GANB) has achieved profitability and is expected to remain profitable as a contributor to our earnings

Balance sheet repositioning (addressing legacy assets)

- With regard to U.S. office loans, exposure to “In Danger of Bankruptcy” borrowers decreased by approximately 40% in line with plan. Additional credit expenses were limited
- The net risk balance of the foreign currency securities portfolio was maintained at zero, and the unrealized losses decreased due to scheduled maturities

Progress on the capital and business alliance with Daiwa Securities Group

- The planning phase for the collaboration was completed, and Aozora is now transitioning to the revenue generation phase
- Progress on the alliance in respective business areas will be disclosed beginning in FY2025

Forecast

Full-year dividend per common share: 76 yen → 79 yen (4Q dividend: 19 yen → 22 yen)

Forecast

- The full-year dividend payout ratio was 51%

* Business profit + Gains/losses on stock transactions, etc.
(Gains/losses on stock transactions, etc. = Gains/losses on stock transactions + Provisions of allowance for investment loss + Gains/losses on equity derivatives)

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(Note) “1Q” refers to the period from April to June, “2Q” refers to the period from July to September, “3Q” refers to the period from October to December, and “4Q” refers to the period from January to March.

1. FY2025 earnings and dividend forecasts

FY2025 earnings and dividend forecasts

Earnings forecast (consolidated basis)

	FY2023 Results	FY2024 Results	(billion yen) FY2025 Forecast
Net revenue	50.9	85.6	95.0
Business profit* ¹	-8.5	25.0	32.0
<Reference> Business-related profit* ²	-7.3	27.1	35.0
Ordinary profit	-54.8	17.5	30.0
Profit attributable to owners of parent	-49.9	20.5	22.0

*1 Including gains/losses on equity method investments

*2 Business profit + Gains/losses on stock transactions, etc.

(Gains/losses on stock transactions, etc. = Gains/losses on stock transactions + Provisions of allowance for investment loss + Gains/losses on equity derivatives)

Dividend forecast

	FY2023 Results	FY2024 Results	FY2025 Forecast
Full-year dividend per common share	76 yen	79 yen	88 yen*

* Maintaining dividend payments on a quarterly basis

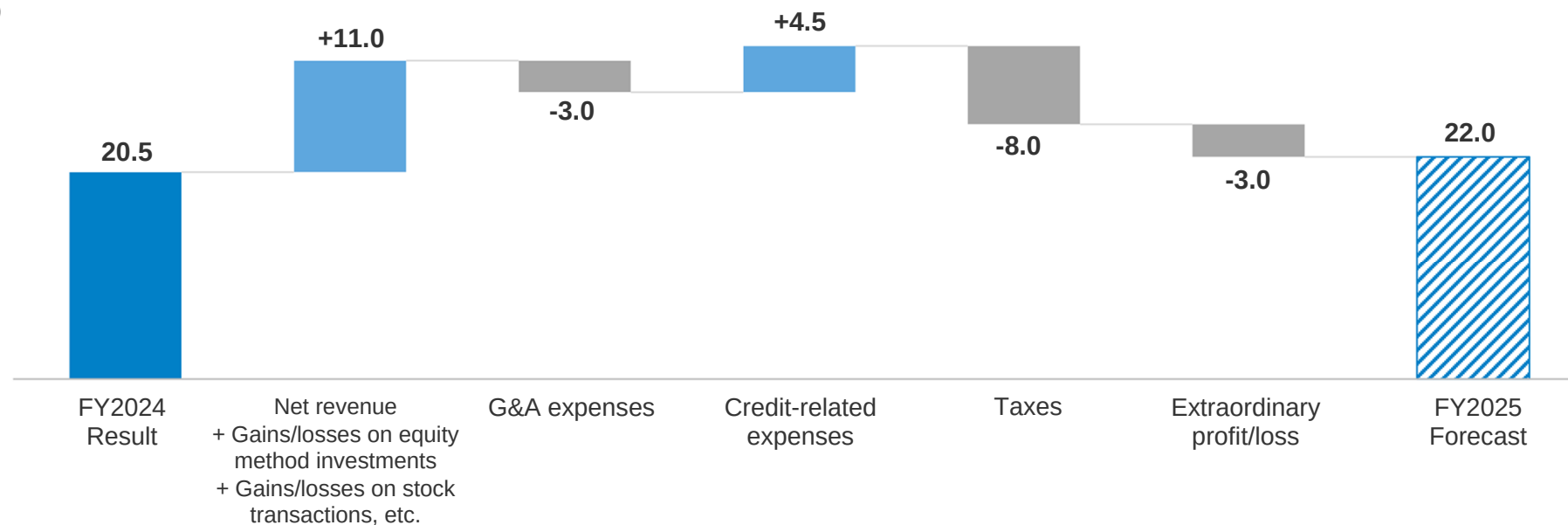
Assumptions for yen interest and foreign exchange rates in the earnings forecast

- BOJ's policy rate: 0.75% from July 2025
- Foreign exchange rate: US\$1 = 150 yen

FY2025 earnings forecasts (compared to FY2024 results)

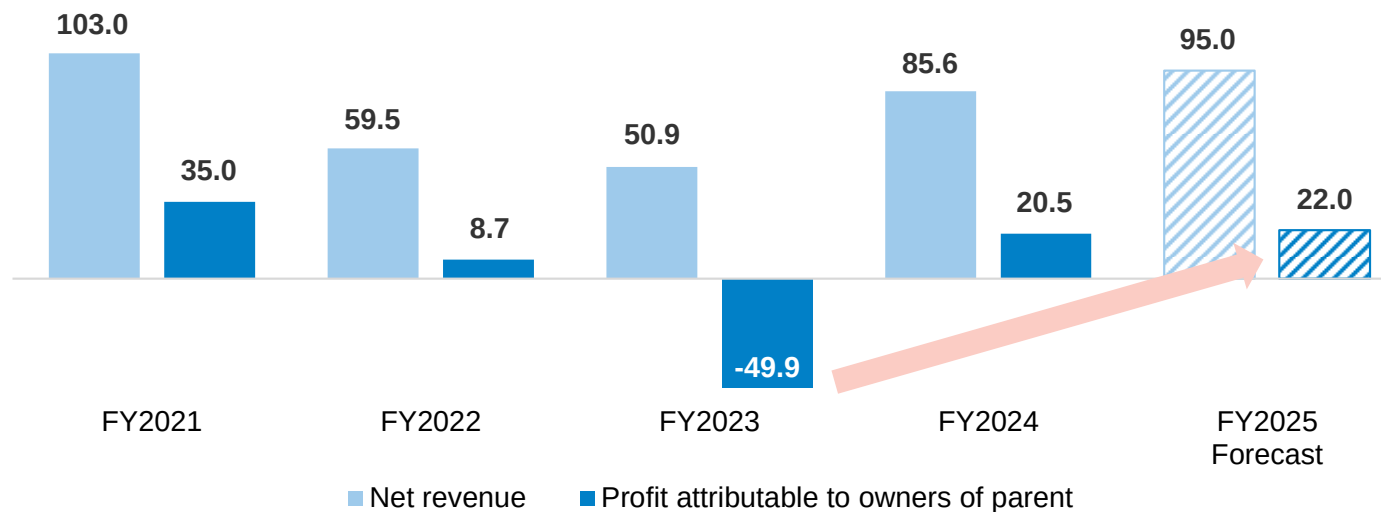
Major factors in change in profit attributable to owners of parent

(billion yen)



Net revenue and profit attributable to owners of parent

(billion yen)



2. P/L

P/L Summary (1)

P/L

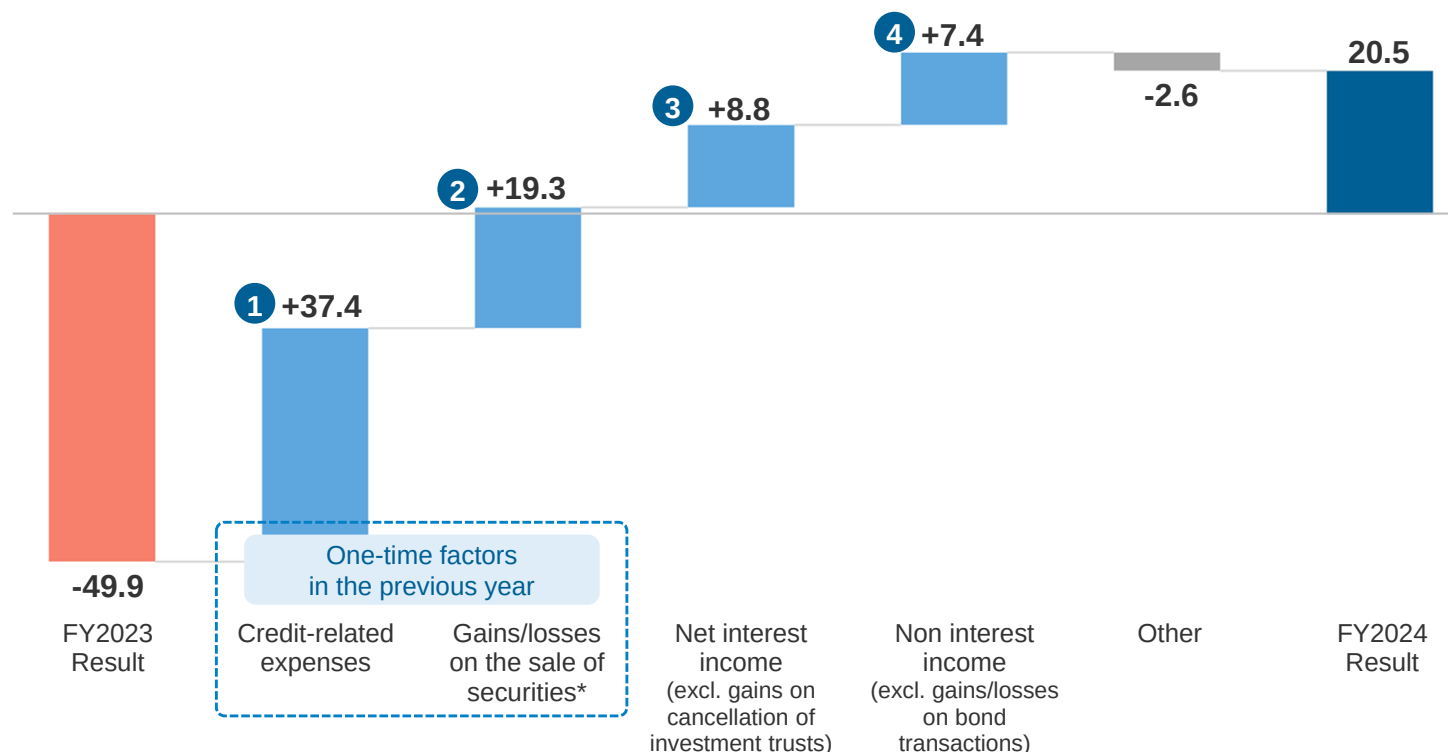
	FY2024 Forecast	FY2024					Progress	<Reference>		
		1Q	2Q	3Q	4Q	Full year A		FY2023 Full year B	A - B Change	%
(billion yen)										
Net revenue	84.0	20.7	20.7	21.2	22.9	85.6	102.0%	50.9	+34.7	+68.2%
Net interest income		12.0	12.6	11.7	12.1	48.7		42.0	+6.6	
Non-interest income		8.6	8.0	9.4	10.7	36.9		8.8	+28.0	
General & administrative expenses		-14.9	-15.3	-15.8	-16.7	-62.8		-61.8	-1.0	
Gains/losses on equity method investments		0.7	0.4	0.1	0.8	2.2		2.3	-0.0	
Business profit	24.0	6.4	5.8	5.6	7.0	25.0	104.3%	-8.5	+33.6	-
Credit-related expenses		-1.3	-2.2	-3.7	-2.0	-9.4		-46.9	+37.4	
Gains/losses on stock transactions		0.7	1.1	1.2	0.1	3.2		1.6	+1.6	
Ordinary profit	24.0	5.8	4.1	3.2	4.2	17.5	73.2%	-54.8	+72.3	-
Extraordinary profit/loss		3.4	-0.2	-	-1.3	1.8		1.6	+0.1	
Profit before income taxes		9.3	3.8	3.2	2.9	19.3		-53.1	+72.5	-
Taxes		-2.0	0.0	1.2	0.9	0.2		1.4	-1.1	
Gains/losses attributable to non-controlling interests		0.2	0.4	-0.2	0.4	0.8		1.8	-0.9	
Profit attributable to owners of parent	18.0	7.5	4.3	4.3	4.2	20.5	114.0%	-49.9	+70.4	-
	FY2024 Plan									
Business-related profit *	24.7	7.1	7.0	6.8	6.1	27.1	109.9%	-7.3	+34.5	-
ROE	4.6%	-	-	-	-	4.9%				

* Business profit + Gains/losses on stock transactions, etc.

(Gains/losses on stock transactions, etc. = Gains/losses on stock transactions + Provisions of allowance for investment loss + Gains/losses on equity derivatives)

Major factors in change in profit attributable to owners of parent (FY2023 vs FY2024)

(billion yen)



* Gains/losses on cancellation of investment trusts + Gains/losses on bond transactions + Gains/losses on stock transactions

- 1 A decrease in credit-related expenses for U.S. office loans from the previous year (a net expense of 44.6 billion yen → a net expense of 3.7 billion yen)
- 2 The difference between: (i) positive effect due to the absence of loss cuts associated with restructuring the securities portfolio conducted in the previous year (a net loss of 29.4 billion yen); and (ii) negative effect due to a decrease in gains on the sale of equities held solely for investment purposes (8.9 billion yen → 2.0 billion yen)
- 3 Positive effect primarily of: (i) improvement in domestic net interest income mainly due to higher yen interest rates and increased loan outstandings; and (ii) decrease in foreign currency funding costs
- 4 An increase in net fees and commissions (by 4.2 billion yen year-on-year), mainly loan-related fee income and GANB fee income

Results by business segment (1)

P/L

Business-related profit by business segment

(billion yen)	FY2024 Plan	FY2024					Progress	<Reference>	
		1Q	2Q	3Q	4Q	Full year A		FY2023 Full year B	Change A - B
Institutional Banking Group	6.6	1.8	1.8	1.3	1.7	1 6.7	102%	6.5	+0.1
Structured Finance Group	22.1	5.5	5.0	6.8	5.0	2 22.5	102%	27.8	-5.3
International Business Group	11.5	3.4	2.5	1.4	2.1	3 9.6	84%	11.2	-1.5
Market Group	-9.5	0.0	-1.0	-1.6	-1.1	4 -3.8	-	-46.0	+42.1
Customer Relations Group	-2.8	-0.2	-0.4	-0.5	-0.5	-1.7	-	-2.9	+1.1
Allied Banking Group	0.9	0.3	0.0	-0.0	0.4	0.7	86%	1.1	-0.4
Retail Banking Group	-3.7	-0.5	-0.5	-0.4	-1.0	-2.5	-	-4.1	+1.5
GMO Aozora Net Bank	-	-0.5	-0.4	5 0.3	0.1	-0.4	-	-3.4	+3.0
Other*	-	-2.8	-0.6	-0.9	-1.2	-5.6	-	-0.5	-5.0
Total	24.7	7.1	6.9	6.8	6.0	27.1	110%	-7.3	+34.5

* Including: (i) business-related profit not included in the business segments (e.g. G&A expenses not allocated to each business segment); and (ii) gains on the sale of equities held solely for investment purposes (6.7 billion yen in FY2023, 2.0 billion yen in FY2024)

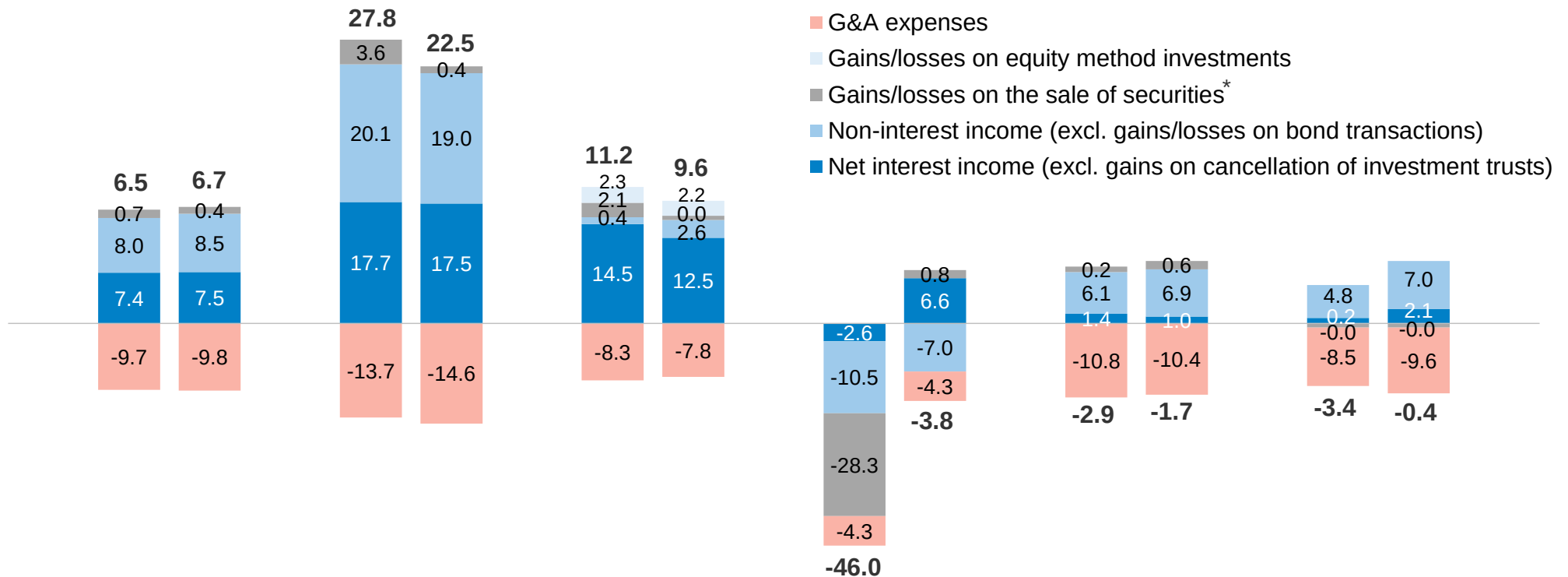
- 1 Achieved the annual plan mainly due to steady growth in domestic corporate lending as well as favorable revenue from the timely sale of foreign exchange derivatives in response to changes in market demand
- 2 Achieved the annual plan mainly as LBO and renewable energy finance businesses maintained strong performance, which covered real estate finance and other areas of business that were managed with a more cautious approach. The year-on-year decline was mainly due to a decrease in gains on the sale of REITs
- 3 Continued selective origination of overseas corporate loans with a focus on portfolio quality. The year-on-year decline in business-related profit was due to the absence of the previous year's gains on the sale of overseas equities
- 4 Significantly reduced the deficit in business-related profit compared to plan as a result of improving ALM-related net interest income (a year-on-year increase of 9.3 billion yen) mainly due to higher yen interest rates and lower foreign currency funding costs as well as an increase in net trading revenues, while the negative carry from legacy assets remained
- 5 Since the third quarter GANB has achieved positive net income for two consecutive quarters (and also generated positive business profit on a non-consolidated basis in FY2024 for the first time)

Results by business segment (2)

P/L

Business-related profit breakdown by business segment

(billion yen)



FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Institutional Banking Group		Structured Finance Group		International Business Group		Market Group		Customer Relations Group		GMO Aozora Net Bank (GANB)	
◆ Corporate Business Group		◆ Acquisition & Structured Finance Group		◆ International Business Group		◆ Financial Markets Group		◆ Allied Banking Group			
◆ M&A Advisory Group		◆ Environment Business Group						◆ Retail Banking Group			
		◆ Special Situations Group									
		◆ Real Estate Finance Group									

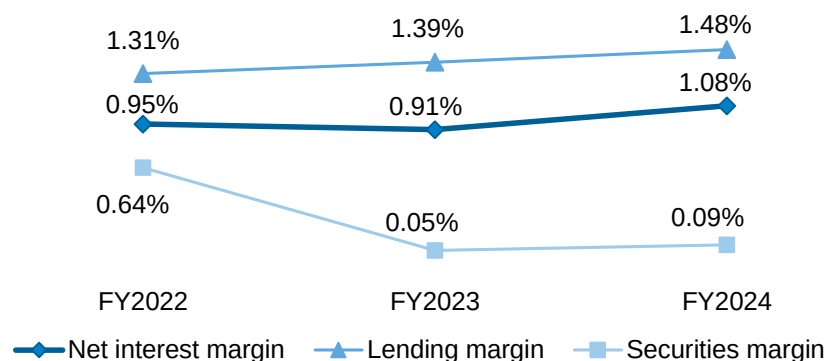
* Gains/losses on cancellation of investment trusts + Gains/losses on bond transactions + Gains/losses on stock transactions, etc.

(billion yen)	FY2023 Full year A	FY2024				Full year B	Change B - A
		1Q	2Q	3Q	4Q		
Net interest income	42.0	12.0	12.6	11.7	12.1	48.7	+6.6
Net interest income (excl. gains on cancellation of investment trusts)	39.5	12.0	12.6	11.6	12.0	48.3	① +8.8
Interest income	166.4	41.4	40.2	40.5	38.8	161.1	-5.3
Interest on loans and discounts	131.3	33.9	32.3	31.8	29.7	127.9	-3.3
Interest and dividends on securities	26.9	5.1	5.3	5.8	6.2	22.4	-4.4
Incl. gains on cancellation of investment trusts	2.5	0.0	-0.0	0.1	0.1	0.3	-2.2
Interest expenses	-124.3	-29.3	-27.6	-28.7	-26.6	-112.3	+11.9
Incl. repurchase interest, etc.	-18.4	-4.1	-4.0	-4.5	-4.0	-16.9	+1.4
Incl. interest on swaps	-84.6	-19.8	-18.3	-17.7	-14.9	-70.8	+13.7
Average balance of interest-earning assets	6,086.4	5,654.8	5,675.5	5,931.1	6,066.5	5,831.2	-255.2
Yield on interest-earning assets	2.73%	2.91%	2.76%	2.65%	2.50%	2.70%	-0.02%
Average balance of interest-bearing liabilities	6,802.1	6,799.9	6,943.0	6,952.0	6,904.5	6,900.1	+98.0
Yield on interest-bearing liabilities	1.82%	1.73%	1.57%	1.64%	1.56%	1.62%	-0.19%
Net interest margin	0.91%	1.18%	1.19%	1.01%	0.94%	1.08%	+0.17%

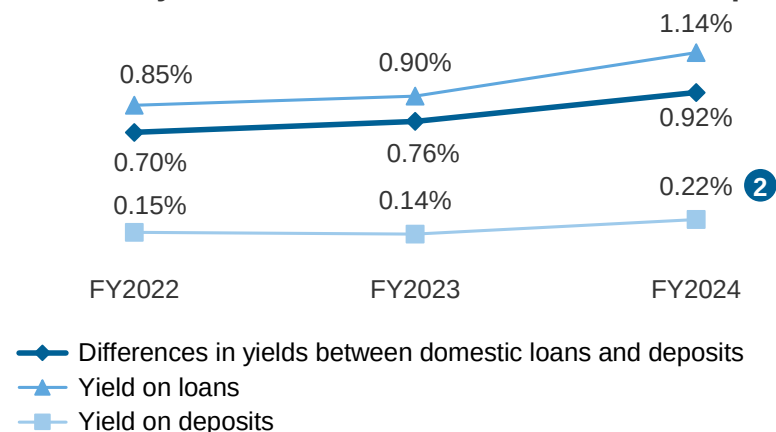
Net interest income, excluding gains on the cancellation of investment trusts, increased 8.8 billion yen year-on-year

- The 8.8 billion yen increase was comprised of increases of 7.0 billion yen domestically and 1.7 billion yen overseas
 - The domestic increase was mainly due to a higher yield on loans in response to the BOJ's policy rate hike as well as an increase in interest on deposits with the BOJ
 - The overseas increase was mainly because foreign currency funding costs decreased as a result of the loss cut taken on legacy assets (foreign bonds) in FY2023 as well as a decline in foreign currency basis costs
- The impact of higher deposit interest rates on yen funding costs has been limited
 - Yield on yen deposits increased by 8 bps year-on-year

Net interest margin, lending margin and securities margin



Differences in yields between domestic loans and deposits



Non-interest income

P/L

(billion yen)	FY2023 Full year A	FY2024					Change B - A
		1Q	2Q	3Q	4Q	Full year B	
Non-interest income	8.8	8.6	8.0	9.4	10.7	36.9	+28.0
Net fees and commissions	20.4	5.6	4.8	7.9	6.2	24.6	+4.2
Loan-related fee income	8.0	2.4	1.3	3.7	1.6	9.2	+1.1
Investment trust fee income	3.4	1.0	1.1	1.2	1.1	4.4	+1.0
GANB fee income	4.6	1.3	1.2	2.1	1.9	6.7	+2.0
M&A fee income	1.7	0.2	0.1	0.1	0.5	1.0	-0.6
Other	2.4	0.5	0.8	0.6	1.0	3.1	+0.6
Net trading revenues	1.6	1.2	0.1	0.0	1.6	3.1	+1.5
Net other ordinary income	-13.2	1.7	3.1	1.4	2.7	9.1	+22.3
Incl. gains/losses on bond transactions	-18.6	1.7	0.6	0.5	-0.8	2.0	+20.6
Incl. gains/losses from limited partnerships *	11.3	2.0	3.6	2.6	4.2	12.6	+1.3
Incl. gains/losses on financial derivatives	0.3	0.3	0.8	-0.4	0.2	0.9	+0.6

* From this reporting period, gains/losses from limited partnerships include part of the gains/losses recorded by Aozora Loan Services (FY2023 results are restated retroactively).

Steady progress mainly due to an increase in net fees and commissions

- 1 Loan-related fee income grew strongly and exceeded the previous year's level, mainly driven by LBO finance, renewable energy finance, and real estate finance
- 2 GANB made steady progress in generating revenues from its core businesses (remittances and debit cards), which led to a significant increase in its fee income year-on-year
- 3 The increase was due to the absence of loss cuts associated with restructuring the securities portfolio conducted in the previous year

Equity investments

P/L

Capital gains and other equity returns*1

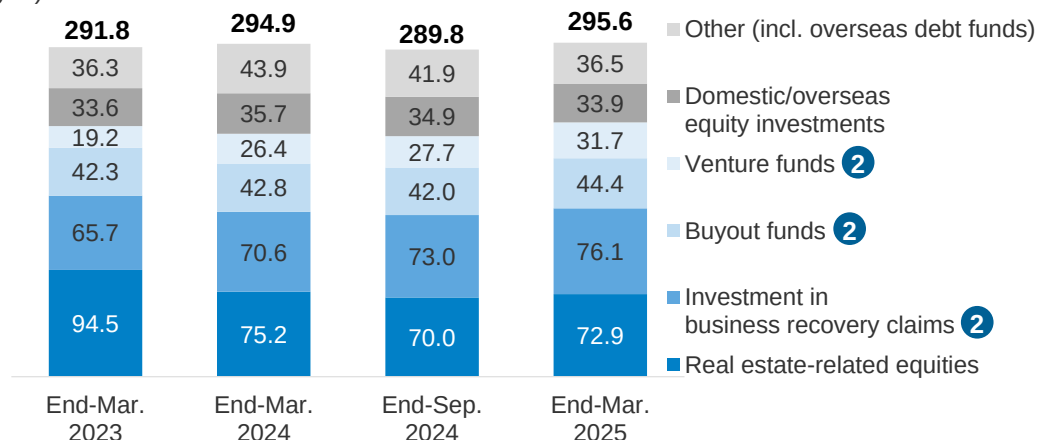
	FY2023 Full year A	FY2024					Change B - A
		1Q	2Q	3Q	4Q	Full year B	
Real estate-related equities	7.1	0.9	0.6	0.4	0.3	2.4	-4.7
Investment in business recovery claims	0.4	0.4	0.5	0.5	-1.0	0.4	+0.0
Buyout funds	1.9	-0.5	1.8	0.2	0.5	2.1	+0.2
Venture funds	-1.1	-0.1	-0.2	-0.4	-0.0	-0.8	+0.2
Domestic/overseas equity investments	3.6	0.7	0.2	0.1	0.9	2.0	-1.6
Other (incl. overseas debt funds)	0.6	0.3	0.0	0.3	0.3	1.0	+0.3
Total	12.6	1.6	3.0	1.4	1.0	7.2	-5.4

<Reference>

Gains/losses on stock transactions*2	1.6	0.7	1.1	1.2	0.1	3.2	+1.6
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Equity investments*3

(billion yen)



*1 Management accounting basis (excluding funding costs), including gains/losses on stock transactions, gains/losses from limited partnerships, and interest and dividends on securities

*2 Including gains/losses on the sale of equities held solely for investment purposes

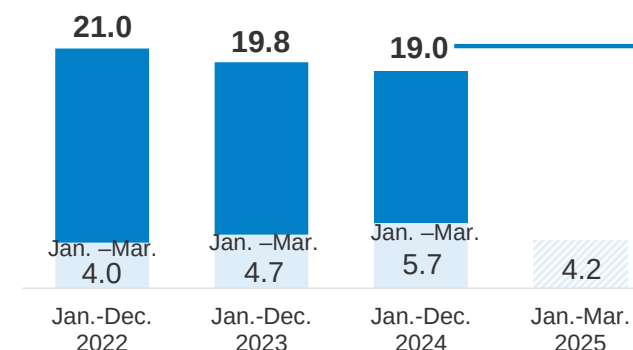
*3 Management accounting and mark-to-market bases

- 1 Capital gains decreased year-on-year mainly due to a decrease in gains on the sale of domestic unlisted REITs and a decline in gains/losses from limited partnerships
- 2 Venture funds, buyout funds, and investments in domestic business recovery claims all increased compared to March 31, 2024

	FY2023 Full year A	FY2024					Change B - A
		1Q	2Q	3Q	4Q	Full year B	
Gains/losses on equity method investments	2.3	0.7	0.4	0.1	0.8	2.2	-0.0

Orient Commercial Joint Stock Bank's (OCB) net profit*

(billion yen)



Aozora's FY2024 results include 15% of OCB's net profit (incl. goodwill amortization)

* Uses an exchange rate of 0.0060 yen per 1 Vietnamese dong

- 3 OCB's full-year net profit was almost flat compared to the previous year. OCB declared a cash dividend payment for the first time since it became an equity method affiliate of Aozora

	FY2023 Full year A	FY2024					Change B - A
		1Q	2Q	3Q	4Q	Full year B	
(billion yen)							
G&A expenses	61.8	14.9	15.3	15.8	16.7	62.8	+1.0
Personnel	29.9	7.0	7.7	7.6	7.7	30.2	+0.2
Non-personnel	29.3	7.1	7.0	7.3	8.2	29.7	+0.4
Incl. IT-related	12.7	3.0	3.0	3.3	3.7	13.1	+0.3
Taxes	2.5	0.7	0.6	0.7	0.7	2.8	+0.3
(million yen)							
Business-related profit per employee	-2.7	-	-	-	-	10.0	+12.7

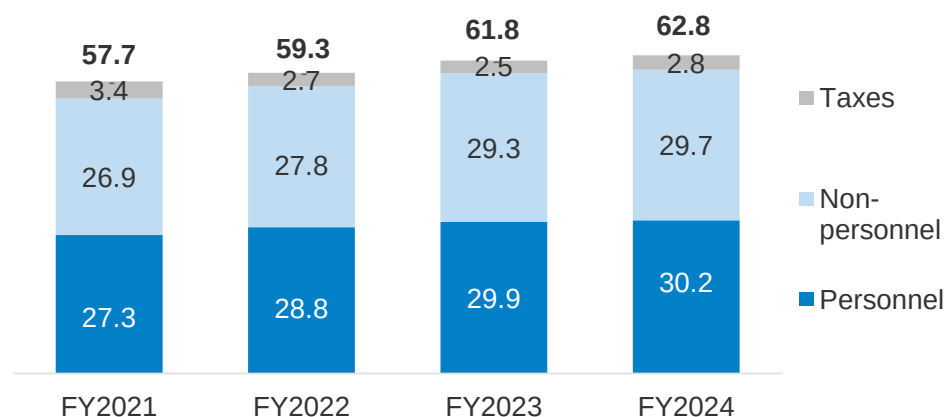
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G&A expenses were below budget (63.5 billion yen)

- While G&A expenses increased slightly, Aozora continued to operate with a sharply focused cost control mindset throughout the year in the face of broader inflationary pressures
- With a continued focus on investments in human resources, Aozora put into effect pay-scale increases of 3.5% for FY2024 and 3.0% for FY2025

G&A expenses

(billion yen)



(billion yen)	FY2023	FY2024				
	Full year	1Q	2Q	3Q	4Q	Full year
Credit-related expenses	-46.9	-1.3	-2.2	-3.7	-2.0	① -9.4
Specific loan loss reserves, etc.*1	-41.6	-0.5	-3.1	-1.5	-4.6	-9.8
General loan loss reserves, etc.*2	-5.2	-0.8	0.9	-2.1	2.5	0.4

*1 Including specific loan loss reserves, write-off of loans, gains/losses on disposition of loans and recoveries of written-off receivables

*2 Including general loan loss reserves and reserve for credit losses on off-balance-sheet instruments

Ratio of loan loss reserves to total loans

(billion yen)	End-Mar. 2024	End-Sep. 2024	End-Mar. 2025
Loan loss reserves (A)	87.9	77.0	71.0
General loan loss reserves	37.4	38.2	37.8
Total loans (B)	4,071.2	3,967.5	4,206.5
Loans subject to loan loss reserves (C)	3,691.3	3,578.3	3,670.1
(A) / (B)	2.15%	1.94%	1.68%
(A) / (C)	2.38%	2.15%	1.93%
Reserve ratio for need attention credit	6.8%	6.2%	7.7%
Reserve ratio for normal credit	0.4%	0.4%	0.3%

Additional credit expenses from U.S. office loans were limited

- ① Credit-related expenses were a net expense of 9.4 billion yen for the full year and a net expense of 2.0 billion yen for 4Q

<U.S. office loans>

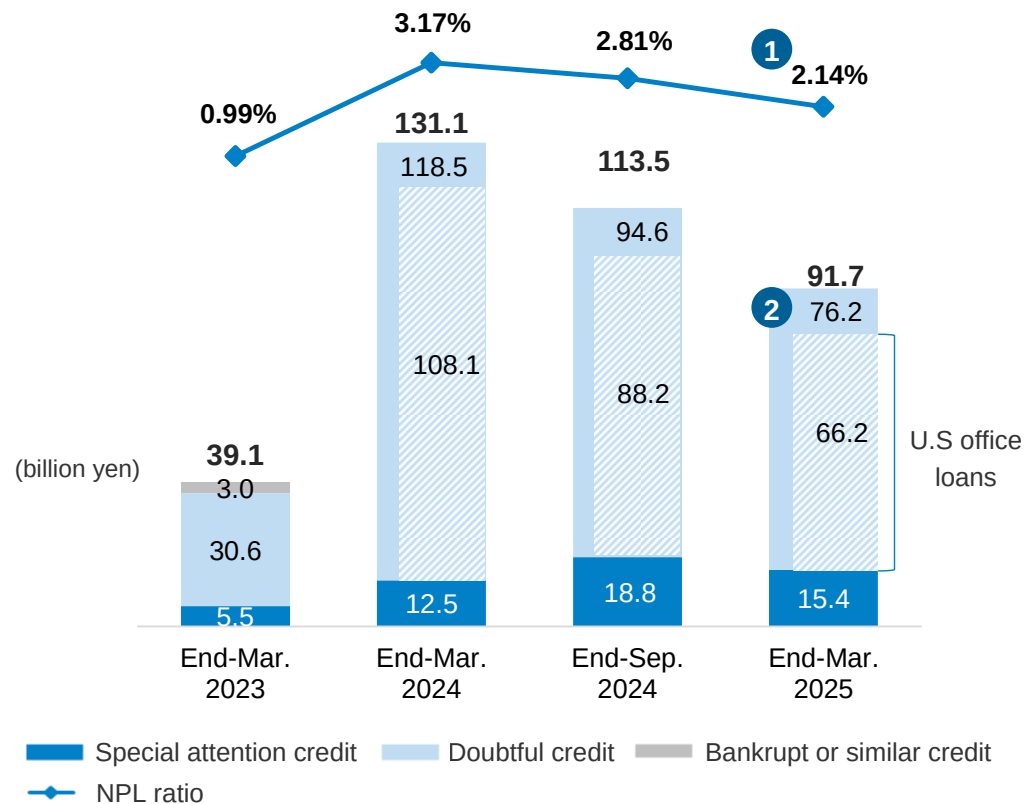
- Credit-related expenses were a net expense of 3.7 billion yen for the full year (specific loan loss reserves, etc.: expenses of 6.8 billion yen, general loan loss reserves, etc.: reversals of 3.1 billion yen)
- Credit-related expenses in 4Q were a net expense of 1.6 billion yen

<Other than U.S. office loans>

- Credit-related expenses were a net expense of 5.7 billion yen for the full year, mainly from loans to domestic borrowers facing earnings performance issues (specific loan loss reserves, etc.: expenses of 2.9 billion yen, general loan loss reserves, etc.: expenses of 2.7 billion yen).
- Credit-related expenses in 4Q were a net expense of 0.3 billion yen

Non-performing loans based on the FRA*

P/L



- 1 The ratio of NPLs to total claims (NPL ratio) declined 1.03 percentage points from March 31, 2024
- 2 Doubtful credits decreased by 42.3 billion yen (principally due to a decrease of 41.9 billion yen in U.S. office loans) from March 31, 2024 as a result of the collection of U.S. non-recourse office loans as workouts steadily progressed

(billion yen)	End-Mar. 2023	End-Mar. 2024	End-Sep. 2024	End-Mar. 2025
Total claims	3,936.0	4,127.2	4,027.3	4,267.9
NPLs (A)	39.1	131.1	113.5	91.7
Coverage (B)	36.5	122.8	104.4	84.0
Reserves	13.2	54.7	48.6	41.6
Collateral & guarantees	23.3	68.1	55.8	42.3
Coverage ratio (B) / (A)	93%	94%	92%	92%

* Financial Reconstruction Act

3. Balance sheet

Balance sheet summary

Balance sheet

(billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A
Loans and bills discounted	4,071.2	3,967.5	4,206.5	+135.2
Securities	1,186.5	1,220.8	1,355.4	+168.8
Cash and due from banks	1,579.7	1,769.3	1,409.3	-170.4
Trading assets	173.7	217.8	262.8	+89.0
Deferred tax assets	44.5	48.4	51.5	+7.0
Other	547.0	464.6	476.6	-70.4
Total assets	7,603.0	7,688.6	7,762.4	+159.4

(billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A
Deposits / Negotiable certificates of deposit	5,776.3	5,722.0	5,672.9	-103.4
Bonds payable	181.3	119.9	124.6	-56.7
Borrowed money	563.3	697.3	726.3	+163.0
Cash collateral received for securities lent	260.6	283.9	345.7	+85.0
Trading liabilities	165.0	138.3	209.1	+44.0
Other	265.0	266.5	224.0	-41.0
Total liabilities	7,211.9	7,228.1	7,302.7	+90.8
Capital stock / Capital surplus	187.4	239.4	239.4	+51.9
Retained earnings	228.4	238.1	241.4	+13.0
Valuation difference on available-for-sale securities	-45.8	-32.8	-39.5	+6.2
Deferred gains/losses on hedges	4.3	-1.4	0.5	-3.8
Foreign currency translation adjustment	10.1	9.0	9.6	-0.5
Other	6.4	8.1	8.1	+1.6
Total net assets	391.0	460.5	459.6	+68.6
Total liabilities and net assets	7,603.0	7,688.6	7,762.4	+159.4

Loans (1) —Summary—

Balance sheet

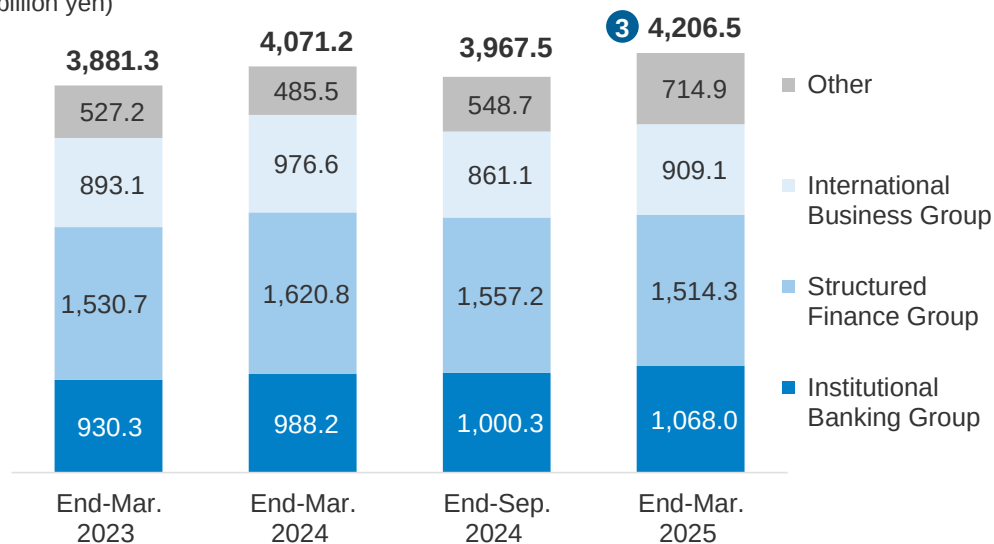
(billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A
Total loans (A)	4,071.2	3,967.5	4,206.5	+135.2
Domestic loans	2,598.1	2,675.7	① 2,904.2	+306.1
Overseas loans* (B)	1,473.1	1,291.8	② 1,302.2	-170.8
(B) / (A)	36.2%	32.6%	31.0%	-

* Overseas loans are with no final risk residing in Japan

- ① Domestic loans increased mainly due to corporate loans, LBO finance, and loans to the public sector amid increasing interest rates
- ② Overseas loans decreased as a result of a decrease in both corporate loans and overseas real estate non-recourse loans on a U.S. dollar basis, which was in line with our annual plan (risk-taking policy). The overseas loan ratio was 31%, almost as planned
- ③
 - Institutional Banking Group:
Domestic corporate loans mainly increased
 - Structured Finance Group:
The overall exposure declined mainly due to a decrease in overseas real estate non-recourse loans, while domestic LBO loans increased
 - International Business Group:
Overseas corporate loans decreased
 - Other:
Loans to the public sector increased

Loan outstandings by business segment

(billion yen)



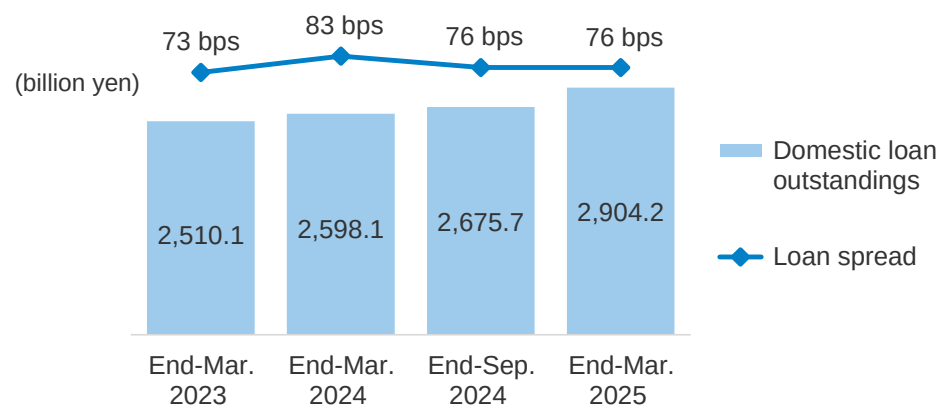
Loans (2) —Domestic—

Balance sheet

Balance and share by industry (billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A	Share
Manufacturing	300.9	335.0	1 369.6	+68.7	13%
Utilities (electric power/gas/ heat supply/water service)	126.0	163.8	2 140.1	+14.0	5%
Information and communications	128.1	119.1	117.0	-11.1	4%
Transport, postal services	42.7	44.4	58.6	+15.8	2%
Wholesale and retail sale	85.9	68.0	75.6	-10.3	2%
Financial and insurance	363.8	359.5	411.0	+47.2	14%
Real estate	758.1	736.9	748.5	-9.5	26%
Incl. non-recourse loans	427.9	414.8	410.7	-17.2	14%
Leasing	183.2	194.5	208.0	+24.8	7%
Other services	162.9	197.2	168.0	+5.0	6%
Other	445.9	456.8	3 607.3	+161.4	21%
Total	2,598.1	2,675.7	2,904.2	+306.1	100%

- 1 Loan exposure to the manufacturing sector increased due to new corporate loans and LBO financing transactions
- 2 The outstandings of Aozora-originated renewable energy financing transactions decreased from March 31, 2024 due to the sell-down of syndicated loans. The overall exposure to the utilities industry increased, driven by loans to the public sector
- 3 Loan exposure to “Other” industries increased mainly due to GANB’s loans to the public sector

Domestic loan outstandings and loan spread*



* The loan spread is on non-consolidated and management accounting bases and does not include NPLs

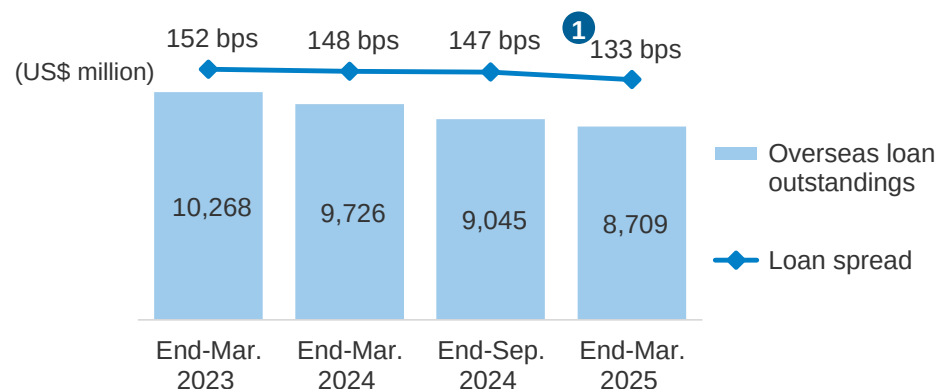
Loans (3) —Overseas—

Balance sheet

(billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A
Total loans (A)	4,071.2	3,967.5	4,206.5	+135.2
Overseas loans* (US\$ million)	9,726	9,045	8,709	-1,017
Overseas loans (B)	1,473.1	1,291.8	1,302.2	-170.8
(B) / (A)	36.2%	32.6%	31.0%	-
Foreign exchange rate (US\$/JPY)	151.46	142.82	149.53	-1.93

* Overseas loans are with no final risk residing in Japan

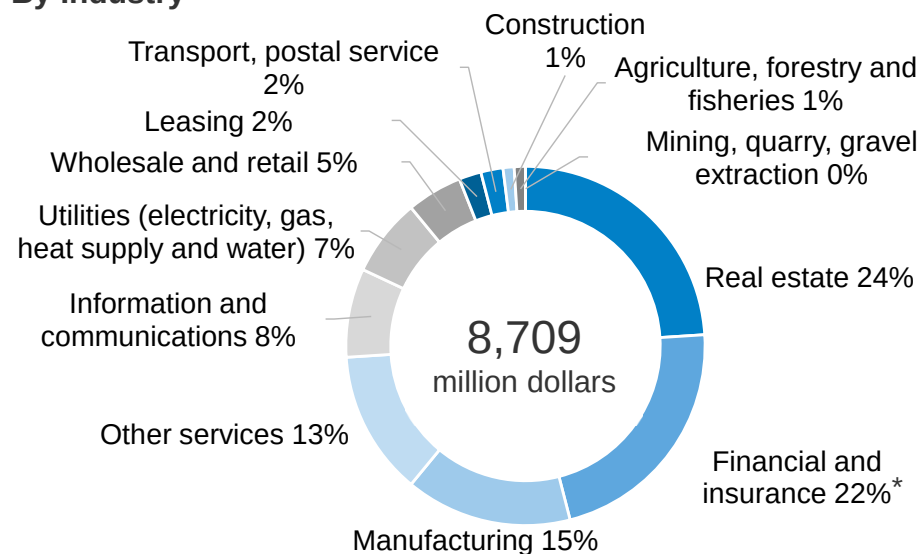
Overseas loan outstandings and loan spread*



* The loan spread is on non-consolidated and management accounting bases and does not include NPLs. The cost of forex forwards to which hedge accounting is not applied is included in funding costs.

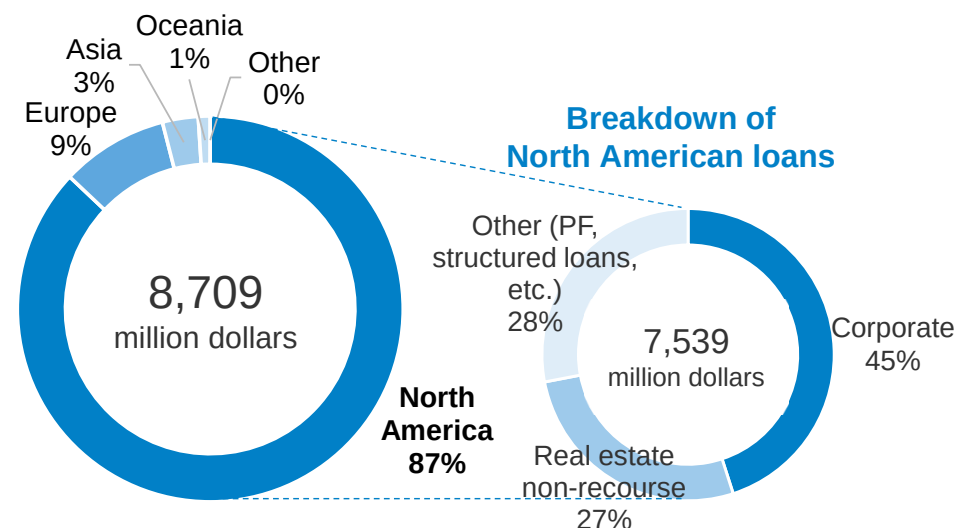
- 1 U.S. corporate credit remained stable and loan spreads narrowed in the loan market. Given these conditions, loan spreads declined compared to March 31, 2024 as we worked to maintain the quality of the loan portfolio

By Industry



* The majority of "Financial and insurance" consist of the most senior tranche (AAA-rated) of middle-market CLO backed by diversified portfolio of U.S. medium-sized companies.

By region

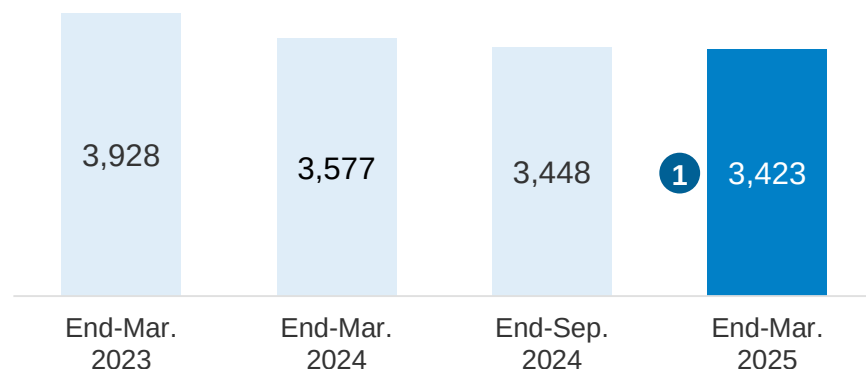


Loans (4) —North American corporate loans—

Balance sheet

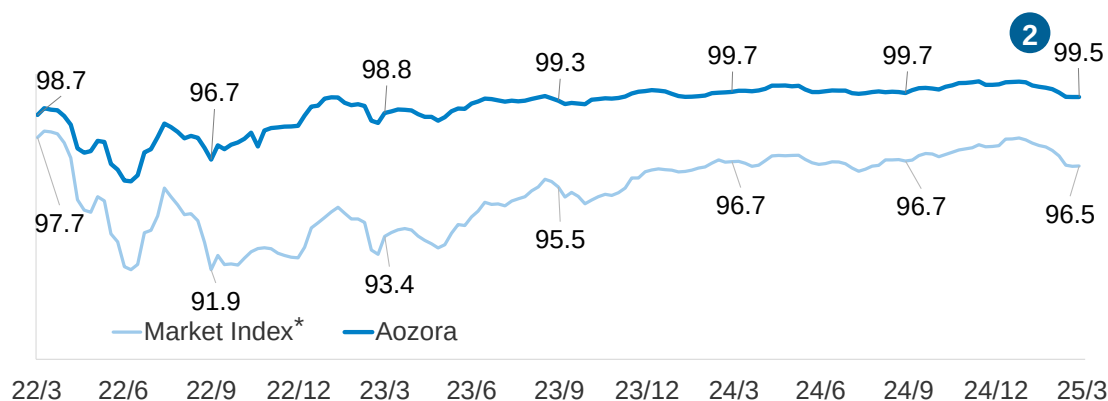
North American corporate loan outstandings

(US\$ million)



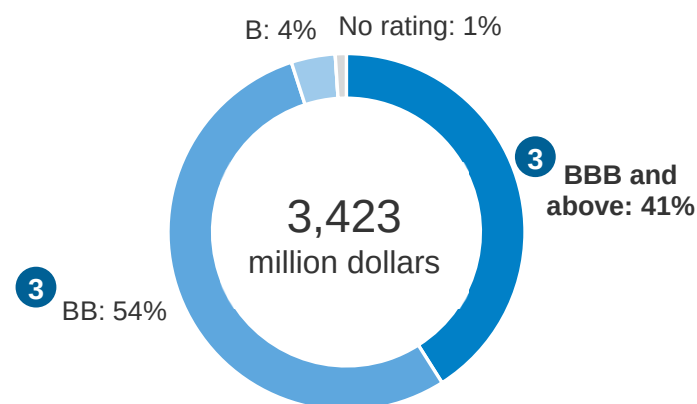
- 1 Aozora continued selective originations with a focus on portfolio quality in line with its annual plan (risk-taking policy). Loan outstandings declined year-on-year on both a dollar and a yen basis
- 2 The average bid price of the Bank's loan portfolio continued to outperform the market index
- 3 The percentage of loans rated BB or higher remained high at 95%, which reflects the high quality of the Bank's loan portfolio

Average bid price



* Source: PitchBook Data, Inc.

North American corporate loans by credit rating*

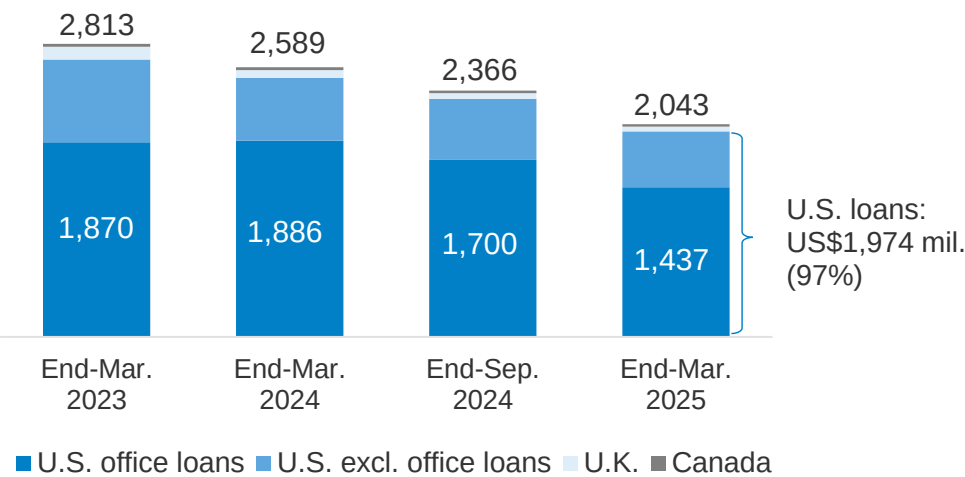


* S&P credit rating (facility basis)

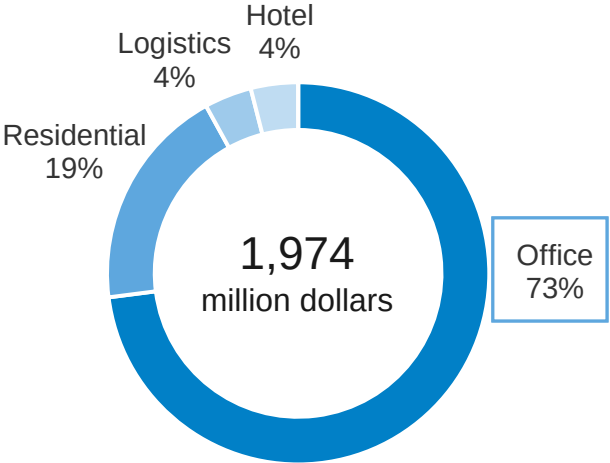
Loans (5) —Overseas real estate non-recourse loans—

Overseas real estate non-recourse loan outstandings

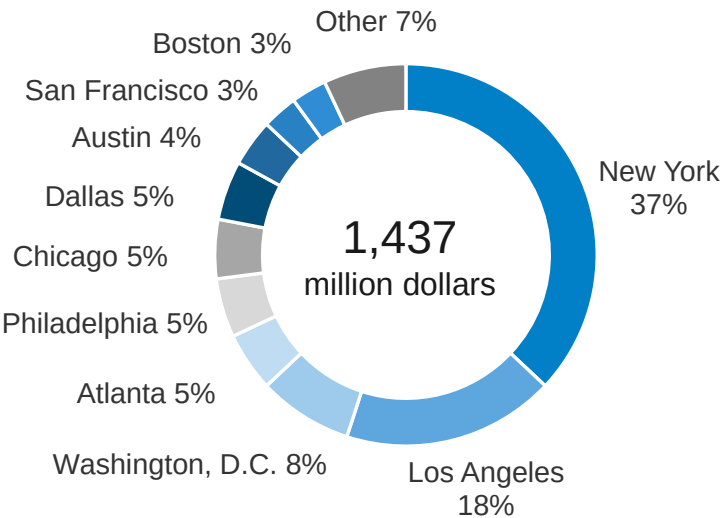
(US\$ million)



By U.S. sector — Total



By U.S. city — Office loans only

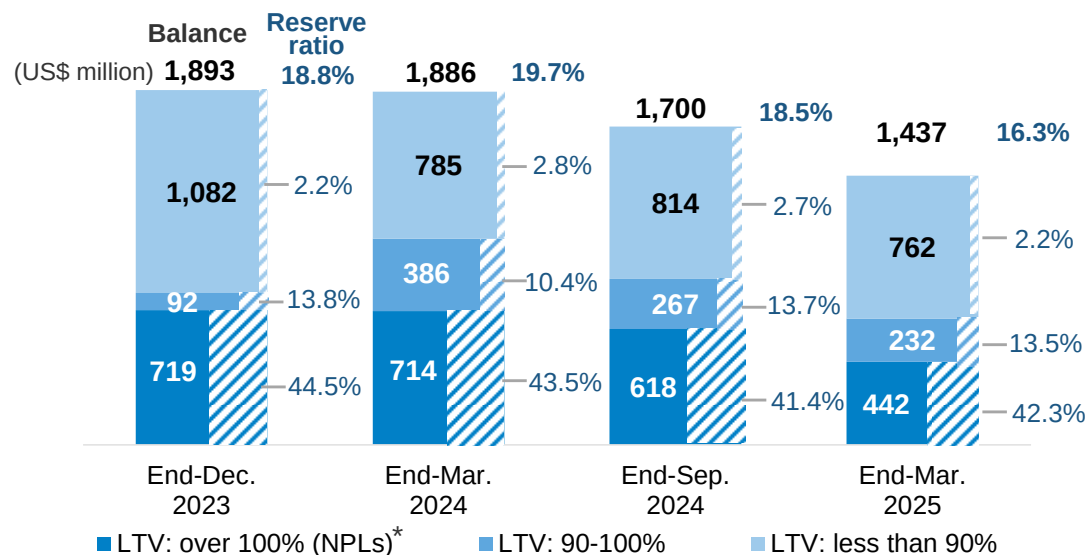


Loans (6) —U.S. non-recourse office loans—

Balance sheet

- Workouts have significantly progressed in line with plan since starting of the workout process in December 2023
 - NPL outstandings (NPLs on this page are defined as loans to “In Danger of Bankruptcy” borrowers): US\$719 million → US\$442 million (a decrease of US\$276 million or 38%)
 - Number of NPL borrowers: 21 → 14
- Additional expenses in FY2024 were limited (credit-related expenses were a net expense of 3.7 billion yen)

U.S. office loan portfolio



* U.S. office loans with an LTV of over 100% are classified as NPLs (loans to “In Danger of Bankruptcy” borrowers) in principle.

As of March 31, 2025

	Number of transactions	Total outstandings (US\$ million)	Average LTV*3	% of valuation decline
Major cities*1		233	183%	-62%
Other cities*2		209	162%	-58%
Total NPLs	14	442	173%	-60%
Total Normal Loans	23	994	78%	-20%
Total	37	1,437		

As of September 30, 2024

	Number of transactions	Total outstandings (US\$ million)	Average LTV*3	% of valuation decline
Major cities*1		417	172%	-58%
Other cities*2		201	164%	-57%
Total NPLs	17	618	170%	-58%
Total Normal Loans	25	1,082	80%	-15%
Total	42	1,700		

*1 New York, Washington, D.C., Chicago, Los Angeles and San Francisco

*2 Cities other than the above

*3 Taking into account the risk of price declines over the period ending FY2025 for NPLs

	End-Dec. 2023				End-Mar. 2024				End-Sep. 2024				End-Mar. 2025			
	Balance	Reserves	Reserve ratio*	Number of borrowers	Balance	Reserves	Reserve ratio*	Number of borrowers	Balance	Reserves	Reserve ratio*	Number of borrowers	Balance	Reserves	Reserve ratio*	Number of borrowers
(US\$ million)																
LTV: less than 90%	1,082	23	2.2%	24	785	22	2.8%	20	814	22	2.7%	20	762	16	2.2%	19
LTV: 90-100%	92	12	13.8%	2	386	40	10.4%	6	267	36	13.7%	5	232	31	13.5%	4
LTV: over 100% (NPLs)	719	320	44.5%	21	714	310	43.5%	21	618	256	41.4%	17	442	187	42.3%	14
Total	1,893	357	18.8%	47	1,886	373	19.7%	47	1,700	314	18.5%	42	1,437	235	16.3%	37

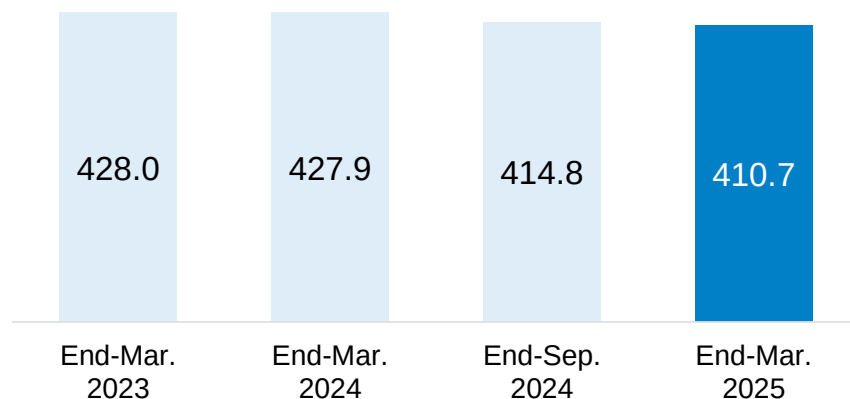
* Total exposure basis

Loans (7) —Domestic real estate non-recourse loans—

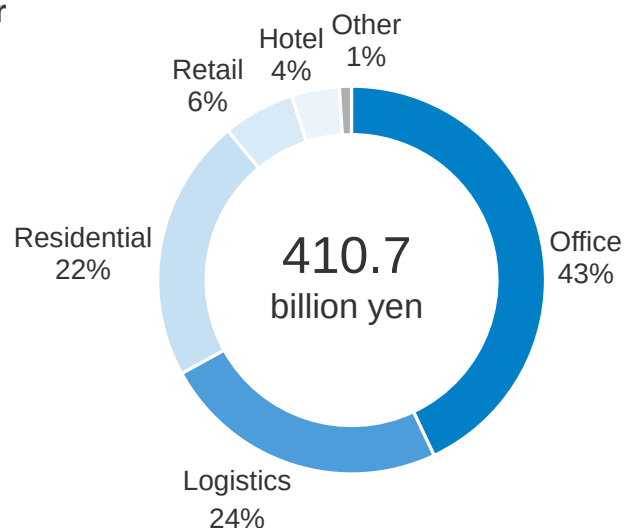
Balance sheet

Domestic real estate non-recourse loan outstandings

(billion yen)



By sector

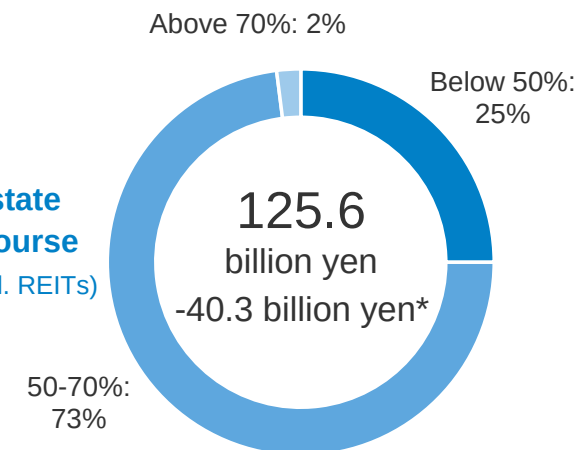


By region

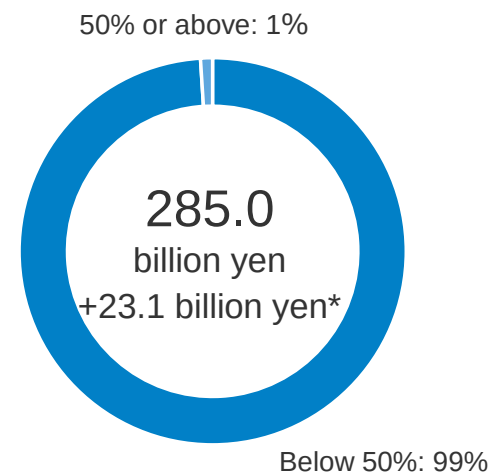
Proportion by region	Metropolitan		Other
		Incl. Tokyo	
	83%	61%	17%

LTV

Real estate non-recourse loans (excl. REITs)



REITs



* Compared to March 31, 2024

Securities (1)

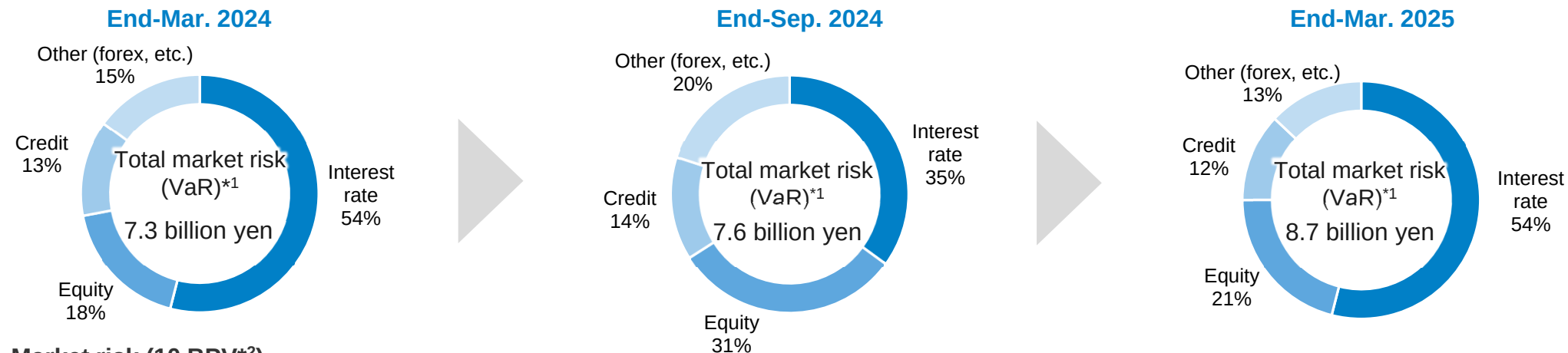
Balance sheet

	Book value				Unrealized gains/losses				
	(billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A	End-Mar. 2024 C	End-Sep. 2024	End-Mar. 2025 D	Change D - C
JGBs		52.5	62.0	128.5	+76.0	-2.1	-2.5	-4.8	-2.6
Municipal bonds		29.0	31.3	33.7	+4.6	-0.2	-0.2	-0.7	-0.5
Corporate bonds / short-term corporate bonds		107.5	109.1	103.1	-4.4	-0.4	-0.6	-1.1	-0.6
Equities		31.1	31.6	29.9	-1.1	14.7	14.2	12.5	-2.2
Foreign bonds		493.9	508.6	570.9	+77.0	-60.6	-42.1	-49.6	+10.9
Foreign government bonds		262.6	291.6	347.3	+84.7	-32.1	-21.2	-24.6	+7.5
MBS		99.2	94.0	91.7	-7.5	-28.6	-22.1	-26.0	+2.5
Other		132.0	122.9	131.9	-0.1	0.1	1.2	1.0	+0.9
Other securities		472.3	478.1	489.0	+16.7	-10.0	-15.9	-10.7	-0.7
ETFs		59.9	63.5	64.9	+4.9	-10.4	-7.9	-10.5	-0.0
Investments in limited partnerships		181.4	180.0	183.0	+1.5	1.0	1.3	2.0	+1.0
REITs		35.1	31.0	33.0	-2.0	3.5	2.6	2.6	-0.9
Investment trusts		153.9	158.5	162.5	+8.5	-4.7	-12.2	-5.1	-0.3
Other		41.7	44.9	45.4	+3.7	0.5	0.3	0.1	-0.4
Total		1,186.5	1,220.8	1,355.4	+168.8	-58.7	-47.2	-54.5	+4.2
Foreign exchange rate (US\$/JPY)		151.46	142.82	149.53	-1.93				
Unrealized gains/losses, incl. unrealized gains/losses on hedging instruments						-51.1	-48.4	-50.7	+0.3

	U.S. government bonds	MBS	Municipal bonds	JGBs	Long-term JGBs	Short-term JGBs
<Reference> Duration*	4 years	8 years	5 years	7 years	11 years	0.2 years

* As of March 31, 2025, non-consolidated basis

Market risk (VaR*¹)



Market risk (10 BPV*²)

(billion yen)	End-Mar. 2024	End-Sep. 2024	End-Mar. 2025
ALM securities operations	+0.0	-0.4	-1.0
Incl. U.S. dollar interest rate risk	+0.0	-0.2	-0.6
Incl. yen interest rate risk	+0.0	-0.2	-0.5

*¹ VaR is a risk indicator for daily monitoring operations (e.g. banking book, ALM, trading book) considering the holding period. The value as of March 31, 2025 is on a preliminary basis.

*² ALM securities investments only

ALM securities operations —legacy assets—

- Legacy assets: Securities that Aozora acquired before the U.S. and European interest rate hikes in FY2022 and to which Aozora intends to reduce unrealized losses over the medium to long term. Our policy is to basically maintain the net risk balance at zero
- Unrealized losses decreased by approximately 8.0 billion yen compared to March 31, 2024

Legacy asset breakdown		Balance			Unrealized gains/losses* (billion yen)		
		End-Mar. 2024	End-Sep. 2024	End-Mar. 2025	End-Mar. 2024	End-Sep. 2024	End-Mar. 2025
U.S. government bonds	US\$ million	1,150	1,150	1,150	-11.0	-10.4	-9.5
European government bonds	EUR million	350	350	315	-9.1	-7.7	-6.4
MBS	US\$ million	823	792	767	-30.7	-27.5	-27.2
Credit ETFs (investment grade bonds)	US\$ million	465	465	465	-13.6	-13.0	-13.4
Total of the above					-64.7	-58.7	-56.6
Total across the Bank					-51.1	-48.4	-50.7

* Including hedging instruments (derivatives, bear funds)

(billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A
Total core funding	5,957.7	5,841.9	① 5,797.5	-160.2
Deposits / NCDs	5,776.3	5,722.0	5,672.9	-103.4
Incl. the balance of retail deposits	3,654.8	3,495.7	3,290.8	-363.9
Bonds	181.3	119.9	124.6	-56.7
Retail funding ratio*	61%	60%	57%	
Loan-to-deposit ratio incl. NCDs	70%	69%	74%	

* Defined as follows: Retail funding ratio = Retail deposits / Total core funding

(billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A
Liquidity reserves*	1,466.7	1,326.9	① 1,076.7	-390.0

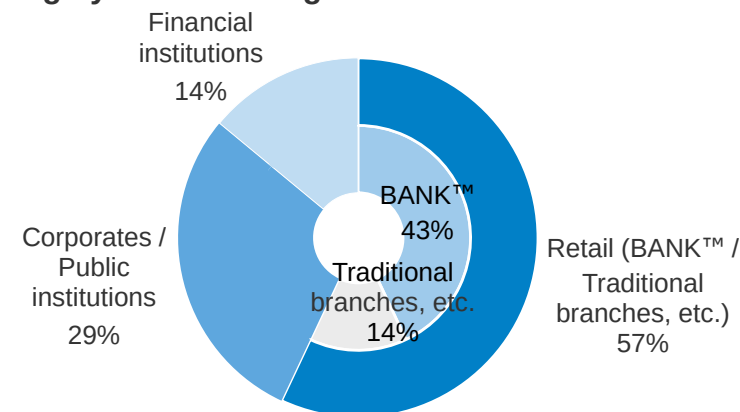
* Non-consolidated basis

Surplus funds at hand for cash management purpose operated with high liquidity method including BOJ current account balance, JGBs, U.S. government bonds and call loans

① Aozora continued to work towards returning to a more optimal level of liquidity reserves that increased towards March 31, 2024, which led to a decrease in retail deposit balances, while the corporate deposit balance increased

- ②
- An increase in interest rates on time deposits at BANK™ led to a shift of funds from ordinary deposits, which was in line with Aozora's policy on deposit management
 - We raised interest rates on ordinary deposits at BANK™ (0.2% → 0.35%) for the first time following the end of the BOJ's negative interest rate policy in January 2025. Starting from April 2025, we offer higher 0.5% for the portion of the balance up to 1 million yen

Core funding by customer segment

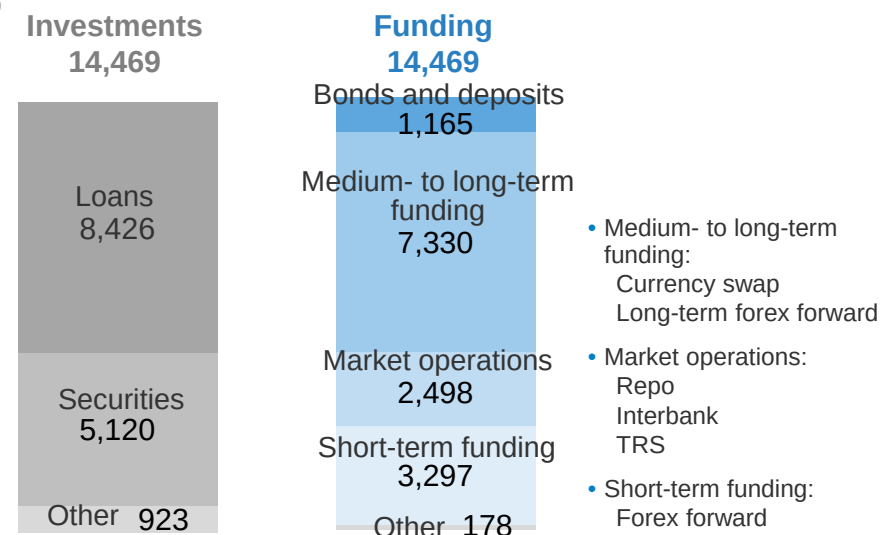


BANK™ deposit breakdown ②

	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A
Ordinary deposits	75.1%	67.5%	57.9%	-17.2%
Time deposits	24.9%	32.5%	42.1%	+17.2%

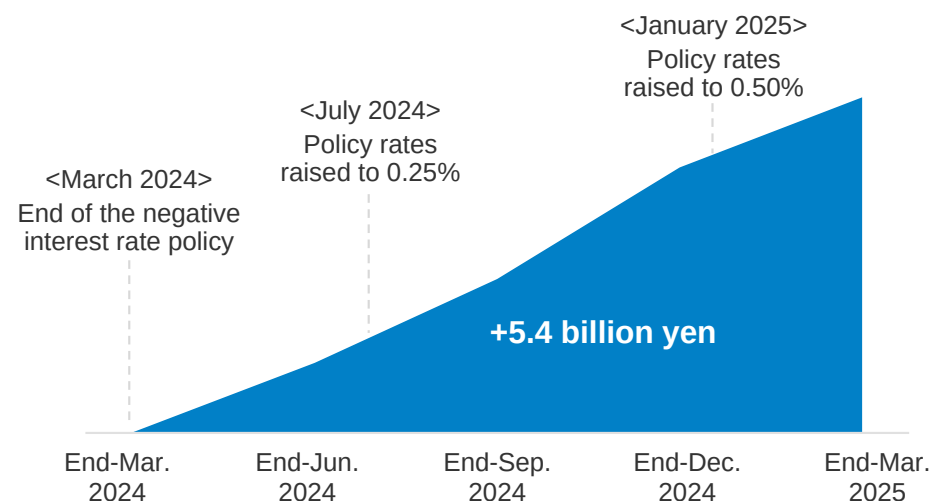
Foreign currency investments/funding

(US\$ million)



Impact of the BOJ's policy rate hikes in March/July 2024 and January 2025 on net interest income (actuals in FY2024)

(billion yen)	Actual impact in FY2024
Investments	+10.6
Funding	-5.2
Total	+5.4



<Reference>

Estimated impact of a 0.25% increase in yen interest rates for all terms on annual net interest income

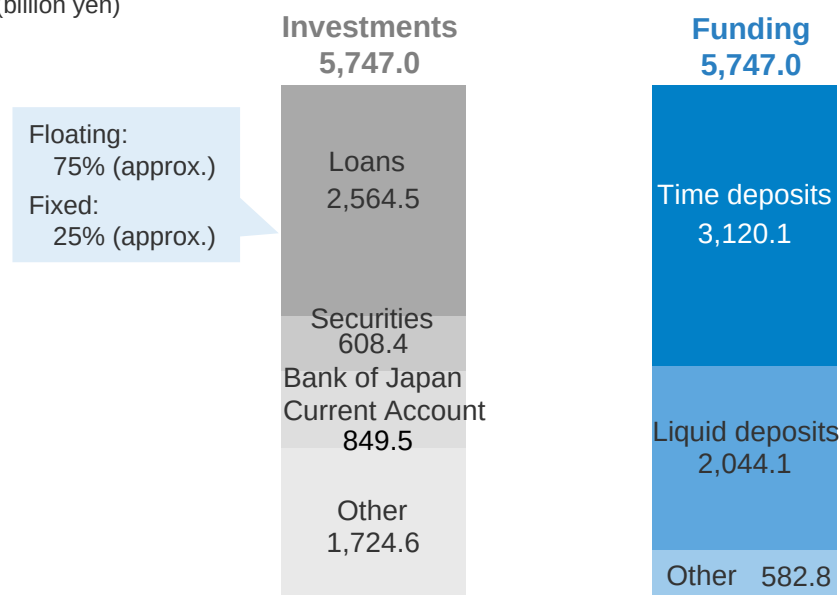
➡ **approx. +2.6 billion yen**

Estimate assumptions:

- An interest rate increase of 0.25% for all terms
- No change in the balance sheet from March 31, 2025
- Pass-through to interest rates on deposits: 75%

Yen-denominated investments/funding

(billion yen)



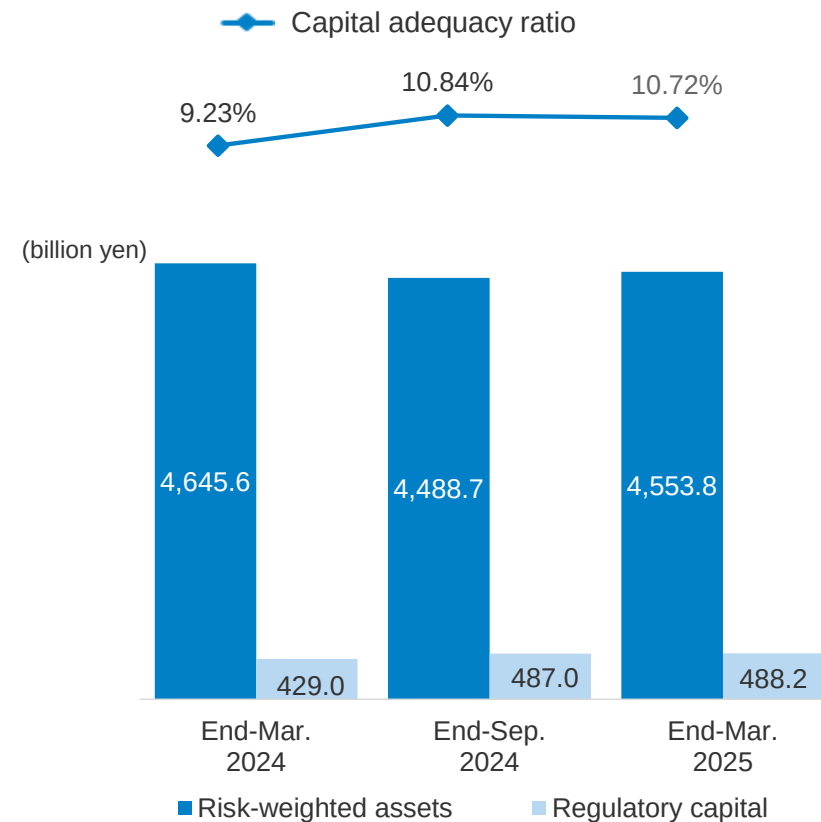
4. Capital adequacy ratio / Dividend

Capital adequacy ratio (preliminary)

Capital adequacy
ratio / Dividend

Domestic standard

(billion yen)	End-Mar. 2024 A	End-Sep. 2024	End-Mar. 2025 B	Change B - A
Capital adequacy ratio	9.23%	10.84%	10.72%	+1.49%
Regulatory capital (A - B)	429.0	487.0	488.2	+59.2
Instruments and reserves (A)	467.5	527.2	529.7	+62.1
Shareholders' equity	413.1	472.2	475.1	+62.0
Other	54.4	55.0	54.5	+0.1
Regulatory adjustment (B)	38.5	40.2	41.4	+2.9
Risk-weighted assets	4,645.6	4,488.7	4,553.8	-91.8
Credit risk assets	4,273.1	4,124.2	4,248.9	-24.2
Market risk	238.9	223.9	177.6	-61.3
Operational risk	133.4	140.5	127.2	-6.2
<Reference> CET1 ratio	7.1%	8.9%	8.7%	+1.6%



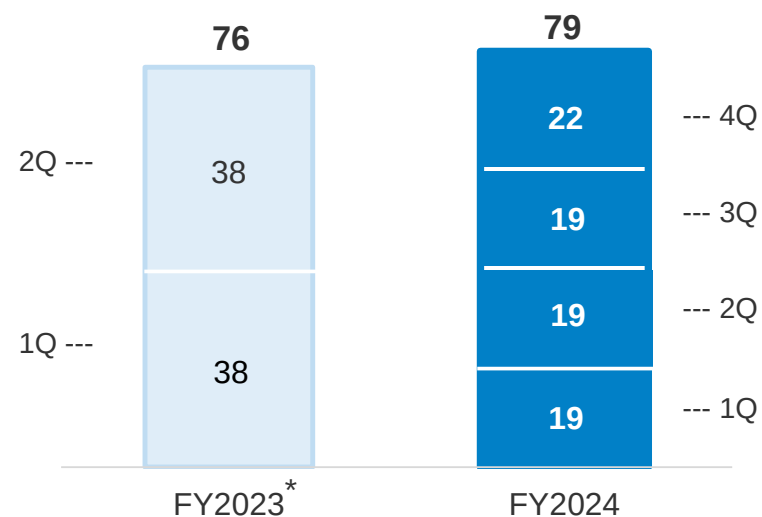
- Aozora has declared a higher annual dividend per common share by three yen compared to the original full-year dividend forecast (76 yen per share) due to the profit attributable to owners of parent for FY2024 amounting to 20.5 billion yen and exceeding the original full-year earnings forecast (18.0 billion yen)

Dividend per common share

Record date	June 30 (1st quarter)	September 30 (2nd quarter)	December 31 (3rd quarter)	March 31 (4th quarter)	Full-year
Current forecast (FY2025)					88 yen
Dividend payment (FY2024)	19 yen	19 yen	19 yen	22 yen	79 yen

Dividend payments

(yen)

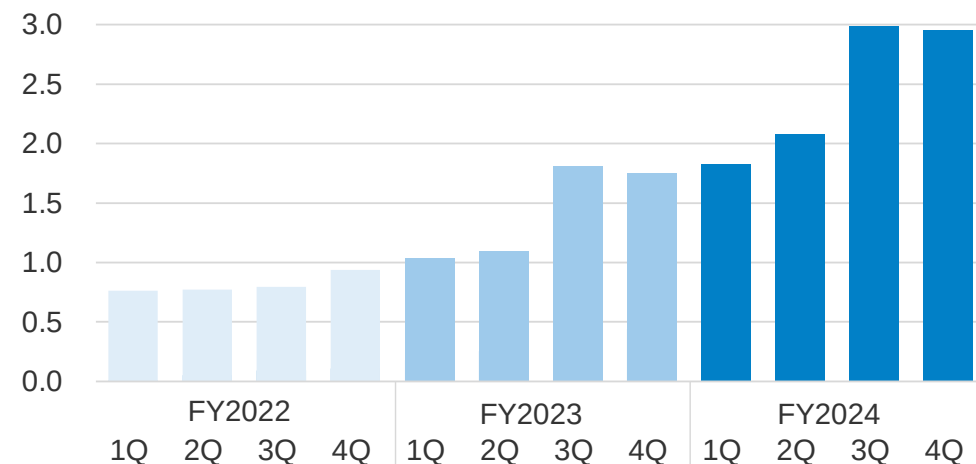


* No dividend payments in 3Q and 4Q of FY2023

5. Group companies

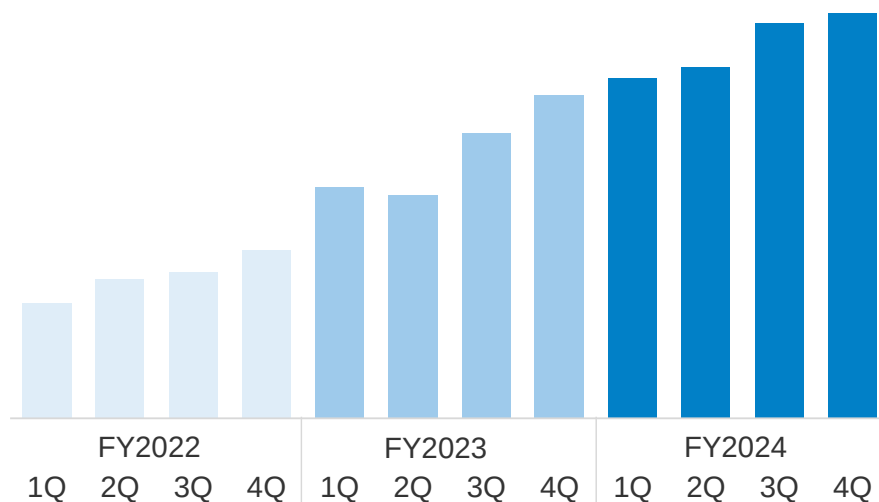
Quarterly net revenue

(billion yen)



Net revenue	3.2				5.7				9.8			
Business profit	-3.8				-2.7				0.3			

Number of transfer transactions



Number of corporate accounts

(thousand)

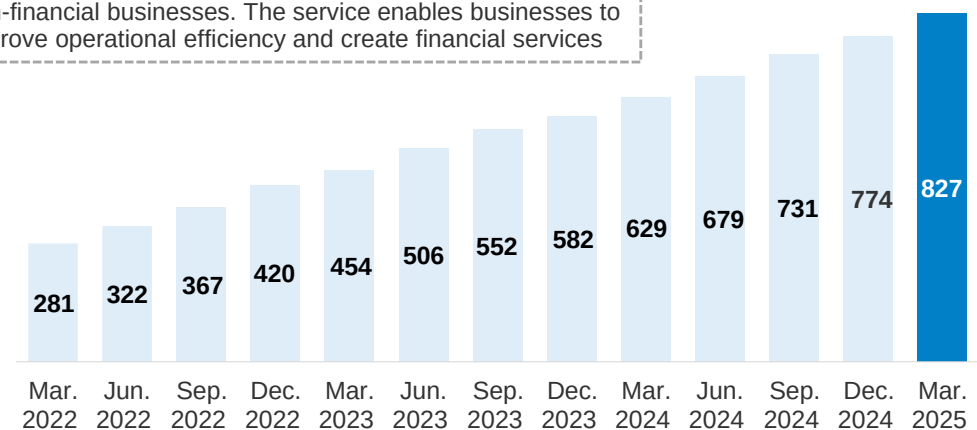


(Note) As of the end of each month

Number of “BaaS byGMO Aozora” contracts

BaaS byGMO Aozora

A service that provides banking functions to financial and non-financial businesses. The service enables businesses to improve operational efficiency and create financial services



(Note) As of the end of each month

For GANB's financial results, please also refer to the Data Book on the Aozora website.

Aozora Group companies / consolidated, non-consolidated difference

Group companies

(billion yen)

(A) Non-consolidated net income	15.6
(B) Profit attributable to owners of parent	20.5
(B) - (A) (a + b) Difference	4.8

Breakdown of the difference

(a) Consolidated subsidiaries/affiliates		2.0	
	Share of Earnings ^{*1}	Net Revenue	Net Income
GMO Aozora Net Bank, Ltd.	50.0% ^{*2}	9.8	-1.8
Aozora Loan Services Co., Ltd.	67.6%	3.2	0.1
Aozora Securities Co., Ltd.	100.0%	0.3	-0.4
Aozora Regional Consulting Co., Ltd.	100.0%	0.0	0.0
Aozora Investment Management Co., Ltd.	100.0%	1.9	0.6
Aozora Real Estate Investment Advisors Co., Ltd.	100.0%	0.0	-0.0
ABN Advisors Co., Ltd.	100.0%	0.5	-0.0
Aozora Corporate Investment Co., Ltd.	100.0%	0.5	0.2
Aozora Asia Pacific Limited	100.0%	0.4	0.0
Aozora Europe Limited	100.0%	0.7	0.1
Aozora North America, Inc.	100.0%	4.8	2.4
Other	-	-1.2	-1.5
Orient Commercial Joint Stock Bank	15.0%	-	2.2 ^{*3}
(b) Consolidation adjustments		2.7	
Gains/losses attributable to non-controlling interests (GMO Aozora Net Bank, Ltd.)		-	0.9
Other ^{*4}		-	1.7

*1 Percentage of profit and loss attributable to owners of parent

*2 Voting rights ratio is 85.1%.

*3 Revenue contribution from equity method investments

*4 Including a net gain of 2.3 billion yen due to the liquidation of a subsidiary

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This presentation 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 cost and the effectiveness of our operational, legal and other risk management policies