

【TRANSLATION】

[NOTICE: This Notice of Convocation is a translation of the Japanese original for reference purposes only, and in the event of any discrepancy, the Japanese original shall prevail.]

Aozora Bank, Ltd.

Securities Code 8304

The Convocation Notice for the **92**nd Ordinary General Meeting of Shareholders

■ Date & Time

June 24, 2025 (Tuesday)

10:00 a.m. (reception opens at 9:00 a.m.)

■ Venue

KIOI CONFERENCE of TOKYO GARDEN TERRACE KIOICHO

Kioicho1-4, Chiyoda-ku, Tokyo

(Please refer to map on the last page)

■ Proposals for Resolution

Proposal No.1 Appointment of Nine Directors

Proposal No.2 Appointment of Two Alternate Audit &
Supervisory Board Members

- There will be no thank-you gift for attendees.
- The General Meeting of Shareholders will be livestreamed.
(Please see pages 11-12 for details.)
- Shareholders may exercise their voting rights in advance in writing or via the Internet.

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Message from the CEO

Representative Director, President and
Chief Executive Officer
Hideto Oomi



I would like to take this opportunity to thank all of our shareholders for their continued support. I am pleased to present herewith the Notice of Convocation of the 92nd Ordinary General Meeting of Shareholders, which will be held on Tuesday, June 24, 2025.

In our FY2024 financial results, net revenue was 85.6 billion yen (102% of the forecast) and profit attributable to owners of parent was 20.5 billion yen (114% of the forecast), both of which exceeded the initial earnings forecasts. We would like to thank our shareholders once again for their support, which has enabled us to achieve a V-shaped recovery from the previous fiscal year. Accordingly, we will pay a full-year dividend of 79 yen per share, an increase of 3 yen from our initial forecast.

FY2024 was a year of significant changes, marked by the normalization of domestic interest rates and increased M&A activities driven by corporate governance reforms. The Aozora Bank Group ('Aozora') seized upon these changes as opportunities, achieving revenue growth through increased domestic lending and the promotion of its Strategic Investments Business focusing on LBO finance. The fact that GMO Aozora Net Bank became profitable for the first time and entered the phase of contributing to Aozora's earnings marked a crucial turning point in our growth strategy. The reduction in our exposure to U.S. office loans and the improvement in the foreign currency securities portfolio are also progressing as planned.

The year 2025 will mark the 10th anniversary of the Bank's full repayment of public funds. During this period, Aozora has expanded the M&A market with its customers and established itself as a major player through LBO financing and other structured finance. We have also actively cultivated new markets through the launch of GMO Aozora Net Bank and the creation of Japan's first venture debt fund.

This May, we announced our new Mid-term Plan "Aozora 2027," where we aim to achieve sustainable growth by leveraging the tailwinds of the environmental changes in FY2024 under our strong risk governance based on our Risk Appetite Framework. Through focused allocation of management resources to the investment banking business, maximization of synergies from the capital and business alliance with Daiwa Securities Group, and the growth of GMO Aozora Net Bank, the Group will further enhance its overall competitiveness.

Aozora is committed to meeting every stakeholder's expectation by pursuing sustainable growth guided by its management philosophy of "contributing to the development of society through the creation of new value-added financial services. We sincerely ask for your continued support.

Reference

FY2024 Financial and Dividend Results

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

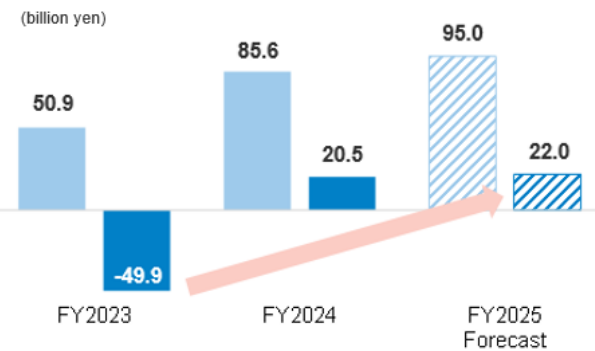


Business overview

- Net interest income increased due to the normalization of yen interest rates as well as an increase in domestic lending
- Strategic Investments Business, including LBO financing, remains strong
- GMO Aozora Net Bank has achieved profitability and is expected to remain profitable as a contributor to our earnings
- The planning phase for the capital and business alliance with Daiwa Securities Group was completed, and Aozora is now transitioning to the revenue generation phase

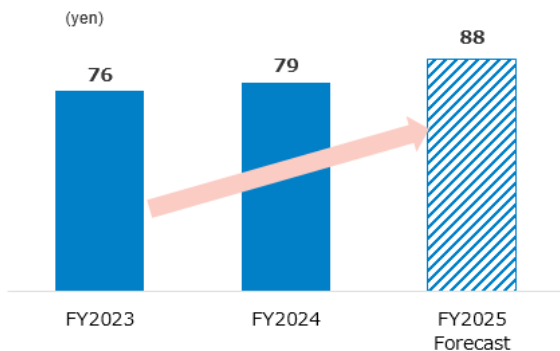
FY2025 Earnings and Dividend Forecasts

Earnings forecast (consolidated basis)



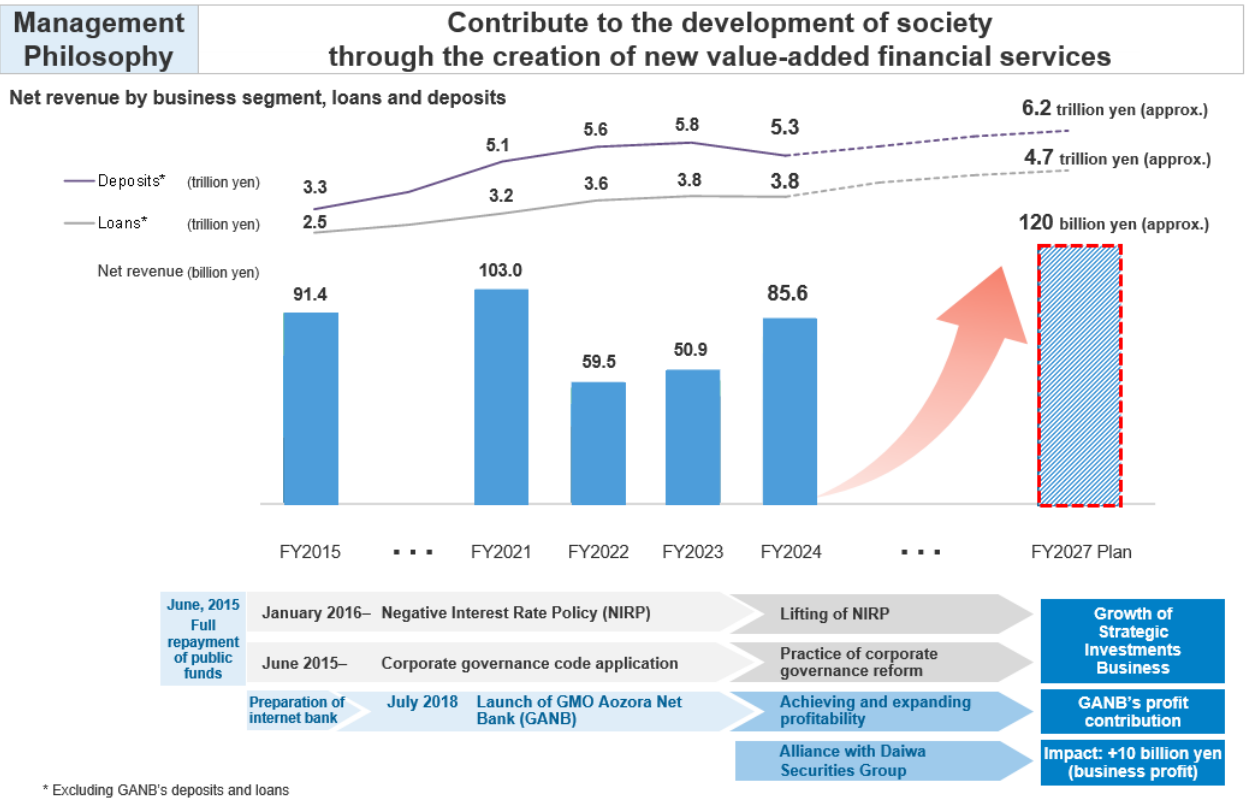
■ Net revenue ■ Profit attributable to owners of parent

Dividend forecast



Reference

New Mid-term Plan“Aozora 2027”for Sustainable Growth



Aozora 2027 —Key Performance Indicators—

	FY2023	FY2024	KPIs in “Aozora 2027”	
			FY2027 Plan	FY2029 Target
Profit attributable to owners of parent	-49.9 billion yen	20.5 billion yen	33.0 billion yen	50.0 billion yen
ROE	-	4.9%	7% (approx.)	8% or higher
CET1 ratio	7.1%	8.7%	8% or higher	9% or higher
Earning assets*	4.4 trillion yen	4.5 trillion yen	5.5 trillion yen	-
Impact of Alliance with Daiwa Securities Group (business profit basis)	-	-	+10.0 billion yen	-

* Total of loans and securities (excluding loans to the government, government bonds, etc.)

Before the General Meeting of Shareholders

From the date of receipt of the Convocation Notice to June 23, 2025 (Monday)

See disclosure documents



- Aozora website dedicated to the General Meeting of Shareholders
<https://www.aozorabank.co.jp/english/ir/stock/meeting/>

(Note) Disclosure documents are posted on the Tokyo Stock Exchange's (TSE) website (Information Service Regarding Companies Listed on the TSE).

→ <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please visit the above-mentioned TSE website, enter "Aozora Bank" in "Stock name (company name)" or "8304" (the Bank's securities code) in "Code", select "Basic information" and then "Publicly available documents / PR information", and see information in the "Convocation Notice of the General Meeting of Shareholders / General Meeting of Shareholders materials" section under "Publicly available documents".

- (Note) In addition to the above, these documents are also posted on the website of PRONEXUS INC.
→ <https://d.sokai.jp/8304/teiji/>



The main contents of the Convocation Notice are also available on the smartphone
<https://p.sokai.jp/8304/>



Exercise your voting rights in advance

Validity
Date:

No later than 5:15 p.m.
on June 23, 2025 (Monday)

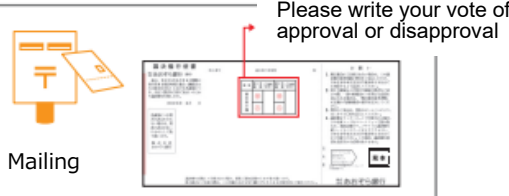
We encourage you to exercise your voting rights in advance using any one of the methods described below. If you participate in the General Meeting via livestream, we also ask that you please exercise your voting rights in advance.

▶ Please check pages 9–10 for details.



PC

Smartphone



Mailing

Please write your vote of approval or disapproval

Send pre-planned questions



Acceptance
period:

No later than 5 p.m.
on June 20 (Friday) 2025

- We welcome you to send us pre-planned questions regarding meeting agenda in advance of the General Meeting of Shareholders either in writing or via e-mail. While we will be unable to respond individually to any question or comment, we will pick from those with a high interest among shareholders during the General Meeting and upload the questions/comments along with the Bank's responses to the Aozora website at a later date.

Mailing address: General Meeting of Shareholders Administration Group
Corporate Communication Division, Aozora Bank, Ltd.
6-1-1, Kojimachi, Chiyoda-ku, Tokyo 102-8660

E-mail address: shitsumon2025@aozorabank.co.jp

On the day of the General Meeting of Shareholders

For those participating in the General Meeting of Shareholders in person



Venue, date and time

KIOI CONFERENCE
of TOKYO GARDEN TERRACE KIOICHO
Kioicho1-4, Chiyoda-ku, Tokyo

June 24 (Tuesday) 2025
(reception opens at 9:00 a.m.)

▶ For details, please see page 13.

Information regarding the General Meeting of Shareholders



There will be no thank-you gift for attendees



There will be no Drink Corner set up by the Bank
(Free bottled water is available)

For those participating in the General Meeting of Shareholders via livestream



Date of livestream

June 24, 2025
(on Tuesday from 10:00 a.m.)

The General Meeting of Shareholders will be livestreamed via the Internet.

▶ For details, please see pages 11–12 as well as the "Notice on the General Meeting of Shareholders livestream" enclosed with the Convocation Notice for the 92nd Ordinary General Meeting of Shareholders.

After the end of General Meeting of Shareholders



See post disclosure regarding the General Meeting of Shareholders

See presentation materials

See answers to questions submitted in advance of the General Meeting of Shareholders

See the result of exercised voting rights

We will upload a video of the General Meeting to the Aozora website. We plan to make the video available starting in early July once preparations are complete.

Please note that the Notice on Resolutions at the Ordinary General Meeting of Shareholders is no longer sent by mail but instead published on the Aozora website.

Aozora website dedicated to the General Meeting of Shareholders
<https://www.aozorabank.co.jp/english/ir/stock/meeting/>



Dear Shareholders,

Hideto Oomi
Representative Director and President, Chief Executive Officer
Aozora Bank, Ltd.
1-1, Kojimachi 6-chome, Chiyoda-ku, Tokyo

The Convocation Notice for the 92nd Ordinary General Meeting of Shareholders


You are cordially invited to participate in Aozora Bank Ltd.'s 92nd Ordinary General Meeting of Shareholders as described below.

Upon the convocation of this General Meeting of Shareholders, electronic provision measures have been taken for information related to Reference Materials for the General Meeting of Shareholders (matters subject to measures for electronic provision), which is posted as "the Convocation Notice for the 92nd Ordinary General Meeting of Shareholders" on the websites mentioned below. We ask for your cooperation in visiting any one of these websites to see details.

Aozora website: A site dedicated to the General Meeting of Shareholders	https://www.aozorabank.co.jp/english/ir/stock/meeting/	
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Tokyo Stock Exchange website: Information Service Regarding Companies Listed on the TSE	https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Sho=Show	
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On the TSE website, please enter "Aozora Bank" in "Stock name (company name)" or "8304" (the Bank's securities code) in "Code", select "Basic information" and then "Publicly available documents / PR information", and see information in the "Convocation Notice of the General Meeting of Shareholders / General Meeting of Shareholders materials" section under "Publicly available documents".

PRONEXUS website: A site for Reference Materials for the General Meeting of Shareholders	https://d.sokai.jp/8304/teiji/	
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If you do not intend to visit the venue on the day of the General Meeting, you may exercise your voting rights in advance in writing or via the Internet. **We will ask for your cooperation in exercising your voting rights by no later than 5:15 p.m. on June 23 (Monday) 2025, in consideration of the following "Reference Materials for the General Meeting of Shareholders."**

We will provide a livestream of the General Meeting (with viewer participation) for our shareholders who reside in remote areas or do not intend to visit the venue, so please feel free to make use of this alternative (please refer to pages 11–12).

Thank you for your cooperation.

(Note) For instructions on how to exercise voting rights, please refer to the "Notice on Exercise of Voting Rights" on pages 9–10.

1. Date & Time Tuesday, June 24, 2025 at 10:00 a.m.

2. Place KIOI CONFERENCE of TOKYO GARDEN TERRACE KIOICHO
Kioicho1-4, Chiyoda-ku, Tokyo

3. Agenda of the meeting

- Reports**
1. Business Report, Consolidated Financial Statements and Reports of Audit Results of Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 92nd fiscal year (from April 1, 2024 to March 31, 2025)
 2. Reports on the Financial Statements for the 92nd fiscal year (from April 1, 2024 to March 31, 2025)

Proposals for Resolution:

Proposal No. 1: Appointment of Nine Directors

Proposal No. 2: Appointment of Two Alternate Audit & Supervisory Board Members

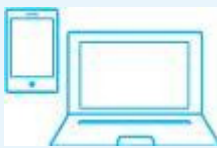
End

- ~~~~~
- ◎ In the case of attendance by proxy, please present a document that proves the delegated authority at the reception desk as well as Exercise of Voting Rights Form (Under the Articles of Incorporation, attending the General Meeting of Shareholders as a proxy is limited to only one other shareholder with voting rights).
 - ◎ Among matters subject to measures for electronic provision, the following matters are not described in the documents we deliver to shareholders who have requested delivery of written documents, pursuant to the laws and regulations as well as the relevant provisions in the Bank's Articles of Incorporation. Audit & Supervisory Board Members and the Independent Auditor have audited the documents to be audited including the following matters:
 - (1) "A system for ensuring that operations are properly conducted" in the business report
 - (2) "Consolidated statements of changes in net assets" and "Notes to the consolidated financial statements" in the consolidated financial statements
 - (3) "Statements of changes in net assets" and "Notes to the financial statements" in the financial statements
 - ◎ In the event of any revision to the matters subject to measures for electronic provision, the occurrence of such revision and the matters before and after the revision will be posted on the Aozora website, the Tokyo Stock Exchange website, and the PRONEXUS website for Reference Materials for the General Meeting of Shareholders.

Notice on Exercise of Voting Rights

Exercise your Voting Rights via the Internet

- Validity Date:
No later than 5:15 p.m.
on June 23, 2025 (Monday)



“Smart Voting” Method

- 1 You can easily exercise your voting rights by scanning the QR code[®]* located in the lower right of your Exercise of Voting Rights Form and entering your “Voting Right Exercise Code” and “Password”.



Note: If you wish to update or change your vote, it will be necessary to re-scan the QR code[®]* and re-enter the “Voting Rights Exercise Code and the “Password” shown on the Exercise of Voting Rights Form.

- 2 Next, follow the instructions on the screen to select your approval/disapproval



* QR code is a registered trademark of DENSO WAVE INCORPORATED.

Exercise of the Voting Rights Code and Password Method

- 1 Exercise of the voting right via the Internet is possible through the “Smart Voting” method or by accessing the following website dedicated to exercise of the voting right designated by Aozora Bank from a PC, smartphone, or cell cellphone:
<https://www.web54.net>



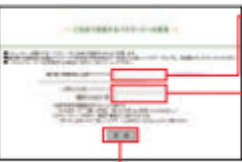
- 2 Input the “Exercise Code” provided on the Enclosed “Exercise Voting Rights Form”



Input the
“Exercise Code”

Click “Log in”

- 3 Input the “Password” provided on the enclosed “Exercise Voting Rights Form”



Enter your password.

Please create a new password for use the next time you log in.

Click “Register”

- 4 Next, follow the instructions on the screen to select your approval/disapproval.

If you have any questions about the exercise of your voting rights via the Internet via PC, smartphone or cell phone, please contact the following department.

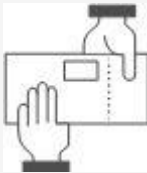
Web Support, Stock Transfer Agency Department,
Sumitomo Mitsui Trust Bank, Limited.
[Toll-free Hotline] 0120-652-031 (9:00a.m.–9:00p.m.)

Electronic platform for executing voting rights (for institutional investors)

Institutional investors may exercise their voting rights for the 92nd Ordinary General Meeting of Shareholders through the electromagnetic form operated by ICJ Inc.

Attend the Shareholder’s Meeting

- Date & Time:
June 24, 2025 (Tuesday) 10:00 a.m.



Please present the “Exercise of Voting Rights Form” enclosed with the Convocation Notice for the 92nd Ordinary General Meeting of Shareholders at the reception desk.
Please also have your Convocation Notice for the 92nd Ordinary General Meeting of Shareholders (this document) on hand.

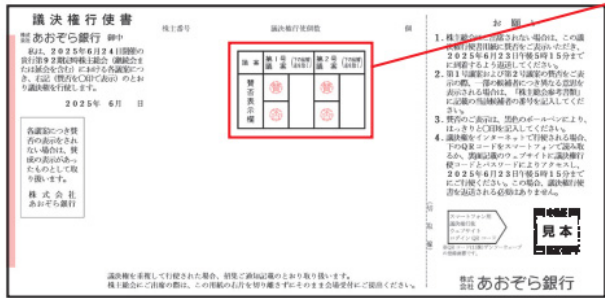
Exercise Your Voting Rights in Writing

- Validity Date:
No later than 5:15 p.m.
on June 23, 2025 (Monday)



Please write your vote of approval or disapproval on the “Exercise of Voting Rights Form” enclosed with the Convocation Notice for the 92nd Ordinary General Meeting of Shareholders and return the form to us by mail so that it arrives no later than the expiration of the Exercise Period.

How to fill out the Exercise of Voting Rights Form



Please write your vote of approval or disapproval

Proposal No. 1 Proposal No. 2

Approval of all candidates >> ○ on 「賛」
Disapproval of all candidates >> ○ on 「否」
Disapproval of specific candidate(s) >> ○ on 「賛」, then fill in the identification number of the candidate(s) of whom you disapprove

- A. If you decide to exercise your voting rights in writing or via the Internet more than once, please note the following.
1. If you exercise your voting rights more than once in writing, the exercise made with the most recent reissue of the Exercise of Voting Rights Form shall prevail.
 2. If you exercise your voting rights more than once via the Internet, the last exercise made shall prevail.
 3. If you exercise your voting rights both in writing and via the Internet, the exercise via the Internet shall prevail.
- B. If neither approve nor disapprove is selected for a proposal item, the proposal shall be considered to be approved.

Information regarding the General Meeting of Shareholders livestream



The General Meeting of Shareholders will be livestreamed via the Internet. For details, please refer to the descriptions below as well as the “Notice on the General Meeting of Shareholders livestream” enclosed with the Convocation Notice for the 92nd Ordinary General Meeting of Shareholders.

What is the General Meeting of Shareholders livestream (with viewer participation)?



- This service enables the shareholders who will not attend the General Meeting in person to be able to view a livestream of the event via the Aozora website dedicated to the General Meeting of Shareholders upon verification of shareholder status with a valid ID and password.
- **Shareholders viewing the livestream are not considered attendees as defined in the Companies Act. As such, they cannot exercise their voting rights on the day of the General Meeting. We encourage them to cast their vote in writing or via the Internet by 5:15 p.m., on Monday, June 23, 2025. In addition, shareholders viewing the livestream cannot propose any questions or motions as specified under the Companies Act of Japan, but may send comments to the General Meeting of Shareholders Administration Group while watching the video feed.**

How to participate in the General Meeting of Shareholders livestream



- If you join the General Meeting via livestream, please visit the log-in screen and enter your ID (shareholder number) and password (zip code) indicated on the “Exercise of Voting Rights Form.” For details, please refer to the “Notice on the General Meeting of Shareholders livestream” enclosed with the Convocation Notice for the 92nd Ordinary General Meeting of Shareholders.
- The livestream display has a comment field. Any comments forwarded to us are not deemed as questions under the Companies Act. However, we plan to post or reply to these questions on Aozora’s website on the day of or at a later date following the General Meeting, unless they include any personal information or inappropriate content, such as a message that may constitute a personal attack.

Other notice regarding the General Meeting of Shareholders livestream

- Video/sound distortion or temporary suspension may occur due to network issues or system failure. The Bank is not responsible for any damages incurred by shareholders for reasons mainly attributable to the aforementioned network issues or system failure.
- Any expenses incurred from accessing the livestream, including communication devices, Internet connection fees and communication charges, shall be borne by shareholders.
- The livestream is available only to shareholders who were on the Bank’s shareholder list as of March 31, 2025. Other shareholders may not view the livestream.
- We have taken every possible measure in order to livestream the General Meeting. However, shareholders may be unable to join the General Meeting in cases where the livestream is suspended due to any contingency, such as an unstable network environment and system failure, or cancelled due to unforeseen circumstances.
- Actions including video/sound recording and broadcasting of the livestream are prohibited in order to protect shareholders’ image rights.
- The livestream of the General Meeting will be recorded from the back of the venue, and due care will be taken not to include images of attending shareholders. However, please be aware that some shareholders may unavoidably appear on the stream for reasons mainly attributable to the venue.

Contact

- ID (shareholder number) and password (zip code)

Sumitomo Mitsui Trust Bank, Limited. (Shareholders registry administrator):
General Meeting of Shareholders Dedicated Virtual Support Line

TEL: 0120-782-041 (toll-free, Japanese only)

Weekdays: 9:00 a.m.–5:00 p.m. (excluding weekends and holidays)

- How to view the General Meeting of Shareholders livestream

General Meeting of Shareholders Virtual Help Desk

TEL: 0120-245-022 (toll-free, Japanese only)

Wednesday, June 4, 2025 to Monday, June 23, 2025 — Weekdays: 9:00 a.m.–5:00 p.m. (excluding weekends and holidays)

Tuesday, June 24, 2025 (the date of the General Meeting): from 9:00 a.m. through until meeting’s end

- Other inquiries regarding the General Meeting of Shareholders

Aozora Bank, Ltd.:
General Meeting of Shareholders Administration Group, Corporate Communication Division

TEL: 03-6752-1111 (main number, Japanese only)

Weekdays: 9:00 a.m.–5:00 p.m. (excluding weekends and holidays)

Post disclosure regarding the General Meeting

- We will upload a video of the General Meeting to the Aozora website (<https://www.aozorabank.co.jp/english/ir/stock/meeting/>). We plan to make the video available starting in early July once preparations are complete.

Information regarding the General Meeting of Shareholders

Services and support available at the venue of the General Meeting of Shareholders

- Please feel free to use the following services and support:

Livestreaming	You can view the General Meeting of Shareholders. https://web.lumiagm.com/
Dedicated website for reading the convocation notice	You can listen to part of the convocation notice in audio on this website. https://p.sokai.jp/8304/
Receipt of pre-planned questions	We welcome you to submit your questions in advance in writing or via email. For contact, please use the email in "Flow of the General Meeting of Shareholders" on page 5.


- If you need assistance at the venue of the General Meeting of Shareholders, please feel free to contact our staff.
- If you visit the venue of the General Meeting of Shareholders with a wheelchair, please follow the access route detailed below. At the venue, we will support wheelchair access upon request.
Access route for from Nagatacho Station for wheelchair users:
https://www.tgt-kioicho.jp/access/pdf/kurumaisuroot_nagatacho.pdf
Access route for from Akasaka-mitsuke Station for wheelchair users:
https://www.tgt-kioicho.jp/access/pdf/kurumaisuroot_akasakamitsuke.pdf
- At the venue of the General Meeting of Shareholders, we will provide support, including guiding to the seat and restroom as well as communicating in writing. Shareholders in need of assistance may attend the meeting with up to one caregiver. If you wish, please ask at the reception desk on the day of the meeting.
- If a shareholder feels unwell during the General Meeting of Shareholders, we will respond by asking the shareholder's wishes to attend the General Meeting of Shareholders, and may escort the shareholder to another room.

Important information regarding the venue of the General Meeting of Shareholders

- There will be no thank-you gift for attendees.
- There will be no Drink Corner set up by the Bank. (Free bottled water is available.)


Information updates until the date of the General Meeting

- Details about the operation of the General Meeting of shareholders stated on this Convocation Notice for the 92nd Ordinary General Meeting of Shareholders are subject to change and updates. Shareholders are encouraged to check the latest information on the Aozora website (<https://www.aozorabank.co.jp/english/ir/stock/meeting/>) before visiting the venue on the date of the General Meeting.



Aozora website dedicated to the General Meeting of Shareholders

<https://www.aozorabank.co.jp/english/ir/stock/meeting/>












End

Reference Materials for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal No.1 Appointment of Nine Directors

At the close of this Ordinary General Meeting of Shareholders, the term of office of all nine directors shall expire. This is to propose, therefore, that nine directors be elected. Candidates are shown below, and the matters concerning each candidate are described on pages 15 to 32.

Candidate No.	Name	Current Positions and Areas of Responsibility	Board Meeting Attendance	Number of years served as director at the close of this General Meeting
1	<div>For Reappointment</div> <div>Inside</div> Koji Yamakoshi	 Director, Chairman and Executive Officer	Attended all 17 Board meetings during the relevant fiscal year	5 years
2	<div>For Reappointment</div> <div>Inside</div> Hideto Oomi	 Representative Director, President and Chief Executive Officer	Attended all 17 Board meetings during the relevant fiscal year	4 years
3	<div>For Reappointment</div> <div>Inside</div> Masayoshi Ohara	 Representative Director, Deputy President and Executive Officer	Attended all 17 Board meetings during the relevant fiscal year	2 years
4	<div>For Reappointment</div> <div>Inside</div> Takashi Kato	 Director, Senior Managing Executive Officer Chief Financial Officer (CFO)	Attended all 11 Board meetings during the relevant fiscal year, after his appointment as Director	1 year
5	<div>For Reappointment</div> <div>Outside</div> <div>Independent director</div> Sakie Tachibana Fukushima	 Director	Attended all 17 Board meetings during the relevant fiscal year	3 years
6	<div>For Reappointment</div> <div>Outside</div> <div>Independent director</div> Hideyuki Takahashi	 Director	Attended all 17 Board meetings during the relevant fiscal year	2 years
7	<div>For Reappointment</div> <div>Outside</div> <div>Independent director</div> Hideaki Saito	 Director	Attended all 17 Board meetings during the relevant fiscal year	2 years
8	<div>For Reappointment</div> <div>Outside</div> <div>Independent director</div> Koichi Tadano	 Director	Attended all 11 Board meetings during the relevant fiscal year, after his appointment as Director	1 year
9	<div>For Reappointment</div> <div>Outside</div> Hiromasa Kawashima	 Director	Attended all 8 Board meetings during the relevant fiscal year, after his appointment as Director	1 year

Candidate No.

1

Koji Yamakoshi

62 years old
(Date of birth: July 22, 1962)

For reappointment

Inside

Number of years served as director 5 years
(At the close of this Ordinary General Meeting of Shareholders)

Board Meeting Attendance Attended all 17 Board meetings during the relevant fiscal year (FY2024)



Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Apr. 1986	The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)
Apr. 2007	General Manager of Special Finance Division
Dec. 2009	Deputy Head of Specialty Finance Group, and General Manager of Special Situations Division
July 2012	Executive Officer, Deputy Head of Specialty Finance Group
Nov. 2012	Executive Officer, Head of Specialty Finance Group
July 2016	Managing Executive Officer, Head of Specialty Finance Group
Jan. 2017	Managing Executive Officer, Head of Specialty Finance Group, and General Manager of Global Real Estate Structured Debt Division
July 2018	Managing Executive Officer, Head of Business Banking Group and Head of Corporate Banking Group
July 2019	Senior Managing Executive Officer, Head of Business Banking Group and Head of Corporate Banking Group
June 2020	Director, Senior Managing Executive Officer, Head of Business Banking Group and Head of Corporate Banking Group
July 2020	Director, Senior Managing Executive Officer, Head of Corporate Banking Group
June 2021	Representative Director, Deputy President and Executive Officer, Head of Corporate Banking Group
July 2021	Representative Director, Deputy President and Executive Officer
Apr. 2024	Director, Chairman and Executive Officer (current)

Number of Bank's shares Owned by Candidate 6,084
The above states the sum of the shares held directly by the candidate and includes shares held through the Executive Stock Ownership Plan (ESOP). (Fractional shares are rounded off.)

Reason for nomination as a candidate for director

Mr. Koji Yamakoshi has been engaged in a broad range of banking businesses such as specialty finance and has made a considerable contribution to the corporate management as an Executive Officer (since July 2012) and subsequently Head of Specialty Finance Group and Head of Corporate Banking Group. He has been responsible for a wide range of business operations and involved in the overall management of the Group as Director, Chairman and Executive Officer (since April 2024), after serving as Representative Director and Deputy President (since June 2021), and he has a thorough knowledge of the Group's overall business operations. The Bank believes he is an adequate candidate because of his deep insight in financial businesses as well as extensive experience and sound judgment.

Matters concerning interests

There are no other particular business related interests between Mr. Yamakoshi and the Bank.

Matters concerning Directors and Officers liability insurance contract

Mr. Yamakoshi is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which he is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and he assumes the position of Director, he will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during his term of office.

Message to our shareholders

I have served as Chairperson of the Board of Directors since FY2024. Following the deficit recorded in FY2023, we held discussions on corporate governance with outside experts, lawyers, and management, and worked to enhance the effectiveness of outside directors' oversight function by incorporating the excellent system and management method of other companies in a manner that suits the Bank. Specifically, we had a series of discussions among all directors and formulated a new Mid-term Plan that incorporates an oversight framework with a strong focus on the business portfolio and capital efficiency. The Board also decided to reorganize the Audit and Compliance Committee into the Risk Governance Committee with the aim to ensure enhanced internal controls and optimal resources allocation based on our explicit risk management and control policy. In FY2025, while playing a role of steering the Board of Directors in a neutral manner, I will remain committed to my responsibilities to pursue a higher level of governance effectiveness through sound and in-depth discussions between the execution and oversight sides in order for the Bank to achieve sustainable growth and enhanced corporate value.

Candidate No.

2

Hideto Oomi

59 years old
(Date of birth: July 19, 1965)

For reappointment

Inside

Number of years served as director 4 years
(At the close of this Ordinary General Meeting of Shareholders)

Board Meeting Attendance Attended all 17 Board meetings during the relevant fiscal year (FY2024)



Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Apr. 1989	The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)
Aug. 2007	General Manager of Leveraged Finance Division
Dec. 2009	General Manager of Acquisition & Project Finance Division
Oct. 2011	General Manager of Hiroshima Branch
Nov. 2012	General Manager of Business Strategy Division
July 2016	Executive Officer, Special Assignment
July 2019	Managing Executive Officer, Head of Corporate Strategy Unit, Office of Corporate Secretary and Special Assignment
June 2020	Managing Executive Officer, Head of Corporate Strategy Unit, Head of Trust Business Group, Office of Corporate Secretary and Special Assignment
Apr. 2021	Managing Executive Officer, Head of Strategic Investments Group, Head of Trust Business Group, Head of Corporate Strategy Unit and Office of Corporate Secretary
June 2021	Representative Director, Deputy President and Executive Officer, Head of Strategic Investments Group, Head of Trust Business Group, Head of Corporate Strategy Unit and Office of Corporate Secretary
July 2021	Representative Director, Deputy President and Executive Officer, Head of Strategic Investments Group and Head of Trust Business Group
Apr. 2022	Representative Director, Deputy President and Executive Officer, Head of Institutional Business Promotion Group
Apr. 2024	Representative Director, President and Chief Executive Officer (CEO) (current)

Number of Bank's shares Owned by Candidate	16,654 The above states the sum of the shares held directly by the candidate and includes shares held through the Executive Stock Ownership Plan (ESOP). (Fractional shares are rounded off.)
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Reason for nomination as a candidate for director

Mr. Hideto Oomi has been engaged in a broad range of banking businesses such as corporate banking and corporate strategy and has made a considerable contribution to the corporate management as an Executive Officer (since July 2016), supervising multiple groups/divisions. He has led all of the Aozora Group as Representative Director, President and Chief Executive Officer (since April 2024), after serving as Representative Director, Deputy President (since June 2021) and has a thorough knowledge of the Bank group's overall business operations. The Bank believes he is an adequate candidate because of his deep insight in financial businesses as well as extensive experience and sound judgment.

Matters concerning interests

There are no other particular business related interests between Mr. Oomi and the Bank.

Matters concerning Directors and Officers liability insurance contract

Mr. Oomi is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which he is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and he assumes the position of Director, he will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during his term of office.

Message to our shareholders

In FY2024, 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, also increased mainly due to growing M&A needs in response to corporate governance reforms. GMO Aozora Net Bank (GANB) has achieved profitability and is expected to remain profitable as a contributor to our earnings. Coupled with these results that drove the Aozora Group forward, I believe that we were able to build a solid path for returning to sustainable growth by entering into a capital and business alliance with Daiwa Securities Group when I assumed the position of president, as well as making progress in working out U.S. office loans through our strict risk management based on the risk appetite framework. In FY2025, our new Mid-term Plan, Aozora 2027, is set to be implemented. I will work to achieve the planned goals with a view to contributing to the development of society and meeting the expectations of our shareholders.

Candidate No.

3

Masayoshi Ohara

61 years old
(Date of birth: August 28, 1963)

For reappointment

Inside

Number of years
served as director 2 years
(At the close of this Ordinary
General Meeting of Shareholders)

Board Meeting
Attendance Attended all 17 Board meetings
(FY2024) during the relevant fiscal year



Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Apr. 1988	The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)
Oct. 2011	General Manager of Financial Institutions Division I
July 2012	General Manager of Human Resources Division
Aug. 2013	Deputy Chief Risk Officer (CRO) and General Manager of Market Risk Management Division
July 2014	Executive Officer, Head of Financial Markets Group
July 2017	Managing Executive Officer, Head of Financial Markets Group
July 2018	Managing Executive Officer, CRO and Chief Credit Risk Officer (CCRO)
July 2019	Senior Managing Executive Officer, CRO and CCRO
July 2021	Senior Managing Executive Officer and CRO
June 2023	Director, Senior Managing Executive Officer and CRO
Apr. 2024	Representative Director, Deputy President and Executive Officer (current)

Number of Bank's shares Owned by Candidate	5,426 The above states the sum of the shares held directly by the candidate and includes shares held through the Executive Stock Ownership Plan (ESOP). (Fractional shares are rounded off.)
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Reason for nomination as a candidate for director

Mr. Masayoshi Ohara has been engaged in a broad range of banking businesses such as the markets business and has made a considerable contribution to the corporate management as an Executive Officer and Head of Financial Markets Group (since July 2014) and subsequently CRO and CCRO. He has been responsible for a wide range of business operations and involved in the overall management of the Group as Representative Director and Deputy President (since April 2024) and he has a thorough knowledge of the Group's overall business operations. The Bank believes he is an adequate candidate because of his deep insight in financial businesses as well as extensive experience and sound judgment.

Matters concerning interests

There are no other particular business related interests between Mr. Ohara and the Bank.

Matters concerning Directors and Officers liability insurance contract

Mr. Ohara is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which he is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and he assumes the position of Director, he will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during his term of office.

Message to our shareholders

FY2024 marked a milestone in the recovery of our business performance. We formed a capital and business alliance with Daiwa Securities Group, made progress in the workout of U.S. office loans, and strengthened our balance sheet. As a result, we restored our risk tolerance and set a course for stable growth.

With the recovery of the domestic economy and the normalization of yen interest rates, our net interest income increased, and our corporate lending and structured finance businesses made steady progress. Driven by customer business through domestic fund intermediation, we have achieved sustainable growth.

We have also established our new Mid-term Plan for future growth. We will allocate management resources to our Strategic Investments Business with emphasis on increasing loans through financial intermediation. In addition, through sound risk-taking, we will strive for corporate growth through sustainable earnings growth and enhancing capital base. Furthermore, we will continue to invest in human capital for the growth of the internet business and the creation of added-value. Through these efforts, we will return to our mission of "contributing to the development of society by creating new added-value financial services" and achieve steady growth.

Candidate No.

4

Takashi Kato

60 years old
(Date of birth: January 20, 1965)

For reappointment

Inside

Number of years
served as director 1 year
(At the close of this Ordinary
General Meeting of Shareholders)

Board Meeting
Attendance (FY2024) Attended all 11 Board meetings
during the relevant fiscal year, after
his appointment as Director



Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Apr. 1989	The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)
Aug. 2010	General Manager of Treasury Investment Division
July 2012	Deputy Head of Financial Markets Group, and General Manager of Treasury Investment Division
July 2014	Deputy Head of Financial Markets Group
July 2016	Executive Officer, General Manager of Kansai Branch, and General Manager of Kansai Financial Institutions Division
July 2018	Executive Officer, Head of Financial Markets Group
July 2019	Managing Executive Officer, Head of Financial Markets Group
July 2021	Senior Managing Executive Officer, Head of Allied Banking Group
July 2023	Senior Managing Executive Officer, Head of Corporate Strategy Unit and Office of Corporate Secretary
June 2024	Director, Senior Managing Executive Officer, Head of Corporate Strategy Unit and Office of Corporate Secretary
July 2024	Director, Senior Managing Executive Officer, Chief Financial Officer (CFO) (current)

Number of Bank's shares Owned by Candidate	9,510 The above states the sum of the shares held directly by the candidate and includes shares held through the Executive Stock Ownership Plan (ESOP). (Fractional shares are rounded off.)
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Reason for nomination as a candidate for director

Mr. Takashi Kato has been engaged in a broad range of banking businesses such as the markets business and has made a considerable contribution to the corporate management as an Executive Officer (since July 2016) and Head of Financial Markets Group and subsequently Head of Allied Banking Group, and as a Senior Managing Executive Officer and Head of Corporate Strategy Unit, and currently as a Director and Senior Managing Executive Officer and Chief Financial Officer (CFO) and he has a thorough knowledge of the Group's overall business operations. The Bank believes he is an adequate candidate because of his deep insight in financial businesses as well as extensive experience and sound judgment.

Matters concerning interests

There are no other particular business related interests between Mr. Kato and the Bank.

Matters concerning Directors and Officers liability insurance contract

Mr. Kato is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which he is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and he assumes the position of Director, he will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during his term of office.

Message to our shareholders

In FY2024, the Aozora Group has advanced risk management based on the risk appetite framework, the capital and business alliance with Daiwa Securities Group, and the steady expansion of the domestic customer base. As a result, following the deficit recorded in FY2023, Aozora was able to achieve profit attributable to owners of parent that exceeded the business plan for FY2024 in the consolidated financial statements. Amidst growing uncertainty surrounding the outlook for financial markets and the real economy originating in the United States, FY2025 will be an extremely important year, the first year of our new Mid-term Plan, Aozora 2027." As Director and CFO, I will continue to make every effort to exceed the expectations of our stakeholders, especially our shareholders, through meticulous risk management from a forward-looking perspective and steady efforts to provide financial services that meet a wide range of customer needs.

Candidate No.

5

Sakie Tachibana Fukushima

75 years old
(Date of birth: September 10, 1949)

For reappointment	Outside	Independent director
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Number of years served as director 3 years
(At the close of this Ordinary General Meeting of Shareholders)

Board Meeting Attendance Attended all 17 Board meetings during the relevant fiscal year (FY2024)



Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Sept. 1974	Instructor, Department of East Asian Languages and Civilizations, Harvard University
June 1980	Braxton International
Sept. 1987	Bain & Company, Inc.
Aug. 1991	Korn/Ferry International-Japan (currently Korn/Ferry Japan)
May 1995	Member of the Board of Directors, Korn/Ferry International (U.S. Headquarters)
Sept. 2000	Regional Managing Director, Korn/Ferry International-Japan
July 2001	President and Representative Director, Korn/Ferry International-Japan
May 2009	Chairman and Representative Director, Korn/Ferry International-Japan
July 2010	President and Representative Director, G&S Global Advisors Inc. (current)
Apr. 2011	Vice Chairperson, Japan Association of Corporate Executives (through April 2015)
June 2016	Outside Director, Ushio Inc.
June 2019	Outside Director, KONICA MINOLTA, INC.
June 2020	Outside Director, Kyushu Electric Power Company, Incorporated (current)
June 2022	Outside Director, Aozora Bank, Ltd. (current)

Number of Bank's shares Owned by Candidate	1,607 The above states the sum of the shares held directly by the candidate and includes shares held through the Executive Stock Ownership Plan (ESOP). (Fractional shares are rounded off.)
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Reason for nomination as a candidate for director and expected roles

Ms. Sakie Tachibana Fukushima has served as Director of Korn/Ferry International (U.S. Headquarters), a U.S. listed firm, as well as President and Chairman of Korn/Ferry Japan. She has also served as an outside director of several Japanese listed companies and has a wealth of experience, credentials and deep insight as a member of senior management of corporate institutions, as well as extensive knowledge of the management of global human resources and corporate governance. She has appropriately supervised the management of the Bank as an Outside Director since June 2022. The Bank, having high regard for her experience and capabilities, requests the continued appointment as Outside Director, as the Bank expects her to provide overall oversight and advice on the execution of duties by executive officers, from an objective perspective, toward the enhancement of the Bank's corporate value over the medium- to long-term, if she is elected as an Outside Director.

Matters concerning interests and independence

There are no other particular business related interests between Ms. Fukushima and the Bank. Ms. Fukushima is nominated as Outside Director and also as Independent Director in accordance with the requirements of the Tokyo Stock Exchange, Inc.

Matters concerning Limited Liability contract and Directors and Officers liability insurance contract

The Bank has an agreement with Ms. Fukushima regarding the liability limit stipulated in Paragraph 1 - Article 423 of the Companies Act, pursuant to Paragraph 1 - Article 427, which is stating that in case of "bona fides without any significant delinquency", the amount of the liability limit is in accordance with the amount stipulated in Paragraph 1 - Article 425. In case this proposal is approved and resolved, and she assumes the position of Outside Director, this agreement continues to be effective.

Ms. Fukushima is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which she is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and she assumes the position of Outside Director, she will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during her term of office.

(Note) The family register name of Sakie Tachibana Fukushima is Sakie Tachibana.

Message to our shareholders

In the midst of a world environment undergoing drastic geopolitical and geoeconomic changes, over the past year, we have engaged in discussions with the executive team regarding addressing the issues from the fiscal year 2023, while also considering and announcing the partnership with the Daiwa Securities Group, confirming the progress thereafter, and discussing the formulation of the new Mid-term Business Plan to promote growth of the Bank. During this time, unexpected events in the external environment have occurred daily, and we have been responding while considering the worst-case scenarios. It is in times like these that we have reexamined the mission, which is the fundamental principle of our management, "Contribute to the development of society through the creation of new value-added financial services," and have supervised the executive team's efforts to advance the growth of the "Aozora's Strategic Investments Business," including exploring new areas unique to the Bank. Moving forward, I aim to continue supervising with the perspective of investors, leveraging my experience in corporate governance over 30 years in Japanese and American companies, as well as my expertise in human resources consulting, to contribute to the promotion of human capital management, which is fundamental to our growth.

Candidate No.

6

Hideyuki Takahashi

68 years old
(Date of birth: April 20, 1957)

For reappointment	Outside	Independent director
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Number of years
served as director 2 years
(At the close of this Ordinary
General Meeting of Shareholders)

Board Meeting
Attendance
(FY2024) Attended all 17 Board meetings
during the relevant fiscal year



Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Apr. 1980	The Industrial Bank of Japan Ltd. (currently Mizuho Bank, Ltd.)
Apr. 2007	Senior Corporate Officer, Executive Officer, Strategic Planning Group, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
Apr. 2009	Managing Executive Officer, Head of Financial Institutions, Mizuho Corporate Bank, Ltd.
Apr. 2010	Managing Executive Officer, CFO, Head of Financial Control & Accounting Group, Mizuho Corporate Bank, Ltd.
Apr. 2012	Managing Executive Officer, Group CFO, Mizuho Financial Group, Inc.
Apr. 2013	Director and Deputy President, Group CFO, Mizuho Financial Group, Inc.
Apr. 2014	Director, Mizuho Financial Group, Inc.
June 2014	Director and Deputy Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Risk Committee, Mizuho Financial Group, Inc.
June 2017	President & CEO, Mizuho Research Institute Ltd. (currently Mizuho Research & Technologies, Ltd.)
June 2019	Chairman, The Kyoritsu Co., Ltd. Outside Director, Sunshine City Corporation (current)
June 2020	Outside Corporate Auditor, Hanwa Co., Ltd. (current) (*) Outside Director, Audit & Supervisory Committee Member, WOWOW Inc.
Jan. 2022	Representative Director and President, Topaz Advisory, Inc.
Jan. 2023	Advisor, Topaz Capital Inc.
June 2023	Outside Director, Aozora Bank, Ltd. (current)

(*) The position of Mr. Takahashi at Hanwa Co., Ltd. will be changed from Outside Corporate Auditor to Outside Director, Audit and Supervisory Committee Member, subject to the approval of the firm's ordinary general meeting of shareholders scheduled on June 26, 2025.

Number of Bank's shares Owned by Candidate	160 The above states the sum of the shares held directly by the candidate and includes shares held through the Executive Stock Ownership Plan (ESOP). (Fractional shares are rounded off.)
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Reason for nomination as a candidate for director and expected roles

Mr. Hideyuki Takahashi has served as Deputy President and Group CFO, and Deputy Chairman of the Board of Directors of Mizuho Financial Group, Inc. as well as Representative Director and President of Mizuho Research & Technologies, Ltd. and he has a wealth of experience, credentials and deep insight as a member of senior management of corporate institutions in the banking and non-financial sectors, as well as extensive knowledge of finance and accounting and corporate governance of financial institutions. He has appropriately supervised the management of the Bank as an Outside Director since June 2023.

The Bank, having high regard for his experience and capabilities, requests the continued appointment as Outside Director, as the Bank expects him to provide overall oversight and advice on the execution of duties by executive officers, from an objective perspective, toward the enhancement of the Bank's corporate value over the medium- to long-term, if he is elected as an Outside Director.

Matters concerning interests and independence

There are no other particular business related interests between Mr. Takahashi and the Bank. Mr. Takahashi is nominated as Outside Director and also as Independent Director in accordance with the requirements of the Tokyo Stock Exchange, Inc.

Matters concerning Limited Liability contract and Directors and Officers liability insurance contract

The Bank has an agreement with Mr. Takahashi regarding the liability limit stipulated in Paragraph 1 - Article 423 of the Companies Act, pursuant to Paragraph 1 - Article 427, which is stating that in case of "bona fides without any significant delinquency", the amount of the liability limit is in accordance with the amount stipulated in Paragraph 1 - Article 425. In case this proposal is approved and resolved, and he assumes the position of Outside Director, this agreement continues to be effective.

Mr. Takahashi is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which he is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and he assumes the position of Outside Director, he will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during his term of office.

Message to our shareholders

The Bank of Japan's monetary policy changes are leading to a return to a world with interest rates, and the management environment surrounding financial institutions is at a major turning point. In the fiscal year 2024, the Bank was able to overcome the deficit from the previous year and achieve results largely in line with the plan, including starting a capital business partnership with the Daiwa Securities Group. Over the past year, the Board of Directors has been working on rebuilding the revenue base centered around the "Aozora's Strategic Investments Business," and strengthening risk governance through the establishment of a Risk Appetite Framework. Additionally, external directors have been actively involved in formulating the new Mid-term Business Plan starting from the fiscal year 2025. The biggest management challenge this fiscal year is to steadily realize the new Mid-term Business Plan, for which a solid governance structure with a sense of urgency and resilient response capabilities is necessary. I am determined to contribute to the sustainable growth of the Bank, focusing on supervision and monitoring as an external director.

Candidate No.

7

Hideaki Saito

62 years old
(Date of birth: May 6, 1963)

For reappointment	Outside	Independent director
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Number of years
served as director 2 years
(At the close of this Ordinary
General Meeting of Shareholders)

Board Meeting
Attendance Attended all 17 Board meetings
during the relevant fiscal year
(FY2024)



■ Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Apr. 1986	The Norinchukin Bank
Apr. 1989	Chief Researcher, Banking Bureau, Ministry of Finance
Apr. 1998	The Boston Consulting Group
July 2006	Partner and Managing Director, The Boston Consulting Group
Apr. 2010	Managing Director, Cisco Systems G.K.
Apr. 2011	Senior Managing Director, Cisco Systems G.K.
Feb. 2013	President and CEO, NEXTIA Life Insurance Co., Ltd. (currently AXA Life Insurance Co., Ltd.)
July 2019	Partner, Bain and Company
Aug. 2021	President and CEO, Japan Systems Co., Ltd. (current)
Jan. 2022	Representative Director, NetCam Systems Corporation (current)
May 2023	Director, Blueship. Co., Ltd.
June 2023	Outside Director, Aozora Bank, Ltd. (current)
Mar. 2024	Director and Representative Executive Officer, Blueship Co., Ltd. (current)
Apr. 2025	Member of the Management Advisory Council, JAPAN POST INSURANCE Co., Ltd. (current)

Number of Bank's shares Owned by
Candidate 564
The above states the sum of the shares held
directly by the candidate and includes shares
held through the Executive Stock Ownership Plan
(ESOP). (Fractional shares are rounded off.)

■ Reason for nomination as a candidate for director and expected roles

Mr. Hideaki Saito has served as President and CEO of AXA Direct Life Insurance Co., Ltd., President and CEO of Japan Systems Co., Ltd. and Partner of consulting firms and he has a wealth of experience, credentials and deep insight as a member of senior management of corporate institutions and as a strategic consultant, as well as extensive knowledge of IT/Digital. He has appropriately supervised the management of the Bank as an Outside Director since June 2023. The Bank, having high regard for his experience and capabilities, requests the continued appointment as Outside Director, as the Bank expects him to provide overall oversight and advice on the execution of duties by executive officers, from an objective perspective, toward the enhancement of the Bank's corporate value over the medium- to long-term, if he is elected as an Outside Director.

■ Matters concerning interests and independence

There are no other particular business related interests between Mr. Saito and the Bank. Mr. Saito is nominated as Outside Director and also as Independent Director in accordance with the requirements of the Tokyo Stock Exchange, Inc.

■ Matters concerning Limited Liability contract and Directors and Officers liability insurance contract

The Bank has an agreement with Mr. Saito regarding the liability limit stipulated in Paragraph 1 - Article 423 of the Companies Act, pursuant to Paragraph 1 - Article 427, which is stating that in case of "bona fides without any significant delinquency", the amount of the liability limit is in accordance with the amount stipulated in Paragraph 1 - Article 425. In case this proposal is approved and resolved, and he assumes the position of Outside Director, this agreement continues to be effective.

Mr. Saito is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which he is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and he assumes the position of Outside Director, he will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during his term of office.

■ Message to our shareholders

Based on the mitigation of risks on the balance sheet in the fiscal year 2023, in the fiscal year 2024, we laid the foundation for the Bank's new growth, such as the capital business alliance with Daiwa Securities Group and the formulation of the new Mid-term Business Plan. In response to these various movements, as an external director, I have engaged in discussions not only in the board of directors but also directly with officers and Divisions s involved. What I have been mindful of is whether the perspectives of shareholders and investors are sufficiently incorporated, whether the execution side is not engaging in inward-looking discussions, and whether we are pursuing the unique significance of Aozora Bank rather than following other banks. I believe that the execution side and I are in a mutually complementary relationship, aiming to share the overarching goal of maximizing Aozora Bank's corporate value. This fiscal year is the year to realize the fruits of growth. We will conduct appropriate monitoring to achieve results beyond the plan. I will provide a variety of essences that I have experienced in various industries and business formats to maximize the corporate value of the Bank.

Candidate No.

8

Koichi Tadano

70 years old
(Date of birth: July 3, 1954)

For reappointment	Outside	Independent director
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Number of years
served as director 1 year
(At the close of this Ordinary
General Meeting of Shareholders)

Board Meeting
Attendance (FY2024) Attended all 11 Board meetings
during the relevant fiscal year, after
his appointment as Director



Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Apr. 1977	Marubeni Corporation
June 1988	Tadano Iron Works Co., Ltd. (currently Tadano Ltd.)
June 1991	General Manager of Office of the President, Tadano Ltd.
Jan. 1997	Director and President of FAUN GmbH (currently Tadano Faun GmbH)
June 1997	Director, Tadano Ltd.
Apr. 1999	Director and Managing Executive Officer, Tadano Ltd.
Apr. 2001	Director and Senior Managing Executive Officer, Tadano Ltd.
Apr. 2002	Representative Director and Senior Managing Executive Officer, Tadano Ltd.
June 2003	President, CEO, and Representative Director, Tadano Ltd.
Apr. 2021	Chairman of the Board and Representative Director, Tadano Ltd. (current)
June 2024	Outside Director, Aozora Bank, Ltd. (current)

Number of Bank's shares Owned by Candidate	324 The above states the sum of the shares held directly by the candidate and includes shares held through the Executive Stock Ownership Plan (ESOP). (Fractional shares are rounded off.)
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Reason for nomination as a candidate for director and expected roles

Mr. Koichi Tadano has served as President, CEO, and Representative Director and Chairman of the Board and Representative Director of Tadano Ltd. and has demonstrated leadership as the top manager of the Company for many years. He has a wealth of experience, credentials and deep insight by playing a pivotal role in management, as well as extensive knowledge of global business. He has appropriately supervised the management of the Bank as an Outside Director since June 2024. The Bank having high regard for his experience and capabilities, requests the continued appointment as Outside Director, as the Bank expects him to provide overall oversight and advice on the execution of duties by executive officers, from an objective perspective, toward the enhancement of the Bank's corporate value over the medium- to long-term, if he is elected as an Outside Director.

Matters concerning interests and independence

There are no other particular business related interests between Mr. Tadano and the Bank. Mr. Tadano is nominated as Outside Director and also as Independent Director in accordance with the requirements of the Tokyo Stock Exchange, Inc.

Matters concerning Limited Liability contract and Directors and Officers liability insurance contract

The Bank has an agreement with Mr. Tadano regarding the liability limit stipulated in Paragraph 1 - Article 423 of the Companies Act, pursuant to Paragraph 1 - Article 427, which is stating that in case of "bona fides without any significant delinquency", the amount of the liability limit is in accordance with the amount stipulated in Paragraph 1 - Article 425. In case this proposal is approved and resolved, and he assumes the position of Outside Director, this agreement continues to be effective.

Mr. Tadano is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which he is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and he assumes the position of Outside Director, he will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during his term of office.

Message to our shareholders

Since assuming the position of Director of the Bank in June last year, I have been participating in board meetings, committees, etc., and considering how to apply my long-standing experience and perspective as a machinery manufacturer executive, different from financial institutions, to the management of the Bank.

With the start of the second Trump administration, the uncertainty in global politics and economics has increased, and the future has become extremely difficult to predict. It is necessary to think that the age of complex, fast, and extreme changes will continue.

In such challenging times, it is important for the Bank to maximize our available resources, adapt to any changes with creativity and wit, and demonstrate resilience. Therefore, I believe that we must adhere to the management philosophy of the Bank as an unwavering axis.

I am committed to focusing on supervision and support to overcome each current situation, achieve the new Mid-term Business Plan, and ensure the growth of the Bank.

Candidate No.

9

Hiromasa Kawashima

56 years old
(Date of birth: July 18, 1968)

For
reappointment

Outside

Number of years
served as director

1 year
(At the close of this Ordinary
General Meeting of Shareholders)

Board Meeting
Attendance
(FY2024)

Attended all 8 Board meetings
during the relevant fiscal year, after
his appointment as Director



Brief Personal History, Positions, Areas of Responsibility and Concurrent Major Posts

Apr. 1992	Daiwa Securities Co. Ltd.
Oct. 2012	Head of Executive Office, Daiwa Securities Group Inc. Head of Executive Office, Daiwa Securities Co. Ltd.
Apr. 2016	Head of Internal Audit Department, Daiwa Securities Group Inc. Head of Internal Audit Department, Daiwa Securities Co. Ltd.
Apr. 2020	Audit & Supervisory Board Member, Daiwa Securities Co. Ltd. Audit & Supervisory Board Member, Daiwa Real Estate Asset Management Co. Ltd.
June 2020	Member of the Board, Daiwa Securities Group Inc.
Apr. 2024	Senior Managing Director, Daiwa Securities Group Inc. (current) Executive Managing Director, Daiwa Securities Co. Ltd. (current)
July 2024	Outside Director, Aozora Bank, Ltd. (current)

Number of Bank's shares Owned by
Candidate

-

Reason for nomination as a candidate for director and expected roles

Mr. Hiromasa Kawashima, after serving in the Human Resources Division and the Investment Banking Division at Daiwa Securities Group Inc., served successively as Managing Director of the Executive Office and Internal Audit Department, and he is currently serving as Senior Managing Director of Daiwa Securities Group Inc. He has a wealth of experience, credentials and knowledge in Human Resources and Internal Audit. He has appropriately supervised the management of the Bank as an Outside Director since July 2024. He is a candidate nominated by Daiwa Securities Group Inc. following the Bank's execution of the Capital and Business Alliance Agreement with Daiwa Securities Group Inc., on May 13, 2024. The Bank believes his participation in the management as an Outside Director will further deepen collaboration of the two companies, and the Bank expects him to provide appropriate advice to ensure the purpose of the alliance is achieved.

Matters concerning interests

There are no other particular business related interests between Mr. Kawashima and the Bank.

Matters concerning Limited Liability contract and Directors and Officers liability insurance contract

The Bank has an agreement with Mr. Kawashima regarding the liability limit stipulated in Paragraph 1 - Article 423 of the Companies Act, pursuant to Paragraph 1 - Article 427, which is stating that in case of "bona fides without any significant delinquency", the amount of the liability limit is in accordance with the amount stipulated in Paragraph 1 - Article 425. In case this proposal is approved and resolved, and he assumes the position of Outside Director, this agreement continues to be effective.

Mr. Kawashima is currently a director of the Bank, and the Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, in which he is included as an insured party. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. In case this proposal is approved and resolved, and he assumes the position of Outside Director, he will be included as an insured party. The Bank plans to renew the said insurance contract under the same terms and conditions during his term of office.

Measures for ensuring independence from other affiliated companies from the perspective of protecting minority shareholders

Mr. Kawashima was nominated by Daiwa Securities Group Inc. in accordance with the Capital and Business Alliance Agreement between the two parties on May 13, 2024, and then appointed as a director. If any item of business posing a conflict of interests between the Bank and Daiwa Securities Group Inc. is submitted to the Bank's Board of Directors, he will participate in neither the deliberations nor the resolutions.

Message to our shareholders

In May 2024, the Bank and Daiwa Securities Group started a capital business alliance. The concept is for both parties, each with different strengths and management resources, to collaborate, significantly enhance the Bank's consulting and solution capabilities, create new added value for individual and corporate customers' challenges, and aim for sustainable improvement in corporate value together. One year has passed since the alliance began, and active discussions have taken place in various business areas, resulting in concrete achievements. In the corporate business sector, activities such as finance and M&A have become more active, while in the individual business sector, the need for and importance of asset management consulting in rapidly changing market environments have increased. By integrating the strengths of both parties to accurately capture customer needs and further expand the results of collaboration, and for the sake of the Bank's sustainable growth, we will continue to make efforts.

Proposal No.2 Appointment of Two Alternate Audit & Supervisory Board Members

In order to prepare for a vacancy in the number of Audit & Supervisory Board Members as required by law, it is proposed to appoint two alternate Audit & Supervisory Board Members, with the consent of the Audit & Supervisory Board.

Mr. Koji Himeno is the candidate for a substitute to the Standing Audit & Supervisory Board Member and Mr. Kenzo Oka is the candidate for a substitute to the Audit & Supervisory Board Members other than the Standing Audit & Supervisory Board Member.

The candidates are shown below.

Candidates for Alternate Audit & Supervisory Board Member

Candidate No.

1

Koji Himeno

57 years old
(Date of birth: December 3, 1967)

Inside



■ Brief Personal History, Positions and Concurrent Major Posts

Apr. 1991	The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)
Oct. 2011	Joint General Manager, HR Division
Aug. 2013	General manager, Ueno Branch
Oct. 2014	Joint General Manager, Corporate Business Division II
July 2016	Joint General Manager, attached to Chief Risk Officer and Chief Credit Risk Officer
Jan. 2017	Joint General Manager, Credit Risk Management Division
Apr. 2019	General manager, Kanazawa Branch
Apr. 2021	Joint General Manager, Corporate Administration and Service Division
July 2021	General Manager, Corporate Administration and Service Division
Apr. 2024	Joint General Manager, Office of Audit & Supervisory Board
July 2024	General Manager, Office of Audit & Supervisory Board (current)

Number of Bank's shares Owned by
Candidate

229

The above states the sum of the shares held directly by the candidate and includes shares held through the Employee Stock Ownership Plan (ESOP). (Fractional shares are rounded off.)

■ Reason for nomination as a candidate for Alternate Audit & Supervisory Board Member

Mr. Koji Himeno is qualified for the responsibilities of a Standing Audit & Supervisory Board Member and is the candidate for alternate Standing Audit & Supervisory Board Member because he has enough experience and knowledge in the banking business.

■ Matters concerning interests

There are no other particular business related interests between Mr. Himeno and the Bank.

■ Matters concerning Limited Liability contract and Directors and Officers liability insurance contract

When Mr. Himeno assumes the office of Audit & Supervisory Board Member, the Bank will enter into a contract with Mr. Himeno to the effect that, if he is without knowledge and is not grossly negligent in performing the duties of Audit & Supervisory Board Member, the liabilities of the Audit & Supervisory Board Member under Paragraph 1 - Article 423 of the Companies Act shall be limited to the amount stipulated by Paragraph 1 - Article 425 of the Companies Act in accordance with the provisions of Paragraph 1 - Article 427 of the Companies Act.

Once Mr. Himeno assumes his office as an Audit & Supervisory Board Member, he will be included as an insured party of the directors and officers liability insurance contract as stipulated in Article 430-3, paragraph (1) of the Companies Act, that the Bank has executed with insurance companies. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. The Bank expects that the relevant insurance contract will be updated without amendment of its detail, regardless of his assumption.

Candidate No.

2

Kenzo Oka

67 years old
(Date of birth: July 14, 1957)

Outside



■ Brief Personal History, Positions and Concurrent Major Posts

Apr. 1982	SEISHUN PUBLISHING Co., Ltd.
Apr. 1997	Registration CPA
Oct. 1998	Century Audit Corporation (currently Ernst & Young Shin Nihon LLC)
May 2000	Partner, Century Audit Corporation
July 2008	Senior Partner, Shin Nihon LLC (currently Ernst & Young Shin Nihon LLC)
June 2016	Chairman, Chiyoda Subchapter, Tokyo Chapter, JICPA
Dec. 2019	CPA Examination Commissioner (current)
July 2020	Kenzo Oka Certified Public Accountant Office (current)
Jan. 2022	Registration CFE
June 2023	Outside Audit & Supervisory Board Member, Yokohama Shintoshin Center Corporation (current)
Sept. 2023	Auditor, Yokohama City University (current)

Number of Bank's shares Owned by Candidate	100 The above states the shares held directly by the candidate. (Fractional shares are rounded off.)
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■ Reason for nomination as a candidate for Alternate Audit & Supervisory Board Member

Mr. Kenzo Oka is qualified for the responsibilities of an outside Audit & Supervisory Board Member and is the candidate for alternate outside Audit & Supervisory Board Member because he is expected to contribute to the Bank's management from the following background: Holding a CPA, he has extensive experience, achievements and specialized knowledge as an accounting specialist and is independent from the day-to-day management responsibilities for the bank's operations and activities.

■ Matters concerning interests and independence

There are no other particular business related interests between Mr. Oka and the Bank.
Mr. Oka is the candidate for alternate outside Audit & Supervisory Board Member, so when he assumes the office of Audit & Supervisory Board Member, he is the candidate for independent Audit & Supervisory Member in accordance with the requirements of the Tokyo Stock Exchange, Inc.

■ Matters concerning Limited Liability contract and Directors and Officers liability insurance contract

When Mr. Oka assumes the office of Audit & Supervisory Board Member, the Bank will enter into a contract with Mr. Oka to the effect that, if he is without knowledge and is not grossly negligent in performing the duties of Audit & Supervisory Board Member, the liabilities of the Audit & Supervisory Board Member under Paragraph 1 - Article 423 of the Companies Act shall be limited to the amount stipulated by Paragraph 1 - Article 425 of the Companies Act in accordance with the provisions of Paragraph 1 - Article 427 of the Companies Act.

Once Mr. Oka assumes his office as an Audit & Supervisory Board Member, he will be included as an insured party of the directors and officers liability insurance contract as stipulated in Article 430-3, paragraph (1) of the Companies Act, that the Bank has executed with insurance companies. The said contract covers compensations for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) based on their positions as directors and officers, and the Bank has assumed the costs of insurance premiums in full for all of the insured parties with respect to this insurance contract. The Bank expects that the relevant insurance contract will be updated without amendment of its detail, regardless of his assumption.

End

Note 1 Composition of the Board of Directors

1. The Board of Directors shall not have more than twelve (12) Directors, which is the maximum number of Directors stipulated in the Articles of Incorporation.
2. Nomination of Director candidates shall be based on “Basic Policy for Nominating Directors and Audit & Supervisory Board Member Candidates, and Appointing and Dismissing Senior Management Including the CEO”.
3. The Composition of the Board of Directors shall take into consideration diversity and combination, with wealth of knowledge and expertise in areas including banking and finance, financial accounting, risk management, legal and compliance and so forth in addition to deep insight of the Bank Group’s business.
4. The Board of Directors shall be composed of internal Directors who possess extensive knowledge and experience in business execution and outside Directors who supervise management from an objective standpoint. Judgement of outside Director’s independence shall be made based on “Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members” and the percentage of independent outside Directors, in principle, shall be a half or more.

Note 2 Basic Policy for Nominating Directors and Audit & Supervisory Board Member Candidates, and Appointing and Dismissing Senior Management Including the CEO

Basic Guidelines for Nominating Director Candidates

Candidates should:

1. Possess substantial management knowledge and expertise
2. Have superior insight, be able to make management decisions and exercise sound judgment
3. Be committed to the duties of director
4. Be able to earn the trust of the Bank’s stakeholders, including shareholders
5. In the case of outside directors, be able to conduct management oversight and offer appropriate advice

The Composition of the Board of Directors shall take into consideration diversity and combination, with wealth of knowledge and expertise in areas including banking and finance, financial accounting, risk management, legal and compliance and so forth in addition to deep insight of the Bank Group’s business.

Basic Guidelines for Nominating Audit & Supervisory Board Member Candidates

Candidates should:

1. Possess substantial management knowledge and expertise
2. Have knowledge of core financial rules and regulations, finance and accounting
3. Be fair, impartial, and able to perform duties from an independent standpoint
4. Be able to earn the trust of the Bank’s stakeholders
5. Have the ability to communicate effectively with shareholders, the Board of Directors, and senior management to ensure management soundness and transparency

Reappointment of Directors and Audit & Supervisory Board Members

For reappointment of Directors and Audit & Supervisory Board Members, the above basic guidelines, performance of his/her duties and contribution to the Bank’s management as Director/Audit & Supervisory Board Member during his/her term of office shall be considered each fiscal year.
The maximum term of office of each official corporate title of full-time director shall be determined by the internal regulations of the Management Committee.
The maximum term of office of outside directors shall be 10 terms 10 years.
The maximum term of office of outside Audit & Supervisory Board Members shall be 3 terms 12 years.

Basic Guidelines for Appointing and Dismissing Senior Management

- (1) Basic Guidelines for Appointing Senior Management
 1. Possesses substantial knowledge and expertise required for proper business operations
 2. Has superior insight, ability to make decisions on business operations and exercise sound judgment
 3. Demonstrates leadership skills and ability to assume responsibility for important management functions related to the Bank’s business strategy
- (2) Basic Guidelines for Dismissing Senior Management
 1. Acts against the public interest
 2. Becomes unable to perform duties due to health problems
 3. Causes serious damage to the Bank’s corporate value due to negligence

Basic Guidelines for Appointing and Dismissing the CEO

- (1) Basic Guidelines for Appointing the CEO
In addition to the Basic Guidelines for Appointing Senior Management:
 1. Has superior top management leadership skills
 2. Has substantial management experience and achievements
 3. Optimal candidate for the continued improvement of the Bank’s corporate value
- (2) Basic Guidelines for Dismissing the CEO
In addition to the Basic Guidelines for Dismissing Senior Management:
 1. Fails to exercise top management leadership
 2. Determined to be unqualified as CEO due to failure in fulfilling shareholders’ mandate

Formulation of CEO succession plan

Formulate a succession plan that includes the following, with the aim of securing potential CEO successors who can contribute to the sustainable enhancement of the Bank’s corporate value for a smooth transition in the future.

1. Overall policy including roadmap
2. Capability requirements for CEO in light of the strategic directions and environmental changes
3. Candidate selection and training plan

Note 3 Procedures for Nominating Directors, etc.

Procedure for Nominating Directors, and Appointing and Dismissing Senior Management Including the CEO

The Nomination & Remuneration Committee, of which the majority comprises outside directors, deliberates on the nomination of director candidates as well as the appointment and dismissal of the CEO and other senior management, and makes recommendations to the Board of Directors.

The Board of Directors determines whether or not to accept the recommendations of the Nomination & Remuneration Committee for nominating Directors as well as appointing the CEO and other senior management in accordance with the basic guidelines for such nomination or appointment.

In cases where the CEO or other senior management falls under any of the above basic guidelines for dismissal, in principle, the Board of Directors will determine whether or not to dismiss them in accordance with the recommendations of the Nomination & Remuneration Committee.

Procedure for Nominating Audit & Supervisory Board Members

The Nomination & Remuneration Committee, of which the majority comprises outside directors, deliberates on the nomination of the Audit & Supervisory Board candidates and makes recommendations to the Board of Directors, taking into consideration the views of Audit & Supervisory Board Members.

The Board of Directors determines whether or not to accept the recommendations of the Nomination & Remuneration Committee with the consent of the Audit & Supervisory Board in accordance with the relevant basic guidelines.

Note 4 Independence Criteria for Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors, Outside Audit & Supervisory Board Members and its candidates who does not fall under any of the following categories shall deemed to be independent.

1. (1) A person who currently is, or has been during the last ten years prior to his/her appointment, an Executive (Executive Director, Executive Officer or other employee) of the Bank or its subsidiaries.

(2) A person who had served as a Director, Accounting Advisor and/or Audit and Supervisory Board Member (excluding a person who served as an Executive) of the Bank or its subsidiaries at some time during the 10 years prior to his/her appointment, had also served as an Executive of the Bank or its subsidiaries in the 10 years prior to his/her appointment as such Director, Accounting Advisor and/or Audit and Supervisory Board Member.
2. (1) A person for which the Bank or its subsidiaries is a major business partner (2% or more of consolidated net sales of the said person) or an Executive thereof.

(2) A person who is a major business partner of the Bank or its subsidiaries (2% or more of consolidated net sales of the Bank) or an Executive thereof.
3. A consultant, accounting expert and/or legal expert, who has received large amounts of money or other assets (more than an average of JPY 10 million per year over the last three years) from the Bank or its subsidiaries in addition to any compensation received as a director/an Audit & Supervisory Board Member, and/or a person who belongs to a consulting firm, accounting firm and/or legal firm, etc. which has received large amounts of money or other assets (2% or more of consolidated sale revenue of the said firm) from the Bank or its subsidiaries.
4. A person who has “recently” fallen under any of 2 through 3 above. (“recently” means where a time can be deemed to be substantively the same as the present. For example, a person is not independent if that person was a major business partner at the time when a matters to be proposed to the shareholders meeting regarding his/her appointment was decided.)
5. A person who has been any of the following (1) to (3) during the last ten years prior to his/her appointment.
 - (1) A person who has been an Executive and/or non-executive director of the parent company of the Bank
 - (2) An Audit & Supervisory Board Member of the parent company of the Bank (limited to cases when the Audit & Supervisory Board Member shall be designated as Independent)
 - (3) A person who has been an Executive of fellow subsidiaries of the Bank
6. A person who is a major shareholder of the Bank (holding 10% or more of the voting rights of the Bank). If the major shareholder is a corporation, etc., a person who is or was an Executive of the said corporation, its parent company, or its major subsidiaries within the past five years.
7. A close relative (a spouse or family member within the second degree of kinship, excluding those who is not an “important person”) falls under any of 1 through 6 above. (“important person” means, for example, an executive officer/manager-level employee of a company, and in the case of 3 above, a holder of professional qualification such as a Certified Public Accountant and Attorney-at-Law)
In the case of 1 above, those who fall under each item at present.

Note 5 Expertise of Directors and Audit & Supervisory Board Members

The Bank has established the Board of Directors, Audit & Supervisory Board Members and the Audit and Supervisory Board as a company with the Audit and Supervisory Board, and has adopted a corporate governance system to ensure management discipline and mutual supervision.

From the perspective of ensuring efficiency, objectivity and transparency, the Board of Directors consists of internal officers who are well-versed in business execution and outside officers who oversee management from an objective standpoint.













Under our management philosophy of “Contribute to the development of society through the creation of new value-added financial services”, the Bank will strive to achieve sustainable growth and to enhance corporate value over the medium to long term by addressing social issues, taking into account perspectives of sustainability such as ESG and DEI (*).

In order to achieve our goal, the Bank set forth the skills and expertise of Directors and Audit & Supervisory Board Members as “global affairs,” and “IT/digital,” which require higher levels of expertise, in addition to a wealth of knowledge on “corporate management,” “financial accounting,” “legal, compliance and risk management”, “banking and finance and “human capital,” which are the foundations of financial institution management.

	Necessary expertise	Definition	Reasons for selection
Oversight Functions	Corporate Management	Experience in organizational management such as corporate head	We consider that insights and visions on organizational operations developed through management experience are necessary to achieve sustainable growth and medium- to long-term corporate value enhancement.
	Financial Accounting	Specialized knowledge and experience in financial strategy and financial reporting (accounting and tax affairs)	We intend to work to achieve sustainable growth by appropriately implementing our capital policy while ensuring financial soundness.
	Legal, Compliance/ Risk Management	Extensive and specialized knowledge and experience in laws and regulations, internal controls, and risk management	We intend to continue fair and sound business operations.
Aozora's Focus Areas	Banking and Finance	Insight and ability regarding traditional financial business, as well as ability to explore new areas and create new added-value financial services	We intend to continue to contribute to the development of society by creating new added-value financial services through our Strategic Investments Business focused on structured finance, which is our area of strength.
	Global affairs	Insight and ability regarding business expansion and market operations from a global perspective	We consider that activities that will lead to creating value from a global perspective is necessary to develop new services with reference to overseas business models.
	Human Capital	Insight into personnel and organizational development, as well as experience and ability to implement human resources strategies and human capital investment that are linked to our management strategy	Under the concept that “human capital” is our primary source of value creation, we regard human resources strategy as part of our management strategy and value human capital.
	IT/Digital	Understanding of IT and digital areas, ability of business innovation, and experience in the IT/digital business	We consider IT and digital areas as the foundation for our business and customer services and also as a significant means that contributes to solutions to challenges.

(*) Diversity, Equity, Inclusion. These are said to be essential elements for the growth of organizations and society.

Upon approval of Proposal 1 following the close of this year's General Meeting of Shareholders, the Bank plans to appoint the following Directors and Audit & Supervisory Board Members (to be decided at the Board of Director's Meeting following the close of this year's General Meeting of Shareholders).

Name		Committee to which the candidate is planned to belong		Expertise of Directors and Audit & Supervisory Board Members							
				Supervisory function			The Bank's areas of focus				
		Nomination and Remuneration Committee	Risk Governance Committee	Corporate management	Financial accounting	Legal, Compliance/Risk Management	Banking and finance	Global affairs	Human capital	IT/Digital	
Directors	Inside Directors	 Koji Yamakoshi			●			●	●		
		 Hideto Oomi	●		●			●	●		●
		 Masayoshi Ohara		●	●		●	●	●	●	
		 Takashi Kato				●		●	●		
	Outside Directors	 Sakie Tachibana Fukushima Independent director	● Chairperson		●				●	●	
		 Hideyuki Takahashi Independent director		● Chairperson	●	●	●	●			●
		 Hideaki Saito Independent director		●	●			●	●		●
		 Koichi Tadano Independent director	●		●				●		
		 Hiromasa Kawashima					●	●		●	
		 Satoshi Hashiguchi		Observer			●	●	●		
Board Members	Outside Board Members	 Toraki Inoue Independent director		Observer	●	●	●		●		
		 Junichi Maeda Independent director		Observer	●		●	●		●	

- (Notes) 1. Not all of the expertise that each Director or Audit & Supervisory Board Member possesses.
2. The Audit Compliance Committee is scheduled to be reorganized into the Risk Governance Committee as of July 1, 2025, in order to take over the supervisory function related to internal controls and further strengthen the supervision of risk governance and risk management through specialized deliberation on these important matters.

Business Report

- Fiscal Year 2024 -

(April 1, 2024 — March 31, 2025)

1. Current Status of the Bank

(1) Business Developments and Results of the Corporate Group [Financial and Economic Environment]

Economic environment in FY2024 looked to the global economy and remained resilient throughout the fiscal year, with central banks in Europe and the United States cutting interest rates from the first half of the fiscal year in light of easing inflationary pressures.

On the other hand, there were concerns about the impact on the global economy, such as the acceleration of the United States' "America First" policy and concerns over geopolitical risks stemming from the protracted situations in Ukraine and the Middle East.

The domestic economy maintained a moderate recovery trend despite the impact of price increases, and wage increases at major companies continued to be high.

The Bank of Japan raised its policy interest rate twice, in July 2024 and January 2025, as the virtuous cycle between wages and prices raised the prospect of achieving the price stability target of 2%.

In financial markets, the domestic long-term interest rate (10-year JGB yield) was in the range of 0.7% at the beginning of the fiscal year, but remained around 1% in the first half of the fiscal year, mainly on the back of the lifting of the longstanding negative interest rate policy.

Thereafter, rates generally continued to rise, mainly on the back of expectations for additional interest rate hikes by the Bank of Japan, and remained above 1.5% in early March, reaching the range of 1.4% at the end of the fiscal year.

The Nikkei, which was in the range of 39,000 at the beginning of the fiscal year, rose to a record high of 42,000 in July, mainly on the back of moves toward overcoming deflation in Japan and the Tokyo Stock Exchange's request to improve low PBR's.

However, in August, as concerns about a worsening U.S. economy increased, the Nikkei recorded its largest one-day drop on record, reaching the 31,000 level at one point, a significant movement in a short period of time.

Thereafter, the level generally exceeded 37,000, but it fell to the 35,000 level at the end of the fiscal year due mainly to uncertainty over U.S. tariff policy.

The Japanese yen was in the 150 yen range at the beginning of the fiscal year, but rose to the 160 yen range in the first half of the fiscal year as the U.S. inflation rate remained high and the yen continued to depreciate.

After that, the yen appreciated temporarily to the low 140 yen level due to the Bank of Japan's interest rate hike and concerns over the deterioration of the U.S. economy. However, the yen weakened again due to a rise in U.S. long-term interest rates and reached the high 140 yen level by the end of the fiscal year.

In the United States, long-term interest rates (10 Treasury yield) remained high from the 4% level at the beginning of the fiscal year due to the resilience of the economy, but declined to 3.6% in September due to a policy rate cut by the Fed in the middle of the fiscal year.

After that, they rose again due to persistent inflationary pressures and reached the low 4% level at the end of the fiscal year.

For the U.S. stock market, the DJIA rose from the 39,000 level at the beginning of the year to a record high of 45,000 in December.

Following that, there was a downward trend against the background of growing concerns about the economic slowdown due to U.S. tariff policies, and it was 42,000 at the end of the period.

[Main Business Activities of the Corporate Group]

Aozora Bank Group consists of Aozora Bank, 24 consolidated subsidiaries and 1 affiliated company accounted for using the equity method that collectively provide a broad range of financial services, such as financial instruments, trust, investment management, investment advisory, M&A advisory services and venture capital investment, in addition to our primary banking business, and distressed loan servicing.

[Analysis of Operating Results and Financial Conditions]

The results of Aozora Group for FY2024 are as follows.

(i) Operating Results

(Unit: Billions of yen)

Net revenue	85.6	Net income attributable to owners of parent	20.5
Change from FY2023	+34.7	Change from FY2023	+70.4

Business profit	25.0	Full-year dividend per common share	79 yen
Change from FY2023	+33.6	4Q dividend	22.00 yen

(Unit: Billions of yen)

	FY2023	FY2024	Change
Net revenue ※1	50.9	85.6	34.7
Net interest income	42.0	48.7	6.6
Non-interest income	8.8	36.9	28.0
General and administrative expenses	(61.8)	(62.8)	(1.0)
Gains (losses) on equity method investments	2.3	2.2	(0.0)
Business profit ※2	(8.5)	25.0	33.6
Credit-related expenses	(46.9)	(9.4)	37.4
Gains (losses) on stock transactions	1.6	3.2	1.6
Other	(0.9)	(1.2)	(0.3)
Ordinary profit (loss)	(54.8)	17.5	72.3
Extraordinary profit (loss)	1.6	1.8	0.1
Income (loss) before income taxes	(53.1)	19.3	72.5
Total income taxes	1.4	0.2	(1.1)
Net income (loss)	(51.7)	19.6	71.3
Net loss attributable to non-controlling interests	1.8	0.8	(0.9)
Net income (loss) attributable to owners of parent	(49.9)	20.5	70.4

Reference: Business-related profit (management accounting basis)

	FY2023	FY2024	Change
Business-related profit (loss) ※3	(7.3)	27.1	34.5

※1 Net revenue = (Interest income – Interest expenses)

+ (Trust fees + Fees and commissions - Fees and commissions payments)

+ (Gain on trading account transactions - Loss on trading account transactions)

+ (Other ordinary income - Other ordinary expenses)

※2 Business profit = Net revenue - General and administrative expenses

+ Gains (losses) on equity method investments

※3 Business-related profit = Business profit + Gains/losses on stock transactions, etc.

Business-related profit (loss) includes gains/losses on equity derivatives etc. from FY2024 in terms of fitting the management accounting and those figures in FY2023 are calculated based on the updated method.

※4 Regardless of nature of accounts, income or profits are shown as positive and expenses or losses are shown as negative amount on the table above.

For FY2024, net revenue was 85.6 billion yen, an increase of 34.7 billion yen year-on-year, and business profit (loss) was 25.0 billion yen (for FY2023, (8.5) billion yen). Net income (loss) attributable to owners of parent was 20.5 billion yen (for FY2023, (49.9) billion yen).

Net interest income was 48.7 billion yen, an increase of 6.6 billion yen year on year 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 and the decrease in foreign currency funding costs as a result of the loss cut taken on legacy assets (foreign bonds) in FY 2023 as well as a decline in foreign currency basis costs.

Loan-related fee income grew strongly, an increase of 1.1 billion yen compared to the previous year, mainly driven by LBO finance, renewable energy finance, and real estate finance as Aozora's strengthes. GMO Aozora Net Bank made steady progress in generating revenues from its core businesses (remittances and debit cards), which led to a significant increase in its fee income, an increase of 2.0 billion yen year-on-year. Net fees and commissions increased by 4.2 billion yen compared to previous year and gains/losses on bond transactions increased by 20.6 billion yen year-on-year due to the absence of loss cuts associated with the restructuring the securities portfolio which took place the previous year. As a result non-interest income was 36.9 billion yen, an increase of 28.0 billion yen year-on-year.

While the Bank continued to operate with a sharply focused cost control mindset, General and administrative expenses were 62.8 billion yen, an increase of 1.0 billion yen from the previous year with a continued focus on investments in human resources.

Gains/losses on equity method investments were a net gain of 2.2 billion yen.

Business profit (loss) was 25.0 billion yen (for FY2023, (8.5) billion yen).

Credit-related expenses for U.S. office loans were a net expense of 3.7 billion yen and credit-related expenses for other than U.S. office loans were a net expense of 5.7 billion yen, mainly from loans to domestic borrowers facing earnings performance issues. As a result Credit expenses were a net expense of 9.4 billion yen compared to a net expense of 46.9 billion yen in the previous year. Gains/losses on stock transactions were a net gain of 3.2 billion yen, an increase of 1.6 billion yen from the previous year.

As a result of the above factors, ordinary profit (loss) was 17.5 billion yen (for FY2023, (54.8) billion yen), income (loss) before income taxes was 19.3 billion yen (for FY2023, (53.1) billion yen) and net income (loss) attributable to owners of parent was 20.5 billion yen (for FY2023, (49.9) billion yen). Net income attributable to owners of parent per share (basic) was 154.26 yen, as compared to the net loss per share (basic) of 427.22 yen in FY2023.

For this fiscal year, the Bank has decided to pay a full-year dividend per common share of 79 yen (an increase of 3 yen from the original full-year dividend forecast).

Business-related profit (loss) by reportable segments

(Unit: Billions of yen)

	FY2023	FY2024	Change
Institutional Banking Group	6.5	6.7	0.1
Structured Finance Group	27.8	22.5	(5.3)
International Business Group	11.2	9.6	(1.5)
Market Group	(46.0)	(3.8)	42.1
Customer Relations Group	(2.9)	(1.7)	1.1
GMO Aozora Net Bank	(3.4)	(0.4)	3.0

The Bank has designated the Institutional Banking Group, Structured Finance Group, International Business Group, Market Group Customer Relations Group, and GMO Aozora Net Bank as reportable segments for the purpose of the disclosures contained herein. Due to the increased importance of GMO Aozora Net Bank, a consolidated subsidiary of the Bank, GMO Aozora Net Bank has been newly presented as a reportable segment.

As of March 31, 2025, each reportable segment consists of the following business groups.

Institutional Banking Group

: Corporate Banking Group and M&A Advisory Group

Structured Finance Group

: Acquisition & Structured Finance Group, Environment Business Group, Special Situations Group and Real Estate Finance Group

International Business Group

: International Finance Group

Market Group

: Financial Markets Group

Customer Relations Group

: Allied Banking Group and Retail Banking Group

GMO Aozora Net Bank

: GMO Aozora Net Bank

(ii) Financial Conditions

Total assets were 7,762.4 billion yen as of March 31, 2025, an increase of 159.4 billion yen, compared to March 31, 2024.

Loans and bills discounted were 4,206.5 billion yen, an increase of 135.2 billion yen from March 31, 2024. Domestic loans increased by 306.1 billion yen. Overseas loans decreased by 170.8 billion yen.

Securities increased by 168.8 billion yen from March 31, 2024, to 1,355.4 billion yen.

Total liabilities were 7,302.7 billion yen, an increase of 90.8 billion yen compared to March 31, 2024. Total core funding (deposits, negotiable certificates of deposit and bonds payable) was 5,797.5 billion yen, a decrease of 160.2 billion yen from March 31, 2024. The balance of retail deposits was 3,290.8 billion yen, a decrease of 363.9 billion yen compared to March 31, 2024.

Total equity was 459.6 billion yen, an increase of 68.6 billion yen from March 31, 2024. Share capital and capital surplus increased as new shares were issued to Daiwa Securities Group Inc. through a third-party allotment. Net assets per common share were 3,258.51 yen, as compared to 3,285.94 yen per common share as of March 31, 2024.

[Issues to be addressed]

(i) Issues to be addressed

Review of Previous Mid-term Plan and New Mid-term Plan “Aozora 2027”

Results of key indicators

	Previous Mid-term Plan “Aozora 2025”			New Mid-term Plan “Aozora 2027”
	FY2023 Results	FY2024 Results	FY2025 Target	FY2027 Plan
Profit attributable to owners of parent	-49.9 billion yen	20.5 billion yen	37.0 billion yen	33.0 billion yen
ROE	—	4.9%	8.0%	approx. 7%
Capital adequacy ratio	9.2%	10.7%	9% or higher	—
CET1 ratio	7.1%	8.7%	—	8% or higher

- During the previous Mid-term Plan period, the Bank was not sufficiently prepared for sudden changes in the external environment due to the concentration of risk in specific portfolios (U.S. office loans and foreign currency securities). Based on this reflection, we clarified the positioning of our risk appetite framework and strengthened our risk governance
- Demand for LBO financing associated with business restructuring and succession in Japan expanded year by year. Our Strategic Investments Business experienced steady growth and its progress was almost in line with the plan during the previous Mid-term Plan period

Risk Appetite Policy

Basic Risk Appetite Policy

Through efficient management and utilization of managerial resources as well as sound risk-taking, Aozora intends to generate stable earnings, enhance its capital base, and achieve corporate growth, thereby realizing its management philosophy of “Contribute to the development of society through the creation of new value-added financial services.”

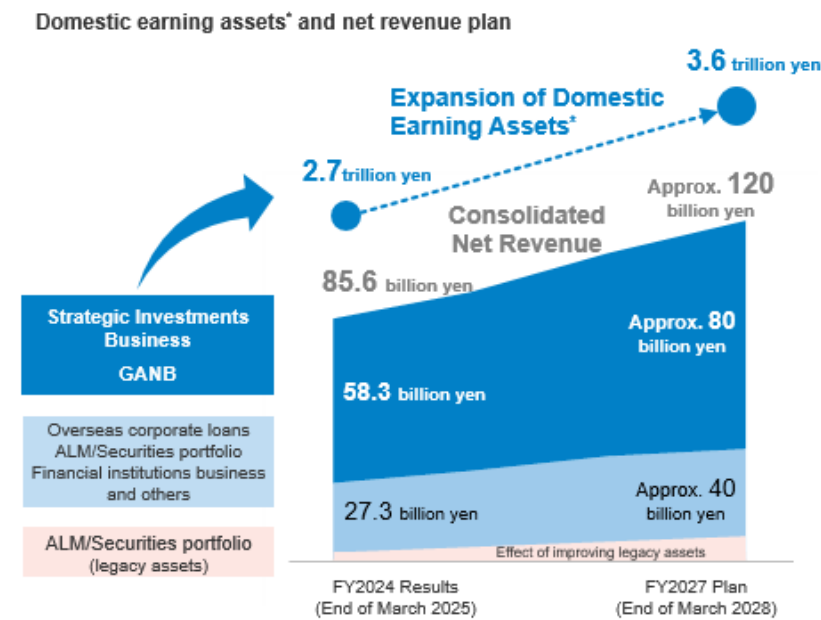
Outline of “Aozora 2027” Risk Appetite Policy

- Focused allocation of managerial resources to the Strategic Investments Unit as a key business area with a view to realizing Aozora's management philosophy
- The Market & International Business Unit will work within its risk capacity to stabilize the overall earnings of the Aozora Group
- Maintain a stable funding base in line with business growth and asset expansion
- Secure stable earnings and enhance capital adequacy through risk-taking within the scope of management capacity and business strength
- Resolve balance sheet issues concerning U.S. office loans and securities portfolio management

Establishment of the Risk Governance Committee (from July 2025)

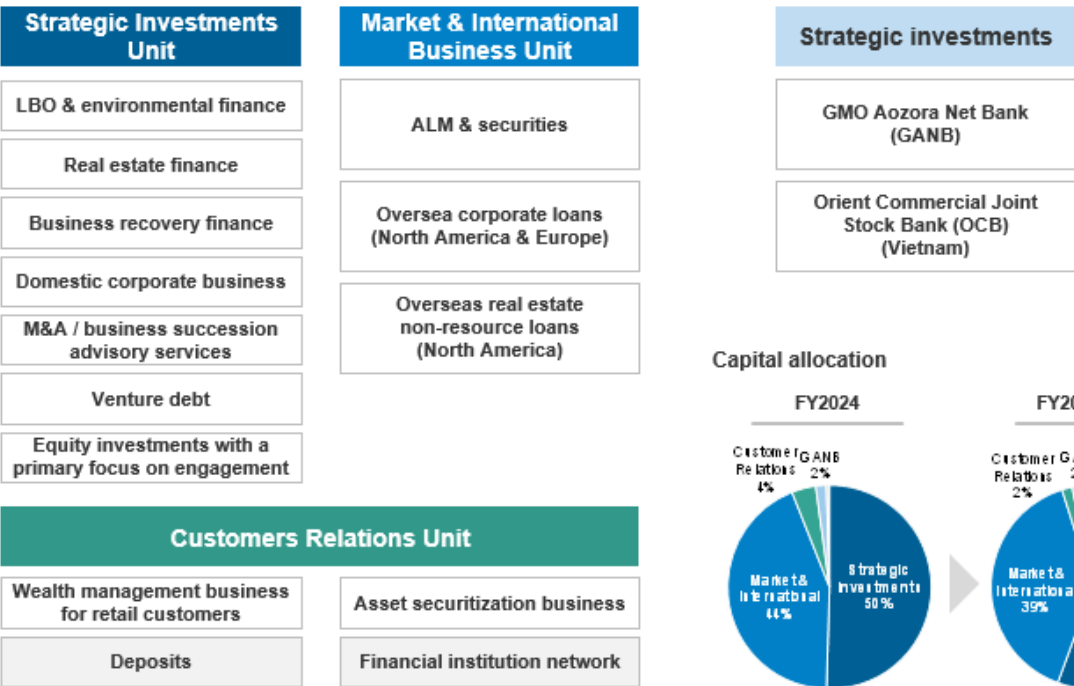
Reorganized the former Audit and Compliance Committee into the Risk Governance Committee as an advisory body to strengthen the effectiveness of internal control and risk appetite framework operations by the Board of Directors. The majority of the committee members are outside directors, and the committee will conduct an in-depth review of the establishment and operation of the risk appetite framework, aiming to always achieve the best practices

Growth of Strategic Investments Business and GMO Aozora Net Bank (GANB)



* Earning Assets: Total of loans and securities outstanding (excluding loans to government and JGBs)

Aozora consolidated its business groups into three units, with the focused allocation of managerial resources to the Strategic Investments Unit

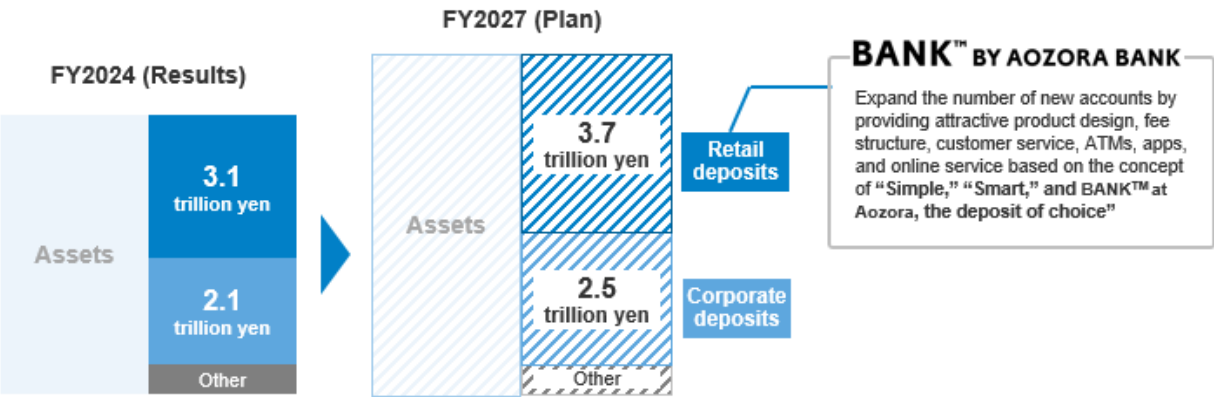


Aozora 2027 —Funding Strategy for Sustainable Growth—

Further stabilize funding base by attracting deposits from diversified retail and corporate customers

- Increase more stable deposits by offering attractive products
- Increase the number of retail deposit accounts and balances, mainly through the BANK™ internet banking service
- Expand the number of corporate accounts by leveraging the alliance with Daiwa Securities Group

Funding Plan*



* Excluding GANB's deposit balance

Business Strategy by Unit

Strategic Investments Unit	
Basic Strategy I	Enhance customer base by leveraging the alliance with Daiwa Securities Group and grow balance sheet by making investments/loans
Basic Strategy II	Strengthen asset securitization business, including syndication of LBO and environmental finance, leveraging our regional financial institution network
Basic Strategy III	Improve sales efficiency by strengthening sales representatives training and flexibly reallocating capital and human resources
Market & International Business Unit	
Basic Strategy I	Rebuild a balanced portfolio of securities in foreign currency and yen in accordance with our risk appetite policy
Basic Strategy II	Maintain portfolio quality and generate stable income through selective origination and flexible replacement of quality loans
Basic Strategy III	Actively promote workout of U.S. office loans which are classified as legacy assets
Customer Relations Unit	
Basic Strategy I	Further strengthen asset management business for retail customers by shifting from product sales-oriented approach through introducing Daiwa Securities' fund wraps, etc.
Basic Strategy II	Expand both the number and balance of retail deposit accounts by enhancing services based on competitive interest rates and a new BANK™ concept
Basic Strategy III	Provide new investment opportunities and services, including structured finance, to RFIs

Other Business Strategies

Expected Impact of Alliance with Daiwa Securities Group

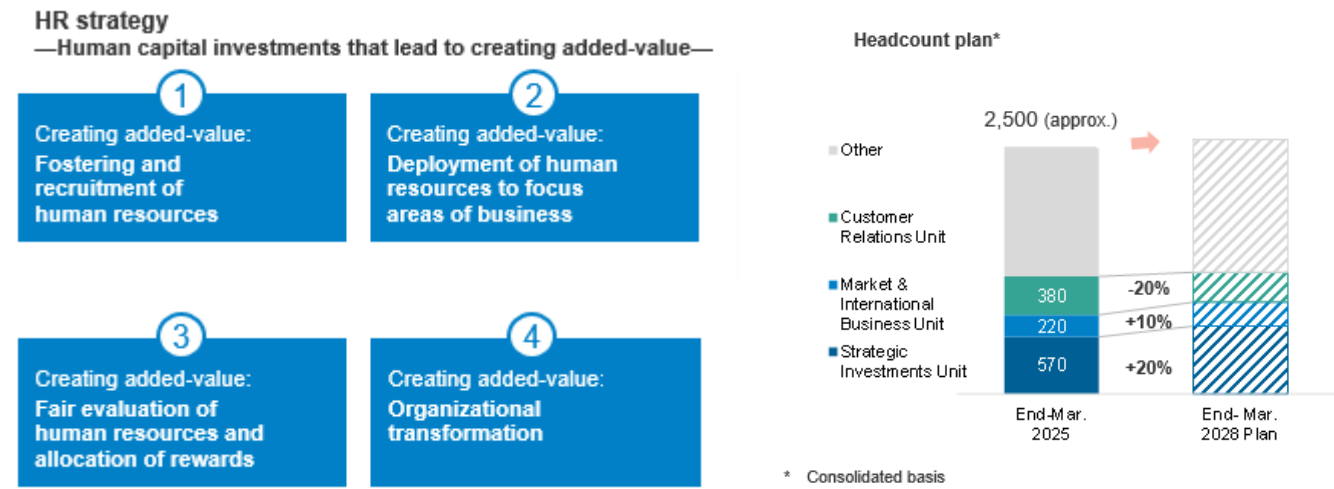
1 Corporate business	Corporate lending (incl. support for growing companies)	3 Corporate business	Real estate-related business
Expand business by integrating Aozora's finance, in which it has expertise, and Daiwa Securities Group's investment banking business		Offer real estate-related solutions, including business matching service for domestic real estate companies. Also expand business support to M&A, wealth management services and other areas	
2 Corporate business	M&A	4 Retail business	wealth management
Respond to active funding needs in the domestic LBO finance market by integrating Aozora's capability of originating/selling, which is among its strengths, and Daiwa Securities Group's ability of sourcing		Cross-sell Daiwa Securities Group's fund wraps to Aozora's retail customers Post sales representatives to Daiwa Securities in pursuit of developing insights and achieving cost effectiveness	

GMO Aozora Net Bank

Basic strategy I	No. 1 Bank among Small Businesses and Start-ups Aim to improve earnings from active accounts by increasing the number of corporate accounts with Aozora as the main settlement bank
Basic strategy II	No. 1 Embedded Finance Services (BaaS) Accelerate a BaaS strategy to establish the second growth driver
Basic strategy III	No. 1 Tech-first Banking Services Work to increase the percentage of engineers and improve AI development capabilities as a means to enhance systems development capabilities

Aozora 2027 —Concept of Human Capital—

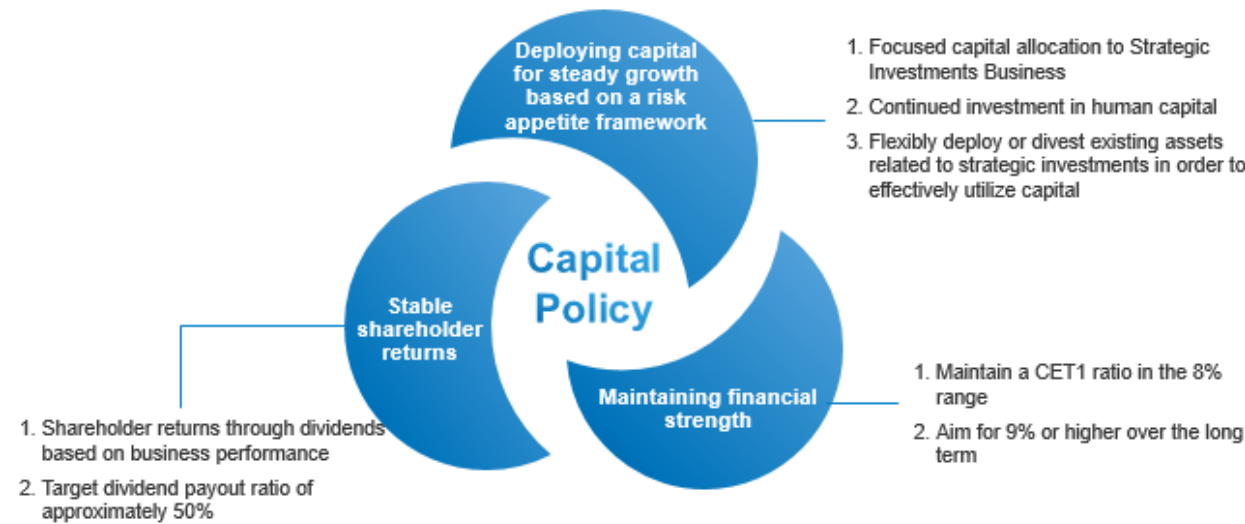
- Aozora promotes “fostering” of its Group employees and facilitates their “change” to human resources who are responsible for “creating added-value” in the financial area, with the aim to make all stakeholders fulfilled. We also intend to become a company where employees can take pride and feel job satisfaction
- Aim to develop and foster human resources in the long term through the redeployment to our Strategic Investments Business, which cannot be replaced with IT systems, as well as a focused approach to fostering junior employees and bringing onboard highly specialized mid-career professionals



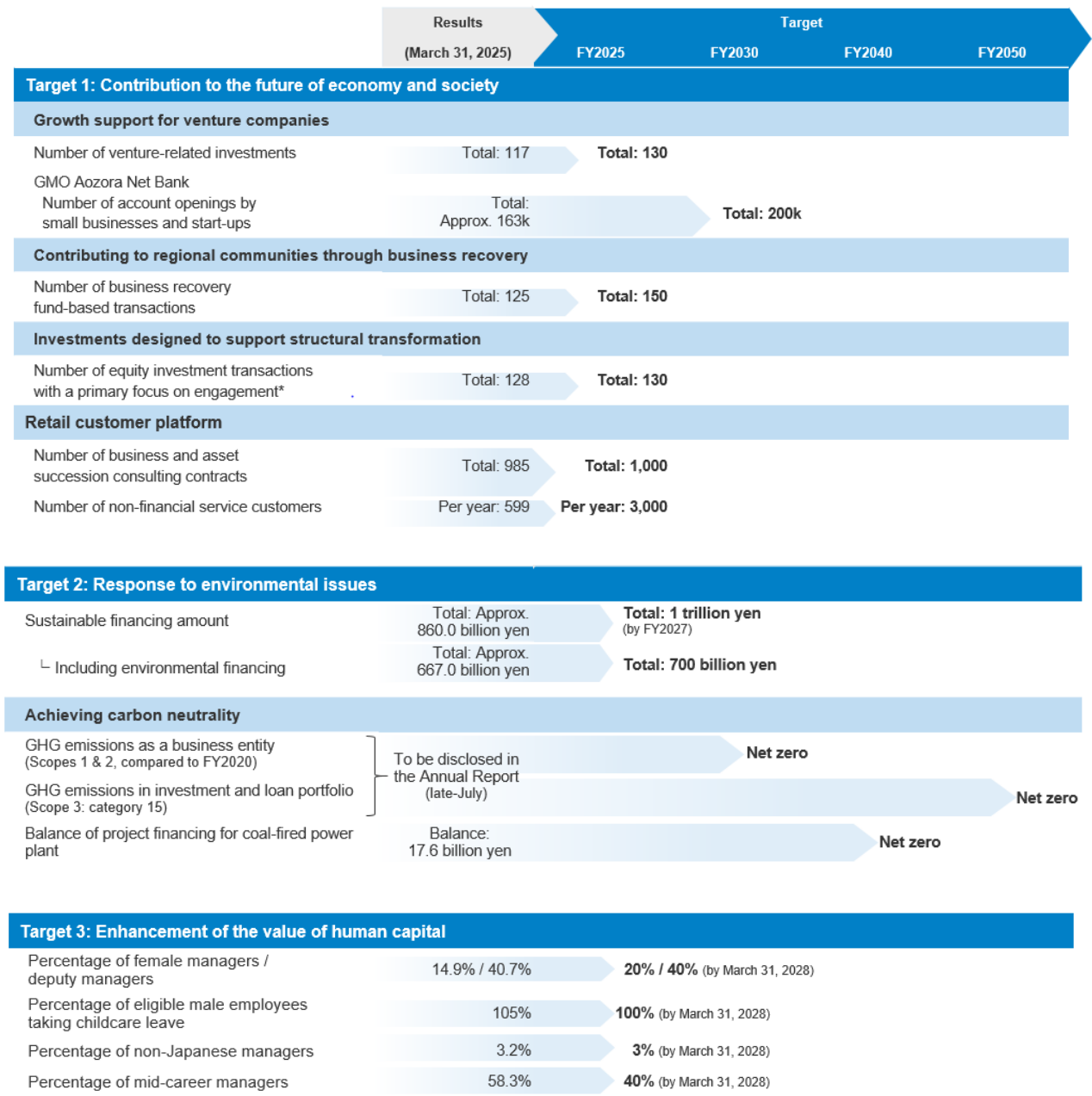
Capital Policy

Steadily capture growth opportunities by focusing on the Bank's Strategic Investments Business
Achieve ROE above our cost of capital and increase corporate value leading to a P/B ratio over 1x

Implement a capital policy that balances “deploying capital for steady growth based on a risk appetite framework,” “maintaining financial strength,” and “stable shareholder returns”



Aozora’s Sustainability Targets



<Key Risks>
Aozora recognizes the following items as its key risks among the many risk factors posed by the environment in our business operations in FY2025.
The Aozora Group takes preventive measures against key risks and, if a risk occurs, will respond flexibly to manage such risk at controllable levels. We also discuss our risk appetite and business planning based on key risks, and also strive for a higher level of risk management.

Key Risks	Upper Section: Major Risk Factors Lower Section: Major Countermeasures
Increase in credit costs	<div><div><ul style="list-style-type: none">Deterioration in the economic environment due to heightened political and geopolitical risks, including the U.S. reciprocal tariffsAccelerating inflation and deteriorating economy due to the different timing of monetary policy execution among global central banksDelays in responding to changes in the business environment, including climate changeDecline in the corporate value of investees and borrowers whose respect for human rights is not enough</div><div><ul style="list-style-type: none">Establish various policies and guidelines regarding selective origination for quality investments and loans as well as credit risk avoidance.Implement capital control including stress testing.Support investees and borrowers in their sustainability initiatives mainly through sustainable financing.</div></div>
Deterioration in unrealized gains/losses on the securities portfolio	<div><div><ul style="list-style-type: none">Accelerating inflation and deteriorating economy due to heightened political and geopolitical risks, including the U.S. reciprocal tariffs, as well as the different timing of monetary policy execution among global central banksDeterioration in the economic environment due to sudden changes in interest rates, equity prices, and foreign exchange rates</div><div><ul style="list-style-type: none">Build an efficient and highly liquid portfolio diversified by interest rate, equity, and credit risk, and implement flexible risk control by taking into consideration market trends and the broader financial environment.</div></div>
Instability of funding	<div><div><ul style="list-style-type: none">Accelerating inflation and deteriorating economy due to the different timing of monetary policy execution among global central banksIntensified competition for depositsDeterioration in the funding environment due to sudden changes in interest rates, equity prices, and foreign exchange rates as well as financial market turmoil</div><div><ul style="list-style-type: none">Conduct predictive risk management using early warning indicators from various perspectives as well as monitoring and verification through liquidity stress testing, with the aim to early identify changes in the funding environment.</div></div>
Outbreak of crises such as cyberattacks and system failures	<div><div><ul style="list-style-type: none">Material impact on part or all of the Aozora Group's business operations mainly due to cyberattacks and critical system failures (including third parties)</div><div><ul style="list-style-type: none">Enhance knowledge related to cyberattacks among all officers and employees.Evolve technological countermeasures.Strengthen detection capabilities.Implement recovery drills, including for business groups.</div></div>
Outbreak of large-scale disasters and other crises	<div><div><ul style="list-style-type: none">Material impact on part or all of the Aozora Group's business operations mainly due to natural disasters, terrorism, armed attacks, and pandemics</div><div><ul style="list-style-type: none">Develop a crisis management structure and business continuity plans (BCP) in preparation for potential large-scale disasters.Strengthen crisis response capabilities and ensure effectiveness through regular drills and education for officers and employees.</div></div>
Reduced competitiveness due to changes in the social structure or industrial structure	<div><div><ul style="list-style-type: none">Lost growth opportunities due to a delay in responding to changes in the business environment, including global industrial transition and rapid advances in digital technologiesDeteriorated funding environment and lost financing opportunities due to lower ESG evaluation provided to the Bank</div><div><ul style="list-style-type: none">Develop human resources (DX human resources) capable of utilizing data and information in business workplaces.Drive sustainability initiatives in business and as a business entity throughout the entire Aozora Group.</div></div>
Inadequate response to financial crimes, occurrence of internal fraud and information leaks	<div><div><ul style="list-style-type: none">Occurrence of losses to customers due to criminal activitiesFailure in taking measures against financial crimes such as money launderingFailure in responding appropriately to economic sanctions under the Foreign Exchange and Foreign Trade ActFailure in building an adequate framework to eliminate anti-social elements</div><div><ul style="list-style-type: none">Develop higher ethical values and implement compliance programs.Enhance the level and effectiveness of the three-line defense framework for preventing and early detecting misconduct.</div></div>
Sustainability of human resources	<div><div><ul style="list-style-type: none">Shortage and outflow of human resources who are capable of responding to changes in the business environment or possess the skill sets necessary for focus business areas</div><div><ul style="list-style-type: none">Conduct ongoing investment in human capital that will lead to sustainable growth and enhanced corporate value.Redeploy human resources to focus business areas through strategic personnel transfer and promotion as well as external recruitment activities.</div></div>

(2) Assets and Profit or Loss of the Corporate Group and the Bank

A) Assets and Profit or Loss of the Corporate Group

(Unit: Millions of yen)

	FY2021	FY2022	FY2023	FY2024
Ordinary Income	134,737	183,292	246,299	231,460
Ordinary Profit (loss)	46,294	7,356	(54,816)	17,561
Net income (loss) attributable to owners of parent	35,004	8,719	(49,904)	20,518
Comprehensive Income	13,611	(38,507)	(42,703)	21,561
Total Equity	487,265	431,119	391,078	459,685
Total Assets	6,728,653	7,184,070	7,603,002	7,762,434

(Note) Figures are rounded down to the nearest unit specified.

B) Assets and Profit or Loss of the Bank

(Unit: Millions of yen)

	FY2021	FY2022	FY2023	FY2024
Deposits	4,597,581	5,115,374	5,184,442	4,756,277
Time deposits	2,386,837	2,232,558	2,273,276	2,567,238
Other	2,210,743	2,882,816	2,911,166	2,189,039
Bonds payable	168,959	147,773	181,397	124,640
Loans and bills discounted	3,230,905	3,710,072	3,880,684	3,852,978
Retail	1,192	14,213	10,129	6,660
Small/ Medium companies	2,516,346	2,777,723	2,899,556	2,797,483
Other	713,366	918,135	970,997	1,048,834
Trading account assets	133,008	151,229	173,713	262,803
Trading account liabilities	129,227	121,877	165,078	209,155
Securities	1,494,578	1,319,450	1,194,907	1,324,991
Government bonds	51,352	18,381	42,530	74,670
Other	1,443,225	1,301,068	1,152,376	1,250,320
Total assets	6,446,916	6,767,805	6,942,657	6,779,341
Domestic exchange transactions	10,150,717	8,559,530	10,350,288	10,780,201
Foreign exchange transactions	USD million 3,800	USD million 4,155	USD million 5,883	USD million 4,531
Ordinary profit (loss)	41,014	3,180	(60,992)	13,769
Net income (loss)	29,854	(8,127)	(50,792)	15,698
Net income (loss) per share	JPY 255.69	JPY (69.60)	JPY (434.82)	JPY 118.02
Trust assets	879,535	871,414	905,987	935,579
Trust fees	444	379	370	374

- (Notes) 1. Figures are rounded down to the nearest unit specified.
2. The balance of 'Deposits' and 'Other' under 'Deposits' includes negotiable certificates of deposit.
3. 'Trust assets' is assets in trust pertaining to trust business under the Act on Engagement in Trust Business by a Financial Institution (the Concurrent Business Act).

(3) Employees of the Corporate Group

	March 31, 2025	
	Banking Business	Other Operations
Number of Employees	2,255	222

- (Notes) 1. The Number of Employees includes locally hired staff overseas.
2. Subsidiaries which operate auxiliary businesses or operate businesses alternately for the Bank, are classified as 'Banking Business.' Other subsidiaries are classified as 'Other Operations.'

(4) Major Branches and Offices of the Corporate Group

A) Banking operations

i. Major Branches and Number of Branches

The Bank:

Domestic: Head office, Sapporo, Sendai, Shinjuku, Nihonbashi, Shibuya, Ueno, Ikebukuro, Chiba, Yokohama, Kanazawa, Nagoya, Kyoto, Kansai, Osaka, Umeda, Hiroshima, Takamatsu, Fukuoka, BANK Branch

Total 20

Overseas: None

In addition to the above, the Bank has 3 overseas representative offices:

New York Representative Office, Shanghai Representative Office, Singapore Representative Office

Major Subsidiaries:

GMO Aozora Net Bank, Ltd.: Tokyo head office
Aozora Regional Consulting Co., Ltd.: Tokyo head office
Aozora Asia Pacific Finance Limited: Hong Kong, People's Republic of China
Aozora Europe Limited: London, United Kingdom
Aozora North America, Inc.: New York, USA
AZB Funding 12 Limited: Dublin, Ireland

Major Affiliated corporation, etc:

Orient Commercial Joint Stock Bank : Ho Chi Minh, Vietnam

ii. List of agencies of the Bank

None

iii. Agent activities operated by the Bank

Corporate name of the Principal Bank
GMO Aozora Net Bank, Ltd.

B) Other operations

Major Subsidiaries:

Aozora Loan Services Co., Ltd.: Tokyo head office
Aozora Securities Co., Ltd.: Tokyo head office
Aozora Investment Management Co., Ltd.: Tokyo head office
Aozora Real Estate Investment Advisors Co., Ltd.: Tokyo head office
ABN Advisors Co., Ltd.: Tokyo head office
Aozora Corporate Investment Co., Ltd.: Tokyo head office

(5) Capital Investments of the Corporate Group

A) Total Capital Investments

(Millions of yen)

Operating Segment	Amount
Banking	7,019
Other	12
Total	7,031

B) Establishment of Material Facilities, etc.

(Millions of yen)

Operating Segment	Company Name	Description	Amount
Banking	The Bank	Network infrastructure and information system construction	933
		Retail system development	381
	GMO Aozora Net Bank, Ltd.	Internet banking system enhancement and development	1,530
		System development related to large-scale BaaS, etc.	1,313
		Network infrastructure and information system construction	412

(Note) The amounts in the table above show fixed assets, etc. recorded in FY2024

(6) Parent company and major subsidiaries, etc.

A) Parent company

None

B) Major subsidiaries, etc.

(As of March 31, 2025)

Company Name	Location	Principal Business Activities	Stated Capital	Voting Rights held by the Bank (%)	Other
GMO Aozora Net Bank, Ltd.	Shibuya-ku, Tokyo	Banking business	(Millions of JPY) 24,129	85.12%	—
Aozora Loan Services Co., Ltd.	Chiyoda-ku, Tokyo	Distressed loan servicing	(Millions of JPY) 500	67.60%	—
Aozora Securities Co., Ltd.	Chiyoda-ku, Tokyo	Financial instruments business	(Millions of JPY) 3,000	100.00%	—
Aozora Regional Consulting Co., Ltd.	Chiyoda-ku, Tokyo	Business consulting services	(Millions of JPY) 10	100.00%	—
Aozora Investment Management Co., Ltd.	Chiyoda-ku, Tokyo	Investment management services	(Millions of JPY) 450	100.00%	—
Aozora Real Estate Investment Advisors Co., Ltd.	Chiyoda-ku, Tokyo	Investment advisory services	(Millions of JPY) 150	100.00%	—
ABN Advisors Co., Ltd.	Chiyoda-ku, Tokyo	M&A advisory services	(Millions of JPY) 200	100.00%	—
Aozora Corporate Investment Co., Ltd.	Chiyoda-ku, Tokyo	Venture capital investment	(Millions of JPY) 15	100.00%	—
Aozora Asia Pacific Limited	Hong Kong, People's Republic of China	Financial services	(Thousands of USD) 2,000	100.00%	—
Aozora Europe Limited	London, United Kingdom	Financial services	(Thousands of GBP) 1,000	100.00%	—
Aozora North America, Inc.	New York, USA	Financial services	(Thousands of USD) 411	100.00%	—
AZB Funding 12 Limited	Dublin, Ireland	Investment vehicle	(Thousands of USD) 0	—	—
Orient Commercial Joint Stock Bank	Ho Chi Minh, Vietnam	Banking business	(Billions of VND) 24,711	15.00%	—

(Notes) 1. Aozora Investment Management Co., Ltd. and Aozora Securities Co., Ltd. plan to merge on April 1, 2026, with Aozora Investment Management Co., Ltd. as the surviving company.

2. The amounts are rounded down to the nearest unit specified. Percentages of voting rights held by the Bank are rounded down to two decimal places.

c) Daiwa Securities Group Inc. designates the Bank as an affiliated company.

[Principal Business Alliances]

1. In alliance with the following financial institutions, we provide cash payment and balance inquiry services using ATM.
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Resona Bank, Limited, Saitama Resona Bank, Limited, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Shoko Chukin Bank, Ltd., SBI Shinsei Bank, Limited
2. In alliance with Japan Post Bank, Co., Ltd. ("Japan Post Bank"), we provide cash deposit, payment, and balance inquiry services using ATM. In addition, we have installed Japan Post Bank ATMs in our branches.
3. In alliance with Seven Bank, Ltd., we provide cash deposit, payment, balance inquiry, and cash card PIN change services using ATM.
4. In alliance with Tokio Marine & Nichido Life Insurance Co., Ltd., we jointly offer life insurance (excluding individual annuities).
5. In alliance with Visa Worldwide Japan Co., Ltd., we offer "Aozora Cash Card Plus" added with "Visa debit card" features.
6. We have formed a capital and business alliance with GMO Internet Group, Inc., GMO Financial Holdings, Inc., and GMO Aozora Net Bank, Ltd. to jointly operate Internet banking businesses.
7. On May 13, 2024, the bank entered into a capital and business alliance agreement with Daiwa Securities Group Inc. Daiwa Securities Group Inc. of the third-party allotment of new shares by the Bank and acquire 21,500,000 of the Bank's common shares (the ratio of the total number of issued shares after the third-party allotment (excluding treasury stock) is 15.53% as of March 31, 2025) on July 1, 2024.
In addition, the Bank appointed one person nominated by Daiwa Securities Group for outside director of the Bank General Meeting of Shareholders held on June 25, 2024.
As a result of the above, the Bank became an equity method affiliate of Daiwa Securities Group Inc.
Based on the capital and business alliance agreement, the Bank has cooperated with Daiwa Securities Group Inc., in various business areas including wealth management and other group companies.
8. We have formed a business alliance with the following partners for M&A business.
Sangyo Sosei Advisory Inc., DOGAN, Inc., Meinan M&A Co.,Ltd.
9. We have business alliances with domestic financial institutions as follows.
 - Comprehensive business alliance between the two groups of companies : Sumitomo Mitsui Trust Bank, Limited
 - Comprehensive business alliance in the area of investment banking business for corporations : The Bank of Yokohama, Ltd.
 - Comprehensive business alliance for overall loan operations : The Toho Bank, Ltd.
 - Strategic business alliance to expand customer base by enhancing competitiveness and profitability : Tsukuba Bank, Ltd.
 - Comprehensive business alliance in agriculture : The Hokkaido Bank, Ltd.
 - Strategic business alliance to strengthen responsiveness to diverse customer needs : The Kirayaka Bank, Ltd.
 - Business alliance for business matching : The Kirayaka Bank, Ltd., THE SENDAI BANK LTD., TOMATO BANK, LTD.

- Business alliance for business recovery support : The Howa Bank, Ltd., The Miyazaki Taiyo Bank, Ltd., The Minami-Nippon Bank, Ltd.
 - Business alliance for regional revitalization : Bank of The Ryukyus, Limited
 - Business alliance for customer support services related to regional economic revitalization : THE TOTTORI BANK, LTD., The Miyazaki Taiyo Bank, Ltd.
 - Business alliance to realize decarbonization and carbon neutrality : THE TOTTORI BANK, LTD.
 - Business alliance for DX support services (alliance with our affiliate B Spark Inc.) : The Ehime Bank, Ltd., THE TOTTORI BANK, LTD., TOMATO BANK, LTD., Osaka Prefectural Credit Federation of Agricultural Co-operatives, and 2 other companies
10. We have business alliances with overseas financial institutions as follows.
 - Business alliance for cross-border M&A operations
Oversea-Chinese Banking Corporation Limited (Head office: Singapore),
PT Bank Central Asia TBK (Head office: Jakarta, Indonesia),
KASIKORNBANK PUBLIC COMPANY LIMITED (Head office: Bangkok, Thailand),
BDO Unibank, Inc. (Head office: Makati, Philippines)
 - Comprehensive business alliance to strengthen cooperation in the Asian region centered on Taiwan : CTBC Financial Holding Co., Ltd. (Head office: Taipei, Republic of China)
 - Comprehensive business alliance to strengthen cooperation in two-way cross-border M&A operations : Ho Chi Minh City Securities Corporation (Head office: Ho Chi Minh, Vietnam)
 - Business alliance to strengthen relationships and expand business, etc. : Formed in three companies - Aozora, Beijing Zhongguancun Kejin Technology Co. Ltd., and Mercuria investment Co., Ltd.
 - Business alliance to promote cross-border M&A between Japan and China, etc. : China Renaissance Holdings Limited. (Head office: Beijing, China)
 - Capital and business alliance for the purpose of collaboration and provision of M&A advisory and other investment banking operations in Vietnam (15% investment as of June 30, 2020) : Orient Commercial Joint Stock Bank (Head office: Ho Chi Minh, Vietnam)
 - Business alliance to strengthen support for startup companies : Formed in three companies – Aozora, SVB Capital (Head Office: California, U.S.A.), and Aozora Corporate Investment Co., Ltd. (Wholly-owned subsidiary of Aozora Bank)
 - Business alliance to strengthen support for startup companies : Formed in three companies – Aozora, Genesis Alternative Ventures Pte Ltd (Head office: Singapore), and Aozora Corporate Investment Co., Ltd.

- (7) Assignment of Operations

None
- (8) Other Major Issues Concerning the Current Status of the Corporate Group

None

2. Matters Concerning Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members

(As of March 31, 2025)

Name	Current Positions and Areas of Responsibility	Major Concurrent Post	Other
Koji Yamakoshi	Director and Chairman, Executive Officer	—	—
Hideto Oomi	President Executive Officer (Representative Director) CEO	—	—
Masayoshi Ohara	Deputy President Executive Officer (Representative Director)	—	—
Takashi Kato	Director and Senior Managing Executive Officer, Chief Financial Officer (CFO)	—	—
Sakie Tachibana Fukushima	Director (outside)	President and Representative Director, G&S Global Advisors Inc.	—
		Outside Director, Kyushu Electric Power Company, Incorporated	
Hideyuki Takahashi	Director (outside)	Outside Director, Sunshine City Corporation	—
		Outside Corporate Auditor, Hanwa Co., Ltd.	
Hideaki Saito	Director (outside)	President and CEO, Japan Systems Co., Ltd.	—
		Representative Director, NetCam Systems Corporation	
		Director and Representative Executive Officer, Blueship Co., Ltd.	
Koichi Tadano	Director (outside)	Chairman of the Board and Representative Director, Tadano Ltd.	—
Hiromasa Kawashima	Director (outside)	Senior Managing Director, Daiwa Securities Group Inc.	—
		Executive Managing Director, Daiwa Securities Co. Ltd.	
Satoshi Hashiguchi	Audit & Supervisory Board Member (full-time)	—	—

Name	Current Positions and Areas of Responsibility	Major Concurrent Post	Other
Toraki Inoue	Audit & Supervisory Board Member (outside)	Toraki Inoue Certified Public Accountant Office	Holds CPA qualification
		Representative Director and President, Accounting Advisory Co., Ltd.	
		Supervisory Director, GLP J-REIT	
		Auditor, Kyulux, Inc.	
		Outside Audit & Supervisory Board Member, ETVOS Co., Ltd.	
		Outside Audit & Supervisory Board Member, Hokuetsu Corporation	
Junichi Maeda	Audit & Supervisory Board Member (outside)	—	—

(Note) Messrs. Hideyuki Takahashi, Hideaki Saito, Koichi Tadano and Ms. Sakie Tachibana Fukushima, outside directors, and Toraki Inoue and Junichi Maeda, outside audit & supervisory board members, meet the definition of independent directors based on the rules of Tokyo Stock Exchange.

(2) Director and Audit & Supervisory Board Member Remuneration and Benefits

1) Remuneration of Directors and Audit & Supervisory Board members

FY2024 (period as from April 1, 2024 through March 31, 2025) (Unit: Millions of yen)

Category	# of officers	Remuneration in total			
			Fixed Base	Performance Based (Bonus)	Non-cash Incentives (Stock Options)
Directors (excl. Outside Directors)	5	271	164	67	40
Full-time ASB Member (excl. Outside ASB Members)	1	29	29	—	—
Outside Directors	6	56	56	—	—
Outside ASB Members	2	24	24	—	—

(Note) The performance-based remuneration (bonus) is recorded as the director's bonus reserve for the respective fiscal year. The performance-based remuneration (bonus) was confirmed (53 million yen) at the Nomination and Remuneration Committee held on April 23, 2025, and is scheduled to be paid in June 2025. The above table includes one director and one outside director who retired at the close of the 91th General Meeting of Shareholders on June 25, 2024.

2) Policy and Procedure for Determining Director/Executive Officer Remuneration

Basic Policy for Determining Director, Audit & Supervisory Board Member, and Executive Officer Remuneration-

(Policy for Determining Remuneration for Directors)

In order to pursue our mission to “contribute to the development of society through the creation of new value-added financial services”, the Bank believes it is necessary to provide a setting that encourages high-potential employees to work consistently with high morale, motivation and pride to make sound business decisions.

To this end, the Bank has designed a remuneration system based on the following basic policy.

- Remuneration Framework in line with the Bank's Vision**
The Bank aims to build a compensation framework that reflects business performance in line with its objectives and values.
- Remuneration framework appropriately reflecting the Bank's performance**
The Bank's remuneration framework is based on 'Pay for performance' and reflects the Bank's commitment to sustainable growth, sound risk-taking through appropriate risk management, compliance, and customer protection.
- Remuneration framework serving the interests of stakeholders including shareholders**
The Bank will adopt a remuneration framework that is consistent with the values of stakeholders, including shareholders.
- Remuneration methodology guaranteeing effective governance**
In determining remuneration, the Bank will ensure transparency and independence from any specific influences.

(Policy on Determination of the Amount or Calculation Method of Remuneration for Directors)

The Nomination and Remuneration Committee (hereinafter referred to as “NRC”), which consists mainly of outside directors in order ensure transparency, independence and objectivity in the determination process, is authorized by the Board of Directors to determine the amount of each director's remuneration in accordance with the policy approved by the Board of Directors based on the policy recommendations of the NRC on determining individual remuneration.

The NRC consists of the following members, which determined the individual compensation for directors for the FY2024:

Chairperson of the Committee: Sakie Tachibana Fukushima, Outside Director

Other Committee Members: Hideaki Saito, Outside Director

Hideto Oomi, Representative Director and President

The Bank pays, in principle, fixed base remuneration, performance-based bonus and equity compensation type stock options to directors (other than outside directors), and only fixed base remuneration to outside directors.

It was resolved at the 82nd General Meeting of Shareholders on June 26, 2015 to set the aggregate annual remuneration ceiling for directors at 600 million yen, including basic remuneration as well as the performance bonus. The Bank had eight directors (including four outside directors) as of the end of 82nd General Meeting of Shareholders.

(a) Base Remuneration (Fixed Base Remuneration)

Base remuneration comprises a fixed amount payable during each month of service, which varies with the type of position (full-time or part-time), job title and responsibility. We use data from an outside specialized agency to check and benchmark whether the level of base remuneration amounts is appropriate before determining it.

The guideline for base remuneration for the President and Deputy President(s) is set through a band-range applicable to each position (title) which determines their respective fixed base remuneration to reflect their responsibilities and experience.

(b) Bonus (Performance-based remuneration)

The bonus amount is initially set at the equivalent of 40% of the individual basic remuneration amount (the “Base Bonus Amount”). The individual amount of bonus (performance-based remuneration) payable at a certain time after the close of each fiscal year is then decided by NRC by applying a rate within the pre-determined scope ranging from 0% to 250% of the Base Bonus Amount for every full-time director while considering key indicators during each fiscal year as shown below. Specifically, the rate and bonus amount is determined by considering the following indicators and the Bank’s performance during the applicable period.

- Achievement rates of Business Profit and Net Earnings
- Achievement rates of KPIs (Key Performance Indicators) such as ROE(Return on Equity), the Capital Adequacy Ratio, business-related profit (Business profit + Gains/losses on stock transactions) per employee, and business-related profit RORA ((Business profit + Gains/losses on stock transactions) / Risk-weighted assets)
- Assessment of undue risk and occurrence of serious compliance incidents
- Implementation/introduction of measures and strategies, including the launch of new businesses, from a mid- to long-term perspective
- Progress and achievement of the Bank-announced sustainability initiative targets

Among the above key indicators, achievement rates of Business Profit and Net Earnings are the basic indicators that determine business results. Achievement rates of ROE, the Capital Adequacy Ratio, business-related profit (Business profit + Gains/losses on stock transactions) per employee, and business-related profit RORA ((Business profit + Gains/losses on stock transactions) / Risk-weighted assets) as KPIs are key indicators for the targets in the Bank’s Mid-Term Business Plan. These achievement rates, therefore, are taken into account as quantitative evaluation indicators to determine bonus amounts. In order to encourage not only enhancement of short-term business performance but also business implementation from a mid- to long-term perspective, factors such as undue risk taking, making serious compliance violations, the implementation/introduction of measures and strategies from a mid- to long-term perspective, including the launch of new businesses, and progress and achievement of the Bank-announced sustainability initiative targets are also fully considered as qualitative evaluation indicators.

Targets and results (FY2024) of the indicators related to performance-based remuneration are stated below.

	FY2024 Forecast announced at the beginning of the FY2024	FY2024 Results
Business Profit	24.0 billion yen	25.0 billion yen
Net Earnings ^{*1}	18.0 billion yen	20.5 billion yen

	Mid-term Targets ^{*2}	FY2023 Results
ROE	8%	4.9%
Capital Adequacy Ratio	9% or higher	10.7%
Business-related profit per employee ^{*3}	20.0 million yen	10.0 million yen
Business-related profit RORA ^{*4}	1.3%	0.6%

^{*1} Profit attributed to owners of parent

^{*2} Mid-term Business Plan Targets, “Aozora 2025” (FY2023~2025)

^{*3} Business-related profit=Business profit+Gains/losses on stock transactions, etc.

^{*4} Business-related profit / Risk-weighted assets

(c) Equity compensation type stock options (as non-cash incentives)

The NRC discussed ratios of cash remuneration and equity compensation type stock options so that the stock options can be one of the proper incentives for sustainable growth, and set the ratio at 25% of the Base Remuneration amount, payable at a certain time after the close of each fiscal year.

The number of options to be granted is determined based on a resolution of the Board of Directors in accordance with the “Equity Compensation Type Stock Options Manual”.

A resolution that share acquisition rights will be allotted in addition to base remuneration to full-time directors within 150 million yen a year (and up to 7,500 options per year) was approved at the 81st General Meeting of Shareholders on June 26, 2014. At the time of the conclusion of this General Meeting of Shareholders regarding, there were four full-time directors.

Further details are described under section 5, “Matters Pertaining to the Equity Compensation Type Stock Options.”

(Grounds that the Judgements Made by the Board of Directors Regarding each Director’s Yearly Remuneration as Decided by the NRC Conform to and are Consistent with the Aforementioned Policies:)

In determining the individual amount of remuneration for each director, the Board of Directors respects the decision made by the NRC meetings and is confident in its judgment that said Committee meeting has made a fair determination. The Board of Directors has reasonable grounds to believe that said Committee meeting has performed due analysis on the achievement of business results and managerial contribution by each director upon deliberate reflection based on multiple points of views in conformity with the policy on determining remuneration.

(Policy on Determination of ASB Member Remuneration and Calculation)

ASB members discuss and determine individual remuneration amounts by considering discussions and proposals made at the NRC.

The Bank pays only the fixed base remuneration payable during each month of service in accordance with the policy below. The upper limit of total ASB members' base remuneration is 60 million yen based on the resolution at the 73rd General Meeting of Shareholders on June 23, 2006. The Bank had three ASB members as of the end of 73rd General Meeting of Shareholders.

Base Remuneration (Fixed Base Remuneration)

Base remuneration amount is fixed and varies with work status (full-time or part-time), assigned audit duties, remuneration for directors, etc. We use data from an outside specialized agency to check whether the level of base remuneration amounts is appropriate before determining it.

(3) Limited Liability Contract

Name	Limited Liability Contract
Sakie Tachibana Fukushima	For each liability set out in Article 423-1 of the Companies Act, they are liable for up to the total monetary amount set out in Article 425-1 of the Companies Act.
Hideyuki Takahashi	
Hideaki Saito	
Koichi Tadano	
Hiromasa Kawashima	
Satoshi Hashiguchi	
Toraki Inoue	
Junichi Maeda	

(4) Indemnity Agreement

No items to report.

(5) Summary of Directors and Officers Liability Insurance Contract

The Bank has entered into a directors and officers liability insurance contract with insurance companies as stipulated in Article 430-3, paragraph (1) of the Companies Act, insuring the Directors, Audit & Supervisory Board Members, and Executive Officers, etc., of the Bank and its subsidiaries. The said insurance contract covers compensation for damages and legal dispute fees that an insured party may incur due to claims for damages caused by the insured parties' acts (including failure to act) committed by them in connection with their duties as officers, etc. of the Bank and its subsidiaries.

The Bank and its subsidiaries bear the entire premium for the contract. However, in order to ensure that the appropriateness of the execution of duties by the insured is not impaired, there are certain exemptions; for example, damages that the insured has caused intentionally or with gross negligence will not be covered.

3. Matters Concerning Outside Directors and Audit & Supervisory Board Members

(1) Concurrent Post and Other Status of Outside Directors and Audit & Supervisory Board Members

(As of March 31, 2025)

Name	Concurrent Post and Other Status	Relationship with the Bank
Sakie Tachibana Fukushima	President and Representative Director, G&S Global Advisors Inc.	—
	Outside Director, Kyushu Electric Power Company, Incorporated	—
Hideyuki Takahashi	Outside Director, Sunshine City Corporation	—
	Outside Corporate Auditor, Hanwa Co., Ltd.	—
Hideaki Saito	President and CEO, Japan Systems Co., Ltd.	—
	Representative Director, NetCam Systems Corporation	—
	Director and Representative Executive Officer, Blueship Co., Ltd.	—
Koichi Tadano	Chairman of the Board and Representative Director, Tadano Ltd.	—
Hiromasa Kawashima	Senior Managing Director, Daiwa Securities Group Inc.	Major shareholder Other associated company Customer (Securities, etc.)
	Executive Managing Director, Daiwa Securities Co. Ltd.	Customer (Other financial transactions, etc.)
Toraki Inoue	Toraki Inoue Certified Public Accountant Office	—
	Representative Director and President, Accounting Advisory Co., Ltd.	—
	Supervisory Director, GLP J-REIT	Customer (loans, etc.)
	Auditor, Kyulux, Inc.	—
	Outside Audit & Supervisory Board Member, ETVOS Co., Ltd.	—
	Outside Audit & Supervisory Board Member, Hokuetsu Corporation	—

(2) Activity Status of Outside Directors and Audit & Supervisory Board Members
(As of March 31, 2025)

Name	Term served	Attendance at Board meetings, etc.	Remarks or other activities performed at Board meetings, etc.
Sakie Tachibana Fukushima	2 yrs 10 ms	Attended all 17 Board meetings during the relevant fiscal year	She was expected to provide overall oversight and to offer advice on the execution of duties by executive officers, with an objective viewpoint, toward the enhancement of the Bank's corporate value over the mid- to long-term, based on her wealth of experience, credentials and deep insight as an executive of many domestic/global corporate institutions. She has fulfilled her role and conducted management oversight through actively expressing opinions at the Board meetings based on the said viewpoint.
Hideyuki Takahashi	1 yr 10 ms	Attended all 17 Board meetings during the relevant fiscal year	He was expected to provide overall oversight and to offer advice on the execution of duties by executive officers, with an objective viewpoint, toward the enhancement of the Bank's corporate value over the mid- to long-term, based on his wealth of experience, credentials and deep insight as a member of senior management of corporate institutions in the banking and non-financial sectors. He has fulfilled his role and conducted management oversight through actively expressing opinions at the Board meetings based on the said viewpoint.
Hideaki Saito	1 yr 10 ms	Attended all 17 Board meetings during the relevant fiscal year	He was expected to provide overall oversight and to offer advice on the execution of duties by executive officers, with an objective viewpoint, toward the enhancement of the Bank's corporate value over the mid- to long-term, based on his wealth of experience, credentials and deep insight as a member of senior management of corporate institutions and a strategic consultant. He has fulfilled his role and conducted management oversight through actively expressing opinions at the Board meetings based on the said viewpoint.
Koichi Tadano	10 ms	Attended 11 Board meetings during the relevant fiscal year	He was expected to provide overall oversight and to offer advice on the execution of duties by executive officers, with an objective viewpoint, toward the enhancement of the Bank's corporate value over the mid- to long-term, based on his wealth of experience, credentials and deep insight as the top management of corporate institution. He has fulfilled his role and conducted management oversight through actively expressing opinions at the Board meetings based on the said viewpoint.
Hiromasa Kawashima	9 ms	Attended 8 Board meetings during the relevant fiscal year	He is a director nominated by Daiwa Securities Group Inc. following the Bank's execution of the Capital and Business Alliance Agreement with Daiwa Securities Group Inc., on May 13, 2024. The Bank believed his participation in the management as an Outside Director would further deepen collaboration of the two companies, and the Bank expected him to provide appropriate advice to ensure the purpose of the alliance was achieved. He has fulfilled his role and conducted management oversight through actively expressing opinions at the Board meetings based on the said viewpoint. If any item of business posing a conflict of interests between the Bank and Daiwa Securities Group Inc. is submitted to the Bank's Board of Directors, he will participate in neither the deliberations nor the resolutions..
Toraki Inoue	8 yrs 10 ms	Attended all 17 Board meetings during the relevant fiscal year. Attended all 14 Audit & Supervisory Board meetings during the relevant fiscal year	Expressing opinions and making proposals at the Board meetings and Supervisory Board meetings based on substantial experience in Auditor and Supervisor of business corporations and insight as a CPA.
Junichi Maeda	1yr 10 ms	Attended all 17 Board meetings during the relevant fiscal year. Attended all 14 Audit & Supervisory Board meetings during the relevant fiscal year	Expressing opinions and making proposals at the Board meetings and the Audit & Supervisory Board meetings based on substantial experience and insight in the finance and banking business.

(3) Remuneration and Benefits to Outside Directors and Audit & Supervisory Board Members
(Unit: Millions of yen)

	Number of Recipients	Remuneration and Benefits from the Bank	Remuneration and Benefits from the Bank's Parent, etc.
Total Remuneration and Benefits	8	80	—

4. Share Data of the Bank

(1) Number of Shares	(In thousands)
Authorized Shares	289,828
Number of Shares Issued	139,789

- (Notes) 1. The number of shares issued includes treasury shares of 1,408 thousand.
2. The number of shares is in thousands, rounded down to the nearest thousand.

(2) Number of Shareholders as of the End of This Fiscal Year	121,729
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(3) Major Shareholders

(As of March 31, 2025)

Name of Shareholder	Contributed Capital	
	Number of Shares Held (in thousands)	Percentage of Total Outstanding Shares
Daiwa Securities Group Inc.	33,056	23.88%
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,985	12.27%
The Nomura Trust and Banking Co., Ltd. (Trust Account 2052255)	4,300	3.10%
Custody Bank of Japan, Ltd. (Trust Account)	2,867	2.07%
STATE STREET BANK WEST CLIENT - TREATY 505234	1,294	0.93%
JP MORGAN CHASE BANK 385794	1,007	0.72%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	920	0.66%
SMBC Nikko Securities Inc.	901	0.65%
STATE STREET BANK AND TRUST COMPANY 505103	847	0.61%
Nojima Corporation	682	0.49%

- (Notes) 1. 'Major Shareholders' are top 10 shareholders, excluding treasury shares held by the Bank (1,408 thousand shares), described in the above table.
2. 'Number of Shares Held' is in thousands and rounded down to the nearest thousand.
3. 'Percentage of Total Outstanding Shares' is rounded down to two decimal places.
4. 'Percentage of Total Outstanding Shares' is calculated excluding treasury shares held by the Bank (1,408 thousand shares).
5. In the above table, we have calculated the number of common shares and its percentage held by each shareholder based upon the Bank's Shareholder Registry as of March 31, 2025.

(4) Shares held by officers
None

(5) Other Major Issues Concerning Shares
The total number of issued shares has increased by 21,500,000 shares due to the capital increase through a third-party allotment of new shares, for which payment was completed on July 1, 2024.

5. Stock Options

The following outlines the Equity Compensation Type Stock Options held by directors of the Bank as of the end of the fiscal year, out of the Equity Compensation Type Stock Options, which had been issued to Directors (other than Outside Directors) and Executive Officers of the Bank as a part of executive compensation, pursuant to Articles 236, 238 and 240 of the Companies Act.

Name of Stock Options	Allotment Date	Number of Stock Options (units)	Number of Common Shares to be Delivered upon Exercise of Options (shares)	Issue Price per unit of Stock Options (in Yen)	Exercise Price per Share (in Yen)	Exercise Period
2 nd Series	July 14, 2015	2,297	22,970	43,800	1	July 15, 2015 ~ July 14, 2045
3 rd Series	July 15, 2016	3,433	34,330	34,200	1	July 16, 2016 ~ July 15, 2046
4 th Series	July 13, 2017	2,654	26,540	39,800	1	July 14, 2017 ~ July 13, 2047
5 th Series	July 13, 2018	2,554	25,540	38,320	1	July 14, 2018 ~ July 13, 2048
6 th Series	July 11, 2019	4,742	47,420	23,520	1	July 12, 2019 ~ July 11, 2049
7 th Series	July 10, 2020	6,411	64,110	15,370	1	July 11, 2020 ~ July 10, 2050
8 th Series	July 12, 2021	5,154	51,540	22,480	1	July 13, 2021 ~ July 12, 2051
9 th Series	July 8, 2022	5,642	56,420	23,960	1	July 9, 2022 ~ July 8, 2052
10 th Series	July 10, 2023	5,426	54,260	24,175	1	July 11, 2023 ~ July 10, 2053
11 th Series	July 12, 2024	4,528	45,280	23,850	1	July 13, 2024 ~ July 12, 2054

- (Notes) 1. Option holders (grantees) can only exercise the granted stock options (their holdings) in whole at once during the ten-day period immediately following the day on which the holder ceases to be in the position of a Director and Executive Officer of the Bank.
2. The number of shares indicates those after one-for-ten reverse stock-split effective October 1, 2017.
3. The acquisition of stock options through transfer requires approval through a resolution by the Board of Directors.
4. When the General Meeting of Shareholders (or the Board of Directors if approval of the General Meeting of Shareholders is not required) approves a resolution to conclude a merger agreement under which the Bank will be a defunct company, an absorption-type company split agreement/ an incorporation-type company split plan under which the Bank will be a split company, or a share exchange agreement/ a share transfer plan under which the Bank will be a wholly-owned subsidiary, the Bank may acquire stock options, which are not exercised as of a day separately specified by the Board of Directors, without contribution on said day.

(1) Stock options held by directors of the Bank as of March 31, 2025

Name of Stock Options	Holders	Number of Stock Options (units)	Number of Common Shares to be Delivered upon Exercise of Options (shares)	Number of Holders
2 nd Series	Directors of the Bank (Other than Outside Directors)	148	1,480	2
3 rd Series		418	4,180	4
4 th Series		360	3,600	4
5 th Series		350	3,500	4
6 th Series		726	7,260	4
7 th Series		1,277	12,770	4
8 th Series		1,294	12,940	4
9 th Series		1,390	13,900	4
10 th Series		1,594	15,940	4
11 th Series		1,715	17,150	4

(Note) The numbers of stock options include options granted prior to their appointments as Directors of the Bank.

(2) Stock options issued to employees during this fiscal year

Name of Stock Options	Grantees (Recipients)	Number of Stock Options (units)	Number of Common Shares to be Delivered upon Exercise of Options (shares)	Number of Holders
11 th Series	Executive Officers of the Bank	2,813	28,130	19

6. Matters Concerning Independent Accounting Auditors

(1) Independent Accounting Auditors

(Unit: JPY million)		
Name	Fees for This Fiscal Year	Other
Deloitte Touche Tohmatsu LLC Designated Limited Liability Partner, Shigehiko Matsumoto Arata Otake Eisuke Sugiura	247	Reason for acknowledgment of the fees by the Audit & Supervisory Board ('the ASB'): The ASB of the Bank received documents and direct explanation from the independent accounting auditors, analyzed and confirmed audit priority areas, audit items, audit hours of prior years and year-to-year changes in audit fees. The ASB then compared the audit plan of the previous business year with actual performance and verified the achievement of the audit, in order to consider and assess audit items in the audit plan in the relevant business year, audit hours and details of the audit framework and appropriateness of the estimated audit remuneration. As a result, the ASB acknowledged the remuneration for the independent accounting auditors, in accordance with the Article 399-1 of the Companies Act. Non-audit services: Review procedure of capital adequacy ratio, etc.

- (Notes) 1. Figures are rounded down to the nearest unit specified.
2. When including the Bank's subsidiaries in the total, independent auditor fees for this fiscal year were 308 million yen.
3. 'Fees for This Fiscal Year' as classified above includes both the fees related to the audit under the Companies Act and under the Financial Instruments and Exchange Act because such audit fees cannot be clearly separated.

(2) Limited Liability Contract
None

(3) Compensation Contract
None

(4) Other Matters Related to Independent Accounting Auditors

- i. Determination of dismissal or non-reappointment of auditors
The ASB of the Bank shall, in principle, determine removal of the independent accounting auditors, upon consent of all its Members, if it concludes that the independent accounting auditors fall under any of the items specified in the Article 340-1 of the Companies Act. In this case, an appointed ASB Member shall report the fact of removal and its reason in the first general meeting of shareholders to be convened after the removal.
If the ASB comprehensively concludes that it is difficult for the independent accounting auditors to execute their duty properly, the ASB shall, in principle, determine the detail of the proposal on the removal or non-reappointment, to be submitted to the general meeting of shareholders.
- ii. Audit of financial statements of the Bank's major subsidiaries by other auditors than the Bank's auditor
Of the Bank's major subsidiaries, the financial statements of Aozora Asia Pacific Limited, Aozora Europe Limited and AZB Funding 12 Limited are audited by audit firms which are in the same network as the Bank's audit firm.

7. Policy towards Parties who can Influence the Financial and Operational Decision-making Process

None

8. Framework for Ensuring the Appropriateness of Business Operations

As this provision is omitted from the printed convocation notice, please refer to the Bank's website (<https://www.aozorabank.co.jp/english/ir/stock/meeting/>).

9. Matters Concerning Wholly-owned Subsidiaries

None

10. Matters Concerning Transactions with the Parent Company

None

11. Matters Concerning Accounting Advisor

None

12. Other

Policy on Execution of Authority Granted to the Board of Directors in accordance with the Articles of Incorporation Based on Article 459-1 of the Companies Act

(Policy on distribution of retained earnings and purchases of treasury stock)

The Bank has stipulated in the Articles of Incorporation that the Board of Directors is authorized to make resolutions in respect to Article 459-1 of the Companies Act, in order to secure the timely implementation of capital-related measures.

As announced in mid-term plan for 2025-2027, entitled 'Aozora 2027' in May 2025, the Bank will provide stable returns to shareholders in the form of dividend payment based on the result of net earnings in principle, while maintaining financial strength.

Regarding the execution by the Board of Directors of its entrusted authority for the distribution of retained earnings and purchases of treasury stock, the Bank considers comprehensively the business performance and business prospects, in order to enhance corporate value and make an appropriate return of profits to its shareholders.

Consolidated balance sheet as of March 31, 2025

(Millions of yen)

(Assets)		(Liabilities)	
Cash and due from banks	1,409,371	Deposits	5,598,301
Call loans and bills bought	31,782	Negotiable certificates of deposit	74,600
Monetary claims bought	58,530	Call money and bills sold	5,000
Trading account assets	262,803	Securities sold under repurchase agreements	27,924
Money held in trust	12,728	Cash collateral received for securities lent	345,719
Securities	1,355,458	Trading account liabilities	209,155
Loans and bills discounted	4,206,564	Borrowed money	726,300
Foreign exchanges	46,420	Bonds payable	124,640
Other assets	331,054	Other liabilities	155,993
Tangible fixed assets	22,385	Provision for bonuses	4,756
Buildings, net	9,695	Provision for bonuses for directors (and other officers)	67
Land	9,235	Retirement benefit liability	10,353
Leased assets, net	999	Provision for credit losses on off-balance-sheet instruments	1,218
Construction in progress	46	Reserves under special laws	8
Other tangible fixed assets	2,407	Acceptances and guarantees	18,711
Intangible fixed assets	19,075	Total liabilities	7,302,748
Software	19,008	(Equity)	
Other intangible fixed assets	67	Share capital	125,966
Retirement benefit asset	9,430	Capital surplus	113,483
Deferred tax assets	51,583	Retained earnings	241,485
Customers' liabilities for acceptances and guarantees	18,711	Treasury shares	(2,894)
Allowance for loan losses	(71,025)	Total shareholders' equity	478,040
Allowance for investment loss	(2,439)	Valuation difference on available-for-sale securities	(39,532)
		Deferred gains or losses on hedges	517
		Foreign currency translation adjustment	9,604
		Remeasurements of defined benefit plans	2,286
		Total accumulated other comprehensive income	(27,123)
		Share acquisition rights	501
		Non-controlling interests	8,267
		Total equity	459,685
Total assets	7,762,434	Total liabilities and equity	7,762,434

Consolidated statement of income
(For the fiscal year ended March 31, 2025)

(Millions of yen)

Ordinary income		231,460
Interest income	161,104	
Interest on loans and discounts	127,971	
Interest and dividends on securities	22,499	
Interest on call loans and bills bought	325	
Interest income on securities purchased under resale agreements	0	
Interest on deposits with banks	1,103	
Other interest income	9,204	
Trust fees	373	
Fees and commissions	31,137	
Gain on trading account transactions	3,706	
Other ordinary income	24,417	
Other income	10,721	
Recoveries of written off receivables	2,490	
Reversal of provision for credit losses on off-balance-sheet instruments	742	
Other	7,489	
Ordinary expenses		213,899
Interest expenses	112,393	
Interest on deposits	15,511	
Interest on negotiable certificates of deposit	146	
Interest on call money and bills sold	41	
Interest expenses on securities sold under repurchase agreements	1,518	
Interest expenses on cash collateral received for securities lent	15,318	
Interest on borrowings and rediscounts	2,820	
Interest expenses on bonds	6,067	
Interest expenses on interest rate swaps	35,011	
Other interest expenses	35,958	
Fees and commissions payments	6,859	
Loss on trading account transactions	560	
Other ordinary expenses	15,286	
General and administrative expenses	62,384	
Other expenses	16,413	
Provision of allowance for loan losses	6,105	
Other	10,308	
Ordinary profit		17,561
Extraordinary income		3,408
Gain on disposal of non-current assets	0	
Reversal of foreign currency translation adjustment	3,408	
Extraordinary losses		1,584
Loss on disposal of non-current assets	2	
Impairment losses	263	
Other	1,318	
Income before income taxes		19,386
Income taxes-current	2,059	
Income taxes-deferred	(2,307)	
Total income taxes		(248)
Net income		19,634
Net loss attributable to non-controlling interests		(884)
Net income attributable to owners of parent		20,518

Non-consolidated balance sheet as of March 31, 2025 (92nd fiscal year end)

(Millions of yen)

(Assets)		(Liabilities)	
Cash and due from banks	879,959	Deposits	4,681,677
Cash	3,092	Current deposits	38,031
Due from banks	876,866	Ordinary deposits	1,955,800
Call loans	31,782	Saving deposits	47,071
Monetary claims bought	31,379	Deposits at notice	385
Trading account assets	262,803	Time deposits	2,567,238
Trading account securities derivatives for hedging	1,323	Other deposits	73,150
Trading account financial derivatives	261,480	Negotiable certificates of deposit	74,600
Money held in trust	5,216	Call money	5,000
Securities	1,324,991	Securities sold under repurchase agreements	27,924
Government bonds	74,670	Cash collateral received for securities lent	345,719
Local government bonds	17,068	Trading account liabilities	209,155
Corporate bonds	103,147	Trading account securities derivatives for hedging	250
Stocks	47,272	Trading account financial derivatives	208,904
Other securities	1,082,832	Borrowed money	726,300
Loans and bills discounted	3,852,978	Borrowings from other banks	726,300
Bills discounted	3,353	Bonds payable	124,640
Loans on bills	1,932	Other liabilities	137,532
Loans on deeds	3,678,644	Income taxes payable	1,184
Overdrafts	169,047	Accrued expenses	8,221
Foreign exchanges	46,420	Unearned revenue	239
Due from foreign banks (our accounts)	46,420	Variation margins of futures markets	5
Other assets	302,413	Financial derivatives	74,643
Prepaid expenses	2,138	Cash collateral received for financial instruments	27,311
Accrued revenue	20,828	Lease liabilities	1,099
Margin deposits for futures transactions	962	Asset retirement obligations	2,033
Variation margins of futures markets	82	Other	22,793
Financial derivatives	84,057	Provision for bonuses	4,018
Cash collateral paid for financial instruments	115,437	Provision for bonuses for directors (and other officers)	67
Bond issuance costs	177	Provision for retirement benefits	10,187
Other	78,729	Provision for credit losses on off-balance-sheet instruments	1,080
Tangible fixed assets	21,278	Acceptances and guarantees	24,711
Buildings, net	9,475	Total liabilities	6,372,614
Land	9,235	(Equity)	
Leased assets, net	999	Share capital	125,966
Construction in progress	1	Capital surplus	113,483
Other tangible fixed assets	1,566	Legal capital surplus	113,280
Intangible fixed assets	9,004	Other capital surplus	203
Software	8,938	Retained earnings	208,631
Other intangible fixed assets	66	Legal retained earnings	12,686
Prepaid pension costs	6,651	Other retained earnings	195,944
Deferred tax assets	52,039	Retained earnings brought forward	195,944
Customers' liabilities for acceptances and guarantees	24,711	Treasury shares	(2,894)
Allowance for loan losses	(69,850)	Total shareholders' equity	445,186
Allowance for investment loss	(2,439)	Valuation difference on available-for-sale securities	(39,478)
		Deferred gains or losses on hedges	517
		Total valuation and translation adjustments	(38,961)
		Share acquisition rights	501
		Total equity	406,726
Total assets	6,779,341	Total liabilities and equity	6,779,341

Non-consolidated statement of income
(For the fiscal year ended March 31, 2025 (92nd fiscal year))

(Millions of yen)

Ordinary income	204,228	
Interest income	152,628	
Interest on loans and discounts	120,465	
Interest and dividends on securities	23,007	
Interest on call loans	324	
Interest income on securities purchased under resale agreements	0	
Interest on deposits with banks	974	
Interest income on interest rate swaps	3,977	
Other interest income	3,878	
Trust fees	374	
Fees and commissions	17,950	
Fees and commissions on domestic and foreign exchanges	130	
Other fees and commissions	17,820	
Gain on trading account transactions	3,621	
Net gain on trading account financial derivatives	3,621	
Other ordinary income	22,265	
Gain on sale of bonds	3,353	
Gain on redemption of bonds	79	
Gain on financial derivatives	951	
Other	17,880	
Other income	7,387	
Recoveries of written off receivables	2,432	
Reversal of provision for credit losses on off-balance-sheet instruments	713	
Gain on sale of stocks and other securities	3,833	
Gain on money held in trust	70	
Other	337	
Ordinary expenses	112,343	190,458
Interest expenses	112,343	
Interest on deposits	15,461	
Interest on negotiable certificates of deposit	146	
Interest on call money	41	
Interest expenses on securities sold under repurchase agreements	1,518	
Interest expenses on cash collateral received for securities lent	15,318	
Interest on borrowings and rediscounts	2,820	
Interest expenses on bonds	6,067	
Interest expenses on interest rate swaps	35,011	
Other interest expenses	35,958	
Fees and commissions payments	2,124	
Fees and commissions on domestic and foreign exchanges	125	
Other fees and commissions	1,998	
Loss on trading account transactions	560	
Net loss on trading account securities	560	
Other ordinary expenses	16,956	
Loss on foreign exchange transactions	8,401	
Loss on sale of bonds	1,068	
Loss on redemption of bonds	137	
Loss on devaluation of bonds	142	
Amortization of bond issuance costs	188	
Other	7,018	

General and administrative expenses	45,908	
Other expenses	12,565	
Provision of allowance for loan losses	5,388	
Write-off of loans	4,610	
Provision of allowance for investment loss	1,138	
Loss on sale of stocks and other securities	289	
Loss on devaluation of equity securities	288	
Other	850	
Ordinary profit		13,769
Extraordinary income		0
Gain on disposal of non-current assets	0	
Extraordinary losses		263
Loss on disposal of non-current assets	2	
Impairment losses	260	
Income before income taxes		13,506
Income taxes-current	1,351	
Income taxes-deferred	(3,543)	
Total income taxes		(2,191)
Net income		15,698

Independent Auditors' Report for the Consolidated Financial Statements (COPY)

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 13, 2025

To the Board of Directors of
Aozora Bank, Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Shigehiko Matsumoto

Designated Engagement Partner,
Certified Public Accountant: Arata Otake

Designated Engagement Partner,
Certified Public Accountant: Eisuke Sugiura

Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Aozora Bank, Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2024 to March 31, 2025, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

Independent Auditors' Report for the Financial Statements (COPY)

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

May 13, 2025

To the Board of Directors of
Aozora Bank, Ltd.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Shigehiko Matsumoto

Designated Engagement Partner,
Certified Public Accountant: Arata Otake

Designated Engagement Partner,
Certified Public Accountant: Eisuke Sugiura

Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Aozora Bank, Ltd. (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2025, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 92nd fiscal year from April 1, 2024 to March 31, 2025, and a summary of significant accounting policies and other explanatory information, and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents.

The Audit & Supervisory Board’s Report (COPY)

(Translation) The Audit & Supervisory Board’s Report

The Audit & Supervisory Board (hereafter “ASB”) prepared this ASB’s Report, following deliberation, based on the Audit & Supervisory Board Member’s (hereafter “ASB Member”) Report prepared by each ASB Member, and make the following report on the execution of duties by Directors for the 92nd business year that commenced on April 1, 2024 and ended on March 31, 2025.

1. The Method and Contents of the Audit by ASB Members and the ASB
- (1) The ASB defined the audit policy, the division of duties, received reports on how audits were actually implemented and results thereof from each ASB Member, received reports on the actual execution of duties from Directors, etc. and the Accounting Auditor (Independent Auditor Tohmatsu), and sought any necessary explanations.
 - (2) Each ASB Member complied with the standard of ASB audit predefined by the ASB, followed the audit policy and the division of duties, communicated with Directors, Internal Audit Division and employees, etc., gathered information and improved the auditing environment, and implemented the audit in the following method:
 - 1) The ASB Member attended the Board of Directors meetings and other important meetings, received reports on the actual execution of duties from Directors and employees, etc. and sought any necessary explanations, inspected important documents for approval, and examined operations and assets concerning the Head Office and principal offices. As to subsidiaries, the ASB communicated and exchanged information with Directors and ASB Members, etc. of these subsidiaries, and received any necessary reports from them. As to audit implementation, the ASB utilized telephone/online communication measures as necessary.
 - 2) The ASB periodically received reports on the conditions of the establishment and operations of the system that has been installed and improved based on the resolution of the Board of Directors, that is written in the Business Report, on the improvement of the system provided in Article 100.1 and 100.3 of the Enforcement Regulation of the Companies Act (the internal control system) and contents thereof, to secure the system to ensure the compliance of the execution of duties by Directors with applicable laws and regulations of Japan as well as the Articles of Incorporation, and to secure the appropriateness of other operations of the corporation, from Directors and employees, etc. and sought any necessary explanations. And as for internal control over financial reporting, the ASB received reports of progress and assessment on it from Directors, etc. and the Auditor Deloitte Touche Tohmatsu LLC and sought any necessary explanation and expressed opinion.
 - 3) The ASB monitored and examined to see whether the Accounting Auditor retains its independent position and implements adequate audit, as well as received from the Accounting Auditor Reports on the actual execution of its duties, and sought any necessary explanation from the Accounting Auditor. The ASB also was informed by the Accounting Auditor that the Accounting Auditor has improved its “Systems to Ensure the Proper Conduct of Professional Duties” (the item listed in the each section of Article 131 of the Corporate Accounting Rules) in accordance with “Standards for Audit Quality Control” (by Business Accounting Council), etc., and the ASB sought any necessary explanation from the Accounting Auditor.

Based on the above-mentioned method, the ASB examined the Business Report and its supplementary schedule, the financial statements for the said business year (Balance Sheet, Income Statement, Statement of Changes in Net Assets, Significant accounting policies and other Notes) and their Supplementary schedule, as well as the consolidated financial statements (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statements of Changes in Net Assets, Significant accounting policies applied in the preparation of the consolidated financial statements and other Notes).

2. Results of the Audit
- (1) Results of the Audit on the Business Report and its Supplementary Schedule
 - 1) The ASB acknowledges that the Business Report and its supplementary schedule present the correct conditions of the Company in accordance with applicable laws and regulations of Japan as well as the Articles of Incorporation.
 - 2) There is no illegal act in the execution of duties of Directors or material fact in violation of applicable laws and regulations of Japan or the Articles of Incorporation.
 - 3) The ASB acknowledges that contents of the resolutions of the Board of Directors on the internal control system are reasonable, and there is no finding in the contents written in the Business Report and the execution of duties of Directors related to the said internal control system. And as for internal control over financial reporting, no material weakness has been reported neither from Directors, etc. nor the Auditor Deloitte Touche Tohmatsu LLC at the time of writing this report.
 - (2) Results of the Audit on the Financial Statements and their Supplementary Schedule

The ASB acknowledges that the method and results of the audit implemented by the Accounting Auditor Deloitte Touche Tohmatsu LLC are reasonable.
 - (3) Results of the Audit on the Consolidated Financial Statements

The ASB acknowledges that the method and results of the audit implemented by the Accounting Auditor Deloitte Touche Tohmatsu LLC are reasonable.

May 16, 2025

The Audit & Supervisory Board of Aozora Bank, Ltd.
Standing Audit & Supervisory Board Member Satoshi Hashiguchi
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) Toraki Inoue
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) Junichi Maeda

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

End

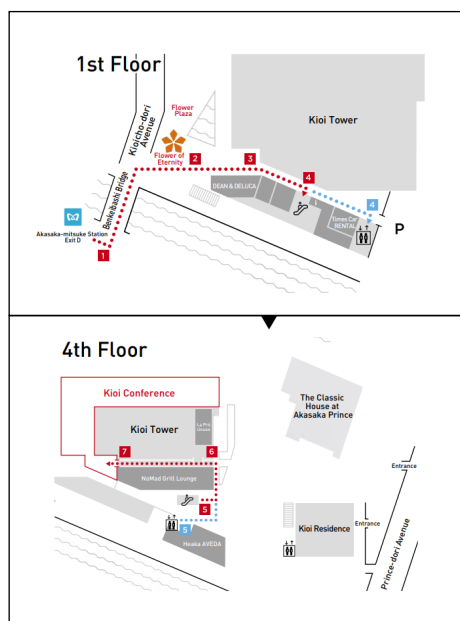
Guide to the Venue for Ordinary General Meeting of Shareholders

Place: **TOKYO GARDEN TERRACE KIOICHO Kioi Conference**

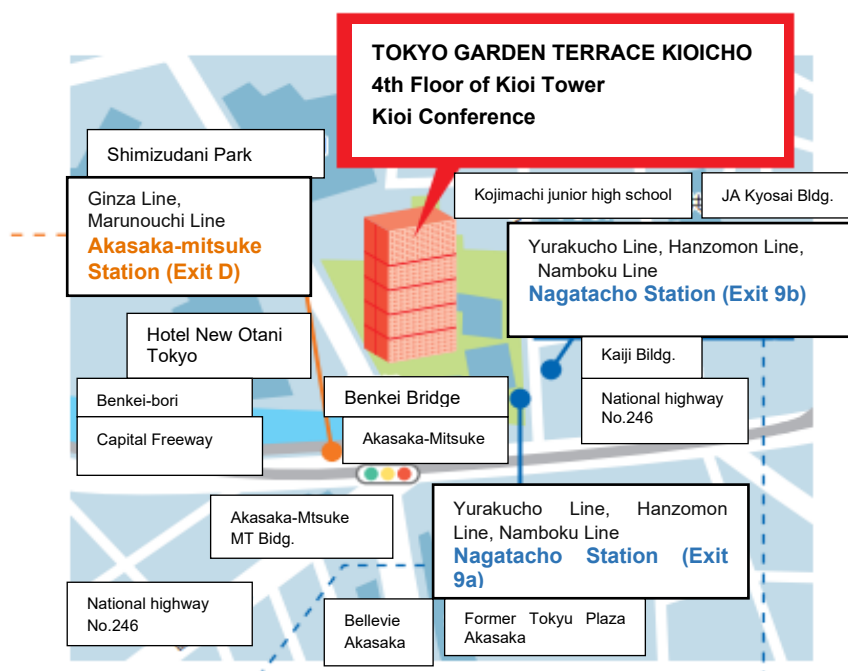
Kioicho 1-4, Chiyoda-ku, Tokyo

Access: **Directly connected to Nagatacho Station/ 1-minute walk from Akasaka-mitsuke Station**
Access to 5 Tokyo Metro lines (Yurakucho Line, Hanzomon Line, Namboku Line, Ginza Line and Marunouchi Line)

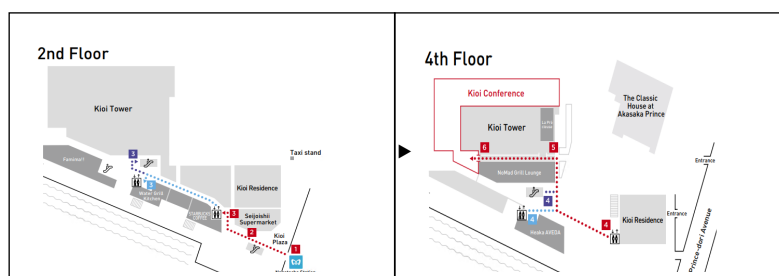
From Akasaka-mitsuke Station (Exit D)



Cross the Benkeibashi Bridge to the Kioi Tower.
From the first floor with restaurants and shops,
take the elevator or escalator up to the fourth floor.

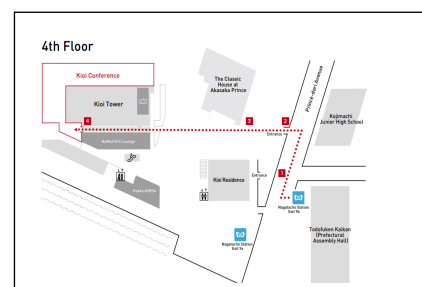


From Nagatacho Station (Exit 9a)



Walk through the connecting passageway from Exit 9a of the
Nagatacho Station to the second floor of Kioi Tower.
From there, take the elevator or escalator up to the fourth floor.

From Nagatacho Station (Exit 9b)



Walk straight from the entrance gate and enter
through the automatic doors of Kioi Tower.