

June 27, 2013

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Determination of the Capital Adequacy Ratio as of March 31, 2013, and Partial Revision of the 'Summary of the Financial Statements for FY2012' and 'Financial Results for FY2012'

Aozora Bank, Ltd. hereby announces its finalized capital adequacy ratio as of March 31, 2013, updating the preliminary figures announced on May 15, 2013.

		Final	Preliminary
Consolidated	Capital Adequacy Ratio	15.70%	15.67%
	Tier 1 Ratio	16.27%	16.27%(no change)
Non-consolidated	Capital Adequacy Ratio	15.66%	15.63%
	Tier 1 Ratio	16.15%	16.15%(no change)

The Bank has made necessary revisions to the 'Summary of the Financial Statements for FY2012' and 'Financial Results for FY2012', published on May 15, 2013, accordingly.

1. Reason for the revisions

The consolidated and non-consolidated capital adequacy ratios as of March 31, 2013, were disclosed as preliminary figures on May 15, 2013. These figures have now been finalized. In addition, corrections to some disclosed information have been made.

2. Revisions in detail

'Summary of the Financial Statements for FY2012'

Attachment Page 4 '【Qualitative information and financial statements】 1. Analysis of operating results and financial conditions (B) Analysis of financial condition < Capital adequacy ratio >'

'Financial Results for FY2012'

Page 7 '9. Capital Adequacy Ratio (under Japanese domestic standards)'

Page15 '7. Breakdown of Loans and Bills Discounted Classified by Industry
【Non-consolidated】 ④ Loans to Small/Medium-sized Corporations'

Refer to attachment for detailed revisions.

End

'Summary of the Financial Statements for FY2012'

Attachment Page 4

【Qualitative information and financial statements】

1. Analysis of operating results and financial conditions

(B) Analysis of financial condition

< Capital adequacy ratio >

(Before revision)

As of March 31, 2013, the Bank's consolidated regulatory capital under capital regulation decreased 75.1 billion yen to 466.2 billion yen, mainly due to share buyback based on the comprehensive recapitalization plan. Consolidated risk-weighted assets decreased 55.9 billion yen to 2,975.0 billion yen.

As a result, the consolidated capital adequacy ratio (domestic standard, on a preliminary basis) decreased 2.19% from the previous fiscal year end to 15.67%. Nonetheless, the Tier 1 ratio was 16.27%, among the highest in the Japanese banking industry.

(After revision)

As of March 31, 2013, the Bank's consolidated regulatory capital under capital regulation decreased 73.9 billion yen to 467.5 billion yen, mainly due to share buyback based on the comprehensive recapitalization plan. Consolidated risk-weighted assets decreased 54.7 billion yen to 2,976.3 billion yen.

As a result, the consolidated capital adequacy ratio (domestic standard) decreased 2.16% from the previous fiscal year end to 15.70%. Nonetheless, the Tier 1 ratio was 16.27%, among the highest in the Japanese banking industry.

'Financial Results for FY2012'

Page7 9. Capital Adequacy Ratio (under Japanese domestic standards)

(Before revision)

9. Capital Adequacy Ratio (under Japanese domestic standards)

【Consolidated】

(Unit: JPY millions)

	March 31, 2013			March 31, 2012 (B)	September 30, 2012 (C)
	(A) (preliminary)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio	15.67%	(2.19%)	(3.49%)	17.86%	19.16%
Tier I ratio	16.27%	(3.10%)	(4.16%)	19.37%	20.43%
(2) Tier I	484,267	(103,031)	(123,390)	587,298	607,657
(3) Tier II (qualifying as capital)	18,593	(350)	4	18,943	18,589
(a) General allowance for loan losses	18,593	(350)	4	18,943	18,589
(b) Subordinated debt	-	-	-	-	-
(a) + (b)	18,593	(350)	4	18,943	18,589
(4) Deductions	36,613	(28,250)	(19,502)	64,863	56,115
Amounts equivalent to funding of other financial institutions	9,288	(9,741)	(5,749)	19,029	15,037
(5) Regulatory Capital (2)+(3)-(4)	466,247	(75,132)	(103,884)	541,379	570,131
(6) Risk-weighted assets	2,975,038	(55,913)	759	3,030,951	2,974,279

【Non-consolidated】

(Unit: JPY millions)

	March 31, 2013			March 31, 2012 (B)	September 30, 2012 (C)
	(A) (preliminary)	(A) - (B)	(A) - (C)		
(1) Capital adequacy ratio	15.63%	(2.33%)	(3.58%)	17.96%	19.21%
Tier I ratio	16.15%	(3.17%)	(4.21%)	19.32%	20.36%
(2) Tier I	481,550	(104,618)	(125,216)	586,168	606,766
(3) Tier II (qualifying as capital)	18,625	(331)	(0)	18,956	18,625
(a) General allowance for loan losses	18,625	(331)	(0)	18,956	18,625
(b) Subordinated debt	-	-	-	-	-
(a) + (b)	18,625	(331)	(0)	18,956	18,625
(4) Deductions	34,278	(25,856)	(18,550)	60,134	52,828
Amounts equivalent to funding of other financial institutions	9,288	(9,741)	(5,749)	19,029	15,037
(5) Regulatory Capital (2)+(3)-(4)	465,897	(79,093)	(106,666)	544,990	572,563
(6) Risk-weighted assets	2,980,068	(53,000)	(15)	3,033,068	2,980,083

(After revision)

9. Capital Adequacy Ratio (under Japanese domestic standards)

【Consolidated】

(Unit: JPY millions)

	March 31, 2013			March 31, 2012	September 30, 2012
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
(1) Capital adequacy ratio	<u>15.70%</u>	<u>(2.16%)</u>	<u>(3.46%)</u>	17.86%	19.16%
Tier I ratio	16.27%	(3.10%)	(4.16%)	19.37%	20.43%
(2) Tier I	484,267	(103,031)	(123,390)	587,298	607,657
(3) Tier II (qualifying as capital)	<u>18,601</u>	<u>(342)</u>	<u>12</u>	18,943	18,589
(a) General allowance for loan losses	<u>18,601</u>	<u>(342)</u>	<u>12</u>	18,943	18,589
(b) Subordinated debt	-	-	-	-	-
(a) + (b)	<u>18,601</u>	<u>(342)</u>	<u>12</u>	18,943	18,589
(4) Deductions	<u>35,401</u>	<u>(29,462)</u>	<u>(20,714)</u>	64,863	56,115
Amounts equivalent to funding of other financial institutions	<u>8,077</u>	<u>(10,952)</u>	<u>(6,960)</u>	19,029	15,037
(5) Regulatory Capital (2)+(3)-(4)	<u>467,467</u>	<u>(73,912)</u>	<u>(102,664)</u>	541,379	570,131
(6) Risk-weighted assets	<u>2,976,250</u>	<u>(54,701)</u>	<u>1,971</u>	3,030,951	2,974,279

【Non-consolidated】

(Unit: JPY millions)

	March 31, 2013			March 31, 2012	September 30, 2012
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
(1) Capital adequacy ratio	<u>15.66%</u>	<u>(2.30%)</u>	<u>(3.55%)</u>	17.96%	19.21%
Tier I ratio	16.15%	(3.17%)	(4.21%)	19.32%	20.36%
(2) Tier I	481,550	(104,618)	(125,216)	586,168	606,766
(3) Tier II (qualifying as capital)	<u>18,633</u>	<u>(323)</u>	<u>8</u>	18,956	18,625
(a) General allowance for loan losses	<u>18,633</u>	<u>(323)</u>	<u>8</u>	18,956	18,625
(b) Subordinated debt	-	-	-	-	-
(a) + (b)	<u>18,633</u>	<u>(323)</u>	<u>8</u>	18,956	18,625
(4) Deductions	<u>33,066</u>	<u>(27,068)</u>	<u>(19,762)</u>	60,134	52,828
Amounts equivalent to funding of other financial institutions	<u>8,077</u>	<u>(10,952)</u>	<u>(6,960)</u>	19,029	15,037
(5) Regulatory Capital (2)+(3)-(4)	<u>467,116</u>	<u>(77,874)</u>	<u>(105,447)</u>	544,990	572,563
(6) Risk-weighted assets	<u>2,981,280</u>	<u>(51,788)</u>	<u>1,197</u>	3,033,068	2,980,083

'Financial Results for FY2012'

Page15 7. Breakdown of Loans and Bills Discounted Classified by Industry [Non-consolidated]

④ Loans to Small/Medium-sized Corporations

(Before revision)

④ Loans to Small/Medium-sized Corporations

(Unit: JPY millions)

	March 31, 2013			March 31, 2012 (B)	September 30, 2012 (C)
	(A)	(A) - (B)	(A) - (C)		
Loans to small/medium-sized corporations	1,812,438	72,651	117,943	1,739,787	1,694,495
Ratio to total loans	67.4%	2.6%	1.6%	64.8%	65.8%

(After revision)

④ Loans to Small/Medium-sized Corporations

(Unit: JPY millions)

	March 31, 2013			March 31, 2012 (B)	September 30, 2012 (C)
	(A)	(A) - (B)	(A) - (C)		
Loans to small/medium-sized corporations	1,812,438	72,651	117,943	1,739,787	1,694,495
Ratio to total loans	66.1%	1.3%	0.3%	64.8%	65.8%