



# Summary of the Financial Statements for the First Three Months of FY2025 [JGAAP] (Consolidated)

August 1, 2025

Company name	Aozora Bank, Ltd.	Listed exchange	Tokyo Stock Exchange
TSE code	8304	URL	<a href="https://www.aozorabank.co.jp/">https://www.aozorabank.co.jp/</a>
Representative	Hideto Oomi, President and CEO		
Contact person	Yukie Tajima, Joint General Manager of Financial Control Division		
Dividend payable date	September 2, 2025		
Reference material	Affirmative	Trading accounts	Affirmative
Investor meeting	Affirmative	TEL	(03)6752-1111

(Unit: JPY millions, rounded down)

## 1. Business highlights for the first three months of FY2025

### (1) Consolidated business results

(Note: Percentages show year-on-year rates of change)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	60,745	4.2	8,007	35.9	6,326	(16.4)
June 30, 2024	58,299	(12.7)	5,892	(20.2)	7,571	11.8

(Note) Comprehensive income JPY 11,295 million 182.3% (Three months ended June 30, 2025)  
JPY 4,001 million —% (Three months ended June 30, 2024)

	Net income per common share (basic)	Net income per common share (diluted)
	Yen	Yen
Three months ended June 30, 2025	45.71	45.64
June 30, 2024	64.81	64.69

### (2) Consolidated financial condition

	Total assets	Total net assets	Net assets to total assets ratio	Net assets per common share
	Millions of yen	Millions of yen	%	Yen
June 30, 2025	7,879,429	467,912	5.8	3,317.34
March 31, 2025	7,762,434	459,685	5.8	3,258.51

(Reference) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 459,058 million (June 30, 2025)  
JPY 450,916 million (March 31, 2025)

(Note) Net assets to total assets ratio = (Total net assets - Share acquisition rights - Non-controlling interests) / Total assets  
The above Net assets to total assets ratio is different from the capital adequacy ratio prescribed in the notification of the Financial Services Agency.

## 2. Dividend

	Annual dividend				
	1Q end	2Q end	3Q end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2024(common share)	19.00	19.00	19.00	22.00	79.00
FY2025(common share)	22.00				
FY2025(common share) (Forecast)		—	—	—	88.00

(Note) Revision of dividends forecast to the latest announcement None

Aozora will continue to pay dividends on a quarterly basis, although dividend payment forecast was announced only on an annual basis.

### 3. Consolidated earnings forecast for the year ending March 31, 2026 (FY2025)

(Note: Percentages show year-on-year rates of change)

	Ordinary profit		Profit attributable to owners of parent		Net income per common share
	Millions of yen	%	Millions of yen	%	Yen
FY2025 (Full Year)	30,000	70.8	22,000	7.2	158.98

(Note) Revision of consolidated earnings forecast to the latest announcement None

#### \* Notes

- (1) Significant changes in the scope of consolidation during the first three months None
- (2) Accounting treatments particularly used for the quarterly financial statements None
- (3) Changes in accounting policy, accounting estimates, or retrospective restatements
- (a) Changes with revisions of accounting standards None
  - (b) Changes other than (a) above None
  - (c) Changes in accounting estimates None
  - (d) Retrospective restatements None

#### (4) The number of common shares issued

	June 30, 2025	March 31, 2025
(a) The number of common shares issued ( including treasury shares )	139,789,418	139,789,418
(b) The number of treasury shares	1,408,328	1,408,328

	Three months ended June 30, 2025	Three months ended June 30, 2024
(c) The average number of common shares outstanding ( 3 months )	138,381,090	116,822,282

- \* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by CPAs or audit firms None

#### \* Notes and remarks for the proper use of earnings projection

The above earnings forecast involves certain risks and uncertainties since the calculations are based on management's assumptions and beliefs in light of information currently available. This should not be interpreted as a promise or guarantee that the forecast will be achieved. Please be aware that actual results may be materially different from the forecast presented herein due to various factors.

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1. Overview of operating results

For more details, please refer to 'FY2025 1<sup>st</sup> Quarter Financial Results Overview' that was announced today (August 1, 2025) on TDnet or the Bank's website (<https://www.aozorabank.co.jp/english/ir/library/results/>).

## 2. Quarterly consolidated financial statements and main notes

## (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Cash and due from banks	1,409,371	1,607,986
Call loans and bills bought	31,782	91,695
Monetary claims bought	58,530	53,348
Trading account assets	262,803	230,987
Money held in trust	12,728	11,366
Securities	1,355,458	1,358,255
Loans and bills discounted	4,206,564	4,085,479
Foreign exchanges	46,420	44,874
Other assets	331,054	334,044
Tangible fixed assets	22,385	22,104
Intangible fixed assets	19,075	19,044
Retirement benefit asset	9,430	9,519
Deferred tax assets	51,583	50,299
Customers' liabilities for acceptances and guarantees	18,711	16,945
Allowance for loan losses	(71,025)	(54,277)
Allowance for investment loss	(2,439)	(2,247)
<b>Total assets</b>	<b>7,762,434</b>	<b>7,879,429</b>
<b>Liabilities</b>		
Deposits	5,598,301	5,757,122
Negotiable certificates of deposit	74,600	19,000
Call money and bills sold	5,000	37,342
Securities sold under repurchase agreements	27,924	26,053
Cash collateral received for securities lent	345,719	339,560
Trading account liabilities	209,155	194,516
Borrowed money	726,300	729,100
Bonds payable	124,640	121,295
Other liabilities	155,993	157,490
Provision for bonuses	4,756	1,529
Provision for bonuses for directors (and other officers)	67	17
Retirement benefit liability	10,353	10,325
Provision for credit losses on off-balance-sheet instruments	1,218	1,209
Reserves under special laws	8	8
Acceptances and guarantees	18,711	16,945
<b>Total liabilities</b>	<b>7,302,748</b>	<b>7,411,516</b>
<b>Net assets</b>		
Share capital	125,966	125,966
Capital surplus	113,483	113,483
Retained earnings	241,485	244,767
Treasury shares	(2,894)	(2,894)
<b>Total shareholders' equity</b>	<b>478,040</b>	<b>481,322</b>
Valuation difference on available-for-sale securities	(39,532)	(31,371)
Deferred gains or losses on hedges	517	(209)
Foreign currency translation adjustment	9,604	7,199
Remeasurements of defined benefit plans	2,286	2,116
<b>Total accumulated other comprehensive income</b>	<b>(27,123)</b>	<b>(22,264)</b>
Share acquisition rights	501	501
Non-controlling interests	8,267	8,353
<b>Total net assets</b>	<b>459,685</b>	<b>467,912</b>
<b>Total liabilities and net assets</b>	<b>7,762,434</b>	<b>7,879,429</b>

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income  
 (Quarterly consolidated statement of income)  
 (For the three months ended June 30)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Ordinary income	58,299	60,745
Interest income	41,476	38,526
Interest on loans and discounts	33,977	29,209
Interest and dividends on securities	5,102	5,937
Trust fees	101	125
Fees and commissions	7,085	8,340
Gain on trading account transactions	1,292	503
Other ordinary income	6,158	6,710
Other income	2,184	6,537
Ordinary expenses	52,406	52,738
Interest expenses	29,391	26,913
Interest on deposits	3,061	6,722
Fees and commissions payments	1,574	1,785
Loss on trading account transactions	—	291
Other ordinary expenses	4,412	1,404
General and administrative expenses	14,829	15,455
Other expenses	2,199	6,887
Ordinary profit	5,892	8,007
Extraordinary income	3,408	—
Reversal of foreign currency translation adjustment	3,408	—
Extraordinary losses	—	0
Loss on disposal of non-current assets	—	0
Profit before income taxes	9,300	8,006
Income taxes - current	307	322
Income taxes - deferred	1,699	1,277
Total income taxes	2,006	1,600
Profit	7,293	6,405
Profit (loss) attributable to non-controlling interests	(277)	79
Profit attributable to owners of parent	7,571	6,326

(Quarterly consolidated statement of comprehensive income)  
 (For the three months ended June 30)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	7,293	6,405
Other comprehensive income	(3,292)	4,889
Valuation difference on available-for-sale securities	(5,159)	8,191
Deferred gains or losses on hedges	1,851	(726)
Foreign currency translation adjustment	(1,514)	(102)
Remeasurements of defined benefit plans, net of tax	(92)	(169)
Share of other comprehensive income of entities accounted for using equity method	1,622	(2,303)
Comprehensive income	4,001	11,295
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,291	11,185
Comprehensive income attributable to non-controlling interests	(289)	109

(3) Notes to quarterly consolidated financial statements

(Information on going concern assumption)

None

(Additional information)

(Allowance for Loan Losses for Overseas Real Estate Non-Recourse Loans)

For overseas real estate non-recourse loans, the Bank assumes a decrease in market liquidity mainly due to the deteriorating environment of the U.S. real estate market, and particularly U.S office market are expected to stabilize during the FY2025, considering the market trends.

In line with this, for all borrowers of overseas real estate non-recourse loans that require careful monitoring in the future, the loan loss amount mainly estimated by the DCF method is reflected as an addition to the allowance for loan losses determined based on the estimated loan loss ratio.

In addition, for non-recourse loans backed by underperforming office properties in the U.S. due to the changes in working styles in the post-COVID-19 period, in order to prepare for the disposal of these properties, for cases where there is a possibility of debt recovery in the future, the Bank evaluates the property considering the risk of price decline during the FY2025 and determines individual borrower category considering the possibility of the debt recovery through the disposal of properties. The allowance for loan losses is made based on the estimated disposal price assuming the price decline risk.

The above assumptions, which are the basis for the estimates, have a high degree of uncertainty, and depending on the situation, future profits and losses may fluctuate.

(Quarterly consolidated statement of income)

'Reversal of foreign currency translation adjustment' included in 'Extraordinary income' for the three months ended June 30, 2024 is recorded due to the exclusion of a foreign subsidiary from consolidation, after it has been dissolved in line with the transfer of business and distribution of residual assets.

(Changes in shareholders' equity)

None

(Quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows has not been prepared. The depreciation expenses, including amortization expenses for intangible fixed assets excluding goodwill for the three months ended June 30, 2025 and 2024, are as follows:

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	1,717	1,850



## (Segment information)

## 1. Changes in reportable segments

## (1) Changes in the method for classifying reportable segments

The Bank made an organizational change to better align our management structure with the Mid-term Plan spanning fiscal years 2025 to 2027 from the beginning of the three months ended June 30, 2025. As a result, the method of classifying reportable segments has been changed.

More specifically, the former classification of six operating segments (Institutional Banking Group, Structured Finance Group, International Business Group, Market Group, Customer Relations Group, and GMO Aozora Net Bank) has been changed to four segments: Strategic Investments Unit, Market & International Business Unit, Customer Relations Unit and GMO Aozora Net Bank.

## (2) Changes in the method of measurement for the amount of revenues, profit (loss) by reportable segments

The Bank revised the method for evaluating its funding activity, which is a growth base in the Mid-term Plan, to include the amount of earnings commensurate with the degree of contribution in net revenue of each unit from the beginning of the three months ended June 30, 2025.

The information regarding reportable segments for the three months ended June 30, 2024 has been updated to reflect these new operating segments and revenue management methods.

## 2. Business revenue and Business-related profit (loss) by reportable segment

For the three months ended June 30, 2024

(Millions of yen)

	Strategic Investments Unit	Market & International Business Unit	Customer Relations Unit	GMO Aozora Net Bank	Total
Consolidated net revenue	11,670	6,677	2,859	1,718	22,925
Gains (losses) on equity method investment	—	719	—	—	719
Gains (losses) on stock transactions, etc.	467	7	176	—	651
Business revenue	12,137	7,403	3,036	1,718	24,296
General and administrative expenses	5,203	3,498	2,406	2,238	13,346
Business-related profit (loss)	6,934	3,904	630	(519)	10,950

## (Note)

Due to the nature of the banking business, the Bank uses 'Business revenue' as a substitute for 'Sales' as would be used by non-financial service companies. 'Business revenue' includes 'Consolidated net revenue', 'Gains (losses) on equity method investment', and 'Gains (losses) on stock transactions, etc.' Consolidated net revenue represents the total of net interest income, trust fees, net fees and commissions, net gains on trading account transactions and net other ordinary income recorded in the quarterly consolidated statement of income as well as the amount of earnings commensurate with the degree of contribution related to funding activity. Gains (losses) on stock transactions, etc. represents the total of Gain (loss) on sale of equity securities, Loss on devaluation of equity securities and Gains (losses) on equity derivatives, etc. The Bank oversees its revenue by reportable segment using Business revenue. The Bank offsets interest income and interest expense for the management purpose, therefore, revenue in transactions between reportable segments is not disclosed.

For the three months ended June 30, 2025

(Millions of yen)

	Strategic Investments Unit	Market & International Business Unit	Customer Relations Unit	GMO Aozora Net Bank	Total
Consolidated net revenue	14,009	5,661	2,687	2,830	25,188
Gains (losses) on equity method investment	—	502	—	—	502
Gains (losses) on stock transactions, etc.	547	2	—	—	549
Business revenue	14,556	6,165	2,687	2,830	26,240
General and administrative expenses	5,420	3,424	2,491	2,642	13,978
Business-related profit (loss)	9,136	2,741	195	187	12,261

(Note)

Due to the nature of the banking business, the Bank uses 'Business revenue' as a substitute for 'Sales' as would be used by non-financial service companies. 'Business revenue' includes 'Consolidated net revenue', 'Gains (losses) on equity method investment', and 'Gains (losses) on stock transactions, etc.' Consolidated net revenue represents the total of net interest income, trust fees, net fees and commissions, net gains on trading account transactions and net other ordinary income recorded in the quarterly consolidated statement of income as well as the amount of earnings commensurate with the degree of contribution related to funding activity. Gains (losses) on stock transactions, etc. represents the total of Gain (loss) on sale of equity securities, Loss on devaluation of equity securities and Gains (losses) on equity derivatives, etc. The Bank oversees its revenue by reportable segment using Business revenue. The Bank offsets interest income and interest expense for the management purpose, therefore, revenue in transactions between reportable segments is not disclosed.

### 3. Reconciliation between total business-related profits and ordinary profit in the quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Total business-related profits	10,950	12,261
Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement	(3,805)	(3,100)
Amortization of actuarial differences on retirement benefit plans, etc.	133	247
Credit-related expenses, etc.	(1,396)	(1,170)
Others	9	(230)
Ordinary profit in the quarterly consolidated statement of income	5,892	8,007

Notes

- (1) Credit-related expenses, etc., represent the total of write-off of loans, provision of allowance for loan losses and losses on disposition of non-performing loans.
- (2) 'Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement' included the amount of earnings commensurate with the degree of contribution related to funding activity of negative 932 million yen for the three months ended June 30, 2024 and negative 902 million yen for the three months ended June 30, 2025.

4. Segment information on impairment losses on fixed assets by reportable segment  
Not applicable

**Financial Results  
for the First Three Months  
of FY2025**



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\* NPLs : Non-performing loans

\* FRA : Financial Reconstruction Act

**I . Summary of Revenue and Expenses**

【Consolidated】

(Millions of yen)

	For the three months ended June 30, 2025		For the three months ended June 30, 2024
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	23,812	3,076	20,736
Net interest income	11,613	(472)	12,085
Net fees and commissions	6,681	1,068	5,612
Net gains on trading account transactions	212	(1,080)	1,292
Net other ordinary income	5,306	3,560	1,745
General and administrative expenses	(15,703)	(740)	(14,963)
Gains (losses) on equity method investments	502	(217)	719
Business profit ※2	8,611	2,118	6,492
Credit-related expenses	(1,170)	225	(1,396)
Write-off of loans	(5,458)	(5,422)	(35)
Provision of specific allowance for loan losses	57	509	(451)
Provision of general allowance for loan losses	4,843	6,113	(1,270)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(711)	(626)	(85)
Recoveries of written-off receivables	88	32	56
Provision of allowance for credit losses on off-balance-sheet instruments	9	(380)	389
Gains (losses) on stock transactions	628	(77)	706
Other	(62)	(152)	89
Ordinary profit	8,007	2,114	5,892
Extraordinary profit (loss)	(0)	(3,409)	3,408
Profit before income taxes	8,006	(1,294)	9,300
Income taxes-current	(322)	(15)	(307)
Income taxes-deferred	(1,277)	421	(1,699)
Profit	6,405	(887)	7,293
(Profit) loss attributable to non-controlling interests	(79)	(357)	277
Profit attributable to owners of parent	6,326	(1,245)	7,571

※1 Consolidated 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 = Consolidated net revenue - General and administrative expenses + Gains (losses) on equity method investments

(Note) The amounts are rounded down to the nearest million yen.

(Scope of Consolidation and Equity-Method Application)

(Number of companies)

	June 30, 2025		June 30, 2024
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	24	0	24
Subsidiaries and affiliated companies applying equity-method	1	0	1

【Non-consolidated】

(Millions of yen)

	For the three months ended June 30, 2025		For the three months ended June 30, 2024
	(A)	(A)-(B)	(B)
Net revenue	17,084	1,446	15,638
(Excluding gains (losses) on bond transactions)	16,012	2,097	13,914
Net interest income	8,728	(1,249)	9,978
Net fees and commissions ※1	4,304	433	3,870
Net gains on trading account transactions	211	(1,035)	1,246
Net other ordinary income	3,840	3,297	543
(Gains (losses) on bond transactions)	1,072	(651)	1,723
General and administrative expenses	(11,521)	(400)	(11,120)
Personnel	(5,671)	(188)	(5,483)
Property and equipment	(5,242)	(146)	(5,095)
Taxes	(607)	(66)	(540)
Business profit before provision of general allowance for loan losses	5,563	1,045	4,518
Core business profit ※2	4,491	1,697	2,794
Core business profit excluding cancellation on investment trusts	4,129	1,454	2,675
Credit-related expenses	714	1,943	(1,228)
Write-off of loans	(4,303)	(4,258)	(45)
Provision of specific allowance for loan losses	142	492	(350)
Provision of general allowance for loan losses	4,856	6,090	(1,234)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	-	-
Recoveries of written-off receivables	29	(17)	47
Provision of allowance for credit losses on off-balance-sheet instruments	(9)	(363)	354
Gains (losses) on stock transactions	628	(77)	706
Other	(55)	(143)	88
Ordinary profit	6,852	2,767	4,084
Extraordinary profit (loss)	(0)	(0)	-
Profit before income taxes	6,851	2,767	4,084
Income taxes-current	(23)	(5)	(18)
Income taxes-deferred	(1,182)	(621)	(561)
Profit	5,645	2,140	3,504
Business profit	5,554	2,270	3,284

※1 Trust fees are included.

※2 Core business profit = Business profit before provision of general allowance for loan losses - Gains (losses) on bond transactions

(Note) The amounts are rounded down to the nearest million yen.

## II. Unrealized Gains and Losses on Securities

【Consolidated】

(Millions of yen)

	June 30, 2025				March 31, 2025		
	Unrealized gains and losses				Unrealized gains and losses		
	(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-
Available-for-sale securities	(45,990)	8,607	25,305	71,296	(54,598)	22,874	77,473
Japanese stocks	14,336	1,760	14,712	375	12,576	13,044	468
Japanese debt securities	(5,887)	761	385	6,272	(6,649)	205	6,855
Other	(54,439)	6,085	10,208	64,648	(60,525)	9,624	70,149

(Note) A portion of beneficial interests in investment trust within 'Monetary claims bought' is included in the table above.

## III. NPLs based on the Banking Act and the FRA, and coverage

- \* NPLs : Non-performing loans
- \* FRA : Financial Reconstruction Act

□ After partial and direct write-off

【Consolidated】

(Millions of yen)

	June 30, 2025			March 31, 2025
	(A)	(A) - (B)		(B)
Bankrupt and similar credit	459	459		-
Doubtful credit	54,263	(21,977)		76,241
Special attention credit	12,078	(3,393)		15,472
Loans overdue for three months or more	-	(6,088)		6,088
Restructured loans	12,078	2,695		9,383
Subtotal (a)	66,800	(24,912)		91,713
Normal credit	4,083,547	(92,648)		4,176,195
Total credit (b)	4,150,348	(117,560)		4,267,908
NPL ratio (a/b)	1.6%	(0.5%)		2.1%

	June 30, 2025			March 31, 2025
	(A)	(A) - (B)		(B)
Allowance & Coverage (c)	60,537	(23,508)		84,045
Allowance for loan losses (d)	27,126	(14,522)		41,648
Collateral / guarantee coverage (e)	33,410	(8,986)		42,397
Coverage ratio (c/a)	90.6%	(1.0%)		91.6%
Allowance ratio (d/(a-e))	81.2%	(3.3%)		84.5%

(Note) Allowance for loan losses (d) is the sum of specific allowance and general allowance for NPL credit (a).