



# Summary of the Financial Statements for the First Nine Months of FY2024 [JGAAP] (Consolidated)

February 3, 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	March 17, 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 nine months of FY2024

### (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	%
Nine months ended						
December 31, 2024	171,940	(11.0)	13,294	—	16,231	—
December 31, 2023	193,254	52.9	(24,861)	—	(14,705)	—

(Note) Comprehensive income JPY 14,589 million —% (Nine months ended December 31, 2024)  
JPY (23,550) million —% (Nine months ended December 31, 2023)

	Net income per common share (basic)	Net income per common share (diluted)
	Yen	Yen
Nine months ended		
December 31, 2024	123.67	123.46
December 31, 2023	(125.88)	—

### (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
December 31, 2024	7,924,506	455,342	5.6	3,224.24
March 31, 2024	7,603,002	391,078	5.0	3,285.94

(Reference) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 446,174 million (December 31, 2024)  
JPY 383,871 million (March 31, 2024)

(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
FY2023(common share)	38.00	38.00	0.00	0.00	76.00
FY2024(common share)	19.00	19.00	19.00		
FY2024(common share) (Forecast)				19.00	76.00

(Note) Revision of dividends forecast to the latest announcement Affirmative

Because the dividend forecast for year-end FY2024 has become a fixed amount, revision of dividends forecast to the latest announcement is shown as 'Affirmative'. The common share dividend forecast for FY2024 would be 76.00 yen per common share, which remains unchanged from the dividend forecast previously announced on May 13, 2024.

### 3. Consolidated earnings forecast for the year ending March 31, 2025 (FY2024)

(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
FY2024 (Full Year)	24,000	—	18,000	—	135.31

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

#### \* Notes

(1) Significant changes in the scope of consolidation during the first nine months Affirmative  
Excluded: 1 company (Aozora Asia Pacific Finance Limited)

(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

	December 31, 2024	March 31, 2024
(a) The number of common shares issued ( including treasury shares )	139,789,418	118,289,418
(b) The number of treasury shares	1,408,328	1,467,109

	Nine months ended December 31, 2024	Nine months ended December 31, 2023
(c) The average number of common shares outstanding ( 3 months )	131,246,989	116,809,112

\* 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 'FY2024 3<sup>rd</sup> Quarter Financial Results Overview' that was announced today (February 3, 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, 2024	As of December 31, 2024
<b>Assets</b>		
Cash and due from banks	1,579,781	1,424,494
Call loans and bills bought	17,269	96,592
Monetary claims bought	68,093	59,286
Trading account assets	173,713	206,045
Money held in trust	12,963	13,029
Securities	1,186,561	1,322,420
Loans and bills discounted	4,071,295	4,287,502
Foreign exchanges	51,267	48,147
Other assets	420,921	429,745
Tangible fixed assets	23,159	22,201
Intangible fixed assets	18,962	19,138
Retirement benefit asset	8,741	9,101
Deferred tax assets	44,580	47,165
Customers' liabilities for acceptances and guarantees	18,084	19,896
Allowance for loan losses	(87,929)	(76,610)
Allowance for investment loss	(4,463)	(3,650)
<b>Total assets</b>	<b>7,603,002</b>	<b>7,924,506</b>
<b>Liabilities</b>		
Deposits	5,634,992	5,722,882
Negotiable certificates of deposit	141,380	74,420
Call money and bills sold	—	3,161
Securities sold under repurchase agreements	29,903	30,062
Cash collateral received for securities lent	260,689	354,577
Trading account liabilities	165,078	206,755
Borrowed money	563,300	700,800
Bonds payable	181,397	130,609
Other liabilities	199,472	210,600
Provision for bonuses	4,646	3,146
Provision for bonuses for directors (and other officers)	76	50
Retirement benefit liability	10,912	10,778
Provision for credit losses on off-balance-sheet instruments	1,960	1,393
Reserves under special laws	8	8
Deferred tax liabilities	21	20
Acceptances and guarantees	18,084	19,896
<b>Total liabilities</b>	<b>7,211,924</b>	<b>7,469,163</b>
<b>Net assets</b>		
Share capital	100,000	125,966
Capital surplus	87,498	113,483
Retained earnings	228,444	239,827
Treasury shares	(3,015)	(2,894)
<b>Total shareholders' equity</b>	<b>412,928</b>	<b>476,382</b>
Valuation difference on available-for-sale securities	(45,803)	(45,386)
Deferred gains or losses on hedges	4,332	4,813
Foreign currency translation adjustment	10,137	8,364
Remeasurements of defined benefit plans	2,277	1,999
<b>Total accumulated other comprehensive income</b>	<b>(29,056)</b>	<b>(30,208)</b>
Share acquisition rights	532	501
Non-controlling interests	6,673	8,666
<b>Total net assets</b>	<b>391,078</b>	<b>455,342</b>
<b>Total liabilities and net assets</b>	<b>7,603,002</b>	<b>7,924,506</b>

## (2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income)

(For the nine months ended December 31)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Ordinary income	193,254	171,940
Interest income	127,012	122,302
Interest on loans and discounts	98,136	98,224
Interest and dividends on securities	22,962	16,276
Trust fees	253	281
Fees and commissions	18,673	23,143
Gain on trading account transactions	10,488	2,051
Other ordinary income	22,673	17,216
Other income	14,152	6,945
Ordinary expenses	218,116	158,646
Interest expenses	93,014	85,781
Interest on deposits	10,929	10,305
Fees and commissions payments	4,161	5,049
Loss on trading account transactions	9,697	585
Other ordinary expenses	11,572	10,856
General and administrative expenses	46,118	45,791
Other expenses	53,551	10,581
Ordinary profit (loss)	(24,861)	13,294
Extraordinary income	0	3,408
Gain on disposal of non-current assets	0	—
Reversal of foreign currency translation adjustment	—	3,408
Extraordinary losses	3	260
Loss on disposal of non-current assets	3	—
Impairment losses	—	260
Profit (loss) before income taxes	(24,864)	16,442
Income taxes - current	2,411	1,243
Income taxes - deferred	(11,219)	(554)
Total income taxes	(8,807)	689
Profit (loss)	(16,056)	15,753
Loss attributable to non-controlling interests	(1,351)	(477)
Profit (loss) attributable to owners of parent	(14,705)	16,231

## (Quarterly consolidated statement of comprehensive income)

(For the nine months ended December 31)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit (loss)	(16,056)	15,753
Other comprehensive income	(7,494)	(1,164)
Valuation difference on available-for-sale securities	(10,501)	405
Deferred gains or losses on hedges	(884)	481
Foreign currency translation adjustment	1,040	(1,685)
Remeasurements of defined benefit plans, net of tax	269	(278)
Share of other comprehensive income of entities accounted for using equity method	2,581	(86)
Comprehensive income	(23,550)	14,589
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(22,188)	15,079
Comprehensive income attributable to non-controlling interests	(1,362)	(489)

(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 will 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' is recorded due to the exclusion of a foreign subsidiary from consolidation, after it has been transformed to be dissolved in line with the transfer of business and distribution of residual assets.

(Changes in shareholders' equity)

The Bank entered into a capital and business alliance agreement with Daiwa Securities Group Inc. on May 13, 2024. The payment procedure for the issuance of new shares through third party allotment with Daiwa Securities Group Inc. was completed on July 1, 2024. As a result, the Share capital and Capital surplus have increased by ¥25,966 million respectively for the nine months ended December 31, 2024.

Consequently, the Share capital was ¥125,966 million and the Capital surplus was ¥113,483 million as of December 31, 2024.

(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 nine months ended December 31, 2024 and 2023, are as follows:

(Millions of yen)		
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	5,374	5,293



## (Segment information)

Due to the increased importance of GMO Aozora Net Bank, Ltd. (hereafter referred to as 'GMO Aozora Net Bank'), a consolidated subsidiary of the Bank, GMO Aozora Net Bank has been newly presented as a reportable segment. The segment information for the nine months ended December 31, 2023 has been also disclosed using the new reportable segments.

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

For the nine months ended December 31, 2023

(Millions of yen)

	Institutional Banking Group	Structured Finance Group	International Business Group	Market Group	Customer Relations Group	GMO Aozora Net Bank	Total
Consolidated net revenue	11,842	30,963	12,696	(3,199)	5,538	3,598	61,439
Gains (losses) on equity method investment	—	—	2,285	—	—	—	2,285
Gains (losses) on stock transactions	580	11	2,189	(8,086)	143	(4)	(5,165)
Business Revenue	12,423	30,974	17,171	(11,285)	5,682	3,593	58,559
General and administrative expenses	7,210	10,249	6,213	3,259	7,895	6,297	41,127
Business-related profit (loss)	5,212	20,724	10,957	(14,545)	(2,213)	(2,704)	17,431

## (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.' 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. Gains (losses) on stock transactions represents the total of Gain (loss) on sale of equity securities and Loss on devaluation of equity securities. 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 nine months ended December 31, 2024

(Millions of yen)

	Institutional Banking Group	Structured Finance Group	International Business Group	Market Group	Customer Relations Group	GMO Aozora Net Bank	Total
Consolidated net revenue	11,593	28,098	11,942	491	6,031	6,477	64,635
Gains (losses) on equity method investment	—	—	1,387	—	—	—	1,387
Gains (losses) on stock transactions	603	159	—	—	303	—	1,066
Business Revenue	12,196	28,257	13,330	491	6,335	6,477	67,089
General and administrative expenses	7,191	10,830	5,854	3,164	7,540	7,043	41,623
Business-related profit (loss)	5,005	17,427	7,476	(2,672)	(1,204)	(565)	25,465

(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.' 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. Gains (losses) on stock transactions represents the total of Gain (loss) on sale of equity securities and Loss on devaluation of equity securities. 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.

## 2. Reconciliation between total business-related profits and ordinary profit (loss) in the quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Total business-related profits	17,431	25,465
Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement	1,389	(4,418)
Amortization of actuarial differences on retirement benefit plans, etc.	(434)	360
Credit-related expenses, etc.	(42,935)	(7,375)
Others	(312)	(733)
Ordinary profit (loss) in the quarterly consolidated statement of income	(24,861)	13,294

(Note)

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.

## 3. Segment information on impairment losses on fixed assets by reportable segment

For the nine months ended December 31, 2023

Not applicable

For the nine months ended December 31, 2024

The description is omitted because it is immaterial.

**Financial Results  
for the First Nine Months  
of FY2024**



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\* NPLs : Non-performing loans

\* FRA : Financial Reconstruction Act

**I . Summary of Revenue and Expenses**

【Consolidated】

(Millions of yen)

	For the nine months ended December 31, 2024		For the nine months ended December 31, 2023
	(A)	(A)-(B)	(B)
Consolidated net revenue ※1	62,721	2,065	60,656
Net interest income	36,520	2,522	33,998
Net fees and commissions	18,375	3,609	14,765
Net gains on trading account transactions	1,465	673	791
Net other ordinary income	6,360	(4,740)	11,100
General and administrative expenses	(46,152)	(468)	(45,684)
Gains (losses) on equity method investments	1,387	(898)	2,285
Business profit ※2	17,957	699	17,257
Credit-related expenses	(7,375)	35,560	(42,935)
Write-off of loans	(3,508)	(3,422)	(85)
Provision of specific allowance for loan losses	(2,051)	37,091	(39,143)
Provision of general allowance for loan losses	(2,687)	(622)	(2,065)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(215)	456	(672)
Recoveries of written-off receivables	520	(149)	670
Provision of allowance for credit losses on off-balance-sheet instruments	567	2,207	(1,640)
Gains (losses) on stock transactions	3,089	1,526	1,563
Other	(377)	369	(746)
Ordinary profit (loss)	13,294	38,155	(24,861)
Extraordinary profit (loss)	3,148	3,151	(3)
Profit (loss) before income taxes	16,442	41,307	(24,864)
Income taxes-current	(1,243)	1,168	(2,411)
Income taxes-deferred	554	(10,665)	11,219
Profit (loss)	15,753	31,810	(16,056)
Loss attributable to non-controlling interests	477	(874)	1,351
Profit (loss) attributable to owners of parent	16,231	30,936	(14,705)

※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)

	December 31, 2024		December 31, 2023
	(A)	(A)-(B)	(B)
Consolidated subsidiaries	24	(2)	26
Subsidiaries and affiliated companies applying equity-method	1	0	1

【Non-consolidated】

(Millions of yen)

	For the nine months ended December 31, 2024		For the nine months ended December 31, 2023
	(A)	(A)-(B)	(B)
Net revenue	48,681	3,043	45,638
(Excluding gains (losses) on bond transactions)	45,748	5,217	40,531
Net interest income	30,273	4,389	25,884
Net fees and commissions ※1	12,471	2,041	10,430
Net gains on trading account transactions	1,385	789	595
Net other ordinary income	4,551	(4,176)	8,727
(Gains (losses) on bond transactions)	2,933	(2,173)	5,107
General and administrative expenses	(34,114)	441	(34,556)
Personnel	(17,442)	391	(17,834)
Property and equipment	(15,125)	197	(15,322)
Taxes	(1,546)	(146)	(1,399)
Business profit before provision of general allowance for loan losses	14,567	3,484	11,082
Core business profit ※2	11,634	5,658	5,975
Core business profit excluding cancellation on investment trusts	11,433	9,632	1,801
Credit-related expenses	(6,653)	35,965	(42,619)
Write-off of loans	(3,348)	(2,710)	(637)
Provision of specific allowance for loan losses	(1,718)	37,281	(39,000)
Provision of general allowance for loan losses	(2,551)	(579)	(1,972)
Provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(64)	(43)	(21)
Recoveries of written-off receivables	470	(108)	578
Provision of allowance for credit losses on off-balance-sheet instruments	559	2,125	(1,565)
Gains (losses) on stock transactions	3,089	1,521	1,568
Other	(107)	656	(764)
Ordinary profit (loss)	10,896	41,628	(30,732)
Extraordinary profit (loss)	(260)	(256)	(3)
Profit (loss) before income taxes	10,636	41,372	(30,736)
Income taxes-current	(556)	1,239	(1,796)
Income taxes-deferred	1,698	(9,772)	11,470
Profit (loss)	11,777	32,840	(21,062)
Business profit	12,016	4,471	7,544

※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)

	December 31, 2024					September 30, 2024			March 31, 2024		
	Unrealized gains and losses					Unrealized gains and losses			Unrealized gains and losses		
	(A)	(A)-(B)	(A)-(C)	gains	losses	(B)	gains	losses	(C)	gains	losses
Held-to-maturity bonds	-	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	(59,429)	(12,166)	(658)	28,091	87,520	(47,262)	24,174	71,437	(58,770)	26,077	84,847
Japanese stocks	15,878	1,599	1,092	16,278	399	14,278	14,870	591	14,786	15,202	415
Japanese debt securities	(4,362)	(965)	(1,515)	217	4,580	(3,396)	375	3,771	(2,847)	300	3,147
Other	(70,945)	(12,801)	(235)	11,595	82,540	(58,144)	8,929	67,073	(70,710)	10,574	81,284

(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)

	December 31, 2024			September 30, 2024	March 31, 2024
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Bankrupt and similar credit	6	0	(12)	6	18
Doubtful credit	78,222	(16,454)	(40,350)	94,677	118,572
Special attention credit	16,015	(2,866)	3,501	18,882	12,514
Loans overdue for three months or more	6,638	640	277	5,998	6,361
Restructured loans	9,376	(3,506)	3,223	12,883	6,153
Subtotal (a)	94,244	(19,320)	(36,860)	113,565	131,105
Normal credit	4,252,235	338,474	256,046	3,913,760	3,996,188
Total credit (b)	4,346,479	319,153	219,185	4,027,326	4,127,294
NPL ratio (a/b)	2.2%	(0.6%)	(1.0%)	2.8%	3.2%

	December 31, 2024			September 30, 2024	March 31, 2024
	(A)	(A) - (B)	(A) - (C)	(B)	(C)
Allowance & Coverage (c)	86,078	(18,396)	(36,815)	104,474	122,894
Allowance for loan losses (d)	44,923	(3,688)	(9,829)	48,612	54,753
Collateral / guarantee coverage (e)	41,155	(14,707)	(26,985)	55,862	68,140
Coverage ratio (c/a)	91.3%	(0.7%)	(2.4%)	92.0%	93.7%
Allowance ratio (d/(a-e))	84.6%	0.4%	(2.4%)	84.2%	87.0%

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