

June 24, 2025

Company name: Aozora Bank, Ltd.
Name of representative: Hideto Oomi, President and CEO
Listed exchange: TSE Prime Market, Code 8304
Contact: Masaharu Matsuura, General Manager
Corporate Communication Division (03 6752 1111)

Matters Concerning Controlling Shareholder, Etc.

Aozora Bank, Ltd. ('Aozora' or 'the Bank') hereby announces that, with regard to Daiwa Securities Group Inc., which is "other affiliated company" as defined in the Regulation on Financial Statements of the Bank, matters concerning the controlling shareholder, etc. are as described below.

1. Trade name, etc. of the parent company, controlling shareholder (excluding the parent company), other affiliated company or the parent company of other affiliated company

(As of March 31, 2025)

Name	Attribute	Ratio of voting rights held (%) ^{*1}			Financial instruments exchange, etc. on which the issued shares, etc. are listed
		Voting rights directly held	Voting rights subject to aggregation	Total	
Daiwa Securities Group Inc.	Other affiliated company	23.93	0.00 ^{*2}	23.93	Prime Market of Tokyo Stock Exchange, Inc.

^{*1} "Ratio of voting rights held" is rounded down to two decimal places.

^{*2} Daiwa Securities Group Inc. submitted a Change Report dated August 14, 2024, stating the status of shares held with its joint shareholders Daiwa Securities Co., Ltd. and Daiwa Asset Management Co., Ltd. as of August 7, 2024 as mentioned below. However, excluding the portion held by Daiwa Securities Group Inc., they are not included in the above "Voting rights subject to aggregation" as the Bank was unable to confirm the actual number of shares held by these shareholders as of March 31, 2025.

(As of August 7, 2024)

Name	Address	Number of shares (thousand shares)	Shareholding ratio (%)
Daiwa Securities Group Inc.	9-1 Marunouchi 1-Chome, Chiyoda-ku, Tokyo	33,056	23.65
Daiwa Securities Co., Ltd.	9-1 Marunouchi 1-Chome, Chiyoda-ku, Tokyo	214	0.15
Daiwa Asset Management Co., Ltd.	9-1 Marunouchi 1-Chome, Chiyoda-ku, Tokyo	2,414	1.73

"Shareholding ratio" in the Change Report is the proportion of shares held to the number of outstanding shares (including treasury shares) and is rounded to two decimal places.

2. Name of the company within the category of the parent company, etc. that is recognized as having the greatest influence on the Bank and reason for having such recognition

Name: Daiwa Securities Group Inc.

Reason: Aozora is an equity method affiliate of Daiwa Securities Group Inc.

3. Positioning of the Bank in the corporate group centering on the parent company, etc. and other relationships between the Bank and the parent company, etc.

- (1) Positioning of the Bank in the corporate group centering on the parent company, etc., human and capital relationships, and business constraints

As Daiwa Securities Group Inc. is the largest shareholder of the Bank holding 23.93% of the Bank's voting rights, the Bank is classified as an equity method affiliate of Daiwa Securities Group Inc.

Aozora entered into a Capital and Business Alliance Agreement ('the Agreement') with Daiwa Securities Group Inc. on May 13, 2024. Based on the Agreement, Aozora and Daiwa Securities Group Inc. collaborate in the areas of corporate business (corporate lending [including support for growing companies], real estate-related business, and M&A) and retail business (wealth management), with the mutual aim to achieve sustainable enhancement of each corporate value by creating new added-value through integrating a range of services available from both groups. Under the Agreement, Daiwa Securities Group Inc. has the right to appoint one person as a candidate for outside director of the Bank as long as it remains a shareholder of the Bank with a 15% or more voting rights stake, and one executive officer of Daiwa Securities Group Inc. currently serves as an outside director of Aozora. As set out in the Agreement, approval from Daiwa Securities Group Inc. is not required in any case in order to avoid restricting the Bank's autonomy in its management and business operations. For this reason, Aozora believes that its management remains independent without any constraints on business activities.

(Status of concurrent positions of directors)

(As of June 24, 2025)

Job title	Name	Job title at the parent company, etc. or its group company	Reasons for Appointment
Director (Outside)	Hiromasa Kawashima	<p>Parent company, etc. (other affiliated company) Senior Managing Director, Daiwa Securities Group Inc.</p> <p>Group company of the parent company, etc. Executive Managing Director, Daiwa Securities Co. Ltd.</p>	<p>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 and knowledge mainly in the Human Resources and Internal Audit sectors. He was selected as an Outside Director of the Bank after being appointed as a candidate 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 expects him to provide appropriate advice on the Bank's management to ensure the purpose of the alliance is achieved.</p>

- (2) Thoughts and initiatives on how to ensure a certain level of independence from the parent company, etc.

Transactions between Aozora and Daiwa Securities Group Inc. are conducted according to the arm's length principle. As with the case of ordinary transactions with its business partners with no capital relationship, Aozora also ensures the appropriateness of transactions by obtaining proper approval for such transactions through deliberations and other procedures in accordance with its internal regulations.

Of the Bank's nine directors (including five outside directors) one person was nominated by Daiwa Securities Group Inc., and then appointed as a director. In cases where a proposal that could cause a conflict of interests between Aozora and Daiwa Securities Group Inc. is submitted to the Bank's Board of Directors, the aforementioned director shall not take part in any relevant deliberations and resolutions. As a listed company, the Bank independently makes management decisions and operates business under its own responsibility, ensuring its independence from Daiwa Securities Group Inc.

4. Matters concerning transactions with the controlling shareholder, etc.

There are no significant matters to be disclosed.