



March 26, 2026

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## Change in method of calculating capital adequacy ratio

TOKYO March 26, 2026 — Aozora Bank, Ltd. (President and CEO: Hideto Oomi; Head Office: Tokyo) ('Aozora' or 'the Bank') announced today that, following approval from the Financial Services Agency (FSA), it would change its method for calculating the capital adequacy ratio to the Foundation Internal Ratings-Based Approach ('F-IRB Approach').

### 1 Change in the calculation method

After change	Before change
F-IRB Approach	Standardized Approach

### 2 Overview of F-IRB approach and reason for change

The F-IRB Approach calculates the capital adequacy ratio more accurately by measuring the credit risk of loans and other assets using banks' internal rating systems.

The use of the F-IRB Approach requires banks to have a more rigorous internal control system in place and is also subject to approval from the Financial Services Agency.

Aozora recently obtained approval from the FSA as a result of developing a system designed to further advance the level of risk governance and credit risk management.

The Bank intends to enhance its financial strength and profitability by establishing a sound credit portfolio through building quality assets based on optimal risk-taking under the F-IRB Approach and continue its initiatives to strengthen the internal control system going forward.

With this strong risk governance in place, Aozora will contribute to the development of society through the creation of new value-added financial services.

### 3 Effective date

The change in the method of calculating the capital adequacy ratio will be effective on March 31, 2026. The ratio as of March 31, 2026 will be announced in mid-May 2026.