Summary of the Financial Statements
for the First Three Months of FY2026 [JGAAP] (Consolidated)

July 31, 2026

Company name	Aozora Bank, Ltd.	Listed exchange	Tokyo Stock Exchange
TSE code	8304	URL	https://www.aozorabank.co.jp/
Representative	Hideto Oomi, President and CEO		
Contact person	Norihide Tate, Joint General Manager of Financial Management Division		
Dividend payable date	September 1, 2026		
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 FY2026

(1) Consolidated business results

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

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	67,282	10.8	13,911	73.7	11,492	81.7
June 30, 2025	60,745	4.2	8,007	35.9	6,326	(16.4)

(Note) Comprehensive income JPY 23,528 million 108.3% (Three months ended June 30, 2026)
JPY 11,295 million 182.3% (Three months ended June 30, 2025)

	Net income per common share (basic)	Net income per common share (diluted)
Three months ended	Yen	Yen
June 30, 2026	83.00	82.88
June 30, 2025	45.71	45.64

(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, 2026	8,645,457	511,664	5.8	3,604.56
March 31, 2026	8,601,673	491,611	5.6	3,463.73

(Reference) Total net assets (less Share acquisition rights and Non-controlling interests) JPY 499,073 million (June 30, 2026)
JPY 479,315 million (March 31, 2026)

(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
FY2025(common share)	22.00	22.00	22.00	25.00	91.00
FY2026(common share)	25.00				
FY2026(common share) (Forecast)		—	—	—	100.00

(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, 2027 (FY2026)

(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
FY2026 (Full Year)	37,000	36.1	27,000	5.0	195.00

(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 Affirmative
Excluded: 1 company (Aozora Securities Co., Ltd.)

(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, 2026	March 31, 2026
(a) The number of common shares issued (including treasury shares)	139,789,418	139,789,418
(b) The number of treasury shares	1,333,512	1,408,342

	Three months ended June 30, 2026	Three months ended June 30, 2025
(c) The average number of common shares outstanding (3 months)	138,454,042	138,381,090

* 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.

[Attachment]

1. Overview of operating results

For more details, please refer to ‘FY2026 1st Quarter Financial Results Overview’ that was announced today (July 31, 2026) 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, 2026	As of June 30, 2026
Assets		
Cash and due from banks	1,508,492	1,414,114
Call loans and bills bought	81,283	114,815
Monetary claims bought	55,280	51,312
Trading account assets	501,566	568,715
Money held in trust	11,053	10,262
Securities	1,434,823	1,499,162
Loans and bills discounted	4,486,392	4,500,891
Foreign exchanges	46,837	51,031
Other assets	411,740	374,406
Tangible fixed assets	22,874	22,942
Intangible fixed assets	18,091	18,407
Retirement benefit asset	12,319	12,439
Deferred tax assets	49,790	43,653
Customers' liabilities for acceptances and guarantees	16,218	14,913
Allowance for loan losses	(52,974)	(49,643)
Allowance for investment loss	(2,119)	(1,971)
Total assets	8,601,673	8,645,457
Liabilities		
Deposits	6,030,775	5,991,684
Negotiable certificates of deposit	63,700	61,500
Call money and bills sold	50,993	64,869
Securities sold under repurchase agreements	38,123	37,207
Cash collateral received for securities lent	375,943	382,630
Trading account liabilities	482,295	548,757
Borrowed money	784,400	779,600
Bonds payable	57,962	48,688
Other liabilities	192,791	191,432
Provision for bonuses	5,515	1,529
Provision for bonuses for directors (and other officers)	110	37
Retirement benefit liability	9,875	9,497
Provision for credit losses on off-balance-sheet instruments	1,348	1,436
Reserves under special laws	8	8
Acceptances and guarantees	16,218	14,913
Total liabilities	8,110,061	8,133,792
Net assets		
Share capital	125,966	125,966
Capital surplus	113,483	113,499
Retained earnings	254,992	263,025
Treasury shares	(2,894)	(2,740)
Total shareholders' equity	491,547	499,750
Valuation difference on available-for-sale securities	(24,972)	(15,417)
Deferred gains or losses on hedges	(545)	56
Foreign currency translation adjustment	9,674	11,249
Remeasurements of defined benefit plans	3,611	3,434
Total accumulated other comprehensive income	(12,232)	(677)
Share acquisition rights	626	457
Non-controlling interests	11,669	12,134
Total net assets	491,611	511,664
Total liabilities and net assets	8,601,673	8,645,457

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

(Quarterly consolidated statement of income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Ordinary income	60,745	67,282
Interest income	38,526	42,640
Interest on loans and discounts	29,209	31,922
Interest and dividends on securities	5,937	6,784
Trust fees	125	125
Fees and commissions	8,340	10,647
Gain on trading account transactions	503	1,574
Other ordinary income	6,710	9,980
Other income	6,537	2,313
Ordinary expenses	52,738	53,371
Interest expenses	26,913	26,795
Interest on deposits	6,722	9,653
Fees and commissions payments	1,785	2,321
Loss on trading account transactions	291	―
Other ordinary expenses	1,404	4,096
General and administrative expenses	15,455	16,344
Other expenses	6,887	3,813
Ordinary profit	8,007	13,911
Extraordinary losses	0	―
Loss on disposal of non-current assets	0	―
Profit before income taxes	8,006	13,911
Income taxes - current	322	356
Income taxes - deferred	1,277	1,593
Total income taxes	1,600	1,950
Profit	6,405	11,961
Profit attributable to non-controlling interests	79	468
Profit attributable to owners of parent	6,326	11,492

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	6,405	11,961
Other comprehensive income	4,889	11,567
Valuation difference on available-for-sale securities	8,191	9,567
Deferred gains or losses on hedges	(726)	601
Foreign currency translation adjustment	(102)	367
Remeasurements of defined benefit plans, net of tax	(169)	(176)
Share of other comprehensive income of entities accounted for using equity method	(2,303)	1,207
Comprehensive income	11,295	23,528
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,185	23,047
Comprehensive income attributable to non-controlling interests	109	481

(3) Notes to quarterly consolidated financial statements

(Information on going concern assumption)

None

(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, 2026 and 2025, are as follows:

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	1,850	1,794

(Segment information)

1. Changes in reportable segments
   Certain assets of the Strategic Investment Unit have been transferred to the Market & International Business Unit to optimize business operations from the beginning of the three months ended June 30, 2026.
   The information regarding reportable segments for the three months ended June 30, 2025 has been updated to reflect the above change.

2. Business revenue and Business profit by reportable segment

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	13,673	5,996	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	14,220	6,501	2,687	2,830	26,240
General and administrative expenses	5,386	3,458	2,491	2,642	13,978
Business profit	8,834	3,043	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.

For the three months ended June 30, 2026

(Millions of yen)

	Strategic Investments Unit	Market & International Business Unit	Customer Relations Unit	GMO Aozora Net Bank	Total
Consolidated net revenue	18,891	6,333	2,919	4,606	32,751
Gains (losses) on equity method investment	―	738	―	―	738
Gains (losses) on stock transactions, etc.	456	(143)	―	―	313
Business revenue	19,347	6,929	2,919	4,606	33,803
General and administrative expenses	6,257	3,156	2,297	3,506	15,218
Business profit	13,090	3,772	622	1,099	18,584

(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 profits and ordinary profit in the quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Total business profits	12,261	18,584
Variances resulting from profit or loss not covered by reportable segments or differences in the basis of revenue and expense recognition and measurement	(3,100)	(2,379)
Amortization of actuarial differences on retirement benefit plans, etc.	247	258
Credit-related expenses, etc.	(1,170)	(2,557)
Others	(230)	5
Ordinary profit in the quarterly consolidated statement of income	8,007	13,911

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 902 million yen for the three months ended June 30, 2025 and negative 929 million yen for the three months ended June 30, 2026.

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

Financial Results for the First Three Months of FY2026

AOZORA BANK, LTD.

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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, 2026 (A)	(A)-(B)	For the three months ended June 30, 2025 (B)
Consolidated net revenue ※1	31,756	7,943	23,812
Net interest income	15,845	4,232	11,613
Net fees and commissions	8,451	1,770	6,681
Net gains on trading account transactions	1,574	1,362	212
Net other ordinary income	5,884	578	5,306
General and administrative expenses	(16,603)	(899)	(15,703)
Gains (losses) on equity method investments	738	236	502
Business profit (excluding gains/losses on stock transactions, etc.) ※2	15,891	7,280	8,611
Credit-related expenses	(2,557)	(1,386)	(1,170)
Write-off of loans	(1,578)	3,879	(5,458)
Net provision of specific allowance for loan losses	1,417	1,359	57
Net provision of general allowance for loan losses	(2,416)	(7,259)	4,843
Net provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	(630)	81	(711)
Recoveries of written-off receivables	737	648	88
Net provision of allowance for credit losses on off-balance-sheet instruments	(87)	(96)	9
Gains (losses) on stock transactions	456	(172)	628
Other	121	183	(62)
Ordinary profit	13,911	5,904	8,007
Extraordinary profit (loss)	-	0	(0)
Profit before income taxes	13,911	5,905	8,006
Income taxes-current	(356)	(33)	(322)
Income taxes-deferred	(1,593)	(316)	(1,277)
Profit	11,961	5,555	6,405
Profit attributable to non-controlling interests	(468)	(389)	(79)
Profit attributable to owners of parent	11,492	5,166	6,326

Reference

Business profit (including gains/losses on stock transactions, etc.)	16,205	7,044	9,161

※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 (excluding gains/losses on stock transactions, etc.) = Consolidated net revenue- General and administrative expenses
+ Gains (losses) on equity method investments

※3 Gains/losses on stock transactions, etc. = Gains/losses on stock transactions + Net provision of allowance for investment losses
+ Gains/losses on equity derivatives

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

(Scope of Consolidation and Equity-Method Application）

(Number of companies)

	June 30, 2026 (A)	(A)-(B)	June 30, 2025 (B)
Consolidated subsidiaries	22	(2)	24
Subsidiaries and affiliated companies applying equity-method	1	0	1

【Non-consolidated】

(Millions of yen)

	For the three months ended June 30, 2026 (A)	(A)-(B)	For the three months ended June 30, 2025 (B)
Net revenue	24,587	7,502	17,084
(Excluding gains (losses) on bond transactions)	27,095	11,082	16,012
Net interest income	11,912	3,184	8,728
Net fees and commissions ※1	5,584	1,279	4,304
Net gains on trading account transactions	1,574	1,362	211
Net other ordinary income	5,516	1,676	3,840
(Gains (losses) on bond transactions)	(2,507)	(3,579)	1,072
General and administrative expenses	(11,670)	(149)	(11,521)
Personnel	(5,760)	(89)	(5,671)
Property and equipment	(5,235)	6	(5,242)
Taxes	(674)	(67)	(607)
Business profit before provision of general allowance for loan losses	12,916	7,352	5,563
Core business profit ※2	15,424	10,932	4,491
Core business profit excluding cancellation on investment trusts	15,415	11,286	4,129
Credit-related expenses	(2,520)	(3,235)	714
Write-off of loans	(2,140)	2,162	(4,303)
Net provision of specific allowance for loan losses	1,489	1,347	142
Net provision of general allowance for loan losses	(2,504)	(7,360)	4,856
Net provision of allowance for loans to restructuring countries	-	-	-
Loss on disposition of loans	-	-	-
Recoveries of written-off receivables	727	697	29
Net provision of allowance for credit losses on off-balance-sheet instruments	(92)	(83)	(9)
Gains (losses) on stock transactions	456	(172)	628
Other	69	124	(55)
Ordinary profit	10,921	4,069	6,852
Extraordinary profit (loss)	-	0	(0)
Profit before income taxes	10,921	4,070	6,851
Income taxes-current	(15)	8	(23)
Income taxes-deferred	(1,547)	(365)	(1,182)
Profit	9,359	3,713	5,645

Business profit ※3	10,319	4,765	5,554

※1 Trust fees are included.
※2 Core business profit = Business profit before provision of general allowance for loan losses - Gains (losses) on bond transactions
※3 Business profit = Net revenue - (Provision of general allowance for loan losses + Provision of allowance for credit losses on off-balance-sheet instruments + General and administrative expenses)
(Note) The amounts are rounded down to the nearest million yen.

Ⅱ. Unrealized Gains and Losses on Securities

【Consolidated】 (Millions of yen)

		June 30, 2026				March 31, 2026		
		Unrealized gains and losses				Unrealized gains and losses		
		(A)	(A)-(B)	gains	losses	(B)	gains	losses
Held-to-maturity bonds		-	-	-	-	-	-	-
Available-for-sale securities		(22,701)	13,922	48,894	71,595	(36,623)	32,037	68,661
	Japanese stocks	27,125	8,525	27,254	129	18,599	18,720	120
	Japanese debt securities	(10,433)	(1,763)	132	10,565	(8,669)	150	8,819
	Other	(39,392)	7,161	21,507	60,900	(46,554)	13,166	59,720

(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, 2026		March 31, 2026
		(A)	(A) - (B)	(B)
Bankrupt and similar credit		344	(92)	437
Doubtful credit		34,615	(11,087)	45,702
Special attention credit		4,741	(4,317)	9,058
	Loans overdue for three months or more	-	-	-
	Restructured loans	4,741	(4,317)	9,058
Subtotal (a)		39,701	(15,496)	55,197
Normal credit		4,526,751	30,927	4,495,823
Total credit (b)		4,566,452	15,431	4,551,021
NPL ratio (a/b)		0.9%	(0.3%)	1.2%

		June 30, 2026		March 31, 2026
		(A)	(A) - (B)	(B)
Allowance & Coverage (c)		37,841	(12,408)	50,249
	Allowance for loan losses (d)	16,555	(6,976)	23,531
	Collateral / guarantee coverage (e)	21,285	(5,432)	26,718
Coverage ratio (c/a)		95.3%	4.3%	91.0%
Allowance ratio (d/(a-e))		89.9%	7.3%	82.6%

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