

**FY2021
1st Quarter
Financial
Results
Overview**

August 2, 2021



1st Quarter Financial Highlights

Strong progress towards the full-year forecast

Net revenue

26.7 billion yen

(5.4 billion yen increase year-on-year, progress rate: 28%)

Business profit

13.4 billion yen

(4.9 billion yen increase year-on-year, progress rate: 32%)

Profit attributable to owners of parent

11.5 billion yen

(4.1 billion yen increase year-on-year, progress rate: 39%)

Key points

- ◆ Net interest income was approximately the same as 4Q of FY2020, while it declined by 0.5 billion yen year-on-year
- ◆ Non-interest income increased by 5.9 billion yen year-on-year, mainly due to strong customer-related income, including gains from distressed loan-related and buyout-related limited partnerships, fee income from GMO Aozora Net Bank, and earnings from the sale of investment products to retail customers
- ◆ Credit-related expenses were a net reversal of 2.0 billion yen, mainly due to reversals of the Bank's general loan loss reserves as a result of improvements in the credit ratings of previously Need Attention overseas exposures and the repayment of overseas real-estate non-recourse loans associated with a recovery in the U.S. real estate market

Dividend for 1Q: 32 yen per common share (25% of the full-year dividend forecast of 128 yen)

(Note) Unless otherwise stated, all amounts stated in 1 billion yen have been rounded down to the nearest 0.1 billion yen.

PL summary

◆ Net revenue, business profit and profit attributable to owners of parent all increased significantly compared to the previous year

	(billion yen)	FY2020	FY2021	Change B - A		FY2021 Full-year Forecast	Progress
		Apr.-Jun. A	Apr.-Jun. B	Amount	%		
Net revenue		21.3	26.7	+5.4	+25.5%	97.0	28%
Net interest income		12.4	11.8	-0.5			
Non-interest income		8.9	14.9	+5.9			
General & administrative expenses		-12.8	-13.8	-1.0			
Gains/losses on equity method investments		-	0.5	+0.5			
Business profit		8.5	13.4	+4.9	+58.2%	42.5	32%
Credit-related expenses		0.1	2.0	+1.8			
Gains/losses on stock transactions		1.0	0.0	-1.0			
Ordinary profit		8.7	15.6	+6.8	+78.5%	42.5	37%
Extraordinary profit/loss		-	-	-			
Profit before income taxes		8.7	15.6	+6.8	+78.5%		
Taxes		-1.9	-4.4	-2.5			
Gains/losses attributable to non-controlling interests		0.6	0.3	-0.2			
Profit attributable to owners of parent		7.4	11.5	+4.1	+55.1%	30.0	39%

Net interest income

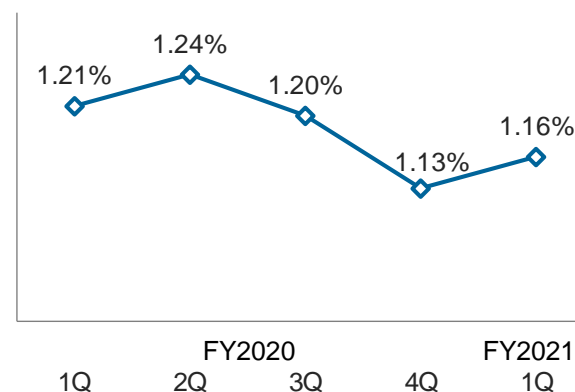
- ◆ Net interest income decreased by 0.5 billion yen year-on-year mainly due to lower interest and dividends on securities arising from lower foreign currency ETF balances, while it was maintained at approximately the same level as 4Q of FY2020
- ◆ Lending margins (yield on loans – yield on funding) increased by 3 bps compared to 4Q of FY2020

(billion yen)	FY2020	FY2021	Change B - A
	Apr. - Jun. A	Apr. - Jun. B	
Net interest income	12.4	11.8	-0.5
Interest income	18.2	15.6	-2.6
Interest on loans and discounts	12.6	10.8	-1.8
Interest and dividends on securities	5.4	4.5	-0.9
Other interest income	0.1	0.2	+0.0
Interest expenses	-5.8	-3.7	+2.1
Interest on deposits and NCDs	-1.5	-1.4	+0.1
Interest on debentures and bonds	-0.5	-0.6	-0.0
Interest on borrowings and rediscount	-0.6	-0.3	+0.2
Other interest expenses	-0.6	-0.2	+0.4
Interest on swaps	-2.4	-1.0	+1.3

(Note) Decreases in expenses are shown as positive.

	FY2020	FY2021	Change B - A
	Apr. - Jun. A	Apr. - Jun. B	
Yield on total investments (A)	1.55%	1.26%	-0.29%
Yield on loans (B)	1.70%	1.44%	-0.26%
Yield on securities	1.97%	1.32%	-0.65%
Yield on funding (C)	0.49%	0.28%	-0.21%
Net interest margin (A)-(C)	1.06%	0.98%	-0.08%
Lending margin (B)-(C)	1.21%	1.16%	-0.05%

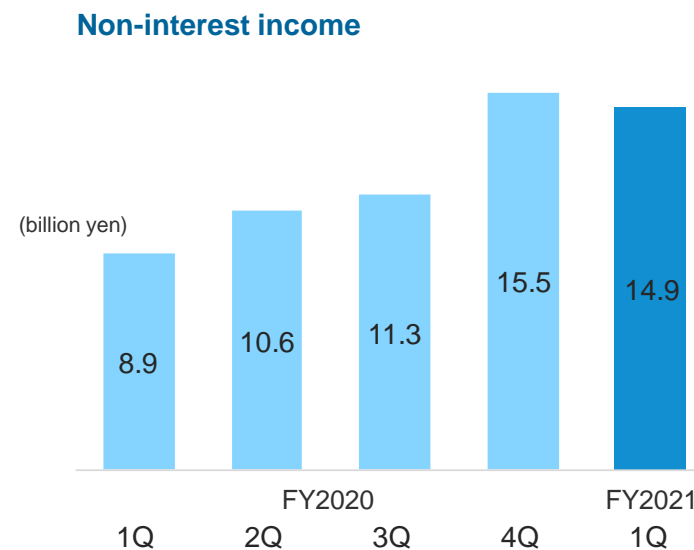
Lending margin



Non-interest income

- ◆ Non-interest income was 14.9 billion yen, an increase of 5.9 billion yen year-on-year
 - This result was approximately the same as 4Q of FY2020

(billion yen)	FY2020	FY2021	Change B - A
	Apr.-Jun. A	Apr.-Jun. B	
Non-interest income	8.9	14.9	+5.9
Net fees and commissions	1.9	2.4	+0.4
Net trading revenues	-0.7	6.4	+7.2
Gains/losses on bond transactions	7.9	1.5	-6.4
Net other ordinary income excl. gains/losses on bond transactions	-0.2	4.5	+4.7
Incl. Gains from limited partnerships	0.8	3.5	+2.6
(Ref.) Ratio of gains/losses on bond transactions to net revenue	37%	6%	



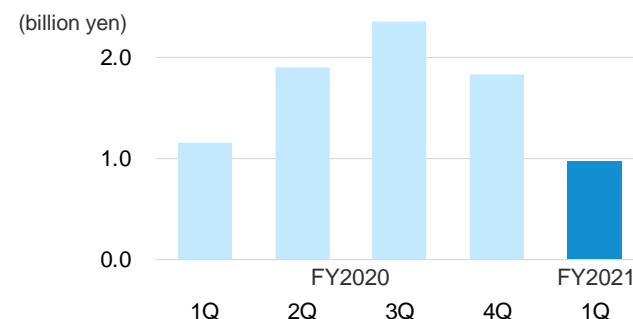
Non-interest income – Net fees and commissions / Net trading revenues

- ◆ Net fees and commissions were 2.4 billion yen, an increase of 0.4 billion yen year-on-year
 - Increased fee income from GMO Aozora Net Bank contributed to the favorable performance
 - Loan-related fee income was approximately the same as 1Q of FY2020. The Bank continued to develop its loan transaction pipeline, including for LBO finance transactions and is focusing on closing deals from 2Q onwards
- ◆ Net trading revenues were a gain of 6.4 billion yen, 7.2 billion yen higher when compared with last year. The Bank has seen strong results in both customer transactions and its trading business
- ◆ Earnings from the sale of investment products to retail customers increased, mainly in the sale of structured bonds and investment trusts

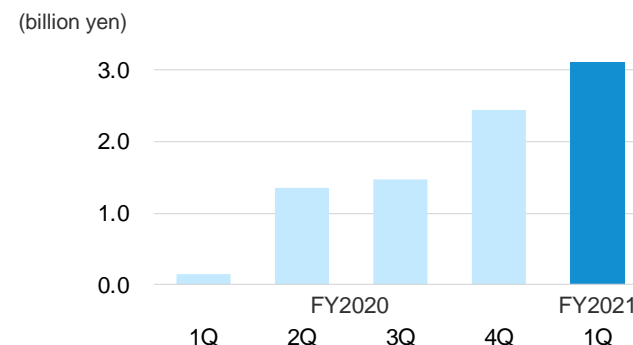
(billion yen)	FY2020	FY2021	Change B - A
	Apr.-Jun. A	Apr.-Jun. B	
Net fees and commissions	1.9	2.4	+0.4
Fees and commissions received	2.5	3.2	+0.7
Loan business-related and deposits	1.2	1.0	-0.2
Securities-related and agency	0.6	0.7	+0.1
Other	0.5	1.4	+0.8
Fees and commissions payments	-0.5	-0.8	-0.2
Net trading revenues	-0.7	6.4	+7.2
Earnings from investment product sales			
Earnings from investment product sales	0.1	3.1	+2.9
Investment trusts	0.1	0.3	+0.1
Insurance	0.0	0.0	-0.0
Structured bonds	-0.0	2.7	+2.8

(Note) Earnings from the sale of investment trusts and insurance are included in net fees and commissions. Earnings from the sale of structured bonds are included in net trading revenues.

Loan-related fee income



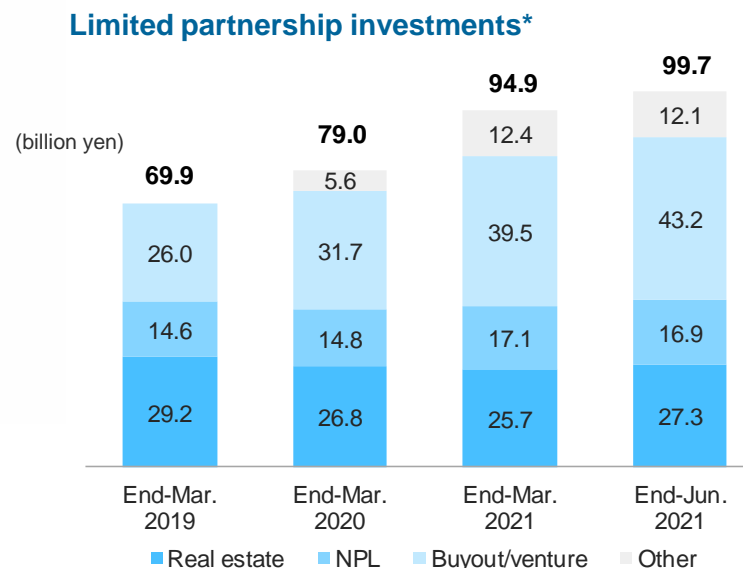
Earnings from investment product sales



Non-interest income – Net other ordinary income

- ◆ Gains/losses on bond transactions were a gain of 1.5 billion yen, compared with a gain of 7.9 billion yen in 1Q of FY2020
- ◆ Net other ordinary income (excl. gains/losses on bond transactions) was 4.5 billion yen, an increase of 4.7 billion yen year-on-year
 - Gains from limited partnerships increased by 2.6 billion yen compared to the previous year, as a result of strong distressed loan-related and buyout-related gains

(billion yen)	FY2020	FY2021	Change
	Apr.-Jun. A	Apr.-Jun. B	B-A
Gains/losses on bond transactions	7.9	1.5	-6.4
Japanese government bonds (JGBs)	-	0.0	+0.0
Foreign government bonds and mortgage bonds	6.4	-1.0	-7.4
Other	1.5	2.4	+0.9
Incl. Private placement investment trusts	0.9	1.3	+0.3
Incl. REITs	0.4	0.4	+0.0
Incl. Foreign currency ETFs	0.4	-	-0.4
Net other ordinary income excl. gains/losses on bond transactions	-0.2	4.5	+4.7
Incl. Gains from limited partnerships	0.8	3.5	+2.6
Real estate-related	0.3	0.1	-0.2
Distressed loan-related	0.8	2.0	+1.1
Buyout/venture-related	-0.4	1.1	+1.6
Other	0.0	0.2	+0.1



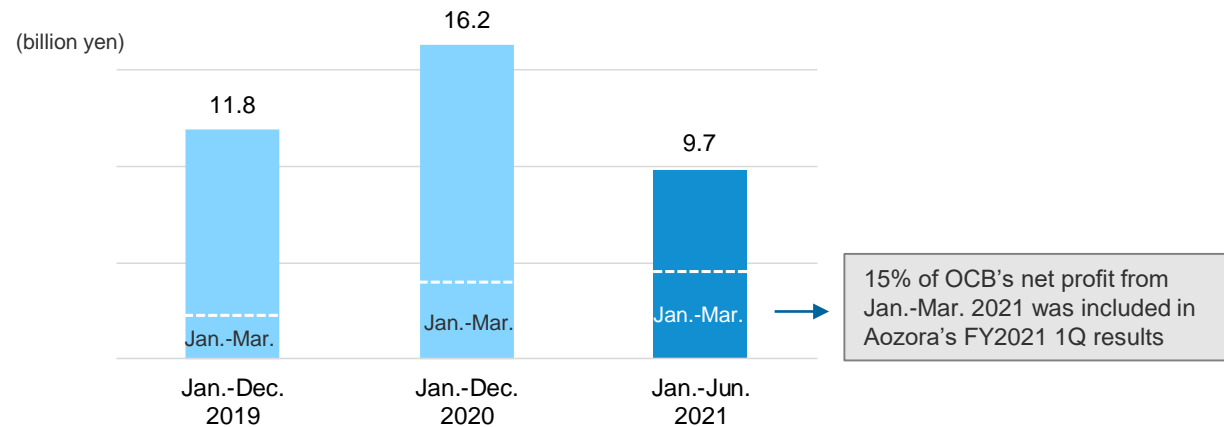
* Management accounting basis

Gains/losses on equity method investments/stock transactions

- ◆ Gains/losses on equity method investments were a net gain of 0.5 billion yen
 - Orient Commercial Joint Stock Bank's (OCB) net profit for Jan.-Mar. 2021 was included in Aozora's 1Q earnings
- ◆ No significant gains/losses on stock transactions were recorded in 1Q of FY2021

	(billion yen)		
	FY2020 Apr.-Jun. A	FY2021 Apr.-Jun. B	Change B-A
Gains/losses on equity method investments	-	0.5	+0.5
Gains/losses on stock transactions	1.0	0.0	-1.0

OCB Net profit*



* Taken from OCB's website. Uses an exchange rate of 0.0046 yen per 1 Vietnamese dong

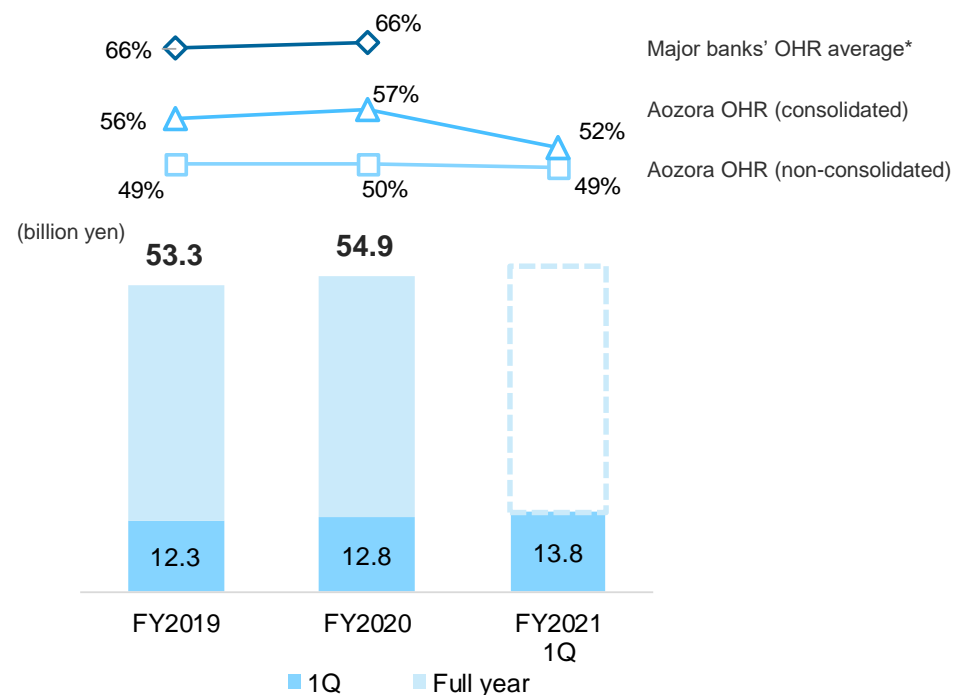
G&A expenses

- ◆ G&A expenses were 13.8 billion yen, an increase of 1.0 billion yen year-on-year, which represented 24.6% of the full-year budget
 - G&A expenses increased mainly due to personnel expenses associated with the commencement of operations at our New York-based subsidiary and other IT-related investments
- ◆ The Overhead Ratio (OHR) was 52% on a consolidated basis and 49% on a non-consolidated basis, reflecting the strong level of net revenue

G&A expenses breakdown

(billion yen)	FY2020	FY2021	Change B - A
	Apr. - Jun. A	Apr. - Jun. B	
G&A expenses (A)	12.8	13.8	+1.0
Personnel	5.9	6.3	+0.4
Non-Personnel	5.9	6.4	+0.4
Incl. IT-related	2.2	2.5	+0.3
Tax	0.9	1.1	+0.1
Net revenue (B)	21.3	26.7	
OHR (A) / (B)	60%	52%	

G&A expenses and OHR



* Major banks refers to MUFG, SMFG, Mizuho FG, Resona HD, Sumitomo Mitsui Trust HD and Shinsei

Credit-related expenses

- ◆ Credit-related expenses were a net reversal of 2.0 billion yen, compared to a net reversal of 0.1 billion yen in the previous year
 - This net reversal of 2.0 billion yen was mainly due to reversals of the Bank's general loan loss reserves as a result of improvements in the credit ratings of previously Need Attention overseas exposures and the repayment of overseas real-estate non-recourse loans associated with a recovery in the U.S. real estate market
- ◆ The ratio of loan loss reserves to total loans remained adequate at 1.58%
 - The ratio of loan loss reserves to overseas loans was approximately 2.4%

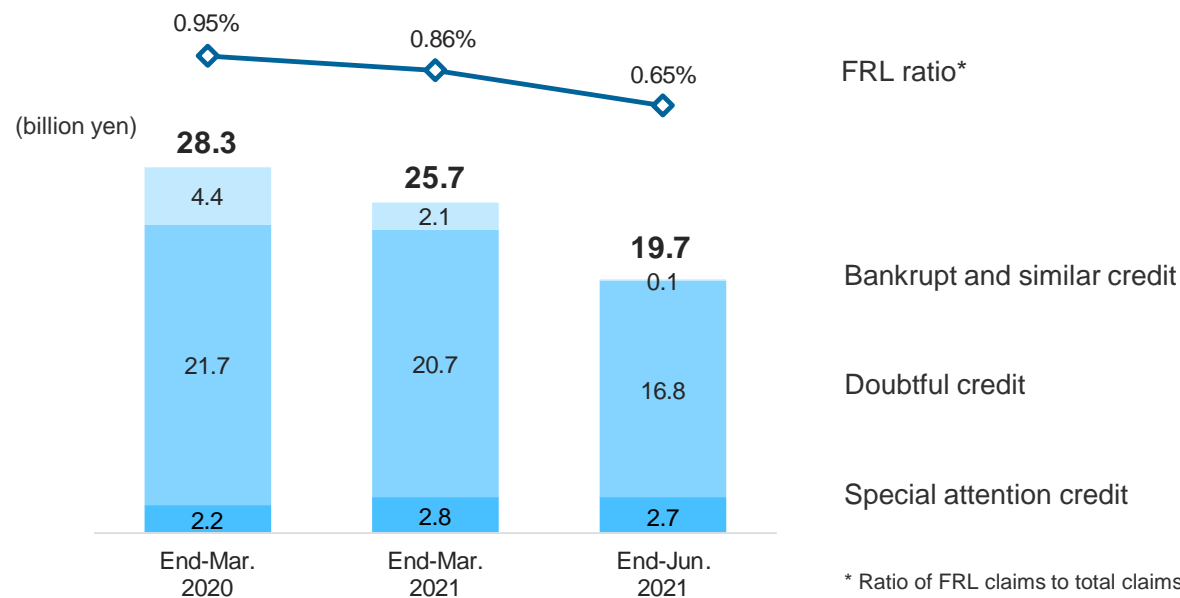
	(billion yen)		Change B - A
	FY2020 Apr.-Jun. A	FY2021 Apr.-Jun. B	
Credit-related expenses	0.1	2.0	+1.8
Write-off of loans	-0.6	-0.4	+0.1
Loan loss reserves	0.9	2.3	+1.4
Specific loan loss reserves	-1.8	-1.4	+0.4
General loan loss reserves	2.8	3.8	+1.0
Gains/losses on disposition of loans	-0.2	-	+0.2
Recoveries of written-off claims	0.0	0.1	+0.0
Reserve for credit losses on off-balance-sheet instruments	0.1	-0.0	-0.1

Ratio of loan loss reserves to total loans

	(billion yen)	
	End - Mar. 2021	End - Jun. 2021
Loan loss reserves (A)	50.8	47.0
General loan loss reserves (B)	40.1	36.3
Total loans (C)	2,948.8	2,966.0
(A) / (C)	1.72%	1.58%
(B) / (C)	1.36%	1.22%

Financial Reconstruction Law (FRL) claims (non-consolidated)

- ◆ The ratio of FRL claims to total claims was 0.65%, a decrease of 0.21% from the end of March, 2021
 - FRL claims decreased by 6.0 billion yen compared to March 31, 2021 mainly due to the progress in the work-out of non-performing loans



(billion yen)	End-Mar. 2020	End-Mar. 2021	End-Jun. 2021
Coverage	27.5	22.8	18.4
Reserves	15.2	12.2	12.2
Collateral & guarantees	12.3	10.6	6.1
Coverage ratio	97%	89%	93%

* Ratio of FRL claims to total claims

Balance sheet summary

- ◆ Total assets were 6,064.0 billion yen, an increase of 147.1 billion yen compared to March 31, 2021. Total net assets were 512.1 billion yen, representing an increase of 22.1 billion yen from March 31, 2021

(billion yen)	End - Mar. 2021 A	End - Jun. 2021 B	Change B - A
Loans and bills discounted	2,948.8	2,966.0	+17.2
Securities	1,393.3	1,404.1	+10.8
Cash and due from banks	950.1	1,010.2	+60.1
Trading assets	154.6	137.5	-17.0
Other	469.9	546.0	+76.0
Total assets	5,916.8	6,064.0	+147.1

(billion yen)	End - Mar. 2021 A	End - Jun. 2021 B	Change B - A
Deposits / Negotiable certificates of deposit	4,012.5	4,253.9	+241.4
Bonds	198.3	185.2	-13.1
Borrowed money	349.7	353.0	+3.2
Payables under securities lending transactions	431.6	379.7	-51.9
Trading liabilities	140.4	119.1	-21.2
Other	294.0	260.7	-33.3
Total liabilities	5,426.8	5,551.9	+125.0
Total net assets	490.0	512.1	+22.1
Total liabilities and net assets	5,916.8	6,064.0	+147.1

Loans – Balance by industry

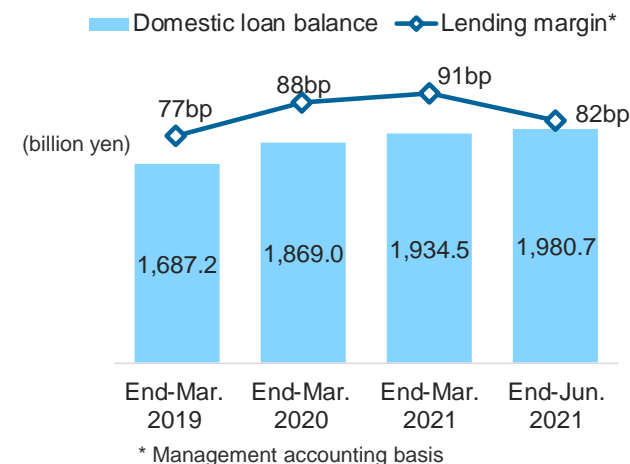
◆ Loans were 2,966.0 billion yen, an increase of 17.2 billion yen compared to March 31, 2021. Domestic loans increased by 46.1 billion yen

(billion yen)		End - Mar. 2021 A	End - Jun. 2021 B	Change B - A
Total loans	(A)	2,948.8	2,966.0	+17.2
Domestic loans		1,934.5	1,980.7	+46.1
Overseas loans *	(B)	1,014.2	985.3	-28.9
	(B) / (A)	34.4%	33.2%	-

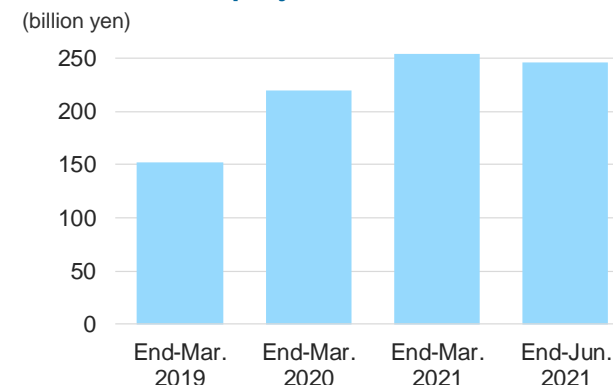
* With no final risk residing in Japan

	Share			
Loans by domestic offices (excl. Japan offshore market accounts)	2,329.3	2,354.8	+25.4	79%
Manufacturing	212.2	201.2	-11.0	7%
Information and communications	113.1	110.8	-2.2	4%
Transport, postal services	35.7	34.6	-1.1	1%
Wholesale and retail sale	71.8	70.1	-1.7	2%
Financial and insurance	363.5	369.5	+5.9	12%
Real estate	626.0	643.0	+16.9	22%
Incl. Non-recourse loans	342.8	349.4	+6.5	12%
Leasing	75.7	79.4	+3.7	3%
Other services	186.0	175.6	-10.4	6%
Other	644.8	670.2	+25.4	23%
Incl. Overseas (Headquarters booked)	421.4	398.1	-23.3	13%
Loans by overseas offices incl. Japan offshore market accounts	619.4	611.2	-8.2	21%
Total	2,948.8	2,966.0	+17.2	100%

Domestic loan balance and lending margin



LBO finance and project finance balances*



* Related to domestic corporate business
(internal management basis)

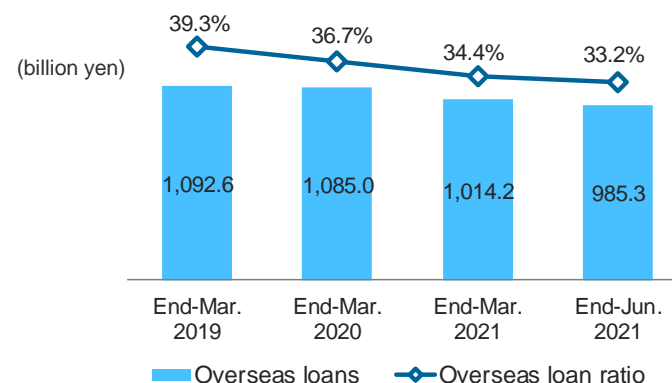
Loans - Overseas

- ◆ Overseas loans were 985.3 billion yen, a decrease of 28.9 billion yen from March 31, 2021 (a decrease of 247 million on a U.S. dollar-basis)
 - The Bank's overseas loan balances decreased slightly as a result of prepayments of North American corporate loans and repayments of overseas real estate non-recourse loans, which exceeded the level of originations

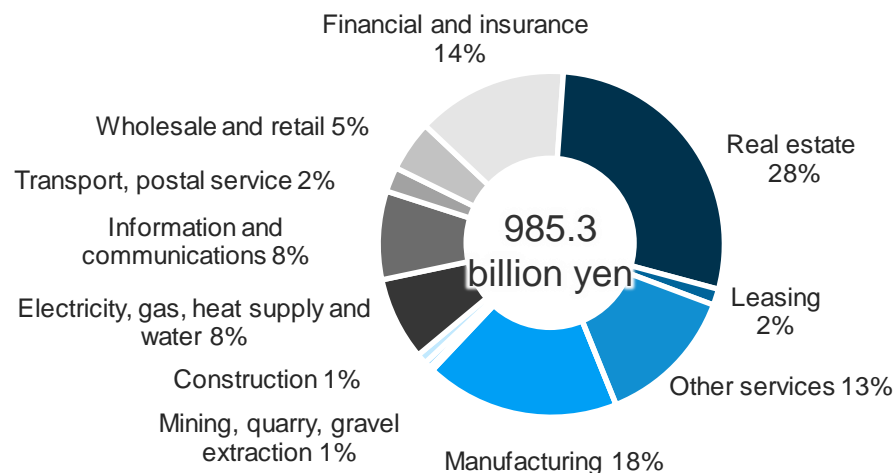
	(billion yen)	End - Mar. 2021 A	End - Jun. 2021 B	Change B - A
Total loans	(A)	2,948.8	2,966.0	+17.2
Overseas loans *	(B)	1,014.2	985.3	-28.9
	(B) / (A)	34.4%	33.2%	-
U.S. dollar basis (\$ million)		9,160	8,912	-247
Foreign exchange rate (US\$/JPY)		¥110.72	¥110.55	¥-0.17

* With no final risk residing in Japan

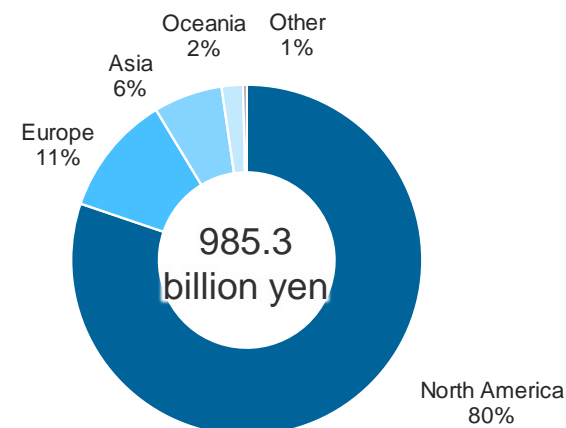
Overseas loan balance/ratio



By industry



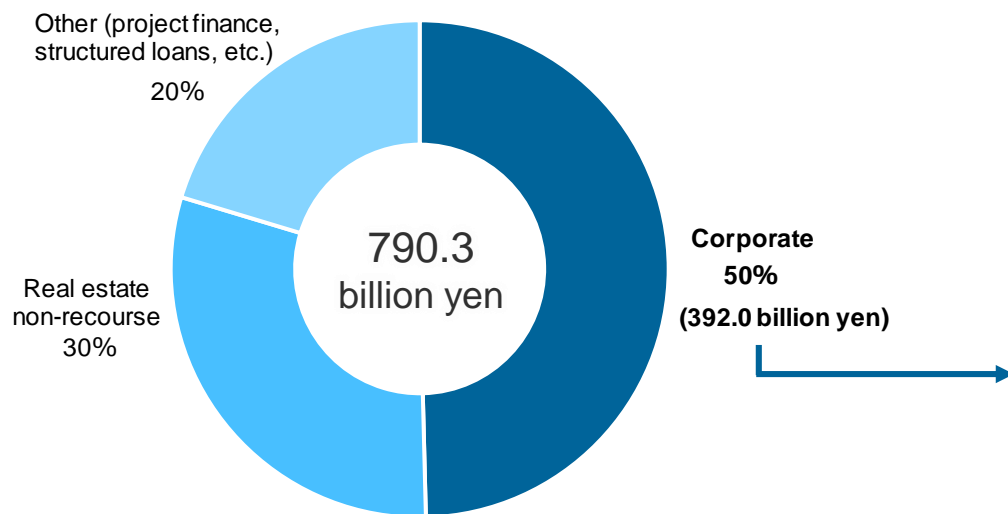
By region



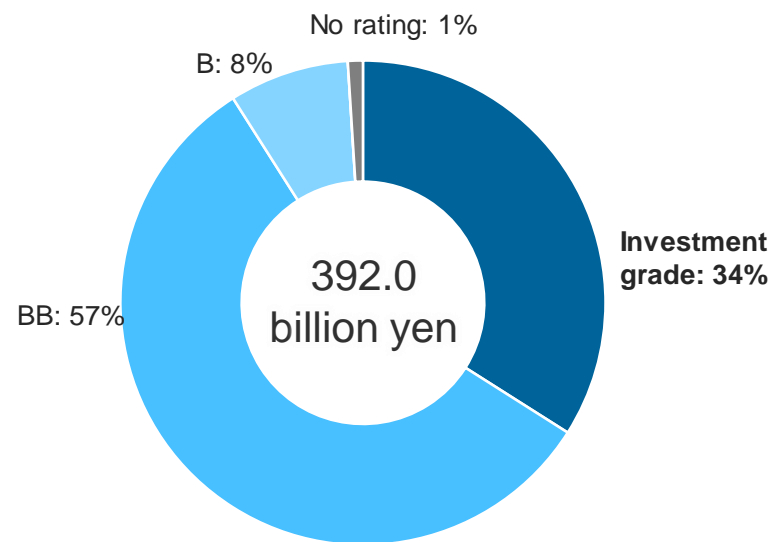
Loans – North American corporate loans

- ◆ The Bank's North American corporate loan balances totaled 392.0 billion yen, a decrease of 9.8 billion yen compared to March 31, 2021
 - While over 80 billion yen in loans were prepaid due to the overall recovery in economic activity, the Bank continued to originate new loans
 - The proportion of investment-grade loans was 34%, an increase of 3% compared to March 31, 2021

North American loan portfolio summary



North American corporate loans by credit rating*



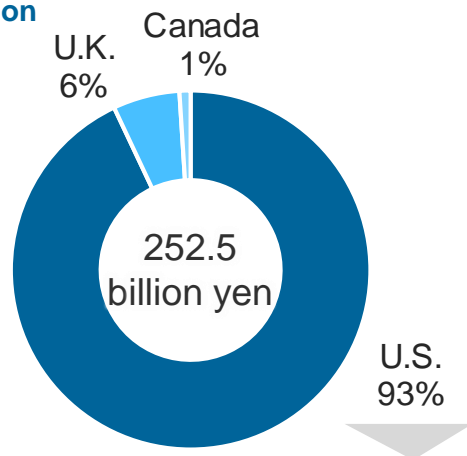
* S&P credit rating (facility basis)

Loans – Overseas Real Estate Non-Recourse Loans (NRLs)

◆ Loan balances decreased by 16.7 billion yen compared to March 31, 2021

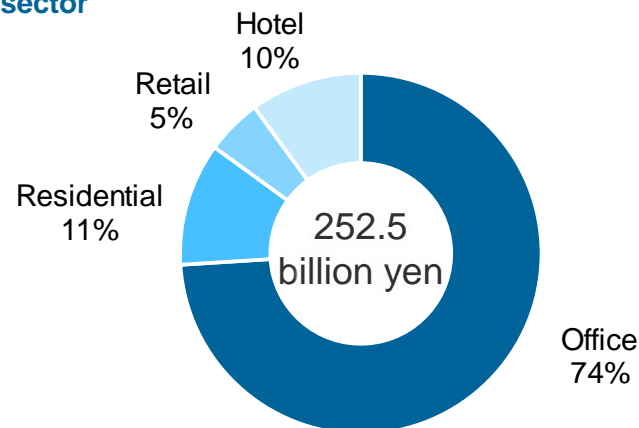
- In large measure due to the progress seen in COVID-19 vaccinations and the resulting recovery in U.S. real estate markets, overseas non-recourse real estate loans experienced an increase in repayment activity

By region



City	%
New York	27%
Los Angeles	12%
Washington, D.C.	12%
Chicago	8%
Atlanta	6%
San Francisco	5%
Miami	4%
Minneapolis	4%
Philadelphia	3%
Arlington	3%
Other (11 cities)	16%

By sector



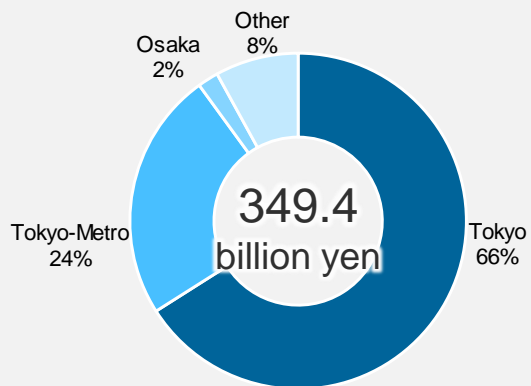
Overseas real estate NRL policy

- ◆ Senior secured loans only. No mezzanine or construction loans
- ◆ Loans arranged via sponsors with excellent management ability and banks with proven track records
- ◆ Loans with LTVs below 65% at time of approval according to an evaluation by a U.S.-based appraisal office (third-party evaluation)

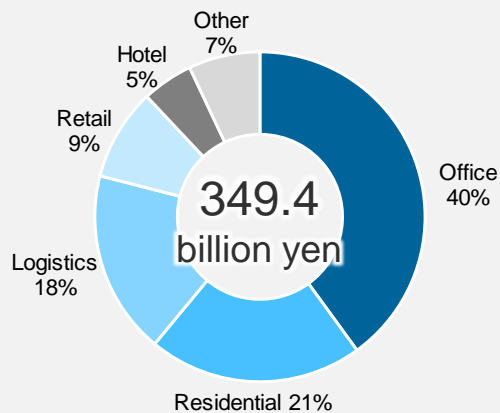
Loans – Domestic Real Estate Non-Recourse Loans (NRL)

- ◆ The Bank's domestic real estate non-recourse loan balance was 349.4 billion yen, an increase of 6.5 billion yen compared to March 31, 2021
 - The percentage of logistics loans increased by 2% compared to March 31, 2021, while office loans decreased by 3% during the same period

By region

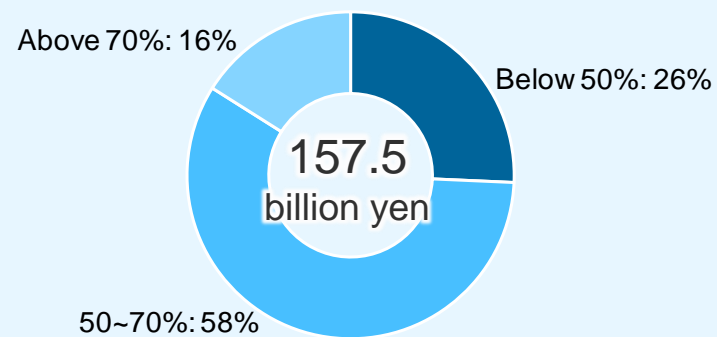


By sector

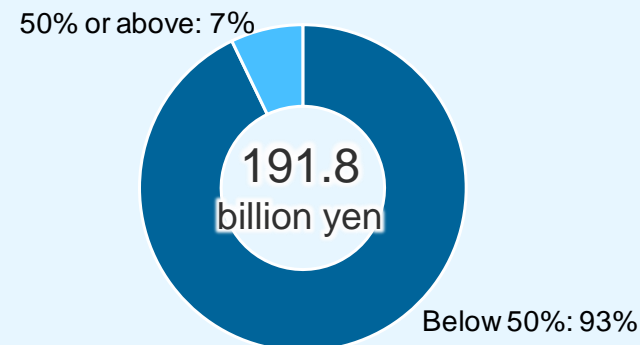


LTV

Real estate NRLs (excl. REITs)



REITs

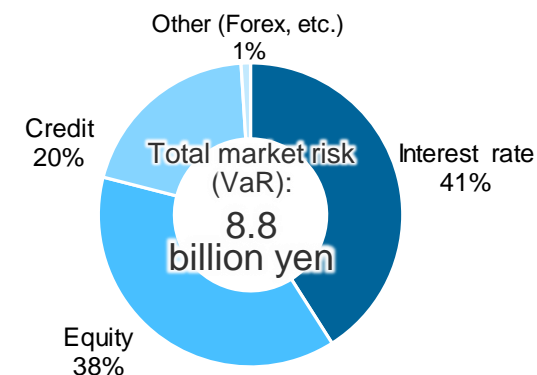


Securities

- ◆ Securities were 1,404.1 billion yen, an increase of 10.8 billion yen compared to March 31, 2021
- ◆ Unrealized gains, including unrealized gains/losses on hedging instruments, were a net gain of 60.0 billion yen, an improvement of 17.1 billion yen from March 31, 2021

	Book value			Unrealized gains/losses		
	End - Mar.	End - Jun.	Change B - A	End - Mar.	End - Jun.	Change D - C
	2021 A	2021 B		2021 C	2021 D	
(billion yen)						
JGBs	37.7	40.0	+2.2	0.2	0.4	+0.1
Municipal bonds	145.1	163.5	+18.3	-0.3	0.0	+0.3
Corporate bonds / short-term corporate bonds	117.8	134.8	+16.9	0.9	1.1	+0.2
Equities	27.4	28.9	+1.5	20.4	21.3	+0.8
Foreign bonds	600.5	554.1	-46.3	-4.5	1.7	+6.3
Foreign government bonds	283.2	244.5	-38.6	-3.3	0.6	+3.9
MBS	213.8	210.4	-3.4	-4.7	-2.4	+2.2
Other	103.4	99.1	-4.2	3.5	3.6	+0.1
Other securities	464.6	482.6	+18.0	26.6	35.8	+9.2
ETFs	164.5	168.0	+3.5	-0.9	2.8	+3.7
Investments in limited partnerships	94.9	99.7	+4.8	2.6	3.1	+0.5
REITs	72.7	77.0	+4.2	8.3	11.3	+2.9
Investment trusts	103.1	103.9	+0.7	11.2	12.5	+1.2
Other	29.2	34.0	+4.7	5.3	6.0	+0.6
Total	1,393.3	1,404.1	+10.8	43.4	60.6	+17.2
Unrealized gains, incl. unrealized gains/losses on hedging instruments				42.8	60.0	+17.1

Market risk (VaR)



U.S. dollar interest rate risk (10BPV) as of June 30, 2021:
-2.9 billion yen

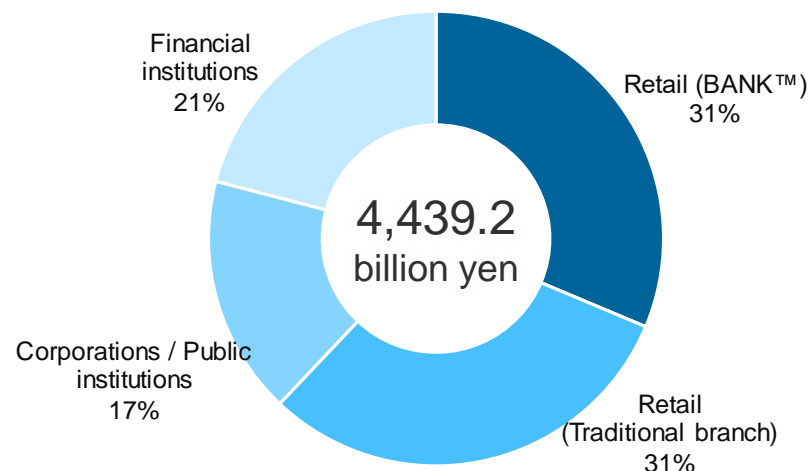
Funding

- ◆ Total core funding (deposits, negotiable certificates of deposit, and bonds) was 4,439.2 billion yen, an increase of 228.3 billion yen from March 31, 2021
 - BANK™, our retail banking smartphone app, was an important driver behind the further expansion of our retail customer base

(billion yen)	End-Mar. 2021 A	End-Jun. 2021 B	Change B - A
Total core funding	4,210.8	4,439.2	+228.3
Deposits / NCDs	4,012.5	4,253.9	+241.4
Bonds	198.3	185.2	-13.1
Retail funding ratio *	61%	62%	
Loan-to-deposit ratio incl. NCDs	73%	70%	

* Defined as follows:
Retail funding ratio = Retail deposit/ Total core funding

Funding by customer segment



Mid-term KPIs

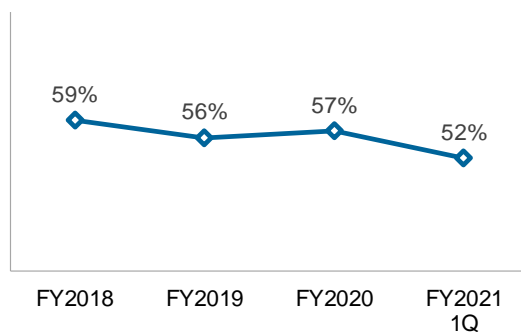
	FY2020 Results	FY2021 1Q Results	Mid-Term Plan Targets (FY2020~2022)	(Ref.) FY2020 Major Banks' Average ^{*3}
Overhead Ratio (OHR)	57%	52%	Below 55%	66%
Business Profit ^{*1} ROA	0.8%	0.9% ^{*2}	1%	0.4%
ROE	6.3%	9.3% ^{*2}	8% or higher	4.9%

* 1 Including gains/losses on equity method investments

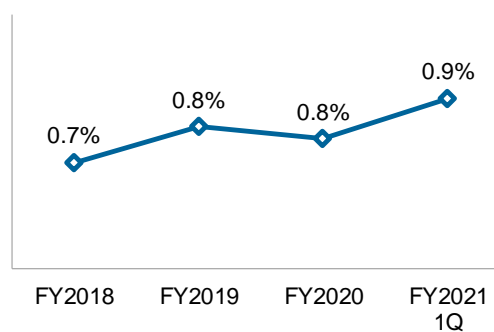
* 2 Annualized basis

* 3 Major banks refers to MUFG, SMFG, Mizuho FG, Resona HD, Sumitomo Mitsui Trust HD, and Shinsei.

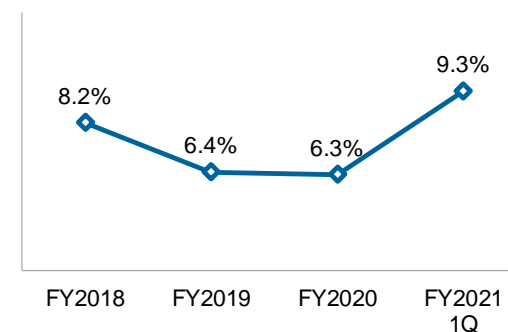
Overhead Ratio (OHR)



Business Profit ROA



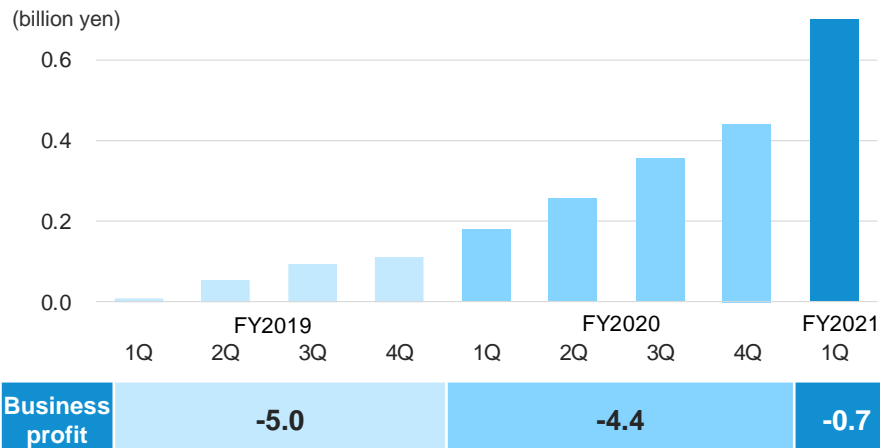
ROE



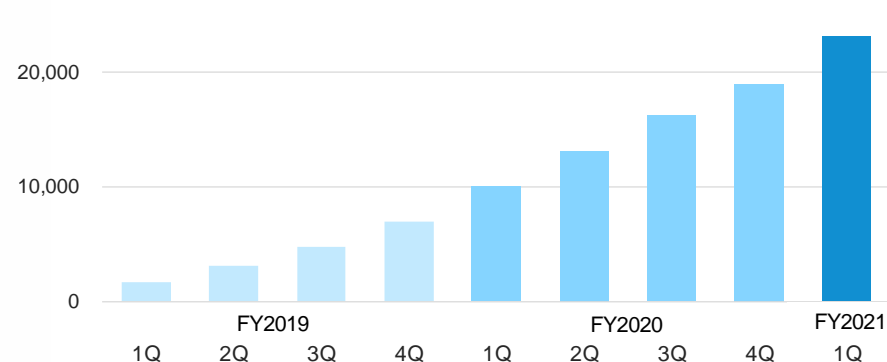
GMO Aozora Net Bank (GANB)

◆ Net revenue and number of corporate accounts grew steadily in 1Q. Business profit/loss improved to -0.7 billion yen, representing better than expected progress

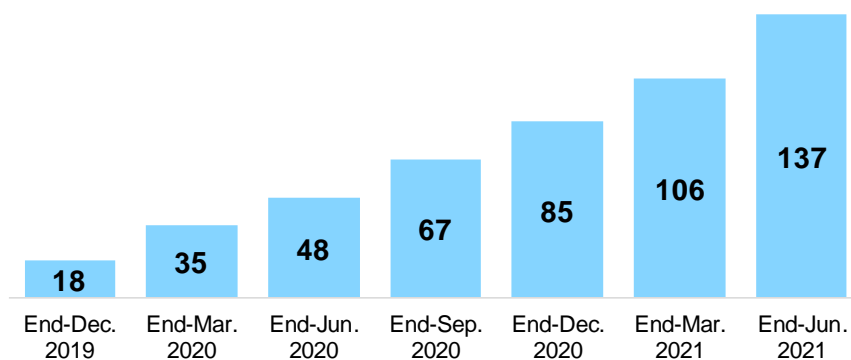
Quarterly net revenue



Number of corporate accounts



Number of API connection contracts



Mid- to long-term strategic focus areas

- ◆ No. 1 bank among small businesses and start-ups
 - Overdraft Protection up to 100,000 yen “Anshin 100,000 yen”
 - Payments and transfers app “free payment and transfer management with GMO Aozora Net Bank”
 - Expansion of business support services
 - Same-day corporate account openings
- ◆ No.1 Embedded Finance Services
 - Easy-to-use embedded finance services
 - Digital business garage “ichibar”
- ◆ No. 1 Tech-first banking services
 - DX support for corporate customers from an engineer-first perspective

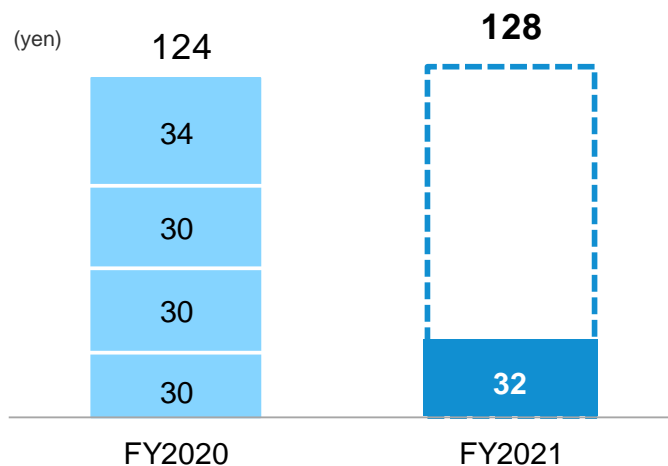
Dividends

- ◆ The 1st quarter dividend is 32 yen per common share, one quarter of the full year dividend forecast of 128 yen per common share
- ◆ Aozora intends to continue quarterly dividend payments

Dividend per common share

	1st quarter	2nd quarter	3rd quarter	Year-end	Full-year
Current forecast (FY2021)		-	-	-	128 yen*
Dividend payment (FY2021)	32 yen				

Dividend payment amount



* The mid- to long-term dividend policy based on a target dividend payout ratio of 50% will be flexibly managed, along with our full-year dividend target of at least 128 yen, in light of future economic conditions and Aozora's financial results.

While only the full-year dividend forecast is shown here, the Bank intends to continue quarterly dividend payments.

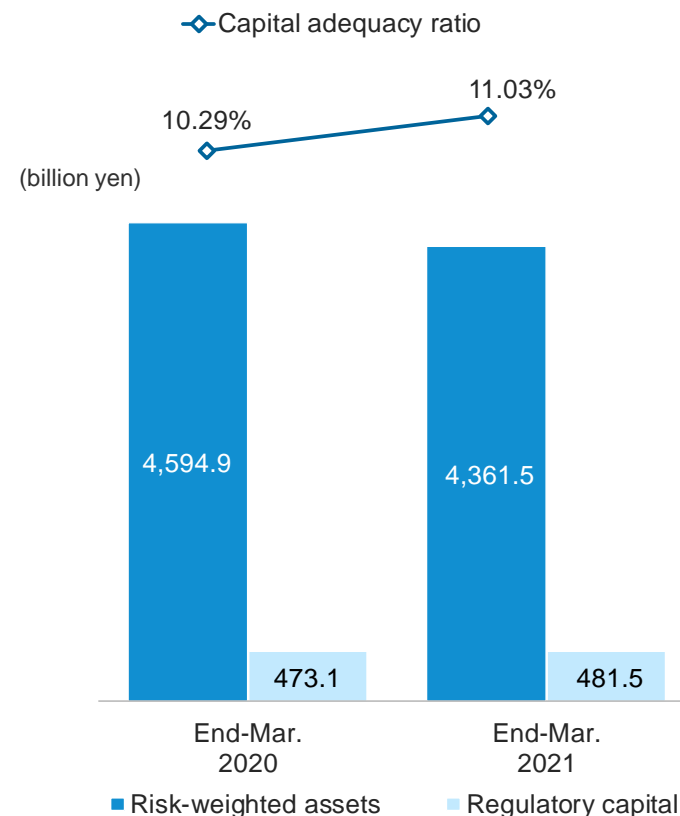
(Note) The dividend forecast for FY2021 of 128 yen per common share is based on the total dividend amount, which is 50% of the consolidated net earnings forecast divided by the total number of common shares issued, excluding treasury stock, as of March 31, 2021.

Reference: Capital adequacy ratio (as of March 31, 2021)

◆ The consolidated capital adequacy ratio (domestic standard) is expected to remain at an adequate level (to be announced in mid-August)

Domestic Standard

(billion yen)	End-Mar. 2020 A	End-Mar. 2021 B	Change B - A
Capital adequacy ratio	10.29%	11.03%	+0.74 %
Regulatory capital (A - B)	473.1	481.5	+8.3
Instruments and reserve (A)	488.3	505.3	+16.9
Shareholders' equity	449.2	463.8	+14.5
Other	39.1	41.4	+2.3
Regulatory adjustment (B)	15.2	23.8	+8.5
Risk-weighted assets	4,594.9	4,361.5	-233.3
Credit risk assets	4,065.1	3,853.5	-211.5
Market risk assets	380.1	355.7	-24.4
Operational risk assets	149.6	152.2	+2.5



Reference: PL summary (non-consolidated basis)

	(billion yen)	FY2020	FY2021	Change B - A		FY2021 Full-year Forecast	Progress
		Apr.-Jun. A	Apr.-Jun. B	Amount	%		
Net revenue		20.4	22.7	+2.2	+10.8%	87.0	26%
Business profit (before general loan-loss reserves)		10.0	11.5	+1.5	+15.7%	42.0	28%
Ordinary profit		10.0	13.7	+3.7	+37.3%	42.0	33%
Net income		8.1	10.1	+2.0	+25.3%	29.0	35%

Reference: Consolidated, non-consolidated difference

(billion yen)

(A) Non-consolidated net income	10.1
(B) Profit attributable to owners of parent	11.5
(B) - (A) (a + b) Difference	1.4

Breakdown of the difference

(a) Consolidated subsidiaries / affiliates	0.5
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	Line of Business	Share of Earnings ^{*1}	Net Earnings
GMO Aozora Net Bank, Ltd.	Internet banking business	50.0% ^{*2}	-0.8
Aozora Loan Services Co., Ltd.	Distressed loan servicing	67.6%	0.0
Aozora Securities Co., Ltd.	Financial instruments business	100.0%	0.9
Aozora Regional Consulting Co., Ltd.	Business consulting services	100.0%	0.0
Aozora Investment Management Co., Ltd.	Investment management services	100.0%	0.0
Aozora Real Estate Investment Advisors Co., Ltd.	Investment advisory services	100.0%	-0.0
ABN Advisors Co., Ltd.	M&A advisory services	100.0%	0.0
Aozora Corporate Investment Co., Ltd.	Venture Capital investment	100.0%	0.0
Aozora Asia Pacific Finance Limited	Financial services (Hong Kong)	100.0%	-0.4
Aozora Europe Limited	Financial services (London)	100.0%	0.0
Aozora North America, Inc.	Financial services (New York)	100.0%	0.3
AZB Funding	SPC	100.0%	-0.2
Aozora GMAC Investment Limited	Investments	100.0%	-0.0
Orient Commercial Joint Stock Bank	Commercial Bank (Vietnam)	15.0%	0.5 ^{*3}

(b) Consolidation adjustments	0.8
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Gains/losses attributable to non-controlling interests (GMO Aozora Net Bank, Ltd.)	0.4
Other	0.4

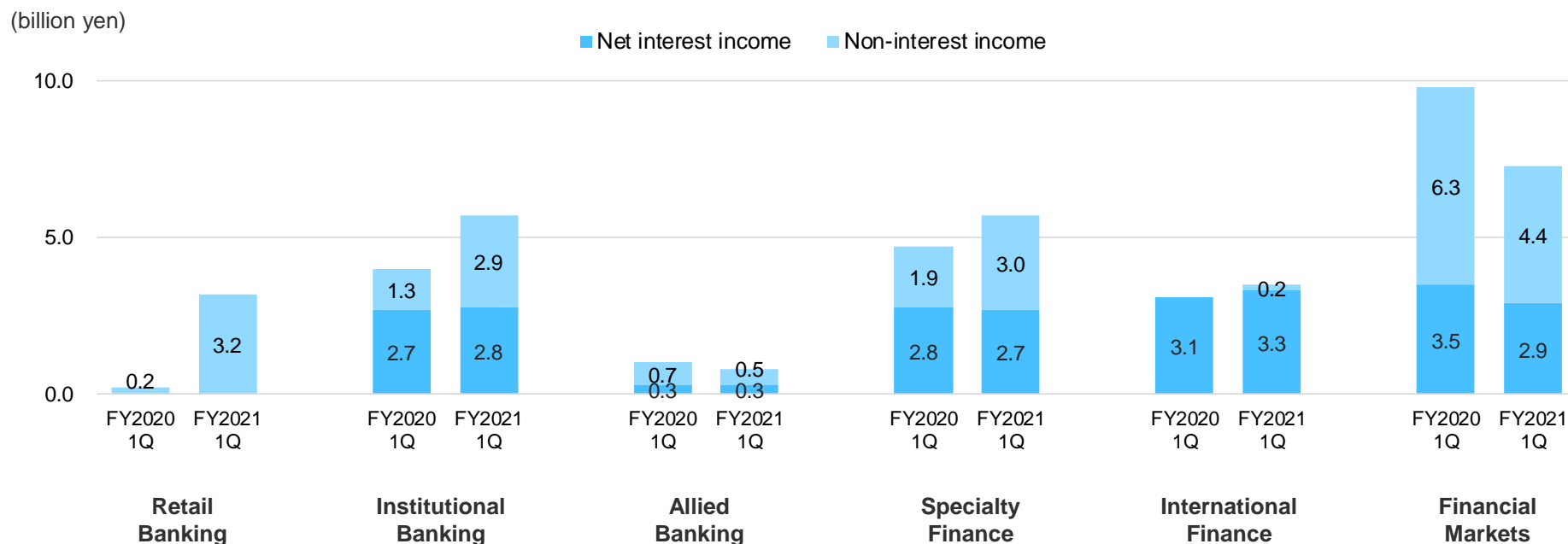
*1 Percentage of profit and loss attributable to owners of parent

*2 Voting rights ratio is 85.1%

*3 Revenue contribution from equity method investments

Reference: Results by business segment

Consolidated net revenue by business segment*



* Management accounting basis, excluding non-business segment income

* Aozora changed its methods for calculating the net revenue by business segment starting in 1Q of FY2021. Net revenue by business segments for 1Q of FY2020 is presented to reflect these new calculation methods

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This presentation contains forward-looking statements regarding the Bank's financial condition and results of operations. These forward-looking statements, which include the Bank's views and assumptions with respect to future events, involve certain risks and uncertainties. Actual results may differ from forecasts due to changes in economic conditions and other factors including the effects of changes in general economic conditions, changes in interest rates, stock markets and foreign currency, and any ensuing decline in the value of our securities portfolio, incurrence of significant credit-related cost and the effectiveness of our operational, legal and other risk management policies