

January 31, 2022

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Revision to FY2021 Full-Year Earnings and Dividend Forecasts (Dividend Increase)

TOKYO January 31, 2022 - Aozora Bank, Ltd. ("Aozora" or "the Bank") today announced revisions to its full-year earnings and dividend forecasts announced on May 13, 2021.

1. Revision to FY2021 Full-Year Earnings Forecast (April 1, 2021 to March 31, 2022)

Consolidated basis

(billion yen)	Net revenue	Business profit	Ordinary profit	Profit attributable to owners of parent	Profit attributable to owners of parent per common share
Previous Forecast	97.0	42.5	42.5	30.0	256.91 yen
Revised Forecast	102.0	47.0	47.0	34.0	291.16 yen
Change	5.0	4.5	4.5	4.0	34.25 yen
Percentage change	5.2%	10.6%	10.6%	13.3%	13.3%

Non-consolidated basis

(billion yen)	Net revenue	Business profit before general loan-loss reserves	Ordinary profit	Net income	Net income per common share
Previous Forecast	87.0	42.0	42.0	29.0	248.34 yen
Revised Forecast	90.0	44.5	44.5	31.0	265.47 yen
Change	3.0	2.5	2.5	2.0	17.13 yen
Percentage change	3.4%	6.0%	6.0%	6.9%	6.9%

Reason for revision

Aozora has decided to revise upwards its previously announced FY2021 full-year consolidated and non-consolidated earnings forecasts at this time, mainly in light of net revenue, business profit, and profit attributable to owners of parent that are expected to exceed the Bank's original forecasts as a result of strong non-interest income, particularly from customer-related transactions, including from the promotion of its Strategic Investments Business.

2. Revisions to FY2021 Full-Year Dividend Forecast

	Dividend per common share				
Record date	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Total
Previous forecast			-	-	128 yen
Revised forecast				41 yen	145 yen
Payments in FY2021	32 yen	40 yen	40 yen		
Payments in FY2020	30 yen	30 yen	30 yen	34 yen	124 yen

Reason for revision

Aozora's mid- to long-term dividend policy is based on a target dividend payout ratio of 50%. Based on this policy, the Bank has decided to flexibly manage its dividend payment for the 2021 fiscal year in light of its earnings trend as well as overall economic conditions.

Following the upward revision to the full-year earnings forecast, the Bank has also decided to revise its full-year dividend forecast to 145 yen per common share, an increase of 17 yen compared to the previous forecast.

In addition, as the third quarter dividend payment has now been determined, the year-end dividend per common share is expected to reach 41 yen.

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The forecasts contained in this announcement are based on certain assumptions reasonably determined by the Bank according to the most recently available information, and are not intended as a guarantee of future results. Actual results may differ from the forecasts due to a variety of factors.