



February 1, 2024

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Listed exchange: TSE Prime Market, Code 8304
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Aozora Announces No Dividend to be Paid for the Third Quarter

TOKYO February 1, 2024 — Aozora Bank, Ltd. today announced that its Board of Directors resolved to not pay a dividend from retained earnings for the third quarter of FY2023 (record date: December 31, 2023) as described below.

Please also refer to “Revision to FY2023 Full-Year Earnings and Dividend Forecasts” announced today.

1. Details of Dividend Payments from Retained Earnings

	FY2023 3 rd quarter dividend	Most recent forecast	Previous results (FY2022 3 rd quarter)
Record date	December 31, 2023	December 31, 2023	December 31, 2022
Dividend per common share	0 yen	To be determined	38 yen
Total dividend amount	-	-	4,437 million yen
Effective date	-	-	March 15, 2023
Source of payments	-	-	Retained earnings

2. Reason for No Dividend

In setting the FY2023 full-year dividend forecast, we had planned to provide a stable dividend based on the steady growth of our customer-related business and maintaining a sufficient capital adequacy ratio. However, while the customer-related business has been growing as anticipated, the consolidated capital adequacy ratio (domestic standards) and the CET1 ratio as of March 31, 2024 are expected to be approximately 8.8% and 6.6% respectively, temporarily falling below our target levels of 9% and 7%, respectively.

In order to retain capital for growth as well as to enhance our overall financial strength in the next fiscal year and beyond, we have decided to not pay a dividend for the third quarter and we are also now forecasting no dividend for the fourth quarter. As a result, the full-year dividend forecast for FY2023 has been revised downward to 76 yen per share.

We regret that we were not able to meet the expectations of our shareholders due to a failure to reach the initial dividend forecast. We would appreciate your understanding that this is a necessary step toward our steady business growth and stable dividend in the next fiscal year and beyond and kindly ask for your continued support.

Reference: Revision to FY2023 Full-Year Dividend Forecast

	Dividend per common share				
Record date	June 30 (1 st quarter)	September 30 (2 nd quarter)	December 31 (3 rd quarter)	March 31 (4 th quarter)	Total
Previous Forecast for FY2023			-	-	154 yen
Revised Forecast for FY2023				0 yen	76 yen
Payments in FY2023	38 yen	38 yen	0 yen		
(Reference) Payments in FY2022	38 yen	38 yen	38 yen	40 yen	154 yen