

January 31, 2018

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 Name of representative: Shinsuke Baba, President and CEO
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Aozora Bank Announces Third Quarter Dividend Payment

The Bank's Board of Directors approved dividend payments from retained earnings for the third quarter of FY2017 at the Board of Directors Meeting held today.

The Bank will pay a dividend of 50 yen per share to common shareholders, an increase from the first and second quarter dividend payments of 4 yen per share (40 yen taking into consideration the share consolidation on October 1, 2017). This reflects the steady progress of profit attributable to owners of parent for the first nine months of FY2017 (33.5 billion yen) towards the full-year forecast of 43 billion yen.

Please refer to the tables below for details.

Details of Common Stock Dividend Payments from Retained Earnings

	Amount	Most recent forecast	Previous (FY2016 third quarter)
Record date	December 31, 2017	December 31, 2017	December 31, 2016
Dividend per share	50 yen	—	5 yen
Total dividend amount	5,832 million yen	—	5,831 million yen
Payment date	March 15, 2018	—	March 15, 2017
Source of dividend payments	Other retained earnings	—	Other retained earnings

Reference: Common Stock Dividend

	Dividend per share				
Record date	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Total
Dividend forecast in FY2017				54 yen (Note1&Note2)	— (Note2)
Dividend in FY2017	4 yen (Note2)	4 yen (Note2)	50 yen (Note2)		
Dividend in FY2016	4 yen	4 yen	5 yen	5.7 yen	18.7 yen

(Note1) The dividend payment forecast for FY2017 was calculated by dividing the total dividend amount, which is set at 50% of profit attributable to owners of parent for forecast FY2017 (43 billion yen), by the total number of common shares issued, excluding treasury shares, as of December 31, 2017.

(Note2) On October 1, 2017, the Bank consolidated every ten common shares into one common share. The above dividend payments for the 1st quarter and the 2nd quarter of FY2017 are actual amounts before the share consolidation, and those for the 3rd quarter and year-end are actual or forecast amounts after the share consolidation. As total dividends cannot be calculated by simply adding together dividend payments for each quarter, the annual dividend forecast for FY2017 is shown as “-”.

If not for the share consolidation, the common share dividend forecast for FY2017 would be 18.40 yen per common share, which remains unchanged from the last forecast (taking into consideration the share consolidation, the common share dividend forecast for FY2017 is 184 yen per common share).

Assuming that the share consolidation was effective at the beginning of the previous accounting period, dividend payments for each quarter are as follows.

	Dividend per share				
Record date	1 st quarter	2 nd quarter	3 rd quarter	Year-end	Total
Dividend forecast in FY2017				54 yen	184 yen
Dividend in FY2017	40 yen	40 yen	50 yen		
Dividend in FY2016	40 yen	40 yen	50 yen	57 yen	187 yen

End