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Aozora Evaluating Transfer of Trust Operations

Tokyo March 23, 2018 — Aozora Bank, Ltd. (President and CEO: Shinsuke Baba; Head Office: Tokyo) ('Aozora' or 'the Bank') today announced that it is evaluating the potential transfer of the trust operations of the Bank's subsidiary, Aozora Trust Bank Co., Ltd. (Representative Executive Officer: Takehito Kaneko; Representative Director: Masaki Yamagata; Head Office: Tokyo) ('Aozora Trust Bank'), to the main bank through a corporate transfer (hereafter, "the transfer") upon receiving approval to conduct trust business from the Ministry of Finance.

1. Background

Aozora began the study of a potential transfer due to considerations regarding customer convenience and a desire to provide stable services through the transfer of trust operations. As a result of this study, the Bank arrived at the following initial conclusions.

1. While Aozora Trust Bank's current customer-focused business solutions consist of leveraging its strengths of personal and customized trust operations, Aozora Trust Bank will begin Internet Banking services in July of this year and initiate development of a non-face-to-face business model.
2. As 70% of Aozora Trust Bank's business is derived from corporate customers of Aozora Bank, the development of trust operations at the bank will increase customer satisfaction and facilitate a more consistent quality of service.

2. Influence on Earnings

The transfer will have no material effect on consolidated earnings.

3. Schedule

Upon receipt of regulatory approval and the satisfaction of other regulatory requirements, Aozora will formally commence trust operations under this new structure in mid-2018. A more specific timeline for the transfer and related details will be announced at a later time once all specifics have been finalized.