

July 21, 2016

Company name: Aozora Bank, Ltd.
Name of representative: Shinsuke Baba, President and CEO
Listed exchange: TSE, Code 8304
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Aozora Trust Bank Executes Capital Alliance for Joint Venture Internet Bank with GMO CLICK Holdings, Inc.

Aozora Bank, Ltd. (President and CEO: Shinsuke Baba; Head Office: Tokyo) ('Aozora' or 'the Bank'), Aozora Trust Bank, Ltd. ('Aozora Trust') and GMO Internet, Inc. ('GMO') entered into a capital and business alliance (the 'Initial Alliance') on June 24, 2016, regarding a joint venture Internet bank to be operated by Aozora Trust.

In accordance with the Initial Alliance announced in the Bank's June 24, 2016 press release, GMO CLICK Holdings, Inc. ('GMO CLICK') has executed a share transfer agreement with GMO, acquiring a portion of the latter's Aozora Trust common shares. To ensure the smooth operation of Aozora Trust, GMO CLICK, Aozora and GMO have also executed a succession of contractual status agreement, amending the June 24, 2016 shareholders' agreement between Aozora and GMO to include GMO CLICK (the 'New Alliance').

1. Objectives of the New Alliance

Technological advancements in the IT industry have led to growing interest in 'FinTech' within the finance industry. FinTech services leverage information technology to provide enhanced convenience in finance-related businesses.

The Aozora Bank and GMO groups executed the Initial Alliance with the aim of leveraging their respective expertise to jointly operate a next-generation Internet bank which responds to the changing needs of customers.

By including GMO CLICK as a party to the New Alliance, the parties aim to take full advantage of GMO CLICK's system development capabilities in order to enhance the joint venture Internet bank, as well as collaborate with GMO CLICK Securities, Inc. to offer services integrating banking and securities. The parties will also strive to further enhance each group's business and corporate value, and contribute to the creation of added social value.

2. Details of the New Alliance

GMO will transfer to GMO CLICK 10,290 shares of the 20,580 common shares acquired from Aozora Trust's 6.6 billion yen capital increase, implemented through a third party allocation of new shares on June 29, 2016.

In addition, the succession of contractual status agreement provides for the transfer to GMO and/or GMO CLICK ('GMO partners') of all Class A and Class B shares acquired by Aozora on either the date on which the GMO partners obtain necessary authorization from the relevant authority to become a major shareholder of Aozora Trust, or 5 years from the official launch date of the Internet bank, whichever comes first. Subject only to obtaining the aforementioned authorization from the relevant authority, the GMO partners may convert any class shares acquired to common shares.

Aozora Trust issued the following 3 types of shares on June 29, 2016.

① Common shares

No. of shares: 20,580 shares

Issuance amount : 1,160,917,800 yen

Underwriter: GMO Internet

② Class A shares

No. of shares: 96,430 shares

Issuance amount: 5,439,616,300 yen

Underwriter: Aozora Bank

③ Class B shares

No. of shares: 490 shares

Issuance amount: 27,640,900 yen

Underwriter: Aozora Bank

The ratio of voting rights at Aozora Trust following the New Alliance will be as follows, assuming that the GMO partners acquire all relevant class shares from Aozora and exercise their right to convert said shares to common shares.

	Current	Following New Alliance	After GMO partners acquire Class A shares and convert to common shares	After GMO partners acquire Class A and Class B shares and convert to common shares
Aozora	85.1%	85.1%	50.1%	50.0%
GMO	14.9%	7.45%	Combined total 49.9%	Combined total 50.0%
GMO CLICK	0.0%	7.45%		

3. Please refer to the attachment for an overview of each alliance partner.

4. Schedule

July 21, 2016	Signing of share transfer agreement between GMO and GMO CLICK; Execution of share transfer Signing of succession of contractual status agreement between Aozora and GMO partners
FY2017	Internet bank launch (scheduled)

5. Outlook

The Bank will immediately announce any projected impact the New Alliance may have on Aozora, GMO, or GMO CLICK's consolidated results.

(Media inquiries)

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GMO CLICK Holdings, Inc. : Junko Suzuki • Tsukasa Osawa

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Overview of Aozora Bank

① Name	Aozora Bank, Ltd.		
② Location	3-1 Kudan-Minami 1-chome, Chiyoda-ku, Tokyo		
③ Representative	Shinsuke Baba, President and CEO		
④ Operations	Banking services		
⑤ Capital	100 billion yen (As of March 31, 2016)		
⑥ Established	April 1, 1957		
⑦ Major shareholders; Percentage of outstanding shares (As of March 31, 2016)	The Master Trust Bank of Japan, Ltd.(Trust Account)		5.72%
	Japan Trustee Service Bank, Ltd.(Trust Account)		5.44%
	ORIX Bank Corporation(Trust Account 5200011)		2.31%
	STATE STREET BANK WEST CLIENT-TREATY 505234		2.18%
	Japan Trustee Service Bank, Ltd.(Trust Account 9)		2.11%
	STATE STREET BANK AND TRUST COMPANY 505225		1.58%
	JP MORGAN CHASE BANK 380055		1.39%
	Japan Trustee Service Bank, Ltd.(Trust Account 7)		1.34%
	Japan Trustee Service Bank, Ltd.(Trust Account 4)		1.22%
	Japan Trustee Service Bank, Ltd.(Trust Account 1)		1.11%
⑧ Relationship with Aozora Trust, GMO, and GMO CLICK	Capital	Aozora and GMO hold 85.1% and 14.9%, respectively, of Aozora Trust shares (As of July 20, 2016)	
	Personnel	An executive officer and an employee of Aozora serve concurrently as directors of Aozora Trust, and an Aozora employee serves concurrently as Audit and Supervisory Board member (As of July 20, 2016)	
	Transactions	Aozora conducts banking transactions with GMO, GMO CLICK, and Aozora Trust	
	Related party	Aozora Trust is a subsidiary of Aozora, and a related party	
⑨ Earnings results & financial condition (consolidated; million yen)			
Fiscal Year	FY2013	FY2014	FY2015
Ordinary income	131,834	130,035	124,054
Ordinary profit	52,186	59,671	55,721
Net income	42,328	43,689	43,499
Basic net income per share (yen)	34.87	36.19	37.29
Dividends per share (yen)	14.50	14.90	18.60
Net assets	516,038	567,414	405,498
Total equity per share (yen)	292.83	336.83	346.83
Total assets	4,805,439	4,924,472	4,592,921

(Note) 1. 'Percentage of outstanding shares' is rounded down to two decimal places.

2. 'Percentage of outstanding shares' is calculated excluding shares owned by the Bank (16,501 thousand shares).

3. In the above table, we have calculated the number of common shares and the percentage held by each shareholder based upon the Bank's Shareholder Registry as of March 31, 2016.

4. From FY2015 onward, consolidated net income represents 'profit attributable to owners of parent' in accordance with the Revised Accounting Standard for Business Combinations and related standards and implementation guidance.

Overview of Aozora Trust Bank

① Name	Aozora Trust Bank, Ltd.		
② Location	3-1 Kudan-Minami 1-chome, Chiyoda-ku, Tokyo		
③ Representative	Masaki Yamagata, Director and President		
④ Operations	Banking, trust services		
⑤ Capital	5.4 billion yen (As of March 31, 2016)		
⑥ Established	February 28, 1994		
⑦ Major shareholders; Percentage of outstanding shares (As of June 30, 2016)	Aozora Bank	85.1%	
	GMO Internet	14.9%	
⑧ Relationship with Aozora, GMO, and GMO CLICK	Capital	Aozora and GMO hold 85.1% and 14.9%, respectively, of Aozora Trust shares (As of July 20, 2016)	
	Personnel	An executive officer and an employee of Aozora serve concurrently as directors of Aozora Trust, and an Aozora employee serves concurrently as Audit and Supervisory Board member. A GMO CLICK employee serves concurrently as director of Aozora Trust. GMO's deputy CEO/director of GMO CLICK serves concurrently as Audit and Supervisory Board member of Aozora Trust, and GMO CLICK's director/executive officer also serves concurrently as Audit and Supervisory Board member (As of July 20, 2016)	
	Transactions	Aozora Trust conducts banking transactions with Aozora	
	Related party	Aozora Trust is a subsidiary of Aozora, and a related party	
⑨ Earnings results & financial condition (consolidated; million yen)			
Fiscal Year	FY2013	FY2014	FY2015
Ordinary income	358	318	443
Ordinary profit	13	-21	100
Net income	10	-33	69
Basic net income per share (yen)	91.23	-280.88	587.69
Dividends per share (yen)	-	-	-
Net assets	6,584	6,555	6,626
Total equity per share (yen)	56,037.03	55,791.33	56,394.69
Total assets	6,673	6,634	6,759

(Note) 1. Capital is 8.8 billion yen (as of July 20, 2016), following Aozora Trust's third party allocation of new shares on June 29, 2016.

Overview of GMO Internet

① Name	GMO Internet, Inc.		
② Location	26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo		
③ Representative	Masatoshi Kumagai, Founder and Group CEO		
④ Operations	Internet infrastructure, online advertising and media, Internet securities, mobile entertainment		
⑤ Capital	5 billion yen (As of December 31, 2015)		
⑥ Established	May 24, 1991		
⑦ Major shareholders; Percentage of outstanding shares (As of March 31, 2016)	Kumagai Masatoshi Office, Ltd.	30.80%	
	Masatoshi Kumagai	9.86%	
	Japan Trustee Services Bank, Ltd. (Custodial Account)	6.47%	
	The Master Trust Bank of Japan, Ltd.	3.27%	
	The Bank of New York (133524)	2.07%	
	Trust & Custody Services Bank, Ltd (Account in pension trust)	1.34%	
	SAJAP	1.20%	
	Japan Trustee Service Bank, Ltd. (Trust Account 9)	1.20%	
	The Chase Manhattan Bank	1.05%	
	GOLDMAN, SACHS & CO. REG	0.95%	
⑧ Relationship with Aozora, Aozora Trust, and GMO CLICK	Capital	Aozora and GMO hold 85.1% and 14.9%, respectively, of Aozora Trust shares (As of July 20, 2016). GMO holds 82.05% of GMO CLICK shares (As of June 30, 2016)	
	Personnel	Deputy CEO of GMO serves concurrently as Audit and Supervisory Board member of Aozora Trust. Deputy CEO of GMO also serves concurrently as director of GMO CLICK (As of July 20, 2016)	
	Transactions	GMO conducts banking transactions with Aozora	
	Related party	GMO CLICK is a subsidiary of GMO, and a related party	
⑨ Earnings results & financial condition (consolidated; million yen)			
Fiscal Year	FY2013	FY2014	FY2015
Sales amount	93,704	109,368	126,337
Operating profit	11,000	12,931	14,803
Ordinary profit	10,941	12,734	14,857
Net income	5,244	5,841	13,419
Basic net income per share (yen)	212.12	248.14	336.50
Net assets	36,884	43,876	62,156
Total equity per share (yen)	44.51	49.58	113.91
Dividends per share (yen)	15.00	17.00	38.00
Total assets	429,762	483,367	554,626

(Note) 1. 'Percentage of outstanding shares' is rounded down to two decimal places.

2. 'Percentage of outstanding shares' is calculated based upon GMO's Shareholder Registry as of March 31, 2016.

3. From FY2015 onward, consolidated net income represents 'profit attributable to owners of parent' in accordance with the Revised Accounting Standard for Business Combinations and related standards and implementation guidance.

Overview of GMO CLICK Holdings

① Name	GMO CLICK Holdings, Inc.		
② Location	20-1 Sakuragaoka-cho, Shibuya-ku, Tokyo		
③ Representative	Hiroyasu Kito, President and Representative Executive Officer		
④ Operations	Financial holding company		
⑤ Capital	393 million yen (As of June 30, 2016)		
⑥ Established	January 4, 2012		
⑦ Major shareholders; Percentage of outstanding shares (As of June 30, 2016)	GMO Internet, Inc.		82.05%
	Daiwa Securities Group, Inc.		9.46%
	Hideyuki Takashima		1.01%
	Japan Trustee Services Bank, Ltd. (Custodial Account)		0.70%
	Kabu.com Securities Co., Ltd.		0.69%
	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG / JASDEC / HENDERSON HHF SICAV		0.20%
	The Master Trust Bank of Japan, Ltd.		0.14%
	The Nomura Trust and Banking Co., Ltd.		0.11%
	Trust & Custody Services Bank, Ltd.		0.11%
	Hiroyasu Kito		0.08%
⑧ Relationship with Aozora, Aozora Trust, and GMO	Capital	GMO holds 82.05% of GMO CLICK shares (As of June 30, 2016)	
	Personnel	An employee of GMO CLICK serves concurrently as director of Aozora Trust. A director/executive officer of GMO CLICK serves concurrently as Audit and Supervisory Board member of Aozora Trust. Deputy CEO of GMO serves concurrently as director of GMO CLICK (As of July 20, 2016)	
	Transactions	GMO CLICK conducts banking transactions with Aozora	
	Related party	GMO is GMO CLICK's parent company, and a related party	
⑨ Earnings results & financial condition (consolidated; million yen)			
Fiscal Year	FY2013	FY2014	FY2015
Sales amount	21,456	24,958	29,017
Operating profit	5,585	7,747	10,611
Ordinary profit	5,466	7,707	10,570
Net income	3,689	4,855	6,453
Basic net income per share (yen)	32.78	43.13	55.82
Net assets	19,751	20,312	24,646
Total equity per share (yen)	167.31	171.91	210.48
Dividends per share (yen)	85.17	44.68	22.32
Total assets	353,374	465,709	455,896

(Note) 1. 'Percentage of outstanding shares' is rounded down to two decimal places.

2. 'Percentage of outstanding shares' is calculated based upon GMO CLICK's Shareholder Registry as of June 30, 2016.

3. From FY2015 onward, consolidated net income represents 'profit attributable to owners of parent' in accordance with the Revised Accounting Standard for Business Combinations and related standards and implementation guidance.

4. GMO CLICK executed a 6.25-for-1 stock split on December 24, 2014. Dividends per share for FY2014 are a converted amount following the stock split.