

Aozora Bank announces the terms of Aozora Debentures both for its public sales and for asset saving (*Zaikei* issue), and of the Discount Aozora Debentures, 1 & 5 year(s)

Tokyo (June 26, 2002) — Aozora Bank, Ltd. ("Aozora Bank") announced the terms of Aozora Debentures both for the public sales and for the asset saving (*Zaikei* issue) as well as its Discount Aozora Debentures as follows, in view of recent economic and financial conditions:

**1. Aozora Debentures for the public sales,
July First Half Issue, 5 years**

		July First Half Issue	June Second Half Issue
Interest-Bearing Debenture	Coupon	0.20% per annum	0.20% per annum
Interest-Compounded Debenture	Average Yield	0.202% Semiannually compounded interest of 0.20%	0.202% Semiannually compounded interest of 0.20%

※ Sales Period

From **Friday, June 28, 2002 to Friday, July 12, 2002**

**2. Aozora Debentures for asset saving (*Zaikei* issue)
July, 5 years**

		July	June
Interest-Bearing Debenture (<i>Zaikei</i>)	Coupon	0.20% per annum	0.20% per annum
Interest-Compound Debenture (<i>Zaikei</i>)	Average Yield	0.202% Semiannually Compounded interest of 0.20%	0.202% Semiannually compounded interest of 0.20%

※ Sales Period

From Friday, June 28, 2002 to Friday, July 26, 2002

3. Discount Aozora Debentures, July First Half Issue, 1 year

Discount debentures

		July First Half Issue	June Second Half Issue
Discount rate		0.06% per annum	0.06% per annum
Yield to maturity	Before tax	0.070% per annum	0.070% per annum
	After tax	0.060% per annum	0.060% per annum
Issue Price on the last day of the sales period			
	Before tax	¥9,994 per ¥10,000	¥9,993 per ¥10,000
	After tax	¥9,995 per ¥10,000	¥9,994 per ¥10,000

Discount debentures (safe custody only)

		July First Half Issue	June Second Half Issue
Discount rate		0.04% per annum	0.04% per annum
Yield to maturity	Before tax	0.050% per annum	0.050% per annum
	After tax	0.050% per annum	0.050% per annum
Issue Price on the last day of the sales period			
	Before tax	¥9,996 per ¥10,000	¥9,995 per ¥10,000
	After tax	¥9,996 per ¥10,000	¥9,995 per ¥10,000

※ Sales Period

From Friday, June 28, 2002 to Friday, July 12, 2002