

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 (December 25, 2003) — 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 ,
January First Half Issue, 5 years**

| | | January First Half Issue | December Second Half Issue |
|----------------------------------|---------------|---|---|
| Interest-Bearing Debenture | Coupon | 0.10% per annum | 0.10% per annum |
| Interest-Compounded Debenture | Average Yield | 0.102% Semiannually compounded interest of 0.10% | 0.102% Semiannually compounded interest of 0.10% |

※ Sales Period

From **Monday, December 29, 2003** to **Friday, January 9, 2004**

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

| | | January | February |
|--|---------------|---|---|
| Interest-Bearing Debenture (<i>Zaikei</i>) | Coupon | 0.10% per annum | 0.10% per annum |
| Interest-Compound Debenture (<i>Zaikei</i>) | Average Yield | 0.102% Semiannually Compounded interest of 0.10% | 0.102% Semiannually compounded interest of 0.10% |

※ Sales Period

From **Monday, December 29, 2003** to **Tuesday, January 27, 2004**

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

Discount debentures

| | | January First Half Issue | December 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 | ¥9,993 per ¥10,000 | ¥9,993 per ¥10,000 |
| | After tax | ¥9,994 per ¥10,000 | ¥9,994 per ¥10,000 |

Discount debentures (safe custody only)

| | | January First Half Issue | December 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 | ¥9,995 per ¥10,000 | ¥9,995 per ¥10,000 |
| | After tax | ¥9,995 per ¥10,000 | ¥9,995 per ¥10,000 |

※ Sales Period

From **Monday, December 29, 2003** to **Friday, January 9, 2004**