

**Aozora Bank announces the terms of Aozora Debentures  
and of the Discount Aozora Debentures, 1 & 5 year(s)**

**Tokyo (September 9, 2005)** – Aozora Bank, Ltd. (“Aozora Bank”) announced the terms of Aozora Debentures and of Discount Aozora Debentures as follows, in view of recent economic and financial conditions:

**1. Aozora Debentures for the public sales,  
September Second Half Issue, 5 years**

		<b>September Second Half Issue</b>	September First Half Issue
Interest-Bearing Debenture	Coupon	<b>0.10% per annum</b>	0.10% per annum
Interest-Compounded Debenture	Average Yield	<b>0.102% Semiannually compounded interest of 0.10%</b>	0.102% Semiannually compounded interest of 0.10%

- Sales Period

From **Tuesday, September 13, 2005** to **Tuesday September 27, 2005**

**2. Discount Aozora Debentures, September Second Half Issue, 1 year  
Discount debentures**

		<b>September Second Half Issue</b>	September First Half Issue
Discount rate		<b>0.05% per annum</b>	0.05% per annum
Yield to maturity	Before tax	<b>0.060% per annum</b>	0.060% per annum
	After tax	<b>0.050% per annum</b>	0.050% per annum
Issue Price on the last day of the sales period			
	Before tax	<b>¥9,994 per ¥10,000</b>	¥9,994 per ¥10,000
	After tax	<b>¥9,995 per ¥10,000</b>	¥9,995 per ¥10,000

**Discount debentures (safe custody only)**

		<b>September Second Half Issue</b>	September First Half Issue
Discount rate		<b>0.03% per annum</b>	0.03% per annum
Yield to maturity	Before tax	<b>0.040% per annum</b>	0.040% per annum
	After tax	<b>0.040% per annum</b>	0.040% per annum
Issue Price on the last day of the sales period			
	Before tax	<b>¥9,996 per ¥10,000</b>	¥9,996 per ¥10,000
	After tax	<b>¥9,996 per ¥10,000</b>	¥9,996 per ¥10,000

- Sales Period

From **Tuesday, September 13, 2005** to **Tuesday September 27, 2005**