

<Aozora Securities Launches Operations>

TOKYO August 1, 2006—Aozora Bank, Ltd, (“Aozora”), a leading Japanese commercial bank, today announced that its brokerage subsidiary Aozora Securities Co. Ltd (“Aozora Securities”), commenced operations in Tokyo today. We are very excited to announce that Aozora Securities is now open for business, as this marks an important expansion in the operational capabilities of the Aozora group, and further demonstrates our commitment to return Aozora to its place as a leading Japanese provider of financial solutions”, said Mr.Noumi, Aozora’s recently appointed Vice Chairman.

Aozora Securities will enhance the Bank’s drive to expand and strengthen its product lineup to better serve clients. The new subsidiary will play a key role in meeting the needs of Aozora’s long-standing institutional clients who have diversified their portfolios to include structured debt and other financial instruments. Demand is also growing from public service corporations seeking attractive alternative investment options beyond deposits and bank debentures.

Initially, Aozora Securities will act as a dedicated intermediary brokerage for the Bank, marketing exclusively to corporate clients. To support this launch, Aozora Securities has signed a business underwriting agreement in which the Bank will offer brokerage services for its new subsidiary. Consequently, Aozora Securities will be able to harness the Bank’s network of over 50 dedicated salespeople at Head Office and eight sales offices around Japan. It will also be able to offer asset management products to the Bank’s extensive customer base of regional financial institutions including first- and second-tier banks, credit unions and credit associations as well as educational and religious and other public service corporations.

Aozora Securities will initially focus on structured debt products marketing an array of sophisticated offerings. They will include Constant Maturity Swaps, Power Reverse Dual Currency bonds, Nikkei-linked bonds, commodity-index linked bonds, Constant Proportion Portfolio Insurance fund-linked bonds and synthetic Collateralized Debt Obligations. Over time, Aozora Securities plans to further enhance its product lineup.

Aozora Securities will deliver several benefits:

- Through Aozora Securities, Aozora will be able to source various securities directly from secondary markets. This will enable the Bank to be more price competitive, expand its product lineup and improve service quality.
- Aozora Securities is currently not a certified securities underwriter but plans to develop that capability in the future. Aozora Securities will make a big contribution to the range of financing options available to customers. It may also act as an underwriter and seller of the Bank’s own corporate bond issues in the future

Company Outline

Name: Aozora Securities Co. Ltd.

Address: Eiha Building (7th Floor), Kanda Nishiki-cho, Chiyoda-ku, Tokyo

Date of Establishment: April 27, 2006

Date of Registration: July 5, 2006 (Kanto Local Financial Bureau, No. 274)

Capital: 500 million yen

Share ownership: A wholly owned subsidiary of Aozora Bank Ltd.

Representative Director: Masaya Mizobuchi

Number of Employees: 13

Career Profile: Masaya Mizobuchi

March 1966 - Graduated Tokyo University Faculty of Economics

April 1966 - Joined Long-Term Credit Bank of Japan, Ltd.

Sept. 1988 - President, LTCB International Ltd.

July 1995 - Senior Managing Director, Long-Term Credit Bank of Japan

Nov. 1996 - President, LTCB Trust and Banking Co., Ltd

June 1998 - President, Representative Director, Daiichi Securities, Ltd.

April 1999 - Chairman of the Board of Directors, Daiichi Securities, Ltd.

April 2000 - Special Advisor, UFJ Partners Asset Management Co., Ltd

June 2000 - President, Representative Director, UFJ Partners Asset Management Co., Ltd

March 2002 - Retired from UFJ Partners Asset Management Co., Ltd

April 2006 – President, Aozora Securities, Ltd.