

NEWS RELEASE

Issuance of US Dollar-denominated Step-up Callable Dated Subordinated Notes outside Japan

Tokyo, June 22, 2007 - Aozora Bank, Ltd. today announced plans to issue Dollar-denominated step-up callable dated subordinated notes outside Japan.

Issuer	Aozora Bank, Ltd.
Type of security	US Dollar-denominated step-up callable dated subordinated notes
Issue amount	To be determined
Maturity	10 years (redeemable in whole after 5 years at the option of Aozora Bank on any interest payment date subject to the prior approval of the Financial Services Agency of Japan)
Terms of issue	To be determined
Method of offering	The Notes will be offered in Europe and Asia (excluding Japan) and outside of the United States, in accordance with Regulation S under the U.S. Securities Act of 1933
Security rating (expected)	Moody's: A3 S&P: BBB+
Expected pricing date	Scheduled for early July 2007
Others	The Notes are expected to qualify as Tier II capital

<Attention>

This document is a press release regarding the above securities issuance and not for solicitation whether inside or outside Japan.

The securities are not, and will not be, registered with the securities and exchange commission of the United States. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction except pursuant to an exemption from such registration or qualification under the relevant laws of such jurisdiction.