

NEWS RELEASE

<Comprehensive Business Alliance with Toho Bank>

TOKYO, August 6, 2007 – Aozora Bank, Ltd. (Chairman and CEO: Kimikazu Noumi, “Aozora Bank”) announces the conclusion of a comprehensive business alliance agreement with TOHO BANK, LTD. (President: Seishi Kitamura “Toho Bank”).

Aozora Bank aims to develop its business based on closer cooperation with regional financial institutions for mutual benefit, as a pillar of its business strategy. In Aozora, Toho Bank seeks a strategic partner in the lending field to further contribute to development of the regional economy of Fukushima Prefecture.

Specifically, through this alliance, Aozora Bank will contribute its loan structuring and risk management capability to the benefit of Toho Bank and its longstanding customers. The two banks will be engaged in operations such as the development and application of new financing methods, the planning of support policies and development of support methods for corporate customers in need of revitalization.

Toho Bank’s selection of Aozora as an alliance partner is based on their belief that Aozora Bank can provide various skills and capabilities, and its status as a non-mega bank. Aozora Bank will help to establish an overall loan strategy as lending is a core business of both banks based on long-standing relationships.

This alliance is not exclusive and does not restrict either party from alliances with other financial institutions in the future.

Aozora Bank has long held a unique position in the Japanese banking sector as an independent and skilled participant. Exploiting its neutrality, Aozora Bank plans to continue to enter into strategic partnerships with regional financial institutions, adopting a business model to grow cooperatively to mutually enhance the competitiveness of both Aozora Bank and its regional financial institutions alliance partners.

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