

# ***NEWS RELEASE***

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## **<Revision of the Business Revitalization Plan>**

The Financial Services Agency today publicly announced the revised Business Revitalization Plan submitted by Aozora Bank, Ltd.

The Plan has been revised in accordance with the "Basic Concept for Review of Business Revitalization Plans", announced by the FSA on September 30, 1999. (See attached "Summary of the Business Revitalization Plan".)

Aozora has met all P/L targets under the Business Revitalization Plan since its re-privatization and has already secured retained earnings for repayment of the entire remaining amount of public funds. Upon publicly announcing its FY2006 financial results in May 2007, Aozora Bank stated its strategic priority of the redemption and cancellation of all of the remaining preferred shares, subject to meeting the pricing terms and other criteria for redemption and the approval of the relevant authorities.

The Plan sets out Aozora Bank's commitment to a diversified and sustainable business model, reflected in enhanced net revenue, business profit and net income. This strategy encompasses development of the Bank's investment banking and global investment business, and a strategic focus on both partnership and the formation of mutually beneficial business alliances with its regional financial institution clients.

In this new stage of growth, Aozora reasserts its commitment to the attainment of global best standard frameworks in corporate governance, internal control, and risk management, and views the active investment in personnel and IT as indispensable in the development of new products and expansion of its customer base and market.

From the viewpoint of appropriate return to stockholders as a listed company, a common stock dividend is detailed in the Plan. The common stock dividend for FY2007 is planned to be 3.86 yen per share which is more than double the actual payment for FY2006. Furthermore, Aozora plans to achieve 20% payout ratio as to common stock in FY2009 and FY2010. Dividend payments for each term will be determined and implemented by the Board of Directors, taking into account the Bank's

future earnings status.

Aozora Bank is focused on the achievement of the Business Revitalization Plan, and exceeding P/L targets that it has set for itself. The Bank wishes to extend its gratitude to all customers and shareholders for their continued support, dedication and guidance.