

November 20, 2007

Aozora Bank, Ltd.
8304 (TSE 1st section)
The Sumitomo Trust & Banking Co., Ltd.
8403 (TSE 1st section · OSE 1st section)

Basic Agreement on a Comprehensive Business Alliance between Aozora Bank Group and The Sumitomo Trust & Banking Group

Tokyo, November 20, 2007 – Aozora Bank, Ltd. “Aozora Bank” and The Sumitomo Trust & Banking Co., Ltd. “Sumitomo Trust” today announce the conclusion of a comprehensive business alliance agreement (the “Alliance”), which will allow both parties to further enhance business competitiveness and increase profitability.

1. Objectives of the Alliance

Leveraging its uniquely neutral position in the Japanese banking industry, Aozora Bank Group aims to develop its business through mutually beneficial strategic alliances with regional financial institutions. The Sumitomo Trust Group aims to be the '*customer-oriented top quality trust bank group*' and has been actively promoting strategic alliances for the expansion of its business and the development of its customer franchise. The Sumitomo Trust Group brings the advantage of its expertise in the areas of banking, trust, and real estate to its business collaborations, in order to best meet the broad range of customer needs. This alliance represents an ideal complement to the corporate strategies of both groups.

Following completion of the necessary procedures with the regulatory authorities, the specific business areas in which the two groups will be engaged will be:

- (a) Real estate related business,
- (b) Fiduciary/agency related business, and
- (c) Asset management related business.

This collaboration will bring together the expertise of both banking groups to drive development in these business areas, primarily targeting regional financial institutions with a broad range of value-added financial products and services for themselves and their clients.

2. Alliance Overview

(1) Real Estate Business

The Alliance will enable Aozora Bank and Sumitomo Trust to provide a comprehensive range of solutions best suited to the real estate related needs of the customers of both groups. The specific businesses in which the groups will be engaged are as follows, with additional joint venture activities to be considered in the future.

Corporate Revitalization

Aozora Bank Group's AOZORA Loan Services, Co., Ltd. (“AOZORA Loan Services”), will work in tandem with Sumitomo Trust Group to provide a range of corporate revitalization services for Sumitomo Trust Group customers. This will be the first such relationship with a large scale trust bank for AOZORA Loan Services.

Real Estate Collateralized Lending

Working together with Aozora Bank Group, Sumitomo Trust Group's First Credit Corporation ("First Credit") will provide a variety of real estate collateralized products and services for Aozora Bank Group customers. This will be the first such relationship with a major bank for First Credit.

Real Estate Brokerage Business

Sumitomo Trust Group and its Sumishin Realty Co., Ltd. will partner Aozora Bank in the provision of real estate brokerage services to Aozora's customers.

Real Estate Investment

Sumitomo Trust Group's STB Real Estate Investment Management Co., Ltd. and Top REIT Asset Management Co., Ltd. and Aozora Bank will be involved in the development and provision of high value-added investment products benefiting customers of both groups.

(2) Fiduciary/Agency Business

Aozora Bank will collaborate with Sumitomo Trust and act as their representative agent involved in the fiduciary contract and fiduciary agent business areas to provide intermediary services such as securities transfers, annuity trusts, and investment trusts for corporate clients. For retail customers, the alliance will bring enhanced products and services in the areas of will trusts and estate settlement services, and other fiduciary/agency business. Additional joint ventures in this area will be considered in the future.

(3) Asset Management Business

Sumitomo Trust, in conjunction with their STB Asset Management Co., Ltd., Aozora Bank, and Aozora Bank's subsidiary, Aozora Securities Co., Ltd., will provide a variety of asset management products and services primarily targeting regional financial institution clients. Further collaboration between the two groups in the asset management field will be considered in the future.

The two parties view this Alliance as the starting point for continuing discussion on future collaborations outside of the aforementioned business areas, but it is in no way intended to restrict future business relationships with other financial institutions in these business areas.

3. Alliance Implementation Framework

March 2008 has been marked as a provisional deadline for the completion of discussions on all areas of the Alliance. An 'Alliance Promotion Group', consisting of representatives from both parties, has been established to monitor the progress of these discussions.

End

For further information, please contact:

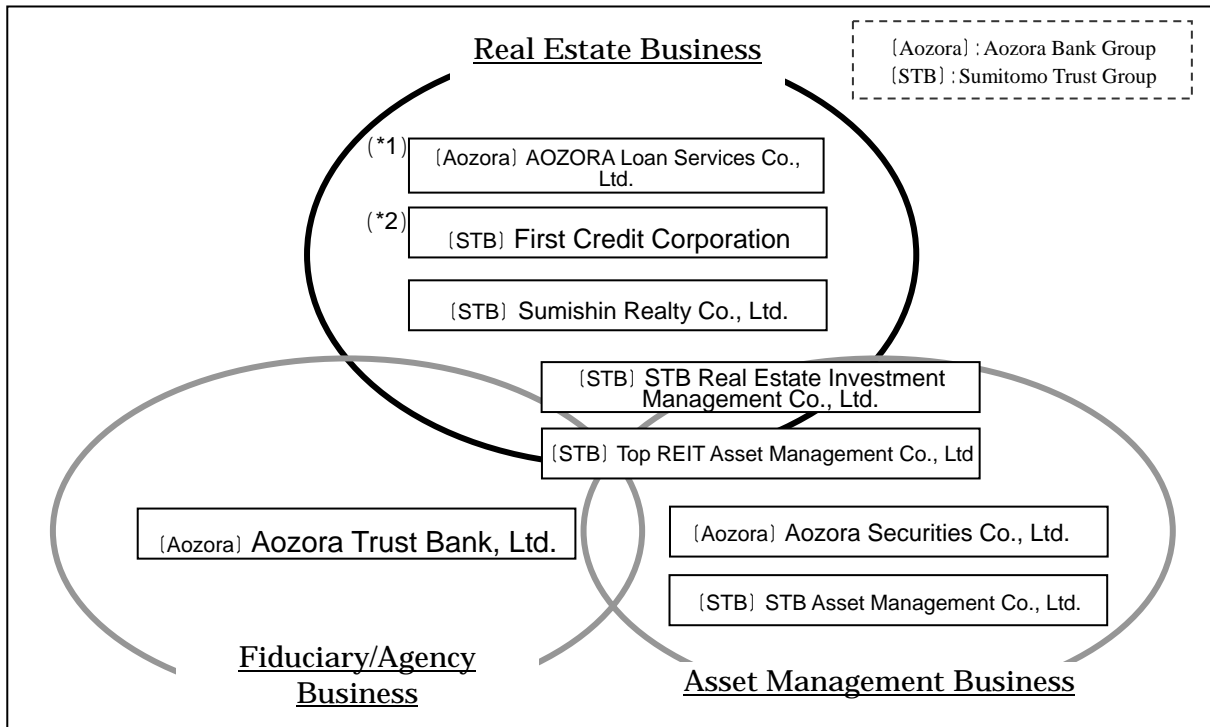
Aozora Bank
Sumitomo Trust

Corporate Communication Group
IR Office

TEL +81-3-5212-9252
TEL +81-3-3286-8354

(For reference)

- Three Business Alliance Areas -



(1) Trade name	(*1) AOZORA Loan Services, Co., Ltd.	(*2) First Credit Corporation
(2) Representative	President & CEO Yutaka Yoneta	President & CEO Yasuyuki Yagi
(3) Location of head office	13-5, Kudan-kita 1-chome, Chiyoda-ku, Tokyo	6-2, Otemachi 2 chome, Chiyoda-ku, Tokyo
(4) Date of establishment	September 17, 1999**	December 8, 1982
(5) Main area of business	Servicer operations (Loan purchase, valuation, collection), Corporate revitalization services	Mortgage collateral loan and investment business, etc.
(6) End of fiscal year	March	March
(7) Number of employees	137	264
(8) Offices	Tokyo, Osaka, Hiroshima	Tokyo, Shinjuku, Ikebukuro, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka
(9) Capital	0.5 billion yen	13.5 billion yen
(10) Shareholder	Aozora Bank 67.6% Shinkin Central Bank 20.0% Shinkumi Federation Bank 12.4%	Sumitomo Trust & Banking 100%

**Date of establishment based on the law permitting outside companies to accept payments, collect on defaults and administer loans on behalf of lenders