

**Aozora Bank announces the terms of Aozora Debentures
and of the Discount Aozora Debentures, 1 & 5 year(s)**

Tokyo (May 9 , 2008) – Aozora Bank, Ltd. (“Aozora Bank”) announced the terms of Aozora Debentures and of Discount Aozora Debentures as follows, in view of recent economic and financial conditions:

**1. Aozora Debentures for the public sales,
May Second Half Issue, 5 years**

		May Second Half Issue	May First Half Issue
Interest-Bearing Debenture	Coupon	0.56% per annum	0.56% per annum
Interest-Compounded Debenture	Average Yield	0.568% Semiannually compounded interest of 0.56%	0.568% Semiannually compounded interest of 0.56%

● Sales Period

From Tuesday May 13 , 2008 to Tuesday May 27 , 2008

**2. Discount Aozora Debentures, May Second Half Issue, 1 year
Discount debentures**

		May Second Half Issue	May First Half Issue
Discount rate		0.37% per annum	0.37% per annum
Yield to maturity	Before tax	0.380% per annum	0.380% per annum
	After tax	0.320% per annum	0.320% per annum
Issue Price on the last day of the sales period			
	Before tax	¥9,962 per ¥10,000	¥9,962 per ¥10,000
	After tax	¥9,968 per ¥10,000	¥9,968 per ¥10,000

Discount debentures (safe custody only)

		May Second Half Issue	May First Half Issue
Discount rate		0.35% per annum	0.35% per annum
Yield to maturity	Before tax	0.360% per annum	0.360% per annum
	After tax	0.300% per annum	0.300% per annum
Issue Price on the last day of the sales period			
	Before tax	¥9,964 per ¥10,000	¥9,964 per ¥10,000
	After tax	¥9,970 per ¥10,000	¥9,970 per ¥10,000

● Sales Period

From Tuesday May 13 , 2008 to Tuesday May 27 , 2008