

**Aozora Bank announces the terms of Aozora Debentures
and Discount Aozora Debentures, 1 & 5 years**

Tokyo (December 24 , 2009) – Aozora Bank, Ltd. ('Aozora Bank') announced the terms of Aozora Debentures and Discount Aozora Debentures as follows, in view of recent economic and financial conditions:

**1. Aozora Debentures for public sale,
January First Half Issue, 5 years**

		January First Half Issue	December Second Half Issue
Interest-Bearing Debenture	Coupon After tax	0.28% per annum 0.224% per annum	0.28% per annum 0.224% per annum
Interest-Compounded Debenture	Average Yield (After tax)	0.225% Semiannually compounded interest of 0.28%	0.225% Semiannually compounded interest of 0.28%

● Sales Period

Monday December 28 , 2009 until Tuesday January 12 , 2010

**2. Discount Aozora Debentures,
Discount debentures January First Half Issue, 1 year**

		January First Half Issue	December Second Half Issue
Discount rate		0.15% per annum	0.15% per annum
Yield to maturity	Before tax	0.160% per annum	0.160% per annum
	After tax	0.140% per annum	0.140% per annum
Issue Price on the last day of the sales period			
	Before tax	¥9,984 per ¥10,000	¥9,984 per ¥10,000
	After tax	¥9,986 per ¥10,000	¥9,986 per ¥10,000

Discount debentures (safe custody only)

		January First Half Issue	December Second Half Issue
Discount rate		0.13% per annum	0.13% per annum
Yield to maturity	Before tax	0.140% per annum	0.140% per annum
	After tax	0.120% per annum	0.120% per annum
Issue Price on the last day of the sales period			
	Before tax	¥9,986 per ¥10,000	¥9,986 per ¥10,000
	After tax	¥9,988 per ¥10,000	¥9,988 per ¥10,000

● Sales Period

Monday December 28 , 2009 until Tuesday January 12 , 2010