

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

Tokyo ( January 26 , 2010 ) – 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,  
February First Half Issue, 5 years**

		<b>February First Half Issue</b>	January Second Half Issue
Interest-Bearing Debenture	Coupon After tax	<b>0.20% per annum 0.160% per annum</b>	0.20% per annum 0.160% per annum
Interest-Compounded Debenture	Average Yield ( After tax )	<b>0.161% Semiannually compounded interest of 0.20%</b>	0.161% Semiannually compounded interest of 0.20%

● Sales Period

Thursday January 28 , 2010 until Friday February 12 , 2010

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

		<b>February First Half Issue</b>	January Second Half Issue
Discount rate		<b>0.12% per annum</b>	0.12% per annum
Yield to maturity	Before tax	<b>0.130% per annum</b>	0.130% per annum
	After tax	<b>0.110% per annum</b>	0.110% per annum
Issue Price on the last day of the sales period			
	Before tax	<b>¥9,988 per ¥10,000</b>	¥9,987 per ¥10,000
	After tax	<b>¥9,990 per ¥10,000</b>	¥9,989 per ¥10,000

**Discount debentures (safe custody only)**

		<b>February First Half Issue</b>	January Second Half Issue
Discount rate		<b>0.10% per annum</b>	0.10% per annum
Yield to maturity	Before tax	<b>0.110% per annum</b>	0.110% per annum
	After tax	<b>0.100% per annum</b>	0.100% per annum
Issue Price on the last day of the sales period			
	Before tax	<b>¥9,990 per ¥10,000</b>	¥9,989 per ¥10,000
	After tax	<b>¥9,991 per ¥10,000</b>	¥9,990 per ¥10,000

● Sales Period

Thursday January 28 , 2010 until Friday February 12 , 2010