

NEWS RELEASE

Notice of Domestic Straight Bonds Issuance

Aozora Bank, Ltd. has determined the terms and conditions for its newly issued unsecured corporate bonds (Series 15 and Series 16) as follows:

| Bonds to be Issued | Aozora Bank, Ltd. Unsecured Corporate Bonds Series 15 | Aozora Bank, Ltd. Unsecured Corporate Bonds Series 16 |
|----------------------|---|---|
| Issue Amount | JPY 10billion | JPY 3billion |
| Term | 3 years | 5 years |
| Coupon | 0.110% per annum | 0.190% per annum |
| Issue Price | 100% of the nominal amount | |
| Issue Date | December 8 , 2017 | |
| Maturity Date | December 8 , 2020 | December 8 , 2022 |
| Coupon Payment Dates | June 8 and December 8 of each year including the maturity date | |
| Underwriters | Daiwa Securities Co., Ltd. Aozora Securities Co., Ltd. Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. SMBC Nikko Securities Inc. Okasan Securities Co., Ltd. Tokai Tokyo Securities Co., Ltd. | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Aozora Securities Co., Ltd. Mizuho Securities Co., Ltd. Daiwa Securities Co., Ltd. SMBC Nikko Securities Inc. Okasan Securities Co., Ltd. Tokai Tokyo Securities Co., Ltd. |
| Collateral | None | |
| Rating | A- by Rating and Investment Information, Inc. | |

This document is prepared for the purpose of public disclosure of the issuance of Aozora Bank, Ltd. Unsecured Bonds Series 15 and Series 16 and does not constitute a solicitation of an offer for acquisition or an offer for sale of any securities in or outside of the United States or Japan.