

July 13, 2020

Company name: Aozora Bank, Ltd.
Name of representative: Kei Tanikawa, President and CEO
(Listed exchange: TSE, Code 8304)
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Business Strategy Division (03-6752-1111)

Determination of Terms and Conditions for Issuance of Equity Compensation Type Stock Options

Tokyo July 13, 2020 - Aozora Bank, Ltd. (President and CEO: Kei Tanikawa; Head Office: Tokyo) ('Aozora' or 'the Bank') today announced that the Bank has determined items pending in relation to the issuance of Equity Compensation Type Stock Options (Stock Acquisition Rights), which was resolved at the Board of Directors meeting held on June 24, 2020 as follows.

1. Total number of stock options: 6,411 units
2. Stock option allotment recipients, number of recipients, and number of stock options:
Four (4) Full-time Directors of the Bank; 2,423 units in total
Eighteen (18) Executive Officers of the Bank; 3,988 units in total
3. Class and number of underlying shares: 64,110 Aozora common shares
4. Amount to be paid in at the allocation of stock options: 15,370 yen per stock option
(1,537 yen per share)

The above amount was calculated on the day of allocation of stock options (July 10, 2020) using the Black-Scholes Model.

At the allocation of the stock options to Full-time Directors and Executive Officers (the "Officers"), the Officers' claim to cash compensation from the Bank has been offset by the amount to be paid in, instead of actual payment for the subscription of the stock options.

Reference

Date of Resolution on the Issuance of Stock Options by the Board of Directors	June 24, 2020
Date of Allotment	July 10, 2020

End