

August 8, 2011

Company name: Aozora Bank, Ltd.
Name of representative: Brian F. Prince, President and CEO
Listed exchange: TSE, Code 8304
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**AOZORA ANNOUNCES PLANNED ACQUISITION OF BOUTIQUE RETAIL
BROKERAGE FIRM**

Tokyo August 8, 2011 – Aozora Bank, Ltd. (“Aozora” or the “Bank”), a leading Japanese commercial bank, today announced the execution of a non-binding letter of intent to acquire Japan Wealth Management Securities, Inc. (JWM), a private retail securities brokerage based in Tokyo owned by Normanton Investments Pte. Ltd. (Normanton), an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited of Singapore (Temasek) and management of JWM.

JWM was launched in 2008 by former private banking executives with seed money invested by Normanton. Under the terms of the letter of intent executed among Aozora, Normanton and management of JWM, Aozora will acquire 100% of the outstanding common shares of JWM in a stock-for-stock transaction. Total consideration will be in the form of Aozora common shares issued from existing shares held in the treasury in the amount of 500 million yen.

Post closing, JWM will be merged with Aozora Securities Co., Ltd.. After closing, the president and CEO of Aozora's securities company will be Sakae Yoshii, currently chairman and CEO of JWM. The company will be based in JWM's existing headquarters in the Shiroyama Trust Tower located in the Toranomon section of Tokyo.

Brian F. Prince, Representative Director, President and Chief Executive Officer of Aozora Bank commented, "JWM represents an attractive opportunity for Aozora to strengthen our retail product securities offerings. Their retail brokerage capabilities, ETF wrap accounts and portfolio advisory services will enable us to accelerate the delivery of products and capabilities in demand by our customer base."

"We are delighted at the prospect of becoming part of the Aozora organization," said Sakae Yoshii, Chairman and CEO of JWM. "We believe our brokerage products and personalized service will be of interest to Aozora's customer base and that our firm can complement their existing retail business."

Subject to execution of a definitive agreement, regulatory approval and other customary closing conditions, the transaction is expected to close in the third quarter of FY2011. Aozora does not expect the transaction to have a material impact on its FY2011 financial results and does not intend to revise its FY2011 forecast as a result of the acquisition.

The following is an outline of the stock-for-stock transaction between Aozora and JWM (the “Share Exchange”).

1. Purpose of the Share Exchange

As described above through the Share Exchange with JWM engaging in the retail-equity brokerage business, ETF wrap accounts business and portfolio advisory service, Aozora can accelerate the delivery of products and capabilities in demand by its customer base.

2. Summary of the Share Exchange

(1) Timetable for the Share Exchange

Execution of the letter of intent	August 8, 2011
Board of directors' meetings approving execution of the share exchange agreement	Late August 2011 (scheduled)
Execution of the share exchange agreement	Late August 2011 (scheduled)
Extraordinary shareholders' meeting of JWM to approve the share exchange agreement	Late August 2011 (scheduled)
Share exchange date (effective date)	Early October 2011 (scheduled)

Note: Aozora will implement the Share Exchange by using a simplified share exchange arrangement pursuant to Article 796, paragraph 3 of the Companies Act; consequently, Aozora does not require its shareholders' approval.

(2) Share Exchange Methodology

Aozora will become the wholly-owning parent company of JWM, and JWM will become a wholly owned subsidiary of Aozora through the Share Exchange.

(3) Share Allocations Associated with the Share Exchange

Aozora will allocate the treasury stocks (common shares) held by Aozora to JWM's shareholders in consideration of the Share Exchange and will not issue new shares. The share exchange ratio will be determined upon mutual consultation based on the valuation obtained from a third-party institution. We will disclose the details thereof at the time of executing the share exchange agreement scheduled for the late August 2011.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights under the Share Exchange

JWM, a wholly owned subsidiary after the Share Exchange, has not issued any stock acquisition rights or bonds with stock acquisition rights.

3. Corporate Profiles of the Parties to the Share Exchange

		Share Exchange Wholly-Owning Parent Company	Share Exchange Wholly Owned Subsidiary
(1)	Name	Aozora Bank, Ltd.	Japan Wealth Management Securities, Inc.
(2)	Address of Head Office	1-3-1 Kudan-minami, Chiyoda-ku, Tokyo	Shiroyama Trust Tower 4-3-1 Toranomom, Minato-ku, Tokyo
(3)	Name and Title of Representative	Brian F. Prince President and Chief Executive Officer Representative Director	Sakae Yoshii Representative Director
(4)	Business	Banking business	Financial instruments business
(5)	Capital	JPY 419,781 million	JPY 1,276 million
(6)	Established in	April 1957	January 2006
(7)	Number of Outstanding Shares	(Common Shares) 1,650,147,352 shares (The fourth preference shares) 24,072,000 shares (The fifth preference shares) 258,799,500 shares	(Common shares) 30,500 shares
(8)	Fiscal Year End	March 31	March 31
(9)	Major Shareholders and Holding Ratio	(Common Shares) Cerberus NCB 49.78% Acquisition, L.P., General Partner Cerberus Aozora GP L.L.C. Aozora Bank, Ltd 9.45% ORIX Trust and 9.09% Banking Corporation State Street Bank and 2.00% Trust Company The Chase Manhattan 1.76% Bank 385036 (The fourth preference shares) Deposit Insurance 100.00% Corporation of Japan	Normanton 81.97% Investments Pte., Ltd. Sakae Yoshii 10.82% Ruishiro Ninomiya Fujiki Ito 2.70% Japan Venture 1.81% Partners, LLC

		(The fifth preference shares) The Resolution and Collection Corporation	100.00%
(10)	Financial performance for the previous year		
		Aozora Bank, Ltd. (Consolidated)	Japan Wealth Management Securities, Inc. (Non-consolidated)
	Fiscal Year	FY Ended March 2011	FY Ended March 2011
	Net Assets (million yen)	565,184	983
	Total Assets (million yen)	4,918,370	3,269
	Net Assets per Share (yen)	256.27	32,256.43
	Net Sales (million yen)	126,681	336
	Operating Income (million yen)	—	-354
	Ordinary Income (million yen)	28,696	-349
	Net Income for the Period (million yen)	32,794	-357
	Net Income per Share (yen)	20.49	-11,727.60

4. Profile of Wholly-Owning Parent Company in the Share Exchange upon Completion of the Share Exchange

(1) Name	Aozora Bank, Ltd.
(2) Address of Head Office	1-3-1 Kudan-minami, Chiyoda-ku, Tokyo
(3) Name and Title of Representative	Brian F. Prince (President and Chief Executive Officer Representative Director)
(4) Business	Banking business
(5) Capital	JPY 419,781 million
(6) Fiscal Year End	March 31

5. Forecasts

The impact of the Share Exchange on Aozora's forecasts of business performance (on a consolidated basis) for this fiscal year is expected to be minor.