

October 31, 2011

Company name: Aozora Bank, Ltd.
Name of representative: Brian F. Prince, President and CEO
Listed exchange: TSE, Code 8304
Enquiries: Hiroyuki Kajitani
Corporate Communication Division (03 3263 1111)

Aozora Announces Upward Revision of FY2011 Earnings and Dividend Forecasts
Full-Year net income forecast raised from 33.0 billion yen to 45.0 billion yen;
Dividend forecast increased from 3 yen to 9 yen per common share

TOKYO October 31, 2011 – Aozora Bank, Ltd. (“Aozora” or “the Bank”) today announced upward revisions of its earnings and dividend forecasts, announced on May 12, 2011, in consideration of its most recent financial performance.

Brian F. Prince, Representative Director, President and Chief Executive Officer of Aozora Bank commented, “I am pleased to announce that Aozora has revised its full-year net income forecast from 33.0 billion yen to 45.0 billion yen and its dividend forecast from 3 yen to 9 yen per common share. Today’s upward revisions are based on the steady progress we are seeing in our core businesses, and other factors including reductions in operating expenses and continued improvements in credit quality. I am especially pleased that we are able to make this type of announcement. We have one of the strongest capital positions among Japanese banks as well as ample liquidity, and we will stay focused on disciplined risk management, and on making steady progress in our core businesses. I would like to express my gratitude for your continuing support.”

I. Upward Revision of Full-Year Earnings Forecast (April 1, 2011 to March 31, 2012)

Consolidated basis

(100 million yen)	Ordinary Income	Net Revenue	Business Profit	Ordinary Profit	Net Income	Net Income per common share
Revised Forecast (a)	1,250	810	415	400	450	28.66 Yen
Previous Forecast (b)	1,200	810	405	300	330	20.63 Yen
Change (a)-(b)	50	-	10	100	120	8.03 Yen
Percentage Change	4.2%	-	2.5%	33.3%	36.4%	38.9%
FY2010 Full-Year Results	1,267	779	370	287	328	20.49 Yen

Non-consolidated basis

(100 million yen)	Ordinary Income	Net Revenue	Business Profit before general loan-loss reserve	Ordinary Profit	Net Income	Net Income per common share
Revised Forecast (a)	1,200	760	385	395	450	28.66 Yen
Previous Forecast (b)	1,150	760	375	280	310	19.29 Yen
Change (a)-(b)	50	-	10	115	140	9.37 Yen
Percentage Change	4.3%	-	2.7%	41.1%	45.2%	48.6%
FY2010 Full-Year Results	1,243	732	354	280	318	19.84 Yen

Reasons for upward revision

The Bank’s core businesses have progressed steadily, securing the same level of net interest income on a year-on-year basis in the first half of FY2011 as a result of our disciplined balance sheet management. In addition, general and administrative expenses were well below the initial budget, and together with other factors including a reversal of the loan loss reserve, the Bank expects net income of 22.6 billion yen for the first half of FY2011, which represents 68.5% of the initial full-year forecast of 33.0 billion yen, as described in section III. In consideration of the strong first half performance and other potential factors in the second half, the Bank has revised upward its full-year forecast.

II. Upward Revision of Annual Dividend Forecast

	Dividend per common share (yen)
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	First Half	Second Half	Full-Year
Revised Forecast		9.00 yen	9.00 yen
Previous Forecast (announced May 12, 2011)		3.00 yen	3.00 yen
Dividend in Current Term			
Dividend in Previous Term (FY2010)		2.00 yen	2.00 yen

Reasons for upward revision

In conjunction with the upward revision of the FY2011 full-year earnings forecast from 33.0 billion yen to 45.0 billion yen, the Bank has elected to revise its annual dividend forecast from 3 yen to 9 yen per common share.

III. Upward Revision of Interim Earnings Forecast (April 1, 2011 to September 30, 2011)

Consolidated basis

(100 million yen)	Ordinary Income	Ordinary Profit	Net Income	Net Income per common share
Preliminary Result (a)	645	205	226	15.09 Yen
Previous Forecast (b)	590	140	150	10.03 Yen
Change (a)-(b)	55	65	76	5.06 Yen
Percentage Change	9.3%	46.4%	50.7%	50.4%
FY2010 Interim Results	698	154	142	9.48 Yen

Non-consolidated basis

(100 million yen)	Ordinary Income	Ordinary Profit	Net Income	Net Income per common share
Preliminary Result (a)	618	202	226	15.12 Yen
Previous Forecast (b)	570	130	140	9.36 Yen
Change (a)-(b)	48	72	86	5.76 Yen
Percentage Change	8.4%	55.4%	61.4%	61.5%
FY2010 Interim Results	681	157	147	9.82 Yen

Reasons for upward revision

The Bank's core businesses have progressed steadily, securing the same level of net interest income on a year-on-year basis in the first half of FY2011, as a result of our disciplined balance sheet management. In addition, general and administrative expenses were well below the initial budget, and together with other factors including a reversal of the loan loss reserve, the Bank expects to exceed the previous interim forecast announced on May 12, 2011.

The details of the results of the first half of FY2011 will be announced on November 15, 2011.

Aozora Bank, Ltd. is a leading provider of lending, securitization, business and asset revitalization, asset management, loan syndication and investment advisory services to financial institutions, corporate and retail customers. Originally established in 1957 as the Nippon Fudosan Bank, Ltd., the Bank changed its name to Aozora Bank, Ltd. in 2001. In 2003, it became majority owned by Cerberus NCB Acquisition, L.P. Aozora is proud of its heritage and the long-term relationships it has developed with corporate, financial and individual customers over the years. Building on this heritage, Aozora has created a strong customer-oriented and performance-based culture that will contribute to both innovative business solutions for customers and sustainable earnings growth for investors and shareholders.

News and other information about Aozora Bank, Ltd. is available at <http://www.aozorabank.co.jp/en/company/>

Forward-Looking Statements

This announcement contains forward-looking statements regarding the Bank's financial condition and results of operations. These forward-looking statements, which include the Bank's views and assumptions with respect to future events, involve certain risks and uncertainties. Actual results may differ from forecasts due to changes in economic conditions and other factors including the effects of changes in general economic conditions, changes in interest rates, stock markets and foreign currency, and any ensuing decline in the value of our securities portfolio, incurrence of significant credit-related cost and the effectiveness of our operational, legal and other risk management policies.