

November 15, 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 EXECUTION OF AGREEMENT TO ACQUIRE
JAPAN WEALTH MANAGEMENT SECURITIES**

Tokyo November 15, 2011 – Aozora Bank, Ltd. (“Aozora” or the “Bank”), a leading Japanese commercial bank, today announced that it has executed a definitive transaction agreement and a share exchange agreement to acquire 100% of Japan Wealth Management Securities, Inc. (“JWM”). The agreements were approved at a board of directors meeting held earlier today. Subject to regulatory approval and other conditions, closing of the transaction is anticipated for December 2011. Today’s announcement follows the August 8, 2011 announcement of a Letter of Intent among the parties.

JWM is a private retail securities brokerage based in Tokyo, owned by an indirect wholly-owned subsidiary of Temasek, an Asia investment company headquartered in Singapore, and management of JWM. Post closing, JWM will merge with Aozora Securities Co., Ltd. and be operated under the name Aozora Securities.

The following is an outline of the Share Exchange.

1. Purpose of the Share Exchange

Through the Share Exchange with JWM engaging in the retail-equity brokerage business, and portfolio advisory service including ETF wrap accounts business, Aozora may enhance the delivery of products and capabilities in demand from its customers.

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	November 15, 2011
Execution of the share exchange agreement	November 15, 2011
Extraordinary shareholders' meeting of JWM to approve the share exchange agreement	November 15, 2011
Effective date of the Share exchange	December 21, 2011 (scheduled)

(Note 1): 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.

(Note 2): The effective date and the schedule of the Share Exchange may be changed by consent between Aozora and JWM.

(2) Method of Organizational Restructuring

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) Allotment Associated with the Share Exchange

70.9862 shares of Aozora and 2,850.68 yen will be delivered per share of JWM through the Share Exchange.

Aozora will deliver a total of 2,165,079 shares and 86,945,740 yen to JWM's shareholders and will allot shares from the treasury stock (common shares) held by Aozora and will not issue new shares.

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

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

3. Calculation Base of Allotments Associated with the Share Exchange, etc.

In calculating the number of shares and the amount of money to be delivered through the Share Exchange, Aozora calculated the share value of Aozora using the method based on value of shares on the market, and the share value of JWM, which is an unlisted company, using the method based on the net asset value after the market-based valuation, etc.. In order to ensure the fairness and appropriateness thereof, Growin' Partners Inc. was selected as a third party evaluation agency, and in order to calculate the allotment in the Share Exchange, Aozora received an opinion on the share value of JWM. In reference to the above, Aozora and JWM deliberated on the allotment in the Share Exchange, and agreed that the allotment above was appropriate.

4. Corporate Profiles of the Parties to the Share Exchange

		Wholly-Owning Parent Company in Share Exchange	Wholly Owned Subsidiary in Share Exchange
(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)	Date of incorporation	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 (as of September 30, 2011)	(Common Stock) Cerberus NCB 49.78% Acquisition, L.P., General Partner	Normanton 81.97% Investments Pte., Ltd. Sakae Yoshii 10.82% Ruishiro Ninomiya 2.70%

		Cerberus Aozora GP L.L.C. Aozora Bank, Ltd 9.45% ORIX Trust and Banking Corporation (Trust Account 5200011) 6.31% The Chase Manhattan Bank 385036 3.26% The Master Trust Bank of Japan, Ltd. (Trust Account) (Class A Series 4 Preferred Stock) 1.33% Deposit Insurance Corporation of Japan (Class C Series 5 Preferred Stock) 100.00% The Resolution and Collection Corporation 100.00%	Fujiki Ito 2.70% Japan Venture Partners, LLC 1.81%
(10)	Financial condition and financial performance for the previous year		
Fiscal Year		Aozora Bank, Ltd. (Consolidated)	Japan Wealth Management Securities, Inc. (Non-consolidated)
		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

5. Profile of Wholly-Owning Parent Company 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

6. 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.