

May 31, 2012

Company name: Aozora Bank, Ltd.  
Name of representative: Brian F. Prince, CEO & President  
Listed exchange: TSE, Code 8304  
Enquiry: Tomomi Akutagawa  
Financial Management Division (03 3263 1111)

### **Approach to Repaying Public Funds**

The full repayment of public funds remains a corporate priority for Aozora. In order to establish our capital policy toward a new phase as we approach the October 3, 2012 mandatory conversion date for our Series 5 preferred shares, we have been in communications with investors and analysts through our regular IR activities regarding various proposals and made efforts aimed at finding a repayment structure acceptable for all of our stakeholders.

At this point in time we are not ready to announce our proposal for the repayment of public funds, so we will not seek a resolution on our proposal at the forthcoming Annual General Meeting of Shareholders.

We intend to continue making efforts to identify a structure for repayment of public funds with all of our stakeholders.

We would like to express our gratitude to all of our stakeholders in anticipation of their continued support and hope that we can gain their understanding in our efforts to more firmly establish our new capital policy.

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