

August 2, 2012

Company name: Aozora Bank, Ltd.
Name of representative: Brian F. Prince, CEO & President
Listed exchange: TSE, Code 8304
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Setting of Record Date for Convening an Extraordinary Meeting of Shareholders and Aozora Bank's Capital Policy

The full repayment of public funds has been a corporate priority for Aozora. As we approach the October 3, 2012 mandatory conversion date for our Series 5 preferred shares, we have been in discussions with major stakeholders to develop a comprehensive capital plan. Today, we are pleased to announce that the Bank is near to agreement with major stakeholders on a comprehensive plan to repay the Japanese Government in full over time and to rationalize the capital position and policy of the Bank which can benefit all of our shareholders.

We are now working on the details of this recapitalization plan, and we will publicly announce the full details as soon as they are fixed.

In order to implement the above plan, we will seek a special resolution of shareholders meetings and will therefore convene an extraordinary meeting of shareholders at a later date with a record date of August 17, 2012.

【Representative Director President & CEO Brian F. Prince】

Aozora's management has made efforts to develop a capital policy which can benefit all of our investors and stakeholders. By implementing the above "Comprehensive Recapitalization Plan", we can insure our future full repayment of public funds and enter into a new phase of the Bank which is deeply rooted in the financial industry in Japan. We would like to ask for your continued support.