

October 2, 2012

Company name: Aozora Bank, Ltd.
Name of representative: Shinsuke Baba, President and CEO
Listed exchange: TSE, Code 8304
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Re: Repayment of a part of the public funds

Aozora confirmed today that, as previously announced in its September 27, 2012 press release: 'Re: Buyback and Retirement of a portion of Own Shares (Class-C Series 5 Preferred Shares)', today the Bank repurchased its Class-C Series 5 preferred shares (the "Buyback") from the Resolution and Collection Corporation and repaid 22.7 billion in public funds.

Today's repayment of public funds represents the first step toward the full repayment of public funds which was announced in the Bank's August 27, 2012 press release: 'Re: Aozora Bank's Comprehensive Recapitalization Plan and Where Aozora Goes From Here.' The Bank will continue making every effort to steadily repay the remaining public funds under its Comprehensive Recapitalization Plan.

We would like to thank all of our stakeholders for their support again, and ask for everyone's continued support.

Description of the details in the buyback

(1) Type of shares repurchased	Class-C Series 5 preferred shares
(2) Total number of shares repurchased	44,220,205 shares
(3) Buyback price per share	513.34 yen
(4) Total buyback amount	22,700,000,035 yen
(5) Counterparty of the Buyback	The Resolution and Collection Corporation

(Note) The Bank retired all of repurchased Class-C Series 5 preferred shares today.

End