

August 4, 2014

To whom it may concern

Company name: Aozora Bank, Ltd.
Name of representative: Shinsuke Baba, President and CEO
(Listed exchange: TSE, Code 8304)
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Determination of Terms and Conditions for Issuance of Equity Compensation Type Stock Options
to Full-time Directors

Tokyo August 4, 2014 - Aozora Bank, Ltd. (President and CEO: Shinsuke Baba; Head Office: Tokyo) ('Aozora' or 'the Bank') today announced that it has determined items pending in relation to the issuance of stock options, which was resolved at the Board of Directors meeting held on June 26, 2014, as follows.

1. Total number of stock options: 2,535 units
2. Eligibility and number of persons eligible for the allotment:
Full-time directors of Aozora: 4
3. Class and number of shares: 253,500 Aozora common shares
4. Amount to be paid-in at the allocation of stock options: 32,300 yen per stock option (323 yen per share)

The above amount was calculated on the day of allocation of stock options (August 1, 2014) using the Black-Scholes Model.

At the allocation of the stock options to directors, a director's claim to compensation from the Bank will be offset by the amount to be paid in, instead of actual payment by a director to the Bank.

Reference

Approval to submit a proposal to the General Shareholders Meeting by the Board of Directors	May 27, 2014
Approval of the resolution by the General Shareholders Meeting	June 26, 2014
Approval of a resolution on the issuance of stock options by the Board of Directors	June 26, 2014
Date of allotment	August 1, 2014

End