

May 15, 2015

Company Name: Aozora Bank, Ltd.  
Name of representative: Shinsuke Baba, President and CEO  
Listed exchange: TSE, Code 8304  
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Corporate Communication Division (03 3263 1111)

**Cancellation of Treasury Shares (Common Shares)**  
(Cancellation of Treasury Shares pursuant to Article 178 of the Companies Act)

Aozora announced today that its board resolved at its May 15, 2015 meeting to Cancel Treasury Shares pursuant to Article 178 of the Companies Act.

Aozora currently has 483,753,171 shares (29.32% of the total number of issued shares) of treasury stock, with an approximate book value of 100 billion yen. The Bank intends to retain 16,500,000 shares (equivalent to 1% of the total number of issued shares) allocated to future stock options, and cancel the remaining treasury shares pursuant to Article 178 of the Companies Act, under the conditions described below.

1. Type of the shares to be cancelled: Common Shares
2. Number of the shares to be cancelled: 467,253,171 shares  
(28.32% of number of issued shares before the cancellation)
3. Scheduled date of cancellation: June 29, 2015  
(Scheduled date of full repayment of public fund)

(Reference)

1. Total number of issued shares as of April 30, 2015	1,650,147,352 shares
Of which are treasury shares	483,753,171 shares
2. Number of the shares to be cancelled	467,253,171 shares
3. Total number of issued shares following cancellation	1,182,894,181 shares
Of which are treasury shares	16,500,000 shares

End