

July 19, 2016

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

Tokyo July 19, 2016 - Aozora Bank, Ltd. (President and CEO: Shinsuke Baba; Head Office: Tokyo) ('Aozora' or 'the Bank') today announced that the Bank has determined items pending in relation to the issuance of Equity Compensation Type Stock Options (Stock Acquisition Rights), which was resolved at the Board of Directors meeting held on June 28, 2016, as follows.

1. Total number of stock options: 3,433 units
2. Stock option allotment recipients, number of recipients, and number of stock options:
Four (4) Full-time Directors of the Bank; 1,395 units in total
Eighteen (18) Executive Officers of the Bank; 2,038 units in total
3. Class and number of shares: 343,300 Aozora common shares
4. Amount to be paid in at the allocation of stock options: 34,200 yen per stock option (342 yen per share)

The above amount was calculated on the day of allocation of stock options (July 15, 2016) using the Black-Scholes Model.

At the allocation of stock options to the recipients, their claim to compensation from the Bank will be offset by the amount to be paid in, instead of actual payment to them.

Reference

Date of Resolution on the Issuance of Stock Options by the Board of Directors	June 28, 2016
Date of Allotment	July 15, 2016

End