

July 13, 2021

Company name: Aozora Bank, Ltd.
Name of representative: Kei Tanikawa, President and CEO
(Listed exchange: TSE, Code 8304)
Contact: Tsutomu Jinbo
Business Strategy Division (03-6752-1111)

**Determination of Terms and Conditions for Issuance of
Equity Compensation Type Stock Options**

Tokyo July 13, 2021 - Aozora Bank, Ltd. (President and CEO: Kei Tanikawa; 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 24, 2021 as follows.

1. Total number of stock options: 5,154 units
2. Stock option allotment recipients, number of recipients, and number of stock options:
Four (4) Full-time Directors of the Bank; 1,951 units in total
Twenty (20) Executive Officers of the Bank; 3,203 units in total
3. Class and number of underlying shares: 51,540 Aozora common shares
4. Amount to be paid in at the allocation of stock options: 22,480 yen per stock option
(2,248 yen per share)

The above amount was calculated on the day of allocation of stock options (July 12, 2021) using the Black-Scholes Model.

At the allocation of the stock options to Full-time Directors and Executive Officers (the "Officers"), the Officers' claim to cash compensation from the Bank has been offset by the amount to be paid in, instead of actual payment for the subscription of the stock options.

Reference

Date of Resolution on the Issuance of Stock Options by the Board of Directors	June 24, 2021
Date of Allotment	July 12, 2021

End