

November 1, 2012

Company name: Aozora Bank, Ltd.
Name of representative: Shinsuke Baba, President and CEO
Listed exchange: TSE, Code 8304
Enquiries: Tomomi Akutagawa
Financial Management Division (03 3263 1111)

Re: Progress of Buyback of Own Shares (Common Shares)
(Repurchase of own shares under the provision in the Articles of Incorporation pursuant to Paragraph 1, Article 459 of the Companies Act)

Aozora Bank, Ltd. ("the Bank") today announced the progress of the buyback of its common shares, approved at the board meeting held on September 27, 2012, for the period from October 1, 2012 through to October 31, 2012 as below.

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|--|---|
| 1. Type of shares repurchased: | Common shares of the Bank |
| 2. Total number of shares repurchased: | 205,000,000 shares |
| 3. Total buyback amount: | 50,284,110,000 yen |
| 4. Buyback period: | From October 1, 2012 to October 31, 2012 |
| 5. Buyback methods: | - Open market buyback at the Tokyo Stock Exchange (TSE) (through a trust account)
- Buyback through the ToSTNeT-3 at the TSE |

(Reference)

Details of the buyback resolved at the Bank's September 27, 2012 board meeting:

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|--|---|
| 1. Type of shares to be repurchased: | Common shares of the Bank |
| 2. Upper limit for the total number of shares to be repurchased: | 330 million shares
(20.0% of total number of shares issued including treasury stock) |
| 3. Upper limit for the total buyback amount: | 100,000,000,000 yen |
| 4. Buyback period: | From October 1, 2012 to September 30, 2013 |

The progress of the buyback based on the aforementioned board resolution for the period from the commencement date of October 1, 2012 through to October 31, 2012 is as follows:

- | | |
|--|--------------------|
| 1. Total number of shares repurchased: | 205,000,000 shares |
| 2. Total buyback amount: | 50,284,110,000 yen |

End