

July 12, 2019

Company name: Aozora Bank, Ltd.
Name of representative: Shinsuke Baba, President and CEO
(Listed exchange: TSE, Code 8304)
Contact: Atsuhiko Goto
Business Strategy Division (03-6752-1111)

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

Tokyo July 12, 2019 - 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 25, 2019 as follows.

1. Total number of stock options: 4,742 units
2. Stock option allotment recipients, number of recipients, and number of stock options:
Four (4) Full-time Directors of the Bank; 1,885 units in total
Eighteen (18) Executive Officers of the Bank; 2,857 units in total
3. Class and number of underlying shares: 47,420 Aozora common shares
4. Amount to be paid in at the allocation of stock options: 23,520 yen per stock option
(2,352 yen per share)

The above amount was calculated on the day of allocation of stock options (July 11, 2019) 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 25, 2019
Date of Allotment	July 11, 2019

End