



Second Opinion

The Gunma Bank, Ltd.

September 12, 2024

7th Issuance of Basel III -compliant Subordinated Bonds (Sustainability Bond) Monitoring

Sustainable Finance Division
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Rating and Investment Information, Inc. (R&I) has confirmed at the request of The Gunma Bank, Ltd. that the bank conducted the allocation of proceeds and reporting regarding the instrument below in accordance with the Gunma Bank Group Green/Social/Sustainability Bond Framework for "Purpose" formulated by the bank in 2022. Regular monitoring will be performed once a year as long as the balance of bonds exists based on a request from the issuer.

■ Financial instrument

Issuer	The Gunma Bank, Ltd.
Instrument Name	7th Issuance of Basel III -compliant Subordinated Bonds (Sustainability Bond)
Issue Amount	10 billion yen
Issue Date	September 26, 2022
Maturity Date	September 27, 2032

1. Use of Proceeds

The use of proceeds has been selected from the eligible projects provided in the Framework.

■ Use of proceeds defined in the Framework (Green)

Project Category	Eligible Project
Energy efficiency	Loans, investments and expenses for installation and renovation of equipment that contributes to improving energy efficiency, including LED lighting, upgrade of air conditioning equipment and refurbishment of buildings
Clean transportation	Loans, investments and expenses for the purchase or maintenance of electric vehicles (EVs), fuel-cell vehicles (FCVs), and supporting infrastructure
Green buildings	Loans, investments and expenses for the construction, purchase or repair of buildings that have obtained, or are scheduled to obtain, green building certification recognized nationally, or that meet standards equivalent to the following: <ul style="list-style-type: none"> i. CASBEE: S, A ii. DBJ Green Building Certification: five stars, four stars iii. BELS: five stars, four stars iv. ZEH and ZEH-M (including LCCM houses) v. Long-life quality housing (certified after the revision of certification criteria in October 2022)
Renewable energy	Loans, investments and expenses for solar power, biomass power, hydropower, wind power, geothermal power and other power generating businesses recognized as green projects, including the leasing, purchase, construction, operation and expansion of power generation facility assets

■ Use of proceeds defined in the Framework (Social)

Project Category	Eligible Project
Maintenance and generation of employment	Loans and investments that help reduce the socioeconomic impact of epidemics, etc. or prevent the spread of infectious diseases
Support for revitalization and sustainability of regional economies	Loans and investments that contribute to the revitalization and sustainability of regional economies in the form of support for business succession, etc.
Support for reconstruction and recovery from disasters	Loans and investments for promoting reconstruction and recovery from socioeconomic damage caused by earthquakes, typhoons, heavy rains or other disasters
Support for medical and welfare services	Loans and investments related to medical care that help enhance local medical services or loans and investments related to welfare offered to support people with disabilities or address the aging society

2. Reporting

The reporting has been made based on the Framework.

(1) Allocation of Proceeds

- The allocation of proceeds has been disclosed on Gunma Bank's website. There has been no major change in the situation regarding the use of proceeds.

■ Disclosure items defined in the Framework

- The amount allocated to each category of eligible projects
- The amount unallocated
- The balance of green/social/sustainability bonds

■ Disclosed information

Eligible Project Category	Amount Allocated	Amount Unallocated
Energy efficiency	3 million yen	-
Clean transportation	28 million yen	-
Green buildings	2,860 million yen	-
Renewable energy	2,082 million yen	-
Maintenance and generation of employment	2,428 million yen	-
Support for revitalization and sustainability of regional economies	1,559 million yen	-
Support for reconstruction and recovery from disasters	118 million yen	-
Support for medical and welfare services	868 million yen	-
Total	9,950 million yen	-

(2) Environmental and Social Benefit Indicators

- The environmental and social benefit indicators have been disclosed on Gunma Bank's website.

■ Disclosure items defined in the Framework (Green/sustainability projects)

Eligible Project Category	Reporting Items
a. Energy efficiency	CO ₂ reduction
b. Clean transportation	CO ₂ reduction
c. Green buildings	The number of green buildings funded; type of certification obtained; level of certification obtained (if any)
d. Renewable energy	Total CO ₂ reduction (I)+(II)+(III)+(IV)+(V)+(VI)
Solar power generation business	CO ₂ reduction (I)
Biomass power generation business	CO ₂ reduction (II)
Hydropower generation business	CO ₂ reduction (III)
Wind power generation business	CO ₂ reduction (IV)
Geothermal power generation business	CO ₂ reduction (V)
Others	CO ₂ reduction (VI)

■ Disclosed information (Green/sustainability projects)

Eligible Project Category	Reporting Items	
a. Energy efficiency	CO ₂ reduction	9 t-CO ₂ /year
b. Clean transportation	CO ₂ reduction	18 t-CO ₂ /year
c. Green buildings	ZEH: 62 properties Long-life quality housing: 137 properties	
d. Renewable energy	Total CO ₂ reduction	11,647 t-CO ₂ /year
Solar power generation business	CO ₂ reduction	728 t-CO ₂ /year
Biomass power generation business	CO ₂ reduction	6,263 t-CO ₂ /year
Hydropower generation business	CO ₂ reduction	3,373 t-CO ₂ /year
Wind power generation business	CO ₂ reduction	1,282 t-CO ₂ /year
Green project total	CO ₂ reduction	11,675 t-CO ₂ /year

■ Disclosure items defined in the Framework (Social projects)

Eligible Project Category	Reporting Items
a. Maintenance and generation of employment	<p><Output></p> <ul style="list-style-type: none"> • The number and amount of loans and investments <p><Outcome></p> <ul style="list-style-type: none"> • The number of companies covered and the rough number of their employees <p><Impact></p> <ul style="list-style-type: none"> • Maintain and generate employment during business transformation, through loans and investments for "connecting" to the next generation
b. Support for revitalization and sustainability of regional economies	<p><Output></p> <ul style="list-style-type: none"> • The outline of eligible loan and investment projects • The number and amount of loans and investments <p><Outcome></p> <ul style="list-style-type: none"> • The number of companies covered <p><Impact></p> <ul style="list-style-type: none"> • Promote smooth business succession and inheritance through loans and investments for "connecting" to the next generation to revitalize and sustain regional economies
c. Support for reconstruction and recovery from disasters	<p><Output></p> <ul style="list-style-type: none"> • The outline of eligible loan and investment projects • The number and amount of loans and investments <p><Outcome></p> <ul style="list-style-type: none"> • The number of companies covered <p><Impact></p> <ul style="list-style-type: none"> • Realize an enriched life through as fast reconstruction and recovery as possible from disasters • Realize resilient corporate activities and society by strengthening disaster risk measures
d. Support for medical and welfare services	<p>[Support for medical services]</p> <p><Output></p> <ul style="list-style-type: none"> • The outline of eligible loan and investment projects • The number and amount of loans and investments <p><Outcome></p> <ul style="list-style-type: none"> • The number of beds (for hospital construction) <p><Impact></p> <ul style="list-style-type: none"> • Enhance local medical services • Achieve health and longevity <p>[Support for welfare services]</p> <p><Output></p> <ul style="list-style-type: none"> • The outline of eligible loan and investment projects • The number and amount of loans and investments <p><Outcome></p> <ul style="list-style-type: none"> • The number of units (for welfare residential institution construction) <p><Impact></p> <ul style="list-style-type: none"> • Stabilize society and realize an inclusive environment by providing support for people with disabilities and the elderly

■ Disclosed information (Social/sustainability projects)

Eligible Project Category	Reporting Items <(i) Output, (ii) Outcome, (iii) Impact>
a. Maintenance and generation of employment	(i) The number of loans: 553; the amount of loans: 2,428 million yen (ii) The number of companies covered: 519; the number of their employees: 3,740 (iii) Maintain and generate employment during business transformation, through loans and investments for "connecting" to the next generation
b. Support for revitalization and sustainability of regional economies	(i) Loans and investments that contribute to the revitalization and sustainability of regional economies in the form of support for business succession, etc. The number of loans and investments: 28; the amount of loans and investments: 1,559 million yen (ii) The number of companies covered: 28 (iii) Promote smooth business succession and inheritance through loans and investments for "connecting" to the next generation to revitalize and sustain regional economies
c. Support for reconstruction and recovery from disasters	(i) Loans and investments for promoting reconstruction and recovery from socioeconomic damage caused by earthquakes, typhoons, heavy rains or other disasters The number of loans: 5; the amount of loans: 118 million yen (ii) The number of companies covered: 5 (iii) Realize an enriched life through as fast reconstruction and recovery as possible from disasters and realize resilient corporate activities and society by strengthening disaster risk measures
d. Support for medical and welfare services	<Support for medical services> (i) Loans and investments related to medical care that help enhance local medical services The number of loans: 114; the amount of loans: 718 million yen (ii) The number of supported institutions: 79 (iii) Enhance local medical services and achieve health and longevity <Support for welfare services> (i) Loans and investments related to welfare offered to support people with disabilities or address the aging society The number of loans: 18; the amount of loans: 150 million yen (ii) The number of units of supported welfare institutions: 110 (iii) Stabilize society and realize an inclusive environment by providing support for people with disabilities and the elderly

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