

## GUNMA BANK NEWS

December 21, 2023

Company name: The Gunma Bank, Ltd.  
Name of representative: Akihiko Fukai, President  
(Securities code: 8334; Tokyo Stock Exchange Prime Market)  
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Corporate Planning Department

### Announcement Regarding the Issuance of Unsecured Perpetual Subordinated Bonds with Write-down Clause

The Gunma Bank, Ltd. hereby announces that It has resolved to issuance of Unsecured Perpetual Subordinated Bonds ("the perpetual subordinated bonds") at the board meeting held on December 21, 2023, and filed an amended shelf registration statement for the perpetual subordinated bonds. This is expected to be the first issuance of the perpetual subordinated bonds among regional banks in Japan.

#### 1. Background and purpose of the Issuance of the Bonds

The Gunma Bank group ("the Group") has established the name of its Mid-term business plan, "Innovation for 'Purpose'" with the aim of clarifying that the Group is committed to the management based on our purpose, "We use our strengths in connections to spin the threads of the future for local communities". The Group aims to enhance our corporate value by continuously demonstrating strengths in "Connection".

Aiming to be the banking group that balances both social and economic value, the Bank aims to achieve a future ROE of 8% and PBR of 1x over the medium to long term. The bank will work to "eliminate negative equity spread" by implementing the measures aimed at "Achievement of next Mid-term business plan ending in FY 2027<sup>\*1</sup>" and "Capital allocation toward our goal<sup>\*2</sup>".

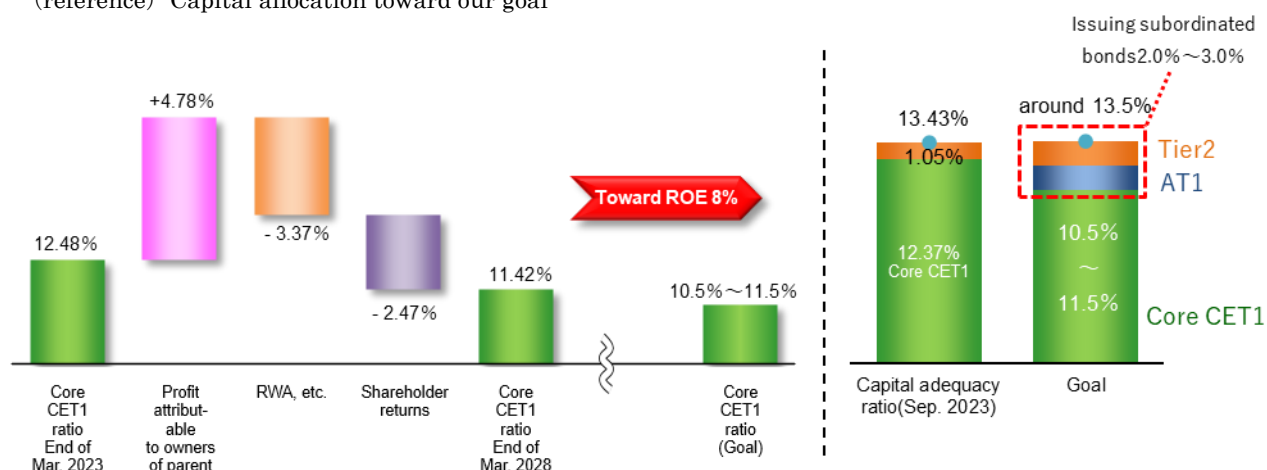
The Group is committed to implement a flexible and effective capital policy that consider the balance between "risk-taking", "financial soundness" and "shareholder returns". This time, the Bank has decided to issue the Additional Tier 1 eligible bonds in addition to the Tier 2 eligible Bonds previously issued to build the optimal capital structure and diversify its capital procurement.

<sup>\*1</sup> (reference) Next mid-term business plan ending in FY 2027.

		Current Mid-term Plan Innovation for "Purpose"	Next Mid-term Plan
	FY2023 Plan	FY2024 Final year	FY2027 Final year
Profit attributable to owners of parent (billion yen)	28.0	30.0	47.0
Capital adequacy ratio	13.2%	13.1%	13.5%
Of which, Core CET1 ratio (Note)	12.0%	11.9%	11.4%
ROE	5.4%	5.6%	7.7%

Note: Core CET1 ratio = Ratio calculated by subtracting Valuation difference on available-for-sale securities from Common equity Tier1

\*2 (reference) Capital allocation toward our goal



## 2. Outline of the Bonds

Bond name	The Gunma Bank, Ltd. Unsecured perpetual subordinated bonds with optional-redemption clause and write-down clause
Issue amount	To be decided
Term	Perpetual (Provided, however, that the issuer may at its discretion, redeem the bonds on any interest payment date on the interest payment date specified separately or thereafter or upon the occurrence of a tax event or a capital event.)
Payment date	To be decided
Denomination	JPY 100 million
Amount to be paid	To be decided
Use of proceeds	Funds raised from the issuing of the Bonds shall be appropriated to funds for long-term investments and loans, general working capital, and repayment of existing debt.
Issuing and paying agent	The Gunma Bank, Ltd.
Securities Depository	Japan Securities Depository Center, Incorporated

\* Japan Credit Rating Agency (JCR) have given preliminary ratings of A (Tier 1 bonds with loss absorption clause) to future bond issues by the Bank.

\*\*Note that a concrete issue amount, etc., will be determined hereafter based fully upon considerations of levels of demand, changes in interest rate, etc.

### Note:

This document is a press release to announce the issuance of the Bank to the general public. It is not prepared for the purpose of soliciting investment. Investors should review the shelf registration prospectus and supplementary shelf registration prospectus, prepared by The Gunma Bank, Ltd. prior to making any investment decisions, and should make such decisions at their own discretion.

This document contains forward looking statements. These statements are not represented as providing a guarantee of the Bank's future performance, and actual results may be subject to risks and uncertainties. Please note that future performance may differ due to change in business environment, etc.