February 26, 2025

Company name: The Gunma Bank, Ltd.
Name of representative: Akihiko Fukai, President
(Securities code: 8334; Tokyo Stock Exchange Prime Market)
Inquiries: Shizuo Otani, Executive Officer and General Manager, Corporate Planning Department

Announcement regarding Changes to the Shareholder Return Policy (Introduction of Progressive Dividends) and Revision of Year-End Dividend Forecast (Increase in Dividends)

At the board of directors' meeting held today, The Gunma Bank, Ltd. ("the Bank") resolved to changes to the shareholder return policy and to revise its forecasts at the end of the current fiscal year. The details are as follows.

1. Changes to the Shareholder Return Policy

（1）Details of changes

Before changes	As a regional financial institution, the Bank will strive to increase shareholder returns by striving to enhance equity capital while balancing profitability and investment for growth. Specifically, the Bank is setting a target of 40% of profit attributable to owners of parent for the ratio of total payout to shareholders combining stable cash dividend payments and the acquisition cost of treasury shares.
After changes	The bank's basic policy on dividends is a progressive dividend system that aims to maintain or increase dividends. The bank strives to achieve a payout ratio of 40% of profit attributable to owners of parent and will increase dividends through profit growth. In addition, the bank will flexibly implement acquisition of treasury shares based on capital levels, capital efficiency, growth investment opportunities, and market trends.

（2）Reasons for changes

The bank's return policy was based on a shareholder return rate that combined dividends and acquisition of treasury shares. However, the bank has decided to change it to a dividend payout ratio to provide long-term stable dividends through profit growth. The bank will also introduce a progressive dividend system to give the bank's shareholders medium- to long-term profit growth. The bank will respond to the shareholders' expectations by flexibly implementing acquisition of treasury shares based on capital control, while considering factors such as business performance and market trends.

（3）Effective date

The policy will be applied from the fiscal year ending March 31, 2025.

2. Revision of Year-End Dividend Forecast

（1）Details of revision

	Annual dividends per share		
	Interim dividends	Year-end dividends	Annual dividends
Previous forecasts (announced on November 11, 2024) (A)		¥20.00	¥40.00
Revised forecasts (B)		¥25.00	¥45.00
Actual results for the fiscal year ending March 31, 2025 (B)	¥20.00		
Net change (B-A)		+¥5.00	+¥5.00

Reference	Interim dividends	Year-end dividends	Annual dividends
Actual results for the previous fiscal year ended March 31, 2024 (C)	¥10.00	¥12.00	¥22.00
Net change (B-C)	+¥10.00	+¥13.00	+¥23.00

（2）Reasons for the revision

Due to changes to the shareholder return policy mentioned above, the Bank has decided to increase its forecasts of the year-end dividend to 25.00 yen per share by 5.00 yen per share compared to the previous forecasts.
As a result, the annual dividend per share (forecasts) , including the interim dividends of 20.00 yen, for the fiscal year ending March 31, 2025 is expected to be 45.00 yen per share, an increase of 23.00 yen from actual results for the previous fiscal year. In this case, the annual dividend payout ratio (consolidated) will be 43.4%, and the shareholder return ratio (consolidated) including acquisition treasury shares will be 55.6%.
In order to meet the expectations of stakeholders, the Bank will continue its efforts to strengthen its financial structure and increase shareholder returns.

（3）Others

This revision will be submitted to The 140th Annual General Meeting of Shareholders to be held in June, 2025.