

Company Name: The Gunma Bank, Ltd.  
Representative: Kazuo Saito, President  
Stock Exchange Listing: Tokyo (code: 8334)  
For Inquiry: Hiroyuki Irisawa, Executive Officer and General Manager,  
Corporate Planning Department

**Announcement regarding the determination of terms and conditions  
for the issuance of Basel III-compliant Subordinated Bonds**

The Gunma Bank, Ltd. hereby announces that it has determined the following terms and conditions for the issuance of Basel III-compliant Subordinated Bonds which will be issued on April 27, 2018.

**「 JPY 10,000,000,000 Subordinated Unsecured Bond due 27 April 2028 」**

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|-------------------------------------|---|
| 1. Total amount of issue            | 10 billion yen  |
| 2. Denomination of each bond        | 100 million yen   |
| 3. Interest rate                    | (i) For the first five years (until April 27, 2023): 0.40%<br>per annum (ii) thereafter: 6-month Euroyen LIBOR plus 0.29%   |
| 4. Issue price                      | 100% of the denomination of each bond   |
| 5. Redemption price                 | 100% of the denomination of each bond   |
| 6. Term                             | 10 years  |
| 7. Maturity date                    | April 27, 2028  |
| 8. Callable date                    | Any interest payment date on or after April 27, 2023  |
| 9. Interest payment date            | April 27 and October 27 of each year  |
| 10. Type of offering                | Public offering in Japan  |
| 11. Payment date                    | April 27, 2018  |
| 12. Book-entry transfer institution | Japan Securities Depository Center, Inc.  |
| 13. Underwriters                    | Nomura Securities Co., Ltd.<br>Daiwa Securities Co. Ltd.<br>SMBC Nikko Securities Inc.<br>Mizuho Securities Co., Ltd.<br>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.<br>(Notes) Nomura Securities consign part of handling of the offer of<br>this Subordinated Bonds to Gungin Securities Co., Ltd. |
| 14. Rating                          | AA- (Japan Credit Rating Agency, Ltd.)<br>A (Rating and Investment Information, Inc.)   |