

The Gunma Bank, Ltd. Financial Results Briefing Session

for the three months ended Jun. 2026

August 6, 2026

Presenter : **Shizuo Otani**
Managing director



The Gunma Bank, Ltd.

*By connecting the strands of resources, people, and generations,
we weave better futures for our communities.*

(Tokyo Stock Exchange Prime Market : 8334)

GUNMA BANK REPORT 2026
(Japanese)



Today's Summary

A good start was made, with a progress rate of **27.0%** in relation to the announced profit of 65.0 billion yen.

1Q Financial Results	< Consolidated P/L >	FY2027 1Q	YoY	Progress of the annual plan	
	Net interest income	¥ 30.5 bn Gains on cancellation of investment trusts ¥3.3bn	+¥ 4.7 bn Gains on cancellation of investment trusts ¥1.5bn	27.3% Excluding gains on cancellation of investment trusts 24.4%	... <i>The smooth growth in loans balance (YoY+5.6%) Increase in domestic yields in loans (YoY+25bp→1.42%)</i>
	Non-interest business profit	¥ 8.1 bn	+¥ 1.1 bn	23.2%	... <i>Up JPY 1.1 billion YoY. Going forward, we will continue to expand fee-based income from corporate services and assets under custody.</i>
	Expenses	¥ 15.7 bn ※OHR 44.4% Excluding gains on cancellation of investment trusts	+¥ 1.0 bn ※OHR ▲3.2pt	24.3%	... <i>In line with plan. Disciplined expense management with a focus on strategic investments. OHR continued to improve.</i>
	Net credit costs	¥ 0.2 bn	-¥ 0.5 bn	4.9%	... <i>Trending below plan. However, the external environment remains uncertain, including inflation and Middle East developments, warranting continued close monitoring.</i>
< Main account > (non-consolidated)					
		As of Jun. 2026	YoY		
	Loans	¥ 7,227.7 bn	+ 5.6%	... XB (YoY+17.5%) SF (YoY+46.5%) NY (YoY+20.3%)	
	Deposits	¥ 8,683.3 bn	+ 1.0%	... Corporate Dep. (YoY+5.1%) Individual Dep. (YoY+0.3%)	
	Unrealized gains/ losses AFS-sec.	¥ 11.7 bn (Unrealized gains)	+¥ 11.6 bn (Compared to Mar. 2026)	... Unrealized gains/ losses on domestic bonds-¥72.7 bn (Compared to Mar. 2026 +¥0.8 bn)	

Business Integration

- ✓ Definitive Agreement executed (Mar. 2026); **key framework of the new FG finalized**, including Representative Directors, corporate name, and share exchange ratio.
- ✓ Daishi Hokuetsu FG established regional development company **"REGIONAL SHIFT"** (Jun. 2026), which will serve as a regional revitalization hub under the new FG.
- ✓ Integration preparation has entered Phase 2 (**"RUN UP 180"**); detailed planning and operational testing for business integration are in progress.



第四北越フィナンシャルグループ
株式会社 REGIONAL SHIFT

○ Pre Actions 180 (Oct.2025 to Mar.2026)

○ RUN UP180 (Mar.2026 to Oct.2026)

○ FLY UP180 (Oct.2026 to Apr.2027)

Mutual Understanding & Engagement

Detailed Business Planning & Operational Validation
Vision Alignment & Cultural Integration for the New FG

Organization & Operations Design Phase
• Finalizing policies, regulations, and business processes

→

NewFG launch

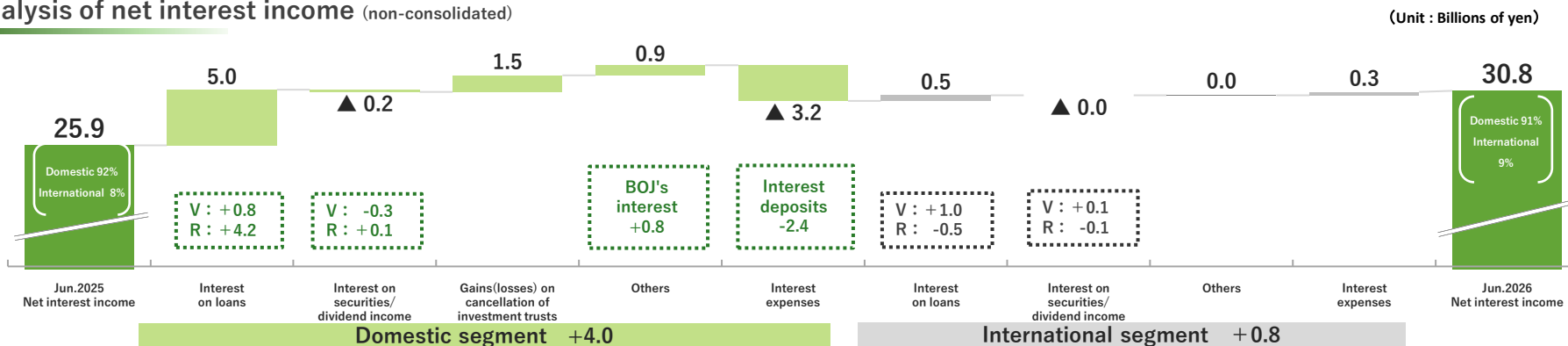


Profit and Loss Conditions

Profit attributable to owners of parent amounted to **17.5 billion yen**, up 3.5 billion yen YoY, due to an increase in net interest income, with a progress rate of **27.0%** in relation to the announced profit of 65.0 billion yen.

(Unit : Billions of yen)					(Unit : Billions of yen)				
Financial Summary	FY2026 1Q	YoY	Annual plan FY2026	Progress rate (annual plan)	< Non-consolidated >	FY2026 1Q	YoY	Annual plan FY2026	Progress rate (annual plan)
< Consolidated >					< Non-consolidated >				
Core business gross profit	38.7	5.9	146.7	26.4%	Core business gross profit	36.3	5.3	136.2	26.7%
Net interest income	30.5	4.7	111.7	27.3%	Net interest income	30.8	4.8	113.0	27.3%
Gains (losses) on cancellation of investment trusts	3.3	1.5	—	—	Gains (losses) on cancellation of investment trusts	3.3	1.5	—	—
Excluding gains (losses) on cancellation of investment trusts	27.2	3.2	111.7	24.4%	Excluding gains (losses) on cancellation of investment trusts	27.5	3.3	113.0	24.3%
Non-interest business profit	8.1	1.1	35.0	23.2%	Non-interest business profit	5.4	0.4	23.3	23.5%
Expenses	15.7	1.0	64.7	24.3%	Expenses	14.9	0.8	61.7	24.2%
Core business net profit	22.9	4.9	82.0	28.0%	Core business net profit	21.4	4.5	74.5	28.7%
Excluding gains(losses) on cancellation of investment trusts	19.6	3.4	82.0	23.9%	Excluding gains(losses) on cancellation of investment trusts	18.0	3.0	74.5	24.2%
Net Credit Costs	0.2	-0.5	5.5	4.9%	Gains or losses on investment securities	0.9	-0.9	13.2	7.2%
Ordinary profit	25.1	5.1	95.0	26.5%	Net credit costs	0.1	-0.5	5.0	3.1%
Profit attributable to owners of parent	17.5	3.5	65.0	27.0%	Others	1.4	0.6	5.3	26.7%
					Ordinary profit	23.6	4.8	88.0	26.8%
OHR (excluding gains(losses) on cancellation of investment trusts)	44.4%	-3.2%	44.0%	—	Net profit	16.5	3.3	60.0	27.5%
ROE (annualized rate)	11.3%	1.4%	10.5%	—					

Analysis of net interest income (non-consolidated)



Status of Loans

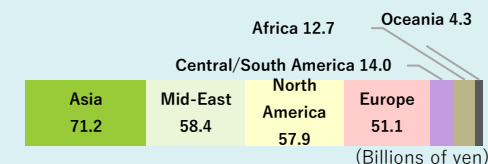
Loan balances grew strongly, driven by cross-border loans, structured finance, and the overseas branch. Also, loan yields are rising steadily.

Breakdown of loan balance

	Jun.2026	Compared to Mar.2026 (rate of change)	Compared to Jun.2025 (rate of change)	Loan's RORA () is compared to Jun.2025	Loan's ROA () is compared to Jun.2025
Loans	7,227.7	1.5 (0.0%)	385.7 (5.6%)	—	—
Large enterprises	1,101.7	6.3 (0.5%)	74.6 (7.2%)	2.07% (+0.60pt)	0.50% (+0.11pt)
Secondtier enterprises/SMEs	2,726.0	-28.3 (-1.0%)	70.5 (2.6%)	1.28% (+0.30pt)	0.70% (+0.15pt)
Individuals	2,599.2	13.5 (0.5%)	92.9 (3.7%)	—	—
Housing	1,548.1	12.8 (0.8%)	72.9 (4.9%)	1.70% (+0.36pt)	0.32% (+0.07pt)
Apartment	706.6	0.1 (0.0%)	10.8 (1.5%)	1.04% (+0.23pt)	0.45% (+0.05pt)
Unsecured consumer	89.0	2.0 (2.3%)	7.6 (9.3%)	1.91% (-0.09pt)	0.41% (-0.03pt)
Cross-border loans	269.6	0.4 (0.1%)	40.3 (17.5%)	3.24% (+0.93pt)	0.91% (+0.26pt)
Structured finance	262.0	20.9 (8.6%)	83.2 (46.5%)	1.43% (+0.39pt)	1.01% (+0.27pt)
Overseas branch	170.3	-10.2 (-5.6%)	28.8 (20.3%)	1.64% (+0.31pt)	0.41% (+0.08pt)
Others(Public,etc.)	98.6	-1.0 (-1.0%)	-4.8 (-4.7%)	—	—

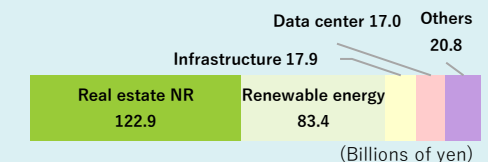
Cross-border loans

- Building a geographically diversified portfolio.
- New lending to the Middle East remains suspended, while the current portfolio remains sound.



Structured finance

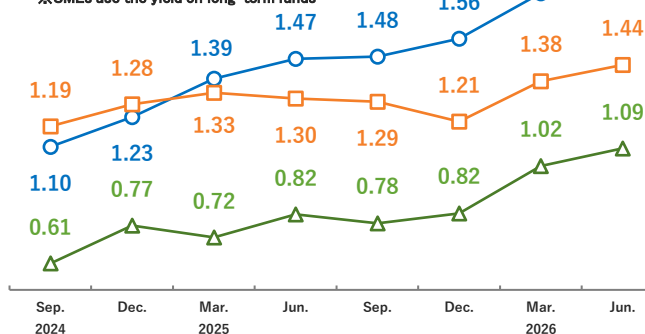
- Increased mainly through real estate non-recourse financing. (Predominantly senior loans, with LTV averaging approx. 60%)
- No exposure to JGB repackaged loans



Status of yields

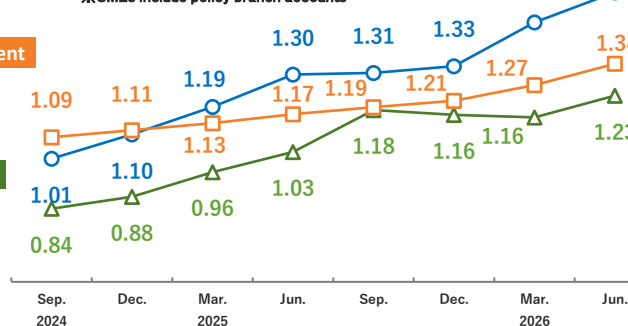
< Interest rates of new loans granted : % >

※SMEs use the yield on long-term funds

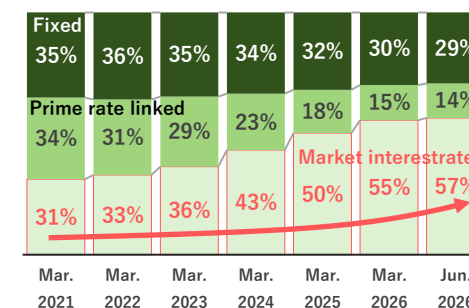


< Yield on loans(domestic) : % >

※SMEs include policy branch accounts



(Ref.) Corporate loans by interest rate type



Status of Deposits

Deposits increased steadily, driven primarily by growth in corporate deposits. To strengthen individual deposits, we aim to acquire stable, sticky deposits by offering attractive deposit products and implementing asset-based advisory sales.

Breakdown of deposit balance

		(Unit : Billions of yen)			
		Jun.2026	Compared to Mar.2026 (rate of change)		Compared to Jun.2025 (rate of change)
Deposits, etc.		8,919.6	130.5	(1.4%)	100.4 (1.1%)
Total deposits		8,683.3	112.2	(1.3%)	90.8 (1.0%)
Domestic deposits		8,572.4	163.3	(1.9%)	143.9 (1.7%)
(By Entity)	Individuals	5,798.7	39.0	(0.6%)	18.6 (0.3%)
	Corporations	2,267.5	103.4	(4.7%)	111.6 (5.1%)
	Public money	446.7	32.2	(7.7%)	21.1 (4.9%)
(By Type)	Liquid	6,671.2	98.1	(1.4%)	42.2 (0.6%)
	Fixed-term	1,848.9	63.7	(3.5%)	95.9 (5.4%)
(By Region)	Gunma Prefecture	6,893.9	97.8	(1.4%)	69.6 (1.0%)
	Outside Gunma Prefecture, etc.	1,643.8	64.1	(4.0%)	72.6 (4.6%)
Overseas branch deposits		110.9	-51.0	(-31.5%)	-53.0 (-32.3%)
Negotiable certificates of deposit		236.3	18.2	(8.3%)	9.6 (4.2%)

Deposits balance plan

(Target +3% YoY, as of Mar. 31, 2027)

(Unit : billions of yen)

Balance plan	Mar. 2026 (result)	Mar. 2027 (plan)	Increase amount (YoY)
Domestic Dep.	8,409.0	8,688.5	+279.4 (+3.3%)
>individuals	5,759.6	5,881.0	+121.3 (+2.1%)
>corporations	2,164.1	2,267.0	+102.8 (+4.8%)

Strengthening individual deposits

Strategic interest rate setting
by customer segment

**premium
time deposit**
<Affluent Seg.>

**Life event time
deposit**
<Mass Seg.>

Dep. inflows since launch in Feb. (through Jul. 13)

- Premium time deposit: JPY 28.0bn
- Life event time deposit: JPY 4.2bn
- 1Q (Apr-Jun) total inflows: JPY 21.0bn

**"Utsukushiki" Niigata Premium
Rice Gift Time Deposit**

- ✓In collaboration with Daishi Hokuetsu FG
- ✓Enhancing attractiveness by providing value beyond interest rates (Launched on Jul. 17)



Strengthening Corporate deposits

Promoting deposit transactions aligned with loan share.
(Continued focus on the metropolitan area, supported by its large market size and strong growth potential.)

Initiatives and approaches to strengthen individual deposits

Toward building a highly sticky deposit base



Implementing asset-based advisory sales

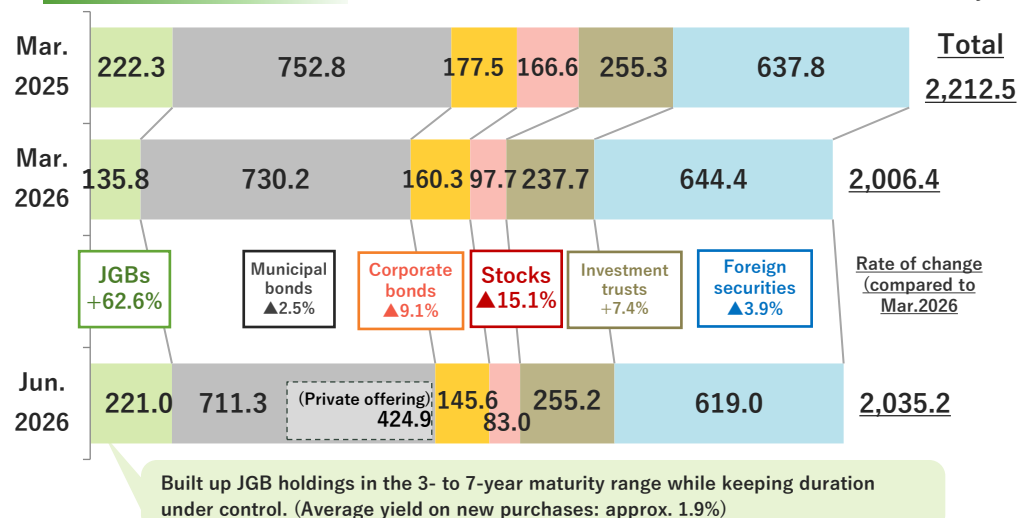


Status of Securities

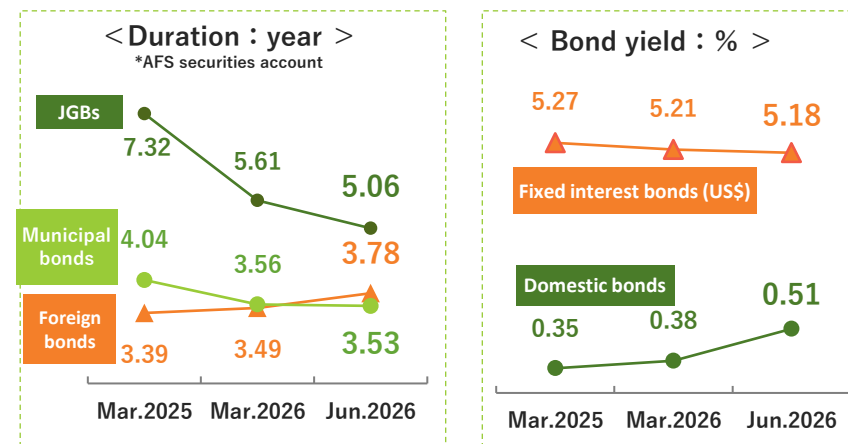
We resumed **JGBs investments** in response to interest rate developments. Additionally, gains from investment trust redemptions (the reallocation of domestic bond bear funds) were utilized to offset the partial disposal of low-yield RMBS.

Balance (Book value basis)

(Unit : Billions of yen)



Various index



Unrealized gains (losses) valuation (BS)

(Unit : Billions of yen)

	Mar.2026	Jun.2026	Compared to Mar. 2026
Available-for-sale Securities	0.1	11.7	+ 11.6
Domestic bonds	-73.6	-72.7	+ 0.8
(JGBs)	-12.7	-13.4	-0.7
(Municipal bonds)	-33.6	-33.3	+ 0.3
(RMBS ※Corporate bonds)	-26.4	-25.2	+ 1.2
Others	73.7	84.4	+ 10.7
Foreign securities	9.4	9.2	-0.2
Investment trusts, etc.	-12.1	-9.5	+ 2.6
Stocks	76.4	84.7	+ 8.3
(Strategically held stocks)	78.4	86.3	+ 7.8
(Investment securities)	-2.0	-1.5	+ 0.4

Gains (losses) on sales (PL)

(Unit : Billions of yen)

	FY2025 1Q	FY2026 1Q	YoY
Total (①+②)	3.7	4.2	+ 0.5
Available-for-sale securities ①	1.8	0.9	-0.9
Gains(losses) on bonds	-6.9	-3.4	+ 3.4
Of which, losses on sales	-7.0	-3.4	+ 3.6
(Losses on JGBs)	-7.0	-3.3	+ 3.6
Gains(losses) on stocks, etc.	8.8	4.4	-4.4
Of which, gains(losses) on sale of stocks, etc.	8.8	4.4	-4.4
(Strategically held stocks)	5.5	2.0	-3.5
(Investment securities)	3.2	2.3	-0.8
Gains(losses) on cancellation of investment trusts ②	1.8	3.3	+ 1.5

Non-interest Business Profit / Expenses / Net credit costs

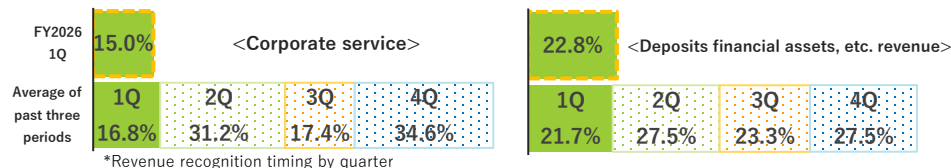
Non-interest business profit increased by 1.1 billion yen YoY. **Expenses** increased due to continued investments in strategic areas, including personnel costs. **Net credit costs** are low and stable.

Non-interest Business Profit (consolidated)

	(Unit : Billions of yen)			
	FY2026 1Q	YoY	Annual plan FY2026	Progress rate
Total non-interest business profit	8.13	1.19	35.0	23%
Corporate service revenue	2.09	0.29	13.9	15%
Syndicate loans	0.22	-0.02	2.3	9%
Business matching	0.25	0.03	1.3	18%
SDGs	0.18	-0.01	1.6	10%
Derivatives	0.64	0.18	3.8	16%
Gungin Consulting	0.24	0.02	0.8	29%
Deposits financial assets, etc. revenue	2.59	0.65	11.4	22%
Investment trusts commissions	0.61	0.19	2.5	24%
Insurance sales commissions	0.56	-0.12	2.5	21%
Gungin Securities	1.29	0.55	5.4	23%
Others	3.44	0.24	9.7	35%
Dividends of group credit life insurance	1.63	-0.11	1.8	88%
Basis services(domestic exchange, etc.)	2.13	0.01	8.3	25%

Non-interest Business Profit (Key Initiatives)

1Q performance progressed at a typical pace, with initiatives being accelerated to drive further growth.



Full-Scale Rollout of FX Derivatives Business

April: Strengthened head office staffing and established sales promotion and risk management frameworks.
 July: Began offering FX derivatives through key branches, including those in the Southern Saitama and Keihin regions. Also started approaching customers with surplus deposits.
 Promoted the business using **Daishi Hokuetsu FG**, a leader among regional banks in FX derivatives expertise, as a benchmark.

Practicing Asset based advisory sales through a comprehensive assets approach

- To leverage the high level of expertise offered by Gungin Securities, we continue to refer customers from the Bank to the securities company.
- Across the Group, we have established an optimal proposal framework tailored to each customer segment.
- By gaining a comprehensive understanding of customers' total assets, including assets held outside the Bank, we provide asset management-focused solutions designed to meet their overall financial needs.

Expenses (consolidated)

	(Unit : Billions of yen)		
	FY2026 1Q	YoY	Main factors
Expenses	15.7	+ 1.0	
Personnel exp. (non-consolidated)	8.1	+ 0.4	Base-up・Bonus+0.4,etc
Non-personnel exp. (non-consolidated)	5.8	+ 0.3	Outsourcing+0.22, Campaign advertisement+0.06, Deposit insurance-0.05,etc
Taxes (non-consolidated)	0.9	+ 0.0	Consumption tax + 0.04
Consolidated subsidiaries	1.3	+ 0.2	Gungin Securities+0.14, Gungin Leasing+0.04,etc
(Consolidated offset)	-0.5	-0.0	—

Net credit costs (consolidated)

	(Unit : Billions of yen)			
	Mar. 2025	Mar. 2026	Jun. 2026	Mar.2027 (Plan)
Net credit costs	3.1	3.4	0.2	5.5
Gunma Bank	2.3	3.2	0.1	5.0
Provision of general allowance for loan losses	-1.1	0.0	-0.3	0.1
Change to the actual rate	(-0.2)	(-0.2)	—	—
DCF	(-0.3)	(0.6)	(-0.1)	—
Others	(-0.6)	(-0.4)	(-0.2)	(0.1)
Disposal of non-performing loans	3.7	3.6	0.4	4.9
Downgrade	(6.3)	(5.0)	(0.6)	(6.0)
Collection, upgrade, etc.	(-3.0)	(-2.5)	(-0.4)	(-1.5)
Others	(0.4)	(1.1)	(0.2)	(0.4)
Recoveries of written off receivables (-)	0.2	0.4	0.0	—
Consolidated subsidiaries	0.7	0.2	0.1	0.5
(Consolidated offset)	-0.0	-0.0	-0.0	-0.0

(Reference) Balance Sheet Management

【Asset side】 Asset growth focused on RORA and ROA

【Liability side】 Supporting balance sheet growth through the acquisition of sticky deposits and diversification of funding sources to enhance liquidity resilience.

Planned Balance Sheet (as of Mar. 2027) *estimate

Loans (Annualized +3.2%)

2nd-tier SMEs (+2.3%) Maintain a strategic focus, given their potential to expand customer relationships and generate growth in deposits and fee income.

Individuals (+3.0%) Strengthen growth in high-RORA/high-ROA unsecured loans and housing loans, a cornerstone of comprehensive customer relationships.

XB·SF NY Select and actively drive projects with high RORA or ROA.

Securities

JGBs With the terminal rate in sight, resume JGB purchases

Stocks Investment trust, etc. Asset reallocation to improve profitability and soundness

Other assets (BOJ Deposits, etc.)

Reduction resulting from transfers for JGB purchases and repayments of BOJ funds provided under the "Stimulating Bank Lending Facility".

【Asset】 ¥ 10.8 tr		【Liability】 ¥ 10.8 tr	
Balance(Mar. 2027) vs Mar. 2026		Balance(Mar. 2027) vs Mar. 2026	
Loans	¥ 7.5 tr (+¥ 0.2 tr)	Deposits·NCD	¥ 9.0 tr (+¥ 0.2 tr)
2nd-tier & SMEs	¥ 2.8 tr (+¥ 0.1 tr)	Growth in loans is stably funded by the accumulation of deposits.	
Individuals	¥ 2.7 tr (+¥ 0.1 tr)		
XB·SF·NY	¥ 0.8 tr (+¥ 0.1 tr)		
Large corp.	¥ 1.1 tr (+¥ 0.0 tr)		
Securities	¥ 2.4 tr (+¥ 0.4 tr)	Borrowed money from BOJ	¥ 0.7 tr (-¥ 0.3 tr)
(JGBs)	¥ 0.5 tr (+¥ 0.4 tr)	(Outstanding balance by "Stimulating Bank Lending Facility" decreases)	
(Stocks & Investment trust, etc.)	¥ 0.5 tr (+¥ 0.1 tr)	Other	
Growth in securities is funded through reductions BOJ deposits, etc.		Procurement	¥ 0.6 tr (+¥ 0.1 tr)
		(repo, etc.)	
Other assets	¥ 1.0 tr (-¥ 0.6 tr)	Capital	¥ 0.6 tr (+¥ 0.0 tr)
(BOJ Deposits, etc.)			

(Annualized +2.2%)

Deposits and NCD

Acquiring sticky deposits is our top priority.

- Premium time depo.
- Life event time depo.
- "Utsukushiki" premium rice gift time depo.
- Enhancement of Gungin App Features

- Acquire deposit commensurate with our loan share.
- Expansion of core banking transactions, including payment services.

Fill the gap

Diversification of funding sources to address liquidity risk.

Borrowed money from BOJ

Climate Charge Operations Funding through sustainable finance initiatives and purchases of GX Bonds

Diversifying funding sources

Explore the expansion of funding sources, including RMBS (loan securitizations).

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