

Message from the Management



We will work to achieve changes in the management platform and the evolution of our business model to respond to customer needs through innovation of our financial services with an aim to become a regional financial group that realizes value.

I would like to express our sincere appreciation for your continued patronage towards the Gunma Bank. Since our establishment in 1932, we have been acting as a leading bank in the region where our customers are located, always wishing to contribute to the development of the regional communities, throughout many social and economic changes. In the meantime, we have strengthened the management structure and successfully established today's business foundations. This could not have been possible without your warm support, which we are very thankful for.

Looking at the recent economic situation, despite a continued moderate domestic economic recovery, overseas trade issues and other factors are resulting in growing uncertainties.

In terms of the financial environment, the management environment surrounding financial institutions is becoming much more severe, as evidenced by narrowing spreads on loans and securities management due to the prolonged Negative Interest Rate Policy and increased competition caused by the entry of new players from other industries. In addition, demographics and other aspects of Japanese society are in a transition period of significant structural change, and financial institutions such as ourselves are facing various threats and challenges.

On the other hand, recent progress in digitalization has brought dramatic changes to individual lifestyles and corporate business models, and I believe that for financial institutions the evolution of technology will increase the possibilities for innovations in financial services and drastic cost reductions, and create new opportunities.

In view of this awareness of this environment, we aim to seize opportunities for growth by steadily addressing various issues, such as leading initiatives to revitalize regional economies, the radical transformation of our profit structure, a response to emerging needs such as business succession, the utilization of digital technology, and collaboration with FinTech companies.

In the Mid-Term Business Plan, "Innovation New Dimension – Toward delivering value", the three-year business plan launched in April 2019 and ending in March 2022, based on the concept of "value-added proposals" that we have been working on for the past six years, we placed the focus on realizing this proposed value and aspire to be "a regional financial group that delivers value by meeting customer needs through financial service innovation." To become what we aspire to be, we have set forth the basic policies of "Transform our business platform through three reform initiatives" and "Deliver advanced value through business model evolution" and strategic themes for each. In accordance with these strategic themes, we will work on discontinuous changes, rather than a continuation of the conventional, and carry out high-quality consulting that meets the real needs of individual customers while broadening cooperation with group companies in an aim to achieve the radical transformation (new dimension) of our profit structure.

In addition, as various environmental and social issues become more critical, in February 2019 we formulated the "Gunma Bank Group SDGs Declaration" in an aim to contribute to the resolution of environmental and social issues through business activities based on our corporate philosophy and SDGs. By expanding on these types of initiatives and the various measures under the Mid-Term Business Plan, we will strive to realize a sustainable society and create economic value, and fulfill our responsibilities to regional communities, our customers, our employees, and each stakeholder, including shareholders and investors.

Financial institutions continue to face challenging times, laden with a variety of issues both at home and abroad. Amid these circumstances, my mission as the new President is to realize the development of regional communities and the growth of the Bank.

I believe that there is great value in facing these challenges head-on, especially in these difficult times. For business persons, the opportunity to take on many challenges is a joy, and in that sense, I feel that this is an era where we who work at regional financial institutions are blessed. We will continue to steadily overcome each issue, one by one, and take on the challenges that lead us to a new dimension.

Lastly, I would like to express my sincere gratitude for your continued warm support, and look forward to your support in the future as well.

July 2019

A handwritten signature in black ink, reading "Akihiko Fukai". The signature is written in a cursive, flowing style.

Akihiko Fukai
President