

# Value Creation Process at the Gunma Bank Group

- As a comprehensive regional financial service institution, the Gunma Bank promotes businesses by using various management resources, and endeavors to realize a sustainable society and create economic value while providing value to the stakeholders including regional customers, shareholders, investors, employees and regional communities as well as contributing to achieve the SDGs.

- Value creation will result in even a higher value creation through increasing capital of the Bank Group and raising its corporate value.

## Utilizing capital resources

### Financial capital

- Sound financial portfolio
- Abundant equity capital

### Human capital

- Number of employees on a consolidated basis: 3,185
- High abilities and strong organizing power
- Extensive specialized human resources
- Corporate culture rich in individuality

### Intellectual capital

- Knowledge and systems that are backed by our long years of experience and achievements
- Excellent information-collecting ability and ability to create proposals
- Ability to meet a variety of financial approaches including financial technology (fintech)

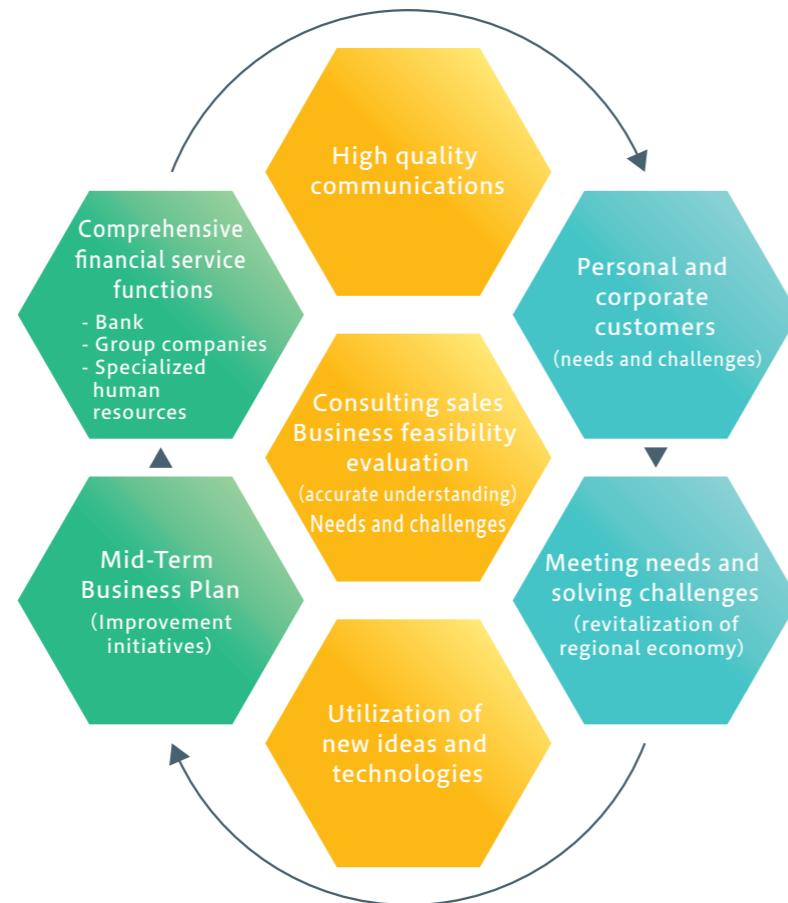
### Regional social capital

- Favorable relations with customers
- Resilient networks (company, personal and branch networks)
- Overwhelming business base (high shares of deposits and loans) (high percentage of major customers)
- Our service area is a good location for companies.
- Accumulation of companies with significant technologies

### Natural capital

- Blessed with a natural environment
- Region has few natural disasters

## Business model of the Gunma Bank Group



## Strong management base that supports our business model

Corporate governance

Risk management

Compliance

## External environment (social challenges)

- Initiative for SDGs (building a sustainable society)
- Decreasing birthrate and increasing aging population
- Growing expectations for women and elderly to take active roles in society
- Work style reform
- Progress in digitization
- Slowdown in the pace of business expansion
- Prolonged negative interest rate policy
- Diversification of asset management and fundraising
- Growth in demand for inheritance and business succession services

Other

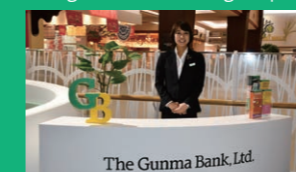
## Products and services provided to customers



## Creating shared value (CSV)

### The Gunma Bank Group (image that we aspire to be)

A regional financial group that responds to customer needs and creates value through the innovation of financial services



#### Customers

- Financial services that meet their various needs
- Overcoming management challenges such as business succession
- Asset building to accommodate each stage of life



#### Shareholders and investors

- Maximize shareholder value on a mid- to long-term basis



#### Employees

- Promotion of a variety of human resources into active positions
- Fostering human resources to play an active role at work, and offering flexible work arrangements
- Fulfilling corporate culture



#### Environment and regional communities

- Preservation and creation of the global environment
- Sustainable development of regional economy
- Promotion of the partnership

Initiatives to realize a sustainable society allow us to enhance the corporate value and create higher value.

# Creation of the value