

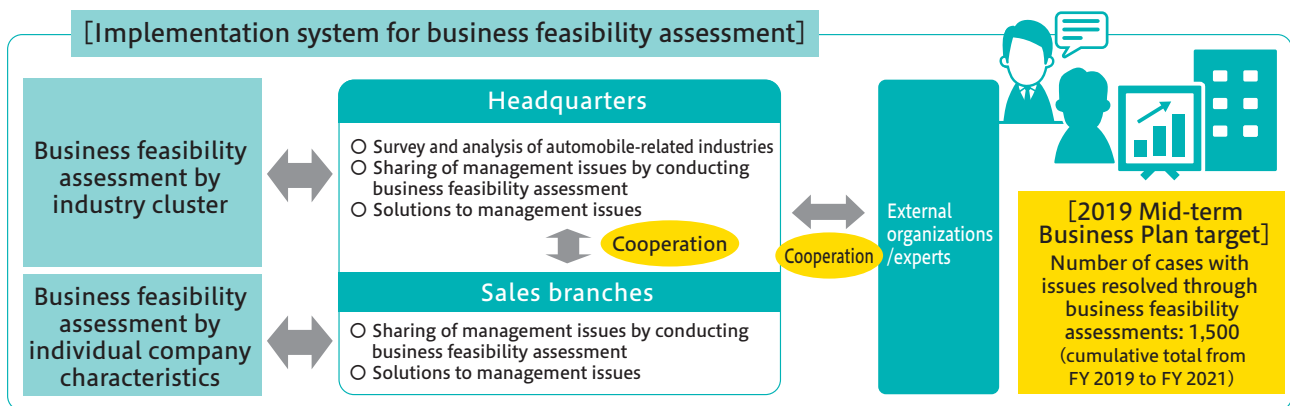
Initiatives for Customer Consulting Services

Initiatives for Corporate Customers

Strengthening business feasibility assessment efforts

In addition to expanding the businesses of our corporate customers, we provide optimal solution proposals (value propositions) for overcoming various obvious and/or potential management issues such as for human resources, general affairs, sales, and risk management. We believe that we can create “shared values” with our customers only after realizing such value propositions.

To that end, we are strengthening our “business feasibility assessment” efforts by sharing awareness of management issues through repeated dialogue with corporate managers.



<<Introduction of process evaluation>>

Realizing optimal solution proposals based on business feasibility assessments may take a considerable amount of time.

To meet this, we have included in the business feasibility assessment the “Process evaluation items” that evaluate the implementation process for checking business results of each sales branch every six months. In the process evaluation, even if no clear results are shown in the sales performances, the appropriate implementation process for business feasibility assessment is recognized as a positive result. We believe that this system will encourage full-scale efforts at sales branches.

Topic Customer voice

Thank you for your understanding of our business. We hope that you will continue to be a valuable consultation partner in future.



Based on our corporate philosophy of “Making people happy with **precise cutting**,” we have received orders for creating precision parts, especially automobile parts, both in Japan and overseas.

Our relationship with The Gunma Bank is still quite brief, but since the start of doing business with the bank, we have been receiving cooperation in solving various issues such as the introduction of specialized human resources* to solve manager shortages. Above all, we appreciate the Bank’s response after fully understanding the way our business works.

Now we feel that The Gunma Bank will be our main bank for conducting transactions.

We hope that The Bank will continue to be a valuable partner in future.

*Utilization of the Saitama Prefecture Professional Human Resources Strategic Base



Matsumoto Kosan Co., Ltd.
Naoki Matsumoto
Representative Director

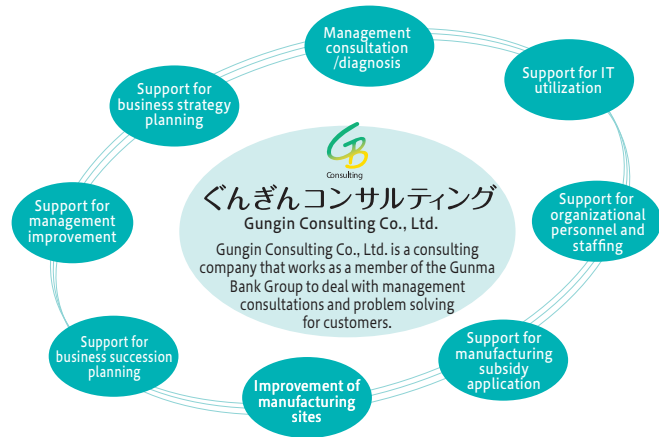
Initiatives for more specialized consulting services

<<Establishment of a consulting company>>

In solution proposals based on business feasibility assessment, we will introduce external specialized institutions if required. In such cases, we will provide indirect support for realizing the proposition.

Based on the above background, we established a consulting subsidiary so that we can be more actively involved in advanced consulting proposals and their realization.

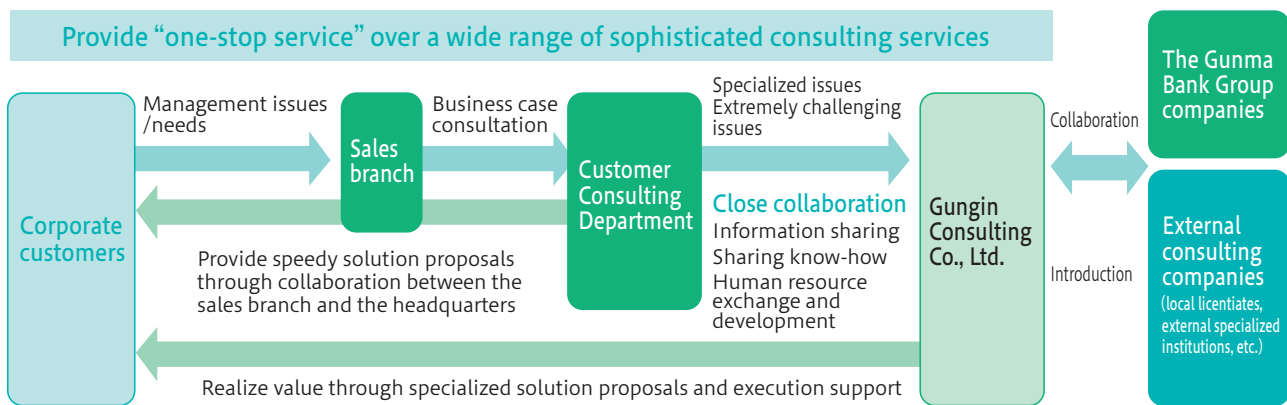
Gungin Consulting Co., Ltd.
 Capital: 100 million yen (100% investment by the Gunma Bank)
 Established in April 2018, operations started in October of the same year.



<<Consulting on highly specialized issues>>

When consultation on customer management issues requires a high level of expertise or is a complex and difficult task, we work together with the Group's Gungin Consulting Co., Ltd. based on the customer's consent. As a result, we have been able to propose solutions for a wide range of management issues faster than before.

At Gungin Consulting Co., Ltd., consultants with expertise are working to propose optimal solutions and support execution for solving management issues under close cooperation with us through the use of the functions of the Gunma Bank and the collaboration with its staff, In addition, if necessary, we are collaborating with the Group companies, local licentiates, external specialized institutions, etc. to provide a wide range of consulting services.



<<Situations at Gungin Consulting Co., Ltd. after its establishment >>

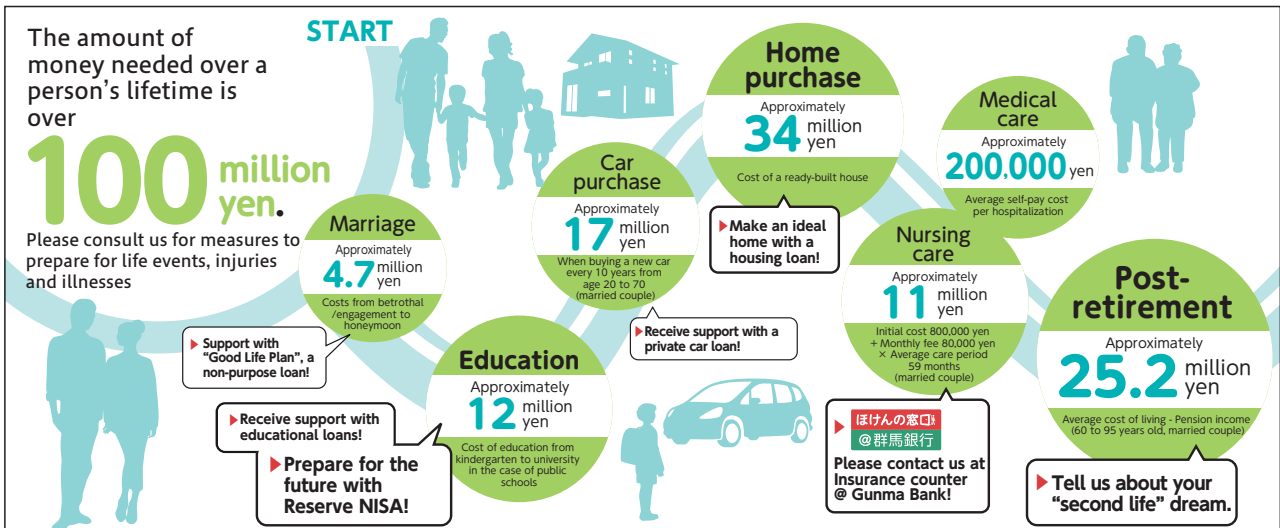
Since opening in October 2018, there have been 100 "toss-up cases" from sales branches in six months.

In order to solve various issues including high-need business succession, the responsible person at the sales branch collaborates with the staff of the Customer Consulting Department and the responsible consultant through making discussions or visits together to improve practical skills. This has led to improvement in the consulting ability of the Bank.

Another great strength is the ability to provide a one-stop consulting service through collaboration between sales branches, headquarters, and Gungin Consulting Co., Ltd.

Initiatives for Customer Consulting Services

Initiatives for Retail Customers



Main products and services according to life stage

Life stage	Young adult	Asset building				Senior
Event	Admission into/ Graduation from school	Start of a working career	Marriage	Child birth	Home purchase	Upper school education for a child Retirement
Asset management	Small investment (NISA, etc.)	Investment trust	Savings insurance	Securities account	Inheritance measures	
Insurance	Security insurance					
Deposit/settlement	Salary, pension, direct debit, credit card, internet banking					
Borrowing	Card loan	Private car loan	Housing loan	Educational loan	Home improvement loan	Reverse mortgage

Start of a working career

For the future, "money management" planning that goes "one step ahead" is necessary.

Once you start working, you will have to manage all your income and expenses yourself. For example, you need to manage your salary and living expenses, prepare for sudden expenses, and plan funds for the future.

Your relationship with "money" becomes more complicated than when you were a student and thus requires more advanced planning.

Please learn how to manage your money more carefully when you start working.



"Useful" Internet banking, "Money Forward (budget-managing app)"

"For the future" Property-type deposits, iDeCo (pension plan), Gungin installment-type investment trusts, personal pension insurance, etc.

"Preparing for 'just in case'" Credit card loan, credit card

Marriage

We wish you a happy new life together and will support you as you begin a new chapter of your life as a family.

You will have expenses from your engagement, wedding ceremony, reception and honeymoon. It is common for expenses to increase, such as preparing for a new home and a new life, purchasing furniture, home appliances and household items. A solid money plan is essential to build a happy life. Marriage is also a good opportunity for purchasing or reviewing insurance coverage. We will firmly support the two of you as you begin this new chapter of your life.



“For someone special”……Protection-based products (medical insurance, cancer insurance, income security insurance, etc.)
“Expenses for a new life”……“Good Life Plan,” a non-purpose loan

Education

You need to ensure the future of your precious children to have peace of mind.

A large sum of money, especially for education expenses, is necessary to care for a child from birth to adulthood until they become a member of society. We recommend preparing systematically for your child’s future.



“Careful and systematic preparation is needed”……Educational insurance, installment time deposits, Gungin installment-type investment trusts, etc.
“For the future of your children”……Educational loan

Housing

Dreaming of “My own home”

Let’s prepare funds carefully and systematically to purchase your ideal home.

A house is one of the most expensive purchases a person makes. You need to make preparations such as applying for a loan that suits your lifestyle and create a funding plan from the beginning.

Another important part of the process is to make a reasonable repayment plan based on your child’s growth and lifestyle changes.



“Careful and systematic preparation is needed”……Property accumulation housing savings, installment time deposits, Gungin installment-type investment trust, etc.
“Create a plan that suits you”……Mortgage protected with group-credit joint life insurance, mortgage protected with group-credit life and specified disease insurance, etc.
“Review your household budget”……Free loan/insurance consultation (Insurance counter @ Gunma Bank)

Life after retirement

To enjoy a fulfilling life after retirement, prepare through smart and reliable financing.

A comfortable life after retirement is a future that everyone wants. Retirement generally reduces your income significantly. We recommend gathering information before retirement and making systematic preparations to realize a comfortable life after retirement.



“A comfortable life”……Retirement allowance plan, personal pension insurance, financial product brokerage, etc.
“Review your insurance coverage”……Free insurance consultation (Insurance counter @ Gunma Bank)
“Utilization of your home”……Reverse mortgage

Note: For detailed information on each product, please visit our website (<https://www.gunmabank.co.jp/>).

Initiatives for Customer Consulting Services

Initiatives for Retail Customers

For more advanced customer consulting services

Inheritance consultation

We will help customers to realize their wishes, such as giving precious assets that have been built over many years, to specific family members and/or grandchildren.

“To achieve your wishes”

Will trust

“For ensuring a good future for your family”

Trust as a substitute for a will

“Handling troublesome procedures”

Liquidation of inheritance property service



Asset management consultation

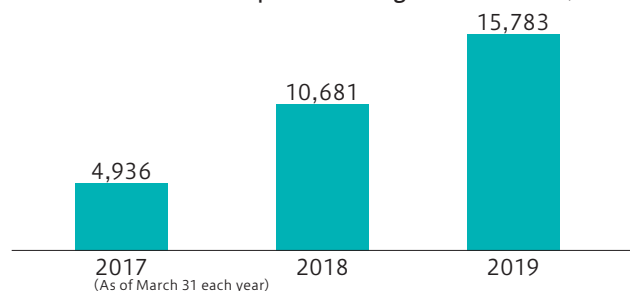
For customers who want more specialized products and services for asset management, we can meet a wide range of asset management needs: for example, we can introduce you to Gungin Securities Co., Ltd., and propose domestic and foreign bonds and stocks, and private placement structured bonds.*

*Private placement structured bonds are custom-made bonds based on the degree of risk allowed by customers and the desired rate of return.

Major types of private placement structured bonds

Stock index-linked bonds, EB bonds (convertible bonds from other companies), Dual currency bonds, Callable bonds

Number of accounts opened at Gungin Securities Co., Ltd.



Note: Gungin Securities Co., Ltd.

Established in February 2016 with the start of operations in October 2016

Insurance consultation

Partnering with Hoken No Madoguchi Group Inc., Japan’s largest insurance brokerage firm, we offer products that meet customers’ needs from an abundant product lineup according to each customer’s life plan.

Consultation bases (three bases in Gunma Prefecture)

Individual Consulting Plaza Maebashi
 Loan and Insurance Consulting Plaza Maebashi
 Loan and Insurance Consulting Plaza East

Products

112 life insurance products (22 insurance companies)



Individual Consulting Plaza Maebashi

Customer-oriented Initiatives

Based on the “Principles for Customer-Oriented Business Conduct” (Fiduciary Duty) announced by the Financial Services Agency in March 2017, we established and announced a “Management Policy” and “Action Plan based on this Policy” together with Gungin Securities Co., Ltd. in June 2017.

Action plan based on customer-oriented business conduct policy

- | | |
|---|--|
| 1. Selection of useful products for customers | 4. Provision of suitable products and services available for customers |
| 2. Improved transparency of bank commissions, etc. | 5. Human resource development and evaluation |
| 3. Provision of important information in an easy-to-understand manner | 6. Announcement of efforts |

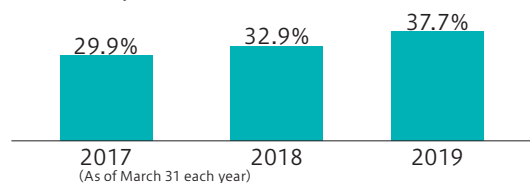
○ Selection of useful products for customers

We propose “Core-Satellite Management” as an asset management method.

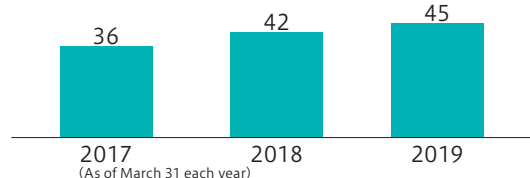
In “Core-Satellite Management”, we aim to increase operational efficiency from a long-term perspective by a well-balanced combination of “Core Assets”, which are stable investments over the medium- to long-term using diversified investments (balanced products, for example) and “Satellite Assets”, which focus on specific fields and aim for high returns.

For customers in the life stage of asset building, we recommend installment-type investment trusts utilizing Reserve NISA, etc.

[Balanced product ratio in investment trust balance]



[Number of installment-type investment trust contracts] (Unit: thousand)



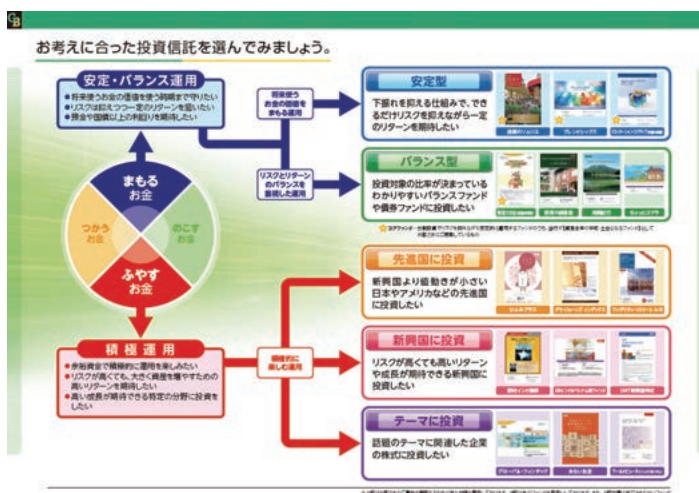
○ Improved transparency of bank commissions, etc.

For bank commissions for investment trusts, we have prepared information on “Main services for investment trusts and costs to be borne by customers” in an easy-to-understand manner. This document also shows our fundamental perspective on the level of commissions that we receive as a sales company.

○ Provision of important information in an easy-to-understand manner

We have newly established and utilized an “Investment trust planning confirmation sheet” as a support tool for customers to select investment trusts that meet their needs.

[Investment trust planning confirmation sheet]



Initiatives for Customer Consulting Services

○ Provision of suitable products and services available for customers

- We conduct seminars on weeknights and on holidays to improve the financial literacy of a wide range of customers.

FY 2019
 Number of seminars held 529
 Approximately 7,000 participants

- On our website, an information site for people in the life stage of asset building, “Savings Box for Future,” has been opened and information videos related to money are posted. In addition, we are posting “Iroha,” a free newspaper (first published in December 2018) that includes asset management information and local information on shrines and Buddhist temples which have become popular as places for spiritual energy in recent years as well as information on recommended restaurants in Gunma Prefecture.

[Video distribution service “Money Class”]



[First issue of the free newspaper]



○ Human resource development and evaluation

In order to improve the skills of employees so that they can make appropriate asset management proposals according to the customer’s life cycle and various needs, we strive to develop specialized skill holders by implementing basic OJT and weekend and night classes for employees. In addition to encouraging employees to acquire Level 1 Financial Planner certification, we are also focusing on support for certification acquisition, such as holding exam preparation courses in weekend seminars.

We are also developing and introducing performance evaluations that encourage customer-oriented sales activities.

[Number of qualified employees]

		As of March 31, 2017	As of March 31, 2018	As of March 31, 2019
Certified Financial Planner	1st grade	112	113	116
	2nd grade	1,923	2,008	2,069
Deposited financial assets	Advanced	90	95	116
	Intermediate	573	605	643
	Beginner	422	498	602

Note: Please refer to our website for the overall Key Performance Indicators (KPI) for customer-oriented business conduct. Please read the QR code to view materials.

<https://www.gunmabank.co.jp/about/gyomuunei/>



Initiatives to Prevent Bank-Transfer Fraud

Bank-transfer fraud refers to a criminal act that involves illegal money transfer, such as “Oreore fraud”, which refers to phone scams where fraudsters pretend to be relatives in need of money and force victims to transfer large sums of money into a designated bank account.

Bank-transfer fraud has increased, particularly among the elderly, and recently the age of the victims has been decreasing.

<<Features of recent bank-transfer fraud >>

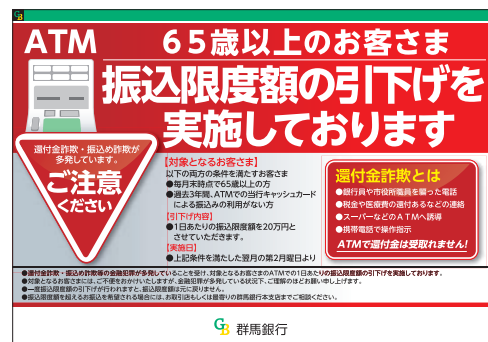
- Criminals call the victim’s house in the guise of a police officer or bank employee, and skillfully inquire about the illegal use of the victim’s cash card. After that, a person identifying himself as a member of the Financial Services Agency or Bankers Association visits the victim’s home and tricks the victim into believing that they need to exchange their cash card for a new one, and hands the card over to the criminal with PIN information. (Cash card handling fraud)
- Pretending to be an employee of the local public body or tax office, the swindler deceives the victim into believing that they are receiving a refund for medical expenses or taxes, etc. and guides the victim to an ATM explaining that there is a special procedure for receiving the refund. Then, using a mobile phone, the criminal instructs the victim into making a transfer into the criminal’s account using the victim’s ATM card and thus deceives the victim into handing over their money. (called “Refund money fraud”)

Preventive measures

In order to protect customers’ valuable assets from “bank-transfer fraud” that has become a social issue, we have taken the following measures as a countermeasure against this crime.

<<Contents of measures >>

- For bank transfers, the customer will be asked to give a reason for the transfer and other details.
- If bank-transfer fraud is suspected, the transfer is suspended until the facts are confirmed.
- If a customer is using a mobile phone at an ATM, a staff member will talk to them.
- Putting up posters near ATMs and at sales branches
- Posting warnings about such fraud on our website
- Strengthening cooperation with police and related authorities
- Implementing partial restrictions on transfer function at ATM
- Implementing transaction monitoring to prevent the spread of damage in the event of a bank-transfer fraud



Financial crime prevention service

If you are affected by bank-transfer fraud, please contact the following service.

Gunma Bank “Financial Crime Prevention Service”

Toll free number: 0120-788511

Hours: 09:00-17:00 (excluding bank holidays)