

# 2. Mid-Term Business Plan

## 2019 Mid-Term Business Plan “Innovation New Dimension” - Toward delivering value -

《Duration of plan: Three years from April 2019 to March 2022》

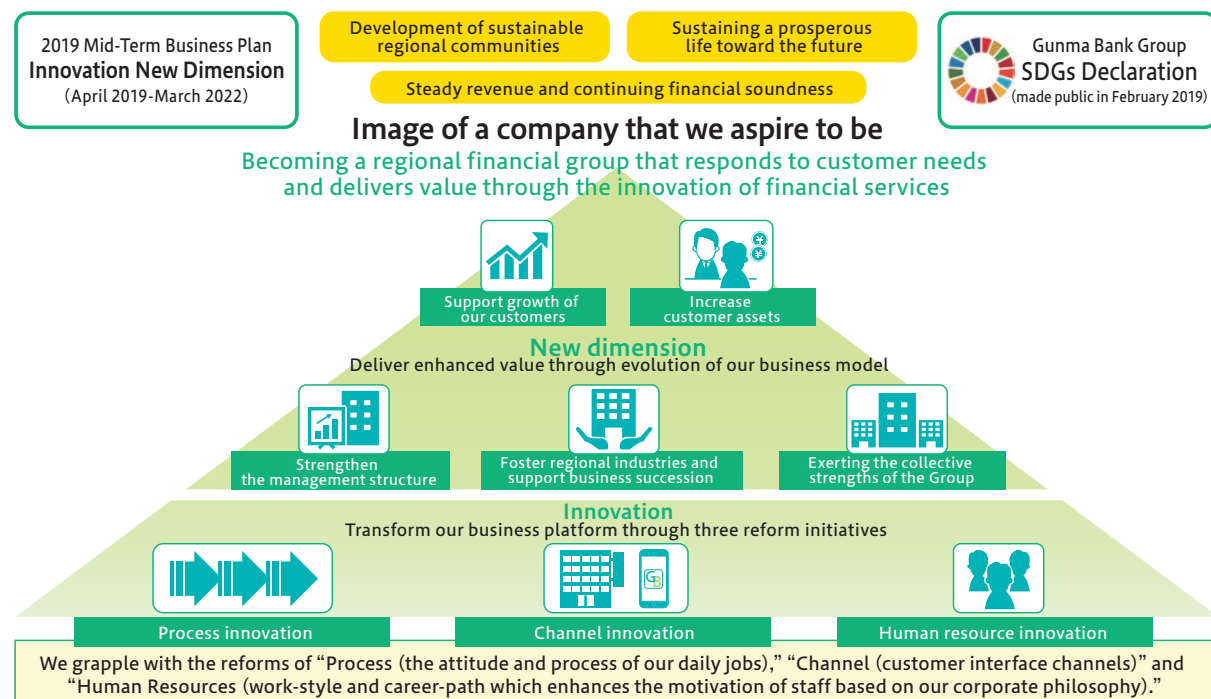
### Perspectives

Over the past six years, the Bank has posted the “2013 Mid-Term Business Plan: V-Plan - Evolution to becoming a Bank that offers value proposition” and the “2016 Mid-Term Business Plan: Value for Tomorrow” while focusing on growing together with the regional communities and our customers through providing customers with our unique proposals and providing support that is based on the basic concept of “value proposition.”

In a new Mid-Term Business Plan, the Bank mainly addresses ways of realizing value proposition based on our six-year efforts of providing “value proposition” while meeting changes in social conditions. With this in mind, the plan has been termed “Innovation New Dimension” which represents our aspiration to be a “regional financial group that can achieve greater value” through the innovation of services that we provide.

This plan was formulated based on the concept of the “SDGs Declaration,” and by working toward the “realization of value” to achieve this plan, we will realize the development of sustainable local communities and the fulfillment of rich livelihoods that continue into the future, leading to the sound development of the Bank.

### 《Outline of the Mid-Term Business Plan》



### Company Image and Basic Policies

#### Image of a company that we aspire to be

Becoming a regional financial group that responds to customer needs and delivers value through the innovation of financial services

#### Two basic policies

##### Innovation

#### Transform the business platform through three reform initiatives

This major undertaking tackles the three innovations of (1) the attitude and process of our daily jobs (Process), (2) customer interface channels (Channel) and (3) work-style and career-path which enhances the motivation of staff based on our corporate philosophy (Human Resources) to promote structural reforms to make our new strategies effective.

##### New dimension

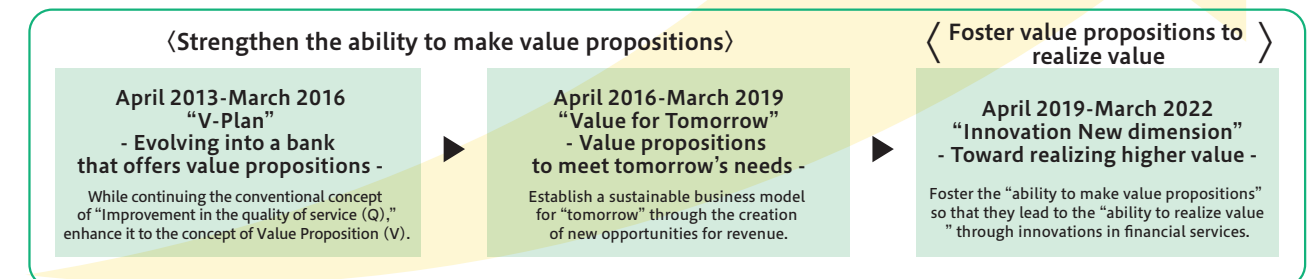
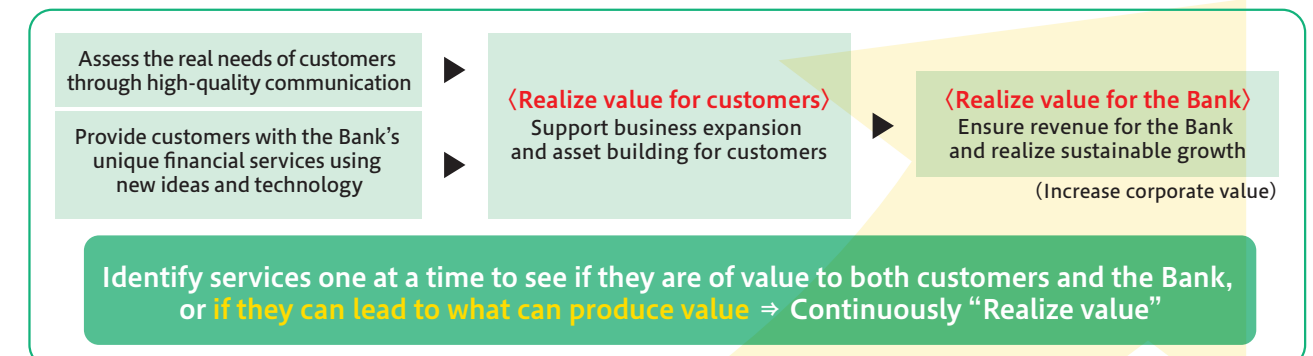
#### Deliver enhanced value through evolution of business model

While taking over the “value proposition” that we have fostered thus far, we will carry out high-quality consulting services that meet the needs of individual customers instead of continuing conventional financial services. In this way we can “deliver the best value” to customers and achieve a radical transformation (New Dimension) of our revenue structure.

### Deliver the “Best Value” that the Bank can Provide

#### Enhance ability to create unique propositions

《Respond to customer needs, provide customers with our unique financial services, and realize value for both customers and the Bank.》



### Quantitative Planning (quantitative targets)

#### Consolidated quantitative target as of the final fiscal year of the plan (fiscal year ending March 31, 2022)

《Profitability index》	Current net income attributable to parent company shareholders	24 billion yen
	Non-interest business income	20 billion yen
《Efficiency index》	RORA	0.5% and above
	OHR	Around 65%
《Soundness index》	Total capital ratio	12% level

#### Long-term target

《Profitability index》	ROE	5% and above
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#### Major quantities for achieving the targets

《Net interest income》	Retail loans receivable	4,780 billion yen
	Unsecured consumer loans receivable	60 billion yen
《Non-interest business income》	Proceeds from corporate service provision (consolidated)	4.2 billion yen
	Customers' deposited financial assets (consolidated)	1 trillion yen
《Regional vitalization / SDGs》	Number of problems solved through business feasibility assessment	1,500
	Number of companies that received support for business succession	6,000
	Number of companies that received support for business start-up	2,000
	Number of women in managerial positions (compared to March 31, 2019)	Increase of 20%

\*Please see from P24 to P35 for progress of each target.

Note: The Gunma Bank website is releasing materials used to explain the Mid-Term Business Plan for a meeting of analysts. Please read the QR code below to view materials. <https://www.gunmabank.co.jp/ir/hosin/pdf/setsumeikai.pdf>

