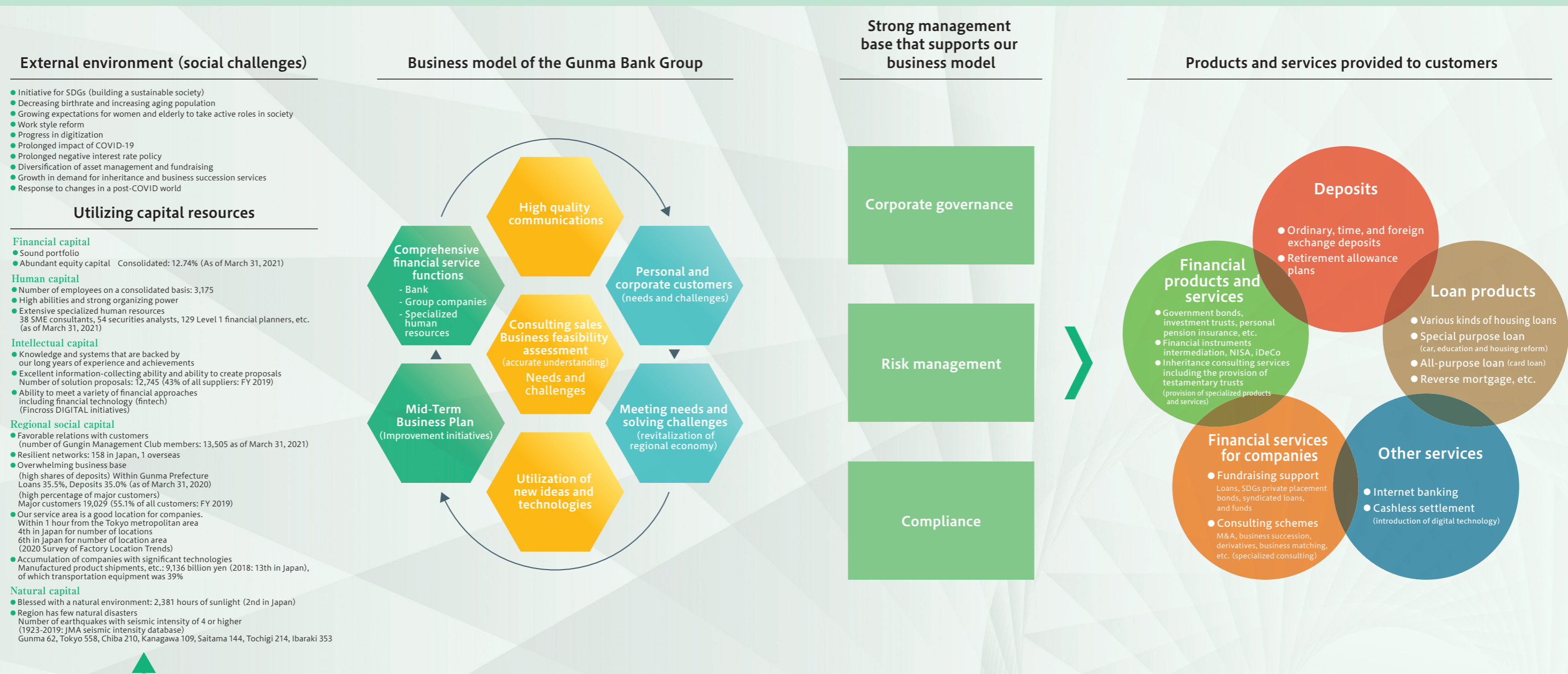


Value Creation Process at the Gunma Bank

- As a comprehensive regional financial service institution, the Gunma Bank Group 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.



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
- Prolonged impact of COVID-19
- Prolonged negative interest rate policy
- Diversification of asset management and fundraising
- Growth in demand for inheritance and business succession services
- Response to changes in a post-COVID world

Utilizing capital resources

- Financial capital**
- Sound portfolio
 - Abundant equity capital Consolidated: 12.74% (As of March 31, 2021)
- Human capital**
- Number of employees on a consolidated basis: 3,175
 - High abilities and strong organizing power
 - Extensive specialized human resources 38 SME consultants, 54 securities analysts, 129 Level 1 financial planners, etc. (as of March 31, 2021)
- 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 Number of solution proposals: 12,745 (43% of all suppliers: FY 2019)
 - Ability to meet a variety of financial approaches including financial technology (fintech) (Fincross DIGITAL initiatives)
- Regional social capital**
- Favorable relations with customers (number of Gungin Management Club members: 13,505 as of March 31, 2021)
 - Resilient networks: 158 in Japan, 1 overseas
 - Overwhelming business base (high shares of deposits) Within Gunma Prefecture Loans 35.5%, Deposits 35.0% (as of March 31, 2020) (high percentage of major customers) Major customers 19,029 (55.1% of all customers: FY 2019)
 - Our service area is a good location for companies. Within 1 hour from the Tokyo metropolitan area 4th in Japan for number of locations 6th in Japan for number of location area (2020 Survey of Factory Location Trends)
 - Accumulation of companies with significant technologies Manufactured product shipments, etc.: 9,136 billion yen (2018: 13th in Japan), of which transportation equipment was 39%
- Natural capital**
- Blessed with a natural environment: 2,381 hours of sunlight (2nd in Japan)
 - Region has few natural disasters Number of earthquakes with seismic intensity of 4 or higher (1923-2019: JMA seismic intensity database) Gunma 62, Tokyo 558, Chiba 210, Kanagawa 109, Saitama 144, Tochigi 214, Ibaraki 353

Business model of the Gunma Bank Group



Strong management base that supports our business model

- Corporate governance
- Risk management
- Compliance

Products and services provided to customers



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

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 partnerships

Creation of the value