

Digital Strategies as the Foundation for “Connections and Spinning the Threads”

Concept of digital strategy

The basic concept of our digital strategy is the digitalization of three areas: the community, customer contact points, and internal bank operations. The various policies that the Gunma Bank will pursue moving forward are closely connected to the digitalization of these three areas. The

promotion of digitization in all three is fundamental to the realization of the Gunma Bank’s management strategy. We will also develop the human resources needed to support these digitalization efforts. (For more on our digital human resource development, see P42.)

Furthering initiatives such as advanced data utilization and organizational reforms to promote digitalization in three areas

- Digitalization of the community**
 - Support for local digitalization, including SMEs, etc.
 - Build a digital ecosystem in the region (cashless, data distribution, etc.)
- Digitalization of customer contact points**
 - New customer experience using digital technology
 - Complete all transactions digitally
 - Provide financial services that are integrated into daily Life
- Digitalization of internal bank operations**
 - Visualize various information and data to reflect them in management and staff decisions and actions
 - Go paperless, automate routines

Promoting digitalization is essential to effectively advance all strategic themes

Sales process reform	Communication through digital tools Competency analysis of sales activities	Sustainability in the region	Digitalization of the region in collaboration with industry, government and academia
Business process reform	Data-driven decision making Promotion of paperless and seal-less operations	Financial, core business, and succession support to companies	Digitalization support for local SMEs
Channel innovation	Digital channel expansion (e.g., apps) Strengthen channel collaboration through data utilization	Consulting for individuals	One-to-one marketing* practices Optimal face-to-face proposals based on data
Human resource innovation	Digital human resource development Data-driven talent management	The Group’s comprehensive strengths	Explore new business in the digital field Efforts to build regional ecosystems
External collaboration reform	Strengthen digital capabilities through alliances External collaboration using API infrastructure	Strengthen our management structure	Optimize systems Strengthen cybersecurity

*Propose and provide optimal value to each and every customer through the development of a data infrastructure

Digitalization of the community

We support the digitalization efforts of our customers, especially local small and medium companies, from a variety of aspects. This includes IT consulting and support with the introduction of communication tools, groupware, and accounting, attendance, and payroll software aimed at improving customers’ business efficiency.

We will also help build a digital ecosystem in the region by creating new value in a number of ways, such as making the region cashless and utilizing payment data for advertising and attracting customers .

Digitalization of internal bank operations

Beginning in January 2021, we introduced mobile PCs that allow employees to work in the same environment whether they are inside or outside the bank. In August 2021, we introduced Office365, replacing our traditional face-to-face, telephone, and paper-based communications with chat, web conferencing, and other tools, enabling employees to work when and where they chose.

Going forward, we will continue to further improve operational efficiency and implement work style reforms in a number of ways, including going paperless, automating tasks through RPA, and centralizing branch administrative tasks.

Digitalization of customer contact points

In April 2022, the Gunma Bank launched the Gungin App as the closest point of contact between the Bank and our customers. Moving forward, we will continue to enhance customer convenience by improving the app and adding new functions such as the ability to pay taxes and other public funds, conduct mutual fund transactions, and file notices.

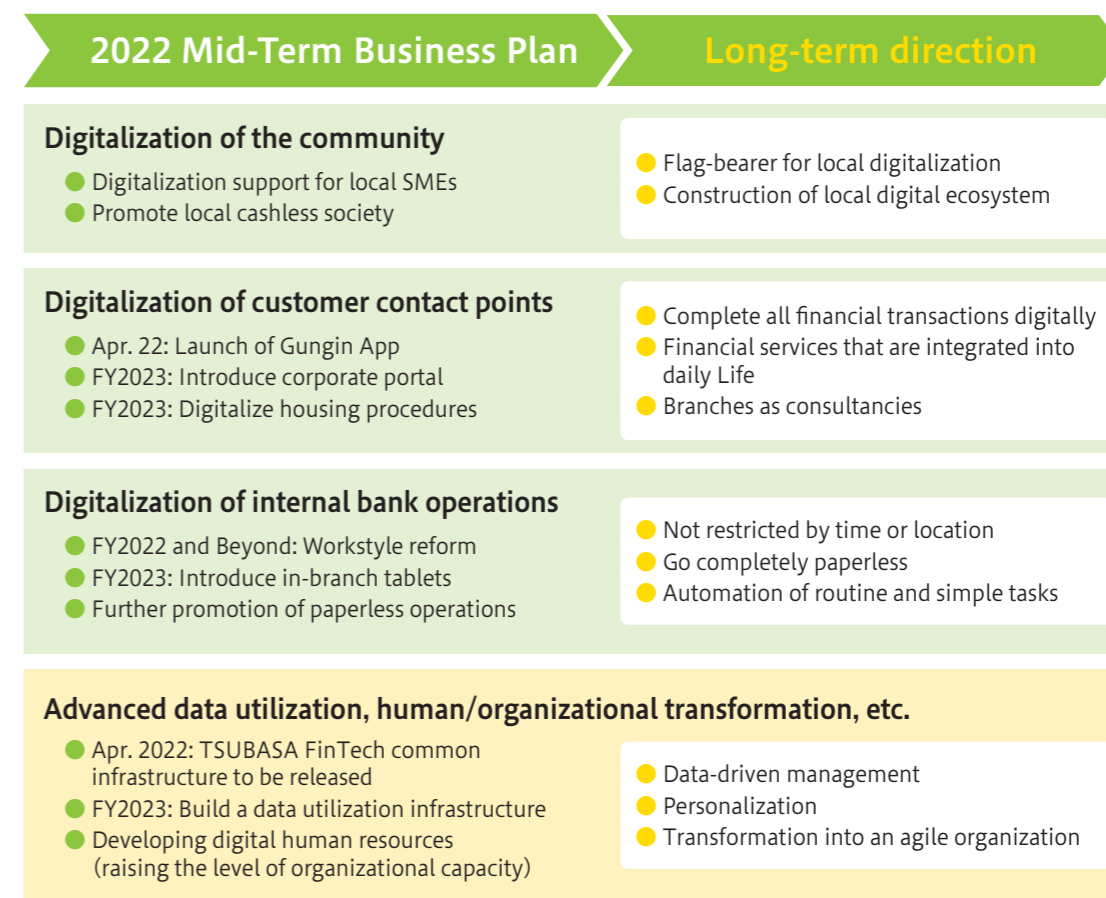
The bank will also promote efforts to digitize our contact points with customers in various fields in a number of ways. This includes renovating the Bank’s website, constructing a portal site for corporate customers, digitizing our home loan procedures, and introducing in-branch tablets.



Gungin App Launched in April 2022

Promote digitalization as a base for each strategic theme in order to reinforce strengths in “Connections” and spin the threads of the future

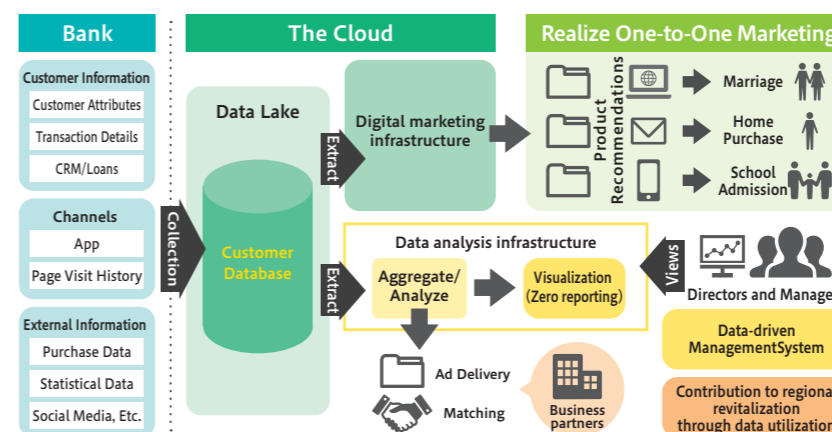
Roadmap for Realizing Digital Strategies



Feature Article Advanced data utilization

The necessity of advanced data utilization
The Bank accumulates and stores a vast amount of data, including customer transaction histories. By analyzing these data, we can gain insights into a wide range of things, including the products customers are truly seeking, their financial needs, and so on. We are working on a number of initiatives aimed at furthering advanced data utilization. One such initiative is building a data cycle that solves problems and creates value by collecting, accumulating, and analyzing data.

Building a digital marketing infrastructure with a data lake
We believe that advanced data utilization requires three infrastructures. The first is a data accumulation and collection infrastructure (data lake) capable of storing on secure cloud a variety of data including customer transaction histories and external data from social media and other sources. The second is a digital marketing infrastructure capable of utilizing the data accumulated in this data lake to deliver to customers the optimal products and services at the right time. The last is a data analysis infrastructure that allows information to be easily extracted and analyzed. By building these infrastructures, we will work to achieve things including data-driven management decision making and the reduction of reporting tasks.



Connecting to the future for local communities by utilizing data

We will further strengthen the connection between the Bank and its customers in a number of ways, including transforming data into valuable information through data utilization, and delivering optimal information to customers. At the same time, we will promote cashless payments in the region and create a virtuous circle in the local economy through the use of payment and other data. In this way, we have to contribute to a revitalization of the region.