

Initiatives of the Gunma Bank Group

The Gunma Bank Group consists of the Bank, six consolidated subsidiaries, two non-consolidated equity-method subsidiaries, and one equity-method affiliate. In addition to our core banking services, we provide a wide range of financial products and services. We aim to realize our Purpose by demonstrating the Group's comprehensive capabilities of exploring new businesses and deepening our existing businesses. Here, we introduce the initiatives of five companies. (See page 37 for details on Gungin Securities)

Gungin Consulting Co., Ltd.

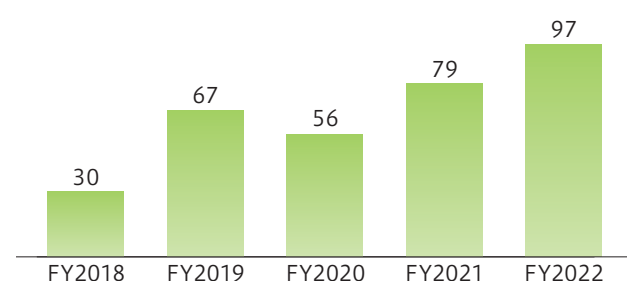
As a business strategy partner that is rooted in the region and supports the growth of customers, Gungin Consulting strives to provide what the Bank cannot on its own. Namely, more specialized consulting services, proposals for solutions to issues, and support with their implementation. Gungin Consulting offers an optimal consulting service for problem solving from the perspective of business succession support and provides core business support in collaboration with the Gunma Bank and Gunma Regional Advanced Solution

Partners.

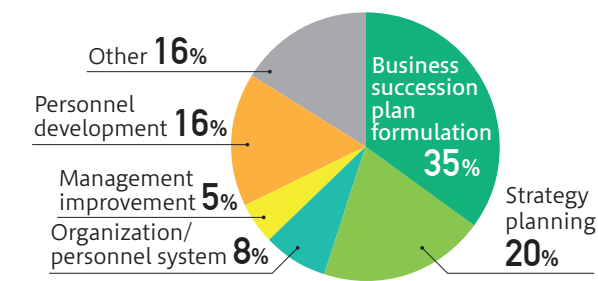
After receiving approval from the Financial Services Agency to provide advanced banking services in other industries, Gungin Consulting established the Human Resources Solutions Department and the Regional Trading Business Department in April 2023 to expand its business areas. Going forward, Gungin Consulting will continue to contribute to regional revitalization by providing solutions that help customers solve their problems and grow.

Consulting Efforts to Date (October 2018 to March 2023)

[Number of contracted projects]



[Ratio of projects in FY2022]



Expanding Business Areas as the Core of the Group's Corporate Non-financial Business

President Masashi Amada



At a press conference announcing the new businesses (March 2023)

– Please tell us about your business.

In our Consulting Business we provide consulting services with a focus on business succession, management strategy planning, organizational and personnel system construction, human resource development and training, etc., and have steadily increased the number of contracted projects since we first opened.

In our new Human Resources Solutions Business, we will strengthen the conditions needed to transfer the recruitment business that was previously handled by the Bank to us, so that we can connect local companies seeking new human resources with those who want to play an active role in the region.

Another new business, the Regional Trading Company, Marketing and Advertising Business, is gradually rolling out consulting services related to operating e-commerce sites and purchase-type crowdfunding, and consulting on digital marketing and advertising in order to develop new businesses and products originating in the region and expand sales channels.

– Please tell us about the significance of Gungin Consulting working on new businesses.

The expansion of our business areas is a second founding

for us. In consulting, there are many cases where management issues such as a lack of human resources, executives for example, and a lack of marketing know-how are raised, and we recognize that there is a very close relationship between our new businesses and existing consulting business. By working on new businesses, we have expanded the range of solutions we can provide, and so I hope to contribute more than ever to solving our customers' management issues.

– Please tell us about your aspirations for the future.

We are positioned at the core of the Gunma Bank Group's corporate non-financial business. As well as maximizing the use of the Gunma Bank Group's network and resources, and by demonstrating mutual synergies between new businesses and existing consulting businesses, will lead to the growth of regional companies and the creation of sustainable regional economies.

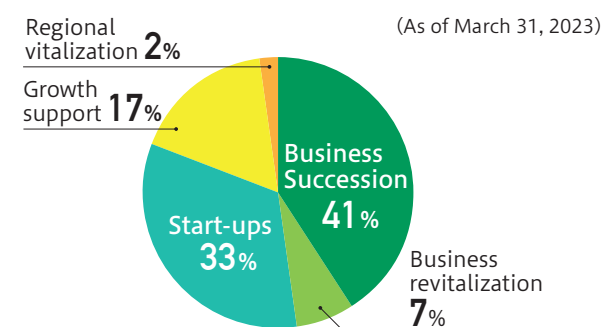
We will contribute to the future of local communities by providing value that goes beyond existing business areas as a Groupwide effort.

Gunma Regional Advanced Solution Partners, Co., Ltd.

Gunma Regional Advanced Solution Partners (GRASP) is working to create new businesses that contribute to the revitalization of regional economies and smooth business succession for the next generation through investment and hands-on management support. In addition to strengthening our competitiveness in businesses that are essential to the region to improve business value, other initiatives include the extensive revitalization of areas such as tourism, the building of a recycling-based society through promotion of

locally produced and locally consumed energy, and the building of a system for addressing the hiring and human resource development challenges shared by companies in the region. Based on the concept of working hand in hand with people to create more prosperous and better local communities to live in, we aim to be a regional creation producer that creates excitement by connecting local people, organizations, and information.

Overview by Investment Theme



Examples of Business Succession Support

Support for JOETSU Co., Ltd. (Maebashi City, Gunma Pref.)

- GRASP, wholly owned by The Gunma Bank, acquired all shares of JOETSU Co., Ltd. through a fund operated by GRASP.
- JOETSU runs a solutions business that integrates digital and print media.
- GRASP helps to improve the company's corporate value by ensuring the shares are transferred adequately. JOETSU, GRASP, and Gungin Consulting are also working together to promote digitalization in the region, for example, by encouraging local companies to use data and digital marketing.



Aiming to Improve the Value of the Entire Region by Fulfilling Our Role as a Hub for Regional Cooperation

President Hideo Kagamiyama

– What areas are you investing in?

We invest according to the company's stage (business expansion, succession, revitalization, etc.) and business challenges. We have also established a regional power company with the aim to develop and make renewable energy sources more widespread, and we are focusing our efforts on initiatives to solve such regional issues. GRASP is a wholly owned subsidiary of The Gunma Bank, but as "Gunma Regional" suggests in the company name, we deal with a wide range of customers as an investment recipient, not just those of Gunma Bank.

– What are the defining features of GRASP?

The purpose of our business is to make the region better through investment. Although we are an investment company, we do not believe that we should pursue only profit for ourselves, or in other words, purely maximize returns. We must increase business value through investment and hands-on accompanying support. It's important to know how much we can increase the value of the entire region, including the business partners and employees of the companies we invest in, as well as the local residents. I believe this is the role of our company as a fund rooted in the region.

– How will you increase the corporate value of the companies you invest in?

We position ourselves as a hub that functions for cooperation in the region. The management issues faced by the companies we invest in are diverse. As there are many management issues that cannot be solved solely by GRASP, we are working to increase the corporate value of our investment partners by not only supporting the collaboration among them, but also organically connecting them with the Gunma Bank's network, various professional bodies, consultants, universities, and government agencies. We believe that combining the knowledge and know-how of experts who are well versed in each field will lead to the revitalization of the region.

– What ambitions do you have for the future?

We want to be a partner that together with companies is able to generate business and build communities. There is a limit to how much regional revitalization and problem-solving can be achieved purely by a single entity, so we need to have new frameworks that include collaboration, co-creation, and platforms to make it happen. I hope you will be able to work with us to be a role model for the community.

The Gungin Card Co., Ltd.

Aiming to build a local digital ecosystem

As well as proving worthy of customers' trust by providing high-quality services in the credit card business, Gungin Card seeks to contribute to the development of society and the economy through appropriate business operations and sound growth in business performance.

As society rapidly becomes more cashless, payment needs are diversifying and becoming more sophisticated. Gungin Card is working with banks to connect payments and settlements throughout the region using digital means in an effort to build a sustainable local digital ecosystem.

By increasing the number of credit card holders and expanding the number of Gungin Card merchants through more multi-payment terminals in local stores, offices, and clinics, etc., we aim to create a community where cashless payments can be made anywhere by anyone.



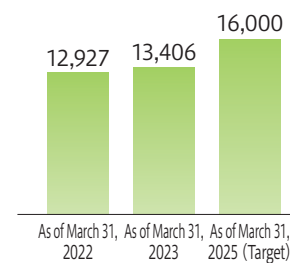
Gungin Card Head Office
(Maebashi City)

Promoting cashless payments in cooperation with banks

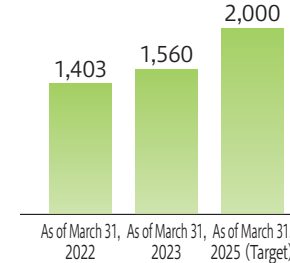
In April 2022, we took over the credit card member business of the main bank, strengthening our structure. In terms of acquiring new merchants, we are working with banks to make proposals for new business partners and non-member clients.

As of the end of March 2023, the Gunma Bank Group has about 13,400 merchants with a shopping transaction volume of about 156 billion yen. We will continue to work on increasing the number of affiliated stores to promote cashless payments in the region.

[Merchants]
(Unit: stores)



[Transaction volume]
(Unit: Hundred millions of yen)



Gungin Lease Co., Ltd.

Providing diverse added value through leasing

Gungin Lease has five bases (Isesaki City, Ota City, Kumagaya City, Saitama City, and Utsunomiya City) in addition to its head office (Maebashi City) where it provides all sorts of added value through leasing.

The main business is leasing. Gungin Lease handles a wide range of leased properties, including vehicles, industrial and machine tools, office equipment, commercial equipment, and medical equipment. We support our business partners through proposals such as reducing initial costs when introducing equipment and making effective use of funds, as well as keeping admin labor and costs down to a minimum.

And in order to make the most of our in-house leasing business expertise within the Gunma Bank Group, we make proposals to our business partners in cooperation with banks, for example, by sending employees to Gunma Bank.



Gungin Lease Head Office
(Maebashi City)

Gungin System Service Co., Ltd.

Supporting the digitalization of the region, our customers, and the Bank

As the Group's systems company, Gungin System Service plays an important role within our digital strategies that are the foundation for "Connections and Spinning the Threads." In the digitalization of the community, the company provides support in a number of ways, including actually going to customers' places of business to help set up and operate their computers and systems.

In the digitalization of customer contact points, meanwhile, it works with the Gunma Bank on system development and also provides operational support. In the digitalization of internal bank operations, it provides its insights and know-how as a systems company and works with the Bank to plan and manage a number of initiatives including the promotion of paperless operations and the automation of routine operations.

In addition, employees seconded to the Gunma Bank Corporate Consulting Department serve as a point of contact, helping business partners to transform digitally.



Gungin System Service Head Office
(Maebashi City)

The Gunma Bank Group Companies

Gunma Chuo Kogyo Co., Ltd. CS

Established	February 24, 1971
Location	226 Motosojamachi, Maebashi, Gunma
Key operations	Transportation of goods, maintenance of automated teller machines (ATM), etc.
Capital	10 million yen
Ratio of ownership of voting rights by the Group	100.00%
Gunma Bank	100.00% Subsidiaries, etc. —

Gungin Consulting Co., Ltd. CS

Established	April 18, 2018
Location	194 Motosojamachi, Maebashi, Gunma
Key operations	Consulting, human resources solutions, regional trading company, marketing and advertising business
Capital	100 million yen
Ratio of ownership of voting rights by the Group	100.00%
Gunma Bank	100.00% Subsidiaries, etc. —

Gungin Lease Co., Ltd. CS

Established	October 1, 1973
Location	171-1 Motosojamachi, Maebashi, Gunma
Key operations	Leasing
Capital	180 million yen
Ratio of ownership of voting rights by the Group	100.00%
Gunma Bank	50.00% Subsidiaries, etc. 50.00%

The Gungin Card Co., Ltd. ES

Established	March 12, 1982
Location	194 Motosojamachi, Maebashi, Gunma
Key operations	Credit cards
Capital	30 million yen
Ratio of ownership of voting rights by the Group	66.67%
Gunma Bank	42.14% Subsidiaries, etc. 24.53%

Sky Ocean Asset Management Co., Ltd. EA

Established	November 25, 2014
Location	3-1-1 Minatomirai, Nishi-ku, Yokohama, Kanagawa
Key operations	Asset management
Capital	300 million yen
Ratio of ownership of voting rights by the Group	15.00%
Gunma Bank	15.00% Subsidiaries, etc. —

Gungin Securities Co., Ltd. CS

Established	February 12, 2016
Location	2-2-11 Honmachi, Maebashi, Gunma
Key operations	Securities dealing
Capital	3,000 million yen
Ratio of ownership of voting rights by the Group	100.00%
Gunma Bank	100.00% Subsidiaries, etc. —

Gunma Regional Advanced Solution Partners, Co., Ltd. CS

Established	December 25, 2020
Location	194 Motosojamachi, Maebashi, Gunma
Key operations	Fund structuring and operation
Capital	100 million yen
Ratio of ownership of voting rights by the Group	100.00%
Gunma Bank	100.00% Subsidiaries, etc. —

Gunma Shinyo Hosyo Co., Ltd. CS

Established	September 28, 1983
Location	194 Motosojamachi, Maebashi, Gunma
Key operations	Assurance engagements
Capital	30 million yen
Ratio of ownership of voting rights by the Group	100.00%
Gunma Bank	45.45% Subsidiaries, etc. 54.54%

Gungin System Service Co., Ltd. ES

Established	July 26, 1986
Location	171-1 Motosojamachi, Maebashi, Gunma
Key operations	System development and sales
Capital	30 million yen
Ratio of ownership of voting rights by the Group	75.00%
Gunma Bank	20.00% Subsidiaries, etc. 55.00%

*1 CS (Consolidated subsidiary), ES (Equity-method subsidiary), EA (Equity-method affiliate)

*2 Ratios of ownership of voting rights are rounded down to the second decimal place.