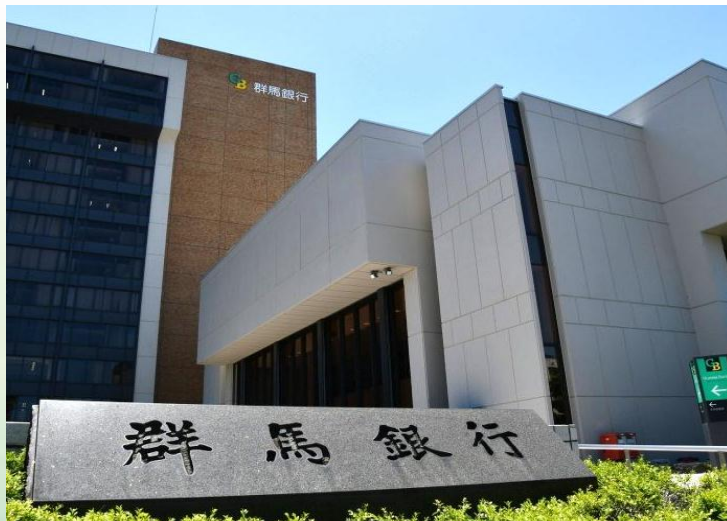


The Gunma Bank, Ltd.

Financial Results Briefing Session for the Year Ended March 2022



May 25, 2022

Presenter: Akihiko Fukai, President



The Gunma Bank, Ltd.

(The Prime Market of Tokyo Stock Exchange : 8334)

**We use our strengths in connections to spin the
threads of the future for local communities**



**The Mid-Term Business Plan 2022
Innovation for "Purpose"**

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I . Summary of Financial Results for the Year Ended March 2022



The Oze National Park



Tomioka Silk Mill

1. Profit and Loss Conditions

Profit attributable to owners of parent for the final year of the Mid-Term Business Plan was 26.4 billion yen. Non-interest business profit was at 20.5 billion yen. Both achieved a level surpassing their respective targets.

■ Consolidated

(Unit : billion yen, %)				
	No.	Mar.2021	Mar.2022	compared to Mar.2021
Core gross business profits	1	86.4	92.5	6.1
Net interest income	2	67.2	72.0	4.7
Non-interest business profit	3	19.1	20.5	1.3
Expenses	4	55.4	55.2	-0.2
Core net business profit excluding gains(losses) on bonds	5	30.9	① 37.3	6.3
Ordinary profit	6	20.0	39.1	19.0
Profit attributable to owners of parent	7	13.5	② 26.4	12.9
OHR	8	64.1	59.6	-4.5
ROE	9	2.6	4.9	2.3

■ Special commenets

【Consolidated】

- ① Consolidated core net business profit excluding gains(losses) on bonds improved steadily alongside net interest income and non-interest business profit. Due to a reduction in expenses, it improved year-on-year by 6.3 billion yen to 37.3 billion yen.
Non-interest business profit surpassed the Mid-Term Business Plan target of 20 billion yen by 0.5 billion yen, achieving 20.5 billion yen.→P5
- ② Profit attributable to owners of parent increased year on year by 12.9 billion yen to reach 26.4 billion yen, surpassing the planned target of 24 billion yen. OHR improved by 4.5 percentage points to 59.6%.

【Non-consolidated】

- ③ In net interest income, interest and dividends on securities increased, due to outstanding balance carried over to the current term.→P2
- ④ Credit costs decreased dramatically with elimination of the increase factor of the previous term (large scale ADR "Alternative Dispute Resolution"). Net credit costs increased to the level of the initial plan (7 billion yen). →P8
- ⑤ Extraordinary income(losses) included losses due to acceleration in branch office merger and closings (-1.3 billion yen) and reorganization of idle properties, such as corporate dormitories, etc.(+2.4 billion yen).

■ Non-consolidated

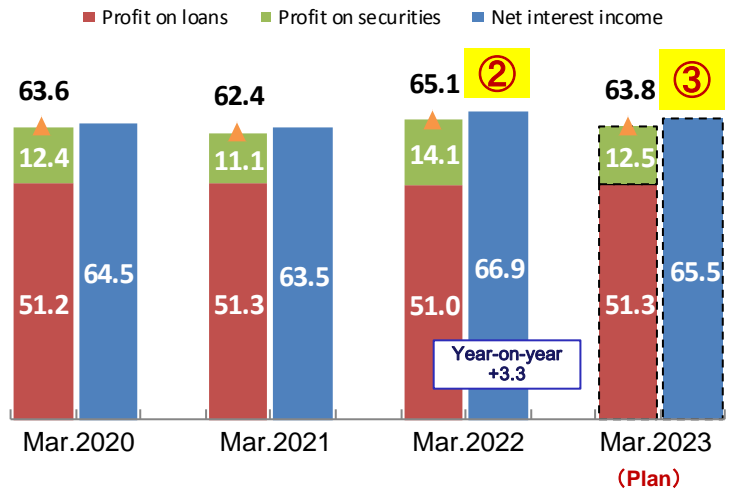
(Unit : billion yen)				
	No.	Mar.2021	Mar.2022	compared to Mar.2021
Core gross business profits	1	80.2	85.2	5.0
Net intrerest income	2	68.5	③ 72.3	3.7
Of which,gains(losses) on cancellation of investment trusts	3	0.3	0.5	0.1
Non-interest business profit	4	11.6	12.9	1.2
Net fees and commissions income	5	10.9	11.0	0.0
Profit from other business transactions	6	0.7	1.9	1.1
Expenses	7	53.6	53.3	-0.2
Core net business profit excluding gains(losses) on bonds	8	26.6	31.9	5.3
(Excluding gains(losses) on cancellation of investment trusts)	9	26.2	31.4	5.1
Real net business profit	10	29.8	30.7	0.9
Gains or losses on investment securities	11	12.5	9.6	-2.9
Net credit costs	12	21.0	④ 7.3	-13.6
Other non-recurrent gains(losses)	13	-1.2	0.2	1.4
Ordinary profit	14	16.8	34.4	17.5
Extraordinary income(losses)	15	-0.2	⑤ 0.6	0.9
Profit	16	11.6	23.3	11.6

2. Status of Net Interest Income

- ① Profit on securities showed increase in income for both domestic and international transactions.
- ② Net interest income increased by 3.7 billion yen over the previous year (+3.3 billion yen for domestic transactions and +0.4 billion yen for international transactions)
- ③ In FY2022, profit on loans is expected to increase, but net interest income to decrease due to redemption of domestic, high-yield bonds and increase in procurement expenses.

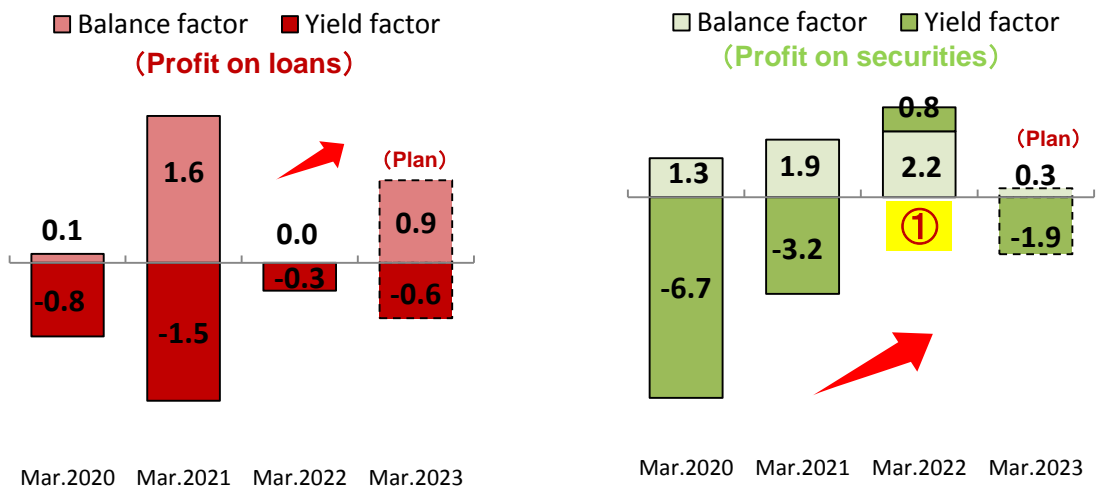
Net interest income in domestic transactions

(Unit: billion yen)



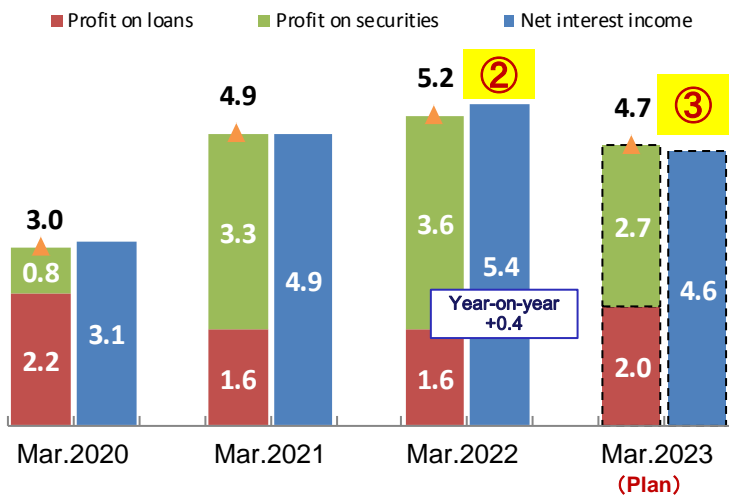
Factor for change

(Unit: billion yen)



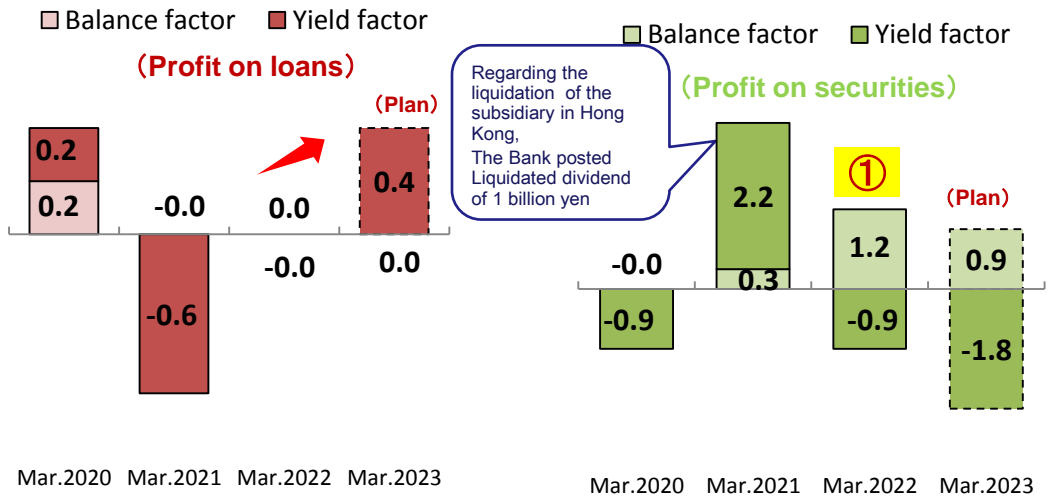
Net interest income in international transactions

(Unit: billion yen)



Factor for change

(Unit: billion yen)



3. Status of Deposits and Loans

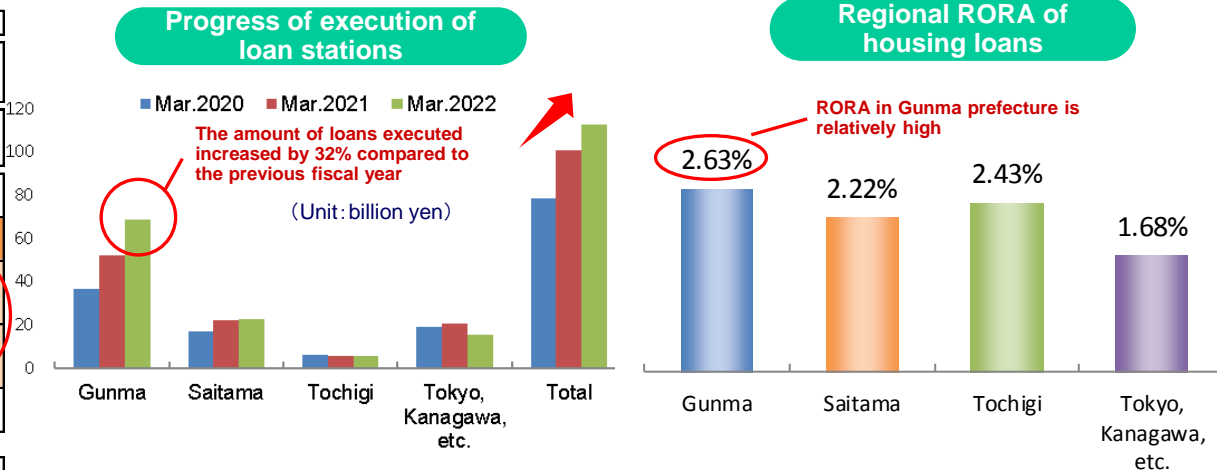
- ① Deposits showed stable increase, chiefly in personal deposits. On the other hand, corporate deposits decreased in some corporations.
- ② In loans, fund demand from SMEs slowed down temporarily but was compensated by housing loans in the prefecture and demand from large and mid-sized businesses.

■ Breakdown of deposits and loans

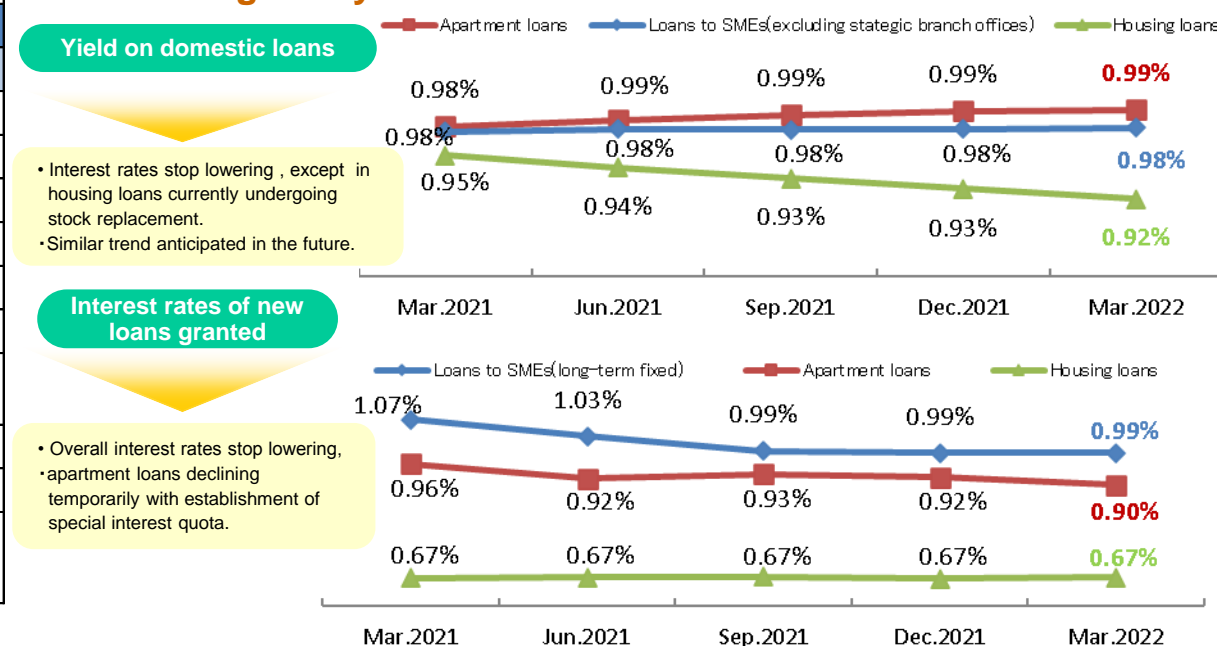
(Unit: billion yen, %)

	End of Mar.2022	Compared to end of Mar.2021	
		Change	Rate of Change
Deposits, etc.	8,209.3	260.5	3.2
Deposits	7,970.4	217.6	2.8
Of which, Deposit to individuals	5,524.1	155.1	2.8
Of which, Deposit to corporate customers	1,904.0	-4.0	-0.2
Certificate deposits	238.9	42.8	21.8
Loans	5,818.1	68.5	1.1
Retail	4,650.2	-7.0	-0.1
SMEs (*1)	2,313.2	-27.5	-1.1
Individuals	2,337.0	20.4	0.8
Of which, Housing loans	1,355.4	26.7	2.0
Of which, Apartment loans	650.0	0.1	0.0
Of which, Unsecured loans	57.3	2.5	4.7
Others	993.1	45.2	4.7
Cross-border loans	85.7	-4.9	-5.4
Structured finance	29.9	3.9	15.0
Domestic large and second-tier enterprises	757.5	75.1	11.0
Others (*2)	119.9	-28.7	-19.3
Overseas branches	60.2	5.9	11.0
Public (Ministry of Finance loans are nothing)	114.4	24.3	27.0

■ Changes in housing loans



■ Changes in yield on loans



※Regional public corporations and Tokyo/Osaka Branch accounts are not included in SMEs(*1)but are classified into Others(*2)

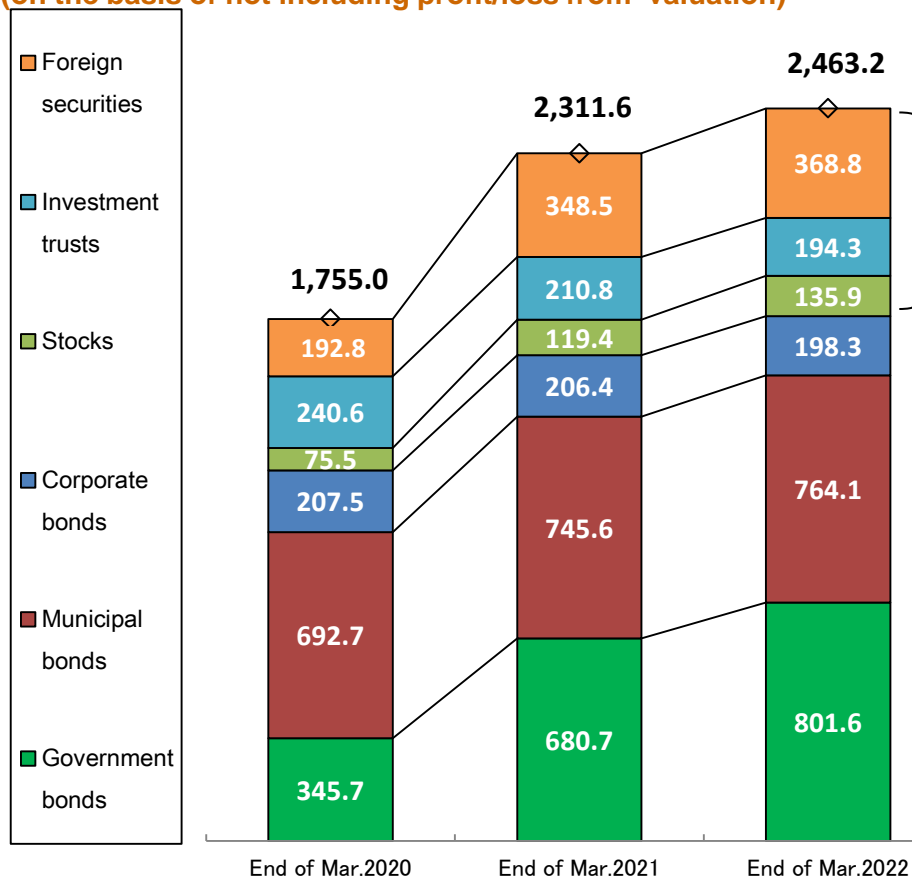
4. Status of Securities

- ① Promote securities portfolio improvement, by chiefly increasing dollar- dominated fixed- interest bonds, amid rising US interest rates.
- ② Aiming to improve yields by replacing bonds, greater investments will be made for domestic and foreign stocks, REIT, multi-asset funds, etc.

Ending balance of securities

(Unit: billion yen)

(on the basis of not including profit/loss from valuation)



Duration	(Domestic)	5.66 years	7.24 years	8.08 years
	(Foreign)	4.38 years	4.24 years	5.36 years
Bond yield	(Domestic)	0.49%	0.31%	0.25%
	(Foreign)	1.91%	1.33%	1.27%

①
foreign securities
Action on
evaluation losses
↓
By replacement of
bonds to improve
yields, strengthen
compression of
evaluation losses
and boost in net
interest income.

Interest and dividends on securities

(Unit: billion yen)

	Mar.2021	Mar.2022	Compared to previous year
Interest on securities/dividend income (Excluding gains(losses) on cancellation of investment trusts)	15.2	18.3	3.0

Gains or losses on investment securities

(Unit: billion yen)

	Mar.2021	Mar.2022	Compared to previous year
Gains or losses on investment securities	12.5	9.6	-2.9
Gains(losses) on bonds	3.1	-1.2	-4.4
Gains(losses) on stocks and other securities	9.3	10.8	1.5
Gains(losses) on sale of stocks and other securities	9.3	10.9	1.5
Strategically held stock	5.5	5.9	0.3
Investment securities	3.8	5.0	1.1
Losses on devaluation of stock and other securities (-)	0.0	0.0	0.0
Gains(losses) on cancellation of investment trusts	0.3	0.5	0.1
Total	12.9	10.1	-2.7

Profit/loss from valuation of securities (Excluding held-to-maturity securities)

(Unit: billion yen)

	End of Mar.2020	End of Mar.2021	End of Mar.2022	Compared to end of Mar.2021
Foreign securities	-0.6	3.8	-8.3	-12.2
Fixed-interest bonds	2.9	-0.5	-12.5	-12.0
Investment trust, etc.	-20.3	9.5	0.2	-9.3
Stocks	57.0	83.9	67.7	-16.2
Strategically held stocks	56.3	76.7	59.5	-17.1
Investment securities	0.7	7.2	8.1	0.9
Bonds	7.8	3.4	-13.8	-17.2
Government bonds	0.8	-1.5	-13.1	-11.6
Municipal bonds	5.9	4.5	0.0	-4.5
Corporate bonds	1.1	0.4	-0.6	-1.1
Total	43.8	100.9	45.7	-55.1

5. Status of Non-interest Business Profit

- ① Non-interest business profit increased 3.7 billion yen over the past three years, with non-interest business profit ratio rising by 3 percentage points.
- ② Initiatives for corporate services are undergoing improvement. The Purpose is to be achieved with "KPIs in Connections" (Page 12).

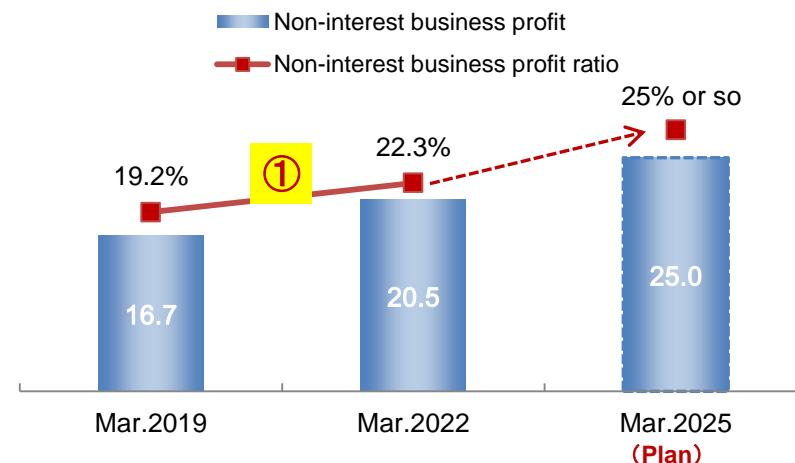
■ Non-interest business profit(consolidated)

	Mar.2019	Mar.2022	(Unit : billion yen)	
			Compared to previous year	3 years ago comparison
Consolidated non-interest business profit	16.75	20.53	1.36	3.77
Corporate service-related (Support division)	2.21	4.32	1.34	2.11
Syndicate loans (Financial support)	0.53	0.60	-0.02	0.06
Structured covenant loans (Business succession support, Financial support)	0.06	0.49	0.14	0.43
Business matching (Business succession support, Financial support, Core business support)	0.30	0.55	0.20	0.24
Financial instruments intermediation (including Gungin Securities) (Core business support)	0.10	0.30	-0.05	0.19
M&A (Business succession support)	0.18	0.30	-0.06	0.12
Private placement bonds (Financial support)	0.25	0.19	-0.00	-0.06
Derivatives (interest rate and foreign exchange) (Core business support)	0.43	1.58	1.04	1.14
Others (Business succession support, Financial support, Core business support)	0.32	0.28	0.09	-0.04
Deposit financial assets-related	5.30	7.70	0.56	2.40
Investment trusts commissions	2.39	2.88	0.32	0.48
Insurance sales commissions(individuals)	1.65	1.34	0.18	-0.31
Gungin Securities(for individuals)	1.18	3.24	-0.05	2.05
Commissions for testamentary trust/inheritance sorting,etc.	0.06	0.22	0.10	0.16
Others	9.18	8.50	-0.53	-0.68
Dividend of group credit life insurance	1.36	1.43	-0.29	0.07
Base service commissions(domestic exchange,agency services, etc.)	8.32	7.97	-0.47	-0.34
Loan insurance premium	-6.25	-6.89	-0.27	-0.63
Gungin Leasing	2.50	2.77	0.08	0.26
Gunma Credit Guarantee	2.51	2.51	-0.02	0.00
Other, consolidated reconciliation	0.74	0.69	0.45	-0.04

■ Non-interest business profit ratio (3years comparison)

【Profit ratio=Non-interest business profit/Core gross business profits
(Excluding gains(losses) on cancellation of investment trusts)】

(Unit:billion yen)



■ Plan of The New Mid-Term Business Plan(FY2022~FY2025)

⇒ Initiatives for corporate services are undergoing improvement.
In addition to organizational and human resources development, solutions will be promoted to customers and business partners through measures from the three support approaches.

	Mar.2022	Mar.2025 Plan	3 year comparison
Consolidated Non-interest business profit	20.5	25.0	+4.5
Of which, Corporate service-related	4.3	6.5	+2.2
Business succession support	0.5	1.1	+0.6
Financial support	1.3	2.2	+0.9
Core business support	2.5	3.2	+0.7
Of which, Deposit financial assets-related	7.7	9.0	+1.3
Investment trusts & Insurance	4.3	4.9	+0.6
Securities	3.2	3.7	+0.5
Inheritance	0.2	0.4	+0.2

6. Status of Core Business Profit

- ① Core business profit increased 4.5 billion yen over the previous year to 29 billion yen, with a decline in retirement allowance expenses and an increase in interest on securities/dividend income.
- ② In the business plan for FY2022, an increase is expected in both customer service business profit and interest and dividends on securities.

■ Core business profit

(Customer service business profit + interest and dividends on securities)

	Customer service business profit ratio	Customer service business profit	Loan profit	Net fees and commissions income	Operating expenses	Average loan balance	Deposit and loan direct profit margin
Mar.2018	0.09%	6.2	54.8	11.0	59.6	5,332.8	1.03%
Mar.2019	0.14%	9.2	56.3	10.5	57.6	5,491.3	1.03%
Mar.2020	0.16%	11.1	56.0	9.8	54.6	5,523.1	1.02%
Mar.2021	0.12%	9.2	53.9	10.9	55.6	5,689.0	0.94%
Mar.2022	0.13%	10.6	53.2	11.0	53.6	5,700.0	0.94%
Mar.2023 (Plan)	0.22%	17.3	56.1	12.3	51.1	5,800.3	0.97%

* Customer service business profit = Loan profit (Average loan balance x Deposit and loan direct profit margin) + Net fees and commissions income — Operating expenses

* Customer service business profit ratio = Customer service business profit / Average deposit balance

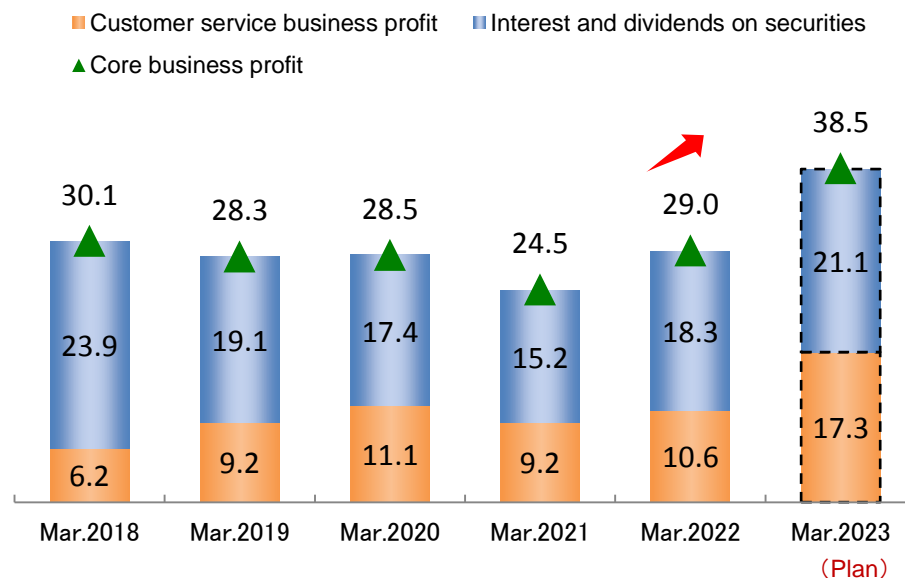
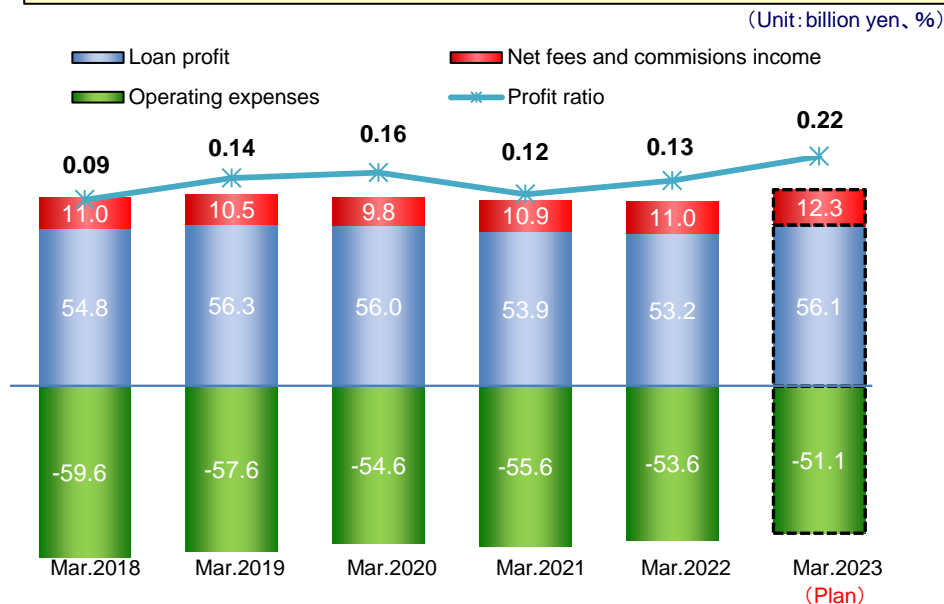
(Unit: billion yen)

Interest and dividends on securities (①)	Core business profit
23.9	30.1
19.1	28.3
17.4	28.5
15.2	24.5
18.3	29.0
21.1	38.5

•FY2022 business plan expects increase in net fees and commissions income, as well as a reduction in expenses.
•Increase in loan income and interest and dividends on securities resulted chiefly from rise in US interest rates.

(※) Excluding gains(losses) on cancellation of investment trusts

(Unit: billion yen)

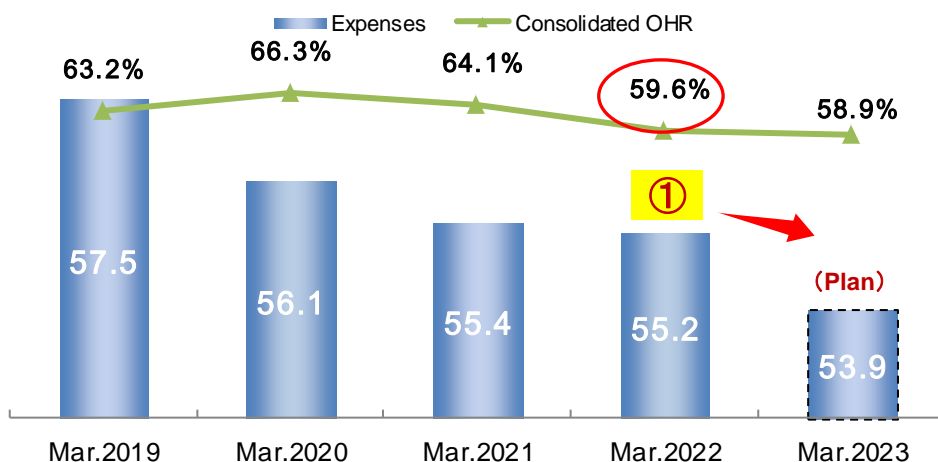


7. Status of Expenses

- ① Combined with increase in core gross business profits, OHR improved 4.5 percentage points over the previous year to 59.6% (Mid-Term Business Plan target at roughly 65%).
- ② Satisfies requirement of Bank of Japan standard OHR of 49.6%. Requirement also expected to be satisfied in the FY2022 plan.

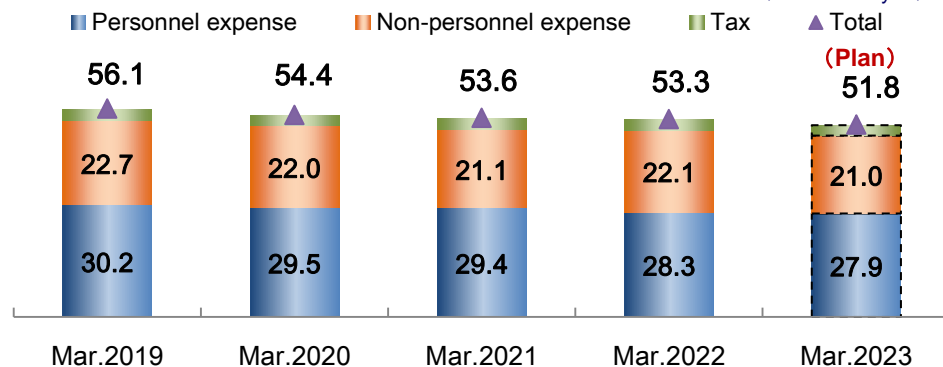
Changes in consolidated expenses

(Unit: billion yen)



Changes in non-consolidated expenses

(Unit: billion yen)



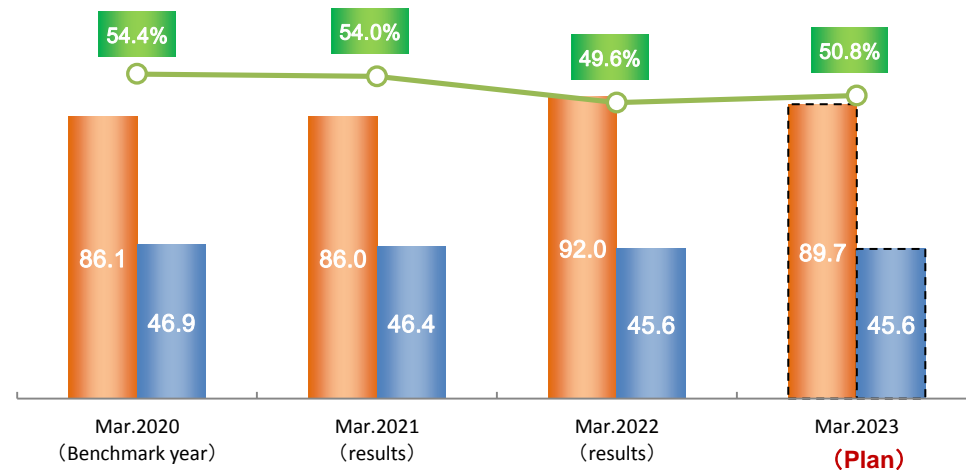
	Mar. 2021	Mar. 2022	Comparison	Main factors
Personnel expense	29.4	28.3	-1.0	Salaries and allowances: -0.4, Retirement benefits: -0.3
Non-personnel expense	21.1	22.1	0.9	Depreciation expenses (tangible assets): +0.3, rent of machinery: +0.2
Tax	2.9	2.8	-0.1	Stamp tax: -0.1

Response to the Bank of Japan's Special Current Deposit Facility

	Mar.2020 (Benchmark year)	Mar.2021	Mar.2022	Mar.2023 (Plan)
OHR (Bank of Japan's definition)	54.4%	54.0%	49.6%	50.8%
Improvement rate from the benchmark	—	-0.8%	-8.9%	-6.6%
Improvement rate requirements	—	-1% or more	-3% or more	-4% or more

(Unit: billion yen)

Business gross profit Expenses OHR based on Bank of Japan's definition



[Bank of Japan's definition]

Expenses = consolidated expenses - depreciation and amortization - consumption tax on depreciation and amortization - deposit insurance premium
 Business gross income = consolidated business gross income - gain and loss on bonds, etc. - profit from the cancellation of investment trusts

8. Status of Net Credit Costs

- ① Decrease over the previous year by 13.6 billion yen to 7.3 billion yen. 3Q cumulative increase of 3.3 billion yen and 4Q increase of 4 billion yen resulted in level of planned target (7 billion yen).
 ② Net credit costs are currently stable. Rank downgrade rate from normal borrowers was on pre-COVID-19 levels.

Changes in and breakdown of net credit costs (non-consolidated)

(Unit: billion yen, %)

	Mar.20	Mar.21	Mar.22	Compared to Mar.21	Mar.23 Plan
(1) Net credit costs	4.3	21.0	7.3	-13.6	5.0
Net transfer to general allowance for loan losses	-1.1	14.5	-1.5	-16.0	-0.2
Disposal of non-performing loans	5.4	6.5	8.9	2.4	5.3
Recoveries of written off claims (-)	0.0	0.0	0.0	0.0	-
(2) Loans (average balance)	5,523.1	5,689.0	5,700.0	10.9	5,800.3
Net credit cost ratio (= (1) / (2))	0.08	0.37	0.13	-0.24	0.09

(Unit: billion yen)

	Mar.20	Mar.21	Mar.22	Compared to Mar.21	Mar.23 Plan
Net credit costs	4.3	21.0	7.3	-13.6	5.0
Due to changes to the provision ratio	-0.5	-1.2	-0.4	0.8	-0.7
Other factors	4.8	22.2	7.7	-14.5	5.7
DCF	-1.4	14.0	-0.9	-14.9	-
Downgrade	9.0	10.1	12.0	1.9	7.1
Collection, upgrade, etc.	-2.8	-1.9	-3.4	-1.5	-1.4

Provision ratios for possible loan losses

(Unit: %)

			Provision target	Period	Mar.2020	Mar.2021	Mar.2022	Mar.2023 (Plan)
Normal borrowers			Entire claim amount	1 year	0.071	0.068	0.066	0.053
Borrowers requiring attention other than special attention	Borrowers without realistic, comprehensive business reconstruction plans	Classification 1	Entire claim amount	3 years	0.957	0.941	0.911	0.985
	Borrowers with realistic, comprehensive business reconstruction plans	Classification 2	Entire claim amount	3 years	6.271	5.764	5.574	5.324
Borrowers requiring special attention								
Classification III borrowers threatened with bankruptcy			Entire non-coverage amount	3 years	32.950	28.736	28.459	27.939

Factor analysis

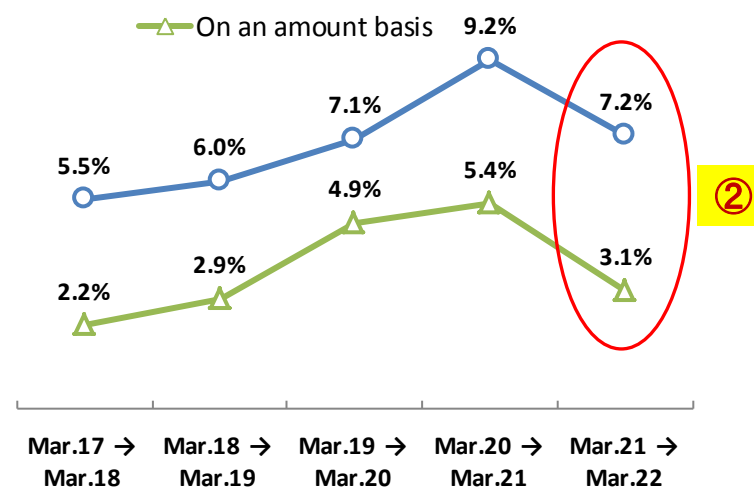
(Unit: billion yen)

	Cumulative total for Mar. 2021	Cumulative total for Mar. 2022	Compared to Mar.2021
Net transfer to general allowance for loan losses	14.5	-1.5	-16.0
COVID-19 (downgrade)	2.0	2.0	0.0
Others	12.5	-3.5	-16.0
Disposal of non-performing loans	6.5	8.9	2.4
COVID-19	3.0	6.8	3.8
Sudden bankruptcy/downgrade	5.9	5.1	-0.8
Collection, upgrade, etc.	-2.4	-3.1	-0.7
Net credit costs	21.0	① 7.3	-13.6
Of which, COVID-19	5.0	8.8	3.8

The downgrade rate from normal borrowers

○ On a number of borrowers basis

△ On an amount basis



9. Business Forecast (for Year Ending March 2023)

- ① Net interest income will decrease by 2.1 billion yen, non-interest business profit will increase by 0.8 billion yen, and expenses will decrease by 1.3 billion yen.
 ② Core business profit, as well as profit, is expected to be the same level as the previous year.

Consolidated

(Unit: billion yen, %)

	No.	Mar.2022	Forecast for Mar.2023	Compared to Mar.2022
Core gross business profits	1	92.5	91.2	-1.3
Net interest income	2	72.0	69.9	-2.1
Non-interest business profit	3	20.5	21.3	0.8
Of which, Corporate service related	4	4.3	4.9	0.6
Of which, Deposit financial asset-related	5	7.7	7.8	0.1
Expenses	6	55.2	53.9	-1.3
Core net business profit excluding gains(losses) on bonds	7	37.3	37.3	0.0
Net credit costs	8	8.3	5.7	-2.6
Ordinary profit	9	39.1	39.0	-0.1
Profit attributable to owners of parent	10	26.4	27.0	0.6
OHR	11	59.6	59.2	-0.4

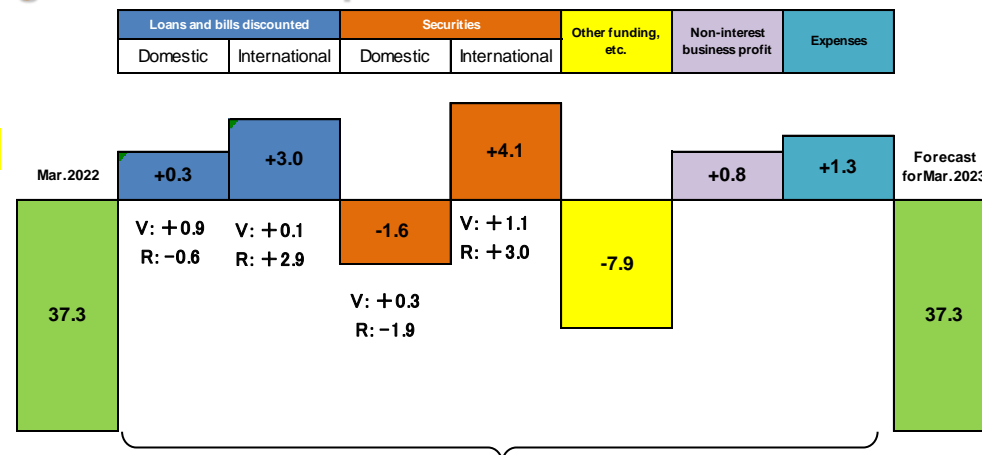
Non-consolidated

(Unit: billion yen)

	No.	Mar.2022	Forecast for Mar.2023	Compared to Mar.2022
Core gross business profits	1	85.2	83.8	-1.4
Net interest income	2	72.3	70.1	-2.2
Non-interest business profit	3	12.9	13.7	0.8
Expenses	4	53.3	51.8	-1.5
Core net business profit excluding gains(losses) on bonds	5	31.9	32.0	0.1
Gain and loss on securities, etc.	6	9.6	6.4	-3.2
Net credit costs	7	7.3	5.0	-2.3
Others	8	0.2	1.1	0.9
Ordinary profit	9	34.4	34.5	0.1
Profit	10	23.3	23.5	0.2

Breakdown of changes in core gross business profit

(Unit: billion yen)



- Net interest income will decrease, caused chiefly by redemption of domestic, high yield bonds and increase in procurement expenses.
- On the other hand, non-interest business profit growth is expected to be driven by corporate services.
- Expenses will decline chiefly in deposit insurance premiums.
- Core net business profit excluding gains(losses) on bonds will maintain the level of the previous year at 37.3 billion yen.

Average balance and yields (non-consolidated)

(Unit: billion yen, %)

	Average balance	Compared to Mar.2022	Yields	Compared to Mar.2022
Loans	5,800.3	100.2	0.97	0.03
Of which, Domestic transactions	5,595.7	92.8	0.92	-0.01
Securities	2,502.8	115.1	0.85	0.06
Of which, Domestic transactions	2,111.0	39.4	0.60	-0.08
Deposits	7,811.8	95.0	0.01	0.00
Of which, Domestic transactions	7,763.6	115.8	0.00	-0.00

II . Management Strategies and Shareholder Returns, etc.



Kusatsu Onsen



Ikaho Onsen

1. Numerical Review of Previous Mid-Term Business Plan

- ① Targets were reached for indexes in profitability, efficiency and soundness (excluding long-term target in ROE).
 ② Targets achieved for non-interest business income and SDG-related indexes, excluding contents related to loan balance.

■ Consolidated quantitative target

①

	Mar.2020 results	Mar.2021 results	◎ Achievements Mar.2022 results	Mar.2022 target
Profitability index				
Profit attributable to owners of parent	22.2 billion yen	13.5 billion yen	26.4 billion yen◎	24.0 billion yen
Non-interest business income	17.1 billion yen	19.1 billion yen	20.5 billion yen◎	20.0 billion yen
RORA (consolidated profit ÷ risk weighted assets)	0.5%	0.3%	0.6%◎	0.5% or higher
ROE (long-term target)	4.4%	2.6%	4.9%	5% or higher
Efficiency index				
OHR	66.3%	64.1%	59.6%◎	65% or so
Soundness index				
Consolidated total capital ratio	11.95%	12.74%	12.40%◎	12% level

■ Key figures for achieving the plan's targets

②

Contents	Mar.2020 results	Mar.2021 results	◎ Achievements Mar.2022 results	Mar.2022 target
Net interest income				
Ending balance of retail loans	4,550.5 billion yen	4,657.3 billion yen	4,650.2 billion yen	4,780.0 billion yen
Ending balance of unsecured consumer loans	54.6 billion yen	54.7 billion yen	57.3 billion yen	60.0 billion yen
Non-interest business profit				
Corporate service revenue (consolidated)	2.9 billion yen	3.0 billion yen	4.3 billion yen◎	4.2 billion yen
Balance of deposit financial assets (consolidated)	850.8 billion yen	935.8 billion yen	1,006.6 billion yen◎	1,000.0 billion yen
Regional revitalization/SDGs				
Number of cases with issues resolved through business feasibility assessments	739 cases	1,312 cases	1,821 cases◎	1,500 cases
Number of business succession aid recipients	3,083 recipients	5,069 recipients	7,164 recipients◎	6,000 recipients
Number of business founding aid recipients	565 recipients	1,489 recipients	2,588 recipients◎	2,000 recipients
Number of female managerial employees (compared to end of March 2019)	Increase of 9%	Increase of 22%	Increase of 39%◎	Increase of 20%

2. Management Policy , Management Strategies

- ①Three basic policies focused on the Purpose have been established in the new Mid-Term business Plan.
- ②Realization of the Purpose targeted in the Mid-Term Business Plan.

The Mid-Term Business Plan 2022: Innovation for “Purpose” (Plan period: April 2022–March 2025)

Basic policy	1 Implementation of digital strategies as the foundation for “Connections and Spinning the Threads”
--------------	---

→Promote digitalization of “the Community” , ”Customer contact points” , “Internal bank operations”

Strategic themes	2 Reinforce strengths in “Connections” with five reform initiatives	3 “Spinning the Threads” of the future by exercising our strengths in “Connections”
------------------	--	--

→Reinforce the Bank’s strengths by five reform initiatives as ”Sales process” , “Business process” , Channel” , “Personnel” , “Collaboration with external parties”

→ In terms of ”Community” , ”Businesses” , ”Individual” , “the Bank Group” , “the Bank” , by exercising the Bank’s strengths in “Connections”, The Bank will build the future of the Local society.



3. Initiatives for achieving “KPI in Connections”

Social value : Resolution of social issues and regional sustainable growth.
Economic value : Sustainable growth of the Bank group. KPI for realizing both values.

KPIs in Connections

(key figures for the three years leading to the realization Purpose)

	Item	Target	(reference) Mar.2022 result
“Connect” lender and borrower	Amount of sustainable finance executed (three-year cumulative total)	500 billion yen	143.3 billion yen
	Amount of housing loan executed (three-year cumulative total)	400 billion yen	114.4 billion yen
	Balance of unsecured consumer loan (as of March 31, 2025)	75 billion yen	57.3 billion yen
“Connect” customers	Number of business matching cases closed (cumulative for three years)	3,000 cases	873 cases
“Connect” businesses and individuals	Number of staffing cases closed (cumulative for three years)	200 cases	20 cases
“Connect” customers’ asset with their future	Balance of deposit financial assets (consolidated, as of March 31, 2025)	1,250 billion yen	1,006.6 billion yen
	Of which, balance of investment trusts (consolidated, as of March 31, 2025)	400 billion yen	301.3 billion yen
“Connect” for the next generation	Number of business succession issues resolved (cumulative for three years)	600 cases	185 cases
	Inheritance-related business contracts (cumulative for three years)	1,000 cases	236 cases

Numerical Target (3 years plan : Apr.2022~Mar.2025)

Item (Consolidated basis)	Mar.2025 Target	Mar.2022 result
Core business profit (※)	45 billion yen	36.8 billion yen
Non-interest business income	25 billion yen	20.5 billion yen
Profit attributable to owners of the parent	30 billion yen	26.4 billion yen
Total profit of the Bank group companies	4 billion yen	3.0 billion yen
RORA	0.7% or higher	0.6%
OHR	55% or so	59.6%
ROE	5% or higher	4.9%
Consolidated total capital ratio	13.5% or higher	12.4%

(※) gains(losses) on cancellation of investment trusts

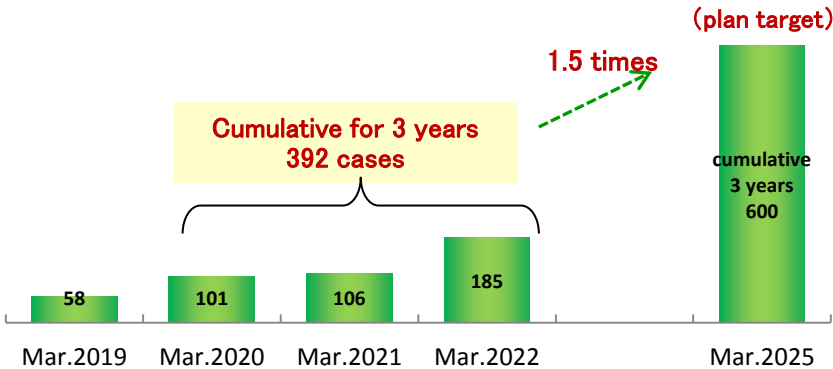
KPI in Connections ~ “Connect” for the next generation ~

Number of business succession issues resolved

(Unit:cases)

(Specific Initiatives)

- Intensive action on roughly 2000 customers supported by the headquarters business succession team and M&A team, for continued effort on business project cultivation and their development.

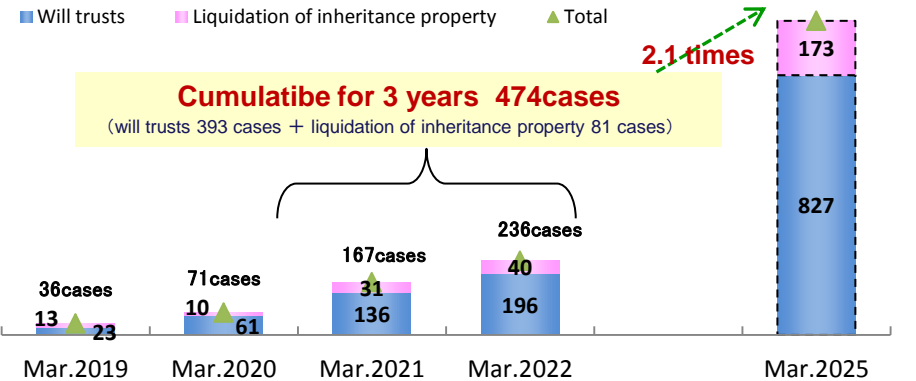


Inheritance-related business contracts

(Unit:cases)

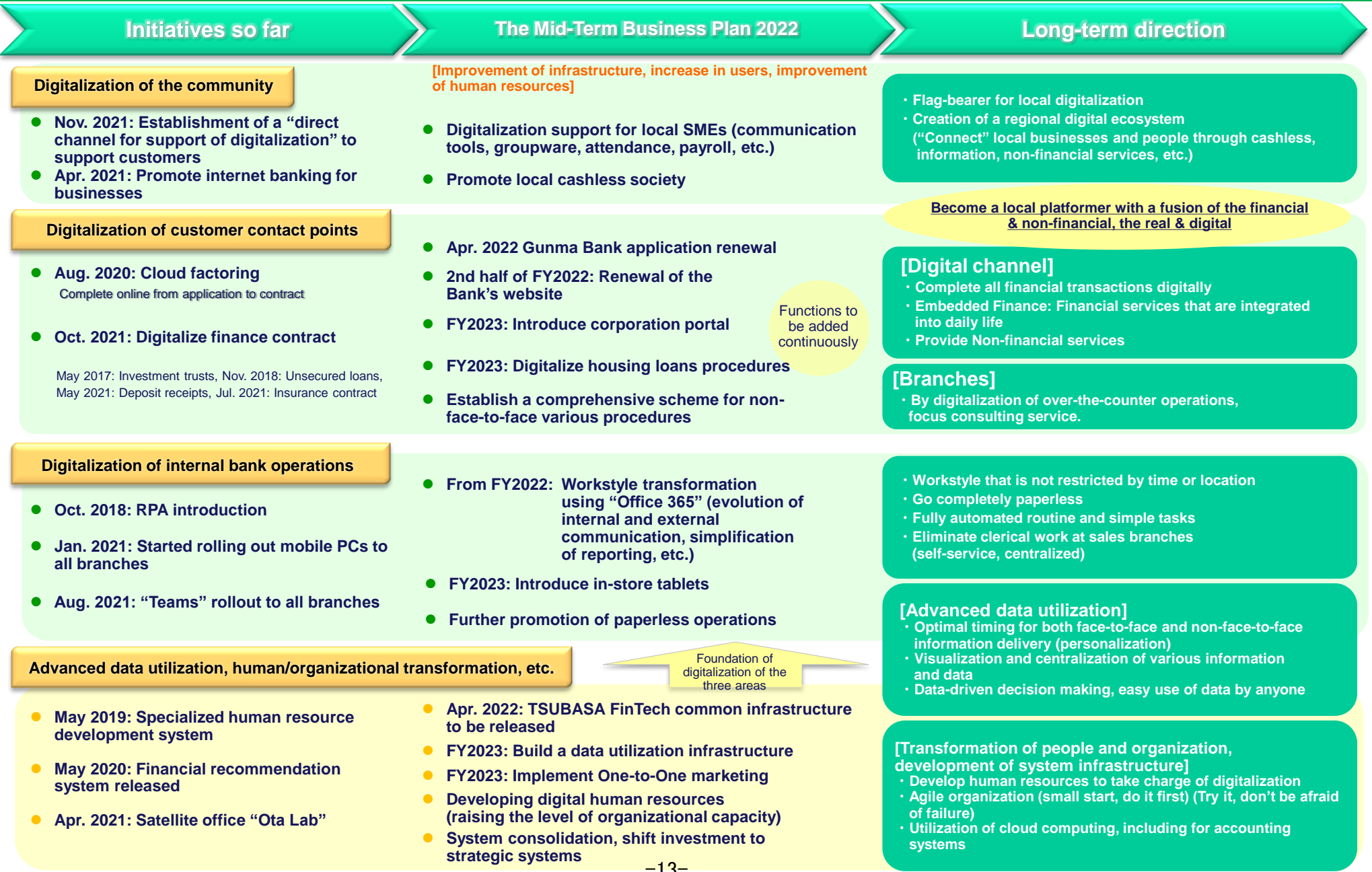
(Specific Initiatives)

Reinforcement of solution proposal capability through reinforcement of coordination between the branch office and Headquarters Wealth Management Group (asset succession advisor, asset formation advisor & PB advisor).



4. Digital Strategies ~Roadmap~

Consolidation of local payment clearances and data and development of the regional ecosystem in cooperation with local companies.



5. Advanced Data Utilization

- ① Development of digital marketing and data analysis foundation by utilizing the data lake.
- ② Development of the digital foundation, for utilization in analysis and report operations.

■ Three types of Infrastructure

①

1 Establishment of a new data storage and collection infrastructure [Data Lake]

(1st half of FY2022 – 2nd half of FY2023)

Build an infrastructure that can collect and store **customer data**, **external data**, and **internal bank data** together in the cloud

Directly import trends of the Bank's Homepage and SNS into the Data Lake through API.

Build a digital marketing infrastructure

(1st half of FY2022 – 2nd half of FY2023)

As-Is Customer data is distributed across systems

To-Be Consolidation and centralized management of customer data
Realize **One-to-One marketing** by the most appropriate means and timing for each customer

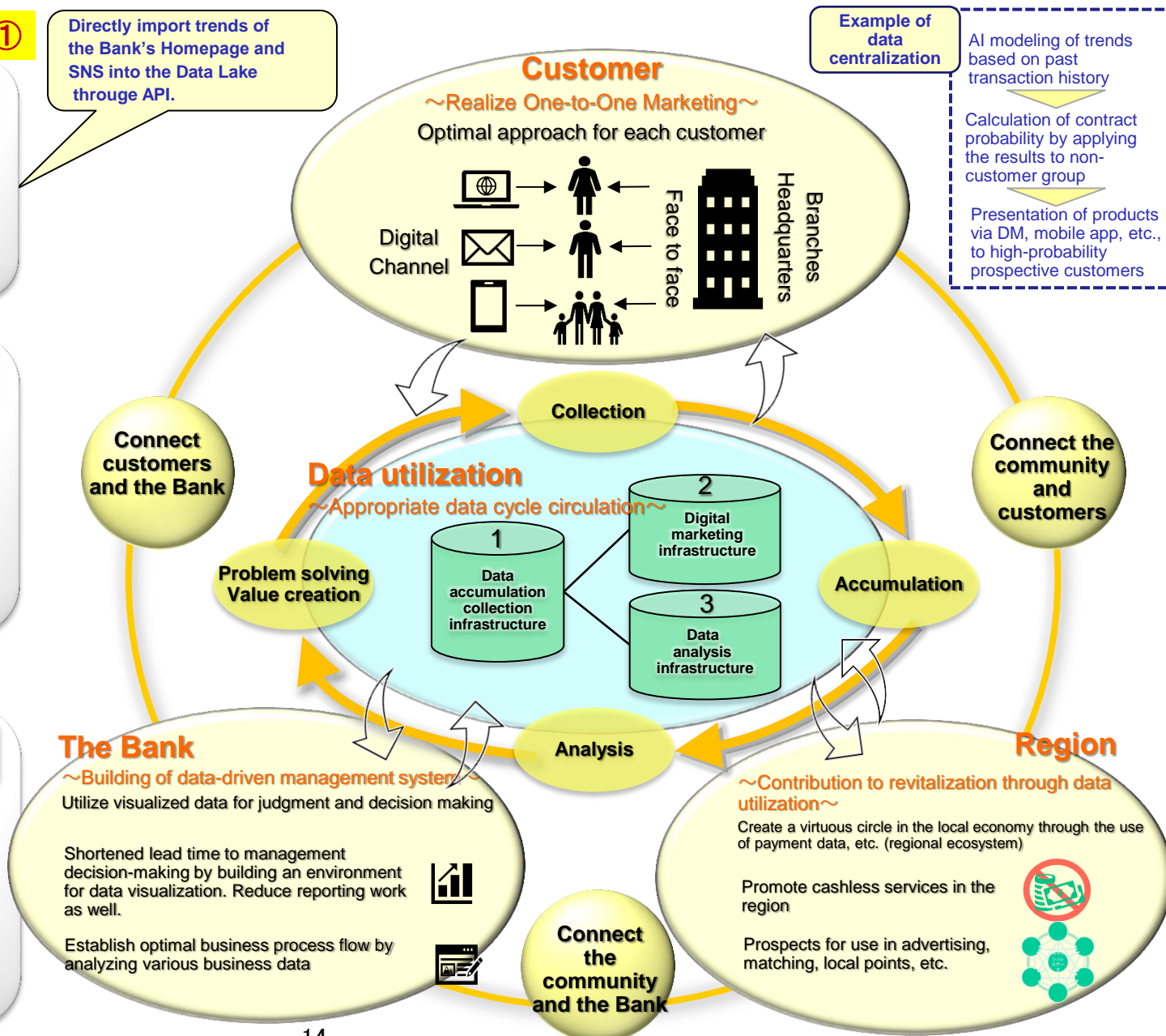


②

Build a data analysis infrastructure

(2nd half of FY2022 – 2nd half of FY2023)

- Create an environment that enables the **extraction** and **visualization** of necessary information **at any time**, depending on the situation
- **Fact-based management decisions** and reduction of various reporting tasks
- **Visualize staff work status and other information** to build a business problem-solving cycle



6. Purpose-Based Business Management

- ① Dissemination of this type of management is advancing with the process of defining the concept based on employee participation and definition of Personal Purposes
- ② We will realize the Purpose through the Mid-Term Business Plan

■ Steps of the Bank's Purpose management

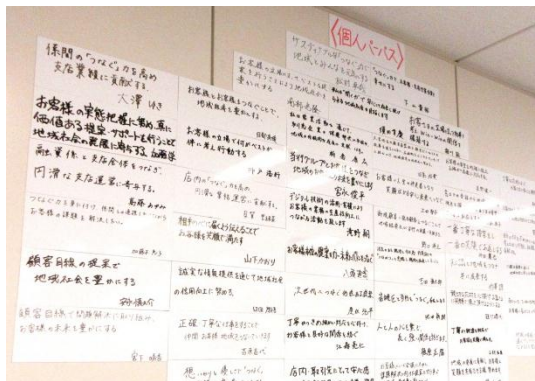
The Gunma Bank Group's Purpose
We use our strengths in connections to spin the threads of the future for local communities



Discussion on the Purpose between the Bank's president and young employees

● Definition (November 2021)

- Opinions solicited from Group executives and employees on (1) to (3) to study the Purpose.
 - (1) Intrinsic strengths of the Group
 - (2) Expectations from society
 - (3) Raison d'être of the Group
 → **755** opinions received
- Decision was reached after repeated discussions on the opinions received for more than six months
- A video was produced and presented to all executives and employees by the Bank's president



① Personal Purposes posted and shared in the sales office

● Dissemination (from November 2021)

- Individual level
 - Each employee defines their own **Personal Purpose**, based on the Purpose.
 - Personal Purposes are shared with others within the branch or department for mutual support in realizing the Purposes.
 - Targets are set based on Personal Purposes.
- Regional and branch levels
 - **Regional strategy** is defined based on the Purpose.
 - Each branch office defines its own **mid-term branch management policy** based on the Purpose and the regional strategy.
- Dissemination tools
 - Distribute president presentation to employees
 - Poster display at headquarters and branches
 - Printing on business cards, newspaper ads, etc.

● Implementation (from April 2022)

The Mid-Term Business Plan 2022 (Plan period: April 2022–March 2025)

Innovation for “Purpose”

- Develop a **Mid-Term Business Plan** based on the Purpose

②

In addition to revenue targets, evaluate and award “KPIs in Connections” that set the quantitative target for realizing the Purpose, and activities (processes) aimed at realizing the Purpose

To become a bank group realizing both social and economic value

7. Reform in Collaboration with External Parties

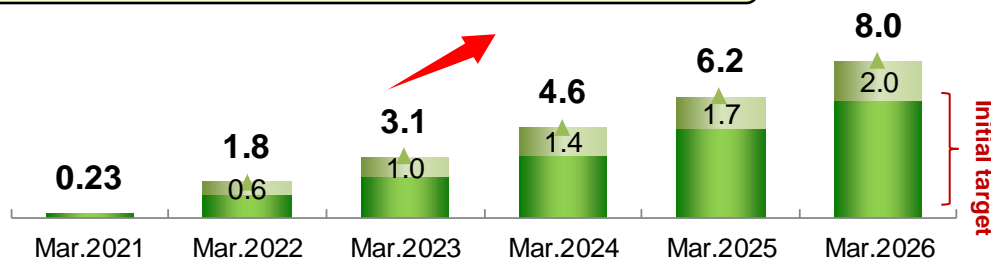
- Strengthening our strengths in “Connections” through external collaboration to boost and supplement our strengths
- Cumulative profit effect of 8 billion yen expected from the TSUBASA Alliance, exceeding the initial target of 6 billion over for five years

■ TSUBASA ALLIANCE

- Wide-area collaboration among the top 10 regional banks (96 trillion yen total assets)

Total **8 billion yen** revenue effect anticipated over five years

(Unit: billion yen)



■ GUNMA-DAISHI HOKUETSU ALLIANCE

Partnership agreement concluded in December 2021 with **Daishi Hokuetsu Bank** based in Niigata Prefecture.

Coordinated action for regional revitalization and sustainable growth of Gunma and Niigata Prefectures, which are connected in economy, tourism and other fields. Maximum usage of the TSUBASA ALLIANCE's scale advantage.

Coordinated effect (of both banks)
Anticipated cumulative effect over 5 years:
+8 billion yen
(Effect above included in TSUBASA ALLIANCE)

Approx.
9.5 billion yen



Approx.
1.5 billion yen

Mar.2022

Mar.2027

■ Fincross Partnership

- Wide-area collaboration of 8 regional banks for the purpose of financial digitalization

- AI-based financial product recommendation system
- AI-based digital document search system
- Introduction of e-contract service for loans, etc.

Fincross PARTNERS

Specific initiatives

- TSUBASA FinTech common platform (from Apr. 2022)
- Introduce apps developed with participating banks (from Apr. 2022)
- Syndicated loans, co-financing and mutual customer referrals
⇒ **Cumulative amount executed: Approx. 19.8 billion yen** (as of Mar. 2022)
- TSUBASA Alliance
 - Money laundering-related operations (AML Center)
 - Cooperation measures in DX and SDGs areas
 - Consider joint subsystems, etc.



■ Ryomo Regional Revitalization Partnership

Partnership agreement concluded in January 2022 with **Ashikaga Bank** operating in Tochigi Prefecture.

Cooperation and collaboration aimed at industrial revitalization, problem-solving and improvement in customer services in the “Ryomo” District (southeastern Gunma and southwestern Tochigi Prefectures), where our sales areas overlap.

Specific initiatives

- Initiatives toward industrial revitalization and problem-solving in the region
- Widen scope of partnerships in sustainable finance, etc.
- Support in business succession and M&A; cooperation in core businesses



Future initiatives

- Data utilization
- Digital marketing
- Digital service development



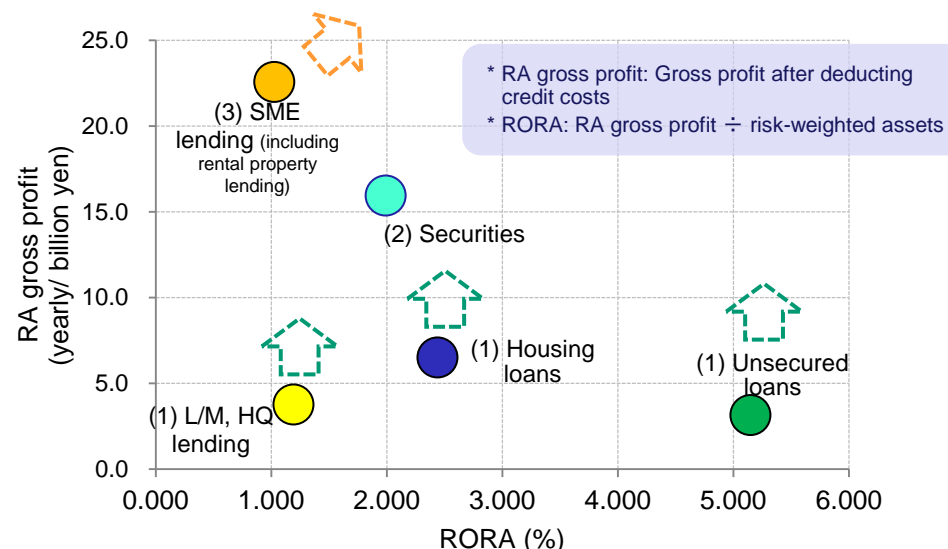
8. Application of Risk Appetite Framework (RAF)

Sustainably fulfill financial intermediary functions by securing earnings commensurate with risk

■ Increase earnings through appropriate risk-taking using RAF

RAF is used to develop the management plan and business plan, such as in decision making on assets to be prioritized in risk capital allocation by conducting advanced comparative review of RORA for each business field, as well as in developing field-specific strategies.

● Profitability by business field (April 2021–March 2022)



(1) Large/medium-sized businesses; HQ lending; housing loans & unsecured loans

For large/medium-sized business & HQ lending with low risk weights, loan revenues are to be strengthened through active lending to projects with high RORA levels.

For consumer loans with relatively high RORA, loan balance is reinforced through boost in promotion within the Gunma prefecture (housing loans) and boost in loan proposals linked to life events (unsecured loans).

(2) Securities

Diversified asset management through effective use of risk-weighted assets, in order to build a portfolio with long-term stability.

RORA: Return On Risk-weighted Asset

$$\begin{array}{|c|} \hline \text{RORA} \\ \hline \text{[Return on risks]} \\ \hline \frac{\text{Income}}{\text{Risk-weighted asset}} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Equity capital rate} \\ \hline \text{[Risk-taking]} \\ \hline \frac{\text{Equity capital}}{\text{Risk-weighted asset}} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{ROE} \\ \hline \text{[Return]} \\ \hline \frac{\text{Income}}{\text{Equity capital}} \\ \hline \end{array}$$

(3) SME lending (including rental property lending)

Although there is active risk-taking towards SMEs that support the regional economy, effort will also be directed to securing earnings commensurate with risk (RORA) through improved interest rates and broader scope of comprehensive transactions through consulting.

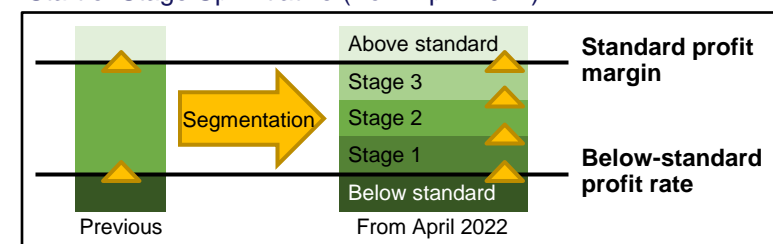
➔ Reinforcement of management structure that can sustainably fulfill financial intermediary functions (strengths in “Connections”)

• Feasibility improvement for priority customers as of March 31, 2022

(Loss/gain: million yen; Unit: %)

	Priority customers					
	RA gross profit rate		Loan SP segment rate	Non-interest business income rate segment		
	Year-on-year	Income value		Year-on-year	Year-on-year	
Within Gunma prefecture	0.64	+0.07	+254	0.56	+0.01	0.26
Outside Gunma prefecture	0.56	+0.07	+155	0.60	+0.02	0.13
Total	0.61	+0.07	+409	0.57	+0.02	0.20

Start of Stage Up Initiative (from April 2022)



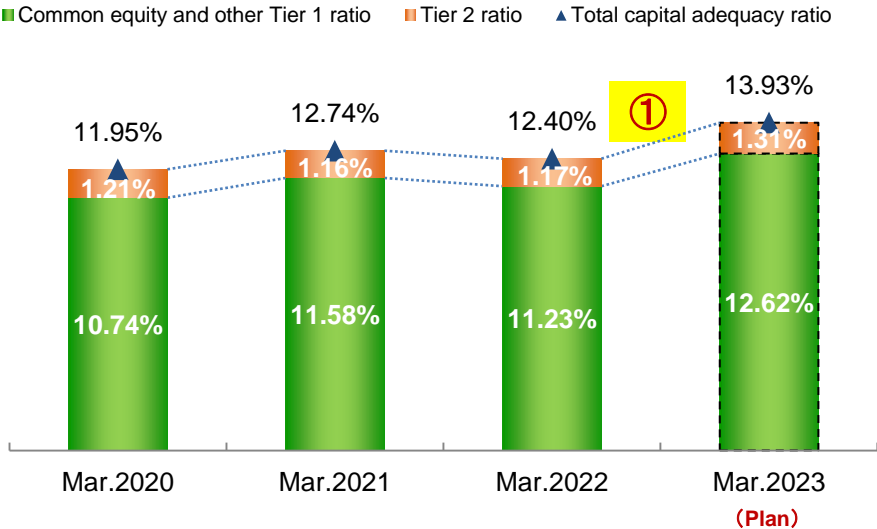
- Action that developed into an initiative on improving business feasibility. Profitability for achieving standard profit margin (internal index) is segmented into multiple tiers in order to set more feasible targets and to make solid improvement in risk return.
- Coverage of targets delivering levels higher than the standard profit margin, to prevent decline in profitability.
- Scope of targets: [Previous] 6000 (1.6 trillion yen in credit balance) ⇒ [Current term] 9000 (2 trillion yen in credit balance)

9. Status of Capital, etc

- ①Consolidated total capital ratio at 12.40%, which is expected to be 13.93% in FY2022 due to the impact of the finalization of Basel rules.
- ②Strategically held stocks will be reduced as a general rule. Book value balance fell 3.5 billion yen over the previous year to 49.1 billion yen.

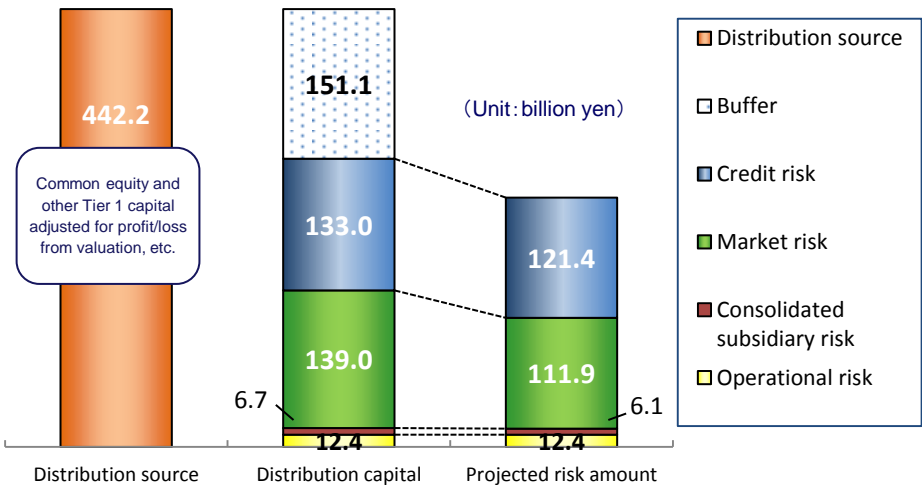
Changes in capital ratio

[Basel III international standards]



Capital adequacy assessment

[Status of capital distribution (second half of FY2021)]



Subordinated bonds(B3T2 bonds), other Basel rules

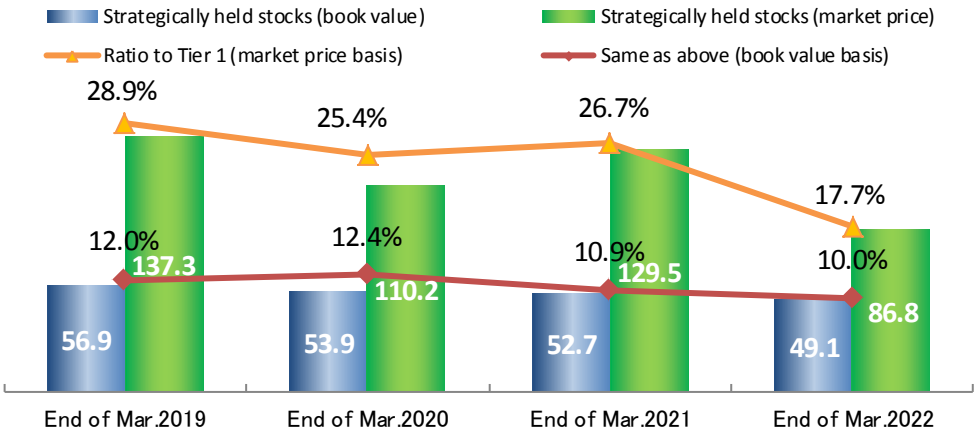
	Balance of issued(Mar.2022)	Purpose	Effect of increasing capital ratio
Subordinated debt B3T2	50 billion yen	Bolstering capital	Approx. 1.2%

	Mar.2021	Mar.2022	Standard set by rules
Consolidated leverage ratio	6.09%	5.67%	3% or more
Consolidated liquidity coverage ratio (LCR)	224.50%	233.61%	100% or more
Interest rate risk in the banking book (IRRBB)*	7.56%	13.18%	15% or less

*Consolidated basis

Status of strategically held stocks ②

(Unit: billion yen)



10. Status of Shareholder Return

- ① Change the shareholder return policy. Change profit that form the basis of shareholder return to profit attributable to owners of parent
- ② The annual cash dividends per share for fiscal year 2022, ending March 31, 2023 is forecast to increase by 2 yen compared with the previous fiscal year to 16 yen.

Change of the shareholder return policy

Before the change

The Bank is working to strengthen the financial structure and under the basic policy of continuing to provide stable cash dividends, return performance - linked profits to shareholders.

For the time being, the Bank is setting a target of 40% of the non-consolidated profit for the ratio of total payout to shareholders combining cash dividend payments and the acquisition cost of treasury shares.

After the change

①

As a regional financial institution, the Bank will strive to increase shareholder returns by striving to enhance equity capital while balancing profitability and investment for growth.

Specifically, the Bank is setting a target of 40% of **profit attributable to owners of parent** for the ratio of total payout to shareholders combining stable cash dividend payments and the acquisition cost of treasury shares.

Result of shareholder return

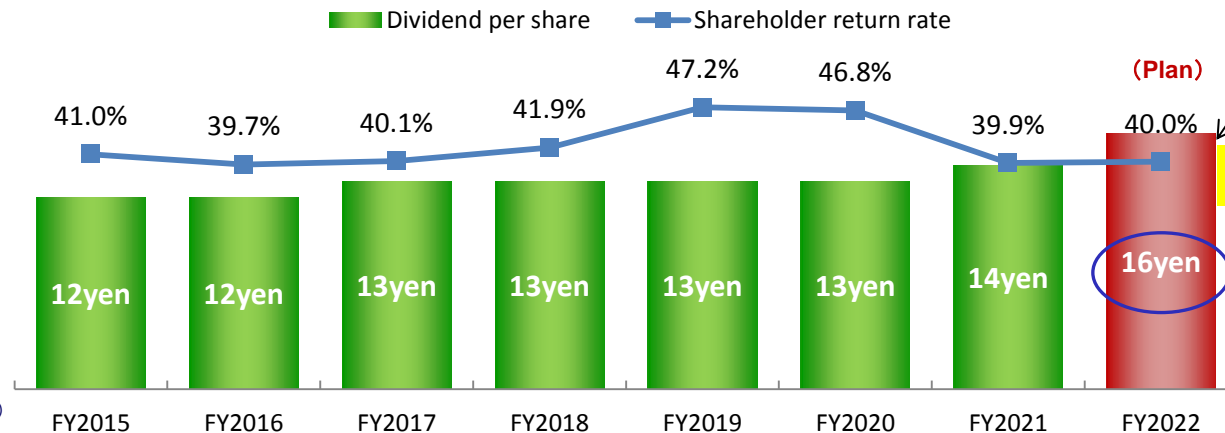
○ Dividend per share

Annual 14yen (Interim 7 yen, Year-end 7 yen)

⇒ Annual 16yen (Interim 8 yen, Year-end 8 yen)

○ Return Base

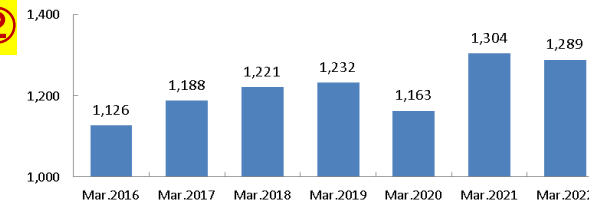
Profit (Non-consolidated) ⇒ Profit attributable to owners of parent



(Unit: billion yen)

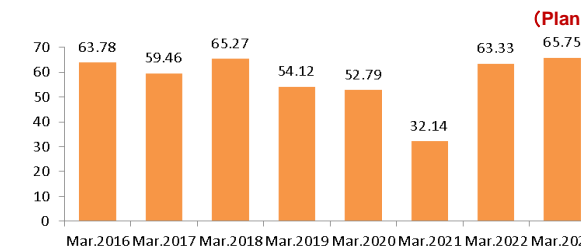
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Total amount of Shareholders return	10.9	10.0	10.4	8.7	8.4	5.4	9.3	10.8
Total amount of Dividends	5.4	5.3	5.6	5.5	5.4	5.4	5.8	6.6
Share buy-backs	5.5	4.6	4.7	3.2	3.0	—	3.4	—
Profit (Non-consolidated)	26.6	25.2	26.0	20.9	17.9	11.6	23.3	23.5
Profit attributable to owners of parent	28.6	26.3	28.3	23.3	22.2	13.5	26.4	27.0

Amount of net assets per share (consolidated BPS)
(Unit: yen)



Profit per share (consolidated EPS)

(Unit: yen)



Ⅲ. Initiatives for ESG



Mt. Haruna



Mt. Akagi



Mt. Myogi

1. Strengthen Initiatives for Sustainability

■ Addition of SDG targets (April 1, 2022)

For greater action on realization of SDGs, **3 (⇒right figure)** of the 17 SDGs were **added as goals to which the Bank can contribute**.



Revision of Gunma Bank Group Declaration on SDGs

⇒ Priority goals increased from the current 7 to 10 (⇒ Page 24)

■ Establishment of the Sustainability Committee (April 1, 2022)

Objectives

①

Development of the Bank's management strategies pertaining to sustainability, such as SDGs and ESG, from the medium- and long-term perspective, as well as improvement of the feasibility of various relevant measures

Matters to discuss/consider

1. Matters pertaining to sustainability at the Bank, including SDGs and ESG
2. Matters pertaining to response to the Task Force on Climate-related Financial Disclosures (TCFD)
3. Matters pertaining to greenhouse gas emission reduction at the Bank
4. Matters pertaining to sustainable finance, etc.

■ Establishment of sustainable finance Targets

Loans and investments that contribute to solving environmental and social issues, in order to create a sustainable society

Targets

– Based on the scale of the decarbonization fund market, the principal market segment in ESG financing –

- Cumulative value of transactions at **1.5 trillion yen** from FY2022–FY2030 (9 years)
(environment-related transactions account for 1.0 trillion yen)
- Cumulative value of transactions at **500 billion yen** from FY2022–FY2024 (3 years)
(environment-related transactions account for 300 billion yen)

- ① Sustainability Committee established to strengthen action
- ② Sustainable finance established as a Mid-Term Business Plan KPI.
Target set on 500 billion yen for the Mid-Term Business Plan period and on cumulative total of 1.5 trillion yen by FY2030



(9) Industry, innovation and infrastructure

Area where Gunma Bank is able to make major contribution, such as financial assistance to infrastructure and growth areas



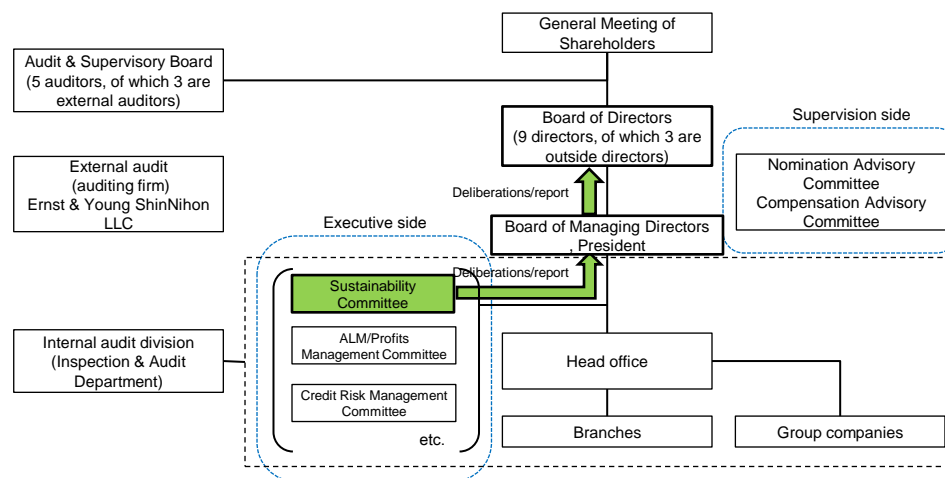
(12) Responsible consumption and production

Area that requires aggressive information disclosure on sustainability initiatives

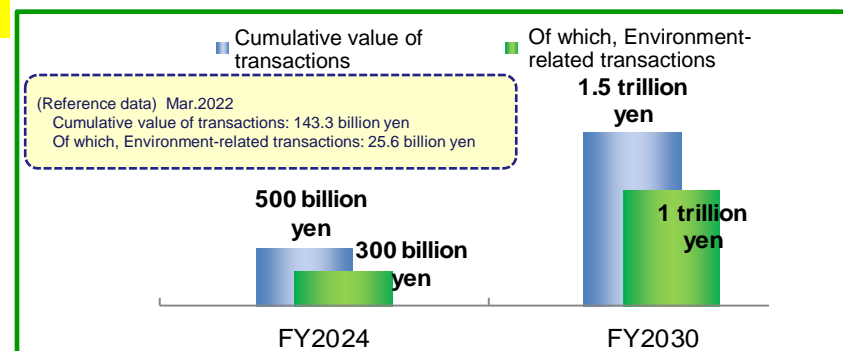


(13) Climate action

Areas directly linked to support in renewable energy business and the Bank's effort to reduce greenhouse gas emissions



②



2. Initiatives in Decarbonization

- ① Achieve net zero greenhouse gas emission for the Bank by FY2030
- ② Support regional decarbonization efforts and core businesses through services to support SDG activities
- ③ CO₂ reduction through ESG bonds equivalent to CO₂ emission from a total of 19,074 households

■ Gunma Bank's greenhouse gas emission reduction targets

● Establishment of net zero in 2030 target (January 2022)

Japan's goals	FY2030 FY2050	46% reduction compared to FY2013 Carbon neutrality
Goals of Gunma Prefecture	FY2030 FY2050	50% reduction compared to FY2013 Carbon neutrality
<div> <div>①</div> <div>Support of customer initiatives</div> <div>Initiatives of Gunma Bank</div> </div>		
Goals of the Bank	FY2024 FY2030	50% reduction compared to FY2013 Net zero emission
*Previous goals of the Bank	FY2025 FY2030	Reduction of 23% or more compared to FY2013 Reduction of 26% or more compared to FY2013

■ Regional decarbonization support

● SDG activities support services (introduced first half of FY2022)

Foster wider SDG activities among SMEs in the region and lead the effort into SDG-oriented core business support of customers and business partners



Financing originating from solution proposal

Sustainability-linked loans & SDG private placement bonds
Structured covenant loans
Lending for renewable energy
Loans with capital exemption provisions in case of earthquake or flood disaster

Loans with capital exemption provisions (as of March 31, 2022)

	Number of cases	Balance
In case of flood disaster	38	2.3 billion yen
In case of earthquake disaster	180	11.9 billion yen

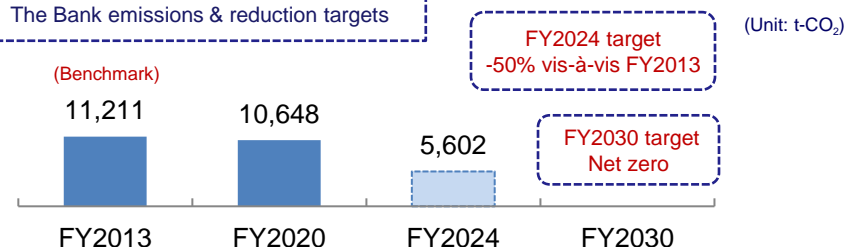
● Initiatives

○ Switch to renewable energy-derived electric power for head office building starting April 2022

○ Solar power generation facilities introduced in existing branch offices



The Bank emissions & reduction targets



Fund appropriation & environmental improvement effect with ESG bonds

Reporting based on Green Bonds issued in November 2019 and Sustainability Bonds (Green Project) issued in October 2021 (prior to third-party evaluation)

	Green Bond		Sustainability Bond (Green Project)	
	Allocated value (million yen)	CO ₂ reduction (t-CO ₂ /year)	Allocated value (million yen)	CO ₂ reduction (t-CO ₂ /year)
Allocated value/reduction amount total	9,950	12,494	2,759	23,368
Renewable energy	9,884	12,428	2,673	23,324
Solar power generation	9,435	4,376	2,388	899
Hydroelectric power generation	449	8,052	-	-
Biomass power generation	-	-	285	22,425
Energy efficiency	25	53	27	37
Clean transport	40	12	58	6

Amount per household (*) 6,645 households 12,429 households

* Calculation of CO₂ emissions based on annual electric power consumption per household

(Calculation based on FY2020 Survey on the Actual Conditions of Households for the Estimation of Carbon Dioxide Emissions: Summary (Update), Ministry of the Environment)

3. Initiatives for the Region and Society

- ① Prefecture-wide implementation of Community Revitalization Project to revitalize Gunma's tourism industry
- ② Develop pleasant working conditions in the workplace and group-wide action to realize well-being

■ Comprehensive collaborative agreement for regional revitalization

- Concluded by Gunma Prefecture and 9 cities and 3 towns/villages in the prefecture

Number of proposals on coordination and support measures to partners in the comprehensive collaborative agreement: **20** (total for FY2022–FY2024)

- Community Revitalization Project – Application to hot spring resorts and tourist spots in the prefecture ①

Minakami town revitalization and town development planning based on the industrial-academic-government-financial sector collaborative agreement of September 2021 and rehabilitation of ski resorts and camping grounds.

Targets: Minakami Onsen, Kusatsu Onsen, Shima Onsen, Manza Onsen & Yoshioka Onsen



Comprehensive collaborative agreement for revitalization of Minakami Town



■ Support for creation and development of next-generation industries

- Organic partnership among the industrial, academic, government and financial sectors in the Gunma prefecture and aggressive contribution to sustainable growth of regional industries

Collaborative Agreement for Gunma Next-Generation Industry Creation and Development concluded by six institutions including Gunma Prefecture.

⇒ Creation & development of next-generation industries in Gunma Prefecture, management of a consortium, development of venture ecosystem, etc.

- Stronger support to venture businesses based on Gunma Regional Advanced Solution Partners (GRASP)



18% of ongoing cases are startup businesses

Gunma Next-Generation Industry Creation and Development Consortium



■ Diversity initiatives

- Action plan for the Act on the Promotion of Female Participation and Career Advancement in the Workplace (April 2022–March 2025)

Organizational reinforcement through realization of **Well-being** for each employee by creating a virtuous cycle for work life and family life ②

Percentage of paid leave taken

FY2020 (Actual)	FY2024 (Mid-Term Business Plan target)
61.3%	70% or more

Percentage of female managers

Mar. 2022 (Actual)	Mar 31, 2025 (Mid-Term Business Plan target)
14.5%	18% or more

Childcare leave acquisition rate

100% maintained
(Total for both genders)

External evaluation (Acquired)



– Promotion of health management –



– Promotion of women's activities –



– Enhancement of childcare support –

4. Governance

- ① Bank executive officers to cover skills in business functions necessary for job execution.
- ② External executive officers to cover skills necessary to perform supervision and complementary roles.

Skill matrix (expertise & experience)

Assurance of diversity and balance in skills required for efficient performance of the respective roles and responsibilities of the directors and auditors

Internal Directors/Audit & Supervisory Board Members

①

Name	Job title	Skill category							
		Corporate governance/sustainability	Regional economies	Sales	Market management	Management strategy/planning/compliance/new business development	Human resources	Risk management	IT system
Nobuyuki Horie	Chairman & Director	○	○	○			○	○	
Akihiko Fukai	President & Director	○	○	○	○	○		○	○
Hiroyuki Irisawa	Senior Managing Director	○		○	○	○			○
Akihiro Goto	Managing Director	○		○		○	○		
Tsutomu Takei	Managing Director	○	○	○			○		
Takeo Uchibori	Managing Director	○		○		○			○
Shinya Koitabashi	Audit & Supervisory Board Member			○	○				
Keita Muto	Audit & Supervisory Board Member			○				○	

Outside Directors/Audit & Supervisory Board Members

②

Name	Job title	Skill category							
		Corporate management	Finance (theory, regulatory control & compliance)	Corporate finance & accounting (operation & theory)	Corporate legal affairs (operation & theory)	Macroeconomy	Sustainability	IT, digital FinTech	Regional economies & governments
Jun Kondo	Director	○		○					○
Kuniko Nishikawa	Director	○					○	○	
Kazuhiro Osugi	Director		○			○			
Makoto Tanaka	Audit & Supervisory Board Member			○					○
Yasuo Kamiya	Audit & Supervisory Board Member				○				○
Hiroshi Kasahara	Audit & Supervisory Board Member						○		○

※The information above does not necessarily show the entire scope of expertise, experience and knowledge of prospective director's candidates and auditors' and auditor's candidates.

~ directors' candidate and auditors and auditors' candidate ~



Akihiko Fukai



Nobuyuki Horie



Hiroyuki Irisawa



Akihiro Goto
New candidate



Tsutomu Takei
New candidate



Takeo Uchibori
New candidate



Shinya Koitabashi



Keita Muto
New candidate



Jun Kondo



Kuniko Nishikawa



Kazuhiro Osugi



Makoto Tanaka



Yasuo Kamiya



Hiroshi Kasahara
New candidate

(Reference) Gunma Bank Group SDGs Declaration



Gunma Bank Group SDGs Declaration (GB Sustainability Policy 2030)

We strive to build a sustainable society and generate economic value by contributing to achieving Sustainable Development Goals (SDGs) through engaging in business activities in ways that always consider the development of local communities.



Priority issues and initiative policy

1. Sustained development of the regional economy

- We enhance the initiatives to assist the growth of regional business operators and vitalize regional communities while supporting the sustained development of regional economies by providing financial services befitting the diverse needs of customers.
- In order to foster next-generation leaders, we will enhance financial and economic education to improve the financial literacy of regional citizens and support innovation in regional industries to build sustainable infrastructure.



2. Preservation and creation of global environment

- We assist our customers in working to preserve the environment and to create a beautiful environment, strive to lower the environmental load from our operations, and work to enhance our climate change countermeasures.



3. Promote successful engagement by diverse personnel

- We enhance the diversity of directors and employees toward building a workplace in which all employees such as female, junior, and senior-age personnel can successfully work and foster them for the work and deliver a flexible work style.



4. Promote partnership

- We strive to build a sustainable society as a whole region through partnership with municipalities, corporate and individual customers.



(Established on February 25, 2019, Revised on April 1, 2022)

The Bank Group believes that its efforts to realize the Purpose (we use our strengths in connections to spin the threads of the future for local communities) in accordance with the Mid-Term Business Plan will contribute toward achieving the SDGs, realizing a sustainable society and creating economic value.

Financial Results Briefing Session for the Year Ended March 2022

Data



The Gunma Bank, Ltd.

(The Prime Market of Tokyo Stock Exchange : 8334)

May 25, 2022

**We use our strengths in connections to spin the
threads of the future for local communities**

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This material has been prepared to provide information, not to solicit the transactions of specific securities. Descriptions in this material are subject to change without notice. Description on future business performance is included in this material. However, future business results are not guaranteed for the securities, which involve risks and uncertainties. Please be advised that future achievements may be different from targets due to changes in business environment, etc.

The Attraction of Gunma Prefecture

Source:
Gunma Prefecture Bonds Investor Relations Data (October 2021 edition)
Gunma Prefecture, Industry and Economy Department, "Gunma Ga Ichiban!"
(March 2021)"
Gunma Prefecture Mobile Census

■ Major features of Gunma Prefecture

- ▶ Manufacturing, world-class technology, and a well-developed transportation network
- ▶ Abundant water resources (The headwaters of the Tone River flow through the region and serve as a water source for the Tokyo metropolitan area.)
- ▶ Stable climate and few seismic disasters
- ▶ As the kitchen of the Tokyo metropolitan area, diverse and varied agriculture is flourishing.

■ The attraction of Gunma Prefecture

Oze is "the origin of Japan's nature conservation movement."

In the Oze National Park, there is Ozegahara, the largest highland wetland in Honshu, and a rich ecosystem is preserved.



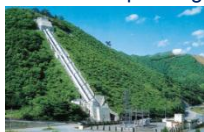
A treasure house of renewable energy

Utilizing abundant water resources, the maximum power output of "hydroelectric power generation" ranks 6th in Japan. Consistently ranks among the top in Japan for average annual sunshine hours.

⇒ "Solar power generation"

There are many forests, which provide abundant raw materials for woody biomass.

⇒ "Biomass power generation"



Japan's leading hot spring kingdom

The number of hot spring resorts is 96, ranking first in the Kanto region and ninth in Japan.

Kusatsu Onsen has been ranked first for 18 consecutive years in the "100 Best Hot Springs in Japan" list.

The hot spring symbol "♨" originated in Isobe Onsen.



World Heritage Site, Tomioka Silk Mill

Established as Japan's first full-scale model spinning mill. As an industrial heritage, it became the first national treasure in Japan.



No. 1 in Japan for agricultural products

Harvest of konjac potatoes, harvest of cabbage, harvest of eggplants in summer and autumn, production of cocoons and raw silk



■ Economic scale of Gunma Prefecture (ranking of 47 prefectures of Japan)

Population
1.942 million
(18th in Japan)
October 1, 2019

* 1.918 million March 2022

Number of industrial locations
52
(4th in Japan)
2020

Working-age population ratio
58.2%
(15th in Japan)
October 1, 2019

Effective demand-supply ratio of labor force
1.36 times
(12th in Japan)
July 2021

Prefectural income per capita
3.283 million yen
(8th in Japan)
FY2018

Product shipments
8.981 trillion yen
(12th in Japan)
2019

Agricultural output
236.1 billion yen
(14th in Japan)
2019

– Located roughly at the center of Honshu and approx. 100 km from Tokyo –



■ Major companies located in the prefecture

Type of Industry	Company name			
Transportation equipment	SUBARU	NHK Spring	MITSUBA	
	Hino Motors	MARELLI		
Chemistry	Shin-Etsu Chemical	Kyowa Kirin	KANTO DENKA KOGYO	
Business equipment	CANON ELECTRONICS	SANDEN		
Beverages and feed	Meiji	SUNTORY	POKKA SAPPORO	
Foodstuffs	YAMAZAKI BAKING	BULL-DOG SAUCE	TAKASAKI MORINAGA	
	Takanashi Milk	Kellogg Japan	DANONE JAPAN	

Industrial Structure of Gunma Prefecture

■ Manufacturing industries drive Gunma economy (ranking of 47 prefectures of Japan)

- Concentration of outstanding technologies in manufacturing -

Gross production output for Gunma

The gross production output for the Gunma Prefecture is 8.9 trillion yen.

The prefecture ranks 17th among the 47 prefectures.

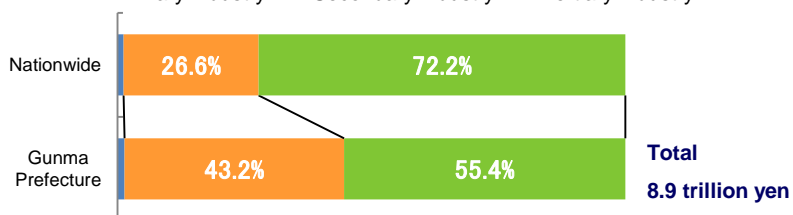
(Unit: trillion yen)

Ranking	Prefecture	Gross output	Ranking	Prefecture	Gross output
1	Tokyo Metropolis	106.9	13	Kyoto Prefecture	10.5
2	Aichi Prefecture	40.7	14	Miyagi Prefecture	9.5
3	Osaka Prefecture	39.4	15	Tochigi Prefecture	9.3
4	Kanagawa Prefecture	35.4	16	Niigata Prefecture	9.0
5	Saitama Prefecture	23.0	17	Gunma Prefecture	8.9
6	Hyogo Prefecture	21.0	18	Nagano Prefecture	8.5
7	Chiba Prefecture	20.9	19	Mie Prefecture	8.3
8	Fukuoka Prefecture	19.6	20	Fukushima Prefecture	7.8
9	Hokkaido	19.4	21	Gifu Prefecture	7.8
10	Shizuoka Prefecture	17.3	22	Okayama Prefecture	7.7
11	Ibaraki Prefecture	13.9	23	Shiga Prefecture	6.7
12	Hiroshima Prefecture	11.6	:	:	:

(Note): Based on "FY2018 Gunma Prefecture Economic Statistics"

Nominal (domestic) gross production output for Gunma by type of industry

■ Primary industry ■ Secondary industry ■ Tertiary industry



Source: Gunma Prefecture Bonds Investor Relations Data (October 2021 edition)

Breakdown of industries in Gunma

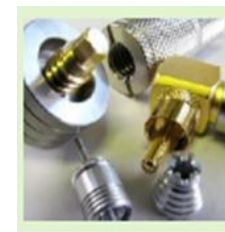
In the area of industry, the prefecture is characterized by the higher ratio of manufacturing industries (37.2%).

Industry	Percentage
Agriculture, forestry and fisheries	1.4%
Manufacturing	37.2%
Electricity, gas, and waterworks	2.5%
Construction	5.9%
Wholesale/retail	8.5%
Transport and postal services	3.3%
Hotels, lodging, and restaurant services	2.3%
Information communications	2.3%
Finance and insurance	3.0%
Real estate	9.3%
Others	24.3%
Total	100.0%

Manufactured goods shipment : Top in Japan (2018)

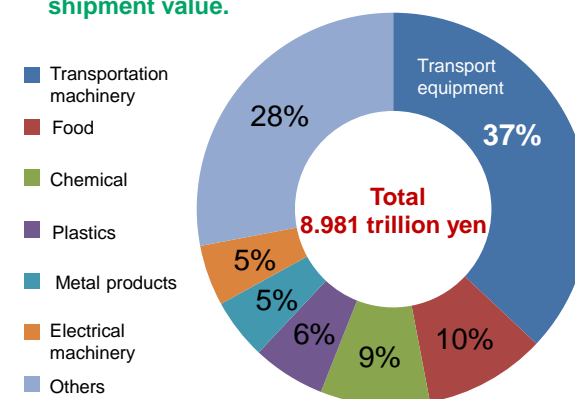
Finished goods	Shipment value
Passenger car body	79.3 bil. yen
Coffee drinks	37.3 bil. yen
Financial terminal equipment	36.0 bil. yen
Tofu	29.0 bil. yen

Source: Gunma Prefecture Bonds Investor Relations Data (October 2021 edition)



[Breakdown of manufactured goods shipment, etc.]

Transport equipment accounts for 37% in shipment value.



Source: Gunma Prefecture Bonds Investor Relations Data (October 2021 edition)

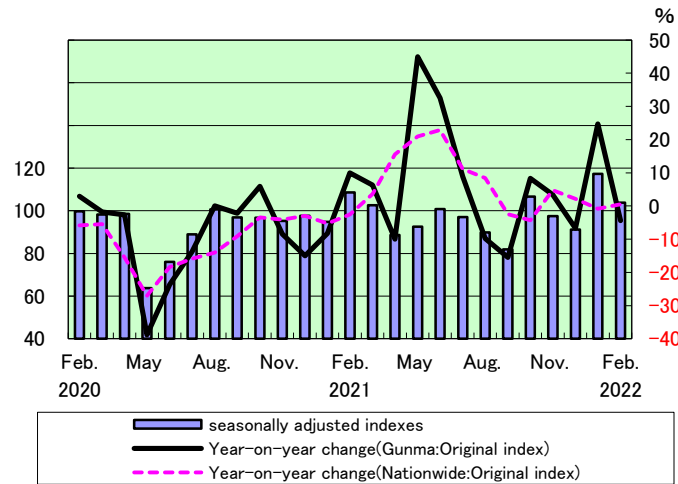
Ranks 2nd among 47 prefectures in ratio of transportation machinery production in gross output for the prefecture

Ranking	Prefecture	Gross output
1	Aichi Prefecture	19.3%
2	Gunma Prefecture	11.6%
3	Shizuoka Prefecture	10.5%
4	Hiroshima Prefecture	7.3%
5	Mie Prefecture	6.7%

(Note): Based on "FY2018 Gunma Prefecture Economic Statistics"

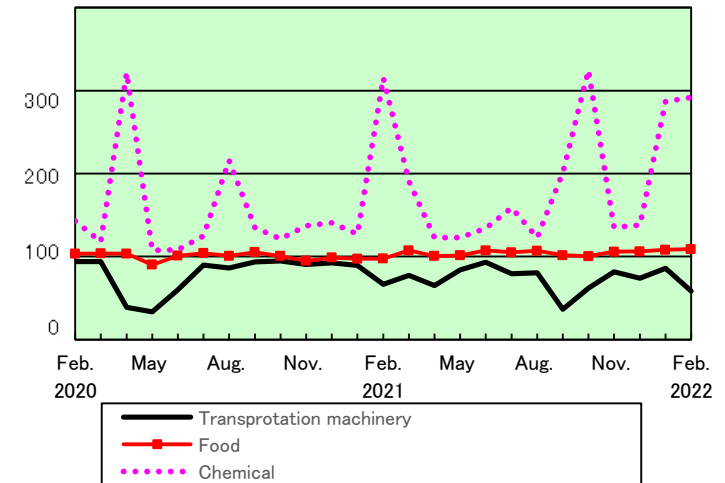
Economic Trends in Gunma Prefecture I

■ Mining and manufacturing production index (Year 2015 = 100)



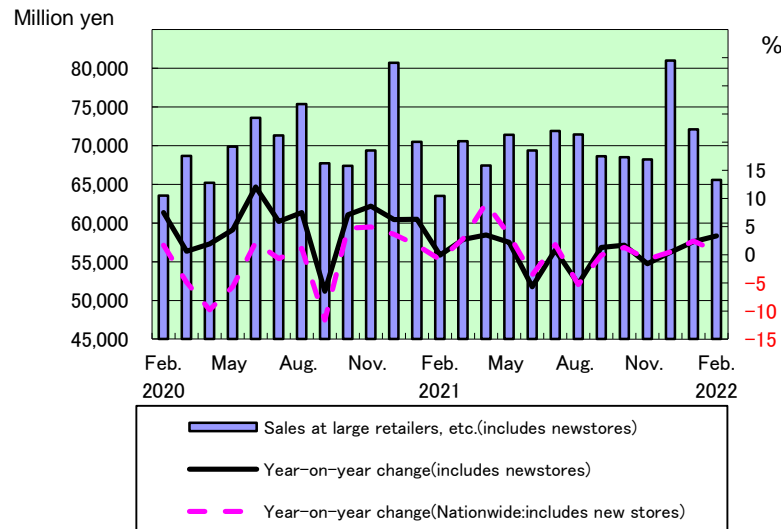
Source: Gunma Prefecture, Ministry of Economy, Trade and Industry

■ Production index by industry classification (Seasonally adjusted) (Year 2015 = 100, Top three industries by share)



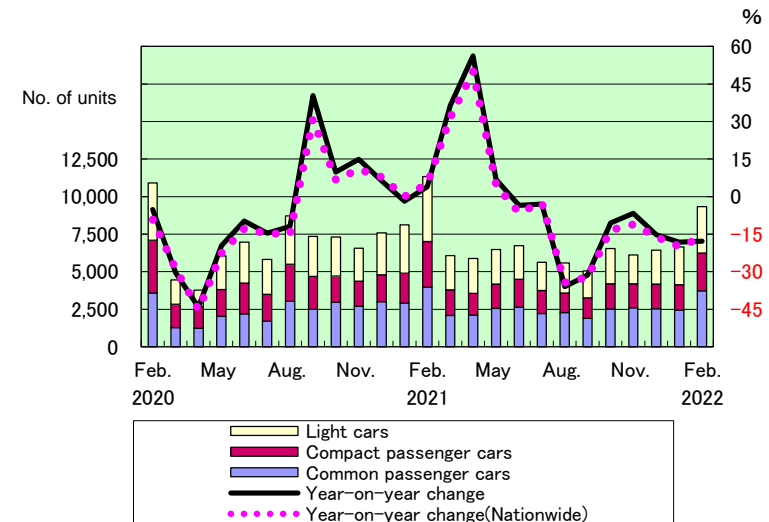
Source: Gunma Prefecture

■ Sales at large retailers, etc.



Source: Ministry of Economy, Trade and Industry

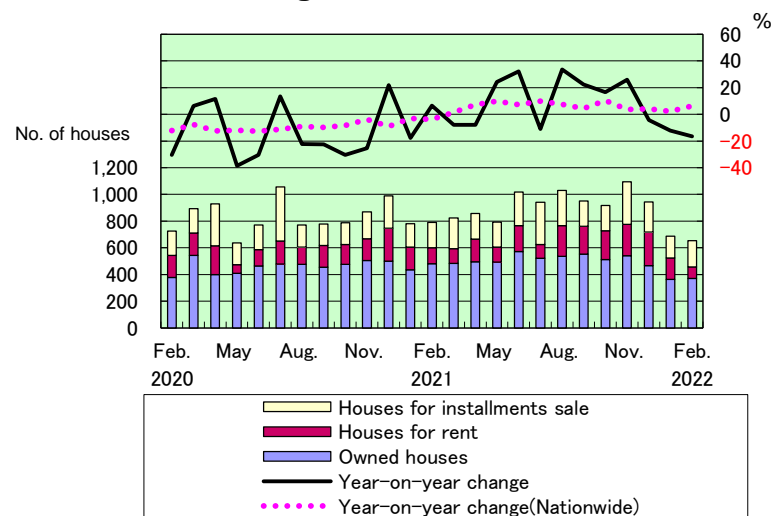
■ Sales of passenger cars



Sources: Japan Automobile Dealers Association, Japan Mini Vehicles Association, Japan Automobile Dealers Association Gunma Branch, Japan Mini Vehicles Association Gunma Branch

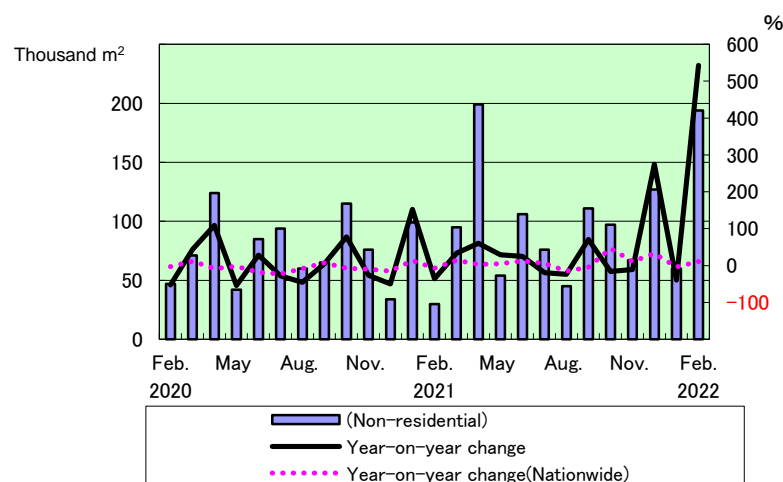
Economic Trends in Gunma Prefecture II

■ New housing starts



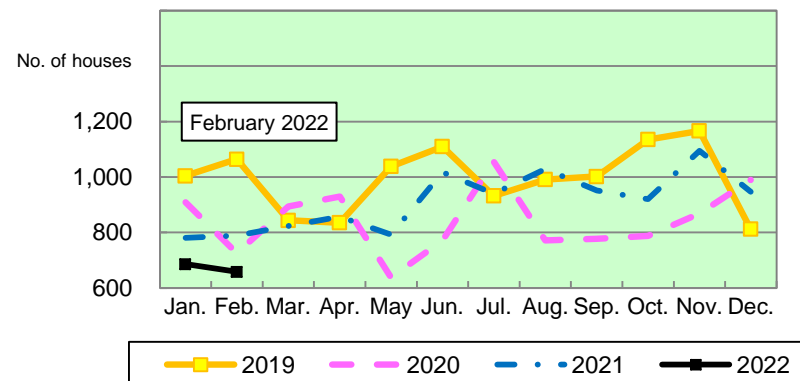
Source: Ministry of Land, Infrastructure, Transport and Tourism

■ Total floor space of construction starts (non-residential)



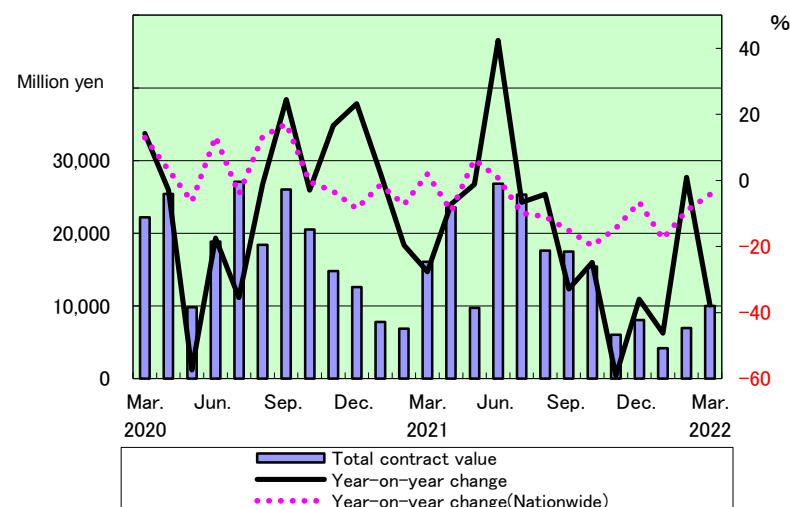
Source: Ministry of Land, Infrastructure, Transport and Tourism

■ Monthly movements in new housing starts



Source: Ministry of Land, Infrastructure, Transport and Tourism

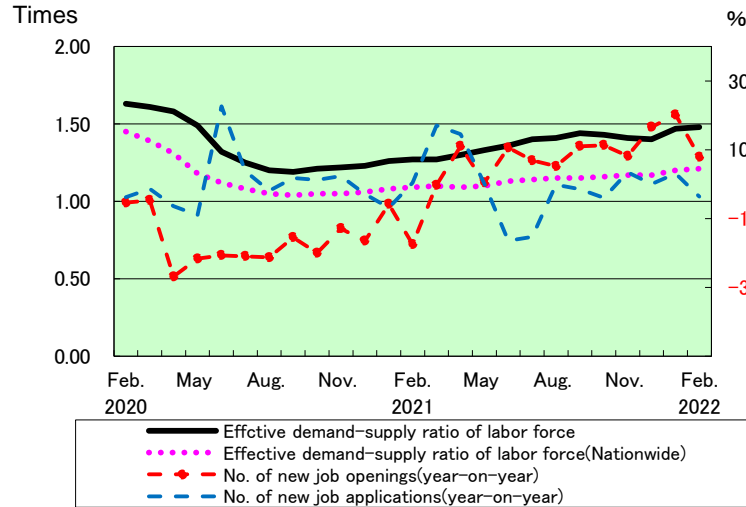
■ Value of public works contracts



Source: East Japan Construction Surety Co., Ltd., etc.

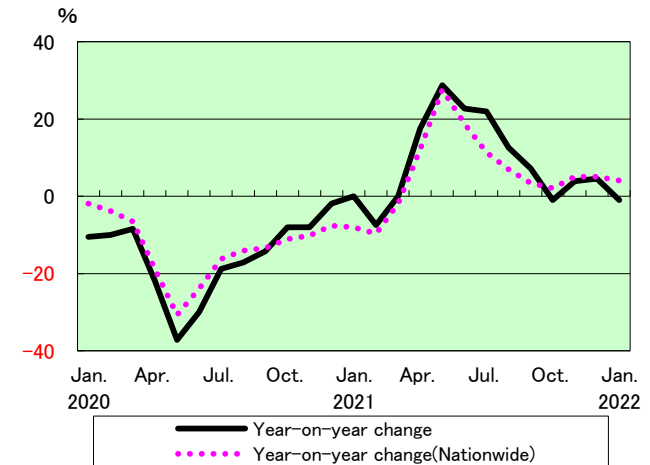
Economic Trends in Gunma Prefecture III

■ Effective demand-supply ratio of labor force and number of new job openings and new job applications



Source: Gunma Labor Bureau

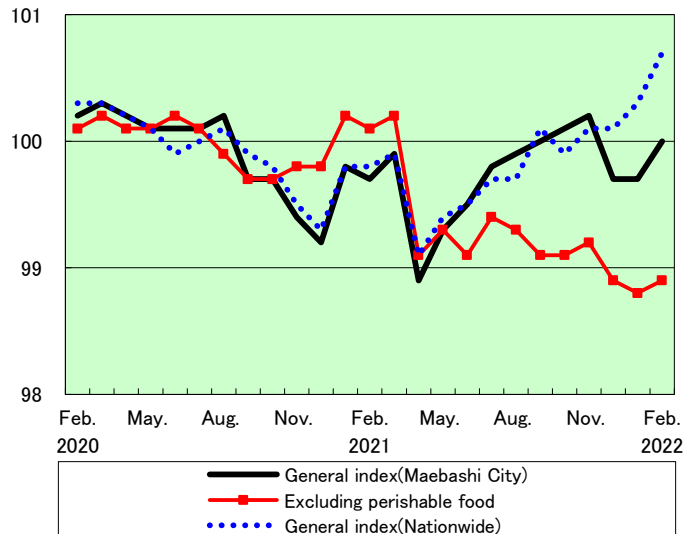
■ Total overtime hours



* All industries and offices with five employees or more

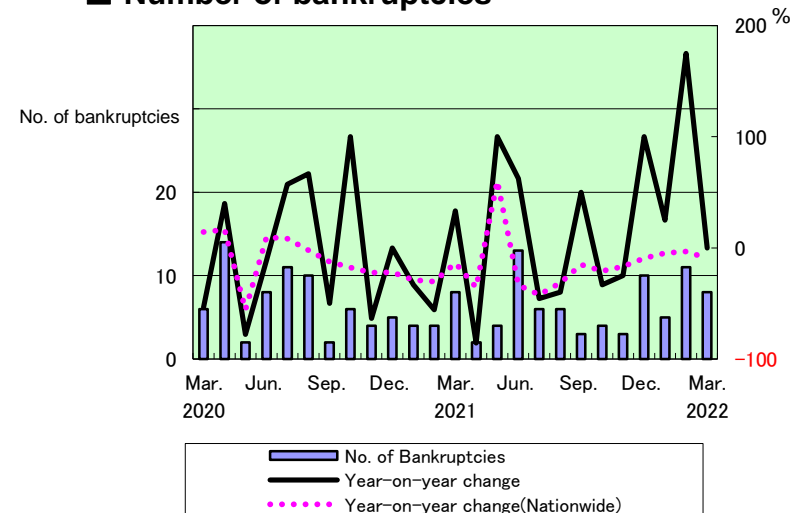
Sources: Ministry of Health, Labor and Welfare, Gunma Prefecture

■ Consumer price index (Year 2015 = 100)



Source: Ministry of Internal Affairs and Communications

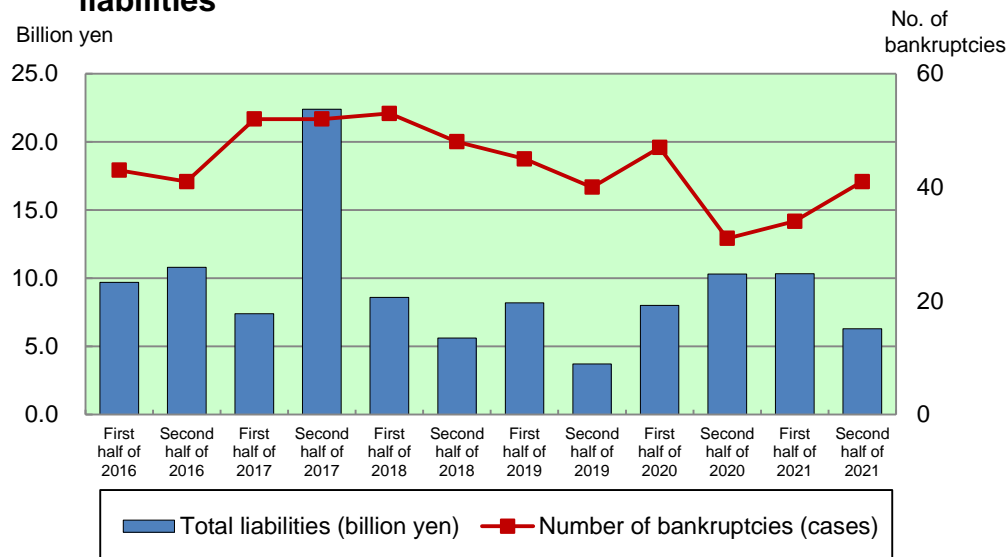
■ Number of bankruptcies



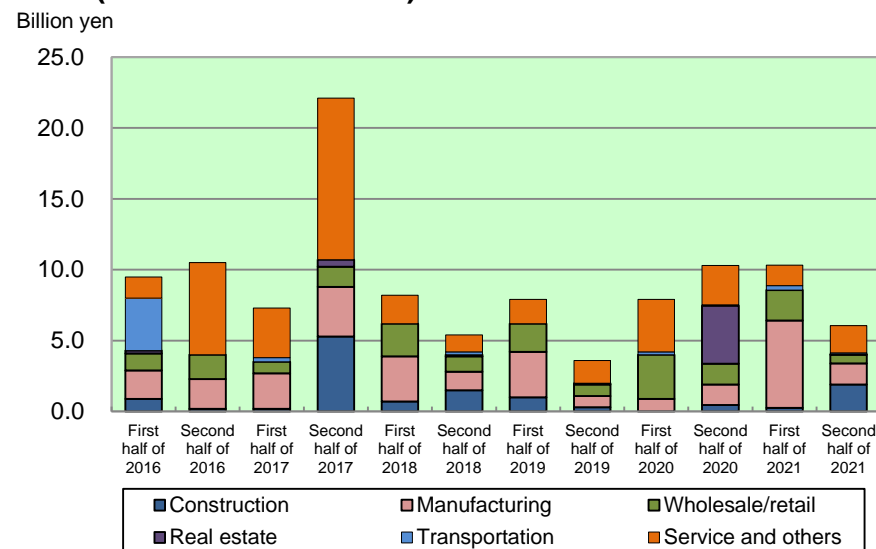
Source: Teikoku Databank

Economic Trends in Gunma Prefecture IV

■ Number of bankruptcies of companies and total liabilities



■ Industry breakdown of bankruptcies (amount of liabilities)



Unit: billion yen

	FY2016		FY2017		FY2018		FY2019		FY2020		FY2021	
	Apr.- Sep.	Oct.- Mar.	Apr.- Sep.	Oct.- Mar.	Apr.- Sep.	Oct.- Mar.	Apr.- Sep.	Oct.- Mar.	Apr.- Sep.	Oct.- Mar.	Apr.- Sep.	Apr.- Sep.
No.of Bankruptcies	43 cases	41 cases	52 cases	52 cases	53 cases	48 cases	45 cases	40 cases	47 cases	31 cases	34 cases	41 cases
Total liabilities	9.7	10.8	7.4	22.4	8.6	5.6	8.2	3.7	8.0	10.3	10.3	6.3
Construction	0.9	0.2	0.2	5.3	0.7	1.5	1.0	0.3	0.0	0.4	0.2	1.9
Manufacturing	2.0	2.1	2.5	3.5	3.2	1.3	3.2	0.8	0.9	1.4	6.1	1.5
Wholesale/retail	1.2	1.7	0.8	1.4	2.3	1.1	2.0	0.8	3.1	1.4	2.1	0.6
Real estate	0.2	—	—	0.5	—	0.1	—	0.1	0.0	4.0	—	0.0
Transportation	3.7	0.0	0.3	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.3	0.1
Services and others	1.5	6.5	3.5	11.4	2.0	1.2	1.7	1.6	3.7	2.7	1.4	1.9

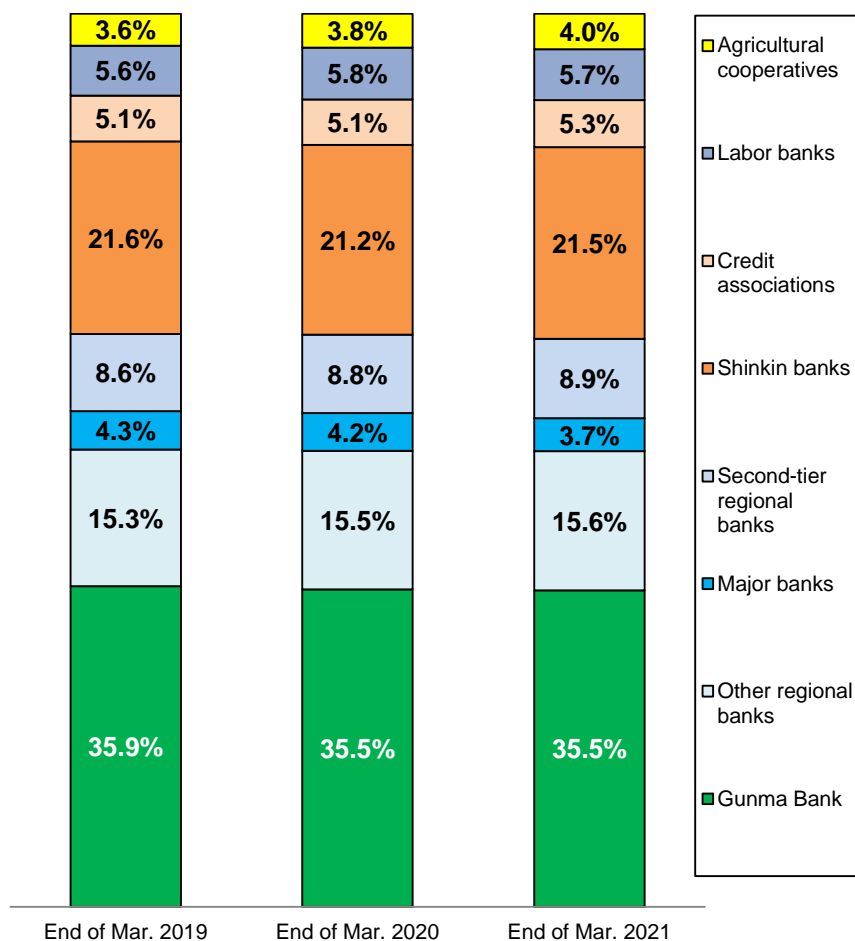
(*) Based on Teikoku Databank figures, includes only bankruptcies with liabilities of 10 million yen or more.

Excludes voluntary liquidations (e.g., suspension of banking transactions) and includes only bankruptcies under the five bankruptcy laws (e.g., Corporate Rehabilitation Act).

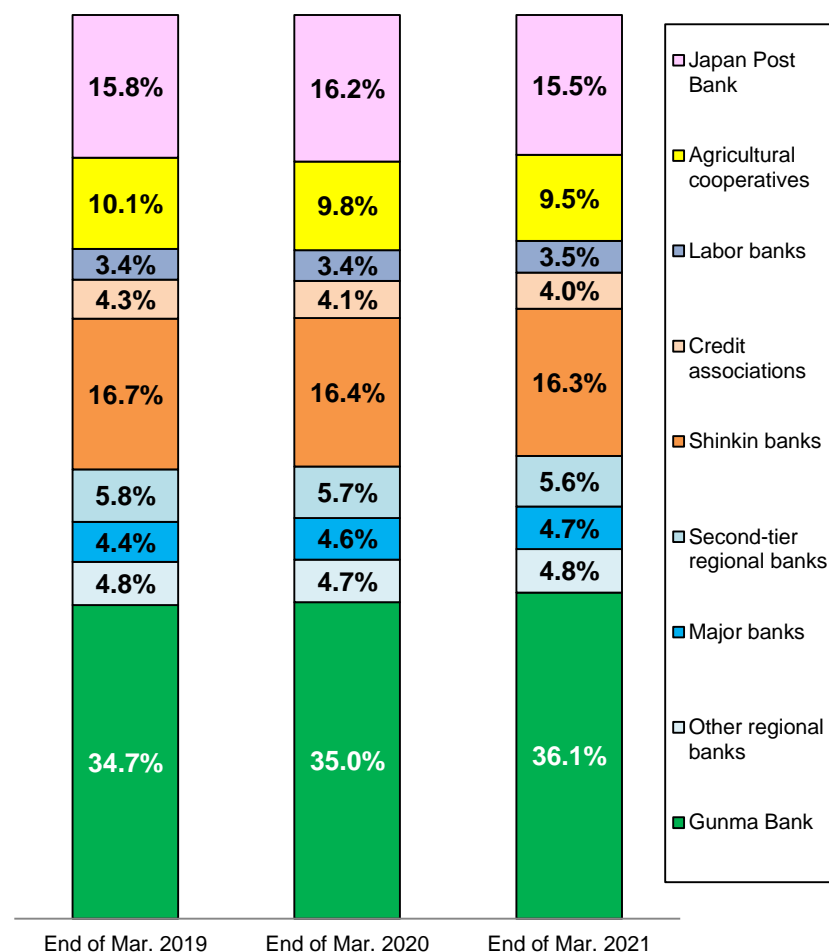
(*) First half: April–September, Second half: October–March

Economic Trends in Gunma Prefecture V

Shares in loans



Shares in deposits



(Note) Source: "Financial Map" from an extra number of the "Financial Journal" 2022edition

Profit and Loss Conditions (Consolidated)

[Profit and loss conditions (consolidated)]

(Unit: billion yen)

	Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022	
	Sep.2016		Sep.2017		Sep.2018		Sep.2019		Sep.2020		Sep.2021	
Core gross business profits	46.9	93.0	50.5	95.0	48.6	91.0	44.5	84.7	43.3	86.4	48.3	92.5
Net interest income	39.9	78.9	41.3	77.2	39.4	74.3	35.8	67.5	34.2	67.2	37.4	72.0
Non-interest business profit	7.0	14.1	9.1	17.8	9.1	16.7	8.7	17.1	9.0	19.1	10.8	20.5
Net fees and commissions income	5.5	11.2	7.3	13.7	7.4	13.1	6.6	12.4	6.7	13.2	7.4	13.3
Profit from other business transactions (excluding gains (losses) on bonds)	1.4	2.9	1.8	4.0	1.7	3.5	2.1	4.7	2.3	5.9	3.4	7.1
Expenses (-) (excluding non-recurrent expenses)	29.2	57.7	29.4	57.5	29.3	57.5	28.8	56.1	28.1	55.4	27.7	55.2
Core net business profit	17.7	35.2	21.0	37.5	19.3	33.4	15.7	28.5	15.2	30.9	20.6	37.3
Gains or losses on investment securities	6.0	8.9	10.1	10.8	8.2	11.8	5.7	7.4	8.6	12.6	5.5	9.6
Gains (losses) on bonds	1.1	-3.2	0.1	-4.2	-2.3	-2.7	1.2	0.5	2.8	3.1	0.7	-1.2
Gains (losses) on stocks and other securities	4.9	12.1	10.0	15.0	10.6	14.5	4.4	6.9	5.8	9.4	4.7	10.8
Net credit costs (-)	2.1	6.1	0.4	2.8	1.6	8.7	2.6	4.8	6.5	22.4	2.9	8.3
Others	0.2	-1.5	-1.5	-3.1	-0.5	-0.8	0.0	0.4	-0.9	-1.0	0.4	0.4
Ordinary profit	21.8	36.5	29.2	42.4	25.3	35.7	18.8	31.5	16.4	20.0	23.6	39.1
Extraordinary income (losses)	-0.1	-0.2	-0.3	-1.0	-0.3	-0.4	-0.1	-0.6	0.1	-0.2	-1.2	0.6
Total income taxes (-)	4.0	9.8	8.5	12.6	7.5	11.7	5.2	8.4	4.2	6.3	7.0	13.3
Profit	17.6	26.3	20.3	28.7	17.5	23.6	13.4	22.3	12.3	13.5	15.3	26.4
Profit attributable to non-controlling interests (-)	0.1	0.0	0.2	0.3	0.1	0.2	0.0	0.0	-	-	-	-
Profit attributable to owners of parent	17.5	26.3	20.1	28.3	17.4	23.3	13.4	22.2	12.3	13.5	15.3	26.4
OHR (%)	62.2	62.0	58.2	60.5	60.3	63.2	64.7	66.3	64.8	64.1	57.4	59.6
ROE (%)	6.9	5.1	7.6	5.4	6.4	4.4	5.0	4.4	4.8	2.6	5.5	4.9

Profit and Loss Conditions (Non-consolidated)

[Profit and loss conditions (non-consolidated)]

(Unit: billion yen)

	Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022	
	Sep.2016		Sep.2017		Sep.2018		Sep.2019		Sep.2020		Sep.2021	
Core gross business profits	44.9	88.6	47.8	89.5	45.9	85.6	41.6	78.4	40.1	80.2	44.7	85.2
Net interest income	40.0	79.0	41.4	77.3	39.5	74.4	35.8	67.6	34.4	68.5	37.7	72.3
Of which, Interest on loans and discounts	28.6	57.0	28.0	56.2	28.7	57.6	28.8	57.0	27.1	54.2	26.7	53.5
Of which, Interest and dividends on securities	13.3	26.7	16.5	27.6	14.0	22.7	9.8	15.9	8.2	15.6	10.9	18.8
Of which, Gain (loss) on cancellation of investment trusts	1.0	2.0	3.9	3.6	3.4	3.6	0.4	-1.4	1.3	0.3	1.6	0.5
Net fees and commissions	4.3	8.7	5.9	11.0	6.0	10.5	5.3	9.8	5.4	10.9	6.2	11.0
Others (excluding gain (loss) on bonds)	0.5	0.8	0.4	1.1	0.3	0.7	0.4	0.9	0.2	0.7	0.7	1.9
Expenses (-) (excluding non-recurrent expenses)	28.7	56.6	28.8	56.2	28.6	56.1	28.0	54.4	27.2	53.6	26.8	53.3
Personnel expenses	16.2	32.0	15.5	30.7	15.3	30.2	14.9	29.5	15.0	29.4	14.2	28.3
Non-Personnel expenses	10.5	21.3	11.3	22.4	11.3	22.7	11.1	22.0	10.4	21.1	10.9	22.1
Taxes	1.9	3.2	1.9	3.0	1.9	3.1	1.8	2.8	1.7	2.9	1.5	2.8
Core net business profit	16.1	31.9	19.0	33.2	17.3	29.5	13.6	24.0	12.9	26.6	17.9	31.9
Gains or losses on investment securities	6.0	8.9	10.1	10.8	8.2	11.7	5.7	5.4	8.6	12.5	5.5	9.6
Gains (losses) on bonds	1.1	-3.2	0.1	-4.2	-2.3	-2.7	1.2	0.4	2.8	3.1	0.7	-1.2
Gains (losses) on stocks and other securities	4.9	12.1	10.0	15.0	10.6	14.4	4.4	5.0	5.8	9.3	4.8	10.8
Net credit costs (-)	1.4	4.7	0.3	2.3	1.2	7.9	2.3	4.3	5.9	21.0	2.5	7.3
Other non-recurrent gains (losses)	0.2	-1.5	-1.5	-3.2	-0.6	-1.3	-0.0	0.2	-1.0	-1.2	0.3	0.2
Ordinary profit	20.9	34.5	27.2	38.5	23.7	31.9	17.0	25.3	14.6	16.8	21.2	34.4
Extraordinary gains (losses)	-0.1	-0.2	-0.3	-1.0	-0.3	-0.4	-0.1	-0.6	0.1	-0.2	-1.2	0.6
Total income taxes (-)	3.7	9.0	7.9	11.4	6.9	10.5	4.6	6.7	3.8	4.9	6.1	11.7
Profit	17.0	25.2	18.9	26.0	16.4	20.9	12.2	17.9	10.9	11.6	13.8	23.3
Net credit costs	1.4	4.7	0.3	2.3	1.2	7.9	2.3	4.3	5.9	21.0	2.5	7.3
Net transfer to general allowance for loan losses	0.5	0.4	-1.0	-1.0	-1.2	0.3	-0.6	-1.1	4.3	14.5	0.1	-1.5
Disposal of non-performing loans	0.8	4.3	1.4	3.4	2.5	7.6	3.0	5.4	1.6	6.4	2.4	8.9
Of which, Net transfer to specific allowance for loan losses	0.7	3.5	1.2	2.9	2.3	7.1	2.3	4.4	1.4	5.9	2.2	8.1
Of which, Losses on sales of loans	0.0	0.4	0.0	0.1	0.0	0.1	0.4	0.7	0.0	0.1	0.0	0.5
Recoveries of written off claims (-)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Changes in Customer Service Business Profits

[Customer service business profit ratio]

(Unit: billion yen)

	Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022	
	Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Customer service business profit ratio (* Annual ratio: (i)/(ii) X Number of days for adjustment)	0.05%	0.06%	0.08%	0.09%	0.13%	0.14%	0.16%	0.16%	0.11%	0.12%	0.15%	0.13%
Customer service business profit (i)	1.6	3.9	2.7	6.2	4.6	9.2	5.4	11.1	4.2	9.2	5.9	10.6
Loan income	27.9	55.7	27.3	54.8	27.9	56.3	28.2	56.0	26.9	53.9	26.6	53.2
Net fees and commissions income	4.3	8.7	5.9	11.0	6.0	10.5	5.3	9.8	5.4	10.9	6.2	11.0
General and administrative expenses (-)	30.7	60.5	30.5	59.6	29.4	57.6	28.1	54.6	28.2	55.6	26.9	53.6
Average deposit balance (ii)	6,206.1	6,243.5	6,426.0	6,448.1	6,607.5	6,610.9	6,735.9	6,780.0	7,169.5	7,309.9	7,677.8	7,716.8

(i) Average loan balance x Deposit and loan direct profit margin + Net fees and commissions income – General and administrative expenses

< Reference data >

(Unit: billion yen)

	Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022	
	Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Loan income ((iii) × (iv) × Number of days for adjustment)	27.9	55.7	27.3	54.8	27.9	56.3	28.2	56.0	26.9	53.9	26.6	53.2
Deposit and loan direct profit margin (iii)	1.111%	1.099%	1.029%	1.029%	1.019%	1.027%	1.023%	1.014%	0.955%	0.948%	0.932%	0.935%
Average yield on loans and bills discounted	1.136%	1.125%	1.057%	1.054%	1.045%	1.050%	1.044%	1.033%	0.962%	0.954%	0.936%	0.939%
Average yield on deposit	0.025%	0.026%	0.028%	0.025%	0.026%	0.023%	0.021%	0.019%	0.007%	0.006%	0.004%	0.004%
Average loan balance (iv)	5,026.3	5,072.1	5,292.7	5,332.8	5,473.8	5,491.3	5,509.5	5,523.1	5,634.8	5,689.0	5,694.8	5,700.0

(iii) Average yield on loans and bills discounted – Average yield on deposit

Changes in Average of Earning Assets and Funds Balance

[Average of earning assets balance]

(Unit: billion yen)

[All branches]	Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022	
	Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Loans	5,026.3	5,072.1	5,292.7	5,332.8	5,473.8	5,491.3	5,509.5	5,523.1	5,634.8	5,689.0	5,694.8	5,700.0
Of which, Large enterprises	702.9	685.2	643.6	640.2	653.4	657.1	648.9	652.8	681.6	675.4	695.6	696.8
Of which, Second-tier enterprises	113.8	114.4	113.7	112.8	116.5	116.8	104.4	99.9	97.8	96.2	92.5	90.2
Of which, SMEs	1,982.0	2,014.8	2,098.3	2,134.0	2,218.6	2,246.4	2,300.3	2,315.6	2,405.8	2,429.4	2,423.6	2,420.6
Of which, Individuals	2,058.7	2,087.9	2,172.3	2,197.2	2,260.3	2,273.9	2,302.6	2,304.6	2,306.8	2,307.7	2,317.1	2,321.8
Of which, Public loans	121.1	120.5	214.1	200.1	169.8	142.1	99.5	96.3	90.6	125.8	110.2	107.4
Securities	1,974.5	1,978.5	1,851.5	1,791.4	1,572.4	1,555.4	1,640.7	1,660.2	1,783.5	1,955.8	2,330.6	2,387.6
Others	133.9	140.8	136.6	140.0	161.9	151.7	134.5	137.5	179.3	147.0	943.5	970.9
Earning assets in total	7,134.7	7,191.6	7,280.8	7,264.3	7,208.1	7,198.5	7,284.8	7,320.9	7,597.6	7,791.9	8,969.0	9,058.7

* Average balances totaled from all domestic branches are shown as breakdowns. Loans to regional public corporations and the Ministry of Finance (MOF) are included in public loans.

[Average of funds balance]

(Unit: billion yen)

[All branches]	Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022	
	Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Deposits	6,206.1	6,243.5	6,426.0	6,448.1	6,607.5	6,610.9	6,735.9	6,780.0	7,169.5	7,309.9	7,677.8	7,716.8
(Of which, Individuals)	4,599.5	4,635.5	4,743.8	4,779.3	4,865.7	4,885.8	4,958.3	4,995.9	5,179.3	5,249.5	5,419.8	5,456.6
(Of which, Corporations)	1,342.0	1,351.2	1,421.4	1,427.3	1,465.4	1,465.3	1,519.2	1,534.4	1,704.2	1,761.9	1,903.1	1,895.9
Liquid deposits	4,011.9	4,055.7	4,264.5	4,303.5	4,483.1	4,502.0	4,667.2	4,725.5	5,186.3	5,324.6	5,709.5	5,757.9
Fixed deposits	2,194.1	2,187.8	2,161.5	2,144.6	2,124.4	2,108.9	2,068.7	2,054.5	1,983.1	1,985.3	1,968.2	1,958.8
Call money	69.2	72.9	48.8	45.3	19.7	26.1	17.8	16.0	16.5	134.9	373.3	359.5
Borrowings	255.7	263.6	320.6	321.5	339.9	356.7	425.2	430.2	584.5	789.8	1,391.1	1,425.6
Others	573.3	609.0	626.8	597.6	424.7	415.5	447.0	441.7	445.7	592.2	961.3	1,011.9
Funds in total	7,104.3	7,189.2	7,422.2	7,412.8	7,391.8	7,409.4	7,626.0	7,668.0	8,216.3	8,827.0	10,403.7	10,514.0

* Average balances totaled from all domestic branches are shown as breakdowns.

Changes in the Rates of Yield and the Profit Margins of Interest Rates

[Rates of yield and profit margins of interest rates (all branches)]

(Unit: %)

[All branches]	Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022	
	Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Average yield on interest earning assets (i)	1.18	1.18	1.23	1.16	1.19	1.13	1.07	1.01	0.94	0.91	0.85	0.81
Of which, Average yield on loans and bills discounted (ii)	1.13	1.12	1.05	1.05	1.04	1.05	1.04	1.03	0.96	0.95	0.93	0.93
Of which, Average yield on securities	1.35	1.35	1.78	1.54	1.78	1.46	1.19	0.96	0.91	0.80	0.93	0.78
Funding yield (iii)	0.06	0.08	0.10	0.10	0.10	0.09	0.08	0.08	0.03	0.02	0.01	0.01
Of which, Average yield on deposits and negotiable certificates of deposit (iv)	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.01	0.00	0.00	0.00
Overall direct profit margin (i) — (iii)	1.12	1.10	1.13	1.06	1.09	1.04	0.99	0.93	0.91	0.89	0.84	0.80
Deposit and loan direct profit margin (ii) — (iv)	1.11	1.10	1.02	1.02	1.01	1.02	1.01	1.00	0.95	0.95	0.93	0.93
Ratio of expenses	0.88	0.86	0.85	0.83	0.82	0.81	0.79	0.76	0.72	0.70	0.67	0.67
Average interest rate spread	0.31	0.32	0.36	0.30	0.32	0.28	0.25	0.22	0.25	0.28	0.32	0.29

* Profit margins are calculated on the table.

[Rates of yield and profit margins of interest rates (domestic transactions)]

(Unit: %)

[Domestic transactions]	Mar. 2017		Mar. 2018		Mar. 2019		Mar. 2020		Mar. 2021		Mar. 2022	
	Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Average yield on interest earning assets (i)	1.12	1.10	1.13	1.06	1.08	1.02	0.97	0.91	0.89	0.85	0.81	0.77
Of which, Average yield on loans and bills discounted (ii)	1.12	1.11	1.03	1.02	0.99	0.98	0.97	0.97	0.94	0.94	0.93	0.93
Of which, Average yield on securities	1.25	1.20	1.66	1.34	1.61	1.29	1.08	0.83	0.85	0.65	0.87	0.68
Funding yield (iii)	0.02	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Of which, Average yield on deposits and negotiable certificates of deposit (iv)	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Overall direct profit margin (i) — (iii)	1.10	1.09	1.12	1.05	1.07	1.01	0.97	0.91	0.89	0.85	0.81	0.77
Deposit and loan direct profit margin (ii) — (iv)	1.11	1.10	1.02	1.01	0.98	0.98	0.97	0.97	0.94	0.94	0.93	0.93
Ratio of expenses	0.86	0.85	0.83	0.81	0.81	0.79	0.77	0.75	0.71	0.68	0.65	0.65
Average interest rate spread	0.27	0.27	0.32	0.27	0.30	0.26	0.23	0.20	0.23	0.25	0.30	0.27

* Profit margins are calculated on the table.

Changes in Loans and Deposits (by Region)

[Loans (ending balance)]

(Unit: billion yen)

[Domestic branches]	End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep.2016		Sep.2017		Sep.2018		Sep.2019		Sep.2020		Sep.2021	
Gunma	2,282.0	2,294.9	2,302.1	2,339.1	2,347.7	2,356.8	2,356.7	2,372.1	2,429.2	2,439.6	2,436.7	2,431.2
Saitama	1,016.8	1,053.0	1,069.2	1,101.2	1,119.2	1,139.4	1,134.6	1,133.1	1,136.7	1,132.5	1,115.3	1,101.7
Tochigi	456.5	471.4	484.1	495.0	506.6	514.2	510.3	509.4	513.1	509.5	504.0	505.9
Tokyo,Kanagawa,and Osaka	1,171.7	1,186.1	1,236.8	1,270.9	1,305.7	1,299.8	1,301.5	1,320.9	1,362.9	1,404.5	1,404.3	1,508.7
Head Office, etc.	130.7	170.5	298.9	262.9	212.3	202.3	205.9	212.3	208.1	209.0	211.2	210.0
Total	5,057.8	5,176.0	5,391.3	5,469.3	5,491.6	5,512.7	5,509.2	5,548.0	5,650.2	5,695.3	5,671.7	5,757.8

[Deposits (ending balance)]

(Unit: billion yen)

[Domestic branches]	End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep.2016		Sep.2017		Sep.2018		Sep.2019		Sep.2020		Sep.2021	
Gunma	5,010.6	5,253.6	5,209.0	5,407.9	5,375.0	5,537.7	5,500.7	5,752.1	5,988.2	6,317.1	6,255.7	6,505.8
Saitama	613.6	629.3	639.2	646.6	655.6	654.5	654.2	662.4	708.4	731.2	733.1	739.6
Tochigi	351.5	356.3	360.4	362.3	365.3	364.9	364.1	369.8	391.4	400.0	405.6	400.1
Tokyo,Kanagawa,and Osaka	169.3	176.9	192.5	202.7	224.6	217.6	237.1	215.2	216.5	227.6	235.8	247.1
Head Office, etc.	23.3	39.7	29.9	33.2	22.0	22.8	28.9	30.9	51.1	58.6	63.4	50.4
Total	6,168.4	6,455.8	6,431.3	6,652.7	6,642.7	6,797.7	6,785.1	7,030.7	7,355.8	7,734.7	7,693.8	7,943.1

Changes in Loans (by Type and by Size)

[Loan balances (by type and by size)]

(Unit: billion yen)

	End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep.2016		Sep.2017		Sep.2018		Sep.2019		Sep.2020		Sep.2021	
Loans	5,100.0	5,224.2	5,442.1	5,518.6	5,549.5	5,565.4	5,557.3	5,602.3	5,702.3	5,749.6	5,733.9	5,818.1
Domestic branches	5,057.8	5,176.0	5,391.3	5,469.3	5,491.6	5,512.7	5,509.2	5,548.0	5,650.2	5,695.3	5,671.7	5,757.8
Corporations	2,776.3	2,808.6	2,852.5	2,927.3	2,976.7	2,991.5	2,986.3	3,022.3	3,139.6	3,169.4	3,117.5	3,188.3
Large enterprises	611.3	579.1	567.4	564.9	579.5	554.2	558.0	566.8	579.8	591.5	610.8	676.4
Second-tier enterprises	115.4	114.4	113.4	112.1	119.6	110.8	93.6	95.0	95.1	90.8	89.7	81.0
SMEs	2,049.5	2,115.0	2,171.7	2,250.2	2,277.5	2,326.4	2,334.6	2,360.4	2,464.6	2,487.0	2,416.9	2,430.8
Of which, Excluding strategic branch offices	1,892.8	1,962.1	2,020.8	2,099.9	2,140.5	2,195.1	2,215.5	2,235.8	2,330.6	2,340.7	2,314.8	2,313.2
Public entities	114.5	106.7	106.0	102.2	102.4	97.8	94.7	87.6	86.3	92.4	110.8	116.7
Regional public corporations	1.9	2.9	1.9	2.7	1.8	2.5	1.7	2.4	1.8	2.3	2.0	2.3
Municipal authorities	112.6	103.8	104.1	99.5	100.5	95.3	93.0	85.1	84.5	90.0	108.8	114.4
Central government	–	20.9	136.7	89.4	22.6	–	–	–	–	–	–	–
Individuals	2,100.7	2,159.3	2,207.1	2,254.5	2,281.8	2,305.6	2,309.5	2,314.7	2,307.5	2,316.6	2,324.7	2,337.0
Housing-related loans	2,031.2	2,087.6	2,134.7	2,180.9	2,207.3	2,230.2	2,228.3	2,233.3	2,229.1	2,237.3	2,246.2	2,257.0
Housing loans	1,293.6	1,300.5	1,307.4	1,314.8	1,316.3	1,317.0	1,313.7	1,312.4	1,314.9	1,328.7	1,341.2	1,355.4
Apartment loans	519.8	546.9	568.4	593.4	613.3	631.6	641.7	651.4	649.7	649.8	649.4	650.0
Others	217.7	240.1	258.8	272.5	277.6	281.5	272.8	269.4	264.4	258.7	255.5	251.5
Unsecured consumer loans	41.6	44.8	46.6	48.8	50.0	51.5	53.2	54.6	53.7	54.7	55.4	57.3
Other loans to individuals	27.8	26.8	25.6	24.6	24.5	23.9	27.9	26.7	24.6	24.4	23.0	22.5
Cross-border loans, etc.	66.1	80.3	88.8	95.8	107.9	117.6	118.5	123.3	116.6	116.7	118.5	115.7
Overseas branch	42.2	48.2	50.7	49.2	57.9	52.7	48.0	54.2	52.1	54.2	62.1	60.2

* Cross-border loans, etc. includes structured finance.

Changes in Loans to SMEs (by Industry)

[Breakdown of loans to SMEs (outstanding loan by industry)]

(Unit: billion yen)

SMEs (domestic branches) [Breakdown: by industry(1)]	End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep.2019		Sep.2020		Sep.2021	
Manufacturing	457.9	463.2	480.8	482.1	475.6	472.8
Gunma	276.4	279.1	296.3	300.3	297.1	298.0
Saitama	92.2	93.6	92.0	91.3	88.9	85.0
Tochigi	61.3	62.8	63.6	62.1	61.4	62.1
Tokyo and Kanagawa	22.3	21.8	23.0	22.6	22.6	22.4
Others	5.6	5.6	5.7	5.7	5.4	5.0
Construction	159.9	165.0	176.2	188.6	183.1	185.5
Gunma	97.8	102.8	109.2	118.0	112.2	114.5
Saitama	27.5	28.5	29.8	30.5	30.6	30.7
Tochigi	17.6	17.4	19.8	21.9	21.8	21.6
Tokyo and Kanagawa	15.3	14.1	15.1	15.2	15.8	15.9
Others	1.7	2.0	2.2	2.7	2.4	2.6
Wholesaling and retailing	336.4	332.1	350.6	352.7	352.2	355.3
Gunma	180.2	177.1	186.5	189.7	191.4	193.9
Saitama	76.5	76.5	83.0	83.5	80.3	78.4
Tochigi	35.8	35.7	37.7	38.1	38.8	40.5
Tokyo and Kanagawa	39.7	38.3	39.2	37.6	38.0	38.7
Others	4.2	4.3	3.9	3.7	3.6	3.5

(Unit: billion yen)

SMEs (domestic branches) [Breakdown: by industry(2)]	End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep.2019		Sep.2020		Sep.2021	
Real estate	465.0	464.8	452.8	448.7	438.3	441.9
Gunma	123.5	126.9	126.0	128.3	127.1	128.6
Saitama	155.6	155.4	151.3	148.4	139.4	139.0
Tochigi	52.9	51.1	49.7	48.0	47.0	48.1
Tokyo and Kanagawa	128.8	127.1	121.1	119.2	120.1	120.8
Others	4.2	4.1	4.4	4.7	4.5	5.2
Healthcare and public welfare	269.4	271.0	293.5	292.6	289.9	291.1
Gunma	114.2	115.7	124.8	122.7	122.5	122.3
Saitama	64.9	62.8	65.8	64.5	64.2	65.6
Tochigi	14.6	14.9	15.5	15.2	15.1	14.8
Tokyo and Kanagawa	73.0	74.8	84.7	87.2	86.6	87.0
Others	2.7	2.6	2.6	2.6	1.3	1.3
Other services	241.5	238.1	266.4	268.4	264.3	260.7
Gunma	130.1	129.2	148.1	151.1	148.8	147.7
Saitama	49.9	49.4	53.5	54.7	53.7	50.9
Tochigi	30.1	29.2	31.2	31.7	30.7	30.5
Tokyo and Kanagawa	29.5	28.3	31.3	28.6	28.8	28.5
Others	1.8	1.9	2.1	2.2	2.2	2.9

Status of Housing-related Loans

[Breakdown of housing loans/apartment loans (outstanding loan by region)]

(Unit: billion yen)

	End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep.2016		Sep.2017		Sep.2018		Sep.2019		Sep.2020		Sep.2021	
Housing loans	1,293.6	1,300.5	1,307.4	1,314.8	1,316.3	1,317.0	1,313.7	1,312.4	1,314.9	1,328.7	1,341.2	1,348.9
Gunma	716.8	712.8	708.5	706.7	703.4	701.5	698.3	698.1	699.2	709.3	721.7	728.9
Saitama	321.8	323.8	325.8	327.7	327.7	326.5	324.1	320.9	318.8	318.2	317.0	317.4
Tochigi	119.2	118.1	117.2	116.5	115.8	114.4	113.1	111.2	110.1	108.9	107.7	107.3
Tokyo and Kanagawa	135.7	145.6	155.8	163.7	169.4	174.4	178.0	182.0	186.6	192.2	194.6	195.2
Apartment loans	519.8	546.9	568.4	593.4	613.3	631.6	641.7	651.4	649.7	649.8	649.4	647.9
Gunma	240.0	247.0	251.4	255.6	257.8	259.3	259.6	259.9	256.7	250.4	247.5	245.4
Saitama	119.5	126.5	129.5	135.4	141.4	147.7	150.2	154.0	154.2	158.8	160.2	160.8
Tochigi	99.6	103.1	106.1	110.0	112.4	114.6	116.1	116.0	115.5	115.2	114.2	113.5
Tokyo and Kanagawa	60.5	70.3	81.2	92.3	101.6	109.8	115.6	121.3	123.1	125.3	127.3	128.0

[Status of loans for investment real estate]

(Unit: billion yen)

	Mar. 2020				Mar. 2021				Mar. 2022			
	Year-end balance	Change	Rate of change	Composition ratio	Year-end balance	Change	Rate of change	Composition ratio	Year-end balance	Change	Rate of change	Composition ratio
Total loan balance	5,602.3	36.8	0.7%	100.0%	5,749.6	147.3	2.6%	100.0%	5,818.1	68.5	1.2%	100.0%
Of which, for investment real estate	1,038.4	11.8	1.2%	18.5%	1,021.8	-16.6	-1.6%	17.8%	999.2	-22.5	-2.2%	17.2%
Of which, whole building	220.8	-6.3	-2.8%	3.9%	211.5	-9.3	-4.2%	3.7%	197.0	-14.5	-6.9%	3.4%
Of which, asset management companies	59.1	-1.9	-3.1%	1.1%	57.4	-1.7	-3.0%	1.0%	53.6	-3.8	-6.6%	0.9%
Of which, salaried workers	31.7	-0.8	-2.6%	0.6%	31.5	-0.1	-0.6%	0.5%	31.2	-0.2	-0.9%	0.5%

* Loans for investment real estate: loans for funds used by individuals (including asset management companies, etc.) to purchase residential and lodging real estate, such as apartments, condominiums, and guest houses, for investment purposes.

< DSCR and vacancy rate >

	Mar. 2020				Mar. 2021			
	Total	Maebashi city	Takasaki city	Tokyo and Kanagawa	Total	Maebashi city	Takasaki city	Tokyo and Kanagawa
Vacancy rate (%)	4.5	7.4	4.5	2.8	4.1	7.0	4.4	2.5
DSCR (times)	1.36	1.33	1.36	1.45	1.35	1.32	1.35	1.45

< Default rate >

(Unit: %)

	Mar. 2020	Mar. 2021
For investment real estate	0.26	0.27
Of which, apartment loans	0.13	0.09

* Cases in inheritance proceedings are excluded.

Status of Non-interest Business Profit (Consolidated)

[Breakdown non-interest business profit (excluding gain(loss) on bonds) 【 i 】]

(Unit: million yen)

	Mar. 2020		Mar. 2021		Mar. 2022	
	Sep. 2019		Sep. 2020		Sep. 2021	
Non-interest business profit	8,773	17,160	9,088	19,162	10,875	20,530
Of which, Gungin Securities	822	2,063	1,233	3,659	1,836	3,549
Of which, Gungin Leasing	1,309	2,684	1,327	2,685	1,374	2,770
Of which, Gunma Credit Guarantee	1,263	2,554	1,273	2,545	1,267	2,517

[Breakdown non-interest business profit (excluding gain(loss) on bonds) 【 ii 】]

(Unit: million yen)

	Mar. 2020				Mar. 2021				Mar. 2022			
	Sep.2019	(Composition ratio)	(Composition ratio)		Sep.2020	(Composition ratio)	(Composition ratio)		Sep.2021	(Composition ratio)	(Composition ratio)	
Corporate service-related	1,323	100.0%	2,880	100.0%	1,050	100.0%	2,983	100.0%	1,808	100.0%	4,325	100.0%
Syndicate loans	305	23.1%	702	24.4%	220	21.0%	624	20.9%	346	19.2%	602	13.9%
Structured Covenant loans	53	4.0%	236	8.2%	154	14.7%	343	11.5%	171	9.5%	493	11.4%
Business matching	210	15.9%	439	15.3%	146	13.9%	346	11.6%	241	13.3%	554	12.8%
Financial instruments intermediation (including Gungin Securities)	81	6.2%	186	6.5%	114	11.0%	361	12.1%	140	7.8%	302	7.0%
M&A	152	11.5%	277	9.6%	105	10.1%	377	12.7%	157	8.7%	308	7.1%
Private placement bonds	135	10.3%	290	10.1%	87	8.3%	199	6.7%	94	5.2%	194	4.5%
Derivatives (interest rate and foreign exchange)	316	23.9%	623	21.6%	166	15.9%	537	18.0%	542	30.0%	1,581	36.6%
Others (including Gungin Consulting)	67	5.1%	124	4.3%	54	5.1%	191	6.5%	114	6.3%	289	6.7%
Deposit financial assets-related, etc.	2,603	100.0%	5,530	100.0%	2,717	100.0%	7,140	100.0%	3,948	100.0%	7,703	100.0%
Investment trust	1,073	41.2%	2,211	40.0%	1,039	38.3%	2,558	35.8%	1,515	38.4%	2,886	37.5%
Insurance sales commissions (for individuals)	745	28.6%	1,374	24.9%	501	18.4%	1,159	16.2%	652	16.5%	1,344	17.5%
Gungin Securities (for individuals)	741	28.5%	1,877	33.9%	1,118	41.2%	3,297	46.2%	1,695	43.0%	3,246	42.1%
Commissions for testamentary trust /Inheritance sorting	18	0.7%	30	0.6%	27	1.0%	72	1.0%	59	1.5%	173	2.2%
Trust fee	24	1.0%	36	0.6%	30	1.1%	53	0.8%	25	0.6%	52	0.7%
Others	4,847	100.0%	8,748	100.0%	5,320	100.0%	9,038	100.0%	5,118	100.0%	8,501	100.0%
Of which, Base service commissions (domestic exchange, agency services, etc.)	4,247	87.6%	8,509	97.3%	4,208	79.1%	8,452	93.5%	4,240	82.8%	7,974	93.8%

* The composition ratio is calculated as a percentage of each non-interest business profit.

Status of Marketing Capability for Personal Deposit Financial Assets

[Balance of deposit financial assets]

(Unit: billion yen)

	End of Mar. 2019		End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Individuals	828.4	828.9	833.5	798.9	834.5	870.7	901.5	926.0
Investment trust	246.7	243.4	240.6	210.5	224.2	244.5	256.7	255.7
Pension insurance, etc.	473.9	473.9	472.4	469.6	469.8	474.8	481.4	492.5
Public bonds (JGBs)	55.0	48.4	44.3	40.9	39.1	37.1	36.3	33.3
Gungin Securities (directly sale and intermediation)	52.6	63.1	76.0	77.8	101.3	114.1	127.0	144.4
Corporations, etc.	44.8	48.6	54.1	51.8	61.5	65.1	71.6	80.6
Bank, non-consolidated	20.5	20.2	17.8	16.4	15.8	14.5	14.6	14.6
Gungin Securities (directly sale and intermediation)	24.2	28.3	36.2	35.4	45.6	50.5	57.0	65.9
Total	873.2	877.6	887.6	850.8	896.1	935.8	973.2	1,006.6

[Sales amount for marketing capability for deposit financial assets]

(Unit: billion yen)

	Mar. 2019	Mar. 2020	Mar. 2021			Mar. 2022		
			First half	Second half		First half	Second half	
Investment trust	64.4	66.8	30.4	53.0	83.4	48.9	40.2	89.1
Pension insurance, etc.	37.3	31.9	12.4	20.2	32.6	20.4	22.3	42.7
Public bonds (JGBs)	6.2	6.2	2.7	2.8	5.6	15.5	15.9	31.4
Gungin Securities (directly sale and intermediation)	39.5	52.6	28.0	54.2	82.2	61.1	56.0	117.1
Total	147.5	157.5	73.6	130.4	204.0	146.0	134.5	280.5

* From the second half of Mar. 2021, "Investment trust" and "Pension insurance, etc." include the sales amount of corporations, etc.

** From the first half of Mar. 2022 (Sep. 2021), "Public bonds (JGBs)" includes the sales amount of corporations, etc. and bond intermediation ,
and "Gungin Securities" includes the sales amount of corporations, etc.

Status of Investment in Securities

[Breakdown of gains or losses on investment securities]

(Unit: million yen)

	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022
Gains or losses on investment securities	5,737	5,470	8,698	12,547	5,549	9,641
Gains (losses) on bonds	1,295	432	2,851	3,193	742	-1,216
Gain on sales	1,295	3,717	3,150	3,652	3,547	4,453
Gain on redemption	29	39	29	29	—	—
Loss on sales (-)	—	3,295	329	489	2,805	5,670
Loss on devaluation (-)	29	29	—	—	—	—
Gains (losses) on stocks and other securities	4,442	5,038	5,846	9,354	4,807	10,858
Gain on sales	5,849	8,125	7,216	12,310	6,076	14,634
Loss on sales (-)	1,017	1,861	1,306	2,933	1,194	3,701
Loss on devaluation (-)	389	1,225	63	21	74	74

[Breakdown of other securities]

(Unit: billion yen)

	End of Sep. 2019		End of Mar. 2020		End of Sep. 2020		End of Mar. 2021		End of Sep. 2021		End of Mar. 2022	
	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses	Book value	Unrealized gains/losses
Other securities	1,621.3	127.0	1,741.1	43.8	1,870.6	71.0	2,297.4	100.9	2,363.5	104.3	2,450.9	45.7
Government bonds	275.0	6.1	345.7	0.8	446.3	1.1	680.7	-1.5	838.6	1.2	801.6	-13.1
Municipal bonds	651.6	8.3	692.7	5.9	714.9	5.4	745.6	4.5	747.5	4.0	764.1	0.0
Corporate bonds	190.8	3.0	204.8	1.0	204.9	1.0	203.9	0.4	197.7	1.0	195.9	-0.6
Stocks	69.9	85.6	67.7	57.0	87.2	62.7	111.4	83.9	130.8	83.3	128.0	67.7
Investment trusts	270.9	17.8	236.6	-20.7	217.5	-3.9	205.8	9.2	163.0	7.2	187.1	-0.2
Foreign securities	158.8	5.9	186.8	-0.6	195.9	4.6	345.3	3.8	280.5	6.6	367.6	-8.3
Yen-denominated securities	9.8	0.0	10.1	0.0	5.1	0.0	4.1	0.0	4.1	0.0	4.1	0.0
Foreign-currency securities	149.0	5.8	176.6	-0.6	190.7	4.5	341.1	3.8	276.3	6.6	363.4	-8.3
Others	4.0	0.1	6.5	0.3	3.7	0.0	4.3	0.3	5.0	0.6	6.3	0.4

[Bond average yield and duration]

	Sep. 2019		Mar. 2020		Sep. 2020		Mar. 2021		Sep. 2021		Mar. 2022	
	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds	Domestic bonds	Foreign bonds
Bond average yield (%)	0.54	2.14	0.49	1.91	0.36	1.30	0.31	1.33	0.29	1.19	0.25	1.27
Modified duration (year)	5.02	4.21	5.66	4.38	6.22	3.72	7.24	4.24	7.86	4.03	8.08	5.36

Status of Capital

[Status of capital (consolidated)]

(Unit: billion yen)

	End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Total capital	469.7	498.7	521.2	522.0	540.1	529.9	557.4	505.7	536.4	564.9	574.9	541.3
Common equity Tier1 capital	442.8	472.7	485.7	497.6	505.5	495.6	512.9	454.5	485.1	513.8	523.7	490.1
Other Tier1 capital	–	0.7	0.6	2.9	3.0	2.7	2.9	–	–	–	–	–
Tier2 capital	26.8	25.1	34.8	21.4	31.5	31.5	41.6	51.2	51.2	51.1	51.1	51.2
Risk assets	3,769.9	3,962.8	4,021.3	4,205.5	4,157.1	4,325.8	4,296.8	4,232.1	4,265.9	4,433.4	4,352.9	4,362.2

Total capital ratio	12.45%	12.58%	12.96%	12.41%	12.99%	12.25%	12.97%	11.95%	12.57%	12.74%	13.20%	12.40%
Tier1 ratio	11.74%	11.94%	12.09%	11.90%	12.23%	11.52%	12.00%	10.74%	11.37%	11.58%	12.03%	11.23%
Common equity Tier1 ratio	11.74%	11.93%	12.07%	11.83%	12.16%	11.45%	11.93%	10.74%	11.37%	11.58%	12.03%	11.23%

[Status of capital (non-consolidated)]

(Unit: billion yen)

	End of Mar. 2017		End of Mar. 2018		End of Mar. 2019		End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Sep. 2016		Sep. 2017		Sep. 2018		Sep. 2019		Sep. 2020		Sep. 2021	
Total capital	453.7	476.3	497.6	497.3	513.7	504.8	530.9	483.4	512.2	533.6	542.0	506.0
Common equity Tier1 capital	428.6	452.7	464.4	477.2	483.7	474.7	490.9	433.4	462.1	483.5	491.9	456.3
Tier2 capital	25.1	23.6	33.2	20.0	30.0	30.0	40.0	50.0	50.0	50.1	50.0	49.6
Risk assets	3,721.5	3,913.8	3,969.2	4,149.5	4,095.5	4,263.2	4,230.2	4,175.5	4,209.7	4,378.2	4,292.6	4,300.2

Total capital ratio	12.19%	12.17%	12.53%	11.98%	12.54%	11.84%	12.55%	11.57%	12.16%	12.18%	12.62%	11.76%
Tier1 ratio	11.51%	11.56%	11.70%	11.50%	11.81%	11.13%	11.60%	10.37%	10.97%	11.04%	11.46%	10.61%
Common equity Tier1 ratio	11.51%	11.56%	11.70%	11.50%	11.81%	11.13%	11.60%	10.37%	10.97%	11.04%	11.46%	10.61%

Status of Disclosed Claims under the Financial Reconstruction Law(“FRL”) and the Self-Assessment Guideline

[Breakdown of disclosed claims under the FRL by industry and disclosed claims under the FRL ratio(non-consolidated)] (Unit: billion yen)

	End of Mar. 2020				End of Mar. 2021				End of Mar. 2022			
	Sep. 2019	(Composition ratio)	(Composition ratio)		Sep. 2020	(Composition ratio)	(Composition ratio)		Sep. 2021	(Composition ratio)	(Composition ratio)	
Disclosed Claims under the FRL	104.8	100.0%	107.1	100.0%	113.6	100.0%	134.0	100.0%	119.9	100.0%	120.3	100.0%
Of which, Manufacturing	22.1	21.1%	21.6	20.2%	25.0	22.0%	41.5	31.0%	30.1	25.1%	35.2	29.3%
Of which, Wholesaling and retailing	18.1	17.3%	17.9	16.8%	20.0	17.7%	22.1	16.5%	21.2	17.7%	18.5	15.4%
Of which, Healthcare and public welfare	16.5	15.8%	16.7	15.7%	15.6	13.8%	14.9	11.2%	12.3	10.3%	13.0	10.9%
Of which, Real estate and goods rental	10.1	9.7%	10.3	9.7%	10.7	9.4%	10.8	8.1%	10.5	8.8%	10.2	8.5%
Of which, Other services	16.0	15.3%	15.6	14.6%	19.1	16.8%	19.8	14.8%	21.4	17.9%	20.0	16.7%

* The table above shows domestic branch's loans excluding loans booked at offshore markets.

Ratio of Disclosed Claims under the FRL	1.88%	1.91%	1.99%	2.33%	2.09%	2.06%
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* The ratio of Disclosed Claims under the FRL in the case where partial direct write-offs are executed

Ratio of Disclosed Claims under the FRL	1.56%	1.57%	1.65%	2.00%	1.77%	1.75%
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[Credit balance by borrower classification under the self-assessment guideline] (Unit: billion yen)

	End of Mar. 2020				End of Mar. 2021				End of Mar. 2022			
	Sep. 2019	(Composition ratio)	(Composition ratio)		Sep. 2020	(Composition ratio)	(Composition ratio)		Sep. 2021	(Composition ratio)	(Composition ratio)	
Normal borrowers	5,133.8	91.2%	5,148.1	90.5%	5,147.6	88.8%	5,148.9	88.4%	5,131.0	88.2%	5,237.1	88.7%
Borrowers requiring caution	338.8	6.0%	386.3	6.8%	493.1	8.5%	511.4	8.8%	502.9	8.7%	478.0	8.1%
Potentially bankrupt borrowers	37.2	0.7%	35.8	0.6%	39.3	0.7%	45.1	0.8%	43.4	0.7%	48.3	0.8%
Effectively bankrupt borrowers	20.8	0.4%	21.6	0.4%	18.0	0.3%	19.8	0.3%	19.1	0.3%	16.8	0.3%
Bankrupt borrowers	8.2	0.1%	8.2	0.1%	10.1	0.2%	8.4	0.1%	8.9	0.2%	10.5	0.2%
Others (municipal authorities, etc.)	93.1	1.6%	85.2	1.6%	84.6	1.5%	90.2	1.6%	108.9	1.9%	114.5	1.9%
Total	5,632.1	100.0%	5,685.5	100.0%	5,793.0	100.0%	5,824.1	100.0%	5,814.3	100.0%	5,905.5	100.0%

Status of transition in Loans by Borrower Category

[Status of transaition in loans by borrower category]

(The numbers of borrowers are shown in parentheses in the upper columns, and the amounts are shown in billions of yen in the lower columns.)

			End of Mar.2022									Total	
			Normal borrowers	Expected loss (i)	Expected loss (ii)	Potentially bankrupt borrowers	Effectively bankrupt borrowers	Bankrupt borrowers	Others	Breakdown: full recovery/ repayment	Breakdown: sale and write-off of loans	Upgrade	Down grade
End of Mar. 2021	Normal borrowers	(23,013)	(20,006)	(1,480)	(36)	(16)	(5)	(6)	(1,464)	(1,464)	(0)	(0)	(1,543)
		2,922.7	2,789.9	74.8	5.2	6.9	0.0	1.1	44.8	44.8	—	—	88.1
	Expected loss (i)	(6,439)	(903)	(4,921)	(61)	(54)	(23)	(4)	(473)	(473)	(0)	(903)	(142)
		332.3	41.5	270.7	8.5	4.0	0.7	0.1	6.8	6.8	—	41.5	13.4
	Expected loss (ii)	(500)	(33)	(24)	(393)	(25)	(6)	(1)	(18)	(17)	(1)	(57)	(32)
		104.6	6.8	2.2	71.5	6.0	0.3	0.0	17.8	6.9	10.9	9.0	6.5
	Potentially bankrupt borrowers	(603)	(1)	(24)	(13)	(482)	(37)	(8)	(38)	(32)	(6)	(Below potentially bankrupt borrowers)	
		41.1	0.0	2.1	0.2	28.6	4.0	4.4	1.8	1.0	0.7		
	Effectively bankrupt borrowers	(270)	(0)	(0)	(0)	(4)	(176)	(10)	(80)	(35)	(45)	(38)	(0)
		16.1	—	—	—	0.2	10.0	0.9	5.0	0.9	4.0	2.4	—
	Bankrupt borrowers	(74)	(0)	(0)	(0)	(0)	(0)	(39)	(35)	(13)	(22)		
		7.9	—	—	—	—	—	5.9	2.0	0.3	1.7		
	Total	(30,899)	(20,943)	(6,449)	(503)	(581)	(247)	(68)	(2,108)	(2,034)	(74)	(998)	(1,717)
		3,425.9	2,838.3	349.9	85.4	45.8	15.2	12.7	78.6	61.0	17.5	53.0	108.0

(Notes) 1. What is shown here is transition in borrower categories from the end of March 2021 to the end of March 2022.

2. Outstanding balances are calculated based on self-assessments, including loans, acceptances and guarantees, and foreign exchanges (excluding overseas balances, government/municipal authorities, and individual borrowers).

Those with outstanding balances not calculated based on self-assessments are aggregated into the "Normal" category.

3. The figures in the upper columns for "Others" indicate the number of borrowers who have resolved outstanding balances in FY2021 by full collection or repayment, final disposal (such as sale of loans), or other means.

4. The figures in the lower columns for "Others" indicate the amount decreased in FY2021.

5. Expected loss classification (i) is calculated as borrowers requiring caution other than special caution, excluding those with realistic, comprehensive business reconstruction plans.

Expected loss classification (ii) is calculated as borrowers requiring caution other than special caution who have realistic, comprehensive business reconstruction plans and borrower requiring special attention.

Status of Capital Distribution

- As the distribution source, a sufficient level in preparation for unexpected economic environment changes, disaster risks, etc. is secured for “common equity and other Tier 1 capital adjusted for profit/loss from valuation, etc.”

(Unit: billion yen)

Risk categories	First half of FY2021			Second half of FY2021		
	Forecast risk amount	Capital to be distributed	Composition ratio	Forecast risk amount	Capital to be distributed	Composition ratio
Credit Risk	130.1	142.8	32.9%	121.4	133.0	30.1%
Total market risks	103.2	128.6	29.6%	111.9	139.0	31.4%
Market risk (investment securities shares, investment trusts, etc.)	81.5	102.7	23.6%	78.2	98.4	22.3%
Market risk (trading)	0.6	0.6	0.1%	0.2	0.3	0.1%
Market risk (loans and deposits, etc.)	21.1	25.3	5.8%	33.5	40.3	9.1%
Strategically held stocks	—	—	—	—	—	—
Operational risk	12.5	12.5	2.9%	12.4	12.4	2.8%
Subsidiaries risk	6.2	6.9	1.6%	6.1	6.7	1.5%
Total capital distribution ・・・(a)	252.0	290.8	66.9%	251.7	291.1	65.8%
Distribution source ・・・(b)	—	434.5	100.0%	—	442.2	100.0%
Buffer (b) – (a)	—	143.7	33.1%	—	151.1	34.2%

List of Group Companies



Banking business

- Developing diverse financial solutions through innovation in services to provide



Securities business

- Supporting diverse needs for the management of equities, bonds, and other assets



Leasing business

- Supporting needs for effective introduction of equipment



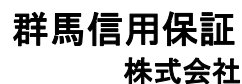
Management consulting services

- Providing the optimal solutions for the issues of each individual company



Investment fund management

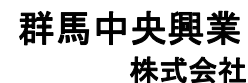
- Supporting business succession and business revitalization



Credit guarantee services

Gunma Credit Guarantee Co., Ltd.

- Assisting customers realizing their dreams, such as housing and vehicles



Transport of goods
Maintenance of ATMs

Gunma Chuo Kogyo Co., Ltd.

- Supporting banking infrastructure through transportation and maintenance



System development
System sales

- Supporting improvement of productivity through systematization



Credit services

The Gungin Card Co., Ltd.

- Realizing diverse payment methods and cashless transactions



Investment trust management services

Sky Ocean Asset Management Co., Ltd.

- Promoting asset formation through the core and satellite management strategy

Summary of Financial Results of Group Companies

[Summary of financial results of group companies for the year ended March 2022]

(Unit: billion yen)

	Bank, non-consolidated	Total of subsidiaries	Gungin Securities	Gungin Leasing	Gunma Credit Guarantee	Others	Consolidation offset	Consolidated financial statements
Core gross business profits	85.2	8.8	3.5	2.5	2.5	0.2	-1.5	92.5
Net interest income	72.3	-0.2	-0.0	-0.2	0.0	0.0	-0.0	72.0
Non-interest business profit	12.9	9.0	3.5	2.7	2.5	0.2	-1.4	20.5
Net fees and commissions income	11.0	3.2	0.6	-	2.5	0.1	-0.9	13.3
Profit from other business transactions	1.9	5.7	2.8	2.7	-	0.0	-0.5	7.1
Expenses (-) (excluding non-recurrent expenses)	53.3	3.3	1.8	1.0	0.2	0.2	-1.4	55.2
Others	2.4	-0.8	-0.0	-0.9	-0.0	0.1	0.1	1.7
Of which, Gain or loss on investment securities	9.6	-0.0	-	-0.0	-	-	0.0	9.6
Of which net credit costs (-)	7.3	0.9	-	0.9	0.0	-	0.0	8.3
Ordinary profit	34.4	4.6	1.6	0.6	2.3	0.0	0.0	39.1
Profit	23.3	3.0	1.1	0.2	1.5	0.0	0.0	26.4

[Summary of financial results of group companies for the year ended March 2021]

(Unit: billion yen)

	Bank, non-consolidated	Total of subsidiaries	Gungin Securities	Gungin Leasing	Gunma Credit Guarantee	Others	Consolidation offset	Consolidated financial statements
Core gross business profits	80.2	8.8	3.6	2.4	2.5	0.2	-2.6	86.4
Net interest income	68.5	-0.2	-0.0	-0.2	0.0	0.0	-1.0	67.2
Non-interest business profit	11.6	9.0	3.6	2.6	2.5	0.1	-1.5	19.1
Net fees and commissions income	10.9	3.1	0.5	-	2.5	0.0	-0.8	13.2
Profit from other business transactions	0.7	5.8	3.1	2.6	-	0.0	-0.6	5.9
Expenses (-) (excluding non-recurrent expenses)	53.6	3.3	1.8	1.0	0.2	0.2	-1.4	55.4
Others	-9.7	-1.2	-0.0	-1.1	-0.2	0.1	0.1	-10.8
Of which, Gain or loss on investment securities	12.5	0.0	-	0.0	-	-0.0	-	12.6
Of which net credit costs (-)	21.0	1.4	-	1.2	0.2	0.0	0.0	22.4
Ordinary profit	16.8	4.2	1.7	0.2	2.1	0.0	-1.0	20.0
Profit	11.6	2.8	1.2	0.1	1.3	0.0	-1.0	13.5

Status of Shareholders

[Shareholder composition]

(Unit: 1,000 shares)

	End of Mar. 2018		End of Mar. 2019		End of Mar. 2020		End of Mar. 2021		End of Mar. 2022	
	Number of shares	Composition ratio	Number of shares	Composition ratio	Number of shares	Composition ratio	Number of shares	Composition ratio	Number of shares	Composition ratio
Financial insititutions	177,106	38.43%	165,783	36.52%	153,409	35.19%	157,158	36.05%	142,105	33.37%
Securities companies	5,118	1.11%	10,243	2.26%	4,509	1.04%	5,828	1.34%	10,296	2.42%
Other domestic corporations	81,021	17.58%	80,148	17.66%	78,415	17.99%	75,818	17.39%	74,055	17.39%
Government and municipalities	8,332	1.81%	8,332	1.84%	8,332	1.91%	8,332	1.91%	8,332	1.96%
Foreign corporations/ Foreign individuals	78,881	17.11%	75,927	16.73%	77,547	17.79%	75,082	17.23%	72,552	17.03%
Individuals/others (employees,etc.)	83,621	18.14%	86,386	19.03%	97,297	22.32%	98,118	22.51%	103,320	24.26%
Treasury stock	26,805	5.82%	27,065	5.96%	16,375	3.76%	15,548	3.57%	15,224	3.57%
Total	460,888	100.00%	453,888	100.00%	435,888	100.00%	435,888	100.00%	425,888	100.00%

[Status of major shareholders]

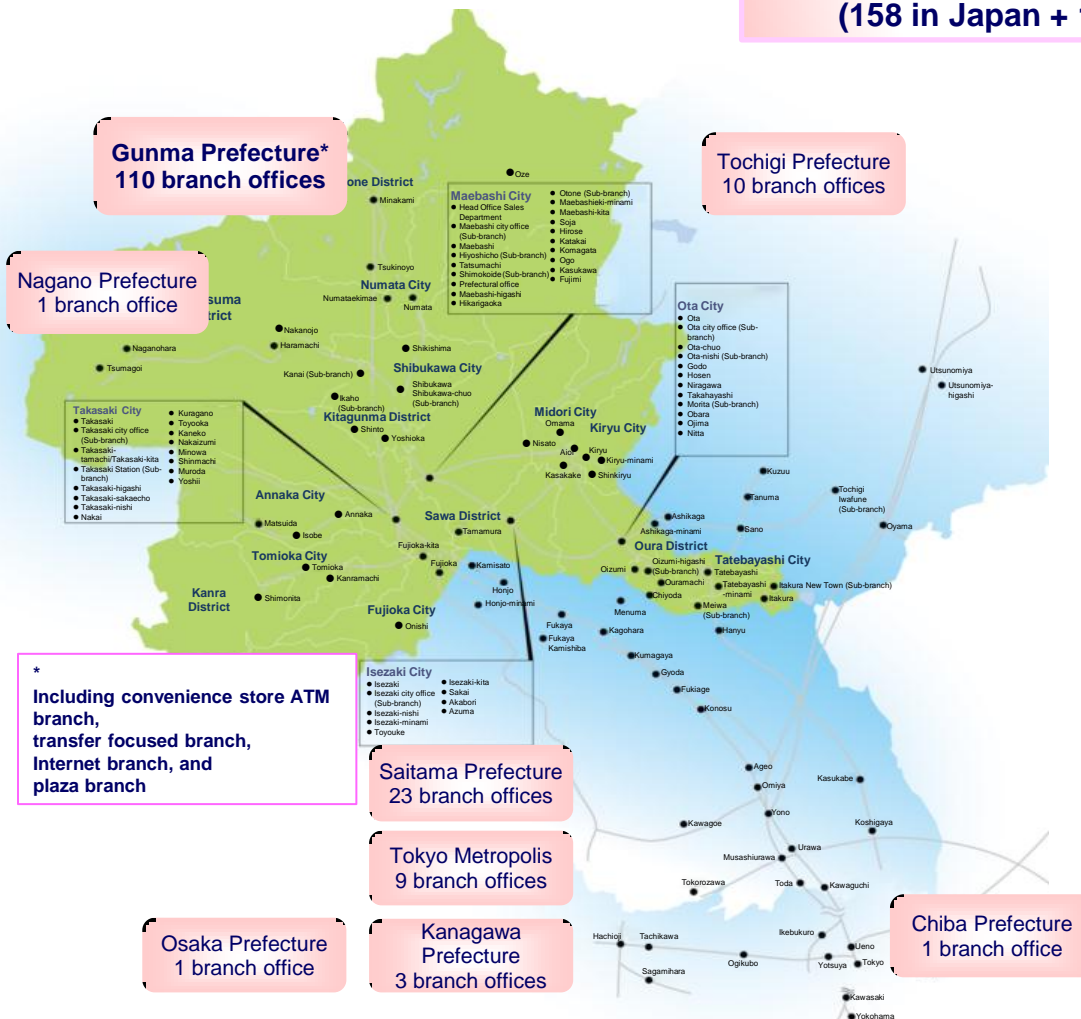
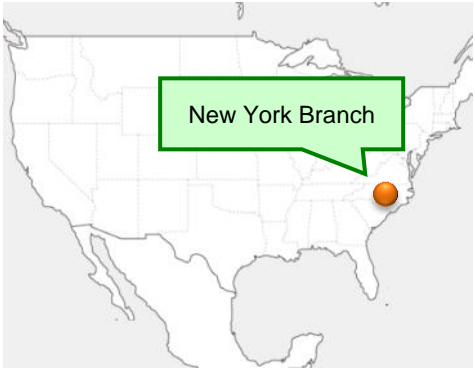
(Unit: 1,000 shares)

End of Mar. 2021			End of Mar. 2022		
	Ownership of shares	Ratio of shareholding		Ownership of shares	Ratio of shareholding
The Master Trust bank of Japan, Ltd. (Account in trust)	29,024	6.90%	The Master Trust bank of Japan, Ltd. (Account in trust)	59,552	14.50%
Custody Bank of Japan, Ltd. (Account in trust)	21,069	5.01%	Custody Bank of Japan, Ltd. (Account in trust)	16,844	4.10%
Gunma Bank Employees' Shareholding Association	13,146	3.12%	Gunma Bank Employees' Shareholding Association	13,371	3.25%
Meiji Yasuda Life Insurance Company	11,056	2.63%	Meiji Yasuda Life Insurance Company	11,056	2.69%
Sumitomo Life Insurance Company	10,657	2.53%	Sumitomo Life Insurance Company	10,657	2.59%
Custody Bank of Japan, Ltd. (Account in trust 4)	8,117	1.93%	Toyo Seikan Group Holdings, Ltd.	7,330	1.78%
Nippon Life Insurance Company	7,608	1.81%	Nippon Life Insurance Company	6,467	1.57%
Toyo Seikan Group Holdings, Ltd.	7,330	1.74%	Sumitomo Mitsui Banking Corporation	5,948	1.44%
Custody Bank of Japan, Ltd. (Account in trust 9)	6,970	1.65%	Custody Bank of Japan, Ltd. (Account in trust 4)	5,391	1.31%
Custody Bank of Japan, Ltd. (Account in trust 5)	6,224	1.48%	STATE STREET BANK WEST CLIENT-TREATY 505234	5,035	1.22%
Total	121,204	28.83%	Total	141,654	34.49%

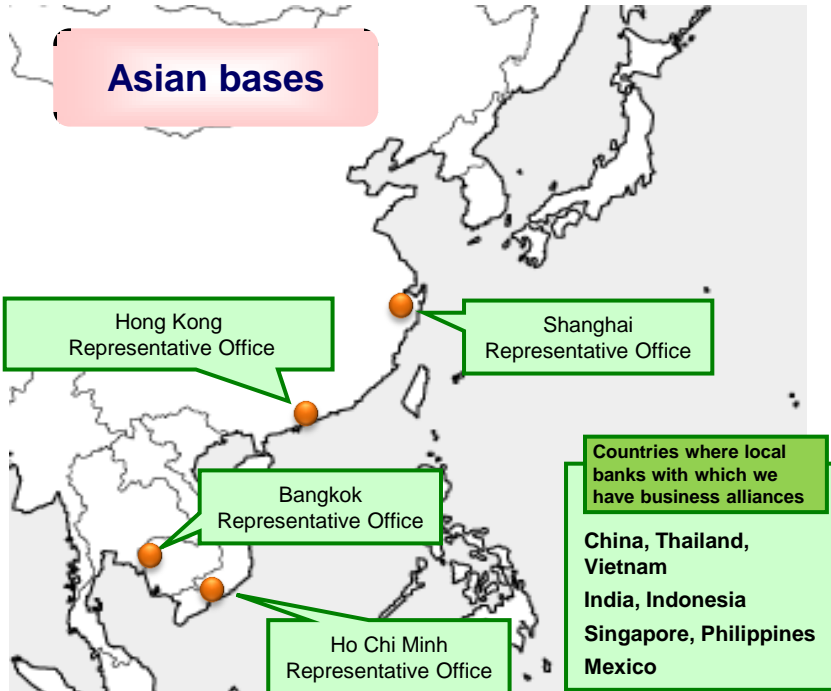
* The above excludes treasury stock. (The ratio of shareholding is calculated by excluding treasury stock.)

Branch Office Network

**159 offices including overseas branch
(158 in Japan + 1 overseas)**



Asian bases



*** The above as of end of March 2022.**



This document contains descriptions on the future performance of the banking group. These descriptions do not guarantee such future performance, for which naturally there are risks and uncertainty. Please note that future performance may deviate from the targets due to changes in the business environment and other reasons.

If you have further inquiries, please contact:

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The Gunma Bank, Ltd.

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