

The Gunma Bank, Ltd.

Interim Financial Results Briefing Session for the First Half of 2023

November 22, 2023

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The Gunma Bank, Ltd.

(Tokyo Stock Exchange Prime Market : 8334)

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

The Medium-Term Business Plan 2022
Innovation for "Purpose"



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I . Summary of Performance

Profit and Loss Conditions

Consolidated

(Unit : Billions of yen)

	Sep. 2023	YoY	compared to the initial plan
Core business gross profit	47.6	-0.6	1.0
Net interest income	34.9	-1.7	0.0
gains(losses) on cancellation of investment trusts	-1.6	-2.1	-1.6
excluding gains(losses) on cancellation of investment trusts	36.6	0.4	1.7
Non-interest business profit	12.7	1.0	1.0
Expenses	25.9	-0.7	-0.9
Core business net profit	21.7	0.0	1.8
Excluding gains(losses) on cancellation of investment trusts	23.4	2.1	3.5
Ordinary profit	19.6	1.4	-0.4
Profit attributable to owners of parent	14.8	1.0	0.8

< Special comments of financial results >

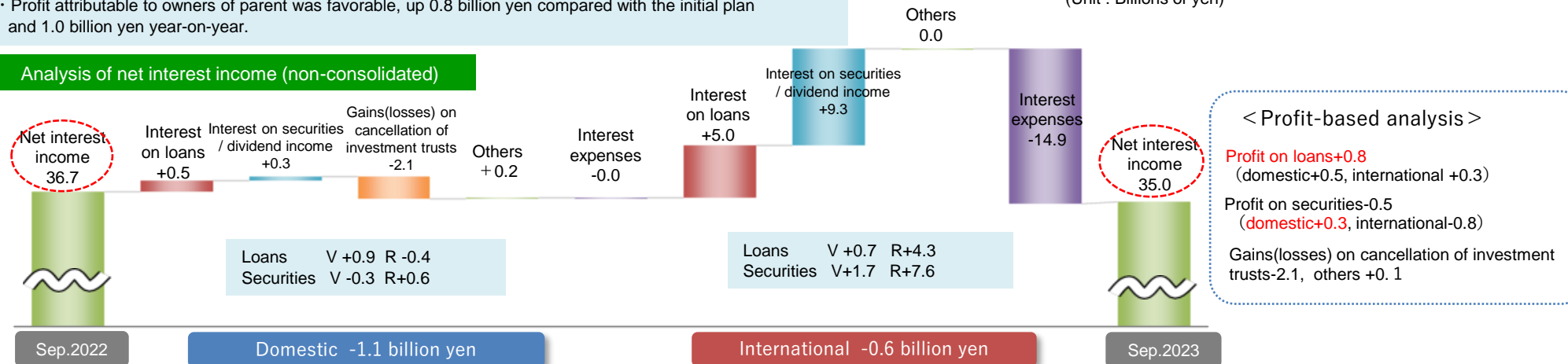
- Core net business profit excluding gains (losses) on bonds and cancellation of investment trusts amounted to 23.4 billion yen, up 2.1 billion yen year-on-year due to **increases in interest on loans and discounts, non-interest business profit** as well as **cutting down on expenses**.
- The bank **reduced interest rate risk** on our securities as domestic interest rates rose. In addition, it secured a quota to purchase securities.
- Net credit costs are **low and stable**.
- Profit attributable to owners of parent was favorable, up 0.8 billion yen compared with the initial plan and 1.0 billion yen year-on-year.

Non-consolidated

(Unit : Billions of yen)

	Sep. 2023	YoY	compared to the initial plan
Core business gross profit	44.2	-0.4	0.5
Net interest income	35.0	-1.7	-0.0
Of which, gains(losses) on cancellation of investment trusts	-1.6	-2.1	-1.6
Non-interest business profit	9.1	1.2	0.5
Expenses	24.9	-0.6	-0.7
Core business net profit	19.2	0.2	1.2
Excluding gains(losses) on cancellation of investment trusts	20.9	2.3	2.9
Gains or losses on investment securities	-3.5	-1.8	-4.1
Net credit costs	-1.1	-3.5	-1.9
Other non-recurrent gains(losses)	0.4	0.0	0.2
Ordinary profit	17.3	1.9	-0.7
Extraordinary income(losses)	-0.2	-1.5	0.0
Of which, gains(losses) on disposal of non-current assets	-0.1	-1.3	0.0
Interim net profit	13.4	1.6	0.4

(Unit : Billions of yen)



Status of Deposits, Loans and Yield

Loans increase 6.5% YoY. Loans generally increases in loans to retail, cross-border loans, structured finance, large enterprises. Loans' RORA is steady.

Breakdown of deposit balance

(Unit : Billions of yen, %)

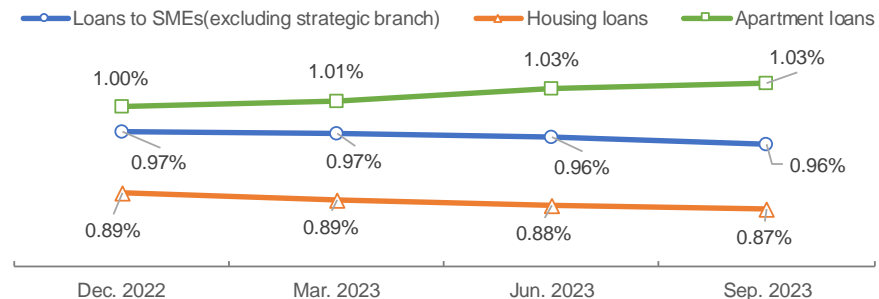
	Sep. 2023	YoY	Rate of change
Deposits, etc.	8,353.6	203.8	2.5
Deposits	8,096.9	199.5	2.5
Of which, deposit to individuals	5,664.0	96.9	1.7
Of which, deposit to corporations	2,016.3	97.1	5.0
Certificate deposits	256.7	4.2	1.6

Breakdown of loan balance

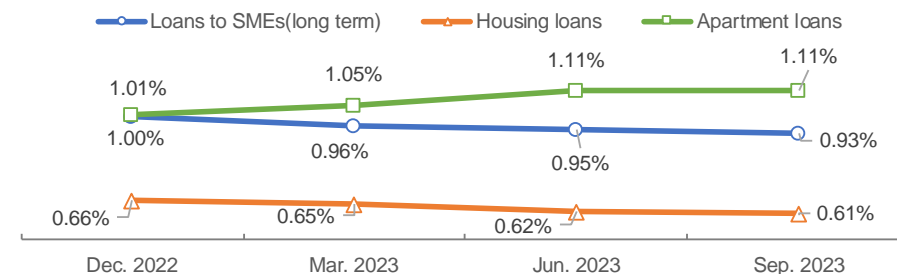
(Unit : Billions of yen, %)

	Sep. 2023	YoY	Rate of change
Loans	6,244.7	383.6	6.5
Retail	4,732.0	93.3	2.0
SMEs	2,337.4	49.7	2.1
Individuals	2,394.6	43.6	1.8
Of which, Housing loans	1,398.4	31.0	2.2
Of which, Apartment loans	666.8	13.1	2.0
Of which, Unsecured loans	66.6	7.9	13.4
Others	1,320.5	282.9	27.2
Cross-border loans	155.4	46.6	42.8
Structured finance	102.8	63.8	164.1
Domestic large and secondtier enterprises	924.2	154.9	20.1
Others *	137.9	17.4	14.5
Overseas branches	88.5	14.3	19.2
Public	103.6	-7.0	-6.3

Yield on loans(domestic)



Interest rates of new loans granted



Loans' RORA

To get closer to net income RORA (medium-term business plan), expenses were deducted from Sep. 2023.

	Sep. 2023	Sep. 2022	YoY
SMEs	1.03%	0.89%	0.14%
Housing loans	2.20%	1.64%	0.56%
Apartment loans	1.21%	1.13%	0.08%
Unsecured loans	3.35%	3.61%	-0.26%
Cross-border loans, Structured finance	1.62%	1.43%	0.19%
Domestic large and secondtier enterprises	1.36%	1.12%	0.24%
Overseas branches	1.37%	0.91%	0.46%

※RORA = (net interest income + non-interest business profit - expenses - credit cost) / risk weighted assets

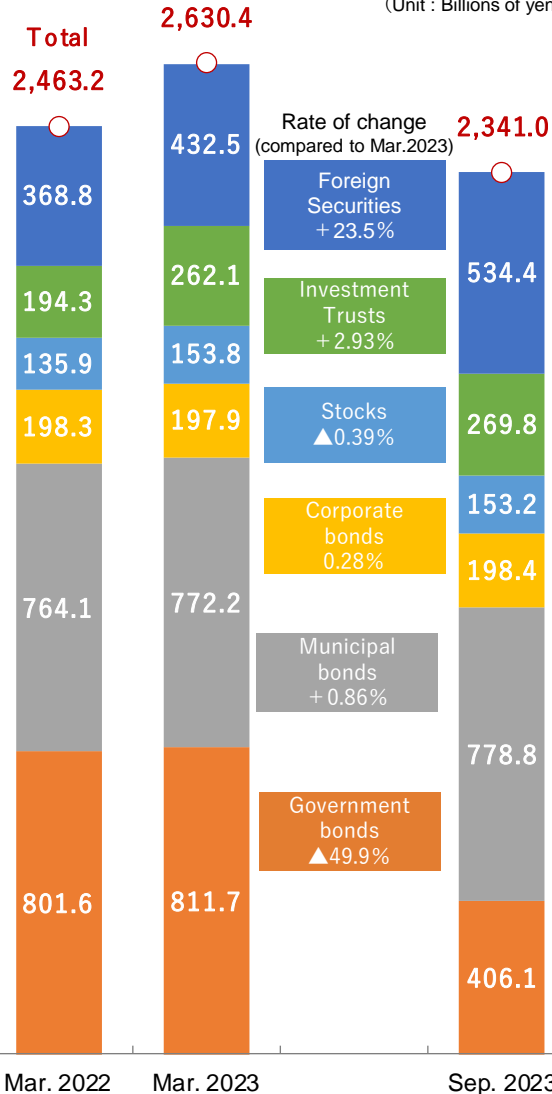
Status of Securities

In light of rising domestic interest rates, the Bank reduced the interest rate risk and secured purchase quotas.

(Unit : Billions of yen)

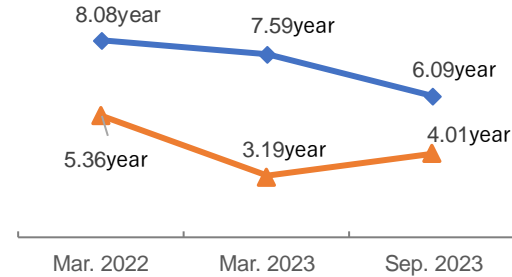
Balance of securities (Book value basis)

(Unit : Billions of yen)



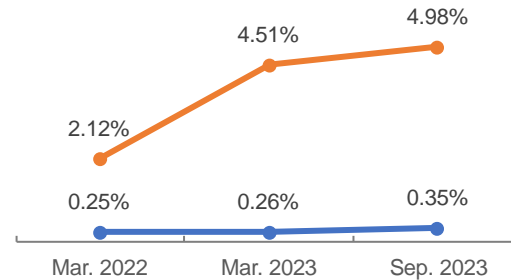
Duration

— domestic bonds — foreign bonds



Bond yield

— domestic bonds — fixed-interest bonds (US\$)



● Operation

(Unit: billion yen)

	Purchase	Sales Redemption	Contents
Foreign securities (※)	131.5	83.0	Foreign securities with yields in the low 4% range were replaced. (Currency swaps are also utilized)
Government bonds	—	405.5	The Bank reduced the interest rate risk and secured purchase quotas.

*In addition, the balance of foreign securities is net 53.4 billion yen on a currency-adjusted basis.

Unrealized gains (losses) valuation

	Mar. 2023	Sep. 2023	compared to Mar.2023
Unrealized gains (losses) from valuation	-6.6	-8.2	-1.6
Excluding domestic bonds	28.1	27.8	-0.3
Foreign securities	-0.4	-12.1	-11.7
Of which, fixed-interest bonds (US\$)	-2.4	-13.1	-10.7
Investment trust, etc.	-25.9	-22.8	3.1
Stocks	54.5	62.7	8.2
Strategically held stocks	56.2	62.1	5.8
Investment securities	-1.7	0.6	2.3
Domestic bonds	-34.7	-36.0	-1.3
Of which, government bonds	-27.8	-19.7	8.1

Gains (losses) on sales

(Unit : Billions of yen)

	Sep. 2022	Sep. 2023	YoY
Gains (losses) on investment securities①	-1.7	-3.5	-1.8
Gains(losses) on bonds	-18.1	-21.7	-3.6
Of which, losses on bonds (-)	21.0	22.6	1.5
Of which, losses on JGB	—	20.6	20.6
Of which, losses on foreign bonds	21.0	1.9	-19.1
Gains(losses) on stocks, etc.	16.3	18.2	1.8
Gains(losses) on sale of stocks, etc.	16.5	18.2	1.6
Strategically held stock	5.5	8.4	2.9
Investment securities	11.0	9.7	-1.2
Losses on devaluation of stock, etc. (-)	0.1	—	-0.1
Gains(losses) on cancellation of investment trusts②	0.4	-1.6	-2.1
Total(① + ②)	-1.3	-5.2	-3.9

Status of Non-interest Business Profit, Expenses and Net credit costs

Non-interest business profit was 12.7 billion yen, a record high for an interim period.
Expenses continued to decline. Credit costs remained low.

Consolidated non-interest business profit

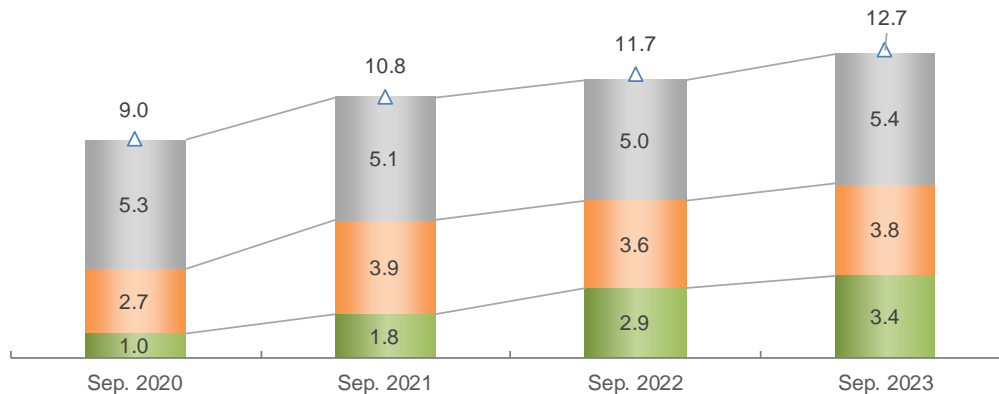
(Unit : Billions of yen)

	Sep. 2023	YoY	achievement rate	Plan for the ending Mar. 2024
Consolidated non-interest business profit	12.76	1.05	55.9%	22.80
Corporate service revenue	3.43	0.44	49.1%	7.00
Of w hich, syndicate loans	0.64	0.24	51.8%	1.20
Of w hich, business matching	0.37	0.08	54.3%	0.70
Of w hich, M&A	0.36	0.20	48.2%	0.80
Of w hich, Gungin Consulting	0.21	0.16	49.8%	0.40
Of w hich, derivatives	0.78	-0.71	51.2%	1.50
Deposits financial assets, etc. revenue	3.85	0.16	51.2%	7.50
Of w hich, investment trusts commissions	1.05	0.08	38.9%	2.70
Of which, insurance sales commissions(individuals)	1.28	0.24	59.3%	2.20
Of which, Gungin Securities (for individuals)	1.33	-0.18	57.3%	2.30
Others	5.48	0.44	65.9%	8.30
Of w hich, base service commissions *	3.99	0.00	51.2%	7.80

* domestic exchange, agency services, etc.

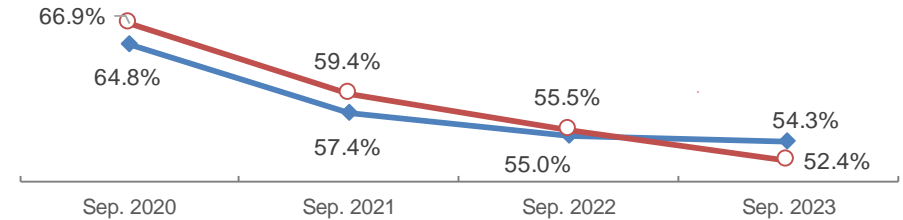
(Unit : Billions of yen)

■ Corporate service revenue ■ Deposits financial assets, etc. revenue ■ Others ▲ Non-interest business profit



Status of expenses and OHR

— OHR (consolidated basis) — excluding gains(losses) on cancellation of investment trusts



(Unit : Billions of yen)

	Sep. 2023	YoY	Main factors
Expenses (non-consolidated)	24.9	-0.6	
Personnel exp.	14.0	-0.1	bonus-0.19, retirement benefit cost+0.02
Non-personnel exp.	9.5	-0.3	Depreciation and amortization-0.34, advertising expenses+0.05
Tax	1.3	-0.1	Stamp tax-0.02, consumption tax-0.04

Breakdown of net credit costs(non-consolidated)

(Unit : Billions of yen)

	Mar. 2022	Mar. 2023	Mar. 2024 Plan	Sep. 2023
Net credit costs	7.3	1.0	1.2	-1.1
Provision of general allowance for loan losses	-1.5	-1.8	-1.3	-1.6
Change to the actual rate	-0.3	-0.8	0.2	-0.0
DCF	-0.9	-0.7	-1.1	-1.0
Others	-0.2	-0.3	-0.4	-0.5
Disposal of non-performing loans	8.9	2.9	2.4	0.4
Dow ngrade	12.0	7.2	6.1	3.3
Collection, upgrade, etc.	-3.8	-4.5	-3.9	-3.1
Others	0.7	0.2	0.2	0.2
Recoveries of w ritten off receivables	0.0	0.0	0.0	0.0

Status of effectively interest-free and unsecured loans	as agreed	change of conditions	subrogation	full payment
balance of Sep. 2023 165.9billion yen	87.8%	2.4%	1.0%	8.8%

Business Forecast (for the FY ending March 2024)

- Consolidated core business net profit excluding gains on cancellation of investment trusts will be expected to increase by 1.5 billion yen compared with the previous FY to 41.4 billion yen . Profit attributable to owners of parent will be expected to amount 28.0 billion yen.

Consolidated

(Unit : Billions of yen)	Forecast for Mar. 2024	YoY
Core business gross profit	88.3	-4.1
Net interest income	65.5	-5.9
Excluding gains on cancellation of investment trusts	71.6	0.5
Non-interest business profit	22.8	1.8
Of which, corporate service revenue	7.0	1.0
Of which, deposit financial assets, etc revenue	7.5	0.7
Expenses	53.0	0.8
Core business net profit	35.3	-4.9
Excluding gains on cancellation of investment trusts	41.4	1.5
Net credit costs	1.8	0.6
Ordinary profit	40.0	1.7
Profit attributable to owners of parent	28.0	0.1

Non-consolidated

(Unit : Billions of yen)	Forecast for Mar. 2024	YoY
Core business gross profit	81.7	-4.2
Net interest income	65.8	-5.9
Excluding gains on cancellation of investment trusts	71.9	0.5
Non-interest business profit	15.9	1.7
Net fees and commissions income	14.2	2.4
Profit from other business transactions	1.7	-0.7
Expenses	51.0	0.8
Core business net profit	30.7	-4.9
Excluding gains on cancellation of investment trusts	36.8	1.5
Gains and losses on securities, etc.	4.9	6.6
Net credit costs	1.2	0.2
Ordinary profit	36.0	2.5
Profit	25.0	0.4

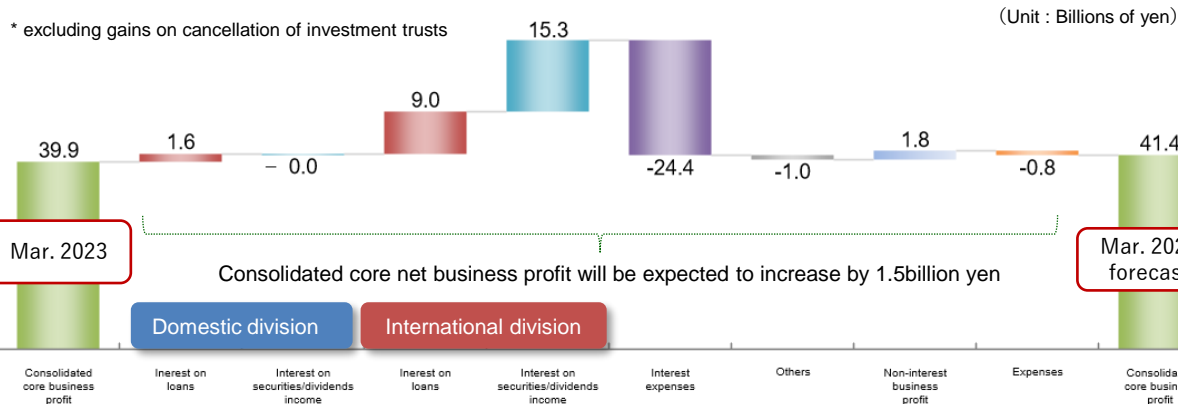
Profit basis
(main breakdown)

Profit on loans
+ 2.2billion yen

Profit on securities
- 7.0billion yen
"of which, losses on
cancellation of investment
trusts - 6.4"

BOJ's special interest
- 1.0billion yen

Breakdown of changes in consolidated core business profit



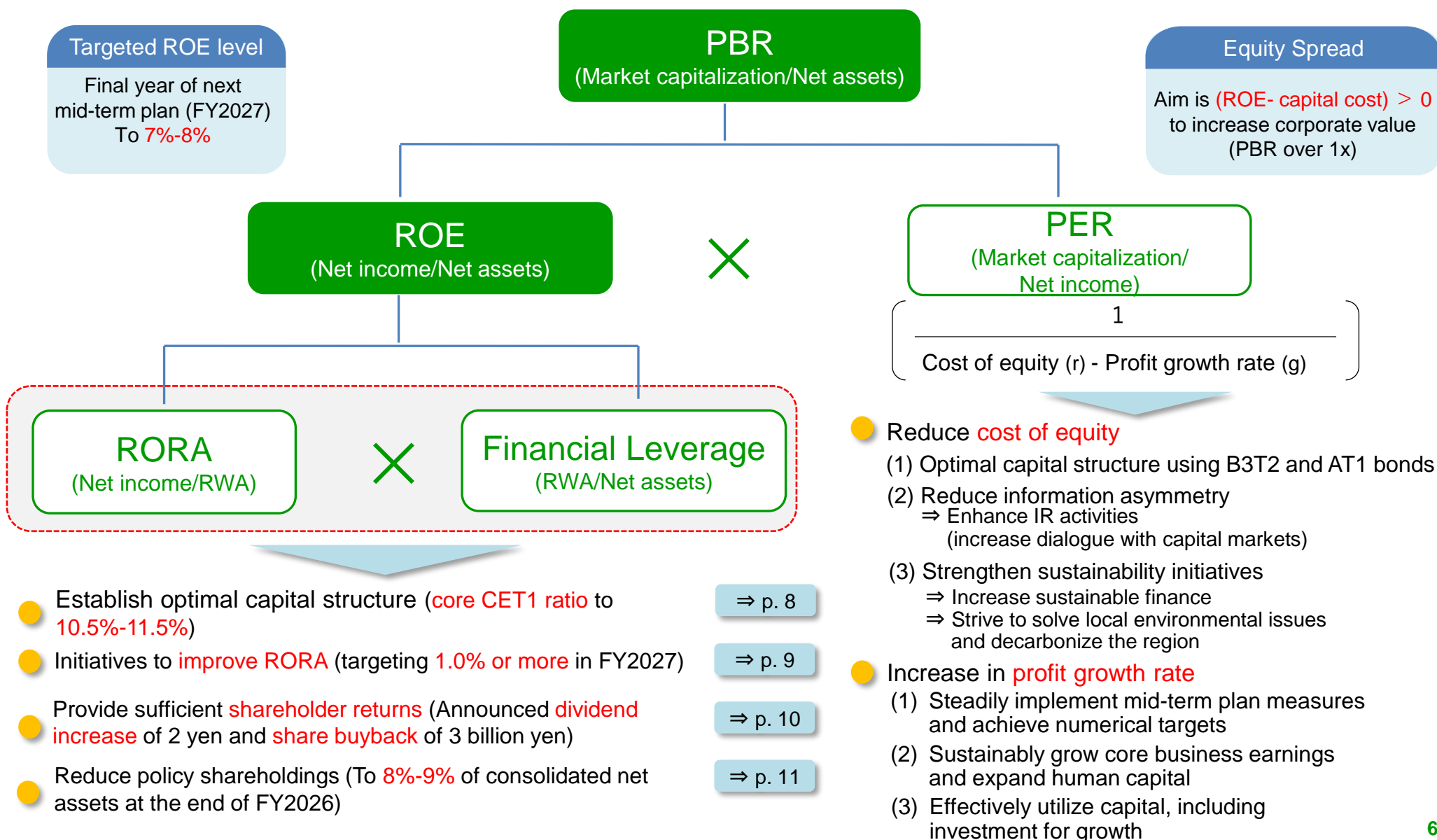
Average balance and yields(non-consolidated)

	Average balance	YoY	rate of change	Yields	YoY
Loans	6,156.8	321.2	5.5%	1.12	0.12
Of which, domestic	5,854.6	242.8	4.3%	0.90	-0.01
Securities	2,375.0	-73.2	-2.9%	1.48	0.40
Of which, domestic	1,861.5	-209.5	-10.1%	0.39	-0.27
Deposits	8,034.2	142.7	1.8%	0.05	0.03
Of which, domestic	7,939.0	111.2	1.4%	0.00	0.00

II . Initiatives for Corporate Value Improvement

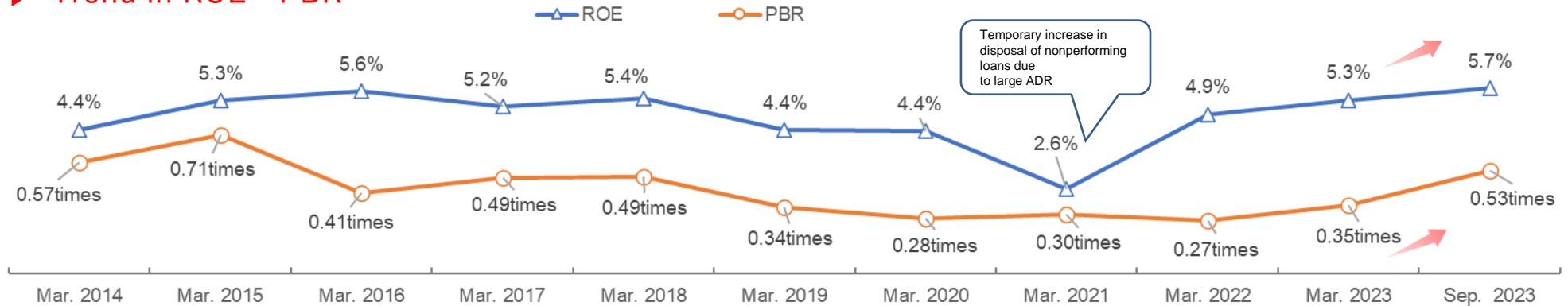
Initiatives for Corporate Value Improvement

▶ Increase PBR by **improving ROE** and **controlling the cost of shareholders' equity** to eliminate negative equity spread.



Initiatives for Corporate Value Improvement (Current situation analysis)

Trend in ROE · PBR



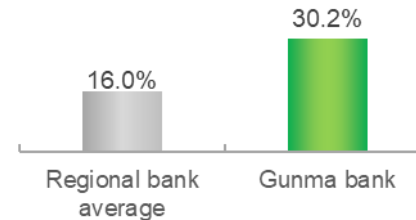
Status of TSR (total shareholder return)

TSR measures the total return (gain in value plus dividends) to the investor.

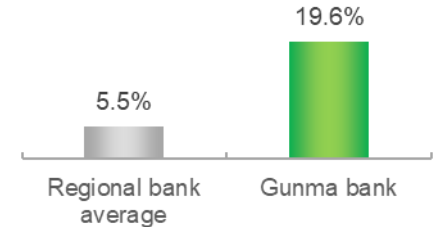
TSR is calculated by the following formula: $\frac{(\text{Share price in current period} - \text{Share price in previous period}) + \text{Dividend per share}}{\text{Share price in previous period}}$

Utilized as an evaluation indicator for calculating the remuneration for executives (Share for performance)

【 FY2022 (Mar. 2023) 】

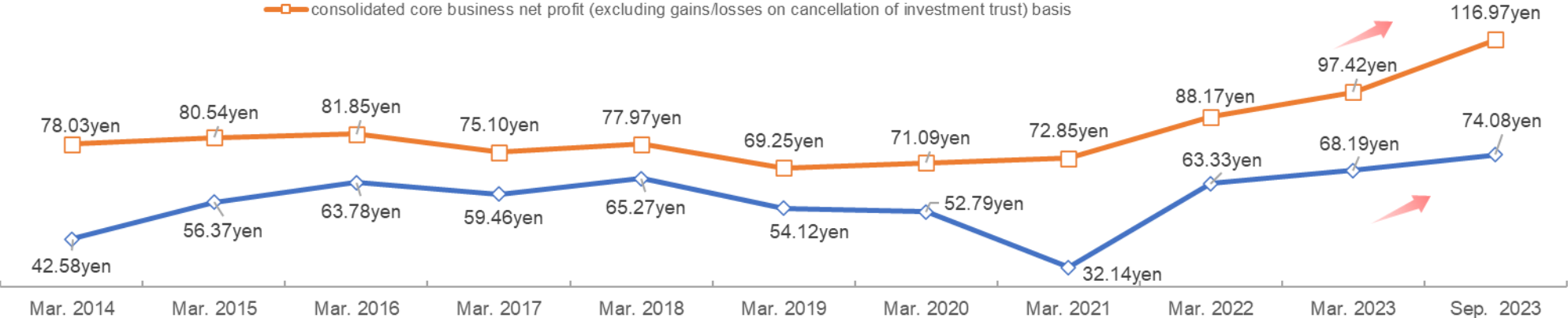


【 Total for FY 2019 through FY 2022 】



Trend in EPS

Legend: consolidated profit basis (blue line with diamonds), consolidated core business net profit (excluding gains/losses on cancellation of investment trust) basis (orange line with squares)



(annualized)

Initiatives for Corporate Value Improvement (Medium- to long-term perspective)

Aim to achieve ROE of 8% and PBR of 1x in the future.

Mid-to-long term plan

Current Mid-term Plan

Next Mid-term Plan

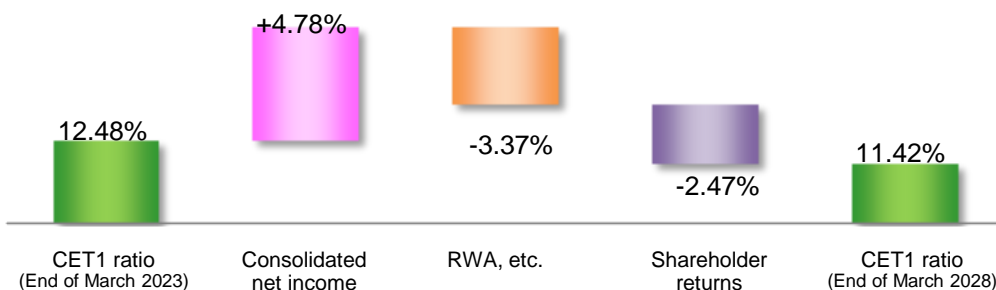
(Unit: Billion yen)	Mar. 2024 Plan	Mar. 2025 Final year	Mar. 2028 Final year
Consolidated core business net profit*	41.4	45.0	67.0
Non-interest income	22.8	25.0	30.0
Net income	28.0	30.0	47.0
Capital adequacy ratio	13.2%	13.1%	13.5%
CET1 ratio	12.0%	11.9%	11.4%
ROE	5.4%	5.6%	7.7%
RORA	0.7%	0.7%	1.0%

* excluding gains(losses) on cancellation of the investment trust

Eliminate negative equity spread

- The Bank's **cost of equity** is currently assumed to be **around 10%** on a market basis and **7%-8%** based on the capital asset pricing model (CAPM).
- Achieve **ROE of 8% or more**
Equity spread (ROE- capital cost) > 0 ⇒ PBR over 1x

Capital allocation toward our target



Interest rate scenario

- (Domestic) Long-term interest rate will rise to around 1% in the second half of FY2024. Negative interest rate is lifted in April 2025 (short-term market interest rate rises +10 bp). Neither the deposit rate nor the short-term market interest rate is expected to increase.
- (US Dollar) Fed rate increased to 5.75% in the second half of FY2023; Fed will start to cut the rate in the second half of FY2024.

Loan outstanding plan

(Unit: Billion yen)		Outstanding		Risk assets	
	Expected RORA	Mar. 2028	Compared to Sep. 2023	Mar. 2028	Compared to Sep. 2023
Loan		7,350	+1,105.2	3,360	+861.2
Domestic branches	1.2%	6,500	+602.1	2,700	+344.4
XB/SF	2.0%	500	+241.8	250	+133.4
mezzanine Venture debt, etc.	1.0%	150	+150.0	350	+350.0
NY Branch	1.4%	200	+111.4	60	+33.4
Securities	—	2,700	+366.2	1,200	+185.3
		Total		4,560	+1,046.5

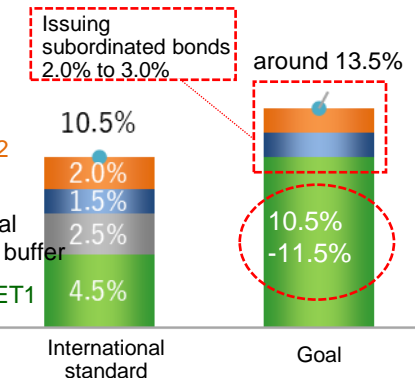
Non-interest income

(Unit: Billion yen)		Mar. 2028	Compared to Mar. 2025
Non-interest income		30.0	5.0
Bank, non-consolidated		19.0	2.5
Corporate services		8.0	1.0
Deposited assets		7.0	0.8
Other		4.0	0.7
Group companies		11.0	2.5

Group company income

(Unit: Billion yen)		Mar. 2028	Compared to Mar. 2025
Ordinary income		7.0	2.0
Net income		5.0	1.5

Aim for net income of 5 billion yen by maximizing synergies among group companies in leasing, securities, consulting, etc.

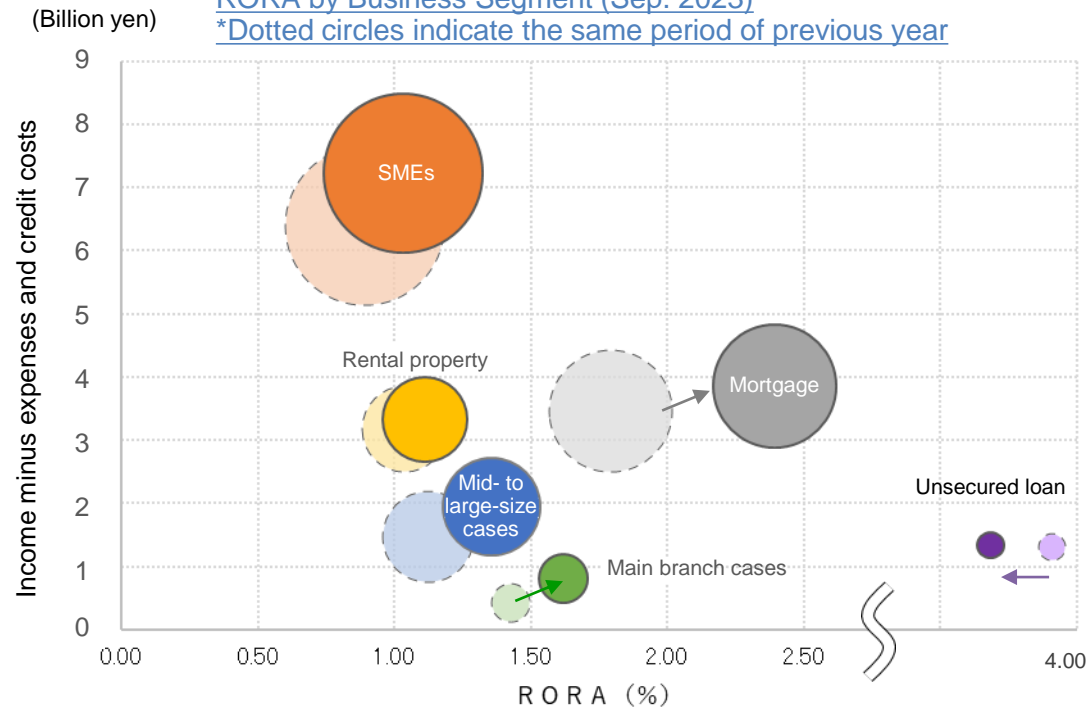


Initiatives to Improve RORA

- **Improve RORA by accumulating high RORA assets, improving profitability of low RORA borrowers, and increasing non-interest income through consulting services.**

RORA by Business Segment (Sep. 2023)

*Dotted circles indicate the same period of previous year



(2) Improve profitability of low RORA borrowers (initiatives started in FY2019)

SME Loan

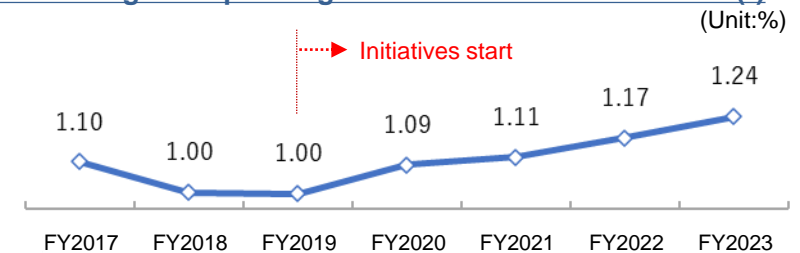
Rental Property Loan

- Distribute a list of clients whose transaction profitability does not meet the target RORA (standard profit margin).
- Each branch individually examines and negotiates measures to improve profitability, such as improving margins and increasing service revenues.

Linkage between RORA targets and individual transaction profitability

[Core target]	[Profitability perspective of individual transactions and policies for each stage of profitability]		
Target RORA	Standard profit margin	Above standard	... Keep profitability
		Stage 3	} Negotiate interest rates and comprehensive transactions to upgrade the stage
		Stage 2	
		Stage 1	
Minimum RORA	Minimum profit margin	Below the minimum limit	... Negotiate interest rates with the branch manager and other staff

Trends in gross operating income ratio of business loan(*)



*(Fund income + Non-interest income) / Average credit balance

(3) Increase non-interest income through consulting (Non-asset)

- Increase income without using risk assets by accurately understanding customers' issues and needs and providing solutions through the Connecting Process activities.

- Higher non-interest income contributed to the improvement of RORA. Group-wide efforts will be made to increase loans to small and medium-sized enterprises (SMEs).

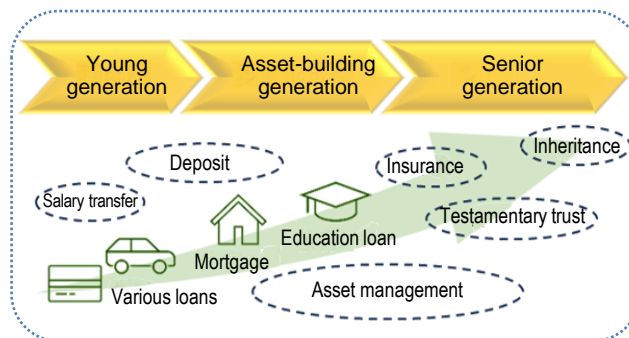
(1) Accumulate high RORA assets

Private loan (mortgage and unsecured loans)

- Increase balance by strengthening the promotion system and introducing new products.
- Further increase RORA by raising lifetime value through cross-selling.

Mid- to large-size cases and main branch cases

- Proactively seek out high RORA cases.



Shareholder Return

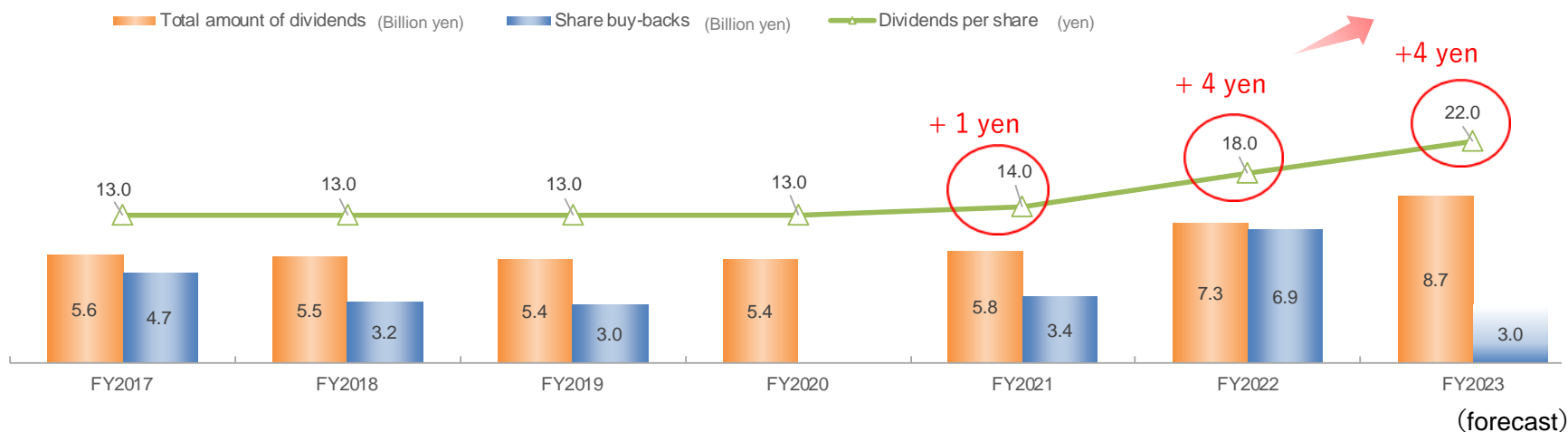
- In November, The Bank has resolved to acquire treasury shares (total cost of acquisition : up to 5.0billion yen).
- The annual cash dividends per share will be 22 yen in total (up 4 yen compared with the previous year).
(The dividend has increased for three consecutive fiscal years.)

Shareholder return policy

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.

Achievements of shareholders return

*In calculating the shareholder return ratio, the amount of treasury stock buybacks is calculated based on the amount of stock buybacks during the one-year period starting from the date of the annual general meeting of shareholders.



Total amount of dividends (billion yen)	10.4	8.7	8.4	5.4	9.3	14.3	11.7
Total shareholders ratio	40.1%	41.9%	47.2%	46.8%	39.9%	51.4%	—
Dividend payout ratio	19.9%	24.0%	24.6%	40.4%	22.1%	26.4%	31.0%
Profit (billion yen)							Change to return on a consolidated basis from FY22
(consolidated)							27.9 28.0
(non-consolidated)	26.0	20.9	17.9	11.6	23.3		

Reduction Target of Shares for Policy Purposes

- The Bank plans to reduce listed shares with a book value by **50% (20 billion yen)** over 5 years during FY2022 ~ FY2026.
Progress rate as of Sep. 2023 : 45% (-9.1 billion yen).

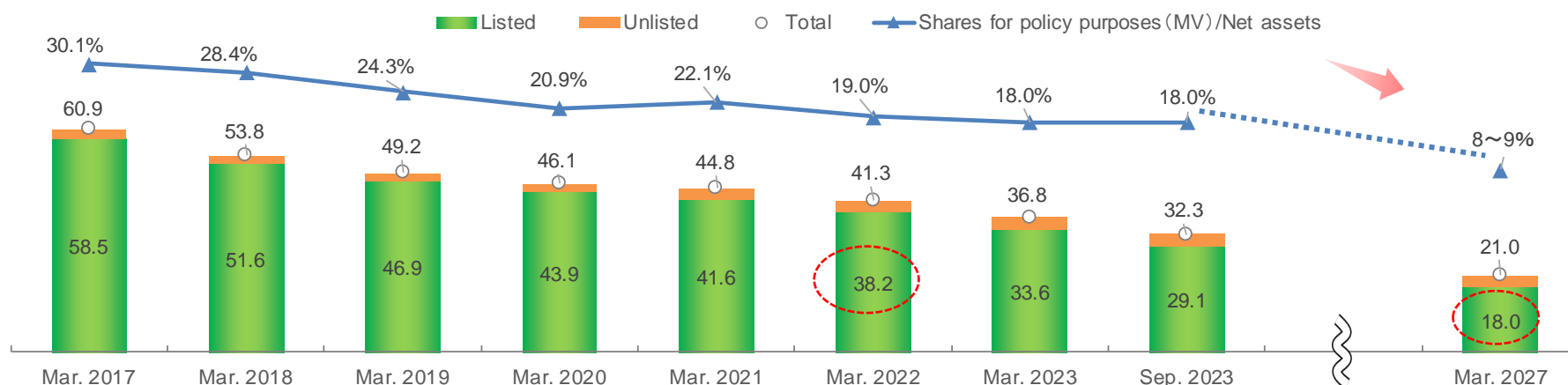
Shares for policy purposes policy and verification

- The Bank's policy is to hold shares for policy purposes when the significance of such holdings is recognized, such as to maintain and strengthen business relationships with customers and to revitalize the local economy, and to basically reduce the number of such holdings.
- With regard to each equity security held for policy purposes, the Bank examines the appropriateness of holding such shares comprehensively after examining economic rationality, using medium-long-term business relationships, RORA*.

(※) RORA = (Profit after deducting expenses and credit costs + dividends received) / Risk assets of loans and shares

Changes in book value of shares for policy purposes and market value ratio to consolidated net assets

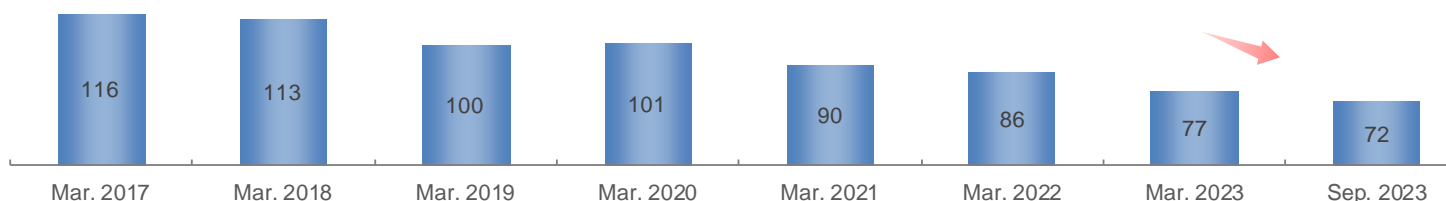
(Unit : Billions of yen)



reduce the book value by 50% (20 billion yen)

Changes in the number of companies (listed)

(Unit : companies)



Mar. 2027 Goal

Book value of listed shares for policy purposes
18.0 billion yen

market value ratio to consolidated net assets
8~9%

II. Strengths of the Gunma Bank

III. Strengths of the Gunma Bank

II. Strengths of the Gunma Bank

Strengths of the Gunma Bank

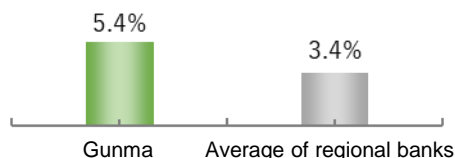
▶ RORA initiatives, and superior ROE and capital adequacy ratios compared to other banks

● Utilization of RORA is spreading throughout the Bank

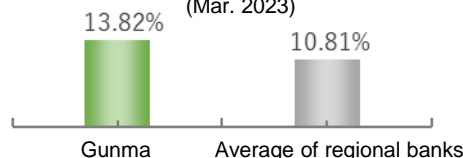
- The company has set RORA as a numerical target since the previous Mid-Term Business Plan (from FY2019), and began utilizing RORA as a profitability indicator for loan transactions and comprehensive transactions before other banks.
- As a result, initiatives have spread not only to the main branch but also to sales branches. The Bank is making steady progress in improving the balance between risk and return.

● Achieve a good balance between **improving ROE** and **ensuring sound management**

ROE (Mar. 2024 forecast)



Consolidated capital adequacy ratio (Mar. 2023)



Throughout its long history, the Bank has built a reasonable branch network and a high-quality customer base in a **promising market** outside of Gunma Prefecture.

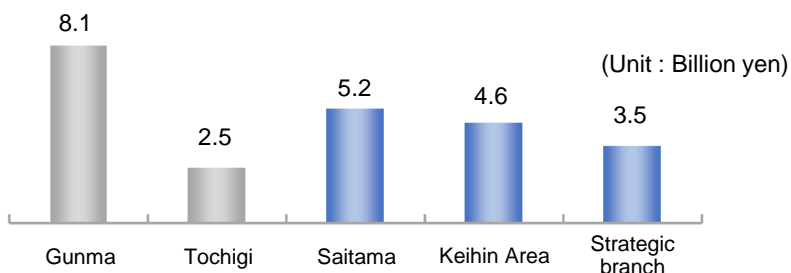
Potential market

- Areas with large populations and relatively few financial institutions based on the size of their economies
- Areas where adequate information can be obtained from existing branches

Income minus expenses and credit costs

* Formula: Fund income + Non-interest income – Expenses – Credit costs

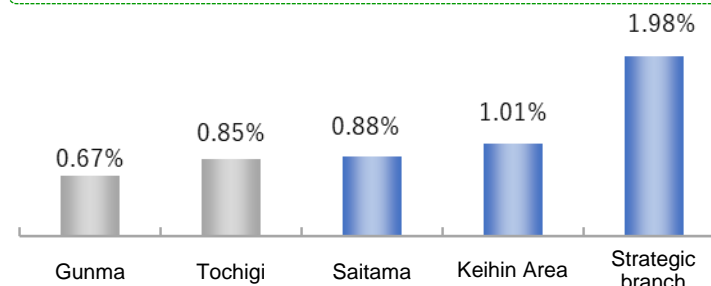
Secured a **reasonable income amount** in the Saitama and Keihin area.



RORA by region

* Excluding strategic branches (Tokyo and Osaka) in the Keihin area

Saitama and Keihin area have high **RORA** and high operating efficiency.



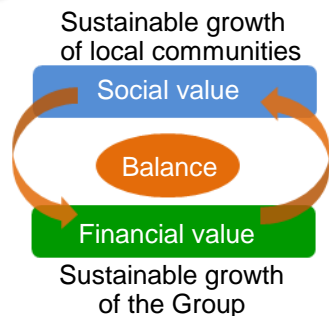
Gungin Group's Purpose
We use our strengths in connections to spin the threads of the future for local communities.



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

► Purpose management and human capital enhancement

● Gungin Group's Purpose



- Set **connecting KPIs** that contribute to the realization of two values in the current mid-term business plan. (For details, see p. 17.)
- Set up **regional strategies** for each district and **medium-term branch management policies** for each branch based on the Purpose. Establish **an award system** to recognize outstanding activities to achieve the Purpose.
- Set up **connecting processes** for goal-based and needs-based sales activities.

● Personal Purpose

Each officer and employee states what they will work on based on their purposes

Started an initiative to recommend to oneself and others good examples of personal purposes in each work area. (**Personal Purpose AWARD**)

By sharing best practices and initiatives, we will further raise awareness on a daily basis and build a virtuous cycle with work satisfaction.



Personal purposes are posted and shared in the workplaces.

● Autonomous career development

Personnel Development Policy

"We will support the autonomous career development and challenge of each individual, **starting from their own personal purposes**, to realize their personal purposes and increase the value of our human capital."

Career Challenge Declaration

Each individual expresses his/her future career ambitions based on his/her **personal purposes**.

Case

- Assigned to the Consulting Sales Department an employee with a personal pass that stated, "I will make the region sustainable through business succession."
- "I will make the community happy with the power of people and digital technology" => Assigned to the digital marketing division of a consulting subsidiary.



● Transitioning to a job-based personnel system (For details, see p. 25.)

- Promote the placement of **the right personnel in the right positions** based on their capabilities, regardless of their ages.
- Totally abolished the job structure. Managers work based on **full job-type** employment with wages based on job performance.

- Improve employees' engagement.
- Strengthen comprehensive personnel capabilities and develop specialist personnel.

Revitalize the whole bank organization

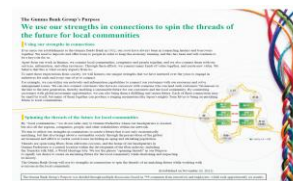
- Proactively recruit mid-career specialist personnel, etc.

IV. Appendix (Management Strategies, etc.)

Medium Term Business Plan

The Gunma Bank Group's Purpose

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



To-be future

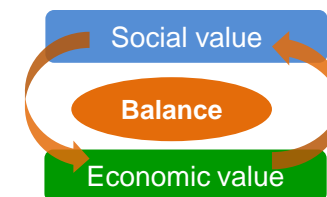
Sustainable development of local communities and the Group

Customers

Regional society

Shareholders/
Investors

Employees



Medium term business plan 2022 Innovation for "Purpose" (plan period : Apr. 2022~Mar. 2025)

Gunma bank group's strengths

Information, trust, human resources, network, etc.

Expectations from society and customers

Financial intermediation, consulting, vitalizing regional industries, business matching, etc.

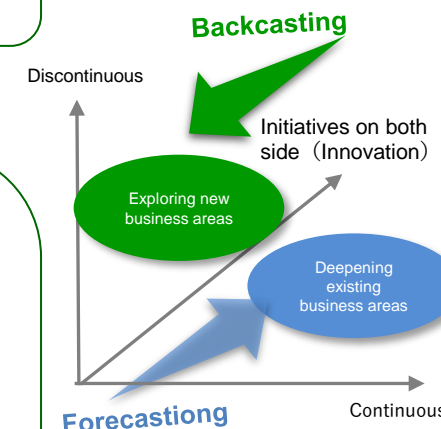
Implementation of digital strategies as the foundation for "Connections and Spinning the Threads"

- Sales process reforms
- Business process reforms
- Channel reforms
- Personnel reforms
- Reforms in collaboration with external parties

- Involvements or the like in regional sustainability
- Support for finance, core business and succession of the business
- Personalized consulting service
- Exploring and deepening through the Group's comprehensive capabilities
- Reinforcement of the Bank's management structure

Reinforce strengths in "Connections" with five reform initiatives

"Spinning the Threads" of the future by exercising our strengths in "Connections"

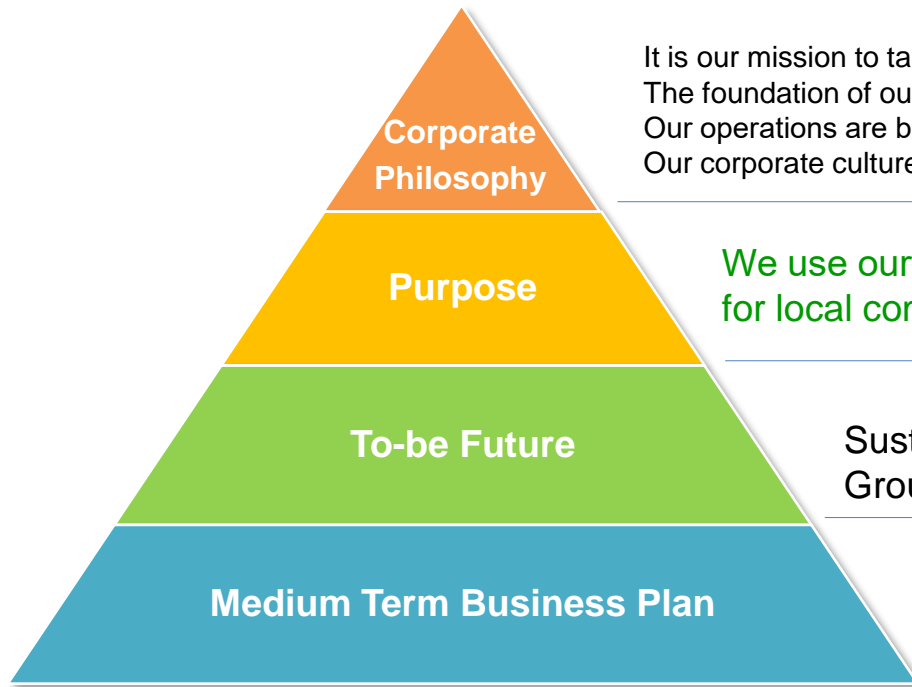


Gunma Bank Group
SDGs Declaration

1. Sustained development of the regional economy
2. Preservation and creation of global environment
3. Promote successful engagement by diverse personnel
4. Promote partnership

『The results from the Purposes' "Connections" concept are quantified as "KPIs in Connections" with the aim of achieving a core business net profit of 45.0 billion yen through achievement of KPI items.』
👉 consolidated core net business profit excluding gains(losses) on cancellation of investment trusts FY2021 36.8 billion yen ⇒ FY2024 (Target) 45.0 billion yen

Philosophy/Purpose/Vision/Mission



It is our mission to take actions that will foster the development of regional communities.
The foundation of our business is to strengthen a creative relationship with our customers.
Our operations are based on the motto "Be a good citizen first to become a good entrepreneur."
Our corporate culture is based on the value of face-to-face communication within our organization.

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

Sustainable development of local communities and the Gunma Bank Group

Innovation for "Purpose" (Plan period : April 2022~March 2025)

Goal of Establishing the Purpose (established in November 2021)

Faced with so many social issues, we reexamined the meaning of our existence and established our Purpose based on the thought, "What is the purpose of our existence in society, and what impact can we have on the future of society?"

Sharing of Decision Axes

Increasing Individual Job Satisfaction

Empathizing with Stakeholders



*The Gunma Bank Group's Purpose was decided through multiple discussions based on 755 comments from executives and employees, which took approximately six months.

Basic policy 1 Implementation of digital strategies as the foundation for "Connections and Spinning the Threads"

P18~P19

Basic policy 2 Reinforce strengths in "Connections" by five reform initiatives

1 Sales process reforms with emphasis on progress and autonomy

- Clarification of regional strategies through "District Governance Structure" and autonomous sales branch operations
- Strengthen problem-solving capabilities through effective division of functions between branches and headquarters
- Establish a new sales style based on the New Normal
- Improve CS by strengthening medium- and long-term relationships with customers on a goal basis

2 Business process reforms that contribute to increasing productivity

- Efficient branch operations through administrative reforms
- Review of existing operations centered on the advancement of business reform projects
- Initiatives to optimize system costs
- Enhance information and data utilization

3 Channel reforms that adapt to changes in the environment and customer needs

- Enhance "DigiCal" strategy by strengthening channel collaboration
- Expand digital channels such as personalized apps
- Improve customer experience through face-to-face channels, including expansion of specialized consultation centers
- Optimize branch network and functions based on regional characteristics
- Improve financial services through renewal of API infrastructure

4 Personnel reforms for exercising creativity

P24~P25

- Transition to a future-oriented personnel system that emphasizes job performance
- Strengthen comprehensive human resource capabilities that contribute to social and customer needs
- Develop specialized human resources in light of the changing environment
- Maximize performance by strengthening talent management
- Enhance the organization by realizing the wellbeing of each executive and employee

5 Reforms in collaboration with external parties for improving strengths

- Collaboration with other banks to create profit-earning opportunities and improve productivity
- Regional collaboration to strengthen response to regional issues
- Cross-industry collaboration to gain new strengths and complement weaknesses

P23

Basic policy 3 "Spinning the Threads" of the future by exercising our strengths in "Connections"

1 Involvement or the like in regional sustainability/Initiatives for SDGs and ESG

- Proactive response to regional issues through industry-government-academia collaboration, etc.
- Foster local industry and aid business founding for sustainable development of the local economy
- Strengthen initiatives for sustainable finance
- Expansion of products, services, and consulting to promote SDGs initiatives
- Efforts toward carbon neutrality and TCFD compliance

P25~P26

2 Coronavirus-ready support for finance, core business and succession of the businesses

- Appropriate financial support in line with the customer's situation
- Strengthen support for core business based on customers' apparent and inapparent needs
- Solution proposals with business succession support as a starting point
- Strengthen initiatives in structured finance
- Expand support for overseas expansion, overseas transactions, and foreign exchange transactions

P20

3 Personalized consulting service for each individual customer

P21

- Enhance marketing to individuals
- Expand wealth management functions and services for seniors
- Enhance support in the area of asset formation
- Respond to diverse investment needs by strengthening cooperation between banks and securities companies
- Strengthen lending to individuals

4 Exploring new business opportunities through the Group's comprehensive capabilities and deepening existing businesses

P22

- Business development in the areas of human resources, regional trading companies, and ICT/DX
- Explore new business areas in finance
- Explore non-financial business areas that contribute to solving regional issues
- Promote cashless services to build regional ecosystems
- Maximize consolidated earnings by leveraging the Group's comprehensive strengths

5 Reinforcement of our management structure to consistently demonstrate our strengths in "Connections"

P9~P28

- Improve profitability by upgrading market management systems
- Efforts toward integrated management and operation of earnings, risk, and capital
- Enhance corporate governance and implementation of a balanced capital policy
- Enhance compliance and prevention systems against money laundering, etc.
- Sustainable development of financial infrastructure in consideration of changes in the environment

Progress of First year result of medium-term business plan

The bank established the "KPIs in Connections" as key figures for the three years leading up to the realization of "Purpose".

KPIs in Connections

	Target (during 3 years) *billion yen	Cumulative total (1 year 6 months) *billion yen	achieving rate	The initial plan of the FY2023 (annual) *billion yen	Result (Sep. 2023) *billion yen	achieving rate
"Connect" lender and borrower						
① Amount of sustainable finance executed *1	800.0	420.5	52.5%	253.0	154.3	61.0%
Of which, environmental field *1	450.0	182.6	40.5%	139.0	66.6	47.9%
② Amount of housing loan executed	400.0	173.9	43.4%	135.0	60.4	44.7%
③ Balance of unsecured consumer loan	75.0	66.6	—	68.0	66.6	—
"Connect" customers						
④ Number of business matching cases closed	3,000cases	1,538cases	51.2%	1,000cases	538cases	53.8%
"Connect" businesses and individuals						
⑤ Number of staffing cases closed	200cases	140cases	70.0%	90cases	58cases	64.4%
"Connect" customers' asset with their future						
⑥ Balance of consolidated deposit financial assets	1,250.0	1,101.4	—	1,182.0	1,101.4	—
⑦ Of which, balance of investment trusts	400.0	356.5	—	370.0	356.5	—
"Connect" for the next generation						
⑧ Number of business succession issues resolved	600cases	502cases	83.6%	185cases	172cases	93.0%
⑨ Inheritance-related business contracts	1,000cases	467cases	46.7%	320cases	169cases	52.8%

*1 due to past performance and the increasing expectations and role of a bank towards decarbonization, the Gunma Bank Group has revised upward the target amount of sustainable finance execution during the Medium-term business plan period from 500.0 billion yen (of which, environmental field 300.0 billion yen) to 800.0 billion yen (" 450.0 billion yen).

*2 Among the targets, ①、②、④、⑤、⑧、⑨ is the cumulative value.

Strategic themes related figures

	Target	Result
Sales		
Electronic contract service utilization rate		
"general loans Sep. 2023"	100%	67.9%
"housing loans Sep. 2023"	100%	96.2%
Channel		
App users(Number of account holders)	0.3 million people	0.213 million people
Personnel		
Number of IT passport holders	1,000 people	1,140 people
Collaboration with external parties		
Profitability of TSUBASA Alliance	4.5 billion yen	6.01 billion yen
Regional		
Balance of structured finance	130.0 billion yen	102.8 billion yen
Number of proposals to partners in the comprehensive collaborative agreement	20 cases	33 cases
Individual		
Accumulated investment trust contracts per month	2.5 billion yen	2.04 billion yen
Group's comprehensive capabilities		
Number of cashless member stores	16,000 stores	14,111 stores
Transaction volume (billion yen) *single year target	200.0	82.9

* The target is the cumulative value until the end of the Medium-term business plan.

* cashless transaction amount is for a single year (FY2024).

Implementation of Digital Strategies (Basic policy 1)

For "Purpose"

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

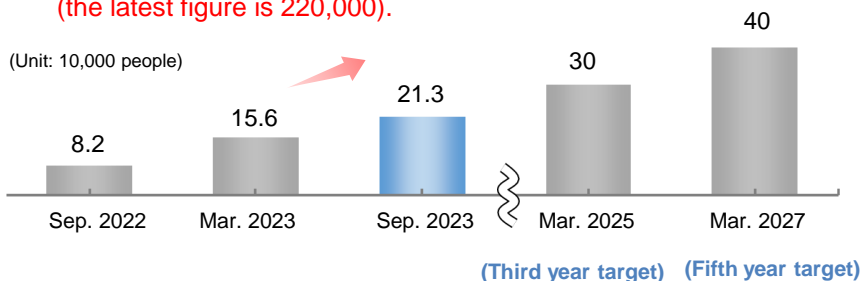
► Gungin App functionality expansion

- Added investment trust transaction services in September 2023.
Plan to add electronic delivery service function in FY2024.

App users

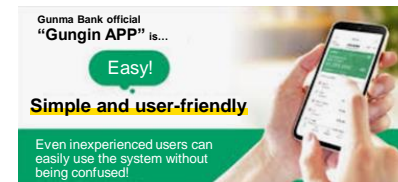
The app was launched in April 2022, and as of the end of September 2023, the number of users has exceeded **210,000** (the latest figure is 220,000).

(Unit: 10,000 people)



Usage Details (Sep.2023)

	Monthly utilization rate	Average monthly usage frequency	Transfer cases
App	84.3%	8.2 times	80,000
IB	21.2%	1.1 times	54,000



The monthly utilization rate (percentage with at least one login) and average monthly usage frequency are **much higher** than the existing Internet banking (IB).

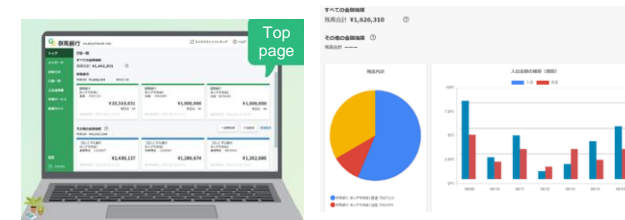
Establish a position as the main channel through effective advertisements and push distribution of unsecured loans, investment trusts, NISA, etc., and by strengthening contact with customers.

► Gungin Business Portal

- Began offering this in July 2023 as the new digital channel for corporations and individual business owners.

We offer a variety of functions on the web, including a visual graph that displays the transaction status of multiple financial institutions and functions allowing various procedures to be performed without visiting branches and receiving information on products and services best suited for each customer.

- Contributed to a reduction of 100 minutes per case for the web receipt of financial statements and tax returns, and 70 minutes per case for business matching web consent. As of September 2023, 5,600 customers have used the service.



► Introducing In-branch tablets

- Building in-branch tablets for **operation by the end of FY2023** (opening a savings account, changing address or phone number, debit card application, etc.) ⇒ Assumed effect of reduced paperwork time per case: 45 minutes for opening of savings accounts and 25 mins for applications
- Plan to expand the business covered by over-the-counter tablets (name change, losses/reissuances, fixed deposit, etc.) and then to non-face-to-face channels and liaison operations.
- As for non-face-to-face channels, the bank will reduce outsourcing costs through the use of paper-less and operation-less systems, and review and reorganize existing channels simultaneously.



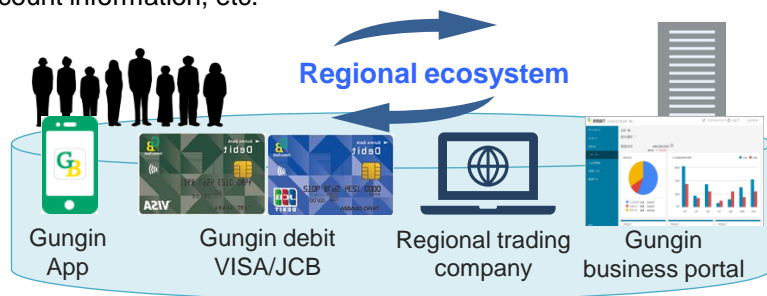
Implementation of Digital Strategy (Basic Policy 1)

For "Purpose"

Transform data into valuable information and convey that information to customers, communities, and banks by the best possible timing and method

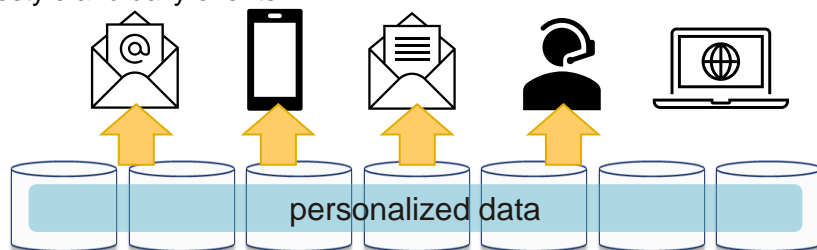
▶ Contribution to regional revitalization through data utilization

- Promote **cashless** transactions in the region and provide new services using data with a view to expanding customers' businesses, thereby recirculating and expanding the regional ecosystem
- Accumulate payment data by providing **debit cards**, which is scheduled to start in January 2024. This will lead to more sophisticated marketing and collaboration with regional trading company businesses by combining data with account information, etc.



▶ Realization of One-to-One marketing

- Build a **digital marketing infrastructure** which is completed in Sep. 2023 to provide customers with the services and information they need at the optimal time to match their lifestyle and daily events



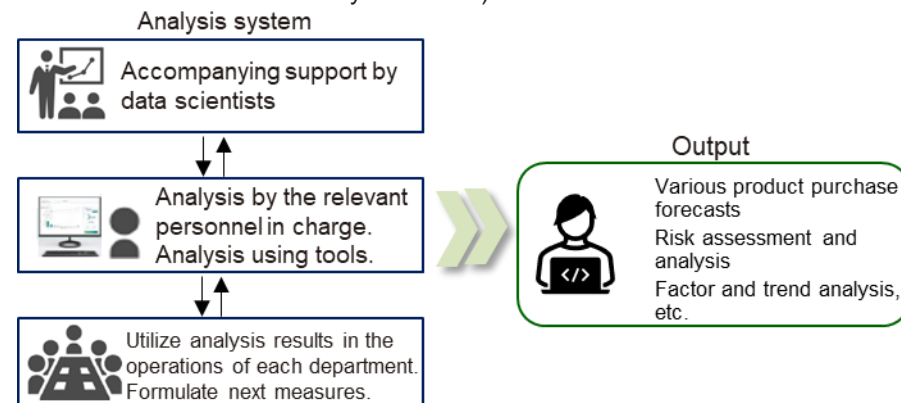
▶ Establishment of a data-driven management system

- Dashboarding of reporting operations (implemented as needed from Jul. 2023)
⇒ On a dashboard, visualize necessary information such as figures and the promotion status of each policy by automatically aggregating information stored in the data lake.
Reduce lead time to management decision-making. ⇒ The reporting was made unnecessary by having officers view the information directly. (reduced reporting by sales branches and aggregation at headquarters)



● Establish the use of data in business operations

- ⇒ Employees use the analysis tools themselves for utilizing data by establishing a PDCA cycle for analysis (analysis, effectiveness verification, and planning of measures based on analysis results).



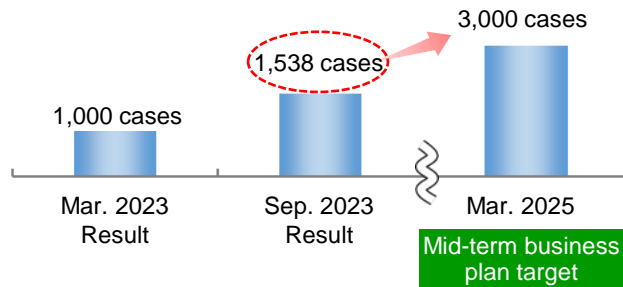
For "Purpose"

Spin the threads of the future by connecting the various values of the Bank and the region to businesses

► Financial, core business, and business succession support (KPIs in Connections)

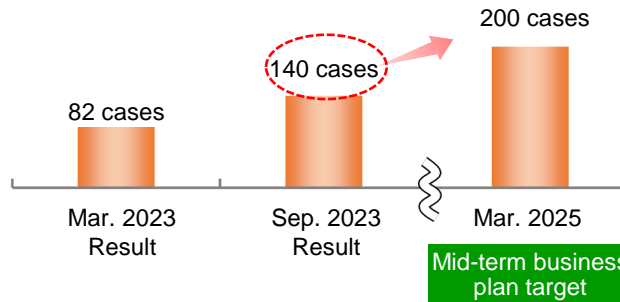
[Number of successful business matching cases]

*Cumulative results



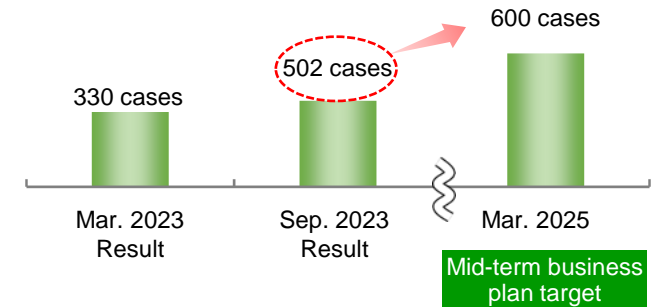
[Number of successful personnel referrals]

*Cumulative results



[Number of business succession issues resolved]

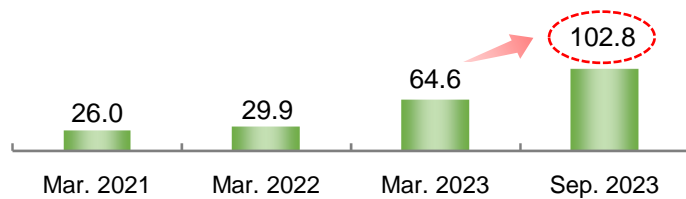
*Cumulative results



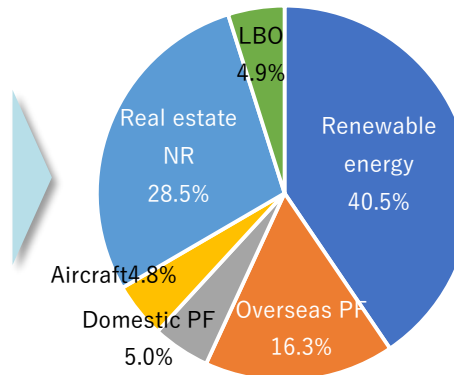
► Structured finance

[Trend in outstanding balance]

(Unit: Billion yen)



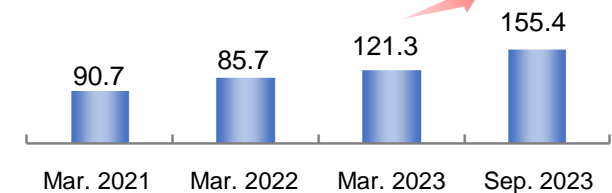
[Ratio by product]



► Loans to non-residents

[Trend in outstanding balance]

(Unit: Billion yen)



► Support for Overseas Expansion

- Strengthen overseas business consulting
⇒ **Gungin Consulting** signed a comprehensive collaboration agreement with Kiraboshi Consulting Co., Ltd., Kiraboshi Business Consulting Shanghai Co., Ltd, and one other company to **strengthen support for overseas business operations** of customers.
- The Hong Kong representative office **was consolidated** into the Shanghai representative office to strengthen the support system in China.
- To strengthen support for clients expanding overseas, the Bank participated in **the Overseas Support Business Package** established by Japan Finance Corporation, Organization for Small & Medium Enterprises and Regional Innovation, and Nippon Export and Investment Insurance (NEXI). Business matching support, financial assistance, etc., are provided.



Initiatives for Individuals (Basic Policy 3-3)

For "Purpose"

Contribute to prosperous future of individuals by supporting them according to their life-stage

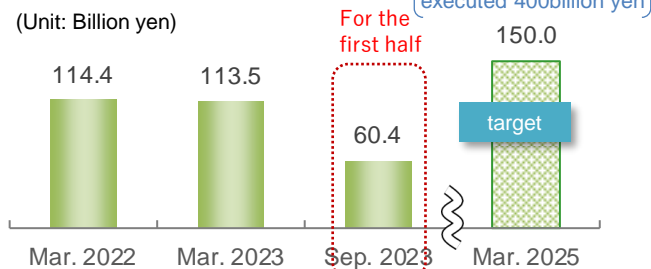


Lending to Individuals and Financial Assets under Custody

- Housing loan** : Promoted to further increase market share in Gunma prefecture, and promoted through effective use of "Loan-Fee-Based Interest Rate Plan" outside of the prefecture.
- Unsecured loan** : Gungin Consulting has been commissioned to post Internet and social media advertisements for unsecured loans since April 2023.
⇒ Practiced agile advertising management, etc., by internalizing production within the Group. (Ratio of applications through such advertisements **increased 13%** year-on-year.)
- Deposit assets** : Strengthen initiatives to open NISA accounts, mainly in our business areas, to expand the customer base. Added the functionality to purchase investment trusts to Gungin App.

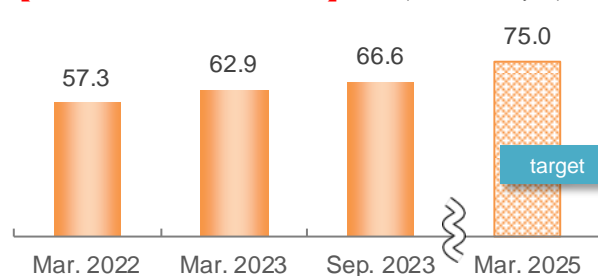
【Housing loan amount】

(Unit: Billion yen)



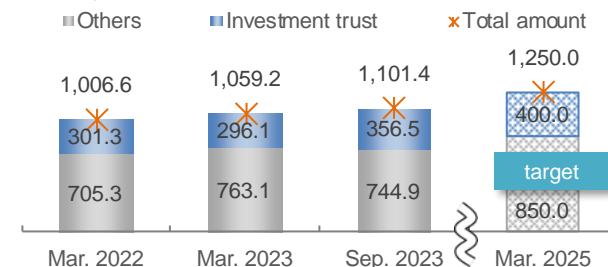
【Unsecured loan balance】

(Unit: Billion yen)



【Deposit assets balance】

(Unit: Billion yen)



Inheritance related Operations

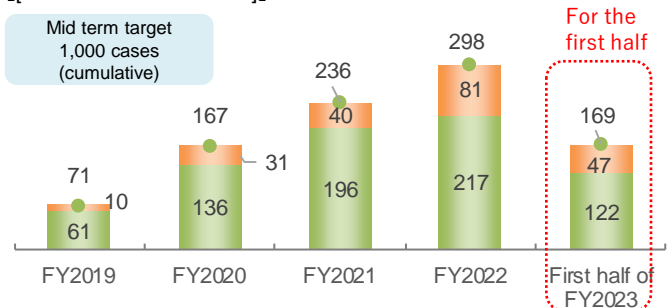
Wealth Management Group Collaboration

⇒ Strengthen efforts in inheritance-related business, starting with transactions with wealthy individuals and business succession

Develop a division of labor system for asset succession advisors, with an eye on potential markets.

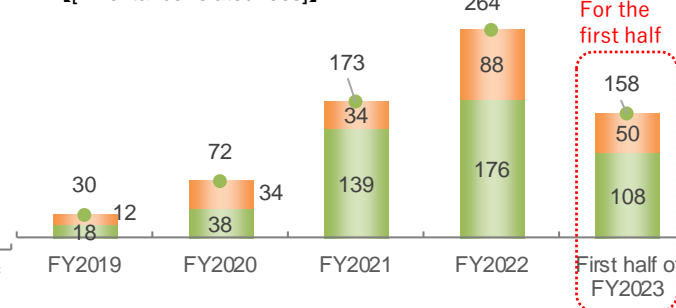
■ Testamentary trusts ■ Estate liquidation contracts ■ Total (Unit: cases)

【[Number of cases closed]】



■ Testamentary trusts ■ Estate liquidation contracts ■ Total (Unit: Million yen)

【[Inheritance related fees]】



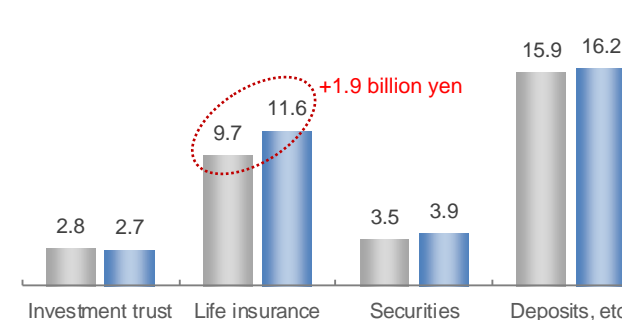
Cross selling status

Transition in cross selling to clients entrusted with testamentary trusts (FY2019~ First half of FY2023)

⇒ Life insurance balances with high affinity for testamentary trusts : **+1.9 billion yen**

(Unit: Billion yen)

■ At the time of entrustment ■ After entrustment (End of Sep. 2023)



Initiatives by Group Companies (Basic Policy 3-4)

For "Purpose"

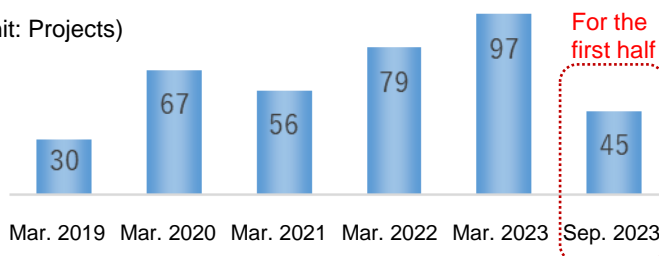
Contribute to the future of local communities by providing value that goes beyond existing business areas as a Group-wide effort

► Gungin Consulting

● Consulting results (Oct. 2018- Sep. 2023)

- Handled approx. 900 consultations since opening.
Won contracts for **329 projects**.

(Unit: Projects)



G B Gungin Consulting



● Strengthen overseas business consulting

- Signed cooperation agreements with Kiraboshi Consulting Co., Ltd. and two affiliated companies.

Comprehensive collaboration aimed at **strengthening support for overseas business expansion of customers**

Providing overseas development support services to business partners, sharing domestic and international networks, disseminating information by co-hosting overseas seminars, etc.

Local support system by representative offices

+

Overseas business consulting

● Human resource solution business results

- Increased the number of staff in charge from 4 to 8 to coordinate with the transfer of staffing business from the Bank.
- Strengthened the skills of staff in charge and the organizational structure of sales and management with the support of an external recruitment agency.
- Interim results for FY2023 ⇒ 214 consultation cases and 58 contracts (including 21 cases of brokering for both parties)

► Gunma Regional Advanced Solution Partners (GRASP)

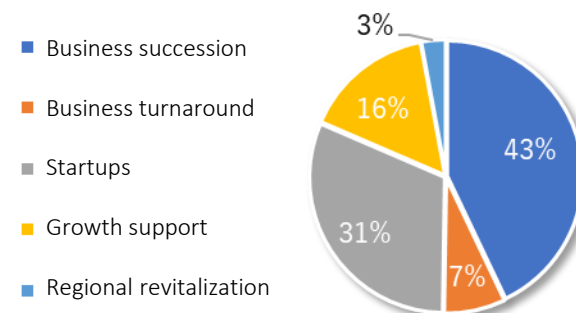
● Funds currently under management

Steady accumulation of investments by **the Gunma Regional Advanced Solution Fund** (launched in March 2021) and the favorable profitability of investments.
Established **the second fund** in May 2023 for further growth by leveraging our accumulated experience.



Fund name	Size (Total amount)	Number of Investments
Gungin Business Support Fund	0.5 billion yen	5
Gungin Business Support 2nd Fund	0.5 billion yen	3
Gunma Medical and Industrial Collaboration Activation Fund	0.86 billion yen	5
Gunma Regional Advanced Solution Fund	3 billion yen	9
Gunma Regional Advanced Solution 2nd Fund	3 billion yen	—
Total	7.86 billion yen	22

[Details of accepted project type]



Effects of External Collaboration (Basic Policy 2-5)

For "Purpose"

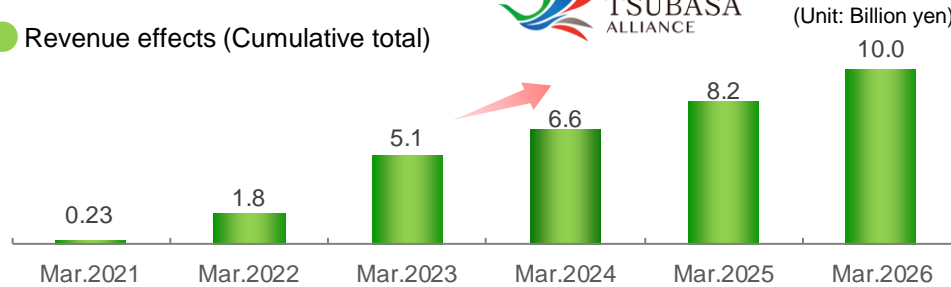
Enhance our strengths to "connect" by leveraging outside resources



群馬・第四北越 アライアンス

TSUBASA Alliance

Revenue effects (Cumulative total)



forecast

Status of initiatives

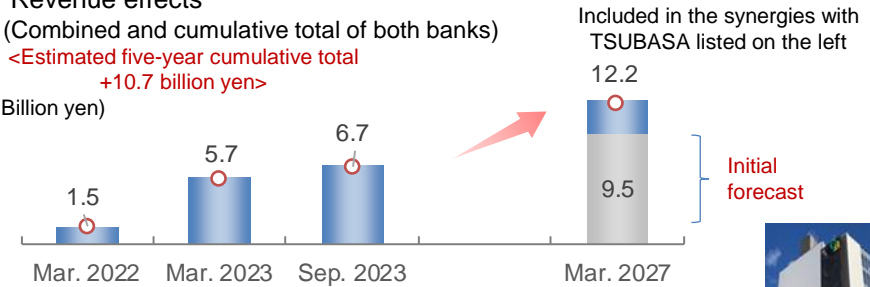
- Continued to strengthen co-financing and M&A collaboration, etc.
- Developed an electronic-exchange-compatible package with the TSUBASA Alliance of 10 regional banks. (Started full-scale operation in November 2022.)
- Initiatives to upgrade the AML framework
⇒ Consideration of joint transaction monitoring and filtering operations using AI scoring functions

Gunma and Daishi Hokuetsu Alliance

Revenue effects

(Combined and cumulative total of both banks)
<Estimated five-year cumulative total
+10.7 billion yen>

(Unit: Billion yen)



Status of initiatives

- The Bank's Ikebukuro branch is scheduled to move in to the 9th and 10th floors of the Bank's building under construction, while Daishi Hokuetsu Bank Ikebukuro branch is scheduled to move in to the 8th floor. (Scheduled to open in January 2024)
- Start of an endowment-type private placement bond (Green & food support plan2) offering

	cases	amount of issue *million yen
Part1 Aug. 2022~Mar. 2023	81	5,540
part2 Jul. 2023~Sep. 2023	57	3,190

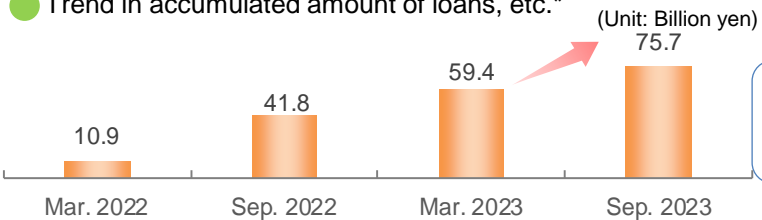


Ryomo Regional Revitalization Partnership

~Collaboration with Ashikaga Bank to revitalize local industry, solve local issues, etc. ~

Trend in accumulated amount of loans, etc.*

(Unit: Billion yen)



* The total of syndicated loans, coordinated lending, structured finance, and private placement bonds

Status of initiatives

- Reinforcement of collaboration in supporting automotive-related industries, sharing of knowhow, regional revitalization initiatives
- Initiatives to improve the top line⇒ Smooth syndicated loan origination and mutual introduction of new borrowers

Fincross partnership (Collaboration among eight regional banks)

Status of initiatives

- Aim to build a data lake, digital marketing infrastructure, and data analysis infrastructure

Fincross DIGITAL

業務委託 ↑ ↓ デジタル化推進

Fincross PARTNERS



Basis of eight banks combined (reference)
• Ordinary deposits: 12.30 million accounts
• Number of loan clients: approx. 0.9 million

Personnel strategy (Personnel reforms for exercising creativity)

Linkage to the management strategy

Realization of the Purpose

Priority issues and main measures

Non-financial KPIs

Transition to a job-based personnel system.

- Allocate and compensate "the right personnel in the right positions."
- Provide opportunities for tackling challenges autonomously.
- Proactively recruit mid-career specialist personnel, etc.
- Strengthen talent management.

- Number of job interns
- Mid-career recruitment ratio

Strengthen comprehensive personnel capabilities.

- Foster "career ownership."
- Improve the digital literacy of employees.
- Strengthen reskilling of employees.
- Develop management personnel.

- Investment in skill-up per employee
- Number of employees who have acquired the IT Passport
- Number of employees using the side job scheme

Develop specialist personnel.

- Reinforce initiatives to improve professional skills.
- Develop through external training and secondment.
- Proactively promote becoming specialist personnel.

- Number of advanced employees in Skill Checks
- Number of participants in external training
- Number of appointments of specialist personnel (experts, etc.)

Promote D&I.

- Proactively promote women and mid-career recruits.
- Foster an organizational culture that encourages men's participation in childcare.
- Conduct training and other activities to improve D&I literacy.
- Implement bottom-up initiatives through L-NEXT, etc.

- Percentage of female managers
- Percentage of mid-career recruits promoted to management positions
- Gender wage gap
- Percentage of male employees taking childcare leave
- Duration of childcare leave taken by male employees

Improve well-being.

- Promote comfort and satisfaction in the workplace.
- Improve the effectiveness of 1-on-1 meetings.
- Promote health management.

- Percentage of taken paid leave
- Extent of implementation of Personal Purposes
- Engagement score
- Certified as an Excellent Health and Productivity Management Enterprise

Personnel Development Policy

Internal Environment Improvement Policy

Mid-Term Business Plan 2022
Innovation for "Purpose"

Connection with
Mid-Term
Business Plan

Basic policy for
realizing "Purpose"

Reinforce strengths
in "connections"

(Strategic themes)

"Personnel reforms for
exercising creativity"

(Personnel strategy
on the left)

Through the active participation of human resources who contribute to "digital", "goal-based and needs-based sales activities", and "exploration of new businesses", which are the key points of the medium-term plan, we will achieve both social and economic value and Aiming to realize the "well-being" of officers, employees, it will lead to the improvement of corporate value.

We use our strengths in "Connections" to spin the threads of the future for local communities

Social value
Local communities
Customers

Achieve the "KPIs in Connections."

Financial value
Shareholders & investors

Net income of 30 billion yen
Non-interest business profits of 25 billion yen
OHR of approx. 55%
ROE of over 5%

Realization of well-being

Officers
Employees

Corporate value improvement

For "Purpose"

Enhance our strengths to "connect" by refining human resources



Introduce a job-based personnel system (scheduled for FY2024)

Issues with the conventional personnel system

"Seniority is strong and operations are rigid" "Passive career development of employees"

Revise the system to resolve issues

Concept of the new personnel system

- The job description clearly specifies the role of the post and the skills required.
- Visualizing job details will make it easier to imagine a career.

- Establish a system that allows employees to express their preferred jobs and skills.
- Find the right person for the right job by matching the job with the right employee through the visualization of the human capital.

- Place **the right personnel in the right positions** based on their capabilities, regardless of their ages.
- Improve employee engagement and increase the number of employees proactively developing their careers.

Transition to a diversified system

- Abolish the job-status system, which is mostly seniority-based ⇒ Consolidate into **four job categories** according to job responsibilities. (Specialist personnel, manager personnel, innovator personnel, and associate personnel)
- Transition from a single-line career development system based on the development of generalists to a **diversified system** that enables the formation of careers in advanced specialties other than management.

Promote Diversity & Inclusion and Improve Well-being

Establishment of a new leave system to support career continuity (from October 2023)

⇒ Introduce re-learning (schooling for university and other courses and qualifications) and a system of leave for infertility treatment, accompanying a spouse relocation, etc.

Health Support Leave (revised existing child plan leave)

⇒ In addition to addressing women's health issues, the system supports all employees, including seniors, whose number is expected to increase in the future, so they can be healthy and productive.



Review of work attire (introduction of **business casual** and **office casual** styles)

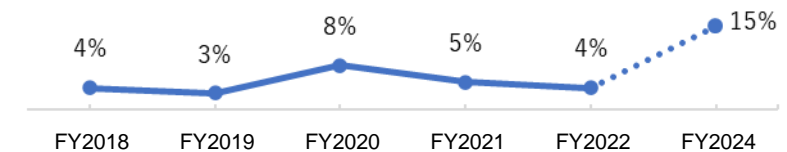
⇒ Improve productivity and motivation by increasing the freedom to dress as part of the work style reform.

- Support career development and qualification acquisition for employees and strengthen mid-career recruitment in anticipation of the transition to the new personnel system.

	Result		Target
	End of FY2021	End of FY2022	End of FY2024
Number of job interns	33	49	80
Number of specialized qualification holders(*)	257	264	290

*Total number of holders of SMEC, 1st grade Certified Skilled Worker of Financial Planning, CMA, CAMS, Advanced Information Technology Engineer, and RISS.

[Mid-career recruitment ratio]



	Result			Target
	End of FY2020	End of FY2021	End of FY2022	End of FY2024
Number of external training participants	45	64	68	100
Number of advanced employees in Skill Check	426	654	767	850

	Result			Target
	Apr. 2021	Apr. 2022	Apr. 2023	Apr. 2025
Number of specialist appointments	3	8	11	15

[External evaluation]



For "Purpose"

Contribute to the sustainable development of industry through collaboration with the local communities

▶ **Efforts to the TCFD Recommendations** Since expressing support for the TCFD recommendations, we have been working on climate change scenario analysis and enhancing our disclosure.



● Risks of climate change

	Physical risk	Transition risk
Scenario	IPCC/RCP8.5 (4°C Scenario) Scenario Expectations Slow adoption of regulations will lead to further global warming.	IEANZE2050 (1.5°C scenario), IPCC/RCP2.6 (2°C scenario) Scenario Expectations The regulations and technological innovations necessary to control temperature increases are adopted.
Subjects of analysis	Financed small and medium companies with head offices in Japan	Automotive and Energy (electric power, oil and gas) sectors
Content of analysis	Damage to the value of real estate (buildings and condominiums) collateral held by the Bank estimated using hazard maps/Estimated impact on credit costs of decreased customer revenue due to business stagnation	<ul style="list-style-type: none"> Qualitative evaluation of the expected business impact on the sector Based on qualitative analysis, model companies are selected for each sector with future performance changes predicted from scenario forecast data, public information, etc. Above analysis results rolled out for entire sector while considering the business and products handled, etc. to estimate increase in credit costs
Results of analysis	Maximum increase in credit costs through 2050 : 5.3 billion yen	Cumulative increase in credit costs through 2050 : 7.1 billion yen

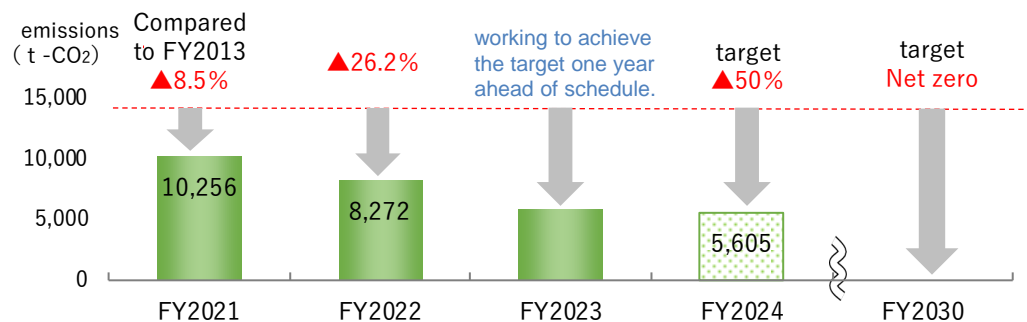
● Efforts to Reduce Greenhouse Gas Emissions

Reduce the Bank's greenhouse gas emissions to net zero by FY2030 (50% reduction from the FY2013 level by FY2024 as a mid-term plan target)

※Covers Scope 1 + Scope 2 for our emissions

From this FY, we will estimate and disclose the greenhouse gas emissions (Scope 3 Category 15) of our investments and loans and disclose them

(Unit : t -CO₂)



estimation(Measurement item)		FY2021	FY2022
Scope 3	purchase of copy paper	263	249
	business travel	43	58
	commuting	1,069	1,013
	Total Investments and Loans*	—	8,796,632

* calculations were made, based on the PCAF standard measurement method, for investments and loans to domestic business loan recipient corporations as of the end of March 2023.

For "Purpose"

Spin the threads of the future for local communities through our decarbonization initiatives and support for SDGs of local businesses

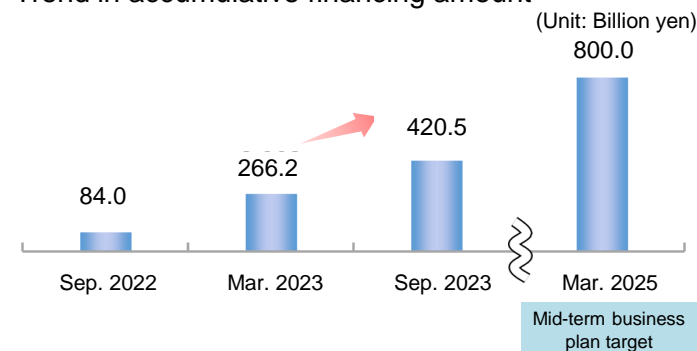
Status of Sustainable Finance

- Revise sustainable finance targets upwards.

Financing amount	Medium-Term Business Plan Targets (FY2022-FY2024)	
	Before revision	After revision
Sustainable finance	500 billion yen	800 billion yen
Environmental sector	300 billion yen	450 billion yen
Social sector	200 billion yen	350 billion yen

Mid-to-Long term targets (9 years) (FY2022-FY2030)	
Before revision	After revision
1.5 trillion yen	3 trillion yen
1 trillion yen	1.5 trillion yen
500 billion yen	1.5 trillion yen

- Trend in accumulative financing amount



- Expand product lineup

- In August 2023, the Bank began offering "Positive Impact Finance," "Green Loans," and "Social Loans."
- In October 2023, the Bank introduced a new product for SMEs called "Carbon-neutral Loan."
⇒ Targets companies that install equipment that contributes to the improvement of energy efficiency and solve issues related to decarbonization, including purchase of electric vehicles, replacement of air conditioning equipment, new construction of net zero energy buildings (ZEB), etc.

We will provide support for not only large companies but also small and medium-sized enterprises for sustainability management.

Gungin Ozekatahina Power Station (Completed Oct. 2023)

Became the first financial institution in Japan to acquire naming rights to a hydroelectric power station in an initiative for local production and consumption of renewable energy. The amount of electricity generated is 3.7 million kWh/year, or approximately 20% of the Bank's annual electricity consumption.

Gungin Ozekatahina Power Station

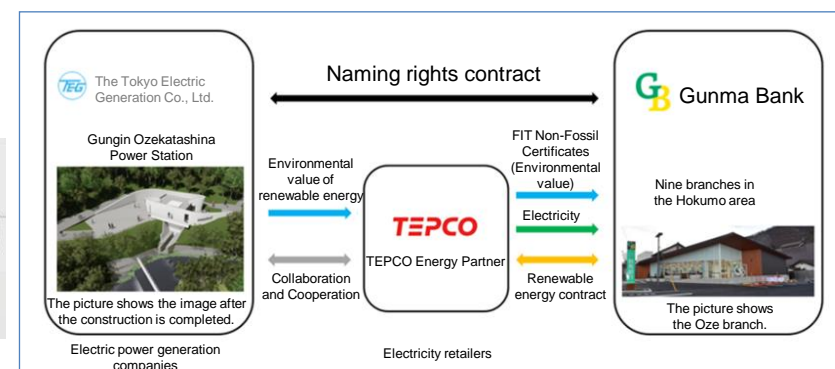


Nine branches in the Hokumo area, including the Oze Branch, and the computer center use the electricity as local renewable energy. Electricity use is scheduled to begin in January 2024.

Utilize ESG bond (B3T2 bond)

CO₂ reductions from green project allocations

Renewable energy			Energy efficiency	Clean logistics	Total (t-CO ₂ /year)
Solar	Hydro	Biomass			
5,913	21,923	25,754	157	70	53,817



The amount of CO₂ reduction for each project allocated with procured funds is 53,817 t-CO₂/year in total. This is equivalent to the CO₂ emitted by the annual electricity consumption of about 31,000 households.
(Calculated based on the "Summary of FY2022 CO₂ Emission Statistics in the Household Sector (Preliminary Results)" by the Ministry of the Environment.)

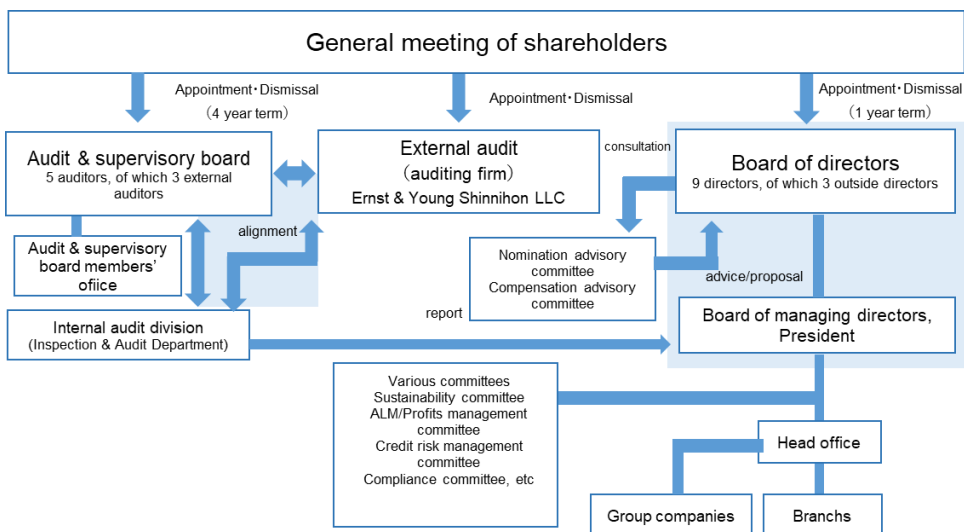
Governance (Basic policy ③-5)

For "Purpose"

Spin the threads of the future for local communities and demonstrate our "strengths in connections" appropriately and consistently by strengthening the Bank's management structure

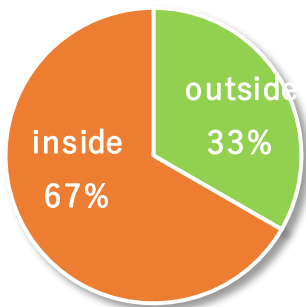
Corporate governance system

The Bank has adopted an auditor system. Audit & supervisory board consists of 5 auditors (Of which, 3 outsiders). The Board of directors consists of 9 directors (Of which, 3 outsiders).

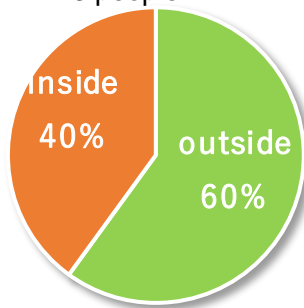


Percentage of outside officers

- Percentage of outside directors ⇒ 3 people (of which, 1 female)



- Percentage of outside audit & supervisory board members ⇒ 3 people



Skill matrix (expertise & experience)

Internal directors / audit & supervisory board members

Name	Job title	Corporate governance/sustainability	Regional economies	Sales	Market management	Management strategy/planning/business development	Human resources	Risk management	IT system
Nobuyuki Horie	Chairman & Director	○	○	○			○	○	
Akihiro 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			○				○	

External directors / audit & supervisory board members

Name	Job title	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 directors and auditors.

The Gunma Bank, Ltd.

Interim Financial Results Briefing Session for the First Half of 2023
Data

November 22, 2023

Presenter :Akihiko Fukai, President



Interim Financial Results Briefing Session for the First Half of 2023 Data

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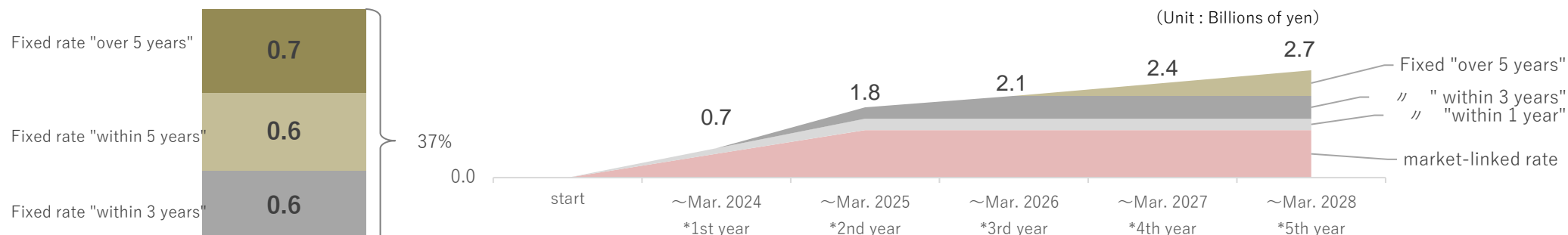
Interest rate sensitivity analysis "loans (yen)"

【Loans (yen)】 Current portfolio

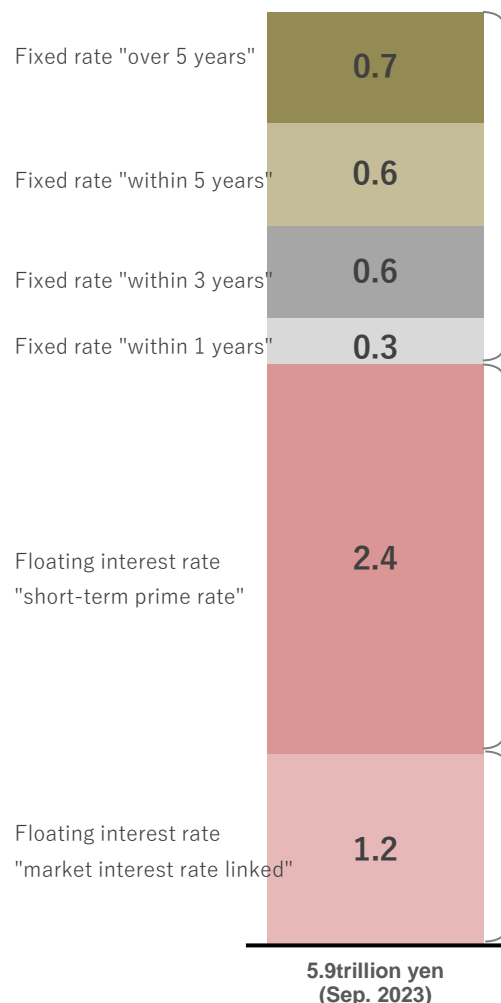
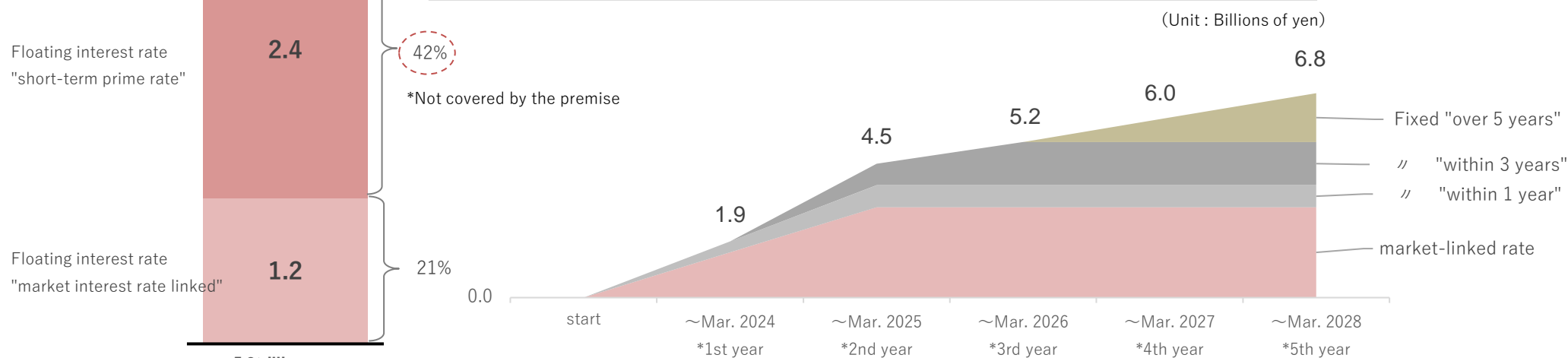
Effect of increased loans interest

Estimates the effect on interest revenue from market-rate-linked loans and fixed-rate loans (at the expiration of the fixed-rate period) due to a revision of the policy interest rate.
*Prime rate increase is not assumed in this sheet.

Premise I (Removal of negative interest rate policy) : policy interest rate -0.1%→0.0% (+10bp)



Premise II (Interest rates will be restored.) : policy interest rate 0.0%→0.25% (+25bp)



Status of earning assets and funds (Yen)

Floating interest rate of loans is about 70%. The rise in interest rates has a positive impact.

Deposits are mainly individuals "the insured deposit ratio is highly", and highly sticky.

【Loans】

- **Floating interest rate** of loans(5.9 trillion yen) is 66%

If the lending rate rise by 10bps, impact on loan interest will be about **+3.9 *billion yen / year**.

Floating interest rate of loans (market-linked + prime rate + fixed rate (~1y))
3.9trillion yen × 10bp

- Fixed rate loans by maturity remaining

by maturity remaining	~1y	1y~3y	3y~5y	5y~
ratio	13%	27%	29%	31%
balance (billion yen)	281.4	594.9	632.3	680.3

【Securities】

- Of securities held, **1%** for assets with foreign exchange currency risk. *only some of investment trusts

- Sensitivity analysis "impact to profit/ loss from valuation"

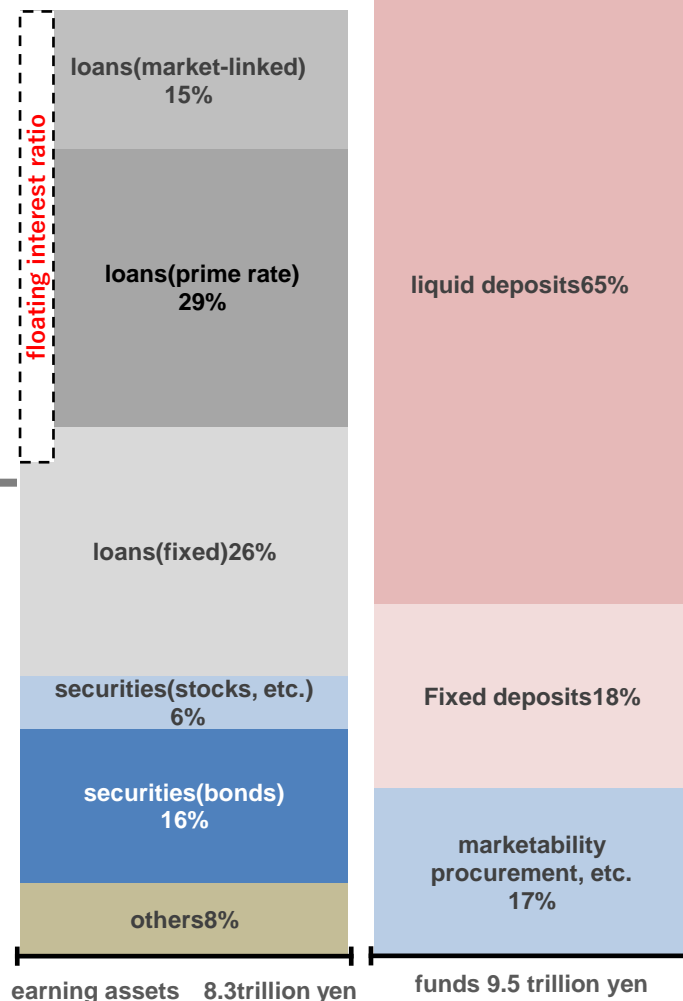
profit / loss from valuation -8.2 billion yen

(Of which, Japanese Yen assets 3.9 billion yen)

Estimated value for a 10 basis points rise in parallel in interest rates → **-5.4 billion yen**

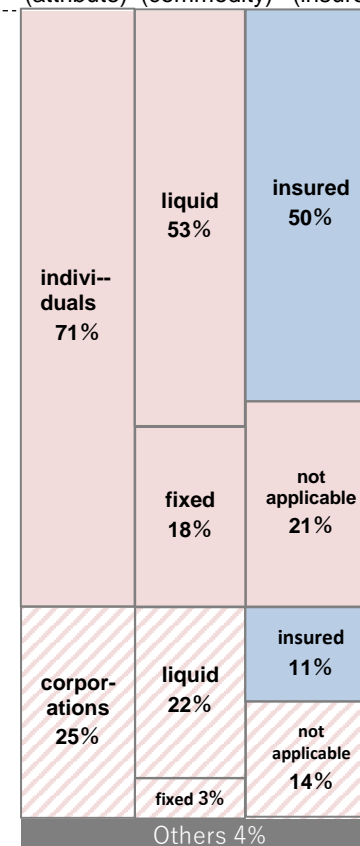
Estimated value if the stock price falls by → **-24.5 billion yen**

(end of Sep. 2023)



【Deposits】

domestic deposit(7.9 trillion yen) composition
(attribute) (commodity) (insured)



the total ratio of insured deposits is about 62%

※interest -free due from banks not included

Status of earning assets and funds (Foreign currency)

The bank sold all euro-denominated bonds during FY2022. Also the bank replaced U.S. dollar-denominated bonds. As a result, Yields are improving. In market procure, the bank began funding at fixed interest rates to prepare for the risk of rising interest rates.

【Loans】

- Loans are floating rate loans only.

【Securities】

- Sensitivity analysis "impact to profit/ loss from valuation"

profit / loss from valuation -8.2billion yen
(Of which, US \$ assets -12.1billion yen)

Estimated value for a 10 basis points rise in parallel in interest rates

→ **-2.3 billion yen**

Estimated value if the stock price falls by → **-2.6 billion yen**

Estimated value when exchange rate rises by 10% → **-2.0 billion yen**

(reference)

- Euro-denominated bonds

The bank sold all of its euro-denominated bonds for the FY2022.

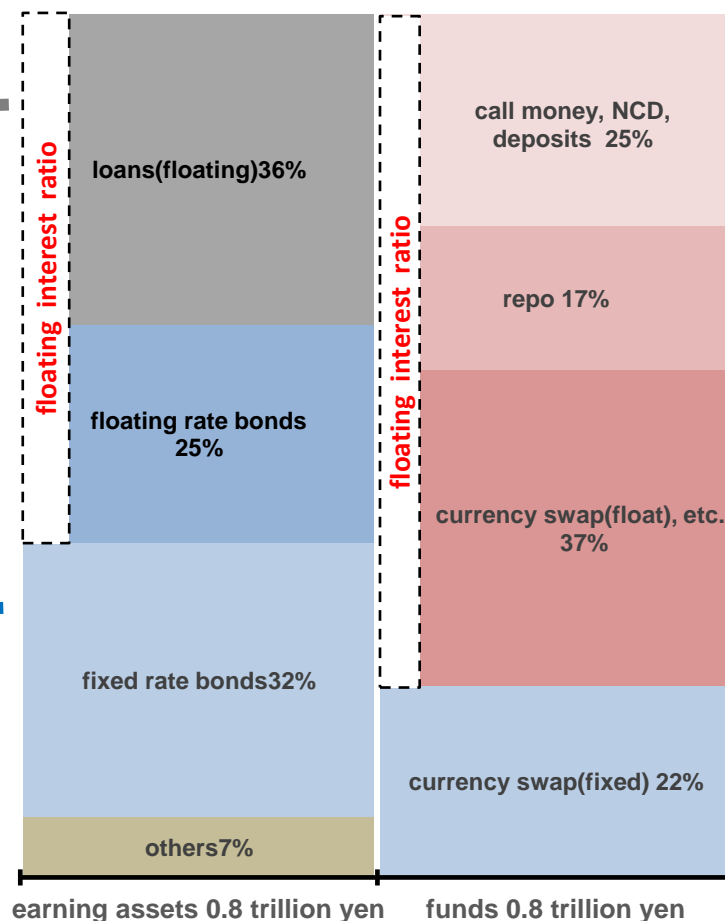
- Dollar-denominated fixed bonds

The bank replaced mainly GNMA bonds with lower interest rates.

yield on dollar-denominated fixed bonds improved to 4.98%

(YoY+1.12%)

(end of Mar. 2023)



【Market procure】

- The bank have introduced fixed-rate currency swap funding to prepare for the risk of rising interest rates.
*rise from 13%(Mar. 2023) to 22%

※short term funding with a maturity of one year or less are classified under "call money, NCD, deposits".

Profit and Loss conditions (consolidated)

(Unit : Billions of yen)

	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Core gross business profits	48.6	91.0	44.5	84.7	43.3	86.4	48.3	92.5	48.3	92.4	47.6
Net interest income	39.4	74.3	35.8	67.5	34.2	67.2	37.4	72.0	36.6	71.4	34.9
Non-interest business profit	9.1	16.7	8.7	17.1	9.0	19.1	10.8	20.5	11.7	21.0	12.7
Net fees and commissions income	7.4	13.1	6.6	12.4	6.7	13.2	7.4	13.3	7.6	14.4	10.0
Profit from other business transactions (excluding gains (losses) on bonds)	1.7	3.5	2.1	4.7	2.3	5.9	3.4	7.1	4.0	6.5	2.6
Expenses (-) (excluding non-recurrent expenses)	29.3	57.5	28.8	56.1	28.1	55.4	27.7	55.2	26.6	52.2	25.9
Core net business profit	19.3	33.4	15.7	28.5	15.2	30.9	20.6	37.3	21.7	40.2	21.7
*excluding gains/losses on cancellation of investment trusts	15.8	29.8	15.2	30.0	13.9	30.6	18.9	36.8	21.2	39.9	23.4
Gains or losses on investment securities	8.2	11.8	5.7	7.4	8.6	12.6	5.5	9.6	-1.7	-1.7	-3.5
Gains (losses) on bonds	-2.3	-2.7	1.2	0.5	2.8	3.1	0.7	-1.2	-18.1	-28.7	-21.7
Gains (losses) on stocks and other securities	10.6	14.5	4.4	6.9	5.8	9.4	4.7	10.8	16.3	27.0	18.2
Net credit costs (-)	1.6	8.7	2.6	4.8	6.5	22.4	2.9	8.3	2.3	1.2	-0.8
Others	-0.5	-0.8	0.0	0.4	-0.9	-1.0	0.4	0.4	0.6	1.0	0.6
Ordinary profit	25.3	35.7	18.8	31.5	16.4	20.0	23.6	39.1	18.2	38.3	19.6
Extraordinary income (losses)	-0.3	-0.4	-0.1	-0.6	0.1	-0.2	-1.2	0.6	1.2	0.5	-0.2
Total income taxes (-)	7.5	11.7	5.2	8.4	4.2	6.3	7.0	13.3	5.6	10.9	4.5
Profit	17.5	23.6	13.4	22.3	12.3	13.5	15.3	26.4	13.7	27.9	14.8
Profit attributable to non-controlling interests (-)	0.1	0.2	0.0	0.0	—	—	—	—	—	—	—
Profit attributable to owners of parent	17.4	23.3	13.4	22.2	12.3	13.5	15.3	26.4	13.7	27.9	14.8
<Various ratio>											
OHR *including gains/losses on cancellation of investment trusts (%)	60.3	63.2	64.7	66.3	64.8	64.1	57.4	59.6	55.0	56.4	54.3
OHR *excluding gains/losses on cancellation of investment trusts (%)	64.9	65.8	65.4	65.1	66.9	64.4	59.4	60.0	55.5	56.6	52.4
ROE (%)	6.4	4.4	5.0	4.4	4.8	2.6	5.5	4.9	5.4	5.3	5.7
<reference>											
Number of Group employees (person)	3,279	3,185	3,268	3,159	3,224	3,175	3,240	3,153	3,157	3,061	3,057
Of which, Bank's employees (person)	3,093	2,995	3,066	2,960	3,024	2,976	3,035	2,953	2,957	2,860	2,844

Profit and Loss conditions (non-consolidated)

	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
(Unit : Billions of yen)											
Core gross business profits	45.9	85.6	41.6	78.4	40.1	80.2	44.7	85.2	44.7	85.9	44.2
Net interest income	39.5	74.4	35.8	67.6	34.4	68.5	37.7	72.3	36.7	71.7	35.0
Of which, Interest on loans and discounts	28.7	57.6	28.8	57.0	27.1	54.2	26.7	53.5	28.1	58.7	33.6
Of which, Interest and dividends on securities	14.0	22.7	9.8	15.9	8.2	15.6	10.9	18.8	12.3	26.3	19.8
Of which, Gain (loss) on cancellation of investment trusts	3.4	3.6	0.4	-1.4	1.3	0.3	1.6	0.5	0.4	0.3	-1.6
Net fees and commissions	6.0	10.5	5.3	9.8	5.4	10.9	6.2	11.0	6.4	11.8	7.9
Others (excluding gain (loss) on bonds)	0.3	0.7	0.4	0.9	0.2	0.7	0.7	1.9	1.4	2.4	1.2
Expenses (-) (excluding non-recurrent expenses)	28.6	56.1	28.0	54.4	27.2	53.6	26.8	53.3	25.6	50.2	24.9
Personnel expenses	15.3	30.2	14.9	29.5	15.0	29.4	14.2	28.3	14.2	27.9	14.0
Non-Personnel expenses	11.3	22.7	11.1	22.0	10.4	21.1	10.9	22.1	9.9	19.5	9.5
Taxes	1.9	3.1	1.8	2.8	1.7	2.9	1.5	2.8	1.4	2.7	1.3
Core net business profit	17.3	29.5	13.6	24.0	12.9	26.6	17.9	31.9	19.0	35.6	19.2
Gains or losses on investment securities	8.2	11.7	5.7	5.4	8.6	12.5	5.5	9.6	-1.7	-1.7	-3.5
Gains (losses) on bonds	-2.3	-2.7	1.2	0.4	2.8	3.1	0.7	-1.2	-18.1	-28.7	-21.7
Gains (losses) on stocks and other securities	10.6	14.4	4.4	5.0	5.8	9.3	4.8	10.8	16.3	27.0	18.2
Net credit costs (-) i + ii - iii - iv	1.2	7.9	2.3	4.3	5.9	21.0	2.5	7.3	2.3	1.0	-1.1
Net transfer to general allowance for loan losses i	-1.2	0.3	-0.6	-1.1	4.3	14.5	0.1	-1.5	0.0	-1.8	-1.6]
Disposal of non-performing loans ii	2.5	7.6	3.0	5.4	1.6	6.4	2.4	8.9	2.3	2.9	0.1
Of which, Net transfer to specific allowance for loan losses	2.3	7.1	2.3	4.4	1.4	5.9	2.2	8.1	2.1	2.6	[0.2]
Reversal of allowance for loan losses iii	—	—	—	—	—	—	—	—	—	—	1.3
Recoveries of written off claims (-) iv	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-recurrent gains (losses)	-0.6	-1.3	-0.0	0.2	-1.0	-1.2	0.3	0.2	0.4	0.7	0.4
Ordinary profit	23.7	31.9	17.0	25.3	14.6	16.8	21.2	34.4	15.4	33.5	17.3
Extraordinary gains (losses)	-0.3	-0.4	-0.1	-0.6	0.1	-0.2	-1.2	0.6	1.2	0.6	-0.2
Total income taxes (-)	6.9	10.5	4.6	6.7	3.8	4.9	6.1	11.7	4.8	9.5	3.5
Profit	16.4	20.9	12.2	17.9	10.9	11.6	13.8	23.3	11.8	24.6	13.4

Status of Non-interest Business Profit (Consolidated)

(Unit : Millions of yen)

[Breakdown of Main subsidiary]	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Non-interest business profit	9,088	19,162	10,875	20,530	11,707	21,022	12,766
Of which, Gungin Securities	1,233	3,659	1,836	3,549	1,655	2,486	1,373
Of which, Gungin Leasing	1,327	2,685	1,374	2,770	1,339	2,578	1,277
Of which, Gunma Credit Guarantee *	1,273	2,545	1,267	2,517	809	1,613	783

[Breakdown of non-interest business profit] (Composition ratio on the right)	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Mar. 2023
Non-interest business profit	9,088	19,162	10,875	20,530	11,707	21,022	12,766
Corporate service revenue	1,050	2,983	1,808	4,325	2,984	6,008	3,432
Syndicate loans	220	624	346	602	399	917	643
Structured Covenant loans	154	343	171	493	204	418	229
Business matching	146	346	241	554	288	625	371
Financial instruments intermediation (including Gungin Securities) *	114	361	140	302	132	172	35
M & A	105	377	157	308	163	392	364
Private placement bonds	87	199	94	194	45	155	111
Derivatives (interest rate and foreign exchange)	166	537	542	1,581	1,500	2,574	788
Others (including Gungin Consulting) *	54	191	114	289	251	752	889
Deposit financial assets revenue	2,717	7,140	3,948	7,703	3,685	6,850	3,852
Investment trust	1,039	2,558	1,515	2,886	969	1,848	1,052
Insurance sales commissions (for individuals) *	501	1,159	652	1,344	1,043	2,386	1,284
Gungin Securities (for individuals)	1,118	3,297	1,695	3,246	1,523	2,314	1,338
Commissions for testamentary trust /Inheritance sorting	27	72	59	173	126	264	158
Trust fee	30	53	25	52	22	36	18
Others *	5,320	9,038	5,118	8,501	5,039	8,163	5,481
Of which, Base service commissions (domestic exchange, agency services, etc.)	4,208	8,452	4,240	7,974	3,997	8,014	3,997

* Based on the Medium-term business plan "Innovation for 'Purpose'" that started in April 2022, the Bank has partially changed the aggregation categories from FY2022.

Changes in Customer Service Business Profits

(Unit : Billions of yen)

	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Customer service business profit ratio (①÷②) ※	0.13%	0.14%	0.16%	0.16%	0.11%	0.12%	0.15%	0.13%	0.22%	0.25%	0.38%
①Customer service business profit (i + ii - iii)	4.6	9.2	5.4	11.1	4.2	9.2	5.9	10.6	8.8	19.8	15.5
Loan income (i) (See reference below)	27.9	56.3	28.2	56.0	26.9	53.9	26.6	53.2	27.7	57.6	32.2
Net fees and commissions income (ii)	6.0	10.5	5.3	9.8	5.4	10.9	6.2	11.0	6.4	11.8	7.9
General and administrative expenses (-) (iii)	29.4	57.6	28.1	54.6	28.2	55.6	26.9	53.6	25.3	49.6	24.6
②Average deposit balance	6,607.5	6,610.9	6,735.9	6,780.0	7,169.5	7,309.9	7,677.8	7,716.8	7,906.1	7,891.4	8,036.4

* Each interim period is annualized(365days ÷ 183days).

Core business profit (① + ③)	15.1	28.3	14.7	28.5	11.1	24.5	15.1	29	20.7	45.8	37
①Customer service business profit "see above"	4.6	9.2	5.4	11.1	4.2	9.2	5.9	10.6	8.8	19.8	15.5
③Interest and dividends on securities (excluding gains(losses) on cancellation of investment trusts)	10.5	19.1	9.3	17.4	6.9	15.2	9.2	18.3	11.8	26.0	21.5

<Reference>

Loan income (③×④) ※	27.9	56.3	28.2	56.0	26.9	53.9	26.6	53.2	27.7	57.6	32.2
③Deposit and loan direct profit margin (iv - v)	1.019%	1.027%	1.023%	1.014%	0.955%	0.948%	0.932%	0.935%	0.955%	0.988%	1.058%
Average yield on loans and bills discounted(1.045%	1.050%	1.044%	1.033%	0.962%	0.954%	0.936%	0.939%	0.967%	1.007%	1.105%
Average yield on deposit (v)	0.026%	0.023%	0.021%	0.019%	0.007%	0.006%	0.004%	0.004%	0.012%	0.019%	0.047%
④Average loan balance	5,473.8	5,491.3	5,509.5	5,523.1	5,634.8	5,689.0	5,694.8	5,700.0	5,799.6	5,835.5	6,077.6

* Each interim period is annualized(365days ÷ 183days).

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

(Unit : %)

[All branches]		Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Average yield on interest earning assets	(i)	1.19	1.13	1.07	1.01	0.94	0.91	0.85	0.81	0.92	1.00	1.24
Of which, Average yield on loans and bills discounted	(ii)	1.04	1.05	1.04	1.03	0.96	0.95	0.93	0.93	0.96	1.00	1.10
Of which, Average yield on securities		1.78	1.46	1.19	0.96	0.91	0.80	0.93	0.78	1.01	1.07	1.61
Funding yield	(iii)	0.10	0.09	0.08	0.08	0.03	0.02	0.01	0.01	0.08	0.15	0.37
Of which, Average yield on deposits and negotiable certificates of deposit	(iv)	0.03	0.03	0.03	0.03	0.01	0.00	0.00	0.00	0.02	0.03	0.05
Overall direct profit margin	(i)-(iii)	1.09	1.04	0.99	0.93	0.91	0.89	0.84	0.80	0.84	0.85	0.87
Deposit and loan direct profit margin	(ii)-(iv)	1.01	1.02	1.01	1.00	0.95	0.95	0.93	0.93	0.94	0.97	1.05
Ratio of expenses		0.82	0.81	0.79	0.76	0.72	0.70	0.67	0.67	0.62	0.61	0.60
Average interest rate spread		0.32	0.28	0.25	0.22	0.25	0.28	0.32	0.29	0.33	0.34	0.38

* Profit margins are calculated on the table.

(Unit : %)

[Domestic transactions]		Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Average yield on interest earning assets	(i)	1.08	1.02	0.97	0.91	0.89	0.85	0.81	0.77	0.79	0.80	0.78
Of which, Average yield on loans and bills discounted	(ii)	0.99	0.98	0.97	0.97	0.94	0.94	0.93	0.93	0.91	0.91	0.89
Of which, Average yield on securities		1.61	1.29	1.08	0.83	0.85	0.65	0.87	0.68	0.74	0.66	0.60
Funding yield	(iii)	0.01	0.01	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Overall direct profit margin	(i)-(iii)	1.07	1.01	0.97	0.91	0.89	0.85	0.81	0.77	0.79	0.80	0.78
Deposit and loan direct profit margin	(ii)-(iv)	0.98	0.98	0.97	0.97	0.94	0.94	0.93	0.93	0.91	0.91	0.89
Ratio of expenses		0.81	0.79	0.77	0.75	0.71	0.68	0.65	0.65	0.60	0.60	0.58
Average interest rate spread		0.30	0.26	0.23	0.20	0.23	0.25	0.30	0.27	0.28	0.29	0.29

* Profit margins are calculated on the table.

Changes in Average of Earning Assets and Funds Balance

(Unit : Billions of yen)

Average of earning assets balance [All branches]	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Earning assets in total	7,208.1	7,198.5	7,284.8	7,320.9	7,597.6	7,791.9	8,969.0	9,058.7	8,842.2	8,683.9	8,676.6
Loans	5,473.8	5,491.3	5,509.5	5,523.1	5,634.8	5,689.0	5,694.8	5,700.0	5,799.6	5,835.5	6,077.6
Of which, Large enterprises	653.4	657.1	648.9	652.8	681.6	675.4	695.6	696.8	763.3	789.5	922.4
Of which, Second-tier enterprises	116.5	116.8	104.4	99.9	97.8	96.2	92.5	90.2	83.6	81.6	76.7
Of which, SMEs	2,218.6	2,246.4	2,300.3	2,315.6	2,405.8	2,429.4	2,423.6	2,420.6	2,419.4	2,427.0	2,498.9
Of which, Individuals	2,260.3	2,273.9	2,302.6	2,304.6	2,306.8	2,307.7	2,317.1	2,321.8	2,339.3	2,347.4	2,377.7
Of which, Public loans	169.8	142.1	99.5	96.3	90.6	125.8	110.2	107.4	122.7	122.7	113.6
Securities	1,572.4	1,555.4	1,640.7	1,660.2	1,783.5	1,955.8	2,330.6	2,387.6	2,418.7	2,448.2	2,455.9
Others	161.9	151.7	134.5	137.5	179.3	147.0	943.5	970.9	623.8	400.1	142.9

* 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.

(Unit : Billions of yen)

Average of funds balance [All branches]	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Funds in total	7,391.8	7,409.4	7,626.0	7,668.0	8,216.3	8,827.0	10,403.7	10,514.0	10,099.2	9,884.2	10,192.2
Deposits	6,607.5	6,610.9	6,735.9	6,780.0	7,169.5	7,309.9	7,677.8	7,716.8	7,906.1	7,891.4	8,036.4
Of which, Individuals	4,865.7	4,885.8	4,958.3	4,995.9	5,179.3	5,249.5	5,419.8	5,456.6	5,553.3	5,572.0	5,628.9
Of which, Corporations	1,465.4	1,465.3	1,519.2	1,534.4	1,704.2	1,761.9	1,903.1	1,895.9	1,925.6	1,918.5	1,977.7
Liquid deposits	4,483.1	4,502.0	4,667.2	4,725.5	5,186.3	5,324.6	5,709.5	5,757.9	6,009.0	6,017.4	6,204.6
Fixed deposits	2,124.4	2,108.9	2,068.7	2,054.5	1,983.1	1,985.3	1,968.2	1,958.8	1,897.1	1,874.0	1,831.8
Call money	19.7	26.1	17.8	16.0	16.5	134.9	373.3	359.5	210.6	167.2	200.1
Borrowings	339.9	356.7	425.2	430.2	584.5	789.8	1,391.1	1,425.6	1,136.5	992.3	1,006.2
Others	424.7	415.5	447.0	441.7	445.7	592.2	961.3	1,011.9	845.7	833.1	949.3

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

Changes in Loans and Deposits (by Region)

(Unit : Billions of yen)

[Loans (ending balance)]	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Total (domestic branches)	5,491.6	5,512.7	5,509.2	5,548.0	5,650.2	5,695.3	5,671.7	5,757.8	5,786.8	5,974.0	6,156.1
*percentage indicates year-on-year change.		0.79%		0.64%		2.66%		1.10%		3.75%	
Gunma	2,347.7	2,356.8	2,356.7	2,372.1	2,429.2	2,439.6	2,436.7	2,431.2	2,421.7	2,441.2	2,454.6
Saitama	1,119.2	1,139.4	1,134.6	1,133.1	1,136.7	1,132.5	1,115.3	1,101.7	1,093.3	1,098.5	1,101.4
Tochigi	506.6	514.2	510.3	509.4	513.1	509.5	504.0	505.9	501.6	505.5	502.8
Tokyo,Kanagawa, and Osaka	1,305.7	1,299.8	1,301.5	1,320.9	1,362.9	1,404.5	1,404.3	1,508.7	1,527.4	1,646.5	1,742.2
Head Office, etc.	212.3	202.3	205.9	212.3	208.1	209.0	211.2	210.0	242.6	282.2	355.0

[Deposits (ending balance)]	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Total (domestic branches)	6,642.7	6,797.7	6,785.1	7,030.7	7,355.8	7,734.7	7,693.8	7,943.1	7,859.3	8,025.5	8,032.3
*percentage indicates year-on-year change.		2.18%		3.43%		10.01%		2.69%		1.04%	
Gunma	5,375.0	5,537.7	5,500.7	5,752.1	5,988.2	6,317.1	6,255.7	6,505.8	6,412.9	6,591.2	6,549.8
Saitama	655.6	654.5	654.2	662.4	708.4	731.2	733.1	739.6	743.2	740.3	759.3
Tochigi	365.3	364.9	364.1	369.8	391.4	400.0	405.6	400.1	406.6	397.7	409.2
Tokyo,Kanagawa, and Osaka	224.6	217.6	237.1	215.2	216.5	227.6	235.8	247.1	245.7	248.7	268.1
Head Office, etc.	22.0	22.8	28.9	30.9	51.1	58.6	63.4	50.4	50.6	47.4	45.7

Changes in Loans (by Type and by Size)

	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
(Unit : Billions of yen)											
Loans	5,549.5	5,565.4	5,557.3	5,602.3	5,702.3	5,749.6	5,733.9	5,818.1	5,861.1	6,049.7	6,244.7
Domestic branches	5,491.6	5,512.7	5,509.2	5,548.0	5,650.2	5,695.3	5,671.7	5,757.8	5,786.8	5,974.0	6,156.1
Corporations	2,976.7	2,991.5	2,986.3	3,022.3	3,139.6	3,169.4	3,117.5	3,188.3	3,175.9	3,306.0	3,397.3
Large enterprises	579.5	554.2	558.0	566.8	579.8	591.5	610.8	676.4	691.8	781.1	853.1
Second-tier enterprises	119.6	110.8	93.6	95.0	95.1	90.8	89.7	81.0	77.4	76.1	71.1
SMEs	2,277.5	2,326.4	2,334.6	2,360.4	2,464.6	2,487.0	2,416.9	2,430.8	2,406.6	2,448.6	2,473.0
Of which, Excluding strategic branch offices	2,140.5	2,195.1	2,215.5	2,235.8	2,330.6	2,340.7	2,314.8	2,313.2	2,287.7	2,315.5	2,337.4
Public entities	102.4	97.8	94.7	87.6	86.3	92.4	110.8	116.7	112.2	110.2	105.9
Regional public corporations	1.8	2.5	1.7	2.4	1.8	2.3	2.0	2.3	1.6	3.1	2.3
Municipal authorities	100.5	95.3	93.0	85.1	84.5	90.0	108.8	114.4	110.6	107.1	103.6
Central government	22.6	—	—	—	—	—	—	—	—	—	—
Individuals	2,281.8	2,305.6	2,309.5	2,314.7	2,307.5	2,316.6	2,324.7	2,337.0	2,351.0	2,373.7	2,394.6
Housing-related loans	2,207.3	2,230.2	2,228.3	2,233.3	2,229.1	2,237.3	2,246.2	2,257.0	2,269.8	2,288.5	2,288.5
Housing loans	1,316.3	1,317.0	1,313.7	1,312.4	1,314.9	1,328.7	1,341.2	1,355.4	1,367.4	1,381.6	1,398.4
Apartment loans	613.3	631.6	641.7	651.4	649.7	649.8	649.4	650.0	653.6	660.1	666.8
Others	277.6	281.5	272.8	269.4	264.4	258.7	255.5	251.5	248.7	246.7	223.2
Unsecured consumer loans	50.0	51.5	53.2	54.6	53.7	54.7	55.4	57.3	58.7	62.9	66.6
Other loans to individuals	24.5	23.9	27.9	26.7	24.6	24.4	23.0	22.5	22.4	22.2	39.5
Cross-border loans, etc.	107.9	117.6	118.5	123.3	116.6	116.7	118.5	115.7	147.7	183.9	258.2
Overseas branch	57.9	52.7	48.0	54.2	52.1	54.2	62.1	60.2	74.2	75.6	88.5

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

Chagens in Loans to SMEs (by Industry)

(Unit : Billions of yen)

	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Manufacturing	444.5	453.2	457.9	463.2	480.8	482.1	475.6	472.8	475.1	480.6	485.0
Gunma	265.1	268.3	276.4	279.1	296.3	300.3	297.1	298.0	300.1	301.4	305.9
Saitama	90.4	93.8	92.2	93.6	92.0	91.3	88.9	85.0	83.8	84.3	83.2
Tochigi	61.3	62.6	61.3	62.8	63.6	62.1	61.4	62.1	63.3	66.0	66.0
Tokyo and Kanagawa	22.5	22.8	22.3	21.8	23.0	22.6	22.6	22.4	22.1	22.3	22.7
Others	5.2	5.6	5.6	5.6	5.7	5.7	5.4	5.0	5.6	6.5	7.1
Construction	159.9	168.0	159.9	165.0	176.2	188.6	183.1	185.5	181.1	187.8	181.7
Gunma	95.7	101.9	97.8	102.8	109.2	118.0	112.2	114.5	108.9	115.0	109.9
Saitama	30.1	30.9	27.5	28.5	29.8	30.5	30.6	30.7	30.6	30.6	30.6
Tochigi	17.8	18.5	17.6	17.4	19.8	21.9	21.8	21.6	21.7	22.2	21.5
Tokyo and Kanagawa	14.9	15.2	15.3	14.1	15.1	15.2	15.8	15.9	17.4	17.5	17.4
Others	1.4	1.5	1.7	2.0	2.2	2.7	2.4	2.6	2.4	2.3	2.1
Wholesaling and retailing	323.7	324.2	336.4	332.1	350.6	352.7	352.2	355.3	352.9	358.6	367.0
Gunma	173.2	168.3	180.2	177.1	186.5	189.7	191.4	193.9	196.9	197.0	202.1
Saitama	72.6	74.5	76.5	76.5	83.0	83.5	80.3	78.4	74.9	79.0	78.0
Tochigi	35.4	36.0	35.8	35.7	37.7	38.1	38.8	40.5	40.3	41.6	41.7
Tokyo and Kanagawa	38.2	41.2	39.7	38.3	39.2	37.6	38.0	38.7	37.2	37.7	41.7
Others	4.3	4.2	4.2	4.3	3.9	3.7	3.6	3.5	3.3	3.1	3.2
Real estate	456.6	469.5	465.0	464.8	452.8	448.7	438.3	441.9	450.3	459.8	477.4
Gunma	120.4	124.3	123.5	126.9	126.0	128.3	127.1	128.6	127.8	131.3	130.8
Saitama	151.1	155.6	155.6	155.4	151.3	148.4	139.4	139.0	139.9	140.2	141.8
Tochigi	52.4	53.9	52.9	51.1	49.7	48.0	47.0	48.1	48.1	48.8	50.1
Tokyo and Kanagawa	129.2	132.1	128.8	127.1	121.1	119.2	120.1	120.8	129.3	134.1	149.0
Others	3.5	3.6	4.2	4.1	4.4	4.7	4.5	5.2	5.0	5.2	5.4
Healthcare and public welfare	261.3	267.3	269.4	271.0	293.5	292.6	289.9	291.1	285.0	283.5	282.9
Gunma	113.7	114.4	114.2	115.7	124.8	122.7	122.5	122.3	118.3	116.7	116.2
Saitama	63.7	64.9	64.9	62.8	65.8	64.5	64.2	65.6	64.7	64.5	64.9
Tochigi	14.0	14.4	14.6	14.9	15.5	15.2	15.1	14.8	14.5	14.6	14.5
Tokyo and Kanagawa	67.1	70.6	73.0	74.8	84.7	87.2	86.6	87.0	86.1	86.3	85.9
Others	2.8	2.9	2.7	2.6	2.6	2.6	1.3	1.3	1.3	1.3	1.2
Other services	232.0	238.8	241.5	238.1	266.4	268.4	264.3	260.7	247.3	247.7	246.3
Gunma	125.5	129.9	130.1	129.2	148.1	151.1	148.8	147.7	138.6	139.4	139.7
Saitama	49.5	50.2	49.9	49.4	53.5	54.7	53.7	50.9	49.1	50.2	48.7
Tochigi	27.1	28.6	30.1	29.2	31.2	31.7	30.7	30.5	28.4	28.8	28.4
Tokyo and Kanagawa	27.3	27.4	29.5	28.3	31.3	28.6	28.8	28.5	28.2	26.3	26.4
Others	2.6	2.6	1.8	1.9	2.1	2.2	2.2	2.9	2.9	2.9	2.8

Status of Housing-related Loans

(Unit : Billions of yen)

[outstanding loan by region]	Mar. 2018	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Housing loans	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	1,367.4	1,381.6	1,398.4
Gunma	706.7	703.4	701.5	698.3	698.1	699.2	709.3	721.7	728.9	747.1	760.3	772.8
Saitama	327.7	327.7	326.5	324.1	320.9	318.8	318.2	317.0	317.4	317.2	317.8	319.4
Tochigi	116.5	115.8	114.4	113.1	111.2	110.1	108.9	107.7	107.3	104.7	103.5	102.0
Tokyo and Kanagawa	163.7	169.4	174.4	178.0	182.0	186.6	192.2	194.6	195.2	198.2	199.8	204.1
Apartment loans	593.4	613.3	631.6	641.7	651.4	649.7	649.8	649.4	647.9	653.6	660.1	666.8
Gunma	255.6	257.8	259.3	259.6	259.9	256.7	250.4	247.5	245.4	243.1	241.4	239.8
Saitama	135.4	141.4	147.7	150.2	154.0	154.2	158.8	160.2	160.8	163.8	166.0	170.5
Tochigi	110.0	112.4	114.6	116.1	116.0	115.5	115.2	114.2	113.5	112.3	111.8	110.6
Tokyo and Kanagawa	92.3	101.6	109.8	115.6	121.3	123.1	125.3	127.3	128.0	134.3	140.7	145.7

[Status of loans for investment real estate]	Mar. 2021				Mar. 2022				Mar. 2023			
	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	5,749.6	68.5	1.2%	100.0%	5,818.1	68.5	1.2%	100.0%	6,049.7	231.5	4.0%	100.0%
Of which, for investment real estate	1,021.8	-16.6	-1.6%	17.8%	999.2	-22.5	-2.2%	17.2%	998.6	-0.5	-0.1%	16.5%
Of which, whole building	211.5	-9.3	-4.2%	3.7%	197.0	-14.5	-6.9%	3.4%	186.4	-10.6	-5.4%	3.1%
Of which, asset management companies	57.4	-1.7	-3.0%	1.0%	53.6	-3.8	-6.6%	0.9%	50.9	-2.6	-4.9%	0.8%
Of which, salaried workers	31.5	-0.1	-0.6%	0.5%	31.2	-0.2	-0.9%	0.5%	29.1	-2.1	-6.9%	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. 2022				Mar. 2023				[Default rate]		
	Total	Maebashi city	Takasaki city	Tokyo and Kanagawa	Total	Maebashi city	Takasaki city	Tokyo and Kanagawa		Mar. 2022	Mar. 2023
Vacancy rate (%)	3.4	5.8	3.8	1.8	2.8	4.5	2.8	2.1	For investment real estate	0.25%	0.01%
DSCR (times)	1.36	1.33	1.36	1.47	1.35	1.35	1.36	1.44	Of which, apartment loans	0.04%	0.02%

* Cases in inheritance proceedings are excluded.

Status of Investment in Securities

(Unit : Millions of yen)

[Breakdown of gains or losses on investment securities]	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Gains or losses on investment securities	12,547	5,549	9,641	-1,740	-1,768	-3,562
Gains (losses) on bonds	3,193	742	-1,216	-18,139	-28,793	-21,781
Gain on sales	3,652	3,547	4,453	3,158	3,220	1,216
Gain on redemption	29	—	—	—	—	—
Loss on sales (-)	489	2,805	5,670	21,044	31,483	22,625
Loss on redemption (-)	—	—	—	252	530	371
Loss on devaluation (-)	—	—	—	—	—	1
Gains (losses) on stocks and other securities	9,354	4,807	10,858	16,398	27,025	18,219
Gain on sales	12,310	6,076	14,634	17,360	28,578	19,003
Loss on sales (-)	2,933	1,194	3,701	814	1,382	784
Loss on devaluation (-)	21	74	74	146	170	—

(Unit : Billions of yen)

[Breakdown of other securities]	Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023	
	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	2,297.4	(100.9)	2,363.5	(104.3)	2,450.9	(45.7)	2,372.4	(-14.5)	2,618.3	(-6.6)	2,323.5	(-8.2)
Domestic bonds	1,630.3	(3.4)	1,783.9	(6.4)	1,761.7	(-13.8)	1,728.1	(-32.9)	1,780.0	(-34.7)	1,376.1	(-36.0)
Government bonds	680.7	(-1.5)	838.6	(1.2)	801.6	(-13.1)	775.8	(-27.7)	811.7	(-27.8)	406.1	(-19.7)
Municipal bonds	745.6	(4.5)	747.5	(4.0)	764.1	(0.0)	761.1	(-3.1)	772.2	(-3.8)	773.2	(-10.1)
Corporate bonds	203.9	(0.4)	197.7	(1.0)	195.9	(-0.6)	191.1	(-2.1)	196.0	(-2.9)	196.7	(-6.1)
Stocks	111.4	(83.9)	130.8	(83.3)	128.0	(67.7)	130.8	(49.8)	145.9	(54.5)	145.3	(62.7)
Investment trusts	205.8	(9.2)	163.0	(7.2)	187.1	(-0.2)	150.6	(-16.7)	253.3	(-26.3)	261.7	(-23.0)
Foreign securities	345.3	(3.8)	280.5	(6.6)	367.6	(-8.3)	356.1	(-15.1)	432.5	(-0.4)	534.4	(-12.1)
Yen-denominated securities	4.1	(0.0)	4.1	(0.0)	4.1	(0.0)	4.1	(0.0)	4.1	(0.0)	6.6	(0.0)
Foreign-currency securities	341.1	(3.8)	276.3	(6.6)	363.4	(-8.3)	351.9	(-15.1)	428.3	(-0.4)	527.7	(-12.1)
Others	4.3	(0.3)	5.0	(0.6)	6.3	(0.4)	6.7	(0.4)	6.4	(0.4)	5.8	(0.2)

[Bond average yield and duration]	Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023	
	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 (%)	0.31	1.33	0.29	1.19	0.25	1.27	0.25	2.18	0.26	3.18	0.35	5.35
Modified duration (year)	7.24	4.24	7.86	4.03	8.08	5.36	7.91	3.69	7.59	3.19	6.09	4.01

Status of Marketing Capability for Personal Deposit Financial Assets

(Unit : Billions of yen)							
[Balance of deposit financial assets]	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Individuals	834.5	870.7	901.5	926.0	940.1	966.1	1,012.3
Investment trust	224.2	244.5	256.7	255.7	238.0	241.2	261.2
Pension insurance, etc.	469.8	474.8	481.4	492.5	512.6	520.7	553.9
Public bonds (JGBs)	39.1	37.1	36.3	33.3	30.0	27.4	25.7
Gungin Securities (directly sale and intermediation)	101.3	114.1	127.0	144.4	159.4	176.6	171.3
Corporations, etc.	61.5	65.1	71.6	80.6	88.6	93.0	89.1
Bank, non-consolidated	15.8	14.5	14.6	14.6	14.6	15.3	17.4
Gungin Securities (directly sale and intermediation)	45.6	50.5	57.0	65.9	74.0	77.7	71.6
Total	896.1	935.8	973.2	1,006.6	1,028.8	1,059.2	1,101.4

[Sales amount for marketing capability for deposit financial assets]	Mar. 2022			Mar. 2023			Mar.2024
	First half	Second half	Total	First half	Second half	Total	First half
Investment trust	48.9	40.2	89.1	26.5	24.1	50.7	38.1
Pension insurance, etc.	20.4	22.3	42.7	30.9	36.5	67.5	33.0
Public bonds (JGBs)	15.5	15.9	31.4	18.5	13.0	31.5	8.8
Gungin Securities (directly sale and intermediation)	61.1	56.0	117.1	57.5	38.1	95.6	61.2
Total	146.0	134.5	280.5	133.5	111.9	245.4	141.2

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

*2 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 Disclosed Claims under the Financial Reconstruction Law ("FRL") and the Self - Assessment Guideline

(Unit : Billions of yen)												
[Breakdown of disclosed claims under the FRL by industry]	Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023	
Disclosed Claims under the FRL (Composition ratio on the right)	134.0	100.0%	119.9	100.0%	120.3	100.0%	115.4	100.0%	110.7	100.0%	106.6	100.0%
Of which, Manufacturing	41.5	31.0%	30.1	25.1%	35.2	29.3%	33.9	29.4%	33.2	30.1%	32.6	30.6%
Of which, Wholesaling and retailing	22.1	16.5%	21.2	17.7%	18.5	15.4%	17.4	15.1%	16.7	15.1%	15.8	14.9%
Of which, Healthcare and public welfare	14.9	11.2%	12.3	10.3%	13.0	10.9%	12.8	11.2%	13.2	12.0%	13.2	12.4%
Of which, Real estate and goods rental	10.8	8.1%	10.5	8.8%	10.2	8.5%	8.8	7.7%	8.6	7.8%	7.6	7.1%
Of which, Other services	19.8	14.8%	21.4	17.9%	20.0	16.7%	20.0	17.4%	16.6	15.1%	15.5	14.6%

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

* Only loans are covered.

[Ratio of Disclosed Claims under the FRL]	Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023
Ratio of Disclosed Claims under the FRL	2.33%		2.09%		2.03%		1.94%		1.81%		1.69%
* The ratio of Disclosed Claims under the FRL in the case where partial direct write-offs are executed	2.00%		1.77%		1.73%		1.68%		1.55%		1.39%

[Credit balance by borrower classification under the self-assessment guideline]	Mar. 2021		Sep. 2021		Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023	
Total	5,824.1	100.0%	5,814.3	100.0%	5,905.5	100.0%	5,926.2	100.0%	6,108.6	100.0%	6,305.4	100.0%
Normal borrowers	5,148.9	88.4%	5,131.0	88.2%	5,237.1	88.7%	5,288.6	89.2%	5,492.1	89.9%	5,730.7	90.9%
Borrowers requiring caution	511.4	8.8%	502.9	8.7%	478.0	8.1%	456.1	7.7%	442.5	7.2%	402.9	6.4%
Potentially bankrupt borrowers	45.1	0.8%	43.4	0.7%	48.3	0.8%	45.5	0.8%	41.6	0.7%	37.2	0.6%
Effectively bankrupt borrowers	19.8	0.3%	19.1	0.3%	16.8	0.3%	15.5	0.3%	15.9	0.3%	20.9	0.3%
Bankrupt borrowers	8.4	0.1%	8.9	0.2%	10.5	0.2%	9.6	0.2%	9.0	0.1%	9.7	0.2%
Others (municipal authorities, etc.)	90.2	1.6%	108.9	1.9%	114.5	1.9%	110.6	1.9%	107.1	1.8%	103.6	1.6%

Status of Transition in Loans by Borrower Category

[numbers of borrowers] (Unit : ahead)			Sep. 2023								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
Mar. 2023	Normal borrowers	21,910	20,498	552	13	3	11	3	830	830	—	—	582
	Expected loss (i)	6,141	513	5,283	20	32	35	16	242	242	—	513	103
	Expected loss (ii)	492	16	20	419	21	4	3	9	9	—	36	28
	Potentially bankrupt borrowers	529	—	5	4	490	18	4	8	8	—	* Below potentially bankrupt borrowers	
	Effectively bankrupt borrowers	242	—	—	—	1	177	5	59	31	28	9	—
	Bankrupt borrowers	74	—	—	—	—	—	45	29	7	22		
	Total	29,388	21,027	5,860	456	547	245	76	1,177	1,127	50	558	713

[Amount] (Unit : Billions of yen)			Sep. 2023								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
Mar. 2023	Normal borrowers	3,174.8	3,117.3	21.8	1.3	0.1	0.4	1.4	32.3	32.3	—	—	25.1
	Expected loss (i)	293.9	35.9	249.7	1.6	1.6	1.0	0.7	3.1	3.1	—	35.9	5.0
	Expected loss (ii)	80.0	4.2	4.1	68.9	1.9	0.5	0.1	0.0	0.0	—	8.4	2.6
	Potentially bankrupt borrowers	38.4	—	0.3	0.0	31.1	6.5	0.1	0.0	0.0	—	* Below potentially bankrupt borrowers	
	Effectively bankrupt borrowers	13.5	—	—	—	0.0	11.0	0.2	2.2	1.2	1.0		
	Bankrupt borrowers	8.8	—	—	—	—	—	7.8	1.0	0.2	0.7		
	Total	3,609.7	3,157.5	276.1	71.9	34.8	19.6	10.5	39.0	37.2	1.8	44.8	32.8

(Notes) 1. What is shown here is transition in borrower categories from the end of March 2022 to the end of September 2023.

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. "Others" in the table above is the number of borrowers who have resolved outstanding balances in FY2023 by full collection or repayment, final disposal (such as sale of loans), or other means. The table below calculates the reduced amount.

4. 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

(Unit : Billions of yen)

[Consolidated]	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Total capital	540.1	529.9	557.4	505.7	536.4	564.9	574.9	541.3	507.4	529.9	523.9
Common equity Tier1 capital	505.5	495.6	512.9	454.5	485.1	513.8	523.7	490.1	458.4	478.7	482.8
Other Tier1 capital	3.0	2.7	2.9	—	—	—	—	—	—	—	—
Tier2 capital	31.5	31.5	41.6	51.2	51.2	51.1	51.1	51.2	49.0	51.1	41.1
Risk assets	4,157.1	4,325.8	4,296.8	4,232.1	4,265.9	4,433.4	4,352.9	4,362.2	4,146.2	3,834.6	3,901.3
Total capital ratio	12.99%	12.25%	12.97%	11.95%	12.57%	12.74%	13.20%	12.40%	12.23%	13.82%	13.43%
Tier1 ratio	12.23%	11.52%	12.00%	10.74%	11.37%	11.58%	12.03%	11.23%	11.05%	12.48%	12.37%
Common equity Tier1 ratio	12.16%	11.45%	11.93%	10.74%	11.37%	11.58%	12.03%	11.23%	11.05%	12.48%	12.37%
* excluding valuation difference on available-for-sale securities	(10.04%)	(9.65%)	(9.85%)	(9.99%)	(10.18%)	(9.97%)	(10.33%)	(10.46%)	(11.05%)	(12.48%)	(12.37%)

*deduct if valuation difference on available-for-sale securities are positive.

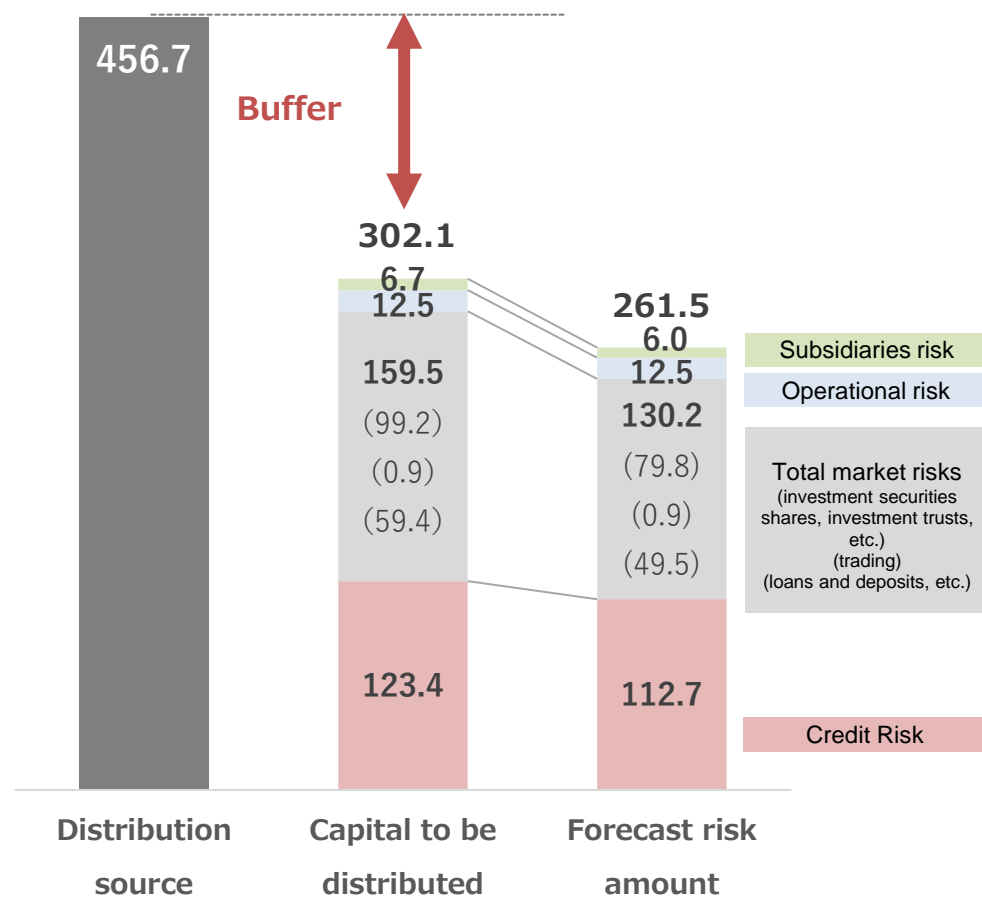
[Non-consolidated]	Sep. 2018	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023
Total capital	513.7	504.8	530.9	483.4	512.2	533.6	542.0	506.0	466.0	492.0	484.6
Common equity Tier1 capital	483.7	474.7	490.9	433.4	462.1	483.5	491.9	456.3	421.4	442.0	444.6
Tier2 capital	30.0	30.0	40.0	50.0	50.0	50.1	50.0	49.6	44.6	50.0	40.0
Risk assets	4,095.5	4,263.2	4,230.2	4,175.5	4,209.7	4,378.2	4,292.6	4,300.2	4,072.8	3,718.0	3,780.3
Total capital ratio	12.54%	11.84%	12.55%	11.57%	12.16%	12.18%	12.62%	11.76%	11.44%	13.23%	12.82%
Tier1 ratio	11.81%	11.13%	11.60%	10.37%	10.97%	11.04%	11.46%	10.61%	10.34%	11.88%	11.76%
Common equity Tier1 ratio	11.81%	11.13%	11.60%	10.37%	10.97%	11.04%	11.46%	10.61%	10.34%	11.88%	11.76%
* excluding valuation difference on available-for-sale securities	(9.68%)	(9.32%)	(9.51%)	(9.64%)	(9.80%)	(9.43%)	(9.76%)	(9.86%)	(10.34%)	(11.88%)	(11.76%)

*deduct if valuation difference on available-for-sale securities are positive.

Status of Capital Distribution

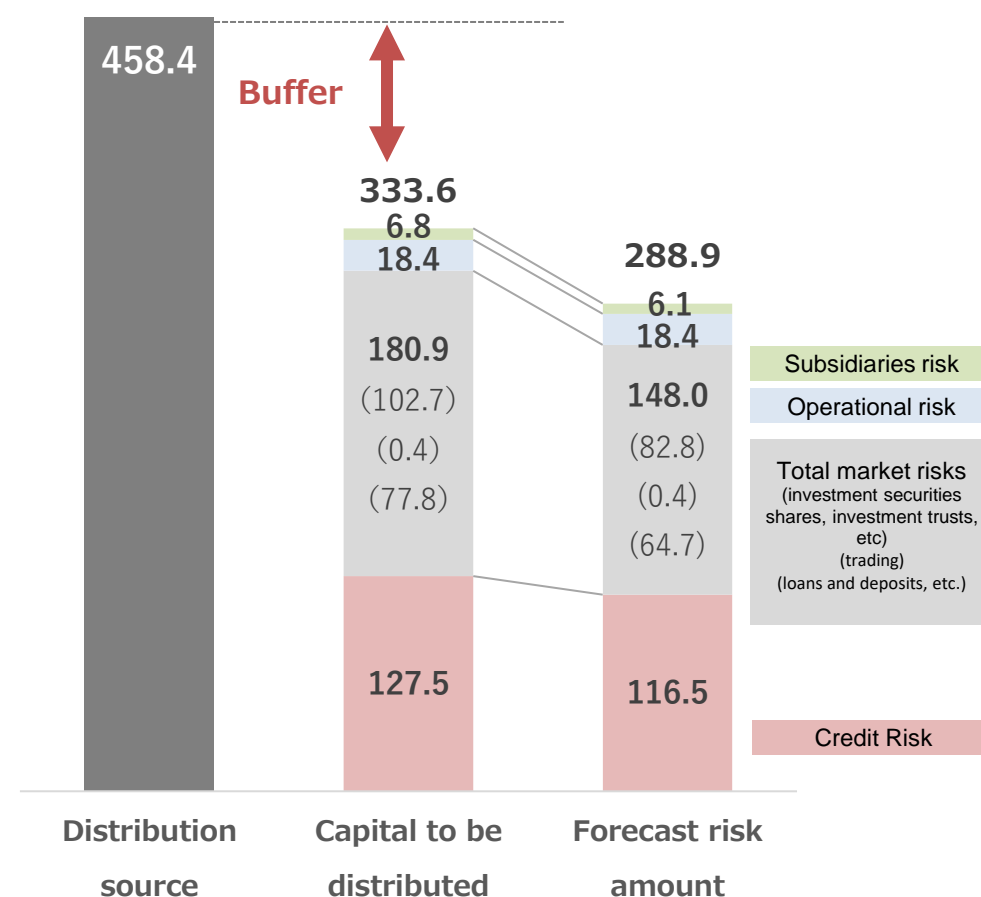
Second half of FY2022

(Unit : Billions of yen)



First half of FY2023

(Unit : Billions of yen)



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 gains/losses from valuation, etc."

Status of Shareholders

(Unit : 1,000 shares)

[Shareholder composition]	Mar. 2020		Mar. 2021		Mar. 2022		Mar. 2023		Sep. 2023	
	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	153,409	35.19%	157,158	36.05%	142,105	33.37%	134,233	31.52%	135,688	31.86%
Securities companies	4,509	1.04%	5,828	1.34%	10,296	2.42%	8,733	2.05%	7,687	1.80%
Other domestic corporations	78,415	17.99%	75,818	17.39%	74,055	17.39%	71,496	16.79%	70,103	16.46%
Government and municipalities	8,332	1.91%	8,332	1.91%	8,332	1.96%	8,335	1.96%	8,335	1.96%
Foreign corporations/ Foreign individuals	77,547	17.79%	75,082	17.23%	72,552	17.03%	79,016	18.55%	77,450	18.19%
Individuals/others (employees,etc.)	97,297	22.32%	98,118	22.51%	103,320	24.26%	104,728	24.59%	97,534	22.90%
Treasury shares	16,375	3.76%	15,548	3.57%	15,224	3.57%	19,344	4.54%	29,088	6.83%
Total	435,888	100%	435,888	100%	425,888	100%	425,888	100%	425,888	100%

(Unit : 1,000 shares)

[Status of major shareholders (Mar. 2023)]	Ownership of shares	Ratio of shareholding	[Status of major shareholders (Sep. 2023)]	Ownership of shares	Ratio of shareholding
The Master Trust bank of Japan, Ltd. (Account in trust)	57,338	14.10%	The Master Trust bank of Japan, Ltd. (Account in trust)	59,106	14.89%
Custody Bank of Japan, Ltd. (Account in trust)	20,074	4.93%	Custody Bank of Japan, Ltd. (Account in trust)	24,262	6.11%
Gunma Bank Employees' Shareholding Association	13,019	3.20%	Gunma Bank Employees' Shareholding Association	12,532	3.15%
Sumitomo Life Insurance Company	10,657	2.62%	Sumitomo Life Insurance Company	10,657	2.68%
Meiji Yasuda Life Insurance Company	10,504	2.58%	Meiji Yasuda Life Insurance Company	9,398	2.36%
Toyo Seikan Group Holdings, Ltd.	7,330	1.80%	Toyo Seikan Group Holdings, Ltd.	7,330	1.84%
Nippon Life Insurance Company	6,467	1.59%	Nippon Life Insurance Company	6,467	1.62%
DFA INTL SMALL CAP VALUE PORTFOLIO	5,541	1.36%	JP MORGAN CHASE BANK 385781	5,407	1.36%
JP MORGAN CHASE BANK 385781	5,397	1.32%	Custody Bank of Japan, Ltd. (Account in trust 4)	5,222	1.31%
Custody Bank of Japan, Ltd. (Account in trust 4)	5,319	1.30%	STATE STREET BANK AND TRUST COMPANY 505103	5,215	1.31%
Total	141,649	34.84%	Total	145,600	36.69%

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

Changes in total shareholders return

The Bank is setting a target of **40% of the profit** for the shareholders return ratio. From the fiscal year ended Mar. 31, 2023, the Bank changed its profit, which is the basis for shareholder returns, from **a non-consolidated basis** to **a consolidated basis**.

		Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	(Unit : Millions of yen)	
							Mar. 2023	Mar. 2024(plan) *1
<Amount of return>								
Total amount of shareholders return	③=①+②	10,444	8,785	8,453	5,464	9,318	14,352	11,700
Total amount of dividends	①	5,655	5,584	5,453	5,464	5,818	7,352	8,700
Total amount of acquisition treasury shares *2	②	4,789	3,201	3,000	—	3,499	6,999	3,000
<Various ratio>								
(Consolidated)							<div> <div>Non-consolidated basis</div> <div>change of shareholder return policy</div> <div>Consolidated basis</div> </div>	
Shareholder return ratio	③÷④	36.8%	37.7%	37.9%	40.5%	35.2%	51.4%	42%
Dividend payout ratio	①÷④	19.9%	24.0%	24.6%	40.4%	22.1%	26.4%	31%
※Profit attributable of owners of parent	④	28,366	23,321	22,280	13,501	26,436	27,933	28,000
(Non-consolidated)								
Shareholder return ratio	③÷⑤	40.1%	41.9%	47.1%	46.8%	39.9%	58.3%	47%
Dividend payout ratio	①÷⑤	21.7%	26.7%	30.6%	46.7%	25.0%	29.9%	35%
※Profit	⑤	26,056	20,972	17,918	11,680	23,378	24,622	25,000
<Per share information>								
(Consolidated)								
EPS		65.27yen	54.12yen	52.79yen	32.14yen	63.33yen	68.19yen	70.28yen
BPS		1,221.04yen	1,232.16yen	1,162.64yen	1,303.93yen	1,288.78yen	1,268.77yen	—
(Non-consolidated)								
EPS		59.96yen	48.67yen	42.45yen	27.81yen	56.01yen	60.11yen	62.75yen
BPS		1,182.75yen	1,189.98yen	1,122.21yen	1,230.11yen	1,200.18yen	1,164.42yen	—
(Dividends)								
Annual cash dividends		13.00yen	13.00yen	13.00yen	13.00yen	14.00yen	18.00yen	22.00円
Interim cash dividends		6.00yen	6.00yen	6.00yen	6.00yen	7.00yen	8.00yen	10.00円
Year-end cash dividends		7.00yen	7.00yen	7.00yen	7.00yen	7.00yen	10.00yen	12.00円
(Total number of issued share)		460,888,177shares	453,888,177shares	435,888,177shares	435,888,177shares	425,888,177shares	425,888,177shares	—

* 1 Premise (Mar. 2024(plan)) : Total amount of dividends(Calculated based on the number of shares as of Sep. 2023) , Treasury shares (Up to a maximum of 3 billion yen to be repurchased)

* 2 *In calculating the shareholder return ratio, the amount of treasury shares buybacks is calculated based on the amount of shares buybacks during the one-year period starting from the date of the annual general meeting of shareholders.

Branch Office Network



Status of Overseas Bases

- As an overseas base that supports the overseas expansion of the automotive industry in the Gunma Prefecture, our New York branch is the only one of the three regional banks to have a branch in New York.

► New York Branch

● Overview

[Establishment] Established in 1988 to support the expansion of SUBARU and other automobile-related companies from the prefecture into the North American market.

[Operations] There are currently 12 employees (including local staff), mainly engaged in lending and market operations.

[Staff] Employees with experience gained at the branch are active in a wide range of areas such as support for borderless corporate activities, market operations, and planning.

● Branch financial status and profit / loss status

- The main operations are loans and investment in floating rate bonds. The main sources of funding are market funding, etc.

(Unit : left column Million \$, right column Billion ¥)

Earning assets balance	1,341	200.6	Funds balance	1,341	200.6
Foreign loans	578	86.5	Short-term market procurement	440	65.8
Foreign securities	740	110.7	Repo	469	70.2
(floating rate bond)			interoffice borrow ing	378	56.5

- The branch has a stable profit of 1 to 2 million dollars every period.

(Unit : Millions of dollars)

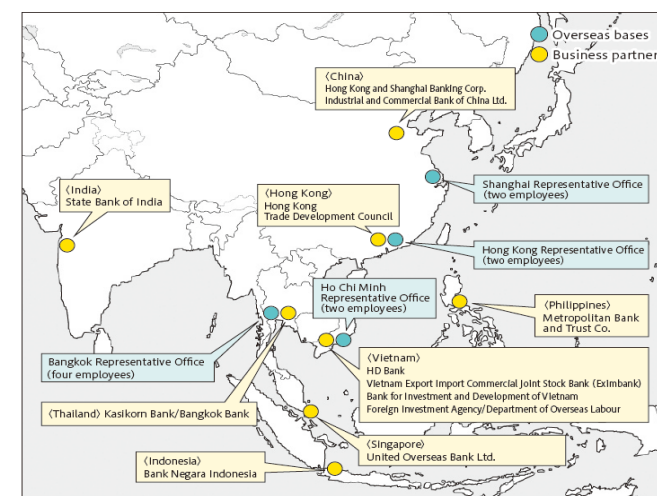
	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Sep. 2023
Business gross profit	5.4	4.6	4.6	4.8	5.6	5.4	5.1	5.5	4.9	2.5
of which, net interest income	5.4	5.0	4.6	4.9	6.0	5.6	5.3	5.7	5.1	2.6
expenses	3.5	3.3	3.5	3.3	3.3	3.6	3.6	3.6	3.5	1.8
business net profit	1.8	1.3	1.1	1.5	2.3	1.7	1.4	1.9	1.3	0.6
profit before income taxes	1.8	1.3	1.1	1.5	2.4	1.7	1.4	1.8	1.4	0.6
Yen base (Billions of yen)	0.22	0.14	0.12	0.16	0.26	0.19	0.16	0.22	0.18	0.10

► Asia bases (Representative Office)

● Overview

[Offices] Four offices in Bangkok, Shanghai, Hong Kong, and Ho Chi Minh City provide comprehensive coverage of the Asian region.

[Operations] Support for business partners in the prefecture to expand their business in Asia, webinars by staff assigned there, support for exchanges with local business partners, etc.



*Hong Kong representative office will be closed on November 30, 2023. Support in the China area will be centralized in the Shanghai representative office.

List of Group Companies



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】

Assisting customers realizing their dreams, such as housing and vehicles



【Transport of goods Maintenance of ATMs】

Supporting banking infrastructure through transportation and maintenance



【System development, System sales】

Supporting improvement of productivity through systematization



【Credit services】

Realizing diverse payment methods and cashless transactions



【Investment trust management services】

Promoting asset formation through the core and satellite management strategy

Summary of Financial Results of Group Companies

[Sep. 2023]	Bank, non-consolidated	Total of subsidiaries	(Gungin Securities)	(Gungin Leasing)	(Gunma Credit Guarantee)	(Others)	Consolidation offset	(Unit : Billions of yen) Consolidated financial statements
Core gross business profits	44.2	4.1	(1.3)	(1.2)	(1.2)	(0.2)	-0.7	47.6
Net interest income	35.0	-0.1	(0.0)	(-0.1)	(0.0)	(0.0)	-0.0	34.9
Non-interest business profit	9.1	4.2	(1.3)	(1.4)	(1.2)	(0.2)	-0.6	12.7
Net fees and commissions income	7.9	2.5	(1.1)	(—)	(1.2)	(0.1)	-0.4	10.0
Profit from other business transactions	1.2	1.7	(0.2)	(1.4)	(—)	(0.0)	-0.2	2.6
Expenses (-) (excluding non-recurrent expenses)	24.9	1.6	(0.7)	(0.4)	(0.0)	(0.2)	-0.7	25.9
Others	-1.9	-0.1	(-0.0)	(-0.2)	(0.0)	(0.1)	-0.0	-2.0
Of which, Gain or loss on investment securities	-3.5	-0.0	(—)	(—)	(—)	(-0.0)	—	-3.5
Of which net credit costs (-)	-1.1	0.2	(—)	(0.2)	(-0.0)	(—)	0.1	-0.8
Ordinary profit	17.3	2.4	(0.6)	(0.5)	(1.1)	(0.0)	-0.0	19.6
Profit	13.4	1.4	(0.4)	(0.1)	(0.7)	(0.0)	-0.0	14.8

[Sep. 2022]	Bank, non-consolidated	Total of subsidiaries	Gungin Securities	Gungin Leasing	Gunma Credit Guarantee	Others	Consolidation offset	Consolidated financial statements
Core gross business profits	44.7	4.3	(1.6)	(1.3)	(1.2)	(0.1)	-0.7	48.3
Net interest income	36.7	-0.1	(-0.0)	(-0.1)	(0.0)	(0.0)	-0.0	36.6
Non-interest business profit	7.9	4.4	(1.6)	(1.4)	(1.2)	(0.1)	-0.7	11.7
Net fees and commissions income	6.4	1.6	(0.3)	(—)	(1.2)	(0.0)	-0.4	7.6
Profit from other business transactions	1.4	2.8	(1.3)	(1.4)	(—)	(0.0)	-0.2	4.0
Expenses (-) (excluding non-recurrent expenses)	25.6	1.7	(0.9)	(0.4)	(0.1)	(0.1)	-0.7	26.6
Others	-3.6	0.0	(-0.0)	(0.1)	(-0.1)	(0.0)	0.1	-3.5
Of which, Gain or loss on investment securities	-1.7	-0.0	(—)	(—)	(—)	(—)	—	-1.7
Of which net credit costs (-)	2.3	0.0	(—)	(-0.0)	(—)	(—)	—	2.3
Ordinary profit	15.4	2.6	(0.6)	(0.9)	(1.0)	(0.0)	0.0	18.2
Profit	11.8	1.9	(0.4)	(0.7)	(0.6)	(0.0)	0.0	13.7

Status of Human Capital (Non-financial KPI)

Personnel Development Policy

To achieve our Purpose, we will support employees to build their careers independently and take on challenges based on each individual's Personal Purpose to improve the value of our human resources.

Internal Environment Improvement Policy

We will create an environment where every executive and employee, who are the source of value creation, can continue to work in good physical and mental health while recognizing each other's individuality and abilities to create a sense of well-being.

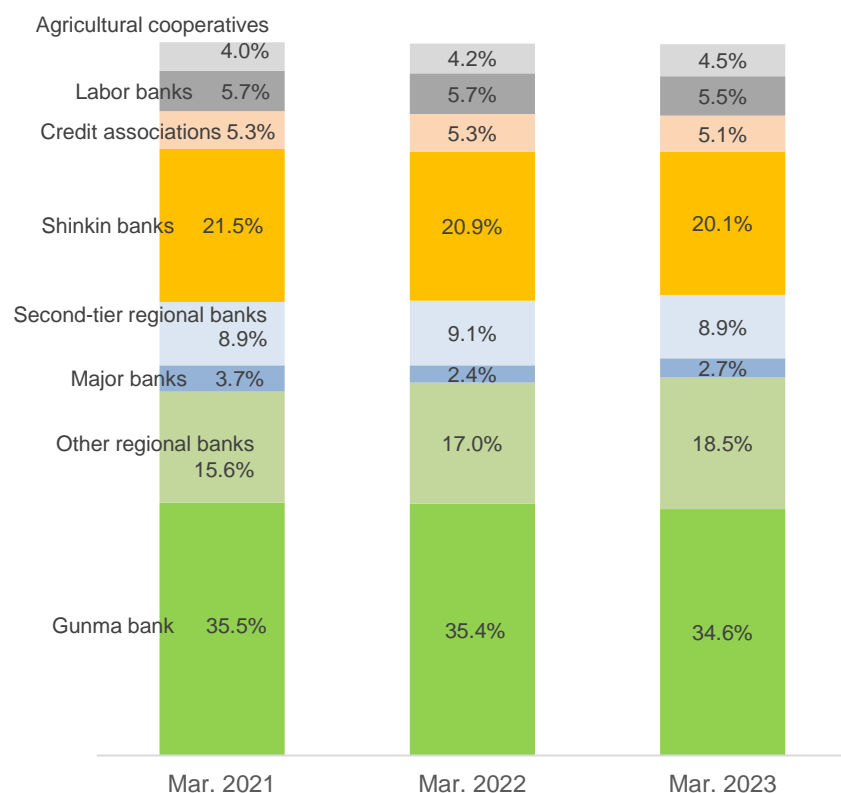
	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Sep. 2023	Mar. 2025(target)
<Shift to a job-based personnel system>							
Number of job interns	64	66	*Suspended for COVID-19	33	49	13	80
Ratio of mid-career hires	4%	3%	8%	5%	4%	(As of Oct. 1) 11%	15%
Number of specialist qualification holders* (SME consultant, financial planner Lv.1, securities analyst, etc.)	—	—	244	257	264	261	290
<Strengthening comprehensive HR capabilities>							
Human resource investment amount per person	—	—	88 thou yen	80 thou yen	109 thou yen	*1	130 thou yen
Number of IT passport holders	—	—	—	109	785	1,140	1,000
Number of people using the side job system	—	—	—	—	21	21	*5
<Developing professional-level human resources>							
Number of employees dispatched for external training	129	129	45	64	68	44	100
Number of appointed professionals *3	—	—	3	8	11	10	15
<Promoting diversity and inclusion>							
Ratio of female manager	10.0%	11.2%	12.7%	14.6%	16.0%	19.1%	18% or more
Promotion rate of mid-career hires to managerial positions	37.0%	38.7%	40.2%	36.8%	36.1%	38.2%	*5
Promotion rate of new graduates hires to managerial positions	39.0%	38.6%	38.1%	37.8%	38.6%	40.5%	*5
Gender wage gap (overall)	45.5%	45.6%	46.3%	47.5%	49.6%	*1	*5
Gender wage gap (full-time)	54.3%	54.6%	54.0%	54.5%	56.6%	*1	*5
Ratio of men taking childcare leave, etc.	137.5%	119.2%	158.9%	130.1%	133.3%	103.3%	100%
Average length of childcare leave, etc. taken by men	3.0days	3.3days	3.5days	6.5days	10.8days	7.7days	6.5days or more
<Improving well-being>							
Percentage of paid leave taken	60.8%	61.5%	61.3%	70.2%	80.5%	38.1%	70%
Engagement score (human relations) *4	—	—	—	74[+1]	74[+1]	*2	*5
Engagement score (support) *4	—	—	—	72[+1]	72[+1]	*2	*5
Engagement score (self-growth) *4	—	—	—	65[±0]	65[±0]	*2	*5
Excellent Health and Productivity Management Enterprise certification	Certified White	Certified White	Certified White	Certified White	Certified White	already answered	continue to certify

*1 Aggregated by financial year *2 To be done in the second half of the year *3 Readjustment (end of March → beginning of April)

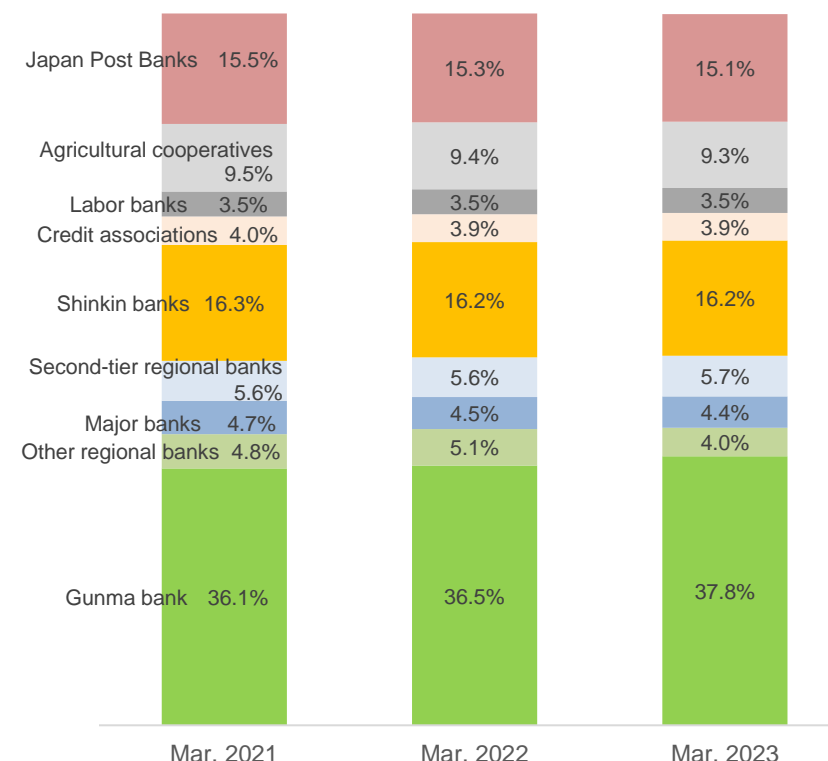
*4 Differences from benchmark (average of 1,001-5,000 employees in the financial sector) are shown in []. *5 No goals have been set.

Shares in loans and deposits in Gunma Prefecture

Shares in loans



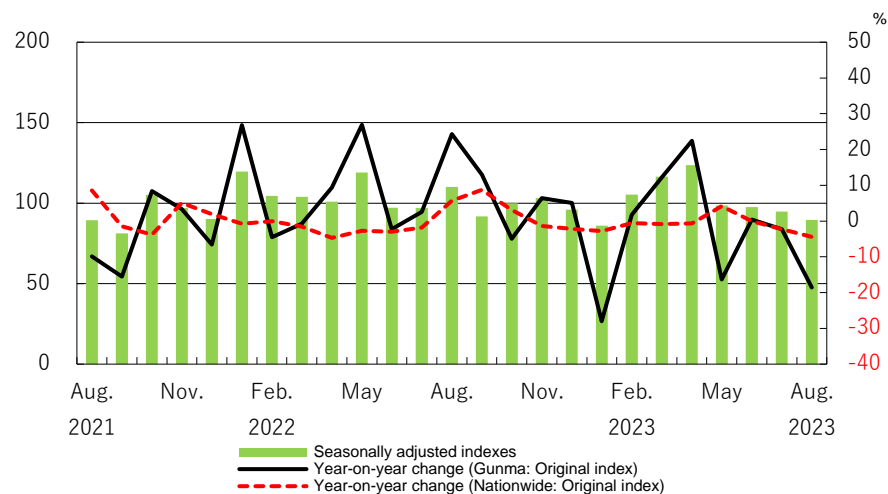
Shares in deposits



Source: "Financial Map" from an extra number of the "Financial Journal" 2024 edition

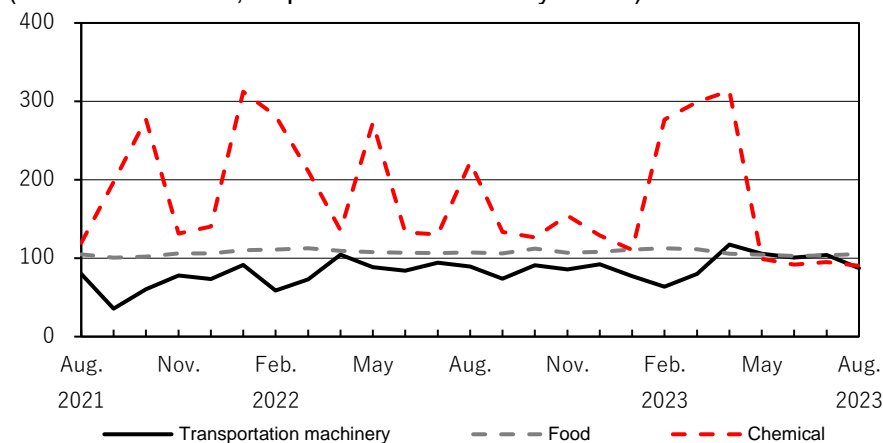
Economic Trends in Gunma Prefecture I

Mining and manufacturing production index (Year 2015=100)



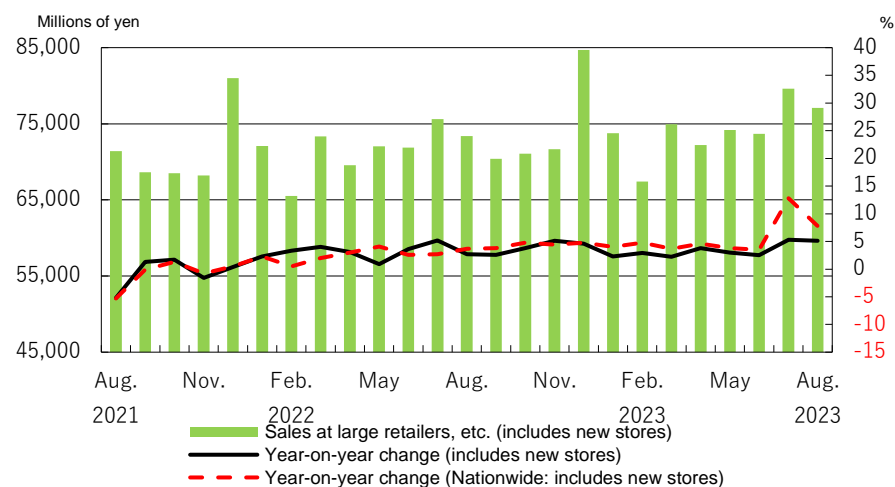
Source: Gunma Prefecture, Ministry of Economy, Trade and Industry

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



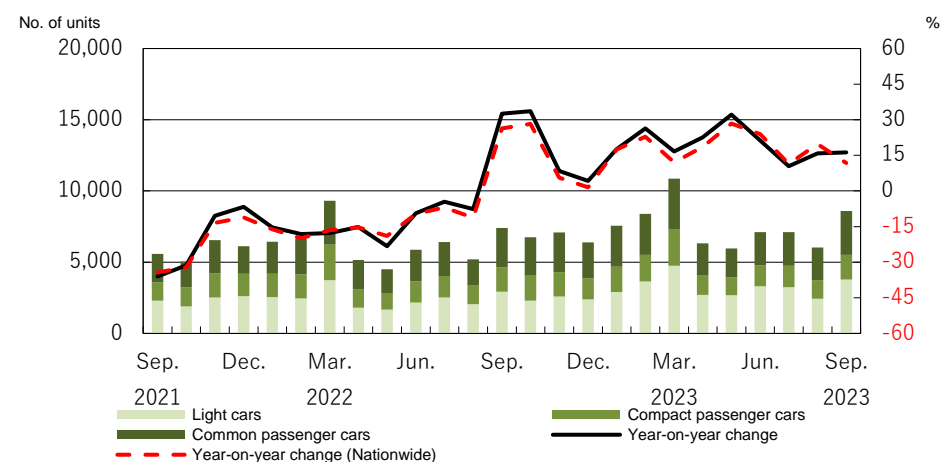
Source: Gunma Prefecture

Sales at large retailers, etc.



Source: Ministry of Economy, Trade and Industry

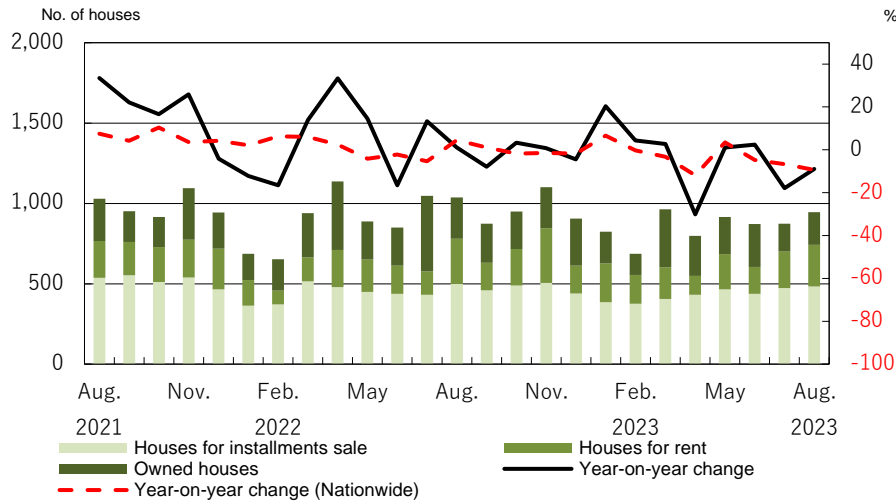
Sales of passenger cars



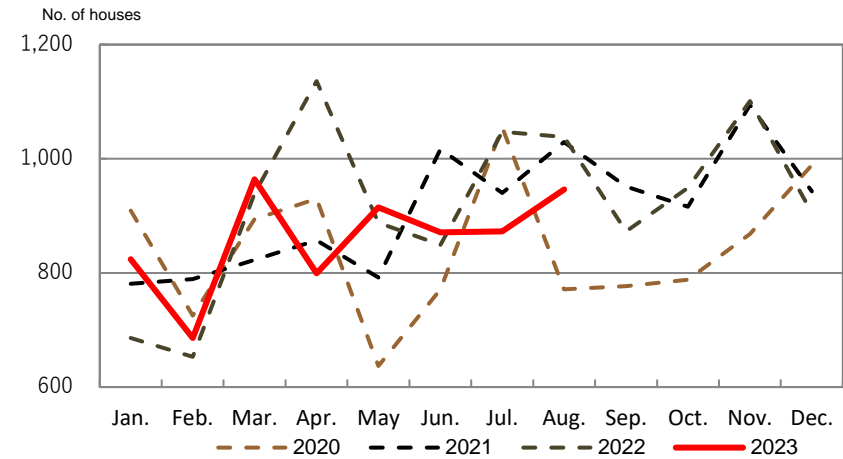
Sources: Japan Automobile Dealers Association, Japan Mini Vehicles Association, Japan Automobile Dealers Association Gunma Branch, Japan Mini Vehicles Association Gunma Branch

Economic Trends in Gunma Prefecture II

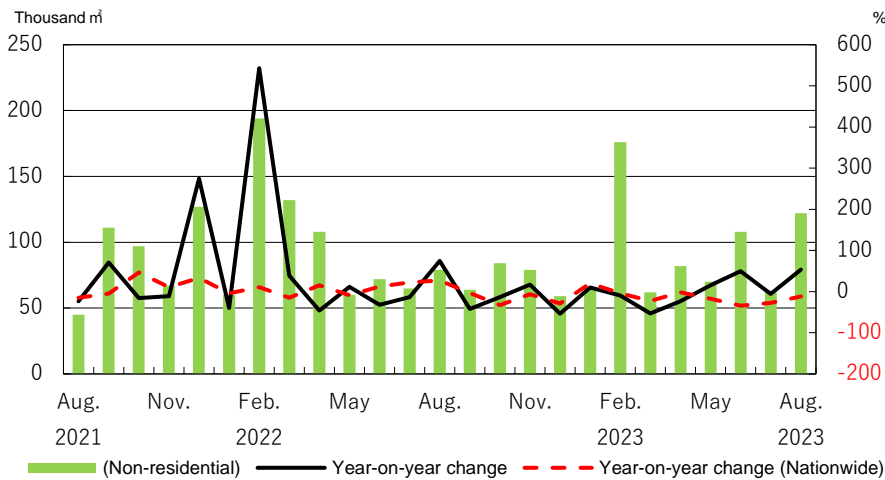
New housing starts



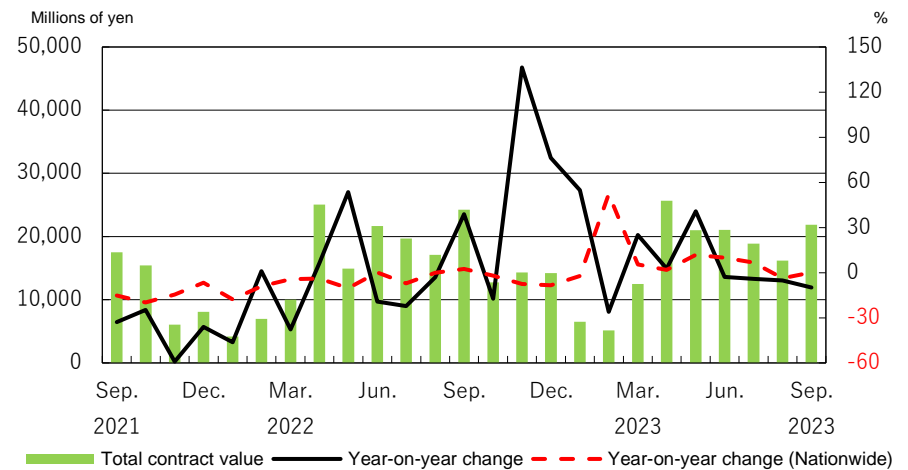
Monthly movements in new housing starts



Total floor space of construction starts (non-residential)

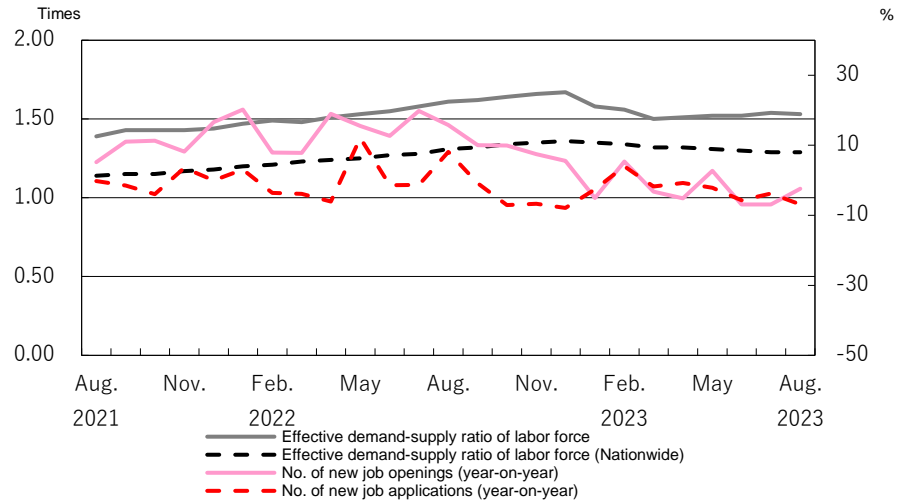


Value of public works contracts

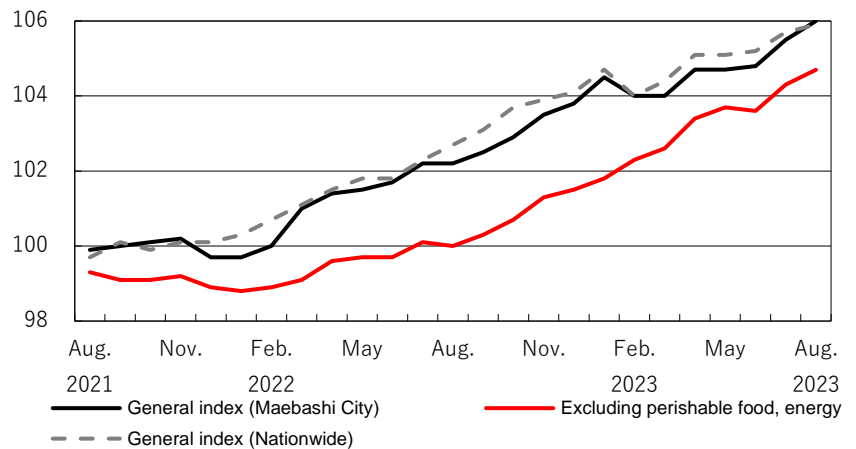


Economic Trends in Gunma Prefecture III

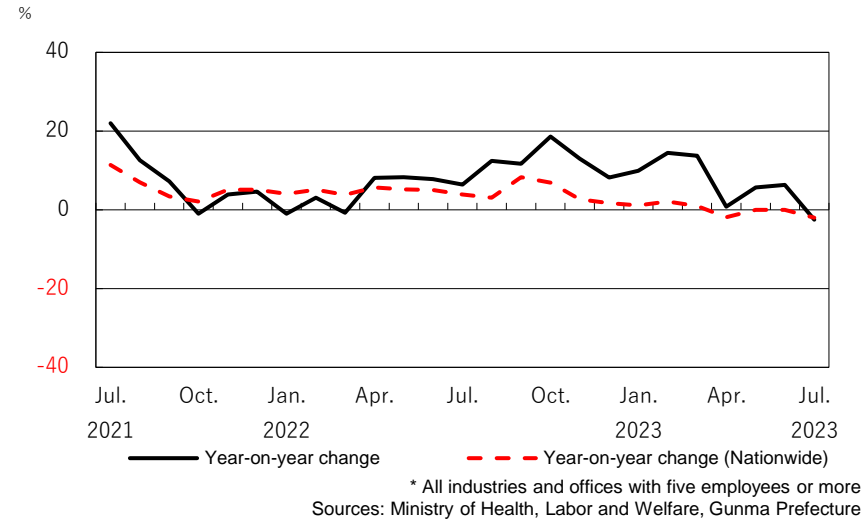
Effective demand-supply ratio of labor force and number of new job openings and new job applications



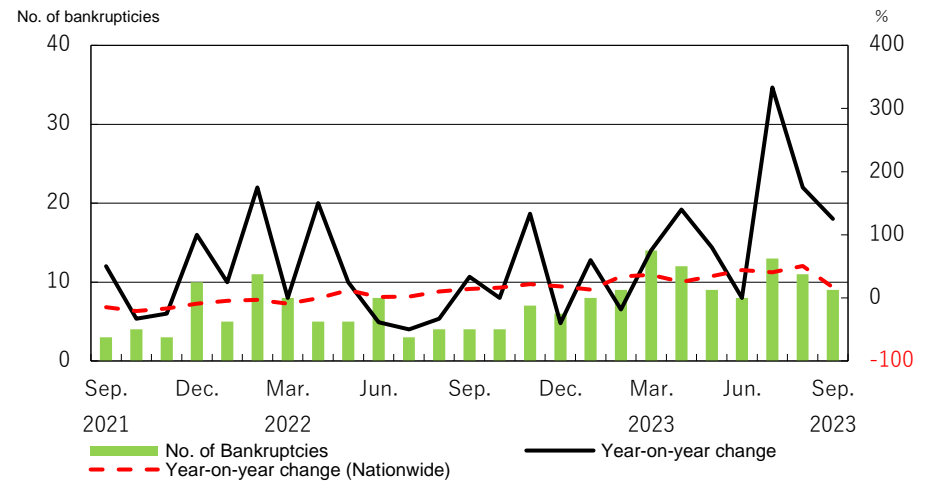
Consumer price index (Year 2020 = 100)



Total overtime hours

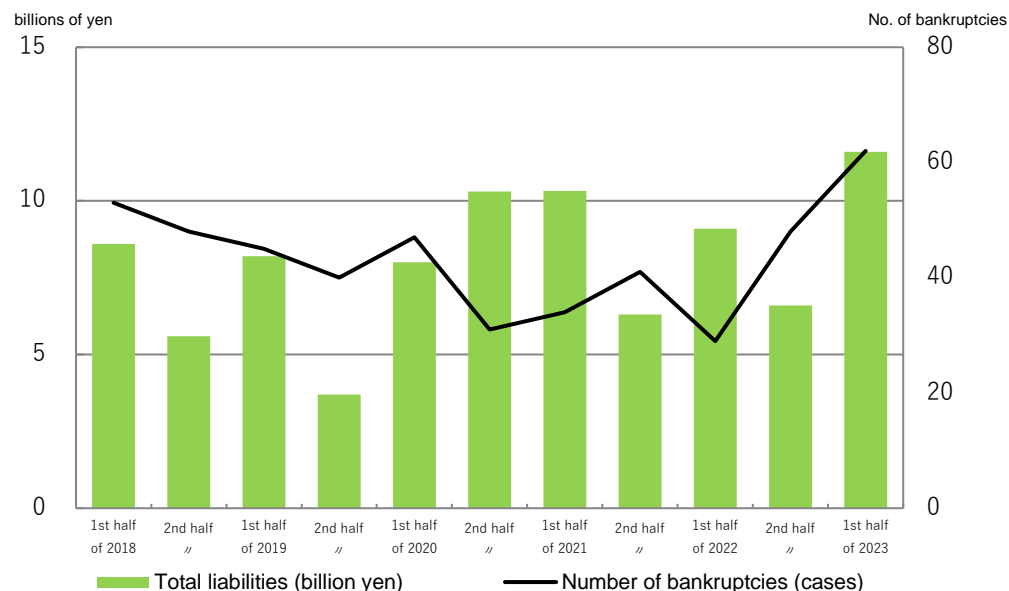


Number of bankruptcies

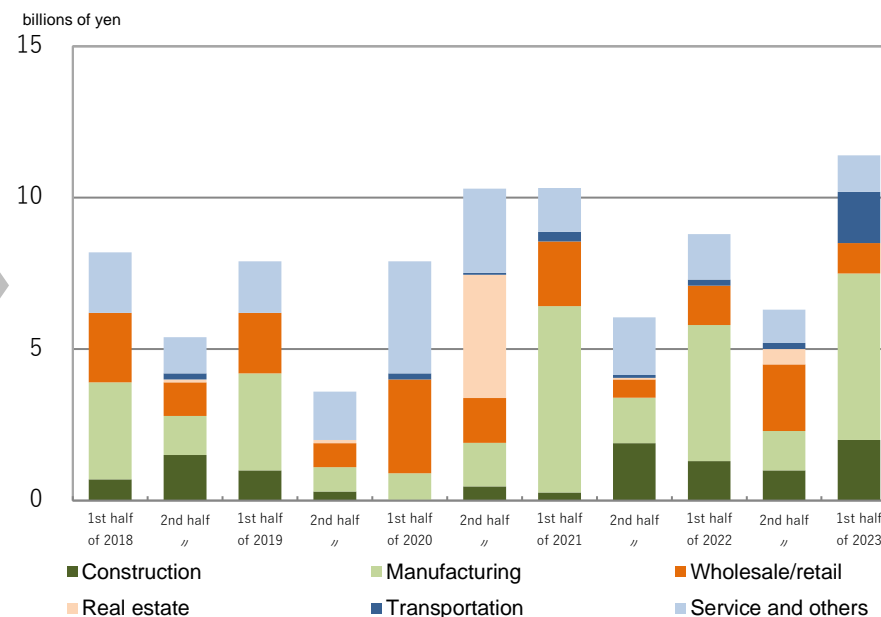


Economic Trends in Gunma Prefecture IV

Number of bankruptcies of companies and total liabilities



Left table : breakdown of total liabilities(Industry breakdown of bankruptcies)



(Unit : Billions of yen)

	FY2018		FY2019		FY2020		FY2021		FY2022		FY2023	
	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.	Apr. - Sep.	Oct. - Mar.
No.of Bankruptcies	53cases	48cases	45cases	40cases	47cases	31cases	34cases	41cases	29cases	48cases	62cases	62cases
Total liabilities	8.6	5.6	8.2	3.7	8.0	10.3	10.3	6.3	9.1	6.6	11.6	11.6
Construction	0.7	1.5	1.0	0.3	0.0	0.4	0.2	1.9	1.3	1.0	2.0	2.0
Manufacturing	3.2	1.3	3.2	0.8	0.9	1.4	6.1	1.5	4.5	1.3	5.5	5.5
Wholesale/retail	2.3	1.1	2.0	0.8	3.1	1.4	2.1	0.6	1.3	2.2	1.0	1.0
Real estate	—	0.1	—	0.1	0.0	4.0	—	0.0	—	0.5	0.0	0.0
Transportation	0.0	0.2	0.0	0.0	0.2	0.0	0.3	0.1	0.2	0.2	1.7	1.7
Services and others	2.0	1.2	1.7	1.6	3.7	2.7	1.4	1.9	1.5	1.1	1.2	1.2

* 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

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