

The Gunma Bank, Ltd.

Interim Financial Results Briefing Session for the First Half of 2024

November 22, 2024

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I . Summary of Performance

Profit and Loss Conditions

Consolidated

(Unit : Billions of yen)	Sep. 2024	YoY	compared to the initial plan
Core business gross profit	51.9	4.2	2.2
Net interest income	38.6	3.7	2.0
Excluding gains(losses) on cancellation of investment trusts	40.5	3.9	1.9
Non-interest business profit	13.2	0.4	0.1
Expenses	27.6	1.6	-0.0
Core business net profit	24.3	2.5	2.3
Excluding gains(losses) on cancellation of investment trusts	26.1	2.7	2.1
Ordinary profit	32.2	12.5	6.7
Profit attributable to owners of parent	22.9	8.0	5.4

Non-consolidated

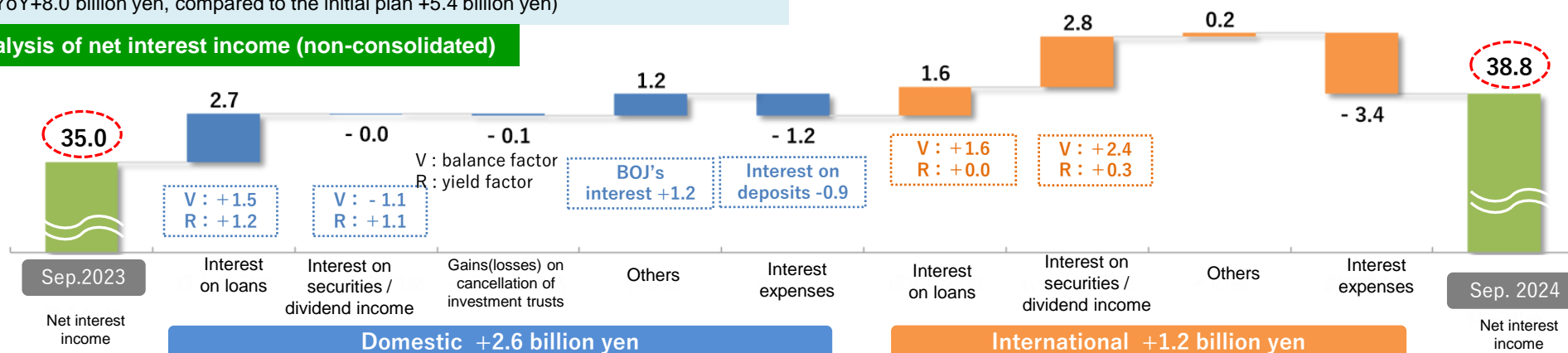
(Unit : Billions of yen)	Sep. 2024	YoY	compared to the initial plan
Core business gross profit	48.4	4.1	2.3
Net interest income	38.8	3.8	2.0
Of which, gains(losses) on cancellation of investment trusts	-1.8	-0.1	0.1
Non-interest business profit	9.5	0.3	0.2
Expenses	26.5	1.5	-0.0
Core business net profit	21.8	2.6	2.3
Excluding gains(losses) on cancellation of investment trusts	23.7	2.7	2.2
Gains or losses on investment securities	6.4	9.9	2.4
Net credit costs	0.1	1.3	-1.4
Other non-recurrent gains(losses)	1.3	0.9	0.3
Ordinary profit	29.5	12.2	6.5
Extraordinary income(losses)	-0.3	-0.1	0.3
Profit	20.6	7.1	4.6

<Points of financial results >

- Core business net profit excluding gains (losses) on cancellation of investment trusts amounted to 26.1 billion yen, up 2.7 billion yen YoY, due to **increases of net interest income** such as **interest on loans**, regardless of increases of expenses such as personnel expenses.
- Gains or losses on investment securities increased by 9.9 billion yen YoY, regardless of sale of low-yielding JGB and replacement of foreign bonds.
- Net credit costs are **low and stable** continuously.
- Profit attributable to owners of parent : 22.9 billion yen (YoY+8.0 billion yen, compared to the initial plan +5.4 billion yen)

(Unit : Billions of yen)

Analysis of net interest income (non-consolidated)



Status of Deposits, Loans and Yield

Loans are performing well in cross-border loans and structured finance. Also, loan yields are rising.

Breakdown of deposit balance

(Unit : Billions of yen, %)

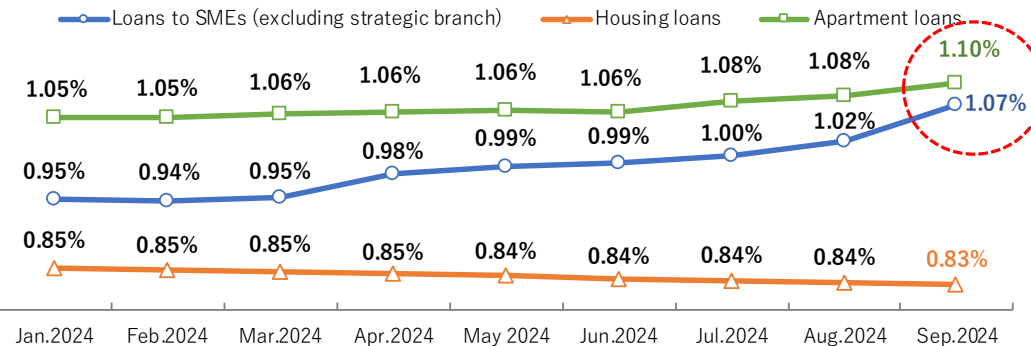
	Sep. 2024	YoY	Rate of change
Deposits, etc.	8,530.2	176.5	2.1
Deposits	8,263.7	166.8	2.0
Of which, deposit to individuals	5,735.2	71.1	1.2
Of which, deposit to corporations	2,042.0	25.7	1.2
Negotiable Certificate deposits	266.4	9.7	3.7

Breakdown of loan balance

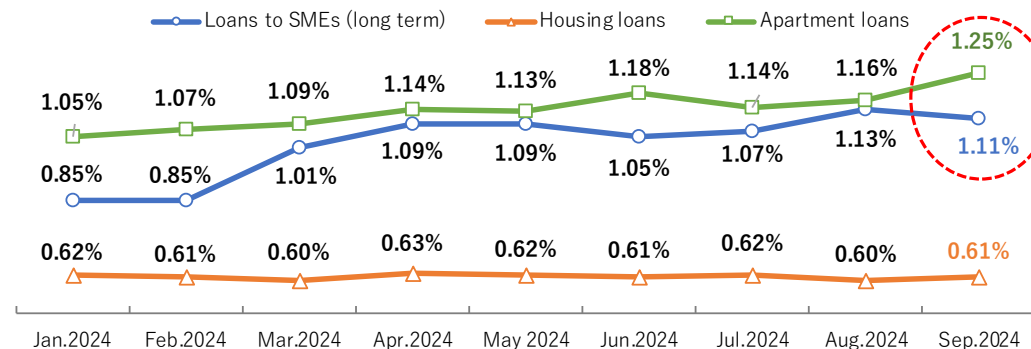
(Unit : Billions of yen, %)

	Sep. 2024	YoY	Rate of change
Loans	6,601.0	356.2	5.7
Retail	4,874.1	142.0	3.0
SMEs	2,414.2	76.8	3.2
Individuals	2,459.9	65.2	2.7
Of which, Housing loans	1,439.3	40.8	2.9
Of which, Apartment loans	686.7	19.8	2.9
Of which, Unsecured loans	75.4	8.8	13.2
Others	1,506.5	186.0	14.0
Cross-border loans	187.1	31.7	20.4
Structured finance	151.3	48.5	47.2
Domestic large and secondtier enterprises	1,011.0	86.7	9.3
Others	156.9	18.9	13.7
Overseas branches	116.3	27.8	31.3
Public	103.8	0.2	0.2

Yield on loans(domestic)



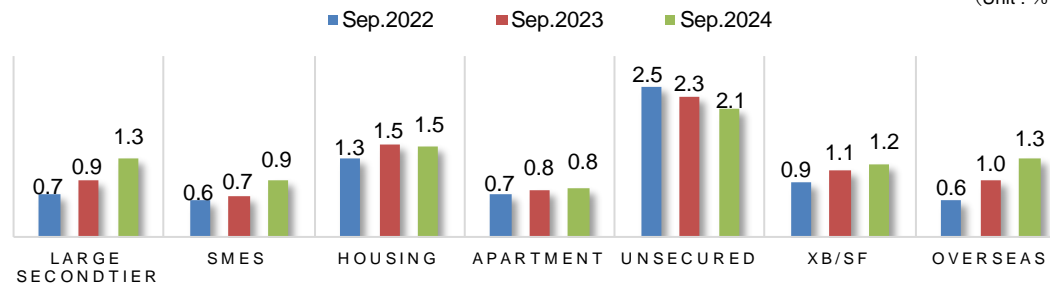
Interest rates of new loans granted



Loans' RORA

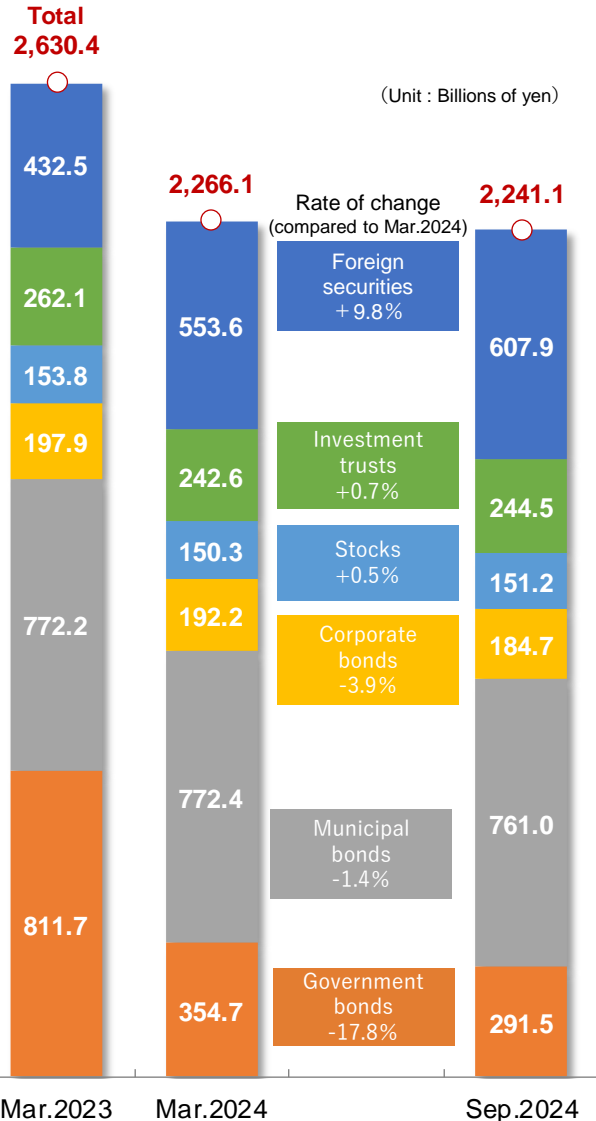
※RORA = (net interest income + non-interest business profit - expenses - credit cost) × (1-30.5%) / risk weighted assets

(Unit : %)

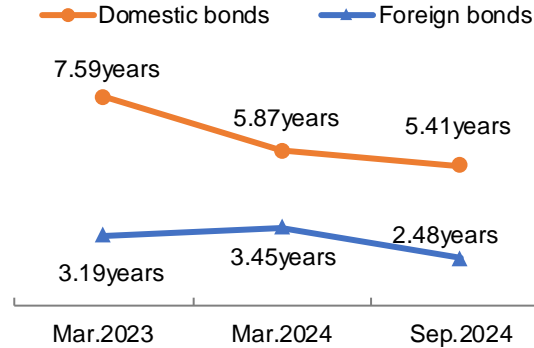


The Bank continues to sell low-yielding JGB and is replacing & buying new foreign bonds to increase net interest income.

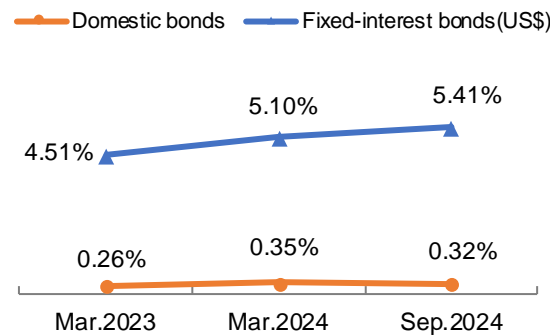
Balance of securities (Book value basis)



Duration



Bond yield



Unrealized gains (losses) valuation

(Unit : Billions of yen)

	Mar. 2024	Sep. 2024	compared to Mar.2024
Unrealized gains (losses) from valuation	30.5	13.0	-17.5
Excluding domestic bonds	58.9	43.1	-15.7
Foreign securities	3.6	9.0	5.3
Of w hich, fixed-interest bonds(US\$)	-5.2	1.2	6.5
Investment trust, etc.	-20.6	-21.1	-0.5
Stocks	75.9	55.2	-20.6
Strategically held stocks	71.1	58.3	-12.7
Investment securities	4.7	-3.0	-7.8
Domestic bonds	-28.3	-30.1	-1.7
Of w hich, government bonds	-14.2	-11.7	2.5

Gains (losses) on sales

(Unit : Billions of yen)

	Sep. 2023	Sep. 2024	YoY
Gains (losses) on investment securities①	-3.5	6.4	9.9
Gains(losses) on bonds	-21.7	-8.1	13.6
Of w hich, losses on bonds	-22.6	-7.8	14.7
Of w hich, losses on JGB	-20.6	-5.3	15.2
Of w hich, losses on foreign bonds	-1.9	-2.5	-0.5
Gains(losses) on stocks, etc.	18.2	14.5	-3.6
Gains(losses) on sale of stocks, etc.	18.2	14.5	-3.6
Strategically held stock	8.4	2.5	-5.9
Investment securities	9.7	12.0	2.2
Losses on devaluation of stock, etc.	-	-0.0	-0.0
Gains(losses) on cancellation of investment trusts②	-1.6	-1.8	-0.1
Total(① + ②)	-5.2	4.5	9.8

Status of Non-interest Business Profit, Expenses

Non-interest business profit increased by 0.48 billion yen YoY. OHR continues to improve, regardless of an increase of personnel expenses such as personnel system revisions and base-up.

Consolidated non-interest business profit

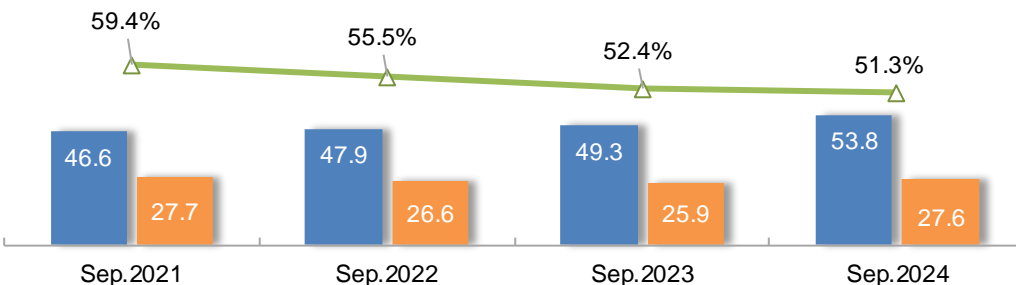
Annual plan revised upwards (26.0 billion yen→27.0 billion yen)

(Unit : Billions of yen)	Sep. 2024		achievement rate	Plan
	Sep. 2024	YoY		Mar. 2025
Consolidated non-interest business profit	13.25	0.48	49.2%	27.0
Corporate service revenue	4.83	1.40	49.7%	9.7
Of which, syndicate loans	0.69	0.04	52.5%	1.3
Of which, business matching	0.43	0.06	45.6%	0.9
Of which, M&A	0.31	-0.05	34.6%	0.9
Of which, Gungin Consulting	0.30	0.09	51.2%	0.6
Of which, derivatives	1.79	1.00	59.0%	3.0
Deposits financial assets, etc. revenue	4.16	0.30	42.9%	9.7
Of which, investment trusts commissions	1.18	0.13	41.6%	2.8
Of which, insurance sales commissions(individuals)	1.31	0.02	41.4%	3.2
Of which, Gungin Securities (for individuals)	1.45	0.11	44.5%	3.3
Others	4.25	-1.22	56.4%	7.6
Of which, dividends of group credit life insurance	1.18	-0.72	99.5%	1.2

Status of expenses and OHR

※excluding gains (losses) on cancellation of investment trusts (Unit : Billions of yen)

Core business gross profit Expenses OHR (all consolidated basis)

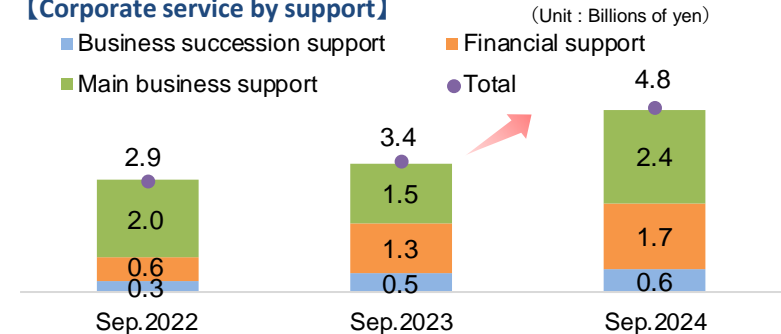


Solution proposal utilizing the "Connecting Process"

Practical solutions are proposed based on an understanding of the management issues facing our business partners. In the two years since we began, interviews have been conducted with around 7,500 companies, and more than 21,000 need-related pieces of information have been extracted. We provide a range of support services that lead to corporate services.

Corporate service by support

Business succession support Financial support
Main business support Total



Increase deposits financial assets revenue by clarifying the roles of the bank and the securities

Gungin Securities

- Increase the number of sales staff by 29 (16 in the first half of FY2024, 13 in Oct. 2024).
- Aim to increase profits through advisory-style sales to wealthy customers that make use of our high level of expertise.
- In August, opened the first "Fukaya Representative Office" outside the Gunma prefecture in Saitama Prefecture.

Gunma Bank

- Accumulation of stock earnings through proposals to the working generation and the retired generation regarding the need to accumulate assets and leave them behind.

(Unit : Billions of yen)	Sep. 2024		Main factors
	Sep. 2024	YoY	
Expenses (non-consolidated)	26.5	1.5	
Personnel exp.	14.5	0.5	Wage increase 6.2% (Base-up 3.5%, Personnel system reform 2.7%)
Non-personnel exp.	10.3	0.7	Lease fee +0.12, Depreciation & amortization +0.06, Deferred costs +0.12, Others +0.24
Tax	1.6	0.2	Size based business tax +0.12, Fixed asset tax +0.09

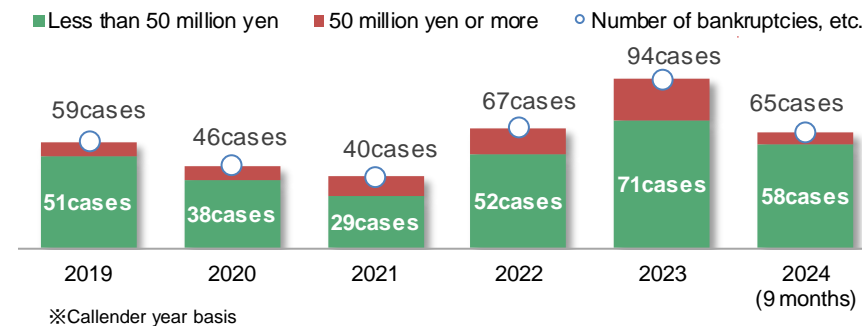
Net credit costs were low continuously. We reduced the annual plan from 3 billion yen to 1.8 billion yen.

Breakdown of net credit costs(non-consolidated)

(Unit : Billions of yen)	Plan			
	Mar. 2023	Mar. 2024	Mar. 2025	Sep. 2024
Net credit costs	1.0	0.6	1.8	0.1
Provision of general allowance for loan losses	-1.8	-1.5	-0.6	-0.4
Change to the actual rate	-0.8	-0.1	-0.1	-0.0
DCF	-0.7	-0.9	-0.0	-0.0
Others	-0.3	-0.5	-0.5	-0.3
Disposal of non-performing loans	2.9	2.1	2.3	0.5
Down grade	7.2	6.1	3.9	1.4
Collection, upgrade, etc.	-4.5	-4.2	-1.9	-1.0
Others	0.2	0.2	0.3	0.1
Recoveries of w ritten off receivables (-)	0.0	0.0	0.0	0.0

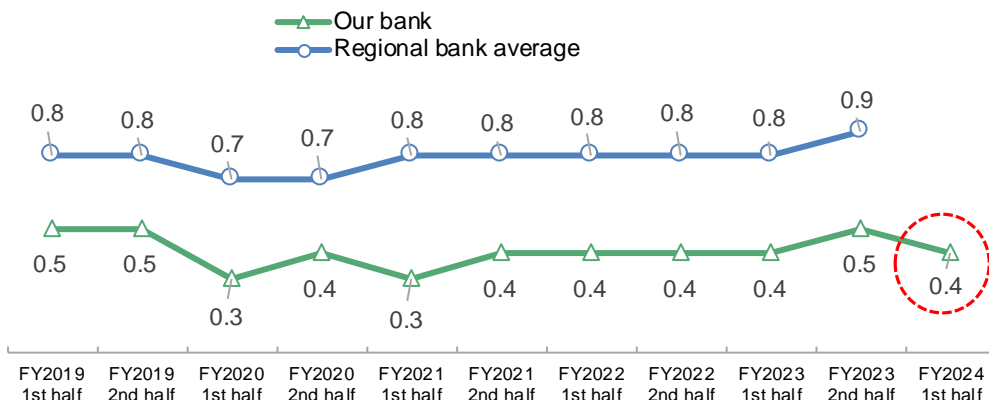
Status of customer bankruptcy, etc. in Gunma Prefecture

Although the number of bankruptcies, etc. (legal bankruptcy, lawyer intervention, business closure) is on the rise, many credit amounts per customer are less than 50 million yen.



Status of zerozero loans	As agreed	Change of conditions	Subrogation	Full payment	Balance of Sep. 2024
	75.5%	3.6%	1.7%	19.2%	129.2billion yen

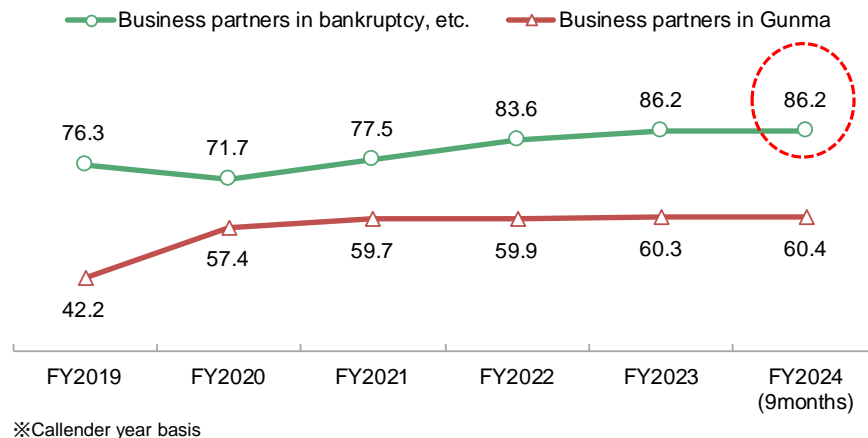
Trend in default rate **Low level** compared to the average of 62 regional banks



Default rate: Among normal, cautionary, and special attention borrowers (excluding borrowers who have been delinquent for more than three months) with a credit balance of more than 10 million yen at the end of the first half of the fiscal year, the percentage of borrowers for whom any of the following events occurred within six months. (1) Transition to "bankrupt concern", "de facto bankrupt", or "bankrupt" (2) Occurrence of transactions that have been delinquent for more than three months (3) Occurrence of collection events such as debt forgiveness.

Utilization of guaranteed association

The utilization rate of the guarantee association for business partners such as bankruptcies is high, and security is ensured.



Business Forecast (for the FY ending March 2025)

Consolidated core business net profit excluding gains(losses) on cancellation of investment trusts will be expected to increase by 8.1 billion yen compared with the previous FY to 53.5 billion yen . Profit attributable to owners of parent has been revised upward from 35.0 billion yen to 40.0 billion yen (+5.0 billion yen).

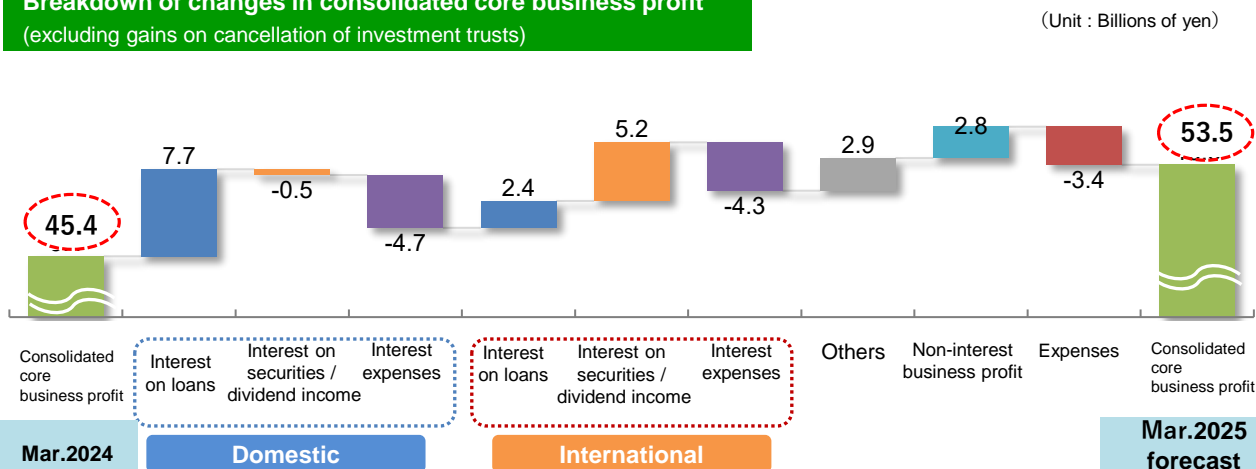
Consolidated (Unit : Billions of yen)	Forecast		
	for Mar. 2025	YoY	compared to the initial plan
Core business gross profit	106.5	16.3	6.5
Net interest income	79.5	13.5	5.5
Excluding gains(losses) on cancellation of investment trusts	82.0	8.6	4.0
Non-interest business profit	27.0	2.8	1.0
Of which, corporate service revenue	9.7	2.2	1.5
Of which, deposit financial assets, etc revenue	9.7	2.1	0.4
Expenses	55.5	3.4	1.5
Core business net profit	51.0	13.0	5.0
Excluding gains(losses) on cancellation of investment trusts	53.5	8.1	3.5
Net credit costs	2.1	1.0	-1.3
Ordinary profit	57.5	13.8	6.0
Profit attributable to owners of parent	40.0	8.9	5.0

Non-consolidated (Unit : Billions of yen)	Forecast		
	for Mar. 2025	YoY	compared to the initial plan
Core business gross profit	98.5	15.0	6.6
Net interest income	80.0	13.7	5.6
Excluding gains(losses) on cancellation of investment trusts	82.5	8.8	4.1
Non-interest business profit	18.5	1.3	1.0
Net fees and commissions income	15.5	0.6	-0.1
Profit from other business transactions	3.0	0.6	1.1
Expenses	53.0	2.7	1.1
Core business net profit	45.5	12.3	5.5
Excluding gains(losses) on cancellation of investment trusts	48.0	7.4	4.0
Gains and losses on securities, etc.	5.5	-0.2	-0.4
Net credit costs	1.8	1.2	-1.2
Ordinary profit	52.0	12.9	6.5
Profit	36.0	7.9	5.0

Profit basis (main breakdown)

- Profit on loans +5.3 (of which, domestic +4.6)
- Profit on securities +1.6
- BOJ's interest +2.6
- BOJ's special interest -0.5

Breakdown of changes in consolidated core business profit (excluding gains on cancellation of investment trusts)

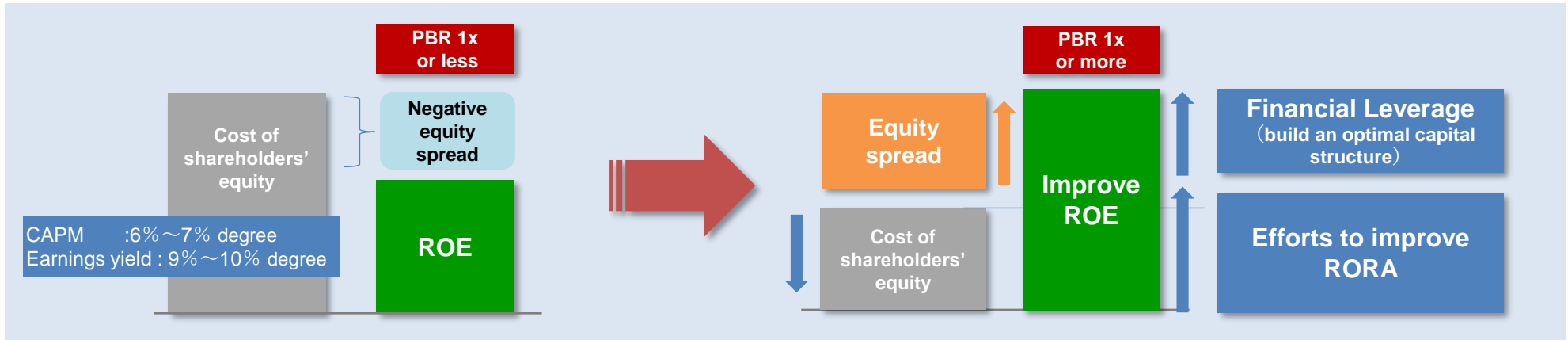


Average balance and yields(non-consolidated)

	Average balance		Yields	
	Mar.2025	Rate of changes	Mar.2025	YoY
Loans	6,568.7	6.2%	1.20	0.09
(domestic)	6,202.5	5.4%	0.97	0.07
Securities	2,281.9	-2.7%	1.99	0.47
(domestic)	1,629.2	-10.8%	0.71	0.32
Deposits	8,259.0	2.3%	0.14	0.08
(domestic)	8,104.1	1.7%	0.05	0.05

II . Initiatives for Corporate Value Improvement

▶ Eliminate negative equity spread and increase PBR by **improving ROE** and **reducing the cost of shareholders' equity**.



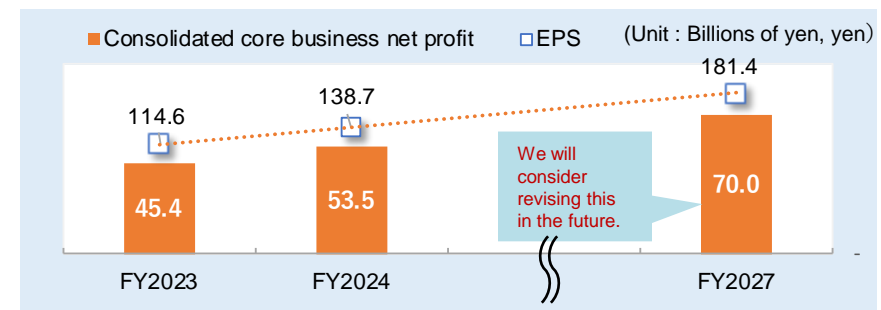
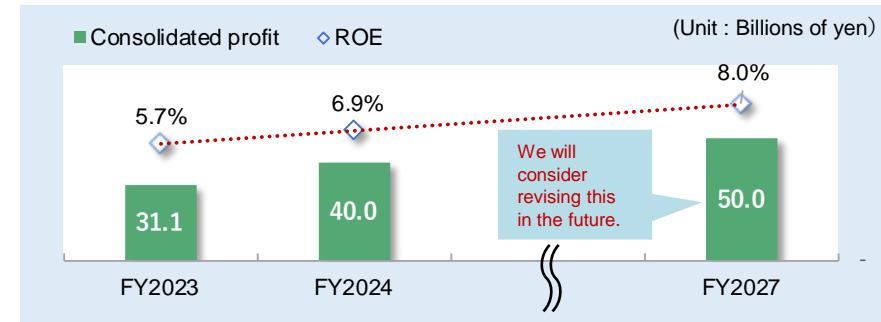
Efforts to improve ROE

- Efforts to improve RORA
⇒ By increasing RORA, we aim to achieve **ROE of 8.0% or more** in FY 2027.
- Build an optimal capital structure
⇒ Aim to achieve **10.5-11.5%** of the core CET1 ratio (Sep. 2024 13.01%)
- Improve shareholder returns.
⇒ **Increased dividends** for four consecutive terms (compared to previous period +18yen).
Agile buyback.
- Reduce cross-shareholdings.
⇒ Aim to achieve **8-9%** of the ratio of cross-shareholdings to the consolidated net assets at the end of FY2026 (Sep. 2024 15.2%)

Controlling the cost of shareholders' equity

- Improve IR activities (Reduce information asymmetry).
⇒ **CEO message** to overseas investors / **Joint IR event with local listed companies**
- Issue subordinated bonds (B3T2 bonds and AT1 bonds).
⇒ Build an optimal capital structure by diversifying procurement.

Trend to the final year of the next Mid-term plan



※ Excluding gains (losses) on cancellation of the investment trust

Main figures

(Unit : Billions of yen)	Forecast Mar.2025	Compared to mid-term business plan
Consolidated core business net profit*	53.5	8.5
Net interest income	82.0	—
Non-interest income	27.0	2.0
Net income	40.0	10.0
Group companies' profit	4.0	0.0
Capital adequacy ratio	13.2%	-0.3%
Core CET1 ratio	12.0%	—
ROE	6.9%	1.9%
RORA	0.9%	0.2%

We will consider revising this in the future.

Next mid-term business plan Mar.2028
70.0
93.5
32.0
50.0
6.0
13.4%
11.5%
8.0%
1.0%

Interest rate assumption:

The plan assumes a policy interest rate of **0.50%**.

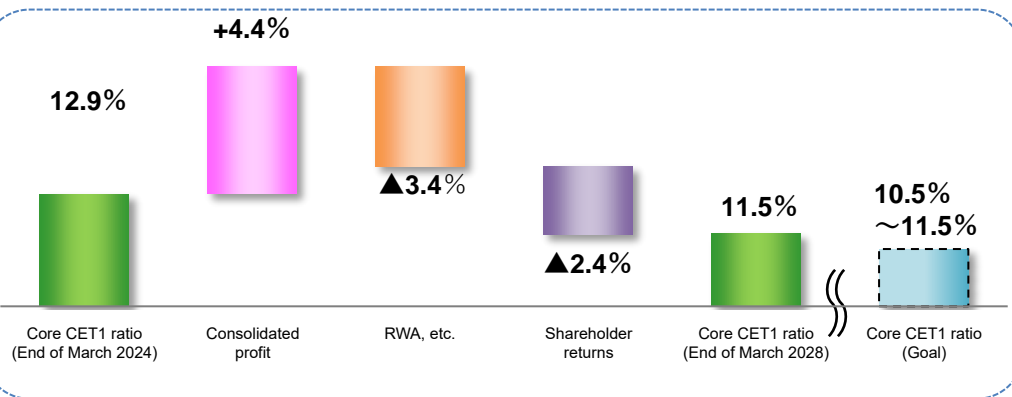
	FY2024				FY2025		FY2026		FY2027		FY2028	
	Oct.	Nov.	Dec.	Mar.	H1	H2	H1	H2	H1	H2	H1	H2
Policy interest rate	0.25			0.50								
10Y government bond	0.90			1.00	1.25							
FF interest rate	5.25	5.00	4.75	4.55	4.10	3.80	3.35	3.10	3.00			

※Above scenarios are based on Apr. 2024 plan (Mar. 2024 base)

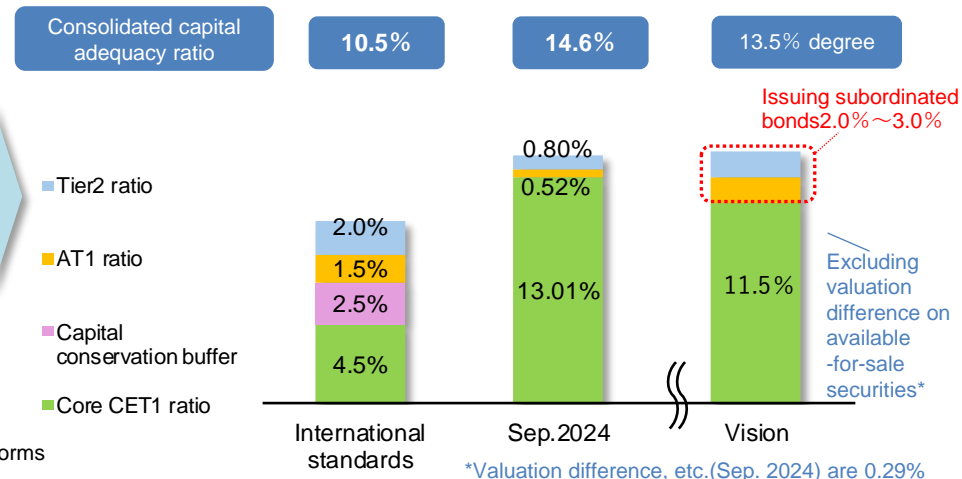
Build an optimal capital structure

- Aiming to build an optimal capital structure while diversifying the capital structure through subordinated financing, the Bank will use the “core CET1 ratio” as the basis for its capital management.

Capital allocation



※ Based on finalizing Basel III reforms



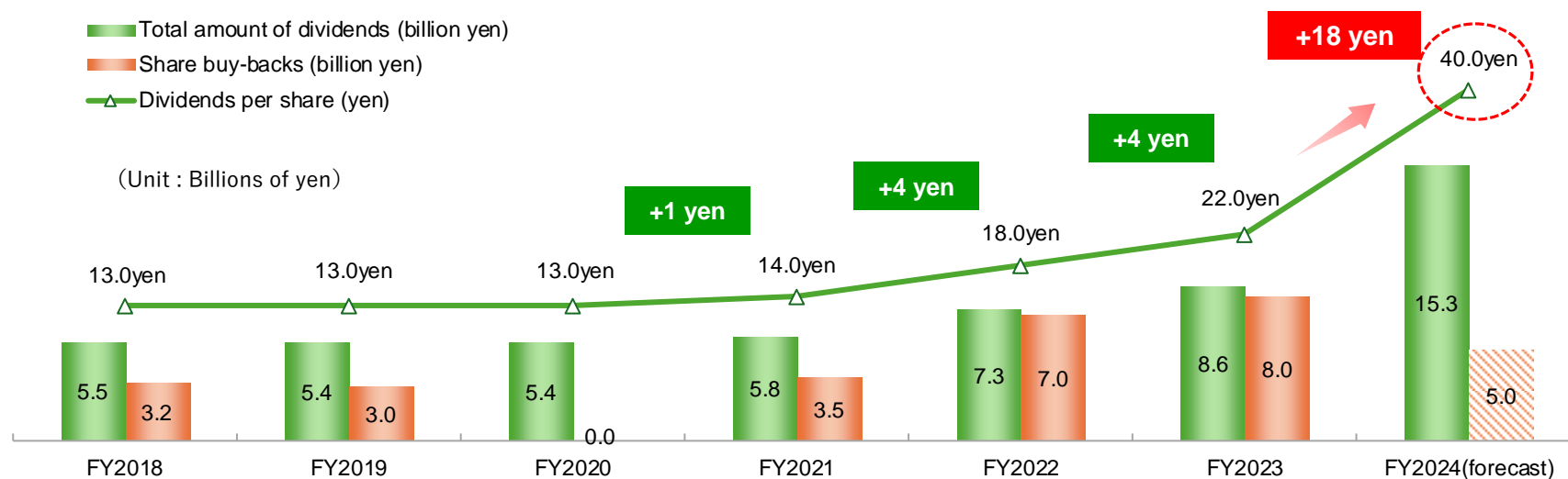
The annual cash dividends per share will be **40 yen** (**interim 20 yen and year-end 20 yen**), due to increases 6 yen in interim and 6 yen in year-end. These are increased by 18 yen compared with FY2023.

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 rounded off 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)		8.7	8.4	5.4	9.3	14.3	16.6	(20.3)
Total shareholders ratio	consolidated	To FY2021 Non-consolidated basis				51.4%	53.6%	(50.9%)
	non-consolidated	41.9%	47.2%	46.8%	39.9%	From FY2022 Consolidated basis		
Dividend payout ratio	consolidated	24.0%	24.6%	40.4%	22.1%	26.4%	28.1%	(38.6%)
	non-consolidated	23.3	22.2	13.5	26.4	27.9	31.1	40.0 (forecast)
Profit (billion yen)	consolidated	23.3	22.2	13.5	26.4	27.9	31.1	40.0 (forecast)
	non-consolidated	20.9	17.9	11.6	23.3	24.6	28.1	36.0 (forecast)

Reduction Target of Shares for Policy Purposes

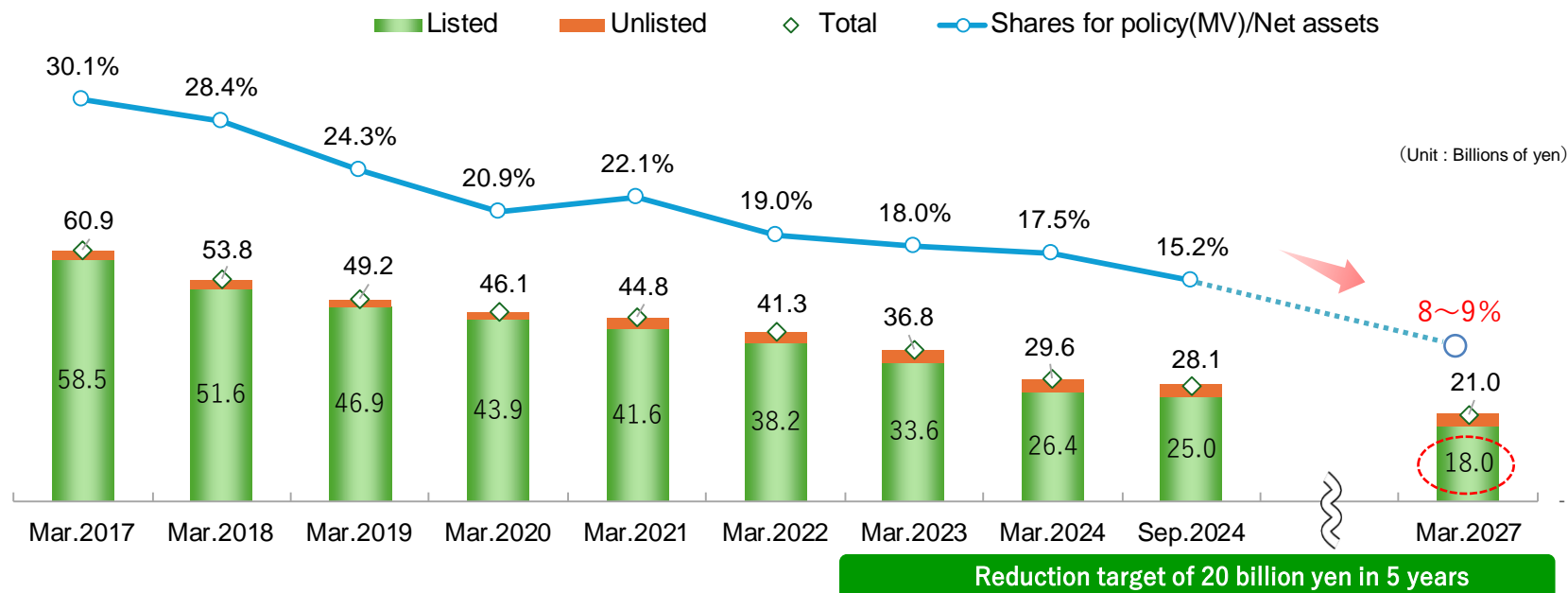
The Bank plans to reduce listed shares with a book value by **50% (- 20 billion yen)** over 5 years during FY2022 ~ FY2026. Progress rate as of Sep. 2024 : **66% (-13.2 billion yen)**.

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) × (1-30.5%) / Risk assets of loans and shares

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



Changes in the number of companies (listed)

(Unit : Companies)

	Mar.2017	Mar.2018	Mar.2019	Mar.2020	Mar.2021	Mar.2022	Mar.2023	Mar.2024	Sep.2024
Listed Companies	116	113	100	101	90	86	77	69	66

Positioning

Backcasting

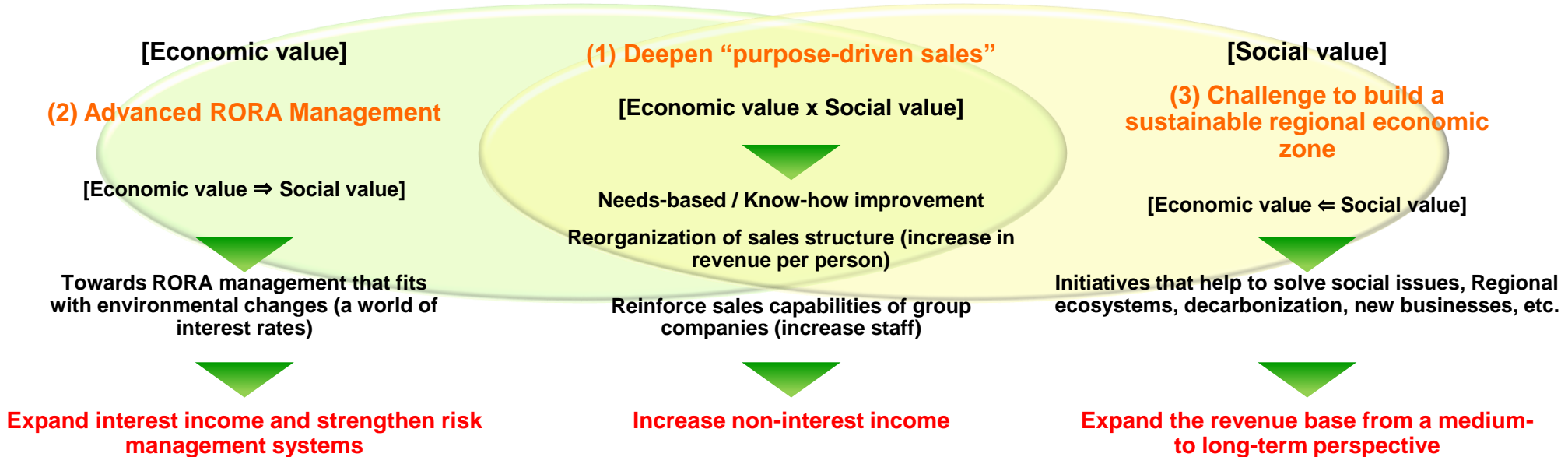
Three years of continuous challenges for the region's and the Bank's sustainable **growth**

Forecasting

Three years of **growth** after six years of "innovation"

Strategic theme directions

I. Achieving a virtuous cycle of economic and social value (local and customer benefits x bank profits x employee satisfaction x market evaluation)



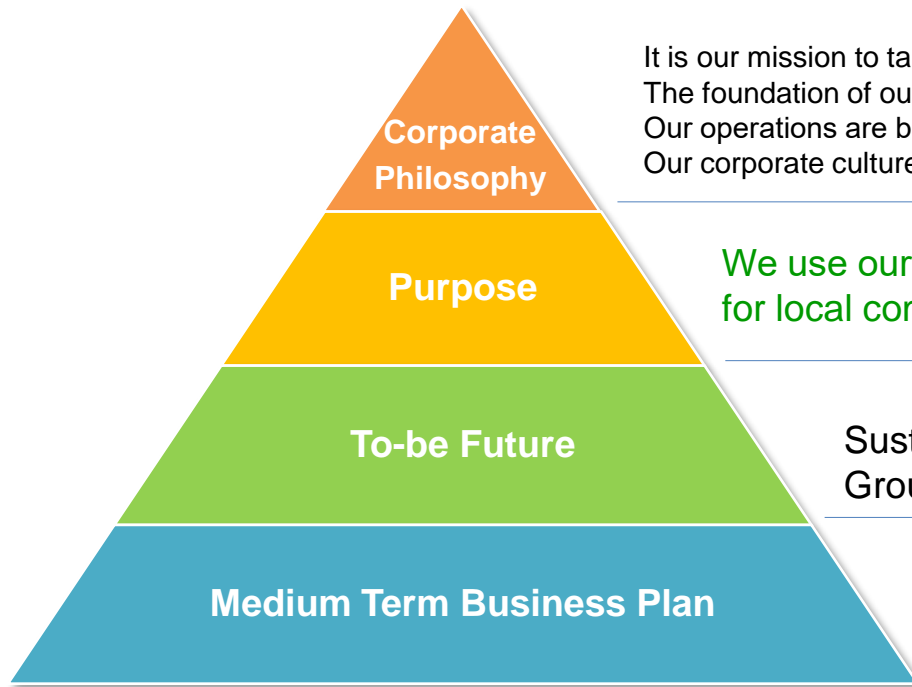
II. Strengthen the business foundation to support sustainable growth

(1) DX and business reform (2) Data utilization (3) Human capital (4) Governance (5) Collaboration within the group and external collaboration

→ Towards streamlining and simplifying back-office departments

III. Appendix (Management Strategies, etc.)

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.

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

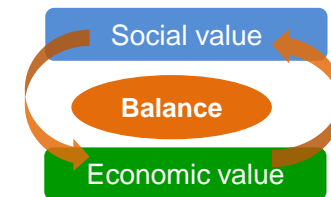
Sustainable development of local communities and the Gunma Bank Group

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.

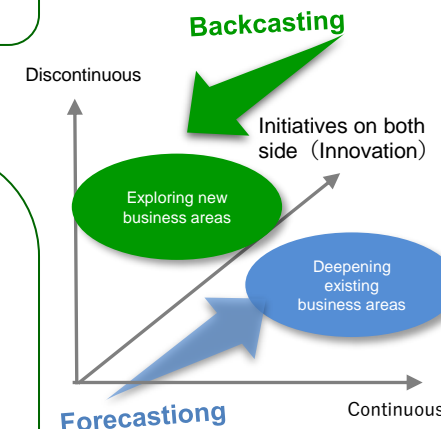
Implementation of digital strategies as the foundation for “Connections and Spinning the Threads”

- 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 FY2024 (Target) 45.0 billion yen ⇒ 45.4 billion yen (FY2023: one year ahead of schedule) , FY2024(plan) 53.5 billion yen

Progress of Current Medium-Term Business Plan

● key figures “Connecting KPI” for realizing the purpose is progressing smoothly.

KPIs in Connections

(Unit: Billions of yen, cases)	Result (Sep. 2024)	The initial plan of the FY2024 (annual)	Achieving rate	Target (during 3years)	Cumulative total (2year6months)	Achieving rate
“Connect” lender and borrower						
Amount of sustainable finance executed	208.8	350.0	59.7%	800.0	889.7	111.2%
Of which, environmental field	116.2	210.0	55.3%	450.0	434.4	96.5%
Amount of housing loan executed	68.8	163.0	42.2%	400.0	305.8	76.5%
Balance of unsecured consumer loan	75.4	77.0	97.9%	75.0	75.4	100.5%
“Connect” customers						
Number of business matching cases closed	669	1,060	63.1%	3,000	2,768	92.3%
“Connect” businesses and individuals						
Number of staffing cases closed	66	70	94.3%	200	248	124.0%
“Connect” customers’ asset with their future						
Balance of consolidated deposit financial assets	1,189.5	1,255.0	94.8%	1,250.0	1,189.5	95.2%
Of which, balance of investment trusts	436.1	465.0	93.8%	400.0	436.1	109.0%
“Connect” for the next generation						
Number of business succession issues resolved	269	450	59.8%	600	1,043	173.8%
Inheritance-related business contracts	211	400	52.8%	1,000	859	85.9%

*Amount of executed and number is the cumulative value.

Strategic themes related figures

	Target	Result (Sep.2024)
Sales		
Electronic contract service utilization rate		
"General loans"	100%	75.7%
"Housing loans"	100%	97.2%
Channel		
App users(Number of account holders)	0.3 million people	0.328 million people
Personnel		
Number of IT passport holders	1,000 people	1,303 people
Collaboration with external parties		
Profitability of TSUBASA Alliance	4.5 billion yen	9.2 billion yen
Regional		
Balance of structured finance	130.0 billion yen	151.3 billion yen
Number of proposals to partners in the comprehensive collaborative agreement	20 cases	49 cases
Individual		
Accumulated investment trust contracts per month	2.5 billion yen	2.69 billion yen
Group's comprehensive capabilities		
Number of cashless member stores	16,000 stores	14,335 stores
Cashless transaction volume	200.0 billion yen	93.5 billion yen
*Single year target		*First half

*The target (excluding cashless transaction volume) is the cumulative value until the end of the Mid-term business plan.

* Number of cashless member stores is after deducting 1,664 stores that automatically cancel their contracts during the period (long-term non-operation, etc.) by brand.

Initiatives of “Connecting Process” (For corporate businesses)

We have proposed solutions utilizing the “Connecting Process”.

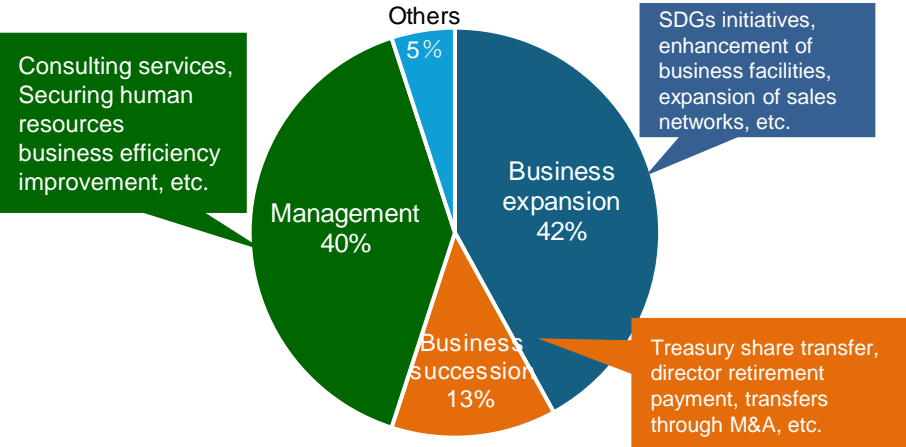
- Conducting a series of sales activities from sharing goals and needs with clients (including pure depositors) to providing appropriate solutions as the “Connecting Process”

◇Status by needs (Sep. 2024)

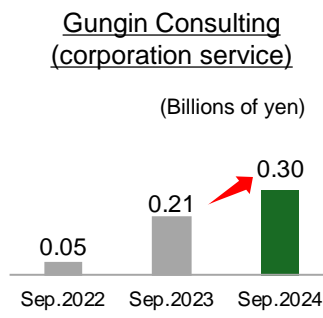
Number of projects executed	Understanding of management issues and needs				
	Number of needs	Under consideration for project development	Project development	Contract closed, etc.	Postponed
Approx. 7,500	Approx. 21,000	37%	48%	12%	3%

- The top needs are **strengthening business facilities, working towards the SDGs, and securing human resources**. The needs with a high contract rate are **improving cash flow, hedging against exchange rate risk, and investing surplus funds, etc.**

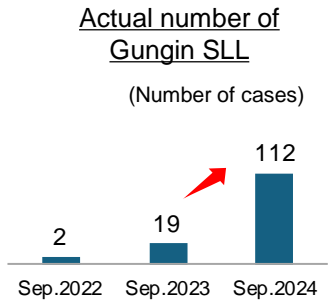
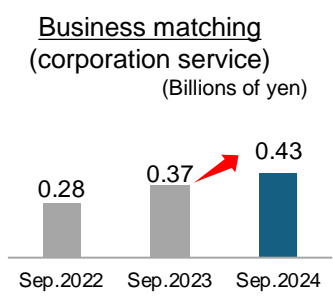
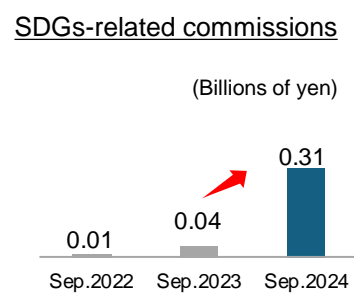
- Taking a full-fledged approach to **expand revenue opportunities in the Bank’s entire group** by utilizing all resources available at group companies.



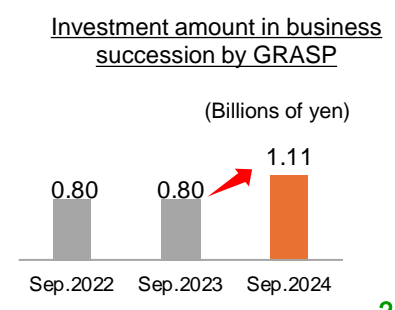
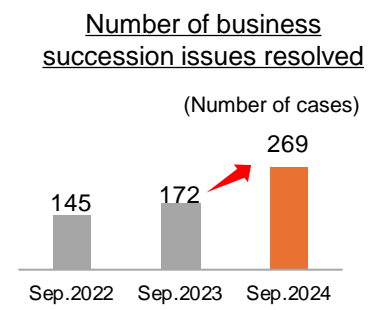
Management



Business expansion/enhancement



Business succession



▶ Initiatives to promote cashless payments

- The Bank's **Payment Strategy Office (established in April 2024)** and **Gungin Card** will work together to promote cashless payments, while also strengthening the payment business.
- Targets for the final year of the next Mid-Term Business Plan (fiscal year ending March 2028) (payment volume and revenue)

Gungin Card	(Card payment: Issuing/acquiring)
<ul style="list-style-type: none"> • Transaction volume: 340 billion yen (+100 billion yen from FY2023) • Commission income: 3.4 billion yen (+1 billion yen from FY2023) 	

Bank	(Account transfer-related services)
<ul style="list-style-type: none"> • Account transfer-related fee income: 2.8 billion yen (+0.3 billion yen from FY2023) 	

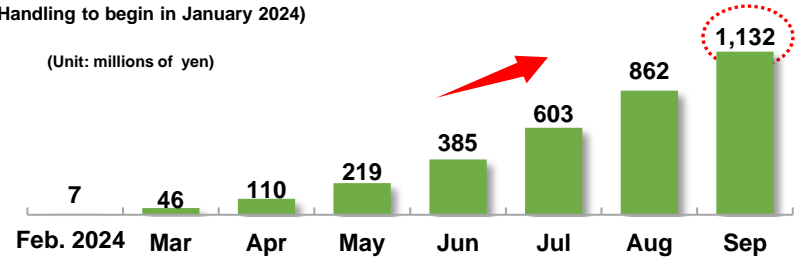


▶ Initiatives to strengthen the payment business

- Promotion of **cashless payments in the region** through the expansion of member branches and increased usage.
- Promotion of corporate cards and strengthening of **BtoB payment** capture to improve efficiency and DX for local businesses
- **Strengthening transactions with young people**, starting with debit cards and promoting the use of our bank accounts as the main account
- Promotion of cashless and DX-based transactions for local public organizations, schools, etc.

[Gungin Debit accumulated transaction volume]

(Handling to begin in January 2024)

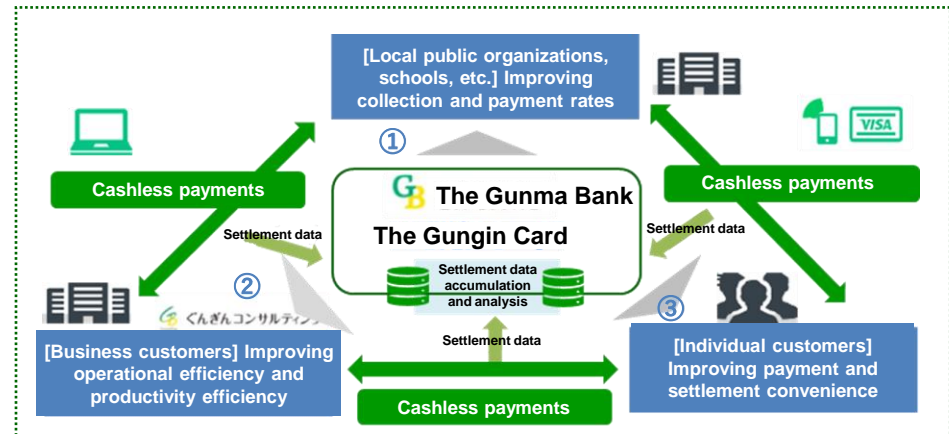


By linking the expansion of settlement volume to the accumulation, analysis and utilization of settlement data, we will develop our Group's marketing as well as advertising and marketing support for businesses.

▶ Build a regional ecosystem based on cashless data

(To be realized by the end of FY2025) *See the diagram on the right for the numbers below.

- ① **Support for regional revitalization and expansion of tourism and inbound travel.**
(Development of tourism promotion measures and overseas sales expansion measures, etc.)
- ② **Management improvement support and marketing support that also utilizes settlement data**
(Advertising and marketing support for local businesses using settlement and attribute data, etc.)
- ③ **Recommendations for our products and campaign development**
(Expanding the use of the Bank's settlement services - promoting the use of loan and asset management services as main services)

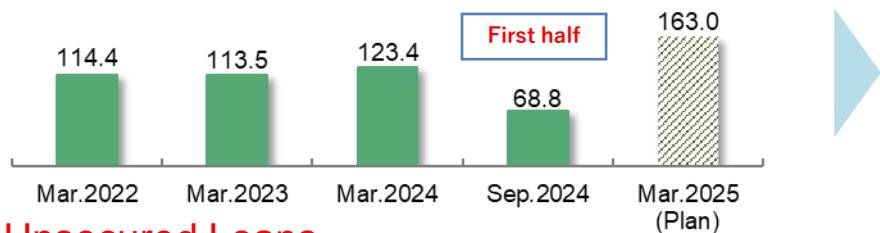


Housing Loans

【Mid-term plan】

Amount of housing loan executed **400.0 billion yen** (Apr. 2022 ~ Mar. 2025)
 ⇒ Sep. 2024 Cumulative total amount 305.8 billion yen (**achieving rate 76.5%**)
 (Unit: Billions of yen)

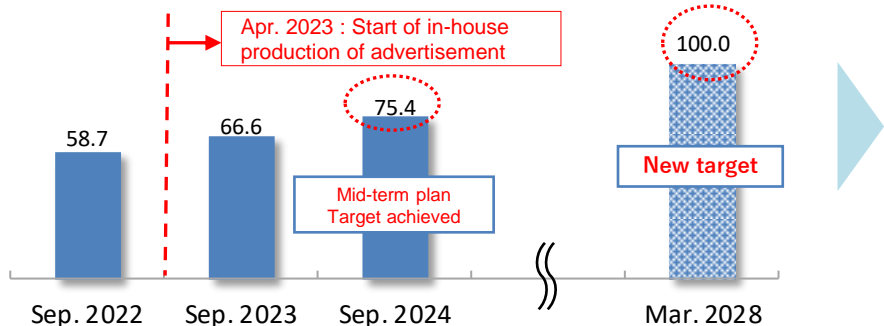
【Change in execution amount】



Unsecured Loans

【Change in the balance】

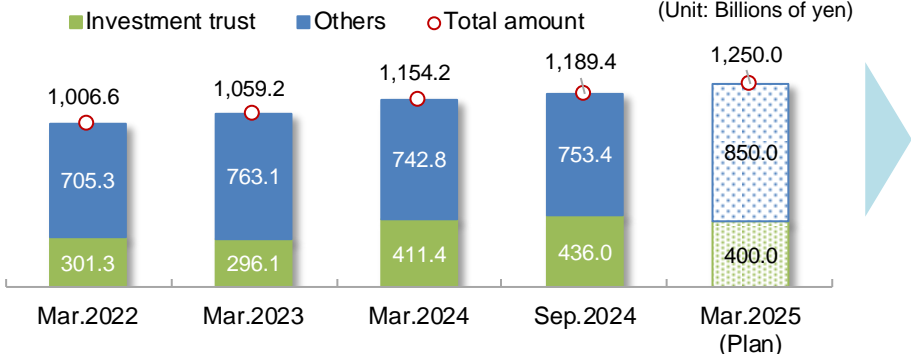
(Unit: Billions of yen)



Deposited financial assets

【The balance of the consolidated deposits financial assets】

(Unit: Billions of yen)

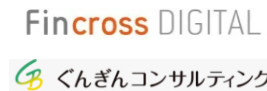


- Continue initiatives such as increasing the number of liaison staff and product revisions.
 ⇒ Additional companies added to the “Loan Fee-Based Interest Rate Plan,” expansion of the scope of use of funds, and an increase of **eight** liaison staff members.



- Interest rates** for both variable and fixed rates **increased** in October 2024.
- Aiming to restore the profitability of variable interest rates and maintain the competitiveness of fixed interest rates. Proposing **products that mix** fixed interest rates with only variable interest rates, etc.

- Contributing to **the in-house production of digital advertising**, the balance of 75 billion yen in the current medium-term plan target was achieved **six months ahead of schedule** at the end of September 2024.
 ⇒ Aiming for **100 billion yen** in the next medium-term plan (from April 2025).



- Card loan advertising management
 ⇒ The number of various loans increased in the first year after the start of in-house production (April 2023). Advertising operation fees **reduced by 30 million yen**.

Number of acquisitions	Card loans	Car loans	Personal loans	Educational loans
	1.8 times	1.4 times	1.8 times	1.5 times

- Send customers who have a certain value of financial assets and who have asset management needs to Gungin Securities. Expand profits through **advisory-style sales** that make use of high levels of expertise.
- The Bank will seek to **increase its stock earnings** by accumulating balances through approaches to the asset-building class and by capturing retirement and inheritance needs.
- The first “**Individual Consultation Plaza Fukaya**” and “**Gungin Securities Fukaya Representative Office**” outside Gunma Prefecture are opened in the new branch.
 ⇒ Gathering the branches, individual consultation plazas, and Gungin Securities **sales offices in one location** to quickly respond to diversifying needs with a one-stop service.

▶ Gungin App (launched in April 2022)

● A customer channel that is the most familiar to individual customers

✓ Per-person profits are high for app users

	Number of customers	Per-person profit Apr.2024-Sep. 2024
Users of app	330,000	13,000 yen
Non-users of app*	760,000	10,000 yen

*Aged 20-74 with a balance of 1,000 or more yen

Inquire

Inquiry of balance, deposits /withdrawals, debit card usage, withdrawal schedule, preferential ATM fees

Pay

Transfers
Payment of taxes and public money
Repayment of card-loan borrowings

Utilization as a marketing channel

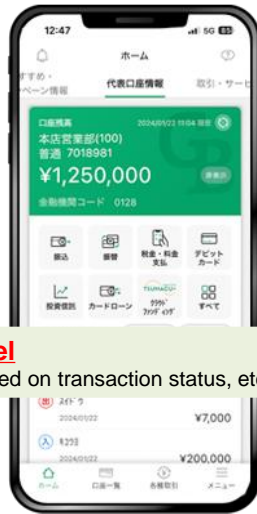
Deliver useful information to customers based on transaction status, etc.

Save and increase

Investment trust transactions

Others

Termination of fixed deposits
Recommendations/campaign information



Percentage of app transactions out of the Bank's total transactions

<Transfers>

27%

Sep. 2024

<Purchase of investment trusts>

32%

Sep. 2024

monthly utilization rate*

81%

*Percentage of people who logged in during September

▶ Enhancement of non-face-to-face channel notification functions (scheduled to begin in March 2025)

● Expand the in-branch tablet function to non-face-to-face channels to enhance and expand the various notification functions of the Gungin App.

➢ Use of the My Number Card's* official personal authentication function improves the convenience and security of customer identification work

* A public service that uses the electronic certificate recorded on the IC chip of the My Number Card to prevent identity theft and tampering, and to enable online identity verification.

Add functions in stages

March 2025: Open an ordinary deposit account, change phone number, apply for a debit/credit card, etc.

Second half of FY2025: New contracts for term deposits, new cancellations for automatic savings term deposits, name changes, loss /discovery /reissue, etc.

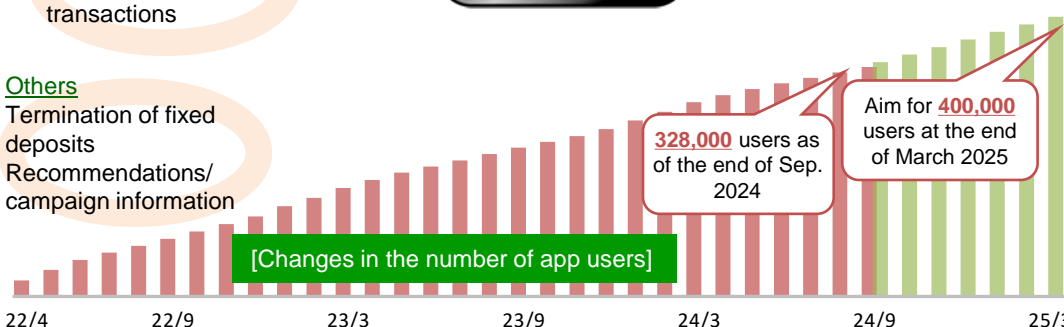
➔ Further improving customer convenience and increasing operational efficiency within the Bank

▶ Use of generative AI (starting July 2024)

● Achieve higher efficiency in planning and proposal work by using generative AI and aim for even higher efficiency through gradual functional expansion in the future

Time of introduction	Contents	Streamlining work (example)
Phase 1 (July 2024)	Start using chat-style generative AI in all branches.	✓ Ideas for various projects, writing summaries and proofreading, creating minutes of meetings, etc.
Phase 2 (second half of FY2024)	Linking generative AI with various bank information	✓ Search for regulations, by-laws, manuals, etc. and get answers in natural language
Phase 3 (from the first half of FY2025)	Linking generative AI with in-house banking systems	✓ Support for a wide range of activities, including loan application preparation and sales promotion activities.

[Changes in the number of app users]



40
30
20
10
0
(Ten thousands of people)

▶ **Utilization of data** (starting June 2023) - Data-driven management, one-to-one marketing, and improvement of data analysis -

● Dashboard

- Automatically calculate the information accumulated in the Data Lake, visualize figures and the progress of each measure in a dashboard, and substantially streamline the performance management and reporting operations.

➔ Currently operating 12 applications, including corporate service revenue management, deposit and loan reporting, and lease promotion lists. More to be added in the future.



● Data analysis platform

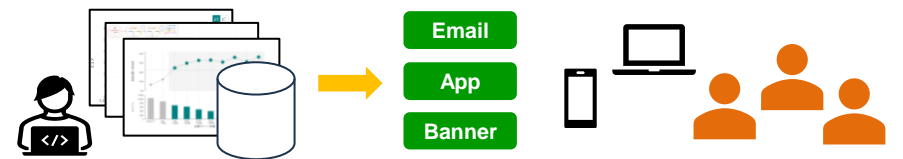
- A platform that allows advanced data analysis using AI and machine learning with a simple operation
- Each department can conduct various analyses by taking advantage of the expertise of its staff so a more effective development of measures can be achieved.

➔ Currently operating six models, including new investment trust account openings and card loan/car loan contract forecasts. In the future, plans to build a model for visualizing the actions of liaison staff and a model for free loan contract forecasts.

● Digital marketing platform

- Develops various digital marketing measures centered on MA tools, contributing to improved profitability.

- New initiatives in the first half of the year**
- ✓ Start of collaboration with the Gungin App
 - ✓ Displays different banners on the Bank's website based on transaction status and customer attributes
 - ✓ Conduct promotions based on the scores of machine learning models
 - ✓ Linking customer behavior data to the promotion department



Example: Guide to renovation loans for customers who have had a housing loan for 10 years

➔ Using MA tools to automatically send emails and push notifications to customers identified by the data analysis platform, 39 measures are being implemented to send personalized information to approximately 175,000 customers. More measures will be added in the future.

Normally, the email open rate of 10-20% rises to **40-80%**.

● Training digital human resources

- In order to accelerate the implementation of digital strategies, develop digital human resources in three stages and strengthen training for all employees.

➔ The target is to train 30 core personnel, 300 middle-level personnel, and 1,500 base personnel by the end of FY2027.

	Role of digital human resources	Certification requirements
Digital Core Human Resources	Utilizing IT to drive change, including new businesses, products, services, and business reforms.	Fundamental Information Technology Engineer, etc. + Competency Evaluation, etc.
Digital Middle Human Resources	Lead initiatives with a smaller scope and scale than core personnel. Support the proposal, introduction, and establishment of IT utilization for customer issues.	IT Passport*, etc. + Competency Evaluation, etc. Banking Proficiency Test, etc. + e-learning, etc.
Digital-based Human Resources	Possess basic IT knowledge and use IT, such as in-house systems, to perform work efficiently.	IT Passport* + e-learning

Innovations in Human Resources to Make the Best Use of Creativity

(Human Resource Management)

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
- Number of holders of professional qualifications

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 female department 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

FY2027(target)
Net income of 50 billion yen
Non-interest business profits of 32 billion yen
ROE 8%

Realization of well-being

Officers
Employees

Corporate value improvement

Innovations in Human Resources to Make the Best Use of Creativity

(Human Resource Management)

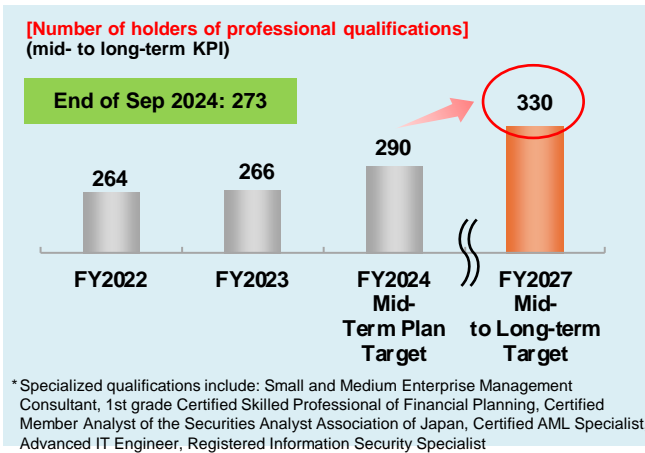
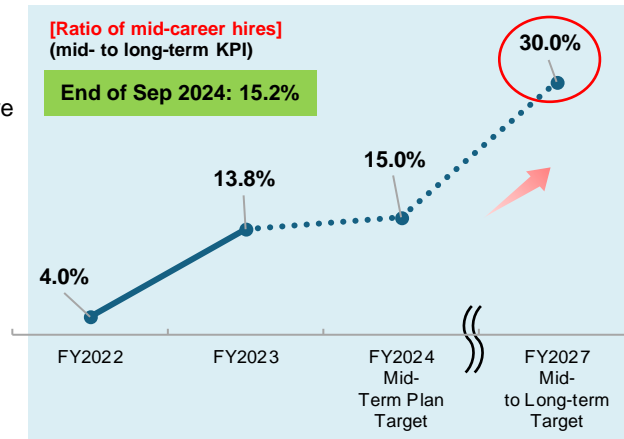
Establishment of the management human resources development committee

Established in March 2024 with the aim of securing and developing future management talent with a mid- to long-term perspective.

Discussion and examination of matters such as training policies, training plans, and training status management for candidates for department manager positions, and expansion and enhancement of female candidate groups.

Occupation-specific personnel system and strengthening of comprehensive HR capabilities

- Right personnel in the right position
⇒ Contribute to improving employee engagement and proactive career development.
- Active recruitment of mid-career professionals and expansion of support measures for acquiring professional qualifications
- Introduction of course-specific recruitment for new graduates (from FY2025)
⇒ Recruit/develop new graduates for courses such as IT and markets



Development of digital human resources

- Introduction of a digital human resources certification system
⇒ Define “digital human resources” as “human resources that work on innovation through the use of IT” and strengthen training for all bank employees.
- 1,303 people have obtained the IT Passport (as of the end of Sep 2024; target of 1,000 people by the end of the FY2024)

Diversity, Equity & Inclusion promotion initiatives

- Set a new target of 15% for the ratio of female managers in FY2027.
- Introduction of a mentoring system for female managers, implementation of a program for training female managers
- Expansion of the period covered by the childcare-related work system, implementation of career design training for employees returning from childcare leave



Strengthening organizational capabilities by ensuring well-being

- Expansion of new leave and leave of absence systems
⇒ Expansion of health support leave, career continuation support leave, etc.
- Promotion of health management
⇒ Continuous certification as a “White 500” of the KENKO Investment for Health Outstanding Organizations



External evaluation

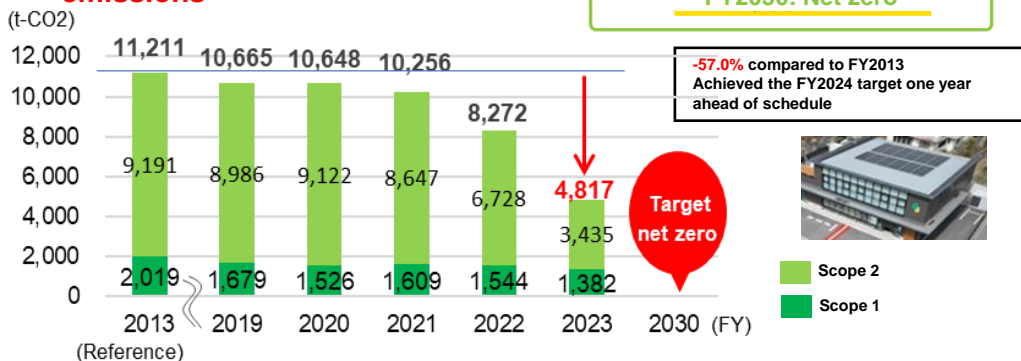


Progress of sustainable finance

Amount executed	Medium-term business plan targets for FY2024	Results *	Achievement rate	Target for FY2030
Sustainable Finance	800 billion yen	889.7 billion yen	111.2%	3 trillion yen
Social field	350 billion yen	455.3 billion yen	130.0%	1.5 trillion yen
Environmental field	450 billion yen	434.4 billion yen	96.5%	1.5 trillion yen

*Cumulative results from April 2022 to September 2024

Reduction of greenhouse gas emissions



Initiatives for regional sustainability

Comprehensive partnership agreement for regional revitalization

- Aiming to create regional development, working with local governments in Gunma Prefecture. Concluded a comprehensive cooperation agreement with 13 local governments in the prefecture, and is working on tourism promotion, supporting the revitalization of corporate hometown tax, revitalizing agriculture, attracting companies, etc.
 - Revitalization of Minakami Onsen by four organizations from industry, academia, government, and finance. Initiatives such as holding events such as markets and projects to revitalize abandoned hot-spring ryokan as tourist facilities.
- Using the initiatives of the industry-academia-government-finance collaboration in Minakami Town as a model case, efforts will be made to expand them to other regions in the prefecture.



Scenes from the "Minakami Town Ruin Revival Marche"

Contributing to the decarbonization of the region

Amount Executed	Decarbonization effect	Per household equivalent
Electricity generation associated with financing for renewable energy projects	[Amount of renewable energy generated] 6,683,749 MW h	Approx. 1.69 million households
Status of greenhouse gas reduction by customers using sustainable finance	[GHG reduction amount] 1,726,348 t-CO2	Approx. 0.99 million households
Total		Approx. 2.68 million households

Participation in the TNFD forum and GX league (April 2024)

- Participating in the GX League to strengthen our response to decarbonization.
- Participating in the TNFD Forum to promote initiatives for biodiversity and natural capital.



Started handling the Gungin SDGs Private Placement Bond "Carbon Offset Type" (July 2024)

- A product in which the Bank purchases carbon credits with a portion of the fee and offsets greenhouse gases emitted by companies issuing private placement bonds, public facilities, events hosted by Gunma Prefecture, etc.

Launch of the Gungin SDGs/ESG Management Evaluation and Diagnosis Service (August 2024)

- The scoring model visualizes the status of our business partners' SDG/ESG initiatives.
- By comparing within the industry, it is possible to objectively and quantitatively understand the status of your company's efforts.



Approaches to social issues through the issuance of ESG bonds

- Utilize 10 billion yen of the 20 billion proceeds from the issuance of ESG bonds for investments and loans in projects that support the revitalization and maintenance of the regional economy and contribute to other social issues.

Details of funding allocation	Allocation ratio
Maintaining and creating employment	43.2%
Support for recovery and restoration from disasters	10.0%
Support for the regeneration and sustainability of local economies	24.7%
Medical and welfare service support	22.1%



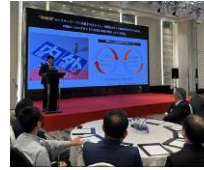
▶ TSUBASA Alliance

Purpose

- Plan and promote collaborative measures for **sustainable regional growth and the advancement of the financial system**.
- Develop measures that contribute to strengthening the top line and reducing costs for participating banks.

Initiatives

- Continue to collaborate on financial matters such as syndicated loans and mutual customer referrals
- Begin collaboration with the “Jyudan-kai” to share know-how
- Strengthen human resource development functions such as trainee dispatch between participating banks
- Strengthen collaboration overseas such as co-hosting seminars and social events for customers



▶ Gunma Daishi Hokuetsu Alliance

Purpose

- Further contribution to the local community through collaboration and initiatives aimed at **promoting the region's sustainable growth**
- Sustainable improvement of corporate value through adaptation to environmental changes, strengthening of the profit structure, etc.

Initiatives

- Joint initiatives in the areas of syndicated loan and structured finance
- Implementation of joint branches (Takasaki-Tamachi Branch in March 2023, Ikebukuro Building in January 2024)
- Holding of an inter-industry exchange event for the purpose of career development, mainly for women, by both banks and their business partners (May 2024)



▶ Ryomo Regional Revitalization Partnership

Purpose

- Contribute more to the local community than ever before through **cooperation and collaboration in overlapping business areas** centered on the Ryomo area.

Initiatives

- Signing of a cooperation agreement by September 2024, and implementation of coordinated financing of over 100 billion yen
- Joint training (including a factory tour of a common client) for young employees of both banks to be held in Ashikaga City, Tochigi Prefecture, in the Ryomo region (July 2024)
- Strengthening of cooperation overseas (accepting one Ashikaga Bank employee as a trainee at our NY branch)



▶ Fincross Partnership (Eight-Bank Collaboration)

Purpose

- Promotion through collaboration on development and research for **financial and digitalization of each bank**

Initiatives

- Advanced data utilization and enhanced digital marketing
- Aggregate data for the eight banks (12.3 million ordinary deposit accounts, approximately 900,000 borrowers)

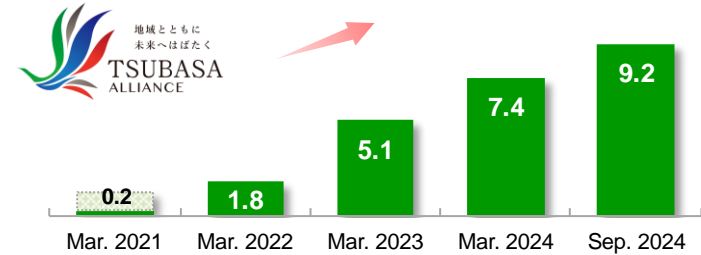


“Finance” × (クロス)

Profit effect (cumulative)

(Unit : Billions of yen)

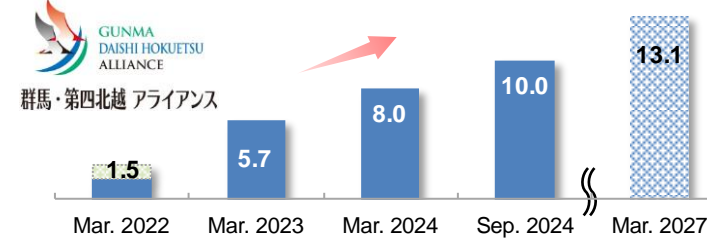
Progressing smoothly, exceeding the initial plan (6 billion yen over 5 years)



Profit effect (cumulative)

(Total of both banks)

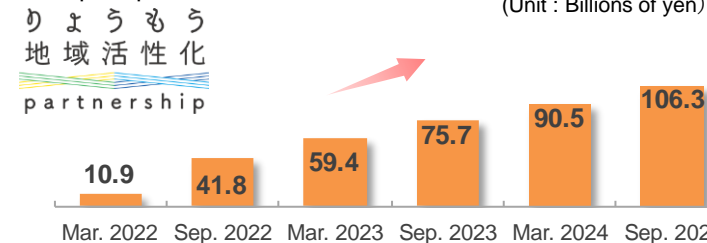
The above TSUBASA synergy effects include the Bank's portion (Unit : Billions of yen)



Trends in loans, etc.

*Total of syndicated loans, structured finance, and private placement bonds

(Unit : Billions of yen)



Fincross DIGITAL

Business Outsourcing ↑ ↓ Promotion of Digitalization

Fincross PARTNERS

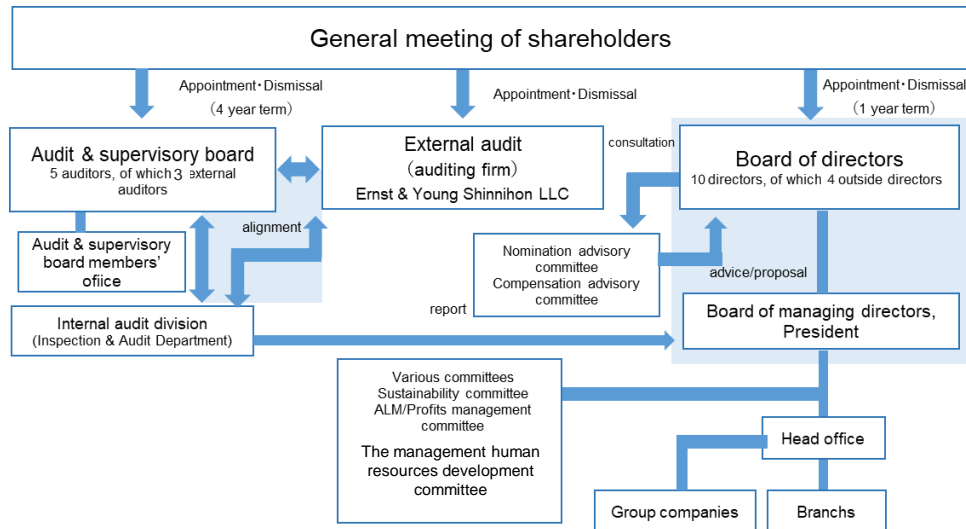


For "Purpose"

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

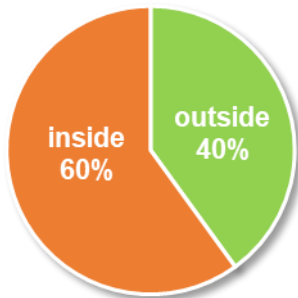
▶ Corporate governance system

The Bank has adopted an auditor system. Audit & supervisory board consists of 5 auditors (Of which, 3 outsiders). The Board of directors consists of 10 directors (Of which, 4 outsiders).



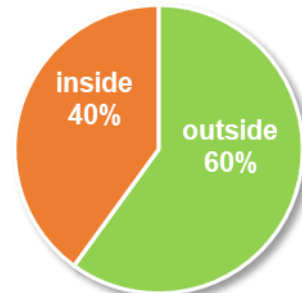
▶ Percentage of outside officers

● 40% Percentage of outside directors
⇒ 4 people (of which, 1 female)



Outside director +1
33% ⇒ 40%

● 60% Percentage of outside audit & supervisory board members
⇒ 3 people (of which, 1 female)



▶ Skill matrix (expertise & experience)

● Internal directors / audit & supervisory board members

Name	Job title	Corporate governance/sustainability	Regional economies	Sales	Market management	Management strategy/planning/compliance/new business development	Human resources	Risk management	IT system
Akihiko Fukai	President & Director	○	○	○	○	○		○	○
Hiroyuki Irisawa	Vice President & Director	○	○	○	○	○			○
Akihiro Goto	Senior Managing Director	○		○		○	○	○	
Tsutomu Takei	Senior Managing Director	○	○	○			○		
Takeo Uchibori	Senior Managing Director	○		○	○	○			○
Akihiko Horie	Managing Director		○	○					
Keita Muto	Audit & Supervisory Board Member			○				○	
Kimitoshi Mashimo	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)	Macro economy	Sustainability	IT/digital/Fintech	Regional economies & governments
Jun Kondo	Director	○		○					○
Kuniko Nishikawa	Director	○					○	○	
Kazuhiro Osugi	Director		○			○			
Takuji Kanai	Director	○		○					
Yasuo Kamiya	Audit & Supervisory Board Member				○				○
Hiroshi Kasahara	Audit & Supervisory Board Member						○		○
Sumiko Suzuki	Audit & Supervisory Board Member			○					

※The information above does not necessarily show the entire scope of expertise, experience and knowledge of directors and auditors.

The Gunma Bank, Ltd.

Interim Financial Results Briefing Session for the First Half of 2024

Data

November 22, 2024

Presenter : Akihiko Fukai, President



(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"



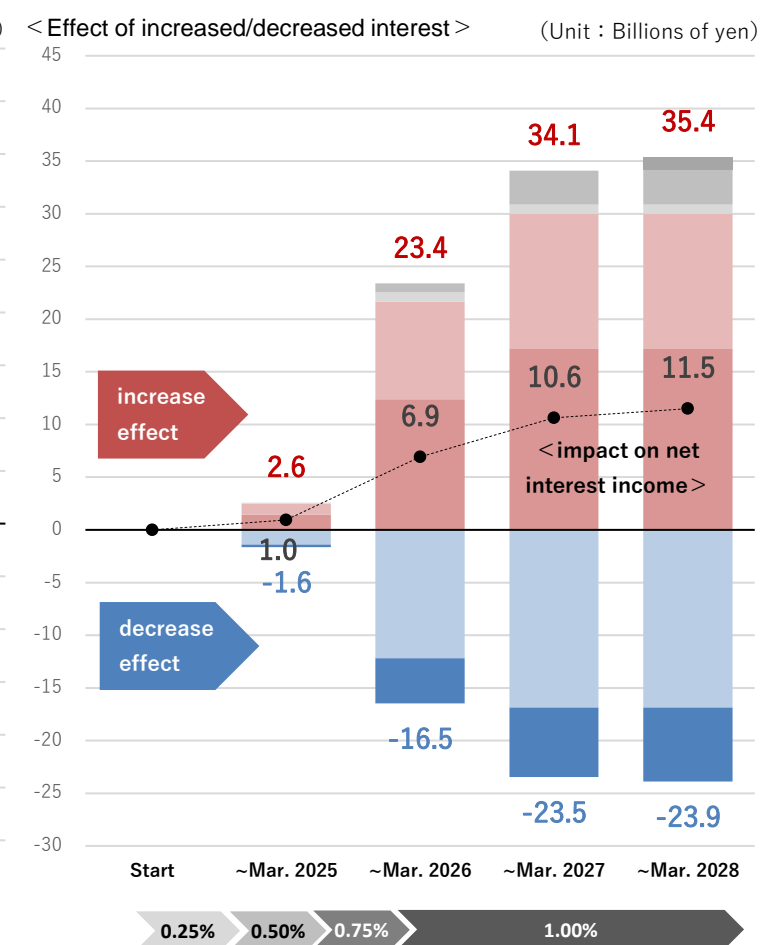
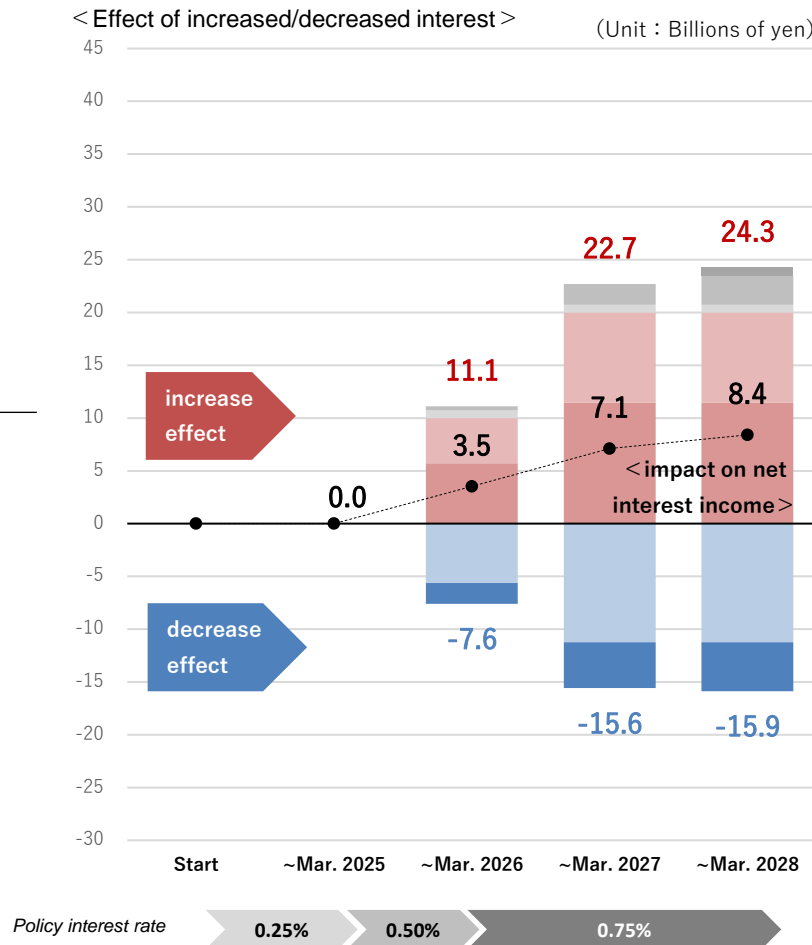
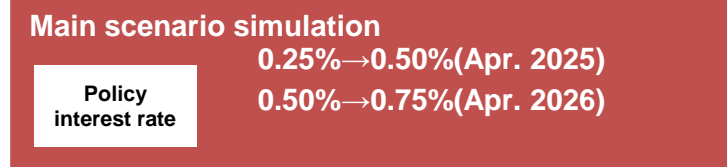
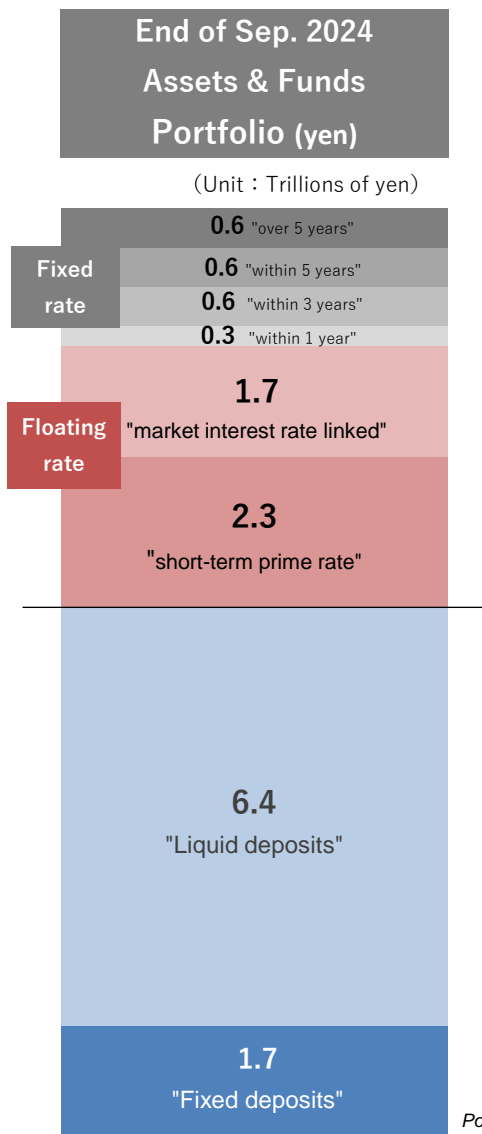
Interim Financial Results Briefing Session for the First Half of 2024 Data

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Interest Rate Sensitivity Analysis "Yen (deposits & loans)"



Assumption balance(Sep. 2024)

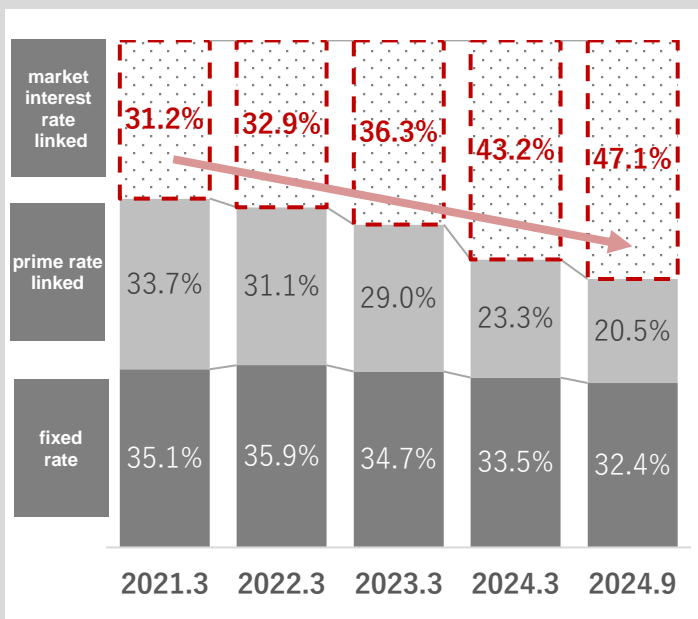
*Fixed interest rate loans estimated based on the assumption that the policy interest rate increase will be added at the time of interest rate revision.
*For short-term prime rate loans, including housing loans, the calculation is based on the assumption that the increase will be reflected on the same day when the increase is decided.

Status of Earning Assets and Funds (Yen)

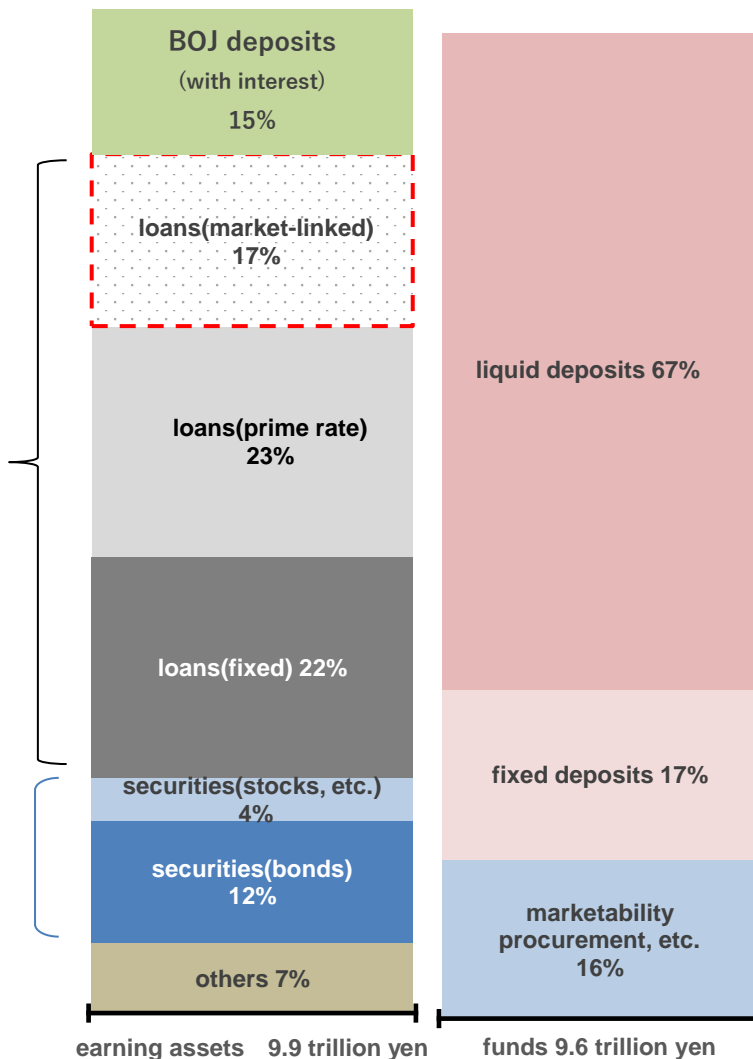
For corporate loans, we are working to increase interest rate sensitivity.
 Deposits are mainly individuals "the insured deposit ratio is highly", and highly sticky.

【Initiatives for corporate loans】

Initiatives for increasing interest rate sensitivity

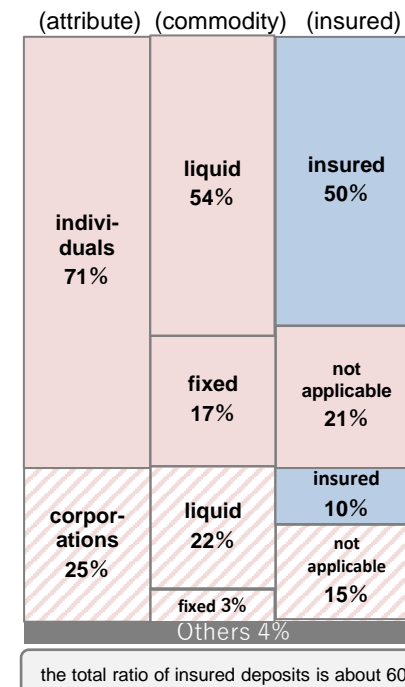


○ Assuming that interest rates will rise in the future, as an effort to increase the interest rate sensitivity of loans, we have promoted **market interest rate-linked loans**.
 → It rose from 31.2% to 47.1% in three and a half years.



(end of Sep. 2024) ※interest-free due from banks not included

【Deposits】



【Securities: interest rate sensitivity】

- Securities with foreign exchange risk account for about 2% of the total.
- Sensitivity analysis "impact on profit/ loss from valuation" Profit / loss from valuation 13.0 billion yen (Of which, Japanese Yen assets 4.0 billion yen)

Estimated value for a 10 basis points rise in parallel in interest rates → -4.8 billion yen
 Estimated value if the stock price falls by 10% → -27.3 billion yen

Status of Earning Assets and Funds (Foreign currency)

The bank replaced U.S. dollar-denominated bonds. As a result, yields are improving.

In market procure, the bank will increase procurement of floating interest rates depending on the future interest rate environment.

【Loans】

- Loans are floating rate loans only.

【Securities: interest rate sensitivity】

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

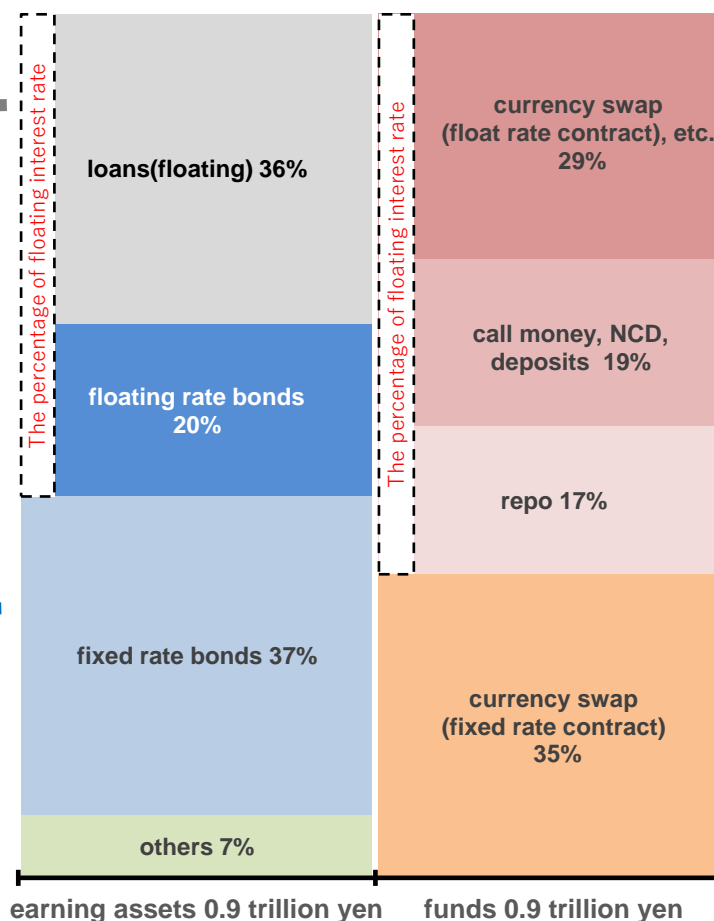
Profit / loss from valuation 13.0 billion yen
(Of which, US \$ assets 9.0 billion yen)

Estimated value for a 10 basis points rise in parallel in interest rates
→ -1.9 billion yen
Estimated value if the stock price falls by 10% → -2.3 billion yen
Estimated value when exchange rate rises by 10% → -3.9 billion yen

(reference)

- Dollar-denominated fixed bonds
The bank replaced mainly GNMA bonds with lower interest rates.
Yield on dollar-denominated fixed bonds improved to 5.4%
(Compared to Mar. 2024 : +0.3%)
- ✕ Euro-denominated bonds (Not owned)

(end of Sep. 2024)



【Market procure】

When interest rates rise
→ increasing procurement of fixed interest rates
<fixed-rate currency swap funding>
Mar. 2023 : 13% → Sep. 2024 : 35%

When interest rates decline
→ increasing short funding (call money, repo, etc.)
depending on the future interest rate environment.

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

Organization Structure

Specialized Finance Department

"In Apr. 2022, newly established as a specialized team to strengthen XB/SF"

- Many members have experience working at the NY branch and training at Mega-banks. These experiences are utilized in assembling loans and understanding contracts.
- The credit dept. is examining the projects. Depending on the credit rating & loan amount, the Executive Committee makes decisions.
- We will thoroughly manage projects through portfolio analysis & project monitoring, and accumulate projects with high profitability (RORA).

600.0

(Unit : billions of yen)

	Mar.2022	Mar.2023	Mar.2024	Sep.2024	FY2027 (goals)
Total	115.6	185.9	304.6	338.5	
XB	85.7	121.3	173.9	187.1	
SF	29.9	64.6	130.6	151.3	
Staff	5people	12people	21people	21people	

newly established SF Dept.

< Credit rating distribution (upper) and Average risk weight (lower) >

	A1	A2	A3	others
XB	12.5% (28%)	46.5% (21%)	39.0% (39%)	2.0% (58%)
SF	6.4% (66%)	17.1% (69%)	68.3% (70%)	8.2% (121%)

Most are from A1 to A3

XB

Striving to expand business scope (New Australian dollar transactions)
No default since 2013 (start of handling)

【By region】

Asia	33%	(India12%)	(Singapore7%)	(Others14%)
North America	24%	(United States22%)	(Canada2%)	
Europe	14%			
Middle East	13%			
South America	7%			
Central / Africa	7%			
Oceania	2%			

【By industry】

Financial	58%	(Commercial bank22%)	(Policy financial18%)	(Insurance9%)
Others	11%	(Aircraft leasing6%)	(Sales Finance3%)	
Commodity trading company	13%			
Petrochemistry	6%			
Food	5%			
Electric power	4%			
Medical	3%			

SF

【By asset】

Renewable energy	45%
Real estate NR	26%
Infrastructure	12%
Data center	6%
Aircraft	6%
LBO	3%
ships	2%

Status of Real estate (non-recourse)

By asset	By class
logistics, etc. 13%	mezzanine 13% [LTV 67%]
hotel 18%	senior 87% [LTV 58%]
residence 19%	
office 50%	

【By asset】 **【By class】**

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. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024	Sep. 2024	Mar. 2025(target)
<Shift to a job-based personnel system>							
Number of job interns	66	*Suspended for COVID-19	33	49	64	11	80
Ratio of mid-career hires	3%	8%	5%	4%	13.8%	15.2%	15%
Number of specialist qualification holders*	–	244	257	264	266	273	290
<small>(SME consultant, financial planner Lv.1, securities analyst, etc.)</small>							
<Strengthening comprehensive HR capabilities>							
Human resource investment amount per person	–	88 thou. yen	80 thou. yen	109 thou. yen	127 thou. yen	*1	130 thou. yen
Number of IT passport holders	–	–	109	785	1,224	1,303	1,000
Number of people using the side job system	–	–	–	21	29	27	*5
<Developing professional-level human resources>							
Number of employees dispatched for external training	129	45	64	68	107	85	100
Number of appointed professionals *2	–	3	8	11	12	40	15
<Promoting diversity and inclusion>							
Ratio of female manager	11.2%	12.7%	14.6%	16.0%	19.0%	20.8%	18% or more
Promotion rate of mid-career hires to managerial positions	38.7%	40.2%	36.8%	36.1%	36.1%	48.6%	*5
Promotion rate of new graduates hires to managerial positions	38.6%	38.1%	37.8%	38.6%	40.7%	50.2%	*5
Gender wage gap (overall)	45.6%	46.3%	47.5%	49.6%	47.7%	*1	*5
Gender wage gap (full-time)	54.6%	54.0%	54.5%	56.6%	56.5%	*1	*5
Ratio of men taking childcare leave, etc.	119.2%	158.9%	130.1%	133.3%	104.8%	76.0%	100%
Average length of childcare leave, etc. taken by men	3.3days	3.5days	6.5days	10.8days	22.4days	9.1days	6.5days or more
<Improving well-being>							
Percentage of paid leave taken	61.5%	61.3%	70.2%	80.5%	82.6%	36.8%	70%
Engagement score (human relations) *3	–	–	74[+1]	74[+1]	75[+2]	*4	*5
Engagement score (support) *3	–	–	72[+1]	72[+1]	73[+2]	*4	*5
Engagement score (self-growth) *3	–	–	65[±0]	65[±0]	66[+1]	*4	*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 Due to the system revision, the number will be changed to the number of appointed senior experts. *3 Differences from benchmark (average of 1,001-5,000 employees in the financial sector) are shown in []. *4 To be done in the second half of the year *5 No goals have been set.

Profit and Loss Conditions (Consolidated)

(Unit : Billions of yen)

	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar.2024	Sep. 2024
Core gross business profits	44.5	84.7	43.3	86.4	48.3	92.5	48.3	92.4	47.6	90.2	51.9
Net interest income	35.8	67.5	34.2	67.2	37.4	72.0	36.6	71.4	34.9	66.0	38.6
Non-interest business profit	8.7	17.1	9.0	19.1	10.8	20.5	11.7	21.0	12.7	24.2	13.2
Net fees and commissions income	6.6	12.4	6.7	13.2	7.4	13.3	7.6	14.4	10.0	19.1	10.3
Profit from other business transactions (excluding gains (losses) on bonds)	2.1	4.7	2.3	5.9	3.4	7.1	4.0	6.5	2.6	5.0	2.9
Expenses (-) (excluding non-recurrent expenses)	28.8	56.1	28.1	55.4	27.7	55.2	26.6	52.2	25.9	52.1	27.6
Core net business profit	15.7	28.5	15.2	30.9	20.6	37.3	21.7	40.2	21.7	38.0	24.3
*excluding gains/losses on cancellation of investment trusts	15.2	30.0	13.9	30.6	18.9	36.8	21.2	39.9	23.4	45.4	26.1
Gains or losses on investment securities	5.7	7.4	8.6	12.6	5.5	9.6	-1.7	-1.7	-3.5	5.7	6.4
Gains (losses) on bonds	1.2	0.5	2.8	3.1	0.7	-1.2	-18.1	-28.7	-21.7	-24.5	-8.1
Gains (losses) on stocks and other securities	4.4	6.9	5.8	9.4	4.7	10.8	16.3	27.0	18.2	30.2	14.5
Net credit costs (-)	2.6	4.8	6.5	22.4	2.9	8.3	2.3	1.2	-0.8	1.1	-0.0
Others	0.0	0.4	-0.9	-1.0	0.4	0.4	0.6	1.0	0.6	1.1	1.5
Ordinary profit	18.8	31.5	16.4	20.0	23.6	39.1	18.2	38.3	19.6	43.7	32.2
Extraordinary income (losses)	-0.1	-0.6	0.1	-0.2	-1.2	0.6	1.2	0.5	-0.2	-0.8	-0.3
Total income taxes (-)	5.2	8.4	4.2	6.3	7.0	13.3	5.6	10.9	4.5	11.8	8.9
Profit	13.4	22.3	12.3	13.5	15.3	26.4	13.7	27.9	14.8	31.1	22.9
Profit attributable to non-controlling interests (-)	0.0	0.0	-	-	-	-	-	-	-	-	-
Profit attributable to owners of parent	13.4	22.2	12.3	13.5	15.3	26.4	13.7	27.9	14.8	31.1	22.9
<Various ratio>											
OHR *including gains/losses on cancellation of investment trusts (%)	64.7	66.3	64.8	64.1	57.4	59.6	55.0	56.4	54.3	57.8	53.1
OHR *excluding gains/losses on cancellation of investment trusts (%)	65.4	65.1	66.9	64.4	59.4	60.0	55.5	56.6	52.4	53.4	51.3
ROE (%)	5.0	4.4	4.8	2.6	5.5	4.9	5.3	5.3	5.7	5.7	8.0
<reference>											
Number of Group employees (person)	3,268	3,159	3,224	3,175	3,240	3,153	3,157	3,061	3,057	2,983	3,001
Of which, Bank's employees (person)	3,066	2,960	3,024	2,976	3,035	2,953	2,957	2,860	2,844	2,767	2,787

Profit and Loss Conditions (Non-consolidated)

	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
	(Unit : Billions of yen)										
Core gross business profits	41.6	78.4	40.1	80.2	44.7	85.2	44.7	85.9	44.2	83.5	48.4
Net interest income	35.8	67.6	34.4	68.5	37.7	72.3	36.7	71.7	35.0	66.3	38.8
Of which, Interest on loans and discounts	28.8	57.0	27.1	54.2	26.7	53.5	28.1	58.7	33.6	69.1	38.0
Of which, Interest and dividends on securities	9.8	15.9	8.2	15.6	10.9	18.8	12.3	26.3	19.8	35.8	22.4
Of which, Gain (loss) on cancellation of investment trusts	0.4	-1.4	1.3	0.3	1.6	0.5	0.4	0.3	-1.6	-7.4	-1.8
Net fees and commissions	5.3	9.8	5.4	10.9	6.2	11.0	6.4	11.8	7.9	14.9	7.9
Others (excluding gain (loss) on bonds)	0.4	0.9	0.2	0.7	0.7	1.9	1.4	2.4	1.2	2.2	1.5
Expenses (-) (excluding non-recurrent expenses)	28.0	54.4	27.2	53.6	26.8	53.3	25.6	50.2	24.9	50.3	26.5
Personnel expenses	14.9	29.5	15.0	29.4	14.2	28.3	14.2	27.9	14.0	27.7	14.5
Non-Personnel expenses	11.1	22.0	10.4	21.1	10.9	22.1	9.9	19.5	9.5	19.7	10.3
Taxes	1.8	2.8	1.7	2.9	1.5	2.8	1.4	2.7	1.3	2.8	1.6
Core net business profit	13.6	24.0	12.9	26.6	17.9	31.9	19.0	35.6	19.2	33.2	21.8
Gains or losses on investment securities	5.7	5.4	8.6	12.5	5.5	9.6	-1.7	-1.7	-3.5	5.7	6.4
Gains (losses) on bonds	1.2	0.4	2.8	3.1	0.7	-1.2	-18.1	-28.7	-21.7	-24.5	-8.1
Gains (losses) on stocks and other securities	4.4	5.0	5.8	9.3	4.8	10.8	16.3	27.0	18.2	30.2	14.5
Net credit costs (-)	i + ii - iii - iv										
Net transfer to general allowance for loan losses	i										
Disposal of non-performing loans	ii										
Of which, Net transfer to specific allowance for loan losses	iii										
Reversal of allowance for loan losses	iv										
Recoveries of written off claims	iv										
(Net credit cost ratio) *Net credit cost / loans(average balance)	(0.08%)	(0.07%)	(0.21%)	(0.36%)	(0.08%)	(0.12%)	(0.08%)	(0.01%)	(-0.03%)	(0.00%)	(0.00%)
Other non-recurrent gains (losses)	-0.0	0.2	-1.0	-1.2	0.3	0.2	0.4	0.7	0.4	0.8	1.3
Ordinary profit	17.0	25.3	14.6	16.8	21.2	34.4	15.4	33.5	17.3	39.1	29.5
Extraordinary gains (losses)	-0.1	-0.6	0.1	-0.2	-1.2	0.6	1.2	0.6	-0.2	-0.8	-0.3
Total income taxes (-)	4.6	6.7	3.8	4.9	6.1	11.7	4.8	9.5	3.5	10.2	8.5
Profit	12.2	17.9	10.9	11.6	13.8	23.3	11.8	24.6	13.4	28.1	20.6

Status of Non-interest Business Profit (Consolidated)

(Unit : Millions of yen)

[Breakdown of Main subsidiary]	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Non-interest business profit	10,875	20,530	11,707	21,022	12,766	24,214	13,251
Of which, Gungin Securities	1,836	3,549	1,655	2,486	1,373	2,486	1,450
Of which, Gungin Leasing	1,374	2,770	1,339	2,578	1,277	2,537	1,291
Of which, Gunma Credit Guarantee * 1	1,267	2,517	809	1,613	783	1,547	740

[Breakdown of non-interest business profit] (Composition ratio on the right)	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Non-interest business profit	10,875	20,530	11,707	21,022	12,766	24,214	13,251
Corporate service revenue	1,808	4,325	2,984	6,008	3,432	7,571	4,836
Syndicate loans	346	602	399	917	643	1,461	691
Structured Covenant loans	171	493	204	418	229	416	189
Business matching	241	554	288	625	371	829	432
Financial instruments intermediation (including Gungin Securities) *1, 2	140	302	132	172	35	54	—
M&A	157	308	163	392	364	788	312
Private placement bonds	94	194	45	155	111	229	84
Derivatives (interest rate and foreign exchange)	542	1,581	1,500	2,574	788	1,649	1,796
Others (including Gungin Consulting) *1	114	289	251	752	889	2,141	1,329
Deposit financial assets revenue	3,948	7,703	3,685	6,850	3,852	7,624	4,161
Investment trust	1,515	2,886	969	1,848	1,052	2,196	1,189
Insurance sales commissions (for individuals) *1	652	1,344	1,043	2,386	1,284	2,628	1,313
Gungin Securities (for individuals)	1,695	3,246	1,523	2,314	1,338	2,431	1,450
Commissions for testamentary trust /Inheritance sorting	59	173	126	264	158	330	193
Trust fee	25	52	22	36	18	37	15
Others *1	5,118	8,501	5,039	8,163	5,481	9,018	4,253
Of which, Base service commissions (domestic exchange, agency services, etc.)	4,240	7,974	3,997	8,014	3,997	8,030	4,103

* 1 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.

* 2 From Sep. 2024, this item has been aggregated under deposit financial assets revenue "Gungin Securities (for individuals)".

Changes in Customer Service Business Profits

(Unit : Billions of yen)

	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Customer service business profit ratio (①÷②) ※	0.16%	0.16%	0.11%	0.12%	0.15%	0.13%	0.22%	0.25%	0.38%	0.38%	0.41%
①Customer service business profit (i + ii - iii)	5.4	11.1	4.2	9.2	5.9	10.6	8.8	19.8	15.5	30.8	17.1
Loan income (i) (See reference below)	28.2	56.0	26.9	53.9	26.6	53.2	27.7	57.6	32.2	65.6	34.4
Net fees and commissions income (ii)	5.3	9.8	5.4	10.9	6.2	11.0	6.4	11.8	7.9	14.9	7.9
General and administrative expenses (-) (iii)	28.1	54.6	28.2	55.6	26.9	53.6	25.3	49.6	24.6	49.7	25.2
②Average deposit balance	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	8,065.7	8,216.7

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

Core business profit (① + ③)	14.7	28.5	11.1	24.5	15.1	29.0	20.7	45.8	37.0	74.1	41.4
①Customer service business profit (see above)	5.4	11.1	4.2	9.2	5.9	10.6	8.8	19.8	15.5	30.8	17.1
③Interest and dividends on securities (excluding gains(losses) on cancellation of investment trusts)	9.3	17.4	6.9	15.2	9.2	18.3	11.8	26.0	21.5	43.2	24.3

<Reference>

Loan income (④×⑤) ※	28.2	56.0	26.9	53.9	26.6	53.2	27.7	57.6	32.2	65.6	34.4
④Deposit and loan direct profit margin (iv - v)	1.023%	1.014%	0.955%	0.948%	0.932%	0.935%	0.955%	0.988%	1.058%	1.062%	1.062%
Average yield on loans and bills discounted(iv)	1.044%	1.033%	0.962%	0.954%	0.936%	0.939%	0.967%	1.007%	1.105%	1.119%	1.172%
Average yield on deposit (v)	0.021%	0.019%	0.007%	0.006%	0.004%	0.004%	0.012%	0.019%	0.047%	0.057%	0.110%
⑤Average loan balance	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	6,181.3	6,467.2

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

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

<Profit margins are calculated on the table.>

(Unit : %)

[All branches]		Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Average yield on interest earning assets	(i)	1.07	1.01	0.94	0.91	0.85	0.81	0.92	1.00	1.24	1.22	1.20
Of which, Average yield on loans and bills discounted	(ii)	1.04	1.03	0.96	0.95	0.93	0.93	0.96	1.00	1.10	1.11	1.17
Of which, Average yield on securities		1.19	0.96	0.91	0.80	0.93	0.78	1.01	1.07	1.61	1.52	1.98
Funding yield	(iii)	0.08	0.08	0.03	0.02	0.01	0.01	0.08	0.15	0.37	0.38	0.46
Of which, Average yield on deposits and negotiable certificates of deposit	(iv)	0.03	0.03	0.01	0.00	0.00	0.00	0.02	0.03	0.05	0.06	0.11
Overall direct profit margin	(i)-(iii)	0.99	0.93	0.91	0.89	0.84	0.80	0.84	0.85	0.87	0.84	0.74
Deposit and loan direct profit margin	(ii)-(iv)	1.01	1.00	0.95	0.95	0.93	0.93	0.94	0.97	1.05	1.05	1.06
Ratio of expenses		0.79	0.76	0.72	0.70	0.67	0.67	0.62	0.61	0.60	0.60	0.62
Average interest rate spread		0.25	0.22	0.25	0.28	0.32	0.29	0.34	0.34	0.38	0.35	0.21

(Unit : %)

[Domestic transactions]		Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Average yield on interest earning assets	(i)	0.97	0.91	0.89	0.85	0.81	0.77	0.79	0.80	0.78	0.74	0.72
Of which, Average yield on loans and bills discounted	(ii)	0.97	0.97	0.94	0.94	0.93	0.93	0.91	0.91	0.89	0.90	0.93
Of which, Average yield on securities		1.08	0.83	0.85	0.65	0.87	0.68	0.74	0.66	0.60	0.39	0.68
Funding yield	(iii)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
Of which, Average yield on deposits and negotiable certificates of deposit	(iv)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
Overall direct profit margin	(i)-(iii)	0.97	0.91	0.89	0.85	0.81	0.77	0.79	0.80	0.78	0.74	0.70
Deposit and loan direct profit margin	(ii)-(iv)	0.97	0.97	0.94	0.94	0.93	0.93	0.91	0.91	0.89	0.90	0.91
Ratio of expenses		0.77	0.75	0.71	0.68	0.65	0.65	0.60	0.60	0.58	0.58	0.60
Average interest rate spread		0.24	0.20	0.23	0.25	0.30	0.27	0.29	0.29	※ 0.30	0.25	※ 0.17

* Factors causing "Average interest rates spread" decline (Sep. 2023 : 0.30% → Sep.2024 : 0.17%)

"Average yield on interest earning assets" declined due to an increase of BOJ deposits(with interest), with the cancellation of negative interest rate policy. And funding costs such as deposit interest and expenses have increased. As a result, "Average interest rates spread" declined.

Changes in Average of Earning Assets and Funds Balance

(Unit : Billions of yen)

Average of earning assets balance [All branches]	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Earning assets in total	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	8,659.7	10,349.2
Loans	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	6,181.3	6,467.2
Of which, Large enterprises	648.9	652.8	681.6	675.4	695.6	696.8	763.3	789.5	922.4	973.7	1,073.5
Of which, Second-tier enterprises	104.4	99.9	97.8	96.2	92.5	90.2	83.6	81.6	76.7	72.1	62.4
Of which, SMEs	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	2,538.6	2,664.8
Of which, Individuals	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	2,391.3	2,437.3
Of which, Public loans	99.5	96.3	90.6	125.8	110.2	107.4	122.7	122.7	113.6	111.3	124.5
Securities	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	2,347.5	2,250.8
Others	134.5	137.5	179.3	147.0	943.5	970.9	623.8	400.1	142.9	130.8	1,631.1

* Average balances totaled from all domestic branches are shown as breakdowns. Loans to regional public corporations are included in public loans.

(Unit : Billions of yen)

Average of funds balance [All branches]	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Funds in total	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	10,256.2	10,054.5
Deposits	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	8,065.7	8,216.7
Of which, Individuals	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	5,665.1	5,738.2
Of which, Corporations	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	1,972.0	2,019.5
Liquid deposits	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	6,234.9	6,398.3
Fixed deposits	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	1,830.8	1,818.4
Call money	17.8	16.0	16.5	134.9	373.3	359.5	210.6	167.2	200.1	289.5	36.0
Borrowings	425.2	430.2	584.5	789.8	1,391.1	1,425.6	1,136.5	992.3	1,006.2	1,052.6	1,119.7
Others	447.0	441.7	445.7	592.2	961.3	1,011.9	845.7	833.1	949.3	848.3	681.8

* 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. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Total (domestic branches)	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	6,364.1	6,484.6
*percentage indicates year-on-year change.		0.64%		2.66%		1.10%		3.75%		6.52%	
Gunma	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	2,486.2	2,502.4
Saitama	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	1,114.0	1,116.5
Tochigi	510.3	509.4	513.1	509.5	504.0	505.9	501.6	505.5	502.8	512.8	514.0
Tokyo, Kanagawa, and Osaka	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	1,848.5	1,914.5
Head Office, etc.	205.9	212.3	208.1	209.0	211.2	210.0	242.6	282.2	355.0	402.4	436.9

[Deposits (ending balance)]	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Total (domestic branches)	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	8,216.0	8,148.4
*percentage indicates year-on-year change.		3.43%		10.01%		2.69%		1.04%		2.37%	
Gunma	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	6,756.3	6,625.0
Saitama	654.2	662.4	708.4	731.2	733.1	739.6	743.2	740.3	759.3	755.0	755.6
Tochigi	364.1	369.8	391.4	400.0	405.6	400.1	406.6	397.7	409.2	403.2	409.0
Tokyo, Kanagawa, and Osaka	237.1	215.2	216.5	227.6	235.8	247.1	245.7	248.7	268.1	261.4	307.2
Head Office, etc.	28.9	30.9	51.1	58.6	63.4	50.4	50.6	47.4	45.7	40.0	51.3

Changes in Loans (by Type and by Size)

(Unit : Billions of yen)

	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Loans	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	6,467.8	6,601.0
Domestic branches	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	6,364.1	6,484.6
Corporations	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	3,527.8	3,579.9
Large enterprises	558.0	566.8	579.8	591.5	610.8	676.4	691.8	781.1	853.1	908.7	949.2
Second-tier enterprises	93.6	95.0	95.1	90.8	89.7	81.0	77.4	76.1	71.1	61.7	61.8
SMEs	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	2,557.3	2,568.8
Of which, Excluding strategic branch offices	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	2,399.0	2,414.2
Public entities	94.7	87.6	86.3	92.4	110.8	116.7	112.2	110.2	105.9	106.2	106.1
Regional public corporations	1.7	2.4	1.8	2.3	2.0	2.3	1.6	3.1	2.3	3.0	2.3
Municipal authorities	93.0	85.1	84.5	90.0	108.8	114.4	110.6	107.1	103.6	103.1	103.8
Central government	—	—	—	—	—	—	—	—	—	—	—
Individuals	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	2,425.4	2,459.9
Housing-related loans	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	2,333.3	2,363.9
Housing loans	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	1,416.2	1,439.3
Apartment loans	641.7	651.4	649.7	649.8	649.4	650.0	653.6	660.1	666.8	677.3	686.7
Others	272.8	269.4	264.4	258.7	255.5	251.5	248.7	246.7	223.2	239.7	237.9
Unsecured consumer loans	53.2	54.6	53.7	54.7	55.4	57.3	58.7	62.9	66.6	71.3	75.4
Other loans to individuals	27.9	26.7	24.6	24.4	23.0	22.5	22.4	22.2	39.5	20.8	20.5
Cross-border loans, etc.	118.5	123.3	116.6	116.7	118.5	115.7	147.7	183.9	258.2	304.6	338.5
Overseas branch	48.0	54.2	52.1	54.2	62.1	60.2	74.2	75.6	88.5	103.6	116.3

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

Changes in Loans to SMEs (by Industry)

(Unit : Billions of yen)

	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Manufacturing	457.9	463.2	480.8	482.1	475.6	472.8	475.1	480.6	485.0	485.0	481.0
Gunma	276.4	279.1	296.3	300.3	297.1	298.0	300.1	301.4	305.9	305.3	302.2
Saitama	92.2	93.6	92.0	91.3	88.9	85.0	83.8	84.3	83.2	82.5	81.3
Tochigi	61.3	62.8	63.6	62.1	61.4	62.1	63.3	66.0	66.0	67.5	68.5
Tokyo and Kanagawa	22.3	21.8	23.0	22.6	22.6	22.4	22.1	22.3	22.7	22.2	21.7
Others	5.6	5.6	5.7	5.7	5.4	5.0	5.6	6.5	7.1	7.3	7.2
Construction	159.9	165.0	176.2	188.6	183.1	185.5	181.1	187.8	181.7	189.8	184.4
Gunma	97.8	102.8	109.2	118.0	112.2	114.5	108.9	115.0	109.9	115.3	111.0
Saitama	27.5	28.5	29.8	30.5	30.6	30.7	30.6	30.6	30.6	32.1	31.1
Tochigi	17.6	17.4	19.8	21.9	21.8	21.6	21.7	22.2	21.5	21.6	21.2
Tokyo and Kanagawa	15.3	14.1	15.1	15.2	15.8	15.9	17.4	17.5	17.4	18.3	18.6
Others	1.7	2.0	2.2	2.7	2.4	2.6	2.4	2.3	2.1	2.3	2.2
Wholesaling and retailing	336.4	332.1	350.6	352.7	352.2	355.3	352.9	358.6	367.0	385.6	387.5
Gunma	180.2	177.1	186.5	189.7	191.4	193.9	196.9	197.0	202.1	217.3	219.4
Saitama	76.5	76.5	83.0	83.5	80.3	78.4	74.9	79.0	78.0	81.2	79.3
Tochigi	35.8	35.7	37.7	38.1	38.8	40.5	40.3	41.6	41.7	42.5	43.5
Tokyo and Kanagawa	39.7	38.3	39.2	37.6	38.0	38.7	37.2	37.7	41.7	41.2	41.8
Others	4.2	4.3	3.9	3.7	3.6	3.5	3.3	3.1	3.2	3.2	3.3
Real estate	465.0	464.8	452.8	448.7	438.3	441.9	450.3	459.8	477.4	498.3	511.3
Gunma	123.5	126.9	126.0	128.3	127.1	128.6	127.8	131.3	130.8	132.9	132.5
Saitama	155.6	155.4	151.3	148.4	139.4	139.0	139.9	140.2	141.8	144.5	146.1
Tochigi	52.9	51.1	49.7	48.0	47.0	48.1	48.1	48.8	50.1	52.7	53.7
Tokyo and Kanagawa	128.8	127.1	121.1	119.2	120.1	120.8	129.3	134.1	149.0	162.2	172.5
Others	4.2	4.1	4.4	4.7	4.5	5.2	5.0	5.2	5.4	5.9	6.3
Healthcare and public welfare	269.4	271.0	293.5	292.6	289.9	291.1	285.0	283.5	282.9	285.6	288.9
Gunma	114.2	115.7	124.8	122.7	122.5	122.3	118.3	116.7	116.2	115.3	117.9
Saitama	64.9	62.8	65.8	64.5	64.2	65.6	64.7	64.5	64.9	66.1	65.4
Tochigi	14.6	14.9	15.5	15.2	15.1	14.8	14.5	14.6	14.5	14.2	14.0
Tokyo and Kanagawa	73.0	74.8	84.7	87.2	86.6	87.0	86.1	86.3	85.9	88.5	90.2
Others	2.7	2.6	2.6	2.6	1.3	1.3	1.3	1.3	1.2	1.3	1.3
Other services	241.5	238.1	266.4	268.4	264.3	260.7	247.3	247.7	246.3	250.2	253.4
Gunma	130.1	129.2	148.1	151.1	148.8	147.7	138.6	139.4	139.7	139.6	141.7
Saitama	49.9	49.4	53.5	54.7	53.7	50.9	49.1	50.2	48.7	51.1	52.6
Tochigi	30.1	29.2	31.2	31.7	30.7	30.5	28.4	28.8	28.4	28.4	27.7
Tokyo and Kanagawa	29.5	28.3	31.3	28.6	28.8	28.5	28.2	26.3	26.4	27.9	28.1
Others	1.8	1.9	2.1	2.2	2.2	2.9	2.9	2.9	2.8	2.9	2.9

Status of Housing-related Loans

(Unit : Billions of yen)

[outstanding loan by region]	Mar. 2019	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Housing loans	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	1,416.2	1,439.3
Gunma	701.5	698.3	698.1	699.2	709.3	721.7	728.9	747.1	760.3	772.8	784.1	797.6
Saitama	326.5	324.1	320.9	318.8	318.2	317.0	317.4	317.2	317.8	319.4	322.1	323.5
Tochigi	114.4	113.1	111.2	110.1	108.9	107.7	107.3	104.7	103.5	102.0	101.5	101.5
Tokyo and Kanagawa	174.4	178.0	182.0	186.6	192.2	194.6	195.2	198.2	199.8	204.1	208.3	216.5
Apartment loans	631.6	641.7	651.4	649.7	649.8	649.4	647.9	653.6	660.1	666.8	677.3	686.7
Gunma	259.3	259.6	259.9	256.7	250.4	247.5	245.4	243.1	241.4	239.8	234.4	234.0
Saitama	147.7	150.2	154.0	154.2	158.8	160.2	160.8	163.8	166.0	170.5	177.7	180.6
Tochigi	114.6	116.1	116.0	115.5	115.2	114.2	113.5	112.3	111.8	110.6	113.1	113.1
Tokyo and Kanagawa	109.8	115.6	121.3	123.1	125.3	127.3	128.0	134.3	140.7	145.7	152.0	158.9

【DTI on Housing loan】	Sep. 2023		Sep. 2024	
	balance	composition ratio	balance	composition ratio
Total(Based on number of executions)	100%	100%	100%	100%
0~29%	46%	46%	46%	46%
30%~39%	43%	43%	43%	43%
40%~	11%	11%	11%	11%

DTI : Annual repayment amount / Total annual income
(Including annual income of joint and several debtors, etc.)

【LTV on Housing loan】	Sep. 2023		Sep. 2024	
	balance	composition ratio	balance	composition ratio
Total(Based on number of executions)	100%	100%	100%	100%
0%~79%	10%	11%	10%	11%
80%~99%	10%	12%	10%	12%
100%~119%	27%	26%	27%	26%
120%~	53%	51%	53%	51%

LTV : (This loan amount+Priority amount) / Collateral valuation

[Status of loans for investment real estate]	Mar. 2022		Mar. 2023		Mar. 2024	
	balance	composition ratio	balance	composition ratio	balance	composition ratio
For investment real estate	999.2	17.2%	998.6	16.5%	1,003.0	15.5%
Of which, whole building	197.0	3.4%	186.4	3.1%	177.1	2.7%
Of which, asset management companies	53.6	0.9%	50.9	0.8%	49.4	0.7%
Of which, salaried workers	31.2	0.5%	29.1	0.5%	26.0	0.4%
Default rate	0.25%	—	0.01%	—	0.08%	—
Of which, apartment loans	0.04%	—	0.02%	—	0.10%	—
Vacancy rate	3.4%	—	2.8%	—	2.4%	—
Of which, Maebashi area	5.8%	—	4.5%	—	4.0%	—
Of which, Tokyo, Kanagawa	1.8%	—	2.1%	—	1.2%	—
DSCR	1.36times	—	1.35times	—	1.35times	—
Of which, Maebashi area	1.33times	—	1.35times	—	1.33times	—
Of which, Tokyo, Kanagawa	1.47times	—	1.44times	—	1.40times	—

* 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.

* Default rate is based on amount. Cases in inheritance proceedings are excluded.

Status of Investment in Securities

(Unit : Millions of yen)

[Breakdown of gains or losses on investment securities]	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Gains or losses on investment securities	9,641	-1,740	-1,768	-3,562	5,725	6,416
Gains (losses) on bonds	-1,216	-18,139	-28,793	-21,781	-24,561	-8,147
Gain on sales	4,453	3,158	3,220	1,216	1,317	117
Gain on redemption	—	—	—	—	—	0
Loss on sales (-)	5,670	21,044	31,483	22,625	25,376	7,891
Loss on redemption (-)	—	252	530	371	501	359
Loss on devaluation (-)	—	—	—	1	0	13
Gains (losses) on stocks and other securities	10,858	16,398	27,025	18,219	30,286	14,563
Gain on sales	14,634	17,360	28,578	19,003	32,059	15,677
Loss on sales (-)	3,701	814	1,382	784	1,749	1,091
Loss on devaluation (-)	74	146	170	—	23	22

(Unit : Billions of yen)

[Breakdown of other securities]	Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023		Mar. 2024		Sep. 2024	
	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	2,450.9	(45.7)	2,372.4	(14.5)	2,618.3	(6.6)	2,323.5	(8.2)	2,213.8	(30.5)	2,183.4	(13.0)
Domestic bonds	1,761.7	(13.8)	1,728.1	(32.9)	1,780.0	(34.7)	1,376.1	(36.0)	1,278.4	(28.3)	1,191.0	(30.1)
Government bonds	801.6	(13.1)	775.8	(27.7)	811.7	(27.8)	406.1	(19.7)	354.7	(14.2)	291.5	(11.7)
Municipal bonds	764.1	(0.0)	761.1	(3.1)	772.2	(3.8)	773.2	(10.1)	732.9	(7.7)	716.2	(10.6)
Corporate bonds	195.9	(0.6)	191.1	(2.1)	196.0	(2.9)	196.7	(6.1)	190.7	(6.3)	183.2	(7.7)
Stocks	128.0	(67.7)	130.8	(49.8)	145.9	(54.5)	145.3	(62.7)	142.4	(75.9)	143.3	(55.2)
Investment trusts	187.1	(0.2)	150.6	(16.7)	253.3	(26.3)	261.7	(23.0)	231.7	(20.7)	233.3	(21.2)
Foreign securities	367.6	(8.3)	356.1	(15.1)	432.5	(0.4)	534.4	(12.1)	553.6	(3.6)	607.9	(9.0)
Yen-denominated securities	4.1	(0.0)	4.1	(0.0)	4.1	(0.0)	6.6	(0.0)	6.8	(0.0)	3.6	(0.0)
Foreign-currency securities	363.4	(8.3)	351.9	(15.1)	428.3	(0.4)	527.7	(12.1)	546.7	(3.6)	604.2	(9.0)
Others	6.3	(0.4)	6.7	(0.4)	6.4	(0.4)	5.8	(0.2)	7.6	(0.1)	7.9	(0.1)

[Bond average yield and duration]	Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023		Mar. 2024		Sep. 2024	
	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 (%)	0.25	1.27	0.25	2.18	0.26	3.18	0.35	5.35	0.35	5.48	0.32	5.61
Modified duration (year)	8.08	5.36	7.91	3.69	7.59	3.19	6.09	4.01	5.87	3.45	5.41	2.48

Status of Marketing Capability for Personal Deposit Financial Assets

(Unit : Billions of yen)

[Balance of deposit financial assets]	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Individuals	901.5	926.0	940.1	966.1	1,012.3	1,063.6	1,091.6
Investment trust	256.7	255.7	238.0	241.2	261.2	281.6	280.7
Pension insurance, etc.	481.4	492.5	512.6	520.7	553.9	573.3	578.1
Public bonds (JGBs)	36.3	33.3	30.0	27.4	25.7	24.1	24.2
Gungin Securities (directly sale and intermediation)	127.0	144.4	159.4	176.6	171.3	184.5	208.4
Corporations, etc.	71.6	80.6	88.6	93.0	89.1	90.6	97.8
Bank, non-consolidated	14.6	14.6	14.6	15.3	17.4	19.4	21.4
Gungin Securities (directly sale and intermediation)	57.0	65.9	74.0	77.7	71.6	71.1	76.3
Total	973.2	1,006.6	1,028.8	1,059.2	1,101.4	1,154.2	1,189.4

[Sales amount for marketing capability for deposit financial assets]	Mar. 2023			Mar.2024			Mar.2025
	First half	Second half	Total	First half	Second half	Total	First half
Investment trust	26.5	24.1	50.7	38.1	44.0	82.1	49.0
Pension insurance, etc.	30.9	36.5	67.5	33.0	36.5	69.6	44.1
Gungin Securities (directly sale and intermediation)	57.5	38.1	95.6	61.2	43.0	104.2	60.0
Total	114.9	98.7	213.8	132.3	123.5	255.9	153.1

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

[Breakdown of disclosed claims under the FRL]	Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023		Mar. 2024		Sep. 2024	
Disclosed Claims under the FRL	120.3	100.0%	115.4	100.0%	110.7	100.0%	106.6	100.0%	103.5	100.0%	97.0	100.0%
(By industry)												
Of which, Manufacturing	35.2	29.3%	33.9	29.4%	33.2	30.1%	32.6	30.6%	28.8	27.9%	27.1	27.9%
Of which, Wholesaling and retailing	18.5	15.4%	17.4	15.1%	16.7	15.1%	15.8	14.9%	14.7	14.2%	14.1	14.6%
Of which, Healthcare and public welfare	13.0	10.9%	12.8	11.2%	13.2	12.0%	13.2	12.4%	14.0	13.5%	12.9	13.3%
Of which, Real estate and goods rental	10.2	8.5%	8.8	7.7%	8.6	7.8%	7.6	7.1%	7.6	7.4%	6.0	6.2%
Of which, Other services	20.0	16.7%	20.0	17.4%	16.6	15.1%	15.5	14.6%	15.7	15.2%	15.4	15.9%
Ratio of Disclosed Claims under the FRL	2.03%		1.94%		1.81%		1.69%		1.58%		1.45%	
* Ratio in the case where partial direct write-offs are executed	1.73%		1.68%		1.55%		1.39%		1.31%		1.21%	

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

[Status of coverage]	Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023		Mar. 2024		Sep. 2024	
Coverage ratio	71.0%		69.7%		70.4%		73.1%		73.2%		72.3%	
Total coverage	85.4		80.5		78.0		78.0		75.8		70.2	
Value coverage by collateral and guarantees	51.4		48.8		48.4		50.3		49.6		46.5	
Allowance for loan losses	34.0		31.6		29.6		27.6		26.1		23.7	
Disclosed claims under the "FRL"	120.3		115.4		110.7		106.6		103.5		97.0	

[Credit balance under the self-assessment guideline]	Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023		Mar. 2024		Sep. 2024	
Total	5,905.5	100.0%	5,926.2	100.0%	6,108.6	100.0%	6,305.4	100.0%	6,526.6	100.0%	6,662.7	100.0%
(by borrower classification)												
Normal borrowers	5,237.1	88.7%	5,288.6	89.2%	5,492.1	89.9%	5,730.7	90.9%	5,963.8	91.4%	6,121.1	91.9%
Borrowers requiring caution	478.0	8.1%	456.1	7.7%	442.5	7.2%	402.9	6.4%	394.3	6.0%	375.4	5.6%
Potentially bankrupt borrowers	48.3	0.8%	45.5	0.8%	41.6	0.7%	37.2	0.6%	36.6	0.6%	36.2	0.5%
Effectively bankrupt borrowers	16.8	0.3%	15.5	0.3%	15.9	0.3%	20.9	0.3%	21.2	0.3%	18.6	0.3%
Bankrupt borrowers	10.5	0.2%	9.6	0.2%	9.0	0.1%	9.7	0.2%	7.3	0.1%	7.2	0.1%
Others (municipal authorities, etc.)	114.5	1.9%	110.6	1.9%	107.1	1.8%	103.6	1.6%	103.2	1.6%	103.9	1.6%

[Allowance for loan losses]	Mar. 2022		Sep. 2022		Mar. 2023		Sep. 2023		Mar. 2024		Sep. 2024	
Allowance for loan losses	46.2		43.9		40.0		36.9		35.4		32.7	
General allowance	15.3		15.3		13.4		11.8		11.8		11.4	
Specific allowance	30.9		28.5		26.6		25.1		23.5		21.3	

Status of Transition in Loans by Borrower Category

[Numbers of borrowers] (Unit : ahead)			Sep. 2024									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. 2024	Normal borrowers	21,914	20,476	552	20	6	9	5	846	846	—	—	592
	Expected loss (i)	5,659	451	4,896	23	36	31	6	216	216	—	451	96
	Expected loss (ii)	438	13	27	376	14	2	1	5	5	—	40	17
	Potentially bankrupt borrowers	550	—	6	2	497	29	2	14	14	—	* Below potentially bankrupt borrowers	
	Effectively bankrupt borrowers	244	—	1	1	—	147	10	85	50	35	8	—
	Bankrupt borrowers	81	—	—	—	—	—	45	36	9	27	—	—
	Total	28,886	20,940	5,482	422	553	218	69	1,202	1,140	62	499	705

[Amount] (Unit : Billions of yen)			Sep. 2024									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. 2024	Normal borrowers	3,561.4	3,479.6	30.7	1.7	0.2	0.1	0.2	48.7	48.7	—	—	33.0
	Expected loss (i)	261.4	26.5	225.3	3.3	2.1	0.6	0.0	3.3	3.3	—	26.5	6.2
	Expected loss (ii)	65.3	1.6	3.5	58.2	1.1	0.1	0.0	0.5	0.5	—	5.2	1.3
	Potentially bankrupt borrowers	34.0	—	0.3	0.0	31.8	1.4	0.1	0.3	0.3	—	* Below potentially bankrupt borrowers	
	Effectively bankrupt borrowers	18.2	—	0.0	0.0	—	14.5	0.7	2.8	0.7	2.0	0.4	—
	Bankrupt borrowers	7.3	—	—	—	—	—	6.5	0.7	0.1	0.5	—	—
	Total	3,947.8	3,507.9	260.0	63.4	35.3	16.8	7.8	56.5	53.8	2.6	31.8	40.6

(Notes) 1. What is shown here is transition in borrower categories from the end of March 2024 to the end of September 2024.

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. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Total capital	557.4	505.7	536.4	564.9	574.9	541.3	507.4	529.9	523.9	570.6	566.8
Common equity Tier1 capital	512.9	454.5	485.1	513.8	523.7	490.1	458.4	478.7	482.8	519.5	515.8
Other Tier1 capital	2.9	—	—	—	—	—	—	—	—	10.0	20.0
Tier2 capital	41.6	51.2	51.2	51.1	51.1	51.2	49.0	51.1	41.1	41.1	31.0
Risk assets	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	3,840.1	3,875.8
Total capital ratio	12.97%	11.95%	12.57%	12.74%	13.20%	12.40%	12.23%	13.82%	13.43%	14.86%	14.62%
Tier1 ratio	12.00%	10.74%	11.37%	11.58%	12.03%	11.23%	11.05%	12.48%	12.37%	13.79%	13.82%
Common equity Tier1 ratio	11.93%	10.74%	11.37%	11.58%	12.03%	11.23%	11.05%	12.48%	12.37%	13.52%	13.30%
* excluding valuation difference on available-for-sale securities	(9.85%)	(9.99%)	(10.18%)	(9.97%)	(10.33%)	(10.46%)	(11.05%)	(12.48%)	(12.37%)	(12.91%)	(13.01%)

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

[Non-consolidated]	Sep. 2019	Mar. 2020	Sep. 2020	Mar. 2021	Sep. 2021	Mar. 2022	Sep. 2022	Mar. 2023	Sep. 2023	Mar. 2024	Sep. 2024
Total capital	530.9	483.4	512.2	533.6	542.0	506.0	466.0	492.0	484.6	529.1	523.3
Common equity Tier1 capital	490.9	433.4	462.1	483.5	491.9	456.3	421.4	442.0	444.6	479.1	473.2
Other Tier1 capital	—	—	—	—	—	—	—	—	—	10.0	20.0
Tier2 capital	40.0	50.0	50.0	50.1	50.0	49.6	44.6	50.0	40.0	40.0	30.0
Risk assets	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	3,741.3	3,764.9
Total capital ratio	12.55%	11.57%	12.16%	12.18%	12.62%	11.76%	11.44%	13.23%	12.82%	14.14%	13.89%
Tier1 ratio	11.60%	10.37%	10.97%	11.04%	11.46%	10.61%	10.34%	11.88%	11.76%	13.07%	13.10%
Common equity Tier1 ratio	11.60%	10.37%	10.97%	11.04%	11.46%	10.61%	10.34%	11.88%	11.76%	12.80%	12.57%
* excluding valuation difference on available-for-sale securities	(9.51%)	(9.64%)	(9.80%)	(9.43%)	(9.76%)	(9.86%)	(10.34%)	(11.88%)	(11.76%)	(12.23%)	(12.32%)

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

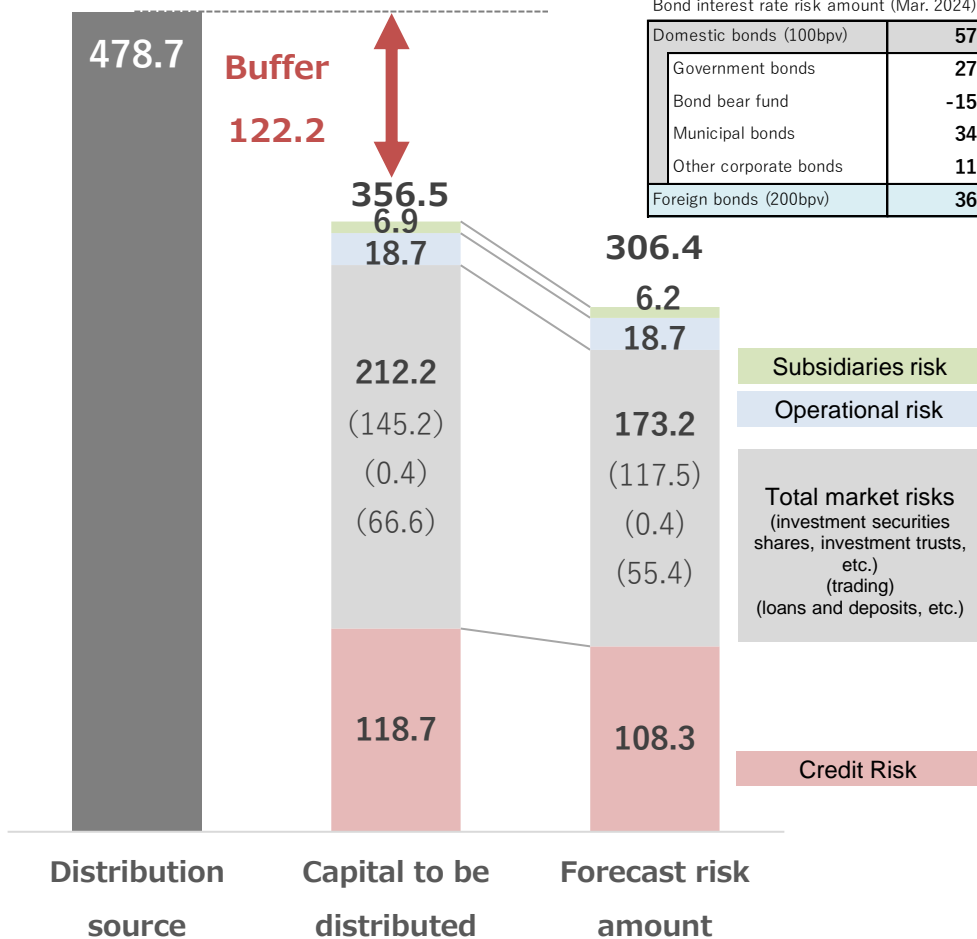
Second half of FY2023

(Unit : Billions of yen)

<Ref.>

Bond interest rate risk amount (Mar. 2024)

Domestic bonds (100bpv)	57.5
Government bonds	27.2
Bond bear fund	-15.3
Municipal bonds	34.2
Other corporate bonds	11.4
Foreign bonds (200bpv)	36.2



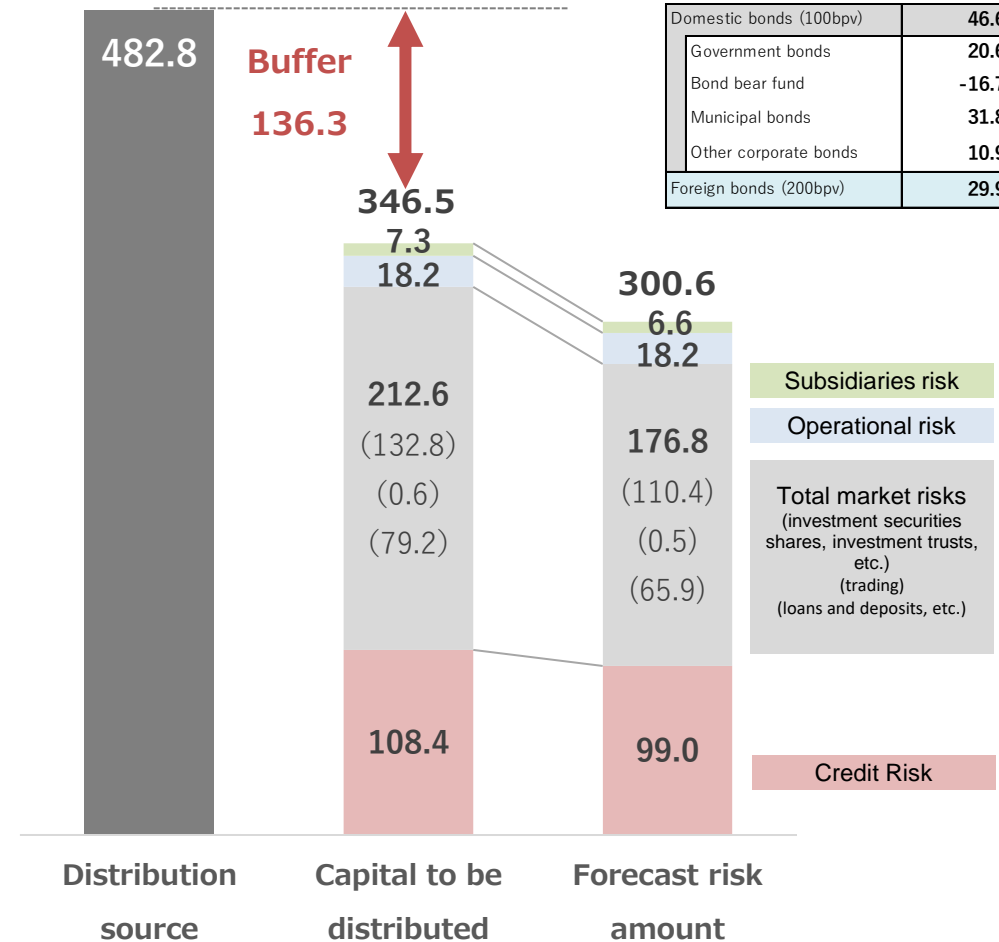
First half of FY2024

(Unit : Billions of yen)

<Ref.>

Bond interest rate risk amount (Sep. 2024)

Domestic bonds (100bpv)	46.6
Government bonds	20.6
Bond bear fund	-16.7
Municipal bonds	31.8
Other corporate bonds	10.9
Foreign bonds (200bpv)	29.9



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

[Shareholder composition]	Mar. 2021		Mar. 2022		Mar. 2023		Mar. 2024		(Unit : 1,000 shares) Sep. 2024	
	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 institutions	157,158	36.05%	142,105	33.37%	134,233	31.52%	131,019	30.76%	128,941	30.27%
Securities companies	5,828	1.34%	10,296	2.42%	8,733	2.05%	9,805	2.30%	7,616	1.79%
Other domestic corporations	75,818	17.39%	74,055	17.39%	71,496	16.79%	66,514	15.62%	63,613	14.94%
Government and municipalities	8,332	1.91%	8,332	1.96%	8,335	1.96%	8,335	1.96%	8,335	1.96%
Foreign corporations/ Foreign individuals	75,082	17.23%	72,552	17.03%	79,016	18.55%	81,628	19.17%	84,432	19.82%
Individuals/others (employees,etc.)	98,118	22.51%	103,320	24.26%	104,728	24.59%	95,185	22.35%	91,943	21.59%
Treasury shares	15,548	3.57%	15,224	3.57%	19,344	4.54%	33,399	7.84%	41,004	9.63%
Total	435,888	100%	425,888	100%	425,888	100%	425,888	100%	425,888	100%

[Status of major shareholders (Mar. 2024)]	Ownership of shares	Ratio of shareholding	[Status of major shareholders (Sep. 2024)]	Ownership of shares	Ratio of shareholding
The Master Trust bank of Japan, Ltd. (Account in trust)	54,056	13.77%	The Master Trust bank of Japan, Ltd. (Account in trust)	53,233	13.83%
Custody Bank of Japan, Ltd. (Account in trust)	26,047	6.63%	Custody Bank of Japan, Ltd. (Account in trust)	25,863	6.71%
Gunma Bank Employees' Shareholding Association	11,396	2.90%	Sumitomo Life Insurance Company	10,657	2.76%
Sumitomo Life Insurance Company	10,657	2.71%	Gunma Bank Employees' Shareholding Association	10,419	2.70%
Meiji Yasuda Life Insurance Company	9,398	2.39%	Meiji Yasuda Life Insurance Company	9,398	2.44%
Toyo Seikan Group Holdings, Ltd.	7,330	1.86%	Toyo Seikan Group Holdings, Ltd.	7,330	1.90%
Nippon Life Insurance Company	6,467	1.64%	Nippon Life Insurance Company	6,467	1.68%
DFA INTL SMALL CAP VALUE PORTFOLIO	5,461	1.39%	DFA INTL SMALL CAP VALUE PORTFOLIO	5,311	1.38%
STATE STREET BANK AND TRUST COMPANY 505103	5,174	1.31%	GOVERNMENT OF NORWAY	4,919	1.27%
STATE STREET BANK AND TRUST COMPANY 505223	5,174	1.31%	JP MORGAN CHASE BANK 385781	4,899	1.27%
Total	141,164	35.96%	Total	138,500	35.98%

* 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. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024	Mar. 2025(plan)	
(Unit : Millions of yen)									
<Amount of return>									
Total amount of shareholders return	③=①+②	8,785	8,453	5,464	9,318	14,352	16,677	20,300	
Total amount of dividends	①	5,584	5,453	5,464	5,818	7,352	8,677	15,300	
Total amount of acquisition treasury shares *2	②	3,201	3,000	—	3,500	7,000	8,000	5,000	
<Various ratio>									
(Consolidated)		← Non-consolidated basis				change of shareholder return policy	Consolidated basis →		
Shareholder return ratio	③÷④	37.7%	37.9%	40.5%	35.2%	51.4%	53.6%	50.9%	
Dividend payout ratio	①÷④	24.0%	24.6%	40.4%	22.1%	26.4%	28.1%	38.6%	
※Profit attributable of owners of parent	④	23,321	22,280	13,501	26,436	27,933	31,125	40,000	
(Non-consolidated)									
Shareholder return ratio	③÷⑤	41.9%	47.1%	46.8%	39.9%	58.3%	59.2%	56.5%	
Dividend payout ratio	①÷⑤	26.7%	30.6%	46.7%	25.0%	29.9%	31.0%	42.6%	
※Profit	⑤	20,972	17,918	11,680	23,378	24,622	28,153	36,000	
<Per share information>									
(Consolidated)									
EPS		54.12yen	52.79yen	32.14yen	63.33yen	68.19yen	78.43yen	103.71yen	
BPS		1,232.16yen	1,162.64yen	1,303.93yen	1,288.78yen	1,268.77yen	1,460.16yen	—	
(Non-consolidated)									
EPS		48.67yen	42.45yen	27.81yen	56.01yen	60.11yen	70.94yen	93.34yen	
BPS		1,189.98yen	1,122.21yen	1,230.11yen	1,200.18yen	1,164.42yen	1,304.86yen	—	
(Dividends)									
Annual cash dividends		13.00yen	13.00yen	13.00yen	14.00yen	18.00yen	22.00yen	40.00yen	
Interim cash dividends		6.00yen	6.00yen	6.00yen	7.00yen	8.00yen	10.00yen	20.00yen	
Year-end cash dividends		7.00yen	7.00yen	7.00yen	7.00yen	10.00yen	12.00yen	20.00yen	
(Total number of issued share)		453,888,177shares	435,888,177shares	435,888,177shares	425,888,177shares	425,888,177shares	425,888,177shares	415,888,177shares	

*1 Premise (Mar. 2025(plan)) : Total amount of dividends (calculated based on the number of shares as of Mar. 2025(forecast))

*2 In calculating the shareholder return ratio, the amount of treasury shares buyback 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. The announcement May 9. 2024 (acquired 5 billion yen) was included Mar. 2024. In addition, the announcement Aug. 2024 (acquired 5 billion yen) is included Mar. 2025(plan). Note the amount of treasury shares acquisition is rounded.

Branch Office Network

161 offices
(including 1 overseas branch)

Gunma Prefecture
111 branch offices

Nagano Prefecture
1 branch office

Tochigi Prefecture
10 branch offices

Saitama Prefecture
24 branch offices

Tokyo Metropolis
9 branch offices

Kanagawa Prefecture
3 branch offices

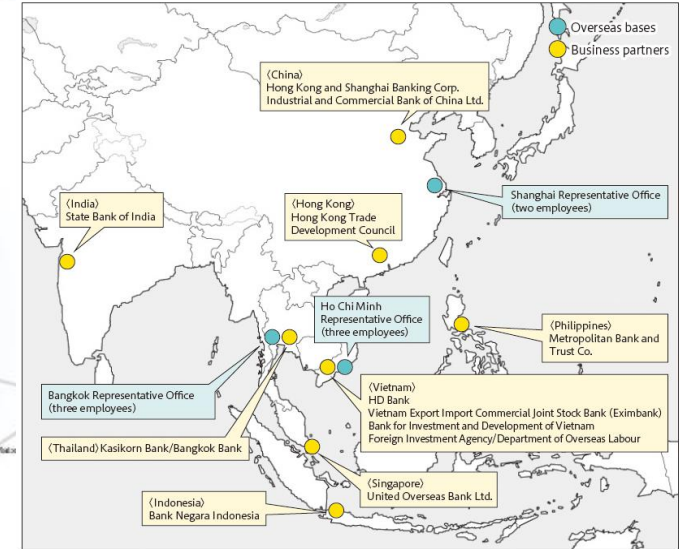
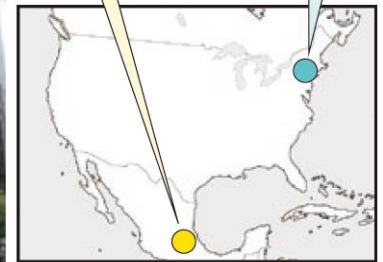
Osaka Prefecture
1 branch office

Chiba Prefecture
1 branch office

USA 1 branch office
(New York)

(Mexico)
Banco Nacional De México, S.A., Integrante
Estado de Aguascalientes
Estado de Jalisco, Estado de Guanajuato
Estado de Nuevo Leon

New York Branch



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	1,524	217.5	Funds balance	1,524	217.5
Foreign loans	732	104.5	Short-term market procurement	771	110.0
Foreign securities	742	105.9	Repo	428	61.2
(floating rate bond)			interoffice borrowing	317	45.3

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

(Unit : Millions of dollars)

	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024	Sep. 2024
Business gross profit	4.6	4.6	4.8	5.6	5.4	5.1	5.5	4.9	5.3	3.7
of which, net interest income	5.0	4.6	4.9	6.0	5.6	5.3	5.7	5.1	5.4	3.7
expenses	3.3	3.5	3.3	3.3	3.6	3.6	3.6	3.5	3.7	1.9
business net profit	1.3	1.1	1.5	2.3	1.7	1.4	1.9	1.3	1.5	1.7
profit before income taxes	1.3	1.1	1.5	2.4	1.7	1.4	1.8	1.4	1.5	1.7
Yen base (Billions of yen)	0.14	0.12	0.16	0.26	0.19	0.16	0.22	0.18	0.24	0.25

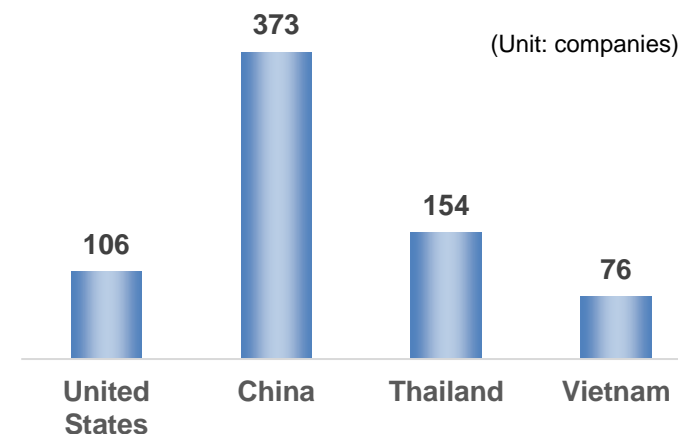
▶ Asia bases (Representative Office)

● Overview

[Offices] Three offices in Bangkok, Shanghai 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.

<The number of our clients expanding overseas>



List of Group Companies



Developing diverse financial solutions through innovation in services to provide



Gungin Securities Co., Ltd.

【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

(Unit : Billions of yen)

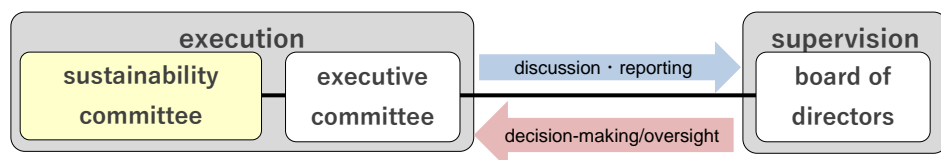
[Sep. 2024]	Bank, non-consolidated	Total of subsidiaries	(Gungin Securities)	(Gungin Leasing)	(Gunma Credit Guarantee)	(Others)	Consolidation offset	Consolidated financial statements
Core gross business profits	48.4	4.2	(1.4)	(1.2)	(1.2)	(0.3)	-0.7	51.9
Net interest income	38.8	-0.1	(0.0)	(-0.1)	(0.0)	(0.0)	-0.0	38.6
Non-interest business profit	9.5	4.4	(1.4)	(1.4)	(1.2)	(0.3)	-0.7	13.2
Net fees and commissions income	7.9	2.8	(1.2)	(-)	(1.2)	(0.3)	-0.4	10.3
Profit from other business transactions	1.5	1.6	(0.1)	(1.4)	(-)	(0.0)	-0.2	2.9
Expenses (-) (excluding non-recurrent expenses)	26.5	1.8	(0.9)	(0.5)	(0.1)	(0.3)	-0.7	27.6
Others	7.7	0.2	(0.0)	(0.3)	(-0.2)	(0.0)	0.0	7.9
Of which, Gain or loss on investment securities	6.4	-0.0	(-)	(-)	(-)	(-0.0)	-	6.4
Of which net credit costs (-)	0.1	-0.1	(-)	(-0.3)	(0.2)	(-)	-0.0	-0.0
Ordinary profit	29.5	2.6	(0.5)	(1.1)	(0.8)	(0.1)	0.0	32.2
Profit	20.6	2.2	(0.3)	(1.1)	(0.5)	(0.0)	0.0	22.9

[Sep. 2023]	Bank, non-consolidated	Total of subsidiaries	(Gungin Securities)	(Gungin Leasing)	(Gunma Credit Guarantee)	(Others)	Consolidation offset	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

Governance

Sustainability committee

- In April 2022, we established the Sustainability Committee. Its goal is to reinforce the Bank's sustainability initiatives, develop management strategies from a mid- to long-term perspective, and enhance the effectiveness of measures.
- The Sustainability Committee chaired by the President will hold four meetings per year, in principle. The main matters it will discuss and consider include the formulation of policies related to sustainability initiatives and reports on the progress of the plan.

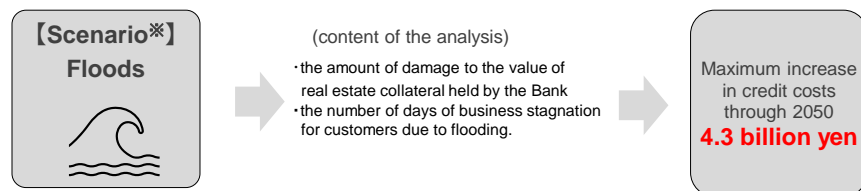


※The matters discussed and considered at each sustainability committee meeting are submitted to the executive committee for discussion at or reported. The committee will make four reports to the board of directors per year.

Strategies

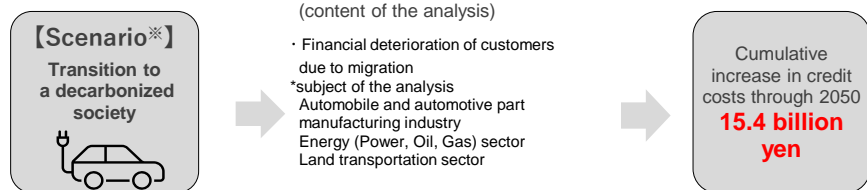
Scenario analysis

● Physical risk



※Scenario IPCC/RCP8.5 "4°C scenario"

● Migration risk



※Scenario NGFS/NetZero2050 (1.5°C scenario) IEA/NZE2050(1.5°C scenario), IPCC/RCP2.6(2°C scenario)

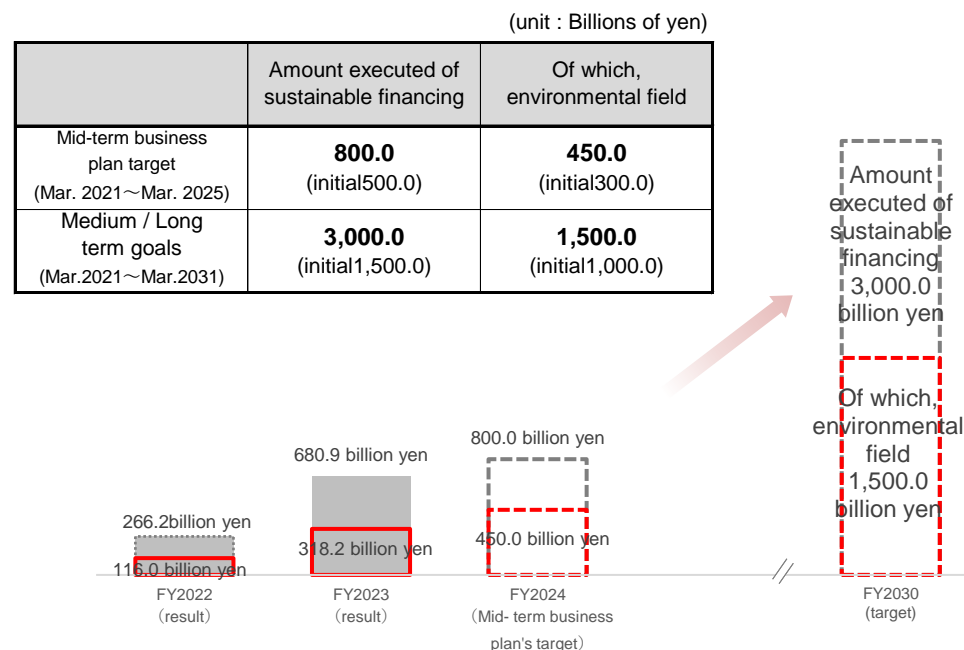
Risk management

- The Bank recognizes that the physical and migration risks arising from climate change as a significant risks that could significantly impact the Bank's business operations and strategic and financial plans.
- The impact of the various risks identified through scenario analysis, etc. will be assessed for different categories, such as "credit risks" and "operational risks". The bank will adopt a posture that allows it to manage them within the existing framework.

Indicators and targets

Sustainable financing

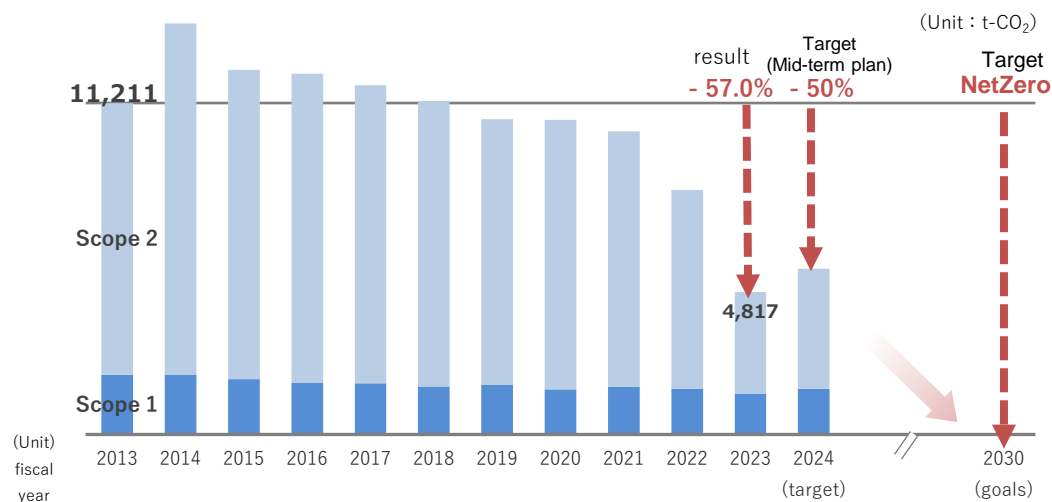
- Due to past performance and the increasing expectations and role of a bank towards decarbonization, the Gunma Bank Group has revised upward the target amount during the Medium-term business plan and Medium/Long term goals.



Indicators and targets

Greenhouse gas emissions

- The bank set its greenhouse gas emission reduction targets, as follows.
 Target : <FY2024 reduction of at least 50% compared to FY2013> <FY2030 Net Zero>
 In FY2023, the reduction was 57%, achieving the medium-term plan target one year ahead of schedule.



Expanded measurement range

< FY 2023 >

	Emission(t-CO ₂)
Scope 3 : category1 (purchased goods and services)	13,220
" : category2 (capital goods)	5,621
" : category3 (fuel and energy related activities (not included in scope 1,2))	1,216
" : category4 (upstream transportation and distribution)	269
" : category5 (waste generated in operations)	146
" : category6 (business travel)	303
" : category7 (commuting)	3,284
" : category15 (investment/loan)	9,461,139
Total	9,485,198

SCOPE 3 (Category15)

- In accordance with PCAF standards, the bank estimated for domestic corporate financing clients (end of FY 2023).

Industry	Carbon intensity (t-CO ₂ / mn yen)	Emissions (t-CO ₂)	Weighted average data quality score
Oil and gas	3.28	357,187	3.50
Coal	0.00	0	—
Electric utilities	21.86	435,413	3.34
Air cargo	12.14	437	4.00
Passenger air transport	0.00	0	—
Maritime transport	7.45	30,045	1.26
Rail transportation	0.95	27,125	1.64
Trucking service	3.78	466,484	3.91
Automobiles and components	2.42	389,242	2.56
Metals and mining	4.62	803,320	2.80
Chemicals	4.54	276,146	2.19
Construction materials	14.57	271,057	2.66
Capital goods	3.56	1,279,925	3.54
Real estate management and development	0.83	177,741	3.19
Beverages	1.62	51,273	2.90
Agriculture	6.26	83,250	4.00
Packaged foods and meals	5.50	831,076	3.89
Paper and forest products	3.70	145,800	2.86
Other	1.60	3,835,618	3.43
Total		9,461,139	

Major features of Gunma Prefecture

- Located roughly at the center of Honshu and **approx. 100km** from Tokyo (well-developed transportation network)
- Manufacturing, world-class **technology**
- Abundant **water resources** (The headwaters of the Tone River flow through the region and serve as a water source for the Tokyo metropolitan area.)
- Stable climate and **few seismic disasters**
- **As the kitchen of the Tokyo metropolitan area**, diverse and varied agriculture is flourishing.



Attractive local resources

- Japan's leading hot spring kingdom
 - The number of hot spring resorts is 96, **ranking first in the Kanto region and 8th in Japan.** (From the Ministry of the Environment "Hot Spring Usage Situation in Fiscal 2022")
 - Kusatsu Onsen has been **ranked first for 21 consecutive years** in the "100 Best Hot Springs in Japan" list.
- World Heritage Site, Tomioka Silk Mill
 - Established as Japan's first full-scale model spinning mill.
 - As an industrial heritage, it became the first national treasure in Japan.
- A treasure house of renewable energy
 - Utilizing abundant water resources, the maximum power output of "hydroelectric power generation" **ranks 8th in Japan** (From the Ministry of Economy, Trade and Industry "Results of Electric Power Investigation Statistics in Jan. 2024)
- An environment suitable for the production of agricultural and livestock products
 - Many agricultural products such as Konjac potatoes (Shimonita-town), cabbage (Tsumagoi-village) have the highest yields in Japan.



No.1 in harvest	No.2 in harvest	No.3 in harvest
Konjac potato	cucumber	lettuce
cabbage	plum	chinese cabbage
cocoon	butterbur	eggplant



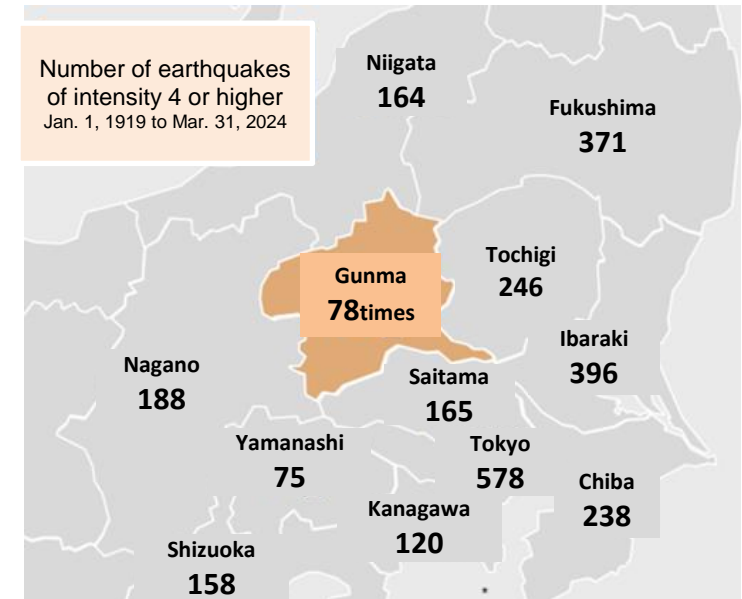
Sources : Gunma Prefecture 「IR information of Gunma Prefecture(Oct. 2024 edition) 」
Gunma Prefecture, Industry and Economy Department, "Gunma Ga Ichiban! (Mar. 2021)"

Low seismic hazard risk

Statistically, it is an area with relatively few earthquakes (**78 earthquakes at an intensity 4 or higher over a period of 100 years**) and indicates favorable conditions for establishing factories and logistics base.

【Major investment trends in Gunma Prefecture (recent years)】

Year	Company name	Overview
2022	NTT	Partial relocation of head office (Takasaki)
	SUBARU	Announcement of new factory construction (Oizumi)
	Deloitte Tohmatsu Group	New office opening (Maebashi)
2023	Accenture	New office opening (Maebashi)
	Michelin Japan	Head office relocation (Ota)
2024	IHI aerospace	Head office relocation (Tomioka)
	JINS HD	Satellite Office (Maebashi)
	Shin-Etsu Chemical	Announcement of new factory construction (Isesaki)

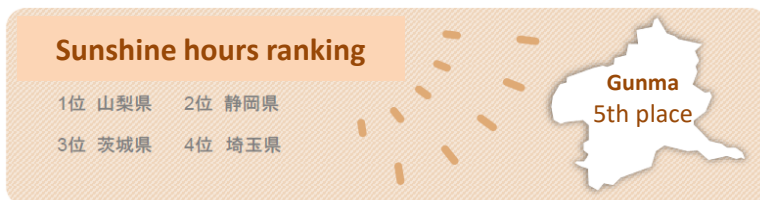


【Number of households affected by natural disasters, etc.(2013~2022)】

Damage(less)	Ranking	Prefecture	Number
↑	1	Gunma	444
	2	Tokyo	2,560
	3	Kanagawa	3,089
	4	Saitama	5,947
	5	Tochigi	7,487
	6	Ibaraki	7,833
	7	Chiba	8,657
↓			
Damage(more)			

Favorable sunshine hours

Rank 5th in Japan in terms of number of annual hours of sunshine. In addition, snowfall is relatively low in the plains, and the region is blessed with favorable climate conditions.



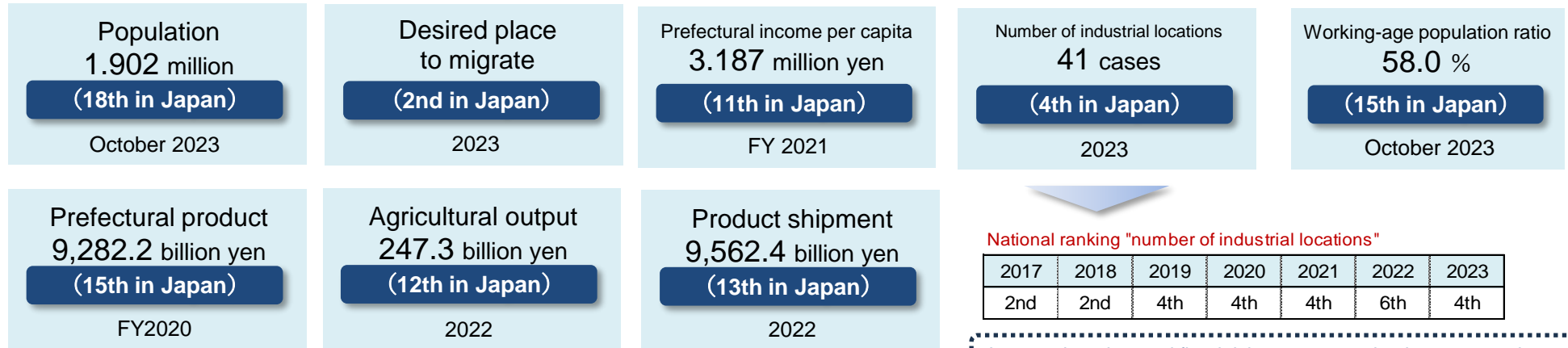
The damage (Earthquakes, floods, landslides, etc.) is the lowest in Japan.

Sources : Gunma Prefecture 「IR information of Gunma Prefecture(Oct. 2024) 」

Potential of Gunma Prefecture (Gunma Power)

Main data of Gunma Prefecture

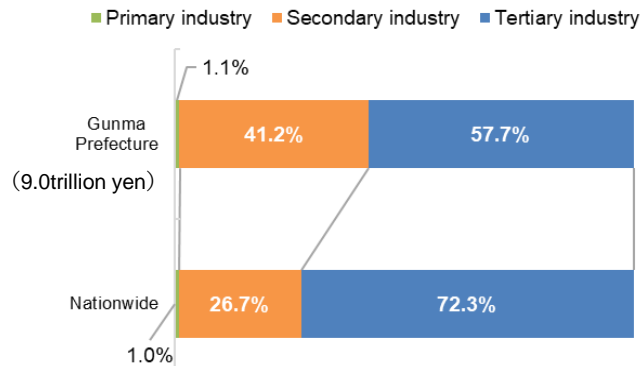
Sources
 Gunma Prefecture「IR information of Gunma Prefecture (Oct. 2024)」
 「FY2021 Gunma Prefecture economic statistics」



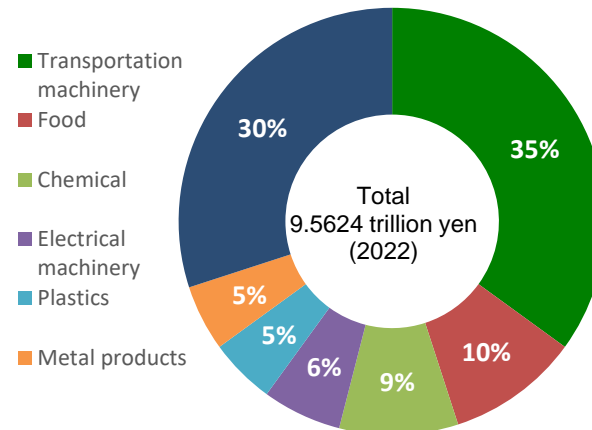
Low earthquakes and flood risks → promote business expansion

Manufacturing industries drive Gunma economy

- Nominal (domestic) gross production output for Gunma type of industry
 - Gross prefectural product is 9.0 trillion yen, of which **about 40% is secondary industry**.
 - Gunma Prefecture has one of the highest percentages of secondary industry in the nation.



- Breakdown of manufactured product shipment, etc.
 - Transportation machinery products account for a large share of shipments.

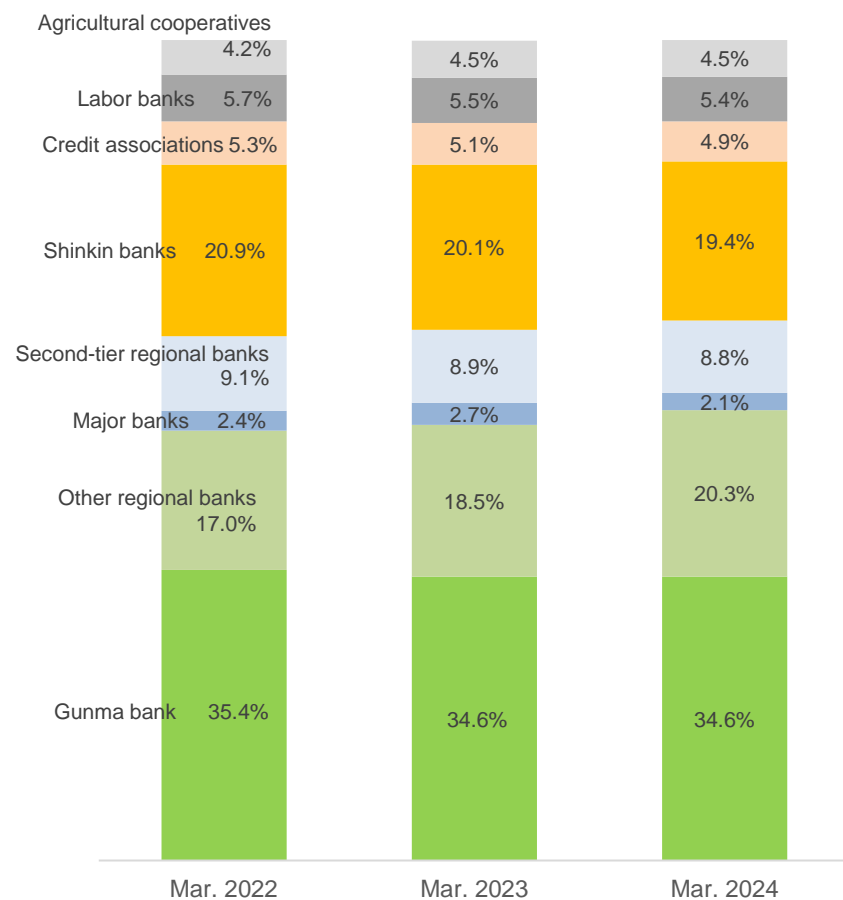


- Ratio of transportation machinery production
 - Ranks 4th in Japan at ratio of transportation machinery production in gross output for the prefecture

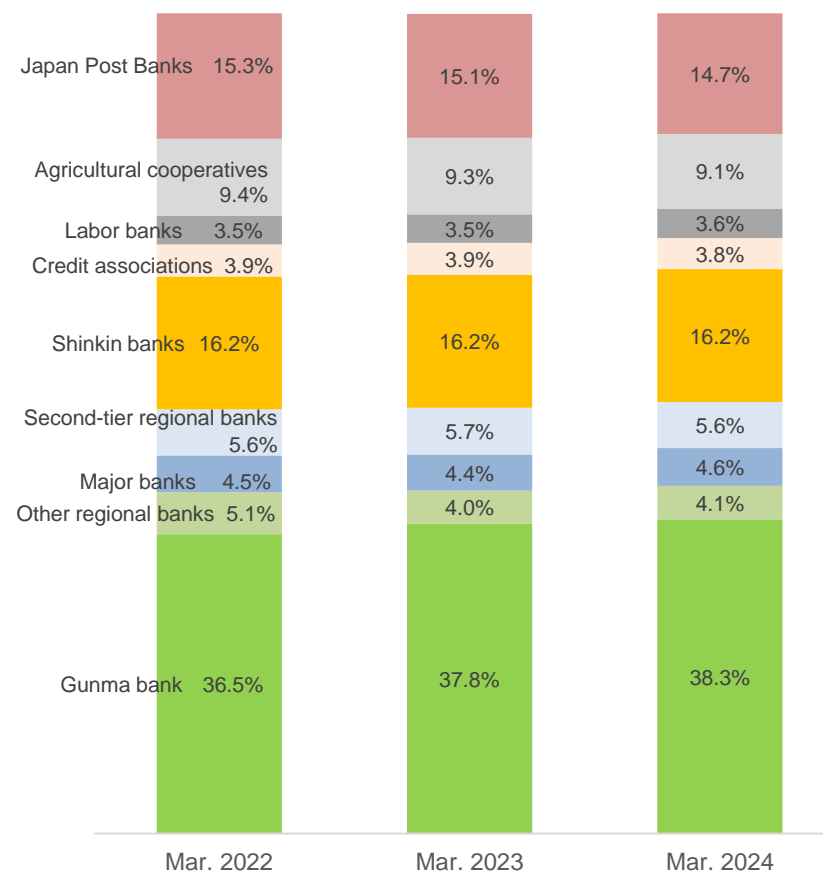
Ranking	Prefecture	Gross output ratio
1	Aichi	16.6%
2	Shizuoka	9.9%
3	Mie	6.5%
4	Gunma	6.3%
5	Hiroshima	6.2%
6	Gifu	4.9%
7	Yamaguchi	4.6%
8	Tochigi	4.1%
9	Ibaraki	4.0%
10	Okayama	3.5%

※FY2020 data

Shares in loans



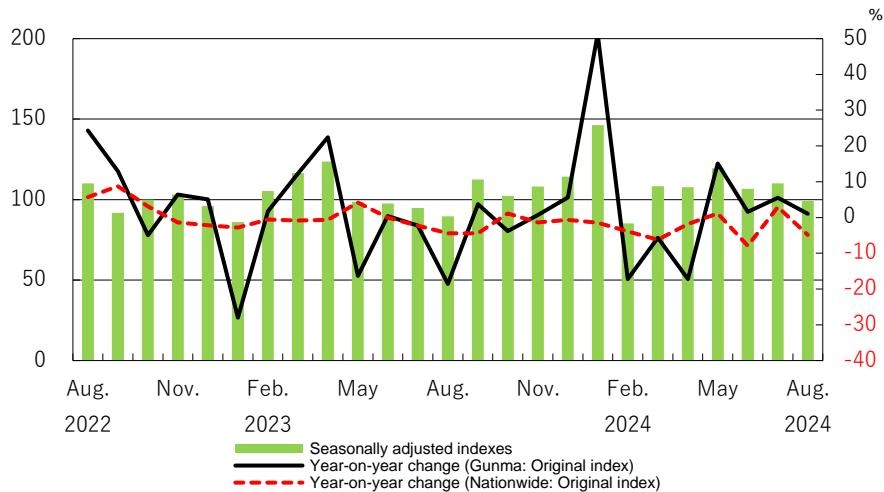
Shares in deposits



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

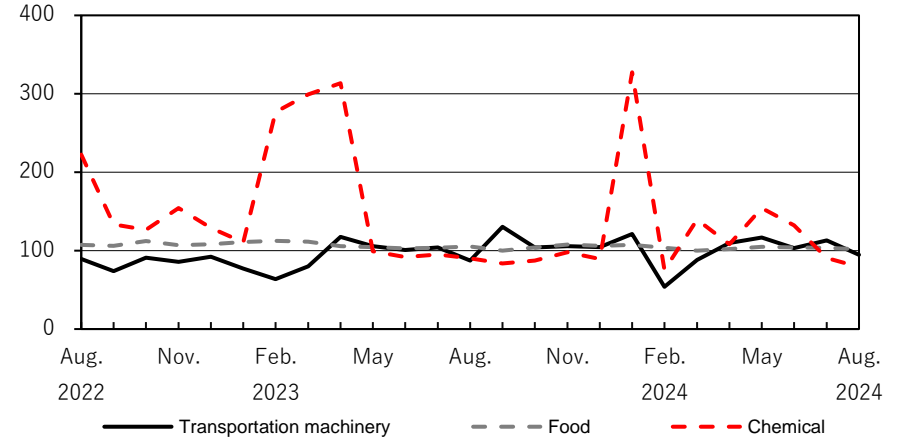
Economic Trends in Gunma Prefecture |

Mining and manufacturing production index (Year 2020=100)



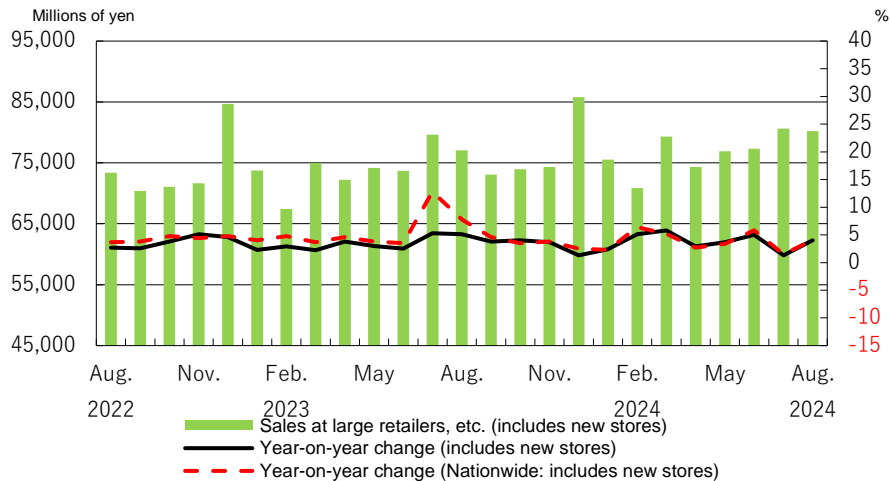
Source: Gunma Prefecture, Ministry of Economy, Trade and Industry

Production index by industry classification (seasonally adjusted)
(Year 2020 = 100, Top three industries by share)



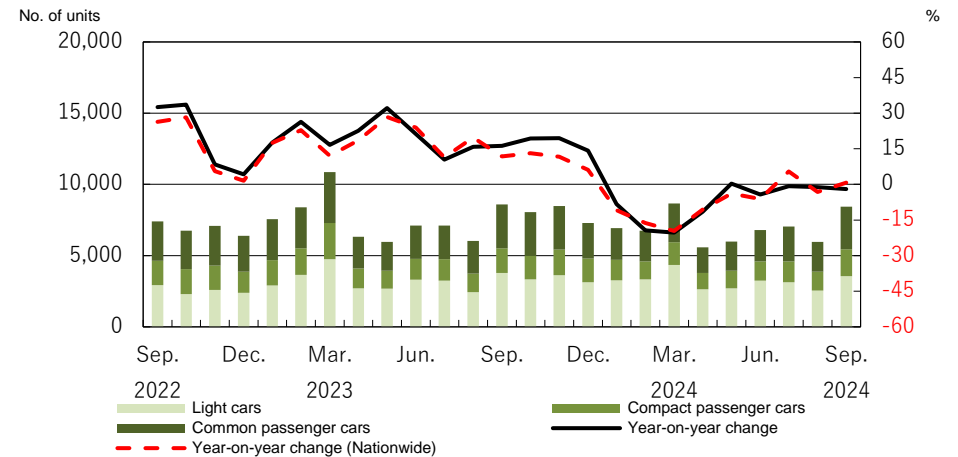
Source: Gunma Prefecture

Sales at large retailers, etc.



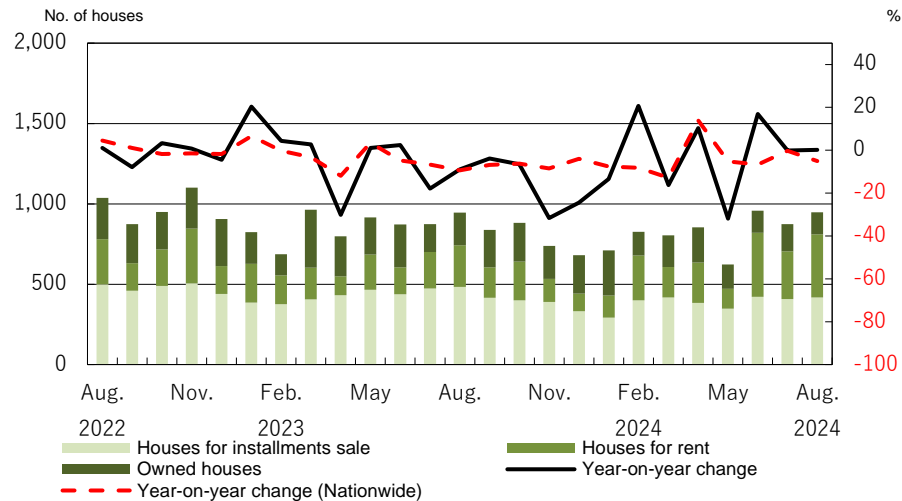
Source: Ministry of Economy, Trade and Industry

Sales of passenger cars



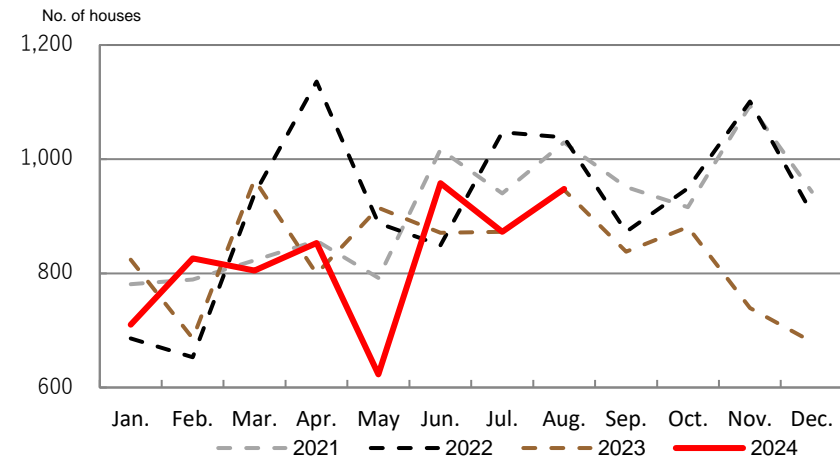
Sources: Japan Automobile Dealers Association, Japan Mini Vehicles Association, Japan Automobile Dealers Association Gunma Branch, Japan Mini Vehicles Association Gunma Branch

New housing starts



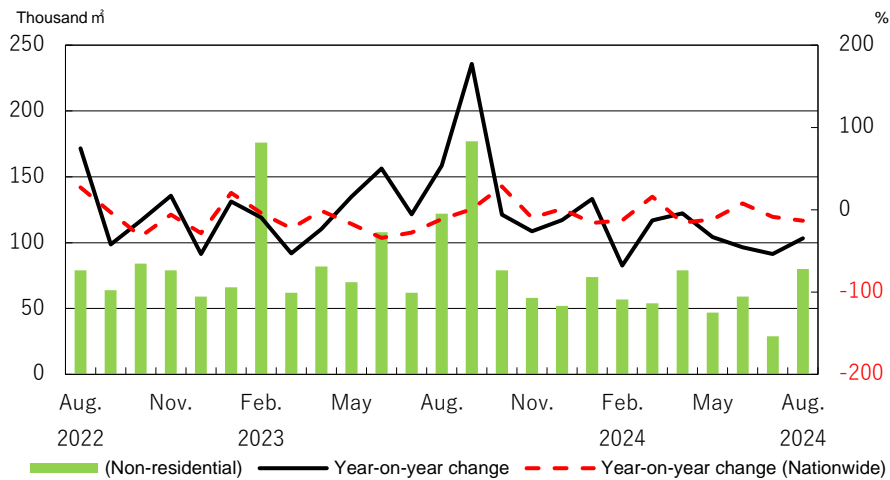
Source: Ministry of Land, Infrastructure, Transport and Tourism

Monthly movements in new housing starts



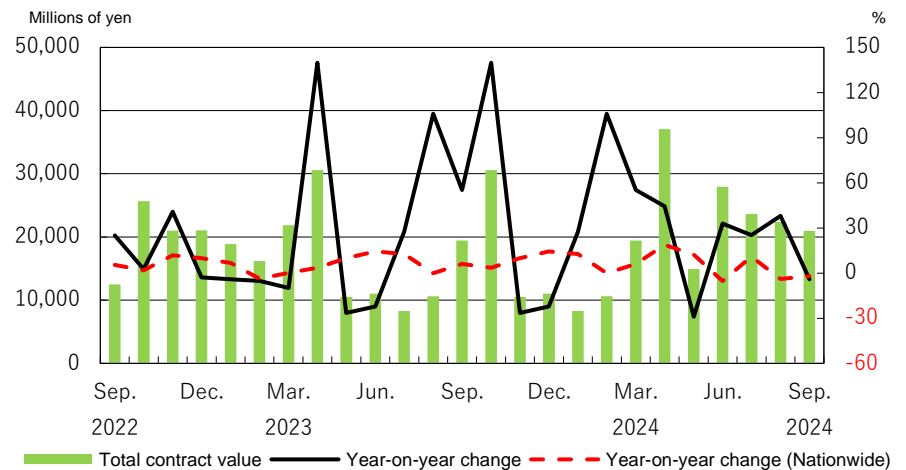
Source: Ministry of Land, Infrastructure, Transport and Tourism

Total floor space of construction starts (non-residential)



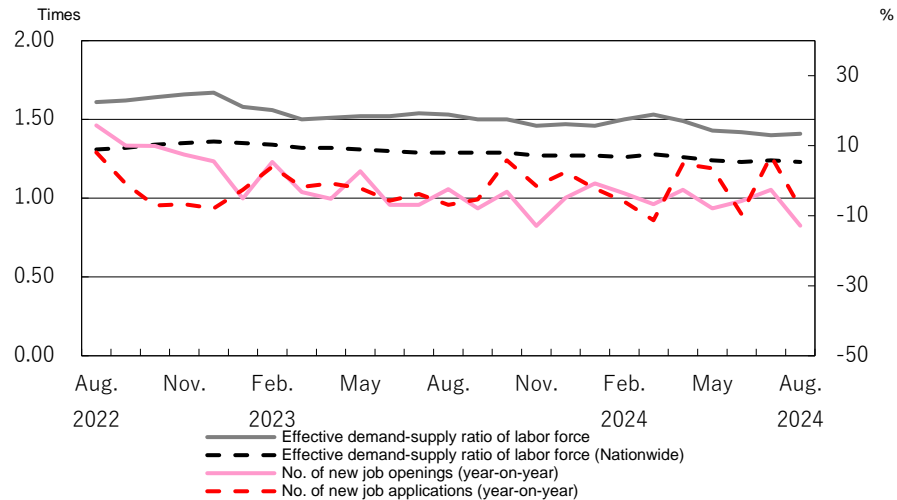
Source: Ministry of Land, Infrastructure, Transport and Tourism

Value of public works contracts



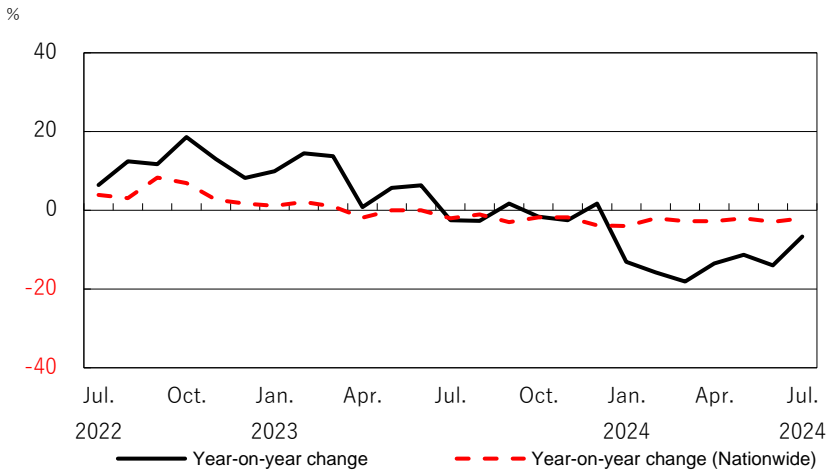
Source: East Japan Construction Surety Co., Ltd., etc.

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



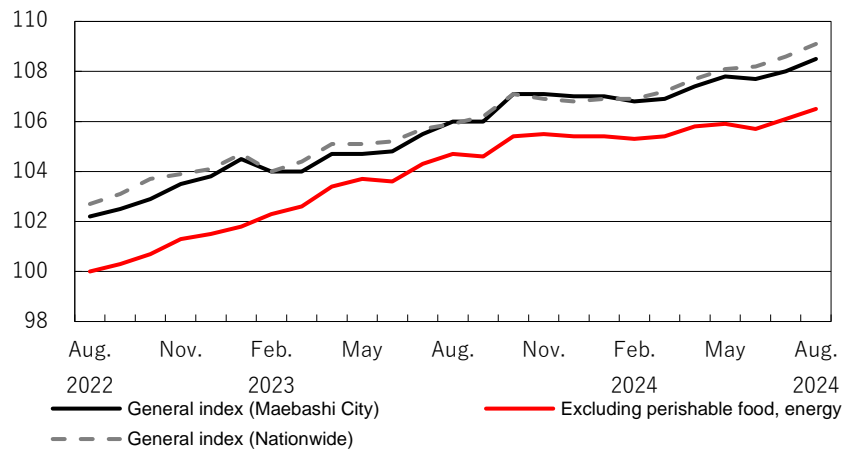
Source: Gunma Labor Bureau

Total overtime hours



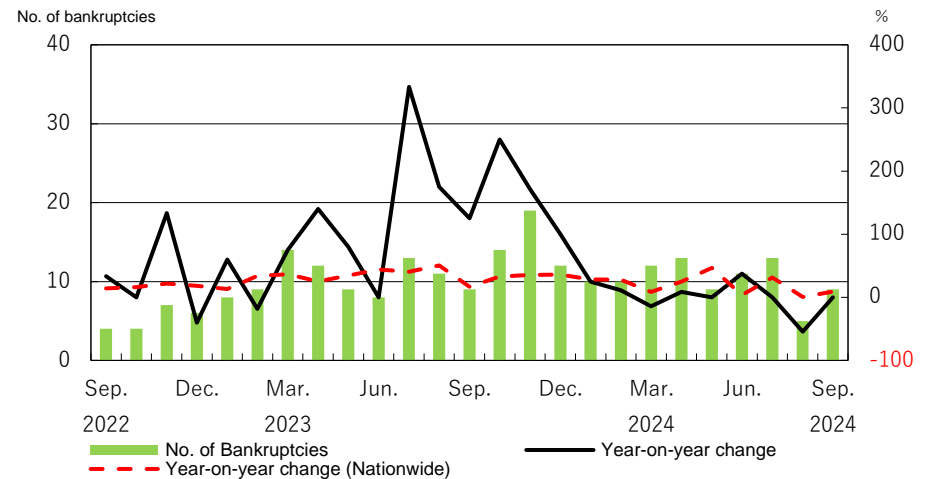
* All industries and offices with five employees or more
Sources: Ministry of Health, Labor and Welfare, Gunma Prefecture

Consumer price index (Year 2020 = 100)



Source: Ministry of Internal Affairs and Communications

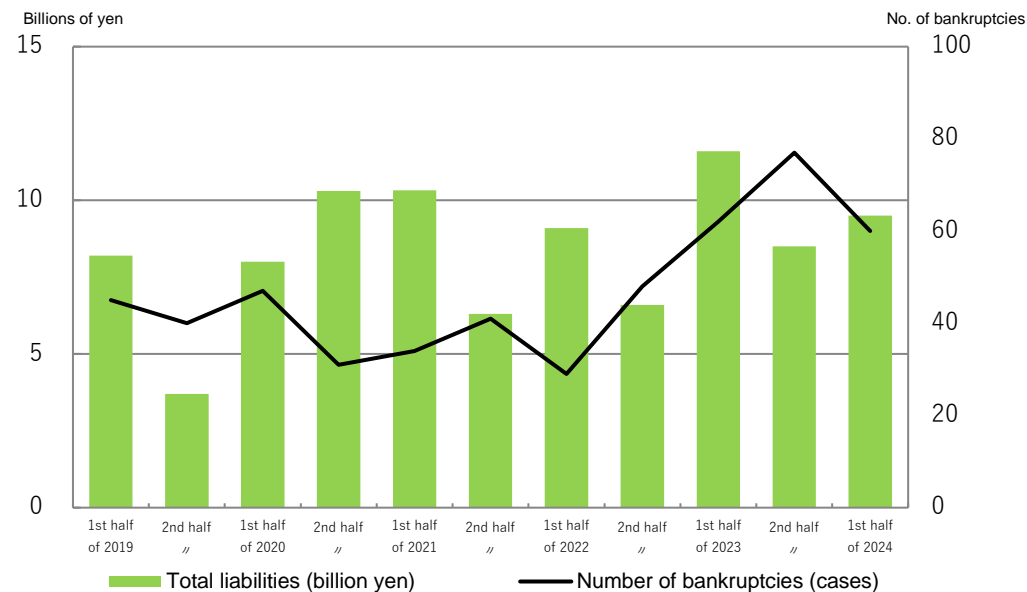
Number of bankruptcies



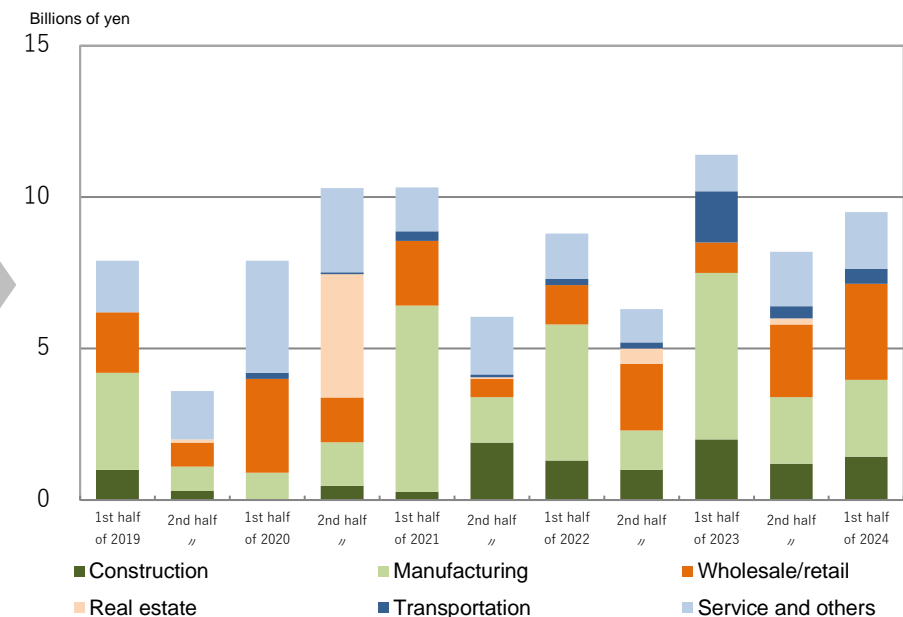
Source: Teikoku Databank

Economic Trends in Gunma Prefecture IV

■ Number of bankruptcies of companies and total liabilities



■ Breakdown of total liabilities from left table (Industry breakdown of bankruptcies)



(Unit : Billions of yen)

	FY2019		FY2020		FY2021		FY2022		FY2023		FY2024
	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half	2nd half	1st half
No. of Bankruptcies	45cases	40cases	47cases	31cases	34cases	41cases	29cases	48cases	62cases	77cases	60cases
Total liabilities	8.2	3.7	8.0	10.3	10.3	6.3	9.1	6.6	11.6	8.5	9.5
Construction	1.0	0.3	0.0	0.4	0.2	1.9	1.3	1.0	2.0	1.2	1.4
Manufacturing	3.2	0.8	0.9	1.4	6.1	1.5	4.5	1.3	5.5	2.2	2.5
Wholesale/retail	2.0	0.8	3.1	1.4	2.1	0.6	1.3	2.2	1.0	2.4	3.1
Real estate	—	0.1	0.0	4.0	—	0.0	—	0.5	0.0	0.2	—
Transportation	0.0	0.0	0.2	0.0	0.3	0.1	0.2	0.2	1.7	0.4	0.4
Services and others	1.7	1.6	3.7	2.7	1.4	1.9	1.5	1.1	1.2	1.8	1.8

* 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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