

GUNMA BANK NEWS

February 27, 2025

Company Name: The Gunma Bank, Ltd.
Representative: Akihiko Fukai, President
Stock Exchange Listing: (Securities code: 8334; Tokyo Stock Exchange Prime Market)
For Inquiry: Shizuo Otani, Executive Officer and General Manager,
Corporate Planning Department

New Mid-Term Business Plan

The Gunma Bank, Ltd. (“the Bank”) (President: Akihiko Fukai) hereby announces that it has formulated the “Mid-Term Business Plan 2025: ‘Growth with Purpose’—For the Sustainable Growth of the region and the Gunma Bank Group” (“the Plan”) for the three-year plan period from April 2025 to March 2028.

1. Concept of the Plan

- (1) In the Plan for the coming period, we will further refine our ongoing practices in the current Mid-Term Business Plan and elevate them to the next level, namely management based on “Purpose.” Our vision is framed as the “sustainable growth of local communities and our Group.” Centered around the theme of “Growth,” we will strive for the sustainable growth of our customers/communities, the Group, and individual executives and employees through the Plan.
- (2) In formulating the Plan, we have designated priority issues for achieving our “Purpose” as “Materiality”^(*) and used them as the starting point in determining our basic policies and strategic themes. As Basic Policy I, we have set “creating a virtuous cycle of social and economic values.” We will deepen our ongoing efforts in “purpose-driven sales” and work toward “building a sustainable regional economic zone” from a medium- to long-term perspective. To reinforce the foundation for this virtuous cycle, we have set “strengthening the business foundation to support sustainable growth” as Basic Policy II.
- (3) Our objective is to generate benefits for our customers/communities, the Group, employees, and the market/shareholders as a result of executing the Mid-Term Business Plan. To this end, in addition to the Group’s numerical Plan, we will newly define and disclose “sustainability indicators” as indicators of social value generation.

- (*) Materiality: Six aspects, including “Sustainable development of the regional economy,” “Responding to an aging and declining population with a low birthrate,” “Responding to digital transformation(DX),” “Preservation and creation of the global environment,” “Enhancing human capital,” and “Establishing robust governance.”

2. Basic policy and strategic themes

■ Basic Policy I: Creating a virtuous cycle of social and economic values

We believe that it is indispensable for realizing our Purpose to build a virtuous cycle by achieving a balance between the social value of “Solving problems for customers and the local communities” and the economic value of “Enhancing the corporate value of the Gunma Bank Group”. For this reason, we have established “Creating a virtuous cycle of social and economic values” as our first basic policy.

As the strategic theme, “Strengthening ‘purpose-driven sales’”, we will strengthen this sales activity by expanding the variety of solutions and improving their quality, through a sales activity that we have embodied by addressing the social value and economic value since the establishment of our Purpose.

And as “Challenge of building a sustainable regional economic zone”, in pursuit of sustainable growth for both communities and the Group from a medium- to long-term perspective, we will function as a hub for local communities and build “an ecosystem that increases the sustainability of regional industries,” “an ecosystem that increases the productivity of regional businesses,” and “an ecosystem that enriches regional life.”

● Strategic themes

- 1) Strengthening “purpose-driven sales”
- 2) Challenge of building a sustainable regional economic zone

■ Basic Policy II: Strengthening the business foundation to support sustainable growth

In order to create a virtuous cycle of social value and economic value, as outlined in Basic Policy I, and to achieve sustainable growth, we must reinforce the Group’s business foundation as a driving force. In this regard, we have adopted “strengthening the business foundation to support sustainable growth” as our second basic policy and will focus on the following six strategic themes.

● Strategic themes

- 1) Promote DX/Business Process Reform
- 2) Facilitate Data Utilization
- 3) Enrich Human Capital
- 4) Implement “RORA Management”
- 5) Improve Governance
- 6) Foster Group Collaboration/External Collaboration

3. Key figures of the Plan Quantitative Plans (quantitative targets)

(1) Sustainability indicators

Sustainability indicators track social value generation over the long term, looking ten years into the future.

They are defined based on Materiality, which represents the priority issues for realizing our Purpose.

Indicator	FY2027 Target	Long-Term Goal	
Labor productivity index per corporate customer (Amount of value added per employee) *Disclosure of historical trends compared to the end of FY2024, set at 100	108 (8% increase over FY2024)	Sustained growth of 2.5% p.a.	(*1)
Index of financial asset balance per individual customer *Disclosure of historical trends compared to the end of FY2024, set at 100	108 (8% increase over FY2024)	Sustained growth of 2.5% p.a.	(*2)
The Bank's greenhouse gas emissions	Net zero (FY2030)		(*3)
Customers' greenhouse gas emissions, year-on-year reduction rate *Disclosure of the reduction rate based on the average emissions of customers with measurable emissions	Reduce continuously		(*4)
Engagement index of the Group's employees *Disclosure of historical trends compared to the end of FY2024, set at 100	Sustain improvement		(*5)

*1 Amount of value added: Ordinary profit + Personnel expenses + Loan charges + Depreciation + Financial expenses + Taxes and dues

*2 Financial asset: Deposits + Deposited financial assets (including Gungin Securities)

*3 Total of Scopes 1 and 2

*4 The objective is to increase the number of customers with measurable emissions (business owners) and to reduce emissions year on year.

*5 Disclosure of the results of the engagement survey widely used in Japan and overseas

(2) Key figures of the Plan (consolidated quantitative targets)

Item	Target
Core business net profit	¥80.0 billion
Non-interest business profit	¥35.0 billion
Profit attributable to owners of parent	¥60.0 billion
Net profit of Group companies	¥6.0 billion
RORA	1.2% or more
OHR	Approx. 45%
ROE	10% or more
Total capital adequacy ratio	Approx. 13.5%
Core CET1 ratio	11.5%

(Definitions of items)

Core business profit: Net interest income + Non-interest business profit - Expenses

* Excluding gains (losses) on cancellation of investment trusts

Non-interest business profit:

Net fees and commissions income + Profit from other business transactions (excluding gains (losses) on bonds)

Profit attributable to owners of parent:

Profit attributable to owners of parent in income statements

Net profit of Group companies:

Profit attributable to owners of parent - Non-consolidated profit of the Bank

RORA: Profit attributable to owners of parent/Average risk assets at the beginning and end of the period

OHR: Expenses/(Business gross profit - Gains (losses) on bonds)

* Excluding gains (losses) on cancellation of investment trusts

ROE: Profit attributable to owners of parent/Average capital at the beginning and end of the period

Total capital adequacy ratio:

Total capital/Risk assets

Core CET1 ratio: (Common equity Tier 1 capital - Valuation difference on available-for-sale securities (gains))/Risk assets

The Mid-Term Business Plan 2025

(Plan period: April 2022–March 2025)



**Growth with
“Purpose”**



The Gunma Bank, Ltd.

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



Positioning and Background of the Mid-Term Business Plan

Purpose | We use our strengths in "connections" (*tsunagu* in Japanese) to spin the threads of the future for local communities

Purpose-driven **Vision**

Sustainable growth of the local community and our Group

Materiality

(Priority issues for realizing our purpose)

(1) Sustainable development of the regional economy (2) Responding to an aging and declining population with a low birthrate (3) Responding to digital transformation (DX) (4) Preservation and creation of the global environment (5) Enhancing human capital (6) Establishing robust governance

Backcasting

Three years of continuous challenges for the sustainable **growth** of the region, the Bank, and its executives and employees

2025 Mid-Term Business Plan

Growth with Purpose

- For the sustainable growth of the region and the Gunma Bank Group -

Forecasting

Three years to capture **growth** after six years of **innovation**

Our history

2019 Mid-Term Business Plan
New sphere of **Innovation**

Establishment of our Purpose

2022 Mid-Term Business Plan
Innovation to achieve the Purpose

Key results

- Progress in reforming the profit structure (see right)
- Progress in reforming the sales process (Promotion of purpose-driven sales)
- Restructuring of the store network
- Development of digital channels
 - * Data utilization is still in the developmental phase.
- Progress in reforming the business processes
- Human resources reform (job-based personnel system)
- Conclusion of multiple alliances
- Initiatives for new businesses

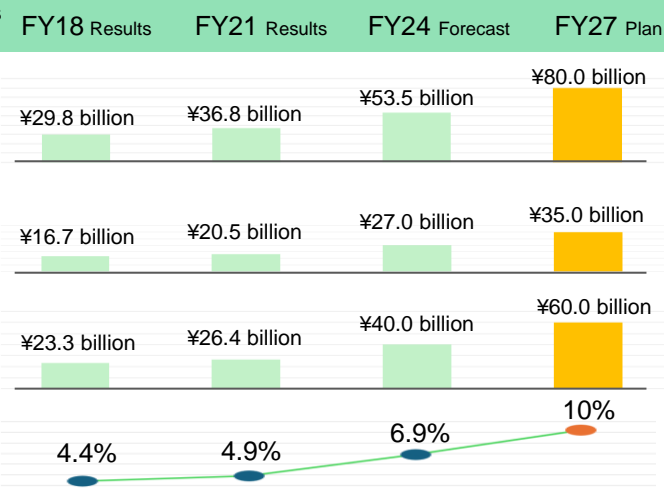
Trends in key financial indicators (consolidated)

Core business net profit
(excluding gains/losses on the cancellation of investment trusts)

Non-interest business income

Net income
attributable to owners of the parent

ROE



2025 Mid-Term
Business Plan

Growth with Purpose - For the sustainable growth of the region and the Gunma Bank Group -

Planned period: April 2025 – March 2028

Basic Policy I | Creating a Virtuous Cycle of Social and Economic Values

Strategic Theme 1

Strengthening purpose-driven sales

Strengthen the purpose-driven sales (balancing social and economic values) that the Bank has worked on since the previous Mid-Term Business Plan

[Social Value]

Solving problems for customers and the local community

Strategic Theme 2

Challenge of building a sustainable regional economic zone

Promote initiatives that contribute to solving regional issues from a **medium- to long-term perspective**, leading to profit increases

[Economic Value]

Enhancing the corporate value of the Gunma Bank Group

Basic Policy II | Strengthening the Business Foundation to Support Sustainable Growth

Strategic Theme

- (1) DX/Business Process Reform (2) Data Utilization (3) Human Capital
(4) RORA Management (5) Governance (6) Group Collaboration/External Collaboration

Strengthen our business foundation and enhance our **Connection ability** as stated in our purpose

Purpose penetration model

Purpose

[Why was it established?]

Sharing of judgment criteria
Job satisfaction improvement
Empathy with stakeholders

[Vision]

for each company,
department, and branch

[Policy]

for each office and section

[Personal Purpose]

for each executive and employee
of the Group

Mid-term management plan

Growth with Purpose

The Bank aims to promote **purpose**-driven management to achieve the following **growth**.

Growth of our customers and the local community
Growth of our Group
Growth of every one of our executives and employees

Basic Policy I

Creating a Virtuous Cycle of Social and Economic Values



A model that embodies the Bank's Purpose

Set quantitative targets that contribute to both social and economic values

[Sustainability Indicators] (p. 10)

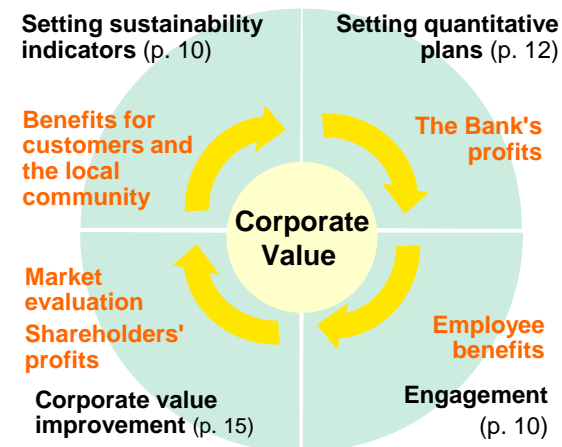
[KPIs in Connections] (p. 13)

Basic Policy II

Strengthening the Business Foundation to Support Sustainable Growth

Outcome

As the outcome of working on the Mid-Term Business Plan, we will simultaneously achieve the four goals below.



Sustainable growth of the local community and **our Group**
[Vision]

Realization of our **Purpose**

* The Gunma Bank Group established its purpose in November 2021, based on 755 opinions from its executives and employees.

Purpose

Redefining our purpose and business

The Gunma Bank Group's business

[Finance]



[Connections]
including finance

Profit structure

Interest income



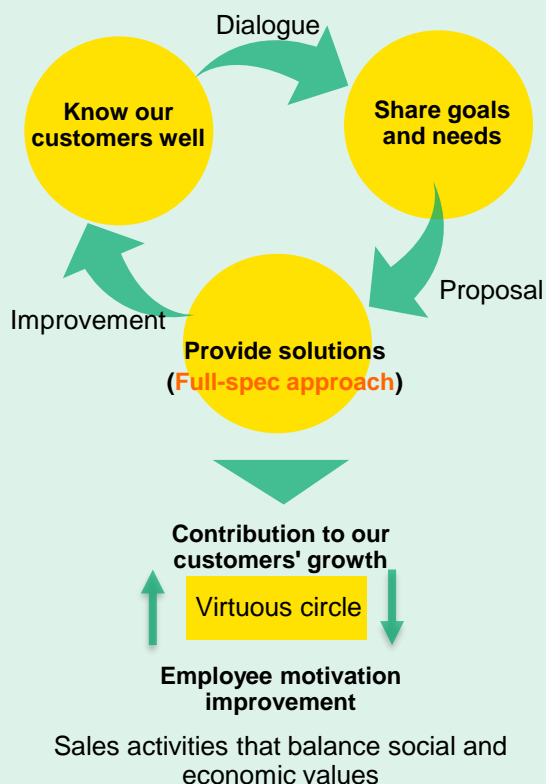
Commission income

as an outcome of helping customers

Deposit and loan business

Growth driver

Concept of purpose-driven sales

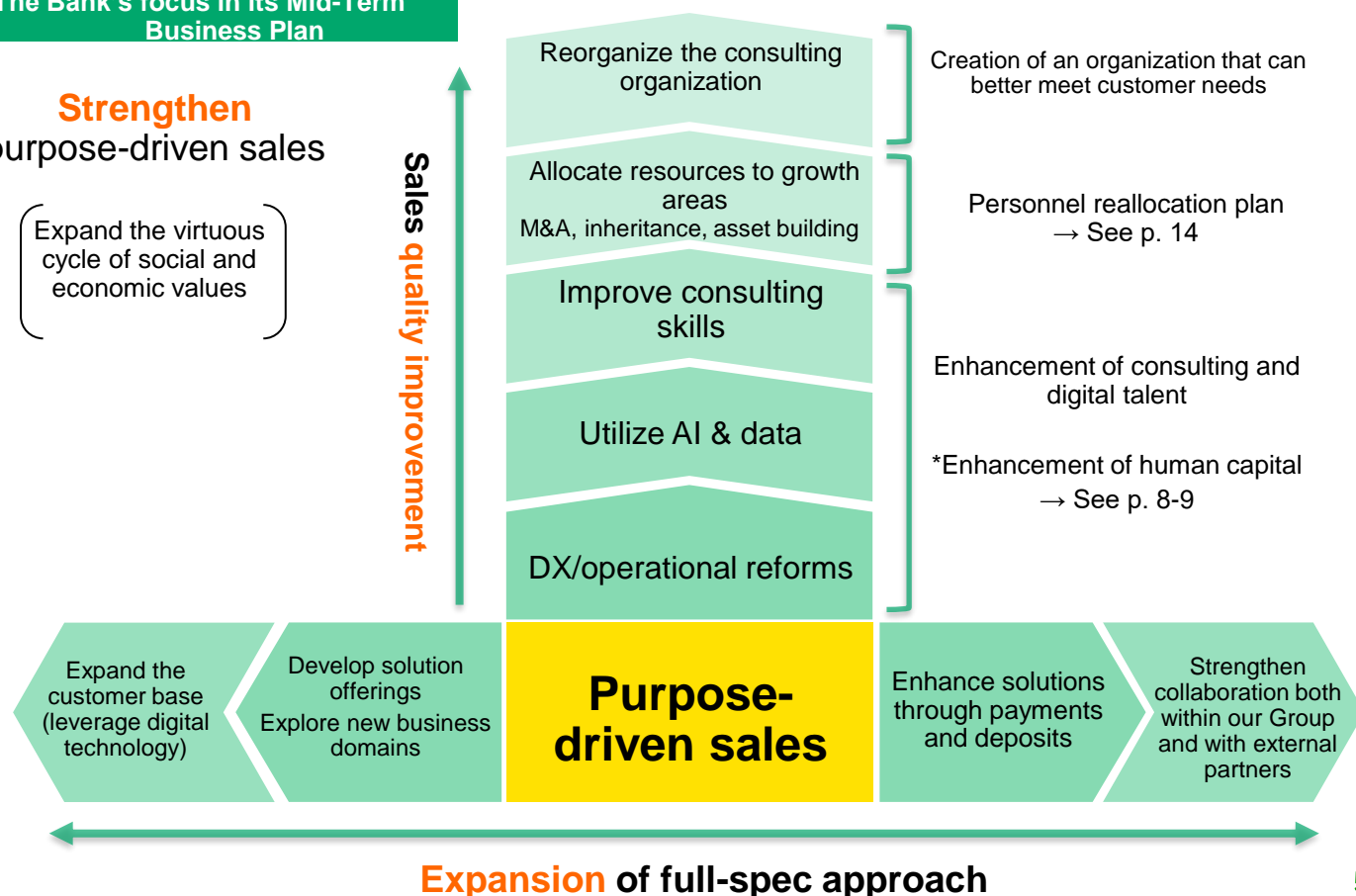


The Bank's focus in its Mid-Term Business Plan

Strengthen
purpose-driven sales

(Expand the virtuous cycle of social and economic values)

Sales quality improvement



Our idea of a sustainable regional ecosystem

The Group will function as a **regional hub** that **connects resources**, such as people, goods, money and information, in and outside the region to **create a virtuous cycle of regional economic activities**.

In order to create a sustainable regional ecosystem, we will strengthen "purpose-driven sales," while building the following **three ecosystems** from a medium- to long-term perspective:

An ecosystem that increases the sustainability of regional industries

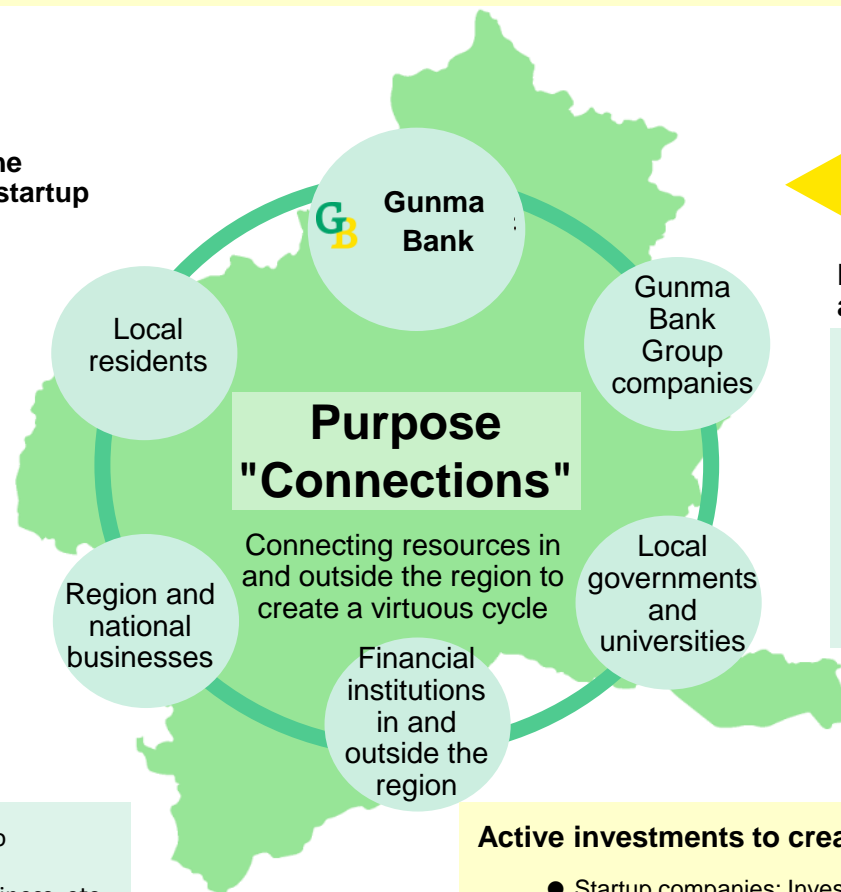
Strengthening support to key industries in the region, and introducing support services to startup companies and for business succession

- Directly approach regional industries, such as automobile, food, and spa
- Provide support to startup companies and match them with regional businesses in coordination with local governments, local businesses, funds, etc.
- Attract businesses in coordination with local governments
- Facilitate business succession by utilizing a fund

An ecosystem that increases the productivity of regional businesses

Solve local problems within the region by expanding business domains through external collaboration.

- Consider new business domains that are expected to help improve productivity at local businesses
- Build a regional platform by developing the BPO business, etc
- Promote an inorganic strategy by collaborating with external businesses



An ecosystem that enriches regional life

Promoting cashless transactions, DX, and data utilization within the region

- Conduct more efficient and transparent economic activities within the region
- Provide cashless payment and data utilization
- Increase the productivity of regional businesses
- Increase the convenience for local residents
- Increase the efficiency of local governments, schools, etc.

Active investments to create a sustainable regional ecosystem

- Startup companies: Investment in venture funds, etc.
- Inorganic strategy : investing to expand new business domains
- Investment through Gunma Regional Advanced Solution Partners
- Investments in major industries (automobile, tourism, etc.) and the environmental area

Decarbonization of the Bank

The Bank's greenhouse gas emissions (Scopes 1 and 2)

We have achieved the targets of the previous Mid-Term Business Plan (-50% compared to FY2013) one year ahead of schedule.

Compared to FY2013
-57%

Net zero Aiming to achieve net zero ahead of schedule

FY2023

FY2030



Customers' and regional decarbonization support

Consider

- ✓ SDGs initiative support service
- ✓ SDGs/ESG management evaluation and diagnostic service

Measurement

- ✓ SDGs/ESG management evaluation and diagnostic service (measurement of Scope 1 and Scope 2 emissions is available free of charge)
- ✓ Greenhouse gas emission visualization service

Reduction

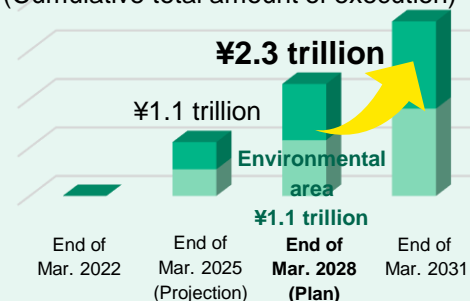
- ✓ Sustainable finance
 - ✓ Business matching
- (In coordination with J-Credit, decarbonization consultants, and regional power producers)

Provide solutions according to the phase on which our client is working

KPIs

- ✓ Number of decarbonization support projects: 1,000
- ✓ Sustainable finance

(Cumulative total amount of execution)



Strengthening the decarbonization initiative by **obtaining the ZEB certification** at newly constructed branches, **utilizing the J-Credit scheme**, and **introducing EVs**

Regional decarbonization to achieve net zero

- Reduction in **Scope 3, Category 15 emissions (portfolio emissions)**
- Continuing to reduce our clients' greenhouse gas emissions (a sustainability indicator)

Natural capital/Biodiversity

- Environmental preservation through finance and the sale of investment trusts
- Disclosure based on the TNFD framework
- Maintenance activities for Gungin Forest, , donation to the Oze preservation foundation
- Through Gungin Foundation, provision of awards and grants to activities that contribute to the regional environment and environmental education for local children

* Provide support with regional activities in such areas as arts, culture, sports, and environmental protection, and engage in other social welfare initiatives through the Gungin Foundation.



Each officer and employee in the Group is the driving force to help the region and the Group achieve sustainable growth and realize their purposes and is the source of value creation (capital). We will execute human capital strategies that are linked to our management strategy in order to enrich our human capital.

Mid-Term Business Plan Growth with the Purpose: Achieve sustainable growth of the region and the Gunma Bank Group
Basic policy I: Creating a Virtuous Cycle of Social and Economic Values
Basic policy II: Strengthening the Business Foundation to Support Sustainable Growth

Gaps and issues for achieving the goal

(1)	Enhance consulting human capital to realize a virtuous cycle of social and economic values Enhance digital human capital to reinforce our business foundation that supports our sustainable growth] Reconstruction of our human capital portfolio
(2)	Allocate human resources to priority areas, and encourage the improvement of necessary skills for each person and autonomous career development to achieve (1)	
(3)	Use diverse human capital, create a more comfortable workplace, and increase job satisfaction for each individual to achieve (1)	

Human capital strategies to address the issues

(1)	Construct a human capital portfolio that is linked to management strategy
(2)	Implement recruitment, development, and career-development support based on our job-based personnel system
(3)	Promote diversity, equity, and inclusion (DE&I) Implement initiatives to improve the well-being of our executive and employees



Human capital development policy

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

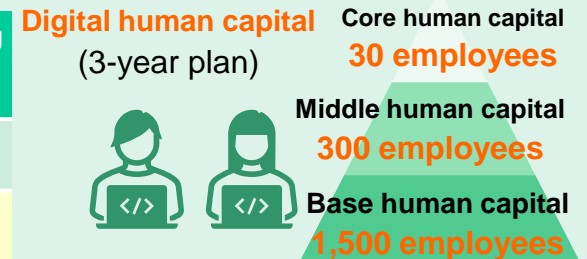
Internal environment improvement policy

We will create an environment in which every officer and employee, who is the source of value creation, can continue to work actively in good physical and mental health, while mutually recognizing the individuality and capabilities of one another, to realize his or her well-being.

Enhancing Human Capital (2)

Constructing a human capital portfolio that is linked to management strategy

Area	Current situation	Reallocation (3 years)	Percentage of higher-ranking employees in terms of skill level (3-year plan)
Corporate consulting	550 employees	50 employees	30% or more
Consulting for individuals	450 employees	80 employees	30% or more



- Reallocate human capital to the consulting area through sales structure reorganization and business reforms and by increasing mid-career hires, while working to increase the percentage of higher-ranking employees in terms of skills.
- Work to develop human capital that leads DX within the Group (core human capital and middle human capital) and to raise the digital skill levels of all other employees (base human capital).

Recruitment, development, and career-development support based on our job-based personnel system

Visualization of internal human capital

Job posting
(based on personal purpose)



External human capital



Career development support
A 50% increase in investments in training expenses, etc. (3 years)

Recruitment of **specialists** who are suited to a particular job

A clear picture of jobs



- Change the name of the Personnel Department to the HR Management Department in April 2025. Assign an outside person to lead the HR Management Department (executive officer) to step up related efforts.

Development of next-generation leaders
(Corporate Human Resources Development Committee)

Establishment of a succession plan

KPI item	FY2024 (projection)	FY2027 (plan)
Number of employees appointed to specialist positions	140 employees	250 employees
Ratio of mid-career hires	23%	30%

Promotion of DE&I and initiatives to improve the well-being of executive and employees

Create an environment in which diverse human capital can work energetically to have job satisfaction

Health management



2024
健康経営優良法人
Health and productivity
ホワイト500

Work-life balance support



Active use of diverse human capital



Elimination of gender gaps
Active use of senior citizens and persons with disabilities
Increasing mid-career hires, etc.

KPI item	FY2024 (projection)	FY2027 (plan)
Percentage of female managers	23%	30%
Percentage of female department and branch managers	13%	20%
Percentage of female employees engaged in corporate services	12%	30%
Average length of childcare leave, etc., taken by men	22 days	30 days or more

Jobs appreciated by the regions and clients



Higher salary

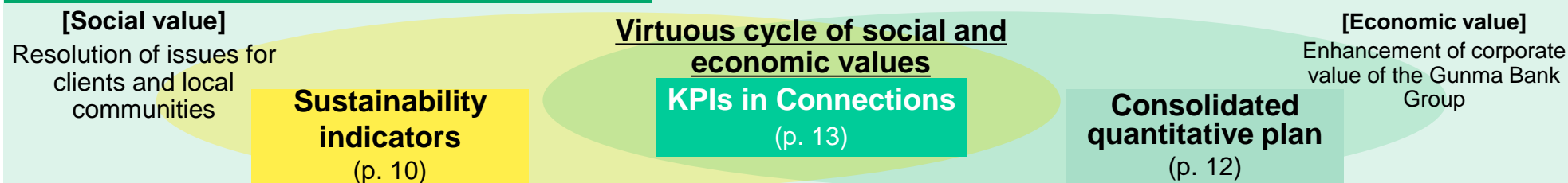


Comfortable workplace + Job satisfaction

(※) Percentage of female managers, Percentage of female department and branch managers → Figures as of the following April 1

Quantitative Plans (Sustainability Indicators)

Strategy and positioning of each quantitative plan



Sustainability indicators

Indicators for **long-term targets (for the next 10 years)** that we aim to achieve in order to **create social value**. Targets have been set based on **materiality** (priority issues for the realization of our Purpose).

Relationship with Materiality	Item	FY2027 Targets	Long-term targets	Supplementary explanations
Sustainable development of the regional economy	Labor productivity index per corporate client - Disclose changes by setting the index value at 100 as of the end of FY2024.	108.0 Increase +8% from FY2024	Continue to increase at an annual rate of 2.5%	Labor productivity: (Ordinary profit + Personnel expenses + Rent + Depreciation + Financial expenses + Taxes and dues) ÷ employees - The targets have been set at levels that are above domestic labor productivity (which has increased at an average annual rate of 1.2% during the last 5 years*) and the price stabilization target
Responding to DX				
Responding to an aging and declining population with a low birthrate	Financial asset balance index per individual client - Disclose changes by setting the index value at 100 as of the end of FY2024.	108.0 Increase +8% from FY2024	Continue to increase at an annual rate of 2.5%	Financial assets: Deposits + Financial assets under custody (including Gungin Securities) -The 3-year target has been set based on the Group's plans for personal deposits and financial assets under custody. -The long-term target has been set at levels above the price stabilization target.
Preservation and creation of the global environment	The Bank's greenhouse gas emissions	Net zero (FY2030)		Broken down into Scope 1 and Scope 2.
	Percentage reduction in clients' greenhouse gas emissions compared to the previous year - Disclose average percentage reduction in emissions for measurable clients.	Continued reduction		Strive to increase the number of measurable clients (business partners) and to ensure reduction in their emissions compared to the previous year.
Enhancing human capital	Employee engagement index - Disclose changes by setting the index value at 100 as of the end of FY2024.	Continued improvement		Disclose the results of engagement surveys that are widely used both in Japan and overseas.

* Calculated from "Labor Productivity Trends in Japan 2024," Japan Productivity Center

Strengthening Collaboration within Our Group

Aiming to maximize group profit by leveraging group functions and strengthening group governance

Group company functions and main KPIs

< Finance >

Company name	Item	Previous Mid-Term Business Plan projection	Target
Gungin Leasing	Number of new lease and instalment agreements (FY2027)	44.0 billion yen	60.0 billion yen
	Balance of lease receivables (as of March 31, 2028)	90.0 billion yen	120.0 billion yen
Gunma Regional Advanced Solution Partners	Total assets under management by funds (as of March 31, 2028)	14.0 billion yen	20.0 billion yen
Gunma Credit Guarantee	Insurance premium income (FY2027)	2.3 billion yen	2.5 billion yen
	Balance of guarantee obligations (as of March 31, 2028)	1.38 trillion yen	1.45 trillion yen

< Consulting solutions >

Gungin Consulting	Consulting (FY2027)	130 transactions	150 transactions
	Staffing (FY2027)	115 transactions	130 transactions
Gungin Card	Total card payment amount (FY2027)	250.0 billion yen	350.0 billion yen

< Asset management >

Gungin Securities	Balance of financial assets under custody (as of March 31, 2028)	317.0 billion yen	400.0 billion yen
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< Systems >

Gungin System Service	Number of business matching transactions (cumulative total)	20 transactions	50 transactions
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Strengthening group governance

Our group governance structure was strengthened as a result of an organizational reform in April 2024 as follows:

1. Establishment of a Group Business Strategy Department
2. Establishment of a Group Risk Governance Office within the Risk Management Department
3. Increase in the number of employees engaging in group audits in the Inspection & Audit Department

→ **We will work to further strengthen group governance under the current Mid-Term Business Plan.**

Group Business Strategy Department

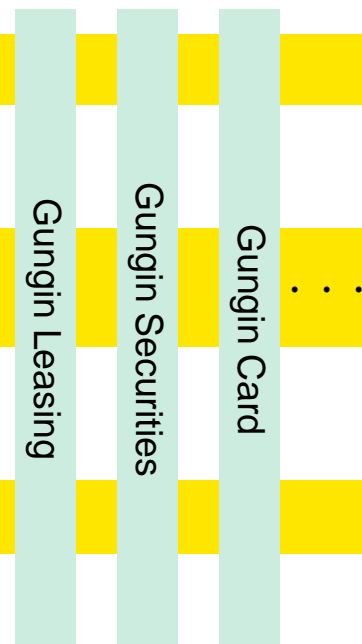
→ **Further enhance the unification of sales strategies** between the Bank and group companies.

Group Risk Governance Office (Risk Management Department)

→ **Strengthen our risk management capabilities** concerning the execution of business plans, sales measures, etc.

Inspection & Audit Department (group audit)

→ **Increase the sophistication of group audits** by, for example, conducting audits on themes that are applicable across departments.



Consolidated final profit (as of March 31, 2028): **6.0 billion yen**
(Compare from FY2024: + 2.0 billion yen)

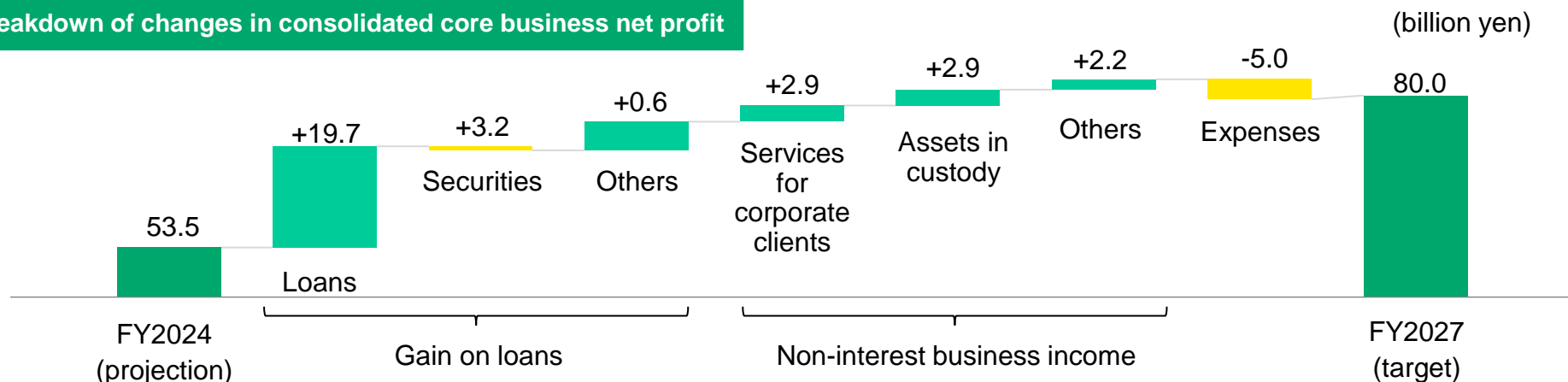
Quantitative Plans (Consolidated Quantitative Targets)

Consolidated quantitative targets for the final year of the plan (FY2027)

Interest rate assumptions: Formulated based on a policy rate of 0.75% (in and after FY2025)

Item (consolidated basis)	Previous Mid-Term Business Plan (FY2024)		Current Mid-Term Business Plan (FY2027)		Supplementary explanations
	Target	Projection	Target	Change from FY2024	
Core business net profit	45 billion yen	53.5 billion yen	80 billion yen	+26.5 billion yen	Net interest income + Non-interest business income – Expenses *Gains and losses on cancellation of investment trust excluded
Non-interest business income	25 billion yen	27 billion yen	35 billion yen	+8 billion yen	Net fees and commissions income + Net other business income (Gains and losses on bonds excluded)
Net income attributable to owners of the parent	30 billion yen	40 billion yen	60 billion yen	+20 billion yen	Net income attributable to owners of the parent in consolidated statements of income
Group companies' profit	4 billion yen	4 billion yen	6 billion yen	+2 billion yen	Net income attributable to owners of the parent – Net income (non-consolidated)
RORA	0.7% or higher	0.9%	1.2 % or higher	+0.3 %	Net income attributable to owners of the parent / Average risk-weighted asset at beginning and end of period
OHR	55% or so	50.9%	45 % or so	-5.9 %	Expenses / (Gross business profit – Gains and losses on bonds) *Gains and losses on cancellation of investment trust excluded
ROE	5% or higher	6.9%	10 % or higher	+3.1 %	Net income attributable to owners of the parent / Average own capital at beginning and end of period
Consolidated total capital ratio	13.5% or higher	13.2%	13.5 % or so	+0.3 %	Total equity / Risk-weighted asset
Core CET 1 ratio	—	12.0%	11.5 %	-0.5 %	(Amount of Common Equity Tier 1 capital – Valuation difference on securities) / Risk asset

Breakdown of changes in consolidated core business net profit



Quantitative Plans (KPIs in Connections)

KPIs in Connections

KPIs in Connections have been established as quantitative targets for the next three years that we will focus on in order to strengthen **purpose-driven sales** (achieving balance between social and economic values).

	Item	Previous Mid-Term Business Plan projection	Target	Supplementary explanations
Connecting clients' businesses to the future	Number of business succession issues resolved (cumulative for 3 years)	1,280	1,500	Number of cases of resolving issues that generated revenue by contributing to business succession
	Number of business matching cases (cumulative for 3 years)	3,300	4,000	Excluding matches between companies of the Group
	Number of staffing cases closed (cumulative for 3 years)	290	350	Number of "one-handed" or "two-handed" agreements concluded
Connecting clients' assets to the future	Mortgage loan execution amount (cumulative for 3 years)	380 billion yen	350 billion yen	Execution amount of mortgage loan
	Unsecured consumer loan balance (as of March 31, 2028)	78 billion yen	100 billion yen	Unsecured consumer loan balance, including car loans
	Financial assets under custody (consolidated, as of March 31, 2028)	1,280 billion yen	1,600 billion yen	Including Gungin Securities
	Of which, investment trusts (consolidated, as of March 31, 2028)	480 billion yen	700 billion yen	Including Gungin Securities
	Monthly amount of savings investment trust agreements (as of March 31, 2028)	3 billion yen	6 billion yen	Including Gungin Securities
	Number of active NISA account holders (as of March 31, 2028)	60,000 clients	100,000 clients	Number of NISA account holders with a balance (including Gungin Securities)
	Inheritance-related business contracts (cumulative for 3 years)	1,070	2,000	Number of testamentary trusts or estate liquidation contracts signed
Connecting a prosperous environment and society to the future	Amount of sustainable finance executed (cumulative for 3 years)	1,110 billion yen	1,200 billion yen	Amount of investments and loans for the purpose of solving environmental and social issues
	Number of decarbonization support projects (cumulative for 3 years)	470	1,000	Number of decarbonization-related support projects that generated revenue
Connecting money in the region	Amount of cashless payments handled (FY2027)	250 billion yen	350 billion yen	Amount of payments using Gungin Card

Personnel Reallocation Plan

We will reallocate approximately **250 employees** over the next 3 years based on the strategic themes of our Mid-Term Business Plan.

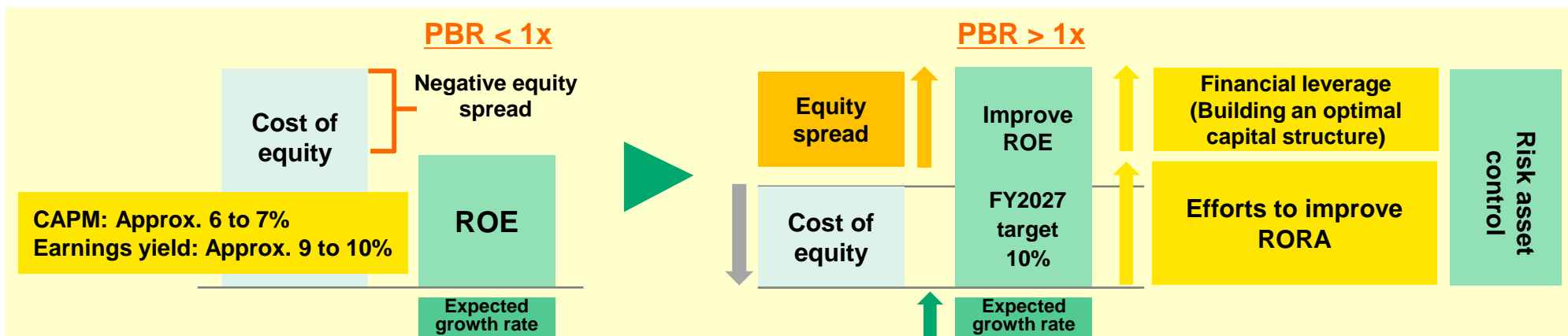
Strategic themes		Areas for reallocating personnel	Number of reallocated personnel			
			1st year	2nd year	3rd year	Total
I-(1)	Strengthening purpose-driven sales	Corporate consulting (M&A, group companies, etc.)	20	20	10	50
		Consulting for individual clients (inheritance, Gungin Securities, etc.) * A sales structure reorganization is scheduled for the first year.	60	10	10	80
I-(2)	Building regional ecosystems	New businesses, regional revitalization, payment area, etc.	15	15	10	40
II-(1) II-(2)	DX and business reforms Data utilization	AI/data utilization, system-related areas, centralization of administrative functions, etc.	10	20	20	50
II-(4)	RORA-based management	XB/SF (including risk management and credit screening), overseas locations, etc.	10	10	0	20
II-(5)	Governance	Group risk governance, internal audit, etc.	5	5	0	10
Total			120	80	50	250

* Establish in seven districts a “**Regional Individual Sales Department**” that specializes in consulting for individual customers as a part of efforts to deepen purpose-driven sales in line with the start of the Mid-Term Business Plan. In addition, newly establish a “**DX Promotion Group**” and “**AI & Data Strategy Office**” within the Digital Innovation Department to promote DX and data utilization.

* Reallocation will be implemented through mid-career recruitment, sales structure reorganization, and streamlining of indirect departments.

* Such reallocation will promote the autonomous career development of each individual using his or her personal purpose as a starting point by utilizing job postings under our job-based personnel system (creating a clear picture of jobs).

We will reverse the negative equity spread by **improving ROE** and **suppressing the cost of equity** to **improve PBR**.



Initiatives to improve RORA

- Build high RORA assets by considering areas with interest rates.
- Further increase non-interest business income to 35 billion yen in FY2027.

→ **RORA to 1.2% in FY2027**

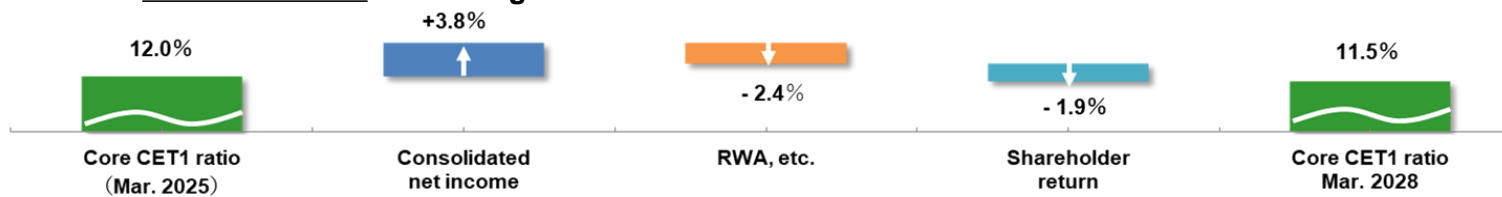
Suppress the cost of equity

- Reduce information asymmetry by enhancing IR activities.
- Promote the understanding of the Gungin Group's purpose and vision.
- Increase the number of layers in our capital structure by issuing subordinated bonds (B3T2 bonds and AT1 bonds).

Building an optimal capital structure

- Capital allocation

→ **The core CET 1 ratio to the range of 10.5% to 11.5%.**



Improving expected growth rate

- Sustainable growth of the regional economy and the Gungin Group
 - Realize a virtuous cycle of social and economic values.
 - Strengthen our business foundation.
- (Initiatives concerning DX, human capital, sustainability, etc.)

Reduce cross-shareholdings

⇒ **Reduce the percentage of cross-shareholdings in consolidated net assets to 10% as of March 31, 2028.**

Shareholder return policy

⇒ **From total shareholder return (40%) to dividend payout ratio(40%)*progressive dividend system**

