

The Gunma Bank, Ltd.

Overview of Financial Results

for the Year Ended March 31, 2025

May 8, 2025



The Gunma Bank, Ltd.

(Tokyo Stock Exchange Prime Market : 8334)

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



The Medium-Term Business Plan 2025 “Growth with “Purpose”

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

Basic policy	1	Implementation of digital strategies as the foundation for “Connections and Spinning the Threads”
Basic policy	2	Reinforce strengths in “Connections” with five reform initiatives
Strategic themes		<div><div><ul style="list-style-type: none">■ Sales process reforms with emphasis on progress and autonomy■ Business process reforms that contribute to increasing productivity■ Channel reforms that adapt to changes in the environment and customer needs■ Personnel reforms for exercising creativity■ Reforms in collaboration with external businesses for improving strengths</div><div><ul style="list-style-type: none">■ Involvements or the like in regional sustainability/Initiatives for SDGs and ESG■ Coronavirus-ready support for finance, core business and succession of the businesses■ Personalized consulting service for each individual customer■ Exploring new business opportunities through the Group’s comprehensive capabilities and deepening existing businesses■ Reinforcement of our management structure to consistently demonstrate our strengths in “Connections”</div></div>

Items	Main results over the past three years
Marketing Process	○Reformed the profit structure “ purpose-driven sales activities (goal-and needs-based approach)” and “management by RORA (utilizing standard profit margin)”, etc.⇒FY2024 Non-interest business profit 25.6 billion yen (compared to the Mid-term plan +0.6 billion yen)
Digital Channels	○Made progress in developing digital channels and other platforms, such as the Gungin App and the Gungin Business Portal for corporate customers . Promoted cashless payments by issuing debit cards and expanding transactions with membership stores ⇒ Number of users of the Gungin App (end of Mar. 2025) approx. 389,000
Human Capital	○ Made progress in the visualization of tasks under the newly introduced occupation-specific personnel system and the appointment of the right person to the right position.⇒ Ratio of female manager (end of Mar. 2025) 20.8% (Target 18% or more)
Environment Protection (Decarbonization)	○ Achieved the Bank’s target to reduce GHG emissions by 50% from the level in FY2013 one year ahead of the schedule defined in the Mid-Term Business Plan ○Achieved a cumulative total of 800 billion yen in sustainable finance over three years, way exceeding the figure targeted in the Mid-Term Business Plan
New Business (the Group’s comprehensive capabilities)	○ Increased investment in venture companies and expanded business inheritance support, etc. , through a subsidiary specializing in investment ○ Started personnel agency and regional trading and marketing businesses through a consulting subsidiary

Summary of the figures from the previous Mid-term Business plan

Consolidated quantitative targets

	FY2022 (Result)	FY2023 (Result)	FY2024 (Result)	FY2024 (Target)	compared to target
Core business net profit (excluding gains or losses on cancellation of investment trusts)	¥39.9 billion	¥45.4 billion	¥55.5 billion	¥45.0 billion	¥10.5 billion
Non-interest business profit	¥21.0 billion	¥24.2 billion	¥25.6 billion	¥25.0 billion	¥0.6 billion
Profit attributable to owners of parent	¥27.9 billion	¥31.1 billion	¥43.9 billion	¥30.0 billion	¥13.9 billion
Group companies' profit	¥3.3 billion	¥2.9 billion	¥3.4 billion	¥4.0 billion	-¥0.6 billion
RORA	0.7%	0.8%	1.0%	0.7% or more	0.3%
Overhead ratio	56.6%	53.4%	49.6%	about 55%	-5.4%
ROE	5.3%	5.7%	7.7%	5% or more	2.7%
Consolidated total capital ratio	13.8%	14.8%	13.1%	13.5% or more	-0.4%

KPIs in Connections

	FY2022 (Result)	FY2023 (Result)	FY2024 (Result)	FY2024 (Target)	compared to target
“Connect” lender and borrower					
① Amount of sustainable finance executed	¥266.2 billion	¥680.9 billion	¥1,128.4 billion	¥800.0 billion	¥328.4 billion
② Amount of housing loan executed	¥113.5 billion	¥237.0 billion	¥375.2 billion	¥400.0 billion	-¥24.8 billion
③ Balance of unsecured consumer loan	¥62.9 billion	¥71.3 billion	¥79.3 billion	¥75.0 billion	¥4.3 billion
“Connect” customers					
④ Number of business matching cases closed	1,000 cases	2,099 cases	3,503 cases	3,000 cases	503 cases
“Connect” businesses and individuals					
⑤ Number of staffing cases closed	82 cases	182 cases	307 cases	200 cases	107 cases
“Connect” customers’ asset with their future					
⑥ Balance of consolidated deposit financial assets	¥1,059.2 billion	¥1,154.2 billion	¥1,252.6 billion	¥1,250.0 billion	¥2.6 billion
⑦ Of which, balance of investment trusts	¥296.1 billion	¥411.4 billion	¥448.7 billion	¥400.0 billion	¥48.7 billion
“Connect” for the next generation					
⑧ Number of business succession issues resolved	330 cases	744 cases	1,391 cases	600 cases	791 cases
⑨ Inheritance-related business contracts	298 cases	648 cases	1,105 cases	1,000 cases	105 cases

Profit and Loss Conditions

Consolidated

(Unit : Billions of yen)	Mar.2025	YoY
Core business gross profit	107.7	17.4
Net interest income	82.1	16.1
Excluding gains(losses) on cancellation of investment trusts	84.7	11.2
Non-interest business profit	25.6	1.3
Expenses	54.8	2.6
Core business net profit	52.9	14.8
Excluding gains(losses) on cancellation of investment trusts	55.5	10.0
Ordinary profit	62.0	18.2
Profit attributable to owners of parent	43.9	12.7
Over head ratio (excluding gains(losses) on cancellation of investment trusts)	49.6%	-3.8%
ROE	7.7%	2.0%

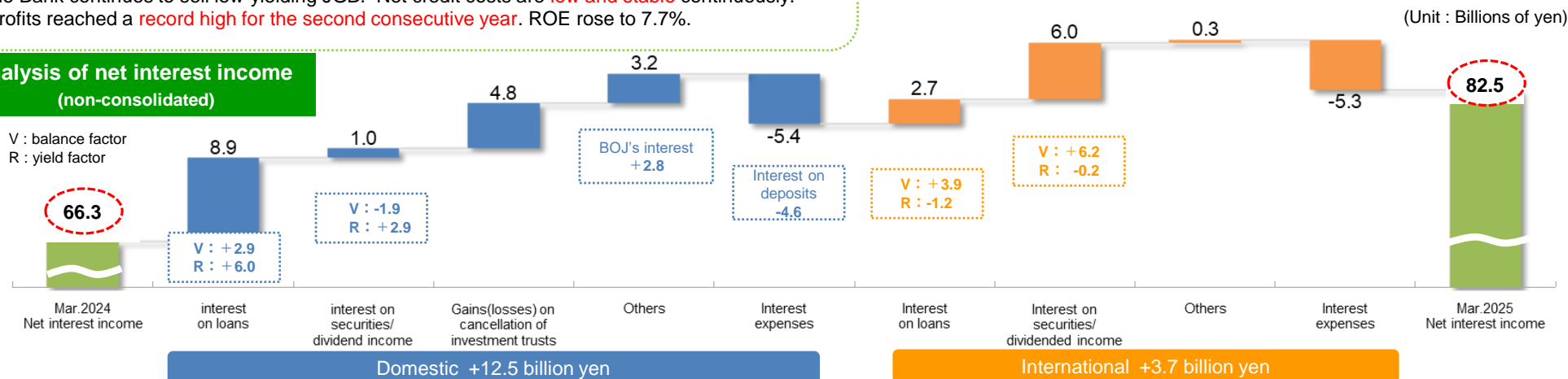
Non-consolidated

(Unit : Billions of yen)	Mar.2025	YoY
Core business gross profit	100.7	17.1
Net interest income	82.5	16.2
Of which, gains(losses) on cancellation of investment trusts	-2.5	4.8
Non-interest business profit	18.1	0.9
Expenses	52.7	2.4
Core business net profit	47.9	14.7
Excluding gains(losses) on cancellation of investment trusts	50.5	9.8
Gains or losses on investment securities	8.5	2.7
Net credit costs	2.3	1.7
Others	3.4	2.5
Ordinary profit	57.5	18.3
Extraordinary income(losses)	-0.6	0.1
Profit	40.4	12.2

<Points of financial results >

- Core business net profit excluding gains (losses) on cancellation of investment trusts amounted to 55.5 billion yen, up 10.0 billion yen YoY, due to **increases in net interest income such as interest on loans, and in non-interest business profit.**
- The Bank continues to sell low-yielding JGB. Net credit costs are **low and stable** continuously.
- Profits reached a **record high for the second consecutive year**. ROE rose to 7.7%.

Analysis of net interest income (non-consolidated)



Status of Deposits, Loans and Yield

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

Breakdown of deposit balance

(Unit : Billions of yen)

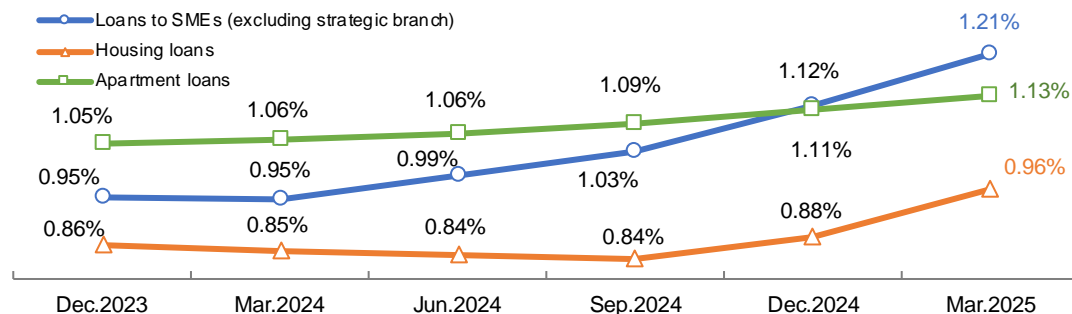
	As of Mar.31, 2025	YoY	Rate of changes
Deposits, etc.	8,672.4	150.1	1.7%
Deposits	8,462.9	146.7	1.7%
Of which, deposits to individuals	5,734.9	2.2	0.0%
Of which, deposits to corporations	2,075.7	47.6	2.3%
Negotiable Certificate deposits	209.4	3.4	1.6%

Breakdown of loan balance

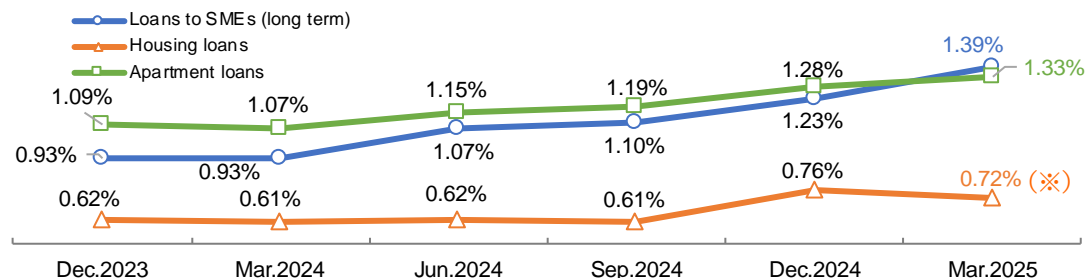
(Unit : Billions of yen)

	As of Mar.31, 2025	YoY	Rate of changes
Loans	6,845.1	377.2	5.8%
Retail	4,951.9	127.3	2.6%
SMEs	2,458.4	59.4	2.4%
Individuals	2,493.4	67.9	2.8%
Of which, Housing loans	1,462.2	46.0	3.2%
Of which, Apartment loans	695.3	17.9	2.6%
Of which, Unsecured loans	79.3	8.0	11.2%
Others	1,639.7	203.2	14.1%
Cross-border loans	221.3	47.4	27.2%
Structured finance	172.2	41.5	31.7%
Domestic large and secondtier enterprises	1,070.8	100.4	10.3%
Others	175.2	13.8	8.5%
Overseas branch	152.9	49.2	47.4%
Public	100.5	-2.6	-2.5%

Yield on loans(domestic)



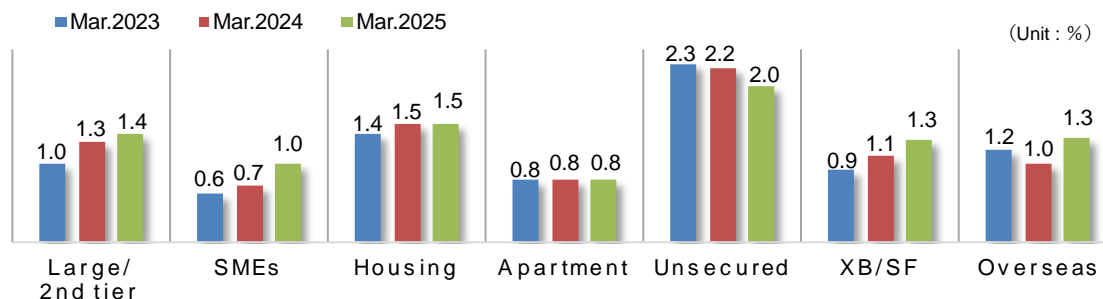
Interest rates of new loans granted



※The main reason for the decline is due to the reduction in interest rates of the "Loan fee-based interest rate plan". (January to March 2025)

Loans' RORA

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



Status of Securities

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

Balance of securities (Book value basis)

Total

2,630.4

(Unit : Billions of yen)

Rate of change
(compared to Mar.2024)

Foreign securities
+ 15.2%

Investment trusts
+5.2%

Stocks
+10.8%

Corporate bonds
-7.6%

Municipal bonds
-2.5%

Government bonds
-37.3%

2,266.1

2,212.5

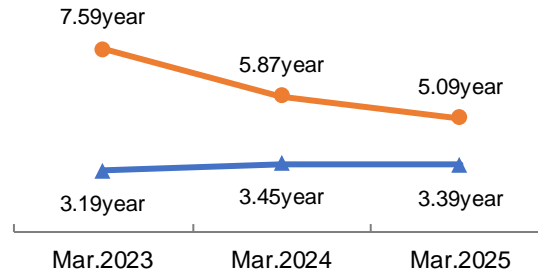
Mar.2023

Mar.2024

Mar.2025

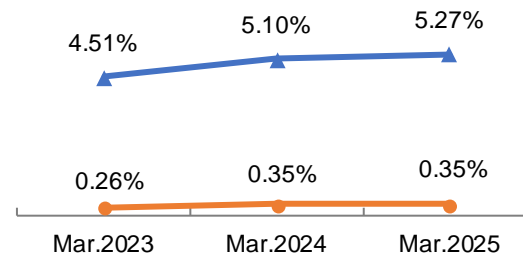
Duration

Domestic bonds Foreign bonds



Bond yield

Domestic bonds Fixed interest bonds(US\$)



Unrealized gains (losses) valuation

(Unit : Billions of yen)

	Mar.2024	Mar.2025	YoY
Unrealized gains (losses) from valuation	30.5	-16.1	-46.7
Excluding domestic bonds	58.9	40.3	-18.6
Foreign securities	3.6	5.4	1.8
Of which, fixed-interest bonds(US\$)	-5.2	-1.2	3.9
Investment trusts, etc.	-20.6	-16.6	3.9
Stocks	75.9	51.5	-24.4
Strategically held stocks	71.1	59.0	-12.1
Investment securities	4.7	-7.5	-12.3
Domestic bonds	-28.3	-56.5	-28.1
Of which, government bonds	-14.2	-17.4	-3.1

(Unit : Billions of yen)

Gains (losses) on sales

	Mar.2024	Mar.2025	YoY
Gains (losses) on investment securities①	5.7	8.5	2.7
Gains(losses) on bonds	-24.5	-11.7	12.8
Of which, losses on sales	-25.3	-11.0	14.3
Of which, losses on JGB	-23.3	-8.5	14.8
Of which, losses on foreign bonds	-2.0	-2.5	-0.5
Gains(losses) on stocks, etc.	30.2	20.2	-10.0
Gains(losses) on sale of stocks, etc.	30.3	20.2	-10.0
Strategically held stocks	12.8	3.5	-9.2
Investment securities	17.4	16.6	-0.7
Losses on devaluation of stocks, etc.	-0.0	-0.0	0.0
Gains(losses) on cancellation of investment trusts②	-7.4	-2.5	4.8
Total(①+②)	-1.7	5.9	7.6

Non-interest Business Profit

● Non-interest business profit amounted to 25.6 billion yen, up 1.38 billion yen YoY, sixth consecutive record high.

Consolidated non-interest business profit

(Unit : Billions of yen)

	Mar.2025	YoY	Annual plan Mar.2026
Consolidated non-interest business profit	25.60	1.38	29.0
Corporate service revenue	9.63	2.06	10.8
Of which, syndicate loans	1.47	0.01	1.6
Of which, business matching	0.92	0.10	1.1
Of which, M&A	0.71	-0.07	1.2
Of which, derivatives	3.07	1.42	2.3
Of which, Gungin Consulting	0.57	0.04	0.7
Deposits financial assets, etc. revenue	8.21	0.59	10.2
Of which, investment trusts commissions	2.21	0.01	2.6
Of which, insurance sales commissions(individuals)	2.52	-0.10	2.7
Of which, Gungin Securities	3.02	0.59	4.3
Others	7.75	-1.26	8.0
Of which, dividends of group credit life insurance	1.19	-0.88	1.2

Corporate consulting

Providing high-quality solutions using our “connecting process” as a starting.

- 2.5 years have passed since the start. A total of 9,000 customers (including net deposit customers) have carried out the process.

Status by needs (end of Mar.2025)

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. 9,000	Approx. 24,000	42%	43%	12%	3%

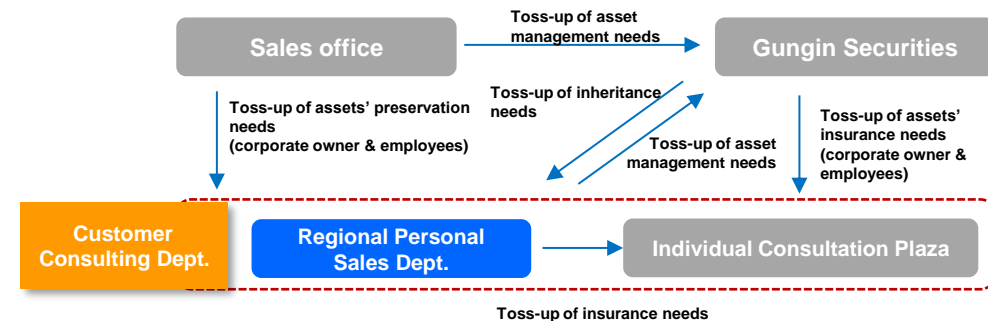
- Plan for the corporate service revenue(as of FY2027)

Business succession & M&A	Finance	Research and consulting	Total
1.7 billion yen	8.1 billion yen	2.8 billion yen	12.6 billion yen

Personal Consulting

■ Establish **Regional Personal Sales Dept.** in **Customer Consulting Dept.** (Apr, 2025)

- Salespeople for financial assets in seven regions (Maebashi, Takasaki, Ota, Isesaki, Kiryu, Tatebayashi, and Kumagaya) have been consolidated into 13 locations.
- By consolidating staff, we will be able to comprehensively manage stores. By building long-term relationships with customers and strengthening channel collaboration, we will be able to provide high-quality proposals.



Clarifying the roles of the bank and the securities

[Gungin Securities]

- Aim to increase profits through advisory-style sales to wealthy customers that make use of our high level of expertise. Increase the number of sales staff **by 29** in FY2024

[Gunma Bank]

- Accumulation of stock earnings by proposing for asset formation for the working generation (NISA, etc.) and for the needs of the retiring generation for saving.

Personnel Reallocation Plan (for the next 3 years)

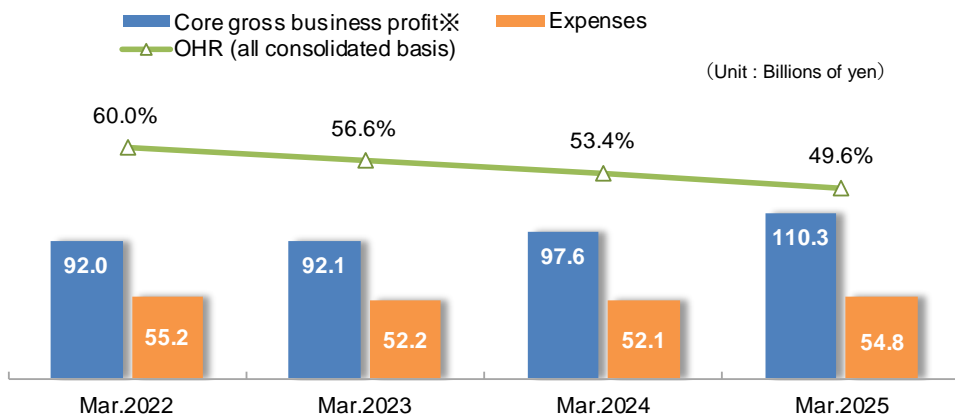
(unit : person)

Number of reallocated personnel	1st year	2nd year	3rd year	Total
Corporate consulting (M&A, group companies, etc.)	20	20	10	50
Consulting for individual clients (inheritance, Gungin Securities, etc.)	60	10	10	80

Expenses and Net credit costs

Status of expenses and OHR

Overhead ratio is 49.6% below 50%.



※excluding gains (losses) on cancellation of investment trusts

Breakdown of net credit costs(non-consolidated)

Net credit costs are low and stable level. But the Bank will keep an eye on the trend.

(Unit : Billions of yen)

	Mar. 2023	Mar. 2024	Mar. 2025	Mar.2026 plan
Net credit costs	1.0	0.6	2.3	3.5
Provision of general allowance for loan losses	-1.8	-1.5	-1.1	-0.3
Change to the actual rate	-0.8	-0.1	-0.2	0.2
DCF	-0.7	-0.9	-0.3	-
Others	-0.3	-0.5	-0.6	-0.5
Disposal of non-performing loans	2.9	2.1	3.7	3.8
Downgrade	7.2	6.1	6.3	5.1
Collection, upgrade, etc.	-4.5	-4.2	-3.0	-1.6
Others	0.2	0.2	0.4	0.3
Recoveries of written off receivables (-)	0.0	0.0	0.2	0.0

Main Factors of Increase in Expenses (non-consolidated)

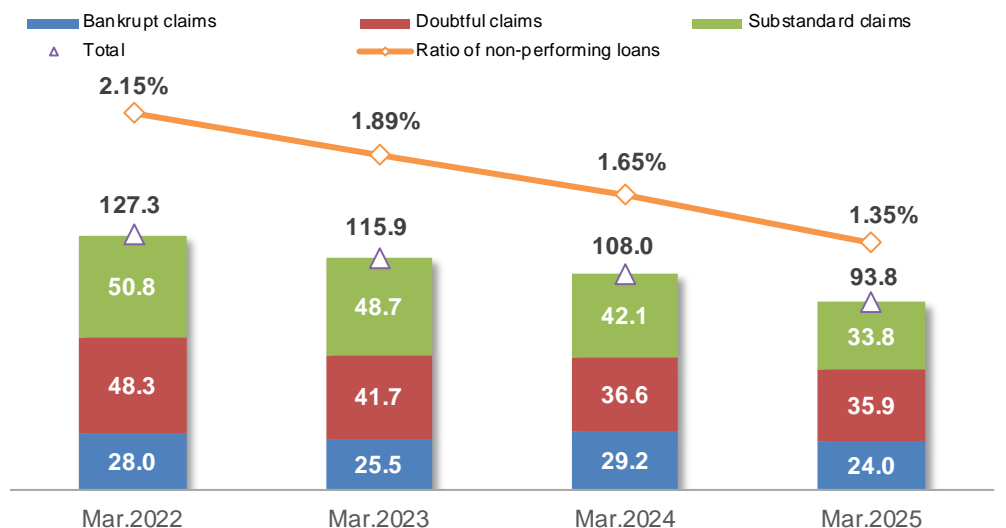
Toward Enhancing Human Capital, transitioning to a personnel system.

(Unit : Billions of yen)

	Mar. 2025	YoY	Main factors
Personnel exp.	28.9	1.1	Personnel system reform + 0.4, Base-up+0.6
Non-personnel exp.	20.7	1.0	machinery rental fee + 0.25, depreciation& amortization(buildings and personal property) + 0.09, Outsourcing costs+ 0.11, Advertising exp + 0.22,Other miscellaneous exp + 0.28
Taxes	3.0	0.2	Size based business tax + 0.14, consumption tax + 0.06
Total	52.7	2.4	

Disclosed Claims under the Financial Reconstruction Law and Ratio to the claims (consolidated)

※The Bank does not apply partial direct written-off.



Business Forecast (for the FY ending March 2026)



Consolidated core business net profit excluding gains(losses) on cancellation of investment trusts will be expected to increase by 9.0 billion yen compared with the previous FY to 64.5 billion yen . Profit attributable to owners of parent will be expected to 49.0 billion yen. And ROE will be 8.6%.

Consolidated

(Unit : Billions of yen)	Forecast for Mar. 2026	compared with FY2024
Core business gross profit	122.8	15.1
Net interest income	93.8	11.7
Excluding gains(losses) on cancellation of investment trusts	94.8	10.1
Non-interest business profit	29.0	3.4
Expenses	59.3	4.5
Core business net profit	63.5	10.6
Excluding gains(losses) on cancellation of investment trusts	64.5	9.0
Net credit costs	4.0	0.9
Ordinary profit	70.0	8.0
Profit attributable to owners of parent	49.0	5.1
Over head ratio (excluding gains(losses) on cancellation of investment trusts)	47.8%	-1.8%
Return on equity	8.6%	0.9%

Non-consolidated

(Unit : Billions of yen)	Forecast for Mar. 2026	compared with FY2024
Core business gross profit	113.7	13.0
Net interest income	94.6	12.1
Excluding gains(losses) on cancellation of investment trusts	95.6	10.5
Non-interest business profit	19.1	1.0
Expenses	56.7	4.0
Core business net profit	57.0	9.1
Excluding gains(losses) on cancellation of investment trusts	58.0	7.5
Gains and losses on securities	8.0	-0.5
Net credit costs	3.5	1.2
Ordinary profit	64.0	6.5
Profit	44.5	4.1

Profit basis (main breakdown)

(unit : Billions of yen)	
Net interest income	+12.1
Loans(domestic)	+8.7
Loans(international)	+0.2
Securities(domestic)	-2.2
Securities(international)	+1.1
Gains(losses) on cancellation on investment trusts	+1.6
BOJ's interest, etc.	+2.7

【Interest rate assumption】

Assumed interest rate hike in Oct. 2025
(0.50%⇒0.75%)

Average balance and yields(non-consolidated)

	Average balance		Yields	
	Mar. 2026	Rate of changes	Mar. 2026	compared with FY2024
Loans	6,939.1	5.4%	1.44	0.21%
(domestic)	6,497.2	4.5%	1.23	0.24%
Securities	2,056.3	-7.3%	2.23	0.08%
(domestic)	1,433.4	-9.7%	1.00	0.19%
Deposits	8,424.2	2.4%	0.29	0.14%
(domestic)	8,239.5	2.1%	0.20	0.14%

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



Shareholder Return

The bank changed its shareholder return policy from “total shareholder return” to “dividend payout ratio” in Feb. 2025. (The change will be applied from the current year.) The bank introduced a **progressive dividend system** that aims to maintain or increase dividends.

Before

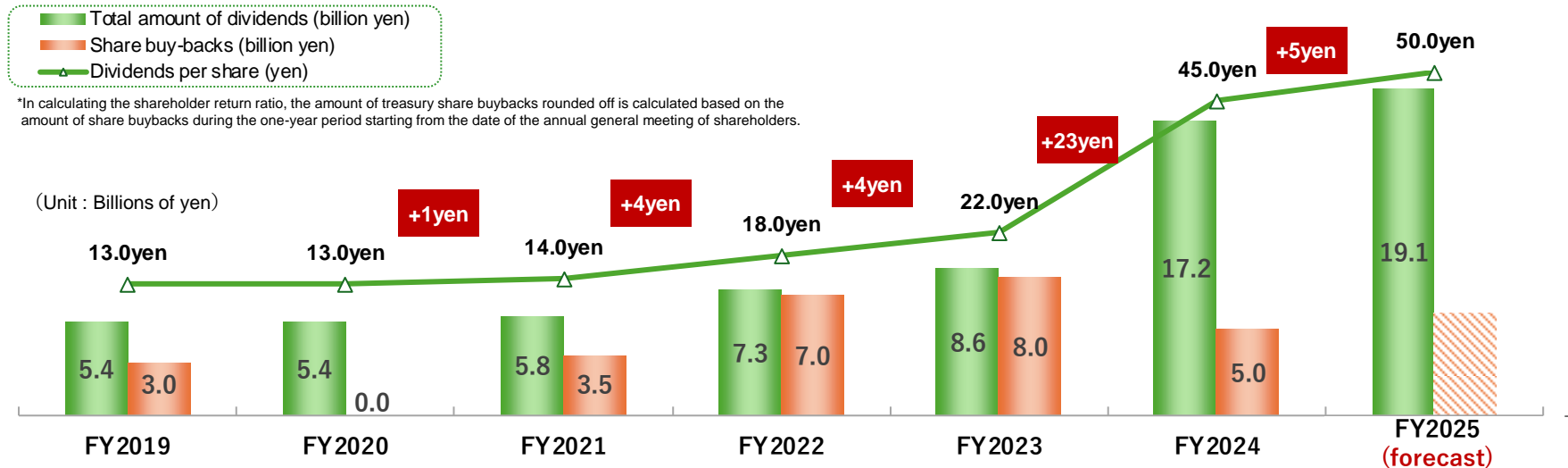
The Bank is setting a target of **40% of profit** attributable to owners of parent for **the ratio of total payout to shareholders** combining stable cash dividend payments and the acquisition cost of treasury shares.

After

The Bank strives to achieve a **payout ratio of 40% of profit** attributable to owners of parent.
The bank will **flexibly implement acquisition of treasury shares**.

Achievements of shareholders return

Total shareholder return will exceed 50% for three consecutive fiscal years. The annual cash dividends per share for FY 2025, ending Mar. 31, 2026 is planned to be 50 yen, up 5 yen compared with the previous year. The dividend has increased for five consecutive fiscal years.



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

Total amount of shareholder return(billion yen)		8.4	5.4	9.3	14.3	16.6	22.2	—
Total shareholder return ratio	consolidated	To FY2021			Non-consolidated basis			51.4%
	non-consolidated	47.2%	46.8%	39.9%	From FY2022			53.6%
Dividend payout ratio		24.6%	40.4%	22.1%	26.4%	28.1%	39.5%	(39.0%)
Profit (billion yen)	consolidated	22.2	13.5	26.4	27.9	31.1	43.9	49.0 (forecast)
	non-consolidated	17.9	11.6	23.3	24.6	28.1	40.4	44.5 (forecast)

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Contact for inquiries on this matter:

Business Management Office (in charge of IR), Corporate Planning Department, Gunma Bank, Ltd.

E-mail address : ***gbir@gunmabank.co.jp***