

The Gunma Bank, Ltd.

Financial Results Briefing Session

for the three months ended Jun. 2025

July 30, 2025

Presenter : **Takeo Uchibori**
Senior managing director



*By connecting the strands of resources, people, and generations,
we weave better futures for our communities.*

(Tokyo Stock Exchange Prime Market : 8334)

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



Today's Summary

1Q's point A good start was made, with a progress rate of **28.6%** in relation to the announced profit of 49 billion yen.

Financial Results

Net interest income (non-consolidated)	: YoY +6.7 bn yen (of which, gains(losses) on cancellation of investment trusts +3.4 bn yen) achievement rate against plan 27.4% (excluding gains(losses) on cancellation of investment trusts 25.2%) 【The smooth growth in loans balance(YoY +5.2%) and increase in domestic yields in loans (YoY +25bp → 1.17%) contributed to revenue.】
Non-interest business profit (consolidated)	: YoY +0.2 bn yen / achievement rate against plan 23.9% 【Corporate service : Of the 25,000 accumulated needs for connecting processes, 8,500 have been converted into projects.】 【Deposits financial assets : Continue to send customers to Gungin Securities (6,500 customers sent / 16,000 planned) and increase sales.】
Expenses (non-consolidated)	: YoY +0.8 bn yen (Personnel exp. +0.4 bn yen, Non-personnel exp. +0.2 bn yen) / achievement rate against plan 24.9% 【consolidated Over head ratio 47.6% (YoY-3.0pt) continues to improve.】
Net credit costs (non-consolidated)	: YoY +0.3 bn yen (0.7 bn yen) / achievement rate against plan(3.5 bn yen) 20.6%
Deposits	: YoY +2.4% (individual -0.1% corporation +2.4%)
Loans	: YoY +5.2% (XB, SF and NY each exceed +20%)

Capital Policy

Acquisition of treasury shares : In July 28, the Bank resolved to **acquire treasury shares** (up to **6 billion yen**). (acquisition period : July 30 ~ September 19)
Shareholders return level : Total shareholder return ratio against announced profit 51.2%
Total shareholder return will exceed 50% for **four consecutive fiscal years**.
The annual cash dividends per share for FY 2025 is planned to be 50 yen, up 5 yen YoY.
(The dividend has increased for five consecutive fiscal years.)
The Bank strives to achieve a payout ratio of 40% of consolidated profit.

Business Integration

Integration Preparatory : The Gunma Bank and Daishi Hokuetsu Financial Group established the Integration Preparatory Committee(May 2025).
They will consult towards the business integration, develop business plans including synergy, and manage progress of the integration preparation in the Committee. (Held twice)
※Under the Committee, each specialized committee will engage in practical-level discussions and considerations.

Profit and Loss Conditions

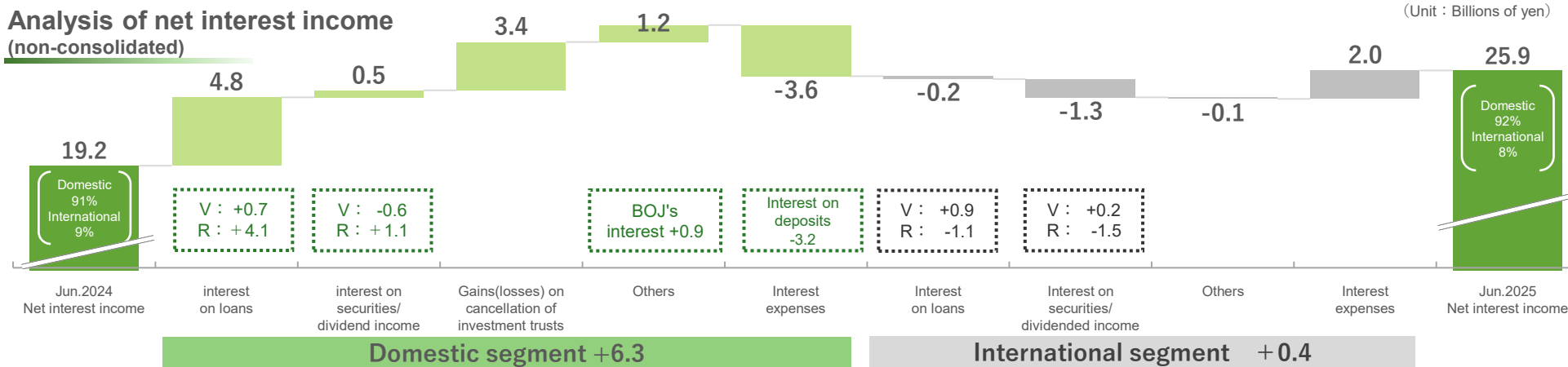
Profit attributable to owners of parent amounted to 14.0 billion yen, up 2.8 billion yen YoY, due to an increase in net interest income. A good start was made, with a progress rate of 28.6% in relation to the announced profit of 49 billion yen.

Financial Summary

	(Unit : Billions of yen)			
< Consolidated >	Jun.2025	YoY	Annual plan Mar.2026	Progress rate against annual plan
Core business gross profit	32.7	7.0	122.8	26.6%
Net interest income	25.8	6.7	93.8	27.5%
Gains (losses) on cancellation of investment trusts	1.8	3.4	-1.0	—
Excluding gains(losses) on cancellation of investment trusts	24.0	3.3	94.8	25.3%
Non-interest business profit	6.9	0.2	29.0	23.9%
Expenses	14.7	0.8	59.3	24.8%
Core business net profit	18.0	6.1	63.5	28.4%
Excluding gains(losses) on cancellation of investment trusts	16.2	2.7	64.5	25.1%
Ordinary profit	20.0	3.9	70.0	28.5%
Profit attributable to owners of parent	14.0	2.8	49.0	28.6%
Over head ratio (excluding gains on cancellation of investment trusts)	47.6%	-3.0%	47.8%	—
Return on equity(annualized rate)	9.9%	2.0%	8.6%	—

	(Unit : Billions of yen)			
< Non-consolidated >	Jun.2025	YoY	Annual plan Mar.2026	Progress rate against annual plan
Core business gross profit	31.0	6.9	113.7	27.2%
Net interest income	25.9	6.7	94.6	27.4%
Gains (losses) on cancellation of investment trusts	1.8	3.4	-1.0	—
Excluding gains(losses) on cancellation of investment trusts	24.1	3.3	95.6	25.2%
Non-interest business profit	5.0	0.1	19.1	26.2%
Expenses	14.1	0.8	56.7	24.9%
Core business net profit	16.8	6.0	57.0	29.5%
Excluding gains(losses) on cancellation of investment trusts	15.0	2.6	58.0	25.8%
Gains or losses on investment securities	1.8	-1.9	8.0	23.7%
Net credit costs	0.7	0.3	3.5	20.6%
Others	0.7	-0.0	2.5	29.5%
Ordinary profit	18.7	3.8	64.0	29.3%
Net profit	13.1	2.7	44.5	29.6%

Analysis of net interest income (non-consolidated)



Status of Deposits and Loans

Promote corporate deposits in proportion to loan share. **Loan balance** is growing steadily. Also, yields are rising.

Breakdown of deposit balance

(Unit : Billions of yen)

	As of Jun.30, 2025	Compared to Mar. 2025(rate of change)	Compared to Jun. 2024(rate of change)
Deposits, etc.	8,819.2	146.7 (1.6%)	154.3 (1.7%)
Deposits	8,592.4	129.5 (1.5%)	205.4 (2.4%)
Of which, individuals	5,780.0	45.1 (0.7%)	-5.9 (-0.1%)
Of which, corporations	2,155.8	80.1 (3.8%)	51.8 (2.4%)
Of which, public money	425.6	20.5 (5.0%)	100.3 (30.8%)
Negotiable Certificate deposits	226.7	17.2 (8.2%)	-51.0 (-18.3%)

Breakdown of loan balance

Temporary yield of local tax grants, etc.

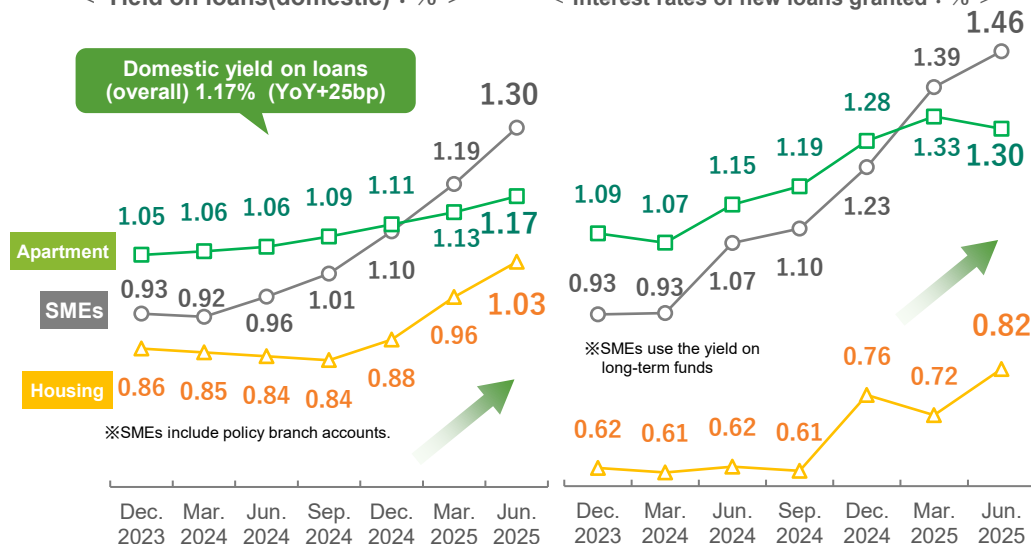
(Unit : Billions of yen)

Loans	6,841.9	-3.1 (-0.0%)	338.3 (5.2%)
Large enterprises	1,027.0	17.1 (1.7%)	119.0 (13.1%)
secondtier enterprises/SMEs	2,655.4	-36.3 (-1.3%)	53.1 (2.0%)
Individuals	2,506.3	12.8 (0.5%)	66.8 (2.7%)
Of which, Housing	1,475.2	12.9 (0.8%)	49.4 (3.4%)
Of which, Apartment	695.7	0.4 (0.0%)	15.3 (2.2%)
Of which, Unsecured consumer	81.4	2.0 (2.5%)	7.7 (10.5%)
Cross-border loans	229.2	7.9 (3.5%)	44.7 (24.2%)
Structured finance	178.7	6.5 (3.8%)	30.8 (20.8%)
Overseas branch	141.5	-11.3 (-7.4%)	26.8 (23.4%)
Others(Public,etc.)	103.5	0.0 (0.0%)	-3.1 (-2.9%)

Status of yields

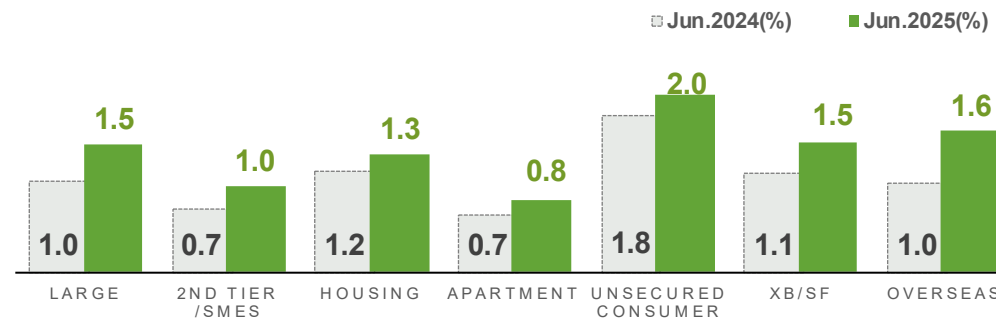
< Yield on loans(domestic) : % >

< Interest rates of new loans granted : % >



Loans' RORA

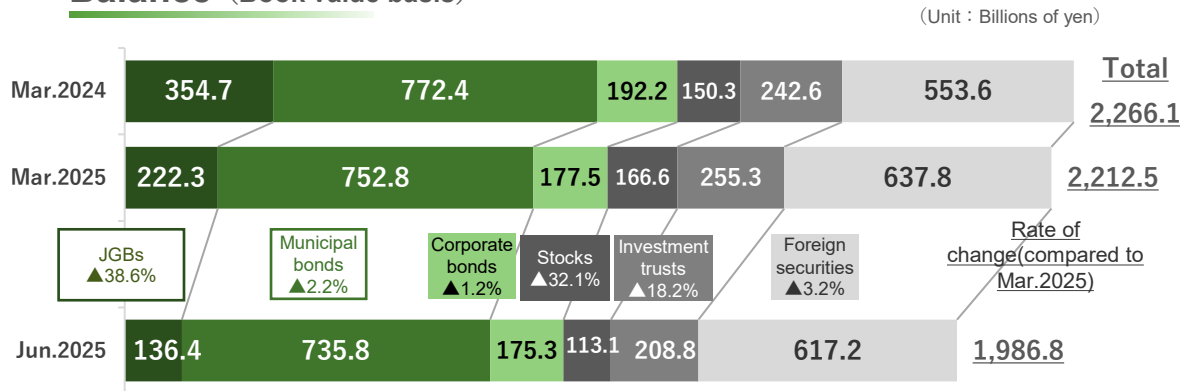
※RORA = (net interest income + non-interest business profit - expenses - credit cost) × (1-30.5%) / risk weighted assets



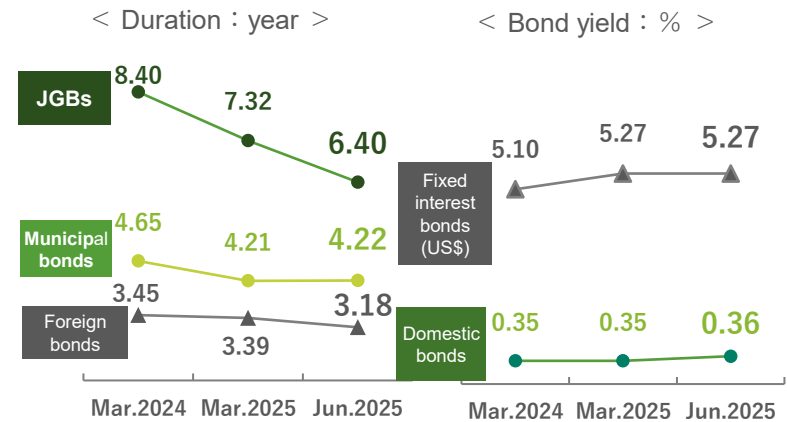
Status of Securities

The Banks **sold JGBs** at the beginning of the period when interest rates were falling.

Balance (Book value basis)



Various index



Unrealized gains (losses) valuation (BS)

(Unit : Billions of yen)

	Mar.2025	Jun.2026	Compared to Mar. 2025
Unrealized gains (losses) from valuation	-16.1	1.8	18.0
Domestic bonds	-56.5	-43.1	13.4
(Government bonds)	-17.4	-7.9	9.4
(Municipal bonds)	-25.6	-21.6	4.0
Others	40.3	44.9	4.6
Foreign securities	5.4	5.2	-0.1
(Fixed-interest bonds(US\$))	-1.2	-0.8	0.4
Investment trusts, etc.	-16.6	-15.1	1.5
Stocks	51.5	54.8	3.2
(Strategically held stocks)	59.0	59.9	0.8
(Investment securities)	-7.5	-5.1	2.4

Gains (losses) on sales (PL)

(Unit : Billions of yen)

	Jun.2024	Jun.2025	YoY
Total (① + ②)	2.2	3.7	1.4
Unrealized gains (losses) from valuation①	3.8	1.8	-1.9
Gains(losses) on bonds	-4.4	-6.9	-2.4
Of which, losses on sales	-4.4	-7.0	-2.5
(Losses on JGB)	-1.9	-7.0	-5.1
(Losses on foreign bonds)	-2.5	—	2.5
Gains(losses) on stocks, etc.	8.2	8.8	0.5
Of which, gains(losses) on sale of stocks, etc.	8.2	8.8	0.5
(Strategically held stocks)	0.7	5.5	4.8
(Investment securities)	7.5	3.2	-4.3
Gains(losses) on cancellation of investment trusts ②	-1.5	1.8	3.4

Non-interest Business Profit / Expenses / Net credit costs

Corporate service revenue · Deposits financial assets, etc. revenue will strive to increase in the 2nd quarter and beyond.
OHR continues to improve. Net credit costs are low and stable.

Non-interest business profit

(Unit : Billions of yen)

	Jun.2025	YoY	Annual plan Mar.2026	Achieving rate
Consolidated non-interest business profit	6.93	0.27	29.0	23.9%
Corporate service revenue	1.79	-0.07	10.8	17%
Of which, syndicate loans	0.25	-0.02	1.6	15%
Of which, business matching	0.21	0.06	1.1	19%
Of which, SDGs	0.19	0.08	1.1	18%
Of which, derivatives	0.46	-0.26	2.3	20%
Of which, Gungin Consulting	0.21	0.11	0.7	30%
Deposits financial assets, etc. revenue	1.94	0.05	10.2	19%
Of which, investment trusts commissions	0.42	-0.19	2.6	16%
Of which, insurance sales commissions	0.69	0.13	2.7	26%
Of which, Gungin Securities	0.74	0.09	4.3	17%
Others	3.20	0.28	8.0	40%
Of which, dividends of group credit life insurance	1.74	0.61	1.3	137%
Of which, basis services(domestic exchange, etc.)	2.12	0.06	8.3	25%

Corporate service initiatives

Capturing needs through the process of connecting
[Over 25,000 items in stock]

Number of cases 8,500items

Top need of cases(ratio)	
Securing human resources	20%
business efficiencyimprovement	
Reinforcement of business facilities	17%
SDGs initiatives	11%
Transfer of treasury shares	10%

Deposits financial assets initiatives

Sending customers (BK→Securities)

Currently, 6,500 customers have been sent
(plan 16,000 customers)

+
Staff increasing (BK→Securities)

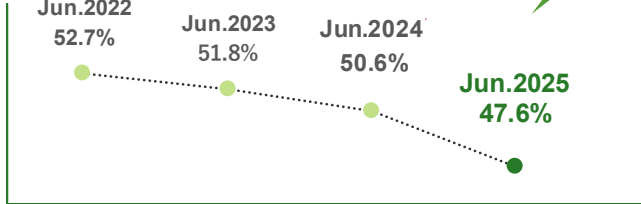
Current period
(9 staff "done"+12staff "schedule")

↓
In addition to sending customers to
Gungin Securities, we will increase staff
numbers and increase the account
utilization rate (currently about 60%).

Expenses

OHR has continued to fall, owing to an increased gross income ratio despite strategic investment strengthening.

<Trend in consolidated OHR>



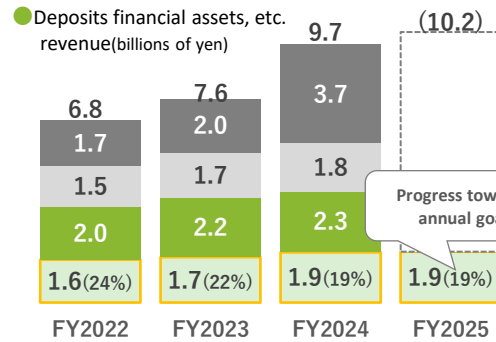
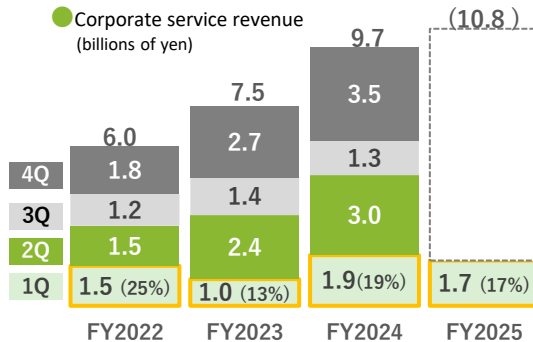
< Breakdown of Expenses >

(Unit : Billions of yen)

*non-consolidated	Jun. 2025	YoY	Main factors
Expenses	14.1	0.8	
Personnel exp.	7.6	0.4	Base-up,Personnel system reform +0.43
Non-personnel exp.	5.5	0.2	campaign advertisement +0.13
Taxes	0.9	0.1	Size based business tax +0.11

< Quarterly trends >

In a typical year, there is a large increase in revenue during the second and fourth quarters. Equalizing and increasing revenue during the first and third quarters is challenging.



Progress towards
annual goal

※The numbers have been adjusted by rounding

Net credit costs

Annual plan 3.5 bn yen
(achievement rate20.6%)

(Unit : Billions of yen)

	Mar.2023	Mar.2024	Mar.2025	Jun.2025
Net credit costs	1.0	0.6	2.3	0.7
Provision of general allowance for loan losses	-1.8	-1.5	-1.1	-0.2
Change to the actual rate	-0.8	-0.1	-0.2	—
DCF	-0.7	-0.9	-0.3	-0.0
Others	-0.3	-0.5	-0.6	-0.2
Disposal of non-performing loans	2.9	2.1	3.7	0.9
Dow ngrade	7.2	6.1	6.3	1.2
Collection, upgrade, etc.	-4.5	-4.2	-3.0	-0.4
Others	0.2	0.2	0.4	0.1
Recoveries of written off receivables(-)	0.0	0.0	0.2	0.0

Shareholder Return

Acquisition of treasury shares

On July 28, the Bank resolved to **acquire treasury shares** (up to **6 billion yen**). (acquisition period : Jul. 30 ~ Sep. 19)

Total shareholder return ratio against announced profit 51.2%. Total shareholder return will **exceed 50% for four consecutive fiscal years**.

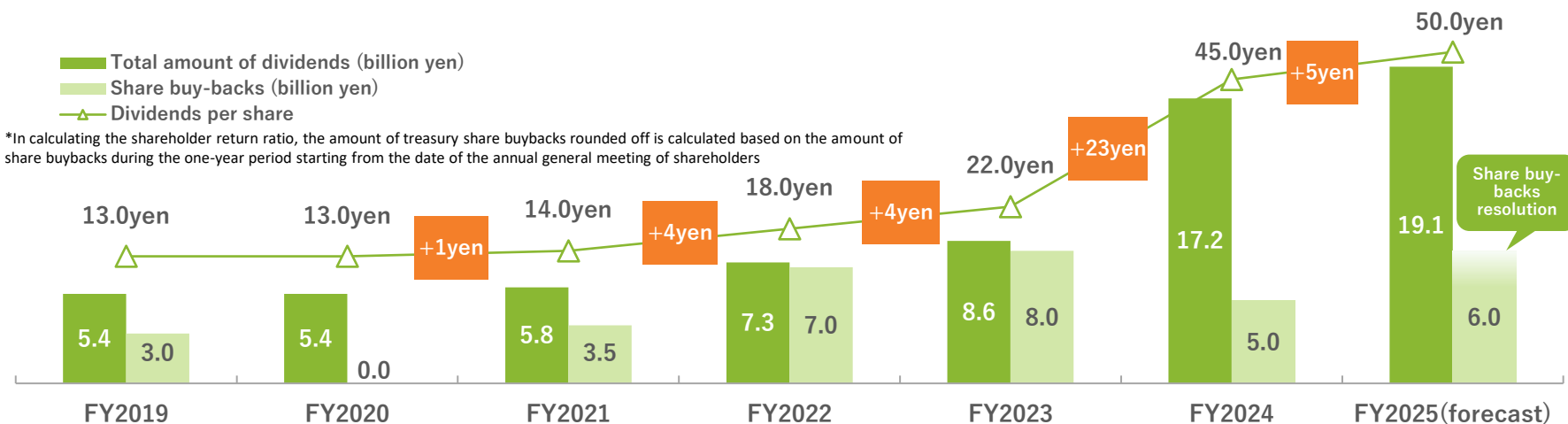
Shareholders return

< Shareholder return policy >


The bank changed its shareholder return policy from “total shareholder return(40% guideline)” to “**dividend payout ratio(40% guideline)**” on Feb. 2025. Applied from the previous FY. The bank introduced **a progressive dividend system** that aims to maintain or increase dividends.

< Achievements of returns >

The annual cash dividends per share for FY 2025 is planned to be 50 yen, up 5 yen YoY. (The dividend has increased for five consecutive fiscal years)



		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025(forecast)
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%	53.6%	50.7%	(51.2% expected)
	non-consolidated	47.2%	46.8%	39.9%	From FY2022 Consolidated basis			
Dividend payout ratio		24.6%	40.4%	22.1%	26.4%	28.1%	39.5%	(39.0% expected)
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)

The background of the slide is a blurred photograph of a cityscape. In the foreground, there are several buildings, including a prominent white building with a grid of windows and a taller, darker building. In the background, a range of blue mountains is visible under a light sky.

This material was prepared only for the purpose of providing information and does not solicit the purchase or sale of any specific securities.

All or part of the matters described in this material may be revised or changed without prior notice. This materials contains forward looking statements. These statements are not represented as providing a guarantee of the Bank's future performance, and actual results may be subject to risks and uncertainties. Please note that future performance may differ due to change in business environment, etc.

*Contact for inquiries on this matter:
Business Management Office (in charge of IR),
Corporate Planning Department, Gunma bank, Ltd.
gbir@gunmabank.co.jp*