The Gunma Bank, Ltd.

Overview of Financial Results

for the Six months Ended September 30, 2026

November 9, 2026

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

Profit and Loss Conditions

Consolidated core business net profit (excluding gains(losses) on cancellation of investment trusts) increased steadily by ¥7.3 billion year on year to ¥41.7 billion, reflecting growth in both net interest income and non-interest business profit.
Profit attributable to owners of parent increased by ¥7.0 billion year on year to ¥34.9 billion, reaching **a record high for the third consecutive period**.

Financial Summary

(Unit : Billions of yen)

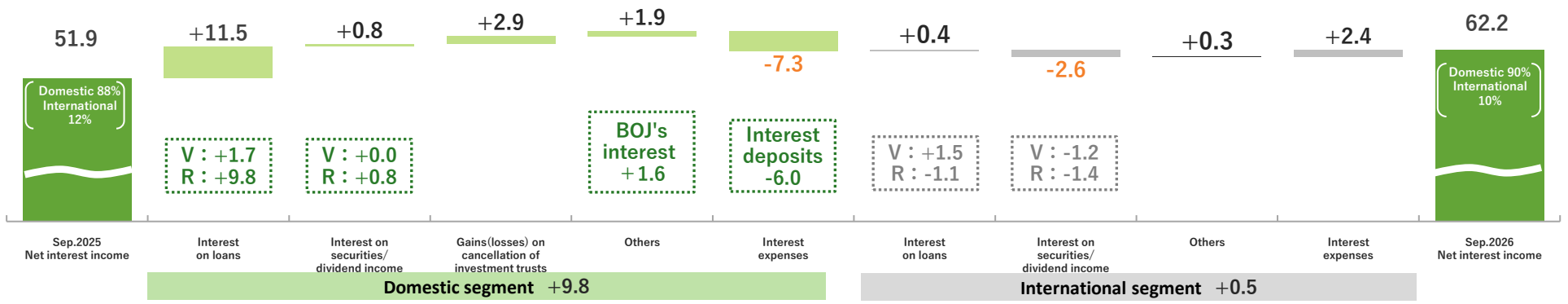
＜Consolidated＞	Sep.2026	YoY	Compared to initial plan
Core business gross profit	78.8	+12.3	+6.3
Net interest income	61.6	+10.0	+6.4
Gains (losses) on cancellation of investment trusts	5.6	+2.9	+5.6
Excl. gains (losses) on cancellation of investment trusts	56.0	+7.0	+0.8
Non-interest business profit	17.1	+2.3	-0.1
Expenses	31.4	+2.0	-1.0
Core business net profit	47.3	+10.3	+7.3
Excl. gains (losses) on cancellation of investment trusts	41.7	+7.3	+1.7
Net Credit Costs	1.9	+0.4	-0.6
Ordinary profit	51.5	+10.9	+5.0
Profit attributable to owners of parent	34.9	+7.0	+2.9
OHR(excl. gains(losses) on cancellation of investment trusts)	42.9%	-3.1%	
ROE (annualized rate)	11.2%	+1.6%	

(Unit : Billions of yen)

＜Non-consolidated＞	Sep.2026	YoY	Compared to initial plan
Core business gross profit	73.9	+11.3	+6.4
Net interest income	62.2	+10.2	+6.4
Gains (losses) on cancellation of investment trusts	5.6	+2.9	+5.6
Excl. gains(losses)on cancellation of investment trusts	56.6	+7.3	+0.8
Non-interest business profit	11.7	+1.0	+0.0
Expenses	29.9	+1.6	-1.0
Core business net profit	44.0	+9.7	+7.5
Exclud. gains(losses) on cancellation of investment trusts	38.4	+6.7	+1.9
Gains or losses on investment securities	3.1	-0.3	-3.4
Net credit costs	1.5	+0.0	-0.8
Others	2.9	+1.4	+0.6
Ordinary profit	48.4	+10.8	+5.4
Net profit	32.8	+7.0	+3.3

Analysis of net interest income (non-consolidated)

(Unit : Billions of yen)



Status of Loans

Loan balances increased steadily, particularly in cross-border loans, structured finance, and overseas branches.
Loan yields also continued to rise steadily.

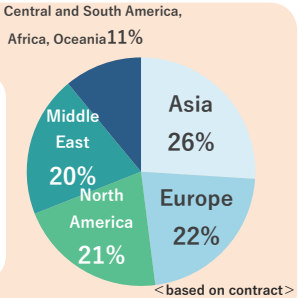
Breakdown of loan balance

(Unit : Billions of yen)

	Sep.2026	Compared to Sep.2025 Increase/decrease amount (Rate of change)	Loan's RORA ( ) is compared to Sep.2025		Loan's ROA ( ) is compared to Sep.2025	
Loans	7,333.5	291.4 (4.1%)	1.60%	(+0.38pt)	0.62%	(+0.13pt)
Large enterprises	1,124.6	39.7 (3.6%)	2.24%	(+0.71pt)	0.53%	(+0.13pt)
secondtier enterprises/SMEs	2,748.8	39.6 (1.4%)	1.51%	(+0.39pt)	0.82%	(+0.21pt)
Individuals	2,623.0	88.9 (3.5%)	1.36%	(+0.23pt)	0.42%	(+0.05pt)
Of which, Housing	1,565.3	69.1 (4.6%)	2.04%	(+0.34pt)	0.39%	(+0.07pt)
Of which, Apartment	711.7	12.0 (1.7%)	1.11%	(+0.23pt)	0.48%	(+0.07pt)
Of which, Unsecured consumer	91.0	7.8 (9.3%)	2.11%	(-0.07pt)	0.45%	(-0.02pt)
Cross-border loans	276.5	30.0 (12.1%)	3.48%	(+0.70pt)	0.97%	(+0.19pt)
Structured finance	283.7	80.2 (39.4%)	1.65%	(+0.33pt)	1.17%	(+0.24pt)
Overseas branch	179.5	17.4 (10.7%)	1.50%	(-0.10pt)	0.34%	(-0.09pt)
Others(Public,etc.)	97.1	-4.5 (-4.4%)	–	–	–	–

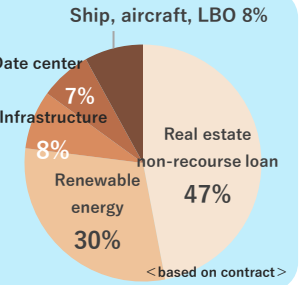
Cross-border loans

- ✓ Diversified by region
- ✓ No new Middle East lending
- ✓ Focus on highly-rated borrowers
  - *–No defaults since inception in 2013–*

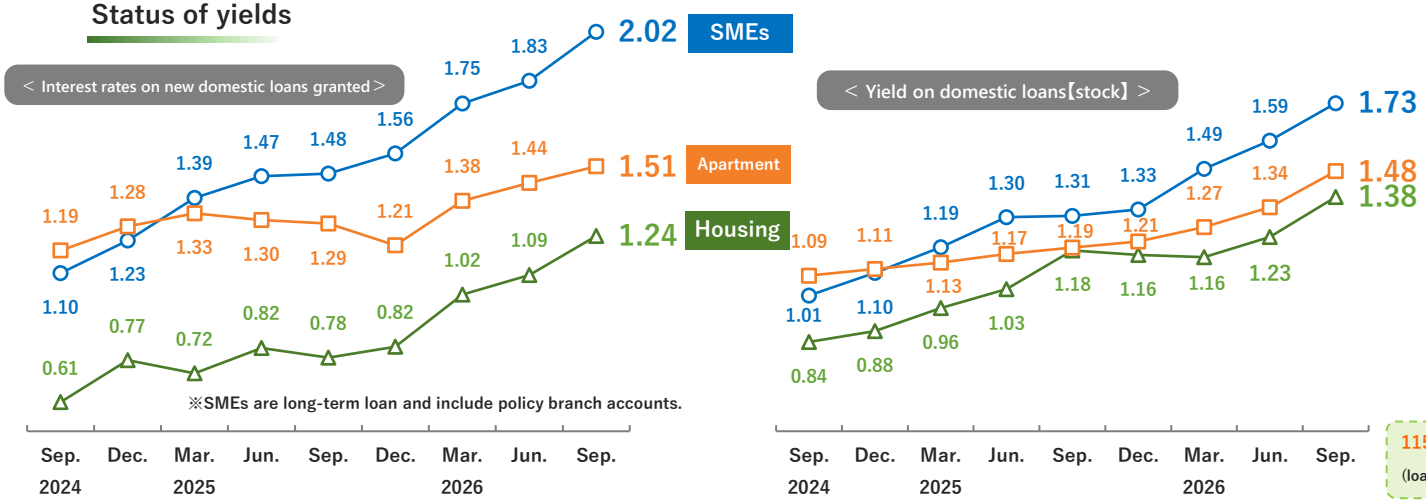


Structured finance

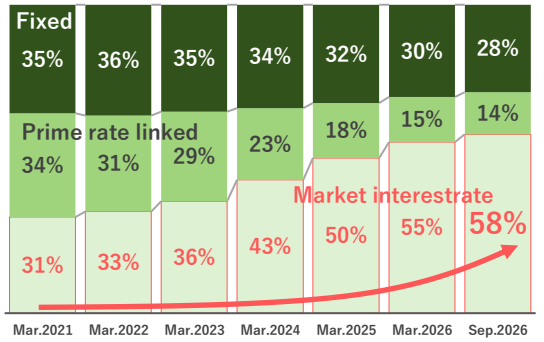
- ✓ Real estate non-recourse loan
  - *–Building a well-balanced portfolio through diversification across office, residential, and hotel assets–*
  - *–Focus on senior loans–*
  - *–LTV around 60%–*



Status of yields



Corporate Loans by Interest Rate Type



115% pass-through of policy rate hikes on market rate-linked loans
(loan yield: 0.58% *Feb.2024 → 2.01% *Sep.2026 **VS.** policy rate increase of +1.25%)

Status of Deposits

Expanded a high-quality and stable deposit base through a medium- to long-term deposit strategy.

Breakdown of deposit balance

(Unit : Billions of yen)

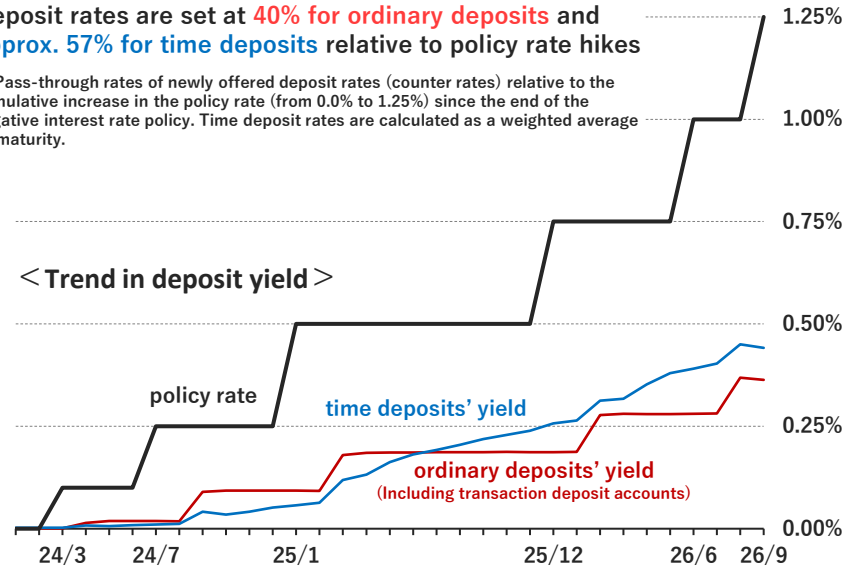
	Sep.2026	Compared to Sep.2025 Increase/decrease amount	(Rate of change)
Deposits, etc.	8,696.6	-60.5	(-0.6%)
Total deposits	8,473.1	-64.7	(-0.7%)
Domestic deposits	8,349.9	-24.1	(-0.2%)
Of which, individuals	5,736.0	-12.7	(-0.2%)
(Liquid)	4,399.3	-27.3	(-0.6%)
(Fixed-term)	1,332.7	14.4	(1.0%)
Of which, corporations	2,167.6	-1.5	(-0.0%)
(Liquid)	1,771.2	-25.4	(-1.4%)
(Fixed-term)	359.0	14.0	(4.0%)
Of which, public money	386.7	3.2	(0.8%)
Overseas branch deposits	123.1	-40.5	(-24.7%)
Negotiable Certificate deposits	223.5	4.2	(1.9%)

＜Deposit rate pass-through＞

Deposit rates are set at 40% for ordinary deposits and approx. 57% for time deposits relative to policy rate hikes

※ Pass-through rates of newly offered deposit rates (counter rates) relative to the cumulative increase in the policy rate (from 0.0% to 1.25%) since the end of the negative interest rate policy. Time deposit rates are calculated as a weighted average by maturity.

＜Trend in deposit yield＞



Individuals

Growth Strategy ＜Expansion of strategic products＞

Premium Time Dep.<Affluent segment>
Life Event Support Time Dep.<Mass segment>

New inflows (Apr. 26～Sep. 26) +¥ ***49.5*** *bn*

New deposit inflows continued to increase steadily

Increase deposits through new inflows and retention of existing dep.

Stronger branch incentives

Retention of Existing Dep.

Expanded app functionality

Finance + Non-finance <Asset Management>

"Toward an everyday use App"

Started initiatives in Oct. to prevent deposit outflows

Mid - to long-term deposit strategy

- Short-term (Deposit Acquisition): Offering deposit products tailored to customer segments
- Medium-term (Natural Inflows): Primary account usage (payroll deposits, pensions, etc.)
- Long-term (Retention): Enhanced convenience and engagement(app enhancements, ATM fee waivers)

→ Toward a Sticky Deposit Base

Corporations

Promote deposit transactions aligned with lending share and strengthen the deposit base through primary banking relationships and digital channels.

Overseas branch

Reducing short-term interbank deposits and securing stable long-term funding through currency swaps and funding from Head Office.

Diversification of funding sources

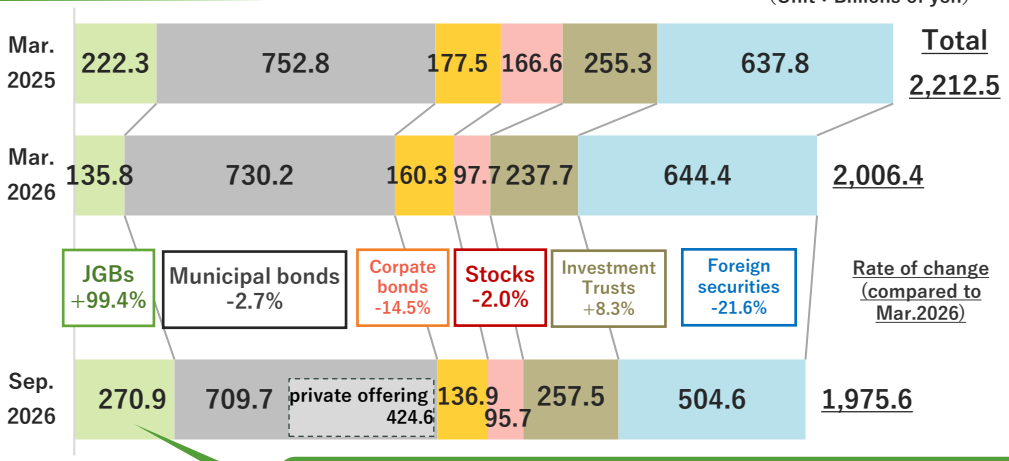
Primarily strengthening deposits while also considering RMBS, senior bonds and CP issuance.

Status of Securities

Rebuilding the JGB portfolio to strengthen the management of yen-denominated assets.
Low-yield JGBs are expected to be disposed of during the current period.

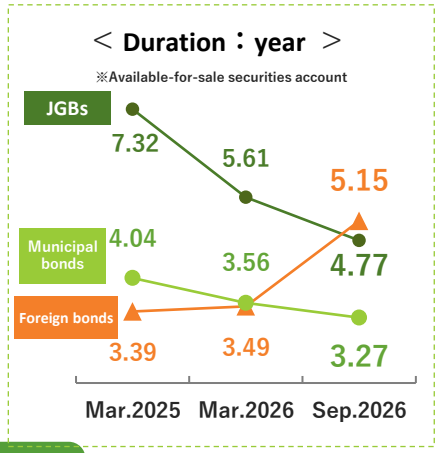
Balance (Book value basis)

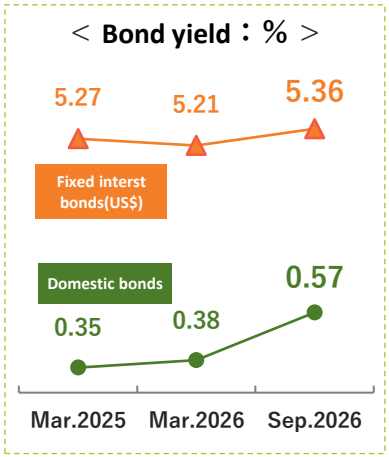
(Unit : Billions of yen)



Purchased ¥142.5bn of JGBs during the period. Focused on JGBs with remaining maturities of 3–7 years to control duration(Average yield on new purchases: approx. 2.0%)

Various index





Unrealized gains (losses) valuation (BS)

(Unit : Billions of yen)

	Mar.2026	Sep.2026	Compared to Mar.2026
Available-for-sale Securities	0.1	-26.1	-26.3
Domestic bonds	-73.6	-83.3	-9.7
Of which, JGBs	-12.7	-17.0	-4.2
Existing low yield JGBs	-12.7	-14.7	-2.0
Of which, Municipal bonds	-33.6	-39.6	-5.9
Of which, RMBS※Corporate bonds	-26.4	-25.6	+ 0.7
Others	73.7	57.1	-16.5
Foreign securities	9.4	-10.1	-19.6
Investment trusts, etc.	-12.1	-14.6	-2.5
Stocks	76.4	81.9	+ 5.5
(Strategically held stocks)	78.4	80.4	+ 2.0
(Investment securities)	-2.0	1.4	+ 3.5

Gains (losses) on sales (PL)

(Unit : Billions of yen)

	Sep.2025	Sep.2026	YoY
Total (①+②)	6.0	8.7	+ 2.6
Available-for-sale securities ①	3.4	3.1	-0.3
Gains(losses) on bonds	-6.5	-7.6	-1.0
Of which, losses on sales	-7.1	-6.8	+ 0.3
(Domestic bonds)	-7.0	-5.5	+ 1.5
Gains(losses) on stocks, etc.	9.9	10.7	+ 0.7
Of which, gains(losses) on sale of stocks. etc.	9.9	10.7	+ 0.7
(Strategically held stocks)	6.7	6.0	-0.6
(Investment securities)	3.2	4.6	+ 1.4
Gains(losses) on cancellation of investment trusts ②	2.6	5.6	+ 2.9

Status of Non-interest Business Profit

Non-interest business profit increased by ¥2.3bn YoY to ¥17.1bn.
Strengthened derivatives by leveraging know-how from Daishi Hokuetsu FG.

(Unit : Billions of yen)

＜Consolidated＞	Result Sep.2026	YoY	Annual plan Mar.2027
Non-interest business profit	17.18	+ 2.31	35.0
Corporate service revenue	6.60	+ 1.46	13.9
Syndicate loans	(0.85)	(- 0.23)	(2.3)
Business matching	(0.64)	(+ 0.04)	(1.3)
M&A	(0.54)	(+ 0.27)	(1.3)
SDGs-related	(0.55)	(- 0.06)	(1.6)
Derivatives(FX/Interest Rates)	(2.21)	(+ 1.24)	(3.8)
Real estate for sale	(0.65)	(+ 0.07)	(1.4)
Gungin Consulting	(0.48)	(+ 0.06)	(0.8)
Covenant Financing	(0.14)	(- 0.06)	(0.2)
Business Insurance for Corporations	(0.12)	(- 0.00)	(0.3)
Subsidy support	(0.22)	(+ 0.12)	(0.2)
Others	(0.14)	(+ 0.00)	(0.2)
Deposits financial assets, etc. revenue	5.60	+ 1.13	11.4
Gungin Securities	(2.71)	(+ 0.88)	(5.4)
Investment trusts commissions	(1.29)	(+ 0.37)	(2.5)
Insurance sales commissions(for individuals)	(1.27)	(- 0.17)	(2.5)
Testamentary trusts, estate management, etc.	(0.31)	(+ 0.04)	(0.7)
Others	4.98	- 0.28	9.7
Dividends of group credit life insurance	(1.68)	(- 0.11)	(1.8)
Loan guarantee fee	(- 3.90)	(- 0.24)	(- 7.7)
Basis services	(4.26)	(+ 0.04)	(8.3)
Housing loans	(1.13)	(+ 0.11)	(2.0)
Others	(1.80)	(- 0.07)	(5.2)

Main initiatives

Corporate Consulting

Expanding Non-interest Income through a Full-spec Approach to Customer Solutions

Derivatives

¥1.97 bn(Mar. 2026)→¥3.8 bn(Mar. 2027)

Change

- **Business framework** — *Sales initiative expanded from Head office to branches*
- **Integration benefits** — *Sharing know-how from Daishi Hokuetsu FG*

Going ahead

- Smooth transfer of know-how to branches
- Rollout across all branches from October

M&A Initiatives

¥0.73 bn(Mar.2026)→¥1.3 bn (Mar.2027)

M&A Senior Experts (qualification)
Certification encouraged for all branch managers by year-end.

Enhanced expertise and direct involvement by branch managers.

Stronger deal origination at branches.

Personal Consulting

From flow income to stock income

Practice of Asset Management Consulting

Comprehensive asset approach
Capturing client's total assets including other deposits and real estate, etc.

Goal alignment
Sharing goals based on clients' future objectives and life plans

Banking × Securities

Asset-based advisory
Providing proposals based on a long-term, total portfolio view including deposits

Grow: Mutual fund/ Fund wrap
Pass on: Insurance/ Inheritance

Stable asset growth for clients × sustainable growth for the Gunma Bank

Status of Expenses / Net Credit Costs

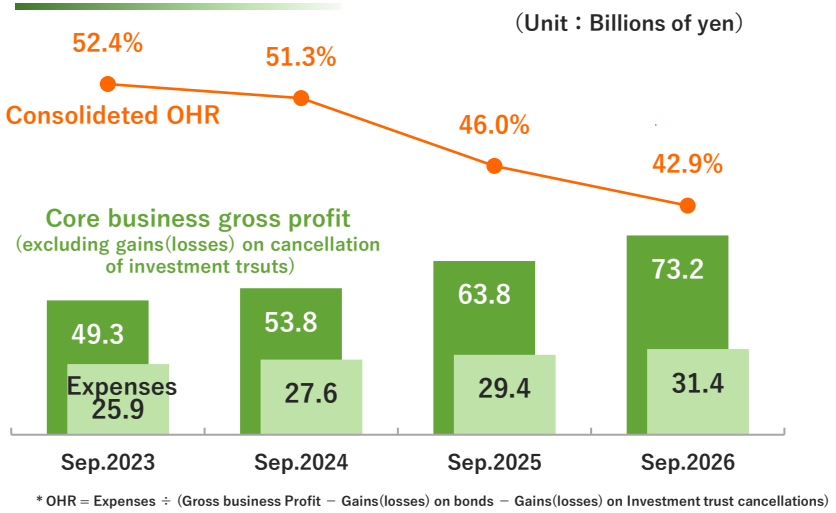
Strengthening strategic investments in areas such as personnel costs, campaigns, and digital initiatives.
Net credit costs are low and stable. Disclosed Claims under the Financial Reconstruction Law continue to decrease.

Breakdown of consolidated expenses ＜consolidated＞

(Unit：Billions of yen)

	Sep.2026	YoY	Main factors
Expenses	31.4	＋2.0	
Personnel exp. (non-consolidated)	16.6	＋1.1	Bonus・Stock-price-linked special lump-sum payment+0.9 ,etc
Non-personnel exp. (non-consolidated)	11.3	＋0.3	System+0.2(Outsourcing ,Machinery rental,etc), Advertisement+0.16 ,etc
Taxes (non-consolidated)	2.0	＋0.1	Size based business tax＋0.07 ,etc.
Consolidated subsidiaries	2.7	＋0.5	Gungin securities+0.36 ,etc
(Consolidated offset)	-1.1	-0.1	—

Status of OHR ＜consolidated＞



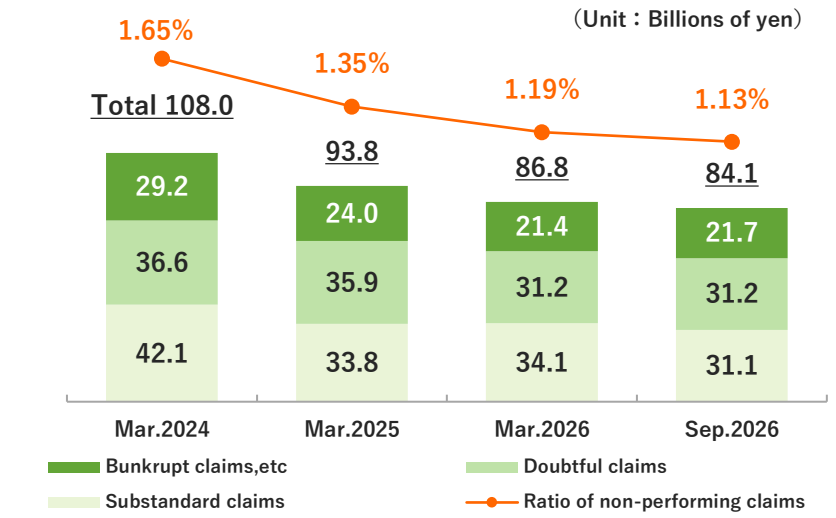
＊OHR＝Expenses ÷ (Gross business Profit － Gains(losses) on bonds － Gains(losses) on Investment trust cancellations)

Breakdown of consolidated net credit costs ＜consolidated＞

(Unit：Billions of yen)

	Mar.2025	Mar.2026	Sep.2026	Mar.2027 (Plan)
Net credit costs	3.1	3.4	1.9	5.0
Gunma Bank（Non-consolidated）	2.3	3.2	1.5	4.2
Provision of general allowance for loan losses	-1.1	0.0	-1.1	-1.1
Change to the actual rate	(-0.2)	(-0.2)	(-0.0)	(-0.1)
DCF	(-0.3)	(0.6)	(-0.9)	(-0.9)
Others	(-0.6)	(-0.4)	(-0.2)	(-0.1)
Disposal of non-performing loans	3.7	3.6	3.5	6.1
Downgrade	(6.3)	(5.0)	(3.6)	(6.8)
Collection, upgrade, etc.	(-3.0)	(-2.5)	(-0.7)	(-1.4)
Others	(0.4)	(1.1)	(0.6)	(0.7)
Recoveries of written off receivables (-)	0.2	0.4	0.8	0.8
Consolidated subsidiaries	0.7	0.2	0.3	0.8
(Consolidated offset)	-0.0	-0.0	-0.0	-0.0

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 2027)

Consolidated core operating profit (excluding gains/losses on investment trusts) is projected at ¥85.5bn, up ¥3.5bn from the initial plan, and profit attributable to owners of parent at ¥67.5bn, up ¥2.5bn. Forecasts revised upward.

Business forecast

(Unit : Billions of yen)

＜Consolidated＞	Mar.2027	YoY	compared to initial plan	Mid-term business plan "Growth with Purpose" Final year goal (Mar. 2028)
Core business gross profit	159.0	+ 24.4	+ 12.3	
Net interest income	124.0	+ 18.8	+ 12.3	
Excl. gains(losses) on cancellation of investment trusts	116.5	+ 14.7	+ 4.8	
Non-interest business profit	35.0	+ 5.7	–	¥ 35.0 bn
Expenses	66.0	+ 6.0	+ 1.3	
Core business net profit	93.0	+ 18.5	+ 11.0	
Excl. gains(losses) on cancellation of investment trusts	85.5	+ 14.4	+ 3.5	¥ 80.0 bn
Net credit costs	5.0	+ 1.6	- 0.5	
Ordinary profit	100.0	+ 15.2	+ 5.0	
Profit attributable to owners of parent	67.5	+ 8.7	+ 2.5	¥ 60.0 bn
OHR(excluding gains(losses) on cancellation of investment trusts)	43.5%	-2.2%	-0.5%	45% degree
ROE	10.7%	+ 0.7%	+ 0.2%	10% or more

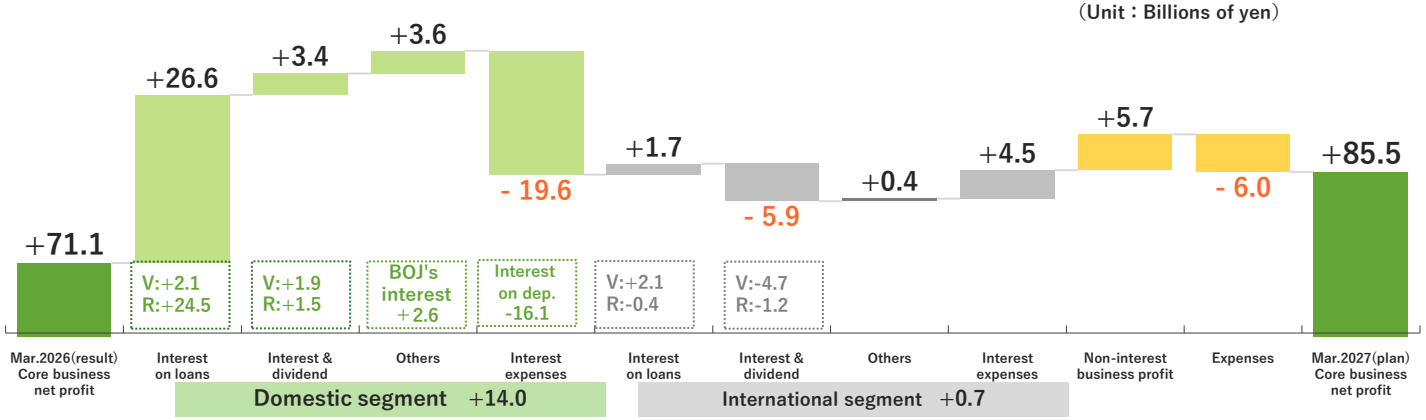
(Unit : Billions of yen)

＜Non-consolidated＞	Mar.2027	YoY	compared to initial plan
Core business gross profit	148.8	+ 22.7	+ 12.6
Net interest income	125.5	+ 19.6	+ 12.5
Excl. gains(losses) on cancellation of investment trusts	118.0	+ 15.4	+ 5.0
Non-interest business profit	23.3	+ 3.2	–
Expenses	63.0	+ 5.4	+ 1.3
Core business net profit	85.8	+ 17.3	+ 11.3
Excl. gains(losses) on cancellation of investment trusts	78.3	+ 13.2	+ 3.8
Gains or losses on investment securities	8.5	- 2.8	- 4.7
Net credit costs	4.2	+ 1.0	- 0.8
Ordinary profit	92.5	+ 13.8	+ 4.5
Net profit	62.5	+ 7.8	+ 2.5

Breakdown of changes in consolidated core business profit

(excluding gains(losses) on cancellation of investment trusts)

(Unit : Billions of yen)



Average balance and yields

(non-consolidated)

【All branches】	Average balance (¥ bn)		Yields	
Loans	7,277.9	(+4.0%)	1.80%	(+0.34pt)
Securities	2,083.3	(+2.7%)	2.77%	(+0.00pt)
Deposits	8,541.5	(+0.7%)	0.45%	(+0.15pt)

【Domestic】	Average balance (¥ bn)		Yields	
Loans	6,765.8	(+3.5%)	1.61%	(+0.36pt)
Securities	1,508.6	(+10.6%)	1.92%	(+0.35pt)
Deposits	8,376.1	(+1.4%)	0.38%	(+0.19pt)

Shareholder Return

Revised dividend forecast. Interim and year-end dividends increased by ¥2 each, compared with forecast at the beginning of the period, bringing the annual dividends to ¥74 per share (interim 37yen, year-end 37yen, Dividend payout ratio: 41.5%).

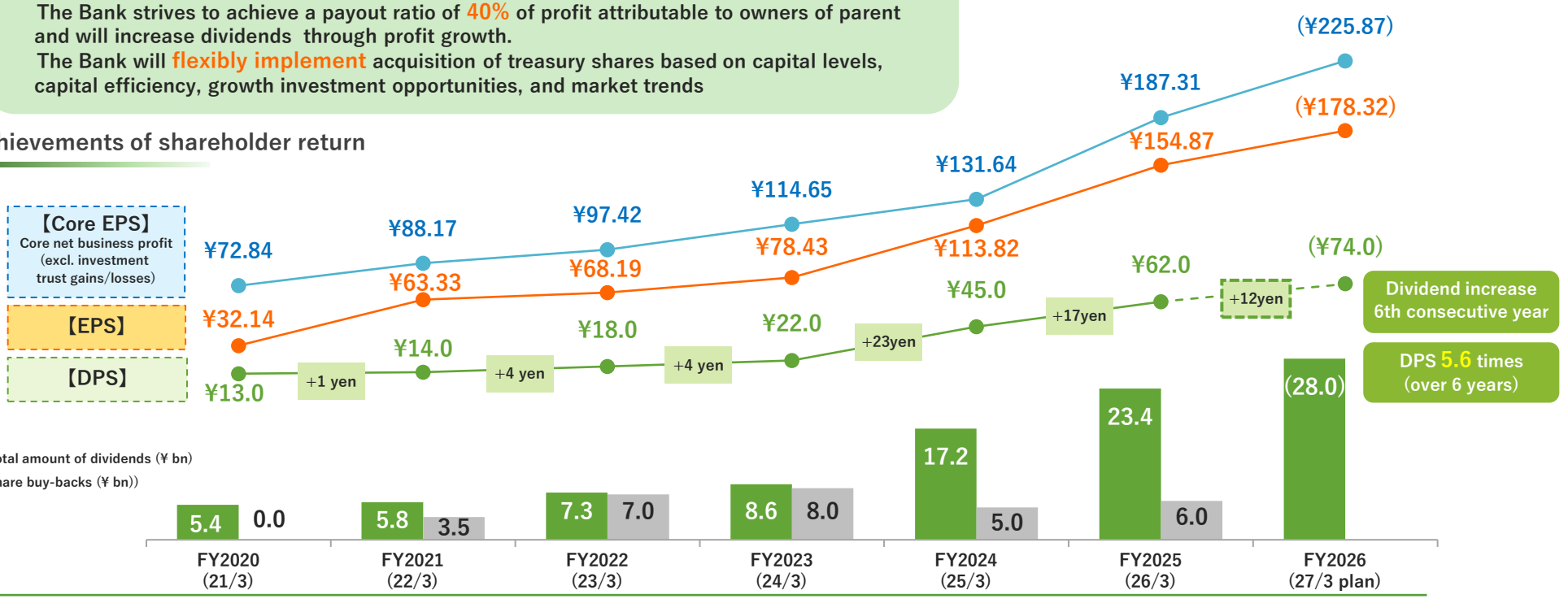
Shareholder return policy

The Bank's basic policy on dividends is a progressive dividend system that aims to maintain or increase dividends.

The Bank strives to achieve a payout ratio of 40% of profit attributable to owners of parent and will increase dividends through profit growth.
The Bank will flexibly implement acquisition of treasury shares based on capital levels, capital efficiency, growth investment opportunities, and market trends

Improving PBR
➡EPS growth phase

Achievements of shareholder return



	FY2020 (21/3)	FY2021 (22/3)	FY2022 (23/3)	FY2023 (24/3)	FY2024 (25/3)	FY2025 (26/3)	FY2026 (27/3 plan)
Total amount of shareholder return	¥ 5.4 bn	¥ 9.3 bn	¥ 14.3 bn	¥ 16.6 bn	¥ 22.2 bn	¥ 29.4 bn	(¥ 28.0 bn)
Total shareholder return ratio	46.8%	39.9%	51.4%	53.6%	50.7%	50.1%	– %
Dividend payout ratio	40.4%	22.1%	26.4%	28.1%	39.5%	40.0%	(41.5%)
Return policy	Total shareholder return ratio 40% guideline				Dividend payout ratio 40% guideline (Progressive dividend system)		
subject profit	Non-consolidated basis			Consolidated basis			

*The amount of treasury share buybacks (rounded off) is calculated during the one-year period starting from the date of the annual general meeting of shareholders.

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