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June 20,2024

Status of Shareholdings (FY2023)

This document is an English translation of the “Status of Shareholdings (page 69～73)” recorded in the 139th Securities Report.

It is recorded about the holding status of shares for policy purposes, etc.

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① Standard and concept of classification of Investment shares

The Gunma Bank,Ltd.(“the Bank”) classifies equity securities as held for the purpose of pure investment and held for a purpose other than pure investment.

The Bank classifies shares held primarily for the purpose of obtaining stable dividend income from shares or capital gains from buying and selling shares as the former, and shares held for policy purposes as the latter.

② Equity securities held for a purpose other than pure investment

A: Holding policies, methods for verifying rationality of holdings, and details of verification by the Board of Directors, etc., regarding the appropriateness of holding each equity security

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. In November 2022, based on this policy, the Bank set a target of reducing the book balance of listed shares held for policy purposes by 20 billion yen (approximately 50% of the book value of shares held for policy purposes as of March 31, 2022) by the fiscal year ending March 31, 2027, from the perspective of capital efficiency and compliance with international financial regulations. As of March 31, 2024, the book value has been reduced by approximately 11.8 billion yen.

The ratio of the market value of shares held for policy purposes (excluding shares in subsidiaries and affiliates) to the amount of consolidated net assets declined from 32.5% before the implementation of the Corporate Governance Code (as of March 31, 2015) to 17.5% as of March 31, 2024.

With regard to each equity security held for policy purposes, the Bank examines the appropriateness of holding such shares comprehensively after examining medium- to long-term business relationships, economic rationality, and other factors, and reports regularly to the Board of Directors. Economic rationality is verified from the perspective of whether Return on Risk – weighted Assets (RORA)*, which is calculated based on earnings from transactions, etc., for each equity security, is greater than or equal to the threshold calculated based on the Bank’s ROE and other factors.

*RORA = (Profit after deducting expenses and credit costs + dividends received) × (1 – effective tax rate 30.5%) / Risk assets of loans and shares

As a result of the verification conducted based on the March 31, 2024 threshold, approximately 70% of the listed shares meet the criteria. the Bank’s policy is to basically reduce the number of holdings even if the validity of holding is acknowledged, and will aim for further reduction after having enough dialogue with customers. At the Board of Directors meeting held in June 2024, the appropriateness of holding the shares under the March 31, 2024 threshold was verified based on the verification method described above.

B: Number of equity securities and book value on the balance sheet

	Number of equity securities	Total of book value on the balance sheet (millions of yen)
Equity securities listed	69	97,567
Equity securities not listed	103	3,217

(Equity securities with an increase in the number of shares during the current fiscal year)

	Number of equity securities	Total amount of acquisition cost related to an increase in the number of shares (millions of yen)	Reason for the increase in shares
Equity securities listed	—	—	—
Equity securities not listed	—	—	—

(Equity securities with a decrease in number of shares during the current fiscal year)

	Number of equity securities	Total amount of sale price related to a decrease in the number of shares (millions of yen)
Equity securities listed	12	18,058
Equity securities not listed	—	—

C: Number of shares of specified equity securities and deemed holdings of each equity security, information on book value on the balance sheet, etc.

specified equity securities

Equity securities	The current fiscal year	The previous fiscal year	Purpose of holding, quantitative holding effects, details of business partnerships, etc., reasons for the increase in the number of shares	Share- holding of the Company
	Number of shares (Shares)			
	Amount on the balance sheet (millions of yen)			
SUBARU CORPORATION	5,435,346	5,435,346	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	18,741	11,493		
Toyo Seikan Group Holdings, Ltd.	4,188,831	4,188,831	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	10,214	7,648		
Shin-Etsu Chemical Co., Ltd.	1,356,725	1,356,725	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	8,932	5,799		
Sumitomo Realty & Development Co., Ltd.	1,411,100	1,411,100	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	Yes
	8,180	4,207		
MAX CO., LTD.	2,084,843	2,084,843	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	6,786	4,419		
YAMADA HOLDINGS CO., LTD.	12,000,000	12,000,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	5,294	5,472		
Mitsui Fudosan Co., Ltd.	2,674,452	1,712,784	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc. The increase in the number of shares is due to a stock split.	Yes
	4,406	4,254		
WORKMAN CO., LTD.	918,000	918,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	No
	3,699	5,140		
MIMASU SEMICONDUCTOR INDUSTRY CO., LTD.	701,530	701,530	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	2,213	2,063		
DOWA HOLDINGS CO., LTD.	331,840	331,840	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	1,768	1,408		
Mebuki Financial Group, Inc.	3,425,760	3,425,760	Held as an investment that contributes to the provision of high value-added financial services through the Ryomo Regional Revitalization Partnership, a partnership agreement with Ashikaga Bank, etc.	No
	1,752	1,109		
East Japan Railway Company	600,000	200,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc. The increase in the number of shares is due to a stock split.	Yes
	1,751	1,467		
MITSUBA Corporation	967,318	967,318	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	No
	1,579	504		

YOKOWO CO., LTD.	990,400	990,400	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	1,564	2,069		
YAMATO CORPORATION	1,251,198	1,251,198	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	1,380	1,102		
Gun Ei Chemical Industry Co., Ltd.	304,512	304,512	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	1,172	787		
KANTO DENKA KOGYO CO., LTD.	1,120,000	1,600,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	1,128	1,649		
Money Forward, Inc.	166,640	166,640	Held as an investment that contributes to maintaining and strengthening partnerships in finance-related operations, etc.	No
	1,113	760		
Axial Retailing Inc.	1,032,000	258,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc. The increase in the number of shares is due to a stock split.	Yes
	1,072	884		
Nomura Holdings, Inc.	939,331	939,331	Held as an investment that contributes to maintaining and expanding transactions with finance-related companies within the Group and to maintaining and strengthening partnerships in finance-related operations, etc.	Yes
	918	478		
NSK Ltd.	1,023,050	1,023,050	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	904	773		
Fujii Sangyo Corporation	308,000	308,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	829	443		
Seven & i Holdings Co., Ltd.	357,000	119,000	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc. The increase in the number of shares is due to a stock split.	No
	787	711		
DAIKIN INDUSTRIES, LTD.	35,000	70,000	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	Yes
	721	1,655		
KANEKO SEEDS CO., LTD.	490,601	490,601	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	704	814		
NORITZ CORPORATION	380,500	380,500	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	Yes
	663	660		
SEINO HOLDINGS CO., LTD.	297,000	297,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	No
	628	433		
FUJITA ENGINEERING CO., LTD.	400,000	400,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.,	Yes
	605	360		
Electric Power Development Co., Ltd.	204,720	204,720	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	No
	510	436		

Sata Construction Co., Ltd.	637,120	637,120	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.,	No
	508	312		
NIPPON STEEL CORPORATION	136,429	136,429	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	No
	500	425		
Rengo Co., Ltd.	407,690	407,690	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.,	Yes
	476	350		
Idemitsu Kosan Co., Ltd.	456,000	91,200	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc., The increase in the number of shares is due to a stock split.	No
	475	264		
Daiwa Securities Group Inc.	376,000	376,000	Held as an investment that contributes to maintaining and expanding transactions with finance-related companies within the Group and to maintaining and strengthening partnerships in finance-related operations, etc.	No
	432	233		
TOBU RAILWAY CO., LTD.	109,716	109,716	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	414	347		
The Musashino Bank, Ltd.	98,700	98,700	Held as an investment that contributes to the provision of high value-added financial services through partnerships with the banks participating in the TSUBASA Alliance, etc.	Yes
	291	219		
THE TOWA BANK, LTD.	394,174	394,174	Held as an investment that contributes to the stability of regional financial systems and to maintaining and strengthening partnerships in finance-related operations, etc.	Yes
	283	214		
SUMITOMO HEAVY INDUSTRIES, LTD.	59,053	59,053	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	No
	278	191		
UKAI CO., LTD.	72,000	72,000	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	No
	276	227		
Sotetsu Holdings, Inc.	100,000	200,000	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	No
	274	453		
VALQUA,LTD.	53,476	53,476	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	No
	274	184		
TAIHEIYO CEMENT CORPORATION	73,736	73,736	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	259	183		
OGURA CLUTCH CO., LTD.	73,923	73,923	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	253	226		
KI-STAR REAL ESTATE CO., LTD	64,000	128,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	No
	247	530		
JFE Holdings,Inc.	78,000	78,000	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	No
	198	130		

KOSHIDAKA HOLDINGS Co.,LTD.	192,400	192,400	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	181	184		
Daishi Hokuetsu Financial Group,Inc.	39,975	39,975	Held as an investment that contributes to the provision of high value-added financial services through the Gunma and Daishi Hokuetsu Alliance, a partnership agreement with Daishi Hokuetsu Bank, etc.	Yes
	178	115		
NIPPON KAYAKU CO., LTD.	136,427	136,427	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	178	163		
Achilles Corporation	115,064	115,064	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	177	155		
CURVES HOLDINGS Co., Ltd.	192,400	192,400	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	No
	154	146		
HOTLAND Co.,Ltd.	70,000	70,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	148	103		
NTN CORPORATION	472,000	944,000	Held as an investment that contributes to maintaining and strengthening comprehensive business relationships, etc.	Yes
	148	318		
HOKKAN HOLDINGS LIMITED	67,800	67,800	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	No
	127	92		
RYOMO SYSTEMS CO.,LTD.	39,000	39,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	114	78		
FURUKAWA CO.,LTD.	50,000	50,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	90	63		
CMK CORPORATION	119,790	119,790	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	No
	74	54		
H-ONE CO.,LTD.	101,400	101,400	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	71	63		
DI-NIKKO ENGINEERING	100,000	100,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	No
	62	51		
ALPHA Corporation	30,000	30,000	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	50	29		
Oki Electric Industry Company,Limited	41,492	41,492	Held as investments that contribute to revitalizing the economy of the region in which the Bank operates and to maintaining and creating employment, etc.	Yes
	47	29		

(Note) Quantitative holding effects are difficult to describe for each equity security as they are related to the details of individual transactions. The methods used to verify the rationality of holdings are described in "A: Holding policies, methods for verifying rationality of holdings, and details of verification by the Board of Directors, etc., regarding Directors, etc., regarding the appropriateness of holding each equity security."

deemed holdings of each equity security

Not applicable.

③ Equity securities held for the purpose of pure investment

	The current fiscal year		The previous fiscal year	
	Number of equity securities	Total of book value on the balance sheet (millions of yen)	Number of equity securities	Total of book value on the balance sheet (millions of yen)
Equity securities listed	83	117,643	111	107,424
Equity securities not listed	—	—	—	—

	The current fiscal year		
	Total of dividends received (millions of yen)	Total of gain (loss) on sales (millions of yen)	Total of valuation gain (loss) (millions of yen)
Equity securities listed	3,533	15,501	4,775
Equity securities not listed	—	—	—

(Note) Of the investment securities in this table, investment securities whose purpose of holding was changed from other than pure investment to pure investment are those listed ⑤ below only.

④ Investment securities whose purpose of holding was changed from pure investment to other than pure investment during the current fiscal year

Not applicable.

⑤ Investment securities whose purpose of holding was changed from other than pure investment to pure investment during the current fiscal year

Equity securities	Number of shares (Shares)	Amount on the balance sheet (millions of yen)
The Hachijuni Bank,Ltd.	3,180,500	3,307
SEKICHU CO.,LTD.	152,600	195