

Reinforce strengths in “Connections” Reforms in Collaboration with External Parties for Improving Strengths

The Gunma Bank Group is working on wide-area collaborations such as the TSUBASA Alliance and the Fincross Partnership, regional collaborations such as the Gunma and Daishi Hokuetsu Alliance and the Ryomo Regional Revitalization Partnership, and collaborations with financial institutions in the prefecture. We will enhance our strengths in “Connections” by leveraging outside resources.

TSUBASA Alliance

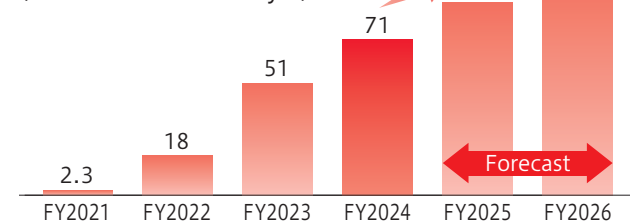
The Bank joined the TSUBASA Alliance, a wide-area collaborative effort among 10 top regional banks, in 2020. The goal of the TSUBASA Alliance is to achieve the sustainable growth of the region and enhance its financial system while improving the top line and reducing the costs of participating banks by collaborating on common issues. Distinct from mergers or business integrations, the alliance promotes collaboration in a broad range of areas while respecting the individuality of each participating bank.

In fiscal 2023, we focused on collaboration in financing, such as syndicated loans, and undertook various initiatives aimed at improving the top line, reducing costs, and sharing know-how. These efforts included the joint handling of promissory notes and check issuance, as well as the mutual dispatch and reception of employees with participating alliance banks for trainee purposes.

Going forward, we will continue to strive to provide financial services with higher added value by harnessing knowledge from every participating bank and taking advantage of economies of scale.

[Revenue effects]

(Unit: Hundred millions of yen)



Main alliance dealings

- Joint arrangement of various types of finance
- Shared office work and systems
- Matching between customers
- Joint seminars for customers
- Joint training for executives and employees

Fincross Partnership

The Fincross Partnership was concluded among seven (currently eight) regional banks in 2018 to form Fincross DIGITAL Co., Ltd. in order to promote collaboration on research and development aimed at the digitalization of finance.

The eight banks have been working together by contributing data to develop a data analysis infrastructure and build AI models. Currently, Fincross Digital supports the advancement of data utilization across the banks and offers digital

marketing solutions, such as web advertising and social media management, through information exchange meetings and training sessions with each bank.

The Gunma Bank plans to leverage the expertise accumulated through Fincross Digital to continue executing its digital strategy, focusing on the advanced use of data and other digital initiatives.

Participating Banks (Japanese syllabary order)

The Senshu Ikeda Bank, Ltd. The Kiraboshi Bank, Ltd.
The Gunma Bank The San-in Godo Bank, Ltd.
The Shikoku Bank, Ltd. The Chiba Kogyo Bank, Ltd.
The Tsukuba Bank, Ltd. The Fukui Bank, Ltd.

Fincross DIGITAL

Enhancing the Gunma Bank Group’s strengths in “Connections” by leveraging outside resources

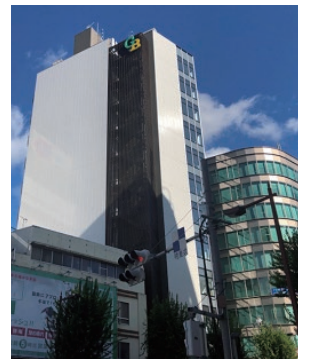
The Gunma and Daishi Hokuetsu Alliance

Since December 2021, we have entered into the Gunma and Daishi Hokuetsu Alliance with Daishi Hokuetsu Bank. The goal of this alliance is to leverage the geographical proximity of our business areas to further contribute to the local community and sustainably enhance the corporate value of both banks.

In fiscal 2023, we jointly handled the second issuance of SDG private placement bonds under the Green & Food Support Plan, issuing a total of 10.4 billion yen between the two banks. Additionally, in November 2023, we co-hosted a training session in Minakami Town, Gunma Prefecture, aimed at regional revitalization. From January 2024, Daishi Hokuetsu Bank’s Ikebukuro branch will relocate to the Gunma Bank Ikebukuro Building, where our Ikebukuro branch is already located, and will begin operations there. These efforts demonstrate our collaboration across various fields.



群馬・第四北越 アライアンス



The Gunma Bank Ikebukuro Building

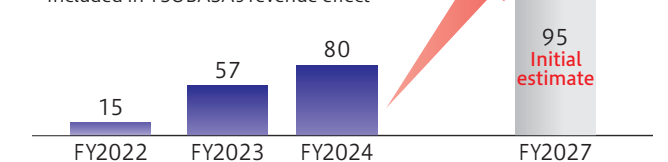
Main alliance dealings

- Business succession, M&A, and business matching utilizing the customer bases of both banks
- Collaboration and mutual use of expertise in both banking Groups
- Shared use of banking outlets owned by both branches
- Cooperation on tourism and product promotion, and regional revitalization in both prefectures

[Total revenue effect for both banks]

(Unit: Hundred millions of yen)

* Included in TSUBASA’s revenue effect



The Ryomo Regional Revitalization Partnership

Since January 2022, we have entered into the Ryomo Regional Revitalization Partnership with Ashikaga Bank. The objective of the partnership is to increase our contribution to the region more than ever before through collaborations in the overlapping areas of the two banks, particularly the Ryomo region (southeastern Gunma and southwestern Tochigi). Specifically, these collaborations will be aimed at revitalizing industry and solving issues, and at improving customer service.

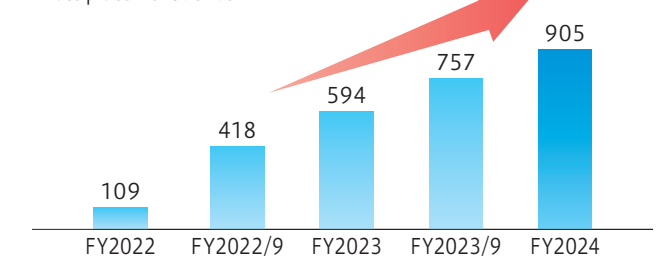
By utilizing the overlapping sales regions, not only have we jointly financed up to 90.5 billion yen (see chart), but we are also working together to solve issues in the field of sustainability with, for example, decarbonization and support for regional industries with a focus on the automobile industry.



[Cumulative amount of loans, etc.*]

(Unit: Hundred millions of yen)

* Total of syndicated loans, joint financing, structured finance, and private placement bonds



Main alliance dealings

- Partnerships on syndicate loans and sustainable finance, etc.
- Support for growth, management improvement, business revitalization, change of business, etc. for regional companies by utilizing the two banks’ specialist investment arms, etc.
- Cooperation in core business support such as business succession and M&A support

Cooperation with Financial Institutions in the Gunma Prefecture

[Main Initiatives in Recent Years]

- March 2020 Signed the Gunma Future Co-Creation Declaration with Gunma Prefecture and the Towa Bank
- Concluded an M&A Business Partnership Agreement with The Takasaki Shinkin Bank, Kiryu Shinkin Bank, and Shinonome Shinkin Bank
- August 2022 Partial Sharing of ATMs Kiosks with Shinonome Shinkin Bank
- September 2022 ATM Collaboration with Kiryu Shinkin Bank
- April 2024 Sharing of inheritance procedures with The Takasaki Shinkin Bank, Kiryu Shinkin Bank, and Shinonome Shinkin Bank