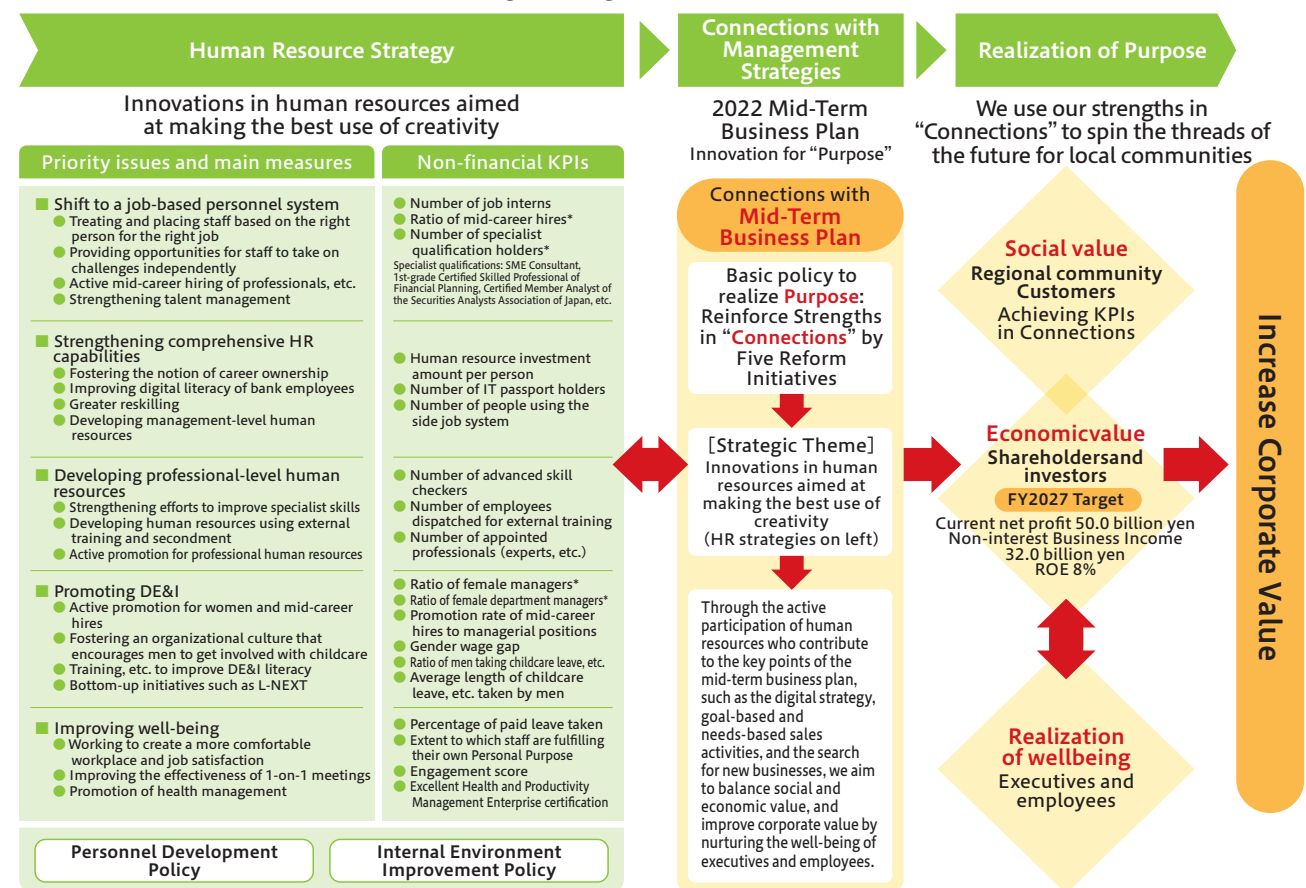


# Innovations in Human Resources Aimed at Making the Best Use of Creativity (Improving Human Capital)

To realize our Purpose and achieve sustainable growth for the Group, it is important to enhance human capital. To enhance our human capital, the Gunma Bank will work on personnel reforms to demonstrate its creative power based on the human resource strategy of the mid-term business plan which was formulated from two perspectives, forecasting (working forward from the current issues) and backcasting (working backward from an ideal future state).



\* New medium- to long-term KPIs set in April 2024

The Personnel Development Policy and Internal Environment Improvement Policy that serve as the foundation for our human resource strategy are as follows.

## Personnel Development Policy

To achieve our Purpose, we will support employees to build their careers independently and take on challenges based on each individual's Personal Purpose to improve the value of our human resources.

In November 2021, the Gunma Bank Group established "We use our strengths in connections to spin the threads of the future for local communities" as its Purpose.

As the needs of customers and communities become more sophisticated and diversified, we will provide all executives and employees with opportunities to independently improve their abilities and gain motivation in order to strengthen their ability to "connect" to meet such oncoming demands. We will work with stakeholders both inside and outside the Group to demonstrate creativity and collective strength to develop human resources who can realize the Group's Purpose. Furthermore, each of our executives and employees will create innovations to spin the threads of the future for local communities by growing sustainably together with local communities.

## Internal Environment Improvement Policy

We will create an environment where every executive and employee, who are the source of value creation, can continue to work in good physical and mental health while recognizing each other's individuality and abilities to create a sense of well-being.

As values related to work and career development diversify, we will build a healthy and comfortable working environment where all executives and employees can continue to work both actively and with satisfaction, aiming to create a sense of well-being for each and every employee. We will do this not only through work style reforms and proactive initiatives on diversity and inclusion, but also by providing opportunities for the right person in the right job to maximize their own unique abilities.

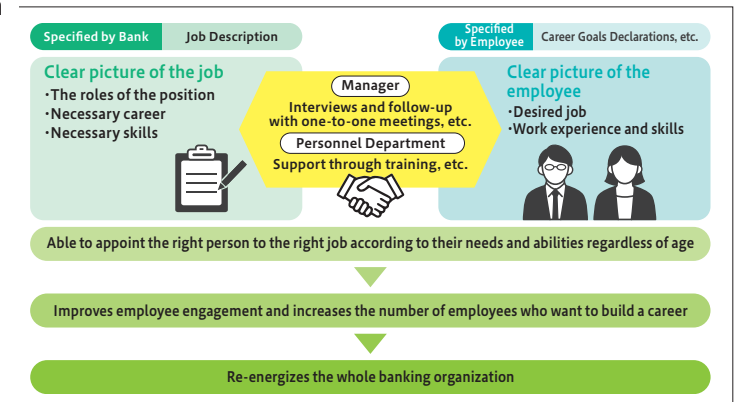
## Refining the Gunma Bank's human resources to enhance our strength in "Connections"

### Aiming to Transform into a Self-Sustaining and Dynamic Organization through a Job-Based Personnel System

For a long time, the Bank has used a personnel system based on abilities and grading with the aim of cultivating all-round employees who can play an active role in a wide range of fields, such as managers at branches and headquarters. However, with the current personnel system, various problems have become apparent, including a strong sense of seniority that leads to inflexible operation of the system and a passive sense of career development for bank employees. We have therefore revised our personnel system and introduced a job-based personnel system as of June 1, 2024. By revising our personnel system, we will be able to appoint the right person to the right job, which will lead to improved employee engagement and re-energize the whole banking organization.

#### The Concept of the New Personnel System

- Job descriptions clarify the role of the position and necessary skills, etc., making it easier to imagine a career by having a clear picture of what the job entails.
- At the same time, a system is created whereby employees can demonstrate the skills they have and the job they want. By understanding what human resources are available we can match the right person to the right job, thereby improving employee motivation and increasing the number of employees who want to build a career.



#### Shift to a Multi-Track System

- We have abolished the qualification system, which strongly emphasizes seniority, consolidating it into four job groups according to work responsibilities.
- The new system, which is based on job duties, has consolidated the career tracks into a single regular career position category
- We have shifted from a single-track career development premised on training all-round employees to a multi-track system that allows career development in specialist fields outside of management.
- In fiscal 2024, we appointed 144 employees to specialist positions that require professional skills.



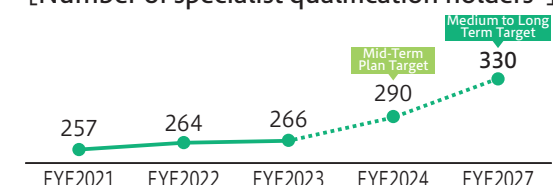
In light of the revision to the job-based personnel system, we are expanding the scope and frequency of job internships where employees can gain experience in highly specialized work at the headquarters, etc., with the aim of providing opportunities for employees to take on challenges independently. Additionally, in September 2023, we established a career support desk where employees of all ages can seek career advice, helping to enhance daily job satisfaction and the desire for personal growth. Furthermore, we are expanding support measures for obtaining specialized qualifications such as the SME Consultant and 1st-grade Certified Skilled Professional of Financial Planning, and are introducing new video content to encourage self-directed challenges. The number of employees holding specialized qualifications reached 266 by the end of fiscal 2023, with targets raised to 290 by fiscal 2024 and 330 by fiscal 2027.

With the new personnel system, we will further strengthen mid-career recruitment, taking into account that it will be easier to hire more specialist employees from outside the company, and the increased opportunities for recruitment due to the fluidity of the labor market. We aim to increase the mid-career recruitment ratio from 13.8% in fiscal 2023 (up 9.8% from the previous year) to 15% in fiscal 2024, and further to 30% by fiscal 2027.

We will increase the number of people with specialist qualifications to strengthen our ability to "connect" by supporting career development and qualification acquisition for these employees and strengthening mid-career recruitment.

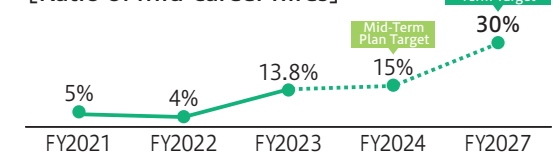
Parameter	Results			Target
	FYE2021	FYE2022	FYE2023	FYE2024
Number of job interns	33	49	64	80

#### [Number of specialist qualification holders\*]



\* Total number holding qualifications as SME Consultant, 1st-grade Certified Skilled Professional of Financial Planning, Certified Member Analyst of the Securities Analysts Association of Japan, Certified Anti-Money Laundering Specialist, Information Technology Engineer (advanced) or Registered Information Security Specialist

#### [Ratio of mid-career hires]



Strengthening the Comprehensive Capabilities of Human Resources That Contribute to the Needs of Society and Customers

At the Gunma Bank, we are committed to supporting the self-directed career development of our employees by expanding training programs aimed at fostering career ownership. To strengthen our human capital, we have increased our investment in personnel development to 127,000 yen per employee and a total of 368 million yen for the fiscal 2023.

In addition, to improve the digital literacy of the Group's executives and employees, we set a goal of 1,000 IT Passport holders by the end of fiscal 2024. However, by the end of fiscal 2023, we had already surpassed this goal with 1,224 certified employees. We will continue to provide digital-related training and seminars to further strengthen our overall workforce capabilities.

The Bank will reassign the personnel in charge of operations and management, including staff at branches and headquarters, to personnel with a prospect of sales promotion after reskilling based on a streamlining of operations through a reorganization of our branches and digitalization. From the perspective of promoting self-directed career development, we have established a new learning platform that enables em-

ployees to learn anytime, anywhere. In addition, recognizing the increasing number of senior staff who continue to contribute beyond the age of 60, we are also focusing on reskilling initiatives for older employees and those with experience in managerial positions, such as branch managers.

Parameter	Results			Target
	FY2021	FY2022	FY2023	FY2024
Human resource investment amount per person*	80,000 yen	109,000 yen	127,000 yen	130,000 yen
(Total investment)	(244 million yen)	(327 million yen)	(368 million yen)	

\* Human resource investment amount per person = Expenses related to training (qualifications, expenses for dispatched trainees, training centers, etc.) ÷ average annual number of full-time employees

Parameter	FY2021	FY2022	FY2023	FY2024
Number of IT passport holders	109	785	1,224	1,000

Strengthening the Development of Professional-Level Human Resources in Light of the Changing Environment

In addition to actively recruiting mid-career personnel with specialist knowledge, we will also introduce course-based recruitment for new graduates, and focus on in-house training.

In order to develop human resources with expertise that can meet the needs of our customers, the Gunma Bank has increased the number of advanced skill checkers in six areas, namely, financial assets in custody, screening, corporate sales, personal loans, administrative work (sales), and administrative work (financing and foreign exchange). Going forward, in line with the job-based personnel system, we plan to enhance the current skill checks and assess abilities across five levels for each of the ten career categories based on internal job classifications. We will develop and expand the training programs necessary to develop and produce skilled professionals who can lead the Bank in each of its major fields in the future, strengthening the development of specialized human resources. To acquire a high level of expertise, we actively dispatch employees to external specialist agencies, financial institutions, and graduate schools, etc.

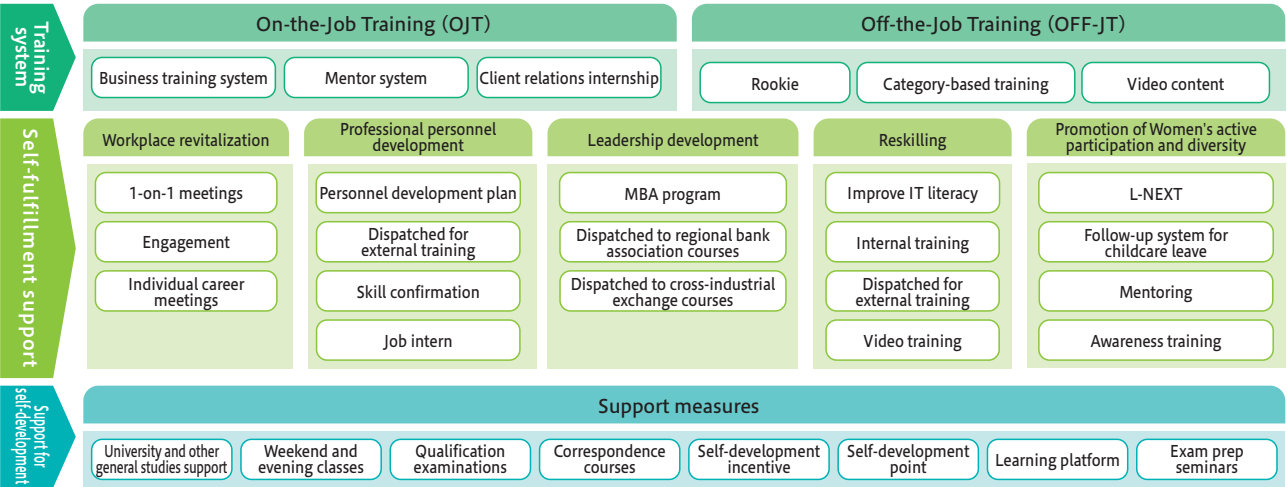
Additionally, the Gunma Bank has previously established

a specialized personnel system, appointing 12 individuals with high levels of expertise as specialists. However, with the revision of our personnel system, we are transitioning from the specialized personnel system to a professional job posting system, and are actively working on the promotion of specialists to specialist positions.

Parameter	Results			Target
	FY2021	FY2022	FY2023	FY2024
Number of employees dispatched for external training	64	68	107	100
Number of advanced skill checkers (total)	654	767	898	850

Parameter	Results			Target
	April 2022	April 2023	April 2024	April 2025
Number of appointed professionals	8	11	12	15

Overall Picture of Talent Development



Strengthening Corporate Culture by Promoting Diversity, Equity and Inclusion

In April 2024, we appointed a Group Diversity, Equity & Inclusion Promotion Manager in order to ensure organizational diversity by creating opportunities for diverse human resources to play an active role, and to strengthen initiatives that utilize this diversity.

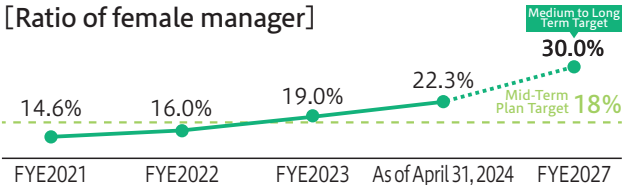
In terms of women's empowerment, the women's empowerment promotion team L-NEXT co-hosted a cross-industry networking event for all six companies with Daishi Hokuetsu Bank, with which we have an alliance. As of April 2024, the ratio of female managers has reached 22.3%, exceeding the 18% target for the fiscal 2024. To further advance this, we have set a target of 30% for fiscal 2027 and will continue to actively promote women to senior positions and other leadership roles. Additionally, we have set a new target of 15% for the ratio of female branch managers by fiscal 2027. We will also strengthen our organizational culture by introducing a new program for the development of female managers and addressing unconscious gender biases within the Bank.

In terms of gender wage disparity, we are aiming to reduce or eliminate the wage gap between men and women by actively appointing women to higher positions. There is no difference in pay for the same role based on gender.

Mid-career hires are also actively being promoted to managerial positions with the rate of promotion remaining at the same level as that of new graduates. In December

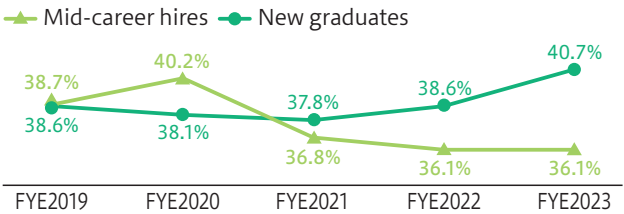
2022, we introduced an alumni hiring system, which provides reentry opportunities for former employees, with the alumni who have used this system making the most of their experience outside the Bank.

[Ratio of female manager]



\* Calculation based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace

[Promotion rate of mid-career hires to managerial positions]



Parameter		Results				
		FY2019	FY2020	FY2021	FY2022	FY2023
Gender wage gap	Overall	45.6%	46.3%	47.5%	49.6%	47.7%
	Full-time	54.6%	54.0%	54.5%	56.6%	56.5%
	Temporary	57.5%	59.9%	61.6%	63.8%	57.8%

Parameter	Results			Target
	FY2021	FY2022	FY2023	FY2024
Percentage of childcare leave taken, etc.	113.6%	116.2%	103.8%	100%
Ratio of men taking childcare leave, etc.	130.1%	133.3%	104.8%	100%
Average length of childcare leave, etc. taken by men	6.5	10.8	22.4	6.5 or more

\* Includes paternity leave (spousal childbirth leave)



Building a Vibrant Workplace and Organization that Respects Diversity

Yuko Taguchi  
Assistant Department Manager, Personnel Department  
Group Diversity, Equity & Inclusion Promotion Manager

I believe there are two main perspectives for empowering women in the workplace. One is to ensure that women can fully realize their abilities, work with motivation, and thrive in their careers. The other is to encourage men to take childcare leave and actively participate in child-rearing and household responsibilities, enabling their partners to continue pursuing their careers.

The Gunma Bank has seen the ratio of female managers rise to 22.3%, but to further advance women's participation, we have set new goals to achieve a 30% ratio of female managers and a 15% ratio of female department and branch managers by the end of fiscal 2027. To achieve these goals, we have started mentoring programs for female managers from this fiscal year to support the career advancement of women.

In terms of parental leave for men, there has been an increase in the number of long-term childcare leave takers, and the average duration of parental leave taken by male employees has extended to 22.4 days. I believe this is the result of creating an environment in which it is easy for men to take childcare leave.

The challenge for the future is to further promote diversity, equity and inclusion. I hope we can foster a workplace culture in which, not only women, but also mid-career hires, seniors, people with disabilities, and other people with diverse experiences and perspectives can thrive within the organization. Through these activities, I hope to enrich our human capital and ultimately realize our Purpose.

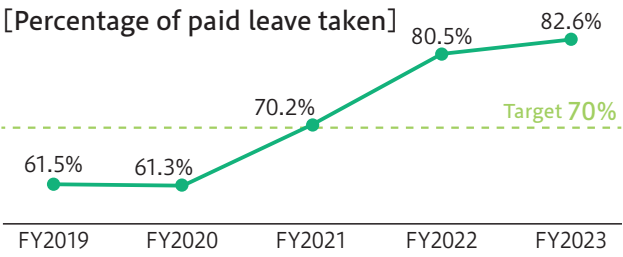


Striving for the Well-being of Each Executive and Employee and Increase Job Satisfaction

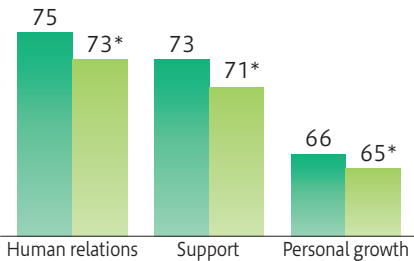
The Gunma Bank defines well-being as “a good working environment where each and every executive and employee is in good shape, physically, mentally, and socially, and satisfied in their job by independently following the carer path of their choice while achieving a good work-life balance.” As such, we are working to create an environment where each and every employee can maximize their abilities. We believe that efforts to improve well-being will strengthen the organization and improve our performance and corporate value, leading to a realization of the Group’s Purpose and the individual’s Personal Purpose.

To visualize the state of employee engagement, we use the Wevox engagement survey to measure the effectiveness of surveys. And from fiscal 2023 we began measuring the extent to which staff are fulfilling their own Personal Purpose as this is seen as a factor in increasing engagement. The measurement involves conducting a 5-point scale survey for all employees on three aspects: Understanding, Empathy, and Action. Since employees began making their own Personal Purpose from fiscal 2022, we have promoted understanding through initiatives such as training, town hall meetings, and

recognizing successful examples of implementation with the Personal Purpose Awards. As a result, the survey showed a high level of ‘Understanding’ at 4.0. However, further efforts are needed to deepen ‘Empathy’ and ‘Action’. Therefore, in April 2024, we appointed a CS & Purpose Sales Promotion Manager in the Group Sales Strategy Department (see page 46 for details) to continue strengthening the penetration of purpose-driven sales activities. We will continue to measure and work towards achieving well-being for all Gunma Bank employees.

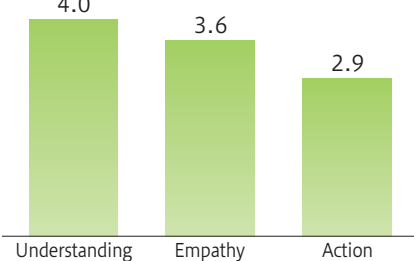


[Engagement score]



\*Benchmark (average for the financial industry (1,001 to 5,000 employees))

[Extent to which staff are fulfilling their own Personal Purpose]



\* Average values on 5-point survey

Aspect	Example Question
Understanding	Ability to clearly explain Personal Purpose
Empathy	How the Bank's Purpose and Personal Purpose lead to job satisfaction
Action	Actions with the Bank's Purpose and Personal Purpose in mind in daily sales activities

Promotion of Health Management

At the Gunma Bank, we believe that the physical and mental well-being of our employees and their families is crucial not only for enhancing job satisfaction and engagement but also as a key element in realizing our Purpose. Therefore, we actively promote health management. To sustainably contribute to the revitalization and development of the local community through our business, it is essential to create an environment where employees can thrive in good physical and mental health, fostering a dynamic organization and a workplace culture where people find their work fulfilling. By raising health awareness among employees and encouraging healthy lifestyles, we aim to reduce the risk of disease, lower medical costs, and improve productivity through better health. Additionally, we seek to energize the organization through the implementation of health management initiatives. Furthermore, by optimizing working hours and creating a good work-life balance, we strive to enhance employee satisfaction.



New Initiatives

Expanding new vacation and leave system

■ Health support leave

Can be used for infertility treatment, attending medical appointments for menopausal symptoms or disorders, follow-up tests after health checkups, specific health guidance, and other non-statutory medical examinations.

■ Career continuation support leave

Can be used for privately funded enrollment in universities, graduate schools, junior colleges, specialized schools, or equivalent educational institutions abroad, concentrating on infertility treatment, or for accompanying a spouse's relocation due to job transfer.

Cancer prevention

■ Strengthening support for breast cancer screenings

As part of cancer prevention measures for younger age groups, we provide points that can be exchanged for gift certificates or other rewards to encourage participation in health screenings.

External evaluations

At the Gunma Bank, we have obtained external certifications as part of our efforts to evaluate the internal environment that supports employees in achieving well-being at various life stages.

We have been recognized as a Health & Productivity Management Outstanding Organization for six consecutive years, and we are the only institution in Gunma Prefecture to have received the White 500 certification for six consecutive years.



Supporting Employee and Family Health

At the Gunma Bank Group, the management team, employee union, health insurance association, occupational health professionals, and the Personnel Department work together to develop and implement various initiatives aimed at safeguarding the physical and mental health of employees and their families. These efforts are designed to support a fulfilling lifestyle and enhance overall well-being.

