

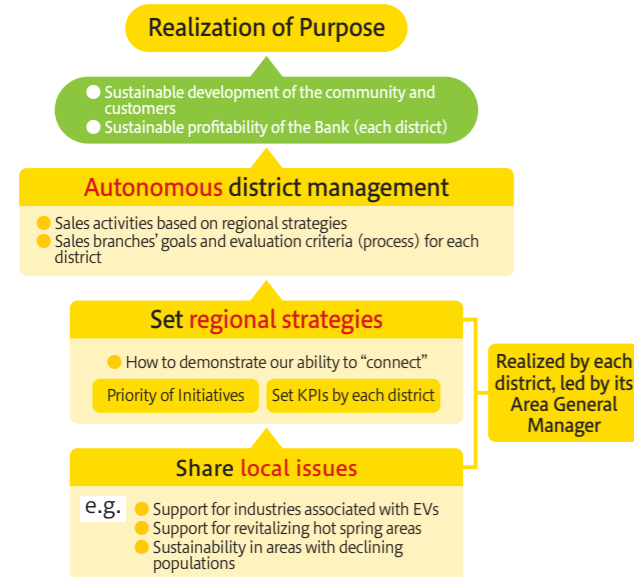
Sales Process Reform

Enhance our strengths to “connect” with customers by building an effective sales force

Establish “District Governance Structure”

We assigned four District Supervisors for each area to strengthen our District Governance Structure. By engaging in bottom-up autonomous district management, in which districts are delegated a certain level of authority to develop regional strategies, set goals, etc., we aim to ensure sustainable growth of the region and customers and the sustainable profitability of the Bank in each district.

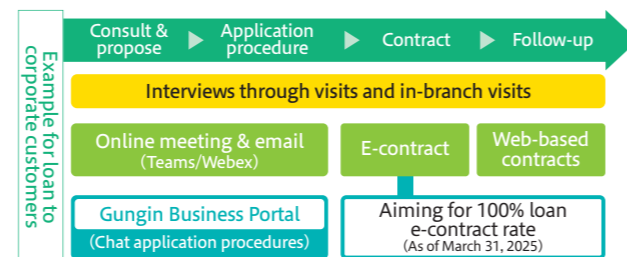
Overview of the District Governance Structure



Establishing a New Digitally-Based Sales Style

To address the more varied needs of our customers, we are working to shift to more effective sales activities by utilizing Office 365 and e-contracts which allow us to complete loan contracts online. The e-contract rate* as of March 2024 is 96.4% for housing loans and 73.8% for ordinary loans. In July 2023, we introduced the Gungin Business Portal to further improve efficiency.

* Percentage of digital contracts to loan agreements in the month



Channel Reform

Enhance our strengths to “connect” by reconstructing the existing branch network and expanding consultation centers and digital channels

Branch Strategy

With the increasing adoption of digital channels such as internet banking and the Gungin app, the number of customers visiting bank branches has been steadily declining. However, to meet a wide range of needs—such as specialized consultations on inheritance and asset management, as well as the still prevalent demand for cash transactions—we are optimizing our branch network and functions, while expanding our consultation hubs and ATM partnerships.

Optimization of branch network and functions

We have already consolidated 44 branches through a Branch-in-Branch approach. Moving forward, we will continue with branch consolidations while considering regional characteristics comprehensively and in conjunction with renovations of existing branches.

In terms of branch functionality, we have introduced a flagship system* in four regions. This system allows us to provide optimal financial services to our customers by leveraging the regional branch network.

* The “flagship branch,” which serves as the central branch in the region, works in tandem with “satellite branches,” where certain operations have been streamlined, to create an efficient branch system across the region.

Expansion of consultation centers

We have established four Individual Consulting Plazas in Gunma Prefecture, which are open even on Saturdays, Sundays, and holidays. In addition, in August 2024, we will open our first Fukaya Individual Consulting Plaza outside of Gunma Prefecture, in Fukaya City, Saitama Prefecture.

Expanding ATM partnerships

In addition to individual partnerships and collaborations with 20 regional financial institutions, we are enhancing customer convenience by expanding the ATM network accessible with the Bank’s cash card through partnerships with Japan Post Bank and ATMs at convenience stores.

Newly Built Banking Outlets in Recent Years

The Annaka/Isobe/Matsuida Branch (Newly built in May 2021)



The Nakanojo/Haramachi Branch (Newly built in June 2021)



The Isesaki/Isesaki-nishi/Isesaki-kita/Azuma Branch (Rebuilt in January 2023)



ATM partner financial institutions

(In order of financial institution code, as of the end of April 2024)

Toho Bank, Ashikaga Bank, Joyo Bank, Yokohama Bank, Daishi Hokuetsu Bank, Yamanashi Chuo Bank, Hachijuni Bank, Tochigi Bank, The Takasaki Shinkin Bank, Kiryu Shinkin Bank, IO Shinkin Bank, Tonegun Shinkin Bank, Tatebayashi Shinkin Bank, Kita Gunma Shinkin Bank, Akagi Credit Union, Gunma Prefecture Credit Union, Gunma Mirai Credit Union

ATM cooperative financial institutions

(In order of financial institution code, as of the end of April 2024)

Towa Bank (1 location), The Takasaki Shinkin Bank (1 location), Shinonome Shinkin Bank (6 locations), Tano Fujioka Agricultural Cooperative (2 locations)

* Shinonome Shinkin Bank is a financial institution managed by Tano Fujioka Agricultural Cooperative Association, which includes one joint use ATM

Business Process Reform

Invest management resources for our strengths to “connect” by streamlining process

Branch Administrative Reforms

In March 2024, we introduced tablets to our branches that allow for paperless, operation-less, and seal-less processes for tasks such as opening regular savings accounts and changing addresses or phone numbers. Moving forward, we will continue to expand the range of procedures covered by these tablets and pursue administrative reforms centered around them, aiming to reduce processing times and cut down on terminal and cost expenses during the upgrade of branch systems scheduled for fiscal 2027.



In-branch tablet image

In-Branch Tablet Rollout Schedule



Business Reform Project

In the Business Reform Project that started in 2019, a cross-divisional working group at headquarters takes the lead in working on business reforms. In the current mid-term business plan, we will further improve operational efficiency by working to deepen two themes: eliminating operational waste and zeroing out reporting work. In terms of eliminating operational waste, or cutting down on wasted work, out of the 6,905 suggestions we received from employees regarding the cancelation or review of work operations, 1,274 were adopted, saving 690,000 work hours over the course of the year.

In terms of zeroing out reporting work, we are eliminating the reports that are less important or no longer

required. Additionally, in 2023, we introduced a dashboard that visualizes figures and the progress status of each measure. With the introduction of a dashboard, branch offices can now input information related to their initiatives and project management directly onto the dashboard. This system allows executives and the head office to check overall progress and performance in real-time. As a result, we are working towards eliminating the need for branches to create reports for updates.

Going forward, we will promote further use of this dashboard, continuing to work on initiatives that simplify or do away with the reporting process.

Evolution of DigiCal Strategy

We are working to link banking services with non-financial services to provide a unique customer experience that effectively mixes the digital and the physical. The Gungin smartphone app for individual customers, which was launched

in April 2022, added a tax and public fee payment function in March 2023, and an investment trust transaction service function in September 2023. For corporate customers, we launched the Gungin Business Portal in July 2023.

