

# The Mid-Term Business Plan “Growth with ‘Purpose’”

## Mid-Term Business Plan (outline)

Under the new Mid-Term Business Plan, we will work to take to a higher level the purpose-driven management implemented under the previous Mid-Term Business Plan. With “sustainable growth of local communities and the Gunma Bank Group” set as “what we aim

to achieve” and “growth” as the theme of the plan, we will strive to accomplish sustainable growth of “customers and local communities,” “the Gunma Bank Group,” and “each of executives and employees” in order to deliver profits for shareholders and other stakeholders.

2025

Mid-Term Business Plan

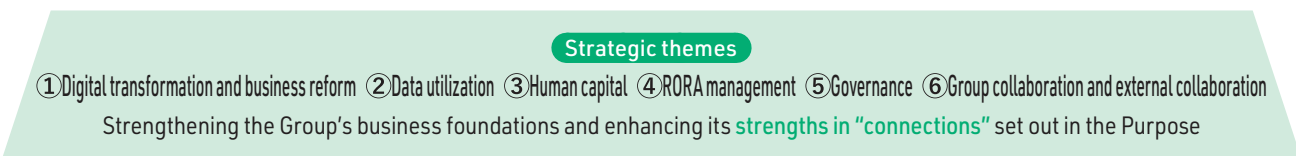
**Growth with “Purpose” –Toward Achieving Sustainable Growth of Local Communities and the Gunma Bank Group–**

Plan period: April 2025 to March 2028

## Basic policy I: Creating a virtuous cycle of social and economic values



## Basic policy II: Strengthening the business foundation to support sustainable growth

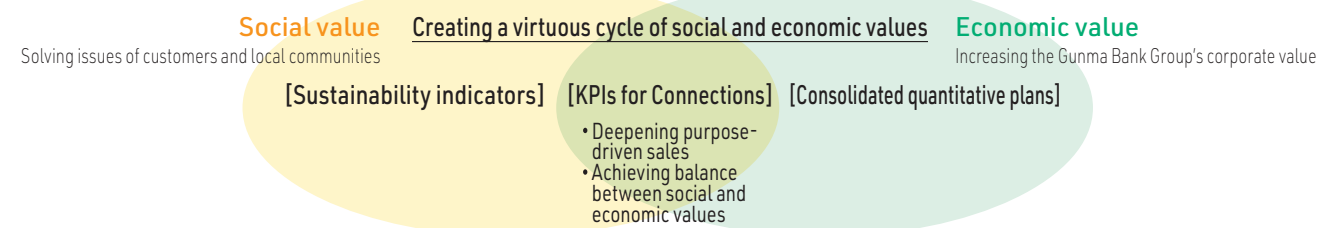


## Quantitative plans in the Mid-Term Business Plan

We have set the quantitative plans with the aim of achieving the goal of “creating a virtuous cycle of social and economic values,” one of the basic policies in the Mid-Term Business Plan. Sustainability indicators have been set for social value, which is achieved by solving issues of customers and local communities, and consolidated quantitative targets for economic value, which is achieved by increasing the Gunma

Bank Group’s corporate value. In addition, we have also set quantitative targets that we will focus on in the three year plan period in order to realize a balance between social and economic values, as “KPIs for Connections.” Accordingly, the plan is designed so that efforts to achieve our KPIs will lead to the creation of a virtuous cycle of social and economic values.

### [Positioning of the strategies and the quantitative plans]



1 Message from Management

2 The Gunma Bank

3 The Gunma Bank Group's Value Creation Story

4 Management Base That Supports Sustainable Growth

[Consolidated quantitative targets for the final fiscal year of the plan (FY2027)] Interest rate assumption: Targets set with the policy rate at 0.75% (for the second half of FY2025 and after)

Item (on a consolidated basis)	Mid-Term Business Plan (FY2028)		Supplementary explanations
	Target	vs. FY2025	
Core business net profit	80.0 billion yen	24.5 billion yen	Net interest income + Non-interest business profit – Expenses *Excluding gains or losses on cancellation of investment trusts
Non-interest business profit	35.0 billion yen	9.4 billion yen	Fees and commissions + Other ordinary income (excluding gains or losses on bonds)
Profit attributable to owners of parent	60.0 billion yen	16.1 billion yen	Profit attributable to owners of parent in the statement of income
Group companies' profit	6.0 billion yen	2.6 billion yen	Profit attributable to owners of parent–non-consolidated profit of the Bank
RORA	1.2% or more	0.2%	Profit attributable to owners of parent/Average of the beginning and ending balances of risk assets for the period
OHR	Approximately 45%	-4.6%	Expenses/(Business gross profit – Gains or losses on bonds) *Excluding gains or losses on cancellation of investment trusts
ROE	10% or above	2.3%	Profit attributable to owners of parent/Average of the beginning and ending balances of capital for the period
Capital adequacy ratio	Approximately 13.5%	0.4%	Total capital/Risk assets
Core CET1 ratio	11.5%	-0.6%	(Common equity Tier 1 capital – Valuation difference on securities (gain))/Risk assets

[Sustainability indicators] Indicators that the Group will work to achieve in the long term (for the next ten years) to deliver social value. Set by considering the materiality (priority issues for the realization of the Purpose).

Related materiality	Item	FY2027 target	Long-term target	Supplementary explanations
Sustainable development of regional economy	Labor productivity index per corporate customer *To disclose changes in the index, with the value as of the end of FY2024 set to a base of 100	108.0 [an increase of 8% from FY2024]	Sustained increase at 2.5% annually	Labor productivity: (Ordinary profit + Personnel expenses + Rent + Depreciation + Financial expenses + Taxes and duties)/Number of employees *The targets have been set at levels higher than Japan's labor productivity, which has increased at an average of 1.2% annually over the past five years*) and price stability target
Response to digital transformation	Financial asset balance index per individual customer *To disclose changes in the index, with the value as of the end of FY2024 set to a base of 100	108.0 [an increase of 8% from FY2024]	Sustained increase at 2.5% annually	Financial assets: Deposits + Financial assets under custody (including Gungin Securities) *The target for the three-year plan period has been set by considering the Group's plan for personal deposits and financial assets under custody. *The long-term target has been set at a level higher than Japan's price stability target.
Response to decreasing birthrates and a declining, aging population	The Bank's greenhouse gas emissions	Net zero (by FY2030)		Scope-1 and scope-2 emissions
Preservation and creation of the global environment	The rate of year-on-year reduction in customers' greenhouse gas emissions *To disclose the rate of reduction in the average emissions of customers whose emissions are measurable	Sustained reduction		To strive to increase the number of customers whose emissions are measurable and reduce their emissions year on year
Enhancement of human capital	Employee engagement index *To disclose changes in the index, with the value as of the end of FY2024 set to a base of 100	Sustained improvement		To disclose engagement survey results that are widely used in and outside of Japan

\*Calculated from data in “2024 Trend of Japan's Labor Productivity,” Japan Productivity Center

[KPIs for Connections] KPIs for Connections have been set as quantitative priority targets that the Group will work to achieve in the three year plan period with the aim of deepening purpose-driven sales (realizing a balance between social and economic values)

Item	Indicator	Target	vs. previous Mid-Term Business Plan	Supplementary explanations
Connecting customers' businesses to the future	Number of business succession issues resolved (cumulative for three years)	1,500 cases	109 cases	Number of cases that generated revenue by resolving business succession issues
	Number of business matching cases (cumulative for three years)	4,000 cases	497 cases	Excluding business matching cases between Gunma Bank Group companies
	Number of staffing cases closed (cumulative for three years)	350 cases	43 cases	Number of “one-handed” or “two-handed” agreements concluded
Connecting customers' assets to the future	Amount of housing loan executed (three-year cumulative total)	350.0 billion yen	-25.2 billion yen	Execution amount of housing loan
	Balance of unsecured consumer loan (as of March 31, 2028)	100.0 billion yen	20.7 billion yen	Balance of unsecured consumer loans, including car loans
	Customers' financial assets under custody (consolidated, as of March 31, 2028)	1,600.0 billion yen	347.4 billion yen	Including Gungin Securities
	Of which, investment trusts (consolidated, as of March 31, 2028)	700.0 billion yen	251.3 billion yen	Including Gungin Securities
	Monthly amount of periodic investments in investment trusts (as of March 31, 2028)	6.0 billion yen	3.04 billion yen	Including Gungin Securities
	Number of active NISA account holders (as of March 31, 2028)	100,000 holders	38,000 holders	Number of NISA account holders with a balance (including Gungin Securities)
Connecting a prosperous environment and society to the future	Number of inheritance-related support cases (three-year cumulative total)	2,000 cases	895 cases	Number of testamentary trusts and estate liquidation service contracts signed
	Amount of sustainable finance executed (three-year cumulative total)	1,200.0 billion yen	71.6 billion yen	Amount of investments and loans executed for the purpose of solving environmental and social issues
	Number of decarbonization support projects (three-year cumulative total)	1,000 projects	447 projects	Number of projects that generated revenue by providing support related to decarbonization
Connecting money in the region	Volume of cashless transactions (FY2027)	350.0 billion yen	83.0 billion yen	Amount of payments using Gungin Card

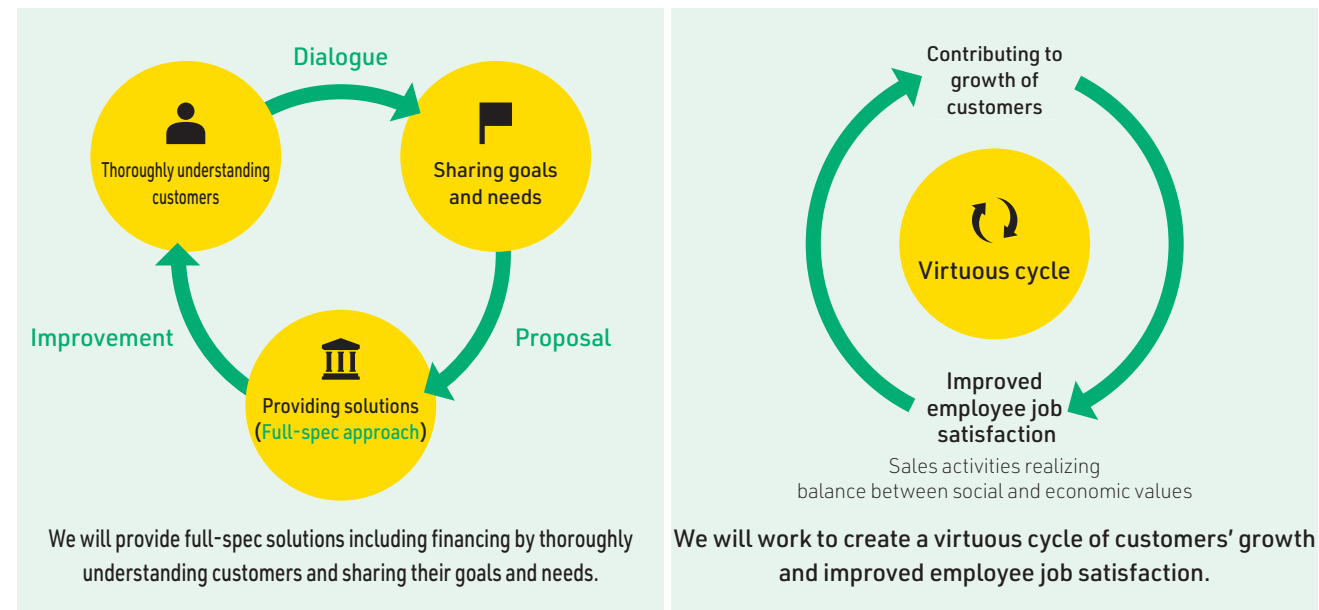
## Mid-Term Business Plan basic policy I: Creating a virtuous cycle of social and economic values

The Gunma Bank Group considers that realizing a balance between social value, namely, "solving issues of customers and local communities," and economic value, "increasing the Gunma Bank Group's corporate value," and creating a virtuous cycle of these two kinds of value is essential to achieving the Purpose. Accordingly, we have set "creating a virtuous cycle of social and economic values" as the first basic policy of the Mid-Term Business Plan.

### Strategic theme 1: Deepening purpose-driven sales

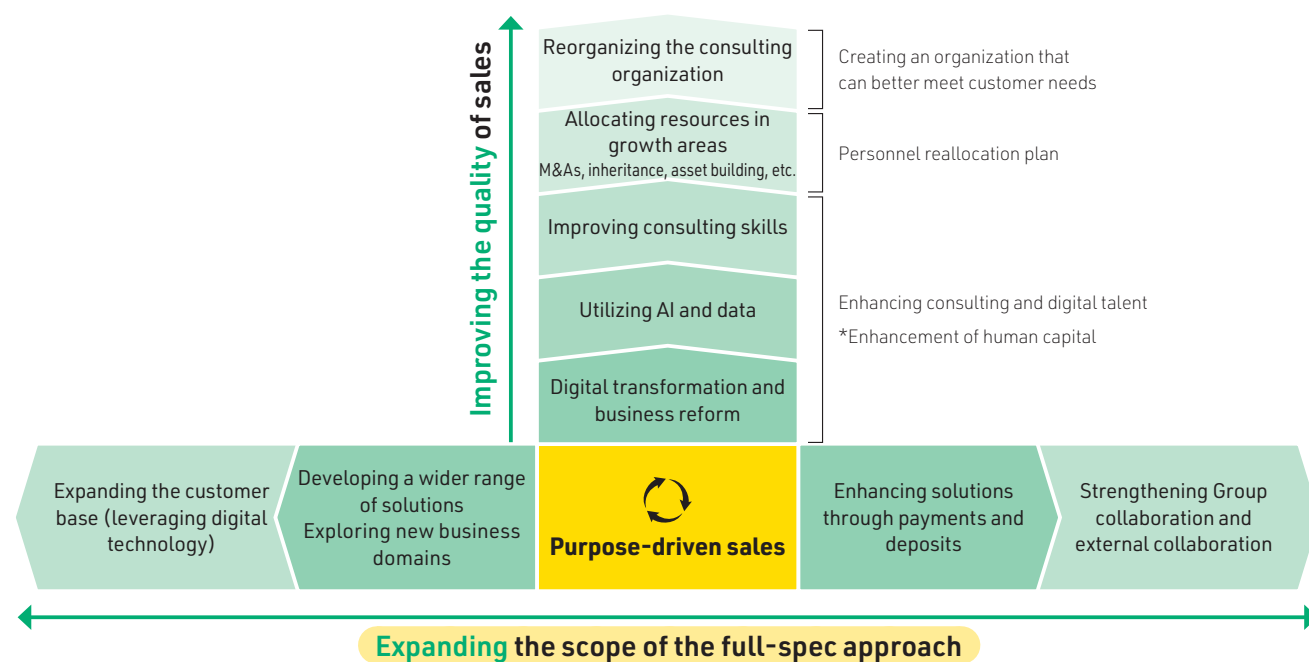
For the strategic theme 1, "Deepening purpose-driven sales," we are working to expand the scope and improve the quality of our solutions by carrying out sales activities that realize a balance between social and economic values, the efforts that we have made since the establishment of the Purpose.

#### [Concept of purpose-driven sales]



#### [Deepening purpose-driven sales]

We will strive to expand the scope of our full-spec approach (the scope of our sales) by providing new solutions and expanding our customer base as shown along the horizontal axis, while also working to improve the quality of our sales by reforming our sales system and leveraging AI and data as shown along the vertical axis.



## Strategic theme 2: Striving to establish sustainable regional economic zones

For the strategic theme 2, "Striving to establish sustainable regional economic zones," we are working to establish "an ecosystem that increases the sustainability of regional industries," "an ecosystem that increases the productivity of regional business," and "an ecosystem that enriches regional life" by serving as a regional hub, with the aim of achieving sustainable growth of local communities and the Gunma Bank Group from a medium- to long-term perspective.

### Our idea of a sustainable regional ecosystem

The Group will function as a regional hub that connects resources, such as people, goods, money and information in and outside the region to create a virtuous cycle of regional economic activities.

In order to create a sustainable regional ecosystem, we will build the following **three ecosystems** from a medium- to long-term perspective.

#### An ecosystem that increases the sustainability of regional industries

Strengthening support to key industries in the region, and introducing support services to startup companies and for business succession

- Directly approaching regional industries, such as automobile, food, and spa
- Providing support to startup companies and matching them with regional businesses in coordination with local governments, local businesses, funds, etc.
- Attracting businesses in coordination with local governments
- Facilitating business succession by utilizing a fund

#### An ecosystem that increases the productivity of regional businesses

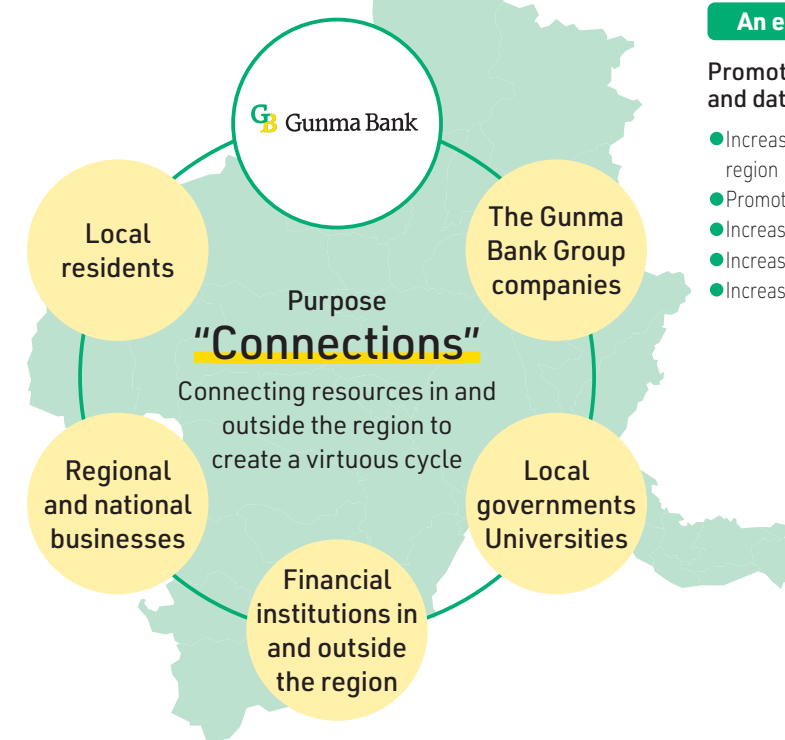
Solving local problems within the region by expanding business domains through external collaboration

- Considering new business domains that are expected to help improve productivity at local businesses
- Building a regional platform by developing the BPO business, etc.
- Promoting an inorganic strategy by collaborating with external businesses

#### An ecosystem that enriches regional life

Promoting cashless transactions, digital transformation, and data utilization in the region

- Increasing the efficiency and transparency of economic activities in the region
- Promoting cashless payment and data utilization
- Increasing the productivity of regional businesses
- Increasing convenience for local residents
- Increasing the operational efficiency of local governments, schools, etc.



#### Active investment to establish a sustainable regional ecosystem

- Start-ups: Investment in venture funds, etc.
- Inorganic strategy: Investment to expand new business domains
- Investment through Gunma Regional Advanced Solution Partners Inc. (P.55)
- Investment in major industries (automobiles, tourism, etc.) and the environmental area

## Mid-Term Business Plan basic policy II: Strengthening the business foundation to support sustainable growth

In order to create the virtuous cycle of social and economic values laid out in the basic policy I and achieve sustainable growth, it is necessary to strengthen the Group's business foundations that drive our growth.

Therefore, we have set "strengthening the business foundation to support sustainable growth" as the second basic policy of the Mid-Term Business Plan, and will focus on six strategic themes.

Six priority themes	Page for reference
① Advancing digital transformation and business reform	P.42
② Enhancing data utilization	P.43
③ Enhancing human capital	P.44
④ Implementing RORA management	P.50
⑤ Taking governance to a higher level	P.70
⑥ Strengthening Group collaboration and external collaboration	P.52 and P.54