Mid-Term Business Plan
"Growth with 'Purpose'"

After the six-year reform carried out under the Mid-Term Business Plan "Innovation New Dimension" launched in 2019, the Gunma Bank Group established its new Mid-Term Business Plan "Growth with 'Purpose'" in April 2025. Under this Plan, we will work to take to a higher level the purpose-driven management that we have implemented, while also striving to achieve growth of customers and local communities, the Gunma Bank Group, and each of our executives and employees.

Forecasting

2019
Mid-Term Business Plan before the Previous Mid-Term Business Plan
Innovation New Dimension

Achieving growth after the six-year "Innovation (reform)"

Basic policy 1
Transforming the management platform by three reform initiatives

Basic policy 2
Achieving advanced value creation by evolving the business model

2022
Previous Mid-Term Business Plan
Innovation for "Purpose"

Basic policy 1
Implementing digital strategies as the foundation for "connections and weaving better futures"

Basic policy 2
Reinforcing strengths in "connections" by five reform initiatives

Basic policy 3
"Weaving better futures" by exercising our strengths in "connections"

2025
Present Mid-Term Business Plan
Growth with "Purpose"

Taking purpose-driven management to a higher level and achieving three kinds of growth

Growth of our customers and local communities
Growth of our Group
Growth of every one of our executives and employees

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

Strategic theme 1
Deepening purpose-driven sales
[Social value] Solving issues of customers and local communities
Deepening the purpose-driven sales implemented under the previous Mid-Term Business Plan (the achievement of a balance between social and economic values)
[Economic value] Increasing the Gunma Bank Group's corporate value

Strategic theme 2
Striving to establish sustainable regional economic zones
Enhancing earnings by promoting initiatives that contribute to solving local issues from a medium- to long-term perspective

Basic policy II
Strengthening the business foundation to support sustainable growth

Strategic themes
① Digital transformation and business reform
② Data utilization ③ Human capital ④ RORA management
⑤ Governance ⑥ Group collaboration and external collaboration
Strengthening the Group's business foundations and enhancing its strengths in "connections" set out in the Purpose

To-be Future
Sustainable development of local communities and the Gunma Bank Group



November 2021 Established the Purpose: By connecting the strands of resources, people, and generations, we weave better futures for our communities

Achievements and challenges from the six-year "Innovation (reform)"

Marketing process	Achievements	Established purpose-driven sales activities; increased non-interest business profit
	Challenges	Maximize profits while coping with interest rate changes and enhance risk management
Digital channels	Achievements	Made progress in developing digital channels and other platforms and promoted cashless payments
	Challenges	Make progress in development of digital platforms and strengthen initiatives to accelerate digital transformation through data utilization
Human capital	Achievements	Made progress in the appointment of the right person to the right position under the newly introduced job based human resource system
	Challenges	Strengthen human resource development in order to maximize human capital and recruit human resources with expertise, etc.
Environmental protection and decarbonization	Achievements	Exceeded the Bank's plan for GHG emission reduction and sustainable finance amount
	Challenges	Strengthen the provision of solutions to reduce GHG emissions for customers
New business	Achievements	Increased investment in venture companies and expanded business inheritance support through a subsidiary specializing in investment; started personnel agency and regional trading and marketing businesses through a consulting subsidiary
	Challenges	Improve profitability at existing businesses and launch new businesses that are expected to contribute to solving social problems

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2027
Core business net profit (Hundred millions of yen) (excluding gains or losses on cancellation of investment trusts)	300	306	**368**	399	454	**555**	**71.1** billion yen	**80.0** billion yen
Non-interest business profit (Hundred millions of yen)	171	191	**205**	210	242	**256**	**29.3** billion yen	**35.0** billion yen
Profit attributable to owners of parent (Hundred millions of yen)	222	135	**264**	279	311	**439**	**58.8** billion yen	**60.0** billion yen
OHR (%)	65.1	64.4	**60.0**	56.6	53.4	**49.6**	**45.7**%	Around **45**%
ROE (%)	4.4	2.6	**4.9**	5.3	5.7	**7.7**	**10.0**%	**10**% or above

Backcasting

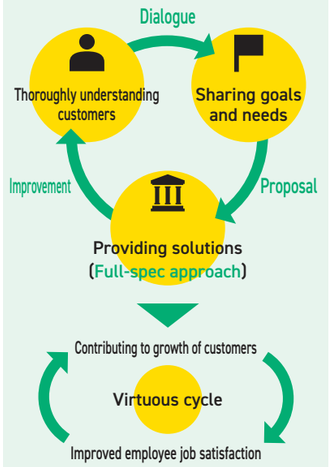
Mid-Term Business Plan basic policy I: Creating a virtuous cycle of social and economic values

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

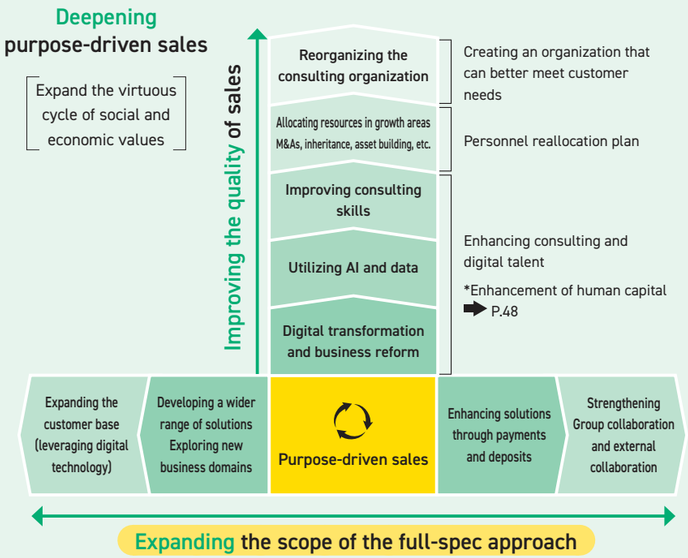
For the strategic theme 1, "Deepening purpose-driven sales," we are working to expand the scope and improve the quality of our solutions by carrying out sales activities that realize a balance between social and economic values, the efforts that we have made since the establishment of the Purpose.

Concept of purpose-driven sales



Sales activities realizing balance between social and economic values

The Bank’s focus in its Mid-Term Business Plan



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	FY2025 results	Progress	Supplementary explanations
Connecting customers' businesses to the future	Number of business succession issues resolved (cumulative for three years)	1,500 cases	754 cases	50.3%	Number of cases that generated revenue by resolving business succession issues
	Number of business matching cases (cumulative for three years)	4,000 cases	1,978 cases	49.5%	Excluding business matching cases between Gunma Bank Group companies
	Number of staffing cases closed (cumulative for three years)	350 cases	165 cases	47.1%	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	163.4 billion yen	46.7%	Execution amount of housing loan
	Balance of unsecured consumer loan (as of March 31, 2028)	100.0 billion yen	87.0 billion yen	37.0%	Balance of unsecured consumer loans, including car loans
	Customers' financial assets under custody (consolidated, as of March 31, 2028)	1,600.0 billion yen	1,487.0 billion yen	67.5%	Including Gungin Securities
	Of which, investment trusts (consolidated, as of March 31, 2028)	700.0 billion yen	549.9 billion yen	40.3%	Including Gungin Securities
	Monthly amount of periodic investments in investment trusts (as of March 31, 2028)	6.0 billion yen	3.1 billion yen	4.3%	Including Gungin Securities
	Number of active NISA account holders (as of March 31, 2028)	100,000 holders	64,000 holders	5.6%	Number of NISA account holders with a balance (including Gungin Securities)
	Number of inheritance-related support cases (three-year cumulative total)	2,000 cases	546 cases	27.3%	Number of testamentary trusts and estate liquidation service contracts signed
Connecting a prosperous environment and society to the future	Amount of sustainable finance executed (three-year cumulative total)	1,200.0 billion yen	453.5 billion yen	37.8%	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	440 projects	44.0%	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	291.5 billion yen	30.3%	Amount of payments using Gungin Card

*For items indicating balances (unsecured consumer loans and customers' financial assets under custody), the figures shown are progress rates toward the target for increase.

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 businesses,” 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, while deepening our “purpose-driven sales.”

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

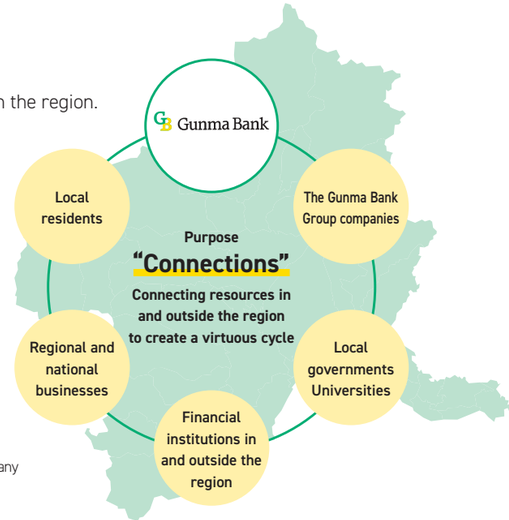
- Building an ecosystem through funds structured with the business operators in the region. Structuring multiple funds based on industries and themes.
  - Establishment of “Gunma Green Growth Fund” (construction industry).
    Establishment of “Gunma Sustainable Fund” (tourism industry).
- Starting collaboration with startups through investment in external funds.
  - Aiming to create innovation through collaboration with the companies in the region.

An ecosystem that increases the productivity of regional businesses

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

- Consideration for a BPO* service launch targeted at personnel and labor management jointly with Daishi Hokuetsu Bank
  - Striving to address labor shortages in the region and increase operational efficiency and productivity through payroll calculation and other contracted services.
- Studying the standardization and consolidation of administrative operations with the banks in the TSUBASA Alliance and other financial institutions in the prefecture
  - Consolidating back-office operations for higher operational efficiency in the whole region.

*Business Process Outsourcing, referring to outsourcing parts of a company’s operation to another company



An ecosystem that enriches regional life

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

- Promoting cashless transactions in the region
  - Introduction of a new service for business-to-business digital payments (“BizPay Invoice Card Payment”).
  - Launch of Gungin Business Debit Card service.
  - Launch of a campaign for Debit Card users in collaboration with the business operators in the region.
- Promoting cashless payments at the local public bodies in Gunma Prefecture
  - Online direct debit application (providing support for 30 out of 35 municipalities in Gunma Prefecture).
  - Support efforts to streamline the administrative operations using corporate credit cards.

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.46
② Enhancing data utilization	P.46
③ Enhancing human capital	P.48
④ Implementing RORA management	P.56
⑤ Taking governance to a higher level	P.80
⑥ Strengthening Group collaboration and external collaboration	P.58,60