3 The Gunma Bank Group's Strategy to Execute Its Business Plan

Deepening Purpose-Driven Sales Corporate consulting

Connecting process

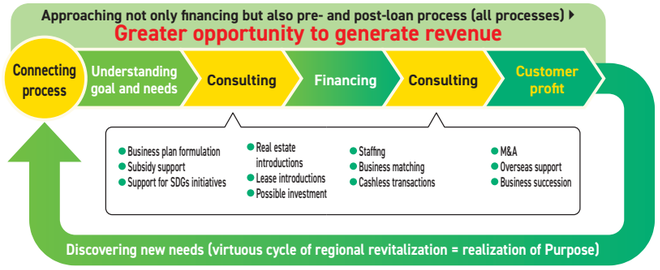
Since October 2022, the Gunma Bank has implemented our "connecting process." The "connecting process" means carrying out sales activities as an integrated process that begins with dialogue with our customers, continues through the sharing of goals and needs, and culminates in providing accurate solutions. Through dialogue with customers, we share our customers' envisioned goals, future business directions, and the stories that generate business value. We then identify the needs and management challenges necessary to bridge the gap between their current situation and their goals, which become a starting point for our proposal of solutions.

In the three years and six months since the initiative's launch, we have held meetings with approximately 10,500 clients and identified approximately 30,000 needs. We have refocused efforts on enhancing the connecting process with core customers at sales branches and worked on enhancing our ability to accurately capture their needs.



Full-spec approach

In addition to meeting our customers' financing needs, we are expanding the Group's earnings by approaching both the pre-loan and post-loan processes through the connecting process to offer solutions that leverage the full capabilities of the Group. We believe that this approach not only benefits our customers but also helps uncover new needs and by addressing them, ultimately contributes to regional revitalization.



Business environment and progress of major initiatives

Business succession support

Management issues related to the business succession of local companies have become major issues related to the sustainability of the region in terms of passing down technology, maintaining supply chains, and maintaining employment. Our headquarters and sales branches cooperate to understand the business succession and M&A needs of our customers and provide them with appropriate proposals and advice, collaborating with external partners to do so when appropriate.

We are also collaborating with our alliance partners in the fields of business succession and M&As.

Business matching

Business matching is an area where the Bank can exercise its strength in "connections" by utilizing its information and networks.

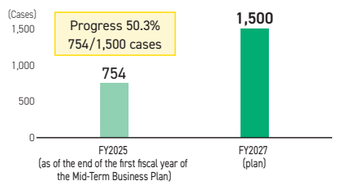
We utilize our wide-area network of bank clients, external partners, and alliances to match the clients of other banks with solutions to business needs such as sales channel expansion and finding business partners.

Staffing

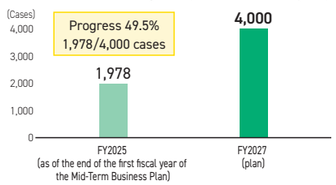
In addition to labor shortages and difficulties in finding business successors, local companies are facing major challenges in responding to the changing business environment. To help resolve these management issues in terms of securing the human resources businesses need, in January 2020, the Gunma Bank received licensing to act as a fee-charging employment agency, and launched a staffing service. Currently, Gungin Consulting, a Group company, is engaged in the human resources solutions business. By meeting needs such as staffing executives and expert talent necessary to solve management issues, we aim to help regional businesses achieve growth and increase productivity.

Results

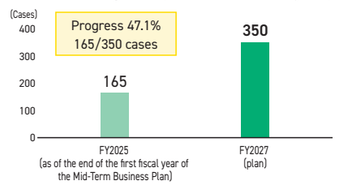
Number of business succession issues resolved (cumulative for three years)



Number of business matching cases (cumulative for three years)



Number of staffing cases (cumulative for three years)



Subsidies and tax benefit support services

As an organization supporting business innovation, the Bank provides useful information on subsidies as well as assistance with the preparation of subsidy applications to customers who need it. In addition to the assistance with subsidy application preparation, we support customers after they are selected as a subsidy recipient, providing a comprehensive service covering the whole process from the entrance (filing applications) to the exit (reporting progress of business development). Moreover, we also provide support for application for tax benefits, assisting customers with preparation of tax benefits applications that are filed with national and local governments.

Support for overseas transactions

The Bank actively supports the overseas expansions of our customers in collaboration with our overseas bases (one branch and three representative offices), Gungin Consulting, and external partners. The Customer Consulting Department's Overseas Trade Support Office takes the lead in providing various services, including conducting inspections on the environment for overseas investment, offering advice on establishing bases for clients considering expanding overseas, support with opening local bank accounts, and assisting clients looking to develop international sales channels by listing potential local partners and arranging business meetings.

Facilitating financing and supporting management improvement

The Gunma Bank's branches and headquarters are working closely together to provide support for the financial facilitation and business improvement. The Bank's Credit Department Credit Operations Office is playing a central role in providing support and advice to customers regarding the formulation of business improvement plans. The Bank also collaborates with external organizations, such as the Small and Medium Business Revitalization Council and the Regional Economy Vitalization Corporation of Japan (REVIC), as well as external experts, to enhance the effectiveness of the support we provide. We are also working with Group companies like Gungin Consulting and Gunma Regional Advanced Solution Partners to provide fundamental support for revitalization utilizing revitalization funds, capitalized borrowing, and other methods according to the business conditions of our clients.

Status of our efforts to implement the Guidelines for Personal Guarantee Provided by Business Owners

Based on a full understanding of the meaning of the Guidelines for Personal Guarantee Provided by Business Owners (published by the Working Group of the Guidelines for Personal Guarantee Provided by Business Owners, on December 5, 2013), the Gunma Bank strives to respond faithfully and flexibly in accordance with these guidelines when a guarantee contract is entered into with a customer, when a customer requests a review of an existing guarantee contract, or when a customer requests to settle their guarantee obligations. In addition, when a customer enters into a guarantee contract, the Bank endeavors to explain in detail so that customers have a full understanding of what is lacking, why the guarantee is needed, and what improvements could be made to increase the likelihood of changing or canceling the guarantee contract. Furthermore, the Bank strives to ensure that this response is permeated and established as integral to our lending practices, working to provide loans that do not rely excessively on collateral or guarantees.

Status of our efforts up to the end of March 2026 is as follows:

	H1 FY2023	H2 FY2023	H1 FY2024	H2 FY2024	H1 FY2025	H2 FY2025
Number of new loans (no guarantee)	7,479 cases	7,677 cases	8,077 cases	8,432 cases	8,636 cases	8,064 cases
Number of new loans	10,956 cases	10,604 cases	10,648 cases	10,632 cases	11,310 cases	10,227 cases
Ratio of loans not dependent on personal guarantee provided by business owners in new loans	68.3%	72.4%	75.9%	79.3%	76.4%	78.9%
Ratio of guarantee contracts for business succession (involving personal guarantee by both the former business owner and the successor)	0.4%	0.0%	1.4%	0.3%	1.0%	0.6%
Ratio of guarantee contracts for business succession (involving personal guarantee by the former business owner only)	54.9%	59.0%	65.4%	57.9%	64.5%	64.1%
Ratio of guarantee contracts for business succession (involving personal guarantee by the successor only)	34.2%	30.0%	21.3%	29.0%	22.2%	24.8%
Ratio of guarantee contracts for business succession (involving no personal guarantee by the former business owner or the successor)	10.5%	10.9%	11.8%	12.8%	12.2%	10.6%

*The data published here only represent the data that have been collected and may change in the future as a result of close examination.

TOPICS Initiatives for increasing corporate deposits

In December 2023, we launched an initiative to promote deposit transactions aligned with loan share for corporate obligors. In this initiative, by promoting deposit transactions aligned with loan share, we aim to increase corporate deposit balances while striving to improve the loan-to-deposit ratio. We also strive to build up highly sticky deposits through consolidation of settlement transactions.

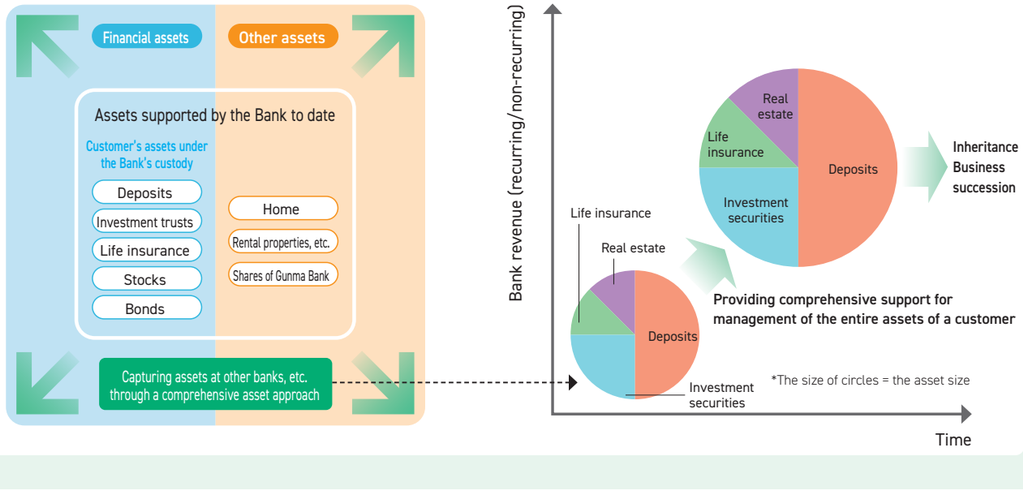
Deepening Purpose-Driven Sales

Individual consulting

Implementing asset-based advisory sales through comprehensive asset approach

To make an optimum proposal to a customer, the Bank implements a comprehensive asset approach in which it captures the customer's total assets including assets at other banks and companies and real estate.

In this approach, we then have a shared understanding of the customer's goals and provide comprehensive support for their management of total assets while building a long-term relationship of trust throughout the Group as a whole. By implementing asset-based advisory sales, we aim to achieve both the customer's stable asset building and the Bank's sustainable growth.



Enhancing support for asset building and inheritance through comprehensive asset approach

Based on the comprehensive asset approach, the Bank implements asset-based advisory sales, in which it captures all of a customer's assets including deposits, investment trusts, life insurance, etc. as well as assets at other banks, real estate, etc., to have a shared understanding of a customer's life plan and goals for asset building and inheritance, and provides support, ranging from their management of assets to inheritance to the next generation.

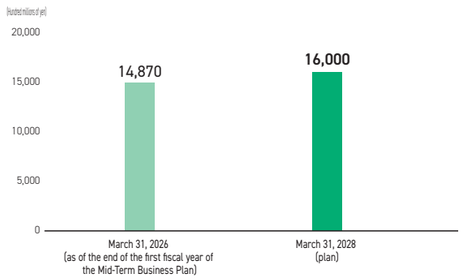
In the asset building field, in accordance with our Customer-Oriented Business Conduct Policy, we propose portfolio investments, periodic investments in investment trusts, and long-term diversified investments utilizing the NISA tax-free investment program to support customers' mid- to long-term asset building. We also work to enhance the financial literacy of customers in the region and help them gain a wider perspective on investments by holding seminars and taking other measures.

In the inheritance field, with the growing interest in inheritance and end-of-life planning, we offer a wide range of services including testamentary trusts, testamentary substitute trusts, and estate liquidation services. We also propose an inheritance scheme tailored to each customer through a consulting service by an inheritance advisor.

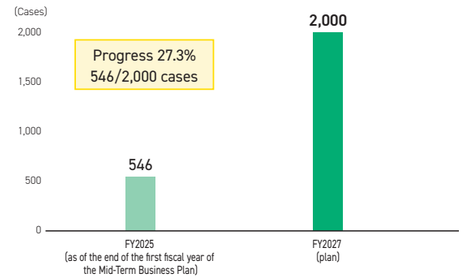
With these efforts, we provide comprehensive support ranging from asset building to inheritance, and thus we build a long-term relationship of trust and support their stable asset building and smooth asset transfer.

Results

Balance of customers' financial assets under custody (including Gungin Securities)



Number of contracts for inheritance-related services (cumulative for three years)



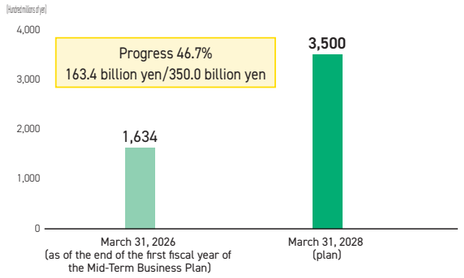
Efforts to promote loans for individual customers

We are strengthening our efforts in areas such as housing loans and unsecured consumer loans to support customers in building prosperous lives. Providing combined services tailored to a customer's life plan, starting with loans, leads to lifelong business with the customer. As these products are highly profitable relative to risk, we believe this is an area in which we will aggressively pursue opportunities from the perspective of strengthening our management structure.

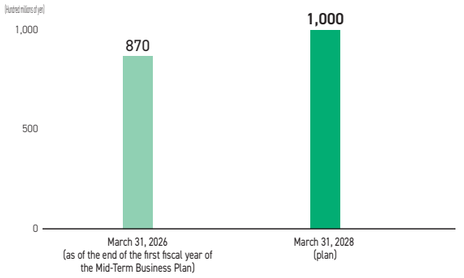
Additionally, we are working to increase transactions with asset building customers by providing composite services, offering housing loans as a starting point. In order to respond to the diverse needs of customers, we are working to improve the quality of our products. We are also promoting digitization to increase convenience and improve operational efficiency. For housing loans, the E-contract service has now been widely used, and about 80% of contracts for unsecured consumer loans have been made through a completely online service.

Results

Amount of housing loan executed (three-year cumulative total)



Balance of unsecured loans



TOPICS Initiatives for increasing individual deposits

As an initiative for increasing individual deposits, we strive to strengthen our contact points with customers through non-face-to-face channels through progressive improvement of the functions of the Gungin App for higher convenience. In addition, we also develop new measures to attract highly sticky deposits, including an effort to secure accounts for settlement through the use of Gungin Debit cards. Furthermore, by waiving the bankbook issuance fee for customers aged 15 or younger starting in December 2025, we encourage younger people to open an account with us and strive to expand our future customer base.

Salary account and pension account campaign

For the period from March 2026 to September 2026, we have conducted a campaign called "Let's start with Gungin! Salary account and pension account campaign." Under this campaign, for a customer who started receiving transfers of salary or pension at an account with the Bank and used the Gungin App during the campaign period, a digital coupon that can be used at convenience stores was presented. In addition, a customer who satisfied the above criteria and also used the Bank's housing loan received an additional gift. With this campaign, we strive to expand our customer base.

Time deposits with special interest rates

We launched premium time deposits in February 2026 and time deposits to support life events in March 2026. These are time deposits with special interest rate periods to be applied to newly deposited funds only. For the premium time deposits, we offer a special interest rate in accordance with the amount and period for the amount newly deposited from the other banks. For the time deposits to support life events, we offer three courses: a new money course, a retirement pay course, and an inheritance deposit course. Special interest rates in accordance with the period are applied to newly deposited funds such as retirement pay and inherited assets.

Gungin Money Plan

We offer the Gungin Money Plan program in which a special interest rate is applied to a time deposit of a customer who newly purchased an investment trust or a fund wrap service at the Bank and Gungin Securities.