Corporate Governance

Basic perspective

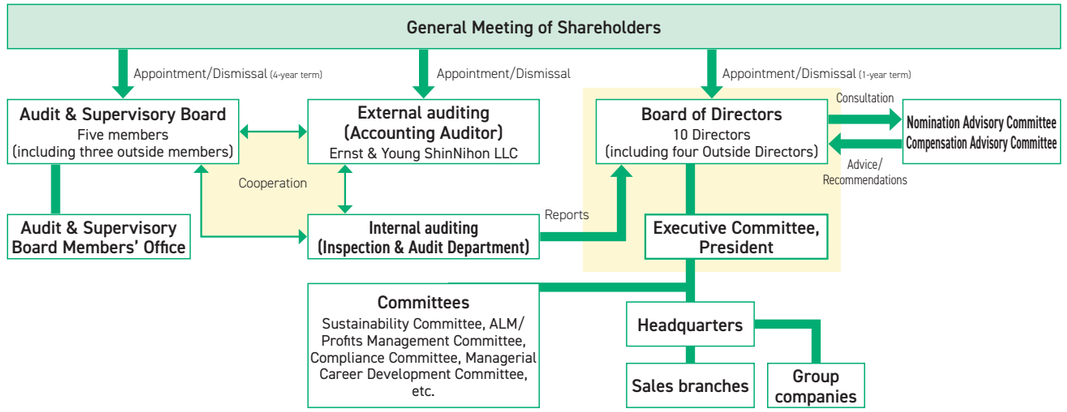
While always keeping in mind the development of regional communities, the Bank's basic policy is to respond appropriately to the financial needs of customers, enhance corporate value by ensuring asset soundness and strengthening its profitability, and to be highly evaluated by shareholders and the market. To realize this basic policy, we have positioned the enhancement of corporate governance as the most important management challenge, and are working on the following three points:
(1) Decision-making for appropriate management and the establishment of an efficient business execution system
(2) Enhancement of compliance and risk management systems that form the basis of sound management
(3) Timely and appropriate disclosure of corporate information and active IR activities aimed at transparent management

Corporate governance system

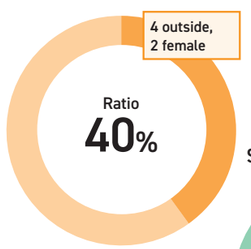
The Bank has an Audit & Supervisory Board Member system with the five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members). The Board of Directors consists of 10 Directors, including four Outside Directors. To achieve our management goals, we believe that it is effective to enhance the system for audits by Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members, as well as to further strengthen management monitoring functions by the presence of Outside Directors and Outside Audit & Supervisory Board Members. Outside Directors are responsible for management oversight for the Board of Directors, and Outside Audit & Supervisory Board Members are responsible for audits by Audit & Supervisory Board Members, and all have the role of management monitoring and supervising for corporate governance.

In addition, to enhance corporate governance and management monitoring functions of the entire Group, the Group Management Meeting is held every six months to report and discuss management policies and operational status of each Group company on the executive level.

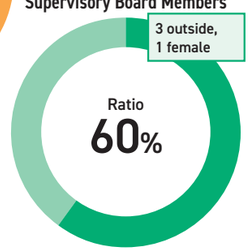
Corporate Governance System



Ratio of Outside Directors



Ratio of Outside Audit & Supervisory Board Members



Main Governance Initiatives

FY	Initiative
2005	Appointment of Outside Directors
2012	Introduction of share remuneration-type stock options
2015	Start of effectiveness assessments for Board of Directors
2018	Establishment of Nomination Advisory Committee
	Establishment of Compensation Advisory Committee
2019	Release of basic policy for executive remuneration
	Introduction of Restricted Share Remuneration Plan and Performance-linked Share Remuneration Plan
2020	Appointment of female Outside Director
2021	Preparation and disclosure of skills matrix
2022	Establishment of the Sustainability Committee
2023	Establishment of the Managerial Career Development Committee
2024	Establishment of Group Business Strategy Department and Group Risk Governance Office (in the Risk Management Department)

Details of corporate organs

Board of Directors

The Board of Directors consists of six Inside Directors and four Outside Directors (Outside Director ratio: 40%), makes decisions on basic management-related matters and important business operations, and supervises the business execution of each Director.

In order to execute important business operations based on management policies determined by the Board of Directors, the Executive Committee, which is a consultative body to the President, meets once a week in principle to conduct thorough deliberations for decision-making to ensure prompt and smooth execution.

The term of Directors is limited to one year to build a management system that can respond more quickly to changes in the business environment.

In nominating Outside Director candidates, we are strongly aware that the structure of the Board of Directors should consist of members with diverse values and perspectives based on different types of knowledge, experience, and attributes.

Audit & Supervisory Board

The Audit & Supervisory Board meets once a month in principle, and its members make decisions based on discussions on how to resolve various issues. Additionally, each Audit & Supervisory Board Member reports on the results of audits and shares information, and exchanges opinions with the others when necessary.

Also, the Audit & Supervisory Board Members' Office consisting of dedicated staff members, has been set up directly under the Audit & Supervisory Board, and is working to maintain a more effective audit system.

The Audit & Supervisory Board Members conduct audits in accordance with the auditing policies, audit plans, and assignment of audit duties established by the Audit & Supervisory Board. The performance of duties by Directors is monitored and verified through attendance at the Board of Directors and other important meetings, audits of the headquarters, visits to branch offices, investigations of Group company operations, examinations of important documents, and surveys of the operations and assets of the Bank. In addition, the Bank is working to share awareness of management policies, management issues, and important auditing issues by meeting regularly with the President and Outside Directors.

Nomination and Compensation Advisory Committees

In order to establish a system in which Independent Outside Directors are appropriately involved in the decision-making process for nomination and remuneration of the Directors, to increase the objectivity and transparency of the process, and to enhance corporate governance, the Nomination Advisory Committee and the Compensation Advisory Committee were established as advisory bodies to the Board of Directors. The majority of the members of both committees are Independent Outside Directors.

Executive officer system

The Bank has adopted an executive officer system to enhance corporate governance and separate management decision-making from business operations, and promote the role of the Board of Directors.

Internal audit and accounting audit

Accounting audit

Our accounting auditor is Ernst & Young ShinNihon LLC. The firm conducts accounting audits in accordance with the Companies Act and the Financial Instruments and Exchange Act. There are no special interests between the executive officers of Ernst & Young ShinNihon LLC and the Bank.

・FY2025 accounting audit fee paid by Bank: 264 million yen ・Total amount of remuneration paid by our Group: 287 million yen

Internal audit

For internal audits, the Inspection & Audit Department, which is independent of the audited departments and reports directly to the Board of Directors, conducts audits of the headquarters, sales branches, and the entire Group based on the audit plan and audit policy determined by the Board of Directors each fiscal year.

In June 2026, the Bank developed a system that allows the General Manager of Inspection & Audit Department to attend internal meetings such as Compliance Committee meetings in order to enhance the quality of internal audit duties by identifying important issues, risks, etc. at an early stage and promptly reflecting these findings onto such duties.

Policies and procedures for election, dismissal and nomination of Directors, etc.

Policies and procedures for nominating candidates for Inside Directors

Based on the Bank's management philosophy, the Nomination Advisory Committee, of which a majority of members are Independent Outside Directors, will deliberate on the nomination of individuals recommended by the Representative Director who are knowledgeable, experienced, and have sufficient social credibility to carry out accurate, fair, and efficient management of the Bank, and the Board of Directors then makes a decision. Regarding the selection of Representative Directors, the Nomination Advisory Committee will deliberate on the most suitable person from among the Directors to represent the Bank, and the Board of Directors then makes a decision. In the light of appropriately structuring the skills matrix of the Board of Directors for the future and strengthening the supervisory function with an eye to nominating a representative director, the Bank has a system whereby the Board of Directors and the Nomination Advisory Committee receive regular reports on the status of securing and training not only candidates for directors but also a wider range of potential future managerial talent.

Policies and procedures for nominating candidates for Outside Directors

The Representative Director will recommend candidates with extensive knowledge and experience in corporate management and various specialized fields, with the insight to contribute to the strengthening of the Board of Directors' management supervisory function as well as the Bank's sustainable growth and enhancement of corporate value over the medium- to long-term, and who has social credibility. The Board of Directors then makes a decision after deliberation by the Nomination Advisory Committee, the majority of which are Independent Outside Directors.

Policies and procedures for nominating candidates for Audit & Supervisory Board Members

The Representative Director recommends individuals who are knowledgeable, experienced, and have sufficient social credibility to carry out accurate, fair, and efficient supervision of the execution of duties by Directors. The Board of Directors then makes a decision after receiving approval from the Audit & Supervisory Board.

Standards for Determining Independence of Outside Directors and Outside Audit & Supervisory Board Members

Candidates for Outside Director or Outside Audit & Supervisory Board Member of the Bank are deemed to be independent from the Bank when they do not come under any of the following conditions.

(1) A person whose main business partner is the Bank, or, if it is a corporate or legal entity, its executive officer,
(2) A person who is a major business partner of the Bank, or, if it is a corporate or legal entity, its executive officer,
(3) A consultant, professional accountant or legal professional who has gained a "large amount" (Note 1) of fees or other properties in addition to executive remuneration from the Bank (if the party who has gained such properties is a corporation, an association, or any other organization, a person who belongs to such organization),
(4) A person who "recently" (Note 2) fell under (1), (2), or (3), and
(5) A "close relative" (Note 4) of a person who falls under any of the following items from A to D (excluding those who are not considered "important" (Note 3)).
A. A person who falls under (1) to (4) above
B. An executive officer of the Bank's subsidiary
C. A director who is not an executive officer of the Bank's subsidiary
D. A person who "recently" fell under B or C above or was an executive officer of the Bank

Note 1: "A large amount" means a past three-year average annual amount that is 10 million yen or more if the party who has gained such properties is an individual, and if the party is an organization, a past three-year average amount that is equal to or more than the higher of 2% of the organization's consolidated net sales or 10 million yen.
Note 2: "Recently" can be regarded as being almost equal to "presently." For example, at the time when the content of the proposals was determined for the General Meeting of Shareholders where the person was elected as an Outside Director or Outside Audit & Supervisory Board Member.
Note 3: "Important" refers to those who are directors, general managers and the like (executive officers); and certified public accountants and lawyers (accounting professionals and legal experts).
Note 4: "Close relative" refers to first and second-degree relatives.

Reasons for appointment as Outside Director and expected roles

Name	Independent officer	Reason for election
Kuniko Nishikawa	○	Ms. Kuniko Nishikawa has experience working in foreign financial institutions and foreign consulting companies, and serving as President and Representative Director of a temporary staffing and placement company. In addition to currently serving as President of FIRSTSTAR Healthcare, Co., Ltd. which she established in 2010, Ms. Kuniko Nishikawa serves as a president or outside director of several companies and has extensive experience and broad insight into corporate management. The Bank has judged that her experience and knowledge can contribute to the management of the Bank as Outside Director and has nominated her as a candidate for Outside Director. She has served as Outside Director since June 2020, and has been appropriately fulfilling her duties and responsibilities as may be required. The Bank expects her to continue to supervise its business execution from an objective standpoint and participate in the examination processes as a member of the Nomination Advisory Committee and the Compensation Advisory Committee. She satisfies the standards for independence for Independent Directors stipulated by the Tokyo Stock Exchange, Inc. and the Standards for Determining Independence of Outside Officers of the Bank, and has been judged to have no potential conflicts of interest with ordinary shareholders. Accordingly, the Bank has reported her as an Independent Director to the Tokyo Stock Exchange, Inc.
Kazuhito Osugi	○	Mr. Kazuhito Osugi gained advanced expertise in the overall financial field and extensive practical experience through his career, including serving as Branch General Manager, Director-General of Internal Auditors' Office, Director-General of Secretariat of the Policy Board, and Auditor at Bank of Japan. He also has broad insights based on his experience of revitalizing private-sector companies at Industrial Revitalization Corporation of Japan, and serving as an outside director at several companies. The Bank has judged that his experience and knowledge can contribute to the management of the Bank as Outside Director and has nominated him as a candidate for Outside Director. He has served as Outside Director since June 2021, and has been appropriately fulfilling such duties and responsibilities as may be required. The Bank expects him to continue to supervise its business execution from an objective standpoint and participate in the examination processes as a member of the Nomination Advisory Committee and the Compensation Advisory Committee. He satisfies the standards for independence for Independent Directors prescribed by the Tokyo Stock Exchange, Inc. and the Standards for Determining Independence of Outside Officers of the Bank and has been judged to have no potential conflicts of interest with ordinary shareholders. Accordingly, the Bank has reported him as an Independent Director to the Tokyo Stock Exchange, Inc.
Takuji Kanai	○	Mr. Takuji Kanai has been engaged in corporate accounting audit work for many years as a certified public accountant and has a wide range of knowledge in corporate finance, accounting, auditing, internal control, and risk management, as well as extensive practical experience, including working abroad. Additionally, he possesses a high level of insight into the management of global companies, along with diverse management experience in global firms and audit corporations. The Bank has judged that his experience and knowledge can contribute to the management of the Bank as Outside Director and has nominated him as a candidate for Outside Director. He has served as Outside Director since June 2024, and has been appropriately fulfilling such duties and responsibilities as may be required. The Bank expects him to continue to supervise its business execution from an objective standpoint and participate in examination processes as a member of the Nomination Advisory Committee and the Compensation Advisory Committee. He satisfies the standards for independence for Independent Directors prescribed by the Tokyo Stock Exchange, Inc. and the Standards for Determining Independence of Outside Officers of the Bank and has been judged to have no potential conflicts of interest with ordinary shareholders. Accordingly, the Bank has reported him as an Independent Director to the Tokyo Stock Exchange, Inc.
Mari Kano	○	Ms. Mari Kano has extensive knowledge of corporate finance as well as management experience with global perspectives, gained from her work experience at a mega bank for many years including serving as a head of office overseas, and possesses a wide range of insight through her experience as the head of an international exchange center at a university and an outside director at multiple companies. The Bank has judged that her experience and knowledge can contribute to the management of the Bank as Outside Director and has nominated her as a candidate for Outside Director. The Bank expects her to supervise its business execution from an objective standpoint and participate in examination processes as a member of the Nomination Advisory Committee and the Compensation Advisory Committee. She satisfies the standards for independence for Independent Directors prescribed by the Tokyo Stock Exchange, Inc. and the Standards for Determining Independence of Outside Officers of the Bank and has been judged to have no potential conflicts of interest with ordinary shareholders. Accordingly, the Bank has reported her as an Independent Director to the Tokyo Stock Exchange, Inc.

Reasons for appointment as Outside Audit & Supervisory Board Member

Name	Independent officer	Reason for election
Yasuo Kamiya	○	Mr. Yasuo Kamiya has extensive experience as a lawyer and a wide range of knowledge gained through serving as the Chairman of the Gunma Bar Association, the Chairman of the Gunma Prefectural Public Safety Commission, etc. He has served as Outside Audit & Supervisory Board Member of the Bank since 2020, and has been appropriately fulfilling such duties and responsibilities as may be required. The Bank has judged that his experience and knowledge can contribute to fulfilling the duties of Outside Audit & Supervisory Board Member appropriately and has nominated him as a candidate for Audit & Supervisory Board Member. He satisfies the standards for independence for Independent Audit & Supervisory Board Members prescribed by the Tokyo Stock Exchange, Inc. and the Standards for Determining Independence of Outside Officers of the Bank and has been judged to have no potential conflicts of interest with ordinary shareholders. Accordingly, the Bank has reported him as an Independent Audit & Supervisory Board Member to the Tokyo Stock Exchange, Inc.
Hiroshi Kasahara	○	Mr. Hiroshi Kasahara has many years of experience and achievements in local administration and other areas in Gunma Prefecture, as well as wide insights. He has served as Outside Audit & Supervisory Board Member of the Bank since 2022, and has been appropriately fulfilling such duties and responsibilities as may be required. In utilizing these experiences and knowledge, the Bank has judged that he is capable of appropriately performing his duties as an Outside Audit & Supervisory Board Member, and has nominated him as a candidate for Audit & Supervisory Board Member. As he satisfies the standards for independence for Independent Audit & Supervisory Board Members prescribed by the Tokyo Stock Exchange, Inc. and the Standards for Determining Independence of Outside Officers of the Bank and has been judged to not have potential for conflicts of interest with ordinary shareholders, the Bank has reported him as an Independent Audit & Supervisory Board Member to the Tokyo Stock Exchange, Inc.
Sumiko Suzuki	○	Ms. Sumiko Suzuki has extensive experience as a certified public accountant and certified tax accountant, as well as a wide range of knowledge. The Bank has judged that her experience and knowledge can contribute to fulfilling the duties of Outside Audit & Supervisory Board Member appropriately and has nominated her as a candidate for Audit & Supervisory Board Member. She satisfies the standards for independence for Independent Audit & Supervisory Board Members prescribed by the Tokyo Stock Exchange, Inc. and the Standards for Determining Independence of Outside Officers of the Bank and has been judged to have no potential conflicts of interest with ordinary shareholders. Accordingly, the Bank has reported her as an Independent Audit & Supervisory Board Member to the Tokyo Stock Exchange, Inc.

Support system for Outside Directors and Outside Audit & Supervisory Board Members

The Secretariat, which is responsible as the secretariat of the Board of Directors, has a key role in supporting Outside Directors while distributing materials for the Board of Directors in advance. In order to allow for sufficient time to prepare for deliberations, the Outside Directors receive the materials at the same time as Inside Directors. Additionally, we provide in advance information on the Bank's new initiatives that will be announced in news releases, as well as on internal investor relations for employees. We also ensure opportunities for information exchange with the President and Audit & Supervisory Board Members, and we organize informal meetings for Outside Directors to facilitate the sharing of information. Through these efforts, we are working to create an environment where the Outside Directors can always make useful recommendations to the Board.

Outside Audit & Supervisory Board Members are also provided with the materials for the Board of Directors in advance, and the dedicated staff in the Audit & Supervisory Board Members' Office offers the necessary support for auditing operations by distributing materials for the Audit & Supervisory Board in advance.

In addition, at the Audit & Supervisory Board, Standing Audit & Supervisory Board Members explain the agenda of the Board of Directors and minutes of the Executive Committee in detail to Outside Audit & Supervisory Board Members and share information such as reports on the status of audits conducted by Standing Audit & Supervisory Board Members. Additionally, the Bank provides opportunities for information exchange by securing venues for exchanging opinions with the President.

Ensuring and enhancing the effectiveness of the Board of Directors

Every fiscal year, the Bank analyzes and evaluates the effectiveness of the Board of Directors as a whole with the support of an external consultant to ensure and enhance overall effectiveness.

Specifically, we develop a survey based on the external consultant's opinions, and each Director and Audit & Supervisory Board Member conducts a self-assessment by responding to the survey. The external consultant then analyzes and evaluates the self-assessment results. For FY2025, the analysis and evaluation through the survey covered such areas as "Composition and operation," "Management strategy and business plan," "Risk management," "Nomination and remuneration," and "Dialogue with shareholders." In order to ensure anonymity and objectivity, we outsourced the collection and analysis to an external consultant.

Based on the analyzed and evaluated results of the survey, an evaluation was made at the meeting of the Board of Directors held in May 2026 where it was confirmed that the effectiveness of the Board of Directors has been ensured.

With the business integration with Daishi Hokuetsu Financial Group scheduled for April 2027, the Bank recognizes that the importance of Group governance is increasing. Under the new structure following the business integration, we will work to strengthen the Board of Directors' oversight of the execution of operations at each Group company.

The Bank also recognizes that, in order for the Board of Directors to respond appropriately to the rapidly changing business environment, it is essential not only to leverage the expertise of each Director but also to ensure their continuous learning on the latest important topics. Accordingly, we will remain committed to providing Directors with study sessions on key topics led by external experts and enhancing training opportunities for newly appointed Outside Directors to facilitate their ability to understand the background and details of the management issues. Through a series of these initiatives, we will aim to further enhance the effectiveness of the Board of Directors.

Executive remuneration

The remuneration of Directors, excluding Outside Directors, is comprised of fixed-amount remuneration, bonus, and share remuneration. As for the share remuneration plan, we reviewed the Directors' remuneration system in June 2019 to further encourage our management to operate from the same perspective as our shareholders and to provide appropriate incentives for the sustainable improvement of the Bank's performance and value. Therefore, we abolished the conventional share remuneration-type stock option plan and introduced the restricted share remuneration plan and the performance-linked share remuneration plan.

The Outside Directors and Audit & Supervisory Board Members receive only fixed-amount remuneration, taking into account that they are required to play the role of auditing and supervising.

The remuneration limit was determined by the resolutions of the General Meeting of Shareholders in 2012 and 2019 as shown on the right:

Remuneration limit

	Fixed-amount remuneration	Bonus	RS and PS
Director	Total 360 million yen per year		120 million yen per year, 500,000 shares
Audit & Supervisory Board Member	80 million yen per year	–	–

Note: RS stands for "Restricted Share Remuneration," and PS stands for "Performance Share Plan."

Total amount of remuneration, etc. by board member category, total amount by type of remuneration, etc., and number of eligible board members

Board member category	Total remuneration (millions of yen)					Number of eligible board members (People)
		Monthly remuneration (Non-performance-linked)	Bonus (Performance-linked)	Restricted share remuneration (Non-performance-linked)	Performance Shares (Performance-linked)	
Directors (excluding Outside Directors)	364	209	88	52	13	7
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	49	49	–	–	–	2
Outside Directors and Outside Audit & Supervisory Board Members	72	72	–	–	–	7

Basic Policy for Executive Remuneration

We formulated the basic policy for executive remuneration, and the Bank determines the Directors' and Audit & Supervisory Board Members' remuneration in accordance with the perspectives and procedures based on this policy. The details of this policy are as follows.

1. Basic perspective on the directors' remuneration system

- In order to create a directors' remuneration system that contributes to the realization of the Bank's management policy, our basic perspective on the directors' remuneration system is based on the principles of the Corporate Governance Code as follows:

① To further motivate Directors to contribute to the sustainable growth of the Bank and increase the corporate value of the Bank over the mid- to long-term,
② To share profit awareness with shareholders and raise management awareness focusing on shareholders,
③ To maintain proper linkage with business performance and give a sound incentive,
④ To avoid inappropriate risk taking,
⑤ To be able to hire or secure excellent managerial talent,
⑥ Because Directors are primarily responsible for the performance of the entire Bank, individual evaluation for incentive remuneration is more focused on contributing to the overall performance of the Bank than the performance of the businesses in which Directors are in charge, and
⑦ To show an objective and transparent decision-making process.

2. Governance for determining remuneration

- In accordance with the Compensation Advisory Committee Regulations set forth separately, the Board of Directors determines the items shown on the right based on the advice and recommendations from the Compensation Advisory Committee consisting of three or more members (at least half of them are Independent Outside Directors) after the committee has deliberated the items in response to the request by the Board of Directors.
- Remuneration for Audit & Supervisory Board Members is determined through discussions by the Audit & Supervisory Board Members.

① Proposal for the General Meeting of Shareholders on remuneration for Directors and Audit & Supervisory Board Members,
② Policy for remuneration of Directors (including this policy),
③ Remuneration system for Directors (including amount of remuneration by individuals), and
④ Items such as policies needed when deliberating each of the above items, which are deemed necessary by the Compensation Advisory Committee.

3. Remuneration structure

(1) Directors, excluding Outside Directors

- The executive remuneration for individuals shall be set at a ratio of 3:1:1 in the following order: 1) Base remuneration, 2) Short-term incentive remuneration, and 3) Mid- to long-term incentive remuneration, taking into account the absolute amount of remuneration.

(2) Outside Directors and Audit & Supervisory Board Members

- Remuneration for Outside Directors and Audit & Supervisory Board Members shall consist of only base remuneration, considering their role and independent status.

Summary of remuneration structure

Features of remuneration	Base remuneration	Variable remuneration	
		Short-term incentive remuneration	Mid- to long-term incentive remuneration
Cash/Share	Cash remuneration		Share remuneration
Performance-linked remuneration	Non-performance-linked remuneration	Short-term performance-linked remuneration	Non-performance-linked remuneration / Mid- to long-term performance-linked remuneration
Type of remuneration	Monthly remuneration	Bonus	Restricted share / Performance Shares

4. Remuneration level

- The Bank determines the appropriate amount of remuneration based on its business performance, the environment surrounding the Bank, social and economic conditions, and industry trends.
- Also, as a leading company in the region, we are aware of the appropriate level of remuneration received by executives of regional businesses through survey data obtained by regularly participating in surveys conducted by external research organizations (so-called executive remuneration survey, etc.) and use this information as a reference in determining our own remuneration.

5. Performance-linked remuneration

(1) Bonus

- Due to the nature of short-term incentive remuneration, consolidated profit is adopted as an evaluation indicator with the aim of increasing motivation to contribute to business performance for each fiscal year. For the performance-linked portion, the amount of remuneration is determined within the range of 0% to 200% depending on the status of achievement of consolidated profit.

(2) Performance Shares

- The four indicators shown on the right are adopted as evaluation indicators, with the aim of enhancing corporate value over the mid- to long-term as well as sharing profit awareness with shareholders and raising management awareness that values the shareholders. The amount of remuneration is determined within the range of 0% to 200% depending on the status of achievement.
- In principle, the Bank issues the Bank's common shares equivalent to the remuneration shown on the right in each fiscal year after being reasonably adjusted in accordance with the executive tenure during the evaluation period (the immediately preceding three fiscal years).

Performance Shares (Amount of performance-linked share remuneration)
=
① Profit indicator — Calculated based on consolidated profit per share
+
② Efficiency indicator — Calculated based on consolidated over head ratio (OHR)
+
③ Shareholder value indicator — Calculated based on total shareholder return
+
④ Non-financial indicator — Calculated based on sustainability indicators

Evaluation indicators used to calculate the remuneration amount under Performance Share Plan

① Consolidated profit per share (Consolidated EPS/Earnings Per Share)
We have set profit as our number one indicator for measuring mid- to long-term results, and we have set consolidated EPS, which is a key indicator for shareholders, as our benchmark.
② Consolidated over head ratio (Consolidated OHR)
We will use consolidated OHR, which is also a key indicator in the numerical targets of our mid-term business plan, as a benchmark.
③ Total shareholder return (TSR)
The Bank's shareholder value index, which shows the return on investment, will be used to raise awareness of the benefits to shareholders and the importance of shareholder-oriented management.
④ Sustainability indicators
The Bank's evaluation indicators will be selected from among management indicators associated with the 13 goals set out in the Gunma Bank Group Sustainability Policy.

6. Perspective on the forfeiture and recovery clauses for remuneration

- To prevent excessive risk taking and ensure the soundness of management, and to prevent serious scandals, such as accounting fraud or significant corrections required for past fiscal year financial statements, which may be caused by excessive incentives, we established the clauses (Clawback clause and Malus clause) for the recovery and forfeiture of all or part of the share remuneration in the event of the circumstances.

7. Perspective on holding treasury shares

- In order to share awareness of the interest with shareholders and raise awareness of management with the emphasis on shareholders, we introduce a share remuneration plan to the Directors, excluding Outside Directors, and encourage them to hold a certain amount or more of the Bank's common shares depending on their positions in accordance with the Share Ownership Guidelines.

8. Disclosure policy

- We disclose this policy to stakeholders through the following disclosure materials and media in an appropriate way: securities reports, reference documents for the General Meeting of Shareholders, Corporate Governance Report, our website, etc.