THE GUNMA BANK REPORT

Gunma Bank

2026

Integrated Report

Disclosure magazine [main part]



Weaving Better Future for Our Communities

Corporate Philosophy Structure

The Gunma Bank Group established its new Purpose on November 20, 2021. Faced with numerous social issues, we reexamined the meaning of our existence and established our Purpose based on the thought, "What is the purpose of our existence in society, and what impact can we have on the future of society?" Following the establishment of the Purpose, we have formulated business plans for the realization of the Purpose and implemented purpose-driven management aiming for sustainable corporate value.

Corporate Philosophy

The universal concept that expresses values of the Gunma Bank that govern how we should comport ourselves

Our mission is to take actions that will foster the development of regional communities.

The foundation of our business is to strengthen a creative relationship with our customers.

Our operations are based on the motto "Be a good citizen first to become a good entrepreneur."

Our corporate culture is based on the value of face-to-face communication within our organization.

Purpose

The concept of the impact the Gunma Bank Group should strive to make on society by harnessing its strengths based on the corporate philosophy

By connecting the strands of resources, people, and generations, we weave better futures for our communities

[Goal of establishing the Purpose]

Sharing of decision axes, increasing individual job satisfaction, and empathizing with stakeholders

To-be Future

The "To-be Future" of the Gunma Bank Group based on the Purpose

Sustainable development of local communities and the Gunma Bank Group

Mid-Term Business Plan

The plan that shows the efforts we will make to realize the "To-be Future" based on the Purpose

Growth with "Purpose"

(Plan period: April 2025–March 2028)

The Gunma Bank Group's Purpose

By connecting the strands of resources, people, and generations, we weave better futures for our communities

Connecting the strands of resources, people, and generations

Ever since our establishment as the Gunma Daido Bank in 1932, our roots have always been in connecting lenders and borrowers together. We receive deposits and offer loans to people in order to keep the economy running, and this has been and will continue to be a key role for us.

Apart from our work in finance, we connect local communities, companies, and people together, and we also connect them with our services, information, and other resources. Through these efforts, we connect many kinds of value together, and create new value. We believe that this is what society expects from us.

To meet these expectations from society, we will harness the unique strengths we have nurtured over the years, as each one of us engages in initiatives to connect.

For example, we can utilize our networks and information capabilities to connect our customers with our resources and solve management issues. We can also connect customers who have no successor with someone who can lead such customers' businesses or the like to the next generation, thereby enabling a sustainable future for our customers and the local community. By connecting customers with global investment opportunities, we can also bring them a fulfilling and secure future. Each of these connections may be small by itself, but many of them together can produce a surging momentum like Japan's mighty Tone River to bring an enriching future to local communities.

Weaving better futures for our communities

By "our communities," we do not refer only to Gunma Prefecture, where our headquarters is located, but also all the regions, companies, people, and other stakeholders within our network.

We aim to utilize our strengths in "connecting" to create a future that is not only economically enriching, but that also brings about a sustainable society through the preservation of the global environment and efforts to tackle social issues including an aging and shrinking population. Threads are spun using fibers from silkworm cocoons, and Gunma Prefecture, where our headquarters is located, is a region that has developed primarily around the textile industry, symbolized by the Tomioka Silk Mill, a World Heritage Site. We use the word "weaving" in our Purpose to signify our desire to create an enriching future for our communities while cherishing and respecting their history.

The Gunma Bank Group will connect the strands of resources, people, and generations to weave better futures while working with everyone in our communities.

(Established on November 20, 2021)

GUNMA BANK REPORT 2026

What We Want to Convey in This Report

Introduction

Launch of new financial group that constitutes one of the top regional banks

1 Message from Management

This section describes the agenda set by the management team with an eye on a "world with interest rates," and our initiatives and roadmap toward the business integration with Daishi Hokuetsu Financial Group.

2 The Gunma Bank Group's Value Creation Story

This section explains the reasons why the Gunma Bank Group demonstrates its strengths in the region and its ways to create value.

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

Under the Mid-Term Business Plan "Growth with 'Purpose,'" we strive to deepen our purpose-driven management. This section describes the specific initiatives for the enhancement of corporate value.

4 Management Base That Supports Sustainable Growth

This section describes our initiatives to contribute to the region's sustainable development and solve environmental and social issues and our governance structure to stay committed to enhancing corporate value over the mid- to long-term.

Data Section

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History of the Gunma Bank Group

The roots of the Gunma Bank trace back to the establishment of **the 39th National Bank** in 1878. In 1898, the 39th National Bank became the private 39th Bank, and while its name and form changed, it remained the largest bank in Gunma Prefecture, providing funds to companies in the prefecture, especially in the textile industry. In the early Showa era, banks in the prefecture were divided into three banking blocs centered on the (2nd) Gunma Bank in Maebashi, the Joshu Bank in Takasaki, and the Jomo Bank in Shibukawa, respectively. After the national government adopted a one prefecture, one bank policy to stabilize the country's financial system, Gunma Prefecture established Gunma Prefecture Kinyu, Ltd. with its own capital in 1932. It merged with the (2nd) Gunma Bank and Joshu Bank and changed its name to **the Gunma Daido Bank**. The Bank has designated November 20, the date of the shareholders' meeting at which this merger was approved, as the anniversary of its founding. After surviving the turmoil during and after World War II, the Gunma Daido Bank was renamed to **the Gunma Bank** in 1955.

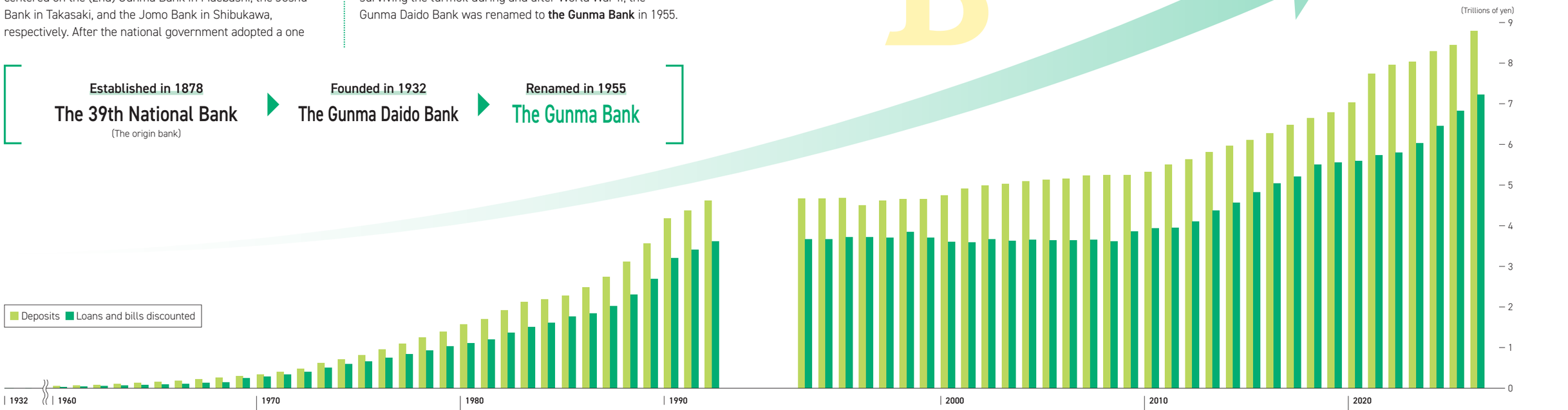
Established in 1878
The 39th National Bank
(The origin bank)

▶

Founded in 1932
The Gunma Daido Bank

▶

Renamed in 1955
The Gunma Bank



Established and invested in Group companies

1970

- Feb. 1971
  Gunma Chuo Kogyo Co., Ltd.
  Transportation of goods, maintenance of automated teller machines (ATM)
- Oct. 1973
  Gungin Leasing Co., Ltd.
  Leasing

1980

- Mar. 1982
  The Gungin Card Co., Ltd.
  Credit cards
- Sep. 1983
  Gunma Shinyo Hosyo Co., Ltd.
  Guarantee business
- Jul. 1986
  Gungin System Service Co., Ltd.
  System development and sales

2010

- Feb. 2016
  Gungin Securities Co., Ltd.
  Securities business
- Jul. 2016 (capital participation)
  Sky Ocean Asset Management Co., Ltd.*
  Asset management (investment trust)
- Apr. 2018
  Gungin Consulting Co., Ltd.
  Consulting / Human resources solutions / Regional trading company / Marketing and advertising

2020

- Dec. 2020
  Gunma Regional Advanced Solution Partners, Inc.
  Fund structuring and operation

*Operations to be terminated around March 31, 2027.

Major events

From foundation

1932 Foundation of the Gunma Daido Bank
1955 Renamed to the Gunma Bank, Ltd.


Gunma Daido Bank Head Office at time of founding

From the 1960s

1969 Stock listed on the Tokyo Stock Exchange
1972 Completion of current head office


Current head office at time of completion

From the 1980s

1983 Established the Gunma Economic Research Institute
1992 Established our Corporate Philosophy
Established our corporate logo
1995 Established the Gunma Bank Environmental Foundation (now the GUNGIN Foundation)

Gunma Bank
Established our corporate logo

From the 2000s

2009 Establishment of the Gunma Bank Environmental Policy
2019 Establishment of the Gunma Bank Group SDGs Declaration

From the 2020s

2020 The Bank joins the TSUBASA Alliance, a wide-area cooperation of 10 regional banks
2021 Establishment of the Gunma Bank Group's Purpose
Signing of the Gunma and Daishi Hokuetsu Alliance through a collaboration agreement with Daishi Hokuetsu Bank, Ltd.
2022 Signing of the Ryomo Regional Revitalization Partnership through a collaboration agreement with the Ashikaga Bank, Ltd.
2025 Establishment of the Gunma Bank Group's Sustainability Policy
Signing of a memorandum of understanding for the business integration with Daishi Hokuetsu Financial Group



At a press conference announcing the Bank's Purpose

2026 Signing of a business integration agreement with Daishi Hokuetsu Financial Group



Left: Akihiko Fukai, President, the Gunma Bank
Right: Michiro Ueguri, President, Daishi Hokuetsu Financial Group

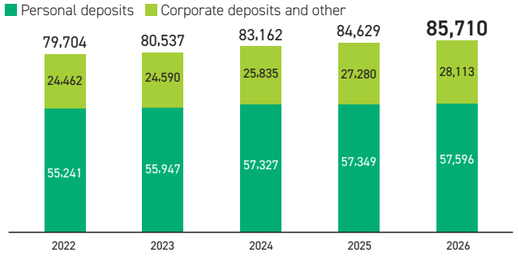
2027 Establishment of the new Gunma Niigata Financial Group

GNFG

Financial Information Highlights

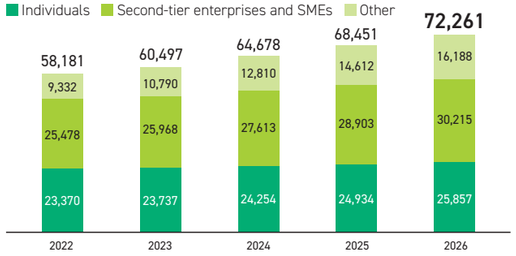
Deposits As of March 31, 2026 8.5 trillion yen

(Unit: Hundred millions of yen) (11th out of 61 regional banks)



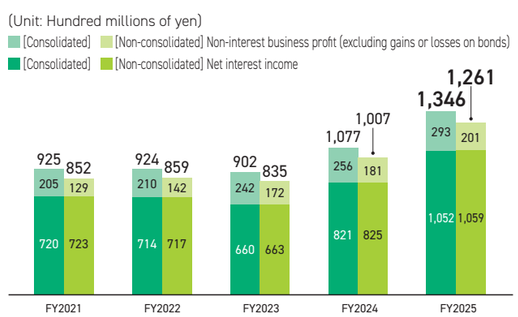
Loan balance As of March 31, 2026 7.2 trillion yen

(Unit: Hundred millions of yen) (10th out of 61 regional banks)



Breakdown of core business gross profit

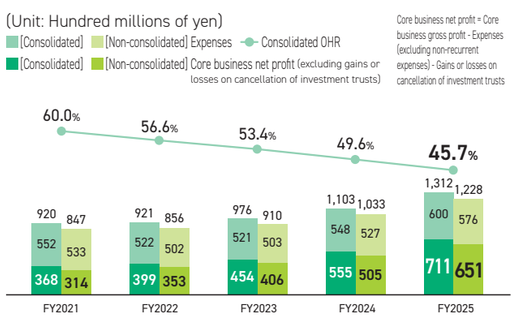
(Unit: Hundred millions of yen)



Core business net profit (excluding gains or losses on cancellation of investment trusts)

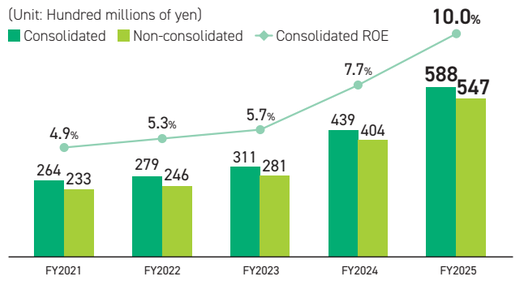
(Unit: Hundred millions of yen)

Core business net profit = Core business gross profit - Expenses (excluding non-recurrent expenses) - Gains or losses on cancellation of investment trusts



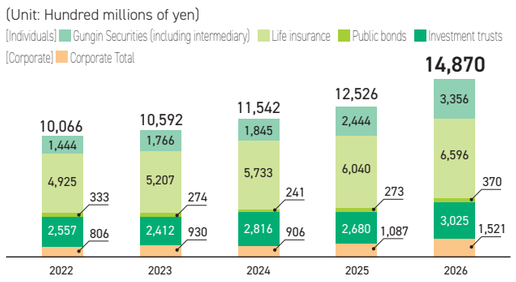
Profit

(Unit: Hundred millions of yen)

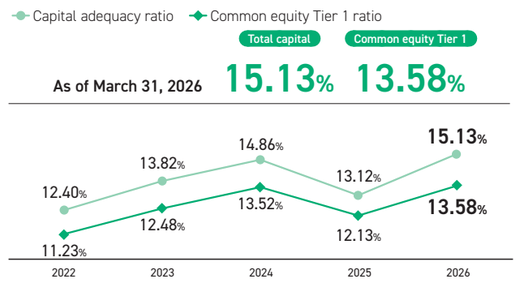


Balance of customers' financial assets under custody (including Gungin Securities)

(Unit: Hundred millions of yen)

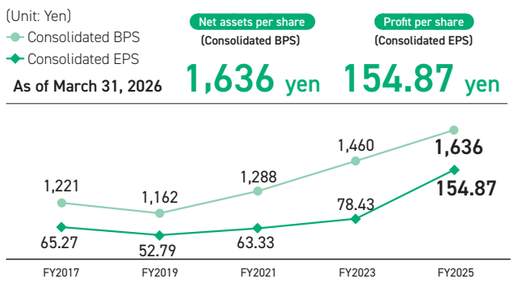


Consolidated capital adequacy ratio (uniform international standards)



Index per share (Consolidated)

(Unit: Yen)



Non-Financial Information Highlights

Sustainable development of regional economy

Number of business succession issues resolved

FY2025

754 cases

cumulative total from FY2025 to FY2027

Target: 1,500 cases

Number of contracts for inheritance-related services

FY2025

546 cases

cumulative total from FY2025 to FY2027

Target: 2,000 cases

Volume of cashless transactions

FY2025

291.5 billion yen

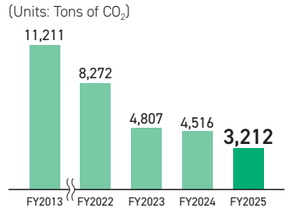
FY2027

Target: 350.0 billion yen

Preservation and creation of the global environment

Greenhouse gas emission

(Units: Tons of CO_2)



Down 71.3%

(Compared to FY2013)

Cumulative amount of sustainable financing

FY2025

453.5 billion yen

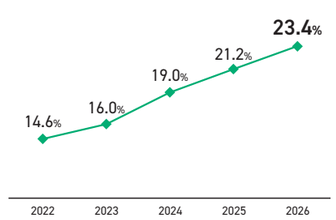
(including 291.7 billion yen in the environmental field)

FY2025 to FY2027 **Target: 1,200.0 billion yen (including 600.0 billion yen in the environmental field)**

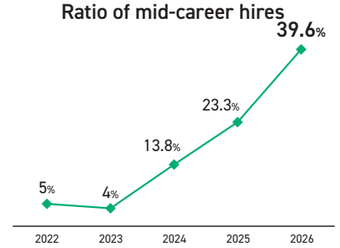
*Sustainable finance refers to finance activities that contribute to solving environmental issues (renewable energy, energy-saving equipment, etc.) and social issues (business start-ups and succession-related issues, medical care, etc.).

Promotion of a variety of human resources into active positions

Ratio of female managers



Ratio of mid-career hires



Number of employees appointed to specialist positions

FY2025 results

(Number of employees in the position as of April of the next fiscal year)

191

Promotion of partnerships

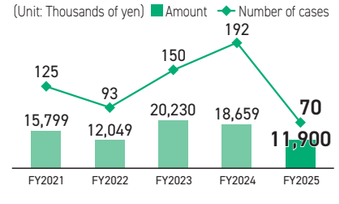
Cooperation with local public bodies in Gunma Prefecture

13

(As of March 31, 2026)

Donations from SDGs private placement bonds

(Cumulative: 153,870 thousand yen/1,090 donations)



External collaboration

10th TSUBASA ALLIANCE

GUNMA DAISHI HOKUETSU ALLIANCE 群馬・第四北越 アライアンス

りょうもう 地域活性化 partnership

Fincross DIGITAL

1 Message from the Management

Message from the President

Advancing to a New Phase of Growth, Driven by Our Purpose

Strong Momentum in the First Year of the Mid-Term Business Plan and Building the "Future of Our Communities and Group" through Business Integration



FY2025 Results and Evaluation of the First Year of the Mid-Term Business Plan "Growth with 'Purpose'"

Achieving high capital efficiency and profitability from the first year, establishing a solid foundation for meeting the Mid-Term Business Plan targets

FY2025 was marked by increasingly rapid and significant changes in the business environment. Amid uncertainty in the global economy stemming from the United States' high tariff policies, the new Takaichi administration took office in Japan in October 2025, while policy interest rate hikes resulted in a full-fledged transition to a positive interest rate environment.

Against this backdrop, we launched our new Mid-Term Business Plan, "Growth with 'Purpose,'" and delivered a very strong start in its first year. We believe this performance reflects the steady progress we have made in embedding "Purpose-driven, proactive actions." As a result, each employee is increasingly able to find both "a clear framework to respond to changes" and "a sense of fulfillment in their work."

These proactive initiatives enabled us to undertake activities that resonated with our customers and local communities, resulting in solid outcomes.

Consolidated net income reached 58.8 billion yen, up 34.1% year-on-year, after two upward revisions of our earnings forecasts during the fiscal year. We believe this represents a significant achievement, bringing us within reach of the Mid-Term Business Plan's final target of 60.0 billion yen.

In addition, ROE, a capital efficiency indicator, reached our target level of 10%. From an earnings perspective, FY2025 significantly outperformed our initial forecasts.

However, I am not satisfied with all aspects of our progress. Looking at each initiative under the Plan, progress has varied, partly because this was the Plan's first year. Of the Mid-Term Business Plan's two strategic themes, the first "Deepening purpose-driven sales" is managed through quantitative progress monitoring using the "KPIs for Connections" as key activity indicators. A closer look at these indicators shows that areas where our strengths and purpose-driven approach are most evident, including "corporate solutions (business succession, staffing services, etc.)" and "sustainable finance," have grown steadily and are already demonstrating high progress rates. On the other hand, our efforts targeting "retail customer and asset-building customer segments," which will serve as a medium- to long-term earnings base, still face challenges. Going forward, we will accelerate our strategy in this area, including greater use of digital technologies, and steadily regain momentum.

As for the other strategic theme, "Striving to establish sustainable regional economic zones," we have only just begun. Establishing a network that enhances the sustainability of local communities cannot be accomplished overnight. That is precisely why we position this as our most important medium- to long-term priority for addressing regional challenges, and we are committed to advancing it steadily.

Unwavering Commitment to Taking on Challenges Since the Previous Mid-Term Plan, "Innovation for 'Purpose'"

Alignment of sales operations and human resources to realize our Purpose

When I assumed the position of President in 2019, Japan was in the midst of the negative interest rate era, making it extremely difficult to grow profit through the traditional banking model centered on deposit and lending alone. Faced with a strong sense of urgency, we recognized the need to look beyond the conventional boundaries of "banking," reexamine the meaning of our existence, and continue to evolve. Based on this sense of urgency and awareness of the challenges, we established our Purpose, "By connecting the strands of resources, people, and generations, we weave better futures for our communities," in November 2021 to articulate the meaning of our existence. The following year, we started our previous mid-term business plan, "Innovation for 'Purpose,'" with this Purpose positioned as the cornerstone of our management.

Our primary focus at that time was to evolve our approach to sales activities in line with our Purpose and firmly establish the approach as "purpose-driven sales." Specifically, this meant a transition to a structure in which, through dialogue with our customers, we accurately identify their diverse goals and needs, including their business vision for the next five to ten years, capital investment, human resource enhancement, business succession, and M&A. By providing the full range of solutions we have and positioning financing at the center of those solutions, we aim to maximize our potential. Building this sales structure, which we call the "full-spec approach," was one of the major achievements under the previous mid-term business plan.

However, for this new sales approach to take root in the workplace and become sustainable, it was essential to reform the performance evaluation and compensation systems that underpin our employees' mindset and behavior. Accordingly, alongside the reform of our sales structure, we also undertook a comprehensive overhaul of our human resource system. Under the traditional seniority-based human resource system, it was difficult to fully unlock the expertise and potential of each employee. To address this, we introduced a job-based human resource system based on the principle of placing the right person in the right position, rather than fitting people into positions. By clearly defining the skills and requirements for each position, we established a system that enables the appointment of the most suitable person to each position, regardless of age or gender.

In implementing the new system, we recruited an external human resources specialist as an Executive Officer. This enabled us to establish a system better suited to attracting and rewarding highly specialized talent, thereby strengthening our recruitment of mid-career professionals who can make an immediate contribution. At the same time, we introduced a job posting system that allows employees to apply for positions of their own choosing, which has helped foster a culture of proactive initiative and boost employee motivation. The tangible results we are delivering under "Growth with 'Purpose'" today, have been made possible by the two foundations we built under the previous mid-term business plan: the reform of our sales structure and the overhaul of our human resource system.

Seizing the shift to a positive interest rate environment and quickly moving onto a growth trajectory

By the time initiatives centered on these sales structures and human resource system were firmly in place, and our vision was beginning to take shape, signs of a major shift were emerging in the business environment. This was the shift to a positive interest rate environment, driven by policy interest rate hikes. To translate this change in the business environment into steady growth, we launched our current Mid-Term Business Plan, "Growth with 'Purpose'," building on and further advancing the achievements of the previous mid-term business plan.

We fully recognize the skepticism among market participants as to whether banks that have operated in an ultra-low-interest rate environment for more than 30 years can successfully adapt to the shift to a positive interest rate environment. However, we have been proactively developing systems to stay ahead of the curve in this area.

Since 2018, we have focused on building a pricing structure more closely linked to market interest rates. In addition to large corporate loans and cross-border loans, we have shifted the vast majority of our lending to small and medium-sized enterprises to market rate-linked pricing. As a result of these strategic initiatives, our lending yields have become highly sensitive to interest rate changes. During the Bank of Japan's interest rate hikes, the improvement in the interest rate environment translated quickly into stronger financial performance. This was a direct result of these measures and is one of the defining strengths of our solid profit structure.

Focusing on deposit growth as a responsibility of a regional financial institution

On the other hand, we believe there is still room for improvement in strengthening the deposit base that supports our sustainable growth.

The Bank's loan-to-deposit ratio is approximately 80%, representing a highly efficient level of deposit utilization. However, it also means that further expansion of our lending will require us to grow the deposit base that provides the funding for those loans.

Looking at deposit market share within Gunma Prefecture, however, the Bank's share stands at only around 40%, meaning that a substantial portion of the region's deposits continues to be held by other banks. At the same time, the overall loan-to-deposit ratio of local financial institutions remains at a relatively low level, indicating that a significant amount of deposits within the region are still not being effectively channeled into lending. As the leading regional bank, we believe it is our responsibility to ensure that the deposits entrusted to us are circulated within the local economy. To fulfill that responsibility, we will continue to actively pursue initiatives to expand our deposit base.



Specifically, we will accelerate our efforts for both corporate and individual customers. For corporate deposits, we will further deepen our relationships with customers and respond closely to their financing needs, thereby increasing deposit balances. In addition, building on the solid progress we have already made, we will further strengthen these initiatives. For individual deposits, we are now in a position to offer attractive deposit rates, supported by the expansion of our loan income. We will deploy strategic interest rate initiatives in a flexible manner to meet the needs of each customer segment, from those building their assets to high-net-worth individuals, with the aim of steadily increasing deposit balances.

That said, competing solely on deposit interest rates will not enable us to build long-term relationships with our customers. To remain the bank of choice, we must extend to individual customers the same commitment to "providing comprehensive solutions to a broad range of challenges" that has underpinned our corporate banking operations and evolve toward an "all-asset approach," under which we engage with each customer's overall assets. Specifically, we will use attractive deposit rates as a starting point. From there, we will gain a comprehensive understanding of each customer's overall assets, including inheritance planning, business succession, and asset succession, and propose an optimal asset portfolio designed to preserve real value even in an inflationary environment.

Move beyond a simple return to traditional deposit and lending operations and deepen our solutions-based business

With the shift to a positive interest rate environment, some may question whether our increased focus on expanding lending and strengthening our deposit base means a return to the traditional deposit and lending operations centered on interest income. However, the Bank's vision goes beyond that. As I have already explained, our "full-spec approach" is built on the idea of placing financing at the center of a broad range of solutions designed to address customers' diverse needs. For example, for a large-scale capital investment project, we leverage the consulting capabilities of our Group to provide comprehensive support, ranging from validating the feasibility of the investment plan to assisting with subsidy applications. Fees and commissions generated through this high-quality consulting offer significantly higher profitability compared to the profit derived from the traditional interest margin business. Moreover, these consulting services naturally lead to financing opportunities, including syndicated loans and bond underwriting, and also create opportunities to maximize non-interest income through a wide range of services, such as business matching and staffing support. There is another reason why we are not dependent on the traditional deposit and lending operations. Our frontline teams have fully embraced RORA as the benchmark for capital efficiency. Since FY2019, we have managed our business with a strong focus on RORA, consistently pursuing the maximization of capital efficiency. In corporate lending, it is not easy to achieve a high RORA through interest income alone. However, we can increase returns (the numerator of RORA) by expanding fees and commissions and combining them with low-cost funding sources such as deposits. At the same time, through appropriate pricing negotiations and by strengthening loan

security commensurate with risk exposure, we can effectively control credit risk (the denominator of RORA). This process, in which our employees apply their expertise and creativity to flexibly combine a wide variety of solutions, represents another dimension of our "full-spec approach." Unlike in the past, when sales activities focused solely on the pursuit of numerical targets such as loan and deposit balances, our workplace today is filled with "joy" and "fulfillment" as each employee thinks independently and applies their ingenuity. This culture, one in which motivated employees take the initiative to deliver diverse solutions, is the Bank's greatest strength.

Signed Definitive Agreement for Business Integration with Daishi Hokuetsu Financial Group

Achieving sustainable growth by creating top-line synergies

As we have announced, we entered into a definitive agreement with Daishi Hokuetsu Financial Group (hereinafter referred to as Daishi Hokuetsu FG) in March 2026 for business integration. During the year since the April 2025 announcement of the planned business integration, the share prices of both companies have risen significantly, while valuation indicators such as price-to-book ratio (PBR) and price-to-earnings ratio (PER) have also remained strong. We believe these trends reflect a strong recognition by the stock market and investors of the rationale and future potential of business integration. They also reinforce our appreciation of the high expectations placed on us.

As I mentioned last year, our decision to pursue the business integration was driven largely by our participation in the TSUBASA Alliance in 2020. The following year, in 2021, we launched the Gunma and Daishi Hokuetsu Alliance, a bilateral alliance, and nearly five years after its establishment, it continues to deliver strong results. This indicates that the collaboration between the two banks is creating tangible added value through initiatives such as sharing expertise in derivatives, an area in which Daishi Hokuetsu FG has particular strengths, and joint participation in syndicated loans in the Tokyo metropolitan area.

As we took a fresh look at the track record of the alliance, the fact that our relationship is characterized by "different strengths that are highly complementary" has become clear from a numerical perspective as well. Now that the conviction we have cultivated through our day-to-day business dealings has been quantitatively substantiated, we have concluded that business integration is the best path for further developing the alliance between our two companies and achieving sustainable growth going forward. This business integration is therefore a major decision rooted in the conviction held by our front-line employees and in our strong determination for the future.

Maximizing the group synergies through our complementary strengths

As I mentioned earlier, a closer look at the business models of both banks reveals that we are highly complementary in terms of scale and regional characteristics. For example, although the two banks are of a broadly comparable size, the Gunma Bank's lending business has established an extensive network not only in Gunma Prefecture, our solid foundation, but also in the Tokyo metropolitan area, where funding demand is strong. As a result, the Gunma Bank has built a clear advantage in terms of our loan balance. Meanwhile, Daishi Hokuetsu FG has an unparalleled market share in Niigata Prefecture and a robust deposit base. By combining the complementary strengths of our two companies, we will be able to leverage Daishi Hokuetsu FG's abundant funding capacity through the Gunma Bank's extensive network in the Tokyo metropolitan area, significantly enhancing the Group's overall lending capabilities. In addition, we see opportunities to expand into business areas that would have been difficult for either company to pursue independently, including overseas loans and collaboration across our overseas bases.

Furthermore, by sharing our strengths in profitability management using ROE and RORA, as well as our risk management methods such as advanced internal rating systems within the Group, we will further improve the Group's overall capital efficiency.

On the other hand, in the area of non-interest income, including fees and commissions, we will adopt the advanced expertise that Daishi Hokuetsu FG has cultivated to further strengthen our proposal capabilities for customers in our local communities. In the past, we often relied on external partners when handling highly complex projects. By drawing on Daishi Hokuetsu FG's advanced expertise, I am confident that we can steadily expand our non-interest income and deliver higher value-added services to a broader range of customers.

Realizing our Purpose is the ultimate objective of the business integration

So far, I have focused primarily on the synergies of business integration from the perspective of the Gunma Bank. Now, I would like to emphasize once again that the true starting point of this integration is "our local communities and customers."

"Will things stay the same?" In fact, this is one of the first questions we are most often asked by our customers. My answer is clear: "Our commitments to you will not change." We chose business integration rather than a merger and decided to maintain two bank brands under a holding company because we place the highest value on the trust we have built with our local customers. It also reflects our firm commitment to becoming even more deeply rooted in the communities we serve. I am confident that this decision provides reassurance for our local customers.

At the same time, what we aspire to achieve lies beyond that. In a positive interest rate environment, the business integration of two leading regional banks will enable us to strengthen our capital base and enhance our capacity for risk-taking, thereby further increasing our ability to support regional industries. Integration will allow us to realize initiatives that would not have been possible on our own, unlock the full potential of Gunma Prefecture, and weave better futures for our communities and customers. In other words, the ultimate objective of this business integration is to realize our Purpose through tangible actions. To achieve this objective, we are committed to channeling the synergies created by business integration back into our communities in the form of tangible results.

A year of advancing toward becoming a Super-Regional Bank and further enhancing our market presence

The current Mid-Term Business Plan has been progressing largely in line with the plan. In FY2026, which will serve as the preparation period ahead of the business integration, achieving the Mid-Term Business Plan's final target of consolidated net income of 60.0 billion yen will be a milestone rather than the finish line. We will be fully committed to reporting consolidated net income of 65.0 billion yen for the fiscal year, the figure we have forecast in our latest earnings forecasts.

Looking ahead, the Gunma Niigata Financial Group, a new financial group with more than 21 trillion yen in total assets, will be established in April 2027. Looking further ahead, we have set a target of achieving consolidated net income of more than 140.0 billion yen for the fiscal year ending March 31, 2030, three years after the business integration.

We believe that this business integration will further raise expectations for, and interest in, the Gunma Bank Group among stakeholders in both domestic and international markets. By maximizing top-line synergies, we will strengthen our presence in the markets and steadily evolve into a "Super-Regional Bank" that goes beyond the traditional boundaries of a regional financial institution. We sincerely appreciate your continued support and look forward to your ongoing cooperation.



Special Feature Process Leading to Integration for Creating New Value

The Gunma Bank and Daishi Hokuetsu Financial Group will conduct a business integration based on the basic policy of mutual trust and an equal integration in April 2027 (planned). We will aim to become a regional financial group that can meet the expectations of all stakeholders by continuously contributing to the growth and development of customers and regions as well as achieving sustainable growth and improvement of corporate value.

Outline of Integrated Holding Company

Trade Name	**Gunma Niigata Financial Group, Inc.** Abbreviation GNFG
Representative (planned)	**Michiro Ueguri** **Chairman and Representative Director** (currently President and Representative Director of Daishi Hokuetsu Financial Group) **Akihiko Fukai** **President and Representative Director (Group CEO)** (currently President and Representative Director of Gunma Bank)
Head Office	Tekko Building, 1-8-2 Marunouchi, Chiyoda-ku, Tokyo

Corporate Mark

GNFG

The logo design depicts the two symbols of the regions—the crane, evoked by the shape of Gunma Prefecture, and the crested ibis that flies across the skies of Niigata—meeting in the open sky and setting out together on a new journey. It expresses our commitment to crossing prefectural boundaries, connecting our regions to the future, and delivering value that goes beyond the traditional scope of finance.

Philosophy of the New Financial Group

MISSION **Creating the Future of Our Communities with Two Wings**

VISION **Becoming a Regional Solutions Group that, grounded in trust, goes beyond the scope of finance to connect and deliver value**

VALUES

1 Four-way satisfaction
We act to enhance the well-being and prosperity of our customers and communities, our company, our colleagues and business partners, and our shareholders.

2 Integrity
We work with integrity as professionals, steadily building unwavering trust.

3 Challenge
We continue to take on challenges without fear of failure, creating a new wind for the future of our communities.

4 Co-creation
We connect people, goods, and services across regions, creating new value through the power of solutions.

*Based on the results of more than 3,400 survey responses collected from employees of both companies (on what the new financial group should aim for and the values it should uphold), the two companies held extensive discussions and decided on the above.

Roadmap to Date and Going Forward

2021

December: Signing of the Gunma and Daishi Hokuetsu Alliance



GUNMA DAISHI HOKUETSU ALLIANCE
群馬・第四北越 アライアンス

The Gunma and Daishi Hokuetsu Alliance ▶ P.59

2025

April: Memorandum of understanding (MOU) towards the business integration



Initiatives from the MOU to the Definitive Agreement

The two companies have held discussions at various organizational levels with a view to reaching a definitive agreement and pursuing integration synergies.

• Integration Preparatory Committee
Led by the top management of the two companies, the committee discussed key matters.



• Specialist Subcommittees
Ten subcommittees (including corporate planning, sales, system administration, and risk management) were established to conduct Fit & Gap analyses and consider standardizing operations.

The period from October 2025 to March 2026 was designated as "Pre-Action 180," and efforts were made to align employees' mindsets ("mindset integration") and to launch studies for "operational integration" aimed at upgrading our operations.

• Mindset Integration
We held joint training sessions and co-hosted events.



Viewing event; Gunma Green Wings game

• Operational Integration
We began examining the standardization of functions such as risk management, revenue management, and auditing, and launched joint research on the use of generative AI.

2026

March: Definitive agreement reached; new group's name decided to be Gunma Niigata Financial Group



March 26: Board resolution of two companies
Signing of Share Exchange Agreement and Business Integration Agreement
September 30 (planned): Record date of extraordinary shareholders' meeting of two companies
December 23 (planned): Extraordinary shareholders' meeting of two companies

2027

April: Business integration

March 29 (planned): Last trading day of Gunma Bank's shares
March 30 (planned): Delisting of Gunma Bank
April 1 (planned): Effective date of share exchange
Start of the First Mid-Term Business Plan

GNFG
(After change of Daishi Hokuetsu Financial Group's trade name)

Gunma Bank | DAISHI HOKUETSU BANK

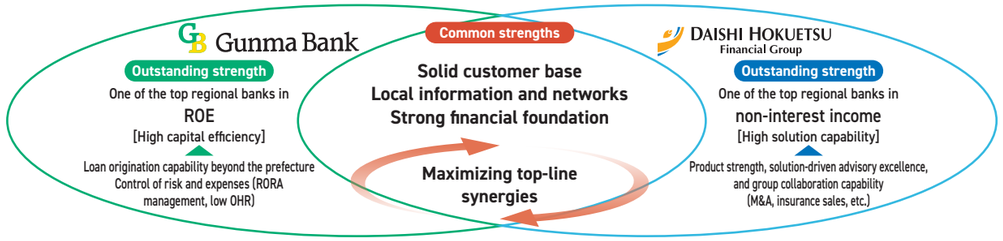
To realize integration synergies at an early stage, we went through the "Pre-Action 180" period and, following the definitive agreement, RUN UP 180 and FLY UP 180 were designated to accelerate our detailed studies for operational integration and operational verification.

Before Post Merger Integration (PMI)

	Period	Description
Pre-Action 180	October 2025 to March 2026 (Implemented)	Deepening of mutual understanding
RUN UP 180	April 2026 to September 2026	Detailed studies for integration and operational verification
FLY UP 180	October 2026 to March 2027	Materialization of organization and operations after the integration

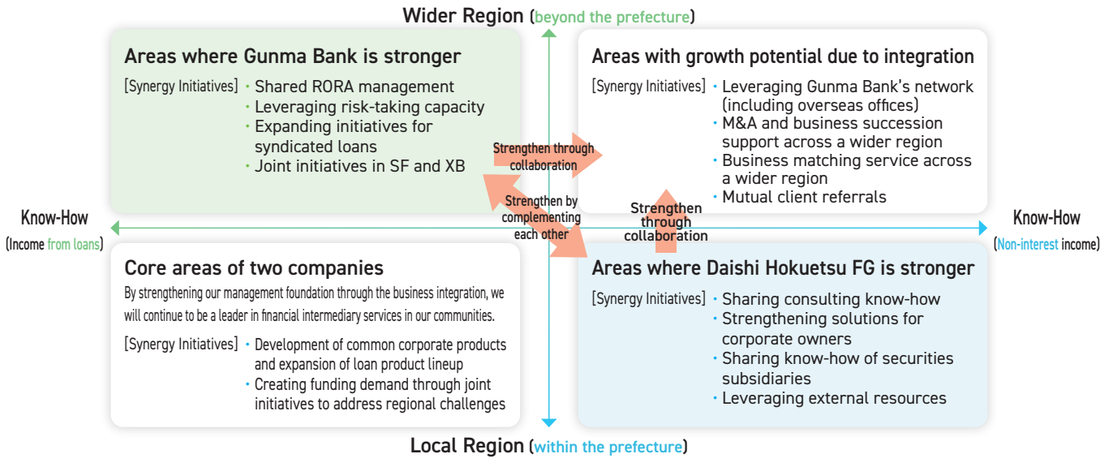
Purpose of the Business Integration

This business integration **aims to step up to become a financial group that constitutes one of the top regional banks in terms of both scale and quality of management** by building on the common strengths of both companies and complementing them with each party's outstanding strengths to realize top-line synergies and further sophisticate management and governance.



Synergies (I) Scale x Know-How

We will seek to increase net interest income and non-interest business profits (to realize top-line synergies) by expanding our scale (including our service area, total assets, risk-taking capacity, and human capital) through the business integration and combining each other's strengths (know-how).



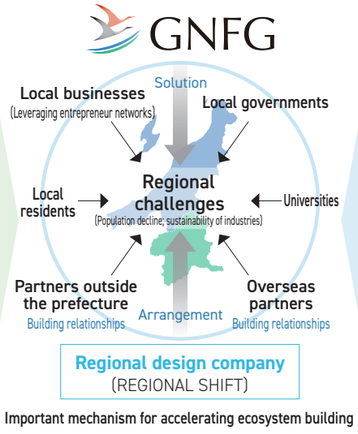
Synergies (II) Region x Challenge

Building **regional ecosystems:** Building a virtuous cycle in our communities, with the new financial group serving as a hub and collaborating with external partners.

1 Ecosystem that increases the sustainability of regional industries
- Business succession, talent referral, and industry reorganization
- Formation and utilization of regional funds
- Open innovation

2 Ecosystem that enhances regional productivity
- Expansion of BPO business
- Support for digitalization ・AI adoption
- Joint back-office operations among regional financial institutions

3 Ecosystem that enriches regional life
- Promoting cashless payments
- Leveraging payments data and circulating local information
- Promoting local products (functioning as a regional trading company)



Important mechanism for accelerating ecosystem building

4 Ecosystem that sustains regional infrastructure
- Cross-regional/cross-sector collaboration with local governments
- Promoting renewable energy
- Rebuilding regional medical care systems
- Improving tourism infrastructure (e.g., transportation, personnel, revitalization)

5 Ecosystem that leverages global capabilities for our communities
- Leveraging overseas talent and know-how → arranging deals for regional projects
- Investments and financing overseas, and inbound investment from overseas
- Supporting overseas expansion and developing distribution channels
- Approaching and attracting overseas companies

Goal Collaborate with external partners from the initial stage to address regional challenges, which will enhance regional sustainability while creating new needs and revenue opportunities.

A New Financial Group that Constitutes One of the Top Regional Banks

Total assets (Consolidated)
21,696.2 billion yen

Banking locations
Japan: 237
Overseas: 5

Within Gunma Prefecture
Gunma Bank
Share of deposits: 38%
Share of loans: 34%
(Top in the prefecture)

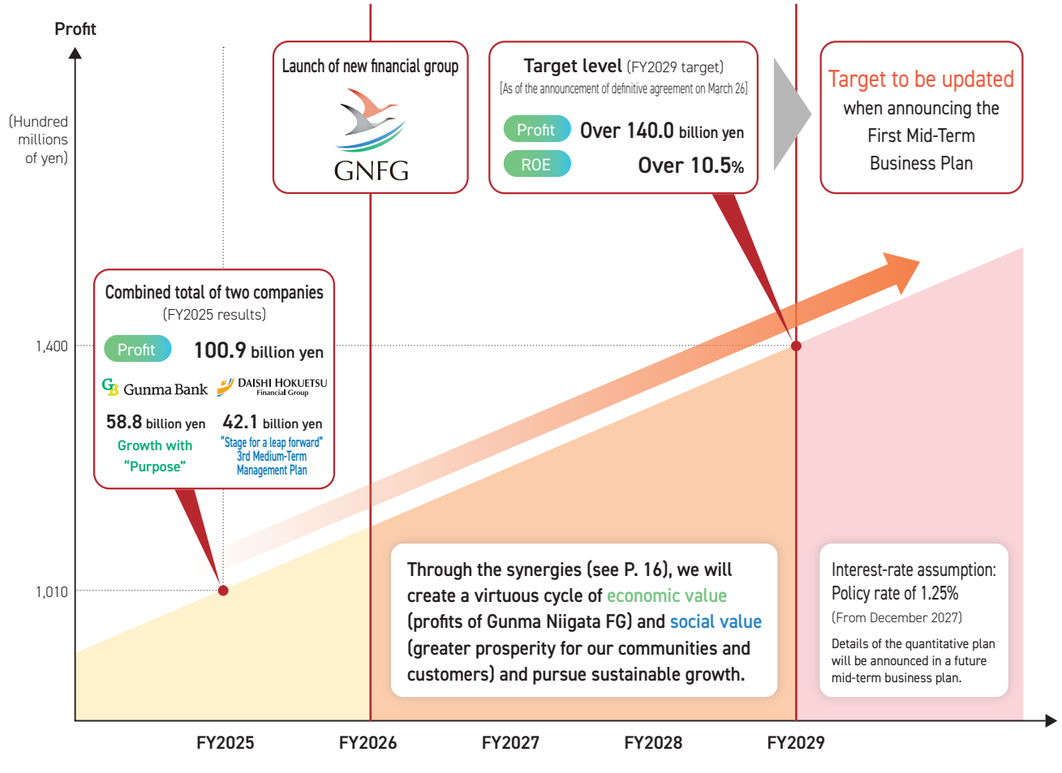
Market capitalization
1,271.1 billion yen

Group companies (Business domains)
11 businesses

Within Niigata Prefecture
DAISHI HOKUETSU BANK
Share of deposits: 43%
Share of loans: 50%
(Top in the prefecture)

*As of March 31, 2026 (Simple sum for total assets, market capitalization, banking locations, and group companies; market share for each bank in relevant prefecture)
*Market share in prefecture: (Source) Finance Journal "Finance Map 2026" (Base date: March 31, 2025)

Quantitative Plan of the New Financial Group



Message from the Director of Finance

Driving higher PBR through sustainable EPS growth.



Takeo Uchibori
Deputy President and Representative Director
The Gunma Bank

Steady Progress in the First Year of the Mid-Term Business Plan Striving to Achieve the Mid-Term Business Plan Targets a Year Ahead of Schedule in FY2026

Financial results for FY2025 (fiscal year ended March 31, 2026)

The fiscal year ended March 31, 2026 was a year that underscored Japan's full-fledged transition to a "world with interest rates," as the Bank of Japan's additional rate hikes brought the policy interest rate to around 0.75% (around 1.00% as of July 2026), the highest level in nearly 30 years.

The Gunma Bank Group (hereinafter referred to as the Bank) has delivered solid results by leveraging these changes in the macroeconomic environment as well as the strengths of purpose-driven management, which has been refined over the years. As a result, core business net profit (excluding gains or losses on cancellation of investment trusts) increased by 15.6 billion yen year-on-year to 71.1 billion yen, representing a significant profit increase.

The increase in core business net profit, which reflects the profitability of our main businesses, was driven primarily by an increase in interest on loans and an increase in non-interest business profit. The accumulation of high-quality loan assets under the RORA management, as well as the initiatives to enhance the sensitivity of the loan portfolio to interest rate changes contributed to the increase in interest on loans.

In addition, with respect to non-interest business profit, we provided optimal solutions to our corporate customers by sharing needs and management challenges through our business evaluation, the "Connecting Process." For individual customers, we responded to a wide range of needs, including asset-building needs among the working generation and asset preservation/succession needs among the retired generation, by offering diversified proposals through bank-securities coordination. As a result, non-interest business profit reached a record high for the seventh consecutive fiscal year.

With respect to expenses, we continued initiatives for future growth, including human capital investment and investment for digital transformation. Meanwhile, we maintained control over base expenses and OHR has continued to improve.

As noted above, profit from our main businesses has maintained a stable and sustainable growth trajectory. Supported by this solid profit from the main businesses, profit attributable to owners of parent amounted to 58.8 billion yen, marking a record high for the third consecutive fiscal year.

As the first year of the Mid-Term Business Plan, "Growth with 'Purpose'," which runs through the fiscal year ending March 31, 2028, I, as Director of Finance, assess that we have made a solid start.

Earnings forecast for FY2026 (fiscal year ending March 31, 2027)

Building on the results of the previous fiscal year, we will implement a range of initiatives aimed at further growth and strive to expand our earnings in the fiscal year ending March 31, 2027.

To further enhance net interest income, we will continue to actively respond to our customers' funding needs, while also taking into account the current interest rate environment and initiating the rebalancing of our national government bond portfolio.

We also regard non-interest business profit as an important earnings pillar.

For corporate customers, we will continue to promote a full-spec approach, starting with the "Connecting Process," through which we provide a broad range of solutions tailored to their needs. In particular, in the area of foreign exchange derivatives, one of our corporate service offerings, we will benchmark against Daishi Hokuetsu Financial Group, which is ahead in this area, and promote the sharing of know-how while strengthening proposal capabilities through close collaboration between sales branches and headquarters. For individual customers, we will thoroughly implement asset management-oriented sales, which address customers' entire asset portfolios, thereby supporting customers' steady asset building.

For the fiscal year ending March 31, 2027, we forecast net interest income of 111.7 billion yen (up 9.9 billion yen year-on-year), non-interest business profit of 35.0 billion yen (up 5.7 billion yen year-on-year), and core business net profit (excluding gains or losses on cancellation of investment trusts) of 82.0 billion yen (up 10.9 billion yen year-on-year). As a result, profit attributable to owners of parent is expected to reach 65.0 billion yen. Non-interest business profit, core business net profit, and profit attributable to owners of parent are all expected to reach levels that would achieve the targets set for the final year of the Mid-Term Business Plan one year ahead of schedule. In addition, ROE is expected to increase by 0.5 percentage points year-on-year to 10.5%.

See below for details.
Financial Summary Report
IR Briefing Session

Growth with "Purpose"

Current Mid-Term Business Plan (April 2025 - March 2028)

<Numerical results and targets> (Unit: Billions of yen)	(FY before the previous FY) FY2024	Changes	First year (Previous FY) FY2025	Changes	Second year (Forecast for Current term) FY2026	Final year FY2027
Core business gross profit	107.7	+26.8	134.6	+12.1	146.7	Aiming to achieve the targets one year ahead of schedule
Net interest income	82.1	+23.1	105.2	+6.5	111.7	
Excluding gains or losses on cancellation of investment trusts	84.7	+17.1	101.8	+9.9	111.7	
Non-interest business profit	25.6	+3.7	29.3	+5.7	35.0	35.0 billion yen
Expenses	54.8	+5.2	60.0	+4.7	64.7	
Core business net profit	52.9	+21.6	74.5	+7.5	82.0	
Excluding gains or losses on cancellation of investment trusts	55.5	+15.6	71.1	+10.9	82.0	80.0 billion yen
Credit costs	3.1	+0.3	3.4	+2.1	5.5	
Ordinary profit	62.0	+22.8	84.8	+10.2	95.0	
Profit attributable to owners of parent	43.9	+14.9	58.8	+6.2	65.0	60.0 billion yen
<Ratio results and targets>						
OHR (Excluding gains or losses on cancellation of investment trusts)	49.6%	-3.9%	45.7%	-1.7%	44.0%	approx. 45%
ROE	7.7%	+ 2.3%	10.0%	+ 0.5%	10.5%	10% or more
RORA	1.0%	+ 0.4%	1.4%		—	1.2% or more
Capital adequacy ratio	13.12%	+ 2.01%	15.13%		—	approx. 13.5%
Core CET1 ratio	12.13%	+ 1.37%	13.50%		—	11.5%

* The red squares indicate the targets the Company plans to achieve the FY2027 targets one year ahead of schedule.

PBR of 1x is Only a Milestone: Advancing to the Next Phase of Sustainable EPS Growth for Further Corporate Value Improvement

Initiatives to improve corporate value

The Bank has consistently pursued management that emphasizes capital efficiency, with "Improve RORA" and "Control Financial Leverage" as the two pillars of our initiatives to improve ROE.

Since we first set RORA as a target in the mid-term business plan in 2019, headquarters and sales branches have shared "RORA" as a common language and have advanced initiatives such as improving customer profitability and strengthening consulting sales. Through steady progress in these initiatives, RORA management has become deeply embedded in the Bank as part of the corporate culture. For a detailed overview of our RORA initiatives, see "RORA Management to Improve Corporate Value" on page 56.

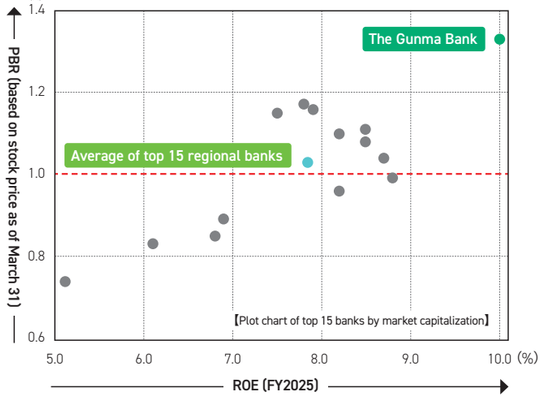
In addition, to build an optimal capital structure, we manage a core CET1 ratio within a target range of 10.5% to 11.5%, and are promoting the diversification of our capital structure through the issuance of AT1 bonds, the only such issuance by a regional bank, and the utilization of B3T2 bonds.

PBR above 1x through management with an awareness of capital cost and stock price

These initiatives aimed at improving corporate value have been built on our understanding of the issues identified through current analysis, as well as through ongoing dialogue with capital markets. We have advanced the initiatives with the belief that corporate value is improved by consistently committing to each of the targets and measures we set, and by steadily building a track record of execution that earns the trust and confidence of the markets.

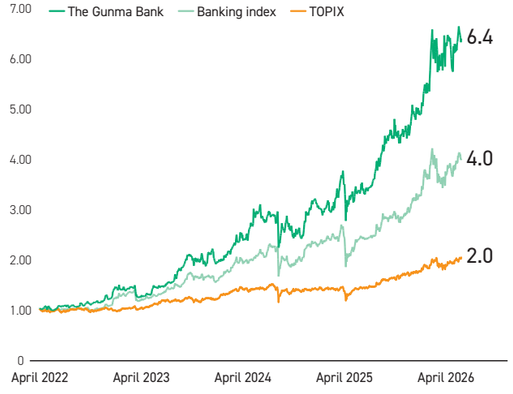
As a result, we became the first regional bank to exceed a PBR of 1x in August 2025. We continue to maintain a high level of 1.26x relative to our peers as of March 31, 2026. We understand this as reflecting a certain level of recognition from the capital markets of our management stance and future growth potential.

Scatter chart of ROE and PBR



Share price (as of May 29)

* Share price trends with April 1, 2022 as a base point 1.00



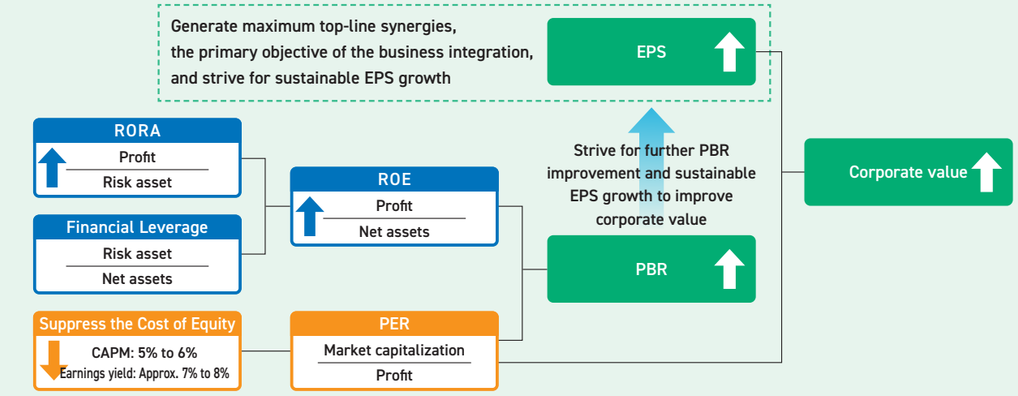
Advancing to the next phase of corporate value improvement

We consider a PBR of 1x not a goal but a milestone. For us, it represents a starting point for further improvement of corporate value, and we recognize that we are now entering a phase of EPS growth.

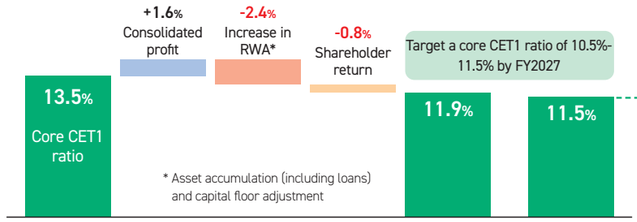
In order to achieve steady and sustainable EPS growth, we will further strengthen profitability through our main businesses, while also enhancing the quality of EPS through capital management, balancing growth investments, retained earnings, and shareholder returns. The primary driver of EPS growth will be the business integration with Daishi Hokuetsu Financial Group, scheduled for April 2027.

In this integration, we are positioning our objective not on cost reduction, which has been the main focus of past regional bank reorganizations, but on top-line growth. The post-integration "Gunma Niigata Financial Group" will leverage an expanded customer base and a broad business area spanning from Niigata Prefecture to the Kanto region to create new earnings opportunities and drive sustainable EPS growth, thereby achieving further improvement of corporate value.

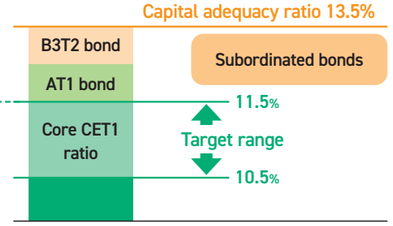
Initiatives to improve corporate value



Capital allocation



Building an optimal capital structure



Striving for Enhanced Shareholder Returns through Sustainable Profit Growth

Shareholder returns

In the fiscal year ended March 31, 2026, the total amount of dividends amounted to 23.4 billion yen (annual dividend per share of 62 yen) and acquisition of treasury stock amounted to 6.0 billion yen. This resulted in a dividend payout ratio of 40.0% and a rate of return to shareholders of 50.1%. Notably, the rate of return to shareholders has exceeded 50% for four consecutive fiscal years.

For the fiscal year ending March 31, 2027, we plan to pay an annual dividend per share of 70 yen (an increase of 8 yen year-on-year), with a dividend payout ratio expected to be 40.8%.

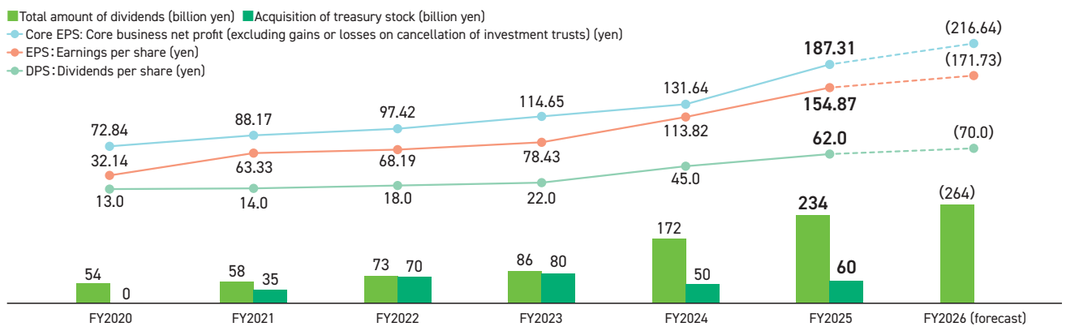
We adopt a progressive dividend policy with a target dividend payout ratio of 40%, and intend to achieve increases in dividends through profit growth. In addition, we will consider the flexible acquisition of treasury stock, taking into account capital levels, market trends and other factors.

We remain committed to enhancing shareholder returns through sustainable profit growth.

Shareholder return policy (Starting from the fiscal year ended March 31, 2025)

Regarding dividends, the Bank adopts a progressive dividend policy to maintain or increase dividends. Our target dividend payout ratio is 40% of the profit attributable to shareholders of the parent company, and we intend to achieve increases in dividends through profit growth. In addition, we will consider the flexible acquisition of treasury stock, taking into account capital levels, capital efficiency, growth investment opportunities, and market trends.

Results of shareholder returns



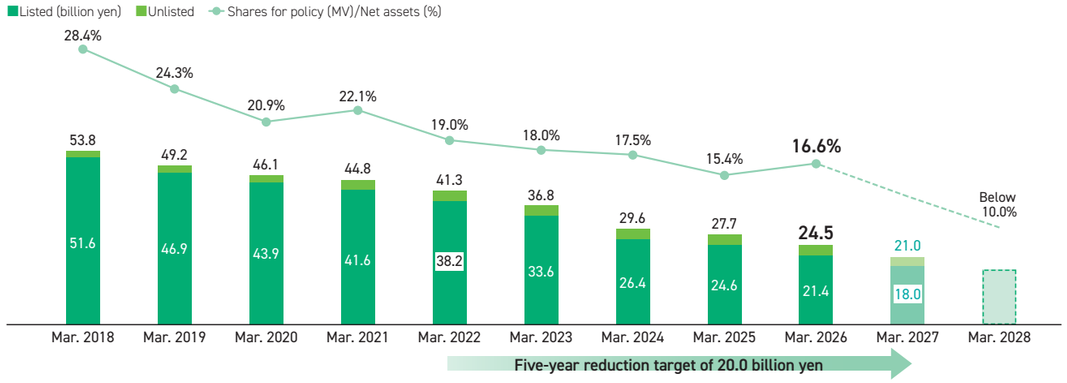
Reduction of shares for policy purposes

The Bank set its objective to reduce the book value balance of listed shares for policy purposes by 20.0 billion yen (a 50% reduction on a book value basis) over five years from the end of March 2022. As of the end of March 2026, we achieved a progress rate of 84%. When considering all shares with agreed termination, the progress rate exceeds 100%, achieving the target level.

The market value ratio of shares for policy purposes to consolidated net assets stood at 16.6%. Under the Mid-Term Business Plan, we are committed to lowering this ratio to less than 10% by the end of March 2028.

The reduction of shares for policy purposes is an important initiative that enables more effective use of capital and promotes risk-taking in growth areas. At the same time, we believe that maintaining a certain level of shareholdings in local companies can also contribute to regional economies through shareholder engagement. Taking these perspectives into account, we will continue to pursue a balanced approach.

Changes in book value of shares for policy purposes and market value ratio to consolidated net assets



Striving for Enhanced Shareholder Returns through Sustainable Profit Growth

IR activities and shareholder relations (SR) activities

The Bank is committed to reducing information asymmetry through open and transparent dialogue with market participants, as well as enhanced IR activities.

In addition to regular IR initiatives, including meetings with institutional investors of all sizes and IR briefings for local individual investors, we are broadening the scope of our dialogue, and in January 2026, we held outside directors' first IR meeting for analysts.

We are also actively engaged in IR for overseas institutional investors, and conduct multiple non-deal roadshows across various regions every year.

In addition, we are enhancing our content offerings to strengthen our connections with international investors. By expanding English-language IR materials and disclosure documents, we are advancing disclosure for international investors at a level comparable to that for domestic investors.

Our efforts have been well received: we were ranked 5th in the banking sector and 2nd among regional banks in the Award for Excellence in Corporate Disclosure by the Securities Analysts Association of Japan announced in October 2025.

IR serves as a vital platform for actively communicating our business results and management strategies while also facilitating the collection of market opinions and expectations. We will continue to proactively expand our initiatives as we engage with the market.

In parallel with our IR efforts, we are also actively conducting SR activities. Through regular communications with institutional investors and voting advisory companies, we are promoting a shared understanding of our business condition and relevant challenges.

By continuously enhancing our communication strategies, we aim to improve our corporate value.

Results of IR Activities (FY2025)

For institutional investors	2 large IR meetings / 4 small meetings Facility tour (Fukaya Branch)/Outside Directors' IR Meeting
For overseas institutional investors	3 meetings: Europe (Jun.), U.S. (Aug.), Asia (Apr. 2026)
For individual investors	2 meetings (at Takasaki in Aug. and Feb.)
Others	1on1 MTG, SR MTG, etc.

Visit the websites below for details.

English-language website (CEO Messages, etc.)

IR activity overview

Conclusion

Through fundamental reforms of our profit structure and the establishment of a lean management framework, we have successfully captured the turning point toward a "world with interest rates," achieving milestones such as record-high profits and a PBR above 1.0x. However, we recognize that we have merely reached the starting point for the next phase of growth.

The business integration with Daishi Hokuetsu Financial Group will be the key driver accelerating the next stage of growth. By combining the strengths of two leading regional banking groups, we will strive to maximize top-line synergies and evolve into a financial group that is deeply rooted in local communities while continuing to take on broader and more expansive challenges.

Become a financial group that constitutes one of the top regional banks in terms of both scale and quality of management

Guided by this shared vision, both groups will act as one to continuously pursue transformation. We look forward to your continued interest in our initiatives.

We will strive to fulfill the expectations of our stakeholders. We sincerely appreciate your continued support.



TOPICS Outside Directors' First IR Meeting

In January 2026, we hosted Outside Directors' first IR meeting for analysts. Two directors (Mr. Kondo and Ms. Nishikawa) participated as speakers, and an active Q&A session was conducted with sell-side and buy-side analysts from a variety of perspectives.

Dialogue at the IR Meeting (excerpt)

Q. Please share the Board's discussions and opinions regarding the business integration with Daishi Hokuetsu Financial Group.

A. While the Gunma Bank has achieved growth on its own, there are limits to sustaining growth. The integration with Daishi Hokuetsu Financial Group, with which the Bank has maintained a good relationship, represents a decision to achieve the next stage of growth together with local communities. **(Mr. Kondo)**

A. Outside directors were generally supportive of the integration, recognizing it as a decision to accelerate growth. Outside directors' suggestions were incorporated into the decision-making process, resulting in a well-reasoned strategic decision. **(Ms. Nishikawa)**

Q. How have local voices changed, and how has the Gunma Bank responded to such changes?

A. Local voices point to difficulties in securing human resources. By promoting purpose-driven consulting sales, Gunma Bank is establishing a strong presence in the local community. **(Mr. Kondo)**

Q. Since becoming an outside director, how has empowerment of young talent and female employees changed?

A. When I first joined the Board, it was highly homogeneous and gave the impression of being male-dominated. I have consistently advocated for changes to the personnel system and working styles to help Gunma Bank foster a more diverse and inclusive organization. I believe these recommendations have been well reflected, including the implementation of a job-based personnel system. **(Ms. Nishikawa)**



Mr. Kondo



Ms. Nishikawa

Details of the roundtable discussion

Outside Director Roundtable Discussion

Taking on the Challenge of a New Stage Gunma Bank Evolves through Business Integration, Based on Its Purpose



Having completed the first year of the Mid-Term Business Plan "Growth with 'Purpose'," we asked Outside Directors how they evaluate the initiatives that the Gunma Bank has undertaken based on the Purpose and the effectiveness of its Board of Directors. In this roundtable discussion, we asked them to share their objective evaluation of these matters as well as their candid views on the challenges facing the Gunma Bank and the direction for sustainable corporate value enhancement, as the bank continues to evolve and take on the challenge of a new stage through the business integration with Daishi Hokuetsu Financial Group (hereinafter referred to as Daishi Hokuetsu FG).

Progress Evaluation of the Mid-Term Business Plan and Key Monitoring Points

——First, we would like to ask about the current situation. How would you evaluate the progress of the first year of the Mid-Term Business Plan "Growth with 'Purpose'"?

Mid-Term Business Plan is progressing steadily; it is important to measure achievement from the perspective of the Purpose rather than focusing solely on KPIs

Kondo The Mid-Term Business Plan is progressing steadily with tangible results. The achievements to date have been so remarkable that I even wonder whether such momentum can be sustained over the longer term. One of the Bank's strengths has been its consistent practice of pairing every reform initiative with complementary measures designed to address the challenges and unintended effects that may arise from the reform. For example, when reviewing its branch network, the Gunma Bank simultaneously rebuilt its "regional governance structure" to maintain responsiveness in the workplace. Likewise, when introducing profitability-focused "RORA management," the Bank established its "Purpose" in anticipation of the risk that excessive attention might be paid to numerical results alone. I believe, as a result, a "customer-oriented" decision-making mindset has become firmly embedded in every employee. Based on the Bank's track record of successfully balancing growth with solutions, I have strong confidence in the progress being made under the current Mid-Term Business Plan.

Kanai As Mr. Kondo noted, the Bank has performed steadily in terms of financial results. In addition to drastically transforming its earnings structure, the transition to "higher interest rates" has provided a tailwind, contributing significantly to profit growth. However, one thing I notice when asked to evaluate the progress of the Mid-Term Business Plan is that attention often tends to focus on profit metrics.

What we must not lose sight of is that the current Mid-Term Business Plan is founded on the "Purpose." I like the Gunma Bank Group's Purpose, "By connecting the strands of resources, people, and generations, we weave better futures for our communities," because I believe it embodies the very reason for the Gunma Bank's existence. To measure progress toward realizing the Purpose, the Bank has established sustainability indicators and "KPIs for Tsunagu." When viewed from the perspective of how far we have progressed toward realizing the Purpose, I believe we are still only halfway there.

As the business environment improved, a number of the targets set out in the Mid-Term Business Plan, including the profit targets, now appear likely to be achieved ahead of schedule. I will closely monitor not only financial targets but also indicators related to the Purpose and contributions to the local community, without losing sight of what was originally intended when the Mid-Term Business Plan was formulated.

Osugi Mr. Kanai commented that he likes the Gunma Bank Group's Purpose, but I would say that I "love" it. I expect the Purpose to serve as the guiding principle and spiritual backbone that will support the Bank's direction in the years to come. At the same time, I believe an upcoming major challenge will be how effectively we can ensure the Purpose permeates the organization and reaches every single employee.

Based on the Purpose, the Mid-Term Business Plan sets "Creating a virtuous cycle of social and economic values" as one of its basic policies. The underlying idea is that the Gunma Bank grows for the benefit of local communities, and that growth, in turn, contributes to the development of local communities. There may, of course, be situations in which the interests of the community (social value) and the Bank's interests (economic value) come into conflict. In such circumstances, however, prioritizing the pursuit of social value will ultimately lead to the expansion of the Bank's economic value over the medium to long term. I believe that our ability to maintain this conviction without wavering stems from having a firm guiding principle, the Purpose.

We must be highly sensitive to risks and adaptable to a changing environment especially when things are going well

Nishikawa Progress toward the numerical targets under the Mid-Term Business Plan is certainly on track. That said, from a different perspective, I believe there is still room for improvement in terms of whether the Bank is acting with sufficient speed and forward-looking perspective. Competition for deposits has intensified significantly against the backdrop of rising interest rates. The Bank needs to respond to these changes in a more timely and effective manner.

Particularly among younger generations, there is a growing tendency for customers to make full use of the Internet and choose financial institutions that offer more favorable terms. As the barriers to transferring funds have become significantly lower, it is important for the Bank to remain constantly attuned to customer behavior and to proactively consider and implement measures ahead of those changes as much as possible.

It is essential precisely when things are going well to remain highly sensitive to risks and respond swiftly to changes in the business environment. I would like to see the Bank broaden its perspective beyond its peers, looking not only across other industries and regions but also overseas, and approach challenges with a broader perspective and a higher vantage point. I believe that social value and economic value should ultimately be aligned. If we look toward the future of local communities and thoroughly consider "what the Bank can achieve for the community and how it can generate earnings," that process should make social value and economic value fully compatible.

Expectations for the Business Integration with Daishi Hokuetsu FG and Key Areas of Focus Going Forward

——The Bank reached a definitive agreement for business integration with Daishi Hokuetsu FG, and further details, including the integration structure, have now been disclosed. Please share your expectations for the integration and the key areas to which you will be paying particular attention.

Review management from the perspective of the original objectives of the business integration

Kanai One of the defining features of this business integration is that it is not a rescue-driven integration. Rather, it brings together two leading regional banks that are both operating successfully with solid business performance. This is a significant strength of the integration. At the same time, however, I cannot deny that the very fact that both companies are performing well creates the risk that the underlying realities may become less visible.

The most important aspect of the integration is the establishment of a holding company with a workforce of approximately 100 employees and the enhancement of its functions to enable effective top-down management. However, there is a risk that even if the organization slightly deviates from the management model originally envisioned, such deviations may be overlooked as "not a problem" when the

Group's overall earnings continue to grow. That is precisely why I believe it is important, even after the integration, to rigorously monitor progress against the original objectives while continually returning to the original intent of the integration and reminding ourselves of "what we set out to achieve in the first place."

Embrace Each Other's strengths to maximize top-line synergies

Osugi That is an important point. The objective of this business integration is to maximize top-line synergies.

The Bank excels in capital efficiency, while Daishi Hokuetsu FG has strengths in non-interest businesses. Both companies must leverage "the best of each other's strengths" to generate synergies and drive top-line growth. Achieving this will require an eager willingness on the part of both companies to learn from and actively absorb what the other does well. If the integration remains merely formal and the "Gunma Bank" and "Daishi Hokuetsu FG" continue to operate as separate entities, top-line synergies will never be realized. In my view, where management is truly tested will be how effectively it can manage the integration of the two companies.

Systematize management control practices

Nishikawa A strength in realizing the integration of the two companies lies in the Bank's management approach based on performance indicators such as ROE and RORA. The success of the business integration largely depends on how effectively these management practices can be embedded across the Group as a whole.

Management control is fundamentally about how to "systematize" superior know-how. For example, Daishi Hokuetsu FG is often regarded as having a particular strength in non-interest businesses. It is important to thoroughly analyze the sources of that strength, then "visualize" and "systematize" them.

Once such mechanisms are in place and the results become visible, it will create a tangible success story demonstrating that "the strengths of Daishi Hokuetsu FG has been successfully replicated within the Gunma Bank." This would give employees in the workplace a strong sense of confidence and accomplishment. I believe that through this process, it is important to create a virtuous cycle in which both companies enhance their earnings capabilities.

Osugi For such a framework to function effectively, it is important not only to have an eager willingness to learn from and adopt each other's strengths, but also to maintain a sense of "humility." Because this is a business integration between two successful institutions, there is always a risk that each side may become overly attached to its own ways of doing things. Approaching the integration with humility and a willingness to learn from one another will surely create a virtuous cycle.

Evaluation of the Effectiveness of Governance (the Board of Directors) and Challenges

——How would you evaluate the effectiveness of the governance? For example, what discussions took place within the Board of Directors regarding important matters such as the business integration?

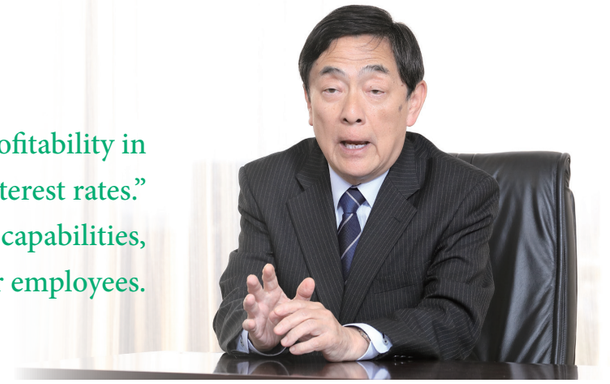
Diversity is ensured, and constructive tension with management is maintained

Kondo I assess the Bank's governance as highly effective. Mechanisms have been established to enhance effectiveness, and the PDCA cycle is being implemented in a disciplined manner. The effectiveness evaluation of the Board of Directors is also working well, and management provides appropriate feedback and follows up with concrete actions in response to views expressed by outside directors.

Another strength is the diversity of the outside directors. The four outside directors, each with a different professional background, contribute insightful discussions grounded in their respective experience and knowledge. I believe we have succeeded in maintaining an appropriate level of constructive tension with management.



We are still only halfway to realizing the Purpose.
Stay committed to the initial vision, rather than being satisfied with short-term profit.



Scale directly drives profitability in a "world with interest rates."
Strengthen pricing capabilities, especially among younger employees.

Governance means examining the logic behind management decision-making

Nishikawa With respect to the business integration, there were no significant differences of opinion within the Board of Directors. This was because the rationale for the integration, as well as the process leading up to the decision, was logical, persuasive and highly transparent.

Following the Bank's participation in the TSUBASA Alliance in 2020 and the formation of the Gunma and Daishi Hokuetsu Alliance in 2021, we held discussions regarding the future direction of the Bank's core banking system. Some expressed the view that "maintaining the Bank's proprietary system might be sufficient." However, I argued that "the direction should be examined from multiple perspectives, taking into account the various possibilities that could arise in the future."

Governance means examining whether management decisions are made through a sound and logical decision-making process. With respect to this business integration, I was able to sufficiently verify that process, and as a result, I had no particular objections to the decision.

Ensure that means do not become ends in themselves

Kanai As I commented in this roundtable discussion last year, many executives aspire to expand their organizations. In the course of our recent discussion, a vision of "becoming a company with a market capitalization of 1 trillion yen" was also presented. Pursuing a 1 trillion-yen market capitalization carries significant meaning in terms of enhancing presence in the capital markets, including among overseas investors. However, it would be counterproductive if that target were to become an end in itself. As an outside director, I intend to continue raising this question at Board of Directors meetings, reminding ourselves of the original purpose of the integration: "to expand our scale in order to make an even greater contribution to the local community."

Holding small meetings led by outside directors

Osugi In January, the Bank held its first small meeting led by outside directors, attended by Mr. Kondo and Ms. Nishikawa. The participating analysts responded very positively, particularly to the candid and insightful explanations the outside directors provided as experts in manufacturing and systems, which extended well beyond the scope of banking. In fact, participants commented that "it was extremely valuable to see that the outside directors were able to express their views to management openly and without hesitation (demonstrating that governance functions effectively)." Initiatives that place outside directors in direct dialogue with analysts in this manner reflect management's confidence in the Bank's governance and serve, at the same time, as compelling evidence that it is functioning as intended.

Challenges Facing Gunma Bank and Direction Ahead

——What would you identify as the challenges facing the Gunma Bank? Please share your views on the Gunma Bank's future direction and the role it should play going forward.

Pursuing scale and expanding data reach are keys to survival

Osugi A common challenge facing financial institutions, not only regional banks but also megabanks, is the decline in pricing capabilities.

In banking, "price" refers to interest rates, in other words, the pricing of financial products and services, and is one of the most important factors determining profitability. However, since the collapse of the bubble economy, Japan has experienced more than three decades of effectively zero inflation, resulting in a prolonged "zero-interest-rate world." As a consequence, I am concerned that the industry as a whole may have experienced a weakening of its ability to strategically set interest rates.

The Bank's upcoming challenge is how to secure appropriate levels of profitability in a "world with interest rates." In such an environment, scale is directly linked to earnings. From this perspective, the business integration with Daishi Hokuetsu FG represents a highly rational



Think how to effectively integrate
digital transformation and AI into operations.
Build genuine capabilities for
a sustainable regional future.

management decision. However, many of the Bank's younger employees have limited experience in negotiating increases in interest rates. Enhancing their pricing capabilities will therefore be critical, and if the Bank succeeds in strengthening these capabilities, it will be well positioned to gain a competitive advantage with regard to profitability.

Nishikawa The mission of regional banks, needless to say, is to revitalize local economies and contribute to their sustainable development.

I place strong emphasis on the use of systems in management, and from that perspective, I believe a challenge is how effectively the Bank can incorporate digital transformation and AI into its operations in order to support the sustainability of local communities. For example, the Bank promotes support for SMEs and digital transformation initiatives in Gunma Prefecture. However, it is now an era in which anyone can use AI to easily create websites and other basic digital tools. Against this backdrop, the challenge is how to promote meaningful digital transformation in the region. Rather than offering only superficial support, the Bank must build "genuine capabilities."

With AI, the volume and quality of training data are directly linked to the accuracy of outputs. The business integration with Daishi Hokuetsu FG will provide us with data from Niigata Prefecture. As a new financial group rooted in the regional economies of Gunma and Niigata, rather than urban centers, bringing together data from both regions will enable us to think thoroughly, based on data, "what kind of management approach is best suited to local communities." This will allow for more regionally grounded analysis that is not biased toward urban areas, thereby enabling the formulation of more effective and practical measures. I hope that, with this forward-looking perspective, the Gunma Bank will evolve into a "bank that can design regionally rooted management based on data."

Demonstrating awareness and acting as a leader among local financial institutions

Kondo I believe it is important for the Bank, as a regional bank, to carefully consider the "role to play in the local community" and translate that understanding into action. For example, from the perspective of AI, as Ms. Nishikawa mentioned earlier, I would like the Bank's employees to develop a deep understanding of AI technologies and applications so that they can provide practical advice enabling SME customers to improve productivity through the effective use of AI. In addition, a strong sense of responsibility as a leader among regional financial institutions is essential. We can enhance the overall productivity of businesses within Gunma Prefecture by bringing together small-scale businesses that may find it difficult to continue operating independently, and by creating a function similar to a "regional management office." I also expect the Bank to exercise leadership by working closely with shinkin banks and credit unions.

Long-term succession planning and talent development beyond reliance on top leadership

Kanai The key to the Bank's future growth and contribution to the local community lies in "people," and how it advances succession planning and human capital development is critically important. At present, the Gunma Bank is steadily progressing under the strong leadership of the President, and confidence in the current management structure remains unwavering. At the same time, looking ahead to the eventual leadership transition, the stronger the leadership of the current top management is, the more carefully we need to consider how to pass the baton to the next generation. While leveraging the strengths of top leadership, I believe a key theme going forward will be how to further draw out the capabilities of the middle-management layer that will lead the next era.

Osugi In this regard, the four of us share a common view that it is important to continuously monitor whether there is an open organizational culture and whether communication within the organization is being conducted smoothly.

Kanai The importance of succession planning and human capital development has also been actively discussed at the Nomination Advisory Committee, and we have received explanations from the President regarding the development of future management talent. Whether the potential candidates will grow into true leaders is a topic of strong interest both inside and outside the Bank, and I intend to continue closely monitoring the progress.

The Role That Outside Directors Should Fulfill to Further Enhance Corporate Value

——Lastly, please share your views on the role that outside directors should fulfill to further enhance corporate value.

Contribute to enhancing corporate value of Gunma Bank through creative discussions with an external perspective

Kanai I feel that the environment for us as outside directors to express our views and raise issues is very well established. Within that framework, I intend to act as an "outsider" with an external perspective, and at times to deliberately throw small "stones" into the organization, carefully monitoring how the organization absorbs or reacts to them.

Osugi The roles of outside directors are "supervision" and "advice." However, I believe that the more essential function that only outside directors can truly fulfill is "supervision." In most cases, inside directors are placed in an executive hierarchy relative to top management, and for that reason it is in practice not easy for inside directors to appropriately exercise a "supervisory" function over top management. "Supervision," in essence, means pointing out, without hesitation and without being constrained by authority or hierarchy, that "something is wrong." I intend to remain firmly committed to this principle and continue to express my views clearly whenever necessary.

Meanwhile, in normal times, we will work in close alignment and cooperation with management, sharing the same objective of "effectively enhancing the Bank's corporate value." In this context, what is particularly important is the Chairperson's leadership as exercised by the President, who serves as Chairperson of the Board of Directors. We, as outside directors, will respond to that leadership and are committed to providing constructive insights that contribute to the enhancement of corporate value.

Nishikawa I consider the Board of Directors to be a forum for "creative discussion," where we work together to make the Gunma Bank a better institution. In that setting, I would like to leverage my skills and strengths while also bringing in a range of perspectives, including global viewpoints and insights from other industries, what Mr. Kanai earlier referred to as "stones," without hesitation. At times, this may involve pointing out uncomfortable truths. However, based on a relationship of trust with management, I would like to continue engaging in constructive discussions aimed at further improving the Bank.

——We would like to ask Mr. Kondo, who is stepping down, to share a message of support for the future of the Gunma Bank.

Turn the business integration into an engine for regional revitalization

Kondo Even after stepping down from my position, I will continue to strongly support the Bank. Over the past decade, the Bank has achieved reforms at a pace that has clearly outperformed other regional banks. Building on this foundation, the integration with Daishi Hokuetsu FG marks the beginning of a new phase of challenges in regional revitalization that goes beyond the traditional regional banking model.

I sincerely hope that the new financial group, following the integration, will play an even greater role than before and serve as a new engine driving the regional economy forward.

Mutual respect is essential in business integration.
Develop a strong sense of responsibility
as a regional leader and take on
a new phase of regional revitalization.



2 The Gunma Bank Group's Value Creation Story

Strengths of Gunma Prefecture

Excellent access to Greater Tokyo and a rich natural environment

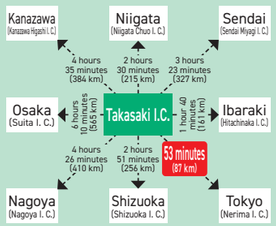
Gunma Prefecture as a key transportation hub

With a railway network centered on the Joetsu, Nagano, and Hokuriku Shinkansen lines, and a road network centered on the Kan-Etsu Expressway, Gunma provides good access not only to Greater Tokyo but also to Hokuriku and Koshinetsu.



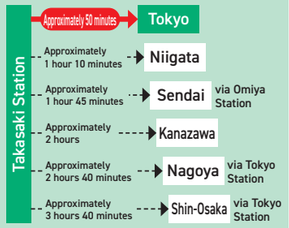
Kan-Etsu, Joshin-Etsu, Kita-Kanto, and Tohoku Expressways form high-speed transportation networks that connect Eastern Japan and Western Japan, as well as the Pacific coast and the Sea of Japan coast of the country.

●Using expressways



Joetsu Shinkansen and Hokuriku Shinkansen run across Gunma Prefecture, and Takasaki Station serves as a railway transportation hub, allowing easy access to various destinations.

●Using Shinkansen



Rich natural environment

Gunma has had 78 earthquakes with seismic intensity of 4 or higher over the past 107 years, the least number among the prefectures in the Kanto region of Japan, while the number of households affected by natural disasters has been at the lowest level in the country.

Besides, Gunma ranks second among all the prefectures of Japan in hours of sunlight per year, and the amount of snowfall in the wintertime is relatively small in its lowland areas. Gunma has a rich natural environment.

Number of earthquakes with seismic intensity of 4 or higher
(January 1, 1919 to March 31, 2026)

Ranking	Prefecture	Number of occurrences
1	**Gunma Pref.**	**78**
2	Kanagawa Pref.	122
3	Saitama Pref.	166
4	Chiba Pref.	243
5	Tochigi Pref.	252
6	Ibaraki Pref.	405
7	Tokyo	580

Number of households affected by natural disasters, etc.
(2014 to 2023)

Ranking	Prefecture	Number of households affected
1	**Gunma Pref.**	**443**
2	Tokyo	2,397
3	Kanagawa Pref.	3,075
4	Saitama Pref.	5,795
5	Tochigi Pref.	7,434
6	Chiba Pref.	8,654
7	Ibaraki Pref.	8,720

Hours of sunlight (yearly)
(FY2024)

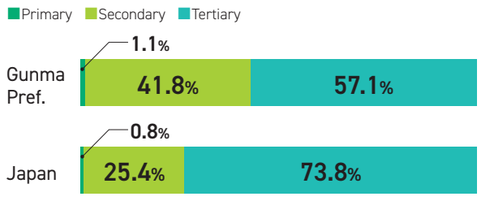
Ranking	Prefecture
1	Kochi Pref.
2	**Gunma Pref.**
3	Saitama Pref.
4	Shizuoka Pref.
5	Aichi Pref.

Source: IR Materials of Gunma Prefecture (May 2026)

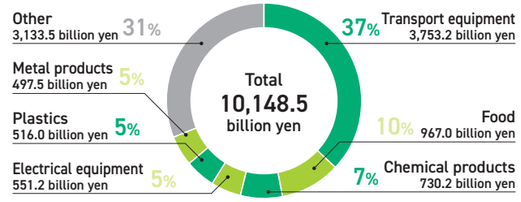
Manufacturing industry serving as an engine for Gunma Prefecture's economy

The manufacturing industry has developed thanks to a well-developed transportation network, stable climate, fewer natural disasters, fundamental technology cultivated over a long time period, and other factors.

Nominal prefectural (domestic) gross production ratio by industry (2023)



Manufactured product shipments, etc. (2023)



Number of factory locations

38 locations

Ranking 8th in Japan (2024)

Ranking high in the number of factory locations every year

2019	2020	2021	2022	2023
4th	4th	4th	6th	4th

Source: IR Materials of Gunma Prefecture (May 2026)

Attractive tourism resources

- Gunma has 98 hot spring areas, ranking first in the Kanto region of Japan and eighth in the country.
- World Heritage Site of the Tomioka Silk Mill and related sites.
  ➡Began operation as Japan's first government-run model silk mill factory. Became the first industrial heritage designated as a national treasure of Japan.
- Leveraging its rich water resources, Gunma ranks sixth in Japan in the maximum output of hydro-electric power.



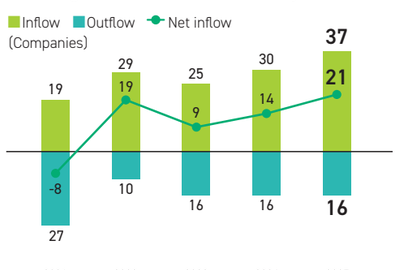




Sources: "2024 State of Use of Hot Springs," the Ministry of the Environment, and 2025 Electric Power Survey Statistics (the number of power plants and output by prefecture, February 2026), the Ministry of Economy, Trade and Industry

Key data of Gunma Prefecture

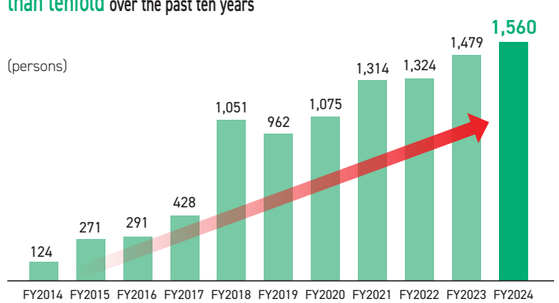
The number of companies relocated to Gunma Prefecture (inflow) was 37, the second highest ever, with inflow exceeding outflow for four consecutive years



Source: "Gunma Prefecture: Head Office Relocation Trend Survey (2025)," Teikoku Databank

Has ranked first in the ranking of the best places for relocation for two consecutive years

The number of people relocating to the prefecture has increased more than tenfold over the past ten years



Source: IR Materials of Gunma Prefecture (May 2026)

Strengths of the Gunma Bank Group

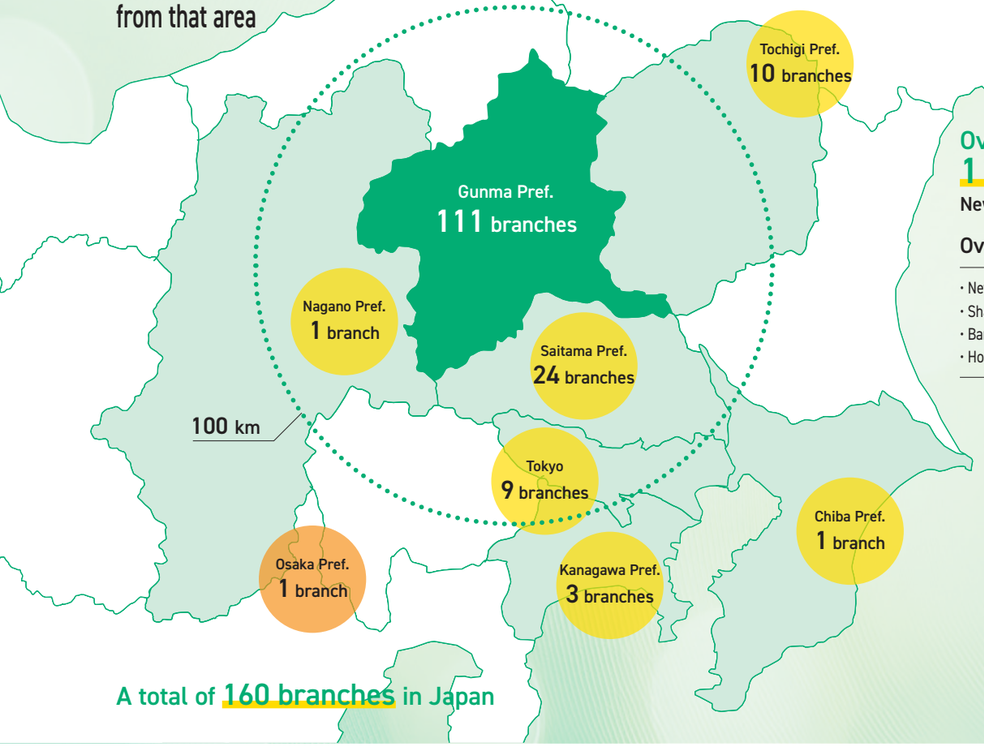
Strong domestic and overseas networks of branches and bases

In Japan, the Gunma Bank conducts business by utilizing its network of branches spanning the Kanto region that include branches in Tokyo, Osaka and six prefectures, the majority of which are in Gunma.

Outside of Japan, the Bank has one branch in the U.S. and three representative offices in China, Thailand and Vietnam. Operating a branch in New York is a distinguishing characteristic of the Bank. These overseas bases support the overseas operations of the Bank's customers in Japan by collaborating with local financial institutions.

A network of branches throughout the Kanto region

Providing support for regional companies' expansion into the Greater Tokyo area and attracting businesses from that area



Overseas Branches
1 branch
New York

Overseas bases
- New York Branch
- Shanghai Representative Office
- Bangkok Representative Office
- Ho Chi Minh Representative Office

A total of 160 branches in Japan

Collaboration in the Gunma Bank Group

The Gunma Bank Group consists of the Bank, six consolidated subsidiaries, two non-consolidated equity-method subsidiaries, and one equity-method affiliate. In addition to our core banking services, we provide a wide range of financial products and services. The Group will strive to maximize its revenue by utilizing and strengthening the Group's functions and will also work as one to create and provide value that goes beyond its existing business domains to contribute to the development of local communities.

ぐんぎんリース株式会社 GUNGIN LEASING CO.,LTD.
Major business: leasing

ぐんぎん証券
Major business: securities business

ぐんぎんシステムサービス株式会社 Gungin System Service Co., Ltd.
Major business: system development and sales

ぐんぎんコンサルティング
Major business: consulting, human resources solutions, regional trading company, marketing and advertising business

Gunma Bank

Gunma Shinyo Hosyo Co., Ltd.
Major business: guarantee business

ぐんま地域共創パートナーズ Gunma Regional Advanced Solution Partners
Major business: fund structuring and operation

スカイオーシャン・アセットマネジメント *
Major business: asset management (investment trust)

株式会社 群銀カード
Major business: credit cards

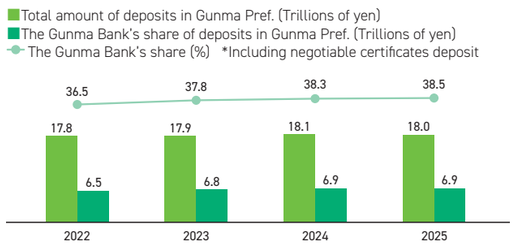
Gunma Chuo Kogyo Co., Ltd.
Major business: transportation of goods, maintenance of automated teller machines (ATM), etc.

*Operations to be terminated around March 31, 2027.

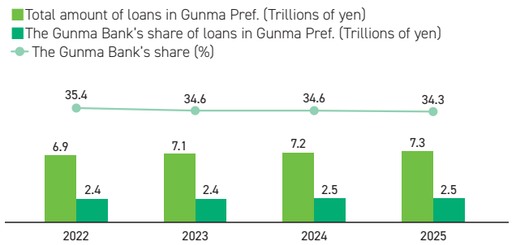
Strong customer base

The Bank's share of deposits and share of loans in Gunma Prefecture both stand at more than 30%, a testament to the relationship of trust that the Bank has built with customers over many years.

Deposits in Gunma Pref.*



Loans in Gunma Pref.



Source: The Financial Journal

Sound financial foundations

Implementing RORA management, the Bank has achieved high management efficiency, as demonstrated by its ROE, which is at the highest level among regional banks, as well as low OHR. (The data shown below are the data for FY2025 or as of the end of March 2026.)

Capital

Capital adequacy ratio (consolidated)	15.13%
Common equity Tier 1 ratio (consolidated)	13.58%

Profitability ranking high among regional banks

Profit attributable to owners of parent	58.8 billion yen
ROE (consolidated)	10.0%
RORA	1.48%

Low overhead ratio (efficient management)

OHR	45.7%

Sound loan assets

Non-performing loan ratio (consolidated)	1.19%

Value Creation Process at the Gunma Bank Group

Through business activities based on our Purpose, the Gunma Bank Group endeavors to realize a sustainable society and create economic value by providing value to the stakeholders including customers, regional communities, shareholders, investors, and employees.

Value creation will result in even higher value creation through increasing capital of the Bank Group and raising its corporate value.

Materiality
Priority issues for the realization of the Purpose

- Sustainable development of regional economy
- Response to decreasing birthrates and a declining, aging population
- Response to digital transformation
- Preservation and creation of the global environment
- Enhancement of human capital
- Establishment of robust governance

Inputs

Strengths ▸ P.32,33

Financial capital

As of March 31, 2026

Deposits ..... 8,571.0 billion yen

Loan balance ..... 7,226.1 billion yen

Consolidated capital adequacy ratio 15.13%

Human capital

Number of employees (Consolidated) ..... 2,899 people

Ratio of mid-career hires 39.6%

Number of specialist qualification holders* ..... 308 people

*Total number holding qualifications such as Small and Medium Enterprise Management Consultant, 1st grade Certified Skilled Professional of Financial Planning, Certified Member Analyst of the Securities Analysts Association of Japan, Certified Anti-Money Laundering Specialist, and Information Technology Engineer (advanced)

Intellectual capital

Information capabilities driven by overwhelming share

Main bank share* 44.45%

*Source: "2025 survey on main banks of companies in Gunma Prefecture," Teikoku Databank

Social capital

Strong customer base underpinned by our wide-area network covering Japan and overseas

Number of domestic branches ..... 160 branches

Number of overseas bases ..... 1 branch, 3 representative offices

Natural capital

Abundant natural capital and potential for green transformation cultivated through long hours of sunlight (2nd in Japan) and the region's strong business continuity

Hours of sunlight (yearly) ..... Ranking 2nd in Japan (2024)

*Source: IR Materials of Gunma Prefecture (May 2026)

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

Basic policy I

Creating a virtuous cycle of social and economic values

Strategic theme 1

Deepening purpose-driven sales

Expanding the scope of solutions and enhancing their quality through sales activities realizing a balance between social and economic values

(Implementation of the full-spec approach)

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

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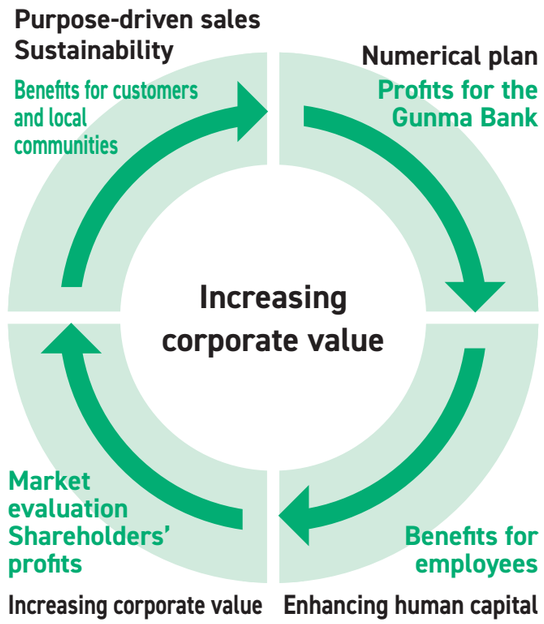
Basic policy II

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

Outcomes



Simultaneously achieving profits and benefits in all these four areas

Sustainable growth of local communities and the Gunma Bank Group "Vision"

Toward the realization of the Purpose

Materiality (Priority Issues for the Realization of the Purpose) and Initiatives

As we formulated the Mid-Term Business Plan "Growth with 'Purpose,'" which we launched in April 2025, we defined materiality as priority issues for the realization of our Purpose and identified six material issues in view of the "degree of materiality for society" as well as the "degree of materiality for the Gunma Bank."

*The Gunma Bank Group has established the Gunma Bank Group's Sustainability Policy, which stipulates the Group's materiality and the policy for implementing initiatives.

Sustainability Policy ▶ P.64

Process for identifying material issues

❶ Selection of issues
- Selected multiple issues by considering the Group's internal and external environment, employees' opinions, local issues facing the Gunma Prefecture, and various sustainability guidelines (such as the Sustainability Accounting Standards Board (SASB) guidance).

❷ Prioritization
- Prioritized the selected issues in view of the "degree of materiality for society" as well as the "degree of materiality for the Gunma Bank."

❸ Identification of material issues
- Identified six material issues toward the realization of the Purpose, after discussion at the Sustainability Committee and deliberation by the Board of Directors for finalization.

Materiality	Risks and opportunities	Major initiatives under the Mid-Term Business Plan	Sustainability indicators: Item	FY2027 target (final fiscal year of the Mid-Term Business Plan)	Long-term target	FY2025 results (first fiscal year of the Mid-Term Business Plan)	Progress during the Mid-Term Business Plan
Sustainable development of regional economy	Opportunity ● Greater, expanded opportunity to provide solutions for customers, who face management issues that become more diversified and more advanced Risk ● A slowdown or deteriorated performance of customers' businesses and a slump of the regional economy as a result of failing to respond in a timely manner to changes in social structure and industry structure	● Restructuring the sales structure based on segment strategy, with the aim of delivering optimized value ● Deepening goal-based, needs-based sales activities built on the "connecting process" ● Strengthening sales capabilities that contribute to solving local issues, such as business succession, decarbonization, human resource shortages, and digital transformation ● Revitalizing local industries and strengthening collaborations with start-ups ● Cooperating with alliance partners such as local governments and universities to solve local issues and others	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	104.7 [an increase of 4.7% from FY2024]	58.7%
Response to digital transformation	Opportunity ● Greater opportunity to provide consulting to meet new needs arising from the advances of digitalization ● Greater opportunity to contact new customers through non-face-to-face channels and higher productivity due to improved operational efficiencies Risk ● A decrease in the Gunma Bank's competitiveness as a result of failing to respond in a timely manner to the rapid advance of digital society	● Establishing regional ecosystems built on the combination of cashless transactions and information ● Strengthening customer touch points and collaborating across channels by leveraging digital technology ● Efforts to centralize internal bank operations and reduce administrative operations ● Strengthening digital marketing ● Enhancing the use of AI and others					
Response to decreasing birthrates and a declining, aging population	Opportunity ● Greater opportunity to provide new financial products and services that meet the needs of the era of the 100-year life Risk ● A decrease in the customer base due to decreasing birthrates and a declining, aging population ● A decrease in the Gunma Bank's competitiveness as a result of failing to meet each generation's needs that become more diversified and more advanced	● Restructuring the consulting structure for individuals and strengthening the collaboration with Gungin Securities ● Strengthening proposal capabilities targeted at high-net-worth individuals and strengthening inheritance-related services ● Expanding the base of investors and enhancing recurring revenue in line with the government policy to promote economic growth driven by asset management ● Increasing transactions with the asset building generation, starting with promoting housing loans ● Implementing more advanced marketing for mass-market customers aimed at increasing deposits and loan transactions and others	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	103.6 [an increase of 3.6% from FY2024]	45.0%
Preservation and creation of the global environment	Opportunity ● Greater opportunity to provide new financial products and services to support decarbonization and biodiversity efforts Risk ● A slowdown or deteriorated performance of customers' businesses as a result of the occurrence of natural disasters and the strengthening of various regulations ● Damage to the Gunma Bank's reputation in the event it is determined we have not provided adequate disclosure	● Proposing financing products and solutions with sustainable finance at their core ● Enhancing the range of decarbonization-related solutions and financing products ● Addressing new issues such as natural capital and biodiversity ● Supporting environmental conservation activities through the GUNGIN Foundation and others	The Bank's greenhouse gas emissions	Net zero (by FY2030)		$3{,}212t\text{-}CO_2$ [-71.3% from FY2013]	—
			The rate of year-on-year reduction in customers' greenhouse gas emissions	Sustained reduction		-1.5%	—
Enhancement of human capital	Opportunity ● Employment of human resources, cultivation of corporate culture, and maximization of human capital by promoting the empowerment of diverse human resources ● Creation of new value by enhancing human capital Risk ● A decline in employees' motivation and talent drain as a result of failing to respond to diverse values and flexible work styles	● Building human capital portfolio in ways aligned with management strategy ● Implementing recruitment, talent development, and career development support based on a job based human resource system ● Promoting diversity, equity, and inclusion ● Efforts to improve the well-being of executives and employees and others	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		102.8	—
Establishment of robust governance	Opportunity ● Diversification and strengthening of the revenue base through the acceleration of the decision making process, the improvement of organizational efficiency, and other efforts ● Improvement of the level of customer satisfaction through the improvement of transparency and credibility Risk ● Loss of the Bank's social credibility and deterioration of the Bank's performance due to a failure in governance ● A delay in decision making and decreased capital efficiency	● Building organizations and strengthening group governance in ways aligned with management strategy ● Strengthening cyber security ● Efforts to secure operational resilience ● Advancing business conduct putting compliance first ● Enhancing communication with stakeholders and others	—				

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

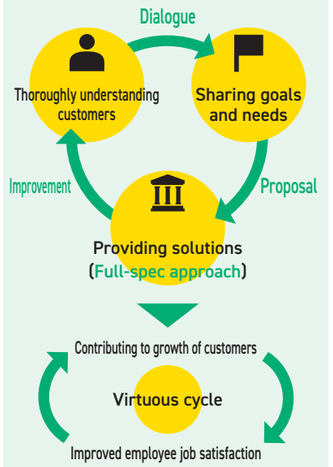
Mid-Term Business Plan basic policy I: Creating a virtuous cycle of social and economic values

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

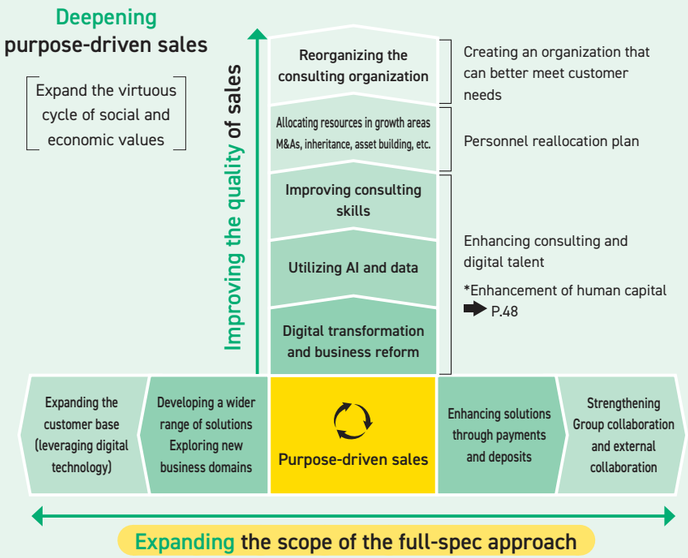
For the strategic theme 1, "Deepening purpose-driven sales," we are working to expand the scope and improve the quality of our solutions by carrying out sales activities that realize a balance between social and economic values, the efforts that we have made since the establishment of the Purpose.

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

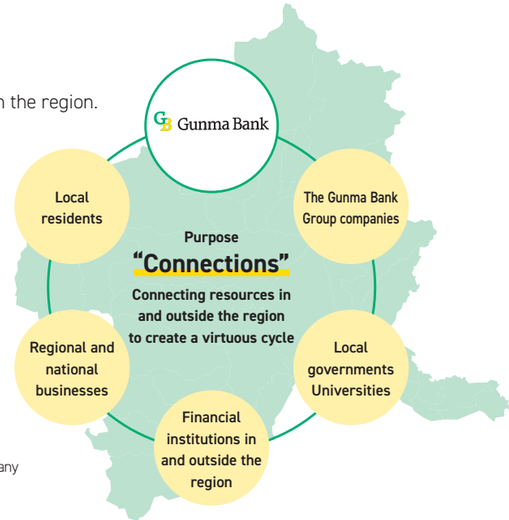
- Building an ecosystem through funds structured with the business operators in the region. Structuring multiple funds based on industries and themes.
  - Establishment of “Gunma Green Growth Fund” (construction industry).
    Establishment of “Gunma Sustainable Fund” (tourism industry).
- Starting collaboration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

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

Deepening Purpose-Driven Sales Corporate consulting

Connecting process

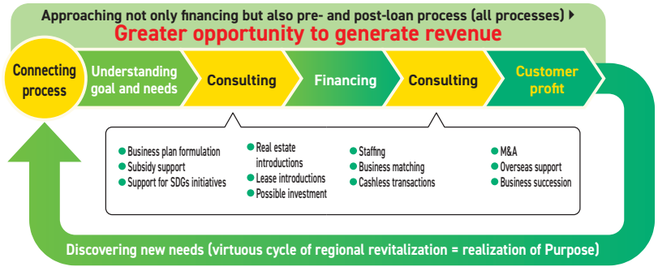
Since October 2022, the Gunma Bank has implemented our "connecting process." The "connecting process" means carrying out sales activities as an integrated process that begins with dialogue with our customers, continues through the sharing of goals and needs, and culminates in providing accurate solutions. 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.

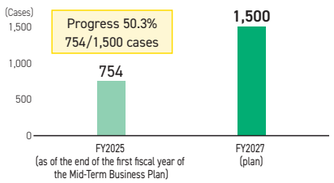
We utilize our wide-area network of bank clients, external partners, and alliances to match the clients of other banks with solutions to business needs such as sales channel expansion and finding business partners.

Staffing

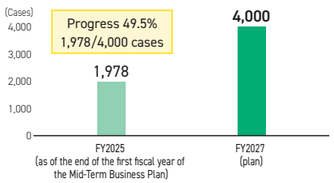
In addition to labor shortages and difficulties in finding business successors, local companies are facing major challenges in responding to the changing business environment. To help resolve these management issues in terms of securing the human resources businesses need, in January 2020, the Gunma 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

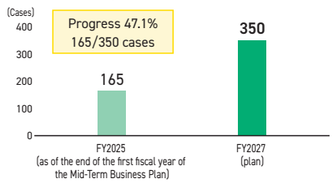
Number of business succession issues resolved (cumulative for three years)



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.

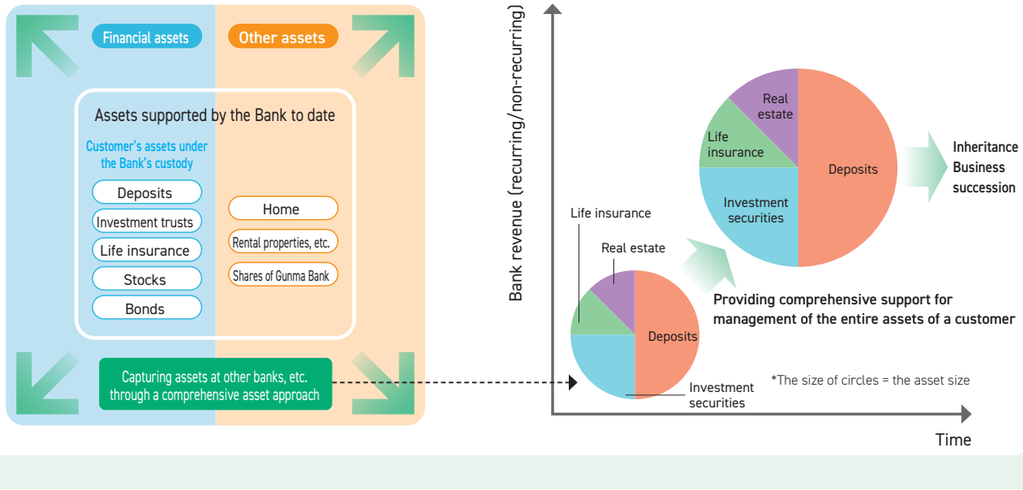
Deepening Purpose-Driven Sales

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.

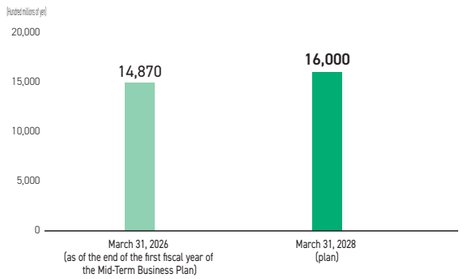
In the asset building field, in accordance with our Customer-Oriented Business Conduct Policy, we propose portfolio investments, periodic investments in investment trusts, and long-term diversified investments utilizing the NISA tax-free investment program to support customers' mid- to long-term asset 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.

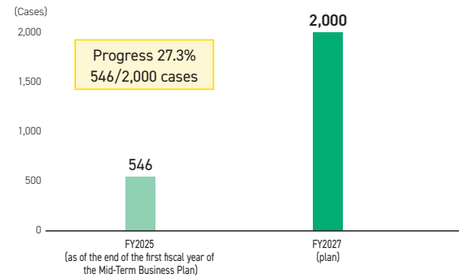
With these efforts, we provide comprehensive support ranging from asset building to inheritance, and thus we build a long-term relationship of trust and support their stable asset building and smooth asset transfer.

Results

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



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



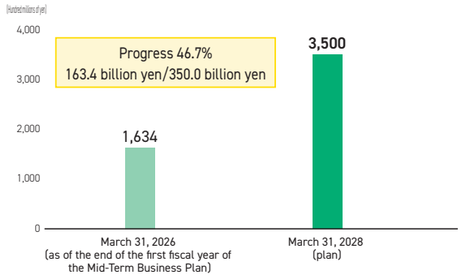
Efforts to promote loans for individual customers

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.

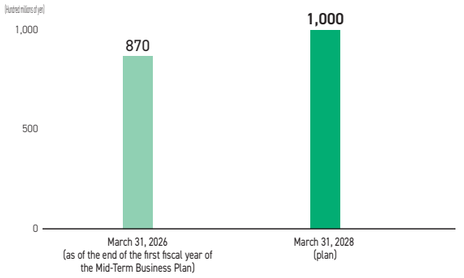
Additionally, we are working to increase transactions with asset building customers by providing composite services, offering housing loans as a starting point. In order to respond to the diverse needs of customers, we are working to improve the quality of our products. We are also promoting digitization 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.

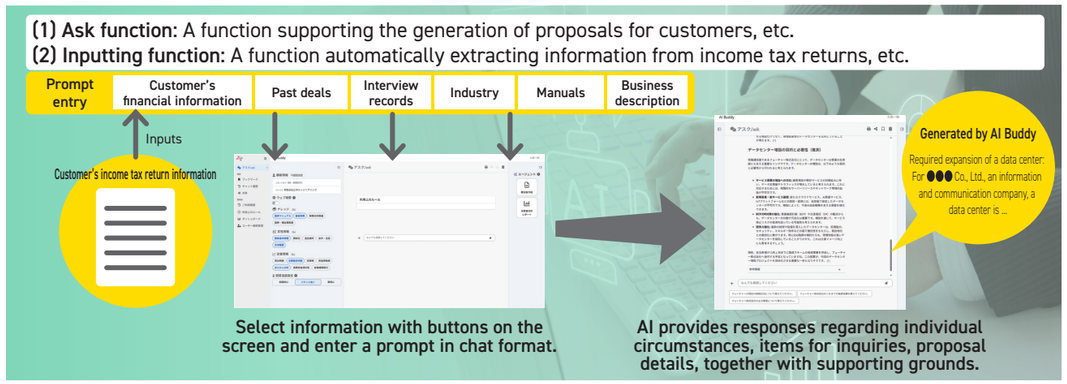
AI and Data Utilization and Digital Transformation Initiatives

Considering the enhancement of financial services and creation of new customer experiences with the utilization of AI as an important area for strategic investment leading to the sustainable development of regional communities, the Bank formulated the Gunma Bank AI Policy in April 2026. Under this policy, we will aim to solve the issues faced by our customers in the region and achieve the Group's sustainable growth by both enhancing sales activities and increasing operational efficiency and productivity. Simultaneously, we formulated the AI Management Rules, our uniform standard, to appropriately control the risks associated with the utilization of AI and maximize its effects. Through these initiatives, we have developed a rigorous control framework (governance framework) across departments.

Enhancing sales activities through the utilization of AI

Launch of AI Buddy, a generative AI tool supporting sales activities (May 2026)

This generative AI tool supports an employee as a buddy and provides assistance at stages from identifying issues to deal structuring based on the accumulated loan deal data, expertise, and records of interviews with customers. Experienced staff members' knowledge and expertise are shared through this AI tool with inexperienced employees, achieving both higher quality of loan negotiating activities and increased operational efficiency simultaneously.



AI and voice-based role-playing training for higher sales skills (October 2025)

We launched a voice-based training incorporating dialogue with AI in financial product sales and housing loan promotion. With such a training course, we create an environment where employees take courses for self-directed development, with no constraints on time and place. We will continue to increase our customer service quality and reinforce sales skills by utilizing AI to provide objective assessments and suggest improvements at a basic level.

Increasing operational efficiency and productivity through the utilization of AI

Introducing AI chatbot for increasing efficiency in internal inquiry operations (December 2025)

"Gungin AI Chat," a general generative AI-based tool available for all employees at the Bank, was introduced in July 2024. A function that summarizes and analyzes a file was added in July 2025, and other functions have been gradually added. The tool now has a function for handling operational inquiries by generating responses based on internal rules and manuals. This reduced work hours for handling inquiries at headquarters by approximately 3,500 hours a year. By handling inquiries from employees promptly with the tool, we will make full use of more time to improve customer service quality.

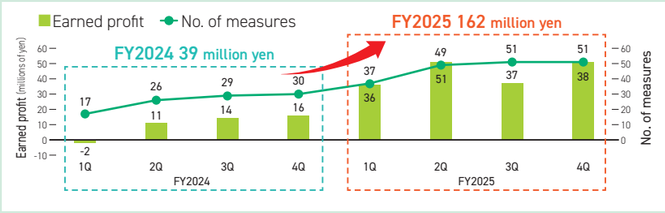
Introducing a tool in which AI automatically creates minutes, etc. based on audio of meetings (September 2025)

By utilizing this tool, minutes creation time was reduced by 75%, and approximately 98% of users felt that productivity increased. Going forward, use will be expanded to include the preparation of reports on meetings with customers and other front-line operations, promoting further efficiency and productivity increases.

Strengthening digital marketing

The number of measures to provide information to customers based on transaction statuses and behavior logs (automatic provision of emails, apps, ad banners, etc.) increased by around 50% with an aim to enhance information provision to customers. With this initiative, the earned profit for unsecured loans for FY2025 through the Bank's channels including emails and apps quadrupled from the previous fiscal year. Moreover, we started to deliver online video advertisements, promoting optimization of appeals based on data as well as increasing efficiency in advertising. We will continue to reinforce and enhance our measures to create more revenue opportunities.

Changes in unsecured loan profits due to digital marketing



Video ad for a Gungin App referral program, created by generative AI



Enhancing data-driven management

With the development of a dashboard that enables centralized management of sales promotion results and risk management indicators, the work hours spent on document preparation were reduced by 1,600 hours a year, while strengthening our efforts for rapid decision-making based on data and enhancement of governance. Moreover, a development team was formed within the Bank, which was responsible for the entire process from issue identification, requirement definition, prototype development, to operational improvement while working closely with the operational departments as one team. This has enabled us to establish a development and operation structure with greater speed and flexibility, which was hard to realize in the previous development structure that was dependent on external vendors.

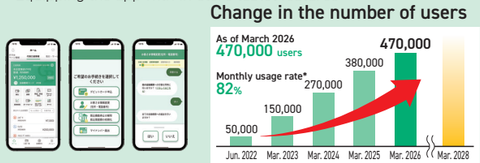
Strengthening customer touch points

We will elevate customer experience (UI/UX) to a higher level by continuously adding and improving functions of the Gungin App, our non-face-to-face channel closest to individual customers, and the Gungin Business Portal for corporate customers. We also worked on the utilization of rules-based AI in store tablets and added and enhanced new functions, thus achieving a reduction in waiting time and creation of new customer experiences. We will continue to enhance functions and services that increase customer convenience, aiming to develop all our channels to be easier-to-use and more reliable.

Gungin App

- Gradually rolling out features leading to improved customer convenience and top line
- Equipping the app with in-store tablet features

Change in the number of users

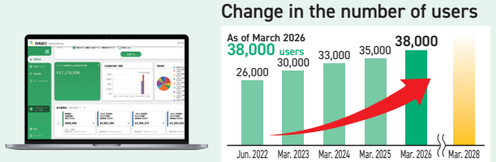


*Ratio of app users who logged in to the app in the past month (as of March 2026)

Gungin Business Portal

- Gradually rolling out features that help with daily transactions, simple procedures, and problem solving

Change in the number of users



	Functions added to date	Functions and services to be introduced
Gungin App	● App loan ● Opening ordinary deposit account ● Changing address and phone number ● Electronic document provision function (for investment trust-related document)	● Cardless transactions using ATMs located inside convenience stores ● Feature to raise transfer upper limits ● Household bookkeeping/life plan simulation service
Gungin Business Portal	● Subsidy diagnostic service	● Non-face-to-face reception of business debit card applications
In-store tablets	● Changing name ● Submission of My Number ● Loss report form/Discovery report form/Re-issuance application	● Expansion of the scope of support for entries to rule-based AI

Enhancing Human Capital

We believe that it is each of our executives and employees that drives the sustainable growth of local communities and the Gunma Bank Group and the realization of our Purpose and that each of them is a source of value, or capital. To further enhance human capital, we will implement human capital strategies that are aligned with our management strategy.

Employee roundtable discussion

Aiming to be a person who works together with the region and customers and support them



Keisuke Hirata
Expert, Customer Consulting Department
Joined the Bank in 2011

Hideko Tatsukawa
Executive Officer and General Manager, HR Management Department

Kentaro Osaki
Branch General Manager, Hirose Branch
Joined the Bank in 1999

Erina Tsutsumi
Oyama Branch
Joined the Bank in 2019

For supporting sustainable growth of customers and weaving better futures



Tatsukawa The Gunma Bank Group ("the Group") launched its Mid-Term Business Plan "Growth with 'Purpose'" in April 2025 to deepen the Purpose, "By connecting the strands of resources, people, and generations, we weave better futures for our communities." In our day-to-day operations, we strive to support sustainable growth of the communities. Each of you plays an active role at each respective position. Please tell us about what you work on to weave better futures for our communities.

Osaki I am Branch General Manager of the Gunma Bank ("the Bank"), and I manage my branch and develop branch employees. To accurately understand the issues and needs of customers, we need to have them share their future vision and goals with us through dialogue. Based on the information gained from such dialogue, I aim to offer solutions from a wider perspective while collaborating within the Group as well as other banks, local public bodies, and industry-government-academia sectors.

Hirata I took an external training course for one year from 2019 to learn M&A operations. With the experience I gained from this training, I am now engaged in M&A operations and support solving challenges related to customers' sustainable growth strategies. I offer an optimal solution for each customer by utilizing alliance banks and partner networks.

Tsutsumi I have designated "I will be helpful in a customer's life through asset management" as my Personal Purpose*. In my daily work, I keep track of changes in a customer's life stage and environment so that I can provide them with opportunities to think about their future. In fact, I found it very rewarding when I was actually able to offer proposals that provided "insight" to people going through major life events, such as getting married or having children.

*Refers to an individual purpose that each employee establishes based on the Purpose.

With the instillation of a job based human resource system, there have been changes at workplaces

Tatsukawa In June 2024, the Bank launched a job based human resource system in order to create an environment where our employees fully demonstrate their expertise and creativity against the backdrop of advancing needs of the communities and customers. Have you witnessed any changes over the last two years? For more effective utilization of this system, what do you think we should do?

Hirata I wanted to get more deeply involved in M&A operations and applied for a specialist position under our professional job posting scheme. Specialist positions allow one to fully utilize their expertise, and I now work as an "Expert." I see that more people have expressed their own ambitions and intentions since the revision of the personnel system. In thinking about one's career, there are opportunities for the employees to proactively explore information; at a career change briefing session, you can listen to another employee who is in a position you are interested in, and under a job intern program, you can experience operations for a short period of time. In order to make it easier for the employees to select their career paths, I think that the departments and branches must proactively communicate their operations and the appeal of their organizations.





Tsutsumi I thought that understanding a wide range of systems related to taxation, inheritance, and others was necessary to get involved in a customer's life design process as a sales representative for financial assets under custody. That is why I obtained the 1st grade Certified Skilled Professional of Financial Planning qualification during my childcare leave. To address the diverse needs and challenges of customers, recruiting and developing specialist talent with expert knowledge in relevant fields is essential. At the Bank, mid-career hires have become common, and I feel that there are more colleagues who utilize their expertise and skills they cultivated outside the Bank.

Osaki I feel that more employees take ownership of their own future career. In fact, I applied for a position under a job posting scheme and was appointed as a Branch General Manager. I wanted to perform management duties with a wider perspective. At the Bank, a job description is developed for a position of managerial supervisor or above so that anyone can see the job details and expected roles. It helps the employees to gain inspiration for their own career development.

Each and every employee grows sustainably together with communities and customers

Tatsukawa I see there have been changes for you and your colleagues as the job based human resource system has gradually taken root. Could you tell us about your mid- to long-term career vision, and what you intend to do to achieve your vision?

Tsutsumi I will develop my strengths to become a talent who contributes to customers and the organization. I will also learn management skills and operational knowledge from my supervisor and aim to earn deep trust from customers and colleagues. In doing so, I hope to be a role model for junior employees.

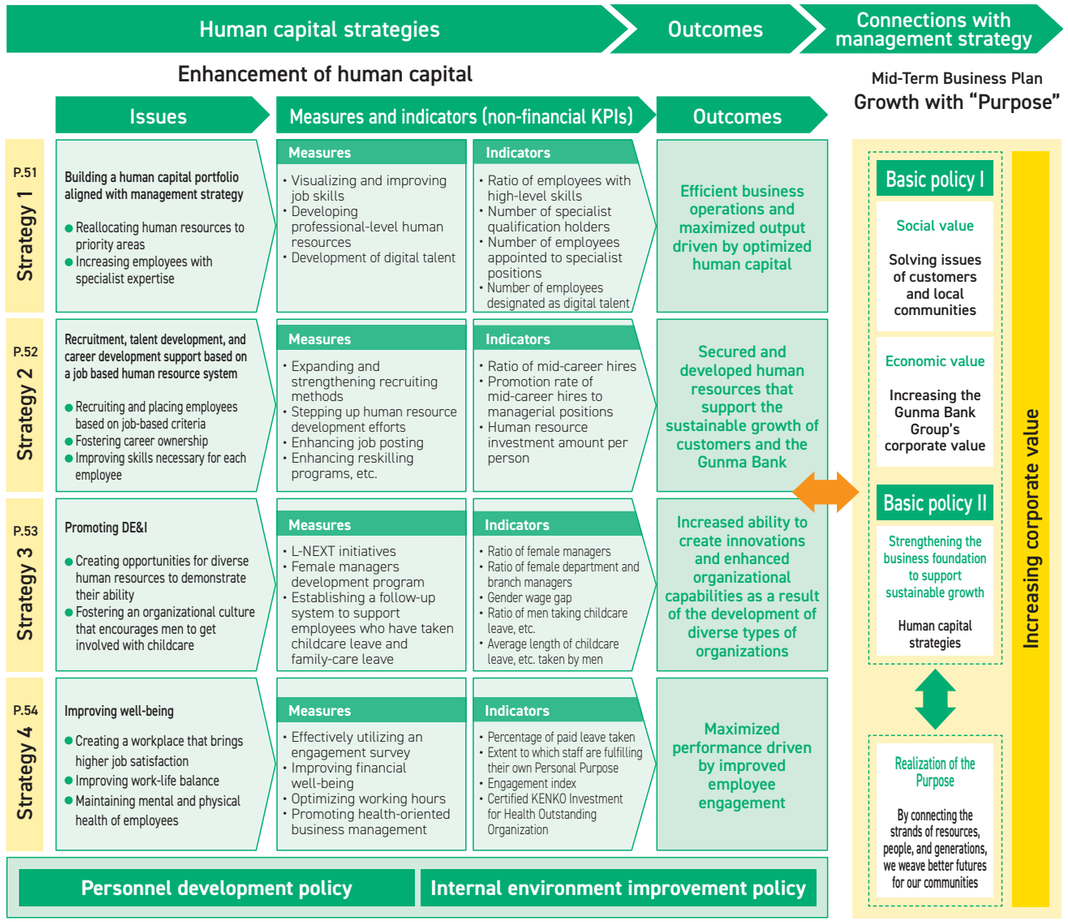
Hirata I want to continue to be deeply involved in the M&A operations as a specialist. M&A operations require a wide range of expertise including legal affairs and taxation, so I intend to acquire knowledge by utilizing the Bank's support for employees to obtain specialist qualifications and other programs. In addition, I will connect customers with each other through my participation in many deals or projects, aiming to enrich our futures. Under the present personnel system, an employee can select positions in accordance with their wishes. In the long term, I hope to consider managerial positions, such as department and branch manager, similar to those held by senior staff.

Osaki I will continue to help realize various values of customers as a Branch General Manager and stay committed to fostering the development of regional communities as stated in our Corporate Philosophy. I will also strive to create a workplace where my subordinates take ownership of their activities. At the same time, I aim to develop self-directed employees who can think and act to solve customers' challenges so that I can contribute to the realization of our Purpose.



Tatsukawa I see that each one of you pursues your own career by utilizing the Bank's programs and systems. Having one's own vision and making continuous efforts leads to greater outcomes and achieving goals. I strongly believe that the Group's efforts to create environments where the employees take initiatives to learn and pursue diverse career paths will lead to stronger human capital and deepened Purpose. The business integration with Daishi Hokuetsu Financial Group is scheduled for April 2027. We will welcome new colleagues. With them, I would like us to stay committed to fostering the development of the regional communities, which will become wider.

Human capital strategies aligned with management strategy and value creation process



Key points of the connection between human capital strategies and management strategy

By steadily implementing the measures laid out in our human capital strategies and thereby delivering outcomes such as efficient business operation and creation of innovations, we will pursue the objectives of "creating a virtuous cycle of social and economic values" and "strengthening the business foundation to support sustainable growth," the basic themes of our Mid-Term Business Plan. Moreover, we will also pursue the realization of the Purpose and thereby strive to enhance our corporate value.

The Personnel Development Policy and Internal Environment Improvement Policy that serve as the foundations for our human capital strategies are as follows.

Personnel development policy

"To achieve our Purpose, we will support employees to build their careers independently and take on challenges based on each individual's Personal Purpose to improve the value of our human resources."

In November 2021, the Gunma Bank Group established "By connecting the strands of resources, people, and generations, we weave better futures for our communities" as its Purpose. As the needs of customers and communities become more sophisticated and diversified, we will provide all executives and employees with opportunities to independently improve their abilities and gain motivation in order to strengthen their ability to "connect" to meet such oncoming demands. We will work with stakeholders both inside and outside the Group to demonstrate creativity and collective strength to develop human resources who can realize the Group's Purpose. Furthermore, each of our executives and employees will create innovations to weave better futures for local communities by growing sustainably together with local communities.

Internal environment improvement policy

"We will create an environment where every executive and employee, who are the source of value creation, can continue to work in good physical and mental health while recognizing each other's individuality and abilities to create a sense of well-being."

As values related to work and career development diversify, we will build a healthy and comfortable working environment where all executives and employees can continue to work both actively and with satisfaction, aiming to create a sense of well-being for each and every employee. We will do this not only through work style reforms and proactive initiatives on diversity, equity and inclusion, but also by providing opportunities for the right person in the right job to maximize their own unique abilities.

Strategy 1 Building a human capital portfolio aligned with management strategy

We consider that, as we implement our human capital strategies based on our management strategy, it is necessary to determine an appropriate number of employees engaged in each operational area, carry out reallocation, and eliminate the gap with what we should aim to achieve, and we implement efforts to build a human capital portfolio that is aligned with our management policy.

Visualizing and improving employees' job skills

Job skills assessment system

In order to visualize each employee's job skills to develop human resources with specialist expertise and ensure an optimal allocation of personnel, we have introduced our job skills assessment system in which jobs in the Bank are categorized into ten career categories, and each employee's skills are assessed on a three-level scale. To foster human resource reallocation and human resource development in the consulting area in particular, we will, among other initiatives, reorganize our sales system and expand the recruitment of mid-career hires, while also increasing employees with high-level skills by providing training programs and other support.

Developing and strengthening professional-level human resources

Supporting the learning of professional knowledge, etc.

As we believe that in order to respond to changes in the environment surrounding the Bank, it is important to secure and develop human resources with specialist expertise, we actively recruit mid-career hires, while also working to develop such human resources in-house. To help learn higher-level specialist expertise and increase the number of specialist qualification holders, we actively dispatch employees to external agencies, graduate schools, and other institutions and provide other support.

Professional job posting scheme

In line with the revision of the personnel system in June 2024, we have shifted to a multi-track personnel system that allows employees to develop a career path and to be treated appropriately using their specialist expertise. Under our professional job posting scheme, we appoint human resources with specialist expertise to specialist positions. As of April 1, 2026, 191 employees have been appointed to the positions.

Developing and strengthening digital talent

Digital talent designation system

We have implemented our digital talent designation system in which we designate employees who make changes in the Bank by utilizing information technology as "digital talent" based on their role and level of expertise, in an effort to meet customers' issues and needs that continue to change because of the rapid advance of information technology in recent years. We have also implemented various digital talent development initiatives such as providing support for employees who work to obtain basic to specialist qualifications, as well as sending employees to external training programs.

Ratio of employees with high-level skills

	Results	Results	Target
Item	FY2024	FY2025	FY2027
Ratio of employees with high-level skills*			
Corporate consulting	24.5%	26.6%	30%
Individual consulting	26.9%	29.9%	30%

*Ratio of employees who have been recognized as standing at the highest level in the in-house assessment that evaluates their job skills and attributes with a three-level scale.

Corporate consulting: Human resources who can contribute to enhancing the customer's corporate value by providing consulting services utilizing high-level skills (1st grade Certified Skilled Professional of Financial Planning, Small and Medium Enterprise Management Consultant, etc.)

Individual consulting: Human resources who have high-level professional knowledge about asset management and can conduct business in a customer-centric manner (1st grade Certified Skilled Professional of Financial Planning, Certified Member Analyst of the Securities Analysts Association of Japan, etc.)

Number of specialist qualification holders

	Results	Results	Target
Item	FY2024	FY2025	FY2027
Number of specialist qualification holders*	294	308	330

*Total number holding qualifications such as Small and Medium Enterprise Management Consultant, 1st grade Certified Skilled Professional of Financial Planning, Certified Financial Planner, Certified Member Analyst of the Securities Analysts Association of Japan, Certified Anti-Money Laundering Specialist, and Information Technology Engineer (advanced)

Number of employees appointed to specialist positions

	Results	Results	Target
Item	FY2024	FY2025	FY2027
Number of employees appointed to specialist positions*	181	191	250

*Number of employees in the position as of April of the next fiscal year

Digital talent

		Results	Results	Target
Role of digital talent		FY2024	FY2025	FY2027
Digital core talent	Leading changes in the Gunma Bank Group, including new businesses, products and services and business reforms, by leveraging information technology (Information Technology Engineer (advanced), 2nd-grade Japan Statistical Society Certificate holder, etc.)	10	19	30
Digital middle talent	Proposing the utilization of information technology to customers, and supporting customers' efforts to introduce and consolidate information technology in their organization (IT Coordinator, level 1 or higher Information Technology Engineer, etc.)	174	277	300
Digital base talent	Having basic knowledge about information technology and efficiently performing jobs by utilizing the Bank's internal IT system and other information technologies (IT passport holders, etc.)	996	1,650	1,500

Strategy 2 Implementing recruitment, talent development, and career development support based on a job based human resource system

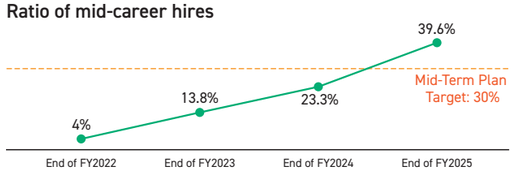
With the aim of transforming into a self-sustaining and dynamic organization, we reformed our personnel system in June 2024, introducing a job based human resource system. We will strive to improve employee engagement and re-energize our whole organization by properly implementing the new personnel system.

Expanding and strengthening recruiting methods to secure diverse human resources and helping employees perform at their best

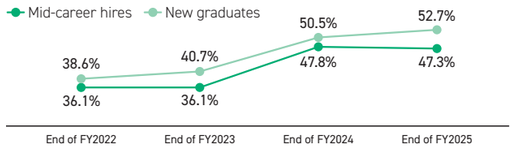
Expanding mid-career hiring

Considering that, with the new personnel system in place, it is now easier for us to hire human resources with high-level specialist expertise, we have been expanding mid-career recruitment by utilizing methods such as direct recruiting, by which staffing service companies or the Bank directly approach candidates. In addition, in FY2025, we started an initiative under which departments at headquarters take ownership of hiring talent required for each field. As a result, the ratio of mid-career hires reached 39.6% for FY2025, exceeding the target for the final fiscal year of the Mid-Term Business Plan. Additionally, we provide the same opportunities for mid-career hires with diverse experiences as those for new graduates to demonstrate their ability in order to enhance the creation of innovation by utilizing the external insights and increase our strengths in "connections."

Ratio of mid-career hires



Promotion rate of mid-career hires to managerial positions



Alumni hiring system and referral hiring scheme

As part of efforts to expand hiring methods, in December 2022, we introduced an alumni hiring system, which provides reentry opportunities for former employees. Moreover, in August 2025, we introduced a referral hiring scheme, under which our employees refer their friends or acquaintances who hope to join the Bank. The employees who joined the Bank by using these systems are delivering great performance by making the most of their experience outside the Bank.

Course-based hiring system

We have introduced a course-based hiring system in which new graduates are appointed to departments at headquarters immediately after joining the Bank and are developed as specialist human resources. We utilize this system to support diverse career development.

Main special courses	● Wealth management course ● System and digital course ● Risk management and market course

Stepping up human resource development efforts and supporting self-directed career development

Active investment in human resource development

At the Gunma Bank, in order to enhance our human capital, we support the self-directed career development of our employees by expanding structured talent development programs. We have set a target of increasing our investment in personnel development to 250,000 yen per employee and a total of 730 million yen by FY2027. We will continue to provide various training programs and support for employees' self-directed learning.

Human resource investment amount per person

	Results	Results	Target
Item	FY2024	FY2025	FY2027
Human resource investment amount per person (Total investment)	169,920 yen (488 million yen)	180,757 yen (515 million yen)	250,000 yen (730 million yen)

*Human resource investment amount per person = Expenses related to training (qualifications, expenses for dispatched trainees, training centers, etc.) ÷ average annual number of full-time employees

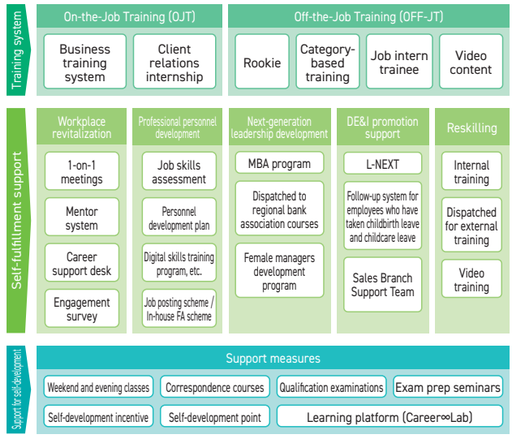
Job posting scheme and in-house free agent (FA) scheme

As an effort to support self-directed and diverse career development, we have implemented a job posting scheme in which we seek employees who wish to be appointed to various posted jobs, including jobs at the departments at headquarters, a Branch General Manager, and deployment to an outside organization. In FY2025, we expanded the scope of posted jobs to include all the jobs within the Bank and the Group companies. In addition to the expansion of the job posting scheme, we established a new in-house FA scheme, under which an employee with high evaluations and highly specialized qualifications declares up to three jobs they wish to be assigned.

Appointments to designated positions implemented in the job posting scheme and the in-house FA scheme	● Appointed to the position of Branch General Manager or Branch Deputy General Manager for the first time	19 employees
	● Appointed to the position of Deputy Section Chief or Section Chief or other managerial positions for the first time	20 employees
	● Appointed to departments at headquarters, etc.	39 employees
	Total	78 employees

*Among the employees who were transferred to different positions as of April 1, 2026, the number of those who were appointed in the job posting scheme

Overall picture of talent development



Strategy 3 Promoting diversity, equity, and inclusion

We consider that fostering a workplace culture in which employees with diverse sets of experience and different perspectives can demonstrate their ability as well as creating opportunities for them to do so are essential to further enhancing our human capital. We will make efforts to secure and take advantage of diversity in our organization.

Promotion of a variety of human resources into active positions and support to help them demonstrate their ability

L-NEXT initiatives

We formed a project team "L-NEXT" each year to promote a variety of human resources into active positions. The team has carried out various initiatives, such as organizing networking events with alliance banks and efforts to identify and analyze the Bank's issues and make proposals to the management team based on the results. Many measures have been developed from these initiatives and have already been implemented, including the introduction of hourly leave and change of prescribed working hours.

Past results

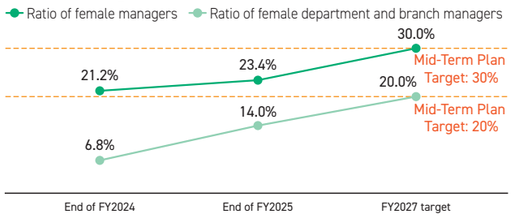
Measures developed from L-NEXT initiatives and implemented	● Introduction of Timely Leave (hourly leave) ● Establishment of career support desk ● Introduction of support measures against "first-grade wall" difficulties faced by working parents when their child enters elementary school ● Establishment of Sales Branch Support Team



Development of female managers and executive talent

For the development of female managers, we have implemented a program to develop management skills and increase motivation. Since FY2025, we have implemented initiatives to develop female executive talent, including a mentor program under which regular meetings with senior management are conducted, and a female Branch General Manager development program under which the participants can learn practical knowledge of financial analysis, etc. as well as negotiation skills with customers. Additionally, we will foster empowerment of female employees and promote female employees to senior positions and other leadership roles by, among others, implementing an initiative to eliminate unconscious gender biases in the Bank and hosting networking events for female managers.

Ratio of female managers/Ratio of female department and branch managers



Establishing a follow-up system to support employees who have taken childcare leave and family-care leave

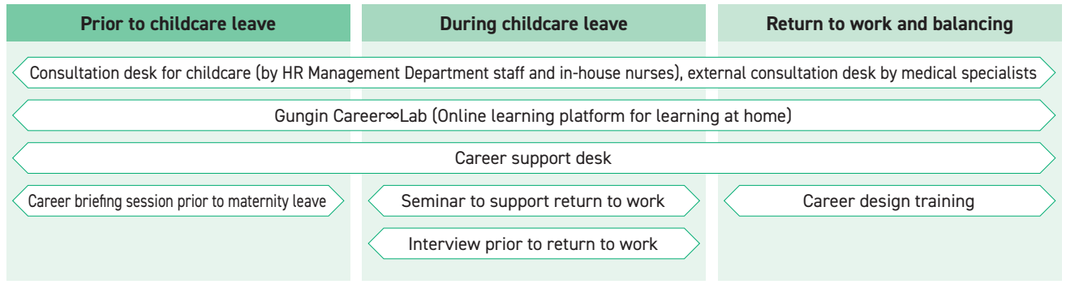
In April 2025, we launched our Sales Branch Support Team initiative, an effort to support sales branches in the event of their members taking short-term leave due to childcare, family care, or other reasons. We utilize this program to create an environment in which employees can play a major, active role in their childcare and family care. We also foster a culture of mothers and fathers cooperating in childcare by encouraging male employees to take childcare leave and strive to create a virtuous cycle of work and family life and help female employees demonstrate their ability.

Ratio of men taking childcare leave, etc./Average length of childcare leave, etc. taken by men

	Results	Results	Target
Item	FY2024	FY2025	FY2027
Ratio of men taking childcare leave, etc.	101.8%	100.0%	100%
Average length of childcare leave, etc. taken by men*	24.9 days	20.2 days	30 days or more

*Includes paternity leave (spousal childbirth leave)

Integrated follow-up system to support employees who have taken childcare leave



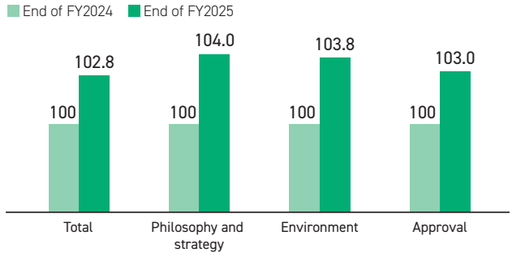
Strategy 4 Efforts to improve the well-being of executives and employees

The Gunma Bank defines well-being as "a good working environment where each and every executive and employee is in good shape, physically, mentally, and socially, and satisfied in their job by independently following the career path of their choice while achieving a good work-life balance." As such, we are working to create an environment where each and every employee can maximize their abilities by improving their well-being.

Conducting an engagement survey

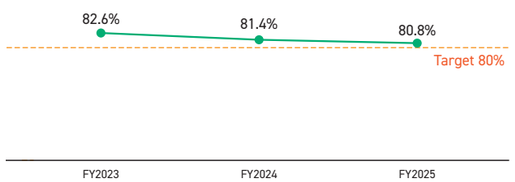
To visualize the state of employee motivation toward work and their sense of belonging to the organization, we conduct an engagement survey. Using the results of the engagement survey carried out in FY2024 as the baseline (setting the results to an index of 100), we have worked to achieve continuous improvement in employee engagement. FY2025 results show that the scores for items of "Philosophy and strategy," "Environment," and "Approval" rose substantially compared to the baseline. This is mainly attributable to deeper relationships between supervisors and their subordinates, and reduced psychological burdens as we have gradually expanded the scope of one-on-one meetings to cover all employees at the Bank in principle since October 2025. To achieve continuous improvement in the future as well, we will implement a variety of initiatives such as measures to improve the percentage of paid leave taken.

Engagement survey results



*Value when the value as of the end of FY2024 is set to a base of 100

Percentage of paid leave taken



Improving financial well-being

We believe that improving employees' financial well-being leads to the improvement of their motivation and well-being. At the Gunma Bank, we have introduced an employee stock ownership plan, a defined contribution pension plan, an employee asset-building saving plan, and other programs for improving employees' financial well-being. Through these efforts and also by implementing various training programs and providing relevant information to promote employees' understanding of asset building, we will work to support their self-directed asset building toward the future.

Promoting health-oriented business management

The Bank believes that the physical and mental well-being of our employees and their families is crucial not only for enhancing job satisfaction and engagement but also as a key element in realizing our Purpose. Therefore, we actively promote health-oriented business management. We issued our Health-Oriented Business Management Declaration in 2018 and are committed to achieving each employee's well-being, creating a dynamic organization, and fostering a corporate culture that brings employees a high level of job satisfaction by actively supporting employees' efforts to prevent disease and enhance health through collaborative actions with our health insurance association (Collab Health). By raising health awareness among employees and encouraging healthy lifestyles, we aim to reduce the risk of disease, lower medical costs, and improve productivity through better health. Additionally, we seek to energize the organization through the implementation of health-oriented business management initiatives while working on optimizing working hours and creating a good work-life balance.

Outline of health-oriented business management



FY2025 initiatives

In October 2025, we held a health promotion event in which the items out of scope of statutory health check-ups were measured in cooperation with Meiji Yasuda Life Insurance Company. This event was organized to raise employee interest in health while providing them with opportunities to review their lifestyle habits. In addition, we implemented various initiatives that include a health-oriented management seminar for our business partners with an interest in this subject (June 2025), and a video training course for all employees at the Bank to raise their health literacy (September 2025).



External evaluations

At the Gunma Bank, we have obtained external certifications as part of our efforts to evaluate the internal environment that supports employees in achieving well-being at various life stages.

We have been recognized as a KENKO Investment for Health Outstanding Organization for eight consecutive years, and we are the only institution in Gunma Prefecture to have received the White 500 certification for eight consecutive years. Moreover, in March 2026, the Bank was selected under the KENKO Investment for Health Stock Selection program, which is a joint project of the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to select, out of the White 500 enterprises, corporations that consider employee health management from a business perspective and work on the issue strategically. We have been selected for two consecutive years.

Furthermore, in April 2025, the Gunma Bank obtained Platinum Eruboshi certification, becoming the first company in Gunma Prefecture certified as a general employer that conforms to standards as provided for in the Act on the Promotion of Women's Active Engagement in Professional Life.

2026 健康経営銘柄 KENKO Investment for Health

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500



At the KENKO Investment for Health Award Ceremony

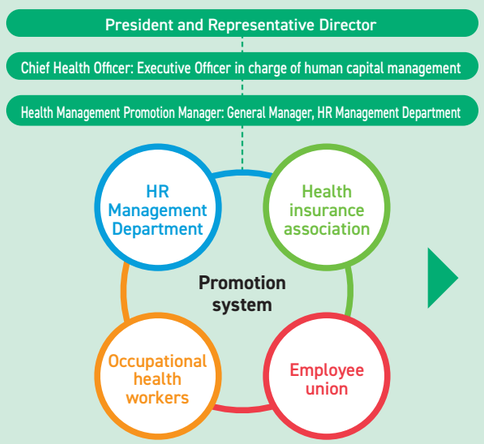
プラチナえるぼし 女性が活躍しています

プラチナくるみん すべてにチャレンジしています プラス 子育て支援と仕事との両立もサポートしています

SPORTS YELL COMPANY 2026

TOPICS Supporting employees' and their families' health

At the Gunma Bank Group, the management team, employee union, health insurance association, occupational health professionals, and the HR Management Department work together to develop and implement various initiatives aimed at safeguarding the physical and mental health of employees and their families. These efforts are designed to support a fulfilling lifestyle and enhance overall well-being.



Work-life balance	・Introduction of work interval system ・Remote work ・Timely leave ・Work-life balance leave ・Paternity leave ・Leave before 18:30 ・Setting leave work early or on-time dates
Disease prevention	・Branch-wide visits by public health nurse (affiliated with Bank) ・Various medical examination cost subsidies ・Influenza vaccination cost subsidy ・Incorporating PSA tests and cervical cancer screenings as standard in comprehensive medical checkups ・Fully subsidized smoking cessation treatment costs ・Establishment of an external health consultation desk (support for balancing work with the four major diseases, cancer treatment, etc.) ・Registration as a Gunma Prefecture Cancer Prevention Partnership Company ・Health promotion events ・Health classes ・E-learning course to improve health ・Evaluating rates of follow-up screenings and participation in specific health guidance through performance awards
Mental Health	・Mental health care training and seminars ・Creation of mental health care guide distributed to managers ・Consultations with mental health specialist ・Provision of outsourced counseling services
Encouraging Exercise	・Sports festival ・Gungin refresh exercises ・Subsidy for free sports and recreation (for each district) ・Club activity support ・Walking campaigns ・Participation in the Health Walking Event (sponsored by Gunma Labour Standards Association) ・Completion award for finishers of the Gunma Marathon ・Opening of the Gunma Bank Sports Center

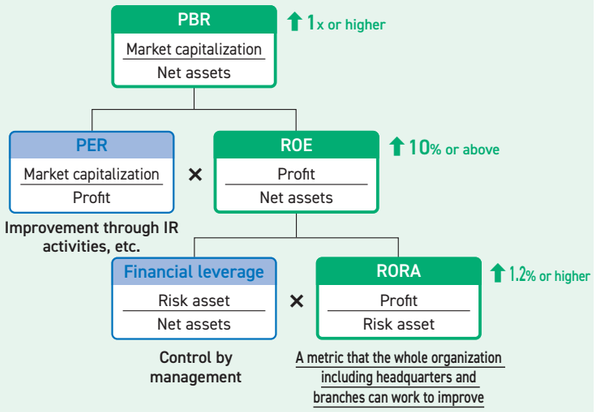
RORA Management to Improve Corporate Value

Strategies for improving corporate value

The Group has advanced corporate management centered on a return on risk-weighted assets (RORA) to sustainably improve the price-to-book ratio (PBR), a key metric for corporate value enhancement, ahead of other regional banks.

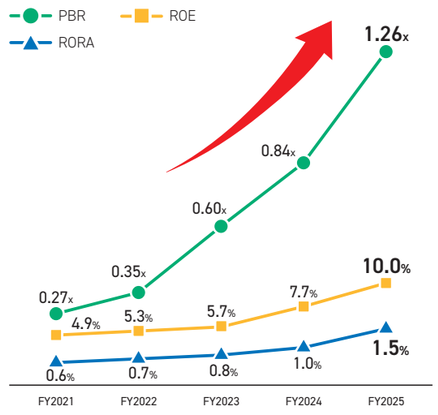
To improve PBR, it is necessary to improve return on equity (ROE) and price earnings ratio (PER). The PER is significantly affected by the external market environment and is therefore difficult to control. Accordingly, the Group prioritizes the improvement of ROE and has adopted RORA as a practical metric to be used for focusing on capital efficiency across the organization including the front-line employees. RORA has been incorporated into the profitability assessment of loans and other transactions.

As RORA makes profitability in alignment with risk clear, we use it to improve profitability from the level of individual transactions and have steadily raised the Group's overall capital efficiency. With the thorough practice of RORA management, we achieved a PBR of over 1x in FY2025. We will continue to improve our capital efficiency further through the enhancement of RORA management and pursue an increase in sustainable corporate value.



* Return On Risk-weighted Asset (RORA)
Profitability relative to risk asset. A metric that indicates profits earned relative to the risks taken.

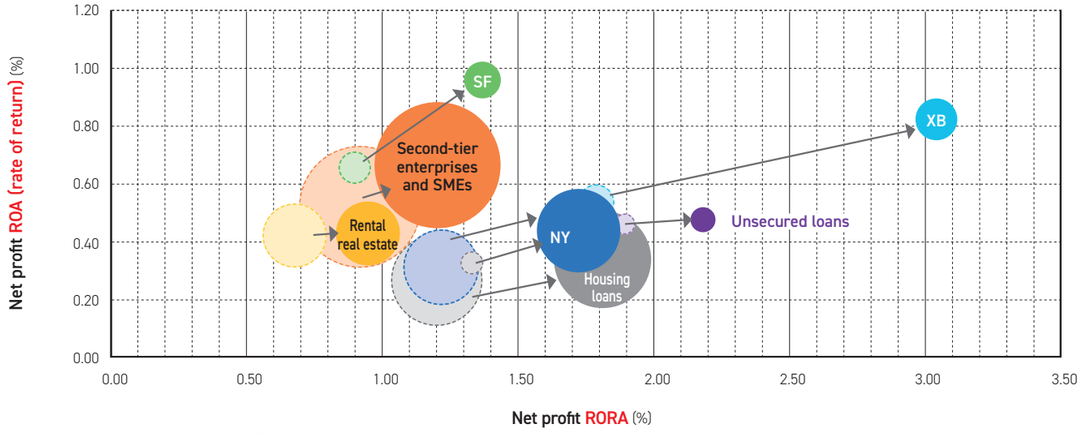
Achieved the Mid-Term Business Plan targets of ROE of 10% or higher and RORA of 1.2% or higher in the first year of the Plan



Efforts to improve RORA

We have taken measures for the improvement of RORA for each business area to improve the Bank's overall RORA.

RORA and ROA by business area (FY2025)



*The bubbles outlined in dotted lines represent the previous year; the size of each bubble represents the average credit balance

① Building high-RORA assets

Large enterprises, New York Branch, SF, and XB

- Selecting good-quality deals for higher RORA
  We aim to increase profitability by selecting good-quality deals with higher RORA to work on.
- Addressing a shift to a "world with interest rates" and enhancing profitability assessment (strengthening profitability management)
  In response to changes in the interest rate environment, effective use of deposits, which have low funding cost, has become more important. The Bank focuses on the level of rate of return (ROA) in addition to RORA and has been building a profitability assessment framework that addresses changes in the environment by establishing new selection rules to control low-spread deals and taking other actions.

Housing loans and unsecured loans

We aim to increase RORA and maximize lifetime value for customers through cross-selling of housing loans and unsecured loans.

② Accumulating high-quality assets and improving customer profitability

Loans for second-tier enterprises, SMEs, and rental real estate

- Improving RORA through the utilization of a standard profit margin and expansion of ancillary transactions
  As a regional financial institution, we will deepen our relationships with second-tier enterprises and SMEs and use a standard profit margin* as our own metric to be shared by sales branches and headquarters as a common standard. We will work on increasing RORA and customer profitability by accumulating high-quality assets and expanding ancillary transactions including fees and commissions.
- Sales frontline penetration and increasing profitability across transactions
  The sales branches and headquarters discussed an interest rate level and profitability improvement measures. Through these efforts, sales activities based on a standard profit margin have taken root. We steadily increase RORA across transactions by building up initiatives.

*Standard profit margin　A profitability target that we aim to achieve for customers of cash flow-based lending. We set the standard profit margin according to customers' credit ratings, based on the RORA that we aim to achieve under the Mid-Term Business Plan (the Mid-Term Business Plan target of 1.2% or higher).

Voices of front-line employees Changes resulting from introduction of standard profit margin



Sales branch staff

As the level we should ensure is now clear, we can carry out pricing independently

I now routinely check an appropriate interest rate in alignment with risk in advance, and that enables me to make a proposal with a focus on profitability. We used to respond to trends among other banks, but now, as the level we should ensure is clear, we can exercise pricing judgement independently.

Perspectives have expanded to cover a wide range of transactions beyond interest-rate-focused deals

As we can see profitability clearly, I am now able to perform my duties with a focus on overall profitability improvement, not limited to negotiations over interest rates but including giving deeper consideration to fees, commissions, and deposits.



Credit Department staff

No discrepancy in understanding, leading to a smooth discussion with sales branches

As a common standard is established, we at the Credit Department and the Sales Branch staff are aligned on a level of interest rate. As a result, we now have very smooth discussions on pricing.

③ Enhancing non-interest business profit by providing consulting services

- Expanding the revenue base with high capital efficiency
  As a key measure to increase RORA, we strongly promote consulting services as the fees (non-interest business profit) contribute to revenue expansion without increasing risk assets.
- Strengthening corporate and individual consulting
  For corporate consulting, we will dig deep into customers' needs based on the "connecting process" and provide solutions with high added value. For individual consulting, we will provide comprehensive support for customers, ranging from their lifelong asset building to smooth asset succession, by making full use of our strength of collaboration with Gungin Securities.

Corporate consulting ▶ P.42
Individual consulting ▶ P.44

External Collaboration

The Gunma Bank Group is working on wide-area collaborations such as the TSUBASA Alliance and the Fincross Partnership and regional collaborations such as the Gunma and Daishi Hokuetsu Alliance and the Ryomo Regional Revitalization Partnership. We will enhance our strengths in "connections" by leveraging outside resources.

Wide-area collaboration TSUBASA Alliance

The Bank joined the TSUBASA Alliance, a wide-area collaborative effort among 10 top regional banks, in 2020. The goal of the TSUBASA Alliance is to achieve the sustainable growth of the region and enhance its financial system while improving the top line and reducing the costs of participating banks by collaborating on common issues. The alliance promotes collaboration in a broad range of areas while respecting the individuality of each participating bank.

In FY2025, efforts were made aiming for greater profit opportunities, including mutual invitation to syndicated loans and continued information sharing initiatives through collaboration among participating banks. In addition, we collaborated in the human resource development area by conducting a trainee program, in which we mutually exchange employees, a mentor program that enables exchanges between senior management and next-generation leaders, and other programs. Moreover, the ten participating banks organized joint seminars for corporate and individual customers on a wide variety of subjects. As such, we offered added value by combining the advantages of economies of scale and the participating banks' expertise.

In addition, we have implemented initiatives to help solve issues of local communities, including a joint food drive in which the participating banks' officers and employees bring food from home and donate it to food banks and councils of social welfare in Japan.

Furthermore, in January 2026, the Bank, together with five banks—The Chiba Bank, Daishi Hokuetsu Bank, The Chugoku Bank, North Pacific Bank, and The Toho Bank—as well as IBM Japan, Limited and Kyndryl Japan KK, entered into a basic agreement for sharing the TSUBASA core banking system.

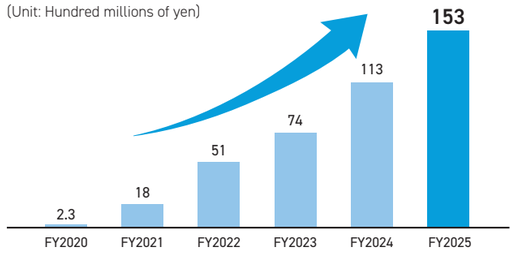
Operation is scheduled to start in FY2029. We aim to create more synergistic effects by further increasing operational efficiencies and enhancing operations.

Going forward, we will continue to strive to provide advanced financial services with higher added value by harnessing knowledge from every participating bank.

10th TSUBASA ALLIANCE
地域とともに未来へはばたく



Total revenue effect: cumulative amount
(Unit: Hundred millions of yen)



Main alliance dealings

- Joint arrangement of various types of finance
- Shared office work and systems
- Matching between customers
- Joint seminars for customers
- Joint training for executives and employees

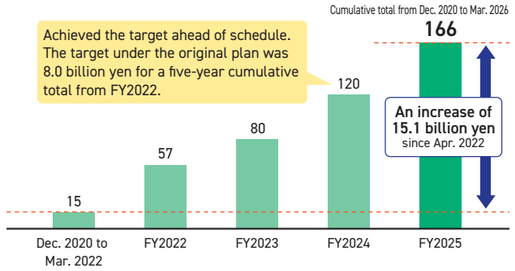
Regional alliance The Gunma and Daishi Hokuetsu Alliance

Since December 2021, we have entered into the Gunma and Daishi Hokuetsu Alliance with Daishi Hokuetsu Bank. The goal of this alliance is to leverage the geographical proximity of our business areas to further contribute to the local community and sustainably enhance the corporate value of both banks.

➡ For the business integration with Daishi Hokuetsu Financial Group, see P. 14.

GUNMA DAISHI HOKUETSU ALLIANCE
群馬・第四北越 アライアンス

Synergistic effects from collaborative measures: cumulative (total of the two banks)
(Unit: Hundred millions of yen)



Main alliance dealings

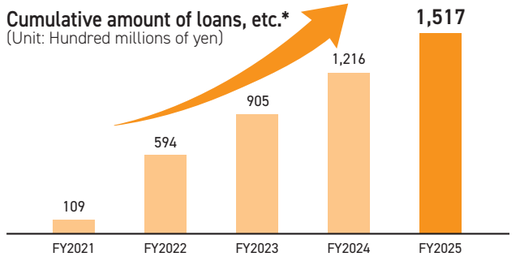
- Business succession, M&A, and business matching service by fully utilizing the customer base of the two banks
- Mutual use of know-how and collaboration in the two groups
- Sharing branches and other facilities held by each bank
- Collaboration to promote tourism and products of the two prefectures and for regional vitalization

Regional alliance The Ryomo Regional Revitalization Partnership

Since January 2022, we have entered into the Ryomo Regional Revitalization Partnership with Ashikaga Bank. The objective of the partnership is to increase our contribution to the region more than ever before through collaborations in the overlapping areas of the two banks, particularly the Ryomo region (southeastern Gunma and southwestern Tochigi). Specifically, these collaborations will be aimed at revitalizing industry and solving issues, and at improving customer service. In this partnership, we have stepped up information exchange and the collaboration framework primarily between branches located in overlapping sales regions and between relevant departments at each headquarters and executed joint financing of 151.7 billion yen in total. Furthermore, we have worked on strengthening our consulting capabilities such as business succession support for customers that the two banks serve.

りょうもう 地域活性化 partnership

Cumulative amount of loans, etc.*
(Unit: Hundred millions of yen)



*Loans, etc.: A total of syndicated loans, joint financing, structured finance, and private placement bonds

Main alliance dealings

- Partnerships on syndicated loans and sustainable finance, etc.
- Support for growth, management improvement, business revitalization, change of business, etc. for regional companies by utilizing the two banks' specialist investment arms, etc.
- Cooperation in core business support such as business succession and M&A support

Wide-area collaboration Fincross Partnership

The Fincross Partnership was concluded among seven (currently eight) regional banks in 2018 to form Fincross DIGITAL Co., Ltd. in order to promote collaboration on research and development aimed at the digitalization of finance. The eight banks have been working together by contributing data to develop a data analysis infrastructure and build AI models.

Currently, Fincross Digital supports the advancement of data utilization across the banks and offers digital marketing solutions, such as web advertising and social media management, through information exchange meetings and training sessions with each bank.

Fincross DIGITAL

Participating Banks (Japanese syllabary order)

The Senshu Ikeda Bank, Ltd. The Kiraboshi Bank, Ltd.
The Gunma Bank The San-in Godo Bank, Ltd.
The Shikoku Bank, Ltd. The Chiba Kogyo Bank, Ltd.
The Tsukuba Bank, Ltd. The Fukui Bank, Ltd.

Initiatives of the Gunma Bank Group

Gungin Consulting Co., Ltd.

ぐんぎんコンサルティング



Expanding business areas as the core of the Group's corporate non-financial business and offering services with high added value

Takeo Igarashi
President

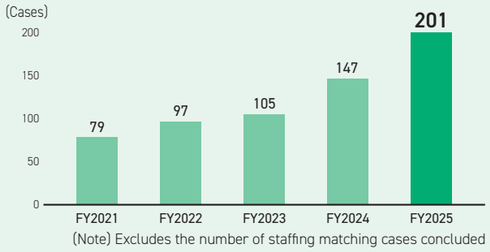
——Please tell us about your business.
In our Consulting Business, we provide services with a focus on business succession, management strategy planning, organizational and personnel system construction, human resource development and training, assistance with subsidy applications, overseas business support, etc. Our Human Resources Solutions Business introduces highly skilled talent to companies and makes proposals on recruitment of specialists and introduction of professional sharing services, etc.

In the Regional Trading Company, Marketing and Advertising Business, we have worked on crowdfunding and the operation of e-commerce sites, with the aim of discovering new businesses and products originating from the region, as well as expanding sales channels and increasing recognition. Moreover, we have enhanced efforts to meet demand for digital advertising, increasing corporate and product value, and corporate and product branding.

——Please tell us about the significance of Gungin Consulting's efforts to expand its business domain.
We have worked with the Gunma Bank to work on solving issues faced by companies in the region and supporting their main businesses. While management issues have become more diversified and more complex, by enhancing our own solutions and expanding our business domain in collaboration with other companies, we are now capable of making comprehensive solution proposals that combine solutions offered in new businesses and those offered in our existing consulting business. As a result, we will be better able to further contribute to solving our customers' management issues.

——Please tell us about your aspirations for the future.
We are positioned at the core of the Gunma Bank Group's corporate non-financial business that is committed to a full-spec approach. We will remain committed to providing advanced services with high added value by making full use of our specialist human resources, expertise, and networks. By doing so, we will establish local ecosystems and contribute to the growth of businesses and the development of a sustainable economy.

Number of contracted consulting projects



(Note) Excludes the number of staffing matching cases concluded

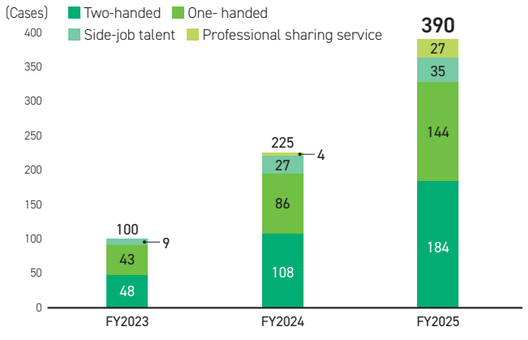
Case study Enhancing the Human Resources Solutions Business

For three years since its transfer from the Gunma Bank to Gungin Consulting, the Human Resources Solutions Business has introduced highly skilled talent including executives and expert talent necessary to solve management issues of regional businesses, while working to strengthen its capacity. The number of staff matching cases has been steadily increasing, achieving 390 cases concluded in total. In this way, we contribute to helping solve management issues faced by local businesses.

We have also expanded our scope of staffing. In April 2026, we started proposing solutions that include the introduction of cooks and chefs to restaurants, inns, hotels, wedding venues, etc.

By leveraging the Gunma Bank Group's networks, we will continue to connect regional businesses and people for growth of regional businesses and creation of new value.

Trend in the number of staffing matching cases concluded
(the number of cases the company independently receives an order)



Gunma Regional Advanced Solution Partners, Inc.

ぐんま地域共創パートナーズ
GRASP Gunma Regional Advanced Solution Partners



Creating new value through a co-creation-type investment that connects communities

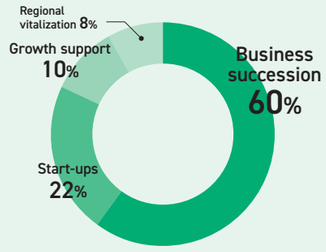
Hideo Kagamiyama
President

——Please tell us about your business.
We are working to create new businesses that contribute to the revitalization of the regional economy through investment, as well as business expansion, growth, and smooth business succession to the next generation. We work alongside a company and provide support meeting its needs in accordance with its stage (business expansion, succession, revitalization, etc.) and business challenges. We also develop and manage a fund for the construction industry and a social impact investment fund focusing on tourism, in collaboration with business operators and financial institutions in the region, aiming to create a regional ecosystem.

——What are the defining features of Gunma Regional Advanced Solution Partners?
The purpose of our business is to make the region better through investment. Although we are an investment company, we do not believe that we should pursue only profit for ourselves, or in other words, purely maximize returns. We must increase business value through investment and hands-on accompanying support. It's important to know how much we can increase the value of the entire region, including the business partners and employees of the companies we invest in, as well as the local residents. I believe this is the role of our company that manages a fund rooted in the region.

——Please tell us about your aspirations for the future.
We want to be a partner that together with companies is able to generate business and build communities. Five years have passed since the establishment of Gunma Regional Advanced Solution Partners, and our achievements include investments contributing to regional revitalization through solving issues and development of a fund jointly with other operating companies and financial institutions. I believe that we will be able to create new regional businesses by functioning as a regional hub that connects ideas and expertise people have and leveraging funds. Our goal is to build a partnership in which a variety of participants work closely together to create a new ecosystem. Together with people in the region, we aim to promote innovation and revitalization in the region on a larger scale.

Overview by investment theme
(As of March 31, 2026)



Case study Establishing an impact investment fund utilizing dormant deposits

Last year, we were selected for a dormant deposit utilization project by Japan Network for Public Interest Activities (JANPIA), a Designated Utilization Organization for dormant deposits, and in March 2026, we structured the Gunma Sustainable Tourism Fund, a social impact investment fund, in a total amount of 1.0 billion yen. In developing this fund, in addition to JANPIA, Gunma Association of Tourism, Local Products & International Exchange (GTIA), tourism companies, six financial institutions (banks and shinkin banks) within the prefecture will work together as one team. Through management of this fund, which has a theme of developing sustainable tourist destinations, we aim to showcase the region's potential and appeal to the fullest, and contribute to the sustainable development of regional communities and economy as well as environmental conservation.



The Gunma Sustainable Tourism Fund, a fund of 1.0 billion yen in total

The Gungin Card Co., Ltd.

Aiming to build a local digital ecosystem
As well as proving worthy of customers' trust by providing high-quality services in the credit card business, Gungin Card seeks to contribute to the development of society and the economy through appropriate business operations and sound growth in business performance. As society rapidly becomes more cashless, payment needs are diversifying and becoming more sophisticated. Gungin Card is working with banks to connect payments and settlements throughout the region using digital means in an effort to build a sustainable local digital ecosystem.

Promoting cashless payments in cooperation with banks
To serve corporate customers, we offer a variety of cards such as corporate credit cards and purchasing cards and make proposals and provide introduction support in ways that help address customers' issues and needs. In April 2026, we started handling the Gungin Business Debit Card (issued jointly with the Bank) for corporations, sole proprietors, and voluntary organizations.

For our individual customers, we started handling the JCB Platinum Card in March 2026. We offer quality services with high added value by expanding our product lineup so that every customer can select a card appropriate for their lifestyle and value. Meanwhile, as for the Gungin Debit Visa/JCB cards, which we have issued jointly with the Gunma Bank, the number of card members reached 84,000 as of the end of March 2026, and the annual amount of payments using the cards for FY2025 exceeded 9.2 billion yen. When a user makes a payment on the cards, funds are immediately transferred from the user's bank account for settlement, so that the user is less likely to overspend. The cards are used by customers across generations.

We will further promote cashless payments in the region and strive to contribute to streamlining customers' operations and increasing convenience for them as well as to the development of the regional economy.



株式会社 群銀カード

Gungin Card Head Office (Maebashi City)



Gungin Business Debit Card　JCB Platinum Card

Gungin Leasing Co., Ltd.

Providing diverse added value through leasing
Gungin Leasing has five bases (Isesaki City, Ota City, Kumagaya City, Saitama City, and Utsunomiya City) in addition to its head office (Maebashi City), where it provides all sorts of added value through leasing.

The main business is leasing. Gungin Leasing handles a wide range of properties, from vehicles, industrial machine and machine tools to office equipment, commercial equipment, and medical equipment. In addition to leasing, the company strives to help solve issues of customers while understanding their needs, through proposals such as reducing initial costs when introducing equipment and making effective use of funds, as well as keeping administrative labor and costs down to a minimum.

The company's expertise is fully utilized within the Gunma Bank Group as the company strives to promote leasing to customers referred by the Gunma Bank.



ぐんぎんリース株式会社 GUNGIN LEASING CO.,LTD.

Gungin Leasing Head Office (Maebashi City)

Gungin System Service Co., Ltd.

Supporting the digitalization of the region, our customers, and the Bank
Gungin System Service plays a core role in implementing our digital strategies that are the foundation for "connections and weaving better futures" and in stable operation of the banking system. In supporting digitalization of the community, the company offers diversified digital solutions from developing websites to full-scale digital transformation. In the digitalization of customer contact points, in addition to the development of the Gungin App, it jointly developed with a vendor a "connecting mechanism" that ensures safe connections between smartphones and ATMs with the banking services, and supports operations 24 hours a day, 7 days a week. Furthermore, it provides support to increase operational speed and enhance operations at the Bank, by introducing a low-code tool and developing various systems.



GSS ぐんぎんシステムサービス株式会社 Gungin System Service Co., Ltd.

Gungin System Service Head Office (Maebashi City)

The Gunma Bank Group Companies

Gunma Chuo Kogyo Co., Ltd. — CS

Established	February 24, 1971		
Location	226 Motosojamachi, Maebashi, Gunma		
Key operations	Transportation of goods, maintenance of automated teller machines (ATM), etc.		
Capital	10 million yen		
Ratio of voting rights owned by the Group	100.00%		
Gunma Bank	100.00%	Subsidiaries, etc.	–

Gungin Consulting Co., Ltd. — CS

Established	April 18, 2018		
Location	194 Motosojamachi, Maebashi, Gunma		
Key operations	Consulting, human resources solutions, regional trading company, marketing and advertising business		
Capital	100 million yen		
Ratio of voting rights owned by the Group	100.00%		
Gunma Bank	100.00%	Subsidiaries, etc.	–

Gungin Leasing Co., Ltd. — CS

Established	October 1, 1973		
Location	171-1 Motosojamachi, Maebashi, Gunma		
Key operations	Leasing		
Capital	180 million yen		
Ratio of voting rights owned by the Group	100.00%		
Gunma Bank	50.00%	Subsidiaries, etc.	50.00%

The Gungin Card Co., Ltd. — ES

Established	March 12, 1982		
Location	194 Motosojamachi, Maebashi, Gunma		
Key operations	Credit cards		
Capital	30 million yen		
Ratio of voting rights owned by the Group	66.67%		
Gunma Bank	42.14%	Subsidiaries, etc.	24.53%

Sky Ocean Asset Management Co., Ltd.* — EA

Established	November 25, 2014		
Location	3-1-1 Minatomirai, Nishi-ku, Yokohama, Kanagawa		
Key operations	Asset management (investment trust)		
Capital	300 million yen		
Ratio of voting rights owned by the Group	15.00%		
Gunma Bank	15.00%	Subsidiaries, etc.	–

*Operations to be terminated around March 31, 2027.

Gungin Securities Co., Ltd. — CS

Established	February 12, 2016		
Location	2-2-11 Honmachi, Maebashi, Gunma		
Key operations	Securities business		
Capital	3,000 million yen		
Ratio of voting rights owned by the Group	100.00%		
Gunma Bank	100.00%	Subsidiaries, etc.	–

Gunma Regional Advanced Solution Partners, Inc. — CS

Established	December 25, 2020		
Location	194 Motosojamachi, Maebashi, Gunma		
Key operations	Fund structuring and operation		
Capital	100 million yen		
Ratio of voting rights owned by the Group	100.00%		
Gunma Bank	100.00%	Subsidiaries, etc.	–

Gunma Shinyo Hosyo Co., Ltd. — CS

Established	September 28, 1983		
Location	194 Motosojamachi, Maebashi, Gunma		
Key operations	Guarantee business		
Capital	30 million yen		
Ratio of voting rights owned by the Group	100.00%		
Gunma Bank	45.45%	Subsidiaries, etc.	54.54%

Gungin System Service Co., Ltd. — ES

Established	July 26, 1986		
Location	171-1 Motosojamachi, Maebashi, Gunma		
Key operations	System development and sales		
Capital	30 million yen		
Ratio of voting rights owned by the Group	75.00%		
Gunma Bank	20.00%	Subsidiaries, etc.	55.00%

CS (Consolidated Subsidiary), ES (Equity-method Subsidiary), EA (Equity-method Affiliate)
Ratio of voting rights owned is rounded down to two decimal places.

4 Management Base That Supports Sustainable Growth

Sustainability Initiatives

With the understanding that sustainability initiatives are an important management issue, in February 2019, the Gunma Bank Group formulated the Gunma Bank Group SDGs Declaration. We have been working as one to carry out business activities based on the declaration to contribute to the achievement of the SDGs and the creation of a sustainable society.

In February 2025, in order not only to contribute to the achievement of the SDGs but also to advance a broader range of sustainability initiatives, we renamed the declaration as the Gunma Bank Group Sustainability Policy and also defined the Group's materiality as "priority issues for the realization of the Purpose" and set six material issues and initiative policies for addressing those issues.

Based on the policy, we at the Gunma Bank are implementing our initiatives to contribute to the region's sustainable development and solve environmental and social issues.

Materiality ▸ P.36

The Gunma Bank Group Sustainability Policy (GB Sustainability Policy)

Through business activities based on its Purpose "By connecting the strands of resources, people, and generations, we weave better futures for our communities," the Gunma Bank Group will work to contribute to the sustainable development of the regional economy and solve environmental and social issues, and strive to help create a sustainable society and improve its corporate value. We will also promote dialogue with stakeholders and step up disclosures to enhance their understanding of our initiatives and make our trusting relationship with stakeholders even stronger.

Materiality (priority issues for the realization of the Purpose) and initiative policies <Related major SDGs>

1. Sustainable development of regional economy
- We will step up our efforts to revitalize local communities, such as supporting the growth of local business operators, innovation, and start-ups, and provide financial services tailored to customers' diverse needs to support the sustainable development of the regional economy.
- Through partnerships with local public bodies, corporations, individuals, and other customers, we will work to achieve sustainable communities.

2. Response to decreasing birthrates and a declining, aging population
- To develop next-generation leaders, we will enhance our finance and economics education aimed at increasing local residents' financial literacy. We will also provide appropriate financial services aligned with each customer's life cycle to create a prosperous, secure future for customers.

3. Response to digital transformation
- By utilizing digital technology, we will support local business operators working to improve their productivity, establish sustainable regional ecosystems and infrastructure, and enhance accessibility to financing.

4. Preservation and creation of the global environment
- We will support customers working to conserve the environment and create beautiful environments, and we will also reduce the environmental impact of our business activities and strive to address climate change and maintain natural capital.

5. Enhancement of human capital
- In order to create a workplace environment in which all staff members can perform vibrantly, we will strive to enhance the diversity of executives and employees, work on human resource development, and achieve flexible work styles.
- By enhancing human capital, we will strive to better serve customer needs that have become more diversified while also working to solve regional issues.

4. Establishment of robust governance
- In order to meet customer needs and support the sustainable development of regions and customers, we at the Gunma Bank Group will work as one to take our governance to a higher level and thereby strive to achieve a more stable, more robust management base.

Environmental Policy

As well as working to reduce our impact on the environment based on the Gunma Bank Environmental Policy & Environment Conservation Behavior Code established and announced in May 2009, the Gunma Bank continues to implement environmental conservation initiatives, such as supporting activities and providing education on environmental conservation through the GUNGIN Foundation, in addition to providing financial products and services that help protect the environment through business activities.

Please see here for the Gunma Bank Environmental Policy.

(https://www.gunmabank.co.jp/about/csr/environment-policy.html)

Climate change, natural capital and biodiversity initiatives

In July 2020, the Gunma Bank announced its support for the TCFD*1 recommendations to preserve and create the global environment, one of the priority issues in the Gunma Bank Group Sustainability Policy. We continue to analyze the impacts of climate change on the Bank's business management and work to enhance our disclosures according to the provisions of the TCFD recommendations. In order to achieve decarbonization of the region, the Bank not only promotes its own decarbonization efforts, but also focuses on supporting customers by providing solutions.

To achieve a sustainable society, we believe it is essential not only to address climate change but also to halt and restore the loss of natural capital, achieving a nature-positive outcome. In light of this, since April 2024, we have endorsed the TNFD*2 recommendations and engaged in the TNFD Forum. Gunma Prefecture, a major geographic area in which the Gunma Bank operates, is rich in nature. It has notable natural sites such as Oze National Park and the Three Mountains of Jomo, and serves as home to a variety of animals and plants. At the Gunma Bank, we will actively work to conserve regional natural capital and biodiversity while also conducting assessments and disclosures in accordance with the LEAP approach*3 to enhance our disclosures based on the TNFD recommendations.

*1 Task Force on Climate-related Financial Disclosures (TCFD)
*2 Taskforce on Nature-related Financial Disclosures (TNFD)
*3 An approach to identify and assess nature-related dependencies, impacts, risks, and opportunities by following the Locate, Evaluate, Assess, and Prepare phases

Supporting the TCFD/TNFD recommendations

Disclosures related to governance, strategy, risk management, and metrics and targets based on the TCFD and TNFD recommendations are as follows.

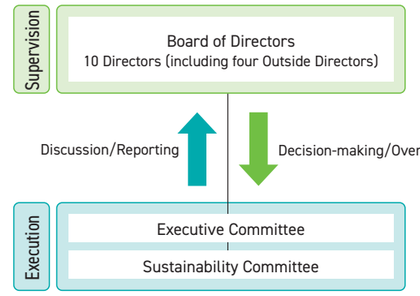
Governance | Climate change | Natural capital

Governance structure

The Bank considers SDGs, ESG and sustainability-related initiatives, including measures to address the issues of climate change, natural capital, and biodiversity, as important management issues, and has established its governance structure based on this understanding.

We established the Sustainability Committee, chaired by the President. Its goal is to reinforce the Bank's sustainability initiatives, develop management strategies from a mid- to long-term perspective, and enhance the effectiveness of measures. The Sustainability Committee holds four meetings per year, in principle. The main matters to be discussed and considered include the formulation of policies related to sustainability initiatives and reports on the progress of the plan.

The matters discussed and considered by the Sustainability Committee are submitted and reported to the Executive Committee, an advisory body to the President, which discusses important business matters, each time the committee is convened. The committee will make four reports to the Board of Directors per year, in principle, allowing the Board of Directors to provide oversight. The committee submits important sustainability-related matters for discussion by the Board of Directors, which in turn makes decisions on these matters.



FY2025 Main Committee Topics
- Response to TCFD and TNFD recommendations
- Efforts to improve the sustainability of customers and the region
- Efforts to reduce greenhouse gas emissions
- Actual performance against the targets of non-financial KPIs related to human capital and our efforts
- Response to new sustainability disclosure standards (SSBJ Standards)

Performance-linked share remuneration

A performance-linked share remuneration system (Performance Shares) for inside directors was introduced in June 2019. In addition to financial evaluation indicators, the Bank has adopted non-financial indicators for this system that measure contributions to sustainability including addressing climate change. These indicators include the Bank's greenhouse gas emissions reduction rates and the cumulative amount of sustainable financing.

Performance Shares ▸ P.85

Strategy

Climate change

Identifying climate change-related risks and opportunities

We conduct qualitative analyses of the risks (physical risks and transition risks) and opportunities of climate change on short- (three-year), mid- (10-year), and long-term (30-year) time scales.

Risks and Opportunities		Overview	Time Scale
Risk			
	Physical risk		
	Credit risk	・Damage to real estate collateral (buildings) due to flooding, etc.	Short to long term
		・Business stagnation and performance deterioration caused by damage to customers' business facilities	Short to long term
	Operational risk	・Business interruption caused by damage to the Bank's business facilities	Short to long term
	Transition risk		
	Credit risk	・Deterioration in customer performance due to stronger regulations and tax systems related to climate change	Mid to long term
		・Deterioration in customer performance due to increased costs of transitioning to low-carbon and carbon-free products, and delays in responding to changes in consumer product preferences, etc.	Short to long term
	Reputational risk	・Damage to the Bank's reputation in the event that it is determined we have not provided adequate disclosure	Short to long term
Opportunity			
	Increased business opportunities	・Greater opportunity to provide new financial products and services to support the transition to a decarbonized society	Short to long term
		・Increased demand for public works projects, corporate capital investment, etc. as a countermeasure for climate change-related disasters	Short to long term
	Cost reductions	・Reduction of operating costs through resource and energy conservation at the Bank's business facilities	Short to long term

Opportunity

Climate change Natural capital

As demand heightens for the transition to a decarbonized society and action to address the issue of biodiversity, customers' management issues have become more diversified. At the Gunma Bank, we are committed to deepening purpose-driven sales in the Mid-Term Business Plan, and to address an increasingly diversified selection of management issues faced by customers, we are striving to dig deep into customers' goals and needs and provide high-quality solutions based on the connecting process, such as offering new financial products and services and meeting new demand for financing.

We believe that strengthening engagement with our customers and actively supporting them in addressing the issues of climate change, natural capital, and biodiversity will contribute to decarbonization, the preservation of natural capital and biodiversity, and economic revitalization throughout the region and that it will eventually result in greater profit opportunities for the Bank and contribute to the Bank's sustainable growth.

Initiatives for customers ▶ P.42, 77, 78

Scenario analysis

Climate change Natural capital

As part of its strategy, the Bank conducted a scenario analysis to assess its management resilience to an uncertain future and utilize the findings for its decision-making. The scenario and assumptions used for the analysis are as follows.

Framework	Base fiscal year	1.5°C scenario (2050)	4°C scenario (2050)
TCFD	**2025**	**Transition scenario**: NGFS/NetZero2050, IEA/NZE2050, IPCC/RCP2.6 (RCP2.6 is also referred to as a scenario close to the 1.5°C scenario) **Assumed major trend**: The regulations and technological innovations necessary to control temperature increases are adopted.	**Physical scenario**: IPCC/RCP8.5 **Assumed major trend**: Slow adoption of regulations will lead to further global warming.
TNFD	**2025**	**Nature scenario #1**: Ahead of the game* Advanced market transition x low ecosystem service degradation	**Nature scenario #3**: Sand in the gears* Slow market transition x high ecosystem service degradation

*Source: TNFD Guidance on scenario analysis (September 2023)

Scenario analysis results of climate change-related risks

Climate change

We analyzed physical and transition risks for the Bank in multiple temperature range scenarios. Our evaluation of the results indicates that the impact on the Bank's finances is limited.

Physical risk

The majority of physical risk was due to natural disasters caused by climate change. As floods have a high probability of occurring in Japan, we analyzed the impact of flood damage.

The analysis was based on the Intergovernmental Panel on Climate Change (IPCC) 8.5 scenario (4°C scenario). We calculated the increase in the Bank's credit costs through 2050 based on two factors estimated using hazard maps: the amount of damage to the value of the Bank's real estate collateral, and the number of days of business stagnation for customers due to flooding.

In addition, we calculated the amount of damage to the Bank's business facilities through 2050 using the same scenario.

Subjects of analysis	Financed second-tier enterprises and SMEs with head offices in Japan	The Gunma Bank's business facilities
Content of analysis	Damage to the value of real estate (buildings and condominiums) collateral held by the Bank estimated using hazard maps/Estimated impact on credit costs of decreased customer revenue due to business stagnation	Estimated the amount of damage to the Bank's business facilities (buildings, equipment, etc.) and the ratio of bases that may suffer damage due to flooding estimated using hazard maps
Results of analysis	**Maximum increase in credit costs through 2050:** **4.3 billion yen**	**Maximum amount of damage through 2050:** **0.1 billion yen** **Ratio of bases that may suffer damage due to flooding:** **19%**

Transition risk

Among the sectors that are considered to be susceptible to climate-related financial impacts according to the TCFD recommendations, sectors were selected for analysis in terms of the impact on climate change and the Bank's exposure. In FY2025, we newly added the real estate management and development, and packaged foods and meats sectors.

In our analysis of the automobile sector, which is one of the core industries in the region, we are working to refine the results. This includes estimating the increase in credit costs for customers other than model companies based on sales forecasts according to the degree of impact of the products handled, etc.

Subjects of analysis	Automobiles, energy (electric utilities, oil and gas), trucking services, metals and mining, real estate management and development, and packaged foods and meats
Content of analysis	・Qualitative evaluation of the expected business impact on the sector ・Based on qualitative analysis, model companies are selected for each sector with future performance changes predicted from scenario forecast data, public information, etc. ・Above analysis results rolled out for entire sector to estimate increase in credit costs
Results of analysis	**Cumulative increase in credit costs through 2050: 26.6 billion yen**

State of carbon-related assets

Carbon-related assets accounted for approximately 25.2% of the Bank's total credit balance.

	Energy	Transportation	Materials and buildings	Agriculture, beverages, and forest products	Total
Amount of exposure	**78.0 billion yen**	**328.5 billion yen**	**1,227.8 billion yen**	**199.3 billion yen**	**1,833.6 billion yen**
Ratio	**1.1%**	**4.5%**	**16.9%**	**2.7%**	**25.2%**

(Total of loans, acceptances, foreign exchange, private placement bonds, etc. at the end of March 2026. Excludes waterworks and renewable energy business.)

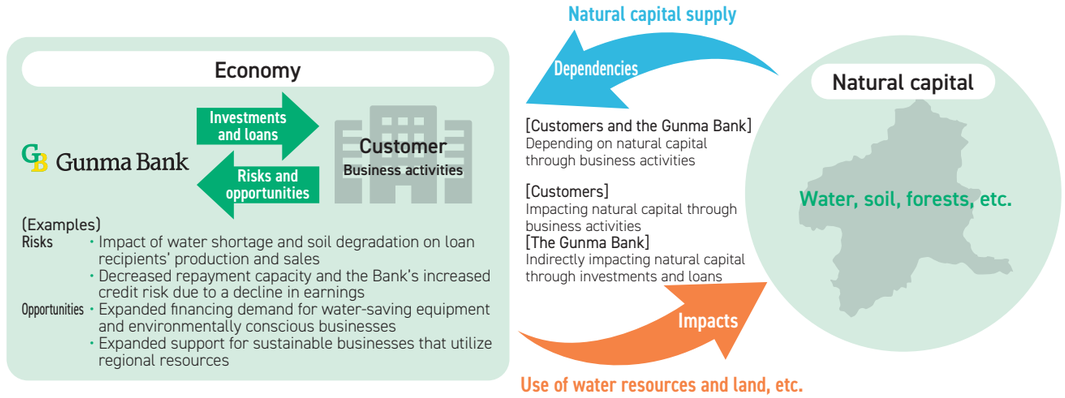
■ Identifying nature-related risks and opportunities

Natural capital

Connections with natural capital and the scope of analysis

The Bank operates mainly in Gunma Prefecture, which is rich in nature with the Tone River boasting the largest basin area in Japan, Oze National Park, the Three Mountains of Jomo, and more. We understand that, as a regional financial institution, we receive various benefits from natural capital through our business activities and investments and loans and that, at the same time, these activities impact natural capital.

With this understanding, we conducted an analysis by setting its scope as the Bank's business activities and the recipients of its investments and loans (customers' business activities) to appropriately identify and assess risks and opportunities related to natural capital.

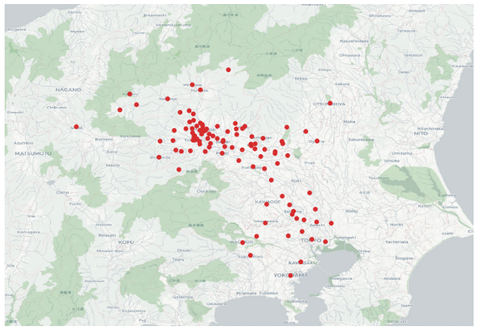


Assessment of the Bank's dependencies and impacts on natural capital through its business activities

We assessed nature-related dependencies and impacts of the Bank's sales bases, etc. to identify priority sites for analysis (the priority areas). In identifying priority areas, we utilized a natural capital evaluation tool to analyze proximity to protected areas, biodiversity risks, and water risks. The results confirmed that we have a site proximate to a protected area and a sales base in an area with high water quality risk (water purification) in particular, among water risks. As the Bank's sales bases, however, mainly offer financial services as a general office, the impacts on natural capital through business activities were evaluated to be limited.

The Bank obtained Net Zero Energy Building (ZEB) certification at the Sakai Branch in March 2025 as an initiative to reduce the environmental impact. In March 2026, the Kaneko Branch and the Kuragano Branch were relocated and newly established as ZEB branches. These branches will contribute to sustainable urban development in collaboration with the regional community through the utilization of renewable energy and promotion of greening initiatives.

Evaluation on proximity to Key Biodiversity Areas (KBAs)



●: Sales bases, etc. Area: KBA

KBA data: Research results by Conservation International Japan
© OpenStreetMap contributors © CARTO

We will continue to conduct continuous monitoring of nature-related risks in the priority areas and implement initiatives to reduce the environmental impact.

Assessment of the investment and loan recipient corporations' dependencies and impacts on natural capital

In accordance with the LEAP approach recommended by TNFD, we identified and assessed nature-related risks and opportunities through the following processes.

Locate	Evaluate	Assess	Prepare
The interface with nature	Dependencies and impacts	Risks and opportunities	To respond and report
・Identifying priority sectors	・Evaluating dependencies and impacts	・Scenario analysis ・Assessing risks and opportunities	・Response measures and disclosure

Locate

1. We selected the investment and loan recipient sectors which we prioritize for our analysis (the priority sectors) from among the investment and loan recipient corporations in Japan, as a process to identify the interface with nature (Locate).
2. In selecting the priority sectors, we focused on sectors with relatively high levels of nature-related dependencies and impacts, and also considered the Bank's financial importance regarding investment and loan recipient corporations. As a result, we identified (i) construction and (ii) transportation as priority sectors. In addition, (iii) food and drink, (iv) metal products (processing, etc.), and (v) automobile manufacturing were also identified as they were important from the perspective of regional economy revitalization.
3. For these five priority sectors, we prepared heat maps by using the ENCORE tool* and identified items with a moderate (M) or higher level of nature-related dependencies and impacts.

*A tool that assesses and visualizes how the economy depends on nature and how it may impact nature as well as how environmental changes may produce risks to businesses.

	Dependence (ecosystem service)												Impact (pressure factor)								
	Provisioning services			Regulating and maintenance services								Cultural services									
Sectors	Animal-based energy	Genetic material	Water supply	Solid waste remediation	Soil and sediment retention	Water purification	Flood mitigation	Global climate regulation	Storm mitigation	Water flow regulation	Rainfall pattern regulation	Visual amenity services	Disturbance (noise, light, etc.)	Areas using freshwater	Greenhouse gas emissions	Areas using sea floors	Emission of harmful pollutants to water and soil	Emission of eutrophic substances to water and soil	Generation and release of solid waste	Areas using land	Water usage
Construction	VL		M	VL	H	M	H	M	H	M	VH		VH	VH	H	M	H		M	L	L
Transportation	M		VL		L		M	M	M	L	M	VH	M		M		L	M	VL	M	L
Food and drink		VH	H	M	L	VH	M	VL	M	H			M		L		M	M	M	L	M
Metal products			M	M	L	M	M	VL	M	M			M		L		VH		M	L	M
Automobile manufacturing			L	L	M	M	M	VL	M	M	VL		VH		VL		M		L	L	L

Level of dependence and impact: very high VH /high H /moderate M /low L /very low VL

Note) The table contains the items with moderate (M) or higher level of dependencies and impacts among the priority sectors from the data identified by using the ENCORE tool.

Evaluate

In order to conduct detailed analysis of nature-related dependencies and impacts of the identified priority sectors, we selected the priority sites for analysis (the priority areas) by weighing the sectors based on investment and loan balances with consideration to the municipalities where the recipients were located. Based on the latitude and longitude of the priority areas, we conducted detailed analysis of dependencies and impacts on natural capital in the investment and loan recipients' business activities by using a natural capital evaluation tool. As a result, the nature-related risks and opportunities for each priority sector and priority area were identified.

Assess: Assessing risks and opportunities

We organized the identified nature-related risks in accordance with risk categories for financial institutions and conducted a qualitative assessment of the directions of impacts (no change, increase, or decrease) under the 1.5°C scenario and the 4°C scenario by using the current state of FY2025 as a basis. In assessing risks and opportunities, we used the High Impact Commodity List (HICL) that was created based on scientific knowledge of the TNFD and the Science Based Targets Network (SBTN)* in order to identify the dependencies and impacts on natural capital in the investment and loan recipients' direct operations as well as across the value chain. This allowed us to identify the nature-related risks that could have impacts on the Bank's risk profile through the investment and loan recipients by sector.

*An international framework in which corporations and financial institutions set and manage science-based targets for natural capital (biodiversity, water, land, etc.).

Scenario analysis results of nature-related risks

We conducted scenario analysis for nature-related physical and transition risks through the following steps.

STEP 1	STEP 2	STEP 3	STEP 4
Identifying risks and opportunities of investment and loan recipients	Sorting them out in accordance with risk categories for financial institutions (credit risks, market risks, liquidity risks, and operational risks)	Conducting a qualitative assessment for the current state, the 1.5°C scenario, and the 4°C scenario	For risks, quantifying the assessment results and creating a risk chart by priority sector For opportunities, considering a response measure for each

Priority sector	Trend under the 1.5°C scenario	Trend under the 4°C scenario	Main impacts on the Bank and consideration of solutions
Construction	Transition to low-carbon building materials and environmentally conscious construction continues, and constraints on the supply of wood, cement, and other materials as well as on construction have become the norm.	Flooding and other extreme weather events frequently cause deteriorating working conditions and construction schedule delays, resulting in higher costs to address them.	There are concerns that credit risk may increase due to higher costs and deteriorating profitability caused by the introduction of low-carbon technology. We will consider sustainable finance as well as addressing financing demand for disaster management.
Transportation	Transition risks increase as expenses associated with the transition to ZEVs increase to comply with stricter emission regulations.	Road network disruptions and damage to logistics bases due to flooding and other extreme weather events have become the norm. There are frequent cases of suspension of service and route changes, resulting in higher costs to address these issues.	There are concerns that credit risk may increase due to future cost increases, deteriorating profitability, and other factors, resulting from delays in decarbonization and fuel conversion. We will consider financing the development of logistics bases, in addition to providing decarbonization consulting services.
Food and drink	Transition risks materialize as a result of tightening of mandatory rules for food recycling, etc. (generation control, reduction, and reuse of food waste, etc.) and higher costs to comply with plastic packaging regulations.	Impacts on yield and quality of agricultural products become apparent due to temperature rises in the inland climate areas. In food and drink manufacturing, raw material procurement becomes unstable, resulting in higher procurement costs.	There are concerns that credit risk may increase due to deteriorating profitability resulting from an increase in procurement costs, given the high dependency on natural capital. We will consider financing to contribute to the reduction of environmental impact as well as providing support for sustainable raw material procurement (supplier diversification, securing substitutes, etc.).
Metal products (processing, etc.)	Transition risks materialize as the tightening of regulations for chemical substances, waste treatment, and wastewater results in higher costs to address these issues.	Flood damage and suspension of operation at factories due to flooding and other extreme weather events, water intake restrictions and cooling water shortages due to high temperatures, leakage of hazardous substances, and other risks materialize.	There are concerns that profitability may deteriorate due to an increase in costs to address the issues and that credit risk may increase in the event of hazardous substance leaks or other incidents. We will consider finance and consulting services that contribute to reducing the environmental impact, in addition to educational campaigns on decarbonization and natural capital.
Automobile manufacturing	Transition risks materialize, including transition to decarbonization investments, accelerated demand for transition to EVs in the transport equipment industry, and tightening of regulations for environmental conservation. In particular, there are concerns about impacts on the automotive parts suppliers concentrated in the prefecture.	Parts supply chain disruptions, suspension of operations, leaks of hazardous substances, and other risks due to flooding and other extreme weather events increase. In particular, for the automotive parts suppliers concentrated in the prefecture, the risk of operational disruptions in the event of a disaster increases.	There are concerns that credit risk may increase due to deteriorating competitiveness, resulting from delays in decarbonization and transition to EVs. We will consider financing to contribute to the reduction of environmental impact and providing support for diversification of business domains (expansion to other sectors, etc.), in addition to support for obtaining environmental certifications as well as for implementing business continuity plan measures (diversification of manufacturing sites, etc.).

Prepare: Response measures

● Response to risks

The Bank will step up our dialogue with and support for investment and loan recipient corporations regarding the nature-related risks identified through the results of assessments (including scenario analysis) conducted in accordance with the LEAP approach. Starting from engagement with customers, we will work to prevent nature-related risks from materializing at the Bank and its customers and strengthen business resilience by enhancing our consulting function to support customers' efforts to conserve and restore natural capital and reduce nature-related risks.

Response to opportunities ▸ P.66

Initiatives to achieve a nature-positive outcome:

Environmental education programs for future generations through experiences in nature

A transformation in mindset and behavior of each and every local resident is essential to achieve a nature-positive outcome. The Bank has run environmental education programs for elementary school and junior high school students who are responsible for the next generation through the GUNGIN Foundation for over a quarter of a century. These long-standing programs have cultivated a deep understanding of and affection for the local natural environment and function as a major driving force to foster a community-wide mindset toward a nature-positive outcome, thus significantly contributing to building a foundation for a sustainable future.

● Eco Kids Camp

This program offers an opportunity to learn about and deeply understand carbon neutrality, biodiversity, and the relationship between renewable energy and nature preservation through experiences, including a visit to the Gungin Oze Katashina Power Plant, waterside nature observation, and an Ozegahara walking tour.

● Environmental Exploration Party activities

Focusing on resources and energy derived from nature, the participants visit Fujido Cave, one of the largest limestone caves in the Kanto area, and two different types of power generation plants: hydro and biomass power plants. The program fosters understanding of the utilization of energy derived from natural resources and its contribution to sustainability.

We will continue to develop future talent in the region in collaboration with diverse stakeholders.



Waterside nature observation



Ozegahara walking tour



Inside the Kannagawa Hydroelectric Power Station

Risk management

Climate change | Natural capital

The Bank recognizes that the physical and transition risks arising from climate change are significant risks that could significantly impact the Bank's business operations and strategic and financial plans.

We conduct scenario analysis of climate change risks, as well as analysis of dependencies and impacts of nature-related risks in accordance with the LEAP approach. The impacts of the various risks identified through such methods will be assessed for different categories, such as credit risks and operational risks. The Bank will adopt a posture that allows it to manage such risks within the existing framework.

The Bank has adopted the following assessment methods for climate change and nature-related risks.

- **Climate change risks**: Annual assessment based on the TCFD framework
- **Nature-related risks**: Analysis of dependencies and impacts of the Bank's business activities and investment and loan recipients on natural capital in accordance with the LEAP approach

Based on the results of the analysis and other factors, we will strengthen our engagement with customers with the aim of addressing climate change, natural capital, and biodiversity and transitioning to a decarbonized society. Deeply understanding the challenges and needs of each of our customers and providing them with solutions will lead to the creation and better management of business opportunities.

In its Environmentally and Socially Conscious Investment and Loan Policy established in June 2021, the Bank clearly states its stance on providing credit to sectors that have a significant impact on climate change risk, including a principle of not providing investments and loans for the construction of new coal-fired power plants.

Please see here for more details on the Environmentally and Socially Conscious Investment and Loan Policy.

(https://www.gunmabank.co.jp/about/csr/investment-policy.html)

Metrics and targets

Climate change | Natural capital

■ Greenhouse gas emission

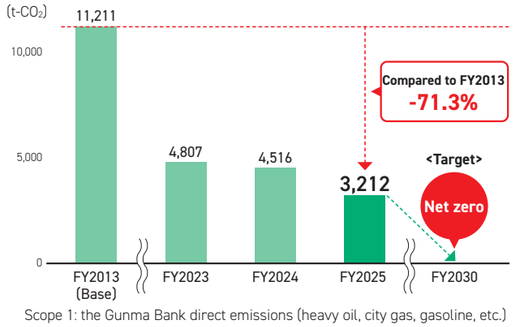
Scope 1 and Scope 2

To help create a carbon-free world and contribute to the sustainable development of society, the Bank is committed to its greenhouse gas emission reduction target of achieving net zero by FY2030.

As a result of the increase in number of branches that use renewable energy electricity sourced from the Gungin Oze Katashina Power Plant, for which we acquired naming rights, and other sources, the utilization of non-fossil fuel certificates, and other initiatives, **our GHG emissions in FY2025** were **3,212 tons of CO_2 (after offsetting), representing a 71.3% reduction compared to FY2013**.

We will continue to step up our efforts to be net zero by FY2030, including creating environmentally friendly branches.

The Gunma Bank's greenhouse gas emission



Scope 1: the Gunma Bank direct emissions (heavy oil, city gas, gasoline, etc.)
Scope 2: Indirect emissions from the use of energy supplied by other companies (electricity, cold water, steam, etc.)

(Units: Tons of CO_2)

Item	FY2013	FY2023	FY2024	FY2025
Scope 1	2,019	1,381	1,402	1,417
Scope 2	9,191	3,435	3,447	2,188
Scope 1 + Scope 2	11,211	4,816	4,849	3,605
(Offset)	—	(9)	(333)	(392)
Scope 1 + Scope 2 (after offsetting)	**11,211**	**4,807**	**4,516**	**3,212**

*Calculated in accordance with criteria from the periodic reports mandated by the Act on Rationalizing Energy Use. Gasoline emissions are calculated using average annual gasoline prices and emission factor.
*The scope of the greenhouse gas emissions calculation is scope 1 and scope 2 emissions from the Bank's domestic offices.
*The total represents the aggregate of the individual items, including values below the decimal point, and therefore may not equal the sum of the figures for each item, which are rounded for presentation purposes.

TOPICS Introduction of 100 EVs in total at all branches*

As part of our 90th anniversary project, we have worked to introduce environmentally conscious EVs at all of our branches since 2022. In August 2025, we achieved the original target of 100 EVs in total. In introducing EVs, we also developed a system at eight branches in Gunma Prefecture that allows the customers in the region to use our EVs to charge their smartphones and other devices in the event of a disaster.

*Excluding some branches that are not subject to the initiative

Scope 3

The Gunma Bank has been working to expand the scope of greenhouse gas emissions measurement. Starting in FY2025, the Group companies have also calculated their emissions.

(Units: Tons of CO_2)

Item	FY2023	FY2024	FY2025	
	The Gunma Bank	The Gunma Bank	The Gunma Bank	The Gunma Bank Group
Category 1 (purchased goods and services)	13,876	14,726	16,433	18,531
Category 2 (capital goods)	16,132	11,526	15,501	18,921
Category 3 (fuel- and energy-related activities not included in Scopes 1 and 2)	1,482	1,212	1,967	2,068
Category 4 (upstream transportation and distribution)	310	314	393	433
Category 5 (waste generated in operations)	146	206	169	173
Category 6 (business travel)	450	739	886	925
Category 7 (employee commuting)	3,242	3,147	3,253	3,366
Total	**35,638**	**31,870**	**38,602**	**44,417**

*Calculations are conducted for the applicable items in line with the Bank's scope of measurement. Categories 8 to 14 are not applicable due to the nature of the business.
*For the Group companies, calculations are conducted in accordance with the measurement methodology of the Bank.

Measurement methods

Category 1: The amount of purchased products and services is multiplied by the respective emissions intensity. For calculation, we use data obtained from the expense management system used by the Bank, and determine the necessity of the calculation and the appropriate emissions intensity to use based on account items and description codes.
Category 2: The amount of tangible fixed assets and intangible fixed assets acquired in each fiscal year is multiplied by the emissions intensity.
Category 3: The amount of electricity used is multiplied by the emissions intensity. The consumption of gasoline, city gas, propane gas, heavy oil, and steam (including chilled water) is multiplied by the emissions intensity of the LCI database IDEAv3.5 (for calculating supply chain greenhouse gas emissions).
Category 4: Postage costs and transportation costs (excluding intragroup transactions) are multiplied by the emissions intensity.
Category 5: Expenditures for waste collection and treatment are multiplied by the emissions intensity.
Category 6 and 7: The amount of transportation expenses paid for each mode of transport and the number of employees are multiplied by each emissions intensity.

*Measurements were made using the Japanese Ministry of the Environment and the Ministry of Economy, Trade and Industry's Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.8) and the Ministry of the Environment's Emissions Intensity Database for Calculating an Organization's Greenhouse Gas Emissions Throughout the Supply Chain (ver. 3.6).

Scope 3 Category 15

Since Scope 3 Category 15 (financed emissions) is considered to be important for financial institutions in understanding the risks and opportunities in climate change, Category 15 calculations were made, based on the PCAF* standard measurement method, for investments and loans to domestic business loan recipient corporations as of the end of March 2026. In the future, we will continue to look at ways to expand the scope and improve measurements.

*Partnership for Carbon Accounting Financials: An international initiative to develop standards for standardizing the measurement and disclosure of financed emissions.

Emissions by industry (18 carbon-related sectors based on TCFD recommendations)

Industry	Carbon intensity (t-CO_2/million yen)	Emissions (t-CO_2)	Weighted average data quality score
Oil and gas	5.69	733,665	3.42
Coal	—	—	—
Electric utilities	27.12	699,956	2.84
Air freight	12.14	186	4.00
Passenger air transportation	—	—	—
Maritime transportation	14.13	58,238	1.38
Rail transportation	2.67	113,043	1.53
Trucking services	3.07	518,890	3.94
Automobiles and components	12.88	2,083,816	3.10
Metals and mining	6.91	1,024,932	3.05
Chemicals	12.96	486,736	2.21
Construction materials	11.88	292,306	3.09
Capital goods	4.15	1,522,552	3.52
Real estate management and development	1.42	421,320	3.42
Beverages	2.67	86,285	3.60
Agriculture	5.87	45,266	3.87
Packaged foods and meats	5.68	867,456	3.81
Paper and forest products	4.65	181,096	2.97
Other	3.17	7,307,165	3.40
Total		**16,442,907**	**3.34**

*The total represents the aggregate of the individual sectors, including values below the decimal point, and therefore may not equal the sum of the figures for each sector, which are rounded for presentation purposes.

Calculation formula for emissions

Financed emissions are calculated by multiplying the ratio of the Bank's investments and loans to the total amount of funds raised by the investment and loan recipient (attribution factor) by the greenhouse gas emissions* of the investment and loan recipient.

*For companies whose disclosed information has been obtained, disclosed information is used, and for other companies, estimated values are used.

$$\text{Financed Emissions} = \sum_i \text{Attribution Factor}_i \times \text{Emission}_i$$

$$\text{Attribution Factor}_i = \frac{\text{Investment and loan amount } i}{\text{Total funding amount } i}$$

(i is each investment and loan recipient)

Calculation formula for carbon intensity by industry

Carbon intensity by industry is derived by the following formula for each industry.

∑ (Carbon intensity of individual company × investment and loan amount of individual company)/ Total investment and loan amount of individual company

Data quality score

Scores are assigned on a 5-point scale based on the content of available data. A score of 1 is the highest quality data, and a score of 5 is the lowest quality.

*Since FY2024, the Bank has been working to obtain third-party assurance and has changed measurement methods. Calculation results may change in the future due to expanded disclosure of financed emissions, updates to carbon intensity data, more sophisticated calculation methods, and other factors.

Obtaining third-party assurance

Since FY2024, we have been working to obtain third-party assurance of our measurement and disclosure of greenhouse gas emissions to ensure the credibility of our data. For our greenhouse gas emissions in FY2025, we have obtained independent third-party assurance by SOCOTEC Certification Japan Co., Ltd. We will continue to have our emission data verified by a third-party organization to enhance the credibility and transparency of our disclosures.

Please see here for the Third-Party Assurance Report.

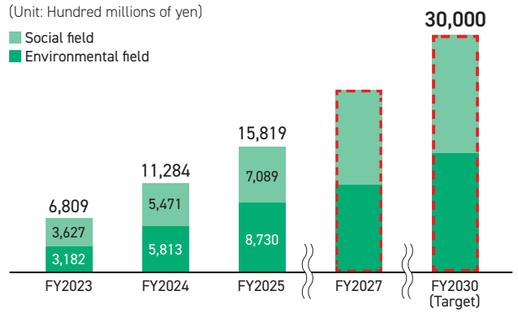
(https://www.gunmabank.co.jp/about/csr/torikumi/pdf/kikohendo_2025hosyou.pdf)

Sustainable finance

Sustainable finance refers to financing activities that contribute to solving environmental issues (renewable energy, energy-saving equipment, etc.) and social issues (business start-ups and succession-related issues, medical care, etc.).

To further initiatives aimed at achieving sustainability in the region by solving environmental, social and other issues, we have set the target of executing sustainable finance worth a cumulative total of 3 trillion yen (including 1.5 trillion yen in the environmental field) for the period from FY2022 through FY2030.

In addition, to achieve the FY2030 target, in the Mid-Term Business Plan we have set the target of executing sustainable finance worth a cumulative total of 1,200.0 billion yen (including 600.0 billion yen in the environmental field) for the period from FY2025 through FY2027.



The sustainable finance result for FY2025 amounted to 453.5 billion yen (including 291.7 billion yen in the environmental field). By proactively engaging in sustainable finance, we will uncover and resolve local ESG issues.

Contributing to regional decarbonization through finance

To support regional decarbonization efforts, the Gunma Bank is actively engaging in sustainable finance initiatives such as Sustainability-Linked Loans, the Gungin SLL Plus, and Gungin SX Support Loans.

The loans for renewable energy businesses that the Bank handled from FY2022 to FY2025 have contributed to generating 8,447,888 MWh of renewable energy. Greenhouse gas emission reductions made by customers who used our sustainable finance products, such as Sustainability-Linked Loans, totaled 2,216,488 t-CO_2.

Moreover, on an annualized basis, the above reduction is 172 times the Bank's greenhouse gas emissions (Scope 1 and Scope 2), and it translates into an estimated reduction of 76,618 t-CO_2*1 of Scope 3 Category 15 emissions (investment and loan recipients' greenhouse gas emissions).

Environmental improvement results through sustainable finance (April 2022 to March 2026)

Item	Result*1	Household equivalent*2
Amount of renewable energy generated by financing renewable energy projects	8,447,888 MWh	Approx. 2.16 million households
Reduction in greenhouse gas emissions for customers using sustainable finance products	2,216,488 t-CO_2	Approx. 1.28 million households
Total		**Approx. 3.44 million households (Number of households in Gunma Prefecture: 830,000 households)*3**

*1 Sustainable finance projects (environmental field) are selected where quantitative effects can be identified. These effects are then calculated based on the Gunma Bank's criteria.
*2 Calculated from annual greenhouse gas emissions (electricity) per household based on the Results of Survey on the Actual Conditions of Carbon Dioxide Emissions from Residential Sector in FY2023 (Final Figures), Ministry of the Environment
*3 Source: 2024 Gunma Prefecture Population Movement Survey Results (Annual Report), Gunma Prefecture

Number of decarbonization support cases

To step up our efforts toward decarbonization, KPIs for Connections have been set since FY2025. The target number of decarbonization support cases has been set as 1,000 cases (three-year cumulative total). The number of decarbonization support cases refers to the number of projects that generated revenue by providing support related to decarbonization. Such projects include Gungin SDGs/ESG Management Evaluation and Diagnostic Service and provision of sustainable finance, as well as support for installation of solar power generation and renewable energy facilities through business matching services and the Decarbonization Starter Package program in which we provide support ranging from the visualization to the reduction of greenhouse gas emissions. The number of decarbonization support cases for FY2025 reached 440. We will continue to address customer's needs for decarbonization by combining diversified solutions, thus contributing to promoting decarbonization in the region.

Number of decarbonization support cases (results) ▶ P.40

Support for customers in their transition to carbon-free

Reducing Scope 3 Category 15 emissions (greenhouse gas emissions from investment and loan recipients) is an essential initiative for financial institutions because it leads to decarbonization of the regions where they operate, and the Gunma Bank has been working on initiatives such as engagement using the "connecting process."

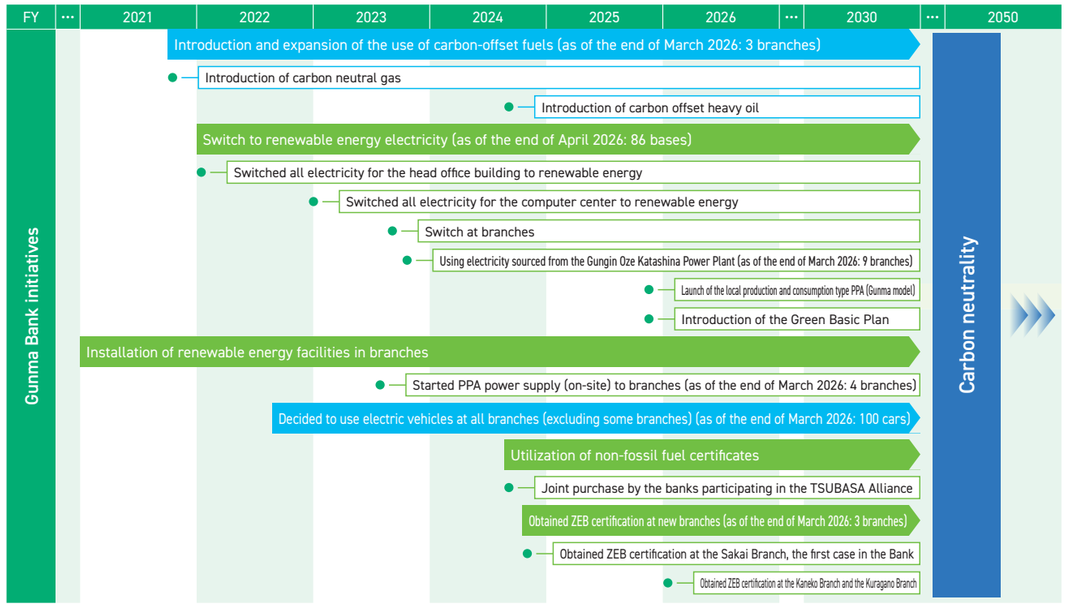
In particular, the automobile industry, which plays a central role in the local economy, is faced with dramatic changes in the business environment, such as a rapid advance of electrification. Local suppliers also need to respond to various challenges, including the electrification of their products and the reduction of greenhouse gas emissions from their manufacturing process. Accordingly, we have positioned the automobile sector as one of the important sectors in our decarbonization efforts and are working to enhance our support structure by, for example, hiring employees who have experience working for automobile manufacturers.

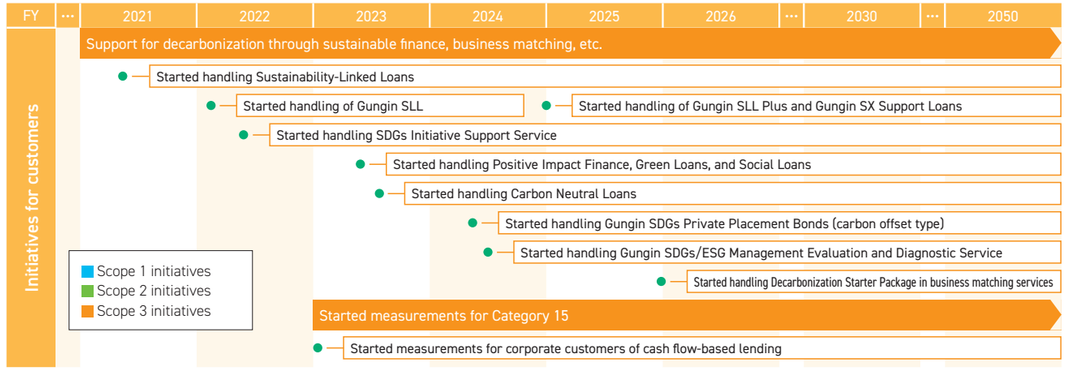
Furthermore, based on a sectoral analysis of investment and loan recipients' greenhouse gas emissions, we have selected sectors that we prioritize and are working to provide the most appropriate solutions that fit customers' needs and situations.

Roadmap toward carbon neutrality by FY2050

In order to contribute to achieving carbon neutrality by 2050, a goal set by the Japanese Government and Gunma Prefecture, we have worked to reduce greenhouse gas emissions at the Bank while also working to help develop a decarbonized society in the region through continuous engagement with regional communities and customers, based on our understanding of sustainability risks and opportunities.

Decarbonization roadmap



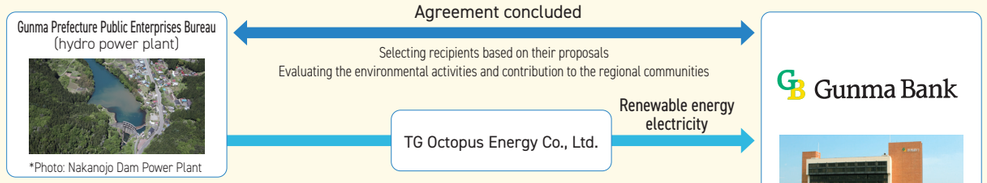


● Switch to renewable energy electricity at all branches

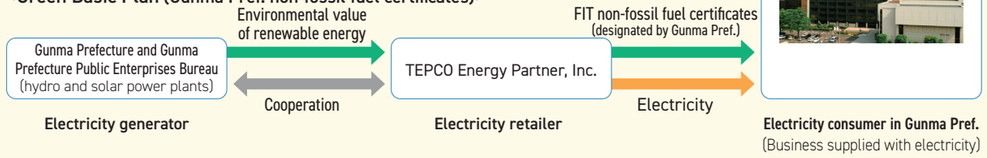
In March 2026, the Bank was selected as a business supplied with electricity under the local production and consumption type PPA (Gunma model) implemented by the Gunma Prefecture Public Enterprises Bureau. Since April 2026, clean electricity generated in Gunma Prefecture from renewable energy sources has been used at the head office building under a three-year arrangement.

In addition, we introduced the Green Basic Plan (Gunma Prefecture non-fossil fuel certificates) provided jointly by Gunma Prefecture and TEPCO Energy Partner, Inc. and have switched to power derived from renewable energy at all branches (excluding tenant branches) by April 2026. We will continue to contribute to the region's decarbonization through the local production and consumption of electricity scheme.

<Local production and consumption type PPA (Gunma model)>



<Green Basic Plan (Gunma Pref. non-fossil fuel certificates)>



● Gungin Oze Katashina Power Plant

In January 2024, we started using carbon-free renewable energy sourced from the Oze Katashina Power Plant operated by The Tokyo Electric Generation Co., Ltd., and in addition, named the hydro power plant the Gungin Oze Katashina Power Plant by exercising the naming rights that we had acquired.

The power plant aims to coexist with the local communities from the perspectives of tourism, education, and disaster prevention, under the concept of "the most beautiful hydro power plant in Japan." We have utilized the power plant as a training venue, including new employee training conducted every April with an aim to foster understanding and raise awareness of sustainability from an educational perspective.


Gungin Oze Katashina Power Plant


Inside the power plant


The Bank's new employees learning about the mechanism of the power plant

● Creating environmentally friendly branches and obtaining ZEB certification

The Kaneko Branch and the Kuragano Branch, which started operations at new outlets in March 2026, have earned six stars in the Building-Housing Energy Efficiency Labeling System (BELS), the highest rating in the evaluation, and obtained ZEB certification.

At the Kaneko Branch, in particular, we have worked on a sustainable urban development initiative together with regional communities through the utilization of renewable energy and green initiatives, based on the agreement regarding development of a former Tsutsumigaoka Airfield with Takasaki City.


Appearance of the Kuragano Branch



Power generation display at the Kaneko Branch


Electric vehicles introduced at the Kaneko Branch

External evaluation and external collaboration

External evaluation

Named an "A-List" company, the highest rank, in the climate change survey by the CDP

The Bank has been named an "A-List" company, the highest rank, for the first time in the climate change survey conducted in 2025 by the CDP, an international non-profit organization in the field of environmental information disclosure, for its climate change-related initiatives and the transparency of disclosed information. The Bank is the first financial institution in Gunma Prefecture to be named an "A-List" company.

[Engagement in initiatives and external evaluation]

To help achieve a sustainable society, the Gunma Bank has supported the Paris Agreement and endorsed and engaged in related industry organizations and various initiatives. When deciding to endorse or engage in an initiative, or to continue such endorsement or engagement, we deliberate by considering the relevance to the Gunma Bank Group Sustainability Policy and our businesses, the consistency with developments in Japan, and other factors.

Task Force on Climate-related Financial Disclosures (TCFD)

Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)

Taskforce on Nature-related Financial Disclosures (TNFD) Forum

GX Future Consortium

Sustainability Data Standardization Consortium (SDSC)

External collaboration

Food drive in collaboration with the TSUBASA Alliance member banks

In February 2026, we organized a food drive with the TSUBASA Alliance member banks as a part of our initiatives to contribute to regional communities. Surplus food was brought from households to workplaces and the collected food from the ten banks amounted to 1,458 kg in total. They were donated to food banks and social welfare councils across Japan through each bank.

We will remain committed to solving social issues such as food loss and waste, thus contributing to the development of a sustainable community.

A regional preliminary of a nationwide competition for high school students: SDGs QUEST Mirai Koshien

The Bank provided special support for the Joetsu area (Gunma, Niigata, and Tochigi Prefectures) regional preliminary of a nationwide competition: SDGs QUEST Mirai Koshien. In this competition, high school students develop ideas for SDG actions that help solve social issues, and present them. This was the first such competition for high school students in Gunma Prefecture.

As a part of initiatives under the Gunma and Daishi Hokuetsu Alliance, Daishi Hokuetsu Bank also co-sponsored this competition.

We will remain committed to contributing to the development of a sustainable community in the region through educational support for high school students who are responsible for the next generation.



Supporting customers' SDGs and ESG initiatives

The Gunma Bank Group strives to contribute to the growth and development of regional businesses by providing various solutions to environmental and social issues facing customers in the region.

Since we started handling SDGs Initiative Support Service in September 2022, we have offered solutions from both financial and non-financial perspectives to support our customers' sustainability management.

In August 2024, we launched the Gungin SDGs/ESG Management Evaluation and Diagnostic Service, which provides a high-level assessment of our customers' SDGs and ESG initiatives. This service visualizes the status of customers' efforts and compares the results with the performance of others in the same industry by using a scoring model, so that customers can assess their own performance objectively and quantitatively. In addition, to support customers' decarbonization efforts, we offer, free of charge, a simplified version of the Assessment and Scoring of the Status of Efforts to Address Environmental Items tool that enables measuring greenhouse gas emissions.

As a regional financial institution, we will continue to step up support for customers' sustainability management and decarbonization efforts.

Raising understanding of the SDGs/ESG and their necessity

SDGs Initiative Support Service

- Confirm current state of initiatives based on interview sheets
- Ascertain issues, etc. through dialog with customers using feedback sheets
- Support formulation of SDGs declarations tailored to customers' businesses

Gungin SDGs/ESG Management Evaluation and Diagnostic Service

- Enable measuring Scope 1 and Scope 2 greenhouse gas emissions of customer companies
- Confirm current status of SDGs/ESG initiatives based on advanced evaluation using a scoring model
- A detailed assessment report prepared by AI that helps customers understand where their companies stand in the industry and their strengths and weaknesses
- The Gunma Bank supports customers in formulating and implementing SDGs/ESG management, based on the assessment results.

Deciding on priority issues

Decarbonization efforts | **Human capital initiatives** | **Productivity improvement**

Proposing solutions that "connect" to solving issues

Item	Main services, etc.	Group companies
SDGs-related consulting	SDGs-related KPI setting, training, etc.	Gungin Consulting Co., Ltd.
Carbon-related		
Measuring and visualizing greenhouse gas emissions	Greenhouse gas emission visualization cloud service	
Carbon offsets	Support creating, selling and purchasing J-Credits	
Introduction of renewable energy facilities	Support for installation of solar equipment, etc.	
Support for solving other social issues		
Hiring of high-level human resources	Staffing service	Gungin Consulting Co., Ltd.
Human and labor affairs/training and development	Formulation of human resource and labor regulations, training and development	Gungin Consulting Co., Ltd.
Health-oriented business management	Support for obtaining KENKO Investment for Health Outstanding Organization certification	
Streamlining of operations through digital transformation	Introduction of accounting and labor management systems	
Business succession	Support of business succession plan formulation Provision of capital funds, hands-on support	Gungin Consulting Co., Ltd. Gunma Regional Advanced Solution Partners, Inc.

Financing, subsidies, etc. based on proposed solution

Sustainable finance	Various sustainable finance products (page 78) Loans for renewable energy projects Loans, etc. for business succession measures
Subsidies and tax benefit support	Subsidies for large-scale growth investments such as labor-saving measures aimed at raising wages for second-tier enterprises and SMEs New business launching subsidies, tax system to encourage future regional investment, etc.
Interest subsidy	Subsidy for energy efficiency investments

Sustainable finance

Initiatives for sustainable finance

Going forward, we will strive to achieve the target of executing sustainable finance worth a cumulative total of 1,200.0 billion yen (including 600.0 billion yen in the environmental field) under the current Mid-Term Business Plan by utilizing our finance products including Gungin SLL Plus, which we started handling in April 2025.

In addition to sustainable finance, we will also work to achieve the target for the number of decarbonization support cases, a new KPI of ours, of a three-year cumulative total of 1,000, in order to strengthen our support for customers' decarbonization efforts.

Sustainable finance products

Products compliant with international principles

Gungin SLL Plus
- Sustainability performance targets for greenhouse gas emission reduction are set and certified by Gungin Consulting
- Incentives available, including interest rates that fluctuate depending on progress toward targets

Positive Impact Finance
- The Gunma Bank comprehensively analyzes and evaluates the impact that corporate activities have on ESG
- KPIs are set and monitored by the Bank regarding increase/mitigation of impact

Sustainability-Linked Loans
- Ambitious sustainability performance targets are set and certified by a third-party evaluation organization
- Incentives available, including interest rates and other conditions that fluctuate depending on progress toward targets

Green Loans/Social Loans
- Use of funds is limited to green/social projects
- Once a year, customers report on environmental improvement effects, etc.

Products with the Bank framework

Gungin SX Support Loans
- Ambitious sustainability performance targets are set and verified by Gungin Consulting
- Incentives available, including interest rates that fluctuate depending on progress toward targets

Other

Carbon Neutral Loans
- Financing products for customers who are working, or plan to work, towards carbon neutrality

Gungin SDGs Private Placement Bonds (donation support type)
- Private placement bonds for customers looking to make a donation or gift
- A portion of corporate bond issuance fees is donated to organizations working on SDGs

Gungin SDGs Private Placement Bonds (issuer support type)
- Private placement bonds for customers working on projects to achieve SDGs
- Help improve corporate image and employee motivation

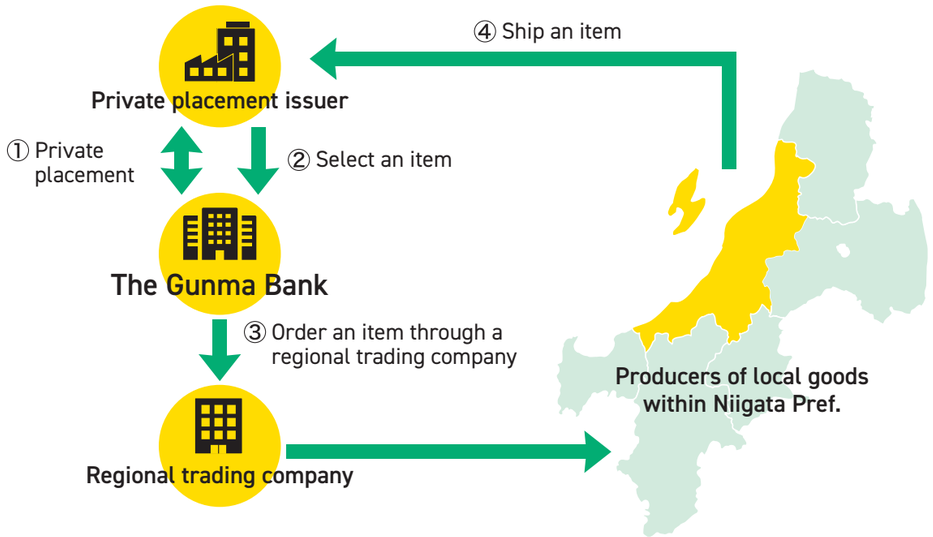
Gungin SDGs Private Placement Bonds (carbon offset type)
- The Gunma Bank purchases carbon credits and implements carbon offsetting for bond-issuing companies and Gunma Prefecture

Financing with Special Clause for Waiver in Event of Earthquake
- If an earthquake with a seismic intensity of 6 or higher occurs at a predetermined place, the loan principal is waived at a predetermined rate

Financing with Special Clause for Waiver in Event of Torrential Rain
- If heavy rain exceeding a certain amount occurs at a predetermined place, the loan principal is waived at a predetermined rate

Gungin SDGs Private Placement Bonds (donation support type) [for supporting local industries]

In April 2026, the Bank launched the Gungin SDGs Private Placement Bonds (donation support type) [for supporting local industries] as a joint program with Daishi Hokuetsu Bank under the Gunma and Daishi Hokuetsu Alliance.



Regional sustainability initiatives

Comprehensive partnership agreement for community revitalization

Collaboration with local governments in Gunma Prefecture aimed at regional revitalization

We have concluded comprehensive partnership agreements with Gunma Prefecture and 13 local governments in the prefecture. Centered around the Regional Revitalization Office within the Customer Consulting Department, we collaborate with related departments, branches, and Group companies to enhance the appeal of the region through initiatives such as promoting tourism, revitalization support through the corporate version of the hometown tax, revitalizing agriculture, and attracting businesses.

Initiative in Minakami Town

We engage in an initiative jointly implemented by four parties from the business, academic, public, and financial sectors (the Gunma Bank, Minakami Town, Open House Group, and a graduate school of Tokyo University) to revitalize Minakami Town, which is a pioneering project of Regional Revitalization 2.0. We have been working on a project to renovate an abandoned building into a lodging or bathing facility since 2021, and, in addition, since 2026, we have engaged in a development of the district near Jomo-Kogen Station as a member of Urban Design Center Minakami. The Gunma Bank will continue to work with various businesses to help regional economic zones thrive in a sustainable way.



Facilities being revitalized through public proposals in Minakami Town

Gunma Next Generator project

Matching young entrepreneurs with SMEs facing challenges

The Gunma Bank, VENTURE FOR JAPAN, and Gunma Regional Advanced Solution Partners, Inc. have jointly undertaken the Gunma Next Generator project, commissioned by Gunma Prefecture. The Gunma Next Generator project is a program designed to match talented and motivated young people with small and medium-sized enterprises (SMEs) in the prefecture that face challenges, providing support and collaboration. Specifically, we have a hiring-type program in which young people join a company in Gunma Prefecture and work as a project head for two years, and a trial-type program in which students take on the challenge of solving issues faced by a company for two weeks. In the previous fiscal year, three young people joined companies in Gunma Prefecture, and five groups of students worked on solving the issues of the companies. We will continue to match more businesses and young people and strive to contribute to the development of the regional economy.



The top page of the dedicated website of the Gunma Next Generator project

Initiative to develop sustainable tourist destinations

Structuring the Gunma Sustainable Tourism Fund

On January 30, 2026, the Gunma Bank and Gunma Regional Advanced Solution Partners, Inc. concluded a comprehensive partnership agreement to promote the development of tourist regions and regional development in Gunma Prefecture with Gunma Association of Tourism, Local Products & International Exchange under the theme of developing sustainable tourist destinations. The agreement aims to enhance the appeal of the region and implement sustainable regional development through collaboration among the three parties in diverse fields including regional development utilizing tourism resources in Gunma Prefecture, promotion of multiculturalism, and support for businesses in the region. As a specific initiative, in March 2026 we structured the Gunma Sustainable Tourism Fund that invests in tourist destinations and other facilities in the prefecture in collaboration with regional financial institutions and tourism-related business operators.

Considering the conclusion of this agreement as an opportunity to deepen our engagement with businesses in the region, we will step up our efforts to enhance the appeal of the region and achieve sustainable regional economy.



Comprehensive partnership agreement signing ceremony. From left: Mr. Tomoda, Managing Director of Gunma Association of Tourism, Local Products & International Exchange; Mr. Fukai, President of The Gunma Bank; Mr. Kagamiyama, President of Gunma Regional Advanced Solution Partners

Corporate Governance

Basic perspective

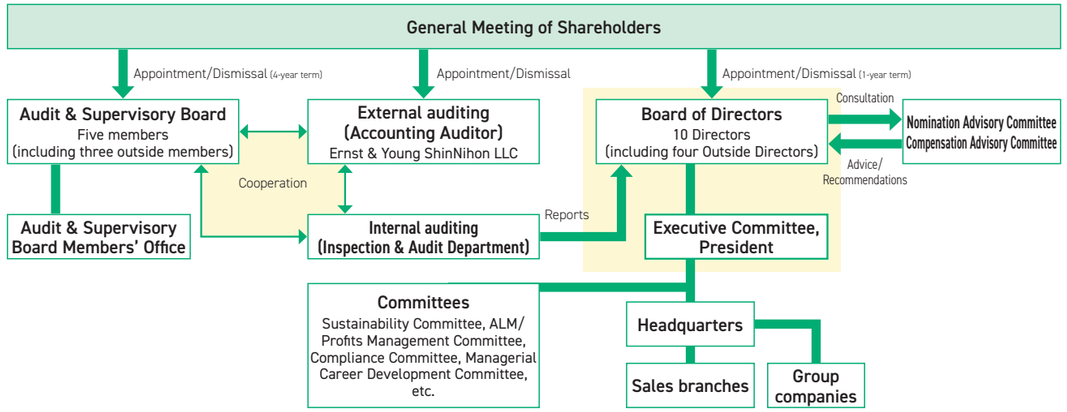
While always keeping in mind the development of regional communities, the Bank's basic policy is to respond appropriately to the financial needs of customers, enhance corporate value by ensuring asset soundness and strengthening its profitability, and to be highly evaluated by shareholders and the market. 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

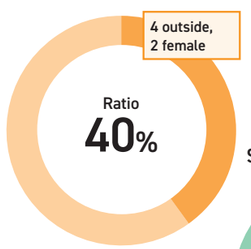
The Bank has an Audit & Supervisory Board Member system with the five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members). The Board of Directors consists of 10 Directors, including four Outside Directors. To achieve our management goals, we believe that it is 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.

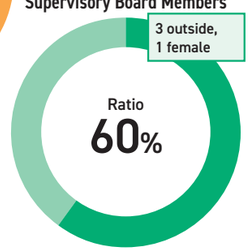
Corporate Governance System



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.

Executives

Directors



Akihiko Fukai

President and Representative Director

Apr. 1984 Joined the Bank
Jun. 2003 General Manager, Osaka Branch
Jun. 2005 General Manager, Kiryu Branch
Jun. 2007 General Manager, Ota Branch
Jun. 2009 General Manager, Risk Management Department
Jun. 2011 General Manager, Corporate Planning Department
Jun. 2013 Director and General Manager, Corporate Planning Department
Jun. 2014 Managing Director and General Manager, Business Planning & Administration Department
Jun. 2015 Managing Director
Jun. 2017 Senior Managing Director
Jun. 2019 President and Representative Director (current position)



Akihiro Goto

Deputy President and Representative Director

Apr. 1986 Joined the Bank
Oct. 2005 General Manager, Kasakake Branch
Aug. 2008 Deputy General Manager, Personnel Department
Oct. 2010 Senior Deputy General Manager, Personnel Department
Jun. 2012 Senior Deputy General Manager, Corporate Planning Department
Jun. 2014 General Manager, Isesaki Branch
Jun. 2016 General Manager, Inspection & Audit Department
Jun. 2017 Executive Officer and General Manager, Inspection & Audit Department
Jun. 2018 Executive Officer and General Manager, Personnel Department
Jun. 2019 Managing Executive Officer and General Manager, Personnel Department
Jun. 2022 Managing Director
Jun. 2024 Senior Managing Director
Jun. 2026 Deputy President and Representative Director (current position)



Takeo Uchibori

Deputy President and Representative Director

Apr. 1987 Joined the Bank
Aug. 2009 Deputy General Manager, Corporate Planning Department
Jun. 2011 General Manager, Takasaki Higashi Branch
Jul. 2013 General Manager, Sales Strategy Office, Business Planning & Administration Department
Jun. 2014 Senior Deputy General Manager, Corporate Planning Department
Jun. 2016 General Manager, Ota Branch
Jun. 2018 Executive Officer and General Manager, Credit Department
Jun. 2019 Managing Executive Officer and General Manager, Corporate Planning Department
Dec. 2020 Managing Executive Officer and General Manager, Corporate Planning Department; Representative Director, Gunma Regional Advanced Solution Partners, Inc.
Apr. 2021 Managing Executive Officer and General Manager, Corporate Planning Department
Jun. 2022 Managing Director
Apr. 2024 Managing Director, Commissioning General Manager of Digital Innovation Department
Jun. 2024 Senior Managing Director
Jun. 2026 Deputy President and Representative Director (current position)



Akihiko Horie

Senior Managing Director

Apr. 1985 Joined the Bank
Jun. 2005 General Manager, Nakaizumi Branch
Jun. 2007 General Manager, Shinjuku Yotsuya Branch
Jun. 2010 Senior Deputy General Manager, Ota Branch
Oct. 2011 General Manager, Maebashi Branch
Jul. 2013 General Manager, Omiya Branch
Jun. 2016 Executive Officer and General Manager, Customer Consulting Department
Jun. 2018 Managing Executive Officer and General Manager, Ota Branch
Jun. 2020 Managing Executive Officer and General Manager, Business Planning & Administration Department
Jun. 2021 Managing Executive Officer, Area General Manager (Ota, Kiryu, Tatebayashi and Tochigi)
Jun. 2023 Senior Managing Executive Officer and General Manager, Business Planning & Administration Department
Apr. 2024 Senior Managing Executive Officer, General Manager, Customer Consulting Department
Jun. 2024 Managing Director, Commissioning General Manager, Customer Consulting Department
Jun. 2026 Senior Managing Director, Commissioning General Manager, Customer Consulting Department (current position)



Hideyuki Saito

Managing Director

Apr. 1988 Joined the Bank
Feb. 2009 General Manager, Kuragano Branch
Oct. 2010 Deputy General Manager, Personnel Department
Jun. 2014 General Manager, Tochigi Branch
Jun. 2016 Senior Deputy General Manager, Corporate Planning Department
Jun. 2018 General Manager, Risk Management Department
Jun. 2019 Executive Officer and General Manager, Risk Management Department
Jun. 2021 Managing Executive Officer and General Manager, Risk Management Department
Jun. 2022 Managing Executive Officer and General Manager, Corporate Planning Department
Jun. 2024 Dispatched, treated as Managing Executive Officer
President and Representative Director, Gungin Leasing Co., Ltd.
Apr. 2025 Dispatched, treated as Senior Managing Executive Officer
President and Representative Director, Gungin Leasing Co., Ltd.
Jun. 2026 Managing Director (current position)



Shizuo Otani

Managing Director

Apr. 1993 Joined the Bank
Oct. 2014 General Manager, Shinkiryu Branch
Jun. 2016 Deputy General Manager, Personnel Department
Jun. 2020 Senior Deputy General Manager, Personnel Department
Jun. 2022 General Manager, Secretariat
Jun. 2024 Executive Officer and General Manager, Corporate Planning Department
Jun. 2026 Managing Director, Commissioning General Manager, Corporate Planning Department (current position)



Kuniko Nishikawa

Outside Director

Apr. 1986 Joined Citibank, N.A.
Feb. 1996 Joined A.T. Kearney
Sep. 2000 President and Representative Director, Supernurse Co., Ltd.
Aug. 2010 President and Representative Director, FIRSTSTAR Healthcare Inc. (current position)
Apr. 2013 Outside Director, Regional Economy Vitalization Corporation of Japan
Jun. 2013 President and Representative Director, Benesse MCM Corp.
Jun. 2015 Outside Director, OMRON Corporation
May 2017 President and Representative Director, FRONTEO Healthcare, Inc.
Jun. 2018 Outside Auditor, AIG Japan Holdings KK
Jun. 2020 Director of the Bank (current position)
Jun. 2020 Outside Director, Solasto Corporation
Jun. 2020 Outside Director, AIG Japan Holdings KK
Apr. 2022 Outside Director, Panasonic Corporation
Feb. 2024 Outside Director, Kewpie Corporation (current position)



Kazuhito Osugi

Outside Director

Apr. 1977 Joined the Bank of Japan
Nov. 1986 Economist, Bank for International Settlements (BIS)
Jun. 1999 General Manager of Matsumoto Branch, Bank of Japan
May 2001 Assistant General Manager of Osaka Branch, Bank of Japan
May 2003 RM Controlling Senior Director, Industrial Revitalization Corporation of Japan
Jul. 2005 Deputy Director-General of Financial System and Bank Examination Department and Head of Center for Advanced Financial Technology, Bank of Japan
May 2006 Internal Auditor and Director-General of Internal Auditors' Office, Bank of Japan
Apr. 2007 Director-General of Secretariat of the Policy Board, Bank of Japan
Apr. 2009 Visiting Professor, Ochanomizu University
Sep. 2011 Auditor, Bank of Japan
Oct. 2015 Advisor of Security Transport Business Division, NIPPON EXPRESS CO., LTD.
Jun. 2016 Independent Outside Director of the Board, Nissha Co., Ltd. (Former trade name: Nissha Printing Co., Ltd.) (current position)
Aug. 2018 Outside Director of the Board, Frontier Management Inc.
Jun. 2021 Director of the Bank (current position)
Mar. 2024 Outside Director (Audit and Supervisory Committee Member), Frontier Management Inc.



Takuji Kanai

Outside Director

Apr. 1981 Joined KPMG AZSA LLC (Former trade name: Asahi Accounting Firm)
Mar. 1984 Registered as certified public accountant
Aug. 1996 Partner, KPMG AZSA LLC
Aug. 2001 Representative Partner, KPMG AZSA LLC
Jun. 2008 Headquarters Executive Board member, KPMG AZSA LLC
Sep. 2009 Chairperson of the Senior Consultation Board, KPMG AZSA LLC
Jul. 2011 Head of No. 4 Division, Tokyo Office, KPMG AZSA LLC
Jul. 2015 Senior Executive Board member, KPMG AZSA LLC
Head of Audit & Assurance, KPMG Japan
Apr. 2016 Head of Audit & Assurance, KPMG Asia Pacific
Jun. 2019 Vice CEO, KPMG AZSA LLC
Jun. 2024 Outside Director, Eisai Co., Ltd. (current position)
Jun. 2024 Director of the Bank (current position)



Mari Kano

Outside Director

Apr. 1984 Joined MUFG Bank, Ltd. (Former trade name: The Mitsubishi Bank, Ltd.)
Sep. 2012 General Manager, Milan Branch, MUFG Bank, Ltd. (Former trade name: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
Oct. 2014 General Manager, Sales Planning Department, Sales Division, Mitsubishi UFJ NICOS Co., Ltd.
Feb. 2017 United Way Romania, Member of the Board of Directors
Apr. 2019 Director, Center for International Exchange, Showa Women's University
Oct. 2019 Distinguished Professor, Center for Liberal Arts Education (known as the Center for General Education at the time), Showa Women's University
Jun. 2020 Outside Director, Okamura Corporation
Jun. 2021 Outside Director, Tokyo Rope Mfg. Co., Ltd. (current position)
Apr. 2022 Outside Director, Tokio Marine Asset Management Co., Ltd. (current position)
Jun. 2023 Councilor, Japan Textile Products Quality and Technology Center (current position)
Jun. 2026 Director of the Bank (current position)

Audit & Supervisory Board Members



Kimitoshi Mashimo

Standing Audit & Supervisory Board Member

Apr. 1987 Joined the Bank
Feb. 2009 General Manager, Maebashikita Branch
Jun. 2012 General Manager, Sales Strategy Office, Business Planning & Administration Department
Jul. 2013 Senior Deputy General Manager, Personnel Department
Jun. 2015 General Manager, Prefectural Office Branch
Jun. 2017 General Manager, Shibukawa Branch
Jun. 2018 Executive Officer and General Manager, Shibukawa Branch
Jun. 2019 Executive Officer and General Manager, Omiya Branch
Jun. 2020 Managing Executive Officer and General Manager, Omiya Branch
Jun. 2021 Managing Executive Officer and General Manager, Inspection & Audit Department
Jun. 2022 Managing Executive Officer and General Manager, Risk Management Department
Jun. 2024 Standing Audit & Supervisory Board Member (current position)



Masayoshi Watanabe

Standing Audit & Supervisory Board Member

Apr. 1992 Joined the Bank
Jun. 2014 General Manager, Godo Branch
Oct. 2016 Senior Deputy General Manager, Head Office Sales Department
Jun. 2018 Senior Deputy General Manager, Corporate Planning Department
Jun. 2020 General Manager, Secretariat
Jun. 2022 General Manager, Personnel Department
Jun. 2023 Executive Officer and General Manager, Personnel Department
Apr. 2024 Executive Officer and Executive Manager, Risk Management Department
Jun. 2024 Executive Officer and General Manager, Risk Management Department
Jun. 2026 Standing Audit & Supervisory Board Member (current position)



Yasuo Kamiya

Outside Audit & Supervisory Board Member

Apr. 1981 Registered as a lawyer (Gunma Bar Association)
Apr. 1983 Established Kamiya Law Office (currently Ryomo Law Office) (current position)
Oct. 2003 Member of Gunma Dispute Coordinating Committee, the Ministry of Health, Labour and Welfare
Apr. 2008 Chairman, Gunma Bar Association
Apr. 2008 Executive Governor, Japan Federation of Bar Association
Apr. 2008 Managing Director, Kanto Federation of Bar Association
Nov. 2009 Member of Gunma Prefectural Pollution Review Board
Jul. 2012 Member of the Gunma Prefectural Public Safety Commission
Jul. 2014 Chairman, Gunma Prefectural Public Safety Commission
Nov. 2018 Chairman, Gunma Prefectural Pollution Review Board
Jun. 2020 Audit & Supervisory Board Member of the Bank (current position)



Hiroshi Kasahara

Outside Audit & Supervisory Board Member

Apr. 1978 Joined Gunma Prefectural Office
Apr. 2011 Director, Finance Division, General Affairs Department, Gunma Prefectural Government
Apr. 2013 Executive Director, Gunma Prefectural Hospitals Bureau
Apr. 2014 General Manager, Corporate Planning Department, Gunma Prefectural Government
Apr. 2016 Superintendent of Education, Gunma Prefectural Board of Education
Jun. 2021 Chairman, Gunma Prefecture Foundation for Education and Culture (current position)
Mar. 2022 Director, Gunma Prefecture Foundation for Longevity Society (current position)
Jun. 2022 Audit & Supervisory Board Member of the Bank (current position)



Sumiko Suzuki

Outside Audit & Supervisory Board Member

Apr. 2001 Joined Misuzu Audit Corporation (Former trade name: Chuo Aoyama Audit Corporation)
Apr. 2004 Registered as certified public accountant
Jan. 2007 Opened Suzuki Certified Public Accountant Office (current position)
Apr. 2007 Registered as a certified tax accountant
Jul. 2020 Councilor, Public Interest Foundation International Manpower Development Organization, Japan (current position)
Jun. 2021 Auditor, Japan Greenery Research and Development Center
Jun. 2024 Audit & Supervisory Board Member of the Bank (current position)
Jun. 2026 Outside Director, Azuma Shipping Co., Ltd. (current position)

Executive Officers

Managing Executive Officer	Area General Manager (Ota, Kiryu, Tatebayashi and Tochigi)	**Takashi Ishizeki**
Managing Executive Officer	Area General Manager (Kumagaya, Omiya, Keihin and Osaka)	**Yuki Yokota**
Managing Executive Officer	Area General Manager (Takasaki and Seimou)	**Shiro Maki**
Executive Officer	General Manager, Financial Markets & International Department	**Toru Sasaki**
Executive Officer	General Manager, Inspection & Audit Department	**Junya Kosaka**
Executive Officer	General Manager, Head Office Sales Department and General Manager, Soja Branch	**Yuichi Sumidagawa**
Executive Officer	Area General Manager (Maebashi, Isesaki and Hokumou)	**Masashi Amada**
Executive Officer	General Manager, Business Management Office, Corporate Planning Department	**Kazunori Nishimura**
Executive Officer	General Manager, Takasaki Branch and Toyooka Branch	**Nobuhito Saito**
Executive Officer	General Manager, Credit Department	**Ryoji Ichinoseki**
Executive Officer	General Manager, HR Management Department	**Hideko Tatsukawa**
Executive Officer	General Manager, Specialized Finance Department	**Yoshiaki Takei**
Executive Officer	General Manager, Risk Management Department	**Satoshi Yuasa**

Specialties and experience of Inside Directors and Audit & Supervisory Board Members (skills matrix)

Name	Position	Skill categories: Corporate governance/ Sustainability	Regional economy	Sales	Market operations	Corporate strategy/ Planning/Compliance with applicable regulations/New business development	Personnel	Risk management	Systems
Akihiko Fukai	President	●	●	●	●	●		●	●
Akihiro Goto	Deputy President	●		●		●	●	●	
Takeo Uchibori	Deputy President	●		●	●	●			●
Akihiko Horie	Senior Managing Director		●	●					
Hideyuki Saito	Managing Director	●		●		●		●	
Shizuo Otani	Managing Director	●		●		●	●		
Kimitoshi Mashimo	Audit & Supervisory Board Member			●			●	●	
Masayoshi Watanabe	Audit & Supervisory Board Member	●		●		●	●	●	

Specialties and experience of Outside Directors and Audit & Supervisory Board Members (skills matrix)

Name	Position	Skill categories: Corporate management	Financials (Theories/ Administration/ Regulations)	Corporate finance & accounting (Practices/Theories)	Corporate legal affairs (Practices/Theories)	Macro-economics	Sustainability	IT/Digitals/ Fintech	Regional economy/ Administration
Kuniko Nishikawa	Director	●					●	●	
Kazuhito Osugi	Director		●			●			
Takuji Kanai	Director	●		●					
Mari Kano	Director			●			●		
Yasuo Kamiya	Audit & Supervisory Board Member				●				●
Hiroshi Kasahara	Audit & Supervisory Board Member						●		●
Sumiko Suzuki	Audit & Supervisory Board Member			●					

The above tables do not necessarily show all expertise, experiences, and knowledge that the candidates for Director and Audit & Supervisory Board Members (candidates) have.

Risk Management

Basic perspective

The risks facing banks in Japan are becoming increasingly diversified and complicated amid major changes taking place in the business environment. Under such circumstances, in order to improve the corporate value while ensuring the soundness and stability of management, it is necessary that we appropriately manage and control risks according to the characteristics of operations and risks.

The Bank understands adequate risk management as one of the most important managerial tasks. The Board of Directors has established the Basic Policy on Risk Management and strengthens and improves the risk management system, including the risk management following this basic policy.

Overview of risk management system

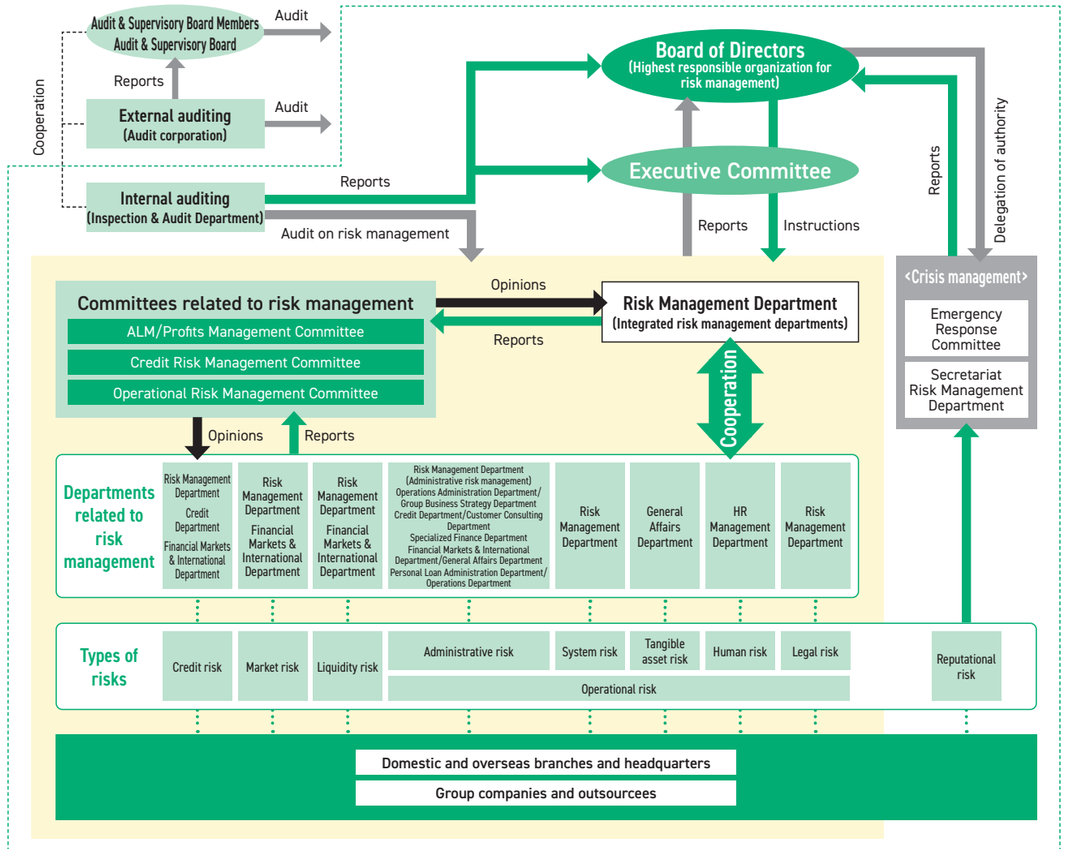
The Board of Directors fully recognizes the importance of risk management, determines the risk management policy based on the Bank's management policy, etc., and strives to foster a corporate culture that places emphasis on risk management.

In addition, the Risk Management Department has been established as an integrated risk management organization for the entire bank, which comprehensively grasps and manages the status of various risks including risk measurement results from a cross-sectional perspective.

The Risk Management Department and various risk management-related departments work together concerning risk situations and challenges and report the results to the Executive Committee and the Board of Directors based on discussions and reviews by the ALM/Profits Management Committee, the Credit Risk Management Committee, and the Operational Risk Management Committee.

The Inspection & Audit Department examines and evaluates the appropriateness of risk management from an independent standpoint and provides advice regarding improvement in response to the issues identified.

Organizational framework of risk management



Integrated risk management

(1) Basic perspective

In addition to managing individual risks such as credit, market, and liquidity risks, it is necessary to comprehensively manage risks such as the overall risk of the Bank as a whole, and to compare and contrast these risks with management vitality. For this reason, the Risk Management Department is taking the lead in developing a system for integrated risk management, strengthening the management of various risks, and promoting the advancement of integrated risk management.

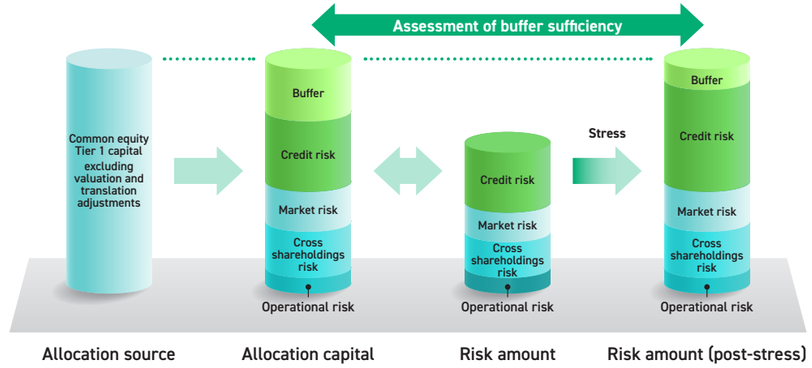
(2) Integrated risk management

As one of the methods for integrated risk management, we implemented a system of integrated risk management to measure the amount of risk by each category such as credit risk and market risk using a unified framework (value at risk (VaR), etc.) and integrate them to be compared with management vitality (equity capital).

In specific terms, the Board of Directors determines allocation of risk capital by risk category every six months, with the amount obtained by subtracting valuation and translation adjustments, etc. from common equity Tier 1 capital as the allocation source.

The Bank regularly monitors the risk amount to determine whether it is within the allocated risk capital, and reports findings every month to the ALM/Profits Management Committee as well as the Executive Committee.

Integrated risk management framework



Management by risk category

Credit risk management

Credit risk refers to the possible loss that a bank may suffer because a bank's customer or securities issuer cannot repay/redeem interest and/or principal as promised due to worsening business conditions, etc.

At the Bank, loan assets account for the majority of credit risk, and ensuring the soundness of loan assets is an important task in managing credit risk in the future.

In order to perform strict credit risk management, mutual checks on credit risks between related departments are necessary. At the Bank, the Risk Management Department is independent from the sales promotion departments and the examination departments, and plans and verifies the management system that forms the basis of credit risk management, such as a credit rating system, self-assessment of assets, and write-off and reserve systems, which all work as a regular check function.

Market risk management

Market risk refers to the possible loss that a bank may suffer due to fluctuations in market factors such as interest rates, exchange rates, and share prices.

In addition to management by the Risk Management Department, for the Financial Markets & International Department in charge of market transactions, the department in charge of trading (front office) is separated from the department in charge of risk management and the department in charge of routine paperwork (middle and back offices) to provide a check and balance system.

The Risk Management Department manages and analyzes the situation of risk amounts for VaR and valuation gain/loss and the impact that changes in market factors have on gain/loss on valuation and capital ratio, and reports its findings to the ALM/Profits Management Committee and the Executive Committee. The Financial Markets & International Department invests in stocks and bonds within the appropriate trading scope under sufficient risk management.

Liquidity risk management

Liquidity risk consists of cash flow risk and market liquidity risk. Cash flow risk means the possible loss that a bank may suffer if the Bank is unable to secure the necessary funds due to mismatches between investing and funding periods or unexpected capital outflows or is forced to raise funds at significantly higher rates than usual.

Market liquidity risk refers to the possible loss that a bank may suffer due to an inability to trade because of market turmoil, etc. or a trade where the Bank is forced to accept a significantly unfavorable price.

The Bank stipulates the Financial Markets & International Department as the department in charge of cash flow, and it manages cash flow strictly on a daily, weekly and monthly basis including that of overseas branches. The Risk Management Department monitors and analyzes cash flow situation, balance of investment and funding, identifies and analyzes interest rate trends, and then reports to the ALM/Profits Management Committee as well as the Executive Committee. Furthermore, the Bank has formulated a Contingency Plan to prepare for various contingencies and has put into place a system that can address various cases.

Operational risk management

Operational risk is the possible loss that the Bank may suffer due to inadequate operational processes, activities of workers such as executives, employees, and temporary employees, and functions of systems, or exogenous events. The Bank divides operational risk into five categories in order to effectively manage risks in accordance with the organizational structure and content of operations. These five categories are: (1) Administrative risk; (2) System risk; (3) Tangible asset risk; (4) Human risk; and (5) Legal risk.

The Board of Directors has established a Basic Policy on Risk Management and Basic Regulations on Operational Risk, which stipulate basic matters concerning operational risk management. The Director in charge of the Risk Management Department is designated as the person in charge of supervising overall operational risks and the Risk Management Department is designated as the integrated operational risk management division. The Risk Management Department plans and supervises the overall management of operational risk under the direction and supervision of the director in charge, and each risk management-related department manages each risk from a specialized standpoint.

Crisis management

Based on our social responsibility and public mission as a regional financial institution, the Bank has developed a system that can respond to emergencies quickly and appropriately in the event of a major natural disaster, system failure, novel coronavirus pandemic, etc. and convey relevant information to everyone within the organization.

Specifically, in order to ensure the safety of our customers, executives and employees, and to perform operations smoothly, we have a crisis management plan (business continuity plan (BCP)). We conduct regular training to ensure its effectiveness and periodically review its contents. We have also established a system to convene an emergency response committee chaired by the President in the event of a crisis. In particular, for major earthquake disasters, we have developed measures such as backup offices and backup systems based on the expected impact.

Furthermore, since FY2024, we have been implementing initiatives to secure operational resilience (the ability to continue essential operations at least at the minimum level that should be maintained in the event of system failures, cyber-attacks, natural disasters, etc.).

Cyber security management

In order to cope with cyber-attacks that have become more advanced and more sophisticated year by year, we are reinforcing defensive measures by implementing multi-layered security measures to prevent unauthorized entry into the system and to detect viruses. We are also working to ensure the effectiveness of these measures by, for example, conducting a periodic penetration test. In addition, on the assumption that there could be an unauthorized entry into our systems, we have established a mechanism that constantly monitors the usage status and behavior of systems and, when an abnormality occurs, detects and responds to it promptly.

In terms of structure, the Gungin CSIRT* installed in the Risk Management Department plays a central role. We are continuously strengthening our security management system through the collection of information from outside organizations and conducting classes and training in cyber security and cyber-attacks. In addition, to enhance all executives' and employees' understanding of cyber security, we are regularly providing training on how to identify suspicious emails while also continuously implementing an awareness raising campaign to ensure that they properly handle emails from unknown sources.

Thus, the Bank has implemented measures based on the Guidelines on Cybersecurity for the Financial Sector by the Financial Services Agency, among others. Furthermore, most recently, as cyber security risks have been increasing further, we have been continuously reinforcing measures by sharing information with the TSUBASA Alliance banks and other financial institutions.

*CSIRT: Abbreviation for "Computer Security Incident Response Team"

Countermeasures against money laundering and related issues

Countermeasures against money laundering and related issues refer to actions taken to combat financial crimes, including money laundering, terrorist financing, corruption, bribery, proliferation financing, and other violations of economic sanctions.

At the Gunma Bank, we prioritize these countermeasures as one of our most critical management issues. We have established the Financial Crime Countermeasures Office within the Risk Management Department to enhance our approach to money laundering and related issues. In addition, we comply with relevant laws and regulations, such as the Act on Prevention of Transfer of Criminal Proceeds, and adhere to the Guidelines on Combating Money Laundering and Terrorist Financing published by the Financial Services Agency. We implement a risk-based approach to identify and assess risks and verify the effectiveness of risk mitigation measures to ensure effective countermeasures against money laundering and related issues. The Bank regularly reports to the Financial Crime Countermeasures Committee and the Executive Committee on details of our measures to prevent money laundering, etc., working to further enhance countermeasures against money laundering and related issues with the involvement of senior management.

Financial Crime Prevention Service

The Bank has set up the following toll free numbers in Japan as consultation windows for financial crimes.

Gunma Bank "Financial Crime Prevention Service"

0120-788511 Hours: 09:00-17:00 (excluding bank holidays)

Risk Appetite Framework

At the Gunma Bank, we are developing a Risk Appetite Framework (RAF) that clearly defines the types and levels of risk (risk appetite) we are willing to accept in order to achieve our business plans, and we use this framework for business management and risk management. We have formulated our Mid-Term Business Plan "Growth with 'Purpose'" by comparing and analyzing risk and return across different business sectors using RORA (Return on Risk-Weighted Assets) and then determining the sectors in which we take more risks to enhance profitability.

We also position RORA as a key indicator for achieving increased corporate value and use it to guide the accumulation of high-RORA assets, improve low-RORA assets, and formulate asset allocation policies.

Going forward, the Bank aims to optimize risk and returns and effectively utilize capital and management resources through the gradual development of the RAF.

Compliance Management System

With a view to fulfilling the social responsibility and public mission of a bank, it is indispensable to establish and implement a compliance management system. Thus, we regard compliance as one of the most important management tasks and will work together with all of our executives and employees to foster a corporate culture that emphasizes the importance of compliance.

Compliance management system

The Board of Directors is the highest organization responsible for compliance, and its authorized Compliance Committee deliberates on important matters related to compliance. In addition, managers and personnel in charge of compliance are assigned to all departments and branches to ensure thorough compliance by raising compliance awareness of the executives and employees and providing educational guidance to them. The Risk Management Department that oversees compliance, centrally manages compliance-related matters, and strives to develop and establish a system for compliance with applicable laws and regulations and a management system to protect our customers.

Compliance in practice

In order to put our Corporate Philosophy into practice, we have established Corporate Ethics as a basic policy for compliance and Action Guidelines as the criteria for compliance.

Further, we established Compliance Guidelines summarizing all matters necessary for practicing compliance, including Corporate Ethics and Action Guidelines. By using these Compliance Guidelines in our training programs and study sessions, we aim to ensure the thorough practice of compliance. In addition, the Compliance Action Plan, which is a specific practical plan for fulfilling compliance requirements, is formulated annually by the Board of Directors, based on which measures should be taken. We are striving to further enhance and reinforce compliance by, for example, giving training at each department and branch, checking and monitoring compliance status using checklists and conducting consultations and guidance by visiting branches.

Contents of Corporate Ethics and Action Guidelines

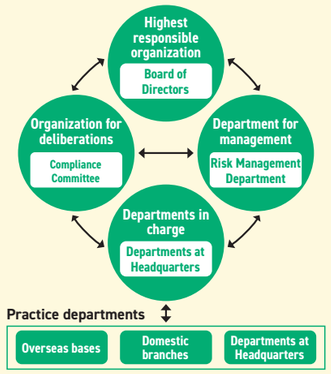
Corporate Ethics

1. Awareness of social responsibility and public mission
2. Strict compliance with laws and regulations
3. Transparency in management and openness to society
4. Measures to deal with anti-social forces (crime syndicates)

Action Guidelines

1. Understanding and complying with laws, regulations, and rules
2. Maintaining and improving confidence
3. Reporting, communicating, and consulting
4. Drawing a line between public and private matters
5. Honesty and sincerity in customer service
6. Steadfast actions against anti-social forces
7. Strict management of customer information
8. Prevention of money laundering

Compliance system



Themes of training sessions for each department and branch (FY2025)

April: The FY2025 Compliance Action Plan	October: Examples of unusual behaviors
May: Compliance Declaration	November: Ensuring appropriate reporting in the event of customer information leakage
June: Corporate Ethics and Action Guidelines	December: Cautions regarding drinking and occasions involving alcohol
July: Prevention of harassment	January: Strict handling of information on corporate entities
August: Employees' attitudes towards initiatives	February: Measures to prevent the recurrence of misconduct incidents
September: Customer harassment	March: Action Guidelines for the Use of Social Media

Internal whistleblowing system

We have established a system (Compliance Hotline) that allows all executives and employees to report violations of laws and regulations directly to the Risk Management Department and outside lawyers. This system has an important mechanism for protecting the confidentiality of whistleblowers and prohibiting disadvantageous handling of them, which results in ensuring the effectiveness of the system by protecting whistleblowers, and encouraging early detection of violations of laws and regulations.

Compliance action plan

The Board of Directors formulates a Compliance Action Plan every year as a specific, practical plan for enhancing and reinforcing compliance. In the Compliance Action Plan, the highest priority items are listed as common themes across the Bank. The Compliance Committee confirms the implementation status of the Compliance Action Plan every quarter, and the Board of Directors confirms the implementation status of the plan every six months.

<FY2026 Compliance Action Plan bank-wide common themes>

① Strict observance of laws and regulations, internal rules, etc.
② Eradication of harassment
③ Customer-oriented sales activities
④ Appropriate management of customer information

Measures to protect customers

In addition to announcing a Customer Protection Management Policy, the Bank assigns personnel in charge of customer protection management to each department and branch, allowing them to offer sufficient explanations about this to customers and handle consultations, requests, and complaints from customers appropriately. We are working to develop and establish an enhanced customer protection management system.

Our Customer Support Office handles customer complaints. In addition, we support the financial Alternative Dispute Resolution (ADR) system in which a designated dispute resolution organization settles conflicts from a fair and neutral position.

<Contacts and phone numbers for suggestions or complaints>

	Customer Support Office, Gunma Bank	Designated dispute resolution organization	
		Customer Relations Center, Japanese Bankers Association (JBA)	Trust Consultation Center, Trust Companies Association of Japan
Phone numbers	0120-203041 (Domestic toll free) +81-(0)27-252-1111 (key number)	0570-017109 (Navi Dial (NTT's Japan-wide call handling service)) +81-(0)3-5252-3772	0120-817335 (Domestic toll free) +81-(0)3-6206-3988
Reception hours	9:00 to 17:00	9:00 to 17:00	9:00 to 17:15
Reception days	Monday to Friday (excluding public holidays and Dec 31 to Jan 3)		

We have also announced that we would conduct foreign exchange operations adequately in compliance with the FX Global Code, and have released publicly our Basic Policy on Foreign Exchange Transactions, which stipulates how to conduct foreign exchange transactions with customers and how to protect customer information within the transactions.

Measures to protect customer information (personal information)

The Bank published a Personal Information Protection Declaration as our policy for appropriate protection and use of personal information obtained in connection with our operations, and assigns personnel responsible for managing and supervising customer information, including personal information throughout the Bank, thereby developing and establishing a management system to implement meticulous safety management measures and supervise outsourcers.

To protect specific information on corporate entities acquired by executives and employees, we have established measures to communicate and manage such information, and aim to prevent unfair transactions using such information.

Measures to manage conflicts of interest

Together with announcing a Conflict of Interest Management Policy, we perform our business operations so as not to unduly harm our customers' profits, by properly managing transactions that may cause conflicts of interest between customers and the Bank or its Group as well as between customers of the Bank or its Group companies.

Severing ties with anti-social forces

Unfair intervention by anti-social forces can lead to a decline in confidence of a bank, making it difficult to ensure the suitability and soundness of business operations.

Based on the importance of the social responsibility of a bank, we take a firm position against anti-social forces in accordance with the three principles of "Prevent access to our funds, prevent use of their funds, and do not fear such anti-social forces and groups." We are working to suspend relationships with such anti-social forces.

Specifically, starting new solicitation and transaction activities for anti-social forces is banned, and transactions already made are reduced and eventually stopped when such transactions are discovered. In addition, we have introduced stipulations to exclude anti-social forces in contracts.

In order to eliminate unreasonable claims from anti-social forces and transactions with such groups, we ensure the safety of executives, employees and related parties. The Bank and its Group companies take measures together and cooperate, on a daily basis, with external organizations such as the police and lawyers.

Other measures

As a measure to prevent bribery and corruption, we have established our Guidelines for Gifts and Entertainment, which aims to eliminate acts that may lead to suspicion, distrust, misunderstanding, and criticism from society, maintain sincere, fair, and transparent relationships with our customers, and gain a high level of trust and confidence from society. We are also working to enhance our system for preventing the occurrence of bribery and corruption cases by, among others, providing training for executives and employees and operating a consultation desk in the Risk Management Department, which handles matters related to gift-giving and entertainment.

Customer-Oriented Business Conduct

Customer-Oriented Business Conduct Policy

With the Customer-Oriented Business Conduct Principles revised in September 2024, we reviewed and revised the Customer-Oriented Business Conduct Policy and Action Plan based on Customer-Oriented Business Conduct Policy, which were jointly established by the Gunma Bank and Gungin Securities in June 2017, in June 2025. The Policy and the Action Plan, along with progress and KPIs (both shared and independent KPIs), are published on the Bank's website.

Initiative Policy

1. Preface
We at the Gunma Bank and Gungin Securities (hereafter the Gunma Bank Group) are committed in our corporate philosophy to always taking actions that will foster the development of regional communities and strengthening a creative relationship with our customers, while we are also committed to our Purpose, "By connecting the strands of resources, people, and generations, we weave better futures for our communities."
With the corporate philosophy and the Purpose in mind, and based on the following policy, we will provide products and services most suitable for customers (social value) and make reasonable profits (economic value) from doing so, and will thereby strive to improve sustainable financial services.

2. Realization of Customers' Best Interests
(1) Based on our corporate philosophy and Purpose, the Gunma Bank Group considers what products and services are most suitable for customers, striving to realize their best interests.
(2) In order to realize customers' best interests, the Gunma Bank will be responsible for providing comprehensive support for the various needs that arise depending on the life stage of our customers, and Gungin Securities will be responsible for broadly supporting their asset management needs.

3. Selection of Useful Products and Services for Customers
(1) When selecting new products and services, or proposing products and services to customers, we base our decisions on what product or service is most suitable for the customer, not on the amount of commission we receive or our relationship with the company providing the product or service.
(2) We mutually share information with product and service provider companies, depending on the complexity of products as well as properties of products such as risk. In addition, based on the shared information, we analyze, among others, whether the assumed customer attributes match the attributes of the customers who have purchased products and improve products and services as needed.

4. Improved Transparency of Bank Commissions, Etc.
In order to help customers make informed decisions when selecting products and services, we will improve the transparency of fees and commissions for each product and service and provide detailed explanations to ensure that customers understand all the costs involved.

5. Provision of Important Information in an Easy-to-Understand Manner
(1) When providing information on products and services, we will use IT and other tools to provide easy-to-understand explanations on the underlying returns or losses and other risks of the product or service, as well as the terms and conditions.
(2) To ensure that customers can use their own judgment in selecting the product or service that best meets their needs, we will provide information that is clear, plain, and truthful in a manner that is not misleading.

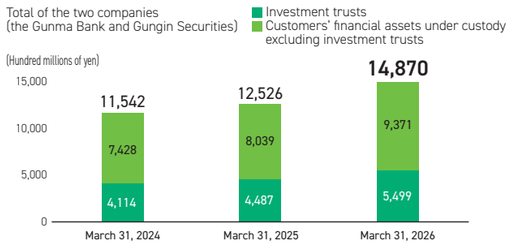
6. Provision of Suitable Products and Services Available for Customers
(1) The Group will work together to propose the most suitable product or service according to the customer's knowledge, experience, financial situation, objectives, and needs.
(2) We will actively provide financial and economic information to improve the financial literacy of people in the region.
(3) We will follow up with customers in a timely and appropriate manner, including providing the information customers need to make investment decisions, such as information on the market environment and the state of customers' investments.

7. Human Resource Development and Evaluation
In order to provide optimal consulting services that meet the diverse needs of customers, we will strive to develop human resources with both expertise and advanced proposal skills. We will do this in a number of ways, including enhancing our training programs, giving support to employees to obtain professional qualifications, and placing importance on appropriate evaluations for employees.

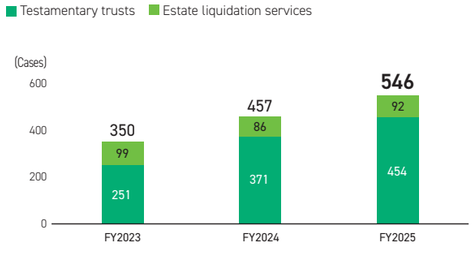
Status of initiatives

The Gunma Bank Group as a whole achieved an improvement year on year in various performance indicators such as the balance of customers' financial assets under custody and the number of contracts for inheritance-related services.

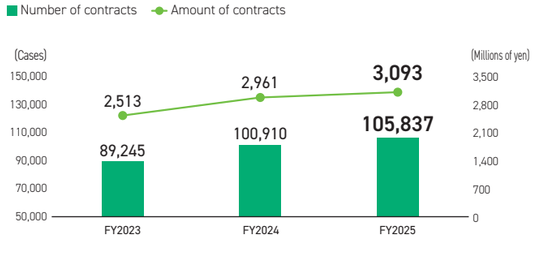
The balance of customers' financial assets under custody and the balance of investment trusts



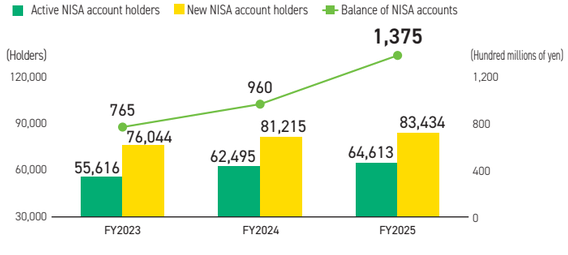
Number of contracts for inheritance-related services



Number and amount of contracts for periodic investments in investment trusts



The number of new NISA account holders, the number of active NISA account holders, and the balance of NISA accounts



Social Contribution Activities

The GUNGIN Foundation's initiatives

Since it was established in 1995, the GUNGIN Foundation has been engaged in awareness and grant programs focusing on environmental conservation. The foundation added a social welfare program to its scope when it changed the name to the GUNGIN Foundation in 2022, and, additionally, in FY2025, established a program to provide grants to a public fund and an open-call grant program in order to reinforce its framework for meeting diverse needs of the regional community.

In FY2025, the foundation provided grants totaling 30 million yen, 10 million yen each to the environmental, welfare, and culture and art fields, respectively. The foundation has made a donation to the Gunma Green Residents' Fund as well as a contribution to support the initiatives to reinforce the framework to prevent child abuse and provide care, including conducting a fact-finding survey on young carers, and the 80th anniversary project of the Gunma Symphony Orchestra. In addition, the foundation has been engaged in award and grant programs such as the GUNGIN Foundation Environmental Award and the GUNGIN Foundation Environmental Education Award, both of which are long-standing awards, as well as the Eco Kids Camp and other awareness programs.

Moving forward, we remain committed to contributing to the development of local communities and the realization of a sustainable society through these activities.

Biodiversity initiatives

Maintenance activities for Gungin Forest

In 2011, as part of our environmental conservation activities, we named the forest designated by the Prefectural Forest Maintenance Partner Project Implementation Agreement signed with Gunma Prefecture, the Gungin Forest, and have been working on its maintenance and conservation activities.

Donations to Oze Preservation Foundation

We handle an investment trust, the Oze Kiko, in which part of the trust fees received by the Gunma Bank and the management company is donated to the Oze Preservation Foundation, which conducts environmental preservation activities in Oze. We also handle donations made to the foundation through the donation course of the shareholder benefits program.

Total amount donated to the Oze Preservation Foundation by the Gunma Bank Group
21,723,636 yen

Other measures

Support for finance education

Financial education classes

To help improve financial literacy in the region, the Bank employees go to schools and conduct financial education classes.

Classes are also given to high school students, as part of training for the Bank's younger employees.

Economics Koshien

In order to provide opportunities for high school students to learn about finance and the economy and acquire financial literacy while having fun, we organize the Gunma Tournament of the National High School Finance and Economics Quiz Championship, Economics Koshien.

Support for arts and cultural activities

We support activities such as sponsoring regular concerts for the Gunma Symphony Orchestra.

The Gunma Symphony Orchestra is engaged in artistic activities closely connected to regional communities and contributes to the improvement of regional music culture by holding traveling music classes for elementary and junior high school students in addition to regular concerts.

Donations to Gunma Prefecture World Heritage, Gunma Silk Inheritance Succession Fund

We handle donations made through the donation course of the Bank's shareholder benefit program to Gunma Prefecture World Heritage/Gunma Silk Inheritance Succession Fund for the protection of the World Cultural Heritage site of the Tomioka Silk Mill and related sites.

Total amount donated by the Gunma Bank Group to Gunma Prefecture World Heritage/Gunma Silk Inheritance Succession Fund
11,357,216 yen*

*Breakdown: Donations made through the donation course of the Bank's shareholder benefit program: 421,500 yen
Donations made from part of the trust fee received from the investment trust, the Silk Inheritance of Gunma: 10,935,716 yen
(The investment trust was redeemed early on June 24, 2025.)

Support for sports activities

We support the volleyball team Gunma Green Wings as the main supporter. Additionally, we organize the Gungin Cup women's volleyball tournament for teams within Gunma Prefecture, contributing to the community through sports.

In addition, the Bank supports local sporting events, for example, by sponsoring the Gunma Marathon held in November every year.

Food drive

The Gunma Bank participated in the Prefectural Government and Local Institutions Joint Food Drive led by Gunma Prefecture. The food drive is an activity in which unused food is brought from the homes of officers and employees to their workplaces and then donated to food banks and other organizations in the region. The collected food is provided, through Gunma Prefecture, to various food banks and other organizations across the prefecture, thus helping to reduce food loss and to realize a sustainable community.

Company Information

Company overview

(as of March 31, 2026)

Name:	The Gunma Bank, Ltd.
Date of establishment:	September 1932
Location of head office:	194 Motosojamachi, Maebashi, Gunma
Capital:	48.6 billion yen
Number of employees:	2,775 (excluding temporary employees)
Number of bases:	160 branches in Japan (111 in Gunma, 49 outside Gunma) Overseas: one branch in New York; Three offices (Shanghai, Bangkok, and Ho Chi Minh)
Subsidiaries:	Eight companies in Japan
Affiliates:	One company in Japan
Total assets:	10,782.0 billion yen
Deposits:	8,571.0 billion yen
Loans and bills discounted:	7,226.1 billion yen
Net assets:	535.9 billion yen
Total capital adequacy ratio (uniform international standards)	Consolidated: 15.13% Non-consolidated: 14.07%
Ratings:	JCR #AA/Negative R&I A+ Moody's A3 S&P A-

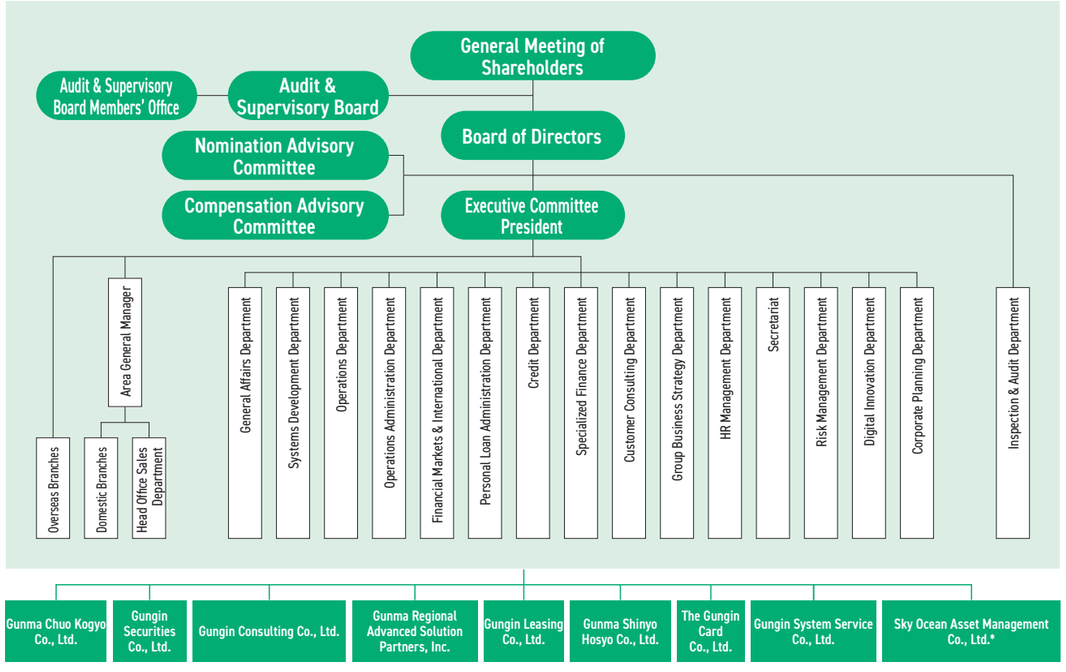


Note: The number of employees in the consolidated companies is 2,899 (2,650 for the Gunma Bank and 249 for its subsidiaries). Employees of the Gunma Bank include locally hired overseas employees and secondees to the Bank and exclude secondees from the Bank, etc., indicating the number of employees based on the establishment employment.

Subsidiaries and affiliates ▶ P.63

Organization chart

(as of June 30, 2026)



*Operations to be terminated around March 31, 2027.

Key operations

Deposit services	**Deposits**	Offering current deposits, ordinary deposits, savings deposits, fixed deposits, separate deposits, foreign currency deposits, etc.
	Certificates of deposit	Negotiable certificates of deposit
Loan services	**Loans**	Loans on bills, loans on deeds, overdrafts
	Bill discounting	Discounts on bank acceptance, commercial bills, and documentary bills
Trading of trading account securities		Trading of public bonds, such as national government bonds
Portfolio investments		Investments in government bonds, municipal bonds, corporate bonds, stocks, and other securities for bank reserves and fund management
Domestic exchange transactions		Transfers, debt collection, etc.
Foreign exchange business		Various services related to foreign exchange transactions for purposes such as exports, imports, foreign remittances, etc.
Over-the-counter sales of investment trusts		Over-the-counter sales of public bonds, such as national government bonds and investment trusts
Services as a trustee of bonds and an issuing and paying agent		Services as a trustee of bonds under the Secured Bond Trust Act, in addition to the offering of public bonds (entrusted), and conducting agency services for issuances and payments
Trust business		Testamentary substitute trust, land trust, real estate management trust, specific charitable trust, and charitable public trust. Also, we handle inheritance-related services (testamentary trust and estate liquidation services).
Handling of defined contribution pension plans		Operations and management of defined contribution pension plans under the Defined Contribution Pension Act
Supplementary services	(1) Agency services	① Acting branch of the Bank of Japan, acting revenue branch of the Bank of Japan ② Handling of public funds for local public bodies ③ Agency services for the Organization for Workers' Retirement Allowance Mutual Aid, etc. ④ Agency services for receipt of paid-in advances and payments of share dividends and the principal and interest of public and corporate bonds ⑤ Agency service for loans from the Japan Finance Corporation, etc. ⑥ Trust agent services for pension trusts ⑦ Non-life insurance agency service ⑧ Life insurance agency service
	(2) Safe deposit box (3) Lending of securities (4) Loan guarantee (acceptance of payment)	(5) Financial instruments brokerage (6) Underwriting of public bonds (7) Derivative transactions of interest rates and currencies
		(8) Handling of commercial papers

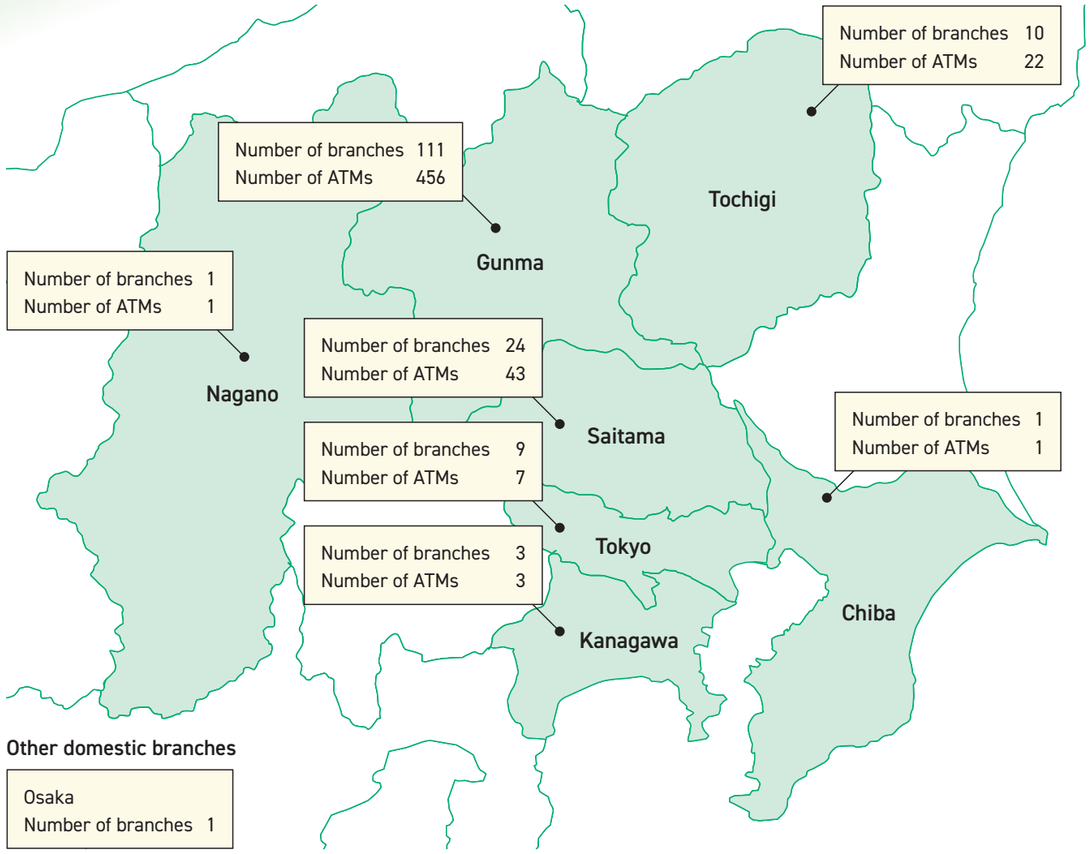
General meeting of shareholders

For the general meeting of shareholders held in June, we send a convocation notice at an early stage and, prior to the dispatch, post the notice on the websites of the stock exchanges and the Gunma Bank. We also strive to improve the voting environment by enabling shareholders to exercise their voting rights via the Internet and participate in the voting platform. After the general meeting, a notice of resolutions and results of the exercise of voting rights (extraordinary report) are immediately posted on our website.

	2023	2024	2025	2026
Date	Jun. 27 (Tue.)	Jun. 20 (Thu.)	Jun. 20 (Fri.)	Jun. 23 (Tue.)
Number of shareholders in attendance	98	89	107	135
Voting rights exercise ratio	82.2%	82.4%	82.2%	84.0%
Dispatch date of notice	Jun. 5 (Mon.)	May 30 (Thu.)	May 30 (Fri.)	Jun. 2 (Tue.)
Posting date of notice on website	May 29 (Mon.)	May 22 (Wed.)	May 21 (Wed.)	May 21 (Thu.)

Branch and ATM Network (as of June 30, 2026)

Domestic branches



Other domestic branches

Osaka
Number of branches 1

Total number of branches 160 **Number of ATMs 533**

		In Gunma Pref.	Outside of Gunma Pref.	Total
Sales branches	Branches	89	47	136
	Sub-branches	22	2	24
	Total	**111**	**49**	**160**
ATMs	Inside branches	245	57	302
	Outside branches	211	20	231
	Total	**456**	**77**	**533**

*In addition to the above, the Bank has 10 outlets of loan stations (one in Gunma Pref. and nine outside of Gunma Pref.) and one moving outlet car.
*Branches in Gunma Pref. include the Internet Branch, ATMs at convenience stores, Branch for Money Transfer, Plaza Branch, Individual Consulting Plaza Maebashi, Individual Consulting Plaza Takasaki, Individual Consulting Plaza Isesaki, and Individual Consulting Plaza EAST.
*Branches outside of Gunma Pref. include Individual Consulting Plaza Fukaya.

Other financial institutions' ATMs that Gunma Bank account holders can use

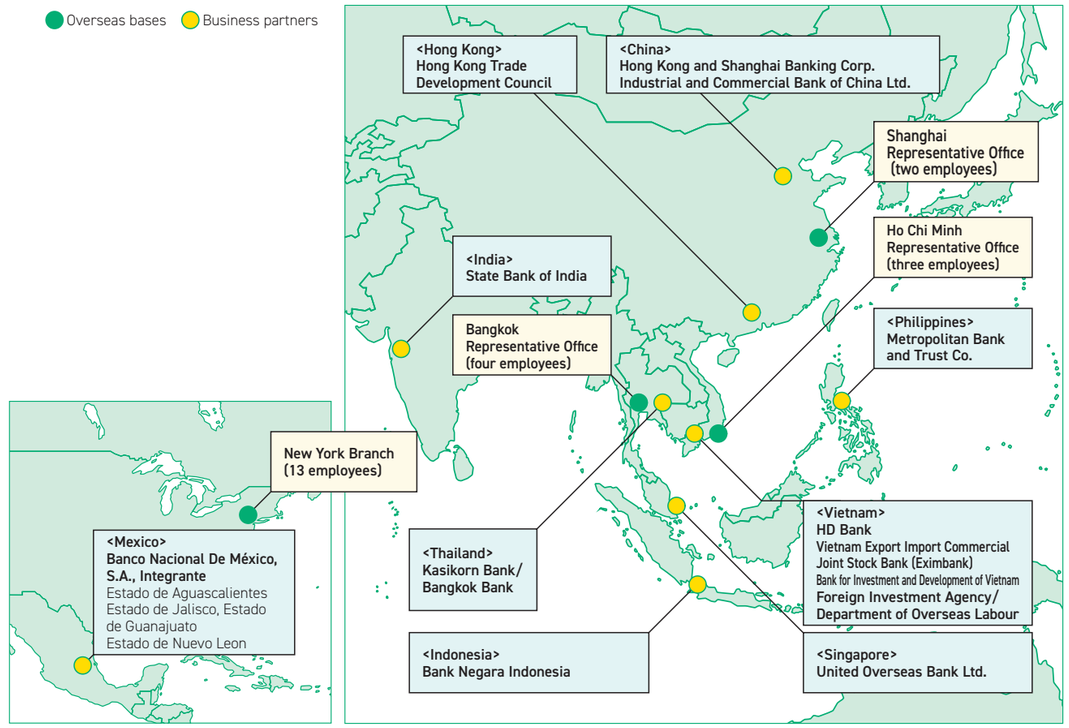
- **Partner financial institutions' ATMs**
  (ATMs of the financial institutions that are Multi Integrated Cash Service members
  Regional banks, city banks, secondary regional banks, shinkin banks, credit unions, labor banks, Agricultural Cooperatives and Credit Federations of Fishery Cooperatives, and trust banks
- **ATMs of JAPAN POST BANK and AEON Bank**
- **ATMs of convenience store chains**
  ATMs of Seven Bank, ATMs of Lawson Bank, and ATMs of E-net

*Gunma Bank account holders may not be able to use the above ATMs, depending on the ATM opening hours of each financial institution or transaction type. Each of the ATM counters has different opening days and hours.

For details about the location and opening hours of our branches and ATMs, please see the Gunma Bank's website.

(http://sasp.mapion.co.jp/b/gunmabank/)

Overseas bases and business alliance partners (as of June 30, 2026)





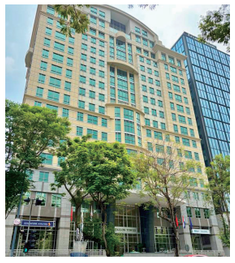
New York Branch
780 Third Avenue, 6th Floor
New York, NY10017 U.S.A.



Shanghai Representative Office
18th Floor, Hang Seng Bank Tower,
1000 Lujiazui Ring Road, Pudong
New Area, Shanghai, P.R. China



Bangkok Representative Office
689 Bhiraj Tower at
EmQuartier, 16th Floor Unit 1612,
Sukhumvit Road, Klongton-nue,
Wattana, Bangkok 10110 Thailand



Ho Chi Minh Representative Office
Saigon Tower Suite 1708, 29 Le
Duan Boulevard, Ben Nghe Ward,
Dist. 1, Ho Chi Minh City, Vietnam

● Editorial policy
This integrated report has been prepared to provide stakeholders with an easy-to-understand overview of the Gunma Bank Group, its management policies, business strategies, its mid- to long-term vision, and other financial and nonfinancial information. When editing the report, we referred to the International Financial Reporting Standards Foundation's Integrated Reporting Framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation.

● Coverage of reporting
Period: FY2025 (April 2025 to March 2026)
Also includes some information for April 2026 and later.
Scope: The Gunma Bank, Ltd. and its subsidiaries (The Gunma Bank Group)

This integrated report acts as a main part of the disclosure magazine (explanatory documents pertinent to business and financial status) prepared pursuant to the Banking Act Article 21. When using this integrated report as a disclosure magazine, please refer, at the same time, to The Gunma Bank Report 2026 (Annex).
This integrated report includes descriptions about future performance relating to the financial situation and operating results of the Gunma Bank and its Group companies. These descriptions have been based on the information available at the date when this integrated report was prepared and some preconditions (assumptions) that might influence future results. They do not guarantee the described future results of the Bank and its Group and may involve risks and uncertainties.



Gunma Bank

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