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(Securities Code: 8334)  
June 4, 2018

**To Stockholders with Voting Rights:**

Kazuo Saito  
President  
The Gunma Bank, Ltd.  
194 Motosojamachi, Maebashi,  
Gunma, Japan

## **NOTICE OF CONVOCATION OF THE 133RD ANNUAL GENERAL MEETING OF STOCKHOLDERS**

You are cordially invited to attend the 133rd Annual General Meeting of Stockholders of The Gunma Bank, Ltd. (the “Bank”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either one of the following two methods. Please review the Reference Documents for the General Meeting of Stockholders (described hereinafter) and exercise your voting rights by 5:00 p.m. on Monday, June 25, 2018 Japan time.

**[Exercise of Voting Rights in Writing]**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the time stated above.

**[Exercise of Voting Rights via the Internet, etc.]**

Please access the Bank’s designated voting website (<https://www.e-sokai.jp>) using the “Voting Rights Exercise Code” and “Password” enclosed with the Voting Rights Exercise Form, follow the instructions on the voting website, and indicate your vote for or against the proposals by the time stated above.

- 1. Date and Time:** Tuesday, June 26, 2018 at 10:00 a.m. Japan time
- 2. Place:** 3F, Main Conference Room, Head Office of the Bank,  
194 Motosojamachi, Maebashi, Gunma, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Bank's 133rd Fiscal Year (from April 1, 2017 to March 31, 2018)
  2. Consolidated Financial Statements for the Bank's 133rd Fiscal Year (from April 1, 2017 to March 31, 2018) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Nine (9) Directors
- Proposal No. 3:** Election of Two (2) Audit & Supervisory Board Members

**4. Exercise of Voting Rights and Other Notices:**

- (1) If you vote both in writing on the Voting Rights Exercise Form and via the Bank's designated voting website on the Internet, etc., only your vote placed via the Internet, etc. will be valid. In addition, if you submit your vote multiple times via the Internet, etc., only the last vote will be valid.
- (2) Of the documents needed to be provided along with this notice of convocation, items in 1) to 3) below are, in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, posted on the Bank's website (<https://www.gunmabank.co.jp/ir/>) and are therefore not included in the documents attached to this notice of convocation.
  - 1) Matters regarding stock acquisition rights, etc., of the Bank in the Business Report
  - 2) Non-Consolidated Statements of Changes in Net Assets and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements
  - 3) Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements in the Consolidated Financial StatementsThe Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements audited by the Audit & Supervisory Board Members include the Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements attached to this notice of convocation, in addition to the items in 1) to 3) above. The Non-consolidated Financial Statements and Consolidated Financial Statements audited by the Accounting Auditor include the Non-consolidated Financial Statements and Consolidated Financial Statements attached to this notice of convocation, in addition to the items in 2) and 3) above.
- (3) Please note that any updates to the Reference Documents for the General Meeting of Stockholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements will be posted on the Bank's website (<https://www.gunmabank.co.jp/ir/>).

End

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- © When attending the meeting, please submit the enclosed "Voting Rights Exercise Form" at the reception desk. In the case of attendance by proxy, please appoint a stockholder holding voting rights of the Bank as a proxy. You can appoint only one stockholder as your proxy.
- © Semiformal dress code (Cool Biz) will be implemented on the day of the meeting. We appreciate your understanding.

# Reference Documents for the General Meeting of Stockholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

Concerning return of profits to shareholders, under the basic policy of a stable payment of dividends with the effort for improvement of financial standing, the Bank implements return of profits to shareholders linked with its business results. Additionally, the rate of return to shareholders, the total of dividends and acquisition of treasury stock, will have a target of 40% versus non-consolidated net income for the meantime.

In regards to the appropriation of surplus for the fiscal year, the Bank considers the profitability conditions of the fiscal year and internal reserves. Furthermore, the rate of return to shareholders during the fiscal year, the total of annual dividends and acquisition of treasury stock, will have a target of around 40% versus non-consolidated net income.

1. Matters concerning year-end dividends
  - (1) Type of dividend property  
Cash
  - (2) Matters concerning the allotment of dividend property to stockholders and the total amount  
7.00 yen per stock of common stock, for a total of 3,038,575,309 yen  
(As 6.00 yen per stock was paid as an interim dividend, annual dividends will be 13.00 yen per stock, an increase of 1.00 yen per stock compared with the previous fiscal year.)
  - (3) Effective date of distribution of surplus  
June 27, 2018
2. Matters concerning appropriation of other retained earnings
  - (1) Item and the amount of surplus to be increased  
General reserve 15,000,000,000 yen
  - (2) Item and the amount of surplus to be decreased  
Retained earnings brought forward 15,000,000,000 yen

**Proposal No. 2:** Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this Annual General Meeting of Stockholders. Accordingly, the election of nine (9) Directors is proposed.

The candidates are as follows:

## Candidates for Director

No.	Name		Current position at the Bank
1	<u>Reelection</u>	Kazuo Kibe	Chairman
2	<u>Reelection</u>	Kazuo Saito	President
3	<u>Reelection</u>	Nobuyuki Horie	Senior Managing Director
4	<u>Reelection</u>	Akihiko Fukai	Senior Managing Director
5	<u>Reelection</u>	Yoichi Hirasawa	Managing Director
6	<u>Reelection</u>	Yuji Kanai	Managing Director
7	<u>New candidate</u>	Satoshi Hanasaki	Managing Executive Officer
8	<u>Reelection</u>	Eiji Muto	<u>Candidate for Outside Director</u>
9	<u>Reelection</u>	Jun Kondo	<u>Candidate for Outside Director</u>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of stocks of the Bank held
1	Kazuo Kibe (September 13, 1950) <u>Reelection</u>	<p>April 1974      Joined the Bank</p> <p>April 1996      Deputy General Manager, Personnel Department</p> <p>April 1998      Senior Deputy General Manager, Takasaki Branch</p> <p>January 2001    Senior Deputy General Manager, Credit Department</p> <p>March 2002     General Manager, Prefectural Office Branch</p> <p>June 2004      General Manager, Ota Branch</p> <p>June 2005      Executive Officer and General Manager, Ota Branch</p> <p>June 2007      Director, Executive Officer, Assigned to Tokyo and General Manager, Tokyo Branch and in charge of Tokyo Liaison Office</p> <p>June 2009      Managing Director and in charge of Treasury &amp; Securities Department, Operations Administration Department, Operations Department and Systems Development Department</p> <p>April 2011      Managing Director, General Manager of Operations Administration Department and in charge of Treasury &amp; Securities Department, Operations Administration Department, Operations Department and Systems Development Department</p> <p>June 2011      Senior Managing Director and in charge of Business Planning &amp; Administration Department, Corporate Banking Department, Personal Loan Department and Personal Financial Products Department</p> <p>October 2012    Senior Managing Director and in charge of Business Planning &amp; Administration Department, Corporate Banking Department, Mortgage Loan Department and Personal Banking Department</p> <p>June 2014      Vice President and in charge of Business Planning &amp; Administration Department, Corporate Banking Department, Mortgage Loan Department and Personal Banking Department</p> <p>June 2015      Chairman and in charge of General Operations and Inspection &amp; Audit Department (current position)</p>	26,500 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Aside from the sales division and credit division, Mr. Kazuo Kibe has a wealth of operational experience through involvement in the market division, etc., and is well-versed in the operations of the Bank. Additionally, he has served as Director from June 2007 and as Chairman from June 2015, and is appropriately fulfilling these duties and responsibilities. To utilize this experience and knowledge as Director, the Bank has judged that he is a person that can continue to contribute to the management of the Bank, and has selected him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of stocks of the Bank held
2	Kazuo Saito (January 12, 1949) <u>Reelection</u>	<p>April 1972      Joined the Bank</p> <p>June 1995      General Manager, Otanishi Branch</p> <p>April 1998      Senior Deputy General Manager, Corporate Planning Department</p> <p>June 2001      General Manager, Secretariat</p> <p>June 2003      General Manager, Tokyo Branch</p> <p>June 2004      Executive Officer and General Manager, Credit Department</p> <p>June 2005      Director, Executive Officer and General Manager, Credit Department</p> <p>June 2006      Managing Director and General Manager, Credit Department</p> <p>July 2006      Managing Director, General Manager, Credit Department and in charge of Secretariat</p> <p>June 2007      Managing Director and in charge of Risk Management Department and Secretariat</p> <p>June 2009      Senior Managing Director and in charge of Corporate Planning Department, Personnel Department and Secretariat</p> <p>June 2011      President and in charge of General Operations and Inspection &amp; Audit Department</p> <p>June 2015      President and in charge of General Operations (current position)</p>	41,384 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Aside from the credit division and corporate planning division, Mr. Kazuo Saito has a wealth of operational experience through involvement in the personnel and secretariat divisions, etc., and is well-versed in the operations of the Bank. Additionally, he has served as Director from June 2005 and as President from June 2011, and is appropriately fulfilling these duties and responsibilities. To utilize this experience and knowledge as Director, the Bank has judged that he is a person that can continue to contribute to the management of the Bank, and has selected him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of stocks of the Bank held
3	Nobuyuki Horie (January 10, 1956) <u>Reelection</u>	<p>April 1978      Joined the Bank</p> <p>February 2000    General Manager, Fukayakamishiba Branch</p> <p>March 2002      Deputy General Manager, Personnel Department</p> <p>June 2004       Senior Deputy General Manager, Personnel Department</p> <p>June 2005       General Manager, Kumagaya Branch</p> <p>June 2007       General Manager, Corporate Banking Department</p> <p>June 2009       Executive Officer and General Manager, Utsunomiya Branch</p> <p>June 2011       Executive Officer and General Manager, Personnel Department</p> <p>June 2012       Director, Executive Officer and General Manager, Personnel Department</p> <p>June 2013       Director and General Manager, Personnel Department</p> <p>June 2014       Managing Director and General Manager, Compliance Department</p> <p>June 2015       Managing Director and in charge of Risk Management Department, Compliance Department and General Affairs Department</p> <p>June 2016       Managing Director and in charge of Personnel Department and Risk Management Department</p> <p>June 2017       Senior Managing Director and in charge of Business Planning &amp; Administration Department, Personal Loan Department and Customer Consulting Department</p> <p>October 2017    Senior Managing Director and in charge of Business Planning &amp; Administration Department, Personal Loan Department, Customer Consulting Department and Asset Management Support Department (current position)</p>	13,235 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Aside from the personnel division, Mr. Nobuyuki Horie has a wealth of operational experience through involvement in the sales division and compliance division, etc., and is well-versed in the operations of the Bank. Additionally, he has served as Director from June 2012, and is appropriately fulfilling these duties and responsibilities. To utilize this experience and knowledge as Director, the Bank has judged that he is a person that can continue to contribute to the management of the Bank, and has selected him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of stocks of the Bank held
4	Akihiko Fukai (November 3, 1960) <u>Reelection</u>	<p>April 1984      Joined the Bank</p> <p>June 2003      General Manager, Osaka Branch</p> <p>June 2005      General Manager, Kiryu Branch</p> <p>June 2007      General Manager, Ota Branch</p> <p>June 2009      General Manager, Risk Management Department</p> <p>June 2011      General Manager, Corporate Planning Department</p> <p>June 2013      Director and General Manager, Corporate Planning Department</p> <p>June 2014      Managing Director and General Manager, Business Planning &amp; Administration Department</p> <p>June 2015      Managing Director and in charge of Corporate Planning Department, Systems Development Department and Tokyo Liaison Office</p> <p>June 2016      Managing Director and in charge of Corporate Planning Department, Systems Development Department, Tokyo Liaison Office and Secretariat</p> <p>June 2017      Senior Managing Director and in charge of Corporate Planning Department, Systems Development Department, Tokyo Liaison Office and Secretariat</p> <p>October 2017   Senior Managing Director and in charge of Corporate Planning Department, Systems Development Department and Secretariat (current position)</p>	10,958 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Aside from the corporate planning division, Mr. Akihiko Fukai has a wealth of operational experience through involvement in the sales division and risk management division, etc., and is well-versed in the operations of the Bank. Additionally, he has served as Director from June 2013, and is appropriately fulfilling these duties and responsibilities. To utilize this experience and knowledge as Director, the Bank has judged that he is a person that can continue to contribute to the management of the Bank, and has selected him as a candidate for Director.</p>			



No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of stocks of the Bank held
5	Yoichi Hirasawa (February 4, 1955) <u>Reelection</u>	<p>April 1978      Joined the Bank</p> <p>April 2000      General Manager, Shinkiryu Branch</p> <p>July 2002      Senior Deputy General Manager, Tokyo Branch</p> <p>June 2005      General Manager, Nakanojo Branch</p> <p>June 2007      General Manager, Tomioka Branch</p> <p>February 2010   General Manager, General Affairs Department</p> <p>June 2011      Executive Officer and General Manager, Compliance Department</p> <p>June 2012      Executive Officer and General Manager, Tokyo Branch</p> <p>July 2013      Executive Officer and General Manager, Inspection &amp; Audit Department</p> <p>June 2014      Director and General Manager, Credit Department</p> <p>June 2016      Managing Director and in charge of Credit Department</p> <p>June 2017      Managing Director and in charge of Credit Department, Operations Administration Department and Operations Department (current position)</p>	12,914 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Aside from the credit division, Mr. Yoichi Hirasawa has a wealth of operational experience through involvement in the compliance division and inspection &amp; audit division, etc., and is well-versed in the operations of the Bank. Additionally, he has served as Director from June 2014, and is appropriately fulfilling these duties and responsibilities. To utilize this experience and knowledge as Director, the Bank has judged that he is a person that can continue to contribute to the management of the Bank, and has selected him as a candidate for Director.</p>			
6	Yuji Kanai (December 5, 1956) <u>Reelection</u>	<p>April 1979      Joined the Bank</p> <p>October 2001    Deputy General Manager, Corporate Planning Department</p> <p>February 2004   Senior Deputy General Manager, Tokyo Liaison Office</p> <p>June 2005      General Manager, Shinjuku-yotsuya Branch</p> <p>June 2008      General Manager, Systems Development Department</p> <p>June 2011      Executive Officer and General Manager, Credit Department</p> <p>June 2014      Director and General Manager, Corporate Planning Department</p> <p>June 2016      Managing Director and in charge of General Affairs Department and Treasury &amp; Securities Department</p> <p>February 2017   Managing Director and in charge of General Affairs Department and Treasury &amp; Securities Department*</p> <p>*In 2017, the Treasury &amp; Securities Department underwent an organizational revamp but retained its English name.</p> <p>June 2017      Managing Director and in charge of Personnel Department, Risk Management Department and General Affairs Department (current position)</p>	15,094 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Aside from the corporate planning division, Mr. Yuji Kanai has a wealth of operational experience through involvement in the systems division and credit division, etc., and is well-versed in the operations of the Bank. Additionally, he has served as Director from June 2014, and is appropriately fulfilling these duties and responsibilities. To utilize this experience and knowledge as Director, the Bank has judged that he is a person that can continue to contribute to the management of the Bank, and has selected him as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of stocks of the Bank held
7	Satoshi Hanasaki (September 21, 1958) <u>New candidate</u>	<p>April 1981    Joined the Bank</p> <p>October 2001    General Manager, Honjominami Branch</p> <p>October 2003    Deputy General Manager, Business Planning &amp; Administration Department</p> <p>February 2006    General Manager, Kasukabe Branch</p> <p>June 2008    General Manager, Fukaya Branch</p> <p>June 2010    General Manager, Corporate Banking Department</p> <p>June 2011    General Manager, Omiya Branch</p> <p>June 2013    Executive Officer and General Manager, Omiya Branch</p> <p>July 2013    Executive Officer and General Manager, Ota Branch</p> <p>June 2016    Executive Officer and General Manager, Tokyo Branch</p> <p>June 2017    Managing Executive Officer and General Manager, Tokyo Branch (current position)</p>	12,000 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Satoshi Hanasaki served as the person responsible for the Keihin Block as Managing Executive Officer and General Manager, Tokyo Branch, has served as the person responsible for the Ota Block and Omiya Block, etc., and has a strong sense for branch operations and is well-versed in the operations of the Bank. To utilize this experience and knowledge as Director, the Bank has judged that he is a person that can contribute to the management of the Bank, and has selected him as a new candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of stocks of the Bank held
8	Eiji Muto (January 2, 1949) <u>Reelection</u> Candidate for Outside Director	<p>July 1971      Joined Bank of Japan</p> <p>May 1993      General Manager, Shimonoseki Branch, Bank of Japan</p> <p>September 1998 General Manager, Examination Department, Bank of Japan</p> <p>May 2000      General Manager, Nagoya Branch, Bank of Japan</p> <p>February 2002 Director, Bank of Japan</p> <p>June 2006      Chairman, NTT DATA INSTITUTE OF MANAGEMENT CONSULTING, Inc.</p> <p>May 2007      Outside Corporate Auditor, Takashimaya Company, Limited (current position)</p> <p>June 2010      Outside Director, Mizuho Trust &amp; Banking Co., Ltd.</p> <p>November 2010 Chairman, Organization for Promoting Urban Development</p> <p>June 2015      Director of the Bank (current position)</p>	3,700 shares
<p>[Reasons for selection as a candidate for Outside Director]</p> <p>Mr. Eiji Muto has advanced specialization and wide insights on overall finance, having served as General Manager, Examination Department and Director, etc., of the Bank of Japan. Additionally, he has served as Outside Director from June 2015, and is appropriately fulfilling these duties and responsibilities. The Bank has judged that he is a person who can utilize this experience and knowledge as Outside Director to contribute to the management of the Bank, and has selected him as a candidate for Director. His term of office as Outside Director of the Bank will be three years at the conclusion of this Annual General Meeting of Stockholders. As he 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 not have potential for conflicts of interest with ordinary shareholders, the Bank has submitted him as an Independent Director to the Tokyo Stock Exchange, Inc.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of stocks of the Bank held
9	Jun Kondo (July 20, 1950) [Reelection] Candidate for Outside Director	<p>April 1976    Joined SUBARU CORPORATION (trade name at the time: Fuji Heavy Industries Ltd.)</p> <p>June 2003    Corporate Vice President, Chief General Manager of Subaru Manufacturing Division and Chief General Manager of Gunma Plant, Fuji Heavy Industries Ltd.</p> <p>May 2004    Corporate Vice President, Chief General Manager of Subaru Cost Planning &amp; Management Division and General Manager of Cost Planning Department, Fuji Heavy Industries Ltd.</p> <p>June 2004    Corporate Senior Vice President, Chief General Manager of Subaru Cost Planning &amp; Management Division, Fuji Heavy Industries Ltd.</p> <p>June 2006    Corporate Senior Vice President, Chief General Manager of Subaru Cost Planning &amp; Management Division and Senior General Manager of Subaru Purchasing Division, Fuji Heavy Industries Ltd.</p> <p>April 2007    Corporate Senior Vice President, Chief General Manager of Strategy Development Division and Chief General Manager of Subaru Cost Planning &amp; Management Division, Fuji Heavy Industries Ltd.</p> <p>June 2008    Director of the Board and Corporate Executive Vice President, Chief General Manager of Strategy Development Division, Fuji Heavy Industries Ltd.</p> <p>April 2009    Director of the Board and Corporate Executive Vice President, Fuji Heavy Industries Ltd.</p> <p>June 2010    Outside Director of Gunma Television Co., Ltd. (current position)</p> <p>June 2011    Representative Director of the Board and Deputy President, SUBARU CORPORATION</p> <p>June 2016    Director of the Bank (current position)</p> <p>June 2017    Director of the Board and Chairman, SUBARU CORPORATION (current position)</p>	6,500 shares
<p>[Reasons for selection as a candidate for Outside Director]</p> <p>Mr. Jun Kondo serves as Director of the Board and Chairman of SUBARU CORPORATION, and has a wealth of experience and wide insights on corporate management. Additionally, he has served as Outside Director from June 2016, and is appropriately fulfilling these duties and responsibilities. The Bank has judged that he is a person who can utilize this experience and knowledge as Outside Director to contribute to the management of the Bank, and has selected him as a candidate for Director. His term of office as Outside Director of the Bank will be two years at the conclusion of this Annual General Meeting of Stockholders. As he 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 not have potential for conflicts of interest with ordinary shareholders, the Bank has submitted him as an Independent Director to the Tokyo Stock Exchange, Inc.</p>			

- (Notes)
1. There is no special interest between each of the candidates and the Bank.
  2. Mr. Eiji Muto and Mr. Jun Kondo are candidates for Outside Director.
  3. The Bank has regular sales transactions with SUBARU CORPORATION, where Mr. Jun Kondo is appointed as Director of the Board and Chairman. Mr. Kondo plans to retire as a Director of SUBARU CORPORATION in June 2018.
  4. SUBARU CORPORATION, where Mr. Jun Kondo serves as a Director, acknowledged the business improvement instructions issued by the Ministry of Land, Infrastructure and Transportation concerning “Inappropriate Handling with Regard to Final Vehicle Inspection” that came to light in October 2017, and submitted the results of its investigation to the Ministry in December 2017.  
In addition, SUBARU CORPORATION reported the “Inappropriate Alteration of Data on the Measurement of Fuel Economy and Emissions” that came to light during the inspection process to the Ministry of Land, Infrastructure and Transportation in April 2018.
  5. About liability limitation agreements  
The Bank stipulated in its Articles of Incorporation that it may conclude liability limitation agreements with Outside Directors to allow them to adequately fulfill their expected duties. The Bank has concluded liability limitation agreements with both Mr. Eiji Muto and Mr. Jun Kondo, and if their reelection is approved, the Bank plans to

continue with this agreement with each of them.

Furthermore, a summary of that agreement is as follows.

- Concerning liability as described in Article 423, Paragraph 1 of the Companies Act, the maximum amount of liability borne under the agreement shall be limited to the lower limit amount stipulated in Article 425, Paragraph 1 of the Companies Act, assuming that there is no willful misconduct or gross negligence during the execution of duties.

(Reference) The Standards for Determining Independence of Outside Officers of the Bank is provided on page 14.

(Reference)

< Summary of the Standards for Determining Independence of Outside Officers>

- Candidates for Outside Directors and Outside Audit & Supervisory Board Members of the Bank will be determined to possess independence toward the Bank in the event that none of the following items applies.

- (1) The party holds the Bank as a major transaction partner, or if the party is a corporation, etc., a business executor thereof.
- (2) The party is a major transaction partner of the Bank, or if the party is a corporation, etc., a business executor thereof.
- (3) The party is a consultant, accounting specialist, or legal specialist that receives a significant amount (Note 1) of cash or other assets from the Bank aside from officer remuneration.
- (4) (1), (2), or (3) applied recently (Note 2) to the party.
- (5) A close relative (Note 4) of a party to which any of A to D below applies (excludes non-significant (Note 3) parties).
  - A. Parties to which (1) to (4) above apply
  - B. A business executor of a subsidiary of the Bank
  - C. A Director that is not a business executor of a subsidiary of the Bank
  - D. A party to which B or C above applied, or who was a business executor of the Bank recently

(Note 1) Significant amount: An amount of 10 million yen or more averaged over the past three years.

(Note 2) Recent: A case where the timing can be seen as essentially the present time; i.e., the time at which the content of a proposal to elect an Outside Director or Outside Audit & Supervisory Board Member of the Bank at a General Meeting of Stockholders is determined.

(Note 3) Significant: For business executors, persons who are executive or managerial class, and for accounting specialists and legal specialists, persons who hold certified public accountant and attorney certifications.

(Note 4) Close relative: A relative to within the second degree.

**Proposal No. 3:** Election of Two (2) Audit & Supervisory Board Members

The terms of office of the two (2) Audit & Supervisory Board Members Yoshihiro Hagiwara and Kaneo Fukushima will expire at the conclusion of this Annual General Meeting of Stockholders. Accordingly, the election of two (2) Audit & Supervisory Board Members is proposed.

This proposal has received approval from the Audit & Supervisory Board.

The candidates are as follows:

## Candidates for Audit &amp; Supervisory Board Member

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of stocks of the Bank held
1	Noriyuki Watanabe (February 11, 1960) <u>New candidate</u>	<p>April 1983      Joined the Bank</p> <p>August 2006    Deputy General Manager, Corporate Planning Department</p> <p>June 2007      Deputy General Manager, Inspection &amp; Audit Department</p> <p>June 2009      General Manager, Takasakikita Branch</p> <p>June 2011      General Manager, Secretariat</p> <p>July 2013      General Manager, Shibukawa Branch</p> <p>June 2015      Executive Officer and General Manager, Compliance Department</p> <p>June 2016      Executive Officer and General Manager, Personnel Department (current position)</p>	8,000 shares
<p>[Reasons for selection as a candidate for Audit &amp; Supervisory Board Member]</p> <p>Aside from the inspection &amp; audit division, Mr. Noriyuki Watanabe has a wealth of operational experience through involvement in the corporate planning division and compliance division, etc., and is well-versed in the operations of the Bank. By utilizing this experience and knowledge, the Bank has judged that he is a person that can appropriately fulfill the duties of Audit &amp; Supervisory Board Member, and has selected him as a new candidate for Audit &amp; Supervisory Board Member.</p>			

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of stocks of the Bank held
2	Kaneo Fukushima (February 10, 1949) [Reelection] Candidate for Outside Audit & Supervisory Board Member	<p>April 1972      Joined Gunma Prefectural Office</p> <p>April 1997      General Manager, Tomioka Finance Office of Gunma Prefecture</p> <p>April 2003      Executive Director, Gunma Prefectural Hospitals Bureau</p> <p>November 2007 Executive Director, Gunma Prefectural Department of General Affairs</p> <p>April 2008      Superintendent of Education, Gunma Prefectural Board of Education</p> <p>June 2012      Chief Director, Gunma Prefecture Foundation for Educational and Cultural Enterprises</p> <p>June 2012      Director, Gunma Symphony Orchestra</p> <p>June 2014      Audit &amp; Supervisory Board Member, the Bank (current position)</p>	6,900 shares
<p>[Reasons for selection as a candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>Mr. Kaneo Fukushima has many years of experience and results in local government in Gunma Prefecture and also possesses extensive knowledge. He has served as Outside Audit &amp; Supervisory Board Member from 2014 and is appropriately fulfilling these duties and responsibilities. By utilizing this experience and knowledge, the Bank has judged that he is a person that can appropriately fulfill the duties of Outside Audit &amp; Supervisory Board Member, and has selected him as a candidate for Audit &amp; Supervisory Board Member. His term of office as Outside Audit &amp; Supervisory Board Member will be four years at the conclusion of this Annual General Meeting of Stockholders. As he 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 not have potential for conflicts of interest with ordinary shareholders, the Bank has submitted him as an Independent Director to the Tokyo Stock Exchange, Inc.</p>			

(Notes) 1. There is no special interest between the candidates and the Bank.

2. Mr. Kaneo Fukushima is a candidate for Outside Audit & Supervisory Board Member.

3. About liability limitation agreements

The Bank stipulated in its Articles of Incorporation that it may conclude liability limitation agreements with Outside Audit & Supervisory Board Members to allow them to adequately fulfill their expected duties. The Bank has concluded a liability limitation agreement with Mr. Kaneo Fukushima, and if his reelection is approved, the Bank plans to continue with this agreement with him. Furthermore, a summary of that agreement is as follows.

- Concerning liability as described in Article 423, Paragraph 1 of the Companies Act, the maximum amount of liability borne under the agreement shall be limited to the lower limit amount stipulated in Article 425, Paragraph 1 of the Companies Act, assuming that there is no willful misconduct or gross negligence during the execution of duties.

(Reference) The Standards for Determining Independence of Outside Officers of the Bank is provided on page 14.