

Nara Prefecture's Challenges and Potential

Current Conditions in Nara Prefecture—Our Primary Market—and the Role of the Nanto Bank Group

The Kinki region, centered on Osaka prefecture and the Nanto Group's primary region of operation, is one of Japan's three major metropolitan areas. Each prefecture in the region has its own unique, fascinating history that lives on to this day.

Among these, Nara prefecture, home to our head office, is distinguished as Japan's first capital and home to an immense wealth of historical and scenic sites and historic buildings dating back to the 8th century. As a result, Nara attracts visitors from across Japan and around the world. The prefecture also features deep geographical and human ties with neighboring prefectures, and significant potential for regional development.

At the same time, Nara prefecture faces unique challenges, and we believe that our Group has an important role to play in contributing to the development of the region.

Nara prefecture's potential and challenges

Tourism resources

- World Heritage sites **3** No.1 in Japan
- National Treasures/
Important Cultural Properties **1,337** 3rd place in Japan
- Historic sites and
natural monuments **150** No.1 in Japan
- Number of annual tourists **32.66** million

Potential

Blessed with numerous world-famous cultural and historic sites, including World Heritage sites and National Treasures, Nara has the potential to attract many more tourists and travelers than it does now, thus generating such economic benefits as revitalization of the local economy and job creation.

- Number of rooms
in Japanese inns and hotels **10,433** 43th place in Japan

Challenges

The region is currently attracting a relatively small number of overnight visitors, an important segment of the tourism industry. This raises the challenge of transforming the prefecture from a daytime tourist destination to a tourism hub that visitors choose as a home base for visiting various destinations in the region.

Economy and industry

- Ratio of forest area **76.9%** 6th place in Japan
- Number of factory locations **28** 10th place in Japan

Potential

The prefecture has an abundance of forest resources, which provide it with the potential to create new economic value by leveraging its wealth of natural resources, especially under current circumstances in which interest in its natural resources is growing. With easy access to Osaka and Nagoya, relatively low land prices, and few natural disasters, Nara prefecture has been attracting attention in recent years as a location for manufacturing facilities.

- GDP (real) **3,834.7** billion yen 37th place in Japan
- Per capita income **2,549** thousand yen 44th place in Japan
- Number of private businesses **45** thousand 37th place in Japan
- Agricultural output **39.0** billion yen 45th place in Japan
- Number of employed residents **491,084** 37th place in Japan
- Number of annual tourists **32.66** million

Challenges

Nara prefecture's economy remains among the smallest in Japan. To improve this situation, job creation and local economic revitalization by promoting local industries and establishing new businesses and startups will be required.

Human resources

- Percentage of high school graduates obtaining higher education **65.2%** 8th place in Japan

Potential

The prefecture's high educational level provides rich soil for producing excellent human resources, thus supporting the potential to diversify the region's industrial structure and increase its companies' competitiveness.

- Ratio of women in the labor force **46.7%** 47th place in Japan
- Nara prefecture's overall employment rate **72.7%** 45th place in Japan

Challenges

In addition to the problems raised by a shrinking working-age population due to a declining birthrate and aging population, a large number of Nara's human resources have been leaving for neighboring prefectures such as Osaka and Kyoto. This makes the creation of employment opportunities, improvement of the working environment, and human resources development high-priority challenges for Nara prefecture.

Household finances and living conditions

- Financial assets per household **15,645** thousand yen 2nd place in Japan
- Ratio of owner-occupied households **73.2%** 8th place in Japan

Potential

The standard of living in the prefecture is relatively high. An affluent population with ample per-household financial assets and a high percentage of owner-occupied homes offers the potential to increase consumer spending and accelerate the flow from savings to investment.

- Percentage of consumer spending (purchasing) outside the prefecture **19.1%** No.1 in Japan

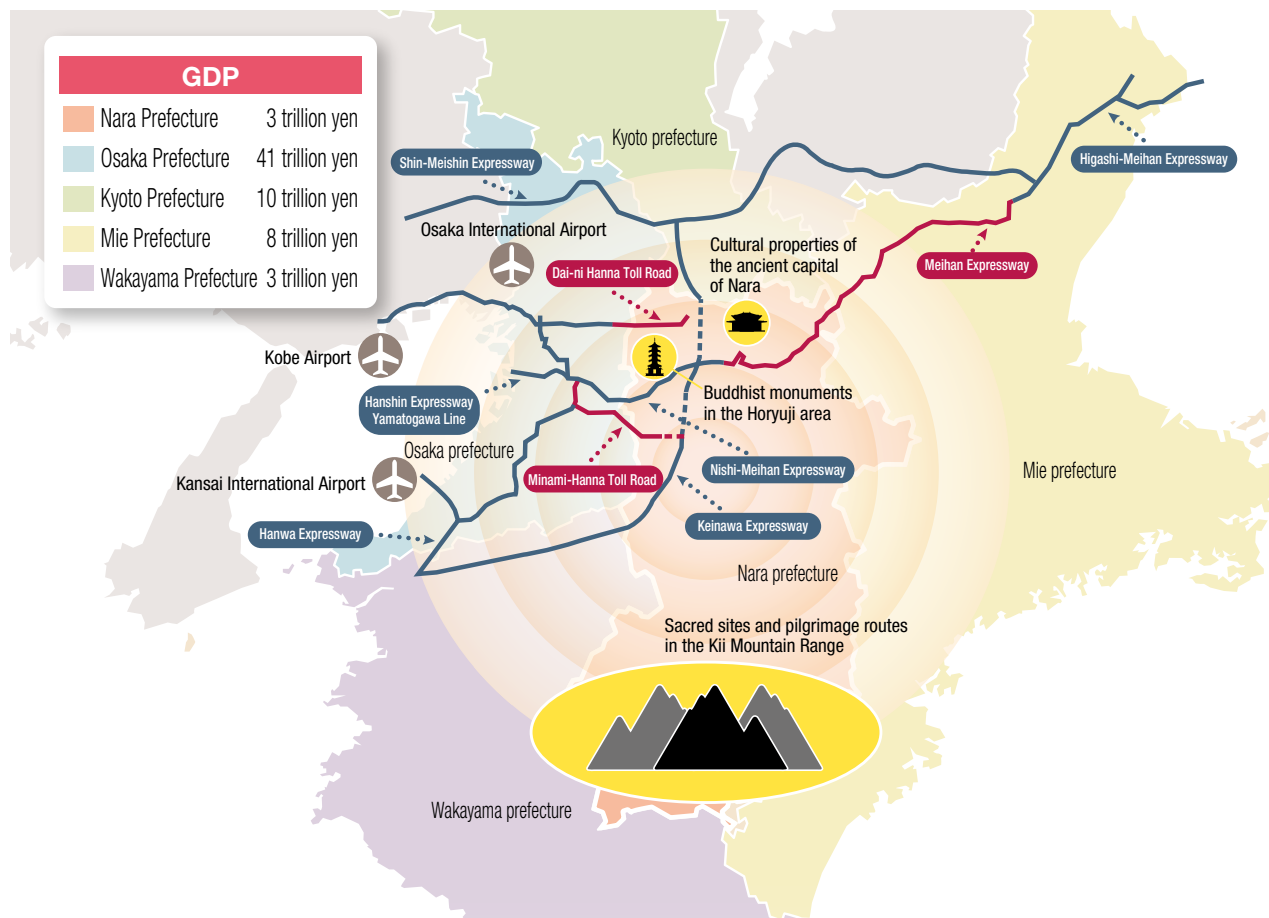
Challenges

With consumer spending flowing out to neighboring regions such as Osaka and Kyoto, Nara prefecture faces the challenge of revitalizing personal consumption within the prefecture.

Sources

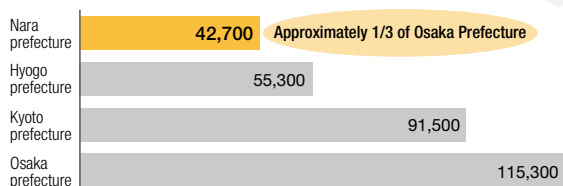
"Cabinet Office 2021 Prefectural Economic Accounts," "Ministry of Internal Affairs and Communications 2021 Economic Census," "The State of Nara Prefecture 2024," "Ministry of Education, Culture, Sports, Science and Technology 2023 School Basic Survey," "Ministry of Internal Affairs and Communications 2019 National Household Structure Survey," "Ministry of Internal Affairs and Communications 2020 National Census," "Ministry of Land, Infrastructure, Transport and Tourism 2023 Building Construction Statistics Survey Report," "May 2025 Agency for Cultural Affairs," "Nara Prefecture Official Website"

Geographical characteristics of Nara Prefecture



Lower land prices compared with surrounding areas

■ 2022 Land Price Survey/Industrial Land Average (per 1m²)



* Created based on the Ministry of Land, Infrastructure, Transport and Tourism's "2023 Prefectural Land Price Survey"

Connections between Nara prefecture and surrounding regions

Human connections with surrounding regions

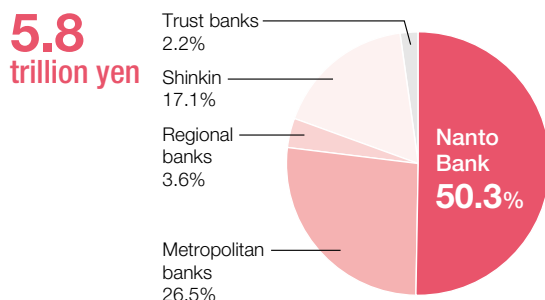
Resident employment rate outside Nara prefecture: 27.3% (3rd in Japan)

Geographical and historical connections between Nara and Osaka prefectures

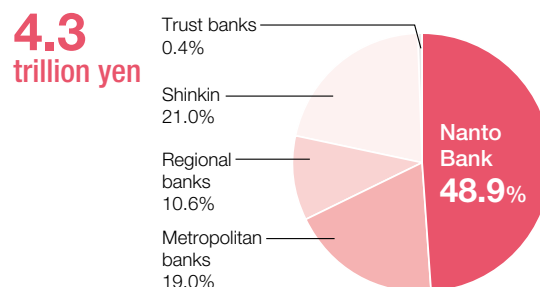
Three expressways Five railway lines
Historical roads History of Sakai prefecture

Nanto Bank Group's strong customer base in Nara Prefecture

■ Deposits and market share in Nara prefecture



■ Loans and market share in Nara prefecture



(As of the end of March 2025: Banks and credit unions in Nara prefecture, excluding the Japan Post Bank, agricultural cooperatives, etc., are included.)