

Value Creation Process

The Nanto Bank Group has been continuously implementing its Management Plan for the 10-year period that began in 2020 in pursuance of our declared missions to facilitate “**pursuit of regional development,**” “**fostering of vitality-creating human resources,**” and “**enhancement of profitability,**” setting our “**Vitality Creation Bank**” management vision as the pillar of Group operations.

Human capital that solves customer and community challenges and addresses social issues by commercializing solutions and other approaches.

Through these problem-solving undertakings, we provide our stakeholders with added value and contribute to development of our operating region. We believe that repetition of this cycle will eventually lead to achievement of Nanto Bank’s goals for 2030: **increasing Nara prefecture’s GDP by approximately 350 billion yen, cultivating 350 management personnel, and achieving non-consolidated ROA of 0.35% or above.**



INPUT

Materialities

Resolving material issues



Cultivating a Healthy Corporate Culture with Participation of Diverse Human Resources

Realizing Sustainable Growth of Our Regional Economy

Responding to the Effects of Accelerating Climate Change

Realizing a Convenient, Prosperous Society

Preparing for Increasingly Varied and Complex Risks

Operating capital

Customer base

- Large share of deposits and loans in Nara prefecture

Deposits **50.3%**

Loans **48.9%**

- Chosen as the main bank by businesses operating in Nara Prefecture

60.2%

(Teikoku Databank National Corporate "Main Bank" Trend Survey 2024)

Human resources base

- Number of employees supporting the Bank's management philosophy

2,267

- Number of employees with qualifications related to vitality creation

1,062

Financial base

- Strong capital adequacy ratio

Capital adequacy ratio

Consolidated **11.31%**

(End March 2025)

Nanto Mission



Pursuit of regional development



Fostering of vitality-creating human resources



Profitability enhancement

Fundamental trust and security

Empathy

New Medium-Term Management Plan

Achieving sound management providing ongoing support for the community

Building a portfolio that can generate profits that are not easily impacted by the business environment

Improving the quality of our portfolio through sustainable regional and customer development

Development of human capital who think and act on their own and solve local problems

Governance

Management Philosophy

1. We conduct sound, efficient management.
2. We provide superior comprehensive financial services.
3. We pursue efforts to promote regional development.
4. We seek an identity as a trustworthy bank with strong customer appeal.

Management Vision

"Vitality Creation Bank"

Our mission as a regional financial institution is to contribute to the growth and development of our region and customers. Maximizing all our management and staff capabilities, and creating new value unique to the Nanto Bank Group, we are reinforcing our position as the banking group of choice for customers throughout our region.

OUTCOME

Value we are offering
all our stakeholders

Goals to be
achieved by 2030

Access

Services

Satisfaction

Enhancing loyalty

2025 Action Plan

Reinforcing the foundation
for corporate transactions
Reinforcing the foundation
for individual transactions

Controlling the capital adequacy ratio
Returning profits to shareholders

Establishing local businesses
Solving issues challenging local industry
Addressing climate change

Fostering a culture of challenge
Promoting the active participation
of diverse human resources
Improving engagement

The Bank's Action Plan is reviewed annually with the PDCA cycle applied.

Counting targets (FY2027)

Engagement
score
72 points or more

Percentage of
female managers
20% or more

ROE (consolidated)
5.5% or more

Capital adequacy
ratio (consolidated)
**Target range
11-12%**

Net Income
(consolidated)
**18 billion yen
or more**

OHR (consolidated)
Less than 65%

Customers

- Supply of funds in accordance with the borrower's business characteristics
- Financial products and services to support affluent living
- Provision of management personnel
- Creation of new business opportunities

Local community

- Collaboration as a leader in regional development with local governments, businesses and educational institutions
- Lively town development and business creation

Employees

- Realizing flexible workstyles
- Providing a workplace environment that supports employees' autonomous growth and encourages taking on challenges

Shareholders

- High market rating
- Continuing stable dividends



Nara prefecture GDP*1
Increase of approx.
¥350 billion



**Management
personnel cultivation*2**
350



ROA (non-consolidated)
0.35% or above

*1 To be achieved by the end of fiscal 2026, so that the achievement will be announced in 2029 (Nara prefecture's GDP is usually announced approximately two-and-a-half years after the relevant fiscal year-end).

*2 Human resources who can share management decision-making with local customers