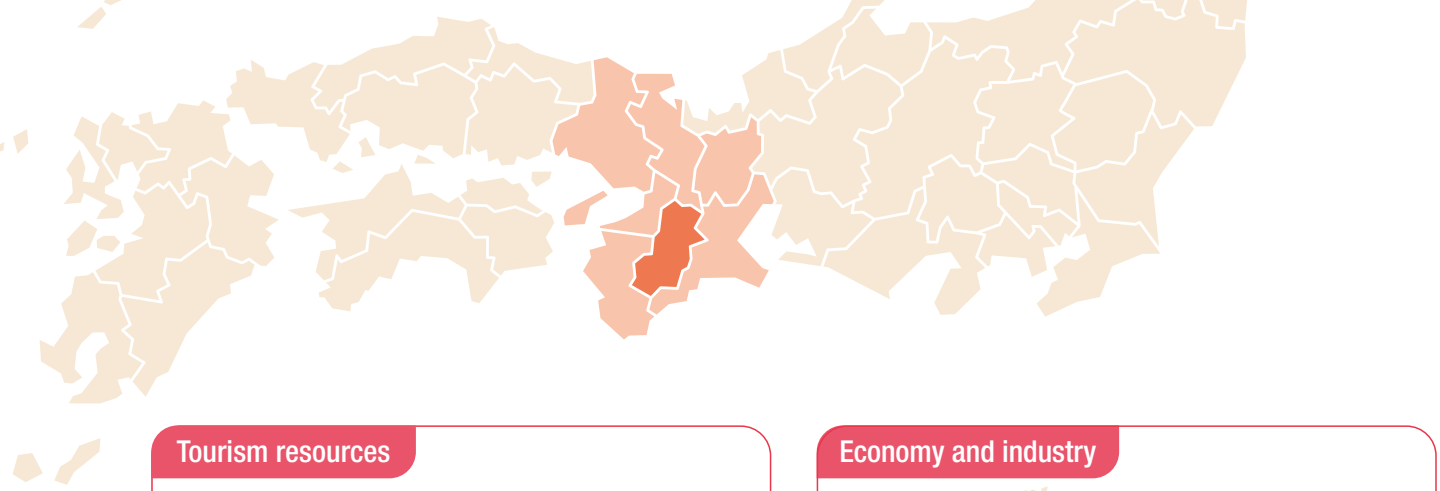
Potential and challenges for Nara Prefecture, the Nanto Bank Group's primary market

The Kinki region, centered on Osaka Prefecture and the Nanto Bank Group's primary region of operation, is one of Japan's three major metropolitan areas. Each prefecture in the region has its own unique and fascinating history that remains fully alive today.
Nara Prefecture, in particular, the site of our head office, is distinguished as Japan's first capital and home to an abundant wealth of historical and scenic sites and historic buildings dating back to the 8th century. These attract many visitors to Nara from across Japan and around the world. Given its strong geographical and human ties with neighboring prefectures and easy access to major cities in the Kansai region, moreover, further development through wide-area collaboration is anticipated. At the same time, the region has not yet fully capitalized on the immense appeal and value of its own abundant local natural and cultural resources.



Tourism resources

A treasury of world-renowned assets keeping our history and culture alive

- Registered World Heritage sites: 4 (No.1 in Japan)
- Specified historic sites and natural monuments: 149 (No.1 in Japan)
- Specified National Treasures and Important Cultural Properties: 1,339 (3rd in Japan)

Powerful ability to attract both domestic and international visitors

- Number of annual tourists: 43.62 million
- Number of foreign tourists: 3.14 million (7th in Japan)

Shortage of accommodations and sluggish visitor traffic

- Number of rooms in Japanese inns and hotels: 10,426 (43rd in Japan)
- Annual number of guests: 2.83 million (44th in Japan)

Economy and industry

Active business location

- Number of factory locations: 27 (9th in Japan)

Abundant forest resources

- Ratio of forest area: 76.9%

Limited economic base

- Gross prefectural product (nominal): ¥3,921.0 billion (38th in Japan)
- Agricultural output: ¥47.5 billion (45th in Japan)
- Annual freight shipments: 9,133 thousand tons (46th in Japan)

Human resources

Highly educated local talent pool

- Percentage of high school graduates obtaining higher education 65.2% (8th in Japan)

Employment structure depending on workers from other prefectures

- Employment rate outside Nara Prefecture 27.3% (3rd in Japan)
- Daytime population outflow rate 14.75% (3rd in Japan)

Shortage of successors among local industries

- Ratio of businesses without successors 50.0%

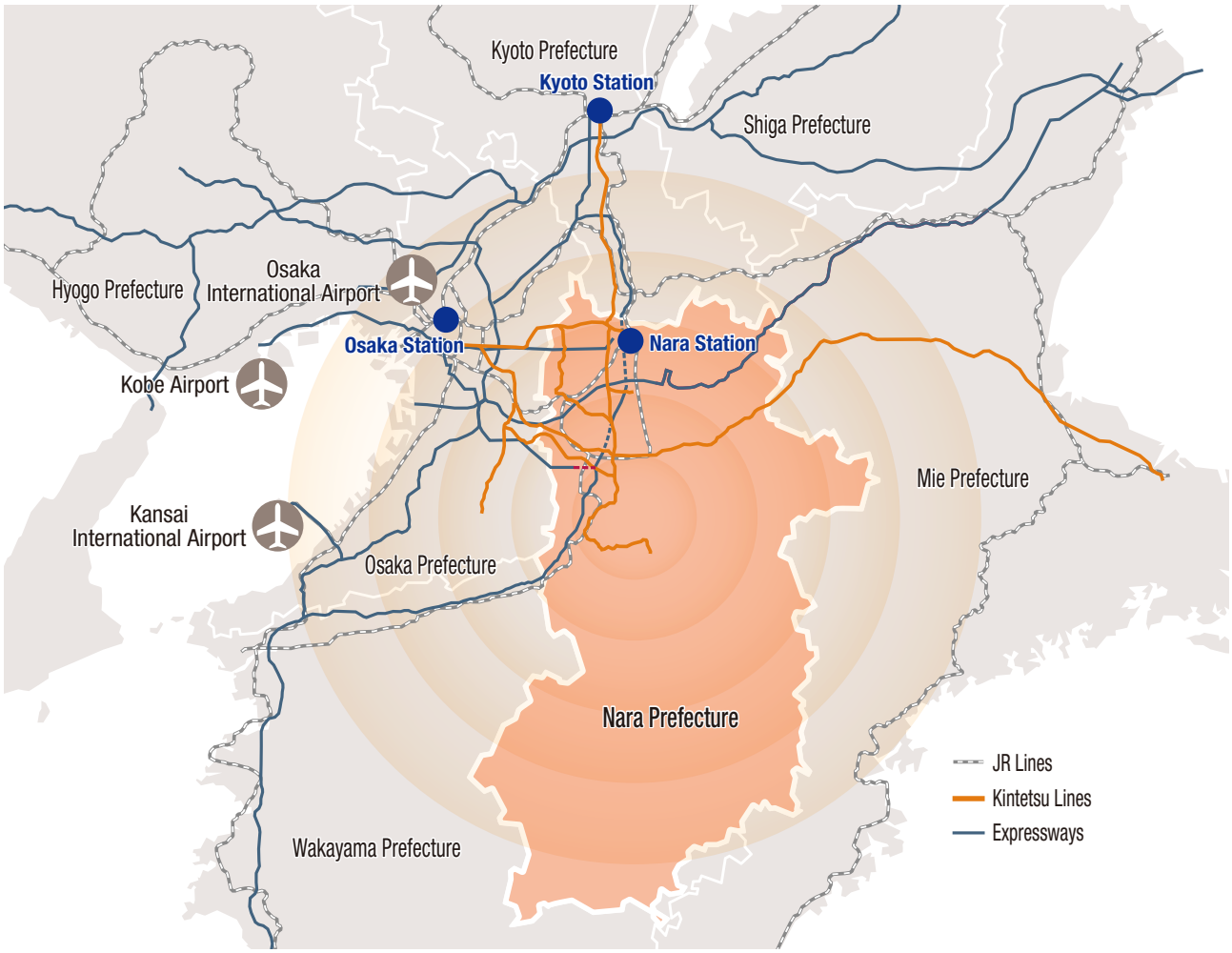
Household finances and living conditions

Substantial personal assets

- Per-household financial assets by prefecture (all households) ¥15.645 million (2nd in Japan)
- Year-on-year per-capita prefectural income growth rate 8.2% (3rd in Japan)
- Ratio of owner-occupied households 73.2% (8th in Japan)

Sources: Nara Prefecture, "The State of Nara Prefecture 2025" and "Nara Prefecture's Trends as Seen Through 100 Indicators (Reiwa 7 Edition)"; Agency for Cultural Affairs, "List of Japan's World Heritage Sites," "List of Designated National Treasures and Important Cultural Properties by Prefecture;" Nara Prefecture Tourism Bureau, Tourism Strategy Division, "Nara Prefecture Tourist Flow Survey Report;" Ministry of Economy, Trade and Industry, "Reiwa 7 Survey on Factory Location Trends;" Ministry of Agriculture, Forestry and Fisheries, "Reiwa 6 Statistics on Agricultural Production and Income;" Teikoku Databank, "Nara Prefecture: Survey on Trends in the 'Rate of Successor Shortages' (2025);" Ministry of Internal Affairs and Communications, "2019 National Household Structure Survey"

Transportation network offering convenient connections with neighboring prefectures



We recognize that the key challenges for ensuring Nara Prefecture's sustainable growth include a shift from day-trip tourism to overnight tourism, reinforcing the economic cycle in the prefectural economy, promoting the return of talented human capital to the region, and ensuring the sustainability of local industries.
At the same time, these challenges contain opportunities to transform local resources into new added value and promote further development of the regional economy.
With Nara Prefecture's operating environment in mind, our Banking Group has identified priority themes as "materialities," and has begun working with the local community to solve challenges and create value.