Message from the Executive Officer in Charge of Sales

Engaging with the local community and building a sales structure that keeps us our customers' banking group of choice



Director and Managing Executive Officer
Kouji Honda

To date, the Nanto Bank Group has established a solid presence and secured a significant market share as a regional financial group in Nara Prefecture with the support of our many customers and local communities. We realize, however, that the relationships we have built with our customers and the foundation we have established in the region are by no means guaranteed to last far into the future. With the regional economy expected to contract due to such factors as a declining and aging population, outflow of deposits to other regions due to inheritances, and decrease in the number of businesses, we intend to pursue evolution of our sales activities by engaging more deeply with our communities and strengthening our relationships with customers to remain their banking group of choice.

With this backdrop communicating a sense of urgency, we have recognized a need to go beyond the limits of traditional financial practices centered on lending and act proactively to encourage creation of new businesses and attract more people to the region. We are supporting the growth of local companies through engagement in business succession, real estate asset optimization, and growth investments, while also generating new vitality in the region by supporting companies and startups that are venturing into growth sectors.

At the same time, to ensure that our Group continues to be chosen by customers and to achieve sustainable growth even under these circumstances, we must strengthen both the quality and quantity of our customer contact points and implement sales activities that are more closely attuned to the emerging needs of our customers and communities. Through these efforts, we will reinforce the transactional foundation supporting our sustainable growth by strengthening our relationships of trust with customers and cultivating our Group's human capital, while simultaneously conducting increasing numbers of deposit, loan, and service transactions.

Reinforcing our sales capabilities by expanding our network of connections in the local community

Our central focus will be on a shift toward sales activities that view the community as a unified area and strengthen our connections throughout. We have begun by revising our previously segmented sales structure—which separated corporate and retail accounts—and transitioning to a system in which the sales representatives assigned to each region maintain a broad network of contacts with local stakeholders of all kinds, including corporations, individuals, and local governments. Our Group refers to this strategy as an "area-based sales activities" rather than as a series of isolated customer relationships. By engaging closely with the community and expanding our points of contact with customers further, we will acquire a deeper understanding of both the region and our

customers, which will lead, in turn, to resolution of their challenges.

Meanwhile, our sales activities continue to rely in part on the experience and intuition of each individual representative, which raises the challenge that standardization of sales activities across the entire organization is insufficient. We consequently need to systematically accumulate and utilize information and data obtained through our sales activities to enhance our ability to make proposals and solve problems.

By leveraging this knowledge and data to augment our sales activities and human capital development, we will seek to build a sales structure over the coming months that can consistently provide high added value as an organization, rather than relying solely on the individual capabilities of our sales representatives.

Deploying the Osaka Strategy to multiply our growth opportunities

The Osaka region, our "second home," with its deep historical and geographical ties to Nara Prefecture, represents a key market for our Group. Boosted by robust demand for funds in Osaka, our loan portfolio is currently expanding, and our corporate deposits are also showing steady growth. We believe, however, that ample room remains to expand our market share in the region.

While leveraging our customer base and regional knowledge cultivated in Nara, we are working to both deepen our relationships with existing customers and acquire new clients among growing companies in our markets. Whether in Nara or Osaka, the importance of engaging closely with customers and building relationships of trust remains unchanged. When working with our existing customers, we strive to enhance our business relationships by engaging in ongoing dialogue with their leadership and playing an active role in such key corporate milestones as new business ventures, capital investment, M&A, and business succession.

We are at the same time expanding our network of connections with core companies that support the regional economy. We engage in dialogue with our clients to identify new financing needs and supply chain challenges, while refining our proposals for addressing these issues. Efforts such as these will help in further deepening our relationships with clients and translating our enhanced presence in Osaka into steady revenue growth.

Supporting local companies' growth through investment initiatives

With the establishment of our new Investment Business Department in April 2026, we consolidated investment functions that had previously been dispersed across various departments and established a structure that allows us to engage more deeply in the growth of local companies and the resolution of regional challenges.

To date, our Group has supported the growth of local companies through financial assistance centered on lending. As the challenges facing our clients—whether handling business successions, entering into new business fields, or making growth investments, for instance—become increasingly complex, there are growing numbers of instances in which lending alone is insufficient to address their needs.

We are consequently engaging more deeply than ever in our clients' growth by leveraging methods such as investments, structured finance, and direct investments. By linking the challenges and growth opportunities we identify through our sales activities to our investment operations, moreover, we will provide support that goes beyond the scope of traditional finance.

Our investment business is not structured merely to expand our profit opportunities. It is also designed to foster the sustainable development of the regional economy by supporting the growth of local companies, facilitating business succession, and promoting the creation of new ventures. In the future, we will continue to support our clients through both lending and investment, thus contributing to the growth of local companies and revitalization of the regional economy.

Toward a virtuous cycle in which the local community, our customers, and our Group grow together

It is precisely the increasing complexity of the challenges facing our regional businesses that is giving our Group a greater role to play. By thoroughly engaging in sales activities that allow us to engage deeply with the community and strengthen our connections with customers, while also working to expand our customer base in Osaka and support growth through investment initiatives, we will contribute to enhancing our customers' corporate value and advancing development of the regional economy.

Engaging with a wide range of customers and working to solve their challenges also fosters the growth of our Group's human capital. By consistently pursuing these initiatives, we are constructing a sales base that ensures our customers' continued fidelity to our Group, thereby creating a virtuous cycle enabling our region, our customers, and our Group to grow together.