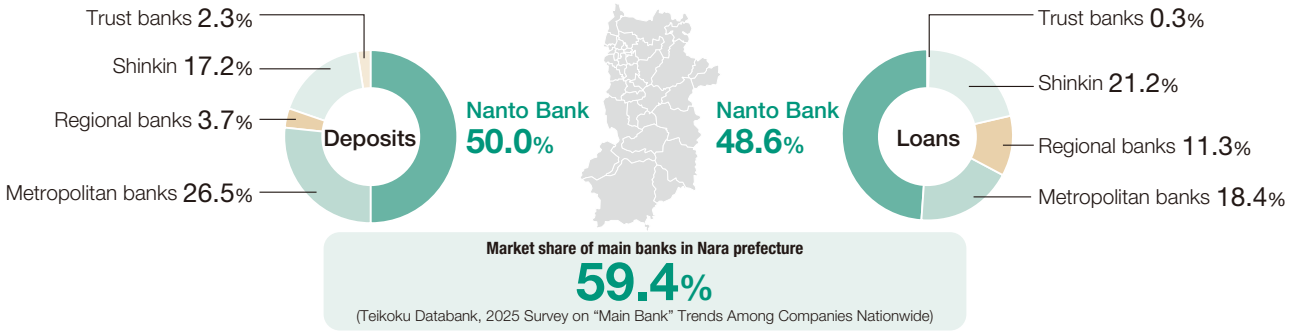
Sales Activities Aimed at Remaining Our Customers' Banking Group of Choice

The Group's operating environment

Market share in Nara Prefecture

Our Group enjoys a significant market share of both deposits and loans in Nara Prefecture, where we have long served as the main bank for many of our customers. We recognize the need to adapt to structural changes, however, due to such factors as the declining birthrate, aging and declining population, and advance of digitalization.

■Share of deposits and loans in Nara Prefecture

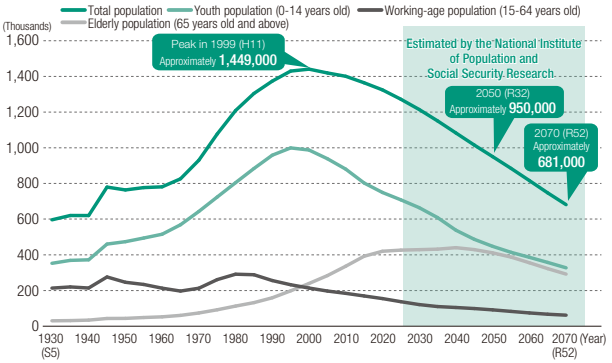


Population and business establishment trends

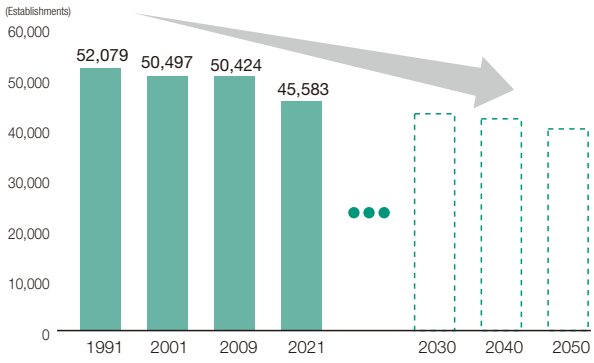
Nara Prefecture's total population began to decline after peaking in 1999. According to estimates by the National Institute of Population and Social Security Research (NIPSSR), the elderly population (residents aged 65 and over) is also expected to decline in the future, falling to approximately 681,000 by 2070.

With the number of private-sector businesses also trending downward year after year, moreover, we are called upon as a regional financial institution based in Nara Prefecture, to implement initiatives that contribute to the maintenance and expansion of the prefectural economy.

■Changes in the total population and population by age group in Nara Prefecture



■Number of business establishments



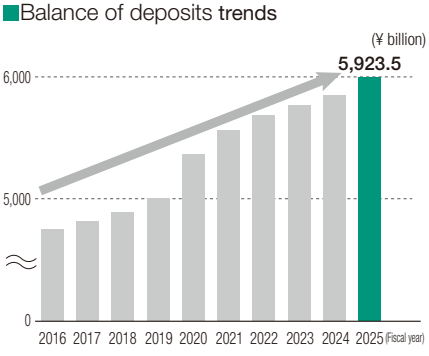
Source: "The Future of Nara Prefecture 2025," Reiwa 3 Economic Census and Business Activity Survey

Current status of deposits at Nanto Bank

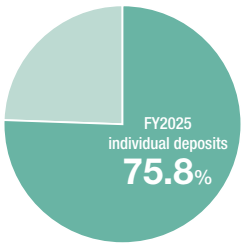
Under these circumstances, our current balance of deposits is steadily increasing and is now approaching 6 trillion yen.

Meanwhile, approximately 75% of our balance of deposits consists of deposits from individual customers. In light of the aging population and future population decline, we recognize that maintaining our customer base by preventing the outflow of inheritance deposits is a key challenge.

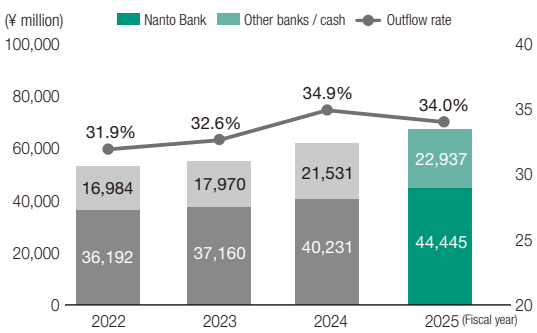
■Balance of deposits trends



■Percentage of total deposits held by individuals



■Outflow rate of inherited deposits



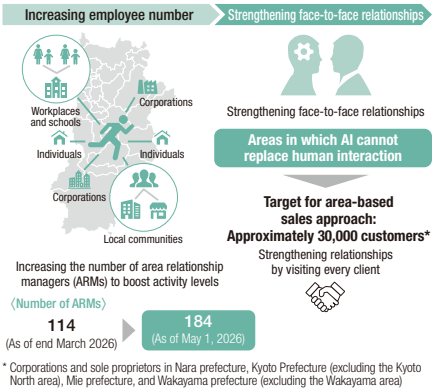
Sales activities conducted to ensure that we remain our customers' banking group of choice

Sales activities view the community as a unified area rather than as individual points

In response to developments in our Group's operating environment—including a declining and aging population and ongoing outflow of deposits to other regions resulting from inheritances—we began a shift to sales activities that view the community as a unified area rather than as individual points. Viewing the corporations, individuals, various organizations, local governments, and community groups in their assigned territories as a unified whole equips our sales representatives to grasp the regional structure, connections between people and businesses, and potential challenges and growth opportunities—factors that were difficult to discern through interactions with individual customers alone.

We have increased the number of "area relationship managers" who lead these efforts and extended our outreach to approximately 30,000 customers. By engaging in dialogue with more clients and immersing ourselves more deeply in our local communities, we can identify diverse needs at an early stage and transform them into solutions.

This new approach to sales activities will not only reinforce our Group's presence, but it will also hone the proposal and problem-solving skills of our individual representatives, thus fostering talented human capital capable of delivering greater value to our customers. By providing the unique value that only human beings can create—staying close to our customers and building relationships of trust through ongoing dialogue—we will generate a virtuous cycle of shared growth among members of the local community, our customers, and our Group, thereby establishing a sales foundation that ensures our ability to remain customers' banking group of choice for years to come.



Osaka Strategy

Our Group has long regarded Osaka Prefecture—with which our home prefecture of Nara shares deep historical and geographical ties—as our "second home," which we have designated a key strategic area.

During the current term, we will clearly identify core companies in the supply chain as targets in our efforts to enhance our Group's presence by strengthening business relationships with existing clients and intensifying efforts to attract new ones.

Targets in Osaka (capturing growth areas)

Focus on core companies with high growth potential to develop new business and expand existing relationships

Core companies

Companies that fall into one of the government's 17 strategic sectors, and which are thus poised to benefit from market growth, while also exerting influence on supply chains and regional economies

Enhancing business relationships with existing customers

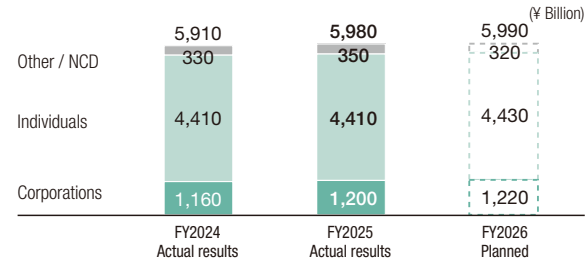
To date, we have consistently conducted meetings with key decision-makers—such as company executives—at our existing client companies in the Osaka region.
We aim to become a main bank for these clients by engaging with them during pivotal moments in their corporate development, such as when they initiate new business ventures and conduct M&A activities.

Initiatives for FY2025	Initiatives for FY2026	Our objective
Strengthening dialogue with company executives	Enhancing our business relationships	Becoming customers' main bank

Results of sales activities that view the community as a unified area instead of individual contact points and the Osaka Strategy

Through these activities, the Bank plans to raise its average deposit balance by approximately ¥10.0 billion and its average loan balance by approximately ¥110.0 billion, while lifting net fees and commissions to ¥7.2 billion (up ¥0.4 billion year on year).

Average balance of deposits, etc.



Average balance of loans



Profit from service transactions, etc.

