Establishing a New Investment and Financing Model

Tackling regional challenges starting with equity

In the Investment Business Department, we focus primarily on fund investments, structured finance, business succession and M&A, and real estate development. Beginning with frequent dialogue between our branch offices and customers, we incorporate the specialized expertise of our Headquarters into the project to conduct a comprehensive analysis of such factors as the customers' business operations, supply chains, real estate, and capital structure. Going beyond traditional lending, we combine equity financing aimed at raising regional value with approaches such as business succession, growth investments, and real estate optimization.

These initiatives superseding simple provision of finance delve into clients' future visions and the potential for deploying their regional assets, and work collaboratively with stakeholders as appropriate to realize our shared goals.

Supporting the sustainable growth of local businesses, and contributing to strengthening the foundation of local industries

When designing investment strategies for local businesses, we adopt an integrated approach—beginning with identifying and structuring investment opportunities and extending through investment execution, growth support, and business succession support to exit strategies—for businesses that possess the technologies, capabilities, and customer bases necessary to support the sustainability of the local economy. Our starting point is "broad-based" sales activities conducted by our branch offices, which view local stakeholders—including corporations, individuals, and local governments—as a unified whole, and which expand our points of contact with customers. By combining the information gathered through these activities—such as funding needs, supply chains, business succession, and asset optimization—with the specialized expertise of our Investment Business Department, we identify the businesses' challenges, growth possibilities, and potential ripple effects on the local community from the pre-investment stage to the discovery and development of investment opportunities.

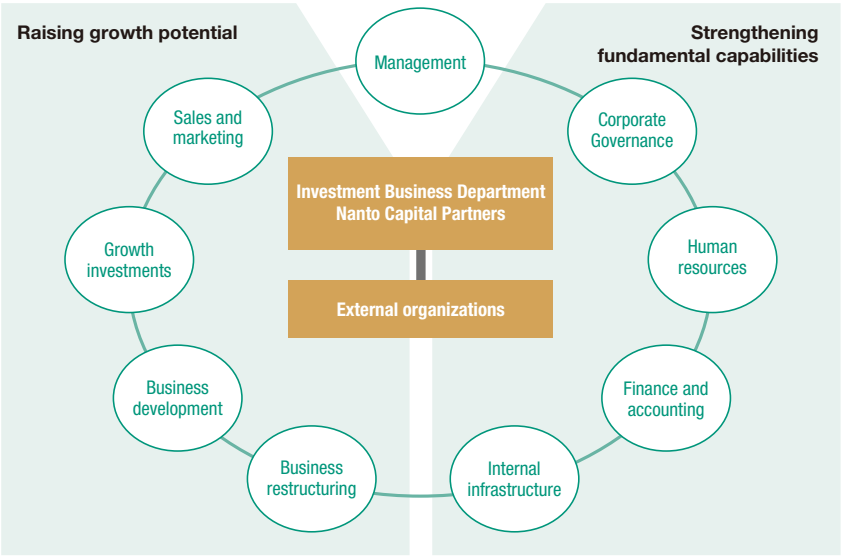
When executing investments, our Group takes a proactive role, making investment decisions only after carefully assessing the target company's business model and challenges. After the investment, we combine our Group's financial and non-financial capabilities with our network of external specialized institutions to strengthen the business partners' management foundations and growth potential through support activities such as establishing management systems and reviewing business portfolios to conducting growth investments and business development. Through this series of initiatives, we both provide value to the local community and enhance our Group's corporate value.

Providing hands-on support as a unified Group

To enhance the value of our portfolio companies, it is essential to provide not only capital but also concrete support tailored to their management challenges. With the Investment Business Department and Nanto Capital Partners at the core, we provide hands-on support for our portfolio companies in collaboration with various departments within our Group and selected external organizations.

This support covers a wide range of factors, including management, corporate governance, human capital, finance and accounting, internal infrastructure, business restructuring, business development, growth investments, and sales and marketing. We employ it to achieve sustainable growth for our portfolio companies, expand their revenue opportunities, ensure job stability and increase employee income, and, ultimately, contribute value to the local economy.

Hands-on support through collaboration with our Group and external organizations



Our Vision

Enhancing value for communities and businesses

Investments that benefit all our stakeholders

Delivering value to our communities

- Increasing regional GDP
- Creating new jobs

Delivering value to businesses

- Enhancing corporate value through sustainable growth
- Expanding revenue opportunities through diversification
- Ensuring job stability and increasing employee incomes

Expanding our Group's revenue base

- Generating stable recurring revenue
- Expanding revenue opportunities through long-term partnerships

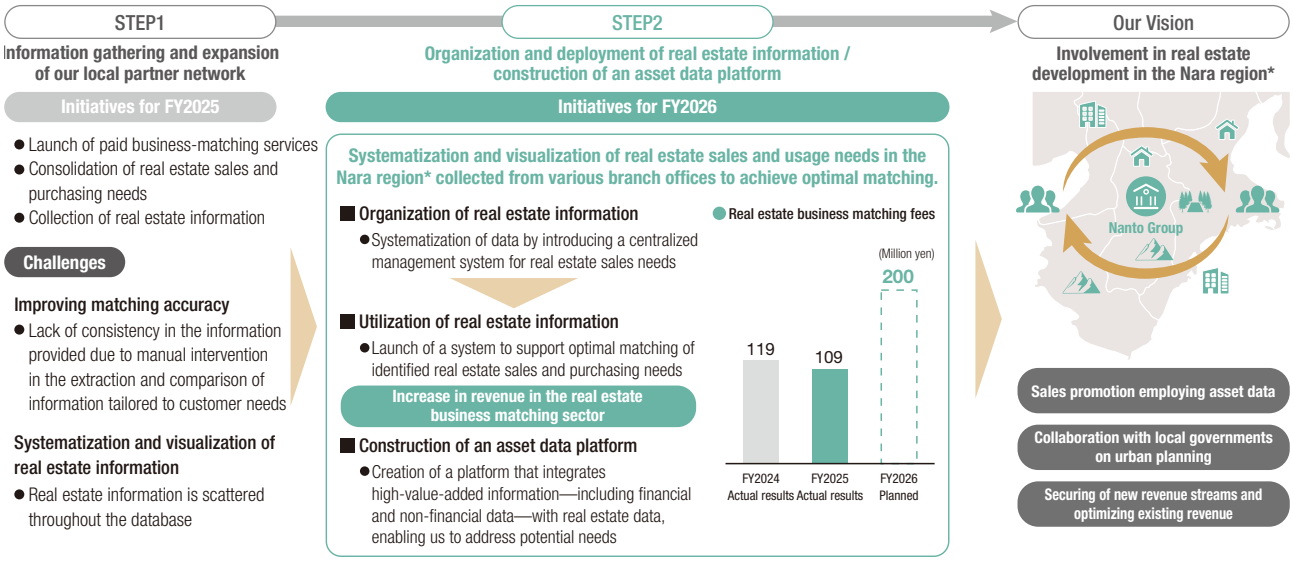
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Unlocking the potential of local assets to create new value for the community

Real estate is a vital local asset closely tied to the business challenges faced by local companies, the asset succession needs of individual customers, and community development. Needs related to real estate sales, purchases, and allocation tend to accumulate on a case-by-case basis, however. Without the ability to systematically organize and visualize this information, it becomes difficult to provide optimal proposals tailored to each customer and to promote the effective allocation of assets across the region.

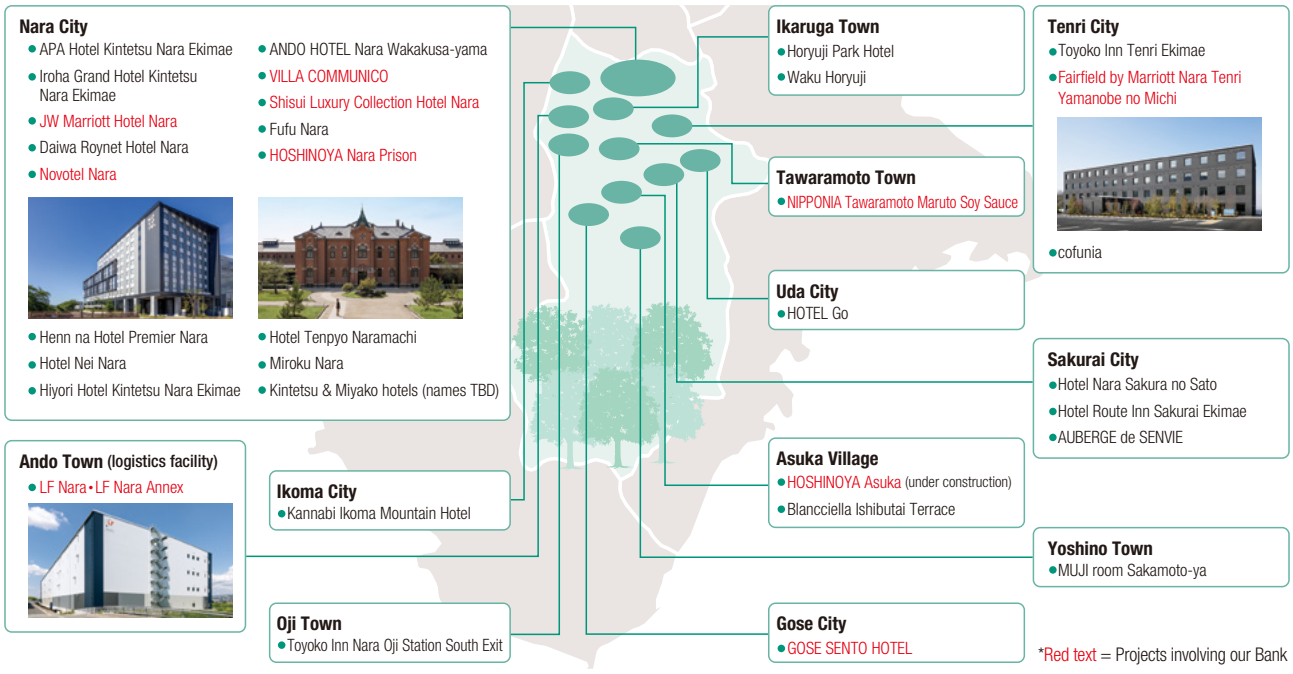
The Investment Business Department collects data on local real estate sales and usage needs identified by our branch offices through daily interactions with customers. By combining this data with financial and non-financial information, we systematize and visualize it as an asset data platform. This will not only improve the accuracy of our efforts to match existing sales needs, but it will also help us uncover latent needs related to asset deployment, business succession, and regional development for local businesses.

We will deepen our collaboration with local real estate operators and municipal governments, moreover, to promote the allocation of underutilized assets and our involvement in urban planning and regional development. Our Group has long been actively engaged in initiatives to address regional challenges, such as supporting the increases in guest room capacity at *ryokan* and hotels, as well as supporting the development of public and logistical infrastructure. Moving forward, we will continue to leverage our Group's investment and financing capabilities to pursue projects that contribute to raising the value of the region as a whole. We will be involved in every stage of the process—from development and revitalization to the effective utilization of assets.



*Nara region: Nara Prefecture, southern Kyoto Prefecture, northern Wakayama Prefecture, and western Mie Prefecture

Recent real estate development projects in Nara Prefecture

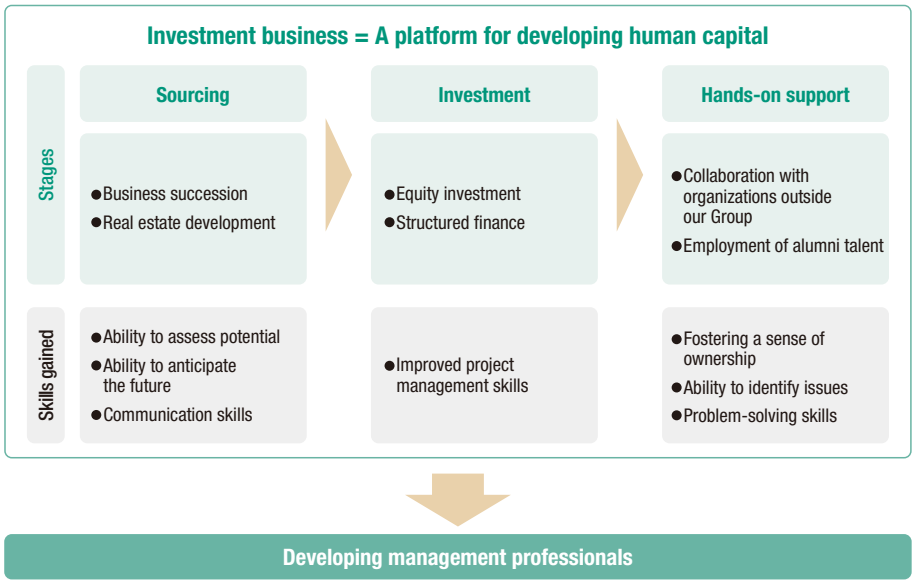


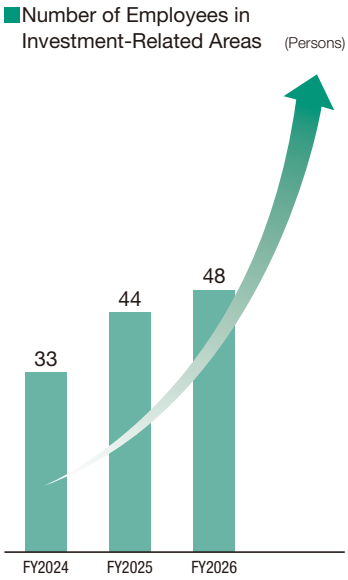
*Red text = Projects involving our Bank

Developing the next generation of business leaders through investment activities

In the process of advancing investment initiatives, we must identify business strengths and the potential of regional assets—aspects that financial information alone cannot reveal—and work to build consensus with management and external experts while putting our vision into action.

By engaging in specific investment projects, our Group's human capital will develop the ability to identify business strengths and the potential of regional assets, as well as the ability to put concepts into action while building consensus with stakeholders. Through these cumulative experiences, we will cultivate management talent who, in addition to their investment expertise, can deeply engage with regional challenges and lead efforts to resolve them.



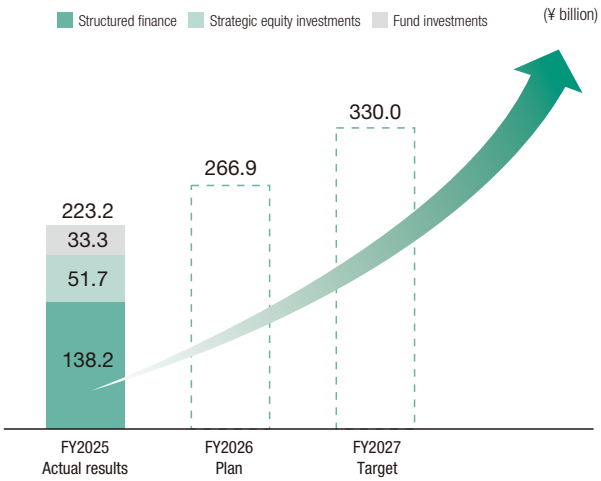


Diversifying our revenue base by delivering value to the community

Through these initiatives, we will enhance the value we provide the community while steadily building revenue through structured finance and fund investments. With investments as a starting point, moreover, we combine financial arrangements, M&A and business succession support, and hands-on assistance to advance to a multi-layered revenue structure that combines investment income, interest income, and fees from service transactions.

The Investment Business Department seeks to build a new growth model that balances the value we provide the region with the sustainable growth of our Group by enhancing our ability to generate investment opportunities, make sound investment decisions, support value enhancement, and design exit strategies.

Average balance, Investment Business Department assets



Average balance, structured finance (excluding marketable loans, etc.)

