

The Yamanashi Chuo Bank, Ltd. 18th Analyst Meeting

- **Fiscal 2009 Business Results**
- **Forecasts for the Current Term (FY10)**
- **Medium-Term Management Plan**
(Future Creation Plan 2013)

June 8, 2010 (Tue)



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■ Profile (as of March 31, 2010)

- Predecessor Founded: April, 1877
- Established: December, 1941
- Head Office: 20-8, Marunouchi 1-Chome, Kofu, Yamanashi
- Common Stock: ¥15,400 million
- Employees: 1,659
- Branches (including sub-branches): 91 (76 in Yamanashi Pref., 15 in Tokyo), Representative Office in Hong Kong



Head Office

Our Mission

Region-Based Operations and Sound Management

Maintaining a close relationship with the communities in the region where we operate, we will contribute to the prosperity of the region and the development of its economy, with a commitment to sound management that enjoys the trust of our customers, while bolstering our business operations.

I Fiscal 2009 Business Results

Fiscal 2009 Business Results (Summary)



(¥ billion, %)	FY2008	FY2009	YoY change [%]
Operating income	53.7	50.8	(2.9) [(5.4)]
Gross banking profit	38.3	42.0	3.7 [9.6]
Interest income	37.6	36.6	(1.0) [(2.6)]
Fees and commissions	4.2	4.4	0.2 [4.7]
Other operating income	0.1	0.1	0.0 [0.0]
Gross banking profit on core operations	42.1	41.2	(0.9) [(2.1)]
JGBs and other bond transactions	(3.8)	0.7	4.5 [-]
Expenses	27.7	28.3	0.6 [2.1]
General provision to loan loss reserve	-	(0.3)	(0.3) [-]
Net business profit	10.5	14.0	3.5 [33.3]
Net business profit on core operations	14.3	12.9	(1.4) [(9.7)]
Non-operating losses	(4.4)	(8.1)	(3.7) [-]
NPL disposal amount	0.3	7.2	6.9 [2,300.0]
Equity share and similar transactions	(2.9)	(1.0)	1.9 [-]
Ordinary profits	6.0	5.8	(0.2) [(3.3)]
Extraordinary income (losses)	1.2	(0.0)	(1.2) [(100.0)]
Gains on reversal of loan loss reserve	1.3	-	(1.3) [(100.0)]
Income before income taxes	7.2	5.8	(1.4) [(19.4)]
Income taxes - basic	0.0	1.7	1.7 [-]
Income taxes - deferred	1.2	1.3	0.1 [8.3]
Net income	6.0	2.7	(3.3) [(55.0)]

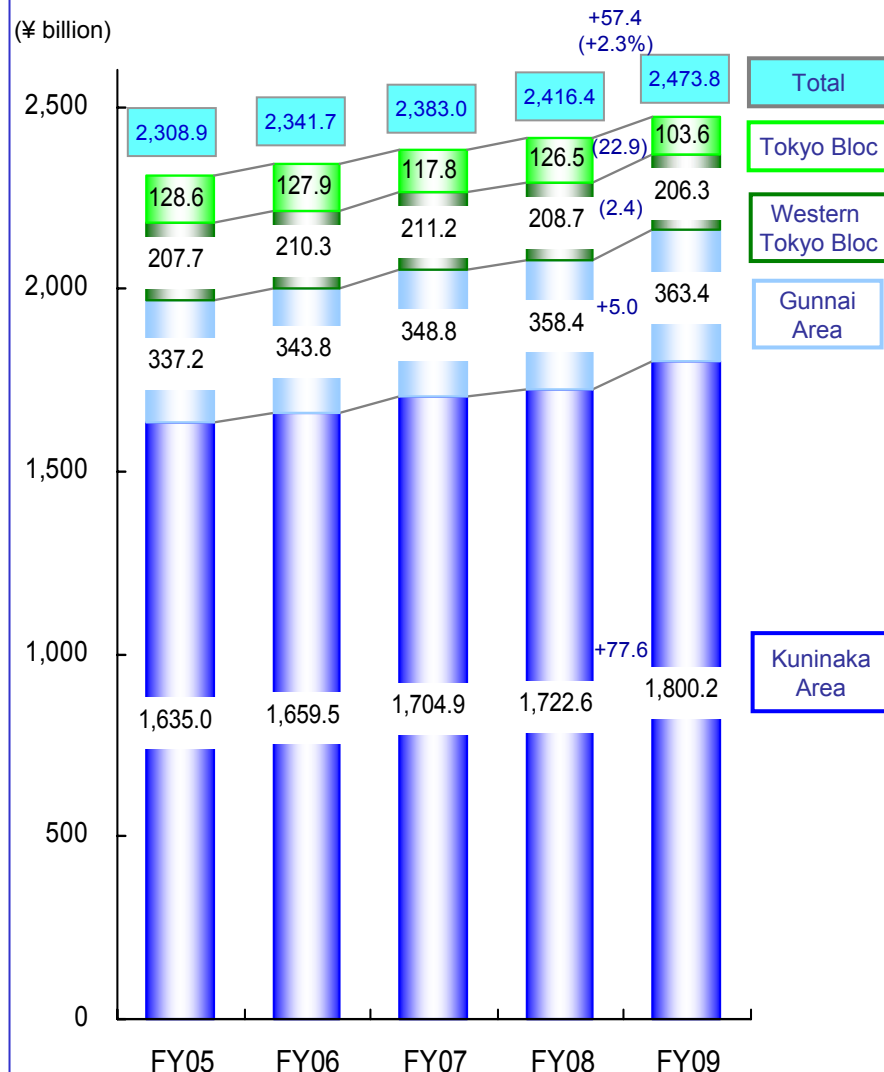
(¥ billion, %)	FY2009	YoY change [%]	Balance	Yield
Fund operations	40.6	(3.6) [(8.1)]	0.7	(4.3)
Interest on loans	28.0	(3.5) [(11.1)]	(0.9)	(2.6)
Interest on securities	12.3	0.5 [4.2]	1.2	(0.7)
Call loan, etc.	0.2	(0.6) [(75.0)]	0.0	(0.6)
Fund procurement	3.9	(2.7) [(40.9)]	0.1	(2.8)
Interest on deposits	3.7	(2.2) [(37.2)]	0.1	(2.3)
Call money, etc.	0.2	(0.5) [(71.4)]	0.0	(0.5)
Interest income	36.6	(1.0) [(2.6)]	—	—

(¥ billion)	FY2009	YoY change
Revenues	6.6	0.2
Investment trusts	0.6	0.1
JGBs held by individuals	0.04	(0.04)
Life insurance	0.5	0.3
Others	5.4	(0.2)
Cost	2.1	0.0
Fees and commissions	4.4	0.2

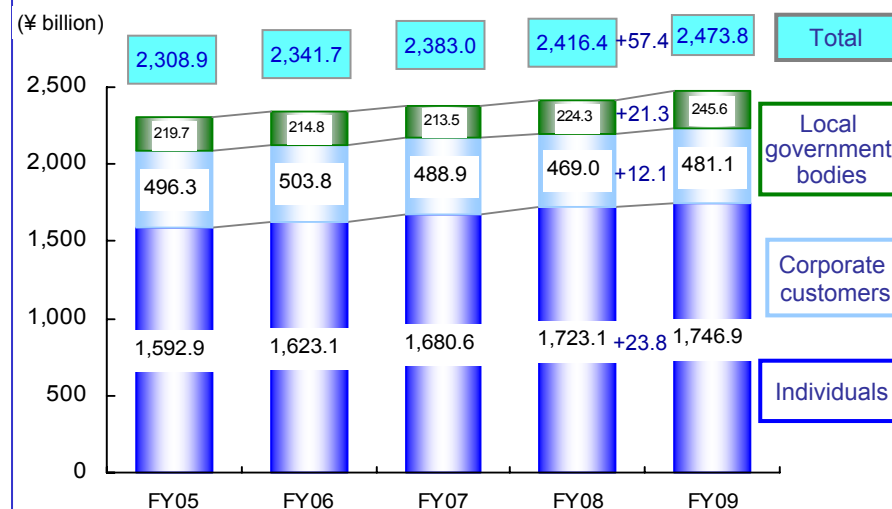
(¥ billion)	FY2009	YoY change
Personnel	14.8	0.0
Premises and equipment	12.1	0.5
Taxes	1.3	0.1
Expenses	28.3	0.6

Deposits

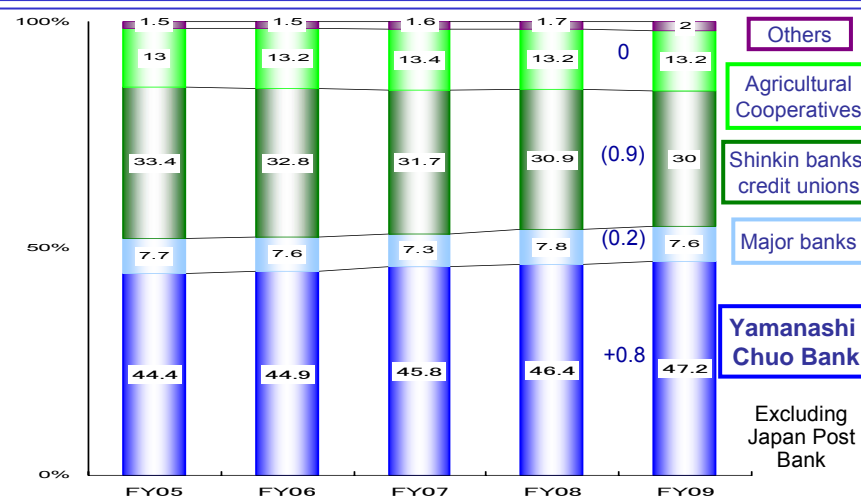
Deposit Balance



Balance by Customer Segment

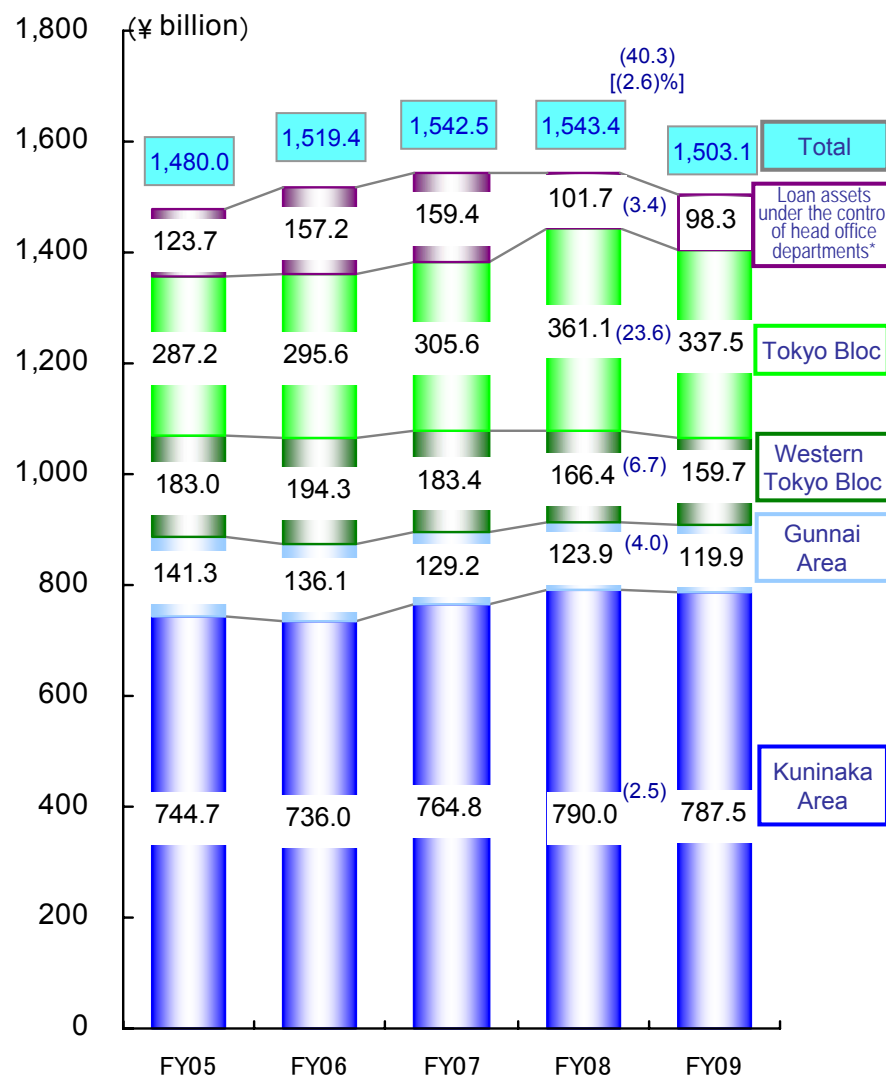


Deposit Shares in Yamanashi Prefecture

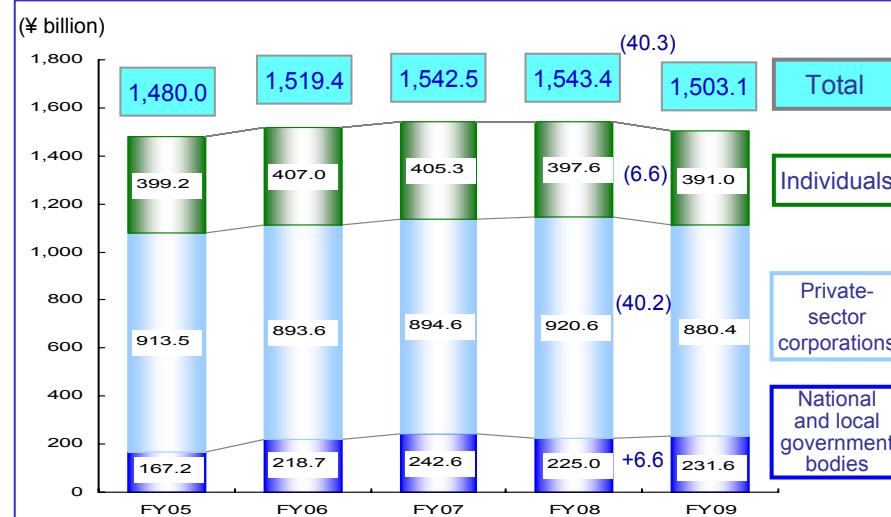


Loans

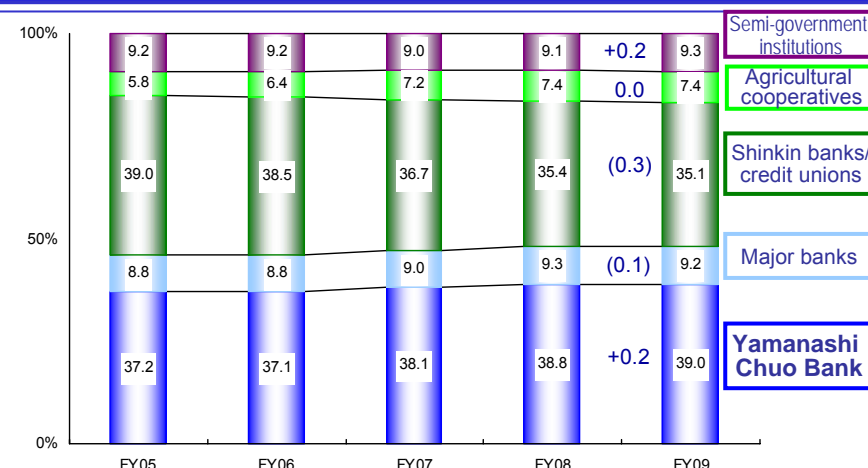
Loan Balance



Balance by Customer Segment



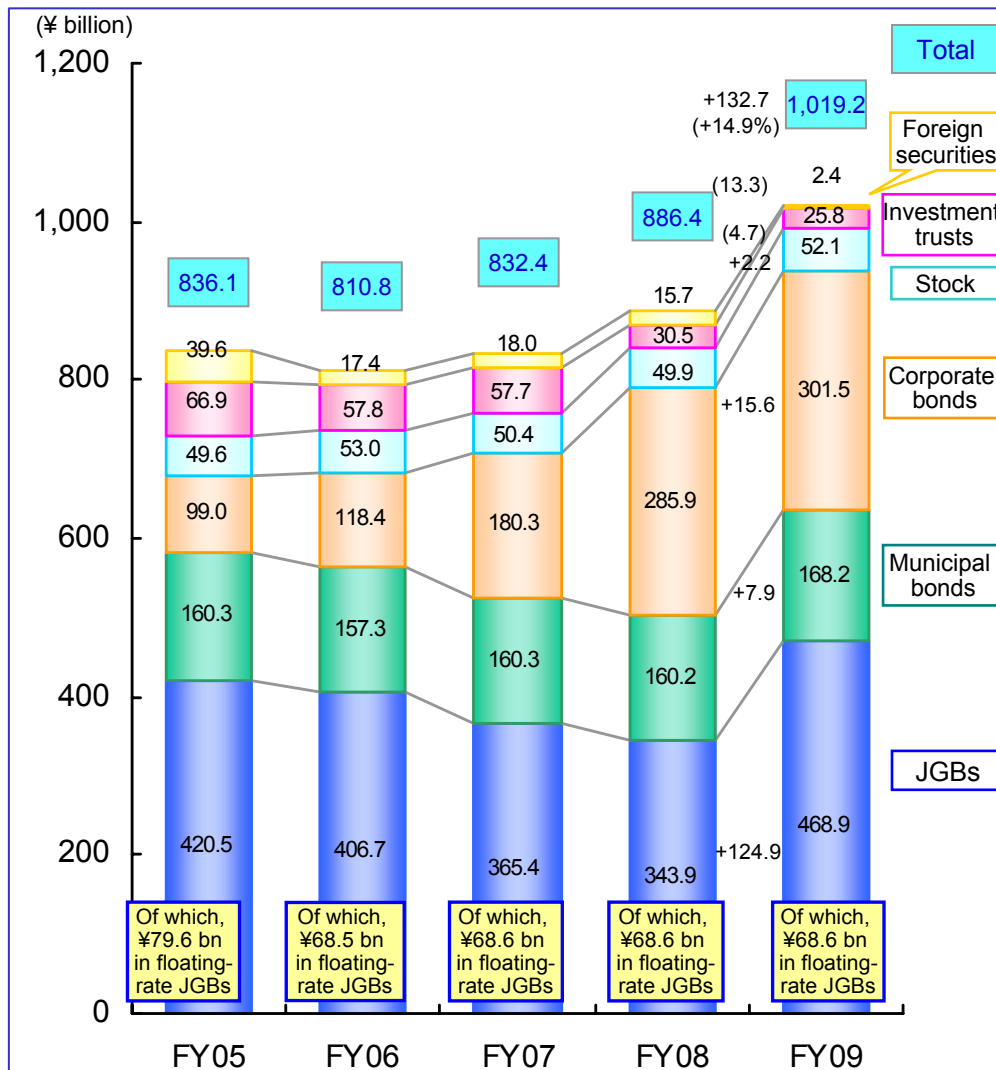
Movements in Loan Shares in Yamanashi Pref.



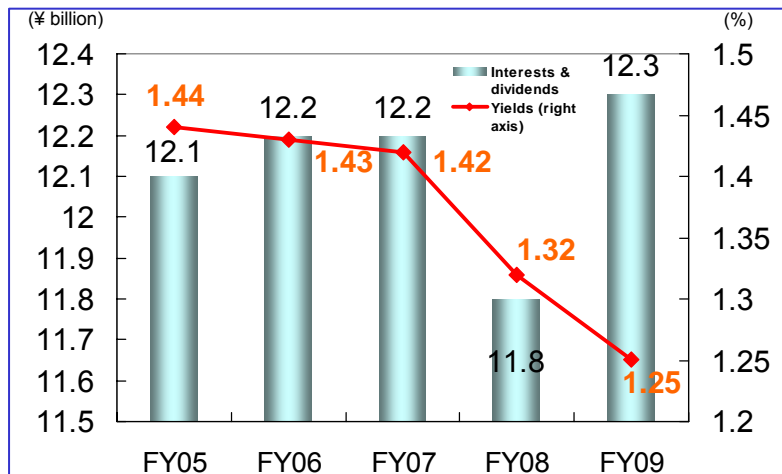
*Note: Loan assets under the control of head office departments refers to loans to the Ministry of Finance, loans made under loan participation agreements and financial receivables transferred from other industries.

Securities

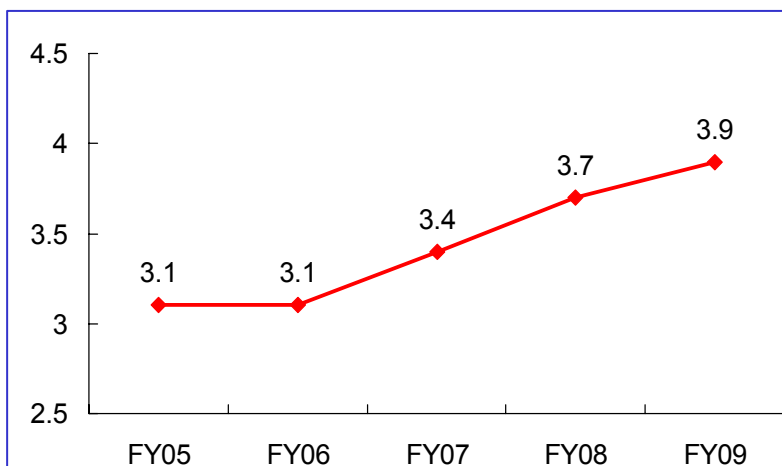
Securities Balance (subject to mark-to-market valuation)



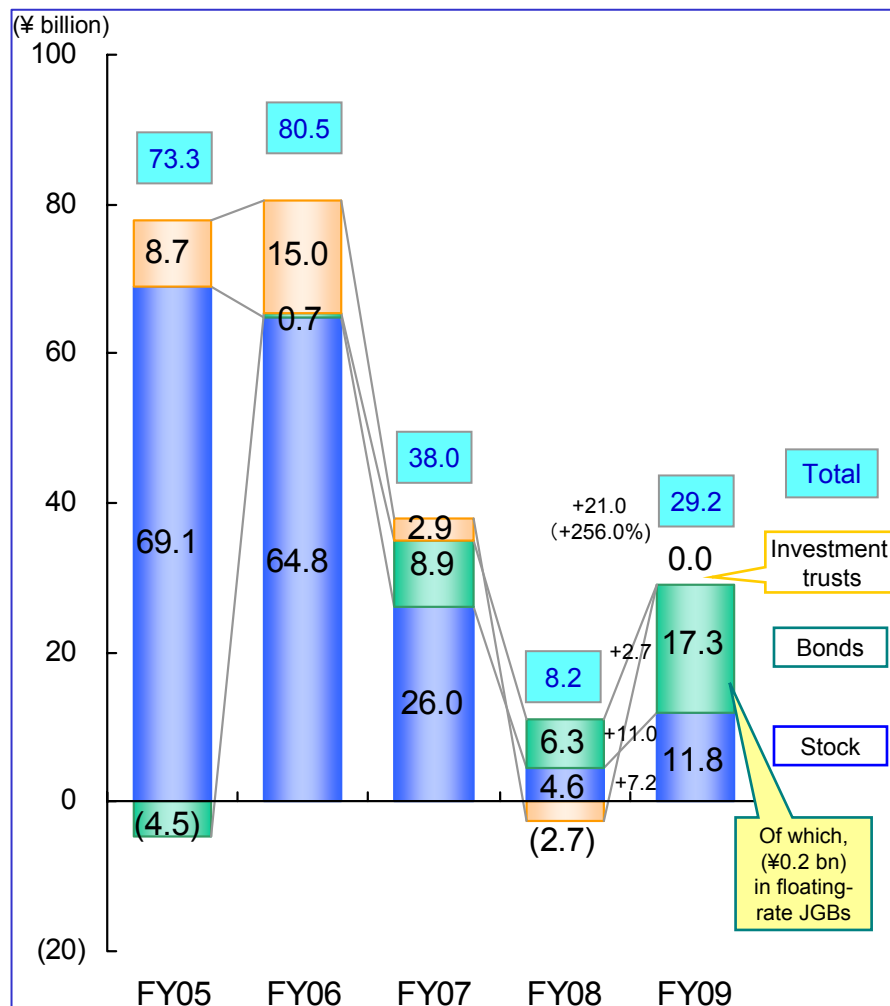
Securities Yields / Interests & Dividends



Modified Duration (Yen-denominated bonds)



Unrealized Gains (Losses)



Breakdown of Gains (Losses) on Bonds

(¥ billion)

	FY08	FY09	Change
Gains (losses) on bonds	(3.8)	0.7	4.5
Gains on sale of bonds	0.9	1.0	0.1
Losses on sale of bonds	2.8	0.3	(2.5)
Amortization of bonds	1.9	0.0	(1.9)

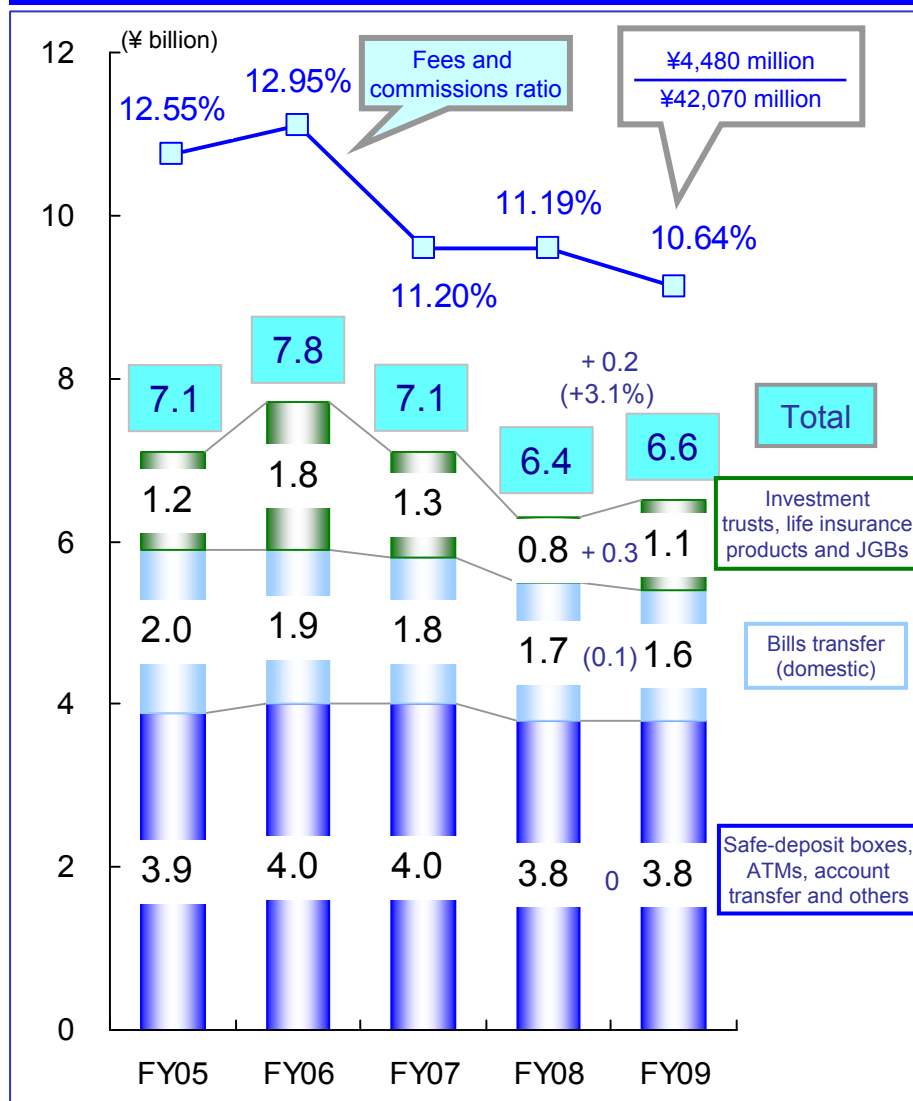
Breakdown of Gains (Losses) on Stock

(¥ billion)

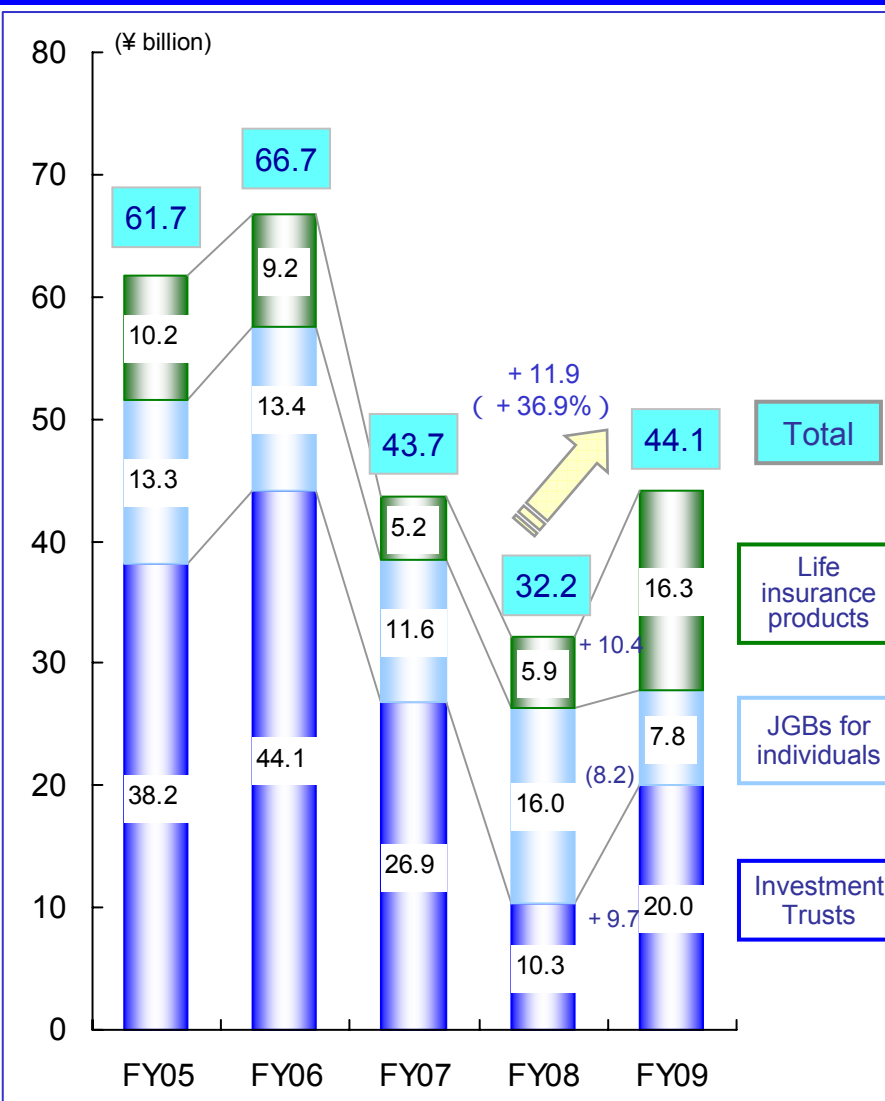
	FY08	FY09	Change
Gains (losses) on stock	(2.9)	(1.0)	1.9
Gains on sale of stock	1.3	1.1	(0.2)
Losses on sale of stock	0.3	0.0	(0.3)
Amortization of stock	3.9	2.1	(1.8)

Fees and Commissions

Fees and Commissions/Fees and Commissions Ratio



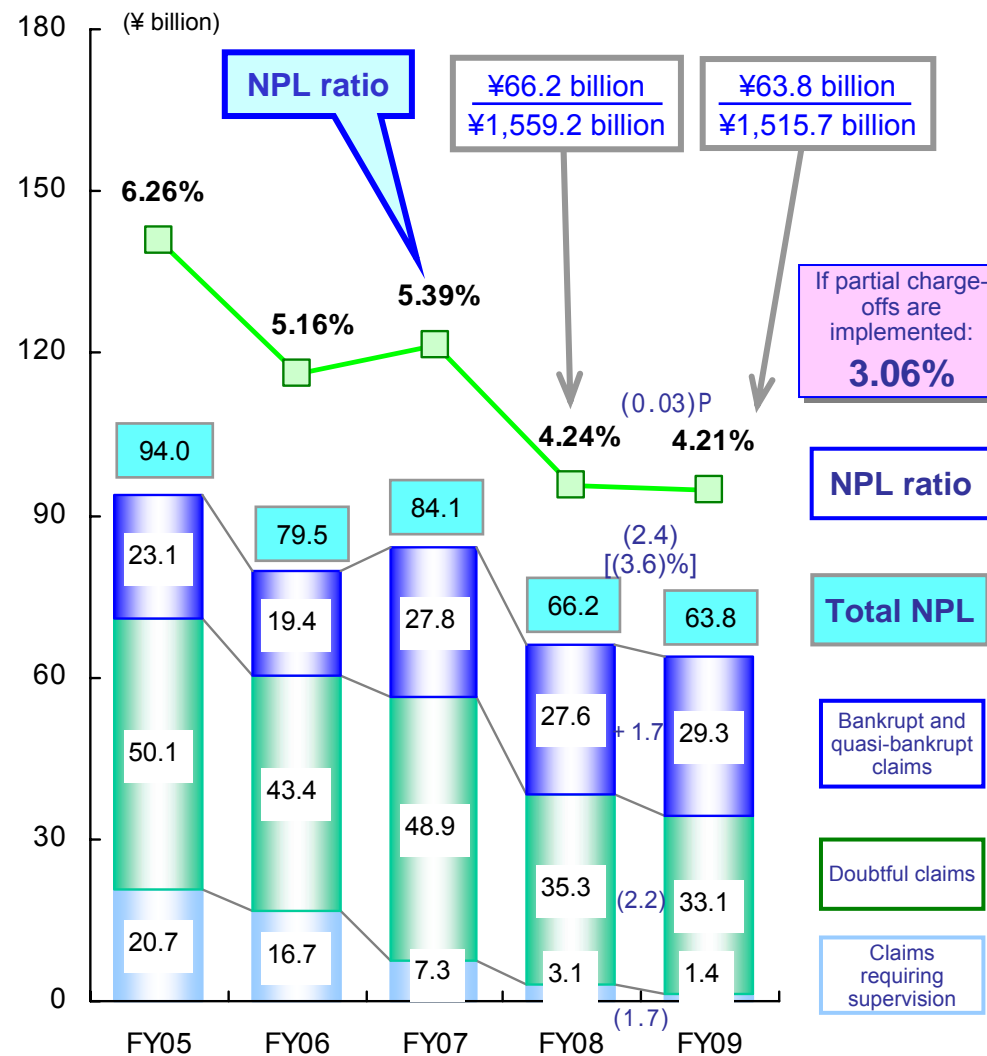
Sales for Investment Trusts, Life Insurance Products and JGBs



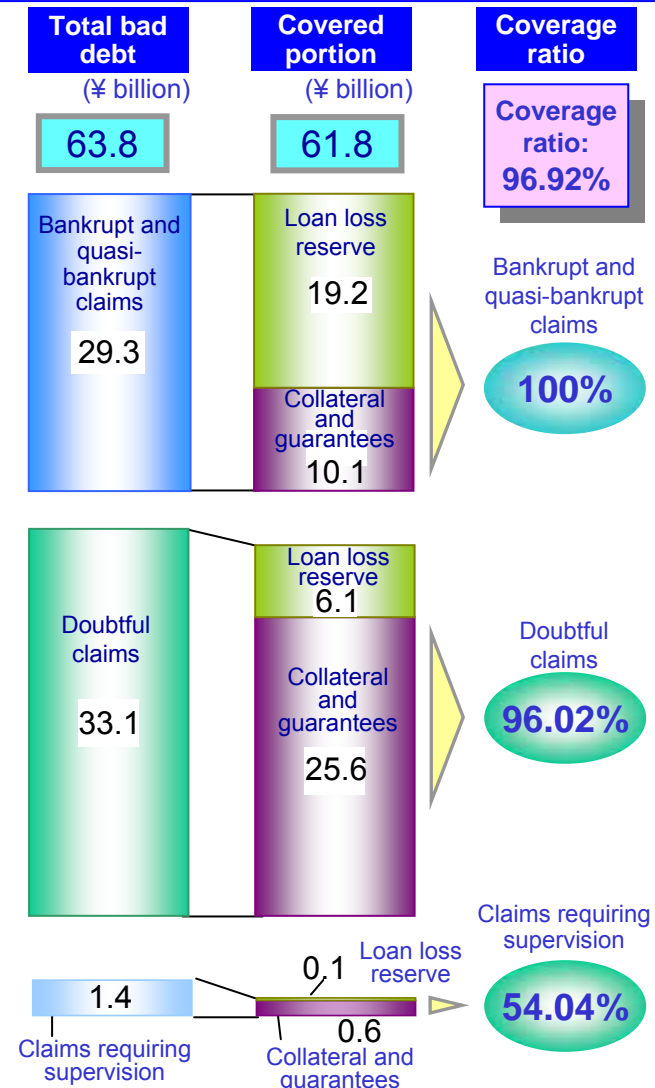
* Fees and commissions ratio = Fees and commissions / Gross banking profit

Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law

Bad Debt under the Financial Reconstruction Law

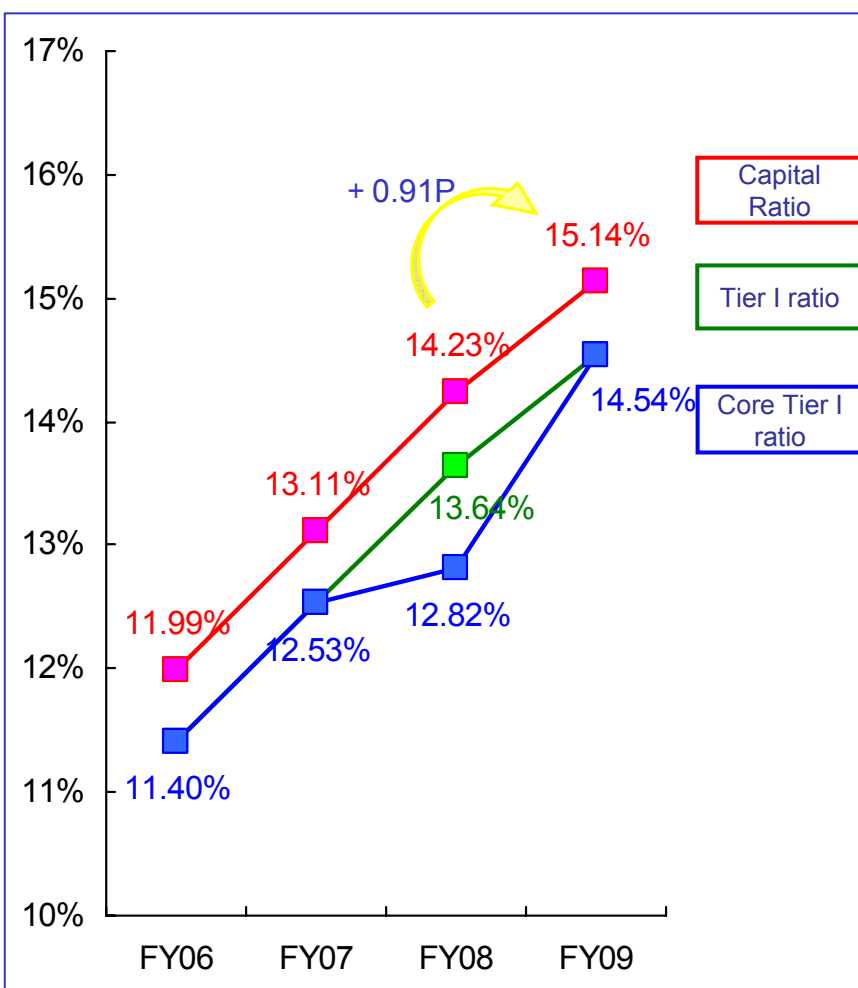


Coverage of Bad Debt under the Financial Reconstruction Law



Capital Ratio (Non-Consolidated Basis)

Capital Ratio



* Tier I: A portion of the regulatory capital, mainly consisting of common stock, capital surplus, retained earnings, preferred stock, and preferred investment certificates

Breakdown of Regulatory Capital

(¥ billion)

	FY09	Comparison with FY08
Tier I (A)	142.3	1.6
Core Tier I ratio	142.3	10.1
Net deferred tax assets	-	(8.4)
Preferred stock / preferred investment certificates	-	-
Tier II (B)	5.8	(0.3)
General provision to loan loss reserve	5.8	(0.3)
Deductions (C)	-	-
Regulatory capital (A)+(B)-(C)	148.1	1.3
Risk-weighted assets	978.2	(53.0)

Risk Calculation Methods Employed

Credit risk	Standardized Approach (SA)
Operational risk	Basel II Standardised Approach (TSA)

II Forecasts for the Current Term (FY2010)

Earnings Forecasts for the Current Term (FY2010) 山梨中央銀行

(¥ billion, %)	FY09	FY10 (forecast)	YoY change [%]
Operating income	50.8	50.0	(0.8) [(1.5)]
Gross banking profit	42.0	42.4	0.4 [0.9]
Interest income	36.6	37.3	0.7 [1.9]
Fees and commissions	4.4	4.9	0.5 [11.3]
Other operating income	0.1	0.1	0.0 [0.0]
Gross banking profit on core operations	41.2	42.4	1.2 [2.9]
JGBs and other bond transactions	0.7	-	(0.7) [(100.0)]
Expenses	28.3	30.4	2.1 [7.4]
General provision to loan loss reserve	(0.3)	0.4	0.7 [-]
Net business profit on core operations	12.9	12.0	(0.9) [(6.9)]
Non-operating losses	(8.1)	(6.2)	1.9 [-]
NPL disposal amount	7.2	4.9	(2.3) [(31.9)]
Equity share and similar transactions	(1.0)	(0.6)	0.4 [-]
Ordinary profits	5.8	5.3	(0.5) [(8.6)]
Net income	2.7	3.3	0.6 [22.2]

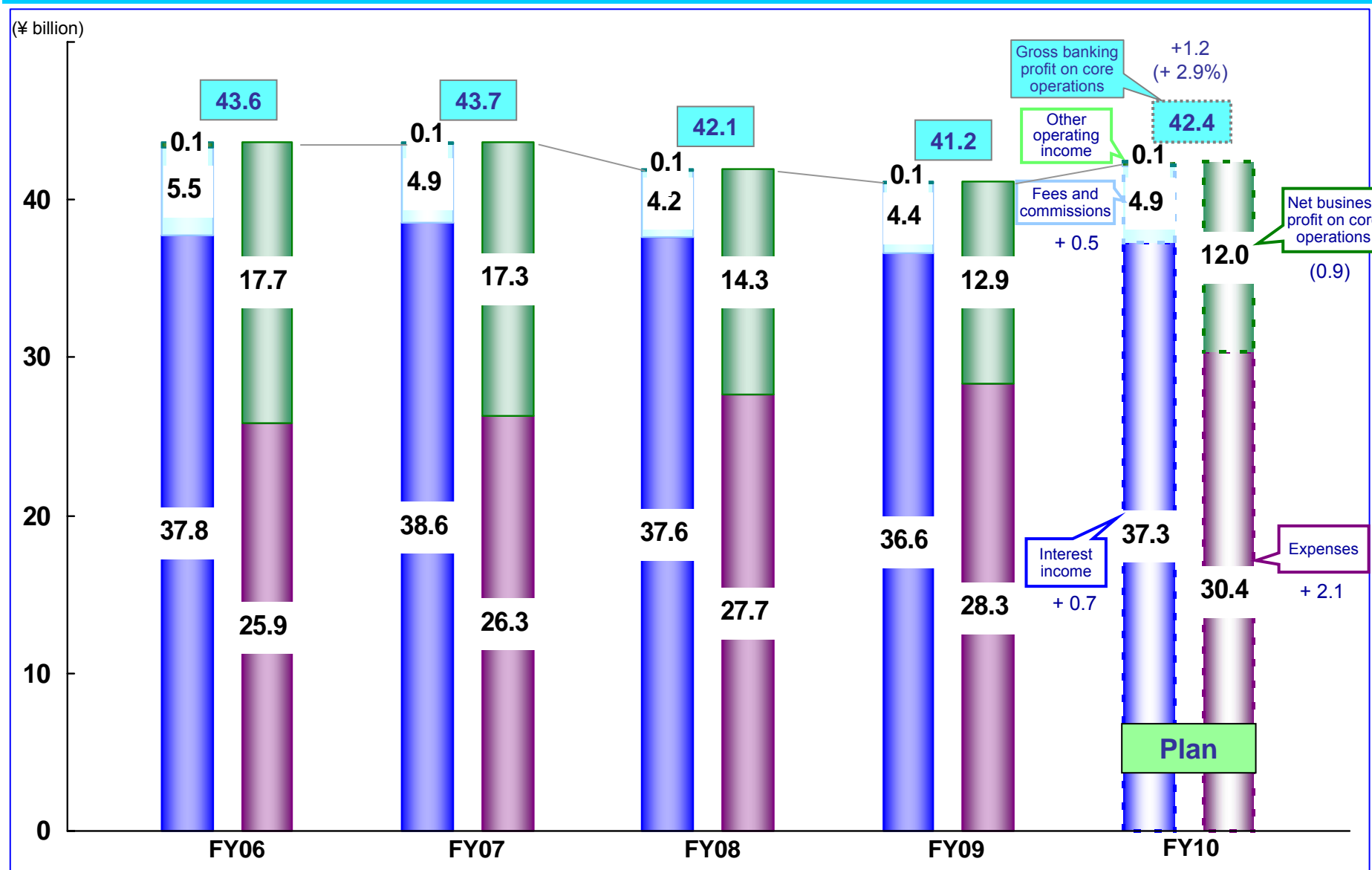
Dividends		FY08	FY09 (plan)	FY10 (plan)
	Dividend per share (annual)	¥6.00	¥6.00	¥6.00
	End of FY09	End of FY10 (estimate)		
	Nikkei Stock Average	¥11,089	¥10,000	

(¥ billion, %)	FY2010 (forecast)	YoY change [%]	Balance	Yield
Fund operations	39.9	(0.7) [(1.7)]	0.7	(1.4)
Interest on loans	27.5	(0.5) [(1.7)]	0.6	(1.1)
Interest on securities	12.2	(0.1) [(0.8)]	0.6	(0.7)
Call loan, etc.	0.1	(0.1) [(50.0)]	0.0	(0.1)
Fund procurement	2.6	(1.3) [(33.3)]	0.0	(1.3)
Interest on deposits	2.4	(1.3) [(35.1)]	0.0	(1.3)
Call money, etc.	0.1	(0.1) [(50.0)]	0.0	(0.1)
Interest income	37.3	0.7 [1.9]	—	—

(¥ billion)	FY2010 (forecast)	YoY change
Revenues	7.1	0.5
Investment trusts	0.9	0.3
JGBs held by individuals	0.05	0.01
Life insurance	0.7	0.2
Others	5.4	0.0
Cost	2.2	0.1
Fees and commissions	4.9	0.5

(¥ billion)	FY2010 (forecast)	YoY change
Personnel	17.0	2.2
Premises and equipment	11.9	(0.2)
Taxes	1.3	0.0
Expenses	30.4	2.1

Gross Banking / Net Business Profit on Core Operations (Trends and Forecasts)

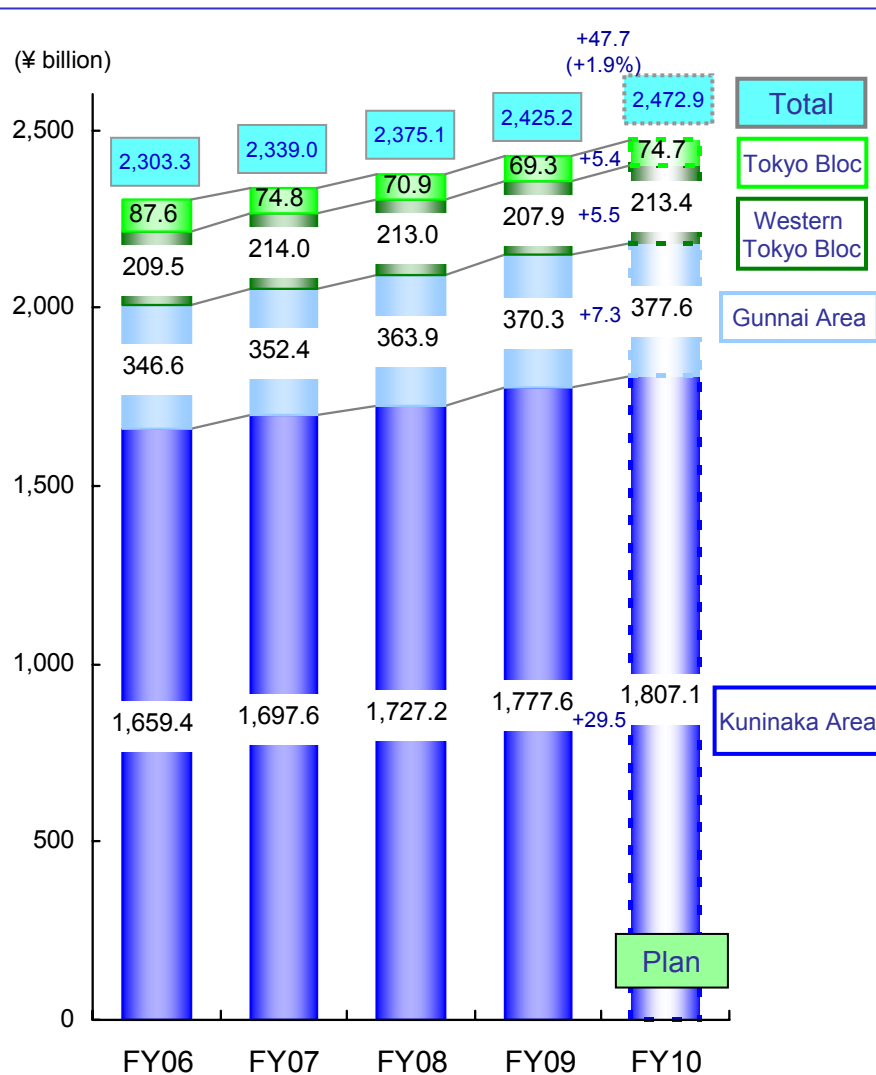


* Gross banking profit on core operations = Gross banking profit after deduction of bond transactions (primarily JGBs)

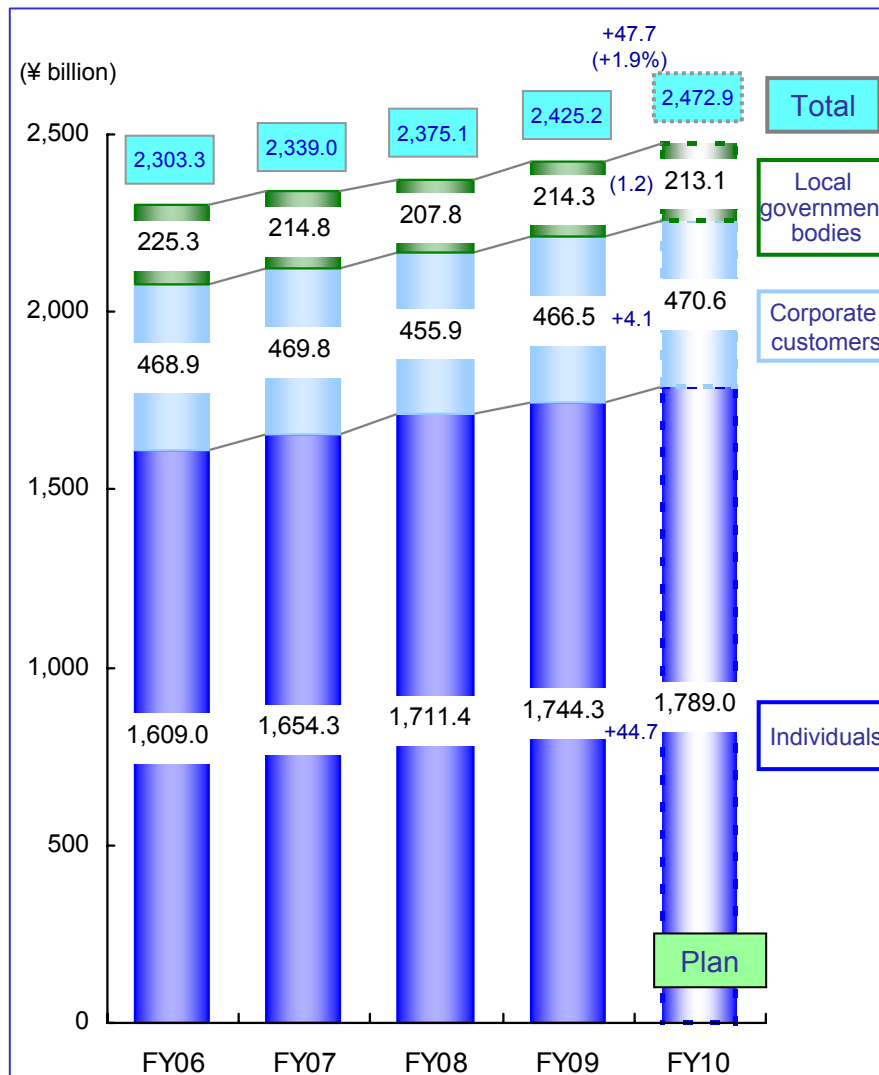
* Net business profit on core operations = Gross banking profit on core operations – Operating expenses

Plan for Deposits

Average Deposit Balance

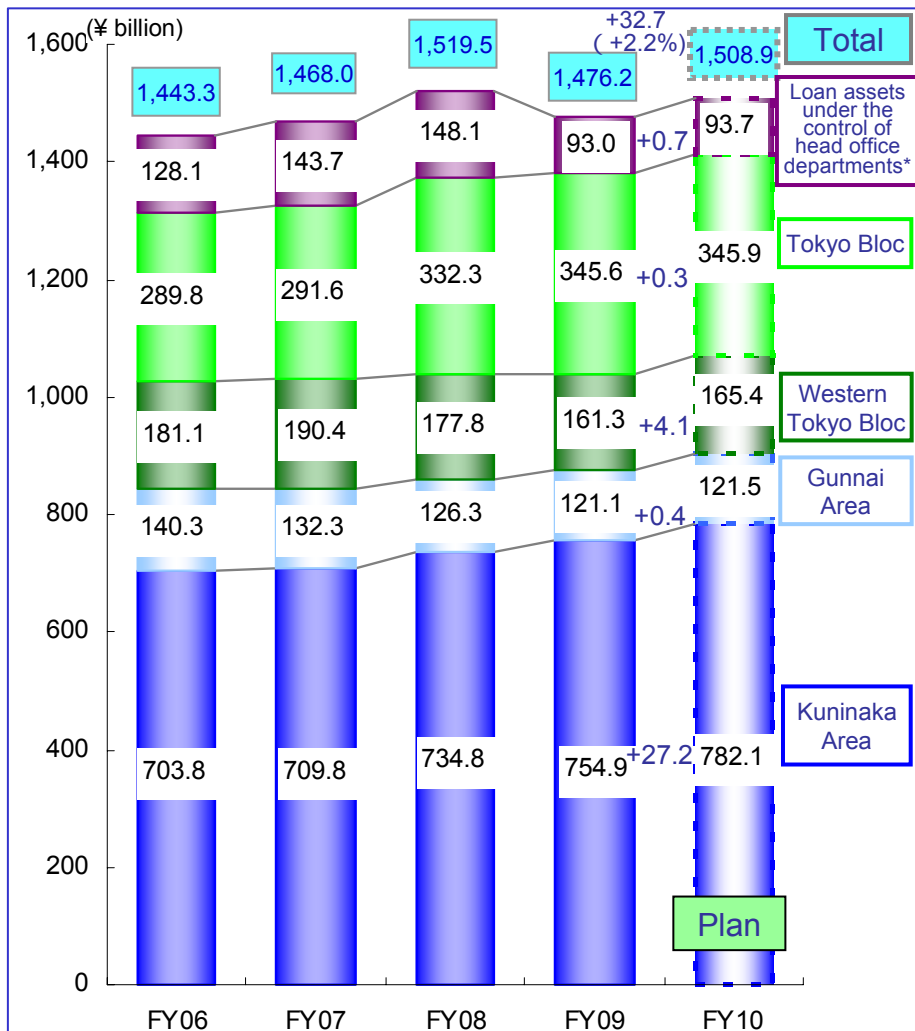


Balance by Customer Segment (average balance)

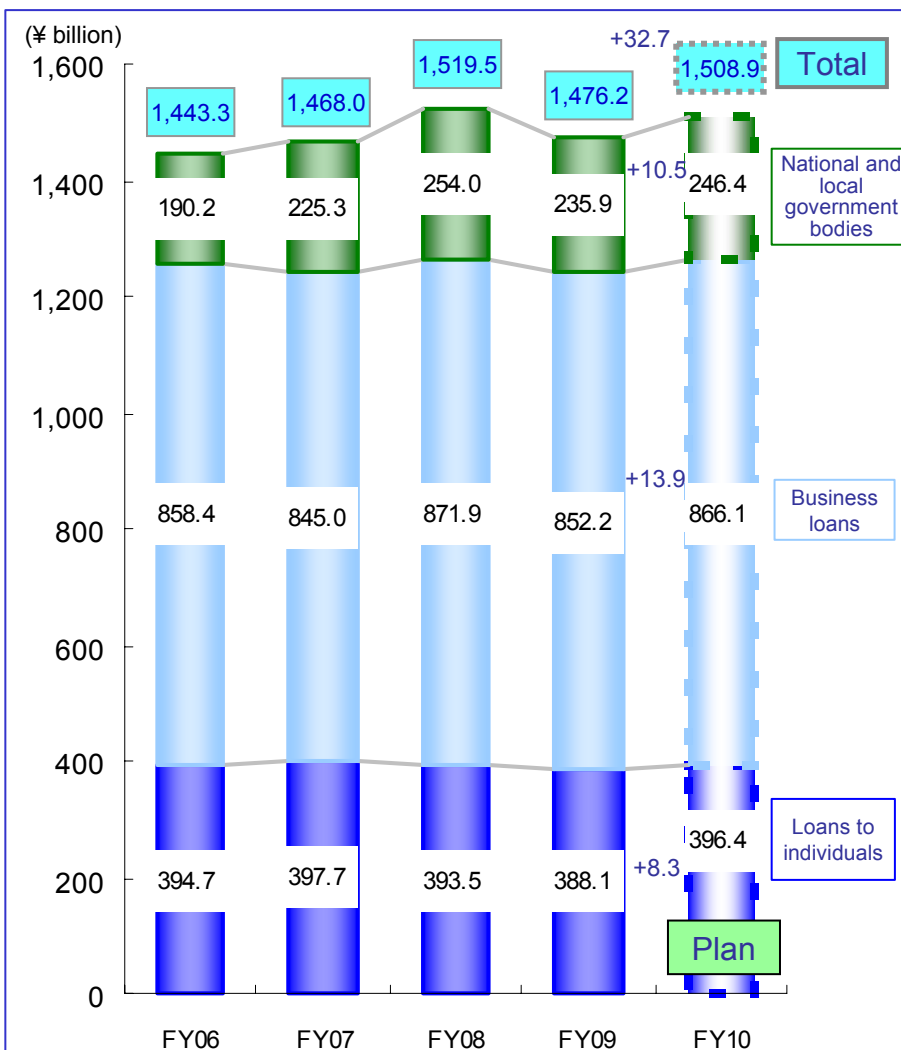


Plan for Loans

Average Loan Balance



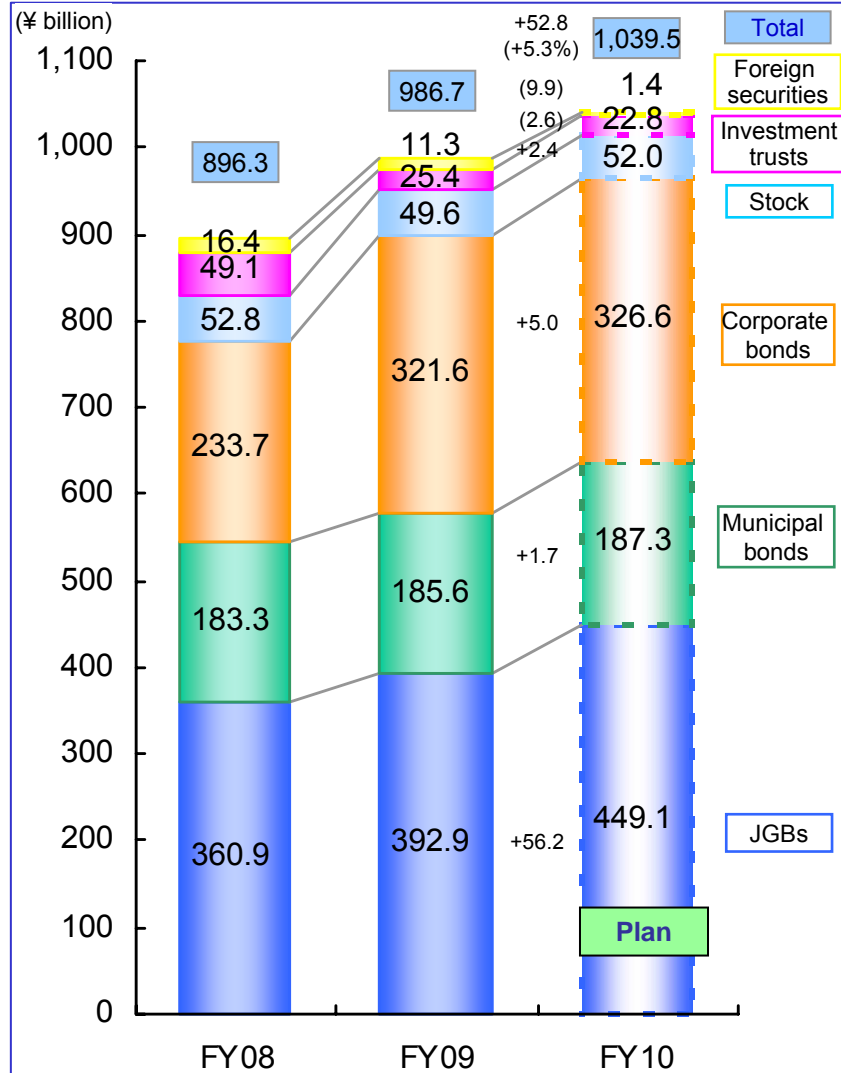
Balance by Customer Segment (average balance)



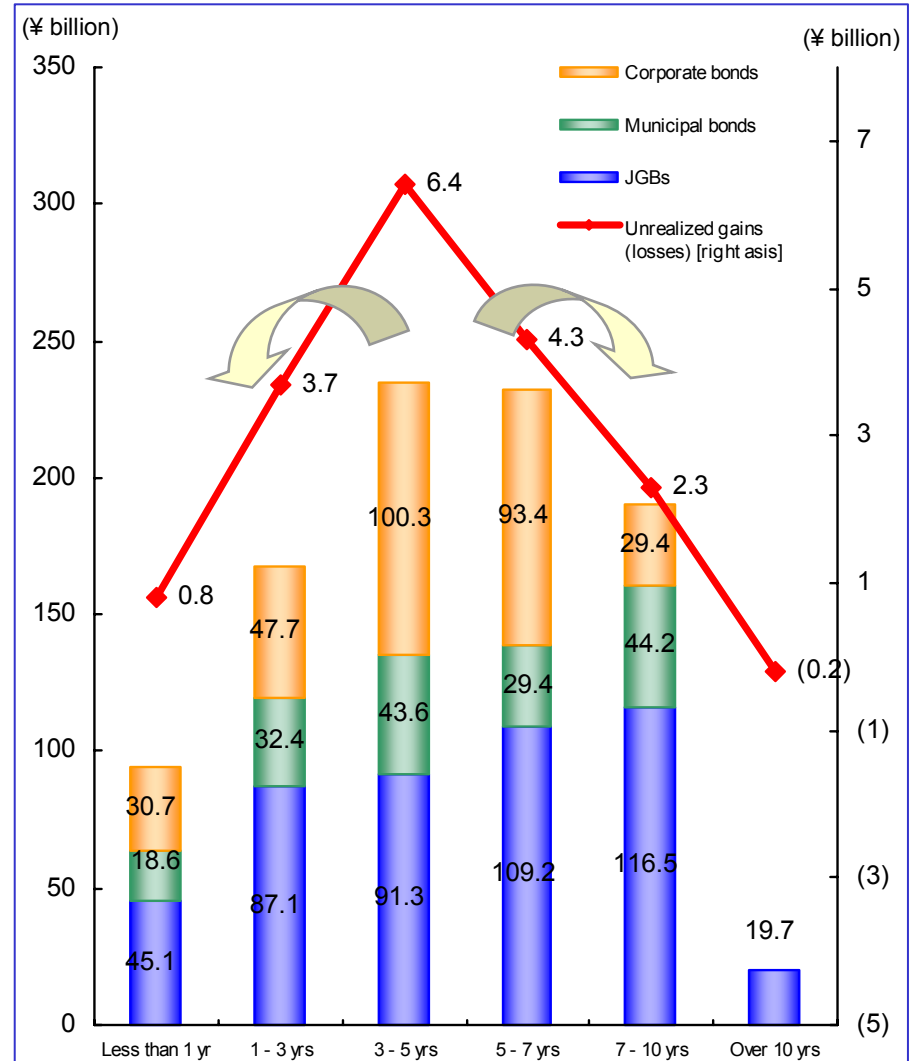
*Note: Loan assets under the control of head office departments refers to loans to the Ministry of Finance, loans made under loan participation agreements and financial receivables transferred from other industries.

Plan for Investment in Marketable Securities

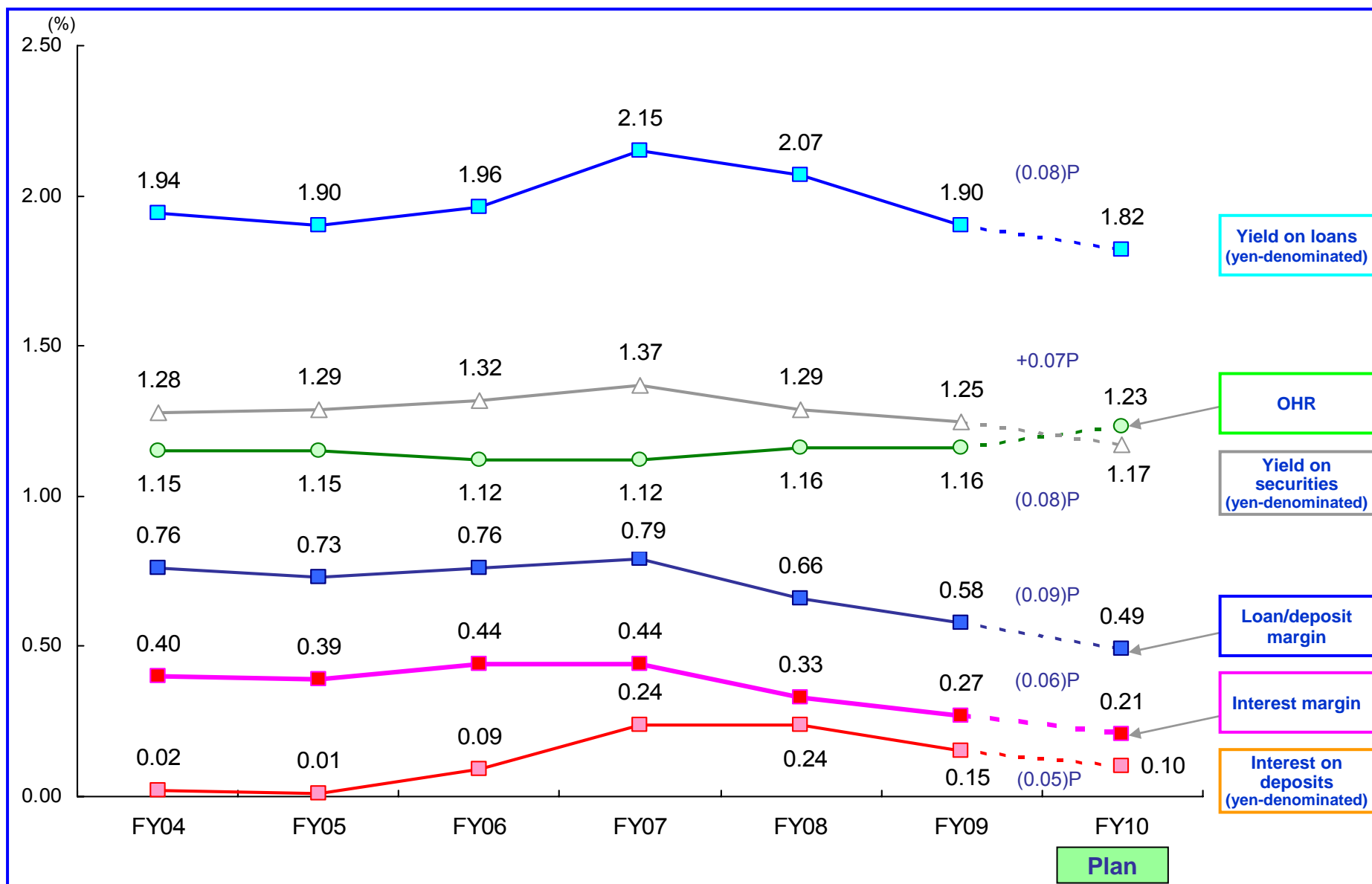
Average Balance of Securities



Yen Bonds Balance by Maturity / Unrealized Gains (Losses)

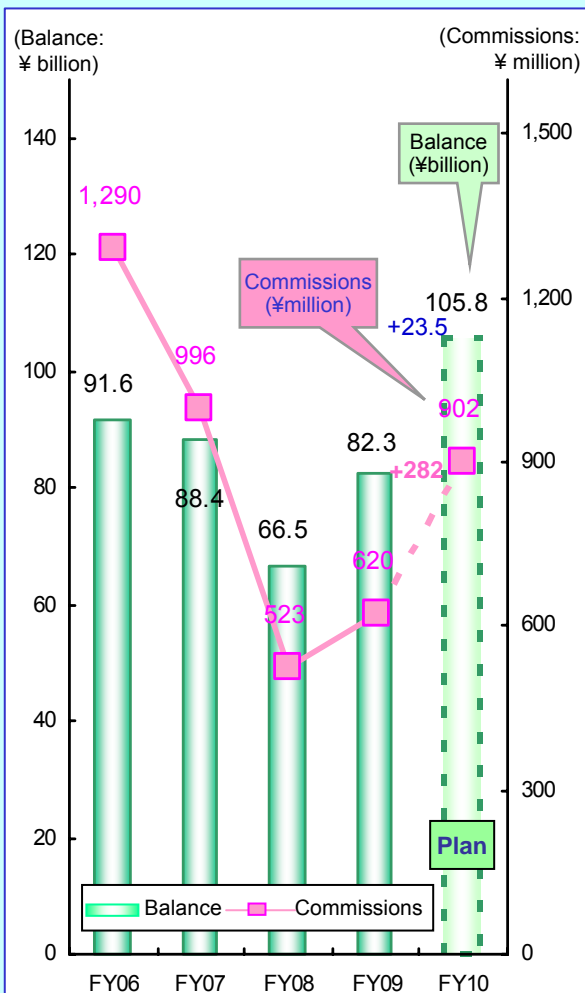


Yields & Interest Margins (Trends and Forecasts)

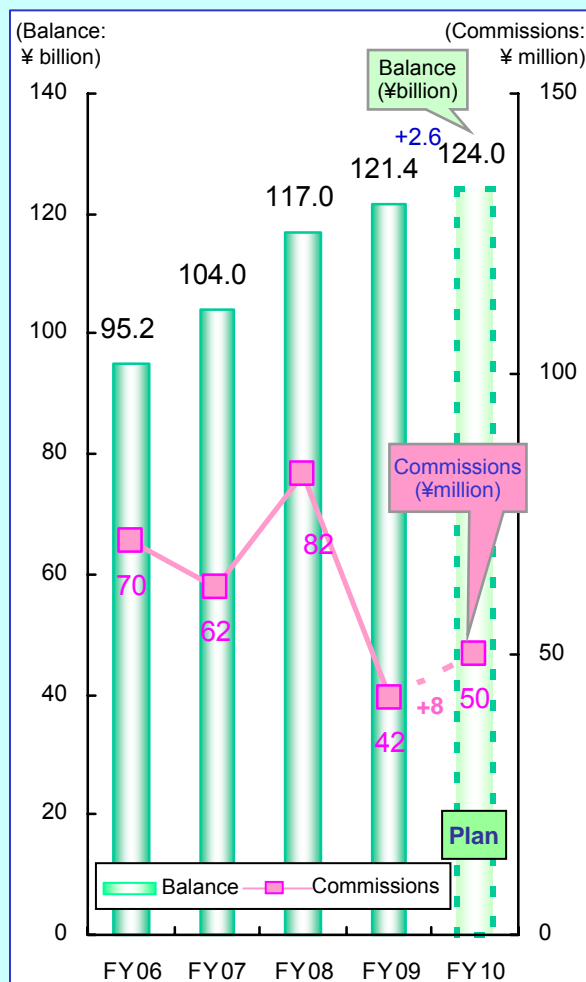


Financial Products Sales Plan

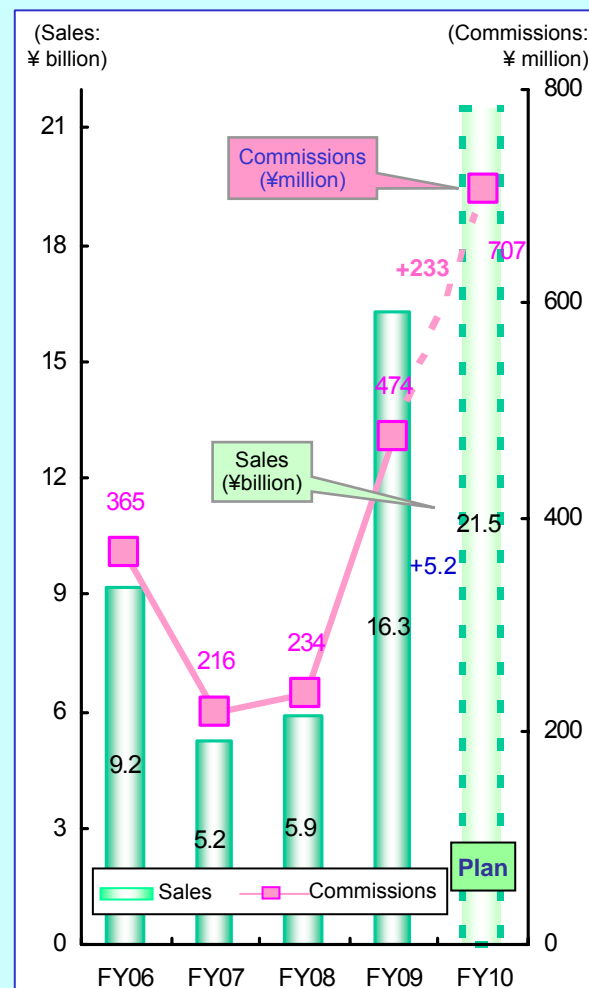
Balance and commissions on investment trusts



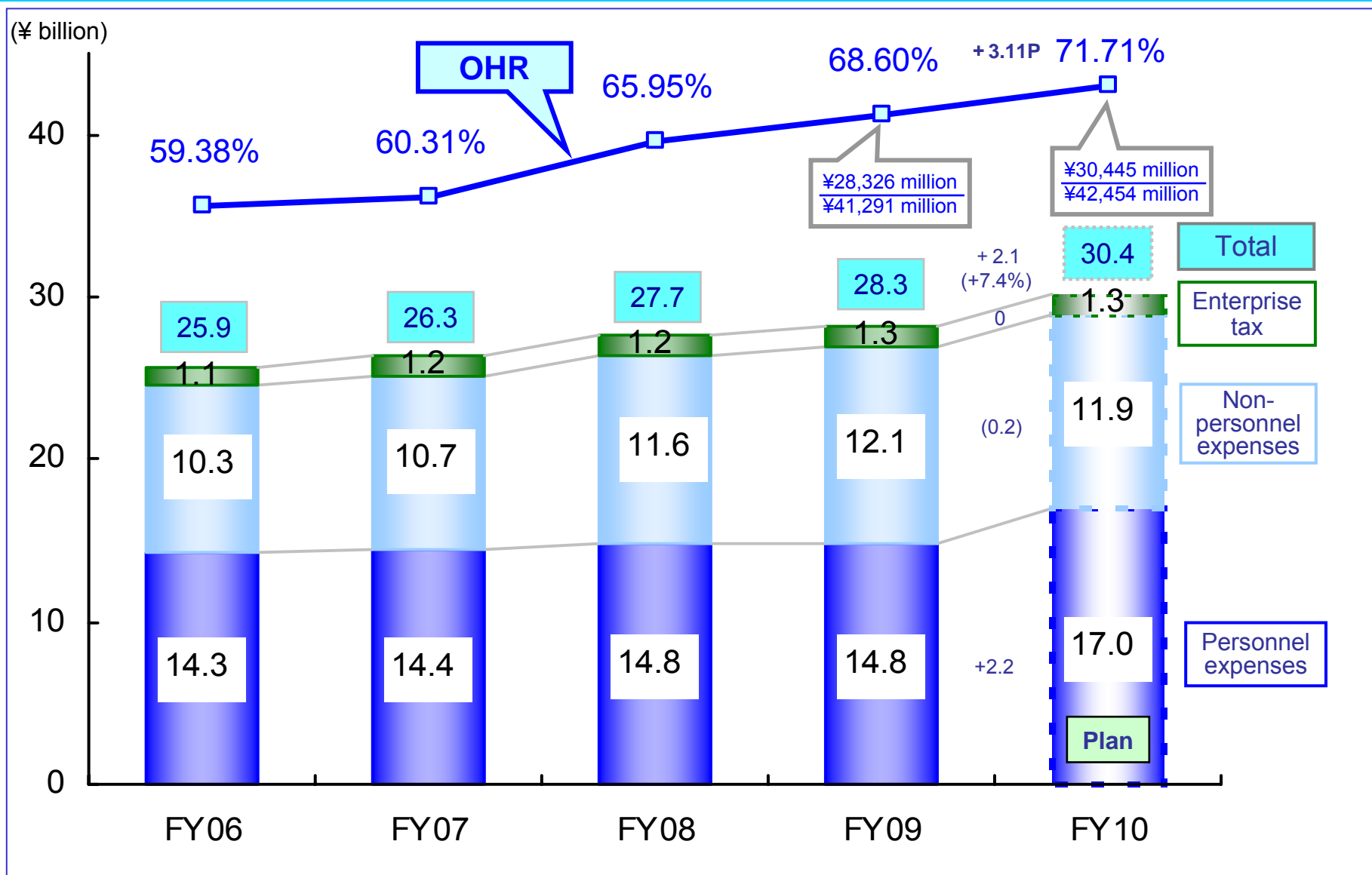
Balance and commissions on JGBs held by individuals



Life insurance sales and commissions



Operating Expenses and OHR (Trends and Forecasts)



* OHR= Operating expenses / Gross banking profit on core operations

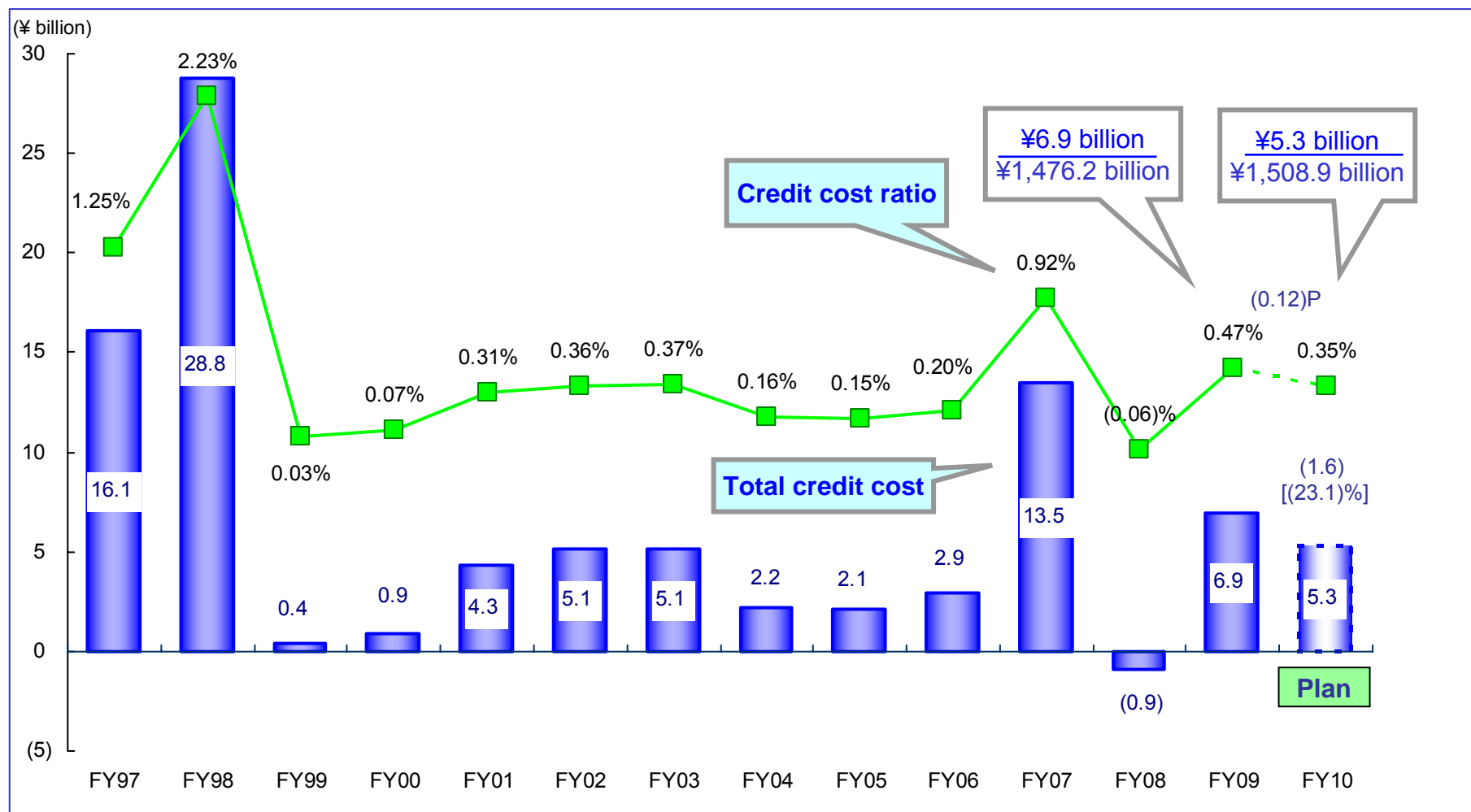
Gross banking profit on core operations = Gross banking profit - Bond transaction profit/loss (primarily JGBs)

Credit Cost (Trends and Forecasts)

Total Credit Cost / Credit Cost Ratio

Credit cost ratio = Total credit cost / Average loan balance

Total credit cost = General provision to loan loss reserve + Provisions to specific loan loss reserve + Loans written-off + Loss on sale of claims + Others



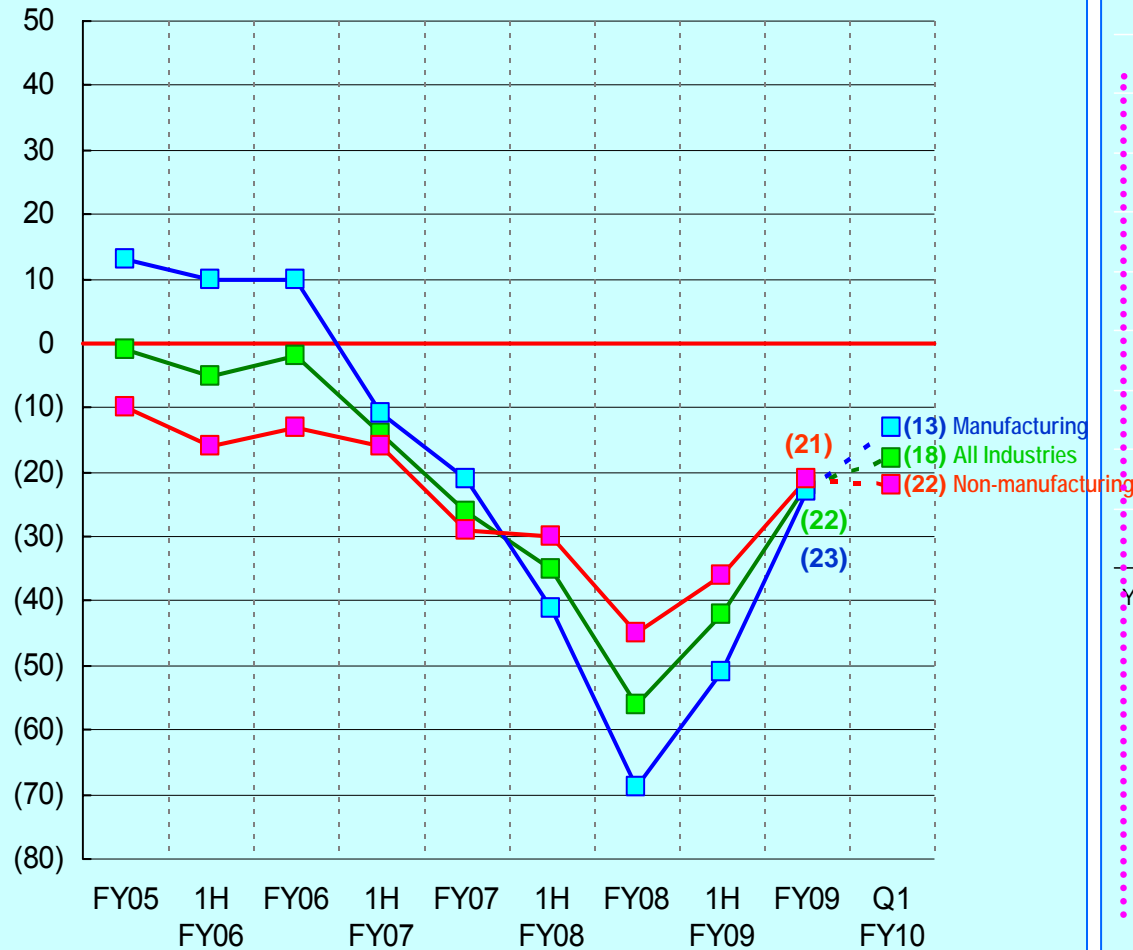
III Economic Trends in Yamanashi Prefecture

Economies in Yamanashi Prefecture

1) Gross Production by Economic Activity and Business Trends



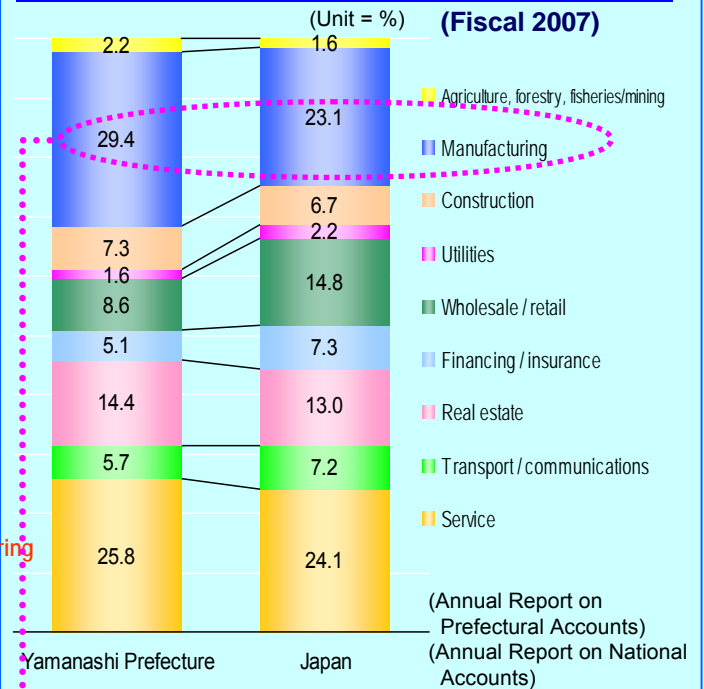
Diffusion Index for Yamanashi Prefecture (BOJ's Tankan Survey)



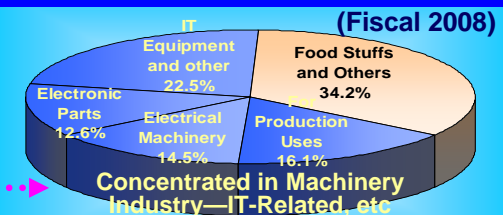
(Bank of Japan Kofu Branch)



Gross Production by Economic Activity (Industrial Sector =100)



Percentage of Shipments of Products Manufactured in Yamanashi Prefecture



Economies in Yamanashi Prefecture

2) Leading Industries and Creation of New Industries

Changes in Yamanashi Prefecture's Leading Industries

	National Ranking of Manufactured Products Shipped	Leading Industry
1950	40th	Textile
1970	40th	Textile
1990	33th	Electrical Machinery
2008	33th	Machinery for Production Uses

(Yamanashi Prefecture – Census of Manufacturers)

Items Produced in Yamanashi Prefecture Ranked High Nationally (2007)

Item	Shipments (¥bn)	Market share in Japan	Rank
Fruit liquor (wine, etc.)	14.7	28.9%	1
Precious metals/jewelry	39.9	29.5%	1
Wafer processing (electric circuit formation) equipment	168.9	18.5%	1
Mineral water	19.9	22.2%	1
Other industrial robots	52.5	13.8%	2
Flat panel display manufacturing equipment	64.9	9.1%	3
Semiconductor manufacturing equipment components	34.0	5.8%	3

(Ministry of Economy, Trade and Industry – Census of Manufacturers Report by Commodity 2007)

Creation of New Industries

“Yamanashi Conference for the Promotion of Widespread Fuel Cell Use”

Participation by 30 groups from within and outside the prefecture, including universities and leading automakers

University of Yamanashi

- World-leading basic research aimed at realizing fuel cell usage
- Project budget of ¥7 billion
- World-class testing equipment

Auto Industry Trends

- Toyota, Nissan, Honda Participated in a project to test fuel cell vehicles
- Toyota Plans to commercialize fuel cell vehicles by 2015

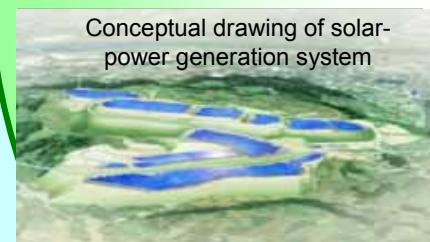
Fuel Cell Nanomaterials Center at University of Yamanashi



Fuel Cells

Clean Energy Development

Conceptual drawing of solar-power generation system



• Among the largest solar-power generating facility in Japan's inland area

- Begins operation in January 2012
- Max. output: Approx. 10,000kW
- Approx. 12,000,000kW/year
- Joint project of Yamanashi Prefecture and Tokyo Electric Power Company

Solar-Power Generation

• Photovoltaic (PV) power generation system tests (Hokuto City)

- Commissioned by NEDO (New Energy Development Organization)

• Development of mass-production capabilities for thin-film solar cells

- Tokyo Electron and Sharp

Economies in Yamanashi Prefecture

3) Preparations for High-Speed Transportation Network

Maglev Chuo Shinkansen Line

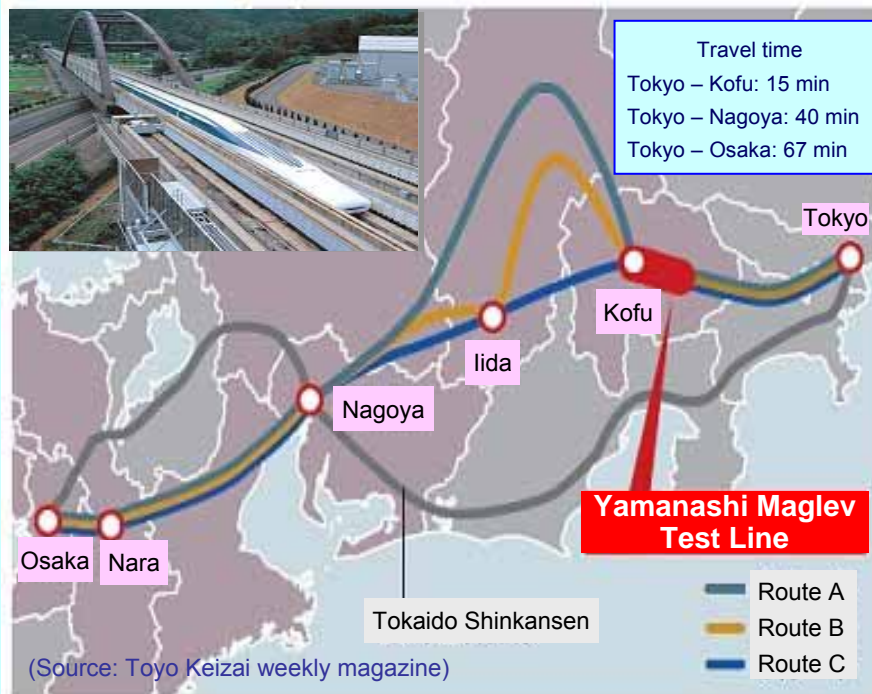
○ Maglev Chuo Shinkansen Line

- Operational launch planned for 2027
- Economic impact if maglev station is opened within the prefecture (Yamanashi Prefecture estimate)
 - An increase of ¥14.6 billion in annual production for the prefecture's industrial sector
 - An increase in passenger traffic of 20,000 people per day

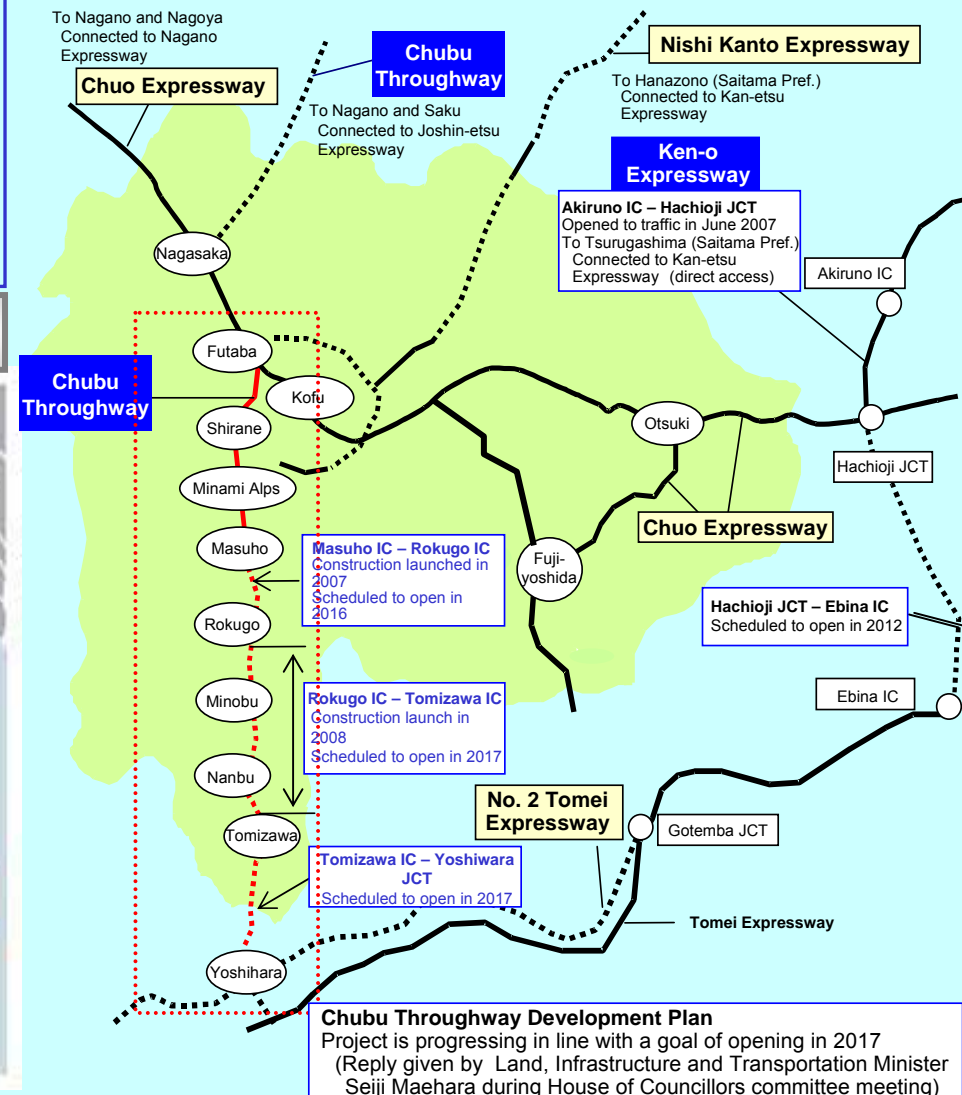
○ Maglev Test Line: Line extension work

- Scheduled for completion in 2013

Map of Maglev Chuo Shinkansen Line Route



Chubu Thoroughway



IV Medium-Term Management Plan (Future Creation Plan 2013)

Previous Medium-Term Management Plan 'Evolution 2010' (Results and Challenges)

Fixed Targets and Results

(¥ billion)

Item	Plan Targets	FY07	FY08	FY09
Net business profit on core operations	Over 18.5	17.3	14.3	12.9
Average loan balance	1,580	1,468	1,519.5	1,476.2
Average deposit balance	2,380	2,339	2,375.1	2,425.2
Fees and commissions	8.2	7.1	6.4	6.6
OHR *1	50% range	60.31%	65.95%	68.60%
ROA *2	0.7% or above	0.68%	0.55%	0.49%
ROE *3	6.0% or above	3.29%	4.20%	1.88%
Capital ratio (Domestic standard)	10.5% or above	13.11%	14.23%	15.14%
NPL ratio	4% range	5.39%	4.24%	4.21%

Premise of economic conditions for the previous medium-term plan

- Economic growth remains stable but slow
- Market interest rates slowly rising

'Evolution 2010'

(Principal Goal)

Continuously develop and expand financial services so as to earn the trust of our customers

(Basic Strategy)

Retail banking solutions strategy
Corporate banking solutions strategy
Regional solution strategy

Western Tokyo Strategy / Gunnai Area Strategy

(Measures for Expanding Customer Base)

More marketing channels
Greater focus on customer satisfaction
Strengthening dealing capability
Stronger internal control system
Nurturing skilled human resources

Changes in the External Environment

- Dramatic changes in the financing economic environment
- Changes in the rivalry between mega banks and the Japan Post Bank
- Progression of decreasing population / aging society
- Decrease in the number of businesses operating within the prefecture
- Increasing environmental awareness, requests for social contributions

(Results)

- Created new business promotion systems
- Enhanced business solutions
- Increased number of corporate customers in Western Tokyo Bloc
- Progress made in the development of internal control system

(Challenges)

- Increasing interest on loans, fees and commissions
- Shifting management resources to front line operations through improved efficiency
- Revitalization of prefectural economy
- Encouraging broader service use in Western Tokyo Bloc and Gunnai Area
- Initiatives for smoother financing operations

New Medium-term management Plan

*1 OHR=Operating expenses / Gross banking profit on core operations

*2 ROA=Net business profit on core operations / Total assets (average balance)

*3 ROE=Net Income / Net Assets (average balance)

Medium-Term Management Plan 'Future Creation Plan 2013'



Our Mission: Region-Based Operations and Sound Management

Management Vision

Creating a prosperous future together with the local community through the provision of high-quality financial services

Local communities

A bank that contributes to the continuous development of local communities

Customers

A bank that is trusted and supported by its customers

Shareholders

A bank that is both highly sound and has a low-cost, high-profit structure

Employees

A vibrant bank that is a rewarding place to work

Basic Strategies

Strengthen marketing capabilities

- (1) Strategies for encouraging broader service use by individuals
- (2) Strategies for encouraging broader service use by corporate customers
- (3) Area strategies tailored to local features

- (4) Marketing channel strategies

Emphasis on customer satisfaction and solutions

Strengthen the management base

- (1) Increase capabilities in fund operations
- (2) Reform administrative processes at retail branches
- (3) Build a more efficient system for administrative operations
- (4) Develop personnel training programs and invigorate the organization as a whole
- (5) Expand the internal controls system

Contribute to the local community and the region

- (1) Measures to stimulate the local economy
- (2) Initiatives for contributing to the local community
- (3) Initiatives for environmental protection

- Initiatives for promoting community-based financing
- Initiatives for smoother financing operations

Compliance

Protection of customer information

Code of Conduct: 'Gratitude and Humility' 'Confidence and Pride' 'Honesty and Sincerity' 'Effort and Endeavor' 'Trust and Affection'

Plan Duration

April 2010 - March 2013 (3 years)

Bank Strengths

- High capital ratio
- Strong retail banking network within Yamanashi Prefecture
- Strong market share within Yamanashi Prefecture
- Enhanced retail banking operation in Western Tokyo Bloc

Challenges

- ☆ Increasing gross banking profit on core operations
 - Loans to SMEs
 - Personal loans
 - Fees and commissions
- ☆ Increasing fund operations capabilities
- ☆ Realizing a low cost structure
- ☆ Expanding internal control systems
- ☆ Regional revitalization from a longer-term perspective

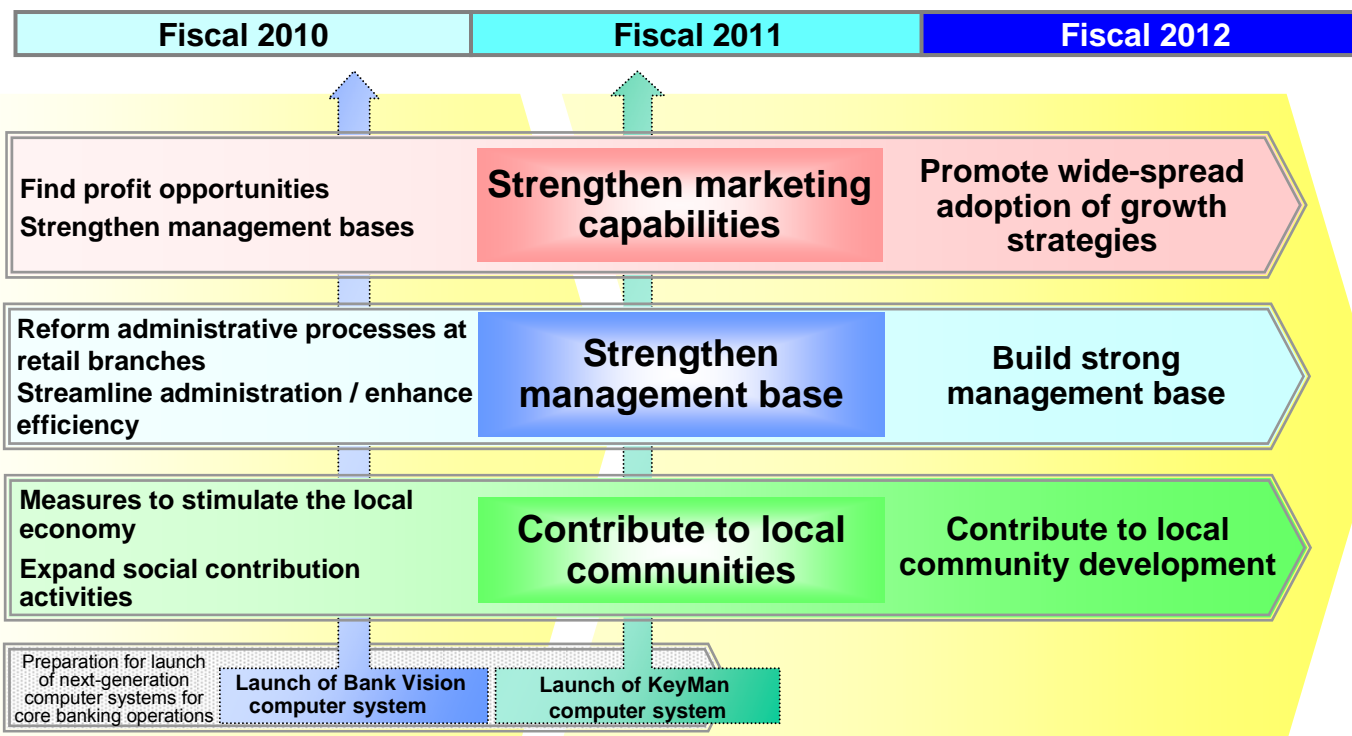
‘Kutsu kutsu shin*’ (Growth after great patience)

* Kutsu kutsu shin: This phrase was created by the late Go Master Shuko Fujisawa, literally meaning “Endure, endure, grow.”

Secure foothold in first stage

Up-front investment to prepare for action later

Realize huge growth in second stage



Creating a prosperous future together with the local community through the provision of high-quality financial services

Quantitative Targets

(¥ billion)

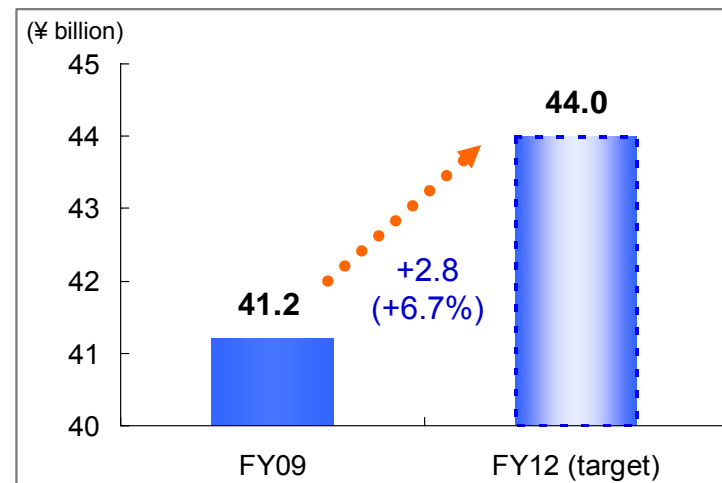
Item	Medium-Term Management Plan targets (FY12)	
Gross banking profit on core operations	44.0 or above	(up 2.8)
Net business profit on core operations	14.5 or above	(up 1.6)
Average loan balance	1,570	(up 93.8)
Average deposit balance	2,600	(up 174.8)
OHR	67% or under	
ROA	0.5% or above	
ROE	3.3% or above	
Capital ratio (domestic standard)	14% range	
NPL ratio	3% range	

Premise of business environment or formulating medium-term management plan

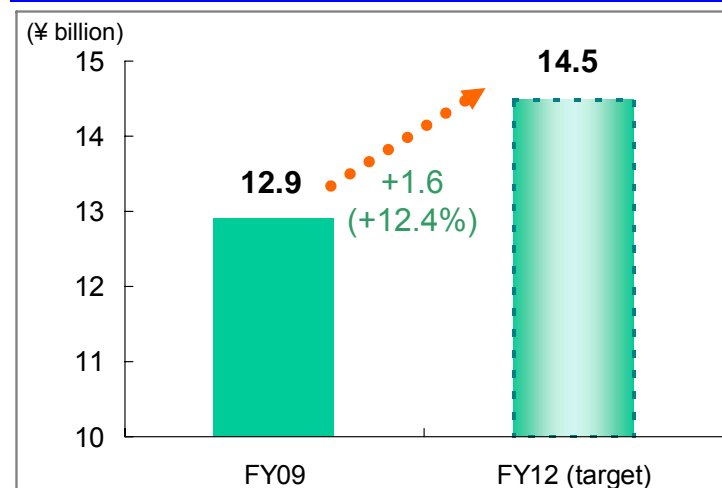
- Economy is growing slowly
- Current interest-rate levels will continue

* Figures in parentheses are comparisons with FY09 (year ended March 31, 2010).

Gross banking profit on core operations



Net business profit on core operations



Strengthen Marketing Capabilities

1) Strategies for Encouraging Broader Service Use by Individuals

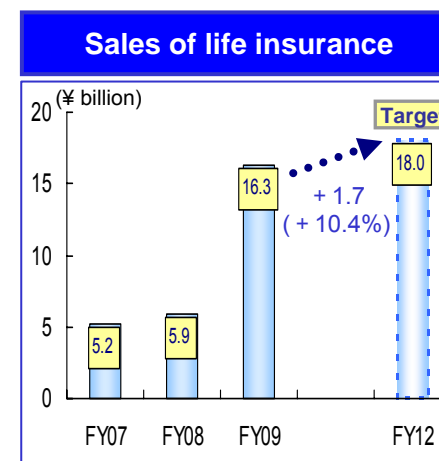
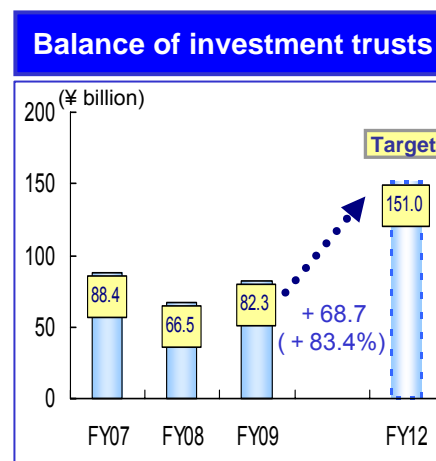
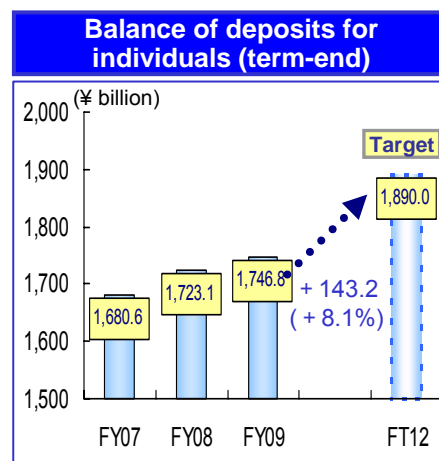
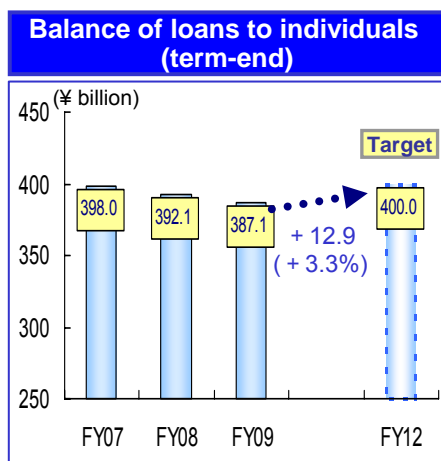
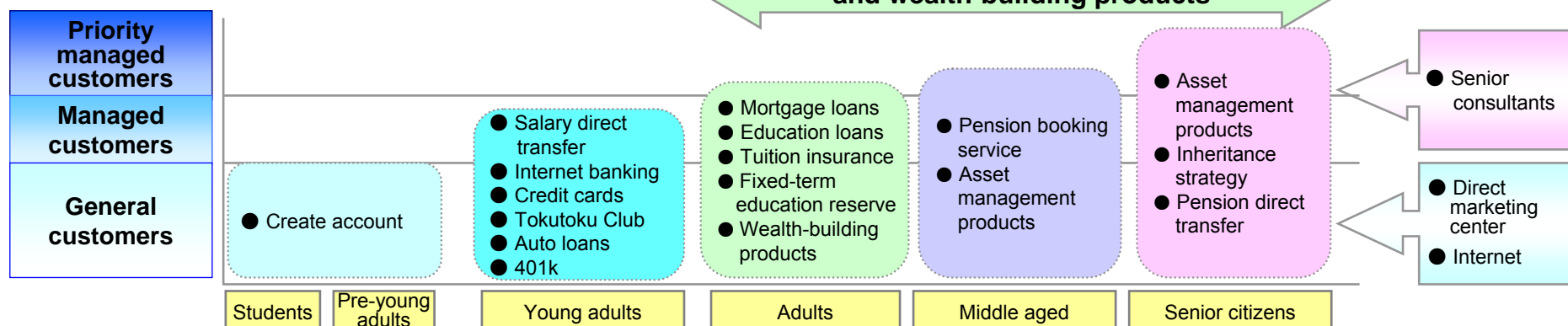
Individual segment strategy

Most important themes

Increasing customers who select
Yamanashi Chuo Bank as their main bank

Further marketing of
personal loans

Stronger marketing of asset management
and wealth-building products

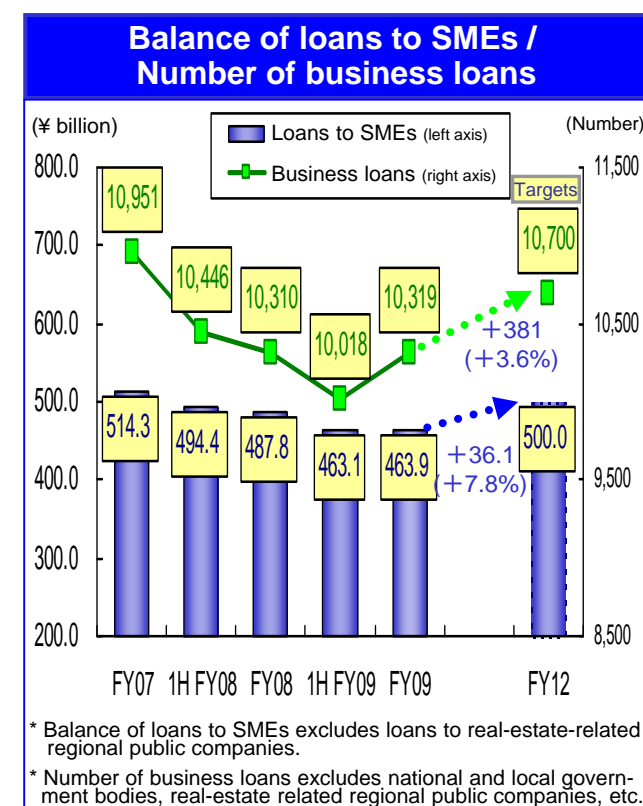


Strengthen Marketing Capabilities

2) Strategies for Encouraging Broader Service Use by Corporate Customers



- Increase transactions of corporate customers (make Yamanashi Chuo Bank as their main bank)
- Increase number of customers and loan/deposit balance



Strengthen Marketing Capabilities

3) Area Strategies Tailored to Local Features

Kuninaka Area

While promoting business efficiency, increase number of leading companies that select Yamanashi Chuo Bank as their main bank

- Mature markets
- High market share

Western Tokyo Area

Enhance marketing activities as the Bank's growth focus, through aggressive investment of management resources and efficient management

- ✧ Aggressively develop new sales bases
- ✧ Rebuild sales promotion system for each branch, etc.

* Western Tokyo Area: Ogikubo Branch (Suginami-ku) and to the west

- High market growth potential
- Substantial room for market share growth

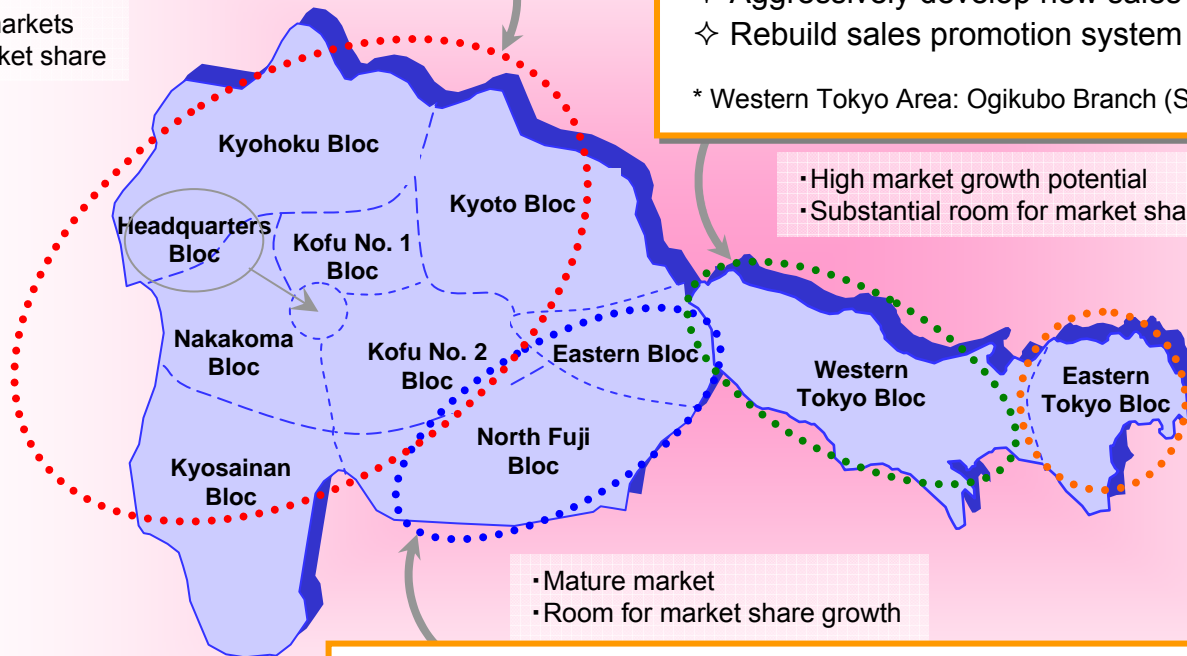
Tokyo Area

- Strengthen fund management by attracting new customers
- Develop ties with companies outside Yamanashi Prefecture that conduct business with local companies

Gunnai Area

Raise market share and increase number of customers who use Yamanashi Chuo Bank as their main bank through prioritized investment of management resources

- ✧ Win blue-chip customers from other banks by leveraging solutions tools and the Bank's network
- ✧ Build up mortgage loans through stronger policies for contractors
- ✧ Strengthen promotional system by reorganizing and launching project teams within the blocs



Strengthen Marketing Capabilities

3) Area Strategies Tailored to Local Features - Western Tokyo Area's Retail Branch Network



Branches in Tokyo: 15

of which branches in Western Tokyo Bloc: 13

Most branches have engaged operations for 30 to 40 years.
They are well established in local communities.

Western Tokyo market data (cities in western part of Tokyo, Nishitama District and Suginami-ku)

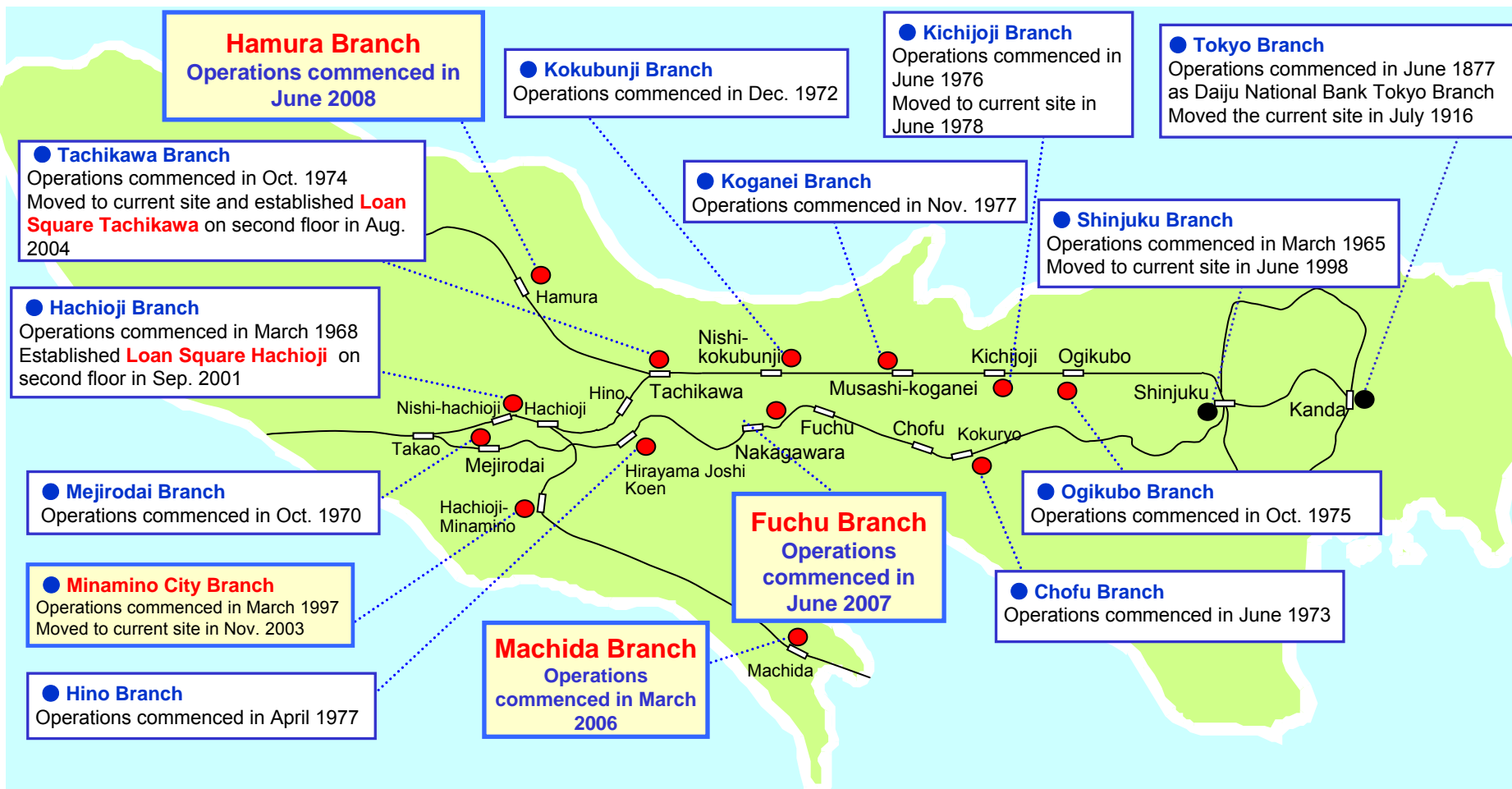
Population: Approx. 4,670,000

Value of manufactured good shipments: Approx. ¥5,617.9 bn

Households: Approx. 2,130,000 Housing starts: Approx. 42,000

Offices, factories and shops: Approx. 147,000

Annual product sales: Approx. ¥8,725.0 bn

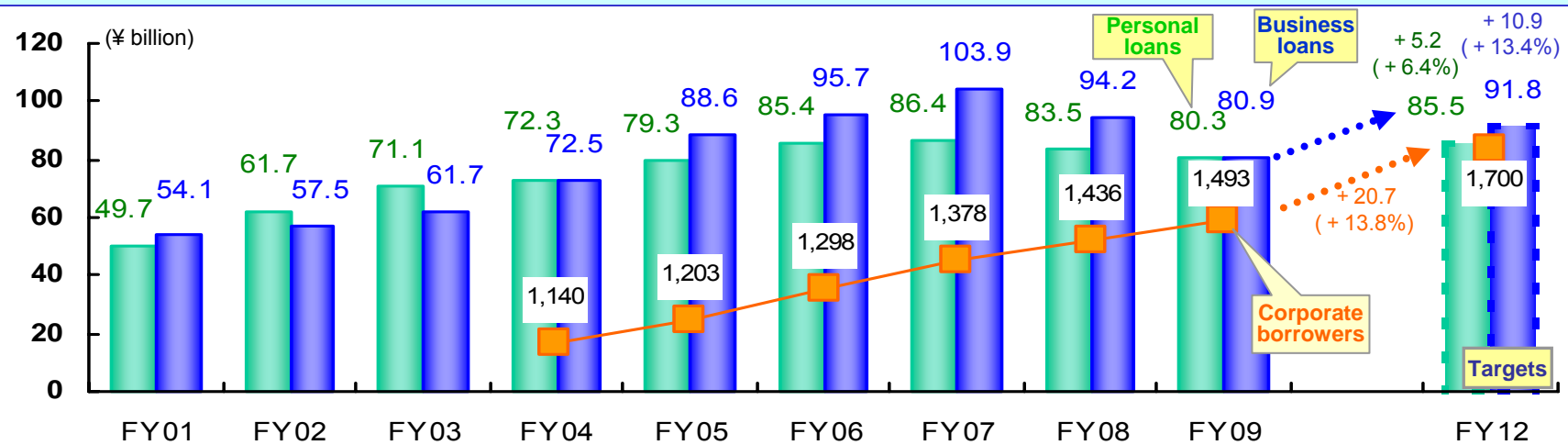


Strengthen Marketing Capabilities

3) Area Strategies Tailored to Local Features - Western Tokyo Area's Quantitative Targets

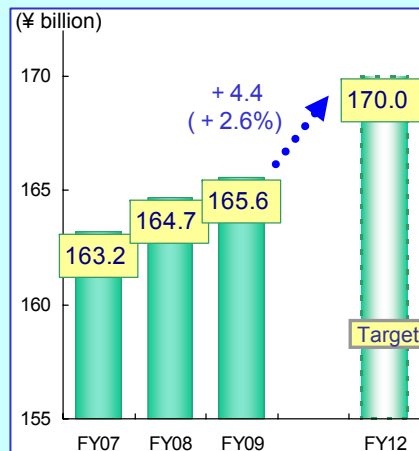


Average loan balance and corporate borrowers

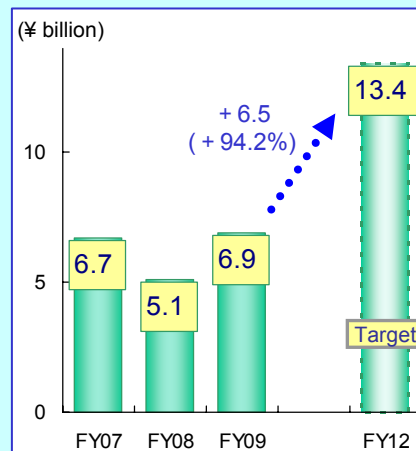


* Business loans do not include public-sector (national or local government borrowing), real estate-related public sector, etc.

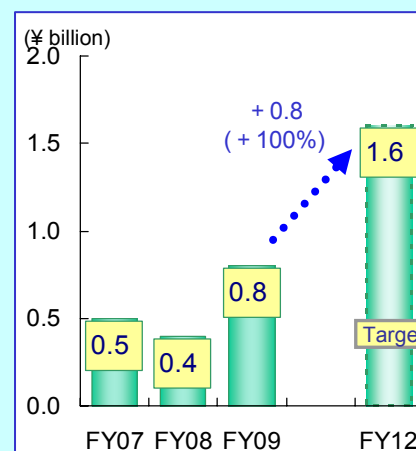
Balance of deposits for individuals (term-end)



Balance of investment trusts

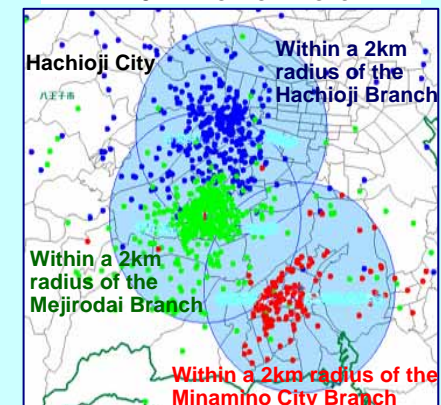


Life insurance sales

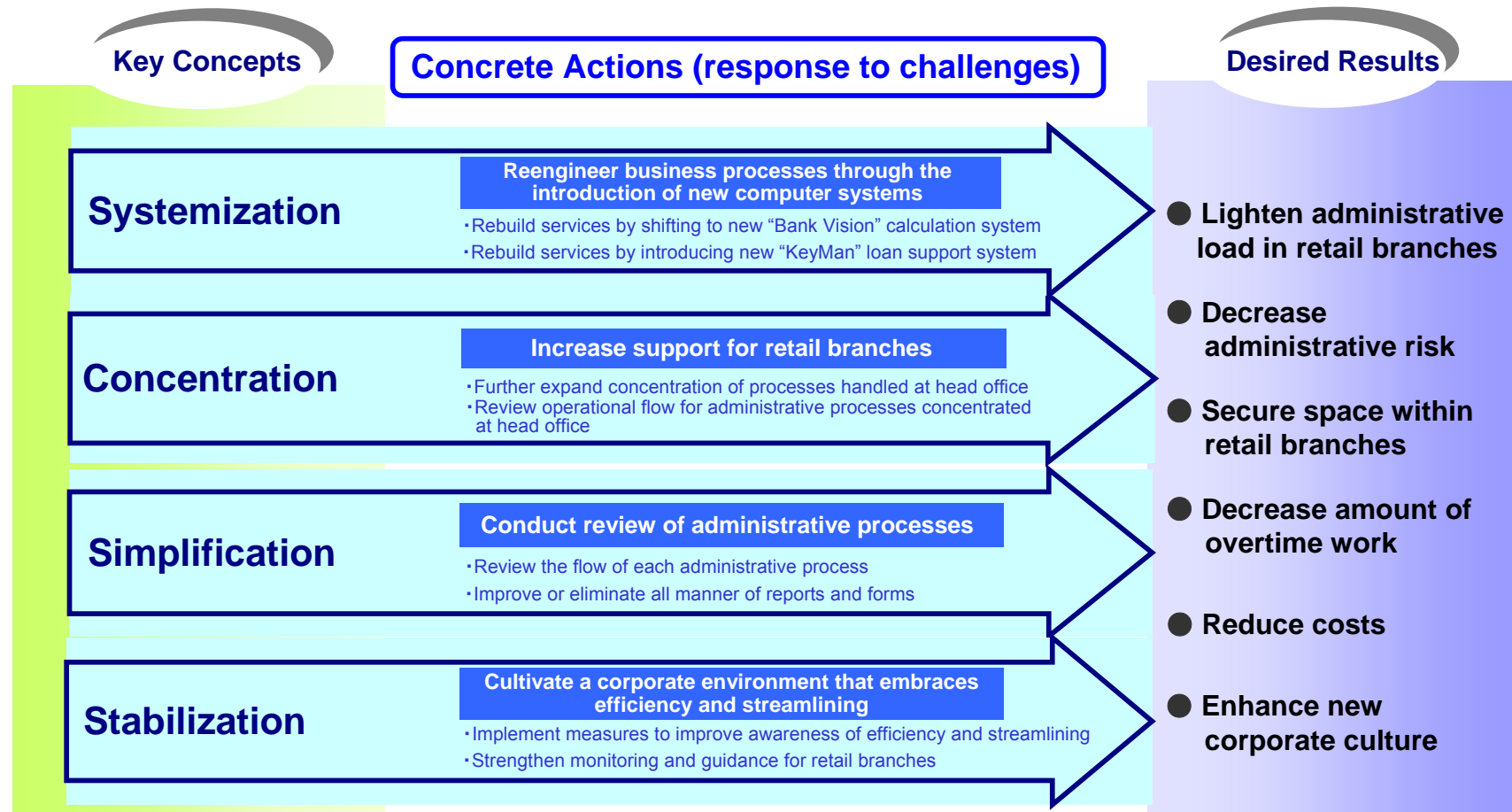


Customer distribution in the city of Hachioji

Customers with deposits of ¥10 million or more



Strengthen Management Base (Reform Administrative Processes at Retail Branches)



Change retail branches from places of “administrative work,” to places where “communicating with customers (sales)” is paramount

Strengthen Management Base

- Rebuild Services by Introducing New System ["Bank Vision," a Banking System Package]



Bank Vision

- **Banking system package** provided by Nihon Unisys, Ltd.
- Already in use at Hyakugo Bank, Ltd., Eighteenth Bank, Ltd., Chikuhō Bank, Ltd., Bank of Saga Ltd. and Kiyo Bank, Ltd.
- Yamanashi Chuo Bank and Kagoshima Bank, Ltd. are planning to use

Bank Vision enables shared system operation at banks where adopted

Banks adopting the system can use its superior functionality

New system enables shared operation at banks where it is adopted
(Installation site: Osaka)

What Yamanashi Chuo Bank seeks to achieve by introducing Bank Vision

Achieve Bank Vision

"Creating a prosperous future together with the local community through the provision of high-quality financial services"

Strengthen management base and marketing capabilities

Simplify and systematize (streamline) administrative processes at retail branches

Provide high-quality service to customers

Reduce administrative process time

Increase marketing time

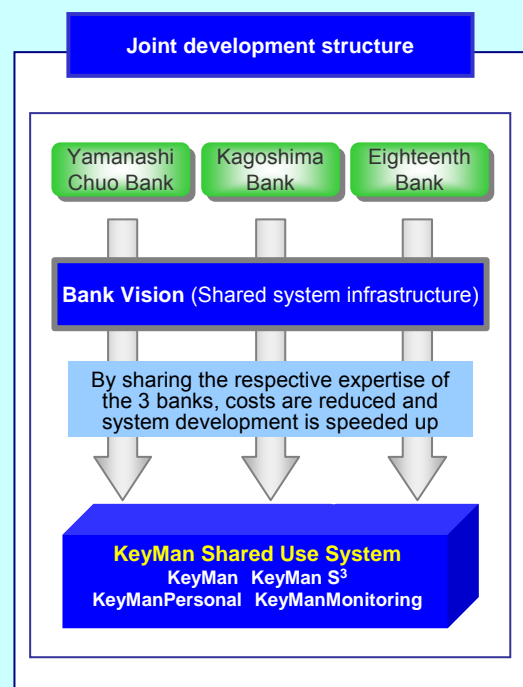
Introducing Bank Vision

Strengthen Management Base

- Outline of “KeyMan System Joint Use”

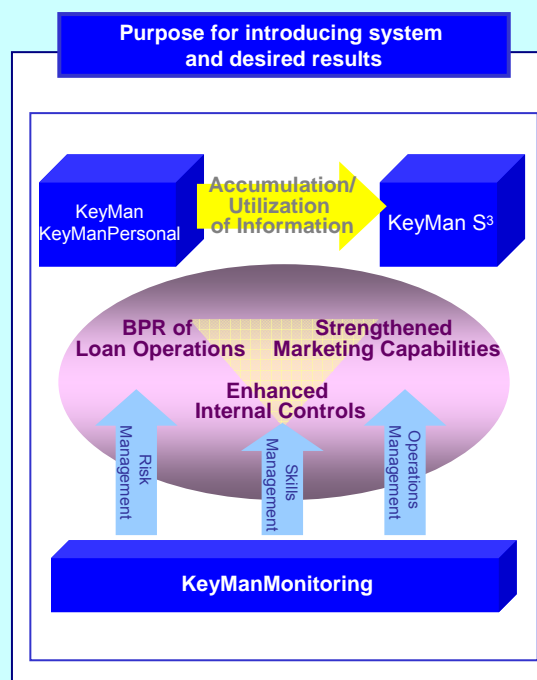
Shared Use of “KeyMan” System

Through joint research the Yamanashi Chuo Bank, Kagoshima Bank, and Eighteenth Bank have been able to concentrate their respective know-how and develop a highly scalable system based on the loan and marketing support system in place at the Kagoshima Bank



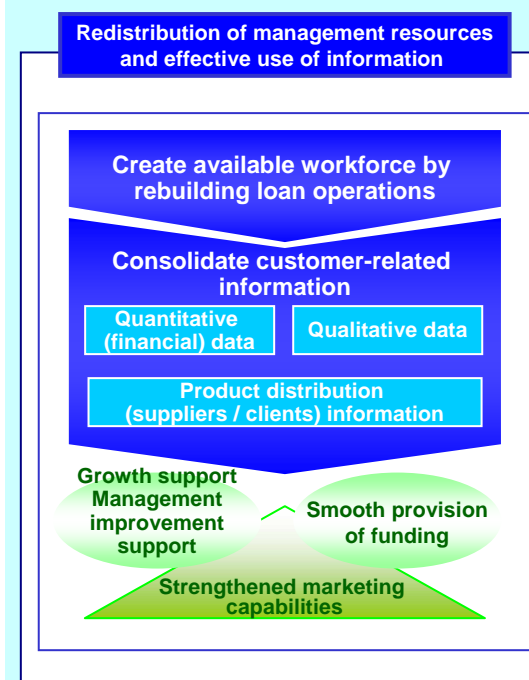
Primary Reasoning behind Introduction of System

By establishing the flow of information—from collection and storage to aggregation and use, and constant monitoring and a PDCA cycle, the following can be achieved: 1) loan BPR, 2) strengthened marketing capabilities and, 3) enhanced internal controls



Utilization of “KeyMan” System

- 1) Rebuild loan operations and create available workforce
- 2) Improve marketing strength through effective utilization of consolidated information



Strengthen Management Base

- Reform Financing Procedures and Strengthen Marketing Capabilities though Shared Use of "KeyMan"



Creation and Redistribution of Management Resources

Utilization of Management Resources and Information by Segment

Radical Restructuring of Loan Business

Further streamline and optimize loan business

Centralization of personal loan screening and processing at Headquarters
Support for drawing up contracts and other documents by Headquarters

Reform back-office administrative processes through introduction of "KeyMan" computer system

Comprehensive systemization of loan business
Centralized management of loan-related information
Change administrative structure from by operations to by customers
Firmly establish PDCA cycle

Streamline / Optimize



Process reform



Loan Business BPR

Review Loan Operations

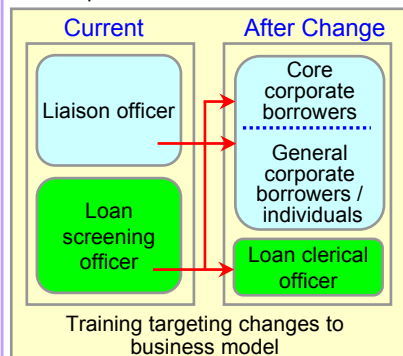
Clear segment strategy

Segmentize corporate borrowers by profitability, growth potential, and risk management perspectives

(Core borrowers)
Emphasis on risk and return
(General borrowers)
Emphasis on cost and return

Shift loan screening officers at retail branches over to sales

Have current loan screening officers specialize as liaison officers and loan clerical officers
• Liaison officer partake in loan promotion activities targeting core corporate borrowers



Strengthen Marketing Capabilities

Develop Sector Specific Marketing

Core corporate borrowers

- Bring in highly capable financing personnel
- Accumulate information covering entire business
- Better understand the sales flow of suppliers and customers
- Understand the realities and needs of the business
- Information sharing / headquarters support

Offer high quality solutions
(Management reform / Business succession / Business matching / M&A)

- Management support / business support

Growth Support

KeyMan
KeyMan S

General corporate borrowers

- Dedicated screening and provide funding in a timely manner
- Information sharing / headquarters support

- Offer high quality solutions
- Support growth becoming core corporate borrowers

KeyMan
KeyMan S

Individuals

- Headquarters support
- Improve measures for contractors coordinating with Loan Square
- Improve mortgage refinancing

KeyManPersonal

Assign contact person for each individual company

Increase transactions with existing Yamanashi-based companies

Increase new customers in Western Tokyo Bloc

Concentrate on growth fields

Develop human resources through sales activities

Secure volume through efficient activities

Increase Bank's Revenue
Increase interest on loans / interest income

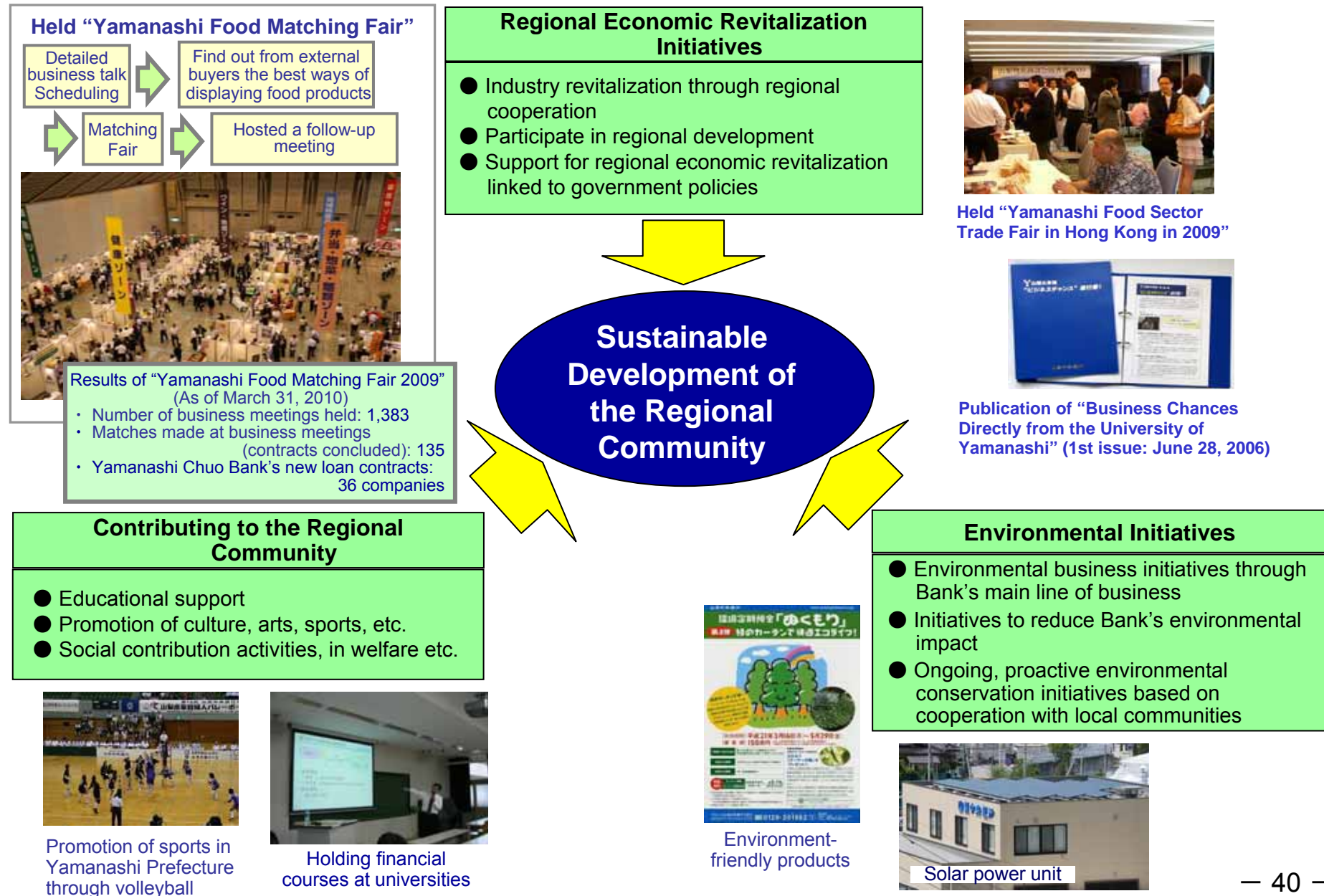
Increase Customer Satisfaction

Secure one's foothold in the first stage

Realize huge growth in the second stage

Contribute to the Regional Community

- Strengthening CSR Initiatives



Thank you for coming to our analyst meeting. If you have any further questions, please don't hesitate to make inquiries at the following address.

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