

The Yamanashi Chuo Bank, Ltd.

The 23rd Analyst Meeting

- **Fiscal 2012 First Half Business Results**
- **Forecasts for the Current Term (FY2012)**

December 4, 2012 (Tue)

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■ Profile (as of September 30, 2012)

- Predecessor Founded: April, 1877
- Established: December, 1941
- Head Office: 20-8, Marunouchi 1-Chome, Kofu, Yamanashi
- Common Stock: ¥15,400 million
- Employees: 1,743
- Branches (including sub-branches): 91 (75 in Yamanashi Pref., 15 in Tokyo, 1 in Kanagawa Pref.), Corporate Sales Offices: 1 (Tokyo, Higashimurayama City), 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 2012 First Half Business Results

Fiscal 2012 First Half Business Results (Summary)



(¥ billion, %)	Previous 1st half (FY11)	Reporting 1st half (FY12)	YoY change [%]
Operating income	24.4	24.0	(0.4) [(1.7)]
Gross banking profit	20.2	20.2	0.0 [0.1]
Interest income	17.6	16.5	(1.1) [(6.2)]
Fees and commissions	2.1	2.1	0.0 [0.2]
Other operating income	0.0	0.0	(0.0) [(13.5)]
Gross banking profit on core operations	19.8	18.7	(1.1) [(5.5)]
JGBs and other bond transactions	0.3	1.4	1.1 [331.7]
Expenses	15.2	14.6	(0.6) [(3.3)]
General provision to loan loss reserve	-	-	- [-]
Net business profit	5.0	5.5	0.5 [10.7]
Net business profit on core operations	4.6	4.0	(0.6) [(12.7)]
Non-operating losses	0.5	(1.1)	(1.6) [(316.9)]
Reversal of loan loss reserve	1.7	0.1	(1.6) [(89.7)]
Equity share and similar transactions	(1.0)	(1.2)	(0.2) [(20.9)]
Ordinary profits	5.5	4.4	(1.1) [(19.8)]
Extraordinary income (losses)	(0.0)	(0.5)	(0.5) [-]
Income before income taxes	5.5	3.8	(1.7) [(30.3)]
Income taxes - basic	1.8	1.8	(0.0) [(0.7)]
Income taxes - deferred	0.4	(0.0)	(0.5) [(114.3)]
Net income	3.1	2.0	(1.1) [(35.5)]

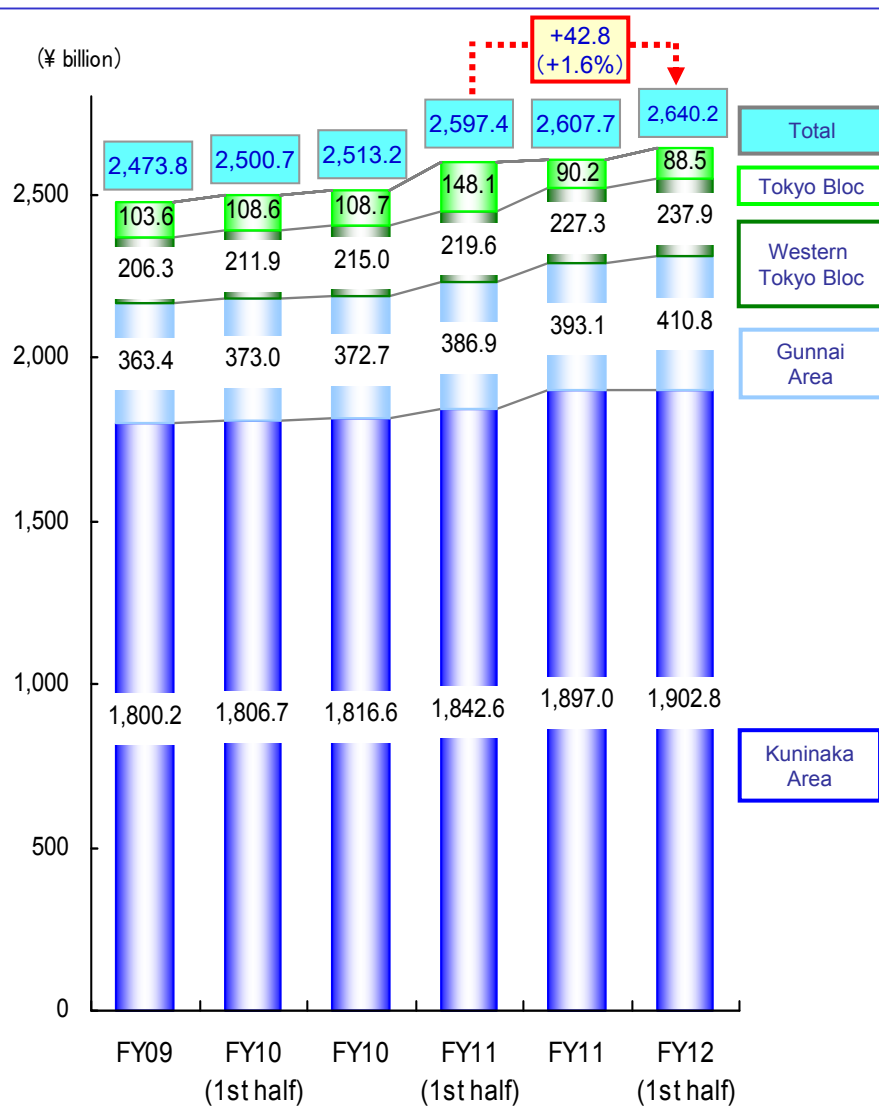
(¥ billion, %)	Reporting 1st half (FY12)	YoY change [%]	Balance	Yield
Fund Operations	17.4	(1.0) [(5.7)]	0.7	(1.8)
Interest on loans	11.3	(0.7) [(6.4)]	(0.1)	(0.7)
Interest on securities	6.0	(0.2) [(4.1)]	0.9	(1.2)
Call loan, etc.	0.0	(0.0) [(19.7)]	(0.0)	0.0
Fund procurement	0.9	0.0 [4.6]	0.0	0.0
Interest on deposits	0.8	0.0 [7.3]	0.0	0.0
Call money, etc.	0.0	0.0 [42.6]	0.0	(0.0)
Interest income	16.5	(1.1) [(6.2)]	—	—

(¥ billion)	Reporting 1st half (FY12)	YoY change
Revenues	3.2	(0.0)
Investment trusts	0.3	(0.0)
JGBs held by individuals	0.01	0.0
Life insurance	0.3	0.0
Others	2.6	0.0
Cost	1.1	(0.0)
Fees and Commissions	2.1	0.0

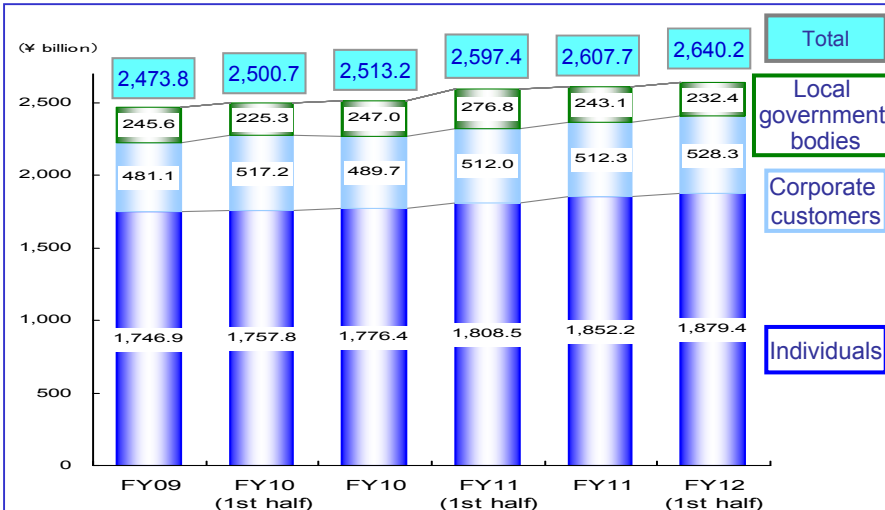
(¥ billion)	Reporting 1st half (FY12)	YoY change
Personnel	7.9	(0.1)
Premises and equipment	6.0	(0.3)
Taxes	0.7	(0.0)
Expenses	14.6	(0.6)

Deposits

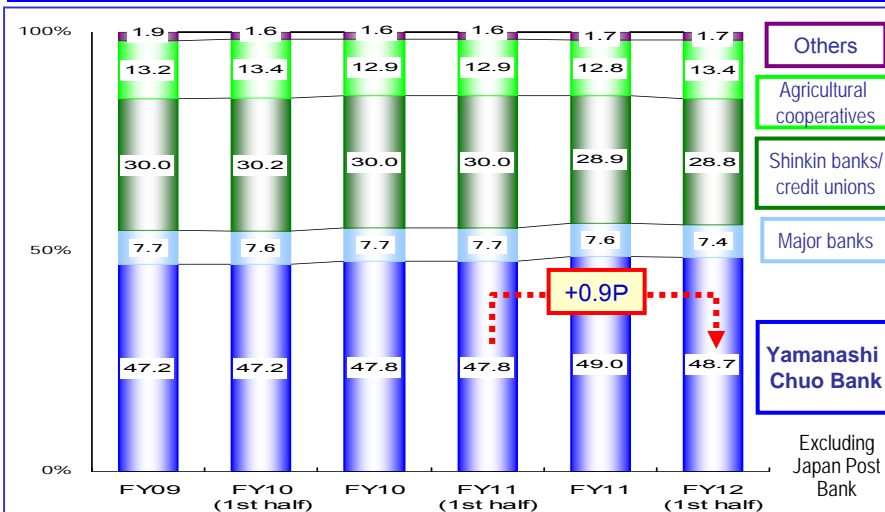
Deposit Balance



Balance by Customer Segment

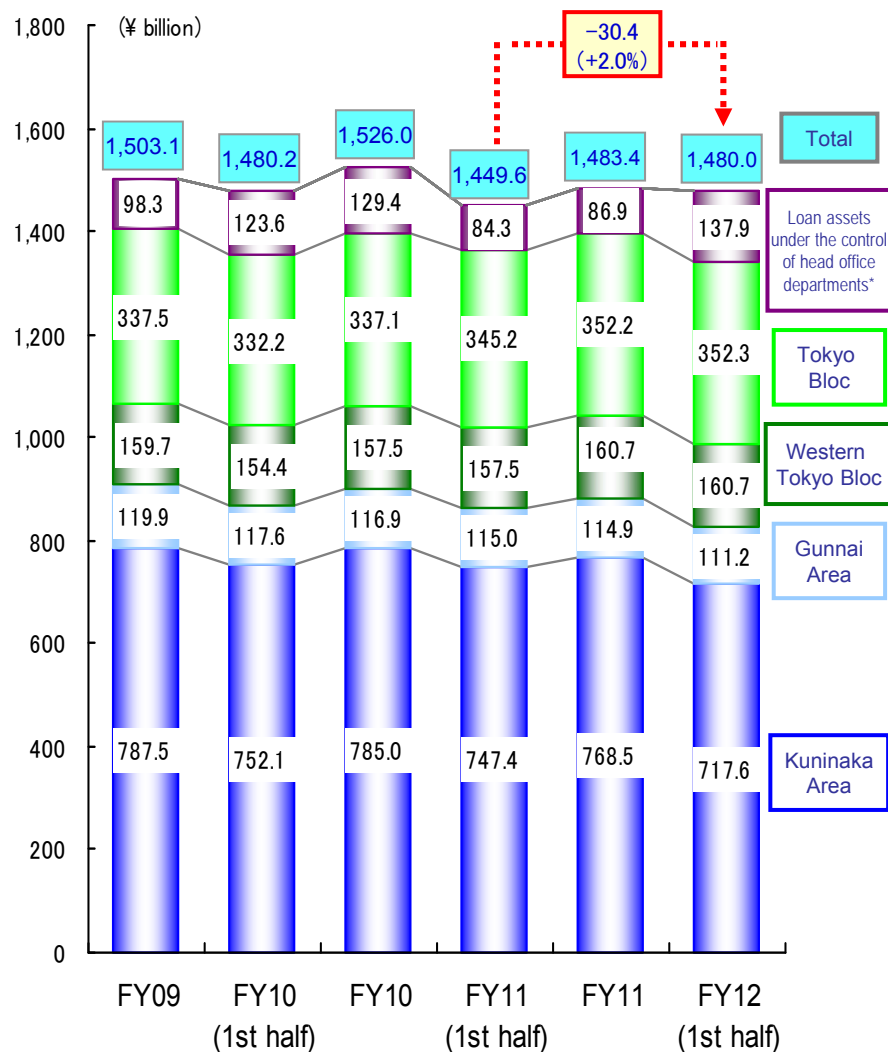


Deposit Shares in Yamanashi Prefecture

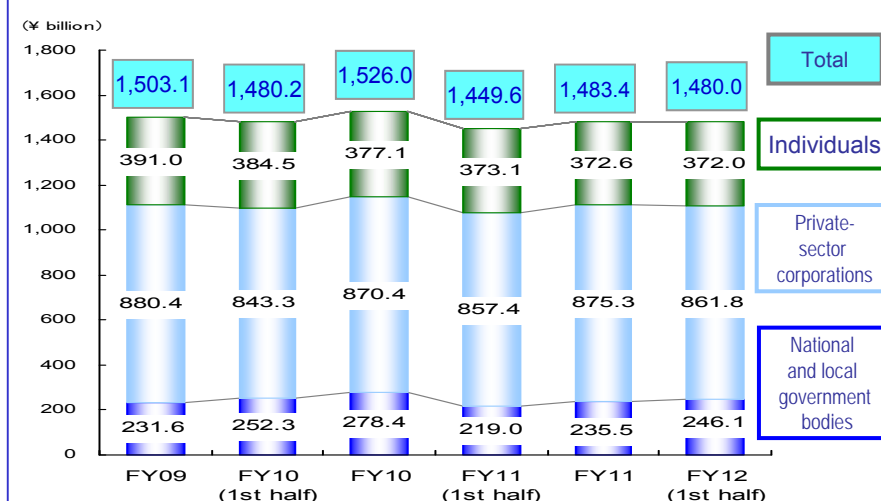


Loans

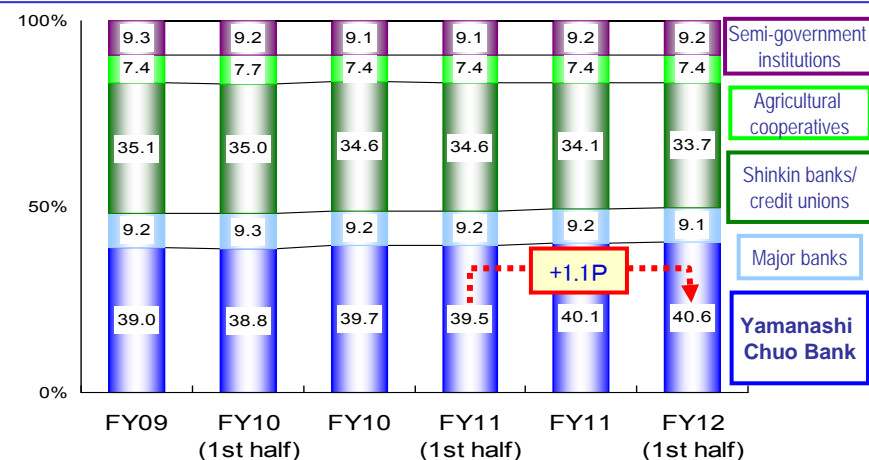
Loan Balance



Balance by Customer Segment



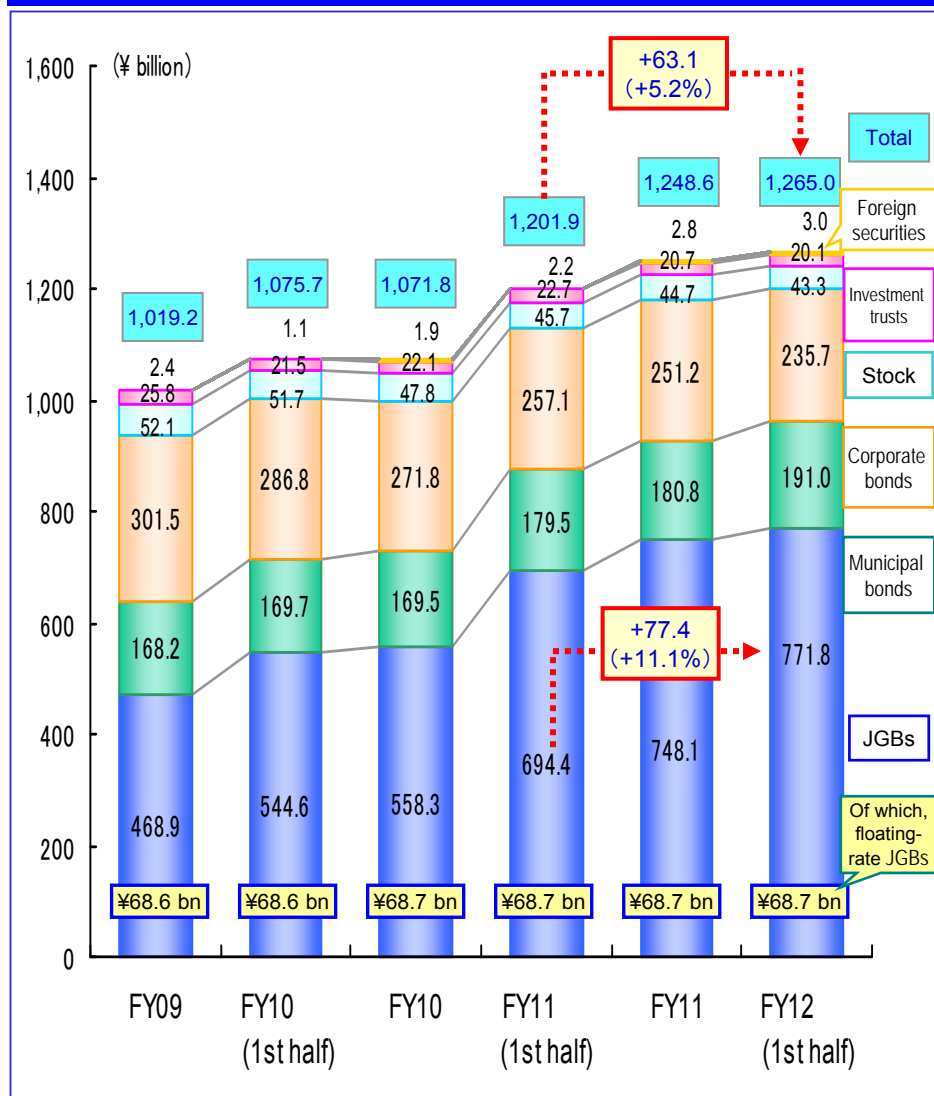
Loan Shares in Yamanashi Prefecture



*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)

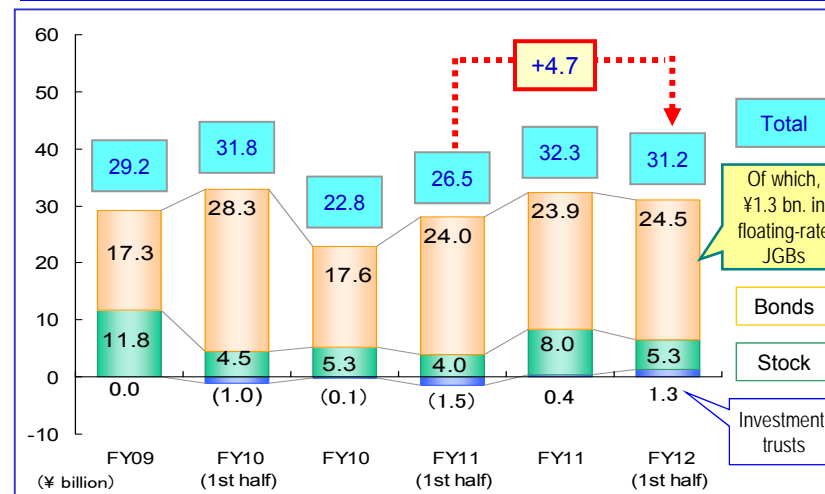


Breakdown of Gains (Losses) on Securities

(¥ billion)

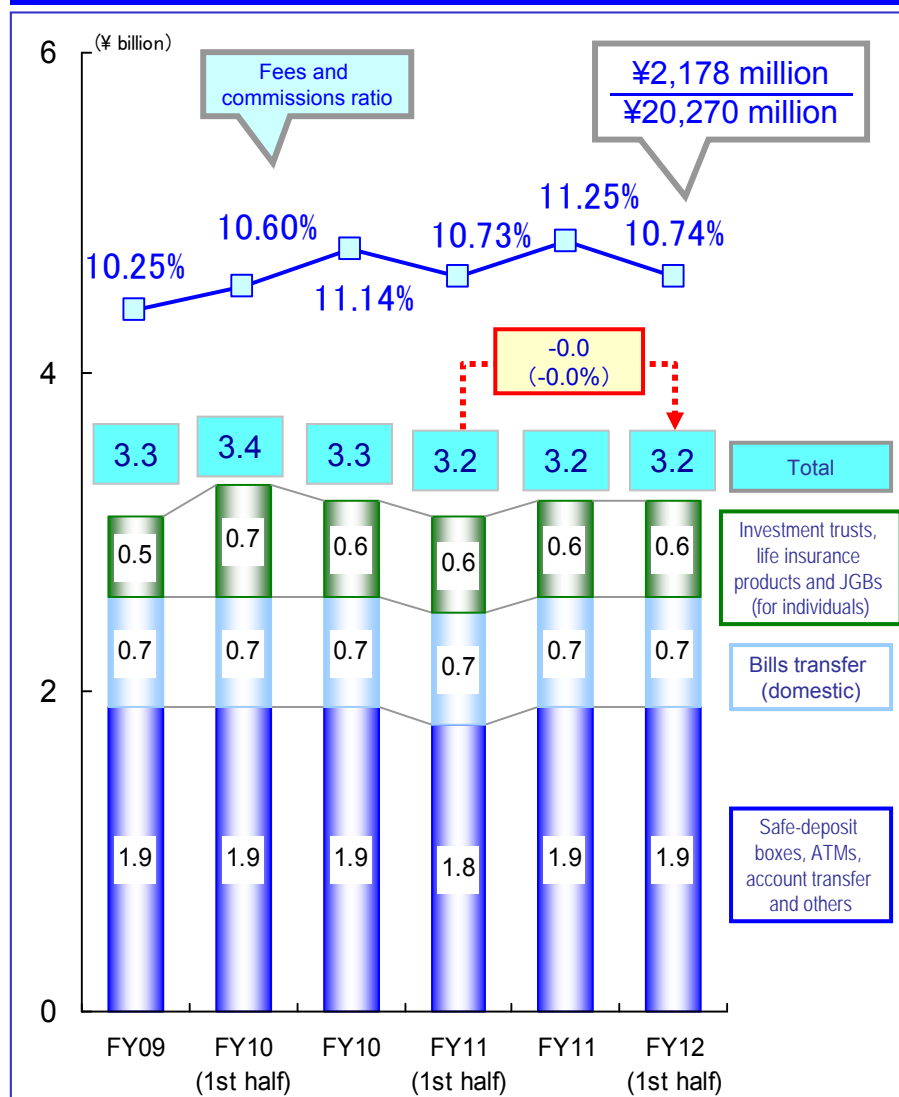
	FY11 (1st half)	FY12 (1st half)	Change
Interests and dividends on securities	6.3	6.0	(0.2)
Securities yields	1.11%	0.93%	(0.18)%
Gains (losses) on bonds	0.3	1.4	1.1
Gains on sale of bonds	0.3	2.3	2.0
Losses on sale of bonds	-	0.3	0.3
Amortization of bonds	-	0.4	0.4
Gains (losses) on stock	(1.0)	(1.2)	(0.2)
Gains on sale of stock	0.1	0.3	0.2
Losses on sale of stock	0.3	0.5	0.2
Amortization of stock	0.8	0.9	0.1

Unrealized Gains (Losses)

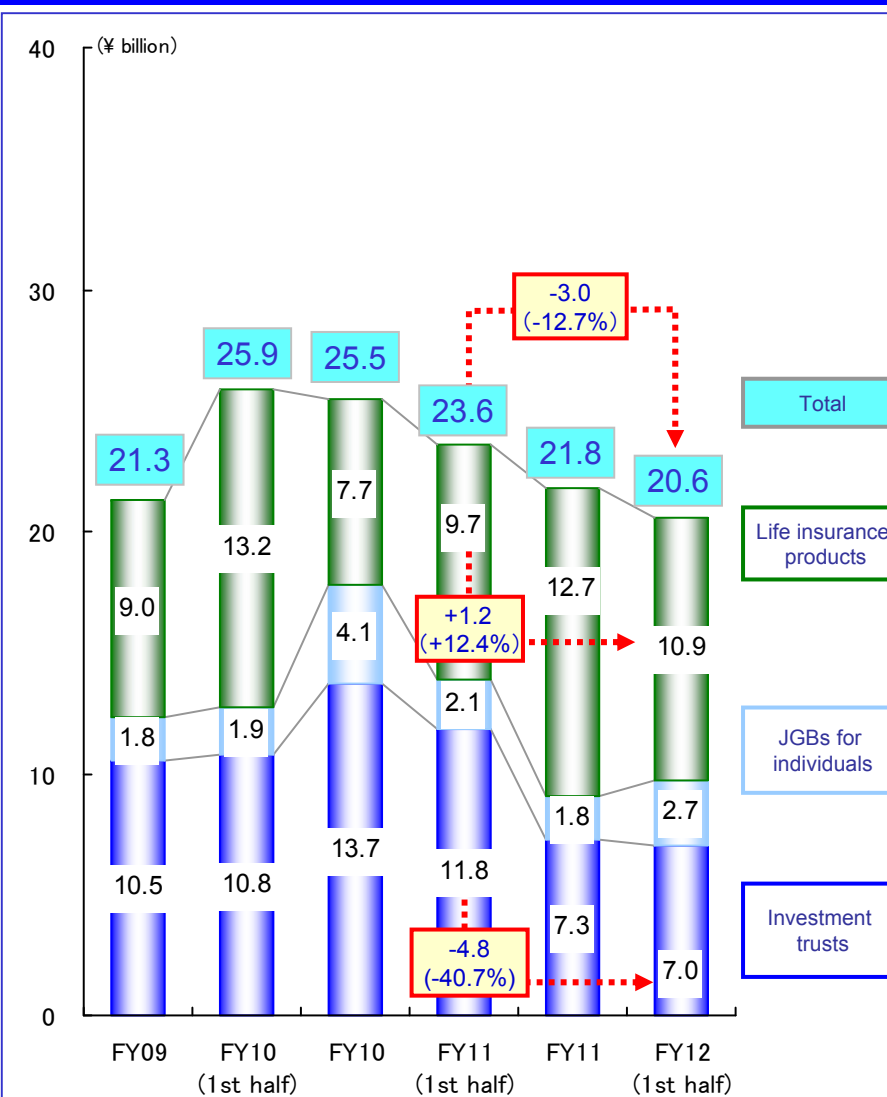


Fees and Commissions

Result of Fees and Commissions / Fees and Commissions Ratio



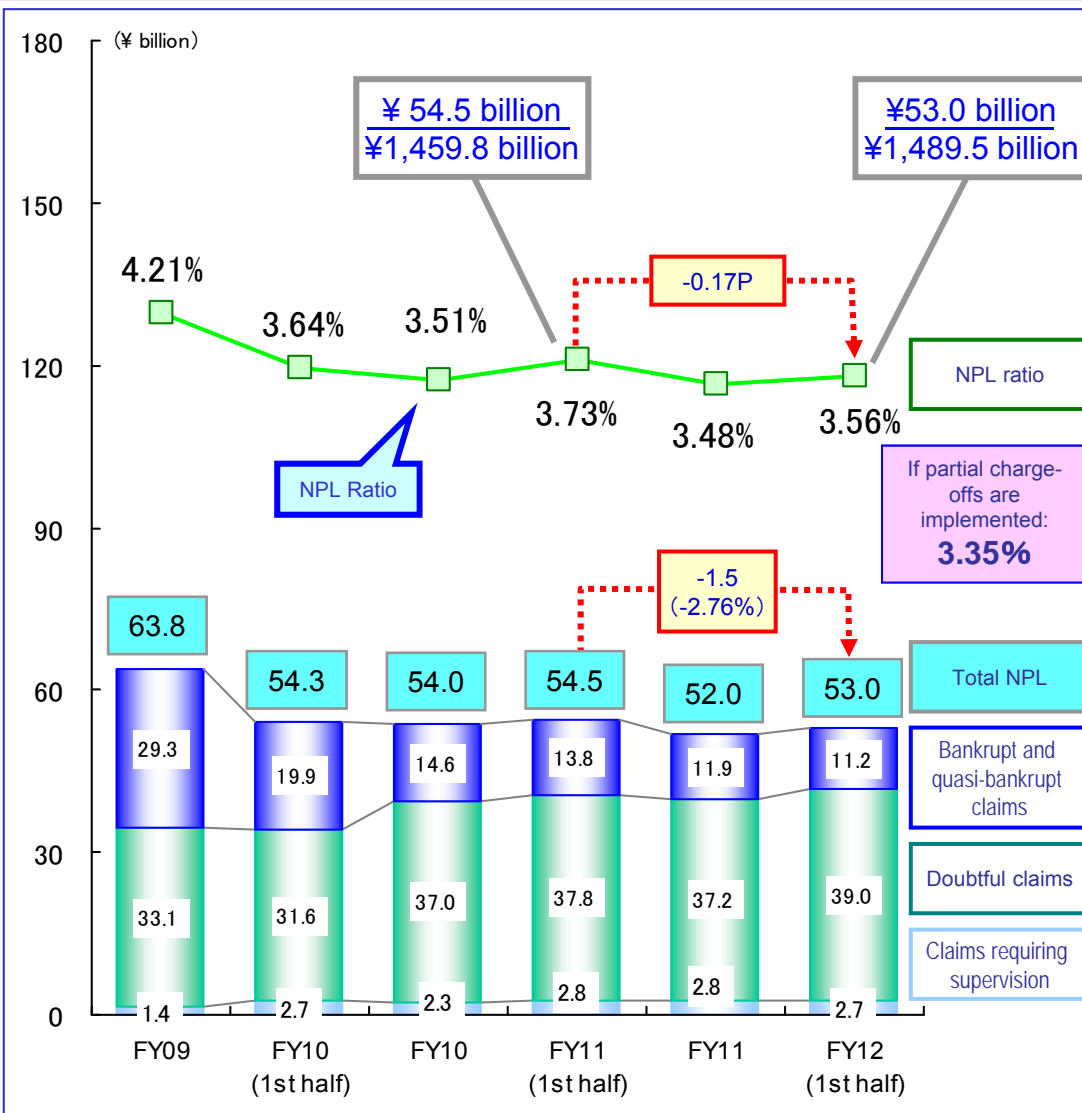
Sales for Investment Trusts, Life Insurance Products and JGBs



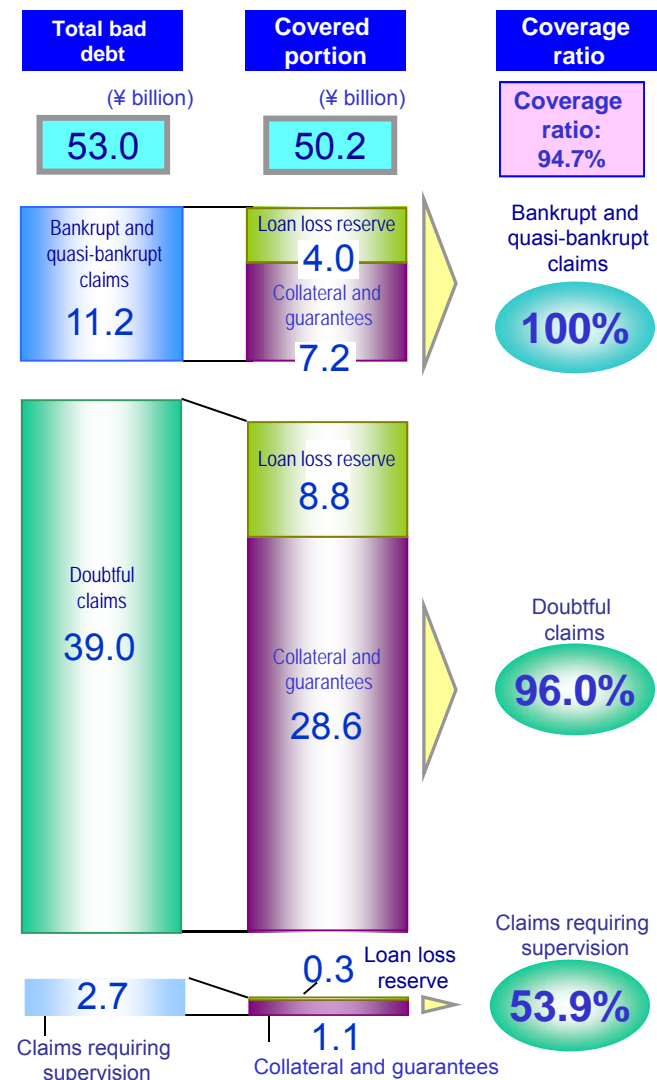
* Fees and commissions ratio= Fees and commissions / Gross banking profit

Mandatory Disclosure of Bad Debt under the Financial Reconstruction Law

Bad Debt under the Financial Reconstruction Law

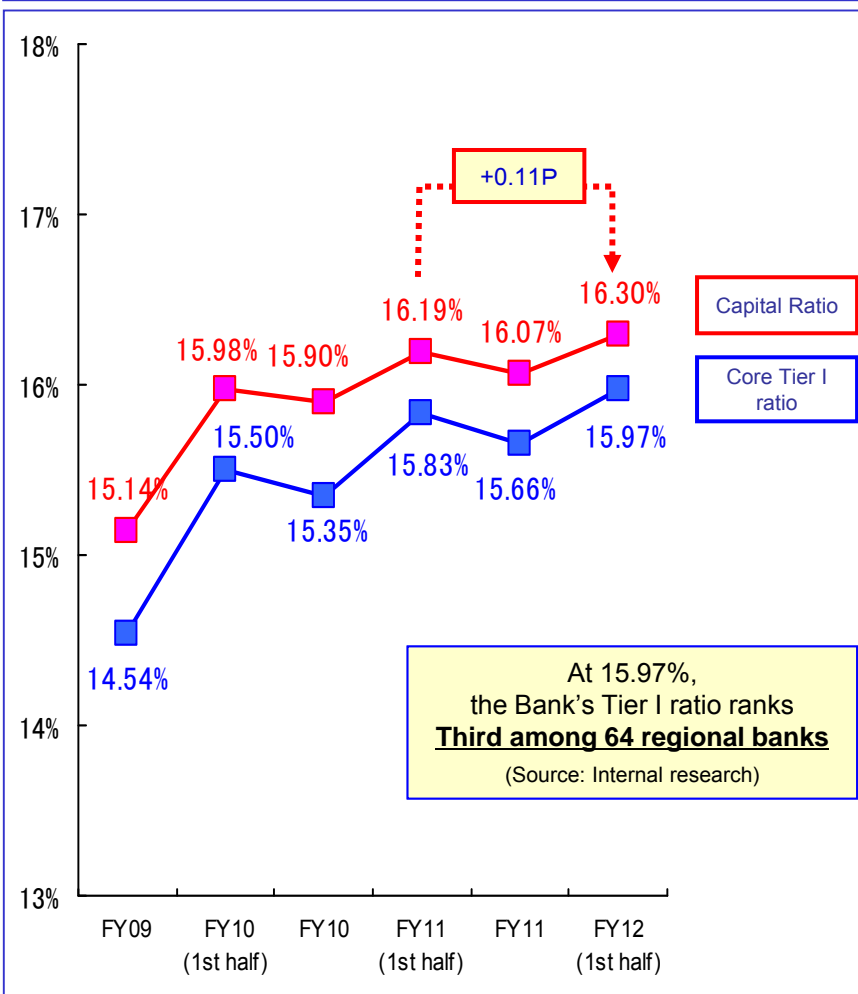


Coverage of Bad Debt under the Financial Reconstruction Law



Capital Ratio (Non-Consolidated Basis)

Capital Ratio



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

Breakdown of Regulatory Capital

(¥ billion)

	FY12 (1st half)	Comparison with FY11
Tier I (A)	150.3	1.5
Core Tier I ratio	150.3	1.5
Net deferred tax assets	—	—
Preferred stock / preferred investment certificates	—	—
Tier II (B)	3.1	(0.8)
General provision to loan loss reserve	3.1	(0.8)
Deductions (C)	—	—
Regulatory capital (A) + (B) - (C)	153.4	0.7
Risk-weighted assets	940.8	(8.9)

Risk Calculation Method Employed

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

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

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

- (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)

Secure foothold in first stage

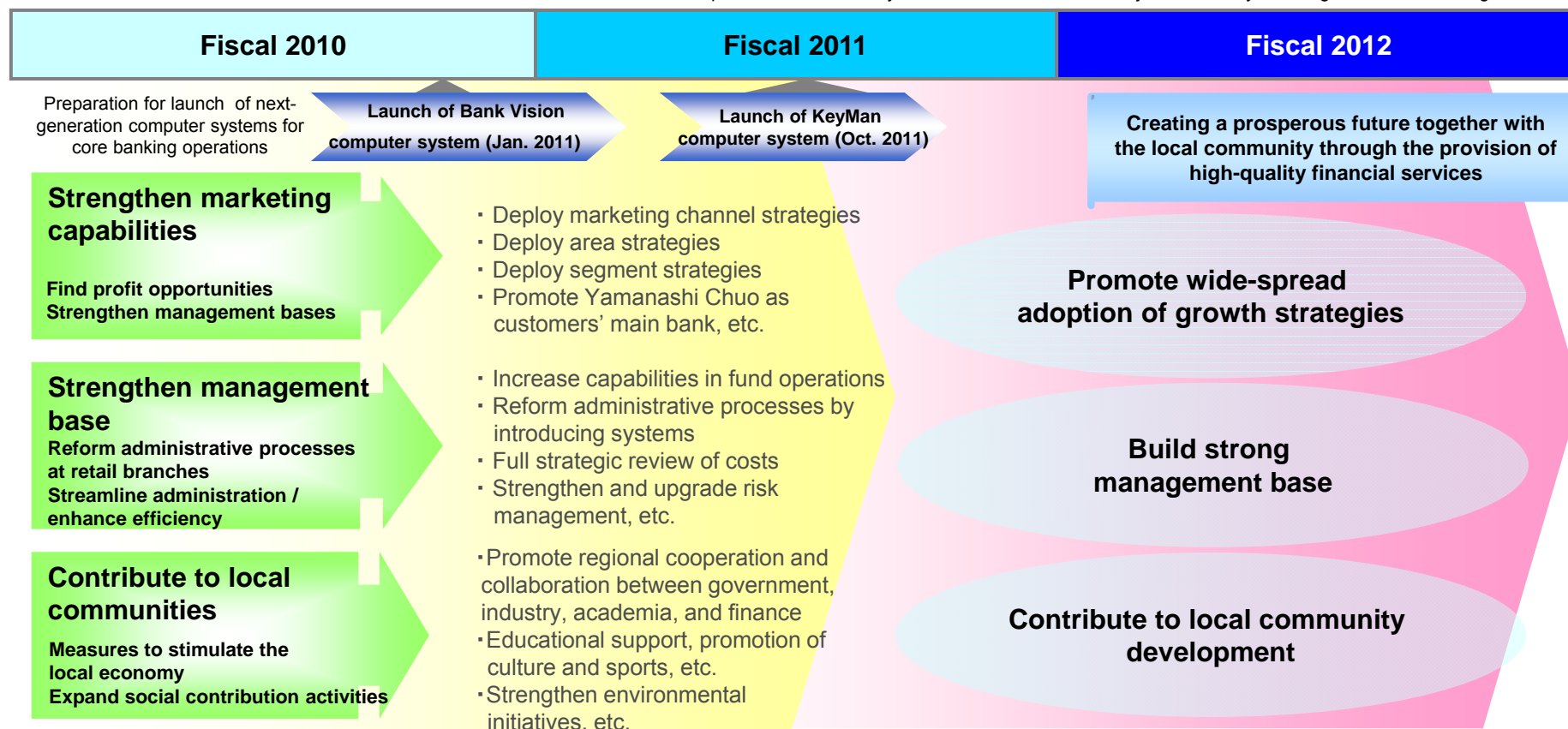
Up-front investment to prepare for action later



Realize huge growth in second stage

‘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.”



Quantitative Targets

(¥ billion)

Item	FY11 (Results)	1H FY12 (Results)	Comparison with FY11	FY12 (Target in final year)
Gross banking profit on core operations	39.8	18.7	—	44.0 or above
Net business profit on core operations	9.6	4.0	—	14.5 or above
Average loan balance	1,466.6	1,463.7	Down 2.9	1,570.0
Average deposit balance	2,592.2	2,632.4	Up 40.2	2,600.0
OHR	75.80%	78.22%	Up 2.42P	67% or under
ROA	0.34%	0.28%	Down 0.06P	0.5% or above
ROE	4.64%	2.70%	Down 1.94P	3.3% or above
Capital ratio (domestic standard)	16.07%	16.30%	Up 0.23P	14% range
NPL ratio	3.48%	3.56%	Up 0.08P	3% range

Business environment assumptions when medium-term management plan was formulated:

- Economy is growing slowly
- Current (at time formulated) interest-rate levels will continue

* OHR=Operating expenses / Gross banking profit on core operations
 ROA=Net business profit on core operations / Total assets (average balance)
 ROE=Net Income / Net Assets (average balance)

III Forecasts for the Current Term (FY 2012)

Earnings Forecasts for the Current Term (FY 2012)



(¥ billion, %)	FY11	FY12(forecast)	YoY change [%]
Operating income	46.3	45.0	(1.3) [(2.9)]
Gross banking profit	39.7	39.2	(0.5) [(1.4)]
Interest income	35.2	32.7	(2.5) [(7.3)]
Fees and commissions	4.3	4.8	0.4 [9.7]
Other operating income	0.1	0.1	(0.0) [(15.9)]
Gross banking profit on core operations	39.8	37.7	(2.1) [(5.3)]
JGBs and other bond transactions	(0.0)	1.4	1.5 [-]
Expenses	30.1	29.5	(0.6) [(2.3)]
General provision to loan loss reserve	-	(1.3)	(1.3) [-]
Net business profit on core operations	9.6	8.2	(1.4) [(14.9)]
Non-operating losses	(0.8)	(3.3)	(2.5) [(299.4)]
NPL disposal amount	0.2	2.0	1.8 [682.3]
Equity share and similar transactions	(1.0)	(1.0)	0.0 [4.5]
Ordinary profits	8.7	7.7	(1.0) [(11.9)]
Net income	6.9	4.0	(2.9) [(42.5)]

Dividends	FY10	FY11	FY12 (plan)
Dividend per share (annual)	¥6.00	¥7.00	¥6.00

	End of FY11	End of FY12 (estimate)
Nikkei Stock Average	¥10,083	¥8,870

70th Anniversary
Commemorative
dividend ¥1.00
(1st half ¥3.5)
(End of FY11 ¥3.5)

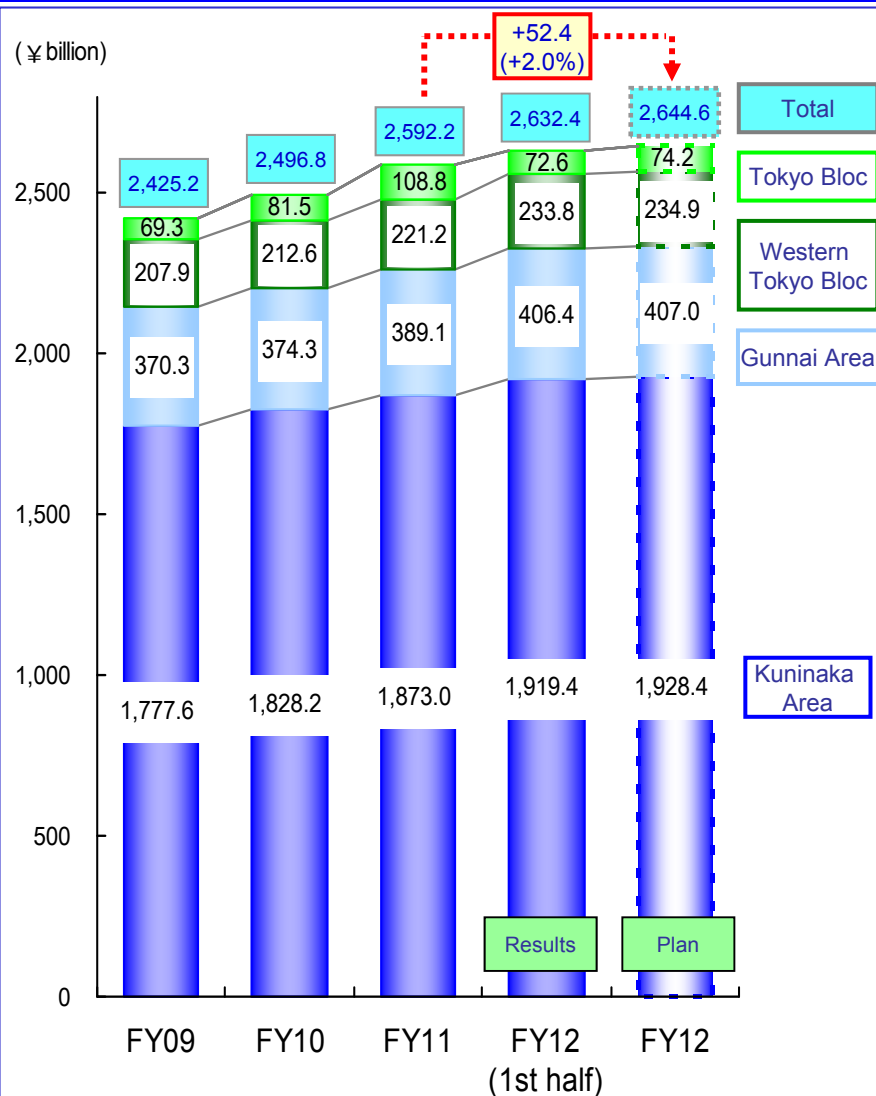
(¥ billion, %)	FY2012 (forecast)	YoY change [%]	Balance	Yield
Fund operations	34.6	(2.5) [(6.7)]	1.2	(3.7)
Interest on loans	22.9	(1.2) [(5.1)]	0.1	(1.3)
Interest on securities	11.4	(1.3) [(9.6)]	1.0	(2.3)
Call loan, etc.	0.1	(0.0) [(18.6)]	0.0	0.0
Fund procurement	1.8	0.0 [0.9]	0.0	0.0
Interest on deposits	1.6	(0.0) [(0.2)]	0.0	(0.0)
Call money, etc.	0.1	0.0 [16.9]	0.0	0.0
Interest income	32.7	(2.5) [(7.3)]	—	—

(¥ billion)	FY2012 (forecast)	YoY change
Revenues	7.0	0.4
Investment trusts	0.6	(0.1)
JGBs held by individuals	0.03	0.01
Life insurance	0.7	0.1
Others	5.5	0.3
Cost	2.2	0.0
Fees and commissions	4.8	0.4

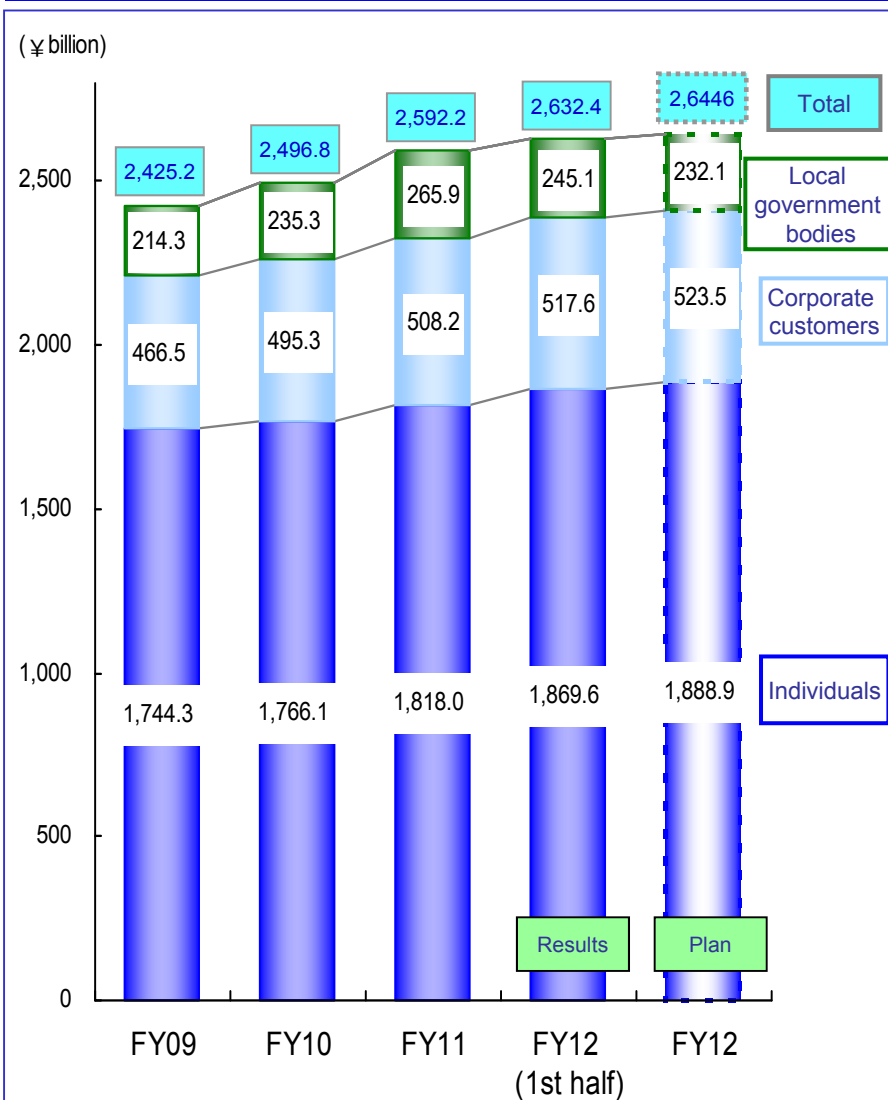
(¥ billion)	FY2012 (forecast)	YoY change
Personnel	15.7	(0.1)
Premises and equipment	12.5	(0.6)
Taxes	1.2	0.0
Expenses	29.5	(0.6)

Plan for Deposits

Average Deposit Balance

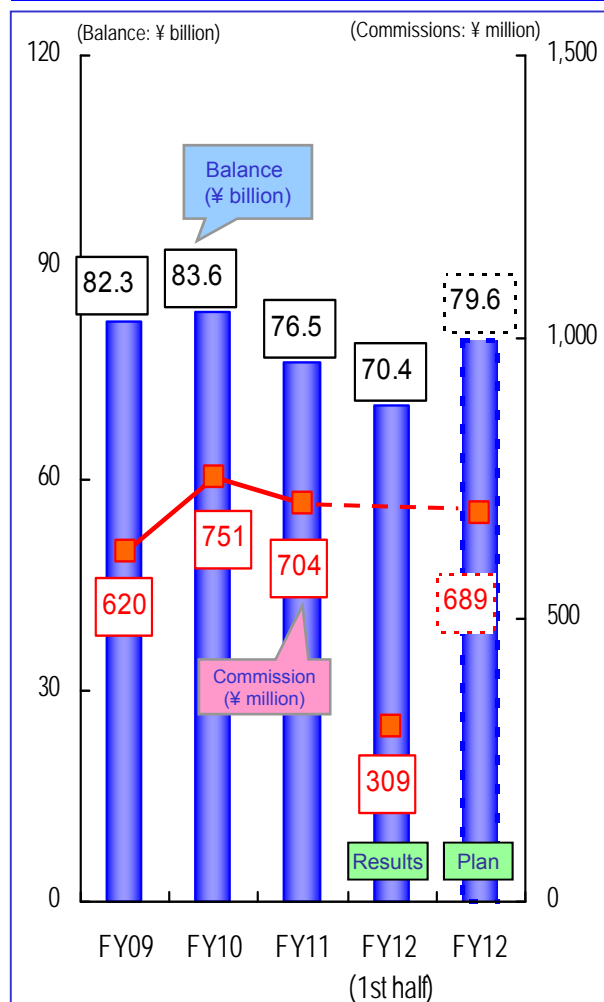


Balance by Customer Segment (average balance)

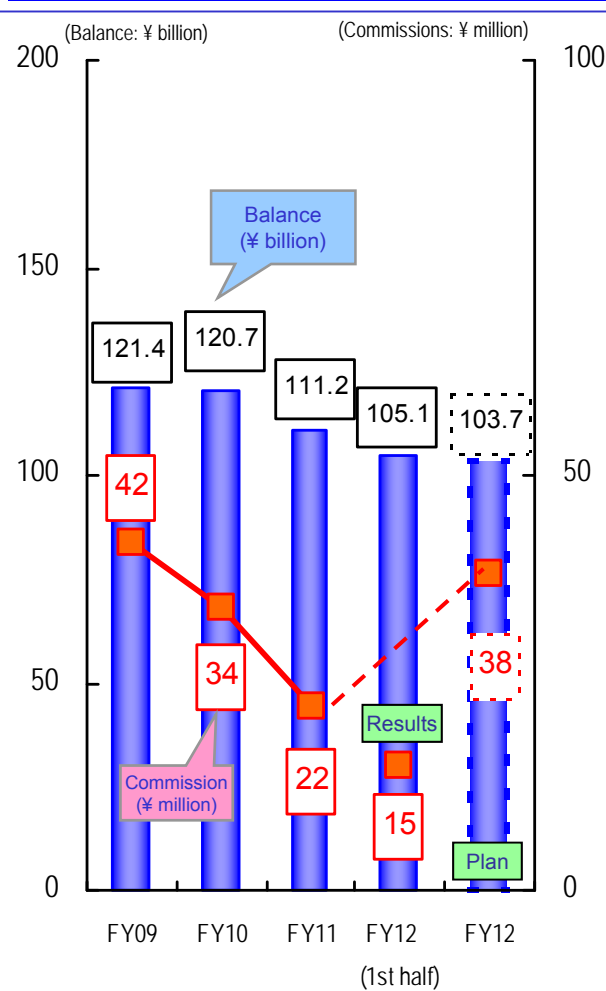


Financial Products Sales Plan

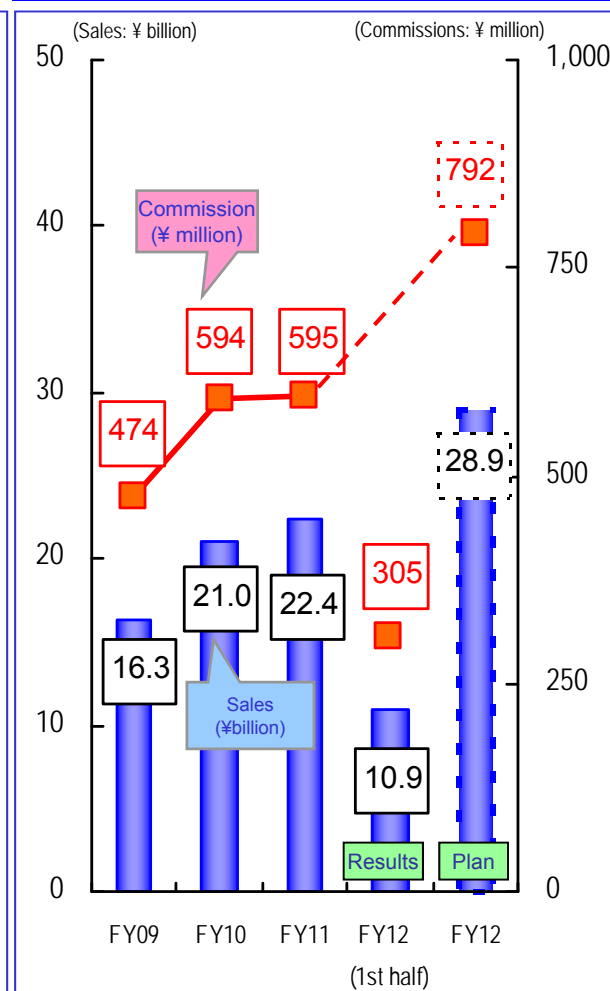
Balance and commissions on investment trusts



Balance and commissions on JGB held by individuals

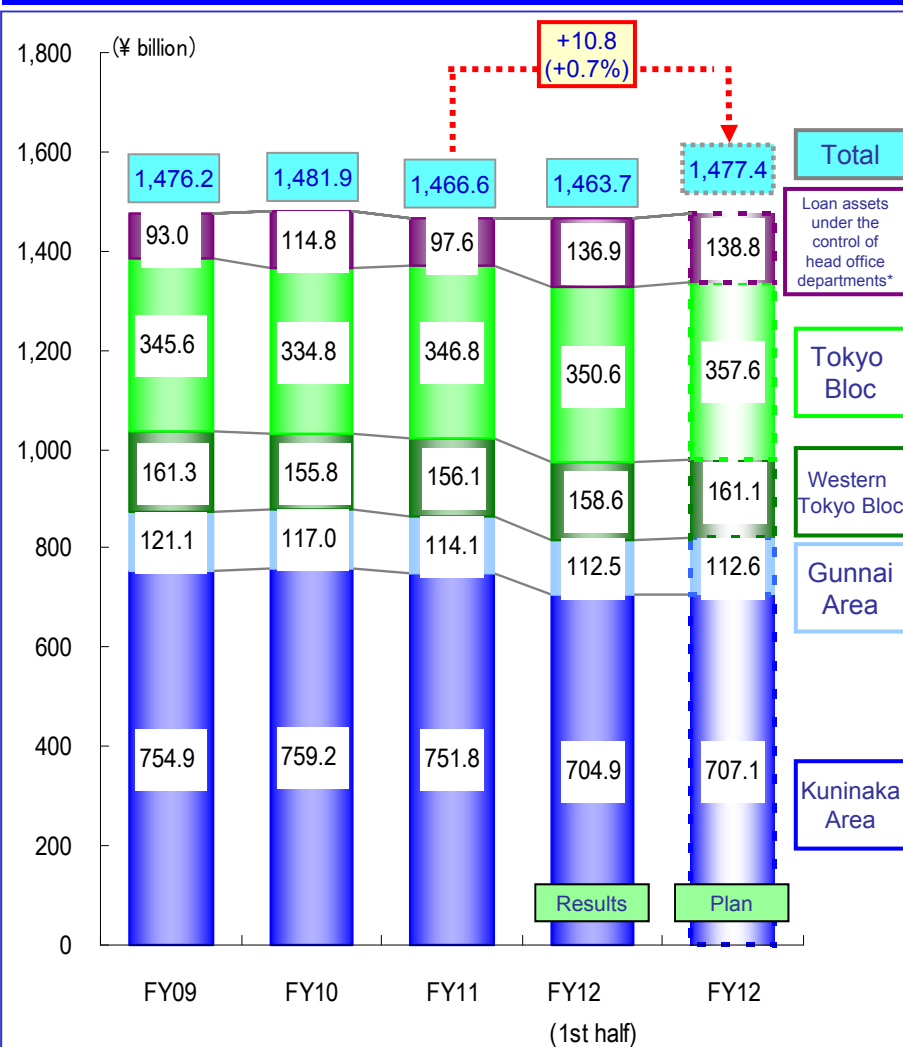


Life Insurance sales and commissions

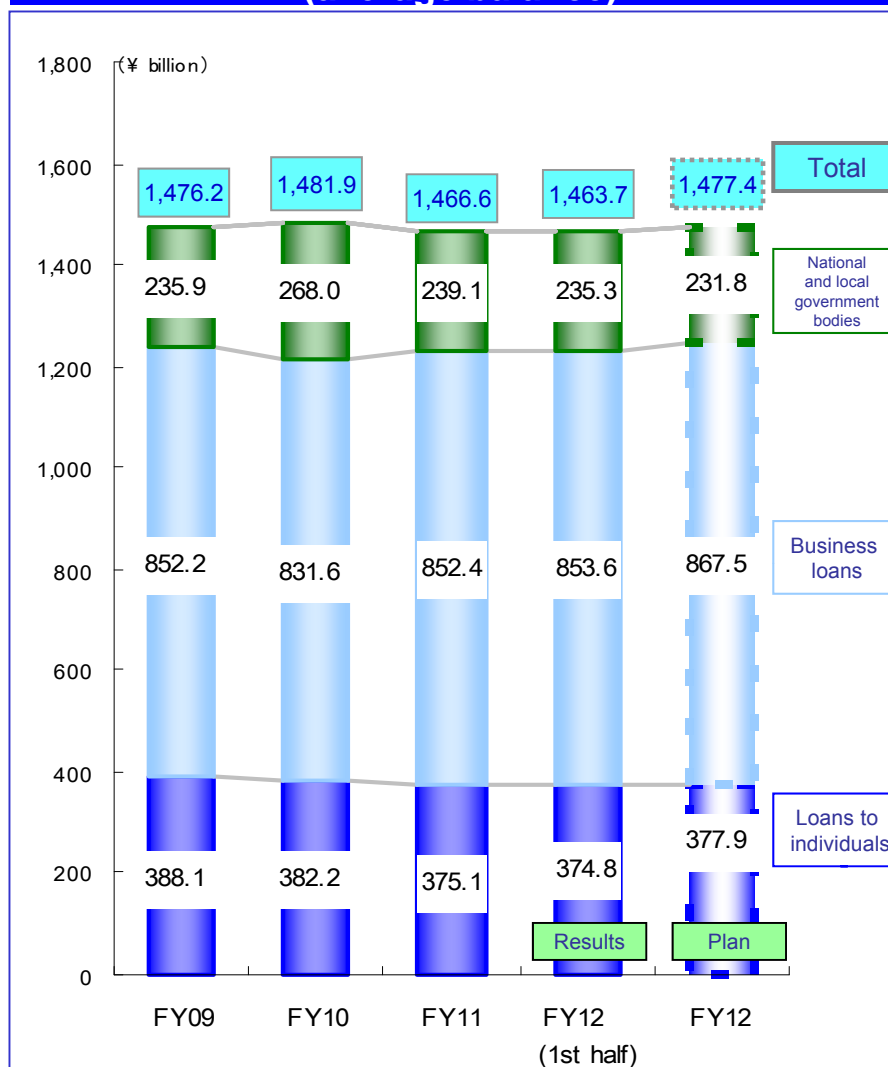


Plan for Loans

Average Loan Balance



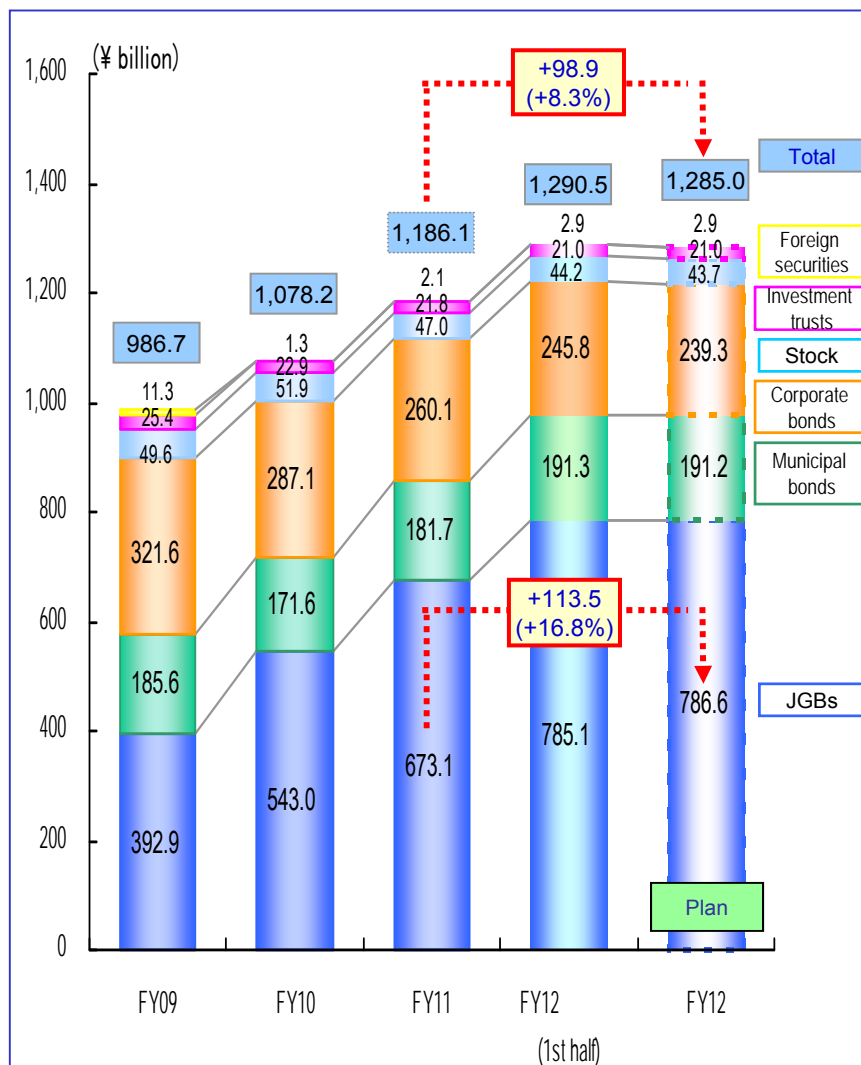
Balance by Customer Segment (average balance)



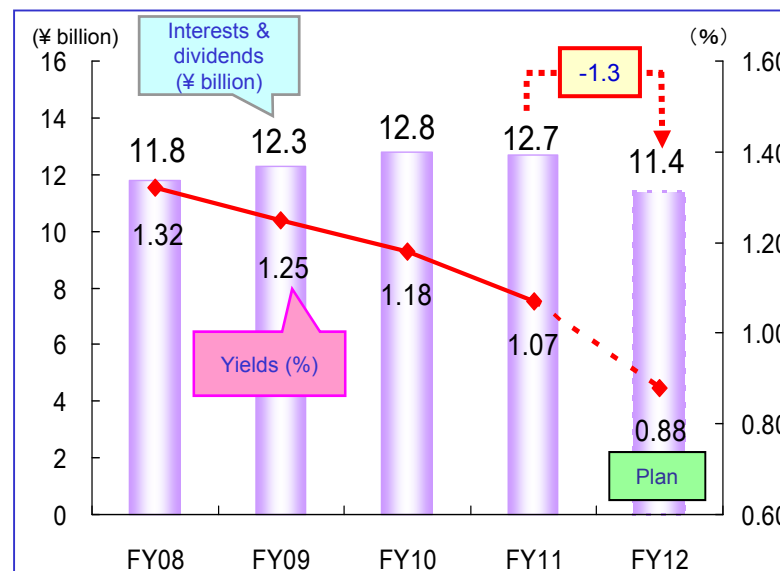
*Note: Loan assets under the control of head office departments refers to loans to the Ministry of Finance, loans made under loan participation agreements and financial receivables transferred from other industries.

Plan for Investment in Marketable Securities

Average Balance of Securities



Securities Yields / Interests & Dividends

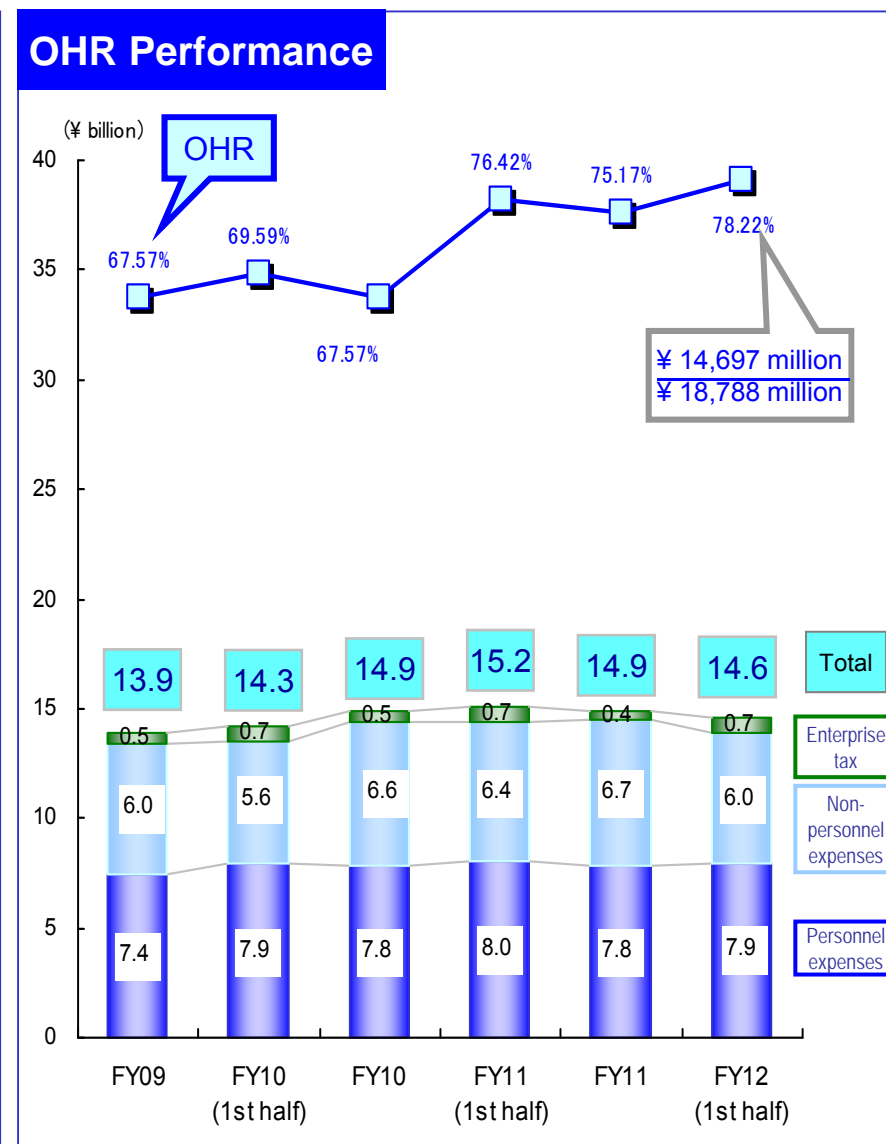
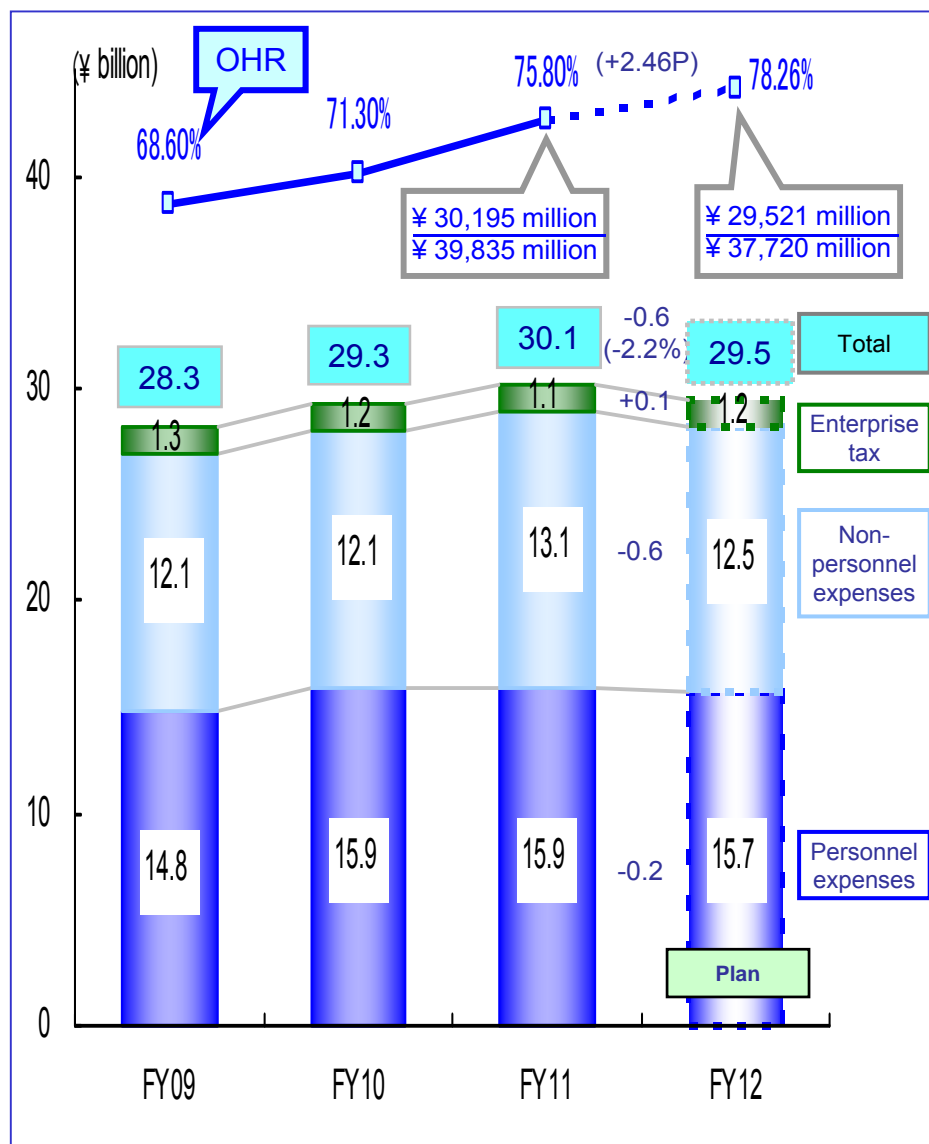


Plan

● Breakdown of Interests & Dividends for FY12

	(¥billion)		
	FY11	FY12	Change
Securities	11.4	10.1	(1.3)
Stocks	1.0	0.9	(0.1)
Investment trusts	0.3	0.3	0.0
Total	12.7	11.4	(1.3)

Operating Expenses and OHR (Trends and Forecasts) 山梨中央銀行



*OHR=Operating expenses / Gross banking profit on core operations
 Gross banking profit on core operations = Gross banking profit – JGBs and other bond transaction profit/loss

Initiatives to Cutback Expenses and Effective Utilization of Human Resources

Initiatives to cutback expenses

Continue and step up cost reduction projects

- ◇ Foster cost-reduction awareness throughout bank
- ◇ Consolidate administrative procedure at headquarters

Department in charge

- ◇ As department in charge, establish cost management section in General Affairs Department

Mission of Cost Management Section

- ◇ Rebuild cost management system
- ◇ Reform procurement method
- ◇ Maintain cost management infrastructure
- ◇ Review investment screening and results verification method
- ◇ Always maintain a low cost structure

(¥ billion)	Result		Target for mid-term plan	
	FY08	FY11	FY12	Comparison with FY08
Ordinary expense	6.6	5.7	5.4	(1.2)

Effective utilization of human resource

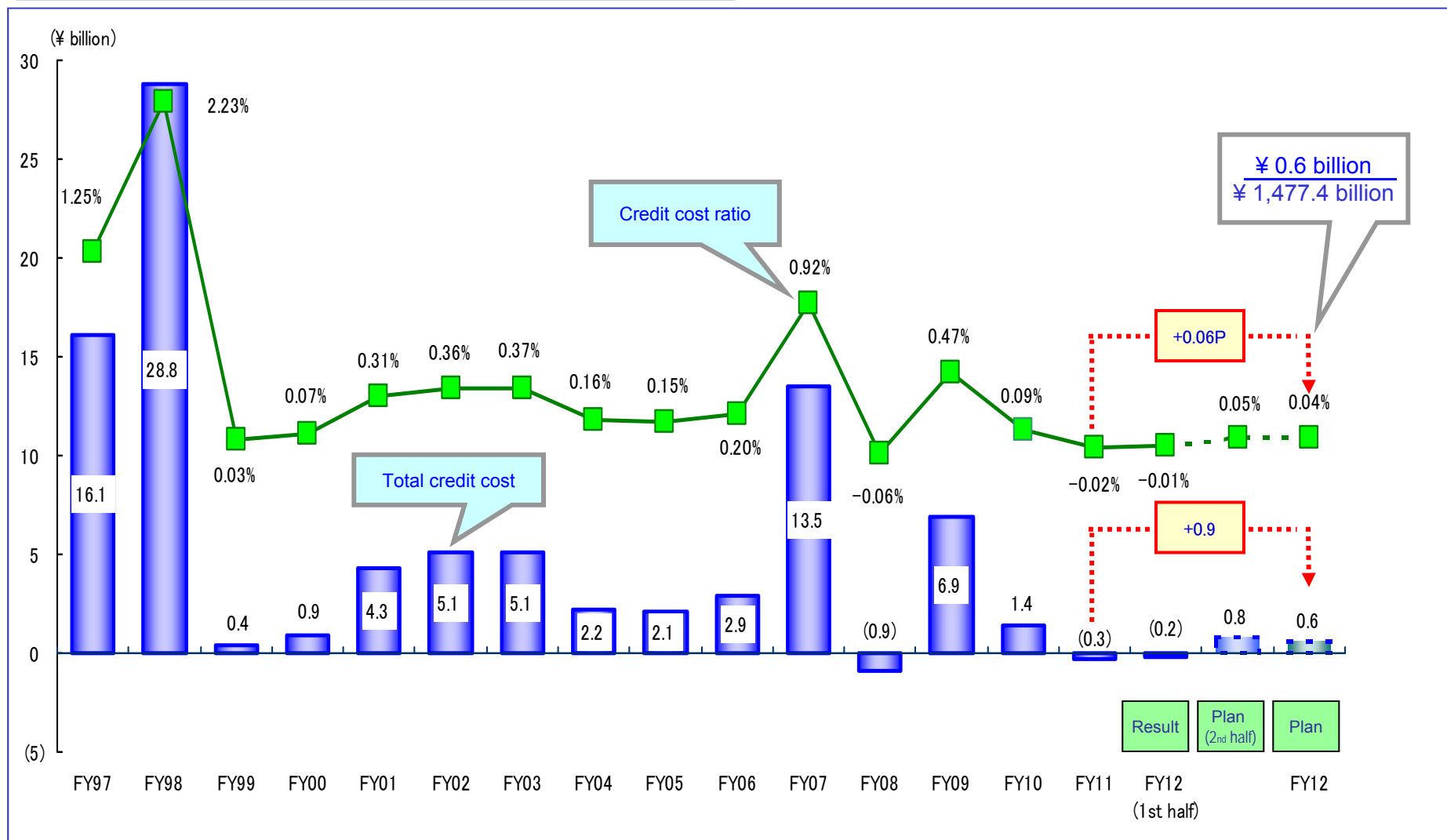
Promote strategic allocation of personnel and train human resources

- ◇ Streamline branches within prefecture
- ◇ Create additional manpower through greater work efficiency
- ◇ Reduce labor cost by cutting back personnel
- ◇ Allocate personnel to promising area and new business
- ◇ Send personnel to JETRO and other external institution

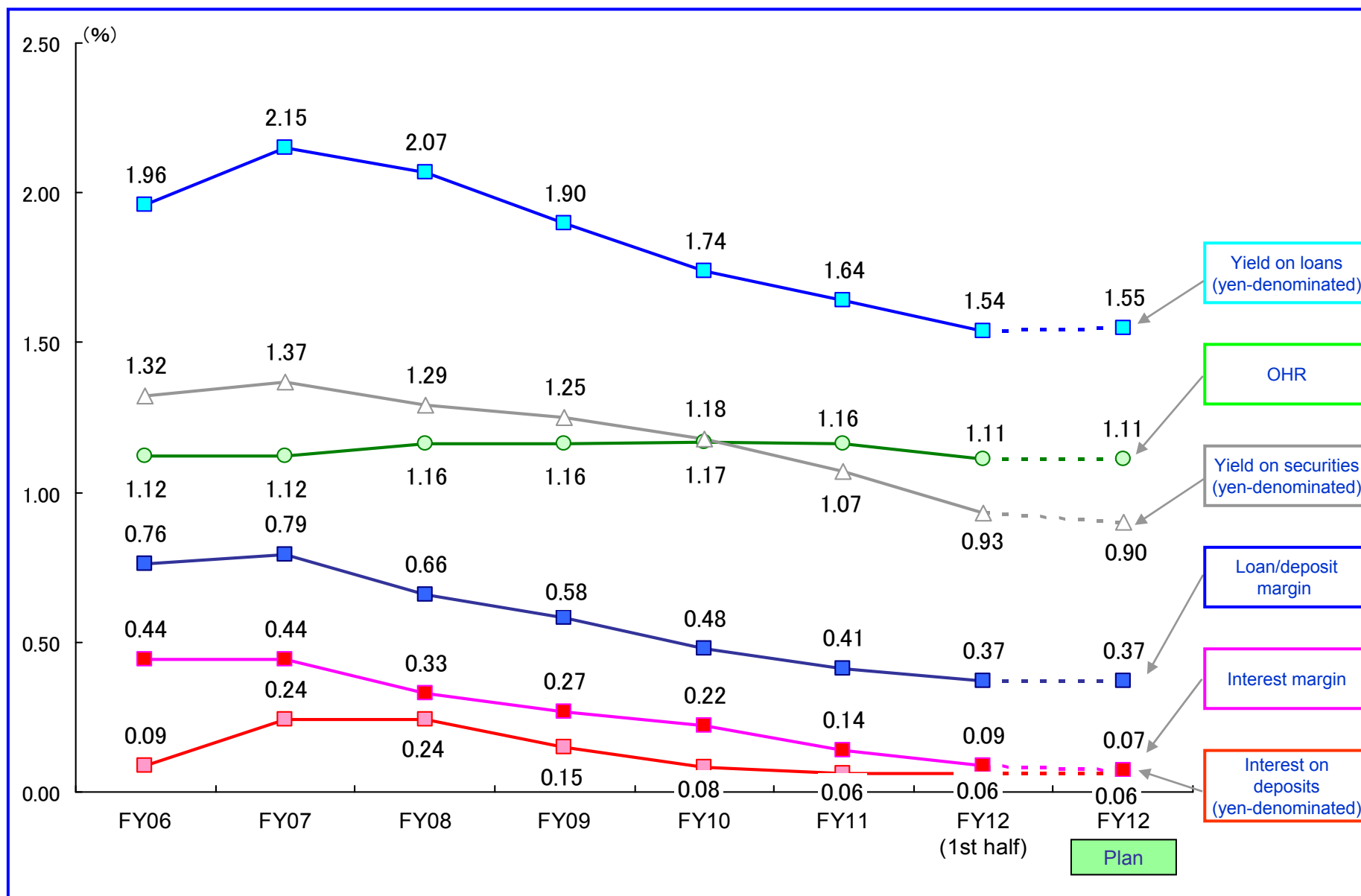
Credit Cost (Trends and Forecasts)

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



Yields & Interest Margins (Trends and Forecasts) 山梨中央銀行



Return to Shareholders

Basic Dividend Policy

Work toward increasing the level of internal reserves required to maintain sound management while at the same time providing for the stable payment of dividends.

70th Anniversary
Commemorative
dividend of ¥1.00
(1st half ¥3.5)
(End of FY11 ¥3.5)

Trends in Dividend Payment

	FY08	FY09	FY10	FY11	FY12(Forecast)
Dividend per share (annual)	¥6.00	¥6.00	¥6.00	¥7.00	¥6.00
Period-end share price	¥515	¥411	¥404	¥368	-
Dividend yield	1.16%	1.45%	1.48%	1.90%	-

Return to Shareholders

Acquired 1,793 thousand shares, equivalent to ¥638 million, on May 27, 2010

Purchased 1,906 thousand shares, equivalent to ¥795 million between Dec. 2010 and Mar. 2011

Purchased 2,079 thousand shares, equivalent to ¥644 million, on Dec. 26, 2011

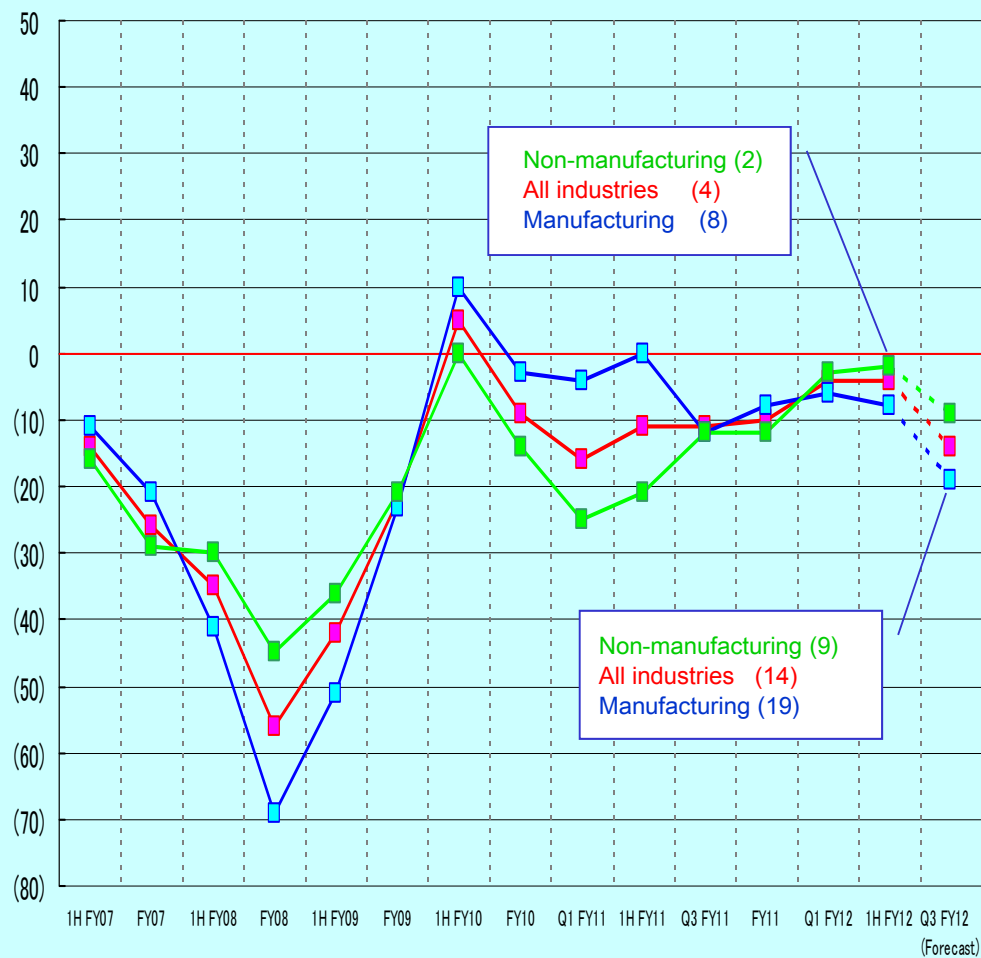
(¥ million)	FY08	FY09	FY10	FY11	FY12(Forecast)
Annual dividend (1)	1,106	1,105	1,089	1,256	1,070
Treasury stock acquired (2)	175	12	1,447	647	0
Return to shareholders (3)=(1)+(2)	1,281	1,117	2,536	1,903	1,070
Net income (non-consolidated) (4)	6,021	2,744	3,861	6,965	4,000
Dividend payout ratio (1)/(4)x100	18.36%	40.28%	28.20%	18.04%	26.77%
Shareholder return ratio (3)/(4)x100	21.28%	40.72%	65.68%	27.33%	26.77%

(Note) Calculated in yen and rounded down

IV Economic Trends in Yamanashi Prefecture

Business Trends

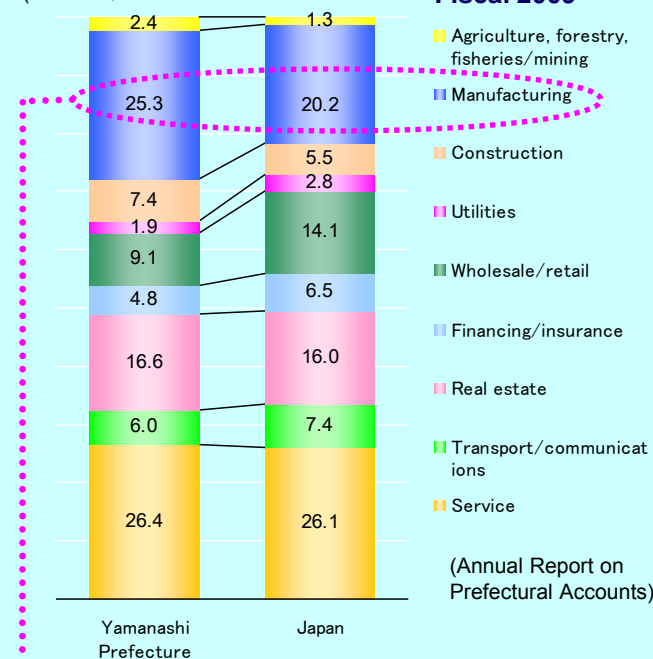
Diffusion Index for Yamanashi Prefecture (BOJ's Tankan Survey)



Gross Production by Economic Activity (Industrial Sector = 100)

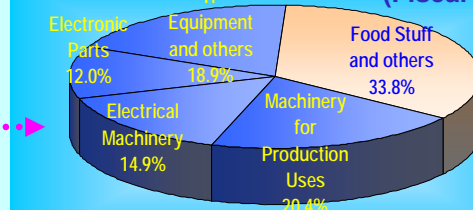
(Unit = %)

Fiscal 2009



Percentage of Shipments of Products Manufactured in Yamanashi Prefecture

(Fiscal 2010)



Concentrated in Machinery Industry –IT-Related, etc
Report on Industrial Survey in Yamanashi Prefecture

Turning Yamanashi into a Clean Energy Developer – a Cutting-Edge Industry

Fuel Cells

<Initiatives in Yamanashi>

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

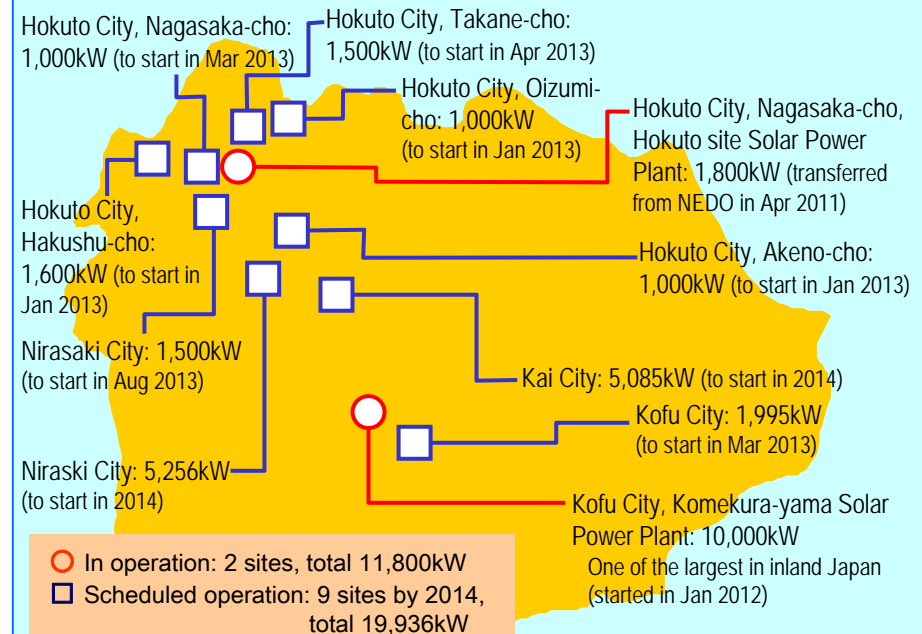
Fuel Cell Nanomaterials Center, University of Yamanashi

- World-leading basic research aimed at realizing fuel cell usage
- Project budget of ¥7 billion
- World-class testing equipment
- Started joint development with Nissan, Honda and Daihatsu in Nov. 2010
- In March 2012, began joint evaluation with Honda Motor Co., Ltd. and Panasonic Corporation of usability of catalyst developed at said Center

- Market Forecast -

- **Fuel cell market in Japan** <Fuji Keizai Group research in July 2010>
Increase from ¥15.9 billion in 2009 to ¥785.4 billion in 2020.
- **Fuel cell vehicle global market** <Fuji Keizai Group research in March 2011, based on the volume of shipments>
Increase from 5.6 billion (forecasted) in 2010 to 2,510 billion in 2025

Solar-Power Generation



Komekurayama Solar Power Plant

Help customers create more new industries and increase machinery industry orders within Yamanashi

- ★ Actively finance relevant industries
- ★ Better matching of advanced research results with technical needs of companies

Preparations for High-Speed Transportation Network

Expected Effects: Increase in tourists from Kansai region, growth in orders, increase in residents due to expanded potential commuting range

Maglev Chuo Shinkansen Line

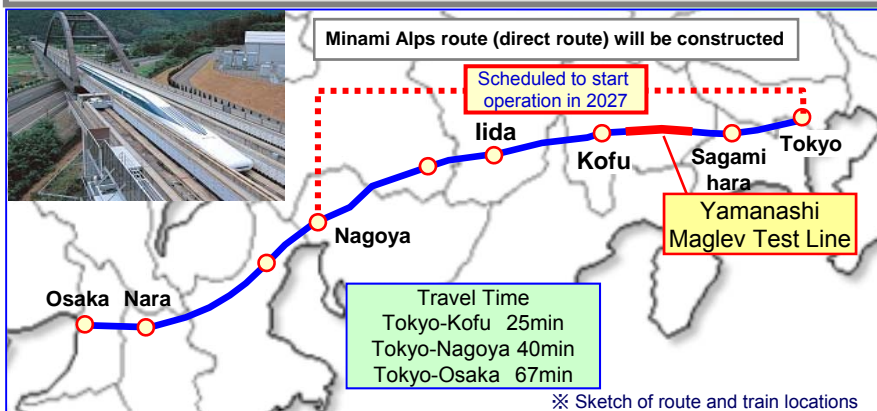
○Maglev Test Line: Line extension work

- Scheduled for completion in 2013 (Total project cost: Approx. ¥350 billion)

○Maglev Chuo Shinkansen Line

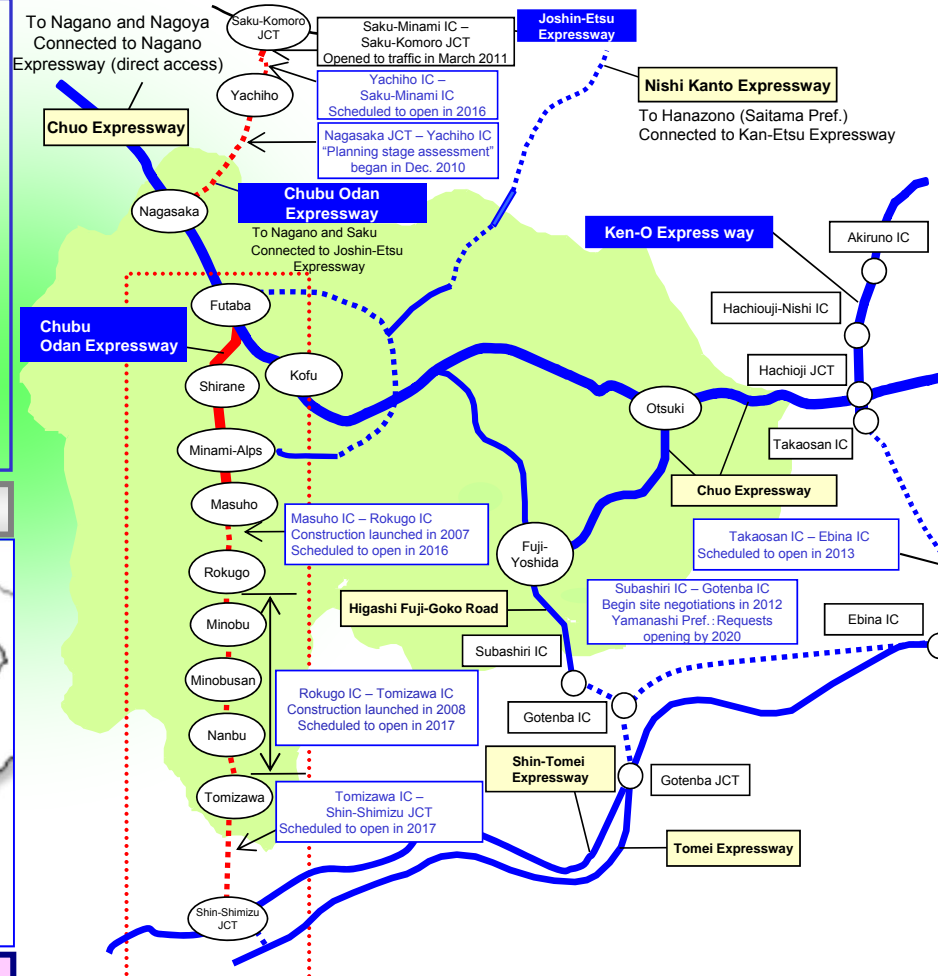
- Start construction in 2014, operational launch planned for 2027
- Ministry of Land, Infrastructure, Transport and Tourism approved JR Tokai for construction on May, 2011
⇒ Train stations almost decided in Yamanashi in Nov. 2011
- Estimated construction cost (including train cars) : ¥9,030.0 bn
- Economic impact if maglev station is opened within the prefecture (Yamanashi Prefecture estimate)
 - An increase of ¥14.6 bn in annual production for the prefecture's industrial sector
 - No. of passengers/day who get on/off at linear motor stations: Approx. 8,900 at operation start ⇒ Approx. 12,300 by 2035
 - No. of companies sited along route: Approx. 800 at operation start ⇒ Approx. 2,600 by 2035
 - Resident population: Approx. 3,800 resident increase ⇒ Approx. 14,600 resident increase by 2035

Map of Maglev Chuo Shinkansen Line Route



★ In January 2012, Maglev Chuo Shinkansen/Chubu Odan Expressway Usage Promotion Project Team set up within Yamanashi Chuo Bank

Chubu Odan Expressway



V Progress of long-term vision (Themes for fiscal 2012 and beyond)

Becoming the No. 1 Regional Bank for Customer and Employee Satisfaction



Increase operating income

- 1. Increase risk-weighted assets so that capital ratio declines by no more than 1 %**
- 2. Regain market share from major banks in prefecture ~ Immediate goal is 10% of the total credit balance of approximately ¥210 billion for major banks**
- 3. Develop personnel (50 in 5 years) with good judgment to revitalize local industry and new demand growth**
- 4. Better and more sophisticated bond investments**
- 5. Efforts to revitalize Yamanashi Prefecture's economy in line with transportation infrastructure improvements**

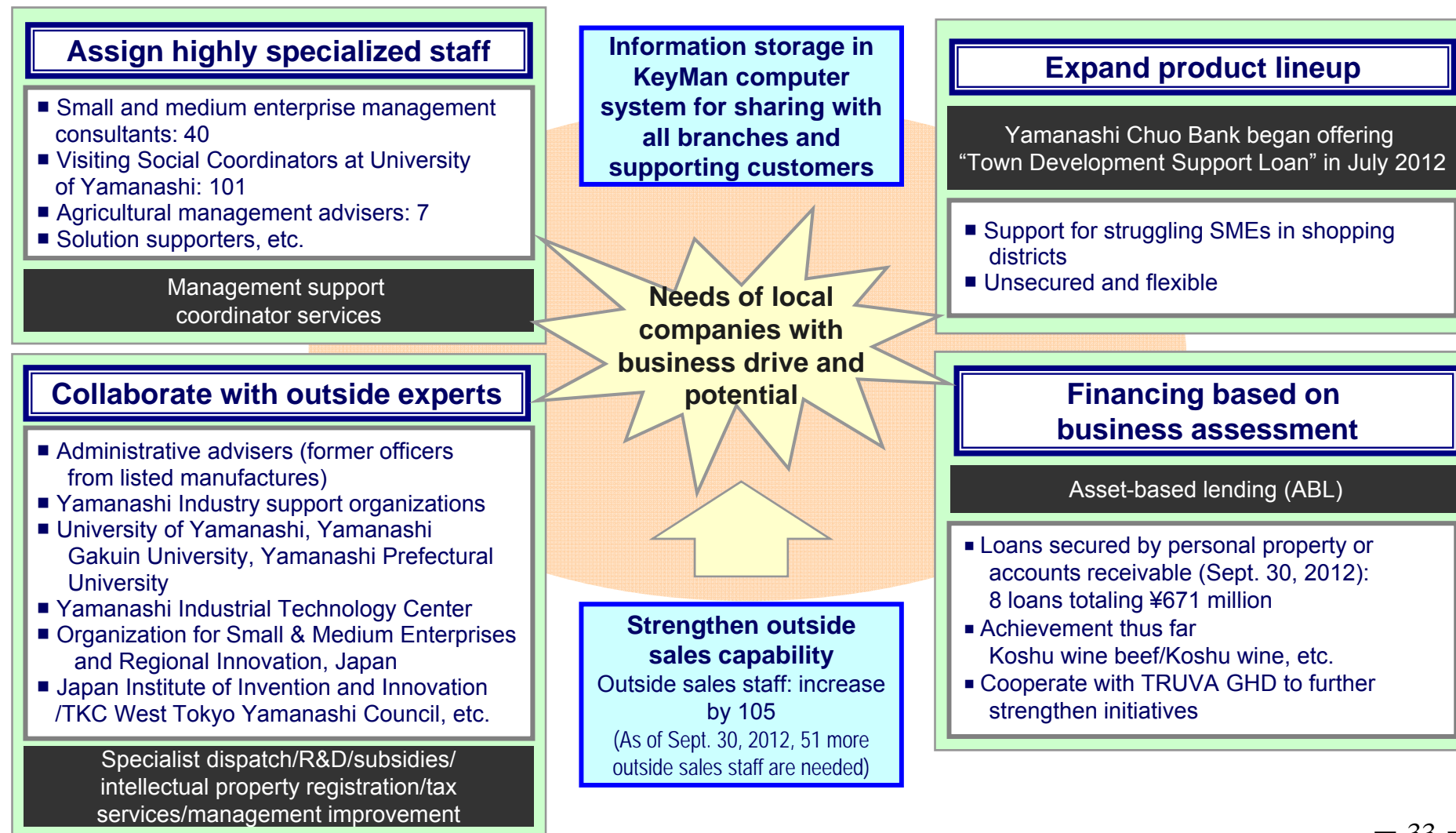
(Continued) Themes for Fiscal 2012 and Beyond (2)

Increase operating income



1. Increase risk-weighted assets so that capital ratio declines by no more than 1 %

● Actively support local companies and provide financing



(Continued) Themes for Fiscal 2012 and Beyond (2)

Increase operating income



1. Increase risk-weighted assets so that capital ratio declines by no more than 1 %
2. Regain market share from major banks in prefecture
 - ~ Immediate goal is 10% of the total credit balance of approximately ¥210 billion for major banks

● Increase loans to SMEs

- Develop and support growth fields and local brands

Performance to date and progress of medium- to long-term policies

■ Support for growth fields and local brand industries through the “More Vital Community Fund”

- “More Vital Community Fund”: ¥20.0 billion
Loans extended in 1H FY2012: 164 loans totaling ¥4.0 billion
- * Total accumulated value of loans extended in growth fields: 372 loans totaling ¥21.3 billion since July 2010

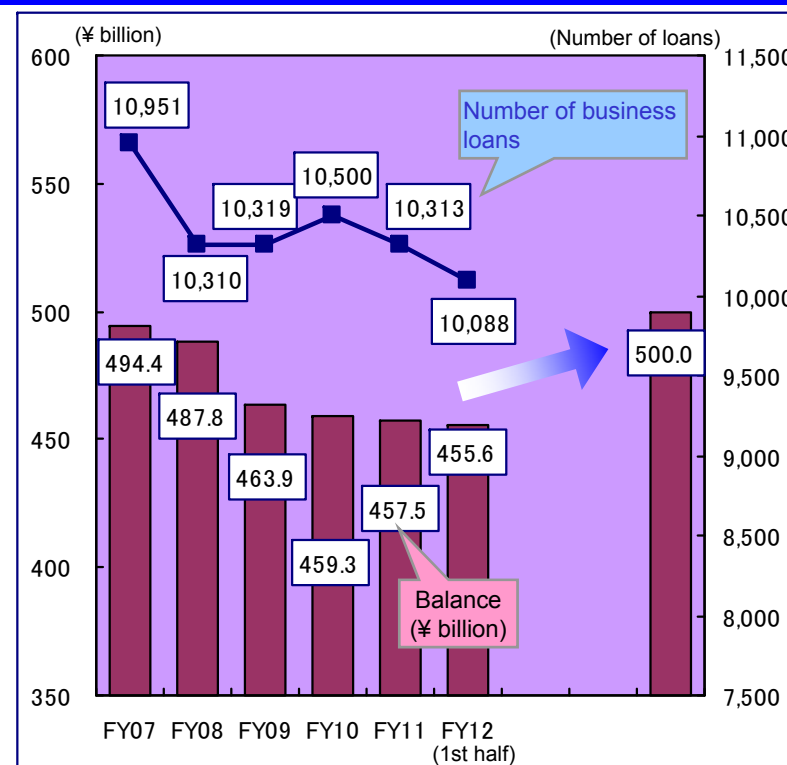
■ Regain market share from major banks in prefecture ~ Immediate goals is 10% of the total credit balance of approx. ¥210 billion for major banks

- ◆ Expand the Bank’s campaign to take over business loans of other banks
 - Total accumulated loans since Dec. 2011: 225 loans totaling ¥13.3 billion
Of that amount, total loans taken over from major banks in Yamanashi Prefecture: 34 loans totaling ¥1.8 billion (achievement rate: 8.7%)
(Loans taken over from “major banks + government-affiliated financial institutions”: ¥9.0 billion)
- ◆ Bank branches and solutions supporters by headquarter bloc visit customers together and support projects
 - Total loans extended through support projects: 31 loans totaling ¥1.1 billion
- ◆ Human resource training by company liaison training promoter
 - Total loans extended through supporter assistance since June 2012: 9 loans totaling ¥0.5 billion

■ Strengthen promotion/solution sales by segment in Western Tokyo Area

- Balance of loans for medical/nursing care field as of Sept. 30, 2012: ¥7.9 billion (up ¥3.2 billion YoY)

Balance of loans to SMEs (year-end) / Number of business loans



* Balance of loans to SMEs excludes loans to real estate-related public sector)

Medium- to long-term
target balance

Balance: ¥500 billion

(Continued) Themes for Fiscal 2012 and Beyond (2)

Increase operating income



1. Increase risk-weighted assets so that capital ratio declines by no more than 1 %

● Increase personal transactions by extending more personal loans

- Actively participate in important life events of individual customers
- Make personal loans the point of entry for promoting Yamanashi Chuo as the customer's main bank

Performance to date and progress of medium- to long-term policies

■ Expand promotional campaign of taking over the loans of other banks

- ◆ Total mortgage loans extended in 1H FY2012: ¥17.8 billion (up ¥3.8 billion YoY)
Of that amount, total loans taken over: ¥8.0 billion (up ¥0.8 billion YoY)
- ◆ Mortgage loan balance as of Sept. 30, 2012: ¥360.5 billion (up ¥2.2 billion YoY)
* Mortgage loan balance turned upward YoY starting from June 2012

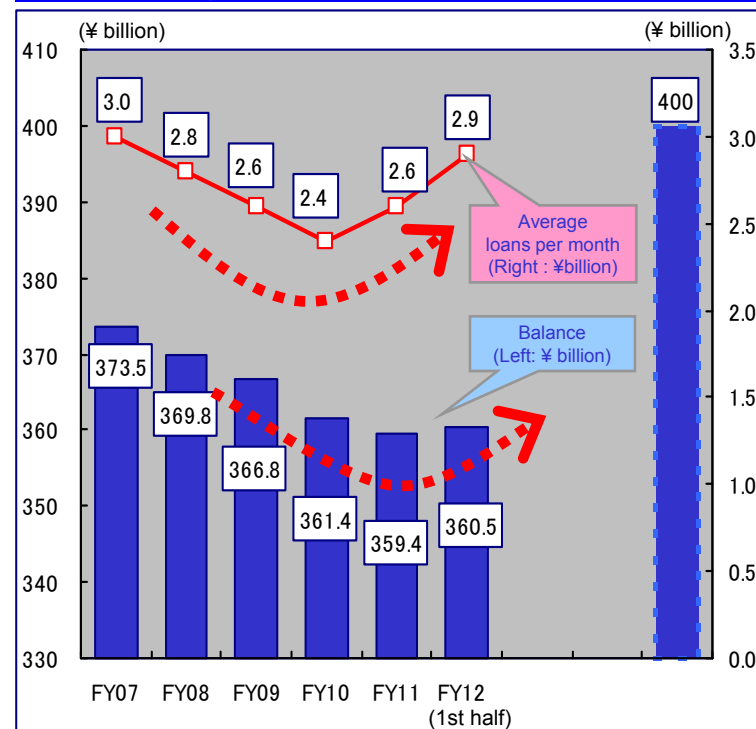
■ Strengthen mortgage loan marketing

- ◆ Fortify Loan Squares/Establish new Loan Squares
- ◆ Hachioji, Tachikawa, and Fujiyoshida Loan Squares made part of head office organization
- ◆ River City Loan Square opened in Aug. 2012 (fourth in prefecture)
- * Loan Square: 6 total (4 in Yamanashi Prefecture, 2 in West Tokyo)
⇒ increase to 9 within 3 years

■ Increase consumer loans by launching new card loans

- ◆ Began offering "Waku Waku Every" credit card loans in July 2012

Mortgage loan balance (year-end) Average value of loans per month



Medium- to long-term mortgage loan target balance

Balance: ¥400 billion

(Continued) Themes for Fiscal 2012 and Beyond (2)

Increase operating income

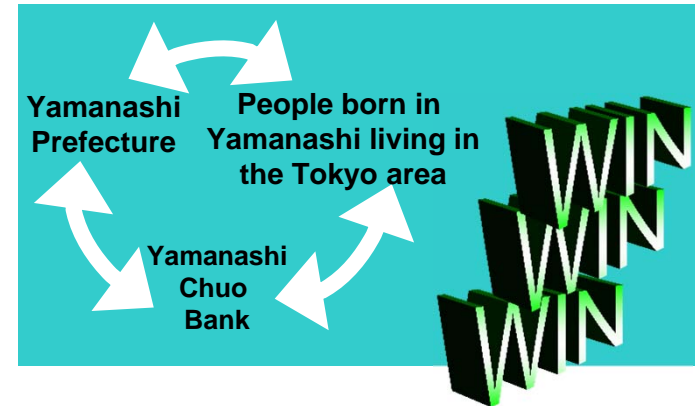


1. Increase risk-weighted assets so that capital ratio declines by no more than 1 %

Cooperate more closely with “Furusato Linkage 200”

What is “Furusato Linkage 200”?

- “A movement that seeks to revitalize Yamanashi through the cooperation of 2 million people who are Yamanashi Prefecture residents or were born in Yamanashi Prefecture but live in the Tokyo area” and which is supported by the Federation of Associations of People from Yamanashi Prefecture



Fully leverage networks in Tokyo and Sagamihara

<Furusato Linkage 200>

- Target: 1,038 people
- Targets approached: [in 1H FY2012] 238 people
- Loans extended to targets: up to ¥1.6 billion (of which ¥1.6 billion was for business loans)

Yamanashi Chuo Bank's Mission

- To serve as a bridge for promoting cooperation between Yamanashi Prefecture and Yamanashi-related companies and individuals in the Tokyo area
- To increase financial transactions by developing business solutions such as business matching services, providing useful information, etc.

Sagamihara Branch opened for business on May 17, 2012

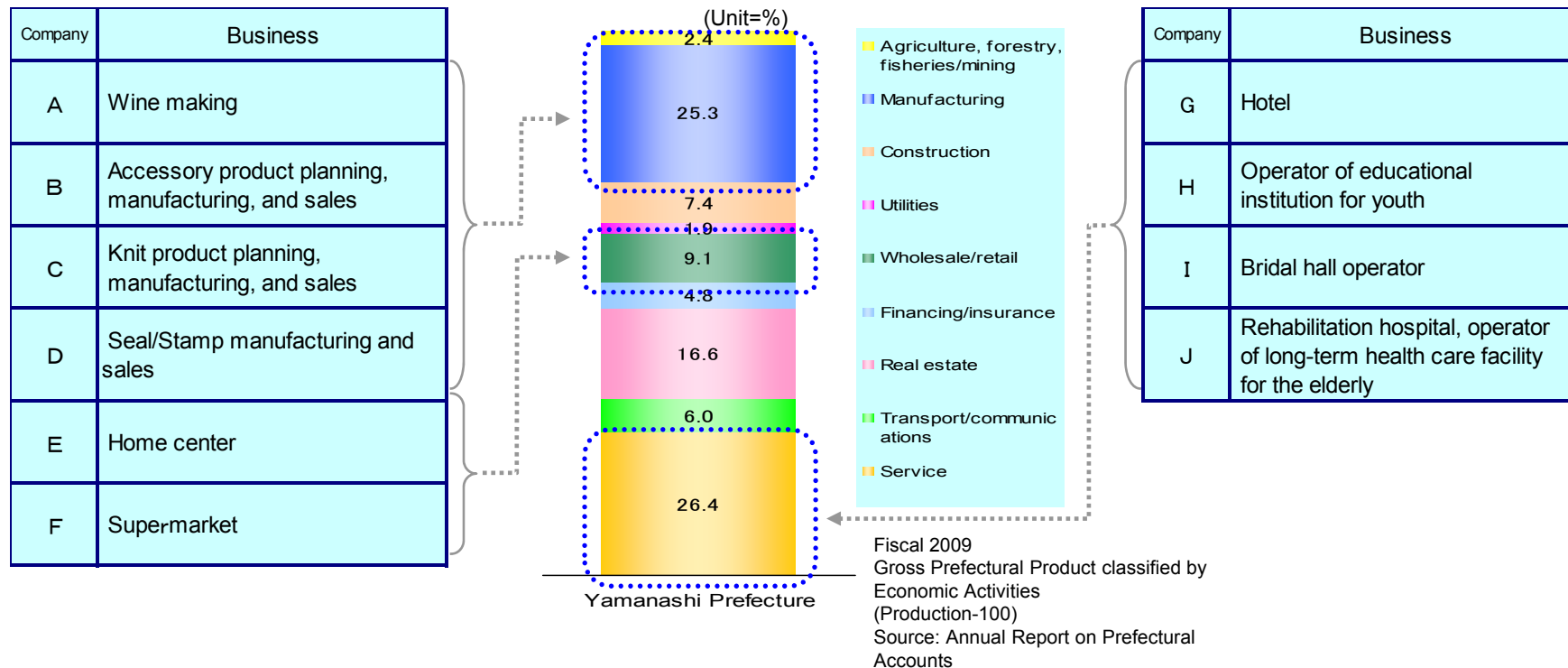
(Continued) Themes for Fiscal 2012 and Beyond (2)

Increase operating income



3. Develop personnel (50 in 5 years) with good judgment to revitalize local industry and new demand growth

Began dispatching Bank staff to 10 companies in Yamanashi Pref. on April 1, 2012



Will continue dispatching staff from next fiscal year, for a total of approx. 50 staff over five years planned

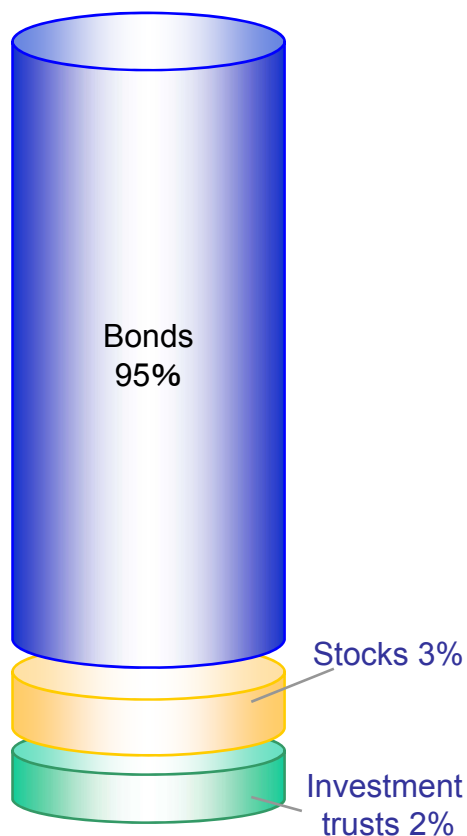
(Continued) Themes for Fiscal 2012 and Beyond (2)

Increase operating income



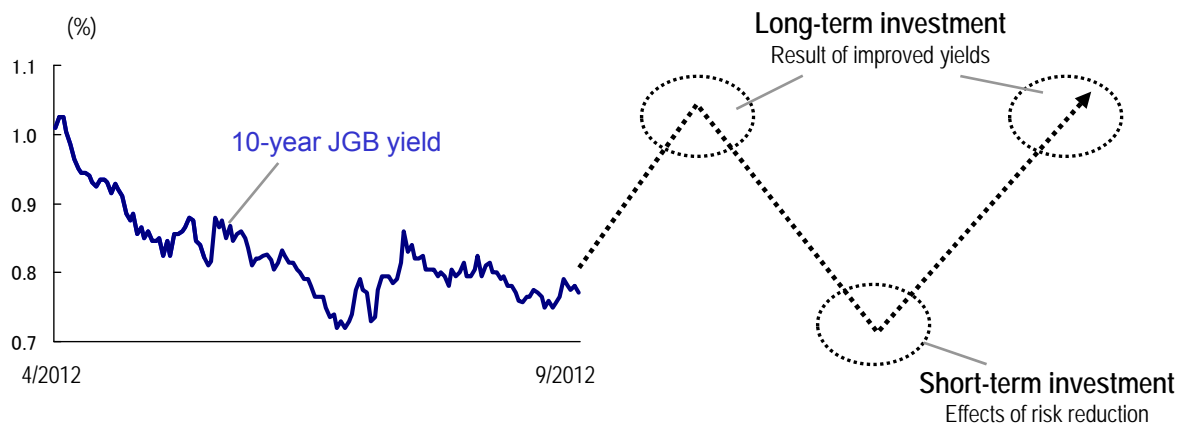
4. Better and more sophisticated bond investments

FY2012 (1st half)
Average balance: ¥1,290.5 billion



Bonds

- Portfolio primarily of Japanese public bonds
- Contain credit risk and liquidity risk and manage by controlling interest rate risk
- Upper limit of interest rate risk: Modified duration for yen-denominated bonds 4.0
- Flexibly reshuffle portfolio based on market conditions



Modified duration for yen-denominated bonds

	FY09	FY10 1st half	FY10	FY11 1st half	FY11	FY12 1st half
Yen-denominated bonds	3.9	3.7	3.8	3.8	3.5	3.1

Stocks

- Select stocks with a focus on profitability and growth potential
- Improve investment yield by limiting number of different stocks
- Restrict policy investments

Investment trusts

- Supplement stocks and bonds and secure earnings commensurate with risk
- Continue J-REIT investments

(Continued) Themes for Fiscal 2012 and Beyond (2)

Increase operating income



5. Efforts to revitalize Yamanashi Prefecture's economy in line with transportation infrastructure improvements



Set up Maglev Chuo Shinkansen/Chubu Odan Expressway Promotion Project Team

(Commonly called: Maglev Promotion PT Established : January 23, 2012)

1. Purpose

To carry out investigative research on the future effects of the opening of the Maglev Chuo Shinkansen and Chubu Odan Expressway as well as the effects of various changes in local communities on the region and the Bank and to check that they are reflected in policies and measures to revitalize the Prefecture, and in business strategy.

2. Structure

Total of 21 people

(Chairperson: Senior Managing Director, 7 people publicly recruited from within the Bank, and others)

3. Current activities

(1) Basic research

Conducted "Survey on Future of Yamanashi Prefecture and Preparations for High-Speed Transportation Network" in Sept. 2012

Target => Individuals: 300 customers from both inside/outside prefecture;

Corporations: 200 corporate customers from both inside/outside prefecture Total 1,000

(2) Yamanashi Prefecture's future vision and investigate the Bank's revitalization measures



Contribute to the growth and development of Yamanashi Prefecture's economy and society so that it leads to business opportunities for the Bank

Thank you attending our analyst meeting. If you have any further questions, please do not hesitate to contact us at the following telephone number, email address or website.

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