

# **The Yamanashi Chuo Bank, Ltd. The 23rd Analyst Meeting**

**Supplementary Materials**

**December 4, 2012 (Tue)**

## Supplementary Materials

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The reader is advised that these materials contain forward-looking statements. These statements do not constitute guarantees of future business performance, and they involve various risks and unforeseeable future circumstances.  
The Bank’s future business performance may be affected by changes in the business environment that are beyond the prediction or control of the Bank, and actual results may therefore differ substantially from the figures contained in the said forward-looking statements.

# Fiscal 2012 First Half Business Results (1)

(¥ billion; %)

		FY2010 (1st half)	FY2011 (1st half)	FY2012 (1st half)	YoY comparison (FY11 1H)		YoY comparison (FY12 1H)	
					Amount	Percentage	Amount	Percentage
Average balance	Fund operations	2,628.4	2,704.9	2,814.4	76.4	2.91	109.5	4.05
	Loans	1,478.5	1,481.5	1,463.7	2.9	0.20	(17.7)	(1.19)
	Securities	1,054.1	1,126.0	1,290.5	71.8	6.81	164.5	14.60
	Call loans	77.8	60.0	30.5	(17.7)	(22.83)	(29.5)	(49.14)
	Due from banks (interest-bearing)	7.7	27.1	18.8	19.4	250.98	(8.3)	(30.55)
	Fund procurement	2,518.7	2,597.1	2,705.4	78.4	3.11	108.3	4.17
	Deposits	2,498.2	2,585.5	2,632.4	87.3	3.49	46.9	1.81
	Call money	0.1	1.5	0.1	1.4	1,137.50	(1.4)	(88.83)
(Reference) Money held in trust		-	-	-	-	-	-	-
Yields / Interest margin	Fund operations	1.49	1.36	1.24	(0.13)		(0.12)	
	Loans	1.77	1.63	1.54	(0.14)		(0.09)	
	Securities	1.20	1.11	0.93	(0.09)		(0.18)	
	Call loans	0.17	0.14	0.18	(0.03)		0.04	
	Due from banks	0.09	0.09	0.09	0.00		0.00	
	Fund procurement	0.10	0.06	0.07	(0.04)		0.01	
	Deposits	0.10	0.06	0.06	(0.04)		0.00	
	Call money	0.35	0.29	0.12	(0.06)		(0.17)	
	Borrowings	0.10	0.09	0.09	(0.01)		0.00	
	OHR	1.14	1.17	1.11	0.03		(0.06)	
	Fund procurement cost	1.24	1.23	1.15	(0.01)		(0.08)	
	Loan / deposit interest margin	1.67	1.57	1.48	(0.10)		(0.09)	
	Fund operation / procurement interest margin	1.39	1.30	1.17	(0.09)		(0.13)	
	Gross interest margin on loans	0.52	0.40	0.37	(0.12)		(0.03)	
	Gross interest margin on funds under management	0.25	0.13	0.09	(0.12)		(0.04)	

# Fiscal 2012 First Half Business Results (2)

(¥ billion; %)

		FY2010 (1st half)	FY2011 (1st half)	FY2012 (1st half)	YoY comparison (FY11 1H)		YoY comparison (FY12 1H)	
					Amount	Percentage	Amount	Percentage
Profits and losses	Interest income	18.2	17.6	16.5	(0.6)	(3.45)	(1.1)	(6.23)
	Loans	13.1	12.1	11.3	(0.9)	(7.51)	(0.7)	(6.41)
	Securities	6.3	6.3	6.0	(0.0)	(1.22)	(0.2)	(4.10)
	Call loans	0.0	0.0	0.0	(0.0)	(34.84)	(0.0)	(33.33)
	Due from banks	0.0	0.0	0.0	0.0	251.44	(0.0)	(30.55)
	Fees and commissions	2.3	2.1	2.1	(0.1)	(5.80)	0.0	0.29
	Other operating income (losses)	1.1	0.4	1.5	(0.7)	(64.21)	1.1	269.93
	JGBs and other bond transactions	1.0	0.3	1.4	(0.7)	(68.61)	1.1	330.99
	General provision to loan loss reserve	-	-	-	-	-	-	-
	Expenses	14.3	15.2	14.6	0.8	5.75	(0.6)	(3.32)
	Banking profit	7.3	5.0	5.5	(2.3)	(31.77)	0.5	10.71
	Modified banking profit	7.3	5.0	5.5	(2.3)	(31.77)	0.5	10.71
	Net business profit on core operations	6.2	4.6	4.0	(1.5)	(25.33)	(0.6)	(12.75)
	Non-operating income (losses)	(1.1)	0.5	(1.1)	1.6	145.36	(1.6)	(316.98)
	Equity share and similar transactions	(0.9)	(1.0)	(1.2)	(0.0)	(7.63)	(0.2)	(20.98)
	NPL disposal amount	0.0	0.0	0.0	(0.0)	(26.37)	(0.0)	(99.79)
	Money held in trust	-	-	-	-	-	-	-
	Ordinary profits	6.2	5.5	4.4	(0.6)	(10.95)	(1.1)	(19.87)
	Extraordinary income (losses)	1.4	(0.0)	(0.5)	(1.4)	(100.09)	(0.5)	(42,773.80)
	Income taxes - basic	0.9	1.8	1.8	0.9	99.57	(0.0)	(0.74)
	Income taxes - deferred	1.4	0.4	(0.0)	(0.9)	(67.45)	(0.5)	(114.34)
	Net income	5.3	3.1	2.0	(2.1)	(40.19)	(1.1)	(35.53)

# Capital Ratio (Non-Consolidated Basis)

(%; ¥ billion)

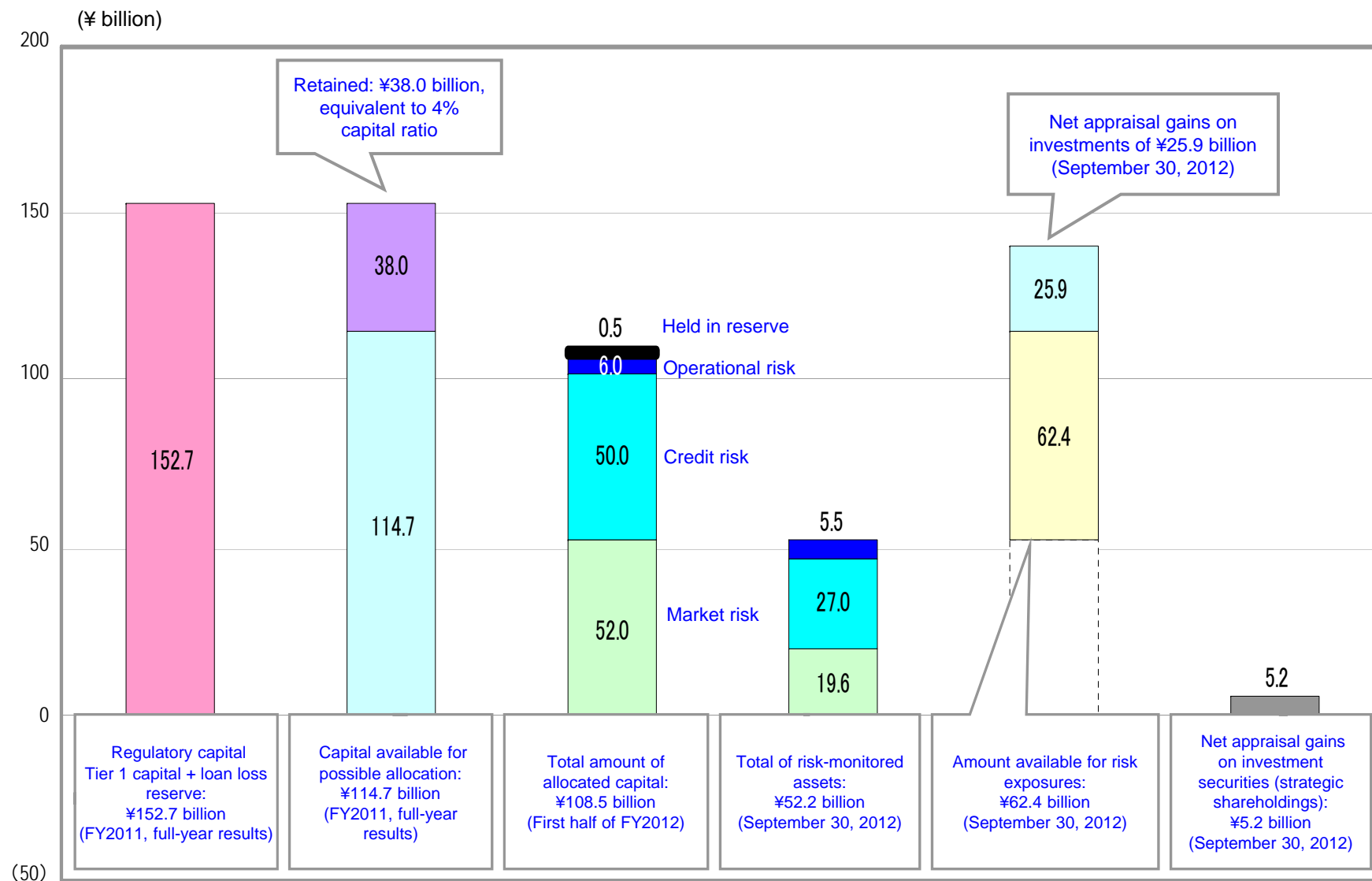
	FY2009	FY2010 (1st half)	FY2010	FY2011 (1st half)	FY2011	FY2012 (1st half)
Total capital ratio (domestic standards)	15.14	15.98	15.90	16.19	16.07	16.30
Tier 1 ratio	14.54	15.50	15.35	15.83	15.66	15.97
Regulatory capital	148.1	151.0	148.7	149.6	152.7	153.4
Tier 1	142.3	146.4	143.6	146.2	148.7	150.3
Tier 2						
Unrealized gain on land revaluation (45%)	-	-	-	-	-	-
Unrealized gain on available-for-sale securities (45%)	-	-	-	-	-	-
Loan loss reserve	5.8	4.5	5.0	3.3	3.9	3.1
Subordinated debt	-	-	-	-	-	-
Deductions	-	-	-	-	-	-
Risk-weighted assets	978.2	944.8	935.3	923.6	949.7	940.8
On-balance items	892.9	860.9	852.0	841.5	869.0	860.8
Off-balance items	13.8	13.0	13.0	12.3	11.5	11.7
Operational risks / 0.08	71.4	70.8	70.2	69.7	69.1	68.2

(Reference)  
Interest rate risk on the banking  
account (September 30, 2012)

Interest rate shock	99th percentile	1st percentile
Risk amount	¥(0.4) billion	¥13.4 billion
Tier I + Tier II	¥153.4 billion	¥153.4 billion
Outlier ratio	-0.2%	8.7%

\* From June 2009, core deposits are calculated with an in-house model.

# Capital Allocation



# Employees and Branches

	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12 (1st half)	Comparison with FY2004
Regular employees	1,764	1,688	1,612	1,564	1,605	1,659	1,705	1,704	1,743	(21)
Fixed-term contract workers	431	496	581	716	760	789	776	736	727	296
Branches (including sub-branches)	93	91	91	91	92	91	91	91	91 <sup>*</sup>	(2)
Ordinary type	48	49	45	42	43	42	42	42	43	(5)
Covering wide area; full-range services	27	21	21	23	22	22	22	21	21	(6)
Covering wide area; specialized in retailing	15	17	24	25	26	26	26	27	27 <sup>*</sup>	12
Covering wide area; specialized in loans to individuals	3	4	1	1	1	1	1	1	0	(3)
Corporate Sales Office	0	0	0	0	0	0	1	2	1	1
Loan centers	3	3	3	4	5	5	5	5	6	3
Off-branch ATMs	135	138	131	132	134	132	130	129	126	(9)

\*Chuo Ichiba Branch operates at the Kokubo Branch

# Loan Portfolio by Customer Industry

(¥ billion; %; P)

	March 31, 2012		September 30, 2012		YoY change	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
Manufacturing	166.2	11.2%	161.0	10.9%	(5.2)	(0.3)P
Agriculture, forestry	1.6	0.1%	1.7	0.1%	0.1	0.0P
Fishery	0.0	0.0%	0.0	0.0%	0.0	0.0P
Mining, quarrying and gravel digging	2.2	0.1%	2.1	0.1%	(0.1)	(0.0)P
Construction	40.0	2.7%	37.8	2.6%	(2.2)	(0.1)P
Utilities, heat provision	29.2	2.0%	29.0	2.0%	(0.2)	(0.0)P
Telecommunications	20.5	1.4%	20.5	1.4%	0.0	0.0P
Transportation, postal services	74.2	5.0%	72.8	4.9%	(1.4)	(0.1)P
Wholesaling, retailing	128.5	8.7%	126.8	8.6%	(1.7)	(0.1)P
Financing, insurance	48.3	3.3%	49.9	3.4%	1.6	0.1P
Real estate, equipment rental and leasing	195.6	13.2%	189.5	12.8%	(6.1)	(0.4)P
Miscellaneous services	168.5	11.3%	170.2	11.5%	1.7	0.2P
National and local governments	235.5	15.9%	246.1	16.6%	10.6	0.7P
Individuals and others	372.6	25.1%	372.0	25.1%	(0.6)	(0.0)P
Total lending	1,483.4	100.0%	1,480.0	100.0%	(3.4)	—



# Loan Balance by Customer's Business Scale / Designated Financial Institution Contracts with Local Governments

## Loan Balance by Customer's Business Scale

(¥ billion; %)

	National and local government		Large companies		Second-tier companies		SMEs		Other individuals		Total	
	FY2011	FY2012 (1st half)	FY2011	FY2012 (1st half)	FY2011	FY2012 (1st half)	FY2011	FY2012 (1st half)	FY2011	FY2012 (1st half)	FY2011	FY2012 (1st half)
Overall	235.5	246.1	355.5	348.5	37.3	35.4	482.4	477.7	372.6	372.0	1,483.4	1,480.0
	15.9%	16.6%	24.0%	23.5%	2.5%	2.4%	32.5%	32.3%	25.1%	25.1%	100.0%	100.0%
Yamanashi Prefecture	200.0	211.3	33.6	21.0	17.5	13.3	337.8	288.7	294.5	294.4	883.6	828.9
	22.6%	25.5%	3.8%	2.5%	2.0%	1.6%	38.2%	34.8%	33.3%	35.5%	100.0%	100.0%
Western Tokyo Bloc	1.2	0.7	7.5	6.7	4.3	4.7	70.9	72.3	76.6	76.1	160.7	160.7
	0.7%	0.4%	4.7%	4.2%	2.7%	2.9%	44.1%	45.0%	47.7%	47.4%	100.0%	100.0%
Eastern Tokyo Bloc	4.2	4.0	266.3	268.3	15.4	14.5	64.8	64.0	1.4	1.4	352.2	352.3
	1.2%	1.1%	75.6%	76.2%	4.4%	4.1%	18.4%	18.2%	0.4%	0.4%	100.0%	100.0%
Headquarters	30.0	30.0	48.0	52.4	-	2.9	8.8	52.6	0.0	0.0	86.9	137.9
	34.6%	21.8%	55.3%	38.0%	-	2.1%	10.1%	38.1%	0.0%	0.0%	100.0%	100.0%

\* The loan balance as of March 31, 2012 has been revised for branch loans under headquarters' management in 1H 2012 along with the correction of errors in loans by customer's business scale

### Designated Financial Institution Contracts with Local Governments (September 30, 2012)

	Prefecture	City	Town / Village	Total
Total number of local governments in Yamanashi Prefecture	1	13	14	28
Number of government bodies by which the Bank is designated	1	13	10	24

## Risk-Monitored Loans under the Banking Law

The Bank has never implemented partial charge-offs.

(¥ billion)

	March 31, 2012	September 30, 2012	Comparison with previous term-end	September 30, 2012 (consolidated basis)
Loans to customers in bankruptcy	2.2	2.7	0.5	2.9
Past due loans	46.6	47.3	0.7	48.5
Accruing loans contractually past due three months or more	0.0	0.0	0.0	0.0
Restructured loans	2.8	2.6	(0.2)	2.6
Total risk-monitored loans (A)	51.8	52.7	0.9	54.2
As a percentage of total loans	3.49%	3.56%	0.07P	3.68%
Portions covered by collateral and guarantees (B) (including specific reserves)	48.9	49.7	0.8	51.1
Coverage ratio B / A	94.53%	94.19%	(0.34)P	94.29%
Reserve for possible loan losses (non-specific) (C)	3.9	3.1	(0.8)	6.8
Coverage ratio (B + C) / A (including loan loss reserves)	102.18%	100.06%	(2.12)P	106.89%

\* The following figures in the yellow column represent risk-monitored loan amounts (non-consolidated basis) on the assumption of implementation of partial charge-offs.

(¥ billion)

	September 30, 2012 Prior to partial charge-offs (1)	September 30, 2012 After partial charge-offs (2)	Decrease (2) - (1)
Loans to customers in bankruptcy	2.7	1.8	(0.9)
Past due loans	47.3	45.0	(2.3)
Accruing loans contractually past due three months or more	0.0	0.0	0.0
Restructured loans	2.6	2.6	0.0
Total risk-monitored loans	52.7	49.6	(3.1)
As a percentage of total loans	3.56%	3.35%	(0.21)P

# Changes in Borrower Categories

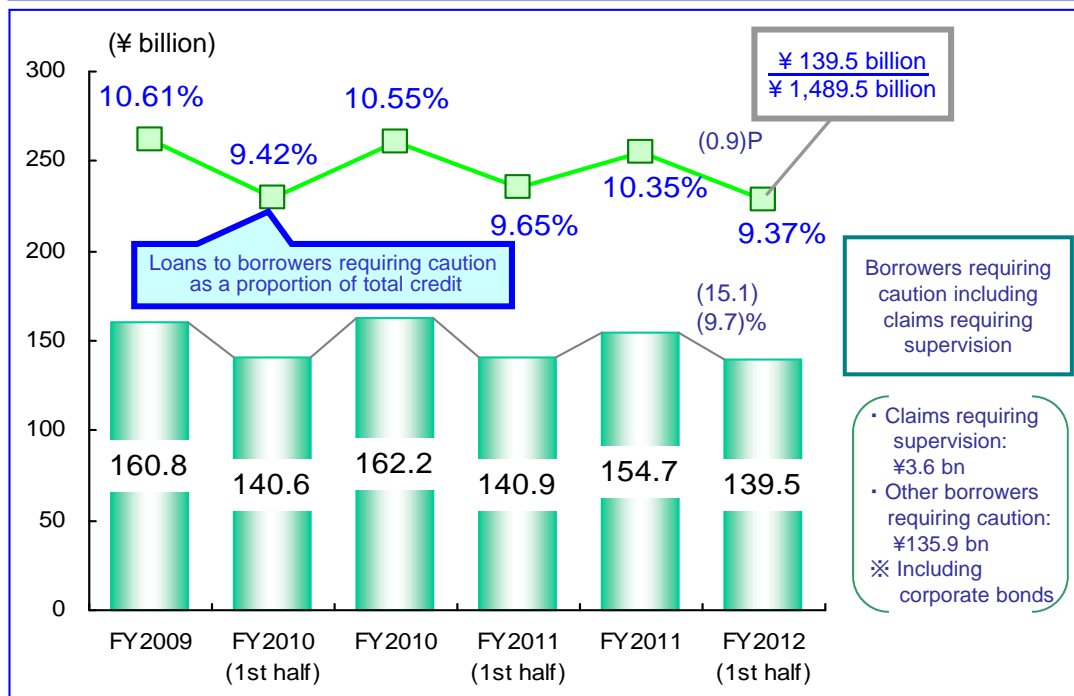
(¥ billion)

Total claim basis* (under the Financial Reconstruction Law) From March 31, 2012 to September 30, 2012		September 30, 2012						Deterioration to potentially bankrupt or worse
		Normal borrower	Other requiring caution	Requiring supervision	Potentially bankrupt	Effectively Bankrupt	Legally bankrupt	
March 31, 2012	Amount of newly occurred	—	19.5	5.3	-	0.0	0.0	-
	Normal borrower	1,287.7	1,270.6	10.5	0.3	1.0	0.2	0.0
	Other requiring caution	150.5	7.4	119.0	0.1	3.0	0.1	0.0
	Requiring supervision	4.0	0.0	0.3	3.1	0.1	-	0.0
	Potentially bankrupt	37.2	0.0	0.2	-	34.3	0.5	0.2
	Effectively Bankrupt	9.6	-	0.0	-	0.2	7.5	0.3
	Legally bankrupt	2.2	-	-	-	0.0	-	2.0
	Total	1,491.5	1,297.6	135.5	3.6	39.0	8.5	2.7

Improvement  
Deterioration

\* Including loans, customers' liabilities for acceptances and guarantees, foreign exchanges, suspense payments and accrued interest.  
Loans to national and local governments and claims outside scope of asset under self-assessment are included in "Normal" borrowers.

## Balance of loans to borrowers requiring caution and as a proportion of total credit



## Measures to support managements at corporate borrowers

### Basic stance

**Our basic stance is unchanged:** We have proactively worked to facilitate funding and support management improvement at customer companies in our region.

### Measures taken

To enhance our management improvement efforts we expanded support services for management improvement and funding facilitation for corporate borrowers.

Supporting a wider range of borrowers

## Measures for financial facilitation

Type	Application (Number of loans, Amounts (¥ billion))					
	Application		Approved		Turned down	
	Applications	Amount	Applications	Amount	Applications	Amount
SME customers	7,444	209.7	6,867	199.9	110	2.2
Housing-loan customers	1,151	17.6	798	12.1	106	1.5

\* Base date: September 30, 2012

Category	Total
Management improvement	102
Headquarters	52
Branch managements	50
Funding facilitation	93
<b>Total</b>	<b>195</b>

# Securities Portfolio (1)

## Prior to Mark-to-Market Adjustment

(¥ billion; %; P)

	FY2009		FY2010 (1st half)		FY2010		FY2011 (1st half)		FY2011		FY2012 (1st half)		YoY increase (decrease)	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
JGBs	468.9	46.0	544.6	50.6	558.3	52.1	694.4	57.8	748.1	59.9	771.8	61.0	77.4	3.2
Municipal bonds	168.2	16.5	169.7	15.8	169.5	15.8	179.5	14.9	180.8	14.5	191.0	15.1	11.5	0.2
Government guaranteed bonds	183.3	18.0	176.1	16.4	174.3	16.3	174.1	14.5	173.5	13.9	168.5	13.3	(5.6)	(1.2)
Bond issued by semi-government bodies	3.0	0.3	2.7	0.3	2.5	0.2	1.5	0.1	1.4	0.1	1.3	0.1	(0.2)	(0.0)
Financial debentures	13.9	1.4	11.5	1.1	-	-	-	-	-	-	-	-	-	-
Corporate bonds	101.3	9.9	96.3	9.0	94.9	8.8	81.5	6.8	76.2	6.1	65.8	5.2	(15.7)	(1.6)
Equity shares	52.1	5.1	51.7	4.8	47.8	4.5	45.7	3.8	44.7	3.6	43.3	3.4	(2.4)	(0.4)
Strategic holdings	35.5	3.5	35.5	3.3	32.5	3.0	30.9	2.6	30.2	2.4	29.8	2.4	(1.1)	(0.2)
Portfolio investments	16.6	1.6	16.2	1.5	15.3	1.5	14.8	1.2	14.4	1.2	13.4	1.1	(1.4)	(0.2)
Foreign securities	2.4	0.3	1.1	0.1	1.9	0.2	2.2	0.2	2.8	0.2	3.0	0.2	0.8	0.1
Investment trusts, etc.	25.8	2.5	21.5	2.0	22.1	2.1	22.7	1.9	20.7	1.7	20.1	1.6	(2.6)	(0.3)
Total	1,019.2	100.0	1,075.7	100.0	1,071.8	100.0	1,201.9	100.0	1,248.6	100.0	1,265.0	100.0	63.1	

## Securities Portfolio (2)

### Yields

(%; P)

	FY2009	FY2010 (1st half)	FY2010	FY2011 (1st half)	FY2011	FY2012 (1st half)	YoY increase (decrease)
Yen-denominated bonds	1.25	1.16	1.14	1.04	1.02	0.85	(0.19)
Equity shares	1.96	2.17	2.05	2.25	2.12	2.35	0.10
Investment trusts, etc.	0.00	1.04	1.24	1.80	1.49	2.56	0.76
Total of yen- denominated bonds	1.25	1.20	1.18	1.11	1.07	0.93	(0.18)
Foreign-currency- denominated bonds	1.21	1.65	1.76	1.90	2.02	1.91	0.01
Total	1.25	1.20	1.18	1.11	1.07	0.93	(0.18)

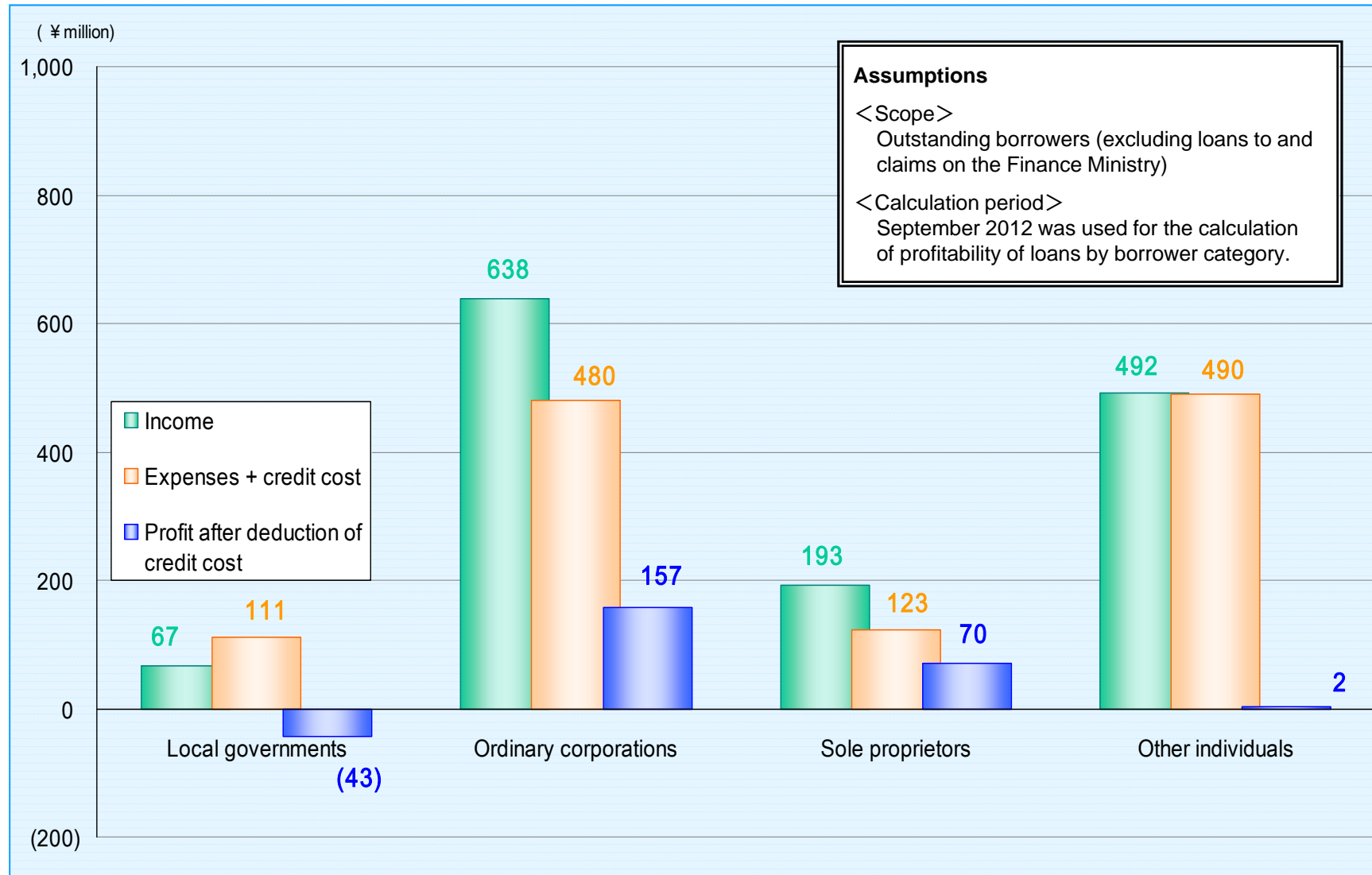
### Valuation gains (losses)

(¥ billion)

	FY2009	FY2010 (1st half)	FY2010	FY2011 (1st half)	FY2011	FY2012 (1st half)	YoY increase (decrease)
Yen-denominated bonds	17.3	28.3	17.6	24.0	23.8	24.4	0.4
Equity shares	11.8	4.5	5.3	4.0	8.0	5.3	1.3
Investment trusts, etc.	0.0	(1.0)	(0.1)	(1.5)	0.4	1.3	2.8
Total of yen- denominated bonds	29.2	31.8	22.8	26.5	32.3	31.1	4.6
Foreign-currency- denominated bonds	(0.0)	0.0	0.0	0.0	0.0	0.1	0.1
Total	29.2	31.8	22.8	26.5	32.3	31.2	4.7

# Earnings Structure by Borrower Segment

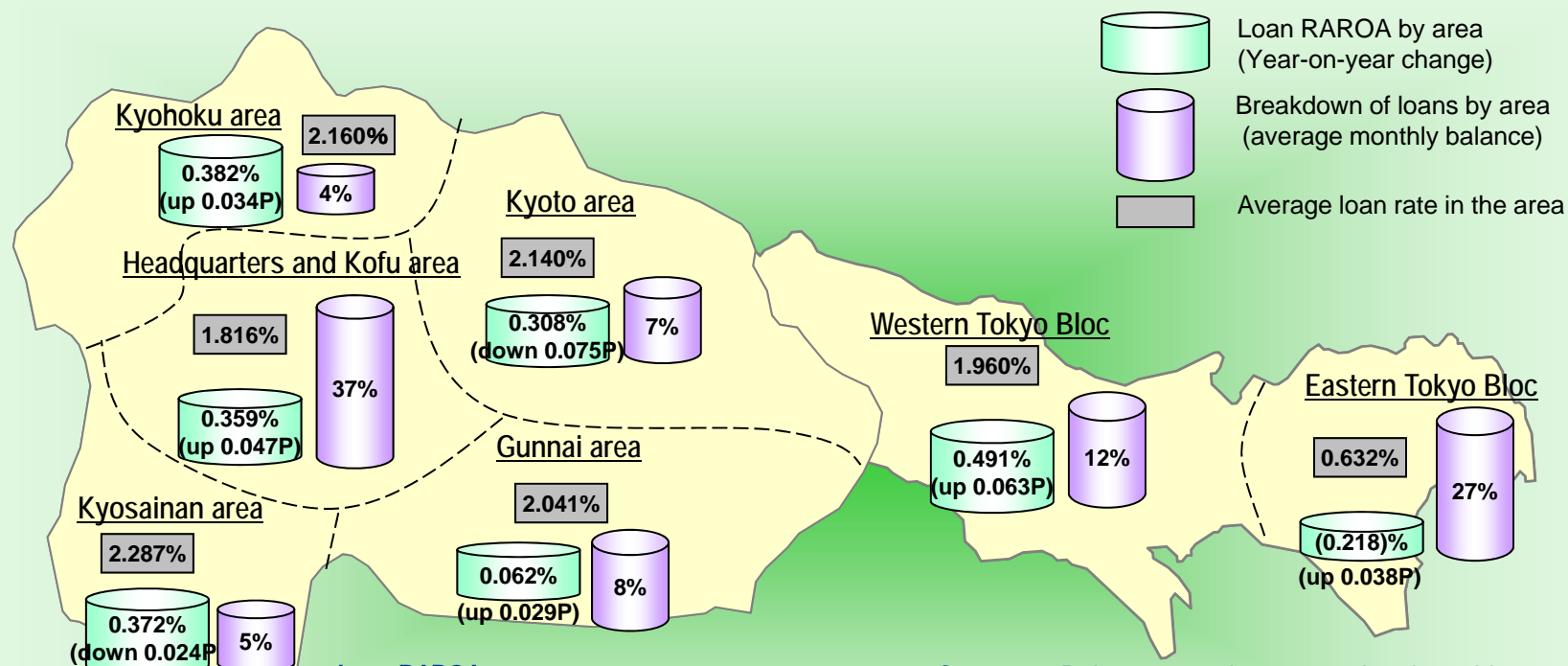
## One-Month Results (September 2012)



# Loan RAROA by Area

Loan RAROA for all areas: **0.190%** (up 0.026 percentage points YoY)

One-Month Results  
(September 2012)



## Loan RAROA

Index for appraising loan profitability  
Formula: earnings after deduction of credit cost / loans

\*Credit cost = average balance of loans x default ratio x (1 - recovery ratio)

Coverage: Debtor categories – normal and requiring caution (including “requiring supervision”)

Excluding loans to Deposits Insurance Corporation of Japan and the Ministry of Finance, loans receivable

Operating expenses: Including ordinary loan expenses, mortgage loan group credit insurance premiums, consumer loan insurance premiums

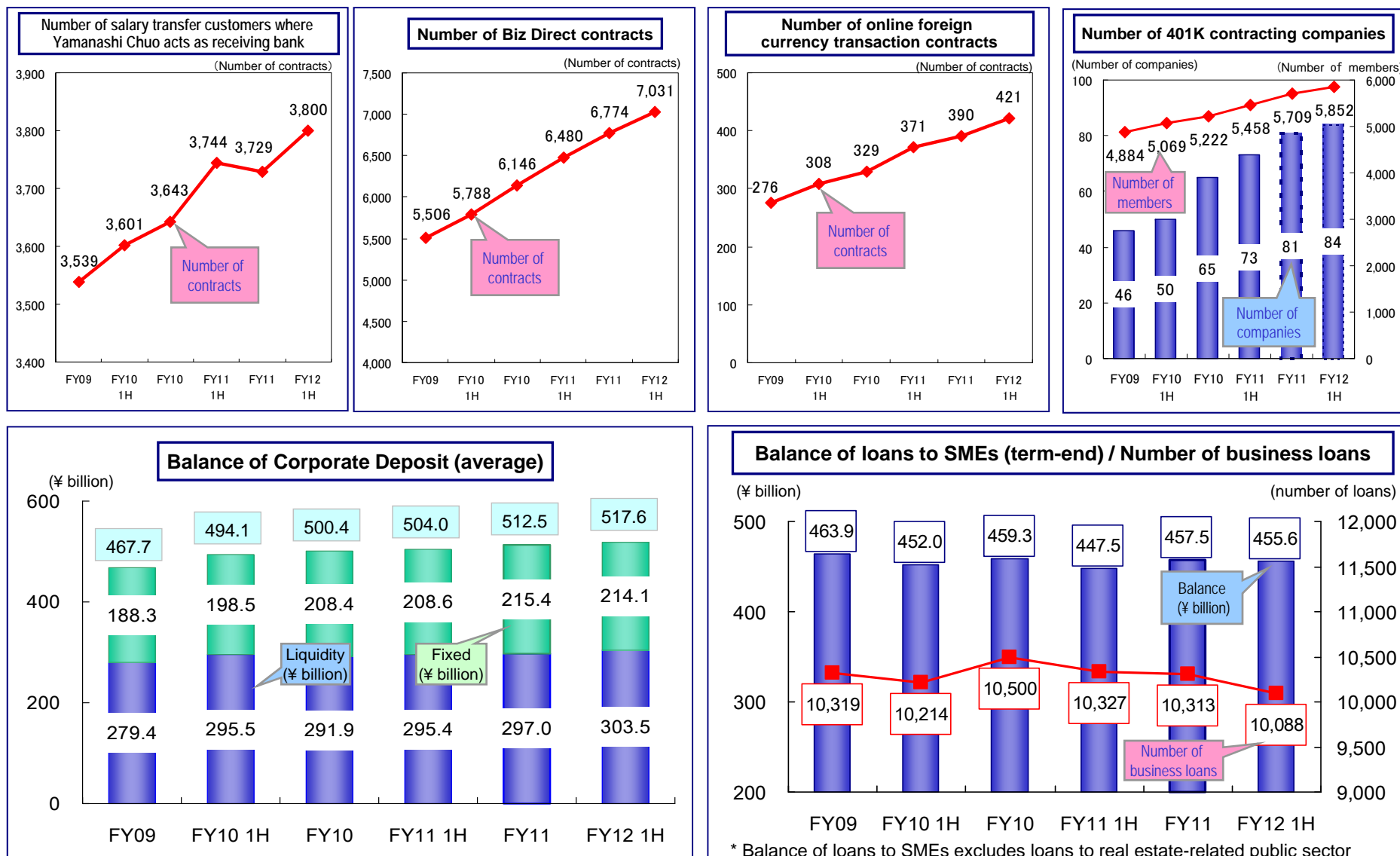


# Medium-Term Management Plan: 'Future Creation Plan 2013'

## Corporate Banking Strategies 1



### Promotional items aimed at ensuring customers select Yamanashi Chuo as their main bank



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

## Strengthen Business Solution

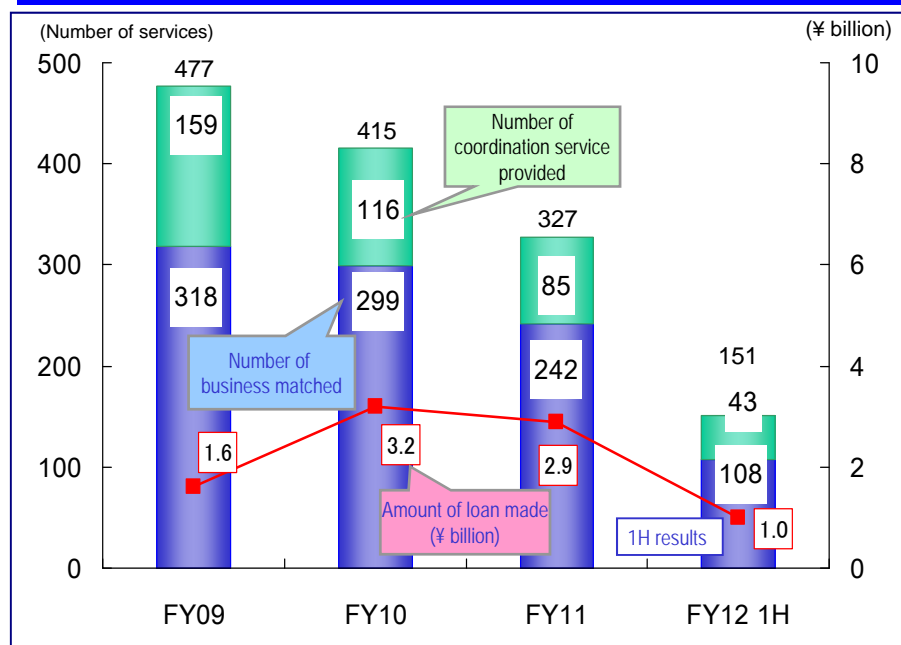
### Management support through business matching and coordination services

- Utilize Yamanashi Chuo's management resources and networking system with external institutions
- Industry, academia, government and finance sector collaboration

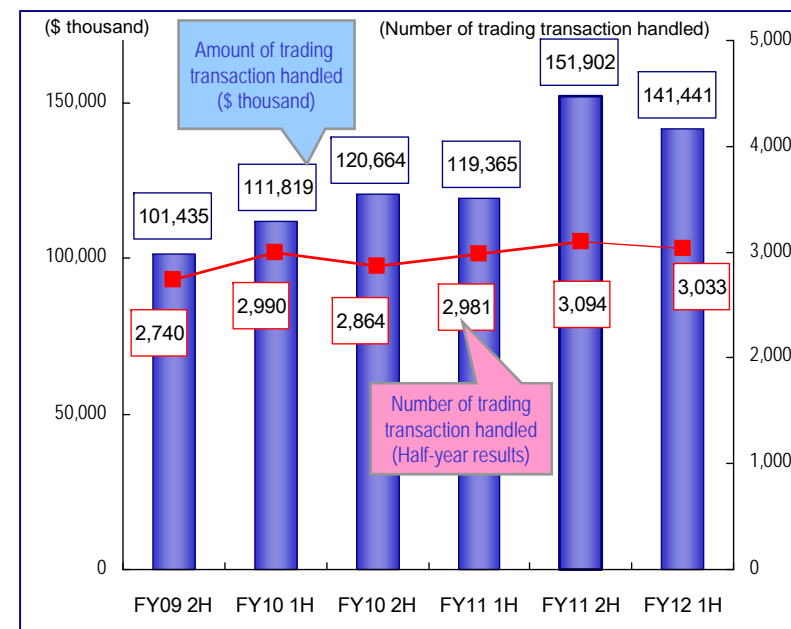
### Overseas trading support especially for trading in Asia

- Enhance trading experts
- Collaborate with external institutions
- Business tie-up concluded with Bangkok Bank (Thailand), Bank of Communications (China) and Bank Negara Indonesia

### Results of business matching and coordination service



### Amount and number of trading transaction handled (export and import trading)



## Strengthen activities in SMEs and growth field

### Response to funding needs through "Growth Platform Reinforcement"

Support growing business fields  
and local industries  
Expand quality loans

Target  
Fund total: **¥20.0 billion**

**Stimulus for  
Regional  
Revitalization**

Results as of September 30, 2012  
164 totaling approx.  
¥ 4.0 billion

Medical and nursing care, Environment,  
Tourism, Agriculture, Manufacturing,  
Local industries, etc.

Deploy personnel  
from each growthfields  
at headquarters

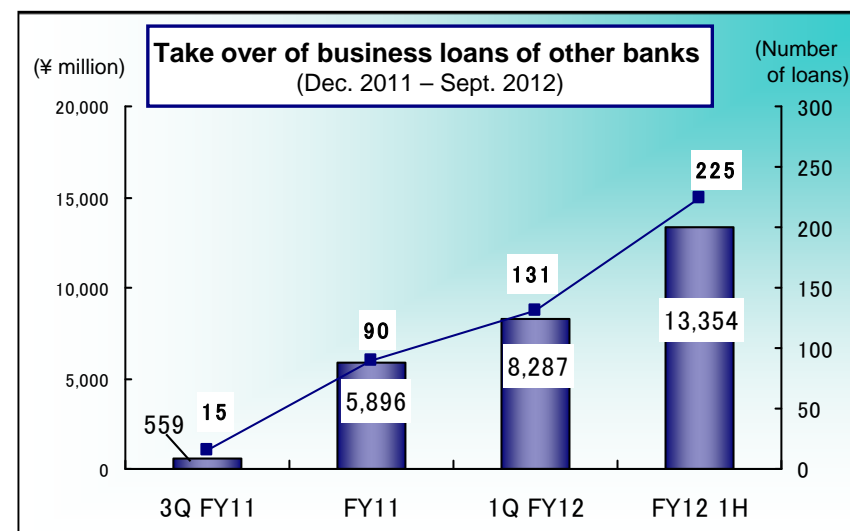
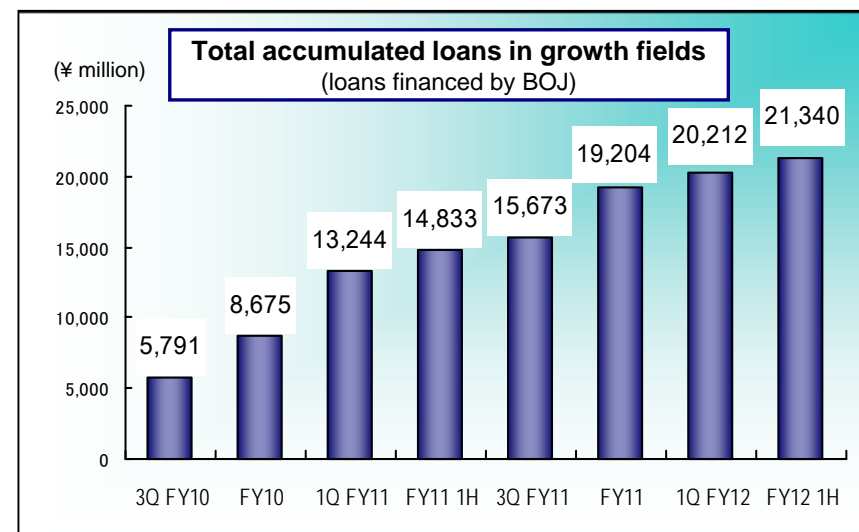
### Status of business loans taken over from other banks

Implemented campaign to take over business loans (Dec. 2011 – Sept. 2012)

Financial target:  
**¥12.9 billion**

Result:  
**¥13.3 billion**

**¥9.0 billion (70% of total) was from loans taken over from "major banks + government-affiliated financial institutions" (Yamanashi Pref.: ¥5.3 billion; West Tokyo: ¥3.7 billion)**



## Strengthen Sales Promotion System

### 【1】 Capture more of the senior citizen and middle aged markets

- Strengthen promotion efforts to secure severance payments and pensions
- Expand activities targeting the Omotokai\* (Senior community) market  
→Bolster points of customer contact

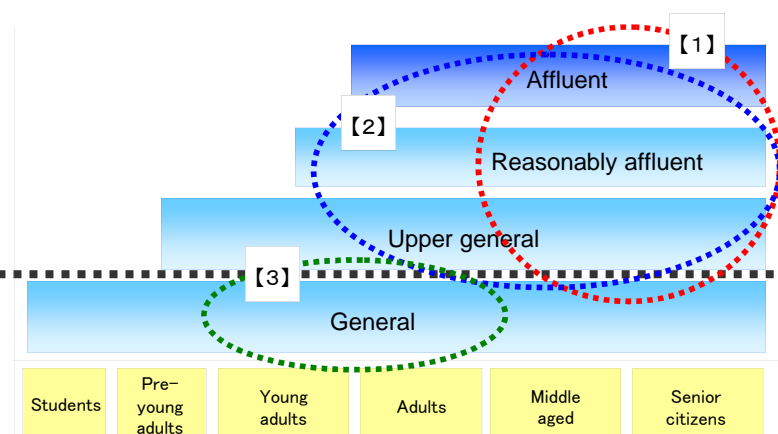
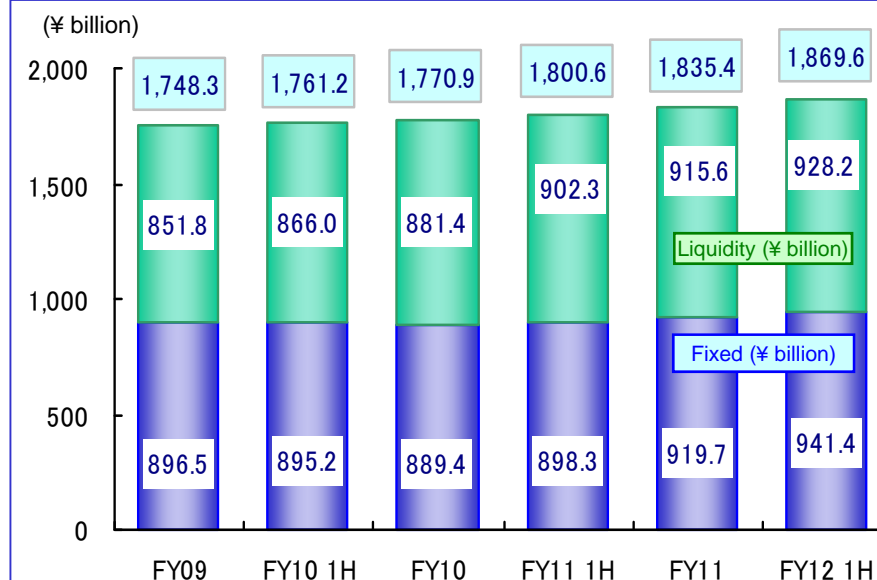
### 【2】 Strengthen sales of asset management products

- Strengthen by using senior consultants

### 【3】 Strengthen efforts to expand sales of wealth-building products for general customers

- ATM time deposit special interest rate campaign
- Internet investment trust campaign

## Balance of deposits for individuals (average)



### ■ Enhance senior consultant capabilities

- Increase employees  
⇒ Increase employees by 25 through project to strengthen outside sales capabilities
- Strengthen proposal-making capabilities  
⇒ Raise skills and fortify training through seminars and study groups

### ■ Enhance indirect channels

- Add investment trust acceptance function via online banking
- Enhance follow-ups conducted at DM center

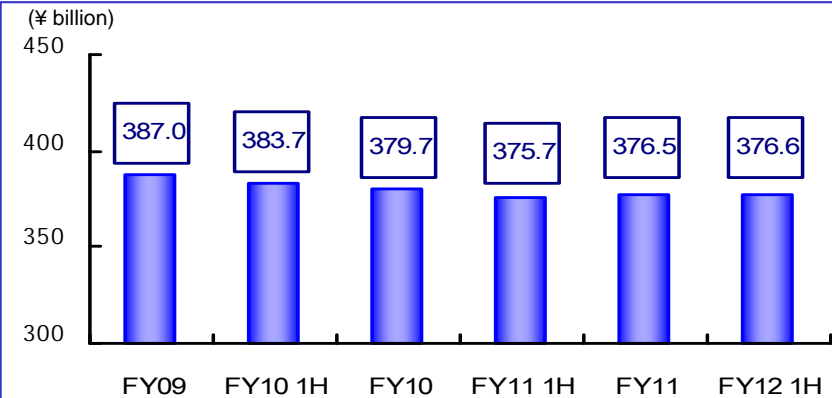
## Strengthen mortgage loan

- Slowdown in new housing starts within Yamanashi Prefecture
- Declining consumer appeal

(Competition for Flat 35, long-term mortgage loans, with other financial institutions and banks has intensified)

**Balance of mortgage loans shifts from decrease to increase through stronger loan marketing**

## Balance of deposits for individuals (term-end)



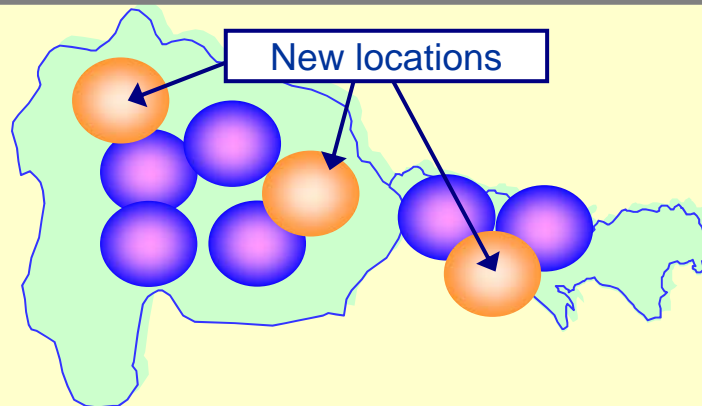
## Rebuild Promotion System

### Increase Loan Squares (branches that handle mortgage loans)

Current: 6 locations  
(4 in Yamanashi and 2 in Western Tokyo)



Increase to 9 locations  
within three years



**Concentrate administration works at headquarters**

## Set interest rates Strategically

- Strengthen quality item activities
- Strengthen approaches on homebuilders
- Strengthen assumption of debt



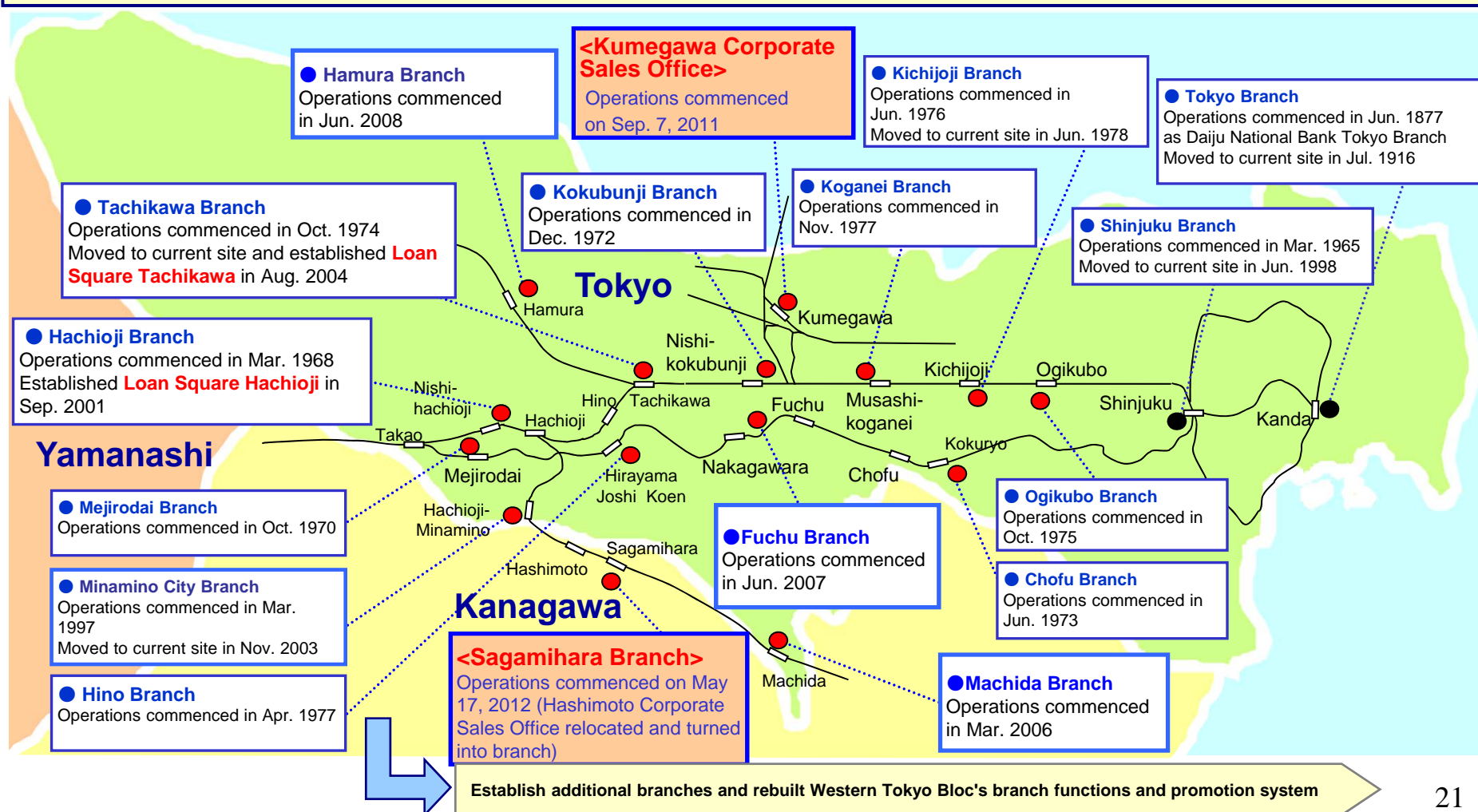
**Develop more lifelong customer relationship**

**Western Tokyo Area Strategies [Prospect]**

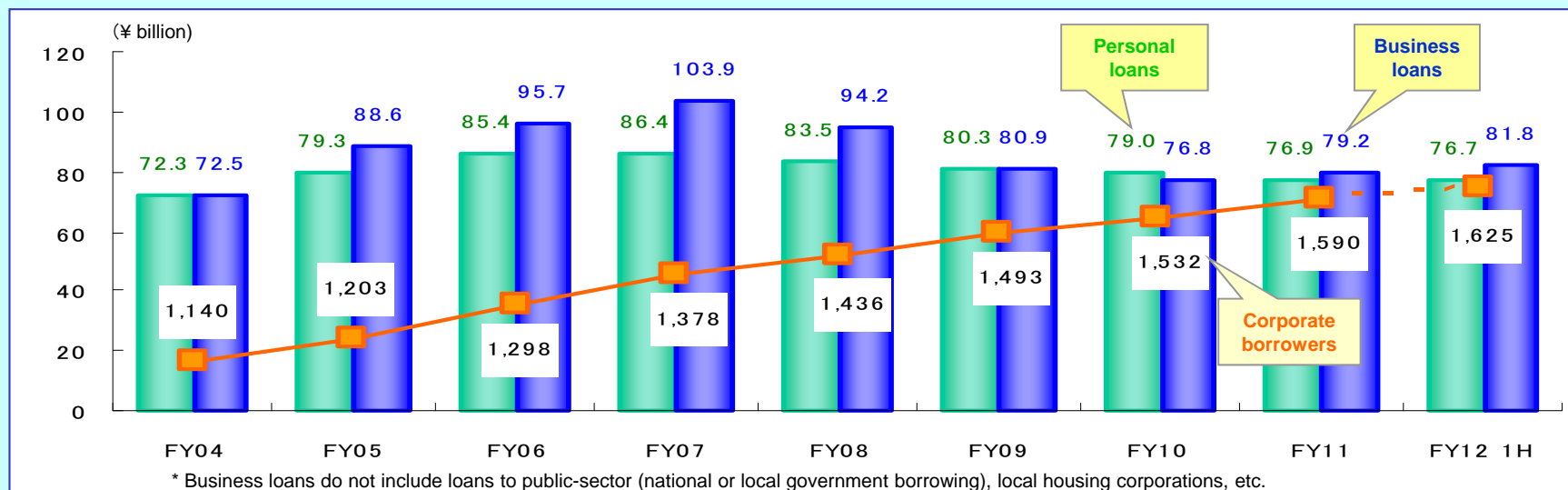
The goal is to achieve greater profitability and efficiency than in Yamanashi

Since launch of Hachioji Branch in 1968,  
the Bank has launched 14 branches and 1 corporate sales offices

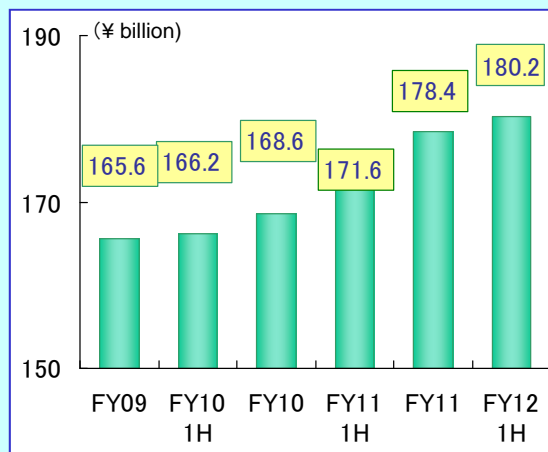
Expanding business base to the whole area



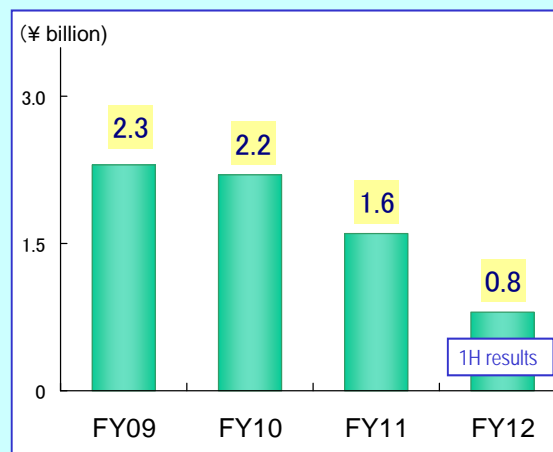
## Average Loan Balance and Corporate Borrowers



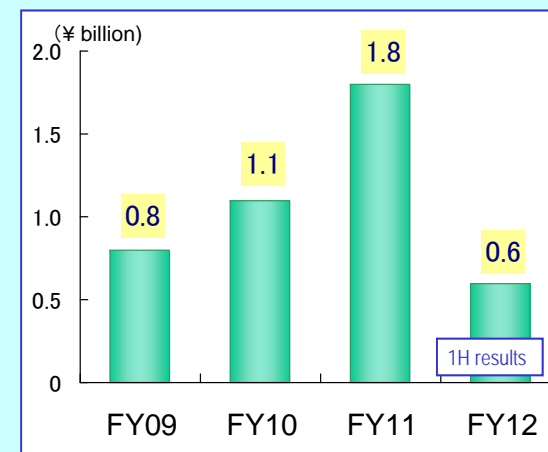
## Balance of Deposits for Individuals (term-end)



## Sales for Investment Trusts



## Sales for Life Insurance Products



## Measures to improve loans to SMEs

- Strengthen promotion system by segment
- Strengthen transactions utilizing business solutions

### Large Market

(Total of western part of Tokyo, Nishitama District, Suginami-ku and Sagami-hara city)

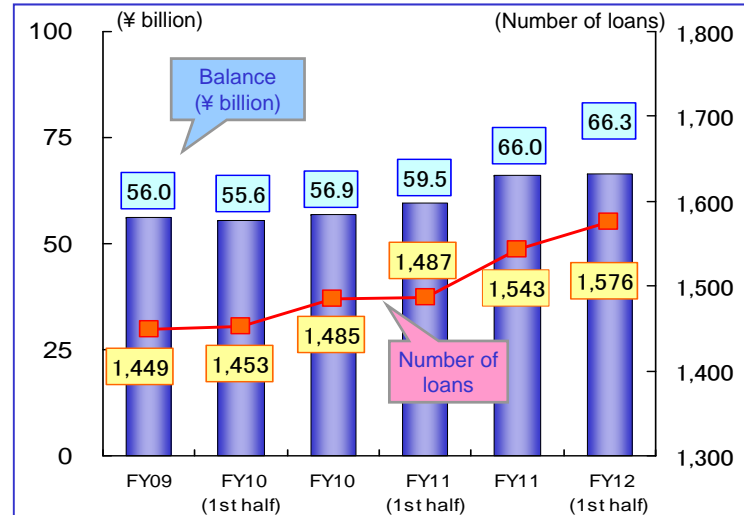
Offices, factories and shops 180,000

Population 5,400,000

Households 2,460,000

(Source: Number of offices, factories and shops is obtained from Economic Census for Business Frame in 2009 and number of population and households from Population Census in March 2012)

## Balance and number of loans to SME (term-end)



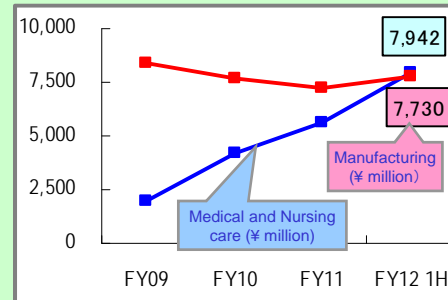
## Strengthen the promotion system by segment

### Strengthen activities in growth fields

Strengthen promotion in medical and nursing care and manufacturing industry

Station full-time staff

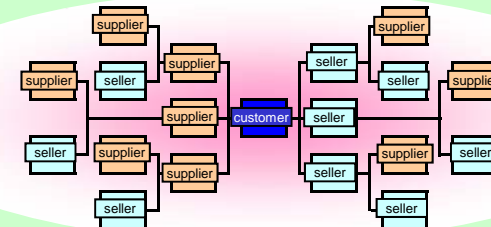
### Balance of loans to medical and nursing care and manufacturing industry



## Strengthen business solutions

### Aggressively use KeyMan and KeyManS<sup>3</sup> business data

- Achieve more tangible solution sales by understanding business trends
- Expand customer network by accumulating supplier and seller information





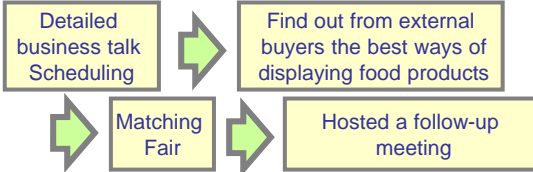
## Medium-Term Management Plan: 'Future Creation Plan 2013'

### Strengthen Management Base (Reform Administrative Processes at Retail Branches) 山梨中央銀行

Key Concepts	Plans	Results (September 30, 2012)
<b>Systemization</b>	<p>Reengineer business processes through the introduction of new computer systems</p> <ul style="list-style-type: none"> <li>Shift to new "Bank Vision" calculation system</li> <li>Introduce new "KeyMan" loan support system to be shared with other banks</li> </ul>	<ul style="list-style-type: none"> <li>Launched new "Bank Vision" calculation system in Jan. 2011</li> <li>Fully launched new "KeyMan" loan support system in October 2011</li> <li>Seal referral system renewed (March 2012)</li> </ul>
<b>Concentration</b>	<p>Increase support for retail branches</p> <ul style="list-style-type: none"> <li>Further expand concentration of processes handled at head office</li> <li>Review operational flow for administrative processes concentrated at head office</li> </ul>	<ul style="list-style-type: none"> <li>Centralizing personal loan in head office (from screening to approval)</li> <li>Outsource management of ATMs located outside branches (starting May 2011)</li> </ul>
<b>Simplification</b>	<p>Review administrative processes</p> <ul style="list-style-type: none"> <li>Review the flow of each administrative process</li> <li>Improve or eliminate all manner of reports and forms</li> </ul>	<ul style="list-style-type: none"> <li>Revise reports and forms in accordance to the new calculation system ex) consolidate existing two forms into one form</li> <li>Develop easy-to-understand forms and reports</li> <li>Prepare new "Practical Work Form" and "Office Procedure Manual"</li> </ul>
<b>Stabilization</b>	<p>Cultivate a corporate environment that embraces efficiency and streamlining</p> <ul style="list-style-type: none"> <li>Implement measures to improve awareness of efficiency and streamlining</li> <li>Strengthen monitoring and guidance for retail branches</li> </ul>	<ul style="list-style-type: none"> <li>Implemented retail branch business improvement campaign (QC Circle Activities)</li> <li>Enforce basic manner</li> <li>Implement monitoring system at retail branches (Strengthen monitoring; evaluate retail branches based on measures and policies from headquarters)</li> <li>Provide guidance through special visits to branches (cooperation between headquarters and branches)</li> </ul>

Established "Basic CSR Policy" and "Environmental Policy" in September 2010

Held "Yamanashi Food Matching Fair"



Results of "Yamanashi Food Matching Fair 2012"  
(As of August 31, 2012)

- Number of business meetings held: 2,336
- Matches made at business meetings (contracts concluded): 68
- Potential contracts/ Business meetings continued: 383

Regional Economic Revitalization Initiatives

- Industry revitalization through regional cooperation
- Participate in regional development
- Support for regional economic revitalization linked to government policies



Publication of "Business Chances Directly from the University of Yamanashi"



Publication of "Management Navigation" from Yamanashi Gakuin University

Sustainable Development of the Regional Community

Contributing to the Regional Community

- Educational support
- Promotion of culture, arts, sports, etc.
- Social contribution activities, in welfare etc.



Holding financial courses at universities



Promotion of sports in Yamanashi Prefecture through volleyball



Acquired the naming rights to the Kose Sports Park athletic field



Solar power unit



Environment-friendly products

Environmental Initiatives

- Environmental business initiatives through Bank's main line of business
- Initiatives to reduce Bank's environmental impact
- Ongoing, proactive environmental conservation initiatives based on cooperation with local communities

## Subsidiaries of the Bank

(¥ million; as of March 31, 2012)

Trade name	Yamanashi Chuo Guarantee Co., Ltd.	Yamanashi Chugin Lease Co., Ltd.	Yamanashi Chugin DC Card Co., Ltd.	Yamanashi Chugin Management Consulting Co., Ltd.
Established	July 1, 1986	April 6, 1987	July 2, 1991	August 2, 1996
Paid-in capital	20	20	20	200
The Bank's equity stake	99.65%	30.25%	30.25%	45%
Consolidated basis	99.81%	61%	67.5%	85%
Business lines	Loan guarantees: Creditworthiness appraisal	Leasing	Credit card	Consulting for corporate managmenet: economic research
Operating revenue	213	2,918	412	90
Operating income (loss)	114	213	71	5
Recurring profit (loss)	115	213	88	6
Net income (loss)	117	125	48	3
Total assets	7,252	11,551	2,747	311
Net assets	3,086	1,395	797	290
Borrowings	-	9,851	1,351	-
Borrowed from the Bank	(—)	(8,937)	(1,351)	(—)

# Major Economic Indicators in Yamanashi Prefecture

	As of		Rank		As of		Rank		As of		Rank
Total area	2011	4,465km <sup>2</sup>	32	Private businesses	2009	47,901	41	Real household income	2011	¥468,100	33
Habitable area	2010	21.3%	44	Value of shipments of manufactures	2010	¥2,321.0 bn	33	(average per month per salaried household)			
Wilderness and parkland, etc	2010	27.1%	7	As above, per manufacturing employee	2010	¥31,454,000	24	Household spending	2011	¥284,324	38
Population	2011	857,000	41	Annual sales of goods	2007	¥1,899.7 bn	41	(average per month per salaried household)			
Number of households	2012	340,000	42	As above, per sales employee	2007	¥27,701,000	30	Average consumer propensity (worker's household)	2011	72.9%	24
Children under 15 years	2011	13.2%	24	Total agricultural output	2010	¥79.0 bn	34	Number of personal vehicles (per 1,000 people)	2011	456.6	6
Working age population	2011	62.1%	21	Ratio of agricultural income produced to gross agricultural output	2010	39.0%	13	Number of public libraries (per 10,000 people)	2011	0.60	1
Persons over 65 years	2011	24.9%	25	Housing starts	2011	4,316	41	Number of convenience stores (per 100,000 people)	2007	37.1	6
Population growth	2011	(0.65)%	36	Floor area per housing start	2011	109.0m <sup>2</sup>	7	Average price of residential land (per 1m <sup>2</sup> , published prices)	2011	¥29,500	32
GDP (prefecture) (real terms)	FY09	¥3,476.1 bn	41	Value of public works contracts	2011	¥97.3 bn	37	Home ownership ratio	2010	69.3%	22
Economic growth rate (real terms)	FY09	(6.1)%	41	Total site area of building starts	2011	916,871m <sup>2</sup>	42	Cost of education (Worker's household expenditure)	2011	5.7%	21
Per capita income	FY09	¥2,542,000	24	Job offer-to-seeker ratio	2011	0.61 times	28	Proportion of people in higher education	2011	57.9%	10

Placing 41st in Japan in total population and total production, Yamanashi is one of Japan's lower-ranked prefectures. However, in value of shipments of manufacturers and other items, it is middle-ranking. In terms of economic activity and living standards, it is relatively well-positioned.