



# **The Yamanashi Chuo Bank, Ltd. The 26th Analyst Meeting**

- **Fiscal 2013 Business Results**
- **Forecasts for the Current Term (FY2014)**
  - **Medium-Term Management Plan**
- **“Best Bank Plan 2016” Progress Report**

**June 4, 2014 (Wed)**

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## ■ Profile (as of March 31, 2014)

- Predecessor Founded: April, 1877
- Established: December, 1941
- Head Office: 20-8, Marunouchi 1-Chome, Kofu, Yamanashi
- Common Stock: ¥15,400 million
- Employees: 1,699
- Branches (including sub-branches):  
90 (74 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 2013 Business Results and Forecasts for Fiscal 2014**

# Fiscal 2013 Business Results (summary)



(¥ billion, %)	FY3/13	FY3/14	YoY change [%]
Operating income	45.0	45.0	0.0 [ 0.0 ]
Gross banking profit	38.7	37.5	(1.2) [ (3.1) ]
Interest income	32.6	32.7	0.1 [ 0.2 ]
Fees and commissions	4.4	4.2	(0.2) [ (3.2) ]
Other operating income	0.1	0.2	0.0 [ 35.6 ]
Gross banking profit on core operations	37.2	37.2	(0.0) [ (0.0) ]
JGBs and other bond transactions	1.5	0.2	(1.3) [ (81.1) ]
Expenses	28.5	28.1	(0.4) [ (1.4) ]
General provision to loan loss reserve	(1.0)	—	1.0 [ 100.0 ]
Net business profit	11.2	9.4	(1.8) [ (16.2) ]
Net business profit on core operations	8.7	9.1	0.4 [ 4.7 ]
Non-operating losses	(1.3)	2.1	3.4 [ 259.2 ]
Gains on reversal of provision to loan loss reserve	—	1.1	1.1 [ — ]
Reversal of loan loss reserve	1.3	0.1	(1.2) [ (89.5) ]
Equity share and similar transactions	0.0	0.7	0.7 [ 4,484.7 ]
Ordinary profits	9.9	11.5	1.6 [ 16.2 ]
Extraordinary income (losses)	(0.6)	(0.3)	0.3 [ 46.2 ]
Income before income taxes	9.2	11.2	2.0 [ 20.4 ]
Income taxes - basic	3.2	2.5	(0.6) [ (20.6) ]
Income taxes - deferred	0.1	0.7	0.5 [ 344.8 ]
Net income	5.8	7.8	2.0 [ 34.5 ]

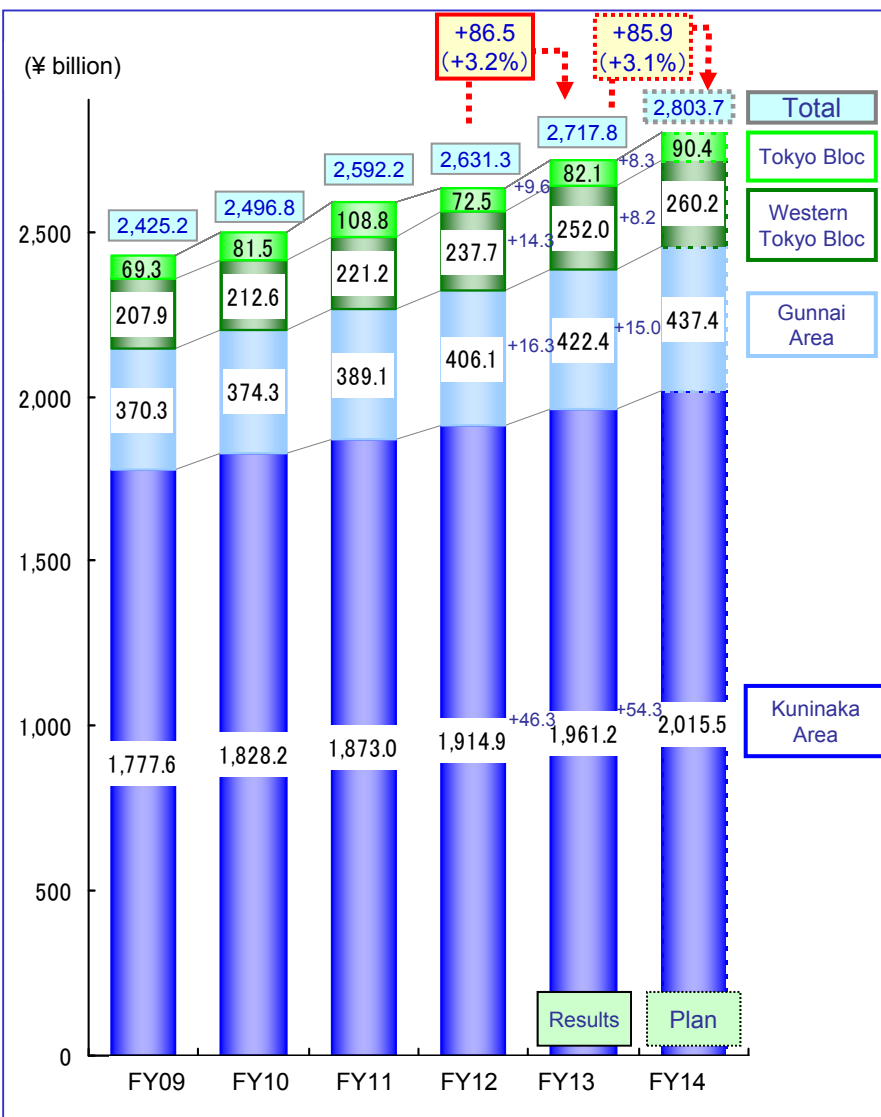
(¥ billion, %)	FY3/14	YoY change [%]	Balance	Yield
Fund Operations	34.5	(0.0) [ (0.0) ]	0.9	(0.9)
Interest on loans	20.6	(1.7) [ (7.6) ]	(0.2)	(1.5)
Interest on securities	13.7	1.7 [ 14.1 ]	0.7	1.0
Call loan, etc.	0.1	0.0 [ 5.7 ]	0.0	(0.0)
Fund procurement	1.7	(0.0) [ (4.3) ]	0.0	(0.1)
Interest on deposits	1.6	(0.0) [ (3.7) ]	0.0	(0.1)
Call money, etc.	0.0	0.0 [ 9.5 ]	(0.0)	0.0
Interest income	32.7	0.1 [ 0.2 ]	—	—

(¥ billion)	FY3/14	YoY change
Revenues	6.5	(0.0)
Investment trusts	0.8	0.1
JGBs held by individuals	0.04	0.0
Life insurance	0.4	(0.1)
Others	5.2	(0.1)
Cost	2.2	0.0
Fees and Commissions	4.2	(0.2)

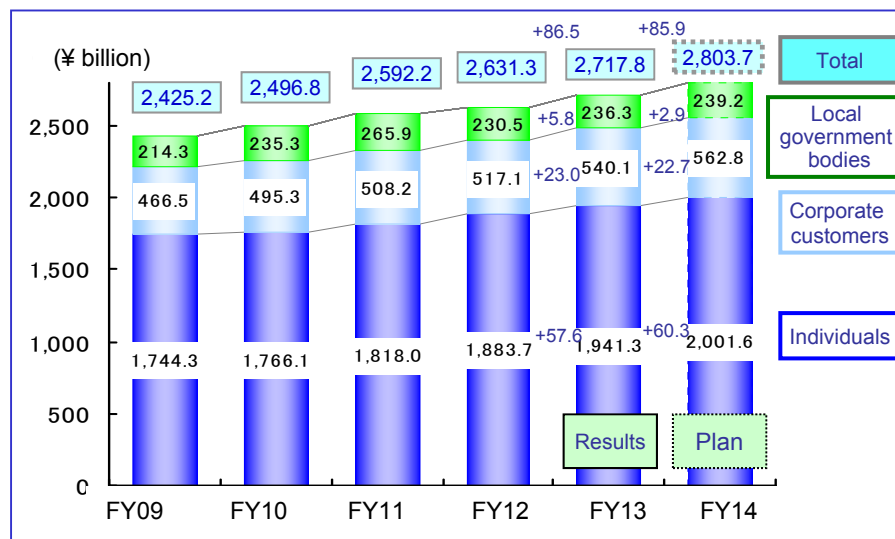
(¥ billion)	FY3/14	YoY change
Personnel	15.3	(0.4)
Premises and equipment	11.7	0.0
Taxes	1.0	(0.0)
Expenses	28.1	(0.4)

# Deposits

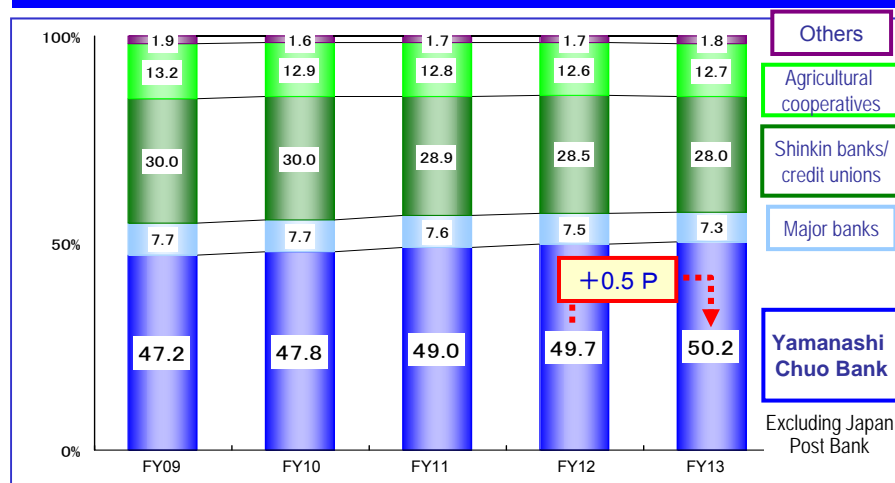
## Deposit (average balance)



## Balance by Customer Segment (average balance)

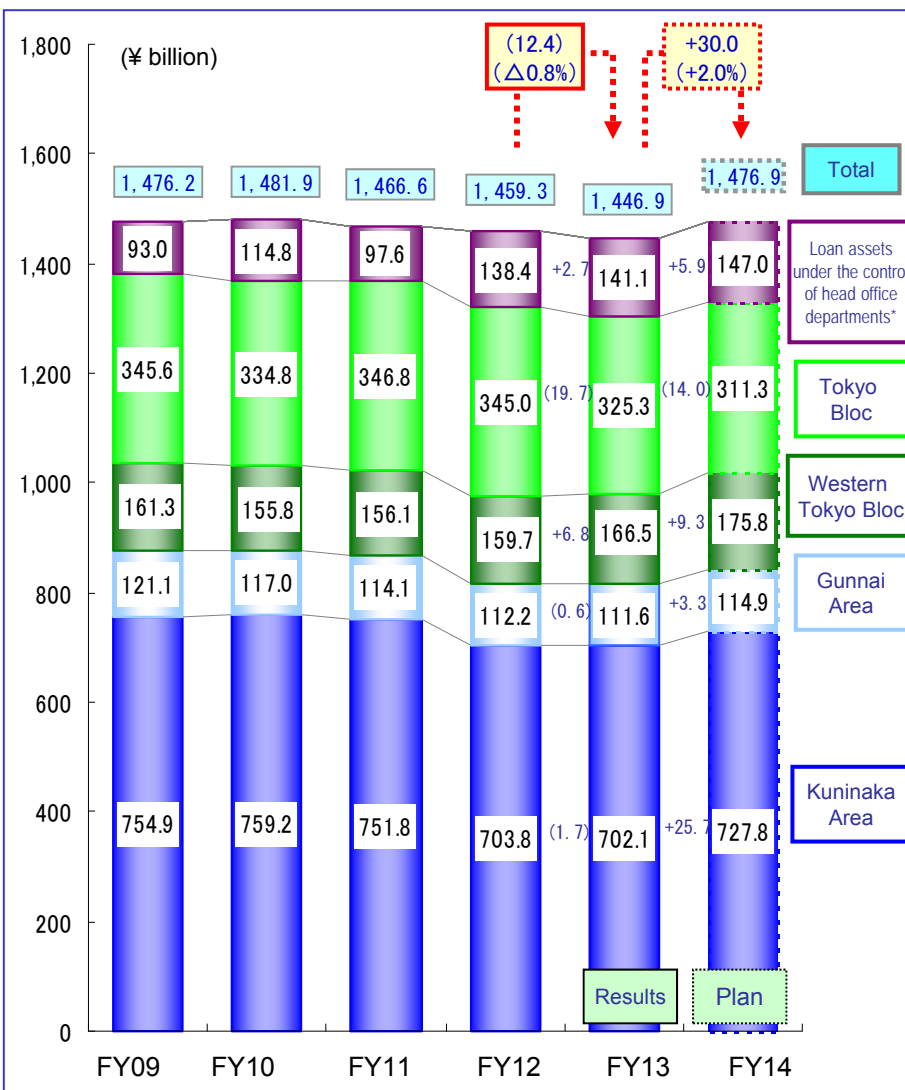


## Deposit Shares in Yamanashi Prefecture (term-end)

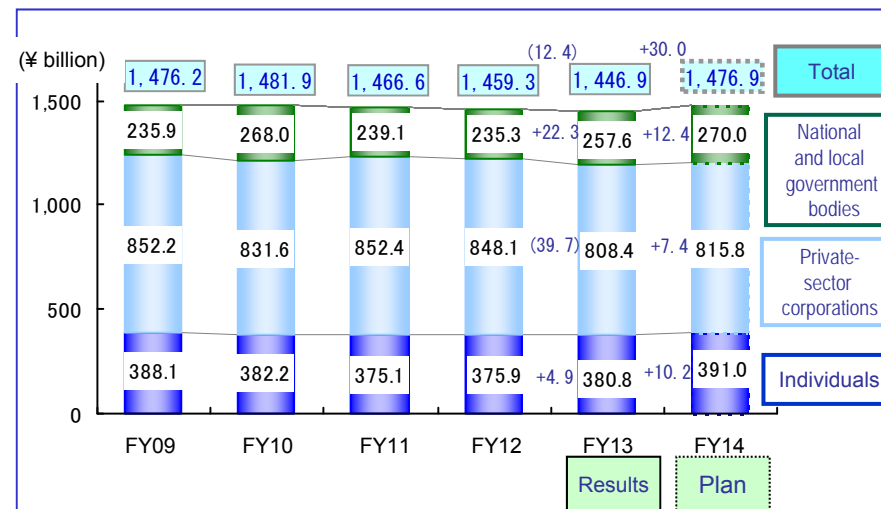


# Loans

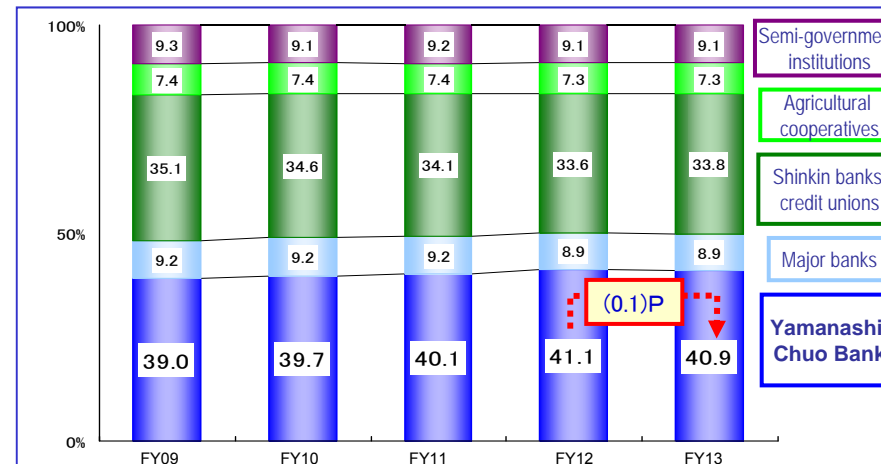
## Loan (average balance)



## Balance by Customer Segment (average balance)



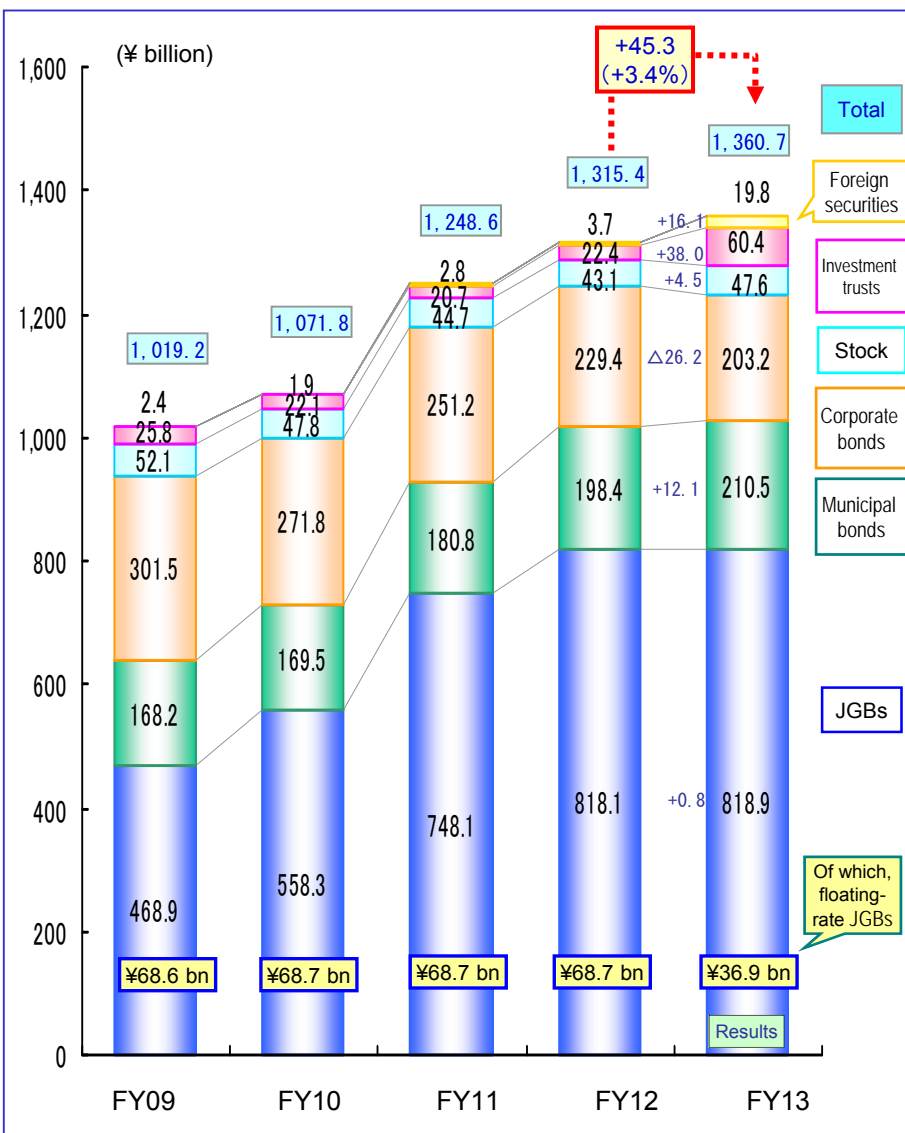
## Loan Shares in Yamanashi Prefecture (term-end)



\*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 (subject to mark-to-market valuation)

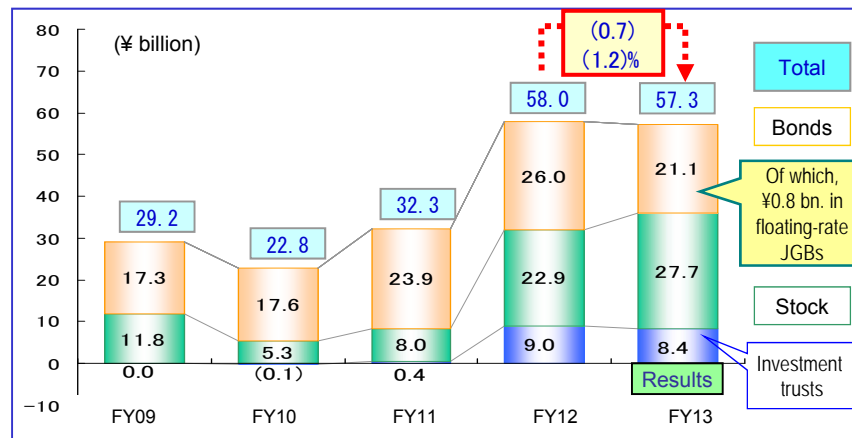


## Breakdown of Gains (Losses) on Securities

(¥ billion)

	FY12	FY13	Change
Interests and dividends on securities	12.0	13.7	1.7
Securities yields	0.93%	1.00%	0.07P
Gains (losses) on bonds	1.5	0.2	(1.3)
Gains on sale of bonds	2.3	1.0	(1.2)
Losses on sale of bonds	0.8	0.7	(0.0)
Amortization of bonds	-	0.0	0.0
Gains (losses) on stock	0.0	0.7	0.7
Gains on sale of stock	0.7	0.8	0.1
Losses on sale of stock	0.6	0.0	(0.6)
Amortization of stock	-	0.0	0.0

## Unrealized Gains (Losses)



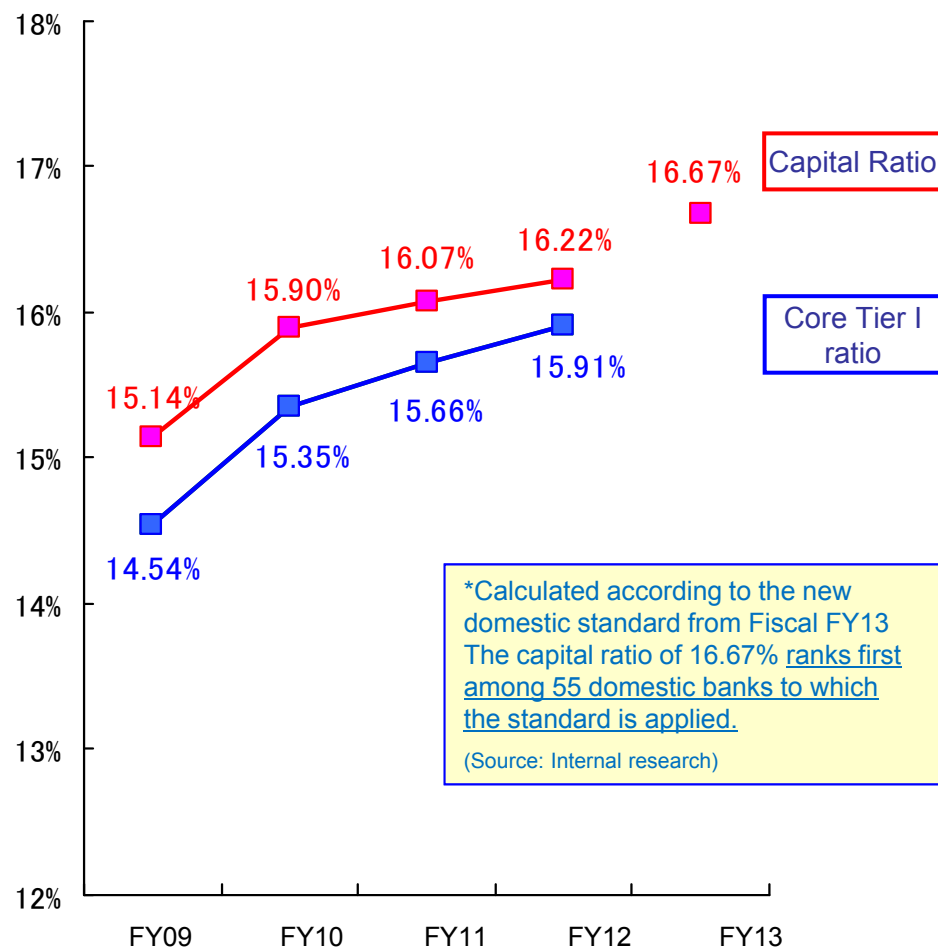
## Modified Duration (Yen-denominated bonds)

FY09	FY10	FY11	FY12	FY13
3.9	3.8	3.5	3.5	4.4



# 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

	FY3/13	FY3/14
<b>Tier I</b>	152.6	
Core Tier I ratio	152.6	
Net deferred tax assets	-	
Preferred stock / preferred investment certificates	-	
<b>Tier II</b>	2.9	
General provision to loan loss reserve	2.9	
<b>Deductions</b>	-	161.0
<b>Regulatory capital</b>	155.5	
<b>Risk-weighted assets</b>	958.6	965.8

Risk-weighted Assets Methods Employed	
Credit risk	Standardized Approach (SA)
Operational risk	Basel II Standardized Approach (TSA)

# Earnings Forecasts for the Current Term (FY 2014)



(¥ billion, %)		FY3/14	FY3/15(forecast)	YoY change [%]	
Operating income		45.0	42.7	(2.3)	[ (5.1) ]
Gross banking profit		37.5	38.0	0.4	[ 1.2 ]
	Interest income	32.7	33.0	0.3	[ 0.9 ]
	Fees and commissions	4.2	4.7	0.5	[ 11.7 ]
	Other operating income	0.2	0.1	(0.0)	[ (26.0) ]
	Gross banking profit on core operations	37.2	38.0	0.7	[ 2.0 ]
JGBs and other bond transactions		0.2	—	(0.2)	[ (100.0) ]
Expenses		28.1	28.1	0.0	[ 0.2 ]
General provision to loan loss reserve		—	(0.4)	(0.4)	[ — ]
Net business profit		9.4	10.3	0.8	[ 8.7 ]
Net business profit on core operations		9.1	9.8	0.6	[ 6.6 ]
Non-operating losses		2.1	(1.6)	(3.7)	[ (177.3) ]
	NPL disposal amount	0.1	1.5	1.3	[ 982.0 ]
	Equity share and similar transactions	0.7	—	(0.7)	[ (100.0) ]
Ordinary profits		11.5	8.6	(2.9)	[ (25.7) ]
Net income		7.8	5.5	(2.3)	[ (29.9) ]

Dividends		FY12	FY13	FY14 (plan)
	Dividend per share (annual)	¥6.00	¥6.50	¥6.50

	End of FY3/14	End of FY3/15 (estimate)
Nikkei Stock Average	¥14,827	¥14,827

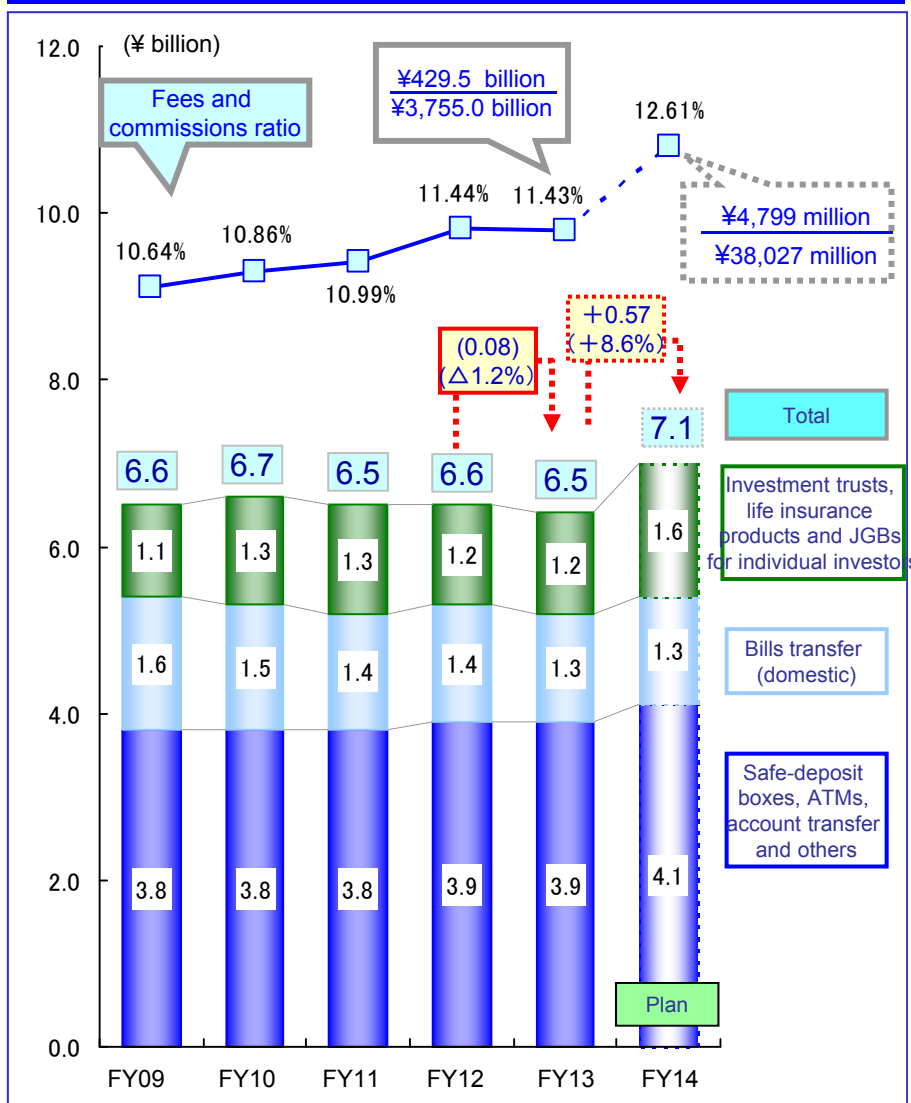
Interest income (analysis of difference factors)	(¥ billion, %)	FY3/15 (forecast)	YoY change [%]		Balance	Yield
	Fund operations	34.7	0.2	[ 0.7 ]	0.7	(0.5)
	Interest on loans	20.9	0.3	[ 1.5 ]	0.4	(0.1)
	Interest on securities	13.6	(0.0)	[ (0.3) ]	0.2	(0.3)
	Call loan, etc.	0.1	(0.0)	[ (5.5) ]	0.0	(0.0)
	Fund procurement	1.7	(0.0)	[ (3.7) ]	0.0	(0.1)
	Interest on deposits	1.5	(0.0)	[ (2.8) ]	0.0	(0.1)
	Call money, etc.	0.0	0.0	[ 23.1 ]	(0.0)	0.0
	Interest income	33.0	0.3	[ 0.9 ]	—	—

Fees and commissions	(¥ billion)	FY3/15 (forecast)	YoY change
	Revenues	7.1	0.5
	Investment trusts	0.9	0.1
	JGBs for individual investors	0.06	0.01
	Life insurance	0.5	0.1
	Others	5.4	0.2
	Cost	2.3	0.0
	Fees and commissions	4.7	0.5

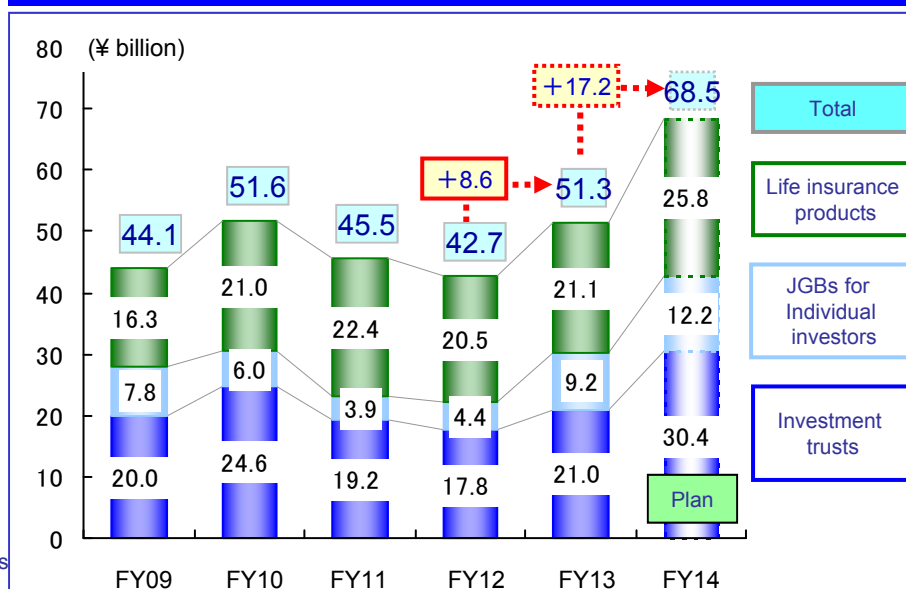
Expenses	(¥ billion)	FY3/15 (forecast)	YoY change
	Personnel	15.1	(0.1)
	Premises and equipment	11.7	0.0
	Taxes	1.2	0.2
	Expenses	28.1	0.0

# Fees and Commissions

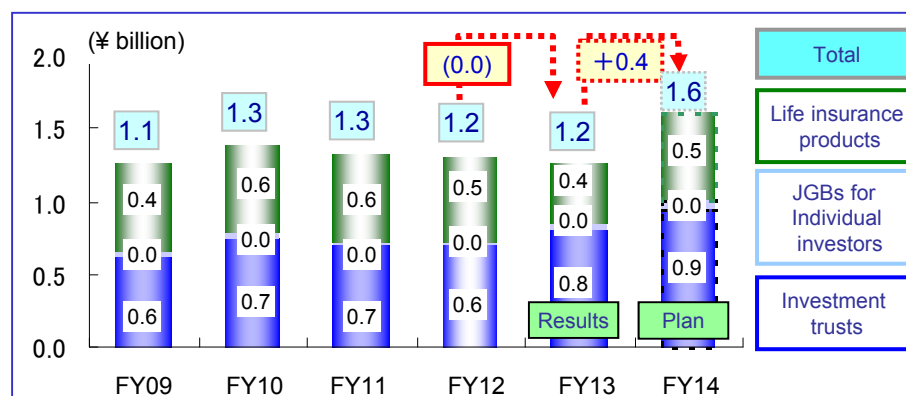
## Fees and Commissions / Fees and Commissions Ratio



## Sales for Investment Trusts, Life Insurance Products and JGBs

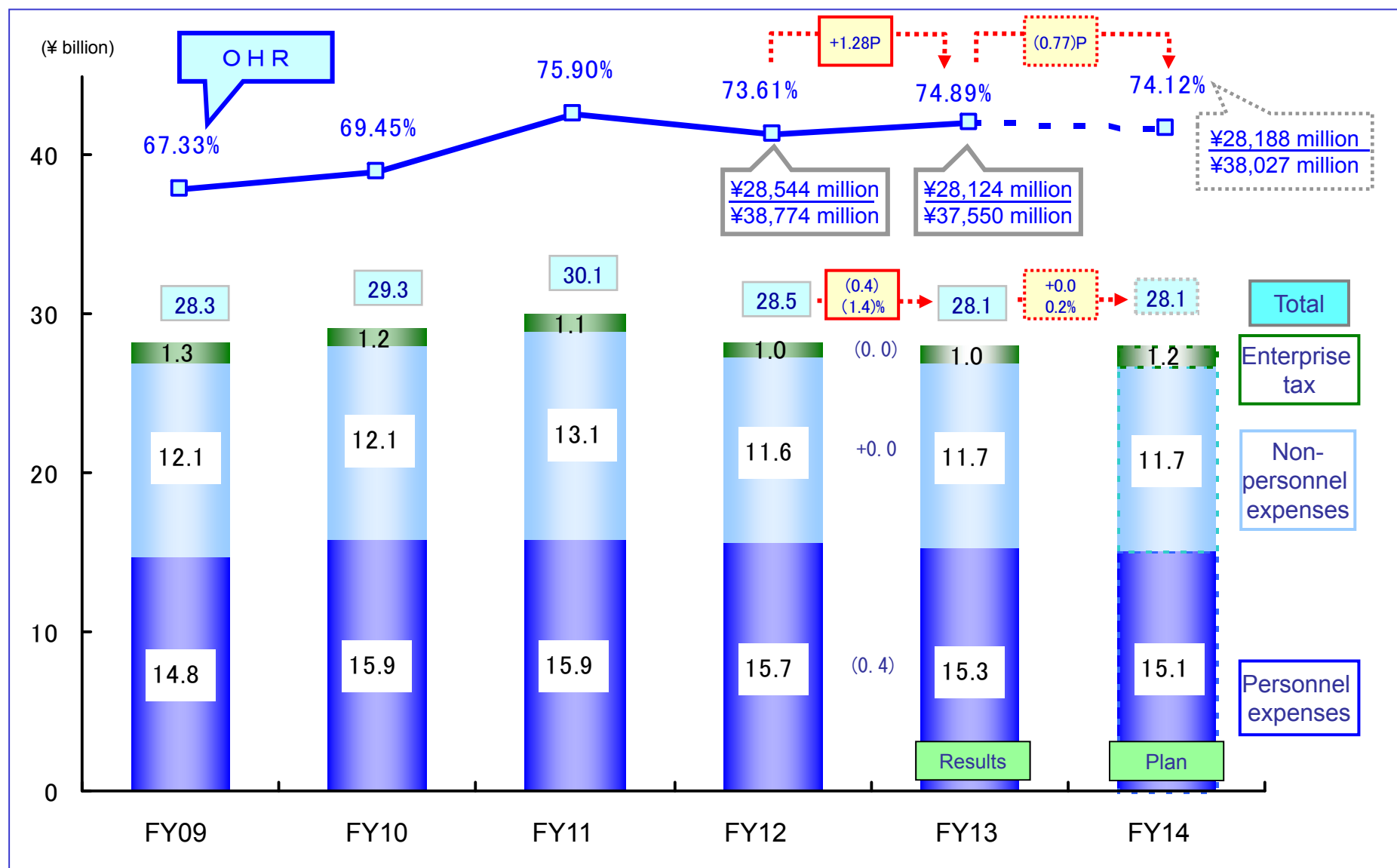


## Commissions for sales of Investment Trusts, Life Insurance Products and JGBs held by individuals



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

# Operating Expenses and OHR



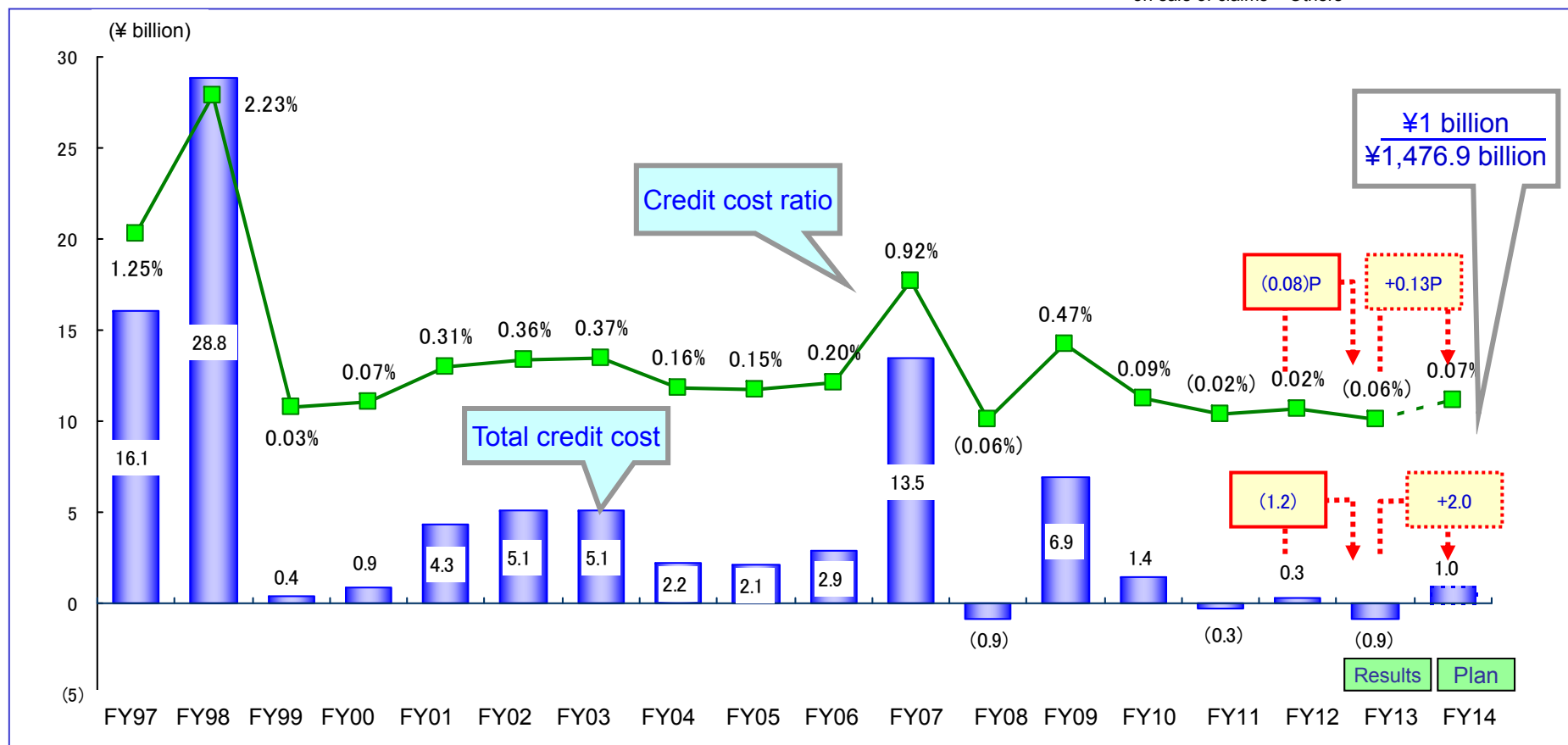
\*OHR=Operating expenses / Gross banking profit on core operations

# Credit Cost

## Total Credit Cost / Credit Cost Ratio

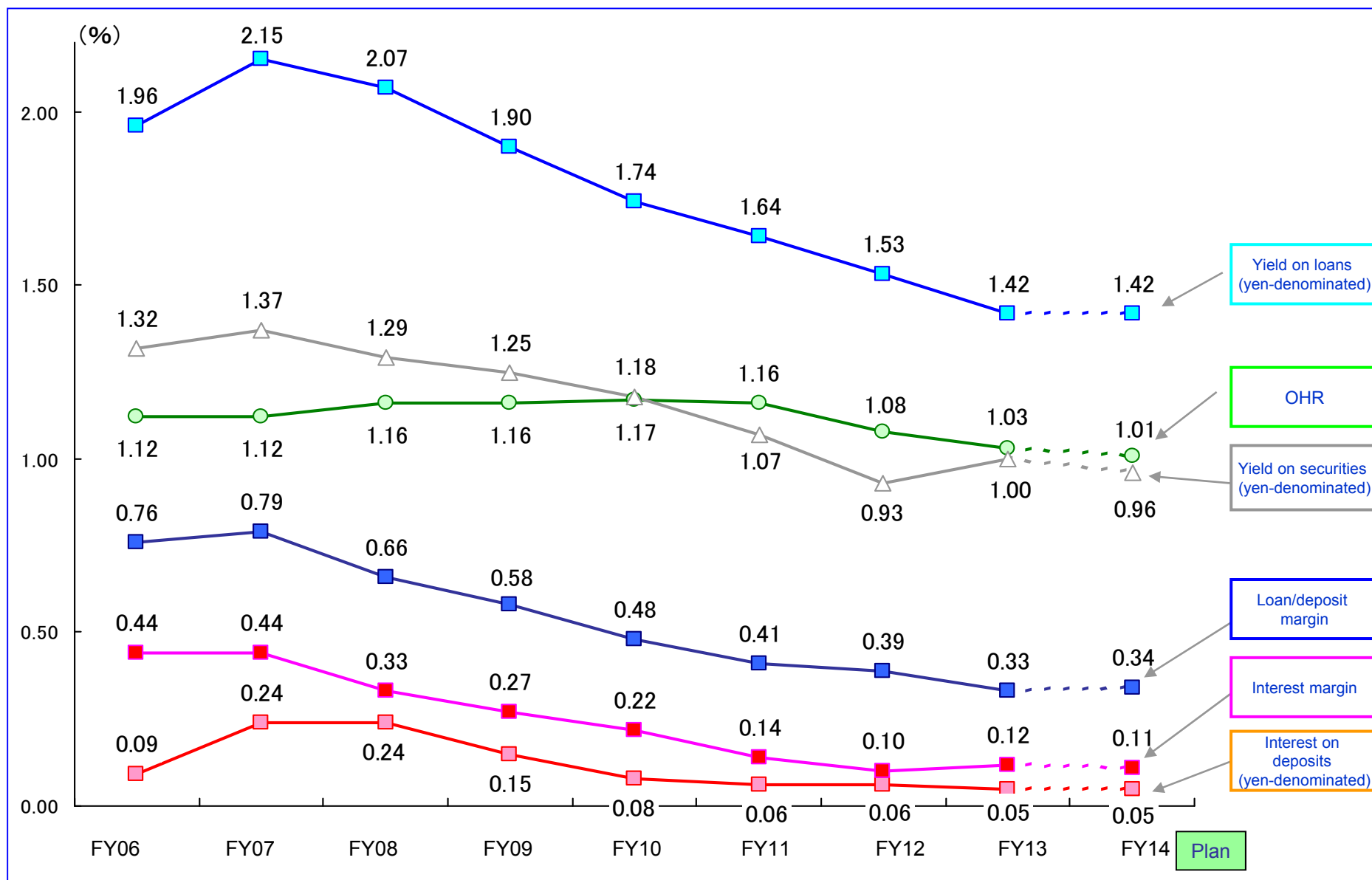
Credit cost ratio = Total credit cost / Average loan balance

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



# 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.

## Trends in Dividend Payment

Paid 70th Anniversary Commemorative dividend of ¥1.00 (interim ¥3.5, year-end ¥3.5)

Dividend increase of ¥0.5 (interim ¥3.0, year-end ¥3.5)

	FY3/10	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 (forecast)
Dividend per share (annual)	¥6.00	¥6.00	¥7.00	¥6.00	¥6.50	¥6.50
Period-end share price	¥411	¥404	¥368	¥429	¥466	—
Dividend yield	1.45%	1.48%	1.90%	1.39%	1.39%	—

## Return to Shareholders

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

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

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

Purchased 2,600 thousand shares, equivalent to ¥989 mn between Feb. 2013 and Mar. 2013

Acquired 550 thousand shares in April 2013 and 1,378 thousand shares in February 2014

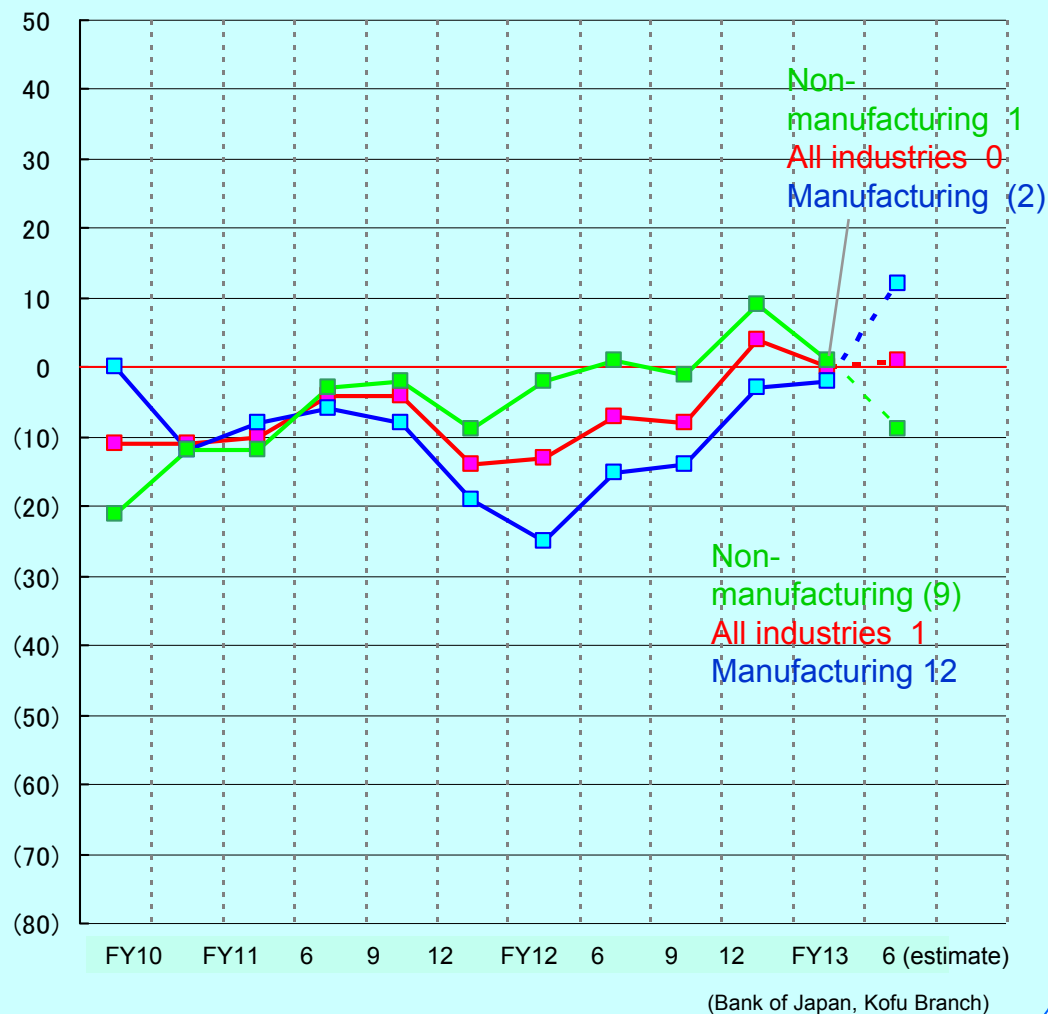
(¥ million)	FY3/10	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15 (Forecast)
Annual dividend (1)	1,105	1,089	1,256	1,062	1,134	1,130
Treasury stock acquired (2)	—	1,433	644	989	835	—
Return to shareholders (3)=(1)+(2)	1,105	2,522	1,901	2,052	1,970	1,130
Net income (non-consolidated) (4)	2,744	3,861	6,965	5,870	7,898	5,500
Dividend payout ratio	40.28%	28.34%	18.08%	18.22%	14.42%	20.54%
Shareholder return ratio (3)/(4)×100	40.28%	65.32%	27.29%	34.95%	24.94%	20.54%

(Note) Calculated in yen and rounded down

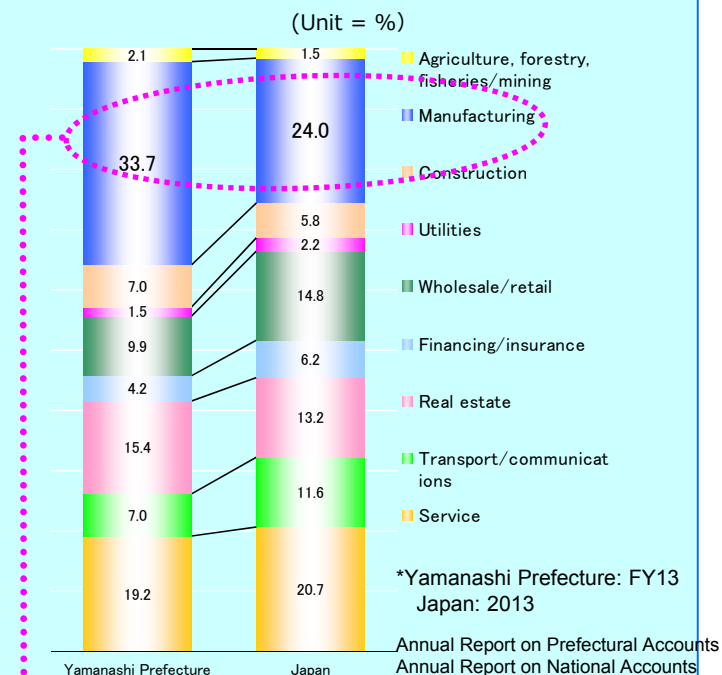
## II Economic Trends in Yamanashi Prefecture

# Business Trends

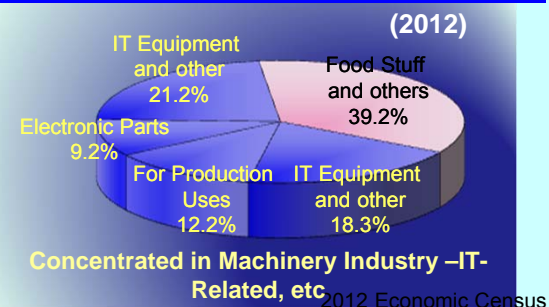
Diffusion Index for Yamanashi Prefecture  
(BOJ's Tankan Survey)



Gross Production by Economic Activity  
(Industrial Sector = 100)



Percentage of Shipments of Products  
Manufactured in Yamanashi Prefecture



# Yamanashi Prefecture Economic Topics



Topics	Effects on Yamanashi Prefecture	The Bank's Initiatives for Economic Revitalization for Yamanashi Prefecture
<b>June 2013</b> <b>Mt. Fuji designated as a World Heritage site</b>	<b>Increase in tourists (especially from the US, Europe and Southeast Asia)</b>	<ul style="list-style-type: none"> <li>- Meeting demand for funds from tourist sites and facilities</li> <li>- Meeting demand for currency conversion from foreign tourists</li> </ul>
<b>September 2013</b> <b>Tokyo designated as the host of the 2020 Olympic/Paralympic Games</b>	<b>Increase in tourists visiting Yamanashi prefecture</b> <b>Possibility of Yamanashi prefecture being designated as the site for the training camp</b>	<ul style="list-style-type: none"> <li>- Meeting demand for funds from tourist sites and facilities and camp facilities</li> </ul>
<b>April 2014</b> <b>Start of broadcasting of NHK morning drama series, Hanako to Anne</b>	<b>Increase in tourists</b>	<ul style="list-style-type: none"> <li>- Meeting demand for funds from tourist sites and facilities</li> </ul>
<b>September 2013</b> <b>Station for Maglev Chuo Shinkansen Line to be located in Yamanashi prefecture</b>	<b>Progress of development in the area around the station (such as new housing areas)</b>	<ul style="list-style-type: none"> <li>- Meeting demand for funds for the development of the area around the station</li> <li>- Provision of loans to those who intend to move in Yamanashi prefecture</li> <li>- Cooperation with the Yamanashi prefectural government to increase the resident population</li> </ul>
<b>July 2013</b> <b>"Yamanashi" wine designated by the National Tax Agency as a geographical indication</b>	<b>Increase in attention to wine using Koshu grapes in Europe</b>	<ul style="list-style-type: none"> <li>- Strengthening of support for export (such as exhibitions at overseas business meetings and cooperation with foreign partner banks)</li> <li>- Continual dispatch of Bank staff to wineries  =&gt; improving the capability of making good judgment and meeting demand for funds</li> </ul>



# Local Industries in Yamanashi Prefecture

## Wine



- Shipment share of 22.3% ranks second in Japan.
- "Yamanashi" wine designated as an indication (National Tax Agency)

## Sake



## Mineral Water



- Shipment share of 22.0% ranks first in Japan.

## Fruits



- Yield of grapes, peaches and Japanese plums ranks first in Japan.

## Jewelry



- Shipment share of 28.4% ranks first in Japan.

## Silk Fabric



- Shipments of ties rank fourth in Japan.
- Shipments of scarves and mufflers rank sixth in Japan.
- Shipments of down quilts rank first in Japan.

## Knit Products



## Inden Leather



## Traditional Japanese Paper



- Shipments of shoji paper and calligraphy paper rank second in Japan.
- Shipments of Japanese handmade paper rank sixth in Japan.

\*Source: 2012 Economic Census, 2012 Census of Manufacturer, 2012 Census of Crops

## 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. Confirmed that this catalyst is approximately 20 times more durable than existing catalysts. Fuel cell vehicles that use this catalyst could be sold by around 2018.

#### - Market Forecast -

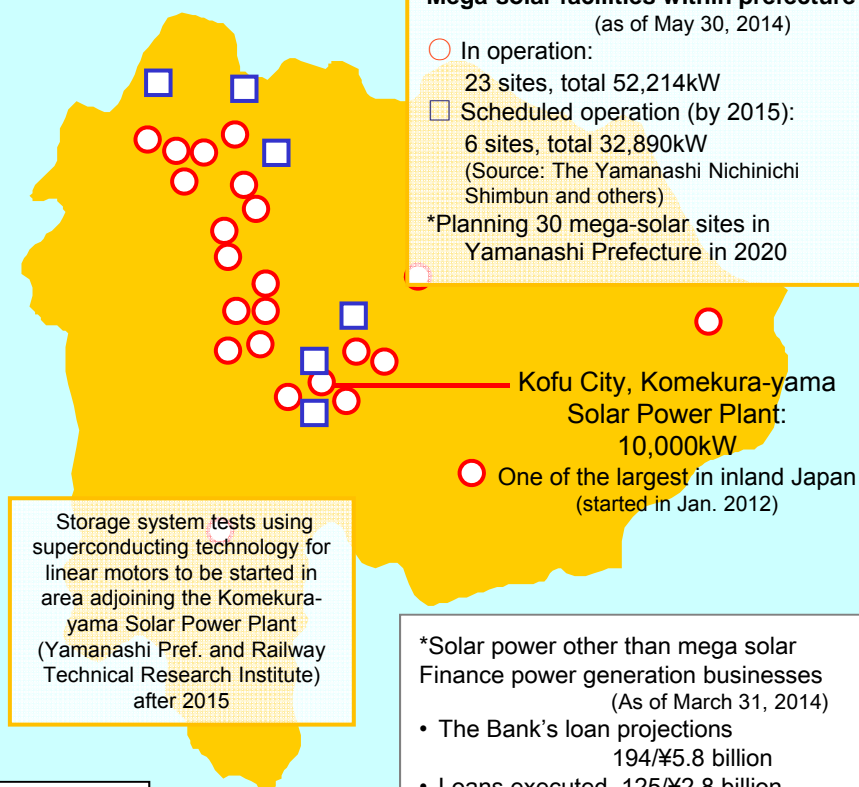
- **Begin selling fuel cell vehicles for about ¥5 million by around 2015**
- **Number of Fuel Cell Automobiles Sold and Market Size**  
(Source: Deloitte Tohmatsu Consulting Co., Ltd., released on August, 2013)  
World market in 2025: Approx. 1.8 million vehicles, approx. ¥5.27 trillion  
Japanese market: Approx. 200,000 vehicles, approx. ¥600 billion

### Solar-Power Generation

#### Mega-solar facilities within prefecture (as of May 30, 2014)

- In operation:  
23 sites, total 52,214kW
- Scheduled operation (by 2015):  
6 sites, total 32,890kW  
(Source: The Yamanashi Nichinichi Shimbun and others)

\*Planning 30 mega-solar sites in Yamanashi Prefecture in 2020



\*Solar power other than mega solar  
Finance power generation businesses  
(As of March 31, 2014)

- The Bank's loan projections  
194/¥5.8 billion
- Loans executed 125/¥2.8 billion

**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

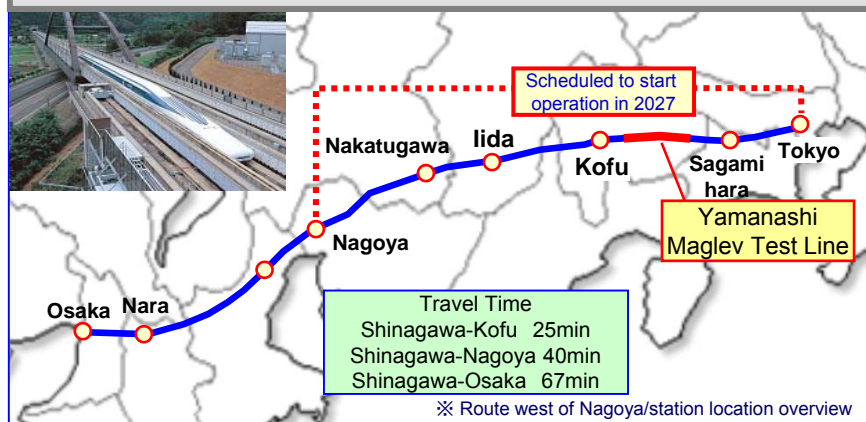
### ○Maglev Test Line extension work completed

- Full-scale test runs resumed on Aug. 29, 2013

### ○Maglev Chuo Shinkansen Line

- Route and train station location details decided on Sep. 18, 2013
- Start construction in 2014, operational launch planned for 2027

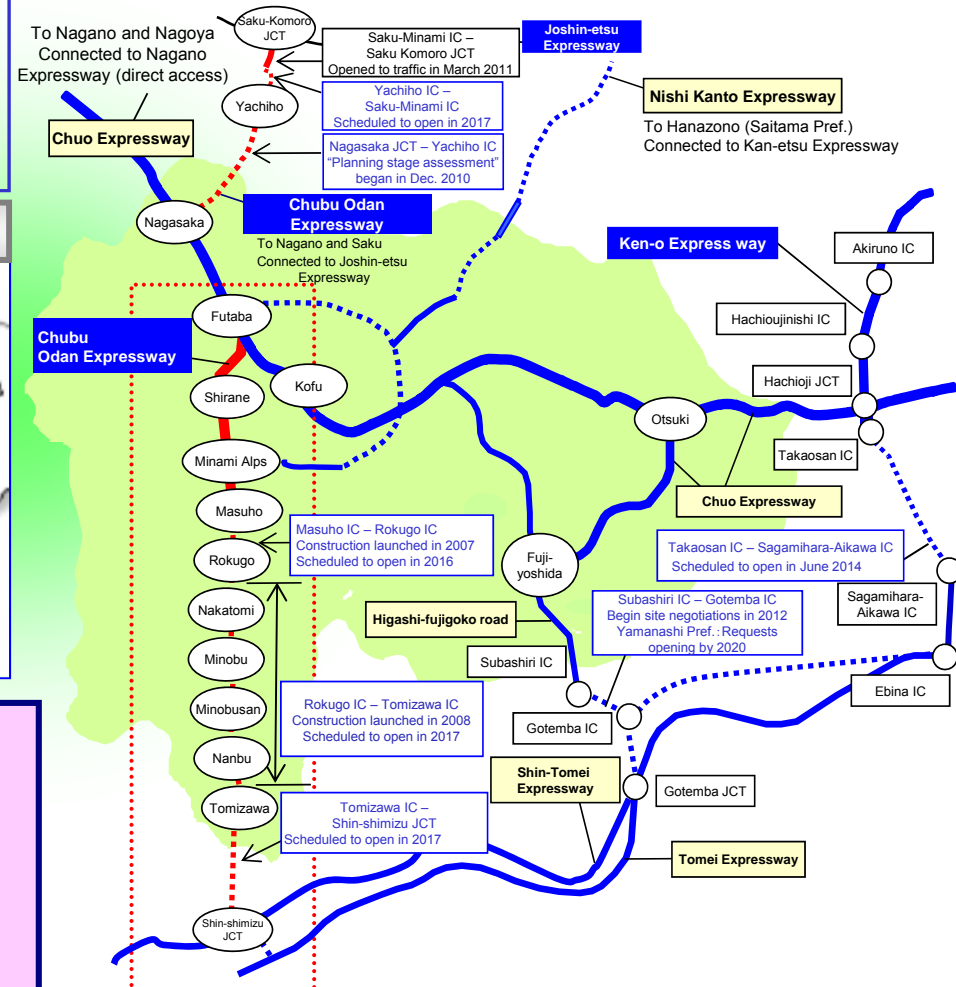
### Map of Maglev Chuo Shinkansen Line Route



★ Boost collaboration with Yamanashi Living Assistance Center (established by the Yamanashi Prefectural Government in Yurakucho, Tokyo on June, 2013)

★ Offer housing loans to those purchasing subdivisions (sale of 171 lots commenced in July 2013) near train stations along the Maglev Chuo Shinkansen Line, known as Asahi Linear Town

## Chubu Odan Expressway



## **III Medium-Term Management Plan “Best Bank Plan 2016” Progress Report**



# Medium-Term Management Plan “Best Bank Plan 2016” Outline

## Medium-Term Management Plan “Best Bank Plan 2016” (Plan duration: April 2013 to March 2016)

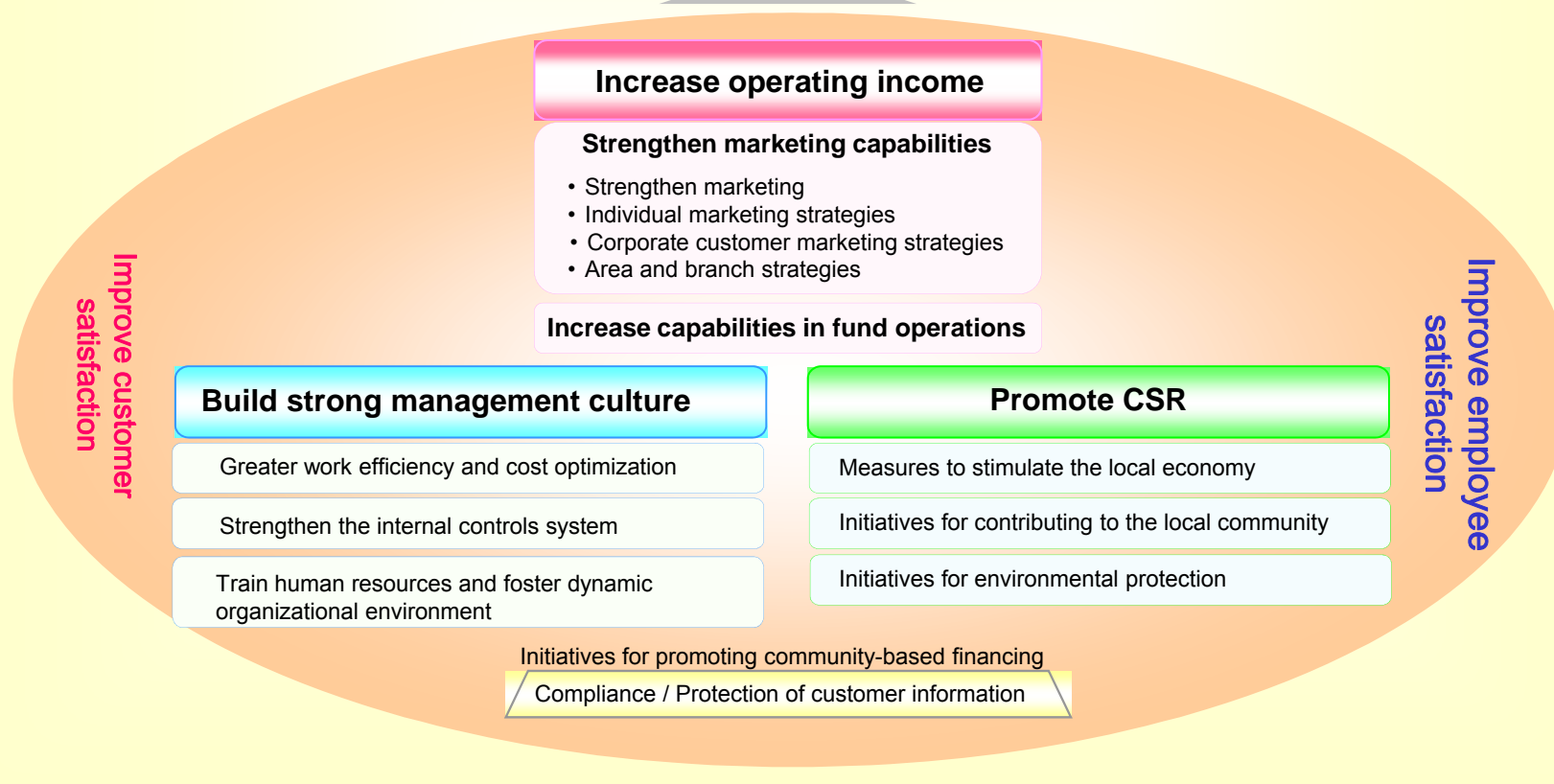
**Our Mission: Region-Based Operations and Sound Management**

### Management Vision

A bank that satisfies customers and earns their unwavering trust

### Slogan

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



Operating income = gross banking profit [interest income + fees and commissions + other operating income (including JGBs and other bond transactions)]



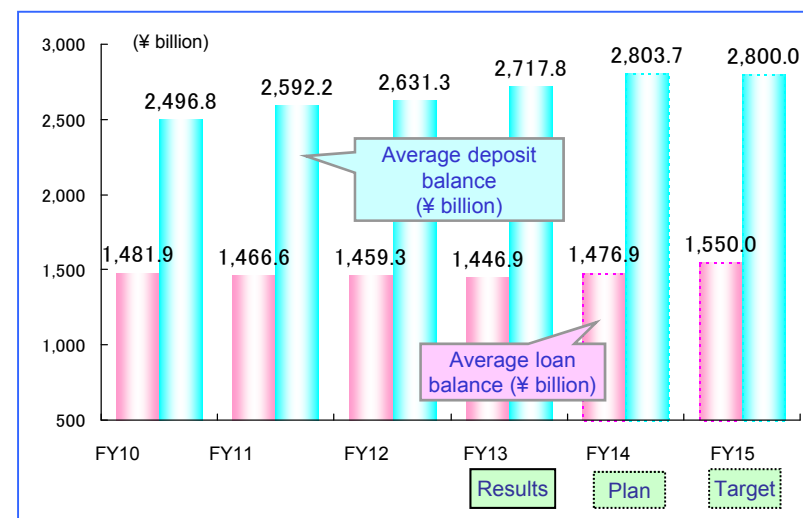
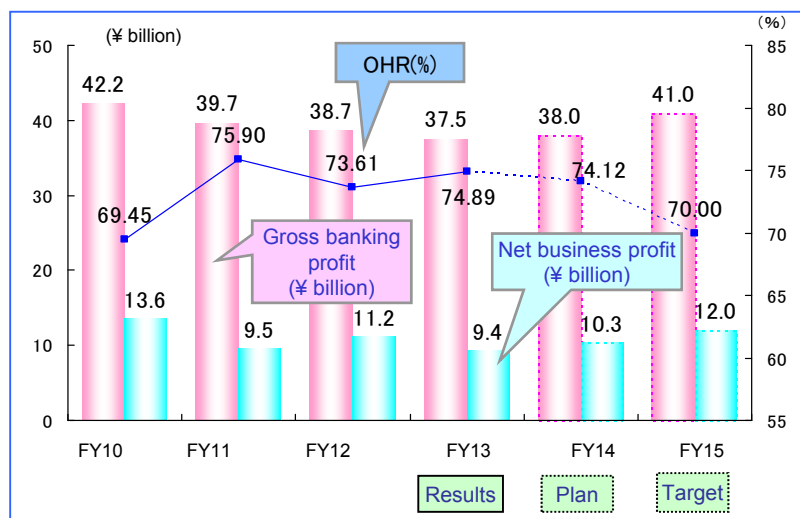
# Medium-Term Management Plan “Best Bank Plan 2016”

## Quantitative targets



(¥ billion)

Item	FY12 Results	FY13 Plan	FY13 Results	vs.FY13 Plan	Y to Y change	FY14 Plan	Mid-Term Plan Target (FY15)
Gross banking profit	38.7	38.3	37.5	(0.8)	(1.2)	38	41.0
Net business profit	11.2	10.1	9.4	(0.7)	(1.8)	10.3	12.0
OHR (Operating expenses / Gross banking profit)	73.61%	74.35%	74.89%	+ 0.54P	+ 1.28P	74.12%	70% or under
Capital ratio (domestic standard)	16.22%	—	16.67%	—	—	—	15% or above
Average loan balance	1,459.3	1,475.7	1,446.9	(28.8)	(12.4)	1,476.9	1,550.0
Average deposit balance	2,631.3	2,703.6	2,717.8	+ 14.2	+ 86.5	2,803.7	2,800.0



# Basic Policy I “Increase Operating Income” Strengthen marketing capabilities

## Corporate marketing strategy 1



### Strengthen New Loan Measures (Respond to Supervisory Policies for Small- and Medium-Sized Regional Financial Institutions)

Enhance initiatives under the mid-term plan  
Strengthen marketing capabilities  
**Corporate marketing strategy**

■ Promote transactions responsive to customer segments and regional characteristics

- Promote targeting main customers  
[Actual loans of ¥8.2 billion (Oct. 2013 - Mar. 2014)]
- Strengthen support for local industry revitalization
- Strengthen the solution business

■ Assist and promote transactions with companies that want to expand overseas

- Business alliance with Metropolitan Bank (Philippines) (Mar. 2014)

### Established a constructive loan position by setting up **loan creation staff**

■ Contribute to regional economic revitalization

- Consolidate knowhow in loan proposal creation and share throughout the Bank
- Development of the capability to make good judgment and respond to new industries
- Provide practical instruction and training to branches  
=> Holding of seminars for loan creation (for Bank staff)  
(such as photovoltaic power generation project, business succession, and subsidies)

Provided 14 seminars with the participation of 768 employees in total (Dec. 2013 - Mar. 2014)

### Efforts for highly effective management support by **management support staff by field**

- Utilize expertise of Bank staff transferred or dispatched to external companies
- Form consulting teams for each business project

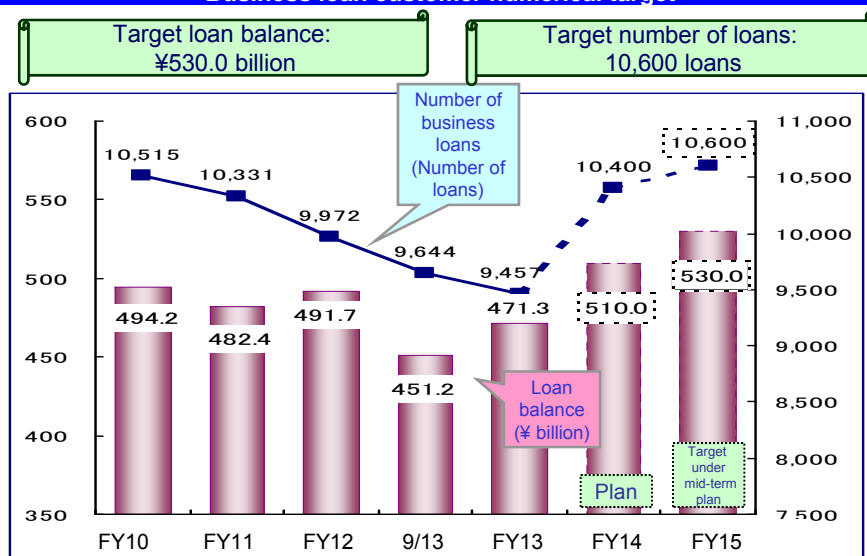
### Active support for companies to which management support is provided by using **the ability to provide management support loans**

■ Develop management plans and make self-efforts for management improvement

Meeting demand for funds from customers

- Preferential treatment in terms of loan rate according to the accomplishment of management plans (up to 1.0%)
- Cooperation with SME Business Rehabilitation Support Co-operative and Credit Guarantee Corporation

Balance of loans to SMEs (term-end) /  
Business loan customer numerical target



(\*Balance of loans to SMEs includes loans to real estate-related public sector.)

# Basic Policy I “Increase Operating Income” Strengthen marketing capabilities

## Corporate marketing strategy 2



### Strengthen the solution business

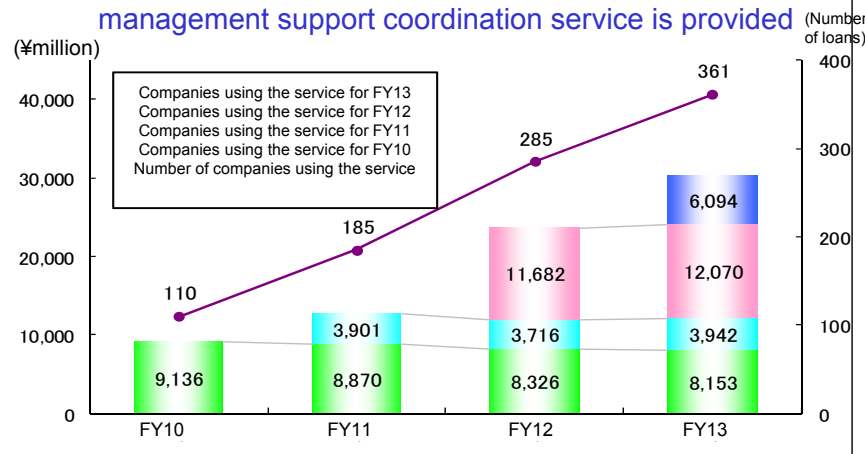
#### Management support coordination service

Support for the solution of management issues for customers through a one-stop service using the network of the Bank group and various institutions in industry, government and academia

##### ◆Support menu

- Selection of external institutions
- Proposal of support menu and utilization
- Management consulting, business matching

Change in balance of loans to companies to which management support coordination service is provided



[Sponsorship of an auxiliary organization of METI]

Received award of excellence at the 3rd regional industry support program awards (innovation net award 2014)

◆Japan's first award among regional banks in recognition of the functions of the window for general support for small and medium businesses

### Assist and promote transactions with companies that want to expand overseas

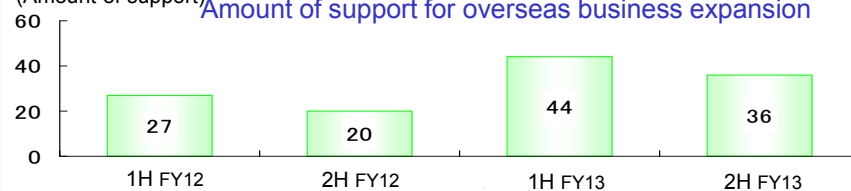
#### Establishment of Asia desk in the International Business Office

A bank staff member who has worked overseas has been appointed to be exclusively in charge of the Asia desk. Full support for overseas business expansion by customers is provided in cooperation with various business partner institutions (see below).

##### ◆Business partner institutions

- Bangkok Bank (Thailand), Bank of Communications Co., Ltd. (China), Bank Negara Indonesia, Metropolitan Bank (Philippines)
- Incorporated Administrative Agency, Nippon Export and Investment Insurance, Tokio Marine & Nichido Fire Insurance Co., Ltd., Mitsui Sumitomo Insurance Company, Limited, Sompo Japan Insurance Inc.
- SECOM YAMANASHI Co., Ltd., SOHGO SECURITY SERVICES CO., LTD.,
- Mitsubishi UFJ Lease & Finance Company Limited
- Daiwa Securities Co. Ltd.
- NIPPON EXPRESS CO., LTD.
- MYTS Co., Ltd. (tax accountants' corporation)

Amount of support for overseas business expansion



##### [Implemented Businesses]

- ◆Joint holding of the China and Japan Manufacturing Business Meeting in Shanghai (Sep. 2013)  
Support for the development and expansion of sales channels in China for customers (11 companies)
- ◆Mission for inspection of the economy in Thailand (Sep. 2013)  
Research on the potential for business expansion in Thailand for customers (12 companies)
- ◆Holding of business meeting for the export of food from Yamanashi in Bangkok (May 2014)  
Support for exports to Thailand for customers engaging in agriculture and food related business (10 companies)

# Basic Policy I “Increase Operating Income”

## Strengthen marketing capabilities Individual marketing strategy



### ■ Increase transactions over lifetime with segment-based strategy

#### Strengthen the promotion of personal loans and life planning

- Strengthen mortgage loan promotion
- Expansion of life insurance consulting business at Loan Squares

#### Strengthen consulting business centered on total assets business

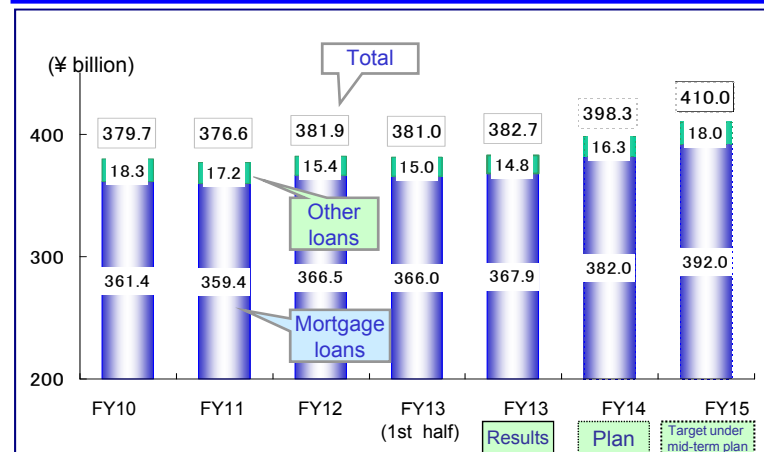
- Proposal of business succession and inheritance measures for owners of companies and wealthy persons by asset inheritance advisors

November 2013  
Asset succession for beginners  
Publication of a guidebook for the safety of you and your family

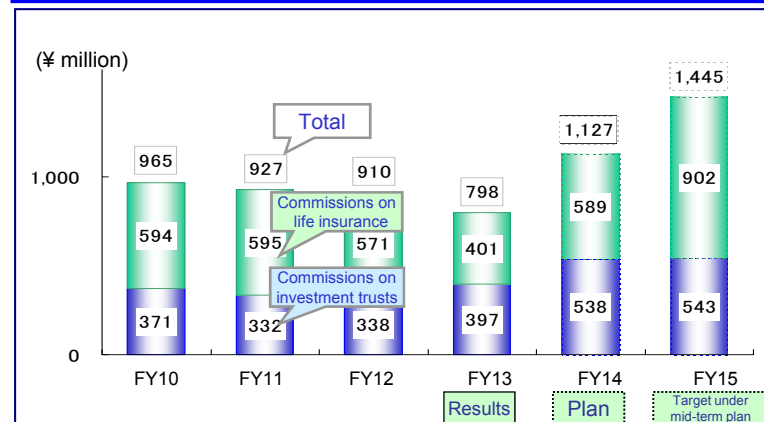
From February 2014  
Identification of demand for testamentary trusts, inheritance measures, etc. by holding a meeting for individual consultations on business succession and inheritance



#### Target Individual Loan Balance (term-end)



#### Target Sales Commissions on Investment Trusts and Life Insurance



# Basic Policy I “Increase Operating Income” Strengthen marketing capabilities

## Western Tokyo Area strategy



### Western Tokyo Area strategy

- Achieve greater profitability and efficiency than any other bank in Yamanashi Prefecture
- Expand marketing base from “point” to “line/plane”

#### Western Tokyo Area Market Size

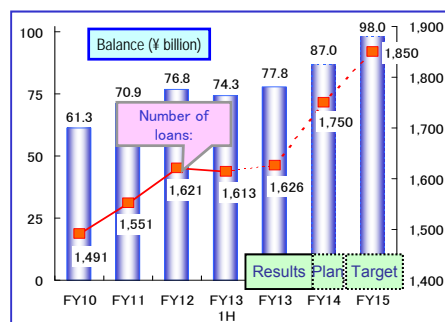
- No. of private companies: 170,000  
(about 3.8 times more than in Yamanashi Prefecture)
- Population: 5,480,000  
(about 6.5 times more than in Yamanashi Prefecture)
- Households: 2,540,000  
(about 7.7 times more than in Yamanashi Prefecture)

\* Western Tokyo Area includes metropolitan Tokyo, Nishitama District, Suginami-ku, and Sagami-hara City in Kanagawa Prefecture  
(Source: Number of private companies as of 2012 “Economic Census”, population and households as of Apr. 2014 “Estimated Population”)

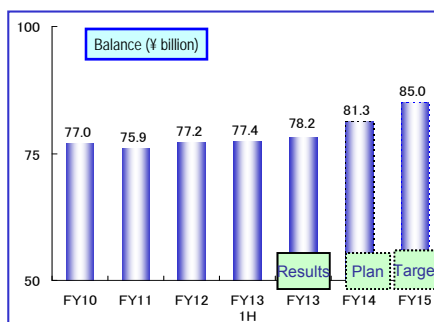
#### Further expansion of sales bases

Increase of loans and outside sales staff  
- increase of 12 persons from Oct. 2012  
(as of Mar. 2014)

#### Target balance of loans to SMEs



#### Target mortgage loan balance



(Includes loans to real estate-related public sector)

### Promotion of Transactions with Individual and Corporate Customers

#### Promote transactions in collaboration with Furusato Yamanashi Linkage 200

- Targets approached Approx. 1,100 customers
- Existing points of contact 697(as of March. 31, 2014)
- Performance from May 2012 to March 2014  
New customers 49 Amount of new loans ¥4.8 billion  
Increase in balance of loans among existing customers 49  
Amount of increase ¥6.9 billion

#### Strengthen business succession and inheritance consulting business to company owners and others

- Expand consulting business by asset inheritance advisors
- Commenced business alliance with Asahi Chuo to enhance the Bank's inheritance-related services (Nov. 2013)
- Strengthen sales of commercial insurance  
 Addition of 12 products to be dealt in (Jan. 2014)

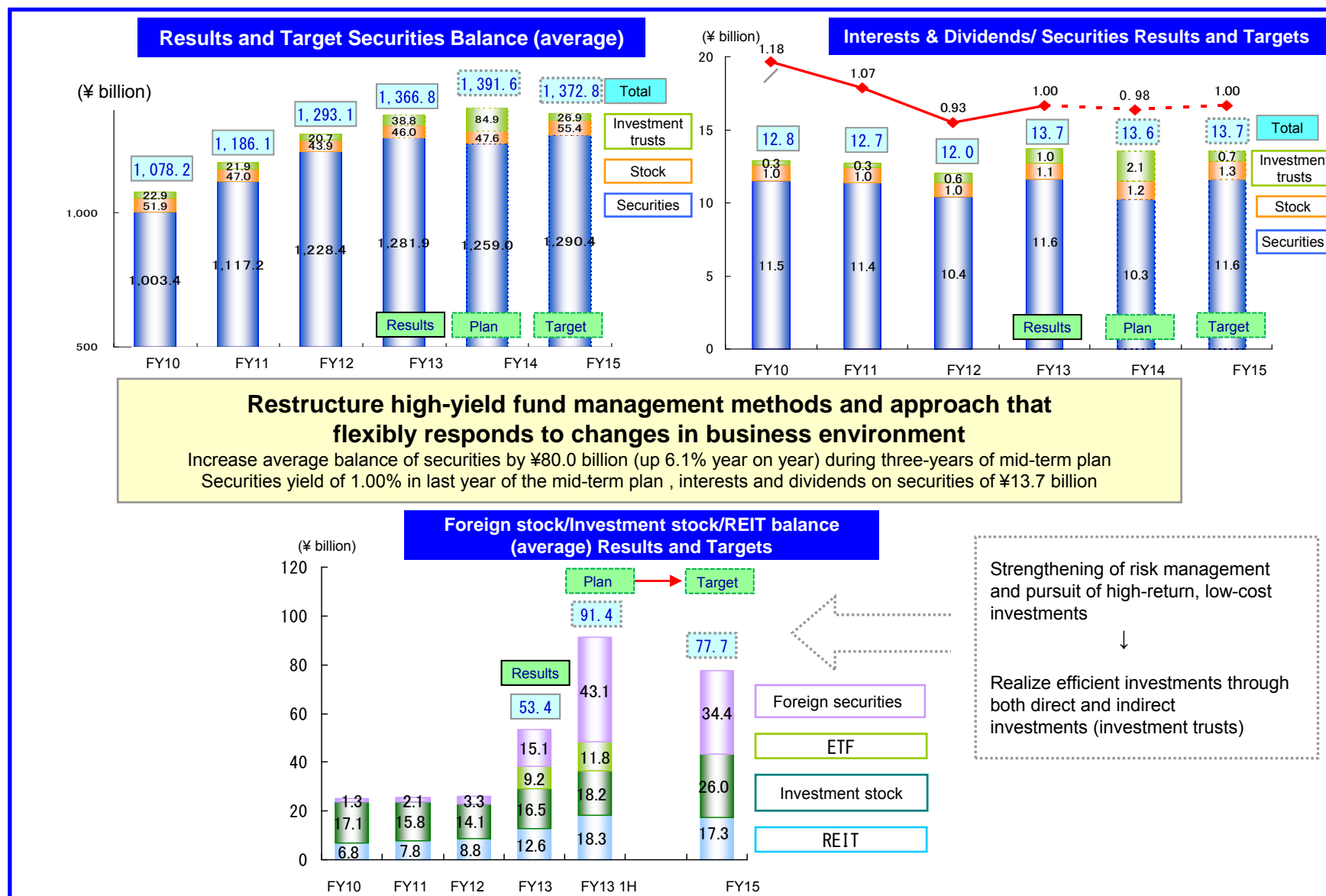
#### Commencement of life insurance consulting business at Loan Squares in the western Tokyo area

- Expansion into the western Tokyo area of the life insurance consulting business, which has already commenced at three Loan Square bases in Yamanashi prefecture (Aug. 2014)



# Basic Policy I “Increase Operating Income” Strengthen marketing capabilities

## Increase capabilities in fund operations



**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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