

The Yamanashi Chuo Bank, Ltd. The 28th Analyst Meeting

Supplementary Materials

June 3, 2015 (Wed)

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 2014 Business Results (1)

(¥ billion; %)

		FY2012	FY2013	FY2014	YoY comparison (FY13)		YoY comparison (FY14)	
					Amount	Percentage	Amount	Percentage
Average balance	Fund operations	2,808.3	2,884.8	2,969.7	76.4	2.72	84.9	2.94
	Loans	1,459.3	1,446.9	1,447.7	(12.4)	(0.85)	0.7	0.05
	Securities	1,293.1	1,366.8	1,389.8	73.6	5.69	23.0	1.68
	Call loans	29.2	11.2	31.3	(18.0)	(61.58)	20.1	179.03
	Due from banks (interest-bearing)	16.1	49.5	88.6	33.3	206.12	39.1	78.98
	Fund procurement	2,696.4	2,773.2	2,855.4	76.8	2.84	82.1	2.96
	Deposits	2,631.3	2,717.8	2,813.2	86.4	3.28	95.3	3.50
	Call money	0.6	5.4	4.3	4.8	788.37	(1.0)	(20.06)
	(Reference) Money held in trust	—	—	—	—	—	—	—

Yields / Interest margin	Fund operations	1.22	1.19	1.18	(0.03)		(0.01)	
	Loans	1.53	1.42	1.33	(0.11)		(0.09)	
	Securities	0.93	1.00	1.11	0.07		0.11	
	Call loans	0.19	0.24	0.14	0.05		(0.10)	
	Due from banks	0.10	0.10	0.10	0.00		0.00	
	Fund procurement	0.06	0.06	0.06	0.00		0.00	
	Deposits	0.06	0.05	0.05	(0.01)		0.00	
	Call money	0.13	0.28	0.44	0.15		0.16	
	Borrowings	0.10	0.10	0.13	0.00		0.03	
	OHR	1.08	1.03	0.99	(0.05)		(0.04)	
	Fund procurement cost	1.12	1.07	1.04	(0.05)		(0.03)	
	Loan / deposit interest margin	1.47	1.37	1.28	(0.10)		(0.09)	
	Fund operation / procurement interest margin	1.16	1.13	1.12	(0.03)		(0.01)	
	Gross interest margin on loans	0.39	0.33	0.28	(0.06)		(0.05)	
	Gross interest margin on funds under management	0.10	0.12	0.14	0.02		0.02	

Fiscal 2014 Business Results (2)

(¥ billion; %)

		FY2012	FY2013	FY2014	YoY comparison (FY13)		YoY comparison (FY14)	
					Amount	Percentage	Amount	Percentage
Profits and losses	Interest income	32.6	32.7	33.3	0.0	0.24	0.5	1.67
	Loans	22.3	20.6	19.3	(1.7)	(7.67)	(1.2)	(6.18)
	Securities	12.0	13.7	15.4	1.7	14.16	1.7	12.39
	Call loans	0.0	0.0	0.0	(0.0)	(51.78)	0.0	70.37
	Due from banks	0.0	0.0	0.0	0.0	225.00	0.0	75.00
	Fees and commissions	4.4	4.2	4.6	(0.1)	(3.22)	0.3	7.14
	Other operating income (losses)	1.6	0.4	0.1	(1.1)	(70.16)	(0.3)	(76.51)
	JGBs and other bond transactions	1.5	0.2	0.0	(1.2)	(81.13)	(0.2)	(96.46)
	General provision to loan loss reserve	(1.0)	—	—	1.0	100.00	—	—
	Expenses	28.5	28.1	27.9	(0.4)	(1.47)	(0.1)	(0.51)
	Banking profit	11.2	9.4	10.0	(1.8)	(16.29)	0.6	6.58
	Modified banking profit	10.2	9.4	10.0	(0.8)	(7.86)	0.6	6.58
	Net business profit on core operations	8.7	9.1	10.0	0.4	4.73	0.8	9.77
	Non-operating income (losses)	(1.3)	2.1	2.4	3.4	259.24	0.3	17.75
	Equity share and similar transactions	0.0	0.7	1.0	0.7	4,518.75	0.2	39.64
	NPL disposal amount	1.3	0.1	0.0	(1.1)	(89.61)	(0.0)	(64.74)
	Money held in trust	—	—	—	—	—	—	—
	Ordinary profits	9.9	11.5	12.5	1.6	16.25	0.9	8.64
	Extraordinary income (losses)	(0.6)	(0.3)	(0.4)	0.2	46.27	(0.0)	(23.00)
	Income taxes - basic	3.2	2.5	2.8	(0.6)	(20.59)	0.3	11.71
	Income taxes - deferred	0.1	0.7	1.0	0.5	344.37	0.3	44.02
	Net income	5.8	7.8	8.2	2.0	34.54	0.3	3.82

Capital Ratio (Non-Consolidated Basis)

(%; ¥ billion)

	FY2010	FY2011	FY2012	FY2013	FY2014
Total capital ratio (domestic standards)	15.90	16.07	16.22	16.67	16.70
Tier 1 ratio	15.35	15.66	15.91		
Regulatory capital	148.7	152.7	155.5	161.0	164.8
Tier 1	143.6	148.7	152.6		
Tier 2					
Unrealized gain on land revaluation (45%)	—	—	—		
Unrealized gain on available-for-sale securities (45%)	—	—	—		
Loan loss reserve	5.0	3.9	2.9		
Subordinated debt	—	—	—		
Deductions	—	—	—		
Risk-weighted assets	935.3	949.7	958.6	965.8	986.9
On-balance items	852.0	869.0	880.3		
Off-balance items	13.0	11.5	11.2		
Operational risks / 0.08	70.2	69.1	67.1		

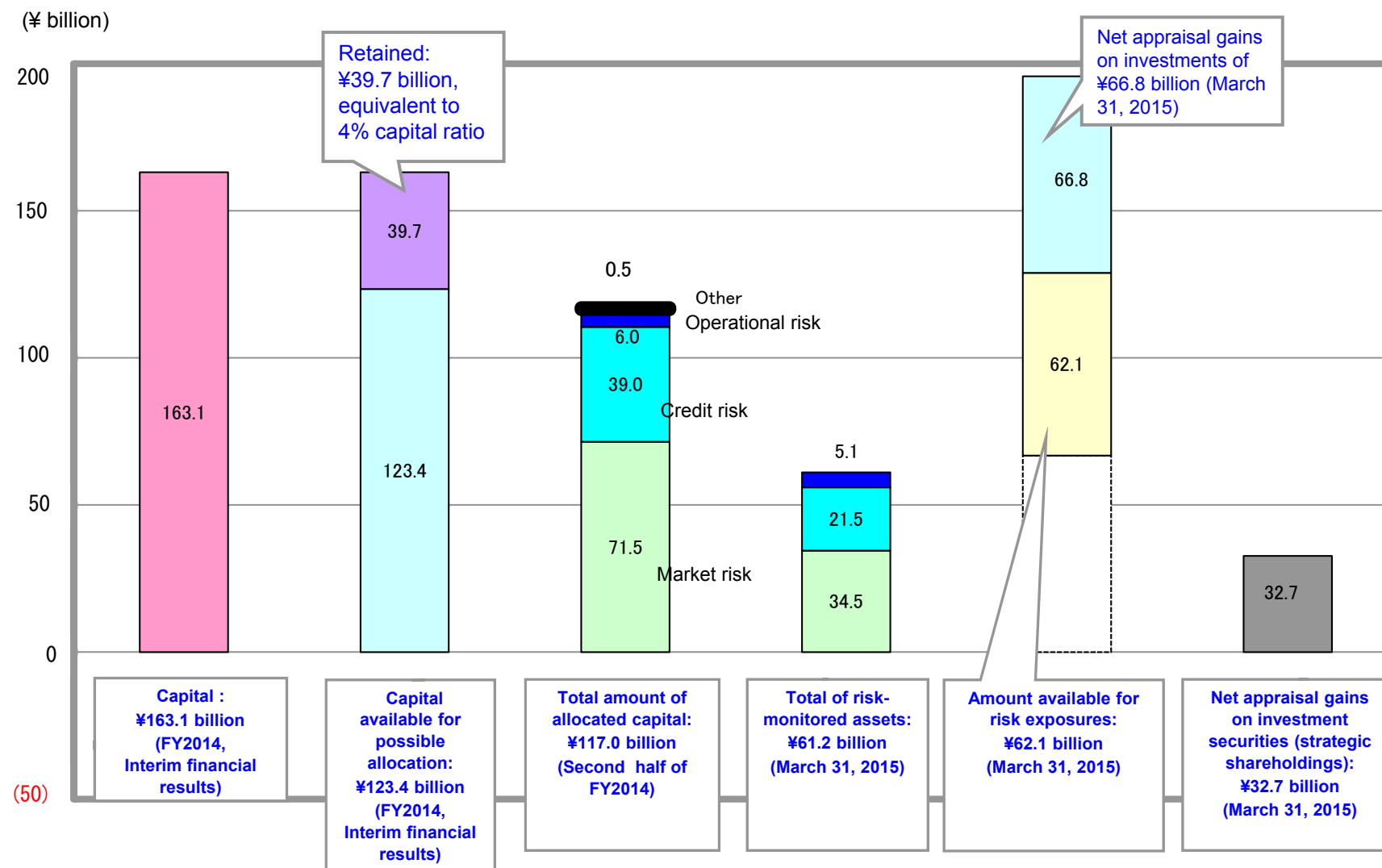
*The figures above are calculated according to the new domestic standard from FY2013.

(Reference)
Interest rate risk on the banking account (March 31, 2015)

Interest rate shock	99th percentile
Risk amount	¥9.2 billion
Tier I + Tier II	¥164.8 billion
Outlier ratio	5.6%

* core deposits are calculated with an in-house model.

Capital Allocation



Employees and Branches

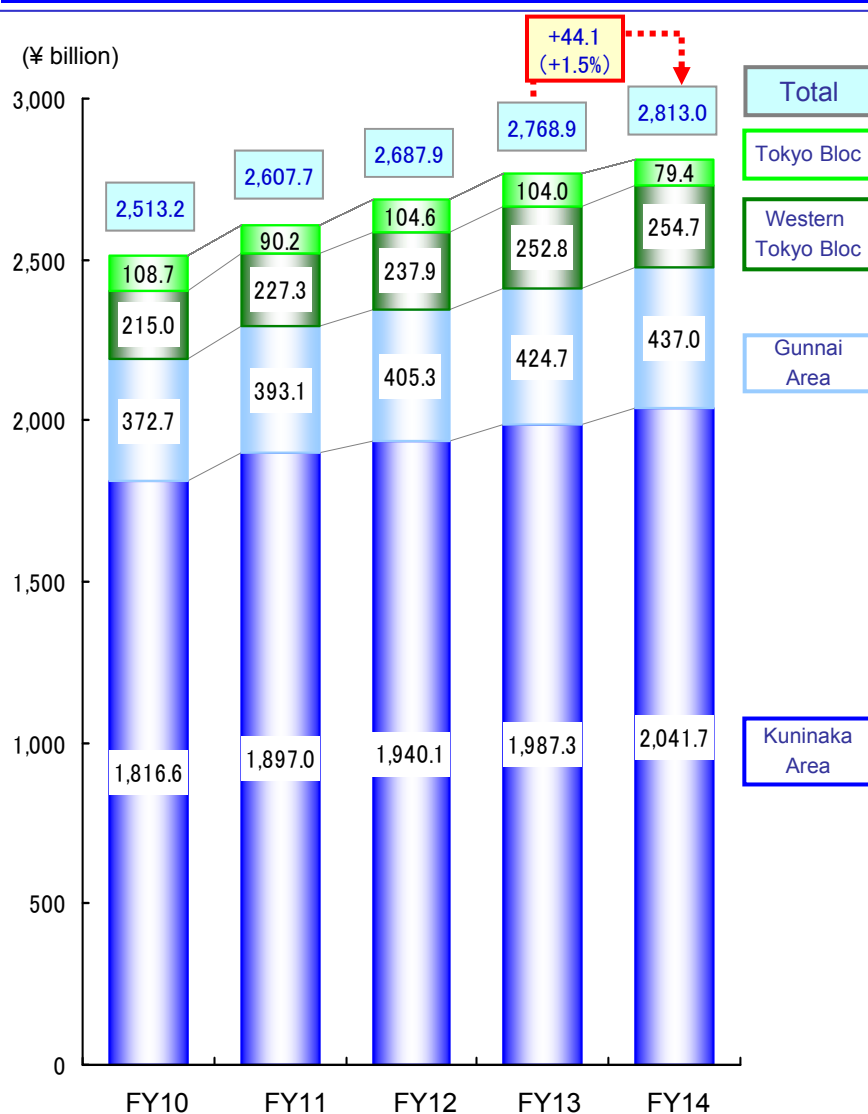
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	Comparison with FY2004
Regular employees	1,764	1,688	1,612	1,564	1,605	1,659	1,705	1,704	1,708	1,699	1,675	(89)
Fixed-term contract workers	431	496	581	716	760	789	776	736	714	691	672	241
Branches (including sub-branches)	93	91	91	91	92	91	91	91	90	90	※2 90	(3)
Ordinary type	48	49	45	42	43	42	42	42	43	41	41	(7)
Covering wide area; full-range services	27	21	21	23	22	22	22	21	21	21	21	(6)
Covering wide area; designated for special functions ※1	18	21	25	26	27	27	27	28	26	28	※2 28	10
Corporate Sales Office	0	0	0	0	0	0	1	2	1	1	1	1
Loan centers	3	3	3	4	5	5	5	5	6	7	7	4
Off-branch ATMs	135	138	131	132	134	132	130	129	126	129	130	(5)

*1. Total of branches specialized in retailing and branches specialized in loans to individuals

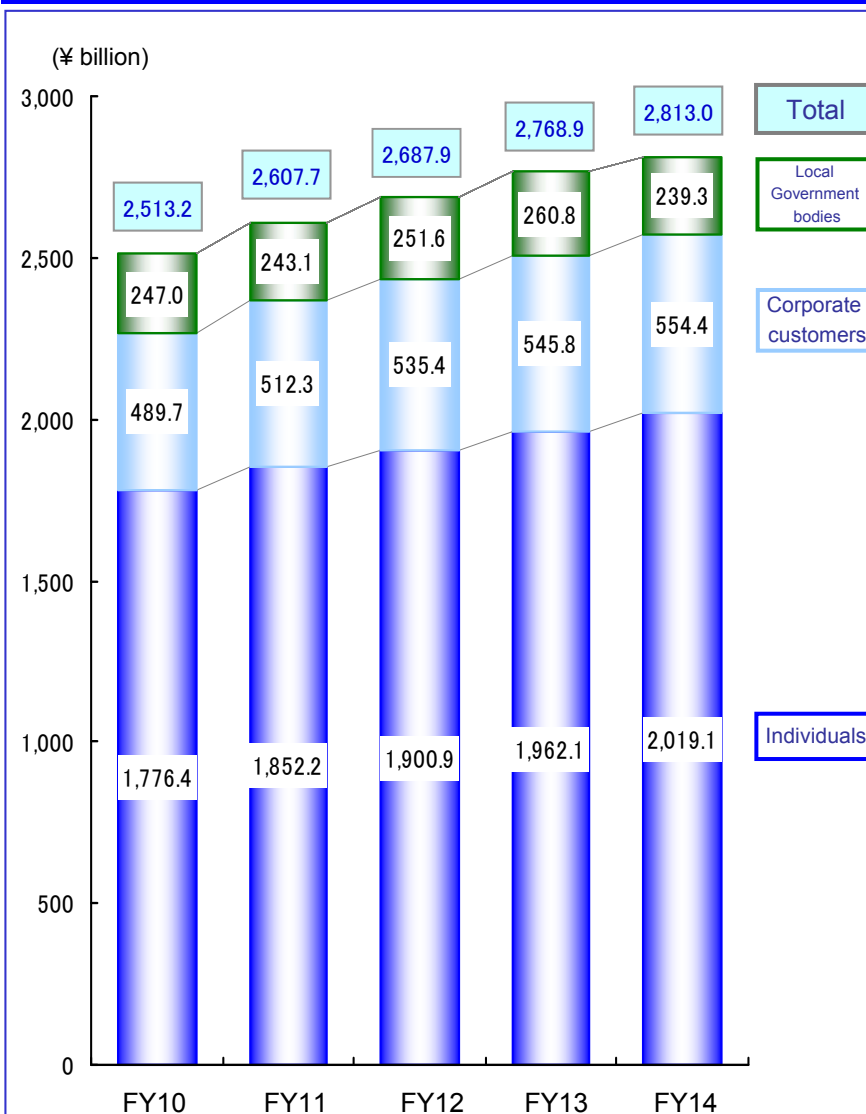
*2 . Chuo Ichiba Branch operates at the Kokubo Branch

Deposits

Deposit (term-end)



Customer Segment (term-end)

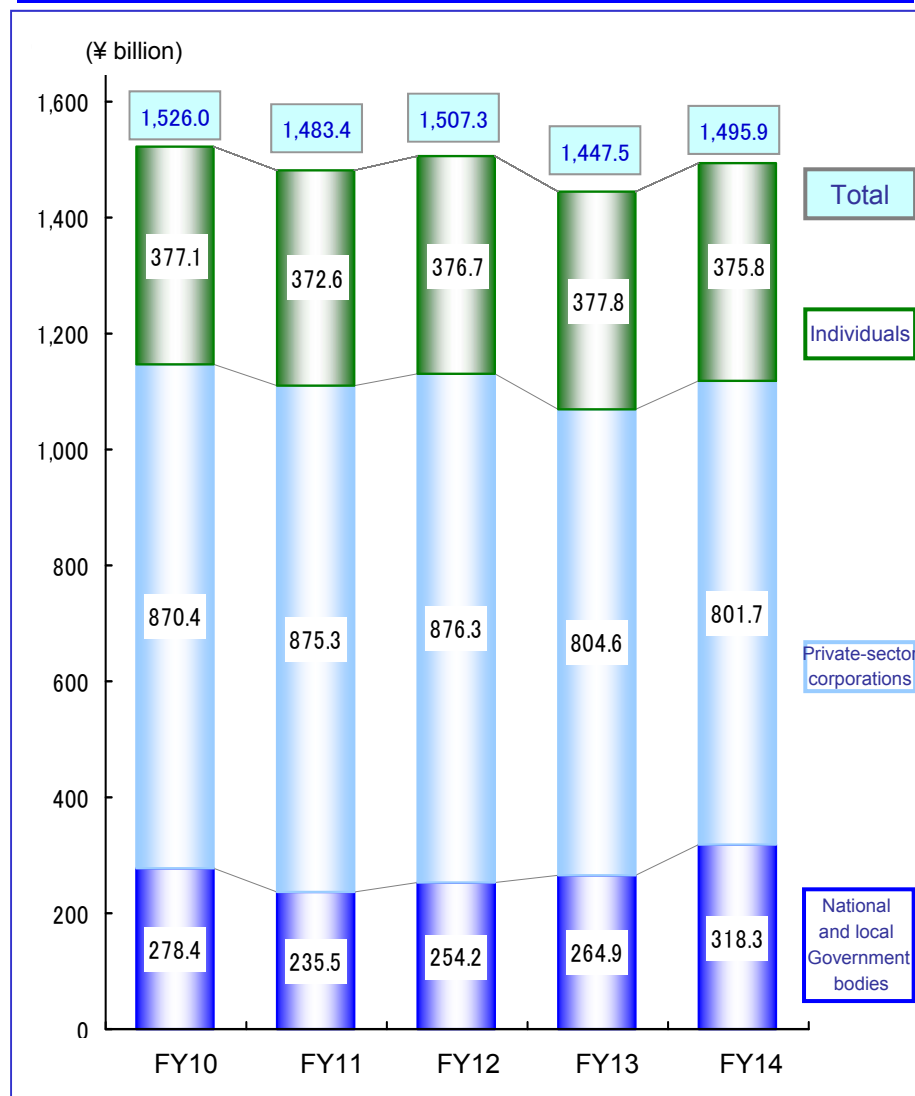


Loans

Loan (term-end)



Customer Segment (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.

Loan Portfolio by Customer Industry

(¥ billion)

	March 31, 2014		March 31, 2015		YoY change	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
Manufacturing	157.9	10.9%	150.3	10.1%	(7.5)	(0.8) P
Agriculture, forestry	2.3	0.2%	2.3	0.2%	0.0	0.0P
Fishery	0.0	0.0%	0.0	0.0%	0.0	0.0P
Mining, quarrying and gravel digging	1.5	0.1%	1.4	0.1%	(0.1)	0.0P
Construction	37.4	2.6%	36.2	2.4%	(1.1)	(0.2) P
Utilities, heat provision	26.2	1.8%	25.9	1.7%	(0.2)	(0.1) P
Telecommunications	12.5	0.9%	13.3	0.9%	0.8	0.0P
Transportation, postal services	65.2	4.5%	64.6	4.3%	(0.6)	(0.2) P
Wholesaling, retailing	120.6	8.3%	120.2	8.0%	(0.4)	(0.3) P
Financing, insurance	44.7	3.1%	45.6	3.1%	0.9	0.0P
Real estate, equipment rental and leasing	188.8	13.0%	194.7	13.0%	5.8	0.0P
Miscellaneous services	147.1	10.2%	146.7	9.8%	(0.4)	(0.4) P
National and local governments	264.9	18.3%	318.3	21.3%	53.3	3.0P
Individuals and others	377.8	26.1%	375.8	25.1%	(2.0)	(1.0) P
Total lending	1,447.5	100.0%	1,495.9	100.0%	48.3	—

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



Loan Balance by Customer Business Scale (Term-end)

(¥ billion; %)

		Overall		Yamanashi Prefecture		Western Tokyo Bloc		Tokyo Bloc		Headquarters	
		FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14
National and local government	Balance	264.9	318.3	218.0	223.8	0.5	0.3	6.4	4.1	39.9	89.9
	Ratio to total	18.3%	21.3%	25.9%	26.7%	0.3%	0.2%	2.1%	1.3%	29.8%	50.4%
Large companies	Balance	307.5	301.8	21.0	23.7	8.2	8.5	236.8	232.2	41.4	37.2
	Ratio to total	21.3%	20.2%	2.5%	2.8%	4.9%	4.9%	78.0%	75.7%	30.9%	20.9%
Second-tier companies	Balance	25.8	26.5	14.1	13.0	4.5	3.9	5.2	9.5	1.8	0.0
	Ratio to total	1.8%	1.8%	1.7%	1.6%	2.7%	2.3%	1.7%	3.1%	1.3%	0.0%
SMEs	Balance	471.3	473.3	289.3	281.6	77.8	81.6	53.2	58.9	50.8	51.1
	Ratio to total	32.6%	31.6%	34.4%	33.6%	46.1%	47.3%	17.5%	19.2%	37.9%	28.7%
Other individuals	Balance	377.8	375.8	298.4	295.7	77.5	78.1	1.7	1.8	0.0	0.0
	Ratio to total	26.1%	25.1%	35.5%	35.3%	45.9%	45.3%	0.6%	0.6%	0.0%	0.0%
Total	Balance	1,447.5	1,495.9	841.1	838.1	168.7	172.5	303.6	306.8	133.9	178.3
	Ratio to total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Designated Financial Institution Contracts with Local Governments (March 31, 2015)

	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)

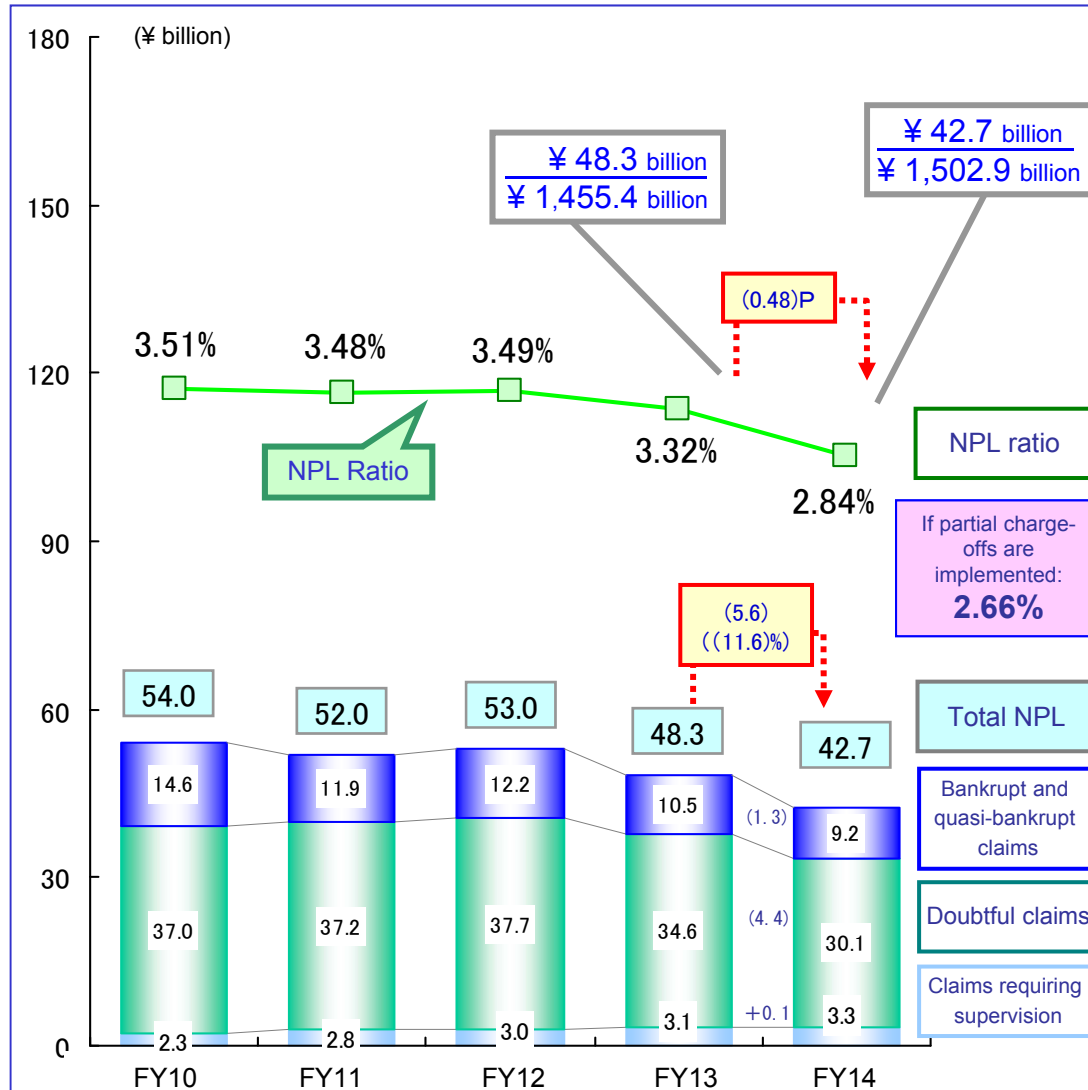
	March 31, 2014	March 31, 2015	Comparison with previous term-end	March 31, 2015 (consolidated basis)
Loans to customers in bankruptcy	2.9	2.6	(0.3)	2.7
Past due loans	41.9	36.5	(5.4)	37.2
Accruing loans contractually past due three months or more	0.0	0.0	(0.0)	0.0
Restructured loans	3.0	3.3	0.2	3.3
Total risk-monitored loans (A)	48.1	42.5	(5.5)	43.3
As a percentage of total loans	(3.32%)	(2.84%)	((0.48)P)	(2.91%)
Portions covered by collateral and guarantees (B) (including specific reserves)	44.8	39.3	(5.5)	40.0
Coverage ratio B / A	93.29%	92.32%	(0.97)P	92.43%
Reserve for possible loan losses (non-specific) (C)	2.4	1.7	(0.7)	4.4
Coverage ratio (B + C) / A (including loan loss reserves)	98.46%	96.37%	(2.09)P	102.72%

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

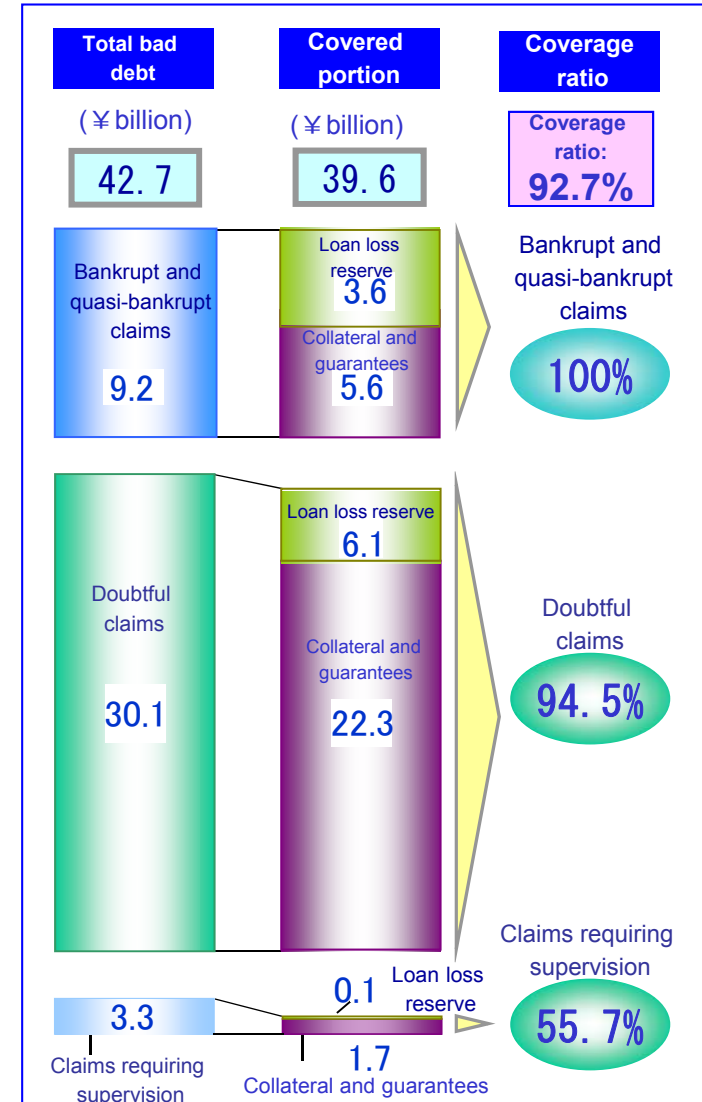
(¥ billion)

	March 31, 2015 Prior to partial charge-offs (1)	March 31, 2015 After partial charge-offs (2)	Decrease (2) - (1)
Loans to customers in bankruptcy	2.6	1.6	(0.9)
Past due loans	36.5	34.6	(1.8)
Accruing loans contractually past due three months or more	0.0	0.0	0.0
Restructured loans	3.3	3.3	0.0
Total risk-monitored loans	42.5	39.7	(2.8)
As a percentage of total loans	(2.84%)	(2.66%)	((0.18)P)

Bad Debt under the Financial Reconstruction Law





Coverage of Bad Debt under the Financial Reconstruction Law



Changes in Borrower Categories

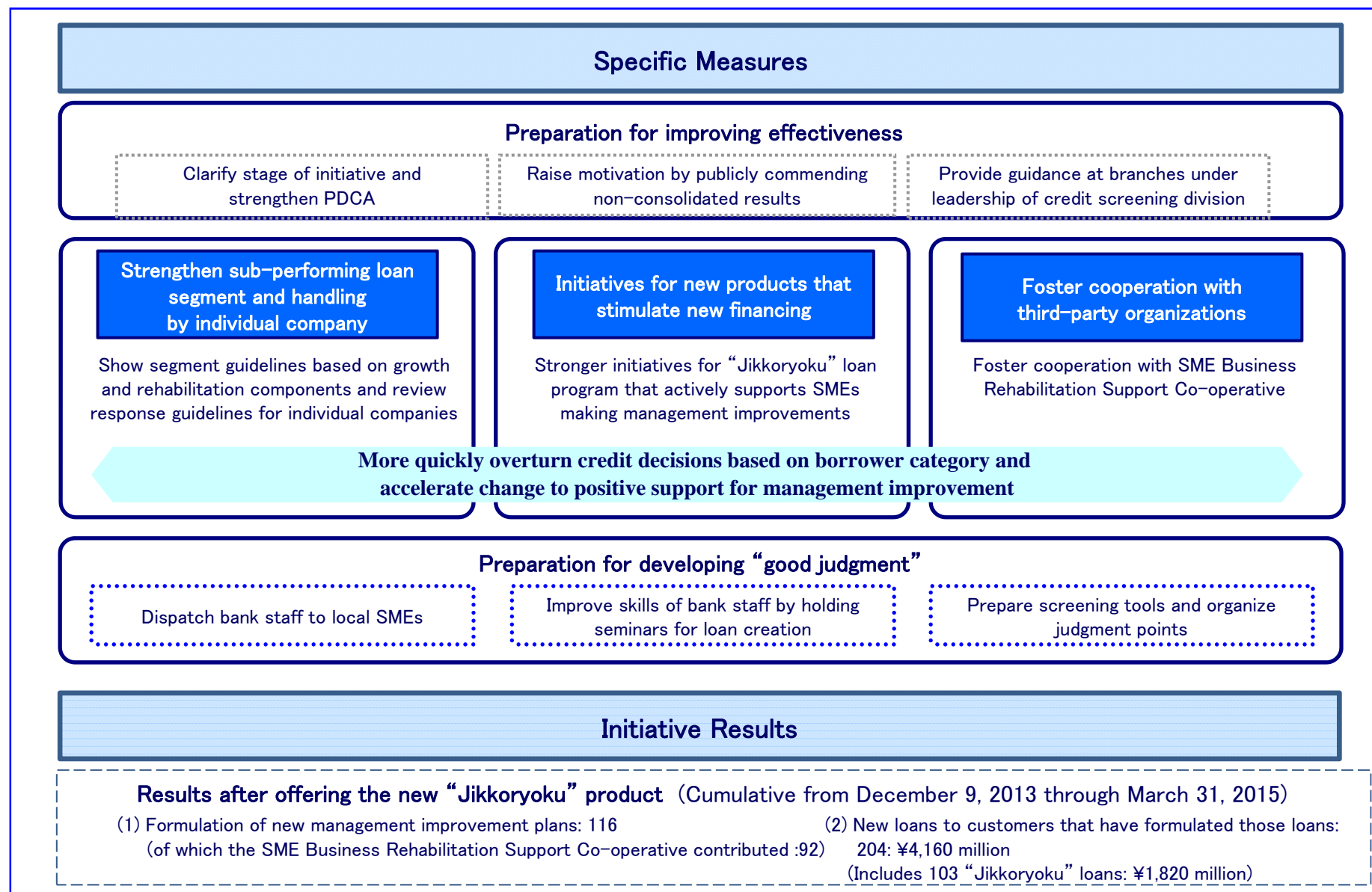
(¥ billion)

Total claim basis* (under the Financial Reconstruction Law) From March 31, 2014 to March 31, 2015			March 31, 2015						Deterioration to potentially bankrupt or worse
			Normal borrower	Other requiring caution	Requiring supervision	Potentially bankrupt	Effectively Bankrupt	Legally bankrupt	
March 31, 2014	Amount of newly occurred	—	15.8	0.9	—	—	—	—	
	Normal borrower	1,260.9	1,301.5	11.6	0.1	0.8	0.2	—	0.09%
	Other requiring caution	143.5	15.5	110.0	1.1	1.1	0.1	0.0	0.89%
	Requiring supervision	4.0	0.0	0.5	2.8	0.1	0.1	—	5.73%
	Potentially bankrupt	34.5	0.0	1.7	0.2	27.8	0.4	0.0	
	Effectively Bankrupt	7.6	0.0	—	—	0.1	5.7	0.0	
	Legally bankrupt	2.9	—	—	—	0.0	—	2.5	
	Total	1,453.7	1,333.0	124.8	4.2	30.1	6.6	2.6	

 Deterioration
 Improvement

* 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.

Initiatives to Provide Support for Positive Management Improvement Through a New Supply of Funds



Securities Portfolio (1)

Prior to Mark-to-Market Adjustment

(¥ billion; %)

	FY11		FY12		FY13		FY14		YoY increase (decrease)	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
JGBs	748.1	59.9	818.1	62.2	818.9	60.2	774.2	54.6	(44.7)	(5.6)
Municipal bonds	180.8	14.5	198.4	15.1	210.5	15.5	225.4	15.9	14.9	0.4
Government guaranteed bonds	173.5	13.9	166.9	12.7	155.5	11.4	116.6	8.2	(38.9)	(3.2)
Bond issued by semi-government bodies	1.4	0.1	1.3	0.1	1.1	0.1	1.0	0.1	(0.1)	0.0
Financial debentures	—	—	—	—	—	—	—	—	—	—
Corporate bonds	76.2	6.1	61.1	4.6	46.6	3.4	23.3	1.6	(23.3)	(1.8)
Equity shares	44.7	3.6	43.1	3.3	47.6	3.5	46.3	3.3	(1.3)	(0.2)
Strategic holdings	30.2	2.4	29.4	2.3	29.4	2.2	28.7	2.1	(0.7)	(0.1)
Portfolio investments	14.4	1.2	13.6	1.0	18.2	1.3	17.5	1.2	(0.7)	(0.1)
Foreign securities	2.8	0.2	3.7	0.3	19.8	1.5	79.1	5.6	59.3	4.1
Investment trusts, etc.	20.7	1.7	22.4	1.7	60.4	4.4	152.2	10.7	91.8	6.3
Total	1,248.6	100.0	1,315.4	100.0	1,360.7	100.0	1,418.4	100.0	57.7	

<Yields and Valuation gains (losses)>

Yields

(%)

	FY11	FY12	FY13	FY14	YoY increase (decrease)
Yen-denominated bonds	1.02	0.84	0.89	0.82	(0.07)
Equity shares	2.12	2.23	2.44	2.91	0.47
Investment trusts, etc.	1.49	2.87	2.72	3.35	0.63
Total of yen-denominated bonds	1.07	0.92	0.99	1.08	0.09
Foreign-currency-denominated bonds	2.02	2.08	1.94	1.92	(0.02)
Total	1.07	0.93	1.00	1.11	0.11

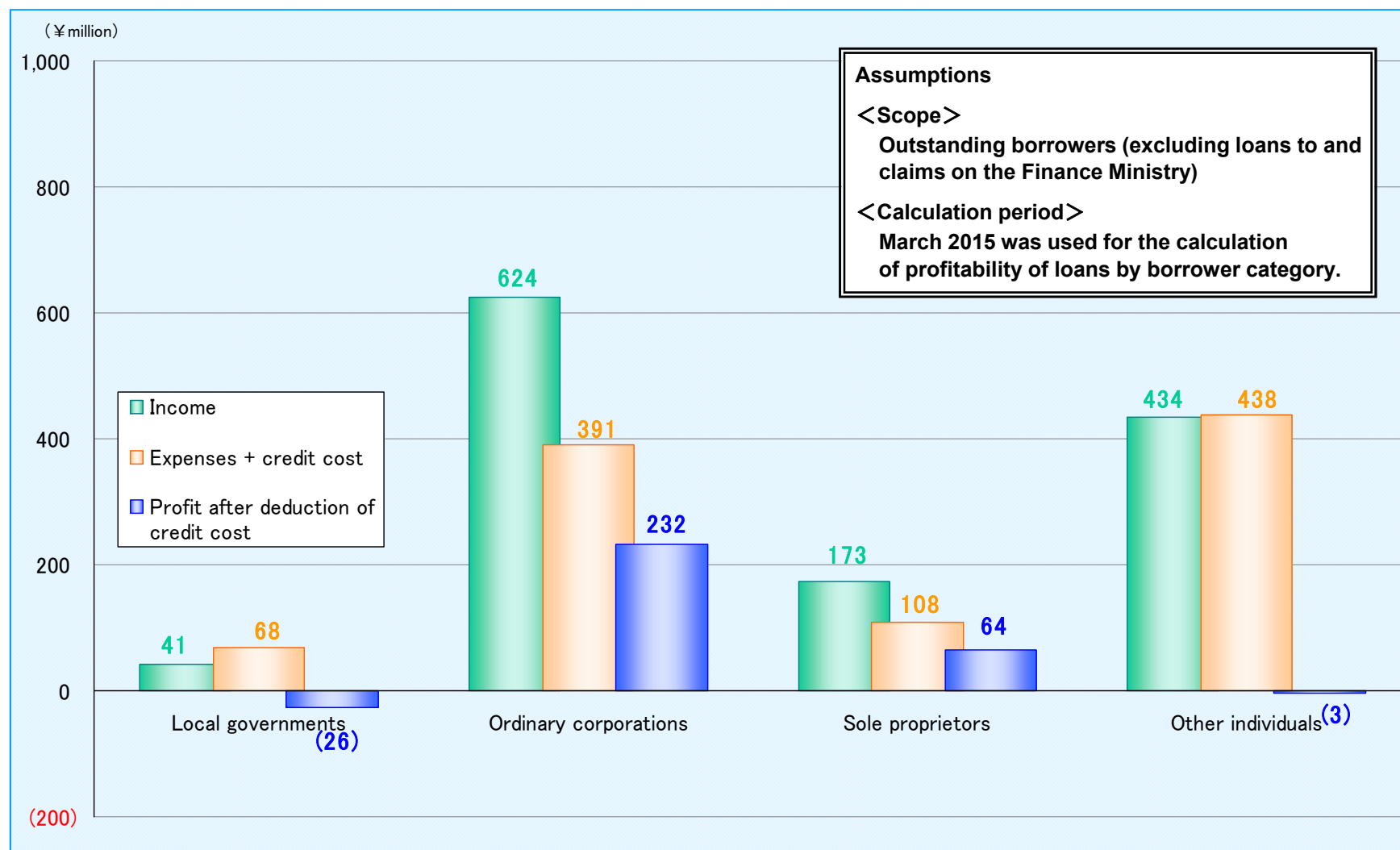
Valuation gains (losses)

(¥ million)

	FY11	FY12	FY13	FY14	YoY increase (decrease)
JGBs and other bonds	(53)	1,500	284	10	(274)
Gain on sale	1,025	2,331	1,037	95	(942)
Loss on sale	1,078	831	746	85	(661)
At amortization	—	—	7	—	(7)
Stocks and other related securities	(1,097)	16	740	1,033	293
Gains on sales of stocks and other	330	710	876	1,188	312
Shares loss on sale	845	694	56	79	23
Shares amortization	582	—	80	76	(4)
Total	(1,150)	1,516	1,024	1,043	19

Earnings Structure by Borrower Segment

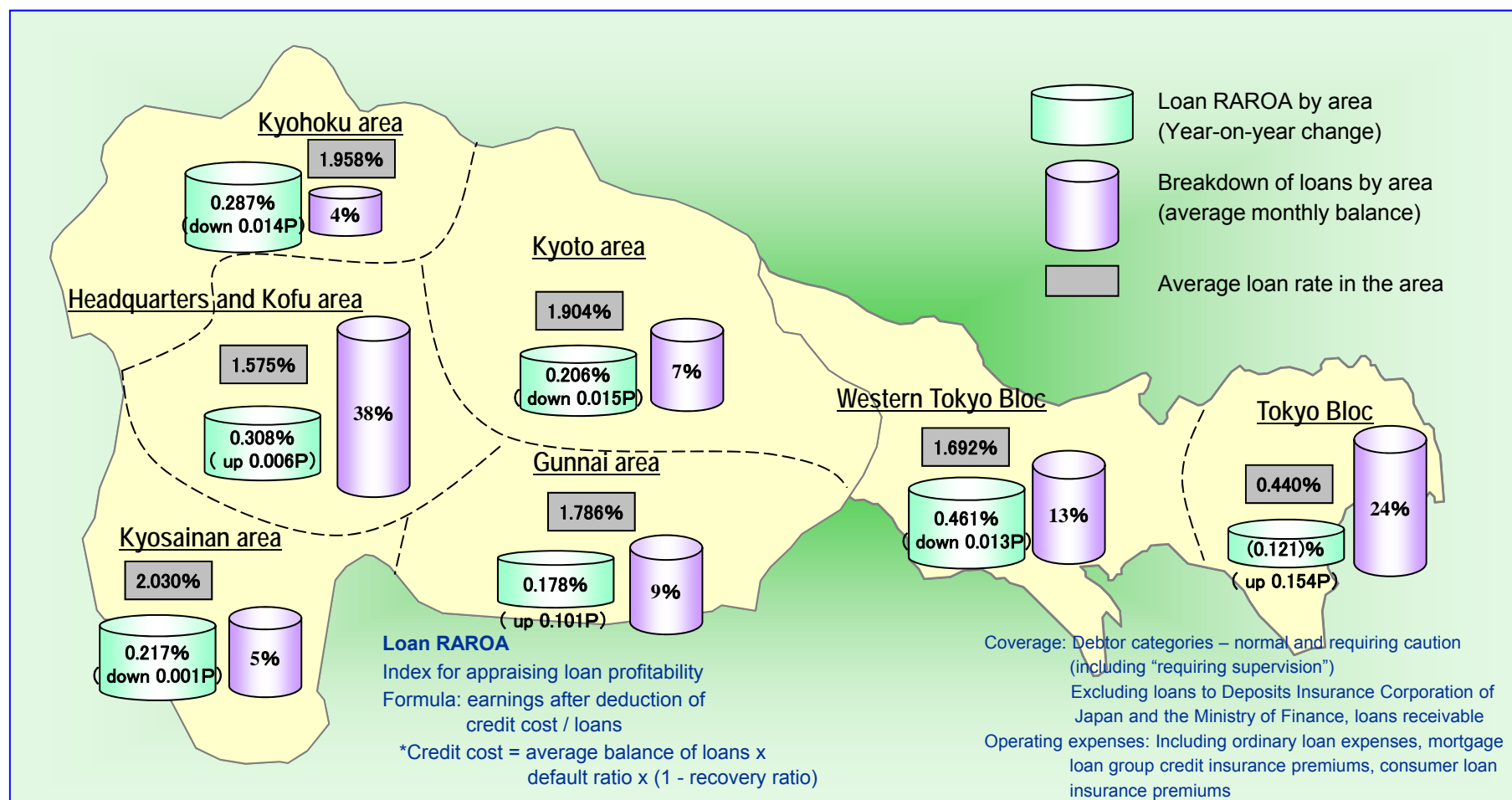
One-Month Results (March 2015)



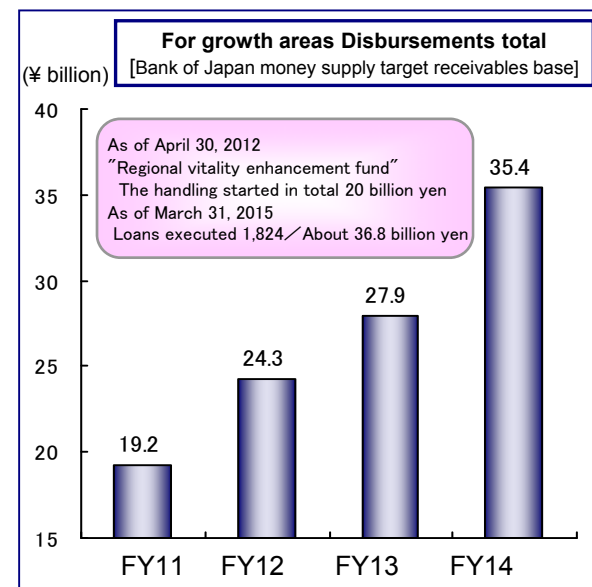
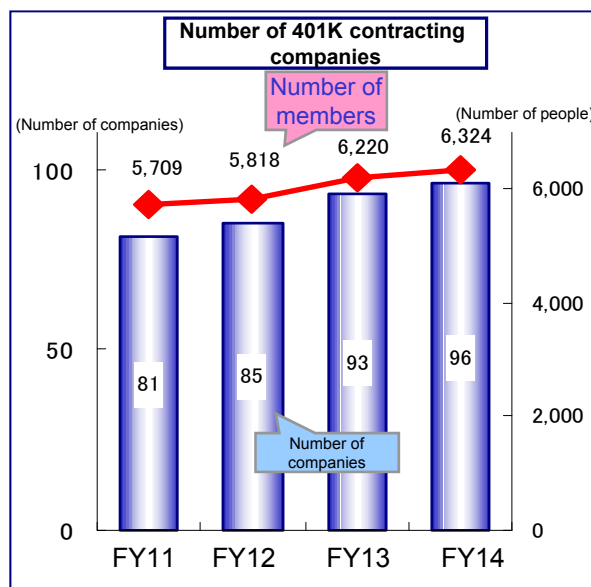
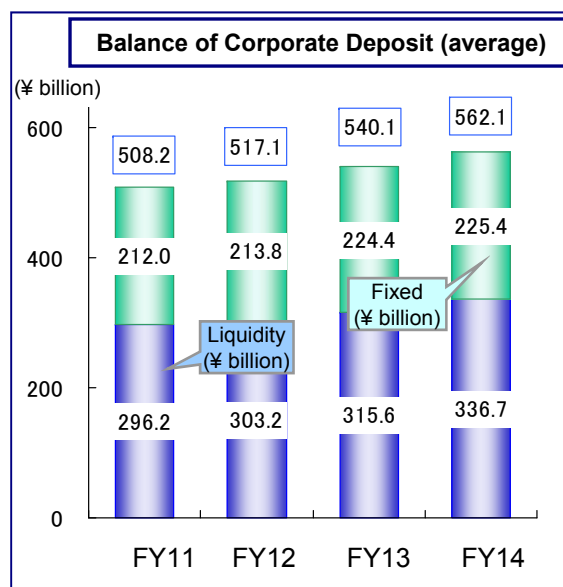
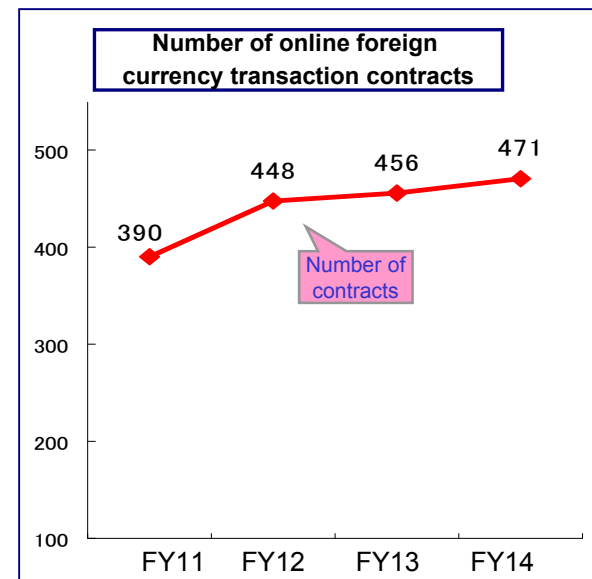
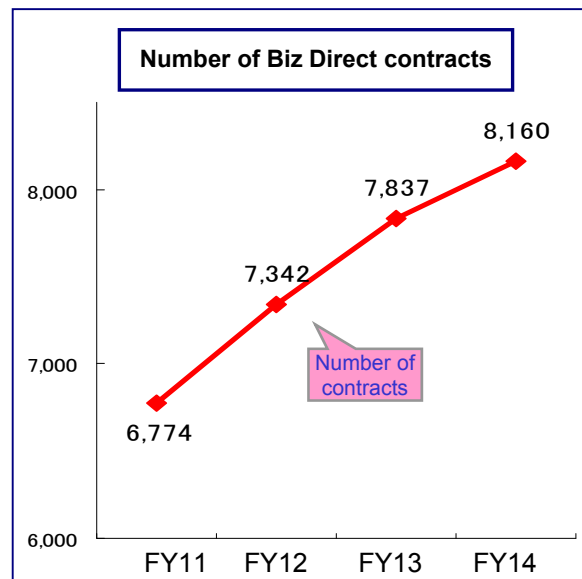
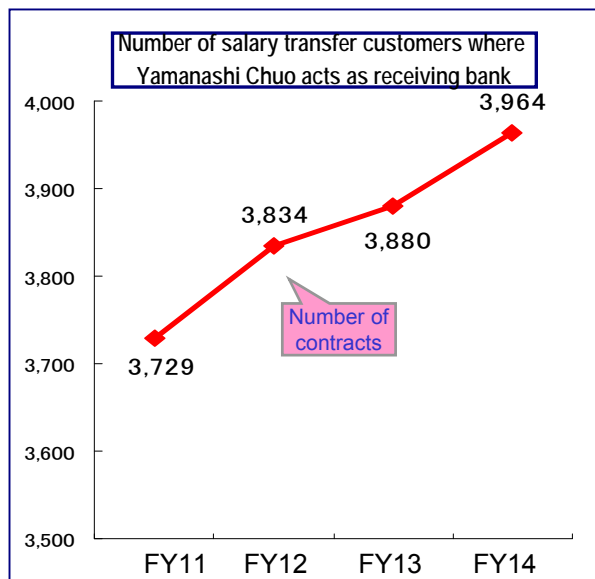
Loan RAROA by Area

Loan RAROA for all areas: **0.201%** (+ 0.046 percentage points YoY)

**One-Month Results
(March 2015)**



Corporate Promotion Item Results



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
- Started joint development with Nissan, Honda and Daihatsu in Nov. 2010
- In March 2012, began joint evaluation with Honda and Panasonic 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.

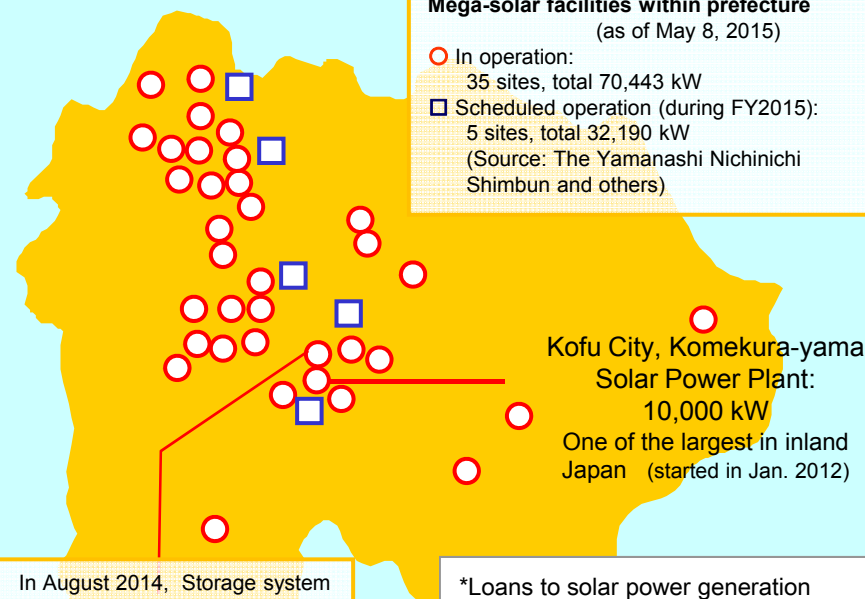
- Market Forecast -

- **December 2014, Toyota begins selling fuel cell vehicles at about ¥7.23 million**
- **Fuel cell vehicle sales volumes and market scale**
(Source: Deloitte Tohmatsu Consulting Co., Ltd., November 2014 forecast)
- Japanese market in 2030: Approx. 400,000 vehicles
- Economic ripple effect: Approx. ¥4.4 trillion

Solar-Power Generation

Mega-solar facilities within prefecture (as of May 8, 2015)

- In operation:
35 sites, total 70,443 kW
- Scheduled operation (during FY2015):
5 sites, total 32,190 kW
(Source: The Yamanashi Nichinichi Shimbun and others)



In August 2014, Storage system tests using superconducting technology for maglev to be started in area adjoining the Komekura-yama Solar Power Plant (Yamanashi Pref. and Railway Technical Research Institute)

- *Loans to solar power generation businesses other than mega-solar facilities (As of March 31, 2015)
- The Bank's loan projections
265/¥8.5 billion
- Loans executed 203/¥4.8 billion

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

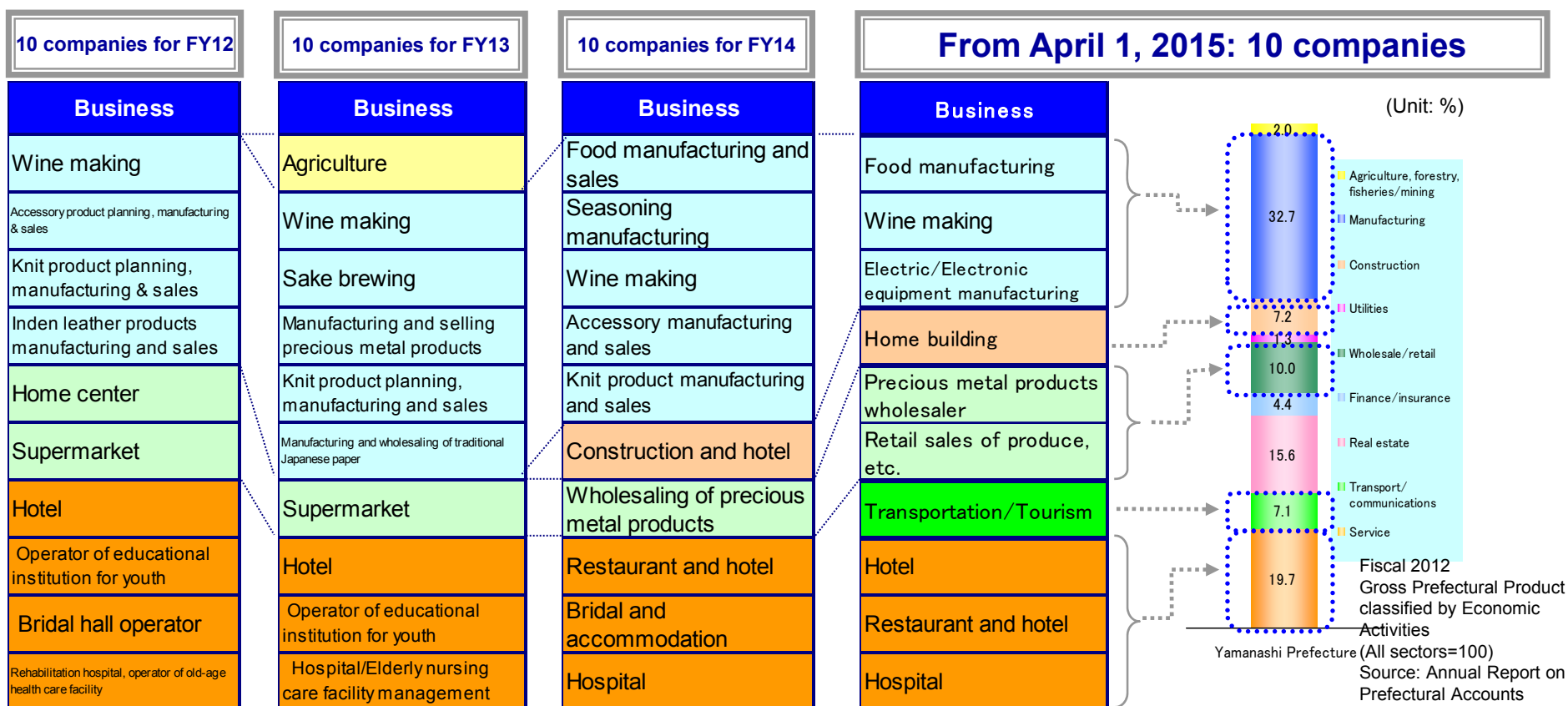
- ☆ Actively finance relevant industries
- ☆ Better matching of advanced research results with technical needs of companies

Strengthen Support for Local Industry Revitalization

Status of dispatch of Bank staff to local companies

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

Began dispatching Bank staff for a 1-year period to 10 companies in Yamanashi Pref. on April 1, 2012



20 employees allocated mainly to division and core stores offering regional development/operational support

Utilize core members of main customer target promotion staff/loan creation staff

Continual dispatch of staff from next fiscal year, for a planned total of approx. 50 staff over five years

Medium-Term Management Plan “Best Bank Plan 2016” Basic Policy III “Promote CSR”

Established “Basic CSR Policy” and “Environmental Policy” in September 2010



Subsidiaries of the Bank

(¥ million; as of March 31, 2015)

Paid-in capital	20	20	20	200
The Bank's equity stake	99.65%	30.25%	30.25%	45%
Consolidated equity stake	99.81%	61%	67.5%	87.5%
Business lines	Loan guarantees: Credit appraisal	Leasing	Credit card	Corporate management consulting: economic research
Operating revenue	429	4,779	797	211
Operating income	309	317	86	25
Recurring profit	409	330	118	26
Net income	381	229	85	21
Total assets	7,366	10,185	2,753	426
Net assets	4,262	2,074	1,034	389
Borrowings	—	7,841	1,096	—
Borrowed from the Bank	(—)	(7413)	(1096)	(—)

Major Economic Indicators in Yamanashi Prefecture

General				Business				Household			
	As of		Pref. rank		As of		Pref. rank		As of		Pref. rank
Total area	2014	4,465km ²	32	Private businesses	2012	44,084	41	Real household income	2014	¥519,626	26
Habitable area	2013	21.3%	44	Value of manufacturing shipments *Office with four or more employees	2013	¥1,985.2bn	34	(average per month per salaried household)			
Wilderness and parkland, etc	2013	27.1%	7	Value of per capita manufacturing shipments	2013	¥28,979,000	27	Household spending	2014	¥334,976	14
Population	2014	841,000	41	Annual sales of goods	2012	¥1,569.7bn	42	(average per month per salaried household)			
Number of households	2014	350,000	42	Annual per capita sales of goods	2012	¥23,614,000	36	Average consumption propensity (worker's household)	2014	81.2%	8
Children under 15 years	2014	12.6%	31	Total agricultural output	2012	¥81.1bn	34	Number of personal vehicles (per 1,000 people)	2014	459.2	7
Working age population	2014	59.9%	17	Ratio of agricultural income to output	2012	41.2%	4	Number of public libraries (per 10,000 people)	2013	0.61	1
Persons over 65 years	2014	27.5%	26	Housing starts	2014	4,359	41	Number of convenience stores (per 100,000 people)	2007	37.1	6
Population growth	2014	(0.72)%	36	Floor area per housing start	2014	98.8m ²	12	Average price of residential land (per m ² , reference price)	2014	¥26,600	33
Prefectural GDP (real-term)	FY11	¥3,535.9bn	42	Value of public works contracts	2014	¥137.1bn	40	Home ownership	2010	69.3%	22
Economic growth (real-term)	FY11	1.4%	28	Total site area of construction starts	2014	782,253m ²	43	Cost of education (Worker's household expenditure)	2014	6.5%	15
Per capita income	FY11	¥2,779,000	18	Jobs-to-applicants ratio	2014	0.92 times	33	Proportion of people in higher education	2014	56.9%	9

Placing 41st in Japan in total population and 42nd in 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.