

The Yamanashi Chuo Bank, Ltd. The 30th Analyst Meeting

Supplementary Materials

June 1, 2016 (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 2015 Business Results (1)

(¥ billion; %)

		FY2013	FY2014	FY2015	YoY comparison (FY14)		YoY comparison (FY15)	
					Amount	Percentage	Amount	Percentage
Average balance	Fund operations	2,884.8	2,969.7	3,020.6	84.9	2.94	50.9	1.71
	Loans	1,446.9	1,447.7	1,461.6	0.7	0.05	13.8	0.95
	Securities	1,366.8	1,389.8	1,419.1	23.0	1.68	29.2	2.10
	Call loans	11.2	31.3	35.4	20.1	179.03	4.0	13.04
	Due from banks (interest-bearing)	49.5	88.6	92.8	39.1	78.98	4.1	4.73
	Fund procurement	2,773.2	2,855.4	2,901.0	82.1	2.96	45.6	1.59
	Deposits	2,717.8	2,813.2	2,834.2	95.3	3.50	21.0	0.74
	Call money	5.4	4.3	0.2	(1.0)	(20.06)	(4.0)	(94.10)
	(Reference) Money held in trust	—	—	—	—	—	—	—
Yields / Interest margin	Fund operations	1.19	1.18	1.19	(0.01)		0.01	
	Loans	1.42	1.33	1.24	(0.09)		(0.09)	
	Securities	1.00	1.11	1.24	0.11		0.13	
	Call loans	0.24	0.14	0.24	(0.10)		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	0.05	0.05	0.05	0.00		0.00	
	Call money	0.28	0.44	0.39	0.16		(0.05)	
	Borrowings	0.10	0.13	0.15	0.03		0.02	
	Cost ratio	1.03	0.99	0.98	(0.04)		(0.01)	
	Fund procurement cost	1.07	1.04	1.02	(0.03)		(0.02)	
	Loan / deposit interest margin	1.37	1.28	1.19	(0.09)		(0.09)	
	Fund operation / procurement interest margin	1.13	1.12	1.13	(0.01)		0.01	
	Gross interest margin on loans	0.33	0.28	0.21	(0.05)		(0.07)	
	Gross interest margin on funds under management	0.12	0.14	0.17	0.02		0.03	

Fiscal 2015 Business Results (2)

(¥ billion; %)

		FY2013	FY2014	FY2015	YoY comparison (FY14)		YoY comparison (FY15)	
					Amount	Percentage	Amount	Percentage
Profits and losses	Interest income	32.7	33.3	34.2	0.5	1.67	0.9	2.73
	Loans	20.6	19.3	18.1	(1.2)	(6.18)	(1.1)	(6.16)
	Securities	13.7	15.4	17.6	1.7	12.39	2.2	14.39
	Call loans	0.0	0.0	0.0	0.0	70.37	0.0	91.30
	Due from banks	0.0	0.0	0.0	0.0	75.00	0.0	4.39
	Fees and commissions	4.2	4.6	4.5	0.3	7.14	(0.0)	(0.23)
	Other operating income (losses)	0.4	0.1	(0.1)	(0.3)	(76.51)	(0.2)	(202.58)
	JGBs and other bond transactions	0.2	0.0	0.5	(0.2)	(96.46)	0.5	5,330.00
	General provision to loan loss reserve	—	—	1.6	—	—	1.6	—
	Expenses	28.1	27.9	27.9	(0.1)	(0.51)	(0.0)	(0.18)
	Banking profit	9.4	10.0	9.1	0.6	6.58	(0.9)	(9.10)
	Modified banking profit	9.4	10.0	10.7	0.6	6.58	0.7	7.13
	Net business profit on core operations	9.1	10.0	10.2	0.8	9.77	0.1	1.82
	Non-operating income (losses)	2.1	2.4	3.7	0.3	17.75	1.2	49.51
	Equity share and similar transactions	0.7	1.0	5.2	0.2	39.64	4.1	405.71
	NPL disposal amount	0.1	0.0	0.0	(0.0)	(64.74)	0.0	81.63
	Money held in trust	—	—	—	—	—	—	—
	Ordinary profits	11.5	12.5	12.8	0.9	8.64	0.3	2.55
	Extraordinary income (losses)	(0.3)	(0.4)	(0.1)	(0.0)	(23.00)	0.3	72.18
	Income taxes - basic	2.5	2.8	3.9	0.3	11.71	1.0	36.54
	Income taxes - deferred	0.7	1.0	0.0	0.3	44.02	(0.9)	(95.21)
	Net income	7.8	8.2	8.7	0.3	3.82	0.5	6.54

Capital Ratio (Non-Consolidated Basis)

(%; ¥ billion)

	FY2012	FY2013	FY2014	FY2015
Total capital ratio (domestic standards)	16.22	16.67	16.70	17.50
Tier 1 ratio	15.91			
Regulatory capital	155.5	161.0	164.8	172.2
Tier 1	152.6			
Tier 2				
Unrealized gain on land revaluation (45%)	—			
Unrealized gain on available-for-sale securities (45%)	—			
Loan loss reserve	2.9			
Subordinated debt	—			
Deductions	—			
Risk-weighted assets	958.6	965.8	986.9	984.0
On-balance items	880.3			
Off-balance items	11.2			
Operational risks / 0.08	67.1			

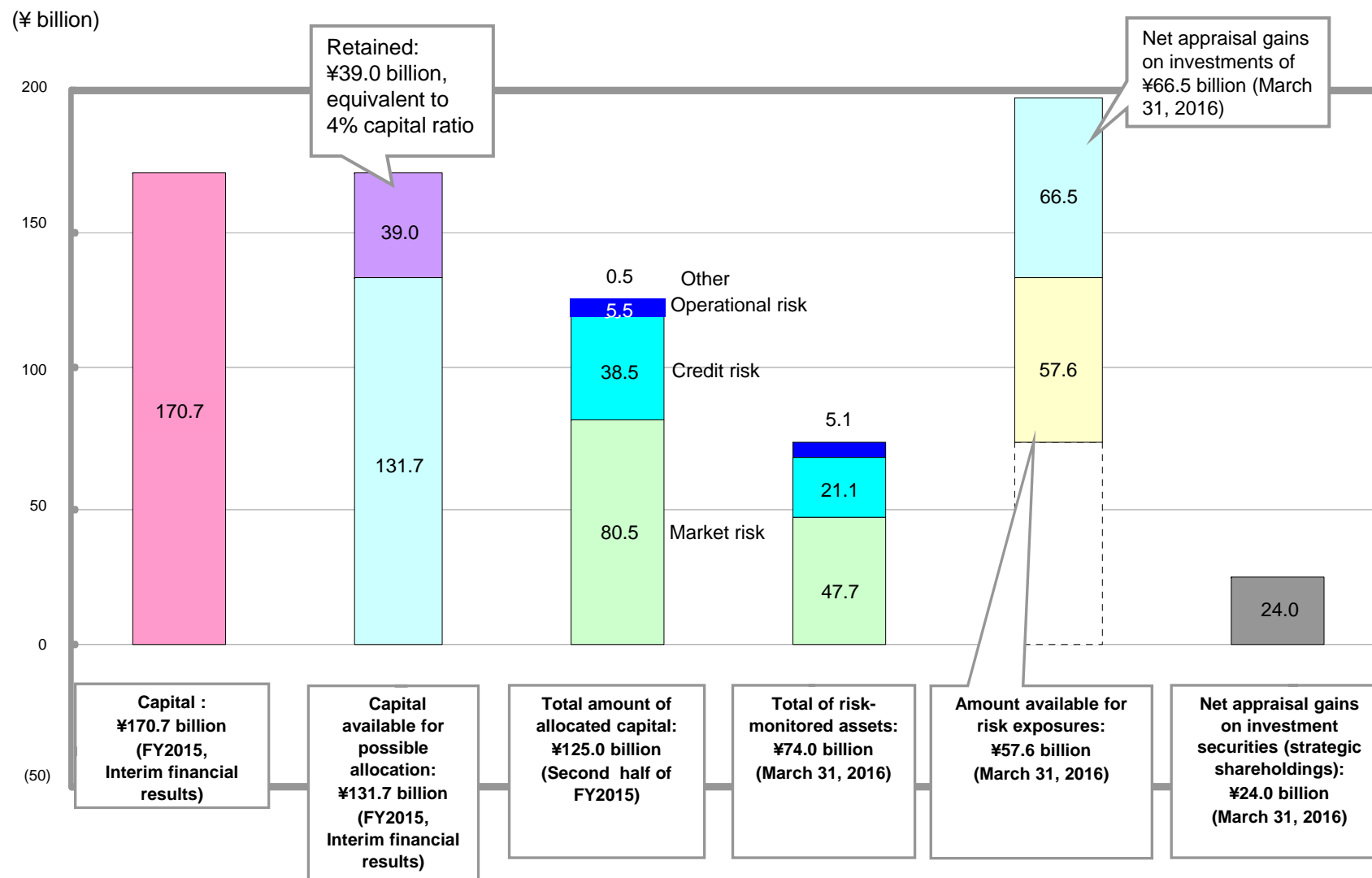
(Reference)
Interest rate risk on the banking
account (March 31, 2016)

Risk amount	¥30.2 billion
Tier I + Tier II	¥172.2 billion
Outlier ratio	17.5%

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

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

Capital Allocation



Employees and Branches

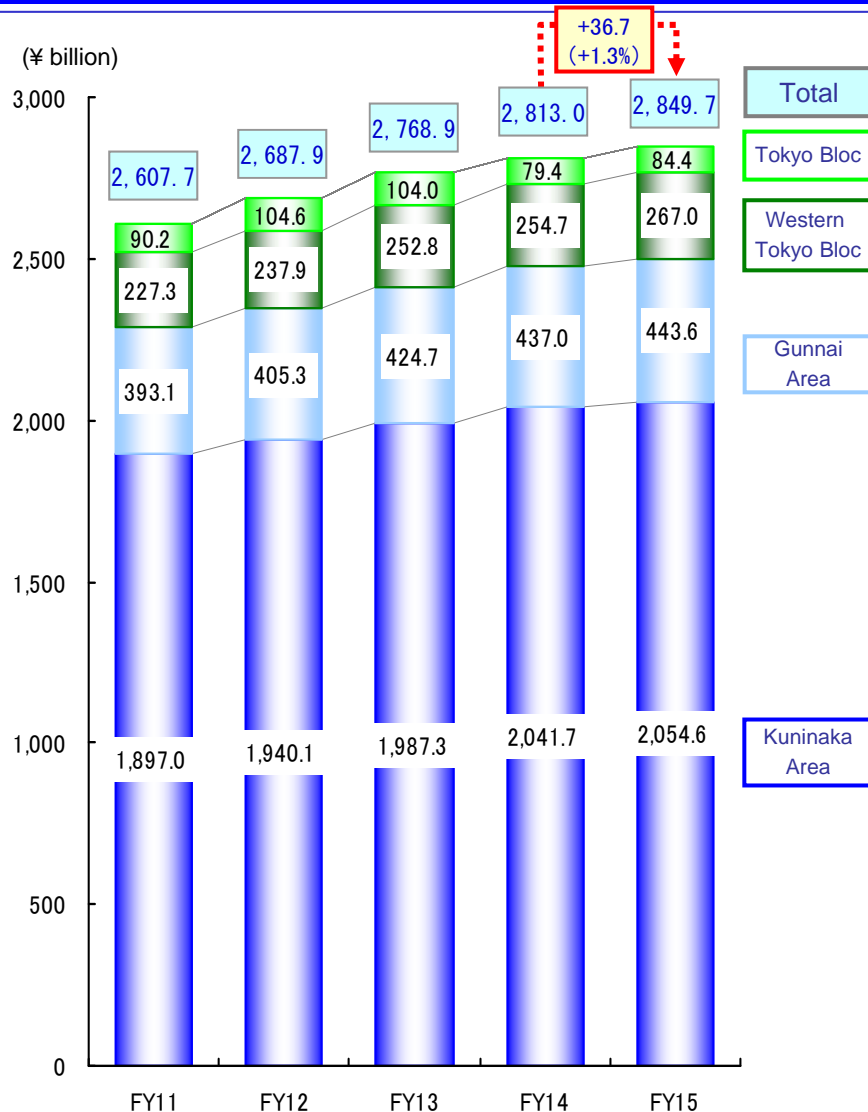
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	Comparison with FY2004
Regular employees	1,764	1,688	1,612	1,564	1,605	1,659	1,705	1,704	1,708	1,699	1,675	1,677	(87)
Fixed-term contract workers	431	496	581	716	760	789	776	736	714	691	672	678	247
Branches (including sub-branches)	93	91	91	91	92	91	91	91	90	90	90	※2 91	(2)
Ordinary type	48	49	45	42	43	42	42	42	43	41	41	42	(6)
Covering wide area; full-range services	27	21	21	23	22	22	22	21	21	21	21	21	(6)
Covering wide area; designated for special functions ※1	18	21	25	26	27	27	27	28	26	28	28	※2 28	10
Corporate Sales Office	0	0	0	0	0	0	1	2	1	1	1	0	0
Loan Squares	3	3	3	4	5	5	5	5	6	7	7	8	5
Off-branch ATMs	135	138	131	132	134	132	130	129	126	129	130	133	(2)

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

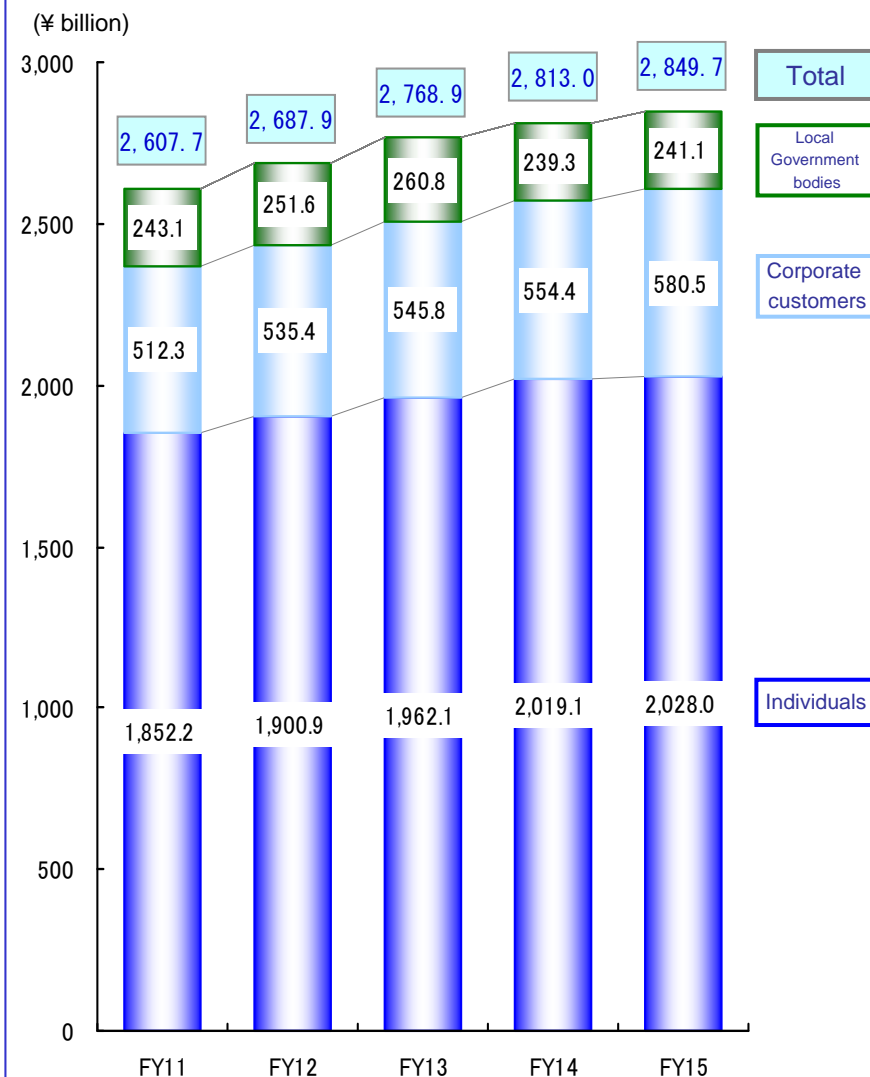
*2 . Chuo Ichiba Branch operates at the Kokubo Branch

Deposits

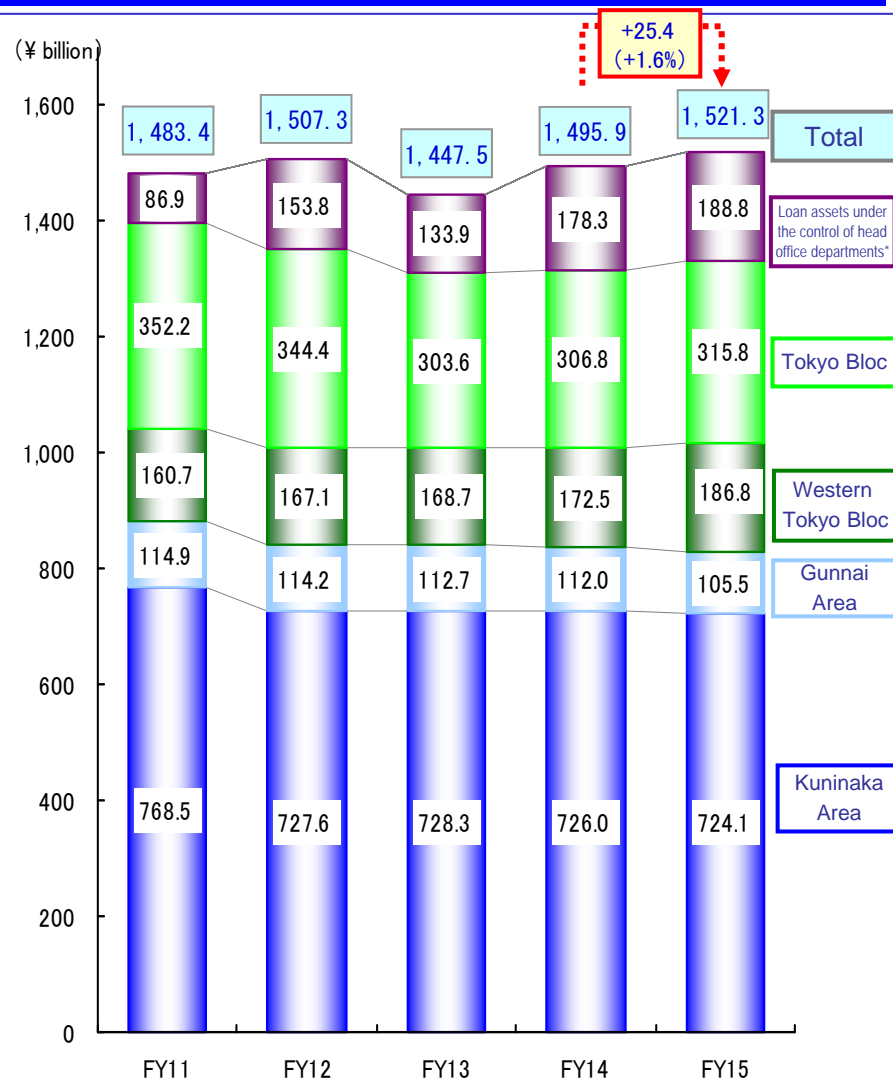
Deposit (term-end)



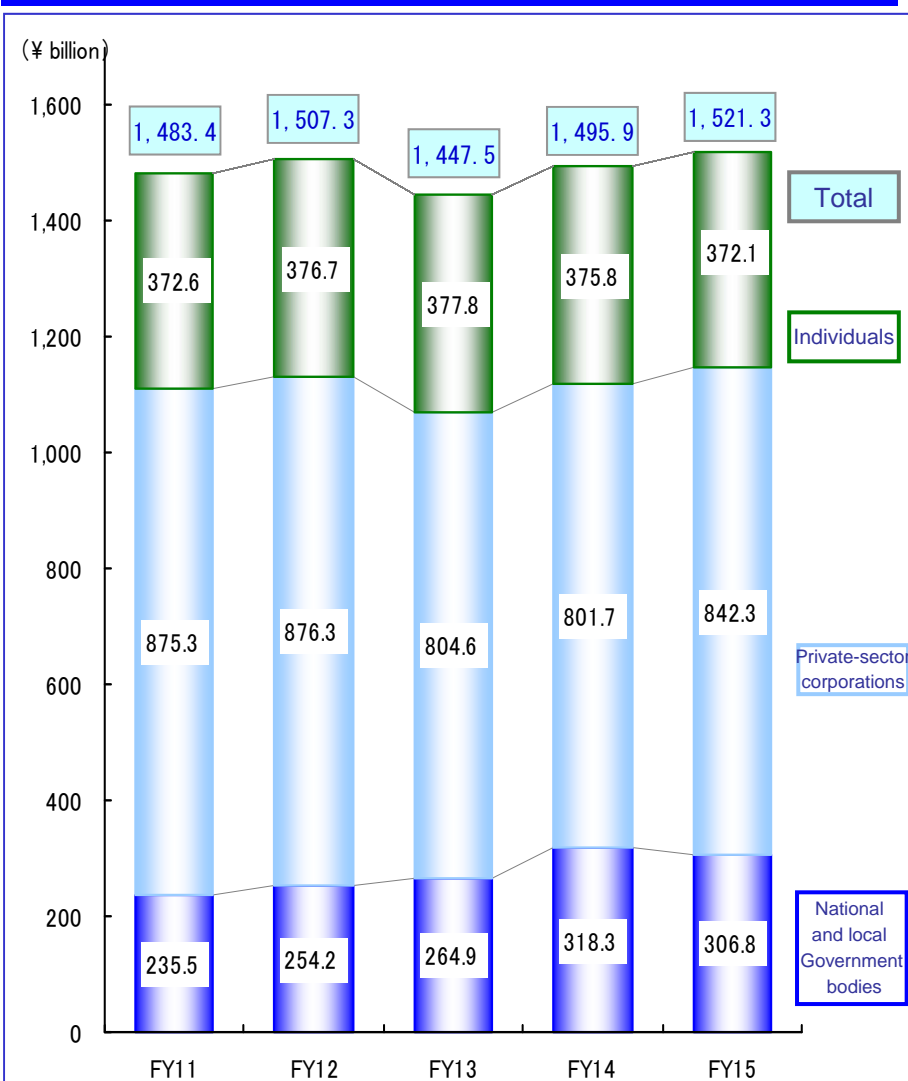
Customer Segment (term-end)



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, 2015		March 31, 2016		YoY change	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
Manufacturing	150.3	10.1%	150.5	9.9%	0.2	(0.2)P
Agriculture, forestry	2.3	0.2%	2.2	0.1%	(0.1)	(0.1)P
Fishery	0.0	0.0%	0.0	0.0%	(0.0)	0.0P
Mining, quarrying and gravel digging	1.4	0.1%	4.4	0.3%	2.9	0.2P
Construction	36.2	2.4%	39.4	2.6%	3.1	0.2P
Utilities, heat provision	25.9	1.7%	26.9	1.8%	0.9	0.1P
Telecommunications	13.3	0.9%	12.1	0.8%	(1.2)	(0.1)P
Transportation, postal services	64.6	4.3%	73.3	4.8%	8.7	0.5P
Wholesaling, retailing	120.2	8.0%	114.5	7.5%	(5.6)	(0.5)P
Financing, insurance	45.6	3.1%	76.5	5.0%	30.8	1.9P
Real estate, equipment rental and leasing	194.7	13.0%	214.2	14.1%	19.5	1.1P
Miscellaneous services	146.7	9.8%	127.9	8.4%	(18.7)	(1.4)P
National and local governments	318.3	21.3%	306.8	20.2%	(11.4)	(1.1)P
Individuals and others	375.8	25.1%	372.1	24.5%	(3.6)	(0.6)P
Total lending	1,495.9	100.0%	1521.3	100.0%	25.4	—

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	
		FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15	FY14	FY15
National and local government	Balance	318.3	306.8	223.8	212.9	0.3	0.2	4.1	3.4	89.9	90.3
	Ratio to total	21.3%	20.2%	26.7%	25.7%	0.2%	0.1%	1.3%	1.1%	50.4%	47.8%
Large companies	Balance	301.8	314.5	23.7	27.2	8.5	7.9	232.2	244.6	37.2	34.6
	Ratio to total	20.2%	20.7%	2.8%	3.3%	4.9%	4.3%	75.7%	77.5%	20.9%	18.4%
Second-tier companies	Balance	26.5	25.8	13.0	11.4	3.9	5.5	9.5	8.8	0.0	0.0
	Ratio to total	1.8%	1.7%	1.6%	1.4%	2.3%	3.0%	3.1%	2.8%	0.0%	0.0%
SMEs	Balance	473.3	501.9	281.6	287.2	81.6	94.0	58.9	56.8	51.1	63.8
	Ratio to total	31.6%	33.0%	33.6%	34.6%	47.3%	50.3%	19.2%	18.0%	28.7%	33.8%
Other individuals	Balance	375.8	372.1	295.7	290.8	78.1	79.1	1.8	2.1	0.0	0.0
	Ratio to total	25.1%	24.5%	35.3%	35.0%	45.3%	42.3%	0.6%	0.7%	0.0%	0.0%
Total	Balance	1,495.9	1,521.3	838.1	829.7	172.5	186.8	306.8	315.8	178.3	188.8
	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, 2016)

	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)

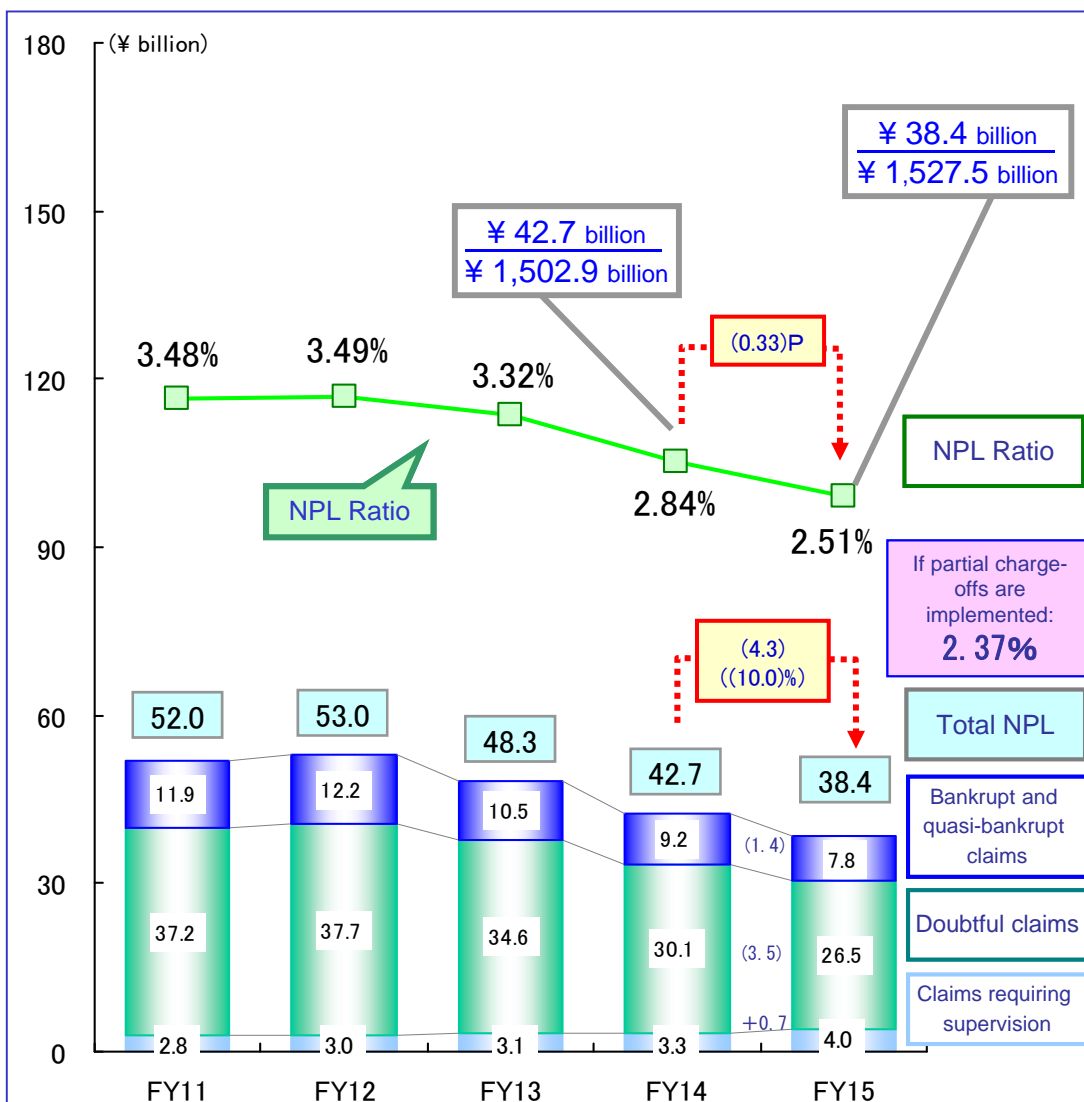
	March 31, 2015	March 31, 2016	Comparison with previous term-end	March 31, 2016 (consolidated basis)
Loans to customers in bankruptcy	2.6	2.4	(0.1)	2.6
Past due loans	36.5	31.7	(4.8)	32.3
Accruing loans contractually past due three months or more	0.0	0.0	0.0	0.0
Restructured loans	3.3	4.0	0.6	4.0
Total risk-monitored loans (A)	42.5	38.2	(4.2)	39.0
As a percentage of total loans	(2.84%)	(2.51%)	((0.33)P)	(2.57%)
Portions covered by collateral and guarantees (B) (including specific reserves)	39.3	35.0	(4.3)	35.8
Coverage ratio B / A	92.32%	91.65%	(0.67)P	91.77%
Reserve for possible loan losses (non-specific) (C)	1.7	3.3	1.6	5.8
Coverage ratio (B + C) / A (including loan loss reserves)	96.37%	100.42%	4.05P	106.62%

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

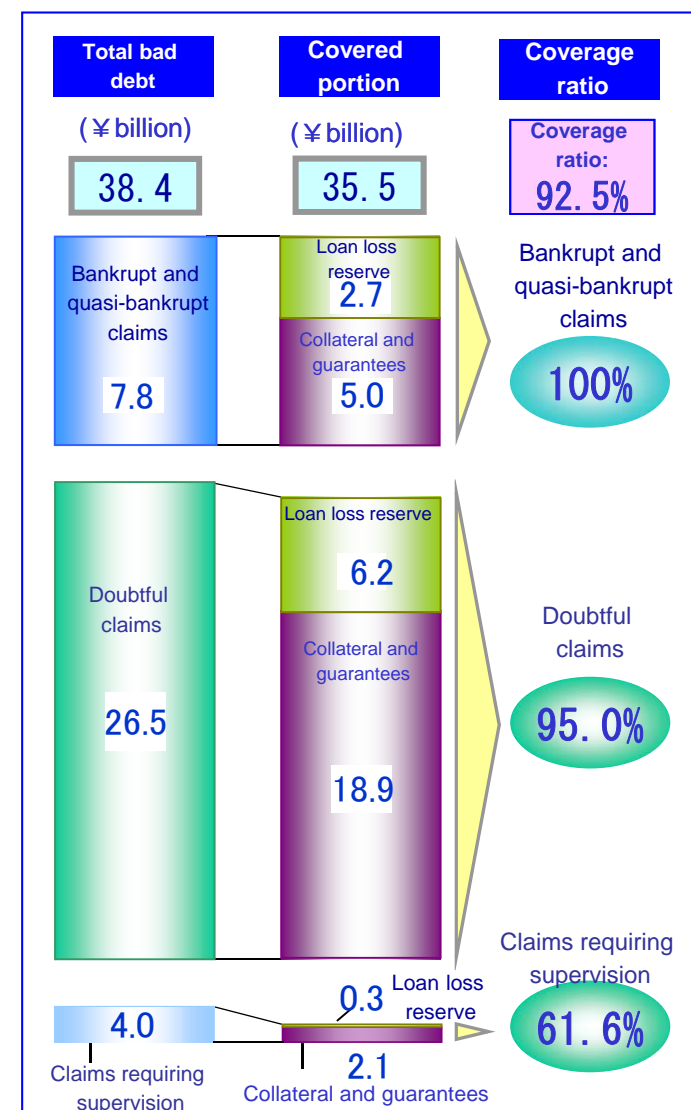
(¥ billion)

	March 31, 2016 Prior to partial charge-offs (1)	March 31, 2016 After partial charge-offs (2)	Decrease (2) - (1)
Loans to customers in bankruptcy	2.4	1.5	(0.9)
Past due loans	31.7	30.4	(1.2)
Accruing loans contractually past due three months or more	0.0	0.0	0.0
Restructured loans	4.0	4.0	0.0
Total risk-monitored loans	38.2	36.0	(2.2)
As a percentage of total loans	(2.51%)	(2.37%)	((0.14)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, 2015 to March 31, 2016			March 31, 2016						Deterioration to potentially bankrupt or worse
			Normal borrower	Other requiring caution	Requiring supervision	Potentially bankrupt	Effectively Bankrupt	Legally bankrupt	
March 31, 2015	Amount of newly occurred	—	48.6	0.8	—	0.0	—	—	
	Normal borrower	1,333.0	1,317.3	6.3	0.2	0.6	0.2	0.0	0.07%
	Other requiring caution	124.8	10.8	100.9	1.8	0.9	0.2	0.0	0.98%
	Requiring supervision	4.2	0.0	0.8	2.8	0.0	0.0	0.0	2.81%
	Potentially bankrupt	30.1	0.0	1.0	0.2	23.9	0.3	0.0	
	Effectively Bankrupt	6.6	—	—	—	0.9	4.5	0.1	
	Legally bankrupt	2.6	—	—	—	0.0	—	2.0	
	Total	1,501.6	1,376.9	110.0	5.1	26.5	5.3	2.4	

 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.

Securities Portfolio (1)

Prior to Mark-to-Market Adjustment

(¥ billion; %)

	FY12		FY13		FY14		FY15		YoY increase (decrease)	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
JGBs	818.1	62.2	818.9	60.2	774.2	54.6	592.4	41.4	(181.8)	(13.2)
Municipal bonds	198.4	15.1	210.5	15.5	225.4	15.9	227.3	15.9	1.9	0.0
Government guaranteed bonds	166.9	12.7	155.5	11.4	116.6	8.2	79.0	5.5	(37.6)	(2.7)
FILP Agency bonds	1.3	0.1	1.1	0.1	1.0	0.1	0.9	0.1	(0.1)	0.0
Financial debentures	—	—	—	—	—	—	—	—	—	—
Corporate bonds	61.1	4.6	46.6	3.4	23.3	1.6	9.2	0.6	(14.1)	(1.0)
Equity shares	43.1	3.3	47.6	3.5	46.3	3.3	39.3	2.8	(7.0)	(0.5)
Strategic holdings	29.4	2.3	29.4	2.2	28.7	2.1	27.7	1.9	(1.0)	(0.2)
Portfolio investments	13.6	1.0	18.2	1.3	17.5	1.2	11.5	0.8	(6.0)	(0.4)
Foreign securities	3.7	0.3	19.8	1.5	79.1	5.6	216.8	15.2	137.7	9.6
Investment trusts, etc.	22.4	1.7	60.4	4.4	152.2	10.7	265.1	18.5	112.9	7.8
Total	1,315.4	100.0	1,360.7	100.0	1,418.4	100.0	1,430.4	100.0	12.0	

<Yields and Valuation gains (losses)>

Yields

(%)

	FY12	FY13	FY14	FY15	YoY increase (decrease)
Yen-denominated bonds	0.84	0.89	0.82	0.82	0.00
Equity shares	2.23	2.44	2.91	3.29	0.38
Investment trusts, etc.	2.87	2.72	3.35	2.66	(0.69)
Total of yen-denominated bonds	0.92	0.99	1.08	1.19	0.11
Foreign-currency-denominated bonds	2.08	1.94	1.92	1.72	(0.20)
Total	0.93	1.00	1.11	1.24	0.13

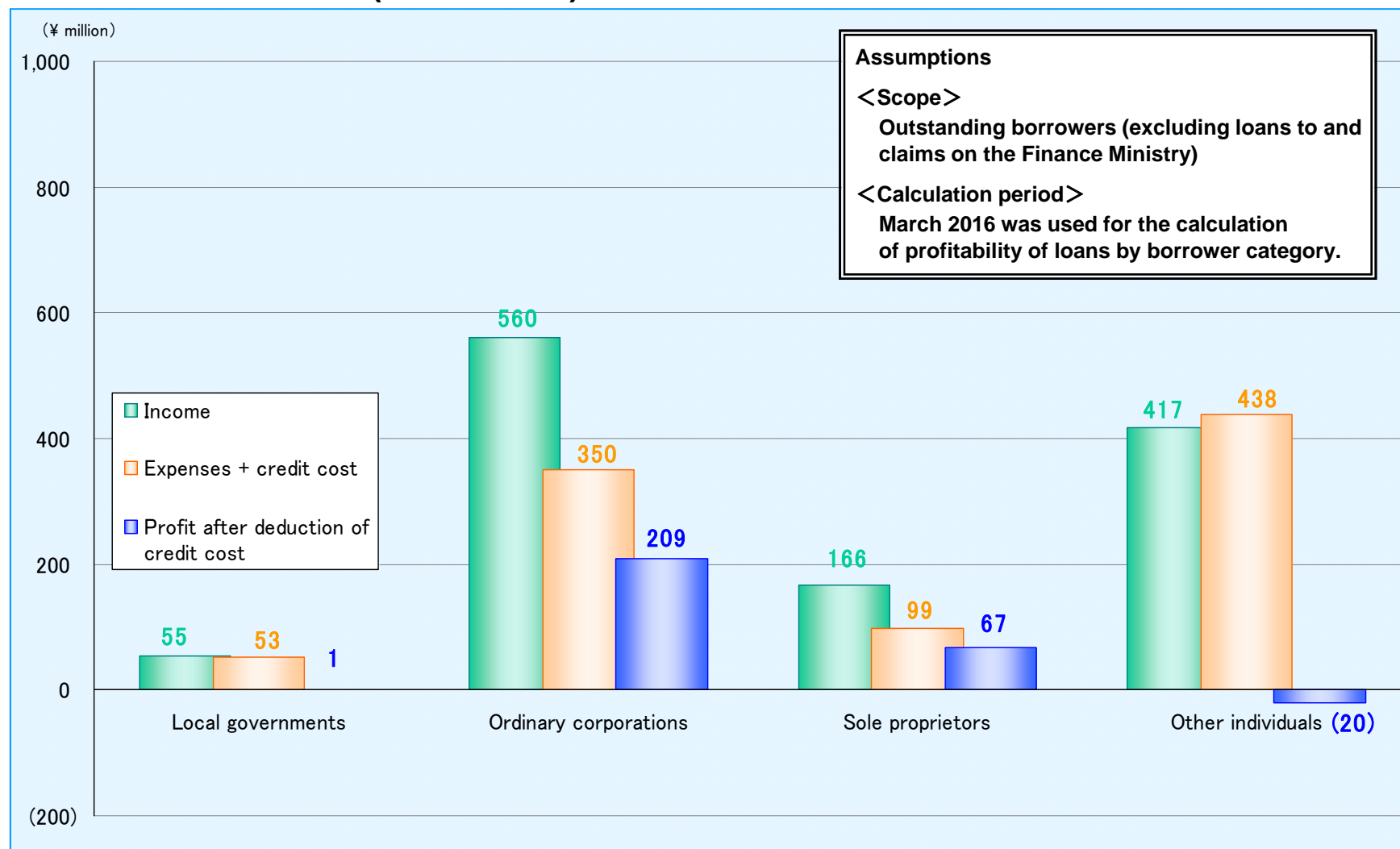
Valuation gains (losses)

(¥ million)

	FY12	FY13	FY14	FY15	YoY increase (decrease)
On bond relationship profit and loss	1,500	284	10	543	533
On bond gain on sale	2,331	1,037	95	1,474	1,379
On bond sale loss	831	746	85	930	845
On bond amortization	—	7	—	—	—
Stock and other related income	16	740	1,032	5,219	4,187
Gains on sales of stocks and other securities	710	876	1,188	5,545	4,357
Shares loss on sale	694	56	79	321	242
Shares amortization	—	80	76	3	(73)
Total	1,516	1,024	1,042	5,763	4,721

Earnings Structure by Borrower Segment

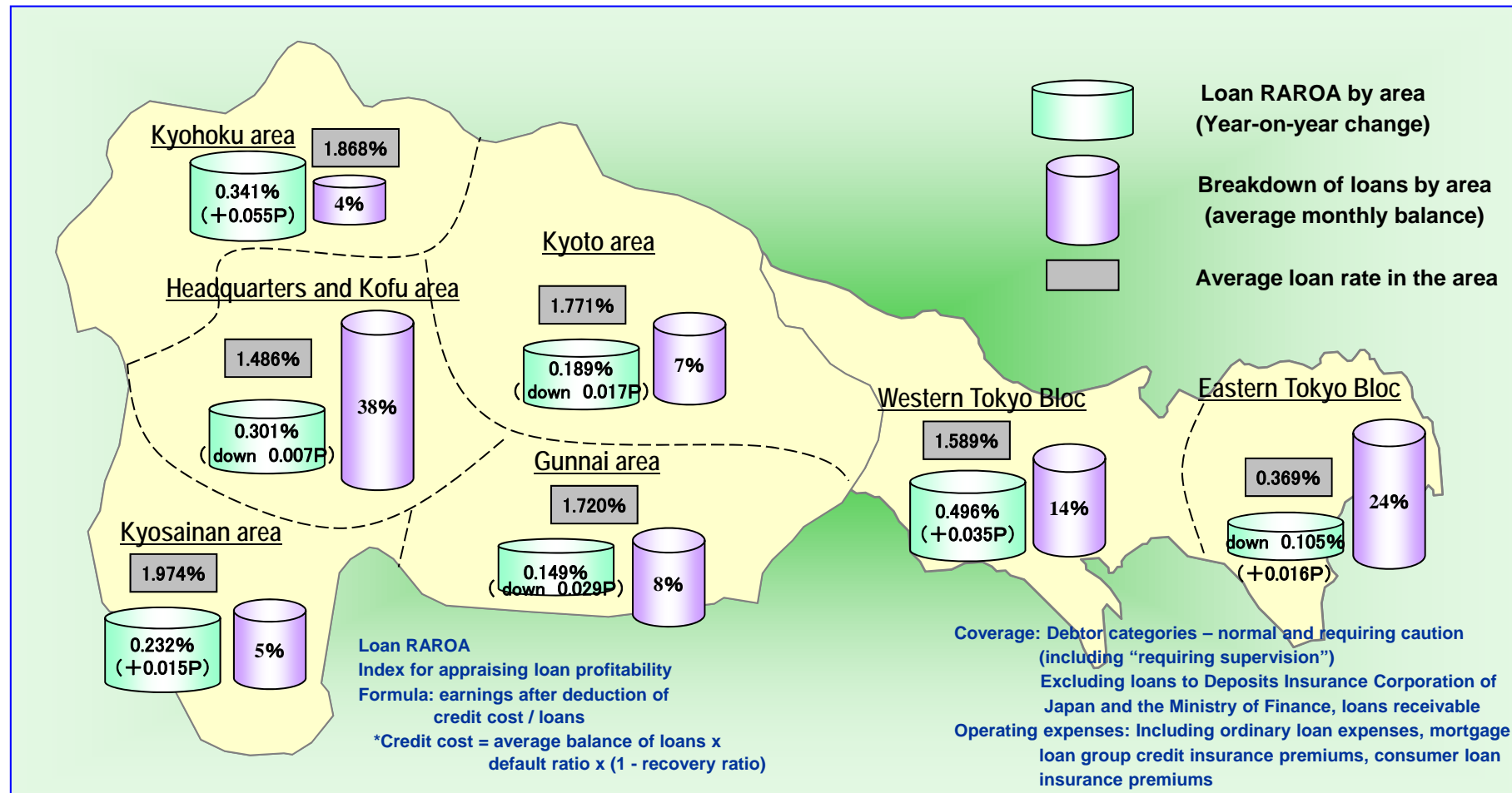
One-Month Results (March 2016)



Loan RAROA by Area

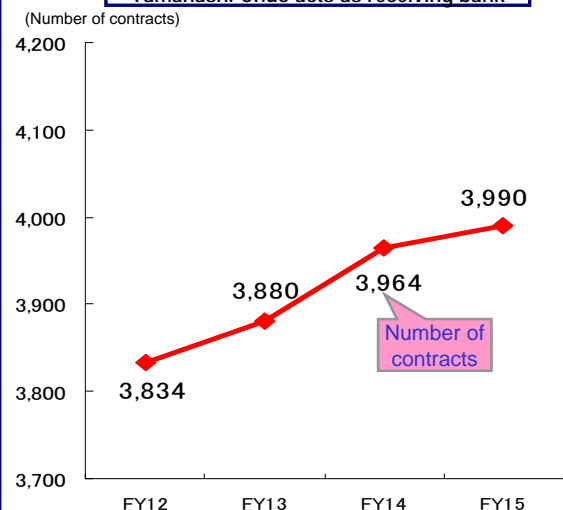
Loan RAROA for all areas: 0.210% (+0.009 percentage points YoY)

One-Month Results
(March 2016)

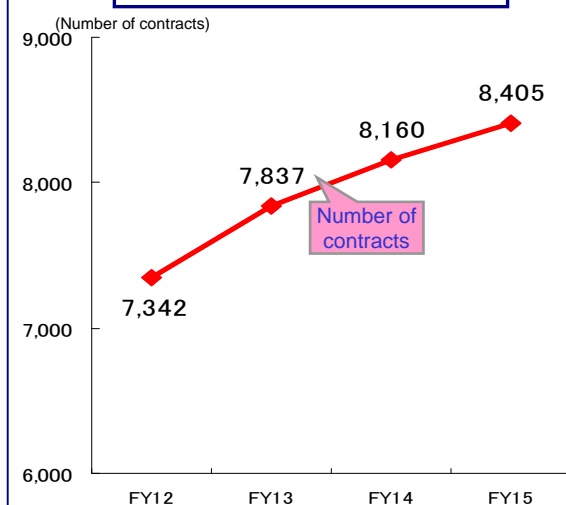


Corporate Promotion Item Results

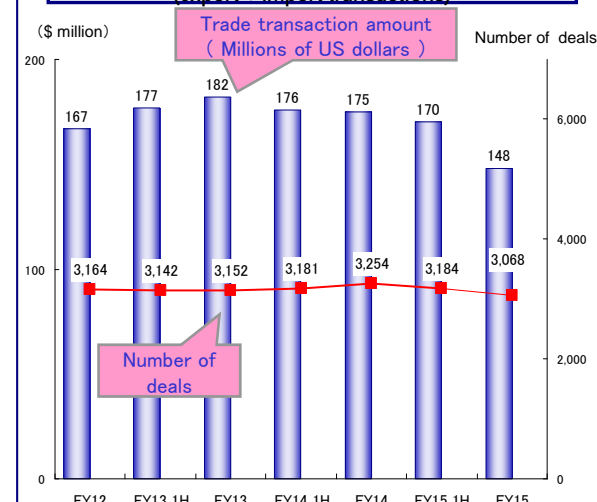
Number of salary transfer customers where Yamanashi Chuo acts as receiving bank



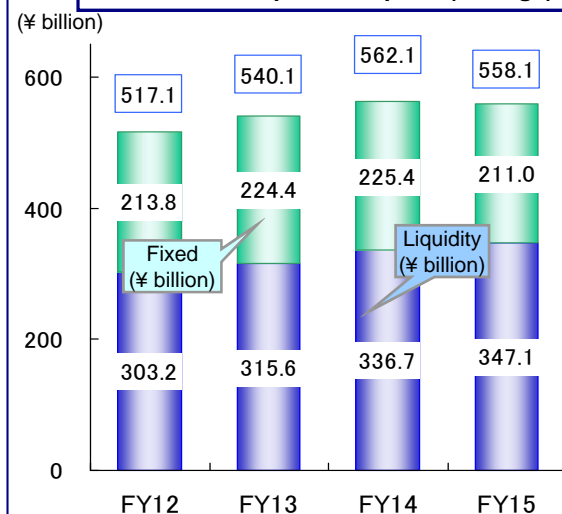
Number of Biz Direct contracts



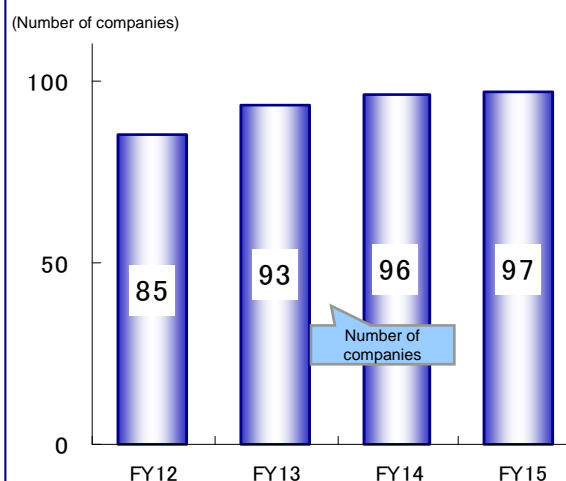
Changes in trade handling sales and number (export + import transactions)



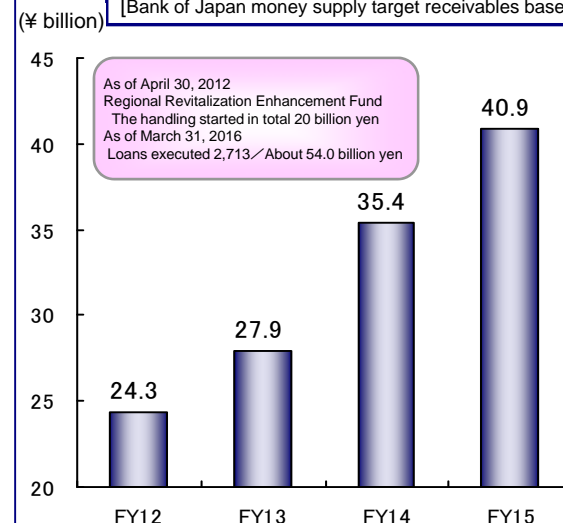
Balance of Corporate Deposit (average)



Number of 401K contracting companies



For growth areas Disbursements total
[Bank of Japan money supply target receivables base]

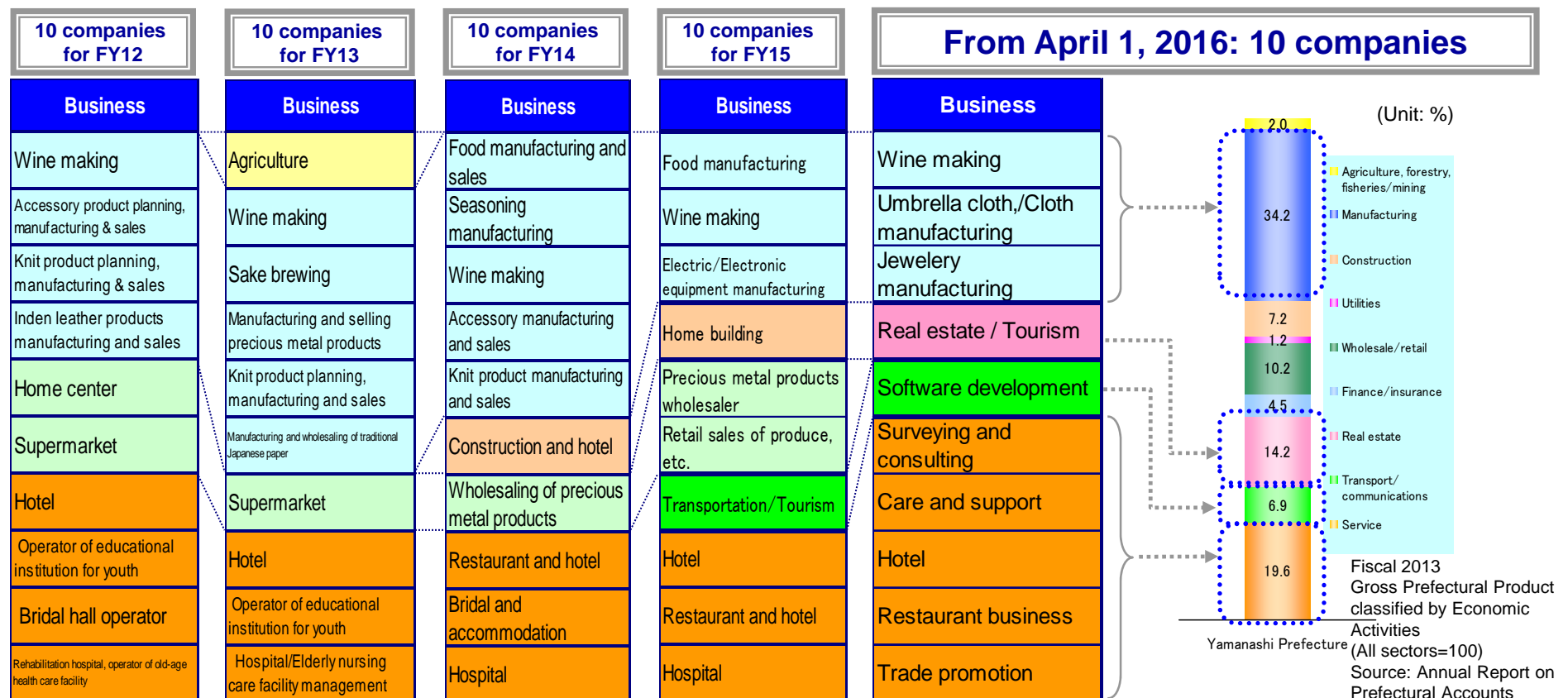


Strengthen Support for Local Industry Revitalization

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



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

Utilize core members of loan creation staff

Subsidiaries of the Bank

(¥ million; as of March 31, 2016)

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%	87.5%
Business lines	Loan guarantees: Creditworthiness appraisal	Leasing	Credit card	Consulting for corporate managemet: economic research
Operating revenue	415	4,620	861	337
Operating income (loss)	227	316	89	69
Recurring profit (loss)	497	296	99	70
Net income (loss)	551	188	71	61
Total assets	7,526	9,983	2,817	468
Net assets	4,813	2,259	1,100	435
Borrowings	—	7,348	973	—
Borrowed from the Bank	(—)	(7,005)	(973)	(—)

Major Economic Indicators in Yamanashi Prefecture

General				Business				Household			
	As of		Pref. rank		As of		Pref. rank		As of		Pref. rank
Total area	2015	4,465km ²	32	Private businesses	2014	44,056	41	Real household income	2015	¥552,132	17
Habitable area	2014	21.3%	44	Value of manufacturing shipments *Office with four or more	2014	¥2,133.1bn	34	(average per month per salaried household)			
Wilderness and parkland, etc	2014	27.1%	7	Value of per capita manufacturing shipments	2014	¥30,954,000	26	Household spending	2015	¥310,586	27
Population	2015	835,000	41	Annual sales of goods	2014	¥1,612.0bn	42	(average per month per salaried household)			
Number of households	2015	330,000	41	Annual per capita sales of goods	2014	¥29,818,000	37	Average consumption propensity (worker's household)	2015	70.7%	32
Children under 15 years	2014	12.6%	31	Total agricultural output	2014	¥79.7bn	34	Number of personal vehicles (per 1,000 people)	2015	470.3	7
Working age population	2014	59.9%	17	Ratio of agricultural income to output	2014	44.8%	2	Number of public libraries (per 10,000 people)	2014	0.60	1
Persons over 65 years	2014	27.5%	26	Housing starts	2015	4,608	41	Number of convenience stores (per 100,000 people)	2015	51.8	2
Population growth	2014	(0.72)%	36	Floor area per housing start	2015	103.8m ²	7	Average price of residential land (per m ² , reference price)	2015	¥25,900	33
Prefectural GDP (real-term)	FY12	¥3,536.6bn	41	Value of public works contracts	2015	¥108.6bn	44	Home ownership	2013	70.9%	17
Economic growth (real-term)	FY12	(1.8)%	43	Total site area of construction starts	2015	815,080m ²	43	Cost of education (Worker's household expenditure)	2015	6.2%	10
Per capita income	FY12	¥2,845,000	17	Jobs-to-applicants ratio	2015	0.98 times	37	Proportion of people in higher education	2015	57.0%	10

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