

The Yamanashi Chuo Bank, Ltd.

The 32th Analyst Meeting

- **Fiscal 2016 Business Results**
- **Forecasts for the Current Term (FY2017)**
- **Medium-Term Management Plan**
- **“S.T.E.P. up 2019” Progress Report**

June 7, 2017 (Wed)

Contents

Profile	2
---------	---

I Fiscal 2016 Business Results and Forecasts for the Current Term (FY2017)

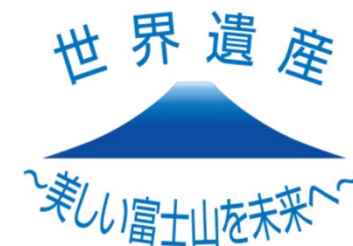
Fiscal 2016 Business Results (Summary)	4
Earnings Forecasts for the Current Term (FY2017)	5
Deposits	6
Loans	7
Securities	9
Fees and Commissions	11
Operating Expenses and OHR	12
Credit Cost	13
Yields & Interest Margins	14
Capital Ratio (Non-Consolidated Basis)	15
Return to Shareholders	16

II Economic Trends in Yamanashi Prefecture

Business Trends	18
Yamanashi Prefecture Economic Topics	19
Local Industries in Yamanashi Prefecture	20
Preparations for High-Speed Transportation Network	21

III Medium-Term Management Plan “S.T.E.P. up 2019” Progress Report

Diagram of “S.T.E.P. up 2019”	23
Basic Strategies and Financial Targets of Medium-Term Management Plan “S.T.E.P. up 2019”	24
Individual Strategies Based on Basic Strategy I	25
Strengthen retail solution banking	25
Strengthen corporate solution banking	26
Strengthen coordination with industrial, government, and academic funds	28
Individual Strategies Based on Basic Strategy II	31
Optimal distribution of management resources, Advanced IT utilization, Fundamental operational reforms	31
Western Tokyo Bloc Strategy	32



■ Profile (as of March 31, 2017)

- Predecessor Founded: April 1877
- Established: December 1941
- Head Office: 20-8, Marunouchi 1-Chome, Kofu, Yamanashi
- Common Stock: ¥15,400 million
- Employees: 1,685
- Branches (including sub-branches):
91 (74 in Yamanashi Pref., 16 in Tokyo, 1 in Kanagawa Pref.),
Representative Office: 1 (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 2016 Business Results and Forecasts for the Current Term (FY2017)

Fiscal 2016 Business Results (summary)



(¥ billion, %)	FY15	FY16	YoY change [%]
Operating income	50.9	50.9	0.0 (0.1)
Gross banking profit	38.6	37.7	(0.9) ((2.4))
Interest income	34.2	31.3	(2.8) ((8.4))
Fees and commissions	4.5	4.2	(0.3) ((7.9))
Other operating income	(0.6)	(2.1)	(1.4) ((221.1))
Gross banking profit on core operations	38.1	33.4	(4.7) ((12.3))
JGBs and other bond transactions	0.5	4.3	3.7 (696.3)
Expenses	27.9	26.9	(0.9) ((3.3))
General provision to loan loss reserve	1.6	(0.1)	(1.7) ((106.9))
Net business profit	9.1	10.8	1.7 (19.1)
Net business profit on core operations	10.2	6.4	(3.7) ((36.9))
Non-operating losses	3.7	(1.9)	(5.6) ((151.1))
Gains on reversal of provision to loan loss reserve	-	-	- (-)
Reversal of loan loss reserve	0.0	0.5	0.4 (520.2)
Equity share and similar transactions	5.2	4.5	(0.6) ((12.9))
Of which, loss on dissolution of investment trusts	1.8	5.2	3.3 (178.7)
Ordinary profits	12.8	8.9	(3.8) ((30.2))
Extraordinary income (losses)	(0.1)	(0.2)	(0.1) ((153.4))
Income before income taxes	12.7	8.6	(4.0) ((31.9))
Income taxes - basic	3.9	2.1	(1.8) ((46.1))
Income taxes - deferred	0.0	(0.1)	(0.2) ((430.6))
Net income	8.7	6.7	(2.0) ((23.2))

(¥ billion, %)	FY16	YoY change [%]	Balance	Yield
Fund operations	33.4	(2.6) ((7.2))	0.5	(3.1)
Interest on loans	16.6	(1.4) ((8.0))	0.4	(1.9)
Interest on securities	16.5	(1.1) ((6.3))	(1.7)	0.5
Call loan, etc.	0.2	(0.0) ((8.0))	0.2	(0.2)
Fund procurement	2.1	0.2 (15.4)	0.0	0.2
Interest on deposits	0.9	(0.5) ((36.4))	0.0	(0.5)
Call money, etc.	1.1	0.8 (261.2)	0.2	0.6
Interest income	31.3	(2.8) ((8.4))	-	-

(¥ billion)	FY16	YoY change
Revenues	7.1	0.1
Investment trusts	0.8	(0.1)
JGBs held by individuals	0.0	0.0
Life insurance	0.8	0.1
Others	5.4	0.1
Cost	2.8	0.4
Fees and commissions	4.2	(0.3)

(¥ billion)	FY16	YoY change
Personnel	15.4	0.2
Premises and equipment	10.1	(1.1)
Taxes	1.3	(0.0)
Expenses	26.9	(0.9)

Earnings Forecasts for the Current Term (FY 2017)



(¥ billion, %)	FY16	FY17 (forecast)	YoY change [%]
Operating income	50.9	42.2	(8.7) (17.2)
Gross banking profit	37.7	32.6	(5.1) (13.3)
Interest income	31.3	29.5	(1.8) (5.7)
Fees and commissions	4.2	5.4	1.2 (27.7)
Other operating income	(2.1)	(2.2)	(0.1) (4.5)
Gross banking profit on core operations	33.4	32.6	(0.8) (2.1)
JGBs and other bond transactions	4.3	-	(4.3) (100.0)
Expenses	26.9	27.4	0.5 (1.6)
General provision to loan loss reserve	(0.1)	0.0	0.1 (146.0)
Net business profit	10.8	5.2	(5.6) (52.2)
Net business profit on core operations	6.4	5.3	(1.1) (17.7)
Non-operating losses	(1.9)	(0.1)	1.8 (91.1)
Reversal of loan loss reserve	0.5	0.5	0.0 (0.5)
Equity share and similar transactions	4.5	1.2	(3.3) (72.4)
Of which, loss on dissolution of investment trusts	5.2	-	(5.2) (100.0)
Ordinary profits	8.9	5.1	(3.8) (43.1)
Net income	6.7	3.5	(3.2) (47.8)

Dividends		FY15	FY16	FY17(plan)
	Dividend per share (annual)	¥10.00	¥9.00	¥7.00

	End of FY3/17	End of FY3/18 (estimate)
Nikkei Stock Average	¥18,909	¥18,909

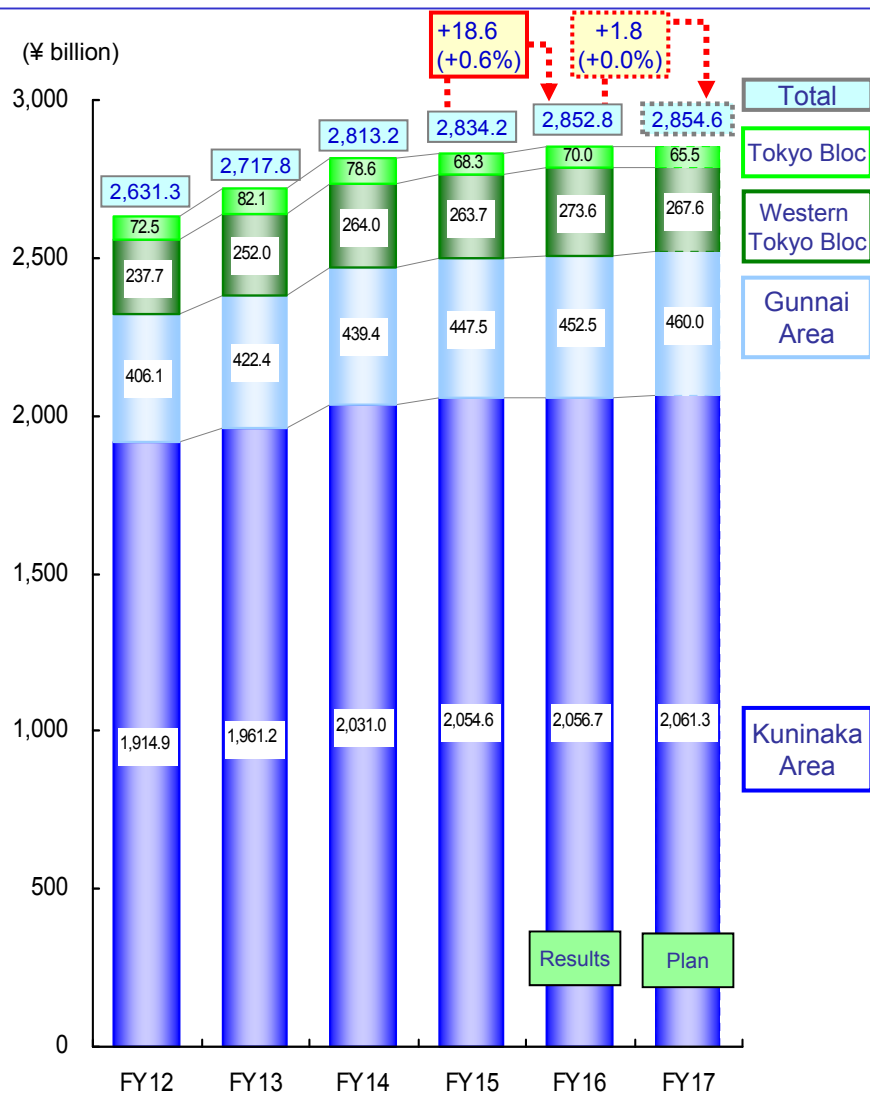
(¥ billion, %)	FY17 (forecast)	YoY change [%]	Balance	Yield
Fund operations	32.4	(0.9) (2.9)	0.4	(1.4)
Interest on loans	16.3	(0.3) (1.8)	0.2	(0.5)
Interest on securities	15.7	(0.8) (5.1)	(0.7)	(0.0)
Call loan, etc.	0.4	0.1 (69.1)	0.0	0.0
Fund procurement	2.9	0.8 (38.1)	0.0	0.7
Interest on deposits	0.5	(0.4) (45.5)	0.0	(0.4)
Call money, etc.	2.4	1.2 (107.8)	0.5	0.7
Interest income	29.5	(1.8) (5.7)	-	-

(¥ billion)	FY17 (forecast)	YoY change
Revenues	8.0	0.9
Investment trusts	0.9	0.0
JGBs for individual investors	0.0	0.0
Life insurance	1.0	0.3
Others	6.0	0.6
Cost	2.6	(0.2)
Fees and commissions	5.4	1.2

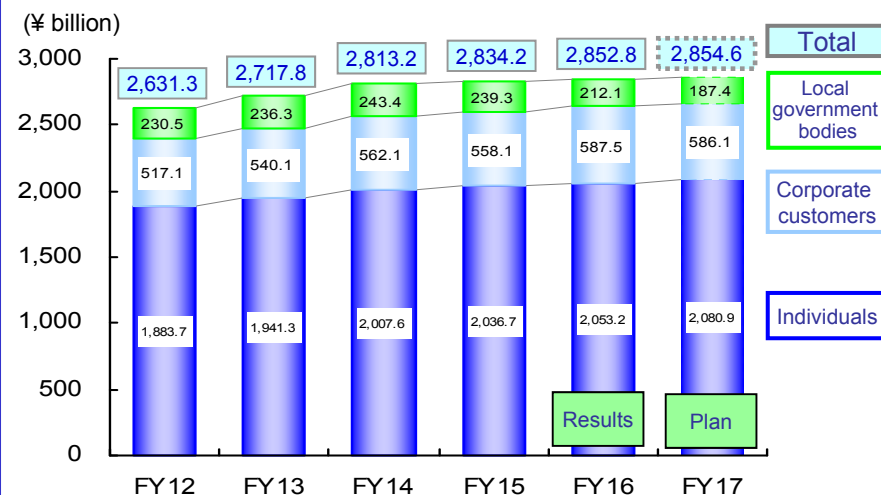
(¥ billion)	FY17 (forecast)	YoY change
Personnel	15.6	0.1
Premises and equipment	10.4	0.2
Taxes	1.4	0.0
Expenses	27.4	0.5

Deposits

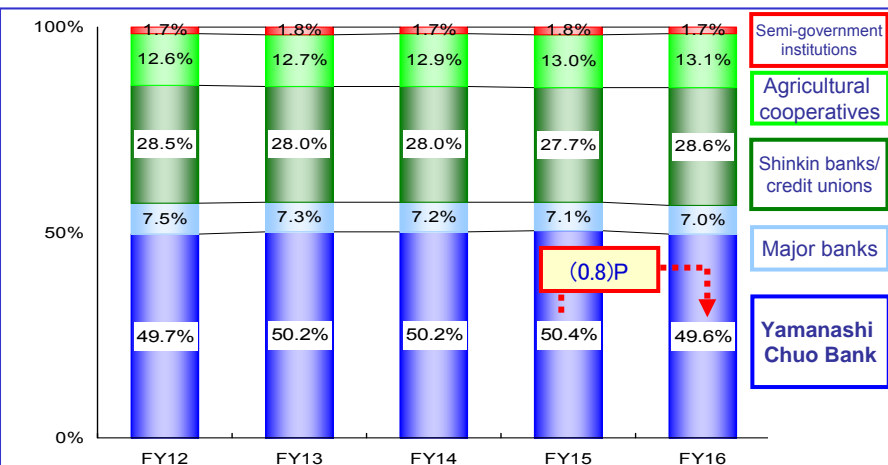
Deposit (average balance)



Balance by Customer Segment (average balance)

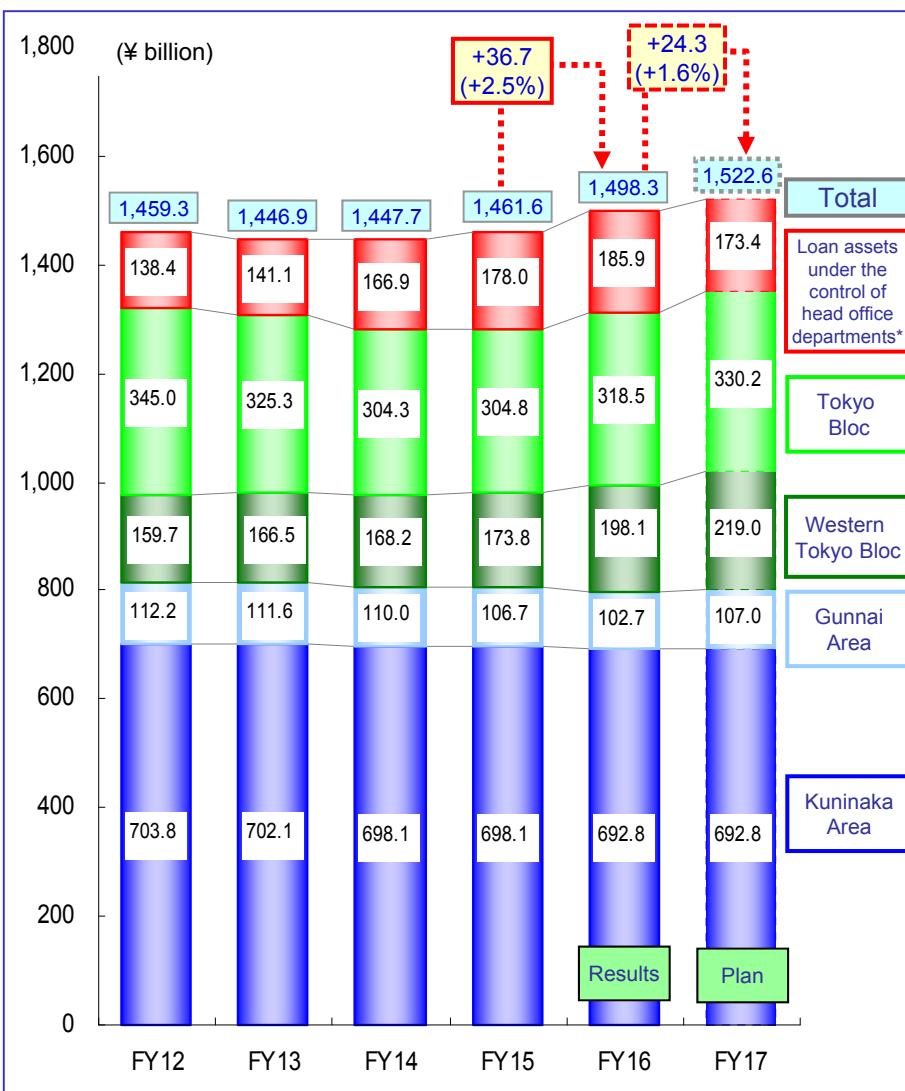


Deposit Shares in Yamanashi Prefecture (term-end)

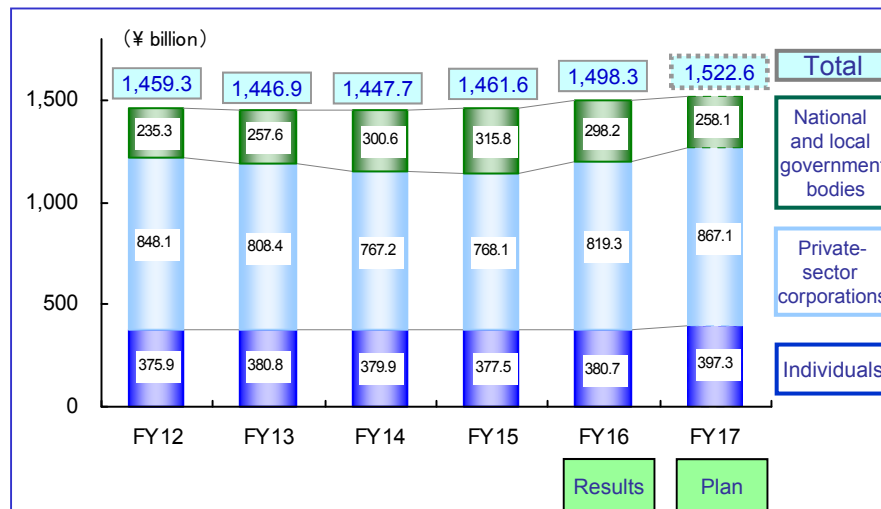


Loans(1)

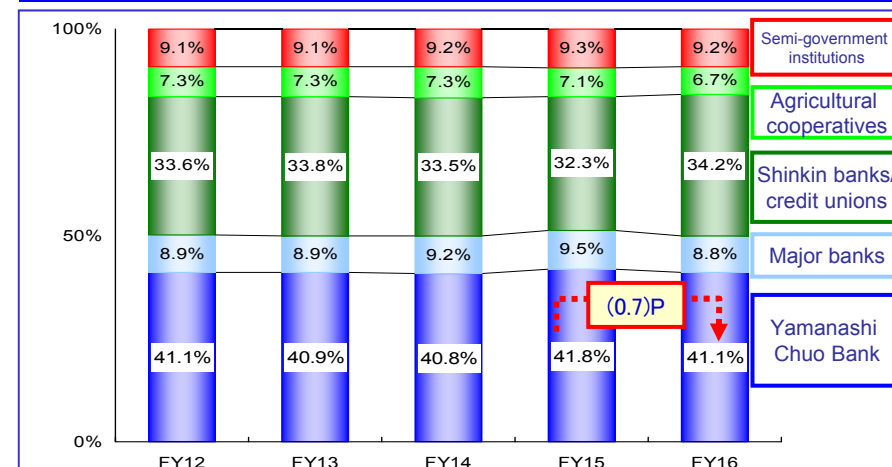
Loan (average balance)



Balance by Customer Segment (average balance)



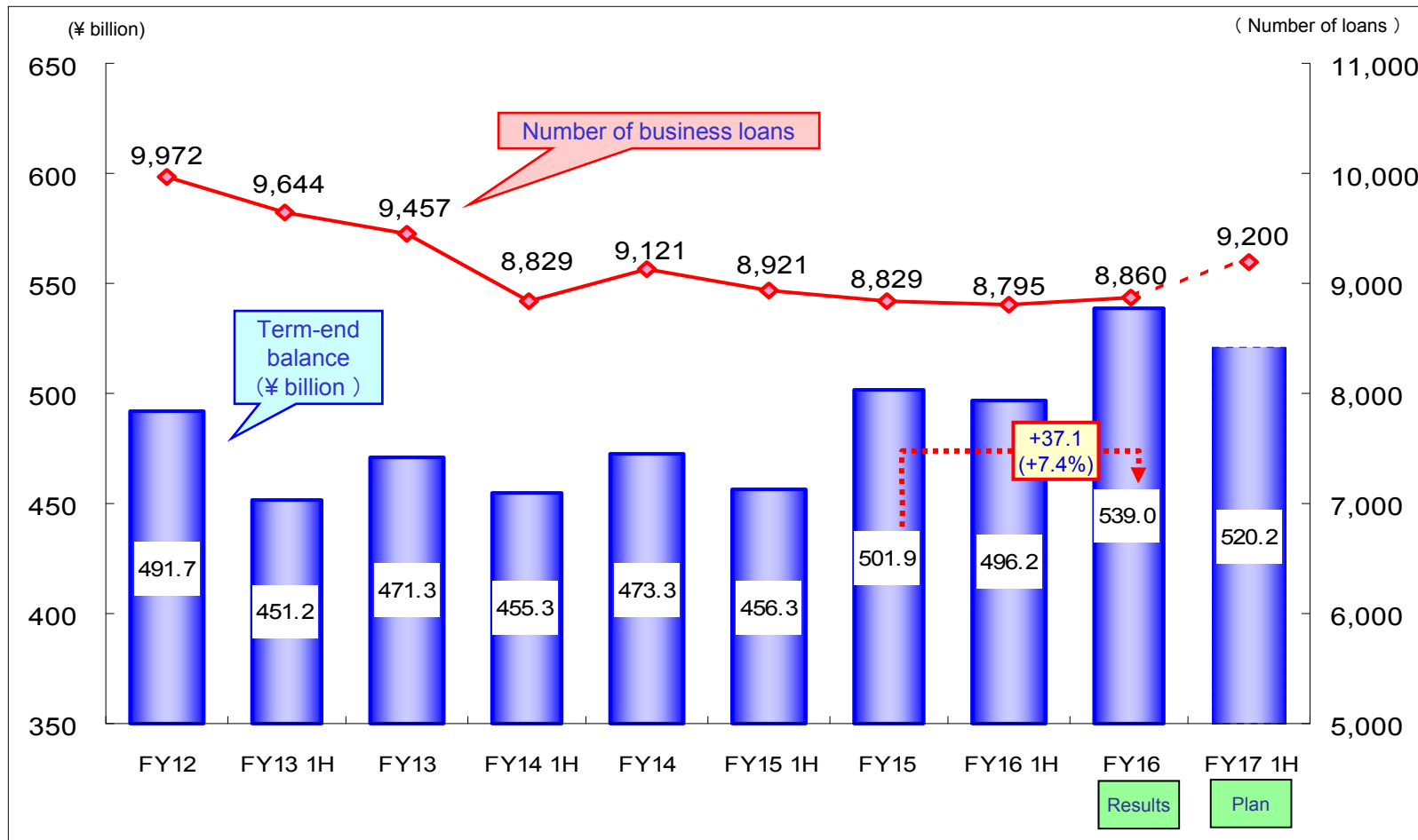
Loan Shares in Yamanashi Prefecture (term-end)



*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.

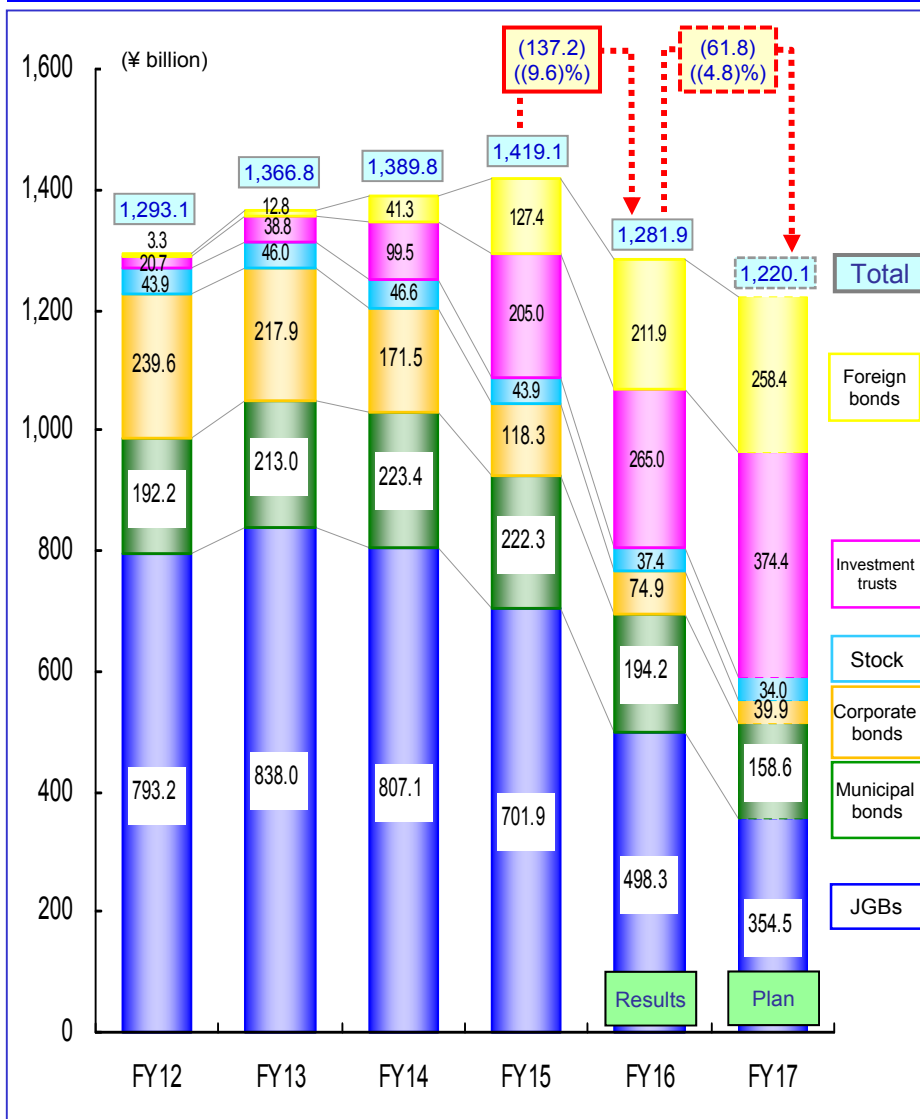
Loans (2)

Balance of Loans to SMEs (term-end) and Number of Business Loans

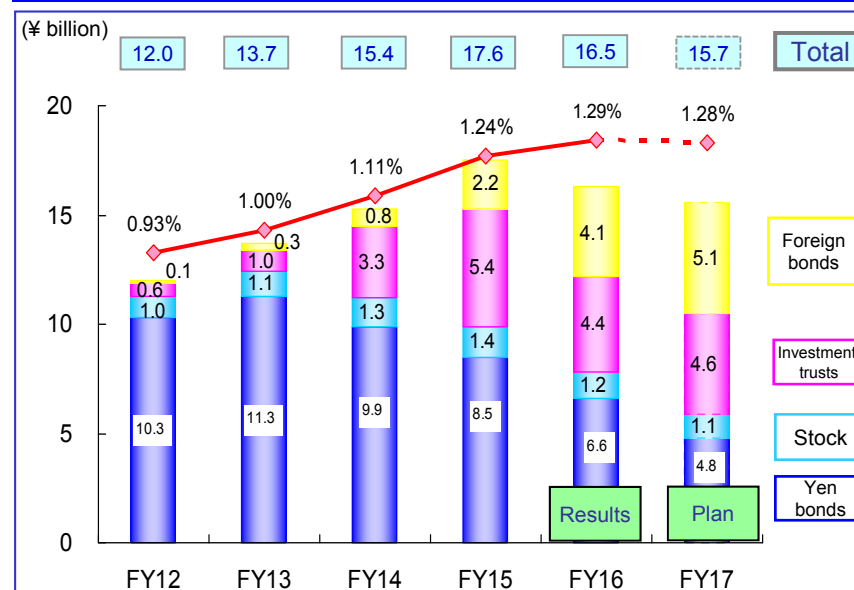


Securities (1)

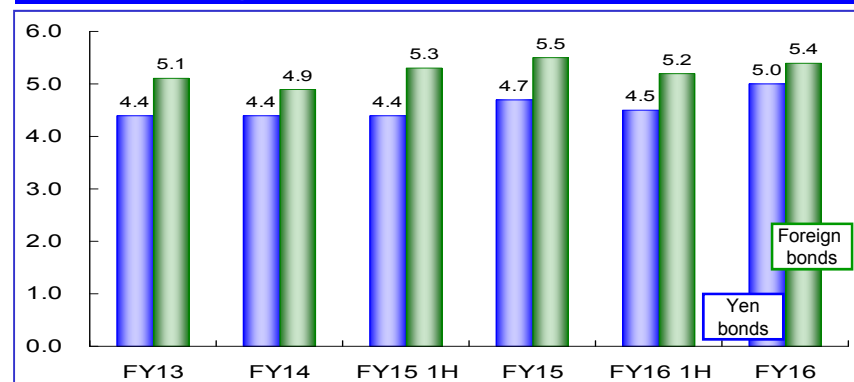
Securities (average balance)



Changes in interest dividends or securities yield

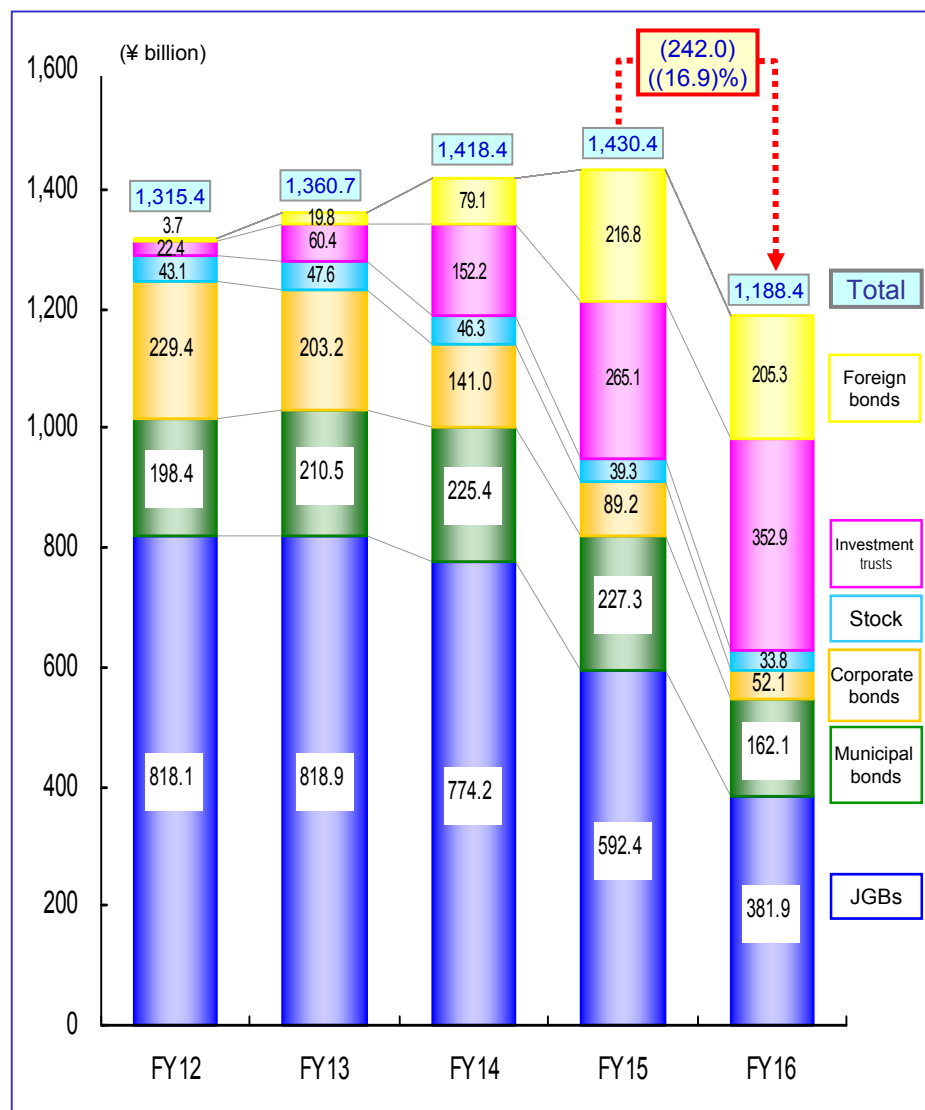


Changes in bond modified duration

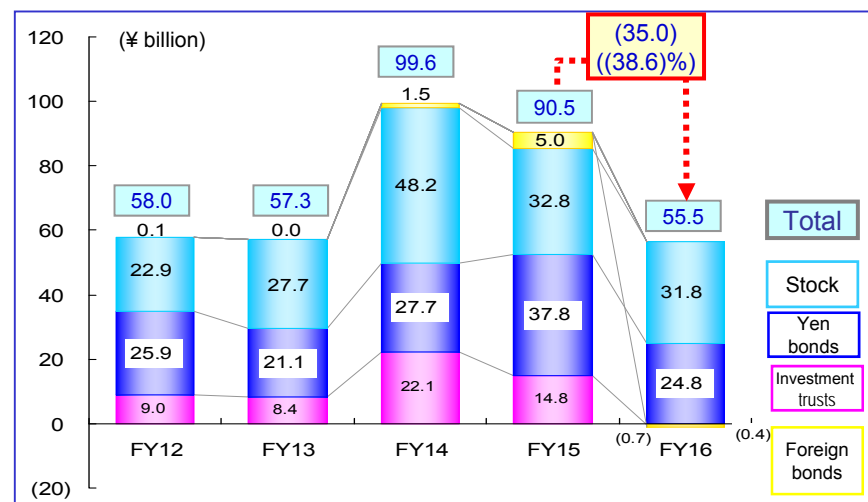


Securities (2)

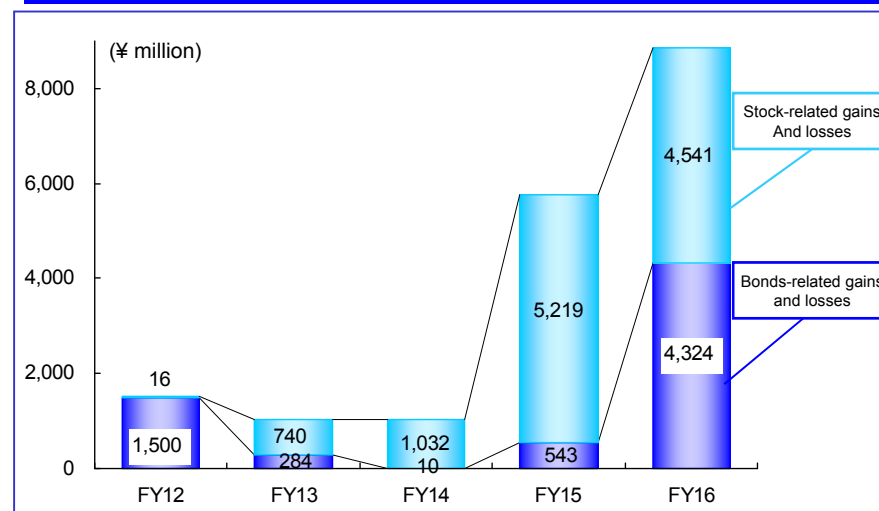
Securities (subject to mark-to-market valuation)



Changes in interest dividend-yield securities

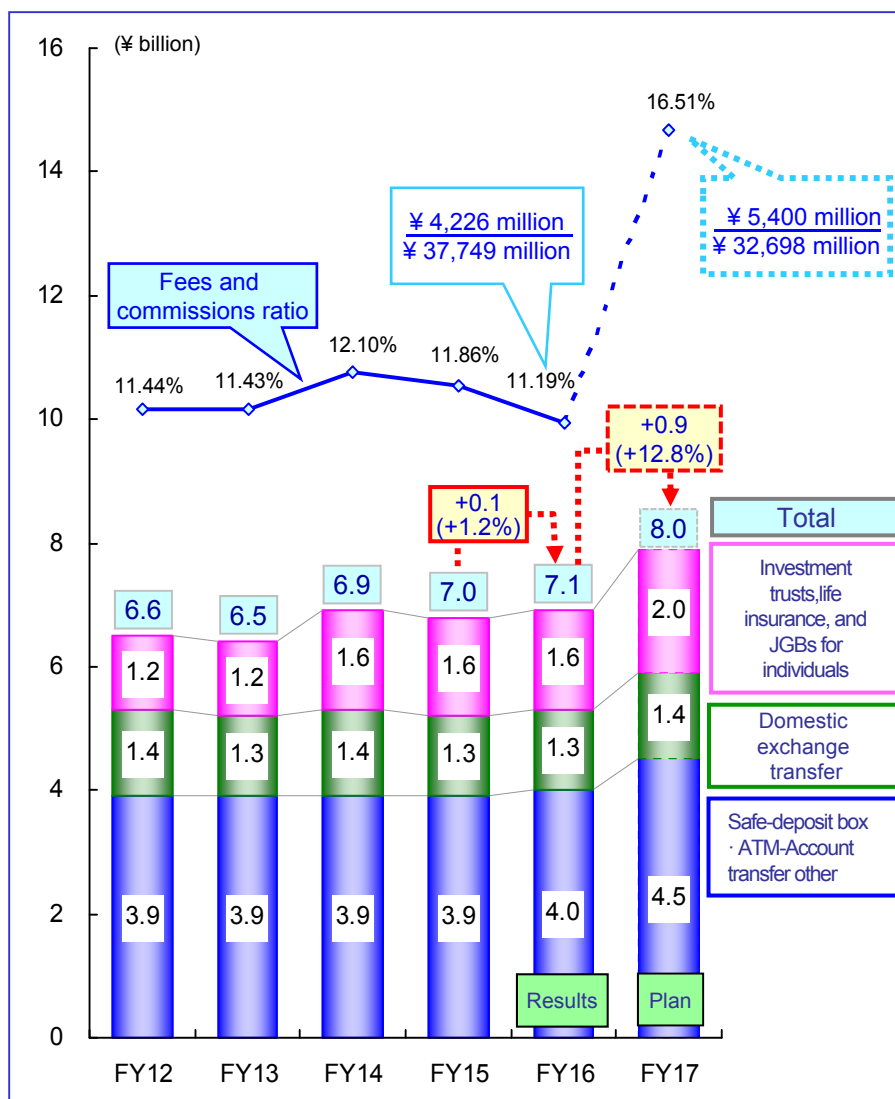


Changes in securities gains and losses



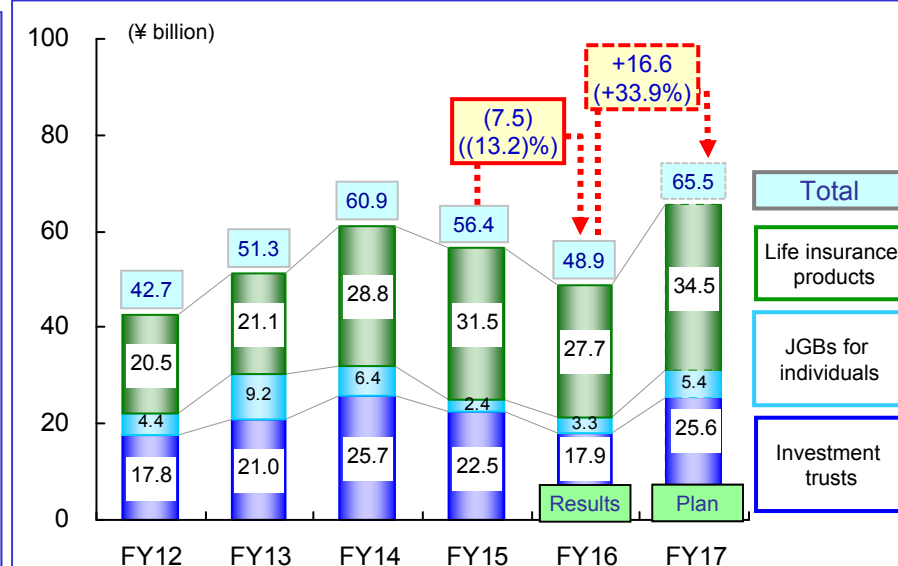
Fees and Commissions

Fees and Commissions / Fees and Commissions Ratio

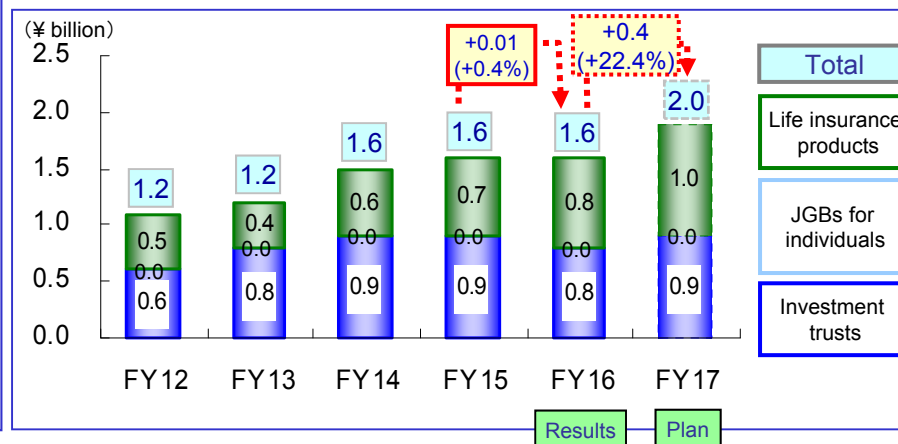


* Fees and commissions ratio= Fees and commissions / Gross banking profit

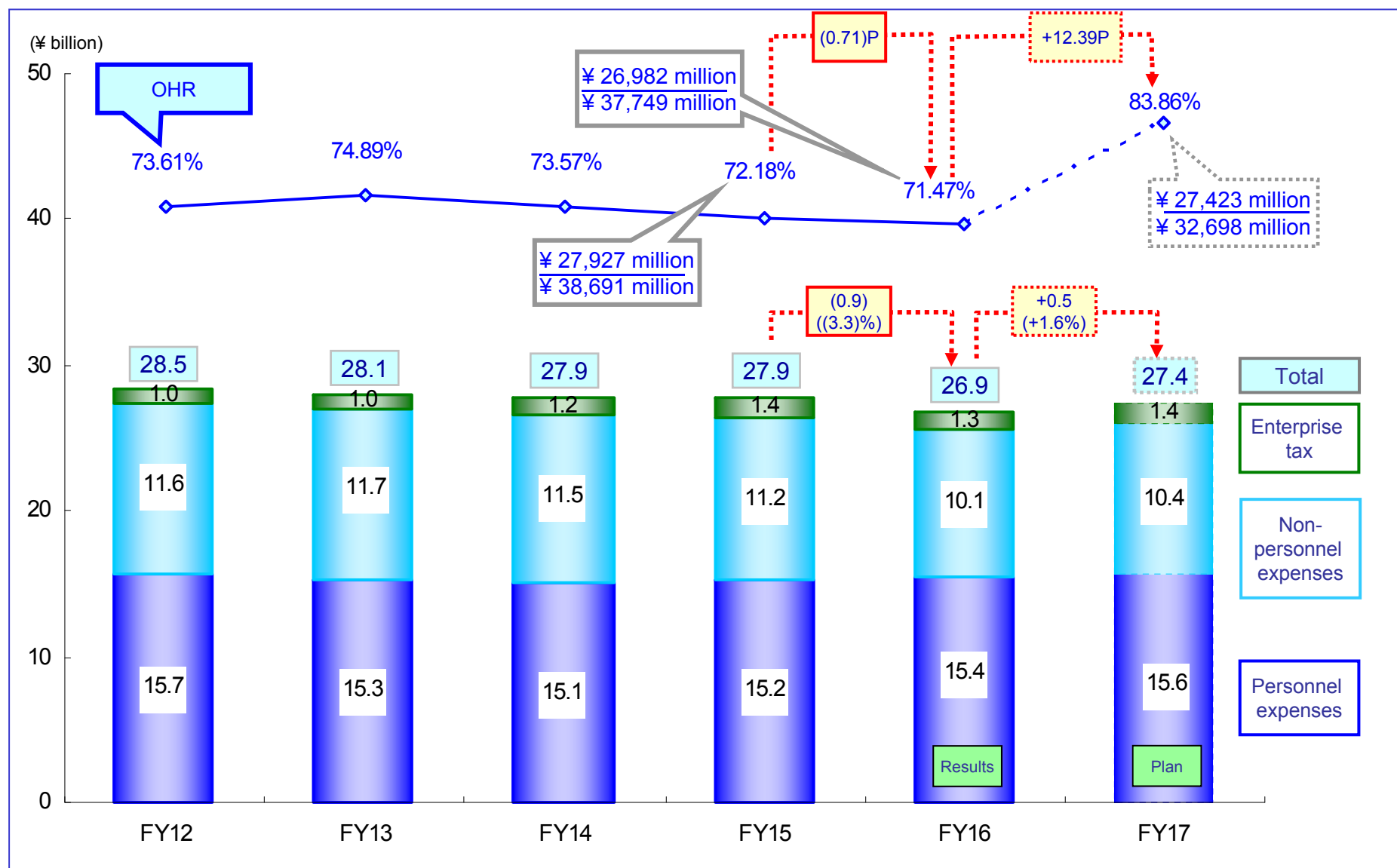
Sales for Investment Trusts, Life Insurance Products and JGBs



Commissions for Sales of Investment Trusts, Life Insurance Products and JGBs Held by Individuals



Operating Expenses and OHR



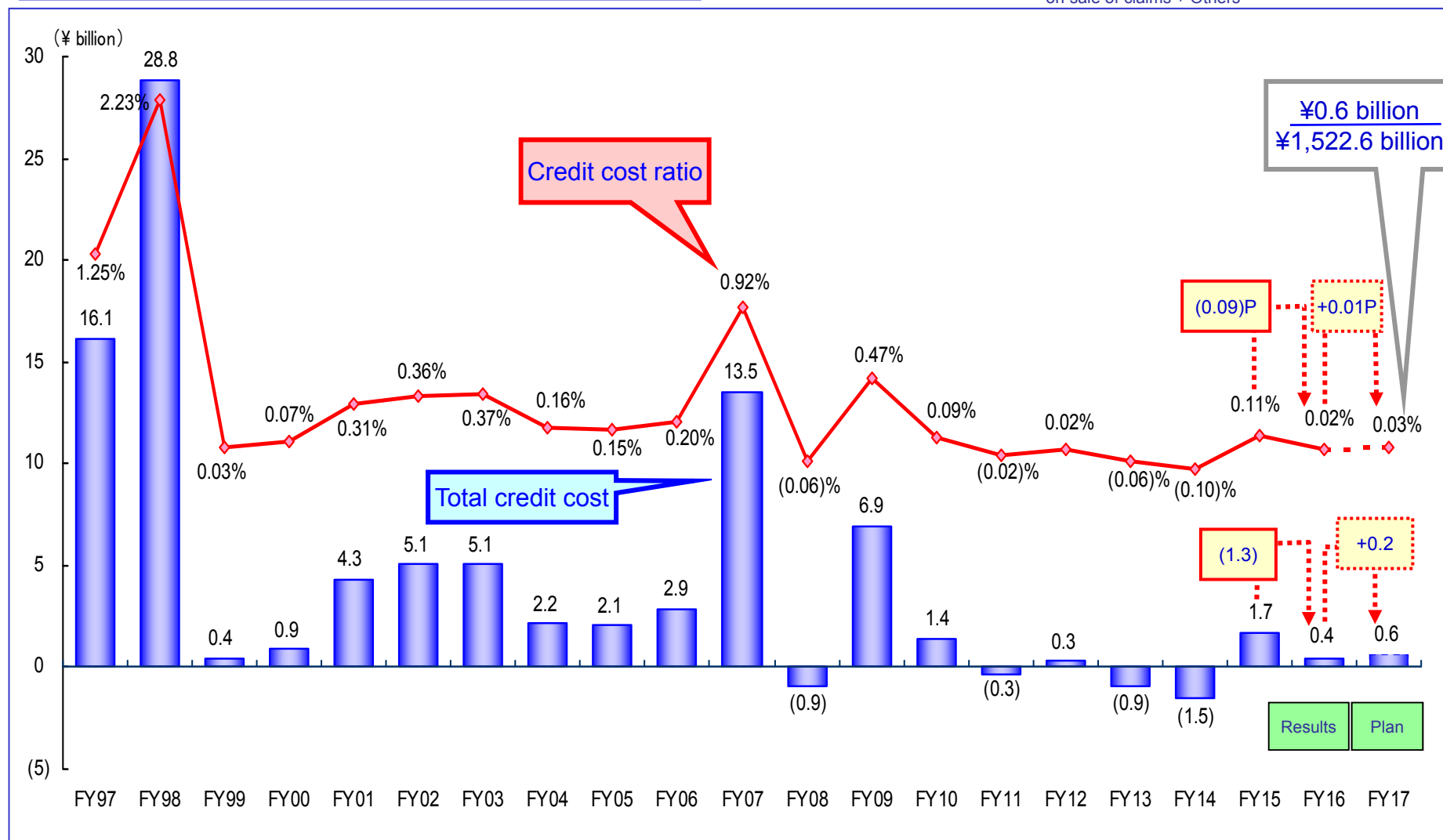
*OHR=Operating expenses / Gross banking profit on core operations

Credit Cost

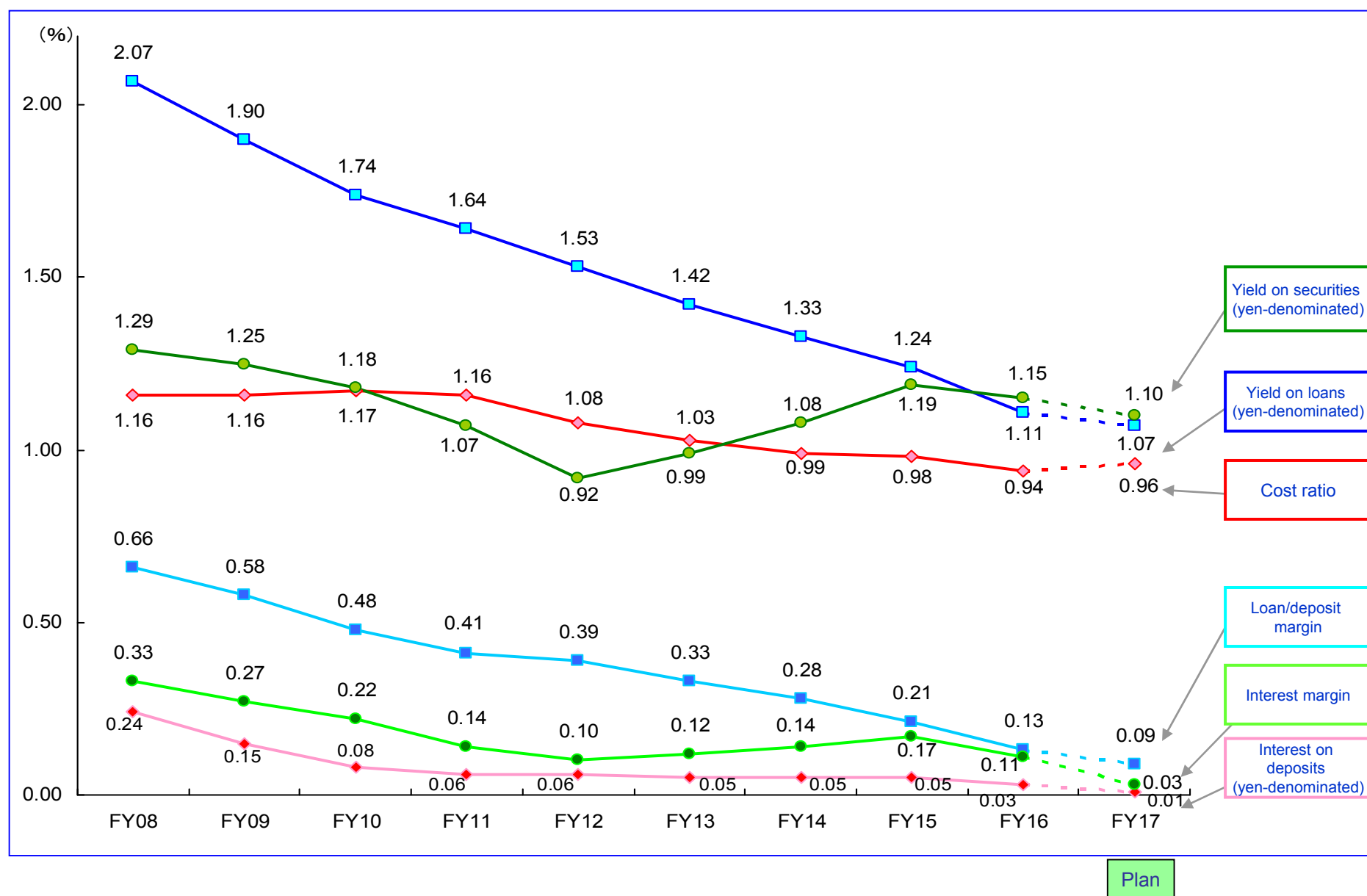
Total Credit Cost / Credit Cost Ratio

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

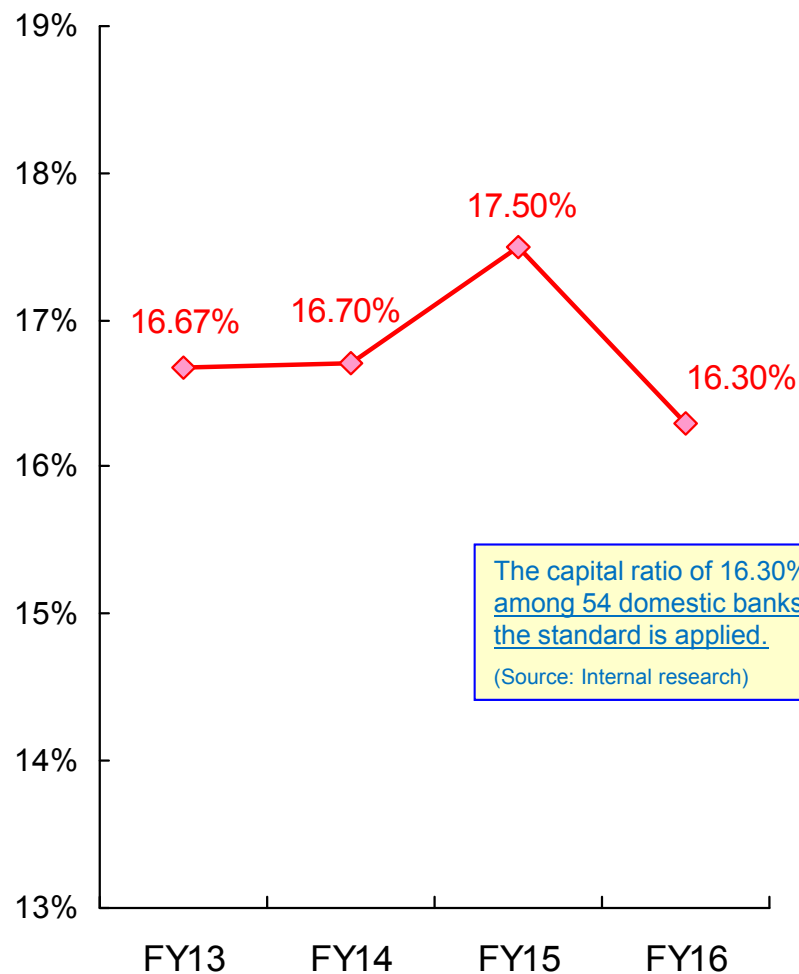


Yields & Interest Margins



Capital Ratio (Non-Consolidated Basis)

Changes in equity ratio



Breakdown of Regulatory Capital

(¥ billion)

	FY13	FY14	FY15	FY16
Regulatory capital	161.0	164.8	172.2	175.6
Risk-weighted assets	965.8	986.9	984.0	1,076.8

Risk-weighted Assets Methods Employed

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

(reference)

Interest rate risk of bank account (End of FY3/17)

(¥ billion %)

Interest rate risk amount	28.8
Amount of capital	175.6
Outlier ratio	16.4%

※ We use internal model to calculate core deposits

Return to Shareholders

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.

<The introduction of performance-linked dividend>
To enhance the return of profits to shareholders, the following will be performed from FY15.

To pay a stable annual dividend of ¥7 per share and set the shareholder return rate through dividend and share buybacks at 20% - 30% per year.

Trends in Dividend Payment

	FY11	FY12	FY13	FY14	FY15	FY16	FY17 (forecast)
Dividend per share (annual)	¥7.00	¥6.00	¥6.50	¥7.00	¥10.00	¥9.00	¥7.00
Period-end share price	¥368	¥429	¥466	¥526	¥413	¥498	-
Dividend yield	1.90%	1.39%	1.39%	1.33%	2.42%	1.80%	-

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

Dividend increase of ¥0.5 (interim ¥3.25, year-end ¥3.75)

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

Dividend increase of ¥3.00 (interim ¥5.00, year-end ¥5.00)

interim ¥4.50, year-end ¥4.50

Return to Shareholders

(¥ million)	FY11	FY12	FY13	FY14	FY15	FY16	FY17 (forecast)
Annual dividend (1)	1,256	1,062	1,134	1,211	1,712	1,521	1,175
Treasury stock acquired (2)	644	989	835	834	899	1,235	-
Return to shareholders (3)=(1)+(2)	1,901	2,052	1,970	2,045	2,611	2,757	1,175
Net income (non-consolidated) (4)	6,965	5,870	7,898	8,200	8,737	6,710	3,500
Dividend payout ratio	18.08%	18.22%	14.42%	14.83%	19.70%	22.73%	33.59%
Shareholder return ratio (3)/(4)x100	27.29%	34.95%	24.94%	24.94%	29.88%	41.08%	33.59%

Acquired 2,079 thousand shares on Dec. 2011

Acquired 550 thousand shares in Apr. 2013 and 1,378 thousand shares in Feb. 2014

Acquired 2,209 thousand shares in Feb. 2016

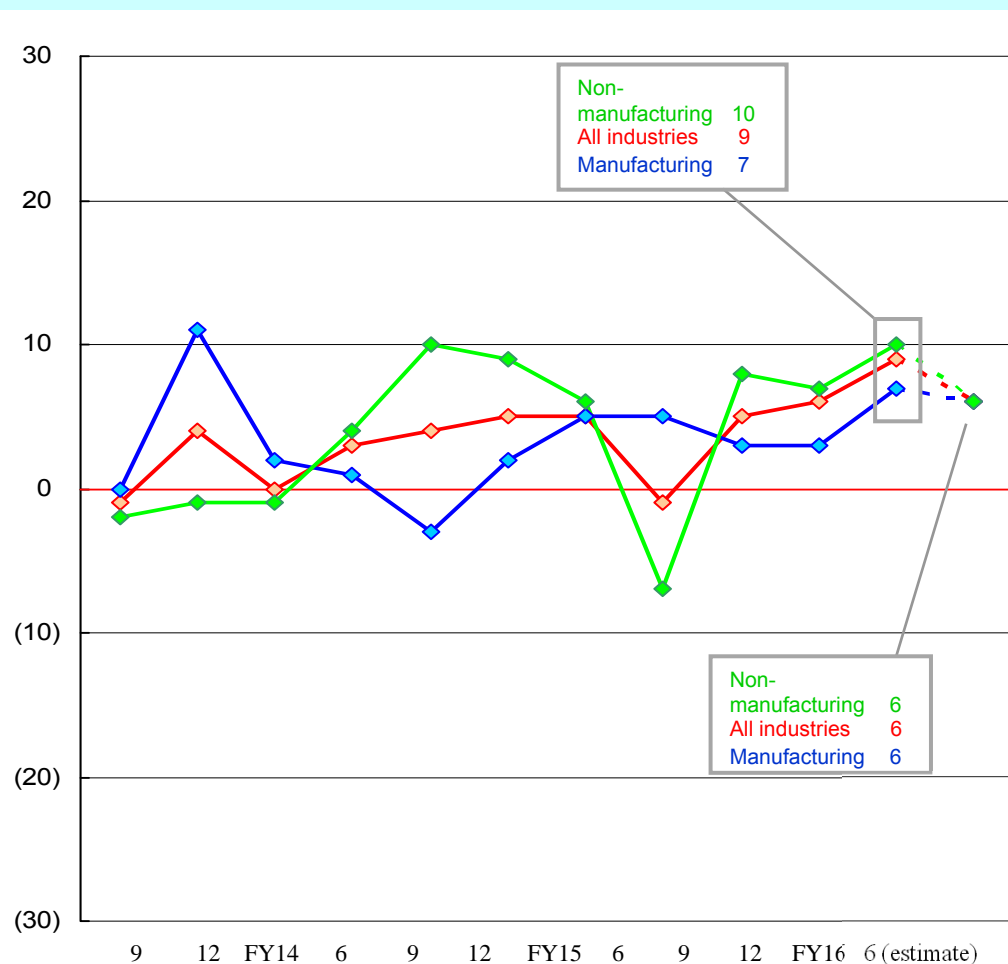
Acquired 2,600 thousand shares between Feb. 2013 and Mar. 2013

Acquired 1,577 thousand shares in Feb. 2015

Acquired 2,127 thousand shares in Dec. 2016

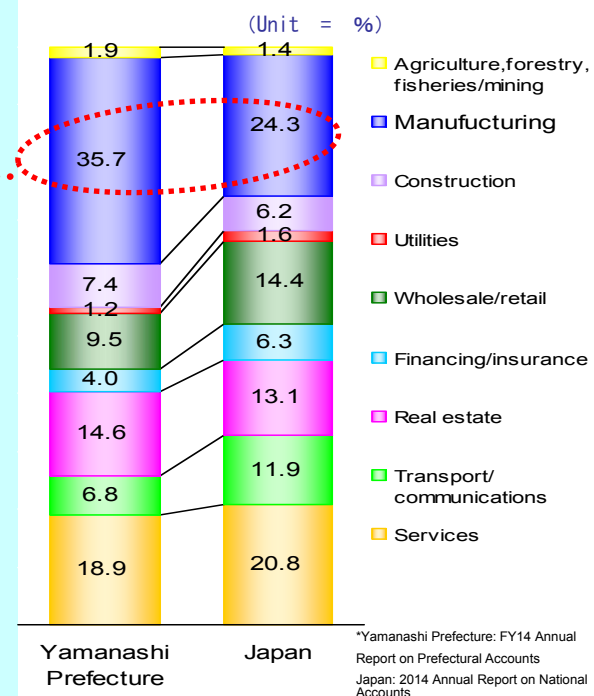
II Economic Trends in Yamanashi Prefecture

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

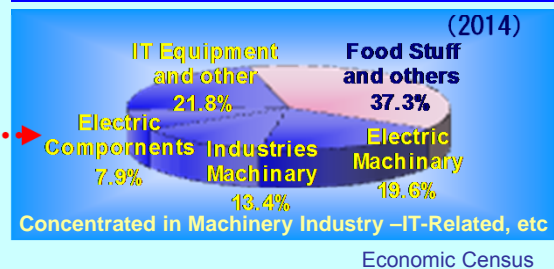


(Bank of Japan, Kofu Branch)

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
<p>June 2013</p> <p>Mt. Fuji designated as a World Heritage Site</p>	<p>Increase in tourists</p> <ul style="list-style-type: none"> In 2016, number of Japanese and foreign tourists increased in terms of hotel stays in the prefecture Japanese tourists: 6.80 million (+0.5% YoY) Foreign tourists: 1.37 million (+9.6% YoY) * Highest (preliminary) number since 2007 when survey began 	<ul style="list-style-type: none"> - Meeting demand for funds from tourist destinations and facilities - Meeting demand for settlement/currency conversion from foreign tourists - Improvement of the prefecture business operator's acceptance of foreign guests to Japan * Accomplishments: Entered into partnership agreement with APLUS Co., Ltd. for introducing Chinese people to the mobile payment service WeChat Pay, and implemented the Katakoto English Project. Credit and payment terminals are provided free of charge to food and drink establishments at the foot of Fuji North and the south foot of Yatsugatake.
<p>June 2013</p> <p>Prefectural Government opened Yamanashi Living Assistance Center in Yurakucho</p> <p>March 2014</p> <p>Began employment service at this center</p>	<p>Increase in residents</p> <ul style="list-style-type: none"> In fiscal 2016, people asked for information about moving to Yamanashi Prefecture 2,986 times (+541 YoY) at the "Yamanashi Living Support Center" (in Yurakucho, Tokyo), of which 154 people actually moved. Yamanashi Prefecture ranked No. 1 according to "2016 rankings of most desired regions for living" (Return to Your Hometown Support Center survey) 	<ul style="list-style-type: none"> - Cooperation with the Yamanashi Prefectural Government to increase the resident population - Began offering housing loans in collaboration with six cities, five towns and one village * Hokuto City, Fujiyoshida City, Uenohara City, Minami-Alps City, Nirasaki City, Tsuru City, Fujikawaguchiko Town, Ichikawamisato Town, Minobu Town, Nanbu Town, Fujikawa Town, Doshi Village - Conclusion of partnership agreement with the local government for regional Revitalization in Hokuto City and Uenoharacity and Tsuru City
<p>FY2019</p> <p>Chubu Odan Expressway Opening from Futaba - to Shinshimizu</p>	<p>Increase in tourists visiting Yamanashi Prefecture and orders opportunity</p> <p>Expansion of distribution centers</p>	<ul style="list-style-type: none"> - Strengthening cooperation with the government measures, prefectural-wayside cities and towns - Business matching strengthening of the prefecture companies - Funds corresponding on-logistics base installation, etc.
<p>December 2015</p> <p>Maglev Chuo Shinkansen construction approval</p> <p>March 2017</p> <p>Yamanashi Prefecture created "Linear Environmental Future City" improvement policy</p>	<p>Progress developing areas surrounding stations</p> <p>(such as new housing areas)</p>	<ul style="list-style-type: none"> - Meeting demand for funds for the development of areas surrounding stations - Provision of loans to those who intend to move to Yamanashi Prefecture - Cooperation with the Yamanashi Prefectural Government to increase the resident population - Signed comprehensive collaboration agreement on regional creation with Bank of Tokyo-Mitsubishi UFJ
<p>July 2013</p> <p>"Yamanashi" wine designated by the National Tax Agency as a geographical indication</p>	<p>Increase in attention to wine using Koshu grapes In Europe and Southeast Asia</p> <ul style="list-style-type: none"> Koshu wine exports increased more than 20 times over five years thanks to successful public-private PR campaign in central London, a global wine market. On February 1, 2017, at a hotel in London, 11 prefecture wineries jointly held a tasting event for Koshu wine. 	<ul style="list-style-type: none"> - Strengthening of support for export (such as exhibitions at overseas business meetings and cooperation with foreign partner banks) - Enhance business feasibility studies for wine-related companies by involving bank employees who have experience working with wineries => Leverage ability to make good judgments, address funding needs

Local Industries in Yamanashi Prefecture

Wine



- 21.0% share of shipment amount ranks second in Japan.
- "Yamanashi" wine designated as an indication (National Tax Agency)

Sake



Mineral Water



- 29.3% share of shipment amount ranks first in Japan.

Fruits



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

Jewelry



- 25.5% share of shipment amount ranks first in Japan.

Silk Fabric



- Shipment amount of ties ranks third in Japan.
- Shipment amount of down quilts ranks second in Japan.

Knit Products



Inden Leather



Traditional Japanese Paper



- Shipment amount of shoji paper and calligraphy paper ranks second in Japan.

*Source: 2014 Census of Manufacturer, 2016 Census of Crops

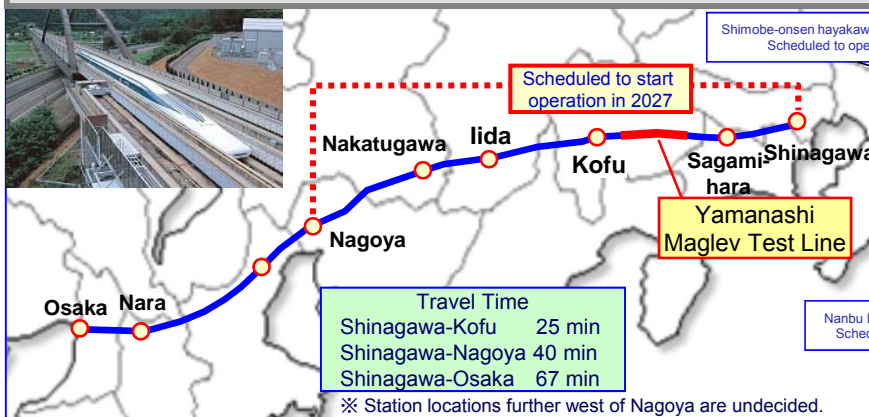
Preparations for High-Speed Transportation Network

Expected Effects: Increase in tourists from Kansai and Tokai regions, increase in opportunities for receiving orders, expansion of logistic facilities, and increase in residents due to expanded commuting radius to Greater Tokyo

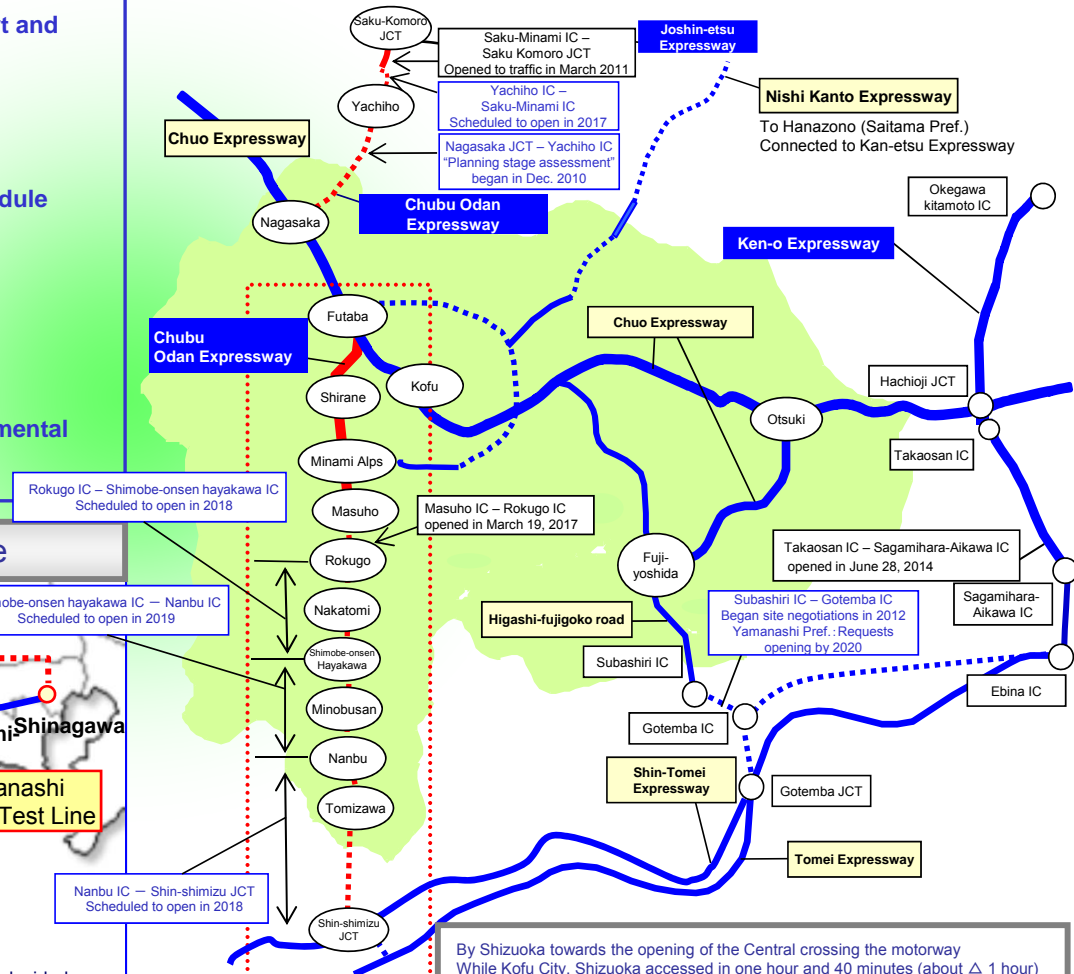
Maglev Chuo Shinkansen Line

- October 17, 2014: Minister of Land, Infrastructure, Transport and Tourism approved the start of construction, with opening planned for 2027
- ⇒ Request for certain segments to enter service by the start of the 2020 Tokyo Olympic Games
- December 2015: Yamanashi side section construction schedule of the Southern Alps tunnel (total length 25 km)
- January 2016: Shinagawa Station construction
- November 2016: Nagano-machi-gun started construction of Minami Alps tunnel
- March 2017: Yamanashi Prefecture creates “Linear Environmental Future City” improvement policy

Map of Maglev Chuo Shinkansen Line Route



Chubu Odan Expressway



Ⅲ Medium-Term Management Plan “S.T.E.P. up 2019” Progress Report

Diagram of “S.T.E.P. up 2019”

Management vision (Ideal and prospective image) **A Bank that grows and develops together with Yamanashi and its surroundings as a driving force for regional economic revitalization**

Theme during the plan

Live up to the trust accorded by customers and contribute to regional revitalization

Enhance stakeholder satisfaction
(society, customers, shareholders, and employees)

Establish a financial and revenue base supporting sustainable growth

**Realization of a business model adapted to changes in the environment
Selection and concentration, and differentiation from other financial institutions**

Strengthen retail
solution banking

Strengthen corporate
solution banking

Strengthen coordination with industrial,
government, and academic funds

Strengthen and expand the capital
markets investment approach

Build and strengthen a robust management structure

Develop human resources and
strengthen organizational capabilities

Optimally redistribute management
resources such as branches, human
resources and IT systems

Advance IT utilization

Fundamentally reform and reengineer
operations based on sophisticated
risk management approaches

Strengthen the approach and enhance
the effectiveness of internal control

Strengthen the enhancement of
customer and employee satisfaction

Strengthen CSR activities

Rigorously enforce compliance and the protection of customers and their privacy

Basic Strategies and Financial Targets of Medium-Term Management Plan “S.T.E.P. up 2019”



<Basic Strategies I> Realization of a business model adapted to changes in the environment

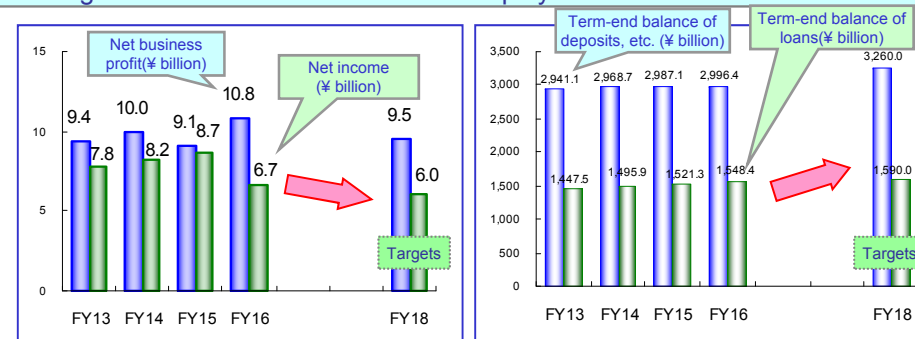
Selection and concentration, differentiation from other financial institutions

- Increase and strengthen earnings with efficient and effective banking activities by selecting priority initiatives and channeling the redistribution of management resources.
- Strengthen earnings capabilities by deepening the scope of banking transactions in existing markets while focusing on the creation of new earnings opportunities.
- Differentiate the Bank from other financial institutions with initiatives including the development of products and services and the improvement of marketing skills. This will be done to respond pertinently and promptly to the increasingly sophisticated and diverse needs of customers, as well as by banking with a greater number of customers.
- Endeavor to drive regional economic revitalization and create business opportunities for the Bank. This will be done by upgrading Yamanashi Chuo Bank's financial intermediary functions in collaboration with more specialized institutions, and by leveraging the Bank's own expertise and network.
- Secure and expand steady income streams by strengthening and expanding the Bank's capital markets investment approach.

<Basic Strategies II> Building and strengthening a robust management structure

- Develop an organization in which each employee can have a motivating and fulfilling career. This will be done by fostering confident and diligent human resources who are capable of taking self-motivated and independent action.
- Build a highly profitable structure through the optimal distribution of management resources. This will be done primarily by optimizing the location of branches and assignment of personnel, strengthening the operational framework of IT systems, and optimizing costs.
- Strengthen and expand the revenue base by realizing a consistent approach to sales in all channels. This will be done by making effective use of IT and upgrading non-OTC sales channels.
- Expand earnings opportunities by examining and developing new banking operations. This will be done by fundamentally reforming existing operations and generating more banking activity man-hours and personnel.
- Further strengthen the Bank's risk management approach including for credit risk and asset-liability management (ALM).
- Strengthen compliance and the protection of customers and their privacy as a management foundation and increase employee awareness.

Item	(¥ billion)		(¥ billion)	
	FY15 Results	FY16 Results	Plan targets (Year ending March 2019)	Change between FY2016 and FY2019
Net business profit	9.1	10.8	9.5	+ 0.4
Net income	8.7	6.7	6.0	(2.7)
Year-end balance of deposits, etc. (deposits + investment trusts + public bonds)	2,987.1	2,996.4	3,260.0	+272.9
Year-end balance of loans	1,521.3	1,548.4	1,590.0	+68.7



Individual Strategies Based on Basic Strategy I

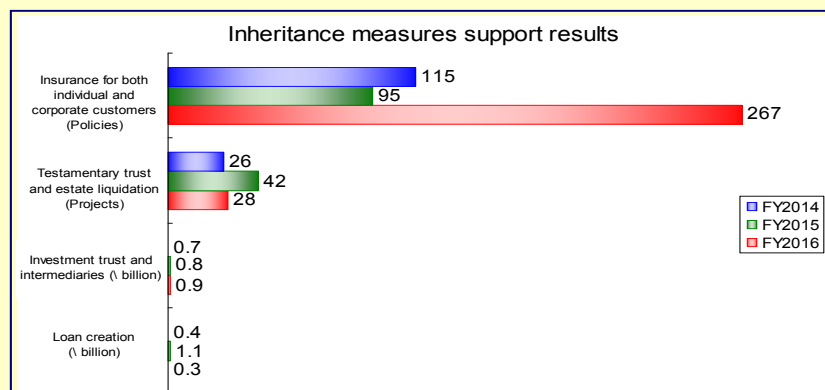
(1) Strengthen retail solution banking

Priorities

- Developing a consulting business centered on total asset banking
- Provide products and services promoting Yamanashi Chuo Bank as the main bank
- Develop lifelong business relationships around personal loans
- Develop human resources with professional knowledge and practical skills

Make more proposals for asset succession and inheritance to affluent customers

- Hold individual consultations about asset succession, and seminars on inheritance and wills
 - Uncover needs for asset succession (inheritance)
- Build up a portfolio of testamentary trust and estate liquidation projects by strengthening collaboration with Asahi Chuo
 - No. of contracts: 28 (Cumulative no.: 102)
- Propose solutions for business succession to company owners
 - Market corporate insurance policies to corporate deposit holders and new corporate banking prospects

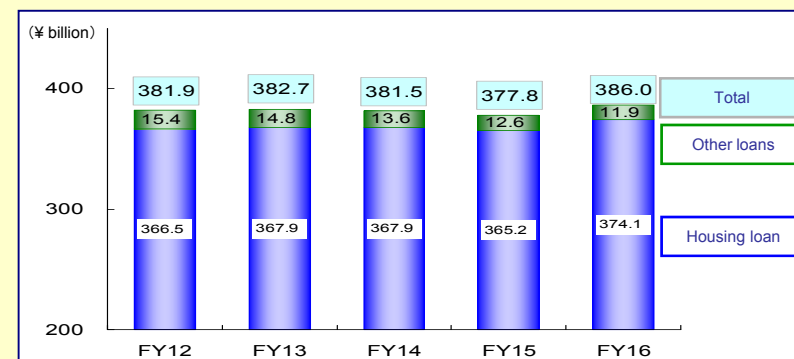


Establish an approach for marketing personal loans

- Increase both earnings and the balance of personal loans by breaking strategic bottlenecks

- (1) Increase and strengthen customer contact
- (2) Provide competitive products and services
- (3) Build an approach foreseeing changes in the environment

- Increase the balance by strategically re-examining personal loan products
- Strengthen the function of Non-OTC channels
- Strengthen collaboration between retail branches and LS



Aggressively promoting JiMOCA, waku waku Smart

- In June 2016, launched the JiMOCA hybrid ATM card and credit card
- No. of new members at end of March 31, 2017: 7,337



- On April 25, 2017, began offering waku waku Smart card loans that do not require a visit to a bank branch
- 441 applications as of end-May, highest loan amount was ¥155 million based on applications



Individual Strategies Based on Basic Strategy I

(2) Strengthen corporate solution banking (a)

Strengthen business feasibility studies capabilities

◆Strengthen the Head Office support approach

→ Strengthen support for business feasibility studies by adding 10 field-specific management support staff to the Corporate Solutions Office who have advanced specialized knowledge of various industries based on past experience of being assigned to external companies.

【Field-Specific Management Support Staff】

11 staff (all 11 have experience of being assigned to an external company)

- ◆Manufacturing
- ◆Tourism
- ◆Wholesale, retail, services
- ◆Medical, healthcare
- ◆Local industry (wine)
- ◆Local industry (knit and woven goods)
- ◆Local industry (other)
- ◆Agriculture, forestry and fisheries
- ◆Construction
- ◆Real estate
- ◆Environment

【Solution Staff】

18 staff (of which 9 have experience of being assigned to an external company)

- ◆Business startups, secondary startups
- ◆Asset inheritance
- ◆M&As
- ◆Subsidies
- ◆Overseas business development
- ◆Intellectual property
- ◆Business matching
- ◆Sales channel development
- ◆Systems installation
- ◆Production management
- ◆Personnel and labor management
- ◆Risk management
- ◆Insurance solutions
- ◆Financial management
- ◆Effective real estate use

◆ Creation and amendment of forms related to business feasibility studies

→ Creation of discussion sheets as tools for engaging with customers and talking about management issues that arise from business feasibility studies.

→ Modification of business model diagrams to better understand customers' business models (commercial channels, etc.), and company-specific solutions sheets to determine solutions policy and manage progress on solution proposals.

Expand funding supply methods

◆Began offering Yamanashi Chuo Bank Regional Revitalization Privately Placed Bonds

→ Began offering privately placed bonds with donation options where a portion of the fees from privately placed bond issuances are donated in the form of educational supplies to local schools, in order to help raise funds for companies that contribute to regional revitalization and to assist with efforts to give back to the community.

【Offerings of privately placed bonds for regional revitalization】

• 5 offerings: ¥710 million
(Jan. 2017 ~ Mar. 2017)



Strengthen supportive initiatives for startup and establishment phase

◆Created an Establishment and New Business Support Desk

→ Created Startup and New Business Support Desk in the Corporate Sales Promotion Division to enhance support for customers starting new businesses

→ Offered consultations on various matters and constant hands-on support for growing the business after startup

【No. of business startup-related financing deals】

• 112 deals: ¥2,580 million
(Fiscal 2016)



Individual Strategies Based on Basic Strategy I

(2) Strengthen corporate solution banking (b)~ Circumstances of various funds



Yamanashi New Business Support Investment Limited Partnership

- ◆ Investment target: Companies in the prefecture that are in the start-up phase or early stage, and companies engaged in new businesses such as a second start-up.
- ◆ Goal: Aiming to revitalize the Yamanashi Prefecture economy by the creation of new industries, increases in employment and the gross output within the Prefecture, etc.
- ◆ Total investment: ¥319 million
- ◆ Period: August 26, 2014 - December 31, 2023 (10 years)
- ◆ Investors: Yamanashi Prefecture, the Kofu Chamber of Commerce and Industry, the Fujiyoshida Chamber of Commerce and Industry, Fuji Kyuko Co., Ltd., Yamanashi Chuo Bank, Yamanashi Chugin Management Consulting Co., Ltd.
- ◆ Results, etc.:

	No. of projects	Investment amount
Accumulated investment amount	(Results) 4	(Results) ¥109,700,000
Projects currently under consideration	*12	(Forecast) 2 projects/¥40,000,000

*Includes projects under consideration by multiple funds



Yamanashi Chugin Regional Revitalization Investment Limited Business Partnership

- ◆ Investment target: Companies at various life stages from the startup and establishment phase to the growth and maturity phase. Investments will also target salvageable companies in need of business reorganization or revitalization, as well as those already in liquidation or bankruptcy proceedings.
- ◆ Goal: Aiming to underscore regional revitalization, including by enhancing regional industrial capabilities and maintaining or expanding employment in the region by means of nurturing companies that will play a role in the future of the region.
- ◆ Total investment: ¥500 million
- ◆ Period: March 29, 2016 - December 31, 2025 (10 years)
- ◆ Investor: Yamanashi Chuo Bank, Yamanashi Chugin Management Consulting Co., Ltd.
- ◆ Results, etc.:

	No. of projects	Investment amount
Accumulated investment amount	(Results) 4	(Results) ¥124,096,000
Projects currently under consideration	*20	(Forecast) 6 projects/¥103,000,000

*Includes projects under consideration by multiple funds



Yamanashi Sixth Industrialization Support Investment Limited Partnership

- ◆ Investment target: Businesses that are joint ventures with agriculture, forestry and fisheries operators, and operators of other industries (sixth industrialization enterprises)
- ◆ Goal: Aiming to promote the revitalization of agricultural, mountain and fishery villages by becoming a growth industry that creates employment opportunities in these villages, by means of agriculture, forestry and fisheries businesses in the Prefecture engaging in the construction of value chains and the utilization of regional resources.
- ◆ Total investment: ¥500 million
- ◆ Period: March 31, 2015 - December 31, 2029 (15 years)
- ◆ Investors: Agriculture, Forestry and Fisheries Fund Corporation, Yamanashi Chuo Bank, Yamanashi Chugin Management Consulting Co., Ltd.
- ◆ Results, etc.:

	No. of projects	Investment amount
Accumulated investment amount	(Results) 0	(Results) 0
Projects currently under consideration	*2	(Forecast) 2 projects/¥55,000,000

*Includes projects under consideration by multiple funds

Individual Strategies Based on Basic Strategy I

(3) Strengthen coordination with industrial, government, and academic funds (a) 山梨中央銀行

Help advance comprehensive regional strategies

- Utilize and engage with Yamanashi Bank's network and knowledge
- Support the promotion of comprehensive strategy measures of 28 local authorities in the Prefecture by accurately engaging with local characteristics

Cooperate and coordinate with local authorities

- Sign partnership agreement to revitalize regional economy

FY2015: Hokuto City
FY2016: Uenohara City
FY2017: Tsuru City



Support for building communities

- Operational support of Tsuru City CCRC concept study group
- Participate in Yamanashi Prefecture's "Yamanashi: Towns of Lifetime Activities" study group
- Collaboration between Kofu City's central shopping area point card and our local credit card JiMOCA



Promotional support of moving

- Housing loans in collaboration with local authorities

FY2015
Hokuto City, Fujiyoshida City
FY2016
Fujikawaguchiko Town,
Ichikawamisato Town
Uenohara City, Minami-Alps City,
Minobu Town, Nirasaki City,
Nanbu Town
FY2017
Fujikawa Town, Dousi Village, Tsuru City



Help revitalize agriculture and food industries

◆Yamanashi Food Business Liaison Conference

Membership organization that provides information and interaction opportunities for food-related business operators
Held 25 times since 2006. 342 members (as of Mar. 31, 2017).

◆Agri-Business School

New agri-business school with managerial and entrepreneurial spirit that has been aiming to train managers to promote the sixth industrialization from FY2011.
Started FY2016 as a specific foundation support project in the Establishment Support Business Plan based on the Act on Strengthening Industrial Competitiveness formulated by each municipality in the Prefecture and certified by the country.
FY2016 results: 54 trainees, fair held 14 times

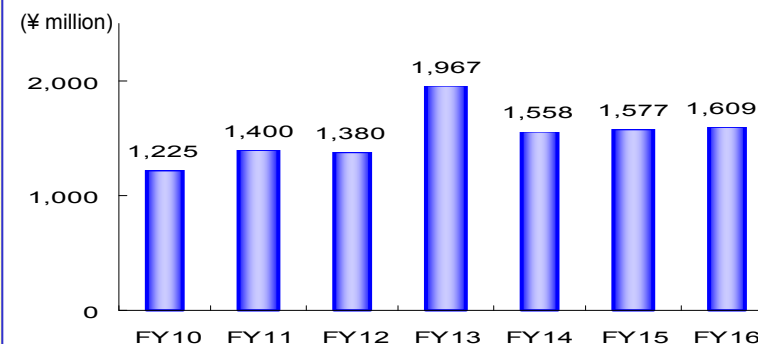
◆Yamanashi Food Sector Business Matching Fair

An exhibition and business fair to support the development and expansion of sales channels by providing agricultural- and food-related business operators with opportunities to hold business meetings with corporate buyers held on Thursday, July 21, 2016, having been held 11 times since 2006 (4 times in Tokyo).
2016 year results: 65 exhibitors, 1,000 visitors, and 2,300 business meetings

◆Yamanashi Food Online Trade Fair

The Bank helps with online food exhibition and sales events sponsored by Gohan Standard Inc. to assist with the development and expansion of overseas sales channels for local agriculture and food-related businesses.
First event held during April 10-20, 2017
15 companies exhibited their goods to a total of 40,000 site visitors

Balance of loans to agricultural field



Individual Strategies Based on Basic Strategy I

(3) Strengthen coordination with industrial government, and academic funds (b) 山梨中央銀行

Help revitalize the tourism industry

Results as of FY16

- ① Cooperated with the Kyoutou Wine Resort Concept, created by Yamanashi Prefecture, three cities in Kyoutou, and related organizations, to raise interest in developing a wine resort area. Participated in the Kyoutou Area Wine Resort Promotion and Finance Conference, established collaboratively by regional financial institutions in the prefecture, and held wine seminars for managers and employees of financial institutions. (124 participants)
- ② Invited tourism advisors and did consulting services to business operators aiming to expand business
⇒ Tourism advisor Mr. Matsui did consulting 17 times for 14 clients.
- ③ Broadly disseminate sightseeing-related information through outside-prefecture store networks and SNS, and through tourism/product fairs, etc. in Tokyo
⇒ Information disseminated on Facebook: 77 times, through tourism/product fairs in 2 companies (in-house) in Tokyo.
- ④ Implemented the Yamanashi Tourism Fair as a special project of the Yamanashi Food Sector Business Matching Fair
⇒ Ten group exhibitors (65 companies and groups for the entire matching fair) 424 purchasing companies, 632 people (+51 companies and +39 people compared with the previous year)
- ⑤ Implemented businesses of the Katakoto English Project to support tourism-related business operators in the acceptance of foreign tourists
⇒ Applications received from 45 Prefectural restaurants, etc., and support provided for 37.

《Topics》

As a local organizer, joined the Japan Inbound Federation, which was established to provide information to tourist-related companies about welcoming inbound tourists and nurturing a welcoming mindset.
Aim to promote tourism by welcoming foreign tourists across Yamanashi through public-private partnerships.

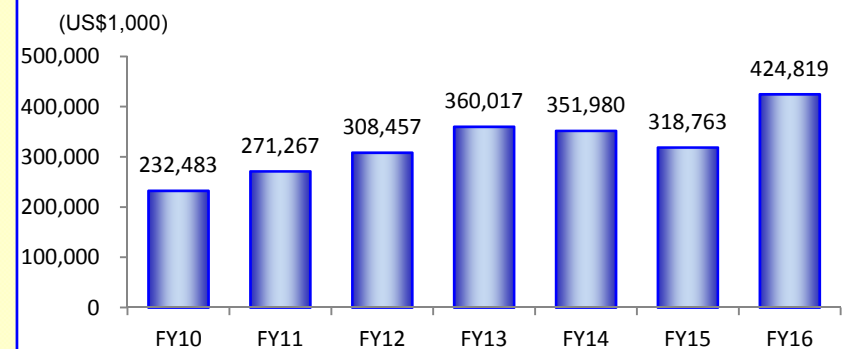
Conducted the Export Project

The elimination of tariffs due to TPP coming into effect was considered as an opportunity to sell regional and industrial products with brand power and technological capabilities to overseas markets, and "export projects" were developed from April 2016, thereby supporting customers at the stage of overseas development.

Results as of FY2016

- ① Provided overseas-company matching services, and various financial services through overseas-partner financial institutions, to customers based on their stage of overseas business development.
 - ② Proposed advantageous terms, such as opening up sales channels, to customers who already conduct trade transactions at other banks.
- 【Results】**
Trade volume: US\$424,819,000 (+33.27% YoY)
* New record high, beating US\$361,550,000 record set in fiscal year ending March 1996

Trade volume



Individual Strategies Based on Basic Strategy I

(3) Strengthen coordination with industrial, government, and academic funds (c) 山梨中央銀行

Strengthen coordination with academia

◆ Comprehensive business collaboration with universities

- The University of Yamanashi, Yamanashi Prefectural University, Yamanashi Gakuin University, and Yamanashi Gakuin Junior College have concluded an agreement on comprehensive business collaboration to the Bank respectively.
- Two introductory reports issued about the universities' research: A Direct Approach to the University of Yamanashi's Business Opportunities!, and Yamanashi Gakuin University's Management Navigation.
- One staff member was dispatched to the University of Yamanashi from July 2016, and this person worked as a Regional Collaboration Coordinator to match the technological seeds owned by the university with corporate needs, etc., thereby revitalizing the regional economy, and developing initiatives to promote the region.



◆ An associate social coordinator of the University of Yamanashi

Create and discover projects through industry-academia cooperation aimed at the revitalization of regional economies, such as matching a university's technological seeds with corporate needs.

As of March 2017, 113 employees were actively engaged after being appointed by the University of Yamanashi as University of Yamanashi Society Collaboration Coordinators.

◆ Promote universities and other centers of the community (COC)

Yamanashi Chuo is participating in both initiatives of the University of Yamanashi and of the Yamanashi Prefectural University to work with key upgrade businesses and other centers of the community (COC) to conduct regional revitalization projects, and a similar initiative through collaboration with 12 universities inside and outside the Prefecture who have made the University of Yamanashi the university in charge (COC+).

Various measures were actively implemented in order to solve regional issues and so forth, by making use of such university assets as knowledge and students.

Public Interest Incorporated Foundation, Yamanashi Chugin Regional Revitalization Fund

In December 2015, a general incorporated foundation was established in order to contribute to the prosperity of the local community and the revitalization of the regional economy through subsidies to organizations and individuals who conduct initiatives that contribute to regional creation. In March 2016, it was recognized as being in the public interest and transitioned to a public interest incorporated foundation.

The fund provided assistance 56 times in fiscal 2016.

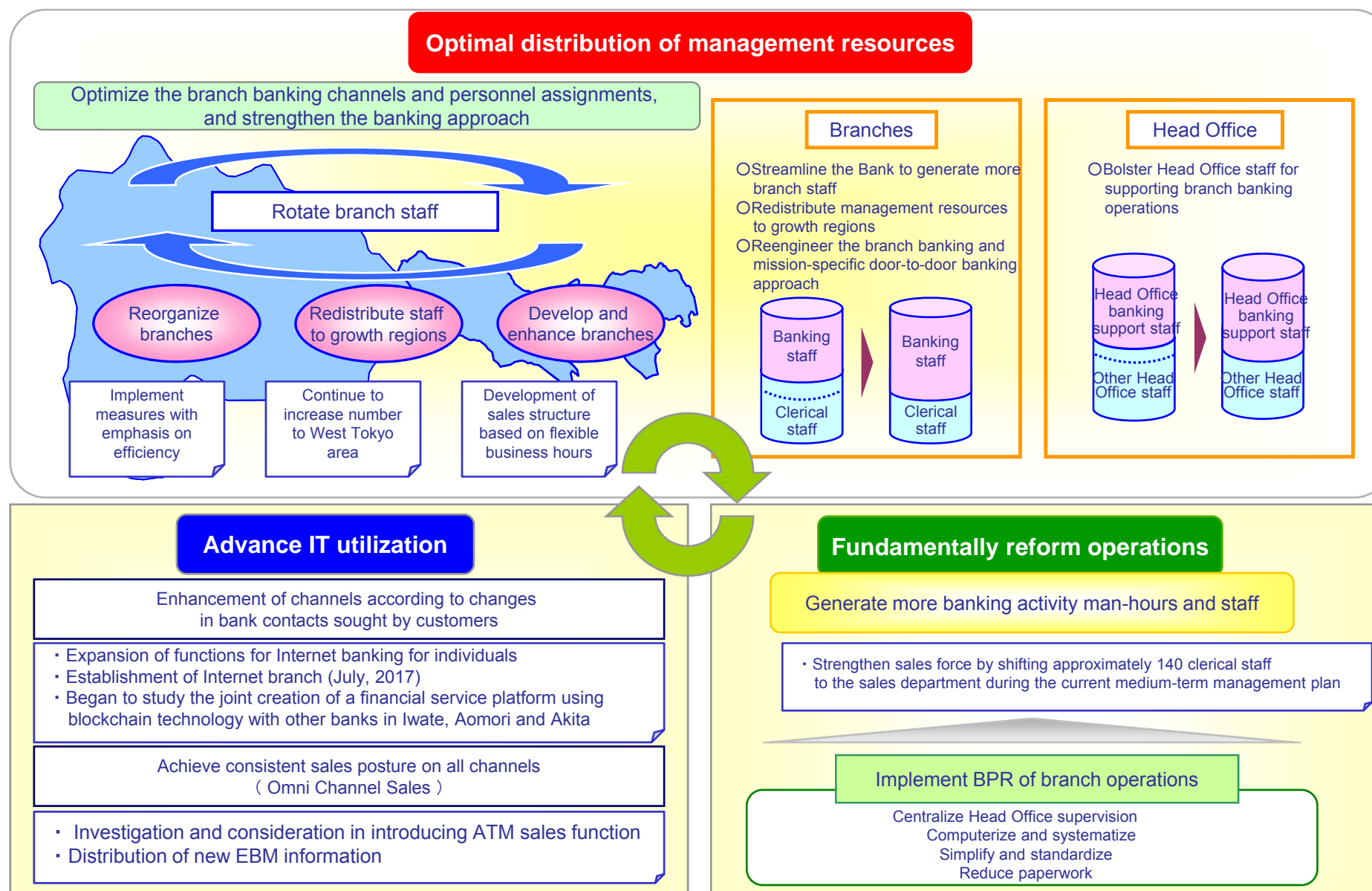
First financial
institution

Established the foundation for the
purpose of regional revitalization,
and received public interest accreditation

	Type of grant and target		No. of grant requests	No. of grants	Grant amount (¥ million)
1st half 2016 results	Startup and establishment phase	Corporate and individual	42	5	10
		Support organization, etc.	5	1	10
	For SMEs, etc. with businesses making use of local industrial resources.		39	10	20
2nd half 2016 results	Startup and establishment phase	Corporate and individual	76	4	8
		Support organization, etc.	5	1	9
	Individuals selecting UIJ-turn system		42	29	6
	Individuals working to improve technology, etc.		13	6	10
Total	—		222	56	73

Individual Strategies Based on Basic Strategy II

Optimal distribution of management resources, Advanced IT utilization, Fundamental operational reforms

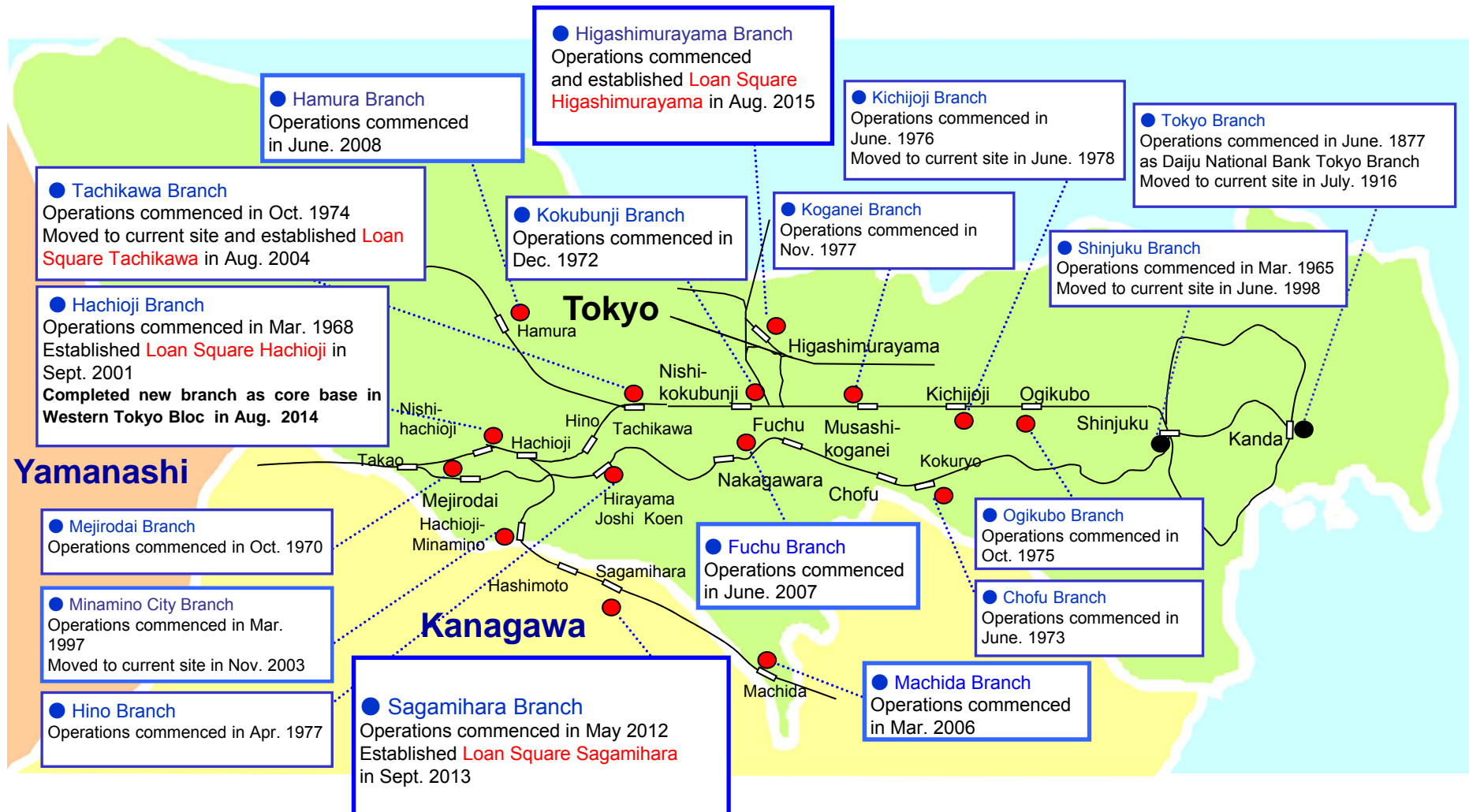


Western Tokyo Bloc Strategy

(1) Status of Expansion of Branches and Other Offices in the Western Tokyo Bloc 山梨中央銀行

Office Network Expansion in the Western Tokyo Bloc

- Since launch of Hachioji Branch in 1968, the Bank has launched 15 branches
- Loan Square, mortgage professional offices expand to the current 4 offices



Western Tokyo Bloc Strategy

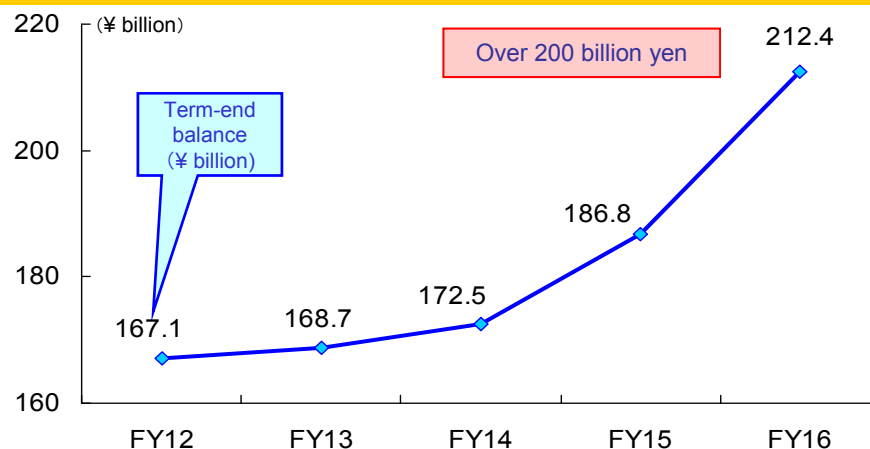
(2) Western Tokyo Bloc Strategy / Change in actual results A



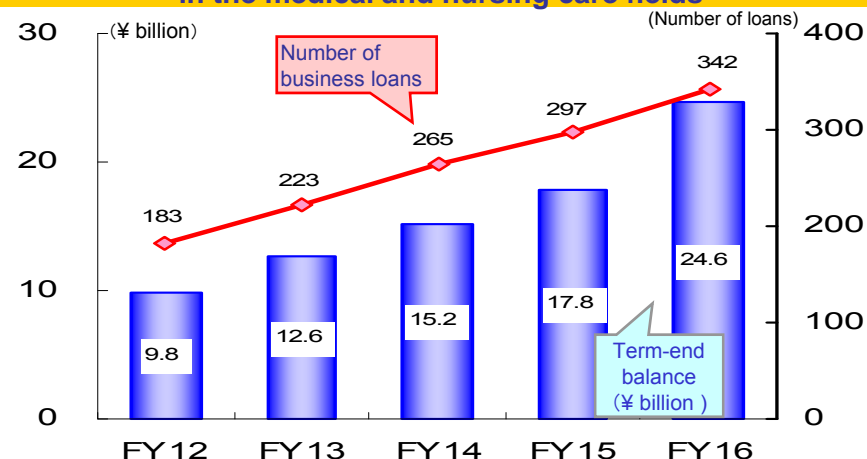
Realization of profitability and efficiency exceeding Yamanashi prefecture

Expansion of sales base from "point" to "line / face"

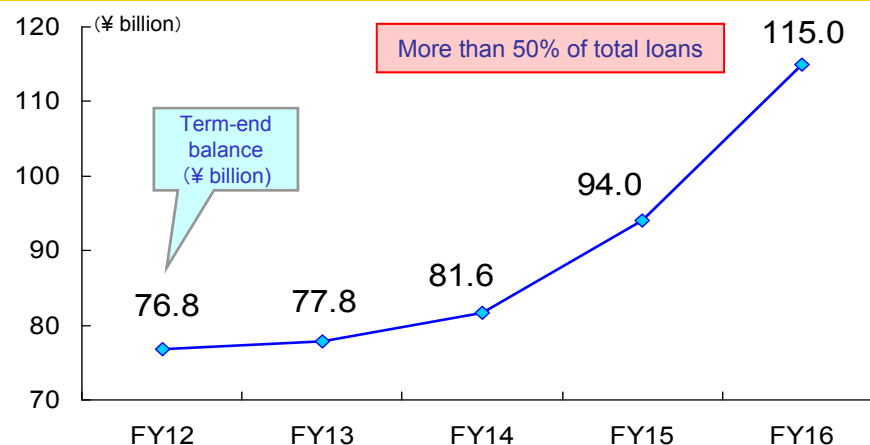
Balance of Loans (term-end)



Number of loans and outstandings in the medical and nursing care fields



Balance of Loans to SMEs (term-end)



Market size of Western Tokyo area

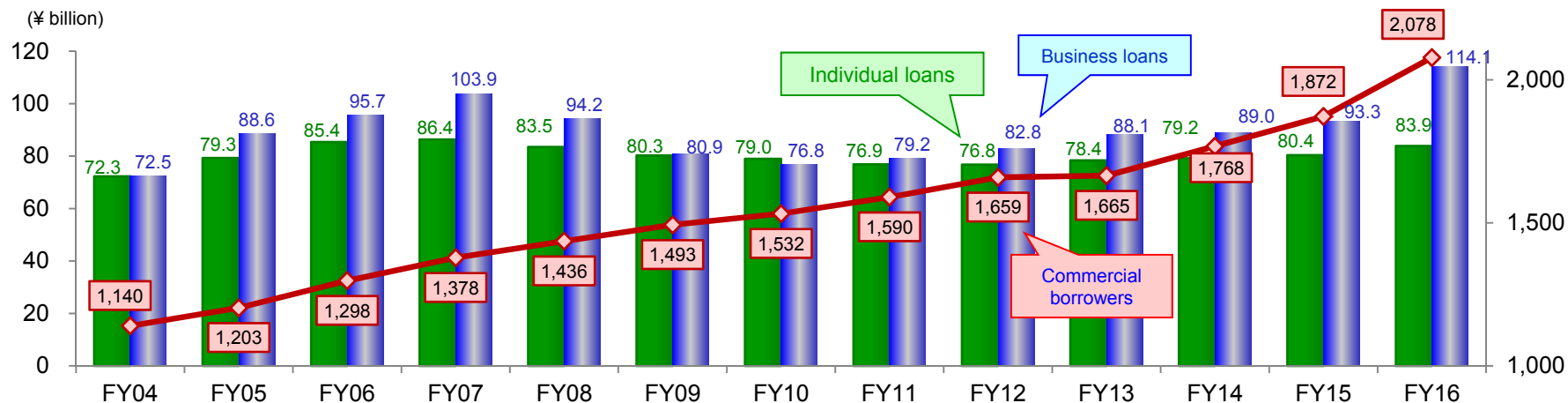
- Number of private business establishments
170 thousand
(about 3.9 times of the Yamanashi prefecture)
- Population
5.53 million
(about 6.7 times of the Yamanashi prefecture)
- Number of households
2.55 million households
(about 7.6 times of the Yamanashi prefecture)

※ Western Tokyo area, includes the suburban cities, Nishitama-gun, Suginami ward, and Kanagawa prefecture Sagami-hara-shi
(source: As of 2016 "Economic Census", as of Apr. 2017 "Estimated population")

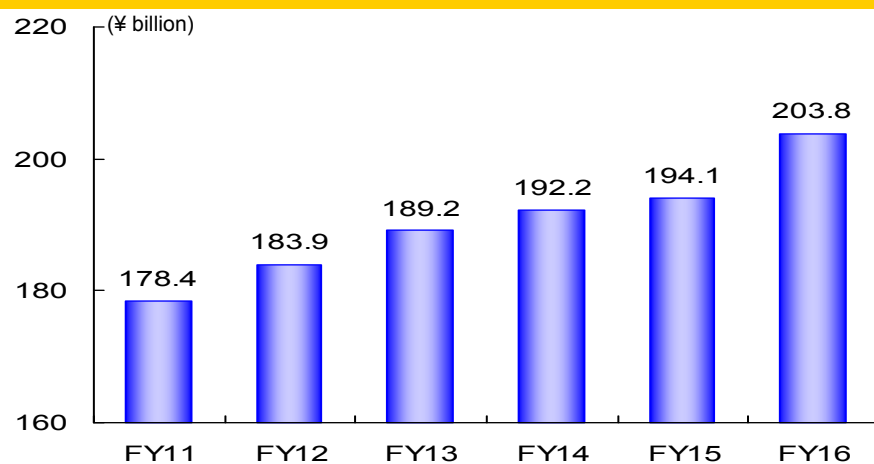
Western Tokyo Bloc Strategy

(2) Western Tokyo Bloc Strategy / Change in actual results B

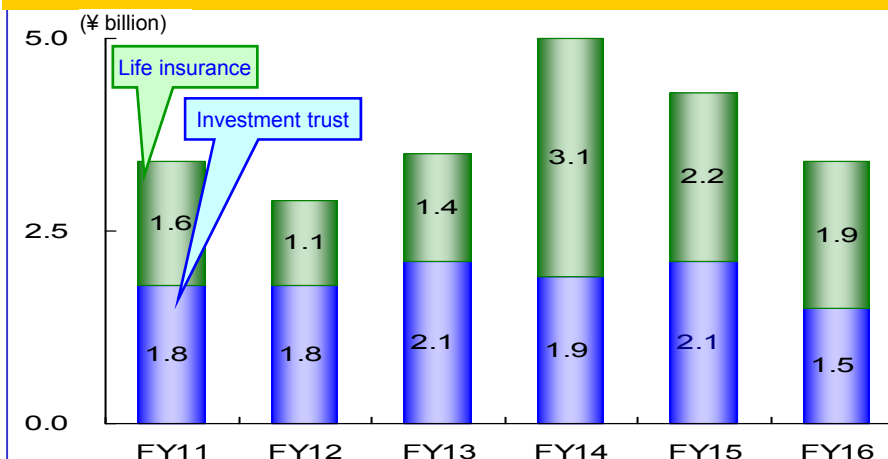
Loan (average balance) and Number of Commercial Borrowers



Individual deposit balance (term-end)



Investment trust and life insurance sales amounts



Thank you for 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.

Inquiries:

Corporate Communications CSR Office

Corporate Planning Division

The Yamanashi Chuo Bank, Ltd.

Tel: +81-55-233-2111

E - mail kouho@yamanashibank.co.jp

URL: <https://www.yamanashibank.co.jp/>

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.