

The Yamanashi Chuo Bank, Ltd. The 32th Analyst Meeting

Supplementary Materials

June 7, 2017 (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 2016 Business Results (1)

(¥ billion; %)

		FY2014	FY2015	FY2016	YoY comparison (FY15)		YoY comparison (FY16)	
					Amount	Percentage	Amount	Percentage
Average balance	Fund operations	2,969.7	3,020.6	3,069.1	50.9	1.71	48.4	1.60
	Loans	1,447.7	1,461.6	1,498.3	13.8	0.95	36.7	2.51
	Securities	1,389.8	1,419.1	1,281.9	29.2	2.10	(137.2)	(9.67)
	Call loans	31.3	35.4	90.2	4.0	13.04	54.7	154.49
	Due from banks (interest-bearing)	88.6	92.8	185.5	4.1	4.73	92.7	99.93
	Fund procurement	2,855.4	2,901.0	2,963.0	45.6	1.59	61.9	2.13
	Deposits	2,813.2	2,834.2	2,852.8	21.0	0.74	18.6	0.65
	Call money	4.3	0.2	0.0	(4.0)	(94.10)	(0.2)	(99.60)
	(Reference) Money held in trust	—	—	—	—	—	—	—

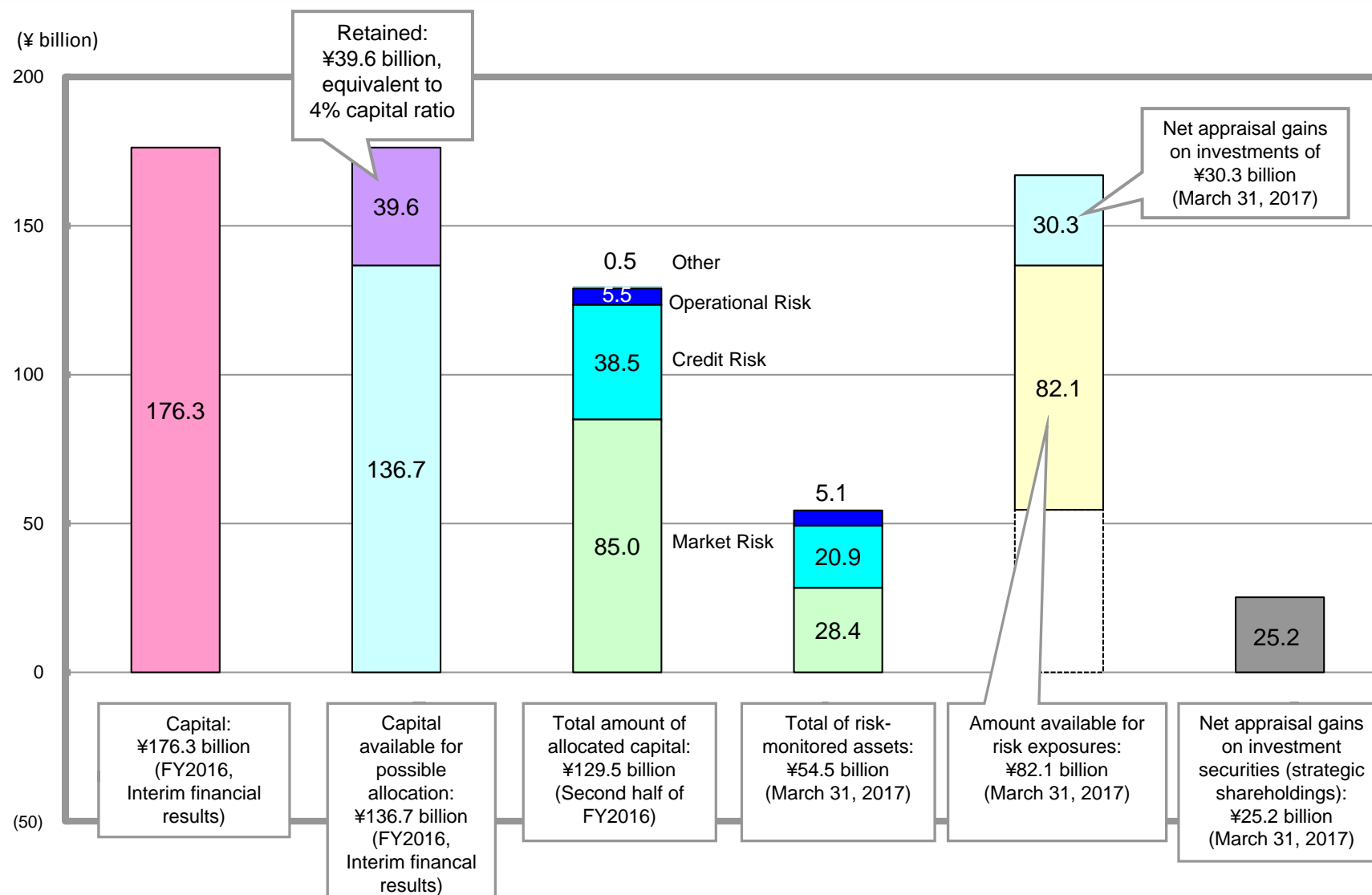
Yields / Interest margin	Fund operations	1.18	1.19	1.09	0.01		(0.10)	
	Loans	1.33	1.24	1.11	(0.09)		(0.13)	
	Securities	1.11	1.24	1.29	0.13		0.05	
	Call loans	0.14	0.24	0.22	0.10		(0.02)	
	Due from banks	0.10	0.10	(0.01)	0.00		(0.11)	
	Fund procurement	0.06	0.06	0.07	0.00		0.01	
	Deposits	0.05	0.05	0.03	0.00		(0.02)	
	Call money	0.44	0.39	1.23	(0.05)		0.84	
	Borrowings	0.13	0.15	0.50	0.02		0.35	
	Cost ratio	0.99	0.98	0.94	(0.01)		(0.04)	
	Fund procurement cost	1.04	1.02	0.98	(0.02)		(0.04)	
	Loan / deposit interest margin	1.28	1.19	1.08	(0.09)		(0.11)	
	Fund operation / procurement interest margin	1.12	1.13	1.02	0.01		(0.11)	
	Gross interest margin on loans	0.28	0.21	0.13	(0.07)		(0.08)	
	Gross interest margin on funds under management	0.14	0.17	0.11	0.03		(0.06)	

Fiscal 2016 Business Results (2)

(¥ billion; %)

		FY2014	FY2015	FY2016	YoY comparison (FY15)		YoY comparison (FY16)	
					Amount	Percentage	Amount	Percentage
Profits and losses	Interest income	33.3	34.2	31.3	0.9	2.73	(2.8)	(8.45)
	Loans	19.3	18.1	16.6	(1.1)	(6.16)	(1.4)	(8.07)
	Securities	15.4	17.6	16.5	2.2	14.39	(1.1)	(6.31)
	Call loans	0.0	0.0	0.2	0.0	91.30	0.1	129.54
	Due from banks	0.0	0.0	(0.0)	0.0	4.39	(0.1)	(133.68)
	Fees and commissions	4.6	4.5	4.2	(0.0)	(0.23)	(0.3)	(7.95)
	Other operating income (losses)	0.1	(0.1)	2.1	(0.2)	(202.58)	2.3	1,944.53
	JGBs and other bond transactions	0.0	0.5	4.3	0.5	5,330.00	3.7	696.31
	General provision to loan loss reserve	—	1.6	(0.1)	1.6	—	(1.7)	(106.92)
	Expenses	27.9	27.9	26.9	(0.0)	(0.18)	(0.9)	(3.38)
	Banking profit	10.0	9.1	10.8	(0.9)	(9.10)	1.7	19.15
	Modified banking profit	10.0	10.7	10.7	0.7	7.13	0.0	0.02
	Net business profit on core operations	10.0	10.2	6.4	0.1	1.82	(3.7)	(36.96)
	Non-operating income (losses)	2.4	3.7	(1.9)	1.2	49.51	(5.6)	(151.13)
	Equity share and similar transactions	1.0	5.2	4.5	4.1	405.71	(0.6)	(12.99)
	NPL disposal amount	0.0	0.0	0.5	0.0	81.63	0.4	520.22
	Money held in trust	—	—	—	—	—	—	—
	Ordinary profits	12.5	12.8	8.9	0.3	2.55	(3.8)	(30.23)
	Extraordinary income (losses)	(0.4)	(0.1)	(0.2)	0.3	72.18	(0.1)	(153.44)
	Income taxes - basic	2.8	3.9	2.1	1.0	36.54	(1.8)	(46.17)
	Income taxes - deferred	1.0	0.0	(0.1)	(0.9)	(95.21)	(0.2)	(430.61)
	Net income	8.2	8.7	6.7	0.5	6.54	(2.0)	(23.20)

Capital Allocation



Employees and Branches

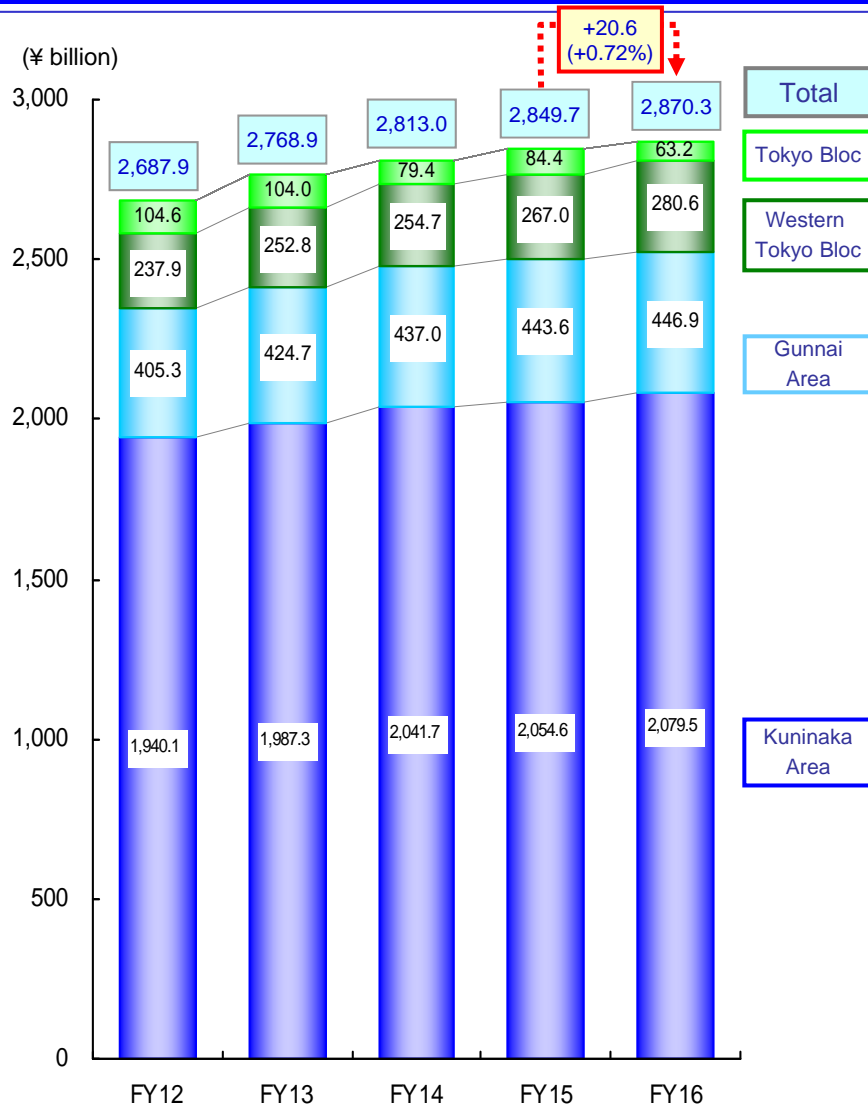
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	Comparison with FY05
Regular employees	1,688	1,612	1,564	1,605	1,659	1,705	1,704	1,708	1,699	1,675	1,677	1,685	(3)
Fixed-term contract workers	496	581	716	760	789	776	736	714	691	672	678	711	215
Branches (including sub-branches)	91	91	91	92	91	91	91	90	90	90	91	*2 91	0
Ordinary type	49	45	42	43	42	42	42	43	41	41	42	42	(7)
Covering wide area; full-range services	21	21	23	22	22	22	21	21	21	21	21	21	0
Covering wide area; designated for special functions *1	21	25	26	27	27	27	28	26	28	28	28	*2 28	7
Corporate Sales Office	0	0	0	0	0	1	2	1	1	1	0	0	0
Loan Squares	3	3	4	5	5	5	5	6	7	7	8	8	5
Off-branch ATMs	138	131	132	134	132	130	129	126	129	130	133	135	(3)

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

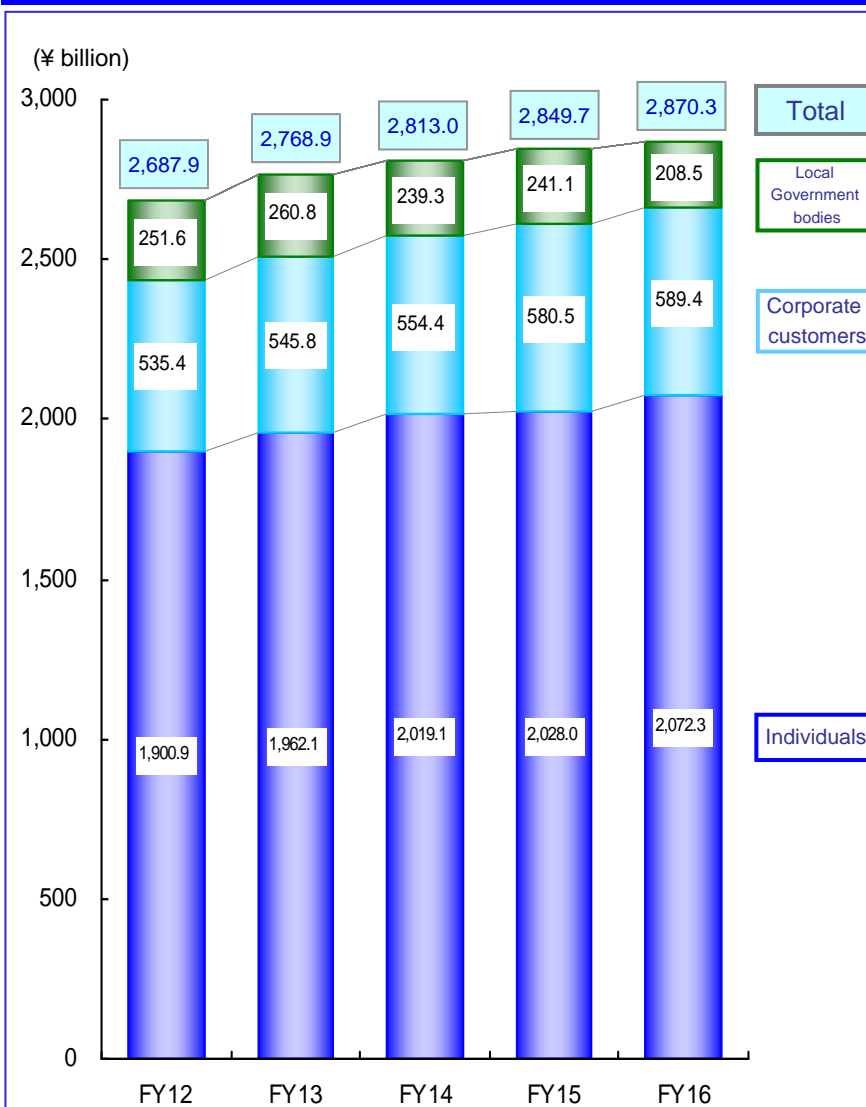
*2. Chuo Ichiba Branch operates at the Kokubo Branch

Deposits

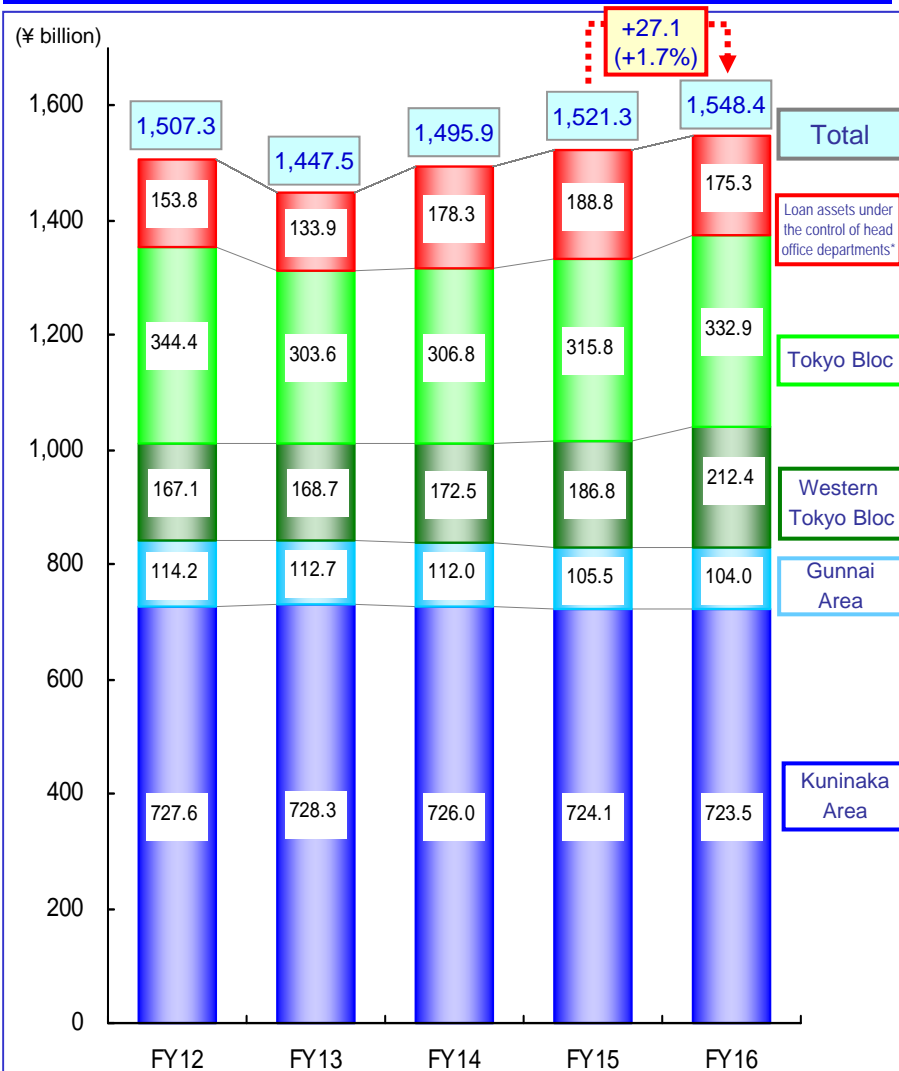
Deposit (term-end)



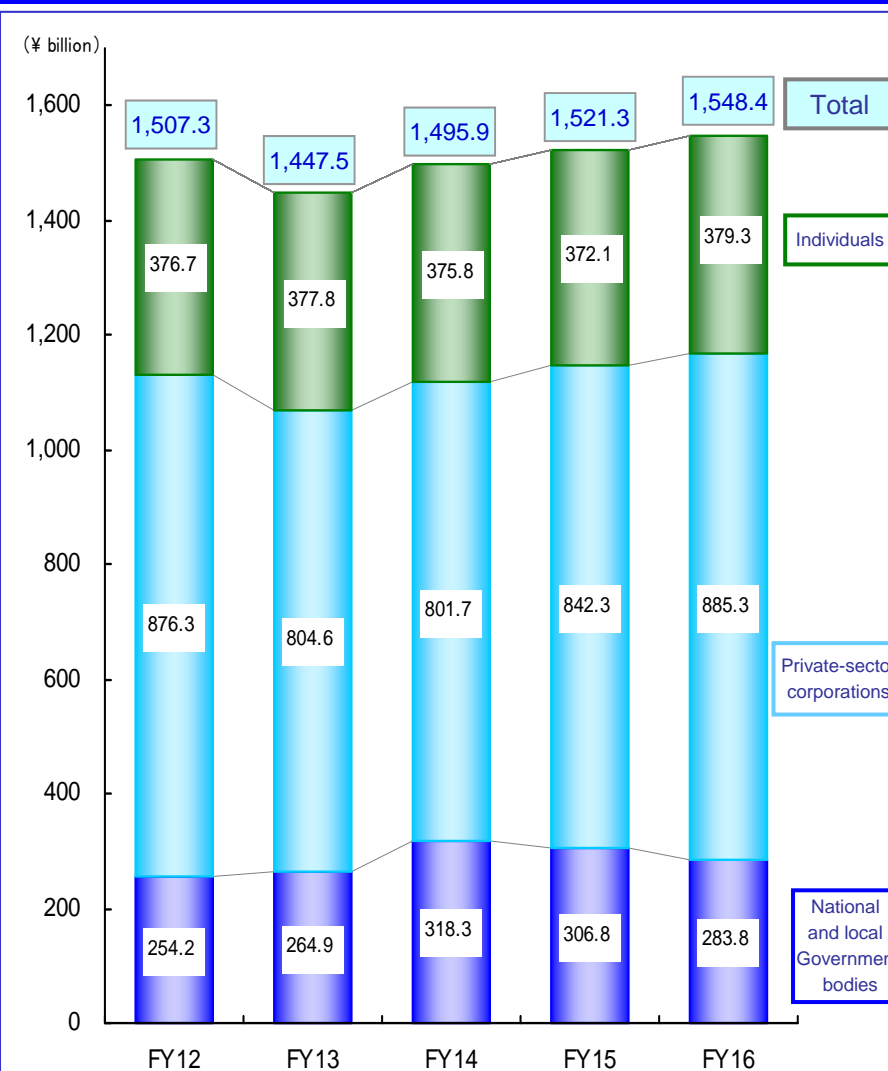
Customer Segment (term-end)



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, 2016		March 31, 2017		YoY change	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
Manufacturing	150.5	9.9%	149.9	9.7%	(0.6)	(0.2)P
Agriculture, forestry	2.2	0.1%	2.3	0.1%	0.1	0.0P
Fishery	0.0	0.0%	0.0	0.0%	0.0	0.0P
Mining, quarrying and gravel digging	4.4	0.3%	4.0	0.3%	(0.3)	(0.0)P
Construction	39.4	2.6%	40.4	2.6%	1.0	0.0P
Utilities, heat provision	26.9	1.8%	30.4	2.0%	3.5	0.2P
Telecommunications	12.1	0.8%	13.1	0.8%	0.9	0.0P
Transportation, postal services	73.3	4.8%	83.1	5.4%	9.8	0.6P
Wholesaling, retailing	114.5	7.5%	117.2	7.6%	2.7	0.1P
Financing, insurance	76.5	5.0%	69.9	4.5%	(6.5)	(0.5)P
Real estate, equipment rental and leasing	214.2	14.1%	238.6	15.4%	24.3	1.3P
Miscellaneous services	127.9	8.4%	135.9	8.8%	7.9	0.4P
National and local governments	306.8	20.2%	283.8	18.3%	(23.0)	(1.9)P
Individuals and others	372.1	24.5%	379.3	24.5%	7.2	0.0P
Total lending	1,521.3	100.0%	1,548.4	100.0%	27.1	—

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	
		FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16	FY15	FY16
National and local government	Balance	306.8	283.8	212.9	201.3	0.2	0.1	3.4	2.6	90.3	79.5
	Ratio to total	20.2%	18.3%	25.7%	24.3%	0.1%	0.0%	1.1%	0.8%	47.8%	45.4%
Large companies	Balance	314.5	320.0	27.2	27.2	7.9	8.9	244.6	252.0	34.6	31.8
	Ratio to total	20.7%	20.7%	3.3%	3.3%	4.3%	4.2%	77.5%	75.7%	18.4%	18.1%
Second-tier companies	Balance	25.8	26.2	11.4	12.5	5.5	5.4	8.8	8.2	0.0	0.0
	Ratio to total	1.7%	1.7%	1.4%	1.5%	3.0%	2.5%	2.8%	2.5%	0.0%	0.0%
SMEs	Balance	501.9	539.0	287.2	292.1	94.0	115.0	56.8	67.8	63.8	63.9
	Ratio to total	33.0%	34.8%	34.6%	35.3%	50.3%	54.1%	18.0%	20.4%	33.8%	36.5%
Other individuals	Balance	372.1	379.3	290.8	294.3	79.1	82.7	2.1	2.1	0.0	0.0
	Ratio to total	24.5%	24.5%	35.0%	35.6%	42.3%	38.9%	0.7%	0.6%	0.0%	0.0%
Total	Balance	1,521.3	1,548.4	829.7	827.6	186.8	212.4	315.8	332.9	188.8	175.3
	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, 2017)

	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)

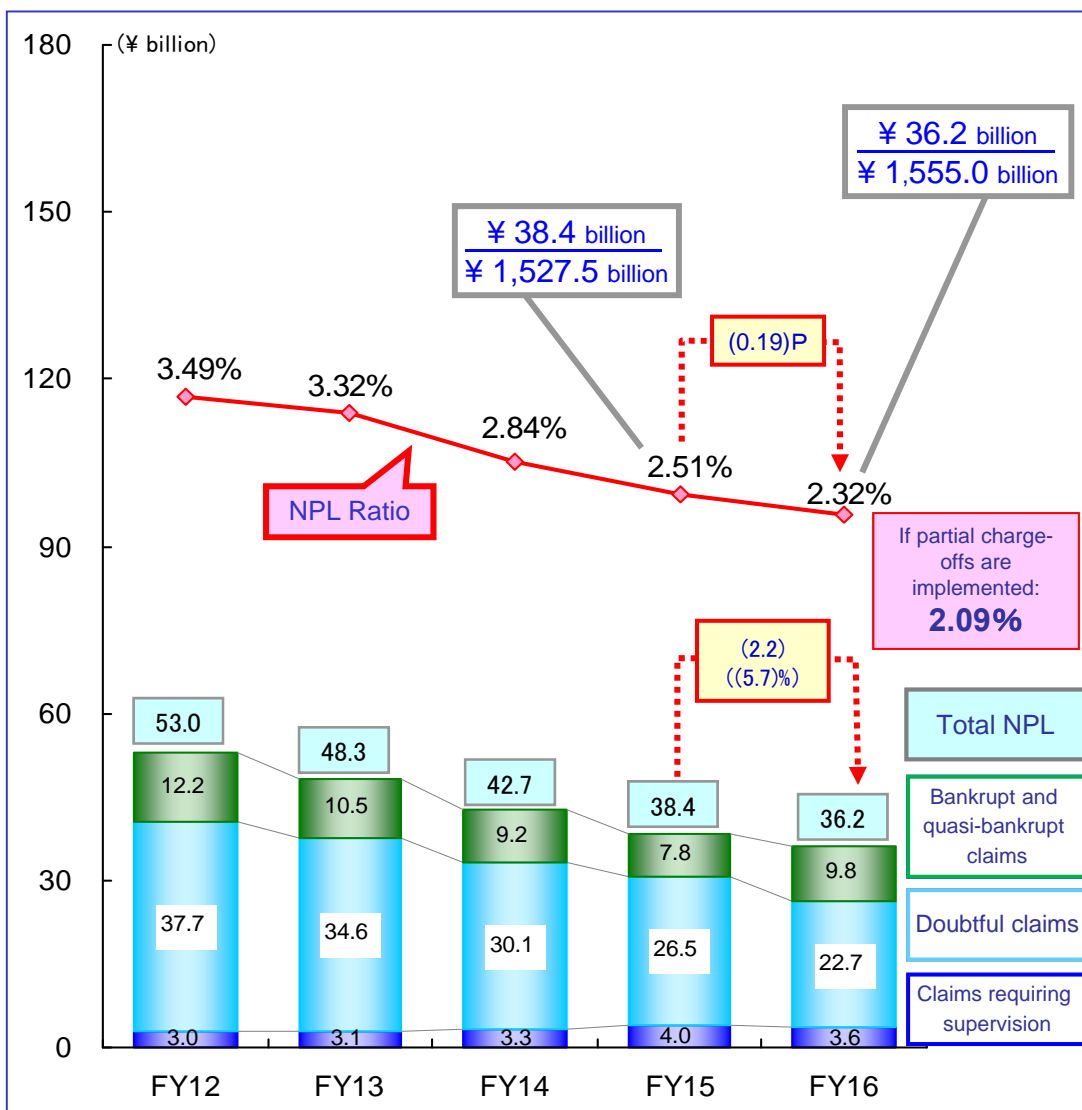
	March 31, 2016	March 31, 2017	Comparison with previous term-end	March 31, 2017 (consolidated basis)
Loans to customers in bankruptcy	2.4	2.2	(0.2)	2.3
Past due loans	31.7	30.1	(1.5)	30.7
Accruing loans contractually past due three months or more	0.0	0.0	0.0	0.0
Restructured loans	4.0	3.5	(0.4)	3.5
Total risk-monitored loans (A)	38.2	36.0	(2.2)	36.7
As a percentage of total loans	(2.51%)	(2.32%)	((0.19)P)	(2.38%)
Portions covered by collateral and guarantees (B) (including specific reserves)	35.0	32.7	(2.3)	33.4
Coverage ratio B / A	91.65%	90.87%	(0.78)P	90.99%
Reserve for possible loan losses (non-specific) (C)	3.3	3.2	(0.1)	5.4
Coverage ratio (B + C) / A (including loan loss reserves)	100.42%	99.87%	(0.55)P	105.78%

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

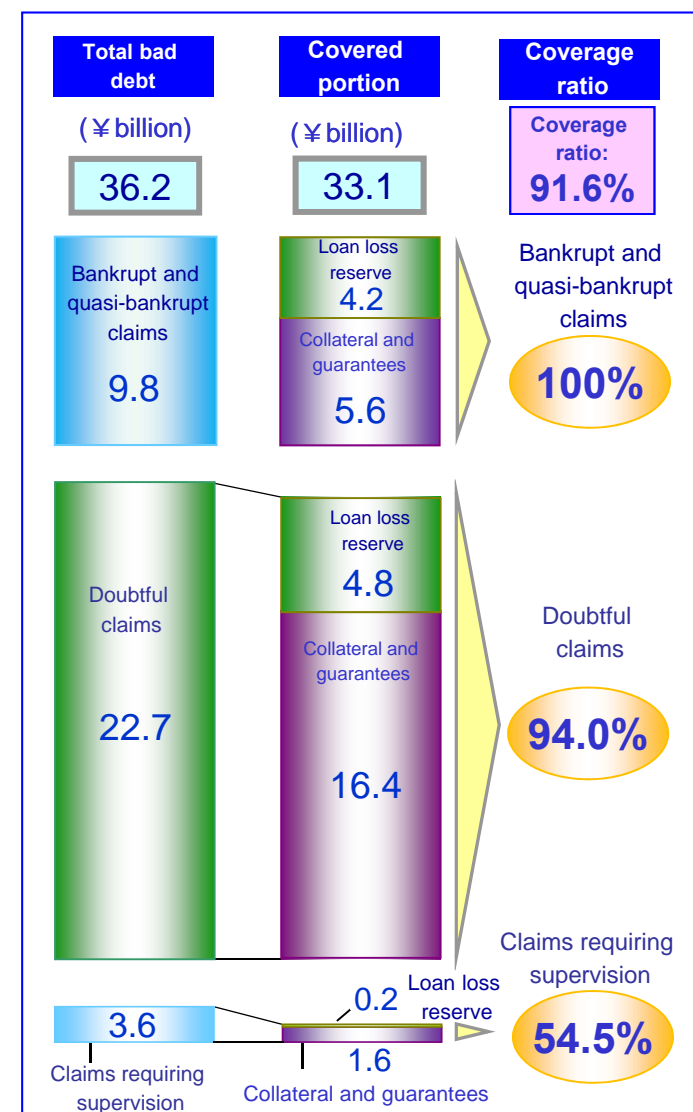
(¥ billion)

	March 31, 2017 Prior to partial charge-offs (1)	March 31, 2017 After partial charge-offs (2)	Decrease (2) - (1)
Loans to customers in bankruptcy	2.2	1.4	(0.7)
Past due loans	30.1	27.2	(2.9)
Accruing loans contractually past due three months or more	0.0	0.0	0.0
Restructured loans	3.5	3.5	0.0
Total risk-monitored loans	36.0	32.3	(3.6)
As a percentage of total loans	(2.32%)	(2.09%)	((0.23)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, 2016 to March 31, 2017			March 31, 2017						
March 31, 2016	Amount of newly occurred	—	Normal borrower	Other requiring caution	Requiring supervision	Potentially bankrupt	Effectively bankrupt	Legally bankrupt	Deterioration to potentially bankrupt or worse
	Normal borrower	1,376.9	1,369.7	7.3	0.3	0.7	0.3	—	0.07%
	Other requiring caution	110.0	10.5	92.7	0.3	1.6	0.1	0.0	1.64%
	Requiring supervision	5.1	0.3	0.2	2.9	0.4	—	—	8.91%
	Potentially bankrupt	26.5	0.0	0.6	0.5	19.6	3.1	0.0	 Deterioration  Improvement
	Effectively bankrupt	5.3	—	0.0	—	0.1	3.9	0.1	
	Legally bankrupt	2.4	—	—	—	0.0	—	2.0	
	Total	1,526.5	1,414.6	102.1	4.1	22.7	7.6	2.2	

* 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; %)

	FY13		FY14		FY15		FY16		YoY increase (decrease)	
	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total	Balance	Ratio to total
JGBs	818.9	60.2	774.2	54.6	592.4	41.4	381.9	32.1	(210.5)	(9.3)
Municipal bonds	210.5	15.5	225.4	15.9	227.3	15.9	162.1	13.6	(65.2)	(2.3)
Government guaranteed bonds	155.5	11.4	116.6	8.2	79.0	5.5	45.1	3.8	(33.9)	(1.7)
FILP Agency bonds	1.1	0.1	1.0	0.1	0.9	0.1	0.8	0.1	(0.1)	0.0
Financial debentures	—	—	—	—	—	—	—	—	—	—
Corporate bonds	46.6	3.4	23.3	1.6	9.2	0.6	6.2	0.5	(3.0)	(0.1)
Equity shares	47.6	3.5	46.3	3.3	39.3	2.8	33.8	2.9	(5.5)	0.1
Strategic holdings	29.4	2.2	28.7	2.1	27.7	1.9	26.6	2.2	(1.1)	0.3
Portfolio investments	18.2	1.3	17.5	1.2	11.5	0.8	7.1	0.6	(4.4)	(0.2)
Foreign securities	19.8	1.5	79.1	5.6	216.8	15.2	205.3	17.3	(11.5)	2.1
Investment trusts, etc.	60.4	4.4	152.2	10.7	265.1	18.5	352.9	29.7	87.8	11.2
Total	1,360.7	100.0	1,418.4	100.0	1,430.4	100.0	1,188.4	100.0	(242.0)	

<Yields and Valuation gains (losses)>

Yields

(%)

	FY13	FY14	FY15	FY16	YoY increase (decrease)
Yen-denominated bonds	0.89	0.82	0.82	0.86	0.04
Equity shares	2.44	2.91	3.29	3.43	0.14
Investment trusts, etc.	2.72	3.35	2.66	1.68	(0.98)
Total of yen-denominated bonds	0.99	1.08	1.19	1.15	(0.04)
Foreign-currency-denominated bonds	1.94	1.92	1.72	1.95	0.23
Total	1.00	1.11	1.24	1.29	0.05

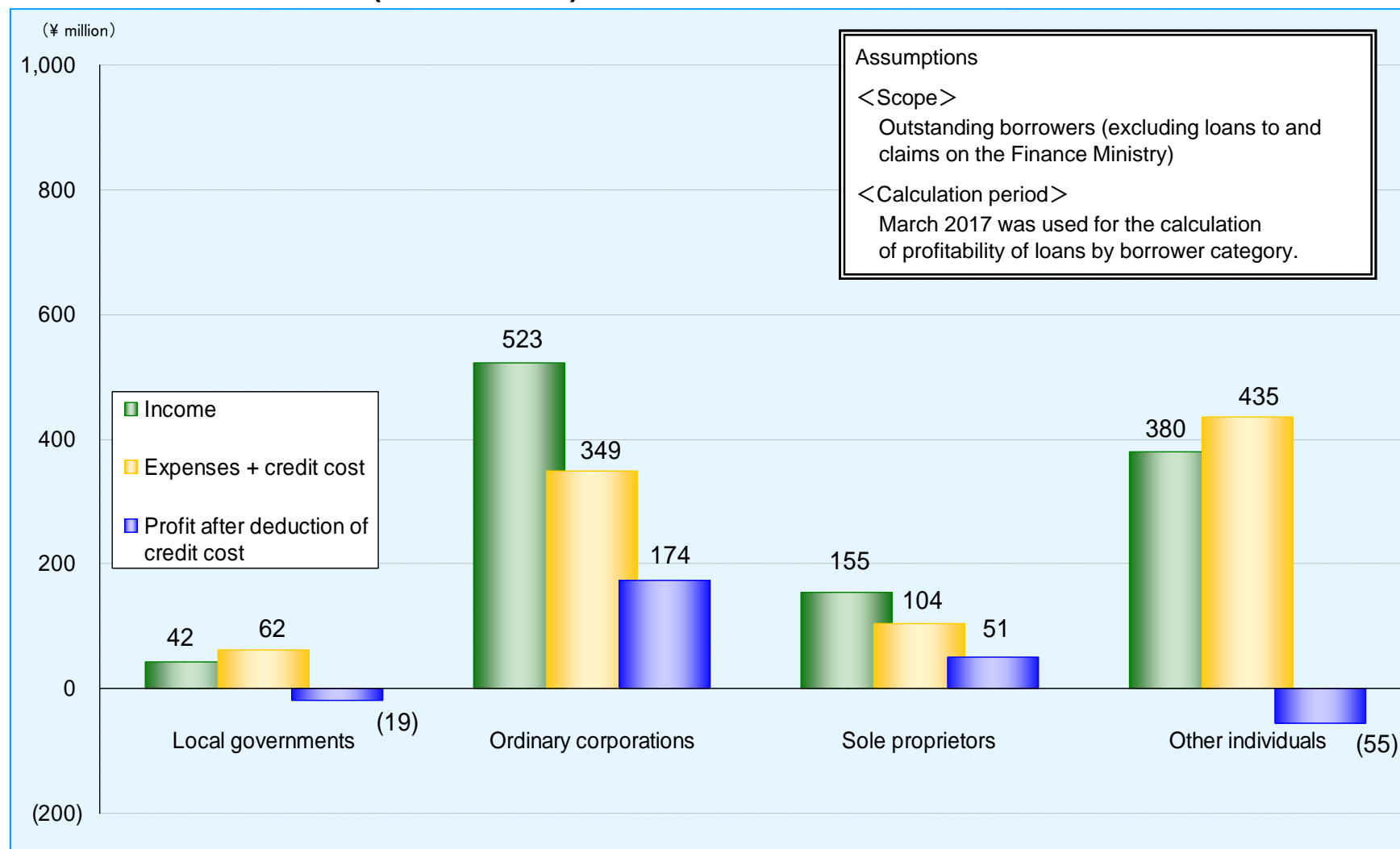
Valuation gains (losses)

(¥ million)

	FY13	FY14	FY15	FY16	YoY increase (decrease)
On bond relationship profit and loss	284	10	543	4,324	3,781
On bond gain on sale	1,037	95	1,474	5,149	3,675
On bond sale loss	746	85	930	825	(105)
On bond amortization	7	—	—	—	—
Stock and other related income	740	1,032	5,219	4,541	(678)
Gains on sales of stocks and other securities	876	1,188	5,545	4,644	(901)
Shares loss on sale	56	79	321	100	(221)
Shares amortization	80	76	3	1	(2)
Total	1,024	1,042	5,763	8,866	3,103

Earnings Structure by Borrower Segment

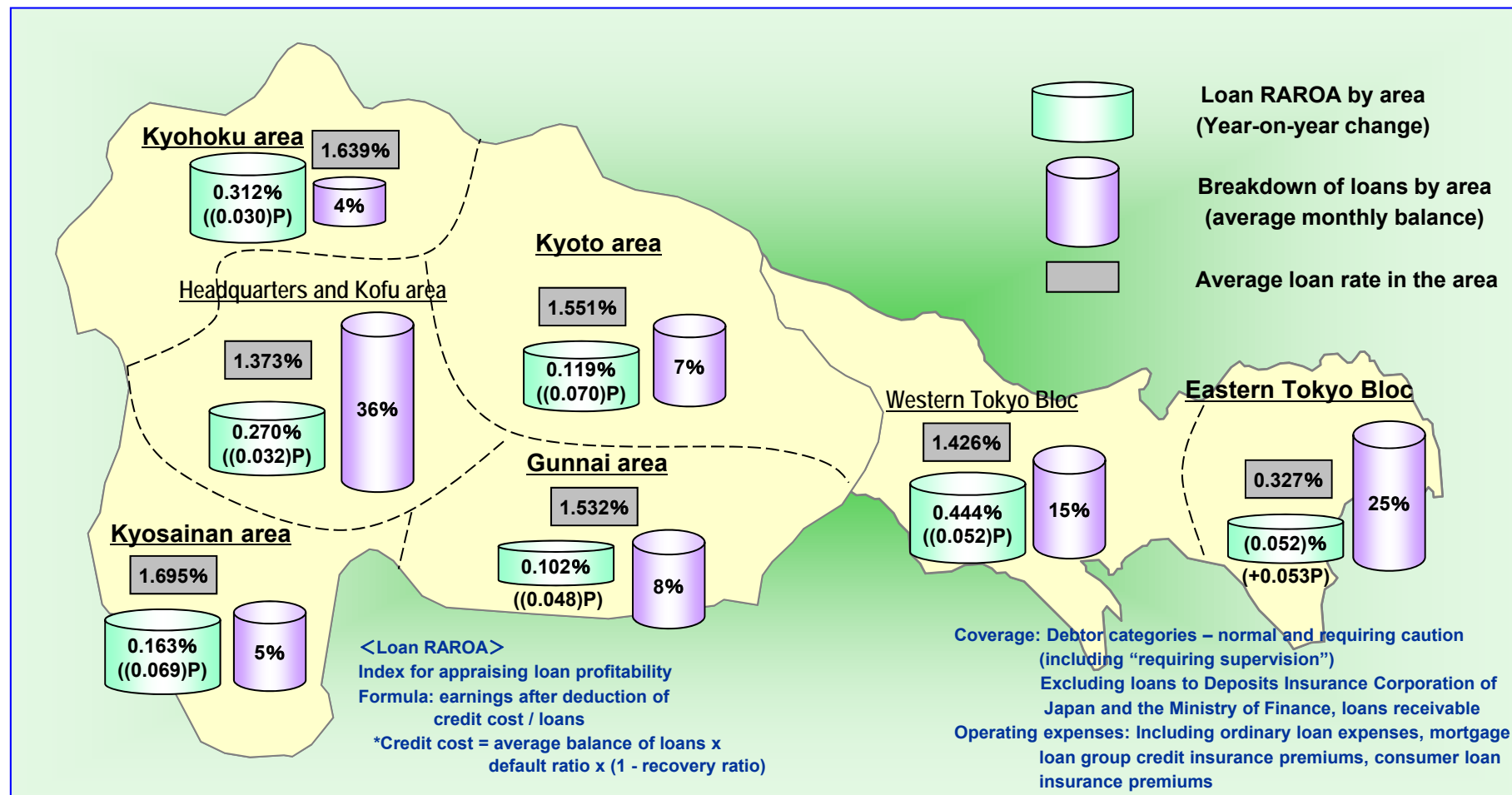
<One-Month Results (March 2017)>



Loan RAROA by Area

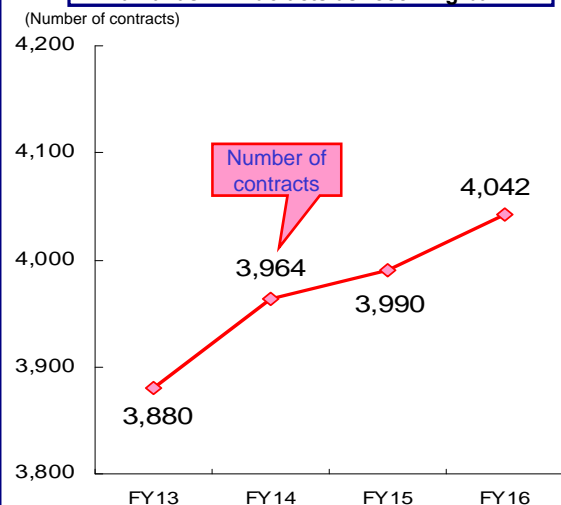
Loan RAROA for all areas: 0.190% ((0.020) percentage points YoY)

<One-Month Results
(March 2017)>

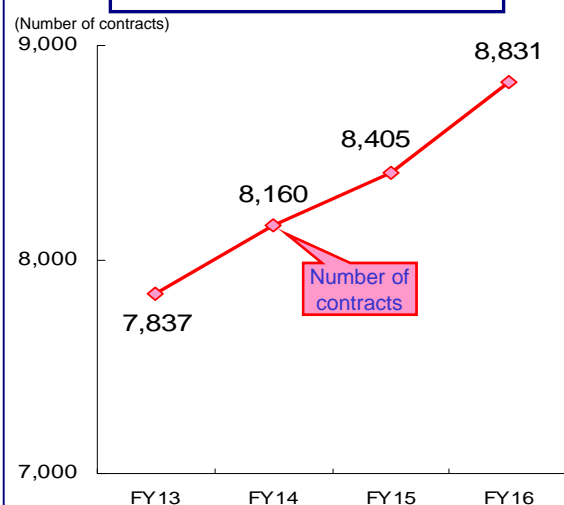


Corporate Promotion Item Results

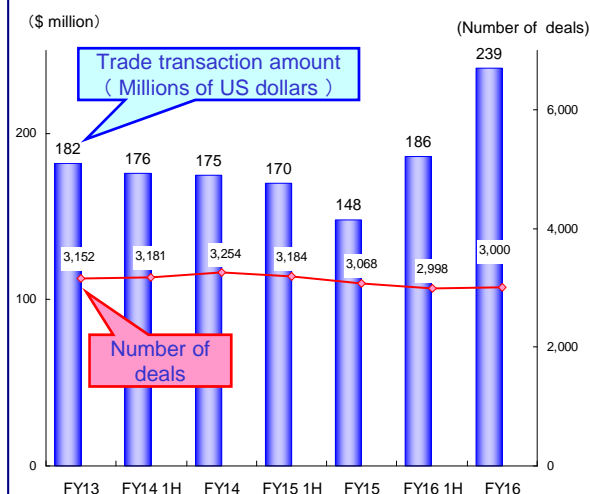
Number of salary transfer customers where Yamanashi Chuo acts as receiving bank



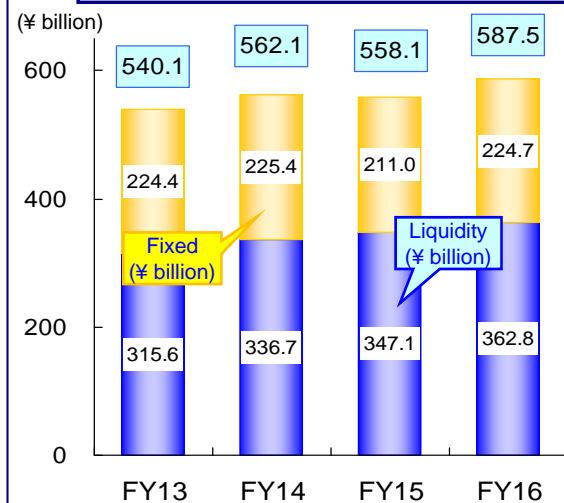
Number of Biz Direct contracts



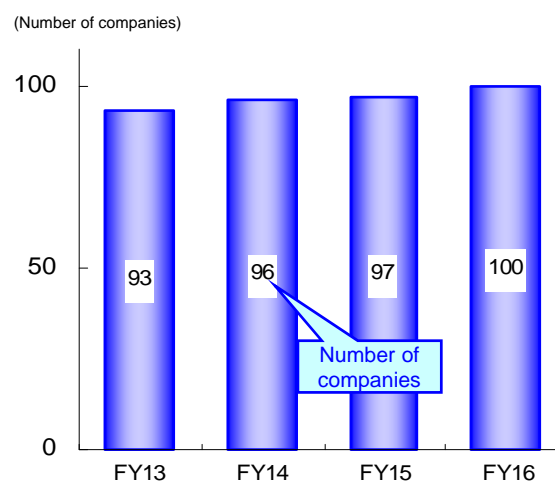
Changes in trade handling sales and number (export + import transactions)



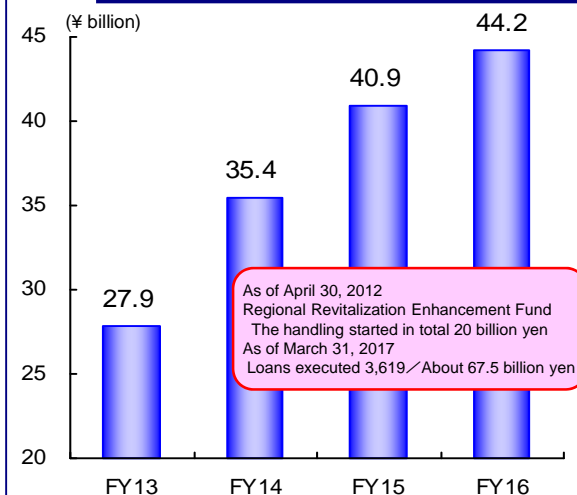
Balance of Corporate Deposit (average)



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

10 bank employees assigned every fiscal year to companies in Yamanashi Prefecture over five-year period from fiscal 2012 to fiscal 2016



In April 2017, 10 of the 50 assigned bank employees (Field-Specific Management Support Staff) were assigned to the Corporate Solutions Office in the Corporate Sales Promotion Division after gaining specialized and practical knowledge through the experience of being assigned to external companies, mainly in local industries, in order to enhance their capabilities for conducting business feasibility studies.

Fiscal 2014
Gross Prefectural Product
classified by Economic
Activities
(All sectors=100)
Source: Annual Report on
Prefectural Accounts

Subsidiaries of the Bank

(¥ million; as of March 31, 2017)

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 managemenet: economic research
Operating revenue	410	4,639	859	275
Operating income (loss)	298	396	72	57
Recurring profit (loss)	450	414	84	58
Net income (loss)	388	271	54	40
Total assets	7,659	10,398	2,958	1,081
Net assets	5,205	2,539	1,170	861
Borrowings	—	7,448	993	—
Borrowed from the Bank	(—)	(6,898)	(993)	(—)

Major Economic Indicators in Yamanashi Prefecture

General				Business				Household			
	As of		Pref. rank		As of		Pref. rank		As of		Pref. rank
Total area	2016	4,465km ²	32	Private businesses	2014	44,056	41	Real household income	2016	¥563,436	13
Habitable area	2015	21.4%	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	2015	27.1%	8	Value of per capita manufacturing shipments	2014	¥30,954,000	26	Household spending	2016	¥298,710	35
Population	2016	830,000	41	Annual sales of goods	2014	¥1,612.0bn	42	(average per month per salaried household)			
Number of households	2016	354,000	41	Annual per capita sales of goods	2014	¥29,818,000	37	Average consumption propensity (worker's household)	2016	66.6%	41
Children under 15 years	2016	12.2%	32	Total agricultural output	2015	¥81.5bn	34	Number of personal vehicles (per 1,000 people)	2016	471.7	7
Working age population	2016	58.7%	22	Ratio of agricultural income to output	2015	46.3%	2	Number of public libraries (per 10,000 people)	2016	0.61	1
Persons over 65 years	2016	29.2%	26	Housing starts	2016	4,866	40	Number of convenience stores (per 100,000 people)	2016	53.9	2
Population growth	2016	(0.63)%	30	Floor area per housing start	2016	100.7m ²	5	Average price of residential land (per m ² , reference price)	2016	¥25,400	33
Prefectural GDP (real-term)	FY14	¥3,480.9bn	41	Value of public works contracts	2016	¥137.6bn	37	Home ownership	2013	70.9%	17
Economic growth (real-term)	FY14	0.5%	16	Total site area of construction starts	2016	782,847m ²	42	Cost of education (Worker's household expenditure)	2016	3.9%	44
Per capita income	FY14	¥2,797,000	26	Jobs-to-applicants ratio	2016	1.17 times	32	Proportion of people in higher education	2016	56.4%	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.