

A photograph of Mount Fuji, Japan's highest mountain, captured during the 'golden hour' of sunset. The mountain's snow-capped peak is illuminated with a warm, golden light, contrasting with the deep blue and purple hues of the twilight sky. The mountain's reflection is visible in the calm water in the foreground.

The Yamanashi Chuo Bank, Ltd. The 31st Analyst Meeting

- Fiscal 2016 First Half Business Results**
- Forecasts for the Current Term (FY2016)**
- Medium-Term Management Plan
“S.T.E.P. up 2019” Progress Report**

December 7, 2016 (Wed)

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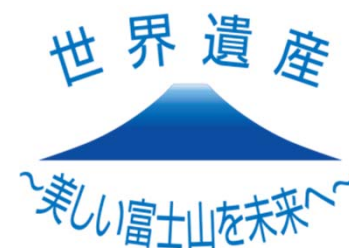
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■ Profile (as of September 30, 2016)

- Predecessor Founded: April 1877
- Established: December 1941
- Head Office: 20-8, Marunouchi 1-Chome, Kofu, Yamanashi
- Common Stock: ¥15,400 million
- Employees: 1,724
- 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 First Half Business Results and Forecasts for the Current Term (FY2016)

Fiscal 2016 First Half Business Results (Summary) 山梨中央銀行

(¥ billion, %)		Previous 1st half	Reporting 1st half	YoY change [%]	Interest income (analysis of difference factors)	(¥ billion, %)	Reporting 1st half (FY16)	YoY change [%]	Balance	Yield
Operating income		26.9	26.2	(0.7) ((2.6))		Fund Operations	17.4	(0.3) ((2.0))	0.1	(0.5)
Gross banking profit		19.1	21.4	2.3 ((12.1))		Interest on loans	8.4	(0.6) ((7.4))	0.2	(0.9)
	Interest income	16.9	16.5	(0.3) ((2.3))		Interest on securities	8.8	0.3 ((3.6))	(0.7)	1.0
	Fees and commissions	2.2	2.0	(0.2) ((12.0))		Call loan, etc.	0.1	0.0 ((0.0))	0.1	(0.1)
	Other operating income	(0.0)	(0.8)	(0.7) ((1,023.0))		Fund procurement	0.9	0.0 ((2.5))	0.0	0.0
Gross banking profit on core operations		19.1	17.6	(1.4) ((7.6))		Interest on deposits	0.5	(0.2) ((27.2))	0.0	(0.2)
JGBs and other bond transactions		0.0	3.8	3.7 (13,542.8)		Call money, etc.	0.3	0.2 (218.3)	0.0	0.1
Expenses		14.0	13.7	(0.3) ((2.3))		Interest income	16.5	(0.3) ((2.3))	—	—
General provision to loan loss reserve		—	—	— (—)						
Net business profit		5.0	7.7	2.6 (52.5)						
Net business profit on core operations		5.0	3.8	(1.1) ((22.5))						
Non-operating losses		4.4	(0.5)	(5.0) ((111.6))						
	Gains on reversal of provision to loan loss reserve	0.3	0.0	(0.3) ((94.8))						
	Reversal of loan loss reserve	0.0	0.0	(0.0) ((8.3))						
	Equity share and similar transactions	4.0	0.9	(3.0) ((75.4))						
Ordinary profits		9.5	7.1	(2.3) ((24.5))						
Extraordinary income (losses)		(0.1)	(0.0)	0.1 (78.6)						
Income before income taxes		9.3	7.1	(2.1) ((23.4))						
Income taxes - basic		2.5	2.0	(0.4) ((19.5))						
Income taxes - deferred		0.3	0.0	(0.2) ((80.2))						
Net income		6.5	5.0	(1.4) ((22.1))						

Fees and commissions	(¥ billion)		Reporting 1st half (FY16)	YoY change
	Revenues		3.5	0.0
	Investment trusts	0.3	(0.1)	
	JGBs held by individuals	0.0	(0.0)	
	Life insurance	0.4	0.1	
	Others	2.7	0.1	
	Cost		1.5	0.3
	Fees and commissions		2.0	(0.2)

Expenses	(¥ billion)		Reporting 1st half (FY16)	YoY change
	Personnel		7.8	0.1
	Premises and equipment		5.0	(0.4)
	Taxes		0.8	(0.0)
	Expenses		13.7	(0.3)

Earnings Forecasts for the Current Term (FY 2016)



(¥ billion, %)	FY15	FY16 (forecast)	YoY change [%]
Operating income	50.9	46.4	(4.5) ((8.8))
Gross banking profit	38.6	38.3	(0.3) ((0.8))
Interest income	34.2	31.8	(2.3) ((6.9))
Fees and commissions	4.5	4.6	0.0 (1.1)
Other operating income	(0.6)	(1.9)	(1.2) ((192.9))
Gross banking profit on core operations	38.1	34.5	(3.6) ((9.4))
JGBs and other bond transactions	0.5	3.8	3.2 (603.4)
Expenses	27.9	27.1	(0.7) ((2.7))
General provision to loan loss reserve	1.6	(0.2)	(1.8) ((112.9))
Net business profit	9.1	11.4	2.2 (24.8)
Net business profit on core operations	10.2	7.4	(2.8) ((27.5))
Non-operating losses	3.7	(1.6)	(5.3) ((143.0))
NPL disposal amount	0.0	0.6	0.5 (634.8)
Equity share and similar transactions	5.2	0.9	(4.2) ((81.1))
Ordinary profits	12.8	9.8	(3.0) ((23.8))
Net income	8.7	6.9	(1.8) ((21.0))

Dividends		FY14	FY15	FY16 (plan)
	Dividend per share (annual)	¥7.00	¥10.00	¥9.00

	End of FY15	End of FY16 (estimate)
Nikkei Stock Average	¥16,758	¥16,449

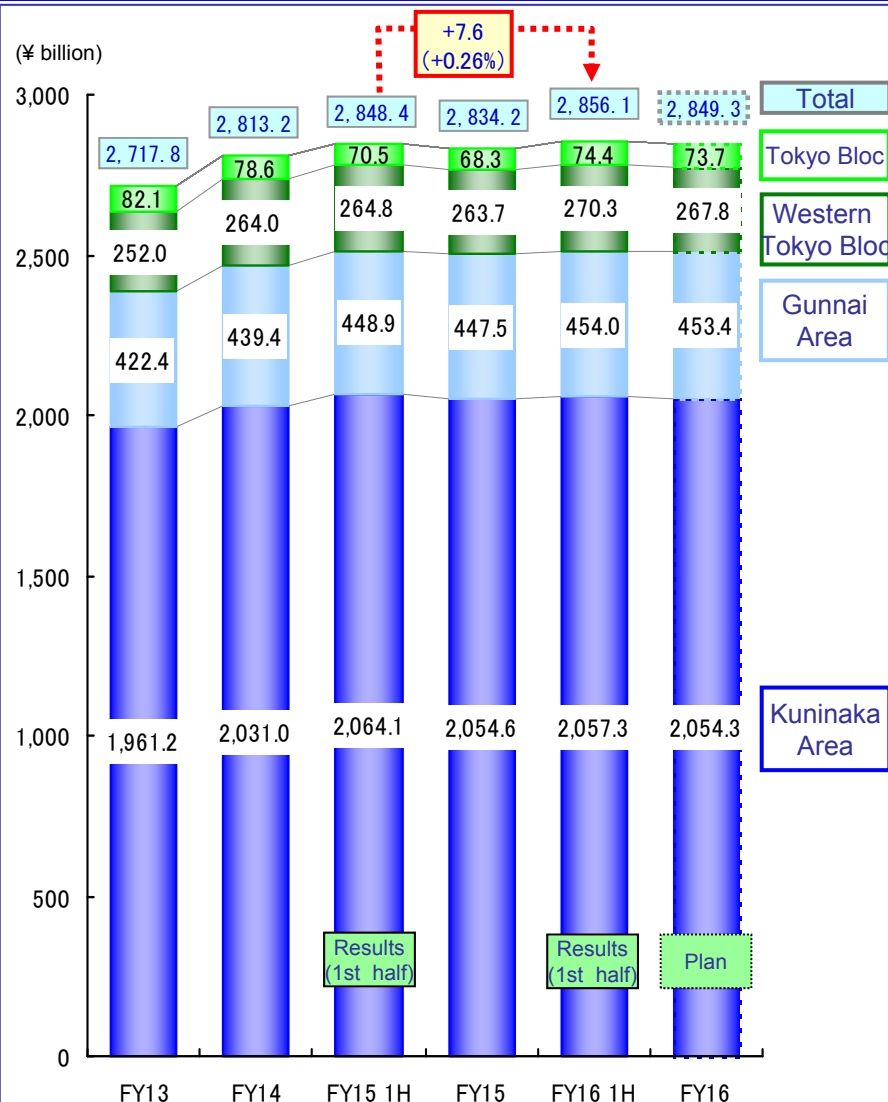
(¥ billion, %)	FY16 (forecast)	YoY change [%]	Balance	Yield
Fund operations	33.5	(2.5) ((7.1))	0.3	(2.9)
Interest on loans	16.7	(1.3) ((7.4))	0.3	(1.6)
Interest on securities	16.5	(1.1) ((6.6))	(1.6)	0.5
Call loan, etc.	0.2	(0.0) ((14.5))	0.2	(0.2)
Fund procurement	1.6	(0.1) ((9.2))	0.0	(0.1)
Interest on deposits	0.9	(0.5) ((36.2))	0.0	(0.5)
Call money, etc.	0.7	0.3 (118.4)	0.1	0.2
Interest income	31.8	(2.3) ((6.9))	—	—

(¥ billion)	FY16 (forecast)	YoY change
Revenues	7.3	0.3
Investment trusts	0.9	0.0
JGBs for individual investors	0.0	0.0
Life insurance	0.8	0.1
Others	5.6	0.2
Cost	2.7	0.3
Fees and commissions	4.6	0.0

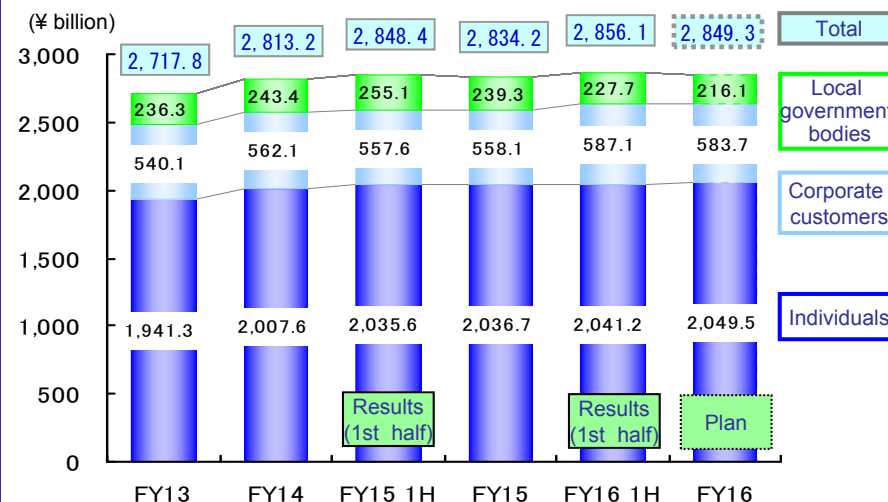
(¥ billion)	FY16 (forecast)	YoY change
Personnel	15.5	0.3
Premises and equipment	10.2	(1.0)
Taxes	1.3	(0.0)
Expenses	27.1	(0.7)

Deposits

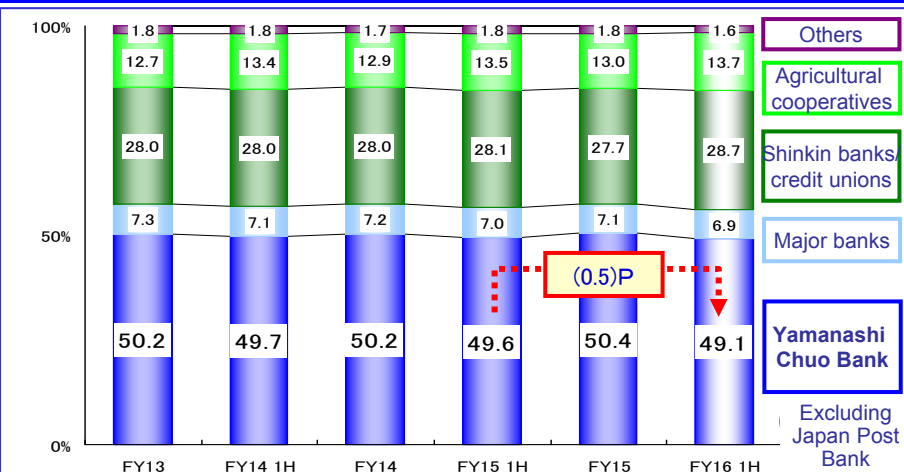
Deposit (average balance)



Balance by Customer Segment (average balance)

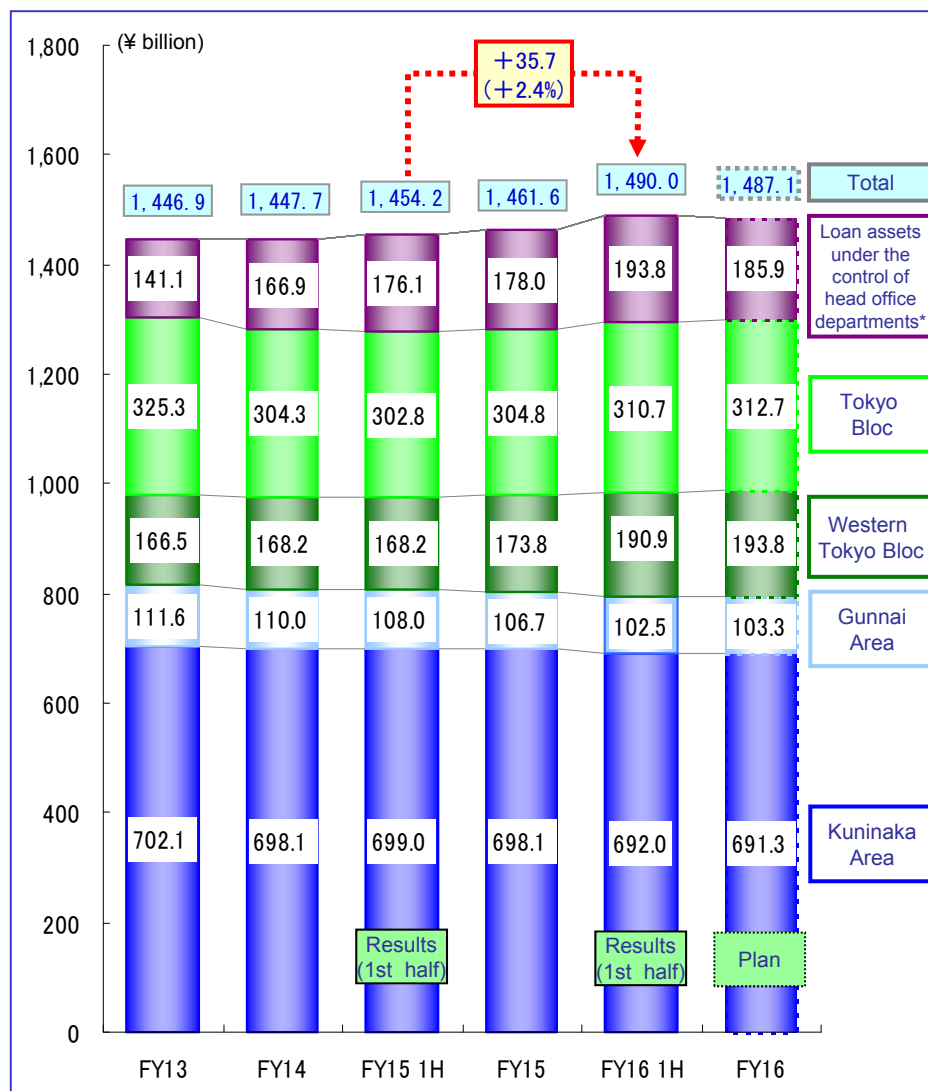


Deposit Shares in Yamanashi Prefecture (term-end)

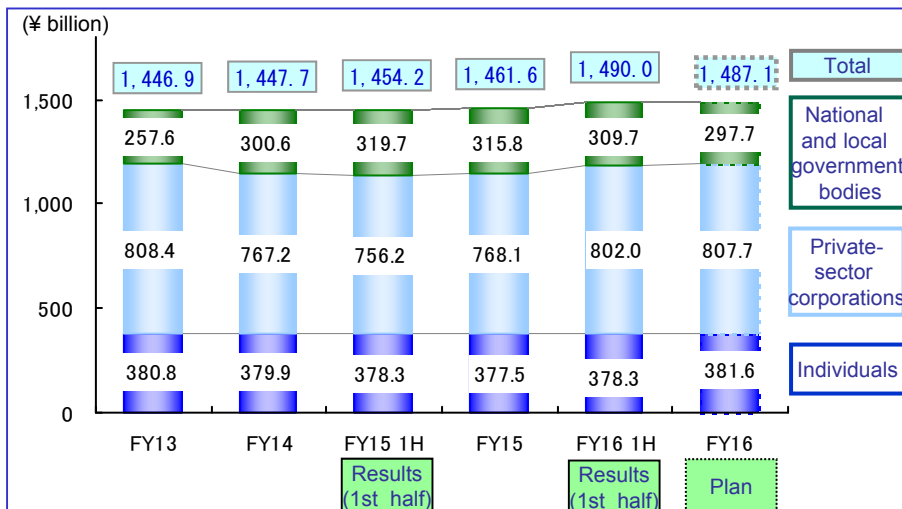


Loans (1)

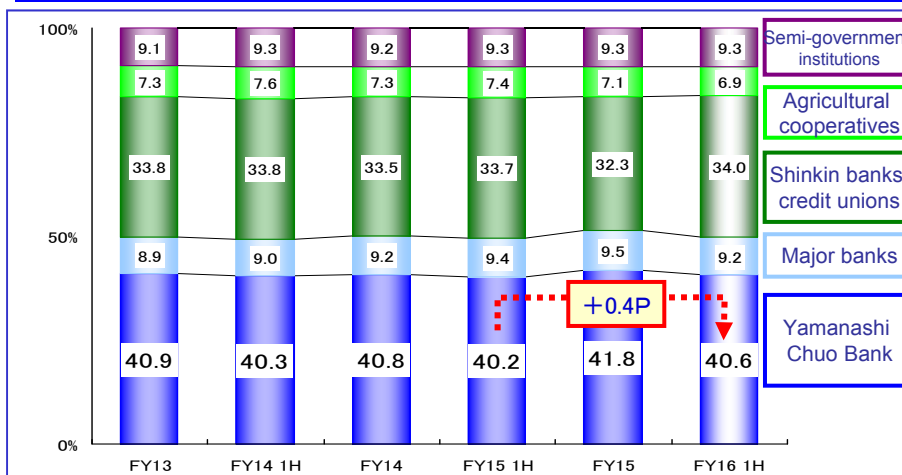
Loan (average balance)



Balance by Customer Segment (average balance)

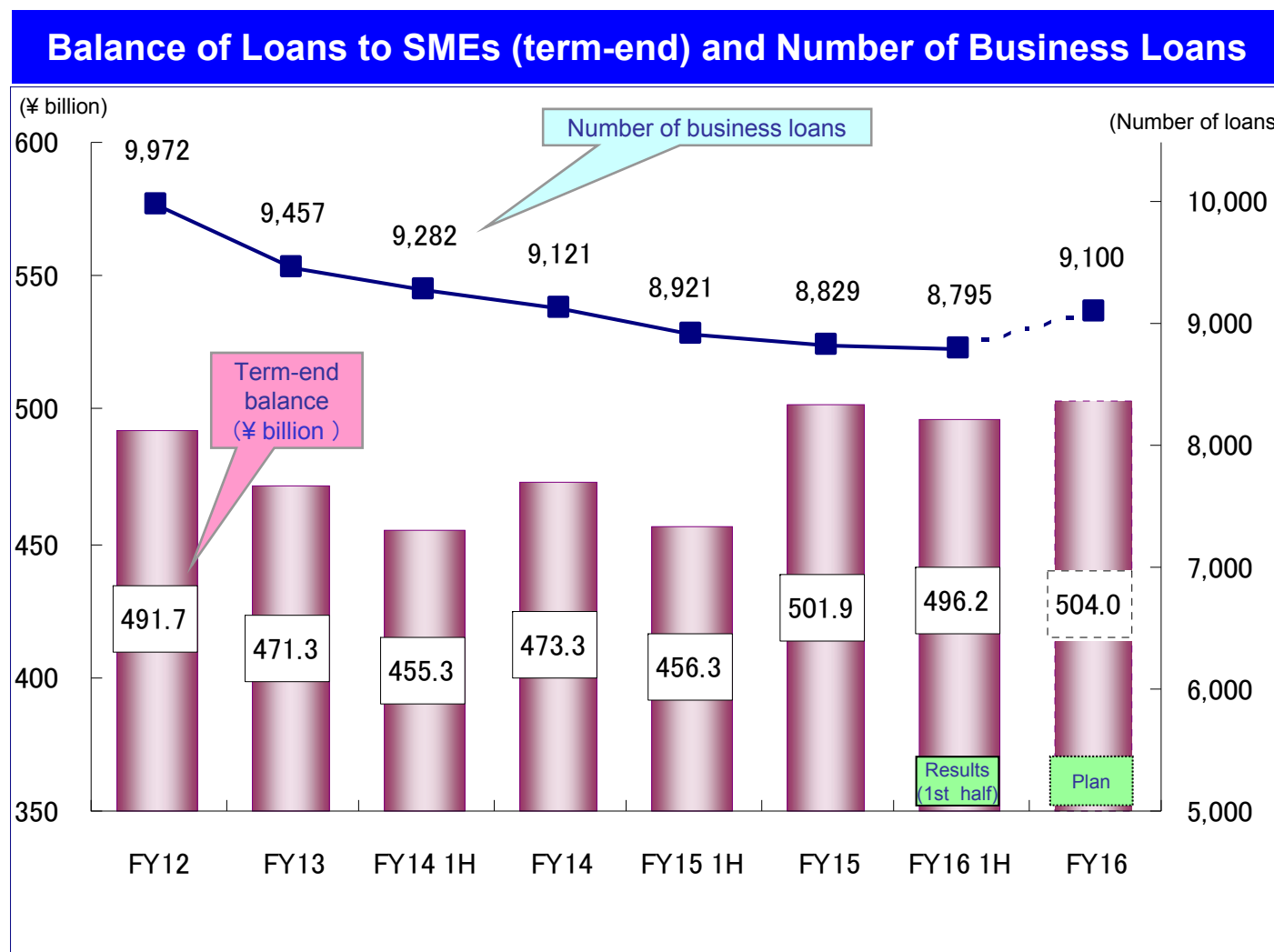


Loan Shares in Yamanashi Prefecture (term-end)



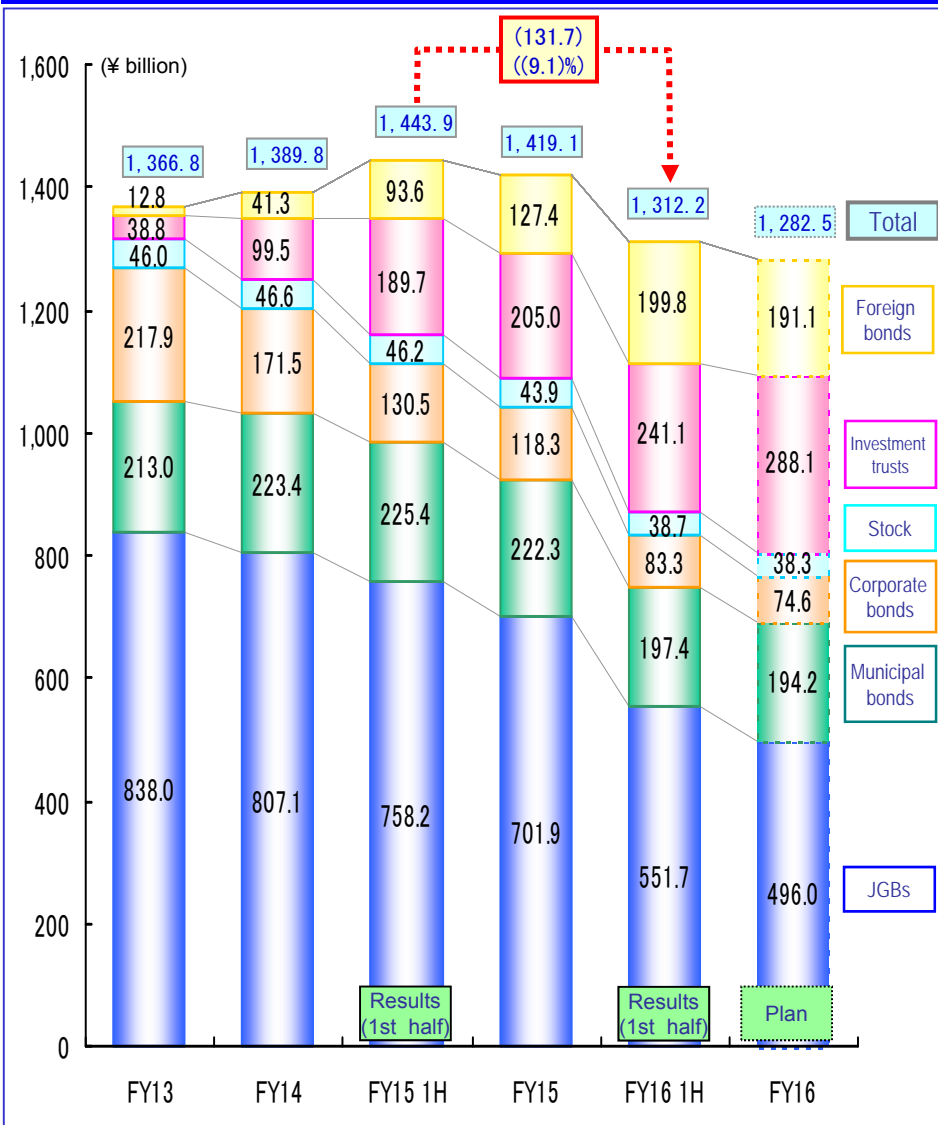
*Note: Loan assets under the control of head office departments refers to loans to the Ministry of Finance, loans made under loan participation agreements and financial receivables transferred from other industries.

Loans (2)

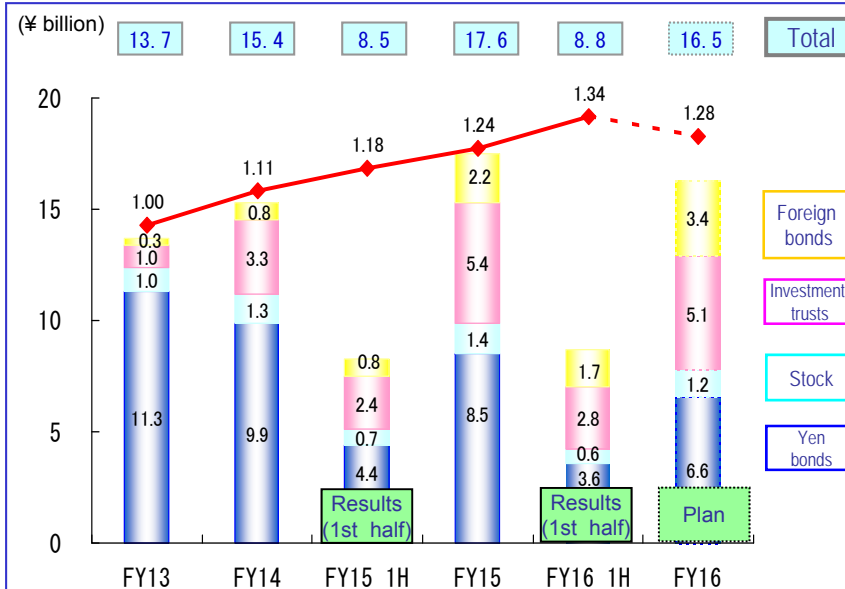


Securities (1)

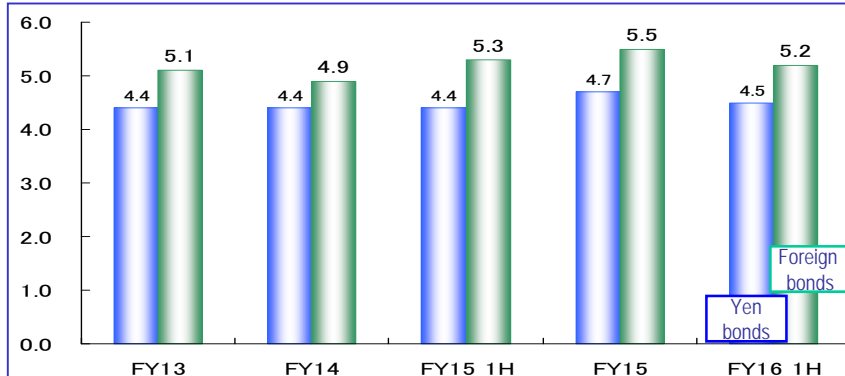
Securities (average balance)



Changes in interest dividends or securities yield

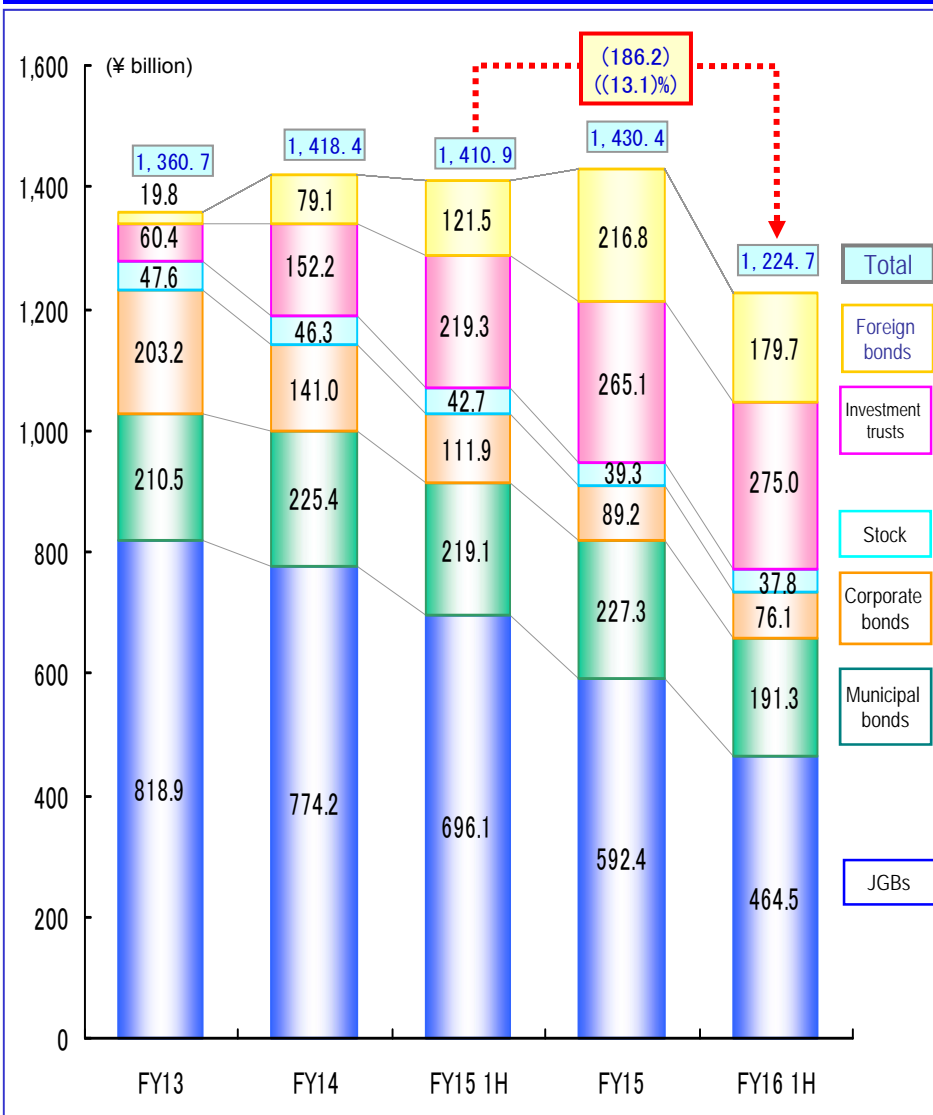


Changes in bond modified duration

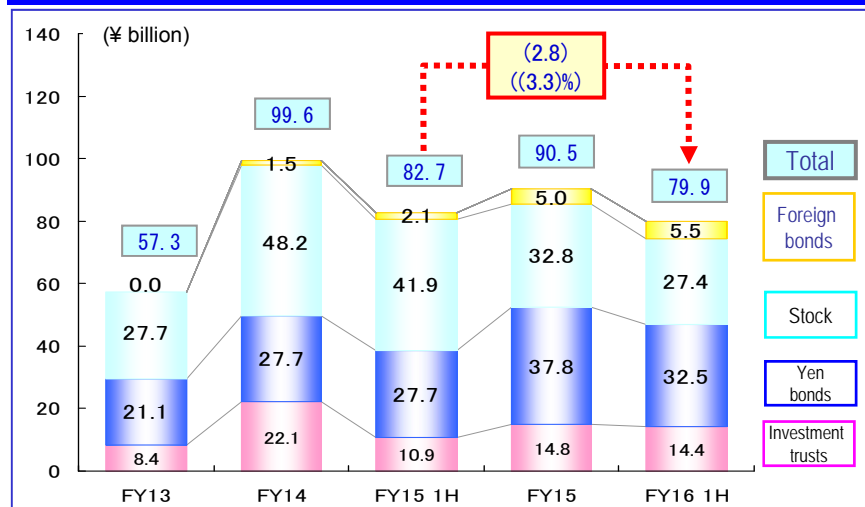


Securities (2)

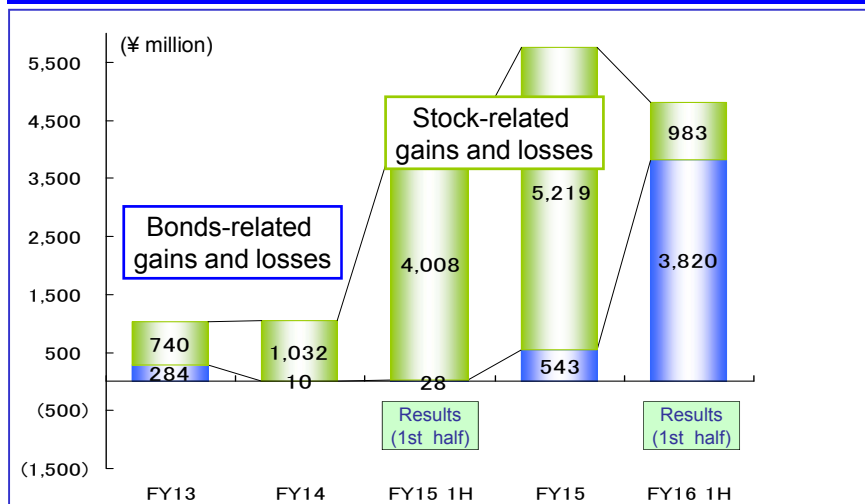
Securities (subject to mark-to-market valuation)



Changes in interest dividend-yield securities

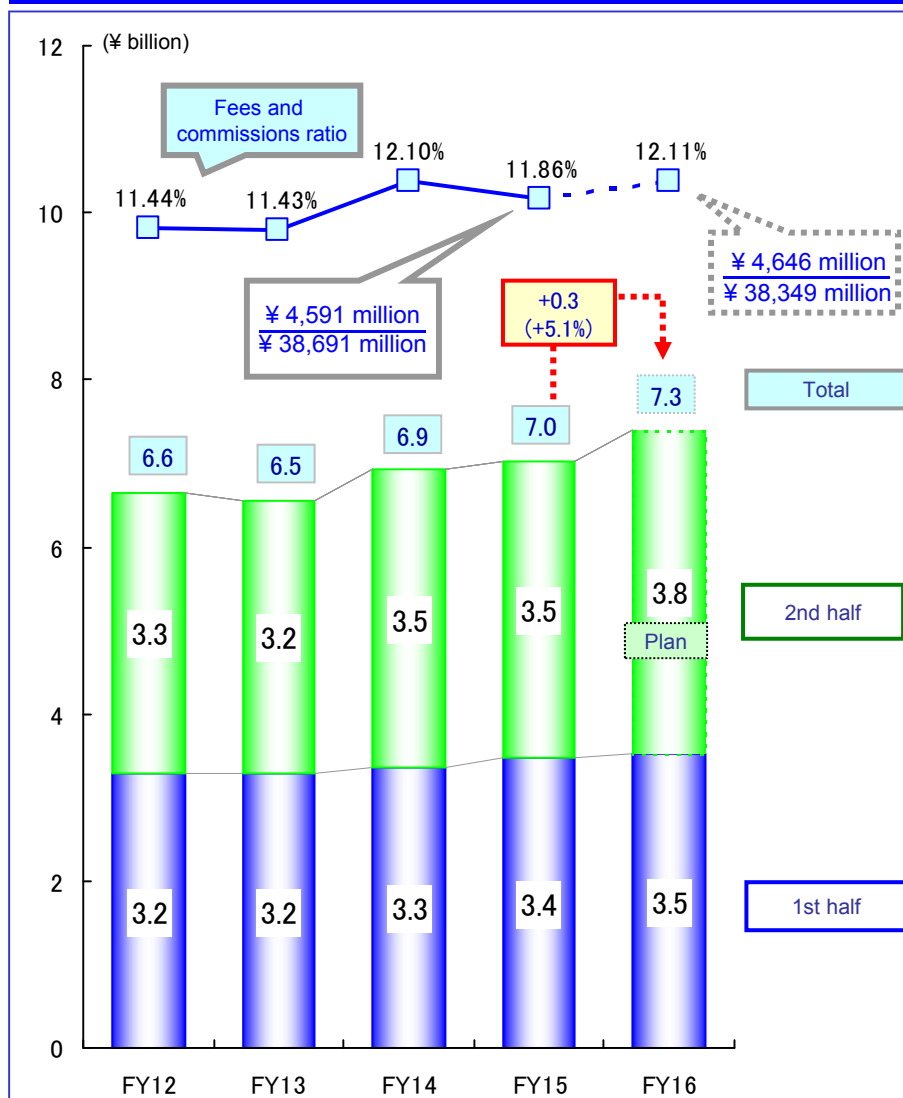


Changes in Securities gains and losses

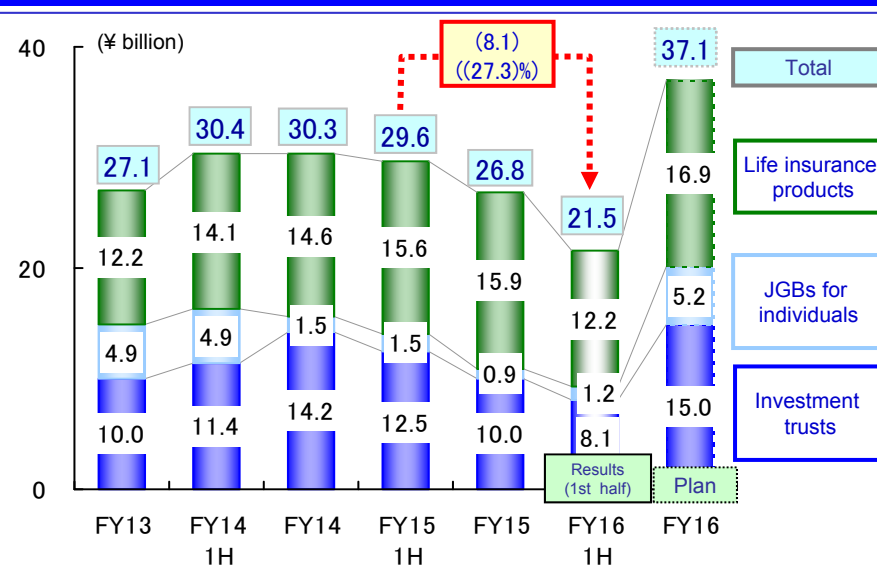


Fees and Commissions

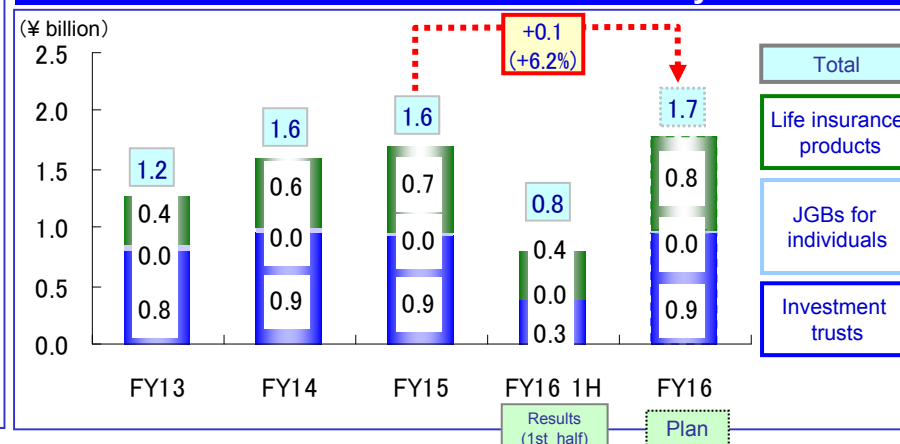
Fees and Commissions / Fees and Commissions Ratio



Sales for Investment Trusts, Life Insurance Products and JGBs

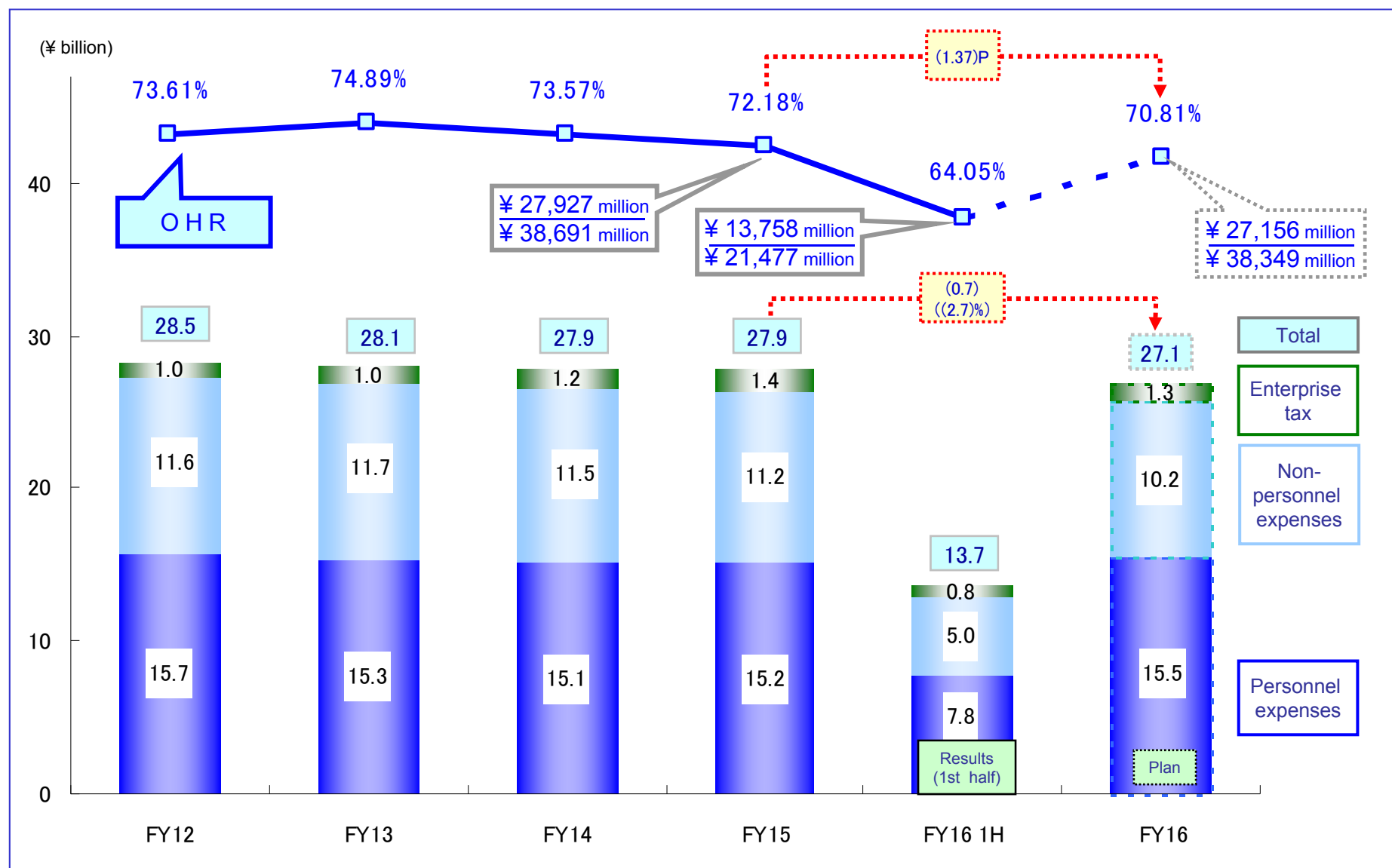


Commissions for Sales of Investment Trusts, Life Insurance Products and JGBs Held by Individuals



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

Operating Expenses and OHR

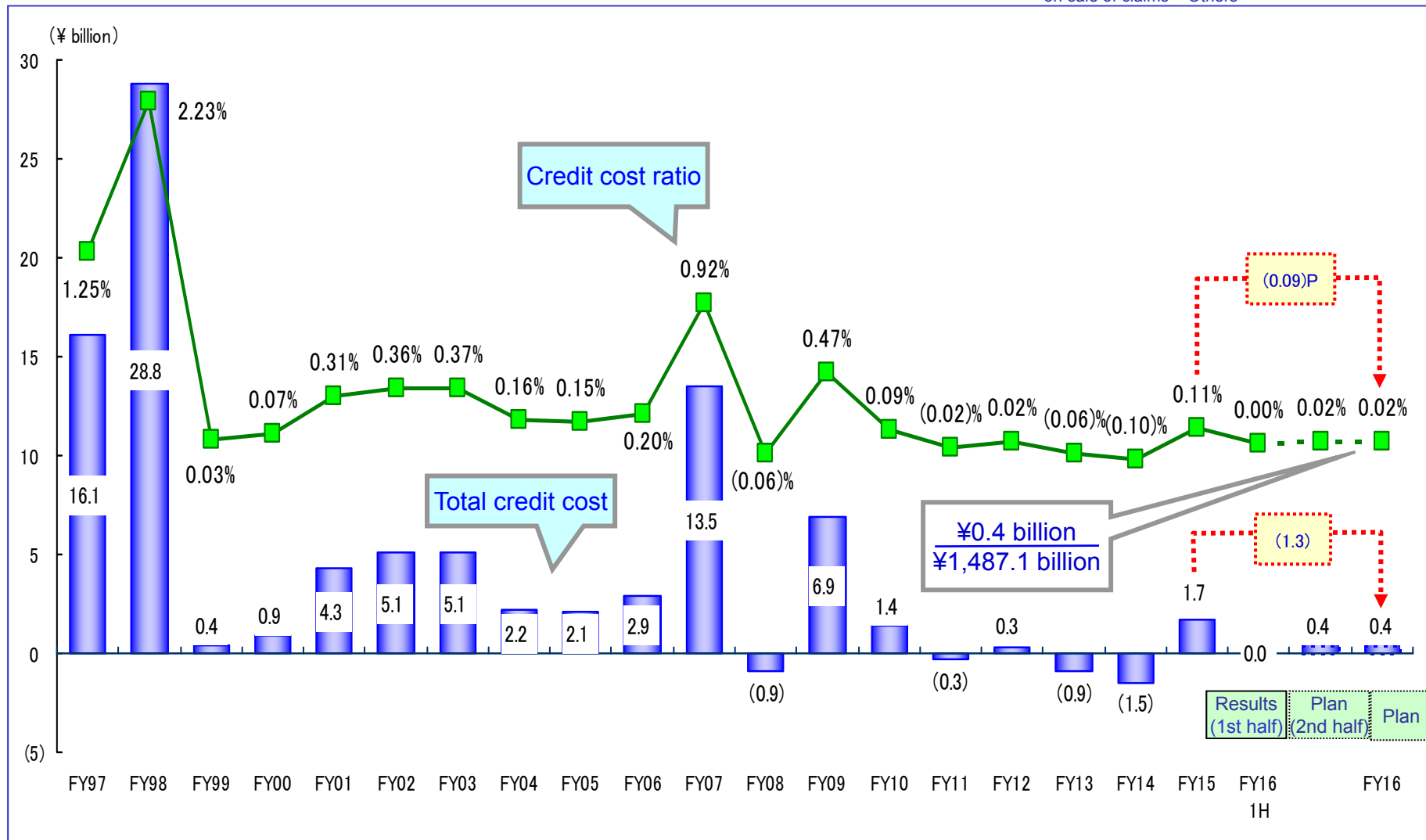


*OHR=Operating expenses / Gross banking profit on core operations

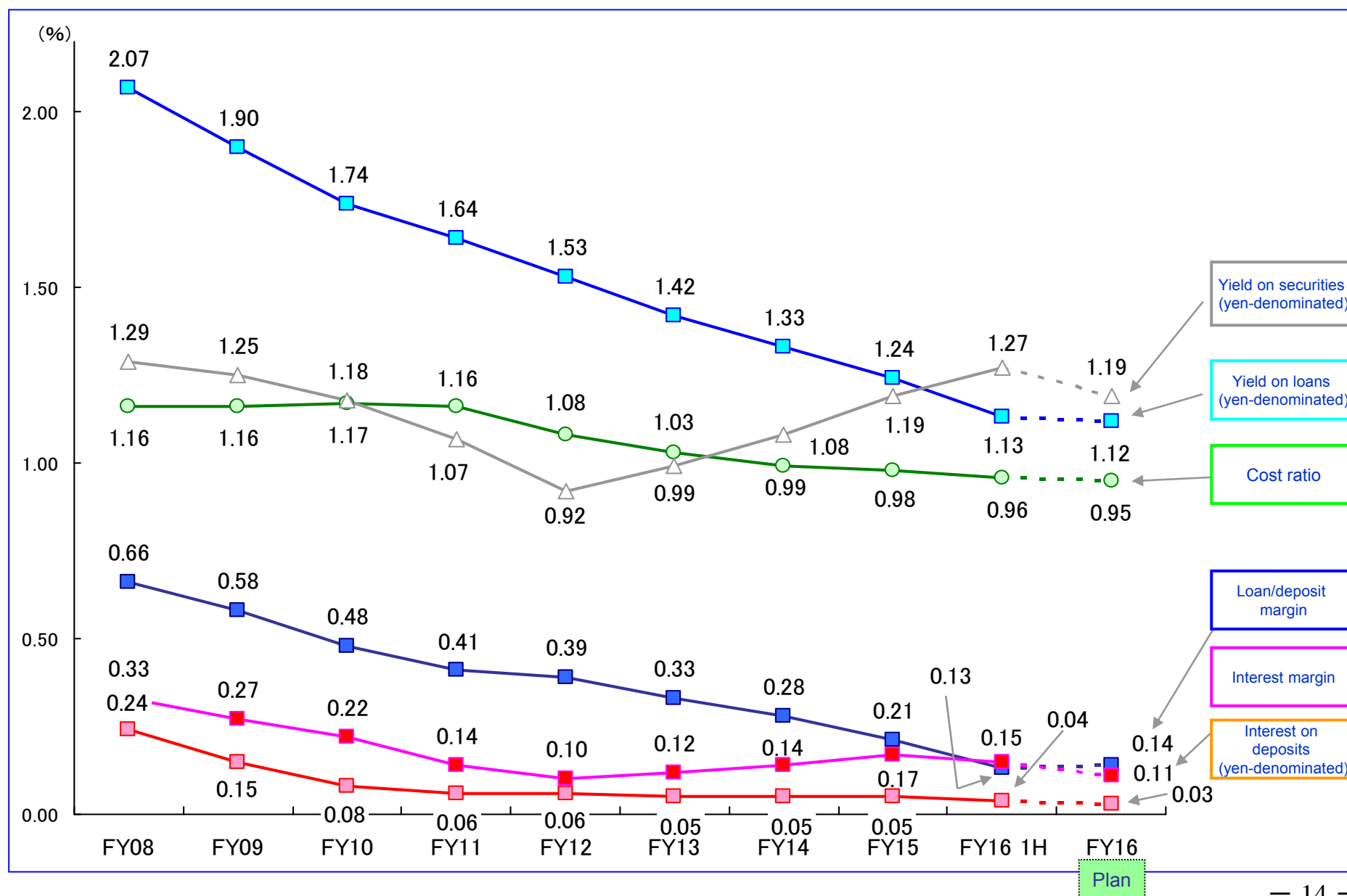
Credit Cost

Total Credit Cost / Credit Cost Ratio

Credit cost ratio = Total credit cost / Average loan balance
 Total credit cost = General provision to loan loss reserve + Provisions to specific loan loss reserve + Loans written-off + Loss on sale of claims + Others

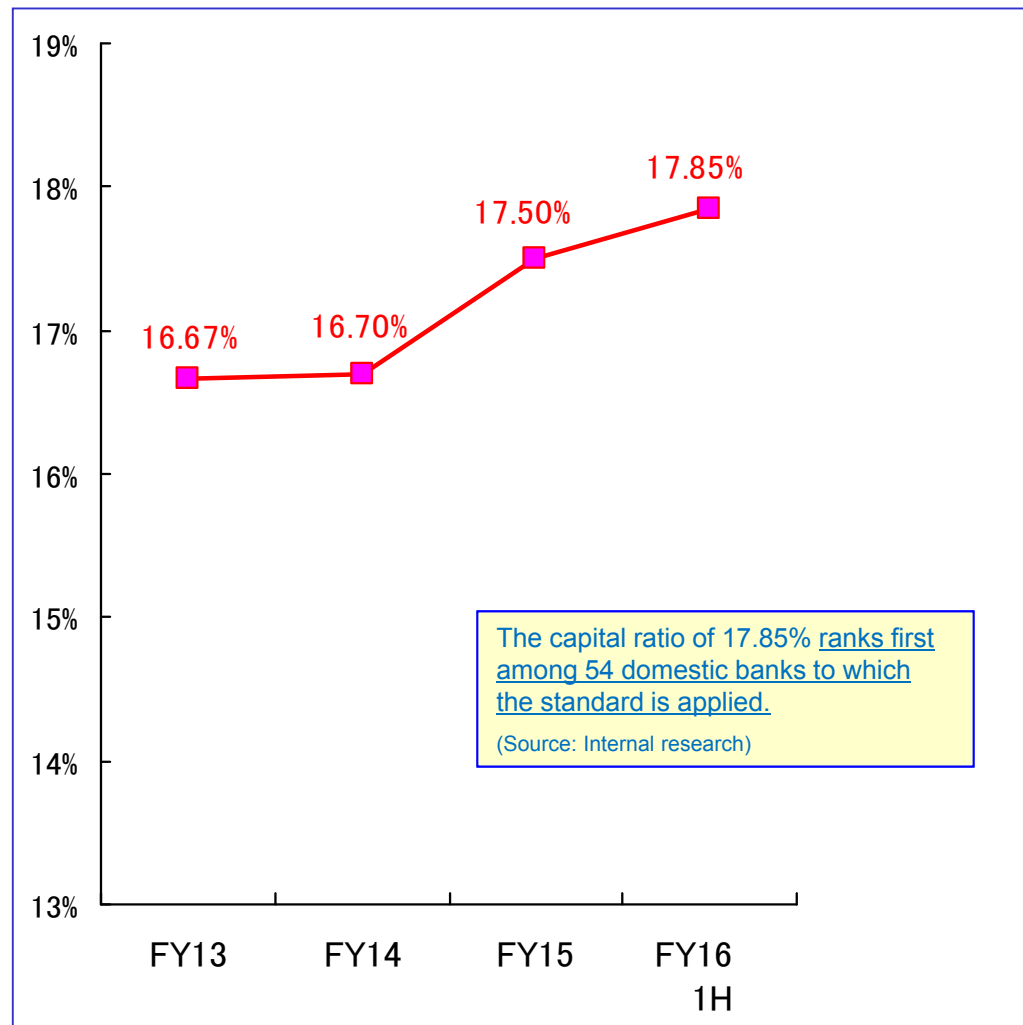


Yields & Interest Margins



Capital Ratio (Non-Consolidated Basis)

Changes in equity ratio



Breakdown of Regulatory Capital

(¥ billion)

	FY13	FY14	FY15	FY16 (1st half)
Regulatory capital	161.0	164.8	172.2	176.3
Risk-weighted assets	965.8	986.9	984.0	987.6

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 Sep 2016)

(¥ billion %)

Interest rate risk amount	31.5
Amount of capital	176.3
Outlier ratio	17.9%

※ 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 the current year.

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

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

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

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

Dividend increase of ¥3.0 (interim ¥5.0, year-end ¥5.0)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16 (forecast)
Dividend per share (annual)	¥6.00	¥7.00	¥6.00	¥6.50	¥7.00	¥10.00	¥9.00
Period-end share price	¥404	¥368	¥429	¥466	¥526	¥413	—
Dividend yield	1.48%	1.90%	1.39%	1.39%	1.33%	2.42%	—

Return to Shareholders

Acquired 1,793 thousand shares on May 27, 2010

Acquired 2,079 thousand shares on Dec. 26, 2011

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

Acquired 1,906 thousand shares between Dec. 2010 and Mar. 2011

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

Acquired 1,577 thousand shares in Feb. 2015

Acquired 2,209 thousand shares in Feb. 2016

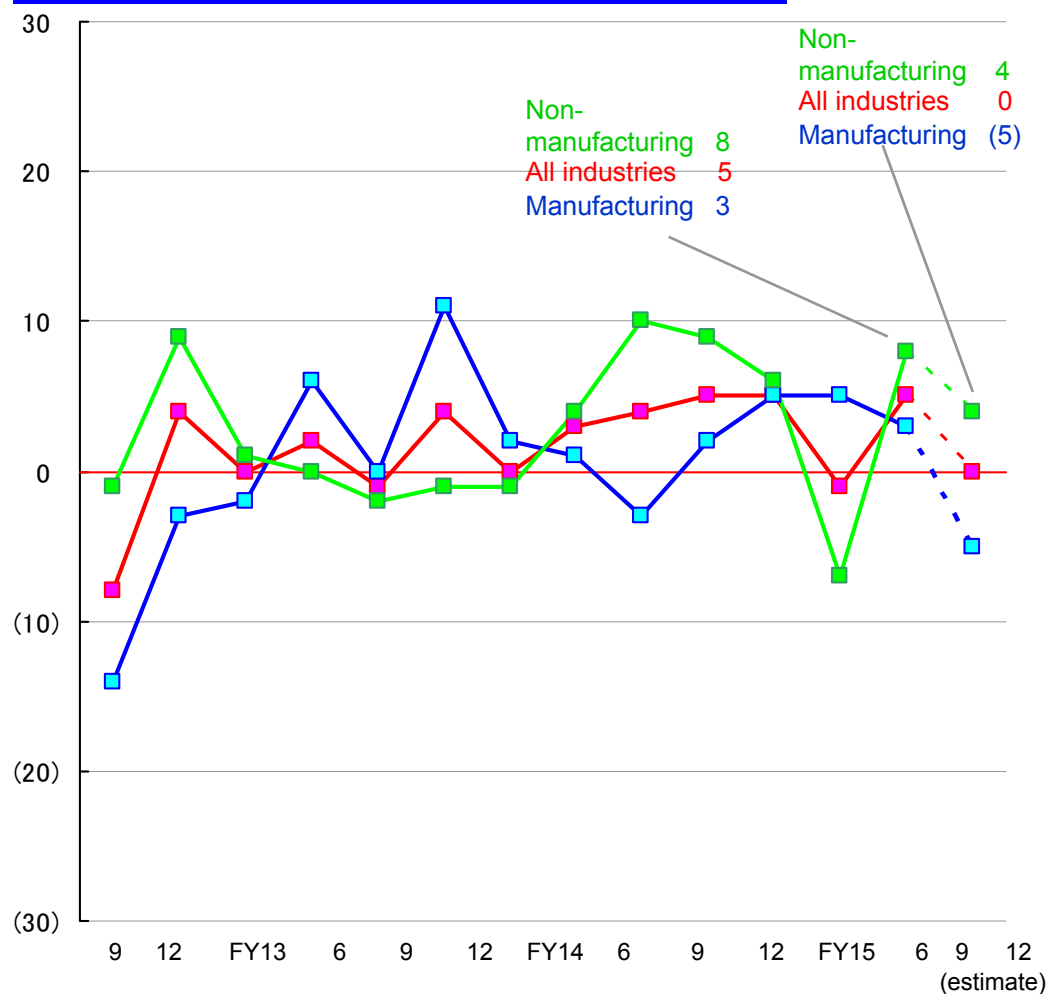
(¥ million)	FY10	FY11	FY12	FY13	FY14	FY15	FY16 (forecast)
Annual dividend (1)	1,089	1,256	1,062	1,134	1,211	1,712	1,530
Treasury stock acquired (2)	1,433	644	989	835	834	899	—
Return to shareholders (3)=(1)+(2)	2,522	1,901	2,052	1,970	2,045	2,611	1,530
Net income (non-consolidated) (4)	3,861	6,965	5,870	7,898	8,200	8,737	6,900
Dividend payout ratio	28.34%	18.08%	18.22%	14.42%	14.83%	19.70%	22.18%
Shareholder return ratio (3)/(4)x100	65.32%	27.29%	34.95%	24.94%	24.94%	29.88%	22.18%

(Note) Calculated in yen and rounded down

II Economic Trends in Yamanashi Prefecture

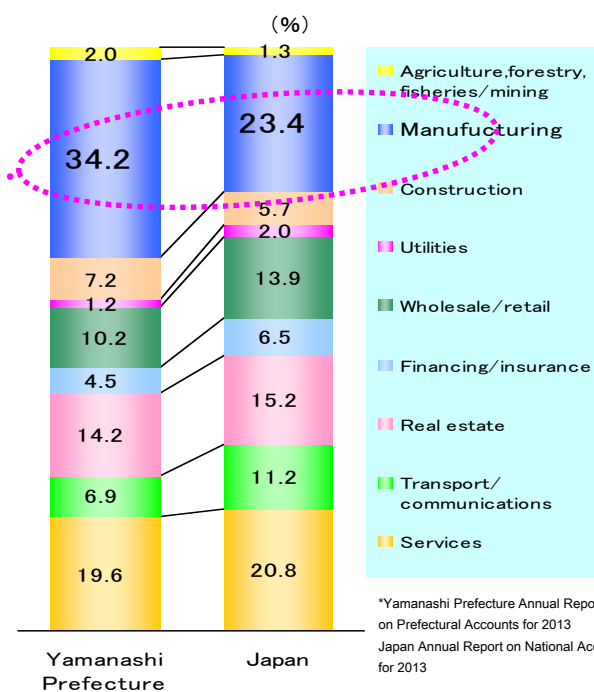
Business Trends

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



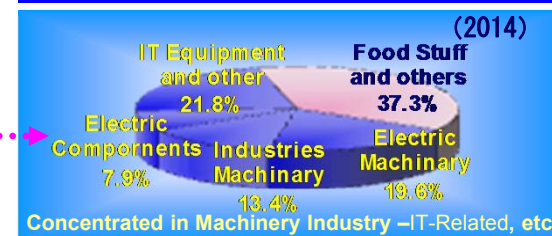
(Bank of Japan, Kofu Branch)

Gross Production by Economic Activity
(Industrial Sector = 100)



*Yamanashi Prefecture Annual Report on Prefectural Accounts for 2013
Japan Annual Report on National Accounts for 2013

Percentage of Shipments of Products Manufactured in Yamanashi Prefecture



Concentrated in Machinery Industry –IT-Related, etc

Economic Census

Yamanashi Prefecture Economic Topics



Topics	Effects on Yamanashi Prefecture	The Bank's Initiatives for Economic Revitalization for Yamanashi Prefecture
<p>June 2013 Mt. Fuji designated as a World Heritage Site</p>	<p>Increase in tourists</p> <ul style="list-style-type: none"> - 2015, total guest number 854 thousand people (y-o-y + 12.9%) and the most in the past - Of which foreigners beyond the first 100 million people and 131 million people (y-o-y + 38.4%) - Bustle has spread in addition to Fuji surrounding area 	<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 - Credit card payment terminal is provided free of charge to eating and drinking establishments at the foot of Fuji North and Yatsugatake south foot, Implementation of English conversation support for retail outlets and restaurants in the prefecture, Foreign currency exchange machine installed at prefectural Mt. Fuji World Heritage Center etc.
<p>June 2013 Prefectural Government opened Yamanashi Living Assistance Center in Yurakucho March 2014 Began employment service at this center</p>	<p>Increase in residents</p> <ul style="list-style-type: none"> - "Yamanashi living support center"(Yurakucho) FY2015 prefecture migrants 210 people via (previous year +11 people) - Yamanashi Prefecture ranked No. 2 according to "Ranking of countryside regions desirable 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 handling of the "alliance mortgage" in Hokuto City , Fujiyoshida City , Fujikawaguchiko- cho , Ichikawamisato-cho , Uenohara City , and Minami Alps City) - Conclusion of partnership agreement with the local government for regional revitalization in Hokuto City and Uenohara City
<p>FY2019 Chubu Odan Expressway Opening from Futaba – to Shinshimizu</p>	<p>Increase in tourists visiting Yamanashi Prefecture and orders opportunity 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 Maglev Chuo Shinkansen construction approval October 2016 Yamanashi Prefecture Announces Interim Draft of Improvement Policy "Linear Environmental Future City" around the Station</p>	<p>Progress developing areas surrounding stations (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 "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"> - FY2014, wine exported under the Koshu wine world export project was 31,200 bottles (y-o-y +25.3%) - This represents an increase of about 16 times from FY2010 when exports started - Exports to non-EU countries accounted for 71.4% 	<ul style="list-style-type: none"> - Strengthening of support for export (such as exhibitions at overseas business meetings and cooperation with foreign partner banks) - Continual dispatch of Bank staff to wineries => improving the capability of making good judgment and meeting demand for funds

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, 2015 Census of Crops

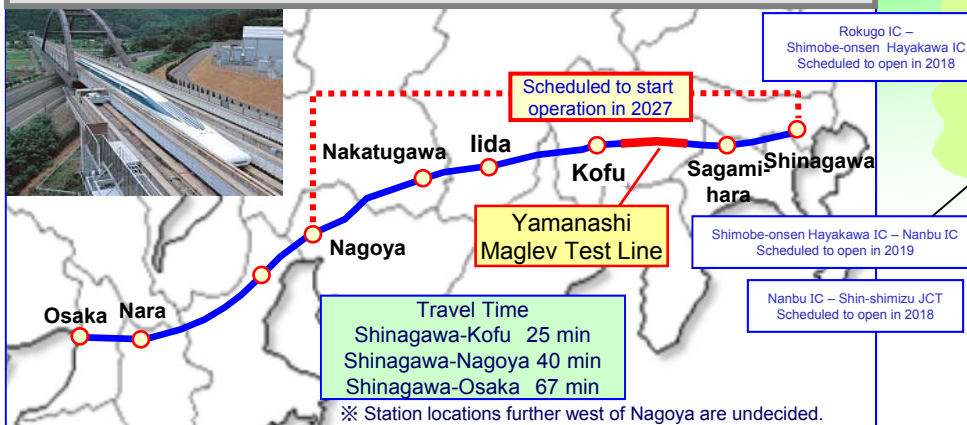
Preparations for High-Speed Transportation Network

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

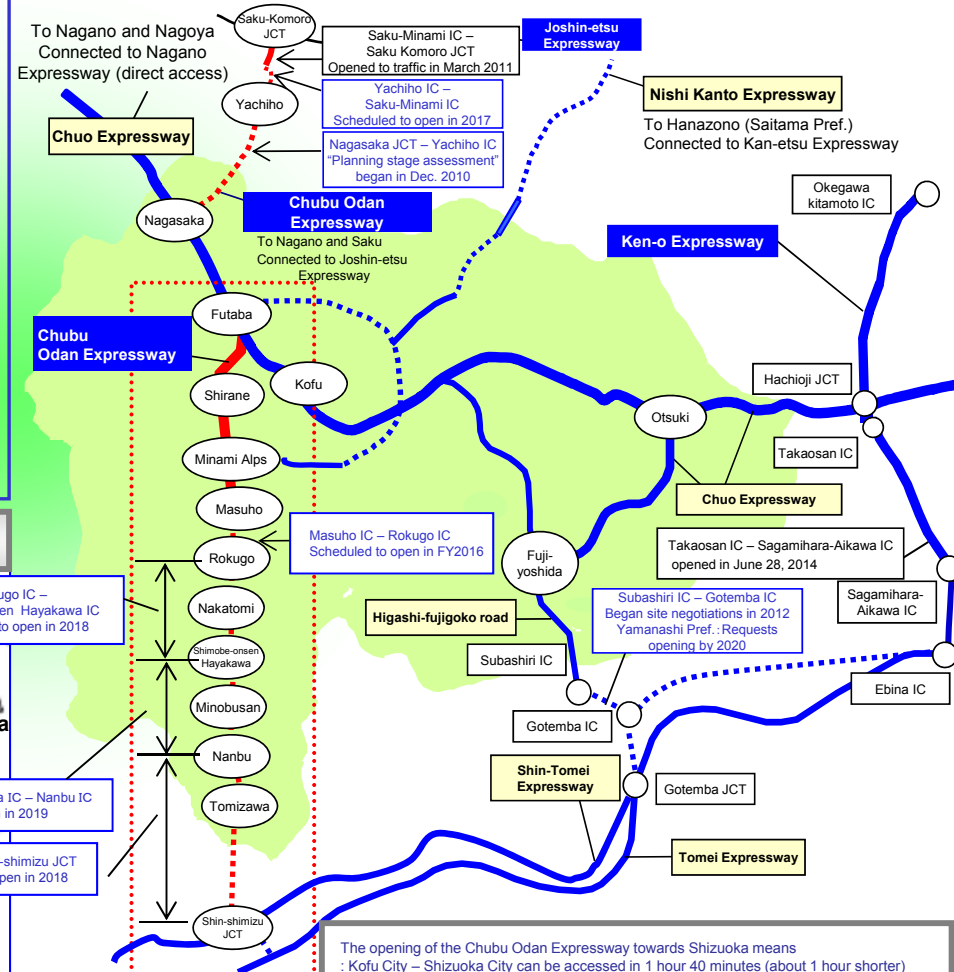
Maglev Chuo Shinkansen Line

- 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: Construction of Yamanashi side section of Minami Alps tunnel (total length of 25 km) started
- January 2016: Shinagawa Station construction started
- October 2016: Yamanashi Prefecture Announces Interim Draft of Improvement Policy "Linear Environmental Future City" around the Station
- November 2016: Nagano-machi-gun started construction of Minami Alps tunnel

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

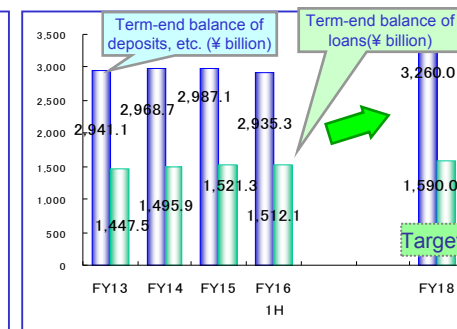
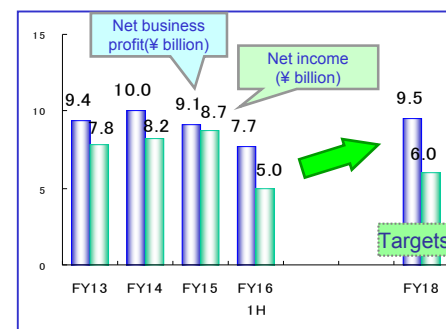
- Increase and strengthen earnings with efficient and effective banking activities by selecting priority initiatives and channeling the redistribution of management resources.
- Strengthen earnings capabilities by deepening the scope of banking transactions in existing markets while focusing on the creation 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	FY15 Results		FY16 1H Results	
	FY15 Results		FY16 1H Results	
Net business profit	9.1	7.7		
Net income	8.7	5.0		
Year-end balance of deposits, etc. (deposits + investment trusts + public bonds)	2,987.1	2,935.3		
Year-end balance of loans	1,521.3	1,512.1		

Plan targets (Year ending March 2019)		Change between FY2016 and FY2019	
Net business profit	9.5	+ 0.4	
Net income	6.0	(2.7)	
Year-end balance of deposits, etc.	3,260.0	+ 272.9	
Year-end balance of loans	1,590.0	+ 68.7	



Individual Strategies Based on Basic Strategy I

(1) Strengthen retail solution banking

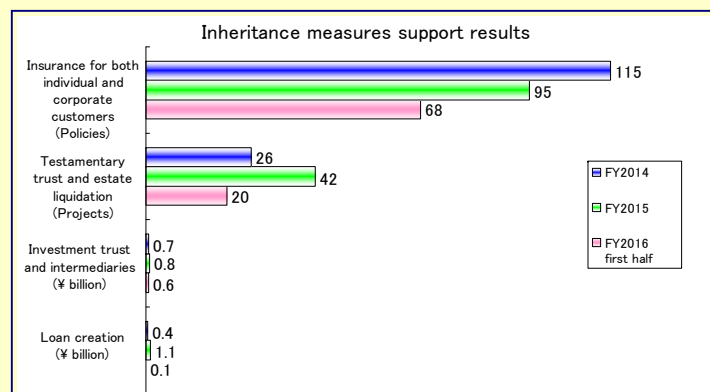


Priorities

- 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: 30 (Cumulative no.: 51)
- Propose solutions for business succession to company owners
 - Market corporate insurance policies to corporate deposit holders and new corporate banking prospects

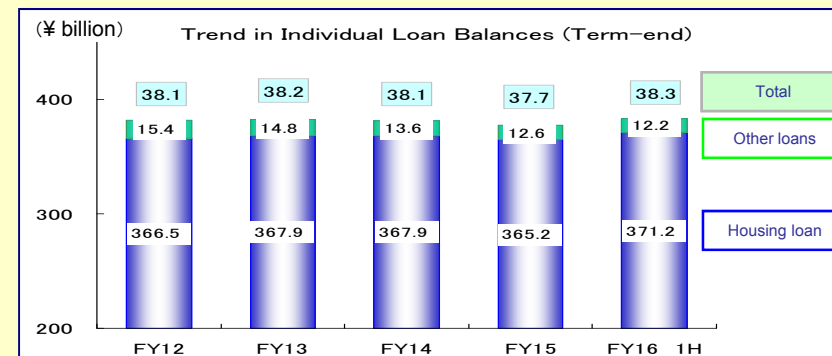


Establish an approach for marketing personal loans

- 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



Proactive Promotion of JiMOCA

- In June 2016, launched the JiMOCA hybrid ATM card and credit card
- Contribute to customer footfall for JiMOCA partners (member stores) and regional revitalization
- Issue DC Card happy points in proportion with the amount of banking transactions by cardholders
 - Expand banking transactions and strengthen cross-selling
- No. of new members at end of Sept.: 5,166



Individual Strategies Based on Basic Strategy I

(2) Strengthen corporate solution banking (a)

Strengthen business feasibility studies capabilities

◆ Create the Business Feasibility Studies Committee

-> Branches offices, Head Office and specialized external organizations collaborate together to analyze the macro environments and trends of each industry, and create individual solution charts for regional core companies (Committee to meet 14 times)

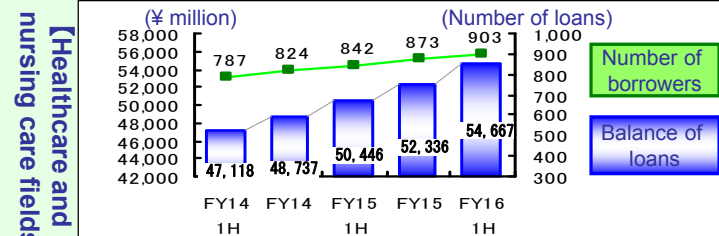
◆ Strengthen the Head Office support approach

-> Appoint 49 external dispatched bank staff with highly specialized knowledge in each industry as Management Support Staff by Field.
-> In the future, Management Support Staff by Field will be assigned to the Corporate Solutions Office, etc. to further strengthen business feasibility studies capabilities

Strengthen initiatives for growth fields

(Manufacturing and environmental protection fields)

-> Appoint a business advisor with abundant expertise and networks, and provide appropriate and advanced solutions.



Strengthen supportive initiatives for startup and establishment phase

◆ Created an Establishment and New Business Support Desk

-> Conduct hands-on support such as formulation of an establishment plan, procurement of an establishment fund, and business growth after establishment

◆ Yamanashi Chugin Establishment Support Loan Upgraded the Fine Start product

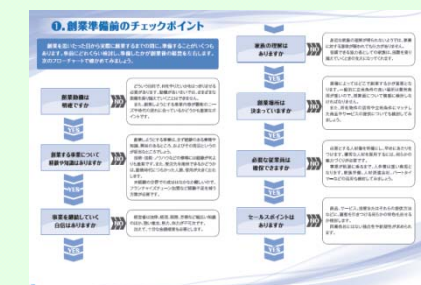
- 1) Reduced loan interest rate
- 2) Increased the no. of preferential interest rate items
- 3) Introduced preferential interest rates linked to performance

-> Support business growth after establishment by continuous monitoring



◆ Made an Establishment Support Guidebook

-> Created a guidebook that summarizes the checkpoints and knowledge needed at the establishment preparation stage



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) 3	(Results) ¥79,700,000
Projects currently under consideration	*16	(Forecast) 5 projects/¥120,000,000

*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) 1	(Results) ¥30,550,000
Projects currently under consideration	*19	(Forecast) 6 projects/¥113,000,000

*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) —	(Results) —
Projects currently under consideration	*5	(Forecast) Undecided

*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
Results
FY2015: Hokuto City
FY2016: Uenohara City



Promote CCRC

- Operational support of Tsuru City CCRC concept study group
- Participate in Fuefuki City version of the CCRC concept study group
- Participate in Yamanashi Prefecture's "Yamanashi: Towns of Lifetime Activities" study group



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



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 24 times since 2006. 330 members (as of Sept. 30, 2016).

◆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 this fiscal year 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.

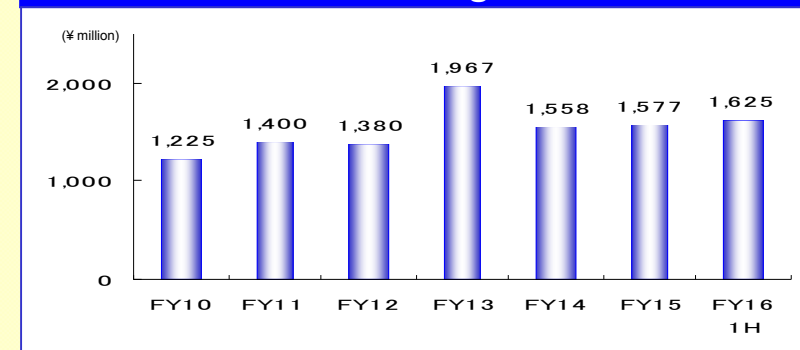
FY2016 results (as of Sept. 30, 2016): 56 trainees, held 6 out of 14 times.

◆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, it's the 4th time in Tokyo.

The 11th meeting, 2016 year results: 65 exhibitors, 1,000 visitors, and 2,300 business meetings

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

【The situation regarding tourists visiting Yamanashi Prefecture】

2015: Number of tourists
31.46 million (+ 15.0% from 2012)
2015: Average spent on tourism per person
¥12,609 (+ 14.5% from 2012)

Results as of FY2016 1st Half

- ① Invited tourism advisors and did consulting services to business operators aiming to expand business
⇒ Tourism advisor Mr. Matsui did consulting 11 times for 10 clients.
- ② Broadly disseminate sightseeing-related information through outside-prefecture store networks and SNS, and through tourism/product fairs, etc. in Tokyo
⇒ Information disseminated on Facebook: 64 times, through tourism/product fairs in 2 companies (in-house) in Tokyo.
- ③ 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)
- ④ Implemented businesses of the Katakoto English Project to support tourism-related business operators in the acceptance of foreign tourists
⇒ Applications received from 20 Prefectural restaurants, etc., and support provided for 13.
- ⑤ Implemented campaign to provide credit card terminals free of charge in the Yatsugatake tourist region (Hokuto City)
⇒ Introduced 57 business partners of branch offices located in Hokuto City to affiliated company Yamanashi Chugin DC Card Co., Ltd., and acquired 28 new member stores.

Export project concept

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 1st Half

STEP 1

Information on overseas deployment provided to customers

- In June 2016, the 8th Hong Kong /South China District Japanese-Company Business Discussion Meeting was held, and 10 business partners participated.
- In Sept. 2016, the Vietnam Economic Visit Mission was conducted, and 8 business partners participated. Introduced various seminars held by JETRO and other overseas business expansion support companies.

STEP 2

Overseas development consultation reception for customers

- In the first half of FY2016, the Asia Desk visited 58 business partners and supported them according to the stage of overseas deployment of each company.
- Consultation using overseas dispatched staff and overseas financial institutions

STEP 3

Preparation for customers' overseas expansion

- Held 3rd Business Meeting for the Export of Food from Yamanashi in Bangkok; 9 business partners participated.
- Co-organized Mfair Bangkok 2016 Business Matching Platform for Manufacturers' Network in Asia; 3 business partners exhibited.
- Co-organized "FBC Shanghai 2016 Monozukuri Business Opportunity". 5 suppliers exhibited.

STEP 4

Support for expanding overseas development of customers

- Description and proposal to customers of loans to overseas subsidiaries
- Business information consultation reception for local affiliates by overseas dispatched staff.

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 2016, 112 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. It started doing business in April, with the Yamanashi Chuo Bank providing ¥400 million in capital.

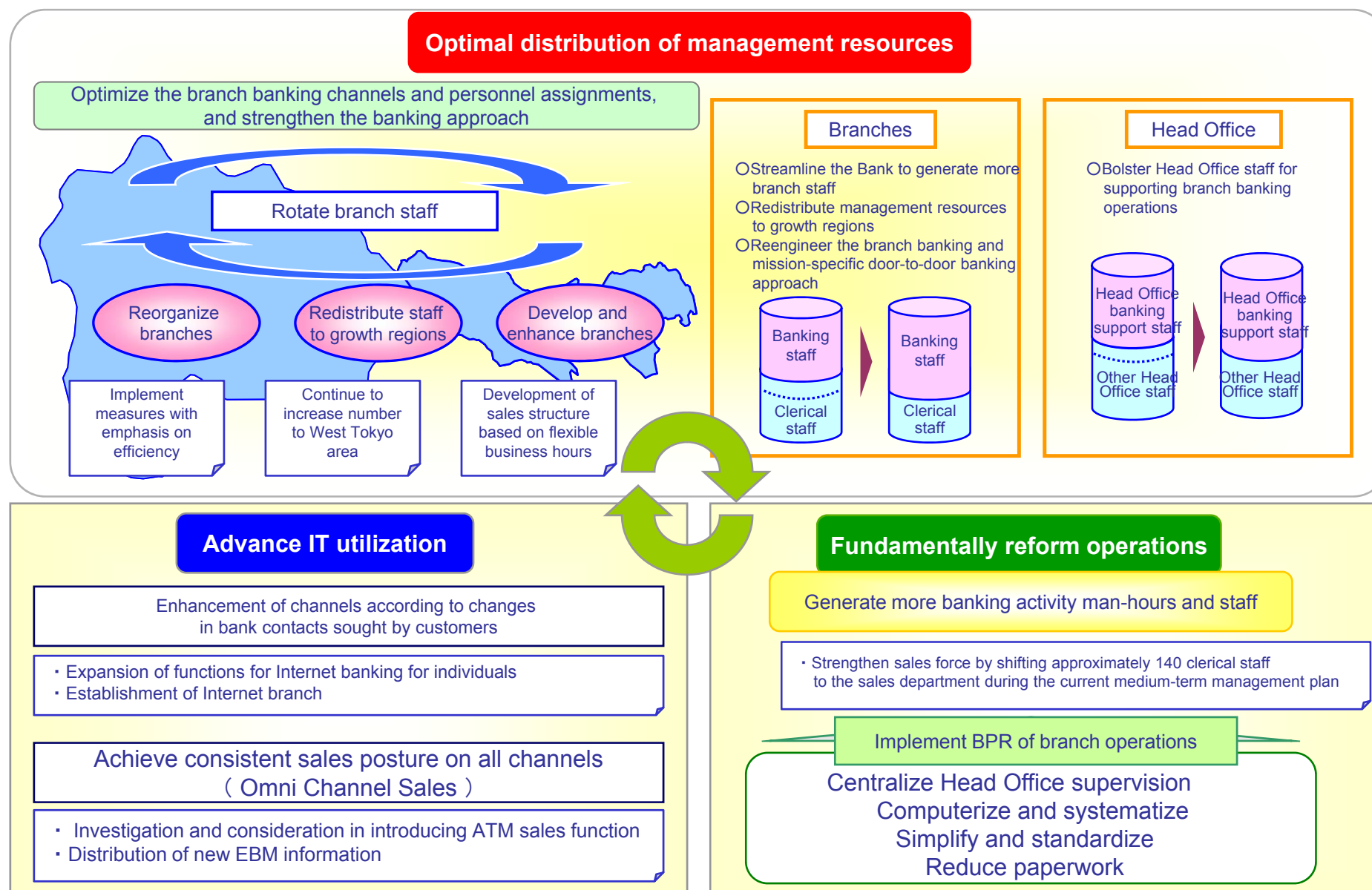
First financial
institution

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 plan	Startup and establishment phase	Corporate and individual	76	—	10
		Support organization, etc.	5	—	10
	Individuals selecting UIJ-turn system		42	—	6
	Individuals working to improve technology, etc.		13	—	10
Total	—		222	—	76

Individual Strategies Based on Basic Strategy II

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

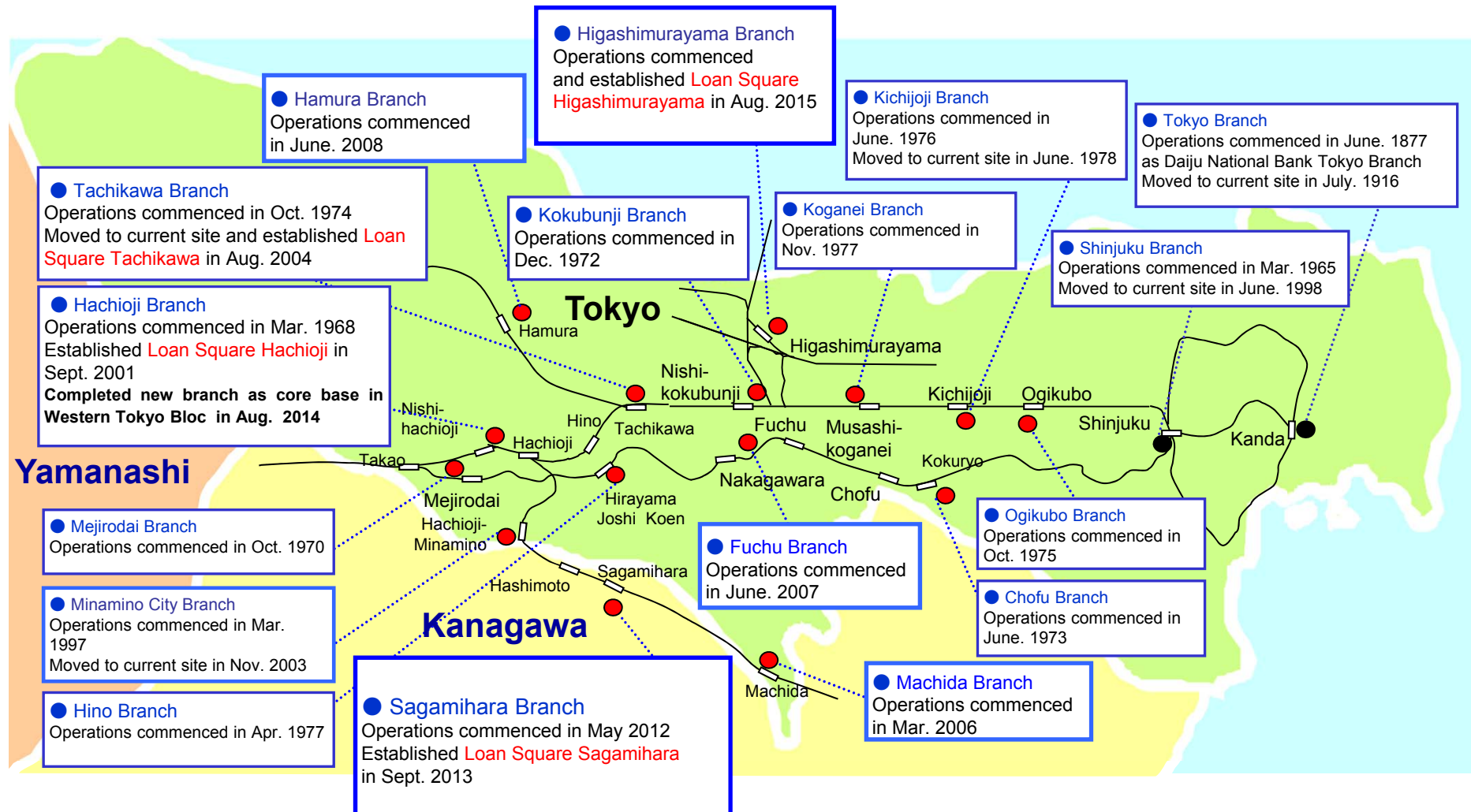


Western Tokyo Bloc Strategy

(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



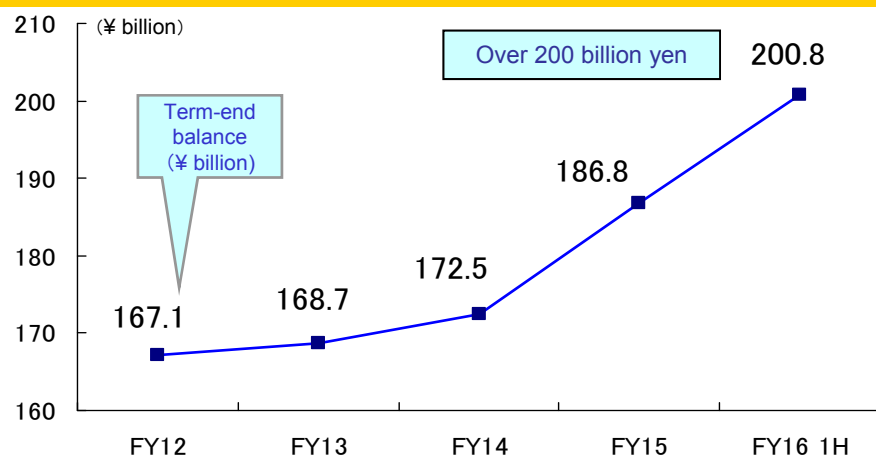
Western Tokyo Bloc Strategy

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



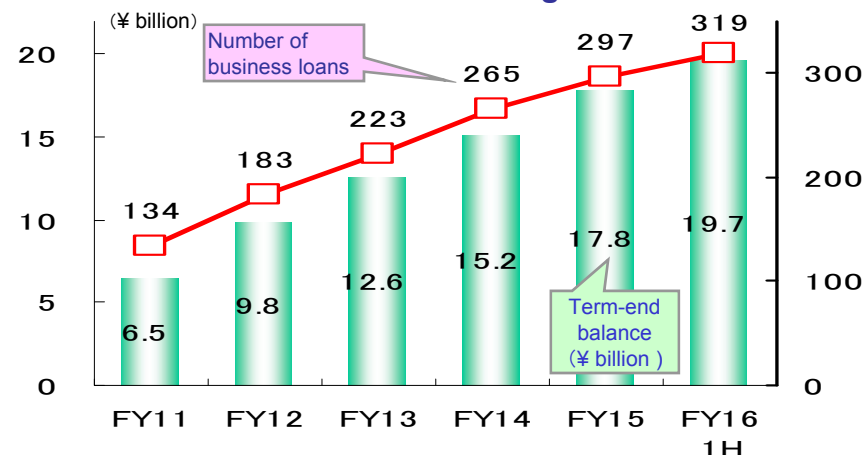
Realization of profitability and efficiency exceeding Yamanashi prefecture

Balance of Loans (term-end)

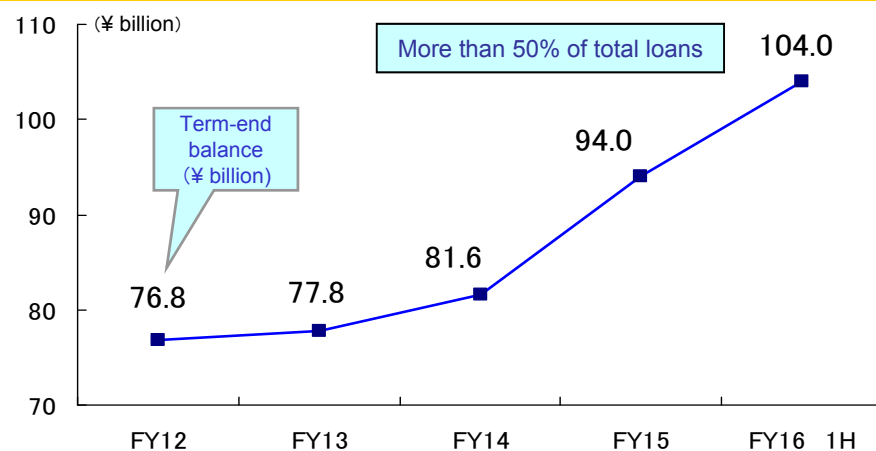


Expansion of sales base from "point" to "line / face"

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

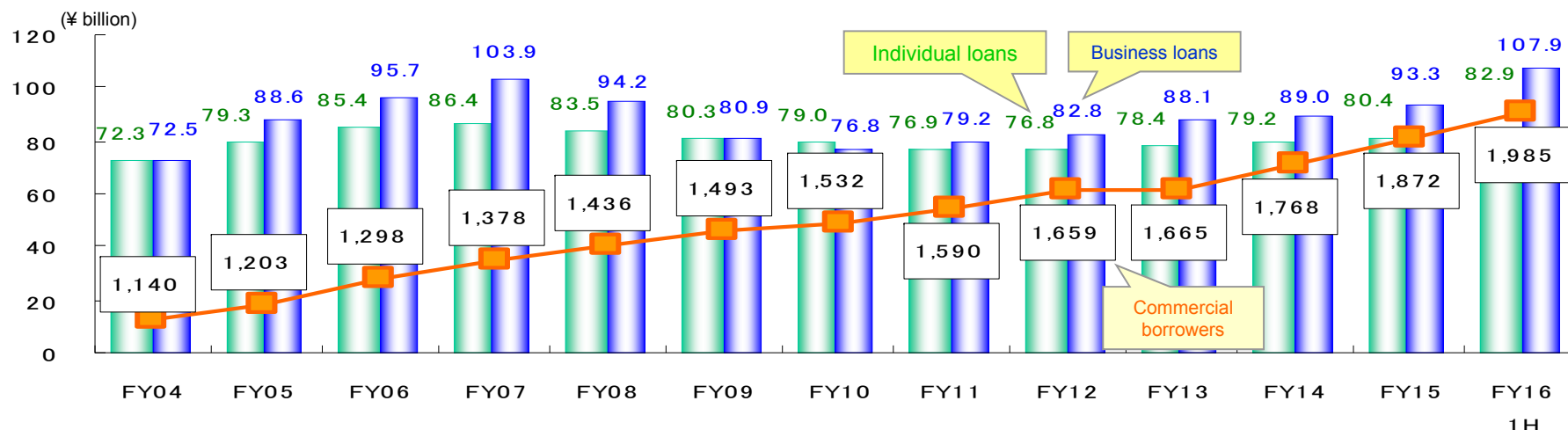
- Number of private business establishments
170 thousand
(about 4.0 times of the Yamanashi prefecture)
- population
5.52 million
(about 6.6 times of the Yamanashi prefecture)
- Number of households
2.54 million households
(about 7.6 times of the Yamanashi prefecture)

※ Western Tokyo area, includes the suburban cities, Nishitama-gun, Suginami ward, and Kanagawa prefecture Sagami-hara-shi
(source: As of 2013 "Economic Census", as of Oct 2016 "Estimated population")

Western Tokyo Bloc Strategy

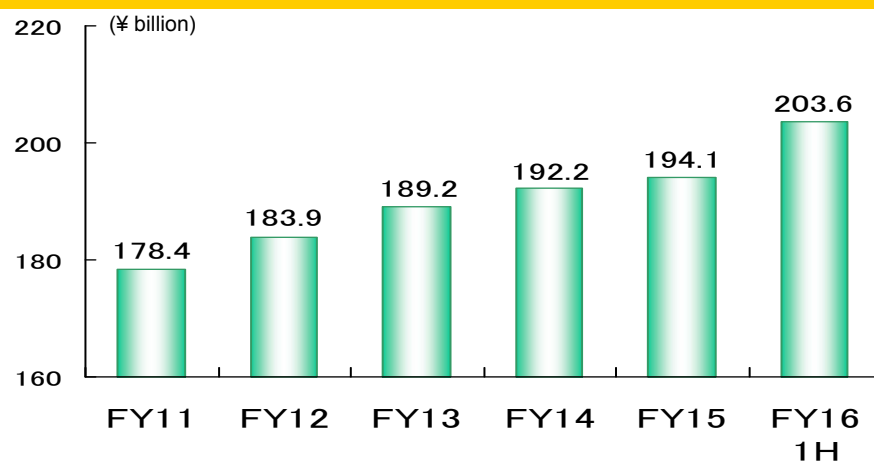
(2) Western Tokyo Bloc Strategy / Change in actual results B

Loan (average balance) and Number of Commercial Borrowers

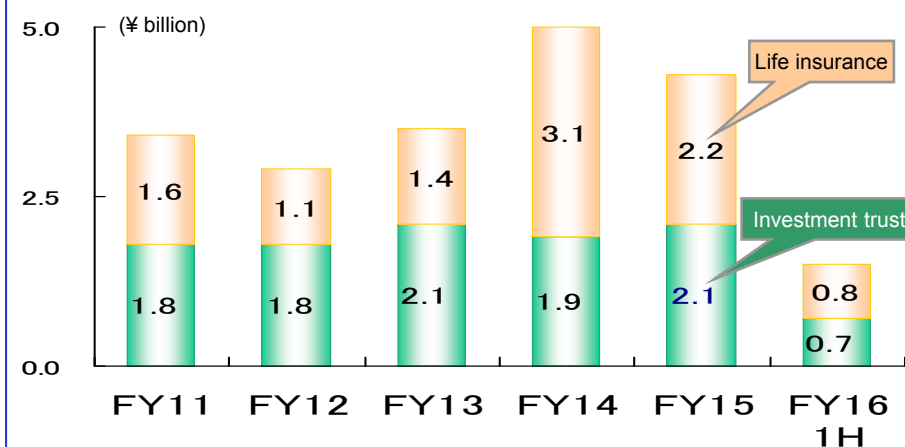


* Commercial borrowers do not include the national government, municipal bodies and municipal public corporations

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.

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