

The Yamanashi Chuo Bank, Ltd.

The 38th Analyst Meeting

June 10, 2020 (Wed)

First Section, Tokyo Stock Exchange : 8360

Summary of Business Results

FY19 Business Results (Summary)	3
Interest Income	4
Deposits ・ Loans	5
Securities	6
Fees and Commissions	7
Expenses and OHR (Operating Expenses/ Core Gross Business Profit)	8
Credit-Related Costs	9
Earnings Forecasts for the Current Term (FY20)	10
Capital Policies (Return to Shareholders)	11
Measures to Address the Corporate Governance Code	12

Medium-Term Management Plan “Value+ 2022” Progress Report

Overview of the Medium-Term Management Plan	14
Progress on Key Performance Indicator Targets	15

Medium-Term Management Plan Measures

Channel Strategy	17
Strategy for the Western Tokyo Area	18
Focus Resources on Western Tokyo Area	18
Loan RAROA by Area	19
Deepen and Expand Consulting Field (For Corporations)	20
Track Record on Consulting for Corporations	21
Deepen and Expand Consulting Field (For Individuals)	22
Track Record and Plan for Consulting for Individuals (Sales of Financial Products and Other Activities)	23
Housing Loans	24
Unsecured Individual Loans	25
Increase Productivity through BPI	26
Improve Personnel Vitality	27
Develop and Strengthen the IT Platform to Help Increase Corporate Value	28
CSR Initiatives Based on the SDGs and ESG Principles	29

Response to COVID-19

Response to COVID-19	31
----------------------	----

Summary of Business Results

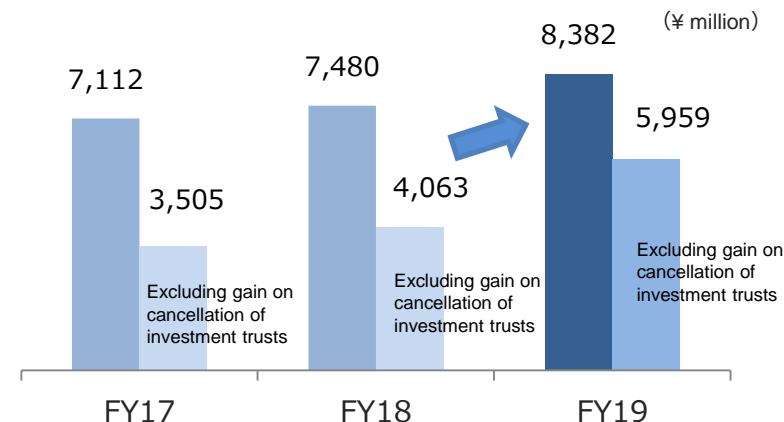
FY19 Business Results (Summary)

Non-Consolidated	(¥ billion, %)	FY18	FY19	YoY change
Gross banking profit		38.9	35.4	(3.4)
Interest income		29.8	29.5	(0.2)
Fees and commissions		4.6	4.9	0.2
Other operating income		(0.4)	(0.4)	0.0
Gross banking profit on core operations		33.9	33.9	0.0
JGBs and other bond transactions		4.9	1.4	(3.4)
Expenses		26.5	25.6	(0.8)
General provision to loan loss reserve		1.0	0.0	(0.9)
Net business profit		11.3	9.7	(1.5)
Net business profit on core operations		7.4	8.3	0.9
(Excluding gain on cancellation of investment trusts)		4.0	5.9	1.8
Non-operating losses		(4.8)	(3.9)	0.9
Gains on reversal of provision to loan loss reserve		-	-	-
Reversal of loan loss reserve		(0.6)	0.9	1.5
Equity share and similar transactions		0.0	1.3	1.2
Loss on dissolution of investment trusts		5.2	4.0	(1.1)
Ordinary profits		6.5	5.8	(0.6)
Extraordinary income (losses)		(0.2)	(0.6)	(0.4)
Net income		4.4	3.4	(1.0)

Credit-related costs	0.4	0.9	0.5
----------------------	-----	-----	-----

Consolidated	(¥ billion, %)	FY18	FY19	YoY change
Consolidated ordinary profit		7.4	6.7	(0.7)
Profit attributable to shareholders of the parent		4.9	3.7	(1.1)

Net Business Profit on Core Operations (Excluding gain on cancellation of investment trusts)



Main Points of FY19

- OHR (operating expenses/core gross business profit) remained on a par with the previous fiscal year due to an increase in fees and commissions and despite a decrease in interest income.
- Administrative expenses decreased significantly due to a reduction in personnel expenses.
- Net business profit on core operations (excluding gain on cancellation of investment trusts) increased ¥1.8 billion year on year, substantially improving profits in the main business.

(About gain or loss on cancellation of investment trusts)
Gain or loss on cancellation of investment trusts refers to gain on cancellation or redemption of investment trusts (primarily private placed investment trusts) excluding ETFs and REITs.
It is recorded under interest and dividends on securities.
Loss on cancellation of investment trusts are recorded as non-operating losses.

Page 4

Page 7

Page 8

Page 9

Page 9

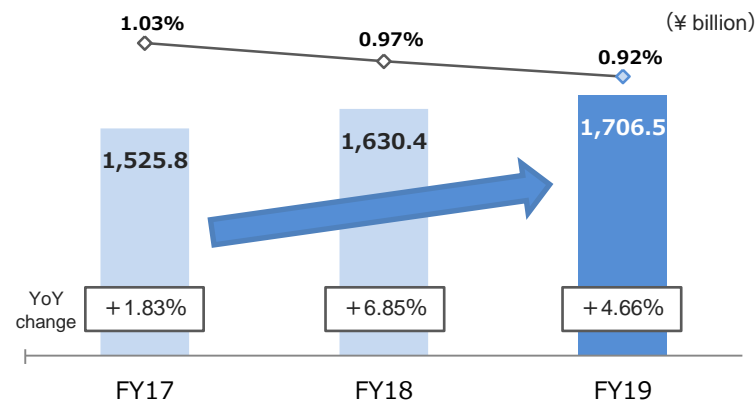
Page 9

Interest Income

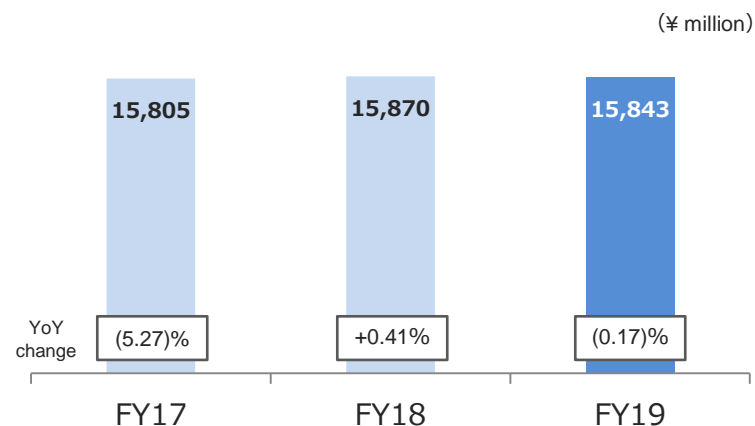
Interest on loans remain level and improving yields presents an issue.

	(¥ billion, %)	FY18	FY19	YoY change
Interest income		29.8	29.5	(0.2)
Net interest margin		15.4	15.4	(0.0)
Interest on loans		15.8	15.8	(0.0)
Domestic operations		15.6	15.5	(0.0)
International operations		0.2	0.2	0.0
Interest on deposits		0.3	0.3	(0.0)
Domestic operations		0.3	0.3	(0.0)
International operations		0.0	0.0	(0.0)
Interest on securities		14.5	14.2	(0.2)
(Excluding gain on cancellation of investment trusts)		11.1	11.8	0.7
Bonds		5.4	4.7	(0.6)
Domestic operations		4.6	3.8	(0.7)
International operations		0.8	0.9	0.0
Stock		1.3	1.2	(0.1)
Distributions on investment trusts		4.3	5.9	1.5
Gain on cancellation of investment trusts		3.4	2.4	(0.9)
Capital market investment and procurement		(0.2)	(0.2)	(0.0)
Domestic operations		29.0	28.7	(0.3)
International operations		0.7	0.7	0.0

Average Loan Balance and Yield



Interest on Loans



Deposits · Loans

The balance of loans was firm in Yamanashi Prefecture and the Tokyo and Western Tokyo Area.

< Average >

(¥ billion)	FY18	FY19	YoY change (Change)	
Deposits	2,954.6	3,012.0	57.3	(+1.9%)
Yamanashi Prefecture	2,604.8	2,663.8	58.9	(+2.2%)
Tokyo and Western Tokyo Area	349.7	348.2	(1.5)	((0.4)%)

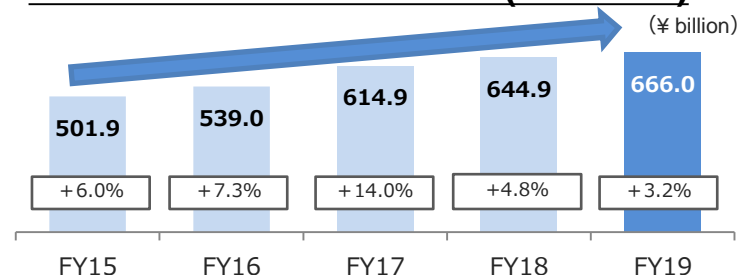
Deposit Shares in Yamanashi Prefecture (term-end)	49.7%	49.8%	+0.1P	—
---	-------	-------	-------	---

(Excluding Japan Post Bank)

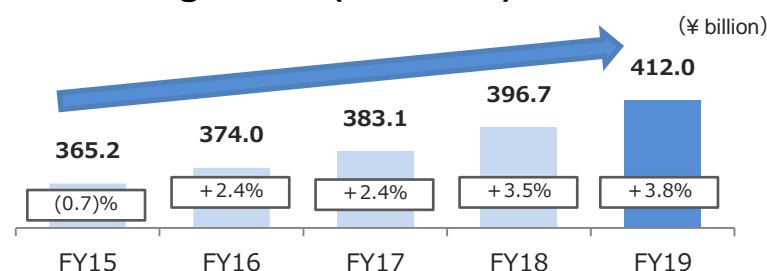
(¥ billion)	FY18	FY19	YoY change (Change)	
Loans	1,630.4	1,706.5	76.0	(+4.6%)
Yamanashi Prefecture	829.3	864.7	35.4	(+4.2%)
Tokyo and Western Tokyo area	620.9	673.8	52.8	(+8.5%)
Loan assets under the control of head office departments	180.1	167.8	(12.2)	((6.8)%)
General funds	986.2	1,049.2	63.0	(+6.3%)
Non-commercial for individuals	367.8	384.1	16.3	(+4.4%)
Local government bodies	276.3	273.0	(3.2)	((1.1)%)

Loan Shares in Yamanashi Prefecture (term-end)	43.4%	44.9%	+ 1.5P	—
--	-------	-------	--------	---

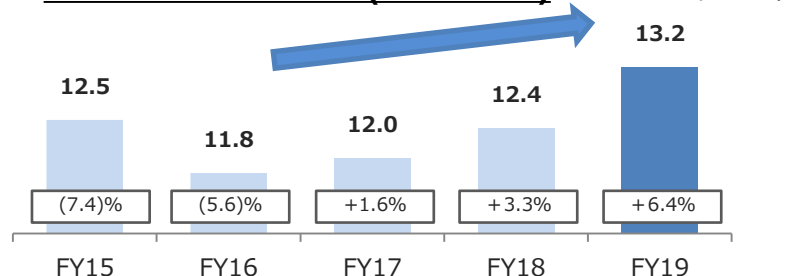
Balance of Loans to SMEs (term-end)



Housing Loans (term-end)



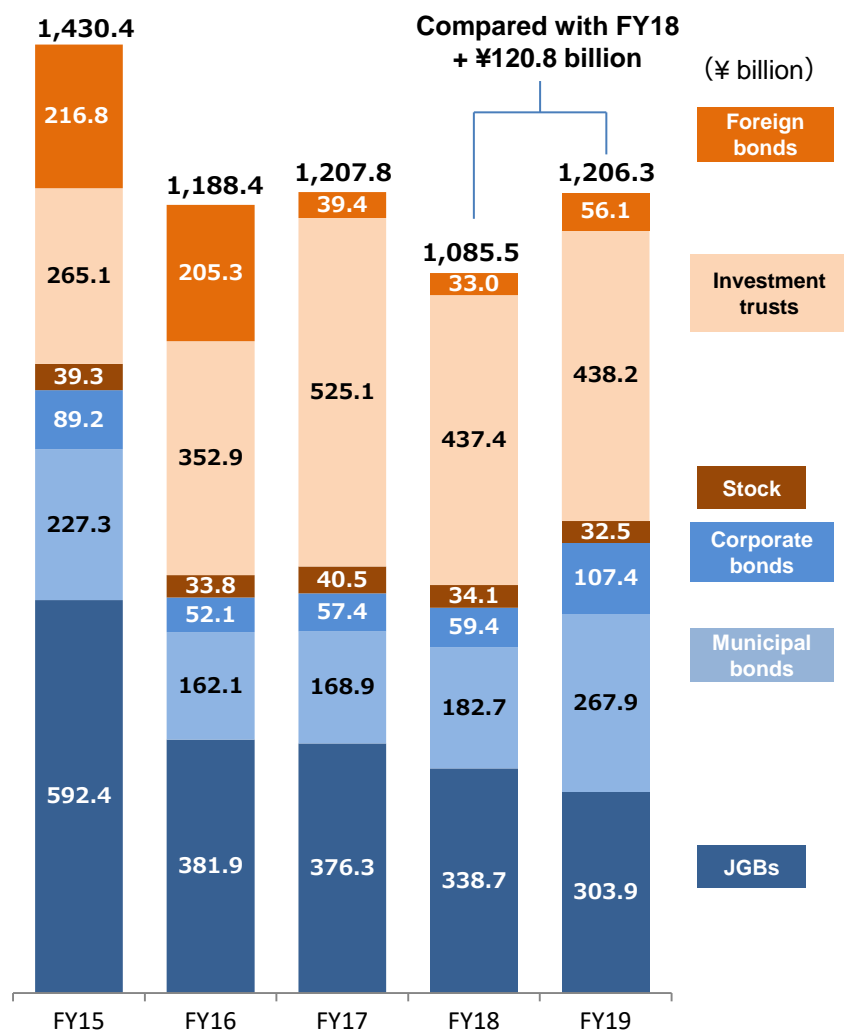
Unsecured Loans (term-end)



Securities

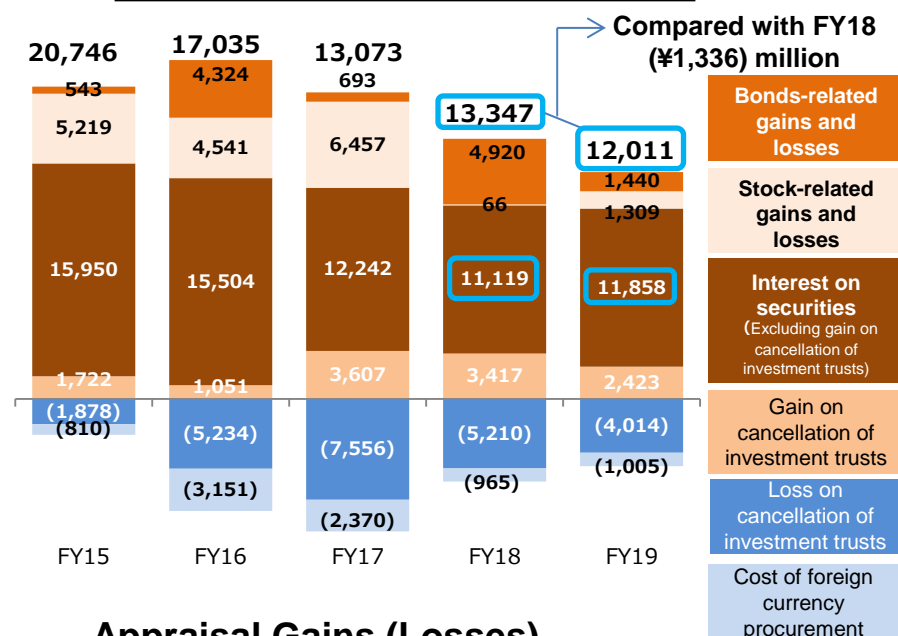
Interest on securities (excluding gain on cancellation of investment trusts) increased despite a decrease in securities gains and losses.

Balance of Securities (subject to mark-to-market valuation)

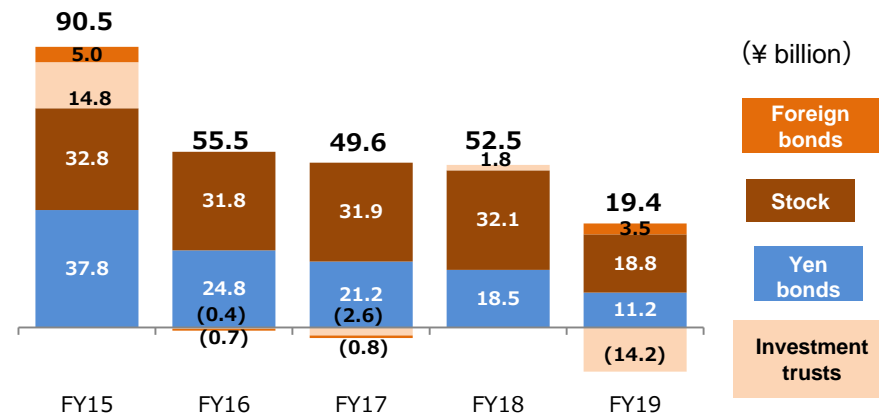


Securities Gains and Losses

(¥ million)



Appraisal Gains (Losses)

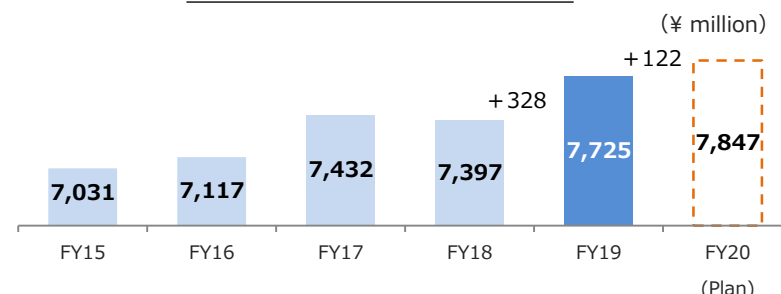


Fees and Commissions

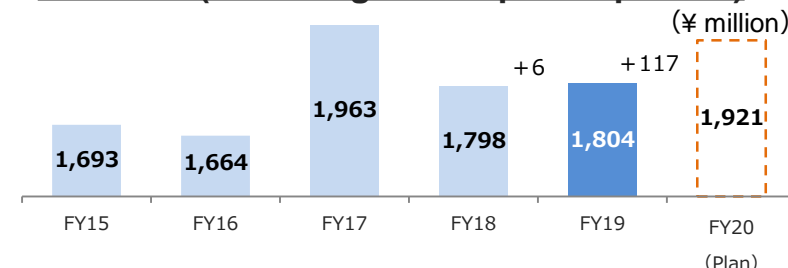
Fees and commissions steadily rose due to greater involvement in consulting sales.

(¥ million)	FY18	FY19	YoY change
Fees and commissions	4,666	4,952	286
Fees and Commissions	7,397	7,725	328
Fee and commission expenses	2,730	2,772	42
Main breakdown			
Fee and commission income from financial products (excluding the corporate portion)	1,798	1,804	6
(Component) Fee and commission life insurance (excluding the corporate portion)	1,048	976	(72)
(Component) Fee and commission investment trusts	714	794	80
(Component) Brokerage fee and commission for financial products	24	16	(8)
(Component) Fee and commission for public bonds	11	16	5
Fee and commission income from corporations	374	603	229
(Component) Fee and commission for syndicated loans and project arrangement, etc.	170	358	188
(Component) Fee and commission for business matching	63	95	32
(Component) Fee and commission for life insurance for corporations	62	18	(44)
(Component) Privately placed bonds	44	17	(27)
Fee and commission received related to foreign exchange	1,874	1,859	(15)
Loan payment premiums and guarantees	1,787	1,873	86

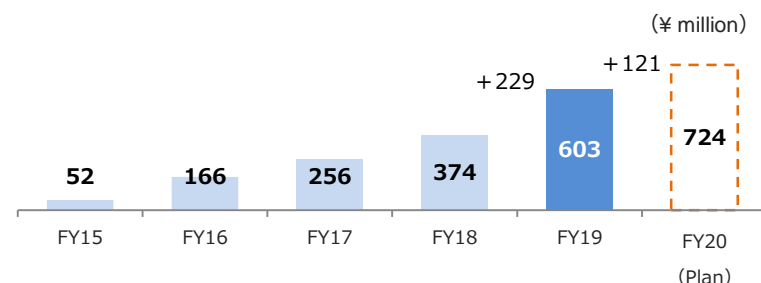
Fees and Commissions



Fee and Commission Income from Financial Products (excluding the corporate portion)



Fee and Commission Income from Corporations



Expenses and OHR (Operating Expenses/ Core Gross Business Profit)

Strive to reduce expenses by accelerating the revision of the expense structure and business processes.

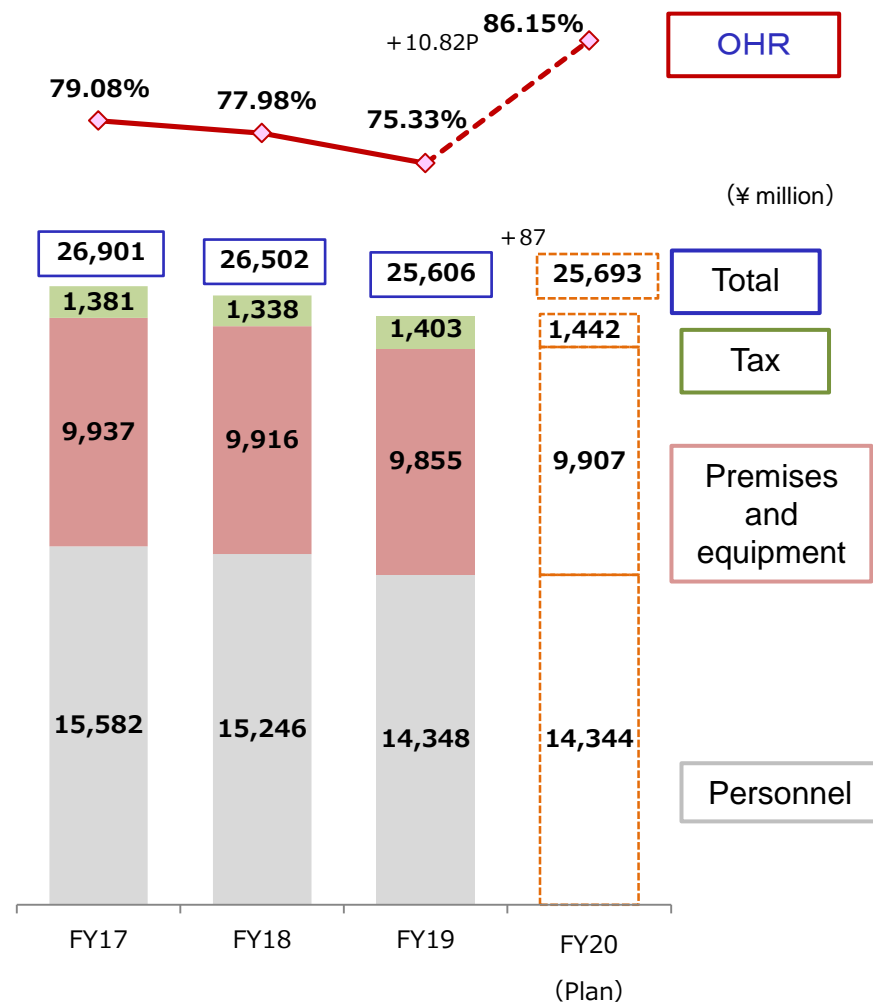
Expenses (¥ billion)	FY18	FY19	YoY change	FY20 (Plan)	YoY change
Expenses	26.5	25.6	(0.8)	25.6	0.0
Personnel	15.2	14.3	(0.8)	14.3	(0.0)
Premises and equipment	9.9	9.8	(0.0)	9.9	0.0
Tax	1.3	1.4	0.0	1.4	0.0

OHR	77.98%	75.33%	(2.65)P
-----	--------	--------	---------

Main Factors Behind Changes in Expenses

(¥ billion)	FY19 (Results)		FY20 (Plan)	
Personnel	(0.8)	Bonuses: ¥(0.5) billion Reduction in personnel and others: ¥(0.3) billion	(0.0)	—
Premises and equipment	(0.0)	Depreciation of non-current assets: ¥(0.2) billion Software-related expenses, etc. ¥0.1 billion	0.0	IT investment ¥ 0.2 billion
Tax	0.0	—	0.0	—

Changes in Expenses and OHR



Credit-Related Costs

Accumulated reserves conservatively in anticipation of a turn in the credit cycle.

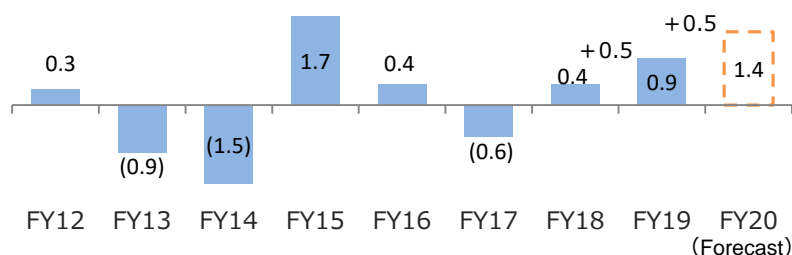
(¥ billion)	FY18	FY19	YoY change	FY20 (Forecast)	YoY change
Credit-Related Costs	0.4	0.9	0.5	1.4	0.4
Net provision to general loan loss reserve	1.0	0.0	(0.9)	0.0	0.0
Disposal of non-performing loans (non-operating income (losses))	(0.6)	0.9	1.5	1.3	0.4
Net provision to specific loan loss reserve	(0.6)	0.8	1.5	1.2	0.3
Provision to reserve for contingent losses	0.0	0.0	(0.0)	0.0	(0.0)
Loans written-off and loss on sale of claims	0.0	0.0	0.0	0.0	0.0
Recoveries of written off claims	0.0	0.0	(0.0)	-	(0.0)

Note: In the table to the left, reversal of allowance for loan losses are split into net provision to general loan loss reserve and net provision to specific loan loss reserve to facilitate comparisons with prior periods. The impact of the coronavirus disease 2019 (COVID-19) pandemic cannot easily be forecast rationally, and has not been included in credit-related costs for fiscal 2020.

Credit Cost Ratio	2.63bp	5.65bp	3.02bp	8.15bp	2.50bp
-------------------	--------	--------	--------	--------	--------

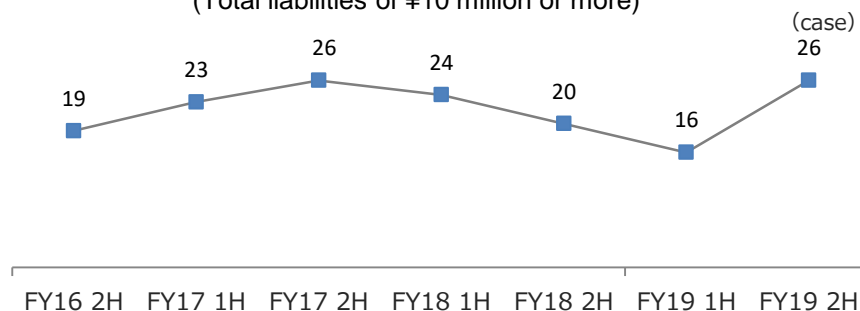
(¥ billion)

Credit-Related Costs



Number of Bankruptcies of Companies in Yamanashi Prefecture

(Total liabilities of ¥10 million or more)



Source : TOKYO SHOKO RESEARCH, LTD.

Earnings Forecasts for the Current Term (FY20)

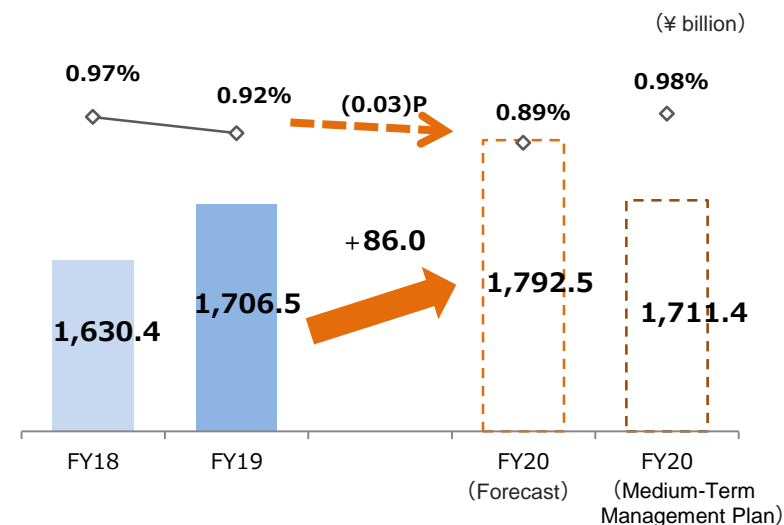
This profit and loss forecast takes into consideration that the stock market will decline to a certain extent following the COVID-19 outbreak, but it does not take into account other impacts as they cannot be rationally estimated at this point in time.



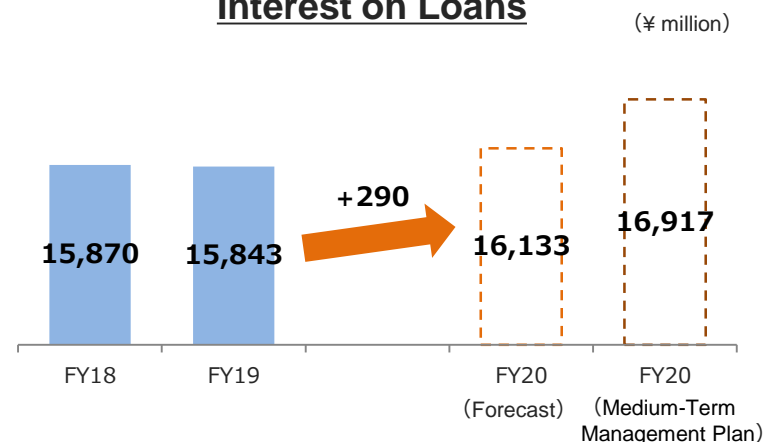
Non-Consolidated	(¥ billion, %)	FY19	FY20 (Plan)	YoY change
Gross banking profit		35.4	34.6	(0.8)
Interest income		29.5	24.8	(4.6)
Interest on loans		15.8	16.1	0.2
Interest on securities		14.2	8.9	(5.2)
Fees and commissions		4.9	5.0	0.0
Other operating income		(0.4)	(0.1)	0.3
Gross banking profit on core operations		33.9	29.8	(4.1)
JGBs and other bond transactions		1.4	4.8	3.3
Expenses		25.6	25.6	0.0
General provision to loan loss reserve		0.0	0.0	0.0
Net business profit		9.7	8.8	(0.9)
Net business profit on core operations		8.3	4.1	(4.2)
(Excluding gain on cancellation of investment trusts)		5.9	4.1	(1.8)
Non-operating losses		(3.9)	(5.5)	(1.6)
Reversal of loan loss reserve		0.9	1.3	0.4
Equity share and similar transactions		1.3	(0.5)	(1.8)
Loss on dissolution of investment trusts		4.0	3.0	(1.0)
Ordinary profits		5.8	3.3	(2.5)
Net income		3.4	2.0	(1.4)

Consolidated	(¥ billion, %)	FY19	FY20 (Plan)	YoY change
Consolidated ordinary profit		6.7	4.0	(2.7)
Profit attributable to shareholders of the parent		3.7	2.3	(1.4)

Average Loan Balance and Yield



Interest on Loans



Capital Policies (Return to Shareholders)

Enhance internal reserves appropriately while continuing to implement stable payment of dividends.

Return to Shareholders — Results and Plan

(Yen)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Dividend per share	6.50	7.00	10.00	9.00	7.00	35.00	35.00	35.00

(¥ million)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Non-consolidated net income	7,898	8,200	8,737	6,710	4,464	4,494	3,430	2,000
Annual dividend	1,134	1,211	1,712	1,521	1,172	1,162	1,114	1,114
Dividend payout ratio	14.42%	14.83%	19.70%	22.73%	26.34%	25.97%	33.99%	55.74%

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Treasury stock acquired	835	834	899	1,235	487	522	1,128	-
Return to shareholders	1,970	2,045	2,611	2,757	1,659	1,684	2,242	1,114
Shareholder return ratio	24.94%	24.94%	29.88%	41.08%	37.17%	37.48%	65.38%	55.74%

Reflecting consolidation of shares (5 shares → 1 share) for October 1, 2018

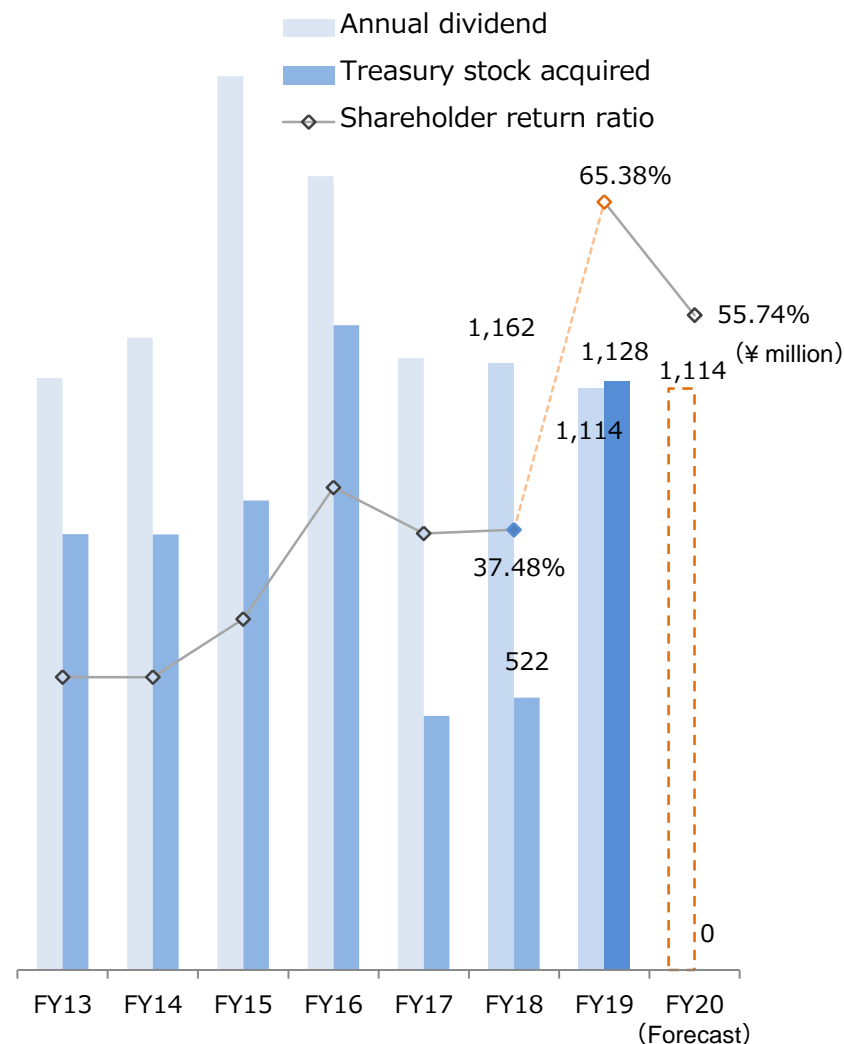
Dividend Policy

◆ Performance-linked dividends

Stable dividend: ¥35

Standard of shareholder return ratio: 20-30% annually

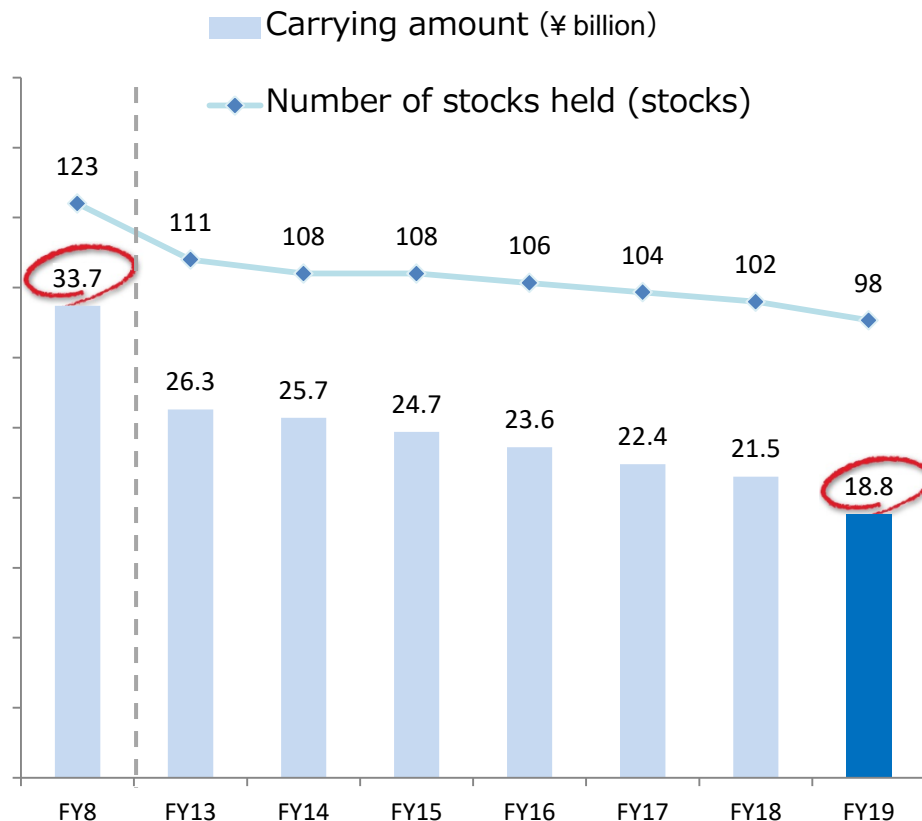
(*) Shareholder return ratio = $\frac{\text{Return to shareholders (dividends paid + treasury stock acquired, etc.)}}{\text{non-consolidated net income}}$



Measures to Address the Corporate Governance Code

Successively reduced cross-shareholdings.

- ✓ The Bank will strive to reduce the balance of cross-shareholdings further, following full discussions with counterpart companies and other entities, based on perspectives such as capital efficiency and curtailing stock holding risk.
- ✓ The balance of cross-shareholdings (carrying amount) has been reduced by approximately ¥15 billion since fiscal 2008.
- ✓ Steady progress has been made on reducing the balance of cross-shareholdings, with sales of cross-shareholdings amounting to approximately ¥5.5 billion over the past 4 fiscal years.



(Reference) Sales of cross-shareholdings over the past four years (Millions of yen)

	Sales Amount (carrying amount)
FY16	1,085
FY17	1,142
FY18	1,004
FY19	2,218
Total	5,449

Medium-Term Management Plan “Value+ 2022” Progress Report

Overview of the Medium-Term Management Plan

Our Mission

**Region-based operations
and sound management**

Long-Term Vision

Value Creation Bank

As we approach our 150th founding anniversary, we aim to be a financial group that all stakeholders can rely upon to realize an enriched regional community, delighted customers, fulfilled employees, and satisfied shareholders.

Medium-Term Management Plan “Value+ 2022”

— A stage for creating new value and implementing bold structural reforms that anticipate the changes of the times —
(First stage for achieving the long-term vision)

Basic Strategy

Enhance customer touchpoints

-Aiming to be a bank that connects with all customers-

Create common values

-Aiming to be a bank that adapts to new environments-

Improve personnel vitality

-Aiming to be a bank where diverse personnel shine-

Increase the Sophistication of Management and Administration Approach

Strengthen CSR Based on the SDGs and ESG Principles

Progress on Key Performance Indicator Targets

KPI targets for FY20

Interest on loans
¥16.1 billion

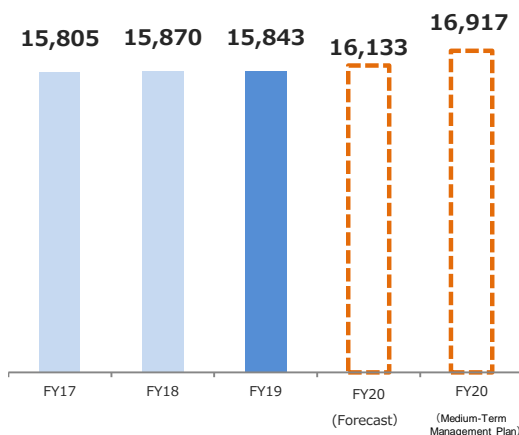
Non-interest revenue
¥7.8 billion

OHR
(Operating expenses/
Core gross business profit)
86.1%

Net income
¥2.0 billion

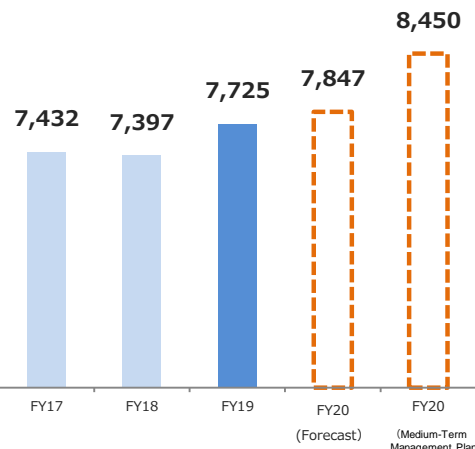
Interest on Loans

(¥ million)



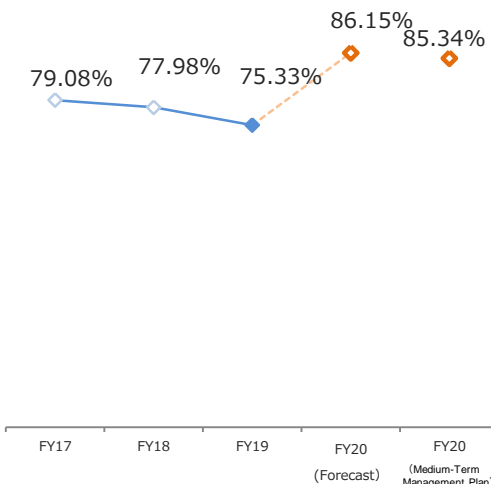
Non-Interest Revenue

(¥ million)

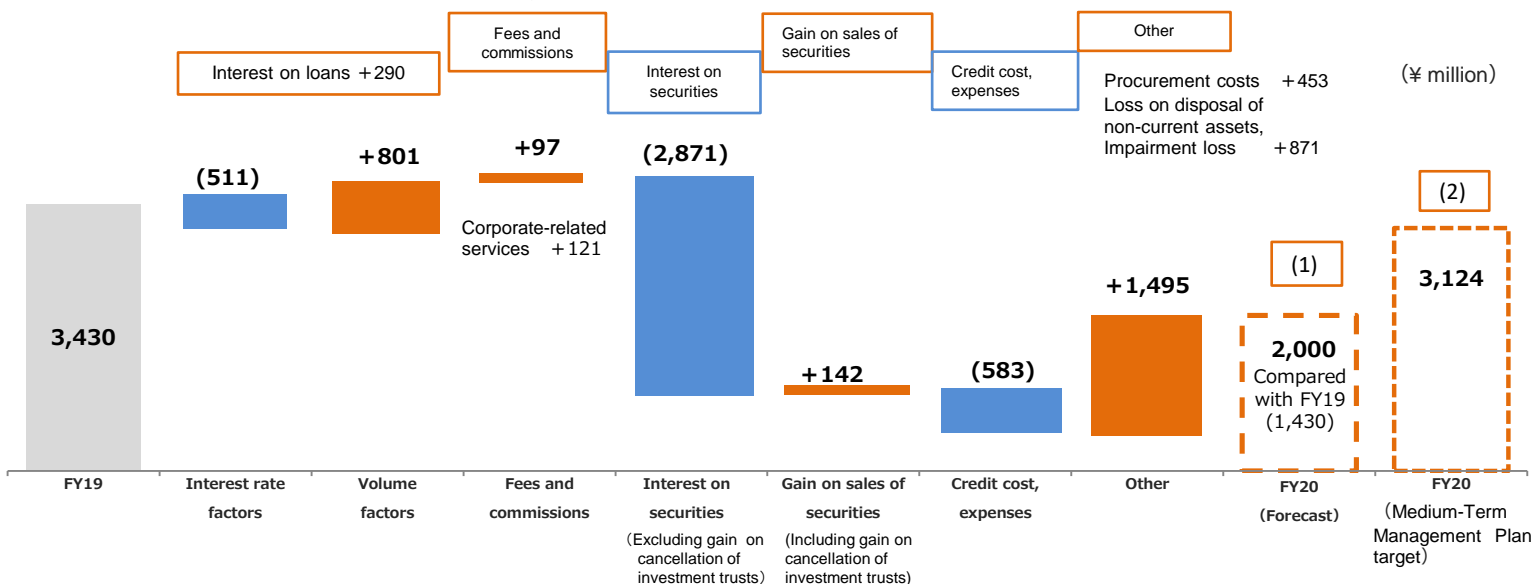


OHR

(Operating expenses/ Core gross business profit)



Net Income Movement Analysis of Full-Year Forecast for FY20 (Compared with FY19)



Difference between (1) full-year forecast for FY20 and (2) Medium-Term Management Plan target for FY20
→ (1,124)

<Analysis of factors for variance>

Interest income	(892)
Fees and commissions	(495)
Credit cost	(901)
Expenses	+562
Others	+602

Medium-Term Management Plan Measures

Channel Strategy

Develop a new customer base by harnessing digital channels, while optimizing the branch network and other aspects of real channels.

Digital Channels

Strengthen Interfaces with Young Customers by Promoting "Wallet+"

Promote to customers

Web advertising

TV commercials

Branches



Targets for the end of September 2020
 Number of downloads: 40,000
 Number of active users: 28,000
 Aiming to capture users through both over-the-counter (OTC) and non-OTC channels
 (Reference)
 Number of downloads as of May 31: 25,963

Measures to Address the Cashless Society

Credit cards

Remittances (Internet banking (IB) and ATM)

Charge-type QR code settlements

Direct debit

Debit cards

Account-linked QR code settlements

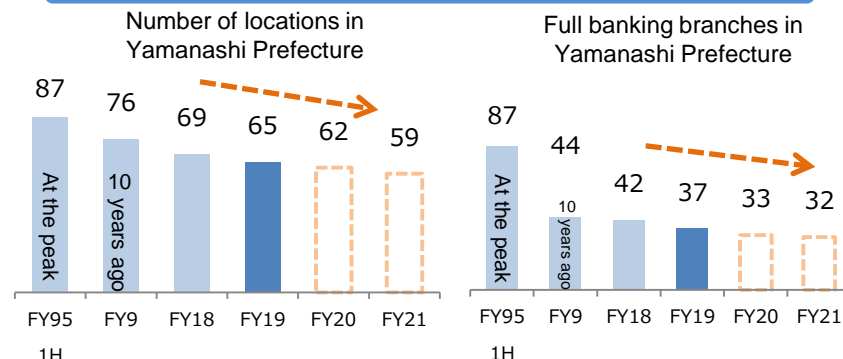
Build convenient and efficient payment infrastructure in Yamanashi Prefecture

Deliver Services to Users

Provide Services to Businesses

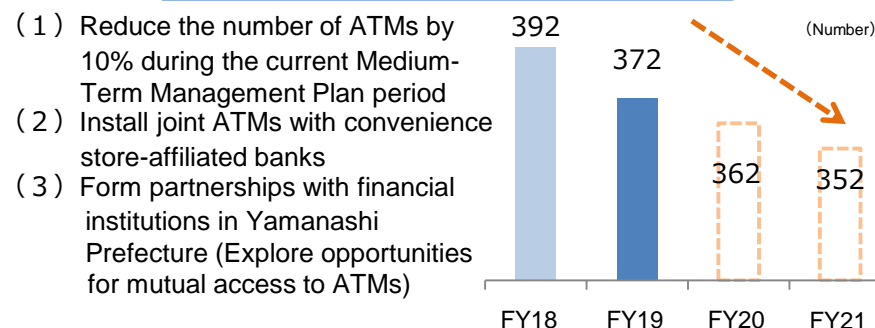
Real Channels

Optimize Branch Network in Yamanashi Prefecture



- (1) Reduced the number of branch locations in Yamanashi Prefecture by approximately 15% (10 branches) (compared with FY18)
- (2) Reduced the number of full banking branches by approximately 20% (10 branches) in Yamanashi Prefecture (compared with FY18)
- (3) Reduce branch staff and premises by relocating branches within other types of facility
- (4) Midday break introduced at 20 branches within Yamanashi Prefecture (from July 6)

Rebuild the ATM Network

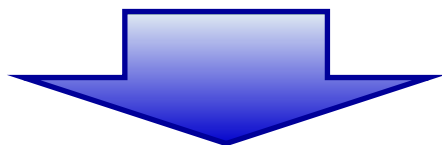


- (1) Reduce the number of ATMs by 10% during the current Medium-Term Management Plan period
- (2) Install joint ATMs with convenience store-affiliated banks
- (3) Form partnerships with financial institutions in Yamanashi Prefecture (Explore opportunities for mutual access to ATMs)

Strategy for the Western Tokyo Area (1)

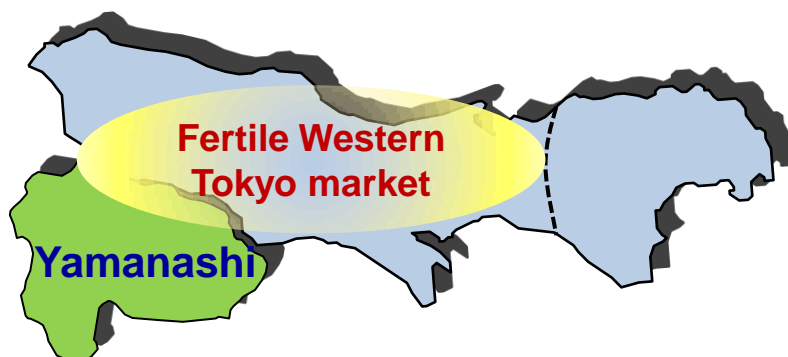
【Focus Resources on Western Tokyo Area】

Optimize branches in Yamanashi Prefecture conduct Head Office BPI, etc. to free up human resources for concentration in the Western Tokyo area, which is a growth market



- Shift concentration of personnel into sales
- Establish Western Tokyo Consulting Sales Department

Western Tokyo Area Market Size

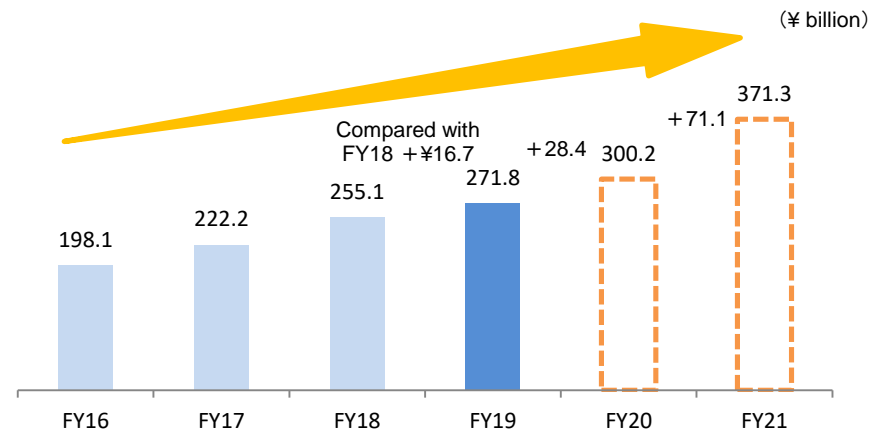


- Number of private business offices: 170,000 (Approx. 3.9 times Yamanashi Prefecture)
- Population: 5,580,000 (Approx. 6.9 times Yamanashi Prefecture)
- Number of households: 2,640,000 (Approx. 7.8 times Yamanashi Prefecture)

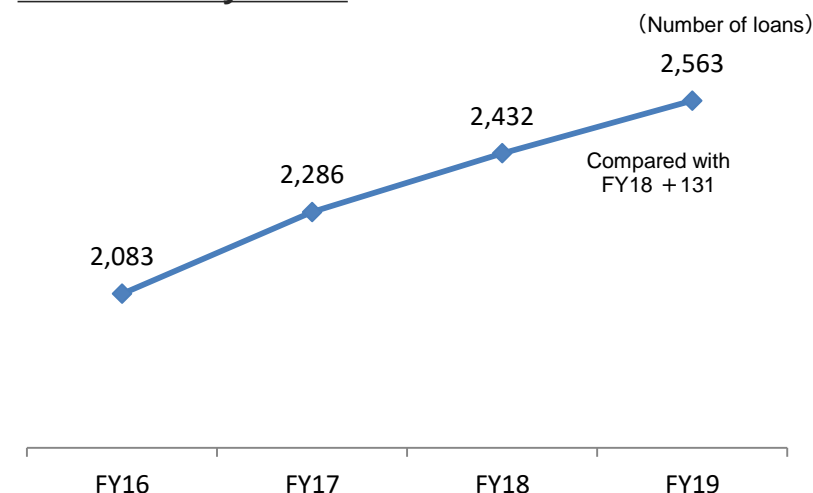
* Western Tokyo area includes the city areas of Tokyo Metropolis, Nishitama District, Suginami-ku, and Sagami-hara City in Kanagawa Prefecture.
Source: 2016 “Economic Census” and April 2020 “Population Estimates”

Effects of concentrated investments

Changes in Western Tokyo Area Average Loan Balance



Changes in number of business loans in the Western Tokyo Area

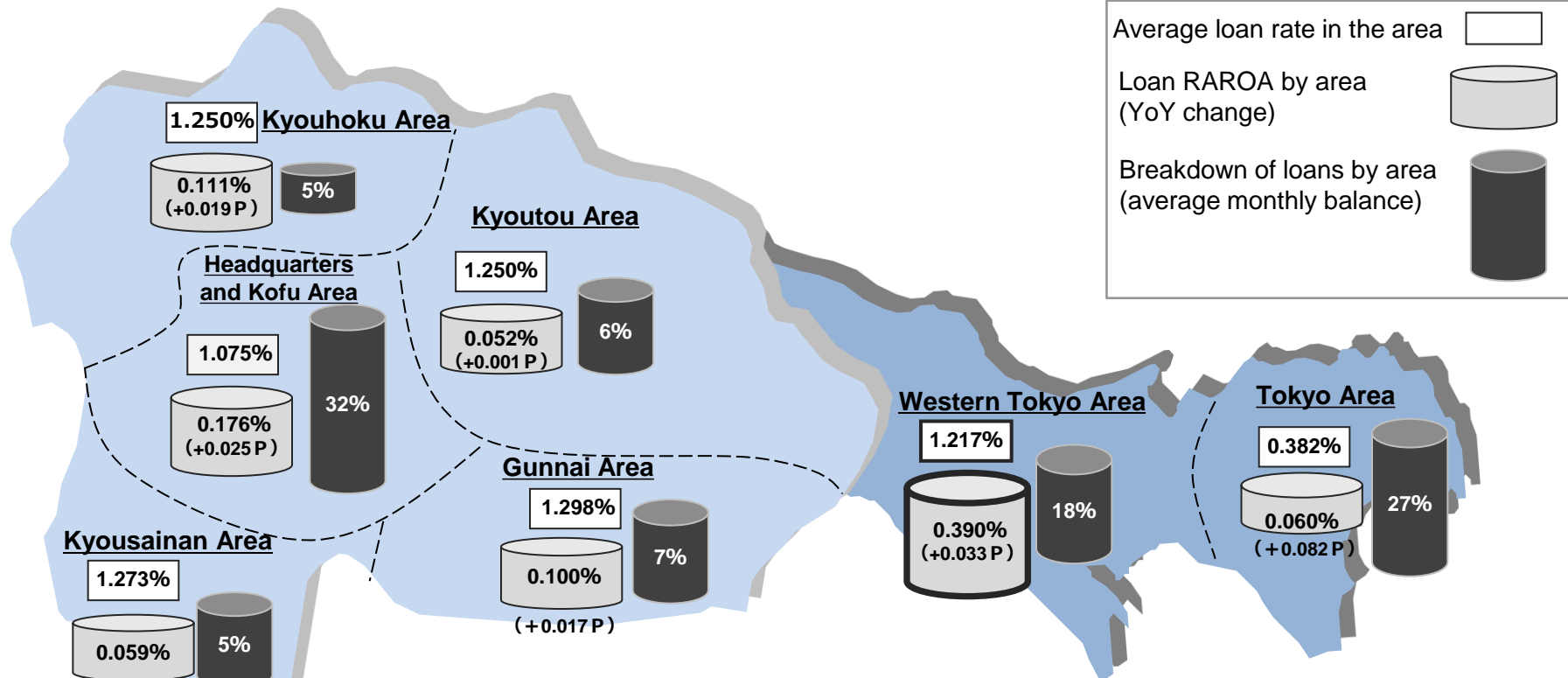


Strategy for the Western Tokyo Area (2)

【Loan RAROA by Area】

Loan RAROA for all areas: 0.161% (+0.039P YoY change)

<One-Month> Results
(March 2020)



Loan RAROA
Index for appraising loan profitability
Formula: earnings after deduction of credit cost / loans
(*) Credit cost = average loan balance × default ratio × (1 – recovery ratio)

Coverage: Debtor categories – normal and requiring caution (including “requiring supervision”)
Excluding loans to Deposits Insurance Corporation of Japan and the Ministry of Finance, loans receivable
Operating expenses: Including ordinary loan expenses, mortgage loan group credit insurance premiums, consumer loan insurance premiums

<Long-term trends in the Western Tokyo area>

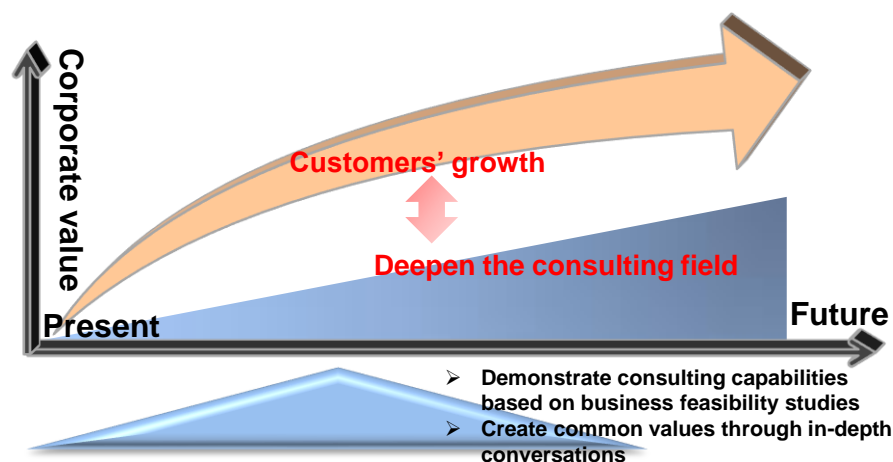
(%)	FY9	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Versus 10 years ago	YoY change
Average loan rate the area	2.151	2.056	2.037	1.908	1.781	1.692	1.589	1.426	1.285	1.233	1.217	(0.934)P	(0.016)P
Loan RAROA by area	0.496	0.488	0.530	0.602	0.474	0.461	0.496	0.444	0.352	0.358	0.390	(0.106)P	+ 0.032P
Breakdown of loans by area	11	11	11	12	13	13	14	15	17	18	18	+7P	±0P

Deepen and Expand Consulting Field (For Corporations)

Promote fuller and expanded consulting to realize comprehensive financial services.

Deepen the Consulting Field

Increase Customers' Corporate Value



Management support & fund procurement support

Support for developing business plans

Support for business succession and estate planning

M&A

Support for use of public assistance

Support for building a personnel evaluation system

Support for formulating BCPs

Support for introducing ICT

- The Bank will create common values with customers by demonstrating consulting capabilities, as it shares the aspirations, philosophy and other ideas of business managers through in-depth conversations. In the process, the Bank will provide optimal consulting services.

Expand the Consulting Field

Enter New Business Fields

October 2019

The Bank began offering staffing services (i.e., the Bank acquired a license to conduct a fee-based job placement business).

March 2020

Contracted as an indirect subsidized business for the Cabinet Office's pioneering HR business.

Newly entered the human resource placement business. Expanding collaboration with private human resource placement companies and strengthening cooperation to promote absorption of expertise, etc. ahead of internalizing operations.

Expand New Finance Techniques

September 2019

Added dedicated staff at Head Office (two people) and formed a structured finance team.

November 2019

One member with specialized expertise has been dispatched to an external institution.

Developed readiness in the system by adding specialists. Steadily responding to projects and contributing to increases in revenue from corporate-related services. Will continue accumulating experience and expertise to enable responding to projects with diverse needs.

Track Record on Consulting for Corporations 山梨中央銀行

Revenue from Corporate-Related Services Achieved Goals, Making Steady Progress.

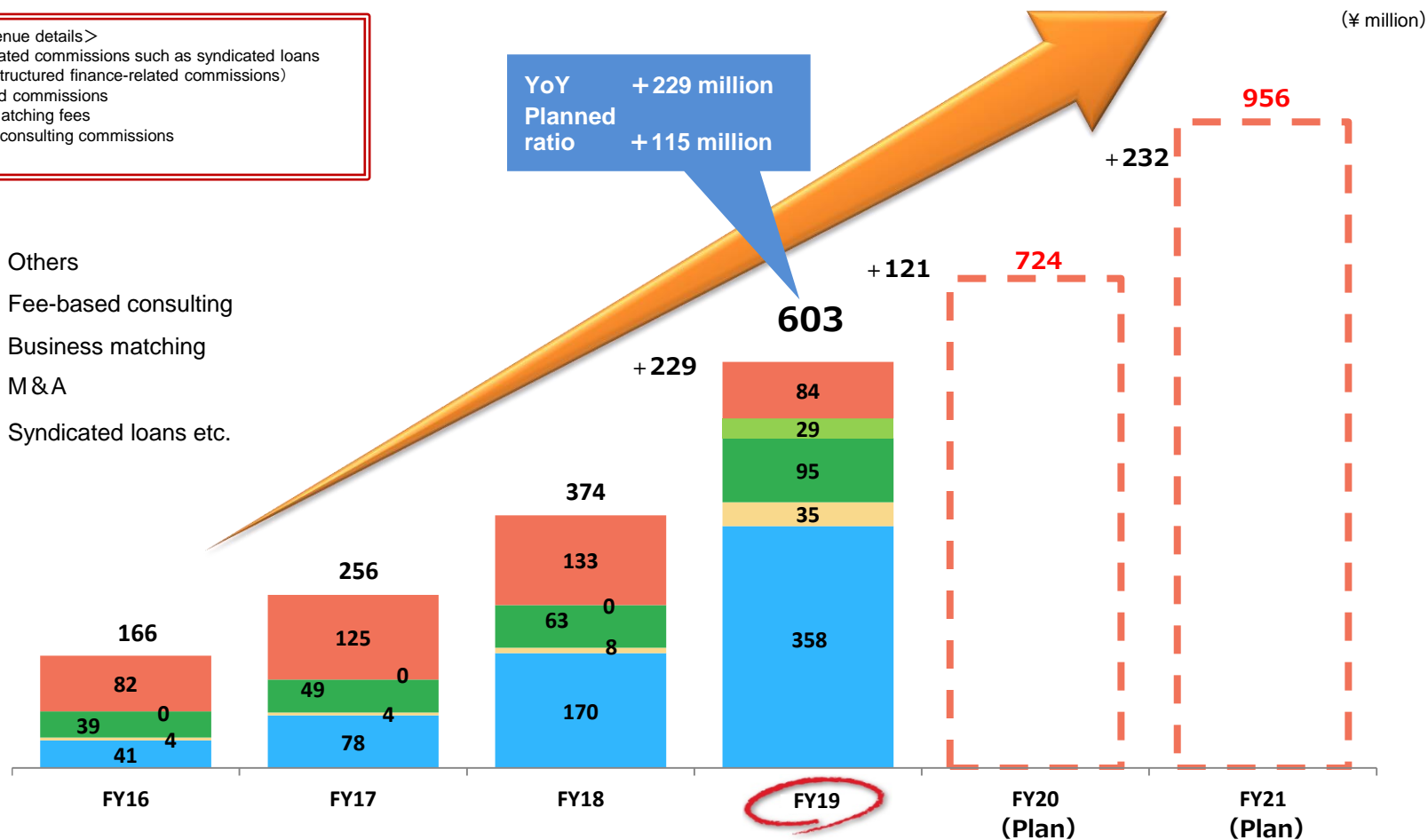
- Corporate-related services revenue is trending upward, centered mainly on structured finance, M&A and fee-based consulting business operations.

Revenue from Corporate-Related Services

<Service revenue details>

- Finance related commissions such as syndicated loans (including structured finance-related commissions)
- M&A-related commissions
- Business matching fees
- Fee-based consulting commissions
- Others

- Others
- Fee-based consulting
- Business matching
- M&A
- Syndicated loans etc.



Deepen and Expand Consulting Field (For Individuals)

Steadily build a customer-oriented business operation system.

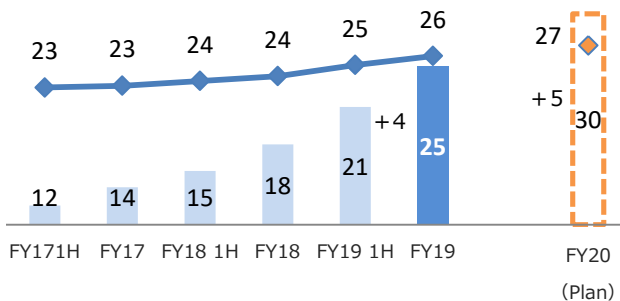
Asset Formation

Periodic investment plans
for investment trusts

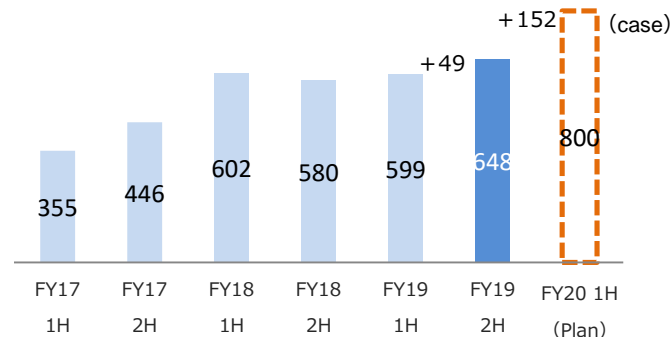
iDeCo

The Numbers of Subscribers to Periodic Investment Plans for Investment Trusts and Investment Trust Owners Have Been Increasing

Number of subscriptions to periodic investment plans for investment trusts (1,000 people)
Number of investment trust owners (1,000 cases)



The Number of Level Premium Insurance Policies Has Been Increasing



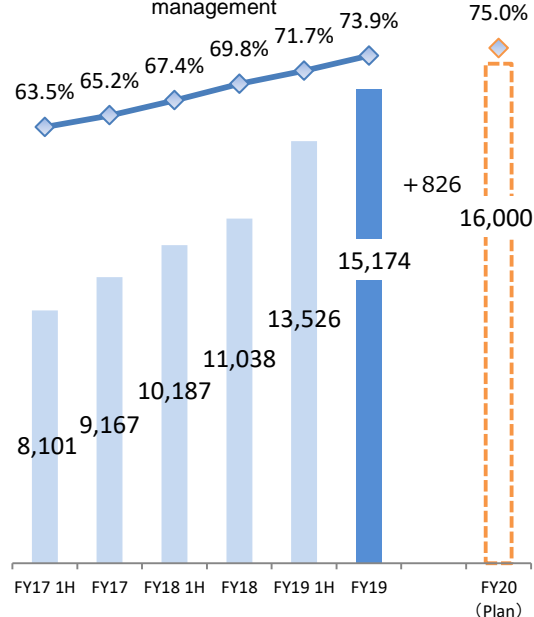
Asset Management

Investment trusts, life insurance, foreign currency deposits, bonds

Core product balance and diversified investment rate rising due to medium- to long-term asset formation and management proposals

Core product balance (¥ million)
Diversified investment rate (multiple product ownership) (%)

* Core products: Products the Bank judged to have long-term stability for asset formation and asset management

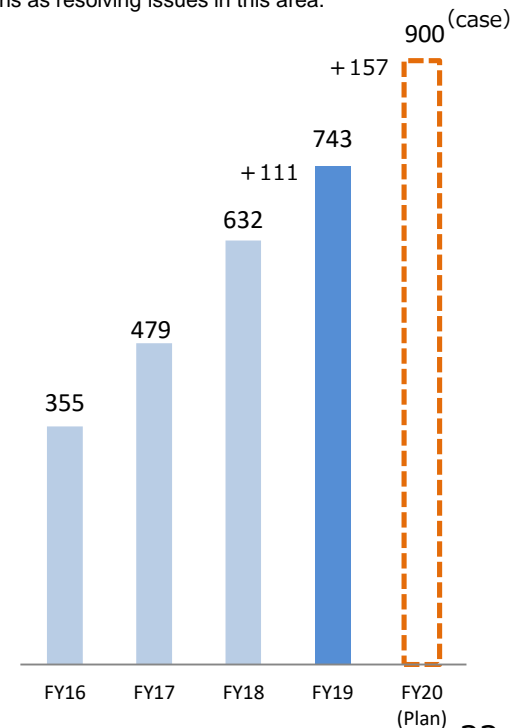


Estate Planning

Asset succession and testamentary trusts

Increase in Asset Succession Support Track Record

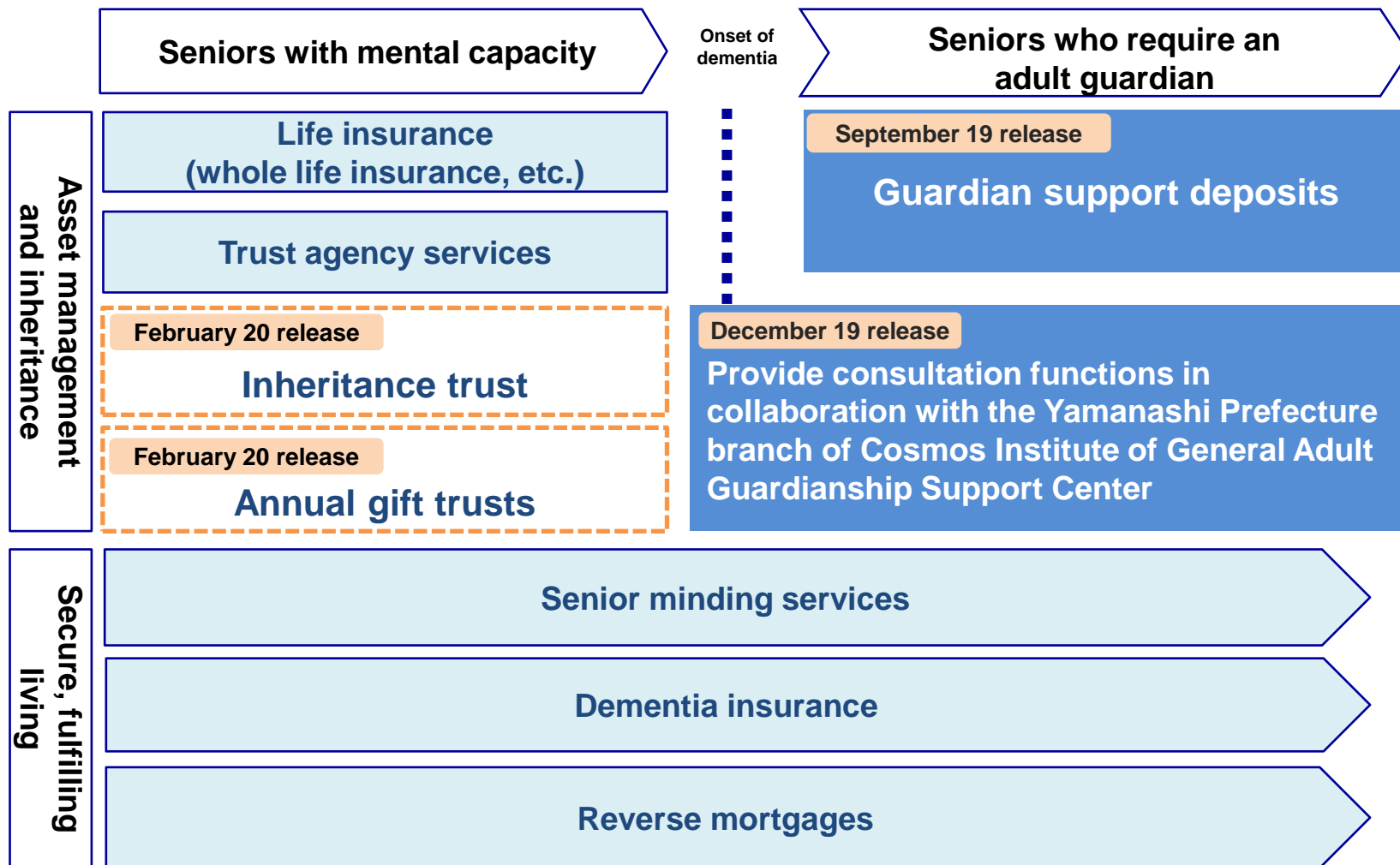
*Asset succession support: Services to support customers' asset succession (estate planning, etc.) needs through such means as resolving issues in this area.



Track Record and Plan for Consulting for Individuals (Sales of Financial Products and Other Activities)

Steadily upgrade and expand consulting options for the elderly.

Provide a Wide Range of Services Depending on the Customer's Mental Capacity

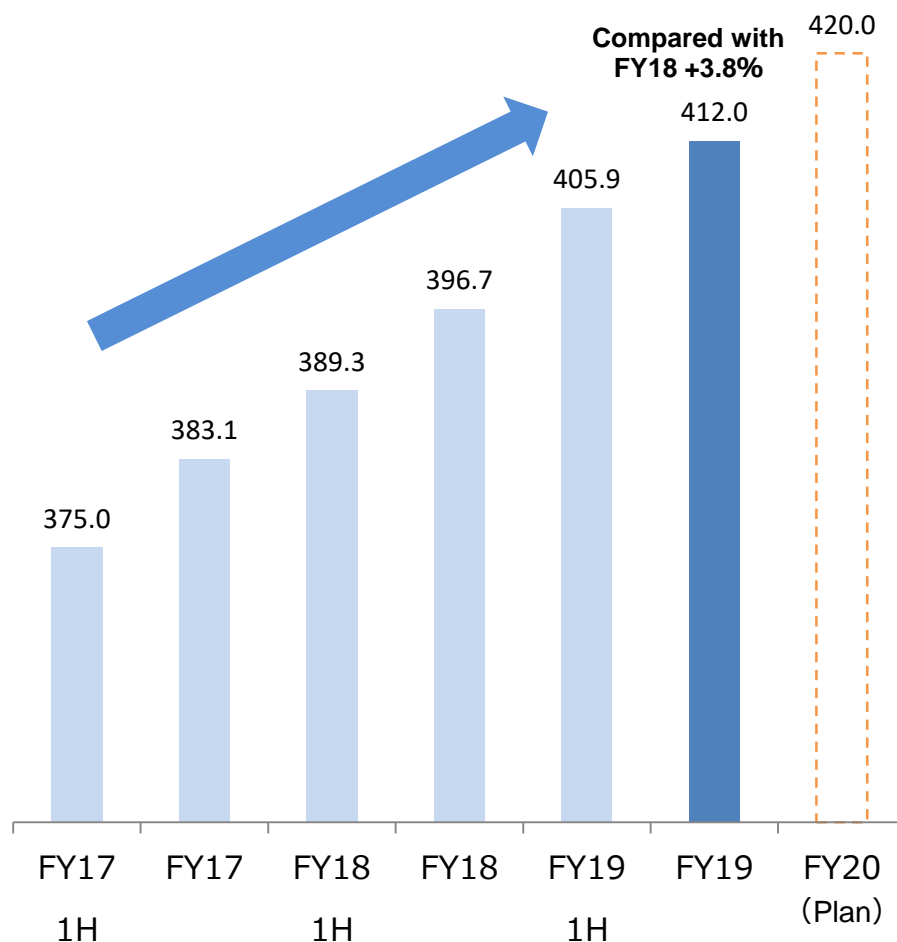


Housing Loans

Steady growth in housing loans, which are positioned as a gateway product to asset-building customers.

Housing Loans Term-end Balance

(¥ billion)



Measures to Expand Housing Loans

Improve Convenience

- Establish a scheme that enables the entire housing loan process to be completed online, from application to the signing of loan agreements (Planned for implementation in FY20 2H)

Streamline Operations and Bolster Profitability

- Reduce administration costs at branches and Head Office by drastically revising housing loan administration work

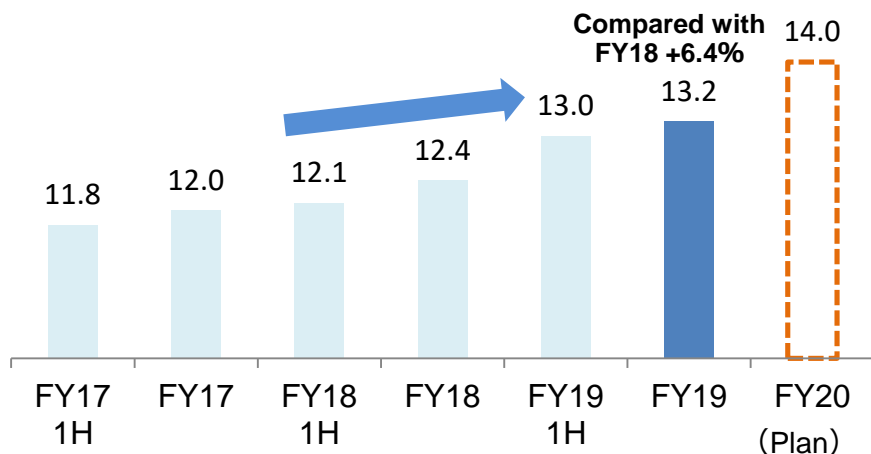
Differentiation from Other Banks

- Introduce group credit life insurance with generous coverage at a low cost (upgrade and expand product features)
 - ⇒ Revised product features of Chiginkyo Double Support group credit life insurance (Implementation of new plan)
- Strengthen the onboarding of contractor projects

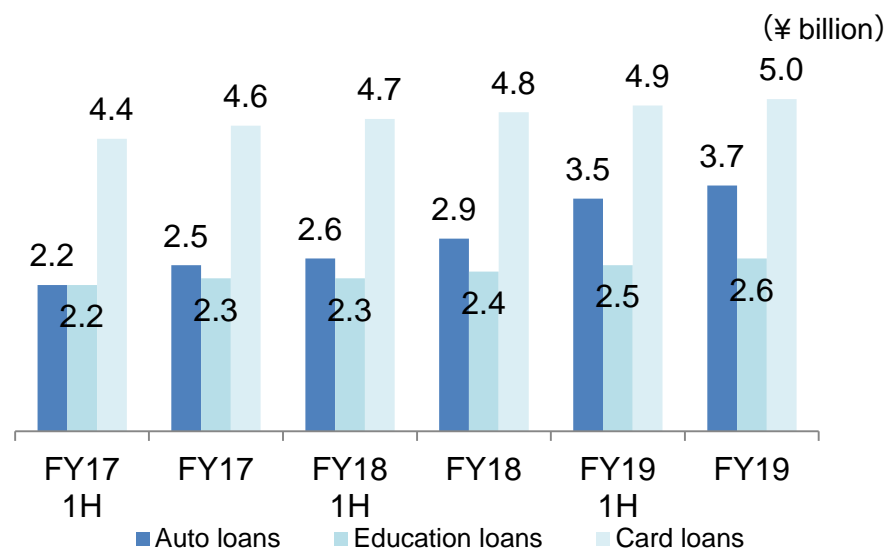
Unsecured Individual Loans

Steady growth in unsecured individual loans through effective responses to customer needs.

Unsecured Individual Loans Term-end Balance (¥ billion)



Including Term-end Balances for Auto, Education and Card Loans



Measures to Expand Unsecured Individual Loans

Improve Convenience

- Establish a scheme that enables the entire unsecured individual loan process to be completed online, from application to the signing of loan agreements (Planned for implementation in FY20 2H)

Proactively Address Customer Needs

- Implement campaigns during periods of high demand for funds



- Revise product features
⇒ Increased the loan limit for the *Oyagokoro* education loan (overdraft type) to ¥10 million from October 1, 2019.

Promote Cross-Selling

- Expand preferential interest rate initiatives for the Bank's housing loan borrowers and customers who have taken out unsecured individual loans from the Bank.



Increase Productivity through BPI *

(*)BPI : Business Process Innovation (Innovation in operations reform)

Drastically rationalize and streamline operations through such means as introducing Robotic Process Automation (RPA).

BPI of Branch Operations

Rationalize and Streamline Reception Operations

- Added four types of individual loan product applications via branch tablet terminals (from November 2019)
- Review preliminary screening for housing loans (for processes not requiring a collateral evaluation in principle, etc.) (from January 2020)
- Started joint development of semi-self-service terminals with system vendor (from March 2020)
- Changed receipt stamp for documents related to loans secured by deposits, etc. (from March 2020)

Drastically Centralize Back Office Operations

- Rationalized ledger binding clerical work (insert and seal in dedicated package) (from January 2020)
- Centralized parts of real estate collateral documentation preparation for business loans at Head Office, etc. (from February 2020)

BPI of Operations with a Common Platform

Develop Systems and Paperless Operations

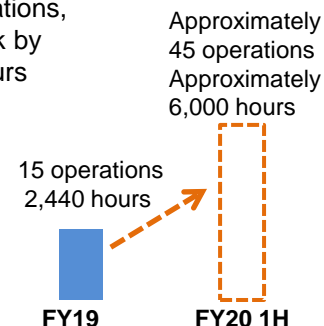
- Expanded paperless operations through digitalization, such as for regulations for various types of deposits (from October 2019)
- Made ledgers, etc. paperless by changing administrative methods for restructured loans, etc. (from April 2020)
- Expanded paperless operations through digitalization of various types of internal documents by using groupware, etc.

BPI of Head Office Operations

Automate operations using RPA

Developed RPA robots for 15 types of operations, mainly data aggregation and data entry work by March 2020. Forecast to cut 2,440 labor hours annually.

The Bank will continue to expand business process automation through RPA, in order to continue to streamline operations further.



Streamline operations

- Digitalized various types of internal documents such as circulars and revise operational processes and simplify operations
- Moved forward on revising various types of internal documents and eliminated about 20 ledgers by March 2020

Reassign Human Resources

- The Bank had reassigned 69 Head Office employees by the end of March 2020, mainly as a result of the consolidation of redundant departments following revisions to the Head Office organization. (KPI: 67 employees. KPI comparison +2)

Increase customer convenience

Strengthen sales structure through redeployment of human resources

Increase labor productivity

Improve Personnel Vitality

Aiming to be a bank where diverse personnel shine

Initiatives to build an organization where every employee can experience job fulfillment and growth.

Make Work Rewarding and Fulfilling for Every Employee

- Personnel management to draw out employees' strengths and capabilities
 - Appoint younger people and women through such means as public recruitment
 - ⇒ **Strategically allocated 11 people, including to Head Office**
 - Improved work engagement
 - ⇒ **Completed second stage of internal content**
- Initiatives to transform the organizational culture
 - Implemented business casual wear to foster free and easy corporate culture, etc.
 - ⇒ **Expanded to all Group officers and employees in May 2020**
 - Formally introduced T-LINE to energize internal discussion through opinion statements addressed to the president
 - ⇒ **Instituted in May 2020**

Personnel management

Experience job fulfillment and growth

External assignment

On-the-job training (OJT) and training seminars

Self-improvement

Improve productivity

Communication to Encourage Flexible Workstyles, etc.

- Diversity promotion
 - ⇒ **Continued and promoted examination of measures, etc. by the Colors promotion team**
- Encourage communication
 - ⇒ **Conduct training seminars on making the most of employees' strengths and fostering a culture of praise**
- Initiatives for health promotion measures
 - Banned smoking at all Bank facilities and on all properties
 - ⇒ **Enacted in April 2020**

Human resource development

Develop Specialist Human Resources

- Upgrade and expand self-improvement support tools
 - ⇒ **Further expanded and promoted use of e-learning**
- Newly established Y-Support individual guidance training
 - Newly established operations-type training for small groups conducted by dedicated staff from Head Office
 - ⇒ **Started in April 2020**

Be a bank where diverse human resources reach their potential

Develop and Strengthen the IT Platform to Help Increase Corporate Value

Accelerate the development of the IT platform by securing and nurturing systems development personnel.

Strive to Evolve to a Highly Strategic System Management Framework in Order to Realize Digital Transformation

Strategic priorities

Transform to an organization and workforce capable of adapting to changes in the environment

- Increase and enhance systems development personnel to realize management strategy (optimize personnel as a key IT resource)
December 2019: 52 people + 5 people (mid-career hires, public recruitment)
⇒ June 2020: 57 people
- Support IT solutions for customers



Implemented



Scheduled to implement

Carry out comprehensive, multi-faceted initiatives based on the perspective of IT governance

Realize drastic restructuring of IT costs and optimal resource allocation

Build a robust IT platform that will underpin management strategy

Improvement

Roll-out bookless accounts at all branches

Introduce brand debit cards

Establish and rigorously implement a rational IT investment process

Transformation

In-source systems development through the use of the Smile Platform

Build an integrated platform for information systems using external data centers

Build next-generation branches (introduce semi-self-service terminals)

Introduce a new loan support system

Innovation

Utilize open API
• Introduce “Wallet +” (Mobile first)

Take full advantage of cutting-edge IT
• AI, VR, AR
• Effectively harness the cloud platform

Utilize blockchain infrastructure (convert from delivery ledgers sent to customers)

Develop a highly flexible and effective risk management system (cybersecurity)

CSR Initiatives Based on the SDGs and ESG Principles

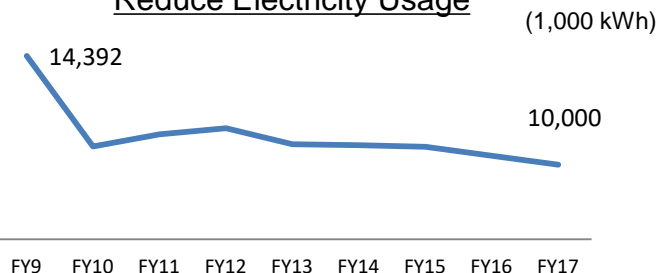
Help to realize a sustainable society by taking the initiative to address issues faced by regional communities.

Established Yamanashi Chuo Bank Group's SDGs Declaration (May 10, 2019)

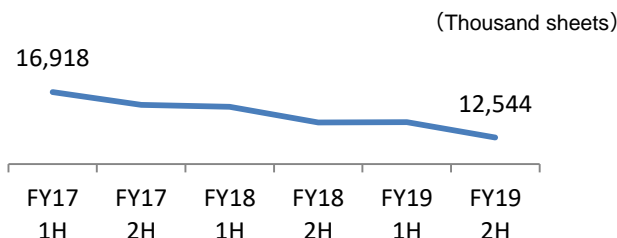
Key Measure 1 Strive to Reduce Environmental Impact



Reduce Electricity Usage



Reduce paper consumption



Use building materials from Yamanashi Prefecture in new branches

- Mejirodai Branch (rebuilt in September 2019)

Key Measure 2 Develop a Sustainable Regional Economy



Concluded Partnership Agreement with The Shizuoka Bank, Ltd. and Central Nippon Expressway Company Limited (NEXCO Central) (July 2019)

- Expand sales routes for regional products and provide business opportunities to regional companies, etc.
- ⇒ Encourage companies to submit products to online malls, planning product fair events at roadside rest stops.

Concluded Partnership Agreement with Koshu City and LIFULL Co., Ltd. (July 2019)

- Regional revitalization through the use of vacant houses

Formed SDGs Fund

- Total value of fund: ¥0.5 billion (planned for December 2019)

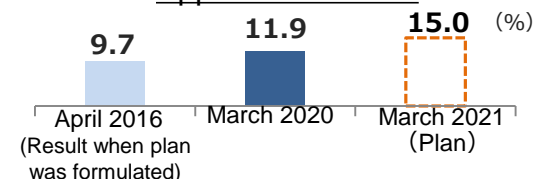
Started consulting related to SDGs (May 2020)

- Support initiative goals and KPI formulation, etc.

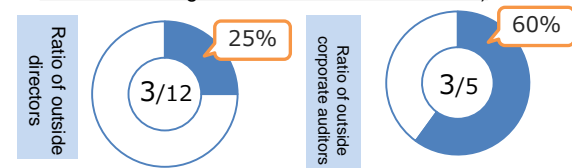
Key Measure 3 Appoint and Utilize Diverse Human Resources



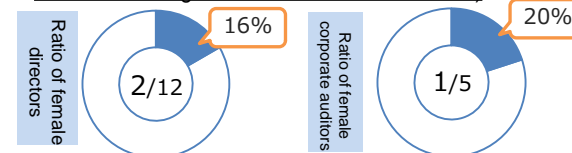
Female Manager and Supervisor Appointment Ratio



Raise ratio of outside officers to 35% (scheduled for after General Meeting of Stockholders in June 2020)



Raise ratio of female directors to 17% (scheduled for after General Meeting of Stockholders in June 2020)



Appointed a managing executive officer (June 2020)
Introduced a restricted stock compensation plan for executive officer rank and above (June 2020)

Response to COVID-19

Response to COVID-19

Fulfilling our mission as a regional bank while maintaining financial infrastructure functions.

Support for financing

Rebuild the community and companies through a
“3S” (Smile, Speed, Simple) and later promote regrowth

Hearings, loan consultations and executions

(As of May 29, 2020)

Number of hearings	Number of loan consultations	New loans Number executed	Changing conditions Number executed
5,891 cases	1,867 cases	879 cases (¥28.3 billion)	391 cases (¥10.1 billion)

Developing readiness

- Conduct impact investigation (from January 30)
- Set up consultation desk (from February 6)
 - Weekdays: All branches
 - Holidays: Set up at branches operating on holidays (8 branches during Golden Week)
Set up dedicated toll-free phone number (Golden Week only)
- Established a COVID-19 Management Support Team (April 21)
 - 16 Bank employees from Head Office, allocated to each bloc
- Concluded a collaborative agreement with the Yamanashi Social Insurance and Labor Consultant Association (May 18)
 - Strengthened response to consultations related to labor affairs and various types of subsidies

Bank's continued support for business continuity

Branches

- Introduced a temporary midday break at all branches (2 in-house Bank employees on rotation)
- Temporarily halted sales after 5 p.m. and on holidays
- Installed screens on teller's booths to prevent airborne transmission
- Arranged for social distancing in lobbies and ATM areas
- Rigorously enforced prior reservations for visits, etc.

- Newly established loan programs, etc.
 - Newly established a special loan for natural disasters, etc. (February 6)
 - Supported effectively interest-free loans in Yamanashi Prefecture, Tokyo and Kanagawa Prefecture (from May 1)
One-stop response for applications to municipalities, credit guarantee corporations
 - Support low-interest Life Support Loan (from May 1)
- Response to changing conditions
 - Waive handling fees on changing conditions for business loans (from May 1)
 - Flexible and prompt support, including response to new money for recipients changing conditions and simultaneous response to changing conditions and new loans
 - Respond to changing conditions for unsecured individual loans (from May 1)

Branches and Head Office

- Established split operations
- Instigated telework and furloughs
- Introduced video and web conferencing
- Cancelled various events, seminars, training, etc.

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, E-mail address or website.

Inquires:

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 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.