

The Yamanashi Chuo Bank, Ltd. The 39th Analyst Meeting

December 9, 2020 (Wed)

First Section, Tokyo Stock Exchange : 8360

Summary of Business Results

FY20 1st Half 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
Creating Value through Alliances	16
Response to COVID-19	18

Medium-Term Management Plan Measures

Channel Strategy	20
Strategy for the Western Tokyo Area	21
Focus Resources on Western Tokyo Area	21
Loan RAROA by Area	22
Deepen and Expand Consulting Field (For Corporations)	23
Track Record on Consulting for Corporations	24
Deepen and Expand Consulting Field (For Individuals)	25
Lineup for consulting for individuals	26
Housing Loans	27
Unsecured Individual Loans	28
Increase Productivity through BPI	29
Improve Personnel Vitality	30
Response to Digital Transformation (DX)	31
Develop and Strengthen the IT Platform to Help Increase Corporate Value	32
CSR Initiatives Based on the SDGs and ESG Principles	33

Summary of Business Results

FY20 1st Half Business Results (Summary)

Non-Consolidated	(¥ billion, %)	FY19 1H	FY20 1H	YoY change
Gross banking profit		15.4	16.3	0.8
Interest income		13.2	14.5	1.2
Fees and commissions		2.3	2.4	0.0
Other operating income		(0.2)	(0.0)	0.1
Gross banking profit on core operations		15.4	16.9	1.4
JGBs and other bond transactions		(0.0)	(0.5)	(0.5)
Expenses		12.8	12.8	(0.0)
General provision to loan loss reserve		(0.1)	-	0.1
Net business profit		2.7	3.4	0.7
Net business profit on core operations		2.5	4.0	1.5
(Excluding gain on cancellation of investment trusts)		2.5	4.0	1.5
Non-operating losses		0.7	(1.2)	(1.9)
Gains on reversal of provision to loan loss reserve		-	0.0	0.0
Reversal of loan loss reserve		0.5	0.0	(0.5)
Equity share and similar transactions		1.2	(1.2)	(2.5)
Ordinary profits		3.4	2.2	(1.2)
Extraordinary income (losses)		(0.1)	(0.1)	(0.0)
Net income		2.1	1.1	(1.0)
Credit-related costs		0.3	△ 0.0	(0.4)

Consolidated	(¥ billion, %)	FY19 1H	FY20 1H	YoY change
Consolidated ordinary profit		3.9	2.6	(1.3)
Profit attributable to shareholders of the parent		2.3	1.3	(1.0)

Page 4

Page 7

Page 8

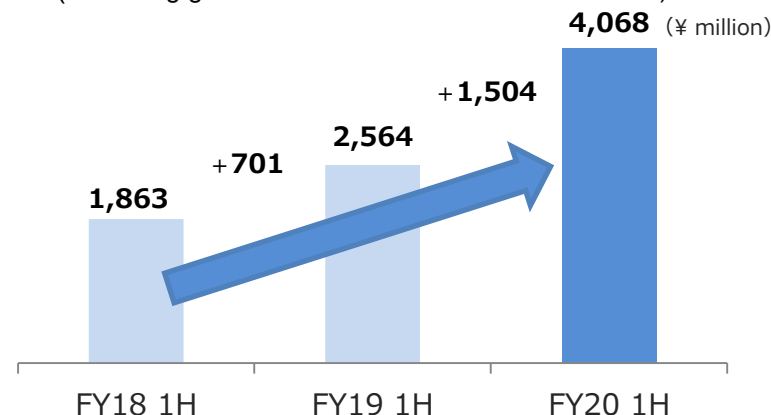
Page 9

Page 9

Page 9

Net Business Profit on Core Operations

(Excluding gain on cancellation of investment funds)



Main Points of FY20 1H Business

- Core gross banking profit posted a year-on-year increase mainly due to an increase in interest income
- Net business profit on core operations (excluding gain on cancellation of investment funds) increased 1.5 billion yen year-on-year, substantially improving profits in the main business.

(About gain or loss on cancellation of investment trusts)

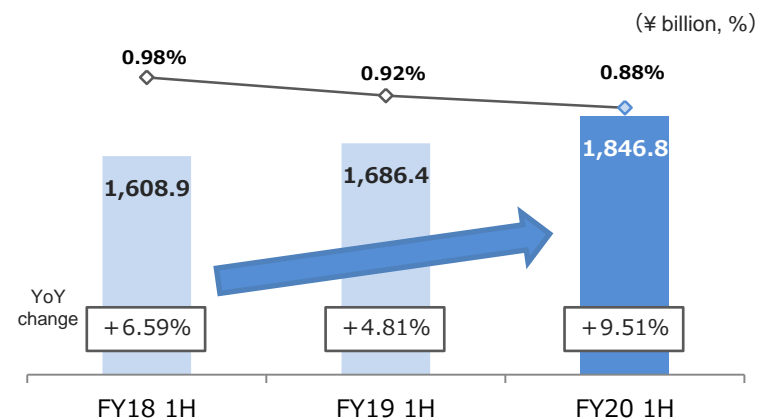
Gain on cancellation of investment funds refers to gain on cancellation and redemption of investment funds (primarily privately placed investment funds) excluding ETF and REIT. Gain is recorded under interest and dividends on securities. Loss is recorded under other operating losses.

Interest Income

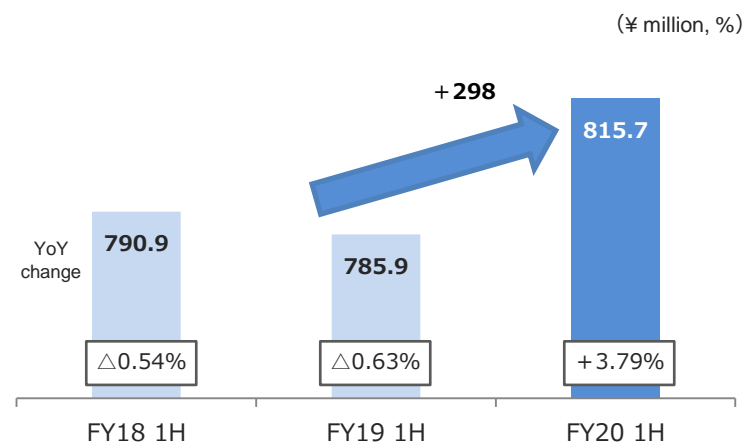
As both interest on loans and interest on securities increased, interest income improved significantly.

	(¥ billion, %)	FY19 1H	FY20 1H	YoY change
Interest income		13.2	14.5	1.2
Net interest margin		7.6	7.9	0.3
Interest on loans		7.8	8.1	0.2
Domestic operations		7.7	8.0	0.3
International operations		0.1	0.1	(0.0)
Interest on deposits		0.2	0.1	(0.0)
Domestic operations		0.1	0.1	(0.0)
International operations		0.0	0.0	(0.0)
Interest on securities		5.7	6.5	0.8
(Excluding gain on cancellation of investment funds)		5.7	6.5	0.8
Bonds		2.0	1.9	(0.0)
Domestic operations		1.6	1.7	0.0
International operations		0.3	0.2	(0.1)
Stock		0.6	0.6	(0.0)
Distributions on investment trusts		2.9	3.9	0.9
Gain on cancellation of investment trusts (Gain surplus)		-	-	-
Capital market investment and procurement		(0.0)	0.0	0.1
Domestic operations		12.9	14.2	1.2
International operations		0.3	0.3	(0.0)

Average Loan Balance and Yield



Interest on Loans



Deposits · Loans

Loan balance mainly in the corporate segment increased due to community-based financial support.

< Average >

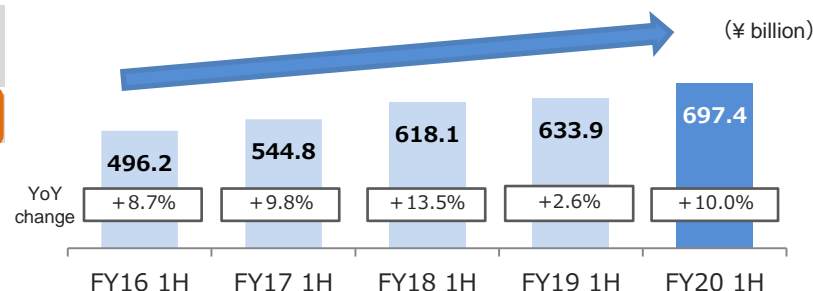
	(¥ billion)	FY19 1H	FY20 1H	YoY change (Change)
Deposits		3,021.4	3,187.6	166.1 (+5.5%)
Yamanashi Prefecture		2,674.9	2,818.8	143.8 (+5.3%)
Tokyo and Western Tokyo Area		346.5	368.8	22.3 (+6.4%)
Deposit Shares in Yamanashi Prefecture (term-end)		49.3%	49.6%	+0.3P —

(Excluding Japan Post Bank)

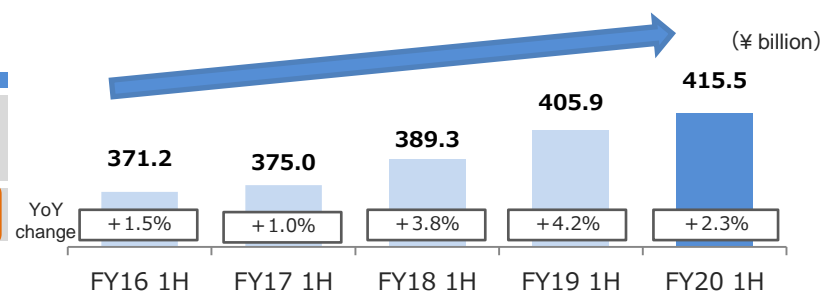
	(¥ billion)	FY19 1H	FY20 1H	YoY change (Change)
Loans		1,686.4	1,846.8	160.4 (+9.5%)
Yamanashi Prefecture		860.8	910.2	49.3 (+5.7%)
Tokyo and Western Tokyo area		650.8	765.5	114.7 (+17.6%)
Loan assets under the control of head office departments		174.6	171.0	(3.6) ((2.0)%)
General funds		1,026.6	1,147.7	121.1 (+11.8%)
Non-commercial for individuals		379.9	392.3	12.4 (+3.2%)
Local government bodies		279.8	306.7	26.8 (+9.5%)

Loan Shares in Yamanashi Prefecture (term-end)		43.6%	43.6%	(0.0)P —
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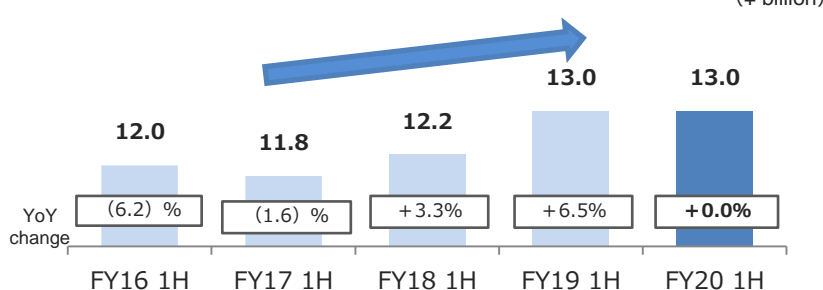
Balance of Loans to SMEs (term-end)



Housing Loans (term-end)



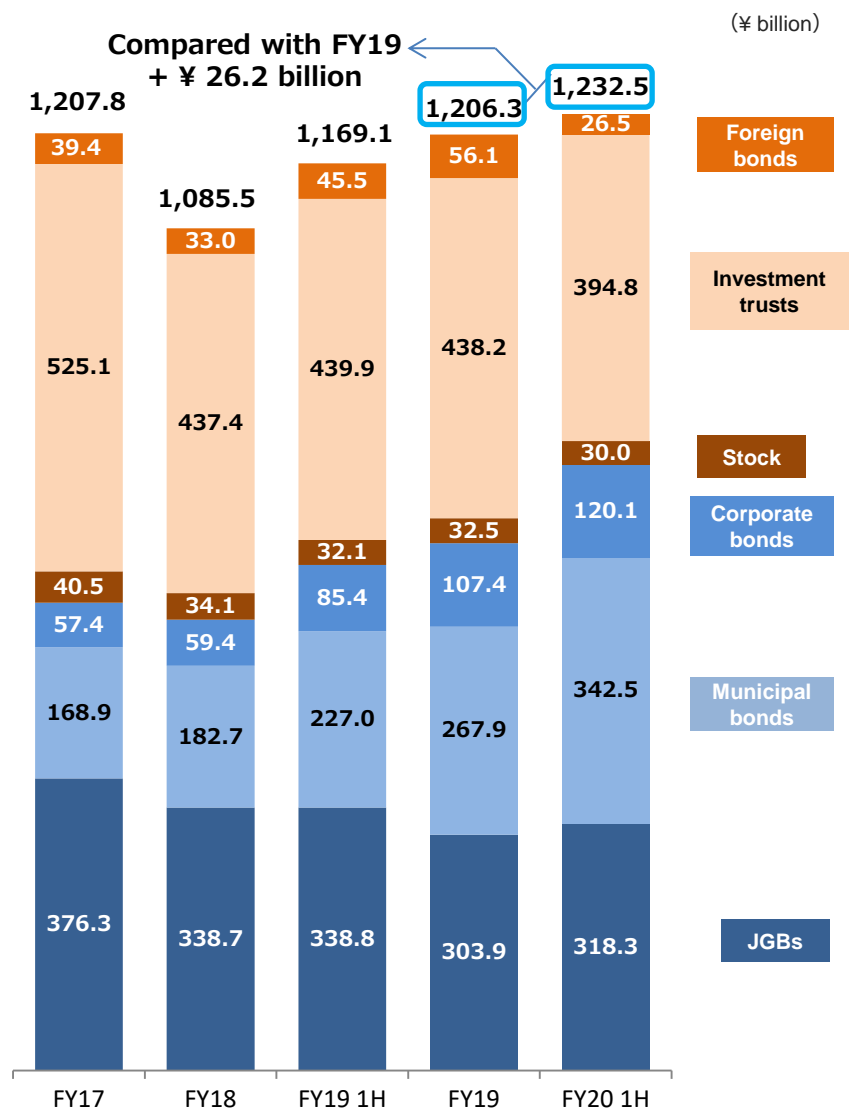
Unsecured Loans (term-end)



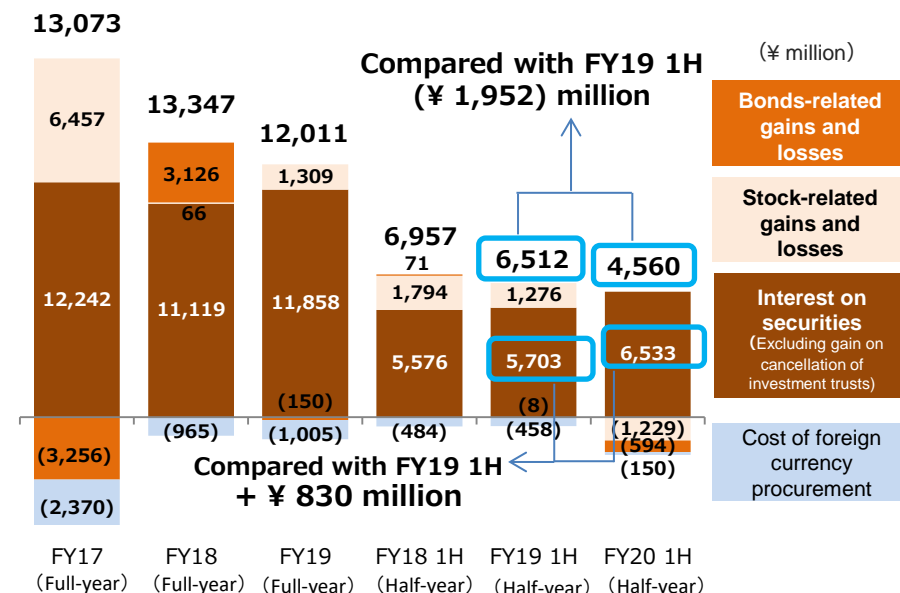
Securities

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)

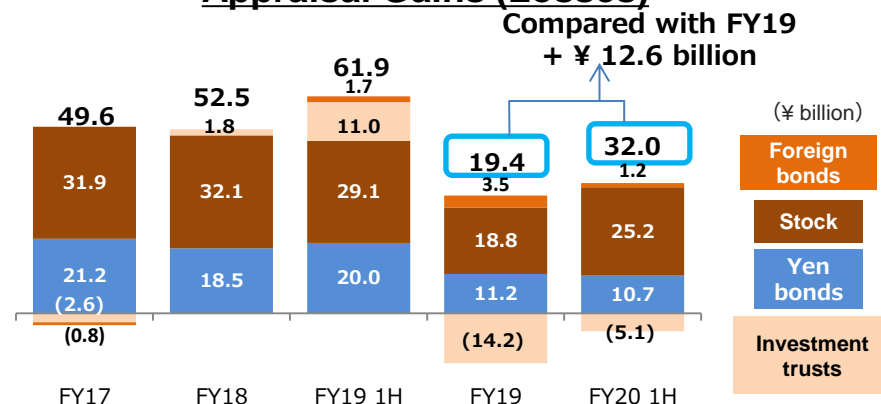


Securities Gains and Losses



※ From FY2020, net reporting has been applied to gain or loss on cancellation of investment trusts. The method to settle accounts has been changed to recording gain surplus under interest on securities, and recording loss surplus under bond-related losses (Surpluses in the past were reprocessed and are presented accordingly.)

Appraisal Gains (Losses)

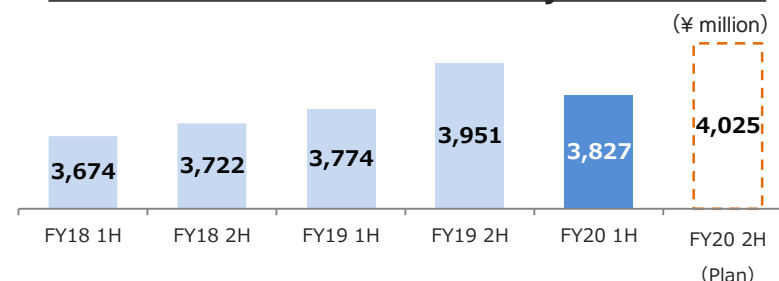


Fees and Commissions

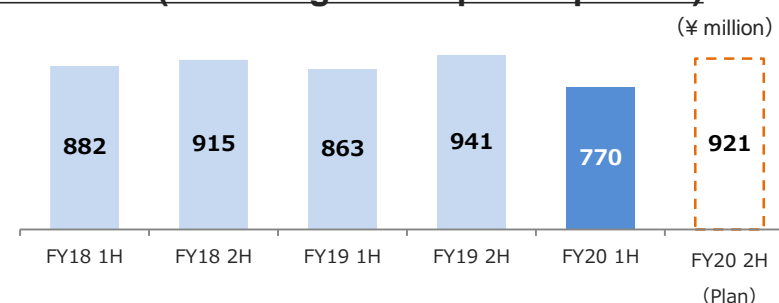
Fee and commission income from corporations drove an increase in fees and commissions.

	(¥ million)	FY19 1H	FY20 1H	Y o Y
Fees and commissions		2,387	2,423	36
Fees and Commissions		3,774	3,827	53
Fee and commission expenses		1,386	1,403	17
Main breakdown				
Fee and commission income from financial products (excluding the corporate portion)		863	770	(93)
(Component) Fee and commission investment trusts		351	385	34
(Component) Fee and commission life insurance (excluding the corporate portion)		496	372	(124)
(Component) Fee and commission for public bonds		7	8	1
(Component) Brokerage fee and commission for financial products		7	1	(6)
Fee and commission income from corporations		227	443	216
(Component) Fee and commission for finance including structured finance		139	250	111
(Component) Fee and commission for M&A		4	79	75
(Component) Fee and commission for business matching		36	44	8
(Component) Fee and commission for consulting		9	23	14
Fee and commission received related to foreign exchange(Domestic)		933	929	(4)
Loan payment premiums and guarantees		920	960	40

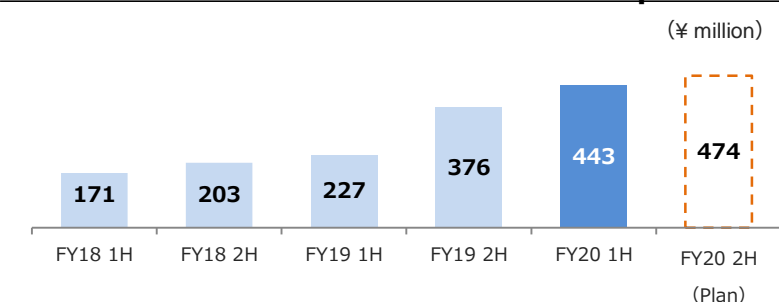
Fees and Commissions (half-year trends)



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



Fee and Commission Income from Corporations



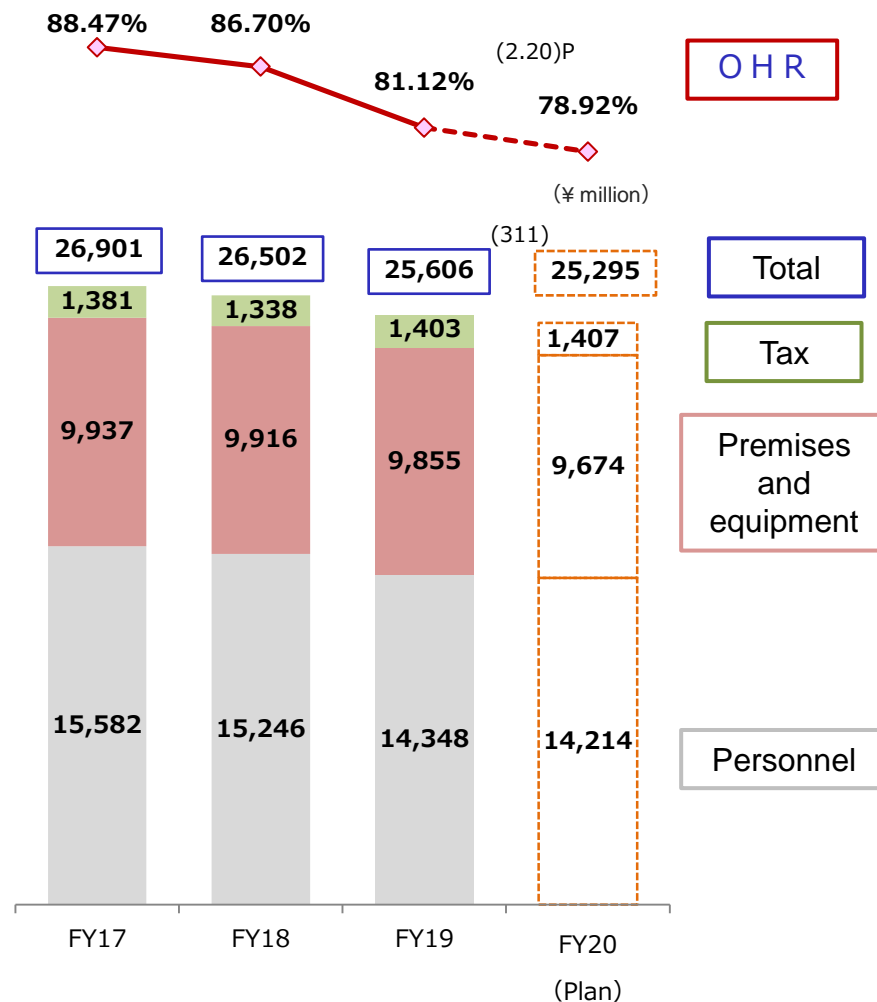
Expenses and OHR (Operating Expenses/ Core Gross Business Profit)

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

Expenses

(¥ billion)	FY19 1H	FY20 1H	YoY change	FY20 (Plan)	YoY change
Expenses	12.8	12.8	(0.0)	25.2	(0.3)
Personnel	7.2	7.1	(0.0)	14.2	(0.1)
Premises and equipment	4.8	4.8	(0.0)	9.6	(0.1)
Tax	0.8	0.8	0.0	1.4	0.0
OHR	83.39%	75.94%	(7.45)P		

Changes in Expenses and OHR



Main Factors Behind Changes in Expenses

(¥ billion)	FY20 1H (Result)	FY20 (Plan)
Personnel	(0.0)	(0.1)
Premises and Equipment	(0.0)	(0.1)
Tax	0.0	0.0

Details for FY20 (Plan) Changes:

- Personnel:** Reduction in personnel and others: ¥ (0.3) billion
- Premises and Equipment:** System maintenance (0.1), Related to the coronavirus pandemic (0.1), IT investment ¥ 0.2 billion

Credit-Related Costs

Expenses are added conservatively based on the impact of the coronavirus pandemic.

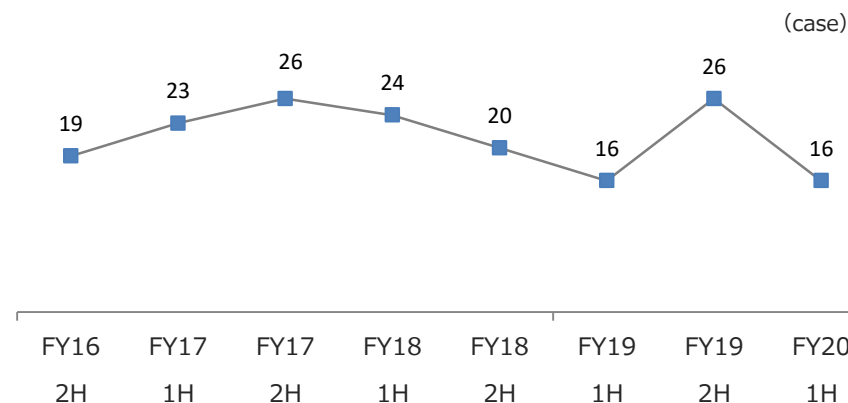
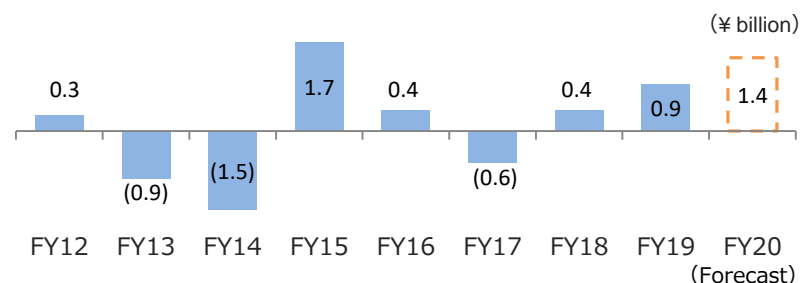
(¥ billion)	FY19 1H	FY20 1H	YoY Change	FY19	FY20 (Forecast)	YoY Change
Credit-Related Costs	0.3	(0.0)	(0.4)	0.9	1.4	0.4
Net provision to general loan loss reserve	(0.1)	(0.0)	0.1	0.0	0.2	0.1
Disposal of non-performing loans (non-operating income (losses))	0.5	(0.0)	(0.5)	0.9	1.2	0.2
Net provision to specific loan loss reserve	0.5	(0.0)	(0.5)	0.8	1.1	0.2
Provision to reserve for contingent losses	0.0	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	0.0
Recoveries of written off claims	0.0	0.0	0.0	0.0	0.0	(0.0)
Credit Cost Ratio	4.48bp	(0.76)bp	(5.24)bp	5.65bp	7.71bp	2.06bp

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.

Credit-Related Costs

Number of Bankruptcies of Companies in Yamanashi Prefecture

(Total liabilities of ¥10 million or more)

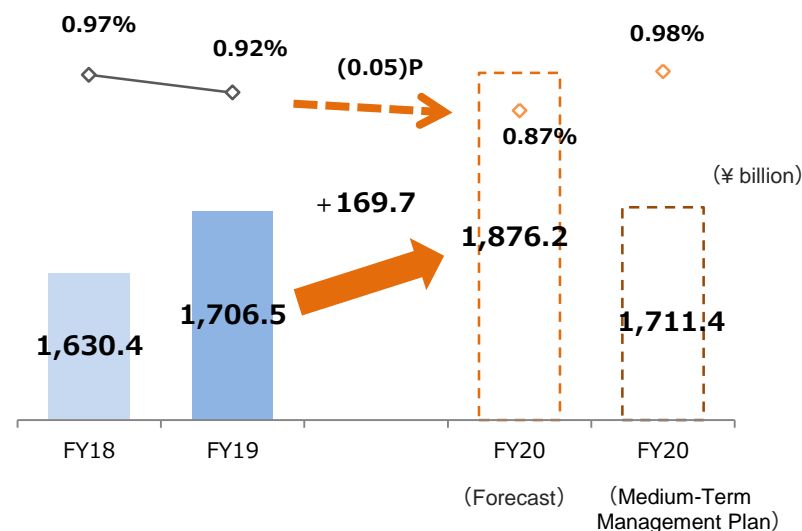


Earnings Forecasts for the Current Term (FY20) 山梨中央銀行

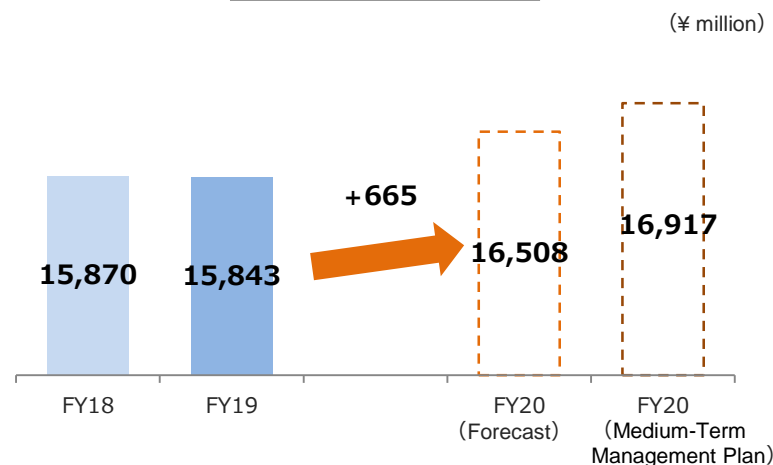
Non-Consolidated	(¥ billion, %)	FY19	FY20 (Plan)	YoY change
Gross banking profit		31.4	32.0	0.5
Interest income		27.0	27.0	(0.0)
Interest on loans		15.8	16.5	0.6
Interest on securities		11.8	10.7	(1.1)
Fees and commissions		4.9	5.1	0.1
Other operating income		(0.4)	(0.1)	0.3
Gross banking profit on core operations		31.5	32.0	0.4
JGBs and other bond transactions		(0.1)	(0.0)	0.1
Expenses		25.6	25.2	(0.3)
General provision to loan loss reserve		0.0	0.2	0.1
Net business profit		5.7	6.5	0.7
Net business profit on core operations		5.9	6.8	0.8
(Excluding gain on cancellation of investment trusts)		5.9	6.8	0.8
Non-operating losses		0.0	(2.6)	(2.7)
Reversal of loan loss reserve		0.9	1.2	0.2
Equity share and similar transactions		1.3	(0.9)	(2.2)
Ordinary profits		5.8	3.8	(2.0)
Net income		3.4	2.0	(1.4)

Consolidated	(¥ billion, %)	FY19	FY20 (Plan)	YoY change
Consolidated ordinary profit		6.7	4.3	(2.4)
Profit attributable to shareholders of the parent		3.7	2.3	(0.1)

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	1,116
Dividend payout ratio	14.42%	14.83%	19.70%	22.73%	26.34%	25.97%	33.99%	55.83%

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

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	1,116
Shareholder return ratio	24.94%	24.94%	29.88%	41.08%	37.17%	37.48%	65.38%	55.83%

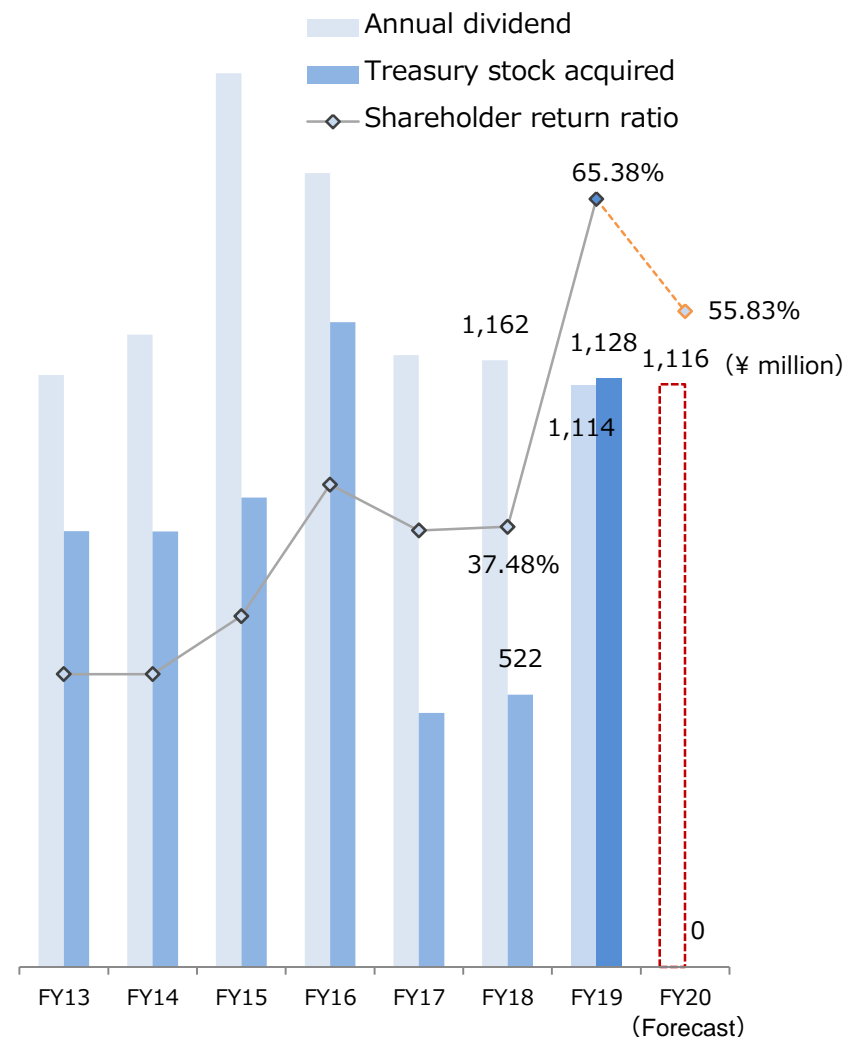
Dividend Policy

◆ Performance-linked dividends

Stable dividend: ¥35

Standard of shareholder return ratio: 20-30% annually

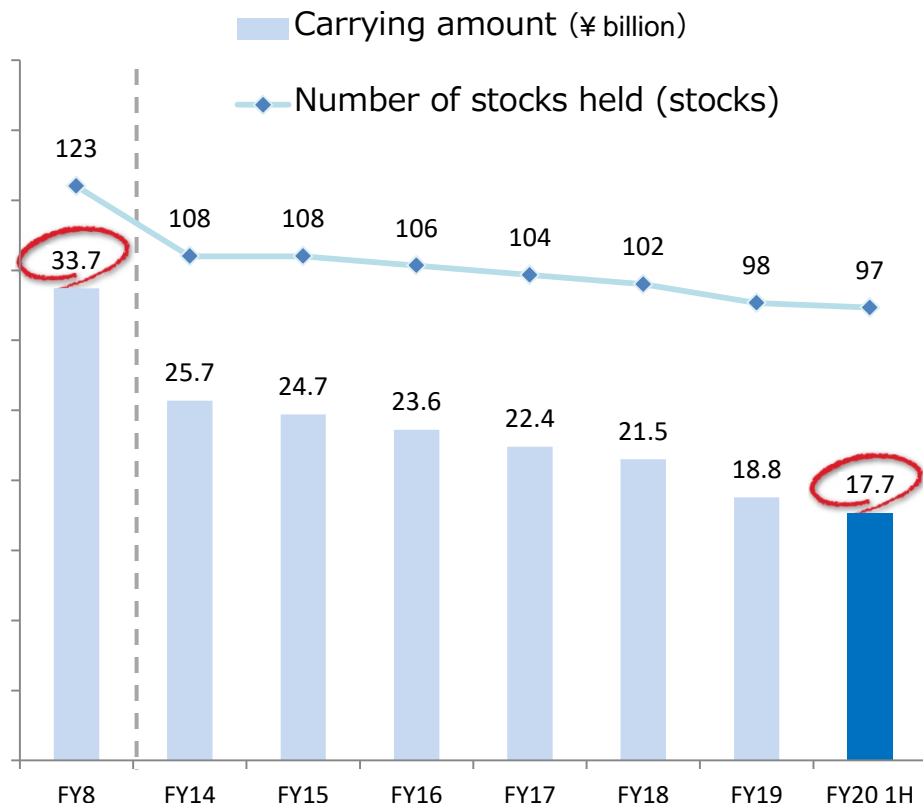
$$(*) \text{ Shareholder return ratio} = \frac{\text{Return to shareholders (dividends paid + treasury stock acquired, etc.)}}{\text{non-consolidated net income}}$$



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 ¥16 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

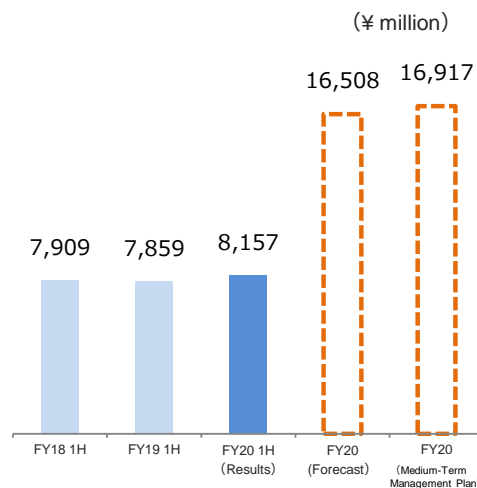
Interest on loans
¥16.5 billion

Non-interest revenue
¥7.8 billion

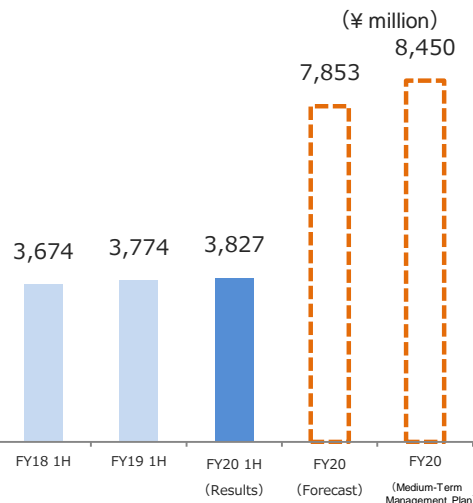
OHR
(Operating expenses/
Core gross business profit)
78.9%

Net income
¥2.0 billion

Interest on Loans

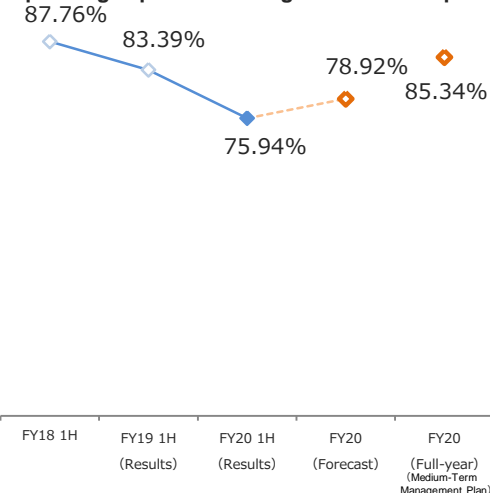


Non-Interest Revenue

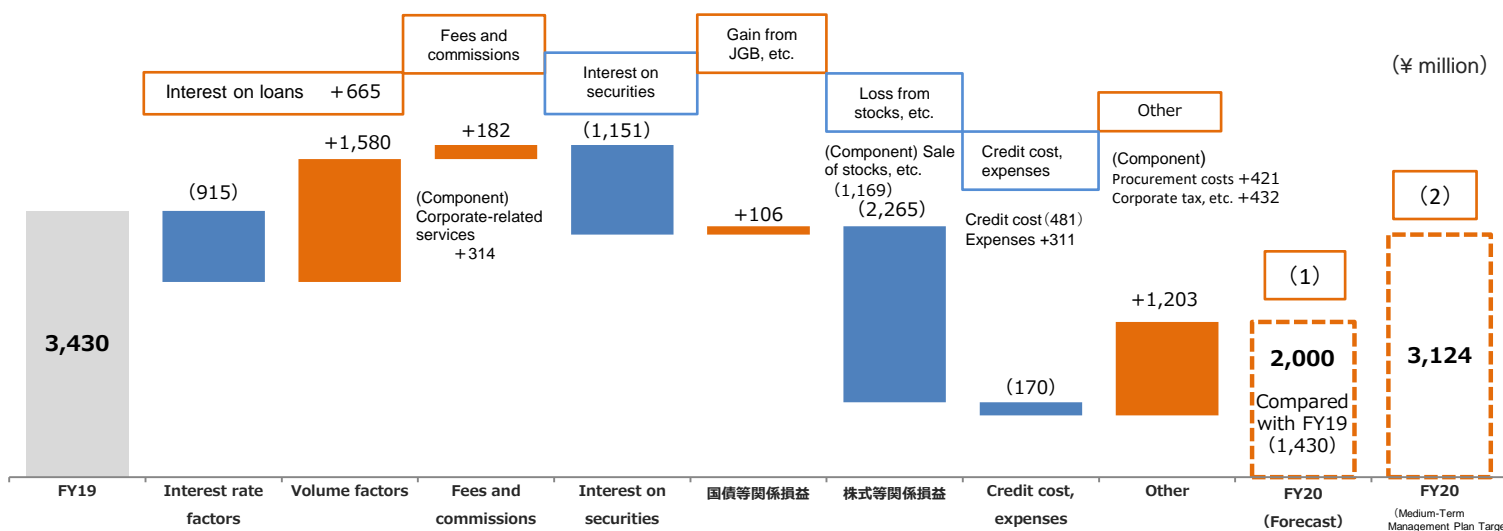


OHR

(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	+1,239
Fees and commissions	(410)
Loss on securities (stocks, JGB, etc.)	(2,250)
Credit cost	(886)
Expenses	+960
Others	+223

Creating Value through Alliances (1)

Comprehensive business alliance with Shizuoka Bank. [Shizuoka-Yamanashi Alliance]

- ✓ The Bank entered into a comprehensive business alliance with the Shizuoka Bank with the aim of sustainable growth together with its region toward the realization of long-term vision “Value Creation Bank.”

Specific initiatives

Corporate needs	Need for life planning	Banking needs
<ul style="list-style-type: none"> ✓ Sharing of information on M&A ✓ Dispatching bank staff to Shizuoka Bank Management Consulting (M&A Dept.) ✓ Sharing of information on business matching ✓ Utilization of Shizuoka Bank's overseas network and dispatching of bank staff 	<ul style="list-style-type: none"> ✓ Establishment of a new scheme for securities intermediary through Shizugin TM Securities ✓ Establishment of a scheme for securities intermediary in the online field through Monex ✓ Development of funds dedicated to alliance through Commons Asset Management 	<ul style="list-style-type: none"> ✓ Joint study of structured finance ✓ Joint creation of syndicate loans ✓ Dispatching bank staff to the structured finance department ✓ Joint investment in PE funds
Vitalizing local economy	Shared Activity/BPO	DX/Shift to cashless operations
<ul style="list-style-type: none"> ✓ Holding of joint events to promote economic exchange between Shizuoka and Yamanashi Prefectures ✓ Support of entrepreneurs in the regions through holding TECH BEAT jointly ✓ Conclusion of collaborative arrangement in case of disaster (Mutual use of mobile branch vehicles, etc.) 	<ul style="list-style-type: none"> ✓ Opening of joint stores by utilizing unoccupied space of branches in the strategic areas of both banks ✓ Examination for standardization and sharing of various IT systems ✓ Examination on the sharing of various clerical work and BPO that utilizes Shizuoka Bank group companies ✓ Joint study for establishment of RAF ✓ Personnel exchange through measures, such as joint holding of various training programs 	<ul style="list-style-type: none"> ✓ Joint research for utilization of digital technologies including AI and RPA ✓ Dispatching of bank staff to the Innovation Promotion Office of Shizuoka Bank and research on new business

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Creating Value through Alliances (2)

- ✓ Set up a project team headed by the presidents of both banks and materialize individual collaborative projects at an early stage with the aim of materializing alliance measures (on the three levels of president, officer and divisional manager).
- ✓ Set up 10 subcommittees (consisting of staff on the level of divisional manager), and divisions in charge will make examination from a professional standpoint.

Ranks	Names of a project team and subcommittees	Contents to examine
President-level	Top management regular meeting	<ul style="list-style-type: none"> • To be held about semi-annually • Report on the status of examination made by management regular meetings and subcommittee meetings
Officer-level	Management regular meeting	<ul style="list-style-type: none"> • To be held about every two months • Report on the status of examination made by subcommittee meetings
Divisional manager-level	Vitalizing local economy	Collaboration related to vitalizing local economy through measures, such as joint opening of TECH BEAT
	DX and Innovation	Collaboration in the DX and Innovation fields
	Market finance	Collaboration, personnel exchange, etc. in the field of structured finance
	Corporate strategy	Joint creation of joint business matching and syndicate loans, etc.
	Life plan strategy	Securities intermediary, smartphone apps, card business, etc.
	Sharing of clerical work	Standardization and sharing of clerical work and cost reduction
	System	Integration and sharing of various systems
	Branch strategy	Opening branches by leveraging existing branches and joint operation in overlapping areas
	Global strategy	Various solutions by utilizing overseas network
	HR strategy	Personnel exchange, holding training jointly, etc.

Toward the stage to support corporation reconstruction amid the coronavirus pandemic.

Status of support in financing and corporate reconstruction

Promote corporate reconstruction and ensuing regrowth by responding with Three S's (Smile, Speed and Simple) with Will and Skills

Hearings, loan consultations and executions

(As of November 30, 2020)

Number of hearings	Number of loan consultations	New loans Number executed	Changing conditions Number executed
7,232 cases	3,545 cases	3,843 cases (¥100.6 billion)	1,322 cases (¥36.0billion)

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
- Added four members to the Corporation Support Section in the Loan Screening Department by August 1 to prepare an individual support system to pandemic-related borrowers.

Continuation of services and response to the coronavirus pandemic at the Bank

Branches

- Introduced a midday break. (20 branches in the prefecture from July 6 and 14 branches outside the prefecture from August 3)
- 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)
 - Started sales of "Yamanashi Chuo Bank Private Placement for Cheering up Medical Workers." (July 3)
 - * Private placement with an option for donations
 - Plan to expand and reinforce the system of capital loans (subordinated loans)
- Response to changing conditions
 - Waive handling fees on changing conditions for business loans (from May 1)
 - Flexible and prompt support, such as a new injection of money to borrowers with changed conditions
 - Respond to changing conditions for unsecured individual loans (from May 1)

Branches and Head Office

- Continuation of split operations (dividing a service unit into two to operate in parallel in different locations) and a stay-at-home system
- Institutionalized teleworking. (July 1)
- Institutionalized online meetings. (September 15)
 - * Started a trial run of online meetings (interviews) with customers. (November 2)

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

Reinforcement of contact points to meet customer needs and expansion of transactions

Strengthen Interfaces with Young Customers by Promoting "Wallet+"

Expansion of new contact points

Results at the end of September 2020

Number of downloads: 33,855

Number of active users: 26,745

Active user rate was kept high at about 80%.

Accumulation of data



Strengthening of gaining users without in-person contact

Objectives

Sophistication of data analysis and utilization

Making banking transactions possible through smartphones

Realization of direct marketing based on data

Measures to Address the Cashless Society

Deliver Services to Users

Credit cards

Remittances (Internet banking (IB) and ATM)

Charge-type QR code settlements

Direct debit

Debit cards

Account-linked QR code settlements

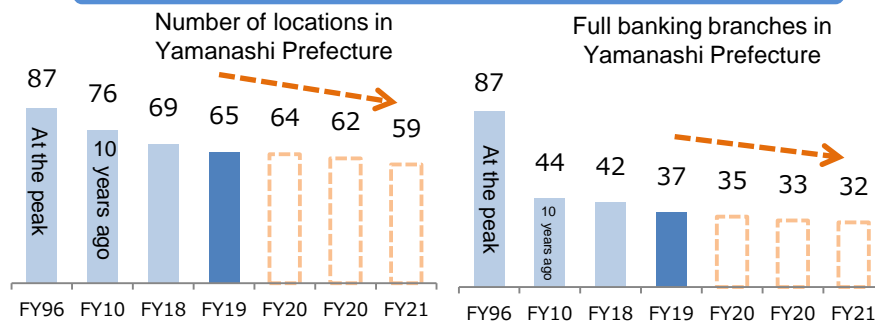
Build convenient and efficient payment infrastructure in Yamanashi Prefecture

Provide Services to Businesses

Real Channels

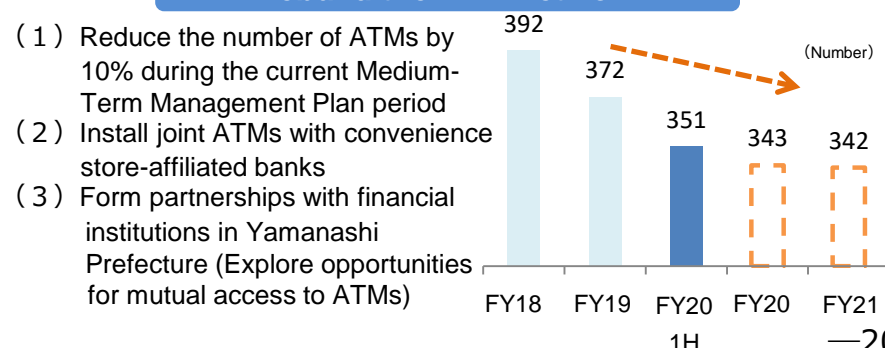
Reconstruction of a branch network suitable to the market scale of regions

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

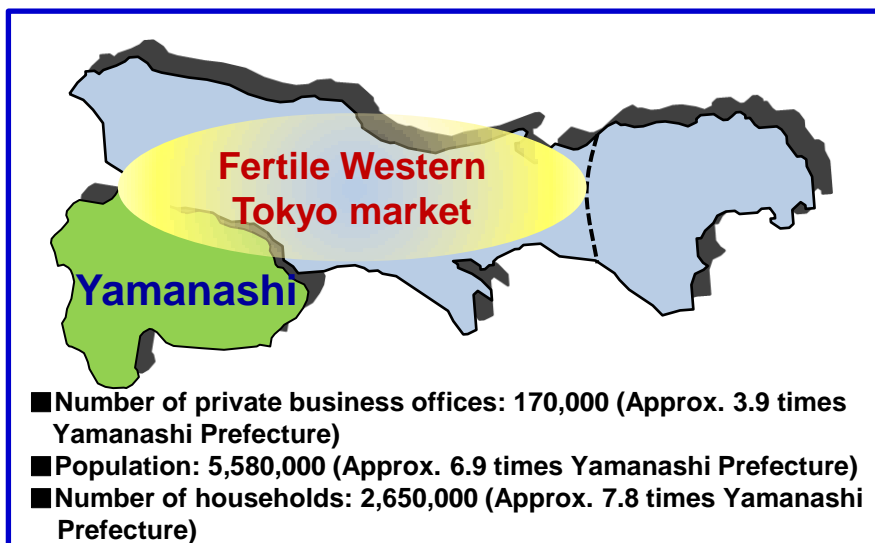


- (1) Reduce the number of ATMs by 10% during the current Medium-Term Management Plan period
- (2) Install joint ATMs with convenience store-affiliated banks
- (3) Form partnerships with financial institutions in Yamanashi Prefecture (Explore opportunities for mutual access to ATMs)

Strategy for the Western Tokyo Area (1)

【Focus Resources on Western Tokyo Area】

Western Tokyo Area Market Size



* 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 October 2020 “Population Estimates”

- Reinforcement of sales staff in the growth market (the Western Tokyo area)
- Strengthening of activities by Western Tokyo Consulting Sales Department



Develop business that “Starts with customers”

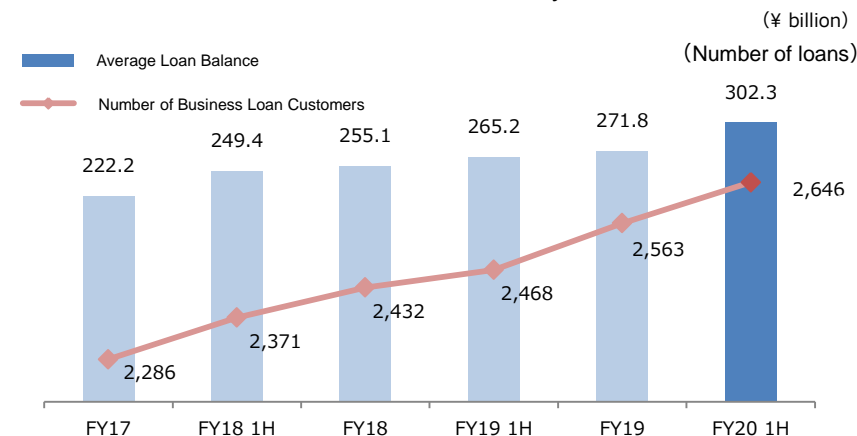
- Implementation of high value-added consulting sales activities centered on fields, such as the medical field and business succession.

Reinforcement of head office support platform

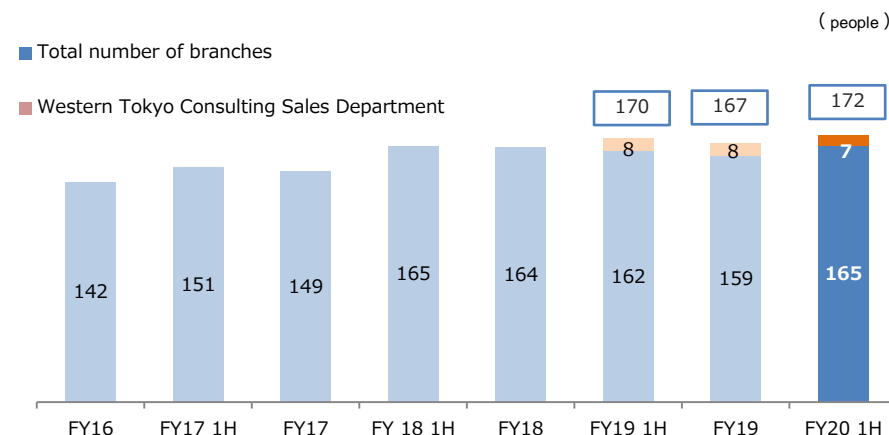
- Strengthening of customer support and branch assistance

Effects of concentrated investments

Trends in Average Loan Balance and Number of Business Loan Customers in Western Tokyo Area



Trends in Number of Sales Staff in Western Tokyo Area

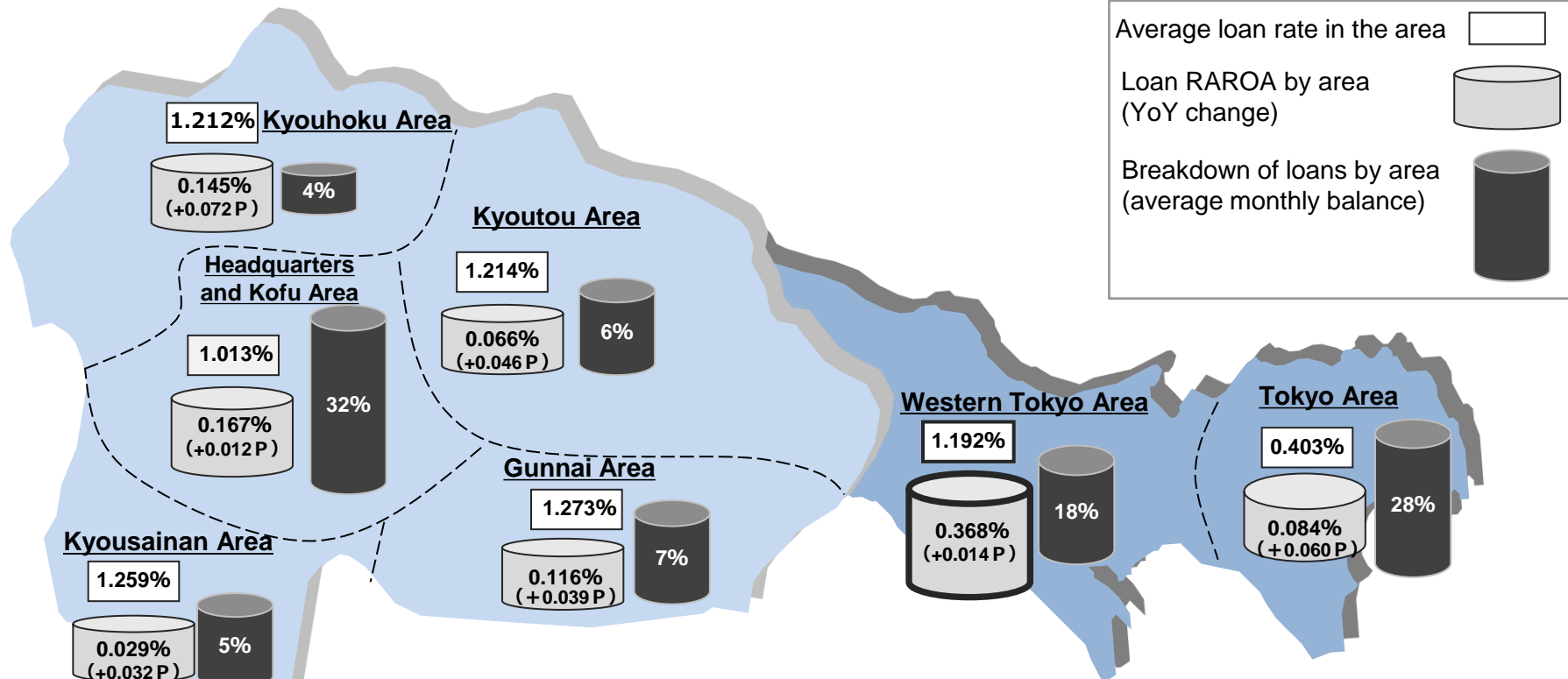


Strategy for the Western Tokyo Area (2)

【Loan RAROA by Area】

Loan RAROA for all areas: 0.163% (+0.033P YoY change)

<One-Month> Results
(September 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>

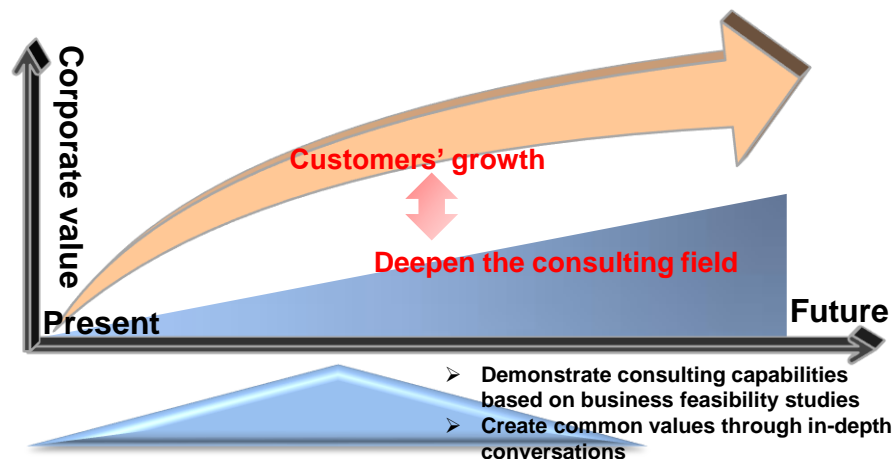
(%)	FY10 1H	FY11 1H	FY12 1H	FY13 1H	FY14 1H	FY15 1H	FY16 1H	FY17 1H	FY18 1H	FY18	FY19 1H	FY19	FY20 1H	Versus 10 years ago	YoY change	Versus 6 month ago
Average loan rate the area	2.157	2.068	1.960	1.816	1.725	1.660	1.488	1.339	1.254	1.233	1.241	1.217	1.192	(0.965)P	(0.049)P	(0.025)P
Loan RAROA by area	0.476	0.428	0.491	0.470	0.457	0.452	0.450	0.370	0.361	0.358	0.354	0.390	0.368	(0.108)P	+ 0.014P	(0.022)P
Breakdown of loans by area	11	11	12	12	13	13	15	16	18	18	18	18	18	+7P	±0P	±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



- 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.

October
2020

Conclusion of contract for comprehensive business alliance [Shizuoka-Yamanashi Alliance]

Establish internal arrangements, definitely respond to projects through Shizuoka-Yamanashi Alliance and connect such efforts to strengthening the earning power at an early stage.

Track Record on Consulting for Corporations 山梨中央銀行

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

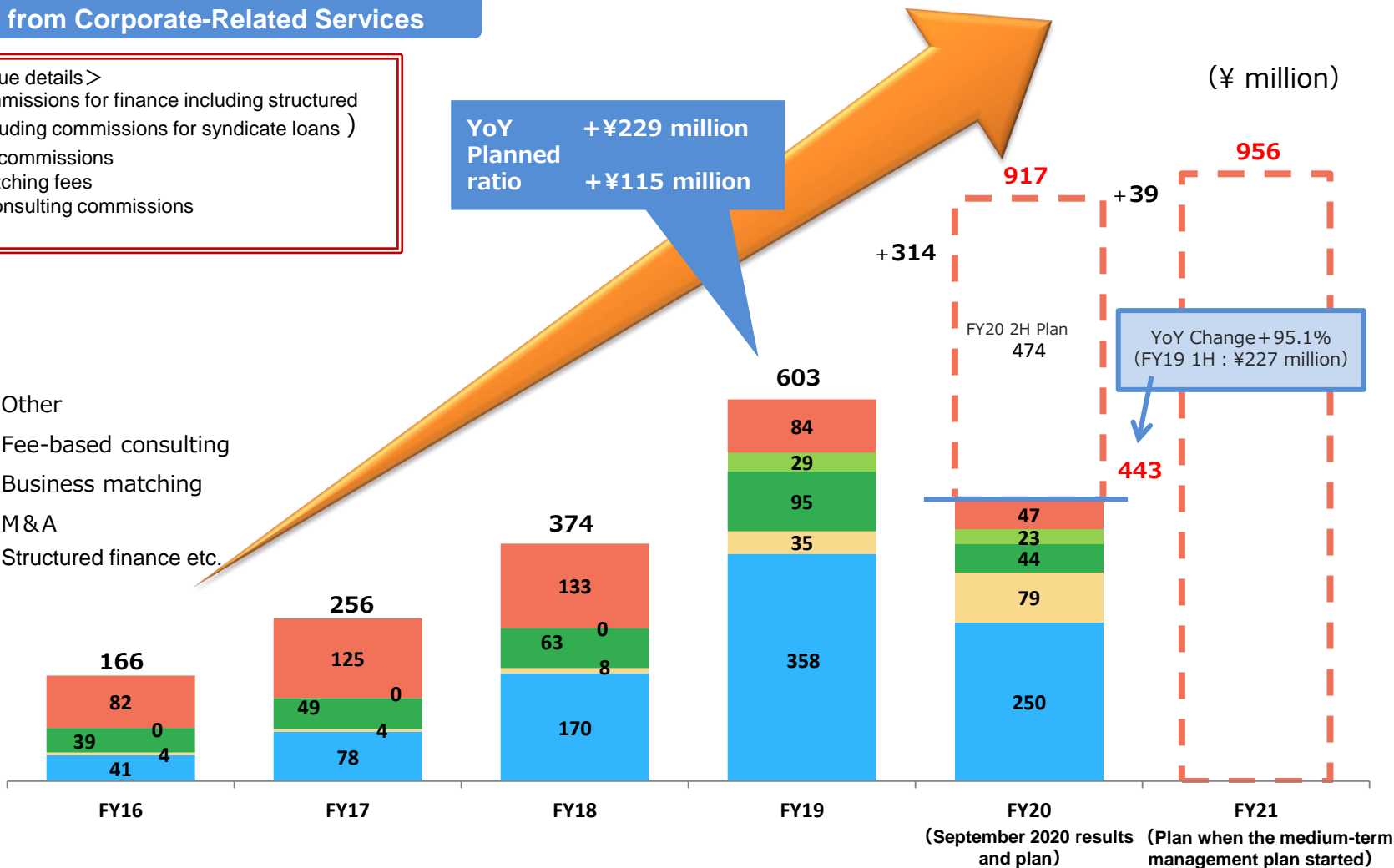
- Corporate-related services revenue is trending upward, centered mainly on structured finance, M&A and fee-based consulting business operations.

Revenue from Corporate-Related Services

<Service revenue details>

- Fees and commissions for finance including structured finance (Including commissions for syndicate loans)
- M&A-related commissions
- Business matching fees
- Fee-based consulting commissions
- Others

- Other
- Fee-based consulting
- Business matching
- M&A
- Structured finance etc.



Deepen and Expand Consulting Field (For Individuals)

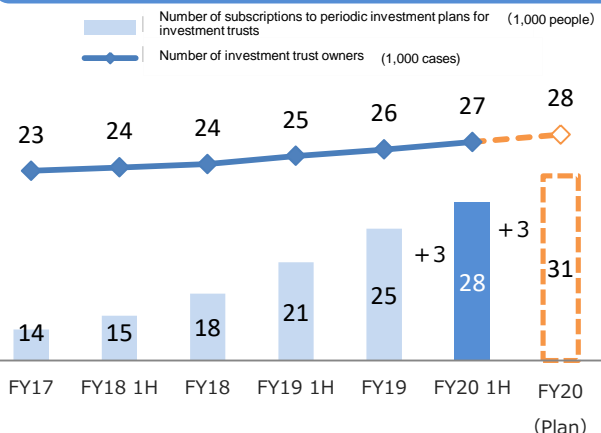
Steadily build a customer-oriented business operation system.

Asset Formation

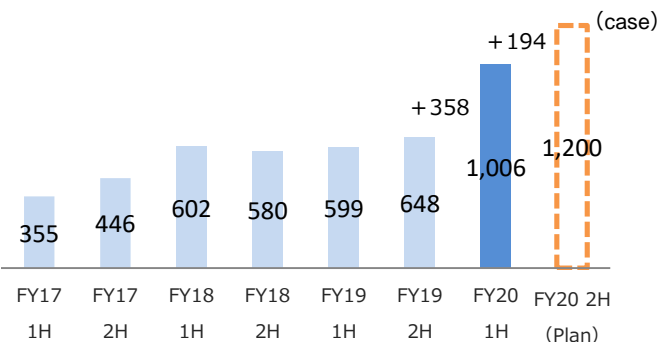
Periodic investment plans
for investment trusts

iDeCo

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



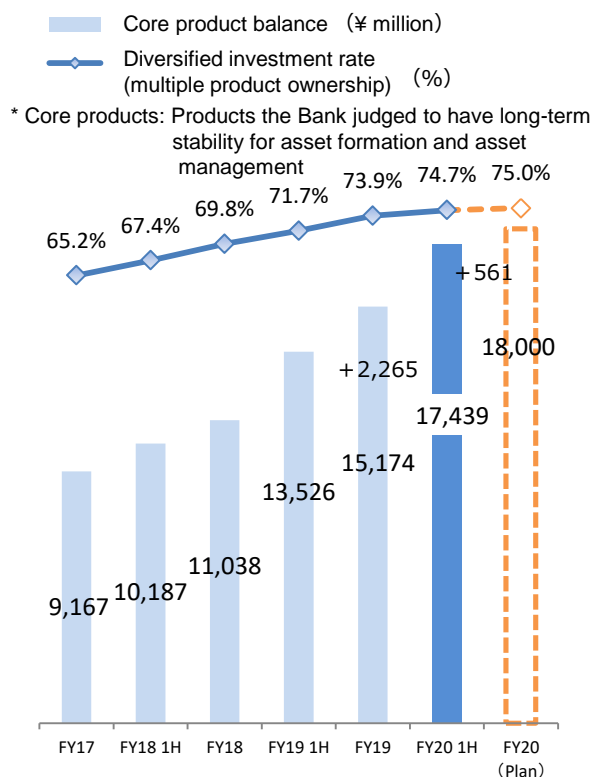
The Number of Level Premium Insurance Policies Has Been Increasing



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

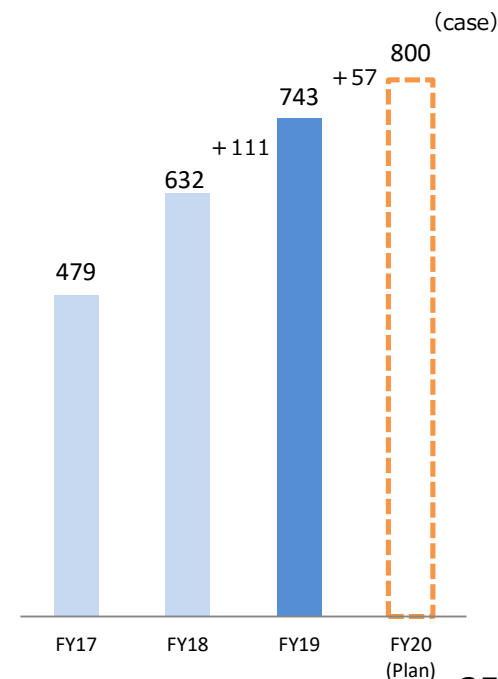


Estate Planning

Asset succession and testamentary trusts

Increase in Asset Succession Support Track Record

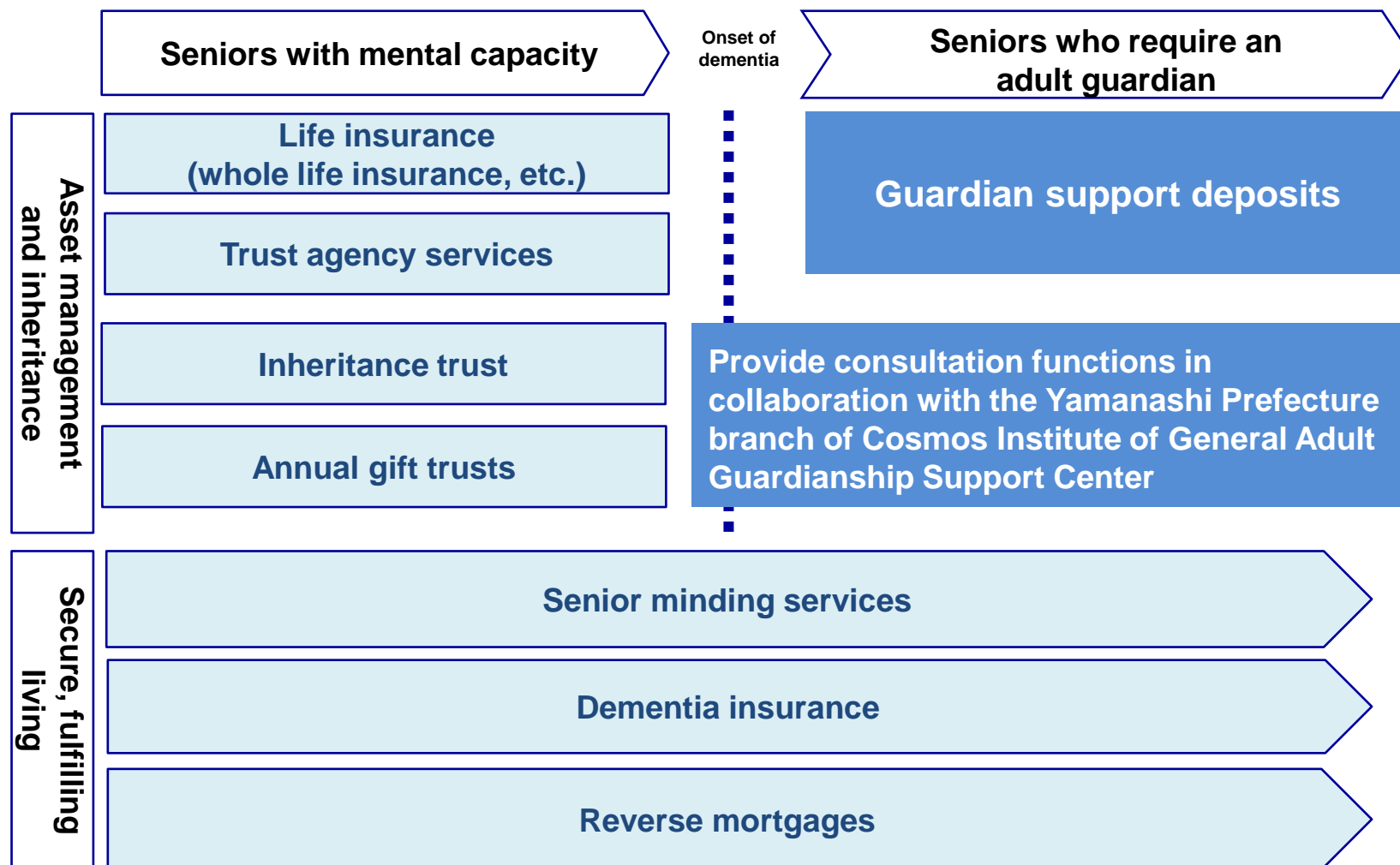
*Asset succession support: Services to support customers' asset succession (estate planning, etc.) needs through such means as resolving issues in this area.



Lineup for consulting for individuals

Provide a wide range of consulting services for senior citizens.

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

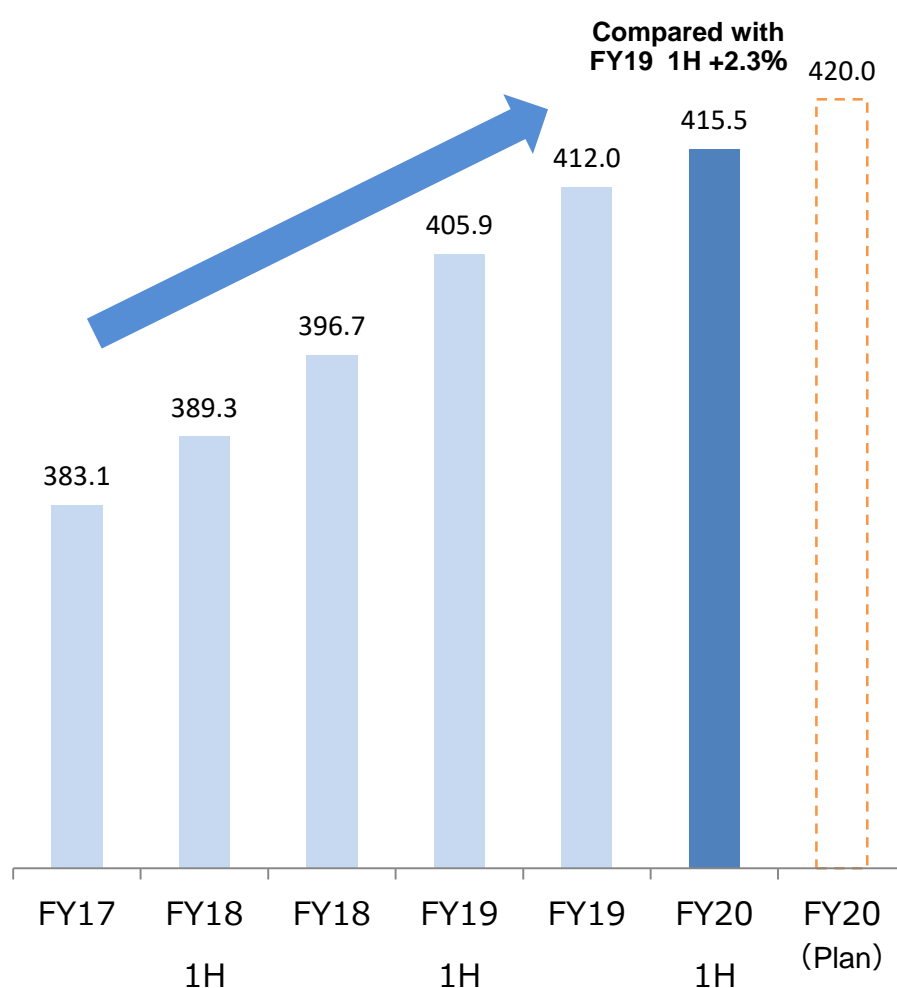


Housing Loans

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

- Reducing burden on customers by adopting electronic contract services and rationalizing and streamlining clerical work (Scheduled to be deployed during FY21)

Streamline Operations and Bolster Profitability

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

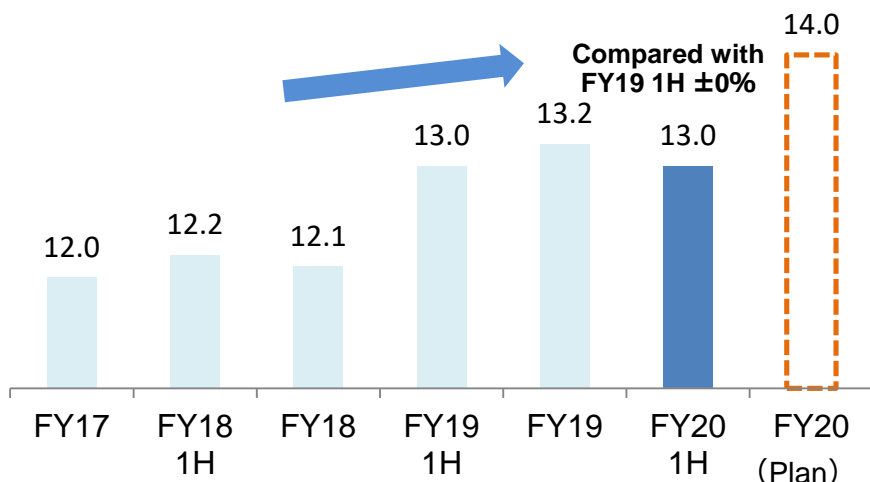
Differentiation from Other Banks

- 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

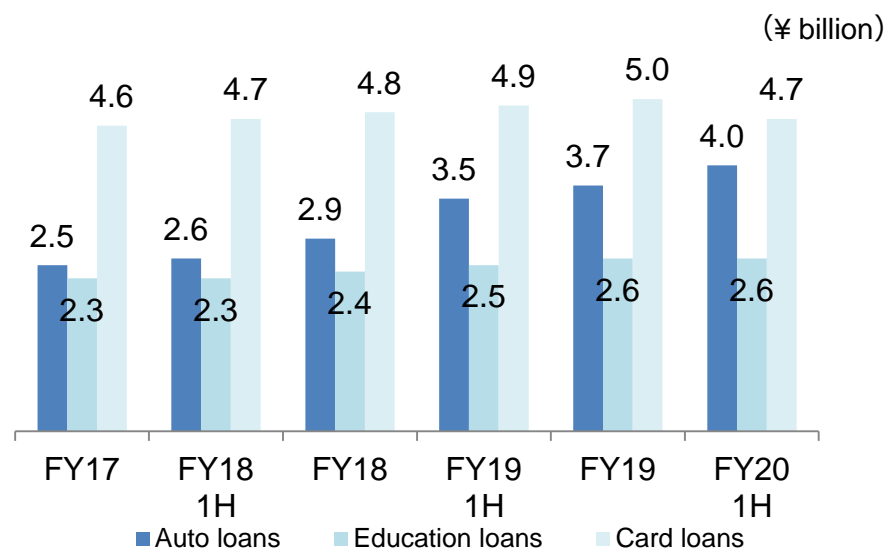
Unsecured Individual Loans

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)

Reduction of work hours by measures, such as digitization and consolidation of clerical work.

BPI of Branch Operations

Rationalize and Streamline Reception Operations

- Abolished the "Application form for electronically recorded monetary claims" concerning discount of electronically recorded monetary claims. (from May 2020)
- Simplified receipt seals when issuing a variety of certificates. (May 2020)
- Abolished "Confirmation notes" concerning explanation at the time of concluding loan contracts. (from June 2020)
- Digitized procedures for applying for financial products, etc. (from August 2020) etc.

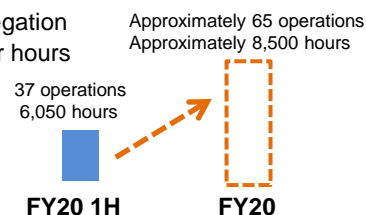
Drastically Centralize Back Office Operations

- Rationalized authorization procedures concerning the use of syndicate loan written contracts. (from May 2020)
- Concentrated to the head office all the inquiry work concerning the contents of claims of Japan Housing Finance Agency. (from September 2020) etc.

BPI of Head Office Operations

Automate operations using RPA

- Developed RPA robots for 37 types of operations, mainly data aggregation and data entry work by September 2020. Forecast to cut 6,050 labor hours annually.



Streamline operations

- Digitalized various types of internal documents and revise operational processes and simplify operations
- Moved forward on revising various types of internal documents and eliminated about 70 ledgers by September 2020 etc.

Develop Systems and Paperless Operations

- Abolished a variety of management books. (from May 2020)
- Started automatic seal registration by using seal scanners (turned seal sheets into paperless work). (from August 2020)
- Started trials at branches toward digitizing deposit certificates. (from October 2020)
- Expanded paperless operations through digitalization of various types of internal documents by using groupware, etc.

KPI

FY21 Target

Annual work hours
Reduction of 200,000 hours
(Compared to FY2017)

FY20 1H Results

Reduction of 126,000 hours

FY21 Target

Annual paper consumption
Reduction of 70%
(Compared to FY2017)

FY20 1H Results

Reduction of 29% (Branches+8%) (Head Office(56)%)

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
 - ・ Formulation of the framework of a new HR system (the Bank's version of job-focused system)
⇒ **Aim to adopt it during FY2021.**
 - ・ Improvement of management skills of managers
⇒ **October 2020: Conducted 360-degree evaluation and feedback training.**
- Initiatives to transform the organizational culture
 - ・ Vitalization of T-LINE in order to energize internal discussions through sending opinions to the president
⇒ **October 2020: Set up individual themes.**
 - ・ Foster a reliable and attractive workplace culture that incentivizes staff
⇒ **September 2020: Thorough prevention of harassment**

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.

- Flexible workstyles during the coronavirus pandemic
⇒ **July 2020: Established a system for teleworking.**
- Diversity promotion
⇒ **Continued and promoted examination of measures, etc. by the Colors promotion team**

Develop Specialist Human Resources

- Revised the training system during the coronavirus pandemic.
⇒ **Made group training and seminars online and utilized correspondence courses.**
- ⇒ **Started full-scale work-specific training "Y-Support," a small-group and private tutoring system. (Able to avoid the three Cs due to a small group system)**

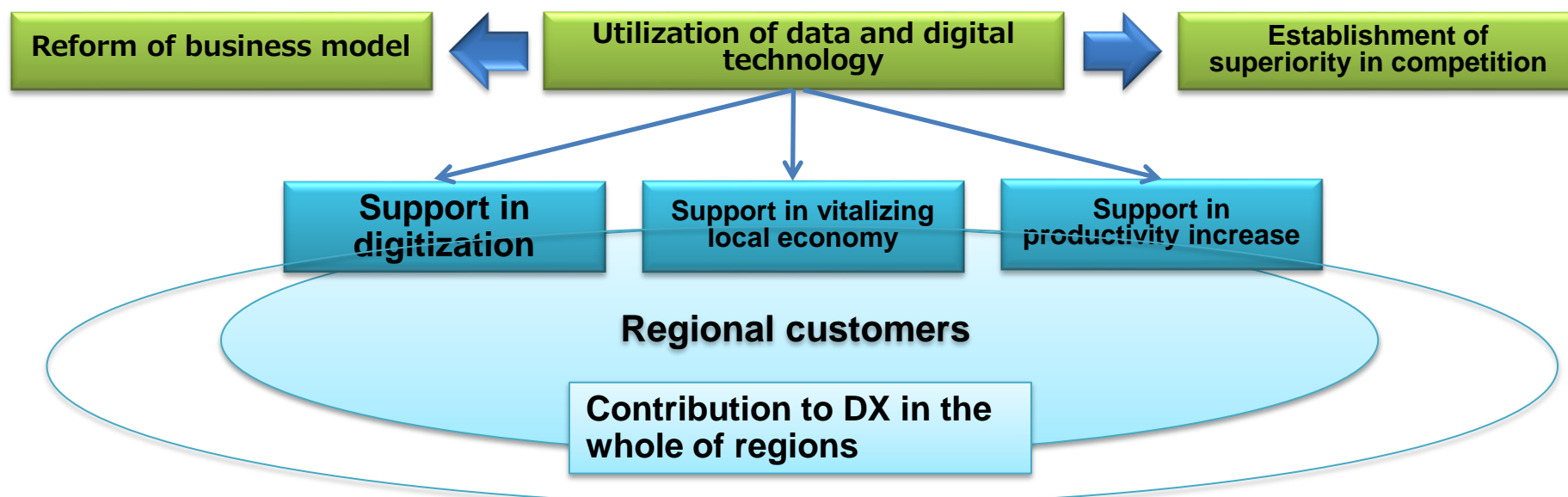
Human resource development

Be a bank where diverse human resources reach their potential

Contribution to Regional DX as Regional Financial Institution.

DX Promotion Committee (Chair: President)		
Aggressive DX strategy	Defensive DX strategy	Supportive DX strategy
Creation of new financial experience that starts with customer needs Wallet+ &Pay CRECO Brand debit Loans whose procedures completed by only online application	Drastic productivity improvement Workflow R P A Utilization of AI Mobile tablets Smile One Online meetings	Establishment of a structure for highly strategical system operations Open A P I Cloud Blockchain A R ・ V R

Achievements by advancing DX



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

Realize drastic restructuring of IT costs and optimal resource allocation

Build a robust IT platform that will underpin management strategy

- Increase and enhance systems development personnel to realize management strategy (optimize personnel as a key IT resource)
 - Support IT solutions for customers
- Development of six IT coordinators



Implemented



Scheduled to implement

Improvement

Roll-out bookless accounts at all branches

Introduction of Yamanashi Chugin Visa Debit Card

Transformation

In-house systems development

- Preparation of a project management system
- Establishment of a digital signature system

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

Introduce a new loan support system

Deployment of a system that accepts online personal loan applications

Innovation

Open alliance infrastructure (Open API etc.)

Flexible and extendable infrastructure (Establishment of cloud based on in-house development)

Latest IT infrastructure (Blockchain infrastructure)

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

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

CSR Initiatives Based on the SDGs and ESG Principles

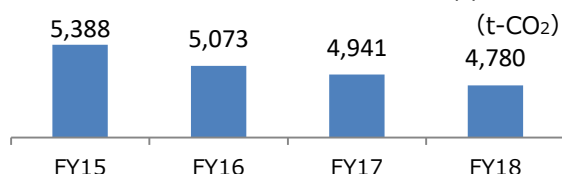
Help to realize a sustainable society by taking the initiative to address issues faced by regional communities.

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

Key Measure 1 Strive to Reduce Environmental Impact



Reduction of CO2 emissions (*)



※ Emissions by the Bank's SCOPE 1 (kerosene oil, heavy oil, petroleum gas and city gas) and SCOPE 2 (electricity) in a regular report by the Act on the Rationalization etc. of Energy Use

Honored with the Award for Distinguished Person for Regional Environmental Preservation for 2020 by the Ministry of the Environment



The Bank was presented with a letter of commendation from Minister of the Environment Shinjiro Koizumi via Vice-Governor of Yamanashi Prefecture Kazunori Wakabayashi at the Environmental Forum in Yamanashi on November 1, 2020.

Key Measure 2 Develop a Sustainable Regional Economy



Formed SDGs Fund (January 2020)

- Total value of fund: ¥0.5 billion

Started consulting related to SDGs (May 2020)

- Support initiative goals and KPI formulation, etc.

The Ministry of the Environment certified the Bank as a supportive body of the "ESG Regional Financial Promotion Program for 2020." (September 2020)

- Started a project for establishing the brand of CO2 zero agricultural products that use the residue of agricultural chemicals for tomatoes and other vegetables as well as pruned branches from fruit trees as fuels.

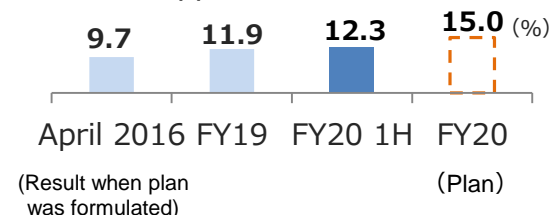
Introduced business matching website "B-Line." (September 2020)

- Matching in broad areas is possible with financial institutions that have adopted this system across Japan. Customers themselves can have online access to information on matching.

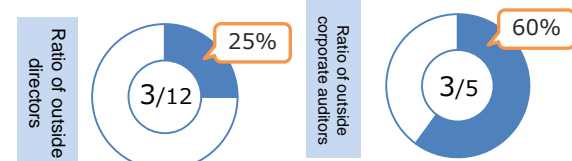
Key Measure 3 Appoint and Utilize Diverse Human Resources



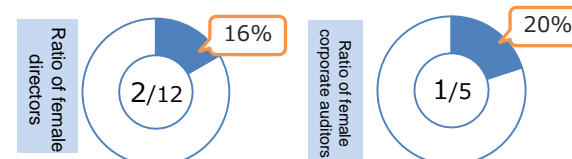
Female Manager and Supervisor Appointment Ratio



Raise ratio of outside officers to 35% (November 2020)



Raise ratio of female directors to 17% (November 2020)



Appointed a managing executive officer (June 2020)

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

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/>

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