



The 43rd Analyst Meeting

December 7, 2022 (Wed)

A large, stylized blue mountain graphic, resembling Mount Fuji, occupies the bottom right portion of the slide. It is a solid blue silhouette with a jagged, snow-capped peak.

Prime Market of the Tokyo
Stock Exchange: 8360

Summary of Business Results

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Summary of Business Results



Non-consolidated

(¥ billion)

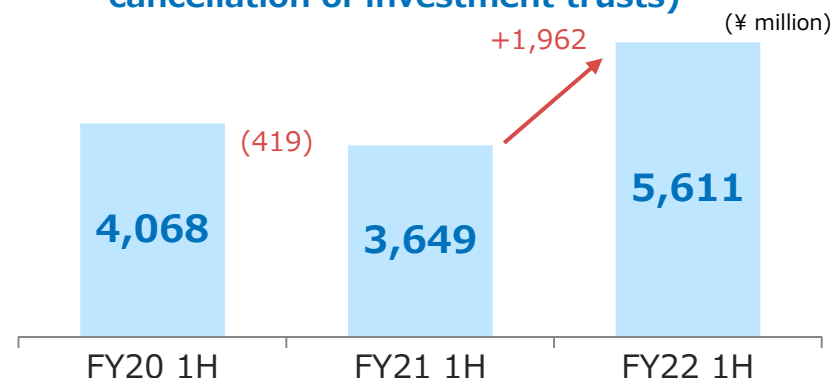
	FY21 1H	FY22 1H	YoY
Gross business profit	14.6	14.3	(0.2)
Interest income	13.3	15.5	2.1
Fees and commissions	3.2	3.2	0.0
Other operating income	(0.0)	(0.8)	(0.7)
Core gross business profit	16.5	17.9	1.4
JGBs and other bond transactions	(1.8)	(3.5)	(1.6)
Expenses	12.8	12.1	(0.7)
General provision to loan loss reserve	(0.6)	0.0	0.7
Net business profit	2.3	2.1	(0.2)
Core net business profit	3.6	5.7	2.1
(Excluding gain on cancellation of investment trusts)	3.6	5.6	1.9
Non-operating losses	(0.0)	1.8	1.9
Reversal of loan loss reserve	1.3	0.1	(1.1)
Equity share and similar transactions	0.8	2.0	1.1
Ordinary profits	2.3	4.0	1.7
Extraordinary income (losses)	(0.0)	0.0	0.0
Total corporate taxes, etc.	0.6	1.2	0.5
Net income	1.5	2.7	1.2
Credit-related costs	0.7	0.2	(0.4)

Consolidated

(¥ billion)

	FY21 1H	FY22 1H	YoY
Consolidated ordinary profits	2.7	4.4	1.7
Net income attributable to shareholders of the parent	1.7	2.9	1.2

Core net business profit (excluding gain on cancellation of investment trusts)



Main points of FY22 1st half business

Core net business profit (excluding gain on cancellation of investment trusts) increased significantly YoY, mainly due to an increase in net interest income and a decrease in expenses.

Interim net income increased by 1.2 billion yen YoY, due to a decrease in credit costs.

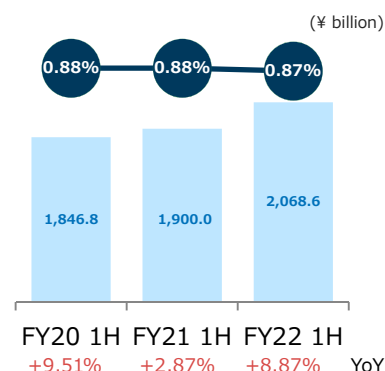
About gain or loss cancellation of investment trusts

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

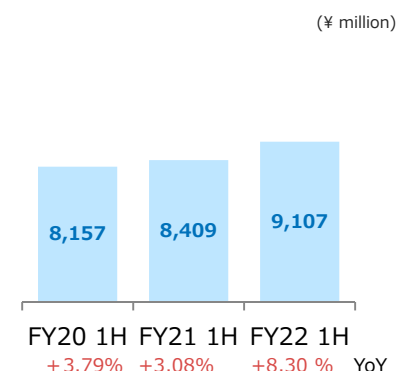
Interest on loans increased steadily. Along with an increase in interest on securities, interest income rose.

	(¥ billion)	FY21 1H	FY22 1H	YoY
Interest income		13.3	15.5	2.1
Net interest margin		8.2	8.9	0.7
Interest on loans		8.4	9.1	0.6
Domestic operations		8.2	8.7	0.4
International operations		0.1	0.3	0.2
Interest on deposits		0.1	0.1	(0.0)
Domestic operations		0.1	0.1	(0.0)
International operations		0.0	0.1	0.0
Interest on securities		4.9	6.4	1.4
(Excluding gain on cancellation of investment trusts)		4.9	6.2	1.3
Bonds		2.3	3.2	0.8
Domestic operations		1.7	1.7	(0.0)
International operations		0.5	1.4	0.8
Stock		0.5	0.6	0.0
Distributions on investment trusts		1.9	2.5	0.5
Gain on cancellation of investment trusts (gain surplus)		-	0.1	0.1
Capital market investment and procurement		0.1	0.1	0.0
Domestic operations		12.6	14.0	1.4
International operations		0.7	1.4	0.7

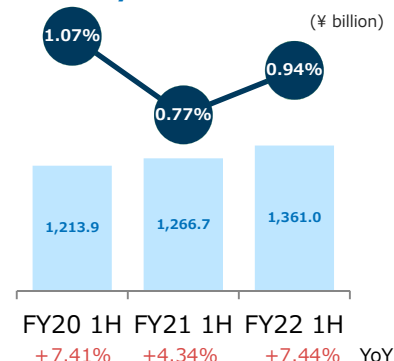
> Average loan balance and yield



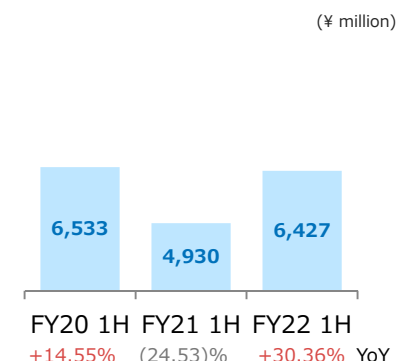
> Interest on loans



> Average security balance and yield



> Interest on securities



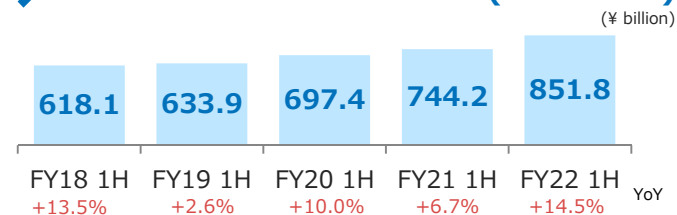
Both balances of deposits and loans increased steadily.

Average (¥ billion)		FY21 1H	FY22 1H	YoY (% change)	
Deposits		3,420.2	3,551.2	+131.0 (	+3.8%)
Yamanashi Pref.		3,025.4	3,144.3	+118.9 (	+3.9%)
Outside of Yamanashi Pref.		394.7	406.9	+12.2 (	+3.0%)
Deposits shares in Yamanashi Pref. (term-end)		50.7%	50.9%	+0.2	-

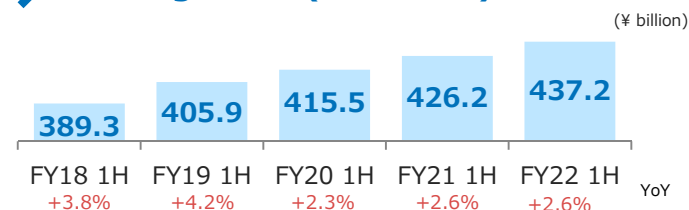
(Excluding Japan Post Bank)

(¥ billion)		FY21 1H	FY22 1H	YoY (% change)	
Loans		1,900.0	2,068.6	+168.6 (	+8.8%)
By area	Yamanashi Pref.	959.8	997.7	+37.9 (	+3.9%)
	Outside of Yamanashi Pref.	819.7	923.9	+104.2 (	+12.7%)
	Loan assets under the control of head office departments	120.4	146.9	+26.5 (	+22.0%)
By market	General funds	1,237.1	1,386.0	+148.9 (	+12.0%)
	Non-commercial for individuals	402.5	412.0	+9.5 (	+2.3%)
	Local government bodies	260.3	270.5	+10.2 (	+3.9%)
Loan shares in Yamanashi Pref. (term-end)		43.9%	45.1%	+1.2	-

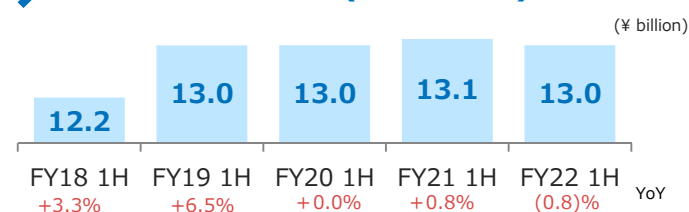
➤ Balance of loans to SMEs (term-end)



➤ Housing loans (term-end)



➤ Unsecured loans (term-end)

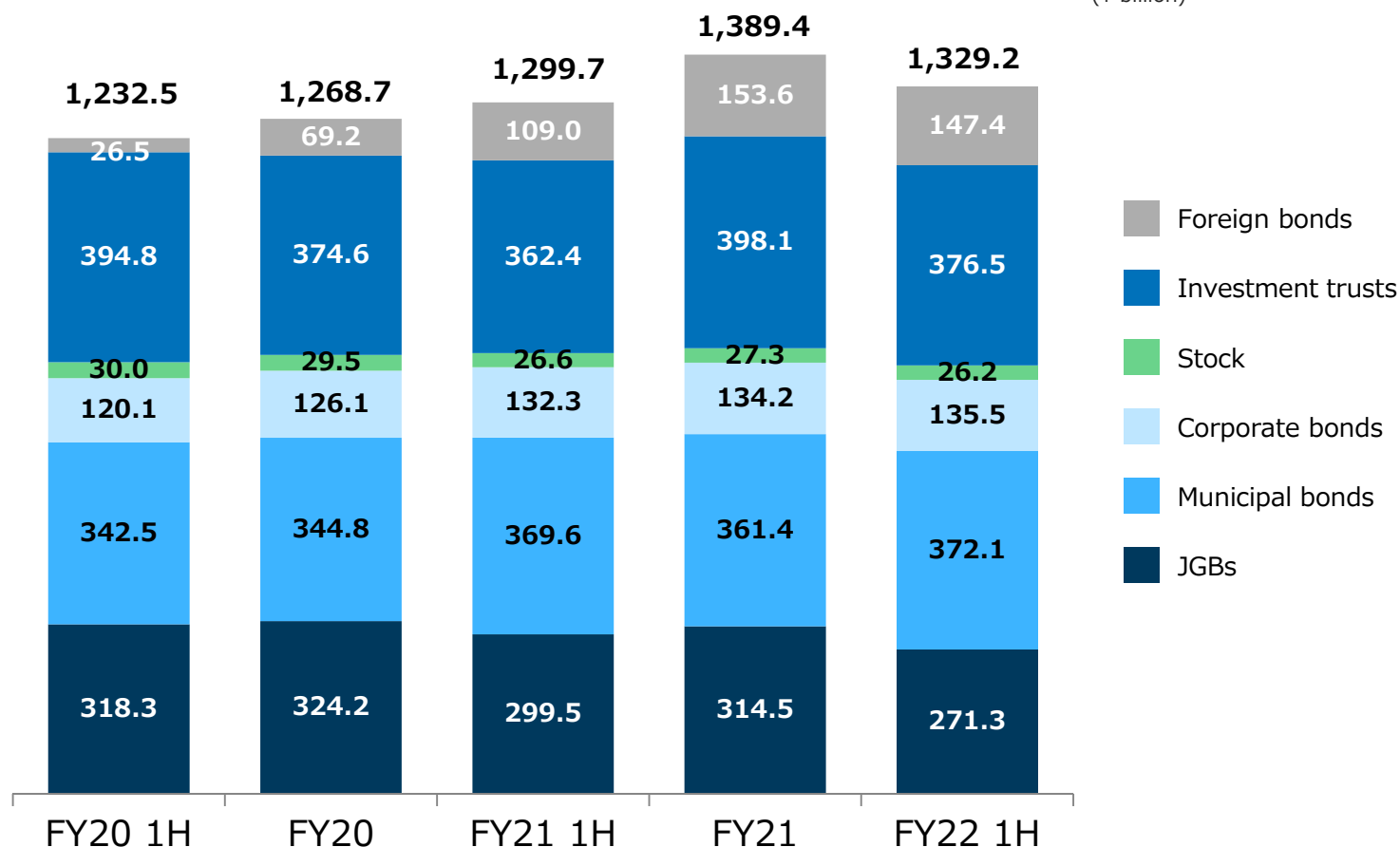


In face of deteriorating market environment, balance of securities was reduced.

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

Compared to FY21 (60.2) billion

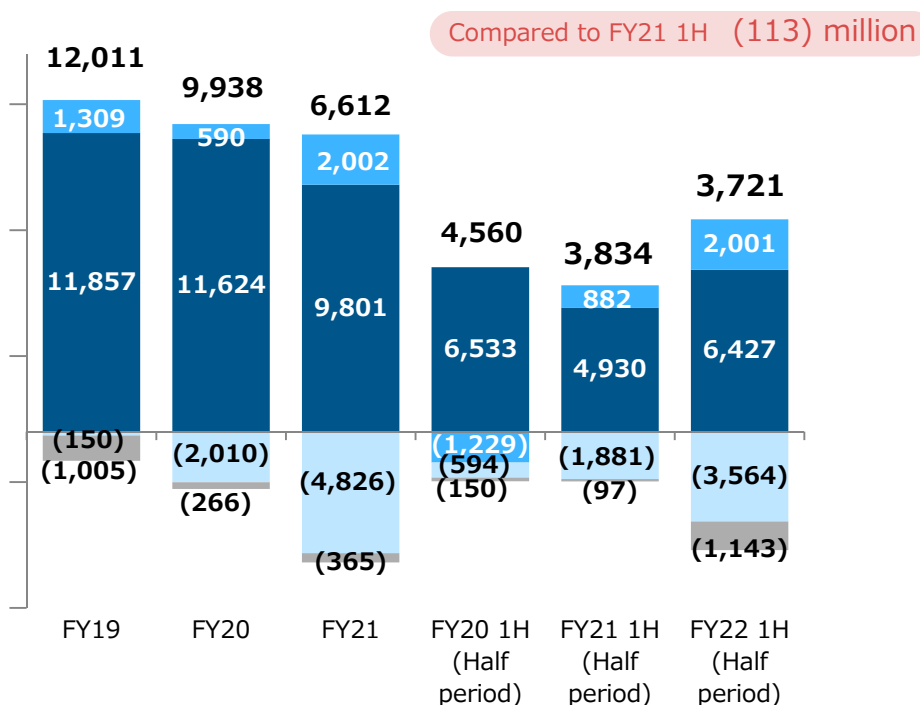
(¥ billion)



Due to rising interest rates in the U.S. and Europe, losses on sales of U.S. Treasuries and other securities contributed and foreign currency funding costs on the rise.
Increased valuation losses mainly on foreign bonds and investment trusts.

➤ Securities gains and losses

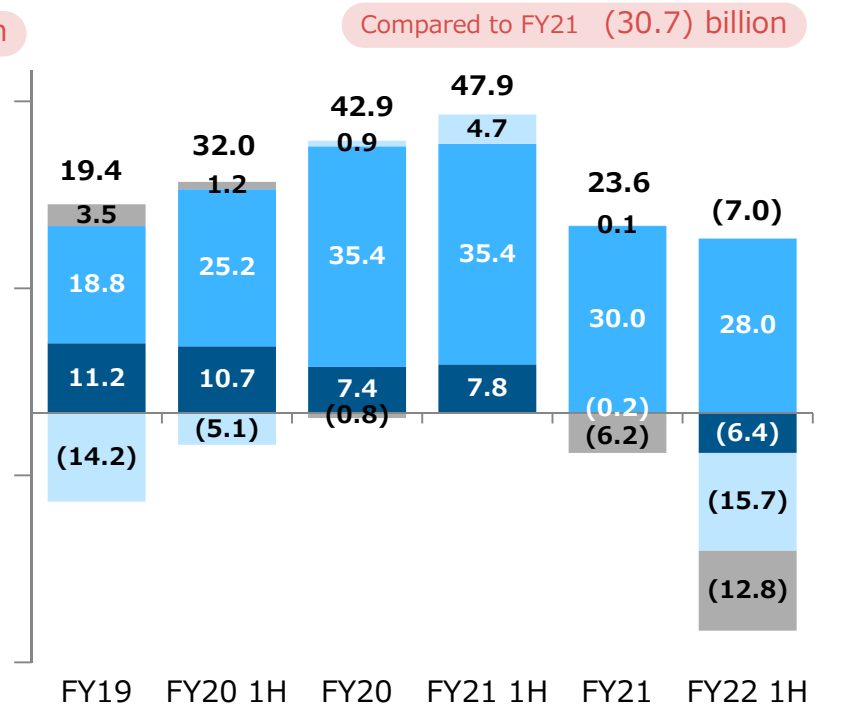
(¥ million)



Interest on securities (Excluding gain on cancellation of investment trusts)
Stock-related gains and losses
Bonds-related gains and losses
Cost of foreign currency procurement

➤ Appraisal gains (losses)

(¥ billion)



Yen bonds Stock Investment trusts Foreign bonds

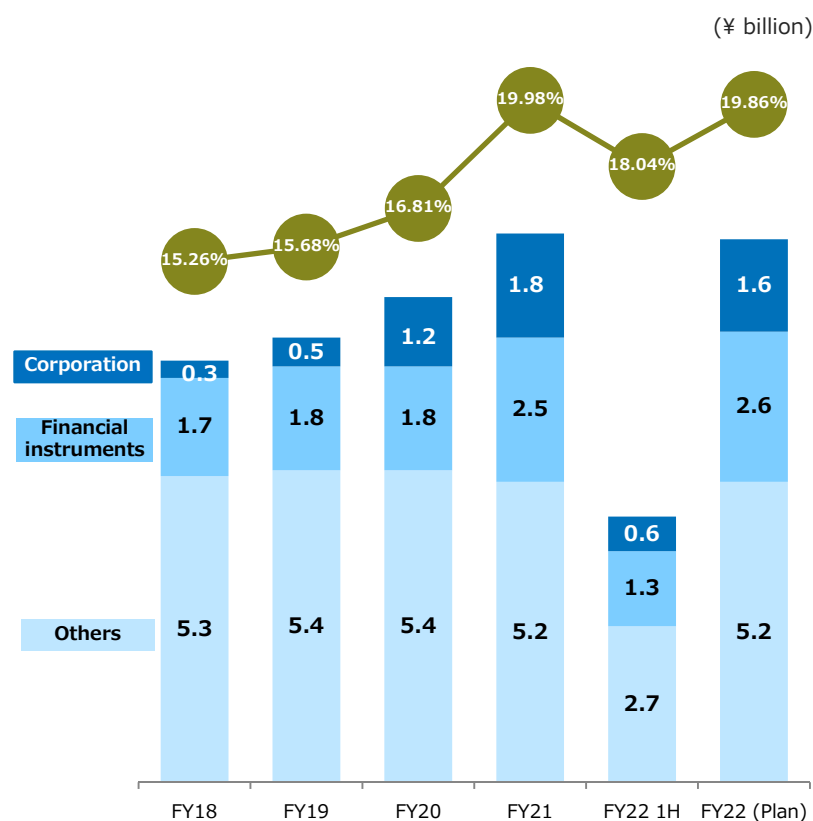
* From FY20, net reporting has been applied to gain or loss on cancellation of investment trusts. The method to settle accounts was changed to recording gain surplus under interest on securities, and recording loss surplus under bond-related losses. (Surpluses in the past were reprocessed and are presented accordingly.)

*Includes valuation gains and losses on investments in limited partnerships

Total consulting practice established stable earnings

(¥ million)	FY21 1H	FY22 1H	YoY
Fees and commissions	3,213	3,232	19
Fees and commissions	4,624	4,611	(13)
Fee and commission expenses	1,411	1,378	(33)
<Main breakdown>			
Fee and commission income from financial products (excluding insurance for corporate customers)	1,277	1,331	54
Fee and commission for life insurance (excluding the corporate portion)	482	642	160
Fee and commission for investment trusts	744	577	(167)
Brokerage fee and commission for financial products	45	103	58
Fee and commission for public bonds	3	5	2
Fee and commission income from corporations	674	678	4
Fee and commission for structured finance	262	335	73
Fee and commission for consulting	110	108	(2)
Fee and commission for business matching	88	103	15
Fee and commission for M&A	160	67	(93)
Fee and commission received related to foreign exchange (domestic)	888	757	(131)
Loan payment premiums and guarantees	966	1,003	37

Trends in fees and commissions and service profit ratios



*Service profit ratio = Fees and commissions/Core gross business profit

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

Continue with structural reforms through the revision of business processes and expenses.

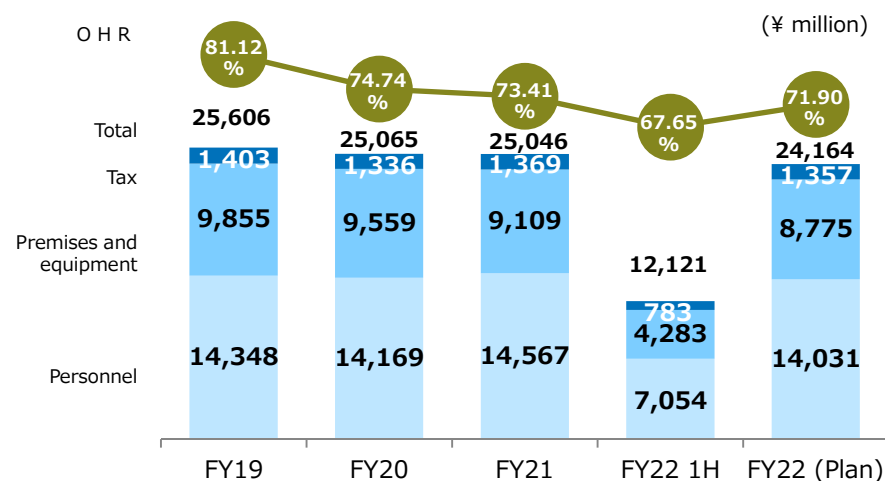
Expenses

(¥ billion)	FY21 1H	FY22 1H	YoY	FY22 (Plan)	YoY
Expenses	12.8	12.1	(0.7)	24.1	(0.8)
Personnel	7.5	7.0	(0.5)	14.0	(0.5)
Premises and equipment	4.4	4.2	(0.1)	8.7	(0.3)
Tax	0.8	0.7	(0.0)	1.3	(0.0)
OHR	77.88%	67.65%	(10.23)P		

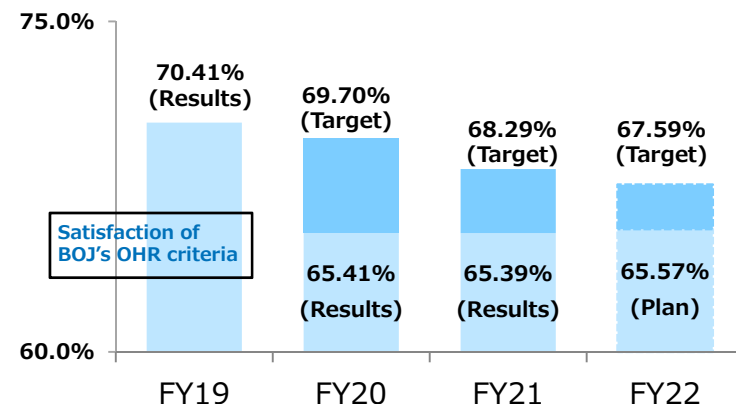
Main factors behind changes in expenses

(¥ billion)	FY22 1H (Results)		FY22 (Plan)	
Personnel	(0.5)	Revision of the HR system (temporary) (0.4) Decrease in personnel, etc. (0.1)	(0.5)	Revision of the HR system (temporary) (0.4) Decrease in personnel, etc. (0.1)
Premises and equipment	(0.1)	Change in deposit insurance premium rates (0.2) IT investment +0.1	(0.3)	Change in deposit insurance premium rates (0.5) IT investment +0.2
Tax	(0.0)	-	(0.0)	-

Changes in expenses and OHR



Expected achievement of BOJ's special interest rate system requirements



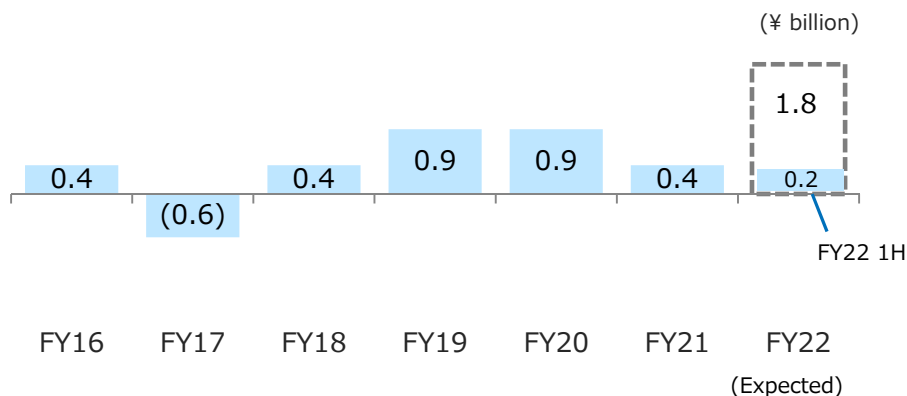
*Special interest rate (0.1%) applies if less than the target figure.10

*Results management for every fiscal year

Credit-related costs are expected to grow, taking the effects of COVID-19 into consideration.

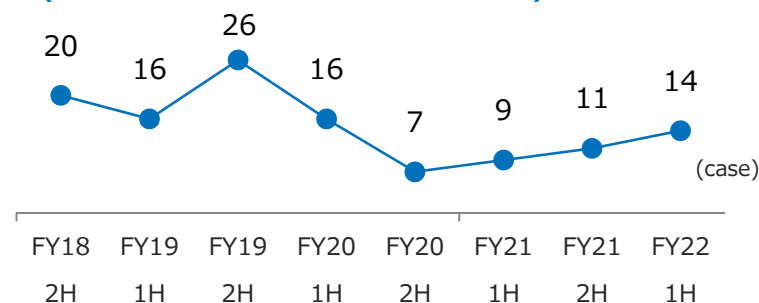
(¥ billion)	FY21 1H	FY22 1H	YoY	FY21	FY22 (Forecast)	YoY
Credit-related costs	0.7	0.2	(0.4)	0.4	1.8	1.3
Net provision to general loan loss reserve	(0.6)	0.0	0.7	(0.4)	1.0	1.5
Disposal of non-performing loans (non-operating income (losses))	1.3	0.1	(1.1)	0.9	0.7	(0.1)
Net provision to specific loan loss reserve	1.2	0.0	(1.1)	0.9	0.6	(0.3)
Provision to reserve for contingent losses	0.0	0.0	0.0	0.0	0.1	0.1
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	7.38bp	2.60bp	(4.78)bp	2.58bp	8.70bp	6.13bp

Changes in credit-related costs



Number of bankruptcies of companies in Yamanashi Pref.

(Total liabilities of ¥10 million or more)

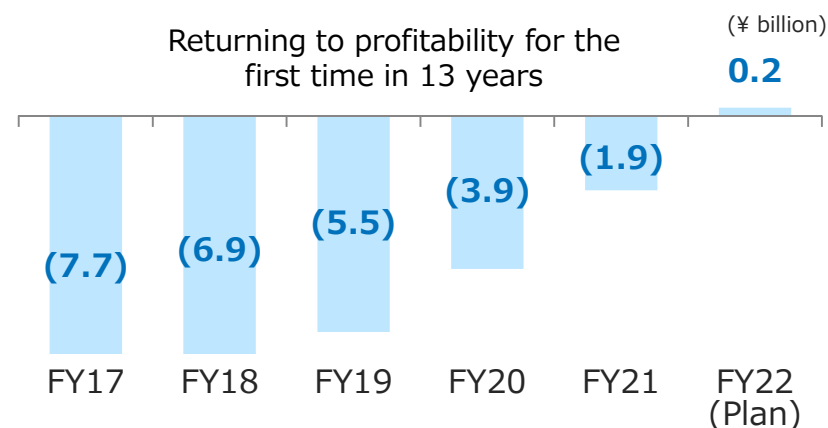


Source: TOKYO SHOKO RESEARCH, LTD.

Non-consolidated		FY21	FY22 (Plan)	YoY	Compared to initially announced figures
(¥ billion)					
Gross business profit		29.2	29.8	0.5	(1.9)
Interest income		27.4	29.8	2.4	2.1
Interest on loans		16.9	18.5	1.5	1.0
Interest on securities		9.8	11.9	2.1	1.3
Fees and commissions		6.8	6.6	(0.1)	0.1
Other operating income		(0.1)	(2.9)	(2.7)	(1.5)
Core gross business profit		34.1	33.6	(0.5)	0.7
JGBs and other bond transactions		(4.8)	(3.7)	1.0	(2.6)
Expenses		25.0	24.1	(0.8)	(0.2)
General provision to loan loss reserve		(0.4)	1.0	1.5	0.8
Net business profit		4.7	4.6	(0.0)	(2.6)
Core net business profit		9.0	9.4	0.3	1.0
Core net business profit (excluding gain on cancellation of investment trusts)		9.0	9.3	0.2	0.9
Non-operating losses		1.0	1.2	0.2	2.3
Reversal of loan loss reserve		0.9	0.7	(0.1)	(0.4)
Equity share and similar transactions		2.0	2.3	0.2	1.7
Ordinary profits		5.7	5.9	0.1	(0.1)
Net income		3.8	4.0	0.1	0.0
Consolidated		FY21	FY22 (Plan)	YoY	Compared to initial plan
(¥ billion)					
Consolidated ordinary profits		6.6	6.5	(0.1)	(0.2)
Profit attributable to shareholders of the parent		4.2	4.3	0.0	0.0

No major fluctuations in business performance despite the unstable market environment, thanks to driving force of the sales branch division.

Customer service business profit*



* Customer service business profit

Average loan balance * Yield difference on loans and deposits + Fees and commissions – Operating expenses

Continue to pay a dividend of 40 yen per share in FY2022 to ensure appropriate retained earnings and stable dividends

Return to shareholders – Results and plan

(Yen)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22 (Plan)
Dividend per share	10.00	9.00	7.00	35.00	35.00	35.00	40.00	40.00

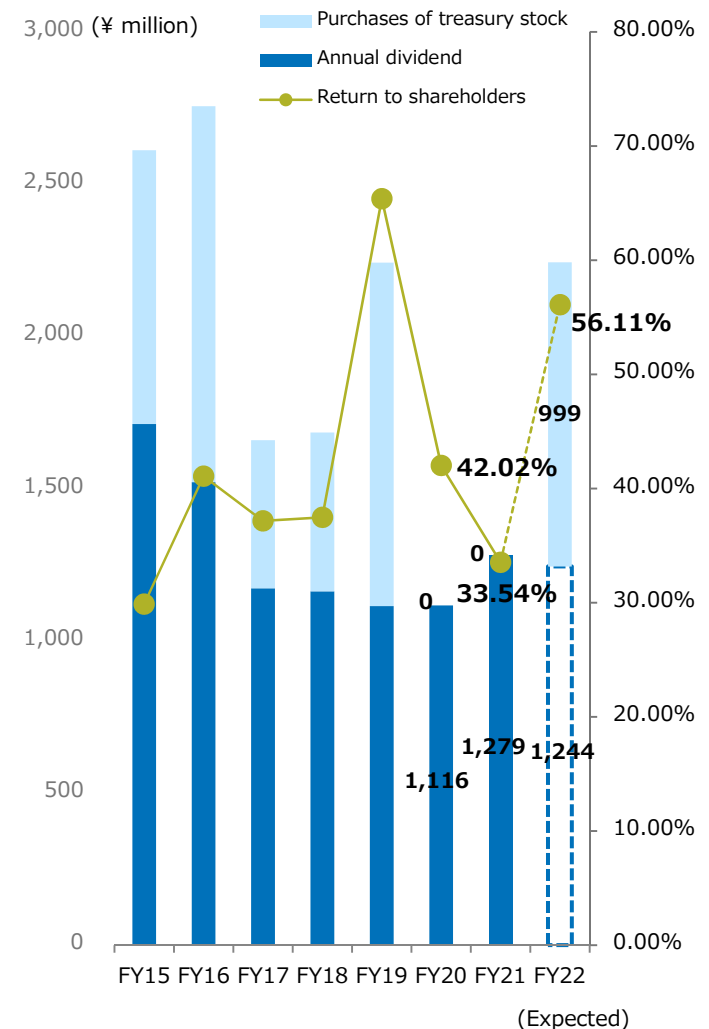
Reflecting consolidation of shares
(5 shares → 1 share) for Oct. 1, 2018

(¥ million)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Non-consolidated net income	8,737	6,710	4,464	4,494	3,430	2,655	3,810	4,000
Annual dividend	1,712	1,521	1,172	1,162	1,114	1,116	1,279	1,244
Dividend payout ratio	19.70%	22.73%	26.34%	25.97%	32.99%	42.02%	33.54%	31.12%
Treasury stock acquired	899	1,235	487	522	1,128	-	-	999
Return to shareholders	2,611	2,757	1,659	1,684	2,242	1,116	1,279	2,244
Shareholder return ratio	29.88%	41.08%	37.17%	37.48%	65.38%	42.02%	33.54%	56.11%

Dividend policy

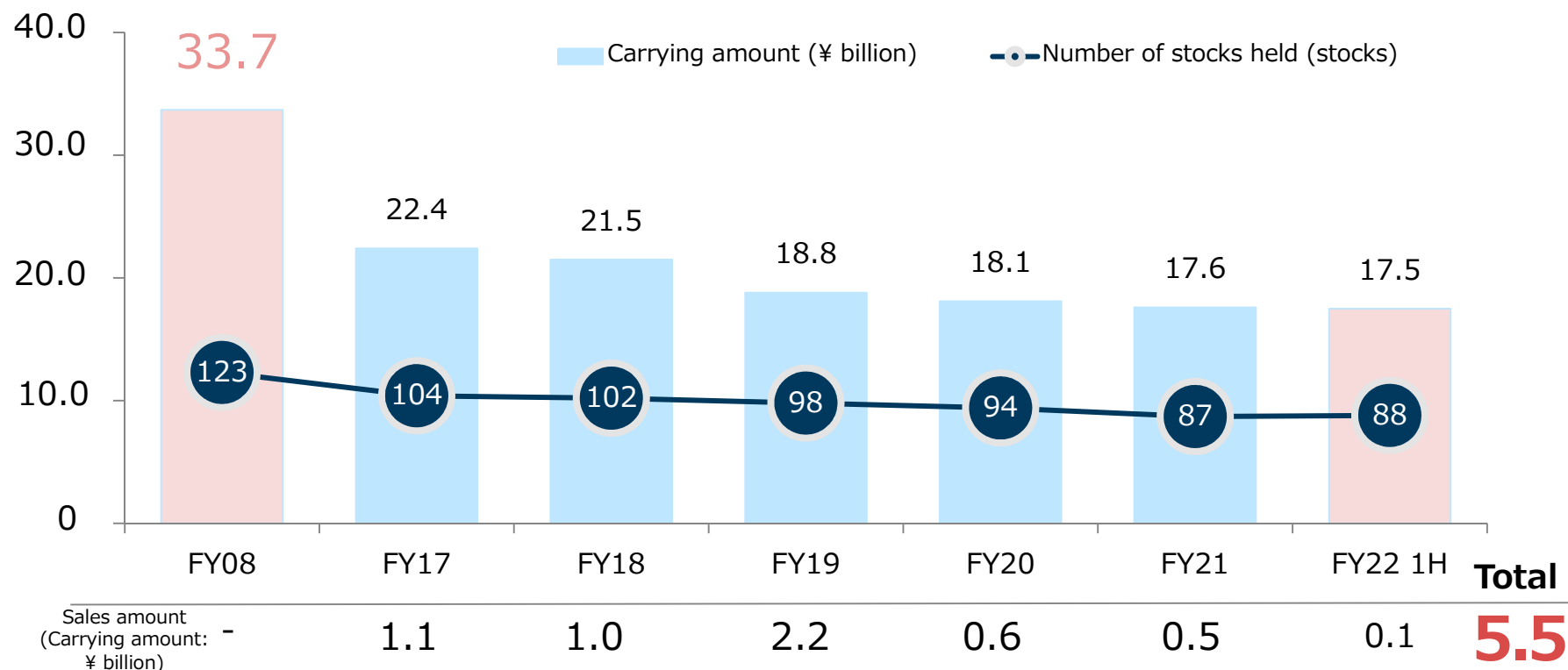
Performance-linked dividends
Stable dividend: ¥35
Standard of shareholder return ratio*:
20% to 30% annually

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



Successively reduce strategic holdings based on quantitative and qualitative assessments.

- The Bank will strive to reduce the balance of strategic holdings 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 ¥16.2 billion since FY08.
- Steady progress has been made on reducing the balance of cross-shareholdings, with sales of cross-shareholdings amounting to ¥5.5 billion since FY17.
- Considering setting reduction targets in the future.



Medium-Term Management Plan “TRANS³ 2025”



Management
philosophy

Region-based operations and sound management

Long-term vision

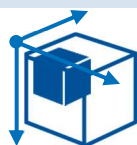
Value Creation Bank

Medium-Term
Management Plan

TRANS³ 2025

—Transformation and challenge based on three drivers and three strategies—

Three transformation drivers “**AX** (Alliances)” “**DX** (Digital)” “**SX** (Sustainability)”



Strategy to increase business capacity

Deepening and expanding core business

Exploring new businesses

Refinement of the core business
and taking on the challenge of
new business opportunities



Strategy to double productivity

Take on the challenge of achieving zero
clerical work

Next-generation channel reform

Dramatic improvement in
productivity by zero clerical work
and channel reform



Strategy of pursuing sustainability

Realization of human capital
management

High level of governance

Realization of coexistence of
sustainable management and
regional communities

Purpose (significance of existence)

“Open Up a Bright Future from Yamanashi”

KPI

OHR (Operating expenses/Core gross business profit)

ROE (current net income basis)

Ratio of female managers and supervisors

Rate of reskilling-based reallocation of clerical workers

Sustainable finance*¹ investment and loan amount

Reduction rate of greenhouse gas (CO₂) emissions*²

FY21
(Results)

FY22
(1H Results)

FY24
(Final year of the
Medium-Term
Management Plan)

Ideal

73.41%

67.6%

73.5% or less

60% level

1.82%

2.88%

3% or more

5% or more

13.1%

14.8%

15% or more

40% or more

-

-

30% or more

70% or more

71.5 billion yen

46.6 billion yen

250 billion yen
or more

800 billion yen
or more

32.25%

55.6%

46% or more

60% or more

KGI

Profit attributable to shareholders of the parent

4.2 billion yen

2.9 billion yen

6 billion yen
or more

10 billion yen
or more

*1 Investment and loan that contribute to creating sustainable regional society (environment, education, start of business, succession of business, etc.)

*2 Comparison with FY2013; target scope: Scope 1 + Scope 2 (excluding gasoline)

→ Establishment of a sustainable revenue structure

Non-financial earnings from total consulting*

FY2022
(1H Results)

5.5 billion yen (FY2024)

2.07 billion yen

P19-P22

*Related to corporations/financial instruments

Rate of financial instrument holders (number) (Yamanashi)

FY2022
(As of the end of Sep.)

12% (70,000)

11%

P23

Number of business loan borrowers (Tokyo)

FY2022
(As of the end of Sep.)

4,000

3,408

P24

Amount of new housing-related loans

FY2022
(1H Results)

200 billion yen

22.8 billion yen

P25

Total for 3 years of the medium-term management plan

Total profit (loss) on securities (Market)

FY2022
(1H Results)

Annual 12 billion yen

(27) billion yen

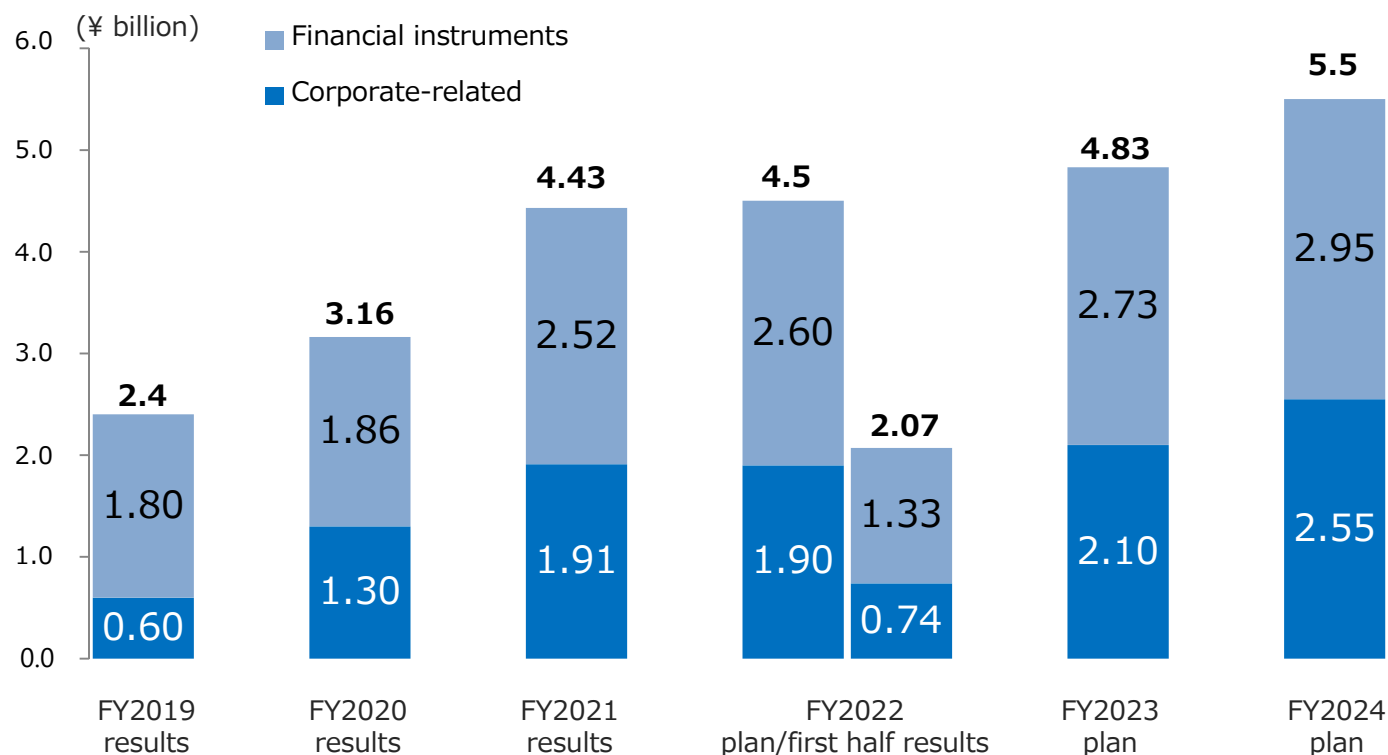
P26

Average of 3 years for the medium-term management plan

Non-financial earnings from total consulting

Change in revenue from corporate-related fees and commissions and financial instruments

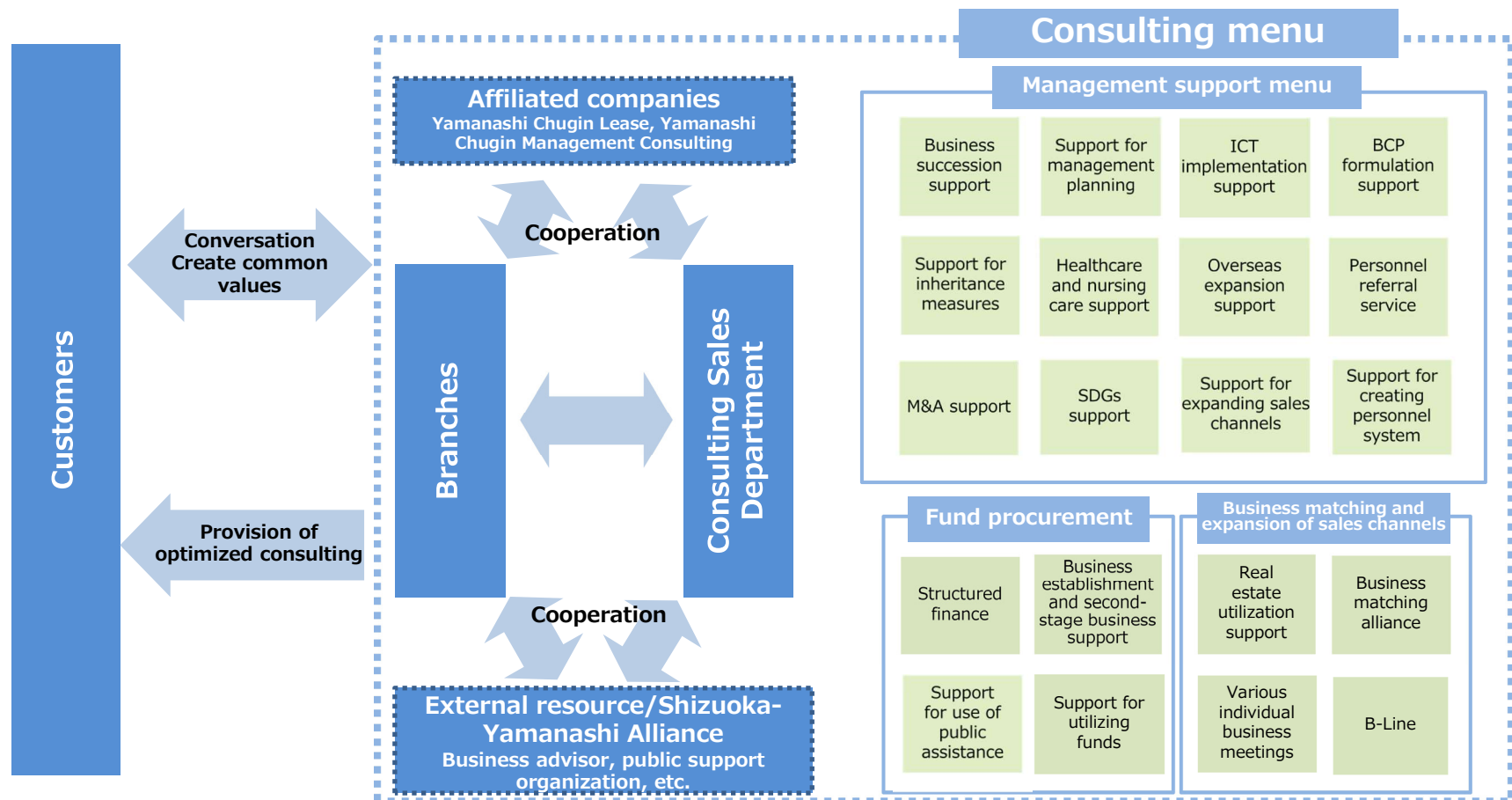
- Growth in corporate-related fees and commissions mainly through structured finance and fee-based consulting services, due to establishment of consulting operations and alliance with Shizuoka Bank
- Penetration of individual consulting operations in the sale of financial instruments based on customers' life plans and total assets



Non-financial earnings from total consulting

One-stop support for each life stage

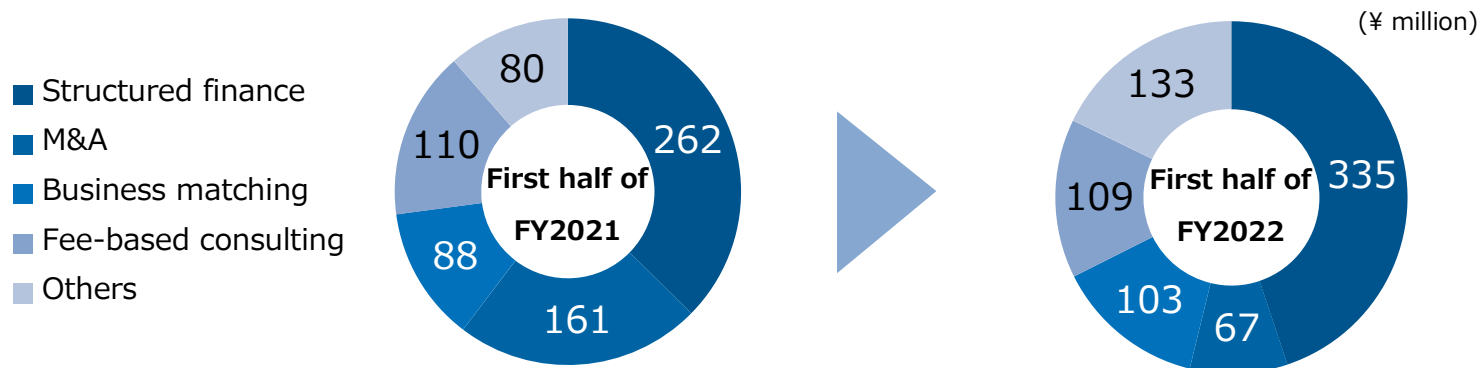
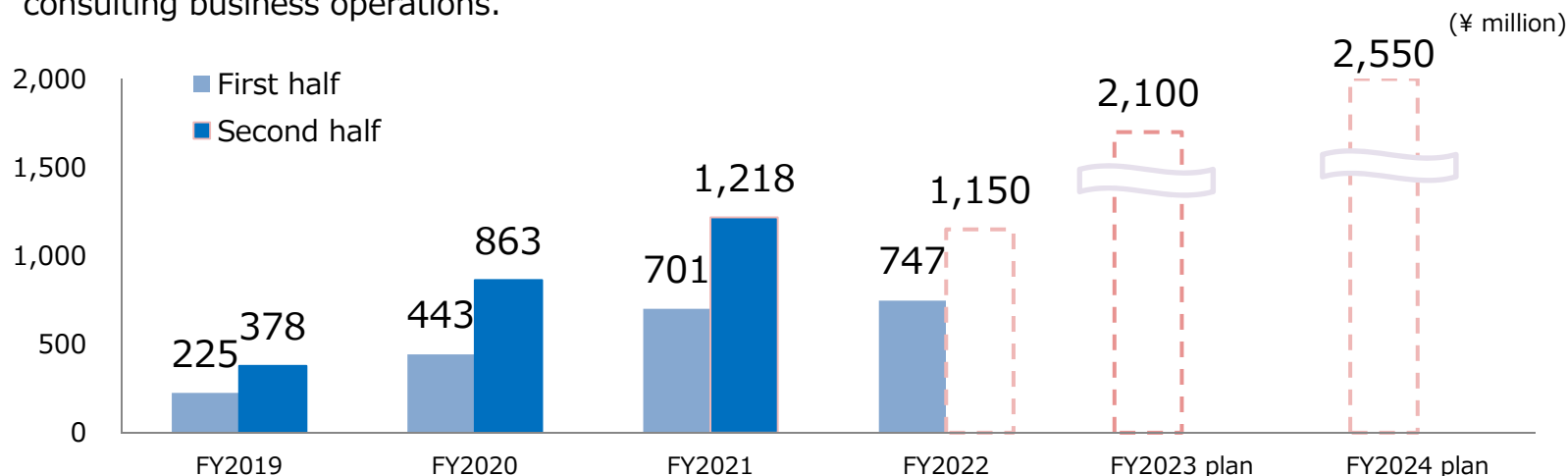
- Provide diversified consulting support to customers at various life stages by leveraging the knowledge and network of the Group



Non-financial earnings from total consulting

Changes in corporate related service revenue (including derivative-related fees)

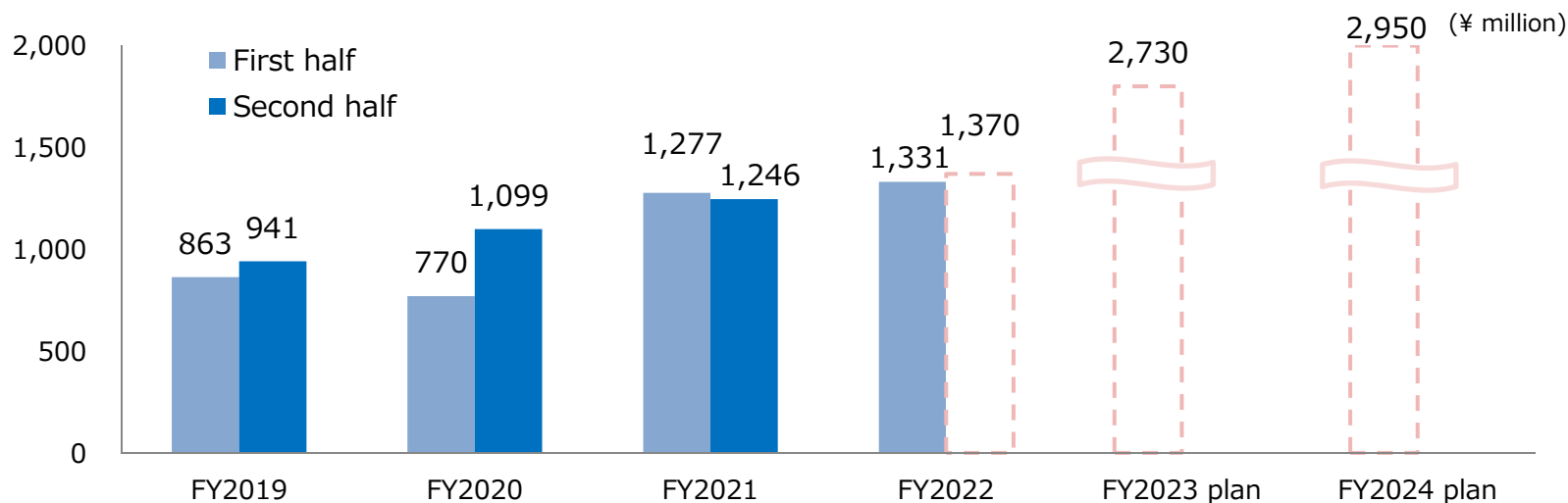
- Corporate-related services has increased centered mainly on structured finance and fee-based consulting business operations.



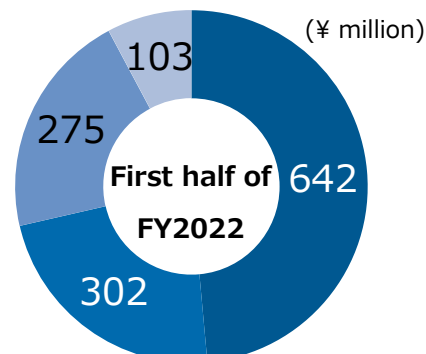
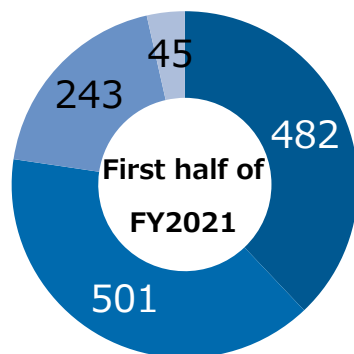
Non-financial earnings from total consulting

Fee and commission income from financial products (excluding insurance for corporate customers)

- Financial instruments related service has increased, centered on life insurance and securities brokerage



- Life insurance
- Mutual funds (sales)
- Mutual funds (administrative agent)
- Securities brokerage

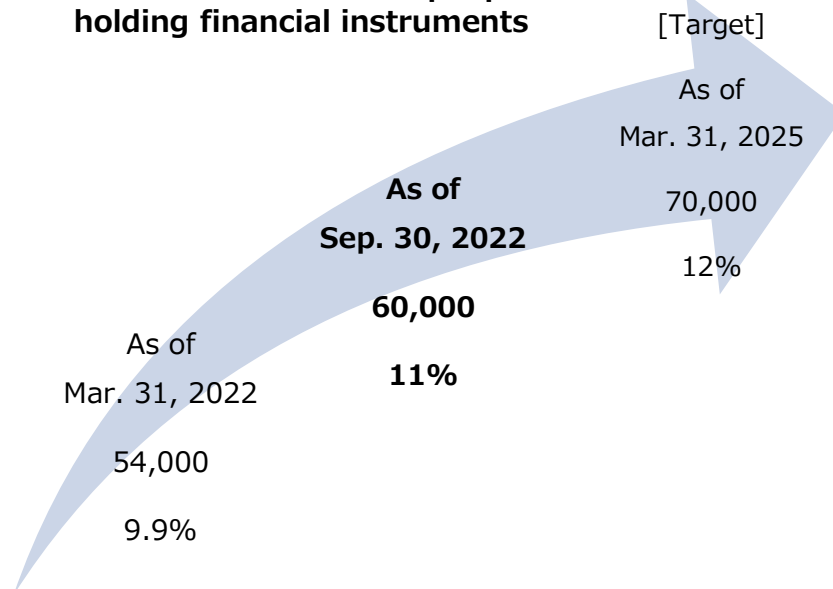


Rate of financial instrument holders (number) (Yamanashi)

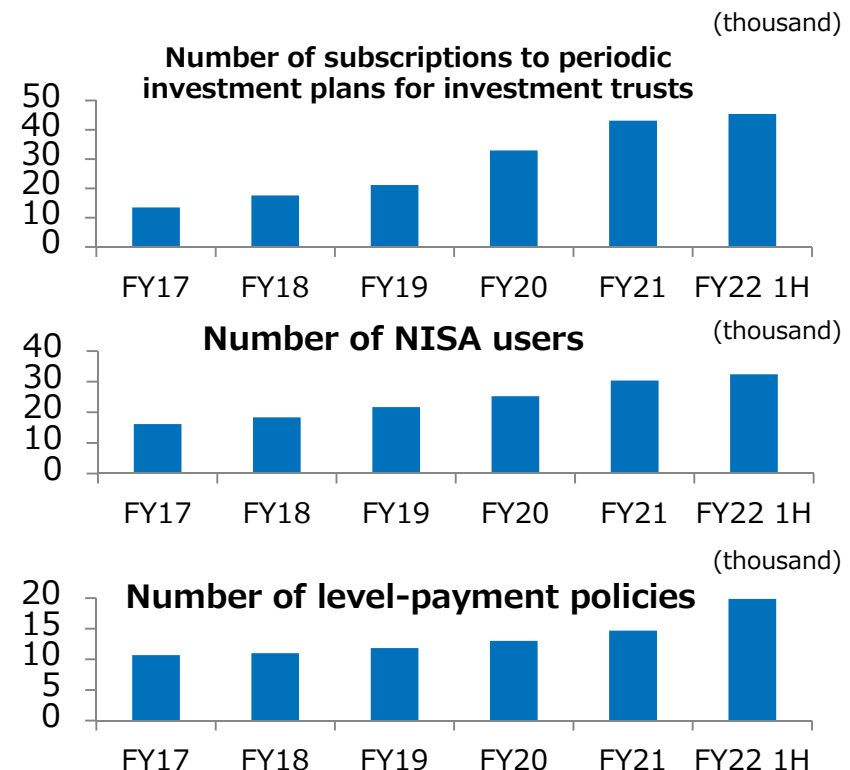
As of end of Sep. 2022: Rate of financial instrument holders 11% (60,000)

- The transaction base is expanding at a faster pace than planned.
- The transaction base expanded as a result of proposals for asset building through the use of investment trust accumulation and the NISA system.
- In addition to insurance review proposals through face-to-face consultations, non-face-to-face solicitation through DM and telemarketing was successful.

Increase in the rate of people holding financial instruments

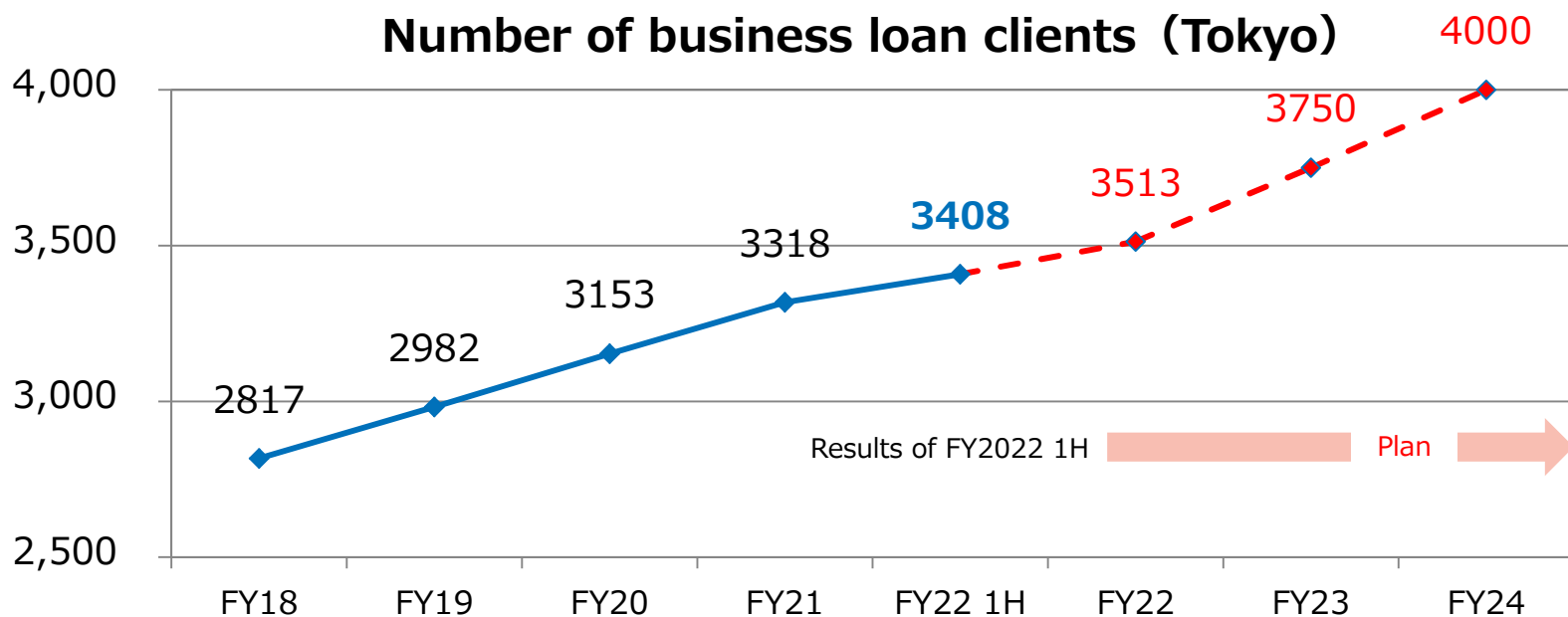


Population of Yamanashi Prefecture: The population of 20–75 year olds from the national population index by sex (population by age group (5 age groups)) for each prefecture in the 2020 census.*540,000 as of October 1, 2020



Number of business loan borrowers (Tokyo)

- Number of business loan customers in Tokyo is steadily increasing.
- 17 sales branches and the Tokyo Promotion Department, the headquarter organization, work together to develop clients in Tokyo.
- Create customers through collaboration with tax accountants, management consultants, trading companies, existing customers, etc.
- Focusing on activities to contribute to our customers by connecting our customers in Tokyo and Yamanashi Pref., their businesses, and information in both directions.



Amount of new housing-related loans

First year execution target amount:

50 billion yen

Execution amount for FY2022 1H:

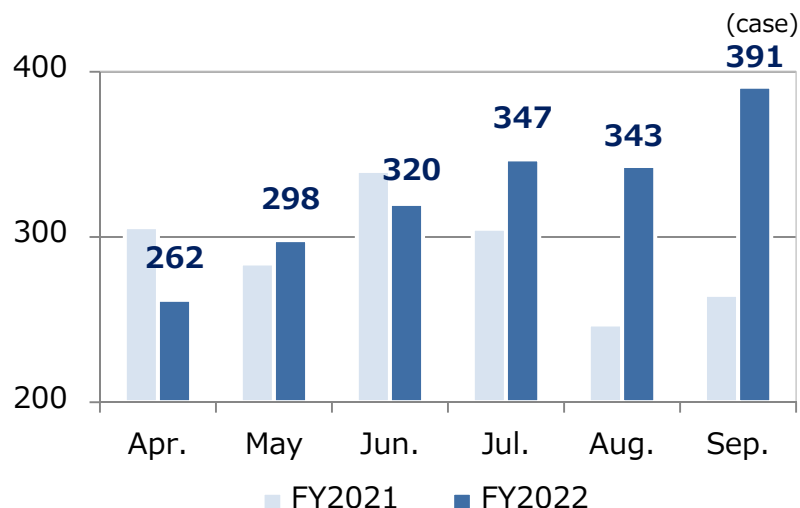
22.8 billion yen

(Achievement rate of initial annual target: 46%)

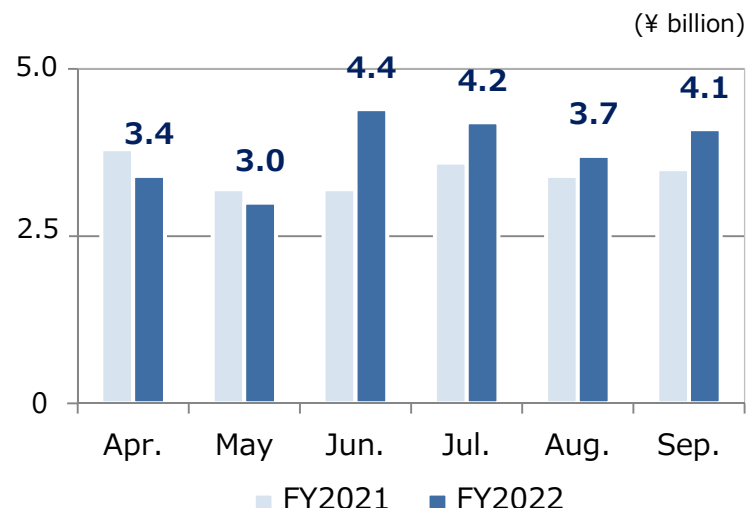
To achieve the target, the following measures were implemented in FY2022 1H.

- Setting interest rates according to market characteristics
- Strengthened measures against dealers (partnered with iYell Group, started taking in deals from mortgage apps)
- Consolidation of mortgage operations into Life Square
- As a result of the above measures, the number of accepted applications increased significantly. We expect further growth in the amount of money executed in the future.

Change in number of accepted applications



Change in amount executed



Measures to achieve overall profit/loss targets for securities

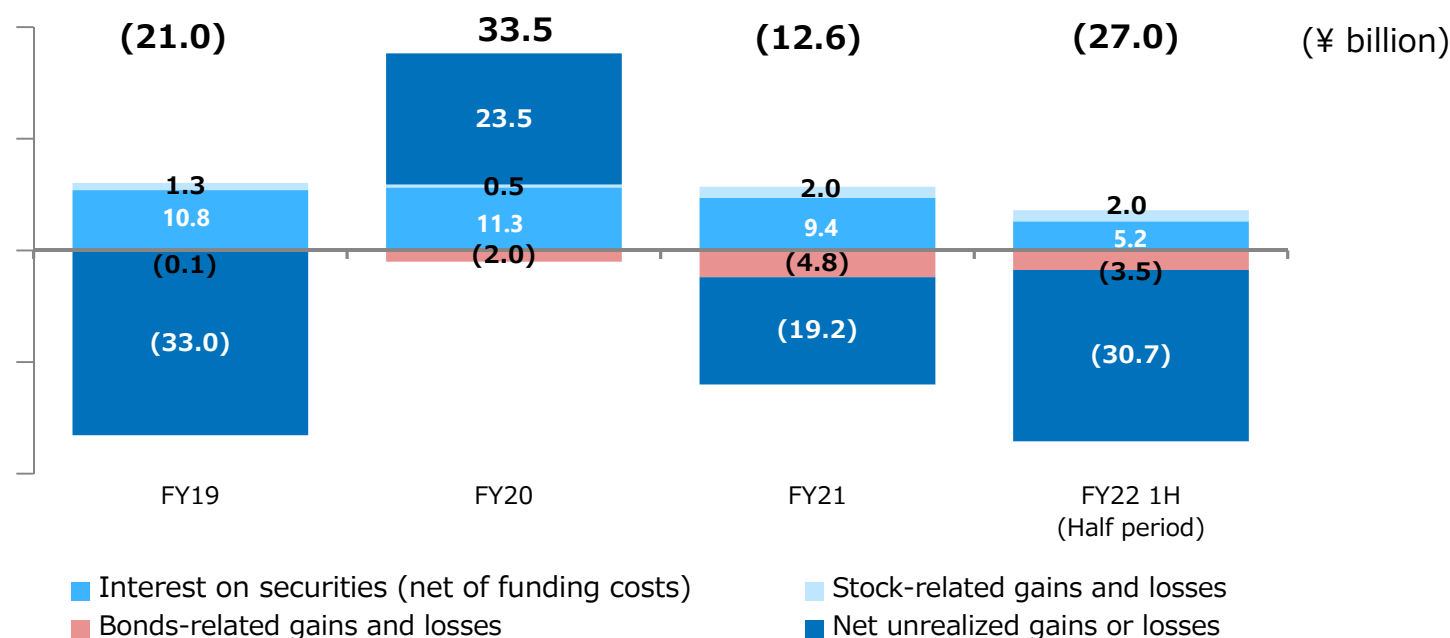
Overall profit/loss for FY2022 1H: (27) billion yen

(Breakdown) Interest and dividends (net of funding costs): 5.2 billion yen

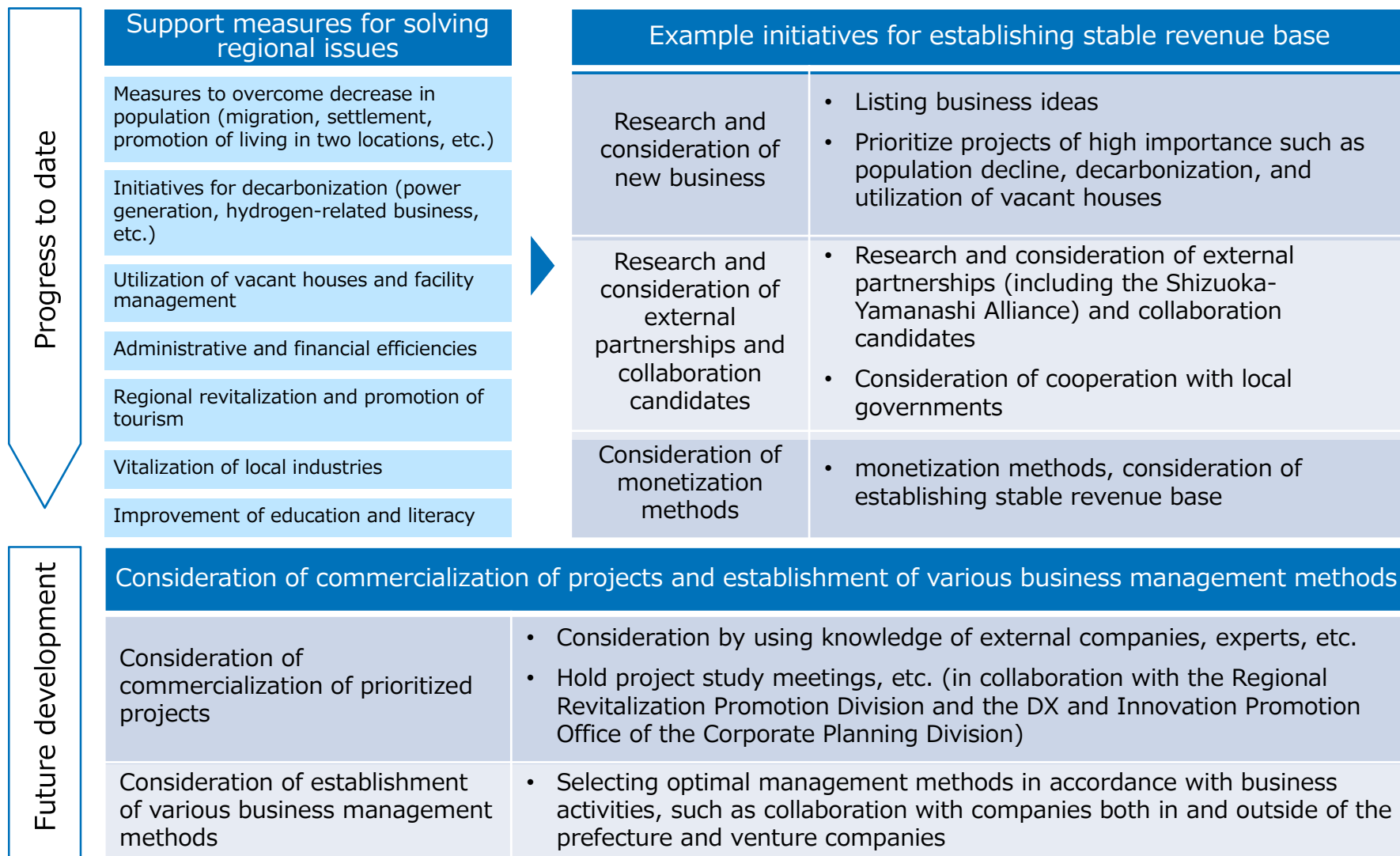
Gain (loss) on marketable securities: (1.5) billion yen

Increase (decrease) in unrealized gains/losses: (30.7) billion yen

- Interest and dividends (net of funding costs) exceeded initial plan.
- In order to improve the quality of the portfolio, we will use gains on sales of stocks and other securities recorded through flexible trading to dispose of foreign securities and other assets.
- Valuation gains/losses deteriorated significantly due to rapid rises in U.S. and European interest rates, etc.
- Overall profit/loss was significantly negative, but outperformed the benchmark.
- In order to develop human resources from a medium- to long-term perspective, assign young employees to the securities division and dispatch them to external organizations for training.



Finding new revenue sources by supporting the solving of regional issues Establishment of various business operation methods



➤ Exchange center for new business creation



(Jul. 2022)



Takeda Street Base was opened to serve as a place where various local players gather and communicate with each other to create new value.

We will accelerate innovations through various events and meet-ups.

➤ Initiatives for DX in the region



Yamanashi DX Engine

(Aug. 2022)



In collaboration with a major telecommunications company, local IT companies, and the Chamber of Commerce and Industry, we participated in a platform that supports DX for local companies by providing consultations, introducing solutions, and holding seminars.

Challenge of Achieving Zero Clerical Work

Basic Strategy 1
Increase Business
Capacity

Basic Strategy 2
Double Productivity

Basic Strategy 3
Pursue Sustainability



Achievement of zero clerical work at branches

Simplification

- Elimination of clerical work based on an assessment of actual clerical risk
- Simplification of documents to be received for various procedures and expansion of seal-less transactions

Centralization

- Deployment of middle office centers to handle back-office operations for high-variety low-volume lots
- Expanding centralization of complicated administrative work such as inheritance affairs

Systemization

- Introduction of semi-self-service terminals for streamlining and improving the efficiency of the reception process at branch counters



Plan for FY22 1H

Results for FY22 1H

FY24 (Targets)

40,000 hours reduced 55,000 hours reduced 200,000 hours reduced

Remarkable productivity improvement in divisions on which business operations are concentrated

Multi-skill development

- Productivity improvement by empowering multi-skill employees and multi-skill management, etc.

Support for branches

- Improvement of administrative work that contributes to lightening the clerical work of branches

Digitization

- Improvement of clerical work through utilization of RPA, etc.

Review of business processes

- Improvement of clerical work through rationalizing and streamlining operations

Realization of common/joint business with other financial institutions

The slip-less and cashless payment promotion project expanded at the same time in Yamanashi Prefecture.

* Participation by local governments, financial institutions, and bodies concerned in the prefecture

e-storage

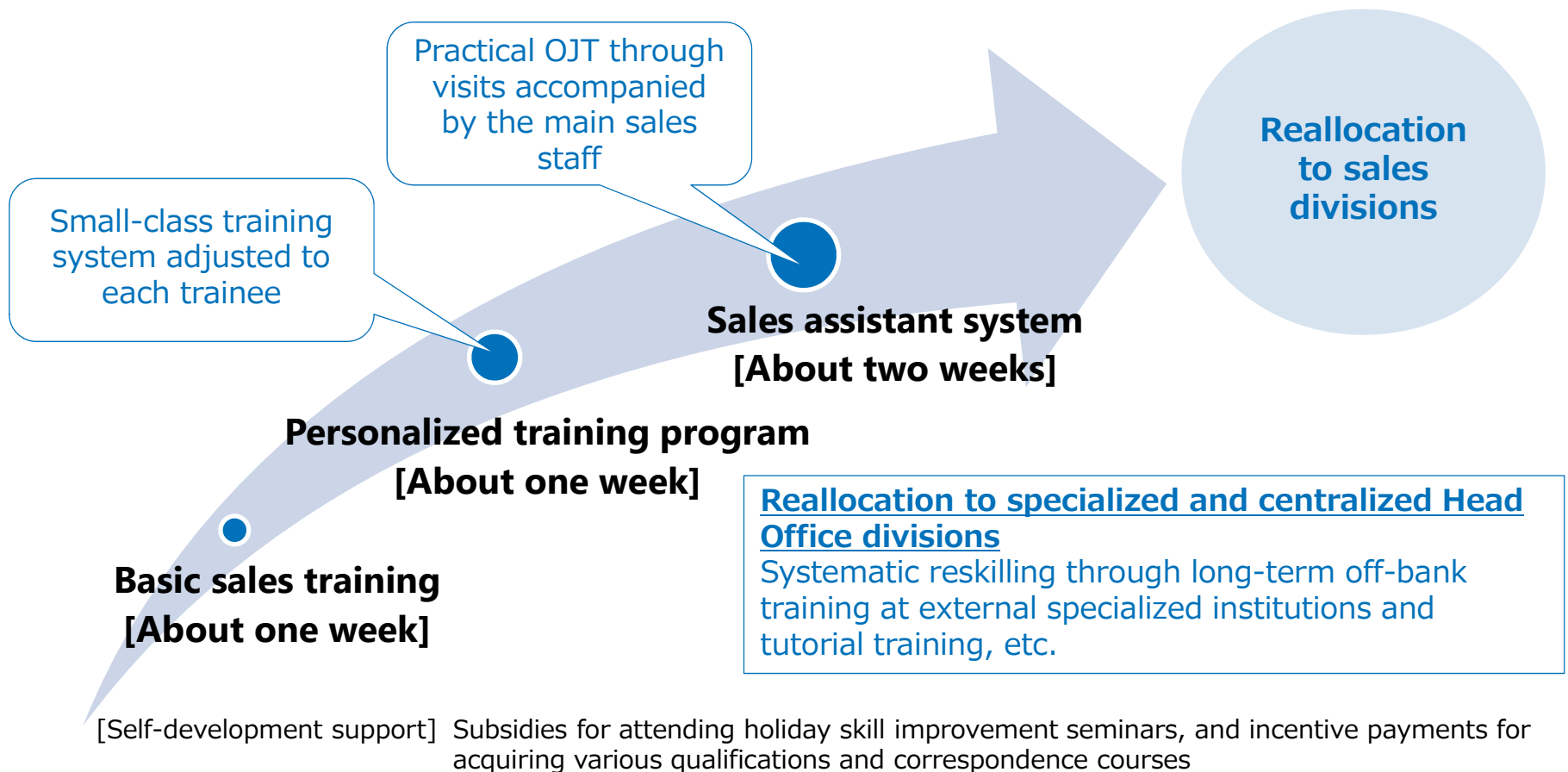
Smartphone storage

Account transfer



Spread of reskilling

In the reallocation of clerical workers that will occur in the future due to the reduction of clerical workload, reskilling will be implemented “over a certain period of time and intensively” by utilizing a system to acquire basic sales skills through individualized training based on the level of the target employees and visits accompanied by the main sales staff.

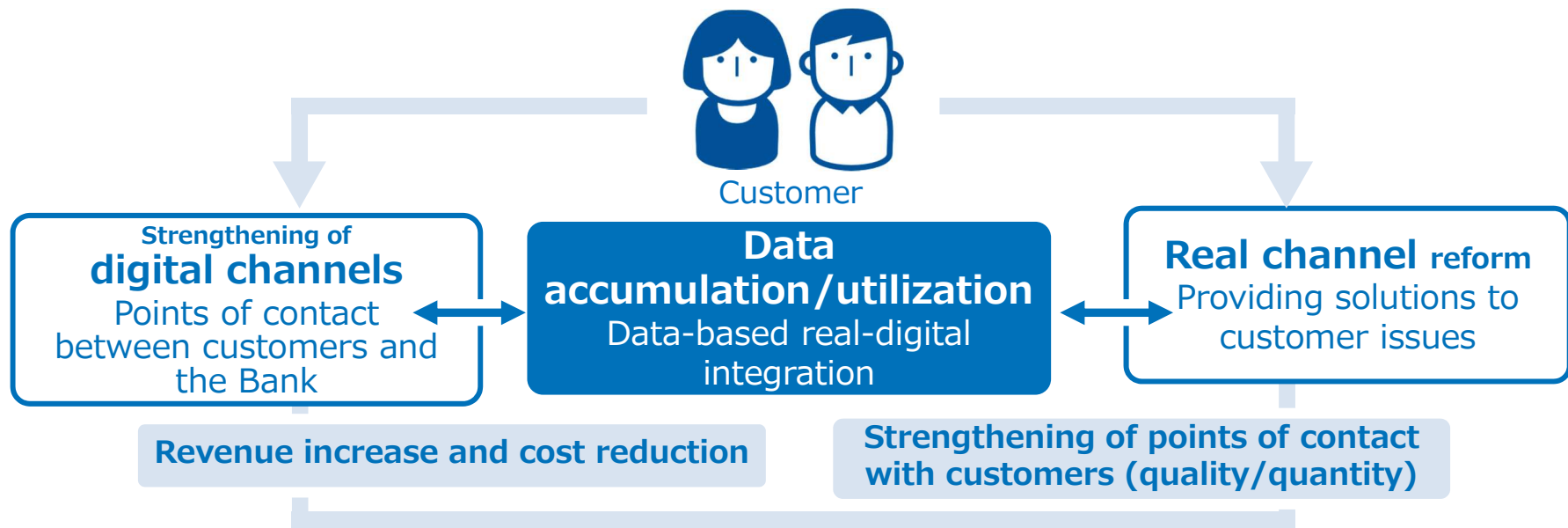


Next-generation Channel Reform

Basic Strategy 1
Increase Business Capacity

Basic Strategy 2
Double Productivity

Basic Strategy 3
Pursue Sustainability



- Penetration rate of bank app **15% ▶ 50%** FY2022 (As of the end of Sep.) **18%**
- Acquisition rate of e-mail address **60% ▶ 75%** FY2022 (As of the end of Sep.) **64%**
- Shift to next-generation branches **3 branches** FY2022 (1H Results) **—**
- Reduction in ATM (proper) services outside branches **50% (132 ▶ 66)** FY2022 (As of the end of Sep.) **130 (2)**

P32

P33

- Transfer from full-banking branches to function-specific branches **5 branches or more** FY2022 (1H Results) **1 branch**
- Consolidation of branches based on a branch-in-a-branch method **5 branches or more** FY2022 (1H Results) **1 branch**
- Strategic personnel reallocation **40 employees or more** FY2022 (1H Results) **7 employees**
- Number of accounts without bankbooks **10,000 ▶ 80,000** FY2022 (As of the end of Sep.) **17,809 accounts**

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Strengthening of digital channels

<Image of a bank app screen>

Expansion of functions of direct channels (Oct. 17, 2022–)

- Expand function range and web-based transactions to promote digital shift
- Reduce clerical costs by automating back-office operations

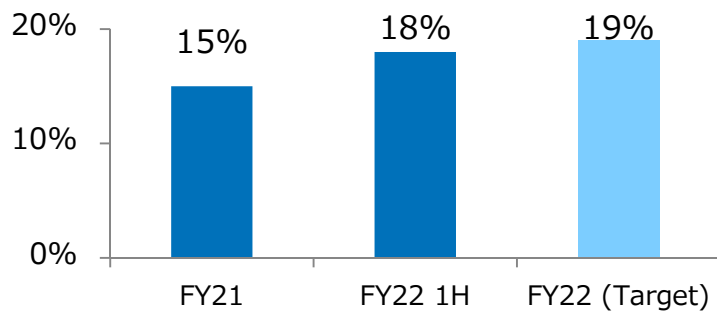
Introduction of a new bank app (Planned to be launched in Apr. 2023)

- Improvement of usability through UI/UX-conscious screen design
- Portal function on the top screen as a gateway to bank transactions
- Securing new means of communication



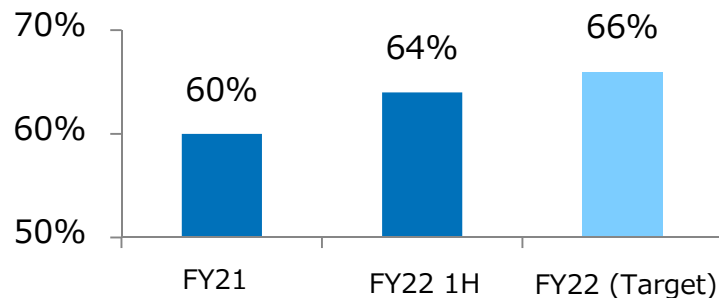
Penetration rate of bank app

- Currently promoting use of existing app



Acquisition rate of e-mail address

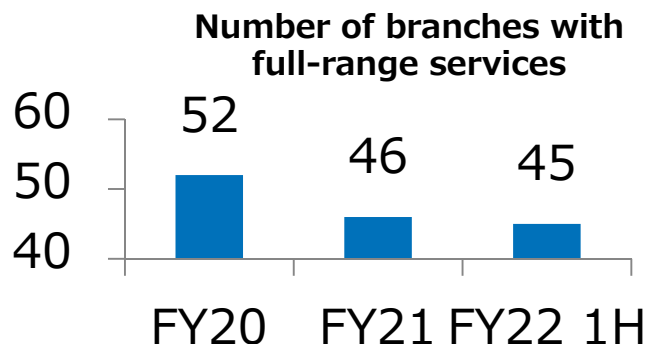
- Increase number of e-mail and SMS recipients



Reforming real channels

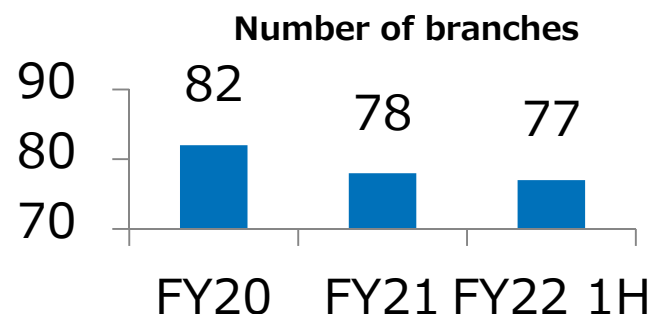
Branches with full-range services

- Kichijoji branch changed to function specific branch



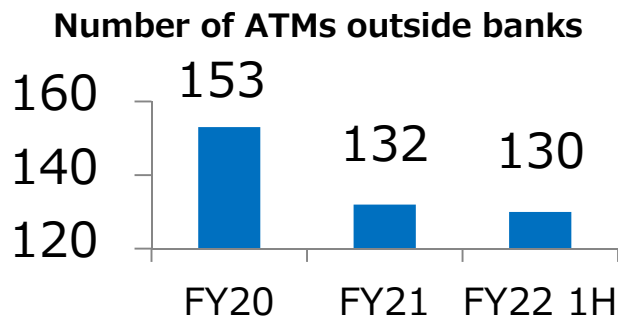
Consolidation of branches

- Kichijoji branch moved to a new location using the branch-within-a-branch system



Number of ATMs outside banks

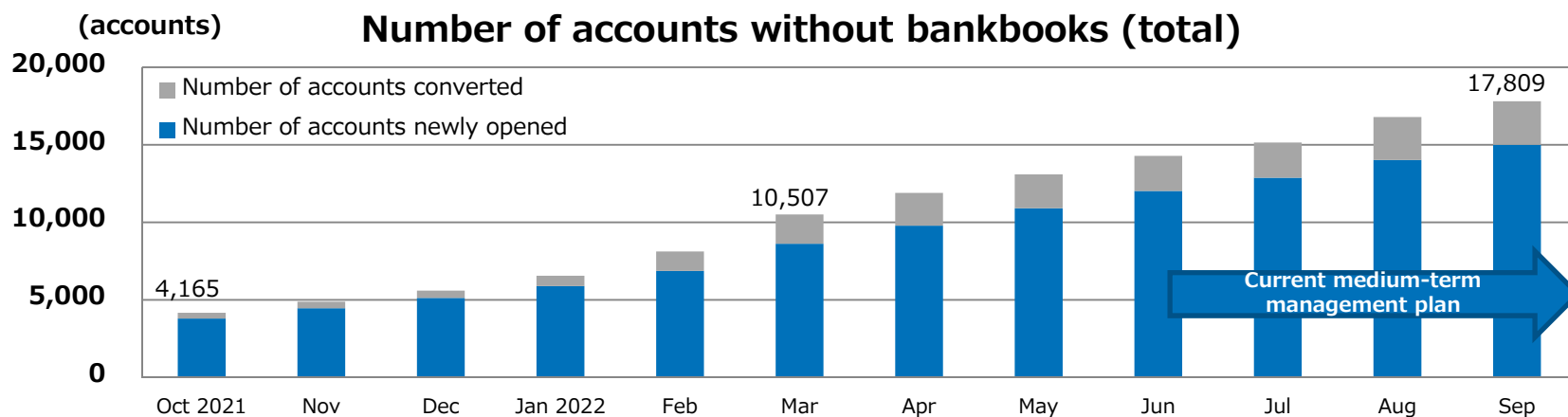
- Reduction mainly in low-utilization ATMs



Strategic personnel reallocation

- Strategic reallocation of seven human resources created by the Ogikubo area branches reorganization and the relocation of the Kichijoji branch through the branch-within-a-branch method

Measures to achieve target number of accounts without bankbooks








Status of efforts

- Promote the opening of new accounts without bankbooks by informing customers of such accounts at the counter, etc.
- Promote switchover of existing accounts to accounts without bankbooks
⇒ E-mail distribution to selected customers based on past switching destination data
- Results for FY2022 1H: 7,302 accounts

Future development

- Improve functions of the "Yamanashi Chuo Bank bankbook app with CRECO"
- Implement information dissemination through web advertisements and SMS
- Campaign linked to bank app to be launched in Apr. 2023

Measures for a cashless society

Initiatives	(1) Establish a system that allows online application to Yamanashi Chugin DC card (including JiMOCA, credit card integrated with cash card)	
	(2) Strengthen security of "My Debit (Yamanashi Chugin VISA Debit)"	
	(3) Resume account linkage with LINE Pay, a smartphone payment service Start account linkage with "NyanPay"	 
	(4) Introduce "COTRA transfer service"	
Future development	(1) Expand account linkage with new smartphone payment services	
	(2) Study cashless payment schemes in the region	
	(3) Study how to provide a store payment solution that integrates cashless payment terminals and store cash registers	



**Corporate culture
that does not
fear change**



**Acceptance of
and respect for
diversity**



**Challenge and
career
development**

Response to transformations

- Strategic personnel reallocation through open recruitment:
10 employees or more annually

FY2022
(1H Results)

10 employees

- Ratio of female managers and supervisors:
15% or more

FY2022
(As of the end of Sep.)

14.8%

- Rate of long-term childcare leave taken by men: **100%**

FY2022
(1H Results)

42.1%

- Persons who have highly difficult qualifications:
50 workers or more

FY2022
(1H Results)

—

P37-38

Status of strategic personnel reallocation through open recruitment

- **Strategic personnel reallocation through open recruitment: 10 employees (result for FY2022 1H)**
- **New system established to support staff career realization**

(Made an open call for transfers to specialized divisions in the Head Office, allowing employees to apply for transfers to posts of their choice (post challenge))

Measures to achieve the target ratio of female managers and supervisors

- **Ratio of female managers and supervisors: 14.8% (As of the end of Sep. 2022)**

Measures to achieve target rate of male employees taking long-term childcare leave

- **Ratio of male employees taking long-term childcare leave: 42.1% (result for FY2022 1H)**

(All of those who have not yet obtained the childcare leave have been confirmed to be doing so through confirmation of their intention. Note that split acquirers who are not treated as long-term (20 business days or more) are excluded.)

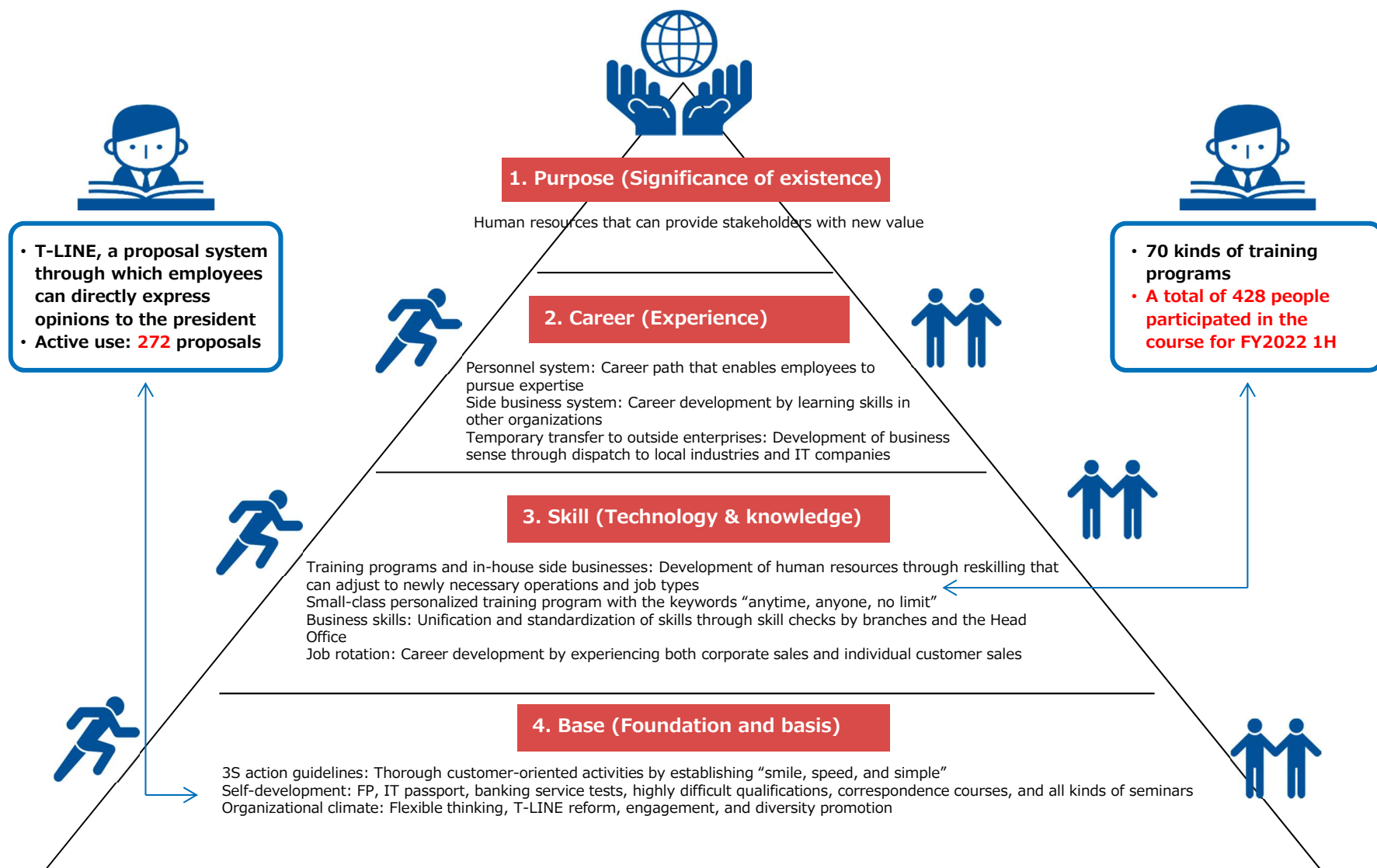
Measures to achieve targets related to highly difficult qualification holders

- **Seminars on highly difficult qualifications are held**

(The bank offers online courses for SME consultant and FP Level 1, etc.)

- **Reviewed incentive payments for certification**
(Increase incentive payments)

Development of human resources to achieve the purpose Purpose: Open Up a Bright Future from Yamanashi



Achievement of sustainable management and increase in corporate value

Business operation system at the headquarters

- RAF-based revenue/risk management
- Introduction of a headquarters evaluation system

Sales branch operation system

- Introduction of an area headquarters system
- Reconstruction of a branch evaluation system

A governance system to develop **AX/DX/SX**

• Alliance synergy effects (cumulative/both banks included)	8.0 billion yen or more	FY2022 (1H Results) 8.1 billion yen	P40
• Development of DX planners (an in-house certification system)	500 workers or more	—	P41
• Reduction rate of greenhouse gas (CO ₂) emissions (comparison with FY2013)	46% or more	55.6%	P42-P43
• Sustainable finance investment and loan amount (cumulative total of 3 years)	250.0 billion yen or more	44.6 billion yen	P44

Status of Shizuoka-Yamanashi Alliance

Promptly implemented measures to collaborate with Shizuoka Bank and realized earnings benefits significantly exceeding initial plans

Earnings benefits

- Aiming to achieve **earnings benefits of over 10 billion yen (total of both banks over 5 years)** by 2025, focusing on market finance (structured finance, etc.) and life plans (Shizugin TM Securities, etc.).
- Results by FY2022 1H: **Approx. 8.1 billion yen** (5-year conversion)
- Contribution to FY2022: **Approx. 1.9 billion yen** (single year)

Collaboration in the finance field

- Collaborations in the **structured finance** field
Execution of real estate non-recourse loans:
9 cases/57.3 billion yen
- **Co-formation of syndicated loans, etc.:**
12 cases/19.5 billion yen
- **Co-financing as a project related to vitalizing local economy** (Dec. 2021)
 - ✓ Funds for construction of communal villas in Yamanashi Pref.
- Executed a **co-financing program for a deep-tech venture utilizing a debt guarantee scheme** (Mar. 2022).
 - ✓ Working capital for advance investment in MaaS business

<SANU Original Cabin>



<WHILL ModelC2>



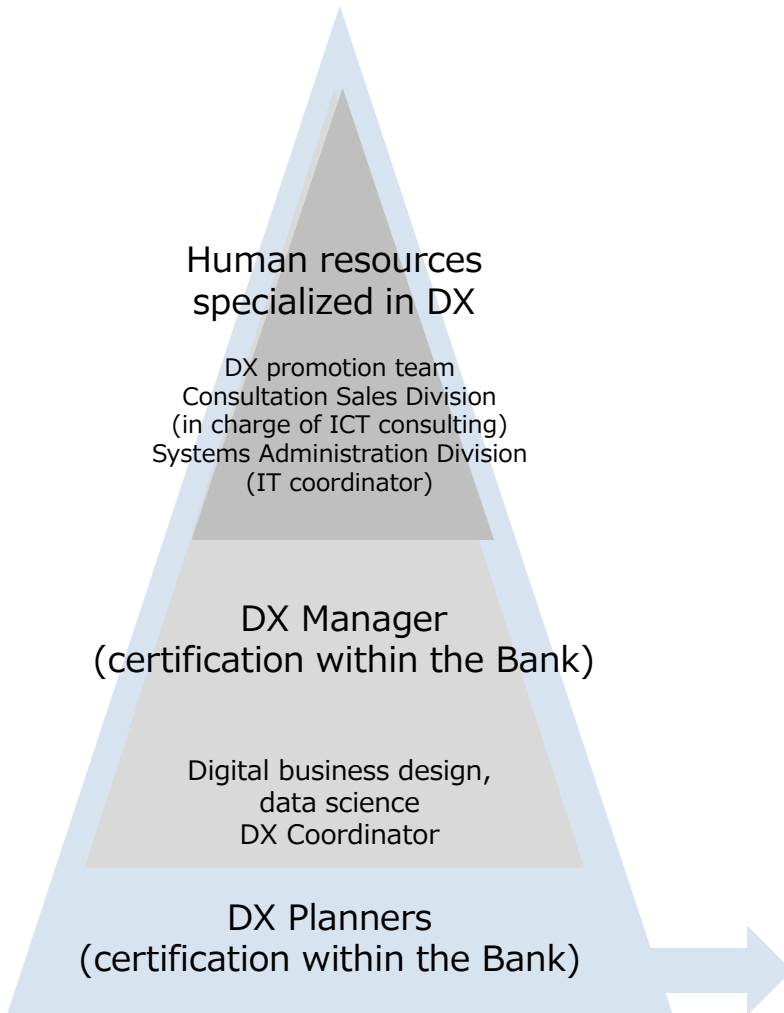
Achievements in the life planning field

- Development of the Yamanashi main office of Shizugin TM Securities
 - ✓ Opened in the Head office (Apr. 2021)
 - ✓ Dispatched seven employees from the Bank to strengthen collaboration
- <Results by FY2022 1H>
 - ✓ Sales of assets under custody: **11.8 billion yen**
 - ✓ Balance of assets under custody: **23.8 billion yen**

Measures to vitalize local economy

- **Held individual business negotiations: 17 times**
 - <Results by FY2022 1H>
 - ✓ Number of items negotiated: 660
 - ✓ Business matching contracts signed: 82
 - ✓ **Rate of successful deals: 12.4%**
- Joint seminars on vitalizing local economy, including for startups, agribusiness, and local government, etc.
- Established **"Shizuoka-Yamanashi Mirai Growth Support Fund,"** a fund to support business succession jointly invested by the two banks (May 2022)

Training DX Planners



The DX Planner is an entry-level certification within the Bank. In collaboration with personnel of higher certification, they take the initiative in utilizing digital tools to drive the digitalization of the organization. The requirements for certification were established in FY2022 1H, and certification began in FY2022 2H. Plan to train 500 employees during the period of the medium-term management plan.

FY2022 2H	FY23	FY24	Total
150 employees	200 employees	150 employees	500 employees

Activities for reduction in CO₂ emissions

The Bank's own activities

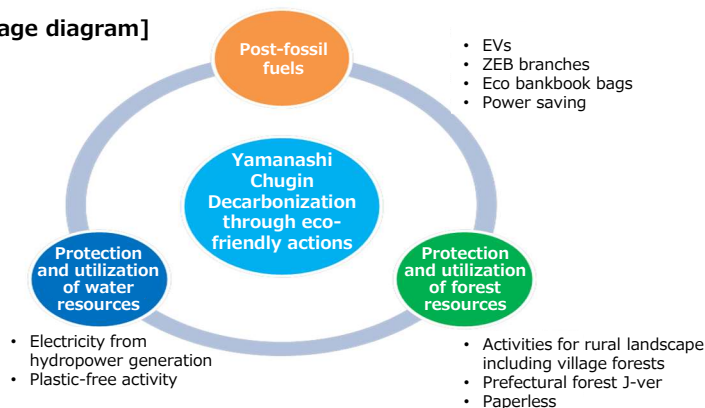
1. Goals for reduction in CO₂ emissions

Item	Contents
Long-term target	60% decrease by FY2030 compared with FY2013
Medium-term target	46% decrease by FY2024 compared with FY2013
Period	From FY2022 to FY2030
Target	What corresponds to SCOPE 1 and SCOPE 2 of the Bank

2. The Bank's main activities to achieve the goals

- (1) Introduction of electricity from renewable energy sources
- (2) Introduction of eco-cars such as EV
- (3) Expansion of environment-conscious branches (ZEB branches, etc.)
- (4) Protection and utilization of forest resources

[Image diagram]



Support for customers

1. Sustainable finance goals

Item	Contents
Long-term target	800 billion yen or more (including environmental finance of 400 billion yen or more)
Medium-term target	250 billion yen or more
Period	From FY2022 to FY2030
Target	Investment and lending to solve social or environmental problems toward the creation of sustainable regional society

2. Main products

Sustainability linked loans

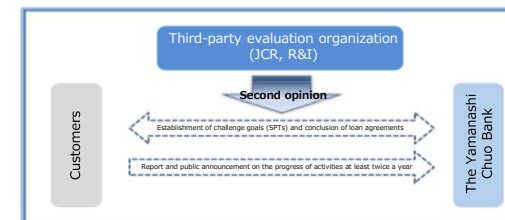
Loan with financing conditions, such as interest rate, which change in response to the achievement of challenge targets related to SDGs/ESG (sustainability performance targets, hereinafter referred to as "SPTs"*) determined by customers.

Through this product, the Bank supports customers' sustainability management (SDGs/ESG) and contributes to increasing customers' corporate value and realizing a sustainable society.

* SPTs (Sustainability Performance Targets)

Annual targets through which contribution to social sustainability goals determined by customers can be measured

<Scheme diagram>



Activities for reduction in CO₂ emissions

● Introduction of electricity from renewable energy sources (from Apr. 2022)

Introduced “Yamanashi Power NEXT ‘Furusato Hydro Plan,’” a power service plan that uses renewable energy electricity generated at Yamanashi Prefecture’s hydroelectric power plants, for our Head Office and computer center building.

Under this service plan, we can contribute to the prefecture’s environmental conservation efforts by paying the electricity bills since part of the money goes to initiatives such as the prefecture’s environmental conservation projects.

This plan will enable us to reduce annual CO₂ emissions by approximately 1,517 tons.



● Introduction of ultra-compact battery electric vehicles (BEVs) for commercial use (from Sep. 2022)

As part of our efforts to address climate change and environmental preservation, we introduced ultra-compact battery-powered electric vehicles (BEVs), three one-seaters and three two-seaters, for a total of six vehicles at two branches (Kugawa and Shikishima branches).

The CO₂ emissions of the newly introduced electric vehicles when driving are about half that of conventional gasoline-fueled light vehicles.



Status of sustainability support

Financial support

- Loans

In addition to the existing sustainable finance menu (sustainability-linked loan, SDGs support loan, and private placement bonds), we will start handling “Positive Impact Finance” from July 2022 to establish a system to support customers’ SDG/ESG initiatives from a financial perspective.

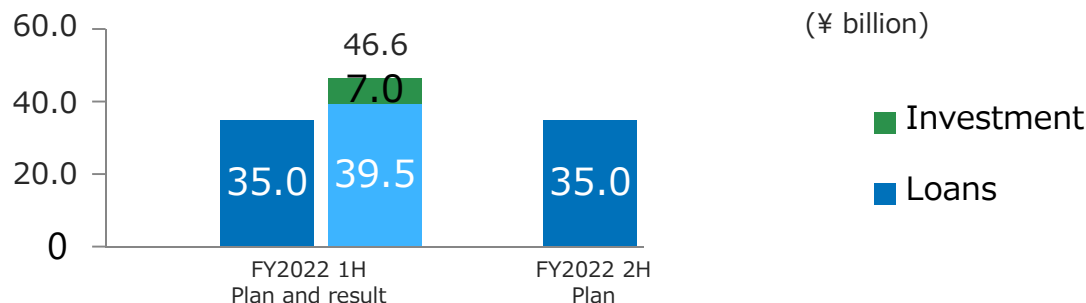
- Investment

Based on “Yamanashi Chuo Bank Group Investment and Loan Policy,” actively invest in projects that help solve environmental and social problems. Specifically, green bonds, sustainability-linked bonds, transaction finance, social bonds, and ESG-related ETFs, etc.

Consulting support

- Actively engaged in SDG consultation for customers, including target selection, materiality selection, support for booklet preparation, and holding study sessions.
- In order to encourage our customers’ SDG initiatives, started offering “SDG Declaration Support Service” as part of our fee-based consulting services from July 2022, focusing on supporting our customers in preparing their “SDG Declaration.”

➤ Sustainable finance investment and loan amount



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.

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