



# The 44th Analyst Meeting

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June 7, 2023 (Wed)

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

Prime Market of the  
Tokyo Stock Exchange:  
8360

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## Appendix

# Summary of Business Results



# Business Results for the Fiscal Year Ended March 31, 2023 (Summary)

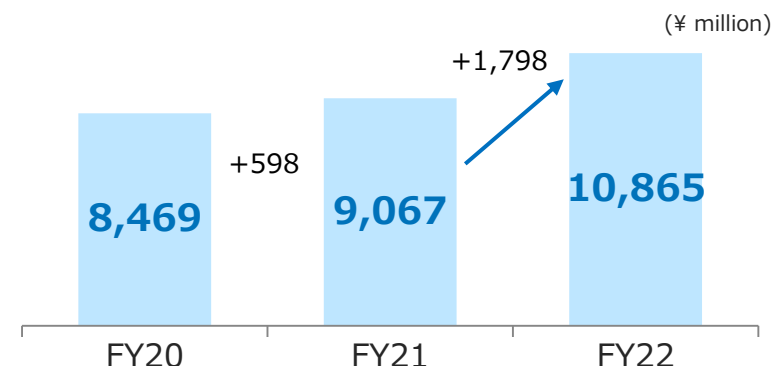
## Non-consolidated

(¥ billion)	FY21	FY22	YoY
Gross business profit	29.2	26.3	(2.9)
Interest income	27.4	30.9	3.4
Fees and commissions	6.8	7.0	0.2
Other operating income	(0.1)	(2.4)	(2.3)
Core gross business profit	34.1	35.5	1.4
JGBs and other bond transactions	(4.8)	(9.1)	(4.3)
Expenses	25.0	24.0	(0.9)
General provision to loan loss reserve	(0.4)	0.9	1.4
Net business profit	4.7	1.3	(3.3)
Core net business profit	9.0	11.4	2.3
(Excluding gain on cancellation of investment trusts)	9.0	10.8	1.7
Non-operating losses	1.0	5.4	4.4
Reversal of loan loss reserve	0.9	0.3	(0.6)
Equity share and similar transactions	2.0	6.1	4.1
Ordinary profits	5.7	6.7	1.0
Extraordinary income (losses)	(0.6)	0.0	0.6
Total corporate taxes, etc.	1.3	2.2	0.9
Net income	3.8	4.5	0.7
Credit-related costs	0.4	1.2	0.7

## Consolidated

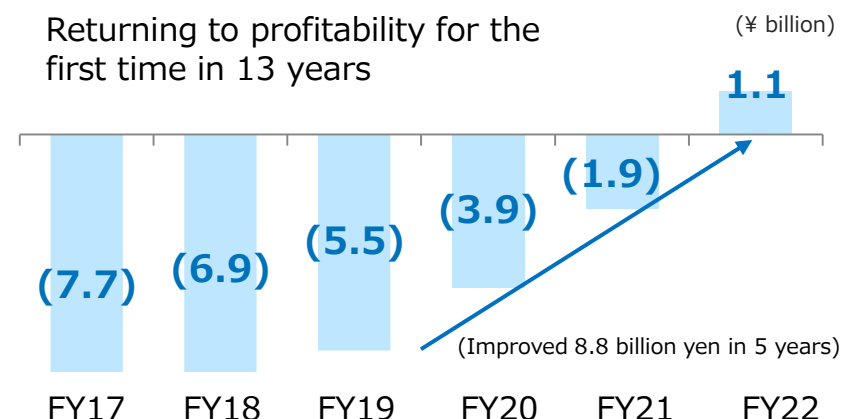
(¥ billion)	FY21	FY22	YoY
Consolidated ordinary profits	6.6	7.7	1.0
Profit attributable to shareholders of the parent	4.2	5.0	0.8

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



## Customer service business profit\*

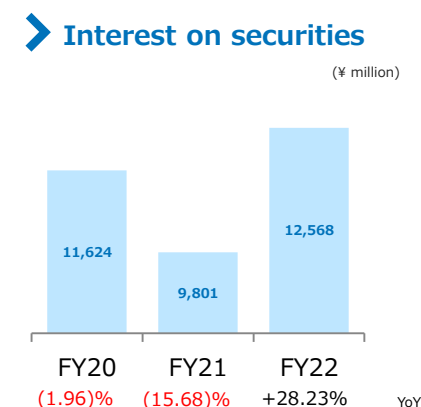
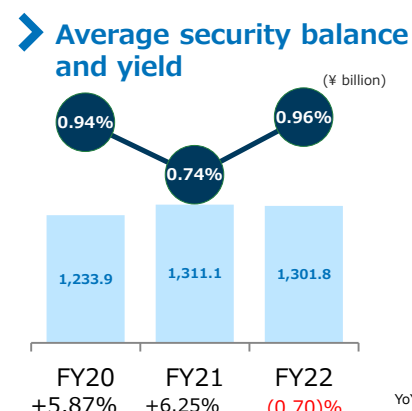
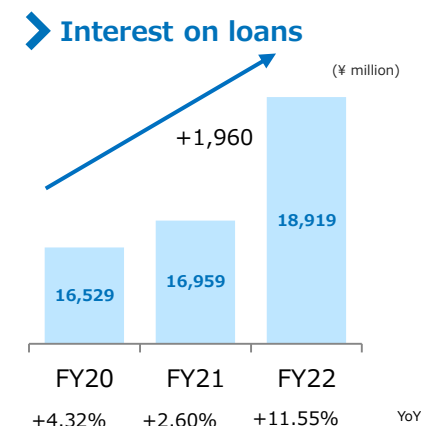
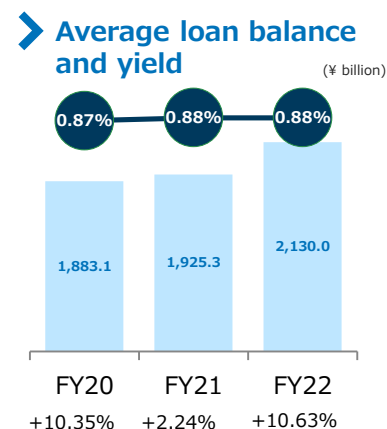
Returning to profitability for the first time in 13 years



\* Customer service business profit  
Average loan balance \* Yield difference on loans and deposits + Fees and commissions – Operating expenses

Interest on loans increased steadily, driving the increase in interest income.

	(¥ billion)	FY21	FY22	YoY
Interest income		27.4	30.9	3.4
Net interest margin		16.6	18.6	1.9
Interest on loans		16.9	18.9	1.9
Domestic operations		16.6	17.9	1.3
International operations		0.3	0.9	0.6
Interest on deposits		0.3	0.2	(0.0)
Domestic operations		0.2	0.2	(0.0)
International operations		0.0	0.0	0.0
Interest on securities		9.8	12.5	2.7
(Excluding gain on cancellation of investment trusts)		9.8	11.9	2.1
Bonds		5.3	5.8	0.5
Domestic operations		3.5	3.4	(0.0)
International operations		1.7	2.3	0.5
Stock		1.0	1.1	0.0
Distributions on investment trusts		3.4	5.5	2.1
Gain on cancellation of investment trusts (gain surplus)		-	0.5	0.5
Capital market investment and procurement		0.9	(0.3)	(1.2)
Domestic operations		25.4	28.7	3.3
International operations		2.0	2.1	0.1



Both balances of deposits and loans increased steadily.

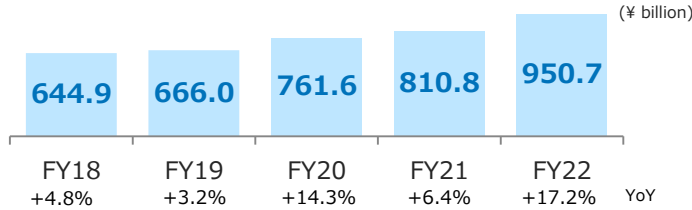
### Average

	FY21	FY22	YoY (% change)
Deposits	3,427.4	3,548.1	+120.7 ( +3.5% )
Yamanashi Pref.	3,029.7	3,139.7	+110.0 ( +3.6% )
Outside of Yamanashi Pref.	397.7	408.4	+10.7 ( +2.7% )
Deposits shares in Yamanashi Pref. (term-end)	51.3%	51.5%	+0.2 -

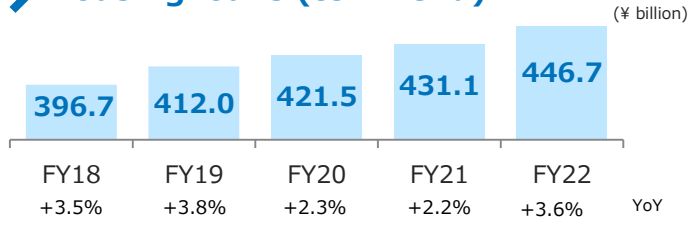
(Excluding Japan Post Bank)

	FY21	FY22	YoY (% change)
Loans	1,925.3	2,130.0	+204.7 ( +10.6% )
By area			
Yamanashi Pref.	963.2	1,002.9	+39.7 ( +4.1% )
Outside of Yamanashi Pref.	840.2	969.2	+129.0 ( +15.3% )
Loan assets under the control of head office departments	121.8	157.8	+36.0 ( +29.5% )
By market			
General funds	1,264.4	1,447.9	+183.5 ( +14.5% )
Non-commercial for individuals	404.6	415.4	+10.8 ( +2.6% )
Local government bodies	256.2	266.7	+10.5 ( +4.0% )
Loan shares in Yamanashi Pref. (term-end)	45.2%	46.2%	+1.0 -

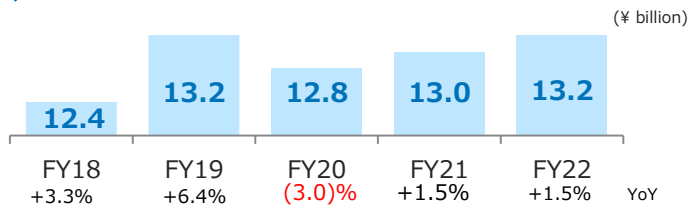
### Balance of loans to SMEs (term-end)



### Housing loans (term-end)



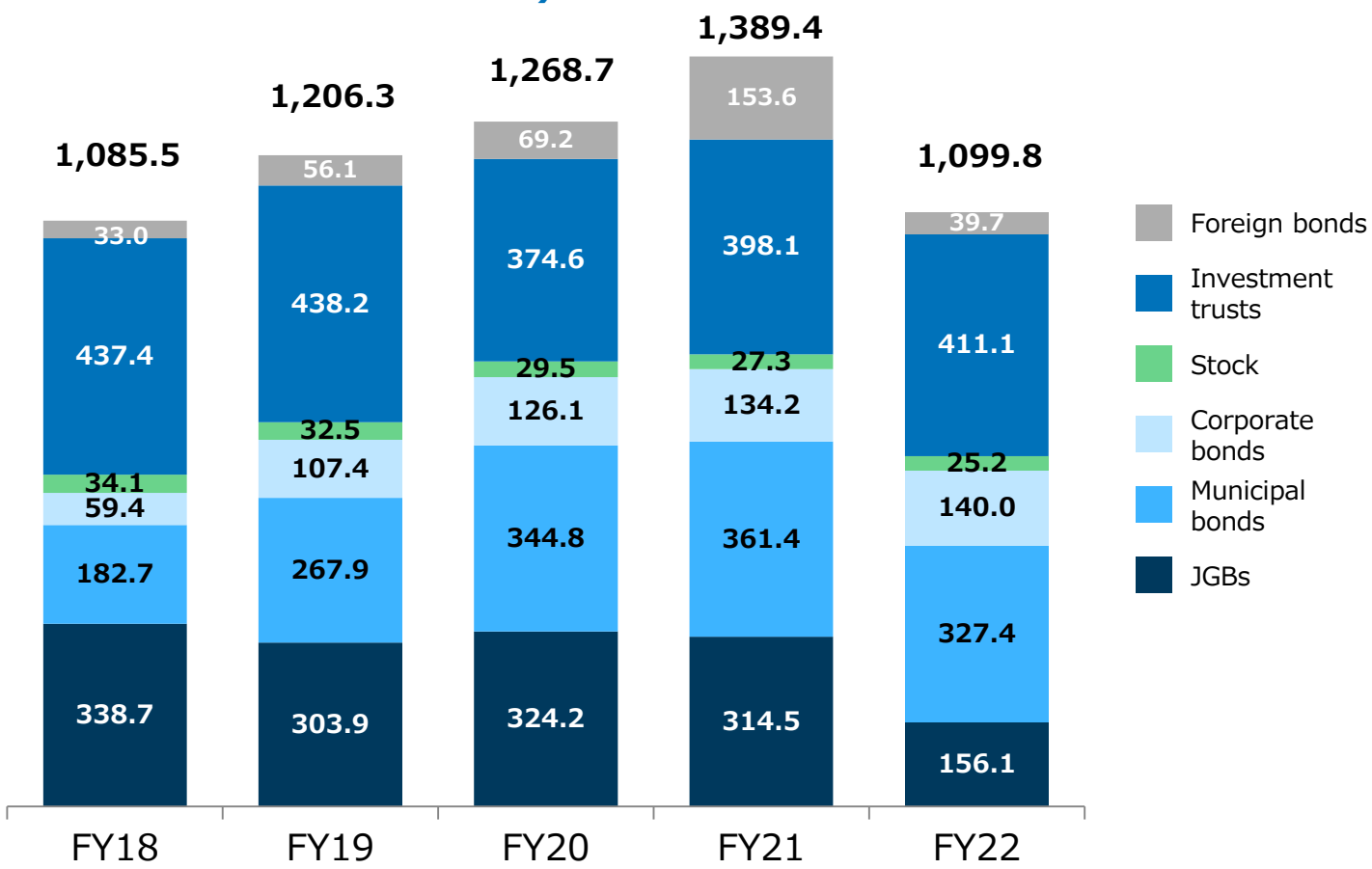
### Unsecured loans (term-end)



Management of securities was adjusted in reaction to the changing market environment.

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

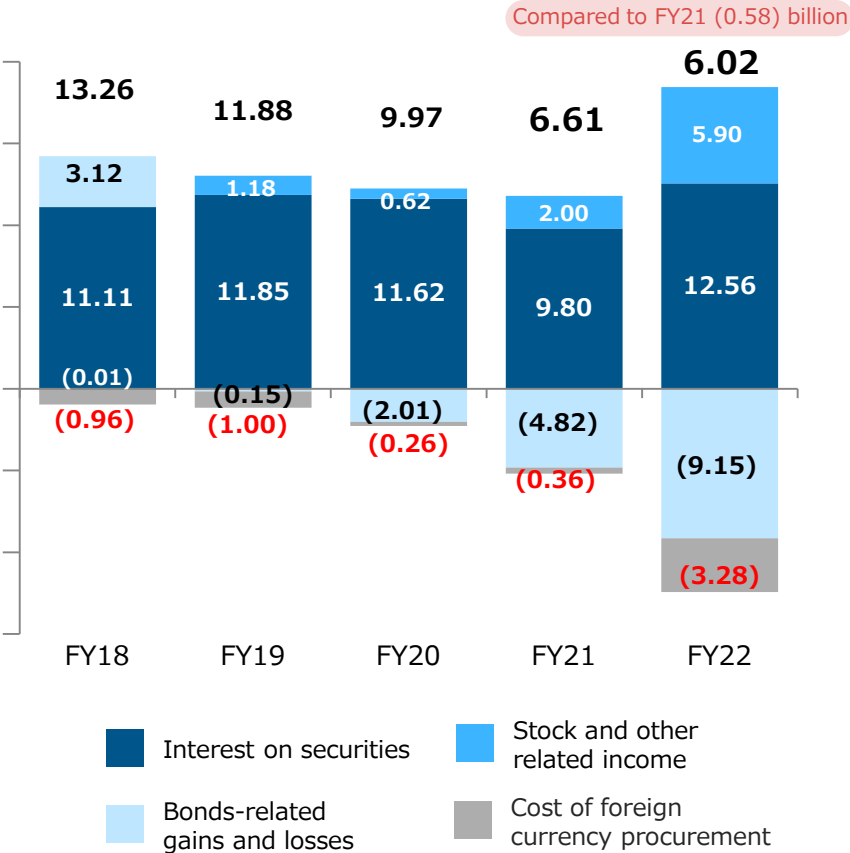
Compared to FY21 (289.6) billion (¥ billion)



Securities (2)

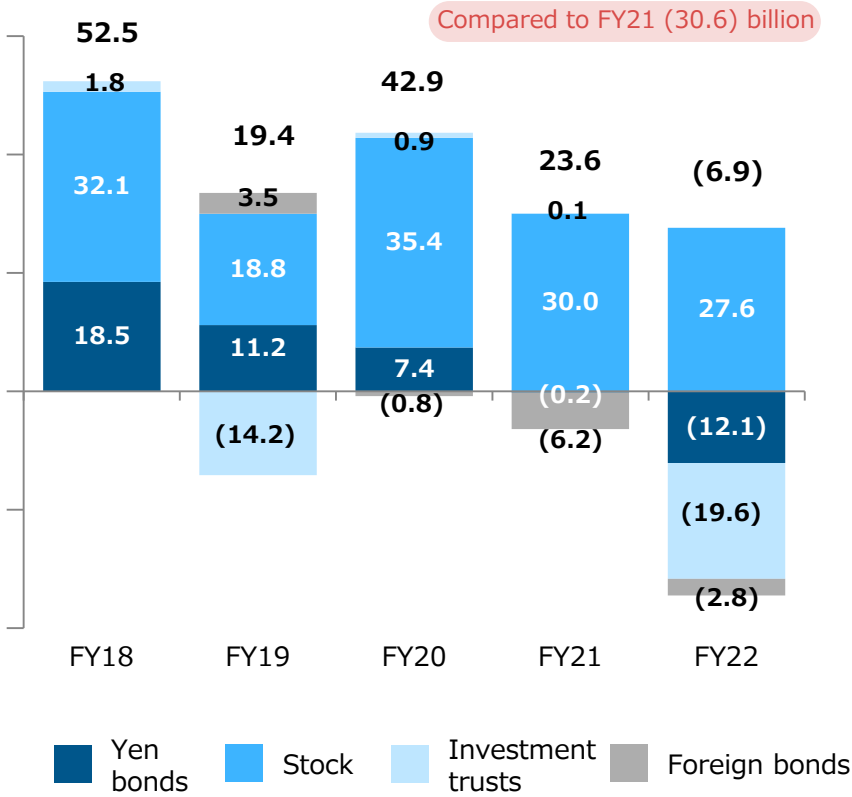
In order to improve profit/loss in and after the next fiscal year, we have reduced foreign bonds and other balances.  
Valuation losses are recognized mainly in yen bonds and investment trusts due to higher interest rates both in Japan and overseas.

Securities gains and losses (¥ billion)



\* From FY20, 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. (Surplus in the past was reprocessed and presented accordingly.)  
\* Stock and other related income above includes gains and losses on investments in limited partnerships and money trusts.

Appraisal gains (losses) (¥ billion)



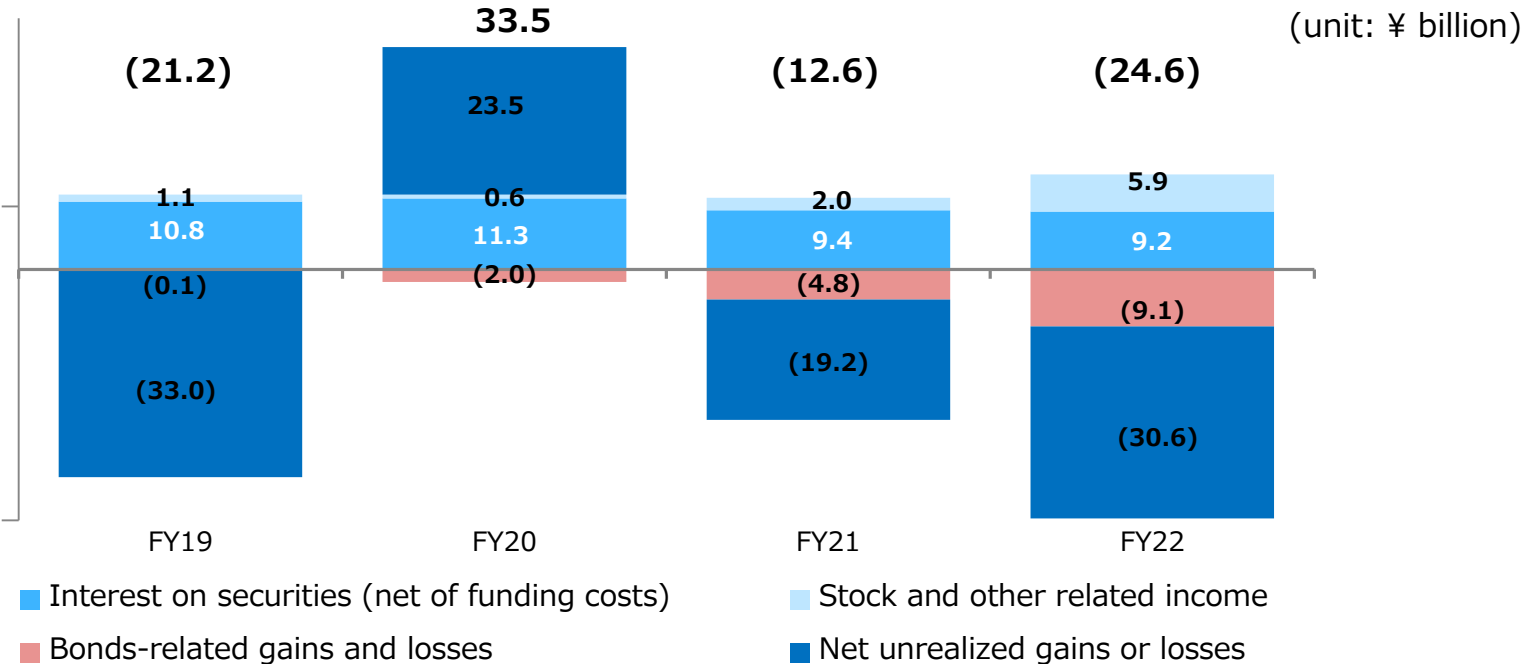
\* Includes valuation gains and losses on investments in limited partnerships



Toward the reconstruction of a securities portfolio

**Overall profit/loss for FY2022: (24.6) billion yen**  
**(Breakdown)** Interest and dividend (net of funding costs): 9.2 billion yen  
Gain (loss) on marketable securities: (3.2) billion yen  
Increase (decrease) in unrealized gains/losses: (30.6) billion yen

- Although interest and dividend (net of funding costs) exceeded the initial plan, overall profit/loss was negative as valuation gains/losses deteriorated.
- While working to reconstruct the portfolio into a sounder one, we have reduced the balance of foreign bonds, etc. to improve profit/loss in and after FY2023.
- In order to develop human resources from a medium- to long-term perspective, we assign young employees to the securities division and continue to dispatch them to external organizations for training.
- In FY2023, we will work to reconstruct the securities portfolio based on medium- to long-term fundamental analysis while continuing to maintain cash at high levels due to wariness of the risks of interest rate rises and stock price falls.



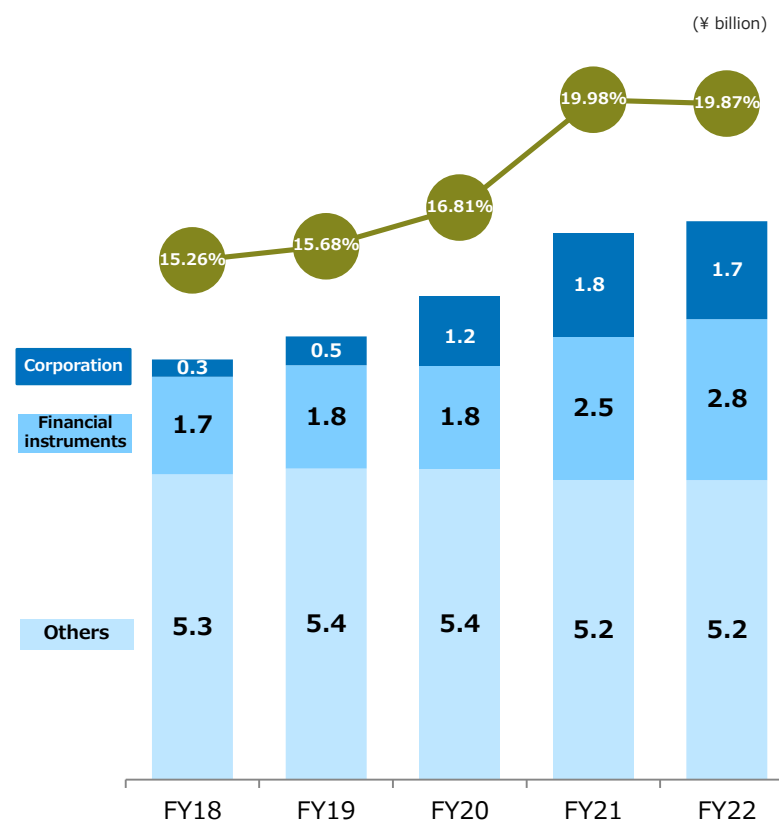
\* Stock and other related income above includes gains and losses on investments in limited partnerships and money trusts.

# Fees and Commissions

Total consulting practice established stable earnings.

(¥ million)	FY21	FY22	YoY
Fees and commissions	6,816	7,056	240
Fees and commissions	9,530	9,788	258
Fee and commission expenses	2,713	2,732	19
<Main breakdown>			
Fee and commission income from financial products (excluding insurance for corporate customers)	2,523	2,829	306
Fee and commission for life insurance (excluding the corporate portion)	982	1,628	646
Fee and commission for investment trusts	1,393	1,035	(358)
Brokerage fee and commission for financial products	139	151	12
Fee and commission for public bonds	6	11	5
Fee and commission income from corporations	1,804	1,772	(32)
Fee and commission for structured finance	927	973	46
Fee and commission for consulting	304	250	(54)
Fee and commission for business matching	169	204	35
Fee and commission for M&A	258	150	(108)
Fee and commission received related to foreign exchange (domestic)	1,647	1,523	(124)
Loan payment premiums and guarantees	1,945	2,024	79

## ➤ Trends in fees and commissions and service profit ratios

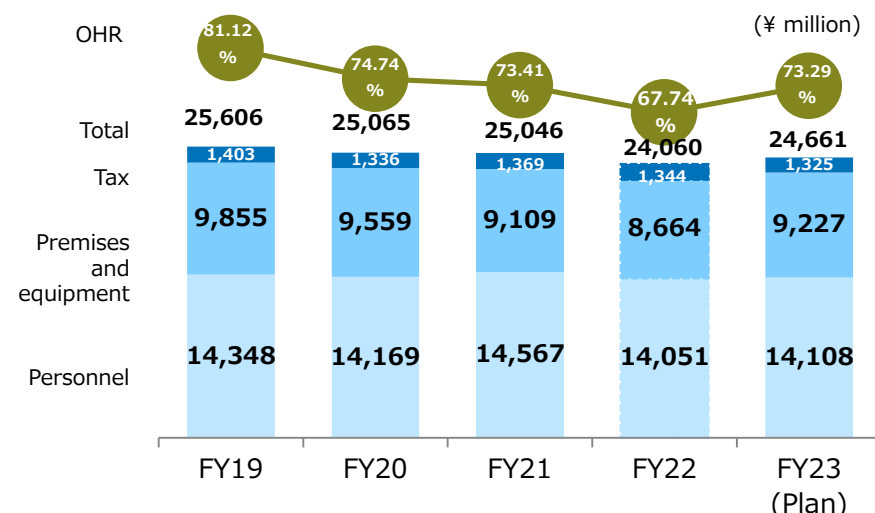


\* Service profit ratio = Fees and commissions / Core gross business profit

Implement well-balanced cost reduction efforts and growth investment.

## Changes in expenses and OHR

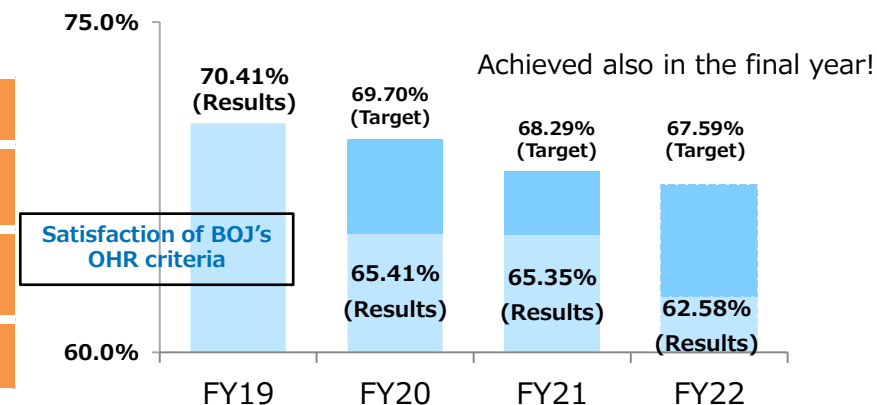
Expenses (¥ billion)	FY21	FY22	YoY	FY23 (Plan)	YoY
Expenses	25.0	24.0	(0.9)	24.6	0.6
Personnel	14.5	14.0	(0.5)	14.1	0.0
Premises and equipment	9.1	8.6	(0.4)	9.2	0.5
Tax	1.3	1.3	(0.0)	1.3	(0.0)
OHR	73.41%	67.74%	(5.67)P		



## Main factors behind changes in expenses

(¥ billion)	FY22 (Results)	FY23 (Plan)
Personnel	(0.5) Revision of the HR system (temporary) (0.4) Decrease in personnel, etc. (0.1)	0.0 Wage increases (base-pay increases) +0.2 Decrease in personnel, etc. (0.2)
Premises and equipment	(0.4) Change in deposit insurance premium rates (0.4)	0.5 Increase in resource prices +0.1 IT investments +0.4
Tax	(0.0)	(0.0)

## Achievement status of BOJ's special interest rate system requirements



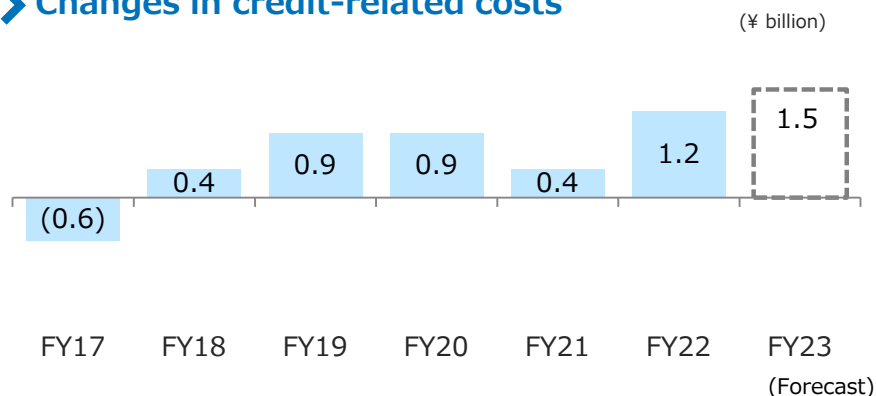
\* Special interest rate (0.1%) applies if less than the target figure. 11

# Credit-Related Costs

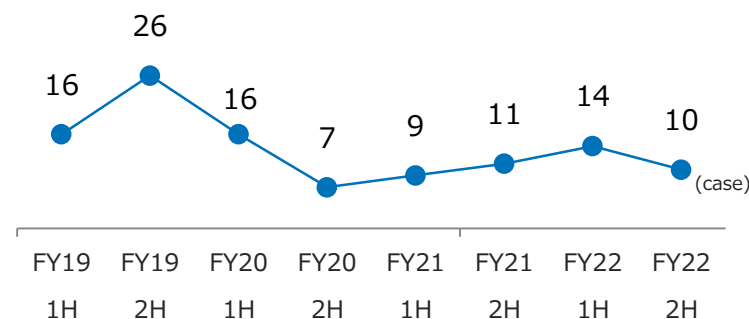
Credit-related costs are estimated conservatively from a precautionary viewpoint.

(¥ billion)	FY21	FY22	YoY	FY23 (Forecast)	YoY
Credit-related costs	0.4	1.2	0.7	1.5	0.2
Net provision to general loan loss reserve	(0.4)	0.9	1.4	0.0	(0.8)
Disposal of non-performing loans (non-operating income (losses))	0.9	0.3	(0.6)	1.4	1.1
Net provision to specific loan loss reserve	0.9	0.2	(0.7)	1.3	1.1
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	(0.0)
Credit cost ratio	2.58bp	5.91bp	3.33bp	6.52bp	0.61bp

## 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.

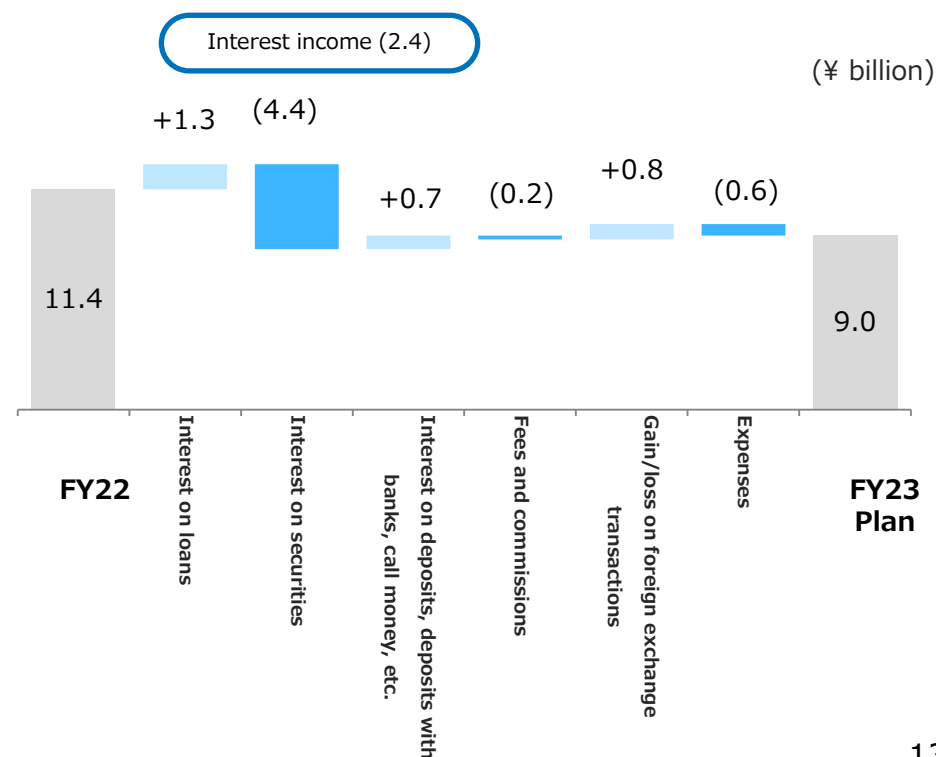
# Earnings Forecasts for the Fiscal Year Ending March 31, 2024

<b>Non-consolidated</b> (¥ billion)			
	FY22	FY23 (Plan)	YoY
Gross business profit	26.3	33.4	7.0
Interest income	30.9	28.4	(2.4)
Interest on loans	18.9	20.2	1.3
Interest on securities	12.5	8.1	(4.4)
Fees and commissions	7.0	6.8	(0.2)
Other operating income	(2.4)	(1.6)	0.8
Core gross business profit	35.5	33.6	(1.8)
JGBs and other bond transactions	(9.1)	(0.2)	8.9
Expenses	24.0	24.6	0.6
General provision to loan loss reserve	0.9	0.0	(0.8)
Net business profit	1.3	8.7	7.3
Core net business profit	11.4	9.0	(2.4)
Core net business profit (excluding gain on cancellation of investment trusts)	10.8	9.0	(1.8)
Non-operating losses	5.4	(1.5)	(6.9)
Reversal of loan loss reserve	0.3	1.4	1.1
Equity share and similar transactions	6.1	0.3	(5.8)
Ordinary profits	6.7	7.2	0.4
Net income	4.5	5.0	0.4

<b>Consolidated</b> (¥ billion)			
	FY22	FY23 (Plan)	YoY
Consolidated ordinary profits	7.7	7.9	0.1
Profit attributable to shareholders of the parent	5.0	5.3	0.2

While core net business profit is expected to decrease, net income is expected to exceed the previous year's level.

## Factors contributing to the change in core net business profit



# Management Strategy and Capital Policy



## Realization of sustainable growth and medium- to long-term improvement of corporate value

### Capital-cost and stock-price conscious management practices

Board of Directors



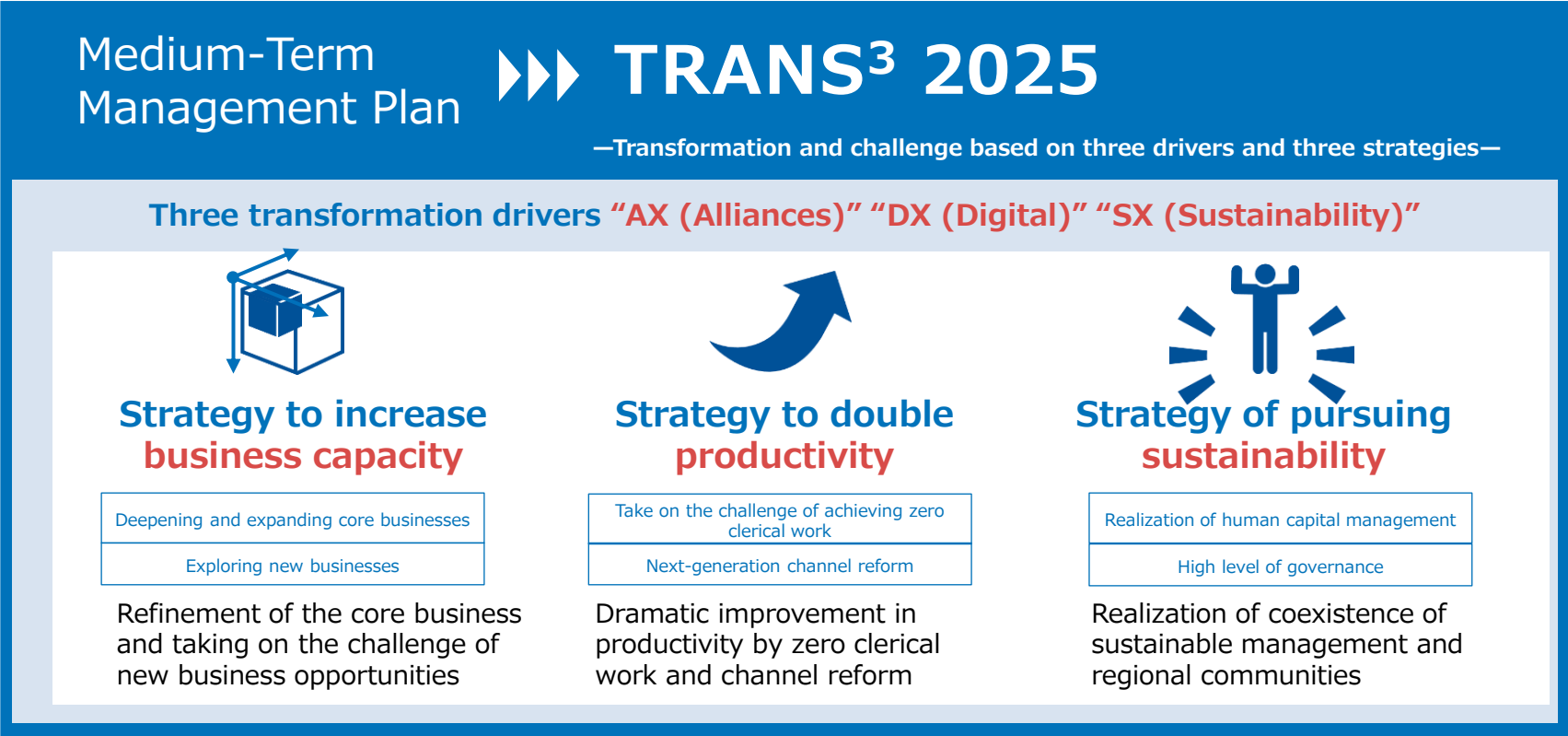
Executive Members

Growth Strategy (Profitability Improvement)	Capital Strategy	Sustainable Strategy
<ul style="list-style-type: none"> <li>● <b>Deepening and expanding core businesses</b> <ul style="list-style-type: none"> <li>• Strengthen risk-taking particularly in relation to loans and expand associated corporate-related fees</li> <li>• Reconstruction of securities portfolio</li> </ul> </li> <li>● <b>Exploring new businesses</b> <ul style="list-style-type: none"> <li>• Establishment of various business operation methods</li> <li>• Finding new revenue sources by supporting the solving of regional issues</li> </ul> </li> <li>● <b>Strategic investment</b> <ul style="list-style-type: none"> <li>• DX investment (digital foundation reform and next-generation channel reform)</li> <li>• Investment to improve productivity</li> </ul> </li> <li>● <b>Group company strategy</b> <ul style="list-style-type: none"> <li>• Strengthen group management capability</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Effective use of capital</b> <ul style="list-style-type: none"> <li>• Focus on the balance between soundness, return, and shareholder return</li> </ul> </li> <li>● <b>Shareholder return</b> <ul style="list-style-type: none"> <li>• Maintain the payout ratio on profit attributable to owners of parent roughly at 30%</li> <li>• Take a flexible approach to acquisition of own shares</li> </ul> </li> <li>● <b>Reduction of strategic shareholdings</b> <ul style="list-style-type: none"> <li>• Establish a strategic shareholdings reduction policy</li> <li>• Plan to reduce the balance by roughly 10 billion yen in fair value terms during the medium-term plan period</li> </ul> </li> <li>● <b>Enhancement of dialogue with shareholders and institutional investors</b> <ul style="list-style-type: none"> <li>• Appropriate information disclosure based on constructive dialogue</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>Environment-conscious management initiatives</b> <ul style="list-style-type: none"> <li>• Establishment of a structure to address climate-related issues</li> </ul> </li> <li>● <b>Responses to TCFD recommendations</b> <ul style="list-style-type: none"> <li>• Strengthen efforts to resolve climate-related issues</li> </ul> </li> <li>● <b>Reduction in CO<sub>2</sub> emissions</b> <ul style="list-style-type: none"> <li>• Activities for reducing CO<sub>2</sub> emissions</li> </ul> </li> <li>● <b>Human capital management initiatives</b> <ul style="list-style-type: none"> <li>• Expand human capital investment</li> <li>• Human resource development policy and internal environment improvement policy</li> </ul> </li> </ul>

Structural diagram

Management philosophy  
Long-term vision

Region-based operations and sound management  
Value Creation Bank



Purpose (significance of existence)    ▶▶

“Open Up a Bright Future from Yamanashi”



## Medium-Term Management Plan “TRANS<sup>3</sup> 2025”

### KPI

	FY21 (Results)	FY22 (Results)	FY24 (Final year of the Medium-Term Management Plan)	Ideal
OHR (Operating expenses/Core gross business profit)	73.41%	67.74%	73.5% or less	60% level
ROE (current net income basis)	1.82%	2.34%	3% or more	5% or more
Ratio of female managers and supervisors	13.1%	14.81%	15% or more	40% or more
Rate of reskilling-based reallocation of clerical workers	-	5.01%	30% or more	70% or more
Sustainable finance <sup>*1</sup> investment and loan amount	71.5 billion yen	118 billion yen	250 billion yen or more	800 billion yen or more
Reduction rate of greenhouse gas (CO <sub>2</sub> ) emissions <sup>*2</sup>	30.08%	52.66%	46% or more	60% or more

### KGI

Profit attributable to shareholders of the parent	4.2 billion yen	5 billion yen	6 billion yen or more	10 billion yen or more
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\*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 (including emissions from the use of gasoline since FY2022; prior data also adjusted in the same manner)


Version upgrades of targets set forth in Medium-Term Management Plan  
“TRANS<sup>3</sup> 2025”

- Upward revision of targeted CO<sub>2</sub> emissions reduction rate
- Clarified the timing of achievement of financial and non-financial targets set forth as “ideal.”

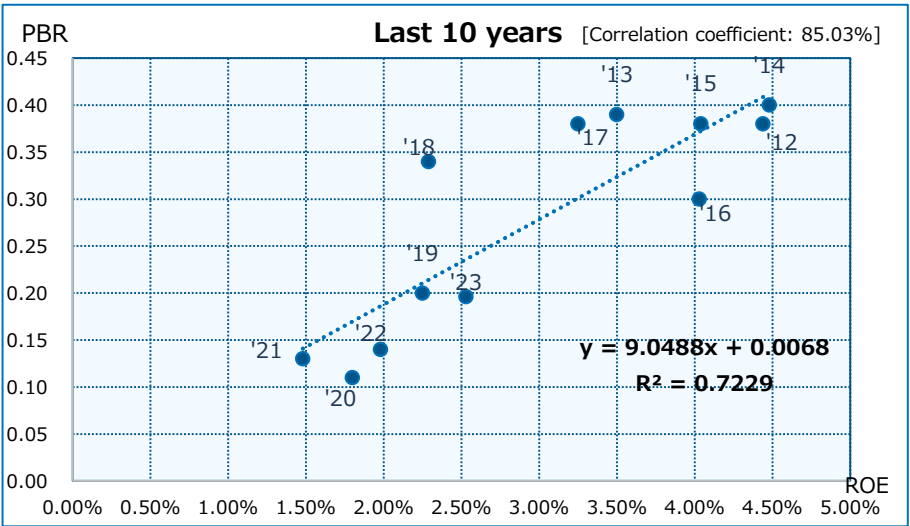
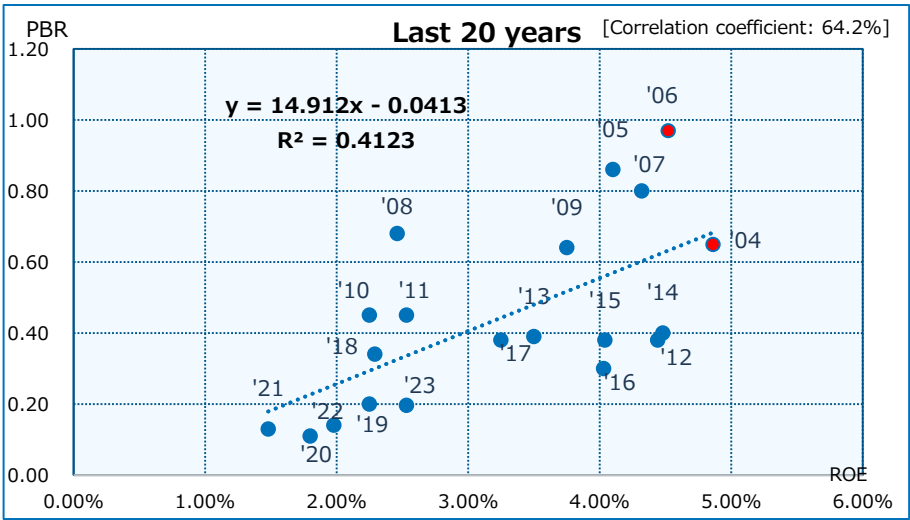
KPI	FY21 (Results)	FY22 (Results)	FY24 (Final year of the Medium-Term Management Plan)	Ideal	Achieved by
OHR (Operating expenses/Core gross business profit)	73.41%	67.74%	73.5% or less	60% level	FY27
ROE (current net income basis)	1.82%	2.34%	3% or more	5% or more	FY27
Ratio of female managers and supervisors	13.1%	14.81%	15% or more	40% or more	FY30
Rate of reskilling-based reallocation of clerical workers	-	5.01%	30% or more	70% or more	FY30
Sustainable finance* <sup>1</sup> investment and loan amount	71.5 billion yen	118 billion yen	250 billion yen or more	800 billion yen or more	FY30
Reduction rate of greenhouse gas (CO <sub>2</sub> ) emissions* <sup>2</sup>	30.08%	52.66%	70% or more	Carbon neutrality	FY30
Upward revision of targeted CO <sub>2</sub> emissions reduction rate FY2024: From 46% or more to 70% or more Ideal: 60% or more to CN					
KGI					
Profit attributable to shareholders of the parent	4.2 billion yen	5 billion yen	6 billion yen or more	10 billion yen or more	FY27

\*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 (including emissions from the use of gasoline since FY2022; prior data also adjusted in the same manner)

- Aim to achieve ROE of 3% or more earlier during the period of the Medium-Term Management Plan “TRANS<sup>3</sup> 2025.”
- Aim to achieve, by FY2027, quantitative goals of “consolidated net income of 10 billion yen” and “ROE of 5% or more” set forth as “ideal” toward closing the gap from the assumed cost of capital of 7%.
- Allocate capital in a well-balanced manner to growth investment, shareholder return, etc., while maintaining consolidated regulatory capital ratio roughly at 10%.

 Long-term vision: Value Creation Bank					
Medium-Term Management Plan	[STEP up 2019] From FY16 to FY18	[Value+ 2022] From FY19 to FY21	[TRANS <sup>3</sup> 2025] From FY22 to FY24		Ideal From FY25 to FY27
Fiscal year	FY2018	FY2021 results	FY2022 results	By FY2024	By FY2027
Consolidated net income	4.9 billion yen	4.2 billion yen	5 billion yen	6 billion yen or more	10 billion yen or more
Consolidated dividend payout ratio	23.7%	30.1%	27.8%	Maintain consolidated dividend payout ratio roughly at 30% Take a flexible approach to acquisition of own shares	
Consolidated regulatory capital ratio	13.80%	11.71%	10.72%	Approx. 10%	
EPS	147.15 yen	132.73 yen	161.78 yen	200 yen or more	330 yen or more
ROE	2.25%	1.98%	2.53%	3% or more	5% or more
PBR	0.2 times	0.14 times	0.18 times	0.3 times or more	0.5 times or more
Cost of capital	-	-	Assumed to be 7% (calculated based on CAPM, using Rp of 6.5%)		

- There is a high correlation between the Bank's ROE and PBR.
- We will work to reduce cost of capital as well as improve ROE, in order to improve PBR.



## Measures to improve ROE and reduce cost of capital

<b>Growth strategy (Improve profitability)</b>	<ul style="list-style-type: none"><li>● Deepening and expanding core businesses</li><li>● Exploring new businesses</li><li>● Strategic investment</li><li>● Group company strategy</li></ul>
<b>Capital strategy</b>	<ul style="list-style-type: none"><li>● Reduction of strategic shareholdings</li><li>● Enhancing shareholder returns<ul style="list-style-type: none"><li>● Raise the payout ratio</li><li>● Flexible and agile acquisition of own shares</li></ul></li><li>● Enhancement of dialogue with shareholders and institutional investors</li></ul>
<b>Sustainable strategy</b>	<ul style="list-style-type: none"><li>● Environment-conscious management initiatives</li><li>● Human capital management initiatives</li><li>● Improving disclosure to include non-financial information</li></ul>

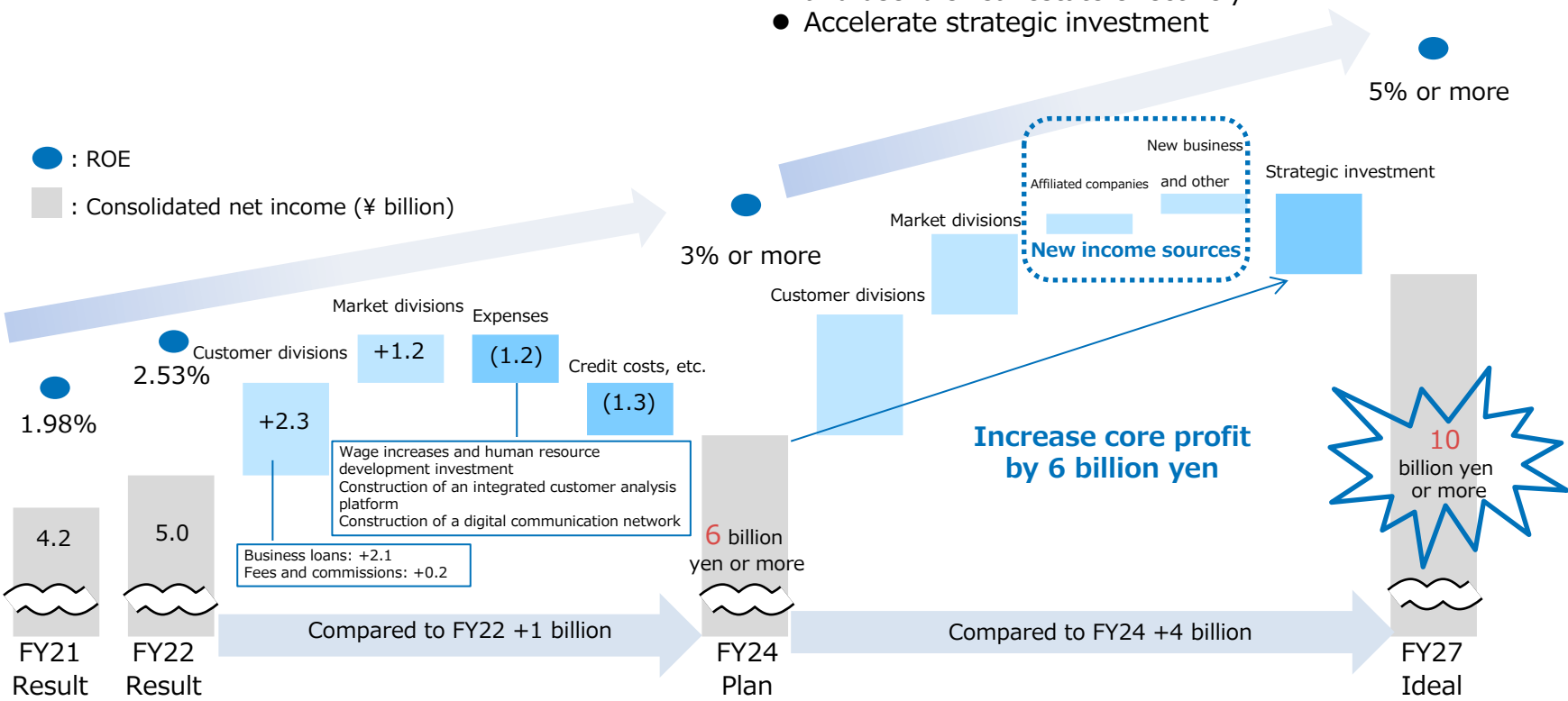
Roadmap toward achieving consolidated net income of 10 billion yen

Toward achieving the Medium-Term Management Plan

- Increase interest mainly on business loans
- Strengthen market investment capability through portfolio reconstruction
- Investment in growth fields to bolster profit

Schematic illustration of increases in profit toward the ideal results

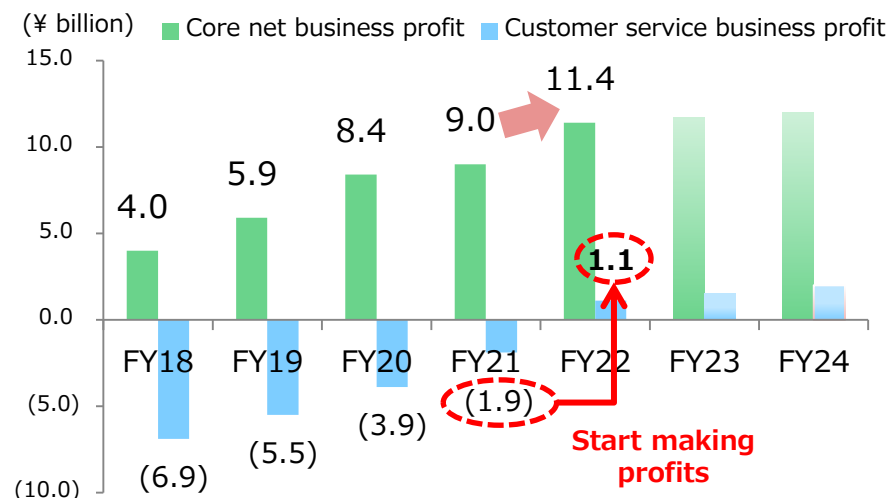
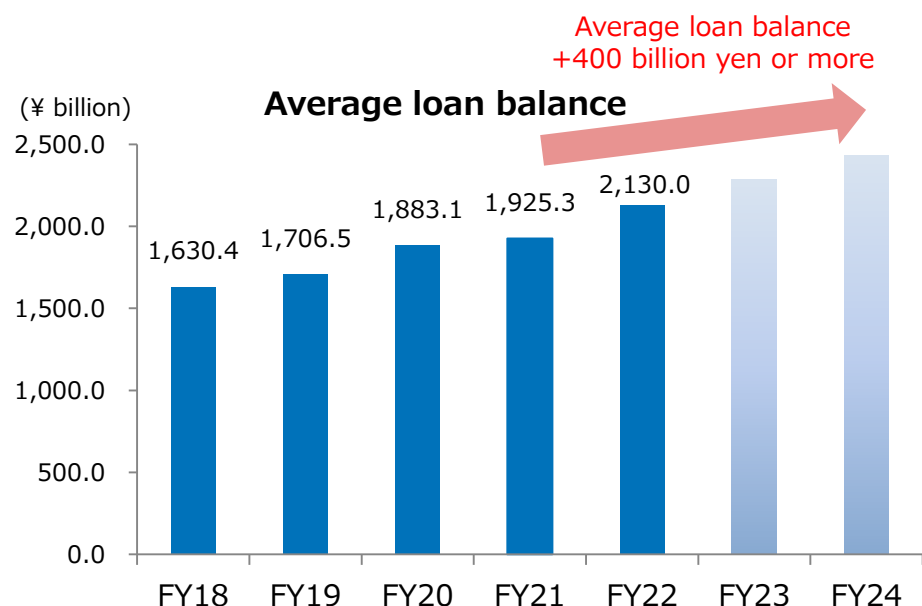
- Strengthen personal loan strategy as well as business loan strategy
- Expand non-financial earnings in the field of consulting services
- Upgrade securities portfolio management
- Strengthen group functions, expand business domains, and use idle real estate effectively
- Accelerate strategic investment



Top line growth through increases in loans drives Bank growth.

**Average loan balance target for FY2024: +400 billion yen or more compared with FY2021**

- **We aim to increase average loan balance by 400 billion yen or more** during the period of the current Medium-Term Management Plan.
- The regulatory capital ratio is expected to decline by approximately 1.7 pt (rough estimate based on most recent RW results) due to increase in risk-weighted assets.
- **Interest on loans** is expected to increase **approximately by more than 3 billion yen** in addition to increases in associated consulting fees (fee and commission income).
- **Profit from customer services has become positive in FY2022.**



**Average business loan balance target for FY2024: +350 billion yen or more compared with FY2021**

## Yamanashi Policy

- Perform financial intermediation functions from the start of business to business succession and turnaround based on feasibility assessment (and also provide equity capital, such as subordinated loans and equity).
- In addition to financial intermediation, provide consulting services that are optimal for the resolution of issues faced by our customers or local communities, including those in non-financial areas, such as employment agency services and ICT and DX implementation support services.

## Tokyo Policy

- Increase and strengthen balances through commercial distribution sales and the development of wealth management business.
- Increase and strengthen loans to large enterprises whose risk weight is low based on profitability assessment, such as RORA.
- Create capital needs through two-way business matching between Tokyo and Yamanashi and helping customers expand into Yamanashi or form alliances with Yamanashi-based companies.

## Common Policy

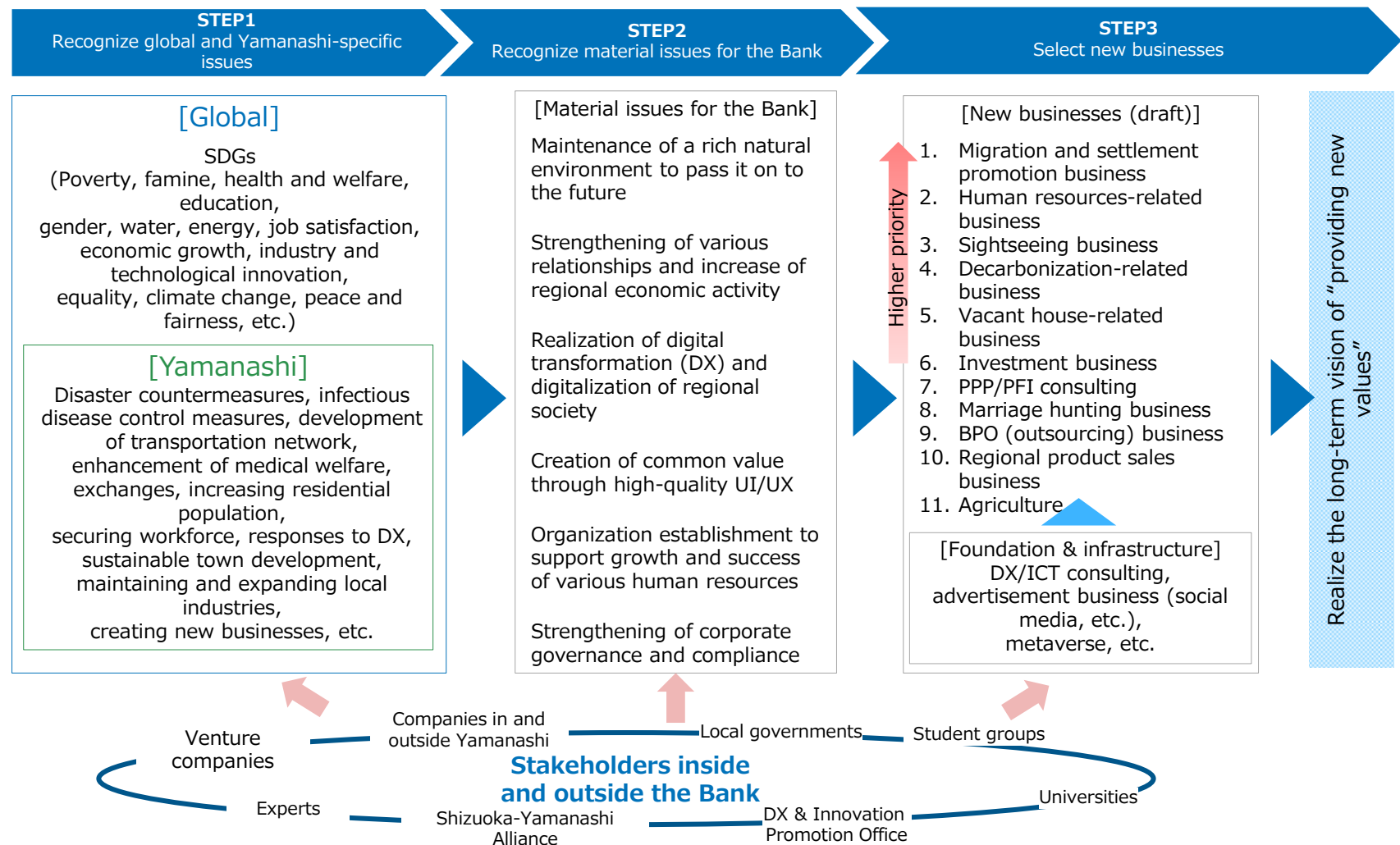
- In structured finance, we take risks appropriately mainly focusing on non-recourse real estate loans through the Shizuoka-Yamanashi Alliance.
- We apply accumulated know-how for the resolution of local issues (project finance, LBO loans, etc.) to secure profit opportunities.

**Average personal loan balance target for FY2024: +50 billion yen or more compared with FY2021**

- Increase and strengthen the balance of housing loans by enhancing their product features, strengthening sales to business operators at housing loan bases, and forming alliances with housing-related companies.
- Strategically strengthen unsecured loans, such as consumer finance, in order to strengthen the overall profitability of personal loans.

⇒ Strengthen the digital channel and improve UI/UX by introducing a bank app, revise products, and review promotion.

## Finding new revenue sources by supporting the solving of regional issues



Consider establishing new companies, including the use of a "advanced banking service company" structure, after selecting new businesses.



Improving the profitability of transactions with local governments

Switching the handling of payment slips to fee-based service

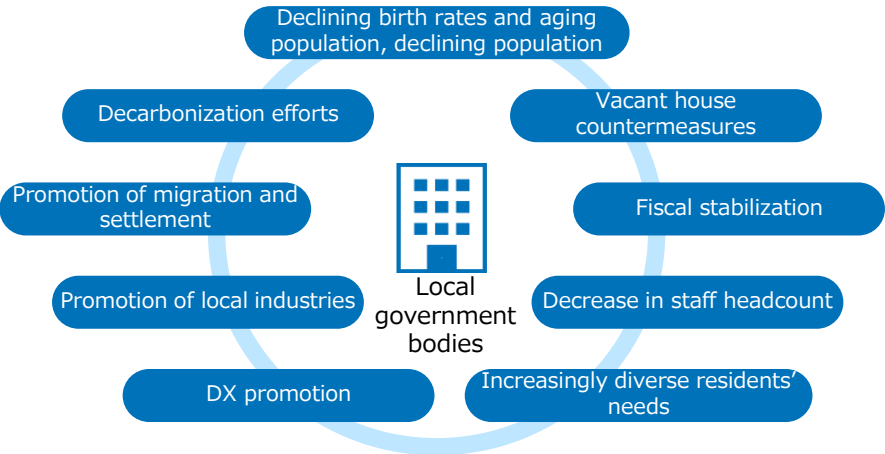
- Agreement with Yamanashi Prefecture on switching to fee-based services (April 2023)
- This progressive result is influencing other regional banks.
- Negotiation is underway with municipalities to agree on switching to fee-based services from FY2024.

Rationalization of the collection and payment agent service

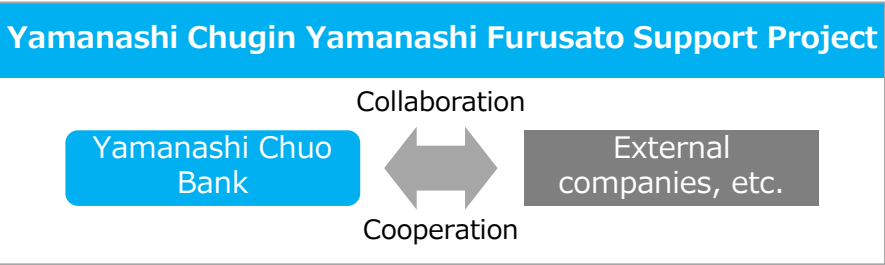
- The slip-less and cashless payment promotion project implemented at the same time in Yamanashi Prefecture.
- Activities are conducted in collaboration with financial institutions, local governments, economic organizations, etc. in Yamanashi.



Administrative measures promotion support



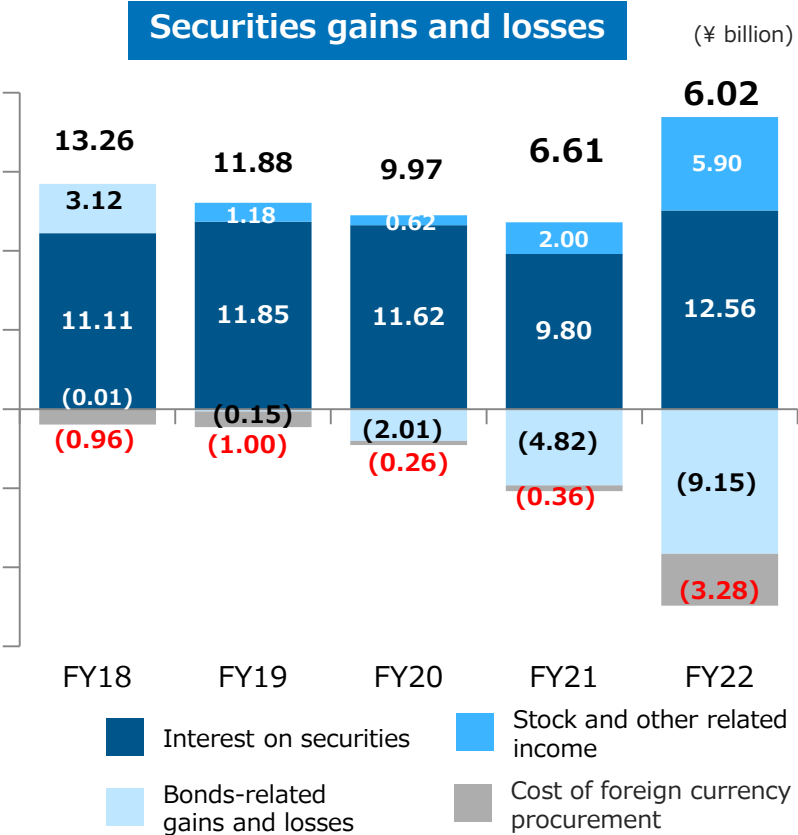
Supporting the resolution of issues



- Improve the profitability of transactions with local governments while supporting the measures of local governments to solve local issues.
- Strengthen win-win relationships with local government and contribute to sustainable local development by supporting administrative measures.

Reconstruction of securities portfolio

- Work to upgrade portfolio management using benchmarks and to reconstruct the securities portfolio based on medium- to long-term fundamental analysis.
- Aim to achieve an overall profit of 12 billion yen annually (averaged over 3 years) during the period of the current Medium-Term Management Plan.



\*Stock and other related income above includes gains and losses on investments in limited partnerships and money trusts.

Upgrading portfolio management

Step 1: Benchmark setting



Confirm an optimal medium- to long-term portfolio by eliminating arbitrary data.

Step 2: Market phase analysis



Complement the parts that have not been factored in in Step 1 by considering inflation, economic trends, etc.

Step 3: Analysis of individual assets



Formulate market outlook from bottom up for each individual asset.

Step 4: Plan formulation



Formulate investment plans for the next 6 months in reference to Steps 1 through 3.

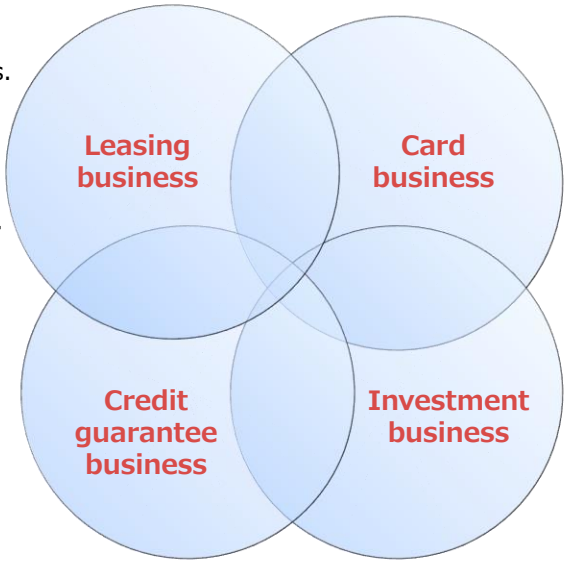
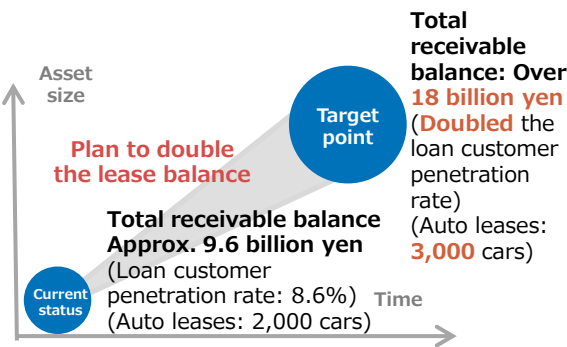
Step 5: Ongoing management

Measure performance relative to benchmarks and analyze factors on a monthly basis.

Strengthening of group strategy

Yamanashi Chugin Lease

- Strengthen efforts on large projects and sales to suppliers.
- Create a capability to invest in loans and leases in an integrated manner.
- Increase penetration rate to loan customers.
- Strengthen auto leases, ESG leases, etc.



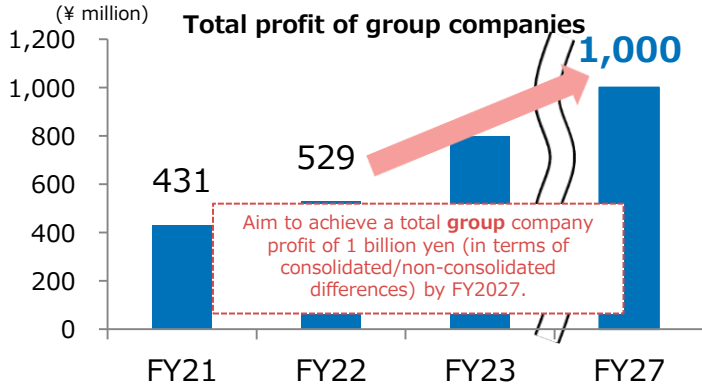
Yamanashi Chugin DC Card

- Promote cashless operations in coordination with the Bank.
- Strengthen the development of affiliates and JiMOCA partners.
- Capture large-volume payment needs of corporate customers.
- Strengthen promotion through non-face-to-face channels.

<Ratio of cashless payments in Yamanashi Prefecture>  
Aim to raise it from 24.4% to 40%.  
(from 2019 to 2030)

Yamanashi Chuo Guarantee

- Increase and strengthen new guarantees of housing loans in coordination with the Bank.
- Strengthen the capability to manage delinquent receivables and indemnification claims.
- Contribute to consolidated profit by becoming a wholly-owned subsidiary of the Bank.



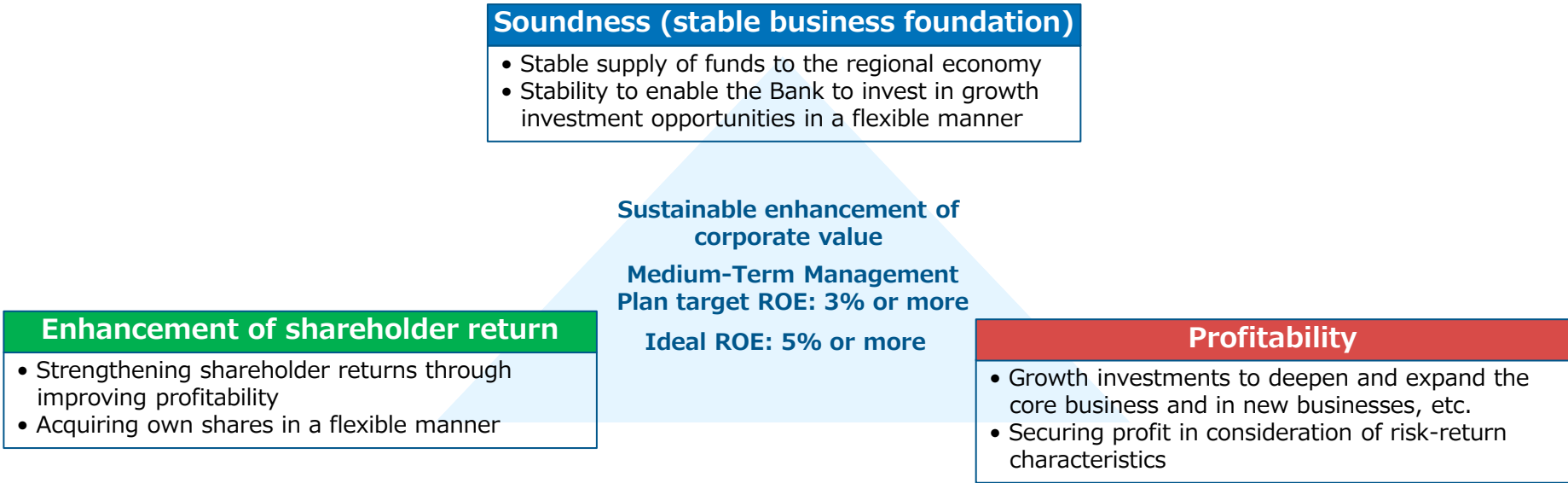
Yamanashi Chugin Management Consulting

- Invest in promising venture companies.
- Promote various funds in coordination with the Bank.
- Develop human resources and acquire know-how in coordination with external parties (recruitment firms, etc.).

## Approach to the effective use of capital

### (1) Balanced capital policy

Focus on the balance between soundness, return, and shareholder return.



### (2) Effective use of capital

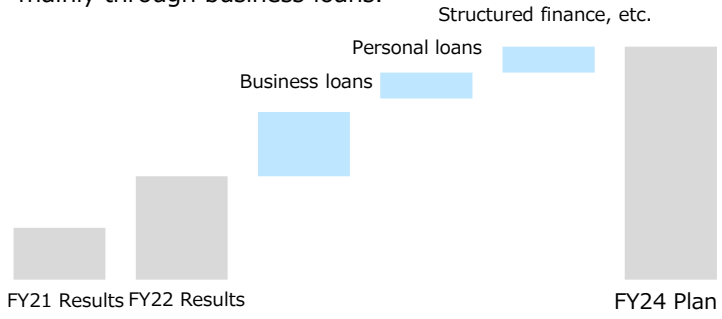
<b>Effective use of capital</b>	<p><b><u>Carry out growth investments and provide shareholder returns while maintaining soundness (consolidated regulatory capital ratio roughly at 10%).</u></b></p> <ul style="list-style-type: none"><li>• Take risks through structured finance, sustainable investment and lending, personal loans, provision of equity capital to regional companies, etc., in addition to business loans.</li><li>• Invest in new businesses toward the resolution of regional issues.</li><li>• Invest in DX and human capital.</li><li>• Enhance and strengthen shareholder returns through improving profitability.</li></ul>
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Capital allocation

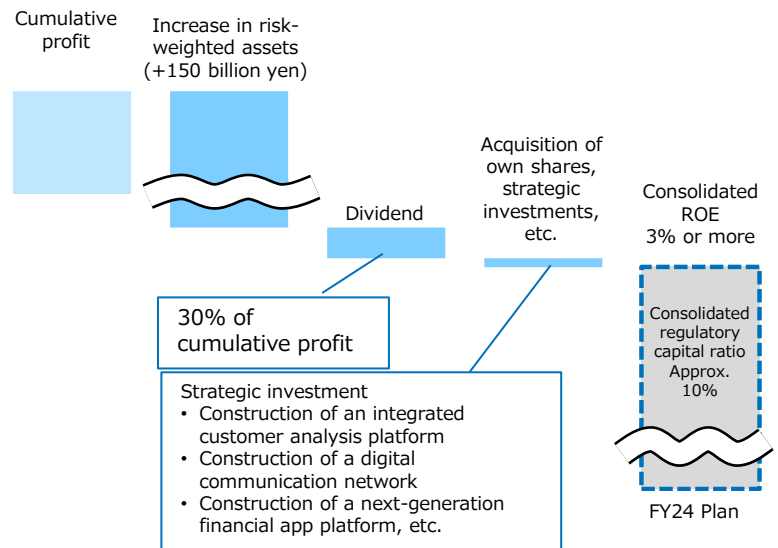
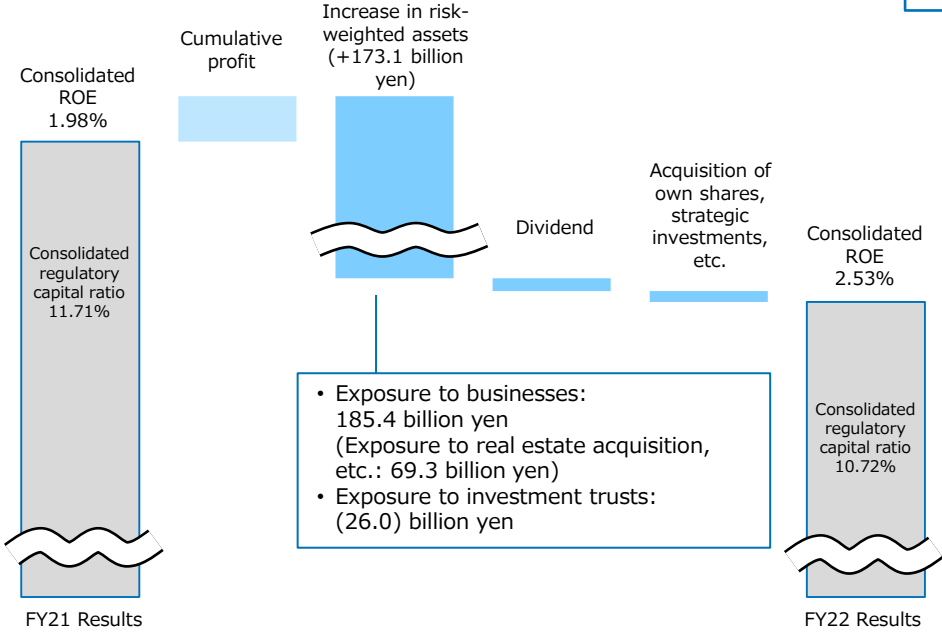
- Increase risk-weighted assets mainly through business loans.
- Strategic investments focus on the fields that support our growth strategy.
- The rough indication of shareholders return ratio has been changed to a payout ratio of 30%.
- We take a flexible and agile approach to acquisition of own shares.

Example of increases in risk-weighted assets

Expected to increase by 150 billion yen over the next 2 years mainly through business loans.



Example of capital allocation



Revision of shareholder return policy

Changes	Description
Base profit for shareholder return	<b><u>Changed</u></b> from “net income (non-consolidated)” <b>to “profit attributable to owners of parent.”</b>
Return ratio, etc.	<b><u>Changed</u></b> from “shareholders return ratio of 20 to 30%” <b>to “maintain payout ratio roughly at 30% and take a flexible and agile approach to acquisition of own shares.”</b>

Previous shareholder return policy

Our basic shareholder return policy is to strive to accumulate adequate internal reserves to maintain sound management in due consideration of the public nature of the banking business while maintaining stable dividends. More specifically, we aim to maintain a stable annual dividend of 35 yen per share and to maintain the shareholders return ratio (which considers both dividend and acquisition of own shares) roughly at the levels of 20% to 30% per year.



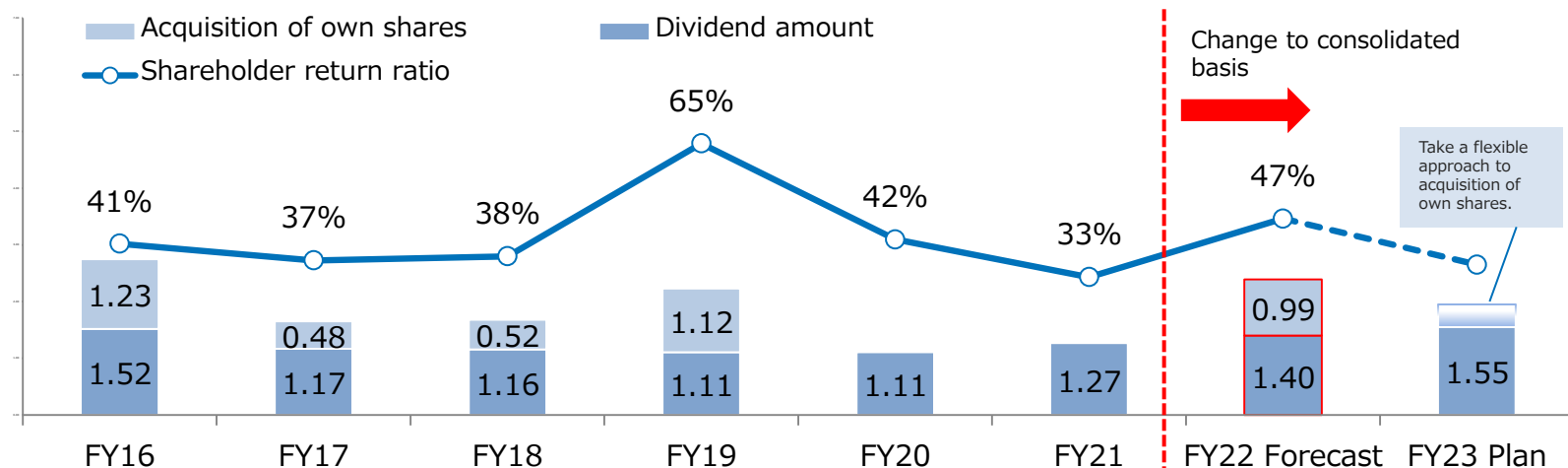
Revised shareholder return policy

Our basic shareholder return policy is to strive to accumulate adequate internal reserves to maintain sound management in due consideration of the public nature of the banking business while maintaining stable dividends. **More specifically, we aim to maintain the payout ratio at roughly 30% of profit attributable to shareholders of the parent and to take a flexible and agile approach to acquisition of own shares.**

## Revision of shareholder return policy

- In conjunction with the revision of shareholder return policy, we plan to increase the annual dividend for FY2022 from the initial forecast by 5 yen to 45 yen.
- We plan to increase dividend by 5 yen to 50 yen also for FY2023 to achieve dividend increases for three consecutive fiscal years.

(unit: ¥ billion)



Dividend per share	¥45	¥35	¥35	¥35	¥35	¥40	¥45	¥50
Non-consolidated net income	¥6.7 bn	¥4.4 bn	¥4.4 bn	¥3.4 bn	¥2.6 bn	¥3.8 bn	¥4.5 bn	¥5.0 bn
Consolidated net income	¥7.2 bn	¥4.9 bn	¥4.9 bn	¥3.7 bn	¥3.0 bn	¥4.2 bn	¥5.0 bn	¥5.3 bn
Consolidated dividend payout ratio	20.9%	23.8%	23.7%	30.0%	36.1%	30.1%	27.8%	29.3%
EPS	¥214.75	¥146.48	¥147.15	¥116.43	¥96.92	¥132.73	¥161.78	-
BPS	¥6,388.65	¥6,430.17	¥6,652.04	¥6,183.83	¥6,849.57	¥6,515.85	¥6,129.98	-

Policy on strategic shareholdings

- In accordance with the purport of the Corporate Governance Code, we have established a policy on strategic shareholdings and is reducing such shareholdings based on the periodic review of the significance of the holding of each stock.
- In order to accelerate the reduction of strategic shareholdings, we have established reduction targets for such shareholdings.

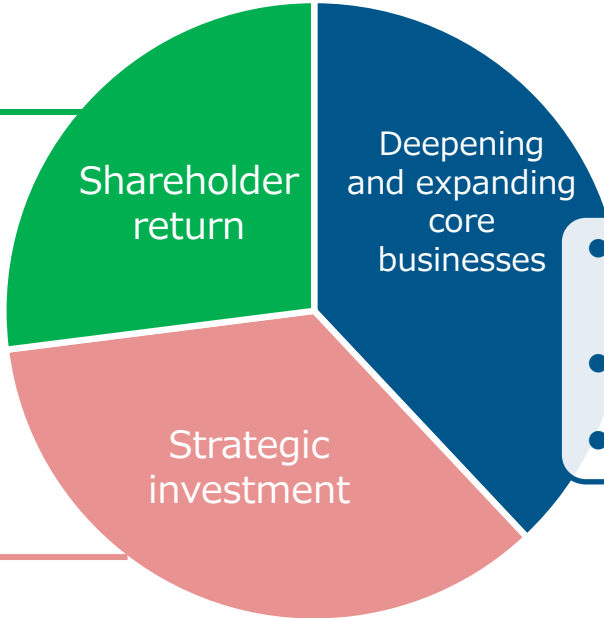
Reduction target

- **Reduce strategic holdings of listed shares by approx. 10 billion yen\* in fair value terms by FY2024.**  
**\* Compared with FY2021, excluding changes in fair value**
- We aim to reduce the ratio of strategic shareholdings (in fair value terms) to consolidated net assets to 10% or less in the long term.

Any capital generated from the sale will be invested in a well-balanced manner for the purpose of enhancing corporate value.

- We aim to maintain dividend at roughly 30% of profit attributable to owners of parent.
- We will take a flexible and agile approach to acquisition of own shares.

- **Invest in new businesses to help resolve regional issues.**
- **Invest in human capital.**
  - Human resource development, such as skills improvement, reskilling, etc.
  - Strategic recruitment, improvement of employment terms and conditions, etc.
- **Invest in DX.**
  - Construction of an integrated customer analysis platform
  - Construction of a digital communication network



- **Increase risk-weighted assets mainly through loans.**
- **Enhance return on investment in securities.**
- **Grow group profit.**



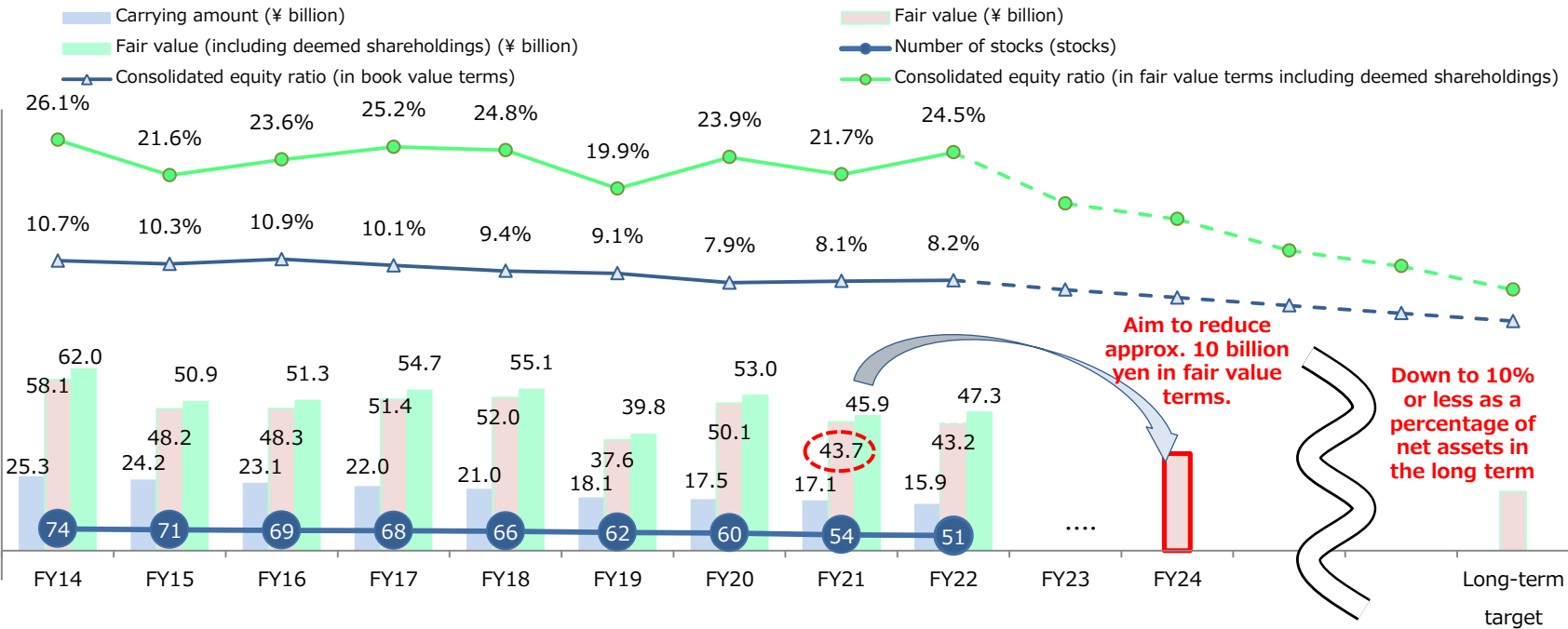
Successively reduce strategic shareholdings (as a percentage of net assets) based on quantitative and qualitative assessments.

- The Bank will reduce strategic shareholdings, following full discussions with counterpart companies and other entities, based on perspectives such as capital efficiency and curtailing stock holding risk.
- In FY2022, we have reduced such shareholdings by 2.5 billion yen in fair value terms.

(1) Reduction amount	(2) Change attributable to changes in fair value	(3) Net reduction amount ((1) – (2))
2.99 billion yen	0.48 billion yen	2.51 billion yen

- Ratio of strategic holdings of listed shares as of March 31, 2023 (in book value terms): **8.2%** (as a percentage of net assets)

<Changes in strategic holdings of listed shares>



# Capital Strategy (Enhancement of Dialogue with Shareholders and Institutional Investors)

## Dialogue with various stakeholders

The Bank recognizes that it is more important than ever to build a long-term, stable relationship of trust with shareholders. As part of such efforts, we started, in the second half of FY2022, the following initiatives to strengthen engagement with institutional investors and major shareholders:

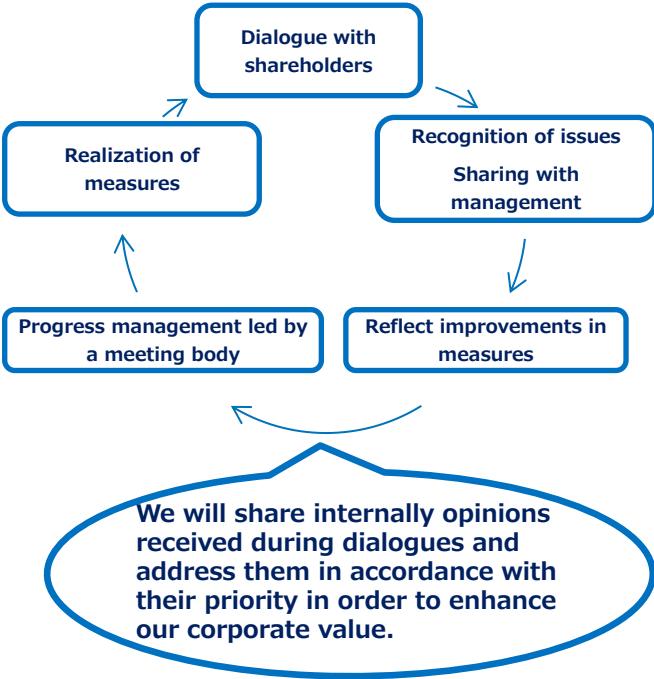
- ✓ **Interviews with major institutional investors**
- ✓ **Interviews with business corporations and individuals holding more than a certain number of shares**

We intend to share with management issues identified through dialogues and reflect them in future measures in order to achieve medium- to long-term enhancement of corporate value.

Status of dialogue in FY2022 (in 2H)

Institutional investors		12	➡	By location	10 investors in Japan and two overseas investors
Investors holding more than a certain number of shares	Business corporations	35		Attendees from the investors	Persons in charge of exercising voting rights, ESG, and stewardship
	Individuals	29		Attendees from the Bank	Managing Directors, Executive Officers, etc.

Main discussions during dialogues			
Governance	Messages from an outside directors	Capital policy	Improving ROE
	Composition of skill items		Clarification of growth strategy
	Promotion of women (succession including promotion to managerial and supervisory/officer positions)	Sustainability	Better TCFD disclosure
Capital policy	Reduction of strategic shareholdings		CO <sub>2</sub> emission reduction targets
	Shareholder return		Human capital disclosure



## Establishment of a structure to address climate-related issues

### Establish a Sustainability Committee (June 2022)

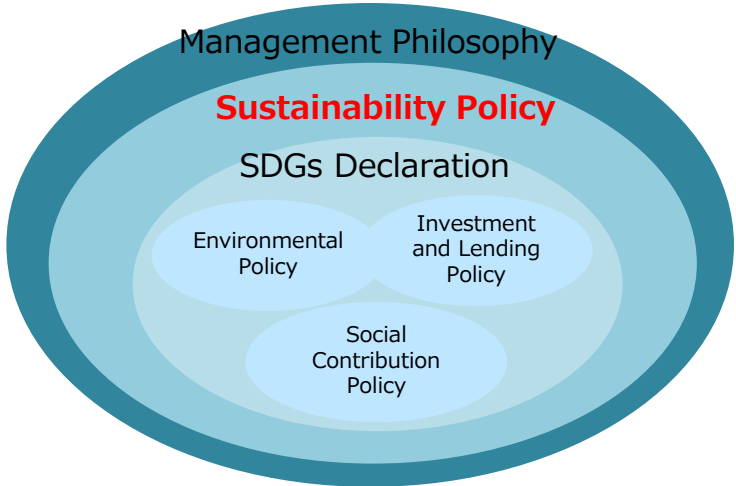
Composition	Chairperson	President
	Members	Senior Managing Directors, Managing Directors, and General Managers of Corporate Planning Division, Human Resources Division, General Affairs Division, Sales Management Division, Consultation Sales Division, and Regional Revitalization Promotion Division
	Observers	Standing Corporate Auditors
Roles of the Committee	<ul style="list-style-type: none"><li>■ Discuss and deliberate on measures for and policies on initiatives toward the realization of sustainability management.</li><li>■ Ensure the alignment of climate-related and other risks with management strategy, management issues, etc.</li></ul>	
Meeting status and major agenda	<ul style="list-style-type: none"><li>■ Meetings are held on a monthly basis.</li><li>■ Establish a sustainability policy, discuss and deliberate on initiatives toward the realization of human capital management, etc.</li></ul>	

### Yamanashi Chuo Bank Group Sustainability Policy (December 2022)

Under a management philosophy of “regional-based operations and sound management,” the Yamanashi Chuo Bank Group will provide comprehensive financial services to people in the region while working diligently to resolve various issues surrounding the regional society, such as declining population and climate change, thereby aiming to enhance its social value and economic value from the medium- to long-term perspective.

Through these efforts, we will build and improve relationships of trust with all stakeholders and work with them to realize a sustainable regional society.

### Relationship with various policies

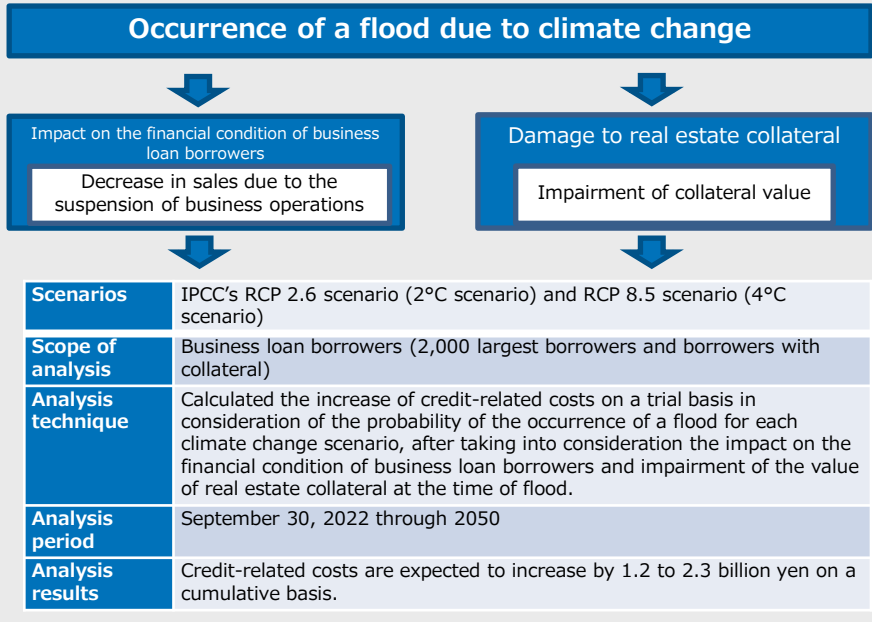


# Sustainable Strategy (Responses to TCFD Recommendations)

Performed a scenario analysis on physical risks associated with strategy and calculated the percentage of carbon-related assets in loans. Revised CO<sub>2</sub> emission reduction targets upward and calculated Scope 3 emissions.

## Strategy

### Scenario analysis of physical risks



### Percentage of carbon-related assets

Energy	Transportation	Materials and structures	Agricultural, food, and forestry products
2.93%	10.58%	19.30%	2.27%

\* The Bank aggregated data by deeming the sector to which the major business of each customer belongs as the applicable sector, based on the sector classification of the Bank of Japan.

## Indicators and targets

### Revised CO<sub>2</sub> emission reduction targets

Medium-term target (FY24)	At least 70% decrease by FY2024 compared with FY2013
Long-term target (FY30)	Achieve carbon neutrality by FY2030

### Calculation of Scope 3 emissions

- We calculated emissions in Category 6 (Business travel) and Category 7 (Employee commuting), which are part of Scope 3. As we recognize the importance of calculating emissions in Category 15 (Investments) toward the realization of a carbon-free society, we will enhance our analysis going forward.

Category 6 (Business travel)	313.95 t-CO <sub>2</sub>
Category 7 (Employee commuting)	928.94 t-CO <sub>2</sub>

### Sustainable finance amount targets and results

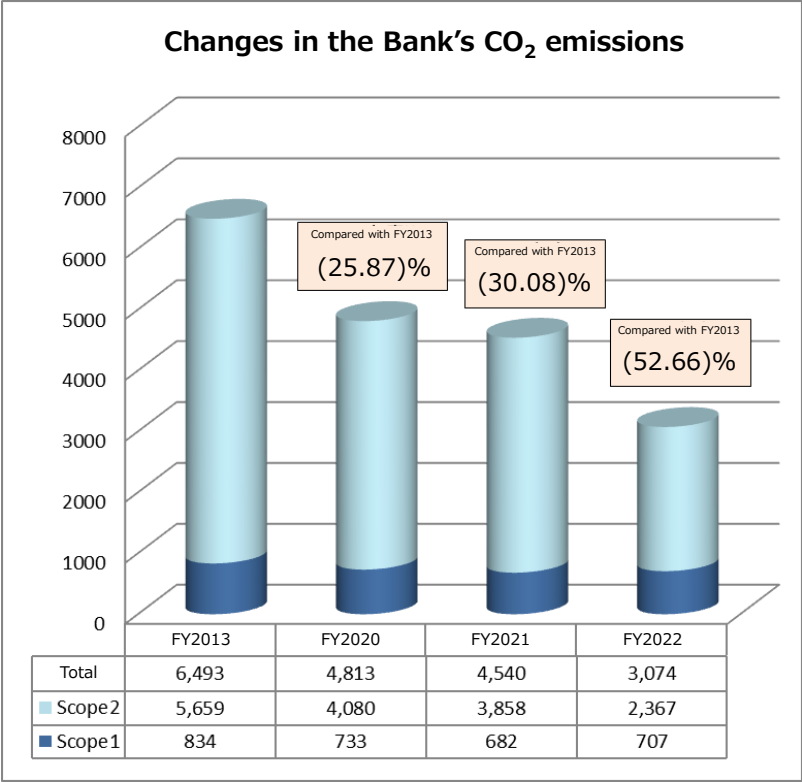
Sustainable finance (including environmental finance)	
Medium-term target (FY24)	250 billion yen or more
Long-term target (FY30)	800 billion yen or more (400 billion yen or more)
FY22	118 billion yen (58.7 billion yen)

CO<sub>2</sub> emissions are decreasing steadily as a result of our active efforts to reduce them.

Upward revision of CO<sub>2</sub> emission reduction targets

- We have revised greenhouse gas (CO<sub>2</sub>) emission reduction targets upward as shown in the table below. In conjunction with the revision, we have also revised targets in the Medium-Term Management Plan.
- We have also revised the scope of calculation to the sum of CO<sub>2</sub> emissions (Scope 1 and 2) of the Bank, stated in its periodical reports under the Act on the Rational Use of Energy and emissions from the use of gasoline.

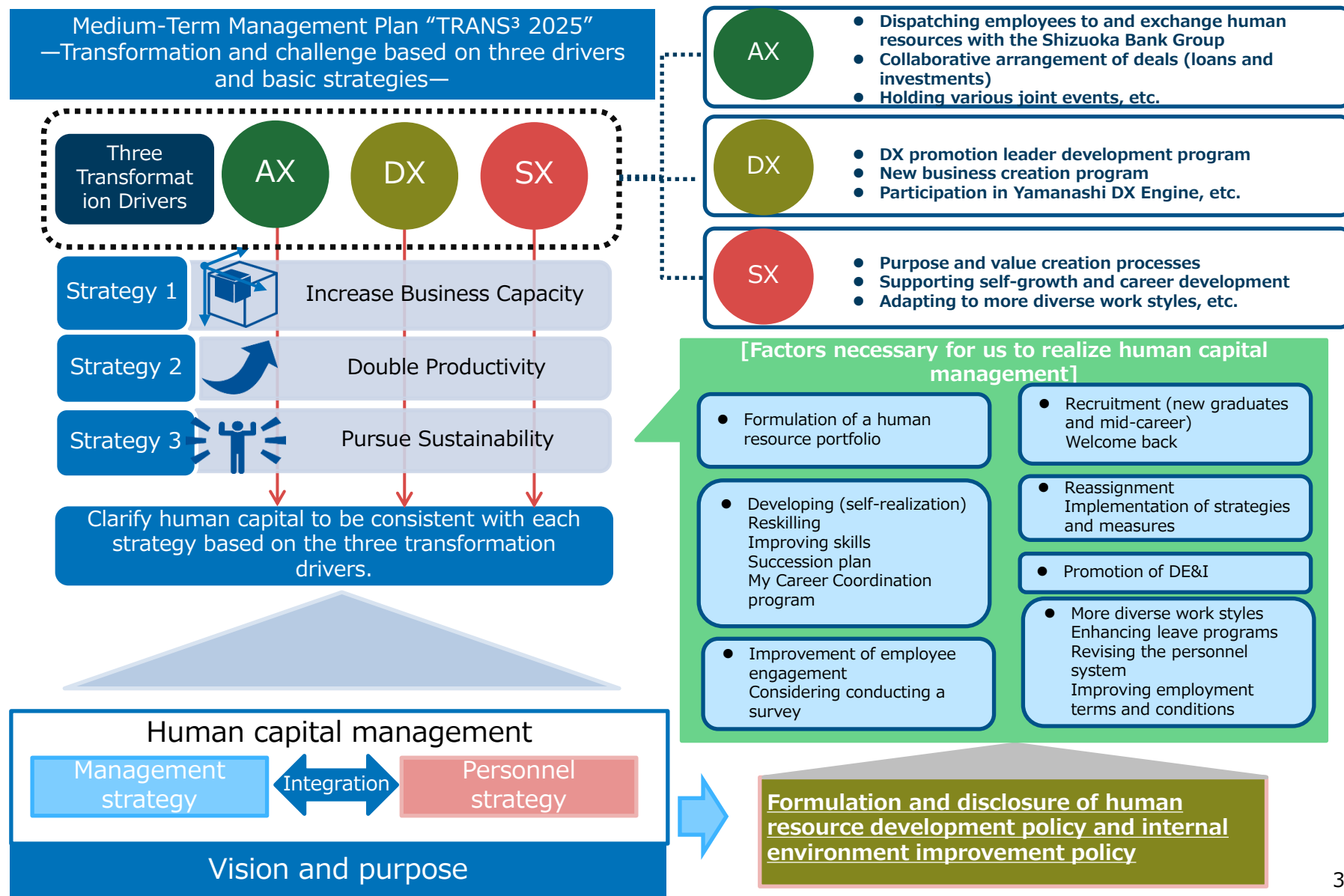
Item	Previous targets	Revised targets
Medium-term target (FY24)	46% decrease compared with FY2013	At least 70% decrease compared with FY2013
Long-term target (FY30)	60% decrease compared with FY2013	Carbon neutrality
Period	From FY2022 to FY2030	No revision
Target	Scope 1 and 2 (excluding gasoline)	Scope 1 and 2 (including gasoline)



CO<sub>2</sub> emission reduction roadmap

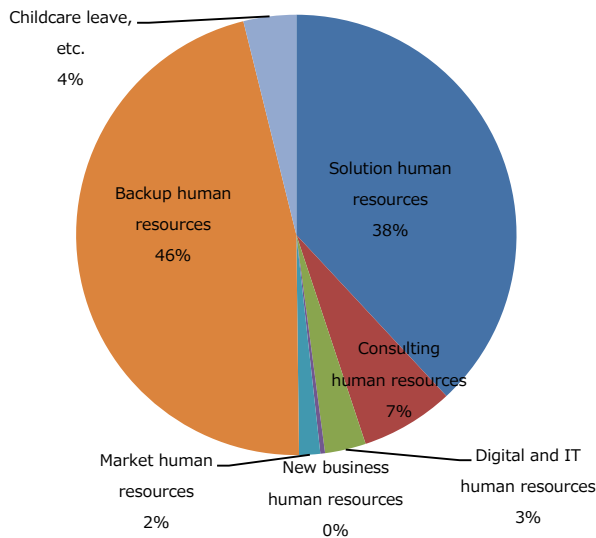
Fiscal year		2013	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Target		<div>[Nov. 2021] Setting of CO<sub>2</sub> emission reduction targets</div> <div>(Medium-term target: 46% reduction by FY2024 compared with FY2013)</div> <div>(Long-term target: 60% reduction by FY2030 compared with FY2013)</div> <div>Upward revision of targets</div> <div>↓</div> <div>[Apr. 2023] Upward revision of CO<sub>2</sub> emission reduction targets</div> <div>(Medium-term target: At least 70% reduction by FY2024 compared with FY2013)</div> <div>(Long-term target: Achieve carbon neutrality by FY2030)</div>											
Scope1	Gasoline	Replace gasoline-powered company vehicles with electric or other eco-friendly vehicles											
Scope2	Electricity	<div>Switch to electric air conditioning equipment</div> <div>Completed</div> <div>Switch lighting equipment to LEDs</div> <div>Switch to renewable energy-based electricity services</div> <div>Reduce energy consumption (paperless operations, thorough power saving, etc.)</div> <div>Switch to environmentally-conscious branches (ZEB branches)</div> <div>Use PPA (on-site and off-site)</div>											
Others	Offset	<div>Purchase J-VER prefectural forests</div> <div>Various efforts through participating in the GX League</div>											

## Practice and disclosure of human capital management

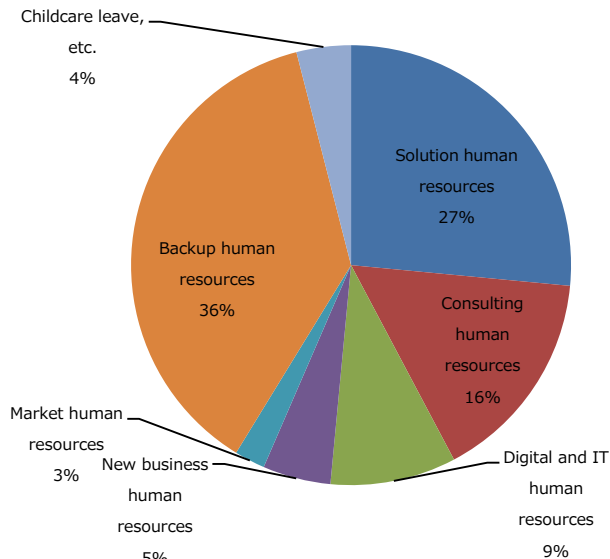


Target human resource portfolio

Current portfolio (FY2022)

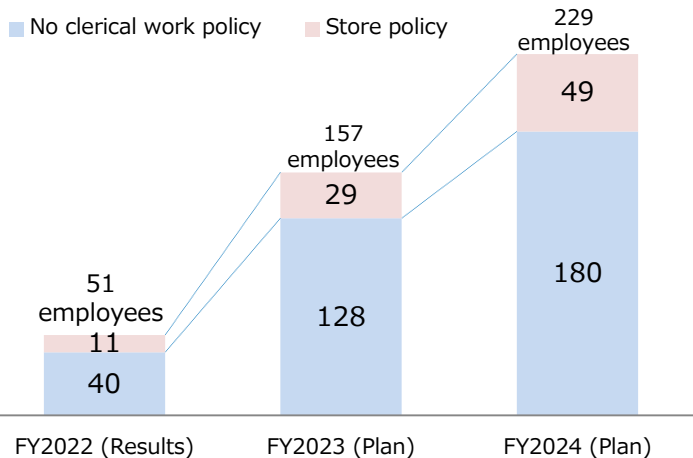


Target human resource portfolio

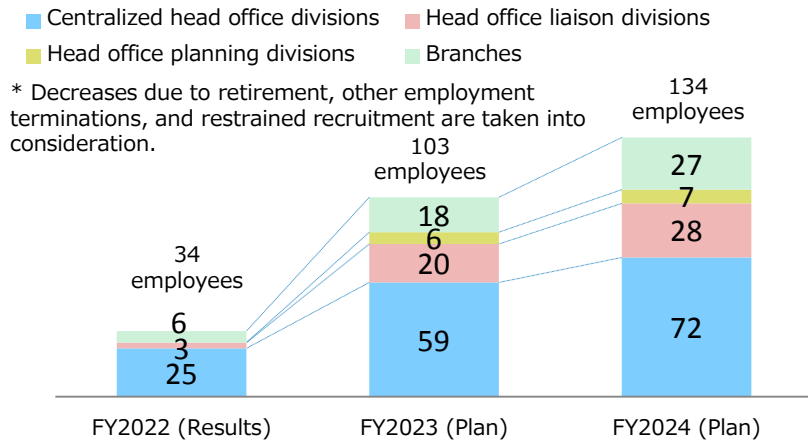


During the period of the Medium-Term Management Plan

Creation of human resources (headcount)



Deployment of human capital (headcount)





## Initiative toward realizing human capital management

[Human resource development policy]



[Internal environment improvement policy]

### Development of experts

- **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.)
- **External secondment and dispatching**

**Spirete**

A business creation laboratory that invents the future

Ideas, technologies, experience, and insights

Teaming up with people with diverse expertise to create businesses from scratch

Creating, one after another, start-up companies that will create an interesting future

\* See the relevant page for DX promotion leader development.

### Career design

- **Strategic personnel reallocation through open recruitment: 12 employees**
- **New system established to support staff career realization**

My Career Coordination Program  
(side job)

(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).)



### Diverse work style

Number of male employees whose spouse had a childbirth in FY2022	33
Number of male employees who took childcare leave	25
Number of male employees who took long-term childcare leave	15
Number of male employees who took their childcare leave sporadically*	10
Number of male employees showing intention to take long-term childcare leave	8

Raising the ratio of male employees who take childcare leave



\* Their intention to take long-term childcare leave has also been confirmed.

### Employee engagement

Introduction of engagement survey  
Formulation and execution of effective improvement measures

Inside the Bank



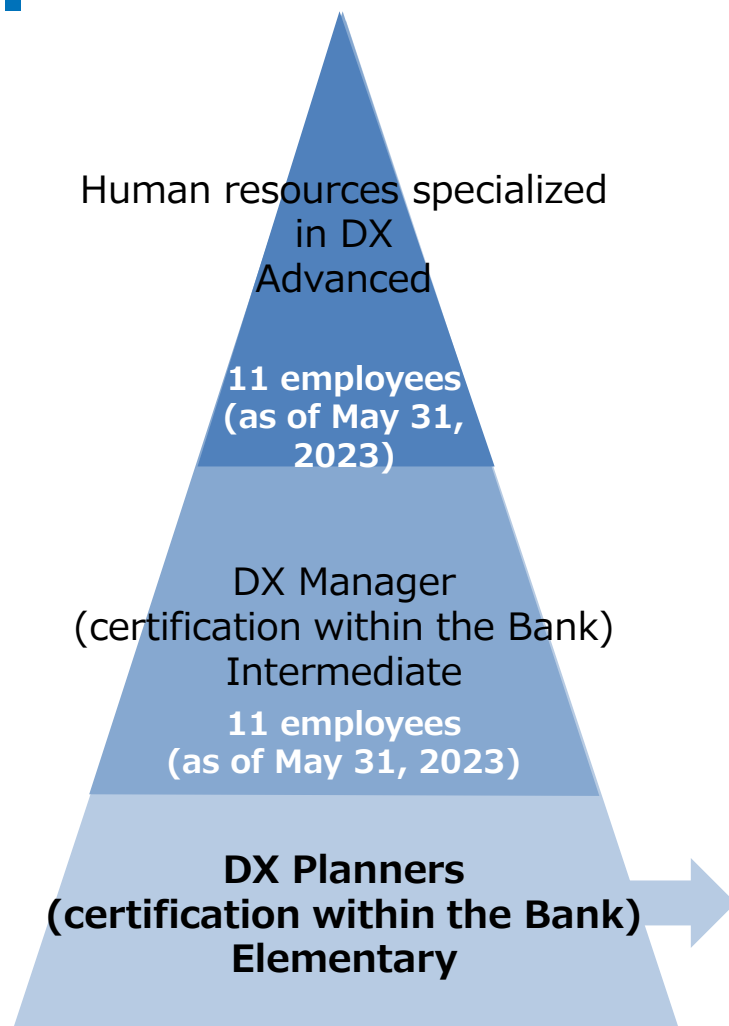
Outside the Bank

Dialogue

Relationship of trust

Disclosure

## DX human resource development



- 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.
- As of March 31, 2023, the development target headcount was met.
- Satisfying qualifications certified within the Bank is part of requirements for open calls related to internal DX-related measures so that such qualifications are linked to various measures.

	As of Mar. 31, 2023	As of Mar. 31, 2024	As of Mar. 31, 2025	Total
Development target headcount (KPI)	150	200	150	500
Results(*)	171	—	—	—
Percent achievement	114%	—	—	—

# Appendix



## Supporting customers' asset building

### Rate of financial instrument holders (number) (Yamanashi)

**As of Mar. 31, 2023: 11.5% (62,000 customers), +1.6 pt YoY (+8,000 customers)**

- Growth is outpacing the plan.
- 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.

**Percent of people holding financial instruments**  
(Number of people holding financial instruments)

[Target]

Mar. 2025

**12%**

(70,000)

Mar. 2023

**11.5%**

(62,000)

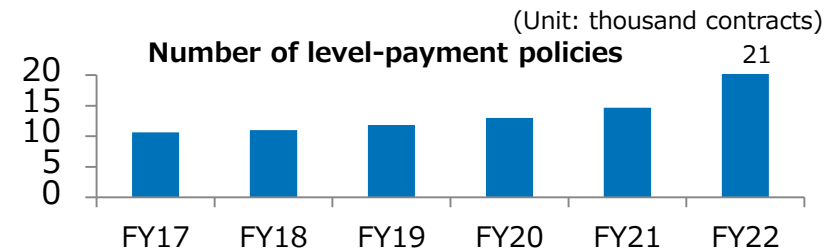
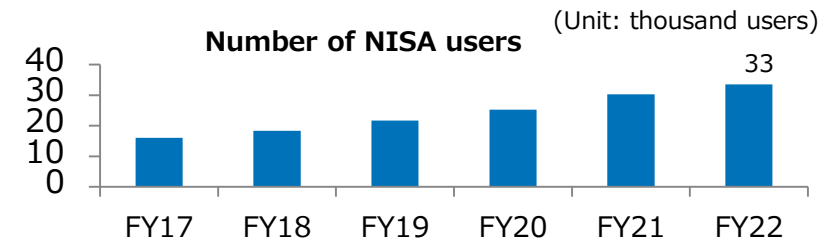
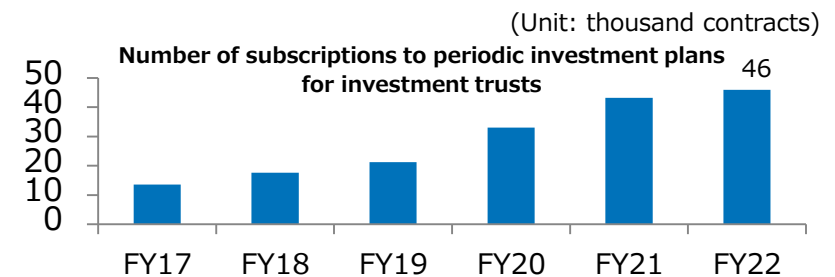
Mar. 2022

**9.9%**

(54,000)

Population of Yamanashi Prefecture: The population of people aged 20–75, from the national population index by sex (population by age group in 5-year increments) for each prefecture in the 2020 census.

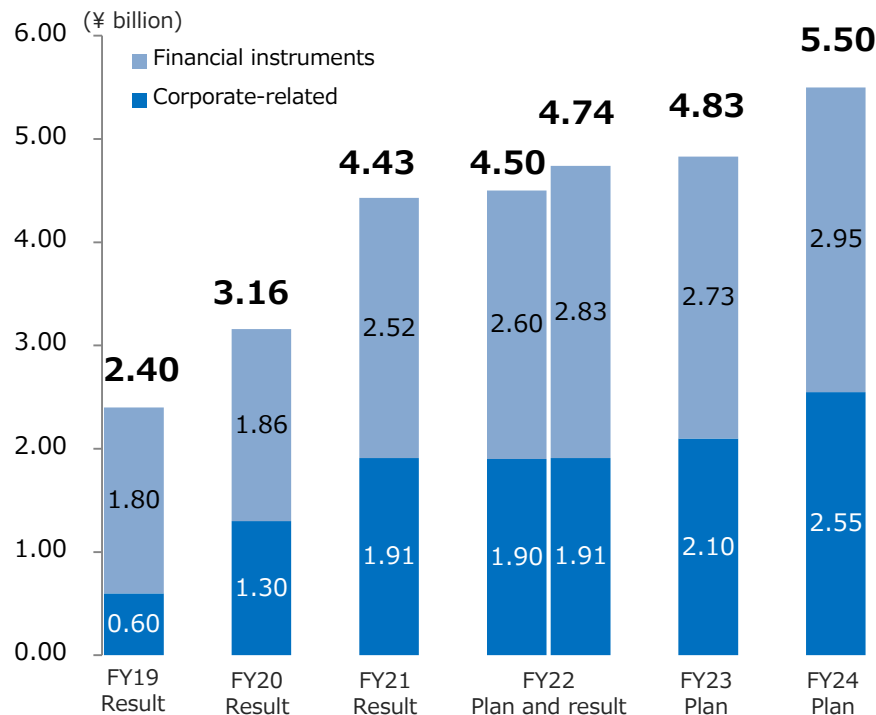
\* 540,000 as of October 1, 2020



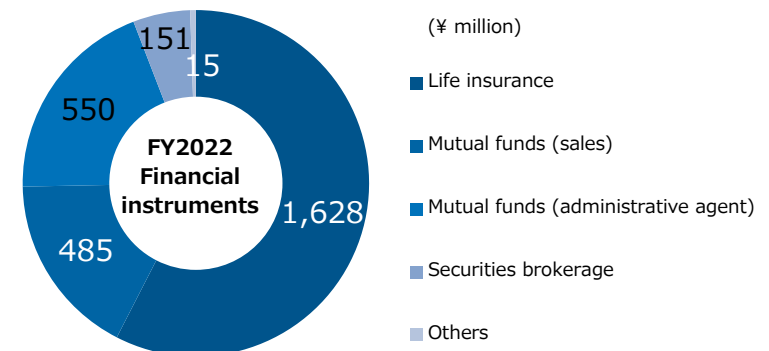
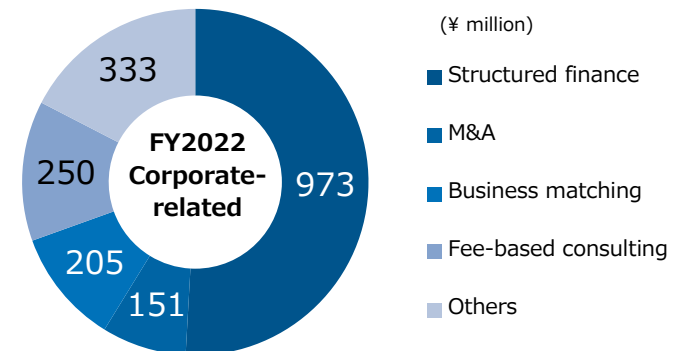
## Consulting support to customers

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

- Solid results in corporate-related fees and commissions mainly through structured finance and business matching 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

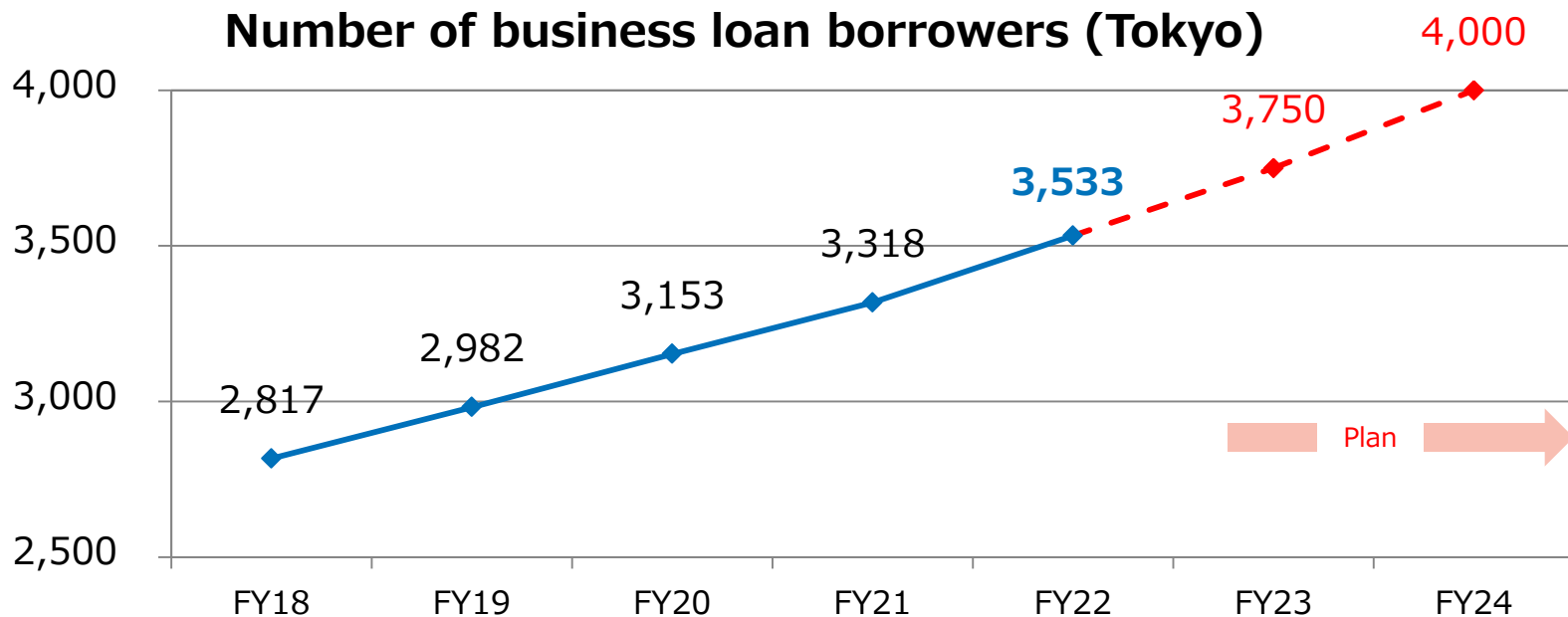


\* Including the results of derivative transactions, etc. (0.13 billion yen)



## Measures to increase the number of business loan customers in 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

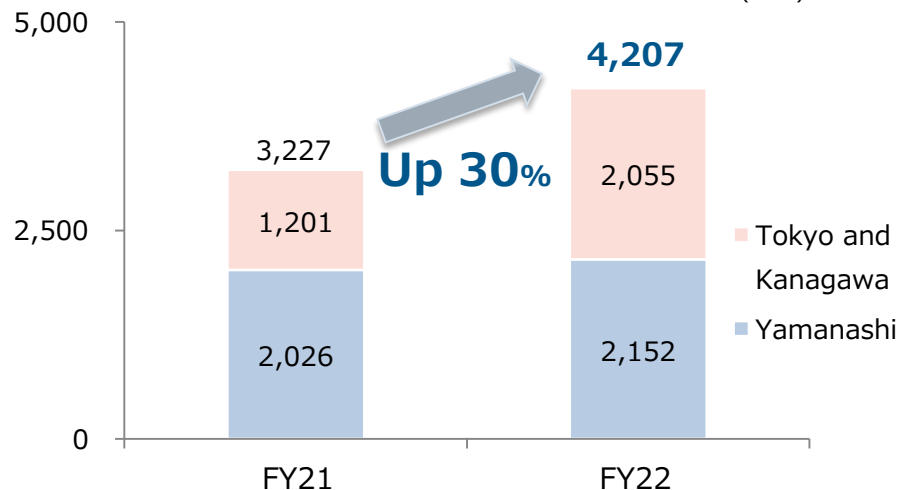
**Execution amount for FY2022: 48.3 billion yen** (+6.7 billion yen, **up 16%** YoY)

The execution amount of new loans increased significantly as we implemented the following measures in FY2022.

- Set interest rates according to market characteristics and increased the speed of returning credit screening results as a result of changing the screening scheme.
  - Strengthened measures against dealers (partnered with iYell Group, started taking in deals from mortgage apps).
  - Consolidated mortgage operations into Life Square.
- **We will actively promote these loans while improving product features in order to achieve the new loan execution target of 200 billion yen during the period of the Medium-Term Management Plan.**

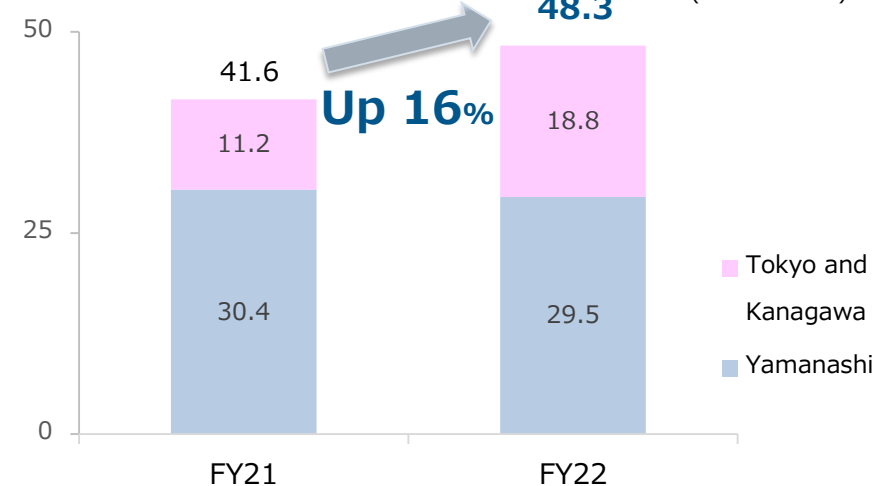
Change in number of accepted applications

(case)



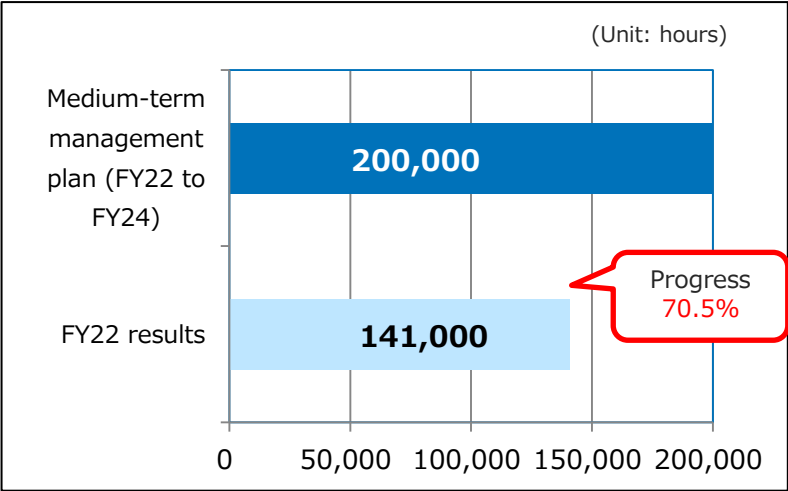
Change in amount executed

(unit: ¥ billion)



Achievement of zero clerical work at branches

Reduction of clerical work load (hours)



Major initiatives

Simplification	<ul style="list-style-type: none"><li>Revise and eliminate clerical work based on an assessment of actual clerical risks.</li><li>Expand seal-less transactions for various procedures, etc.</li></ul>
Centralization	<ul style="list-style-type: none"><li>Centralize branch back-office operations for high-variety low volume lots in the head office.</li><li>Centralize business loan execution processes in the head office, etc.</li></ul>
Systemization	<ul style="list-style-type: none"><li>Introduce semi-self-service terminals to high counters for streamlining and improving the efficiency of the reception process at branch counters, etc.</li></ul>

Remarkable productivity improvement in divisions on which business operations are concentrated

Multi-skill development	<ul style="list-style-type: none"><li>Improve productivity by empowering multi-skill employees and multi-skill management, etc.</li></ul>
Support for branches	<ul style="list-style-type: none"><li>Improve administrative work that leads to lightening the clerical work of branches.</li></ul>
Digitization	<ul style="list-style-type: none"><li>Introduce RPA for the preparation of balance certificates by audit firms.</li></ul>
Review of business processes	<ul style="list-style-type: none"><li>Improve clerical work by revising process flows in conjunction with the expansion of business process centralization.</li></ul>

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

税金等の納付は、口座振替、パソコン、スマートフォンで!! 簡単便利

1. 納付したい税金の種別を選択する。2. 納付したい金額を入力する。3. 納付先を選択する。4. 納付方法を選択する。5. 納付完了を確認する。

LINE Pay

e-Tax

納付先・キャッシュレス連携プロジェクト



## Strengthening of digital channels

<Example bank app screen>

### Expansion of functions of direct channels (2022.10.17-)

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

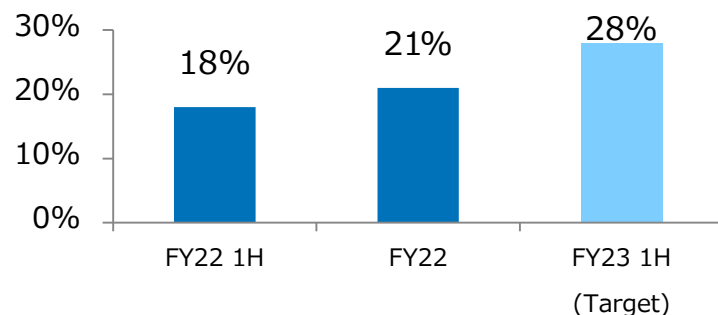
### Introduction of Yamanashi Chugin App (2023.4.18-)

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



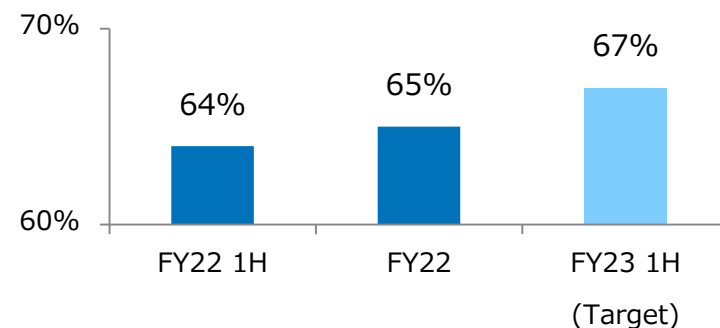
## Penetration rate of bank app

- Accelerate promotion focusing mainly on Yamanashi Chugin App.



## Acquisition rate of e-mail address

- Increase number of e-mail and SMS recipients.

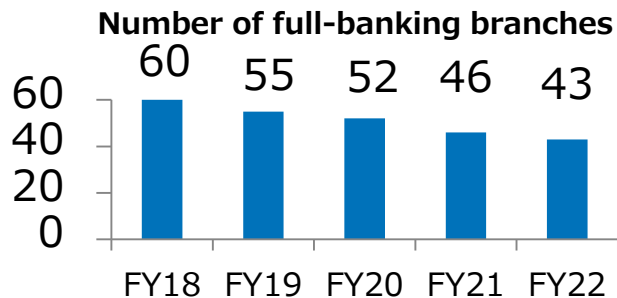


\* Figures for Sep. 2022 and Mar. 2023 show the results of "Wallet+" and "Yamanashi Chuo Bank bankbook app with CRECO."  
The figure for Sep. 2023 (Target) includes Yamanashi Chugin App.

## Reforming real channels

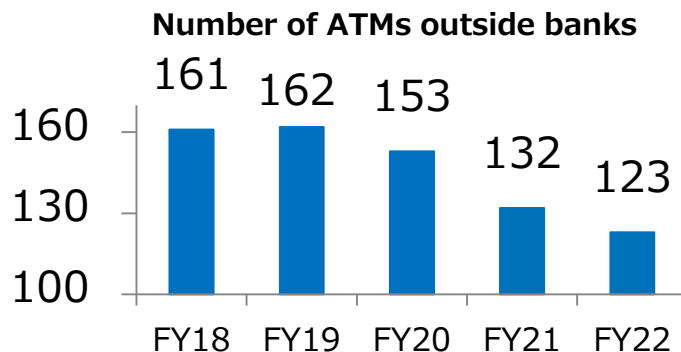
### Branches with full-range services

- Kichijoji branch, Mejirodai branch, and Minamino City branch were changed to function-specific branches.



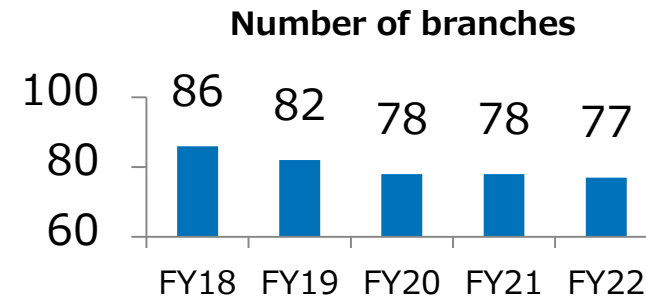
### Number of ATMs outside banks

- Reduction mainly in low-utilization ATMs



### Consolidation of branches

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

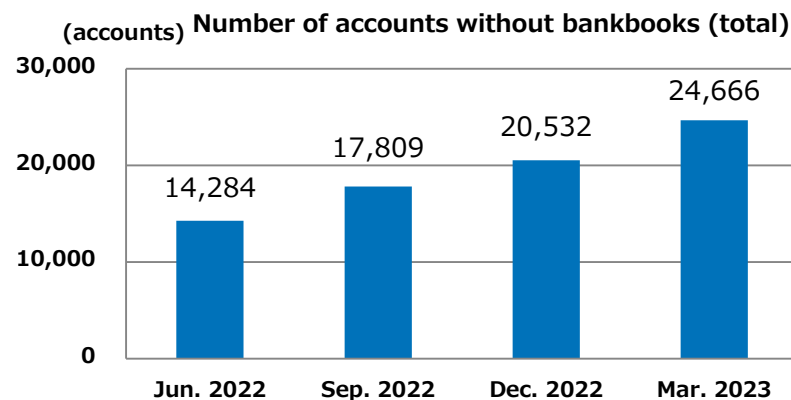


### Strategic personnel reallocation

- Strategic reallocation of 11 human resources created by the Ogikubo area branch reorganization, the relocation of the Kichijoji branch through the branch-within-a-branch method, and the Hachioji area branch reorganization

## Promoting no bankbook and cashless operations

### Promoting no-bankbook operations



#### Status of efforts

- Promoted the opening of new accounts without bankbooks at the counter, etc.
- Improved functions of the "Yamanashi Chuo Bank bankbook app with CRECO."
- Promoted new no-bankbook accounts through LINE messages.
- FY2022 2H results: 6,857 accounts

#### Future development

- Implement information dissemination through web advertisements, emails, etc.
- Conduct campaigns to promote switching to no-bankbook accounts.

### Promoting the shift to cashless operations

#### Initiatives

- (1) Strengthened the promotion of the use of corporate cards (B-to-B payments).
- (2) Started to provide a store payment solution that integrates cashless payment terminals and store cash registers.
- (3) Started account linkage with au PAY, a smartphone payment service.

#### Future development

- (1) Study cashless payment schemes in the region.
- (2) Expand account linkage with new smartphone payment services.

## Shizuoka-Yamanashi Alliance initiatives

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

### Earnings benefits

- Aim 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: **Approx. 9.1 billion yen** (5-year conversion)
- Contribution to FY2022: **Approx. 2.3 billion yen** (single year)

### Collaboration in the finance field

- Co-financing in **structured finance: 74.5 billion yen**
- **Co-financing**, joint creation of **syndicate loans**, etc.: **28.4 billion yen**
  - ✓ Co-financing of sustainability linked loans: 6 billion yen (Jan. 2023)
- **Co-financing as a project related to vitalizing local economy** (Dec. 2021)

- ✓ Funds to construct communal villas in Yamanashi Pref.

<SANU Original Cabin>



- 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

<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.

<Cumulative results through FY2022>

- ✓ Sales of assets under custody: **35.4 billion yen**
- ✓ Balance of assets under custody : **26.5 billion yen**

### Measures to vitalize local economy

- **Individual business negotiations held: 21**

<Results through FY2022>

- ✓ Number of items negotiated: 751
- ✓ Business matching contracts signed: 120
- ✓ **Successful deals: 16.0%**

- 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).

- ✓ Executed three investments through FY2022.

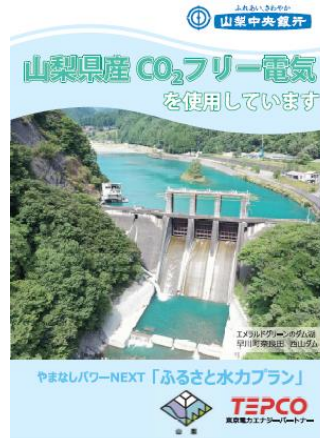
## Activities for reduction in CO<sub>2</sub> emissions

### ● Introduction of electricity from renewable energy sources (since 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.

This plan provides CO<sub>2</sub> free electricity, which is generated at Yamanashi Prefecture's hydroelectric power plants, provided by Yamanashi Prefecture and TEPCO Energy Partner, Incorporated.

Introducing the plan resulted in a decrease of CO<sub>2</sub> emissions by 1,349 tons in FY2022.



### ● Introduction of paper file folders (since Apr. 2022)

As part of responses to the Act on Promotion of Resource Recycling Related to Plastics and promotion of SDGs, we have replaced plastic file folders, which are used, for example, to deliver documents to customers, with paper file folders.



### ● Introduction of ultra-compact battery-powered electric vehicles (BEVs) for commercial use (since 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. The CO<sub>2</sub> emissions of the newly introduced electric vehicles when driving are about half that of conventional gasoline-fueled light vehicles.



### ● Discontinuation of self-serve banknote envelopes at all ATMs (in and after Oct. 2023)

In September 2022, we started discontinuing self-serve banknote envelopes at ATMs inside branches at certain branches on a trial basis in order to save paper resources.

In and after October 2023, we will discontinue self-serve banknote envelopes at all ATMs (inside and outside branches).

By doing this, we expect to reduce CO<sub>2</sub> emissions by approximately 132 tons per year.

紙資源の使用量削減に取り組んでおります

当キャッシュコーナーの「紙幣袋」  
設置終了について

いつも山梨中央銀行をご利用いただきまして、誠にありがとうございます。  
当行では、「山梨中央銀行グループSDGs宣言(2019年5月)」に基づき、紙資源の使用量削減等により持続可能な社会の実現を目指す取り組みとして、全キャッシュコーナーに備え付けの「紙幣袋」の設置を終了することといたしました。  
お客さまにご不便をおかけいたしますが、何卒ご理解を賜りますようお願い申し上げます。

設置終了日 2023年10月1日



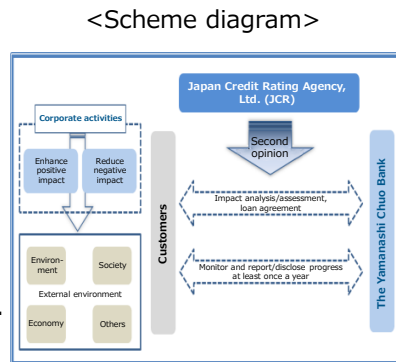
## Status of sustainability support

The amount of execution of sustainable finance has been increasing steadily.

### Financial support

#### Loans

In addition to the existing sustainable finance menu (sustainability-linked loan, SDGs support loan, and private placement bonds), we started 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, 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."

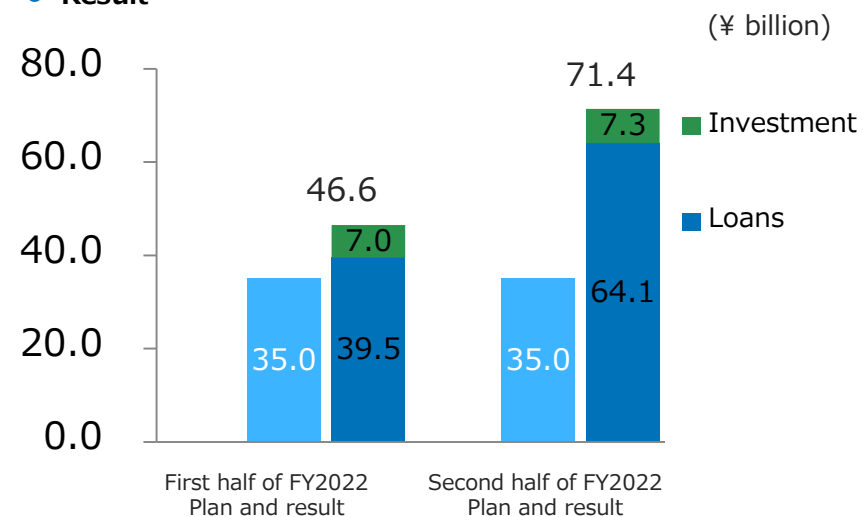


### Sustainable finance

#### Target

Item	Contents
Medium-term target	250 billion yen or more
Long-term target	800 billion yen or more (including environmental finance of 400 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

#### Result



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:

Public Relations and Sustainability Promotion Office in Corporate Planning  
Division, The Yamanashi Chuo Bank, Ltd.

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TEL	055 (233) 2111
E-mail	<a href="mailto:kouho@yamanashibank.co.jp">kouho@yamanashibank.co.jp</a>
URL	<a href="https://www.yamanashibank.co.jp/">https://www.yamanashibank.co.jp/</a>

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