



山梨から豊かな未来をきりひらく

山梨中央銀行

The 48th Analyst Meeting

May 30, 2025 (Fri)



Prime Market of the Tokyo
Stock Exchange: 8360

Contents

Summary of Business Results

FY24 Business Results (Summary)	4
Interest Income	5
Deposits, Loans	6
Securities	7
Fees and Commissions	8
Expenses/OHR (Operating Expenses/Core Gross Business Profit)	9
Credit-Related Costs	10
Earnings Forecasts for FY25	11

Review of the Previous Medium-term Management Plan “TRANS³ 2025”

Review of the Previous Medium-term Management Plan “TRANS ³ 2025”	13
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New Long-term Vision

Value Creation Company2034

Yamanashi Chuo Bank Group’s Management Philosophy, Purpose, etc.	17
New Long-term Vision	18
Quantitative Targets	19

Medium-term Management Plan

Value Creation Company: 1st Stage

Positioning of the Medium-term Management Plan	21
Overview of the Medium-term Management Plan (Structural Diagram)	22
Quantitative Targets	23
Basic Strategy 1. Growth Strategy	
Yamanashi Resilience Strategy	26
New Tokyo Strategy	32
Company-wide Strategy	38
Basic Strategy 2. Fundamental Strategy	
Channel Strategy	43
Basic Strategy 3. Human Resource Strategy	
Human Capital Strategy	45
Engagement Improvement Strategy	46
Four Transformation Drivers	49

Toward Increasing Corporate Value

Toward Increasing Corporate Value	53
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Summary of Business Results

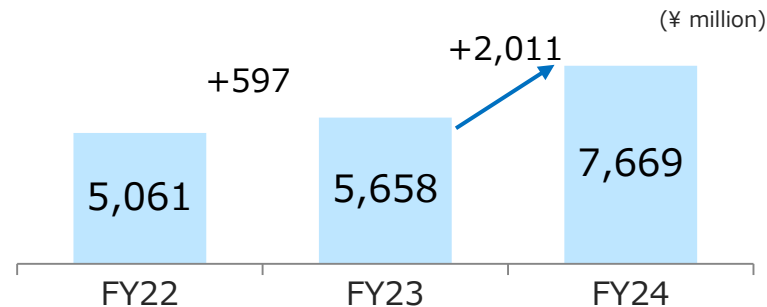


FY24 Business Results (Summary)

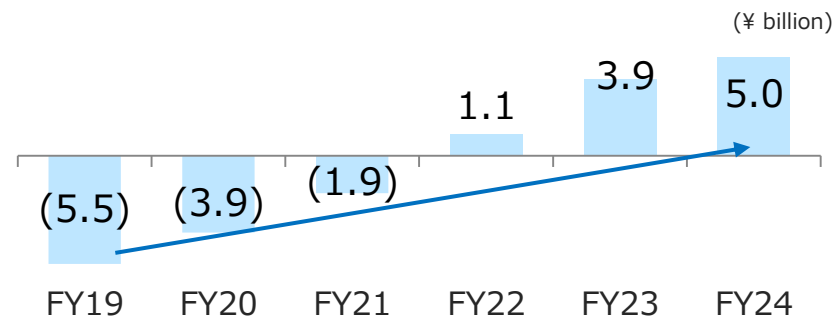
Main profit and loss items were positive YoY due to growth in customer service business profit.

Non-consolidated (¥ billion)	FY23	FY24	YoY
Gross business profit	27.5	31.9	4.3
Interest income	30.7	33.9	3.2
Fees and commissions	7.7	7.2	(0.4)
Other operating income	(1.1)	(0.8)	0.3
Core gross business profit	37.2	40.4	3.1
JGBs and other bond transactions	(9.6)	(8.4)	1.2
Expenses	24.8	25.8	1.0
General provision to loan loss reserve	-	0.0	0.0
Net business profit	2.7	5.9	3.2
Core net business profit	12.4	14.5	2.0
(Excluding gain on cancellation of investment trusts)	12.4	14.5	2.0
Non-operating gains (losses)	4.3	3.8	(0.5)
Disposal of non-performing loans	0.0	1.4	1.3
Stock and other related income	4.5	4.7	0.2
Ordinary profits	7.0	9.7	2.7
Extraordinary income (losses)	(0.0)	(0.0)	0.0
Total corporate taxes, etc.	1.3	2.5	1.1
Net income	5.6	7.1	1.5
Credit-related costs	(0.0)	1.4	1.5
Consolidated (¥ billion)	FY23	FY24	YoY
Consolidated ordinary profits	7.6	10.6	2.9
Profit attributable to shareholders of the parent	5.6	7.6	2.0

➤ Profit attributable to shareholders of the parent



➤ Customer service business profit*



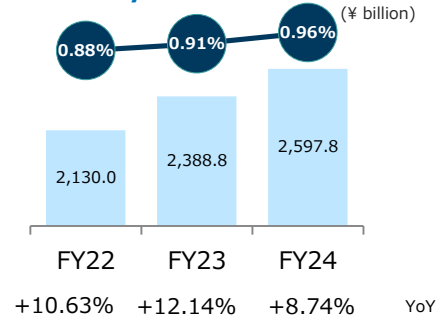
* Customer service business profit
Average loan balance × Yield difference on loans and deposits + Fees and commissions – Operating expenses

Interest Income

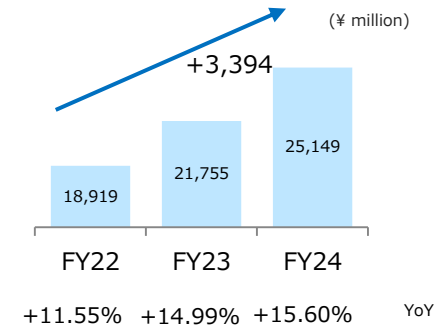
Both interest on loans and interest on securities remained firm.

	(¥ billion)	FY23	FY24	YoY
Interest income		30.7	33.9	3.2
Net interest margin		21.4	22.7	1.3
Interest on loans		21.7	25.1	3.3
Domestic operations		20.2	23.7	3.5
International operations		1.5	1.3	(0.1)
Interest on deposits		0.2	2.3	2.0
Domestic operations		0.2	2.3	2.0
International operations		0.0	0.0	0.0
Interest on securities		8.5	9.7	1.2
(Excluding gain on cancellation of investment trusts)		8.5	9.7	1.2
Bonds		2.2	2.8	0.5
Domestic operations		2.0	2.6	0.5
International operations		0.1	0.1	(0.0)
Stock		1.1	1.4	0.3
Distributions on investment trusts		5.1	5.5	0.3
Gain on cancellation of investment trusts (gain surplus)		0.0	0.0	0.0
Capital market investment and procurement		0.7	1.4	0.7
Domestic operations		29.1	32.5	3.3
International operations		1.5	1.4	(0.0)

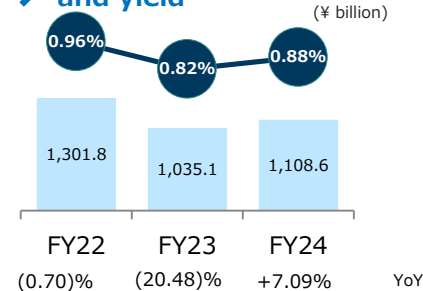
➤ Average loan balance and yield



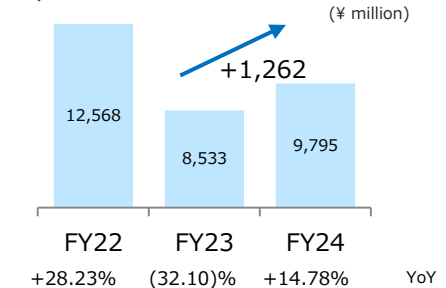
➤ Interest on loans



➤ Average security balance and yield



➤ Interest on securities



Deposits, Loans

Both balances of loans and deposits maintained an upward trend.

Full-year average balance

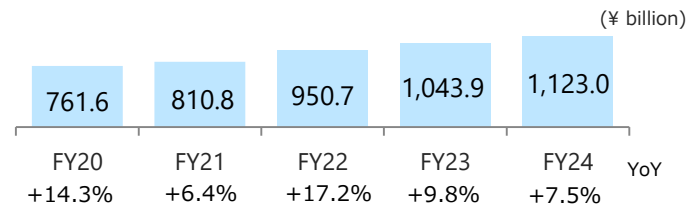
		(¥ billion)	FY23	FY24	YoY (% change)
Loans			2,388.8	2,597.8	+208.9 (+8.7%)
	By area				
	Yamanashi Pref.		1,073.4	1,105.1	+31.7 (+2.9%)
	Outside Yamanashi Pref.		1,132.7	1,289.7	+156.9 (+13.8%)
	Loan assets under the control of head office		182.6	202.8	+20.2 (+11.0%)
	By market				
	General funds		1,662.0	1,812.7	+150.6 (+9.0%)
	Non-commercial for individuals		437.1	471.7	+34.5 (+7.9%)
	Local government bodies		289.6	313.3	+23.7 (+8.1%)
Loan shares in Yamanashi Pref. (term-end)			50.4%	51.5%	+1.1 -

Full-year average balance

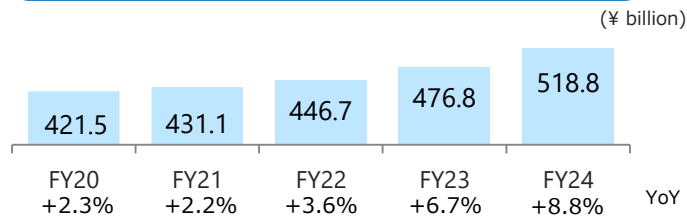
		(¥ billion)	FY23	FY24	YoY (% change)
Deposits			3,630.1	3,653.8	+23.6 (+0.6%)
	Yamanashi Pref.		3,213.4	3,223.6	+10.1 (+0.3%)
	Outside Yamanashi Pref.		416.7	430.2	+13.4 (+3.2%)
Deposits shares in Yamanashi Pref. (term-end)			51.7%	51.7%	±0.0 -

(Excluding Japan Post Bank)

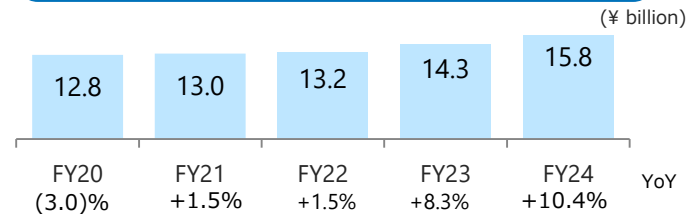
Balance of loans to SMEs (term-end)



Housing loans (term-end)



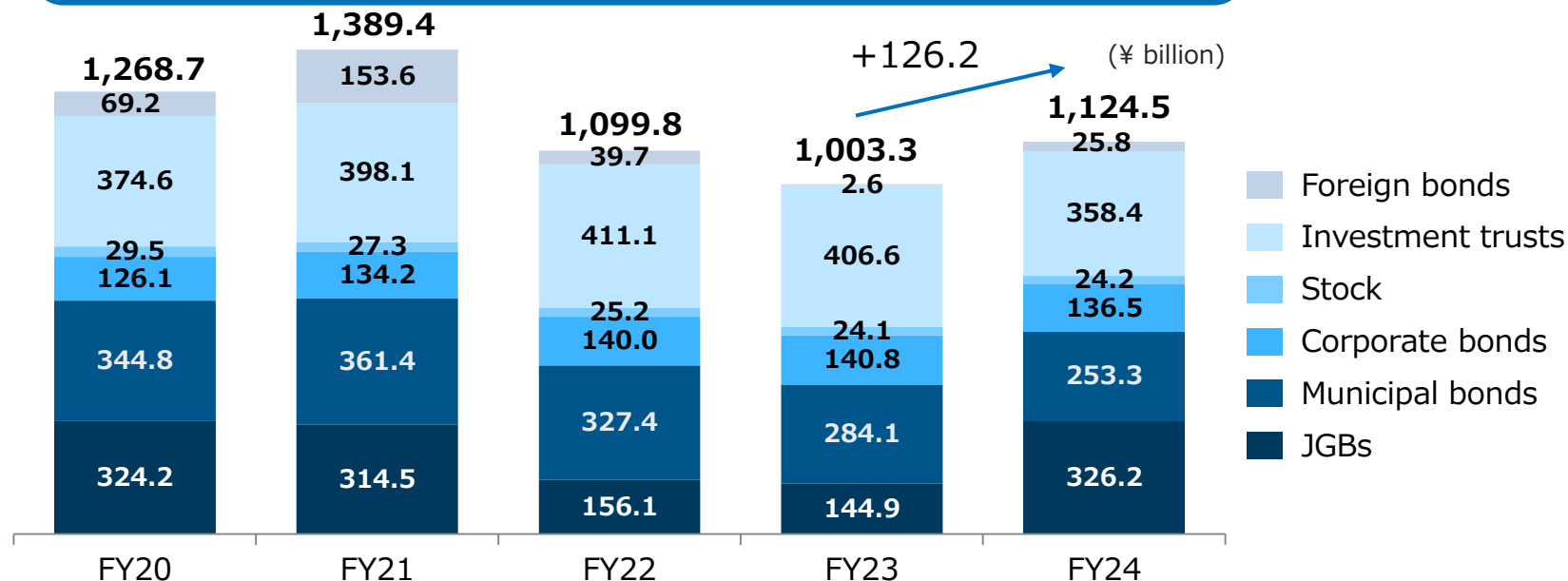
Unsecured loans (term-end)



Securities

Restoring previously downsized portfolios aimed at risk reduction.

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



Yen bond
modified duration

5.9

6.2

6.7

5.9

5.4

After taking
asset swaps into
account

5.7

6.2

6.7

5.9

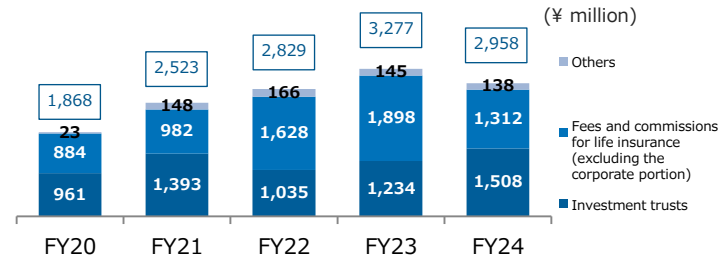
4.9

Fees and Commissions

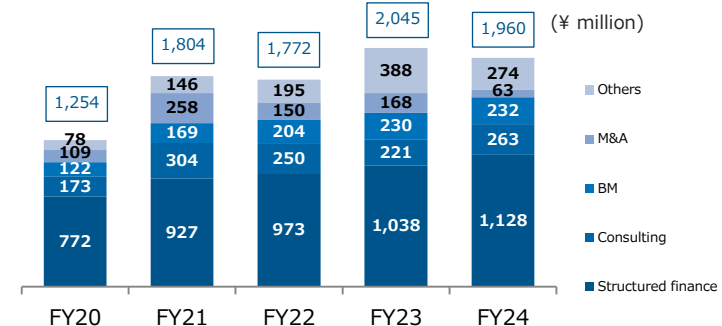
Fees and commissions decreased due to a review of the sales structure for financial instruments, etc.

	(¥ million)	FY23	FY24	YoY
Fees and commissions		7,712	7,238	(474)
Fees and commissions		10,634	10,410	(224)
Fees and commissions expenses		2,921	3,171	250
<Main breakdown>				
Fees and commissions income from financial products (excluding insurance for corporate customers)		3,277	2,958	(319)
Fees and commissions for life insurance (excluding the corporate portion)		1,898	1,508	(390)
Fees and commissions for investment trusts		1,234	1,312	78
Brokerage fees and commissions for financial products		126	110	(16)
Fees and commissions for public bonds		14	23	9
Fees and commissions income from corporations		2,045	1,960	(85)
Fees and commissions for structured finance		1,038	1,128	90
Fees and commissions for consulting		221	263	42
Fees and commissions for business matching		230	232	2
Fees and commissions for life insurance for corporate customers		272	215	(57)
Fees and commissions for M&A		168	63	(105)
Fees and commissions received related to foreign exchange (domestic)		1,479	1,471	(8)
Loan payment premiums and guarantees		2,156	2,368	212

Change in revenue from financial instrument-related fees and commissions



Change in revenue from fees and commissions income from corporations



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

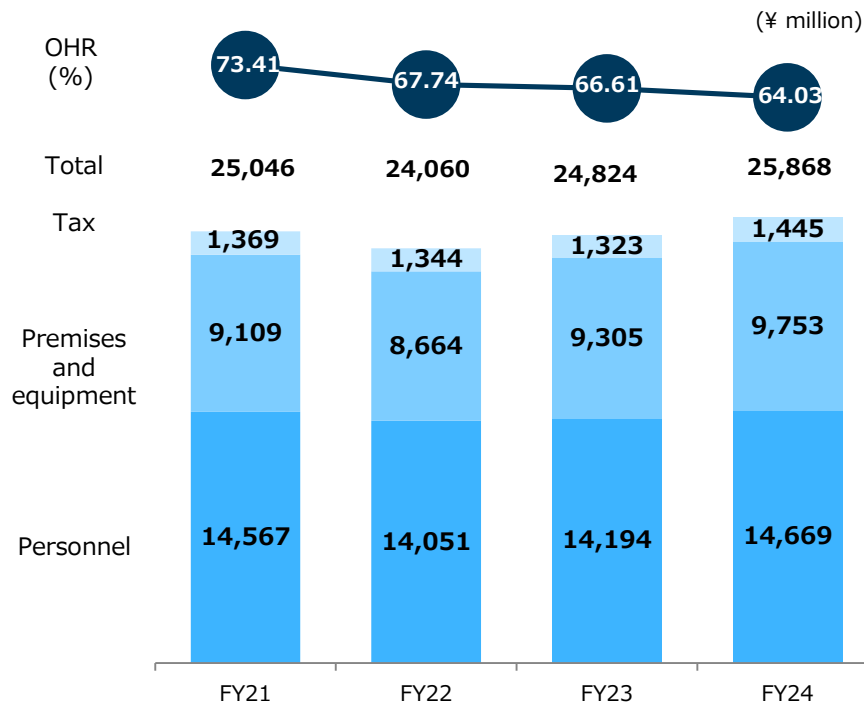
Accelerate management reform through aggressive strategic investments.

Expenses (¥ billion)	FY23	FY24	YoY
Expenses	24.8	25.8	1.0
Personnel	14.1	14.6	0.4
Premises and equipment	9.3	9.7	0.4
Tax	1.3	1.4	0.1
OHR	66.61%	64.03%	(2.59)P

Main factors behind changes in expenses

(¥ billion)	FY24	
Personnel	0.4	Wage increases +0.4
Premises and equipment	0.4	IT investments +0.4
Tax	0.1	Size-based corporate taxes +0.1

Changes in expenses and OHR

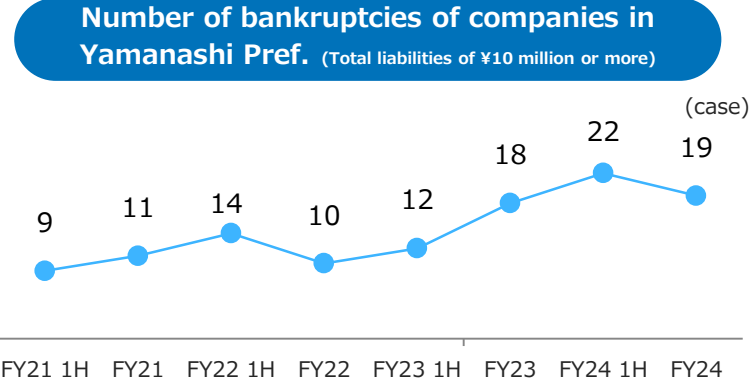
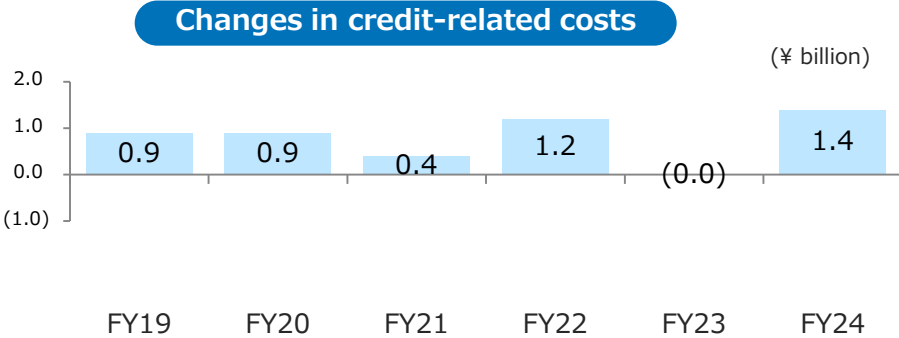


Credit-related Costs

Credit-related costs increased due to the rebound effect from reversals recorded in the previous period.

(¥ billion)	FY23	FY24	YoY
Credit-related costs	(0.0)	1.4	1.5
Net provision to general loan loss reserve	(0.6)	0.0	0.7
Disposal of non-performing loans (non-operating gains (losses))	0.6	1.4	0.8
Net provision to specific loan loss reserve	0.5	1.3	0.7
Provision to reserve for contingent losses	0.0	0.0	0.0
Loans written off and loss on sale of claims	0.0	0.0	0.0
Recoveries from written-off claims	0.0	0.0	(0.0)
Credit cost ratio	(0.34)bp	5.62bp	5.96bp

(Note)
Reversal of allowance for loan losses is divided into net provision to general loan loss reserve and provision of specific loan loss reserve.



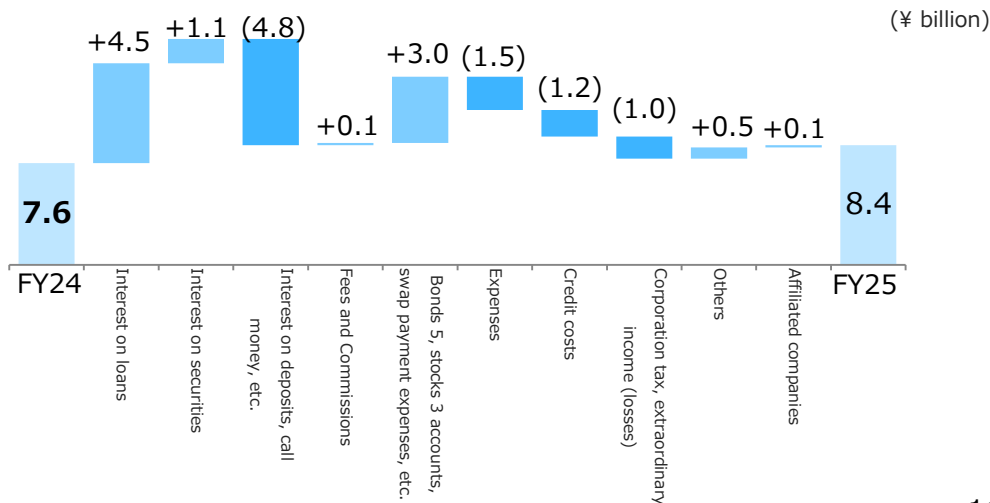
Earnings Forecasts for FY25

Non-consolidated (¥ billion)		FY24	FY25 (Plan)	YoY
Gross business profit		31.9	36.3	4.4
	Interest Income	33.9	35.8	1.9
	Interest on loans	25.1	29.6	4.5
	Interest on securities	9.7	10.9	1.1
	Fees and commissions	7.2	7.3	0.1
	Other operating income	(0.8)	(2.0)	(1.2)
Core gross business profit		40.4	41.1	0.7
JGBs and other bond transactions		(8.4)	(4.7)	3.7
Expenses		25.8	27.4	1.5
General provision to loan loss reserve		0.0	0.0	0.0
Net business profit		5.9	8.9	2.9
Core net business profit		14.5	13.7	(0.8)
Core net business profit (excluding gain on cancellation of investment trusts)		14.5	13.7	(0.8)
Non-operating gains (losses)		3.8	3.0	(0.7)
	Disposal of non-performing loans	1.4	2.6	1.2
	Stock and other related income	4.7	4.7	(0.0)
Ordinary profits		9.7	11.9	2.1
Net income		7.1	8.2	1.0
Consolidated (¥ billion)		FY24	FY25 (Plan)	YoY
Consolidated ordinary profits		10.6	12.4	1.7
Profit attributable to shareholders of the parent		7.6	8.4	0.7

Net income is projected to exceed that of the previous year.

- Although interest income is projected to rise, other operating income is expected to decline and expenses to rise. As a result, while core net business profit is expected to decline, net income is projected to exceed the previous year's level.

Factors contributing to the change in profit attributable to shareholders of the parent



Review of the Previous Medium-term Management Plan

“TRANS³ 2025”



Review of the Previous Medium-term Management Plan “TRANS³ 2025”

KPI

	FY2024 (Results)		FY2024 (Targets for the final year of the Medium-term Management Plan)
OHR (Operating expenses/Core gross business profit)	64.0%	Achieved	73.5% or less
ROE (Current net income basis)	3.62%	Achieved	3% or more
Ratio of female managers and supervisors	21.5%	Achieved	20% or more
Rate of reskilling-based reallocation of clerical workers	27.6%	Not Achieved	30% or more
Sustainable finance* ¹ investment and loan amount	392.3 billion yen	Achieved	350.0 billion yen or more
Reduction rate of greenhouse gas (CO ₂) emissions* ²	* ₃ 69.7%		70% or more

KGI

Profit attributable to shareholders of the parent	7.6 billion yen	Achieved	6.0 billion yen or more
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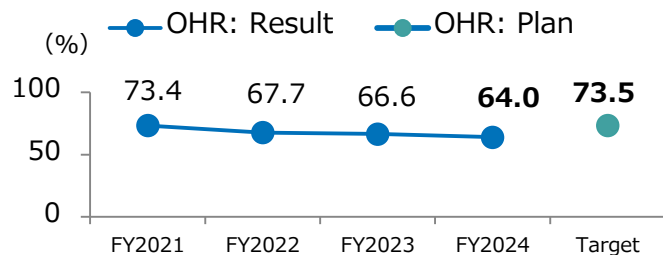
*1 Investment and loan that contribute to creating sustainable regional society (environment, education, business starts, business succession, etc.)

*2 Compared to FY2013; the target applies to Scope 1 and Scope 2 emissions

*3 Figures are calculated based on provisional values

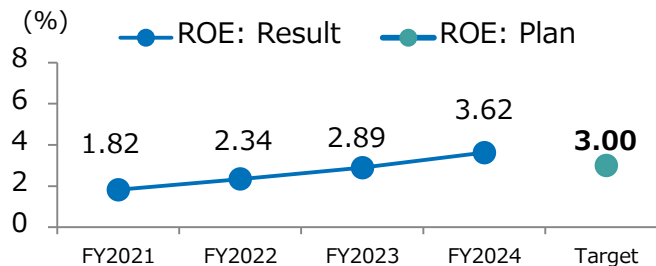
Review of the Previous Medium-term Management Plan “TRANS³ 2025”

OHR



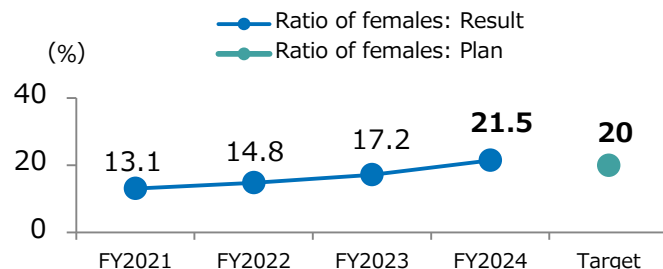
Improvement of 9.4 pts compared to FY2021
(9.5 pts improvement compared to the plan)

ROE



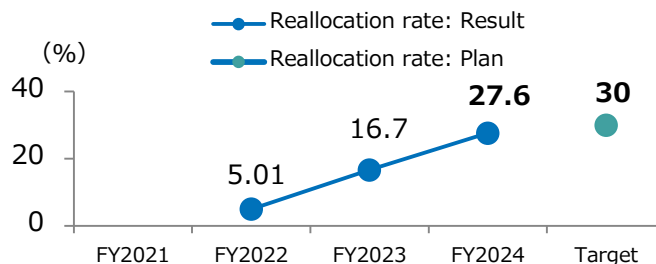
Improvement of 1.80 pts compared to FY2021
(0.62 pts improvement compared to the plan)

Ratio of female managers and supervisors



Improvement of 8.4 pts compared to FY2021
(+1.5 pts compared to the plan)

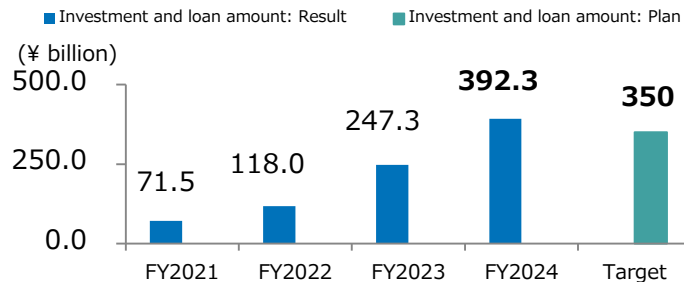
Rate of reskilling-based reallocation of clerical workers



22.59 pts compared to FY2022
((2.4) pts compared to the plan)

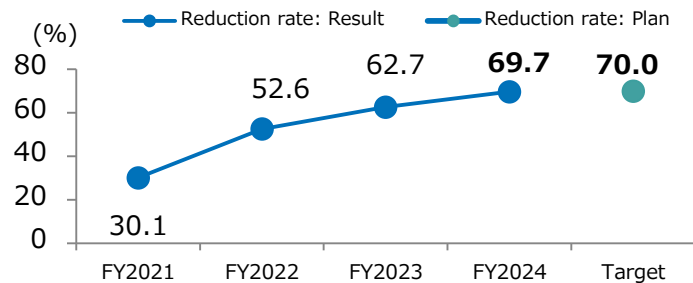
Review of the Previous Medium-term Management Plan “TRANS³ 2025”

Sustainable finance investment and loan amount



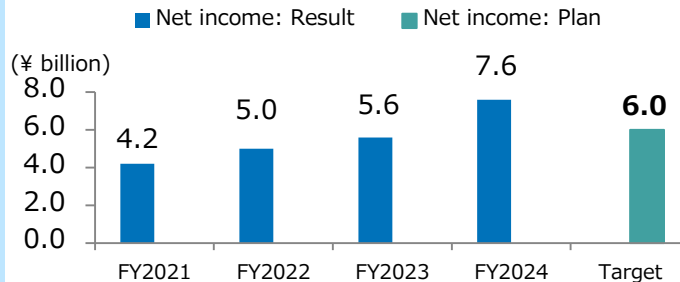
Increase of 320.8 billion yen compared to FY2021
(+42.3 billion yen compared to the plan)

CO₂ emission reduction rate



Reduction of 39.6 pts compared to FY2021
((0.3) pts compared to the plan)

Profit attributable to shareholders of the parent

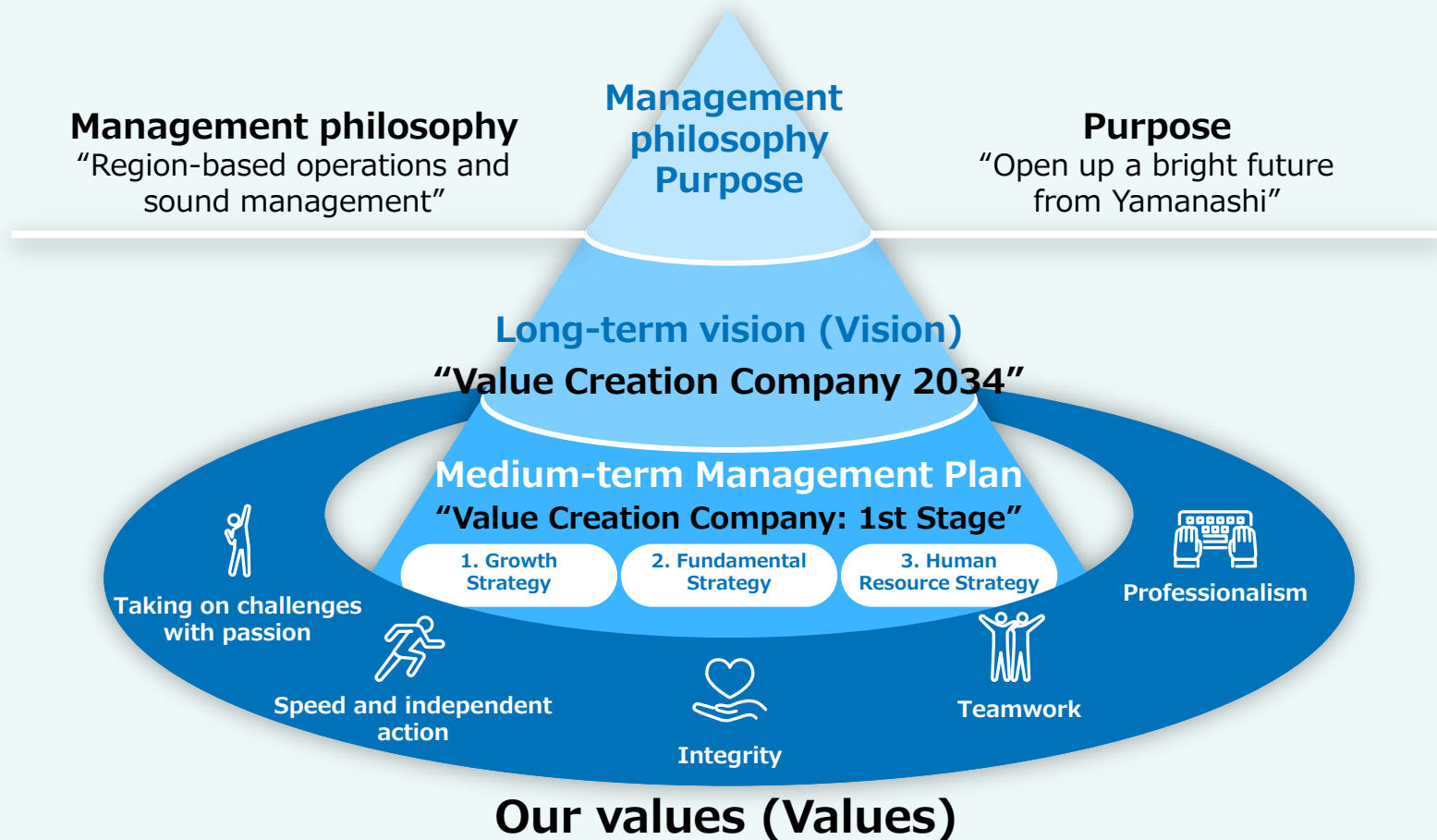


Achievement rate of 126.6% for FY2024

New Long-term Vision Value Creation Company 2034



Yamanashi Chuo Bank Group's Management Philosophy, Purpose, etc.



—Values the Yamanashi Chuo Bank Group cherishes—

Value Creation Company 2034

From a Value Creation **Bank** to a Value Creation **Company**

The Yamanashi Chuo Bank Group aims to evolve into a comprehensive regional financial group that envisions the region's future, promotes local brands and attractions through diverse networks, and creates new frameworks and value that draw people to the region.

Value provided to each stakeholder

Regional communities

Solve various problems facing the region and contribute to the development of sustainable regional communities

Individual customers

Contribute to enriched, comfortable lifestyles and improved wellbeing by providing timely financial and nonfinancial services

Corporate customers

Contribute to sustainable growth by encouraging companies to share their problems with us, exploring solutions, and supporting implementation

Employees

Encourage a spirit of challenge and increase motivation and job satisfaction by offering diverse work styles, growth opportunities, and more

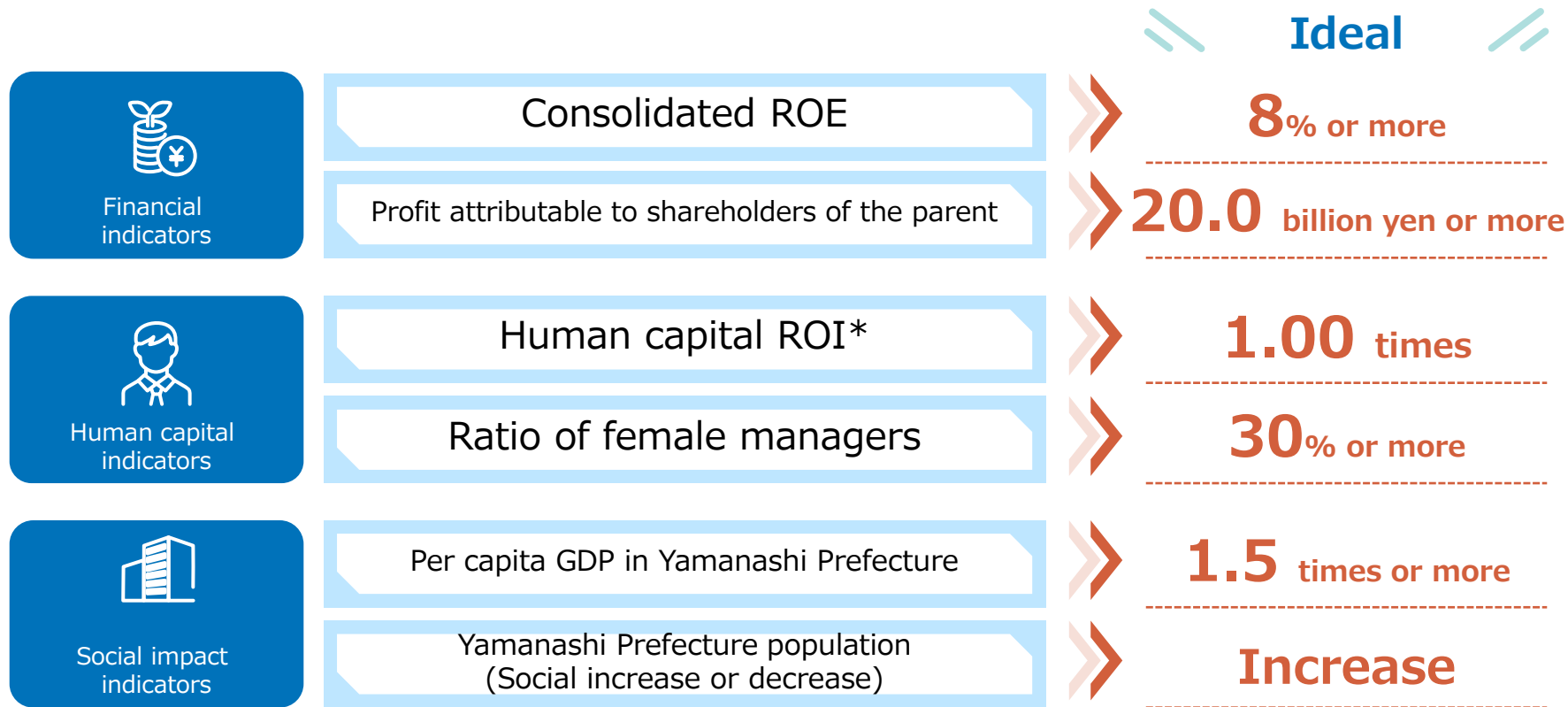
Shareholders and investors

Meet the expectations of shareholders and investors by increasing corporate value, while striving for timely and appropriate information disclosure and proactive dialogue

Future generations

Preserve a safe and secure environment for future generations by proactively working on new value creation for the region and climate change measures

Quantitative Targets



* Human capital ROI: Customer service business profit / Personnel cost

Medium-term Management Plan

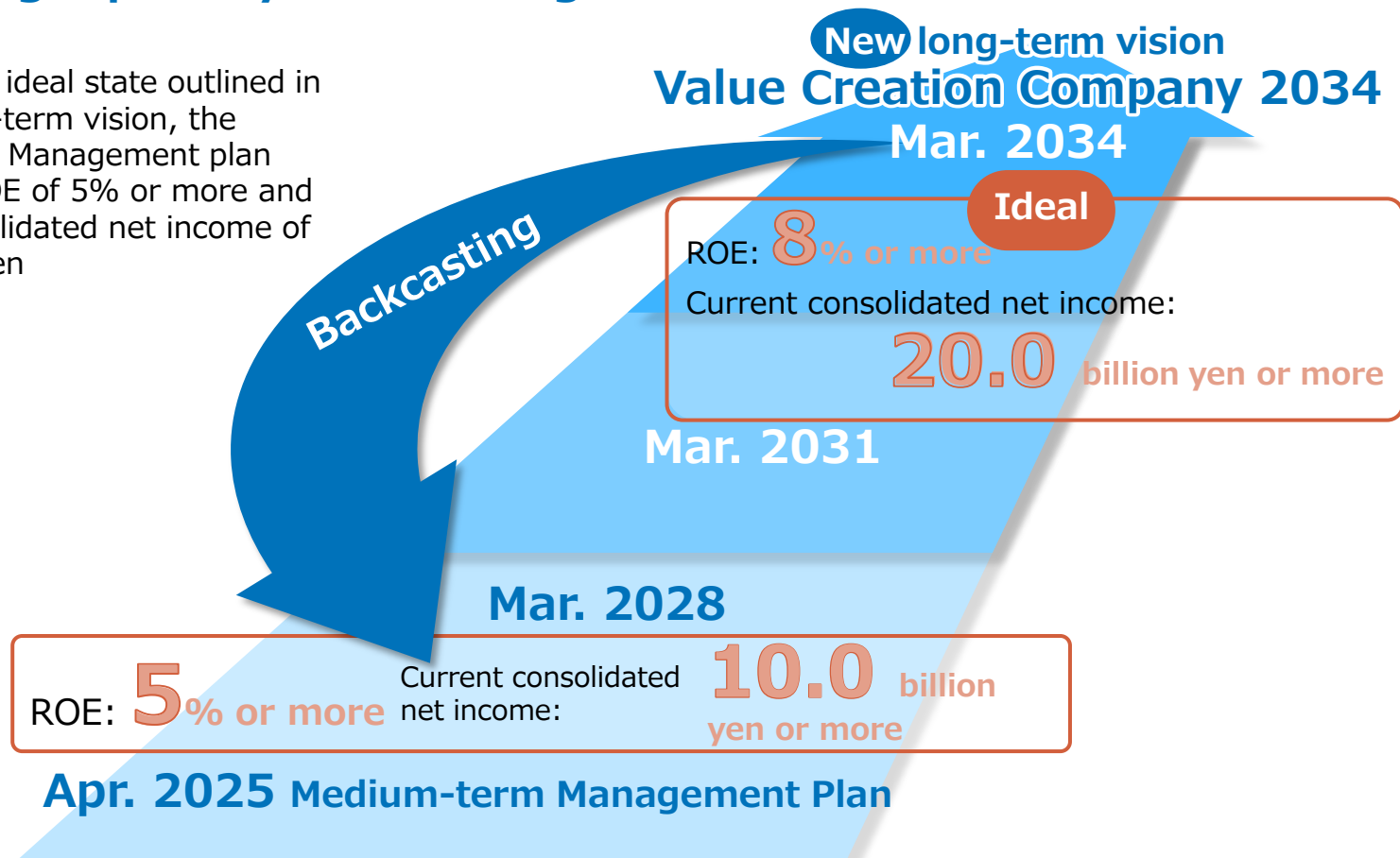
Value Creation Company: 1st Stage



Positioning of the Medium-term Management Plan

Formulating a plan by backcasting from the ideal state.

- ▶ To realize the ideal state outlined in the new long-term vision, the Medium-term Management plan targets an ROE of 5% or more and current consolidated net income of 10.0 billion yen



Overview of the Medium-term Management Plan (Structural Diagram)

After celebrating our 150th anniversary and completing the Value Creation Bank, we are moving on to the next stage

Value Creation Company: 1st Stage



Growth Strategy

- Yamanashi Resilience Strategy
- New Tokyo Strategy
- Company-wide Strategy

Fundamental Strategy

- Channel Strategy
- Productivity Improvement Strategy
- Governance Strategy

Human Resource Strategy

- Human Capital Strategy
- Engagement Improvement Strategy

Transformation drivers



* Corporate Transformation

Purpose
(significance of existence)

» “Open up a bright future from Yamanashi”

Quantitative Targets

■ Financial indicators ■

Item	FY2024 (Results)	FY2027 KPI
Consolidated ROE	3.56%	5% or more
Profit attributable to shareholders of the parent	7.6 billion yen	10.0 billion yen or more
OHR	64.0%	65% or less
Consolidated regulatory capital ratio	10.2%	9% level

■ Human capital indicators ■

Item	FY2024 (Results)	FY2027 KPI
Human capital ROI	0.31 times	0.50 times
Ratio of female managers	7.4%	10% or more
Ratio of female managers and supervisors*1	21.5%	30% or more
Engagement score	76.8*2	78.0 or more

*1 Supervisors: Responsible for approval stamping and performance evaluation of subordinates manager candidates (positions such as deputy branch managers, deputy section managers, etc.)

*2 Results of a survey conducted in October 2024

Quantitative Targets

■ Social impact indicators ■

Item	Results	FY2027 KPI
Tourism consumption in Yamanashi Prefecture	317.5 billion yen	550.0 billion yen
Manufacturing output in Yamanashi Prefecture	1,312.9 billion yen	1,600.0 billion yen
Number of venture and startup-related support cases* (3-year cumulative total)	-	500 cases
Number of financial education providers at the Bank (3-year cumulative total)	8,896 people (Cumulative total for FY2021 to FY2023)	12,000 people or more
CO ₂ emission reduction rate at the Bank (compared to 2013 level)	69.72%	85% reduction

* Number of venture and startup-related support cases:

Number of direct investments, investments by LP-backed funds, venture debt transactions, related events held, and business matchmaking introductions

[Results] Tourism consumption in 2023, manufacturing output in FY2021, and CO₂ emission reduction rate in FY2023 (target applies to Scope 1 and Scope 2 emissions)

Basic Strategy 1. Growth Strategy (1) Yamanashi Resilience Strategy



Growth Strategy

(1) Yamanashi Resilience Strategy

- (2) New Tokyo Strategy
- (3) Company-wide Strategy

Fundamental Strategy



- (1) Channel Strategy
- (2) Productivity Improvement Strategy
- (3) Governance Strategy

Human Resource Strategy



- (1) Human Capital Strategy
- (2) Engagement Improvement Strategy

Strategic challenges

(1) Yamanashi Resilience Strategy

① Support for corporate resilience

② Strengthening the consulting sales structure

③ Enhancing individual lifetime transactions

④ Maximizing information utilization between Yamanashi and Tokyo

⑤ Promoting the shift to cashless operations in communities

⑥ Independent urban development initiatives aimed at regional revitalization

⑦ Strengthening partnerships with local government bodies for regional co-creation

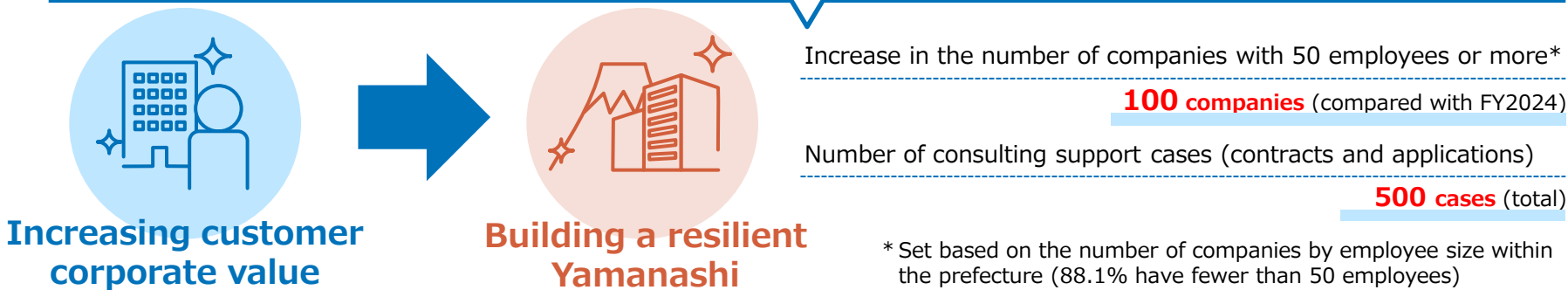
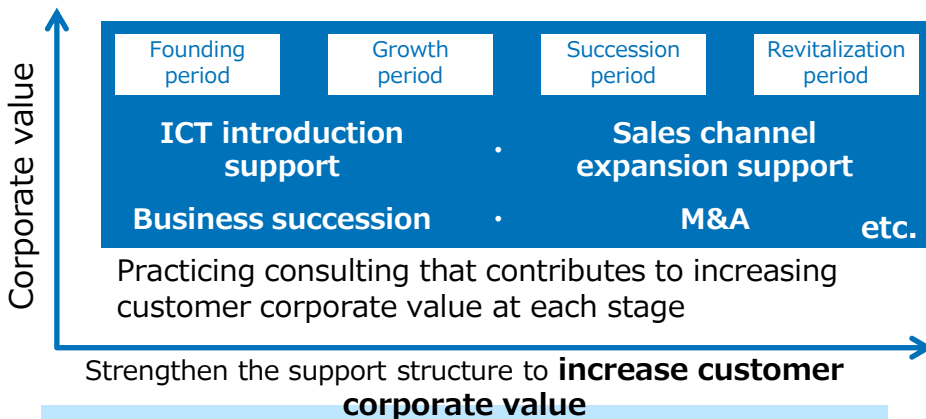
(2) New Tokyo Strategy

(3) Company-wide Strategy

(1) Support for corporate resilience (2) Strengthening the consulting sales structure

Support customers in increasing their corporate value **to increase the number of strong second-tier and SME companies.**

- ▶ Support the increase in corporate value through assistance, etc. for each life stage
- ▶ Strengthen the structure to meet diversifying customer needs

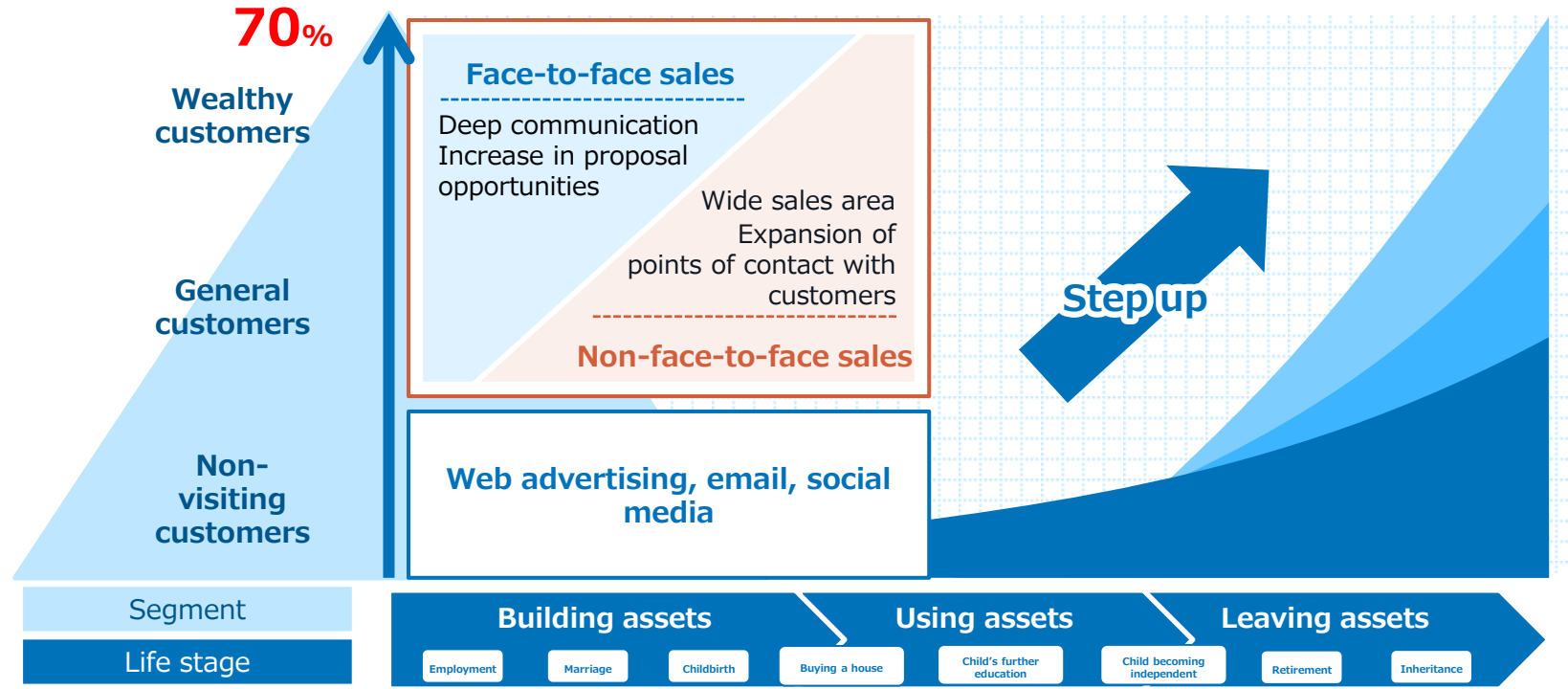


(3) Enhancing individual lifetime transactions

Increase customer assets through proposals for each life stage.

- ▶ Strengthen support for asset growth by expanding points of contact with customers and increasing proposal opportunities tailored to customer classes and life stages based on total assets

Percentage of people whose personal (financial) assets increased



(4) Maximizing information utilization between Yamanashi and Tokyo

Revitalize local economies by leveraging Tokyo's strengths through the creation of a new platform.

- ▶ Establish **Yamanashi-Tokyo Connect** to maximize the dissemination of Yamanashi-related information and the use of Tokyo-based information



Common items for Yamanashi and Tokyo

Amount of investment in Yamanashi through information sharing
between Yamanashi and Tokyo **30.0 billion yen** (total)

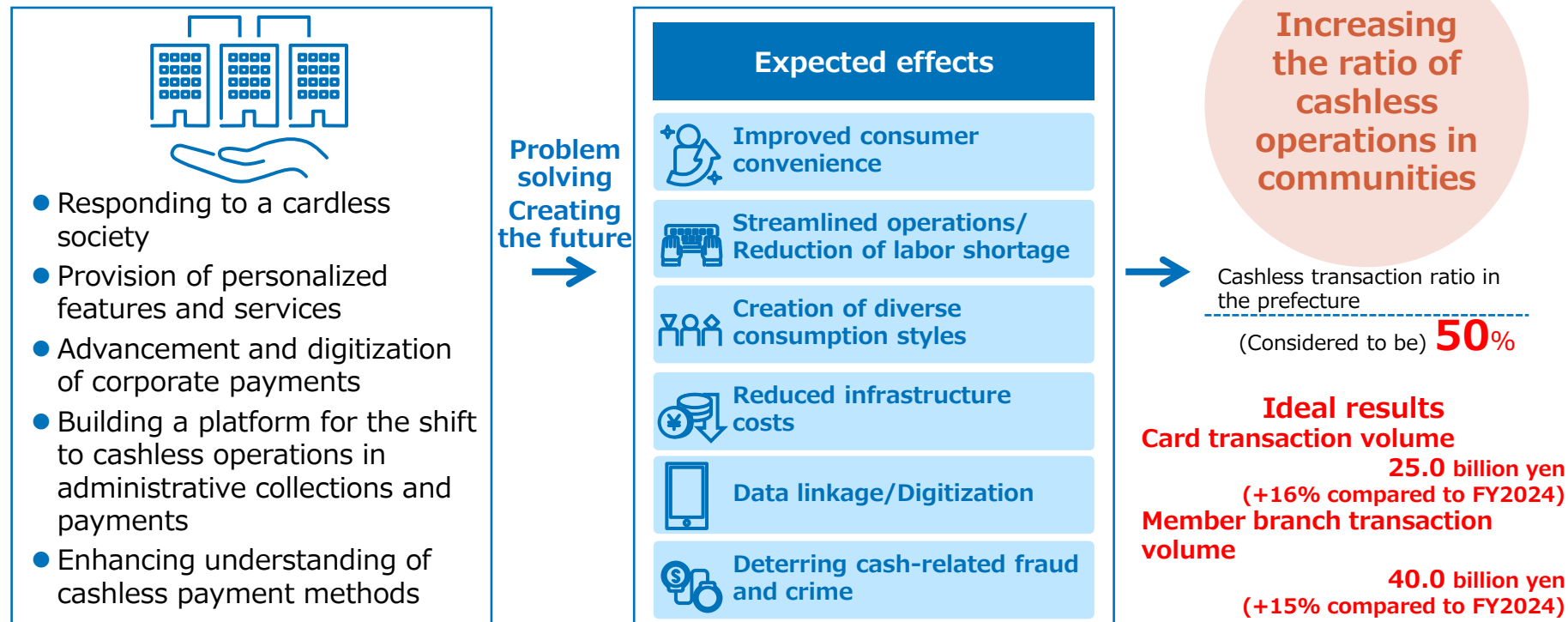
Number of transactions and collaborations with regional impact wealth, etc.
500 cases (total)

* Regional impact wealth, etc.: Wealthy customers or companies capable of significantly influencing regional communities

(5) Promoting the shift to cashless operations in communities

Increase revenue and enhance sticky deposits by shifting to cashless operations in communities.

- ▶ Establish a structure for progress in the shift to cashless operations in local communities



Work with local government bodies to drive positive change in the community.

Establishment of the Shinkansen Maglev Train Regional Creation Promotion project team



- Collaborate and consult with Yamanashi Prefecture, Kofu City, and other stakeholders involved in revitalizing urban development by taking advantage of the opening of the Shinkansen Maglev Line
- Support community revitalization by continuing to participate in development projects and urban development initiatives throughout Yamanashi Prefecture, in collaboration with local government bodies and other entities



Yamanashi Chugin Yamanashi Furusato Support Project

- Accumulate a track record of solving problems through insourcing, etc., in collaboration with local government bodies
- Enhance support programs based on feedback and needs identified through proposal activities

Yamanashi City promotion



Support efforts to streamline operations and stabilize finances

- Propose local government DX support initiatives aimed at digitizing resident services and streamlining operations
- Provide support for switching to a fee-based service and rationalization of the collection and payment agent service by simultaneously implementing the 2024 slip-less and cashless payment promotion project in Yamanashi Prefecture

Slip-less and cashless payment promotion project



Basic Strategy 1. Growth Strategy (2) New Tokyo Strategy



Growth Strategy

(1) Yamanashi Resilience Strategy

(2) New Tokyo Strategy

(3) Company-wide Strategy



Fundamental Strategy

(1) Channel Strategy

(2) Productivity Improvement Strategy

(3) Governance Strategy



Human Resource Strategy

(1) Human Capital Strategy

(2) Engagement Improvement Strategy



Strategic challenges

(2) New Tokyo Strategy

① Strengthening initiatives for second-tier and SME companies based on a clear strategic domain

② Strengthening the wealth business

③ Strengthening support for IT-related, venture, and startup companies

④ Deepening network sales and establishing a promotion structure in Tokyo

(1) Yamanashi Resilience Strategy

(3) Company-wide Strategy

Further strengthen transactions for second-tier and SME companies.

- ▶ Reinforce efforts to promote support for more clearly defined target customers, with a focus on the industries the Bank has traditionally engaged with
- ▶ For key industries, while closely monitoring industry trends and sharing the challenges faced by each company, **comprehensively expand transactions by proposing and supporting solutions across both financial and non-financial areas**

Real estate

- Boost lending, as it is easily linked to deposit transactions and is highly compatible with the wealth business
- Utilize the Real Estate Market Council* to formulate response policies for each category



Manufacturing

- Given its significant contribution to the regional economy, the Bank aims to expand transactions by leveraging its Tokyo-area network and envisions attracting factories to Yamanashi Prefecture
- Strengthen initiatives to expand transactions by refining our grasp of supply chains and commercial distribution



Medical care

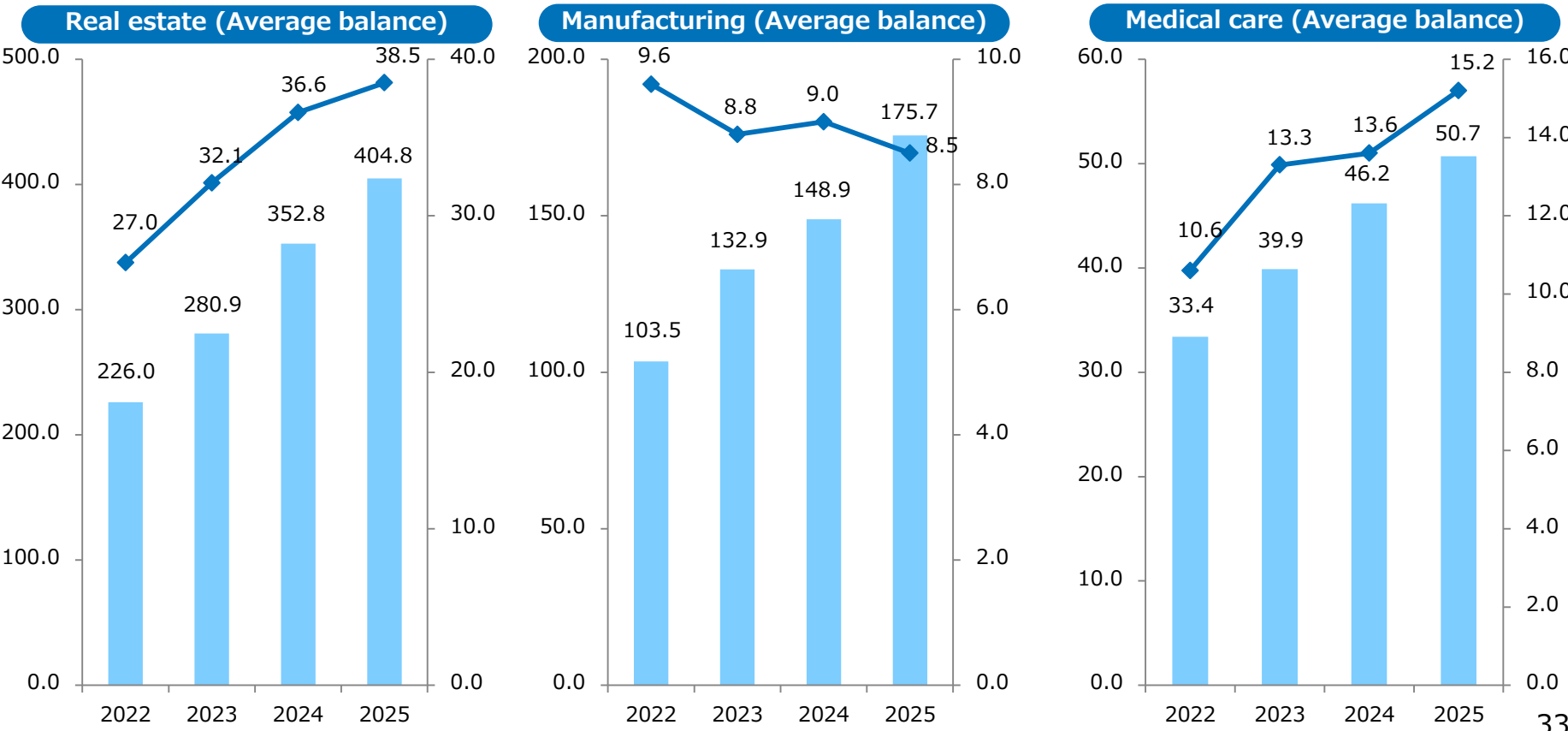
- Expand transactions with medical institutions and connect this to increased deposit transactions and enhanced services for individual doctors
- Encourage existing customers to share their management issues with us, conduct consulting, and strengthen business succession and M&A measures in light of more stringent requirements for opening business



* Real Estate Market Council: Meetings of the council are held to share information on real estate market conditions across the entire Bank and to determine the direction of lending to the real estate industry. It is composed of the responsible directors, Sales, and Administration divisions

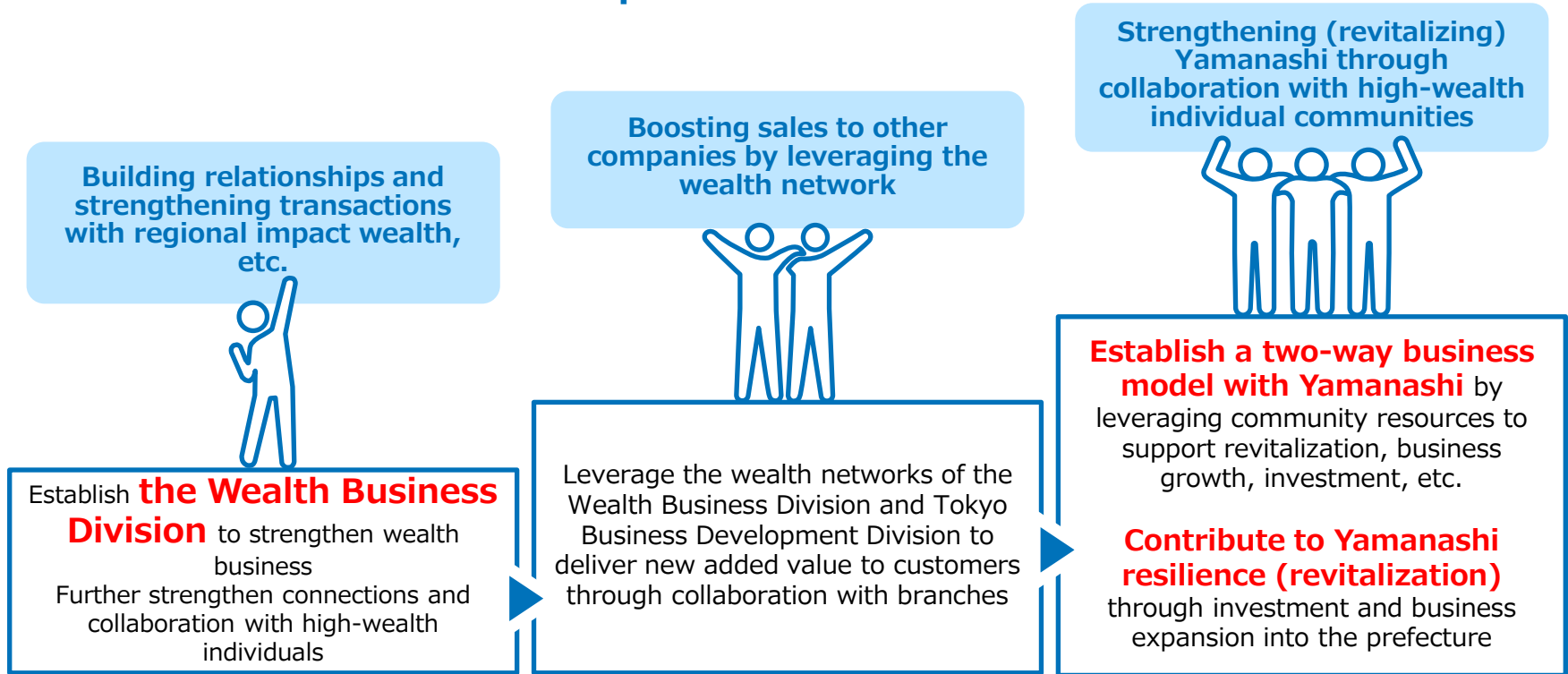
Loan and deposit trends in key industries (Tokyo area)

Loans Deposits Unit: ¥ billion



(2) Strengthening the wealth business

Provide new added value to expand wealth transactions.



Loan amount: Approximately 60.0 billion yen over the last three years

Examples of initiatives: We attracted sponsors for sports events in the prefecture
As a measure to address vacant houses, we introduced properties to high-wealth individuals in Tokyo and opened facilities to attract customers

(3) Strengthening support for IT-related, venture, and startup companies

Secure new revenue sources and support the growth of regional companies through the Startup Coordination Office.

Boosting ties with AI-related, entertainment, and creative business operators

- In response to various changes, continue identifying regional impact companies with the potential to become new content providers
- Leverage inner circles to provide new value to communities and existing customers



Strengthening support for venture and startup companies

- Establish a **Startup Coordination Office** within the newly established Tokyo Strategy Head Office

Equity investment

- LP investment
- Individual (proprietary) investment
- Establishment of a dedicated investment subsidiary to support early-stage companies

Venture debt

- Providing growth capital for venture and startup companies
- Achieving capital gains by increasing corporate value through support for company growth

Business matching

- Providing points of contact between venture and startup companies and companies in Yamanashi Prefecture
- Introduction of overseas expansion through collaboration with global venture companies

New industry creation

- Creation of new businesses in collaboration with the Yamanashi Chuo Bank Group
- Commercialization of research seeds from universities and companies within the prefecture
- Support for venture and startup companies in collaboration with the prefecture and municipalities

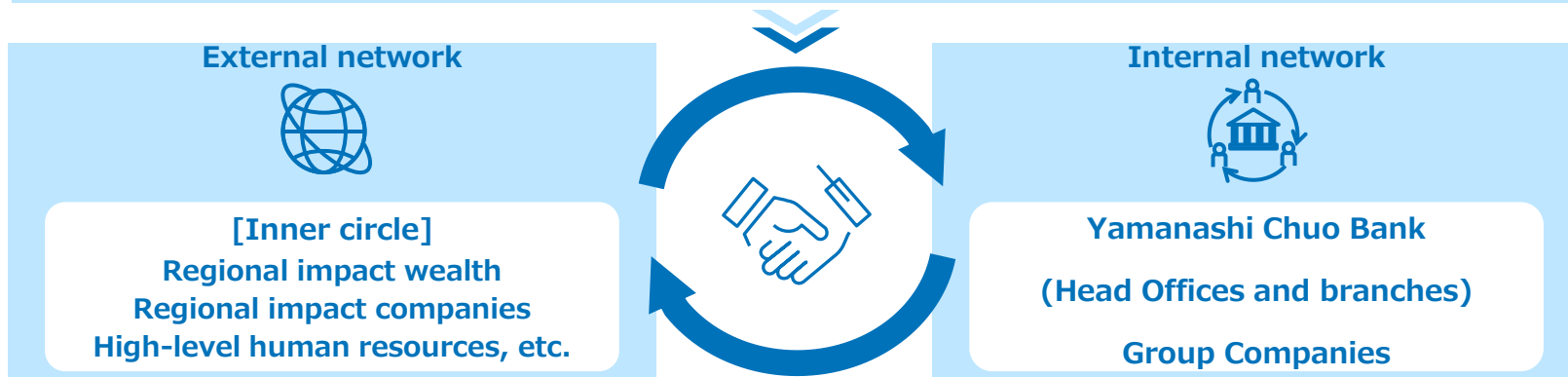
(4) Deepening network sales and establishing a promotion structure in Tokyo

Leverage diverse networks to create new revenue opportunities.

Strengthening the points of contact with new customers, advancing problem solving sales, and diversifying financing methods

Establishing a **Tokyo Strategy Head Office** to build a sales promotion structure within Tokyo

- The two regional head offices in Tokyo (Tokyo 1st region and Tokyo 2nd region) will be integrated into the Tokyo Strategy Head Office to speed up decision-making, strengthen information coordination, and enhance coordination with the Yamanashi Resilience Strategy
- Under the Tokyo Strategy Head Office, the Tokyo Business Development Division, Wealth Business Division, Startup Coordination Office, and Tokyo branches are established to create revenue opportunities by leveraging diverse networks



Target average loan balance in Tokyo **1,570.0 billion yen**

Target average deposit balance in Tokyo **455.0 billion yen**

Basic Strategy 1. Growth Strategy (3) Company-wide Strategy



Growth Strategy

- (1) Yamanashi Resilience Strategy
- (2) New Tokyo Strategy

(3) Company-wide Strategy



Fundamental Strategy

- (1) Channel Strategy
- (2) Productivity Improvement Strategy
- (3) Governance Strategy



Human Resource Strategy

- (1) Human Capital Strategy
- (2) Engagement Improvement Strategy

Strategic challenges

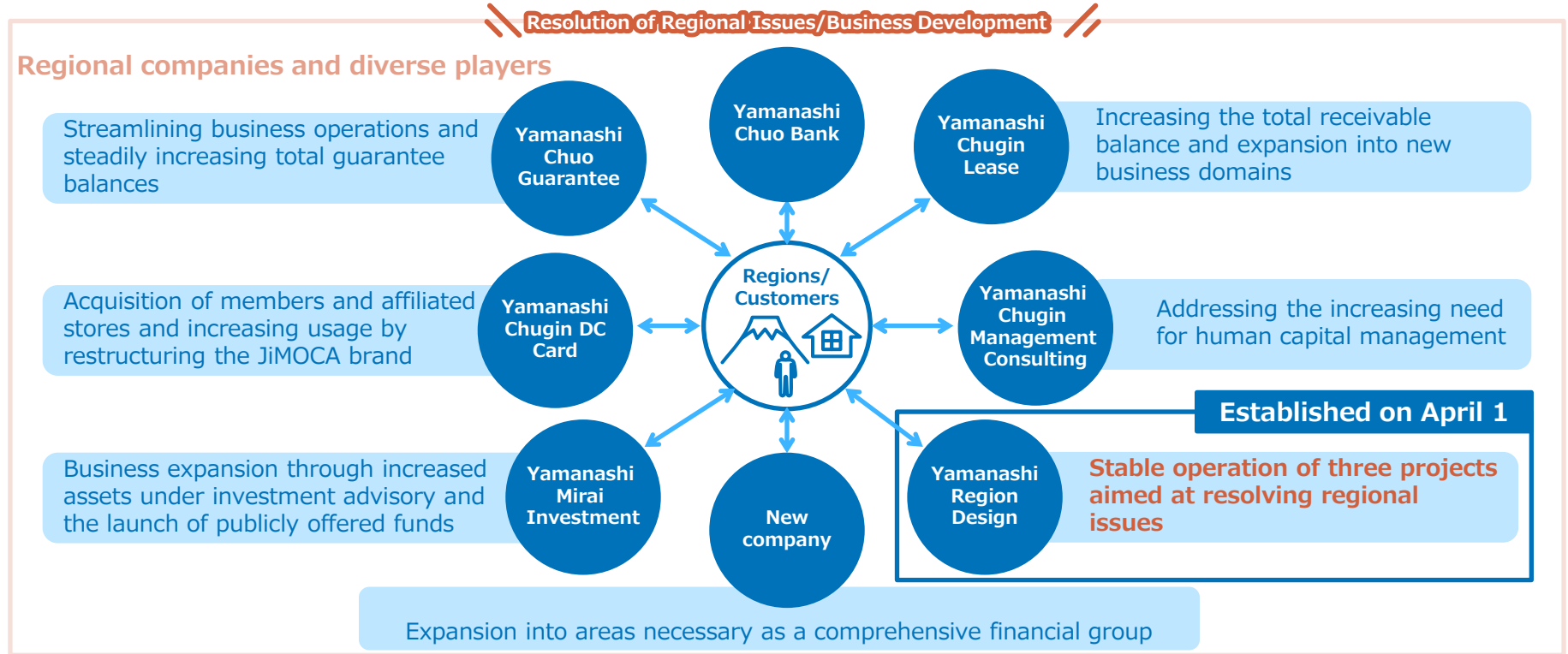
(3) Company-wide Strategy

- ① Strengthening group companies and business development in order to secure new revenue sources
- ② Establishment of a revenue base for head offices
- ③ Strengthening market operations

(1) Yamanashi Resilience Strategy

(2) New Tokyo Strategy

Maximize group synergy through collaboration with diverse players.



Total net income of group companies

1.0 billion yen (+44% increase compared to FY2024)

Number of business development and consultation projects aimed at solving regional problems

30 cases (total)

Basic Strategy 1. Growth Strategy (3) Company-Wide Strategy Initiatives of Yamanashi Region Design Co., Ltd.

Yamanashi Region Design Co., Ltd., a regional general trading company committed to solving local problems established.



Yamanashi Region Design Co., Ltd.

Tourism value-creation business

Registration as a Type II Travel Business and tour planning



Tours in collaboration with Asuka II



Decarbonization-related business

Utilization of renewable energy



Providing PPA



Considering acquiring renewable energy sources

Advertising and marketing business

Support for social media management for local government bodies



Leaflet design

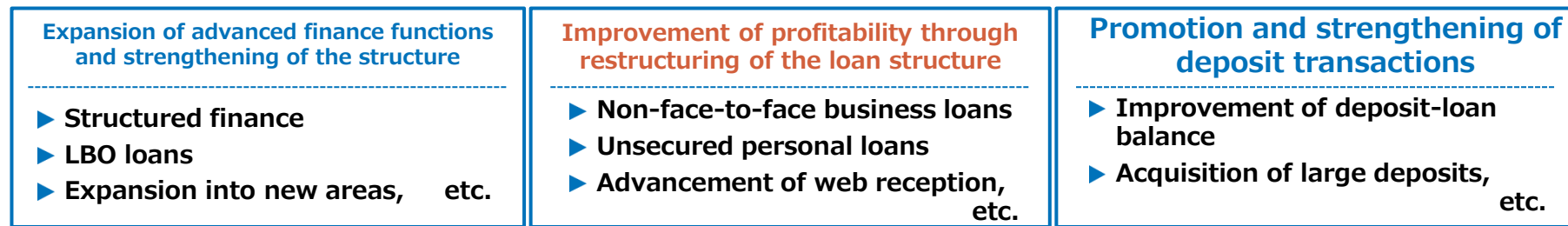


Production of PR videos

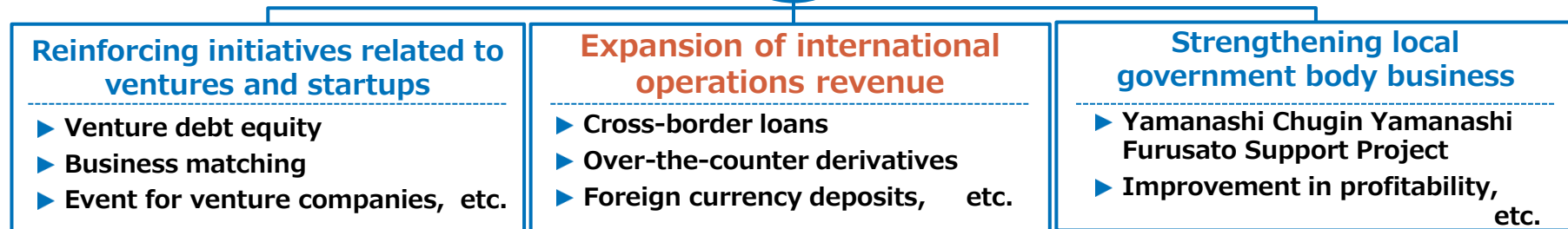


(2) Establishment of a revenue base for head offices

Secure a new revenue base and strengthen the promotion structure.



Establishment of a revenue base for head offices



Revenue from fee and commission income from advanced financing techniques **¥1.5 bn** (year)

Interest income on unsecured loans **¥1.3 bn** (year)

Number of ventures and startups receiving investment or loans* **100 projects** (total)

Average total deposit balance **¥3,900.0 bn**

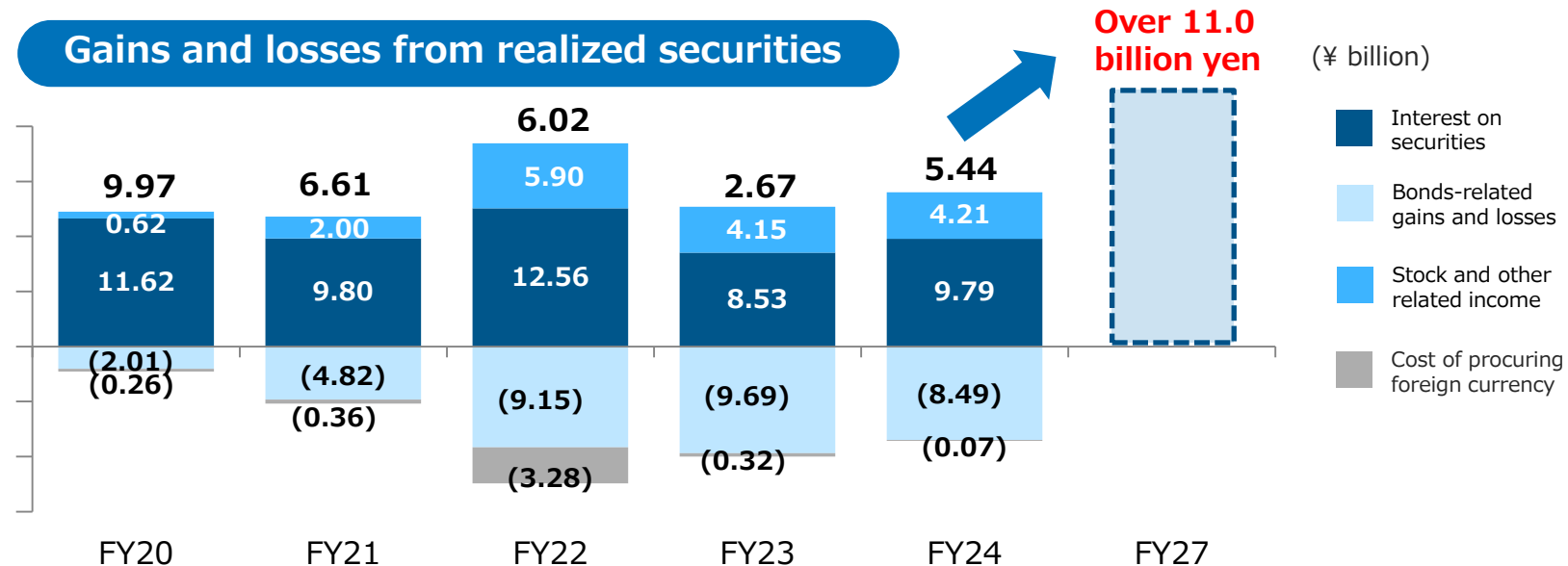
International operations revenue **¥0.8 bn**

* Including investments from LP investees

(3) Strengthening market operations

Enhance portfolio management to achieve KPIs.

- ▶ Enhance portfolio management to achieve the KPI of realizing over 11.0 billion yen in securities gains in FY2027
- ▶ Set a basic portfolio as a guideline for medium- to long-term (approximately 3 to 5 years) portfolio composition, and enhance fundamental earning power by increasing interest income (yield) on securities
- ▶ Utilize Yamanashi Mirai Investment's investment advice and controlling allocation according to market conditions **to improve appraisal gains (losses) on securities and bond and stock and other related income**



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

Basic Strategy 2. Fundamental Strategy (1) Channel Strategy



Growth Strategy

- (1) Yamanashi Resilience Strategy
- (2) New Tokyo Strategy
- (3) Company-wide Strategy

Fundamental Strategy

(1) Channel Strategy

- (2) Productivity Improvement Strategy
- (3) Governance Strategy

Human Resource Strategy

- (1) Human Capital Strategy
- (2) Engagement Improvement Strategy



Strategic challenges

(1) Channel Strategy

- ① **Strengthening and expanding real channels tailored to customer needs**
- ② **Increasing digital channels**
- ③ **Strengthening insight sales and developing communication infrastructure**

(2) Productivity Improvement Strategy

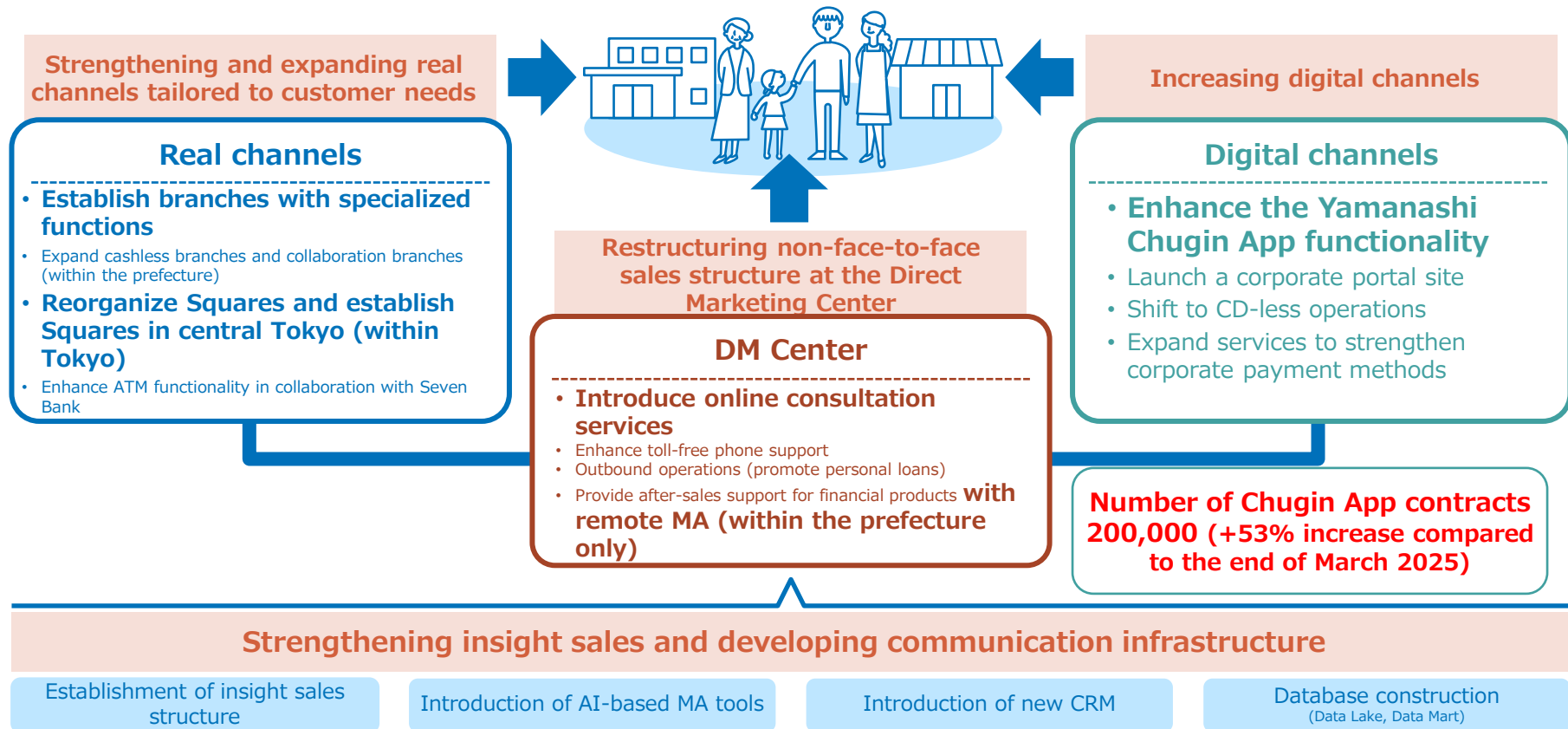
- ① Restructuring head office operations and strengthening the centralized head office operations structure
- ② Improving branch operation efficiency

(3) Governance Strategy

- ① Restructuring group governance and strengthening structures
- ② Strengthening initiatives to improve corporate value
- ③ Strengthening efforts to address climate change in the region

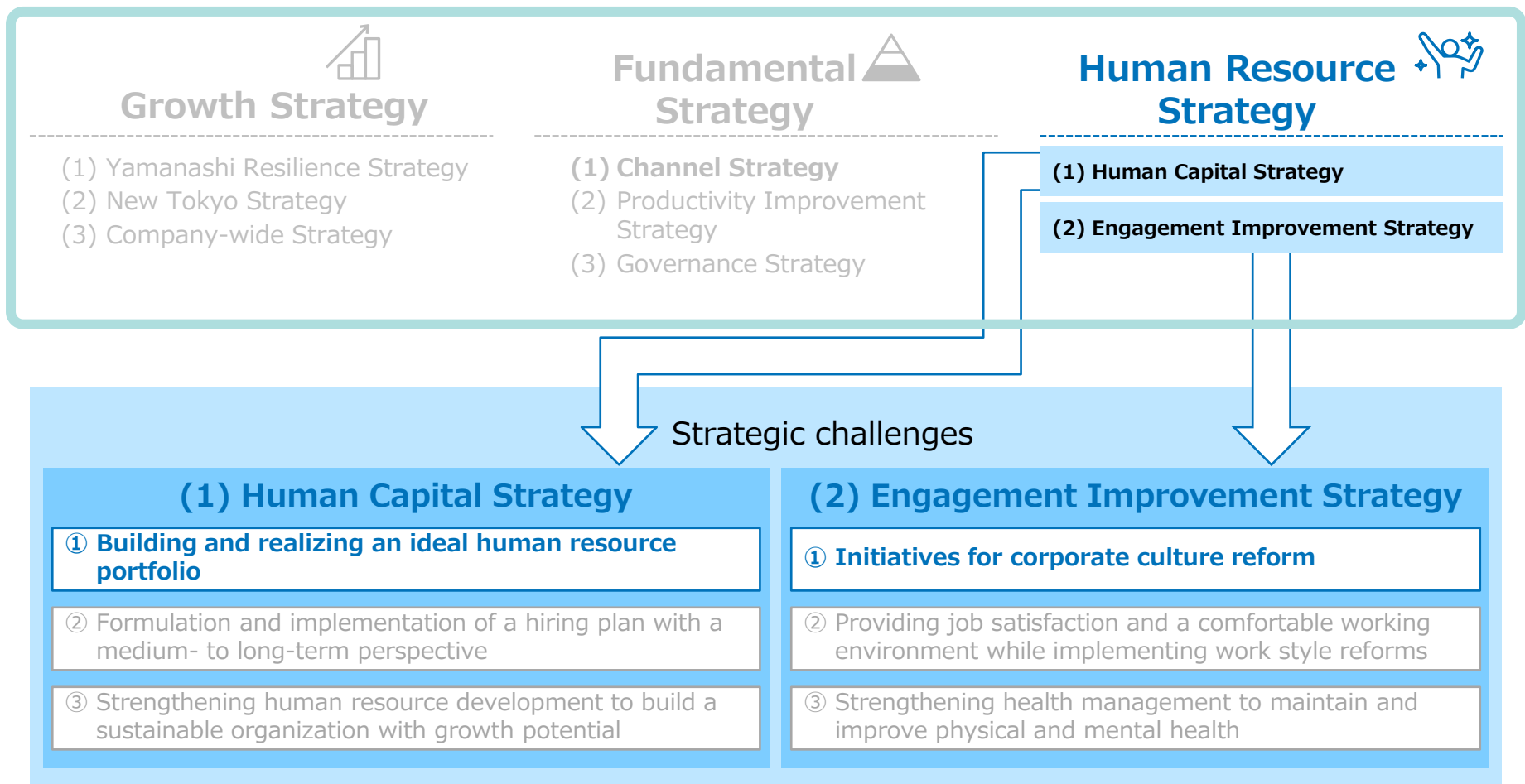
(1) Channel Strategy

Build a hybrid sales structure through channel integration and strengthen insight sales.



Basic Strategy 3. Human Resource Strategy

(1) Human Capital Strategy (2) Engagement Improvement Strategy

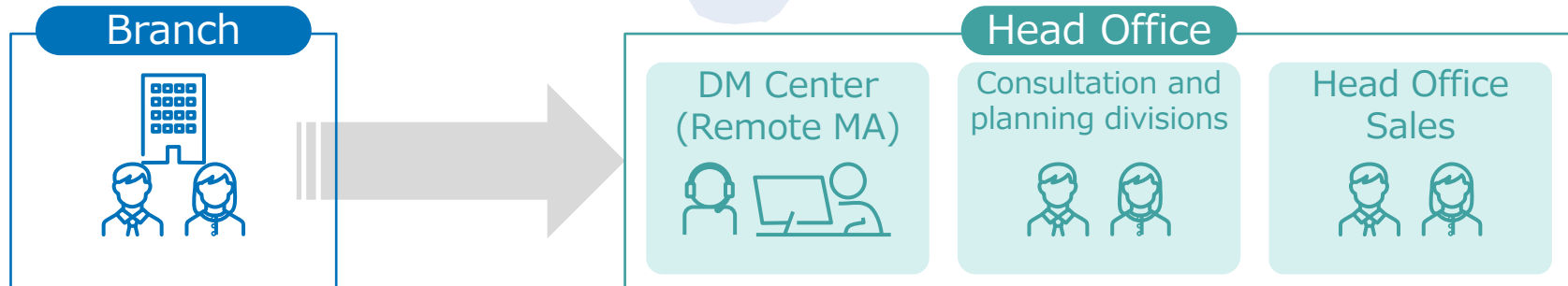
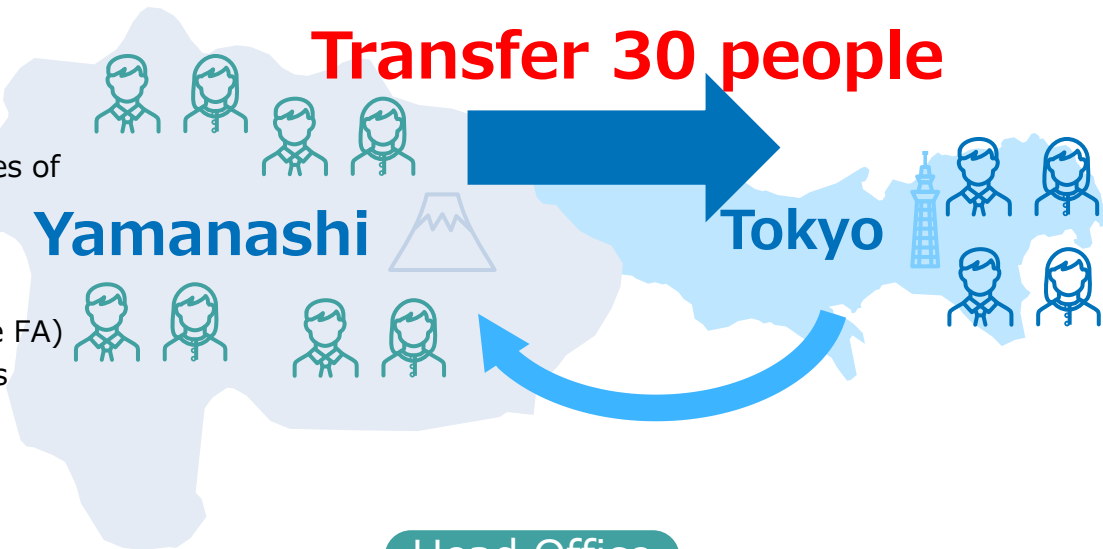


(1) Building and realizing an ideal human resource portfolio

Shift human resources to Tokyo and non-face-to-face sales (remote MA).

Main personnel allocation

- ▶ **Transfer 30 personnel** from the prefecture to Tokyo
Shift some highly skilled human resources from Tokyo to the prefecture and build the capabilities of human resources in the prefecture
- ▶ **20 people to non-face-to-face sales (remote MA)**
- ▶ 10 people to the Head Office Sales (Head Office FA)
- ▶ 45 people to consultation and planning divisions



(1) Initiatives for corporate culture reform

Utilize surveys to help employees fully demonstrate their abilities and increase motivation.

Conduct surveys

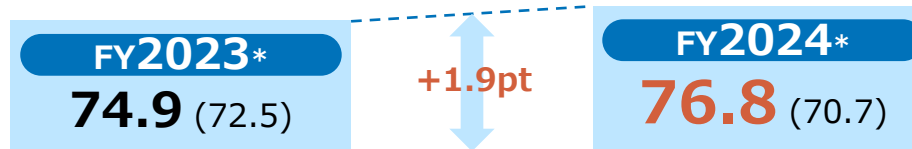
- October 2023: First survey conducted
- October 2024: Second survey conducted

Implement improvement measures

- Group training sessions held as an improvement measure

Analyze and identify issues

- Identified internal issues and considered improvement measures



* Figures in parentheses represent company averages based on the same survey.

(1) Initiatives for corporate culture reform (Value)

Instill shared values by establishing values.

Integrity



We engage with everything sincerely

- We will continue to act with integrity toward our stakeholders, colleagues, families, and ourselves
- We value dialogue and build relationships based on mutual trust
- We recognize our role as a public institution and act with a sense of ethics

Speed and independent action



We always strive to act swiftly and proactively

- We maintain constant awareness of problems, identify issues, and respond quickly to resolve them
- We will enhance our sensitivity to information and provide value that only the Yamanashi Chuo Bank Group can offer, exceeding the expectations of our stakeholders

Teamwork



We leverage our teamwork to grow alongside the community

- We strive to improve team performance by bringing together individual personalities and abilities
- We will expand our network with customers as a regional hub (center)
- We will strengthen cooperation with various players who share the same goals and aspirations

Taking on challenges with passion



We are passionate about challenging new fields

- We will take on challenges with an open mind, without fear of change or failure
- We value passion and curiosity
- We envision a sustainable future through innovation

Professionalism



We take pride in our professionalism and carry out our work responsibly

- We will create value that meets customer needs and support their sustainable growth
- We will maintain a continuous learning mindset and proactively grow ourselves
- With a sense of ownership, we will do our best in the tasks we can handle now, while pursuing advanced skills and high productivity

(1) Initiatives for corporate culture reform

Business operation policy for FY2024

"FUN@BANK — Have Fun with Banking! Make Banking Fun!"



Business operation policy for FY2025 1H

Unity!



Advancing to a New Stage with Deeper Reform and Value Creation

- In FY2025, we will prioritize fostering **a sense of unity** within the Bank and further advance cultural reform

Four Transformation Drivers

Alliance Transformation

Pursue the development of sustainable business models and the advancement of value creation through alliances with external parties



In addition to the Fuji-Alps Alliance, we will contribute to the region's sustainable growth through collaboration and partnerships with a diverse range of stakeholders

Digital Transformation

Drive fundamental business model transformation and secure competitive advantage through the use of data and digital technologies



By leveraging the DX human resources cultivated through the Medium-term Management Plan "TRANS³2025," we will accelerate digital transformation within the Yamanashi Chuo Bank Group and across the region

Corporate Transformation

As the business environment continues to change rapidly, we will respond through organizational reform and develop the ability to continuously transform ourselves



Contribute to improving business productivity, human resource development, and ensuring business continuity

Green Transformation

Responding to the climate change problem by shifting energy structures and reforming the entire socio-economic system to achieve a decarbonized society is a shared global challenge and a key issue for all business operators



Cross-sector initiatives are vital, and we are committed to leading the regional economy

Four
Transformation
Drivers



Four Transformation Drivers (DX: Digital Transformation)

Regional
DX

Productivity
improvement

Personnel
streamlining

Offense



- Accelerating DX support for local communities and customers
- Expanding collaboration on regional platforms

Defense



- Utilization of IT technology optimized for the purpose of transformation (data, generative AI, BA/BI, RPA, etc.)

Support



- Enhancement and utilization of DX human resources (Shift from quantity to quality)
- Strategic allocation of IT resources



Evolution of DX for the local community, customers, and the Group

- **External sale of internally developed systems** 24 cases
- Strengthening of the **ICT consulting** efforts in collaboration with Cybozu and freee
Number of cases handled: 467
- Participation in the Yamanashi DX Promotion Community

- Rollout of a dedicated Chat GPT system for Yamanashi Chuo Bank
- **Formulation of a Cyber Security Management Declaration**
- **Utilization of generative AI to improve productivity**

• **DX human resource development (FY2022 to FY2024)**

Professional human resources (Advanced)	+34 people
DX Managers (Intermediate)	+126 people
DX Planners (Elementary)	+522 people

- **Introduction of communication tools such as M365**
- **Introduction of CRM for a new sales structure**

Four Transformation Drivers (GX: Green Transformation)

Taking the lead in the region toward achieving carbon neutrality

Reduction of **85%** or more compared to FY2013 (FY2027)

CO₂ emission
reduction at
the Bank



Introduction of CO₂-free electricity
generated at the Yamanashi
Prefectural Hydroelectric Power Plant



Demonstration experiment of PPA method



Realization of carbon neutrality at
ATMs outside branches



Toward Increasing Corporate Value



Value Creation Company 2034: Roadmap

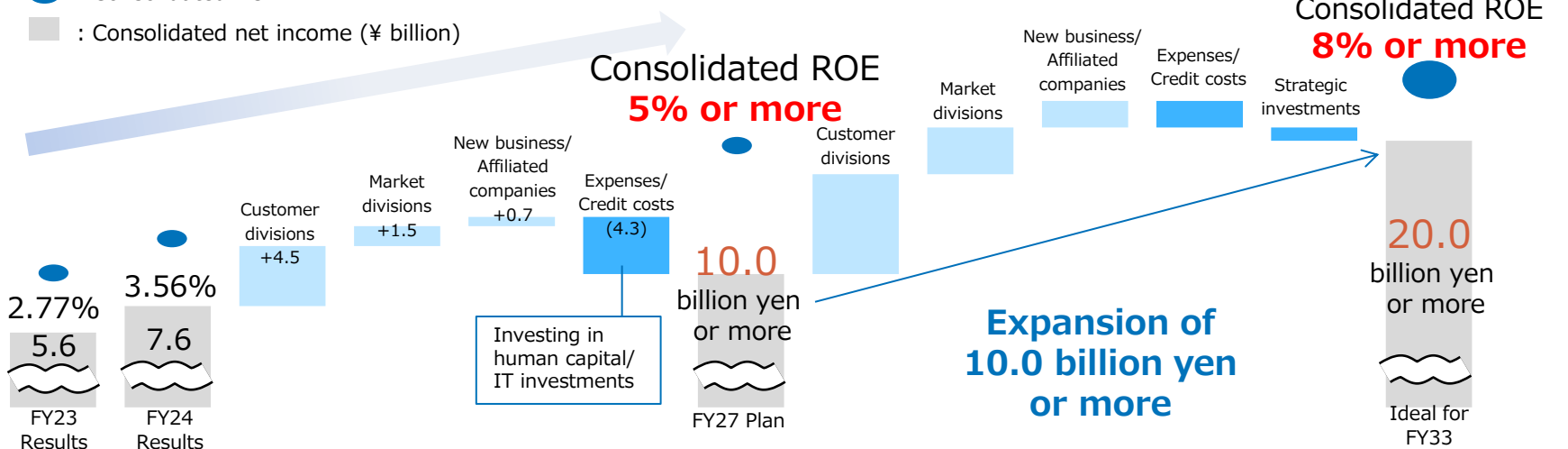
Capital-cost conscious management initiatives

1st Stage

- Increase revenue through information sharing between Yamanashi and Tokyo
- Establish a revenue base for the head office through capital market investment, head office lending, etc.
- Work to enhance earnings and promote new business development among Group companies
- Promote DX investment and human capital investment

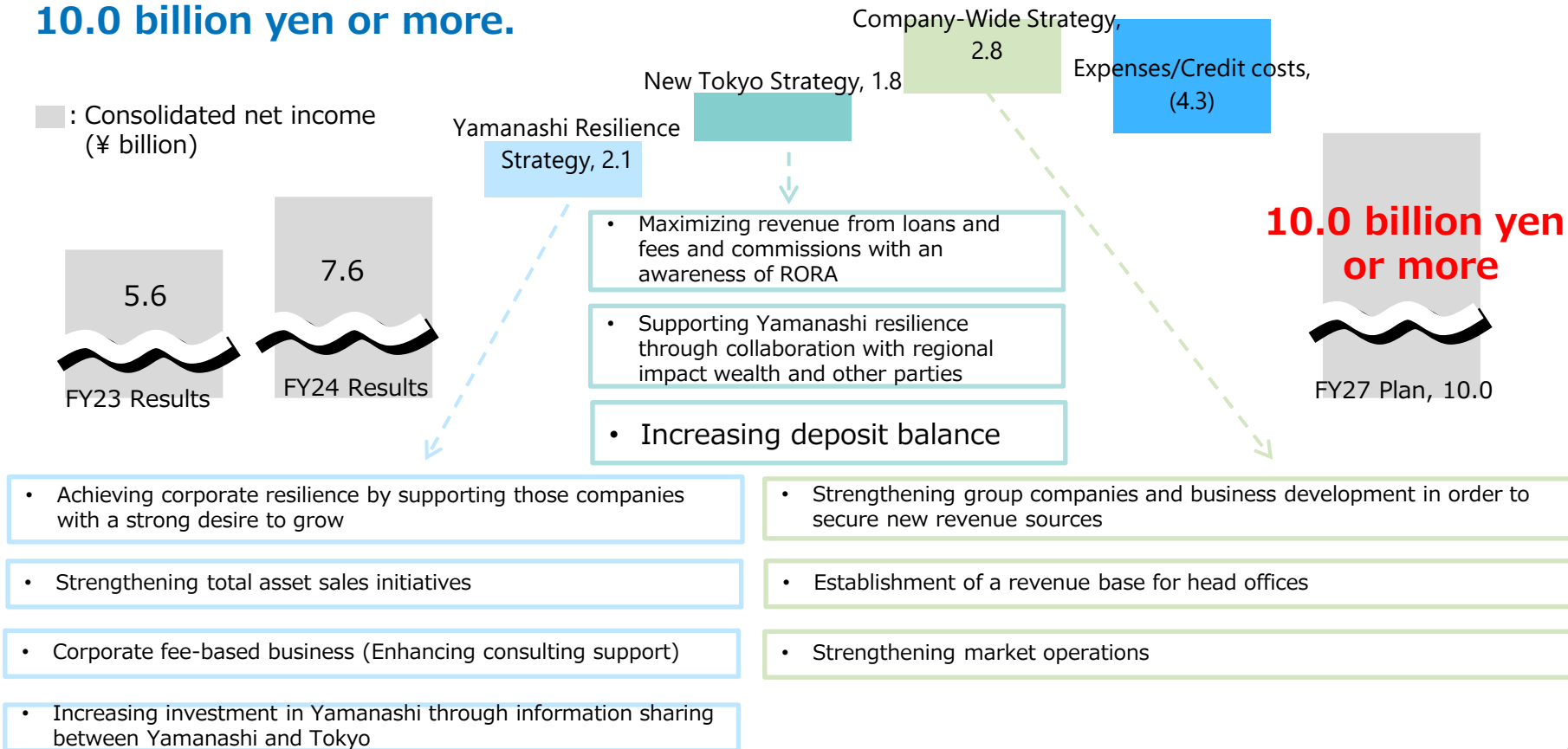
● : Consolidated ROE

■ : Consolidated net income (¥ billion)



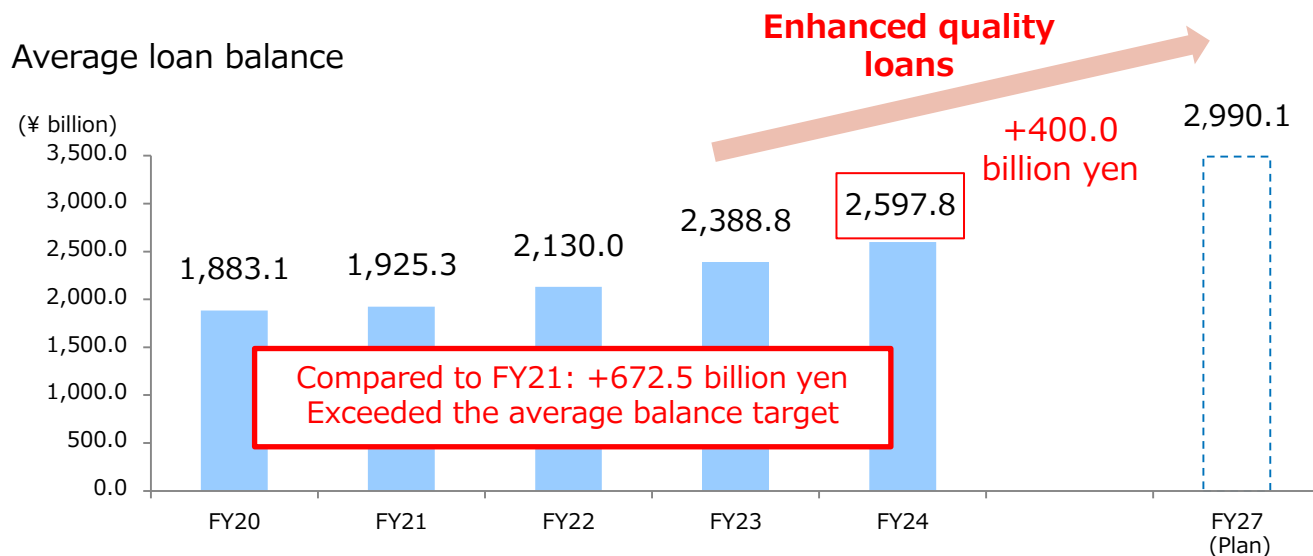
Roadmap toward Achieving Consolidated Net

Steadily execute each strategy and achieve consolidated net income of 10.0 billion yen or more.



■ Top-line growth through increases in interest on loans drives Bank growth.

- Transformation into an organization focused on increasing profitability by balancing profit, risk-taking, and regulatory capital
- **Reconstruction of the loan portfolio by increasing high-quality loans with RORA in mind**
- Formal introduction of the capital profitability indicator “RORA” as a standard for loan interest rate judgment and decision-making



Toward Increasing Corporate Value

Impact of Rising Interest Rates

Rising interest rates have a positive impact on the top line.

	FY2025	FY2026	FY2027
(1) Increase in interest on loans	¥1.8 bn	¥8.0 bn	¥9.5 bn
(2) Increase in interest on deposits	¥1.8 bn	¥6.5 bn	¥7.3 bn
(3) Increase in interest on BOJ current account deposits (after deducting borrowings from BOJ)	¥0.1 bn	¥0.6 bn	¥0.3 bn
(4) Increase in interest income ((1) – (2)+(3))	¥0.1 bn	¥2.2 bn	¥2.4 bn



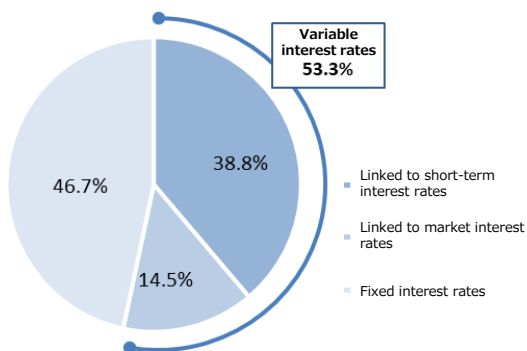
**Total increase over
3 years
Approx.
4.8 billion yen**

Assumption: Estimated increase in interest income if the policy rate rises by 50 basis points (25 basis points in September 2025 and another 25 basis points in March 2026).

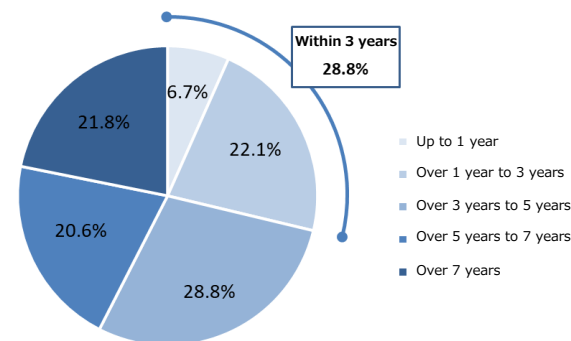
The balance reflects the planned figure in the Medium-term Management Plan

- Loans with variable interest rates: 53%; fixed interest rates loans within 3 years: 28%

Composition by base rate



Fixed interest rate breakdown



Toward Increasing Corporate Value

RORA by Category

Initiatives to improve RORA for enhanced profitability

Establishment of a revenue base through the New Tokyo Strategy

- Expanding transactions for second-tier and SME companies based on clear strategic domains (real estate, manufacturing, and medical care)
- Strengthening the wealth business [Building relationships and strengthening transactions with high-wealth individuals]
- Strengthening support for startup companies

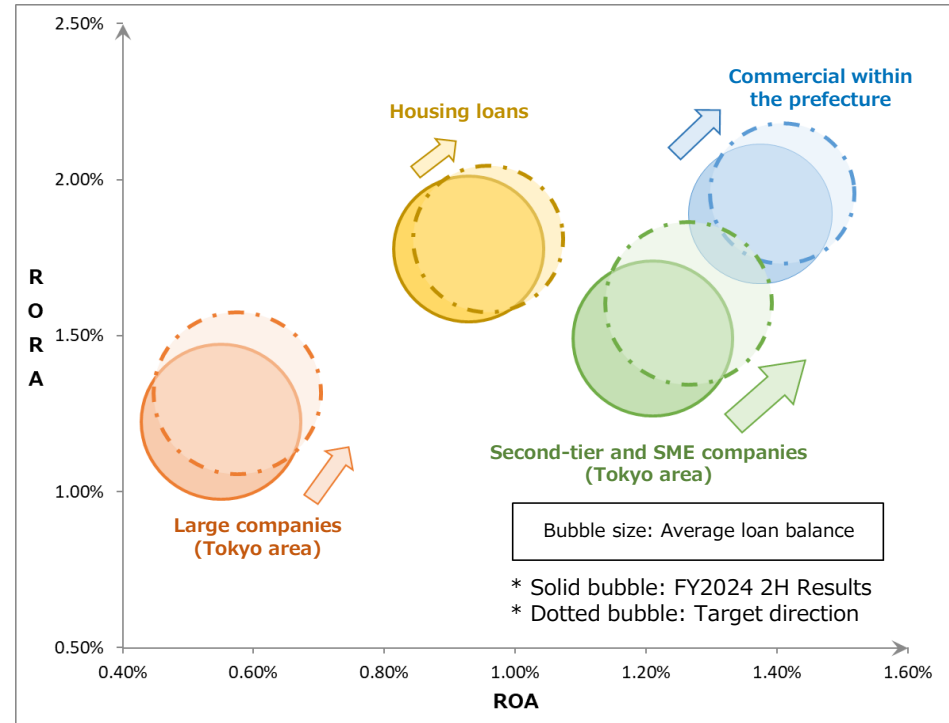
Expansion of risk assets and improvement in RORA (+20 to +30 bp) in the Tokyo area, which is the Bank's second core market after the prefecture

Early achievement of **“ROE of 5% or more”**

Early achievement in “Value Creation Company: 1st Stage”

Achieve **“ROE of 8%”** in March 20234

[RORA by category]



Balanced use of capital for sustainable growth

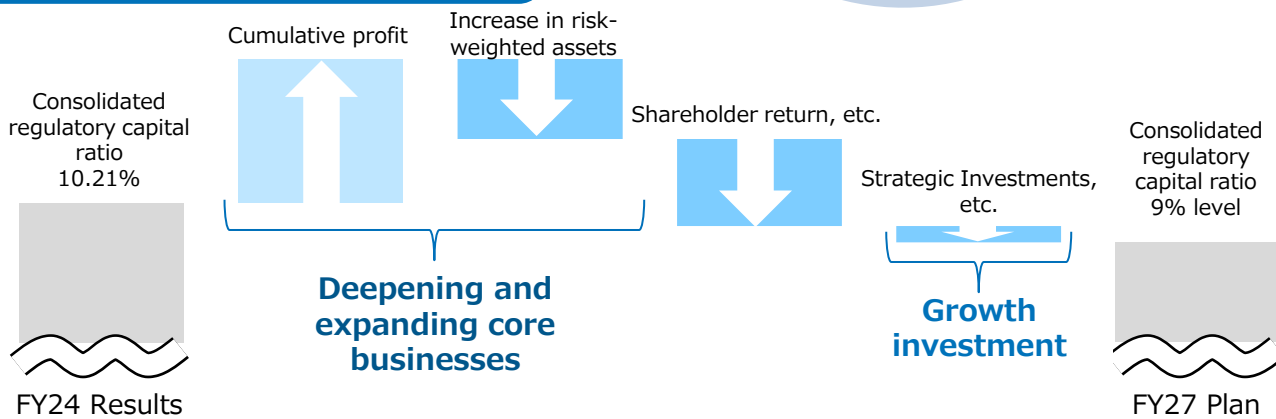
- We aim to maintain dividends at approximately 40% of profit attributable to owners of the parent
- We will take a flexible and agile approach to acquisition of own shares

- New business investments (Yamanashi Mirai Investment, Yamanashi Region Design, etc.)
- Investments in human capital (Improving employment terms and conditions, reskilling, development of expert, hiring mid-career professionals, etc.)
- Investment in DX promotion (building data analysis infrastructure, zero trust security, expanding digital services, operational reform support, etc.)



- Preparation for a smooth supply of funds
- Strengthening of loans and securities
- Strategic investment in subsidiaries

Example of capital allocation



Toward Increasing Corporate Value

Shareholder Return Policy

To further enhance shareholder returns, we will review our dividend payout ratio.

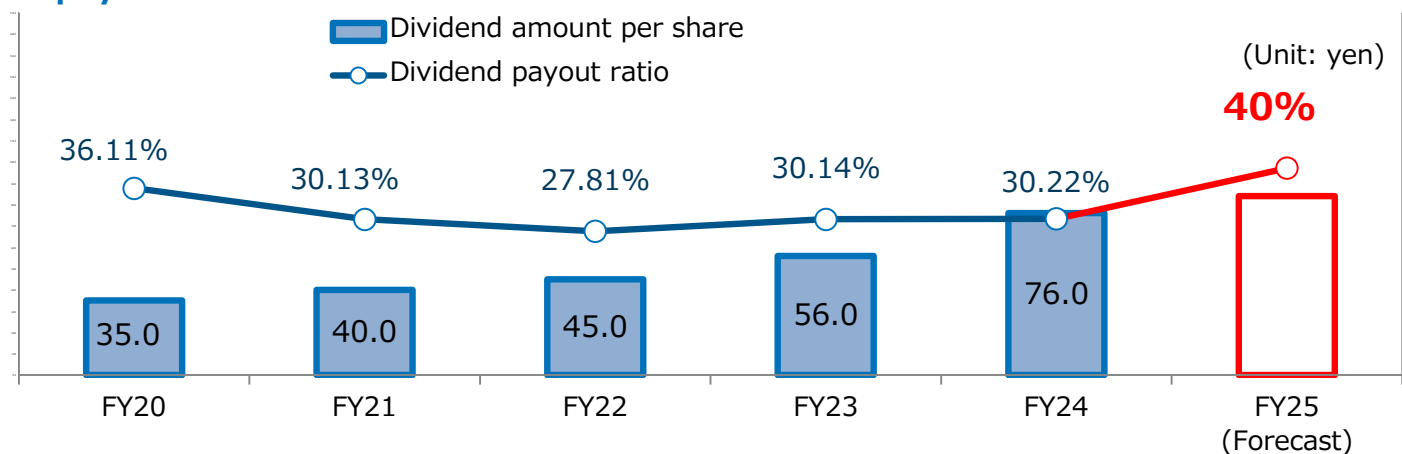
- As part of our capital and financial strategy aimed at increasing the corporate value of the Group, we have changed our **dividend payout ratio** in order to further enhance shareholder returns while maintaining sound financial position and balancing profitability and growth investment

Before change
A payout ratio of 30% of net profit attributable to shareholders of the parent company is targeted, while acquisitions of own shares will be implemented in a flexible and agile manner



After change
A payout ratio of 40% of net profit attributable to shareholders of the parent company is targeted. Acquisitions of own shares will be implemented in a flexible and agile manner.

<Dividend payout ratio and annual dividend trends>



Reduction of Strategic Shareholdings

We have revised our policy to reduce listed strategic shareholdings for further capital policy improvement.

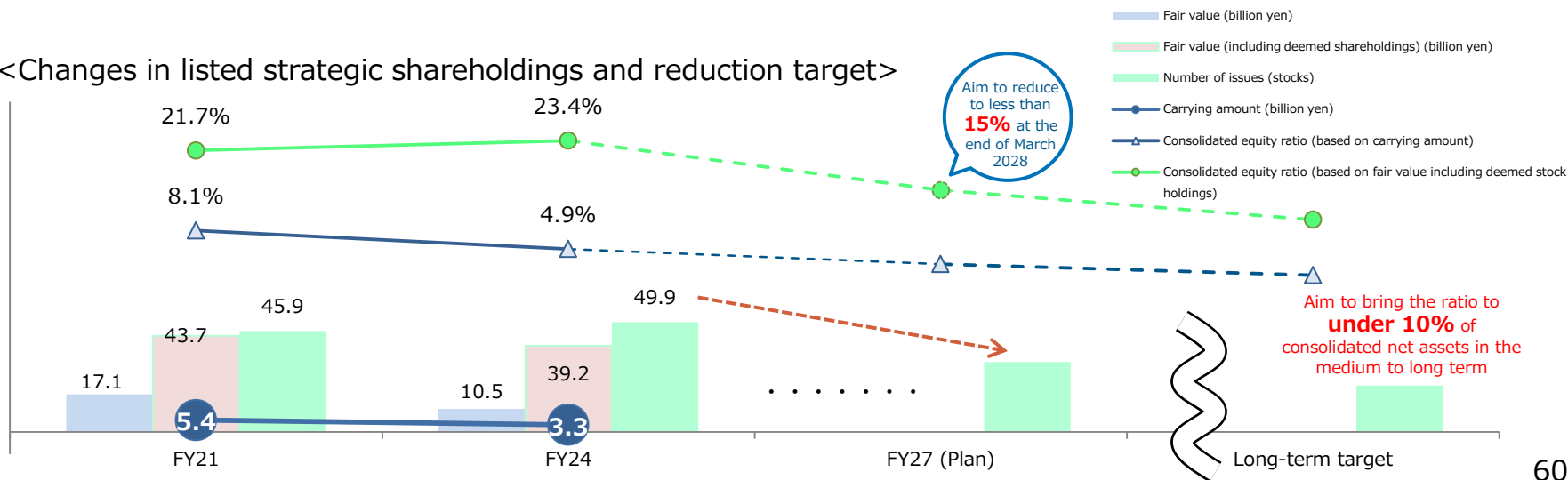
- As the policy for reducing strategic shareholdings for FY24, we set a target to reduce listed strategic shareholdings by approximately 10.0 billion yen* on a market value basis (*compared to FY21, excluding market fluctuations), **and achieved a reduction of 12.6 billion yen**
- With the aim of further enhancing capital efficiency to increase corporate value and strengthening our financial structure, we have reaffirmed our policy to reduce listed strategic shareholdings and will further accelerate the reduction of such holdings

<Reduction policy>

By the end of March 2028, we will reduce the ratio of listed strategic shareholdings (including deemed-held shares, based on market value) to consolidated net assets to less than 15%.

In addition, we will reduce the same shareholding ratio to less than 10% in the medium to long term.

<Changes in listed strategic shareholdings and reduction target>

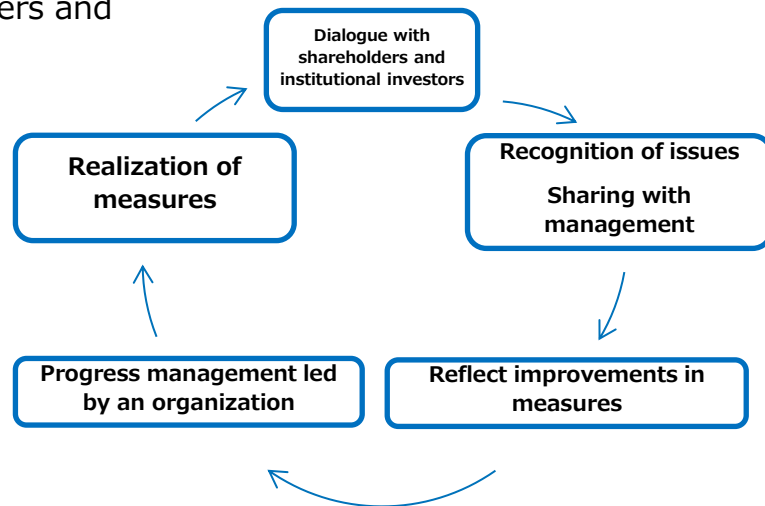


Dialogue with stakeholders to increase corporate value

- We have engaged in continuous dialogue with major shareholders and institutional investors (SR interviews)

		FY2022 (Second half)	FY2023 (Second half)	FY2024 (Second half)
Institutional investors		12	18	22
Holders of a certain number of shares	Business corporations	35	47	40
	Individuals	29	31	28
Total		76	96	90

PDCA after the dialogue



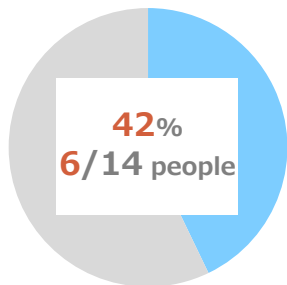
- Main discussions during dialogues

Main discussions during dialogues			
Governance	Term of office of outside directors	Capital policy	Initiatives to improve ROE
	Compensation system (consideration of capital efficiency indicators such as ROE)		Specific articulation of growth strategies
Capital policy	Reduction of strategic shareholdings	Sustainability	Employee engagement
	Effective use of capital		Sector-specific disclosure of Category 15 emissions

Strengthening initiatives to achieve a high level of governance.

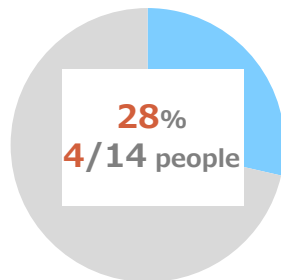
■ Composition of Board of Directors

Ratio of independent
outside officers



Independent outside
directors: 3
Independent auditors: 3

Ratio of female officers



Female directors: 2
Female corporate
auditors: 2

Composition of the Nomination and Remuneration Advisory Committee

Chair: Independent outside director
Members: 3 independent outside directors, 2 standing directors

■ Compensation system for directors

Evaluation criteria for performance-based director compensation changed to consolidated ROE, etc.

Bonus (Performance-based)	Linked indicator		Linkage range
	Financial indicators	Consolidated ROE	0 to 120%
	×		
	Non-financial indicator	Employee engagement score	90 to 106%

To achieve sustainable growth and increase shareholder value, performance-based evaluation items have been changed to consolidated ROE

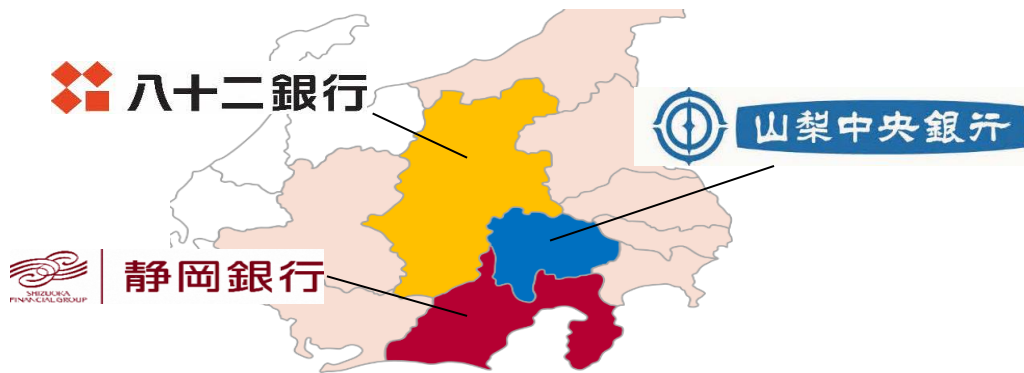
The ratio of compensation for directors (excluding outside directors) has been changed

Basic compensation	Bonus (Performance-based)	Restricted share compensation
73.7% → 66.3%	13.5% → 20.9%	12.8%

The “Fuji-Alps Alliance” launched for the sustainable development of local communities (from March 2025).

- Shizuoka Bank and Hachijuni Bank entered into a new comprehensive business partnership
- The leading banks in three neighboring prefectures will collaborate to address shared regional challenges, **with the aim of achieving sustainable development in the respective local communities**

[Common points]	Rich natural capital, attractive industrial structure, and proximity to the Tokyo metropolitan area
[Shared challenges]	Labor shortages and business succession challenges caused by the accelerating decline and aging of the population



Priority measures

- Businesses promoting migration to help increase the population in each prefecture
- New business to attract foreign capital and human resources
- Collaboration in venture and growth sectors
- Strengthening M&A and business succession

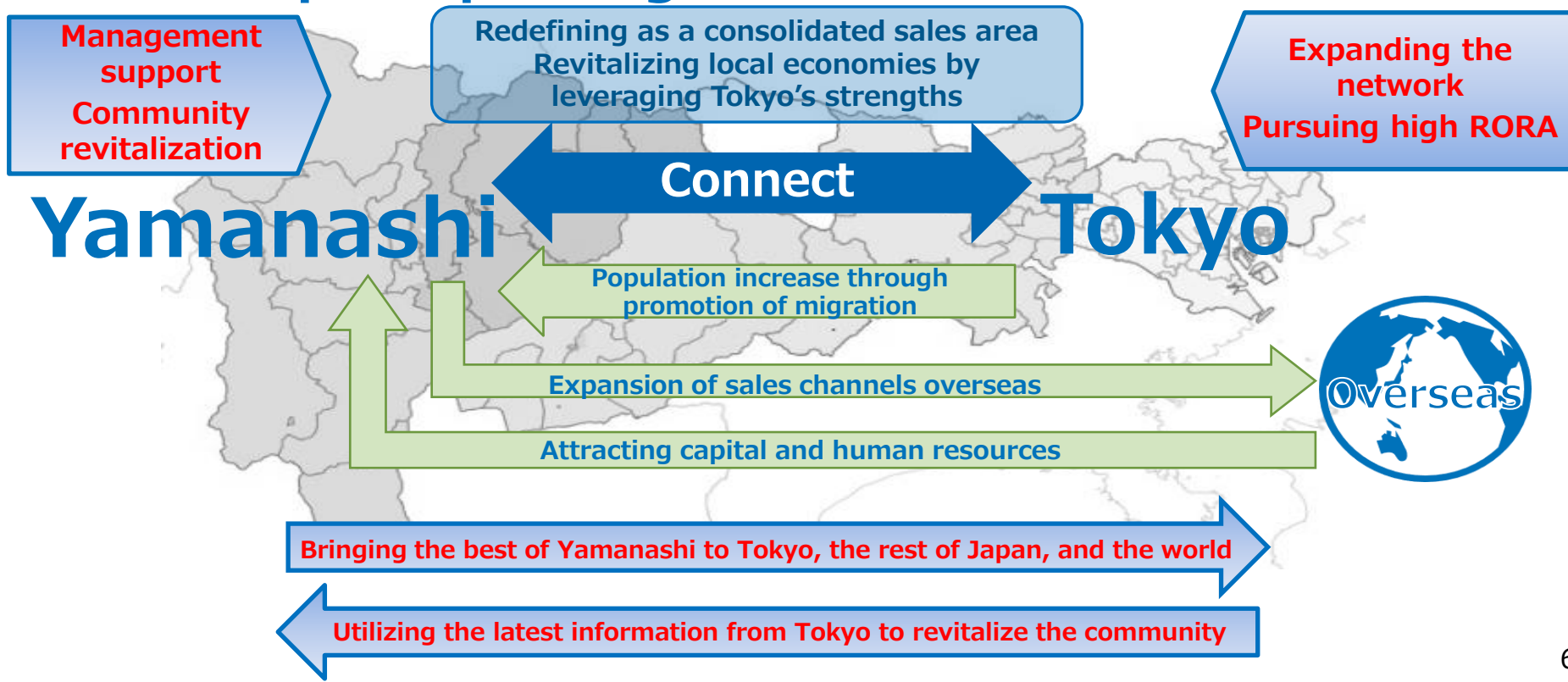
Main KPIs

- **Population increase in three prefectures (Social increase or decrease)**
- **Total revenue effect of 20.0 billion yen at three banks (five-year cumulative total)**

Yamanashi Chuo Bank's Business Model

- Vision for growth that effectively uses Yamanashi and Tokyo, as well as overseas networks.

"Open up a bright future from Yamanashi"



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.

Inquiries:

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

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U R L <https://www.yamanashibank.co.jp/>

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