

Annual Report

2025

Purpose (Significance of Existence)

**Open Up a Bright Future
from Yamanashi**



The Yamanashi Chuo Bank, Ltd.

Local Industries in Yamanashi Prefecture

Yamanashi Prefecture, with about 80% of its total area covered by forests, is blessed with abundant nature, including Japan's tallest mountain Mt. Fuji (registered as a World Heritage Site) and the Akaishi Mountains. The prefecture is also home to many unique local industries that take advantage of its natural environment, including agricultural products such as peaches and grapes, as well as wine and jewelry.



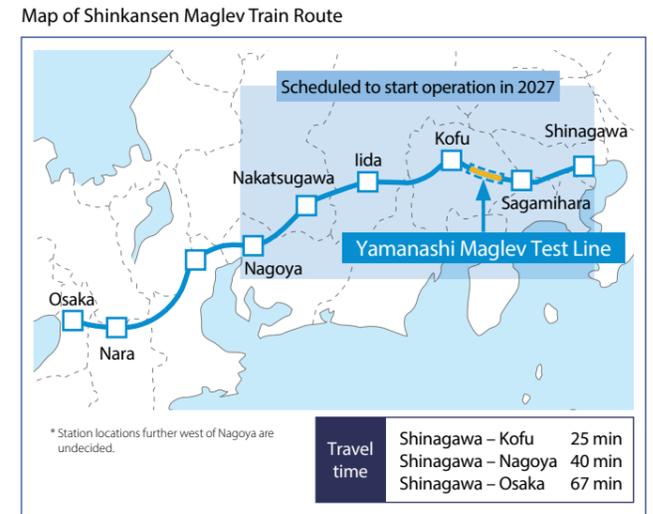
- 1 Wine**
- The largest wine production in Japan*
- Highest number of wineries in Japan
* Japanese wine: Wine produced in Japan for which only Japanese grapes are used as raw materials
- 2 Silk Fabric**
- 3 Traditional Japanese Paper**
- 4 Fruits**
Harvest of grapes, peaches and Japanese plums ranks first in Japan.
- 5 Jewelry**
Number of manufacturing locations ranks first in Japan.
- 6 Mineral Water**
No. 1 shipment value in Japan
- 7 Knit Products**
- 8 Sake**
- 9 Inden Leather**

Preparations for High-Speed Transportation Network

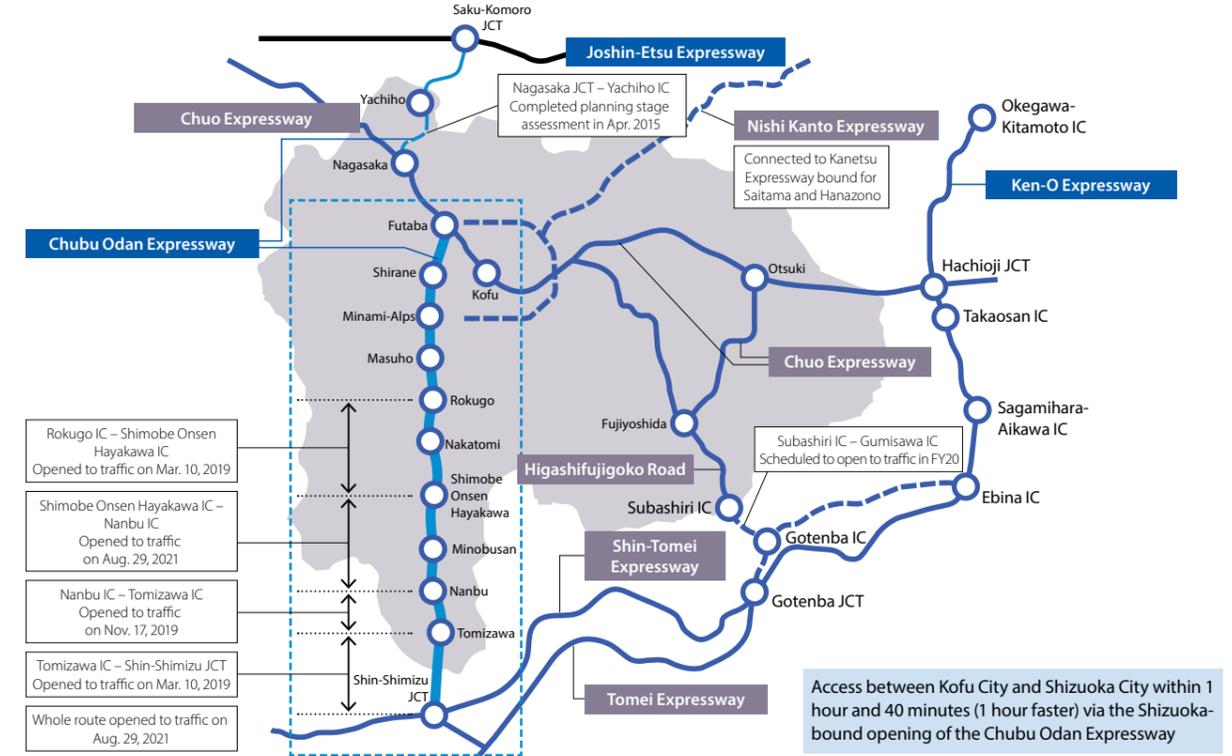
Expected Effects
Increase in tourists from Kansai and Tokai regions, increase in opportunities for receiving orders, expansion of logistic facilities, and increase in residents due to expanded commuting radius to Greater Tokyo, etc.

Shinkansen Maglev Train

- Oct. 2014: Minister of Land, Infrastructure, Transport and Tourism approved the start of construction, with the opening planned for 2027.
- Dec. 2015: Construction began on the Yamanashi section of the Southern Alps Tunnel (communication route).
- Jan. 2016: Shinagawa Station construction began.
- Nov. 2016: Construction began on the Nagano section of the Southern Alps Tunnel.
- Mar. 2017: Yamanashi Prefecture creates the Linear Environmental Future City Improvement Policy.
- Apr. 2018: Construction began on the Yamanashi section of the Southern Alps Tunnel (mail line).
- Nov. 2019: Construction began on Kanagawa Prefecture Station (tentative name).



Chubu Odan Expressway



Our Mission

Region-Based Operations and Sound Management

Maintaining a close relationship with the communities in the region where we operate, we will contribute to the prosperity of the region and the development of its economy, with a commitment to sound management that enjoys the trust of our customers, while bolstering our business operations.

Long-Term Vision (Value Creation Company 2034)

Evolving from a Value Creation Bank into a Value Creation Company.

The Yamanashi Chuo Bank Group will evolve into a comprehensive regional financial group that envisions the future for local communities, promotes local brands and attractions, and creates new frameworks and value that will attract people to the region.

Value Creation Company — 1st Stage

- **Growth strategies**
 - Yamanashi Resilience Strategy
 - New Tokyo Strategy
 - Company-Wide Strategy
- **Fundamental strategies**
 - Channel Strategy
 - Productivity Improvement Strategy
 - Governance Strategy
- **Human resources strategies**
 - Human Capital Strategy
 - Engagement Improvement Strategy

The 3S Action Guidelines

Smile, Speed and Simple



Head Office

Profile (as of March 31, 2025)

Corporate Name: The Yamanashi Chuo Bank, Ltd.
Head Office: 20-8, Marunouchi 1-chome, Kofu, Yamanashi
Established: December 1, 1941
President: Yoshiaki Furuya
Common Stock: ¥15,400 million
Number of Shares Issued: 32,783,000 shares
Stock Listing: Prime Market of the Tokyo Stock Exchange
Long-Term Credit Rating: A- (Rating and Investment Information, Inc.)
Network: Head Office and Branches: 89 (including 1 Internet Branch)
 District Offices: 10 (including 8 Life Square desks)

Businesses: The Yamanashi Chuo Bank Group comprises the Yamanashi Chuo Bank and five consolidated subsidiaries. Centered on its core banking business, the Group provides an integrated financing service that includes a leasing and credit card business. The Bank is the leading local bank in Yamanashi Prefecture, and its sphere of operations encompasses both the prefecture and the western part of the Tokyo metropolitan region.

Forward-looking statements

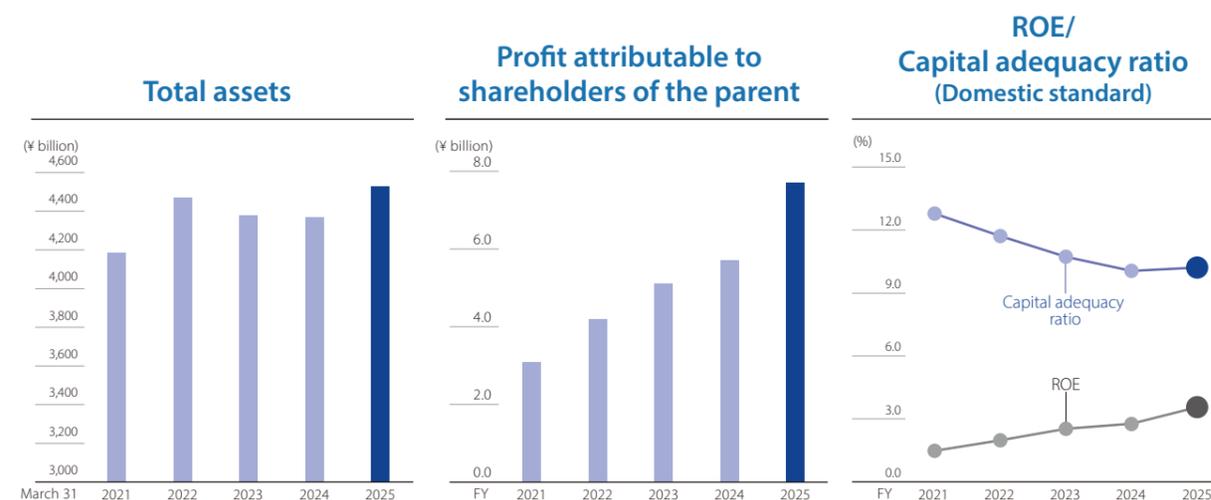
Statements contained in this report regarding the Bank's future performance do not constitute statements of historical fact, and are thus subject to a number of risks and uncertainties. Readers are therefore cautioned not to place undue reliance on forward-looking statements, as factors beyond the Bank's control and outside its ability to predict, including general economic conditions and market fluctuations, could cause results to diverge materially from the Bank's projections.

Consolidated Financial Highlights

The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries Fiscal years ended March 31

	2021	2022	2023	2024	2025
Ordinary income	49,602	46,310	60,552	56,525	60,481
Ordinary profit	6,229	6,624	7,721	7,641	10,620
Profit attributable to shareholders of the parent	3,090	4,241	5,061	5,658	7,669
Comprehensive income	22,851	(8,867)	(15,637)	27,845	(3,045)
Net assets	221,439	211,494	193,263	218,301	213,241
Total assets	4,185,672	4,469,779	4,380,458	4,366,180	4,527,011
Net assets per share (Yen)	6,849.57	6,515.85	6,129.98	7,143.86	6,957.87
Profit per share (Yen)	96.92	132.73	161.78	185.79	251.43
Capital adequacy ratio (Domestic standard, %)	12.78	11.71	10.72	10.05	10.21
Return on equity (%)	1.48	1.98	2.53	2.77	3.56
Price earning ratio (Times)	9.48	7.17	7.05	10.13	8.57
Cash flows from operating activities	446,423	267,979	(293,875)	(290,768)	(14,439)
Cash flows from investing activities	(62,012)	(112,069)	297,562	92,619	(124,529)
Cash flows from financing activities	(1,117)	(1,120)	(2,635)	(2,798)	(1,963)
Cash and cash equivalents	740,447	895,241	896,292	695,345	554,413

Note: The capital adequacy ratio is calculated on a consolidated basis in accordance with Bulletin Notification No. 19 issued by the Financial Services Agency in 2006 under Paragraph 2, Article 14 of the Banking Law. The Bank has adopted the Japanese standard for the calculation.



The Group's Long-Term Vision

Value Creation Company 2034

Evolving from a Value Creation Bank into a Value Creation Company

The Yamanashi Chuo Bank Group will evolve into a comprehensive regional financial group that envisions the future for local communities, promotes local brands and attractions, and creates new frameworks and value that will attract people to the region.

Value provided to each stakeholder

Regional communities

Help drive sustainable development by solving various local issues

Individual customers

Provide financial and non-financial services in an optimal and timely manner, promoting lifestyles with enhanced spiritual richness, comfort, and well-being

Shareholders and investors

Increase our corporate value to meet shareholder and investor expectations, while striving for timely and appropriate information disclosure and proactive dialogue

Employees

Foster ambition, motivation, and job satisfaction primarily by providing diverse workstyles and growth opportunities

Corporate customers

Help sustain growth by tackling issues with companies, exploring solutions, and helping the companies implement them

Future generations

Actively engage in new value creation and climate change measures for the region to pass on a safe and secure environment for future generations

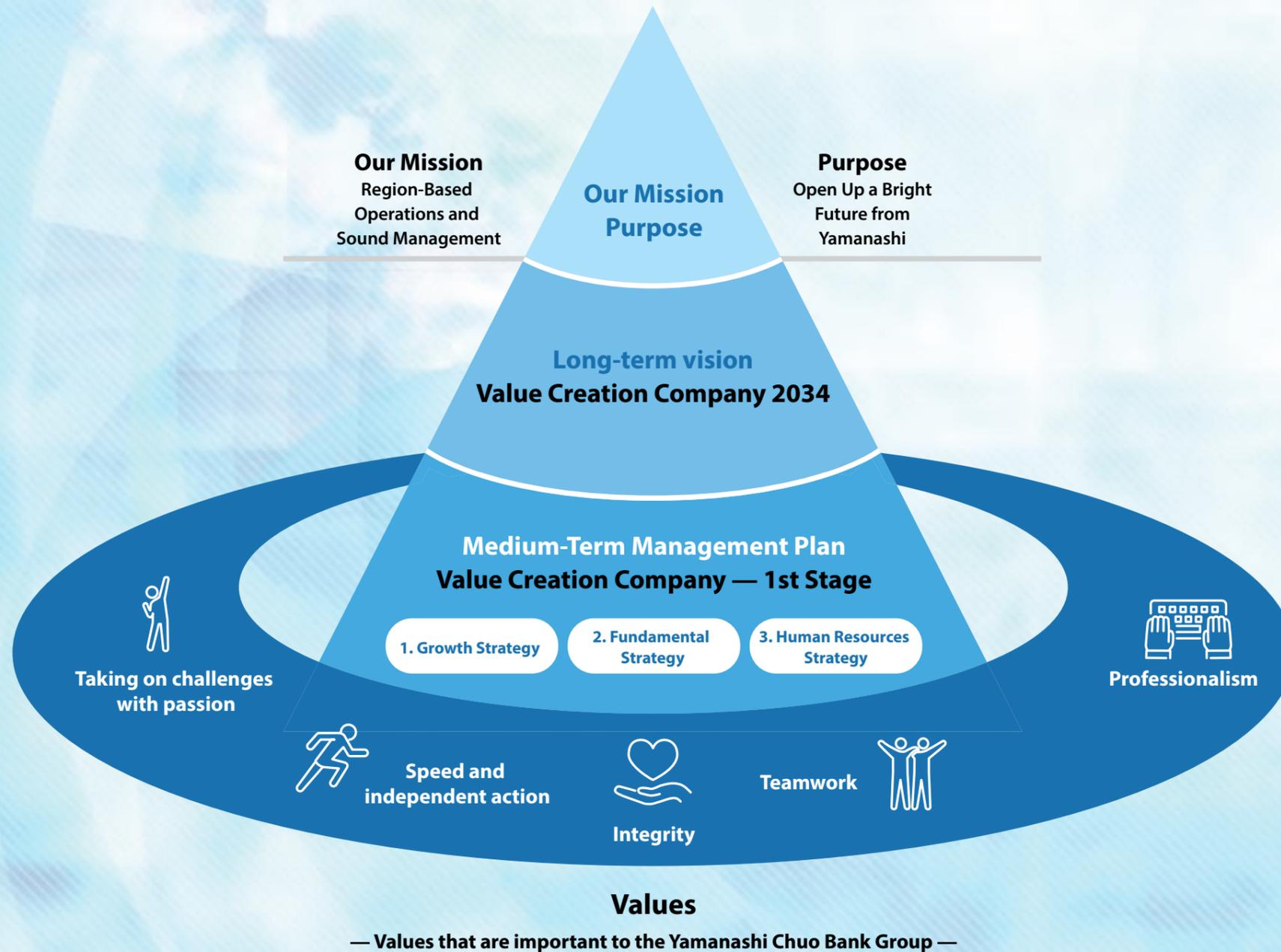
A well-being society that is prosperous and full of vitality and happiness

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Our Mission

Region-Based Operations and Sound Management

Maintaining a close relationship with the communities in the region where we operate, we will contribute to the prosperity of the region and the development of its economy, with a commitment to sound management that enjoys the trust of our customers, while strengthening our business operations.



The Bank's Strengths

Tradition and long history

Since the Bank was founded under the name Dai-Ju National Bank in 1877, it has been building the foundation for its current business operations by constantly practicing its Mission of Region-Based Operations and Sound Management and growing together with the development of regional communities.

Reliability and trust

The Bank enjoys the patronage of many customers in Yamanashi Prefecture and makes up 51.7% of the deposits and 51.5% of the loans receivable in the prefecture.

High risk capacity based on strong soundness

As of the end of March 2025, the Bank's equity ratio is 9.69%. This number far exceeds Japan's required capital adequacy ratio of 4%, indicating the Bank's strong soundness.

Productive Tokyo market base

Tokyo offers an extensive market with several times as many residents, households, and private businesses.

Purpose of the Yamanashi Chuo Bank Group (Significance of Existence)

Open Up a Bright Future from Yamanashi

To improve its sustainability management, the Yamanashi Chuo Bank Group has identified themes of materiality (material issues), such as **strengthening various kinds of cooperation and increasing the vitality of the regional communities, realizing digital transformation (DX) and the digitalization of regional communities, and maintaining a rich natural environment to be passed on to the future**, and it is working to resolve these issues.

Yamanashi Prefecture has rich nature, including Mt. Fuji, Yatsugatake, and the Akaishi Mountains, and it boasts to the world many regional resources and industries. With the opening of the whole of the Chubu-Odan Expressway between Yamanashi and Shizuoka, as well as the scheduled opening of the Linear Chuo Shinkansen and other forms of transportation, the area expects to see remarkable development in the future, with an increasing inflow of people from outside the prefecture.

The Yamanashi Chuo Bank Group **aims to establish a well-being society that is prosperous and full of vitality and happiness**. By making use of its many human and organizational connections that it has built over many years, including a sales base in the Tokyo area, **the Bank will create a prosperous future from Yamanashi to the world**.



Scan the QR code to access a video about the Bank's Purpose.

Message from the President

Reflection on TRANS³ 2025, our previous Medium-Term Management Plan

It has been three years since I became the President.

In 2019, our Group established Value Creation Bank, our long-term vision for the period through FY2027, which marks our 150th anniversary. Since then, we have been working hard to achieve it. FY2024 concluded the second stage of this long-term vision and TRANS³ 2025, our previous Medium-Term Management Plan.

Our previous plan established three basic strategies focused on increasing business capacity, doubling productivity, and achieving sustainability. Under these strategies, we have been transitioning from the structural reform phase to the development phase.

Under the strategy to increase our business capacity, we aimed to refine and expand our core business of comprehensive financial services, while exploring new profit opportunities to build a sustainable revenue structure. Our new Structured Finance Office is doing a great job, and we have established Yamanashi Mirai Investment Co., Ltd. to enter the investment advisory sector. Such progress

indicates that our efforts to expand revenue are beginning to pay off. We are also piloting new services in tourism and marketing to tackle local challenges, with some experiments already evolving into successful new businesses.

Under the strategy to double our productivity, we focused on streamlining and consolidating clerical work. Our efforts to eliminate clerical work resulted in a significant reduction of administrative tasks, exceeding our original time-saving target. In addition, we continued with the development and improvement of the Yamanashi Chuo Bank bankbook app to provide a one-stop banking platform for our customers. As of the end of June 2025, the app has been downloaded more than 140,000 times.

The main goal of the strategy to pursue sustainability was to implement human capital management. To that end, we created a framework to integrate management strategies with human resources strategies while establishing an organization and system where diverse employees can thrive. In particular, we focused on digital talent development and DE&I (diversity, equity, and inclusion), including the DX promotion human resources development system launched in 2022. As a result, 522 employees have been internally certified as DX professionals as of the end of March 2025.

Evolving from a Bank into a Company to co-create value with our customers and regional communities

—Value Creation Company 2034, our new long-term vision

With our long-term vision of Value Creation Bank concluding in three years in FY2027, we have formulated a new long-term vision that extends through FY2033. Over the next three years, we will finalize our traditional long-term vision while striving for continuous evolution to implement Value Creation Company 2034, our new long-term vision.

Our traditional long-term vision emphasized creating shared value. By transforming our Group into a bank capable of creating greater value for regional communities and our customers, we can enhance our corporate value. To that end, we prioritized streamlining and improving our core business of comprehensive financial services, while exploring new business opportunities to work with stakeholders such as regional communities and our customers to address their concerns.

As we formulated our long-term vision under these circumstances, our intention behind updating our aspirational image from Bank to Company is to transcend the traditional scope of the banking or financial sector, and become a company capable of addressing issues for regional communities and our customers.

One initiative that embodies this policy is the establishment of Yamanashi Regional Design Co., Ltd. in April 2025. The company is on a mission to create new value for regional communities by transcending the confines of financial services and engaging in business to solve local issues, while generating long-term revenue for our Group. So far, the company operates in the areas of tourism value creation, decarbonization, and advertisement/marketing. Moving forward, the company will continue to expand its scope of operation, reaching sectors lacking local players, while addressing local issues and generating revenue for our Group in the long run.



Representative Director
and President

古屋賀章

Beyond our evolution into a Company, we aspire to attain the ambitious target of 8% ROE

Our new long-term vision of Value Creation Company 2034 establishes the following targets for the fiscal year ending March 2034: 20.0 billion yen or more of net income, and 8% or more of ROE. We do not intend to achieve these targets by simply continuing with our traditional business. As we head into the uncertain future, we will continue to increase the profitability of our core comprehensive financial services, while investing in new business domains from a long-term perspective. Through these initiatives, we will establish a system that will generate stable revenue for the entire Group as soon as possible.

To focus our daily work on customer needs and fundamentally solve local issues, our Group needs to assume a long-term perspective. To that end, we will first streamline our core business operation to build a structure for generating revenue more stably before proceeding to create new businesses and services.

New Medium-Term Management Plan “Value Creation Company — 1st Stage”

“Value Creation Company — 1st Stage,” our new Medium-Term Management Plan, establishes three types of basic strategies: growth strategies to build a new revenue base for our Group, fundamental strategies to continuously increase the profitability of our traditional financial business, and human resources strategies to develop talent that will promote these strategies.

We will dedicate this stage to continuing with our existing channel reform and streamlining initiatives driven under our conventional long-term vision, while fully leveraging the learnings and capital gained from the process, to enter new business domains.

Under the growth strategies, we will promote three separate strategies: Yamanashi Resilience Strategy, New Tokyo Strategy, and Company-Wide Strategy.

Through the Yamanashi Resilience Strategy, we will implement various measures to revitalize Yamanashi’s economy. We will provide comprehensive support, including financing and consultation, for highly competitive industries and companies, while helping individual customers to increase their assets. Enhancing our business succession and DX consulting services is a crucial topic as well.

We anticipate that the launch of the Linear Chuo Shinkansen will attract larger numbers of tourists and residents, so we will continue to accelerate our aforementioned initiatives

through Yamanashi Regional Design Co., Ltd. and by cooperating with local government bodies. Such initiatives include improving the prefecture’s cashless payment and other infrastructure and enhancing Yamanashi’s reputation.

The New Tokyo Strategy aims to create new revenue opportunities by accelerating the flow of human capital, information, and fund between Yamanashi and Tokyo, and utilizing these resources to fuel our initiatives for the Yamanashi Resilience Strategy.

Since the days of our previous Medium-Term Management Plan, we have been enhancing our sales base in the Tokyo area. Starting from this fiscal year, we have further reinforced our initiatives in the area by consolidating the regional head offices in Tokyo (Tokyo 1st region and Tokyo 2nd region) into the Tokyo Strategy Head Office, and appointing a Managing Director as General Manager. In addition, we have newly established the Wealth Business Division, expanding the network and transactions with “regional impact wealth” (wealthy individuals and companies with significant influence on regional communities, etc.). Furthermore, to reinforce our services for ventures and startups, we have launched the Startup Coordination Office.

Specifically, it will expand transactions with regional impact wealth in Tokyo and invite them to invest in Yamanashi, thereby nurturing the local companies and industries.

We have also launched an internal information exchange platform called Yamanashi-Tokyo Connect to solve local issues. A sporting event held in Yamanashi was experiencing operational challenges due to a lack of sponsors and sufficient promotional activities. To address this issue, we invited sports fans from Tokyo to become sponsors and participate in the operational management, thereby revitalizing the event and enhancing the value.

Through such initiatives, we will continue playing a role to solve local issues in Yamanashi by leveraging the network with our customers from Tokyo that our Group has cultivated to this date and bridging people, information, and funding.

The fundamental strategies aim to reinforce our core banking business.

While continuing to improve our productivity by utilizing digital technologies, we will focus on further amplifying our channel strategy to provide higher value that meets customer needs.

I believe that our Group’s strength is that the culture of customer-centric proposals is embedded across the organization. To encourage our employees to offer customer-oriented proposals based on a long-term perspective, we abolished revenue-focused short-term goals and quotas about two years ago and have been improving our system to emphasize future-oriented initiatives.

I believe through DX, we can further refine our customer

service capability, which is our Group’s strength. Human service inevitably leads to variations in quality. Our Group will build a hybrid framework that combines manual and digitalized approaches to improve customer satisfaction by accumulating and sharing customer service best practices on a digital platform. To that end, we will continue to optimize our channels to improve our customer proposals and services by actively leveraging insight-driven sales and digital technologies such as CRM systems, data lakes, and AI.

Continuously renewing the organizational culture

As we aim to achieve our long-term vision, I believe it is crucial to continuously renew our corporate culture. As discussed in the annual report from two years ago, we have been focusing on corporate cultural reform while pushing ahead with our previous Medium-Term Management Plan.

To transform into a company capable of providing valuable services to regional communities and our customers, I believe the most important thing is to become an organization where officers and employees can say what they want to say and what they need to say.

Our initiatives to reform our corporate culture began several presidents ago. In particular, T-Line, a digital tool introduced by Mr. Seki, my predecessor, is extremely effective. It enables personnel to submit proposals on business reform and other matters directly to the President. Over the three and a half years since it was introduced, we have received 340 proposals, and we have responded to over 200 of them. We strive to build an internal foundation for personnel to say what they want to say and what they need to say.

However, this tool may not be very helpful for sharing inputs other than sound arguments and articulable opinions. It is also crucial to capture employees’ thoughts and opinions that cannot be put into words, so I thought we should create a place where they can communicate in person. Therefore, when I was a Senior Managing Director, I would often visit branches to hear opinions from across the corporate hierarchy, especially young employees, and engage in discussions.

Drawing on this experience, I started holding internal IR meetings in the previous fiscal year.

In the meetings, I make sure that I express my honest views on long-term visions and medium-term management plans using my own words. I also ensure that I address not only publicly available information but also future outlook and my personal opinions. Direct communication with personnel provides valuable opportunities to capture their real voices that would otherwise remain unheard.

These initiatives have started to prove successful, with employees sharing positive feedback through engagement

surveys and other channels such as “My workplace is starting to change, and I can see that the entire bank is trying to change, too,” and “I feel the bank is improving and I’m confident that I can stay here for a long time.”

On the quantitative side, we see positive results as well. In FY2024, the group score improved nearly 2 points to 76.8, significantly exceeding the cross-industrial average of 70.7.

Effective this fiscal year, we have modified our system to assess not only ROE but also engagement survey results to determine officer compensation, thereby involving the entire senior management in our initiatives to increase employee engagement.

Transcending the limits of traditional banks and transforming into an organization where employees with diverse skills and experiences can thrive

In addition to reforming the culture across the organization, I believe we need to accelerate our efforts to strengthen and expand our human resources portfolio. In particular, we will dynamically reform our human resource portfolio during the period of the new Medium-Term Management Plan.

First, we will accelerate our geographical shift between Yamanashi and Tokyo. We believe Tokyo is an ideal place for talent development because our staff will be tested and refined through intense competition with other banks. We plan to send employees who have gained sufficient experience in Yamanashi to Tokyo, while transferring back those who have acquired advanced skills in Tokyo so they can help revitalize Yamanashi. We expect that exchanging people between Yamanashi and Tokyo will help strengthen the function that bridges the two regions.

Second, by reassigning personnel from face-to-face channels to digital channels, we aim to more than double the staffing for the direct banking channel. Furthermore, we will scale up the team of financial advisors (members assisting money advisors) at our head office.

Thirdly, we will continue to reinforce our consulting and planning divisions. We will boost headcounts across the organization, including the marketing division.

On the talent development front, we will clarify our expectations for our employees through our new human resource portfolio.

In accelerating the staffing reform at the bank, I would like to respect employee autonomy wherever possible. Therefore, we launched a job trial program three years ago, allowing employees to try the jobs that they are interested in. Moving forward, I believe that we need to explicitly

define skills and capabilities required for individual jobs and visualize employees' individual skills. We would like to create a system to help employees identify the gap between their current skills and the skills required for the jobs they wish to try and work to fill the gap.

In recent years, we have been hiring an increasing number of mid-career professionals. This is an exciting trend because we now have more employees with various capabilities and experiences that cannot be acquired through traditional banking business activities.

I believe hiring more experienced professionals helps create a more open corporate culture, which is a positive thing. Meanwhile, it is equally important to clearly document positive aspects of our Group's culture that needs to be preserved. Therefore, we have defined our Group values in addition to formulating our new long-term vision.

After surveying our employees, contract staff, and part-timers, we have defined five values: integrity, speedy and independent action, teamwork, taking on challenges with passion, and professionalism. We hope that these values will serve as a foundation that employees can return to when they face difficulties or problems in daily work.

Leveraging alliances with other banks to tackle local issues through collaborative efforts

To address local issues, we believe it is extremely important to utilize alliances with external organizations, rather than working alone.

The Shizuoka-Yamanashi Alliance, which came into effect in 2020, achieved the initial target of 10.0 billion yen revenue ahead of schedule, eventually achieving an actual combined total of about 13.7 billion yen on a 5-year equivalent basis. I believe we were able to advance our effort very efficiently by sharing our respective strengths while preserving management independence.

This March, the Hachijuni Bank, based in Nagano Prefecture, joined us and we formed the Fuji-Alps Alliance. Through the partnership of three Central Japan prefectures that feature lush nature and similar cultures, we will work closely to achieve our purposes, such as revitalizing the region, attracting residents from Tokyo, and accepting investment and human resources from overseas.

This will allow our Group to share insights gained from initiatives at Yamanashi Regional Design Co., Ltd. Furthermore, for our New Tokyo Strategy, we expect to leverage the Yamanashi-Tokyo Connect platform and involve the other two banks in our efforts.

Capital policy evolution

Our Group revised our shareholder return policy as part of our capital and financial strategies to increase the corporate

value. Previously, we maintained a dividend payout ratio of around 30%, but we have raised it to around 40% for future payouts.

Regarding strategic shareholdings, we have established the policy on strategic shareholdings based on the corporate governance code, and will verify the significance of individual holdings, reducing holdings accordingly. In May 2023, we established a target to reduce about 10.0 billion yen worth of strategic holdings of listed shares from the fiscal year ended March 2022 (at fair value terms). Through continuous dialogue with investees, we achieved a reduction of 12.6 billion yen in two years. Moving forward, we aim to reduce the strategic holdings of listed shares to less than 15% of the consolidated net assets by the end of March 2028, and subsequently to less than 10% over a medium-to-long term. To increase the corporate value over a medium-to-long term, we will allocate funds arising from the reduction of strategic shareholdings to investment and lending, including growth investment for new businesses, DX investment for productivity enhancement, human capital investment for talent development, and shareholder return, all while ensuring capital efficiency.

Through such evolution of our capital policy, we will continue to pursue higher corporate value.

Evolving into a corporate group capable of pursuing the Purpose

For our Group to continuously increase its corporate value, it is crucial to create a situation where the entire region can prosper and enhance its value for a long period of time, beyond the ten years covered by the long-term vision. It is impossible for a bank alone to remain profitable in a declining region.

We recognize the region as a community with shared fate, and emphasize mutually enhancing each other's value. In the future, we would like to expand our business scope and strategic domains beyond the geographical boundaries of Yamanashi and Tokyo. Our Purpose, "Open Up a Bright Future from Yamanashi," embodies our ambition to apply the capabilities cultivated through addressing local issues in Yamanashi to areas beyond the region in the future.

While it is certainly important to continue generating solid profits in the near term, we will implement our Medium-Term Management Plan and carry out our daily operations with the aim of becoming a corporate group that can address customer and regional issues from a long-term perspective and enhance our Group's corporate value through these efforts. We would like to thank our stakeholders for supporting our Group's initiatives and growth with a strategic outlook.

Discussion among Chairperson and Outside Directors



Representative Director and Chairman Mitsuyoshi Seki	Outside Director Riyo Kano	Outside Director Michio Masukawa	Outside Director Miki Ichikawa
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- It has been two years since Mr. Furuya assumed presidency. What are your thoughts on the changes over the past year?

Masukawa: What strikes me most is that the President sets the example. Over the past two years, he has been guiding the officers and employees by exemplifying himself how we should be. I'm also happy that he has been actively communicating with external stakeholders.

Kano: The President himself emphasizes strengthening our communication and is working hard to nurture an open workplace culture. He proactively shares his views and listens to young employees, which helps them remain highly motivated and energized.

Ichikawa: He explains the management philosophy and the Medium-Term Management Plan using his own words, which also helps officers and employees understand them clearly. He has been forming project teams in various

occasions, including the formulation of the Medium-Term Management Plan. He engages in repeated discussions with personnel across the corporate hierarchy, fostering a sense of involvement in management among employees. This has resulted in a workplace culture that encourages frank discussions.

Plus, we are starting to see more of non-bank-related communication. Media coverage makes me realize that regional revitalization initiatives are progressing through collaboration with the government, universities in the prefecture, and private companies.

Seki: As the business environment rapidly changes, the President's leadership is transforming our culture, encouraging the entire bank to embrace challenges. He communicates with all types of stakeholders in a balanced and flexible manner, setting the example for the entire organization and driving positive progress internally and externally.

- I see that the President is spearheading the corporate culture transformation. How effective do you think the Board of Directors is?

Masukawa: I think it is very effective. This past year, I began attending management strategy meetings and managerial training. Direct discussion with employees has helped me better understand their views as an outside director, enhancing the effectiveness of the board.

As an outside director, I've been weighing in on fundamental management aspects more frequently. They take my remarks seriously, and the secretariat follows up on missing information. I sense that my views are genuinely being incorporated.

For example, I told them that it was taking too much time to prepare less important documents, which reduces the time to spend on core duties and creates extra workload. This has led to digitalization progressing not only throughout the bank but also in the Board of Directors. I feel that this trend is helping to reduce the workload and cost for the planning division and other functions of the organization.

Seki: We are certainly hearing opinions from outside directors more frequently. We've had more occasions to ask for their help with surveys on the discussion topics of project teams, and have reflected their responses in our measures.

We have a framework and culture where we gain inputs



from outside directors and quickly make improvements. For example, someone pointed out that presenting an agenda at board meetings alone was not sufficient to properly track the progress of reviews. Therefore, we revised the agenda format to include a cover outlining key inputs and discussions that led to approvals. As a result, discussions at Board meetings have become even more active, and we received feedback stating that the Board is very effective in our effectiveness assessment surveys.

Kano: There are opportunities in place to share priority topics with outside directors before formalizing them as agenda items. As an outside director, I feel involved in management, rather than merely approving what's reported.

Management strategy meetings are attended by directors and executive officers, who discuss various topics regarding management strategies and other matters based on lectures by external instructors. These meetings are valuable opportunities to directly hear officers' and employees' thoughts and perception of issues through Q&A sessions between them and external instructors.

Ichikawa: I used to feel there were gaps in the comprehension of agenda items between directors and outside directors, and was constantly concerned about how internal discussions were progressing. The new agenda format outlines the discussion process, helping me better understand the agenda items.

In addition, when I expressed my interest in a new business during a discussion with internal auditors, they quickly arranged a meeting with the relevant person, who directly explained the business. This gave me deeper insights and was very informative.

- We have formulated a new long-term vision. To sustainably create value for Yamanashi and the Group, what issues should we begin to tackle? Please share with us your thoughts.

Masukawa: External factors such as international affairs and inflation have been causing unease among the general public, affecting consumer sentiment. These circumstances are likely to strain households and society, causing various forms of disparity. The Group will be required to carefully address the needs of local communities and customers.

To that end, the Group itself will need to establish a solid business foundation and revenue structure. Despite the uncertain environment, our long-term vision and policies, including the values, are pointing us in the right direction. Only when the Group is profitable can we afford to focus on helping the region to prosper. It is crucial to securely earn legitimate profits and stabilize the business.

Among emerging risks, it is essential to manage risks related to digitalization. In particular, I view cybersecurity initiatives as the most important. While the Group has adequate security measures in place for individual components

such as core systems, we still have challenges to overcome regarding group-wide security. We need to identify group-wide risks from a holistic viewpoint and optimize the risk management system. Another problem related to digitalization is addressing the customer polarization. While I believe we need to continue refining the digital technologies, some customers may be left behind in the transition as the population continues to age. The Group should address both these aspects, even though it may cause extra work for us.

Kano: The vision for the Medium-Term Management Plan has been updated from Value Creation Bank to Value Creation Company, indicating that the company has graduated to the next level.

Going forward, we need to explore how we can effectively utilize our human resources. While internal communication has significantly improved, staff mobility seems limited between the head office and branches, and Tokyo and Yamanashi. To extend the business scope as a Value Creation Company, we will need to adjust the human resource portfolio more dynamically to optimize staffing.

I also expect to see even more effort to increase the ratio of female managers within the Group. Historically, women were predominantly in administrative roles, but as our business domain expands and new fields emerge, I hope to see more opportunities for women to play an active role.

Ichikawa: I understand that many employees are experiencing positive interest rates for the first time. Under these circumstances, the challenge is how to engage with customers. In general, it is essential that employees practice the values, engage with customers with integrity, and make sure that this genuine approach is effectively conveyed to customers.



The role of a bank is to create financial flows. Currently, we are actively tackling local issues, and if such initiatives transform into businesses that create new financial flows, we will be able to make the initiatives sustainable. Although this may sound abstract, I expect the Group to generate healthy financial flows. I hope that the Group's various



services and financial instruments will improve financial flows through serving customers, which will in turn revitalize local economy and communities.

Seki: Although our initiatives to increase corporate value is making steady progress, further improvement of ROE and PBR will be essential. Our long-term vision establishes a goal of 8% or more of ROE. To realize it, we first need to achieve at least 5% ROE under our Medium-Term Management Plan. Through individual measures incorporated into our Plan, we will achieve numerical targets one by one as we progress toward the goal.

With respect to women's empowerment, we actively provide opportunities to take on challenges. Recently, for example, we sent young female employees eager to pursue international opportunities to London.

In the long run, we aim to increase the ratio of female managers as part of our efforts to promote women's empowerment. We also aim to nurture female directors from within our bank.

To address cybersecurity issues arising from digitalization progress, we will establish an organization-wide approach to implement comprehensive solutions, rather than relying on the system division alone.

To solve local issues, we have already implemented various measures. Our service offerings are broadening. For instance, we now provide consulting solutions for



issues that municipalities face, and connect them with professionals tailored to each local government's specific requirements. Through such offerings and new business initiatives, we would like to continue expanding our efforts to solve social issues.

- This March, you launched the Fuji-Alps Alliance with Shizuoka Bank and Hachijuni Bank. Tell us what you expect from this initiative.

Seki: The purpose of this alliance is to solve local issues. The most pressing local challenge is demographic decline and aging society with declining birthrates, which are equally true for all three prefectures in our partnership. I expect the three banks from the respective prefectures to work together and play a leading role in addressing the local issues.

In addition, the alliance has also contributed to corporate cultural reform within our Group. Directly witnessing other banks' innovative initiatives has given our employees confidence in their potential.

Masukawa: I feel the alliance has helped further stabilize the business foundation. Moving forward, it is crucial for the three banks, while basing their operations in their respective prefectures, to flexibly expand their activities beyond the prefectural borders. Alliances create value through business scope expansion and knowledge sharing. I expect the alliance to make the three prefectures prosper and enhance customer value.

Ichikawa: I feel local residents are starting to recognize the impact of the alliance with Shizuoka Bank primarily through media coverage. Hachijuni Bank, the new alliance member, is located in an inland prefecture that shares common traits with Yamanashi such as abundant nature and a Linear Chuo Shinkansen station. Therefore, we can work together on various projects.

The Group plays a central role in Yamanashi just as Shizuoka Bank and Hachijuni Bank have a major presence in their respective prefectures. Therefore, the partnership among the three will have a significant impact on the region, further strengthening their outreach capabilities.

While solving local issues is the most important agenda for local governments, this is not something that they can achieve alone. I hope that this alliance will tackle local issues by leveraging private sector expertise and deliver results. I expect the alliance to take a leadership role with local governments while maintaining a cooperative tone.

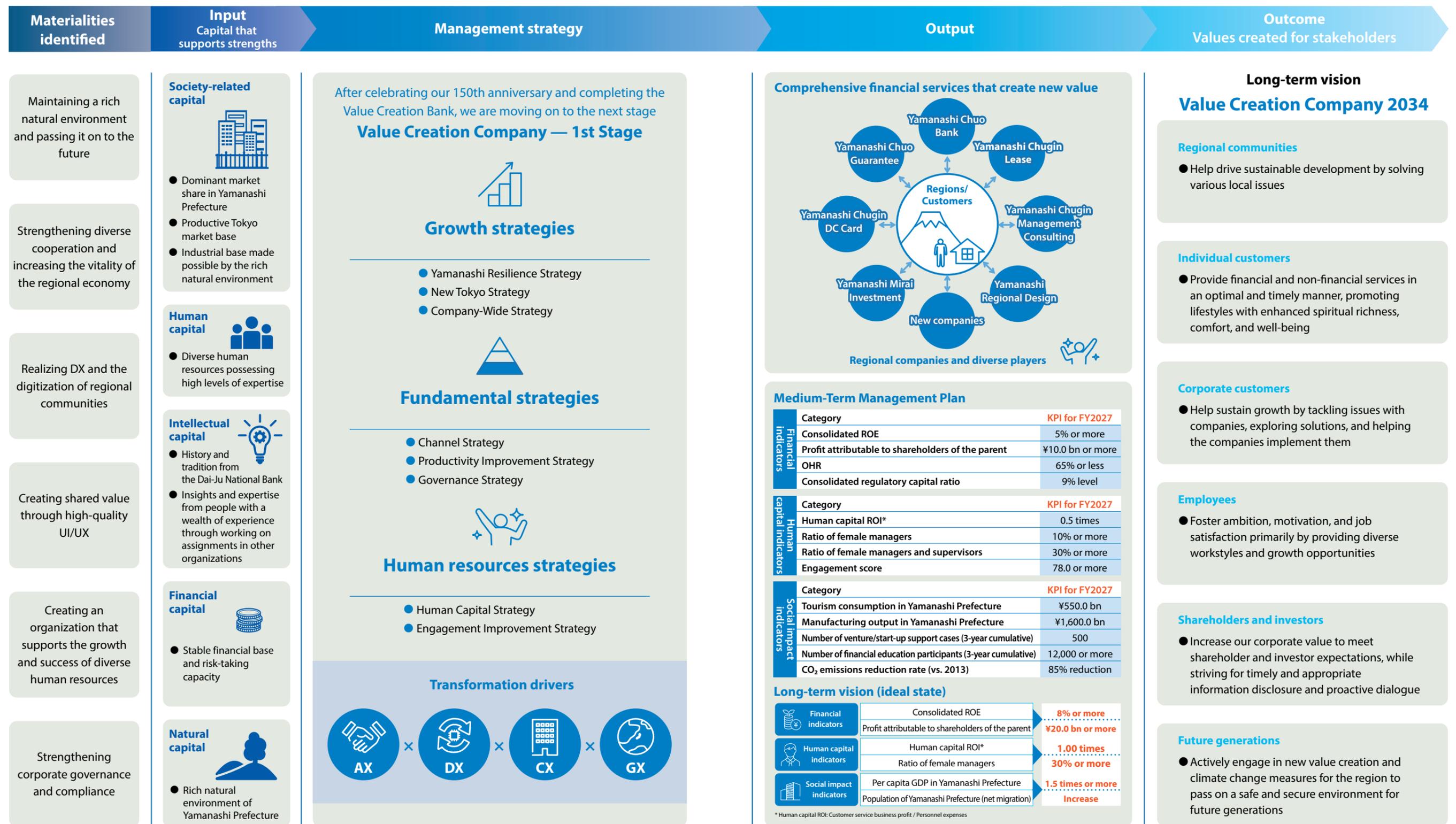
Kano: The terms "alliance" and "cooperation" are constantly used during board meetings, too. The bank receives a wide range of information through partnerships with organizations such as government agencies, private companies, and local governments. Leveraging this information to refine the cooperative efforts may be the most important thing as we lead new business expansion and work toward the long-term vision.



As reflected in the emphasis on integrity in the recently established values, I feel there are many kind and honest officers and employees within the Group.

Integrity is the Group's strength, and thanks to this strength, we have been able to establish win-win relationships with other banks, including Shizuoka Bank, and government bodies. Going forward, I hope the personnel will uphold their integrity and other values when tackling issues faced by customers and local communities.

Value Creation Processes of the Yamanashi Chuo Bank Group



Purpose: Open Up a Bright Future from Yamanashi

The future the Yamanashi Chuo Bank Group wants to realize

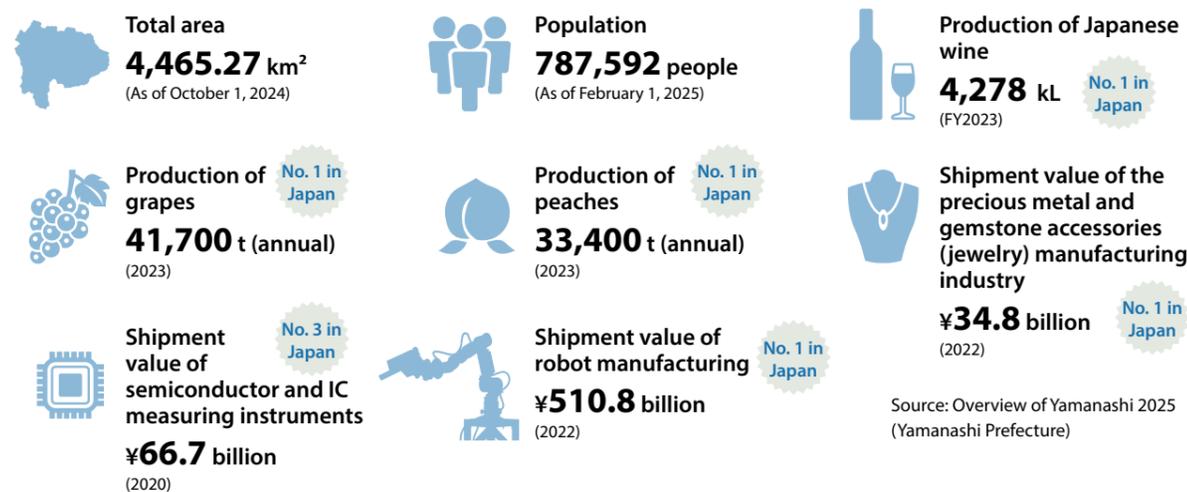
A well-being society that is prosperous and full of vitality and happiness

The Economy and Characteristics of Yamanashi Prefecture

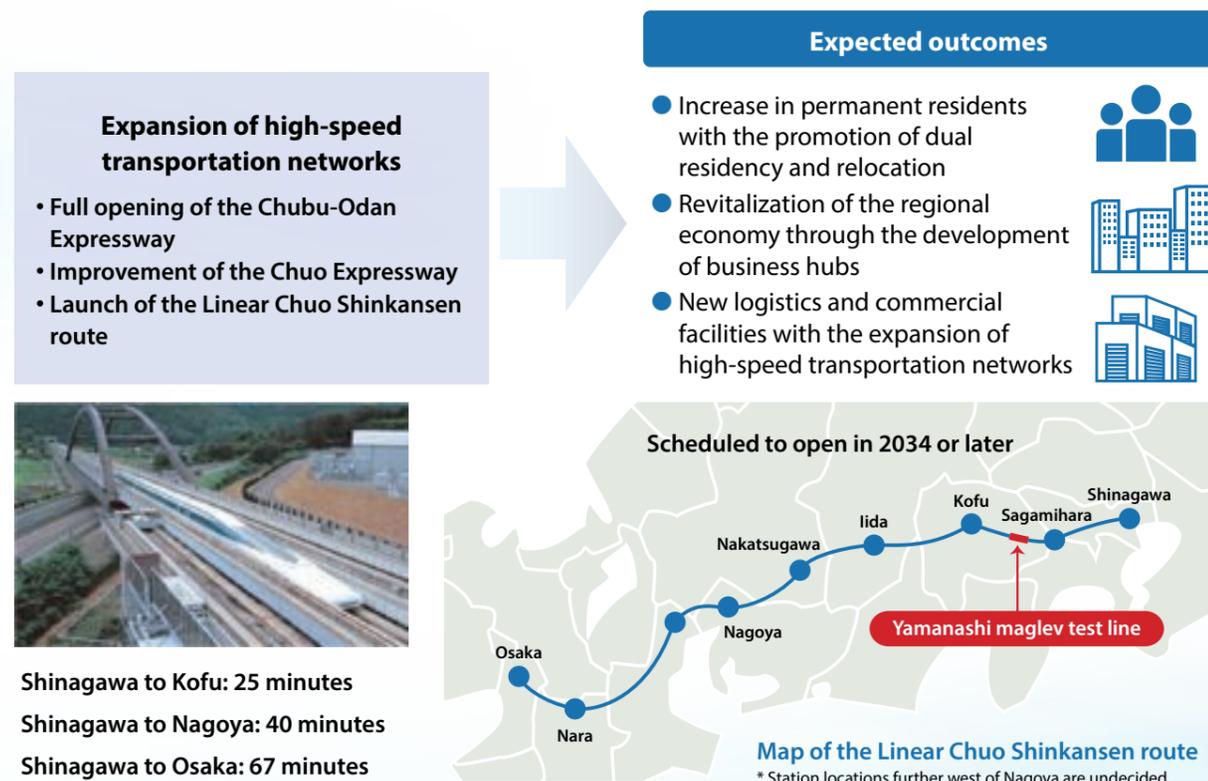
Yamanashi Prefecture is located roughly in the center of the Japanese archipelago. It is an inland prefecture without access to the sea, surrounded by Tokyo, Kanagawa, Shizuoka, Nagano, and Saitama prefectures. The area of Yamanashi is approximately one-hundredth of Japan's total land area, and approximately 78% of the prefecture is covered in forests. The prefecture is also blessed with an abundance of natural tourism resources such as Mt. Fuji, Yatsugatake, and the Minami Alps.

Furthermore, its diverse lineup of agricultural products, wine, jewelry, and silk textiles, nurtured by abundant water and sunshine, are known both domestically and internationally as the Yamanashi Brand for their excellent quality.

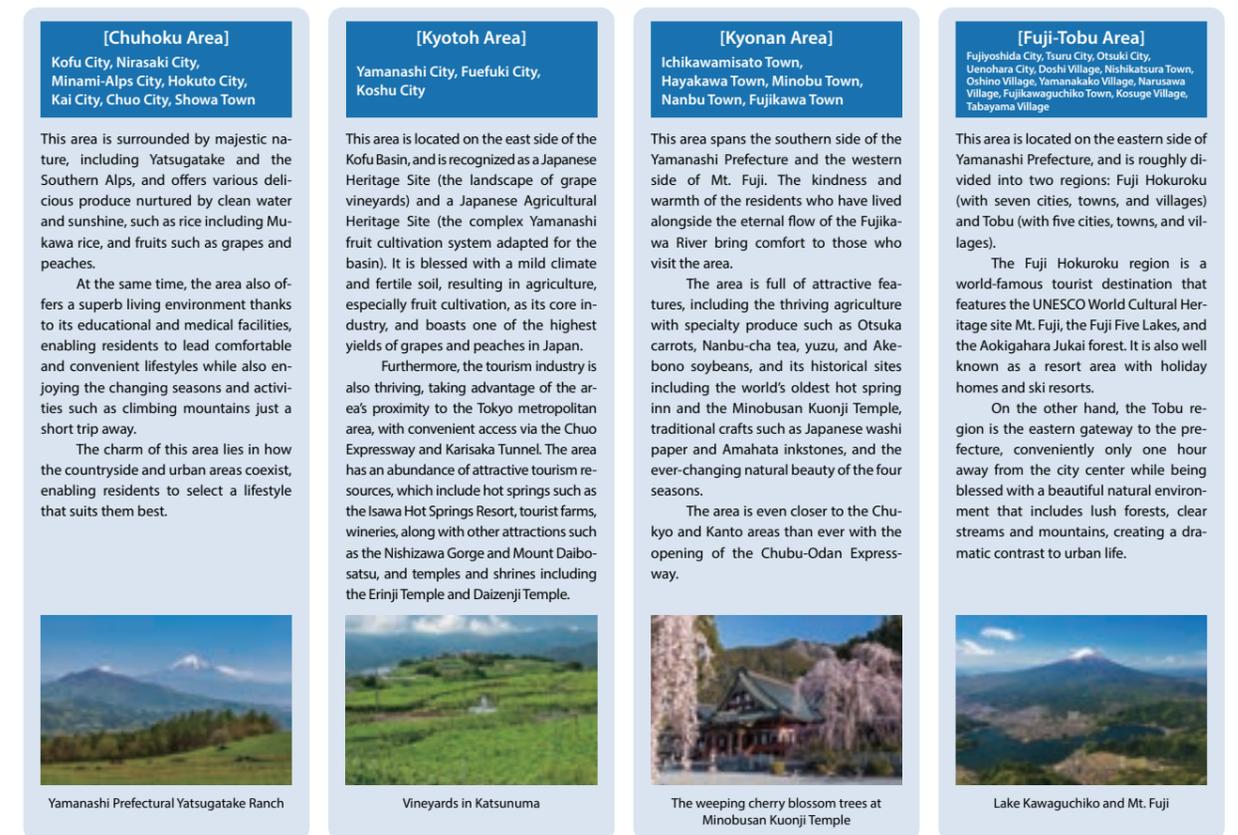
Economic data



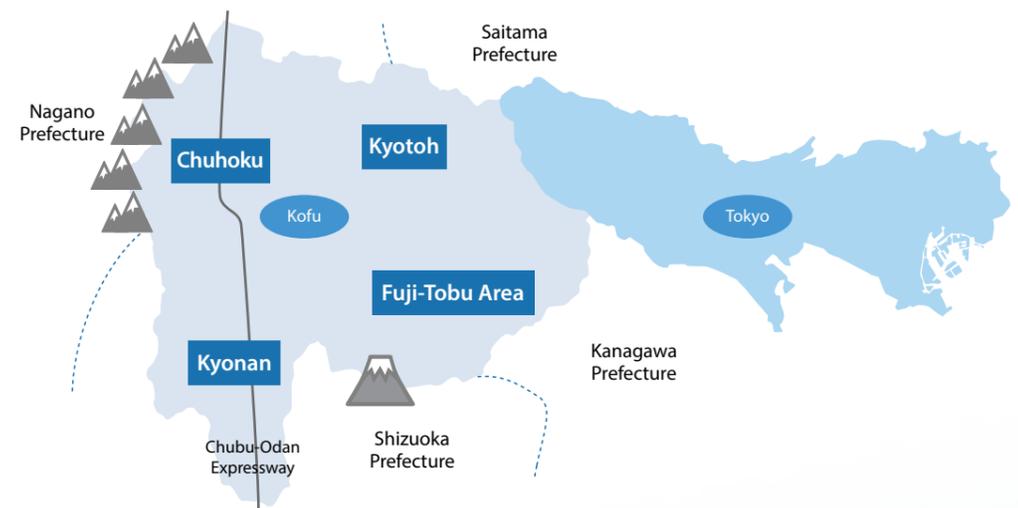
Regional economic revitalization expected with the launch of the Linear Chuo Shinkansen and the expansion of high-speed transportation networks



Characteristics of each region in Yamanashi Prefecture

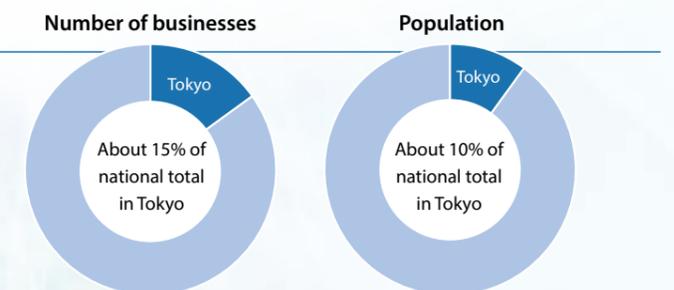


Source: Yamanashi Comprehensive WEB Media Y-charge for Dual Residency and Relocation (Yamanashi Prefecture)



Tokyo's market potential

Tokyo is home to a high concentration of companies and people, making it a relatively advantageous market.

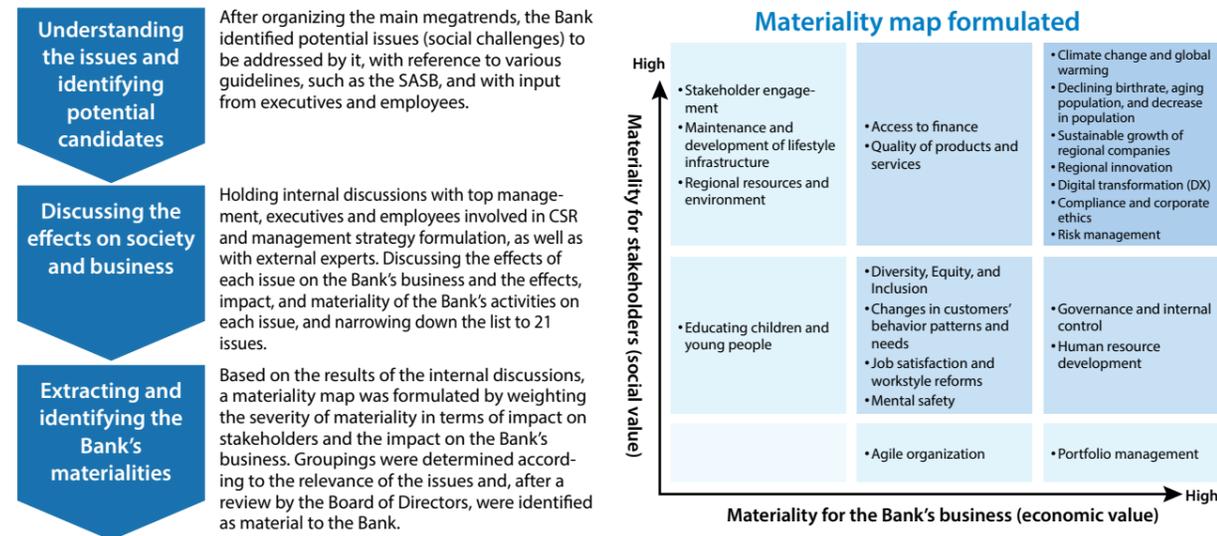


Identifying Materiality to Heighten Sustainability Management

The Bank is working to further develop its sustainability management in order to achieve sustainable communities both globally and regionally and a continuous increase in corporate value. As part of this process, the Bank has identified the materialities (key issues) to be addressed.

Materiality identification processes

The Bank has identified materialities through the process outlined below.



Six materiality issues

ESG	Materiality theme	Overview	Related issues	Related SDGs
E	Maintaining a rich natural environment and passing it on to the future	Promote the Bank's efforts to reduce CO ₂ emissions in order to decarbonize and support local communities' efforts to become more environmentally conscious through the provision of environmental products, services, and information.	<ul style="list-style-type: none"> CO₂ reduction initiatives to help achieve decarbonization^{*1} Realization of next-generation clean energy^{*1} 	
S	Strengthening diverse cooperation and increasing the vitality of the regional economy	Contribute to the sustainable prosperity of regional communities and regional economic development by supporting the revitalization of regional communities and industries through business activities and by disseminating the attractive resources of Yamanashi, while strengthening cooperation with other banks, industry, academia and government.	<ul style="list-style-type: none"> Declining birthrate, aging population, and decrease in population Sustainable growth of regional companies Regional innovation 	
	Realizing DX and the digitization of regional communities	Drive the digitalization of the entire regional community by transforming the Bank itself through the use of digital technology and transferring this know-how to regional businesses.	<ul style="list-style-type: none"> Internal DX^{*2} Digitization of entire regional communities^{*2} 	
	Creating shared value through high-quality UI/UX^{*3}	By providing quality services that are rooted in the community and meet customer needs, we will create customer value and build new services and business models that will lead to the creation of economic value for the Bank.	<ul style="list-style-type: none"> Changes in customers' behavior patterns and needs Access to finance Quality of products and services 	
	Creating an organization that supports the growth and success of diverse human resources	Promote a rewarding corporate culture by developing highly professional employees and create a workplace environment in which diverse human resources can recognize each other and play an active role.	<ul style="list-style-type: none"> Human resource development Diversity, Equity, and Inclusion Job satisfaction and workstyle reforms Mental safety 	
G	Strengthening corporate governance and compliance	To ensure sound and transparent management and gain the trust of all stakeholders, we are committed to building an organizational structure, improving information disclosure and engaging in dialogues with stakeholders.	<ul style="list-style-type: none"> Governance and internal control Compliance and corporate ethics^{*4} Risk management^{*5} 	

*1 These items are the breakdown of "Climate change/global warming" in the materiality map from the perspective of the Bank and the region.
 *2 These items are the breakdown of "Digital transformation (DX)" in the materiality map from the perspective of the Bank and the region.
 *3 UI: Abbreviation for User Interface. The point of contact that connects customers with the Bank.
 UX: Abbreviation for User Experience. New experiences and satisfaction that customers obtain from using the Bank's products and services.
 *4 Compliance and corporate ethics include the prevention of money laundering and related activities.
 *5 Risk management includes cybersecurity.

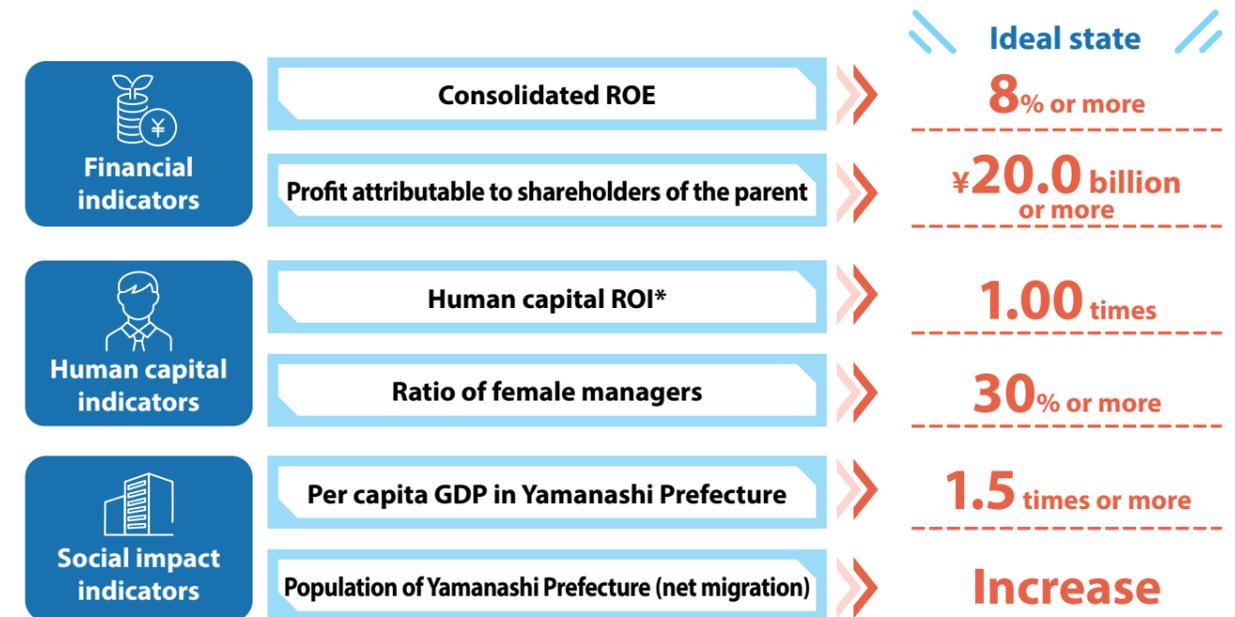
Value Creation Company 2034, Our New Long-Term Vision (Overview)

Value Creation Company 2034

Evolving from a Value Creation Bank into a Value Creation Company

The Yamanashi Chuo Bank Group will build on this foundation while envisioning a bright future for the community. Through a wide range of networks, we will promote the region's brand and appeal, and evolve into a comprehensive regional financial group that creates new mechanisms and value to attract people to the region.

Value provided to each stakeholder



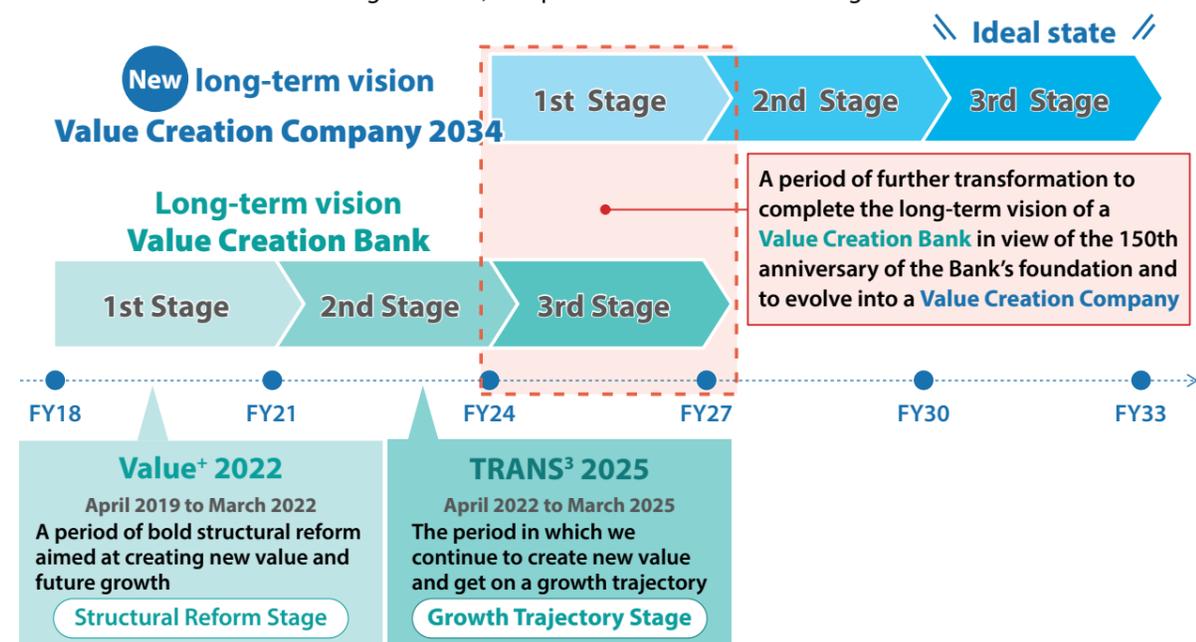
* Human capital ROI: Customer service business profit / Personnel expenses

From Our Previous Long-Term Vision as a Value Creation Bank to Our New Long-Term Vision as a Value Creation Company 2034

Under our former long-term vision as a Value Creation Bank, we have focused on creating new value from the perspective of our customers and communities, adapting to the changing times without being confined to the traditional framework of banking operations.

With the new long-term vision as a Value Creation Company 2034, we will build on this foundation while envisioning the future of our region. Through a wide range of networks, we will promote the region's brand and appeal, and evolve into a comprehensive regional financial group that creates new mechanisms and value to attract people to the region.

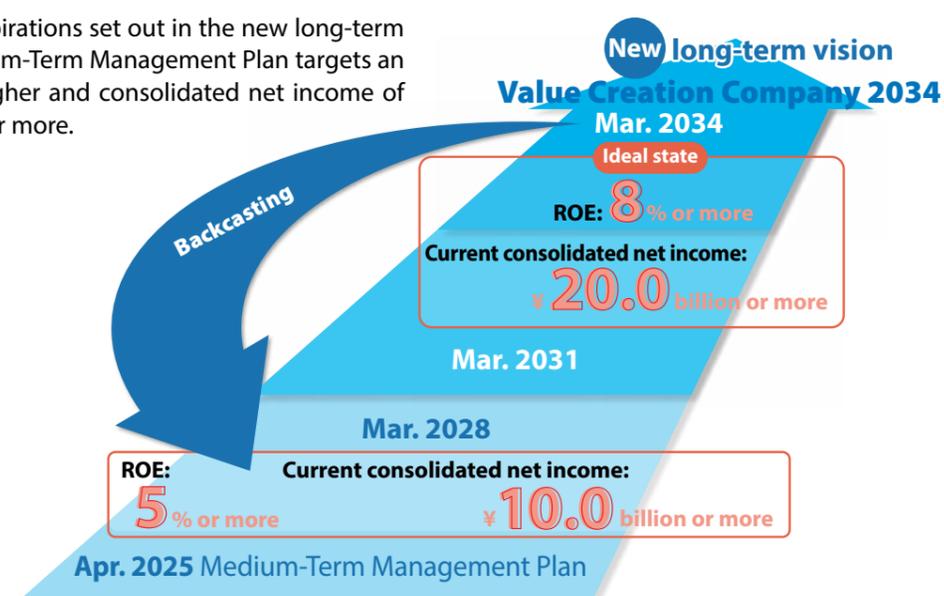
Through these initiatives, we will contribute to revitalizing the regional economy, enhance the value we provide to all stakeholders surrounding the Bank, and pursue our own sustainable growth.



Positioning of the Medium-Term Management Plan

Formulated through backcasting from our ideal state

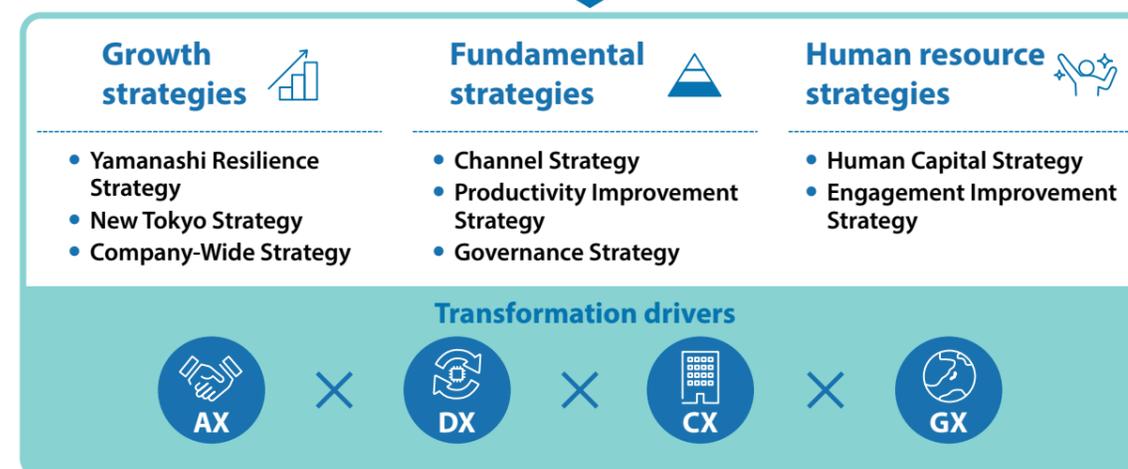
To realize the aspirations set out in the new long-term vision, our Medium-Term Management Plan targets an ROE of 5% or higher and consolidated net income of 10.0 billion yen or more.



Medium-Term Management Plan “Value Creation Company — 1st Stage” (Overview)

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

Value Creation Company — 1st Stage



Purpose (significance of existence) **Open Up a Bright Future from Yamanashi**

Financial indicators

Category	FY2024 (results)	KPI for FY2027
Consolidated ROE	3.56%	5% or more
Profit attributable to shareholders of the parent	¥7.6 bn	¥10.0 bn or more
OHR	64.0%	65% or less
Consolidated regulatory capital ratio	10.2%	9% level

Human capital indicators

Category	FY2024 (results)	KPI for FY2027
Human capital ROI	0.34 times	0.5 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

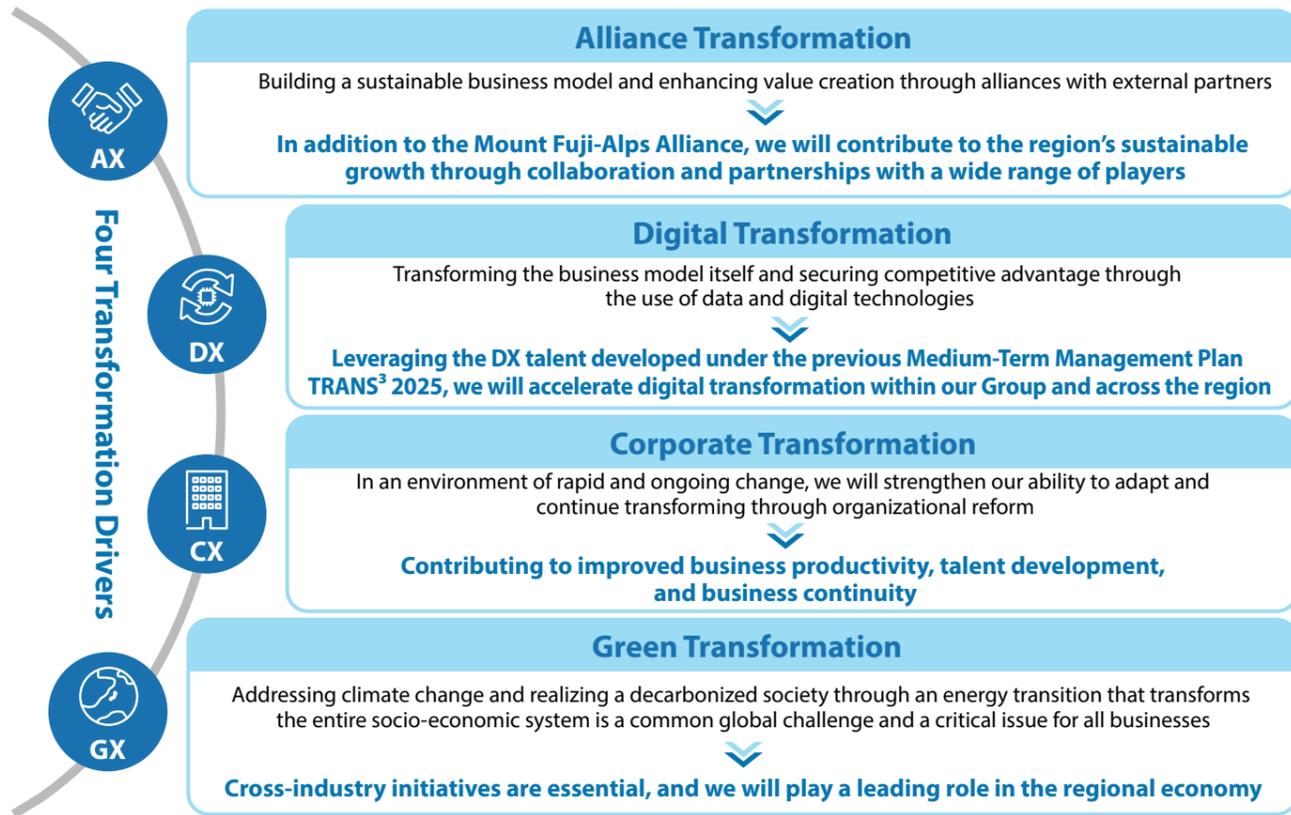
^{*1} Supervisors: Employees responsible for tasks such as document approval and staff evaluation. They are candidates for management positions (e.g., deputy branch managers, assistant managers, etc.).
^{*2} Based on a survey conducted in October 2024.

Social impact indicators

Category	Results	KPI for FY2027
Tourism consumption in Yamanashi Prefecture	¥317.5 bn	¥550.0 bn
Manufacturing output in Yamanashi Prefecture	¥1,312.9 bn	¥1,600.0 bn
Number of venture/start-up support cases* (3-year cumulative)	-	500
Number of financial education participants (3-year cumulative) (FY2021–2023 cumulative)	8,896	12,000 or more
CO ₂ emissions reduction rate (vs. 2013)	69.72%	85% reduction

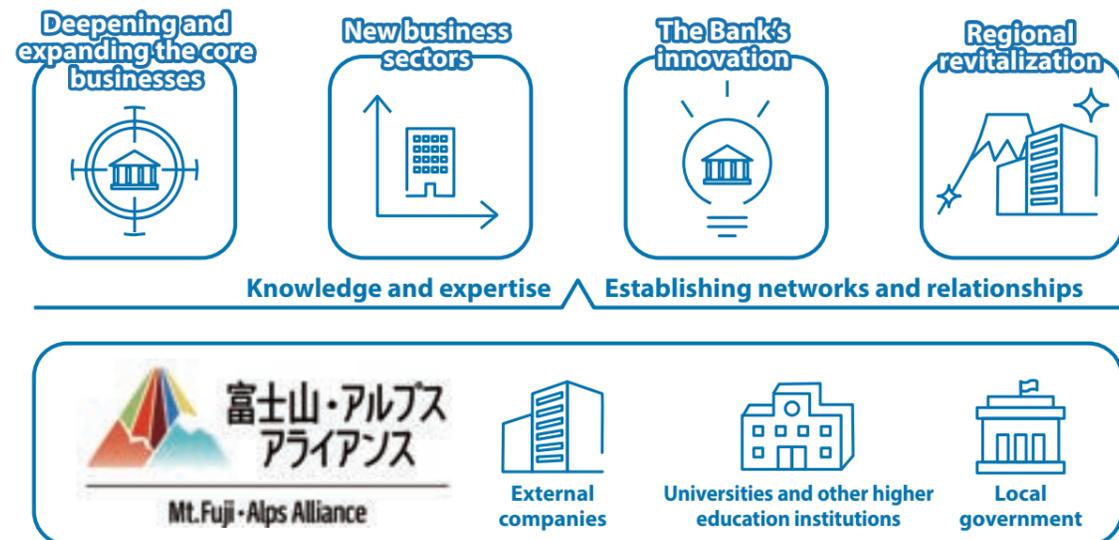
* Number of venture/start-up support cases: This includes the number of direct investments, investments made through LP-funded funds, venture debt transactions, related events held, and business matching referrals. [Performance data] Tourism consumption: FY2023; manufacturing output: FY2021; CO₂ emissions reduction rate: FY2024 (target coverage: Scope 1 + Scope 2)

Four Transformation Drivers (AX, DX, CX, GX)



AX Alliance Transformation

Building a sustainable business model through collaboration and partnerships with diverse players



DX Digital Transformation

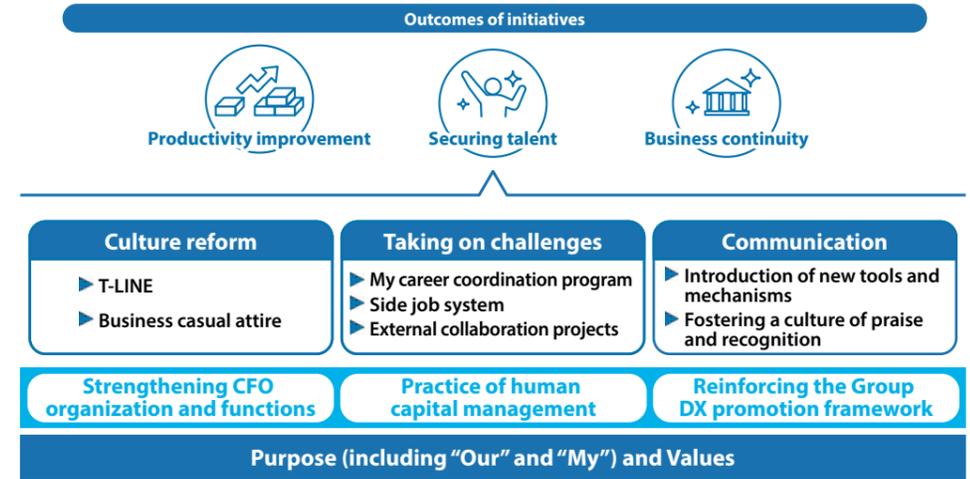


Advancing DX for the local community, customers, and our Group



CX Corporate Transformation

Practicing corporate culture reform centered on our Purpose and values



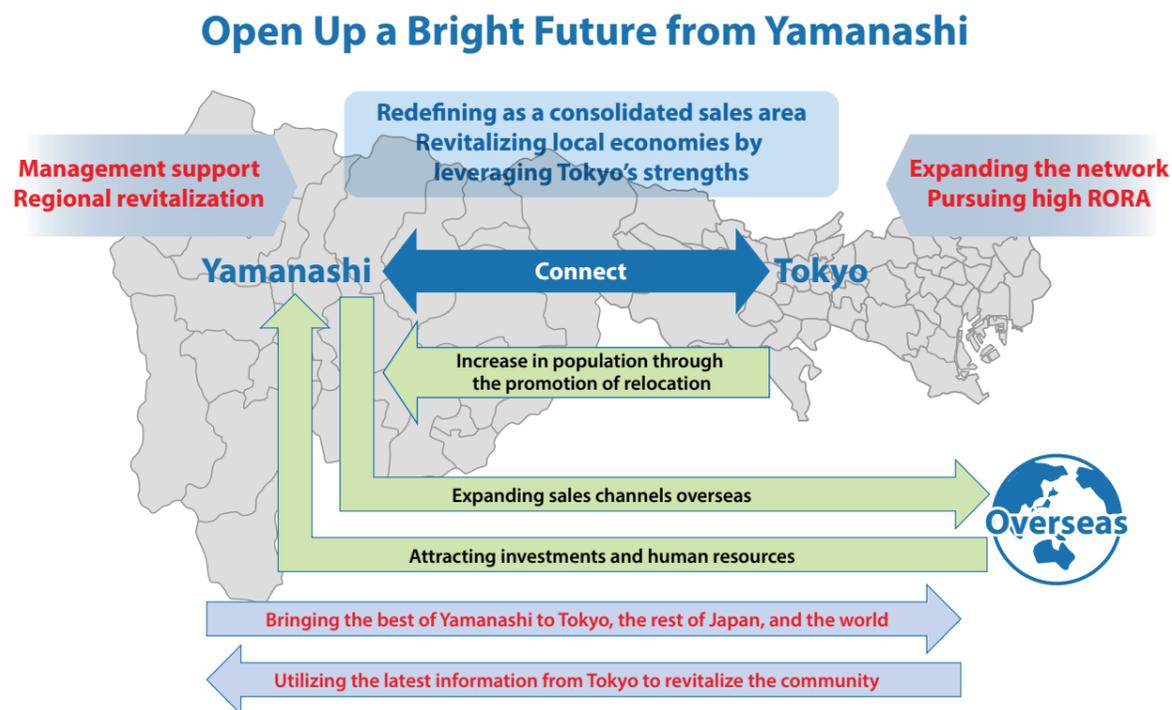
GX Corporate Transformation

Playing a leading role in the region toward achieving carbon neutrality



Toward Increasing Corporate Value

Vision for growth utilizing Yamanashi, Tokyo, and overseas networks

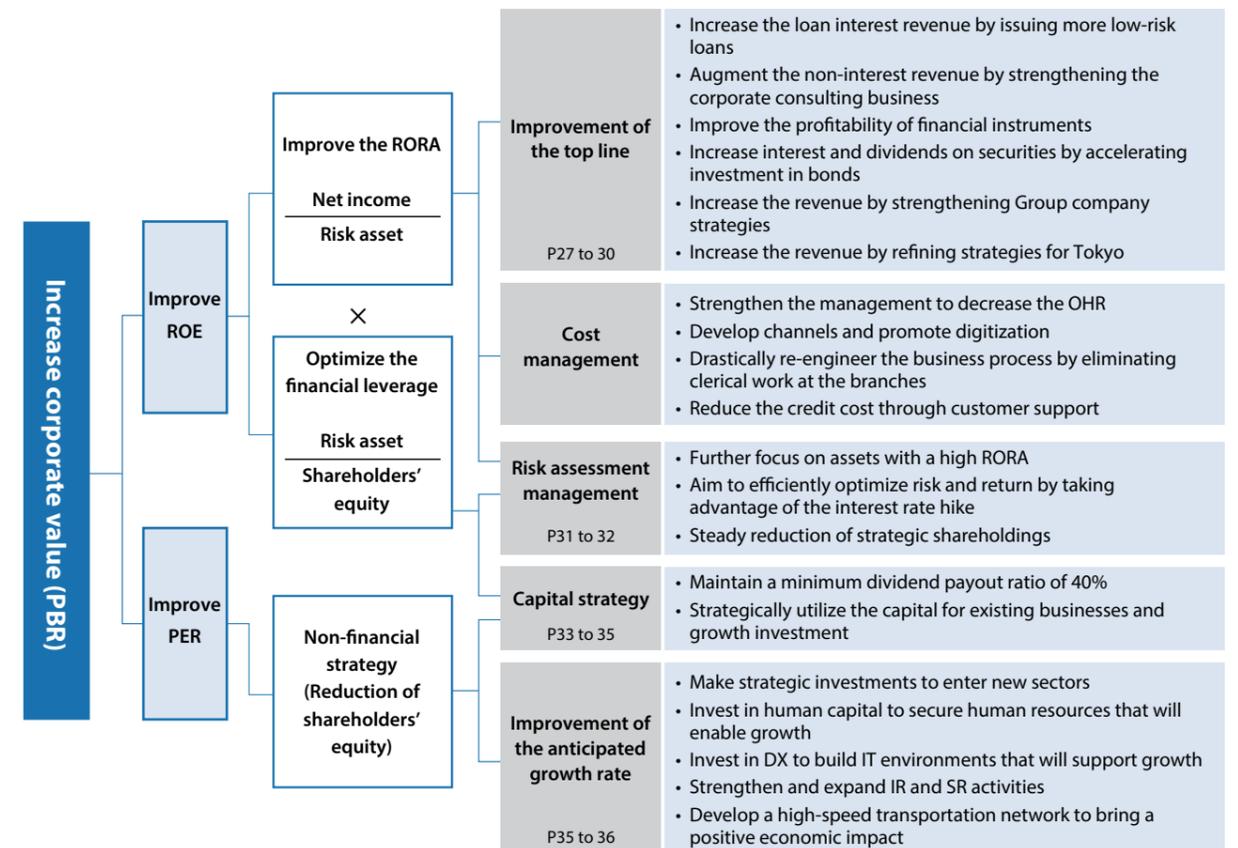


Medium- to long-term targets

- Attain an ROE of 5% or more during the Medium-Term Management Plan “Value Creation Company — 1st Stage”
- Aim to achieve, by FY2033, quantitative targets of consolidated net income of 20.0 billion yen or more and ROE of 8% 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 investments, shareholder returns, etc., while maintaining the consolidated regulatory capital ratio at approximately 9%

Long-term vision: Value Creation Bank Value Creation Company 2034				
Medium-Term Management Plan	TRANS ³ 2025 From April 2022 to March 2025		Value Creation Company — 1st Stage From April 2025 to March 2028	Ideal state
Fiscal year	FY2023 results	FY2024 results	By FY2027	By FY2033
Consolidated net income	¥5.6 bn	¥7.6 bn	¥10.0 bn or more	¥20.0 bn or more
Consolidated dividend payout ratio	30.1%	30.2%	Consolidated dividend payout ratio: Approximately 40% Take a flexible approach to the acquisition of own shares	
Consolidated regulatory capital ratio	10.05%	10.21%	Maintain a 9% level	
EPS	¥185.79	¥251.43	¥330 or more	¥660 or more
ROE	2.77%	3.56%	5% or more	8% or more
PBR	0.26 times	0.31 times	0.5 times or more	1.0 times or more
Cost of capital	-	-	Projected to be 7%	

Specific measures to improve PBR

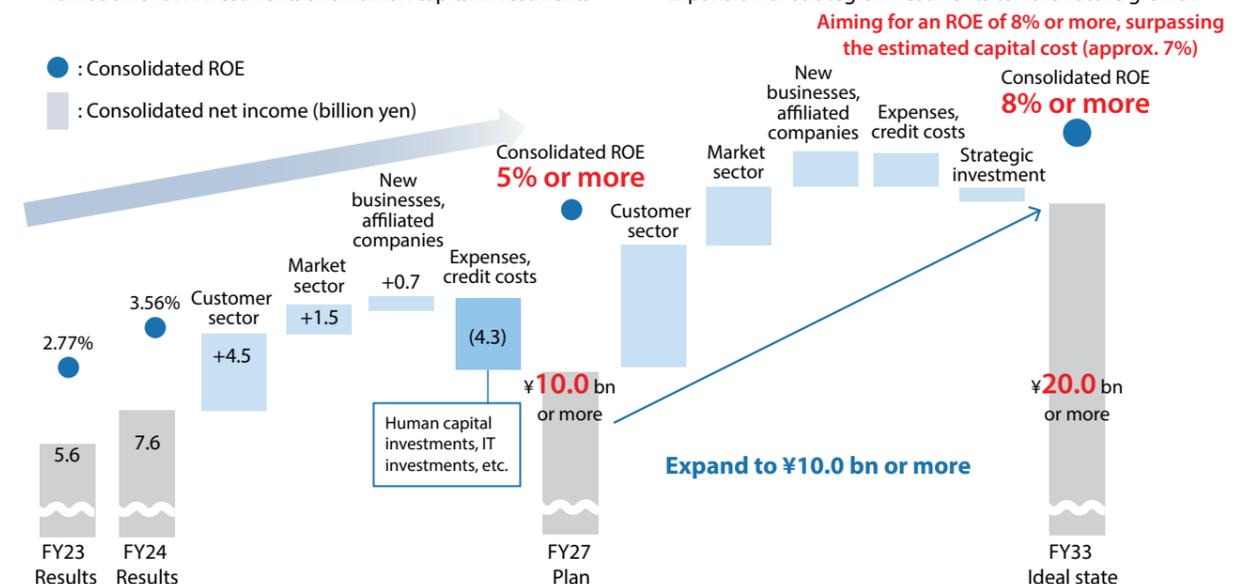


Management initiatives that take capital cost into account



- 1st Stage**
- Enhancing revenue through information cooperation between Yamanashi and Tokyo
 - Establishing Head Office revenue foundations through capital market investments, head office lending, etc.
 - Enhancing revenue for Group companies and initiatives for developing new businesses
 - Promotion of DX investments and human capital investments

- 2nd Stage and beyond**
- Promotion of the integration of Yamanashi, Tokyo, and overseas markets
 - Establishing new revenue foundations through the expansion of business fields
 - Sustainable growth through the promotion of regional sustainability
 - Expansion of strategic investments toward future growth

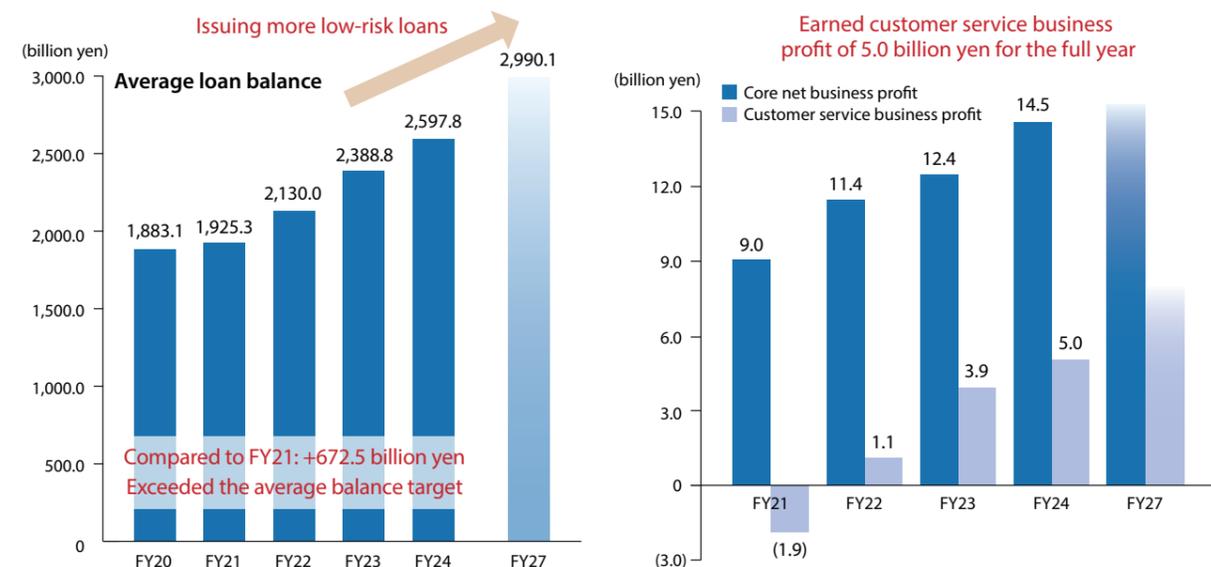


Specific Measures to Improve PBR

Top-Line Growth (Increase Interest on Loans)

Top-line growth through increases in interest on loans drives the Bank's growth

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



Specific Measures to Improve PBR

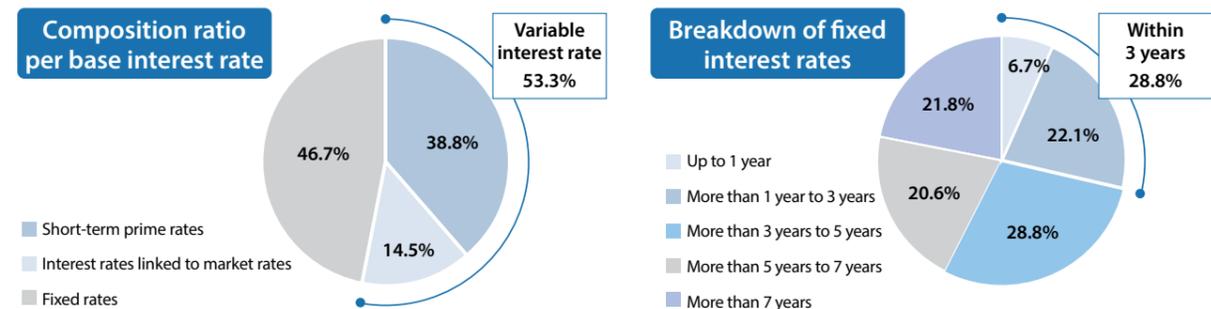
Rising interest rates have an impact on the top line

	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 Bank of Japan current account deposits (after deducting Bank of Japan borrowings)	¥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 bn**

Assumption: Increase in interest if the policy interest rate increases by 50 bp (25 bp in September 2025 and 25 bp in March 2026)
The balance represents the planned value under the Medium-Term Management Plan

53% of loans have a variable interest rate, while 28% of fixed-rate loans are at three years or less



Specific Measures to Improve PBR

Top-Line Growth (Strengthening of Consulting Support)

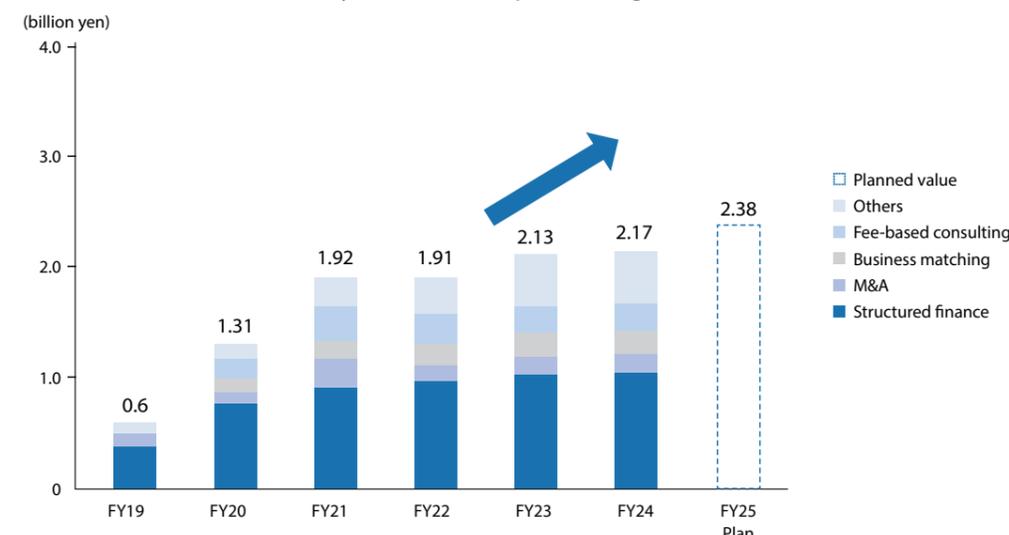
Increase fees and commissions revenue by strengthening consulting support to customers

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

- Attained the highest performance on record with successful consulting sales for corporate-related clients
- Customer-centric sales of financial instruments have been established and consultation capabilities enhanced to include non-financial fields as well

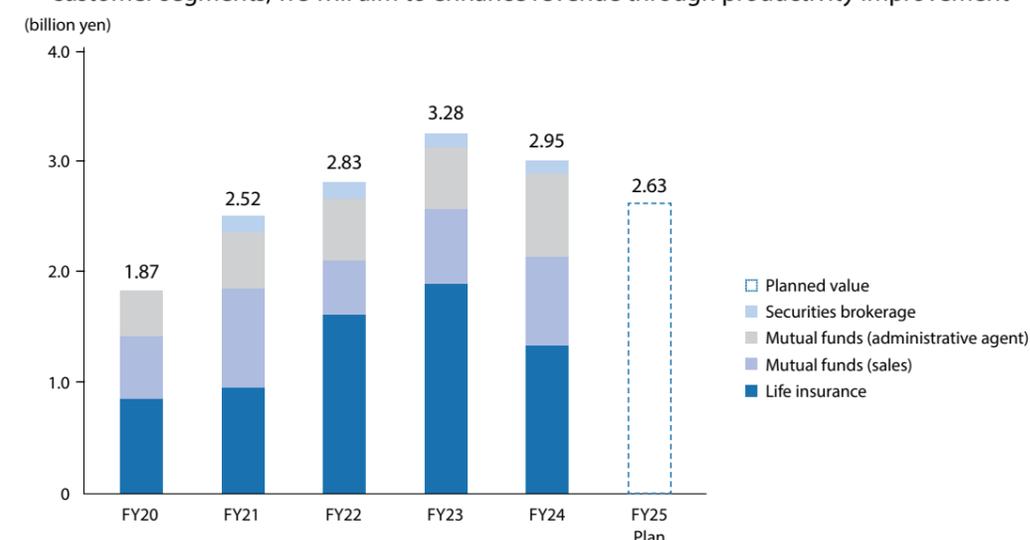
<Corporate-related fee and commission income>

- Fee and commission income related to structured finance has grown. ICT consulting operations have been generating revenue in fee-based consulting, and transactions with local governments have also increased
- We will continue to enhance our fee and commission revenue by sequentially adding consultation services which include sustainability and human capital management



<Financial instruments fee and commission income>

- Although there was a decline in fees and commissions for life insurance, there were increases in investment trust fees and administrative agent fees, which enabled us to meet plan targets
- By conducting a hybrid sales approach, which offers in-person, remote, and digital services according to customer segments, we will aim to enhance revenue through productivity improvement

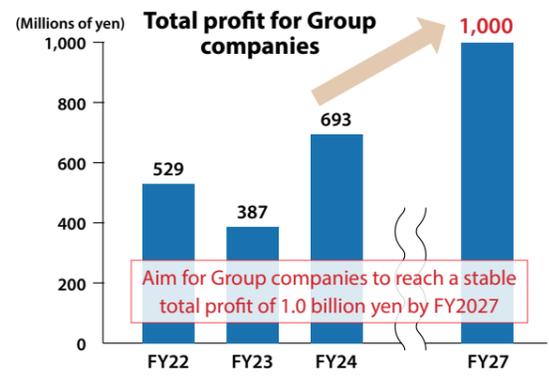
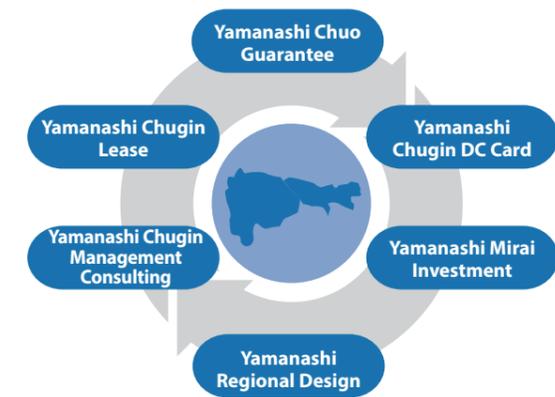


Specific Measures to Improve PBR

Top-Line Growth (Group Growth Strategy)

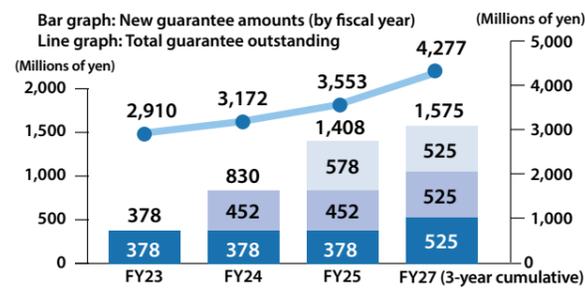
Provision of comprehensive financial services by leveraging Group functions

As a comprehensive regional financial group, we are aiming to increase the Group's income while allocating resources appropriately to provide the best possible financial services to our customers.

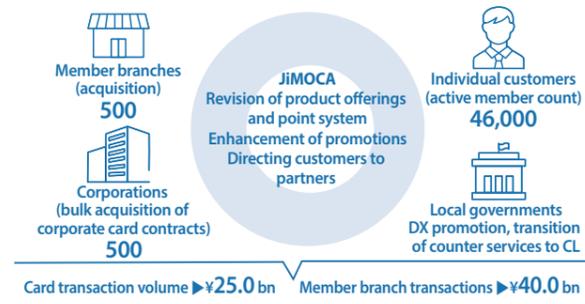


* FY2023 is the estimated figure that excludes gains on inter-Group transactions, whereas FY2024 is the estimated figure that excludes some stock trading gains

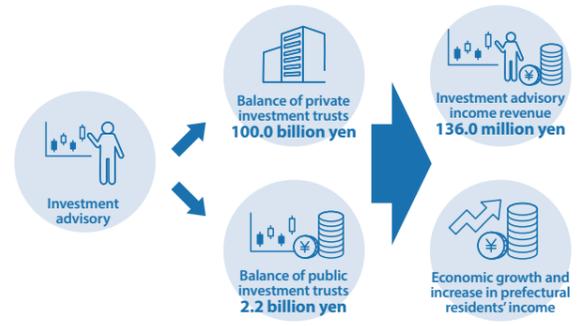
Yamanashi Chuo Guarantee



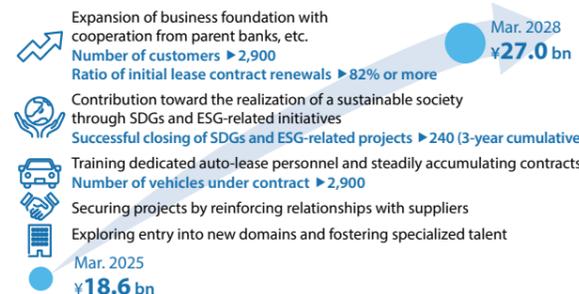
Yamanashi Chugin DC Card



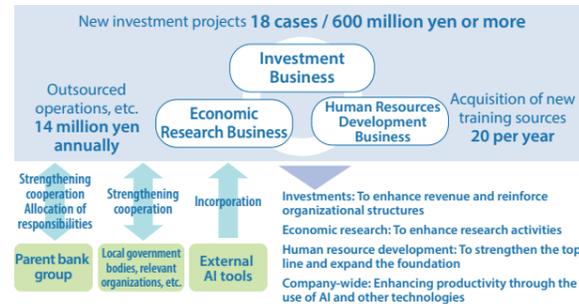
Yamanashi Mirai Investment



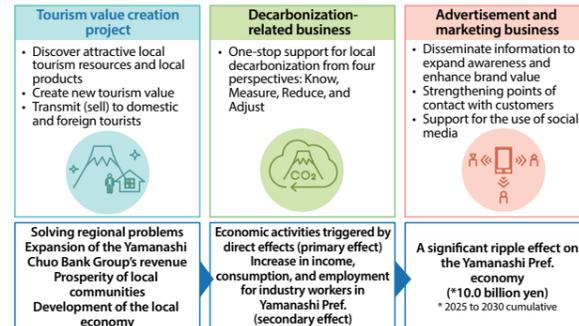
Yamanashi Chugin Lease



Yamanashi Chugin Management Consulting



Yamanashi Regional Design

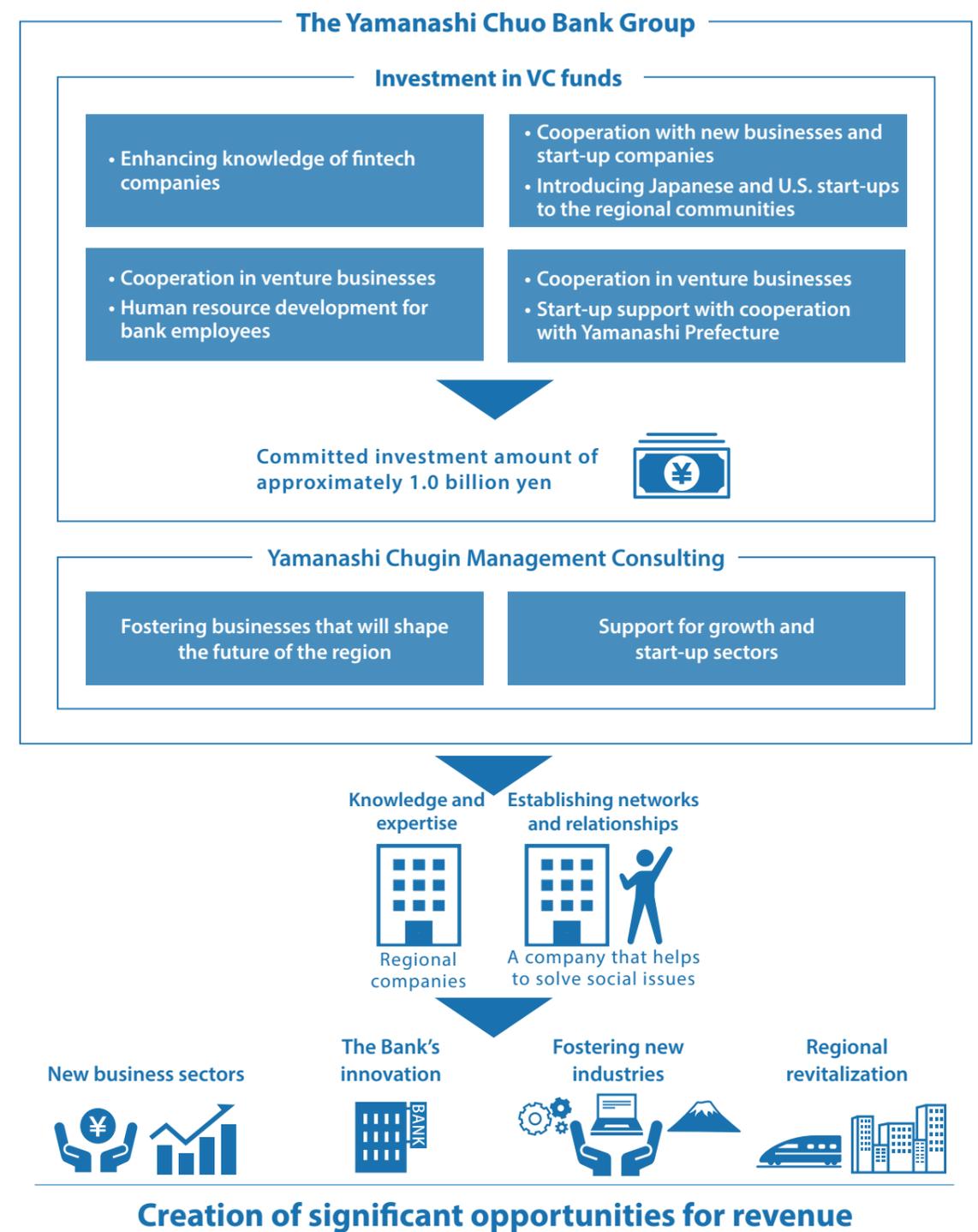


Specific Measures to Improve PBR

Top-line Improvement (Initiatives in Venture Businesses)

We will continue to construct a network that includes VC funds to further strengthen our search for potential investment and financing targets. Furthermore, through knowledge, expertise, and efforts to build connections, we will foster new industries and promote regional revitalization through cooperation between the region and start-up companies, while enhancing the efforts of the Yamanashi Chuo Bank in new business sectors.

Enhancing initiatives in cooperation with VC funds



Specific Measures to Improve PBR

Risk Assessment Management (RORA Initiatives)

Being consistently aware of and enhancing capital efficiency is crucial to improve ROE. The Bank is conducting initiatives to improve RORA (Return on Risk-Weighted Assets) in response to the increase in risk assets due to the expansion of loans. Furthermore, the ALM Committee and other organizations will analyze risk-weighted assets to reflect them in management strategies and sales strategies to improve their effectiveness. We will also accelerate the expansion of businesses that do not require risk-weighted assets.

Initiatives to improve RORA toward enhancing revenue

Establishing a revenue foundation through the New Tokyo Strategy

- Expanding business with mid-tier corporations and SMEs based on clear strategic domains (real estate, manufacturing, medical care)
- Reinforcement of the wealth business [Establishing relationships with, and strengthening business with, the affluent community]
- Strengthening support for start-up companies



Expanding risk-weighted assets and improving RORA (+20 to +30 bp) in the Tokyo area, which is our target market following Yamanashi Prefecture



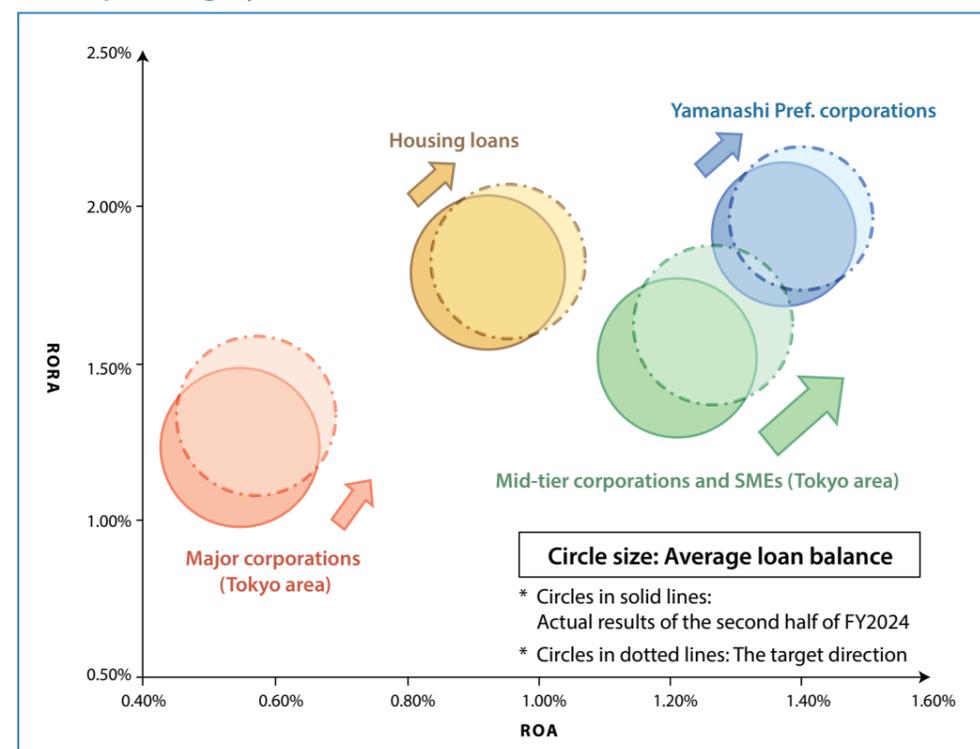
Early attainment of ROE 5% or more

Early attainment under the "Value Creation Company — 1st Stage"



Attaining ROE 8% as of March 2034

[RORA per category]



Specific Measures to Improve PBR

Risk Assessment Management (Reduction of Strategic Shareholdings)

- In line with the objectives of the Corporate Governance Code, the policy on strategic shareholdings has been formulated and strategic shareholdings have been reduced, with the importance of each individual holding being regularly reviewed
- Reduction of 12.6 billion yen against the reduction target of 10.0 billion yen set for FY2024
- We have established new reduction targets to further accelerate the reduction of listed strategic shareholdings with the goal of improving capital efficiency for a further increase in corporate value

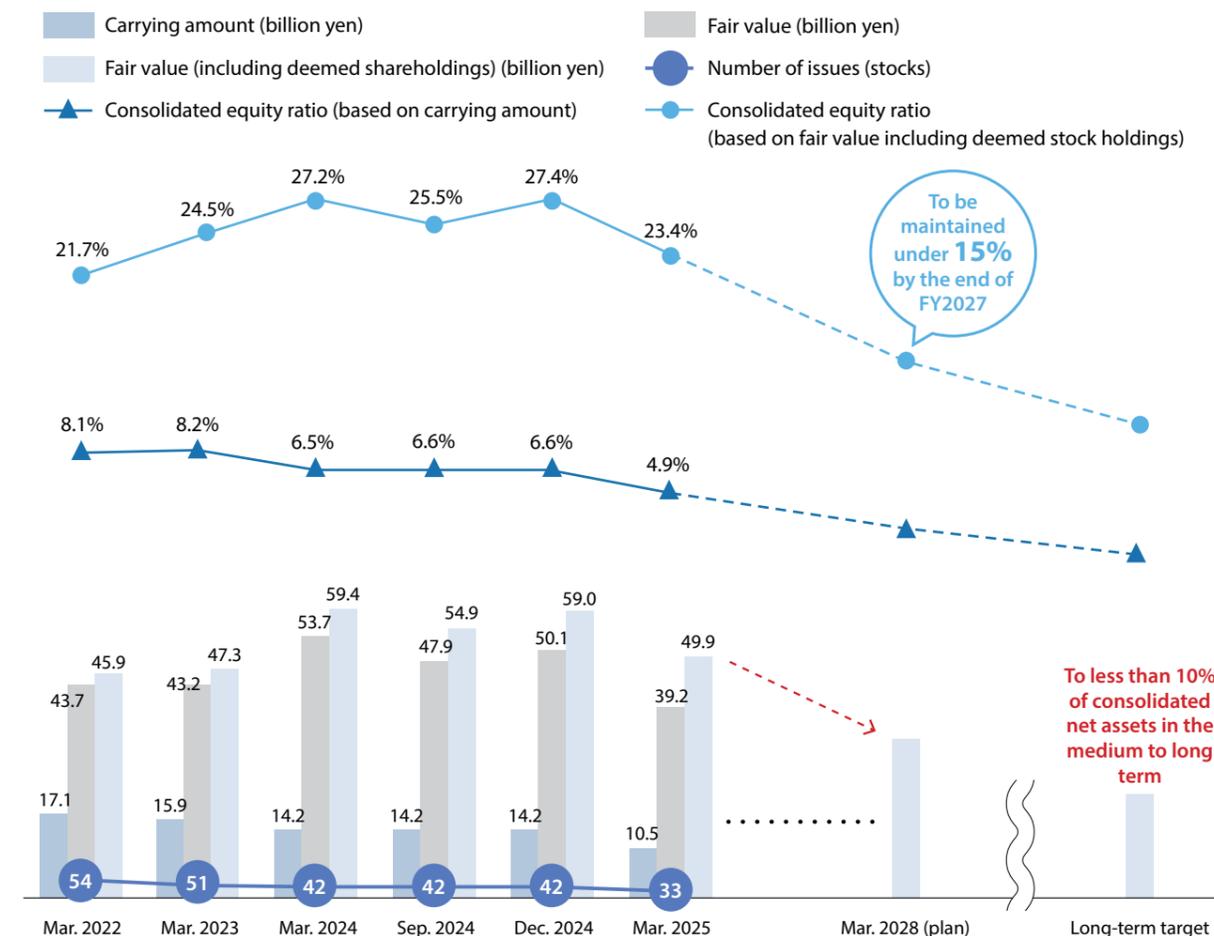
Reduction policy

- By the end of March 2028, we aim to reduce the ratio of listed strategic shareholdings (including deemed holdings in fair value terms) in consolidated net assets to less than 15%.
- We will reduce this ratio to less than 10% in the medium to long term.

Utilization of funds generated through reduction

- Funds generated from the reduction of strategic shareholdings shall be allocated to growth investments such as financing and new ventures, digitization for productivity improvement, investments for human capital development, and shareholder returns, with a focus on capital efficiency, aiming to increase corporate value over the medium to long term

<Changes in strategic holdings of listed shares>



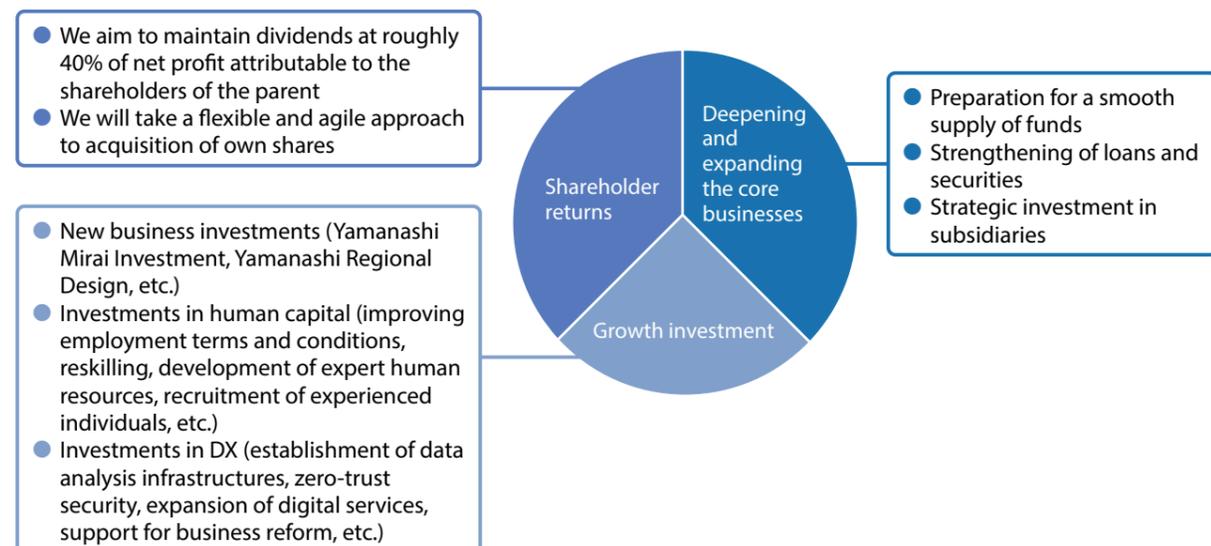
Specific Measures to Improve PBR

Capital Strategy (Effective Use of Capital)

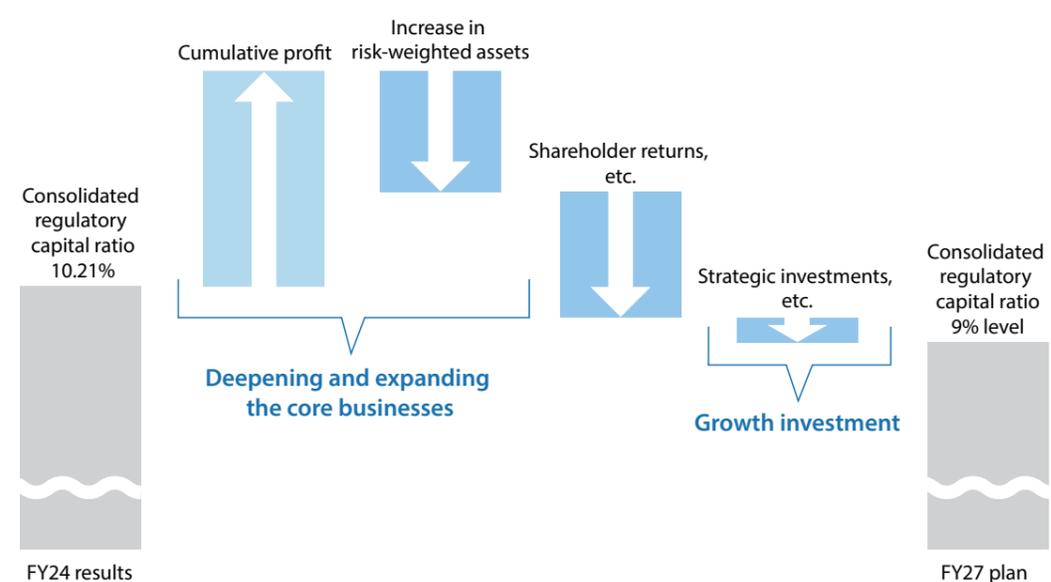
- Our policy on the effective user of capital is a balanced distribution among shareholder returns, investments in existing businesses, and investments for future growth
- Regarding shareholder returns, our policy is to implement a dividend payout ratio of 40% and flexibly conduct share buybacks as needed
- Regarding future investments, the Bank will make investments in new businesses, along with investments for medium- to long-term growth, which includes investments for human capital and DX
- Utilization to address the increase in risk-weighted assets associated with the continuation and expansion of smooth fund provision

Capital allocation

Well-balanced use of capital for sustainable growth



Example of capital allocation

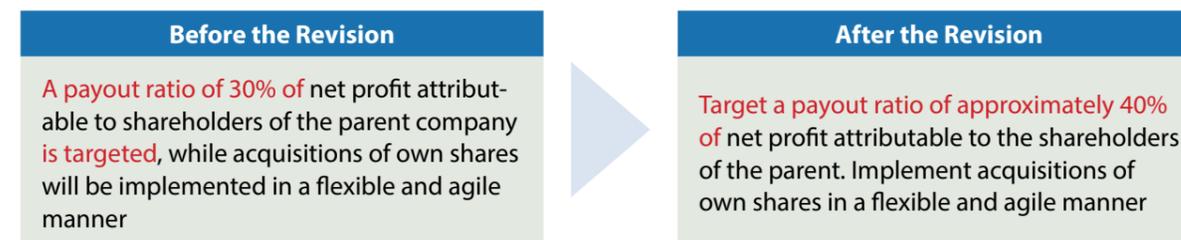


Specific Measures to Improve PBR

Capital Strategy (Status of Shareholder Returns)

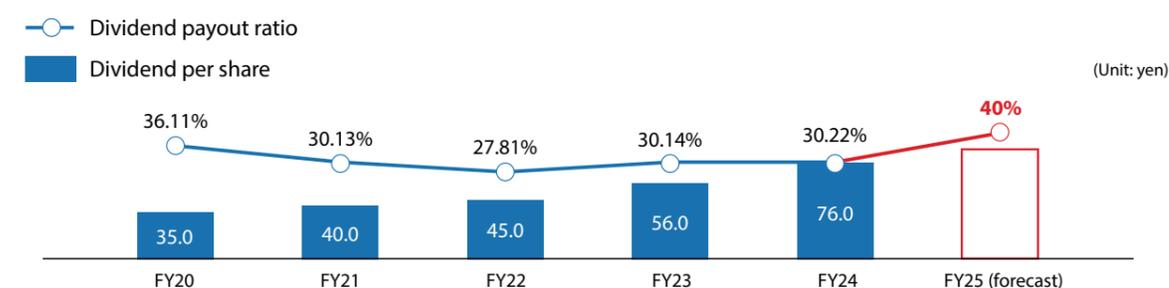
Revision of the shareholder return policy to enhance corporate value

- As part of our capital and financial strategy to enhance the corporate value of the Yamanashi Chuo Bank Group, we have revised the dividend payout ratio to enhance shareholder returns, while maintaining financial soundness and balancing profitability with growth



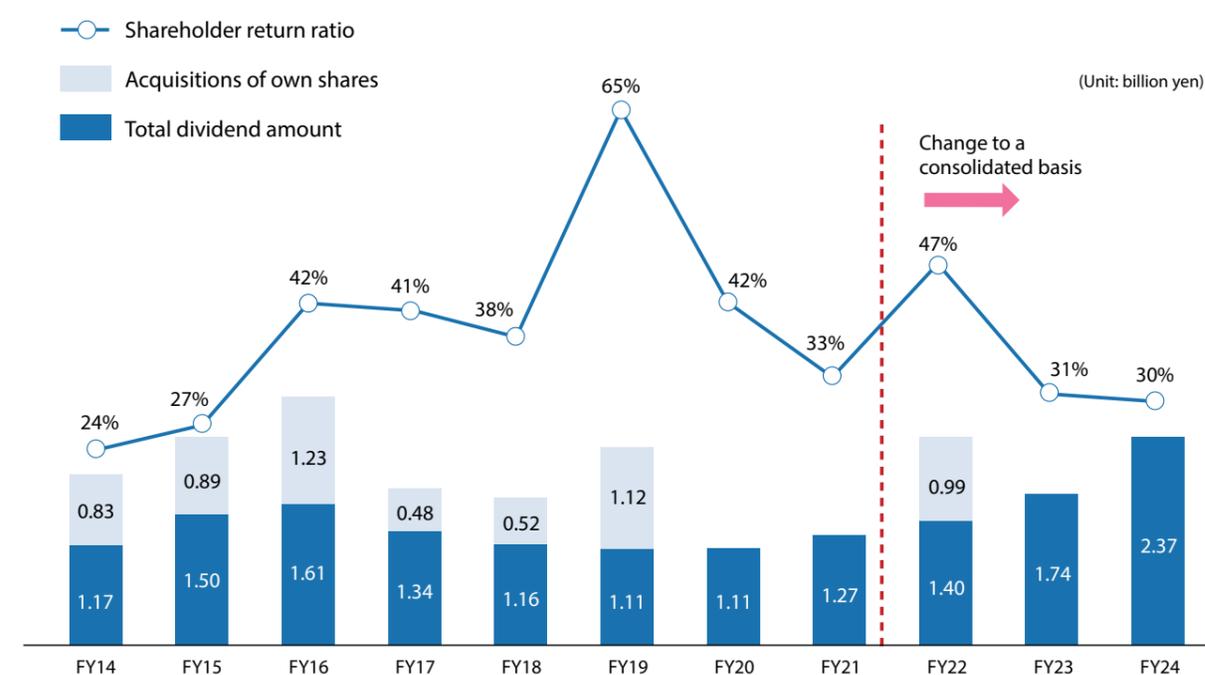
* Applicable from FY2025

Trends in dividend payout ratio and annual dividends



- The dividend for FY2025 is expected to be 110 yen per share, based on our basic policy on shareholder returns (consolidated payout ratio of 40%)

Trends in acquisitions of own shares, dividend amounts, and shareholder return ratio



Specific Measures to Improve PBR

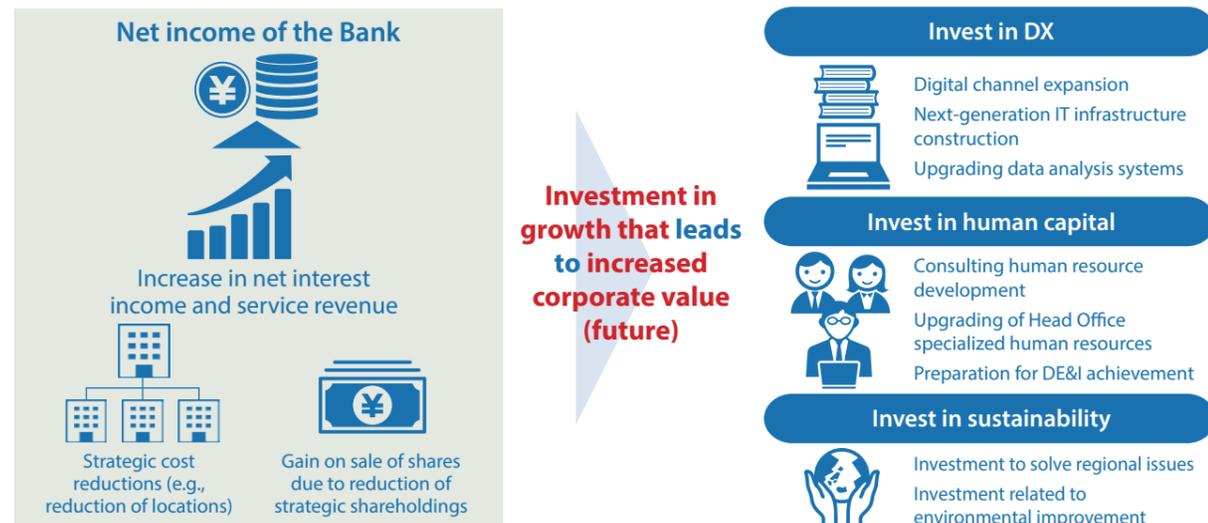
Capital Strategy (Overall Growth Investment Strategy)

Under our new long-term vision, Value Creation Company 2034, we have clarified the value we provide to each of our stakeholders and are working toward our medium- to long-term ideal state, which includes management indicators such as an ROE of 8% and consolidated net income of 20.0 billion yen or more by FY2033.

Effective investment in growth is indispensable to realize the ideal state and enhance corporate value.

Increase corporate value through growth investments based on capital strategies

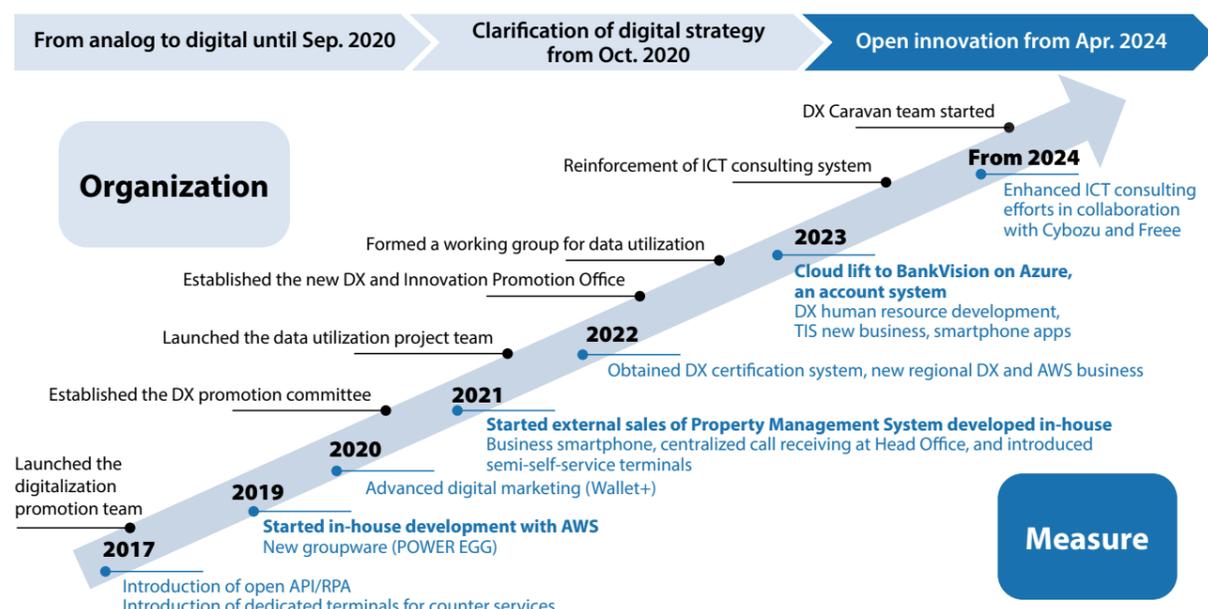
- Actively invest a portion of capital in DX, human capital, and sustainability in order to sustain medium- to long-term improvements in corporate value
- Aiming to enhance the Bank's own value through growth investments and to increase the value of the region in the future



Specific Measures to Improve PBR

Improvement of Expected Growth Rate (DX Initiatives)

Returning the knowledge and expertise obtained through our DX initiatives to regional communities and customers



Specific Measures to Improve PBR

Communication with Stakeholders

Strengthening dialogue with shareholders and institutional investors

We actively communicate with all stakeholders, including customers, shareholders, regional communities, and employees.

We are committed to improving the communication gap by emphasizing opportunities for dialogue with shareholders and investors and incorporating stakeholder views through the promotion of constructive dialogue.

Communicating with shareholders and investors

We strive to disclose information in a timely and appropriate manner and strengthen dialogue with shareholders and investors so that they can understand the business operations, financial condition, and non-financial information of the Yamanashi Chuo Bank Group and make appropriate judgments about the soundness of management.

In FY2024, we held a hybrid (venue + online) company information session for institutional investors, utilizing online. For the second half of FY2024, we continued proactive engagement (SR activities) with our shareholders and institutional investors. The wide range of opinions shared with management are being reflected in our various initiatives.

Dissemination of information

We strive to disseminate information on financial results and the Bank Group's initiatives in a timely and appropriate manner through the Annual General Meeting of Shareholders, financial results briefings, Annual Reports, and other means.

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Earnings announcement		● Earnings announcement			● First-quarter financial results			● Second-quarter financial results				● Third-quarter financial results
Company information session		● Company information session							● Company information session (interim)			
Annual General Meeting of Shareholders			●									
Securities report			● Securities report					● Semiannual report				
Mini disclosure magazine		● Mini disclosure magazine						● Interim mini disclosure magazine				
Annual Report (Disclosure magazine)				● Annual Report (disclosure magazine)						● Interim disclosure magazine		

Status of dialogue

We conduct ongoing, intensive dialogue (SR interviews) with our shareholders and institutional investors.

	FY2022 (Second half)	FY2023 (Second half)	FY2024 (Second half)
Institutional investors	12 investors	18 investors	22 investors
Investors holding more than a certain number of shares	Business corporations	35 corporations	47 corporations
	Individuals	29 persons	31 persons
Total	76	96	90

Main discussions during dialogues			
Governance	Term of office for outside directors	Capital policy	Initiatives to improve ROE
	Compensation system (review of capital efficiency indicators, including ROE)		Specific articulation of growth strategies
Capital policy	Reduction of strategic shareholdings	Sustainability	Employee engagement
	Effective use of capital		Disclosure of Category 15 by sector

Post-dialogue initiatives

Issues identified in the dialogue are shared with management to increase corporate value.



Shizuoka-Yamanashi Alliance initiatives



Under the Shizuoka-Yamanashi Alliance, a comprehensive business alliance with Shizuoka Bank, we have pursued various collaborative initiatives aimed at fostering the economic development of both prefectures through collaboration, focusing on regional revitalization.

Collaboration in the finance field

Structured finance	Syndicated loan co-formation, etc.
Co-financing ¥96.3 billion	Collaborative action ¥46.7 billion

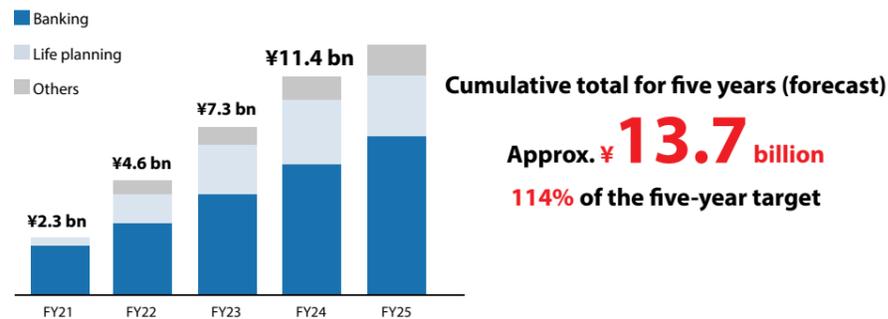
Achievements in the life planning field

Yamanashi main office of Shizugin TM Securities Co., Ltd.
(Opened in the Head Office in April 2021)

Sales of assets under custody ¥65.7 billion	Balance of assets under custody ¥35.3 billion
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Earnings benefits

FY2024 (single fiscal year)
Approx. ¥4.07 billion
145% of the single-fiscal-year target



Toward the Fuji-Alps Alliance

- The framework established by the two banks under the Shizuoka-Yamanashi Alliance will come to an end.
- Going forward, we will accelerate our efforts to address regional challenges through the Fuji-Alps Alliance, which includes Hachijuni Bank, with whom we share common regional challenges and potential.

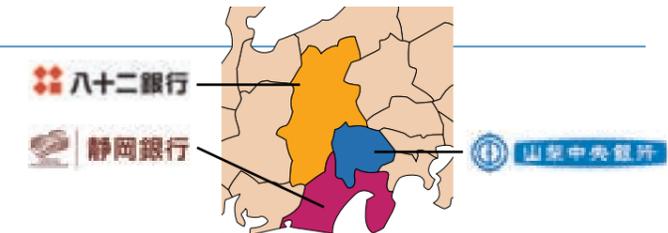
Launch of the Fuji-Alps Alliance



On March 27, 2025, we entered into a new comprehensive business partnership with Shizuoka Bank and Hachijuni Bank.

Purpose of the Fuji-Alps Alliance

The three banks, while maintaining their operational independence and distinct corporate brands and customer bases, will contribute to the sustainable growth of regional economies by mutually leveraging each bank's expertise and management resources.



- [Common points]** Rich natural capital, attractive industrial structures, 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

Effects of the Alliance and key initiatives

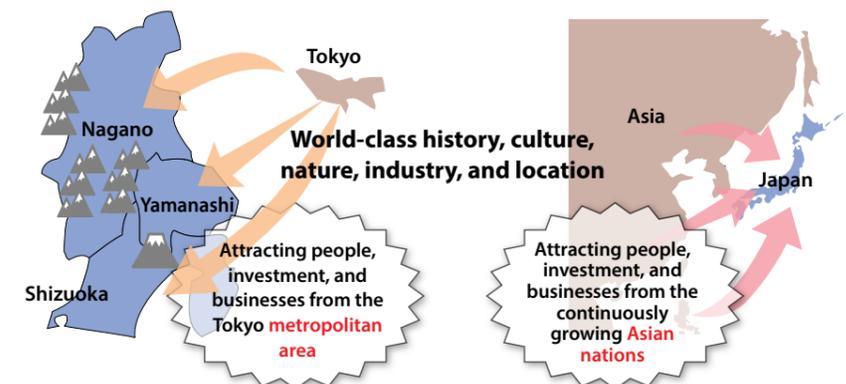
Priority measures

- 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 3 prefectures (social increase or decrease)
- Total revenue effect of 20.0 billion yen at 3 banks (5-year cumulative)

Vision of the Alliance (Mission)



The three banks, which share common regional potential, such as abundant natural capital, attractive industrial structures, and proximity to the Tokyo metropolitan area, will co-create new value and showcase the future shape of the three prefectures to the world.

Voice

Regional Revitalization Promotion Division

T. Furuya



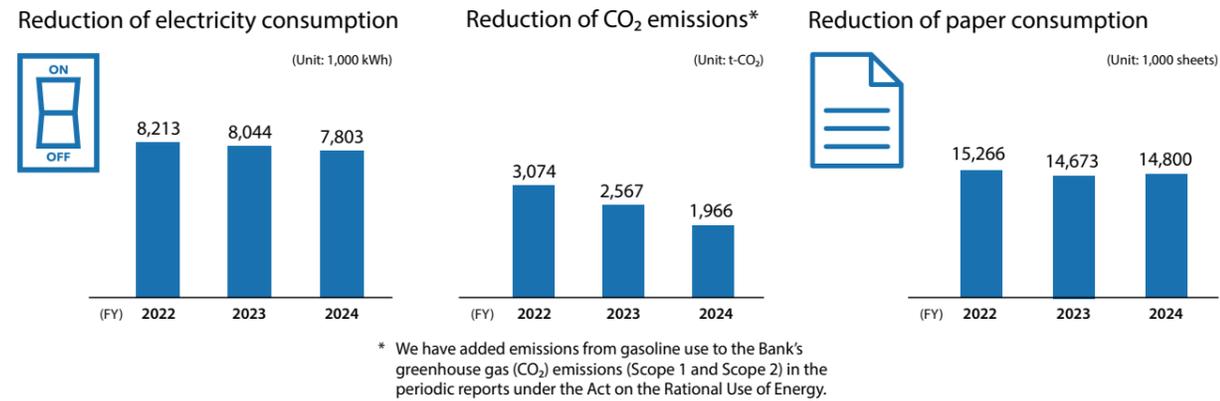
Toward the sustainable development of Yamanashi, Shizuoka, and Nagano

I am currently a member of the Fuji-Alps Alliance migration promotion project team, participating in initiatives aimed at addressing social challenges such as regional population decline and labor shortages.

The three prefectures of Yamanashi, Shizuoka, and Nagano share common regional potential—world-class natural capital, attractive industrial structures, and proximity to the Tokyo metropolitan area. We aim to leverage these strengths to promote regional revitalization.

I have experience working in the field of regional revitalization and hope to apply the expertise I have developed to this area. I will also strengthen collaboration with the Alliance banks and consider mechanisms to showcase the appeal of each region.

Activities to tackle environmental problems



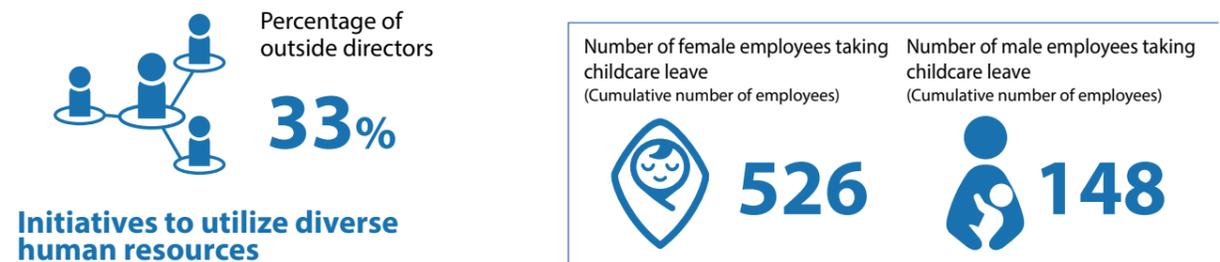
Initiatives to revitalize regional economies



Initiatives to contribute to regional society



Initiatives for corporate governance



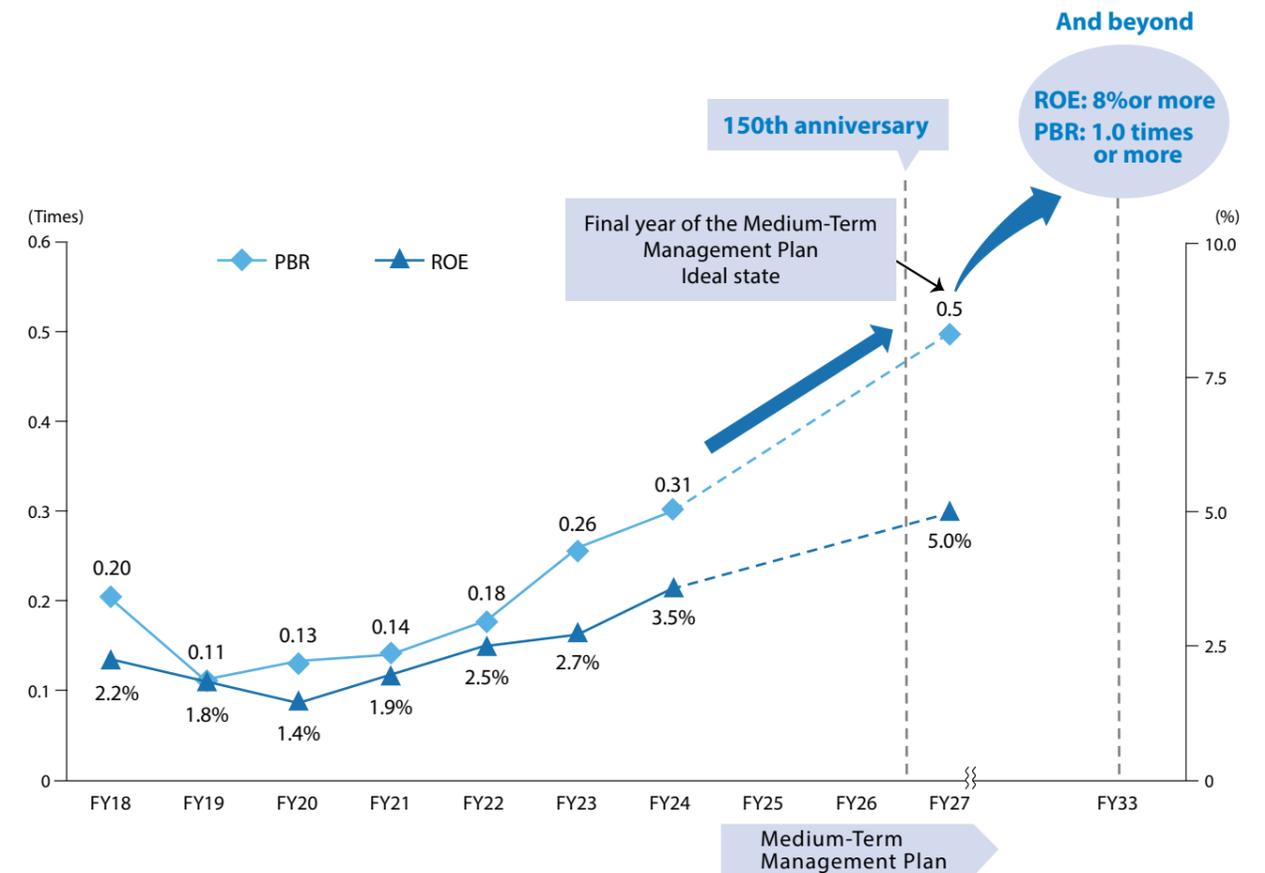
Initiatives to utilize diverse human resources



Target Levels for ROE and PBR

Swiftly achieve ROE of 5% or more and aim for even higher ROE

- Accelerate initiatives to achieve a certain ROE and PBR, considering the 150th anniversary of the Bank's founding in April 2027 as one of the growth drivers
- Achieve an ROE of 5% and a PBR ratio of 0.5x as early as possible, with a view to the final year of the Medium-Term Management Plan
- Aim for an ROE of 8% and a PBR ratio of 1x or more in the long-term vision





Three Basic Strategies and Initiative Details for the Medium-Term Management Plan “Value Creation Company — 1st Stage”

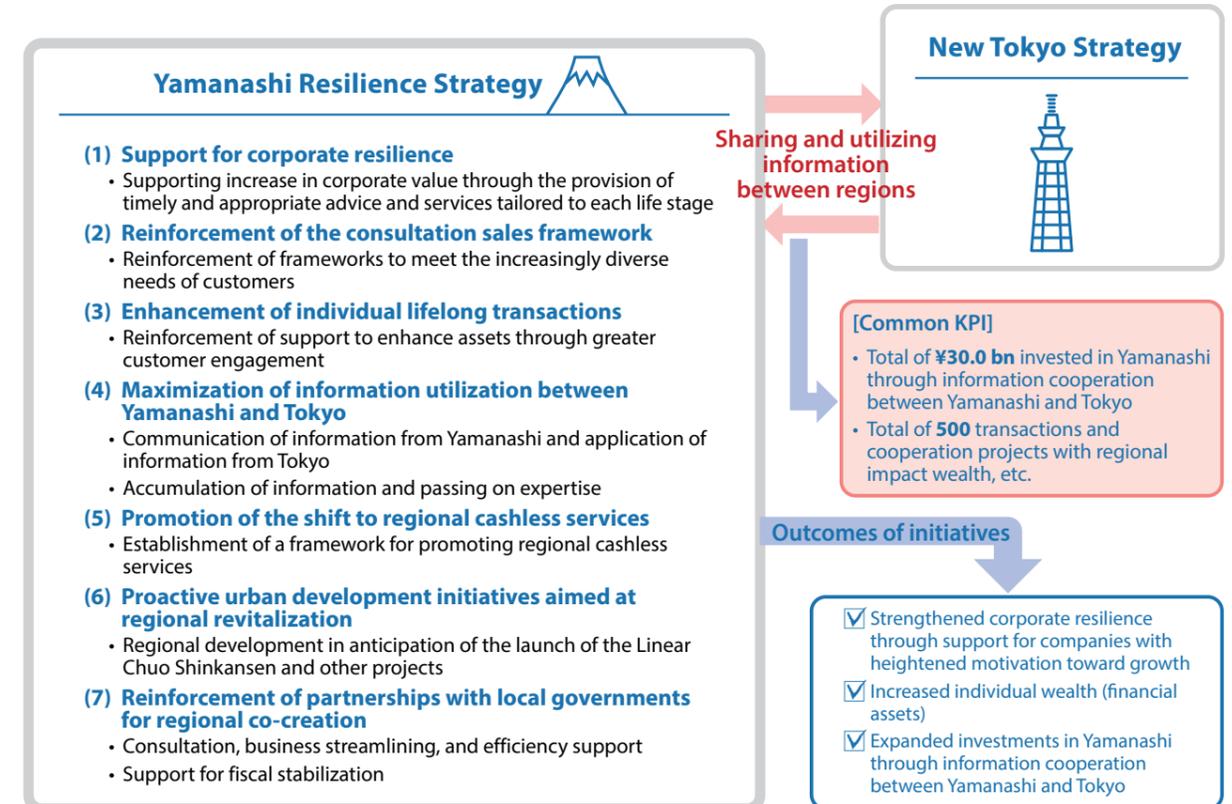
After celebrating our 150th anniversary and completing the Value Creation Bank, we are moving on to the next stage
Value Creation Company — 1st Stage



Growth Strategies

Initiatives for advancing the Yamanashi Resilience Strategy

We support urban development along with corporate and regional growth, while taking the regional characteristics and future prospects of Yamanashi Prefecture into account. By fully utilizing information between Yamanashi and Tokyo, we aim to maximize shared values through content provision.



Increase of the number of companies with 50 or more employees* 100 companies (compared to FY2024)	Ratio of individuals who saw increased (financial) assets 70%
Number of consulting support cases (Contracts and applications) 500 cases (Total)	Ratio of cashless operations within Yamanashi Prefecture (Presumptive) 50%

* Based on the number of employees per company size (88.1% of companies have fewer than 50 employees) in Yamanashi Pref.

Voice

Sales Management Division

T. Ito

Leveraging our Bank’s strength in information from Yamanashi and Tokyo for solving problems and promoting local economy development

The Yamanashi Chuo Bank has newly launched the Yamanashi-Tokyo Connect, an information platform that consolidates information, including customer data gathered from Yamanashi and Tokyo branches. This platform aims to share rare and highly valued information across the Bank and give birth to new possibilities among clients that also contribute to regional revitalization.

There is a vast number of diversified information, ideas, and technologies in Tokyo, and the variety of transactions is growing by the day. Meanwhile, on the Yamanashi side, we recognize the fact that there are many issues that cannot be addressed in this region alone.

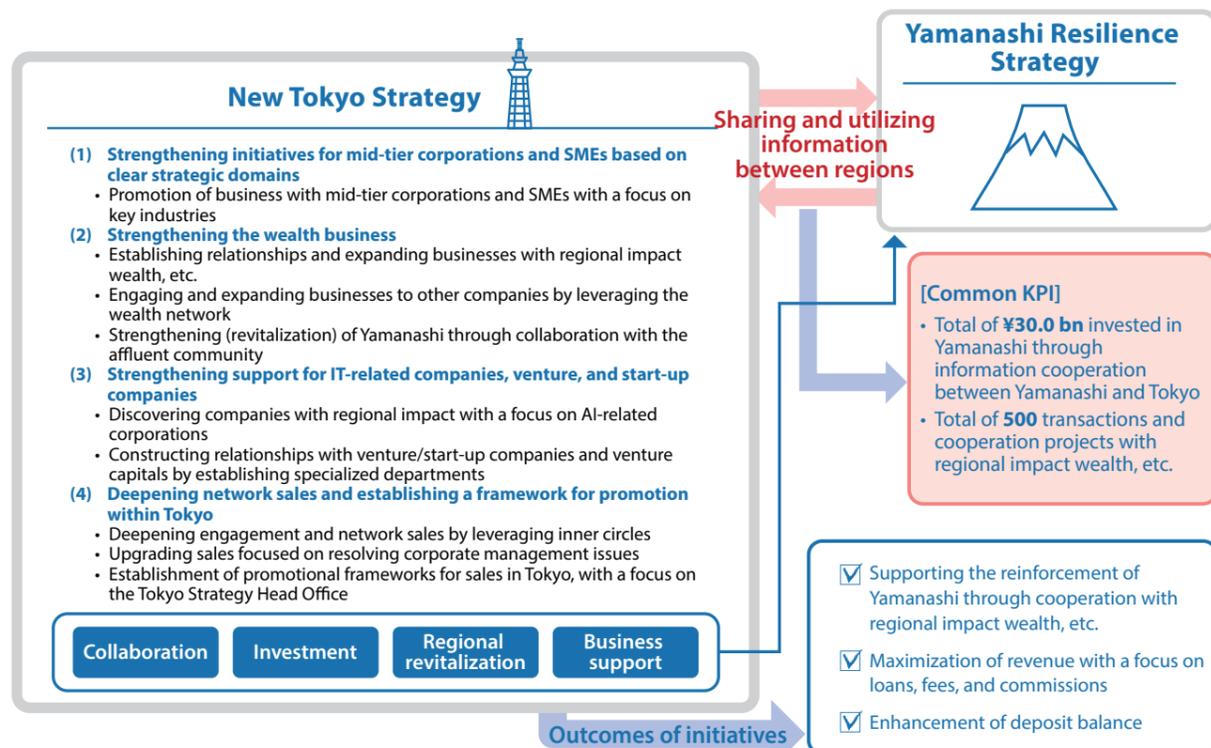
One strength of our Bank is having connections with many customers in both Yamanashi and Tokyo. We believe that maximizing this strength will not only resolve customer issues, but also open up various possibilities that may lead to new ideas and challenges.

In the next phase, we will use the power of the information that we have been collecting up to this point so that it actively flows between and within Yamanashi and Tokyo, allowing us to offer a “Connect” experience that exceeds customer expectations.



New Tokyo Strategy

Through the creation of new revenue opportunities, expansion of network sales, and enhancement of two-way businesses with customers, we will establish a sustainable revenue foundation in an enormous market.



Expansion of direct and indirect businesses by reinforcing relationships with the affluent community



Average loan balance in Tokyo: **¥1.57 trillion**

Average deposit balance in Tokyo: **¥455.0 billion**

Voice

Wealth Business Division
Y. Edo



Making the most of our regional understanding, our Tokyo customer base, and flexibility, we will create new values together as a bridge between urban and regional areas

The Wealth Business Division was established as a Head Office function in the Tokyo Metropolitan area, with the aim of achieving sustainable co-creation between Yamanashi and the metropolitan area by establishing relationships with the affluent and corporate owners.

Through collaborations between our internal divisions, local governments, and private sectors, we are making efforts to revitalize Yamanashi Prefecture by developing real estate, making investments, holding events, attracting tourists, concluding partnerships, and providing business support from Tokyo.

We provide unique agility and flexible support in the long term to help the affluent and corporate managers in Tokyo with their complex issues. In addition to providing funds, we also carefully consider business backgrounds, customers' stance on life, and hopes for the next generation, aiming to offer problem-solving proposals that pave the way for the future.

Leveraging this customer base and relationships, we are pursuing value creation that transcends finance and cannot be resolved within the Yamanashi Prefecture, such as market expansion, regional investments, promotion of new migration, and development of tourism hubs. By establishing relationships with regional impact wealth, we will continue to hold deep regional ties as a hub that drives regional change from the city.



Company-Wide Strategy

We will secure stable revenue by strengthening the Group's overall capabilities to solve regional issues, address the increasingly diverse needs of customers, and enhance market operations.



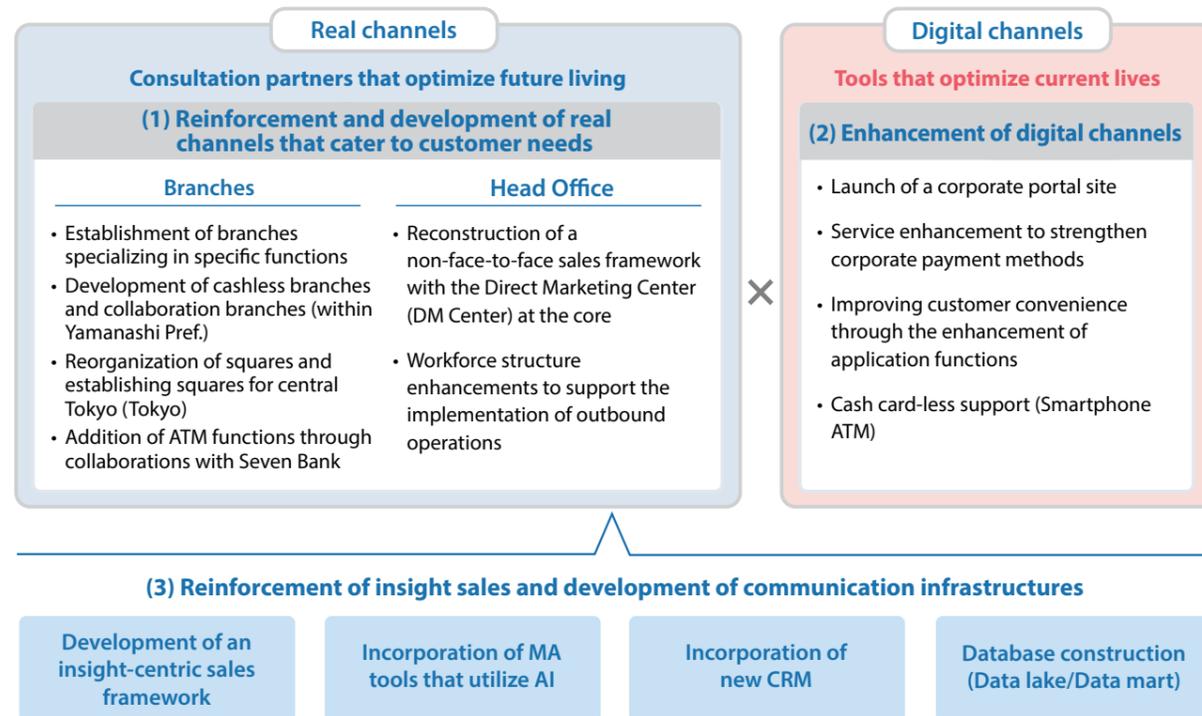
Total net income for Group companies in the current fiscal year	¥1.0 billion
Number of business development and consultations for resolving regional issues	30 cases (Total)
Revenue through fees and commissions from advanced financial methods	¥1.5 billion (Year)
Interest from unsecured loans	¥1.3 billion (Year)
Total average deposit balance	¥3,900.0 billion
Number of investment and lending to venture and start-up companies	100 cases (Total)
Revenue from international operations	¥0.8 billion
Realized gains and losses on securities	¥11.0 billion



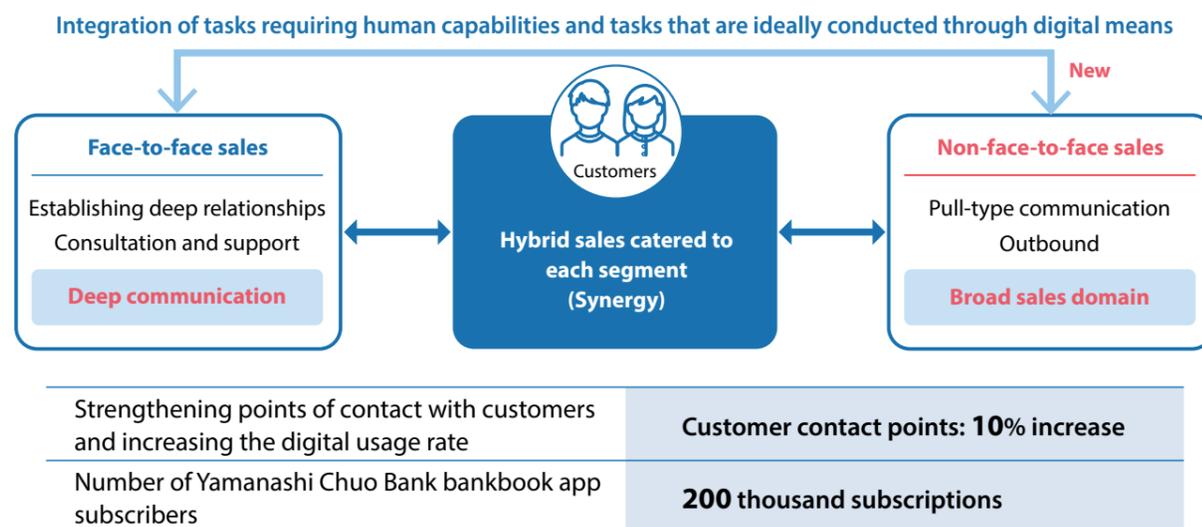
Fundamental Strategies

Channel Strategy

Utilizing accumulated data and marketing methods, we capture customer insights (latent needs) from both real and digital channels, creating and providing new values to customers in order to increase revenue.

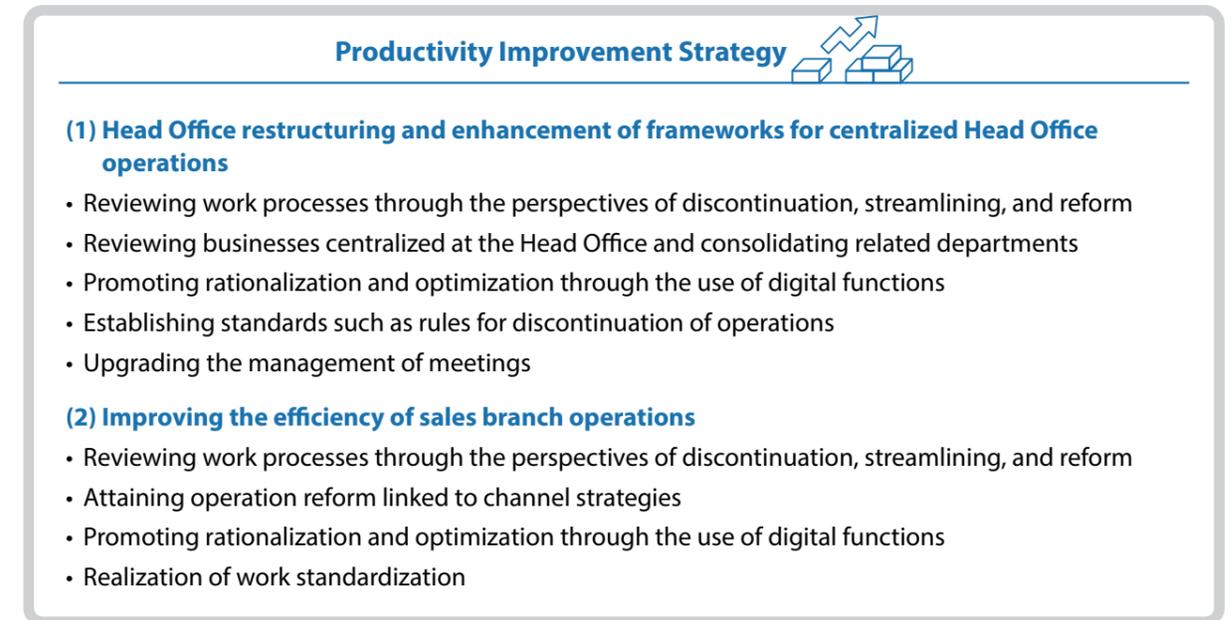


Establishment of a hybrid-type sales framework that maximizes the benefits of face-to-face and non-face-to-face engagement

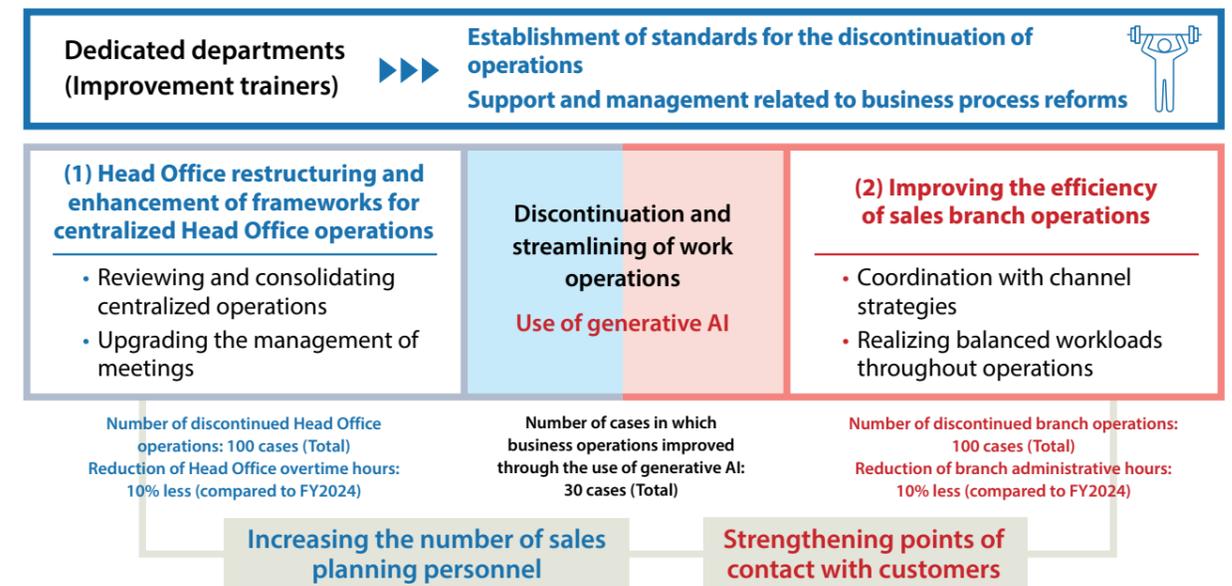


Productivity Improvement Strategy

We view operations from the perspectives of discontinuation, streamlining, and reform, to thoroughly eliminate inefficiencies and to establish a leaner operating structure through rationalization and optimization by leveraging generative AI and other technologies.



▶ We will organize dedicated departments that promote business process reform for the overall Yamanashi Chuo Bank Group, **to significantly improve productivity** from the perspectives of discontinuation, streamlining, and reform.



Aiming for more than **double** the customer service business profit per bank employee

* Customer service business profit
Average loan balance × (Loan yield – Deposits yield) + Fees and Commissions – Operating expenses (including retirement benefits and other non-operating gains and losses)



Governance Strategy

We will provide high-quality values to stakeholders (increase in corporate values, activities to tackle environmental problems, etc.) through enhanced management effectiveness and reinforcement of organizational frameworks for sustainable growth.

(1) Reconstructing and strengthening the Group governance framework

Reconstruction of Head Office frameworks toward a more effective management strategy

- Initiatives focused on increasing revenue and operational efficiency and consolidation
- Constructing frameworks for expansion in new business sectors (new business creation and venture businesses)
- Reinforcing frameworks to prevent money laundering and financial crimes

Upgrading branches and regional Head Offices

- Initiatives for enhancing the promotion of sales throughout the overall Tokyo region
⇒ Abolished the structure of having two regional Head Offices in Tokyo and newly established the Tokyo Strategy Head Office
- Improving on-site capabilities of branches by upgrading regional Head Office frameworks to successfully resolve customer issues

Further improving the effectiveness of the Board of Directors

- Implementation of continuous evaluations by external institutions for the Board of Directors to increase corporate value
- Enhancement of training programs for officers to achieve sustainable corporate growth

(2) Strengthening initiatives to improve corporate value

Reconstruction of Head Office frameworks toward a more effective management strategy

(Unit: billion yen)

Fiscal Year	Fair value (including deemed holdings) %	Consolidated equity ratio [Fair value terms]
FY22	24.5%	47.3
FY23	27.2%	59.4
FY24	23.4%	49.9
FY27	-	Less than 15%

Continued reduction

Development of IR and SR activities to enhance stakeholder engagement

Balanced and effective use of capital for growth investments, shareholder returns, etc.

Improving dividend payout ratios by increasing revenue

(Unit: yen)

Fiscal Year	Dividend per share	Consolidated dividend payout ratio
FY22	45	27.8%
FY23	56	30.1%
FY24	76	30.2%
FY27	-	Guideline: 40%

Achieving a level that can compete on the market

(3) Reinforcing initiatives that address regional climate change

Investigation and analysis of carbon neutrality trends in the region >>> Sharing of regional issues (Disclosure)

Regions/Customers

- Provision of "Know," "Measure," and "Reduce" consultation for regional carbon neutrality
- Provision of products and services that promote regional carbon neutrality

Yamanashi Chuo Bank

- Strengthening Yamanashi Chuo Bank Group initiatives to minimize environmental impact
- Initiatives for Nature Positive* (restoration of nature)

* Efforts to curb biodiversity loss and set nature on a path toward recovery

Number of IR and SR activities conducted	120 times or more per year
Amount of sustainable finance investments and lending (Cumulative amount from FY2022 and on)	¥800.0 billion or more



Human Resources Strategies

Human Capital Strategy

We are accelerating the integration of management strategy and human resources strategy to construct and achieve our ideal human resource portfolio, while employing and training specialists that can address the increasingly diverse and sophisticated needs of customers.

Maximization of human capital to carry out the human resources strategy that meets our management strategy

- Enhancement of talent allocation, employment, and training to support the sustainable growth of the region and the Yamanashi Chuo Bank Group

(1) Creation and realization of the target (ideal) human resource portfolio

- Clarifying human resources, along with constructing and realizing the ideal human resource portfolio
- Conducting flexible reviews according to the progress of our Medium-Term Management Plan and implementation of various measures
- Identifying and analyzing individual skills, and implementing strategic personnel allocation based on this information

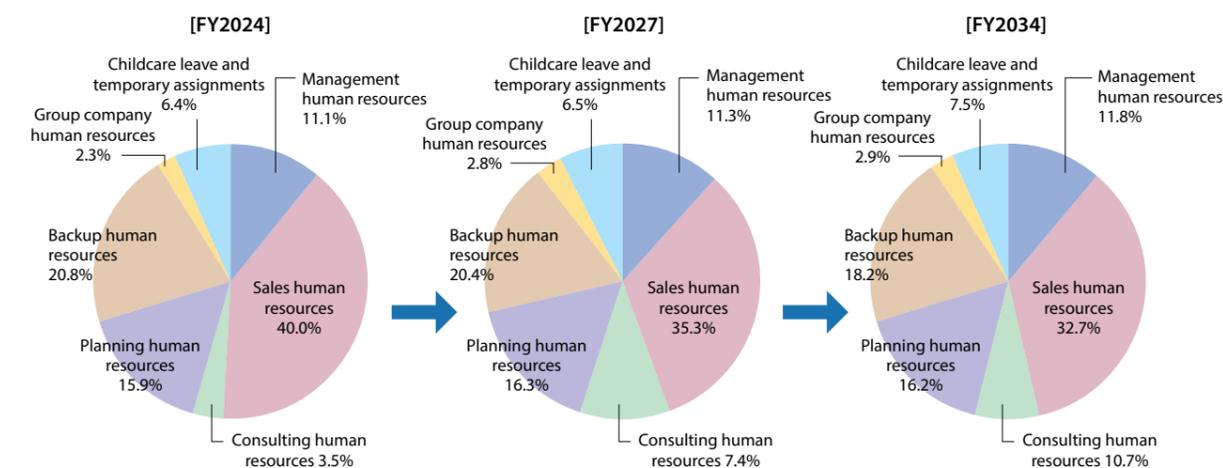
(2) Formulation and execution of employment plans with a medium-to long-term perspective

- Development and implementation of employment plans based on the human resource portfolio
- Revisions and implementation of employment processes for new graduates
- Enhancement of processes for the employment of mid-career professionals
- Reinforcement of the employment of people with disabilities

(3) Strengthening of the development of human resources to establish an organization that is sustainable and able to grow

- Review of training frameworks that foster essential talent, such as human resources for consulting
- Enhancement of training programs focused on cultivating more candidates for next-generation management
- Strengthening of support systems to realize career visions such as obtaining advanced qualifications and external work assignments
- Strengthening of efforts to promote behavior based on principles such as Purpose and values

Creation and realization of a human resources portfolio



Double the number of consulting human resources during the Medium-Term Management Plan and assign them to regional Head Offices to enhance on-site capabilities and realize swift responses to customer needs

Consulting human resources: **57 people to 120 people**



Engagement Improvement Strategy

By developing a work environment in which officers and employees can work with peace of mind, and by establishing frameworks that allow them to experience healthy and enriched lives, we aim to maximize their capabilities and boost motivation.

(1) Initiatives for corporate culture reform



- Improving employee surveys and implementing measures to address issues
- Fostering a culture of praise and recognition
- Reviewing the new personnel system and addressing arising issues

(2) Provision of rewarding and comfortable workplaces and implementation of work style reforms



- Implementing measures to increase the ratio of paid leave taken
- Developing flexible and appropriate work arrangements and initiatives to reduce overtime hours
- Promoting childcare leave for male employees
- Implementing measures that support balancing work and nursing care
- Enhancing employee benefits
- Granting incentives

(3) Strengthening of health-oriented management to maintain and improve physical and mental health



- Improving the physical and mental health environment in the workplace
- Promoting health and wellbeing
- Disclosing health-related indicators and performance indicators

Category	KPI for FY2027
Engagement score	78.0
Work engagement scale*	3.8 or more

* Results of measuring employees' enthusiasm, deep engagement, and vitality in their work

A cycle for engagement improvement

An approach from both overall Group issues and issues in individual workplaces



Message from the Senior Managing Director in Charge of Human Resources

Initiatives for human capital management at the Yamanashi Chuo Bank Group

Based on the value creation process, at the Yamanashi Chuo Bank Group, we view our human capital as the most important and intrinsic capital needed to realize the materialities we have identified and solve management issues. As such, we make efforts in developing human resources and other initiatives.

We uphold the human resources strategy within the three Basic Strategies of our Medium-Term Management Plan "Value Creation Company — 1st Stage." By steadily advancing this strategy, we will promote enhancements of workplace environments, employ and nurture diverse talent with rich expertise, and aim to realize our Purpose and the creation of a well-being society by connecting these efforts to stakeholder value creation.

Our Diversity, Equity, and Inclusion Policy established in May 2024 features the slogan "Create and utilize change." I believe that nurturing a corporate culture that mutually respects diverse individualities and values will trigger changes from each individual that will lead to the total growth of the organization. In February 2025, we constructed a mosaic artwork that used photographs of our officers and employees. Through this, we conveyed the idea that any individual can bring about change by creating and utilizing change from each photograph (the power of individual strength).

Looking ahead, we will continue to enhance the corporate value of the Yamanashi Chuo Bank Group, as a group of talent that mutually recognizes and elevates each other to enable diverse human resources to improve their engagement, skills, and motivation for growth and active participation. To improve our human capital management, we will accelerate the integration of our management and human resources strategies, actively invest in developing human resources while constructing and achieving our ideal human resource portfolio in our efforts to be a Group that consistently provides the highest values to the region and customers.



Representative Director and Senior Managing Director
Responsible for corporate planning, personnel divisions, and Regional Head Offices

Masahiko Yamadera

Initiatives toward Realizing Human Capital Management

- We have established a policy for realizing human capital management, and we are rolling out measures toward recruiting and developing human capital, boosting employee engagement, and taking other initiatives.
- As a result of rolling out our measures, we are sustainably increasing our corporate value and improving job satisfaction for employees, while also contributing to the sustainable development of the region.

[Human Resource Development Policy] + [Internal Environment Improvement Policy] + [DE&I Policy]

Strategically recruiting and training human capital, ensuring diversity, diversifying work styles, improving employee engagement, and ensuring fairness

Sustainable increase in corporate value, and improvement in employees' job satisfaction and motivation

Sustainable development in the region

Human Resources Strategy

To realize our Group's vision and clearly define our most important human resources initiatives, our Medium-Term Management Plan "Value Creation Company — 1st Stage" establishes a Human Resources Strategy as one of the basic strategies, with two specific sub-strategies to drive our efforts: Human Capital Strategy and Engagement Improvement Strategy.

Human Capital Strategy

Aim to maximize human capital to carry out the human resources strategy that meets our management strategy.

1. Creation and realization of the target (ideal) human resource portfolio
2. Formulation and execution of employment plans with a medium-to long-term perspective
3. Strengthening of the development of human resources to establish an organization that is sustainable and able to grow

Strengthening mid-career recruitment

- To create opportunities for securing expertise and creating innovation through the fusion of people with diverse experience, we are utilizing the welcome back system and recruiting through referrals, as well as implementing other new recruiting methods to bolster our initiatives for recruiting experienced individuals.

[Welcome back system]

- We are creating a system for re-hiring retired bank employees and are notifying people both internally and externally. At the same time, we are conducting efforts to appoint these individuals.

[Carrying out new recruitment methods]

- We are not only utilizing major personnel referral services, but also utilizing a recruitment-style employment process and introducing other new recruitment methods to secure diverse human capital.

	FY2020–2022 Three-year total	FY2023	FY2024
Experienced individuals recruited	4	17	31
Of which, those recruited in the welcome back system	1	3	2

Voice

Regional Revitalization Promotion Division

M. Kobayashi



I will continue working hard to bring value to the Bank by leveraging my experience as a civil servant

Before joining the Bank as a mid-career hire in the previous fiscal year, I worked as a police officer and prefectural government employee.

In particular, I have many years of experience as a police officer, serving across various departments, including the criminal investigation department responsible for investigating theft and other criminal cases. Although I felt deeply rewarded in my role as a police officer, the inherent nature of police work placed significant constraints on my personal life. Reflecting on my family life, I began considering a career change, eventually becoming a prefectural employee. Subsequently, however, changes in family circumstances and other factors required me to change my job again, so I began looking for a new job.

Then I found an open position with the Bank's municipal sales department. Believing that this department will be an excellent place to leverage my experience as a civil servant, I decided to join the Bank. With little experience as a banker, I have limited knowledge on services and other relevant matters, and am learning the ropes and focusing on getting comfortable with my daily tasks. In my department, however, I frequently serve civil servants, allowing me to utilize my professional experience and understanding of their business background.

Today, I get to spend more time with my family than before and lead a fulfilling life. I will work hard every day to contribute more to the Bank.

Initiatives to develop human resources

- We engage in initiatives to develop people, who are at the foundation of human capital management.
- We will develop highly specialized human resources in diverse fields who will be the driving force in meeting the increasingly diverse and sophisticated needs of our customers and local communities, resolving identified materialities, and supporting sustainable regional growth.

	FY2022	FY2023	FY2024	FY2027 (Targets)
Total training hours per year (inside the Bank)	48,339 hours	46,651 hours	56,808 hours	-
Training hours per person	30.3 hours	29.3 hours	35.1 hours	33.0 hours
Investment amount in human resources development	179 million yen	210 million yen	240 million yen	250 million yen
Human capital ROI	-	-	0.34 times	0.5 times

Development of expert and diverse human resources

- We are developing diverse human resources that can work on solving issues for local communities and customers.

	FY2021	FY2022	FY2023	FY2024
People who have highly difficult qualifications*	12	17 (17)	20 (37)	26 (63)
Qualification support fee	3 million yen	3 million yen	4 million yen	6 million yen
Number of employees seconded or dispatched externally	30	32	31	35
Number of employees dispatched for external training	17	30	42	54

* Numbers in () are totals from the previous Medium-Term Management Plan.

To develop employees' careers and improve the management capabilities across the Bank, we selected employees through open-enrollment and sent them to a cross-industry training program, a joint training event with professionals from other industries.

Participants were able to expand their interpersonal network through discussions with peers from other companies, as well as learn how to improve their professional capabilities, including logical thinking skills, persuasive communication techniques, and subordinate development skills.

Going forward, we will continue to develop human resources capable of supporting the new business model.

	Number of employees sent to the cross-industry training	
	Managers	Supervisors
FY2024 (Results)	2	5
FY2025 (Number of expected participants)	5 or more	10 or more

Human resource development with programs to develop new businesses and services

- To resolve regional issues and customers' issues, we are engaging in human resource development initiatives for providing new value and services.

	FY2022	FY2023	FY2024	Remarks
New business concept project	-	10	3	Local companies joined us in the FY2024 project
New business development project	20	-	10	Four groups discussed each theme

* New business concept project: A project research program that utilizes the MPD curriculum at the Graduate School of Project Design

* New business development project: An initiative that aims to develop new businesses while receiving support from external professional organizations



Voice

Human Resources Division
N. Suzuki



Building a work place where diversity becomes power—shaping tomorrow through a diversity perspective—

As the manager of the DE&I and KENKO Investment for Health Promotion Section, I'm responsible for fostering an inclusive culture where all employees have equal opportunities so they can be their authentic selves at work while staying mentally and physically healthy.

As the HR chief, I make sure to hear each employee's voice through repeated conversations, incorporating their concerns and wishes into our initiatives to improve our work environment.

In our diversity promotion team, Colors, I have been serving as the leader since its launch in 2014, working to accelerate our efforts to nurture an inclusive corporate culture that helps diverse employees to thrive. We held GASHO no Heya, a real-time interactive event with officers, among other opportunities for personnel to directly convey their voices.

My experience in parenting and various other life stages made me realize the need for inclusive systems and culture that support diverse work styles and lifestyles, and this perception has encouraged me to implement our current initiatives. Promoting DE&I is my lifework and way of life itself. Moving forward, I will continue working to nurture a work environment where each employee feels psychologically safe and can reach their potential in shaping the Bank's future.

Cultivation of human resources who promote DX

■ We engage in initiatives to develop human resources who promote DX in the region.



	FY2022	FY2023	FY2024
Certified human resources specialized in DX (cumulative total)	11	18	34
Certified DX Managers (cumulative total)	0	87	126
Certified DX Planners (cumulative total)	168	337	522
Number of local DX support initiatives	42	150	467
Revenue from local DX support initiatives	10 million yen	12 million yen	37 million yen

Initiatives and support for realizing career plans

■ We provide places and opportunities for individuals to expand their range of activities and to build experiences that can help them shape their careers.

My career coordination program	Number of users (number of applicants) (FY2022)	Number of users (number of applicants) (FY2023)	Number of users (number of applicants) (FY2024)
Post challenge	5 (9)	9 (16)	7 (11)
Side job (internal concurrent employment)	10 (11)	46 (49)	17 (22)
Job trials (internal concurrent employment)	43 (48)	64 (66)	111 (115)

* The difference between the number of applicants and the number of users is due to the fact that the number of applications exceeded the number of openings.

Side job system	Number of users in FY2022	Number of users in FY2023	Number of users in FY2024	Side jobs: Data analysis, fireworks event management, jewelry sales, grape cultivation, soccer coaching, etc.
Side job (outside)	10	14	21	

Initiatives to foster an awareness of compliance

■ We engage in efforts to enforce compliance, which is the fundamental and most important area to tackle in all our initiatives.

	FY2022	FY2023	FY2024
Compliance check sheet response rate	100%	100%	100%
In-house training participation rate	100%	100%	100%
Number of group training participants	322	326	459

Voice

Western Region Head Office
A. Nagasaka

Applying skills from a side job to benefit customers

I have been with the Bank for two years and mainly handle asset management for individual customers. Outside of my main work, I also serve as a coach for the local soccer club.

Although asset management and soccer coaching are not closely related, I feel each job is helping me improve my skills.

One common thing between the two jobs is that interpersonal relationships are essential. Both asset management and soccer coaching require building relationships with people from the very beginning. Without building trust in these relationships, neither proposing asset management services nor teaching soccer will be successful. I make sure to think strategically about how to gain trust and communicate effectively. Furthermore, unexpected problems arise at work. Even in such situations, you need to be able to stay calm and solve the problems.

By acquiring these skills through my side job, I can smoothly build trust with my customers and have a positive impact on the banking business.



Engagement Improvement Strategy

Foster a work environment where employees can reach their potential with enhanced motivation

1. Initiatives for corporate culture reform
2. Provision of rewarding and comfortable workplaces and implementation of work style reforms
3. Strengthening of health-oriented management to maintain and improve physical and mental health

Employee engagement survey

- We conducted an engagement survey starting from October 2023.
- We investigated the expectations and reality in the eyes of employees regarding 16 areas, such as carrying out work and corporate culture. We visualized the difference between expectations and reality as an EX score, thereby highlighting issues. To improve our target setting practices, which were identified as an organization-level challenge in the FY2023 survey, we conducted an evaluator/ evaluatee training for all employees to align on target setting and evaluation approaches. This helped improve the scores for target setting items in the FY2024 survey, resulting in a total score of 76.8 (+1.9 pt year-on-year).



For further improvement, we will continue building a system to not only overcome organization-level challenges (career development), but also promote initiatives to address workplace-specific challenges.

Initiatives to improve engagement

- To help our employees achieve financial security, build assets, and enhance their motivation/engagement, etc., we implemented wage increases and review and expand the Employee Shareholding Plan. Through these measures, we provide value to our employees as our stakeholders.

	FY2021	FY2022	FY2023	FY2024
Wage increase rate (including regular increases)	1.69%	2.66%	4.95%	6.10%
Ratio of employees joining the Employee Shareholding Plan	85.0%	84.0%	84.9%	83.7%

Environment improvement for diverse work styles

- As part of our initiatives to support a work-life balance, we are building an environment to enable this by introducing a teleworking system and a flextime system and expanding the systems related to leave and childcare, while also promoting the use of these systems.

	FY2021	FY2022	FY2023	FY2024
Number of users of the telework system (total)	3,618	3,687	2,579	2,550
Rate of paid leave taken	65.2%	71.5%	73.6%	74.9%
Ratio of male employees taking childcare leave	16.4%	115.2%	72.2%	103.1%
Ratio of female employees taking childcare leave	97.7%	111.8%	81.8%	112.8%

* Ratio of male employees taking childcare leave: Number of male employees who took childcare leave in the relevant fiscal year / Number of male employees whose spouses gave birth during the relevant fiscal year

* Ratio of female employees taking childcare leave: Number of female employees who took childcare leave in the relevant fiscal year / Number of female employees who gave birth during the relevant fiscal year

Voice

Central Region Head Office
Y. Ogihara

Male employees taking childcare leave benefits the Bank

The Bank aims to achieve 100% childcare leave uptake rate among male employees to improve the employee satisfaction and attract the best talent, among other positive expected outcomes. I took a month of childcare leave for my first child and three months for my second. I experienced both the joy of spending time with my children and the daily challenges of taking care of them. After returning to work, I tried to balance work and parenting, focusing more on productivity than before. When I work overtime, it means my wife is working overtime too. Gaining this perspective was significant and helped me grow.

I can now approach my work with greater respect for my workplace than before, feeling grateful for things such as childcare leave and support from my colleagues. Today, it is not only women but men are also required to balance work and parenting. I will continue supporting my colleagues at the Bank to encourage more male employees to take childcare leave.



Ratio of female managers, and ratio of female managers and supervisors

From the viewpoint of demonstrating and promoting the abilities of diverse human resources, we are engaging in initiatives for development and support to enable women's empowerment.

	FY2021	FY2022	FY2023	FY2024
Ratio of female managers	1.7%	4.1%	5.8%	7.4%
Ratio of female managers and supervisors	13.1%	14.8%	17.2%	21.5%

We are carrying out the initiatives given below to develop female managers and supervisors.

Program	Number of participants			Target	Contents	
	FY2022	FY2023	FY2024			
Women-only programs	Women-only workshop organized by the Regional Banks Association Of Japan	6	2	5	Managers, supervisors, and staff	Executive development workshop for women, career enhancement workshop for female managers, and B2B sales capability building workshop for women
	Women's career training program	-	2	2	Chief and staff	Women's career training program held by Shizuoka Bank

As a general rule, the Bank does not hold gender-based internal training sessions because we provide career development support regardless of genders. In addition, we conduct pre-conception care training for young employees, among other initiatives to promote understanding of gender issues and eliminate gender gaps.

The following shows the attendance participation rates for our open-enrollment career development programs.

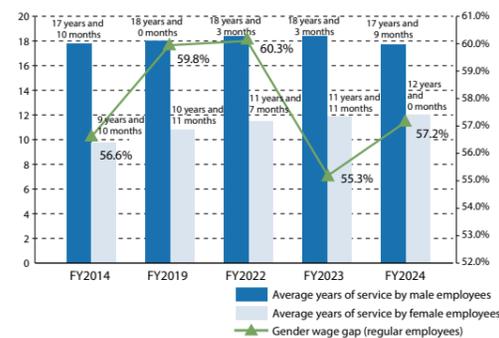
Program	Number of participants			Target	Contents
	FY2022	FY2023	FY2024		
Career development event	10 female participants/ 10 in total	3 female participants/ 16 in total	6 female participants/ 20 in total	Managers Supervisors	In FY2022, the program was held exclusively for female supervisors. Starting in FY2023, we partially modified the content, accepting not only female but also male supervisors. We conducted group training sessions, individual interviews with mentors, and other activities.
Next-generation manager training	-	1 female participant/ 26 in total	6 female participants/ 23 in total	Supervisors	A program launched in FY2023 for supervisors aspiring to be managers. The program consists of four group training sessions, and discussions with inside and outside directors.

Gender wage gap (ratio of women's wages to men's wages)

We are expanding systems and conducting training programs to promote diverse work styles and career development, among other initiatives to encourage women to continue their careers and to improve the ratio of female managers and supervisors. Through these efforts, we are correcting the wage gap between men and women.

	FY2014	FY2019	FY2022	FY2023	FY2024
Gender wage gap (regular employees)	56.6%	59.8%	60.3%	55.3%	57.2%

- The wage gap among full-time employees is partly due to the fact that women have shorter service years than men and hold fewer managerial and supervisory positions.
- In FY2023, we made changes to reduce working hours for employees (abolishing days with extended work hours) and allow part-time employees to choose the same hours as other employees. As a result, the pay gap grew worse when part time-employees (permanent employees with the same working conditions as other employees) were included under the category of full-time employees. However, we are making progress in various initiatives to encourage women to continue their careers and to improve the ratio of female managers and supervisors, and so we expect improvements going forward.



Metrics related to health management promotion

Ultimate health-related target metrics

Category	Details	2022	2023	2024	Target (FY2028)
Performance metrics	Work engagement*1	-	-	3.5	3.8 or more
	Presenteeism*2	-	-	10.7%	-
	Absenteeism*3	-	-	2.7 days	2.5 days or fewer

Numerical trends by item

Category	Details	2022	2023	2024
Status of health investment initiatives	Regular health checkup completion rate	100.0%	100.0%	100.0%
	Stress check completion rate	91.8%	91.3%	90.6%
Metrics related to changes in employee mindset and behavior	Smoking rate	14.9%	15.4%	14.7%
	Regular exercise rate	19.0%	20.8%	21.4%
Metrics related to labor safety	Number of workplace accidents	18	15	13

*1: Measured using the Utrecht Work Engagement Scale *2: Measured using the Single-Item Presenteeism Question (SPQ) *3: Measured through the employee survey

Initiatives toward Realizing Sustainable Local Communities

Responses to TCFD recommendations

The Yamanashi Chuo Bank has endorsed the Climate-related Financial Disclosure Task Force (TCFD) recommendations in November 2021 and is committed to addressing climate-related issues. We are handling climate-related information disclosure properly, such as by expanding the content of disclosed information based on the framework in the TCFD recommendations, and building relevant structures.

Governance

- To make our business operations sustainable, we address environmental challenges, including climate change and biodiversity conservation. To guide our initiatives, we have established "maintaining a rich natural environment and passing it on to the future" as a materiality topic and promote green transformation (GX), a transformation driver for "Value Creation Company — 1st Stage," our Medium-Term Management Plan.
- The Bank has established the Sustainability Committee that is chaired by the President. The Sustainability Committee meets monthly in principle to discuss and deliberate responses in relation to climate change as well as initiatives for the SDGs, ESG, and related matters to realize a sustainable society.
- The matters it has discussed and deliberated on are submitted and reported to the Board of Directors via the Managing Directors' Meeting, thereby establishing a system to ensure appropriate supervision by the Board of Directors.

Area map



Major matters discussed in FY2024

- Formulating Human Rights and Diversity, Equity, and Inclusion Policies
- Raising sustainable financing targets
- Biodiversity conservation efforts

Strategy

Climate-related risks and opportunities

- We have identified climate change and global warming as one of our material issues and are working to address both risks and opportunities.
- The risks (migration and physical risks) and opportunities associated with climate-related issues are analyzed qualitatively over short (3-year), medium (10-year), and long (30-year) time horizons.

	Risks	Time
Transition risk	Risks associated with changes in climate-related regulations and taxation systems that may affect customers' businesses	Short-term
	Risk of a share price decline due to continued over-investment in fossil fuel-related businesses	Short-term
	Risks associated with the impact on customers' businesses due to market changes caused by decarbonization-related technologies	Long-term
Physical risks	Risk of business stagnation due to damage to real estate collateral resulting from wind or flood damage, etc., or damage to customers' business locations	Medium-term
	Risk of interruption or inability to operate branches due to damage to the Bank's business facilities caused by wind or flood damage, etc.	Medium-term
Opportunities	New financial products and services to support the transition to a decarbonized society	Medium-term
	Increase in public works projects for disaster countermeasures and corporate demand for equipment financing, etc., for climate-related reasons	Medium-term
	Lower operating costs through resource and energy conservation at sales branches	Long-term

Scenario analysis

Transition risk
Among the sectors considered to be susceptible to climate change, we selected the energy sector, as well as the newly added railway transportation, truck service, and automobile and parts sectors for analysis, while taking into consideration both climate change impacts and our loan portfolio composition. Utilizing data on carbon pricing from sources including the Net-Zero Emissions by 2050 Scenario (NZE Scenario) in the World Energy Outlook report from the International Energy Agency (IEA), we made predictions about financial deterioration with respect to borrowers up to 2050, and we analyzed changes in credit-related costs.

Scenario	1.5°C scenario
Scope of analysis	Energy sector (oil, gas, and power), railway transportation, truck service, automobile, and parts
Analysis technique	Based on the transition risk, we calculated the impact from the introduction of carbon tax and other factors, estimated the change in finances among relevant customers, and calculated the increase in credit cost resulting from changes in debtor categories
Analysis period	Up to 2050
Analysis results	Credit-related costs are expected to increase by 4.7 billion yen

* The energy sector excludes areas related to renewable energy.

Scenario	RCP8.5 scenario (4°C scenario)
Scope of analysis	All corporate borrowers
Analysis technique	Calculated the increase in credit-related costs on a trial basis in consideration of the probability of the occurrence of a flood for each climate change scenario, after taking into consideration the impact on the financial condition of business loan borrowers and impairment of the value of real estate collateral at the time of a flood
Analysis period	Up to 2050
Analysis results	Credit-related costs are expected to increase by up to 1.3 billion yen on a cumulative basis

Carbon-related assets

Carbon-related assets are defined by four sectors. The percentage of the carbon-related loans relative to the Bank's loan balance is shown in the chart on the right.

	Energy	Transportation	Materials and structures	Agricultural, food, and forestry products
	2.50%	10.24%	22.23%	2.57%

* The energy sector excludes areas related to renewable energy.

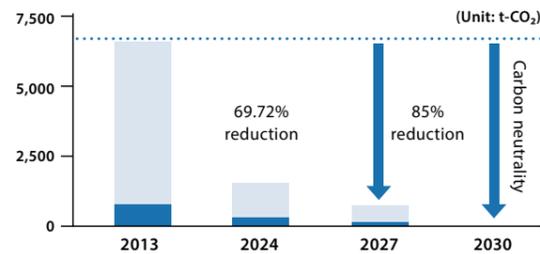
Risk management

- We recognize that the transition risks and physical risks resulting from climate change are significant risks that could significantly impact the Bank's business operations and strategic and financial plans. In the future, we will assess and analyze the impact related to such risks and develop a management system for climate change within the framework of integrated risk management.
- In addition, based on the results of the scenario analysis of transition risk, physical risks, and other factors, we will create shared value by strengthening dialogues with customers, identifying their issues and needs, and providing optimal consulting services to address climate change and the transition to a decarbonized society.
- We have established the Yamanashi Chuo Bank Group Investment and Loan Policy and are working to solve the environmental and social issues that our customers and regional communities are facing by actively supporting businesses that help to solve environmental and social issues, while reducing investments in and loans for specific sectors that have a negative impact on the environment and society.

Indicators and targets

CO₂ emission reduction targets and results (Scope 1 and Scope 2)

- We will make active efforts to reduce our CO₂ emissions, while also contributing toward initiatives for realizing a decarbonized society and solving local environmental issues.



Medium-term target (FY2027)	85% reduction by FY2027 compared with FY2013
Long-term target (FY2030)	Achieve carbon neutrality by FY2030

	Scope 1	Scope 2	Total	Reduction rate
FY2013	834	5,659	6,493	-
FY2022	707	2,367	3,074	52.66%
FY2023	702	1,865	2,567	60.47%
FY2024	677	1,289	1,966	69.72%

* We have added emissions from gasoline use to the Bank's greenhouse gas (CO₂) emissions (Scope 1 and Scope 2) in the periodic reports under the Act on the Rational Use of Energy. In addition, we have revised the previous information disclosure from FY2022. Scope of CO₂ emissions: Scope 1: Direct emissions (including heavy oil, gas, and gasoline), Scope 2: Indirect emissions (electricity)

Support for Scope 3

- We have been working to expand the greenhouse gas emissions measurement scope and calculated the Scope 3 emissions.
- We will continue to engage in efforts to refine measurements.

Calculations for Category 15, Scope 3

- We understand that Category 15 in Scope 3 is an important indicator for financial institutions to ascertain the risks and opportunities in relation to climate change. As such, we included loans for business corporations in Japan within the calculation, while referring to the measurement method in the PCAF Standard.
- In FY2024, we calculated the emissions for Category 15 by sector, because this category accounts for the largest percentage among all Scope 3 categories for financial institutions. For some listed companies that disclose emissions, we calculated the emissions using the published values.

<Formula>

- For Category 15 calculations, we used loan balances as of March 31, 2025, and the latest available financial data as of the same date.
- We estimate CO₂ emissions using the formula "Revenue × Emission Intensity Factors published by the Ministry of the Environment" (with publicly disclosed values used for some listed companies), and then multiply them by our financial attribution factor.

Scope 3 emissions (t-CO ₂)	FY2023	FY2024
Category 1 (Products and services purchased)	5,049	8,264
Category 2 (Capital goods)	3,442	5,493
Category 3 (Fuel and related activities not included in Scope 1 and Scope 2)	491	688
Category 4 (Transportation and shipping (upstream))	889	923
Category 5 (Waste generated by businesses)	339	250
Category 6 (Business travel)	304	306
Category 7 (Commute)	893	896
Category 15 (Investments)	3,112,250	8,679,751

* The calculated emissions for Categories 8 to 14 are all zero. Disclosed emissions and other related data may change following future expansions to the range for calculations, changes in the calculation method, or increased detail in the data used.

Oil and gas		Chemicals	
Oil and gas	160,636	Chemicals	1,007,776
Coal	-	Construction material	339,082
Power	222,369	Capital goods	1,496,315
Automobile and parts	132,701	Real estate management and development	219,819
Truck service	147,964	Agriculture	9,627
Railway transportation	33,089	Beverage	10,350
Marine transportation	106,050	Processed food and meat	1,177,805
Passenger air transportation	60,746	Paper and forest products	176,064
Air cargo industry	7,505	Others	2,700,571
Metals and mining	671,282	Total	8,679,751

Sustainable finance investment and loan amount targets and results

- To make regional communities sustainable, we have established a long-term goal to invest 800.0 billion yen or more by FY2030 to accelerate our initiatives to solve environmental and social issues and related efforts.

Long-term target (FY2030)	800.0 billion yen or more (including environmental finance of 400.0 billion yen or more)	Sustainable finance	Of which, environmental finance
Cumulative results through FY2024	¥392.3 bn	¥197.4 bn	

* Sustainable finance: Investments and loans that help solve social and environmental issues, thereby driving progress toward realizing sustainable regional communities
 Environmental finance: Investments and loans that fund initiatives to reduce environmental impact and combat climate change in order to curb global warming and reduce its impact on regional economies

Conforming to TNFD

Our attitude to nature

Yamanashi Prefecture, which is our main market, is surrounded by magnificent mountains, including Mt. Fuji, the Yatsugatake Mountains, Southern Alps, and Chichibu Mountains, and is home to species adapted to various ecosystems such as forests, lakes, rivers, and farmlands. This abundant natural capital and ecosystem services generated by the combination of natural capital provide numerous benefits for the local economy and lifestyles in Yamanashi, making them essential for local industries such as agriculture and tourism.

Under these circumstances, in pursuing Nature Positive by stopping biodiversity loss and putting the natural environment on a path to recovery, we are required to take appropriate actions based on geographical traits.

As a financial institution based in Yamanashi, which is home to lush nature as described earlier, we consider passing on the rich natural environment to future generations as our crucial responsibility. Therefore, we have actively engaged in solving environmental problems, including climate change and biological diversity conservation.

In July 2025, we conducted assessment and disclosure according to the Taskforce on Nature-related Financial Disclosure (TNFD) recommendations for the Yamanashi Chuo Bank TNFD Report 2025. Going forward, we will continue to evaluate impacts and dependencies on natural capital, assess risks, and explore necessary measures, enhancing engagement with stakeholders through active disclosure.

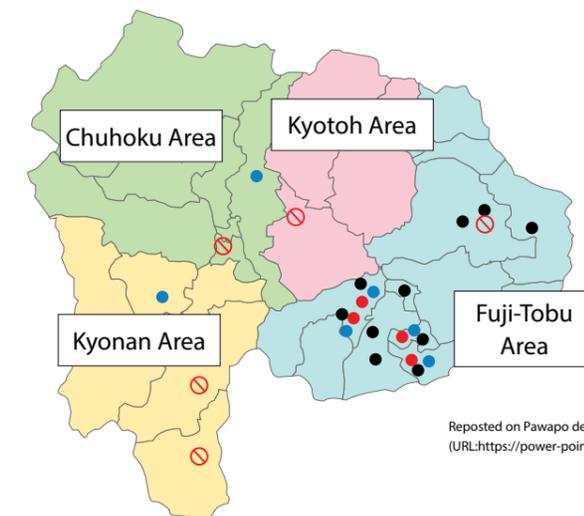
Assessing the relationship between nature and our sales locations in Yamanashi Prefecture

Located near the center of the Japanese archipelago, Yamanashi Prefecture, where we primarily operate, is surrounded by mountains reaching 3,000 meters on all sides. The prefecture features a diverse natural environment, including elevation differences ranging from low to high mountains, complex geology and topography in the Fossa Magna zone, and climate with regional variations.

To identify the relationship with our sales locations and nature, we conducted a survey using the following major metrics to determine if the TNFD's criteria for ecologically sensitive areas apply to our locations. The survey found that biological diversity conservation efforts in the Fuji-Tobu Area are crucial.

Relationship between nature and our sales locations in Yamanashi Prefecture—list of assessment results

	Importance of biological diversity			Importance of ecological service supply	Physical water risks		
	Key Biodiversity Area (KBA)	World Database on Protected Areas (WPDA)	Threats to species (STAR _T)	Indigenous peoples, local communities	Water stress (Aqueduct)	BOD	Flood risk
Chuhoku Area (32 locations)	0 locations	1 location	0 locations	0 locations	0 locations	0 locations	1 location
Kyotoh Area (11 locations)	0 locations	0 locations	0 locations	0 locations	0 locations	0 locations	1 location
Kyonan Area (5 locations)	0 locations	1 location	0 locations	0 locations	0 locations	0 locations	2 locations
Fuji-Tobu Area (11 locations)	4 locations	4 locations	10 locations	0 locations	0 locations	0 locations	1 location



Reposted on Pawapo de design (URL:https://power-point-design.com)

Heat map indicating corporate borrowers' dependencies and impacts on nature

To get an overview of how the Bank may indirectly depend or have an impact on nature through its financial business, we created a heat map based on data from ENCORE, a tool used to identify the level of impact and dependence on nature, while taking into account attributes by borrowers' sectors.

For this heat map, we analyzed our corporate borrowers without limiting the scope to Yamanashi Prefecture, our operational base. The analysis revealed that sectors such as consumer goods and services and essential goods are heavily dependent and have a significant impact on nature. Regarding dependence, many such sectors are dependent on water-related resources, whereas on the impact side, many sectors discharge harmful pollutants to soil and water as well as causing disturbance such as noise and pollution through their business activities.

Heat map indicating corporate borrowers' dependencies on nature

Sector	Loan percentage	Supply services														Regulation and maintenance services													
		Other resources				Decontamination				Climate regulation						Flood and storm mitigation				Soil and sediment retention		Soil quality regulation		Pollination		Population and habitat integrity maintenance		Biological control	
		Water resources	Biomass supply	Genetic resources	Soil waste remediation	Atmospheric and ecological dilution	Air filtration	Water purification	Noise reduction	Water flow regulation	Global climate regulation	Local climate regulation	Flood control	Storm mitigation	Rainfall pattern regulation	Soil and sediment retention	Soil quality regulation	Pollination	Population and habitat integrity maintenance	Biological control									
Real estate		M	-	-	VL	L	VL	M	VL	M	M	L	M	M	VH	H	-	-	-	ND									
Capital goods and services		H	L	M	M	L	M	VH	VL	H	M	L	H	H	VH	H	-	L	ND	VL									
Consumer goods and services		VH	VH	VH	VH	M	H	VH	M	VH	VH	VH	VH	VH	VH	VH	VH	VH	VH	H									
Finance		VL	ND	-	-	-	-	ND	-	L	VL	L	M	L	VL	L	-	-	-	ND									
Material		H	L	-	M	M	M	VH	VL	H	H	L	H	M	VH	H	-	-	-	VL									
Health care		H	L	H	M	L	L	VH	VL	H	L	L	H	H	VL	M	-	L	-	L									
Information technology		M	-	-	L	L	L	M	VL	M	VL	L	M	M	M	M	-	-	-	VL									
Public utilities		VH	H	-	M	VL	VL	M	M	VH	VH	M	VH	M	M	VH	-	-	-	-									
Essential goods		VH	VH	VH	VH	M	M	VH	VL	VH	VH	VH	VH	VH	VH	VH	VH	VH	VH	H									
Communication services		L	ND	-	ND	-	L	-	VL	L	VL	L	M	M	VL	M	-	-	-	VL									
Energy		H	L	VL	L	M	M	VH	VL	H	H	L	H	M	VH	H	-	-	-	VL									



Heat map indicating corporate borrowers' impacts on nature

Sector	Loan percentage	Land, freshwater, and marine use change			Climate change		Resource use/frequency		Pollution/pollution remediation				Invasive alien species	
		Land use area	Freshwater use area	Seafloor use area	GHG discharge	Water consumption	Extraction of other biotic resources (e.g., fish, timber)	Extraction of other abiotic resources	Solid waste generation and discharge	Emissions of non-GHG air pollutants	Discharge of toxic pollutants to soil and water	Discharge of nutrient pollutants to soil and water	Disturbance (e.g., noise, light)	Introduction of alien species
Real estate		L	M	M	H	L	-	-	M	L	H	-	VH	L
Capital goods and services		M	M	M	H	M	VL	ND	M	VH	VH	M	VH	VH
Consumer goods and services		VH	H	H	H	VH	VH	M	VH	H	VH	VH	VH	VH
Finance		M	-	-	L	L	-	-	VL	VL	L	L	L	L
Material		M	VH	VH	H	H	ND	VH	VH	H	VH	VH	VH	L
Health care		M	ND	VL	M	M	VL	ND	M	H	M	M	M	L
Information technology		M	-	VL	M	M	-	-	L	H	H	-	M	ND
Public utilities		H	H	M	VH	M	M	-	H	VH	VH	M	VH	-
Essential goods		VH	H	H	H	VH	VH	-	VH	H	VH	VH	VH	VH
Communication services		M	L	M	L	L	-	-	L	L	L	-	M	-
Energy		M	VH	VH	VH	M	-	H	H	H	VH	M	VH	L



Initiatives for the environment

Introduction of electricity from renewable energy sources

Since April 2022, we have introduced CO₂-free electricity generated at Yamanashi Prefecture's hydroelectric power plants, for our Head Office and computer center building. In June 2024, as part of our efforts to bolster initiatives toward further realizing a decarbonized society, we newly introduced the renewed "New Yamanashi Power: Furusato Hydro Plan" at two locations in Yamanashi Prefecture as well as at all locations in which this plan can be introduced (locations supplied with electricity at a high voltage; six locations in total).

As a result, we will be introducing electricity from hydropower generation at 10 of our locations in total.

In addition, Yamanashi Chuo Bank is the first business with a head office inside Yamanashi Prefecture that has introduced New Yamanashi Power at a location outside the prefecture.

Under this electricity plan, we can contribute to the prefecture's environmental conservation efforts by paying the electricity bills because part of the money from the basic electricity bill goes to initiatives such as the prefecture's environmental conservation projects.



Donations and tree planting based on reductions in postal costs by exercising voting rights through the Internet instead

Shareholders can exercise their voting rights for the Annual General Meeting of Shareholders through the Internet, resulting in a reduction in postal costs. We have decided to make an annual donation equivalent to this reduction in costs to Present Tree*, a project from NPO Environmental Relations that carries out local tree-planting activities. We also planted trees with the organization.

* Under the banner of "Planting Seedlings as Gifts," this project lets people from urban areas plant trees for themselves or important people in their lives at locations across Japan that require new trees, such as untended forests, woodlands affected by disasters, and old golf courses and farmland. The people gifting the trees work with the local community to help nurture the trees for 10 years after planting.

Recipient of donation	NPO Environmental Relations
Donated amount (Date of donation)	270,000 yen (FY2024) (946 shareholders who exercised their online voting rights × Postage fee of 78 yen ≈ 70,000 yen + 200,000 yen)
Number of trees planted	54 local broadleaf trees
Location of planting (Date of planting)	Ashigawa, Fuefuki City, Yamanashi Prefecture "Present Tree in Ashigawa, Fuefuki"

Analyzing natural and industrial attributes of Yamanashi Prefecture as our operational base and identifying unique nature-related issues

This fiscal year, following the TNFD LEAP approach, we conducted an assessment of our business locations corresponding to the Strategy section of disclosure information, analyzed the Bank's significant dependencies and impacts on nature, and identified risks and opportunities. For details, please refer to Yamanashi Chuo Bank TNFD Report 2025. ⇒ "Assessment and disclosure in line with the TNFD disclosure recommendations <Strategies>" pages 7 to 28

Contributions to the regional community

Spreading financial and economic education

We conduct webinars and job-related seminars on asset building to improve the financial literacy of regional residents. In addition, we are actively engaged in financial and economic education for children and young adults by offering on-site classes at schools and accepting work-study programs at our Head Office and branches. In December 2024, we held the Economics Koshien Yamanashi Tournament for high school students.

	FY2021	FY2022	FY2023	FY2024
Number of financial education sessions held	58	46	96	188
Number of participants	2,379	2,548	3,969	7,237
Number of field trips accepted	17	20	26	12
Number of trainees accepted for field trips	219	261	296	129
Number of visitors to the Financial Museum	1,360	1,115	1,459	2,280

* The "Number of financial education sessions held" and "Number of participants" include on-site classes at schools and other institutions, as well as seminars on asset management, among other sessions.



Yamanashi Chuo Bank Financial Museum

At the Yamanashi Chuo Bank Financial Museum, the permanent exhibition includes approximately 2,000 coins, including the Koshu Gold Collection, as well as other items such as Japan's first deposit passbook, and events are held from time to time to broadly introduce the history of finance.

The Financial Education Corner established to enhance financial literacy, is based on the concept of acquiring knowledge about money while having fun and experiencing it, allowing elementary and junior high school students and others to learn about money in a fun way.

Opening Days: Wednesday to Saturday (closed on national holidays and December 29–January 4)
 Opening Hours: 9:00 a.m.–12:00 p.m. / 1:00 p.m.–5:00 p.m.
 (Last entry at 4:00 p.m.)
 Tel.: 055-223-3090



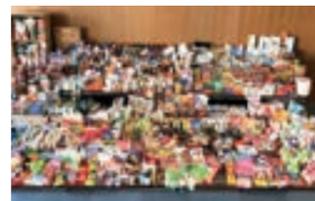
For more details



Food donations

Food items were donated to Food Bank Yamanashi and the Yamanashi Prefectural Council of Social Welfare as part of the Yamanashi Chugin Food Drive to support families receiving school aid, etc.

We will continue our efforts to achieve a sustainable society by helping to enrich the lives of everyone in our regional communities.



Initiatives to promote sports

The Fureai Volleyball Class and the Sawayaka Kids Volleyball Class are held by the Bank's women's volleyball club, which has achieved top-level results in Japan. We also hold the Yamanashi Chuo Bank Cup Yamanashi Prefecture Moms' Volleyball Tournament to promote and improve the technical skills of volleyball players in the prefecture.

Furthermore, we work to create regional vitality through sports promotion by sponsoring sporting events and supporting sports teams based in the prefecture as a sponsor.



The Bank's Women's Volleyball Club placed third at the SAGA2024 JAPAN GAMES

Initiatives to create barrier-free facilities

Installation of handset-equipped ATMs at all branches

The Bank has installed handset-equipped (receiver-type) ATMs at its Head Office and all branches so that customers with visual impairments and elderly customers can use ATMs without difficulty.



Transaction statements issued in braille

The Bank issues statements on customers' deposit transactions (ordinary deposits, current accounts, etc.) in braille for those who require it.

When sending such statements by mail, we affix stickers in braille stating the customer's name and Yamanashi Chuo Bank on the envelope.



Barrier-free branches

The Bank is working to develop branches with barrier-free features in facilities and buildings to ensure that all customers, including those with physical disabilities and the elderly, are able to reliably and safely use our branches. Examples include the installation of priority parking spaces for people with disabilities and access ramps to branch entrances.



Installation of a voice guidance system

We have installed a system that responds to communication devices carried by people with visual impairments and provides voice guidance. These devices are available in the Shimoiida Branch, Kofu Station Sub-Branch (CELEO KOFU), as well as the Kofueki Kitaguchi Sub-Branch.

At the Kawaguchiko Branch, an intercom and electronic chime for guidance have been installed near the sidewalk, and a system has been established to guide customers to the inside of the branch by a staff member.



Installation of the Kikoerundesu dialogue aids

To allow customers with a hearing impairment and elderly customers to communicate smoothly with branch staff, we have installed desktop-type conversion support equipment in our locations. These devices work by increasing the branch staff member's voice into an audible level for listeners. These devices are available in all of our branches.



Customer assistance system

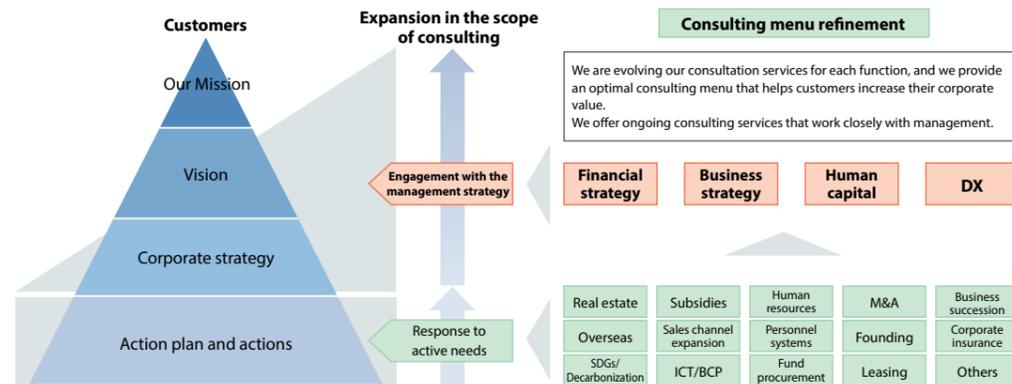
The Bank offers a system for customers with physical disabilities to make reservations to visit a branch ahead of time to ensure that their visit proceeds smoothly. Prior to the customer's visit, a representative from the branch will call the customer and inform them about the necessary documents and how the procedures will be handled, thereby ensuring that the branch visit is smooth and successful.

Assignment of dementia supporters

The Bank is striving to further improve services by showing consideration and paying attention to all types of customers and by building a community friendly to seniors with dementia and other people with special needs. As part of these efforts, the Bank has assigned dementia supporters to all its branches. The Ministry of Health, Labour and Welfare recommends that businesses have dementia supporters on-site.

Efforts to resolve regional issues related to sustainability (comprehensive support)

We provide various types of consulting services to customers at various life stages (founding period, growth period, stabilization period, stagnation period, and revitalization period) by leveraging the knowledge and network of the Group.



■ SDGs consultation

As part of our ESG finance initiatives, we provide consultation services to help companies achieve sustainable growth and drive regional development.

Our consultation services meet the various needs of companies, including backcasting, creating SDGs-related declarations, setting material topics, and providing support for creating booklets and posting on websites.

Through our consultation services, we will continue to build foundations for regional businesses to voluntarily take action to achieve SDGs, aiming to enhance sustainability across the entire region.

■ Carbon neutrality consultation

We will continue to enhance our support for businesses engaged in reducing greenhouse gas emissions, including CO₂, as part of our commitment to achieving carbon neutrality.

Specifically, we support the visualization of greenhouse gas emissions, the formulation and execution of reduction plans, and the introduction of decarbonization facilities.

■ Human capital management consultation

We will continue to support the enhancement of corporate value by assisting businesses in obtaining certifications related to health-oriented management, women's empowerment, childcare, and others. We provide services tailored to the needs of each business—from assessing the current situation to strategy formulation, implementation support, and monitoring—in order to support the creation of sustainable organizations.

■ Fund procurement

We have established a system to support our customers' SDGs and ESG initiatives, helping them promote sustainable management from a financial perspective.

We offer the Yamanashi Chugin Sustainability Linked Loan, in which interest rates and other loan terms vary depending on the achievement of SDGs/ESG-related targets set by the company, and Yamanashi Chugin Positive Impact Finance, which analyzes the impacts of corporate activities on the environment, society, and the economy and supports efforts to improve positive impacts and mitigate or reduce negative impacts.

Voice

Consultation Sales Division
A. Akiyama



Supporting regional businesses to create value and achieve sustainable growth through sustainability consulting

In April 2024, I joined the Consultation Sales Division through the Post Challenge program and began working to support the sustainable field. Until then, I had mainly focused on asset management for individual clients. However, working in areas related to regional businesses' carbon neutrality and human capital management requires new perspectives and expertise, offering a continuous journey of learning and challenges every day.

Currently, as a member of the Sustainability Support Team, I establish a support system and provide tailored support to each business through sustainability consulting, offering comprehensive support while engaging in ongoing dialogue throughout the process. I recognize the challenge of interviewing and understanding clients' issues and shaping proposals to address them, but I find the process of building tailored support for each business while engaging with its management's vision deeply rewarding.

I will continue to provide comprehensive support to help regional businesses create new value and advance toward a sustainable future.

Status of efforts to support management improvements, business revitalization, business sector pivots, etc.

We engage in efforts to support management improvements and business revitalization while paying attention to each customer's individual circumstances. For example, in the case of customers who are affected by changes in the internal and external business environment, we provide support for drafting a revitalization plan and for carrying out various initiatives for improvement.

■ Status of efforts to support management improvements, etc.

	April 2024 to March 2025
Number of debtors at the start of the year, excluding normal borrowers (A)	1,722 businesses
Of which, businesses given support for management improvement (a)	150 businesses
Of which, businesses that moved to a higher debtor category at the end of the year (b)	11 businesses
Of which, businesses that drafted a revitalization plan (c)	91 businesses
Rate of support for management improvement (a / A)	8.7%
Rate of increase in category (b / a)	7.3%
Rate of revitalization plan drafting (c / a)	60.7%

■ Response to the guidelines on manager guarantors

The Guidelines on Manager Guarantors were published in December 2013. Based on the intent of these guidelines, we strive to further promote loans that do not rely on managers serving as guarantors, in light of the current status, trends, and real-world circumstances of our customers.

Number and ratio of loans, etc., that do not rely on manager guarantors

Category	April 2024 to March 2025
Cases of new loans with no guarantor	3,419
Ratio of loans with no guarantor to new loans	56.0%
Cases of terminating guarantor contracts	127

Number and ratio of manager guarantors during business succession*

Category	April 2024 to March 2025	
Cases of terminating the guarantor contract with the previous manager, and not concluding a guarantor contract with the new manager	Number of cases	33
	Ratio to total	23.6%
Cases of terminating the guarantor contract with the previous manager, and concluding a guarantor contract with the new manager	Number of cases	60
	Ratio to total	42.9%
Cases of not terminating the guarantor contract with the previous manager, and not concluding a guarantor contract with the new manager	Number of cases	47
	Ratio to total	33.6%
Cases of not terminating the guarantor contract with the previous manager, and concluding a guarantor contract with the new manager	Number of cases	0
	Ratio to total	0%
Total	Number of cases	140

* Status of action regarding concluding a guarantor contract with the new and previous managers at companies that have carried out procedures to change the representative and in which the previous manager serves as a guarantor

■ Initiatives to support asset succession (business succession and inheritance measures) and M&A

Amid a nationwide shortage of business successors, we aim to further enhance corporate value by sharing a future vision with owners and addressing issues related to business succession and management before, during, and after the transition.

In addition, to strengthen our business succession support services, we are pursuing the M&A Senior Expert certification, recognized by the Kinzai Institute for Financial Affairs, Inc. Currently, more than 100 employees hold the certification and, in collaboration with our headquarters expert team and external partners, we support clients with business succession and inheritance planning.



Initiatives for Finance Facilitation

Basic stance

Under the Our Mission of Region-Based Operations and Sound Management, we actively engage in initiatives to promote loans that stay close to the local area, such as smoothly providing funds to local customers and supporting initiatives for management improvements.

High resource costs and the weak yen have resulted in price increases that have severely affected customers at small and medium enterprises, as well as customers with housing loans. In light of this, we are carrying out an earnest and appropriate response based on the Basic Policy on Finance Facilitation regarding applications and consultations for providing new loans or changing the conditions of loans.

To further promote these initiatives, we regularly calculate the status of changes to loan conditions, as well as other statistics.

Going forward, we will strive to support solutions to management issues by providing new loans and changing loan conditions, while reinforcing initiatives for finance facilitation.

Major initiatives for finance facilitation

Maintaining the organization

- Established and published the Basic Policy on Finance Facilitation

Established a point of contact for consultations regarding repayments

- Established a Point of Contact for Finance Facilitation at every branch and Life Square
- Established a Point of Contact for Complaints and Consultations Regarding Finance Facilitation at the Management Control Division

Initiatives to support management improvements

- Selected companies with a strong need for management improvements, and reinforced our efforts to support them in this area

Point of contact for complaints and consultations regarding finance facilitation

We have established a dedicated point of contact for complaints and consultations from customers about making changes to repayment conditions and other similar matters. Details on this point of contact are given below.

Customer Consultation Center, Legal Affairs and Compliance Section, Management Control Division

[Telephone number]
0120-072-223 (toll-free)

[Hours]

From 9:00 a.m. to 5:00 p.m. every Monday to Friday
(Excluding national holidays and December 31 to January 3 of the next year)

Status of changes made to loan conditions, etc. (cumulative number of cases from March 10, 2020 onward)

[Status of response to applications from customers at SMEs]

(Unit: case)

	Mar. 2024	Sep. 2024	Mar. 2025
Number of loans for which applications were made to change conditions, etc.	6,834	7,893	8,851
Of which, number of cases executed (A)	6,407	7,433	8,347
Of which, number of cases declined (B)	51	58	72
Of which, number of cases under examination	161	137	133
Of which, number of cases withdrawn	215	265	299
Execution rate: A / (A + B)	99.2%	99.2%	99.1%

[Status of response to applications from customers for housing loans]

(Unit: case)

	Mar. 2024	Sep. 2024	Mar. 2025
Number of loans for which applications were made to change conditions, etc.	335	353	366
Of which, number of cases executed (A)	271	282	292
Of which, number of cases declined (B)	10	12	13
Of which, number of cases under examination	0	3	3
Of which, number of cases withdrawn	54	56	58
Execution rate: A / (A + B)	96.4%	95.9%	95.7%

Activities for Regional Revitalization

Initiatives to support solutions for administrative issues

We have developed the Yamanashi Chugin Yamanashi Furusato Support Project as an option to support the resolution of administrative and regional issues, and we are reinforcing our initiatives to support local governments within Yamanashi Prefecture in the promotion of administrative measures.

Under the Collaborative Agreement for City Marketing established to enhance Yamanashi City's recognition and image, we have applied the expertise gained from managing our official TikTok account to support the city's promotional activities on the platform.

Additionally, we have concluded a Collaboration Agreement on Promoting Measures for Vacant Houses and Related Issues with Nirasaki City and L&F Co., Ltd., aiming to reduce the number of vacant houses in the city. Going forward, we will support the proper management of vacant houses in the city and promote relocation and settlement through the repurposing of vacant properties, contributing to the revitalization of the local economy.

Furthermore, with public and private initiatives in Yamanashi Prefecture accelerating ahead of the opening of the Linear Chuo Shinkansen Yamanashi Prefecture Station (tentative name), we have established the Linear Chuo Shinkansen Regional Creation Promotion Project Team as a cross-functional unit within the Bank. The project team will collaborate with Yamanashi Prefecture and relevant municipalities while strengthening its framework for centralized information management and comprehensive support related to the Linear Chuo Shinkansen project, contributing to supporting administrative measures.



A new co-creation hub for public-private sector collaboration to address regional issues

In April 2025, we jointly established the Yamanashi Social Innovation Center with Yamanashi Prefecture, a new co-creation hub to resolve social issues through public-private sector collaboration, and dispatched two bank employees to the organization.

As the leading bank in the region, we will effectively address the increasingly diverse and complex issues in our community through public-private sector collaboration. We will contribute to the sustainable development of regional communities and strengthen our partnership with Yamanashi Prefecture to foster regional co-creation.



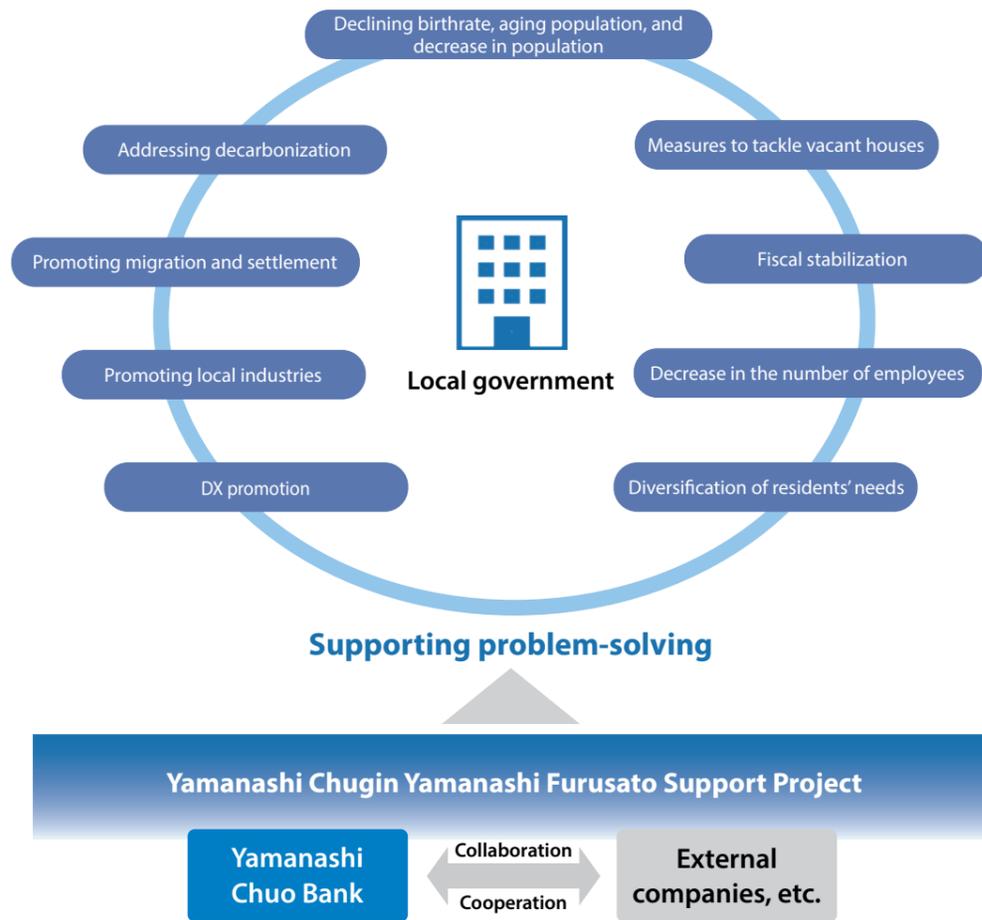
Collaboration with universities

The Bank has concluded comprehensive cooperation agreements with the University of Yamanashi, Yamanashi Prefectural University, Yamanashi Gakuin University, and Yamanashi Gakuin Junior College, respectively, with the aim of revitalizing local economies through industry-academia collaborations. In January 2023, we concluded a comprehensive agreement with Teikyo University and are working to revitalize the local economy with new perspectives and ideas through an industry-academia collaboration across prefectural borders with a Tokyo-based corporation.

We also publish Business Opportunities Direct from the University of Yamanashi, which introduces the research activities of the University of Yamanashi. In addition, 88 employees of the Bank are working as University of Yamanashi Visiting Social Collaboration Coordinators to bridge the gap between industry and academia. In addition, we sponsor endowed courses held at Yamanashi Prefectural University, and we dispatch lecturers to open lectures at Yamanashi Gakuin Junior College to promote local financial education and to foster a love of one's hometown.

We will continue to work for the prosperity of local communities and the revitalization of local economies to achieve the sustainable growth of each university and Yamanashi Prefecture.

Successfully resolving regional issues through administrative measures promotion support and acquiring new opportunities for income



Improving efficiency of the collection and payment agent service

- The Yamanashi Prefecture Simultaneous Slip-less and Cashless Payment Promotion Project is being implemented in cooperation with the Yamanashi Prefecture, all 27 municipalities in the prefecture, and all financial and business institutions with headquarters or branches in the prefecture.
- Against the backdrop of the government's policy to improve the efficiency of administrative and fiscal management and to promote DX, this will not only improve taxpayers' convenience and achieve efficient collection management, but also promote the spread and use of slip-less and cashless payments to achieve the SDGs.



Insourcing from local governments

- Yamanashi Chuo Bank supports the resolution of administrative issues by insourcing from local governments, leveraging the Bank's diverse networks and expertise developed through our main business.
- Diversifying operations and improving the level of administrative services are some of the challenges local governments face, and administrative and financial affairs are offered support from the Bank and through collaborations with organizations such as special service providers.

We are committed to supporting administrative and financial operations, revitalizing regional economies, and working to develop sustainable communities through various consulting services and insourcing from local governments as the only regional bank in the prefecture

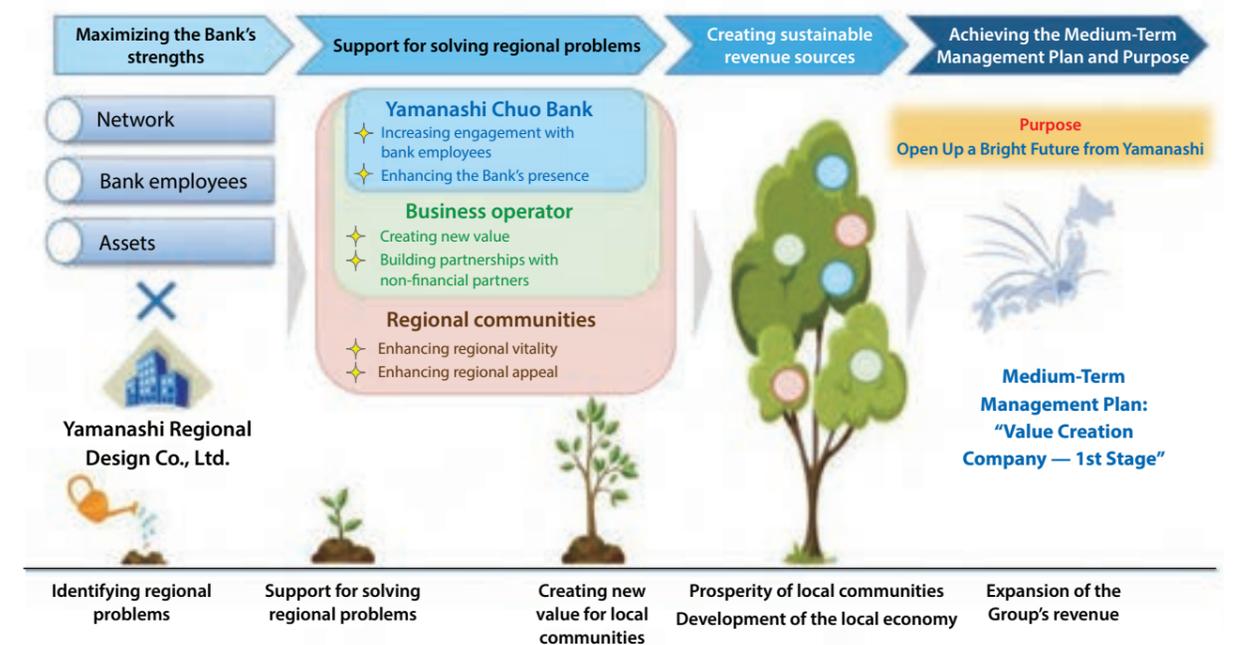
Yamanashi Regional Design Co., Ltd.

Establishment of Yamanashi Regional Design Co., Ltd., a regional general trading company working to resolve regional issues

Based on the Strategy to Increase Business Capacity, the basic strategy of our previous Medium-Term Management Plan, TRANS³ 2025, we established Yamanashi Regional Design Co., Ltd. on April 1, 2025. The new company will engage in new businesses—including tourism value creation, decarbonization, advertisement, and marketing—aimed at securing new revenue sources by supporting the resolution of regional issues.



Yamanashi Regional Design Co., Ltd. will leverage the diverse strengths of the Yamanashi Chuo Bank Group to engage in new businesses, contributing to the prosperity of local communities, the development of the local economy, and the creation of sustainable revenue sources for the Yamanashi Chuo Bank Group. In addition, the Yamanashi Chuo Bank Group will play a key role in achieving the Medium-Term Management Plan "Value Creation Company — 1st Stage" and strive to fulfill the Group's Purpose.



Message from the New President



Masao Watanabe, Representative Director and President

The process leading to the establishment of Yamanashi Regional Design Co., Ltd.

I concurrently serve as General Manager of the Regional Revitalization Promotion Division and as President of Yamanashi Regional Design Co., Ltd. (hereinafter, "YRD").

The Regional Revitalization Promotion Division was established on June 24, 2022, with the primary mission of exploring new businesses that support the resolution of regional issues while also seeking new revenue sources. Since its inception, I have worked with Division members to actively engage stakeholders across the prefecture—including business operators, local governments, and universities—to gain a broad understanding of regional issues. We then prioritized these issues according to their importance, while also considering the bank's materiality.

As a result, we selected three priority business areas—tourism, decarbonization, and advertisement/marketing—and have undertaken various demonstration experiments in each.

During the demonstration phase, we held repeated discussions with management on the profitability, sustainability, risks, and synergies with the bank for each business. To address these issues, we established YRD, a company dedicated to advancing business development in areas connected to banking.

Details of YRD's three business areas

Regarding tourism, although it is a major industry in Yamanashi Prefecture, there is the issue that the region's tourism resources are not being fully utilized, resulting in stagnant tourism spending. Additionally, there is the issue that tourists tend to concentrate around Mount Fuji rather than visiting other areas across the prefecture. In response to this issue, we have launched a new business called the Tourism value creation business while leveraging the resources and network of the Group. This business involves discovering and highlighting the region's appeals (including people, places, food, experiences, and local products), creating new tourism value, and communicating (selling) these offerings to both domestic and international tourists. Through this business, we are actively addressing the issue facing tourism in Yamanashi Prefecture.

Regarding decarbonization, Yamanashi Prefecture is a region blessed with abundant natural environments and water resources, making decarbonization efforts a critically important environmental conservation priority. Furthermore, the recent surge in energy prices has significantly affected the management of local business operators. In addition, many issues remain, including a lack of specialized knowledge and expertise on decarbonization, as well as the absence of consultation partners. Accordingly, we have launched the decarbonization-related business to

support regional decarbonization by providing a one-stop solution covering the entire process of understanding decarbonization, measuring CO₂ emissions, reducing CO₂, and offsetting unavoidable emissions through credits or other means.

Regarding advertisement and marketing, communication is crucial for helping people learn about the region. In recent years, social media platforms have attracted attention as channels for communication. However, local business operators and governments often underutilize these platforms, meaning that their business offerings and the appeal of their regions do not reach a broad audience.

While we plan to continue expanding business divisions that help resolve issues, communication is crucial both for pioneering new business areas and for quickly scaling new businesses.

In addition to solving communication issues in the region, we are conducting the advertisement and marketing business to support YRD's new businesses from a communication perspective.

The ideal state of YRD

YRD positions itself as a general trading company dedicated to resolving regional issues, and established three business divisions as its core pillars when it was founded.

However, the region faces numerous issues that need to be resolved, including declining birthrate, aging population, and labor shortages. Going forward, YRD will continue to launch new businesses that we determine can both resolve regional issues and generate revenue, by fully leveraging the synergies with the Yamanashi Chuo Bank Group and regional stakeholders.

Ideally, Yamanashi Chuo Bank would address financial challenges, while YRD would focus on resolving regional challenges.

How YRD contributes to corporate value enhancement

To help businesses achieve sustainable growth and enhance their competitiveness, it is crucial not only to strengthen financial aspects that enhance economic value but also to focus on reinforcing non-financial aspects.

We believe that YRD's three businesses will not only enhance the economic value of the Group but also create ripple effects across industries within the prefecture over the medium to long term. By revitalizing the local economy, these businesses are expected to contribute to the expansion of employment and consumption. Additionally, the decarbonization-related business helps us practice sustainability management by addressing environmental concerns and minimizing our environmental impact.

On the other hand, we believe that YRD's business, as a regional financial institution pioneering new business areas, will contribute to boosting employee motivation and attracting top talent. This, in turn, will enhance the overall vitality of the organization. We hope that the reputation of the Yamanashi Chuo Bank Group having an interesting company engaged in regional revitalization will spread among students both within and outside the prefecture, helping the Group be recognized as a top choice for those seeking employment.

What YRD will focus on moving forward

YRD is consciously focusing on two things: speed and communication.

Regional issues are advancing faster than expected, resulting in a loss of regional vitality and appeal, which causes the regional economy to decline and, in turn, reduces the corporate value of the Group.

Therefore, with respect to the three businesses that YRD is undertaking, we are committed to pursuing them with a strong sense of speed.

Additionally, we place great importance on communicating YRD's daily efforts both internally and externally. This is because, by accurately and promptly communicating YRD's business activities, we can earn recognition, understanding, and cooperation from both the Group's management and employees, as well as local stakeholders. This chain reaction offers insights to our management and employees on developing new customers and also helps cultivate new business partners.

About the businesses undertaken by Yamanashi Regional Design

Tourism value creation business

The tourism-related industry is important for Yamanashi Prefecture's economy, but it faces several issues. Many tourists stay for a short period of time, which limits growth in tourism spending; changing travel styles have intensified competition to attract visitors; and overtourism has become an issue, particularly around Mount Fuji. To solve these issues and establish a new revenue foundation, we are pursuing the tourism value creation business.

To promote these initiatives, we have registered ourselves as a Type 2 Travel Agency. This enables us to offer domestic and customized package tours, as well as travel arrangements. By organizing tours to attract visitors to Yamanashi Prefecture, we aim to raise awareness of the region and boost tourism spending.

Leveraging the Yamanashi Chuo Bank Group's extensive network and resources, we will collaborate with tourism-related business operators to grow the number of repeat visitors and supporters of Yamanashi Prefecture. By attracting more visitors, we aim to support the sustainable growth of the local economy.



Decarbonization-related business

Working in collaboration with the Group, we provide one-stop support covering the four key aspects necessary for promoting decarbonization. The Bank's Consultation Sales Division provides services for understanding and measuring, while our company is responsible for services related to reducing and offsetting.

Our primary business activities include, first and foremost, the acquisition and utilization of renewable energy sources. By acquiring renewable energy sources within Yamanashi Prefecture and ensuring their long-term, stable operation, we are promoting the local production and consumption of electricity. The second is the offering of Power Purchase Agreements (PPAs). We install solar power generation facilities on the premises and rooftops of the Bank, local business operators, and local governments under a PPA model, and contribute to regional decarbonization by supplying electricity. The third is support for generating and selling J-Credits (Japan's carbon credit system). We support carbon offsets by generating J-Credits from forests and solar power facilities within Yamanashi Prefecture and selling them to our business customers and other entities.

Through our decarbonization-related business, we accelerate regional decarbonization while working to build sustainable local communities where the environment and economy coexist in a virtuous cycle.



Advertisement and marketing business

In today's society, the importance of advertising and marketing is increasing. With the spread of the Internet, consumers can now easily obtain diverse information, and their purchasing behavior has also changed. For companies, essential factors include product differentiation, enhancing recognition, branding, consumer communication, and data collection and analysis. Therefore, effective advertising and marketing strategies are necessary.

Social media is an essential tool for reaching younger and digital-native audiences, enabling real-time communication, and delivering targeted advertising. Proficiency in video production is particularly important, but it can pose a significant challenge for small and medium enterprises and local companies.

The Bank appointed Mr. Shu Suzuki, Representative Director and President of HoriPro Digital Entertainment, Inc., as its Social Media Advisor, effective October 2022. It subsequently launched its TikTok account on December 28, 2022. We set a goal of 10,000 followers and have already exceeded 13,000. Guided by Mr. Suzuki's advice, we aim to give back to the community by sharing our expertise—from planning to video production—and the experience and achievements we have accumulated, to support the development of the region as a whole.



Voice

Establishment of Yamanashi Regional Design Co., Ltd.

Yamanashi Chuo Bank established its subsidiary, Yamanashi Regional Design Co., Ltd., on April 1, 2025. We will maximize group synergies while pursuing new businesses that contribute to solving regional issues. By creating new value for local communities and contributing to their prosperity and economic development, we aim to establish sustainable revenue sources for the Group. In addition, the Yamanashi Chuo Bank Group will play a key role in achieving the Medium-Term Management Plan "Value Creation Company — 1st Stage" and strive to fulfill the Group's Purpose, "Open Up a Bright Future from Yamanashi."



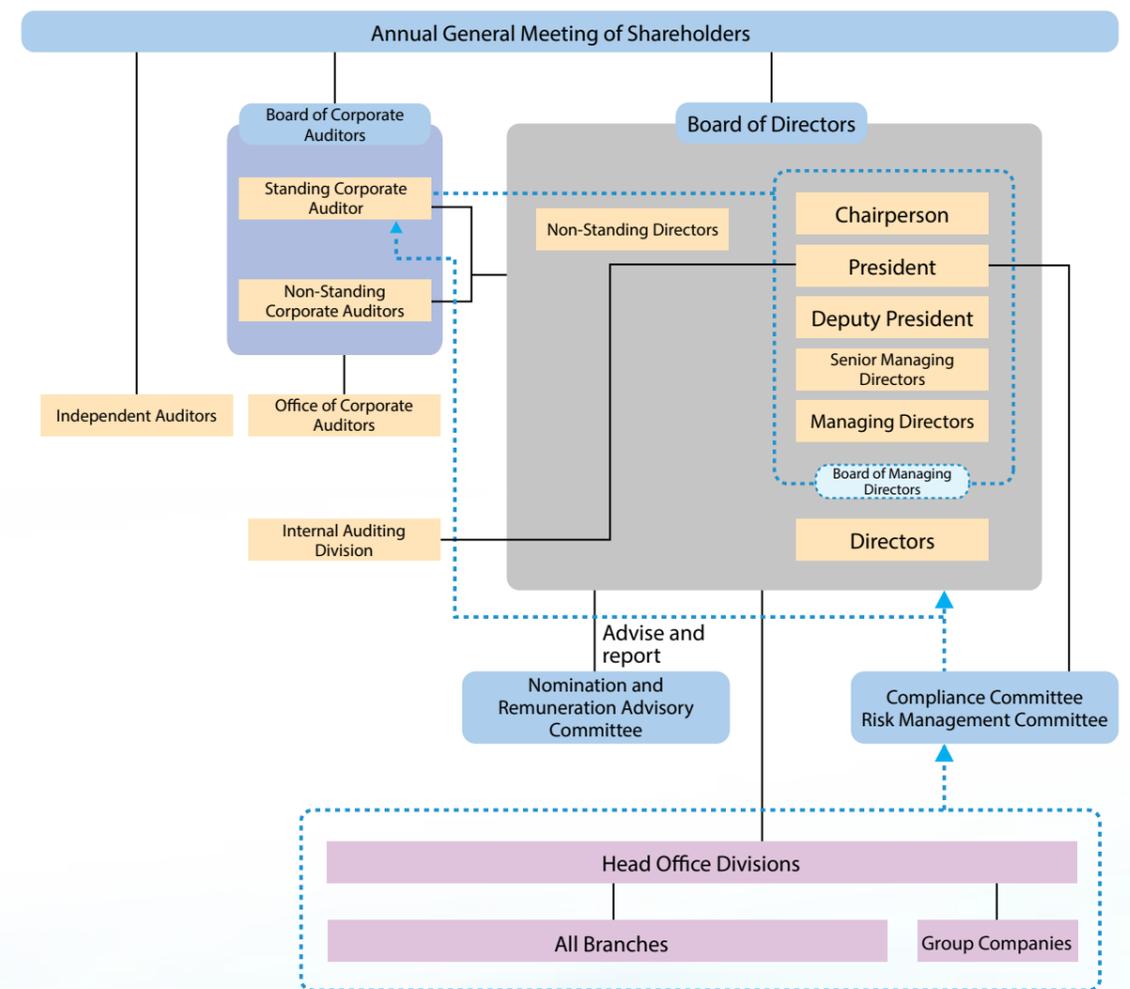
Corporate Governance

Basic policy on corporate governance

Guided by its social responsibility as a banking institution and its public service mission in that role, the Yamanashi Chuo Bank aims to secure the trust of various stakeholders, including customers, shareholders, staff members and the communities it serves, by such means as maintaining the Group's sound management and assuring management transparency, in conjunction with contributing to the prosperity of the regional community and the development of its economy.

To this end, the Bank has built a stronger internal control system and organizational structure, along with working to enhance corporate governance, including by maintaining high ethical standards among all management and staff members and ensuring the active disclosure of corporate activities.

Corporate governance structural diagram



Company institution details

We are a company with a Board of Corporate Auditors. The Board of Directors makes decisions on management policies and other matters of importance, and also oversees the execution of directors' duties. The Board of Directors has outside directors participating in positions independent of business execution, which enhances the management supervision functions of the Board of Directors.

Furthermore, the company has established a Nomination and Remuneration Advisory Committee as a voluntary advisory body to the Board of Directors, to ensure fairness, transparency, and objectivity in the decision-making processes related to the appointment and dismissal of senior management (Managing Directors and above) and to the appointment and remuneration of directors.

The Board of Corporate Auditors makes decisions on auditing policies, planning, and methods, and it audits the execution of directors' duties from a perspective that is independent of the Board of Directors.

In accordance with the basic management policies decided by the Board of Directors, there are also the following bodies: the Board of Managing Directors, which deliberates on and resolves priority matters related to the Bank's overall management and business operations; the Compliance Committee, which deliberates on measures toward developing and establishing compliance structures along with monitoring the implementation of these measures; and the Risk Management Committee, which aims to effectively and flexibly manage risk in response to changes in the business environment.

Furthermore, the Bank has established an Executive Officers System to enhance corporate governance and is working to separate decision-making management functions from business operation functions.

The Bank has six companies engaging in businesses that include credit guarantees, leasing, credit cards, consulting, investment advice, and support for solving local issues, and it operates in an integrated manner to provide comprehensive financial functions.

The Board of Directors' roles and matters for deliberation and reporting

The Board of Directors makes decisions on management policies and other matters of importance, and also oversees the execution of directors' duties. Among the directors, the Board of Directors has three outside directors participating in positions independent of business execution, which enhances the management supervision functions of the Board of Directors.

Evaluating the effectiveness of the Board of Directors

The Bank evaluates and analyzes the effectiveness of the Board of Directors for the purpose of increasing the corporate value. Each year, we conduct an anonymous survey of all directors and corporate auditors to assess the effectiveness of the Board of Directors.

The results of the survey held in April 2025 were reported at the Board of Directors meeting in May 2025, where we recognized the directors' roles and responsibilities and confirmed that the Board's effectiveness is sufficiently ensured.

Some respondents said that the Bank provides adequate opportunities for discussion and a suitable amount of information in advance regarding important matters, that the Bank carries out creative measures to deepen discussions at the Board of Directors, and that the operations of the Board of Directors are showing an annual trend of improvement. Furthermore, we shared the following challenges that need further work.

1. Securing sufficient time for important matters to be resolved by further streamlining the Board of Directors
2. Considering simplification and streamlining of the descriptions in reported matters
3. Updating and refining skills and insight by clarifying the roles of each director

Based on the effectiveness assessment results, we will sufficiently study the challenges facing them and continue to promote our initiatives to enhance the Board of Directors' function.

In FY2024, we organized an assessment by a third-party assessment body with an aim to boost the transparency and reliability of governance.

Nomination and Remuneration Advisory Committee

As an advisory body to the Board of Directors, the committee deliberates on nomination and dismissal of directors and auditors, their remuneration, etc.

The committee consists of four or more directors, and at least 50% of them are nominated from among the outside directors. The committee chair is also nominated from among the outside directors.

Introducing a succession plan

The Bank introduced a succession plan in June 2025 to achieve sustainable growth and a medium- to long-term increase in corporate value by nurturing candidate directors in a systematic way and ensuring that the Bank's vision and values are passed on smoothly.

We have defined education programs for each candidate director and hold annual evaluations regarding the qualities and abilities expected of them using a specialized assessment sheet.

Percentage of outside directors



Number of female officers



Reason for nominating outside directors

Name	Reason for nomination
 Outside Director Michio Masukawa	We expect Mr. Masukawa to supervise the decision-making process for important matters related to the Bank's business operations and business execution, etc., drawing on his high level of expertise, extensive financial knowledge, and practical financial experience that he has gained through his career as a Bank of Japan branch manager, etc., and he competently fulfills this role. We have nominated him as an outside director, expecting him to continue fulfilling this role.
 Outside Director Riyo Kano	We expect Ms. Kano to supervise the decision-making process for important matters related to the Bank's business operations and business execution, etc., drawing on her expertise and extensive experience as a lawyer, and she competently fulfills this role. Although she has not been directly involved in corporate management, we expect her to continue playing this role. Therefore, we have nominated her as an outside director.
 Outside Director Miki Ichikawa	We expect Ms. Ichikawa to supervise the decision-making process for important matters related to the Bank's business operation and business execution, etc., drawing on her extensive experience in local administration and broad knowledge she has gained as an executive of the Yamanashi Prefectural Government, and she competently fulfills this role. Although she has not been directly involved in corporate management, we expect her to continue playing this role. Therefore, we have nominated her as an outside director.
 Non-standing Corporate Auditor Yoshiyuki Nagahara	Mr. Nagahara has extensive experience in the financial industry and broad knowledge on corporate management. We expect him to play such roles as supervising the Bank's general business operations and giving useful advice as a non-standing corporate auditor. Therefore, we have nominated him as a non-standing corporate auditor.
 Non-standing Corporate Auditor Minako Mizutani	Ms. Mizutani has expertise, extensive experience, etc. that she has gained as a tax accountant. Although she has not been directly involved in corporate management, we expect her to play such roles as supervising the Bank's general business operations and giving useful advice as a non-standing corporate auditor. Therefore, we have nominated her as a non-standing corporate auditor.
 Non-standing Corporate Auditor Sachiko Yamaki	Ms. Yamaki has expertise, extensive experience, etc. that she has gained as a lawyer. Although she has not been directly involved in corporate management, we expect her to play such roles as supervising the Bank's general business operations and giving useful advice. Therefore, we have nominated her as a non-standing corporate auditor.

Board of Directors and Corporate Auditors As of July 1, 2025

Directors

 Representative Director and Chairman Mitsuyoshi Seki	 Representative Director and President Yoshiaki Furuya	 Representative Director and Senior Managing Director Masahiko Yamadera
 Managing Director Responsible for the divisions related to management control, credit screening, administration, and systems Hideki Sato	 Managing Director Responsible for the division related to international markets; General Manager of the Tokyo Strategy Head Office Tetsuya Naito	 Managing Director Responsible for the divisions related to general affairs and sales Koichiro Kato
 Outside Director Michio Masukawa	 Outside Director Riyo Kano	 Outside Director Miki Ichikawa

Corporate auditors

 Standing Corporate Auditor Kimihiro Asai	 Standing Corporate Auditor Norihiko Tanaka	 Non-standing Corporate Auditor Yoshiyuki Nagahara
 Non-standing Corporate Auditor Minako Mizutani	 Non-standing Corporate Auditor Sachiko Yamaki	

Skills matrix of members composing the Board of Directors

For this matrix, the skills that the Board of Directors should have were selected based on Our Mission of Region-Based Operations and Sound Management and materiality. The Bank's Board of Directors is composed of members with diverse skills and expertise.

	Name (Attribution)	Skill items									
		Corporate management	Revitalizing local economies	Human resources strategy and diversity	Legal and risk management	Financial and accounting	Digital transformation (DX) and systems	Sales and consulting	Corporate screening and research	Capital market investment	Finance (Outside officers only)
Directors	Mitsuyoshi Seki	●	●		●					●	
	Yoshiaki Furuya	●		●	●		●				
	Masahiko Yamadera	●	●	●				●			
	Hideki Sato						●	●	●		
	Tetsuya Naito		●					●	●		
	Koichiro Kato			●				●	●	●	
	Michio Masukawa <small>Outside</small>	●				●					●
	Riyo Kano <small>Outside</small>			●	●						
Corporate auditors	Miki Ichikawa <small>Outside</small>		●	●							
	Kimihiro Asai				●	●			●		
	Norihiko Tanaka					●	●	●	●		
	Yoshiyuki Nagahara <small>Outside</small>	●							●	●	
	Minako Mizutani <small>Outside</small>					●		●			
Sachiko Yamaki <small>Outside</small>			●	●							

* The above matrix does not represent all the expertise and experience that each person has. Based on each person's experience, etc., for each person up to four areas are listed in which they are expected to demonstrate their particular expertise.

<Relationship between Our Mission and materiality and skill items>

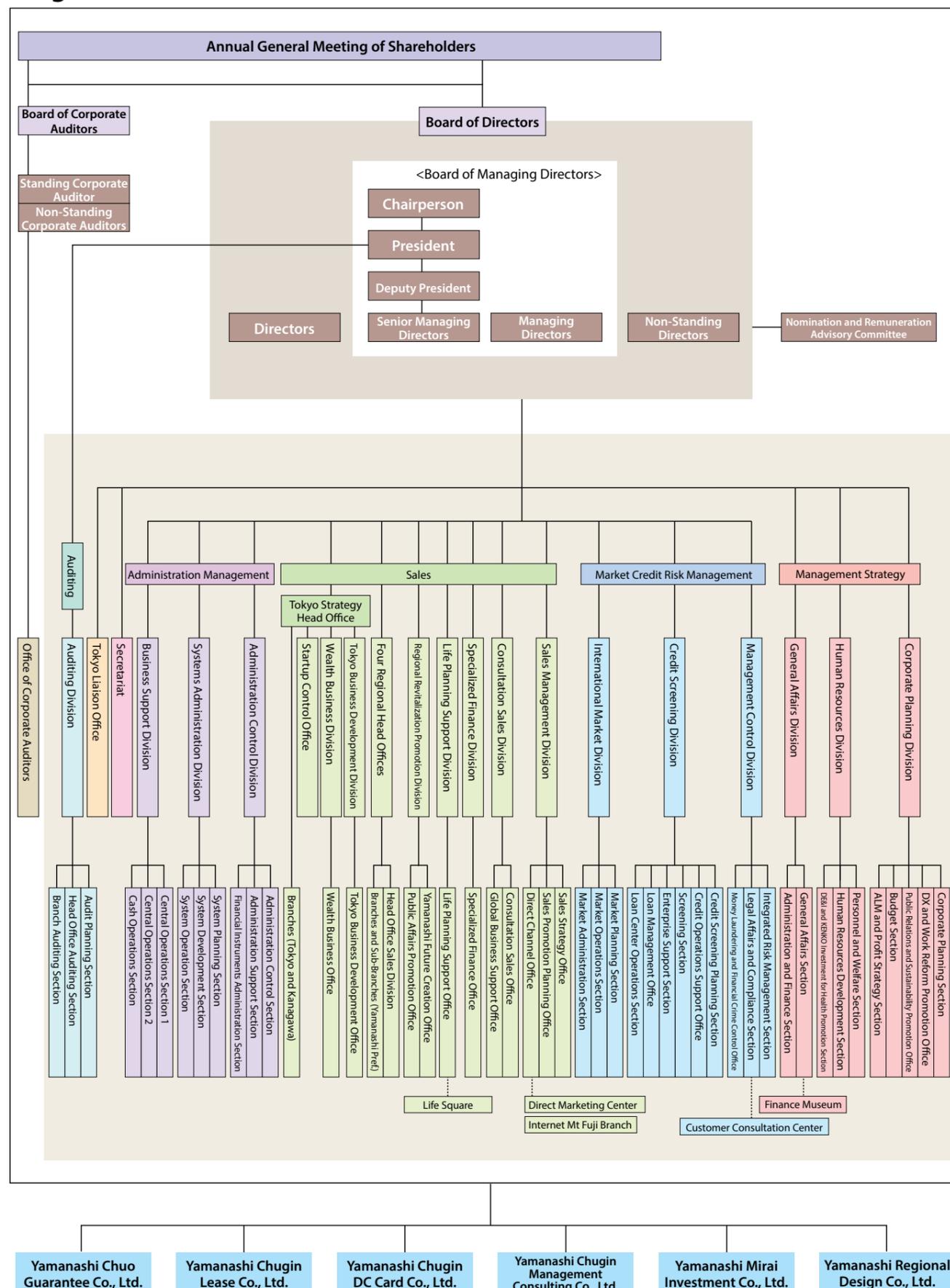
	Our Mission Materiality, themes, etc.	Skill items									
		Corporate management	Revitalizing local economies	Human resources strategy and diversity	Legal and risk management	Financial and accounting	Digital transformation (DX) and systems	Sales and consulting	Corporate screening and research	Capital market investment	Finance (Outside officers only)
Materiality	E Maintaining a rich natural environment and passing it on to the future • Reducing CO ₂ for decarbonization • Realizing next-generation clean energy	◎	◎								
	Strengthening diverse cooperation and increasing the vitality of the regional economy • Declining birthrate, aging population, and decrease in population • Sustainable growth of regional companies • Regional innovation		◎					◎			
	Realizing digital transformation (DX) and the digitization of regional communities • Internal DX • Digitization of entire regional communities						◎	◎			
	S Creating shared value through high-quality UI/UX • Changes in customers' behavior patterns and needs • Access to finance • Quality of products and services							◎			
	Creating an organization that supports the growth and success of diverse human resources • Human resource development • Diversity, Equity, and Inclusion • Job satisfaction and workstyle reforms • Mental safety			◎							
G Strengthening corporate governance and compliance • Governance and internal control • Compliance and corporate ethics • Risk management	◎			◎	◎	◎		◎	◎	◎	

Our Mission of Region-Based Operations and Sound Management is relevant to all skill items.

* Details of the materiality items for the Bank to address are available on page 19.

Organization Chart

As of July 1, 2025



Consolidated subsidiaries

Name of the company Date of establishment	Address	Paid-in capital (millions of yen)	Lines of business	Percentage of voting rights owned (or indirectly held) by Yamanashi Chuo Bank (%)
Yamanashi Chuo Guarantee Co., Ltd. July 1, 1986	Kofu, Yamanashi	20	Loan guarantees, etc.	100.0 (-)
Yamanashi Chugin Lease Co., Ltd. April 6, 1987	Kofu, Yamanashi	20	Leasing operations, etc.	100.0 (-)
Yamanashi Chugin DC Card Co., Ltd. July 2, 1991	Kofu, Yamanashi	20	Credit card operations, etc.	90.0 (41.0)
Yamanashi Chugin Management Consulting Co., Ltd. August 2, 1996	Kofu, Yamanashi	100	General consulting services, venture capital services, etc.	87.5 (42.5)
Yamanashi Mirai Investment Co., Ltd. December 1, 2023	Kofu, Yamanashi	50	Investment advisory, etc.	100.0 (-)

Risk Management Measures

Basic policies for risk management

The operating environment surrounding financial institutions has been changing, and banks consequently face increasingly diverse and complex risks.

To secure a steady earnings stream into the future, it is therefore essential for the Bank to accurately monitor and measure the various risks involved in conducting its banking operations and then to continuously manage those risks.

The risks the Bank faces are broadly grouped into risk categories, such as credit risk, market risk, liquidity risk, operational risk, and cybersecurity risk, and are managed accordingly. Based on integrated risk monitoring and analysis, the Bank's ALM Committee and Risk Management Committee assess the possible impact of those risks on the Bank's operations and formulate countermeasures.

The Bank allocates capital to ensure sound banking operations and the effective use of capital.

Cybersecurity Initiatives Message from the Managing Director in Charge

In recent years, cyberattacks have developed more refined methods, and there has been a sharp increase in damage from attacks targeting companies and individuals. In light of these circumstances, the Yamanashi Chuo Bank Group positions cybersecurity as a top management priority in order to protect our customers' important assets and run financial infrastructure in a stable manner. To carry out a management-led response in this area, we have pursued measures across all Group companies, such as establishing new policies for cybersecurity management in May 2025 and publishing our cybersecurity management declaration to external parties.

In one Group initiative, we have established an expert team to collect and analyze information about new threats to enable a rapid response. In addition, we have implemented measures against cyberattacks on online services by periodically conducting vulnerability diagnoses and addressing any identified vulnerabilities.

To prevent fraudulent money transfers, we monitor transactions and utilize a phishing site detection and closure service for dealing with this issue in an appropriate manner. We also remind our customers to be vigilant on an ongoing basis.

In terms of human resource development, we conduct ongoing training and study programs for management and employees, and we boost security awareness and response capabilities across the entire organization. We also organize external security training to develop highly professional human resources that are well-versed in cybersecurity.

The Group pledges to continue implementing these initiatives to provide an environment in which customers can use financial services with peace of mind. Going forward, we will continue advancing initiatives to bolster cybersecurity and fulfill our responsibility as a trusted financial institution.



Managing Director
Responsible for the divisions related to management control, credit screening, administration, and systems

Hideki Sato

Cybersecurity risks

The term "cybersecurity risks" refers to risks of tangible or intangible damage to the Group as a result of cybersecurity-related malfunctions occurring at the Group, its customers, external contractors, or other parties. We have seven categories for these risks: operational risks, system risks, legal risks, reputational risks, human risks, tangible asset risks, and other cybersecurity-related risks.

The Group recognizes that a cyberattack that suspends operations would be a major risk, potentially affecting trust among customers and confidence in our financial system. We have formulated a cybersecurity management declaration and respond to the threat of cyberattacks that grow increasingly advanced on a daily basis. Specifically, our dedicated cybersecurity organization collects and shares information on cyber threats, carrying out surveys and responding when a cyberattack has been detected. Through these efforts, we seek to boost our security.

Voice

Systems Administration Division
S. Nishikawa



Awareness of cybersecurity risks

Damage from cyberattacks becomes increasingly diverse as IT evolves. To prevent this damage, we cooperate with a wide range of external organizations to collect information, establish rules for all bank employees, and conduct necessary measures.

People tend to imagine cyberattack countermeasures as installing security products or carrying out technological measures based on knowledge in IT. However, it is necessary to consider the measures required at each phase of the business process, and knowledge of operations is essential for this. This is difficult for those in charge of cybersecurity to tackle alone, so cooperation with related personnel within the Bank is necessary for these initiatives. When working with these individuals, I aim to share my awareness of risks while describing cybersecurity issues in a way that is easily understood by personnel in charge of operations in non-systems divisions who may not be well-versed in cybersecurity.

Basic Policies on Cybersecurity

Cybersecurity management declaration

The Yamanashi Chuo Bank Group expresses its agreement with the passage "from the perspectives of creating value and building value chains ... as well as managing risk, it is no exaggeration to say that effective cybersecurity measures are now a key management priority for all companies" in the Declaration of Keidanren Cyber Security Management published by the Japan Business Federation (Keidanren), and has formulated a cybersecurity management declaration.

The Group has defined its Purpose as "Open Up a Bright Future from Yamanashi." To advance its sustainability management, the Group is working to tackle themes of materiality (material issues), such as strengthening various kinds of cooperation and increasing the vitality of the regional economy, realizing DX and the digitization of regional communities, and maintaining a rich natural environment to pass it on to the future.

To provide even better services going forward, the Group will serve as an organization involved in finance—an important element of social infrastructure—as it proactively drives cybersecurity measures and helps build a safe and secure cyberspace.

1. Recognize cybersecurity as a management issue

Managers will enhance their own understanding of the latest cybersecurity news and actively engage in management, positioning cybersecurity as an investment. Managers will also look directly at reality and take responsibility themselves for cybersecurity measures while recognizing that enhancing cybersecurity across all related parties, including external contractors, is a critical management issue, addressing risks associated with digitization, and exercising leadership.

We will protect our customers' valuable assets and ensure they can use our financial services with peace of mind. In addition, to achieve stable operation of financial infrastructure, we will place risks related to cyberattacks as one of the top categories of risks in management as we conduct management-driven measures.

2. Develop management policies and declare intentions

We will develop management policies and business continuity plans (BCPs) aimed at prompt recovery from security incidents while prioritizing detection, response, and recovery, in addition to identifying and protecting against risks. The Group will take the lead in declaring our intentions to internal and external stakeholders and will make every effort to voluntarily disclose recognized risks and measures to address them in corporate reporting.

To respond to cybersecurity-related risks, we will establish a dedicated organization in charge of risk identification, protection, detection, response, and recovery. We will bolster our effectiveness in incident response by creating procedure manuals and rules, and by holding periodic study groups and training sessions. In addition, we will prepare a contingency plan. We will disclose information about our initiatives for reinforcing security through our Annual Report and other means.

3. Build internal and external systems and implement security measures

We will ensure sufficient resources, including budgets and personnel, establish internal systems, and take necessary human, technical, and physical measures. We will develop human resources and conduct training required for those at every level, including management, corporate planning staff, technical specialists, and other employees. In addition, we will manage cybersecurity for customers and for domestic and international contractors by utilizing guidelines and frameworks for cybersecurity measures and cooperating with government support programs for such measures.

We will establish a dedicated organization related to cybersecurity and secure the necessary budget, personnel, and other resources. We recognize efforts to develop and secure highly professional human resources that are well-versed in cybersecurity as an important matter to be tackled over the medium to long term. We will actively carry out efforts in this regard, such as by organizing external security training. We will boost the effectiveness of our internal structures and measures through training sessions joined by management and by participating in cross-industry study sessions. We will conduct measures to boost literacy among executives and employees across the whole Group regarding cybersecurity, such as by holding periodic study and training programs, and sending out information using groupware and other tools.

4. Contribute to widespread use of cybersafe products, systems, and services

We will manage cybersecurity across the full spectrum of corporate activity, including development, design, production, and supply of systems and services.

To allow customers to use Internet banking and other services safely and securely, we will carry out a wide range of security measures, such as introducing the latest security solutions and monitoring transactions. In addition, we will strive to promote awareness via our website and other means so that customers can use our financial services safely.

5. Contribute to building safe and secure ecosystems*

We will collaborate with relevant government agencies, organizations, industry associations, and other bodies to actively share information, engage in dialogue, and build human networks, both in Japan and internationally. We will also contribute to the reinforcement of cybersecurity among all contractors and other organizations and throughout society by raising awareness of measures taken on the basis of such information.

We will cooperate with the Financial Services Agency; the National Cybersecurity Office; the Information-technology Promotion Agency, Japan; the police; and other relevant organizations in a timely and appropriate manner, while also exchanging information through FS-ISAC, JPCERT, and other means, to reinforce cybersecurity across society as a whole.

* Ecosystem: a network of two-way cooperation between organizations, institutions, technologies, and processes

Risk Appetite Framework (RAF)

We have implemented the Risk Appetite Framework (RAF) as we work on incorporating management strategies into risk management practices.

The Bank positions the RAF as an initiative for planning specific measures based on the direction we will take to solve various issues and, ultimately, achieve our ideal state.

Specifically, twice a year analyze the business environment to clarify the challenges that we need to overcome to carry out the management plan and achieve the long-term vision. To tackle the identified challenges, the ALM Committee formulates policies as risk taking policies. Based on the formulated risk taking policies, the divisions create comprehensive budgets and explain them to all bank employees upon the Board of Directors' approval.

Then, each division operates within their comprehensive budget. Before carrying out business activities, they consult their comprehensive budget to assess them and make sure they will be carried out within the budgetary constraints. Meanwhile, the risk management division monitors and evaluates the divisions' performance against the initial risk appetite limits. If they are about to exceed the limits, the risk management division analyzes the causes and takes countermeasures. The divisions' performance against their comprehensive budgets and risk management situations are reported monthly at the Board of Directors meeting. The management identifies how the divisions are managing the risk and return and instruct them to improve the situation as needed.

Through this initiative, the management aims to incorporate management strategies into risk management practices and appropriately control the risk for the entire Bank. This also enables the management to share identified revenue and risks throughout the Bank, nurturing a culture of appropriately operating and managing the business.

Initiatives to incorporate management strategies into risk management practices by utilizing the RAF in operating and managing the business



Compliance and Initiatives for Protecting Customers

Compliance and basic policies about protecting customers

For compliance, we believe that our duty is not only to abide by the law, but also to ensure our strict observance of a wide range of social rules, including social norms and corporate ethics, to meet the demands and expectations of the broader community as a corporate citizen. In other words, compliance entails adapting skillfully to changes in society as we strive to ensure the protection of customer rights and the enhancement of convenience.

The Bank has positioned compliance as one of its top management priorities. In order to maintain and further solidify our relationships of trust with our customers, we are working to establish and bolster our compliance framework, centered on the Compliance Committee. In addition, the Bank has appointed a Compliance Officer in each Head Office division and in all branches. Compliance Officers advance compliance initiatives in their respective workplaces.

Specifically, we formulate a Compliance Program each fiscal year, which serves as an action plan for achieving compliance. The Compliance Program details specific measures for compliance with laws and regulations, as well as compliance training plans and other contents, and each Head Office division and branch works together to execute the program.

We have also created a Compliance Manual that serves as a handbook for achieving compliance.

The Compliance Manual explains Our Mission of Region-Based Operations and Sound Management, as well as the Nine Principles of Compliance that are based on corporate ethics and social norms, along with explaining finance-related laws and regulations, among other topics. This Compliance Manual highlights the importance of compliance.

In response to societal demands, the Bank has included clauses to exclude organized crime groups in various agreements and transaction provisions in order to further strengthen our efforts to block relationships with anti-social forces such as organized crime groups.

Going forward, the Bank will continue to further strengthen its compliance framework.



Basic policies on the prevention of money laundering and terrorist financing

The Group sees the prevention of money laundering, terrorist financing, counter proliferation financing and violation of sanctions (hereinafter, "ML/TF") as a top management priority. Accordingly, the Group has developed and established an effective management framework and is implementing measures to prevent ML/TF as follows.

1. Compliance with relevant laws, regulations, and other rules

The Group will comply with all applicable laws and regulations, policies and other rules concerning the prevention of ML/TF.

2. Development of systems

The Group will clearly define the roles and responsibilities of managers and staff members involved in Anti-Money Laundering/Counter Financing of Terrorism (hereinafter, "AML/CFT"). Integrated management of AML/CFT will be carried out with the appropriate cooperation of all the relevant departments.

3. Risk-based approach

In accordance with a risk-based approach, the Group will identify and evaluate in a timely and accurate manner the ML/TF risks it faces and implement mitigation measures commensurate with those risks.

4. Suspicious transaction reports

The Group will develop a framework for swiftly reporting to the regulatory authorities any suspicious transactions it detects in the course of its operations.

5. Management of correspondent banks

The Group will strive to gather information on correspondent banks, appropriately evaluate such information, and implement mitigation measures in line with the risks. In the event that the correspondent bank is a shell bank or it has permitted a shell bank to use its account, the Group will not conclude or maintain a correspondent agreement with that bank.

6. Education and training

The Group will continuously provide the necessary and appropriate training and other educational activities to all executives and employees according to their roles, thereby enhancing their abilities and deepening their understanding of measures to prevent ML/TF across the entire organization. Concurrently, the Group as a whole will foster a corporate culture that resolutely deals with ML/TF.

7. Internal audit

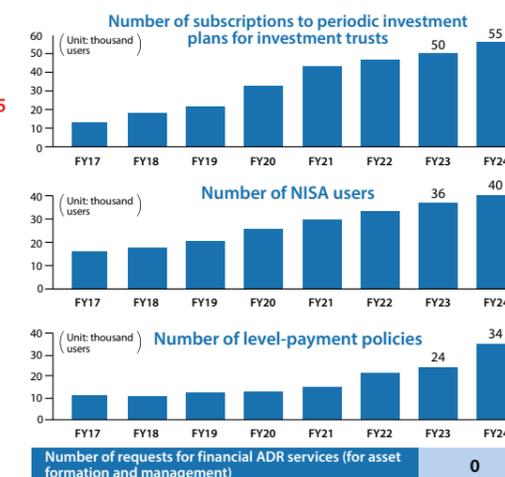
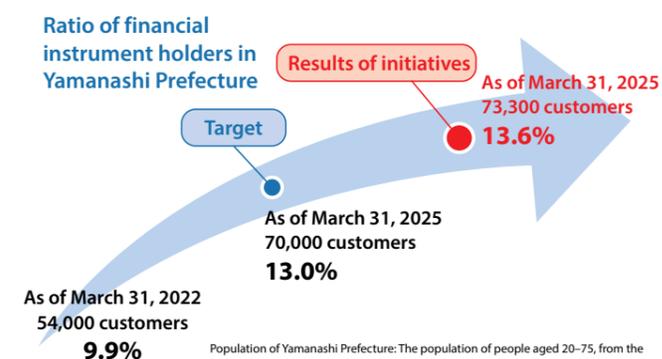
The independent Internal Auditing Division will conduct regular audits of the framework to prevent ML/TF. Based on the audit results, the Group will strive to further enhance this framework.

Customer-Centric Business Practices

Customer-centric consulting practices

Principles 1 2 3 4 5 6 7

- Yamanashi Chuo Bank places importance on dialogue with customers, and engages in consulting practices (suggesting solutions to issues) for a wide range of challenges in line with each customer's life plan. Thanks to these initiatives, approximately 73,000 customers were utilizing our products for asset formation and other areas as of March 31, 2025. This represents approximately 13.6% of the population* of Yamanashi Prefecture, meaning we have achieved our target percentage.
- In particular, we recommend our investment trust, NISA, and level-payment insurance products to a wide range of customers, and the number of holders of these products has been increasing year on year.



Basic policies on fiduciary duty

Aiming to realize customer-centric business practices in asset formation and management

The Bank has established the basic policies on fiduciary duty for selling financial instruments. The purpose of the policies is to implement the seven principles of the Principles of Customer-Oriented Business Conduct, announced by the Financial Services Agency, and promote better business practices so that more customers will choose the Bank.

1. Customer-centric consulting practices

Principles 1 2 3 4 5 6 7

- We will continue to work on sharing our views on life planning and asset formation and management through dialogue, thereby proposing financial instruments suitable for each customer. We will also continue to provide after-sales services to reassure our customers who have purchased our financial instruments.
- We will clearly explain to our customers about the asset allocations and risk and return levels of financial instruments that we manage.

Note: This shows how our initiatives correspond to the Financial Services Agency's Principles of Customer-Oriented Business Conduct.

2. Expanding the product lines and providing appropriate information

Principles 1 2 3 4 5 6 7

- We will continue to expand our lines of financial products so we can accommodate diverse customer needs.
- We will continue to provide information such as the overviews of our financial products, market environment, and asset management situations in a clear manner by holding seminars, using the Internet, etc.
- We will clearly explain our services that we provide in exchange for handling fees, etc. paid by customers.
- We will build an internal structure (product governance structure) that enables us to continually provide financial instruments suited to our customers, and we will strive to refine our product lineup while also cooperating with companies that structure financial instruments.

Note: The Bank will provide details on an important information sheet in cases where it handles packaged financial instruments or services. (The phrase "packaged financial instruments or services" means a combination of multiple financial instruments or services in a single offering.)

3. Managing conflicts of interest

Principles 1 2 3 4 5 6 7

- We will continue to provide customers with information about conflicts of interest and manage them appropriately.

4. Developing an organizational structure

Principles 1 2 3 4 5 6 7

- We will continue to maintain a business evaluation system to appropriately evaluate whether or not we are conducting our business in a customer-centric way, thereby nurturing a corporate culture of customer-centric business practices.
- We will continue to regularly evaluate whether we are conducting our business in a customer-centric way, and improve our practices based on the evaluation results.

5. Developing talents who will be trusted by customers

Principles 1 2 3 4 5 6 7

- We will continue to appropriately meet our customers' expectations by appointing only those who have passed the Bank's internal sales certification exam to sell our financial instruments.
- We will continue to enhance our training programs, etc. to improve bank employees' knowledge and provide more advanced proposals to our customers.

Financial Review

(on a consolidated basis)

Corporate data (as of March 31, 2025)

Common Stock : ¥15,400 million
Number of Shares :
Authorized 79,600,000 shares
Issued 32,783,000 shares
Number of Stockholders : 6,799
Stock Listing : Prime Market of the Tokyo Stock Exchange
Transfer Agent : Mitsubishi UFJ Trust & Banking Corporation

Breakdown of Stockholders



* Shares (1 trading unit: 100 shares)
 Note: The category "Individuals and others" contains treasury stock of 15,731 trading units of shares. 635,000 shares of the Bank's shares held by the exclusive trust for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings are included in "Financial institutions" with the notation of 6,350 trading units.

Major stockholders

Name	Number of shares held (thousands)	Percentage of all shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trustee Account)	3,479	11.14
The Yamanashi Chuo Bank, Ltd. Employees' Stockholdings	1,380	4.42
Meiji Yasuda Life Insurance Company <small>(Standing proxy: Custody Bank of Japan, Ltd.)</small>	968	3.10
Custody Bank of Japan, Ltd. (Trustee Account)	820	2.62
The Nomura Trust and Banking Co., Ltd. (Exclusive trust account for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings)	635	2.03
Teikyo University	629	2.01
GOVERNMENT OF NORWAY <small>(Standing proxy: Citibank, N.A. Tokyo Branch)</small>	609	1.95
Fukoku Mutual Life Insurance Company <small>(Standing proxy: Custody Bank of Japan, Ltd.)</small>	600	1.92
FUJI KYUKO CO., LTD.	531	1.70
ARIAKE MASTER FUND <small>(Standing proxy: Tachibana Securities Co., Ltd.)</small>	499	1.59
Total	10,152	32.53

Overview of Financial Position

The Bank's financial position as of March 31, 2025 was as follows. Deposits stood at ¥3,547.3 billion as of March 31, 2025, down ¥30.3 billion from a year earlier because individual deposits increased while corporate and public fund deposits decreased. Total deposits, including negotiable certificates of de-posit (NCDs), down ¥13.1 billion from a year ago to ¥3,619.4 billion as of the fiscal year-end. Loans and bills discounted increased by ¥235.7 billion from a year earlier to ¥2,748.8 billion as of the fiscal year-end. This increase was mainly due to increases in loans to small and medium-sized enterprises and individuals. Securities stood at ¥1,118.7 billion as of the fiscal year-end, up ¥100.1 billion from a year ago. This increase was mainly due to an increase in government bonds.

Overview of Operating Results

In terms of the operating results for the fiscal year ended March 31, 2025, interest income (the balance of interest income and expenses) increased by ¥3,048 million year on year. This was because deposit interest increased while interest on loans and bills discounted, interest and dividends on securities, and interest on due from banks increased. Although commission revenue from the sale of investment trusts and other products in the securities-related business increased, the overall fees and commissions (the balance of fee and commission income and expenses) decreased by ¥183 million year on year mainly because of a decrease in commission revenue from the sale of insurance and other products in the agency business. Other operating income (the balance of other operating income and expenses) increased by ¥1,615 million year on year, mainly due to an increase in Japanese government bonds and other bond transactions. General and administrative expenses and credit-related expenses increased by ¥288 million and ¥1,475 million year on year, respectively, and equity shares and similar transactions increased by ¥397 million year on year. As a result, ordinary profit increased by ¥2,979 million year on year to ¥10,620 million.

The balance of extraordinary income and losses increased by ¥25 million year on year. Total income taxes increased by ¥911 million year on year. As a result of the above, profit attributable to shareholders of the parent was up by ¥2,011 million year on year to ¥7,669 million.

Cash Flows

Cash flows from operating activities

Net cash used in operating activities amounted to ¥14.4 billion (compared with a net outflow of ¥290.7 billion in the previous year). The main contributing factors were a net increase in payables under securities lending transactions of ¥131.3 billion, a net increase in borrowed money of ¥58.8 billion, and a net increase in loans and bills discounted of ¥235.7 billion, despite a net decrease in deposits, etc. of ¥13.1 billion.

Cash flows from investing activities

Net cash used in investing activities totaled ¥124.5 billion (compared with a net inflow of ¥92.6 billion in the previous year). The main

contributing factors were the sale and redemption of securities worth ¥499.4 billion and the acquisition of securities worth ¥617.8 billion.

Cash flow from financing activities

Net cash used in financial activities was ¥1.9 billion (compared with a net outflow of ¥2.7 billion in the previous year). Cash was used mainly to pay dividends of ¥1.9 billion.

As a result, cash and cash equivalents at the end of the fiscal year came to ¥554.4 billion (down ¥140.9 billion from the previous year).

Management's Analysis and Discussion of Operating Results

The following is a summary of our analysis and a discussion of the Group's operating results for the fiscal year ended March 31, 2025.

Forward-looking statements contained herein are based on our judgment as of the end of the fiscal year ended March 31, 2025.

Since the Group has only one reportable segment, banking, analysis and discussion by segment are not provided.

1) Financial Position

The Bank's financial position as of March 31, 2025 was as follows. Total deposits including negotiable certificates of deposit (NCDs) decreased by ¥13.1 billion from a year earlier, while loans and bills discounted increased by ¥235.7 billion from a year earlier. Securities increased by ¥100.1 billion during the fiscal year chiefly due to an increase in government bonds.

2) Operating Results

In terms of operating results for the fiscal year ended March 31, 2025, profit attributable to shareholders of the parent increased by ¥2,011 million year on year to ¥7,669 million.

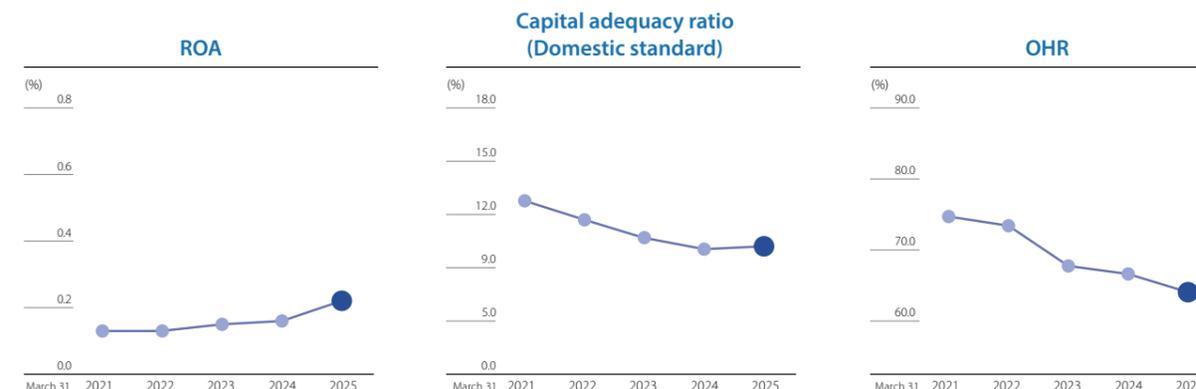
Following the raising of key interest rates by the Bank of Japan, the payment of interest on deposits, etc. increased, but backed by an increase in the balance of loans, such as those for SMEs and personal loans centered on housing loans, interest on loans and bills discounted increased steadily. In addition, interest and dividends on securities, as well as interest on due from banks, also increased.

The Bank continued to promote the optimization of its securities portfolio, and as a result, Japanese government bonds and other bond transactions increased.

General and administrative expenses increased mainly due to higher property expenses for productivity growth, and credit costs also increased in reaction to reimbursements in the previous year.

The Bank will establish a sustainable profit structure primarily by increasing the top line, which will be achieved by increasing loans and expanding non-interest income from consulting services, and by reviewing the business processes drastically and improving productivity through digital transformation (DX).

Regarding investments in securities, the Bank will ensure stable earnings and improve the quality of its portfolio by working together with Yamanashi Mirai Investment, an investment advisory subsidiary, to flexibly adjust the asset allocation through analysis of market conditions and individual assets, based on the basic portfolio determined from a medium- to long-term perspective.



ROA = Core net business profit / (Average balance of total assets - Average balance of customers' liabilities for acceptances & guarantees)

Capital adequacy ratio = Domestic standard (on a consolidated basis) OHR = Operating expenses / Core gross business profit

Notes: 1. All except for the capital adequacy ratio are on a non-consolidated basis.

2. Similar changes have been made to fiscal year ended March 31, 2024 only to reflect the revisions to presentation method of ROA and OHR in fiscal year ended March 31, 2025.

Consolidated Financial Highlights
The Yamanashi Chuo Bank, Ltd. and Consolidated Subsidiaries
Fiscal years ended March 31

	Millions of yen				
	2021	2022	2023	2024	2025
Ordinary income	49,602	46,310	60,552	56,525	60,481
Ordinary profit	6,229	6,624	7,721	7,641	10,620
Profit attributable to shareholders of the parent	3,090	4,241	5,061	5,658	7,669
Comprehensive income	22,851	(8,867)	(15,637)	27,845	(3,045)
Net assets	221,439	211,494	193,263	218,301	213,241
Total assets	4,185,672	4,469,779	4,380,458	4,366,180	4,527,011
Net assets per share (Yen)	6,849.57	6,515.85	6,129.98	7,143.86	6,957.87
Profit per share (Yen)	96.92	132.73	161.78	185.79	251.43
Capital adequacy ratio (Domestic standard, %)	5.22	4.66	4.35	4.97	4.69
Return on equity (%)	1.48	1.98	2.53	2.77	3.56
Price earning ratio (Times)	9.48	7.17	7.05	10.13	8.57
Cash flows from operating activities	446,423	267,979	(293,875)	(290,768)	(14,439)
Cash flows from investing activities	(62,012)	(112,069)	297,562	92,619	(124,529)
Cash flows from financing activities	(1,117)	(1,120)	(2,635)	(2,798)	(1,963)
Cash and cash equivalents	740,447	895,241	896,292	695,345	554,413

Notes: The capital adequacy ratio is calculated on a consolidated basis in accordance with Bulletin Notification No. 19 issued by the Financial Services Agency in 2006 under Paragraph 2, Article 14 of the Banking Law. The Bank has adopted the Japanese standard for the calculation.

Financial and Economic Environment

During the first half of FY2024, in addition to stagnation in production due in part to the suspension of shipments by some automobile manufacturers, consumer spending tended to be weak as rising prices made people increasingly budget-conscious. For these reasons, the recovery of the Japanese economy slowed. In the summer and thereafter, there were moves to increase production, and supported by an improved income environment as the result of salary increases and solid demand for investments among businesses, the economy continued to recover gradually.

In Yamanashi Prefecture's economy, overall production remained almost at the same level; however, while the production of semiconductor manufacturing devices continued to recover, that of electronic and automotive components and machine tools tended to be weak. In terms of demand, capital investment growth slowed mainly due to sharp rises in the prices of materials and restrictions on their supply, and private consumption lacked momentum as consumers increasingly shifted to defensive spending patterns due to prolonged rises in prices. Tourism-related industries, however, continued to be strong, as typified by the largest number of overseas visitors ever recorded in the prefecture.

A look at the financial situation during this interval indicates that the Japanese yen tended to be weak against the U.S. dollar, chiefly due to the effects of differences in interest rate between Japan and the United States, and temporarily fell to the ¥161 level. Later, the Japanese yen experienced fluctuations, sometimes going up owing to currency intervention and additional interest rate increases. Meanwhile, domestic long-term interest rates continued to rise, climbing up to the 1.5% level at the end of the fiscal year as expectations for additional interest rate increases grew. The Nikkei Stock Average temporarily exceeded ¥42,000, registering a record high, but toward the end of the fiscal year, the stock market became bearish amid growing concerns about an economic slump caused by U.S. tariff policy and a downturn in business performance.

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2) Operating Results

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Major Stockholders

(as of March 31, 2025)

Name	Number of shares held (thousands)	Percentage of shares held to total shares issued (excluding treasury stock)
The Master Trust Bank of Japan, Ltd. (Trustee Account)	3,479	11.14
The Yamanashi Chuo Bank, Ltd. Employees' Stockholdings	1,380	4.42
Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	968	3.10
Custody Bank of Japan, Ltd. (Trustee Account)	820	2.62
The Nomura Trust and Banking Co., Ltd. (Exclusive trust account for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings)	635	2.03
Teikyo University	629	2.01
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A. Tokyo Branch)	609	1.95
Fukoku Mutual Life Insurance Company (Standing proxy: Custody Bank of Japan, Ltd.)	600	1.92
FUJI KYUKO CO., LTD.	531	1.70
ARIAKE MASTER FUND (Standing proxy: Tachibana Securities Co., Ltd.)	499	1.59
Total	10,152	32.53

[Consolidated Financial Statements]

1) [Consolidated Balance Sheets]

	Millions of Yen		Thousands of U.S. Dollars
	End of FY2023 (March 31, 2024)	End of FY2024 (March 31, 2025)	End of FY2024 (March 31, 2025)
Assets:			
Cash and due from banks	¥695,774	¥554,863	\$3,710,966
Call loans and bills bought	5,725	206	1,383
Monetary claims bought	24,605	17,190	114,973
Money held in trust	3,628	6,696	44,787
Securities *1, *2, *4, *9	1,018,579	1,118,735	7,482,182
Loans and bills discounted *2, *3, *4, *6	2,513,085	2,748,878	18,384,684
Foreign exchanges *2, *3	1,559	2,837	18,979
Other assets *2, *4, *5	61,593	23,671	158,317
Tangible fixed assets *7, *8	21,427	21,482	143,677
Buildings	7,838	7,465	49,932
Land	11,045	11,067	74,018
Construction in progress	27	310	2,077
Other tangible fixed assets	2,516	2,639	17,650
Intangible fixed assets	3,681	4,272	28,574
Software	2,682	3,706	24,792
Software in progress	733	302	2,021
Other intangible fixed assets	265	263	1,761
Net defined benefit asset	19,943	26,935	180,149
Deferred tax assets	253	4,551	30,438
Customers' liabilities for acceptances and guarantees *2	7,491	6,609	44,206
Allowance for possible loan losses	(11,167)	(9,920)	(66,352)
Total assets	¥4,366,180	¥4,527,011	\$30,276,961

	Millions of Yen		Thousands of U.S. Dollars
	End of FY2023 (March 31, 2024)	End of FY2024 (March 31, 2025)	End of FY2024 (March 31, 2025)
Liabilities:			
Deposits *4	¥3,577,666	¥3,547,334	\$23,724,815
Negotiable certificates of deposit	54,938	72,144	482,510
Payables under securities lending transactions *4	14,513	145,897	975,774
Borrowed money *4, *5	434,692	493,584	3,301,128
Foreign exchanges	398	168	1,125
Other liabilities	51,393	41,447	277,204
Provision for bonuses	1,844	1,946	13,021
Accrued bonuses to directors and corporate auditors	39	50	339
Reserve for directors' and corporate auditors' retirement benefits	6	11	74
Reserve for reimbursement of deposits	193	156	1,045
Reserve for contingent losses	158	131	880
Deferred tax liabilities	4,543	4,286	28,666
Acceptances and guarantees	7,491	6,609	44,206
Total liabilities	4,147,878	4,313,769	28,850,787
Net assets:			
Common stock	15,400	15,400	102,996
Capital surplus	9,893	10,031	67,092
Retained earnings	177,854	183,559	1,227,656
Treasury stock	(2,897)	(2,722)	(18,211)
Total shareholders' equity	200,251	206,267	1,379,533
Unrealized gains on available-for-sale securities	11,723	(2,763)	(18,482)
Deferred gains or losses on hedges	—	291	1,949
Remeasurements of defined benefit plans	5,371	8,940	59,794
Total accumulated other comprehensive income	17,095	6,468	43,261
Subscription rights to shares	54	48	322
Non-controlling interests	900	457	3,058
Total net assets	218,301	213,241	1,426,174
Total liabilities and net assets	¥4,366,180	¥4,527,011	\$30,276,961

2) [Consolidated Statements of Income and Consolidated Statements of Comprehensive Income]

[Consolidated Statements of Income]

	Millions of Yen		Thousands of U.S. Dollars
	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)	FY2024 (From April 1, 2024 to March 31, 2025)
Ordinary income:	¥56,525	¥60,481	\$404,501
Interest and dividends income	31,154	36,701	245,465
Interest on loans and bills discounted	21,735	25,094	167,833
Interest and dividends on securities	8,493	9,570	64,009
Interest on call loans and bills bought	132	104	702
Interest on due from banks	638	1,777	11,887
Other	154	154	1,034
Fees and commissions	11,890	11,937	79,837
Other operating income	7,150	5,846	39,101
Other ordinary income	6,329	5,995	40,098
Reversal of allowance for loan losses	113	—	0
Other ^{*1}	6,216	5,995	40,098
Ordinary expenses	48,883	49,860	333,469
Interest expenses	439	2,941	19,674
Deposits	277	2,284	15,277
Negotiable certificates deposits	3	82	549
Call money and bills sold	(50)	—	0
Payables under securities lending transactions	203	293	1,961
Borrowed money	5	207	1,388
Other	(0)	74	499
Fees and commissions	2,597	2,827	18,912
Other operating expenses	17,508	14,588	97,567
General and administrative expenses ^{*2}	26,838	27,127	181,430
Other expenses	1,499	2,375	15,885
Provision of allowance for possible loan losses	—	1,342	8,980
Other expenses ^{*3}	1,499	1,032	6,905
Ordinary profit	7,641	10,620	71,033

	Millions of Yen		Thousands of U.S. Dollars
	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)	FY2024 (From April 1, 2024 to March 31, 2025)
Extraordinary income:	54	20	136
Gain on disposal of fixed assets	54	20	136
Extraordinary losses	122	62	421
Losses on disposal of fixed assets	98	62	416
Impairment losses ^{*4}	23	0	5
Income before income taxes and non-controlling interests	7,573	10,578	70,748
Income taxes – current	1,830	2,810	18,798
Income taxes – deferred	117	49	331
Total income taxes	1,948	2,860	19,129
Profit	5,625	7,717	51,618
Profit (loss) attributable to non-controlling interests	(33)	48	321
Profit attributable to shareholders of the parent	¥5,658	¥7,669	\$51,297

[Consolidated Statements of Comprehensive Income]

	Millions of Yen		Thousands of U.S. Dollars
	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)	FY2024 (From April 1, 2024 to March 31, 2025)
Profit	¥5,625	¥7,717	\$51,618
Other comprehensive income **	22,219	(10,763)	(71,986)
Net unrealized gains on available-for-sale securities	15,772	(14,623)	(97,804)
Deferred gains or losses on hedges	—	291	1,949
Remeasurements of defined benefit plans	6,447	3,568	23,869
Total comprehensive income	¥27,845	¥(3,045)	\$(20,368)
Total comprehensive income attributable to shareholders of the parent	¥27,895	¥(2,956)	\$(19,776)
Total comprehensive income attributable to non-controlling interests	(49)	(88)	(591)

3) [Consolidated Statements of Changes in Net Assets]

	Millions of Yen				
	Shareholders' equity				
FY2023 (From April 1, 2023 to March 31, 2024)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current year	¥15,400	¥8,871	¥173,753	¥(2,116)	¥195,907
Changes during year:					
Cash dividends			(1,557)		(1,557)
Profit attributable to shareholders of the parent			5,658		5,658
Purchases of treasury stock				(1,011)	(1,011)
Disposals of treasury stock		16		230	247
Change in ownership interest of parent due to transactions with non-controlling interests		1,005			1,005
Net changes in items other than shareholders' equity					
Total changes during year	—	1,022	4,101	(780)	4,343
Balance at end of current year	¥15,400	¥9,893	¥177,854	¥(2,897)	¥200,251

	Millions of Yen						
	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
FY2023 (From April 1, 2023 to March 31, 2024)	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current year	¥(4,065)	¥—	¥(1,075)	¥(5,141)	¥109	¥2,387	¥193,263
Changes during year:							
Cash dividends							(1,557)
Profit attributable to shareholders of the parent							5,658
Purchases of treasury stock							(1,011)
Disposals of treasury stock							247
Change in ownership interest of parent due to transactions with non-controlling interests							1,005
Net changes in items other than shareholders' equity	15,789		6,447	22,236	(55)	(1,486)	20,694
Total changes during year	15,789	—	6,447	22,236	(55)	(1,486)	25,037
Balance at end of current year	¥11,723	¥—	¥5,371	¥17,095	¥54	¥900	¥218,301

	Millions of Yen				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
FY2024 (From April 1, 2024 to March 31, 2025)					
Balance at beginning of current year	¥15,400	¥9,893	¥177,854	¥(2,897)	¥200,251
Changes during year:					
Cash dividends			(1,965)		(1,965)
Profit attributable to shareholders of the parent			7,669		7,669
Purchases of treasury stock				(1)	(1)
Disposals of treasury stock		16		175	191
Change in ownership interest of parent due to transactions with non-controlling interests		121			121
Net changes in items other than shareholders' equity					
Total changes during year	—	137	5,704	174	6,016
Balance at end of current year	¥15,400	¥10,031	¥183,559	¥(2,722)	¥206,267

	Thousands of U.S. Dollars				
	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
FY2024 (From April 1, 2024 to March 31, 2025)					
Balance at beginning of current year	\$102,996	\$66,169	\$1,189,504	\$(19,375)	\$1,339,294
Changes during year:					
Cash dividends			(13,145)		(13,145)
Profit attributable to shareholders of the parent			51,297		51,297
Purchases of treasury stock				(8)	(8)
Disposals of treasury stock		108		1,172	1,280
Change in ownership interest of parent due to transactions with non-controlling interests		815			815
Net changes in items other than shareholders' equity					
Total changes during year	—	923	38,152	1,164	40,239
Balance at end of current year	\$102,996	\$67,092	\$1,227,656	\$(18,211)	\$1,379,533

	Millions of Yen						
	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
FY2024 (From April 1, 2024 to March 31, 2025)							
Balance at beginning of current year	¥11,723	¥—	¥5,371	¥17,095	¥54	¥900	¥218,301
Changes during year:							
Cash dividends							(1,965)
Profit attributable to shareholders of the parent							7,669
Purchases of treasury stock							(1)
Disposals of treasury stock							191
Change in ownership interest of parent due to transactions with non-controlling interests							121
Net changes in items other than shareholders' equity	(14,487)	291	3,568	(10,626)	(6)	(443)	(11,076)
Total changes during year	(14,487)	291	3,568	(10,626)	(6)	(443)	(5,060)
Balance at end of current year	¥(2,763)	¥291	¥8,940	¥6,468	¥48	¥457	¥213,241

	Thousands of U.S. Dollars						
	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
FY2024 (From April 1, 2024 to March 31, 2025)							
Balance at beginning of current year	\$78,409	\$—	\$35,925	\$114,334	\$365	\$6,023	\$1,460,016
Changes during year:							
Cash dividends							(13,145)
Profit attributable to shareholders of the parent							51,297
Purchases of treasury stock							(8)
Disposals of treasury stock							1,280
Change in ownership interest of parent due to transactions with non-controlling interests							815
Net changes in items other than shareholders' equity	(96,891)	1,949	23,869	(71,073)	(42)	(2,965)	(74,081)
Total changes during year	(96,891)	1,949	23,869	(71,073)	(42)	(2,965)	(33,842)
Balance at end of current year	\$(18,482)	\$1,949	\$59,794	\$43,261	\$322	\$3,058	\$1,426,174

4) [Consolidated Statements of Cash Flows]

	Millions of Yen		Thousands of U.S. Dollars
	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)	FY2024 (From April 1, 2024 to March 31, 2025)
Operating activities:			
Income before income taxes and non-controlling interests	¥7,573	¥10,578	\$70,748
Adjustment for:			
Depreciation and amortization	1,973	2,171	14,523
Impairment losses	23	0	5
Increase (decrease) in allowance for possible loan losses	(1,399)	(1,247)	(8,340)
Increase (decrease) in provision for bonuses	85	102	682
Increase (decrease) in accrued bonuses to directors and corporate auditors	12	10	73
Decrease (increase) in net defined benefit asset	(10,074)	(6,992)	(46,764)
Increase (decrease) in reserve for directors' and corporate auditors' retirement benefits	(5)	4	31
Increase (decrease) in reserve for reimbursement of deposits	(78)	(36)	(247)
Increase (decrease) in reserve for contingent losses	5	(26)	(179)
Interest income recognized on consolidated statements of income	(31,154)	(36,701)	(245,465)
Interest expenses recognized on consolidated statements of income	439	2,941	19,674
Losses (gains) on investment securities	5,152	3,555	23,780
Losses (gains) on investments in money held in trust	159	215	1,440
Foreign exchange losses (gains) – net	(1,833)	500	3,344
Losses (gains) on disposal of premises and equipment	43	41	280
Net decrease (increase) in loans and bills discounted	(222,431)	(235,792)	(1,576,999)
Net increase (decrease) in deposits	77,736	(30,331)	(202,861)
Net increase (decrease) in negotiable certificates of deposit	7,215	17,206	115,079
Net increase (decrease) in borrowed money	(23,985)	58,892	393,878
Net decrease (increase) in due from banks (excluding cash equivalents)	(80)	(20)	(138)
Net decrease (increase) in call loans	(11,853)	12,933	86,501
Net increase (decrease) in payables under securities lending transactions	(120,671)	131,384	878,710
Net decrease (increase) in foreign exchanges (assets)	1,075	(1,278)	(8,551)

	Millions of Yen		Thousands of U.S. Dollars
	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)	FY2024 (From April 1, 2024 to March 31, 2025)
Net increase (decrease) in foreign exchanges (liabilities)	29	(230)	(1,543)
Net increase (decrease) in central clearing counterparty margin requirement	—	17,000	113,697
Interest income (cash basis)	30,749	36,089	241,369
Interest expenses (cash basis)	(453)	(1,960)	(13,114)
Other – net	3,727	8,070	53,977
Total adjustments	(288,019)	(12,919)	(86,406)
Income taxes paid	(2,749)	(1,519)	(10,166)
Net cash provided by (used in) operating activities	(290,768)	(14,439)	(96,572)
Investing activities:			
Purchases of investment securities	(462,805)	(617,858)	(4,132,277)
Proceeds from sales of investment securities	485,321	442,927	2,962,330
Proceeds from redemption of investment securities	65,163	56,509	377,940
Increase of money held in trust	(330)	(3,298)	(22,061)
Proceeds from decrease of money held in trust	7,019	10	71
Purchases of premises and equipment	(808)	(1,155)	(7,728)
Proceeds from sales of premises and equipment	147	80	539
Purchases of intangible fixed assets	(1,087)	(1,745)	(11,675)
Net cash provided by (used in) investing activities	92,619	(124,529)	(832,861)
Financing activities:			
Dividends paid	(1,557)	(1,965)	(13,145)
Payment of dividends to non-controlling interests	(1)	(0)	(6)
Repurchases of treasury stock	(1,011)	(1)	(8)
Proceeds from sales of treasury stock	201	236	1,583
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(429)	(232)	(1,553)
Net cash provided by (used in) used in financing activities	(2,798)	(1,963)	(13,129)
Foreign currency transaction adjustments on cash and cash equivalents	0	0	2
Net increase (decrease) in cash and cash equivalents	(200,946)	(140,931)	(942,560)
Cash and cash equivalents, beginning of year	896,292	695,345	4,650,518
Cash and cash equivalents, end of year *1	¥695,345	¥554,413	\$3,707,958

[Notes to Consolidated Financial Statements]

Important items used as basis for preparing consolidated financial statements

1. Items relating to scope of consolidation

- (1) Number of consolidated subsidiaries 5 companies

The names of consolidated subsidiaries are Yamanashi Chuo Guarantee Co., Ltd., Yamanashi Chugin Lease Co., Ltd., Yamanashi Chugin DC Card Co., Ltd., Yamanashi Chugin Management Consulting Co., Ltd., and Yamanashi Mirai Investment Co., Ltd.

- (2) Number of non-consolidated subsidiaries 4 companies

Yamanashi Sixth Industrialization Support Investment Limited Partnership
Yamanashi Chugin Regional Revitalization Investment Limited Business Partnership
Yamanashi Chuo Bank SDGs Investment Limited Partnership
Yamanashi Sustaina Investment Limited Partnership

Non-consolidated subsidiaries are excluded from the scope of consolidation since their assets, ordinary income, and our ownership percentage of their net income and retained earnings do not have a material impact on our results of operations and financial condition.

2. Items relating to application of equity method

- (1) Non-consolidated subsidiaries accounted for by the equity method

Not applicable

- (2) Affiliates accounted for by the equity method

Not applicable

- (3) Number of non-consolidated subsidiaries not accounted for by the equity method 4 companies

Yamanashi Sixth Industrialization Support Investment Limited Partnership
Yamanashi Chugin Regional Revitalization Investment Limited Business Partnership
Yamanashi Chuo Bank SDGs Investment Limited Partnership
Yamanashi Sustaina Investment Limited Partnership

Non-consolidated subsidiaries not accounted for by the equity method are excluded from the scope of the equity method since our ownership percentage of their net income and retained earnings does not have a material impact on our consolidated financial statements.

- (4) Affiliates accounted for by the equity method

Not applicable

3. Items relating to business years of consolidated subsidiaries

All of the consolidated subsidiaries have their settlement day on March 31.

4. Items relating to accounting standards

- (1) Valuation standards and methods for trading account securities

Trading account securities, which are held for the purpose of earning capital gains, are reported at fair value and the related unrealized gains and losses are included in earnings.

- (2) Valuation standards and methods for securities

- 1) Held-to-maturity debt securities, which management has the positive intent and ability to hold to maturity, are reported at amortized cost based on the moving-average method (straight-line method), and available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value (cost of securities sold is computed by the moving-average method). Available-for-sale securities without fair values are stated at cost determined by the moving-average method.

Valuation differences on available-for-sale securities are reported as a separate component of net assets.

- 2) Securities used as trust assets in individually operated money trusts mainly for investment securities are evaluated using fair value measurement.

- (3) Valuation standards and methods for derivative transactions

Derivative transactions are measured at fair value.

- (4) Methods of depreciation of fixed assets

- 1) Tangible fixed assets (excluding lease assets)

Depreciation of tangible fixed assets is calculated principally using the declining-balance method. (However, the straight-line method is adopted for buildings (excluding facilities attached to buildings) that were acquired on or after April 1, 1998, and for facilities attached to buildings and structures that were acquired on or after April 1, 2016.)

Useful lives of tangible fixed assets are primarily as follows:

Buildings	3 to 50 years
Other	2 to 20 years

The depreciation period of lease investment assets held by consolidated subsidiaries and booked as tangible fixed assets is the lease period, and those leases are depreciated using the straight-line method, with the residual value being the estimated disposal price at the conclusion of the lease.

- 2) Intangible fixed assets (excluding lease assets)

Amortization of intangible fixed assets is calculated principally using the straight-line method.

The amortization period of lease investment assets held by consolidated subsidiaries and booked as intangible fixed assets is the lease period, and those leases are amortized using the straight-line method, with the residual value being the estimated disposal price at the conclusion of the lease.

Software for internal use by the Bank and its subsidiaries is calculated over the useful life of the software (principally five years).

- 3) Lease assets

Lease assets employed in leasing transactions that do not transfer ownership of the lease assets to the lessee – both premises and equipment and intangible fixed assets – are depreciated by the straight-line method over the lease period.

Residual value of those lease assets is zero unless any guaranteed amount is prescribed in the lease agreement.

- (5) Standards for recording the allowance for possible loan losses

The allowance for possible loan losses is recorded in accordance with internally established standards for charge-offs and provisions, as follows:

All claims undergo a self-assessment of asset quality by the operational departments based on standards for self-assessment of asset quality. The results of these self-assessments are audited by an asset audit department independent from the operational departments.

The policy for the allowance for possible loan losses of consolidated subsidiaries is similar to the Bank's.

Debtor category	Definition	Calculation method for allowance for possible loan losses
Claims on normal borrowers	Claims on debtors whose business results are favorable and who are found not to have any particular problems with their financial condition	
Quasi-equity loans	Loans that can be handled as equity as their contract conditions are found to have sufficient equity-like characteristics equivalent to equity	The allowance is calculated by estimating the prospective loss amount based on the bankruptcy probabilities according to the residual period of each claim.
Housing loans with guarantees from the Bank's subsidiary, etc.	Claims on consumers for housing loans with guarantees offered by Yamanashi Chuo Guarantee Co., Ltd., a consolidated subsidiary of the Bank	The allowance is recorded based on the prospective loss amount for the upcoming year. The prospective loss amount is calculated by determining several loss ratios based on the average value of the actual loan loss ratio over a certain period in the past based on the actual loan loss record over one year and using a prospective loss ratio determined in consideration of the outlook and other factors.
Claims other than those described above		The allowance is recorded based on the prospective loss amount for the upcoming year. The prospective loss amount is calculated by determining several loss ratios based on the average value of the actual loan loss ratio over a certain period in the past based on the actual loan loss record over one year and using a prospective loss ratio determined in consideration of the outlook and other factors.
Claims on borrowers requiring caution	Claims on debtors that require future caution with respect to supervision, such as debtors with problematic lending conditions, debtors that have problems fulfilling their obligations, debtors facing poor or unstable business conditions or debtors with a problematic financial condition	
Claims on borrowers requiring supervision	Claims on debtors that have restructured loans or are three or more months in arrears	
Quasi-equity loans	Loans that can be handled as equity as their contract conditions are found to have sufficient equity-like characteristics equivalent to equity	The allowance is calculated by estimating the prospective loss amount based on the bankruptcy probabilities according to the residual period of each claim.
Claims subject to the discounted cash flow (DCF) method	Claims for which cash flows related to the recovery of loan principal and receipt of interest can be reasonably estimated	The allowance is based on the difference between the present value of the expected future cash flows discounted at the initial contracted interest rate and the carrying amount of the claim (DCF method).
Claims on borrowers requiring supervision and support	Claims on debtors that require business improvement and corporate restructuring who fulfill certain conditions, such as those initiatives being found to have a high degree of uncertainty	The allowance is recorded based on a prospective loss amount for the next three years equivalent to claims on potentially bankrupt borrowers. The prospective loss amount is calculated by determining several loss ratios based on the average value of the actual loan loss ratio over a certain period in the past based on the actual loan loss record over three years for claims on potentially bankrupt borrowers and using a prospective loss ratio determined in consideration of the outlook and other factors.

Debtor category	Definition	Calculation method for allowance for possible loan losses
Housing loans with guarantees from the Bank's subsidiary, etc.	Claims on consumers for housing loans with guarantees offered by Yamanashi Chuo Guarantee Co., Ltd., a consolidated subsidiary of the Bank	The allowance is recorded based on the prospective loss amount for the upcoming three years. The prospective loss amount is calculated by determining several loss ratios based on the average value of the actual loan loss ratio over a certain period in the past based on the actual loan loss record over three years and using a prospective loss ratio determined in consideration of the outlook and other factors.
Claims other than those described above		The allowance is recorded based on the prospective loss amount for the upcoming three years. The prospective loss amount is calculated by determining several loss ratios based on the average value of the actual loan loss ratio over a certain period in the past based on the actual loan loss record over three years and using a prospective loss ratio determined in consideration of the outlook and other factors.
Claims on other borrowers requiring caution	Claims on borrowers requiring caution other than claims on borrowers requiring supervision	
Quasi-equity loans	Loans that can be handled as equity as their contract conditions are found to have sufficient equity-like characteristics equivalent to equity	The allowance is calculated by estimating the prospective loss amount based on the bankruptcy probabilities according to the residual period of each claim.
Claims subject to the discounted cash flow (DCF) method	Claims on debtors who have loans equivalent to restructured loans and loans related to their affiliates, for which cash flows related to the recovery of loan principal and receipt of interest can be reasonably estimated	The allowance is based on the difference between the present value of the expected future cash flows discounted at the initial contracted interest rate and the carrying amount of the claim (DCF method).
Claims on borrowers requiring supervision and support	Claims on debtors that require business improvement and corporate restructuring who fulfill certain conditions, such as those initiatives being found to have a high degree of uncertainty	The allowance is recorded based on the prospective loss amount for the next three years equivalent to claims on borrowers requiring supervision. The prospective loss amount is calculated by determining several loss ratios based on the average value of the actual loan loss ratio over a certain period in the past based on the actual loan loss record over three years for claims on borrowers requiring supervision and using a prospective loss ratio determined in consideration of the outlook and other factors.
Housing loans with guarantees from the Bank's subsidiary, etc.	Claims on consumers for housing loans with guarantees offered by Yamanashi Chuo Guarantee Co., Ltd., a consolidated subsidiary of the Bank	The allowance is recorded based on the prospective loss amount for the upcoming year. The prospective loss amount is calculated by determining several loss ratios based on the average value of the actual loan loss ratio over a certain period in the past based on the actual loan loss record over one year and using a prospective loss ratio determined in consideration of the outlook and other factors.
Claims other than those described above		The allowance is recorded based on the prospective loss amount for the upcoming year. The prospective loss amount is calculated by determining several loss ratios based on the average value of the actual loan loss ratio over a certain period in the past based on the actual loan loss record over one year and using a prospective loss ratio determined in consideration of the outlook and other factors.

Debtor category	Definition	Calculation method for allowance for possible loan losses
Claims on potentially bankrupt borrowers	Claims on debtors who are deemed not to be currently legally bankrupt but are highly likely to become bankrupt	The allowance is recorded in the amount deemed to be necessary based on a comprehensive assessment of the overall repayment ability of the debtor. The amount necessary shall be within the outstanding balance of the claims after deduction of the amounts expected to be collected through the disposal of collateral and execution of guarantees.
Effectively bankrupt borrowers	Claims on debtors under the same circumstances as bankrupt borrowers	The allowance is recorded based on the outstanding balance of the claims after deduction of the amounts expected to be collected through the disposal of collateral and the execution of guarantees.
Legally bankrupt borrowers	Claims on debtors who are legally bankrupt based on bankruptcy, special liquidation, or other proceedings	The allowance is recorded based on the outstanding balance of the claims after deduction of the amounts expected to be collected through the disposal of collateral and the execution of guarantees.

(6) Provision for bonuses

Provision for bonuses is provided to cover the payment of bonuses to employees, in the amount of the estimated bonuses payable to employees attributable to each fiscal year.

(7) Accrued bonuses to directors and corporate auditors

Accrued bonuses to directors and corporate auditors are provided in the amount of the estimated bonuses which are attributable to each fiscal year.

(8) Reserve for directors' and corporate auditors' retirement benefits

A reserve for directors' and corporate auditors' retirement benefits is provided at the amount which would be required if all directors and corporate auditors retired at the balance sheet date.

(9) Reserve for reimbursement of deposits

Provision is made for possible losses on future claims of withdrawal of deposits which were derecognized as liabilities under certain conditions in an amount deemed necessary based on historical reimbursement experience.

(10) Reserve for contingent losses

Reserve for contingent losses, which is provided for possible losses from contingent events, is calculated by estimation of the impact of those contingent events.

(11) Accounting procedures for retirement benefits

In calculating retirement benefit obligations, the Bank used the benefit formula as the method of attributing the estimated retirement benefits to periods of service to the end of the consolidated fiscal year under review.

In addition, the method of recording expenses for past service costs and actuarial gains and losses are as follows:

Past service costs: Recognized in profit and loss using the straight-line method over a fixed period (10 years) within the average remaining service period of employees at the time they occur.

Actuarial gains and losses: Recognized the amount equally divided by using the straight-line method over a fixed period (10 years) based on the average remaining service period in each consolidated fiscal year in which they occur and recorded in profit and loss from each of the following year of the occurrence.

(12) Standards for recording significant revenue and expenses

Revenue from contracts with customers to which the accounting standard for revenue recognition applies is recognized when (or as) the customer obtains the benefit and the performance obligation (provision of services) is satisfied.

(13) Foreign currency items

Foreign currency assets and liabilities are translated into yen at the exchange rates prevailing at the balance sheet date.

(14) Lease transactions

(Lessor)

Revenues and cost of revenues of finance lease transactions are recognized when lease payments are made.

(15) Major hedge accounting methods

Interest rate risk and hedges

Hedge accounting method for interest rate risk resulting from financial assets is based on deferred hedges. Hedge transactions are meant to avoid interest rate risks arising from the financial asset being hedged. Therefore, "micro hedges," in which derivative transactions such as individual interest rate swaps are conducted for each transaction, are performed as a hedging instrument.

Evaluation of hedge effectiveness is taken as an evaluation of effectiveness when the conditions of the hedge instrument and hedge object are largely identical.

(16) Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents are defined as cash and due from the Bank of Japan.

(Important Accounting Estimates)

1. Estimates of allowance for possible loan losses

- (1) Amounts recorded on the consolidated financial statements in the fiscal year ended March 31, 2025

From April 1, 2024 to March 31, 2025	(Millions of yen)
Allowance for possible loan losses	¥9,920

- (2) Other information to aid the understanding of estimates among individuals using the consolidated financial statements

1) How estimates are calculated

The standards for recording the allowance for possible loan losses are presented in “(5) Standards for recording the allowance for possible loan losses” under “4. Items relating to accounting standards” in “Notes to Consolidated Financial Statements (Important items used as a basis for preparing consolidated financial statements).”

2) Assumptions used to calculate estimated amounts

- (A) Assumptions regarding forecasts of debtors' business results, which are used to determine debtor categories are set based on information available to the Bank. In particular, for debtors whom the Bank supports in business improvement, the Bank determines the category of a debtor based on its future prospects, including earnings projections, the reasonableness and feasibility of its business improvement plan or the prospect of formulating a reasonable and feasible business improvement plan (hereinafter, “effective business improvement plan”). Business improvement plans are prepared based on various assumptions and data. The Bank comprehensively judges the reasonableness and feasibility of those assumptions and data by considering factors such as the debtor's financial status, the business environment of the debtor's industry, the effects of various measures in the business improvement plan, the past record of progress, and the outlook for achieving goals. In cases where the debtor is in the process of formulating a business improvement plan as of the end of the fiscal year, the Bank determines the debtor category by assessing the likelihood of the debtor formulating an effective business improvement plan while taking into consideration the debtor's willingness to formulate such a plan and the resources available for rebuilding.

- (B) The Bank assumes that claims on normal borrowers except for quasi-equity loans, claims subject to the DCF method and claims on borrowers requiring supervision and support will generate similar losses as the claims to normal borrowers the Bank held in the past. The Bank further assumes that claims on borrowers requiring supervision will generate similar losses as claims on borrowers requiring supervision the Bank held in the past, and that claims on other borrowers requiring caution will generate similar losses as claims on other borrowers requiring caution the Bank held in the past. The Bank also assumes that claims on borrowers requiring supervision and support who are classified as borrowers requiring supervision will generate similar losses as claims on potentially bankrupt borrowers the Bank held in the past, and that claims on borrowers requiring supervision and support who are classified as other borrowers requiring caution will generate similar losses as claims on borrowers requiring supervision the Bank held in the past.

3) Impact on the consolidated financial statements for the following fiscal year

- (A) Forecasts of debtors' business results, which are used to determine debtor categories may differ from results that were initially assumed due to factors such as changes in anticipated events and the external environment. If the forecasts need to be revised, these revisions could have a significant impact on the consolidated financial statements for the following fiscal year.
- (B) The Bank assumes that claims except for quasi-equity loans, claims subject to the DCF method and claims on borrowers requiring supervision and support will generate similar losses as claims on normal borrowers, claims on borrowers requiring supervision and claims on other borrowers requiring supervision the Bank held in the past. The Bank further assumes that claims on borrowers requiring supervision and support will generate similar losses as claims on potentially bankrupt borrowers and claims on borrowers requiring supervision the Bank held in the past. These assumptions could differ markedly from the actual loss experience due to factors such as changes in the business environment of debtors. In this case, there could be a significant impact on the consolidated financial statements for the following fiscal year.

(Change of Accounting Policy)

(Application of the Accounting Standard for Current Income Taxes, etc.)

Starting from the beginning of the current consolidated fiscal year, the Bank decided to apply the Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27, October 28, 2022) and classify corporate, resident, business taxes, etc. on the income of the current consolidated fiscal year into profits/losses, shareholders' equity, and other comprehensive income according to the transactions, etc. from which such taxes accrued when reporting them.

This change has no effects on the consolidated financial statements.

(Unapplied Accounting Standards, etc.)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on the Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

(1) Overview

Like other international accounting standards, this standard stipulates the handling of assets and liabilities to be recorded for all leases of the borrower and so forth.

(2) Scheduled adoption date

The Bank plans to adopt this standard starting from the beginning of the fiscal year ending March 2028.

(3) Impact of adopting revised accounting standards and implementation guidance

The amount of the impact is currently under evaluation.

(Additional Information)

(Trust-based Employee Shareholding Incentive Plan)

The Bank, by a resolution at its Board of Directors meeting held on May 15, 2023, introduced a Trust-based Employee Shareholding Incentive Plan to provide its employees with incentives to enhance its corporate value over the medium to long term as well as to support asset building by encouraging them to acquire and hold its shares through expansion of the stockholding association as a measure to enhance benefits and welfare.

1. Outline of the transaction

The Bank establishes an exclusive trust for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings (hereinafter referred to as the “Trust”) at a trust bank. The Trust will acquire in advance the number of the Bank's shares expected to be acquired by the stockholding association over the Trust period. Thereafter, the Trust will regularly transfer the Bank's shares to the stockholding association, and if an amount equivalent to the gain on the sale of shares has accumulated in the Trust as of the time of termination of the Trust, such amount will be distributed as residual assets to those who satisfy the eligibility requirements for beneficiaries. The Bank guarantees the borrowings by the Trust to acquire the Bank's shares. Therefore, if an amount equivalent to the loss on sale of shares accumulates in the Trust due to a decline in the Bank's stock price, and if there is a balance in the Trust equivalent to such loss on sale of shares at the time of termination of the Trust, the Bank will repay such remaining borrowings in accordance with the Guarantee Agreement.

2. Matters concerning the Bank's shares held by the Trust

- (1) The Bank's shares held by the Trust are recorded as treasury shares included in shareholders' equity.
- (2) The book value of the shares held in the Trust was ¥859 million as of the end of the previous consolidated fiscal year and is ¥719 million as of the end of the current consolidated fiscal year.
- (3) The number of the Bank's shares held by the Trust was 758 thousand shares as of the end of the previous consolidated fiscal year and is 635 thousand shares as of the end of the current consolidated fiscal year.

3. The book value of loans recorded under the gross method

The carrying amount of loans recorded under the gross method was ¥796 million at the end of the previous consolidated fiscal year and is ¥521 million at the end of the current consolidated fiscal year.

(Relating to Consolidated Balance Sheets)

*1 Shares held or investments in non-consolidated subsidiaries and affiliates

As of March 31, 2025	(Millions of yen)
Investments	¥949

*2 Claims to be disclosed under the Banking Act and Act on Emergency Measures for the Revitalization of the Financial Functions are included in the following accounts in the consolidated balance sheet: corporate bonds (limited to those whose principal and interest are fully or partially secured and issued under private placements as permitted in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act) under "Securities," loans and bills discounted, foreign exchange, accrued interest, suspense payments under "Other assets," including customer liability for acceptances and guarantees.

As of March 31, 2025	(Millions of yen)
Distressed claims and equivalents	¥7,005
Claims with risk	12,507
Claims three or more months past due	10
Restructured loans for which the Bank has relaxed lending conditions	6,062
Total	25,586

Distressed claims and equivalents represent loans to debtors in bankruptcy procedures including the commencement of bankruptcy proceedings, reorganization proceedings, rehabilitation proceedings, and other similar claims.

Claims with risk represent loans other than distressed claims and equivalents for which the debtors have not yet entered into bankruptcy but their financial condition and business performance have deteriorated, and therefore, it is highly probable that the principal and interest cannot be collected in accordance with the contracts.

Claims three or more months past due represent loans whose principal or interest payments are three or more months past due but are not classified as distressed claims and equivalents or claims with risk.

Restructured loans for which the Bank has relaxed lending conditions represent loans on which certain concessions favorable to debtors, including reductions or waivers of interest, deferred payment of principal or interest, and debt forgiveness, are granted but are not classified as distressed claims and equivalents, claims with risk, or claims three or more months past due.

The above claim amounts are before deducting allowances for possible loan losses.

*3 Bills discounted are accounted for as financial transactions in accordance with JICPA Industry Audit Committee Report No. 24, March 17, 2022, Treatment for Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry. The Bank has the right to sell or pledge commercial bills discounted and foreign exchanges bought without restrictions. The face amount was as follows:

As of March 31, 2025	(Millions of yen)
	¥1,598

*4 Assets pledged as collateral were as follows:

As of March 31, 2025	(Millions of yen)
Assets pledged as collateral	
Investment securities	¥582,936
Loans and bills discounted	158,300
Liabilities related to pledged assets	
Deposits	6,782
Payables under securities lending transactions	145,897
Borrowed money	490,300

In addition to the assets listed above, those listed below have been pledged mainly as collateral for transactions such as foreign exchange settlements.

As of March 31, 2025	(Millions of yen)
Investment securities	¥9,960

Other assets include central clearing counterpart margin requirements, cash collateral paid for financial instruments, and guarantee deposits, etc., the amounts of which are as follows:

As of March 31, 2025	(Millions of yen)
Central clearing counterparty margin requirements	¥—
Cash collateral paid for financial instruments	—
Guarantee deposits, etc.	235

*5 Lease contract assets (the total sum of lease investment assets included in Other assets and interest receivables on lease investment assets) for the remaining lease periods, which were pledged as collateral for a portion of borrowed money, were as follows:

As of March 31, 2025	(Millions of yen)
Lease contract assets	¥227
Corresponding borrowed money	162

*6 Commitment line contracts on overdrafts and loans are agreements to lend to customers when they apply for borrowing, up to a prescribed amount, as long as there is no violation of any condition established in the contract. The amounts of unused commitments as of March 31, 2025 were as follows:

As of March 31, 2025	(Millions of yen)
Total amount of unused commitments as of the end of the period:	¥433,613
Amount of unused commitments whose original contract terms were within one year or unconditionally cancelable at any time	396,649

Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments have clauses that allow the Bank to withdraw the commitment line offer or reduce the contract amounts in situations where economic conditions are changed, the Bank needs to secure claims, or other conditions are triggered. In addition, the Bank requires the customers to pledge collateral such as premises and securities and takes necessary measures such as seizing the customers' financial positions, revising contracts when the need arises and securing claims after conclusion of the contracts.

*7 Accumulated depreciation of tangible fixed assets

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Total amount of accumulated depreciation	¥33,072	¥33,513

*8 Deferred gains on tangible fixed assets deductible for tax purposes:

As of March 31, 2025	(Millions of yen)
Deferred gains	¥740
(Reduction entry amount for the consolidated fiscal year)	(—)

*9 The amount of guarantee liabilities for private placement bonds in "Securities" (provided in accordance with the Financial Instruments and Exchange Act, Article 2, Paragraph 3) was as follows:

As of March 31, 2025	(Millions of yen)
	¥5,806

(Relating to Consolidated Statements of Income)

*1 "Other ordinary income" includes the following item:

From April 1, 2024 to March 31, 2025	(Millions of yen)
Gain on sales stock	¥5,252

*2 "General and administrative expenses" include the following:

From April 1, 2024 to March 31, 2025	(Millions of yen)
Salary allowance	¥11,629

*3 "Other ordinary expenses" include the following:

From April 1, 2024 to March 31, 2025	(Millions of yen)
Loss on sales of equity securities	¥302
Loss on devaluation of stocks and other securities	10

*4 In the case of the following asset groups, book values were written down to the recoverable levels due to falling land prices and lower net cash from operating activities, and differences have been recorded as impairment losses.

From April 1, 2023 to March 31, 2024				(Millions of yen)
Location	Use	Category	Total impairment loss	
Yamanashi Prefecture	Idle assets	Land	¥23	
Total	—	—	¥23	

From April 1, 2024 to March 31, 2025				(Millions of yen)
Location	Use	Category	Total impairment loss	
Yamanashi Prefecture	Idle assets	Land	¥0	
Total	—	—	¥0	

In this method of asset grouping, operating assets as a rule are treated as business premises units (however business premises groups that handle combined businesses are treated as Group units), and idle assets are treated as individual asset units. Head Office, computing centers, company residences and dormitories, etc., are regarded as shared assets.

Recoverable amounts are whichever is the higher of net selling prices and value in use. In the case of net selling prices, the calculation involves deduction of expected disposal expenses from the sum reasonably calculated by real estate asset valuation, etc. In the case of value in use, the calculation involves discounting future cash flows by a discount rate.

All of the recoverable amounts for the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025 represent net selling prices.

(Relating to Consolidated Statements of Comprehensive Income)

*1 Reclassification adjustment, corporate tax, etc., and tax effect related to other comprehensive income

From April 1, 2024 to March 31, 2025	(Millions of yen)
Valuation difference on available-for-sale securities:	
Difference arising during the fiscal year	¥(24,710)
Reclassification adjustment to profit and loss	3,617
Before corporate tax, etc. and tax effect adjustment	(21,092)
Amount of corporate tax, etc. and tax effect	6,468
Valuation difference on available-for-sale securities	(14,623)
Deferred gains or losses on hedges	
Difference arising during the fiscal year	424
Reclassification adjustment to profit and loss	—
Before corporate tax, etc. and tax effect adjustment	424
Amount of corporate tax, etc. and tax effect	(133)
Deferred gains or losses on hedges	291
Remeasurements of defined benefit plans	
Gains (losses) arising during the fiscal year	5,600
Reclassification adjustment to profit and loss	(300)
Before corporate tax, etc. and tax effect adjustment	5,300
Amount of corporate tax, etc. and tax effect	(1,731)
Remeasurements of defined benefit plans	3,568
Total other comprehensive income	¥(10,763)

(Relating to Consolidated Statements of Changes in Net Assets)**From April 1, 2024 to March 31, 2025****1. Items relating to kind and total number of shares outstanding and treasury stock**

	(Thousands of shares)				
	Number of shares at the beginning of FY2024	Increase in number of shares during FY2024	Decrease in number of shares during FY2024	Number of shares at the end of FY2024	Remarks
Shares outstanding					
Common stock	32,783	—	—	32,783	
Treasury stock					
Common stock	2,358	0	151	2,208	Note

Notes: 1. The number of treasury shares as of the beginning and end of the current consolidated fiscal year includes 758 thousand and 635 thousand of the Bank's shares held by the exclusive trust for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings, respectively.

2. The increase in the number of treasury shares during the current consolidated fiscal year is due to requests for purchase of shares less than one unit.

3. The breakdown of the decrease in the number of treasury shares during the current consolidated fiscal year is as follows:

Decrease due to exercise of stock options:	4 thousand shares
Decrease due to allotment of restricted shares:	22 thousand shares
Decrease due to sales of the Bank's shares by the exclusive trust for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings:	123 thousand shares

2. Items relating to share subscription rights and own share options

Classification	Breakdown of share subscription rights	Class of shares to be issued or transferred upon the exercise of share subscription rights	Number of shares to be issued or transferred upon the exercise of share subscription rights (shares)			Balance as of the end of FY2024 (Millions of yen)	
			Beginning of FY2024	FY2024			End of FY2024
				Increase	Decrease		
The Bank	Stock options as share subscription rights		—			¥48	
Total			—			¥48	

3. Items relating to dividends

(1) Dividend paid during FY2024

(Resolution)	Type of stock	Total dividend (Millions of yen)	Dividends per share (Yen)	Reference date	Effective date
Annual General Meeting of Shareholders on June 25, 2024	Common stock	¥966	¥31.00	March 31, 2024	June 26, 2024
Board of Directors' Meeting on November 14, 2024	Common stock	998	32.00	September 30, 2024	December 4, 2024

Note: 1. The total amount of dividends resolved at the Annual General Meeting of Shareholders on June 25, 2024 includes ¥23 million of dividends for the Bank's shares held by the exclusive trust for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings.
2. The total amount of dividends resolved by the Board of Directors meeting held on November 14, 2024 includes ¥22 million of dividends for the Bank's shares held by the exclusive trust for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings.

(2) Dividends whose reference date falls in the current fiscal year, but where the effective date of dividend occurs after the end of FY2024.

A proposed resolution will be brought before the Annual General Meeting of Shareholders to take place on June 25, 2025 as follows:

(Resolution)	Type of stock	Total dividend (Millions of yen)	Fund for dividend	Dividends per share (Yen)	Reference date	Effective date
Annual General Meeting of Shareholders on June 25, 2025	Common stock	¥1,373	Retained earnings	¥44.00	March 31, 2025	June 26, 2025

Note: The total amount of cash dividends includes ¥27 million of dividends for the Bank's shares held by the exclusive trust for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings.

(Relating to Consolidated Statements of Cash Flows)

*1 The reconciliation of the cash and due from banks in the consolidated balance sheets and the cash and cash equivalents at March 31, 2025, is as follows:

From April 1, 2024 to March 31, 2025	(Millions of yen)
Cash and due from banks	¥554,863
Due from banks, excluding due from Bank of Japan	(449)
Cash and cash equivalents	¥554,413

(Relating to Lease Transactions)

Finance leases

(Lessor)

1. Details of net investment in leases for the year ended March 31, 2025 are as follows:

As of March 31, 2025	(Millions of yen)
Gross lease receivables	¥11,401
Estimated residual value	158
Unearned interest income	(1,038)
Net investment in leases	¥10,521

2. Expected amounts from the collection of gross lease receivables and net investment in leases for the year ended March 31, 2025 are as follows:

As of March 31, 2025	(Millions of yen)	
	Gross lease receivables	Net investment in leases
1 year or less	¥561	¥3,206
1 to 2 years	545	2,651
2 to 3 years	526	2,193
3 to 4 years	473	1,699
4 to 5 years	336	953
Over 5 years	1,319	696
Total	¥3,763	¥11,401

(Financial Instruments and Related Disclosure)

1. Qualitative Information of Financial Instruments

(1) Policy for financial instruments

The Group is involved in financial services including the leasing and the credit card business, etc., around the banking business. Within banking, we are involved in the business of taking deposits, making loans, and trading securities, as well as domestic and foreign exchange operations, corporate bond underwriting, over-the-counter sales of public bonds such as Japanese government bonds, investment trusts and insurance, and various consulting services. In addition, for the purpose of short-term fund raising, we enter into call loans and call money in the interbank market. Derivative transactions are primarily meant as a response to the diverse investment and financing needs of customers, hedges against interest rate risk or the risk of exchange fluctuations and may involve transactions such as interest rate swaps, coupon swaps, forward exchanges or currency swaps. However, we do not conduct transactions which have complicated structures and are speculative. Because we hold financial assets and liabilities with interest rate risk, we conduct Asset Liability Management (ALM) to limit the disadvantageous influence from fluctuations in interest.

(2) Nature and extent of risks arising from financial instruments

The financial assets that the Group holds are loans for domestic customers and domestic and foreign securities. Loans have credit risk, brought about by the borrower's nonperformance of contractual obligations. The contents of securities are mainly bonds, stocks and investment trusts. The Group holds these securities for the purpose of holding to maturity, investment available for sale and policy investment. Securities have issuer's credit risk, interest rate risk and market price risk.

The Group regards the deposits from customers as its main supply of financial funds. The Group secures stable financing by maintaining the soundness of financial affairs, but has liquidity risk that it may not be possible to obtain necessary funds due to the outflow of unexpected funds.

As with other transactions, derivative transactions are subject to risks such as market, credit, and liquidity risks. Hedge accounting is applied for derivative transactions that meet the requirements of hedge accounting based on internal standards in accordance with JICPA Industry Audit Committee Report No. 25, October 8, 2020, Treatment of Accounting and Auditing concerning Accounting for Foreign Currency Transactions in the Banking Industry.

(3) Risk management systems for financial instruments

1) *Credit risk management*

The Group performs maintenance of the credit screening system, fosters talented human resources and positively advances credit risk management. The credit screening system keeps the credit screening section independent and performs strict screening in advance, performs interim screening and assesses credit enhancements and credit risk management after lending. Regarding administration, the marketing section and credit screening section at the headquarters and business offices perform mutual check functions. The Group tries for the observance of the financing rule and appropriate use and thereby acts in enhancement of system support such as the practical use of the financing support system. Furthermore, for coping with risk fluctuating continually, the Group monitors the actual condition of customers through credit rating and self-assessment to be performed regularly or at any time. The Group introduced the Credit Risk Information Integration Service, which is a joint undertaking of the banks that joined the Regional Bank Association, aiming at upgrading credit risk management and refining measurement of value at risk (VaR).

We monitor credit information, current-prices and VaR, and manage the credit risk of issuers of securities and counterparty risk of derivative transactions in the risk management section.

The situation of these risk management activities is reported to management regularly in the ALM Committee and the board of directors.

2) *Market risk management*

(A) Interest-rate risk management

The Group supports the needs of customers properly and, for the earning capacity improvement of the bank, conducts interest rate risk management as a basic policy. We devised the basic policy for the interest rate risk hedge as a general rule every half term to control interest rate risk properly in the ALM Committee in which management is involved as the main members and involved in examining interest rate changes and reviews it regularly. In addition, in the ALM committee meeting held monthly, the Group examines a market predictive report that the market prediction committee produces and monitors the change in the interest rate risk amount of the whole bank account closely. In the risk management section, the Group calculates VaR and basis point value (BPV), and manages the interest rate risk amount of the banking account. In addition, the Group performs stress tests based on a stress scenario extending to each risk category. These results are reported to management regularly in the ALM Committee and the board of directors.

(B) Foreign exchange risk management

The Group manages foreign exchange risk by monitoring exposure to foreign exchange and VaR in the risk management section. Moreover, it reports regularly to management in the ALM committee and board of directors, etc.

(C) Market price risk management

Regarding investment in financial instruments including securities, the Group conducts risk management in conformity with a basic administration policy. The basic administration policy is as follows. The Group executes the market business while attempting to secure fairness and prompt correspondence. The Group realizes the opportunity for earnings by actively taking risks that can be measured and managed. The proof of maximizing management vitality, like earnings and equity capital, is assumed to be a precondition. The operative plans are decided by the board of managing directors after discussion with the ALM Committee. In making the plans, the Group examines the expected rate of return based on the prospect of interest rate and stock prices, market price risk and return in consideration of the correlation between the financial instruments invested in. The Group measures market price risks such as stock price risk using the VaR method. The ALM Committee monitors VaR based on risk limits and the results of stress tests and tries for coexistence of securing of financial soundness and earning profit.

(D) Quantitative information regarding market risk

In principle, the Group undertakes a quantitative analysis of the market risks applicable to all of its financial instruments. The volume of market risk is mainly managed utilizing the VaR method. In specific terms, market risks are managed in a manner that ensures that VaR does not exceed the maximum amount of risk (amount of capital allocation) determined by a resolution of the Board of Directors or other appropriate bodies. The variance-covariance method (holdings period: 120 days; confidence interval: 99%; observation period: 1,200 business days) is used to measure VaR (excluding trading account securities) while taking into consideration the correlation among interest rates for shares and investment trusts.

In addition, with respect to the yen-denominated interest risk applicable to demand deposits, internal models are used to estimate core deposits and VaR used as the means for measurement. Trading account securities (trading securities) VaR is measured using the separate holding period of 10 days. Financial instruments that are considered to have little relevance to market risks, including shares of non-listed companies, are managed on a credit risk basis. Taking into consideration the nominal amount of market risk applicable to the financial instruments held by consolidated subsidiaries, these financial instruments are excluded from the scope of VaR measurement.

The Group's VaR (excluding trading account securities) amounted to ¥40,941 million as of March 31, 2025 compared with ¥36,055 million as of the end of the previous fiscal year. The VaR of trading account securities amounted to ¥0 million. (Previous fiscal year: ¥0 million). The Group undertakes backtesting to compare VaR, calculated using VaR measurement models with actual income and loss. The results of this comparison are reported to the ALM Committee on a monthly basis. As a result of this backtesting, the Group is confident that the VaR measurement models used are more than adequate in accurately identifying market risks. However, VaR represents the amount of market risks arising with a certain probability using a statistical methodology based on historical market volatilities. Accordingly, situations may arise where it is not possible to identify risks appropriately due to market environment volatility that exceeds normally recognized parameters.

3) *Liquidity risk management*

The Group controls liquidity risk by managing the mismatch between the terms of investing and procuring funds as well as holding highly liquid assets. Financing risk is limited by holding assets with high liquidity as payment reserves for unexpected capital outflows, and a smooth financing resource is secured. Moreover, the Group reports regularly to management in the risk management committee and the board of directors, etc.

(4) Supplementary explanation of the fair value financial instruments

Certain assumptions are used in measuring the fair value of financial instruments. Accordingly, the results of such measurements may vary if different assumptions are used.

2. Fair Values of Financial Instruments

The carrying amount, fair value and the difference between the two for financial instruments are shown below. Stocks, etc. with no market price and investments in partnerships are not included in the table (see Note 1). For cash and due from banks, call loans and bills purchased, foreign exchanges (assets/liabilities), central clearing counterparty margin requirement, and payables under securities lending transactions, the disclosure is omitted since their fair value approximates their carrying amount due to short maturity.

As of March 31, 2025 (Millions of yen)			
	Carrying amount in consolidated balance sheets	Fair value	Difference
(1) Securities			
Held-to-maturity	¥8,642	¥8,367	¥(274)
Available-for-sale securities ^{*1}	1,097,673	1,097,673	—
(2) Loans and bills discounted	2,748,878		
Accrued income (Interest on loans)	1,485		
Deferred income (Interest on loans and guarantee charge) ^{*2}	(3,457)		
Allowance for possible loan losses ^{*3}	(9,677)		
	2,737,228	2,729,603	(7,624)
Total assets	¥3,843,544	¥3,835,645	¥(7,898)
(1) Deposits	¥3,547,334		
Accrued expenses (Interest on deposits)	885		
	¥3,548,219	¥3,546,322	¥(1,897)
(2) Negotiable certificates of deposits	72,144		
Accrued expenses (Interest on NCDs)	34		
	72,179	72,205	26
(3) Borrowed money	493,584	493,586	1
Total liabilities	¥4,113,983	¥4,112,114	¥(1,869)
Derivatives ^{*4}			
Hedge accounting is not applied	¥438	¥438	¥—
Hedge accounting is applied	424	424	—
Total derivatives	¥862	¥862	¥—

*1 Available-for-sale securities include investment trusts where the net asset value is deemed as fair value by applying the treatment in Paragraphs 24-3 and 24-9 of the Implementation Guidance on Accounting Standard for Measurement of Fair Value (ASBJ Guidance No. 31, June 17, 2021).

*2 Represents deferred interest received on loans and deferred guarantee fees received from a consolidated subsidiary performing guarantees on the Bank's loans to customers.

*3 General allowance for possible loan losses and specific allowance for possible loan losses provided to "Loans and bills discounted" are separately presented in the above table.

*4 Derivative transactions recorded in "Other assets" and "Other liabilities" are aggregated and shown herein. Assets and liabilities attributable to the derivative transactions are totally offset and the net liability position as a consequence of offsetting would be represented with brackets.

(Note 1) The consolidated balance sheet amounts for stocks, etc. with no market price and contributions to unions, etc. are as follows and are not included under "available-for-sale securities" in fair value financial instruments.

As of March 31, 2025 (Millions of yen)	
	Carrying amount
Stocks, etc. with no market price ^{*1 *2}	¥923
Contributions to unions ^{*3}	¥11,496

*1 Stocks, etc. with no market price are not subject to fair value disclosure in accordance with Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020).

*2 Classified as available-for-sale securities; in the current consolidated fiscal year, an impairment loss of ¥10 million was recognized.

*3 Contributions to unions are not subject to fair value disclosure in accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021).

(Note 2) Maturity analysis for monetary claims and securities with contractual maturities

As of March 31, 2025 (Millions of yen)						
	1 year or less	Over 1 year less 3 years	Over 3 years less 5 years	Over 5 years less 7 years	Over 7 years less 10 years	Over 10 years
Due from banks	¥529,915	¥—	¥—	¥—	¥—	¥—
Securities	54,748	205,411	140,286	99,385	149,486	96,021
Held-to-maturity	2,377	2,034	1,370	2,865	—	—
Municipal bonds	—	—	—	2,840	—	—
Corporate bonds	2,377	2,034	1,370	25	—	—
Available-for-sale securities that have maturities	52,370	203,377	138,915	96,520	149,486	96,021
Japanese government bonds	25,000	110,400	16,000	8,000	112,000	58,000
Municipal bonds	23,426	63,292	75,177	35,195	21,240	34,511
Corporate bonds	3,944	29,684	47,738	33,140	11,760	3,510
Others	—	—	—	20,185	4,485	—
Loans and bills discounted ^{*1}	357,483	532,216	536,544	347,137	319,699	490,501
Central clearing counterparty margin requirement	—	—	—	—	—	—
Total	¥942,146	¥737,628	¥676,830	¥446,523	¥469,185	¥586,522

*1 Of loans and bills discounted, the portion whose timing of collection is unforeseeable, such as loans to borrowers in legal bankruptcy, in virtual bankruptcy and in possible bankruptcy, amounting to ¥19,492 million, is not included in the above table. Loans that do not have contractual maturities, amounting to ¥145,735 million are not included either.

(Note 3) Maturity analysis for interest-bearing debt

As of March 31, 2025

(Millions of yen)

	1 year or less	Over 1 year less 3 years	Over 3 years less 5 years	Over 5 years less 7 years	Over 7 years less 10 years	Over 10 years
Deposits *	¥3,178,331	¥219,945	¥35,304	¥92	¥—	¥—
Negotiable certificates of deposit	72,144	—	—	—	—	—
Payables under securities lending transactions	145,897	—	—	—	—	—
Borrowed money	201,366	290,896	1,321	—	—	—
Total	¥3,597,741	¥510,841	¥36,626	¥92	¥—	¥—

* Non-interest-bearing deposits such as checking accounts are excluded. Demand deposits are included in "1 year or less."

3. Fair value of financial instruments breakdown by level

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of the inputs used to measure fair value.

Fair value level 1: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Fair value level 2: Fair value measured using observable inputs other than those in level 1.

Fair value level 3: Fair value measured using unobservable inputs.

If multiple inputs that are significant to the fair value measurement are used, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value in the consolidated balance sheets

As of March 31, 2025

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Available-for-sale securities				
Japanese government bonds, municipal bonds, etc.	¥312,775	¥236,621	—	¥549,396
Corporate bonds	—	124,482	—	124,482
Equity securities	62,087	—	—	62,087
Investment trusts	101,823	194,443	—	296,266
Foreign bonds	24,249	648	—	24,898
Others	—	—	5	5
Derivative transactions				
Interest-related	—	554	—	554
Currency-related	—	629	—	629
Total assets	¥500,936	¥557,379	¥5	¥1,058,320
Derivative transactions				
Interest-related	—	¥101	—	¥101
Currency-related	—	220	—	220
Total liabilities	—	¥321	—	¥321

* Securities do not include investment trusts where the net asset value is deemed as fair value by applying the treatment in Paragraphs 24-3 and 24-9 of the Implementation Guidance on Accounting Standard for Measurement of Fair Value (ASBJ Guidance No. 31, June 17, 2021). The consolidated balance sheet amount of investment trusts to which the treatment in Paragraph 24-3 is applied amounted to ¥27,110 million, and that to which the treatment in Paragraph 24-9 is applied amounted to ¥13,426 million.

(i) Reconciliation from the beginning balance to the ending balance for the fiscal year of the investment trusts to which the treatment in Paragraph 24-3 is applied

(Millions of yen)

Balance at beginning of year	Profit or loss or other comprehensive income for the period		Net amount of purchase, sale, and redemption	Amount of net asset value of investment funds determined to be deemed fair value	Amount of net asset value of investment funds determined not to be deemed fair value	Balance at end of year	Unrealized gains (losses) on investment trusts held at the balance sheet date recognized in profit or loss for the period
	Recognized in profit or loss	Recognized in other comprehensive income					
26,040	—	69	1,000	—	—	27,110	—

(ii) Reconciliation from the beginning balance to the ending balance for the fiscal year of the investment trusts to which the treatment in Paragraph 24-9 is applied

(Millions of yen)

Balance at beginning of year	Profit or loss or other comprehensive income for the period		Net amount of purchase, sale, and redemption	Amount of net asset value of investment funds determined to be deemed fair value	Amount of net asset value of investment funds determined not to be deemed fair value	Balance at end of year	Unrealized gains (losses) on investment trusts held at the balance sheet date recognized in profit or loss for the period
	Recognized in profit or loss	Recognized in other comprehensive income					
12,578	—	245	602	—	—	13,426	—

(iii) Breakdown by item of restrictions on cancellation or repurchase requests as of the consolidated balance sheet date

(Millions of yen)

Principal restrictions on cancellation or repurchase	Consolidated balance sheet amount
Items that require several months for cancellation from application to refund	27,110

(2) Financial instruments other than those measured at fair value in the consolidated balance sheets

As of March 31, 2025

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Securities				
Held-to-maturity debt securities				
Municipal bonds	—	¥2,635	¥—	¥2,635
Corporate bonds	—	—	5,732	5,732
Loans and bills discounted	—	—	2,729,603	2,729,603
Total assets	—	¥2,635	¥2,735,336	¥2,737,971
Deposits	—	¥3,546,322	¥—	¥3,546,322
Negotiable certificates of deposit	—	72,205	—	72,205
Borrowed money	—	493,586	—	493,586
Total liabilities	—	¥4,112,114	¥—	¥4,112,114

(Note 1) Description of valuation techniques and inputs used for fair value measurement

Assets

Securities

Securities for which unadjusted quoted prices in active markets are available are classified as fair value level 1. Such securities mainly include listed equity securities, listed investment trusts, and government bonds.

Even if available quoted prices are used, securities are classified as fair value level 2 when the relevant markets are not active. Such securities mainly include municipal bonds and corporate bonds. For investment trusts for which no quoted market prices are available, the net asset value is used as fair value if there are no material restrictions that would require compensation for the risk from the market participants with respect to cancellation or repurchase requests, and their fair values are classified as level 2.

When quoted prices are not available, the fair value is measured by using valuation techniques such as the present value technique discounting future cash flows. Observable inputs are used in the valuation to the maximum extent possible. Inputs include TIBOR, government bond yields, credit spreads, and probability of default. When significant unobservable inputs are used for the measurement, the fair value is classified as level 3.

The fair value of share subscription rights is estimated using valuation techniques including option valuation models. The main input is the listing probability. The listing probability is classified as fair value level 3 because it is an unobservable input.

Loans

The fair value of loans is measured by discounting the aggregate value of principal and interest at the market interest rate that reflects credit risks, etc. for each category based on the type of loan, internal rating, and maturity. Loans with floating interest rates reflect the market interest rates in the short-term; thus, the acquisition cost or amortized cost is used as the fair value of those loans as the fair value approximates the acquisition cost or amortized cost where the credit situation of the borrowers does not vary significantly after executing the loans. With respect to claims on borrowers in legal bankruptcy, virtual bankruptcy, or possible bankruptcy, the fair value is measured at the discounted present value of estimated future cash flows or the discounted present value of estimated collectible amounts through collateral or guarantee. Such fair value is classified as level 3.

Liabilities

Deposits and negotiable certificates of deposit

For demand deposits payable immediately on demand as of the consolidated balance sheet date, the fair value is measured at the amount payable. The fair value of time deposits and negotiable certificates of deposit is measured at the discounted present value of future cash flows based on each category during a certain period of time. Market rates are used to discount future cash flows. For deposits with short maturities (less than one year), the carrying amount is presented as the fair value since the fair value approximates the carrying amount. The said fair value is classified as level 2.

Borrowed money

The fair value of borrowed money is measured at the present value calculated by discounting the aggregate amount of principal and interest at the interest rate that reflects the remaining period of each borrowing and its credit risk based on each category during a certain period of time. Of which, borrowed money with floating interest rates reflects the market interest rates in the short-term, and the credit status of the Bank and its consolidated subsidiaries has not significantly been changed after the execution of the borrowings; thus, the carrying amount is presented as the fair value since it is deemed that the fair value approximates the carrying amount. For borrowed money with short contractual terms (less than one year), the carrying amount is presented as the fair value since the fair value approximates the carrying amount. The said fair value is classified as level 2.

Derivative transactions

Since derivative transactions are over-the-counter transactions without published quoted prices, their fair values are measured using the present value technique depending on the type of transaction and the maturity period. The main inputs used in those valuation techniques are interest rate and exchange rate, among others. The said fair value is classified as level 2.

(Note 2) Information on financial instruments carried at fair value level 3 in the consolidated balance sheets

(1) Quantitative information on significant unobservable inputs

As of March 31, 2025

Classification	Valuation technique	Significant unobservable inputs	Scope of inputs	Weighted average of inputs
Securities				
Available-for-sale securities				
Subscription rights to shares	Option valuation model	Listing probability	0 to 50.0%	13.3%

(2) Table of reconciliation of opening balances to closing balances, unrealized gains (losses) recognized in profit or loss for the period under review

As of March 31, 2025

(Millions of yen)

	Balance at beginning of year	Profit or loss or other comprehensive income for the period		Net amount of purchase, sale, and settlement	Transfer to fair value level 3	Transfer from fair value level 3	Balance at end of year	Unrealized gains (losses) on financial assets and liabilities held at the balance sheet date recognized in profit or loss for the period
		Recognized in profit or loss	Recognized in other comprehensive income					
Securities								
Available-for-sale securities								
Subscription rights to shares	5	—	(0)	0	—	—	5	—

(3) Description of the fair value valuation process

The Bank verifies the validity of the valuation techniques and inputs used to calculate fair value as well as the appropriateness of the classification of fair value levels regarding the calculated fair value.

In calculating fair value, the Bank uses valuation models that most appropriately reflect the nature, characteristics, and risks of individual assets. When using market prices obtained from third parties, the Bank also verifies the validity of the prices by confirming the valuation techniques and inputs used and by other appropriate methods.

(4) Explanation of the effect on fair value when significant unobservable inputs are changed

Listing probability is the significant unobservable input used to calculate the fair value of share subscription rights. A significant increase or decrease in listing probability will result in a significant increase or decrease in fair value.

(Relating to Securities)

*1 In addition to including the "Securities" listed on the Consolidated Balance Sheet, this includes "Trading account securities."

*2 Subsidiary and affiliated company shares are listed as notes to the financial statements.

1. Trading securities

As of March 31, 2025 (Millions of yen)

	Unrealized gains/losses recognized as income
Trading securities	¥ —

2. Held-to-maturity debt securities

As of March 31, 2025 (Millions of yen)

	Type	Carrying amount in consolidated balance sheets	Fair value	Differences
Fair value exceeded carrying amount:	Municipal bonds	¥ —	¥ —	¥ —
	Corporate bonds	277	277	0
	Sub-total	277	277	0
Fair value not exceeded carrying amount:	Municipal bonds	2,835	2,635	(200)
	Corporate bonds	5,529	5,454	(74)
	Sub-total	8,364	8,090	(274)
Total		¥8,642	¥8,367	¥(274)

3. Available-for-sale securities

As of March 31, 2025 (Millions of yen)

	Type	Fair value in consolidated balance sheets	Cost	Valuation differences
Fair value exceeded cost:	Japanese stocks	¥59,293	¥15,647	¥43,646
	Bonds total	26,087	25,971	115
	Japanese Government bonds	25,683	25,567	115
	Japanese municipal bonds	—	—	—
	Japanese corporate bonds	404	403	0
	Other securities	137,604	134,711	2,893
	Investment trusts	113,349	110,701	2,647
	Foreign bonds	24,249	24,005	244
	Others	5	4	1
	Sub-total	222,984	176,329	46,654
Fair value not exceeded cost:	Japanese stocks	2,794	3,009	(215)
	Bonds total	647,791	684,281	(36,489)
	Japanese Government bonds	287,092	300,650	(13,558)
	Japanese municipal bonds	236,621	253,333	(16,712)
	Japanese corporate bonds	124,078	130,297	(6,219)
	Other securities	224,102	238,286	(14,183)
	Investment trusts	223,454	237,538	(14,084)
	Foreign bonds	648	747	(99)
Others	—	—	—	
Sub-total	874,688	925,577	(50,889)	
Total		¥1,097,673	¥1,101,907	¥(4,234)

4. Held-to-maturity debt securities sold

Not applicable

5. Available-for-sale securities sold

From April 1, 2024 to March 31, 2025 (Millions of yen)

Type	Sales costs	Gross realized gains	Gross realized losses
Japanese stocks	¥2,671	¥753	¥302
Bonds total	18,486	197	—
Japanese Government bonds	14,455	167	—
Japanese municipal bonds	4,030	30	—
Japanese corporate bonds	—	—	—
Other securities	258,874	5,131	5,234
Investment trusts	251,294	5,089	5,234
Foreign bonds	7,579	41	—
Foreign stocks	—	—	—
Total	¥280,031	¥6,082	¥5,537

6. Securities for which the purpose for holding has changed

Not applicable

7. Securities recognized for revaluation loss

Among securities other than securities for trading purposes (excluding stocks, etc. with no market price and contributions to unions), for securities that are not recognized as having prospects of recovery after their fair value fell sharply compared with the acquisition costs, fair value is recognized in the consolidated balance sheets, and valuation difference is treated as an impairment loss ("revaluation loss") in the consolidated year under review.

The amount reported as impairment loss during the current consolidated fiscal year is ¥0 million (all in bonds).

The impairment accounting standards applied in cases where fair value is judged to have fallen significantly are as follows:

- (1) Across-the-board impairment losses shall be booked for securities whose fair values as of the consolidated balance sheet date decline by 50% or more compared with their acquisition costs.
- (2) Impairment losses shall be booked for securities whose fair values decline by 30% or more, but less than 50% where it is deemed that there is little likelihood of a recovery in value after taking into consideration fair value levels over the past year.
- (3) Impairment losses shall be booked for securities whose fair values decline by less than 30% as and when deemed necessary after taking into consideration the financial standing and related factors of the issuer.

(Relating to Money Held in Trust)

1. Money held in trust for investment

As of March 31, 2025

(Millions of yen)

	Balance sheet amount	Valuation difference included in consolidated gains or losses
Money held in trust for investment	¥5,791	¥0

2. Money held in trust to maturity

Not applicable

3. Other money held in trust (for objectives beside investment and held-to-maturity)

As of March 31, 2025

	Consolidated balance sheet amount (Millions of yen)	Acquisition cost (Millions of yen)	Difference (Millions of yen)	Those whose consolidated balance sheet amount exceeds the acquisition cost (Millions of yen)	Those whose consolidated balance sheet amount does not exceed the acquisition cost (Millions of yen)
Other money held in trust	904	900	4	4	—

Note: "Those whose consolidated balance sheet amount exceeds the acquisition cost" and "Those whose consolidated balance sheet amount does not exceed the acquisition cost" are the respective breakdowns of differences.

(Relating to Net Unrealized Gains/Losses on Available-for-Sale Securities)

Available-for-sale securities were valued at market and net unrealized gains/losses on valuation were as follows:

As of March 31, 2025

(Millions of yen)

	Amounts
Valuation difference	¥(4,081)
Other securities	(4,086)
Other money held in trust	4
Deferred tax assets	1,480
Deferred tax liabilities	—
Net unrealized gains (before non-controlling interests)	(2,601)
Non-controlling interests	161
Net unrealized gains on available-for-sale securities	¥(2,763)

Note: Stocks, etc. with no market price, foreign currency translation differences related to foreign currency denominated and other securities classified into investments in partnerships, and valuation differences related to other securities that constitute assets of partnerships, etc. are included in "Other securities" in the breakdown of "Valuation differences."

(Relating to Derivative Transactions)

1. Derivative instruments not accounted for as hedges

Regarding the derivative instruments which are not accounted for as hedge transactions, Contract Amount or Notional Amount, Fair Value and Unrealized Gain or Loss for each type of derivative transactions, respectively, at the end of the consolidated balance sheet date are as follows. Contract or Notional Amounts do not show market risk of derivative instruments.

(1) Interest-related derivative instruments

As of March 31, 2025

(Millions of yen)

	Type	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Financial instruments exchange	Interest rate futures				
	Sold	—	—	—	—
	Buy	—	—	—	—
	Interest rate options				
	Sold	—	—	—	—
	Buy	—	—	—	—
OTC	Interest rate forward contracts				
	Sold	—	—	—	—
	Buy	—	—	—	—
	Interest rate swaps				
	Fixed receipt and variable interest payment	¥1,800	¥1,800	¥10	¥10
	Variable receipt and fixed interest payment	1,800	1,800	18	18
	Variable receipt and variable interest payment	—	—	—	—
	Interest rate options				
	Sold	—	—	—	—
	Buy	—	—	—	—
Other					
Sold	—	—	—	—	
Buy	—	—	—	—	
Total		¥—	¥—	¥28	¥28

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

(2) Currency-related derivative instruments

As of March 31, 2025

(Millions of yen)

	Type	Contract Amount or Notional Amount	Over 1 Year	Fair Value	Unrealized Gain/Loss
Financial instruments exchange	Currency futures				
	Sold	—	—	—	—
	Buy	—	—	—	—
	Currency options				
	Sold	—	—	—	—
	Buy	—	—	—	—
OTC	Currency swaps	¥46,144	¥38,349	¥290	¥290
	Forward rate agreements				
	Sold	23,422	—	117	117
	Buy	505	—	1	1
	Currency options				
	Sold	—	—	—	—
	Buy	—	—	—	—
	Other				
	Sold	—	—	—	—
Buy	—	—	—	—	
Total		¥—	¥—	¥409	¥409

Note: Derivative instruments are revalued to fair value. Changes in fair value are included in the consolidated statement of operations.

(3) Share-related transactions

Not applicable

(4) Liability-related transactions

Not applicable

(5) Commodity-related derivative instruments

Not applicable

(6) Credit derivative transactions

Not applicable

2. Derivative instruments accounted for as hedges

With regard to derivative transactions to which hedge accounting is applied, the contract amount or notional principal amount determined in the contract and fair value as of the consolidated balance sheet date for each type of transaction and hedge accounting method are as follows. Furthermore, the contract amount itself does not indicate the market risk associated with the derivative transaction.

(1) Interest-rate related transaction

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type	Major transactions hedged	Contract Amount or Notional Amount	Over 1 Year	Fair Value
Basic hedging method	Interest rate swaps				
	Fixed receipt and variable interest payment		—	—	—
	Variable receipt and fixed interest payment	Other securities (bonds)	25,000	25,000	424
	Interest rate futures		—	—	—
	Interest rate options		—	—	—
	Other		—	—	—
Special hedging of interest rate swaps	Interest rate swaps	—	—	—	—
	Fixed receipt and variable interest payment		—	—	—
	Variable receipt and fixed interest payment		—	—	—
Total		—	—	—	424

(2) Currency-related transactions

Not applicable

(3) Share-related transactions

Not applicable

(4) Liability-related transactions

Not applicable

(Relating to Employees' Retirement Benefits)**1. Outline of employees' retirement benefits**

To provide for employees' retirement benefits, the Bank has adopted a funded defined-benefit pension plan and a defined contribution pension plan.

The defined-benefit corporate pension plan (funded plan) pays a lump sum or a pension based on employee compensation and length of service.

A retirement benefit trust has been established within the defined-benefit corporate pension plan.

The lump-sum retirement plan (an unfunded plan, but as a result of the establishment of the retirement benefit trust, it has become a funded plan) pays a lump sum based on employee compensation and length of service.

2. Funded defined benefit pension plan

(1) Reconciliation of retirement benefits obligations at beginning of year and end of year

From April 1, 2024 to March 31, 2025

(Millions of yen)

Retirement benefit obligations at beginning of year	¥27,142
Service cost	792
Interest cost	352
Actuarial gains and losses	(1,836)
Retirement benefits payment	(1,440)
Past service cost	—
Other	—
Retirement benefits obligations at end of year	¥25,011

(2) Reconciliation of pension assets at beginning of year and end of year

From April 1, 2024 to March 31, 2025

(Millions of yen)

Pension assets at beginning of year	¥47,086
Expected return on plan assets	1,242
Actuarial gains and losses	3,763
Employer's contribution	625
Retirement benefits payment	(771)
Other	—
Pension assets at end of year	¥51,946

(3) Reconciliation of retirement benefits obligations and pension assets at end of year and liabilities and assets of retirement benefits recorded in the consolidated balance sheets

As of March 31, 2025

(Millions of yen)

Retirement benefits obligations of funded plan	¥25,011
Pension assets	(51,946)
	(26,935)
Retirement benefits obligations of unfunded plans	—
Assets and liabilities recorded in consolidated balance sheets, net	¥(26,935)

(Millions of yen)

Liability of retirement benefits	—
Assets of retirement benefits	¥(26,935)
Liabilities and assets recorded in the consolidated balance sheets, net	¥(26,935)

(4) Breakdown of retirement benefit costs

From April 1, 2024 to March 31, 2025

(Millions of yen)

Service cost	¥792
Interest cost	352
Expected return on plan assets	(1,242)
Actuarial gains and losses recorded in expenses	(293)
Past service costs recorded in expenses	(7)
Other	—
Retirement benefit costs of defined benefit plan	¥(397)

(5) Remeasurements of defined benefit plans

Breakdown of items (before corporate tax, etc. and tax-related effects) recorded in remeasurements of defined benefit plans are as follows:

From April 1, 2024 to March 31, 2025

(Millions of yen)

Past service costs	¥7
Actuarial gains and losses	(5,307)
Other	—
Retirement benefit costs of defined benefit plan	¥(5,300)

(6) Accumulated adjustment for retirement benefits

The breakdown of items (before corporate tax, etc. and the deduction of tax effects) recorded in accumulated adjustment for retirement benefits is as follows:

As of March 31, 2025

(Millions of yen)

Unrecognized past service costs	¥(17)
Unrecognized actuarial gains and losses	(13,006)
Other	—
Retirement benefit costs of defined benefit plan	¥(13,023)

(7) Pension assets

1) The percentage of each main category for total pension assets is as follows:

As of March 31, 2025

Stocks	40%
Bonds	20
Life insurance general account	11
Other	29
Total	100%

Note: Included in total pension assets is 26% (compared with 17% in the previous fiscal year) for retirement benefit trusts established in the corporate pension plan, and 21% (compared with 24% in the previous fiscal year) for retirement benefit trusts established in the lump-sum retirement plan.

2) Method for calculating the long-term expected rate of return on plan assets

To determine the long-term expected rate of return on plan assets, the Bank considers the current and projected pension assets allocations, as well as the current and expected long-term rate of return for the various assets that make up the pension assets.

(8) Basis for calculating actuarial calculations

Basis for calculating main actuarial calculations (weighted average)

From April 1, 2024 to March 31, 2025

Discount rate	1.9%
Long-term expected rate of return on plan assets	2.3
Rate of salary increase	
Defined-benefit corporate pension plan	3.4
Lump-sum retirement plan	3.5%

3. Defined contribution funds

The required contribution for the current consolidated fiscal year under the Bank's defined-contribution pension plan is ¥217 million compared with ¥207 million as of the end of the previous fiscal year.

(Stock Options and Other Related Information)

1. Accounting line item and the amount of stock options charged as expenses

From April 1, 2024 to March 31, 2025

(Millions of yen)

General and administrative expenses	¥44
-------------------------------------	-----

2. Description of stock options/Changes in the size of stock options

(1) Description of stock options

	Stock Options
Category and number of people to whom stock options are granted	No stock options were granted in the fiscal year ended March 31, 2025.
Type and number of shares granted as stock options	
Date on which stock options were granted	
Vesting terms and conditions	
Vesting period	
Exercise period	

Note: Reflecting the five-to-one stock consolidation conducted on the effective date of October 1, 2018.

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the fiscal year ended March 31, 2025. The number of stock options is converted into the number of shares.

1) Number of stock options

	2016 Stock Options	2017 Stock Option	2018 Stock Option	2019 Stock Option
Stock options which are not yet vested (shares):				
As of March 31, 2020	—	—	—	—
Granted	—	—	—	—
Forfeited	—	—	—	—
Vested	—	—	—	—
Balance of stock options not vested	—	—	—	—
Stock options which have already been vested (shares):				
As of March 31, 2020	2,680	3,460	3,300	11,080
Vested	—	—	—	—
Exercised	—	700	660	3,300
Forfeited	—	—	—	—
Balance of stock options not exercised	2,680	2,760	2,640	7,780

Note: Reflecting the five-to-one stock consolidation conducted on the effective date of October 1, 2018.

2) Per share price information

	2016 Stock Options	2017 Stock Option	2018 Stock Option	2019 Stock Option
Exercise price (Yen)	¥1	¥1	¥1	¥1
Average price per share upon exercise (Yen)	—	2,057	2,057	2,057
Fair value per share at the grant date (Yen)	2,025	2,115	2,050	1,061

Note: The average price per share upon exercise and the fair value per share at the grant date reflect the five-to-one stock consolidation conducted on the effective date of October 1, 2018.

3. Description of restricted stock/Changes in the size of restricted stock

(1) Description of restricted stock

	Granted on August 7, 2020
Category and number of people to whom restricted stock compensation was granted	The Bank's directors (excluding outside directors): 9 The Bank's executive officers: 9
Type and number of shares granted	Common stock: 53,300 shares
Grant date	August 7, 2020
Eligible service period	The period from the Bank's 117th Annual General Meeting of Shareholders to its 118th Annual General Meeting of Shareholders, which is scheduled to be held in June 2021 (The period for executive officers, is from July 1, 2020 to June 30, 2021.)
Transfer restriction period	The period from the grant date of the restricted stock to the date of resignation or retirement of eligible individuals from the position of the Bank's director, executive officer or employee
Conditions for removal of transfer restrictions	During the period from the start of the transfer restriction period to the date on which the first subsequent Annual General Meeting of Shareholders of the Bank is held (The period for executive officers is from July 1, 2020 to June 30, 2021.), the eligible individuals shall continuously hold the position of the Bank's director, executive officer or employee.
Fair value per share at the grant date	840 yen

	Granted on August 5, 2021
Category and number of people to whom restricted stock compensation was granted	The Bank's directors (excluding outside directors): 6 The Bank's executive officers: 12
Type and number of shares granted	Common stock: 51,500 shares
Grant date	August 5, 2021
Eligible service period	The period from the Bank's 118th Annual General Meeting of Shareholders to its 119th Annual General Meeting of Shareholders, which is scheduled to be held in June 2022 (for executive officers, the period from the date of appointment to the date of retirement as determined by the board of directors).
Transfer restriction period	The period from the grant date of the restricted stock to the date of resignation or retirement of eligible individuals from the position of the Bank's director, executive officer or employee
Conditions for removal of transfer restrictions	During the period from the start of the transfer restriction period to the date on which the first subsequent Annual General Meeting of Shareholders of the Bank is held (for executive officers, the period from the date of appointment to the date of retirement as determined by the board of directors), the eligible individuals shall continuously hold the position of the Bank's director, executive officer or employee.
Fair value per share at the grant date	821 yen

Granted on July 29, 2022	
Category and number of people to whom restricted stock compensation was granted	The Bank's directors (excluding outside directors): 6 The Bank's executive officers: 12
Type and number of shares granted	Common stock: 36,600 shares
Grant date	July 29, 2022
Eligible service period	The period from the Bank's 119th Annual General Meeting of Shareholders to its 120th Annual General Meeting of Shareholders, which is scheduled to be held in June 2023 (for executive officers, the period from the date of appointment to the date of retirement as determined by the board of directors).
Transfer restriction period	The period from the grant date of the restricted stock to the date of resignation or retirement of eligible individuals from the position of the Bank's director, executive officer or employee
Conditions for removal of transfer restrictions	During the period from the start of the transfer restriction period to the date on which the first subsequent Annual General Meeting of Shareholders of the Bank is held (for executive officers, the period from the date of appointment to the date of retirement as determined by the board of directors), the eligible individuals shall continuously hold the position of the Bank's director, executive officer or employee.
Fair value per share at the grant date	1,156 yen

Granted on July 28, 2023	
Category and number of people to whom restricted stock compensation was granted	The Bank's directors (excluding outside directors): 6 The Bank's executive officers: 12
Type and number of shares granted	Common stock: 32,200 shares
Grant date	July 28, 2023
Eligible service period	The period from the Bank's 120th Annual General Meeting of Shareholders to its 121st Annual General Meeting of Shareholders, which is scheduled to be held in June 2024 (for executive officers, the period from the date of appointment to the date of retirement as determined by the board of directors).
Transfer restriction period	The period from the grant date of the restricted stock to the date of resignation or retirement of eligible individuals from the position of the Bank's director, executive officer or employee
Conditions for removal of transfer restrictions	During the period from the start of the transfer restriction period to the date on which the first subsequent Annual General Meeting of Shareholders of the Bank is held (for executive officers, the period from the date of appointment to the date of retirement as determined by the board of directors), the eligible individuals shall continuously hold the position of the Bank's director, executive officer or employee.
Fair value per share at the grant date	1,307 yen

Granted on July 31, 2024	
Category and number of people to whom restricted stock compensation was granted	The Bank's directors (excluding outside directors): 6 The Bank's executive officers: 13
Type and number of shares granted	Common stock: 22,900 shares
Grant date	July 31, 2024
Eligible service period	The period from the Bank's 121st Annual General Meeting of Shareholders to its 122nd Annual General Meeting of Shareholders, which is scheduled to be held in June 2025 (for executive officers, the period from the date of appointment to the date of retirement as determined by the board of directors).
Transfer restriction period	The period from the grant date of the restricted stock to the date of resignation or retirement of eligible individuals from the position of the Bank's director, executive officer or employee
Conditions for removal of transfer restrictions	During the period from the start of the transfer restriction period to the date on which the first subsequent Annual General Meeting of Shareholders of the Bank is held (for executive officers, the period from the date of appointment to the date of retirement as determined by the board of directors), the eligible individuals shall continuously hold the position of the Bank's director, executive officer or employee.
Fair value per share at the grant date	1,961 yen

(2) Changes in the size of restricted stock

	Granted on August 7, 2020	Granted on August 5, 2021	Granted on July 29, 2022	Granted on July 28, 2023
Prior to removal of transfer restrictions (shares)				
End of previous consolidated fiscal year	19,400	28,200	22,100	32,200
Granted	—	—	—	—
Acquired without compensation	—	—	—	—
Removal of transfer restrictions	4,500	4,600	4,200	3,700
Balance with restrictions left in place	14,900	23,600	17,900	28,500

	Granted on July 31, 2024
Prior to removal of transfer restrictions (shares)	
End of previous consolidated fiscal year	—
Granted	22,900
Acquired without compensation	—
Removal of transfer restrictions	—
Balance with restrictions left in place	22,900

(Relating to Tax Effect Accounts)

1. The tax effects of significant temporary differences and tax loss carry-forwards which resulted in deferred tax assets and liabilities are as follows:

As of March 31, 2025		(Millions of yen)
Deferred tax assets:		
Net defined benefit liability		¥3,108
Allowance for possible loan losses		2,466
Unrealized gains on available-for-sale securities		1,688
Losses on investment securities		1,452
Depreciation		491
Tax loss carryforward		—
Other		2,871
Sub-total		12,079
Valuation allowance		(4,159)
Total deferred tax assets		7,920
Deferred tax liabilities:		
Unrealized gains on available-for-sale securities		(208)
Other		(7,446)
Total deferred tax liabilities		(7,655)
Net deferred tax assets (liabilities)		¥264

2. A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income is as follows:

As of March 31, 2025		
Normal effective statutory tax rate		30.4%
Valuation allowance		(1.1)
Income not taxable for income tax purposes		(1.5)
Expenses not deductible for income tax purposes		0.2
Taxation on gain on sale of shares of subsidiaries		—
Increase in year-end deferred tax assets due to tax rate change		(0.4)
Other – net		(0.6)
Actual effective tax rate		27.0%

3. Correction of the amounts of deferred tax assets and deferred tax liabilities due to the change of tax rates for corporate tax, etc.

With the establishment of the Act on Partial Revision of the Income Tax Act, Etc. (Act No. 13 of 2025) on March 31, 2025, a defense boost tax will be levied starting from the consolidated fiscal year that begins on April 1, 2026 or thereafter. As a result, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities will change from the current 30.4% to 31.3% for temporary differences expected to be resolved during or after the consolidated fiscal year that begins on April 1, 2026 or thereafter. With this tax rate change, deferred tax assets, deferred tax liabilities, and valuation differences for other securities during the current consolidated fiscal year have increased by ¥186 million, ¥218 million, and ¥41 million, respectively, and deferred gains or losses on hedges, accumulated adjustments for retirement benefits, and income taxes - deferred have decreased by ¥3 million, ¥117 million, and ¥46 million, respectively.

(Relating to Asset Retirement Obligations)

Not applicable

(Relating to Investment and Rental Property)

Not applicable

(Relating to Revenue Recognition)

(Millions of yen)

Classification	Consolidated fiscal year under review (From April 1, 2024 to March 31, 2025)
Fees and commissions	11,937
Deposits and loans business	4,626
Foreign exchange business	1,567
Securities-related business	1,566
Agency business	2,008
Custody and safety deposit box business	216
Guarantee business	401

The above table also includes revenues based on ASBJ Statement No. 10, Accounting Standard for Financial Instruments.

(Segment Information by Type of Business)**[Segment information]**

Segment information is not shown in these statements, since the banking business is the only reportable segment.

[Related information]

From April 1, 2024 to March 31, 2025

1. Information for service segment

(Millions of yen)

	Loans	Securities investment	Other	Total
Ordinary income from customers	¥27,563	¥15,737	¥17,179	¥60,481

Note: Instead of the net sales of a non-financial company, ordinary income in gross is indicated.

2. Information for geographic areas**(1) Ordinary income**

Since the amount classified as ordinary income from external customers in Japan exceeds 90% of ordinary income on the consolidated statement of income, it has been omitted here.

(2) Tangible fixed assets

Since the amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated statement of income, it has been omitted here.

3. Information about major customers

Since no ordinary income from specific customers represents more than 10% of ordinary income on the consolidated statement of income, it has been omitted here.

[Information about impairment loss of fixed assets in segment]

Since the Group has only a single reporting segment (Banking), disclosure of segments lacks importance and has thus been omitted here.

[Information about the amortization of goodwill and unamortized balance by reportable segment]

Not applicable.

[Information about the gain recognized on negative goodwill by reportable segment]

Not applicable.

[Related-party transactions]**1. Related-party transactions**

(1) Transactions with parties related to the company submitting consolidated financial statements

1) The parent company and major shareholders of the company submitting consolidated financial statements (limited to companies, etc.)

Not applicable

2) Non-consolidated subsidiaries and related companies, etc. of the company submitting consolidated financial statements

Not applicable

3) Companies, etc. with the same parent company as the company submitting consolidated financial statements, and subsidiaries, etc. of other related companies of the company submitting consolidated financial statements

Not applicable

4) Related-party transactions involving directors, corporate auditors and major stockholders (individuals only) of the Bank

From April 1, 2024 to March 31, 2025

(Millions of yen)

Relationship	Name	Address	Paid-in capital	Position	Voting rights (%)	Details of business relationship	Transactions	Transaction amount	Accounting name	Year-end balance
Officer or his/her relatives	Eiichiro Yamadera	—	—	Brother-in-law of the Bank's Director	0.11	Lending	Lending	¥—	Loans	¥142
							Interest income	1	—	—
Company, etc. controlled by an officer or his/her relatives through majority ownership of voting rights	ITUTUYA SHOUYU CO., LTD. (Note 2)	Nirasaki City, Yamanashi Prefecture	10	Manufacturing and sale of soy sauce and miso	—	Lending	Lending	¥—	Loans	¥11
							Interest income	0	—	—

Notes: 1. Transaction terms and policies for determining transaction terms

Transaction terms are determined in the same manner as with clients in general.

2. A relative of Masahiko Yamadera, a director of the Bank, owns a majority of voting rights.

(2) Transactions with consolidated subsidiaries and related parties of the company submitting consolidated financial statements

Not applicable

2. Notes regarding parent company or other important related companies

Not applicable

(Relating to Business Combinations, etc.)

Not applicable

(Per Share Information)

From April 1, 2024 to March 31, 2025

(Yen)

Net assets per share	¥6,957.87
Profit per share	251.43
Diluted net income per share	251.19

Note: The basis for calculating net income per share and diluted net income per share is presented as follows:

From April 1, 2024 to March 31, 2025

(Millions of yen)

Profit per share	
Profit attributable to shareholders of the parent	¥7,669
Amount not attributable to owners of common stock	—
Profit attributable to shareholders of the parent related to common stock	7,669
Average balance of common stock (Thousands of shares)	30,504
Diluted profit per share	
Adjustment amount of profit attributable to shareholders of the parent	¥—
Increase in the number of common stock (Thousands of shares)	29
New share subscription rights (Thousands of shares)	29

Note: The Bank's shares held by the exclusive trust for the Yamanashi Chuo Bank, Ltd. Employees' Stockholdings are recorded as treasury shares included in shareholders' equity. The Bank has included these shares in the treasury shares to be excluded from the calculation of the total number of shares issued and outstanding at the end of the fiscal year and the average number of shares outstanding during the fiscal year for the purpose of calculating net assets per share, net income per share, and diluted net income per share.

The number of such treasury shares deducted in the calculation of net assets per share was 758 thousand shares at the end of the previous consolidated fiscal year and 635 thousand shares at the end of the current consolidated fiscal year, and the average number of such treasury shares deducted in the calculation of net income per share and diluted net income per share was 709 thousand shares during the previous consolidated fiscal year and is 696 thousand shares during the current consolidated fiscal year.



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