



Open Up a Bright Future from Yamanashi
The Yamanashi Chuo Bank, Ltd.

The 47th Analyst Meeting

December 4, 2024 (Wed)



Prime Market of the Tokyo
Stock Exchange: 8360

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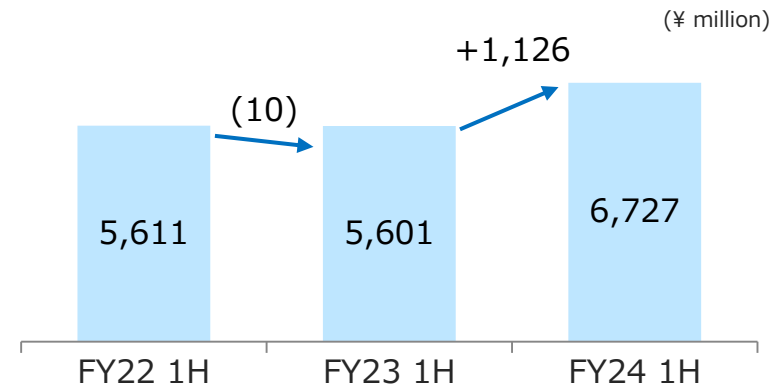
Summary of Business Results



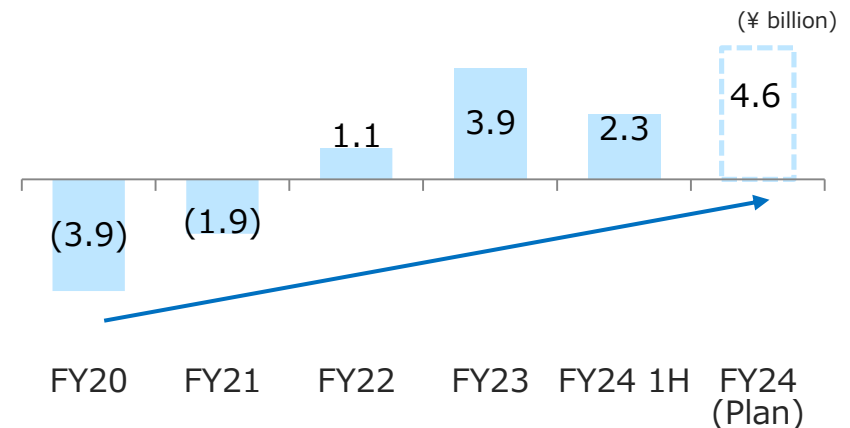
Main profit and loss items were positive YoY due to growth in customer service business profit.

Non-consolidated (¥ billion)	FY23 1H	FY24 1H	YoY
Gross business profit	11.4	15.5	4.0
Interest Income	14.6	16.3	1.7
Fees and Commissions	3.9	3.6	(0.2)
Other operating income	(0.6)	(0.4)	0.1
Core gross business profit	17.9	19.6	1.6
JGBs and other bond transactions	(6.4)	(4.0)	2.4
Expenses	12.3	12.8	0.5
General provision to loan loss reserve	-	(0.2)	(0.2)
Net business profit	(0.8)	2.9	3.8
Core net business profit	5.6	6.7	1.1
(Excluding gain on cancellation of investment trusts)	5.6	6.7	1.1
Non-operating gains (losses)	3.8	1.2	(2.6)
Disposal of non-performing loans	-	0.7	0.7
Stock and other related income	2.6	1.4	(1.1)
Ordinary profits	3.0	4.1	1.1
Extraordinary income (losses)	(0.0)	(0.0)	0.0
Total corporate taxes, etc.	0.3	1.0	0.7
Net income	2.6	3.0	0.4
Credit-related costs	(1.0)	0.4	1.4
Consolidated (¥ billion)	FY23 1H	FY24 1H	YoY
Consolidated ordinary profits	3.3	4.3	1.0
Profit attributable to shareholders of the parent	2.7	3.0	0.3

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



Customer service business profit*



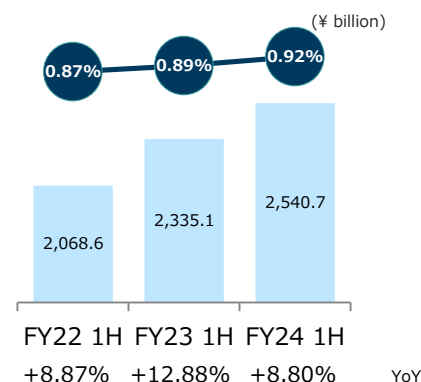
* Customer service business profit

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

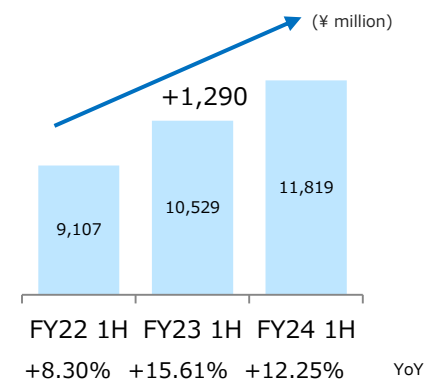
In addition to the steady increase in the loan balance, the yield also improved, and interest on loans increased.

(¥ billion)	FY23 1H	FY24 1H	YoY
Interest Income	14.6	16.3	1.7
Net interest margin	10.3	11.2	0.9
Interest on loans	10.5	11.8	1.2
Domestic operations	9.8	11.1	1.2
International operations	0.7	0.7	0.0
Interest on deposits	0.1	0.5	0.4
Domestic operations	0.1	0.5	0.4
International operations	0.0	0.0	0.0
Interest on securities	3.9	4.2	0.2
(Excluding gain on cancellation of investment trusts)	3.9	4.2	0.2
Bonds	1.2	1.1	(0.0)
Domestic operations	1.1	1.1	0.0
International operations	0.1	0.0	(0.1)
Stock	0.6	0.8	0.2
Distributions on investment trusts	2.0	2.2	0.1
Gain on cancellation of investment trusts (gain surplus)	0.0	0.0	0.0
Capital market investment and procurement	0.2	0.8	0.6
Domestic operations	13.9	15.5	1.6
International operations	0.6	0.7	0.0

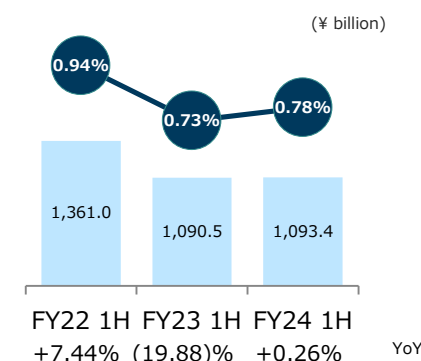
Average loan balance and yield



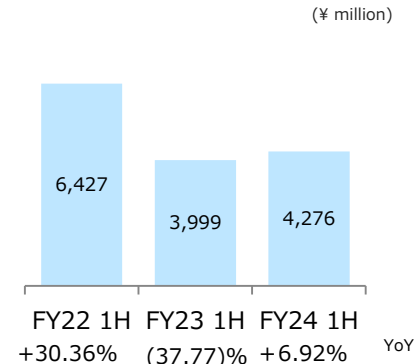
Interest on loans



Average security balance and yield



Interest on securities



Both balances of deposits and loans increased steadily.

Average balance

(¥ billion)	FY23 1H	FY24 1H	YoY (% change)
Deposits	3,638.6	3,672.5	+33.9 (+0.9%)
Yamanashi Pref.	3,224.3	3,245.0	+20.7 (+0.6%)
Outside of Yamanashi Pref.	414.2	427.5	+13.3 (+3.2%)

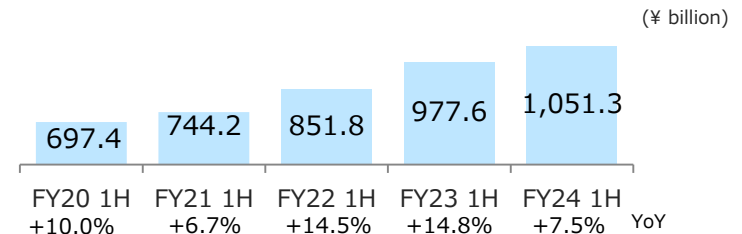
Deposits shares in Yamanashi Pref. (term-end)	51.5%	51.3%	(0.2)	-
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(Excluding Japan Post Bank)

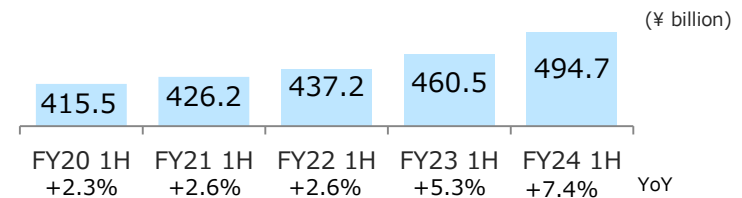
(¥ billion)	FY23 1H	FY24 1H	YoY (% change)
Loans	2,335.1	2,540.7	+205.6 (+8.8%)
By area			
Yamanashi Pref.	1,065.7	1,104.0	+38.3 (+3.6%)
Outside of Yamanashi Pref.	1,089.5	1,246.9	+157.4 (+14.4%)
Loan assets under the control of head office	179.9	189.7	+9.8 (+5.4%)
By market			
General funds	1,614.9	1,770.2	+155.3 (+9.6%)
Non-commercial for individuals	429.9	461.0	+31.1 (+7.2%)
Local government bodies	290.3	309.4	+19.1 (+6.5%)

Loan shares in Yamanashi Pref. (term-end)	50.1%	50.4%	+0.3	-
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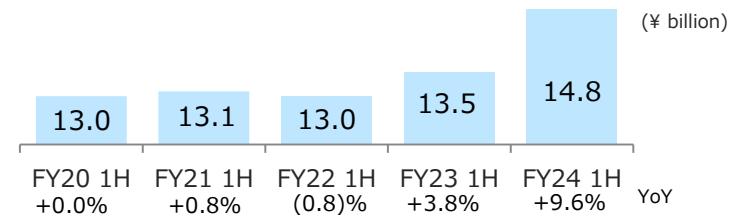
Balance of loans to SMEs (term-end)



Housing loans (term-end)

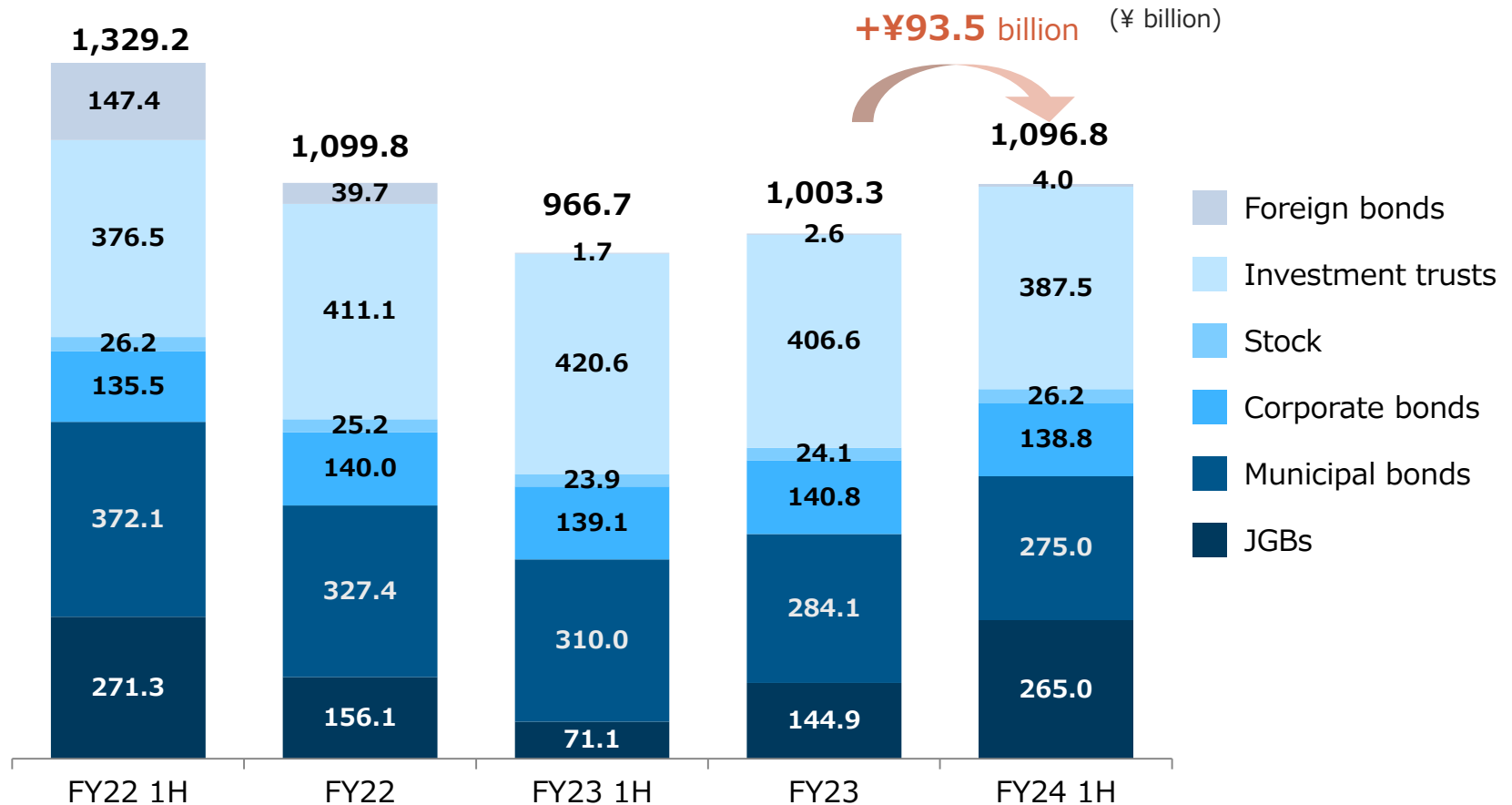


Unsecured loans (term-end)



Increased JGB holdings when interest rates rose in order to expand future revenue.

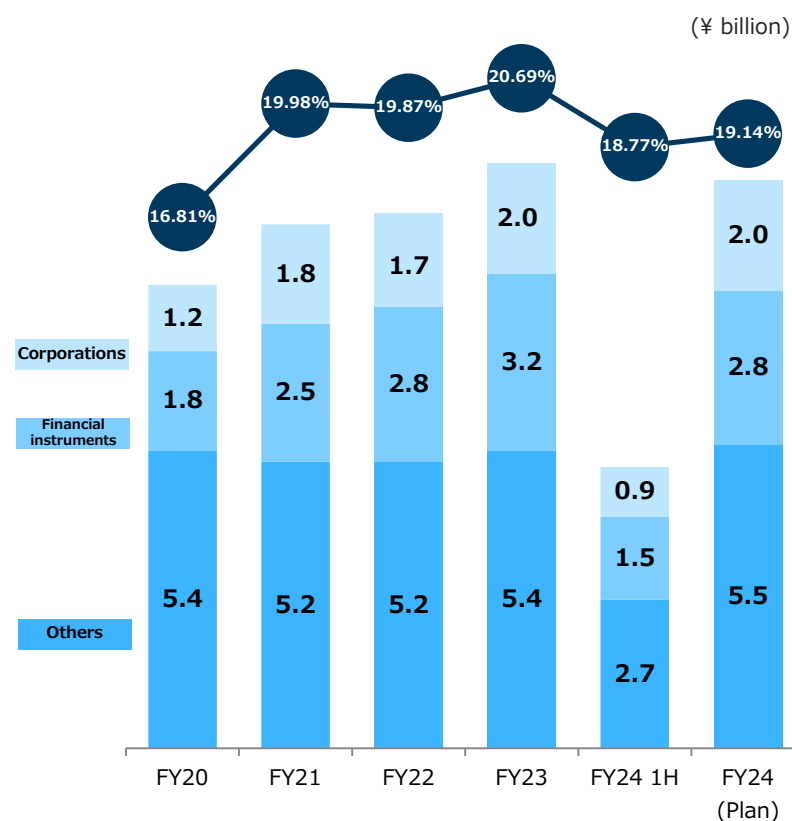
Balance of securities (subject to mark-to-market valuation)



Overall, there was a slight decrease due to a review of the sales structure for financial instruments, etc.

(¥ million)	FY23 1H	FY24 1H	YoY
Fees and Commissions	3,914	3,681	(233)
Fees and commissions	5,364	5,195	(169)
Fees and commissions expenses	1,449	1,513	64
<Main breakdown>			
Fees and commissions income from financial products (excluding insurance for corporate customers)	1,674	1,524	(150)
Fees and commissions for life insurance (excluding the corporate portion)	1,052	661	(391)
Fees and commissions for investment trusts	534	793	259
Brokerage fees and commissions for financial products	78	59	(19)
Fees and commissions for public bonds	6	9	3
Fees and commissions income from corporations	1,035	921	(114)
Fees and commissions for structured finance	525	488	(37)
Fees and commissions for life insurance for corporate customers	112	110	(2)
Fees and commissions for business matching	117	100	(17)
Fees and commissions for consulting	89	155	66
Fees and commissions received related to foreign exchange (domestic)	740	732	(8)
Loan payment premiums and guarantees	1,061	1,147	86

Trends in fees and commissions and service profit ratios



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

Accelerate management reform by human capital and IT investments.

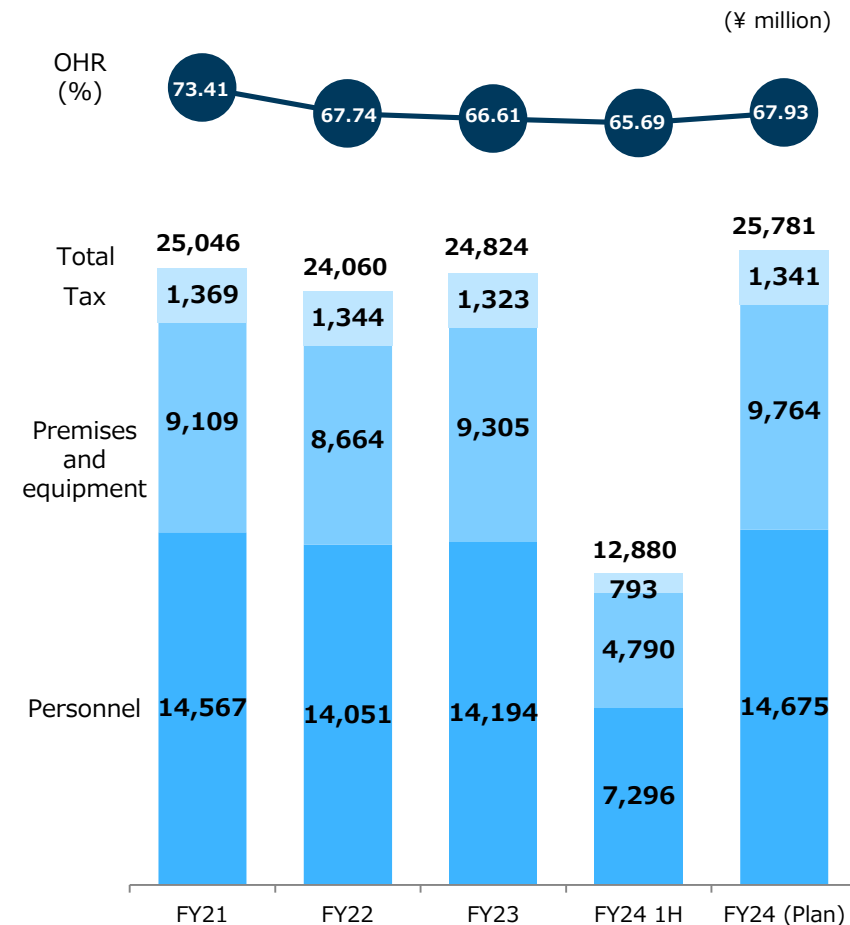
Expenses

(¥ billion)	FY23 1H	FY24 1H	YoY	FY24 (Plan)	YoY
Expenses	12.3	12.8	0.5	25.7	0.9
Personnel	7.0	7.2	0.2	14.6	0.4
Premises and equipment	4.5	4.7	0.2	9.7	0.4
Tax	0.7	0.7	0.0	1.3	0.0
OHR	68.77%	65.69%	(3.08) P		

Main factors behind changes in expenses

(¥ billion)	FY24 1H		FY24 (Plan)	
Personnel	0.2	Wage increases +0.2	0.4	Wage increases +0.4
Premises and equipment	0.2	IT investments +0.2	0.4	IT investments +0.4
Tax	0.0	-	0.0	-

Changes in expenses and OHR

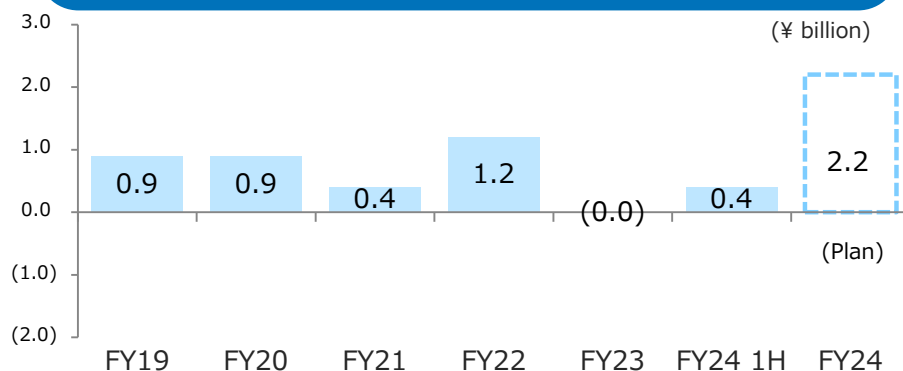


Credit-related costs are expected to increase from a precautionary viewpoint.

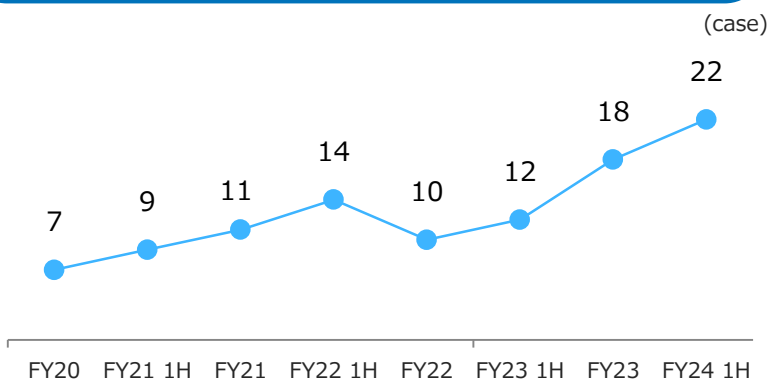
	FY23 1H			FY24 1H			YoY		
	(¥ billion)								
Credit-Related Costs		(1.0)	0.4	1.4	(0.0)	2.2	2.3		
Net provision to general loan loss reserve		(0.8)	(0.2)	0.5	(0.6)	(0.0)	0.6		
Disposal of non-performing loans (non-operating gains (losses))		(0.1)	0.7	0.8	0.6	2.2	1.6		
Net provision to specific loan loss reserve		(0.1)	0.6	0.8	0.5	2.2	1.6		
Provision to reserve for contingent losses		(0.0)	0.0	0.0	0.0	0.0	0.0		
Loans written off and loss on sale of claims		0.0	0.0	0.0	0.0	0.0	0.0		
Recoveries from written-off claims		0.0	0.0	0.0	0.0	0.0	(0.0)		
Credit cost ratio		(8.55)bp	3.42bp	11.97bp	(0.34)bp	8.65bp	8.99bp		

(Note)
In the table on the left, for the purpose of comparison with the past, reversal of allowance for loan losses is divided into net provision to general loan loss reserve and provision of specific loan loss reserve.

Changes in credit-related costs



Number of bankruptcies of companies in Yamanashi Pref. (Total liabilities of ¥10 million or more)



Source: Tokyo Shoko Research, Ltd.

Non-consolidated

(¥ billion)	FY23	FY24 (Plan)	YoY
Gross business profit	27.5	32.5	5.0
Interest Income	30.7	31.5	0.7
Interest on loans	21.7	24.4	2.6
Interest on securities	8.5	8.0	(0.4)
Fees and Commissions	7.7	7.2	(0.4)
Other operating income	(1.1)	(0.8)	0.3
Core gross business profit	37.2	37.9	0.6
JGBs and other bond transactions	(9.6)	(5.3)	4.3
Expenses	24.8	25.7	0.9
General provision to loan loss reserve	-	(0.0)	(0.0)
Net business profit	2.7	6.8	4.0
Core net business profit	12.4	12.1	(0.3)
Core net business profit (excluding gain on cancellation of investment trusts)	12.4	12.1	(0.3)
Non-operating losses	4.3	1.9	(2.4)
Disposal of non-performing loans	0.0	2.2	2.2
Stock and other related income	4.5	3.5	(0.9)
Ordinary profits	7.0	8.7	1.6
Net income	5.6	6.2	0.5

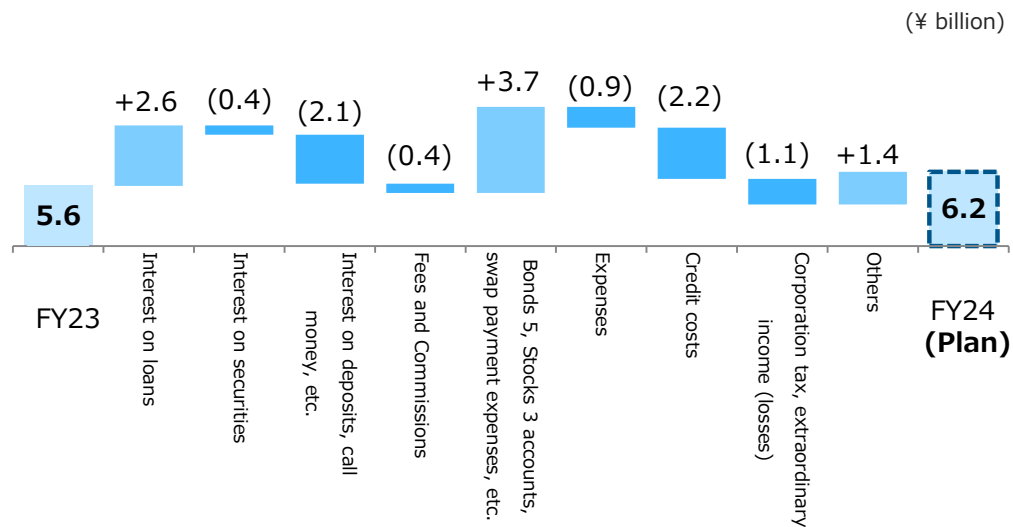
Consolidated

(¥ billion)	FY23	FY24 (Plan)	YoY
Consolidated ordinary profits	7.6	9.3	1.6
Profit attributable to shareholders of the parent	5.6	6.4	0.7

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

- Net income is expected to exceed that of the previous year, mainly due to an increase in interest on loans.

Factors contributing to the change in net income



Initiatives to Improve Corporate Value

Basic Policy to Improve Corporate Value

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

Capital-cost and stock-price conscious management practices

Board of Directors



Executive Members

Growth Strategy (Profitability Improvement)	Capital Strategy	Sustainability Strategy
<ul style="list-style-type: none"> ● Deepening and Expanding Core Businesses <ul style="list-style-type: none"> • Strengthen risk-taking, particularly in relation to loans and expand associated corporate-related fees • Reconstruction of securities portfolio • Shizuoka-Yamanashi Alliance initiatives ● Exploring New Businesses <ul style="list-style-type: none"> • Establishment of various business operation methods • Finding new revenue sources by helping to solve regional problems ● Strategic Investment <ul style="list-style-type: none"> • DX investment (digital foundation reform and next-generation channel reform) • Investment to improve productivity ● Group Company Strategy <ul style="list-style-type: none"> • Strengthen group management capability 	<ul style="list-style-type: none"> ● Effective Use of Capital <ul style="list-style-type: none"> • Capital allocation that focuses on a balance between soundness, profitability, and shareholder returns ● Shareholder Return <ul style="list-style-type: none"> • Maintain the payout ratio on profit attributable to owners of parent roughly at 30% • Take a flexible approach to acquisition of own shares ● Reduction of Strategic Shareholdings <ul style="list-style-type: none"> • Establish a strategic shareholdings reduction policy • Plan to reduce the balance by roughly 10.0 billion yen in fair-value terms during the medium-term plan period ● Enhancement of Dialogue with Shareholders and Institutional Investors <ul style="list-style-type: none"> • Appropriate information disclosure based on constructive dialogue 	<ul style="list-style-type: none"> ● Initiatives for Sustainable Management <ul style="list-style-type: none"> • Develop a structure to achieve sustainable management ● Responses to TCFD Recommendations <ul style="list-style-type: none"> • Strengthen efforts to resolve climate-related issues ● CO₂ Emission Reduction <ul style="list-style-type: none"> • Activities for reducing CO₂ emissions ● Human Capital Management Initiatives <ul style="list-style-type: none"> • Expand human capital investment • Human resource development policy and internal environment improvement policy • Diversity, Equity & Inclusion (DE&I) policy • Engagement survey

Medium- to Long-Term Targets

- Aim to achieve ROE of 3% or more during the period of the Medium-Term Management Plan “TRANS³ 2025.”
- Aim to achieve, by FY2027, quantitative goals of “consolidated net income of 10.0 billion yen or more” and “ROE of 5% or more” set forth as “ideal” toward closing the gap from the assumed cost of capital of 7%.
- Allocate capital in a well-balanced manner to growth investment, shareholder return, etc., while maintaining consolidated regulatory capital ratio roughly at 10%.

Long-term vision: Be a Value Creation Bank

Medium-Term Management Plan	[TRANS ³ 2025] From FY22 to FY24			Ideal From FY25 to FY27	
Fiscal year	FY2022 results	FY2023 results	FY23 1H results	By FY2024	By FY2027
Consolidated net income	5.0 billion yen	5.6 billion yen	3.0 billion yen	6.0 billion yen or more	10.0 billion yen or more
Consolidated dividend payout ratio	27.8%	30.1%	31.5%	Maintain the consolidated dividend payout ratio at approx. 30% Take a flexible approach to acquiring the Bank's own shares	
Consolidated regulatory capital ratio	10.72%	10.05%	9.95%	Approx. 10%	
EPS	161.78 yen	185.79 yen	101.28 yen	200 yen or more	330 yen or more
ROE	2.53%	2.77%	2.85%	3% or more	5% or more
PBR	0.18 times	0.26 times	0.22 times	0.3 times or more	0.5 times or more
Cost of capital	-	Assumed to be 7% (calculated based on CAPM, using Rp of 6.5%)			

Roadmap toward achieving consolidated net income of 10.0 billion yen

Toward achieving the Medium-Term Management Plan

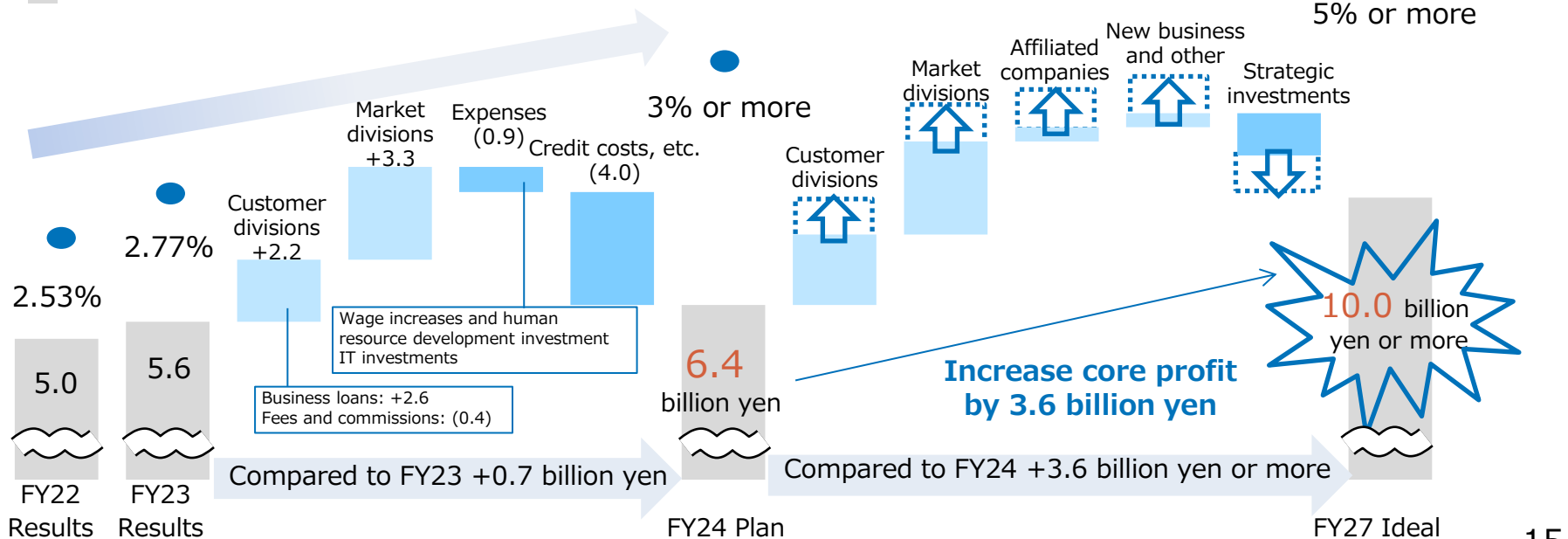
- Increase interest mainly on business loans
- Strengthen market investment capability through portfolio reconstruction
- Invest in growth fields to boost profit

Schematic illustration of increases in profit toward the ideal results

- Increase income from fund management by expanding loans and securities investments with improved capital efficiency
- Expand non-financial earnings in the field of consulting services
- Expand revenue base by rebuilding group strategy and launching new businesses
- Accelerate strategic (human capital, DX, etc.) investment

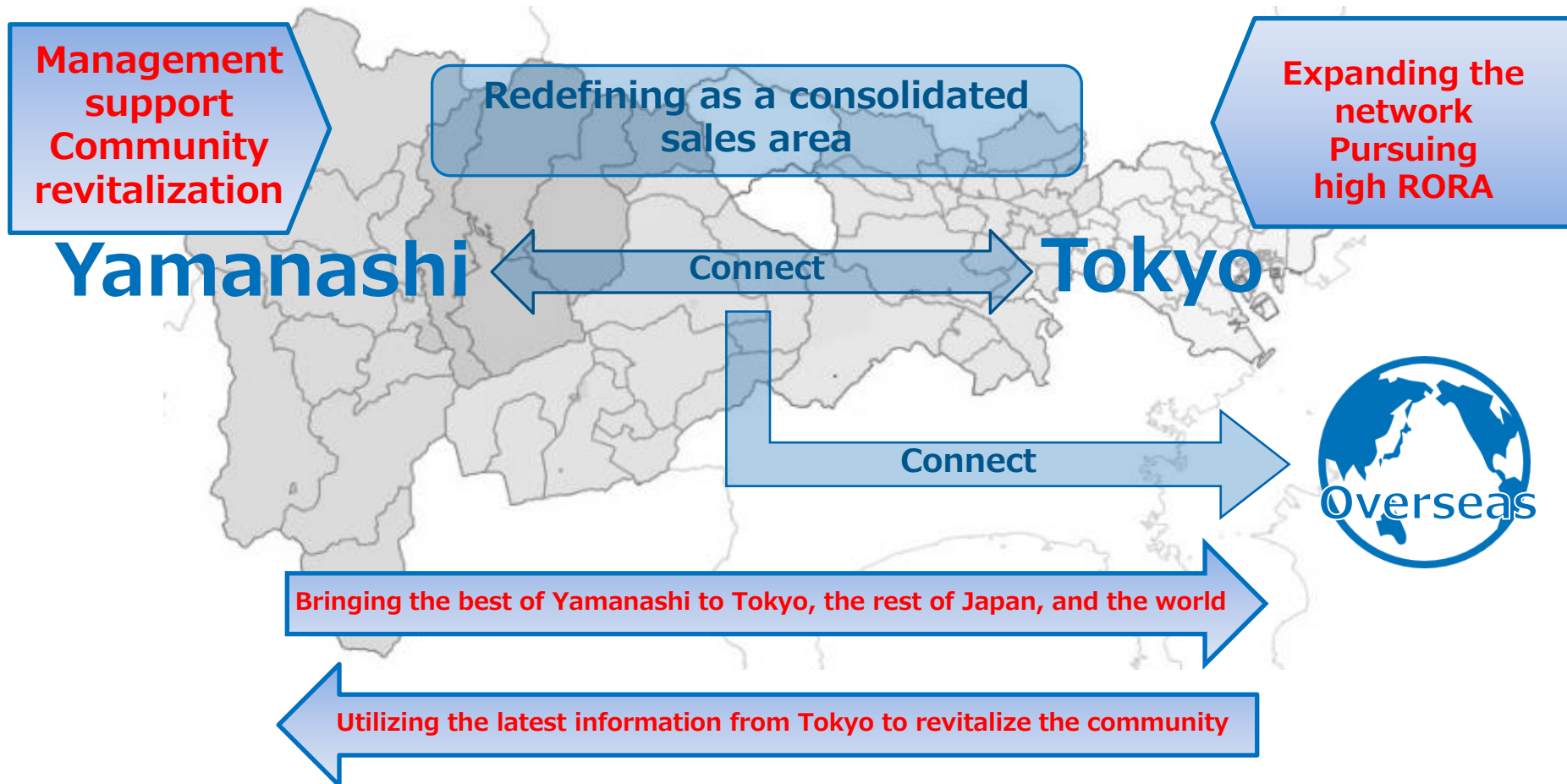
● : Consolidated ROE

■ : Consolidated net income (¥ billion)

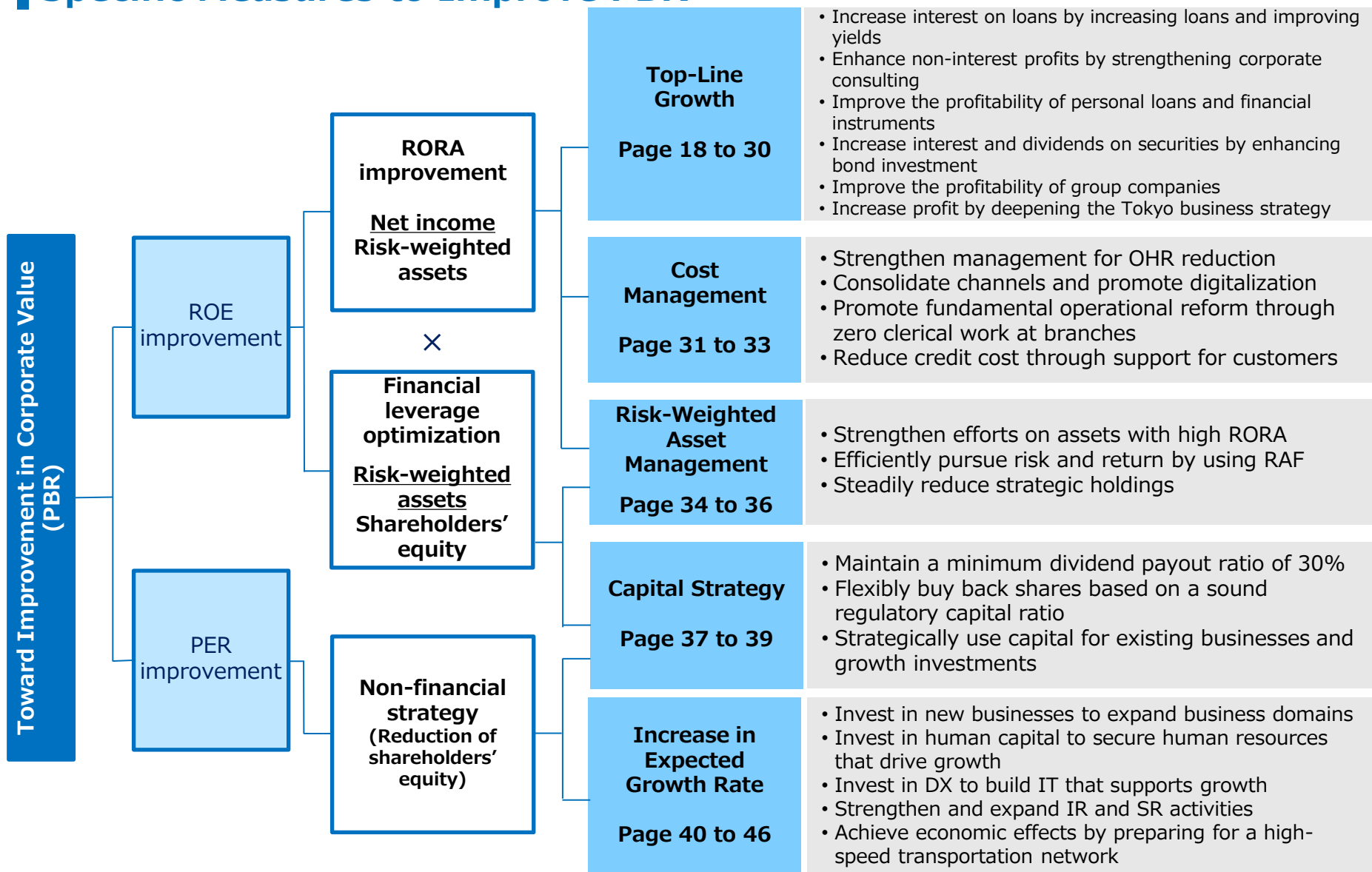


Vision for growth that effectively uses Yamanashi and Tokyo,
as well as overseas networks

“Open up a bright future from Yamanashi”



Specific Measures to Improve PBR



Specific Measures to Improve PBR

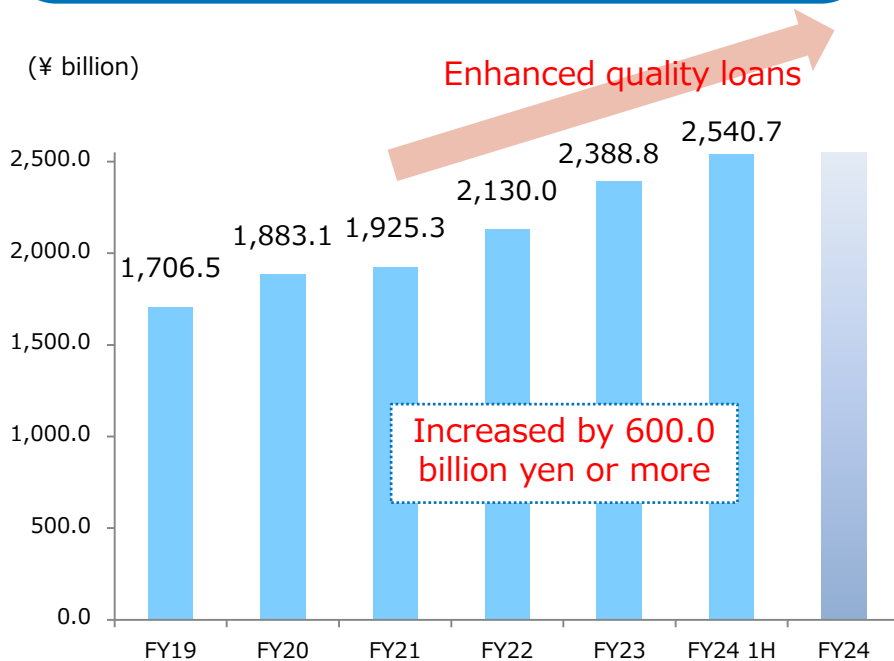
Top-Line Growth



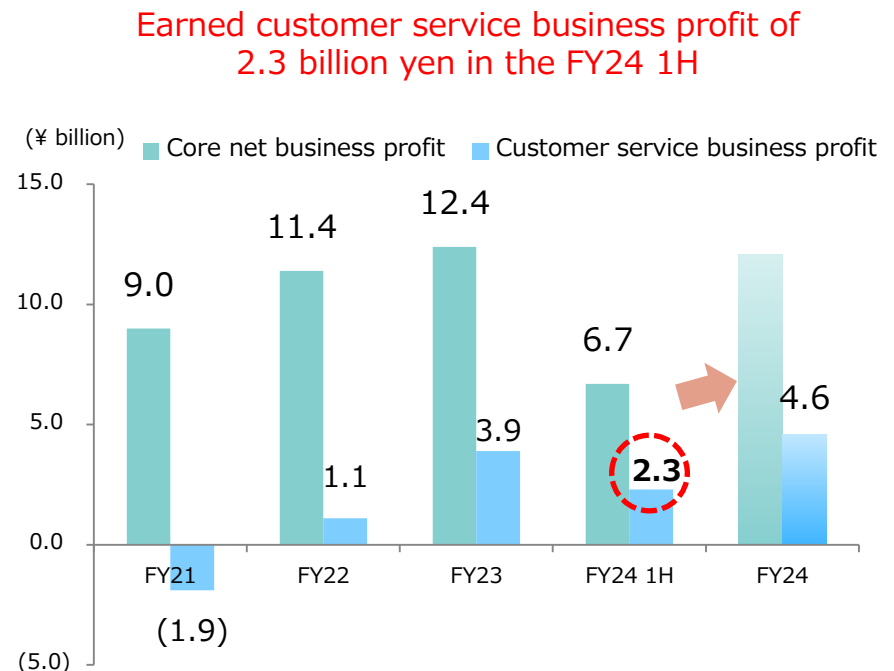
Top-line growth through increases in interest on loans drives Bank growth.

- Transformation into an organization focused on increasing profitability by balancing profit, risk-taking, and regulatory capital.
- **Reconstruction of the loan portfolio by increasing high-quality loans with RORA in mind.**
- We use return on risk assets (RORA), a return-on-capital indicator, as a basis for loan interest rate judgments and decision-making.

Average loan balance

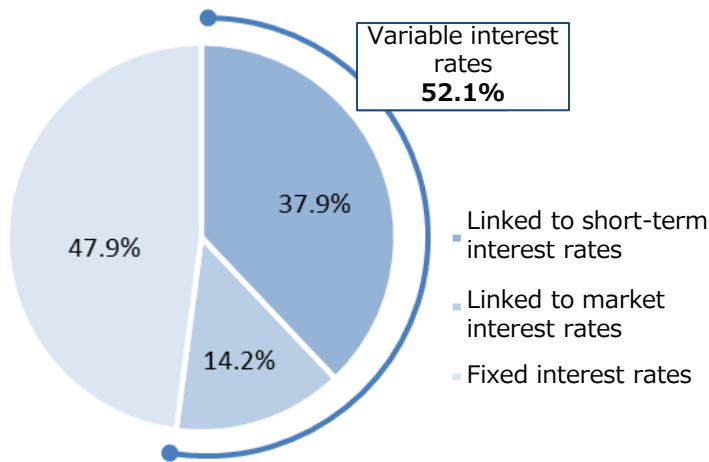


Core net business profit and customer service business profit

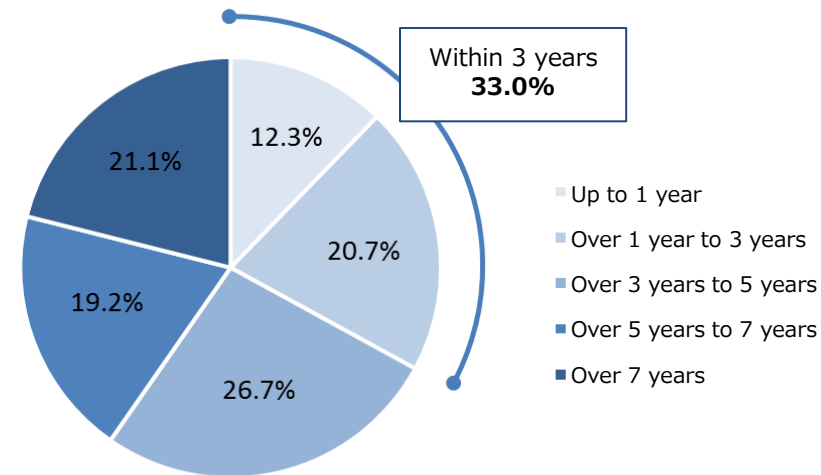


Loans with variable interest rates: 52%; fixed interest rates loans within 3 years: 33%

Composition by base rate



Fixed interest rate breakdown



Impact of rising interest rates on the top line

	FY2025	FY2026	FY2027
(1) Increase in interest on loans(*)	4.1 billion yen	4.9 billion yen	5.2 billion yen
(2) Increase in interest on deposits(*)	3.0 billion yen	3.3 billion yen	3.5 billion yen
(3) Increase in interest income ^{((1) - (2))}	1.1 billion yen	1.5 billion yen	1.7 billion yen



Total increase over 3 years
 Approx. 4.3 billion yen

(*) Increase in interest if the policy interest rate increases by 25 bp (once)

- Interest on loans is expected to increase more than interest on deposits, so higher interest rates will have a positive impact on the top line.

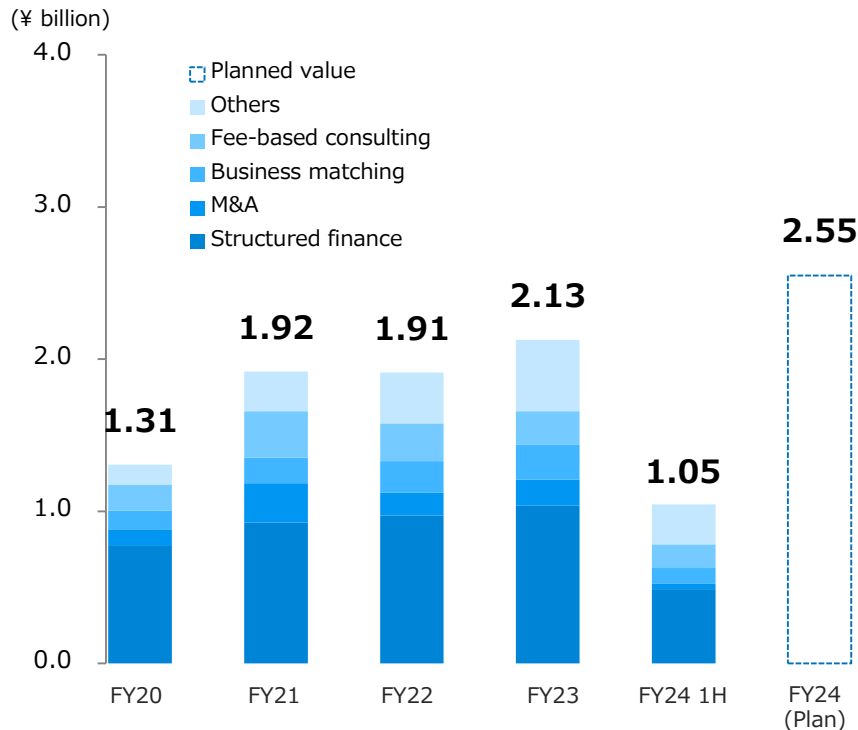
Increase fees and commissions revenue by strengthening consulting support to customers.

Change in revenue from corporate-related fees and commissions

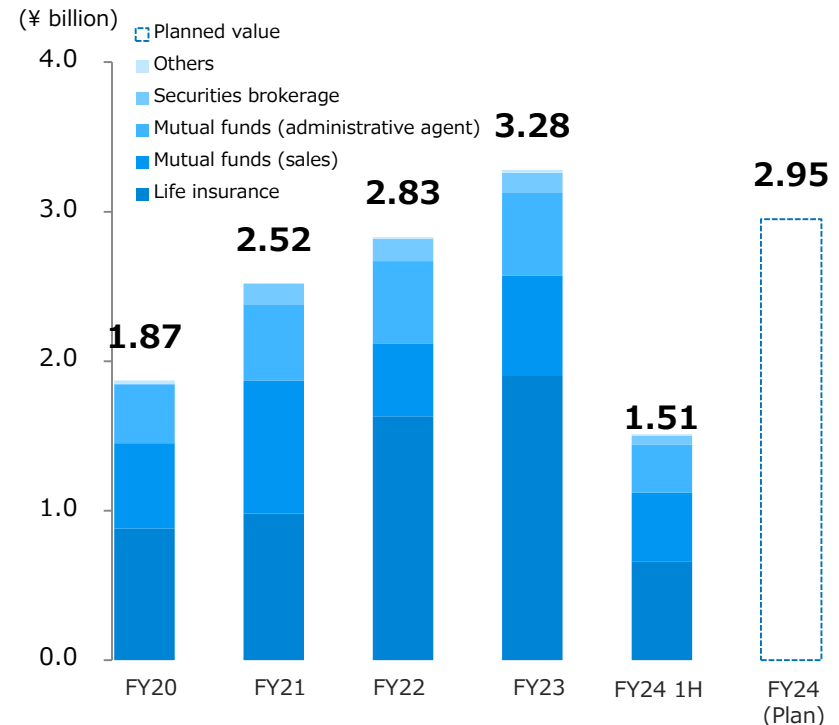
- Corporate-related services increased steadily mainly in the areas of structured finance, and fee-based consulting services.
- We aim to quickly generate revenues from our newly launched ICT and sustainability-related consulting services.

Change in revenue from financial instrument-related fees and commissions

- Steady growth in the number of NISA accounts due to promotion of the NISA system led to an increase in investment trust sales commissions and administrative agency commissions, but a decrease in fees and commissions for life insurance.
- We will strengthen broad-based wealth management, including non-financial services.



* Including the results of derivative transactions, etc.

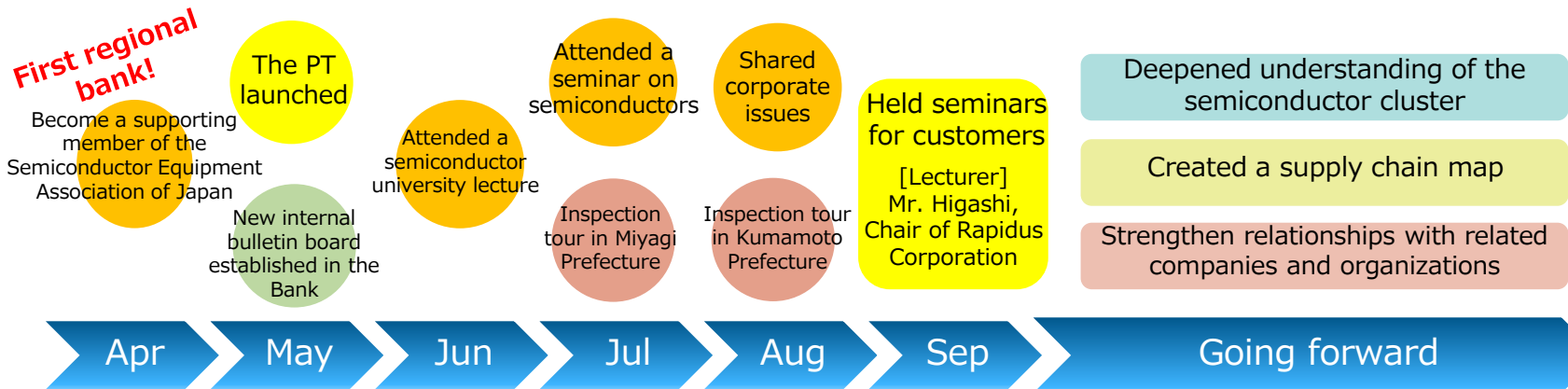


Initiatives to support the semiconductor industry

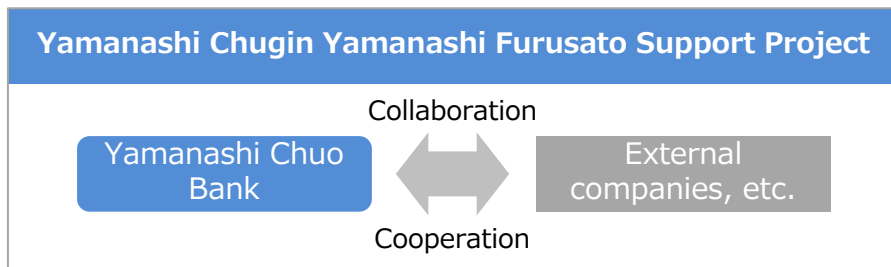
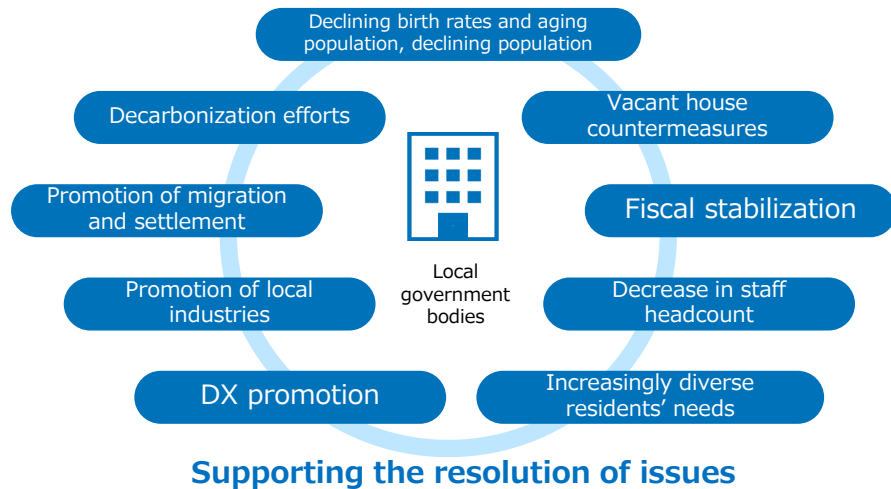
- Established the “Semiconductor Project Team (PT)” to reinforce our system for supporting semiconductor-related companies that are expected to grow.
- With the slogan “Aiming to be a bank that excels in semiconductors,” we aim to deepen our understanding of the industry and expand our range of support proposals.
- The team consists of 20 people, including the Senior Managing Director in Charge of Sales, Head Office Divisions, branches in charge of semiconductor-related companies, and people who have been seconded to companies in the industry.



History of the Semiconductor PT



Realization of solution of regional problems and acquisition of new revenue opportunities through administrative measures promotion support.



Switching to a fee-based service and rationalization of the collection and payment agent service

- Yamanashi Prefecture and all municipalities in the prefecture have implemented the fee-based handling of payment slips.
- Approximately 140 million yen in annual revenue is expected from switching to a fee-based service, and streamlining of collection and payment agent service will be achieved.
- The 2024 slip-less and cashless payment promotion project implemented at the same time in Yamanashi Prefecture to reduce the number of payment slips.



Switching to a fee-based bank transfer service

- Yamanashi Prefecture implemented the fee-based service in October 2024.
- Approximately 22 million yen in annual revenue is expected from switching to a fee-based service.
- Discussions are underway with 23 municipalities in the prefecture to appoint the Bank as the designated financial institution.

● As the only regional bank in the prefecture, we will work to support administrative and financial operations, revitalize the local economy, and create sustainable communities by providing a variety of consulting and outsourcing services to local government bodies.

Consideration of establishing a new company to secure a new source of revenue by helping to solve regional problems.



100% owned by the Bank



Regional general trading company

Tourism value creation project

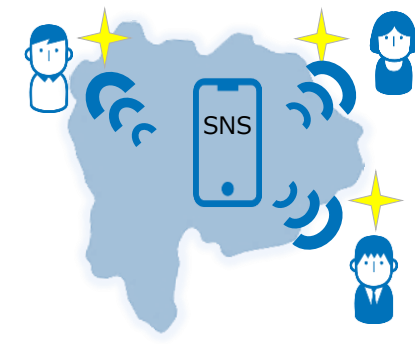
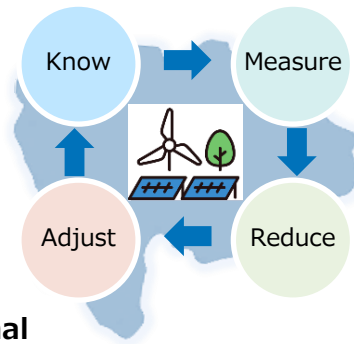
- Discover attractive local tourism resources and local products
- Create new tourism value
- Transmit (sell) to domestic and foreign tourists

Decarbonization-related business

- One-stop support for local decarbonization from four perspectives: Know, Measure, Reduce, and Adjust.

Advertisement and marketing business

- Disseminate information to expand awareness and enhance brand value
- Strengthening points of contact with customers
- Support for the use of social media



Solving regional problems
Expanding the Bank's revenue
Prosperity of local communities
Development of the local economy

Open Up a Bright Future from Yamanashi

Expecting a large economic ripple effect

Specific initiatives of the tourism value creation project and the decarbonization-related business.

Educational tour sales for domestic groups (students)

Selling “financial education tours” using the Bank’s resources

Yamanashi Chuo Bank



JTB



[The Bank’s strengths]
Financial Museum
Know-how on financial education, etc.

[JTB’s strengths]
Knowledge and experience in educational tours
Strong connection with schools

Middle and high schools



Expanding needs for out-of-school learning and financial education and problem solving

Tour of the Financial Museum



Financial education seminar



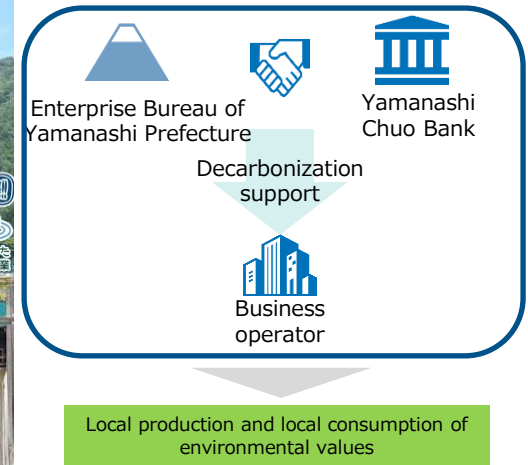
Game-based learning



- Conducted on Friday, September 27, 2024 for junior high school students in the prefecture

Promoting decarbonization management using a hydroelectric power plant

Project name	Demonstration project to promote a decarbonization management model using Prefectural Hydro FIT non-fossil certificates
Overview	Promote decarbonization efforts by returning the environmental value (non-fossil certificates) generated by small hydroelectric power plants in the prefecture to local business operators.
The Bank’s roles	Support public solicitation and selection of business operators, and formulation and implementation of decarbonization initiatives by business operators
Demonstration period	October 1, 2024–March 31, 2025



Rise in decarbonization momentum Revitalization of the local economy

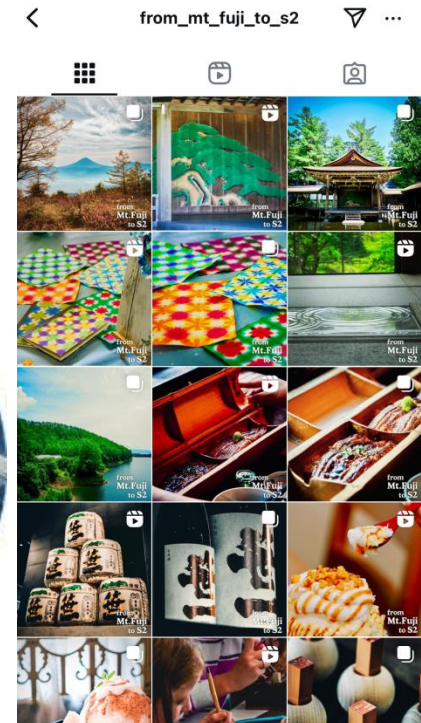
Specific initiatives in the advertisement and marketing business

Creation of a TikTok account “A Local Banker”

Account	A Local Banker
Account ID	@toaru.chihounoginkoin
How it started	Started using TikTok to expand contacts with the younger generation, the next generation of the bank’s main customers. After about 1.5 years of operation, the account reached 10,000 followers and was announced as an official account on September 19, 2024.
Concept	As a gateway to information and knowledge about money, we provide content that is entertaining and easy to understand, even for beginners, from a banker’s unique perspective.
Posting start date	January 16, 2023 (Mon)

Launch of an Instagram account linked to the tourism value creation project

Account	From Mt.Fuji to Hidden Gams
Account ID	@from_mt_fuji_to_s2
Concept	With Mt. Fuji as the starting point, the site provides information on transportation and time required to reach tourist resources throughout the prefecture from Mt. Fuji.
Posting start date	April 23, 2024 (Tue)



Strengthening efforts in collaboration with VC funds

- We will focus on various aspects such as fostering new industries, working on new business areas for the Bank, and revitalizing local communities by connecting local communities and ventures.

Yamanashi Chuo Bank Group

Investment in VC funds

- Improved knowledge of fintech companies
- Cooperation with new businesses and ventures
- Introduction of Japanese and U.S. ventures to the region
- Collaboration in venture businesses
- Human resource development of bank employees
- Collaboration in venture businesses
- Startup support in cooperation with Yamanashi Prefecture



Investment commitment amount:
approx. 1.5 billion yen

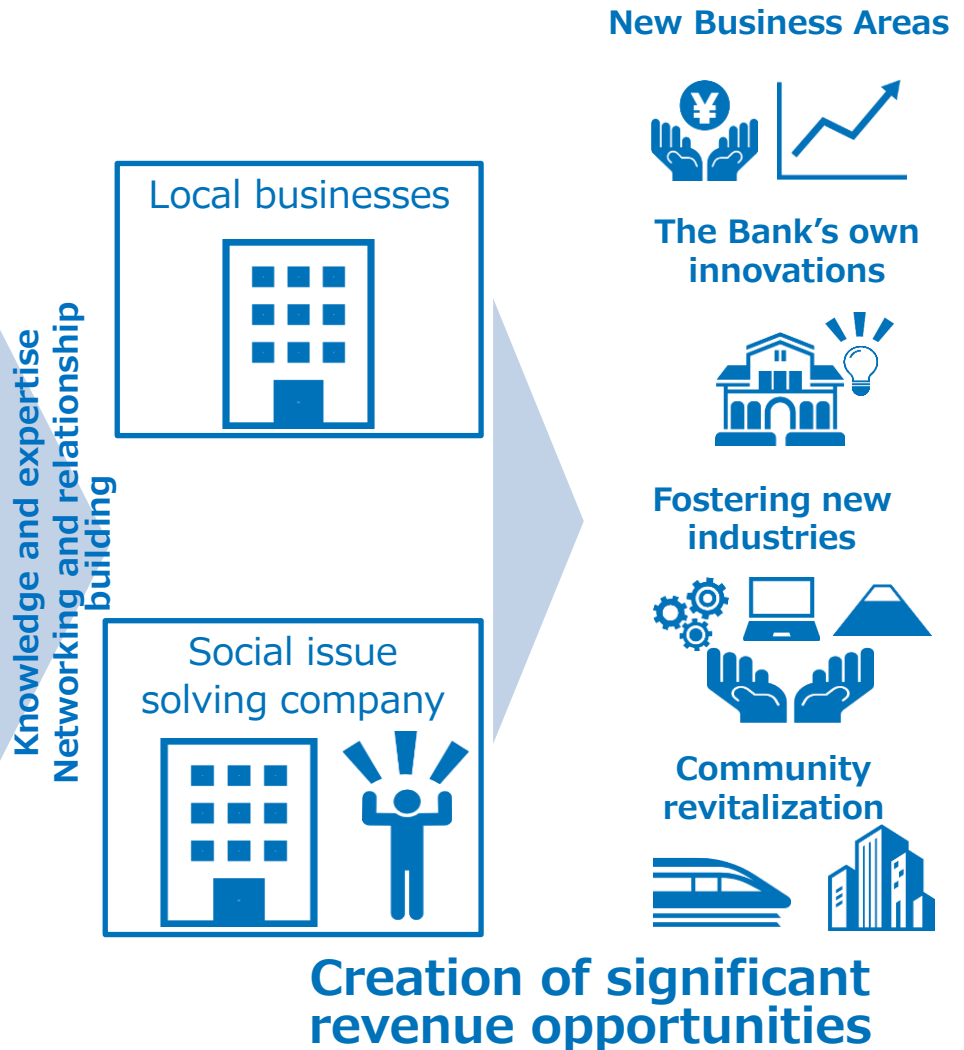


Dispatch bankers to start-up support companies

Yamanashi Chugin Management Consulting

Fostering businesses that will play a key role in the region's future

Support for growth and start-up areas



Building a portfolio for future revenue growth

- Interest and dividends on securities (net of funding costs) for the first half of FY2024 were 4.2 billion yen, exceeding those of the previous year (3.6 billion yen) due to factors such as an increase in JGB holdings when interest rates rose.
- In a market environment that remains volatile, we are focused on improving the quality of our portfolio to grow future revenue while controlling risk.

Upgrading portfolio management



- Management focused on the basic portfolio
- Using advice from Yamanashi Mirai Investment

Strengthening the profitability of securities investment

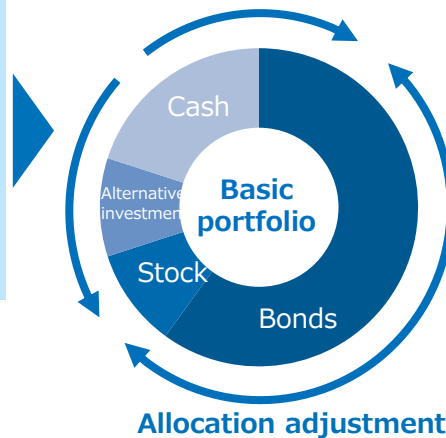


- Rising interest rates make investment in yen bonds attractive
- Increasing yen bonds based on market trends

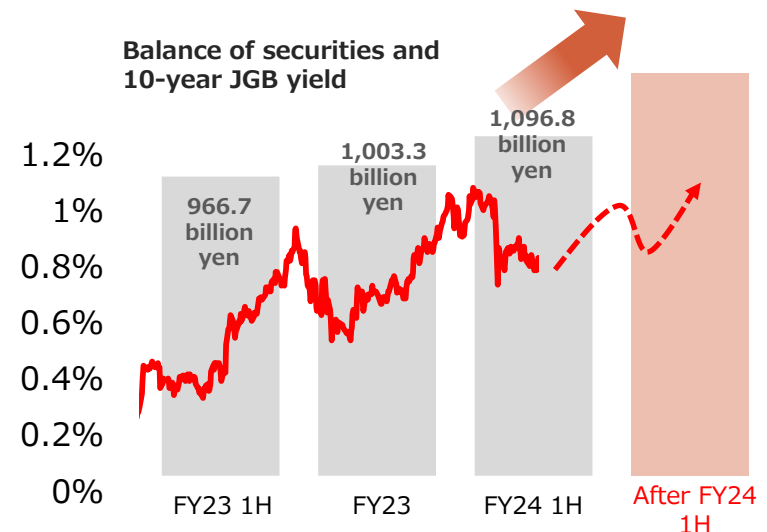
Take on challenges in new business!



- Establishing a basic portfolio from a medium- to long-term perspective.
- Adjusting allocations based on advice from YMI.

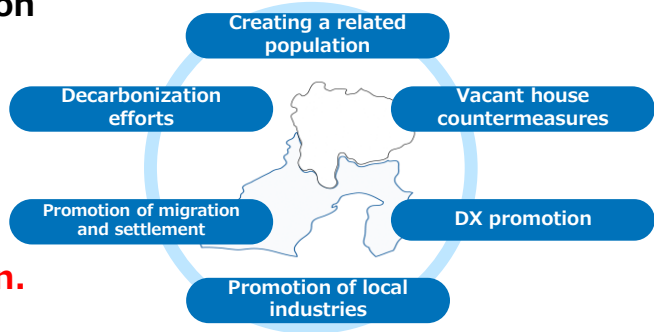


Balance of securities and 10-year JGB yield



Aiming for sustainable development with the local community through an alliance with Shizuoka Bank.

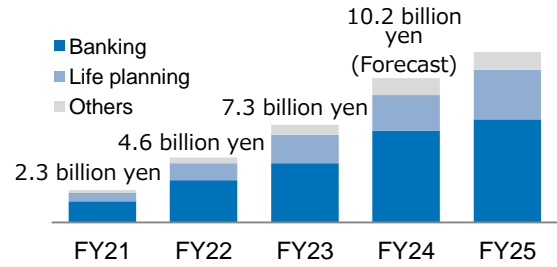
- In the fourth year of the alliance, **the initial KPI (a total of 10.0 billion yen over five years for both banks) is expected to be achieved.**
- The revised KPI of **12.0 billion yen is also expected to be achieved in five years.**
- In the future, **we aim to help develop the economies of both prefectures by creating new synergy effects through joint measures that contribute to solving problems affecting the region.**



FY2024 single-year results

Earnings benefits (expected)
 Approx. **2.94 billion yen**
 Compared with the single-year target: **105%**

Five-year equivalent effect



Earnings benefits (expected)
 Approx. **12.24 billion yen**
 Compared with 5-year target: **102%**

Major results (total)

Finance field

Structured finance	Syndicate loans, etc.
Syndicated loans 91.7 billion yen	Co-formation 43.0 billion yen

Life planning field

Establishment of Shizugin TM Securities Yamanashi Head Office (April 2021 or later)

Sales of assets under custody 58.2 billion yen	Balance of assets under custody 31.3 billion yen
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Local economy vitalization field

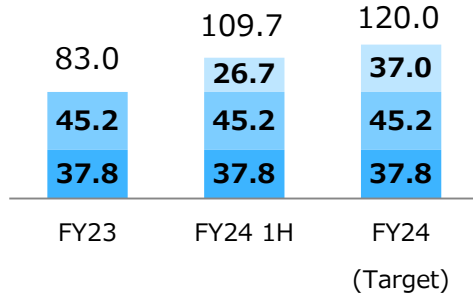
Jointly invested business succession fund	Individual business meetings to connect companies in Yamanashi and Shizuoka
Portfolio companies: 6	Meeting held: 28 times
Execution amount: 0.75 billion yen	Successful deals: 204

Offering comprehensive financial services by leveraging group functions.

Yamanashi Chuo Guarantee

Increase through cooperation with banks

[New guarantee amount of housing loans]



Yamanashi Chugin Lease

Asset size

Plan to double the lease balance

Jan. 2023

Total receivable balance
Approx. 9.6 billion yen

Current status
Total receivable balance
16.4 billion yen

Target point
Mar. 2026

Total receivable balance
Over 18.0 billion yen

Time

Yamanashi Chugin DC Card

Strengthen the JiMOCA brand

JiMOCA partners	FY22	FY23	FY24 1H
Number of businesses	188	202	203
Number of branches	519	527	535

Yamanashi Chugin Management Consulting

Feb. 2024

Establishment of Yamanashi Sustainable Investment Business

Limited Partnership

(1.0 billion yen)

Investment amount: 0.18 billion yen

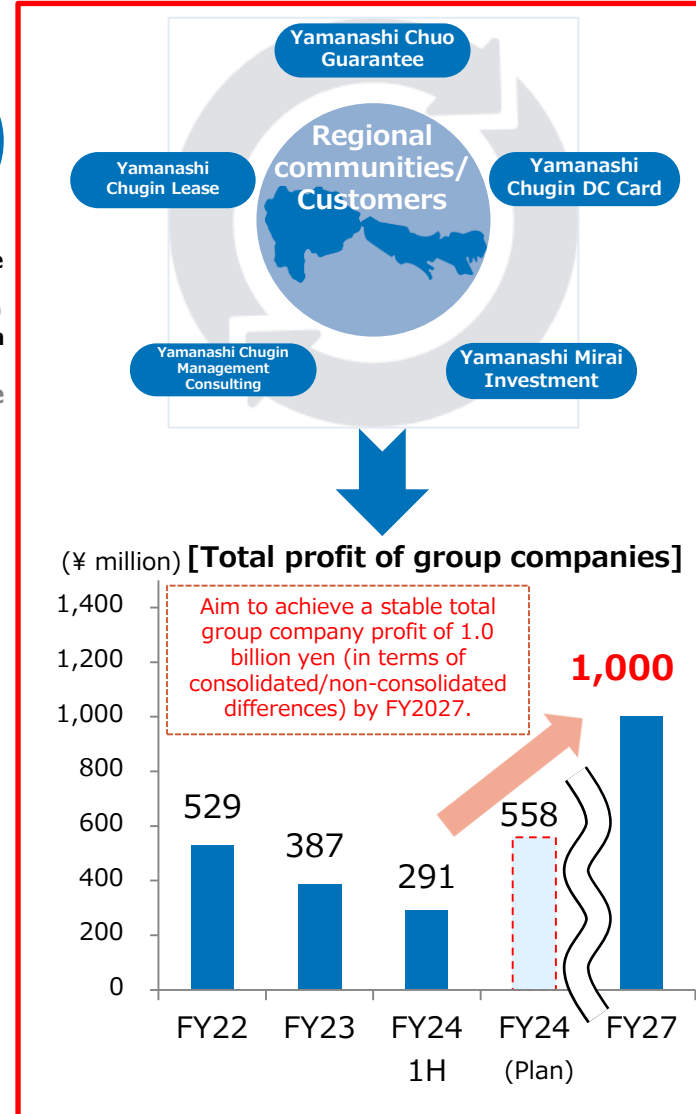
Yamanashi Mirai Investment

Dec. 1, 2023: Established

Mar. 1, 2024: Start of business

Final profit target as of Mar. 31, 2025: 18 million yen

Final profit target as of Mar. 31, 2028: **75 million yen**



* Figures for FY2023 are approximate and exclude gains on intergroup share transactions.

Specific Measures to Improve PBR

Cost Management



Endeavors to make the app the main channel for customers following its introduction.

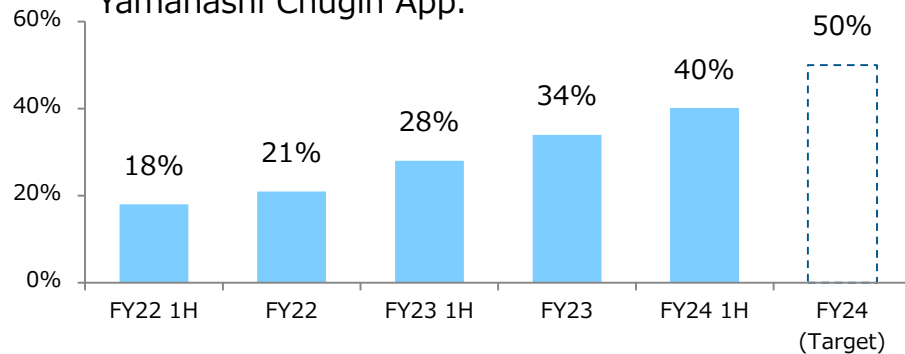
<Home screen of the Yamanashi Chugin App>



<p>Introduction of Yamanashi Chugin App</p>	<ul style="list-style-type: none"> Started usage of Yamanashi Chugin App, a banking application for individual customers, on April 18, 2023. Equipped with account-opening functionality through eKYC, enabling customers to open savings and other accounts at all branches by applying online.
<p>Improvement of functions of Yamanashi Chugin App, Yamanashi Chugin Direct</p>	<ul style="list-style-type: none"> We integrated mortgage balance inquiries, family account inquiries, and other new features into the Yamanashi Chugin Direct in July 2024 and the Yamanashi Chugin App in August 2024, with the aim of making them the main channel for individual customers. We are also working on UI/UX improvements by leveraging the knowledge of external advisors.

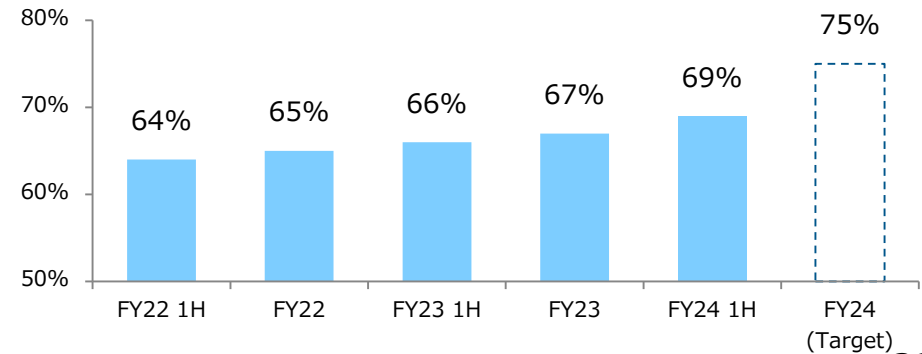
Penetration rate of the bank app

- Accelerate promotion focusing mainly on Yamanashi Chugin App.



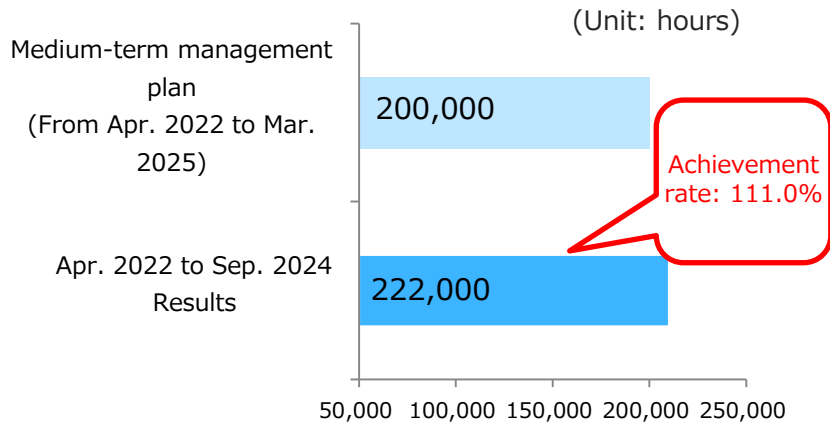
Acquisition rate of e-mail address

- Increase number of e-mail and SMS recipients.



Achieve zero clerical work at branches through implementation of various measures.

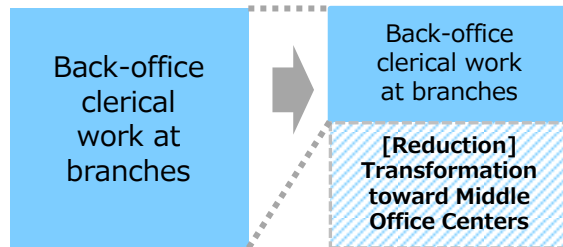
Reduction of clerical work load (hours)



Major initiatives

Simplification	<ul style="list-style-type: none"> Review of verification operations for back-office clerical work at branches Changes in administrative procedures for centralized mortgage loan processing, etc.
Centralization	<ul style="list-style-type: none"> Expansion of inheritance acceptance centralization Expanding centralization of back-office clerical work at branches to middle office centers, etc.
Systemization	<ul style="list-style-type: none"> Completion of implementation of semi-self-service terminals to improve the efficiency of high counter operations at all branches Improve the efficiency of low counter operations through functional improvement of the dedicated tablet terminal for counter services, etc.

Development of Middle Office Centers



Development in all branches completed in August 2023

Introduction of semi-self-service terminals



Development in all branches completed in June 2024

Improve features of dedicated tablet terminal for counter services



Functional improvement operations: 9 operations

Functional improvement through agile development

Specific Measures to Improve PBR

Risk-Weighted Asset Management

Initiatives to improve RORA

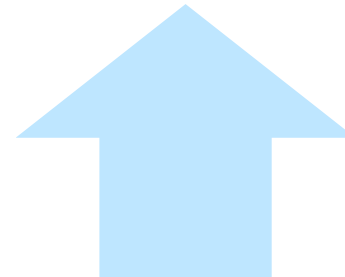


Accumulation of high RORA deals

- Establish a system to share RORA simulations between branches and head office when considering corporate loans, and start full operations. (from April 2024)
- Launch an initiative to calculate RORA for each category at the time of semiannual budgeting and review with the ALM Committee. (from July 2023)

Initiatives to improve low RORA

- System development is underway to link the risk-weighted asset calculation system with the revenue management system to analyze RORA data. (Operation to begin in July 2024 or later)
- RORA is used as a priority indicator in efforts to reduce policy investment.



Strengthening non-asset business

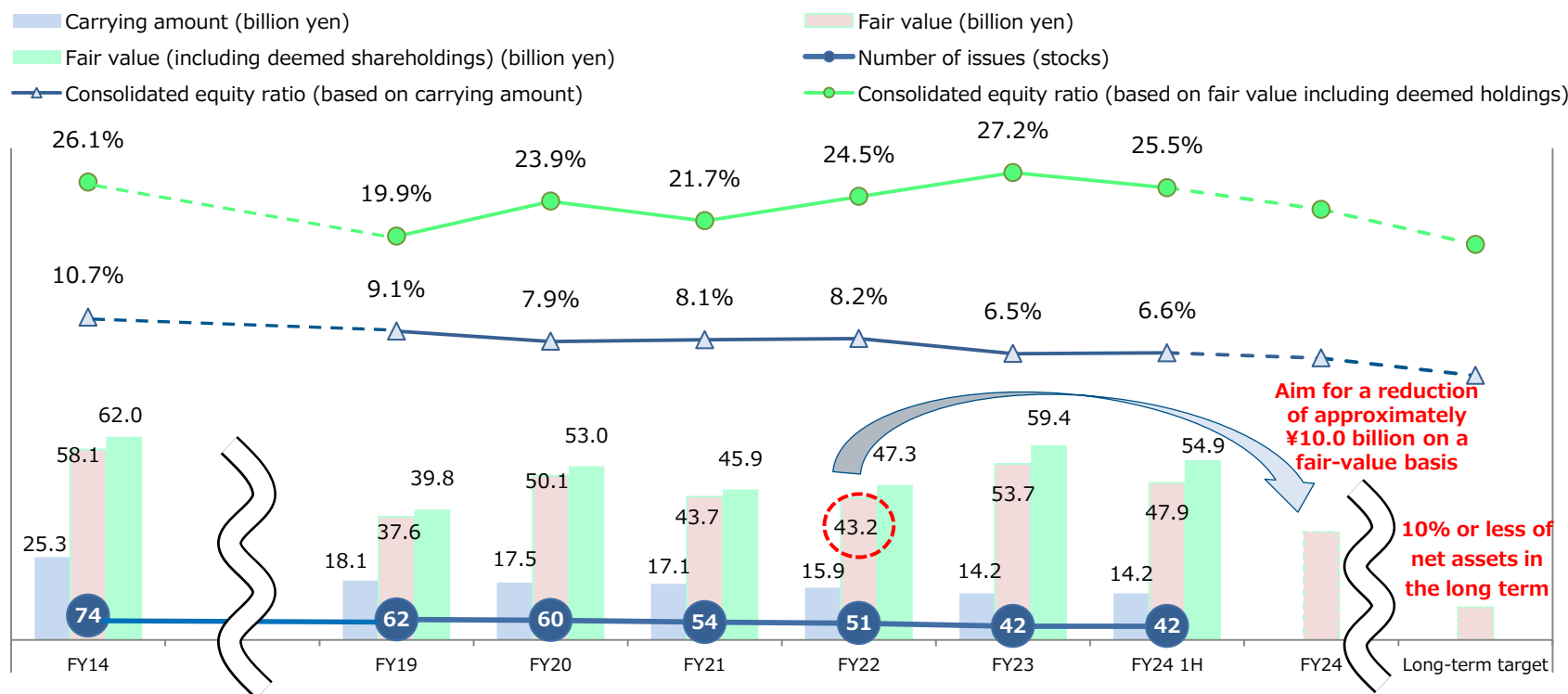
- Increase non-interest operating income through consulting support and other services to meet the needs of all types of customers, including corporations, individuals, and local government bodies.
- Increase group profit, including the newly established Yamanashi Mirai Investment.



Promote the reduction of strategic shareholdings to improve capital efficiency.

- Reduce listed strategic shareholdings by approximately 10.0 billion yen* on a fair-value basis by FY2024. (* Compared to FY2021, excluding changes in fair value)
- **Reduce 12 companies for 6.5 billion yen (on a fair-value basis)** by FY2024 1H.
- We will continue to strengthen dialogue with our business partners to reduce shareholdings and consider measures to reduce the **consolidated equity ratio (on a fair-value basis) to 10% or less.**

<Changes in strategic holdings of listed shares>



Specific Measures to Improve PBR

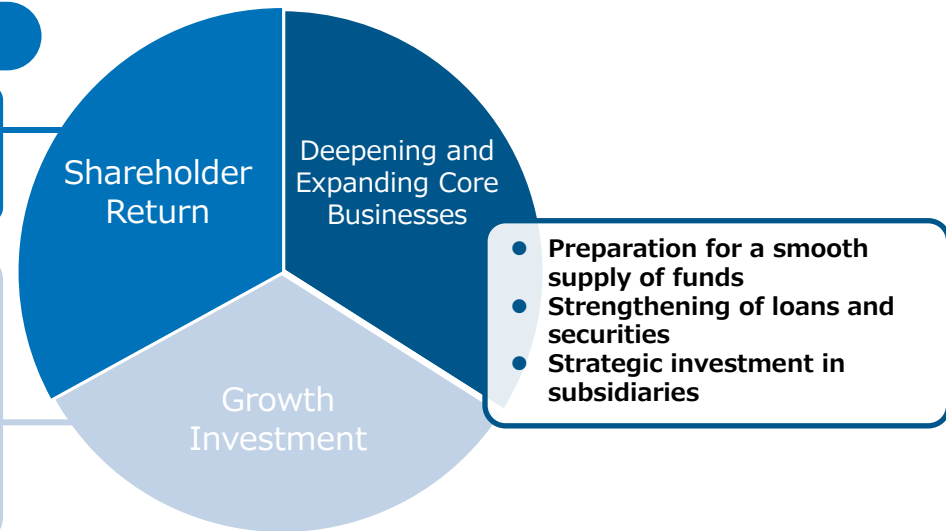
Capital Strategy

Capital allocation

Well-balanced capital allocation

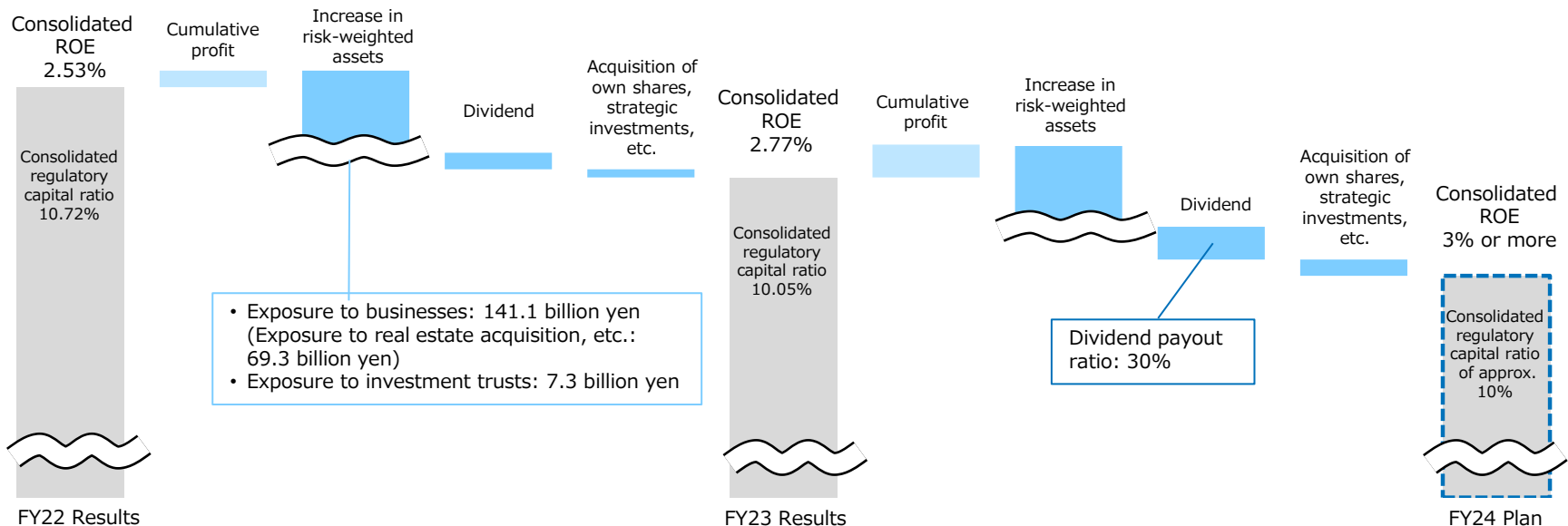
- We aim to maintain dividends at approximately 30% of profit attributable to owners of the parent.
- We will take a flexible and agile approach to acquiring the Bank's own shares.

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



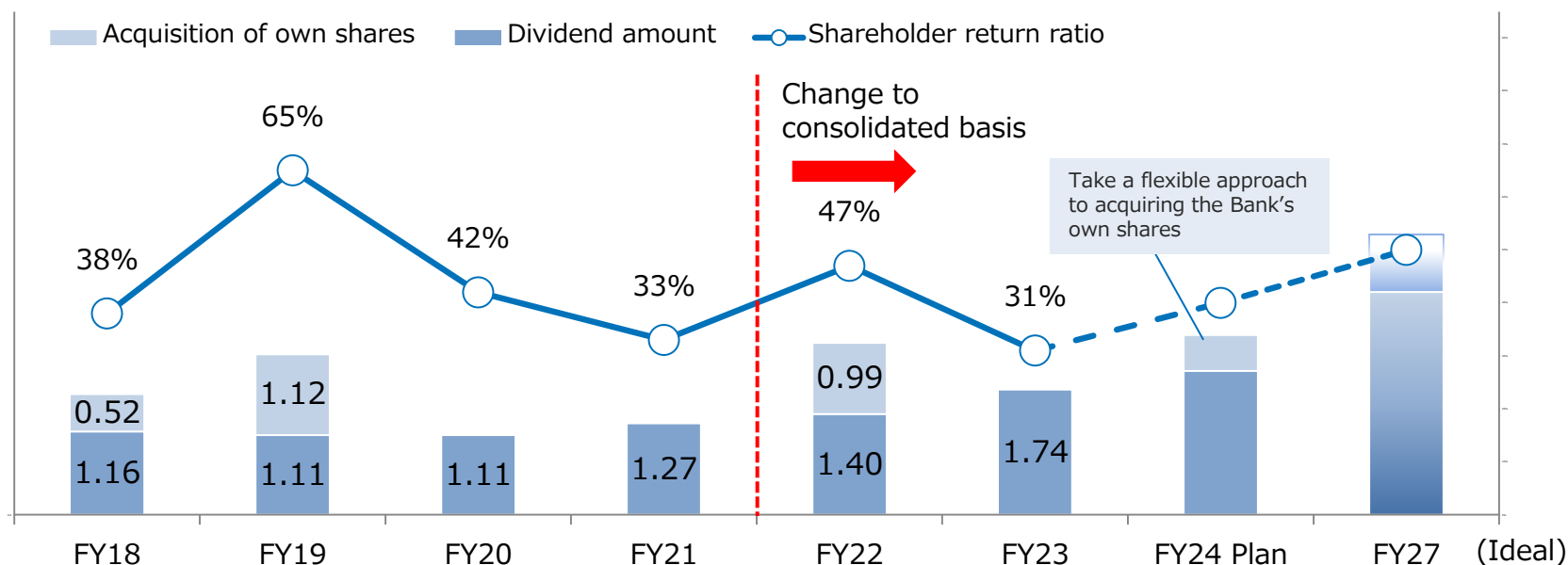
- Preparation for a smooth supply of funds
- Strengthening of loans and securities
- Strategic investment in subsidiaries

Example of capital allocation



Consecutive dividend increases are also planned for FY2024.

(Unit: ¥ billion)



Dividend per share	¥35	¥35	¥35	¥40	¥45	¥56	¥64	¥100
Non-consolidated net income	¥4.4 bn	¥3.4 bn	¥2.6 bn	¥3.8 bn	¥4.5 bn	¥5.6 bn	¥6.2 bn	-
Consolidated net income	¥4.9 bn	¥3.7 bn	¥3.0 bn	¥4.2 bn	¥5.0 bn	¥5.6 bn	¥6.4 bn	¥10.0 bn
Consolidated dividend payout ratio	23.7%	30.0%	36.1%	30.1%	27.8%	30.1%	30.4%	-
EPS	¥147.15	¥116.43	¥96.92	¥132.73	¥161.78	¥185.79	-	-
BPS	¥6,652.04	¥6,183.83	¥6,849.57	¥6,515.85	¥6,129.98	¥7,143.86	-	-

Specific Measures to Improve PBR

Increase in Expected Growth Rate





Initiative toward realizing human capital management based on various policies

Human Resource Development Policy

Improving skills

Self-study support system

A system that subsidizes half the cost of courses, including business schools and external paid seminars, taken for personal development and career advancement.

Examples of seminars:

Branding, EQ (emotional intelligence), wine courses, etc.

Exploring New Businesses

Development of new businesses and services

Initiatives aiming to develop new businesses with support from outside professional organizations on how to come up with new business ideas, build business models, etc.

[Total participants] 23
(Newly hired employees to managers)



[Ongoing projects] 2 projects

Internal Environment Improvement Policy

Career design

My Career Coordination Program

1. Post challenge (Transfer to the head office)
Total number of strategic personnel reallocation through open recruitment: 14 employees
2. Side job (Participation in projects inside the Bank)
* New business development projects, etc.
Total participants: 87
3. Job trials (Experience in the head office operations)
* FD-related, system development, support for newly hired employee training, sales for Group companies, etc.
Total participants: 168

Financial wellness

Review of incentives for the Employee Stock Ownership Plan from March 2023

Increased incentive payments and the introduction of the Trust-based Employee Shareholding Incentive Plan resulted in a high participation rate.

Ratio of employees joining the Employee Stock Ownership Plan as of September 2024
84.5%

Diversity, Equity and Inclusion Policy

Hiring mid-career professionals

Strengthening mid-career recruitment

	FY2023	Sep. 2024
Hiring mid-career professionals	17	22
Welcome Back system*1	3	1
Referral recruitment*2	1	5

*1...System for employees who have resigned from the Bank to rejoin the Bank.

*2...Staff referral system.

Support for women's empowerment

Demonstration of the capabilities of diverse human resources

The ratio of female managers and supervisors has steadily increased every fiscal year as we support the career development of women and improve the environment in which diverse human resources can play an active role.

	FY2022	FY2023	Sep. 2024
Ratio of female managers and supervisors	14.8%	17.2%	21.2%



Conducting an engagement survey for initiatives to improve the work environment

- **October 2023: Conducted and analyzed the engagement survey**

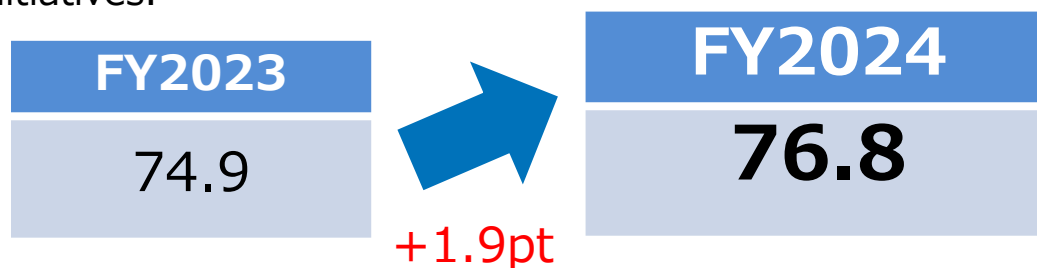
Surveyed employees on their “expectations” and “actual feelings” in 16 areas, including job performance, evaluation and remuneration, and corporate culture, visualized the results as scores based on the difference (gap), and extracted issues.

- **(Example of measures) August 2024: Training for all bank employees**

The results of the survey were analyzed and training was provided to all employees by an outside lecturer in the areas identified as issues.

- **October 2024: Conducted the second engagement survey**

The FY2024 survey showed a 1.9-point improvement over the previous survey. Going forward, we will promote initiatives to improve engagement at each affiliated unit, such as Head Office Divisions and branches, evaluate the effectiveness of the measures we have implemented, and work to further improve engagement through both bank-wide and affiliated unit initiatives.

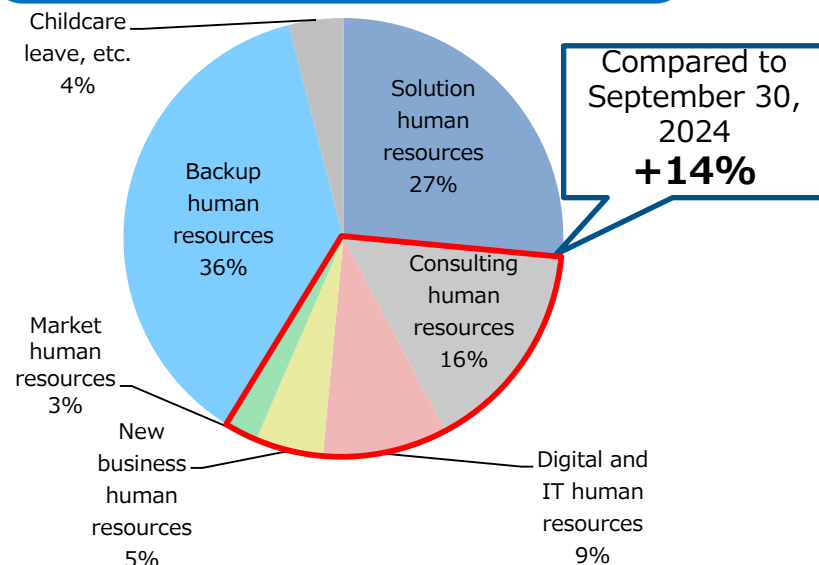


Transition toward the target human resource portfolio

Current portfolio (as of September 30, 2024)

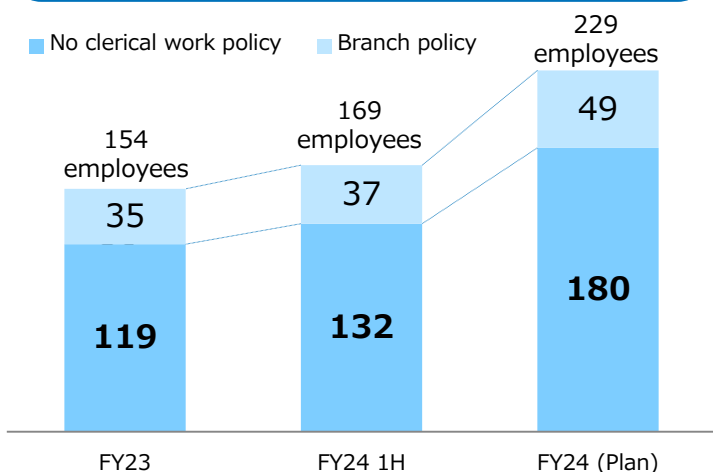
	FY22	FY23	FY24 1H
Solution human resources	38%	37%	35%
Consulting human resources	7%	10%	11%
Digital and IT human resources	3%	5%	5%
New business human resources	0.5%	0.5%	2%
Market human resources	1.5%	1.5%	1%
Backup human resources	46%	42%	43%
Childcare leave, etc.	4%	4%	3%

Target Human Resource Portfolio

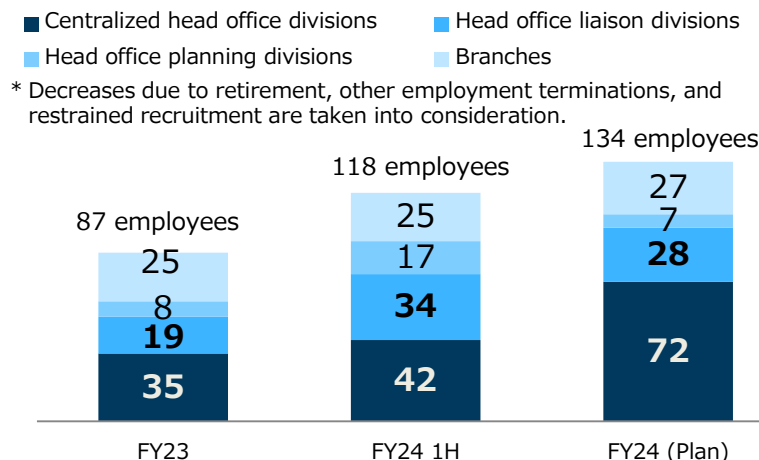


Strategic personnel allocation during the period of the Medium-Term Management Plan

Creation of human resources (headcount)



Deployment of human capital (headcount)



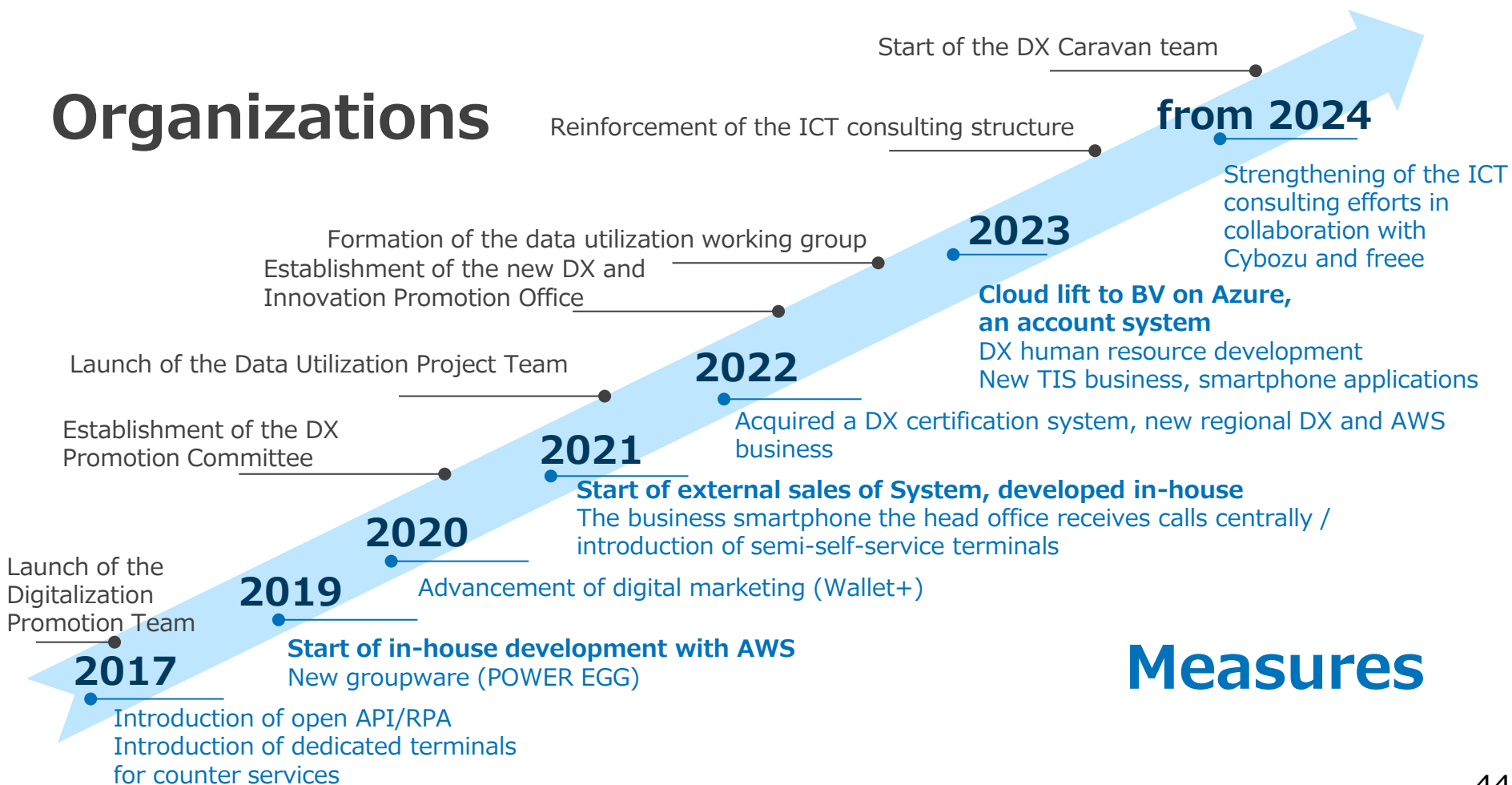
Returning expertise and knowledge, obtained through the Bank's DX activities, to regional society and customers.

Analog to digital through Sep. 2020

Clarification of digital strategy from Oct. 2020

Open innovation from Apr. 2024

Organizations



Measures



Improvement of communication gap through dialogue with shareholders, institutional investors, and employees.

- **We held an internal IR meeting to improve employee engagement in the first half of 2024.**

Internal IR meetings are held at 23 locations in all areas, branches, and head offices, where the President explains the Bank's growth strategy and other topics directly to employees and holds dialogues in order to foster a sense of unity.



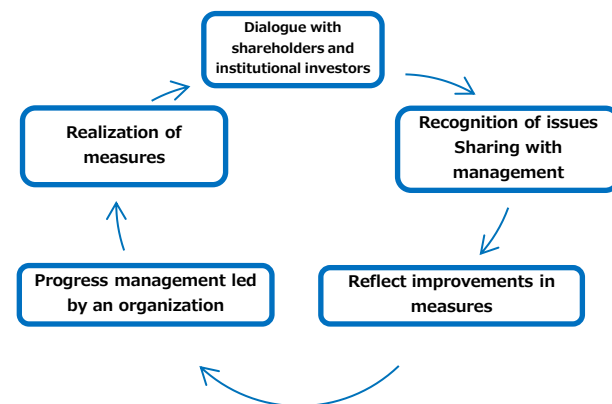
- **We have engaged in dialogue with major shareholders and institutional investors (SR interviews).**

We will increase dialogue (SR interview) opportunities in order to share with management issues identified through dialogues (SR interviews) and reflect them in future measures, thereby achieving medium- to long-term enhancement of corporate value.

- **PDCA after the dialogue**

Opinions received through dialogues are fed back appropriately and prioritized for actions to enhance our corporate value.

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





Expectations for regional economic revitalization through the opening of the Shinkansen Maglev Train (Linear Chuo Shinkansen) and expansion of the high-speed transportation network.

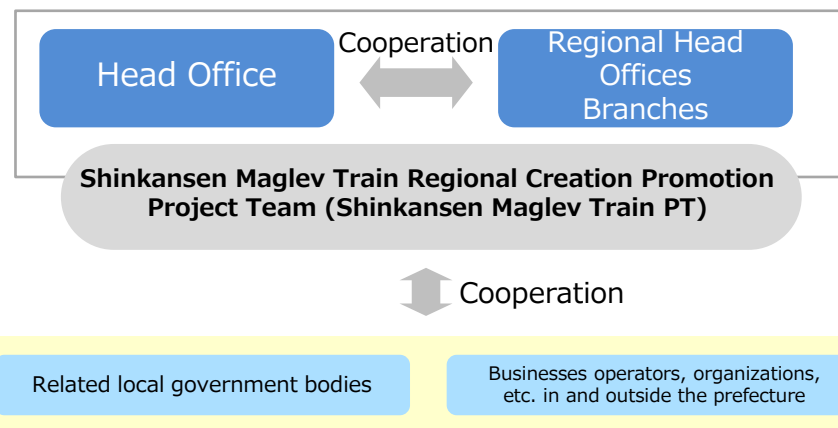
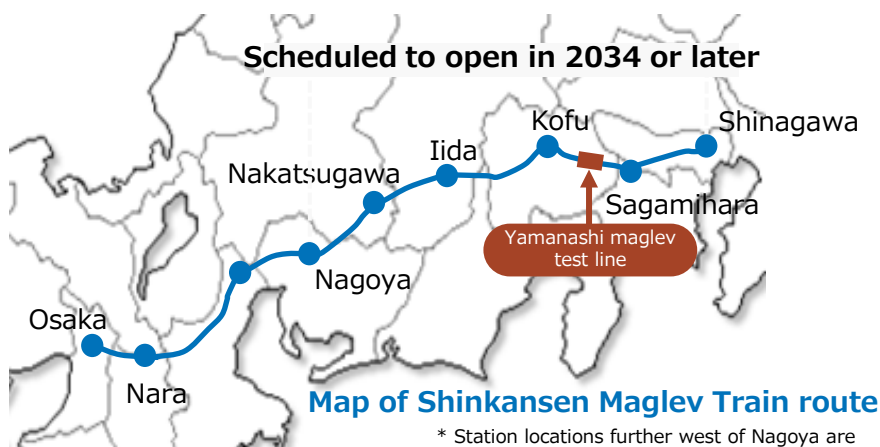
Expected effects

- Increase in the number of residents settling in the area due to dual residency and relocation
- Revitalization of the local economy through the expansion of business hubs
- Establishment of new logistics and commercial facilities in conjunction with the expansion of the high-speed transportation network



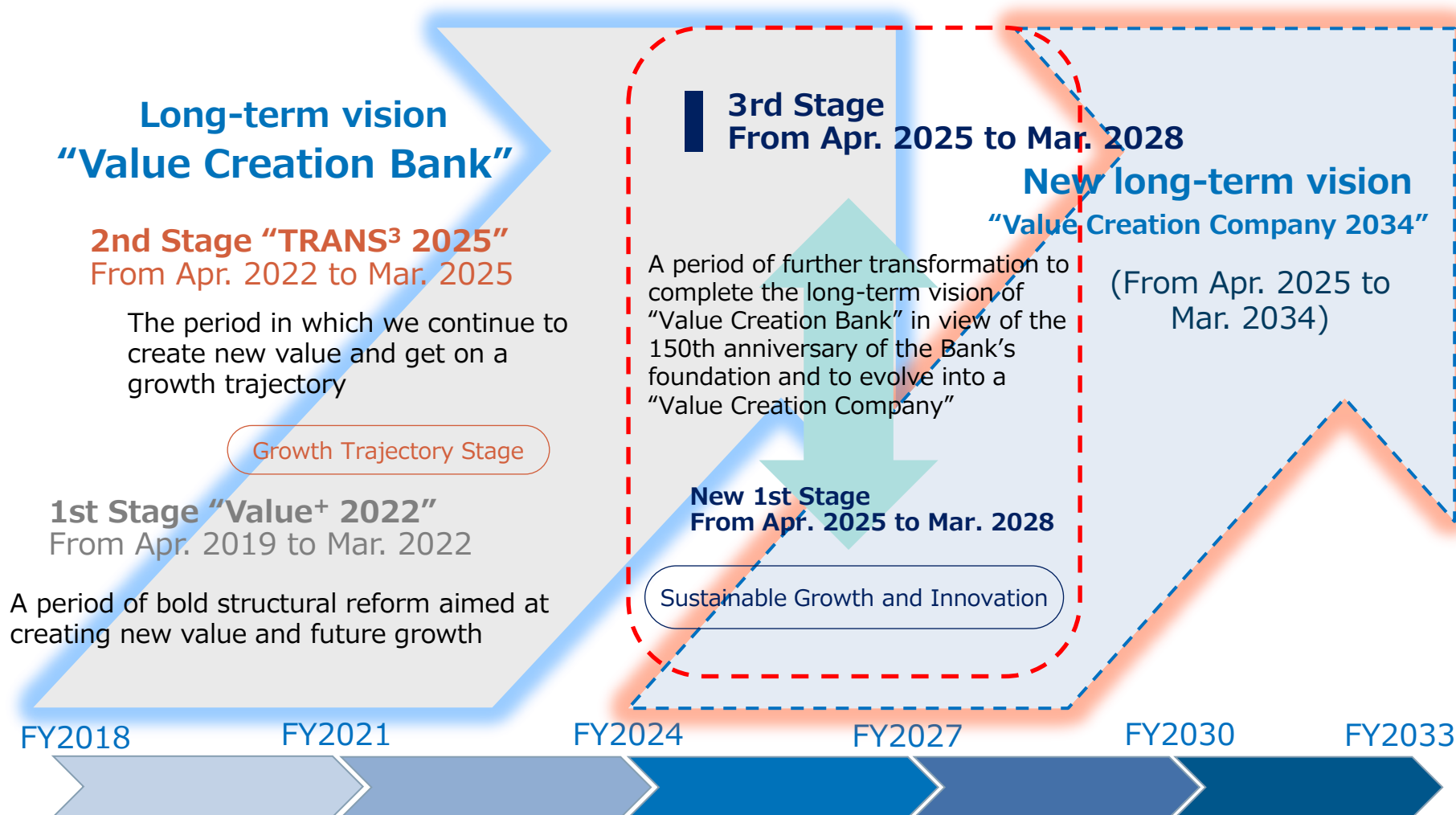
Shinkansen Maglev Train Project Team

- Established a project team in September 2024 as a cross-sectional organization within the Bank to fulfill our role as a regional financial institution for the Shinkansen Maglev Train project
- In cooperation with Yamanashi Prefecture, Kofu City, and other related local government bodies, we will strengthen the structure to centralize information management and provide follow-up support.

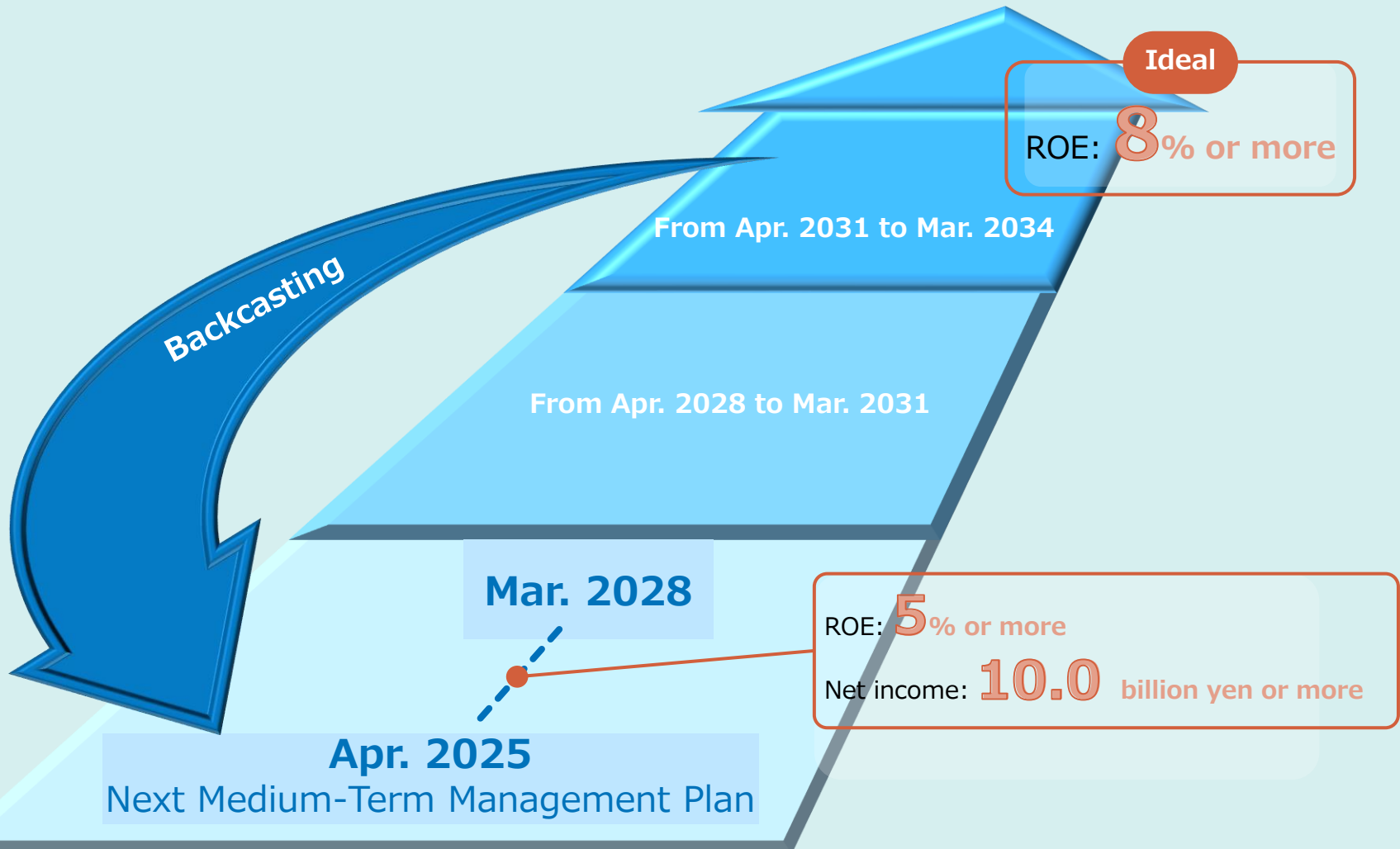


Toward the Next Medium-Term Management Plan

As the initial term of the long-term vision “Value Creation Bank” will expire in March 2028, we will formulate a new long-term vision (ideal state) with a view to the next ten years, and will complete the long-term vision and formulate the Next Medium-Term Management Plan by backcasting from the ideal state.



New long-term vision "Value Creation Company 2034"



Value Creation Company: 1st Stage

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



Growth strategies

- **Yamanashi Resilience Strategy**
- **New Tokyo Strategy**
- Company-Wide Strategy

Fundamental strategies

- **Digital Channel Strategy**
- Productivity Improvement Strategy
- Governance Strategy

Human resource strategies

- Human Capital Strategy
- Engagement Improvement Strategy

Transformation drivers



*Corporate Transformation

Growth strategies

Yamanashi Resilience Strategy

- Revamping and strengthening the consulting sales system
- Deepening the Yamanashi-Tokyo cooperation
- Urban development initiatives aimed at regional revitalization

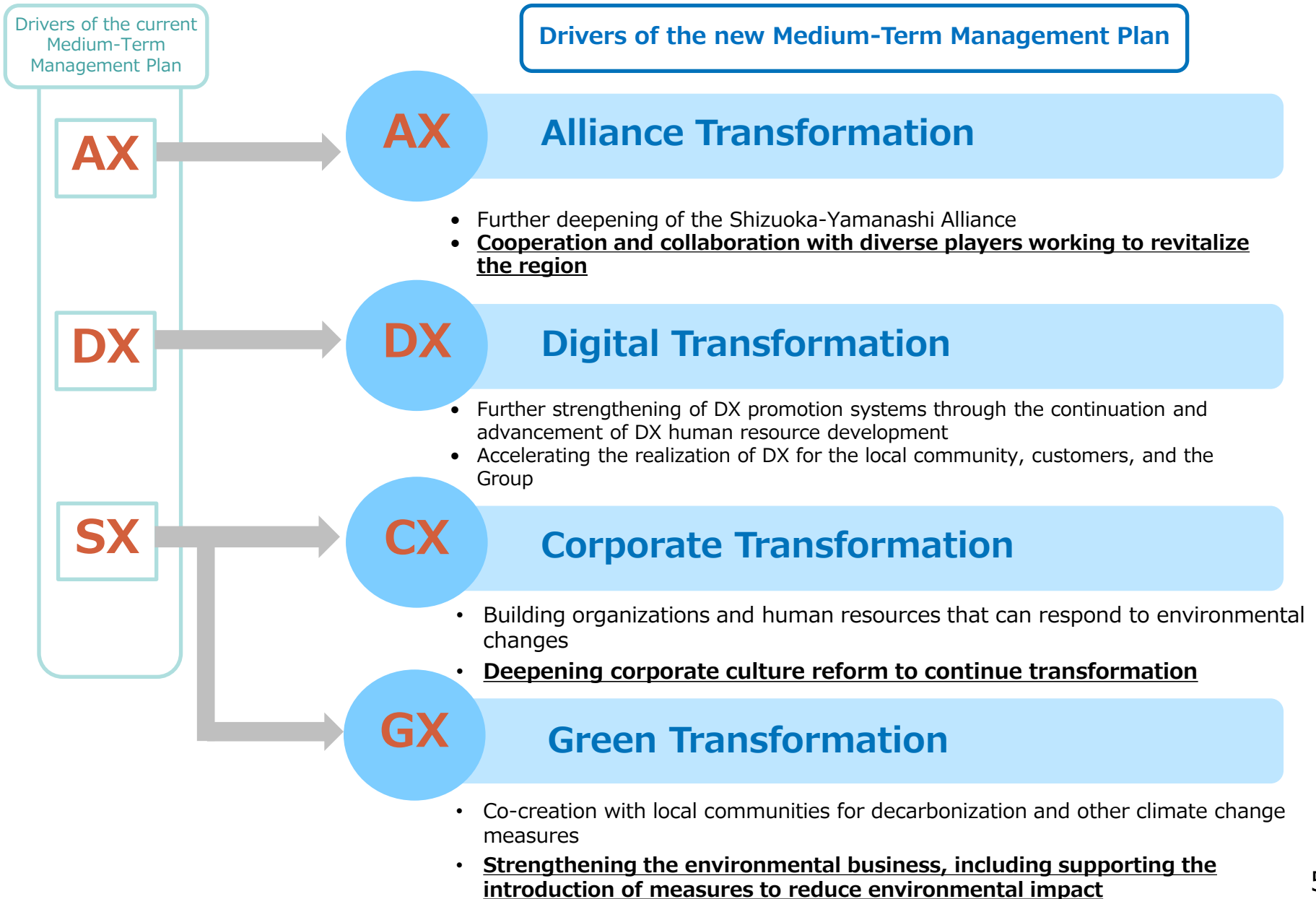
New Tokyo Strategy

- Strengthening wealth business
- Strategic branch development

Fundamental strategies

Digital Channel Strategy

- Strengthening insight sales
- Expanding digital infrastructure and strengthening data use



Appendix

Current Progress of the Medium-Term Management Plan

Structural diagram

Management philosophy

Region-based operations and sound management

Long-term vision

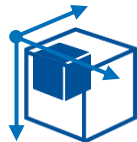
Value Creation Bank

Medium-Term Management Plan

TRANS³ 2025

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

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



Strategy to increase business capacity

Deepening and Expanding Core Businesses

Exploring New Businesses

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



Strategy to double productivity

Take on the challenge of achieving zero clerical work

Next-generation channel reform

Dramatic improvement in productivity by zero clerical work and channel reform



Strategy of pursuing sustainability

Realization of Human Capital Management

High level of governance

Realization of coexistence of sustainable management and regional communities

Purpose (significance of existence)



“Open up a bright future from Yamanashi”

Steady progress toward the targets of the Medium-Term Management Plan.

KPI	FY23 (Results)	FY24 1H (Results)	FY24 (Final year of the Medium-Term Management Plan)	Ideal
OHR (Operating expenses/Core gross business profit)	66.61%	65.69%	73.5% or less	60% level
ROE (Current net income basis)	2.89%	3.00%	3% or more	5% or more
Ratio of female managers and supervisors	17.2%	21.2%	20% or more	40% or more
Rate of reskilling-based reallocation of clerical workers	16.7%	21.4%	30% or more	70% or more
Sustainable finance*1 investment and loan amount (total)	247.3 billion yen	319.4 billion yen	350.0 billion yen or more	800.0 billion yen or more
Reduction rate of greenhouse gas (CO ₂) emissions*2	60.47%	66.97%	70% or more	Carbon neutrality

KGI



Profit attributable to shareholders of the parent	5.0 billion yen	3.0 billion yen	6.0 billion yen or more	10.0 billion yen or more
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*1 Investment and loan that contribute to creating sustainable regional society (environment, education, start of business, succession of business, etc.)

*2 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.

The number of holders of financial instruments is steadily increasing due to the promotion of the NISA system.

Percentage of people holding financial instruments (number) (Yamanashi)

As of Sep. 30, 2024: 12.4% (67,000 customers), +0.6 pt YoY (+3,000 customers)

- In FY2024, the number of holders has increased through the following measures. Our target is also within sight.
- Expanded the range of dealings by providing information at various seminars and by developing an environment for a non-face-to-face communication channel following the revision of the NISA system.
- In addition to insurance review and inheritance measure proposals through face-to-face consultations, DM and other marketing contributed to the expansion of opportunities to purchase insurance.

Percentage of people holding financial instruments
(Number of people holding financial instruments)

[Target]
Mar. 2025

13.0%
(70,000)

Sep. 2024

12.4%
(67,000)

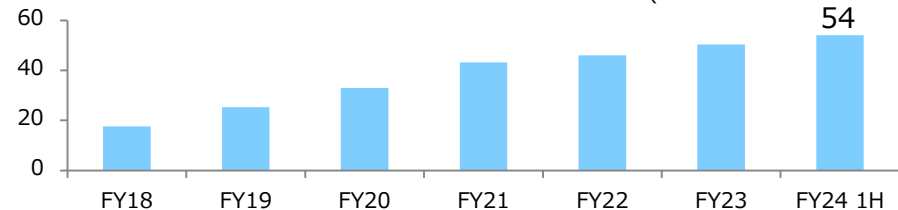
Mar. 2022

9.9%
(54,000)

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

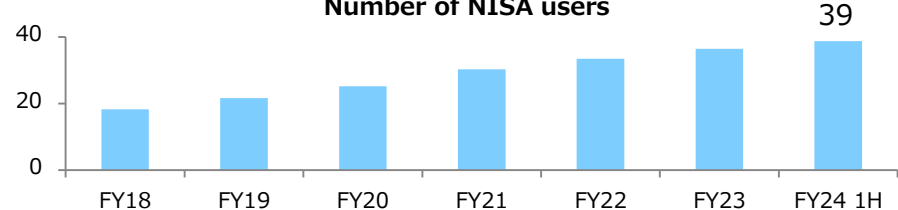
Number of subscriptions to periodic investment plans for investment trusts

(Unit: thousand contracts)



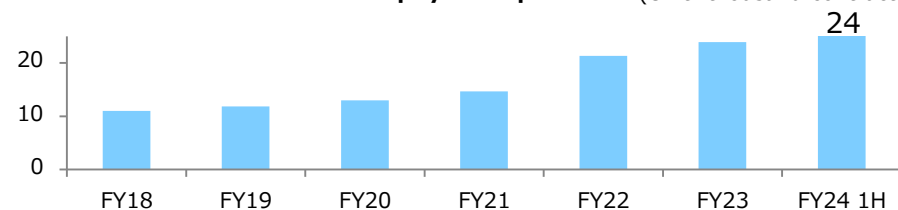
Number of NISA users

(Unit: thousand users)



Number of level-payment policies

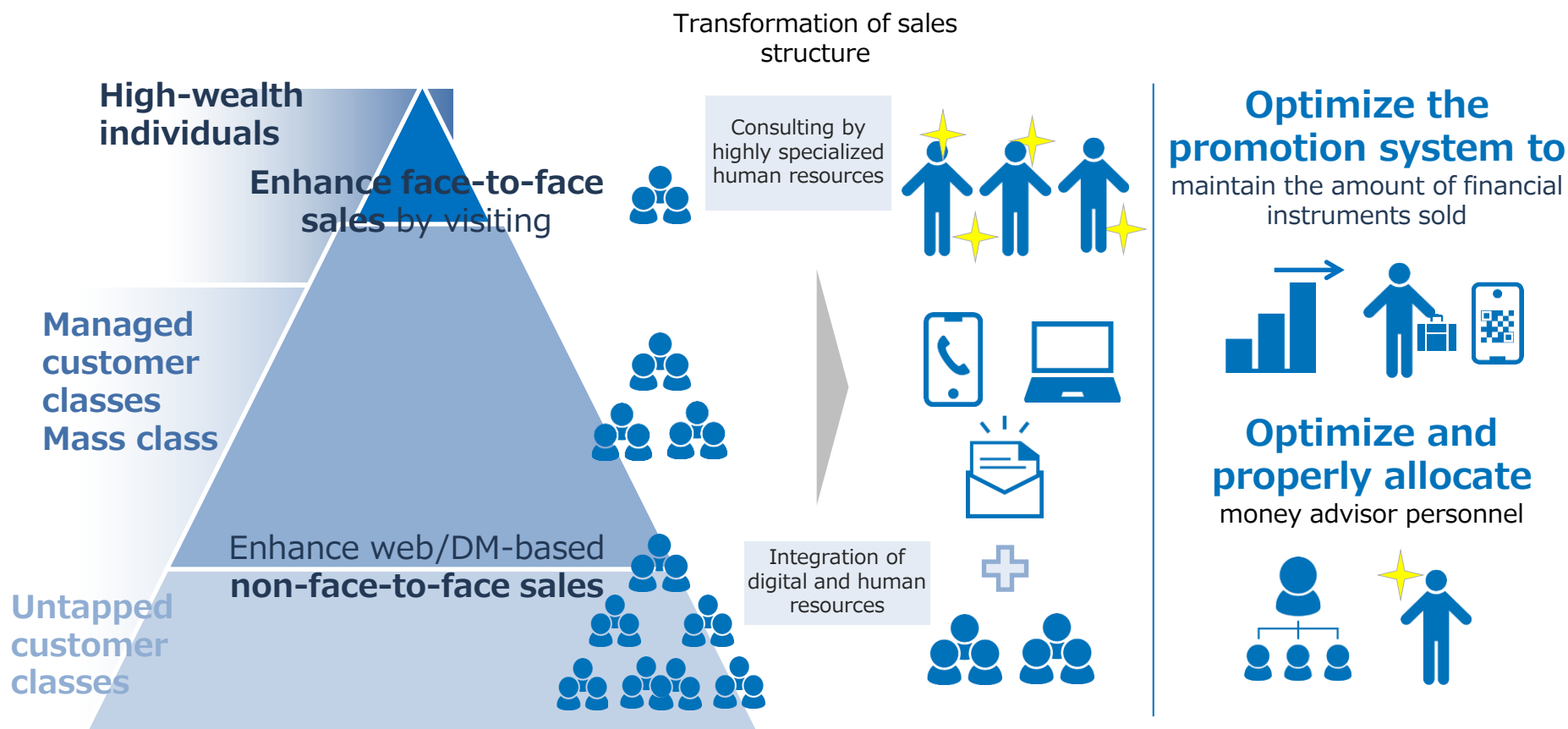
(Unit: thousand contracts)



Increase revenue from financial instrument-related fees and commissions

Initiatives to increase revenue from financial instrument-related fees and commissions

- A new reskilling program for individual consultants
- Aggressively develop asset succession plans from high-wealth individuals to their children and grandchildren



Business loan balance grows steadily as a result of commitment to each policy.

Yamanashi Policy

- Provide one-stop support for each life stage by strengthening, improving, and expanding consulting functions

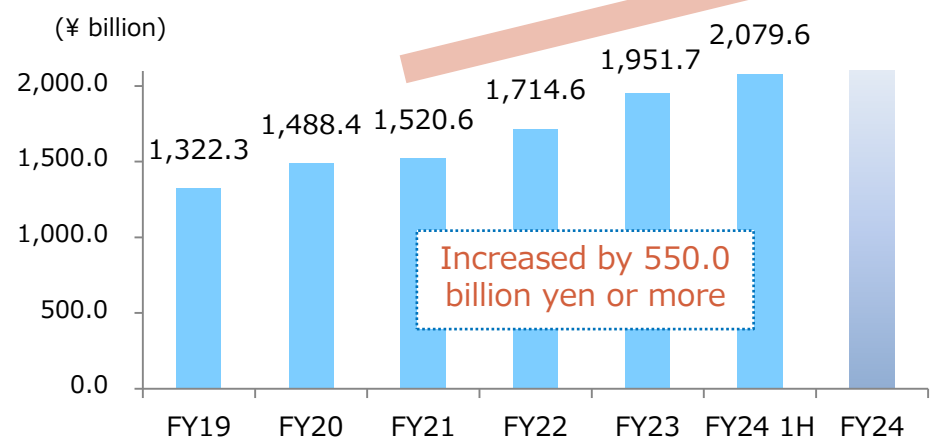
Tokyo Policy

- Increase the topline by utilizing commercial distribution and interpersonal networks
- Roll out the wealth management business
- Develop lasting relationships with new business partners

Common Policy

- Solve regional problems and acquire revenue opportunities by utilizing structured finance and techniques

Average business loan balance*



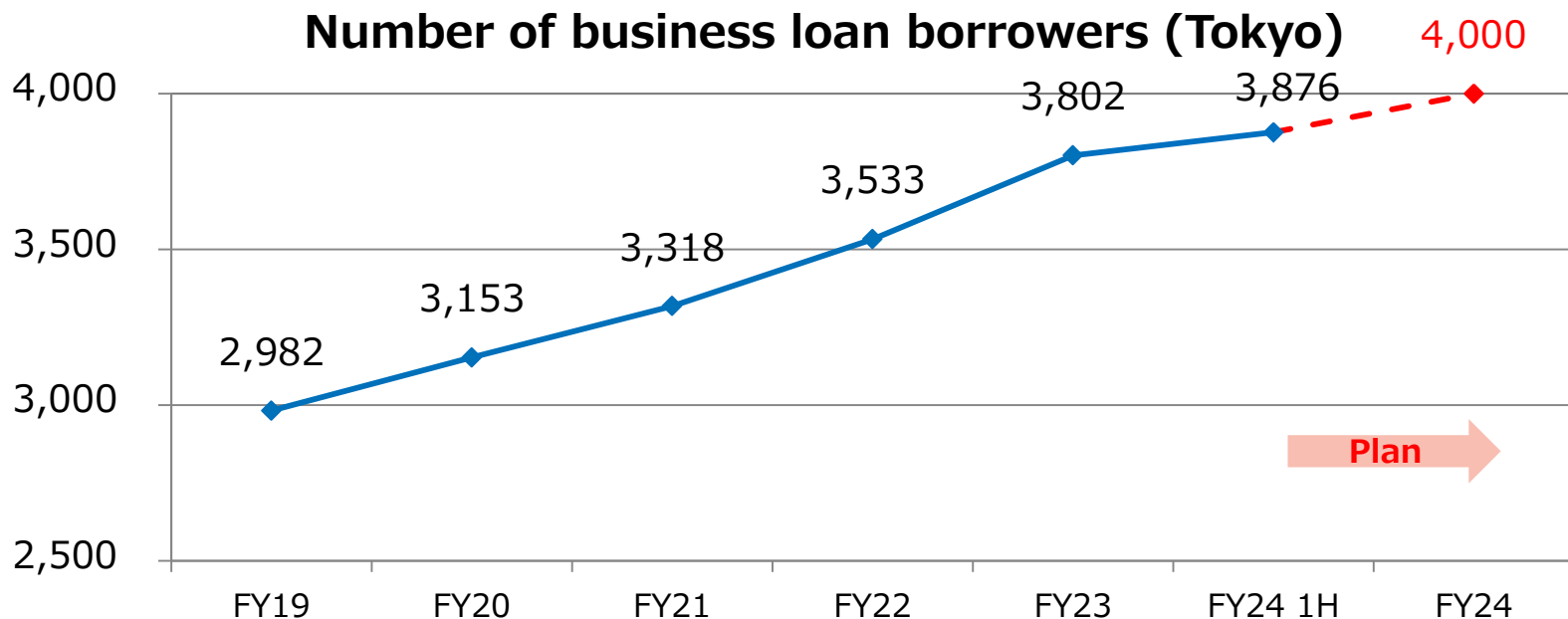
* Includes loans to financial institutions and local government bodies.

Average personal loan balance target for FY2024: +50.0 billion yen or more compared with FY2021

- Increase and strengthen the balance of housing loans by enhancing their product features, strengthening sales to business operators at housing loan bases, and forming alliances with housing-related companies.
- Strategically strengthen unsecured loans, such as consumer finance, in order to strengthen the overall profitability of personal loans.
⇒ Strengthen the digital channel and improve UI/UX by introducing a bank app, revise products, and review promotion.
- As a result of these efforts, the average personal loan balance increased by 56.3 billion yen from FY2021.

Measures to increase the number of business loan customers in Tokyo

- The number of business loan customers in Tokyo is steadily increasing.
- 14 sales branches and the Tokyo Promotion Department, the head office organization, work together to develop clients in Tokyo.
- Creating customers through collaboration with tax accountants, management consultants, family offices, and existing business partners, etc., and actively responding to the needs of wealthy customers and asset management firms.
- Focuses on activities to contribute to customers by connecting the businesses and information of our customers in Tokyo and Yamanashi Pref. in both directions.



Strategy to Increase Business Capacity (Increase Amount of Housing Loans)

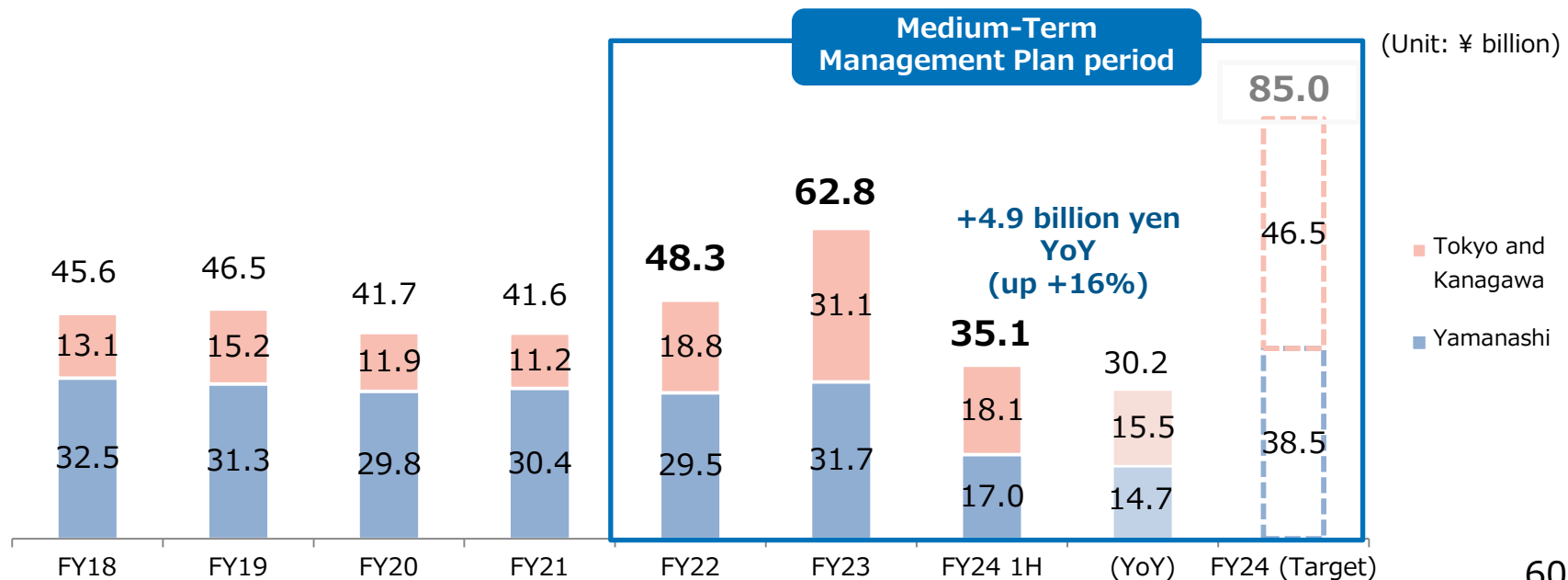
Significant increase in the amount of housing-related loans due to the implementation of various measures to acquire them.

Execution amount for FY24 1H: **35.1 billion yen** (+4.9 billion yen, up +16% YoY)

The execution amount of new loans increased significantly as we implemented the following measures in the first half of FY2024.

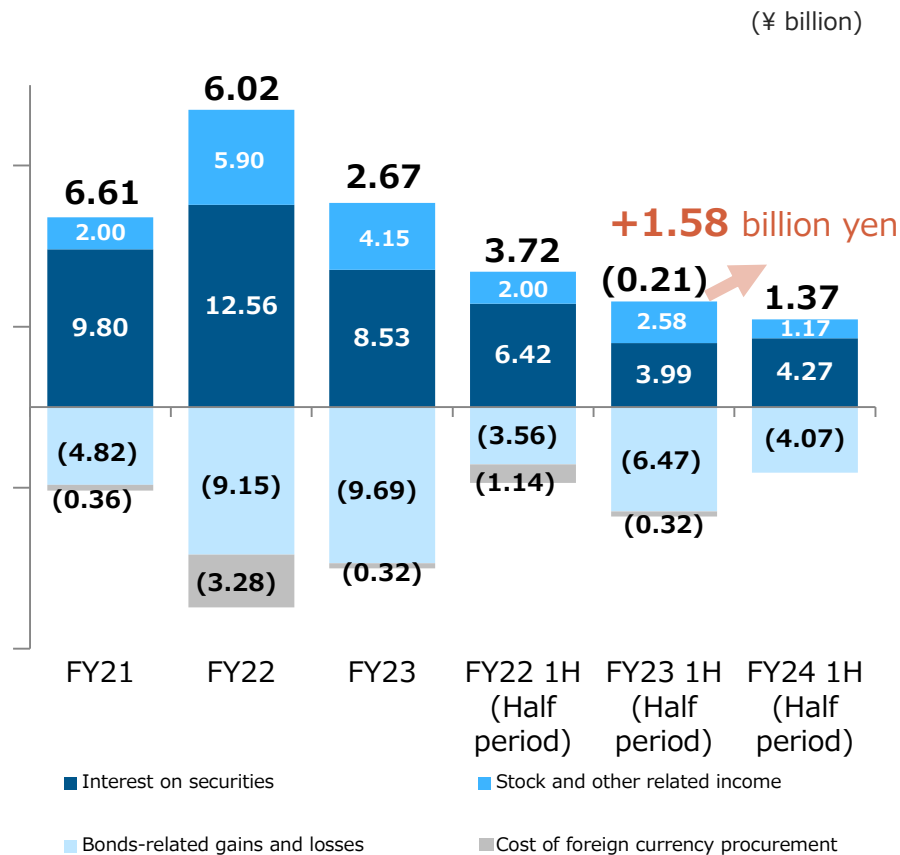
- Strengthen market-based interest rate appeals and measures against dealers.
- Extend the maximum loan term, expand group credit life insurance, and introduce upfront fees.
- ▶ **We will actively promote these loans while responding to customer needs by improving product features, etc. in order to achieve the KPI (new loan execution target of 200.0 billion yen) during the period of the Medium-Term Management Plan.**

Change in amount newly executed

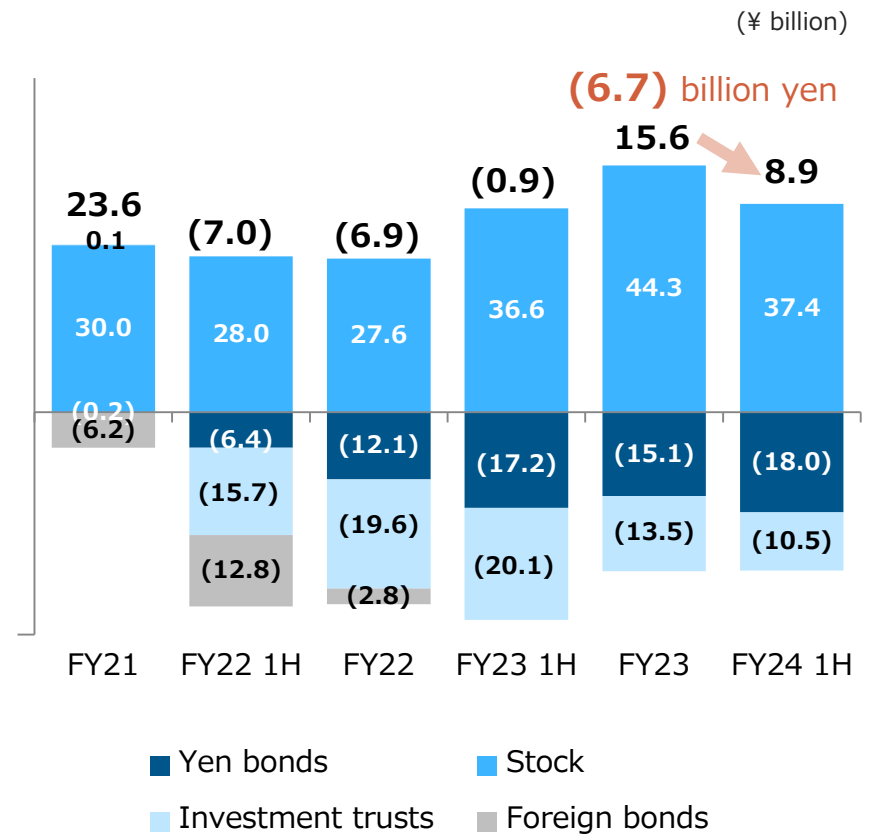


Portfolio improved by leveraging capital gains from dynamic trading.

Securities gains and losses



Appraisal gains (losses)



While interest and dividend income increased, total profit decreased due to rising interest rates and falling stock prices.

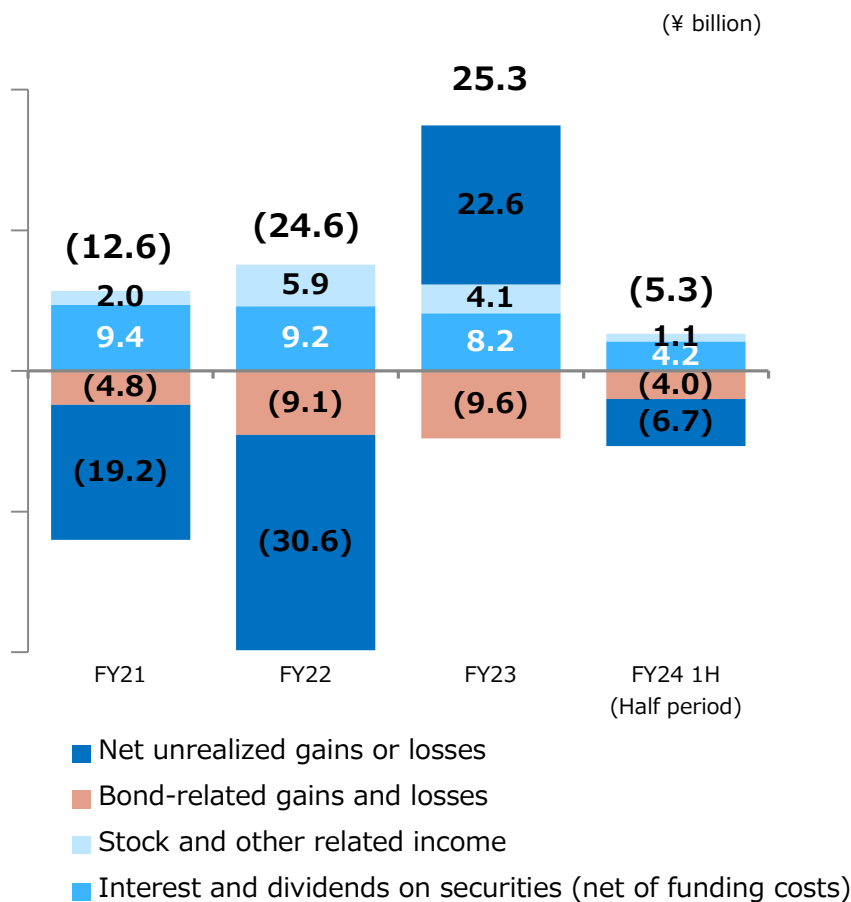
Total profit (loss) for the FY24 1H: (5.3) billion yen

(Breakdown)

Interest and dividends (net of funding costs): 4.2 billion yen

Valuation gains (losses): (2.8) billion yen

Increase (decrease) in unrealized gains/losses: (6.7) billion yen



- Interest and dividends increased YoY (+0.6 billion yen) due to factors such as an increase in JGBs when interest rates rose.
- The valuation gain (loss) was (2.8) billion yen due to the sale of foreign bond asset balanced investment trusts with unrealized losses in order to boost future revenue.
- Although appraisal gains (losses) were in the positive zone at +8.9 billion yen, they decreased by 6.7 billion yen compared to the end of the previous fiscal year (end of March) due to rising domestic interest rates and falling domestic stock prices.

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

Public-private partnership initiatives toward the solution of regional problems.

Collaboration to promote measures that address the declining population

- To stimulate the local economy through outdoor activities in Chuo City, we have concluded a “Collaborative Agreement for Regional Revitalization Based on Outdoor Activities” with Chuo City and Nordisk Japan Co., Ltd.
- As part of this agreement, we supported the holding of the trail run event “Nordisk Mountain Trail in YAMANASHI CHUO” held in November 2024.



Cooperation in organizing “MINI LIVE!”

- Helped improve the attractiveness of the region by inviting the “MINI LIVE!” car event, which aims to revitalize the local economy.
- At the event, we solicited the cooperation of business operators in the prefecture and set up a system to offer discounts and other benefits to participants when they visit accommodations, shops, tourist facilities, etc. in the prefecture, thereby creating a system that encourages them to visit not only the host site but also other parts of the prefecture.



Collaboration to promote measures that address the declining population

- Dispatched one staff member to the Population Decline Crisis Headquarters Secretariat, newly established by Yamanashi Prefecture, to support the prefecture’s initiatives for various measures to address the declining population.
- Contribute to revitalization of the local economy as a leading bank by actively participating in the planning and promotion of measures to address the declining population in Yamanashi Prefecture through the dispatch of staff.



Joint investment in Centennial Solar

- Conducted joint investment (policy investment) in Centennial Solar Inc., which is responsible for the consolidation of solar power plants in Yamanashi Prefecture, streamlining operation and management through digitalization, and extending the service life of facilities, etc.
- In collaboration with Centennial Solar and other local stakeholders, we will contribute to the creation of a sustainable community by promoting the decarbonization of the region through the encouragement of local production and local consumption of electricity.



Increase corporate value through growth investments based on the capital strategy.

- Funds generated from profit accumulation and the sale of strategic shareholdings will be allocated for growth investment, etc., with a view to increasing corporate value over the medium- to long-term.

The Bank's Profit



For investment in growth that leads to increased corporate value (future)

DX investment



Expansion of digital channels
Building next-generation IT infrastructure
Upgrading of the data analysis structure

Investing in human capital



Increasing consulting human resources
Upgrading head office's expert human resources
Preparation for DE&I achievement

Sustainability investment



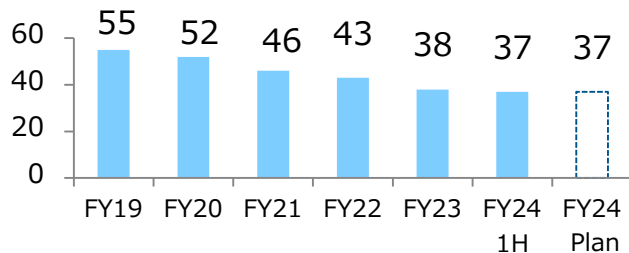
Investment to solve regional problems
Investment related to environmental improvement

Strategic personnel allocation associated with branch consolidation.

Consolidation of branches with full-range services

- Change the Hino, Koganei, Fuchu, Kobuchizawa, and Yamanakako branches to function specific branches.

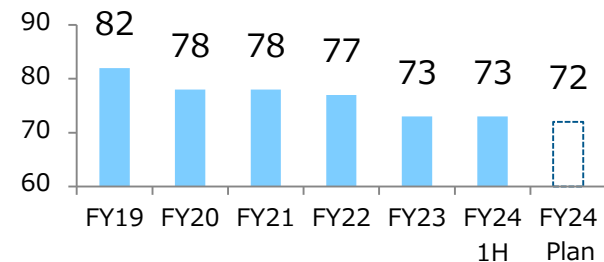
Number of branches with full-range services



Consolidation of branches

- Move the Koganei, Fuchu, and Ryutsu Center Branches, and the Community Hall Sub-branch (Zichikaikan Sub-branch) to new locations using the branch-within-a-branch system.

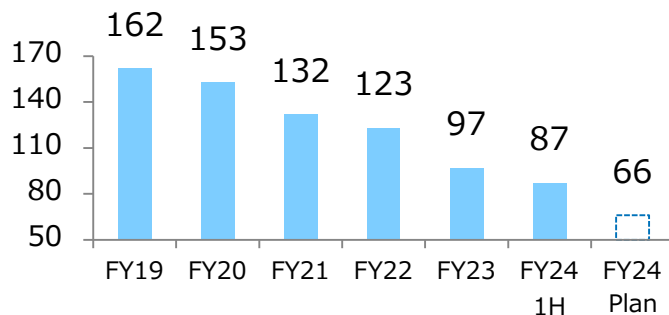
Number of branches



Reduction of ATMs outside branches

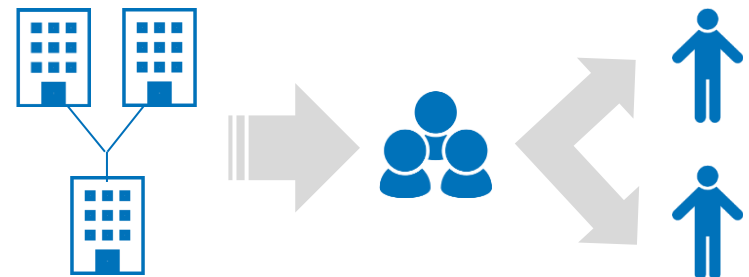
- Reduce mainly in low-utilization ATMs

Number of ATMs outside branches



Strategic personnel allocation

- Strategically reallocate employees made available by the change of branch functions and the relocation of branches through the branch-within-a-branch method.



Encourage behavioral change to solve existing issues and create a new future by enabling cashless transactions.

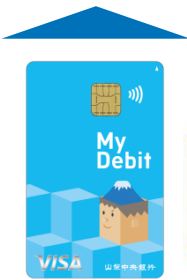
Yamanashi Chuo Bank Group

Enhancement of product and service lineup

Shift to cashless operations in communities

Cooperation with other players

Enhancement of promotions



Ideal results

Number of accounts for settlement of accounts (individuals)

200,000 accounts

Number of corporate card members

6,700 members

Corporate card transaction volume

5.0 billion yen

Number of member branches

3,300 branches

Member branch transaction volume (annual)

54.0 billion yen

Creating the future
Problem solving

Expected Effects

Improved consumer convenience



Streamlined operations
Reduction of labor shortage



Creation of diverse consumption styles



Reduced infrastructure costs



Data linkage
Digitization



Deterring fraud and crime related to cash



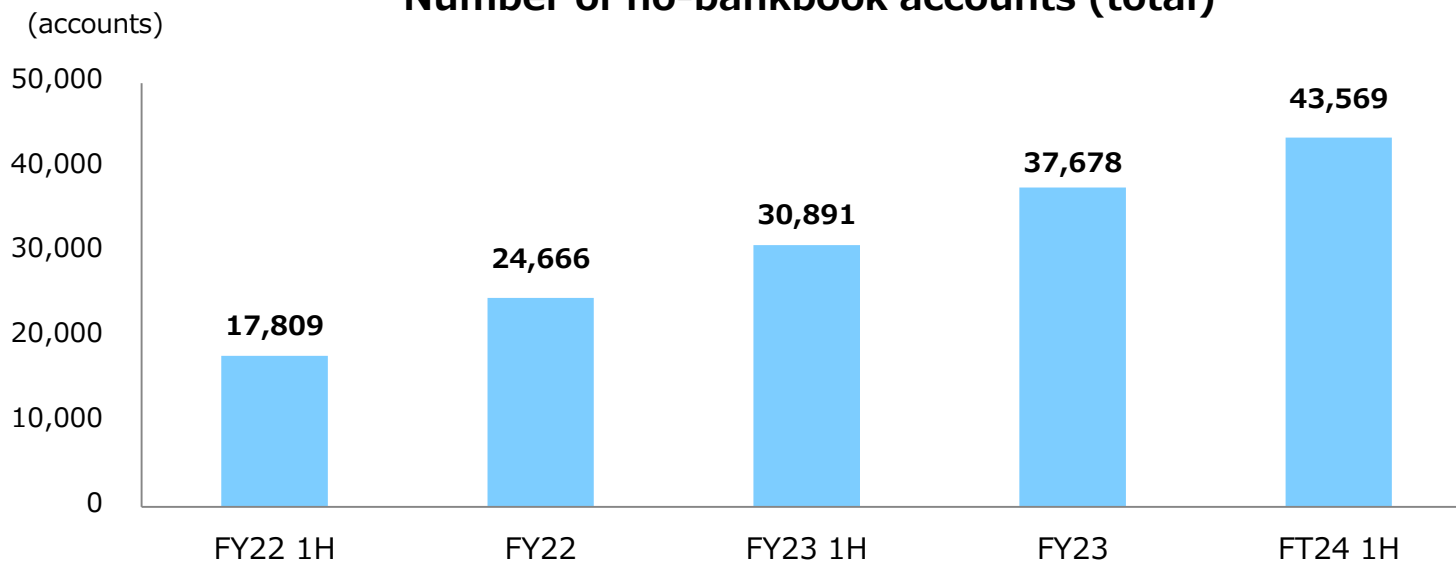
Future development

- Expand account linkage with business operators regarding QR code payment services
- Consider a system that allows customers to sign up for a debit/credit card at the same time they open an account to increase membership and transaction volume.

No-bankbook accounts are increasing steadily.

Promoting no-bankbook accounts

Number of no-bankbook accounts (total)



Status of
initiatives

- Promoted the opening of new no-bankbook accounts at the counter, etc.
- PR for switching to no-bankbook accounts through LINE and e-mail distribution
- FY2024 1H results: 5,891 accounts

Future
development

- Implement information dissemination through web advertisements, emails, etc.
- Realize corporate no-bankbook accounts.
- Implement a campaign to promote switching to a no-bankbook account through a tie-up with the Yamanashi Chugin App.

Strengthening DX human resource development through reskilling.

Human resources
specialized in DX
Advanced

**21 (Equivalent to
certified persons)**
(as of Sep. 30, 2024)

DX Manager
(Certification within the
Bank)
Intermediate

87 (as of Sep. 30, 2024)

DX Planners
(Certification within the
Bank)
Elementary

- The DX Planner is an entry-level certification within the Bank.
- In collaboration with personnel qualified for higher certification, they take the initiative in utilizing digital tools to drive the digitalization of the organization.
- Satisfying qualifications certified within the Bank is part of requirements for open calls related to internal DX-related measures, and various initiatives that link such qualifications to various measures were implemented.

Personnel redeployment through reskilling is also being expanded gradually

- DX professional human resources have been engaged in ICT consulting for local SMEs, contributing to the digitalization of local communities.

	FY22	FY23	FY24	Total
Target for no. of people developed (KPI)	150	200	150	500
Results	171	166	42(*)	-
Achievement rate	114%	83%	28%(*)	-

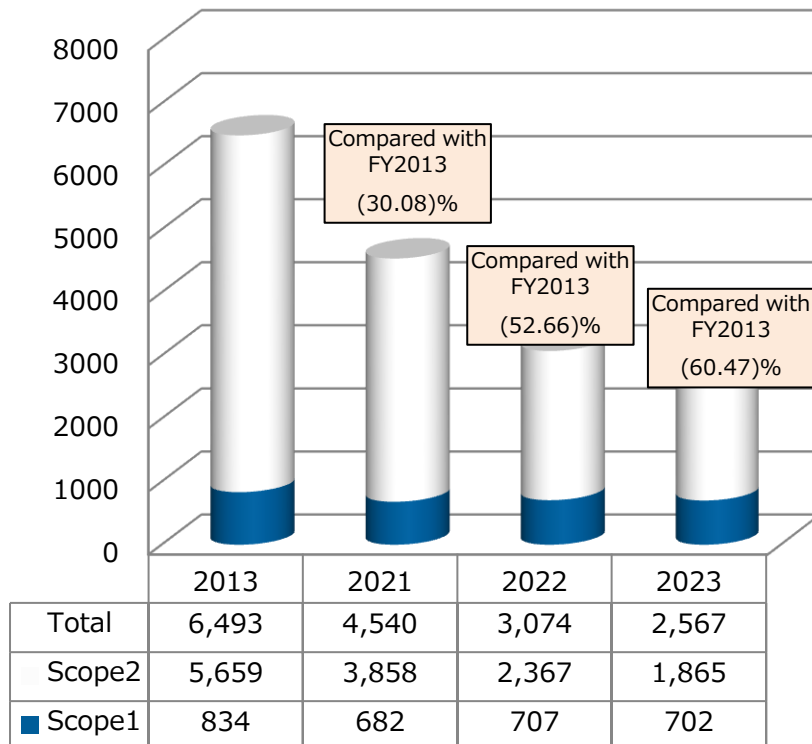
*Results as of Sep. 30, 2024

The reduction of CO₂ emissions is well under way.

Set CO₂ emission reduction targets in order to achieve a decarbonized society and sustainable development of society by actively working to solve local environmental issues.

Medium-term target (FY2024)	Decrease of 70% or more by FY2024 compared with FY2013
Long-term target (FY2030)	Achieve carbon neutrality by FY2030

Changes in the Bank's CO₂ emissions



Scope 3 (FY2023)		Emissions (t-CO ₂)
Category 1	Products and services purchased	5,049
Category 2	Capital goods	3,442
Category 3	Fuel and related activities not included in Scope 1 and Scope 2	491
Category 4	Transportation, shipping (upstream)	889
Category 5	Waste generated by businesses	339
Category 6	Business travel	304
Category 7	Employee commuting	893
Category 15	Investment and lending	3,112,250

* Categories 8-14 are calculated to have zero emissions.

Activities for reducing CO₂ emissions

Fiscal year		2013	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Scope1	Gasoline	(1) Replace gasoline-powered company vehicles with electric or other eco-friendly vehicles											
Scope2	Electricity	Switch to electric air conditioning equipment		Completed									
		Switch lighting equipment to LEDs											
		(2) Switch to renewable energy-based electricity services											
		Reduce energy consumption (paperless operations, thorough power saving, etc.)											
		Switch to environmentally-friendly branches (ZEB branches)											
Others	Offset						(3) Purchase J-VER prefectural forests						
		Various efforts through participating in the GX League											

(*) PPA: Power Purchase Agreement

(1) Introduction of electric vehicles



(2) Introduction of electricity from renewable energy sources



(3) Yamanashi Prefectural Forest J-VER Carbon Offset ATM

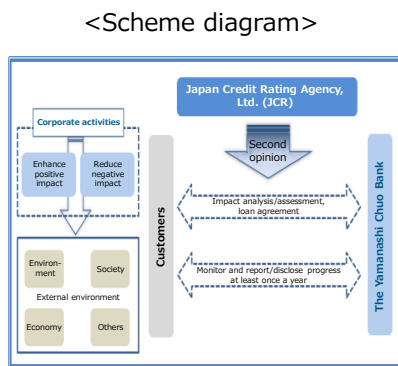


Increase sustainable finance by strengthening consulting support.

Sustainable finance

Loans

In addition to developing a system to support customers' SDG/ESG initiatives from a financial perspective, sales branches and the head office worked together to actively provide support through consulting sales, resulting in an increase in the number of SDG support loans and positive impact finances (PIFs) handled.



Investment

Based on the "Yamanashi Chuo Bank Group Investment and Loan Policy," we actively invest in projects that help solve environmental and social problems. Specifically, green bonds, sustainability-linked bonds, transaction finance, social bonds, etc.

Collaboration agreement to achieve carbon neutrality

- The Bank, Tokyo Electric Power Company Holdings, Inc., TEPCO Energy Partner, Incorporated, and Tepco Customer Service Co., Ltd. have signed a comprehensive collaboration agreement to achieve carbon neutrality (CN) mainly in Yamanashi Prefecture. The Bank will aim to realize CN in the region by providing integrated consulting and solutions tailored to the CN-related issues of small and medium-sized corporate customers.

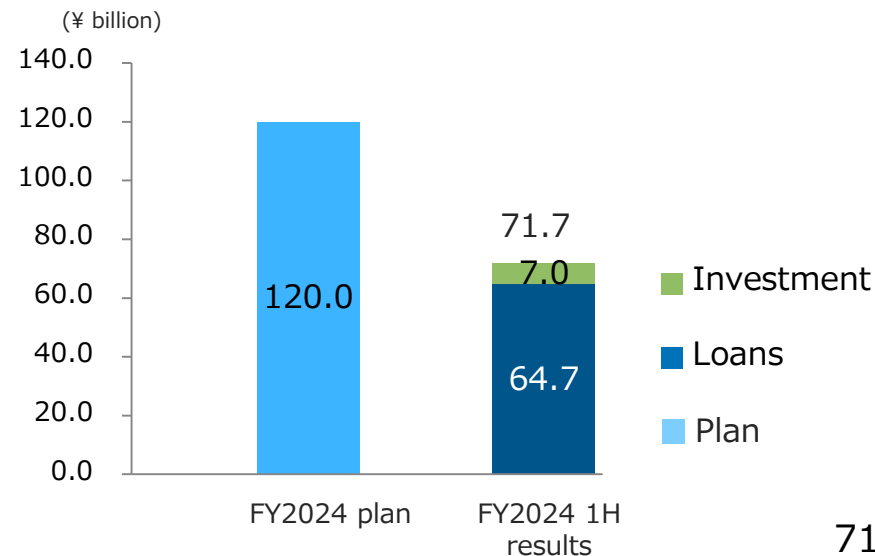


Target

Item	Contents
Medium-term target	350.0 billion yen or more
Long-term target	800.0 billion yen or more (including environmental finance of 400.0 billion yen or more)
Period	From FY2022 to FY2030
Target	Investment and lending to solve social or environmental problems toward the creation of a sustainable regional society

Results

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

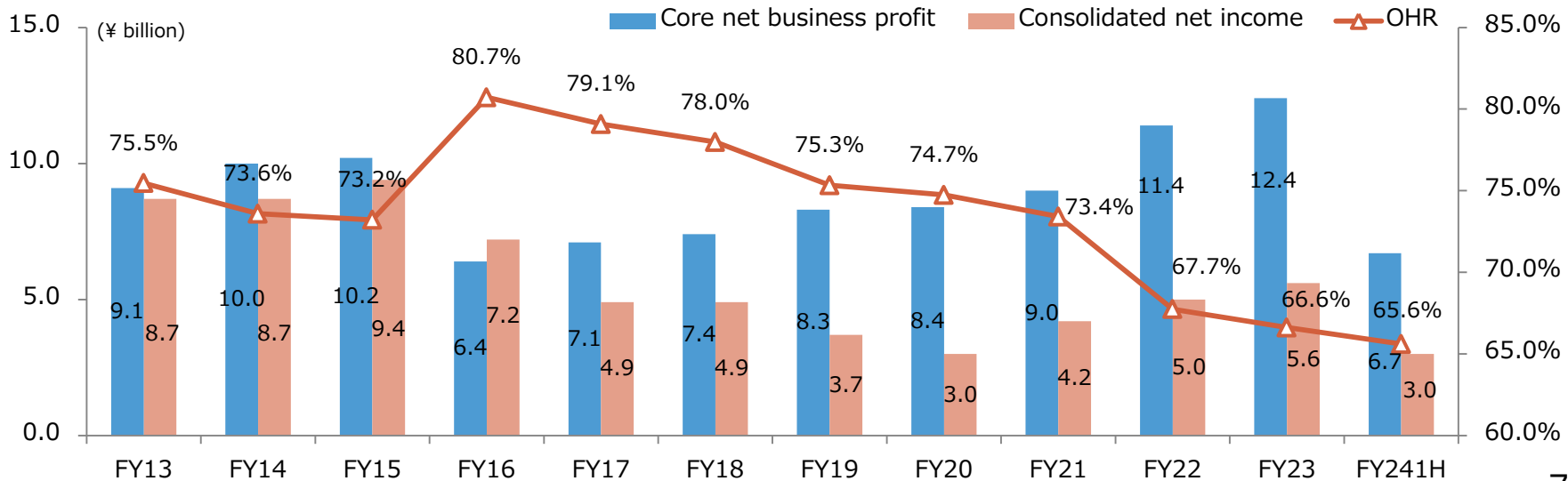
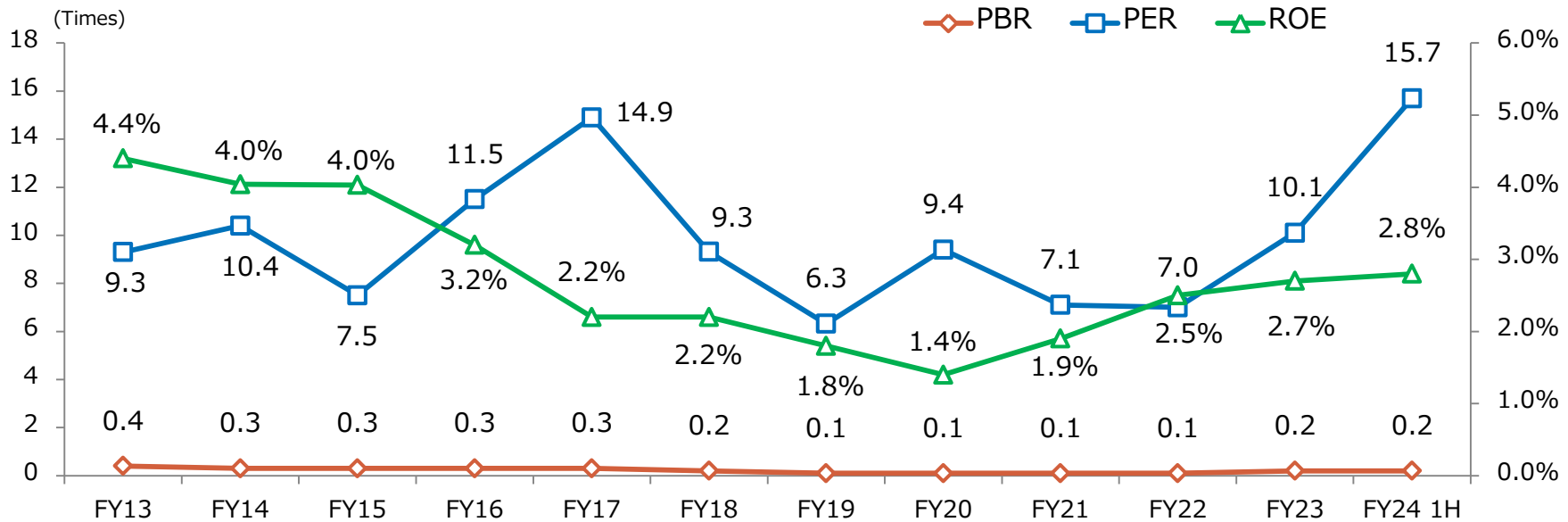


Appendix

Others



Trends in the Bank's Profit, ROE, and PBR (consolidated basis)



Thank you for attending our analyst meeting.

If you have any further questions, please do not hesitate to contact us at the following telephone number, e-mail address, or website.

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

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