

## Message from the President



Satoshi Takahashi  
President

With repeated declarations of a state of emergency due to the spread of COVID-19 and the appearance of new strains of the virus, last year saw a decreased level of economic activity. Even though the situation is starting to improve, it seems likely that some time will be required to bring the pandemic completely under control.

Last fiscal year saw an economic environment beset by increasing global uncertainty. Against a backdrop of geopolitical risks, logistics costs rose and the price of raw materials rocketed, while interest rate rises in the US spurred a rapid weakening of the Japanese yen and rising goods prices.

On the other hand, in Japan, the COVID-19 pandemic calmed, and with the disease's legal reclassification as a Class V infectious disease (the same as the flu), social and economic activities were both gradually returning to normal. Inbound tourism also recovered, and while personal consumption was still somewhat weak, it was increasing.

In our hometown of Osaka, work has been progressing as the city prepares to host Expo 2025 Osaka, Kansai. Expectations are further mounting for the economic benefits that will result from its contributions to achieving the SDGs and development of digital technologies, as well as the opportunity it will provide local SMEs to demonstrate their technical capabilities.

For small and medium-sized enterprises (SMEs), most recently there have been signs of a gentle recovery, but a plethora of issues—such as soaring raw material and energy prices and higher wages driven by labor shortages—have come together to make the future increasingly unclear.

It was amid this climate that in fiscal 2022, the final year of our medium-term management plan Smart Shinkin 2022, all of our employees came together with a sense of urgency to implement a range of measures aimed at achieving the plan's targets.

With the aim of enhancing the menu of support options we offer customers to address their issues, we have been promoting ongoing support for fundraising since the outbreak of COVID-19 that takes each customer's situation into account, M&A and business succession support, and digital transformation/IT support through the Kei-Yell corporate online portal. In this way, we strove to help business partners with problem resolution and to improve productivity.

For individual customers, we created the new post of senior trust adviser and we enhanced our support systems for customers' asset formation or inheritance measures.

Furthermore, to raise the efficiency of tasks even within Osaka City Shinkin Bank, we introduced online meeting systems and pushed forward with measures such as improving marketing through the use of AI. In this and other ways, we promoted initiatives aimed at raising productivity.

As a result, our performance in fiscal 2022 continued to be stable, and we were able to further raise sound operations, including improved equity capital.

This fiscal year is the first of Smart Shinkin Stock 2025, our new medium-term management plan. The aim of the plan is once again for us to be our customers' number one financial partner for problem resolution and for close ties to the region. We will drive these efforts in two key areas: marking a new start with the region, and forging full steam ahead toward the future. In addition, in line with our management philosophy of tripartite prosperity and our slogan—"serving the community by building trust"—we will continue to be able to fully respond to customers' needs, and through the combined efforts of executives and employees, strive to fulfill our mission as a regional financial institution.

This report has been created to give a fuller understanding of the management policies and the current status of operations of the Osaka City Shinkin Bank. We hope that we can continue to enjoy your even greater patronage and support.

July 2023

A handwritten signature in black ink that reads "S. Takahashi". The signature is written in a cursive, flowing style.

Satoshi Takahashi  
President