

## Message from the Management



Masao Kawamura  
Chairman



Satoshi Takahashi  
President

The Japanese economy in the first half of the previous fiscal year marked lively business activity spurred among other factors by growing foreign tourism to Japan, strong exports, and sports events such as the Rugby World Cup.

However, starting in the second half, public life was impacted by a number of developments which included the consumption tax rate increase, the US-China trade conflict, and most of all, the COVID-19 global pandemic, broadly upsetting conditions also in the stock- and foreign exchange market.

The immense impact of the sudden economic slowdown caused by the spread of COVID-19 has hit also SMEs, on top of the pre-existing burden of structural issues such as labor shortages and business succession problems, increasing the urgency of a concerted public and private sectors aid framework for financing and management support.

With the provision of faster and stabler financing being indispensable, Osaka City Shinkin Bank too has been at the forefront of support efforts through measures such as establishing consultation counters for financial stability under the impact of COVID-19.

Moreover, value creation from the customer perspective has become more important than ever in light of developments in finance such as proliferating cashless payment and the initiation of 5G services, associated with broad-based digitization promoting the full-scale entry of non-financial industries into financial services.

In response to these changes, under the theme of becoming our customers' number one financial partner for problem resolution established in our "Best Partner 2019" Medium-Term Management Plan, we have been tackling every conceivable issue, including enterprise value enhancement through the results of merger and management integration. Moreover, with a view to customer protection, in addition to strengthening measures for the prevention of financial crime such as money laundering and sophisticated fraud schemes, as well as reinforcing cyber security, we further increased the robustness of internal control systems such as ensuring the effectiveness of our business continuation planning (BCP), among other measures.

Thanks to these efforts, continuing from the previous fiscal year, we were able to achieve stable business results also in fiscal 2019 and increased the Bank's soundness.

The current fiscal year marks the start of our new Medium-Term Management Plan "Smart Shinkin 2022" under the theme of "Continuing to Be a Shinkin Bank," and with the aim of becoming our customers' number one financial partner for problem resolution and for close ties to the region.

Based on the management principle of "tripartite prosperity" (our customers and community, our bank, and our employees) and based on our slogan of "serving the community by building trust." in order to be able to offer best solutions to customers' needs, corporate officers and employees together are committed to fulfilling the Bank's mission as a regional financial institution.

This report presents in an easy-to-understand manner the management policies and the current status of operations of The Osaka City Shinkin Bank, in hopes that its perusal may contribute to a fuller understanding of the Bank's operations, associated with our sincere request for your continued patronage and support.

July 2020

Handwritten signature of Masao Kawamura in black ink.

Masao Kawamura  
Chairman

Handwritten signature of Satoshi Takahashi in black ink.

Satoshi Takahashi  
President