

Message from the President



Satoshi Takahashi
President

Casting our eye back on the last fiscal year, we see that the global economy remained unstable, with factors such as growing geopolitical risks, inflation and rising interest rates in Europe and North America, and a slowdown in the Chinese economy.

In Japan, meanwhile, we were heavily impacted by the effects of increasing material prices caused by resource price rises and the weak yen, and pauses to car production in the wake of certification scandals. On the other hand, the bounce back in demand following the pandemic and the increase in demand for inbound tourism—i.e., from international tourists to Japan—and the successful tempting of semiconductor manufacturers to build factories in the country, meant that we witnessed movement toward economic recovery, as seen in rising stock prices. Changes to monetary policy—first and foremost the Bank of Japan putting an end to minus interest rates—suggest the financial environment is entering a new, different phase.

In our hometown of Osaka, there is now less than a year to go before the opening of Expo 2025 Osaka, Kansai. Expectations are rising that the event will prove an opportunity to capture attendant increases in demand and highlight the appeal of the technologies and products the region's small and medium-sized enterprises (SMEs) have to offer.

For SMEs, though, the business and management environment remains challenging, as they face issues such as prolonged high material costs, labor shortages, and a slowdown in consumption resulting from the rising cost of living.

In just such circumstances, in fiscal 2023 marked the first year of Smart Shinkin Stock 2025, our new medium-term management plan, and all of our employees, including executives, worked together as one on various measures to achieve the plan's targets. We offered assorted types of management support, including for sales channel expansion and digital transformations (DX), and through problem-solving measures for a wide range of issues such as business succession and mergers and acquisitions (M&As). Additionally, we opened Soar, a co-working and shared office facility on an upper floor of our Umeda Branch, and worked to discover growth industries and enhance business creation support.

Through our project for exhibitors at the expo's Osaka Healthcare Pavilion, we are offering comprehensive support to their technical development and exhibit creation under the theme of Future Lifestyles: Smart Rooms, to help them share information with the world.

Last year, we also worked to further strengthen our internal management framework, by enhancing the effectiveness of our money laundering and cyber-security countermeasures, preventing financial crimes like sophisticated fraud schemes, and reinforcing our crisis management systems.

As a result of all of these efforts, in fiscal 2023, like the year before, we continued to maintain stable performance, and further enhanced our financial soundness by improving our equity capital.

In fiscal 2024, too, our aim is to be our customers' number one financial partner for problem resolution and for close ties to the region, as espoused by our desire to continue to take on challenges and act with our community. Moreover, based on our management philosophy of tripartite prosperity and our slogan—"serving the community by building trust"—I and all other employees, including executives, are coming together to fulfill our mission as a regional financial institution that can accurately respond to customer needs.

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 2024

A handwritten signature in black ink that reads "S. Takahashi".

Satoshi Takahashi
President