

Message from the Management



Masao Kawamura
Chairman



Satoshi Takahashi
President

During the last fiscal year, the entire world was affected by the COVID-19 pandemic, with the movement of people and things greatly curtailed; the impact on lifestyles and economic activities was massive. Also, in the world of international politics, there was trade conflict between the US and China and a worsening of the global financial situation. The future is more unclear than ever.

Although Japan previously saw a recovery through factors such as a recovery in the effects of inbound tourism, the pandemic caused the biggest downturn since the postwar era. Our hometown of Osaka was also severely impacted. Small and medium-sized enterprises (SMEs) were particularly affected and after the dramatic transformation of the economic environment, the situation remained challenging. Both the public and private sectors did their utmost to support SMEs with financial relief and proactively pushed forward measures to assist with their management.

The pandemic has also led to the rapid uptake of teleworking, remote meetings, and other new ways of working that avoid the Three Cs (Closed spaces, Crowded places, and Close-contact settings) which have taken hold as the world adapts to this new normal. Alongside these changes, the digital transformation (DX) has picked up pace, and businesses are now required to have business models that are able to adapt to increasing digitalization.

The situation described above formed the backdrop to Smart Shinkin 2022, the medium-term management plan we launched in fiscal 2020. Our employees came together to work with a sense of urgency toward the plan's goal of becoming our customers' number one financial partner for problem resolution and for close ties to the region.

As well as promoting greater use of IT tools and digitalization, we have prioritized partners' business succession and supported them through financing during the pandemic. We have also been able to respond to consultations on a wide range of topics by establishing urgent consultation counters. Meanwhile, we have offered remote management consultations and online management seminars, among other things, to actively promote problem resolution for such topics as how to expand sales or about business continuation. Communication with customers needs to be two-way, and to that end we have both introduced concierges to branch lobbies and established facilities such as direct-sales locations for local produce and bicycle-sharing stations. By working with different industries in this way, we have worked to build a cyclical economy that will lead to regional revitalization.

In addition, to protect our customers, we are working to prevent financial crimes such as money laundering and sophisticated fraud schemes, and also strengthening our cyber-security countermeasures—more important than ever as more people conduct financial transactions online due to the pandemic. In these and other ways, we are further reinforcing our internal control system.

As a result of the various actions detailed above, our performance in fiscal 2020 was stable, just as it was in the preceding fiscal year, and we put ourselves on an even sounder footing.

Our goal for fiscal 2021 remains the same—to be our customers' number one financial partner for problem resolution. In line with our management philosophy of tripartite prosperity and our slogan—"serving the community by building trust"—our intent is to be a regional financial institution that is able to fully respond to customers' needs; that is our mission and that is what we will strive to deliver.

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 2021

A handwritten signature in black ink that reads "M. Kawamura".

Masao Kawamura
Chairman

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

Satoshi Takahashi
President