

## 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.

In addition, events such as Russia's invasion of Ukraine and lockdowns in major Chinese cities led to large increases in the prices of raw materials, disruptions in the supply chains of semiconductors and other components, fears of inflation, and the need to confront environmental problems. The continuing sense of uncertainty about the future is even greater than before.

Small and medium-sized enterprises (SMEs) continued to experience a harsh economic environment due to the influence of the pandemic, and both the public and private sectors did their utmost to provide them with proactive financial support and management assistance. At the same time, the pandemic accelerated societal change, and there was a rapid development of digitalization, as seen in the increased use of cashless payment, teleworking and other applications of remote technology, and electronic administrative procedures. Furthermore, there was a strong demand for increased productivity through digital transformation (DX), and the application of IT to operational reforms has become indispensable.

In this climate, fiscal 2021 marked the middle year of our medium-term management plan, Smart Shinkin 2022. With a sense of urgency, we pushed forward with various measures toward the plan's goal of becoming our customers' number one financial partner for problem resolution and for close ties to the region. With the expansion of our remote consultation desks and online negotiation systems, which have allowed a wide range of consultations to be conducted amid the pandemic, the greater use of communication tablets, and the deployment of personal adviser, we worked to improve communication with our customers. Furthermore, in addition to proactively enhancing our ability to offer solutions to problems faced by our customers, such as by establishing a support system for all counters at our branches in order to provide customers with a greater level of convenience, with the aim of invigorating and promoting the development of our local area, Osaka, we entered the Co-Creation Challenge of the TEAM EXPO 2025 Program established for the world exposition to be held in Osaka in 2025.

In addition, to protect our customers, we took steps to prevent financial crimes, such as money laundering and sophisticated fraud schemes, strengthened our cybersecurity measures, and further strengthened our internal control system.

As a result of these activities, our performance in fiscal 2021 was stable, as it was in the preceding financial year, and we are maintaining a healthy state of operations.

Fiscal 2022 will see the 95th anniversary of our founding. With greater empathy, depth, and speed, we will make every effort to solve the problems faced by local communities and SMEs, and carve out a bright future in partnership with communities as we approach our 100th anniversary.

In line with our management philosophy of tripartite prosperity and our slogan—"serving the community by building trust"—we will continue 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 presents in an easy-to-understand manner the management policies and the current status of operations of the Osaka City Shinkin Bank. We hope that its perusal may contribute to a fuller understanding of our operations, and that we may continue to enjoy your patronage and support.

July 2022

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

Satoshi Takahashi  
President