

Message from the Management



Isao Sumihiro
President

The Great East Japan Earthquake had a devastating impact on the local economy, with production and exports in the automobile industry being hit particularly hard. On the other hand, we now see signs that the economic situation has started to improve thanks to the rapid recovery of the supply chain. However, there is still a great deal of uncertainty over the future and we find ourselves in very unpredictable times, with continuing concerns over the slump in the global economy that resulted from the U.S. economic downturn and debt problems in Europe, the appreciation of the Japanese yen and delays in reconstruction efforts for the Great East Japan Earthquake.

Within this testing environment, the Hiroshima Bank has made it its mission as the leading local bank to provide active support for local small and medium sized enterprises and to perform healthy and smooth funding intermediation services. In April 2010, we introduced the Area sales staff system with the aim of strengthening customer relations and providing extensive financial services. By promoting a community-oriented approach rather than an individual-oriented approach through this system, we have experienced an increase in business lending, showing that our efforts are steadily producing results. Since October 2011, we have also put more emphasis on our community-based finance in order to further strengthen our efforts to assist local small and medium sized enterprises, with the aim of improving and developing their management and growth areas by providing financial services with added value.

In addition, as a member of the community, we have been engaging in a number of CSR activities that form part of our contribution to the local economy. We take a proactive stance toward community and volunteer activities, from environmental activities including forest conservation and limiting the use of air conditioning, to social activities such as support for financial education and local sporting and cultural events.

In the first half of fiscal 2011, as a result of our focus on customer relations and operational streamlining, we have been able to cut business and credit-related expenses, resulting in an interim net profit of 7.5 billion yen, an increase of 0.5 billion yen on the same period in the previous year.

Fiscal 2011 is the final year in the mid-term management plan <STEPS>, making it an important year in creating a springboard for the future. By realizing our goals of gaining the total confidence of our customers and creating a solid financial structure through stable profitability, we will create strong bonds of trust with the community, and will endeavour to become the "First call bank" to which people come to discuss their financial needs.

A handwritten signature in black ink, appearing to read 'I. Sumihiro', written over a horizontal line.

Isao Sumihiro
President