

Financial Summary

for the First Half of Fiscal Year 2022 Ended September 30, 2022

November 14, 2022

Lawson Bank, Inc. (<https://www.lawsonbank.jp/>)

I. Financial Results Highlights

(Financial figures are truncated to the unit stated)

1. Results of Operation (Non-consolidated)

(Millions of Yen)

	1H FY2021 (6 months)	1H FY2022 (6 months)
Total revenue	12,748	13,280
Net interest income	-341	-214
Net fees and commissions	13,089	13,495
Net provision of general reserve for loan losses	0	1
General and administrative expenses	11,458	11,515
Ordinary business profits	1,289	1,763
Ordinary profits	1,293	1,761
Net income	885	1,158

2. Balance Sheets (Non-consolidated)

(Millions of Yen)

	FY2021 (As of March 31, 2022)	1H FY2022 (As of September 30, 2022)
Cash and due from banks	344,706	327,620
Securities	6,000	-
Loans	498	636
Other assets	48,421	51,869
Total assets	399,626	380,127
Deposits	125,359	81,405
Call money	20,000	40,000
Borrowed money	203,600	180,000
Other liabilities	25,247	52,143
Total liabilities	374,207	353,548
Total equity	25,419	26,578

3. Financial Ratios (Non-consolidated)

	1H FY2021 (6 months)	1H FY2022 (6 months)
Expense-to-revenue ratio	89.9%	86.7%

(Millions of Yen)

	FY2021 (As of March 31, 2022)	1H FY2022 (As of September 30, 2022)
Risk-weighted assets	83,056	82,234
Core capital	15,047	16,136
Capital adequacy ratio	18.12%	19.62%

	FY2021 (As of March 31, 2022)	1H FY2022 (As of September 30, 2022)
Number of ATM units installed	13,542	13,525
Total number of banking accounts	84,582	91,823
Number of credit card customers	127,277	134,660

	1H FY2021 (6 months)	1H FY2022 (6 months)
Total number of ATM usage (1,000s)	118,643	129,100
Average daily ATM usage (no. of times per day per unit)	47.7	52.0

Note: Figures of total number of ATM usage are rounded off a number less than 1,000.

		FY2021 (As of March 31, 2022)	1H FY2022 (As of September 30, 2022)
Number of affiliated financial institutions (banks, companies, depositories) (Note1)		378	383
Immediate account settlement service	Number of affiliated services (Note2)	5	5
	Number of affiliated financial institutions	12	17

Note:

1. The JA Bank and JF Marine Bank are considered each as an institution depending on business categories.
2. au PAY and WebMoney prepaid card (including Lite) are considered each as an institution depending on service categories.

II. Interim Financial Statements

1. Interim Balance Sheets (Non-consolidated)

(Financial figures are truncated to the unit stated)
(Millions of Yen)

	FY2021 (As of March 31, 2022)	1H FY2022 (As of September 30, 2022)
[Assets]		
Cash and due from banks	344,706	327,620
Cash	323,679	312,336
Due from banks	21,026	15,284
Securities	6,000	-
Short-term corporate bonds	6,000	-
Loans	498	636
Overdraft	498	636
Suspense payments in ATMs	13,489	16,517
Other assets	12,183	13,110
Prepaid expenses	282	195
Accrued income	30	38
Other assets	11,870	12,875
Guarantee deposits for CCP	5,000	5,400
Tangible fixed assets	12,146	11,512
Buildings	57	38
Leased assets	12,013	10,510
Buildings in progress	-	909
Other tangible assets	76	53
Intangible fixed assets	10,374	10,446
Software	9,950	9,082
Software in progress	418	1,357
Other intangible assets	5	6
Differed tax assets	231	290
Reserve for loan losses	-4	-6
Total assets	399,627	380,127
[Liabilities]		
Deposits	125,359	81,405
Ordinary deposits	81,751	47,946
Time deposits	43,600	33,451
Other deposits	7	7
Call money	20,000	40,000
Borrowed money	203,600	180,000
Borrowed money	203,600	180,000
Suspense receipts of ATM	14,684	41,461
Other liabilities	10,368	10,480
Income taxes payable	852	662
Accrued expenses	1,934	1,798
Lease obligations	5,852	4,544

Other liabilities	1,728	3,474
Accrued employees' bonuses	194	200
Total liabilities	374,207	353,548
[Equity]		
Common stock	11,600	11,600
Capital surplus	11,600	11,600
Capital reserve	11,600	11,600
Retained earnings	2,219	3,378
Other retained earnings	2,219	3,378
Unappropriated retained earnings	2,219	3,378
Total shareholders' equity	25,419	26,578
Other unrealized gain on securities	0	-
Total net unrealized gain and translation adjustments	0	-
Total equity	25,419	26,578
Total liabilities and equity	399,627	380,127

2. Interim Statement of Income (Non-consolidated)

(Financial figures are truncated to the unit stated)
(Millions of Yen)

	1H FY2021 (From April 1, 2021 to September 30, 2021)	1H FY2022 (From April 1, 2022 to September 30, 2022)
Ordinary income	16,920	17,425
Interest income	21	50
Interest on loans	20	50
Interest and dividends on securities	-0	-0
Interest income on due from banks	-0	-0
Other interest received	1	1
Fees and commissions income	16,892	17,371
Exchange fees received	22	43
ATM commissions received	16,548	16,828
Other business income	321	500
Other business income	-	0
Gains on foreign exchange	-	0
Other ordinary income	7	3
Other ordinary income	7	3
Ordinary Expenses	15,627	15,664
Interest expenses	362	265
Interest on deposits	39	52
Interest on call money	3	1
Interest on borrowed money	194	124
Other interest paid	125	86
Fees and commissions expenses	3,802	3,876
Exchange fees paid	1	1
ATM installation commissions expenses	1,591	1,694
ATM commissions expenses	1,974	1,939
Other fees and commissions expenses	234	241
General and administrative expenses	11,458	11,515
Other ordinary expenses	4	7
Provision of Reserve for Credit Losses	0	2
Losses on Write-Off of Loans	0	0
Other ordinary expenses	2	3
Ordinary profits	1,293	1,761
Extraordinary losses	29	86
Tangible fixed asset disposal expenses	29	86
Net income before income taxes	1,264	1,675
Income taxes	378	516
Income taxes, local inhabitant taxes and the enterprise taxes	405	575
Deferred income taxes	-26	-58
Net income	885	1,158