

Financial Summary for the Fiscal Year 2020 Ended March 31, 2021

May 14, 2021
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)

	FY2019 (12 months)	FY2020 (12 months)
Total revenue	25,717	23,454
Net interest income	-1,066	-766
Net fees and commissions	26,783	24,221
Net other business income	-	-0
Net provision of general reserve for loan losses	-1	0
General and administrative expenses	23,735	22,364
Ordinary business profits	1,982	1,089
Ordinary profits	1,820	1,029
Net income	1,834	708

2. Balance Sheets (Non-consolidated)

(Millions of Yen)

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Cash and due from banks	327,361	313,408
Securities	-	4,000
Loans	37	119
Other assets	54,764	51,819
Total assets	382,163	369,348
Deposits	17,712	51,074
Call money	22,000	27,000
Borrowed money	290,000	242,700
Other liabilities	29,465	24,879
Total liabilities	359,177	345,654
Total equity	22,985	23,694

3. Financial Ratios (Non-consolidated)

	FY2019 (12 months)	FY2020 (12 months)
Expense-to-revenue ratio	92.3%	95.4%

(Millions of Yen)

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Risk-weighted assets	79,633	79,261
Core capital	9,363	11,260
Capital adequacy ratio	11.76%	14.21%

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Number of ATM units installed	13,367	13,490
Total number of banking accounts	48,860	65,424
Number of credit card customers	47,679	99,037

	FY2019 (12 months)	FY2020 (12 months)
Total number of ATM usage (1,000s)	233,203	212,799
Average daily ATM usage (no. of times per day per unit)	47.2	43.3

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

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Number of affiliated financial institutions (banks, companies, depositories) (Note1,2)	124	130
Immediate account settlement service	Number of affiliated services (Note2)	2
	Number of affiliated financial institutions	1

Note:

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

II. Financial Statements

1. Balance Sheets (Non-consolidated)

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

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
[Assets]		
Cash and due from banks	327,361	313,408
Cash	319,492	304,595
Due from banks	7,868	8,812
Securities	-	4,000
Short-term corporate bonds	-	4,000
Loans	37	119
Overdraft	37	119
Suspense payments in ATMs	12,736	13,242
Other assets	10,148	11,071
Prepaid expenses	422	331
Accrued income	2	11
Other assets	9,722	10,728
Guarantee deposits for CCP	5,000	5,000
Tangible fixed assets	18,159	14,910
Buildings	135	97
Leased assets	17,903	14,706
Other tangible assets	119	106
Intangible fixed assets	13,481	12,435
Software	11,909	11,636
Software in progress	1,571	747
Other intangible fixed assets	-	51
Differed tax assets	241	162
Reserve for loan losses	-2	-3
Total assets	382,163	369,348
[Liabilities]		
Deposits	17,712	51,074
Ordinary deposits	13,985	39,403
Time deposits	3,724	11,663
Other deposits	2	7
Call money	22,000	27,000
Borrowed money	290,000	242,700
Suspense receipts of ATM	14,437	242,700
Other liabilities	14,851	12,492
Income taxes payable	79	12,161
Accrued expenses	1,803	222
Lease obligations	11,402	1,809
Other liabilities	1,566	8,256
Accrued employees' bonuses	176	1,873
Total liabilities	359,177	345,654

(Millions of Yen)

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
[Equity]		
Common stock	11,600	11,600
Capital surplus	11,600	11,600
Capital reserve	11,600	11,600
Retained earnings	-214	494
Legal reserve	-	-
Other retained earnings	-214	494
Unappropriated retained earnings	-214	494
Total shareholders' equity	22,985	23,694
Other unrealized gain on securities	-	0
Total net unrealized gain and translation adjustments	-	0
Total equity	22,985	23,694
Total liabilities and equity	382,163	369,348

2. Statement of Income (Non-consolidated)

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

	FY2019 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2020 to March 31, 2021)
Ordinary income	34,299	31,566
Interest income	-24	14
Interest on loans and discounts	2	14
Interest and dividends on securities	-	-0
Interest on call loans	-6	-
Interest income on due from banks	-24	-3
Other interest received	4	3
Fees and commissions income	34,046	31,539
Exchange fees received	14	35
ATM commissions received	33,930	31,231
Other fees and commissions income	101	273
Other ordinary income	277	12
Reversal of reserve for loan losses	1	-
Other ordinary income	275	12
Ordinary Expenses	32,479	30,537
Interest expenses	1,042	781
Interest on deposits	3	31
Interest on call money	7	4
Interest on borrowed money	634	426
Other interest paid	396	317
Fees and commissions expenses	7,262	7,318
Exchange fees paid	2	2
ATM installation commissions expenses	3,139	2,934
ATM commissions expenses	3,890	3,975
Other fees and commissions expenses	231	406
Other business expenses	-	0
Losses on sales of foreign exchange	-	0
Losses on sales of bonds	-	0
General and administrative expenses	23,735	22,364
Other ordinary expenses	438	73
Provision of reserve for loan losses	-	1
Losses on write-off loans	0	0
Other ordinary expenses	438	71
Ordinary profit	1,820	1,029

(Millions of Yen)

	FY2019 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2020 to March 31, 2021)
Extraordinary profits	2	-
Other extraordinary profits	2	-
Extraordinary losses	101	33
Tangible fixed asset disposal expenses	93	32
Other extraordinary losses	8	1
Net income before income taxes	1,721	995
Income taxes	-112	287
Income taxes	128	208
Deferred income taxes	-241	78
Net income	1,834	708

3. Statement of Changes in Equity (Non-consolidated)

FY2019 (From April 1, 2019 to March 31, 2020)

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

	Shareholders' equity				Total net unrealized gain and translation adjustments		Total equity
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity	Other unrealized gain on securities	Total net unrealized gain and translation adjustments	
		Capital reserves	Other retained earnings Defered retained earnings				
Balance of beginning of period	11,600	11,600	-2,048	21,151	-	-	21,151
Change during period							
Net income	-	-	1,834	1,834	-	-	1,834
Net change during period for items other than shareholders' equity	-	-	-	-	-	-	-
Total change in period	-	-	1,834	1,834	-	-	1,834
Balance, March 31, 2020	11,600	11,600	-214	22,985	-	-	22,985

FY2020 (From April 1, 2020 to March 31, 2021)

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

	Shareholders' equity				Total net unrealized gain and translation adjustments		Total equity
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity	Other unrealized gain on securities	Total net unrealized gain and translation adjustments	
		Capital reserves	Other retained earnings Defered retained earnings				
Balance of beginning of period	11,600	11,600	-214	22,985	-	-	22,985
Change during period							
Net income	-	-	708	708	-	-	708
Net change during period for items other than shareholders' equity	-	-	-	-	0	0	0
Total change in period	-	-	708	708	0	0	708
Balance, March 31, 2021	11,600	11,600	494	23,694	0	0	23,694

4. Cash Flow Statement (Non-consolidated)

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

	FY2019 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2020 to March 31, 2021)
I Cash flows from operating activities		
Income before income taxes	1,721	995
Depreciation	6,450	7,015
Net change in provision of reserve for loan losses (-)	-1	1
Net change in accrued employees' bonuses (-)	4	7
Net change in operating receivables (-)	-911	-797
Interest income	24	-14
Interest expenses	1,042	781
Losses (gains) on sales of fixed assets (-)	93	32
Net change in stored items (-)	16	13
Net change in unsettled money for ATMs (-)	-28,597	-2,450
Net change in accounts payable	564	154
Net change in deposits (-)	2,287	33,372
Interest received	-24	5
Interest paid	-1,042	-775
Net change in borrowed money (-)	32,000	-42,300
Repayment of lease obligations	-5,687	-4,258
Other	1,348	1,433
Sub total	9,287	-6,783
Payment of corporate taxes, etc.	-538	-233
Refund of sales tax, etc.	504	-708
Net cash generated by operating activities	9,252	-7,725
II Cash flow from investing activities		
Purchase of securities	-	-4,010
Sales and redemption of securities	-	10
Purchase of tangible fixed assets	-9	-18
Purchase of intangible fixed assets	-1,625	-2,209
Net cash provided by (used in) investing activities	-1,635	-6,227
III Cash flow from financing activities		
Cash flow from financing activities	-	-
IV Adjustments on cash and cash equivalents		
	-	-

	(Millions of Yen)	
	FY2019 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2020 to March 31, 2021)
V Net change in cash and cash equivalents	7,617	-13,953
VI Cash and cash equivalents at beginning of period	319,744	327,361
VII Cash and cash equivalents at end of period	327,361	313,408

III. Reference Information

(Financial figures are truncated to the unit stated)

1. Capital Adequacy Ratio Information

(Millions of Yen)

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Risk-weighted assets	79,633	79,261
Core capital	9,363	11,260
Capital adequacy ratio	11.76%	14.21%

2. Claims Classified under the Financial Revitalization Law (Non-consolidated)

(Millions of Yen)

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Claims against bankrupt and quasi-bankrupt obligors	0	0
Doubtful claims	0	0
Substandard claims	0	0
Normal claims	13,018	13,596

3. Derivative Transaction

None.

4. ATM Transactions

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Number of ATM units installed	13,367	13,490

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Total number of ATM usage (1,000s)	233,203	212,799
Average daily ATM usage (no. of times per day per unit)	47.2	43.3

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

		FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Number of affiliated financial institutions (banks, companies, depositories) (Note1,2)		124	130
Immediate account settlement service	Number of affiliated services (Note2)	-	2
	Number of affiliated financial institutions	-	1

Note:

1. The JA Bank and JF Marine Bank are considered each as an institution depending on business categories.

2. auPAY and WebMoney prepaid card (including Lite) are considered each as an institution depending on service categories.

5. Other

	FY2019 (12 months)	FY2020 (12 months)
Interest margin for total fund	-6.54%	-6.86%

6. General and Administrative Expenses

(Millions of Yen)

	FY2019 (12 months)	FY2020 (12 months)
Personnel expenses	1,611	1,733
Non-personnel expenses	21,899	20,396
Depreciation	6,450	7,015
Taxes	225	234
General and administrative expenses	23,735	22,364

7. Number of Directors, Auditors, and Employees

	FY2019 (As of March 31, 2020)	FY2020 (As of March 31, 2021)
Directors and auditors	9	9
Directors	5	5
Auditors	4	4
Employees	145	166
Total	154	175

Notes:

1. The number of directors and auditors includes external directors and auditors.
2. The number of employees includes executive officers and seconded employees from other companies, but not temporary employees.