

Financial Summary for the Fiscal Year 2021 Ended March 31, 2022

May 13, 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)

	FY2020 (12 months)	FY2021 (12 months)
Total revenue	23,454	25,596
Net interest income	-766	-597
Net fees and commissions	24,221	26,193
Net other business income	-0	0
Net provision of general reserve for loan losses	0	0
General and administrative expenses	22,364	22,986
Ordinary business profits	1,089	2,609
Ordinary profits	1,029	2,684
Net income	708	1,725

2. Balance Sheets (Non-consolidated)

(Millions of Yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Cash and due from banks	313,408	344,706
Securities	4,000	6,000
Loans	119	498
Other assets	51,819	48,421
Total assets	369,348	399,626
Deposits	51,074	125,359
Call money	27,000	20,000
Borrowed money	242,700	203,600
Other liabilities	24,879	25,247
Total liabilities	345,654	374,207
Total equity	23,694	25,419

3. Financial Ratios (Non-consolidated)

	FY2020 (12 months)	FY2021 (12 months)
Expense-to-revenue ratio	95.4%	89.8%

(Millions of Yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Risk-weighted assets	79,261	83,056
Core capital	11,260	15,047
Capital adequacy ratio	14.21%	18.12%

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Number of ATM units installed	13,490	13,542
Total number of banking accounts	65,424	84,582
Number of credit card customers	99,037	127,277

	FY2020 (12 months)	FY2021 (12 months)
Total number of ATM usage (1,000s)	212,799	242,373
Average daily ATM usage (no. of times per day per unit)	43.3	48.9

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

		FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Number of affiliated financial institutions (banks, companies, depositories) (Note1)		130	378
Immediate account settlement service	Number of affiliated services (Note2)	2	5
	Number of affiliated financial institutions	1	12

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. Financial Statements

1. Balance Sheets (Non-consolidated)

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

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
[Assets]		
Cash and due from banks	313,408	344,706
Cash	304,595	323,679
Due from banks	8,812	21,026
Securities	4,000	6,000
Short-term corporate bonds	4,000	6,000
Loans	119	498
Overdraft	119	498
Suspense payments in ATMs	13,242	13,489
Other assets	11,071	12,183
Prepaid expenses	331	282
Accrued income	11	30
Other assets	10,728	11,870
Guarantee deposits for CCP	5,000	5,000
Tangible fixed assets	14,910	12,146
Buildings	97	57
Leased assets	14,706	12,013
Other tangible assets	106	76
Intangible fixed assets	12,435	10,374
Software	11,636	9,950
Software in progress	747	418
Other intangible assets	51	5
Differed tax assets	162	231
Reserve for loan losses	-3	-4
Total assets	369,348	399,627

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

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
[Liabilities]		
Deposits	51,074	125,359
Ordinary deposits	39,403	81,751
Time deposits	11,663	43,600
Other deposits	7	7
Call money	27,000	20,000
Borrowed money	242,700	203,600
Borrowed money	242,700	203,600
Suspense receipts of ATM	12,492	14,684
Other liabilities	12,161	10,368
Income taxes payable	222	852
Accrued expenses	1,809	1,934
Lease obligations	8,256	5,852
Other liabilities	1,873	1,728
Accrued employees' bonuses	183	194
Other reserve	42	-
Total liabilities	345,654	374,207
[Equity]		
Common stock	11,600	11,600
Capital surplus	11,600	11,600
Capital reserve	11,600	11,600
Retained earnings	494	2,219
Legal reserve	-	-
Other retained earnings	494	2,219
Unappropriated retained earnings	494	2,219
Total shareholders' equity	23,694	25,419
Other unrealized gain on securities	0	0
Total net unrealized gain and translation adjustments	0	0
Total equity	23,694	25,419
Total liabilities and equity	369,348	399,627

2. Statement of Income (Non-consolidated)

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

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
Ordinary income	31,566	33,888
Interest income	14	60
Interest on loans	14	58
Interest and dividends on securities	-0	-0
Interest income on due from banks	-3	-0
Other interest received	3	3
Fees and commissions income	31,539	33,745
Exchange fees received	35	49
ATM commissions received	31,231	32,925
Other fees and commissions income	273	770
Other business income	-	0
Gains on foreign exchange	-	0
Other ordinary income	12	82
Other ordinary income	12	82
Ordinary Expenses	30,537	31,203
Interest expenses	781	657
Interest on deposits	31	102
Interest on call money	4	5
Interest on borrowed money	426	318
Other interest paid	317	231
Fees and commissions expenses	7,318	7,552
Exchange fees paid	2	2
ATM installation commissions expenses	2,934	3,234
ATM commissions expenses	3,975	3,890
Other fees and commissions expenses	406	425
Other business expenses	0	-
Losses on foreign exchange	0	-
Losses on sale of debentures including JGB	0	-
General and administrative expenses	22,364	22,986
Other ordinary expenses	73	6
Provision of reserve for credit losses	1	0
Losses on write-off of loans	0	1
Other ordinary expenses	71	4
Ordinary profits	1,029	2,684
Extraordinary losses	33	175
Tangible fixed asset disposal expenses	32	175
Other extraordinary losses	1	-

(Millions of Yen)

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
Net income before income taxes	995	2,509
Income taxes	287	784
Income taxes, local inhabitant taxes and the enterprise taxes	208	852
Deferred income taxes	78	-68
Net income	708	1,725

3. Statement of Changes in Equity

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

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

	Shareholders' equity				Valuation and translation adjustments		Total equity
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity	Unrealized gain (loss) on other available-for-sale securities	Total valuation 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

FY2021 (From April 1, 2021 to March 31, 2022)

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

	Shareholders' equity				Valuation and translation adjustments		Total equity
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity	Unrealized gain (loss) on other available-for-sale securities	Total valuation and translation adjustments	
		Capital reserves	Other retained earnings Defered retained earnings				
Balance of beginning of period	11,600	11,600	494	23,694	0	0	23,694
Change during period							
Net income	-	-	1,725	1,725	-	-	1,725
Net change during period for items other than shareholders' equity	-	-	-	-	0	0	0
Total change in period	-	-	1,725	1,725	0	0	1,725
Balance, March 31, 2022	11,600	11,600	2,219	25,419	0	0	25,419

4. Cash Flow Statement (Non-consolidated)

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

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 30, 2022)
I Cash flows from operating activities		
Income (loss) before income taxes	995	2,509
Depreciation	7,015	7,102
Net change in provision of reserve for loan losses (-)	1	0
Net change in accrued employees' bonuses (-)	7	11
Net change in operating receivables (-)	-797	-1,327
Interest income	-14	-60
Interest expenses	781	657
Losses (gains) on disposal of fixed assets	32	-
Net change in stored items (-)	13	2
Net change in unsettled money for ATMs (-)	-2,450	1,944
Net change in accounts payable (-)	154	180
Net change in deposits (-)	33,372	74,222
Interest received	5	41
Interest paid	-775	-612
Net change in borrowed money (-)	-42,300	-46,100
Repayment of lease obligations	-4,258	-4,028
Other	1,433	1,404
Sub total	-6,783	35,946
Payment of corporate taxes, etc.	-233	-409
Refund of sales tax, etc.	-708	-1,207
Net cash generated by operating activities	-7,725	34,329
II Cash flow from investing activities		
Purchase of securities	-4,010	-12,001
Proceeds from sales and redemption of securities	10	10,000
Purchase of tangible fixed assets	-18	-11
Purchase of intangible fixed assets	-2,209	-1,019
Net cash provided by (used in) investing activities	-6,227	-3,031

(Millions of Yen)

	FY2020 (From April 1, 2020 to March 31, 2021)	FY2021 (From April 1, 2021 to March 31, 2022)
III Cash flow from financing activities		
Cash flow from financing activities	-	-
IV Adjustments on cash and cash equivalents	-	-
V Net change in cash and cash equivalents	-13,953	31,297
VI Cash and cash equivalents at beginning of period	327,361	313,408
VII Cash and cash equivalents at end of period	313,408	344,706

III. Reference Information

(Financial figures are truncated to the unit stated)

1. Capital Adequacy Ratio Information

(Millions of Yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Risk-weighted assets	79,261	83,056
Core capital	11,260	15,047
Capital adequacy ratio	14.21%	18.12%

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

(Millions of Yen)

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Claims against bankrupt and quasi-bankrupt obligors	0	0
Doubtful claims	0	2
Substandard claims	0	3
Three-month delinquent claims	0	3
Claims with moderated loan conditions	-	-
Subtotal	0	6
Normal claims	13,596	14,288
Total	13,596	14,295

3. Derivative Transaction

None.

4. ATM Transactions

	FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Number of ATM units installed	13,490	13,542

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Immediate account settlement service	Number of affiliated services (Note2)	2	5
	Number of affiliated financial institutions	1	12

Note:

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

5. Other

	FY2020 (12 months)	FY2021 (12 months)
Interest margin for total fund	-6.86%	-6.59%

6. General and Administrative Expenses

(Millions of Yen)

	FY2020 (12 months)	FY2021 (12 months)
Personnel expenses	1,733	1,843
Non-personnel expenses	20,396	20,885
Depreciation	7,015	7,102
Taxes	234	257
General and administrative expenses	22,364	22,986

7. Number of Directors, Auditors, and Employees

		FY2020 (As of March 31, 2021)	FY2021 (As of March 31, 2022)
Directors and auditors		9	9
	Directors	5	5
	Auditors	4	4
Employees		166	167
Total		175	176

Notes:

1. The number of directors and auditors includes external directors and auditors.
2. The number of employees includes executive officers and transferred employees, but not temporary employees.