

Financial Summary for the Fiscal Year 2022 Ended March 31, 2023

May 15, 2023

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)

	FY2021 (12 months)	FY2022 (12 months)
Total revenue	25,596	26,408
Net interest income	-597	-340
Net fees and commissions	26,193	26,750
Other business income	0	-1
Net provision of general reserve for loan losses	0	1
General and administrative expenses	22,986	22,910
Ordinary business profits	2,609	3,495
Ordinary profits	2,684	3,495
Net income	1,725	2,359

2. Balance Sheets (Non-consolidated)

(Millions of Yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Cash and due from banks	344,706	326,701
Securities	6,000	1,004
Loans	498	775
Other assets	48,421	52,826
Total assets	399,627	381,306
Deposits	125,359	84,539
Call money	20,000	37,000
Borrowed money	203,600	180,000
Other liabilities	25,247	51,988
Total liabilities	374,207	353,527
Total equity	25,419	27,779

3. Financial Ratios (Non-consolidated)

	FY2021 (12 months)	FY2022 (12 months)
Expense-to-revenue ratio	89.8%	86.8%

(Millions of Yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Risk-weighted assets	83,056	81,988
Core capital	15,047	16,882
Capital adequacy ratio	18.12%	20.59%

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Number of ATM units installed	13,542	13,509
Total number of banking accounts	84,582	97,937
Number of credit card customers	127,277	141,408

	FY2021 (12 months)	FY2022 (12 months)
Total number of ATM usage (1,000s)	242,373	261,440
Average daily ATM usage (no. of times per day per unit)	48.9	52.9

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

		FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Number of affiliated financial institutions (banks, companies, depositories) (Note1)		378	385
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. Financial Statements

1. Balance Sheets (Non-consolidated)

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

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
[Assets]		
Cash and due from banks	344,706	326,701
Cash	323,679	311,561
Due from banks	21,026	15,139
Securities	6,000	1,004
JGB	-	1,004
Short-term corporate bonds	6,000	-
Loans	498	775
Overdraft	498	775
Suspense payments in ATMs	13,489	16,209
Other assets	12,183	15,355
Prepaid expenses	282	247
Accrued income	30	45
Other assets	11,870	15,062
Guarantee deposits for CCP	5,000	7,340
Tangible fixed assets	12,146	10,087
Buildings	57	40
Leased assets	12,013	8,639
Construction in progress	-	1,351
Other tangible assets	76	56
Intangible fixed assets	10,374	10,901
Software	9,950	7,859
Software in progress	418	3,036
Other intangible assets	5	5
Differed tax assets	231	278
Reserve for loan losses	-4	-6
Total assets	399,627	381,306

[Liabilities]		
Deposits	125,359	84,539
Ordinary deposits	81,751	75,162
Time deposits	43,600	9,358
Other deposits	7	18
Call money	20,000	37,000
Borrowed money	203,600	180,000
Borrowed money	203,600	180,000
Suspense receipts of ATM	14,684	42,783
Other liabilities	10,368	9,013
Income taxes payable	852	730
Accrued expenses	1,934	2,016
Lease obligations	5,852	3,214
Other liabilities	1,728	3,052
Accrued employees' bonuses	194	191
Total liabilities	374,207	353,527
[Equity]		
Common stock	11,600	11,600
Capital surplus	11,600	11,600
Capital reserve	11,600	11,600
Retained earnings	2,219	4,578
Legal reserve	-	-
Other retained earnings	2,219	4,578
Unappropriated retained earnings	2,219	4,578
Total shareholders' equity	25,419	27,778
Other unrealized gain on securities	0	0
Total net unrealized gain and translation adjustments	0	0
Total equity	25,419	27,779
Total liabilities and equity	399,627	381,306

2. Statement of Income (Non-consolidated)

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

	FY2021 (From April 1, 2021 to March 31, 2022)	FY2022 (From April 1, 2022 to March 31, 2023)
Ordinary income	33,888	34,685
Interest income	60	114
Interest on loans	58	111
Interest and dividends on securities	-0	-0
Interest income on due from banks	-0	-1
Other interest income received	3	3
Fees and commissions income	33,745	34,562
Exchange fees received	49	88
ATM commissions received	32,925	33,393
Other fees and commissions income	770	1,080
Other business income	0	0
Gains on foreign exchange	0	0
Other ordinary income	82	8
Other ordinary income	82	8
Ordinary Expenses	31,203	31,190
Interest expenses	657	455
Interest on deposits	102	70
Interest on call money	5	-1
Interest on borrowed money	318	237
Other interest paid	231	149
Fees and commissions expenses	7,552	7,812
Exchange fees paid	2	2
ATM installation commissions expenses	3,234	3,420
ATM commissions expenses	3,890	3,871
Other fees and commissions expenses	425	518
Other business expenses	-	1
Losses on sale of debentures including JGB	-	1
General and administrative expenses	22,986	22,910
Other ordinary expenses	6	10
Provision of reserve for credit losses	0	2
Losses on write-off of loans	1	2
Other ordinary expenses	4	4
Ordinary profits	2,684	3,495
Extraordinary profits	-	0
Other extraordinary profits	-	0
Extraordinary losses	175	96
Tangible fixed asset disposal expenses	175	96
Net income before income taxes	2,509	3,399

Income taxes	784	1,039
Income taxes, local inhabitant taxes and the enterprise taxes	852	1,087
Deferred income taxes	-68	-47
Net income	1,725	2,359

3. Statement of Changes in Equity

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

FY2022 (From April 1, 2022 to March 31, 2023)

(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	2,219	25,419	0	0	23,694
Change during period							
Net income	-	-	2,359	2,359	-	-	2,359
Net change during period for items other than shareholders' equity	-	-	-	-	-0	-0	-0
Total change in period	-	-	2,359	2,359	-0	-0	2,359
Balance, March 31, 2023	11,600	11,600	4,578	27,778	0	0	27,779

4. Cash Flow Statement (Non-consolidated)

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

	FY2021 (From April 1, 2021 to March 31, 2022)	FY2022 (From April 1, 2022 to March 31, 2023)
I Cash flows from operating activities		
Income (loss) before income taxes	2,509	3,399
Depreciation	7,102	6,943
Net change in provision of reserve for loan losses (-)	0	2
Net change in accrued employees' bonuses (-)	11	-3
Net change in operating receivables (-)	-1,327	-759
Interest income	-60	-114
Interest expenses	657	455
Losses (gains) on related securities (-)	0	1
Net change in stored items (-)	2	3
Net change in unsettled money for ATMs (-)	1,944	25,378
Net change in accounts payable (-)	180	220
Net change in deposits (-)	74,222	-40,915
Interest received	41	99
Interest paid	-612	-507
Net change in borrowed money (-)	-46,100	-6,600
Repayment of lease obligations	-4,028	-3,169
Other	1,404	-828
Sub total	35,946	-16,393
Payment of corporate taxes, etc.	-409	-1,399
Refund of sales tax, etc.	-1,207	-1,103
Net cash generated by operating activities	34,329	-18,896
II Cash flow from investing activities		
Purchase of securities	-12,001	-4,022
Proceeds from sales and redemption of securities	10,000	9,010
Purchase of tangible fixed assets	-11	-1,366
Purchase of intangible fixed assets	-1,019	-2,727
Purchase of deposit of guarantee deposits	-	-71
Proceeds from collection of security deposits	-	67
Net cash provided by (used in) investing activities	-3,031	890

	(Millions of Yen)	
	FY2021 (From April 1, 2021 to March 31, 2022)	FY2022 (From April 1, 2022 to March 31, 2023)
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	31,297	-18,005
VI Cash and cash equivalents at beginning of period	313,408	344,706
VII Cash and cash equivalents at end of period	344,706	326,701

III. Reference Information

(Financial figures are truncated to the unit stated)

1. Capital Adequacy Ratio Information

(Millions of Yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Risk-weighted assets	83,056	81,988
Core capital	15,047	16,882
Capital adequacy ratio	18.12%	20.59%

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

(Millions of Yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Claims against bankrupt and quasi-bankrupt obligors	0	4
Doubtful claims	2	5
Substandard claims	3	6
Three-month delinquent claims	3	6
Claims with moderated loan conditions	-	-
Subtotal	6	16
Normal claims	14,288	17,377
Total	14,295	17,393

3. Derivative Transaction

None.

4. ATM Transactions

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
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Immediate account settlement service	Number of affiliated services (Note2)	5	5
	Number of affiliated financial institutions	12	17

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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

	FY2021 (12 months)	FY2022 (12 months)
Interest margin for total fund	-6.59%	-6.40%

6. General and Administrative Expenses

(Millions of Yen)

	FY2021 (12 months)	FY2022 (12 months)
Personnel expenses	1,843	1,803
Non-personnel expenses	20,885	20,842
Depreciation	7,102	6,943
Taxes	257	264
General and administrative expenses	22,986	22,910

7. Number of Directors, Auditors, and Employees

		FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Directors and auditors		9	10
Directors		5	6
Auditors		4	4
Employees		167	163
Total		176	173

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.