

## Financial Summary for the Fiscal Year 2023 Ended March 31, 2024

May 15, 2024

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)

	FY2022 (12 months)	FY2023 (12 months)
Total revenue	26,408	27,526
Net interest income	-340	-105
Net fees and commissions	26,750	27,632
Other business income	-1	0
Net provision of general reserve for loan losses	1	1
General and administrative expenses	22,910	24,870
Ordinary business profits	3,495	2,655
Ordinary profits	3,495	2,658
Net income	2,359	1,917

#### 2. Balance Sheets (Non-consolidated)

(Millions of Yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Cash and due from banks	326,701	374,165
Securities	1,004	-
Loans	775	942
Other assets	52,826	81,051
Total assets	381,306	456,159
Deposits	84,539	75,651
Call money	37,000	49,000
Borrowed money	180,000	230,000
Other liabilities	51,988	71,811
Total liabilities	353,527	426,462
Total equity	27,779	29,696

3. Financial Ratios (Non-consolidated)

	FY2022 (12 months)	FY2023 (12 months)
Expense-to-revenue ratio	86.8%	90.3%

(Millions of Yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Risk-weighted assets	81,988	85,816
Core capital	16,882	11,401
Capital adequacy ratio	20.59%	13.29%

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Number of ATM units installed	13,509	13,584
Total number of banking accounts	97,937	110,628
Number of credit card customers	141,408	145,095

	FY2022 (12 months)	FY2023 (12 months)
Total number of ATM usage (1,000s)	261,440	279,327
Average daily ATM usage (no. of times per day per unit)	52.9	56.2

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

		FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Number of affiliated financial institutions (banks, companies, depositories) (Note1)		385	401
Immediate account settlement service	Number of affiliated services (Note2)	5	6
	Number of affiliated financial institutions	17	18

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)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
[Assets]		
Cash and due from banks	326,701	374,165
Cash	311,561	358,854
Due from banks	15,139	15,310
Securities	1,004	-
JGB	1,004	-
Loans	775	942
Overdraft	775	942
Suspense payments in ATMs	16,209	37,144
Other assets	15,355	18,270
Prepaid expenses	247	300
Accrued income	45	56
Other assets	15,062	17,913
Guarantee deposits for CCP	7,340	9,160
Tangible fixed assets	10,087	7,105
Buildings	40	103
Leased assets	8,639	5,758
Construction in progress	1,351	9
Other tangible assets	56	1,234
Intangible fixed assets	10,901	18,301
Software	7,859	10,182
Software in progress	3,036	8,108
Other intangible assets	5	10
Differed tax assets	278	239
Reserve for loan losses	-6	-9
<b>Total assets</b>	<b>381,306</b>	<b>456,159</b>

<b>[Liabilities]</b>		
Deposits	84,539	75,651
Ordinary deposits	75,162	68,931
Time deposits	9,358	6,625
Other deposits	18	94
Call money	37,000	49,000
Borrowed money	180,000	230,000
Borrowed money	180,000	230,000
Suspense receipts of ATM	42,783	59,180
Other liabilities	9,013	12,400
Income taxes payable	730	164
Accrued expenses	2,016	2,333
Lease obligations	3,214	1,911
Other liabilities	3,052	7,991
Accrued employees' bonuses	191	230
<b>Total liabilities</b>	<b>353,527</b>	<b>426,462</b>
<b>[Equity]</b>		
Common stock	11,600	11,600
Capital surplus	11,600	11,600
Capital reserve	11,600	11,600
Retained earnings	4,578	6,496
Legal reserve	-	-
Other retained earnings	4,578	6,496
Unappropriated retained earnings	4,578	6,496
<b>Total shareholders' equity</b>	<b>27,778</b>	<b>29,696</b>
Other unrealized gain on securities	0	-
<b>Total net unrealized gain and translation adjustments</b>	<b>0</b>	<b>-</b>
<b>Total equity</b>	<b>27,779</b>	<b>29,696</b>
<b>Total liabilities and equity</b>	<b>381,306</b>	<b>456,159</b>

2. Statement of Income (Non-consolidated)

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

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
Ordinary income	34,685	36,002
Interest income	114	157
Interest on loans	111	153
Interest and dividends on securities	-0	-0
Interest income on due from banks	-1	-
Other interest income received	3	4
Fees and commissions income	34,562	35,833
Exchange fees received	88	98
ATM commissions received	34,038	35,209
Other fees and commissions income	435	525
Other business income	0	0
Gains on foreign exchange	0	0
Other ordinary income	8	11
Other ordinary income	8	11
Ordinary Expenses	31,190	33,343
Interest expenses	455	263
Interest on deposits	70	4
Interest on call money	-1	11
Interest on borrowed money	237	170
Other interest paid	149	76
Fees and commissions expenses	7,812	8,201
Exchange fees paid	2	2
ATM installation commissions expenses	3,420	3,601
ATM commissions expenses	3,871	3,952
Other fees and commissions expenses	518	644
Other business expenses	1	-
Losses on sale of debentures including JGB	1	-
General and administrative expenses	22,910	24,870
Other ordinary expenses	10	8
Provision of reserve for credit losses	2	2
Losses on write-off of loans	2	3
Other ordinary expenses	4	1
Ordinary profits	3,495	2,658
Extraordinary profits	0	-
Other extraordinary profits	0	-
Extraordinary losses	96	54
Tangible fixed asset disposal expenses	96	54

Net income before income taxes	3,399	2,604
Income taxes	1,039	686
Income taxes, local inhabitant taxes and the enterprise taxes	1,087	647
Deferred income taxes	-47	39
Net income	2,359	1,917

### 3. Statement of Changes in Equity

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	25,419
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

FY2023 (From April 1, 2023 to March 31, 2024)

(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	4,578		27,778	0	0	27,779
Change during period								
Net income	-	-	1,917		1,917	-	-	1,917
Net change during period for items other than shareholders' equity	-	-	-		-	-0	-0	-0
Total change in period	-	-	1,917		1,917	-0	-0	1,917
Balance, March 31, 2024	11,600	11,600	6,496		29,696	-	-	29,696

## 4. Cash Flow Statement (Non-consolidated)

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

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
<b>I Cash flows from operating activities</b>		
Income (loss) before income taxes	3,399	2,604
Depreciation	6,943	6,195
Net change in provision of reserve for loan losses (-)	2	2
Net change in accrued employees' bonuses (-)	-3	38
Net change in operating receivables (-)	-759	-443
Interest income	-114	-157
Interest expenses	455	263
Losses (gains) on related securities (-)	1	-
Net change in stored items (-)	3	-73
Net change in guarantee deposits (-)	-2,340	-1,820
Net change in unsettled money for ATMs (-)	25,378	-4,536
Net change in accounts payable	220	-110
Net change in deposits (-)	-40,915	-8,895
Interest received	99	151
Interest paid	-507	-250
Losses (gains) on disposal of fixed assets	96	54
Net change in borrowed money (-)	-6,600	62,000
Repayment of lease obligations	-3,169	-1,882
Other	1,415	896
<b>Sub total</b>	<b>-16,393</b>	<b>54,035</b>
Payment of corporate taxes, etc.	-1,399	-1,383
Refund of sales tax, etc.	-1,103	-1,253
<b>Net cash generated by operating activities</b>	<b>-18,896</b>	<b>51,399</b>
<b>II Cash flow from investing activities</b>		
Purchase of securities	-4,022	-
Proceeds from sales and redemption of securities	9,010	1,000
Purchase of tangible fixed assets	-1,366	-33
Purchase of intangible fixed assets	-2,727	-4,911
Purchase of deposit of guarantee deposits	-71	-4
Proceeds from collection of security deposits	67	14
<b>Net cash provided by (used in) investing activities</b>	<b>890</b>	<b>-3,934</b>

	(Millions of Yen)	
	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
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	-18,005	47,464
VI Cash and cash equivalents at beginning of period	344,706	326,701
VII Cash and cash equivalents at end of period	326,701	374,165

### III. Reference Information

(Financial figures are truncated to the unit stated)

#### 1. Capital Adequacy Ratio Information

(Millions of Yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Risk-weighted assets	81,988	85,816
Core capital	16,882	11,401
Capital adequacy ratio	20.59%	13.29%

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

(Millions of Yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Claims against bankrupt and quasi-bankrupt obligors	4	7
Doubtful claims	5	10
Substandard claims	6	5
Three-month delinquent claims	6	5
Claims with moderated loan conditions	-	-
Subtotal	16	23
Normal claims	17,377	38,486
Total	17,393	38,510

#### 3. Derivative Transaction

None.

#### 4. ATM Transactions

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Number of ATM units installed	13,509	13,584

	FY2022 (12 months)	FY2023 (12 months)
Total number of ATM usage (1,000s)	261,440	279,327
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Number of affiliated financial institutions (banks, companies, depositories) (Note1)		385	401
Immediate account settlement service	Number of affiliated services (Note2)	5	6
	Number of affiliated financial institutions	17	18

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.

5. Other

	FY2022 (12 months)	FY2023 (12 months)
Interest margin for total fund	-6.40%	-6.42%

6. General and Administrative Expenses

(Millions of Yen)

	FY2022 (12 months)	FY2023 (12 months)
Personnel expenses	1,803	2,007
Non-personnel expenses	20,842	22,587
Depreciation	6,943	6,194
Taxes	264	275
General and administrative expenses	22,910	24,870

7. Number of Directors, Auditors, and Employees

		FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Directors and auditors		10	10
Directors		6	6
Auditors		4	4
Employees		163	190
Total		173	200

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.