

Financial Summary

for the Third Quarter of Fiscal Year 2020 Ended December 31, 2020

February 12, 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)

	3Q FY2019 (9months)	3Q FY2020 (9months)
Total revenue	19,677	17,786
Net interest income	-815	-597
Net fees and commissions	20,493	18,383
Other business income	-	-0
Net provision of general reserve for credit losses	-1	0
General and administrative expenses	17,796	16,612
Ordinary business profits	1,883	1,173
Ordinary profits	2,042	1,162
Net income	1,783	840

2. Balance Sheets (Non-consolidated)

(Millions of Yen)

	FY2019 (As of March 31, 2020)	3Q FY2020 (As of December 31, 2020)
Cash and due from banks	327,361	319,960
Securities	-	2,000
Loans	37	97
Other assets	54,764	61,974
Total assets	382,163	384,032
Deposits	17,712	55,885
Call money	22,000	-
Borrowed money	290,000	180,900
Other liabilities	29,465	123,421
Total liabilities	359,177	360,207
Total equity	22,985	23,825

3. Financial Ratios (Non-consolidated)

	3Q FY2019 (9 months)	3Q FY2020 (9 months)
Expense-to-revenue ratio	90.4%	93.4%

(Millions of Yen)

	FY2019 (As of March 31, 2020)	3Q FY2020 (As of December 31, 2020)
Risk-weighted assets	79,633	80,705
Core capital	9,363	10,981
Capital adequacy ratio	11.76%	13.61%

	FY2019 (As of March 31, 2020)	3Q FY2020 (As of December 31, 2020)
Number of ATM units installed	13,367	13,505
Total number of banking accounts	48,860	60,447
Number of credit card customers	47,679	93,737

	3Q FY2019 (9 months)	3Q FY2020 (9 months)
Total number of ATM usage (1,000s)	178,820	159,633
Average daily ATM usage (no. of times per day per unit)	48.1	43.1

Note:

1. Figures of total number of ATM usage are rounded off a number less than 1,000.
2. Figures of average daily ATM usage are rounded off to one decimal places.

	FY2019 (As of March 31, 2020)	3Q FY2020 (As of December 31, 2020)
Number of affiliated financial institutions (banks, companies, depositories)	124	127
Number of partner companies for immediate account settlement service	-	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 business 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)	3Q FY2020 (As of December 31, 2020)
[Assets]		
Cash and due from banks	327,361	319,960
Securities	-	2,000
Loans	37	97
Suspense payments in ATMs	12,736	22,104
Other assets	10,148	11,209
Tangible fixed assets	18,159	15,696
Intangible fixed assets	13,481	12,847
Deferred tax assets	241	119
Reserve for loan losses	-2	-2
Total assets	382,163	384,032
[Liabilities]		
Deposits	17,712	55,885
Call money	22,000	-
Borrowed money	290,000	180,900
Suspense receipts of ATM	14,437	110,858
Other liabilities	3,448	3,488
Lease obligations	11,402	8,945
Accrued employees' bonuses	176	129
Total liabilities	359,177	360,207
[Equity]		
Common stock	11,600	11,600
Capital surplus	11,600	11,600
Retained earnings	-214	625
Total shareholders' equity	22,985	23,825
Unrealized gain (loss) on securities	-	0
Total unrealized gain (loss)	-	0
Total equity	22,985	23,825
Total liabilities and equity	382,163	384,032

2. Statement of Income (Non-consolidated)

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

	3Q FY2019 (From April 1, 2019 to December 31, 2019)	3Q FY2020 (From April 1, 2020 to December 31, 2020)
Ordinary income	26,193	23,900
Interest income	-16	9
Interest on loans and discounts	1	9
Interest and dividends on securities	-	-0
Interest on call loans	-6	-
Interest income on due from banks	-14	-2
Fees and commissions income	25,946	23,880
ATM commissions received	25,868	23,655
Other ordinary income	263	10
Ordinary Expenses	24,151	22,738
Interest expenses	799	606
Interest on deposits	0	21
Interest on call money	4	4
Interest on borrowed money	494	332
Other interest paid	300	248
Fees and commissions expenses	5,452	5,496
ATM installation commissions expenses	2,394	2,201
ATM commissions expenses	2,913	2,982
Other business expenses	-	0
General and administrative expenses	17,796	16,612
Other ordinary expenses	103	21
Ordinary profit	2,042	1,162
Extraordinary profits	0	-
Other extraordinary profits	0	-
Extraordinary losses	8	14
Tangible fixed asset disposal expenses	3	13
Other extraordinary losses	4	1
Net income before income taxes	2,034	1,148
Income taxes	251	307
Income taxes, local inhabitant taxes and the enterprise taxes	251	186
Deferred income taxes	-	121
Net income	1,783	840