

Translation

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August 5, 2021

Consolidated Financial Results for the Three Months Ended June 30, 2021 [Japanese GAAP]

Company name:	LAC Co., Ltd.	Stock exchange listings:	TSE
Securities code:	3857	URL:	https://www.lac.co.jp/english/
Representative:	Itsuro Nishimoto, President and Representative Director		
Contact:	Hideaki Hanabusa, Senior Managing Executive Officer		
Scheduled date of filing of Quarterly Report:	August 11, 2021		
Scheduled date of payment of dividend:	-		
Preparation of supplementary materials for financial results:	Yes		
Holding of quarterly financial results meeting:	None		

(All amounts are rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated Operating Results

(% of change from previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2021	9,913	7.9	(226)	-	(208)	-	(19)	-
June 30, 2020	9,186	0.2	(316)	-	(349)	-	(210)	-

Note: Comprehensive income: 1st Quarter of FY2021 (As of June 30, 2021) 719 millions of yen (-%)
1st Quarter of FY2020 (As of June 30, 2020) (208) millions of yen (-%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
June 30, 2021	(0.76)	-
June 30, 2020	(8.25)	-

Note: The Company has introduced a stock benefit trust and an employee stock ownership plan. The Company's shares remaining in these trusts are recorded as treasury shares under shareholders' equity and, when calculating earnings per share, these shares are deducted from the average number of shares outstanding during the period.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
June 30, 2021	22,469	12,044	53.6	471.13
March 31, 2021	24,626	11,661	47.3	456.12

Reference: Shareholders' equity: As of June 30, 2021 12,042 millions of yen
As of March 31, 2021 11,658 millions of yen

Note: The Company's shares remaining in the stock benefit trust and employee stock ownership plan, which are recorded as treasury shares under shareholders' equity, are, when calculating earnings per share, deducted from the number of shares outstanding at the end of the period.

2. Dividends

	Dividend per Share				
	1st Quarter-End	2nd Quarter-End	3rd Quarter-End	Fiscal Year-End	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2021	-	11.00	-	13.00	24.00
March 31, 2022	-	-	-	-	-
March 31, 2022 (Forecast)	-	11.00	-	13.00	24.00

Note: Revisions to the most recently announced forecast: None

3. Forecast for the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages represent year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	47,200	8.0	2,100	(0.8)	2,075	(7.4)	1,390	356.1	54.38

Note: Revisions to the most recently announced forecast: None

* Notes

- (1) Changes of important subsidiaries during the period
(Changes of specific subsidiaries in accordance with changes in the scope of consolidation): None
- (2) Adoption of specific accounting treatments to the preparation of consolidated quarterly financial statements: None
- (3) Changes in accounting policies and accounting estimates, and restatements
- 1) Changes in accounting policies due to revisions in accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None
- (4) Number of shares issued (common shares)

1) Number of shares issued (including treasury stock):

As of June 30, 2021	26,683,120 shares
As of March 31, 2021	26,683,120 shares

2) Number of treasury stocks:

As of June 30, 2021	1,122,379 shares
As of March 31, 2021	1,122,479 shares

3) Number of average shares during the period:

Three months ended June 30, 2021	25,560,717 shares
Three months ended June 30, 2020	25,559,548 shares

Note: The number of treasury shares at the end of the period includes the 474,800 shares held by Custody Bank of Japan, Ltd. (Trust Account E) as assets in trust of the stock benefit trust and employee stock ownership plan.

*** This financial report is outside the scope of the audit by certified public accountants or auditing firms.**

* Explanation of the proper use of forecast and other notes

The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Accordingly, the Company cannot make promises to achieve such forecasts. Actual business and other results may differ substantially due to various factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	6,367,346	6,380,247
Notes and accounts receivable - trade	6,988,580	-
Notes and accounts receivable - trade, and contract assets	-	3,913,146
Merchandise	1,376,234	1,251,986
Work in process	173,596	519,294
Other	1,443,357	1,376,514
Total current assets	16,349,114	13,441,188
Non-current assets		
Property, plant and equipment	2,214,212	2,180,643
Intangible assets		
Goodwill	505,798	487,734
Other	2,615,693	2,558,318
Total intangible assets	3,121,492	3,046,052
Investments and other assets		
Deferred tax assets	317,021	135,356
Other	2,624,965	3,665,769
Total investments and other assets	2,941,986	3,801,126
Total non-current assets	8,277,691	9,027,822
Total assets	24,626,806	22,469,011
Liabilities		
Current liabilities		
Accounts payable - trade	3,821,819	2,751,998
Current portion of long-term borrowings	2,068,000	2,068,000
Income taxes payable	460,893	35,846
Provision for bonuses	164,943	71,644
Provision for loss on order received	13,272	66,050
Provision for loss on office transfer	70,186	32,565
Other	3,433,336	2,967,922
Total current liabilities	10,032,451	7,994,027
Non-current liabilities		
Long-term borrowings	2,668,000	2,002,000
Net defined benefit liabilities	5,994	7,752
Provision for directors' share-based remuneration	31,616	31,616
Provision for employees' share-based remuneration	153,380	168,110
Other	74,068	220,696
Total non-current liabilities	2,933,060	2,430,175
Total liabilities	12,965,512	10,424,203

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	4,010,943	4,010,943
Retained earnings	7,241,209	6,885,399
Treasury shares	(615,548)	(615,455)
Total shareholders' equity	11,636,604	11,280,888
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,214	750,750
Foreign currency translation adjustment	9,799	10,720
Total accumulated other comprehensive income	22,013	761,470
Non-controlling interests	2,676	2,448
Total net assets	11,661,294	12,044,808
Total liabilities and net assets	24,626,806	22,469,011

(2) Consolidated Statement of Income

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	9,186,722	9,913,471
Cost of sales	7,571,294	8,094,474
Gross profit	1,615,428	1,818,997
Selling, general and administrative expenses	1,931,569	2,045,371
Operating profit (loss)	(316,140)	(226,374)
Non-operating income		
Interest income	203	134
Dividend income	-	7,374
Commission income	707	717
Equity in earnings of affiliates	-	15,767
Subsidy income	300	3,002
Other	5,184	727
Total non-operating income	6,395	27,724
Non-operating expenses		
Interest expenses	4,995	3,445
Foreign exchange losses	2,556	319
Commission fees	3,695	5,099
Share of loss of entities accounted for using equity method	28,453	-
Other	384	1,437
Total non-operating expenses	40,085	10,302
Ordinary income (loss)	(349,830)	(208,952)
Extraordinary income		
Gain on sale of shares of subsidiaries	-	219,231
Total extraordinary income	-	219,231
Extraordinary losses		
Loss on disposal of noncurrent assets	1,353	271
Office transfer expenses	-	124
Total extraordinary losses	1,353	395
Profit (loss) before income taxes	(351,183)	9,883
Income taxes - current	35,709	42,258
Income taxes - deferred	(175,647)	(12,799)
Total income taxes	(139,938)	29,459
Profit (loss)	(211,245)	(19,575)
Loss attributable to non-controlling interests	(438)	(227)
Profit (loss) attributable to owners of the parent	(210,807)	(19,347)

(3) Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	(211,245)	(19,575)
Other comprehensive income		
Valuation difference on available-for-sale securities	-	738,536
Foreign currency translation adjustment	2,866	921
Total other comprehensive income	2,866	739,457
Comprehensive income	(208,379)	719,882
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(207,940)	720,109
Comprehensive income attributable to non-controlling interests	(438)	(227)