Translation

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November 10, 2021

Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

Company name:	LAC Co., Ltd.	Stock exe
Securities code:	3857	URL: htt
Representative:	Itsuro Nishimoto, President and Representative Director	
Contact:	Hideaki Hanabusa, Senior Managing Executive Officer	
Scheduled date of fil	ing of Quarterly Report:	Novembe
Scheduled date of pa	yment of dividend:	Decembe
Preparation of suppl	ementary materials for financial results:	Yes
Holding of quarterly	financial results meeting:	Yes

Stock exchange listings: TSE URL: https://www.lac.co.jp/english/

November 12, 2021 December 2, 2021 Yes Yes

529 millions of yen (-%)

41 millions of yen (24.4%)

(All amounts are rounded down to the nearest millions of yen) **Ended September 30, 2021**

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

(1) Consolidated Operating Results

	Net Sales		Operating	Income	Ordinary I	ncome	Net Income At	
		to Owr				to Owners of t	the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2021	19,668	0.8	(45)	-	15	604.4	126	191.0
September 30, 2020	19,504	3.6	11	(80.7)	2	(98.1)	43	(25.6)

Note: Comprehensive income: 2nd Quarter of FY2021 (As of September 30, 2021) 2nd Quarter of FY2020 (As of September 30, 2020)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
September 30, 2021	4.94	-
September 30, 2020	1.70	-

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
September 30, 2021	22,373	11,855	53.0	463.72
March 31, 2021	24,626	11,661	47.3	456.12
Reference: Shareholders' equit	w Ac of Sontombor 20, 2021	11.853 millions of yon		

Reference: Shareholders' equity: As of September 30, 202111,853 millions of yenAs of March 31, 202111,658 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	-	11.00					
March 31,2022 (Forecast)			-	13.00	24.00		

Note: Revisions to the most recently announced forecast: None

(% of change from previous year)

	Net Sale	es	Operating	Income	Ordinary 1	Income	Net Inco	ome	Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yer
Full year	47,200	8.0	2,100	(0.8)	2,075	(7.4)	1,390	356.1	54.38
Note: Revisio	ns to the most rec	ently anno	unced forecast: No	ne					
	1		during the perio		of consolidation	ı):		Ν	one
	of specific accou statements:	nting trea	atments to the p	reparation of	fconsolidated	quarterly		N	one

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

 (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)

As of September 30, 2021	26,683,120 shares
As of March 31, 2021	26,683,120 shares
2) Number of treasury stocks:	
As of September 30, 2021	1,121,779 shares
As of March 31, 2021	1,122,479 shares
3) Number of average shares during the period:	
Six months ended September 30, 2021	25,560,851 shares
Six months ended September 30, 2020	25,559,787 shares

Note: The number of treasury shares at the end of the period includes the 474,200 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

	As of March 31, 2021	(Thousands of yen As of September 30, 2021
	As of March 51, 2021	As of September 50, 2021
Assets		
Current assets	0.907.940	~ 000 000
Cash and deposits	6,367,346	5,833,368
Notes and accounts receivable - trade	6,988,580	4 000 010
Notes and accounts receivable - trade, and contract assets Merchandise	1,376,234	4,623,618
Work in process	1,376,234	1,857,125 542,819
Other	1,443,357	1,150,392
Total current assets		
Non-current assets	16,349,114	14,007,324
	0.014.010	0.000 7.40
Property, plant and equipment	2,214,212	2,088,748
Intangible assets Goodwill	EOE 709	469,670
Other	505,798 2,615,693	
		2,573,988
Total intangible assets	3,121,492	3,043,658
Investments and other assets		
Deferred tax assets	317,021	133,870
Other	2,624,965	3,100,306
Total investments and other assets	2,941,986	3,234,177
Total non-current assets	8,277,691	8,366,584
Total assets	24,626,806	22,373,909
Liabilities		
Current liabilities		
Accounts payable - trade	3,821,819	3,713,623
Current portion of long-term borrowings	2,068,000	1,702,000
Income taxes payable	460,893	101,597
Provision for bonuses	164,943	163,624
Provision for loss on order received	13,272	28,867
Provision for loss on office transfer	70,186	—
Other	3,433,336	2,492,686
Total current liabilities	10,032,451	8,202,399
Non-current liabilities		, ,
Long-term borrowings	2,668,000	2,002,000
Net defined benefit liabilities	5,994	4,323
Provision for directors' share-based remuneration	31,616	31,616
Provision for employees' share-based		,
remuneration	153,380	182,127
Other	74,068	95,981
Total non-current liabilities	2,933,060	2,316,048
Total liabilities	12,965,512	10,518,447

As of March 31, 2021 A	As of September 30, 2021
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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	7,031,074
Treasury shares	(615,548)	(614,891)
Total shareholders' equity	11,636,604	11,427,126
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,214	420,999
Foreign currency translation adjustment	9,799	5,135
Total accumulated other comprehensive income	22,013	426,135
Non-controlling interests	2,676	2,199
Total net assets	11,661,294	11,855,461
Total liabilities and net assets	24,626,806	22,373,909

(2) Consolidated Statement of Income

Net sales 19,504,722 19,668,5' Cost of sales 15,689,115 15,764,8' Gross profit 3,815,607 3,903,74' Selling, general and administrative expenses 3,804,573 3,904,37' Operating profit (loss) 11,033 (45,62) Non operating income 318 24' Interest income 318 24' Dividend income - 7,8'' Subsidy income 1,415 1,4'' Insurance dividend 3,158 - Subsidy income - 35,8'' Gain on investments in partnership 12,503 9,2'' Other - 6,015 7,3'' Total non-operating expenses 10,280 6,6'' Interest expenses 10,280 6,6'' Commission fees 10,280 6,6'' Share of loss of entities accounted for using equity method 41,5'' 1.4'' Foreign exchange losses 5,294 1,9'' Other 1,267 1.4'' Total extraordinary i		Six months ended September 30, 2020	Six months ended September 30, 2021
Gross profit $3,815,607$ $3,903,71$ Selling, general and administrative expenses $3,804,573$ $3,949,33$ Operating profit (loss) $11,033$ (45,62)Non operating income $11,033$ (45,62)Interest income 318 21 Dividend income $ 7,87$ Commission income $14,15$ $1,44$ Insurance dividend $3,158$ Subsidy incomeSubsidy income $34,015$ $19,11$ Equity in earnings of affiliates $ 35,88$ Gain on investments in partnership $12,503$ $9,22$ Other $6,015$ $7,33$ Total non-operating income $57,426$ $81,11$ Nonoperating expenses $10,280$ $6,6^{\circ}$ Commission fees $7,920$ $10,22$ Share of loss of entities accounted for using equity method $41,537$ Foreign exchange losses $5,294$ $1,9^{\circ}$ Other $1,267$ $1,44$ Total non-operating expenses $27,895$ Zordinary income $2,160$ $15,22$ Extraordinary income $27,895$ $219,22$ Cain on sale of shubsidiaries $ 21,925$ Cotic transfer expenses 340 11 Total extraordinary income 340 11 Cain on sales of investment securities $26,895$ $219,22$ Extraordinary losses $1,941$ 33 Profit before income taxes $28,114$ $234,00$ Income taxes - current $101,283$ $95,0$ Income ta	Net sales	-	19,668,573
Selling, general and administrative expenses3,804,5733,949,33Operating profit (loss)11,033(45,62Non operating income31824Interest income31824Interest income-7,8°Commission income1,4151,41Insurance dividend3,158-Subsidy income34,01519,11Equity in earnings of affiliates-35,88Gain on investments in partnership12,5039,24Other6,0157,33Total non-operating expenses10,2806,6°Commission fees7,92010,23Share of loss of entities accounted for using equity method41,537Foreign exchange losses0,28020,33Other1,2671,44Total non-operating expenses66,30020,33Ordinary income2,16015,22Catin on sales of investment securities27,895219,23Catin on sales of investment securities27,895219,23Catin on sales of noncurrent assets1,60122Office transfer expenses3,4011Cati on sales of investment securities28,114234,00Profit before income taxes28,114234,00Income taxes - current101,28395,00Income taxes - deferred(115,922)13,18Profit42,752125,88Loss on tincome taxes(14,638)108,20Statincome taxes(651)(44Catin on sales	Cost of sales	15,689,115	15,764,815
Operating profit (loss) 11,033 (45,62 Non-operating income 318 24 Dividend income - 7,8' Commission income 1,415 1,44 Insurance dividend 3,158 91 Subsidy income 34,015 19,11 Equity in earnings of affiliates - 35,83 Gain on investments in partnership 12,503 9,22 Other 6,015 7,33 Total non-operating expenses 10,280 6,66 Commission fees 7,920 10,22 Share of loss of entities accounted for using equity method 41,537 1,97 Foreign exchange losses 1,267 1,44 Total non-operating expenses 66,300 20,33 Ordinary income 2,160 15,27 Gain on sales of investment securities 27,895 219,23 Gain on sales of investment securities 27,895 219,23 Office transfer expenses 1,601 27 Total extraordinary losses 1,941 33	Gross profit	3,815,607	3,903,757
Non-operating income31822Interest income31821Dividend income-7,8%Commission income1,4151,41Insurance dividend3,158Subsidy income34,01519,11Equity in earnings of affiliates-35,88Gain on investments in partnership12,25039,22Other6,0157,32Total non-operating income57,42681,11Non-operating expenses10,2806,67Commission fees7,92010,22Share of loss of entities accounted for using equity method41,537Foreign exchange losses5,2941,97Other1,2671,44Total non-operating expenses66,30020,32Ordinary income27,895219,22Extraordinary income27,895219,22Gain on sale of shares of subsidiaries-219,22Cat extraordinary income27,895219,22Cat extraordinary income34011Total extraordinary losses1,60127Office transfer expenses34011Total extraordinary losses1,94133Profit before income taxes28,114234,00Income taxes - current101,28395,00Income taxes - deferred(115,922)13,18Cotal extra of ding interests(651)(47	Selling, general and administrative expenses	3,804,573	3,949,380
Non-operating income31822Interest income31821Dividend income-7,8%Commission income1,4151,41Insurance dividend3,158Subsidy income34,01519,11Equity in earnings of affiliates-35,88Gain on investments in partnership12,25039,22Other6,0157,32Total non-operating income57,42681,11Non-operating expenses10,2806,67Commission fees7,92010,22Share of loss of entities accounted for using equity method41,537Foreign exchange losses5,2941,97Other1,2671,44Total non-operating expenses66,30020,32Ordinary income27,895219,22Extraordinary income27,895219,22Gain on sale of shares of subsidiaries-219,22Cat extraordinary income27,895219,22Cat extraordinary income34011Total extraordinary losses1,60127Office transfer expenses34011Total extraordinary losses1,94133Profit before income taxes28,114234,00Income taxes - current101,28395,00Income taxes - deferred(115,922)13,18Cotal extra of ding interests(651)(47	Operating profit (loss)	11,033	(45,623)
Interest income31824Dividend income-7,8'Commission income1,4151,44Insurance dividend3,158Subsidy income34,01519,11Equity in earnings of affiliates-35,81Gain on investments in partnership12,5039,24Other6,0157,33Total non-operating expenses10,2806,6'Commission fees7,92010,22Share of loss of entities accounted for using equity method41,537Foreign exchange losses5,2941,9'Other1,2671,4'Total non-operating expenses66,30020,3'Ordinary income2,16015,2'Extraordinary income27,895219,2'Cain on sale of shares of subsidiaries-219,2'Gain on sales of investment securities27,895219,2'Ital extraordinary income28,114234,00Ital extraordinary losses1,94133Profit before income taxes28,114234,00Income taxes - current101,28395,00Income taxes - deferred(115,922)13,12Forfit42,752125,88Loss attributable to non-controlling interests(651)(44		· · · · · ·	· · · · · · · · · · · · · · · · · · ·
Commission income 1,415 1,415 Insurance dividend 3,158 Subsidy income 34,015 19,11 Equity in earnings of affiliates – 35,88 Gain on investments in partnership 12,503 9,22 Other 6,015 7,33 Total non-operating income 57,426 81,10 Non-operating expenses 10,280 6,6,6 Commission fees 7,920 10,23 Share of loss of entities accounted for using equity method 41,537 14,537 Foreign exchange losses 5,294 1,97 Other 1,267 1,44 Total non-operating expenses 66,300 20,33 Ordinary income 2,160 15,22 Extraordinary income 27,895 219,22 Gain on sale of shares of subsidiaries – 219,23 Insurance axes - deferred 101,283 95,01 Total extraordinary income 27,895 219,22 Loss on disposal of noncurrent assets 1,601 27 Office tran		318	254
Insurance dividend 3,158 Subsidy income 34,015 19,13 Equity in earnings of affiliates – 35,88 Gain on investments in partnership 12,503 9,23 Other 6,015 7,33 Total non-operating income 57,426 81,11 Non-operating expenses 10,280 6,67 Commission fees 7,920 10,22 Share of loss of entities accounted for using equity method 41,537 19,47 Foreign exchange losses 5,294 1,97 Other 1,267 1,44 Total non-operating expenses 66,300 20,33 Ordinary income 2,160 15,232 Extraordinary income 27,895 219,23 Gain on sale of shares of subsidiaries – 219,23 Coffice transfer expenses 340 112 Ital extraordinary losses 1,941 33 Profit before income taxes 28,114 234,00 Income taxes - deferred 101,283 95,00 Income taxes - deferre	Dividend income	_	7,879
Subsidy income 34,015 19,11 Equity in earnings of affiliates - 35,83 Gain on investments in partnership 12,503 9,22 Other 6,015 7,33 Total non-operating income 57,426 81,10 Non-operating expenses 10,280 6,66 Interest expenses 10,280 6,66 Commission fees 7,920 10,22 Share of loss of entities accounted for using equity method 41,537 1,267 Other 1,267 1,44 Total non-operating expenses 66,300 20,33 Ordiary income 2,160 15,27 Extraordinary income - 219,27 Gain on sale of shares of subsidiaries - 219,27 Gain on sale of investment securities 27,895 219,27 Coffice transfer expenses 340 11 Total extraordinary losses 1,601 27 Coffice transfer expenses 340 11 Total extraordinary losses 28,114 234,00	Commission income	1,415	1,429
Equity in earnings of affiliates-35,83Gain on investments in partnership12,5039,23Other $6,015$ $7,32$ Total non-operating income $57,426$ $81,10$ Non-operating expenses10,280 $6,6'$ Commission fees $7,920$ $10,22$ Share of loss of entities accounted for using equity method $41,537$ Foreign exchange losses $5,294$ $1,9'$ Other $1,267$ $1,44$ Total non-operating expenses $66,300$ $20,33$ Ordinary income $2,160$ $15,2'$ Extraordinary income $27,895$ $219,2'$ Gain on sale of shares of subsidiaries $ 219,8'$ Gain on sales of investment securities $27,895$ $219,2'$ Coffic transfer expenses 340 $11'$ Total extraordinary losses $1,601$ $27'$ Coffic transfer expenses 340 $11'$ Total extraordinary losses $1,941$ 33 Profit before income taxes $28,114$ $234,00'$ Income taxes - deferred $(115,922)$ $13,13'$ Foral income taxes $(14,638)$ $108,20'$ Profit $42,752$ $125,85'$ Loss attributable to non-controlling interests (651) $(47,752)$	Insurance dividend	3,158	-
Gain on investments in partnership 12,503 9,24 Other 6,015 7,33 Total non-operating income 57,426 81,16 Non-operating expenses 10,280 6,67 Interest expenses 10,280 6,67 Commission fees 7,920 10,22 Share of loss of entities accounted for using equity method 41,537 7 Foreign exchange losses 5,294 1,97 Other 1,267 1,44 Total non-operating expenses 66,300 20,33 Ordinary income 2,160 15,22 Cain on sale of shares of subsidiaries - 219,23 Gain on sale of shares of subsidiaries - 219,23 Gain on sales of investment securities 27,895 219,23 Total extraordinary income 27,895 219,23 Coffic transfer expenses 1,601 27 Total extraordinary losses 1,601 27 Loss on disposal of noncurrent assets 1,841 234,00 Office transfer expenses 28,114 <t< td=""><td>Subsidy income</td><td>34,015</td><td>19,133</td></t<>	Subsidy income	34,015	19,133
Other 6,015 7,33 Total non-operating income 57,426 81,10 Non-operating expenses 10,280 6,67 Interest expenses 10,280 6,67 Commission fees 7,920 10,237 Foreign exchange losses 5,294 1,97 Other 1,267 1,44 Total non-operating expenses 66,300 20,33 Ordinary income 2,160 15,22 Extraordinary income 21,923 219,23 Gain on sale of shares of subsidiaries - 219,23 Gain on sales of investment securities 27,895 219,23 Extraordinary income 27,895 219,23 Coffic transfer expenses 340 112 Total extraordinary losses 1,601 27 Office transfer expenses 340 112 Ordine taxes - current 101,283 95,00 Income taxes - deferred (115,922) 13,18 Fortil hofore income taxes (14,638) 108,20 Profit 42,	Equity in earnings of affiliates	_	35,854
Total non-operating income $57,426$ $81,16$ Non-operating expenses $10,280$ $6,6'$ Interest expenses $10,280$ $6,6'$ Commission fees $7,920$ $10,22'$ Share of loss of entities accounted for using equity method $41,537$ Foreign exchange losses $5,294$ $1,9'$ Other $1,267$ $1,44'$ Total non-operating expenses $66,300$ $20,3'$ Ordinary income $2,160$ $15,2'$ Extraordinary income $27,895$ $219,2'$ Gain on sale of shares of subsidiaries $ 219,2'$ Total extraordinary income $27,895$ $219,2'$ Extraordinary losses $1,601$ $2''$ Office transfer expenses 340 $11'$ Total extraordinary losses $1,941$ 38 Profit before income taxes $28,114$ $234,00'$ Income taxes - deferred $(115,922)$ $13,18'$ Fortil nicome taxes $(14,638)$ $108,20'$ Profit $42,752$ $125,8'$ Loss attributable to non-controlling interests (651) $(47,75')$	Gain on investments in partnership	12,503	9,284
Non-operating expensesInterest expenses10,2806,6'Commission fees7,92010,2'Share of loss of entities accounted for using equity method41,537Foreign exchange losses5,2941,9'Other1,2671,4'Total non-operating expenses66,30020,3'Ordinary income2,16015,2'Extraordinary income-219,2'Gain on sale of shares of subsidiaries-219,2'Gain on sale of investment securities27,895219,2'Total extraordinary income27,895219,2'Extraordinary losses1,6012'Office transfer expenses3401'Total extraordinary losses1,9413'Profit before income taxes28,114234,0'Income taxes - deferred(115,922)13,1'Fotal income taxes(14,638)108,2'Profit42,752125,8'Loss attributable to non-controlling interests(651)(47)	Other	6,015	7,325
Interest expenses $10,280$ $6,6'$ Commission fees $7,920$ $10,23'$ Share of loss of entities accounted for using equity method $41,537$ Foreign exchange losses $5,294$ $1,9''$ Other $1,267$ $1,44'$ Total non-operating expenses $66,300$ $20,33'$ Ordinary income $2,160$ $15,23''$ Extraordinary income $ 219,23''$ Gain on sale of shares of subsidiaries $ 219,23''$ Gain on sale of shares of subsidiaries $ 219,23''$ Gain on sales of investment securities $27,895''$ $219,23'''$ Total extraordinary income $27,895''''''''''''''''''''''''''''''''''''$	Total non-operating income	57,426	81,162
Commission fees $7,920$ $10,21$ Share of loss of entities accounted for using equity method $41,537$ Foreign exchange losses $5,294$ $1,9'$ Other $1,267$ $1,44$ Total non-operating expenses $66,300$ $20,32$ Ordinary income $2,160$ $15,27$ Extraordinary income $2,160$ $15,27$ Gain on sale of shares of subsidiaries $ 219,23$ Gain on sale of shares of subsidiaries $ 219,23$ Total extraordinary income $27,895$ $219,23$ Extraordinary losses $1,601$ 27 Office transfer expenses 340 112 Total extraordinary losses $1,601$ 27 Office transfer expenses 340 112 Total extraordinary losses $1,941$ 38 Profit before income taxes $28,114$ $234,00$ Income taxes - current $101,283$ $95,00$ Income taxes - deferred $(115,922)$ $13,16$ Profit $42,752$ $125,86$ Loss attributable to non-controlling interests (651) $(47,752)$	Non-operating expenses		
Share of loss of entities accounted for using equity method $41,537$ Foreign exchange losses $5,294$ $1,97$ Other $1,267$ $1,44$ Total non-operating expenses $66,300$ $20,32$ Ordinary income $2,160$ $15,22$ Extraordinary income $2,160$ $15,22$ Gain on sale of shares of subsidiaries $ 219,23$ Gain on sales of investment securities $27,895$ $219,23$ Total extraordinary income $27,895$ $219,23$ Extraordinary losses $1,601$ 27 Office transfer expenses 340 112 Total extraordinary losses $1,941$ 38 Profit before income taxes $28,114$ $234,00$ Income taxes · current $101,283$ $95,00$ Income taxes · deferred $(115,922)$ $13,16$ Profit $42,752$ $125,86$ Loss attributable to non-controlling interests (651) (47)	Interest expenses	10,280	6,678
Foreign exchange losses $5,294$ $1,9''$ Other $1,267$ $1,44'$ Total non-operating expenses $66,300$ $20,3''$ Ordinary income $2,160$ $15,2''$ Extraordinary income $2,160$ $15,2''$ Gain on sale of shares of subsidiaries $ 219,2''$ Gain on sales of investment securities $27,895$ $219,2''$ Total extraordinary income $27,895$ $219,2''$ Extraordinary losses $1,601$ $2''$ Loss on disposal of noncurrent assets $1,601$ $2''$ Office transfer expenses 340 $11''$ Total extraordinary losses $1,941$ $38''$ Profit before income taxes $28,114$ $234,00''$ Income taxes - current $101,283$ $95,00''$ Income taxes - deferred $(115,922)$ $13,18''$ Profit $42,752$ $125,88''$ Loss attributable to non-controlling interests (651) $(47'')$	Commission fees	7,920	10,210
Other 1,267 1,44 Total non-operating expenses 66,300 20,33 Ordinary income 2,160 15,23 Extraordinary income - 219,23 Gain on sale of shares of subsidiaries - 219,23 Gain on sales of investment securities 27,895 219,23 Total extraordinary income 27,895 219,23 Extraordinary losses 1,601 27 Loss on disposal of noncurrent assets 1,601 27 Office transfer expenses 340 15 Total extraordinary losses 1,941 38 Profit before income taxes 28,114 234,00 Income taxes - current 101,283 95,00 Income taxes - deferred (115,922) 13,18 Fotal income taxes (14,638) 108,20 Profit 42,752 125,88 Loss attributable to non-controlling interests (651) (47	Share of loss of entities accounted for using equity method	41,537	-
Total non-operating expenses $66,300$ $20,32$ Ordinary income $2,160$ $15,22$ Extraordinary income $2,160$ $15,22$ Gain on sale of shares of subsidiaries $ 219,23$ Gain on sales of investment securities $27,895$ $219,23$ Total extraordinary income $27,895$ $219,23$ Extraordinary losses $1,601$ 27 Office transfer expenses 340 112 Total extraordinary losses $1,941$ 38 Profit before income taxes $28,114$ $234,03$ Income taxes - current $101,283$ $95,03$ Income taxes - deferred $(115,922)$ $13,16$ Fotal income taxes $(14,638)$ $108,20$ Profit $42,752$ $125,83$ Loss attributable to non-controlling interests (651) (47)	Foreign exchange losses	5,294	1,978
Ordinary income2,16015,21Extraordinary income-219,22Gain on sale of shares of subsidiaries-219,22Gain on sales of investment securities27,895219,22Total extraordinary income27,895219,22Extraordinary losses-210,22Loss on disposal of noncurrent assets1,60121Office transfer expenses34011Total extraordinary losses1,94136Profit before income taxes28,114234,06Income taxes - current101,28395,00Income taxes - deferred(115,922)13,16Fotal income taxes(14,638)108,20Profit42,752125,83Loss attributable to non-controlling interests(651)(47	Other	1,267	1,455
Extraordinary income—219,23Gain on sale of shares of subsidiaries—219,23Gain on sales of investment securities27,895Total extraordinary income27,895219,23Extraordinary losses1,60127Loss on disposal of noncurrent assets1,60127Office transfer expenses34012Total extraordinary losses1,94138Profit before income taxes28,114234,06Income taxes - current101,28395,00Income taxes - deferred(115,922)13,16Profit101,283108,20Profit42,752125,83Loss attributable to non-controlling interests(651)(47	Total non-operating expenses	66,300	20,322
Gain on sale of shares of subsidiaries-219,23Gain on sales of investment securities27,895Total extraordinary income27,895Extraordinary losses1,601Loss on disposal of noncurrent assets1,601Office transfer expenses340Total extraordinary losses1,941Profit before income taxes28,114Come taxes - current101,283Income taxes - deferred(115,922)Profit42,752Loss attributable to non-controlling interests(651)(47)	Ordinary income	2,160	15,216
Gain on sales of investment securities27,895Total extraordinary income27,895Extraordinary losses27,895Loss on disposal of noncurrent assets1,601Office transfer expenses340Total extraordinary losses1,941Total extraordinary losses28,114Profit before income taxes28,114Loss on disposal of noncurrent101,283Profit income taxes - current101,283Income taxes - deferred(115,922)Income taxes(14,638)Profit42,752Loss attributable to non-controlling interests(651)	Extraordinary income		
Total extraordinary income27,895219,25Extraordinary losses1,60127Loss on disposal of noncurrent assets1,60127Office transfer expenses34012Total extraordinary losses1,94139Profit before income taxes28,114234,03Income taxes - current101,28395,03Income taxes - deferred(115,922)13,16Profit42,752125,83Loss attributable to non-controlling interests(651)(47	Gain on sale of shares of subsidiaries	-	219,231
Extraordinary lossesLoss on disposal of noncurrent assets1,60127Office transfer expenses34015Total extraordinary losses1,94136Profit before income taxes28,114234,06Income taxes - current101,28395,07Income taxes - deferred(115,922)13,16Profit104,638108,26Profit42,752125,86Loss attributable to non-controlling interests(651)(47	Gain on sales of investment securities	27,895	_
Extraordinary lossesLoss on disposal of noncurrent assets1,60127Office transfer expenses34015Total extraordinary losses1,94138Profit before income taxes28,114234,03Income taxes - current101,28395,07Income taxes - deferred(115,922)13,18Profit42,752125,88Loss attributable to non-controlling interests(651)(47	Total extraordinary income	27,895	219,231
Office transfer expenses34012Total extraordinary losses1,94139Profit before income taxes28,114234,04Income taxes - current101,28395,01Income taxes - deferred(115,922)13,16Profit(14,638)108,20Profit42,752125,86Loss attributable to non-controlling interests(651)(47	Extraordinary losses		
Total extraordinary losses1,94139Profit before income taxes28,114234,03Income taxes - current101,28395,03Income taxes - deferred(115,922)13,18Iotal income taxes(14,638)108,20Profit42,752125,83Loss attributable to non-controlling interests(651)(47	Loss on disposal of noncurrent assets	1,601	271
Profit before income taxes 28,114 234,03 Income taxes - current 101,283 95,03 Income taxes - deferred (115,922) 13,16 Income taxes (14,638) 108,20 Profit 42,752 125,86 Loss attributable to non-controlling interests (651) (47)	Office transfer expenses	340	123
Income taxes - current 101,283 95,07 Income taxes - deferred (115,922) 13,18 Fotal income taxes (14,638) 108,20 Profit 42,752 125,88 Loss attributable to non-controlling interests (651) (47)	Total extraordinary losses	1,941	394
Income taxes - current 101,283 95,01 Income taxes - deferred (115,922) 13,18 Fotal income taxes (14,638) 108,20 Profit 42,752 125,88 Loss attributable to non-controlling interests (651) (47)	Profit before income taxes	28,114	234,053
Income taxes - deferred (115,922) 13,18 Total income taxes (14,638) 108,20 Profit 42,752 125,88 Loss attributable to non-controlling interests (651) (47	Income taxes - current		95,017
Fotal income taxes(14,638)108,20Profit42,752125,83Loss attributable to non-controlling interests(651)(47)	Income taxes - deferred		13,186
Profit42,752125,86Loss attributable to non-controlling interests(651)(47)	Total income taxes		108,203
Loss attributable to non-controlling interests (651) (47			125,850
			(476)
From aurinuanie to owners of the parent 756 25	Profit attributable to owners of the parent	43,404	126,326

(3) Consolidated Statement of Comprehensive Income

by comprehensive medine		
		(Thousands of yen)
	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	42,752	125,850
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,525)	408,785
Foreign currency translation adjustment	3,511	(4,663)
Total other comprehensive income	(1,013)	404,122
Comprehensive income	41,739	529,972
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,390	530,448
Comprehensive income attributable to non-controlling interests	(651)	(476)

		(Thousands of yen)
	Period ended September 30, 2020	Period ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	28,114	234,053
Depreciation	423,179	476,717
Amortization of goodwill	36,128	36,128
Increase (decrease) in allowance for doubtful accounts	(10)	-
Increase (decrease) in provision for bonuses	28,773	10,780
Increase (decrease) in Provision for loss on order received	10,049	15,594
Increase (decrease) in retirement benefit liability	1,088	(1,671)
Increase (decrease) in provision for employees' share-based remuneration	23,512	29,404
Interest and dividend income	(318)	(8,134)
Share of loss (profit) of entities accounted for using equity method	41,537	(35,854)
Interest expenses	10,280	6,678
Foreign exchange losses (gains)	37	294
Loss(gain) on investments in investment partnerships	(12,503)	(9,284)
Loss(gain) on sale of investment securities	(27,895)	-
Office transfer expenses	340	123
Loss on disposal of noncurrent assets	1,601	271
Loss (gain) on sales of investments in subsidiaries	_	(219,231)
Decrease (increase) in trade receivables	719,481	2,217,846
Decrease (increase) in inventories	(745,660)	(849,257)
Decrease (increase) in other current assets	(50, 451)	256,799
Increase (decrease) in notes and accounts payable–trade	516,500	(63,400)
Increase (decrease) in accrued consumption taxes	(132, 282)	(360,675)
Increase (decrease) in other current liabilities	(15,949)	(173,784)
Other, net	50,231	14,693
Subtotal	905,784	1,578,091
Interest and dividends received	37,264	22,155
Interest paid	(5,748)	(8,175)
Office transfer expenses paid	(4,840)	(69,807)
Income taxes paid	(181,270)	(427,017)
Net cash provided by (used in) operating activities	751,189	1,095,246

(4) Consolidated Statement of Cash Flow

		(Thousands of yen)
	Period ended September 30, 2020	Period ended September 30, 2021
Cash flows from investing activities		
Purchase of property, plant and equipment	(216,739)	(474,951)
Purchases of software	(774,354)	(141,133)
Purchase of investment securities	(30,626)	—
Proceeds from sales of investments in securities	34,710	5,959
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	_	242,974
Proceeds from share of profits on investments in capital	23,969	13,680
Payments of loans receivable	(20,000)	-
Collection of loans receivable	-	20,000
Payments of leasehold and guarantee deposits	(3,309)	(904)
Proceeds from refund of leasehold and guarantee deposits	350	100,094
Net cash provided by (used in) investing activities	(985,999)	(234,281)
Cash flows from financing activities		
Repayments of lease obligations	(24,900)	(21,171)
Net increase (decrease) in Short-term loans payable	2,400,000	-
Repayments of long-term borrowings	(366,000)	(1,032,000)
Payments for Commission fees	(10,000)	—
Proceeds from sales of treasury shares	36	_
Cash dividends paid	(337,405)	(337,577)
Net cash provided by (used in) financing activities	1,661,730	(1, 390, 749)
Effect of exchange rate change on cash and cash equivalents	2,521	(4,193)
Net increase (decrease) in cash and cash equivalents	1,429,441	(533,977)
Cash and cash equivalents at beginning of period	4,653,692	6,367,346
Cash and cash equivalents at end of period	6,083,134	5,833,368