

Translationka

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February 9, 2022

Consolidated Financial Results for the Nine Months Ended December 31, 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:	February 10, 2022		
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 Nine Months Ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated Operating Results

(Percentages 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	%
December 31, 2021	30,612	1.1	365	(13.1)	453	(1.0)	525	121.7
December 31, 2020	30,280	5.1	420	13.6	458	3.8	237	(14.9)

Note: Comprehensive income: 3rd Quarter of FY2021 (As of December 31, 2021) 779 millions of yen [219.9%]
3rd Quarter of FY2020 (As of December 31, 2020) 243 millions of yen [(7.1%)]

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
December 31, 2021	20.56	-
December 31, 2020	9.27	-

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
December 31, 2021	21,457	11,818	55.1	462.29
March 31, 2021	24,626	11,661	47.3	456.12

Reference: Shareholders' equity: As of December 31, 2021 11,816 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	-	11.00	-	-	-
March 31, 2022 (Forecast)	-	-	-	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	53.17

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 December 31, 2021	26,683,120 shares
As of March 31, 2021	26,683,120 shares

2) Number of treasury stocks:

As of December 31, 2021	1,121,529 shares
As of March 31, 2021	1,122,479 shares

3) Number of average shares during the period:

Nine months ended December 31, 2021	25,561,068 shares
Nine months ended December 31, 2020	25,559,895 shares

Note: The number of treasury shares at the end of the period includes the 473,900 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	6,367,346	5,351,485
Notes and accounts receivable - trade	6,988,580	—
Notes and accounts receivable - trade, and contract assets	—	4,763,146
Merchandise	1,376,234	1,424,597
Work in process	173,596	527,495
Other	1,443,357	1,334,568
Total current assets	16,349,114	13,401,292
Non-current assets		
Property, plant and equipment	2,214,212	2,000,021
Intangible assets		
Goodwill	505,798	451,606
Other	2,615,693	2,553,678
Total intangible assets	3,121,492	3,005,284
Investments and other assets		
Deferred tax assets	317,021	248,941
Other	2,624,965	2,802,374
Total investments and other assets	2,941,986	3,051,316
Total non-current assets	8,277,691	8,056,622
Total assets	24,626,806	21,457,915
Liabilities		
Current liabilities		
Accounts payable - trade	3,821,819	3,518,140
Current portion of long-term borrowings	2,068,000	1,702,000
Income taxes payable	460,893	38,961
Provision for bonuses	164,943	76,224
Provision for loss on order received	13,272	19,213
Provision for loss on office transfer	70,186	—
Other	3,433,336	2,653,117
Total current liabilities	10,032,451	8,007,657
Non-current liabilities		
Long-term borrowings	2,668,000	1,336,000
Net defined benefit liabilities	5,994	7,946
Provision for directors' share-based remuneration	31,616	31,616
Provision for employees' share-based remuneration	153,380	196,388
Other	74,068	59,484
Total non-current liabilities	2,933,060	1,631,434
Total liabilities	12,965,512	9,639,092

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	1,000,000	1,000,000
Capital surplus	4,010,943	4,010,961
Retained earnings	7,241,209	7,143,927
Treasury shares	(615,548)	(614,656)
Total shareholders' equity	11,636,604	11,540,232
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,214	267,347
Foreign currency translation adjustment	9,799	9,327
Total accumulated other comprehensive income	22,013	276,675
Non-controlling interests	2,676	1,915
Total net assets	11,661,294	11,818,822
Total liabilities and net assets	24,626,806	21,457,915

(2) Consolidated Statement of Income

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	30,280,125	30,612,278
Cost of sales	24,254,935	24,346,323
Gross profit	6,025,189	6,265,955
Selling, general and administrative expenses	5,604,735	5,900,700
Operating profit	420,454	365,254
Non-operating income		
Interest income	496	401
Dividend income	7,011	7,879
Commission income	2,132	2,157
Insurance dividend	3,449	4,212
Subsidy income	76,151	29,257
Equity in earnings of affiliates	—	63,465
Gain on investments in partnership	12,503	9,284
Other	8,053	4,825
Total non-operating income	109,796	121,484
Non-operating expenses		
Interest expenses	16,706	9,201
Commission fees	12,702	15,321
Share of loss of entities accounted for using equity method	34,425	—
Foreign exchange losses	6,615	7,026
Other	1,267	1,455
Total non-operating expenses	71,717	33,005
Ordinary income	458,532	453,733
Extraordinary income		
Gain on sale of shares of subsidiaries	—	219,231
Gain on sales of investment securities	27,895	55,915
Total extraordinary income	27,895	275,146
Extraordinary losses		
Loss on disposal of noncurrent assets	1,601	271
Impairment loss	99,152	27,971
Office transfer expenses	81,507	123
Total extraordinary losses	182,261	28,366
Profit before income taxes	304,166	700,514
Income taxes - current	168,728	240,233
Income taxes - deferred	(100,811)	(64,529)
Total income taxes	67,917	175,704
Profit	236,249	524,809
Loss attributable to non-controlling interests	(794)	(761)
Profit attributable to owners of the parent	237,043	525,570

(3) Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	236,249	524,809
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,525)	255,133
Foreign currency translation adjustment	11,948	(471)
Total other comprehensive income	7,422	254,661
Comprehensive income	243,672	779,471
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	244,466	780,232
Comprehensive income attributable to non-controlling interests	(794)	(761)