

## Translation

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August 8, 2023

# Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

Company name:	LAC Co., Ltd.	Stock exchange listings:	TSE
Securities code:	3857	URL:	<a href="https://www.lac.co.jp/english/">https://www.lac.co.jp/english/</a>
Representative:	Itsuro Nishimoto, President and Representative Director		
Contact:	Takayuki Morozumi, Executive Officer		
Scheduled date of filing of Quarterly Report:	August 10, 2023		
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, 2023 (from April 1, 2023 to June 30, 2023)

### (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, 2023	11,619	14.3	(1)	-	(46)	-	(56)	-
June 30, 2022	10,168	2.6	(123)	-	(132)	-	(149)	-

Note: Comprehensive income: 1st Quarter of FY2023 (As of June 30, 2023) 139 millions of yen (-%)  
1st Quarter of FY2022 (As of June 30, 2022) (143) millions of yen -%

	Net income per share	Diluted net income per share
	Yen	Yen
June 30, 2023	(1.88)	-
June 30, 2022	(4.96)	-

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, 2023	21,527	14,531	67.5	481.60
March 31, 2022	22,572	14,820	65.7	491.17

Reference: Shareholders' equity: As of June 30, 2023 14,531 millions of yen  
As of March 31, 2023 14,820 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, 2023	-	12.00	-	14.00	26.00
March 31, 2024	-	-	-	-	-
March 31, 2024 (Forecast)	-	12.00	-	14.00	26.00

Note: Revisions to the most recently announced forecast: None

### 3. Forecast for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net Income attributable to owners of the parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	46,500	5.6	1,900	7.0	1,900	4.8	1,250	—	41.43

Note: Revisions to the most recently announced forecast: Noe

#### \* 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: None
  - 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, 2023	31,293,120 shares
As of March 31, 2023	31,293,120 shares

2) Number of treasury stocks:

As of June 30, 2023	1,118,699 shares
As of March 31, 2023	1,119,399 shares

3) Number of average shares during the period:

Three months ended June 30, 2023	30,174,006 shares
Three months ended June 30, 2022	30,172,327 shares

Note: The number of treasury shares at the end of the period includes the 470,900 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.

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,144,725	6,443,928
Notes and accounts receivable - trade, and contract asset	6,723,341	4,829,727
Merchandise	1,247,095	1,747,114
Work in process	194,679	537,193
Other	1,621,653	1,270,137
Total current assets	15,931,494	14,828,101
Non-current assets		
Property, plant and equipment	1,700,264	1,623,934
Intangible assets		
Goodwill	361,284	343,220
Software	1,022,962	936,263
Software in progress	9,011	131,628
Other	66,418	62,765
Total intangible assets	1,459,678	1,473,878
Investments and other assets		
Deferred tax assets	445,370	359,763
Other	3,035,548	3,242,158
Total investments and other assets	3,480,918	3,601,922
Total non-current assets	6,640,861	6,699,735
Total assets	22,572,356	21,527,836
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,303,118	3,435,167
Current portion of long-term borrowings	1,336,000	670,000
Income taxes payable	190,628	42,091
Provision for bonuses	164,877	13,076
Provision for loss on order received	87,690	81,971
Other	2,327,818	2,388,870
Total current liabilities	7,410,134	6,631,177
Non-current liabilities		
Net defined benefit liabilities	7,267	16,930
Provision for directors' share-based remuneration	31,616	31,616
Provision for employees' share-based remuneration	219,055	240,904
Other	83,997	75,339
Total non-current liabilities	341,936	364,791
Total liabilities	7,752,070	6,995,968

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	2,648,075	2,648,075
Capital surplus	5,659,036	5,659,036
Retained earnings	7,106,213	6,620,436
Treasury shares	(612,633)	(611,975)
Total shareholders' equity	14,800,691	14,315,571
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,188	183,724
Foreign currency translation adjustment	17,406	32,572
Total accumulated other comprehensive income	19,594	216,296
Total net assets	14,820,286	14,531,867
Total liabilities and net assets	22,572,356	21,527,836

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
Consolidated Statements of Income

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	10,168,168	11,619,001
Cost of sales	8,292,953	9,670,202
Gross profit	1,875,215	1,948,798
Selling, general and administrative expenses	1,999,103	1,950,282
Operating income (loss)	(123,888)	(1,483)
Non-operating income		
Interest income	269	607
Commission income	722	741
Equity in earnings of affiliates	8,416	—
Subsidy income	1,728	1,285
Other	1,478	1,564
Total non-operating income	12,614	4,198
Non-operating expenses		
Interest expenses	1,680	597
Foreign exchange losses	14,807	10,570
Commission fees	4,558	4,391
Share of loss of entities accounted for using equity method	—	31,240
Other	645	2,300
Total non-operating expenses	21,691	49,099
Ordinary income (loss)	(132,965)	(46,385)
Extraordinary losses		
Loss on disposal of noncurrent assets	66,975	38
Total extraordinary losses	66,975	38
Income (loss) before income taxes	(199,941)	(46,423)
Income taxes - current	5,126	4,701
Income taxes - deferred	(55,511)	5,619
Total income taxes	(50,385)	10,320
Net income (loss)	(149,555)	(56,743)
Net income (loss) attributable to owners of the parent	(149,555)	(56,743)

(3) Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net income (loss)	(149,555)	(56,743)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,058)	181,536
Foreign currency translation adjustment	8,415	15,166
Total other comprehensive income	6,357	196,702
Comprehensive income	(143,198)	139,958
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(143,198)	139,958