

## Translation

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February 8, 2024

# Consolidated Financial Results for the Nine Months Ended December 31, 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:	February 13, 2024		
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 Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
December 31, 2023	35,290	13.2	694	41.0	618	26.9	373	-
December 31, 2022	31,167	1.8	493	35.0	487	7.5	(1,050)	-

Note: Comprehensive income: 3rd Quarter of FY2023 (As of December 31, 2023) 358 millions of yen (-%)  
3rd Quarter of FY2022 (As of December 31, 2022) (1,146) millions of yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
December 31, 2023	12.37	-
December 31, 2022	(34.81)	-

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, 2023	21,345	14,378	67.4	476.51
March 31, 2023	22,572	14,820	65.7	491.17

Reference: Shareholders' equity: As of December 31, 2023 14,378 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	-	12.00	-	-	-
March 31, 2024 (Forecast)	-	-	-	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		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: 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: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: Yes
  - 4) Restatements: None
- (4) Number of shares issued (common shares)

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

As of December 31, 2023	31,293,120 shares
As of March 31, 2023	31,293,120 shares

2) Number of treasury stocks:

As of December 31, 2023	1,118,099 shares
As of March 31, 2023	1,119,399 shares

3) Number of average shares during the period:

Nine months ended December 31, 2023	30,174,432 shares
Nine months ended December 31, 2022	30,172,962 shares

Note: The number of treasury shares at the end of the period includes the 793,300 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, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,144,725	5,144,163
Notes and accounts receivable - trade, and contract assets	6,723,341	6,125,055
Merchandise	1,247,095	1,765,950
Work in process	194,679	570,577
Other	1,621,653	1,202,433
Total current assets	15,931,494	14,808,180
Non-current assets		
Property, plant and equipment	1,700,264	1,611,041
Intangible assets		
Goodwill	361,284	307,092
Software	1,022,962	1,049,570
Software in progress	9,011	11,807
Other	66,418	94,647
Total intangible assets	1,459,678	1,463,117
Investments and other assets		
Deferred tax assets	445,370	343,617
Other	3,035,548	3,119,174
Total investments and other assets	3,480,918	3,462,792
Total non-current assets	6,640,861	6,536,951
Total assets	22,572,356	21,345,131
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,303,118	3,813,684
Current portion of long-term borrowings	1,336,000	—
Income taxes payable	190,628	101,786
Provision for bonuses	164,877	12,679
Provision for loss on order received	87,690	54,295
Other	2,327,818	2,369,415
Total current liabilities	7,410,134	6,351,860
Non-current liabilities		
Net defined benefit liabilities	7,267	2,706
Provision for directors' share-based remuneration	31,616	28,050
Provision for employees' share-based remuneration	219,055	277,058
Asset retirement obligations	—	232,544
Other	83,997	74,067
Total non-current liabilities	341,936	614,428
Total liabilities	7,752,070	6,966,289

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	2,648,075	2,648,075
Capital surplus	5,659,036	5,816,621
Retained earnings	7,106,213	6,678,841
Treasury shares	(612,633)	(769,038)
Total shareholders' equity	14,800,691	14,374,498
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,188	(26,637)
Foreign currency translation adjustment	17,406	30,981
Total accumulated other comprehensive income	19,594	4,343
Total net assets	14,820,286	14,378,842
Total liabilities and net assets	22,572,356	21,345,131

(2) Consolidated Statement of Income

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	31,167,563	35,290,623
Cost of sales	24,788,602	28,773,888
Gross profit	6,378,961	6,516,735
Selling, general and administrative expenses	5,885,895	5,821,747
Operating income (loss)	493,065	694,987
Non-operating income		
Interest income	1,168	1,312
Commission income	2,183	2,242
Insurance dividend	4,236	4,985
Subsidy income	7,233	3,832
Equity in earnings of affiliates	3,726	—
Gain on investments in investment partnership	6,108	—
Other	7,768	4,333
Total non-operating income	32,425	16,707
Non-operating expenses		
Interest expenses	4,525	1,133
Commission fees	13,779	12,218
Foreign exchange losses	18,488	18,869
Equity in losses of affiliates	—	54,660
Loss on investments in investment partnership	—	3,576
Other	787	2,314
Total non-operating expenses	37,580	92,773
Ordinary income (loss)	487,910	618,921
Extraordinary losses		
Loss on disposal of noncurrent assets	66,975	52
Loss on system development	1,820,028	—
Total extraordinary losses	1,887,003	52
Income (loss) before income taxes	(1,399,093)	618,869
Income taxes - current	159,416	130,991
Income taxes - deferred	(508,048)	114,596
Total income taxes	(348,631)	245,587
Net income (loss)	(1,050,461)	373,281
Net income (loss) attributable to owners of the parent	(1,050,461)	373,281

(3) Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net income (loss)	(1,050,461)	373,281
Other comprehensive income		
Valuation difference on available-for-sale securities	(104,501)	(28,825)
Foreign currency translation adjustment	7,975	13,574
Total other comprehensive income	(96,526)	(15,250)
Comprehensive income	1,146,987	358,030
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,146,987)	358,030