

Translation

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August 9, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 [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:	Takayuki Morozumi, Managing Executive Officer		
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, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	13,204	13.6	(8)	-	(24)	-	(37)	-
June 30, 2023	11,619	14.3	(1)	-	(46)	-	(56)	-

Note: Comprehensive income: 1st Quarter of FY2024 (As of June 30, 2024) (70) millions of yen (-%)
1st Quarter of FY2023 (As of June 30, 2023) (139) millions of yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
June 30, 2024	(1.25)	-
June 30, 2023	(1.88)	-

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, 2024	22,277	14,901	66.9	493.83
March 31, 2024	23,770	15,404	64.8	510.51

Reference: Shareholders' equity: As of June 30, 2024 14,901 millions of yen
As of March 31, 2024 15,404 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, 2024	-	12.00	-	14.00	26.00
March 31, 2025	-	-	-	-	-
March 31, 2025 (Forecast)	-	12.00	-	15.00	27.00

Note: Revisions to the most recently announced forecast: None

3. Forecast for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	52,750	6.6	2,180	0.3	2,200	2.1	1,500	8.7	49.71

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, 2024	31,293,120 shares
As of March 31, 2024	31,293,120 shares

2) Number of treasury stocks:

As of June 30, 2024	1,117,499 shares
As of March 31, 2024	1,117,999 shares

3) Number of average shares during the period:

Three months ended June 30, 2024	30,175,490 shares
Three months ended June 30, 2023	30,174,006 shares

Note: The number of treasury shares at the end of the period includes the 792,700 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,494,909	5,115,427
Notes and accounts receivable - trade, and contract assets	8,110,491	5,896,609
Merchandise	2,024,081	2,317,759
Work in process	355,768	864,423
Other	1,487,343	2,070,489
Total current assets	17,472,594	16,264,709
Non-current assets		
Property, plant and equipment	1,507,590	1,377,511
Intangible assets		
Goodwill	289,027	270,963
Software	812,632	846,411
Software in progress	85,491	17,763
Other	85,200	75,752
Total intangible assets	1,272,352	1,210,891
Investments and other assets		
Deferred tax assets	440,343	454,483
Retirement benefit asset	4,511	2,574
Other	3,073,162	2,967,817
Total investments and other assets	3,518,017	3,424,875
Total non-current assets	6,297,960	6,013,277
Total assets	23,770,554	22,277,986
Liabilities		
Current liabilities		
Accounts payable - trade	4,006,312	3,315,689
Income taxes payable	595,405	98,149
Provision for bonuses	24,907	13,995
Provision for loss on order received	32,280	40,505
Assets retirement obligations	232,544	232,544
Other	3,012,389	3,207,884
Total current liabilities	7,903,839	6,908,769
Non-current liabilities		
Provision for management board benefit trust	54,762	54,478
Provision for employee stock ownership plan trust	347,254	368,575
Other	59,997	44,586
Total non-current liabilities	462,014	467,640
Total liabilities	8,365,854	7,376,409

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	2,648,075	2,648,075
Capital surplus	5,816,621	5,816,621
Retained earnings	7,685,432	7,214,121
Treasury shares	(768,951)	(768,516)
Total shareholders' equity	15,381,176	14,910,301
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(12,915)	(53,780)
Deferred gains (losses) on hedges	-	2,997
Foreign currency translation adjustment	36,439	42,058
Total accumulated other comprehensive income	23,523	(8,724)
Total net assets	15,404,700	14,901,577
Total liabilities and net assets	23,770,554	22,277,986

(2) Consolidated Statement of Income

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	11,619,001	13,204,571
Cost of sales	9,670,202	11,065,453
Gross profit	1,948,798	2,139,118
Selling, general and administrative expenses	1,950,282	2,147,230
Operating income (loss)	(1,483)	(8,112)
Non-operating income		
Interest income	607	677
Commission income	741	771
Subsidy income	1,285	-
Other	1,564	1,082
Total non-operating income	4,198	2,531
Non-operating expenses		
Interest expenses	597	-
Foreign exchange losses	10,570	13,584
Commission fees	4,391	3,455
Equity in losses of affiliates	31,240	1,410
Other	2,300	900
Total non-operating expenses	49,099	19,350
Ordinary income (loss)	(46,385)	(24,931)
Extraordinary losses		
Loss on disposal of noncurrent assets	38	267
Total extraordinary losses	38	267
Income (loss) before income taxes	(46,423)	(25,198)
Income taxes - current	4,701	9,981
Income taxes - deferred	5,619	2,573
Total income taxes	10,320	12,555
Net income (loss)	(56,743)	(37,753)
Net income (loss) attributable to owners of the parent	(56,743)	(37,753)

(3) Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net income (loss)	(56,743)	(37,753)
Other comprehensive income		
Valuation difference on available-for-sale securities	181,536	(40,864)
Foreign currency translation adjustment	15,166	5,618
Deferred gains (losses) on hedges	-	2,997
Total other comprehensive income	196,702	(32,248)
Comprehensive income	139,958	(70,001)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	139,958	(70,001)