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*We provide IT total solutions
based on advanced security technologies.*



Financial Results for 3Q ended December 31, 2018

February 5, 2019

LAC Co., Ltd.

1. Outline of Financial Results for 3Q ended December 31, 2018

2. Forecasts for the year ending March 31, 2019

3. References

Highlights of 3 Q(Apr.-Dec.) Consolidated Financial Results (YoY comparison)



Net sales increased slightly, income greatly increased to growth in SSS service sales

(Million yen)

Subject	2018/3 3Q	2019/3 3Q	YoY comparison	
			Difference	Change(%)
Net sales	26,786	26,795	+9	+0.0
Operating income	755	1,111	+355	+47.1
<i>Operating income ratio (%)</i>	2.8	4.1	+1.3p	-
Ordinary income	811	1,109	+298	+36.7
<i>Ordinary income ratio (%)</i>	3.0	4.1	+1.1p	-
Net income attributable to owners of parent	421	648	+226	+53.7

Note: From the first quarter of the current consolidated accounting period, we have incorporated Asian Link Co., Ltd., which became a consolidated subsidiary on April 2, 2018, into consolidated results.

Point

[Net sales]

SSS segment +1,976
(Consulting services decreased,
other subsegments increased)
SIS segment -1,967
(All subsegments decreased)

[Operating income]

Increase due to growth in SSS service sales

Cost of sales +833
SG&A expenses -486

[Net income attributable to owners of parent]

Ordinary income +298
(Decrease of equity earnings
of affiliate companies -70)

Business Results by Segment for 3Q(Apr. - Dec.) (YoY comparison)



SSS business significantly increased sales and profit, SIS business increased sales and profit

(Million yen)

Sales	2018/3 3Q	2019/3 3Q	YoY comparison	
			Difference	Change(%)
Security Solutions Services (SSS) business *	8,425	10,401	+1,976	+23.5
System Integration Services (SIS) business	18,361	16,393	-1,967	-10.7
Total	26,786	26,795	+9	+0.0

(Million yen)

Segment margin	2018/3 3Q	2019/3 3Q	YoY comparison	
			Difference	Change(%)
Security Solutions Services (SSS) business*	994	1,512	+518	+52.1
System Integration Services (SIS) business	1,680	1,891	+210	+12.5
Company-wide common expenses	-1,919	-2,292	-373	-
Total	755	1,111	+355	+47.1

*From the first quarter consolidated accounting period, the results of Asian Link Co., Ltd. are incorporated.

Highlights of Consolidated Balance Sheet at the end of 1H



**While maintaining sufficient funds,
maintain continued stable financial foundation**

(Million yen)

Subject	As of March 31, 2018	As of December 31, 2018	Change
Total Assets	19,909	21,008	+1,098
Current assets	14,641	15,076	+434
Noncurrent assets	5,268	5,931	+663
Total Liabilities	9,817	10,603	+785
Current liabilities	9,624	10,411	+786
Noncurrent liabilities	193	192	-1
Total net assets	10,092	10,404	+312
Cash and deposit	5,103	4,536	-566
Interest-bearing debt	739	2,927	+2,187
Shareholders' equity ratio	50.7%	49.5%	-1.2p

Point	
Assets	
【Current assets】	
Work in process	+1,389
Prepaid expenses	+920
Notes and accounts receivable-trade	-1,726
Cash and deposit	-566
【Noncurrent assets】	
Goodwill	+515
Liabilities	
【Current liabilities】	
Short-term debt	+2,490
Accounts payable	-816
income taxes payable	-454
Current portion of long-term loans payable	-267
Net assets	
【Net assets】	
Capital surplus	+191
Retained earnings	+78
Treasury stock	+49

**1. Outline of Financial Results
for 1H ended September 30, 2018**

**2. Forecasts for the year ending
March 31, 2019**

3. References

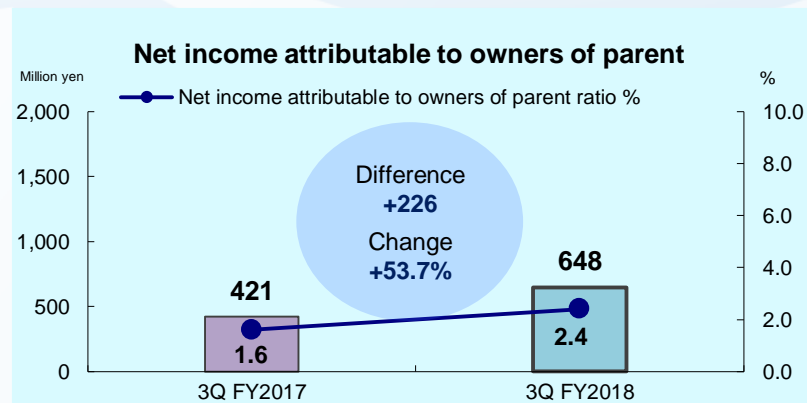
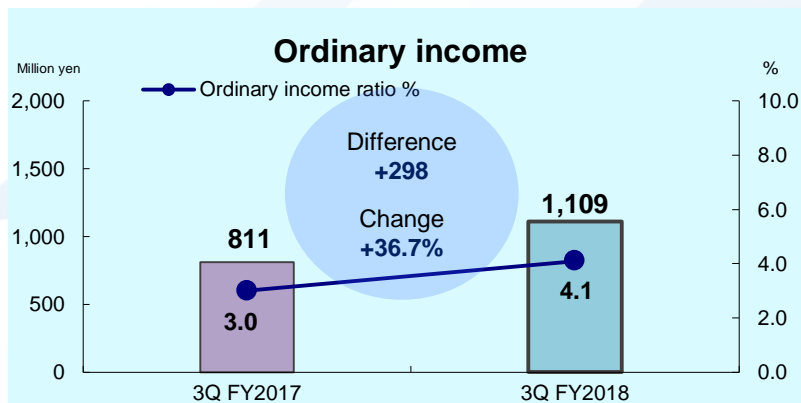
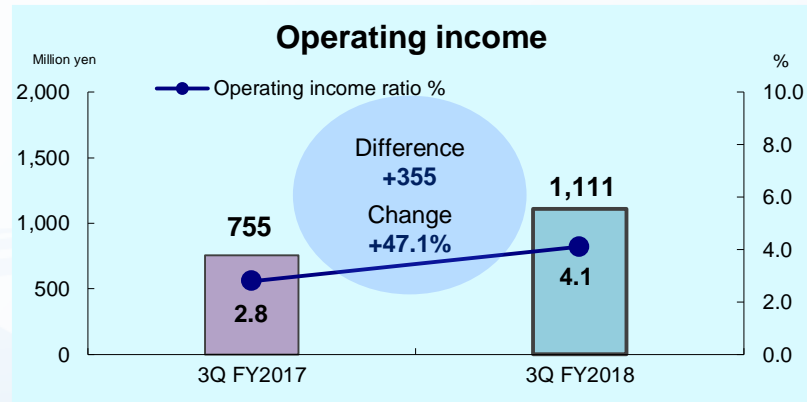
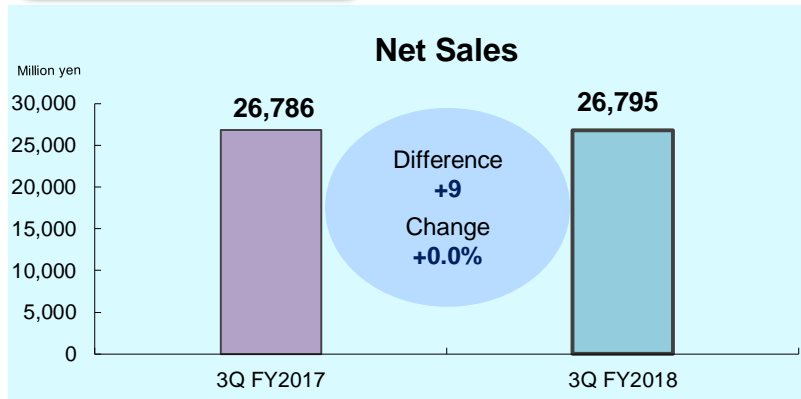
Consolidated financial results forecasts is still under review.

We will disclose once again when we need to revise our forecasts as soon as it is discovered.

- 1. Outline of Financial Results
for 1H ended September 30, 2018**
- 2. Forecasts for the year ending
March 31, 2019**
- 3. References**

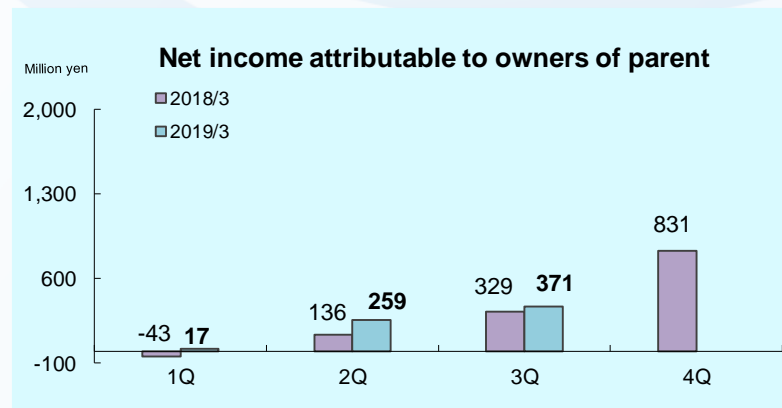
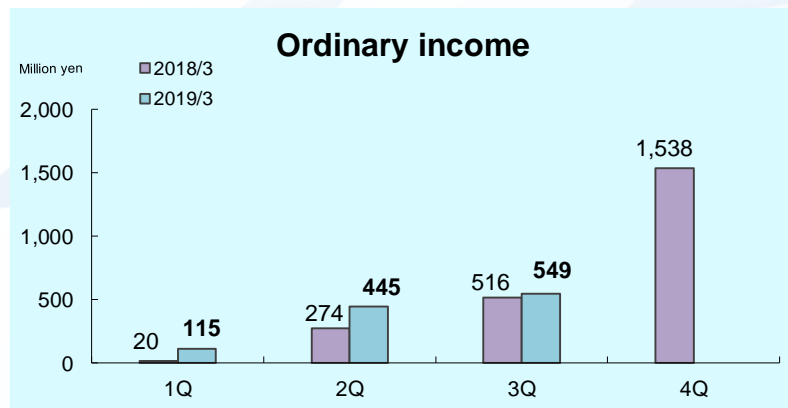
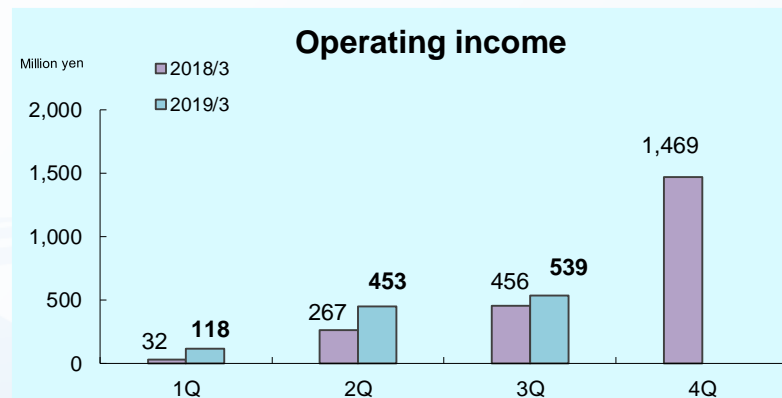
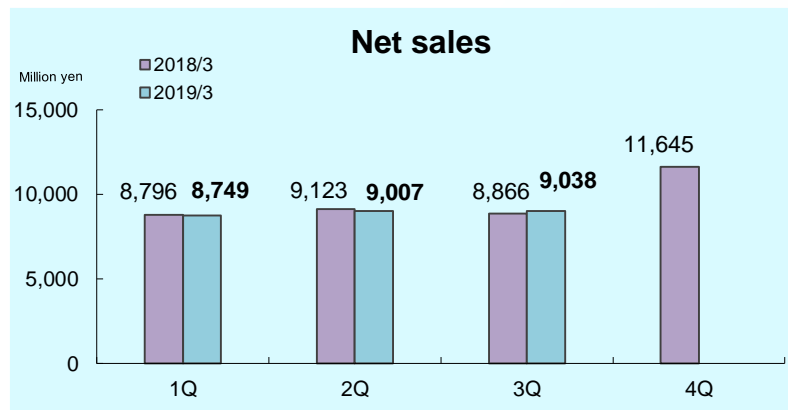
Financial Results for 3Q (Apr. - Sep.)

YoY Comparison



Financial Results for the year ending March 31, 2019 (Quarterly)

YoY Comparison



Business Forecasts by Subsegment for 3Q (Apr. - Dec.)

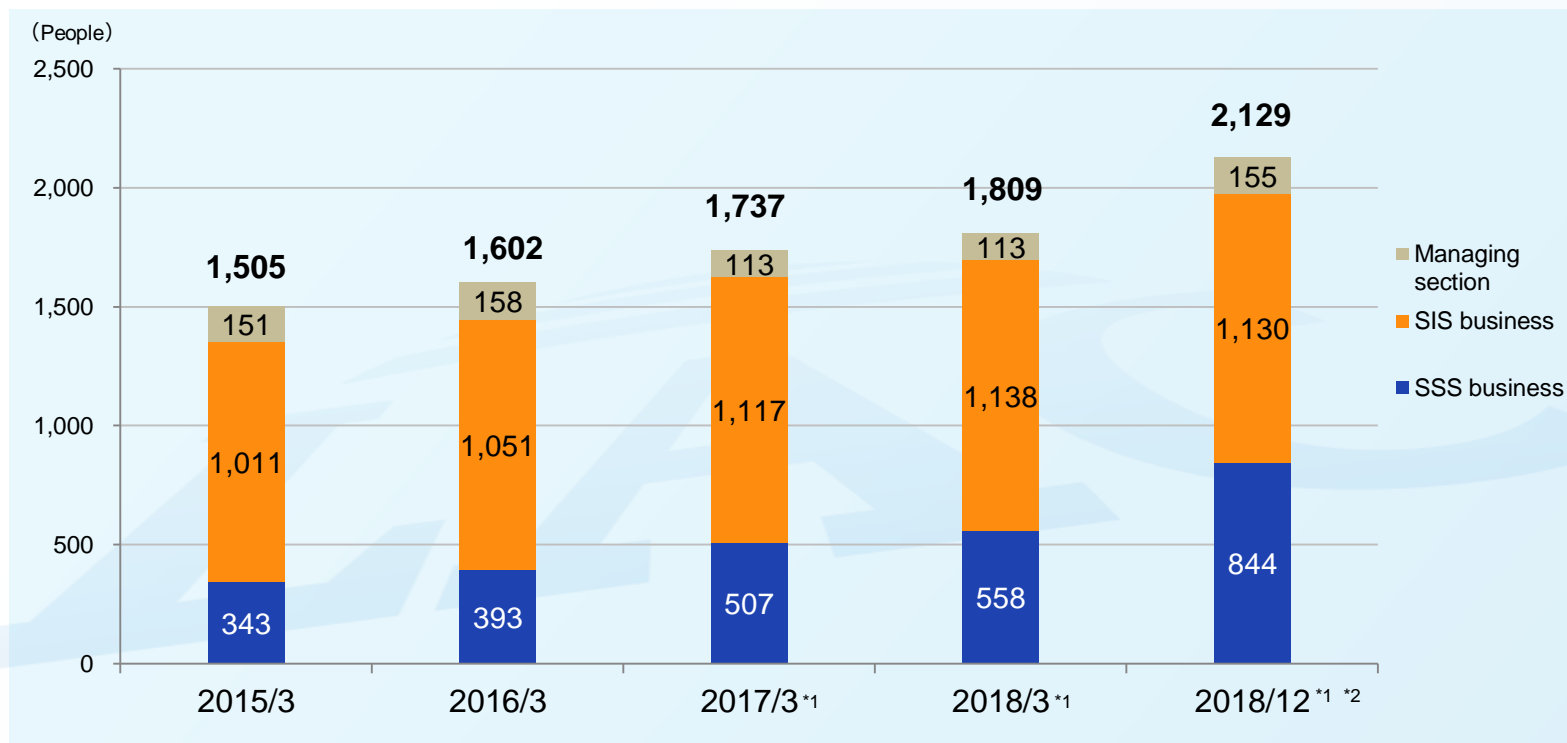


YoY Comparison

(Million yen)

Sales	2018/3		2019/3		YoY Comparison	
	3Q	Composition (%)	3Q	Composition (%)	Deference	Change (%)
Security Solutions Services (SSS) business	8,425	31.5	10,401	38.8	+1,976	+23.5
Security Consulting Services	1,956	7.3	1,956	7.3	-0	-0.0
Security Assessment Services	1,170	4.4	1,473	5.5	+303	+25.9
Security Monitoring Services	2,610	9.8	3,974	14.8	+1,363	+52.2
Security Product Sales	1,753	6.5	2,052	7.7	+298	+17.0
Security Maintenance Services	933	3.5	945	3.5	+11	+1.2
System Integration Services (SIS) business	18,361	68.5	16,393	61.2	-1,967	-10.7
Development Services	10,888	40.7	10,401	38.9	-487	-4.5
Hardware and Software Sales	2,860	10.7	1,417	5.3	-1,443	-50.5
IT Maintenance Services	3,539	13.2	3,523	13.1	-15	-0.4
Solutions Services	1,072	3.9	1,051	3.9	-21	-2.0
Total	26,786	100.0	26,795	100.0	+9	+0.0

Consolidated Employees



*1. We are changing to standards including contract employees and business classification according to the related business from fiscal year ended March 31, 2017.

*2. As of december, 2018, consolidated employees of SSS business include employees of Asian Link Co., Ltd. Group which became a subsidiary of April 2, 2018.



- ※ Statements made in this documents or in the presentation to which they pertain regarding estimates or projections are forward-looking statements based on the company's judgments and assumptions in light of information currently available. Actual results may differ materially from those projected as a result of uncertainties inherent in such judgments and assumptions, as well as changes in business operations or other internal or external conditions. Accordingly, the company gives no guarantee regarding the reliability of any information contained in these forward-looking statements.
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