

Translation

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November 7, 2024

Consolidated Financial Results for the Six Months Ended September 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 filing of Quarterly Report:			November 11, 2024
Scheduled date of payment of dividend:			December 3, 2024
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 Six Months Ended September 30, 2024 (from April 1, 2024 to September 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	%
September 30, 2024	26,408	16.6	352	11.8	406	57.8	263	88.5
September 30, 2023	22,648	11.1	314	135.8	257	92.8	139	589.0

Note: Comprehensive income: 2nd Quarter of FY2024 (As of September 30, 2024) 111 millions of yen (50.3%)
2nd Quarter of FY2023 (As of September 30, 2023) 224 millions of yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
September 30, 2024	8.73	-
September 30, 2023	4.63	-

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
September 30, 2024	23,671	15,087	63.7	499.90
March 31, 2024	23,770	15,404	64.8	510.51

Reference: Shareholders' equity: As of September 30, 2024 15,087 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	-	12.00	-	-	-
March 31, 2025 (Forecast)	-	-	-	0.00	12.00

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 September 30, 2024	31,293,120 shares
As of March 31, 2024	31,293,120 shares

2) Number of treasury stocks:

As of September 30, 2024	1,113,070 shares
As of March 31, 2024	1,117,999 shares

3) Number of average shares during the period:

Three months ended September 30, 2024	30,176,937 shares
Three months ended September 30, 2023	30,174,238 shares

Note: The number of treasury shares at the end of the period includes the 788,200 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 September 30, 2024
Assets		
Current assets		
Cash and deposits	5,494,909	3,748,253
Notes and accounts receivable - trade, and contract assets	8,110,491	7,143,283
Merchandise	2,024,081	3,482,566
Work in process	355,768	993,603
Other	1,487,343	1,990,293
Total current assets	17,472,594	17,357,999
Non-current assets		
Property, plant and equipment	1,507,590	1,489,968
Intangible assets		
Goodwill	289,027	252,899
Software	812,632	790,849
Software in progress	85,491	178,490
Other	85,200	166,760
Total intangible assets	1,272,352	1,389,000
Investments and other assets		
Deferred tax assets	440,343	476,604
Retirement benefit asset	4,511	171
Other	3,073,162	2,957,997
Total investments and other assets	3,518,017	3,434,773
Total non-current assets	6,297,960	6,313,742
Total assets	23,770,554	23,671,742
Liabilities		
Current liabilities		
Accounts payable - trade	4,006,312	3,714,831
Income taxes payable	595,405	255,385
Provision for bonuses	24,907	27,925
Provision for loss on order received	32,280	38,720
Assets retirement obligations	232,544	232,544
Other	3,012,389	3,718,708
Total current liabilities	7,903,839	7,988,115
Non-current liabilities		
Provision for management board benefit trust	54,762	54,478
Provision for employee stock ownership plan trust	347,254	392,141
Other	59,997	149,850
Total non-current liabilities	462,014	596,470
Total liabilities	8,365,854	8,584,586

(Thousands of yen)

	As of March 31, 2024	As of September 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	7,515,409
Treasury shares	(768,951)	(764,661)
Total shareholders' equity	15,381,176	15,215,444
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(12,915)	(140,628)
Deferred gains (losses) on hedges	-	(17,501)
Foreign currency translation adjustment	36,439	29,849
Total accumulated other comprehensive income	23,523	(128,288)
Total net assets	15,404,700	15,087,155
Total liabilities and net assets	23,770,554	23,671,742

(2) Consolidated Statement of Income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	22,648,923	26,408,175
Cost of sales	18,507,252	21,723,256
Gross profit	4,141,670	4,684,918
Selling, general and administrative expenses	3,826,696	4,332,881
Operating income (loss)	314,974	352,037
Non-operating income		
Interest income	607	677
Commission income	741	771
Insurance dividend	4,371	5,772
Subsidy income	1,326	394
Equity in earnings of affiliates	—	49,240
Gain on investments in investment partnership	—	9,177
Other	3,322	2,729
Total non-operating income	11,146	70,174
Non-operating expenses		
Interest expenses	1,133	—
Commission fees	8,752	6,922
Foreign exchange losses	10,570	13,584
Equity in losses of affiliates	16,725	7,711
Loss on investments in investment partnership	3,576	—
Other	2,300	1,282
Total non-operating expenses	68,583	15,915
Ordinary income (loss)	257,536	406,295
Extraordinary losses		
Loss on disposal of noncurrent assets	38	267
Total extraordinary losses	38	267
Income (loss) before income taxes	257,498	406,028
Income taxes - current	27,469	114,665
Income taxes - deferred	90,254	27,829
Total income taxes	117,723	142,494
Net income (loss)	139,774	263,533
Net income (loss) attributable to owners of the parent	139,774	263,533

(3) Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net income (loss)	139,774	263,533
Other comprehensive income		
Valuation difference on available-for-sale securities	63,200	(127,712)
Deferred gains (losses) on hedges	5,490	(17,501)
Foreign currency translation adjustment	16,141	(6,597)
Total other comprehensive income	84,832	(151,811)
Comprehensive income	224,607	111,721
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	224,607	111,721

(4) Consolidated Statement of Cash Flow

(Thousands of yen)

	Period ended September 30, 2023	Period ended September 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	257,498	406,028
Depreciation	465,122	503,915
Amortization of goodwill	257,498	406,028
Increase (decrease) in provision for bonuses	(139,254)	3,017
Increase (decrease) in Provision for loss on order received	(24,198)	6,440
Increase (decrease) in retirement benefit liability	6,573	—
Increase (decrease) in provision for directors' share-based remuneration	(3,565)	(283)
Increase (decrease) in provision for employees' share-based remuneration	30,833	49,239
Interest and dividend income	(637)	(1,340)
Share of loss (profit) of entities accounted for using equity method	36,095	(49,240)
Interest expenses	1,133	—
Foreign exchange losses (gains)	1,242	449
Loss (gain) on investments in investment partnerships	3,576	(9,177)
Loss on disposal of noncurrent assets	38	267
Decrease (increase) in trade receivables	1,452,094	966,768
Decrease (increase) in inventories	(816,453)	(2,093,013)
Decrease (increase) in other current assets	579,565	(508,156)
Increase (decrease) in notes and accounts payable—trade	17,995	(291,480)
Increase (decrease) in accrued consumption taxes	(103,686)	(277,864)
Increase (decrease) in other current liabilities	174,115	677,135
Other, net	(22,025)	5,553
Subtotal	1,952,191	(575,614)
Interest and dividends received	47,065	13,541
Interest paid	(3,345)	—
Income taxes paid	(164,296)	(433,630)
Net cash provided by (used in) operating activities	1,831,614	(995,702)

(Thousands of yen)

	Period ended September 30, 2023	Period ended September 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(96,766)	(113,263)
Proceeds from sales of property, plant and equipment	—	1,900
Purchases of software	(303,009)	(149,377)
Purchase of investment securities	(135,000)	(0)
Proceeds from share of profits on investments in capital	9,440	12,440
Payments of leasehold and guarantee deposits	(968)	(66,414)
Proceeds from refund of leasehold and guarantee deposits	458	2,080
Net cash provided by (used in) investing activities	(525,846)	(312,634)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,336,000)	—
Purchase of treasury shares	(242,250)	(62)
Proceeds from sales of treasury stock	242,250	—
Cash dividends paid	(427,954)	(433,032)
Net cash provided by (used in) financing activities	(1,763,954)	(433,094)
Effect of exchange rate change on cash and cash equivalents	12,818	(5,224)
Net increase (decrease) in cash and cash equivalents	(445,367)	(1,746,656)
Cash and cash equivalents at beginning of period	6,144,725	5,494,909
Cash and cash equivalents at end of period	5,699,357	3,748,253