



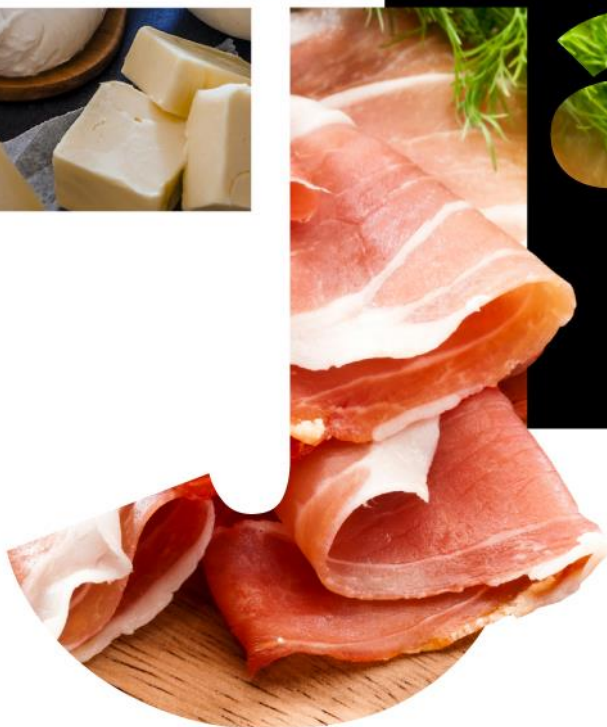
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Lacto Japan Co., Ltd.

Financial Summary for FY2023 Third Quarter



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1. Financial Summary

(Millions of Yen)

	FY11/2022 3 Q	FY11/2023 3 Q		YoY Change (%)
		Actual	Difference	
Net sales	107,485	117,330	9,844	9.2
Ordinary income	2,725	2,059	-665	-24.4
Ordinary income ratio (%)	2.5	1.8	-	-
(Foreign exchange impact on ordinary income (*))	(70)	(-90)	-	-
Net income attributable to owners of the parent	1,970	1,434	-535	-27.2
Net income ratio (%)	1.8	1.2	-	-
Net income per share (JPY)	199.62	144.73	-54.89	
Exchange rate (JPY/USD)	124.80	136.71	11.91	
Exchange rate (JPY/EUR)	134.50	147.96	13.46	

Note: Amounts have been rounded down to the nearest million yen, and the ratios have been rounded to the first decimal place.

* Foreign exchange impact on ordinary income: As Lacto Japan applies "Separate accounting treatments," foreign exchange fluctuations may have an impact at each income level.

2. Net Sales by Division

(Millions of Yen)

	FY11/2022				FY11/2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Forecast
Dairy Ingredients and Cheese	22,024	25,178	25,153	26,465	27,594	29,196	26,367	106,400
YoY (%)	28.9	26.8	39.4	23.2	25.3	16.0	4.8	7.7
Meat Products	3,530	3,690	3,706	4,207	4,063	4,933	4,416	15,200
YoY (%)	13.3	1.0	2.6	8.0	15.1	33.7	19.2	0.4
Asian Business (Dairy Ingredients)	4,783	7,495	7,126	7,267	5,248	5,316	3,534	26,800
YoY (%)	69.1	88.3	65.6	56.5	9.7	-29.1	-50.4	0.5
Asian Business (Cheese)	935	892	1,064	1,092	1,087	1,158	1,226	4,600
YoY (%)	16.6	0.5	44.1	22.0	16.3	29.9	15.2	15.4
Others	481	775	645	905	751	1,099	1,334	7,000
YoY (%)	207.8	186.6	127.1	171.7	55.9	41.8	106.7	149.2
Total	31,755	38,032	37,697	39,937	38,745	41,704	36,880	160,000
YoY (%)	32.3	32.7	39.7	27.8	22.0	9.7	-2.2	8.5

Note: Amounts of less than one million yen have been omitted

3. Sales Volume by Division

(MT)

	FY11/2022				FY11/2023			
	1Q	2Q	3Q	4Q	1 Q	2 Q	3 Q	Forecast
Dairy Ingredients and Cheese	46,731	49,722	44,625	41,877	40,578	44,757	39,464	172,000
YoY (%)	8.3	1.8	3.7	-15.1	-13.2	-10.0	-11.6	-6.0
Meat Products	6,004	6,092	6,127	6,551	6,005	7,872	6,957	28,000
YoY (%)	4.7	-10.8	-4.9	-2.0	0.0	29.2	13.5	13.0
Asian Business (Dairy Ingredients)	11,397	15,151	12,356	11,517	10,374	10,713	6,390	56,500
YoY (%)	14.9	18.6	4.2	-13.2	-9.0	-29.3	-48.3	12.1
Asian Business (Cheese)	1,253	1,083	1,243	1,206	1,154	1,214	1,172	5,900
YoY (%)	11.8	-10.7	21.7	-5.7	-7.9	12.1	-5.7	23.3

Note: Quantities of less than one ton have been rounded down

4. Consolidated Balance Sheets

	(Millions of Yen)		
	30-Nov-2022	31-Aug-2023	Difference
Current assets	70,067	77,114	7,047
Cash and cash equivalents	6,379	9,551	3,172
Trade notes and accounts receivable	21,065	20,991	-74
Inventories	41,382	45,922	4,539
Others	1,238	649	-589
Non-current assets	3,389	3,547	157
Property, plant and equipment	942	913	-28
Intangible assets	39	64	25
Investment and other assets	2,408	2,570	161
Total assets	73,456	80,662	7,205
Accounts payable	17,349	13,792	-3,557
Interest-bearing liabilities	31,262	41,280	10,018
Other	2,364	1,359	-1,005
Total liabilities	50,975	56,431	5,455
Net assets	22,481	24,230	1,749
Total liabilities and net assets	73,456	80,662	7,205

Note: Amounts have been rounded down to the nearest million yen.

※Our business model is one in which we take no inventory risk. As a rule, all of our inventory is destined for sale.

Major factors of change

Increase in inventories


- Increase in contract volume in cheese and meat products businesses

Decrease in accounts payable

- Decrease in unit purchase prices due to decline in market prices, and decrease in purchase volume

Increase in interest-bearing liabilities

- Increase in short-term loans and commercial paper due to increase in working capital

A wide-angle photograph of a rural landscape. In the foreground, a herd of dark-colored cows is scattered across a lush green field, some grazing and others standing. The field is illuminated by the warm, golden light of a low sun on the right side of the frame, creating long shadows. In the background, a large barn with a grey roof sits on a slight rise. The sky is filled with dramatic, layered clouds, with the sun breaking through on the right, creating a bright glow and lens flare. Power lines are visible in the distance.

This report contains projections of performance and other projections based on information currently available and certain assumptions judged to be reasonable. Actual performance may differ materially from these projections as a result of changes in the economic environment and other risks and uncertainties.

