



Lacto Japan Co., Ltd.

Financial Summary for FY2023 Second Quarter



1 Financial Summary P.3

2 Net Sales by Division P.4

3 Sales Volume by Division P.5

4 Consolidated Balance Sheets P.6

1. Financial Summary

(Millions of Yen)

	FY11/2022 2 Q	FY11/2023 2 Q		
		Actual	Difference	YoY Change (%)
Net sales	69,788	80,450	10,661	15.3
Ordinary income	1,665	1,344	-320	-19.2
Ordinary income ratio (%)	2.4	1.7	-	-
(Foreign exchange impact on ordinary income (*))	(-41)	(-72)	-	-
Net income attributable to owners of the parent	1,207	922	-284	-23.6
Net income ratio (%)	1.7	1.1	-	-
Net income per share (JPY)	122.38	93.17	-29.21	
Exchange rate (JPY/USD)	119.55	133.82	14.27	
Exchange rate (JPY/EUR)	132.11	144.09	11.98	

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

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

4. Sales Volume by Division

(MT)

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

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

5. Consolidated Balance Sheets

(Millions of Yen)

	30-Nov-2022	31-May-2023	Difference
Current assets	70,067	77,369	7,302
Cash and cash equivalents	6,379	8,587	2,207
Trade notes and accounts receivable	21,065	22,141	1,075
Inventories	41,382	45,594	4,211
Others	1,238	1,047	-191
Non-current assets	3,389	3,437	47
Property, plant and equipment	942	902	-39
Intangible assets	39	51	12
Investment and other assets	2,408	2,482	74
Total assets	73,456	80,806	7,350
Accounts payable	17,349	15,636	-1,713
Interest-bearing liabilities	31,262	39,838	8,576
Other	2,364	1,663	-701
Total liabilities	50,975	57,137	6,162
Net assets	22,481	23,669	1,187
Total liabilities and net assets	73,456	80,806	7,350

Major factors of change

Increase in inventories


- Cheese consumption decreased due to a rise in retail prices. Consequently, business partners postponed inventory transactions (cheese)
- Increase in inventories due to higher customer orders (meat products)
- Impact of rise in product unit prices and foreign exchange (weaker yen)

Increase in interest-bearing liabilities

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

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.

A wide-angle photograph of a rural landscape at sunset. A herd of dark-colored cows is scattered across a lush green field. In the background, a large barn with a corrugated metal roof sits on a slight rise. The sky is filled with dramatic, wispy clouds, and the sun is low on the horizon, casting long, soft shadows across the grass. Power lines and poles 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.

