



Financial Summary for FY11/2025

Lacto Japan Co., Ltd.

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1. Financial Summary

● Increase in Net sales :

Due to declined demand resulting from rising final product prices, sales volume stagnated in the Dairy Ingredients and Cheese divisions and the Asia & Dairy Ingredients Sales division. In Other divisions, sales volume increased thanks to a stable supply of highly competitive products and proposals that leveraged our expertise. With international prices remaining at high levels, consolidated sales in both the Dairy Ingredients and Meat businesses increased year on year to reach new record highs.

● Increase in Ordinary profit :

Profit margins in each business division improved, and even excluding the one-off non-operating income recorded in this interim period, both operating profit and net profit attributable to owners of the parent company reached record highs.

(Million yen)	FY11/2024	FY11/2025		
		Results	Difference	YoY Change (%)
Net sales	170,907	182,816	+11,908	+7.0
Ordinary profit	4,320	5,796	+1,475	+34.1
Ordinary profit margin (%)	2.5	3.2	—	—
Foreign exchange impact on ordinary profit*	(-71)	(-76)	—	—
Profit attributable to owners of parent	3,146	4,317	+1,170	+37.2
Net profit margin (%)	1.8	2.4	—	—
Basic earnings per share (Yen)	315.83	433.18	+117.35	
Exchange rate (Yen/USD)	150.77	149.53	-1.24	
Exchange rate (Yen/EUR)	163.63	167.21	+3.58	

Note: Amounts have been rounded down to the nearest million yen. Percentage changes have been rounded to the first decimal place.

*Foreign exchange impact on ordinary profit: As Lacto Japan applies "separate accounting treatments," the impact of foreign exchange hedging is recorded in both the cost of goods sold and non-operating profit/loss. Therefore, the impact of foreign exchange hedging on both the cost of goods sold and non-operating profit/loss is shown.

2. Net Sales by Business

(Million yen)	FY11/2024					FY11/2025					FY11/2026
	Q1	Q2	Q3	Q4	FY-end	Q1	Q2	Q3	Q4	FY-end	Forecast (FY)
Dairy Ingredients and Cheese Business	28,124	30,807	28,577	26,672	114,182	30,653	32,032	27,263	28,728	118,679	121,000
YoY	1.9%	5.5%	8.4%	-7.0%	2.1%	9.0%	4.0%	-4.6%	7.7%	3.9%	2.0%
Meat and Ingredients	5,111	5,427	5,801	5,447	21,788	5,024	6,535	5,593	5,616	22,770	24,300
YoY	25.8%	10.0%	31.3%	12.2%	19.3%	-1.7%	20.4%	-3.6%	3.1%	4.5%	6.7%
Functional Food Ingredients	744	863	1,408	2,124	5,141	1,744	2,035	2,518	3,295	9,594	12,600
YoY	19.1%	-10.1%	23.3%	78.8%	31.2%	134.1%	135.6%	78.8%	55.1%	86.6%	31.3%
Asian Business (Dairy Ingredients)	4,207	5,523	5,727	6,125	21,584	6,064	6,353	4,800	5,601	22,819	24,000
YoY	-19.8%	3.9%	62.1%	27.0%	14.1%	44.1%	15.0%	-16.2%	-8.6%	5.7%	5.2%
Asian Business (Cheese)	1,264	1,414	1,460	1,454	5,594	1,639	1,503	1,449	1,798	6,391	7,600
YoY	16.3%	22.0%	19.0%	7.3%	15.9%	29.6%	6.3%	-0.7%	23.6%	14.2%	18.9%
Others	267	801	642	905	2,616	858	847	511	344	2,561	3,500
YoY	111.9%	481.1%	233.9%	923.5%	380.2%	221.4%	5.7%	-20.4%	-62.0%	-2.1%	36.6%
Total net sales	39,720	44,839	43,618	42,729	170,907	45,984	49,308	42,137	45,385	182,816	193,000
YoY	2.5%	7.5%	18.3%	4.2%	7.9%	15.8%	10.0%	-3.4%	6.2%	7.0%	5.6%

(Amounts of less than one million yen have been omitted)

3. Sales Volume by Business

(tons)	FY11/2024					FY11/2025					FY11/2026
	Q1	Q2	Q3	Q4	FY-end	Q1	Q2	Q3	Q4	FY-end	Forecast (FY)
Dairy Ingredients and Cheese Business	45,583	45,515	43,043	42,259	176,402	43,972	42,827	37,890	40,811	165,501	172,500
YoY	12.3%	1.7%	9.1%	-0.9%	5.4%	-3.5%	-5.9%	-12.0%	-3.4%	-6.2%	4.2%
Meat and Ingredients	7,766	8,076	8,302	7,685	31,831	6,993	9,187	8,149	8,464	32,794	33,600
YoY	29.3%	2.6%	19.3%	5.4%	13.2%	-10.0%	13.8%	-1.8%	10.1%	3.0%	2.5%
Functional Food Ingredients	584	683	1,170	1,761	4,199	1,293	1,750	1,792	2,236	7,073	8,400
YoY	42.7%	-5.4%	58.9%	87.7%	49.6%	121.4%	156.1%	53.2%	27.0%	68.4%	18.8%
Asian Business (Dairy Ingredients)	8,286	10,232	10,352	10,857	39,728	9,830	10,848	8,235	9,164	38,078	41,000
YoY	-20.1%	-4.5%	62.0%	11.1%	6.6%	18.6%	6.0%	-20.5%	-15.6%	-4.2%	7.7%
Asian Business (Cheese)	1,228	1,307	1,353	1,532	5,422	1,444	1,382	1,263	1,550	5,640	6,800
YoY	6.4%	7.6%	15.5%	19.2%	12.3%	17.5%	5.7%	-6.6%	1.2%	4.0%	20.5%

(Quantities of less than one ton have been rounded down.)

4. Consolidated Balance Sheets

(Million yen)	End-November 2024	End-November 2025	Difference
Total current assets	75,826	83,151	7,324
Cash and deposits	9,076	10,157	1,080
Notes and accounts receivable	24,028	23,951	-77
Inventories	42,119	46,160	4,040
Current assets, other	601	2,881	2,280
Total non-current assets	5,608	7,058	1,449
Property, plant and equipment	2,502	3,550	1,047
Intangible assets	321	754	433
Investments and other assets	2,785	2,753	-31
Total assets	81,435	90,209	8,774
Accounts payable	17,212	17,179	-32
Interest-bearing liabilities	33,435	37,156	3,721
Liabilities, other	3,206	3,426	220
Total liabilities	53,853	57,761	3,907
Total net assets	27,581	32,448	4,867
Total liabilities and net assets	81,435	90,209	8,774

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①

POINT
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Main points for increase/decrease

Increase in inventories

- ① -This is due to rising product unit prices in the Dairy Ingredients & Cheese business Division and Functional Food Ingredients Division (Current : Life Science Business Division) in Japan.
- This is due to temporary stockpiling following the closure of a supplier's factory.

Increase in interest-bearing liabilities

- ② -This is due to an increase in working capital.

Note: Amounts have been rounded down to the nearest million yen. Breakdowns show only major items.

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

5. Consolidated financial forecast for FY11/2026

- If the price hikes for final products in Japan continue and consumer spending slows, the business environment may become even more severe. In response, we aim to increase sales volume and revenue by strengthening efforts in growth areas in each division.
- Profits are expected to decline year-on-year due to the recording of multiple depreciation expenses(Head office relocation costs , Start of operations at a new factory in Singapore and Renewal of core systems).

	FY11/2025 results	FY11/2026 forecasts		
		Forecast	Difference	YoY Change (%)
(Million yen)				
Net sales	182,816	193,000	+10,183	+5.6
Ordinary profit	5,796	4,800	-996	-17.2
Ordinary profit margin (%)	3.2	2.5	—	—
Profit attributable to owners of parent	4,317	3,450	-867	-20.1
Net profit margin (%)	2.4	1.8	—	—
Basic earnings per share (Yen)	433.18	346.00	-87.18	
Divident per share (Yen)	Interim	50.00	66.00	+16.00
	FY-end	82.00	66.00	-16.00

Caution

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.