



Lacto Japan

Financial Summary for FY2024

Lacto Japan Co., Ltd.

January 14,2025

Note : This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Financial Summary

● Increase in Net sales :

Sales volume increased in all divisions in both the Domestic Business and the Asian Business. In addition, unit sales prices remained high because of high prices of raw materials and the weak yen, leading to a sales increase. As a result, consolidated net sales reached a record high.

● Increase in Ordinary income :

In the Domestic Business, profit increased thanks to an increase in the share of high-margin products mainly in the Dairy Ingredients and Cheese Business Division.

The Asian Business also saw a profit increase owing to an increase in sales volume and profit margin in both the Dairy Ingredients Sales Division and the Cheese Manufacturing and Sales Division. In particular, production efficiency improved in the Cheese Manufacturing and Sales Division. This is due to a decline in the cost of raw materials (cheese), which had been affected by soaring international market prices until the previous fiscal year, and an increase in production volume.

(Million Yen)	FY11/2023	FY11/2024		
		Results	Difference	YoY Change
Net sales	158,328	170,907	12,579	7.9%
Ordinary income	2,847	4,320	1,472	51.7%
Ordinary profit rate	1.8%	2.5%	—	—
(Foreign exchange impact on ordinary income *)	(-59)	(-71)	—	—
Net income attributable to owners of parent	2,048	3,146	1,097	53.6%
Net income margin	1.3%	1.8%	—	—
Earnings per share (Yen)	206.46	315.83	109.37	
Exchange rate (Yen/USD)	139.80	150.77	10.97	
Exchange rate (Yen/EUR)	150.80	163.63	12.83	

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 Business

(Million yen)	FY11/2023				FY11/2024				FY11/ 2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Forecast
Dairy Ingredients and Cheese Business	27,594	29,196	26,367	28,687	28,124	30,807	28,577	26,672	119,600
YoY	25.3%	16.0%	4.8%	8.4%	1.9%	5.5%	8.4%	-7.0%	4.7%
Meat and Ingredients	4,063	4,933	4,416	4,854	5,111	5,427	5,801	5,447	22,000
YoY	15.1%	33.7%	19.2%	15.4%	25.8%	10.0%	31.3%	12.2%	1.0%
Functional Food Ingredients	625	961	1,142	1,188	744	863	1,408	2,124	7,600
YoY	93.2%	65.5%	155.3%	64.8%	19.1%	-10.1%	23.3%	78.8%	47.8%
Asian Business (Dairy Ingredients)	5,248	5,316	3,534	4,823	4,207	5,523	5,727	6,125	24,300
YoY	9.7%	-29.1%	-50.4%	-33.6%	-19.8%	3.9%	62.1%	27.0%	12.6%
Asian Business (Cheese)	1,087	1,158	1,226	1,355	1,264	1,414	1,460	1,454	6,800
YoY	16.3%	29.9%	15.2%	24.1%	16.3%	22.0%	19.0%	7.3%	21.5%
Others	126	137	192	88	267	801	642	905	2,700
YoY	-20.3%	-29.1%	-3.0%	-52.0%	111.9%	481.1%	233.9%	923.5%	3.2%
Total net sales	38,745	41,704	36,880	40,997	39,720	44,839	43,618	42,729	180,000
YoY	22.0%	9.7%	-2.2%	2.7%	2.5%	7.5%	18.3%	4.2%	5.3%

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

※The total sales forecast for the fiscal year ending November 2025 includes a consolidated adjustment of -3,000 million yen.

3. Sales Volume by Business

(tons)	FY11/2023				FY11/2024				FY11/ 2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Forecast
Dairy Ingredients and Cheese Business	40,578	44,757	39,464	42,622	45,583	45,515	43,043	42,259	177,400
YoY	-13.2%	-10.0%	-11.6%	1.8%	12.3%	1.7%	9.1%	-0.9%	0.6%
Meat and Ingredients	6,005	7,872	6,957	7,289	7,766	8,076	8,302	7,685	32,000
YoY	0.0%	29.2%	13.5%	11.3%	29.3%	2.6%	19.3%	5.4%	0.5%
Functional Food Ingredients	409	722	736	938	584	683	1,170	1,761	5,800
YoY	61.1%	67.0%	134.8%	65.3%	42.7%	-5.4%	58.9%	87.7%	38.1%
Asian Business (Dairy Ingredients)	10,374	10,713	6,390	9,772	8,286	10,232	10,352	10,857	48,700
YoY	-9.0%	-29.3%	-48.3%	-15.2%	-20.1%	-4.5%	62.0%	11.1%	22.6%
Asian Business (Cheese)	1,154	1,214	1,172	1,286	1,228	1,307	1,353	1,532	6,300
YoY	-7.9%	12.1%	-5.7%	6.6%	6.4%	7.6%	15.5%	19.2%	16.2%

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

4. Consolidated Balance Sheets

(Million Yen)	End-November 2023	End-November 2024	Difference
Total current assets	67,068	75,826	8,758
Cash and deposits	7,779	9,076	1,297
Notes and accounts receivable	18,700	24,028	5,328
Inventories	39,806	42,119	2,313
Current assets, other	782	601	-180
Total non-current assets	4,969	5,608	638
Property, plant and equipment	2,185	2,502	317
Intangible assets	73	321	247
Investments and other assets	2,710	2,785	74
Total assets	72,038	81,435	9,397
Accounts payable	14,033	17,212	3,178
Interest-bearing liabilities	31,518	33,435	1,916
Liabilities, other	1,763	3,206	1,443
Total liabilities	47,314	53,853	6,539
Total net assets	24,724	27,581	2,857
Total liabilities and net assets	72,038	81,435	9,397

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Main points regarding YoY changes

Increase in notes and accounts receivable/inventories

①② The Meat and Ingredients Division and the Functional Food Ingredients Division saw an increase in unit purchase prices, as well as an increase in contract volume associated with business expansion.

Increase in accounts payable

③ Trade accounts payables increased in the Domestic Business along with an increase in contract volume.

*An increase in notes and accounts receivable - trade and in accounts payable - trade includes the effects of the end of the fiscal year falling on a holiday.

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.

5. Consolidated financial forecast for FY11/2025

(Million Yen)	FY11/2024 results	FY11/2025 forecasts		
		Forecast	YoY increase	YoY
Net Sales	170,907	180,000	9,092	5.3%
Ordinary income	4,320	4,600	279	6.5%
Ordinary profit rate	2.5%	2.6%	—	—
Net income attributable to owners of parent	3,146	3,300	153	4.9%
Net income margin	1.8%	1.8%	—	—
Earnings per share (Yen)	315.83	331.38	15.55	
Dividend per share (Yen)	Interim	31.00	50.00	19.00
	FY-end	49.00	50.00	1.00

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.