



**Lacto Japan**

# **Financial Summary for FY2023**

**Lacto Japan Co., Ltd.**

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## 1. Financial Summary

(Million Yen)	FY11/2022	FY11/2023		
		Actual	Difference	YoY Change
<b>Net sales</b>	147,423	158,328	10,904	7.4%
<b>Ordinary income</b>	3,134	2,847	-286	-9.1%
<b>Ordinary income ratio</b>	2.1%	1.8%	—	—
<b>(Foreign exchange impact on ordinary income *)</b>	<b>(117)</b>	<b>(-59)</b>	—	—
<b>Net income attributable to owners of the parent</b>	2,286	2,048	-238	-10.4%
<b>Net income ratio</b>	1.6%	1.3%	—	—
<b>Net income per share (Yen)</b>	231.64	206.46	-25.18	
<b>Exchange rate (Yen/USD)</b>	129.67	139.80	10.13	
<b>Exchange rate (Yen/EUR)</b>	136.86	150.80	13.94	

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)	FY11/2022				FY11/2023				FY11/ 2024
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	Forecast
<b>Dairy Ingredients and Cheese Business</b>	<b>22,024</b>	<b>25,178</b>	<b>25,153</b>	<b>26,465</b>	<b>27,594</b>	<b>29,196</b>	<b>26,367</b>	<b>28,687</b>	<b>105,200</b>
YoY	28.9%	26.8%	39.4%	23.2%	25.3%	16.0%	4.8%	8.4%	-5.9%
<b>Meat and Ingredients</b>	<b>3,530</b>	<b>3,690</b>	<b>3,706</b>	<b>4,207</b>	<b>4,063</b>	<b>4,933</b>	<b>4,416</b>	<b>4,854</b>	<b>16,600</b>
YoY	13.3%	1.0%	2.6%	8.0%	15.1%	33.7%	19.2%	15.4%	-9.1%
<b>Asian Business (Dairy Ingredients)</b>	<b>4,783</b>	<b>7,495</b>	<b>7,126</b>	<b>7,267</b>	<b>5,248</b>	<b>5,316</b>	<b>3,534</b>	<b>4,823</b>	<b>25,000</b>
YoY	69.1%	88.3%	65.6%	56.5%	9.7%	-29.1%	-50.4%	-33.6%	32.1%
<b>Asian Business (Cheese)</b>	<b>935</b>	<b>892</b>	<b>1,064</b>	<b>1,092</b>	<b>1,087</b>	<b>1,158</b>	<b>1,226</b>	<b>1,355</b>	<b>5,800</b>
YoY	16.6%	0.5%	44.1%	22.0%	16.3%	29.9%	15.2%	24.1%	20.1%
<b>Others</b>	<b>481</b>	<b>775</b>	<b>645</b>	<b>905</b>	<b>751</b>	<b>1,099</b>	<b>1,334</b>	<b>1,276</b>	<b>7,400</b>
YoY	207.8%	186.6%	127.1%	171.7%	55.9%	41.8%	106.7%	41.0%	65.8%
<b>Total</b>	<b>31,755</b>	<b>38,032</b>	<b>37,697</b>	<b>39,937</b>	<b>38,745</b>	<b>41,704</b>	<b>36,880</b>	<b>40,997</b>	<b>160,000</b>
YoY	32.3%	32.7%	39.7%	27.8%	22.0%	9.7%	-2.2%	2.7%	1.1%

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

### 3. Sales Volume by Business

(Unit : MT)	FY11/2022				FY11/2023				FY11/ 2024
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	Forecast
<b>Dairy Ingredients and Cheese Business</b>	46,731	49,722	44,625	41,877	40,578	44,757	39,464	42,622	172,900
YoY	8.3%	1.8%	3.7%	-15.1%	-13.2%	-10.0%	-11.6%	1.8%	3.3%
<b>Meat and Ingredients</b>	6,004	6,092	6,127	6,551	6,005	7,872	6,957	7,289	30,000
YoY	4.7%	-10.8%	-4.9%	-2.0%	0.0%	29.2%	13.5%	11.3%	6.7%
<b>Asian Business (Dairy Ingredients)</b>	11,397	15,151	12,356	11,517	10,374	10,713	6,390	9,772	54,300
YoY	14.9%	18.6%	4.2%	-13.2%	-9.0%	-29.3%	-48.3%	-15.2%	45.8%
<b>Asian Business (Cheese)</b>	1,253	1,083	1,243	1,206	1,154	1,214	1,172	1,286	6,200
YoY	11.8%	-10.7%	21.7%	-5.7%	-7.9%	12.1%	-5.7%	6.6%	28.4%

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

## 4. Consolidated Balance Sheets

(Million Yen)	30-Nov-2022	30-Nov-2023	Difference
<b>Current assets</b>	<b>70,067</b>	<b>67,068</b>	<b>-2,998</b>
Cash and cash equivalents	6,379	7,779	1,399
Trade notes and accounts receivable	21,065	18,700	-2,365
Inventories	41,382	39,806	-1,576
Others	1,238	782	-456
<b>Non-current assets</b>	<b>3,389</b>	<b>4,969</b>	<b>1,580</b>
Property, plant and equipment	942	2,185	1,243
Intangible assets	39	73	34
Investment and other assets	2,408	2,710	302
<b>Total assets</b>	<b>73,456</b>	<b>72,038</b>	<b>-1,418</b>
Accounts payable	17,349	14,033	-3,315
Interest-bearing liabilities	31,262	31,518	256
Other	2,364	1,763	-601
<b>Total liabilities</b>	<b>50,975</b>	<b>47,314</b>	<b>-3,661</b>
<b>Net assets</b>	<b>22,481</b>	<b>24,724</b>	<b>2,242</b>
<b>Total liabilities and net assets</b>	<b>73,456</b>	<b>72,038</b>	<b>-1,418</b>

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②  
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### Major factors of change

#### Decrease in inventories / trade notes and accounts

- ① Due to progress in taking back user's inventory.
- ② Due to accelerated collection of receivables through securitization of accounts receivable.
- ③ Mainly due to lower market prices for dairy products and lower purchase prices.

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 FY11/2024

(Million Yen)	Actual result for FY11/2023	Forecast for FY11/2024		
		Forecast	Difference	Ratio
<b>Net Sales</b>	158,328	160,000	1,671	1.1%
<b>Ordinary income</b>	2,847	3,400	552	19.4%
<b>Ordinary income ratio</b>	1.8%	2.1%	—	—
<b>Net income attributable to owners of the parent</b>	2,048	2,400	351	17.2%
<b>Net income ratio</b>	1.3%	1.5%	—	—
<b>Net income per share (Yen)</b>	206.46	241.06	34.60	
<b>Dividends per share (Yen)</b>	Interim	24.00	31.00	7.00
	Year-end	24.00	31.00	7.00

## **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.**