

# Consolidated Financial Statements – Summary

April 13, 2023

(For the Three months ended February 28, 2023)

English translation from the original Japanese-language document.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Company name: **Lacto Japan Co., Ltd.** (Code number 3139)

(Amounts less than one million yen are omitted)

## 1. Results for the Three Months Ended February 28, 2023

(December 1, 2022 through February 28, 2023)

### (1) Consolidated financial results

(Each percentage shows changes year-on-year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>Three months ended February 28, 2023</b>	<b>38,745</b>	<b>22.0</b>	<b>1,013</b>	<b>36.9</b>	<b>743</b>	<b>3.5</b>	<b>509</b>	<b>(2.8)</b>
Three months ended February 28, 2022	31,755	32.3	740	(9.0)	718	(2.5)	523	(0.6)

(Note): Comprehensive income: Three months ended February 28, 2023 642 million yen ((4.6)%)

Three months ended February 28, 2022 673 million yen ((24.8)%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
<b>Three months ended February 28, 2023</b>	<b>51.45</b>	<b>50.88</b>
Three months ended February 28, 2022	53.10	52.45

### (2) Consolidated Financial Position

	Total Assets	Total net assets	Equity ratio
	Million yen	Million yen	%
<b>As of February 28, 2023</b>	<b>77,172</b>	<b>22,729</b>	<b>29.4</b>
As of November 30, 2022	73,456	22,481	30.5

(Note): Shareholders' equity: As of February 28, 2023 22,660 million yen

As of November 30, 2022 22,412 million yen

## 2. Dividend Status

(Base date)	Dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended November 30, 2022	–	0.00	–	40.00	40.00
FY ended November 30, 2023	–				
FY ended November 30, 2023 (Forecast)		24.00	–	24.00	48.00

(Note) Revisions to dividend forecasts published most recently (Y/N): No

### 3. Estimation of Business Results of Fiscal Year Ending November 30, 2023

(December 1, 2022 through November 30, 2023)

	Net sales		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
FY ended May 31, 2023	77,000	10.3	1,540	△7.5	1,125	△6.8	113.64
FY ended November 30, 2023	160,000	8.5	3,200	2.1	2,330	1.9	235.23

(Note) Revisions to financial estimation published most recently (Y/N): No

#### \* Notes

(1) Any changes in important subsidiaries during the term (Change in specific subsidiaries as a result of a change in the scope of consolidation): No

New inclusion: — companies (company name)

Elimination: — companies (company name)

(2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

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|--|------|
| (i) Changes in accounting policies associated with the revision of accounting standards, etc.: | Yes  |
| (ii) Changes in accounting policies other than (i):  | None |
| (iii) Changes in accounting estimates:   | None |
| (iv) Restatement:  | None |

(4) Total number of outstanding shares (Common stock)

(i) Total number of outstanding shares at term end (Includes treasury stock):

As of February 28, 2023: 9,917,200 shares

As of November 30, 2022: 9,915,200 shares

(ii) Total treasury stock at term end:

As of February 28, 2023: 22,311 shares

As of November 30, 2022: 22,266 shares

(iii) Average number of outstanding shares during the period:

For the three months ended February 28, 2023: 9,894,422 shares

For the three months ended February 28, 2022: 9,861,379 shares

\* Quarterly financial summaries are not subject to quarterly review by any certified public accountant or auditing firm.

\* Note to proper use of forecast of operating results and other special remarks

(Cautionary Statement)

The performance forecasts contained in this report are based on information available at the present time and certain premises thought to be reasonable. Accordingly, the final results August change substantially due to various factors.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheet

(Thousands of yen)

	FY2022 As of November 30, 2022	1st Quarter of FY2023 As of February 28, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,379,503	7,143,176
Notes and accounts receivable	21,065,703	20,412,006
Merchandise and finished goods	39,914,577	43,551,992
Raw materials and supplies	1,468,404	1,505,280
Other	1,260,834	1,133,291
Allowance for doubtful accounts	(21,904)	(16,133)
Total current assets	70,067,118	73,729,615
Non-current assets		
Property, plant and equipment	942,074	940,368
Intangible assets	39,145	35,113
Investments and other assets		
Other	2,427,975	2,486,558
Allowance for doubtful accounts	(19,607)	(19,557)
Total investments and other assets	2,408,367	2,467,001
Total non-current assets	3,389,587	3,442,484
Total assets	73,456,705	77,172,099

## Consolidated Balance Sheet

(Thousands of yen)

	FY2022 As of November 30, 2022	1st Quarter of FY2023 As of February 28, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable	17,349,867	17,246,458
Short-term borrowings	13,949,482	18,309,018
Commercial papers	4,000,000	5,000,000
Current portion of long-term borrowings	3,960,000	3,750,000
Income taxes payable	723,379	347,768
Other	1,119,264	759,649
Total current liabilities	41,101,992	45,412,894
Non-current liabilities		
Long-term borrowings	8,960,000	8,115,000
Retirement benefit liability	410,850	397,083
Asset retirement obligations	45,151	45,886
Other	457,359	471,850
Total non-current liabilities	9,873,361	9,029,821
<b>Total liabilities</b>	<b>50,975,353</b>	<b>54,442,715</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,158,810	1,159,665
Capital surplus	1,178,027	1,178,882
Retained earnings	18,651,916	18,765,241
Treasury shares	(65,828)	(65,920)
Total shareholders' equity	20,922,925	21,037,868
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	176,327	166,567
Deferred gains or losses on hedges	(99,634)	132,460
Foreign currency translation adjustment	1,412,932	1,323,684
Total accumulated other comprehensive income	1,489,624	1,622,713
Share acquisition rights	68,801	68,801
<b>Total net assets</b>	<b>22,481,351</b>	<b>22,729,383</b>
<b>Total liabilities and net assets</b>	<b>73,456,705</b>	<b>77,172,099</b>

## (2) Consolidated Income Statements

(Thousands of yen)

	Three months ended February 28, 2022	Three months ended February 28, 2023
Net sales	31,755,445	38,745,425
Cost of sales	30,033,471	36,638,586
Gross profit	1,721,973	2,106,839
Selling, general and administrative expenses	981,815	1,093,437
Operating income	740,158	1,013,402
Non-operating income		
Interest income	956	2,717
Dividend income	2,448	2,769
Share of profit of entities accounted for using equity method	2,908	5,561
Foreign exchange gains	6,956	—
Insurance return	—	915
Miscellaneous income	11,425	10,279
Total non-operating income	24,695	22,243
Non-operating expenses		
Interest expenses	35,142	42,562
Commission expenses	5,250	3,698
Foreign exchange losses	—	242,182
Miscellaneous losses	5,859	3,445
Total non-operating expenses	46,252	291,890
Ordinary income	718,601	743,755
Income before income taxes	718,601	743,755
Income taxes	194,916	234,712
Net Income	523,685	509,042
Net income attributable to owners of parent	523,685	509,042

### (3) Consolidated Statements of comprehensive income

(Thousands of yen)

	Three months ended February 28, 2022	Three months ended February 28, 2023
Net Income	523,685	509,042
Other comprehensive income		
Valuation difference on available-for-sale securities	7,010	(9,759)
Deferred gains or losses on hedges	33,951	232,095
Foreign currency translation adjustment	106,800	(91,161)
Share of other comprehensive income of entities accounted for using equity method	1,652	1,914
Total other comprehensive income	149,414	133,088
Comprehensive income	673,100	642,131
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	673,100	642,131
Comprehensive income attributable to non-controlling interests	—	—