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Lacto Japan Co., Ltd.

Financial Summary for FY2022 Third Quarter



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1. Financial Summary

(Millions of Yen)

	FY11/2021 3 Q	FY11/2022 3 Q		
		Actual	Difference	YoY Change (%)
Net sales	79,630	107,485	27,855	35.0
Ordinary income	2,213	2,725	512	23.1
Ordinary income ratio (%)	2.8	2.5	-	-
(Foreign exchange impact on ordinary income (*))	(-40)	(70)	-	-
Net income attributable to owners of the parent	1,600	1,970	369	23.1
Net income ratio (%)	2.0	1.8	-	-
Net income per share (JPY)	162.41	199.62	37.21	
Exchange rate (JPY/USD)	107.80	124.80	17.00	
Exchange rate (JPY/EUR)	129.43	134.50	5.07	

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)

	FY11/2021				FY11/2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	Forecast
Dairy Ingredients and Cheese	17,090	19,861	18,044	21,484	22,024	25,178	25,153	97,200
YoY (%)	-14.8	-0.0	-9.8	16.7	28.9	26.8	39.4	27.1
Meat Products	3,116	3,653	3,611	3,897	3,530	3,690	3,706	13,700
YoY (%)	7.4	13.9	35.1	25.2	13.3	1.0	2.6	-4.1
Asian Business (Dairy Ingredients)	2,829	3,980	4,302	4,642	4,783	7,495	7,126	23,000
YoY (%)	-35.9	-30.5	19.0	41.9	69.1	88.3	65.6	46.0
Asian Business (Cheese)	801	887	739	895	935	892	1,064	4,000
YoY (%)	17.9	32.0	8.1	4.3	16.6	0.5	44.1	20.3
Others	156	270	284	333	481	775	645	2,100
YoY (%)	-6.5	24.0	55.6	172.1	207.8	186.6	127.1	101.0
Total	23,994	28,654	26,981	31,253	31,755	38,032	37,697	140,000
YoY (%)	-15.0	-3.5	-0.6	21.3	32.3	32.7	39.7	26.3

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

3. Sales Volume by Division

(MT)

	FY11/2021				FY11/2022			
	1Q	2Q	3Q	4Q	1 Q	2 Q	3 Q	Forecast
Dairy Ingredients and Cheese	43,141	48,852	43,039	49,325	46,731	49,722	44,625	199,200
YoY (%)	-12.7	-0.1	-8.9	7.1	8.3	1.8	3.7	8.1
Meat Products	5,736	6,831	6,446	6,685	6,004	6,092	6,127	24,800
YoY (%)	9.9	9.6	37.4	15.6	4.7	-10.8	-4.9	-3.5
Asian Business (Dairy Ingredients)	9,918	12,771	11,856	13,269	11,397	15,151	12,356	53,000
YoY (%)	-32.4	-36.9	-11.3	11.7	14.9	18.6	4.2	10.8
Asian Business (Cheese)	1,120	1,213	1,021	1,280	1,253	1,083	1,243	5,000
YoY (%)	10.5	25.2	5.8	2.6	11.8	-10.7	21.7	7.9

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

4. Consolidated Balance Sheets

(Millions of Yen)

	30-Nov-2021	31-Aug-2022	Difference
Current assets	50,018	68,839	18,821
Cash and cash equivalents	5,510	6,685	1,174
Trade notes and accounts receivable	19,277	22,538	3,261
Inventories	24,839	38,331	13,492
Others	390	1,283	892
Non-current assets	2,881	2,992	110
Property, plant and equipment	709	934	225
Intangible assets	44	38	-6
Investment and other assets	2,128	2,019	-108
Total assets	52,899	71,831	18,931
Accounts payable	12,202	16,996	4,794
Interest-bearing liabilities	19,531	30,459	10,927
Other	1,586	1,641	55
Total liabilities	33,320	49,097	15,776
Net assets	19,578	22,733	3,154
Total liabilities and net assets	52,899	71,831	18,931

Major factors of change

Increase in inventories/ Increase in accounts receivable

- Increase in merchandise due to higher sales volume
- Impact of rise in product unit prices and foreign exchange (weaker yen)


Increase in accounts payable

- Same as reasons for increase in inventories and Increase in accounts receivable

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.

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, creating a warm, golden glow and long shadows across the grass. Power lines 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.



Lacto Japan