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(Securities code: 3139 TSE Prime Market)

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## Notice Regarding Revisions to Consolidated Earnings Forecast for the First Half of the Fiscal Year Ending November 2024

Lacto Japan Co., Ltd. hereby announces that, in light of recent performance trends, it has revised its consolidated earnings forecast for the first half of the fiscal year ending November 30, 2024, previously announced on January 12, 2024, as follows.

### 1. Revision of earnings forecast

Revisions to consolidated earnings forecast for H1 FY11/24

(December 1, 2023 to May 31, 2024)

	Net sales Million yen	Ordinary income Million yen	Net income attributable to owners of parent Million yen	Earnings per share Yen
Previous forecast (A)	77,000	1,600	1,140	114.50
Revised forecast (B)	80,000	1,800	1,300	130.44
Difference (B - A)	3,000	200	160	
Percentage change	3.9%	12.5%	14.0%	
Ref: Previous H1 results (H1 FY11/23)	80,450	1,344	922	93.17

### 2. Reasons for revision

Sales of imported raw materials for dairy products and meat products in the domestic business and sales of cheese in the Asian business progressed well, and as such, consolidated net sales are expected to exceed initial forecasts.

In terms of profits, both consolidated ordinary income and net income attributable to owners of parent are expected to exceed initial forecasts. This is thanks to stronger than expected sales at the beginning of the fiscal year of our mainstay powdered milk mixtures in sales of dairy ingredients in Japan, and higher than expected profit margins on sales of dairy ingredients in Asia. Furthermore, profit margins in cheese manufacturing & sales improved due to lower cheese ingredient prices and the effect of revised selling prices. It is because of these reasons that we have revised the consolidated earnings forecast for the second quarter, previously announced on January 12, 2024, as above.

Regarding the full-year consolidated earnings forecast, while we expect a full-fledged recovery in demand for imported dairy raw materials due to a resolution of the inventory issues for domestic skim milk powder and a recovery in domestic food demand, the forecast figures will remain unchanged. This is owing to the impact of inventory measures for domestic skim milk powder, which are scheduled to continue in fiscal 2024, as well as uncertainties such as consumer behavior due to the continued food price increases and fluctuations in food demand in the summer months due to the weather and other factors. Should any revisions be deemed necessary in the future, these will be promptly disclosed.

Please note that there will be no revisions to dividend forecasts in conjunction with this earnings forecast revision.

\* The above forecasts have been prepared based on currently available information, and actual results may differ depending on various factors in the future.