

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.

January 14, 2025

Consolidated Financial Results for the Fiscal Year Ended November 30, 2024 (Under Japanese GAAP)

Company name: Lacto Japan Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3139
 URL: <https://www.lactojapan.com/en/>
 Representative: Shin Kojima, President
 Inquiries: Kenji Bundo, Executive Vice-President
 Scheduled date of annual general meeting of shareholders: February 26, 2025
 Scheduled date to commence dividend payments: February 27, 2025
 Scheduled date to file quarterly securities report: February 27, 2025
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended November 30, 2024 (from December 1, 2023 to November 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	170,907	7.9	4,455	39.9	4,320	51.7	3,146	53.6
November 30, 2023	158,328	7.4	3,184	7.2	2,847	(9.1)	2,048	(10.4)

Note: Comprehensive income For the fiscal year ended November 30, 2024: ¥ 3,517 million [25.4%]
 For the fiscal year ended November 30, 2023: ¥ 2,804 million [(11.6)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
November 30, 2024	315.83	314.59	12.1	5.6	2.6
November 30, 2023	206.46	204.44	8.7	3.9	2.0

Reference: Share of profit of entities accounted for using equity method
 For the fiscal year ended November 30, 2024: ¥ 27 million
 For the fiscal year ended November 30, 2023: ¥ 25 million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
November 30, 2024	81,435	27,581	33.8	2,766.36
November 30, 2023	72,038	24,724	34.2	2,476.38

Reference: Equity
 As of November 30, 2024: ¥ 27,548 million
 As of November 30, 2023: ¥ 24,655 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
November 30, 2024	636	(596)	1,101	8,520
November 30, 2023	3,222	(1,362)	(772)	7,282

2. Cash dividends

(Base date)	Dividend per share					Total cash dividends (Total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First Quarter -end	Second Quarter -end	Third Quarter -end	Fiscal Quarter -end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended November 30, 2023	–	24.00	–	24.00	48.00	477	23.2	2.0
Fiscal year ended November 30, 2024	–	31.00	–	49.00	80.00	796	25.3	3.1
Fiscal year ended November 30, 2025 (Forecast)	–	50.00	–	50.00	100.00		30.2	

3. Forecast of Financial Results for Fiscal Year Ending November 30, 2025 (December 1, 2024 through November 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary income		Net income attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ended May 31, 2025	86,000	1.7	2,300	1.7	1,700	2.8	170.71
Fiscal year ended November 30, 2025	180,000	5.3	4,600	6.5	3,300	4.9	331.38

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement:
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2024	10,021,600 shares
As of November 30, 2023	9,961,200 shares

- (ii) Number of treasury shares at the end of the period

As of November 30, 2024	63,257 shares
As of November 30, 2023	5,052 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Fiscal year ended November 30, 2024	9,962,488 shares
Fiscal year ended November 30, 2023	9,922,597 shares

(Reference) Summary of Non-consolidated financial statements

1. Results of Fiscal Year Ended November 30, 2024 (December 1, 2023 through November 30, 2024)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	139,679	3.1	3,055	23.8	2,723	31.4	1,858	29.7
November 30, 2023	135,417	13.4	2,467	(4.2)	2,072	(9.5)	1,432	(9.1)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
November 30, 2024	186.56	185.83
November 30, 2023	144.38	142.98

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
November 30, 2024	69,451	19,722	28.3	1,977.16
November 30, 2023	63,618	18,517	29.0	1,852.97

Reference: Equity

As of November 30, 2024: ¥ 19,689 million

As of November 30, 2023: ¥ 18,448 million

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Cautionary Statement)

The consolidated business results 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.

(How to obtain supplementary materials for financial results)

Supplementary materials for financial results will be posted on our website.

(<https://www.lactojapan.com/en/ir>)

(Changes to monetary unit)

Previously, the monetary unit used for items and other matters contained in the Company's quarterly consolidated financial statements were recorded in thousands of yen. However, the monetary unit has been changed to be shown in millions of yen from the fiscal year consolidated accounting and cumulative period. For ease of comparison, figures for the previous consolidated fiscal year and the cumulative period of the previous consolidated fiscal year have also been changed to units of millions of yen.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2023 As of November 30, 2023	FY2024 As of November 30, 2024
Assets		
Current assets		
Cash and deposits	7,779	9,076
Notes and accounts receivable	18,700	24,028
Merchandise and finished goods	38,798	40,790
Raw materials and supplies	1,008	1,329
Other	783	624
Allowance for doubtful accounts	(1)	(22)
Total current assets	67,068	75,826
Non-current assets		
Property, plant and equipment		
Buildings	895	928
Accumulated depreciation	(730)	(803)
Buildings, net	164	125
Machinery, equipment and vehicles	1,373	1,497
Accumulated depreciation	(1,014)	(1,128)
Machinery, equipment and vehicles, net	358	369
Leased assets	2,303	2,421
Accumulated depreciation	(662)	(879)
Leased assets, net	1,641	1,541
Construction in progress	—	448
Other	91	94
Accumulated depreciation	(71)	(78)
Other, net	20	16
Total property, plant and equipment	2,185	2,502
Intangible assets		
Software	24	92
Software in progress	49	228
Other	0	0
Total intangible assets	73	321
Investments and other assets		
Investment securities	1,141	1,327
Deferred tax assets	356	560
Other	1,233	918
Allowance for doubtful accounts	(21)	(22)
Total investments and other assets	2,710	2,785
Total non-current assets	4,969	5,608
Total assets	72,038	81,435

Consolidated Balance Sheet

(Millions of yen)

	FY2023 As of November 30, 2023	FY2024 As of November 30, 2024
Liabilities		
Current liabilities		
Accounts payable	14,033	17,212
Short-term borrowings	14,380	17,133
Commercial papers	3,000	3,000
Current portion of long-term borrowings	4,402	4,492
Income taxes payable	252	1,046
Other	964	1,571
Total current liabilities	37,033	44,455
Non-current liabilities		
Long-term borrowings	9,125	8,293
Deferred tax liabilities	12	53
Retirement benefit liability	432	480
Asset retirement obligations	55	74
Other	655	495
Total non-current liabilities	10,281	9,398
Total liabilities	47,314	53,853
Net assets		
Shareholders' equity		
Share capital	1,178	1,209
Capital surplus	1,179	1,209
Retained earnings	20,066	22,665
Treasury shares	(14)	(152)
Total shareholders' equity	22,409	24,931
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	276	373
Deferred gains or losses on hedges	(56)	(36)
Foreign currency translation adjustment	2,025	2,280
Total accumulated other comprehensive income	2,245	2,616
Share acquisition rights	68	33
Total net assets	24,724	27,581
Total liabilities and net assets	72,038	81,435

(2) Consolidated Income Statements

Consolidated Statement of Income

The fiscal year ended Consolidated Cumulative Period

(Millions of yen)

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Net sales	158,328	170,907
Cost of sales	150,418	160,836
Gross profit	7,909	10,071
Selling, general and administrative expenses	4,724	5,616
Operating income	3,184	4,455
Non-operating income		
Interest income	44	83
Dividend income	19	27
Share of profit of entities accounted for using equity method	25	27
Foreign exchange gains	6	251
Subsidy income	3	—
Insurance return	9	5
Miscellaneous income	21	23
Total non-operating income	129	418
Non-operating expenses		
Interest expenses	234	305
Commission expenses	187	176
Miscellaneous losses	43	70
Total non-operating expenses	465	552
Ordinary income	2,847	4,320
Income before income taxes	2,847	4,320
Income taxes - current	734	1,403
Income taxes - deferred	65	(229)
Total income taxes	799	1,174
Net income	2,048	3,146
Net income attributable to owners of parent	2,048	3,146

Consolidated Statement of Comprehensive Income
The fiscal year ended Consolidated Cumulative Period

(Millions of yen)

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Net income	2,048	3,146
Other comprehensive income		
Valuation difference on available-for-sale securities	100	96
Deferred gains or losses on hedges	43	19
Foreign currency translation adjustment	599	257
Share of other comprehensive income of entities accounted for using equity method	13	(2)
Total other comprehensive income	756	371
Comprehensive income	2,804	3,517
(Breakdown)		
Comprehensive income attributable to owners of parent	2,804	3,517
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Cash-Flow

(Millions of yen)

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Cash flows from operating activities		
Income before income taxes	2,847	4,320
Depreciation	363	429
Increase (decrease) in allowance for doubtful accounts	(20)	20
Increase (decrease) in retirement benefit liability	21	47
Interest and dividend income	(63)	(110)
Interest expenses	234	305
Decrease (increase) in trade receivables	2,634	(5,198)
Decrease (increase) in inventories	1,725	(2,243)
Increase (decrease) in trade payables	(3,468)	3,105
Other, net	375	721
Subtotal	4,651	1,399
Interest and dividends received	63	110
Interest paid	(239)	(313)
Income taxes paid	(1,251)	(559)
Net cash provided by (used in) operating activities	3,222	636
Cash flows from investing activities		
Decrease (increase) in time deposits	(0)	(60)
Purchase of investment securities	(158)	(20)
Purchase of property, plant and equipment	(1,112)	(557)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(47)	(264)
Proceeds from maturity of insurance funds	28	438
Purchase of insurance funds	(69)	(19)
Other, net	(3)	(113)
Net cash provided by (used in) investing activities	(1,362)	(596)

Consolidated Statements of Cash-Flow

(Millions of yen)

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	416	2,750
Increase (decrease) in commercial papers	(1,000)	—
Proceeds from long-term borrowings	5,260	4,300
Repayments of long-term borrowings	(4,652)	(5,042)
Purchase of treasury shares	(0)	(166)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	39	25
Repayments of lease obligations	(202)	(220)
Dividends paid	(633)	(546)
Net cash provided by (used in) financing activities	(772)	1,101
Effect of exchange rate change on cash and cash equivalents	311	96
Net increase (decrease) in cash and cash equivalents	1,399	1,237
Cash and cash equivalents at beginning of period	5,883	7,282
Cash and cash equivalents at end of period	7,282	8,520

(3) Notes on Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Significant Changes in Shareholder's Equity)

Not applicable

(Adoption of Accounting Treatment Specific to Preparation of the Quarterly Consolidated Financial Statements)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting on net income before taxes for the consolidated fiscal year (that includes the third quarter under review) and by multiplying quarterly net income before taxes by the estimated effective tax rate.

(Segment Information)

This information is omitted because the Group operates in a single segment, the food business.

(Consolidated Statements of Cash-Flow)

Quarterly Consolidated Statements of Cash-Flow has not been prepared for the Fiscal year ended December 31, 2024. Depreciation (including amortization related to intangible fixed assets other than goodwill) for the third quarter consolidated cumulative period are as follows.

	Fiscal year ended November 30, 2023	Fiscal year ended November 30, 2024
	Millions of yen	Millions of yen
Depreciation	267	320