

Notice Regarding Investment in Fermecutes, Inc.

Lacto Japan Co., Ltd. hereby announces that it has invested in Fermecutes, Inc., a startup engaged in the development and production of food products primarily using *Bacillus subtilis* var. *natto*, a type of bacteria traditionally used in the fermentation of natto (a Japanese fermented soybean product), through the acquisition of shares issued by the company.

1. Reason for the Investment

Lacto Japan Co., Ltd. operates an import and sales business for food ingredients that contribute to people's health and enriched dietary lifestyles, including dairy ingredients, meat and processed meat products, and functional food ingredients. Guided by our purpose to bring health and happiness to people by connecting the world through food, we have been expanding our lineup of highly nutritious and functional ingredients in recent years, in response to growing health consciousness. This includes strengthening our offerings of high-protein dairy-derived ingredients such as whey protein.

Fermecutes, Inc., on the other hand, is a startup engaged in food research and development that combines microbial fermentation technologies with Japan's traditional fermentation culture. The company is advancing the research, development, and production of next-generation proteins using *Bacillus subtilis* var. *natto*, and has independently developed kin-pun®, a powdered protein ingredient derived from natto bacteria. As a sustainable and environmentally friendly new source of protein, kin-pun® is expected to have a wide range of applications.

Lacto Japan has decided to subscribe to a portion of a third-party allotment of new shares issued by Fermecutes, Inc., with the aim of supporting the company's efforts to strengthen its research and development framework for kin-pun® and to establish a mass production system as it works toward business growth. Through this investment, we aim to expand opportunities for delivering healthy and sustainable protein sources, advance the realization of our corporate purpose, and contribute to addressing global social issues such as protein shortages and environmental challenges.

(Reference) About kin-pun®

kin-pun® is a powdered fermented protein food made using *Bacillus subtilis* var. *natto*. In addition to being gluten-free and high in protein, it features the distinctive aroma and umami of fermentation. It can be used in a wide variety of applications, including bread, noodles, confectionery, sauces, and dressings.

▶ Brand website: www.kin-pun.jp

News Release

2. Overview of the Investment Recipient

(1)	Name	Fermecutes, Inc.	
(2)	Location	246-2 Mizukami, Kakuganji Aza, Tsuruoka-shi, Yamagata, Japan	
(3)	Representative	Yoshiaki Ohashi, Chief Executive Officer	
(4)	Business Description	Research, development, manufacturing, and sales of novel protein-based food ingredients utilizing fermentation	
(5)	Share capital	JPY 186,488,000	
(6)	Date of Establishment	July 15, 2021	
(7)	Relationship with listed company	Capital relationship	None
		Personnel relationship	None
		Business relationship	None

3. Future Outlook

This investment is expected to have only a minor impact on Lacto Japan's consolidated financial results for the fiscal year ending November 2025. Should any matters arise that require disclosure, we will make an announcement in a timely manner.

For Inquiries Regarding This Matter

Corporate Planning Department, Lacto Japan Co., Ltd.

Contact: www.lacto-japan.com/en/agreement.html