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Notice Regarding Revisions to the Consolidated Earnings Forecast for the First Half
 and Full Year of the Fiscal Year Ending November 30, 2025,
 and to the Year-End Dividend Forecast

In light of recent performance trends, Lacto Japan Co., Ltd. hereby announces that it has revised the consolidated earnings forecast for the first half and full year of the fiscal year ending November 30, 2025, as well as the year-end dividend forecast, which were originally announced on January 14, 2025.

1. Revisions to consolidated earnings forecast for the fiscal year ending November 2025
 - (1) Revisions to consolidated earnings forecast for the first half of the fiscal year ending November 30, 2025 (December 1, 2024 to May 31, 2025)

| | Net sales Million yen | Ordinary profit Million yen | Profit attributable to owners of parent Million yen | Basic earnings per share Yen |
|---|--------------------------|--------------------------------|--|------------------------------------|
| Previous forecast (A) | 86,000 | 2,300 | 1,700 | 170.71 |
| Revised forecast (B) | 95,290 | 3,830 | 2,790 | 280.06 |
| Difference (B - A) | 9,290 | 1,530 | 1,090 | |
| Percentage change | 10.8% | 66.5% | 64.1% | |
| Ref: Previous results (H1 FY11/2024) | 84,560 | 2,260 | 1,654 | 165.97 |

(2) Revision of full-year consolidated earnings forecast for the fiscal year ending November 2025 (December 1, 2024 to November 30, 2025)

| | Net sales Million yen | Ordinary profit Million yen | Profit attributable to owners of parent Million yen | Basic earnings per share Yen |
|--|--------------------------|--------------------------------|--|------------------------------------|
| Previous forecast (A) | 180,000 | 4,600 | 3,300 | 331.38 |
| Revised forecast (B) | 188,000 | 6,000 | 4,350 | 436.47 |
| Difference (B - A) | 8,000 | 1,400 | 1,050 | |
| Percentage change | 4.4% | 30.4% | 31.8% | |
| Ref: Previous full-year results (FY11/2024) | 170,907 | 4,320 | 3,146 | 315.83 |

(3) Reasons for revision

For the first half of the fiscal year ending November 30, 2025, sales volume in the Cheese Manufacturing and Sales Division in the Asian Business fell slightly below the initial plan due to the impact of price revisions and other factors. However, sales volumes in other segments exceeded the initial plan and performed well. In addition, sales prices remained high due to elevated raw material market prices and the depreciation of the yen, and as a result, net sales are expected to exceed the initial forecast.

As for profit, in addition to the increase in sales, profit margins in the domestic Dairy Ingredients and Cheese Business Division and the Asian Cheese Manufacturing and Sales Division improved more than expected. Furthermore, compensation income of 650 million yen related to quality issues with certain products that arose in the previous fiscal year (fiscal year ended November 30, 2024) is planned to be recorded as non-operating profit in the current first half. As a result, ordinary profit and profit attributable to owners of parent are also expected to significantly exceed the initial forecast.

Although the business environment surrounding the Company remains increasingly challenging due to downside risks in the global economy and concerns over reduced personal consumption in Japan stemming from higher milk prices and food price increases, we have revised the full-year earnings forecast upward as noted above, taking into account progress in first-half performance and recent order trends.

2. Revision of year-end dividend forecast

(1) Revision of year-end dividend forecast

| | Dividend per share | | |
|---|--------------------|----------|--------|
| | End of 2nd quarter | Year-end | Total |
| | Yen | Yen | Yen |
| Previous forecast | 50.00 | 50.00 | 100.00 |
| Revised forecast | 50.00 | 82.00 | 132.00 |
| Ref: Previous full-year results (FY11/2024) | 31.00 | 49.00 | 80.00 |

(2) Reasons for revision

Lacto Japan considers the proper distribution of profits to shareholders as one of the most important management issues. Regarding dividends from surplus, our basic policy is to increase our dividend payout ratio while securing the necessary internal reserves for business development and strengthening the management base for future growth.

Following comprehensive consideration of the above policy and the revised consolidated earnings forecast, we have decided to pay an interim dividend of 50.00 yen per share for the fiscal year ending November 30, 2025, in line with the previous forecast. For the year-end dividend, we plan to pay 82.00 yen per share, an increase of 32.00 yen from the previous forecast.

As a result, the annual dividend forecast for the fiscal year will be 132.00 yen per share.

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