



Financial Summary for First Quarter FY11/2026

Lacto Japan Co., Ltd.

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INDEX

- 01** Financial Summary
- 02** Net Sales by Business
- 03** Sales Volume by Business
- 04** Consolidated Balance Sheets

1. Financial Summary

● Net sales :

Although sales volume in the Dairy Ingredients and Cheese Business division was somewhat sluggish, we maintained stable procurement and supply systems in all other divisions, and sales generally progressed in line with initial forecasts. Furthermore, due to high raw material prices and the continued weakening of the yen, consolidated net sales increased year on year.

● Ordinary profit :

Some business divisions experienced a decline in profit margins due to rising raw material prices and other factors. Additionally, ordinary profit decreased year on year due to an increase in selling, general, and administrative expenses. This was primarily driven by higher labor costs, shipping costs, and relocation costs associated with moving the head office.

	Q1 FY11/2025	Q1 FY11/2026		
		Results	Difference	YoY Change (%)
(Million yen)				
Net sales	45,984	48,572	+2,587	+5.6
Ordinary profit	1,598	1,138	-459	-28.8
Ordinary profit margin (%)	3.5	2.3	-	-
Profit attributable to owners of parent	1,202	770	-432	-35.9
Net profit margin (%)	2.6	1.6	-	-
Basic earnings per share (Yen)	120.76	77.20	-43.56	
Exchange rate (Yen/USD)	154.11	155.23	+1.12	
Exchange rate (Yen/EUR)	160.51	176.17	+15.66	

Note: Amounts have been rounded down to the nearest million yen. Percentage changes have been rounded to the first decimal place.

2. Net Sales by Business

(Million yen)	FY11/2025				FY11/2026	
	Q1	Q2	Q3	Q4	Q1	Forecast (FY)
Dairy Ingredients and Cheese Business	30,653	32,032	27,263	28,728	31,151	121,000
YoY	9.0%	4.0%	-4.6%	7.7%	1.6%	2.0%
Meat and Ingredients	5,024	6,535	5,593	5,616	5,699	24,300
YoY	-1.7%	20.4%	-3.6%	3.1%	13.4%	6.7%
Life Science Business	1,744	2,035	2,518	3,295	3,113	12,600
YoY	134.1%	135.6%	78.8%	55.1%	78.5%	31.3%
Asian Business (Dairy Ingredients)	6,064	6,353	4,800	5,601	6,523	24,000
YoY	44.1%	15.0%	-16.2%	-8.6%	7.6%	5.2%
Asian Business (Cheese)	1,639	1,503	1,449	1,798	1,810	7,600
YoY	29.6%	6.3%	-0.7%	23.6%	10.4%	18.9%
Others	858	847	511	344	274	3,500
YoY	221.4%	5.7%	-20.4%	-62.0%	-68.1%	36.6%
Total net sales	45,984	49,308	42,137	45,385	48,572	193,000
YoY	15.8%	10.0%	-3.4%	6.2%	5.6%	5.6%

(Amounts of less than one million yen have been omitted)

Effective December 1, 2025, the Functional Food Ingredients Division was renamed the Life Science Business Division.

3. Sales Volume by Business

(tons)	FY11/2025				FY11/2026	
	Q1	Q2	Q3	Q4	Q1	Forecast (FY)
Dairy Ingredients and Cheese Business	43,972	42,827	37,890	40,811	40,726	172,500
YoY	-3.5%	-5.9%	-12.0%	-3.4%	-7.4%	4.2%
Meat and Ingredients	6,993	9,187	8,149	8,464	8,176	33,600
YoY	-10.0%	13.8%	-1.8%	10.1%	16.9%	2.5%
Life Science Business	1,293	1,750	1,792	2,236	2,243	8,400
YoY	121.4%	156.1%	53.2%	27.0%	73.5%	18.8%
Asian Business (Dairy Ingredients)	9,830	10,848	8,235	9,164	10,355	41,000
YoY	18.6%	6.0%	-20.5%	-15.6%	5.3%	7.7%
Asian Business (Cheese)	1,444	1,382	1,263	1,550	1,512	6,800
YoY	17.5%	5.7%	-6.6%	1.2%	4.7%	20.5%

(Quantities of less than one ton have been rounded down.)

Effective December 1, 2025, the Functional Food Ingredients Division was renamed the Life Science Business Division.

4. Consolidated Balance Sheets

(Million yen)	End-November 2025	End-February 2026	Difference
Total current assets	83,151	89,169	6,018
Cash and deposits	10,157	11,342	1,184
Notes and accounts receivable	23,951	26,829	2,878
Inventories	46,160	47,891	1,730
Current assets, other	2,881	3,106	224
Total non-current assets	7,058	8,593	1,535
Property, plant and equipment	3,550	4,490	940
Intangible assets	754	1,053	298
Investments and other assets	2,753	3,049	296
Total assets	90,209	97,763	7,553
Accounts payable	17,179	18,639	1,459
Interest-bearing liabilities	37,156	44,140	6,984
Liabilities, other	3,426	2,675	-751
Total liabilities	57,761	65,454	7,692
Total net assets	32,448	32,309	-139
Total liabilities and net assets	90,209	97,763	7,553

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Main points for increase/decrease

①② Increase in Notes and accounts receivable / Inventories

The increase is due to contract volumes in the domestic Dairy Ingredients and Cheese Business Division and the Meat and Ingredients Division.

③ Increase in interest-bearing liabilities

The increase in Short-term borrowings is due to an increase in working capital.

Note: Amounts have been rounded down to the nearest million yen. Breakdowns show only major items.

* Our business model is one in which we take no inventory risk. As a rule, all of our inventory is destined for sale.

Caution

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.