Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

May 7, 2024

Company name: Prima Meat Packers, Ltd.
Stock exchange listing: Tokyo Stock Exchange
Securities Code number: 2281
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Scheduled date of the Annual General Meeting of Shareholders: June 26, 2024
Scheduled date of commencing dividend payments: June 27, 2024
Scheduled date of filing annual securities report: June 26, 2024
Availability of supplementary briefing material on financial results: Yes
Schedule of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	448,429	4.1	11,820	21.5	12,884	22.6	7,489	66.2
March 31, 2023	430,740	2.4	9,725	(30.7)	10,510	(29.4)	4,505	(53.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥10,299 million [163.8%]
Fiscal year ended March 31, 2023: ¥3,904 million [(67.7)%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	149.03	–	6.4	5.4	2.6
March 31, 2023	89.66	–	4.0	4.7	2.3

(Reference) Share of profit of entities accounted for using equity method:
Fiscal year ended March 31, 2024: ¥49 million
Fiscal year ended March 31, 2023: ¥37 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	244,793	130,213	48.7	2,374.23
As of March 31, 2023	229,887	123,194	49.2	2,252.09

(Reference) Equity: As of March 31, 2024: ¥119,313 million
As of March 31, 2023: ¥113,169 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	Million yen	Million yen	Million yen	Million yen
March 31, 2024	22,542	(19,420)	(7,574)	9,765
March 31, 2023	11,719	(15,089)	1,206	14,098

2. Dividends

	Annual dividends					Total dividends (Total)	Payout ratio (Consolidated)	Dividends on equity (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	–	20.00	–	45.00	65.00	3,271	72.5	2.9
March 31, 2024	–	20.00	–	45.00	65.00	3,271	43.6	2.8
Fiscal year ending March 31, 2025 (Forecast)	–	40.00	–	40.00	80.00		40.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter-end (Cumulative)	235,000	5.5	8,500	24.5	8,900	19.8	5,100	32.1	101.49
Full year	470,000	4.8	16,000	35.4	17,000	31.9	10,000	33.5	198.99

Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
New: – Excluded: –

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2024: 50,524,399 shares
March 31, 2023: 50,524,399 shares

2) Total number of treasury shares at the end of the period:
March 31, 2024: 270,641 shares
March 31, 2023: 273,366 shares

3) Average number of shares during the period
Fiscal year ended March 31, 2024: 50,253,175 shares
Fiscal year ended March 31, 2023: 50,250,861 shares

(Note) The number of treasury shares that has been excluded when calculating total number of treasury shares at the end of the period and average number of shares during the period includes the Company's shares owned by the Board Benefit Trust ("BBT").

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	321,888	4.7	6,912	(3.1)	8,070	(1.8)	5,587	16.9
March 31, 2023	307,389	2.6	7,132	(4.4)	8,215	(6.7)	4,780	(26.0)

	Earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	111.20	–
March 31, 2023	95.13	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	164,326	78,656	47.9	1,565.19
As of March 31, 2023	151,425	75,814	50.1	1,508.71

(Reference) Equity: As of March 31, 2024: ¥78,656 million
As of March 31, 2023: ¥75,814 million

*These financial results are outside the scope of audit procedures by a certified public accountant or an audit firm.

* Explanation of the proper use of the financial results forecast and other notes

- The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of preparation and certain assumptions deemed to be reasonable, and actual results may vary significantly due to various factors. For the assumptions and notes for earnings forecasts, please refer to "1. Overview of Operating Results, etc., (4) Future Outlook" on page 5 of the attachment.
- The Company plans to hold a financial results briefing session for institutional investors and analysts on May 17, 2024. Soon after the event, we plan to post financial results briefing materials to be distributed at the briefing on our website. We will promptly post a summary version on our website after publishing these quarterly results.

Table of Contents

1. Overview of Operating Results, etc. 2
(1) Overview of Operating Results for the Fiscal Year 2
(2) Overview of Financial Position for the Fiscal Year 3
(3) Overview of Cash Flows for the Fiscal Year 4
(4) Future Outlook 5
(5) Basic Policy for Distribution of Profit and Dividends for FY2023 and FY2024 5

2. Basic Policy on Selection of Accounting Standards 5

3. Consolidated Financial Statements and Primary Notes 6
(1) Consolidated Balance Sheets 6
(2) Consolidated Statements of Income and Comprehensive Income 8
(3) Consolidated Statements of Changes in Equity 10
(4) Consolidated Statements of Cash Flows 12
(5) Notes to the Consolidated Financial Statements 14
(Notes on going concern assumption) 14
(Changes in presentation method) 14
(Segment information) 14
(Per share information) 20
(Significant subsequent events) 20

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year

Items in this document which relate to the future are judgments made by Prima Meat Packers, Ltd., and its subsidiaries (the "Group") as of the end of the fiscal year.

During the fiscal year, the Japanese economy witnessed recovery in demand for dining out, tourism, etc. recovered, driven by a revitalization in behavioral sentiment of domestic consumers and a recovery in inbound consumption, and economic activities have normalized, with sales in the distribution sector, including department stores, supermarkets and convenience stores increasing steadily.

Meanwhile, manufacturing costs continued to rise due to the continued rise in raw material prices, energy costs, further weakening of the yen, and higher labor costs, etc. As a result, as in the previous year, multiple mark-ups have been implemented in various industries during the period, and the number of mark-ups for overall food products increased significantly. In response to this situation, although wage levels are showing an upward trend through basic wage hikes and other factors, real wages continued to be negative due to the impact of inflation, and the market environment is hardly conducive to continued steady consumption growth due to domestic consumers' high awareness of the need to protect their livelihoods. At the end of the fiscal year, the Bank of Japan made changes to its monetary policy, including a decision to lift its policy of negative interest rates by raising interest rates for the first time in 17 years. While there are some bright signs, such as the Nikkei Stock Average exceeding the highs reached during the era of Japan's bubble economy, the future economic outlook is becoming difficult to predict.

In our sector, we continue to face a severe business environment due to many factors that cause significant fluctuations in the livestock meat market, such as high local market prices of livestock meat, continued weak yen levels, and disease issues, in addition to rising manufacturing costs.

Under these circumstances, based on the Group's "Mission" of "Contributing to food culture and society through great taste and excitement," we implemented various measures as we set the basic policy, in achieving our Medium-term Business Plan, to "Implement ESG strategy and make business foundation more sustainable," "Build a revenue base that responds to changes in the external environment," and "Invest in growth projects and expand globally."

As a result, net sales amounted to ¥448,429 million (up 4.1% year on year), operating profit was ¥11,820 million (up 21.5% year on year), ordinary profit was ¥12,884 million (up 22.6% year on year), and profit attributable to owners of parent was ¥7,489 million (up 66.2% year on year).

Results by segment are as follows:

<Processed Foods Business>

Following the price revisions in April 2023, we implemented the fourth price revisions in October 2023 for hams and sausages and other processed foods, raising the delivery prices for customers. Although the challenging environment continued in which the production volume in the industry as a whole decreased year on year, our market share continued to increase as in the previous fiscal year.

1) Ham and sausage section

Sales of the Koukun® Sausage series, one of our core brands, continued to perform well, not only in the standard two-piece bundle size range, but also in the larger size range packed in a zipper bag. As part of sales promotion measures, we have continued to implement campaigns such as the Tokyo Disney Resort® invitation campaign, the Takarazuka Revue invitation campaign, and marketing campaigns utilizing television commercials and social media, which enabled us to continue to expand our market share during the period. The newly rebuilt Kagoshima plant started full-scale operations from the beginning of the fiscal year, contributing to the stable supply of products and provision of new products. As a result, although net sales of both retail and commercial-use products steadily surpassed those of the previous fiscal year, profit fell below that of the previous fiscal year due to higher raw material costs exceeding the effect of price revisions.

2) Processed foods section

In the processed foods section, retail products such as the Stock Dish products that can be stored at room temperature and the Salad Chicken Bar that is convenient to eat enjoyed popularity among consumers, and we steadily expanded their sales. Sales of commercial-use products also expanded following the recovery in the market and price revisions; however they were not large enough to cover the significant rise in purchasing costs of raw materials among others, causing profit to fall below that in the same period of the previous fiscal year.

Our vendor business for convenience stores also experienced a rise of both net sales and profit year on year due

to the constant development and launch of new products that cater to customer requests, although manufacturing costs increased due primarily to soaring raw material prices, high fuel prices, and higher labor costs.

As a result of the above, net sales were ¥312,216 million (up 3.8% year on year) and segment profit was ¥11,113 million (up 8.5% year on year) in the Processed Foods Business.

<Fresh Meat Business>

The environment for the Fresh Meat Business has continued to be challenging owing to factors such as high market prices of livestock meat overseas, a rise in purchasing costs from abroad due to the weaker yen, and a decrease in imported livestock meat inventories in the market. In terms of consumer trends, changes are occurring in purchasing behavior, such as a shift in demand from high-priced beef to pork and chicken. Under that situation, we have gradually passed on procurement costs to customers in stages, and the change to trading linked to market prices has also gradually taken hold, enabling us to secure net sales and profit exceeding those of the previous year. Although the hog farming business is also in a challenging situation in terms of profitability due to the continuing high level of price of feedstuff, fattening and shipment operations at the new farm in Miyagi are progressing smoothly. We will continue to engage in various efforts to expand sales of high-quality pork at a fair price.

As a result of the above, net sales were ¥135,634 million (up 4.7% year on year) and segment profit was ¥843 million (compared to segment loss of ¥183 million for the previous fiscal year) in the Fresh Meat Business.

<Other Business>

Net sales from Other Business (development, manufacture and sale of scientific instruments) were ¥578 million (up 9.3% year on year) and segment profit was ¥268 million (up 15.5% year on year).

(2) Overview of Financial Position for the Fiscal Year

<Assets>

The total assets at the end of the fiscal year were ¥244,793 million, an increase of ¥14,906 million compared to the end of the previous fiscal year. This was mainly due to increases of ¥6,121 million in notes and accounts receivable - trade, ¥5,108 million in software in progress, ¥5,010 million in inventories, ¥2,701 million in investment securities, and a decrease of ¥4,936 million in deposits paid.

<Liabilities>

Liabilities increased by ¥7,887 million compared to the end of the previous fiscal year to ¥114,580 million. This was mainly due to an increase of ¥9,568 million in notes and accounts payable - trade.

<Net assets>

Net assets increased by ¥7,018 million compared to the end of the previous fiscal year to ¥130,213 million. This was mainly due to increases of ¥4,230 million in retained earnings, ¥874 million in non-controlling interests, and ¥750 million in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Fiscal Year

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year were ¥9,765 million, a decrease of ¥4,333 million compared to the end of the previous fiscal year (a decrease of ¥2,132 million for the previous fiscal year).

<Cash flows from operating activities>

Cash flows from operating activities recorded a net cash inflow of ¥22,542 million (a net cash inflow of ¥11,719 million for the previous fiscal year). The main factors were profit before income taxes of ¥13,427 million, depreciation and amortization of ¥11,338 million, an increase of ¥6,075 million in trade receivables, an increase of ¥5,017 million in inventories, an increase of ¥9,554 million in trade payables, and income taxes paid of ¥3,495 million.

<Cash flows from investing activities>

Cash flows from investing activities recorded a net cash outflow of ¥19,420 million (a net cash outflow of ¥15,089 million for the previous fiscal year). This was primarily due to an outflow of ¥10,443 million for purchase of property, plant and equipment in order to upgrade production facilities, improve productivity, and stabilize quality, and an outflow of ¥6,217 million for purchase of intangible assets for the purpose of revamping internal systems for support of business, organizational, and institutional reforms, as well as change-management.

<Cash flows from financing activities>

Cash flows from financing activities recorded a net cash outflow of ¥7,574 million (a net cash inflow of ¥1,206 million for the previous fiscal year). This was primarily due to an outflow of ¥3,270 million for dividends paid and repayments of long-term borrowings of ¥3,774 million.

(Reference) Trends in cash flow indicators

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity ratio	45.6	48.3	50.5	49.2	48.7
Equity ratio on market value basis	62.1	81.7	49.9	48.1	47.3
Ratio of interest-bearing debt to cash flow	1.1	0.8	1.2	2.2	1.0
Interest coverage ratio	151.0	216.9	139.2	74.3	149.3

Equity ratio: Equity/Total assets
Equity ratio on market value basis: Market capitalization/Total assets
Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow from operating activities
Interest coverage ratio: Cash flow from operating activities/Interest expense

(Notes)
1. All indicators are calculated based on consolidated figures.
2. Market capitalization is calculated based on the number of issued shares excluding treasury shares.
3. We use "Net cash provided by operating activities" from the consolidated statements of cash flows for "Cash flow from operating activities."
4. We have included all interest-bearing debts in the consolidated balance sheets for "Interest-bearing debt." Additionally, we use "Interest expenses paid" from the consolidated statements of cash flows for "Interest expense."

(4) Future Outlook

The Japanese economy is expected to continue on a recovery trend, but concerns remain, such as continuation of weaker yen levels, rising consumer prices, logistics issues, labor shortages, and the need to closely monitor future economic trends such as interest rate and stock price fluctuations. On the other hand, while there are signs of a solid economy overseas, the overall environment does not allow for optimism, due to such factors as trends in monetary policy in the Europe and U.S., heightened geopolitical risks, and the occurrence of natural disasters.

Raw material prices, logistics costs, and energy costs continue to rise, and multiple price mark-ups are expected this fiscal year as well, but the growing cost-saving mindset among consumers raises concerns about the expansion of consumption.

Our industry, in addition to rising manufacturing costs, has faced weaker yen levels and high prices in overseas markets. So livestock meat prices from abroad have soared, leading to a decrease in import volume, which has also contributed to a decrease in domestic livestock meat inventories. This, combined with delays in maritime transportation, has had a significant impact on the livestock meat market, resulting in a challenging market environment.

Against this backdrop, to realize the Group's "Mission" of "Contributing to food culture and society through great taste and excitement," the Group will promote management that emphasizes sustainability while increasing the scale and quality of sales and profits by strengthening marketing, development, and product capabilities.

With a basic policy of "Becoming a Company that customers will always love and support," in achieving our Medium-term Business Plan, we will materialize "making business foundation more sustainable" and "further expanding the domains of the two existing business segments and further strengthening their sales and profit bases," and strive for the permanent development of the Group through "investing in growth projects and expanding globally."

Prima Meat Packers, Ltd. ("the Company") forecasts net sales of ¥470,000 million, operating profit of ¥16,000 million, ordinary profit of ¥17,000 million, and profit attributable to owners of parent of ¥10,000 million for the fiscal year ending March 31, 2025.

(5) Basic Policy for Distribution of Profit and Dividends for FY2023 and FY2024

The Company has a basic policy of realizing stable dividends while aiming for a dividend payout ratio of 30% or more, and at the same time ensuring the strengthening of its management base and the enhancement of internal reserves for necessary future investments. In light of this basic policy, and after a comprehensive review of performance in the fiscal year ended March 31, 2024 and future investment plans, etc., the Company has decided to pay out an ordinary dividend of ¥65.00 per share (a ¥45.00 year-end dividend in addition to an already-paid interim dividend).

For the fiscal year ending March 31, 2025, the Company's dividend policy will be based on stable and continuous dividends, and with the aim of management that prioritizes shareholders, the dividend payout ratio will be raised from 30% or more to 40% or more, as follows.

The Company views distribution of profit to shareholders as a priority by management, and has a basic policy of continuously paying out stable dividends while aiming for a dividend payout ratio of 40% or more.

In light of this basic policy, for the next fiscal year, the Company plans to pay an interim dividend of ¥40.00 per share and a year-end dividend of ¥40.00 per share.

2. Basic Policy on Selection of Accounting Standards

It is currently the policy of the Company to compile consolidated financial statements based on Japanese accounting standards, given that most stakeholders of the Group are shareholders, creditors and business partners in Japan, and in light of the resulting ease of comparison of consolidated financial statements period for period and with other companies in Japan.

In the future, we plan to consider adopting International Financial Reporting Standards, based on trends in proportions of overseas shareholders and in application of such accounting standards by competitors in Japan.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,861	13,253
Notes and accounts receivable - trade	46,471	52,592
Merchandise and finished goods	18,994	22,704
Work in process	4,498	4,656
Raw materials and supplies	3,479	4,623
Deposits paid	7,041	2,105
Other	3,966	3,259
Allowance for doubtful accounts	(2)	(2)
Total current assets	95,311	103,192
Non-current assets		
Property, plant and equipment		
Buildings and structures	110,734	114,832
Accumulated depreciation	(56,755)	(60,062)
Buildings and structures, net	53,979	54,769
Machinery, equipment and vehicles	70,119	71,348
Accumulated depreciation	(50,460)	(53,051)
Machinery, equipment and vehicles, net	19,659	18,296
Leased assets	3,549	3,620
Accumulated depreciation	(2,151)	(2,196)
Leased assets, net	1,397	1,423
Land	19,923	19,919
Construction in progress	5,926	3,306
Other	5,960	6,165
Accumulated depreciation	(4,537)	(4,920)
Other, net	1,423	1,245
Total property, plant and equipment	102,309	98,961
Intangible assets		
Software	637	675
Software in progress	4,530	9,638
Goodwill	1,506	1,440
Other	634	631
Total intangible assets	7,308	12,386
Investments and other assets		
Investment securities	6,154	8,855
Long-term loans receivable	76	80
Long-term prepaid expenses	1,422	2,430
Retirement benefit asset	12,891	14,620
Deferred tax assets	3,251	3,082
Other	1,219	1,258
Allowance for doubtful accounts	(57)	(74)
Total investments and other assets	24,957	30,253
Total non-current assets	134,576	141,601
Total assets	229,887	244,793

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	49,287	58,856
Short-term borrowings	323	362
Current portion of long-term borrowings	3,774	3,822
Lease liabilities	459	499
Income taxes payable	2,160	2,541
Provision for bonuses	1,637	1,680
Accrued expenses	7,709	12,024
Other	9,513	5,363
Total current liabilities	74,867	85,150
Non-current liabilities		
Long-term borrowings	19,783	15,961
Lease liabilities	1,068	1,067
Deferred tax liabilities	3,466	4,943
Deferred tax liabilities for land revaluation	2,099	2,093
Provision for share awards for directors (and other officers)	92	108
Retirement benefit liability	4,714	4,644
Asset retirement obligations	406	410
Other	193	200
Total non-current liabilities	31,825	29,430
Total liabilities	106,692	114,580
Net assets		
Shareholders' equity		
Share capital	7,908	7,908
Capital surplus	10,198	10,199
Retained earnings	86,324	90,554
Treasury shares	(405)	(397)
Total shareholders' equity	104,025	108,265
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,302	3,053
Deferred gains or losses on hedges	(4)	(11)
Revaluation reserve for land	4,546	4,532
Foreign currency translation adjustment	1,215	1,847
Remeasurements of defined benefit plans	1,084	1,626
Total accumulated other comprehensive income	9,143	11,048
Non-controlling interests	10,024	10,899
Total net assets	123,194	130,213
Total liabilities and net assets	229,887	244,793

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	430,740	448,429
Cost of sales	382,986	398,289
Gross profit	47,753	50,140
Selling, general and administrative expenses	38,028	38,320
Operating profit	9,725	11,820
Non-operating income		
Interest income	37	130
Dividend income	76	171
Compensation income	95	150
Share of profit of entities accounted for using equity method	37	49
Rental income from land and buildings	124	123
Foreign exchange gains	159	244
Subsidy income	258	180
Other	442	537
Total non-operating income	1,232	1,587
Non-operating expenses		
Interest expenses	148	153
Loss on valuation of derivatives	–	87
Provision of allowance for doubtful accounts	44	–
Loss on abandonment of inventories	125	148
Financing expenses	38	39
Other	89	94
Total non-operating expenses	447	523
Ordinary profit	10,510	12,884
Extraordinary income		
Gain on sale of non-current assets	4	14
Gain on sale of investment securities	–	925
Gain on sale of shares of subsidiaries and associates	–	4
Compensation income	216	–
Insurance claim income	–	563
Other	0	0
Total extraordinary income	221	1,508
Extraordinary losses		
Loss on sale of non-current assets	3	45
Loss on retirement of non-current assets	178	484
Impairment losses	4,643	296
Loss on valuation of investment securities	–	3
Loss on sale of shares of subsidiaries and associates	–	25
Other	5	108
Total extraordinary losses	4,831	965
Profit before income taxes	5,900	13,427
Income taxes - current	3,362	4,014
Income taxes - deferred	(1,305)	1,039
Total income taxes	2,056	5,053
Profit	3,843	8,373
Profit (loss) attributable to non-controlling interests	(662)	884
Profit attributable to owners of parent	4,505	7,489

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	3,843	8,373
Other comprehensive income		
Valuation difference on available-for-sale securities	205	740
Deferred gains or losses on hedges	0	(7)
Foreign currency translation adjustment	742	643
Remeasurements of defined benefit plans, net of tax	(894)	542
Share of other comprehensive income of entities accounted for using equity method	8	6
Total other comprehensive income	61	1,925
Comprehensive income	3,904	10,299
Comprehensive income attributable to		
Owners of parent	4,564	9,407
Non-controlling interests	(659)	892

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,908	10,185	85,084	(409)	102,769
Changes during period					
Dividends of surplus			(3,272)		(3,272)
Profit attributable to owners of parent			4,505		4,505
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				5	5
Change in scope of consolidation					-
Change in ownership interest of parent due to transactions with non-controlling interests		12			12
Reversal of revaluation reserve for land			6		6
Other			(0)		(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	12	1,239	3	1,256
Balance at end of period	7,908	10,198	86,324	(405)	104,025

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	2,095	(5)	4,552	468	1,979	9,090	10,706	122,567
Changes during period								
Dividends of surplus								(3,272)
Profit attributable to owners of parent								4,505
Purchase of treasury shares								(2)
Disposal of treasury shares								5
Change in scope of consolidation								-
Change in ownership interest of parent due to transactions with non-controlling interests								12
Reversal of revaluation reserve for land								6
Other								(0)
Net changes in items other than shareholders' equity	206	0	(6)	747	(894)	52	(681)	(628)
Total changes during period	206	0	(6)	747	(894)	52	(681)	627
Balance at end of period	2,302	(4)	4,546	1,215	1,084	9,143	10,024	123,194

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,908	10,198	86,324	(405)	104,025
Changes during period					
Dividends of surplus			(3,271)		(3,271)
Profit attributable to owners of parent			7,489		7,489
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				10	10
Change in scope of consolidation			(0)		(0)
Change in ownership interest of parent due to transactions with non-controlling interests		1			1
Reversal of revaluation reserve for land			13		13
Other					-
Net changes in items other than shareholders' equity					
Total changes during period	-	1	4,230	7	4,239
Balance at end of period	7,908	10,199	90,554	(397)	108,265

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	2,302	(4)	4,546	1,215	1,084	9,143	10,024	123,194
Changes during period								
Dividends of surplus								(3,271)
Profit attributable to owners of parent								7,489
Purchase of treasury shares								(2)
Disposal of treasury shares								10
Change in scope of consolidation								(0)
Change in ownership interest of parent due to transactions with non-controlling interests								1
Reversal of revaluation reserve for land								13
Other								-
Net changes in items other than shareholders' equity	750	(7)	(13)	631	542	1,904	874	2,779
Total changes during period	750	(7)	(13)	631	542	1,904	874	7,018
Balance at end of period	3,053	(11)	4,532	1,847	1,626	11,048	10,899	130,213

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,900	13,427
Depreciation and amortization	10,958	11,338
Impairment losses	4,643	296
Amortization of goodwill	337	173
Loss (gain) on valuation of investment securities	–	3
Increase (decrease) in allowance for doubtful accounts	43	16
Increase (decrease) in provision for bonuses	8	40
Increase (decrease) in provision for share awards directors (and other officers)	8	16
Increase (decrease) in retirement benefit liability	(149)	(85)
Decrease (increase) in retirement benefit asset	(1,080)	(926)
Interest and dividend income	(113)	(301)
Insurance claim income	–	(563)
Interest expenses	148	153
Loss (gain) on sale of investment securities	–	(925)
Loss (gain) on sale of shares of subsidiaries and associates	–	21
Share of loss (profit) of entities accounted for using equity method	(37)	(49)
Loss (gain) on sale of property, plant and equipment	(1)	31
Loss on retirement of property, plant and equipment	178	484
Decrease (increase) in trade receivables	(2,303)	(6,075)
Decrease (increase) in other current assets	(407)	186
Decrease (increase) in inventories	(3,493)	(5,017)
Increase (decrease) in trade payables	(403)	9,554
Increase (decrease) in other current liabilities	266	2,908
Increase (decrease) in accrued consumption taxes	(967)	1,159
Other, net	(96)	51
Subtotal	13,439	25,921
Interest and dividends received	124	268
Interest paid	(157)	(150)
Income taxes paid	(1,687)	(3,495)
Net cash provided by (used in) operating activities	11,719	22,542

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from investing activities		
Decrease (increase) in deposits paid	5,000	–
Purchase of property, plant and equipment	(18,186)	(10,443)
Proceeds from sale of property, plant and equipment	24	1,383
Purchase of intangible assets	(2,385)	(6,217)
Purchase of investment securities	(120)	(1,847)
Proceeds from sale of investment securities	–	1,194
Loan advances	(59)	(5)
Proceeds from collection of loans receivable	0	1
Payments of leasehold deposits	(27)	(41)
Proceeds from refund of leasehold deposits	99	22
Decrease (increase) in time deposits	821	(1,546)
Purchase of long-term prepaid expenses	(174)	(1,778)
Proceeds from redemption of investment securities	–	19
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	10
Other, net	(81)	(171)
Net cash provided by (used in) investing activities	(15,089)	(19,420)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	27	17
Repayments of lease liabilities	(622)	(528)
Proceeds from long-term borrowings	9,000	–
Repayments of long-term borrowings	(3,920)	(3,774)
Dividends paid	(3,268)	(3,270)
Dividends paid to non-controlling interests	(7)	(7)
Purchase of treasury shares	(2)	(2)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(9)
Net cash provided by (used in) financing activities	1,206	(7,574)
Effect of exchange rate change on cash and cash equivalents	31	119
Net increase (decrease) in cash and cash equivalents	(2,132)	(4,332)
Cash and cash equivalents at beginning of period	16,230	14,098
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(0)
Cash and cash equivalents at end of period	14,098	9,765

(5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

None

(Changes in presentation method)

For consolidated statements of income

"Insurance claim income," which was presented separately under "Non-operating income" in the previous fiscal year, has been included in "Other" starting the current fiscal year due to its decreased monetary significance. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Insurance claim income" of ¥127 million and "Other" of ¥314 million that were presented under "Non-operating income" in the consolidated statements of income for the previous fiscal year have been reclassified as "Other" of ¥442 million.

(Segment information)

Overview of reportable segments

1) Determination of reportable segments

(i) Reportable segments of the Company are business categories subject to performance evaluation and management resource allocation decisions on a monthly and yearly basis.

(ii) The Company has centered its management planning on the Processed Foods Business organization, which handles hams, sausages and processed foods, and on the Fresh Meat Business organization, which handles fresh meat products. Group enterprises also carry out business activities under the direction of the supervising Business organization. Therefore, the Processed Foods Business and Fresh Meat Business are both included in reportable segments.

2) Type of products belonging to each reportable segment

The Processed Foods Business handles processed foods, etc. made and marketed by organizations and the Company's subsidiaries which produce and market hams, sausages and processed foods, while the Fresh Meat Business handles fresh meat products to be reared, prepared and marketed by organizations and Group companies which buy and market fresh meat products.

Method for calculating of net sales, profit or loss, assets, liabilities, and other amounts by reporting segment

The accounting treatment for reportable segments is carried out through principles and procedures that are almost the same as the methods adopted for preparation of the consolidated financial statements. Figures for profit in reportable segments are on an operating profit basis. Intersegment sales and transfers are based on prevailing market prices.

Information relating to net sales, profit or loss, assets, liabilities, and other amounts by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated financial statements (Note 3)
	Processed Foods Business	Fresh Meat Business	Total				
Net sales							
Sales to external customers	300,654	129,556	430,210	529	430,740	–	430,740
Internal sales or transfers	11	26,611	26,622	54	26,677	(26,677)	–
Total	300,665	156,167	456,833	584	457,417	(26,677)	430,740
Segment profit (loss)	10,245	(183)	10,061	232	10,294	(569)	9,725
Segment assets (Note 4)	164,024	44,472	208,497	6,196	214,694	15,192	229,887
Other items							
Depreciation and amortization (Note 5)	9,189	1,375	10,564	393	10,958	–	10,958
Amortization of goodwill	134	202	337	–	337	–	337
Investment in entities accounted for using equity method	919	28	947	–	947	–	947
Increase in property, plant and equipment and intangible assets (Notes 6, 7)	14,564	5,764	20,329	450	20,780	3,271	24,051

(Notes) 1. "Other" comprises business segments not included in reportable segments, such as development, manufacture, and sale of scientific instruments.
2. Adjustment for segment profit (loss) of ¥569 million includes corporate expenses of ¥571 million that are not allocated to reportable segments. Corporate expenses primarily consist of general and administrative expenses that are not attributable to any reportable segments.
3. Segment profit (loss) is reconciled with operating profit in the consolidated statements of income.
4. Adjustment for segment assets of ¥15,192 million is corporate assets that are not allocated to reportable segments. Corporate assets primarily consist of cash and deposits.
5. Depreciation and amortization includes amortization of long-term prepaid expenses.
6. Adjustment for increase in property, plant and equipment and intangible assets of ¥3,271 million is corporate assets that are not allocated to reportable segments.
7. Increase in property, plant and equipment and intangible assets includes increase in long-term prepaid expenses.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Consolidated financial statements (Note 3)
	Processed Foods Business	Fresh Meat Business	Total				
Net sales							
Sales to external customers	312,216	135,634	447,851	578	448,429	—	448,429
Internal sales or transfers	10	21,812	21,823	54	21,878	(21,878)	—
Total	312,227	157,447	469,674	633	470,308	(21,878)	448,429
Segment profit (loss)	11,113	843	11,957	268	12,226	(405)	11,820
Segment assets (Note 4)	171,926	48,327	220,254	7,876	228,130	16,663	244,793
Other items							
Depreciation and amortization (Note 5)	9,131	1,815	10,947	391	11,338	—	11,338
Amortization of goodwill	146	27	173	—	173	—	173
Investment in entities accounted for using equity method	1,001	—	1,001	—	1,001	—	1,001
Increase in property, plant and equipment and intangible assets (Notes 6, 7)	8,411	2,684	11,095	513	11,608	4,874	16,483

(Notes)
1. "Other" comprises business segments not included in reportable segments, such as development, manufacture, and sale of scientific instruments.
2. Adjustment for segment profit (loss) of ¥405 million includes corporate expenses of ¥405 million that are not allocated to reportable segments. Corporate expenses primarily consist of general and administrative expenses that are not attributable to any reportable segments.
3. Segment profit (loss) is reconciled with operating profit in the consolidated statements of income.
4. Adjustment for segment assets of ¥16,663 million is corporate assets that are not allocated to reportable segments. Corporate assets primarily consist of cash and deposits.
5. Depreciation and amortization includes amortization of long-term prepaid expenses.
6. Adjustment for increase in property, plant and equipment and intangible assets of ¥4,874 million is corporate assets that are not allocated to reportable segments.
7. Increase in property, plant and equipment and intangible assets includes increase in long-term prepaid expenses.

Related information

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1) Information by products and services

(Million yen)

	Fresh meat	Ham and sausage	Processed foods	Other	Total
Sales to external customers	148,078	103,867	174,727	4,067	430,740

2) Information by geographical segment

(i) Net sales

This information is omitted because net sales from external customers in Japan accounted for more than 90% of net sales recorded in the consolidated statements of income.

(ii) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment recorded in the consolidated balance sheets.

3) Information by major customer

(Million yen)

Name of customer	Net sales	Name of related segment
SEVEN-ELEVEN JAPAN CO., LTD.	116,485	Processed Foods Business

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1) Information by products and services

(Million yen)

	Fresh meat	Ham and sausage	Processed foods	Other	Total
Sales to external customers	151,301	112,113	181,421	3,593	448,429

2) Information by geographical segment

(i) Net sales

This information is omitted because net sales from external customers in Japan accounted for more than 90% of net sales recorded in the consolidated statements of income.

(ii) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment recorded in the consolidated balance sheets.

3) Information by major customer

(Million yen)

Name of customer	Net sales	Name of related segment
SEVEN-ELEVEN JAPAN CO., LTD.	121,199	Processed Foods Business

Information concerning impairment losses on non-current assets by reportable segment

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segments			Other	Corporate and eliminations	Total
	Processed Foods Business	Fresh Meat Business	Total			
Impairment losses	3,836	807	4,643	–	–	4,643

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segments			Other	Corporate and eliminations	Total
	Processed Foods Business	Fresh Meat Business	Total			
Impairment losses	296	–	296	–	–	296

Information concerning amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment			Other	Corporate and eliminations	Total
	Processed Foods Business	Fresh Meat Business	Total			
Amount amortized in FY2022	134	202	337	–	–	337
Balance as of March 31, 2023	1,238	267	1,506	–	–	1,506

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment			Other	Corporate and eliminations	Total
	Processed Foods Business	Fresh Meat Business	Total			
Amount amortized in FY2023	146	27	173	–	–	173
Balance as of March 31, 2024	1,199	240	1,440	–	–	1,440

Information concerning goodwill by reporting segment

<Significant changes in the amount of goodwill>

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

In the Fresh Meat Business segment, there are significant changes in the amount of goodwill due to the recording of impairment losses on goodwill. The decrease in goodwill from this event is ¥807 million for the fiscal year.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

None

(Per share information)

(Yen)

	As of March 31, 2023	As of March 31, 2024
Net assets per share	2,252.09	2,374.23
Earnings per share	89.66	149.03

(Notes) 1. Diluted earnings per share is not stated, since there were no potential shares with a dilutive effect.

2. For the purposes of calculation of net assets per share, the Company's shares remaining in the Trust recorded as treasury shares in share capital are included in treasury shares to be deducted from total number of issued shares at the end of the fiscal year. For the purposes of calculation of earnings per share for the year, such shares are likewise included in treasury shares to be deducted in the calculation of the average number of shares outstanding during the period.
For the calculation of net assets per share, the number of deducted treasury shares issued at the end of the fiscal year is 83 thousand shares, and in the calculation of earnings per share for the period, the average total of deducted shares of treasury shares during the period is 84 thousand shares.

3. The basis for calculating earnings per share is as follows.

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Earnings per share		
Profit attributable to owners of parent (Million yen)	4,505	7,489
Amount not attributable to common shareholders (Million yen)	–	–
Profit attributable to owners of parent associated with common shares (Million yen)	4,505	7,489
Average number of shares during the period (Thousand shares)	50,250	50,253

(Significant subsequent events)

None