

Consolidated Financial Results
for the Three Months Ended June 30, 2021
[Japanese GAAP]



August 2, 2021

Company name: Prima Meat Packers, Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Securities Code number: 2281
 URL: <https://www.primaham.co.jp/>
 Representative: Naoto Chiba, President and Representative Director
 Contact: Takahiro Uchiyama, Senior Managing Executive Officer
 Phone: +81-3-6386-1800
 Scheduled date of filing quarterly securities report: August 10, 2021
 Scheduled date of commencing dividend payments: –
 Availability of supplementary briefing material on quarterly financial results: None
 Schedule of quarterly financial results briefing session: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 1, 2021 to June 30, 2021)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2021	104,563	–	4,711	(15.5)	5,065	(12.5)	2,972	(14.1)
June 30, 2020	103,558	2.5	5,576	58.0	5,790	51.8	3,461	10.8

(Note) Comprehensive income: Three months ended June 30, 2021: ¥3,112 million [(29.8)%]
 Three months ended June 30, 2020: ¥4,434 million [17.3%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	59.16	–
June 30, 2020	68.88	–

The Company and its subsidiaries (The “Group”) has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter ended June 30, 2021. As a result, changes in net sales from the previous corresponding period before the said accounting standard was applied are not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	215,885	114,594	47.7
As of March 31, 2021	214,542	114,761	48.3

(Reference) Equity: As of June 30, 2021: ¥103,055 million
 As of March 31, 2021: ¥103,632 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	20.00	–	65.00	85.00
Fiscal year ending March 31, 2022	–				
Fiscal year ending March 31, 2022 (Forecast)		20.00	–	45.00	65.00

(Note) Revision to the dividend forecast announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% 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)	220,600	–	8,100	(27.3)	8,200	(28.4)	5,200	(25.3)	103.49
Full year	437,700	–	16,600	(22.7)	16,800	(25.0)	10,500	(25.9)	208.96

(Note) Revision to the financial results forecast announced most recently: None

The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter ended June 30, 2021. As a result, changes in net sales from the previous corresponding period are not presented.

Notes:

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

New: –

Excluded: –

(2) Accounting applied especially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2021: 50,524,399 shares

March 31, 2021: 50,524,399 shares

2) Total number of treasury shares at the end of the period:

June 30, 2021: 276,167 shares

March 31, 2021: 275,939 shares

3) Average number of shares during the period:

Three months ended June 30, 2021: 50,248,330 shares

Three months ended June 30, 2020: 50,249,304 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).

* These quarterly financial results are outside the scope of quarterly review 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. Qualitative Information on Quarterly Financial Results for the Period, (1) Explanation on Operating Results" on page 2 of the attachment.

Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period	2
(1) Explanation on Operating Results	2
(2) Explanation on Financial Position	3
(3) Explanation on Consolidated Financial Results Forecast and Other Forward-looking Information	4
2. Quarterly Consolidated Financial Statements and Primary Notes	5
(1) Quarterly Consolidated Balance Sheets	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
(3) Quarterly Consolidated Statements of Cash Flows	9
(4) Notes to the Quarterly Consolidated Financial Statements	11
(Notes on going concern assumption)	11
(Notes in the case of significant changes in shareholders' equity)	11
(Accounting applied especially for the preparation of quarterly consolidated financial statements)	11
(Changes in accounting policies)	11
(Segment information)	12

1. Qualitative Information on Quarterly Financial Results for the Period

(1) Explanation on Operating Results

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 first quarter ended June 30, 2021, consolidated basis.

During the three months ended June 30, 2021, although consumption trends have changed from a year ago, when a state of emergency had been declared, giving rise to consumer sentiment for personal spending on food purchases for home consumption and stockpiling, demand for consumption at home has remained high. On the other hand, the food service industry continues to suffer from requests for shorter opening hours and self-quarantining especially in urban areas. Despite efforts to stimulate demand with take-away and home-delivery services, the severe business environment continues with no prospects for recovery.

In our sector, the market environment is plagued by concerns over both price and supply, as the market price soared for livestock meat overseas, livestock disease persisted at overseas suppliers of materials for processed foods, and delays in logistics caused supply issues. In addition, the grain market that directly impacts feed prices have surged. The pork market in Japan faced an extremely volatile market environment as demand and supply went out of balance.

Based on our mission as a group of contributing “To food culture and society through great taste and excitement,” we set and worked to attain the basic policy goal in our medium-term management plan of “Strengthening basic sustainability through ESG measures,” “Expanding the scope of existing businesses and further strengthening the earnings base,” and “Business creation and global expansion for growth markets.”

As a result, net sales amounted to ¥104,563 million (¥103,558 million for the same period of the previous fiscal year), operating profit was ¥4,711 million (down 15.5% year on year), ordinary profit was ¥5,065 million (down 12.5% year on year), and profit attributable to owners of parent was ¥2,972 million (down 14.1% year on year).

The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the first quarter ended June 30, 2021. Accordingly, the explanation on operating results below does not mention year-on-year comparison for net sales. For details, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes, (4) Notes to the Quarterly Consolidated Financial Statements (Changes in accounting policies).”

Results by segment are as follows:

<Processed Foods Business>

1) Ham and sausage section

We implemented measures to increase our share in the retail product market. In the Koukun® Sausage series, we won plaudits for not only our classic drawstring-packaged range but also for products in large packs with zippered. The series is supported widely by customers of all generations with rising product recognition as one of our core brands among customers. Furthermore, as we mark the 90th anniversary of our founding this year, we conducted sales campaigns for our mainstay retail products, including the Koukun® Sausage series, cured ham products, and the Shinsen Tsukaikiri Ren Pack (multi-pack of single use portions) series by increasing their volume for a limited period of time as commemorative products for sales promotion. On the other hand, commercial-use products, which were struggling in the severe environment last year, increased sales year on year mainly due to a partial recovery of the market and new product proposals. As marketing promotion strategies, we resumed the Tokyo Disney Resort® invitation campaign, and launched new initiatives such as the LINE campaign and an official corporate Twitter account. At our plants, we continued reforms and improvements to raise productivity, even as we take rigorous measures against infection. We promoted utility cost-cutting and other initiatives, steadily improving our man-hour productivity and cost competitiveness. As a result, we increased total net sales and volumes year on year in the ham and sausage section.

2) Processed foods section

The processed foods section continued to see strong performance from mainstay retail products such as Prima Grill Hamburg and other hamburger products and Spicy Stick. Steady sales of commercial-use products contributed to the Salad Chicken category, in addition to enriched product variation for retail. Commercial-use products also increased sales year on year, as it did in the ham and sausage section. As a result, processed foods sales overall increased year on year in terms of both value and volumes sold.

Our vendor business for convenience stores saw sales rise year-on-year, owing to development of new products to meet customers' changing demands in addition to the recovery of the CVS market. Profit also surpassed that of the same period of the previous fiscal year supported by improved productivity and stable raw material prices.

As a result, net sales were ¥70,766 million (¥70,376 million for the same period of the previous fiscal year) and segment profit was ¥4,747 million (up 3.9% year on year) in the Processed Foods Business.

<Fresh Meat Business>

The purchasing environment for the Fresh Meat Business was extremely harsh mainly due to high overseas market prices, concerns about securing supply, and soaring grain prices. The Group continued to pursue a profit-focused marketing policy through expanding pork production operations in Japan and improving farm business productivity, expanding sales of original brand products, rigorous revenue management and meticulous inventory-taking. However, profit decreased year on year due to the low price levels prevailing on the pork market in Japan for the first half of the period and because we were not able to make up for soaring feed prices.

As a result, net sales were ¥33,676 million (¥33,054 million for the same period of the previous fiscal year) and segment profit was ¥301 million (down 68.8% year on year) in the Fresh Meat Business.

<Other Business>

Net sales of Other Business (development, manufacture and sale of scientific instruments) were ¥120 million (¥127 million for the same period of the previous fiscal year) and segment profit was ¥52 million (up 31.6% year on year).

(2) Explanation on Financial Position

<Assets>

Total assets at the end of the first quarter were ¥215,885 million, an increase of ¥1,342 million compared to the end of the previous fiscal year. This was mainly due to an increase of ¥4,097 million in inventories, and decreases of ¥1,995 million in deposits paid and ¥1,357 million in cash and deposits.

<Liabilities>

Liabilities increased by ¥1,510 million compared to the end of the previous fiscal year to ¥101,291 million. This was mainly due to an increase of ¥4,770 million in notes and accounts payable-trade, and decreases of ¥1,770 million in income taxes payable, and ¥1,074 million in long-term borrowings (including current portion).

<Net assets>

Net assets decreased by ¥167 million compared to the end of the previous fiscal year to ¥114,594 million. This was mainly due to a decrease of ¥299 million in retained earnings.

Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the first quarter were ¥21,017 million, a decrease of ¥8,755 million compared to the end of the previous fiscal year (a decrease of ¥1,705 million for the same period of the previous fiscal year).

<Cash flows from operating activities>

Cash flows from operating activities recorded a net cash inflow of ¥4,334 million (a net cash inflow of ¥4,259 million for the same period of the previous fiscal year). This was primarily due to profit before income taxes of ¥5,038 million, depreciation of ¥2,533 million, an increase of ¥4,784 million in trade payables, an increase of ¥4,113 million in inventories, and income taxes paid of ¥3,390 million.

<Cash flows from investing activities>

Cash flows from investing activities recorded a net cash outflow of ¥8,386 million (a net cash outflow of ¥2,930 million for the same period of the previous fiscal year). This was primarily due to payments into deposits paid of ¥5,000 million, and an outflow of ¥2,100 million for purchase of property, plant and equipment in order to renew production facilities, improve productivity, and stabilize quality.

<Cash flows from financing activities>

Cash flows from financing activities recorded a net cash outflow of ¥4,690 million (a net cash outflow of ¥3,049 million for the same period of the previous fiscal year). This was primarily due to an outflow of ¥1,074 million for repayments of long-term borrowings and dividends paid of ¥3,158 million.

(3) Explanation on Consolidated Financial Results Forecast and Other Forward-looking Information

There are no changes to the consolidated financial results forecast for the fiscal year ending March 31, 2022 from the forecast presented in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2021” announced on May 10, 2021.

2. Quarterly Consolidated Financial Statements and Primary Notes(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	12,968	11,610
Notes and accounts receivable-trade	43,435	44,090
Merchandise and finished goods	14,909	18,539
Work in process	3,257	3,588
Raw materials and supplies	2,418	2,554
Deposits paid	20,016	18,021
Other	1,744	2,396
Allowance for doubtful accounts	(2)	(2)
Total current assets	98,747	100,798
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	49,299	48,610
Land	19,178	19,175
Other, net	22,583	22,596
Total property, plant and equipment	91,060	90,381
Intangible assets	1,666	1,653
Investments and other assets		
Investment securities	6,197	6,162
Retirement benefit asset	11,612	11,734
Other	5,275	5,171
Allowance for doubtful accounts	(17)	(16)
Total investments and other assets	23,068	23,051
Total non-current assets	115,795	115,086
Total assets	214,542	215,885

(Million yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable-trade	47,958	52,729
Short-term borrowings	765	456
Current portion of long-term borrowings	3,444	3,388
Income taxes payable	3,566	1,795
Provision for bonuses	1,530	1,029
Provision for bonuses for directors (and other officers)	20	–
Other	14,673	15,145
Total current liabilities	71,957	74,545
Non-current liabilities		
Long-term borrowings	16,322	15,303
Provision for share awards for directors (and other officers)	67	65
Retirement benefit liability	4,823	4,884
Asset retirement obligations	385	386
Other	6,224	6,106
Total non-current liabilities	27,823	26,746
Total liabilities	99,781	101,291
Net assets		
Shareholders' equity		
Share capital	7,908	7,908
Capital surplus	8,601	8,601
Retained earnings	81,056	80,757
Treasury shares	(412)	(413)
Total shareholders' equity	97,153	96,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,295	2,252
Deferred gains or losses on hedges	(4)	(12)
Revaluation reserve for land	2,518	2,518
Foreign currency translation adjustment	141	(7)
Remeasurements of defined benefit plans	1,529	1,451
Total accumulated other comprehensive income	6,479	6,201
Non-controlling interests	11,128	11,538
Total net assets	114,761	114,594
Total liabilities and net assets	214,542	215,885

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
Net sales	103,558	104,563
Cost of sales	85,786	90,446
Gross profit	17,771	14,117
Selling, general and administrative expenses	12,194	9,406
Operating profit	5,576	4,711
Non-operating income		
Interest and dividend income	62	66
Share of profit of entities accounted for using equity method	–	35
Subsidy income	68	53
Other	169	280
Total non-operating income	300	435
Non-operating expenses		
Interest expenses	32	32
Share of loss of entities accounted for using equity method	13	–
Loss on abandonment of inventories	18	19
Other	22	30
Total non-operating expenses	86	81
Ordinary profit	5,790	5,065
Extraordinary income		
Gain on sale of non-current assets	2	6
Gain on sale of investment securities	0	–
Other	0	–
Total extraordinary income	3	6
Extraordinary losses		
Loss on sale of non-current assets	1	–
Loss on retirement of non-current assets	242	27
Loss on valuation of investment securities	–	5
Other	0	0
Total extraordinary losses	243	33
Profit before income taxes	5,549	5,038
Income taxes	1,633	1,658
Profit	3,915	3,379
Profit attributable to non-controlling interests	454	407
Profit attributable to owners of parent	3,461	2,972

Quarterly Consolidated Statements of Comprehensive Income
For the Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
Profit	3,915	3,379
Other comprehensive income		
Valuation difference on available-for-sale securities	313	(38)
Deferred gains or losses on hedges	73	(7)
Foreign currency translation adjustment	180	(138)
Remeasurements of defined benefit plans, net of tax	(47)	(78)
Share of other comprehensive income of entities accounted for using equity method	(0)	(5)
Total other comprehensive income	519	(267)
Comprehensive income	4,434	3,112
Comprehensive income attributable to		
Owners of parent	3,980	2,695
Non-controlling interests	454	417

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
Cash flows from operating activities		
Profit before income taxes	5,549	5,038
Depreciation	2,297	2,533
Amortization of goodwill	27	27
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Increase (decrease) in provision for bonuses	(502)	(520)
Increase (decrease) in retirement benefit liability	57	61
Decrease (increase) in retirement benefit asset	(177)	(239)
Increase (decrease) in provision for share awards for directors (and other officers)	9	(1)
Interest and dividend income	(62)	(66)
Interest expenses	32	32
Loss (gain) on sale of investment securities	(0)	–
Share of loss (profit) of entities accounted for using equity method	13	(35)
Loss (gain) on sale of property, plant and equipment	(1)	(6)
Loss (gain) on valuation of investment securities	–	5
Loss on retirement of property, plant and equipment	242	27
Decrease (increase) in trade receivables	120	(1,050)
Decrease (increase) in other current assets	(316)	(600)
Decrease (increase) in inventories	(2,389)	(4,113)
Increase (decrease) in trade payables	2,228	4,784
Increase (decrease) in other current liabilities	841	1,083
Increase (decrease) in accrued consumption taxes	(172)	727
Increase (decrease) in long-term accounts payable - other	(0)	8
Other, net	3	(6)
Subtotal	7,801	7,685
Interest and dividends received	68	71
Interest paid	(32)	(32)
Income taxes paid	(3,577)	(3,390)
Net cash provided by (used in) operating activities	4,259	4,334

(Million yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2021
Cash flows from investing activities		
Payments into deposits paid	–	(5,000)
Purchase of property, plant and equipment	(2,299)	(2,100)
Proceeds from sale of property, plant and equipment	4	6
Purchase of intangible assets	(105)	(748)
Purchase of investment securities	(4)	(4)
Proceeds from sale of investment securities	0	–
Loan advances	(5)	(0)
Proceeds from collection of loans receivable	8	0
Payments of leasehold deposits	(2)	(12)
Proceeds from refund of leasehold deposits	5	6
Decrease (increase) in time deposits	(314)	(483)
Purchase of long-term prepaid expenses	(28)	(36)
Other, net	(188)	(14)
Net cash provided by (used in) investing activities	(2,930)	(8,386)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5)	(302)
Repayments of lease obligations	(220)	(147)
Repayments of long-term borrowings	(881)	(1,074)
Dividends paid	(1,934)	(3,158)
Dividends paid to non-controlling interests	(7)	(7)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(3,049)	(4,690)
Effect of exchange rate change on cash and cash equivalents	15	(13)
Net increase (decrease) in cash and cash equivalents	(1,705)	(8,755)
Cash and cash equivalents at beginning of period	22,214	29,773
Cash and cash equivalents at end of period	20,509	21,017

(4) Notes to the Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

None

(Notes in the case of significant changes in shareholders' equity)

None

(Accounting applied especially for the preparation of quarterly consolidated financial statements)

Item	For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)
Tax expense	The Group reasonably estimates the effective tax rate after applying tax effect accounting on profit before income taxes for the fiscal year ending March 31, 2022 and calculates tax expense by multiplying profit before income taxes by the effective tax rate thus obtained.

(Changes in accounting policies)

Adoption of the Accounting Standard for Revenue Recognition

The Group has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter the "Revenue Recognition Standard"), etc. from the beginning of the first quarter ended June 30, 2021, and recognizes revenue in the amount expected to be received in exchange for promised goods or services at the time the control of those goods or services is transferred to customers.

The main changes resulting from the adoption of the Revenue Recognition Standard, etc. are as follows:

(1) Promotional sponsorship expenses and contract distribution expenses

Promotional sponsorship expenses and contract distribution expenses, which were previously recorded as selling, general and administrative expenses, are excluded from net sales, in principle.

(2) Paid supply transactions

Consideration received from subcontractors, which was previously recognized as revenue, is no longer recognized as revenue.

The Group has applied the Revenue Recognition Standard, etc. in accordance with the transitional treatment provided in the proviso of Paragraph 84 of the Revenue Recognition Standard. The cumulative effect of retroactively applying the new accounting policies prior to the beginning of the first quarter ended June 30, 2021 is adjusted in retained earnings at the beginning of the first quarter ended June 30, 2021, and the new accounting policies have been applied to the balance from the beginning of the period. This will not affect the balance at the beginning of the period.

As a result, for the three months ended June 30, 2021, net sales, cost of sales, and selling, general and administrative expenses decreased by ¥5,202 million, ¥1,112 million, and ¥4,090 million, respectively, compared with amounts in the previous method. There are no changes in operating profit, ordinary profit, or profit before income taxes.

Adoption of Accounting Standard for Fair Value Measurement, etc.

The Group has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, hereinafter the "Fair Value Measurement Standard") etc. from the beginning of the first quarter ended June 30, 2021. The Company will prospectively apply new accounting policies stipulated in the Fair Value Measurement Standard, etc. in accordance with the transitional treatment provided in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). This will not affect the Company's quarterly consolidated financial statements.

(Segment information)

1. For the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(1) Information relating to net sales and profit or loss by reportable segments

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustment	Quarterly consolidated statements of income (Note 2)
	Processed Foods Business	Fresh Meat Business	Total				
Net sales							
(1) Sales to external customers	70,376	33,054	103,431	127	103,558	–	103,558
(2) Intersegment sales or transfers	3	4,799	4,803	12	4,815	(4,815)	–
Total	70,380	37,854	108,234	139	108,374	(4,815)	103,558
Segment profit (loss)	4,570	966	5,537	39	5,576	0	5,576

(Notes) 1. “Other” comprises business segments not included in reportable segments, such as development, manufacture, and sale of scientific instruments.

2. Segment profit is reconciled with operating profit in the quarterly consolidated statements of income.

(2) Information concerning impairment loss on non-current assets or goodwill, etc. by reportable segments

None

2. For the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Information relating to net sales and profit or loss by reportable segments

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustment (Note 2)	Quarterly consolidated statements of income (Note 3)
	Processed Foods Business	Fresh Meat Business	Total				
Net sales							
(1) Sales to external customers	70,766	33,676	104,442	120	104,563	–	104,563
(2) Intersegment sales or transfers	4	5,087	5,091	14	5,106	(5,106)	–
Total	70,770	38,764	109,534	135	109,669	(5,106)	104,563
Segment profit (loss)	4,747	301	5,048	52	5,101	(390)	4,711

(Notes) 1. “Other” comprises business segments not included in reportable segments, such as development, manufacture, and sale of scientific instruments.

2. “Adjustment” for segment loss of ¥390 million includes corporate expenses of ¥390 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 is reconciled with operating profit in the quarterly consolidated statements of income.

(2) Information concerning impairment loss on non-current assets or goodwill, etc. by reportable segments

None