

Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 1, 2022

Company name: Prima Meat Packers, Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Securities Code number: 2281
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 Scheduled date of filing quarterly securities report: August 10, 2022
 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, 2022 (April 1, 2022 to June 30, 2022)

(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, 2022	104,451	(0.2)	3,405	(29.1)	3,650	(27.9)	2,242	(24.6)
June 30, 2021	104,672	1.1	4,805	(13.8)	5,065	(12.5)	2,972	(14.1)

(Note) Comprehensive income: Three months ended June 30, 2022: ¥2,732 million [(12.2)%]
 Three months ended June 30, 2021: ¥3,112 million [(29.8)%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	44.62	–
June 30, 2021	59.16	–

Prima Meat Packers, Ltd. and its subsidiaries (“the Group”) has made changes to presentation method from the first quarter ended June 30, 2022. Therefore, the figures for net sales and operating profit in the consolidated operating results present the amounts and percentage changes from the previous corresponding period after the consolidated financial statements have been reclassified, reflecting the changes in presentation method.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	224,515	123,027	50.0
As of March 31, 2022	221,721	122,567	50.5

(Reference) Equity: As of June 30, 2022: ¥112,179 million
 As of March 31, 2022: ¥111,860 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, 2022	–	20.00	–	45.00	65.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (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, 2023 (April 1, 2022 to March 31, 2023)

(% 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)	219,900	4.6	8,500	1.1	8,800	(0.6)	5,600	5.9	111.44
Full year	441,000	4.8	16,100	14.7	16,600	11.5	10,600	9.1	210.95

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

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: None

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, 2022: 50,524,399 shares

March 31, 2022: 50,524,399 shares

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

June 30, 2022: 274,761 shares

March 31, 2022: 274,624 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 50,249,695 shares

Three months ended June 30, 2021: 50,248,330 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
(Additional information)	11
(Segment information, etc.)	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, 2022, consolidated basis.

As described in “IV. Financial Information, 1. Quarterly Consolidated Financial Statements, Notes (Additional Information), Changes in presentation method,” the Group has made changes to presentation method from the first quarter ended June 30, 2022. Accordingly, the comparison of operating results is made by using the amounts after the Quarterly Consolidated Financial Statements for the previous corresponding period have been reclassified, reflecting the changes in presentation method.

1) Analysis of operating results

During the three months ended June 30, 2022, the Japanese economy showed signs of revitalization of economic activities with the movement of people starting to recover as seen in the recovery of domestic transportation such as traveling and returning home, the resumption of entry of foreign nationals, etc. Even among the industry sectors that suffered greatly from restrictions, such as the tourism industry and department stores, business performance is starting to recover in some industries. Private household consumption has been driven by an increase in spending for entertainment, dining out, etc.

Meanwhile, due to the impact of the depreciation of the yen and rising crude oil prices, among others, raw material prices and energy costs soared, resulting in a significant rise in manufacturing costs for businesses. This has led to the marking up of product prices being implemented in a wide variety of industries not limited to the food-processing industry in which we operate. As indicated by the consumer price index (CPI), prices are escalating, while there are some products whose sales volumes are declining in response to the markups of prices, depending on the product categories. Still, there are many businesses that raise product prices again without being able to cover the rise in manufacturing costs, making the consumption situation unpredictable going forward. In our sector, we continue to face a severe business environment, where manufacturing costs are rising more than anticipated, due to rising market prices for livestock meat, the further rise in the prices of feedstuff, and the weakening yen.

Under these circumstances, based on the basic philosophy 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,” “Further expand the domains of the two existing business segments and further strengthen their sales and profit bases,” and “Invest in growth projects and expand globally.”

As a result, net sales amounted to ¥104,451 million (down 0.2% year-on-year), operating profit was ¥3,405 million (down 29.1% year-on-year), ordinary profit was ¥3,650 million (down 27.9% year-on-year), and profit attributable to owners of parent was ¥2,242 million (down 24.6% year-on-year) for the quarterly period under review.

Results by segment are as follows:

<Processed Foods Business>

In February 2022, we started to implement price revisions for hams and sausages and other processed foods, raising the delivery prices for customers. As demand shifted from retail products to commercial-use products due to a recovery in economic activity, the sales amount in the retail product market overall decreased year on year. We were also affected by this market decline as well as the more-than-anticipated rise in manufacturing costs, suffering a severe result in terms of revenue.

1) Ham and sausage section

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. With a wide range of support from customers of all generations, their market share continued to expand during this period. Other products for the retail market saw a decline in the sales volume, impacted by the overall sales conditions. Commercial-use products, on the other hand, enjoyed solid sales primarily owing to market recovery and new product offerings. As part of sales promotion measures, we offered invitations to the Takarazuka Revue in commemoration of the 20th anniversary of the launch of the Koukun series, organized the May 9 Koukun day event, and implemented social media marketing campaigns.

2) Processed foods section

In the processed foods section, products such as the stick type Salad Chicken Bar, the Arrange *Shokudō* precooked lines for convenient and quick cooking, and the plant-based meat Try Veggie enjoyed high popularity among consumers, and we made efforts to enhance their sales. However, due partly to a reactionary fall after the strong performance in the previous year, total sales for retail products decreased. Sales of commercial-use products, on the other hand, expanded owing to the overall recovery in the market, offsetting the decline in sales of retail products, and the overall sales of the processed foods section surpassed those in the same period of the previous fiscal year.

Our vendor business for convenience stores experienced a rise in manufacturing costs, primarily owing to soaring raw material prices, rising fuel prices, as well as higher labor costs. Despite efforts to develop new products that cater to customer requests, profit fell below that of the same period of the previous fiscal year.

As a result, net sales were ¥73,410 million (up 3.7% year-on-year) and segment profit was ¥3,721 million (down 21.6% year-on-year) in the Processed Foods Business.

<Fresh Meat Business>

The purchasing environment for the Fresh Meat Business has been extremely harsh owing to factors such as high market prices of livestock meat overseas, soaring transport costs, and grain prices remaining at a high level. Storefront prices at customers' shops are not high enough to cover the rise in raw material prices, and the purchase amount of beef and other fresh meat products declined from the previous year. Due to a sharp rise in the price of domestic pork as well as rising procurement costs for imported meats, the profitability of fresh meat sales deteriorated without being able to adequately pass on the procurement costs to customers, making it difficult to maintain sales volume and secure profit. Amid such an environment, for the hog farming business, we are expanding an advanced production business for domestic pork and enhancing the farm productivity with an eye to the future.

As a result, net sales were ¥30,914 million (down 8.5% year-on-year) and segment loss was ¥177 million (compared to segment profit of ¥395 million for the same period of the previous fiscal year) in the Fresh Meat Business.

<Other Business>

Net sales from Other Business (development, manufacture and sale of scientific instruments) was ¥127 million (up 5.6% year-on-year) and segment profit was ¥60 million (up 15.5% year-on-year).

(2) Explanation on Financial Position

<Assets>

Total assets at the end of the first quarter were ¥224,515 million, an increase of ¥2,794 million compared to the end of the previous fiscal year. This was mainly due to increases of ¥5,511 million in inventories and ¥3,890 million in property, plant and equipment, and a decrease of ¥5,990 million in deposits paid.

<Liabilities>

Liabilities increased by ¥2,334 million compared to the end of the previous fiscal year to ¥101,488 million. This was mainly due to increases of ¥3,207 million in notes and accounts payable-trade and ¥235 million in income taxes payable, and a decrease of ¥583 million in provision for bonuses.

<Net assets>

Net assets increased by ¥459 million compared to the end of the previous fiscal year to ¥123,027 million. This was mainly due to an increase of ¥475 million in foreign currency translation adjustment.

Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the first quarter amounted to ¥13,149 million, a decrease of ¥3,081 million compared to the end of the previous fiscal year (a decrease of ¥8,755 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 ¥1,889 million (a net cash inflow of ¥4,334 million for the same period of the previous fiscal year). The main factors were profit before income taxes of ¥3,615 million, depreciation and amortization of ¥2,573 million, an increase of ¥3,173 million in trade payable, an increase of ¥5,464 million in inventories, and income taxes paid of ¥569 million.

<Cash flows from investing activities>

Cash flows from investing activities recorded a net cash outflow of ¥2,810 million (a net cash outflow of ¥8,386 million for the same period of the previous fiscal year). This was primarily due to an outflow of ¥7,673 million for purchases of property, plant and equipment in order to upgrade production facilities, improve productivity, and stabilize quality and an inflow of ¥5,000 million for proceeds from withdrawal of deposits paid to affiliated company.

<Cash flows from financing activities>

Cash flows from financing activities recorded a net cash outflow of ¥2,181 million (a net cash outflow of ¥4,690 million for the same period of the previous fiscal year). This was primarily due to an outflow of ¥2,187 million for dividends paid and repayments of long-term borrowings of ¥978 million.

(1) 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, 2023 from the forecast presented in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2022” announced on May 9, 2022.

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

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	12,556	10,651
Notes and accounts receivable - trade	44,104	44,580
Merchandise and finished goods	16,796	21,873
Work in process	3,698	3,933
Raw materials and supplies	2,919	3,120
Deposits paid	13,028	7,037
Other	2,727	3,376
Allowance for doubtful accounts	(2)	(2)
Total current assets	95,828	94,571
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,954	49,236
Land	19,694	19,991
Other, net	29,554	31,866
Total property, plant and equipment	97,204	101,094
Intangible assets		
Goodwill	2,467	2,458
Other	2,386	2,680
Total intangible assets	4,854	5,138
Investments and other assets		
Investment securities	5,693	5,641
Retirement benefit asset	13,078	13,211
Other	5,077	4,871
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	23,834	23,710
Total non-current assets	125,892	129,944
Total assets	221,721	224,515

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	49,644	52,851
Short-term borrowings	278	444
Current portion of long-term borrowings	3,555	3,569
Income taxes payable	745	980
Provision for bonuses	1,626	1,042
Other	15,809	15,269
Total current liability	71,659	74,158
Non-current liabilities		
Long-term borrowings	14,923	14,930
Provision for share awards for directors (and other officers)	83	86
Retirement benefit liabilities	4,825	4,848
Asset retirement obligations	401	403
Other	7,261	7,061
Total non-current liabilities	27,494	27,330
Total liabilities	99,154	101,488
Net assets		
Shareholders' equity		
Share capital	7,908	7,908
Capital surplus	10,185	10,185
Retained earnings	85,084	85,061
Treasury shares	(409)	(409)
Total shareholders' equity	102,769	102,746
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,095	2,057
Deferred gains or losses on hedges	(5)	(5)
Revaluation reserve for land	4,552	4,552
Foreign currency translation adjustment	468	943
Remeasurements of defined benefit plans	1,979	1,884
Total accumulated other comprehensive income	9,090	9,433
Non-controlling interests	10,706	10,847
Total net assets	122,567	123,027
Total liabilities and net assets	221,721	224,515

(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, 2021	For the three months ended June 30, 2022
Net sales	104,672	104,451
Cost of sales	90,446	91,517
Gross profit	14,225	12,934
Selling, general and administrative expenses	9,420	9,528
Operating profit	4,805	3,405
Non-operating income		
Interest and dividend income	66	54
Share of profit of entities accounted for using equity method	35	8
Subsidy income	53	101
Other	171	144
Total non-operating income	327	308
Non-operating expenses		
Interest expenses	32	32
Loss on abandonment of inventories	19	23
Other	15	7
Total non-operating expenses	67	63
Ordinary profit	5,065	3,650
Extraordinary income		
Gain on sale of non-current assets	6	1
Other	–	0
Total extraordinary income	6	1
Extraordinary losses		
Loss on sale of non-current assets	–	2
Loss on retirement of non-current assets	27	33
Other	5	1
Total extraordinary losses	33	36
Profit before income taxes	5,038	3,615
Income taxes	1,658	1,218
Profit	3,379	2,396
Profit attributable to non-controlling interests	407	154
Profit attributable to owners of parent	2,972	2,242

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

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Profit	3,379	2,396
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	(39)
Deferred gains or losses on hedges	(7)	0
Foreign currency translation adjustment	(138)	469
Remeasurements of defined benefit plans, net of tax	(78)	(94)
Share of other comprehensive income of entities accounted for using equity method	(5)	0
Total other comprehensive income	(267)	335
Comprehensive income	3,112	2,732
Comprehensive income attributable to		
Owners of parent	2,695	2,584
Non-controlling interests	417	148

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	5,038	3,615
Depreciation and amortization	2,533	2,573
Amortization of goodwill	27	81
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Increase (decrease) in provision for bonuses	(520)	(586)
Increase (decrease) in retirement benefit liability	61	16
Decrease (increase) in retirement benefit asset	(239)	(271)
Increase (decrease) in provision for share awards for directors (and other officers)	(1)	3
Interest and dividend income	(66)	(54)
Interest expenses	32	32
Share of loss (profit) of entities accounted for using equity method	(35)	(8)
Loss (gain) on sale of property, plant and equipment	(6)	1
Loss (gain) on valuation of investment securities	5	-
Loss on retirement of property, plant and equipment	27	33
Decrease (increase) in trade receivables	(1,050)	(437)
Decrease (increase) in other current assets	(600)	(845)
Decrease (increase) in inventories	(4,113)	(5,464)
Increase (decrease) in trade payables	4,784	3,173
Increase (decrease) in other current liabilities	1,083	694
Increase (decrease) in accrued consumption taxes	727	(66)
Increase (decrease) in long-term accounts payable - other	8	(6)
Other, net	(6)	(58)
Subtotal	7,685	2,425
Interest and dividends received	71	66
Interest paid	(32)	(33)
Income taxes paid	(3,390)	(569)
Net cash provided by (used in) operating activities	4,334	1,889

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Cash flows from investing activities		
Decrease (increase) in deposits paid	(5,000)	5,000
Purchase of property, plant and equipment	(2,100)	(7,673)
Proceeds from sale of property, plant and equipment	6	10
Purchase of intangible assets	(748)	(120)
Purchase of investment securities	(4)	(4)
Loan advances	(0)	–
Proceeds from collection of loans receivable	0	0
Payments of leasehold deposits	(12)	(7)
Proceeds from refund of leasehold deposits	6	86
Decrease (increase) in time deposits	(483)	38
Purchase of long-term prepaid expenses	(36)	(20)
Other, net	(14)	(120)
Net cash provided by (used in) investing activities	(8,386)	(2,810)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(302)	151
Repayments of lease obligations	(147)	(159)
Proceeds from long-term borrowings	–	1,000
Repayments of long-term borrowings	(1,074)	(978)
Dividends paid	(3,158)	(2,187)
Dividends paid to non-controlling interests	(7)	(7)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(4,690)	(2,181)
Effect of exchange rate change on cash and cash equivalents	(13)	21
Net increase (decrease) in cash and cash equivalents	(8,755)	(3,081)
Cash and cash equivalents at beginning of period	29,773	16,230
Cash and cash equivalents at end of period	21,017	13,149

(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, 2022 (from April 1, 2022 to June 30, 2022)
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, 2023 and calculates tax expense by multiplying profit before income taxes by the effective tax rate thus obtained.

(Additional information)

Changes in presentation method

Proceeds and expenses concerning the compound feed price stabilization system were previously posted under "Non-operating income" and "Non-operating expenses" respectively. However, from the first quarter ended June 30, 2022, they were posted under "Net sales" and "Selling, general and administrative expenses," respectively.

The reason for the changes is as follows. In the previous fiscal year, the Group received compensation money in an amount far greater than that of previous fiscal years on account of soaring feedstuff prices. In addition, the Group is in a business environment where the rise of feedstuff prices is not temporary owing to factors such as further increases in raw material prices due to the impact of the Russian invasion of Ukraine and the weakening of the yen stemming from the belt-tightening policy by the U.S. government. Looking ahead, it is expected that the Group will face an uncertain operating environment in which the volatility of raw materials procurement will become high in the course of making efforts to realize a carbon neutral society and reviewing the current supply chain by decoupling. To present the actual situation of the Group's business more appropriately, the quarterly consolidated statements of income for the first quarter ended June 30, 2021 have been reclassified.

As a result, ¥108 million posted in "Other" under "Non-operating income" and ¥14 million posted in "Other" under "Non-operating expenses" in the quarterly consolidated statements of income for the first quarter ended June 30, 2021 have been reclassified into "Net sales" and "Selling, general and administrative expenses," respectively.

(Segment information, etc.)

1. 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	33,785	104,551	120	104,672	–	104,672
(2) Intersegment sales or transfers	4	5,087	5,091	14	5,106	(5,106)	–
Total	70,770	38,872	109,643	135	109,778	(5,106)	104,672
Segment profit	4,747	395	5,142	52	5,195	(390)	4,805

(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

2. For the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	73,410	30,914	104,324	127	104,451	–	104,451
(2) Intersegment sales or transfers	2	6,080	6,083	13	6,096	(6,096)	–
Total	73,413	36,994	110,407	141	110,548	(6,096)	104,451
Segment profit (loss)	3,721	(177)	3,544	60	3,604	(198)	3,405

(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 ¥198 million includes corporate expenses of ¥199 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 quarterly consolidated statements of income.

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

None

(3) Matters concerning changes in reportable segments

As stated in “(Additional Information) Changes in presentation method,” proceeds and expenses concerning the compound feed price stabilization system that had been previously posted under “Non-operating income” and “Non-operating expenses,” respectively, are posted under “Net sales” and “Selling, general and administrative expenses,” respectively, from the first quarter ended June 30, 2022.

The segment information for the first quarter ended June 30, 2021 also presents the figures after reclassification. As a result of this change, net sales and segment profit of the Fresh Meat Business increased by ¥108 million and ¥94 million, respectively, compared to the amounts before reclassification.