

**Consolidated Financial Results**  
**for the Fiscal Year Ended March 31, 2021**  
**[Japanese GAAP]**



May 10, 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  
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 Scheduled date of the Annual General Meeting of Shareholders: June 29, 2021  
 Scheduled date of commencing dividend payments: June 30, 2021  
 Scheduled date of filing annual securities report: June 29, 2021  
 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, 2021(April 1, 2020 to March 31, 2021)**

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2021	433,572	3.7	21,475	37.3	22,411	40.4	14,165	60.5
March 31, 2020	418,060	1.2	15,636	18.7	15,959	15.4	8,823	6.5

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥17,657 million [106.4%]  
 Fiscal year ended March 31, 2020: ¥8,555 million [2.0%]

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	281.90	–	14.6	10.9	5.0
March 31, 2020	175.57	–	10.0	7.9	3.7

(Reference) Equity in earnings of affiliates: Fiscal year ended March 31, 2021: ¥182 million  
 Fiscal year ended March 31, 2020: ¥(386) million

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	214,542	114,761	48.3	2,062.41
As of March 31, 2020	198,530	100,134	45.6	1,802.47

(Reference) Equity: As of March 31, 2021: ¥103,632 million  
 As of March 31, 2020: ¥90,573 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, 2021	27,248	(12,205)	(7,509)	29,773
March 31, 2020	22,304	(5,875)	(7,924)	22,214

### 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, 2020	–	20.00	–	40.00	60.00	3,020	34.2	3.4
March 31, 2021	–	20.00	–	65.00	85.00	4,276	30.2	4.4
Fiscal year ending March 31, 2022 (Forecast)	–	20.00	–	45.00	65.00		–	

(Note) The year-end dividend for the fiscal year ended March 31, 2021 included an ordinary dividend of ¥45.00 and a commemorative dividend of ¥20.00 to mark the 90th anniversary of the foundation.

### 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 income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter-end (Cumulative)	220,600	3.9	8,100	(27.3)	8,200	(28.4)	5,200	(25.3)	103.49
Full year	437,700	1.0	16,600	(22.7)	16,800	(25.0)	10,500	(25.9)	208.96

#### 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, 2021: 50,524,399 shares

March 31, 2020: 50,524,399 shares

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

March 31, 2021: 275,939 shares

March 31, 2020: 275,049 shares

3) Average number of shares during the period

Fiscal year ended March 31, 2021: 50,248,927 shares

Fiscal year ended March 31, 2020: 50,252,828 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, 2021(April 1, 2020 to March 31, 2021)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2021	311,596	3.6	11,692	33.9	13,018	31.4	8,825	56.7
March 31, 2020	300,862	1.3	8,730	2.2	9,907	3.7	5,631	(20.4)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended		
March 31, 2021	175.63	—
March 31, 2020	112.06	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	143,742	71,841	50.0	1,429.72
As of March 31, 2020	136,538	65,560	48.0	1,304.70

(Reference) Equity: As of March 31, 2021: ¥71,841 million

As of March 31, 2020: ¥65,560 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., (1) Overview of Operating Results for the Fiscal Year Under Review" on page 2 of the attachment.
- The Company plans to hold a financial results briefing session for institutional investors and analysts on May 24, 2021. Soon after the event, we plan to post financial results briefing materials to be distributed at the briefing on our website.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year Under Review

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 fiscal 2020, consolidated basis.

During the fiscal year ended March 31, 2021, the Japanese economy was hit hard by COVID-19, particularly in the first quarter, as shown by indicators such as GDP and economic trend indices. Although gradual recovery set in after that, the impact of the pandemic became drawn out, prompting among other measures a new state of emergency declaration, and the economy was characterized by a clear divide in recovery fortunes depending on business sector and format.

While total household consumer spending continued to fall year on year, personal spending on food purchases for home consumption was at a high level. Demand for online purchasing, home-delivery and take-away services further expanded, fueling rapid change in consumer behavior and lifestyle patterns.

In our sector, overseas suppliers from which we import materials for processed foods were affected notably by the spread of COVID-19 and concerns over African swine fever, introducing supply-side uncertainty into the market environment. At the same time, in both pork and poultry markets in Japan, market prices remained high throughout the year, supported by strong demand for consumption at home.

Based on our mission as a group of creating “Healthy, well-rounded dietary habits and contributing to communities and a hearty food culture by providing safe, reliable products,” we set and worked to attain the basic policy goal in our medium-term management plan of “Strengthening corporate governance, continuous management innovation through CSR promotion,” “Expanding the scope of businesses and further strengthening the earnings base,” and “Business creation and global expansion for growth markets.”

In particular, as a food business, we concentrated on stepping up measures for prevention of infection, and on continuing to supply safe, worry-free products, to meet the expectations of our customers and consumers.

As a result, net sales amounted to ¥433,572million (up 3.7% year on year). In terms of profit, operating income was ¥21,475 million (up 37.3% year on year), ordinary income was ¥22,411 million (up 40.4% year on year), and net income attributable to owners of parent was ¥14,165 million (up 60.5% year on year).

Results by segment are as follows:

#### <Processed Foods Business>

##### 1) Ham and sausage section

We implemented measures to increase our share of a market characterized by robust home-cooking demand. 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. Appreciated for its fine taste, the series is supported widely by customers of all generations. With series awareness increasing, it is one of our core brands among customers.

Cured ham products and bacon products also continued to show strong performances, on demand for finger foods. Growth outpaced the market, and as a result we were able to increase market share.

In marketing promotion strategies, the events we hold at Tokyo Disney Resort® and other venues have not been fully reinstated, and some changes and cancellations have been necessary in the private events “Exclusive Precious Night” invitation campaign. However, we launched new initiatives such as the LINE campaign and launch of an official corporate Twitter account. At our plants, likewise, we continue to introduce reforms and improvements to raise productivity in production activities, even as we take rigorous measures against infectious disease. We embarked on man-hour productivity improvements, utility cost-cutting and other initiatives, steadily improving our cost competitiveness. As a result of measures to smoothly expand production at our new Ibaraki Plant, we also increased total net sales and volumes year on year in the ham and sausage section.

## 2) Processed foods section

As with the ham and sausage section, the processed foods section saw strong performances from household products such as Prima Grill Hamburg and other hamburger products, Salad Chicken with new variations such as on-a-stick type and Zeppin Tenshin series “Spring Roll Tray.” However, processed foods sales overall decreased year on year in terms of both value and volumes sold, with harsh conditions continuing to thwart full recovery in commercial-use products for the restaurant sector.

Our vendor business for convenience stores saw sales rise year-on-year, on development of new products and expansion of sales areas, and a year-on-year rise in profit was supported by improved productivity and stable raw materials prices.

As a result, net sales were ¥293,334 million (up 2.6% year on year) and segment income was ¥17,711 million (up 27.8% year on year).

## &lt;Fresh Meat Business&gt;

The purchasing environment for fresh meat was extremely harsh due to intensified global competition over procurement and the growing COVID-19 pandemic, but as a result of proactive measures such as securing original brand products and online negotiations with customers, we expanded sales in the Fresh Meat Business. We also pursued a profit-focused marketing policy through meticulous inventory management, while rigorously managing revenues from main customers on an individualized basis. Likewise, in production businesses, where we pursued growth centered on our pork production operations in Japan, we were able to ensure stable profit levels due to the high price levels prevailing on the pork market in Japan and our measures to improve our farm business performance and processing productivity. As a result, both sales and income rose year on year.

As a result, net sales were ¥139,719 million (up 6.1% year on year) and segment income was ¥3,613 million (up 136.4% year on year).

## &lt;Other Business&gt;

Net sales of Other Business (development, manufacture and sale of scientific instruments) were ¥518 million (down 5.0% year on year) and segment income was ¥148 million (down 43.9% year on year).

## (2) Overview of Financial Position for the Fiscal Year Under Review

## &lt;Assets&gt;

The total assets at the end of the fiscal year under review were ¥214,542 million, an increase of ¥16,011 million compared to the end of the previous fiscal year. This was mainly due to increases of ¥10,010 million in deposits paid, ¥2,645 million in machinery, equipment and vehicles, ¥1,991 million in net defined benefit asset, and ¥949 million in investment securities.

## &lt;Liabilities&gt;

Liabilities increased by ¥1,384 million compared to the end of the previous fiscal year to ¥99,781 million. This was mainly due to increases of ¥2,969 million in notes and accounts payable-trade, ¥499 million in short-term loans payable, and ¥400 million in accrued expenses, and a decrease of ¥3,305 million in long-term loans payable (including current portion of long-term loans payable).

## &lt;Net assets&gt;

Net assets increased by ¥14,626 million compared to the end of the previous fiscal year to ¥114,761 million. This was mainly due to an increase of ¥11,144 million in retained earnings.

## (3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year under review were ¥29,773 million, an increase of ¥7,558 million compared to the end of the previous fiscal year (an increase of ¥8,482 million for the previous fiscal year).

## &lt;Cash flows from operating activities&gt;

Cash flows from operating activities recorded a net cash inflow of ¥27,248 million (a net cash inflow of ¥22,304 million for the previous fiscal year). This was primarily due to income before income taxes of ¥21,916 million, depreciation and amortization of ¥9,923 million, an increase of ¥2,300 million in notes and accounts payable–trade, an increase of ¥522 million in notes and accounts receivable–trade, and income taxes paid of ¥6,339 million.

## &lt;Cash flows from investing activities&gt;

Cash flows from investing activities recorded a net cash outflow of ¥12,205 million (a net cash outflow of ¥5,875 million for the previous fiscal year). This was primarily due to an outflow of ¥9,843 million for purchase of property, plant and equipment in order to renew production facilities, improve productivity, and stabilize quality.

## &lt;Cash flows from financing activities&gt;

Cash flows from financing activities recorded a net cash outflow of ¥7,509 million (a net cash outflow of ¥7,924 million for the previous fiscal year). This was primarily due to an outflow of ¥3,475 million for repayment of long-term loans payable and cash dividends paid of ¥3,016 million.

## (Reference) Trends in cash flow indicators

	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021
Equity ratio	42.1	42.8	42.2	45.6	48.3
Equity ratio on market value basis	72.5	80.9	50.6	62.1	81.7
Ratio of interest-bearing debt to cash flow	1.0	3.0	1.2	1.1	0.8
Interest coverage ratio	148.2	66.8	125.9	151.0	216.9

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

Although the COVID-19 vaccination campaign has been launched in Japan, it is not certain how long it will take to bring COVID-19 under control. At the moment, we believe social activities need to be balanced against economic interests. Even after COVID-19 is brought under control, it is hard to imagine life returning to exactly the way it was before. So we expect that new lifestyles will spur evolution in purchasing and consumption behavior.

In our industry, there is a strong likelihood that the pork market will be severely impacted by African and Classical swine fevers, which have not yet been brought under control, purchasing trends in China, and an expected global increase in feed costs. The situation needs to be watched closely.

Against this backdrop, to realize the Group vision of contributing “To food culture and society through great taste and excitement,” management will emphasize ESG principles, to increase sales and improve profit quality by strengthening marketing, development and product-commercialization capabilities.

For this purpose, we are forming a clear idea of what kind of risks and opportunities can be expected in the medium-to-long term, and identifying major material issues (materiality) where action needs to be taken. By setting goals for the future and taking due action, the Company will focus on striking the right balance between ensuring continuous growth for the Group and contributing to resolution of social issues.

With a basic policy of becoming a “Company that customers will always love and support,” we are taking concrete measures to ensure fulfilment of management plan goals by “Strengthening basic sustainability through ESG measures” and “Expanding the scope of existing businesses and further strengthening the earnings base.” At the same time, we are working for long-term Group development through “Business creation and global expansion for growth markets.”

The Company forecasts net sales of ¥437,700 million, operating income of ¥16,600 million, ordinary income of ¥16,800 million, and net income attributable to owners of parent of ¥10,500 million for the fiscal year ending March 31, 2022.

#### (5) Basic Policy for Distribution of Profit and Dividends for FY2020 and FY2021

The Company views distribution of profit to shareholders as a priority by management, and has a basic policy of paying out a stable dividend while ensuring maintenance of a healthy financial structure and full availability of internal reserves for necessary future investments.

In light of this basic policy, and after a comprehensive review of performance in the year ended March 31, 2021 and future investment plans, etc., the Company has decided to pay out an ordinary dividend of ¥65.00 per share (¥20.00 as an already-paid interim dividend, plus a ¥45.00 year-end dividend). In commemoration of the 90th anniversary of our founding on September 1, 2021, and as an expression of thanks to all our shareholders, we also plan to pay out ¥20.00 per share as a commemorative dividend, in addition to the above-mentioned year-end payment.

Please refer to the “Notice regarding Increased Dividends of Surplus (and the 90th Anniversary Commemorative Dividend)” for further details of today’s announcement.

For the fiscal year ending March 31, 2022, the Company plans to pay a mid-term dividend of ¥20.00 per share and a year-end dividend of ¥45.00 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, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	13,907	12,968
Notes and accounts receivable—trade	42,305	43,435
Merchandise and finished goods	14,551	14,909
Work in process	2,882	3,257
Raw materials and supplies	2,332	2,418
Deposits paid	10,006	20,016
Other	1,326	1,744
Allowance for doubtful accounts	(2)	(2)
Total current assets	87,310	98,747
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	99,648	99,914
Accumulated depreciation	(50,480)	(50,615)
Buildings and structures, net	49,168	49,299
Machinery, equipment and vehicles	57,597	62,366
Accumulated depreciation	(41,417)	(43,541)
Machinery, equipment and vehicles, net	16,179	18,824
Lease assets	5,790	4,343
Accumulated depreciation	(4,268)	(2,815)
Lease assets, net	1,521	1,527
Land	18,742	19,178
Construction in progress	2,641	925
Other	4,700	5,344
Accumulated depreciation	(3,694)	(4,039)
Other, net	1,006	1,304
Total property, plant and equipment	89,259	91,060
Intangible assets		
Software	624	712
Software in progress	—	665
Other	521	288
Total intangible assets	1,146	1,666
Investments and other assets		
Investment securities	5,248	6,197
Long-term loans receivable	38	20
Long-term prepaid expenses	2,900	2,364
Retirement benefit asset	9,621	11,612
Deferred tax assets	1,842	1,656
Other	1,184	1,233
Allowance for doubtful accounts	(21)	(17)
Total investments and other assets	20,814	23,068
Total noncurrent assets	111,220	115,795
Total assets	198,530	214,542

(Million yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable–trade	44,988	47,958
Short-term loans payable	265	765
Current portion of long-term loans payable	3,432	3,444
Lease obligations	702	548
Income taxes payable	3,733	3,566
Provision for bonuses	1,427	1,530
Provision for directors' bonuses	30	20
Accrued expenses	8,730	9,131
Other	4,861	4,993
Total current liabilities	68,171	71,957
Noncurrent liabilities		
Long-term loans payable	19,639	16,322
Lease obligations	910	1,072
Deferred tax liabilities	2,182	2,811
Deferred tax liabilities for land revaluation	2,101	2,101
Provision for stock remuneration for directors and other officers	31	67
Net defined benefit liability	4,713	4,823
Asset retirement obligations	363	385
Other	281	238
Total noncurrent liabilities	30,225	27,823
Total liabilities	98,396	99,781
Net assets		
Shareholders' equity		
Capital stock	7,908	7,908
Capital surplus	8,600	8,601
Retained earnings	69,911	81,056
Treasury shares	(409)	(412)
Total shareholders' equity	86,010	97,153
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,567	2,295
Deferred gains or losses on hedges	(81)	(4)
Revaluation reserve for land	2,518	2,518
Foreign currency translation adjustment	(36)	141
Remeasurements of defined benefit plans	594	1,529
Total accumulated other comprehensive income	4,562	6,479
Non-controlling interests	9,561	11,128
Total net assets	100,134	114,761
Total liabilities and net assets	198,530	214,542

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	418,060	433,572
Cost of sales	351,290	360,167
Gross profit	66,769	73,405
Selling, general and administrative expenses	51,132	51,929
Operating income	15,636	21,475
Non-operating income		
Interest income	23	32
Dividends income	116	113
Share of profit of entities accounted for using equity method	–	182
Land and house rent received	113	119
Foreign exchange gains	132	60
Subsidy income	125	182
Other	533	555
Total non-operating income	1,044	1,246
Non-operating expenses		
Interest expenses	145	127
Share of loss of entities accounted for using equity method	386	–
Loss on abandonment of inventories	88	100
Financing expenses	45	38
Other	56	43
Total non-operating expenses	722	310
Ordinary income	15,959	22,411
Extraordinary income		
Gain on sales of noncurrent assets	2,244	17
Gain on sales of investment securities	4	31
Gain on sales of investments in capital of subsidiaries and associates	–	76
Subsidy income	154	164
Compensation income	–	223
Gain on bargain purchase	–	48
Other	5	4
Total extraordinary income	2,409	565
Extraordinary loss		
Loss on retirement of noncurrent assets	332	561
Loss on sales of noncurrent assets	4	3
Impairment loss	2,600	302
Loss on sales of investment securities	1	0
Loss on valuation of investment securities	83	174
Other	6	18
Total extraordinary loss	3,029	1,060
Income before income taxes	15,338	21,916
Income taxes—current	5,843	6,132
Income taxes—deferred	(382)	55
Income taxes	5,461	6,187
Net income	9,877	15,728
Net income attributable to non-controlling interests	1,054	1,563
Net income attributable to owners of the parent	8,823	14,165

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net income	9,877	15,728
Other comprehensive income		
Valuation difference on available-for-sale securities	(236)	726
Deferred gains or losses on hedges	(112)	76
Foreign currency translation adjustment	(155)	240
Remeasurements of defined benefit plans, net of tax	(787)	934
Share of other comprehensive income of associates accounted for using equity method	(30)	(50)
Total other comprehensive income	(1,321)	1,928
Comprehensive income	8,555	17,657
Comprehensive income attributable to:		
Owners of parent	7,508	16,082
Non-controlling interests	1,047	1,574

## (3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,908	8,600	64,108	(380)	80,237
Changes of items during period					
Dividends of surplus			(3,020)		(3,020)
Net income attributable to owners of parent			8,823		8,823
Purchase of treasury shares				(32)	(32)
Disposal of treasury shares		0		2	2
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	5,802	(29)	5,773
Balance at end of current period	7,908	8,600	69,911	(409)	86,010

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,803	32	2,518	142	1,382	5,877	8,521	94,635
Changes of items during period								
Dividends of surplus								(3,020)
Net income attributable to owners of parent								8,823
Purchase of treasury shares								(32)
Disposal of treasury shares								2
Change in ownership interest of parent due to transactions with non-controlling interests								—
Net changes of items other than shareholders' equity	(235)	(113)	—	(178)	(787)	(1,314)	1,040	(274)
Total changes of items during period	(235)	(113)	—	(178)	(787)	(1,314)	1,040	5,498
Balance at end of current period	1,567	(81)	2,518	(36)	594	4,562	9,561	100,134

For the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,908	8,600	69,911	(409)	86,010
Changes of items during period					
Dividends of surplus			(3,020)		(3,020)
Net income attributable to owners of parent			14,165		14,165
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	11,144	(2)	11,142
Balance at end of current period	7,908	8,601	81,056	(412)	97,153

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,567	(81)	2,518	(36)	594	4,562	9,561	100,134
Changes of items during period								
Dividends of surplus								(3,020)
Net income attributable to owners of parent								14,165
Purchase of treasury shares								(2)
Disposal of treasury shares								0
Change in ownership interest of parent due to transactions with non-controlling interests								0
Net changes of items other than shareholders' equity	727	76	-	178	934	1,916	1,567	3,484
Total changes of items during period	727	76	-	178	934	1,916	1,567	14,626
Balance at end of current period	2,295	(4)	2,518	141	1,529	6,479	11,128	114,761

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities		
Income before income taxes	15,338	21,916
Depreciation and amortization	9,729	9,923
Impairment loss	2,600	302
Amortization of goodwill	110	136
Gain on bargain purchase	–	(48)
Loss (gain) on valuation of investment securities	83	174
Increase (decrease) in allowance for doubtful accounts	(4)	(3)
Increase (decrease) in provision for bonuses	110	80
Increase (decrease) in provision for stock remuneration for directors and other officers	18	35
Increase (decrease) in allowance for retirement benefits for employees	125	127
(Increase) decrease in retirement benefit asset	(833)	(708)
Interest and dividends income	(139)	(146)
Interest expenses	145	127
Loss (gain) on sales of investment securities	(2)	(30)
Share of loss (profit) of entities accounted for using equity method	386	(182)
Loss (gain) on sales of property, plant and equipment	(2,239)	(13)
Loss on retirement of property, plant and equipment	332	561
Subsidy income	(154)	(164)
Decrease (increase) in notes and accounts receivable–trade	3,427	(522)
Decrease (increase) in other current assets	36	129
Decrease (increase) in inventories	525	(275)
Increase (decrease) in notes and accounts payable–trade	(3,025)	2,300
Increase (decrease) in other current liabilities	(596)	463
Increase (decrease) in accrued consumption taxes	569	(904)
Other, net	(169)	118
Subtotal	26,376	33,395
Interest and dividends income received	142	153
Interest expenses paid	(147)	(125)
Income taxes paid	(4,220)	(6,339)
Proceeds from subsidy income	154	164
Net cash provided by operating activities	22,304	27,248

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(14,091)	(9,843)
Proceeds from sales of property, plant and equipment	11,685	66
Purchase of intangible assets	(292)	(550)
Purchase of investment securities	(15)	(119)
Proceeds from sales of investment securities	8	190
Payments of loans receivable	(13)	(5)
Collection of loans receivable	44	32
Payments for lease deposits	(76)	(56)
Collection of lease deposits	25	20
Decrease (increase) in time deposits	(283)	(1,420)
Purchase of long-term prepaid expenses	(2,805)	(254)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(132)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	309
Other, net	(61)	(443)
Net cash used in investing activities	(5,875)	(12,205)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(36)	(266)
Repayments of lease obligations	(1,059)	(742)
Repayment of long-term loans payable	(3,774)	(3,475)
Cash dividends paid	(3,015)	(3,016)
Cash dividends paid to non-controlling interests	(7)	(7)
Purchase of treasury shares	(32)	(2)
Proceeds from disposal of treasury shares	0	0
Net cash used in financing activities	(7,924)	(7,509)
Effect of exchange rate change on cash and cash equivalents	(21)	24
Net increase (decrease) in cash and cash equivalents	8,482	7,558
Cash and cash equivalents at beginning of period	13,732	22,214
Cash and cash equivalents at end of period	22,214	29,773



## (5) Notes to the Consolidated Financial Statements

(Notes on going concern assumption)

None

## (Changes in presentation method)

For consolidated statements of income

“Financing expenses,” which was included in “Other” under “Non-operating expenses” for the previous fiscal year, has been separately presented from the fiscal year under review because their amount exceeded ten-hundredth of the total amount of non-operating expenses. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, “Other” of ¥101 million that was posted under “Non-operating expenses” in the consolidated statements of income for the previous fiscal year are reclassified into “Financing expenses” of ¥45 million and “Other” of ¥56 million.

## (Additional information)

Performance-linked stock remuneration plan for Directors and Executive Officers

The Company has introduced the Board Benefit Trust (BBT, hereinafter referred to as the “Plan”), a performance-linked stock remuneration plan for Directors (excluding part-time Directors) to further motivate the Directors to contribute to the medium- to long-term improvement in the business performance and corporate value, based on the resolution at the 71st Annual General Meeting of Shareholders held on June 28, 2018. At a meeting of the Board of Directors held May 13, 2019, a resolution was passed to change the title “Directors” as stated above to “Directors and some of the Executive Officers who are not concurrently serving as Directors.”

## (1) Outline of the Plan

The Plan is a performance-linked stock remuneration plan under which the Company’s shares are acquired through a trust using money contributed by the Company as the source of funds (hereinafter the trust that is established based on the Plan is referred to as the “Trust”), and Directors excluding part-time Directors and some of the Executive Officers who are not concurrently serving as Directors (hereinafter referred to as the “Directors, etc.”) are provided with the Company’s shares and cash equivalent to the market value of the Company’s shares (hereinafter referred to as the “Company’s Shares, etc.”) through the Trust in accordance with the Regulations for Delivery of Shares to Officers established by the Company. The Directors, etc. shall receive the Company’s Shares, etc. upon their retirement, in principle.

## (2) Company shares remaining in the Trust

Shares of the Company remaining in the Trust are recorded at their book value in the Trust as treasury shares in net assets (excluding incidental expenses). At the end of the year under review, consolidated basis, the book value of such treasury shares was ¥243 million, and the total of shares was 91 thousand shares.

(Segment information)

1. Overview of reportable segments

(1) Determination of reportable segments

- 1) Reportable segments of Prima Meat Packers, Ltd., (the “Company”) are business categories subject to performance evaluation and management resource allocation decisions on a monthly and yearly basis.
- 2) 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

- 3) 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.

2. Method for calculating of net sales, income 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 income in reportable segments are on an operating income basis. Intersegment sales and transfers are based on prevailing market prices.

3. Information relating to net sales, income or loss, assets, liabilities, and other amounts by reportable segment  
For the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustment	Consolidated financial statements (Note 2)
	Processed Foods Business	Fresh Meat Business	Total				
Net sales							
Sales to external customers	285,795	131,719	417,515	545	418,060	–	418,060
Internal sales or transfers	14	23,509	23,523	68	23,591	(23,591)	–
Total	285,810	155,228	441,038	613	441,652	(23,591)	418,060
Segment income	13,857	1,528	15,386	265	15,651	(14)	15,636
Segment assets	142,097	31,774	173,871	24,659	198,530	–	198,530
Other items							
Depreciation and amortization (Note 3)	8,319	916	9,236	493	9,729	–	9,729
Amortization of goodwill	18	92	110	–	110	–	110
Investment in entities accounted for using equity method	668	58	727	–	727	–	727
Increase in property, plant and equipment and intangible assets (Note 4)	12,171	830	13,001	376	13,378	–	13,378

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

2. Segment income is reconciled with operating income in the Consolidated Statements of Income.

3. Depreciation and amortization includes amortization of long-term prepaid expenses.

4. Increase in property, plant and equipment and intangible assets includes increase in long-term prepaid expenses.

For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31,2021)

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustment	Consolidated financial statements (Note 2)
	Processed Foods Business	Fresh Meat Business	Total				
Net sales							
Sales to external customers	293,334	139,719	433,054	518	433,572	–	433,572
Internal sales or transfers	14	20,583	20,597	46	20,644	(20,644)	–
Total	293,349	160,302	453,652	564	454,217	(20,644)	433,572
Segment income	17,711	3,613	21,325	148	21,474	1	21,475
Segment assets	146,513	35,726	182,240	32,302	214,542	–	214,542
Other items							
Depreciation and amortization (Note 3)	8,507	910	9,417	505	9,923	–	9,923
Amortization of goodwill	18	117	136	–	136	–	136
Investment in entities accounted for using equity method	768	52	820	–	820	–	820
Increase in property, plant and equipment and intangible assets (Note 4)	9,381	1,777	11,159	1,205	12,364	–	12,364

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

2. Segment income is reconciled with operating income in the consolidated income and loss statement.

3. Depreciation and amortization includes amortization of long-term prepaid expenses.

4. Increase in property, plant and equipment and intangible assets includes increase in long-term prepaid expenses.

## Related information

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

## 1. Information by products and services

(Million yen)

	Fresh meat	Ham and sausage	Processed foods	Other	Total
Sales to external customers	149,958	88,920	174,624	4,556	418,060

## 2. Information by geographical segment

## (1) 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.

## (2) 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.	116,312	Processed Foods Business

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

## 1. Information by products and services

(Million yen)

	Fresh meat	Ham and sausage	Processed foods	Other	Total
Sales to external customers	153,775	101,341	174,408	4,048	433,572

## 2. Information by geographical segment

## (1) 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.

## (2) 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.	119,927	Processed Foods Business

## Information concerning impairment loss on noncurrent assets by reportable segment

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable segments			Other	Corporate and eliminations	Total
	Processed Foods Business	Fresh Meat Business	Total			
Impairment loss	2,600	–	2,600	–	–	2,600

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segments			Other	Corporate and eliminations	Total
	Processed Foods Business	Fresh Meat Business	Total			
Impairment loss	–	302	302	–	–	302

## Information concerning amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Reportable segments			Other	Corporate and eliminations	Total
	Processed Foods Business	Fresh Meat Business	Total			
Amount amortized in FY2019	18	92	110	–	–	110
Balance as of March 31, 2020	88	277	365	–	–	365

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Reportable segments			Other	Corporate and eliminations	Total
	Processed Foods Business	Fresh Meat Business	Total			
Amount amortized in FY2020	18	117	136	–	–	136
Balance as of March 31, 2021	74	185	259	–	–	259

## Information concerning gain on bargain purchase by reporting segment

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

None

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

In the fiscal year under review, the Company acquired shares in Excel Farm Ltd. through Pacific Ocean Breeding Co., Ltd., and brought the company under the scope of consolidation, leading to the recording of a ¥48 million gain on bargain purchase in the Fresh Meat Business segment.

(Per share information)

(Yen)

	As of March 31, 2020	As of March 31, 2021
Net assets per share	1,802.47	2,062.41
Net income per share	175.57	281.90

- (Notes) 1. Diluted net income 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 net income 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 91 thousand shares, and in the calculation of net income per share for the period, the average total of deducted shares of treasury shares during the period is 91 thousand shares.
3. The basis for calculating net income per share is as follows.

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net income per share		
Net income attributable to owners of parent (Million yen)	8,823	14,165
Amount not attributable to common shareholders (Million yen)	—	—
Net income attributable to owners of parent associated with common shares (Million yen)	8,823	14,165
Average number of shares during the period (Thousand shares)	50,252	50,248

(Significant subsequent events)

None