

Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



February 3, 2025

Company name: Prima Meat Packers, Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Securities Code number: 2281
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 Scheduled date of commencing dividend payments: –
 Availability of supplementary briefing material on financial results: Yes
 Schedule of financial results briefing session: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2024	350,285	2.3	8,273	(20.4)	9,393	(16.0)	5,878	(5.2)
December 31, 2023	342,567	4.3	10,391	18.6	11,180	20.0	6,202	5.7

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥5,745 million [(33.5)%]
 Nine months ended December 31, 2023: ¥8,643 million [31.3%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	116.97	—
December 31, 2023	123.42	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	255,688	131,616	47.1
As of March 31, 2024	244,793	130,213	48.7

(Reference) Equity: As of December 31, 2024: ¥120,481 million
 As of March 31, 2024: ¥119,313 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen —	Yen 20.00	Yen —	Yen 45.00	Yen 65.00
Fiscal year ending March 31, 2025	—	40.00	—		
Fiscal year ending March 31, 2025 (Forecast)				40.00	80.00

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

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	460,000	2.6	9,500	(19.6)	11,000	(14.6)	8,000	6.8

(Note) Revision to the financial results forecast announced most recently: Yes

For the revision to the financial results forecast, please refer to the “Notice regarding Revision of Financial Results Forecast” announced today (February 3, 2025)

Notes:

(1) Significant changes in the scope of consolidation during the period: 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):

December 31, 2024: 50,524,399 shares

March 31, 2024: 50,524,399 shares

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

December 31, 2024: 260,918 shares

March 31, 2024: 270,641 shares

3) Average number of shares during the period:

Nine months ended December 31, 2024: 50,258,619 shares

Nine months ended December 31, 2023: 50,252,969 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”).

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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, (3) Explanation on Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the attachment.

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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 third quarter ended December 31, 2024, consolidated basis.

During the nine months ended December 31, 2024, the Japanese economy witnessed soaring prices due to globally rising raw material prices and the continued weakening of the yen. The National Consumer Price Index rose by as much as 3% in December compared to the same month last year, and by 2.5% year on year in 2024 on average.

The environment surrounding the food industry has continued to see mark-ups due to the impact of the soaring costs of raw materials, logistics, and packaging materials. As for the real consumer spending on meat as a whole, the amount spent on both fresh and processed meat has decreased for eight consecutive months since April, which clearly shows the trend of frugality.

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

As a result, for the nine months ended December 31, 2024, net sales amounted to ¥350,285 million (up 2.3% year on year). In terms of profit, operating profit was ¥8,273 million (down 20.4% year on year), ordinary profit was ¥9,393 million (down 16.0% year on year), and profit attributable to owners of parent was ¥5,878 million (down 5.2% year on year).

Results by segment are as follows:

<Processed Foods Business>

We implemented sixth price revisions since February 2022 in September 2024 for hams and sausages and other processed foods, raising the delivery prices for customers. While the industry as a whole continued to face a challenging environment with the sales amount in the retail products market overall decreased year on year, we constantly increased our share in the retail product market as in the previous fiscal year. However, this was not enough to compensate for the rise in manufacturing costs, causing profit to fall below that in the same period of the previous fiscal year.

1) Ham and sausage section

Sales of the Koukun® Sausage series, one of our core brands, continued to perform well, not only in the standard two-piece bundle size range, but also in the larger size range packed in a zipper bag. As part of sales promotion measures, we have continued to implement promotions such as the Tokyo Disney Resort® invitation campaign, the “Smile Up!®” promo campaign, and social media marketing campaigns, which enabled us to continue to expand the market share during the period. As a result, net sales and sales volume of retail products steadily surpassed those in the same period of the previous fiscal year.

2) Processed foods section

In the processed foods section, we expanded sales of consumer products mainly with the Spicy Stick, pre-fried chilled products, resulting in a rise of net sales year on year. In the commercial-use products category, the market for products for food service companies expanded due to consumption by visitors from abroad to Japan, while sales of products for convenience stores were affected by the impact of rising raw material prices, causing net sales to fall below those in the same period of the previous fiscal year. Profit was lower than in the same period of the previous fiscal year as sales were unable to fully offset purchasing costs due to the impact of the weakening of the yen.

Our vendor business for convenience stores experienced a slight decrease of net sales year on year due to sluggish sales of filled pastries and deli items. In addition, profit was lower than in the same period of the previous fiscal year due to higher manufacturing costs such as fuel costs and labor costs.

As a result of the above, net sales were ¥240,190 million (up 0.0% (¥95 million) year on year) and segment profit was ¥7,340 million (down 23.2% year on year) in the Processed Foods Business.

<Fresh Meat Business>

In order to respond to the continuously rising cost of purchasing imported goods caused by the persistently high local market prices and the impact of foreign exchange rates, we have reviewed the production areas of each livestock species, which resulted in net sales increased year on year. Profit was also higher than in the same period of the previous fiscal year due to an increase of pig shipments in the hog farming business and the impact of market prices of carcasses.

As a result of the above, net sales were ¥109,574 million (up 7.4% year on year) and segment profit was ¥1,043 million (up 9.5% year on year) in the Fresh Meat Business.

<Other Business>

Net sales from Other Business (development, manufacture and sale of scientific instruments) were ¥520 million (up 24.1% year on year) and segment profit was ¥242 million (up 34.7% year on year).

(2) Explanation on Financial Position

<Assets>

Total assets at the end of the third quarter were ¥255,688 million, an increase of ¥10,894 million compared to the end of the previous fiscal year. This was mainly due to increases of ¥7,994 million in notes and accounts receivable - trade, ¥3,404 million in inventories, and ¥1,881 million in cash and deposits, and decreases of ¥1,996 million in deposits paid and ¥1,056 million in goodwill.

<Liabilities>

Liabilities increased by ¥9,491 million compared to the end of the previous fiscal year to ¥124,071 million. This was mainly due to increases of ¥8,935 million in notes and accounts payable - trade and ¥1,100 million in long-term borrowings (including current portion of long-term borrowings).

<Net assets>

Net assets increased by ¥1,403 million compared to the end of the previous fiscal year to ¥131,616 million. This was mainly due to increases of ¥1,600 million in retained earnings and ¥985 million in foreign currency translation adjustment, and a decrease of ¥1,368 million in valuation difference on available-for-sale securities.

Cash Flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the third quarter amounted to ¥8,712 million, a decrease of ¥1,052 million compared to the end of the previous fiscal year (a decrease of ¥3,193 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 ¥12,642 million (a net cash inflow of ¥17,658 million for the same period of the previous fiscal year). The main factors were profit before income taxes of ¥10,349 million, depreciation and amortization of ¥8,461 million, income taxes paid of ¥4,498 million, an increase of ¥8,868 million in trade payables, an increase of ¥7,901 million in trade receivables, an increase of ¥3,291 million in inventories, and an increase of ¥2,105 million in other current liabilities.

<Cash flows from investing activities>

Cash flows from investing activities recorded a net cash outflow of ¥9,840 million (a net cash outflow of ¥14,304 million for the same period of the previous fiscal year). This was primarily due to outflows of ¥7,183 million for purchase of property, plant and equipment in order to upgrade production facilities, improve productivity, and stabilize quality, ¥2,048 million for purchase of intangible assets for the purpose of building a core system, and ¥2,128 million for purchase of investment securities, and an inflow of ¥2,487 million for proceeds from sale of investment securities.

<Cash flows from financing activities>

Cash flows from financing activities recorded a net cash outflow of ¥3,921 million (a net cash outflow of ¥6,663 million for the same period of the previous fiscal year). This was primarily due to an outflow of ¥4,267 million for dividends paid, an inflow of ¥3,900 million for proceeds from long-term borrowings, and an outflow of ¥2,799 million for repayments of long-term borrowings.

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

We have revised the consolidated financial results forecast for the fiscal year ending March 31, 2025. For details, please refer to the “Notice regarding Revision of Financial Results Forecast” announced today (on February 3, 2025).

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

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	13,253	15,134
Notes and accounts receivable - trade	52,592	60,586
Merchandise and finished goods	22,704	25,833
Raw materials and supplies	4,623	5,168
Work in process	4,656	4,387
Deposits paid	2,105	108
Other	3,259	2,537
Allowance for doubtful accounts	(2)	(2)
Total current assets	103,192	113,754
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	54,769	54,954
Land	19,919	19,947
Other, net	24,271	23,424
Total property, plant and equipment	98,961	98,325
Intangible assets		
Goodwill	1,440	383
Other	10,945	13,016
Total intangible assets	12,386	13,400
Investments and other assets		
Investment securities	8,855	8,677
Retirement benefit asset	14,620	14,958
Other	6,851	6,645
Allowance for doubtful accounts	(74)	(74)
Total investments and other assets	30,253	30,207
Total non-current assets	141,601	141,933
Total assets	244,793	255,688

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	58,856	67,791
Provision for bonuses	1,680	719
Income taxes payable	2,541	1,859
Short-term borrowings	362	126
Current portion of long-term borrowings	3,822	5,323
Other	17,887	19,966
Total current liabilities	85,150	95,787
Non-current liabilities		
Long-term borrowings	15,961	15,559
Retirement benefit liability	4,644	4,605
Provision for share awards for directors (and other officers)	108	88
Asset retirement obligations	410	413
Other	8,305	7,616
Total non-current liabilities	29,430	28,284
Total liabilities	114,580	124,071
Net assets		
Shareholders' equity		
Share capital	7,908	7,908
Capital surplus	10,199	10,219
Retained earnings	90,554	92,155
Treasury shares	(397)	(371)
Total shareholders' equity	108,265	109,911
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,053	1,684
Deferred gains or losses on hedges	(11)	110
Revaluation reserve for land	4,532	4,533
Foreign currency translation adjustment	1,847	2,832
Remeasurements of defined benefit plans	1,626	1,409
Total accumulated other comprehensive income	11,048	10,570
Non-controlling interests	10,899	11,134
Total net assets	130,213	131,616
Total liabilities and net assets	244,793	255,688

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	342,567	350,285
Cost of sales	302,988	312,643
Gross profit	39,578	37,642
Selling, general and administrative expenses	29,187	29,368
Operating profit	10,391	8,273
Non-operating income		
Interest and dividend income	186	291
Share of profit of entities accounted for using equity method	31	17
Foreign exchange gains	186	307
Subsidy income	116	222
Other	568	616
Total non-operating income	1,089	1,456
Non-operating expenses		
Interest expenses	118	111
Loss on valuation of derivatives	–	140
Other	182	84
Total non-operating expenses	300	336
Ordinary profit	11,180	9,393
Extraordinary income		
Gain on sale of non-current assets	4	3
Gain on sale of investment securities	148	2,324
Subsidy income	–	221
Insurance claim income	–	139
Other	0	7
Total extraordinary income	154	2,696
Extraordinary losses		
Loss on sale of non-current assets	25	19
Impairment losses	296	968
Loss on retirement of non-current assets	217	746
Other	127	6
Total extraordinary losses	667	1,740
Profit before income taxes	10,667	10,349
Income taxes	3,561	4,135
Profit	7,105	6,213
Profit attributable to non-controlling interests	903	334
Profit attributable to owners of parent	6,202	5,878

Quarterly Consolidated Statements of Comprehensive Income

For the Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	7,105	6,213
Other comprehensive income		
Valuation difference on available-for-sale securities	1,124	(1,359)
Deferred gains or losses on hedges	(12)	121
Foreign currency translation adjustment	638	985
Remeasurements of defined benefit plans, net of tax	(222)	(217)
Share of other comprehensive income of entities accounted for using equity method	9	1
Total other comprehensive income	1,537	(467)
Comprehensive income	8,643	5,745
Comprehensive income attributable to		
Owners of parent	7,744	5,400
Non-controlling interests	899	344

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	10,667	10,349
Depreciation and amortization	8,407	8,461
Impairment losses	296	968
Amortization of goodwill	131	135
Increase (decrease) in allowance for doubtful accounts	5	(0)
Increase (decrease) in provision for bonuses	(942)	(967)
Increase (decrease) in retirement benefit liability	(32)	(1)
Decrease (increase) in retirement benefit asset	(694)	(638)
Increase (decrease) in provision for share awards for directors (and other officers)	8	(19)
Interest and dividend income	(186)	(291)
Insurance claim income	—	(139)
Interest expenses	118	111
Loss (gain) on sale of investment securities	(148)	(2,324)
Share of loss (profit) of entities accounted for using equity method	(31)	(17)
Loss (gain) on sale of property, plant and equipment	20	16
Loss (gain) on valuation of investment securities	3	—
Loss (gain) on sale of shares of subsidiaries and associates	25	—
Loss on retirement of property, plant and equipment	217	746
Subsidy income	—	(221)
Decrease (increase) in trade receivables	(13,488)	(7,901)
Decrease (increase) in other current assets	336	24
Decrease (increase) in inventories	(5,775)	(3,291)
Increase (decrease) in trade payables	16,308	8,868
Increase (decrease) in other current liabilities	4,725	2,105
Increase (decrease) in accrued consumption taxes	1,038	(81)
Increase (decrease) in long-term accounts payable - other	0	(5)
Other, net	50	168
Subtotal	21,065	16,052
Interest and dividends received	172	277
Interest paid	(116)	(112)
Income taxes paid	(3,463)	(4,498)
Subsidies received	—	221
Proceeds from insurance income	—	702
Net cash provided by (used in) operating activities	17,658	12,642

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,860)	(7,183)
Proceeds from sale of property, plant and equipment	1,294	32
Proceeds from redemption of investment securities	—	81
Purchase of intangible assets	(3,731)	(2,048)
Purchase of investment securities	(1,402)	(2,128)
Proceeds from sale of investment securities	330	2,487
Loan advances	(5)	—
Proceeds from collection of loans receivable	0	0
Payments of leasehold deposits	(32)	(14)
Proceeds from refund of leasehold deposits	19	27
Decrease (increase) in time deposits	(136)	(297)
Purchase of long-term prepaid expenses	(1,713)	(389)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	10	—
Other, net	(78)	(407)
Net cash provided by (used in) investing activities	(14,304)	(9,840)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(115)	(278)
Repayments of lease liabilities	(393)	(387)
Proceeds from long-term borrowings	—	3,900
Repayments of long-term borrowings	(2,871)	(2,799)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(9)	—
Dividends paid	(3,264)	(4,267)
Dividends paid to non-controlling interests	(7)	(86)
Purchase of treasury shares	(1)	(1)
Net cash provided by (used in) financing activities	(6,663)	(3,921)
Effect of exchange rate change on cash and cash equivalents	115	67
Net increase (decrease) in cash and cash equivalents	(3,193)	(1,052)
Cash and cash equivalents at beginning of period	14,098	9,765
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(0)	—
Cash and cash equivalents at end of period	10,904	8,712

(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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
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, 2025 and calculates tax expense by multiplying profit before income taxes by the effective tax rate thus obtained.

(Segment information, etc.)

1. For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Information relating to net sales and profit or loss by reportable segment and information on breakdown of revenue

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Quarterly consolidated statements of income (Note 3)
	Processed Foods Business	Fresh Meat Business	Total				
Net sales							
Fresh meat	13,180	100,746	113,927	—	113,927	—	113,927
Ham and sausage	85,682	11	85,694	—	85,694	—	85,694
Processed foods	139,912	129	140,041	—	140,041	—	140,041
Other	1,287	364	1,651	416	2,068	—	2,068
Revenue from contracts with customers	240,062	101,252	341,314	416	341,730	—	341,730
Other revenue	32	800	833	3	836	—	836
Sales to external customers	240,095	102,052	342,147	419	342,567	—	342,567
Intersegment sales or transfers	8	16,614	16,622	42	16,664	(16,664)	—
Total	240,103	118,666	358,770	461	359,232	(16,664)	342,567
Segment profit (loss)	9,560	953	10,514	179	10,694	(302)	10,391

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

2. Adjustment for segment profit (loss) of ¥302 million includes corporate expenses of ¥302 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 segment

(Significant impairment loss on non-current assets)

In the Processed Foods Business segment, impairment losses of ¥296 million are recorded.

2. For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Information relating to net sales and profit or loss by reportable segment and information on breakdown of revenue

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	(Million yen) Quarterly consolidated statements of income (Note 3)
	Processed Foods Business	Fresh Meat Business	Total				
Net sales							
Fresh meat	12,480	108,983	121,463	—	121,463	—	121,463
Ham and sausage	90,743	18	90,761	—	90,761	—	90,761
Processed foods	135,834	145	135,979	—	135,979	—	135,979
Other	1,132	396	1,529	517	2,046	—	2,046
Revenue from contracts with customers	240,190	109,543	349,734	517	350,251	—	350,251
Other revenue	—	30	30	3	34	—	34
Sales to external customers	240,190	109,574	349,765	520	350,285	—	350,285
Intersegment sales or transfers	13	16,172	16,186	45	16,231	(16,231)	—
Total	240,204	125,747	365,951	565	366,517	(16,231)	350,285
Segment profit (loss)	7,340	1,043	8,383	242	8,626	(352)	8,273

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

2. Adjustment for segment profit (loss) of ¥352 million includes corporate expenses of ¥352 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 segment

(Significant changes in the amount of goodwill)

In the Processed Foods Business segment, impairment losses of ¥968 million are recorded.

(Revenue recognition)

Information on breakdown of revenue from contracts with customers is presented in the “Notes (Segment information, etc.)” section.