

Great taste, great connections

 **Prima Meat Packers**



Great Taste, Great Connections 2016

Prima Meat Packers' Group





Valuing the bonds we share with our customers,
we will forge a cheerful and
abundant future through
the great taste of our products and
the great connection between people.



Management Philosophy

Management philosophy - The basics -

- Be honest and dedicated
- The lifeblood of Prima is its products and quality
- Contribute to customers' lives by continuously innovating

Editorial Policy

We published this report to let more people know about the activities of the Prima Meat Packers Group by introducing the latest news from our company from a CSR standpoint. It was written in easy-to-read language and uses intuitive visuals. For more information on Prima Meat Packers' corporate social responsibility, please see our 2016 Social and Environmental Report, available on our website.

 <http://www.primaham.co.jp/company/report/>
(Japanese only)

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A Straight and Steady Path to Our Goal: To Be Indispensable to Our Customers

Thanks to your support, we enjoyed a strong year that included record net sales and net income.

Thanks to the support of its many stakeholders, the Prima Meat Packers Group enjoyed strong performance this past year, including record net sales and net income. Among the contributing factors were sales volume increases and productivity improvements. Our employees have dramatically raised their production volume per hour in recent years, and this has had a direct effect on profitability.

Let's look at our performance for each product group. In the ham and sausage business, our flagship product 'Koukun Arabiki Pork' performed well, with its popularity among consumers helping it become the second biggest selling product in the industry.

In processed food, we enjoyed growth for our main products in each product area, and even our new offerings elicited good market response. I believe this is an example of the positive results that can be achieved when our development and marketing departments communicate closely and pool their respective knowledge.

We implemented growth strategies, but we still have room for improvement.

To ensure we sustain this strong performance and achieve further growth, we have been proceeding

with numerous measures, including the capital investment that we began last fiscal year.

Construction was completed on our Ibaraki Plant's new sausage plant, which went onstream in June 2016. A major feature of this new plant is its environmental performance. Thanks to thorough energy-efficiency measures, we foresee this facility consuming 20% less electricity than our previous plant. We also believe that the new sausage plant's high degree of automation will give it 35% greater productivity. With operation of the new plant giving us 1.5 times our previous production capacity, we can expect to be even more competitive in the market.

Construction has begun on the Sagamihara No. 2 Plant of Prime Delica Co., Ltd. Prime Delica serves the burgeoning category of prepared food for convenience stores. The company aims to respond to vibrant demand by building labor-saving and highly automated production lines that will boost productivity.

Besides shoring up our production system, we have also been focusing on innovation in how we make products. This goes beyond product development to encompass everything from plant operation methods to manufacturing techniques and is based on the idea that we should innovate by making "unconventional the new conventional." People tend to be bound by past conventions, so I believe it is vital that we take into consideration viewpoints and ideas in every part of our organization

A portrait of Tetsuya Matsui, an elderly man with glasses, wearing a dark suit, white shirt, and patterned tie. He is gesturing with his right hand while speaking. The background is a blurred office setting with a window and blinds.

Tetsuya Matsui

President and Representative Director
Prima Meat Packers, Ltd.

so that we miss no opportunities to innovate.

In our efforts to develop overseas markets, we have made inroads in ASEAN countries, especially Thailand, where we have two wholly owned foreign subsidiaries. Of particular note is Primaham Thailand Co., Ltd., the first factory outside Japan to be JAS certified (Japan Agricultural Standard) for ham, sausage, and bacon and thus able to provide the Japanese and Thai markets with safe, reliable food products. Although Primaham Thailand initially supplied mainly Japanese-style supermarkets, convenience stores, and restaurants in Thailand, this past fiscal year it began serving Thai supermarkets, and it is now making Prima Meat products a familiar part of Thai people's lives. Primaham Thailand will continue to increase sales in Thailand and expand sales routes in neighboring countries like Singapore, Laos, and Myanmar. Our eventual goal is to have ASEAN sales account for 20%–30% of overall sales.

Despite these and other successes, we have had our problems. One of these was in our fresh meats division, where we recorded a large valuation loss for our imported frozen meat warehouse. We are painfully aware that this was due to our failure to thoroughly manage this facility. If we are to achieve further growth we must not merely go on the offensive in terms of development and marketing but also go on the defensive in terms of management and control of our assets. It is crucial that we learn from this lesson so that we do not repeat the same mistake.

We stress building employee character and corporate culture in order to earn the trust of our customers and society as a whole.

Our management policy states our goal of being a “company that is indispensable to our customers.” To achieve this goal, we must earn the trust of not just customers but all stakeholders including suppliers, retailers, and shareholders.

Fundamental to achieving this goal are safety and reliability. Unfortunately, the food industry has had its trust severely shaken in recent years with incidents such as foreign items being discovered in food products.

While hardware measures such as installing security cameras are necessary to prevent incidents like these, I believe that what's more important is attending to the needs of employees. Company management members like myself must visit production sites in person to help create an atmosphere in which each and every employee feels free to bring up any matter with his or her colleagues or bosses. If we place importance on our employees, they will want to place importance on their company and the products they make. As a result, Prima Meat Packers will make and sell products that consumers love. This is my dream. It is also the key to the further growth of the Prima Meat Packers Group.

Boosting Marketing Strength

We aim to increase market share by improving three aspects of selling effectiveness.

Under Prima Meat Packers' medium-term management plan for fiscal 2016 to 2018, called the Rolling Plan, our policy is to increase net sales by improving our overall selling effectiveness and development prowess. In this section, Masahiko Yano, Executive General Manager of Sales Division, explains improving selling effectiveness, a key measure towards achieving our goals.

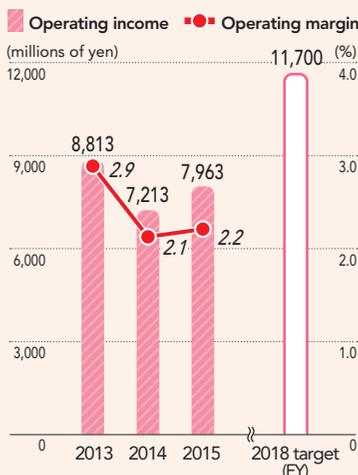
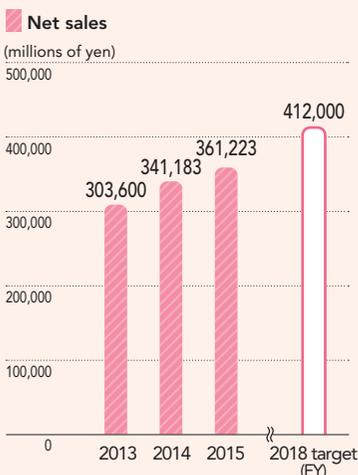
We will increase market share by raising brand recognition and strengthening relations with our customers.

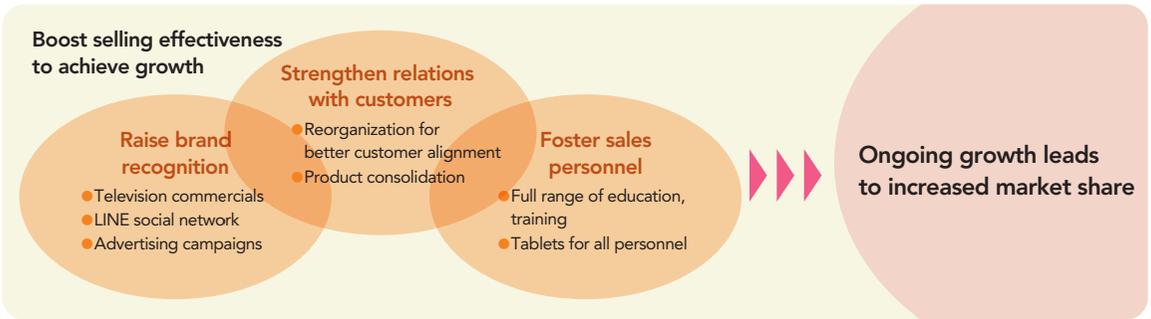
Most consumers in recent years are focused on saving. At the same time, they are intent on getting the best quality for the best price; in other words, we are seeing a "value-oriented" consumer market. Meanwhile, the distribution industry through which our products are sold is increasingly forming into large groups and oligopolies, and taking shape in numerous forms including e-commerce. Amidst the lightning-fast changes of this environment, the Prima Meat Packers Group is conducting sales activities based on a policy of increasing market share to achieve sustainable growth.

Our first focus under this policy is to raise brand recognition among consumers. In addition to television commercials, we have joined the LINE social network, a powerful tool for reaching out to the younger generation, and we were the first company in the meat industry to open an official account. Taking advantage of LINE's communication tools, such as the ability to send

out free stamps to users, we have racked up an astounding number of "friends" on this network—almost 7 million. We also have ongoing consumer-targeted advertising campaigns that leverage our status as an official sponsor of Tokyo Disneyland® and Tokyo DisneySea®.

Our second focus has been to strengthen relationships with our customers, who interact directly with consumers. Systematically, we have arranged the geographical areas of each of our branch offices to match the needs of our customers so that cooperation between Prima Meat Packers and its customers proceeds smoothly. We have also pared down our offerings to focus on key products, and this has helped us secure shelf space at retailers. Efforts like these to "prioritize and consolidate" have also led to higher efficiency at our production sites.





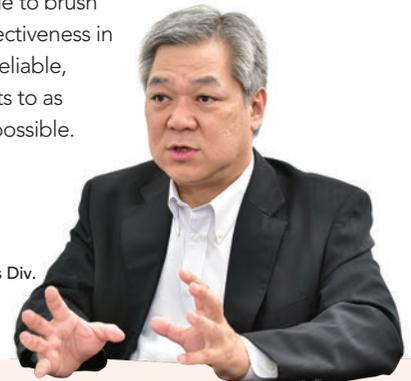
Improving the quality of our marketing has led to solid results.

Even more important than the aforementioned organizational measures, a third and crucial focus in boosting selling effectiveness has been ensuring that our sales personnel use originality and ingenuity in their jobs. To this end, Prima Meat Packers has a full range of education and training programs including classroom and skills training for each level of employees, and overseas studies. We also encourage sales personnel to innovate to keep up with today's changing times.

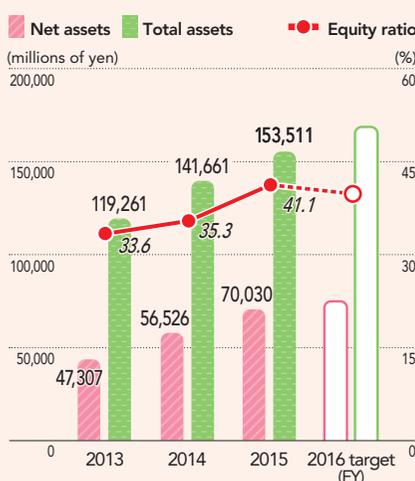
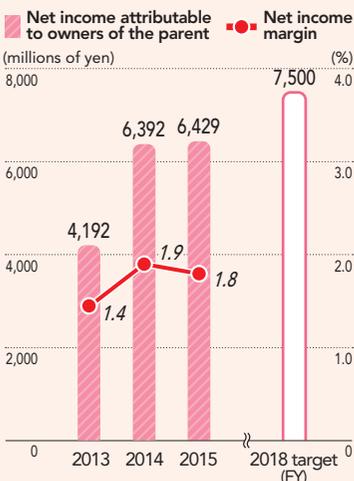
For example, all of our sales representatives have their own tablets. This allows them to reference in-house documents during sales visits that they can use to give presentations to customers right then and there. Sales representatives can also transmit information back to their office from wherever they are, thus saving themselves a trip. We also believe that such flexibility in the way employees work will contribute to their work-life balance.

Efforts like these to reform multiple aspects of business have helped us increase our sales volume and expand our market share for the past five consecutive years in the product category of ham and sausage consumer packs. Particularly outstanding has been our flagship product Koukun Arabiki Pork, which has risen in terms of net sales from fifth place when it was first released to second place currently.

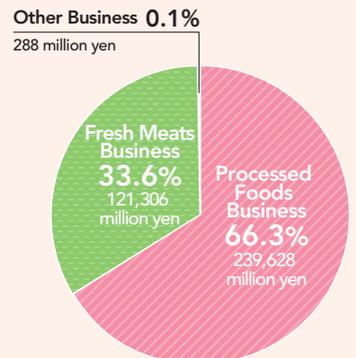
We will continue to brush up on our selling effectiveness in order to bring safe, reliable, and enticing products to as many customers as possible.



Masahiko Yano
Executive Director
General Manager of Sales Div.



Sales composition by business segment for the fiscal year ended March 31, 2016



State-of-the-Art Sausage Plant Goes Onstream at Ibaraki Plant



Sopprin,
the Arabiki Alien

*Here's where we make Koukun.
You can even take a tour
to see it being made!*



In May 2016 at our Ibaraki Plant, we completed construction of a new sausage plant to boost productivity for the manufacturing of wieners and franks. Under a highly efficient, environmentally friendly production system, the state-of-the-art plant produces delicious, safe, and reliable products.



Overview of the Sausage Plant

Address:
635 Nakamukaihara,
Tsuchiura-shi, Ibaraki-ken
Site area:
119,860 m²

[Message from the Plant Manager]

Besides using the latest production equipment, we adhere strictly to the principles of food manufacturing.

The purpose of building the new plant was to raise productivity and boost plant energy efficiency. To achieve these goals, we had to think outside the box; for example, we worked with the production equipment manufacturer to develop proprietary equipment, and we consolidated production lines into a single line. We're proud that this plant achieves the industry's highest standards.

We now want to make this the "mother plant" and disseminate production know-how throughout the Prima Meat Packers Group as we adhere to the fundamentals of food production, ensure greater safety and peace of mind, and create products that make customers happy.



Hiroaki Nakata
Plant Manager, Ibaraki Plant

Goals of the new plant

Raise productivity

Improve environmental performance

Increase safety and reliability

Live in harmony with the community



Increase Safety and Reliability

Kensuke Nakayasu
Quality Control Section, Ibaraki Plant



We strive to increase reliability through strict hygiene control.

In addition to adhering to ISO and other international standards, the new plant also boosts reliability in terms of hygiene measures. For example, to ensure that there is no contact among employees and among different raw materials in the plant, people and materials always proceed in a one-way direction. We also strive for strict hygiene in all processes by thoroughly controlling factors such as humidity and by improving washing efficiency. The facilities are also divided into areas depending on hygiene level, and each area is only accessible to workers assigned to it.



There are separate employee entrances for each zone, and smart ID cards are used to monitor employees' entry and exit.



Equipment such as metal detectors and X-ray inspection apparatus keep out impurities.



Employees wash hands and gargle using slightly acidic electrolyzed water, a highly effective disinfectant.

We want to get to know the community.

The Ibaraki Plant holds exchanges and get-togethers with the community. We take part in locally sponsored events, and we invite residents to events that we hold on our premises, such as a summer Bon dance. To further promote communication and exchanges with local residents, we built a special walkway in our new plant, from where visitors taking plant tours can easily view all production processes, from raw material processing all the way to product packaging.

We will continue to place a high value on relationships with customers as we strive to make the Ibaraki Plant a production site that is known and trusted by the community.

Live in Harmony with the Community



Takuji Yamada
General Affairs Section,
Ibaraki Plant

From a special pathway, plant visitors—even children—can easily see and understand the production flow.

Raise Productivity

Let me tell you how we make our **tasty wieners!**
So crisp and juicy!



Mixing

The flavor is created by kneading select ingredients with spices.

Filling

We installed proprietary equipment that has cut work time in half!



Heat treatment

Here's where we smoke the wieners to give them their color and aroma!



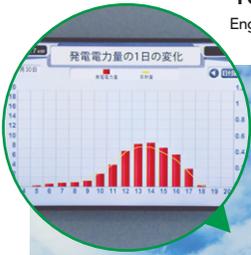
Improve Environmental Performance

Toru Shibata
Engineering Section,
Ibaraki Plant



We aim to be a green factory by implementing strict environmental measures.

With environmental performance becoming a key factor in production equipment in recent years, our new plant utilizes equipment that achieves green manufacturing. We boosted productivity by eliminating all aspects that waste time and labor, resulting in a dramatic improvement in energy efficiency throughout the plant. In addition, by installing equipment such as a highly energy-efficient water heating system and a solar power generation system that helps reduce CO₂ emissions, we achieved a 20% reduction in electricity consumption.



A solar power generation system utilizes wall space, and an information monitor shows how much energy is being generated and saved.



Refrigeration equipment uses a non-CFC natural refrigerant that does not contribute to depletion of the ozone layer.



The boiler uses liquefied petroleum gas (LPG), which has a low environmental impact during combustion.



An oil-free air compressor requires no lubricant.



Prima
Meat Packers
Products

We've expanded the Koukun lineup.

Tastes great boiled



April 2017 will mark 15 years of sales for Koukun. What's the secret to this longtime favorite? A flavorful aroma from deep inside born of the natural taste of 11 different freshly ground spices, along with a mouth-watering aroma that wafts off the outside thanks to cherry-wood smoking. To help consumers enjoy Koukun in so many different ways, we've come out with a range of product series that respond to their requests.

Koukun Arabiki Pork

Prima Meat Packers' flagship product. The No. 2 ranked product in the wiener category in fiscal 2015.

Source: INTAGE SCI

Since 2007, Koukun Arabiki Pork has won six Gold awards in DLG Quality Tests performed by the DLG (Deutsche Landwirtschafts-Gesellschaft — German Agricultural Society).



I want
authentic bacon!

Koukun Choice Bacon

JAS (Japan Agricultural Standard)-certified, premium quality bacon. Carefully smoked, and sliced to just the right thickness so consumers can savor the true taste of meat.



Koukun Gallery

Television commercial



A young girl chef prepares dishes using Koukun products together with the three little pigs of the Koukun Ballet.

Packaging themes



Prayers for a successful entrance exam



Cherry blossom season



Halloween

I want some Koukun to go with my favorite drink!



Koukun Salami

Containing the freshly ground spices you'd expect with Koukun, this new product takes meat's umami to a whole new level. Can be eaten as is, right out of the package.

Sausage that has been dried to 35% or less water content to extend its shelf life is called dried sausage. Salami is dried sausage that contains only beef and pork as its meat content (JAS definition). Koukun Salami uses pork.

I want to put Koukun in my kids' lunch boxes!



Koukun Arabiki Mini Steaks

The pack can be easily split into two by tearing along the dotted line. Each of the two packs conveniently has the freshness date written on it.

I want a dinner that's filling and satisfying!

Koukun Arabiki Steaks

JAS-certified, premium-quality sausage. These thick and large slices will satisfy children with big appetites and adults as well.



May 9 is Koukun Day!

In February 2015, Koukun Day was officially recognized by the Japan Anniversary Association.





Lunch

A favorite with both kids and adults



Miniature rice omelet lunch box

For one person

Three Koukun Arabiki Pork sausages

Onions, green peppers, cooked rice, vegetable oil, salt and pepper, eggs, milk, pre-cooked meatballs, baby tomatoes, broccoli, nori (seaweed), ketchup



Salad Toast

For two persons

Four slices of Fresh Roast Ham Individual Packs

Thickly sliced bread, eggs, salt, milk, vegetable oil, salad leaves, baby tomatoes, French dressing



Breakfast

We want you to enjoy Prima Meat Packers' offerings everyday.

We want to keep you well fed!



When you're in a hurry in the morning

Comment

Meats and processed meats are a good source of protein. Because Prima Meat Packers wants to help you plan your daily meals and enjoy a healthy and balanced diet, we bring you a wealth of recipes. We're particularly focused on giving you easy-to-make recipes that make the most of the quality and great taste of our products. We also provide you with helpful hints to cooking meat that take into account the importance of preparing the meat and cooking it at the right temperature. We hope that you'll also notice the colors and mouth-watering presentation of each dish.

(From left)

Tomoko Seki (Product Planning Department)
Takaharu Kiuchi (General Affairs & Public Relations Department)
Yasuko Yamashita (Meat Marketing and Planning Team)





Hamburg steak and squash pilaf Halloween plate

For three persons

10 slices of Fresh Roast Ham Individual Packs
One package of Prima Grill Demi-glace
Hamburg Steaks (three per package)

Uncooked rice, squash, water, salt, ketchup, vegetable oil, cheese slices, black olives (thinly sliced), broccoli, raw vegetables of choice



An ideal main dish for dinner

Dinner



Tender and juicy

Recipes

That's why we make our products!



Fried roast beef



For four persons

Approx. 500g of Ajiwai Budougyuu

Salt, vegetable oil, potatoes, onions, red wine, soy sauce, sugar, vinegar, daikon, mayonnaise, wasabi (optional), watercress (as garnish)

It's more than just a snack with beer



Karpas and potato omelet

For two persons

Two-thirds of one package of Karpas Hokkaido Tokachi

Onions, potatoes, olive oil, eggs, milk, parmesan cheese, ketchup



Late-night snack



Discover the many ways to enjoy Prima Meat Packers' products! See our website for recipes!

See our website for recipes!



Japanese only

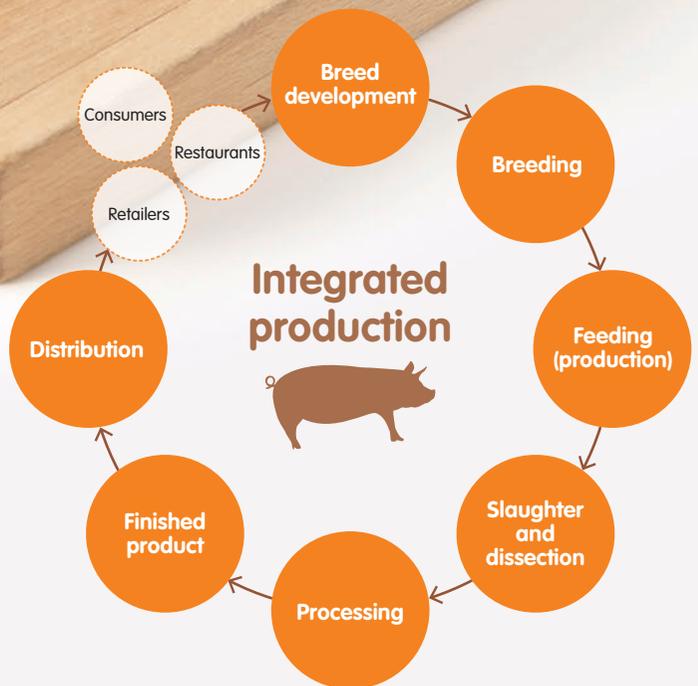
Fresh Meats Business

What makes
Prima Meat Packers'
fresh meat so delicious?



Focus on integrated production

We want to bring customers safe, reliable, and delicious fresh meat. That's why we insist on integrated production. For pork, we conduct every stage of the process: we develop our own breeds, raise, feed, slaughter, and process them, then market them as original and unique Prima Meat Packers products.



Breed Improvement

We're taking on new challenges in order to provide pork that meets consumer needs.

As a fresh meats producer, Prima Meat Packers is expected to come out with high-value-added pork products that meet consumers' diverse range of tastes and the need to eat healthy food. Our production processes must also be resistant to diseases and efficient, thus achieving both safety and high productivity. An important element to realizing such pork products is breed improvement.

Pacific Ocean Breeding Co., Ltd. is a Prima Meat Packers Group company that operates hog farms. The company's main efforts include collaborating on pig breed improvement with Swine Genetics International, a company based in the U.S., the world's leading hog farming country, and Canadian company HyLife Ltd. It has been taking on a new challenge in recent years. It has been breeding mother sows by crossing different breeds, then mating these to give birth to new brands of pigs. The company hopes to bring this effort to the product stage within a few years.



Veterinary Team

We continuously strengthen biosecurity in order to provide healthy pork.

Prima Meat Packers has four hog farms in Japan. Because a fresh meats producer's mission is to provide healthy pork, in 2015 we launched a veterinarian team in order to strengthen biosecurity on our farm sites.

The four veterinarians of this team perform health checkups on pigs, work to control epidemics, and take preventative measures against diseases.

Comment

Yuko Yanagisawa (left)
Kanako Myose (right)

Pacific Ocean Breeding Co., Ltd.
DVM



Our most important role as veterinarians is to ensure that the hogs don't get sick. To this end, we determine where and for how long on site viruses are hiding, create protocol to prevent pathogens from entering the farms, and design programs to administer vaccines and antibiotics. As well, because growth will be inhibited if hogs get sick when they are young, in the period immediately following weaning, when the hogs' immune system weakens, we use air conditioning and take careful sanitary measures so that the youngsters can grow up strong and healthy. Safe, delicious pork starts with healthy hogs. As veterinarians, we will continue to do our part in working closely with other personnel on our farms to bring consumers delicious pork products.

Locally Packaged Products

Consumers like these products for their quality and freshness, and for a later expiration date and freshness date.

Group companies Kamifurano Kobo (Hokkaido) and Nishi Nihon Best Packers (Kagoshima) carry out on-site vacuum packaging of their fresh pork, which is then shipped directly to market. Besides their quality and freshness, because these products go directly from the factory to the market, they offer consumers a later expiration date and freshness date.



Meats that bring multiple benefits into a single product

Herb Sangenton



Herb Sangenton is a tender, juicy pork product that was developed jointly with HyLife Ltd., Canada's leading pork producer. Made from hogs that are a cross between the Landrace, Large White, and Duroc breeds preferred by Japanese consumers, the pork is raised on feed containing extracts of herbs.



Kagoshima Mochi Buta



Prima Meat Packers Group company Pork Quality Research Farm, Ltd. starts by breeding outstanding mother sows. Because of the importance of pedigree and feed type on meat quality, Duroc hogs are chosen as the terminal sires, and starting from 60 days before final product shipment, the hogs are given feed containing 10% barley, resulting in a high-quality pork product.



Kita no Shizuku Ushi



This beef combines Japanese black cows, known for their high-quality, and Holsteins, which can produce large quantities of meat. The cows are painstakingly raised at the farms of the Gyuniku Hiiku no Kai, our designated producer in Hokkaido.



Satsuma Sodachi Koujun Dori



The concept of this product is "chickens raised to be healthy and delicious." The chickens are raised in a cage-free poultry house with plenty of room to move around, and their feed contains no antibiotics. This is possible thanks to thorough sterilization of the poultry house and by rearing the chickens through meticulous, daily control measures. This product is characterized by its succulent, tasty meat.





Prima Meat Packers Fresh Meats Brands

Careful attention to feed

Barley



A subtle taste

We developed this product to be as close as possible to Japanese pork. This American pork has a light yet full-bodied taste. By using an original feed mixture containing barley, this meat is characterized by its hard fat and firm texture.



Oregano (herb)



Superb aroma and meat quality

Oregano Beef is an Australian beef product made from cows raised on an original feed containing oregano. We're proud of the savory taste of this product, which comes from having plenty of the mature aroma constituent that gives beef its sweet smell, and having very little of the aldehyde that gives meat a gamey smell. The cows producing this high-quality beef are grain fed over a slightly longer period, 120 days, than cows for standard Australian beef.



Rice



Savory, rich, and sweet

Komedori comes from chickens raised in Thailand on original feed that contains rice. It is tender, odorless, and has a color that exudes freshness. Its biggest selling point is the combination of *umami* (savory), richness, and sweetness. This advantage has been verified through numerous scientific tests.



Group Companies

Welcome to Akita Prima Foods Co., Ltd.



Namahage

Akita Prima Foods Co., Ltd.

Address: 1 Akahage, Ishiwaki, Yurihonjo-shi, Akita-ken, Japan

Employees: 153 (as of March 2016)

Site area: 56,805 m²

In 1961, the company was the first business that the local government enticed to come and locate in Akita Prefecture, and under the name Prima Meat Packers Akita Plant it produced ham and sausages. It converted to making processed foods in 2000 and changed its name to Akita Prima Foods Co., Ltd. in 2002. The company currently produces a wide range of products as the central site of the Prima Meat Packers Group for processed foods.

Located in a gorgeous natural setting of lush mountains and a river flowing into the Japan Sea, Akita Prima Foods works day in and day out to make products that consumers love. The company strives to develop products that utilize locally sourced ingredients.



We make popular
Prima Meat Packers food items!

Main Products

Frozen foods, foil pouch foods, spring rolls, chilled hamburger steaks, soups, pork cutlets, uncooked chicken meatballs, roast beef, etc.



Shinichiro Saito
Production Section

Kayoko Kozawa
Production Section

Message from the President

We continue to make products that our customers love by drawing on our rich past and utilizing our young, energetic present.

Akita Prima Foods has built up a wealth of technology in food processing over its long history of making has and sausages. This expertise, along with our certification for the FSSC 22000 Food Safety System, form the basis of our employees' ongoing efforts to make products of the highest quality and safety. In recent years, we have tried as much as possible to hire new university graduates—if possible those originally born and raised nearby. This way, our rich history can be carried on by young and energetic employees. We will continue to hire and train young employees who will take us into the next generation as we strive to contribute not only to the growth of the Prima Meat Packers Group but also to the revitalization of the local community.



Tomohiro Ito
President and Representative Director
Akita Prima Foods Co., Ltd.

We bring Akita's home-grown ingredients to people all over Japan.

Akita Prefecture is blessed with an abundance of nature and is a treasure chest of ingredients unique to the locality. These include Hinai free range chickens, the local favorite *kiritanpo*, and rice flour. Collaborating with local suppliers, we use items like these to make products that, through our group network, bring good taste to consumers all over Japan and also revitalize the society and economy of Akita.

We use local ingredients to make delicious products like these!



Hiromi Sato
Production Section



We've upgraded our spring roll production process, giving us greater efficiency and bringing consumers even better taste.

Customers love our spring rolls for their easy preparation — just warm them up in a frying pan. By improving the chilling efficiency of our production process, we gave these products an even crispier texture and a better taste than ever. This improvement resulted in higher demand for our spring rolls from customers, to which we responded by boosting productivity through measures such as adding more forming equipment and connecting the production steps in order to form a production line.

Our spring rolls allow you to savor the *umami* of meat and vegetables.



Nobuaki Otomo
Production Section

We pursue ideal food production by encouraging communication among our employees.

Akita Prima Foods' strength lies in the close-knit communication among company divisions. Through the realization of ideal production lines based on employee input, we are able to create products that our customers love. For example, we incorporate and develop production lines suited to new products, and we continuously improve production equipment in response to changing production needs.

Employees in production have a say in making our products better.



Suzuko Saito
Quality Control Section



Veterans Pass on Their Skills to Young Employees

The years of experience of our veteran employees make them the backbone of Prima Meat Packers' production lines. The manufacturing spirit and production skills they have acquired are passed on to young employees who will form the next generation of Prima Meat Packers.

The Teachers

Being a production technician requires perseverance. This is because each piece of machinery in the production facilities is unique, and if you don't fully grasp its uniqueness and characteristics, you won't arrive at the optimal solution. As production technicians, our mission is to pass on the experience and knowledge we have acquired over years of trial and error to the young employees. Akita people are known for being earnest and tenacious. We want our young employees to use these qualities to acquire not just the production skills passed down at Prima Meat Packers but also a sense of pride and joy in creating products that make customers happy.



(From left) Shiro Sato, Koichi Masaki, Isamu Ogasawara, Masumi Ogawa

The Students

Daily interaction with senior employees makes us aware of not only how much more knowledgeable and experienced they are than us, but also how much more trust and reliability they have in the factory than we do. Whenever there is a problem related to production, the first people that production staff go to for help are these senior employees. As soon as possible, we want to earn the trust of production staff and become someone that people can come to for advice. To achieve this goal, we shouldn't just wait for senior employees to teach us something, but rather take the initiative ourselves and ask questions about anything that we don't understand. We will continue to brush up our skills so that we can contribute to creating products that make customers happy.



(From left) Misato Saito, Shun Sato, Tsubasa Takahashi

One with the Community

Prima Meat Packers has been an integral part of the community in Akita for half a century. Akita Prima Foods has been recognized for its contributions to the community, with honors including a 2015 commendation from the Akita prefectural government for setting up business locally and contributing to the economy over many years.

As part efforts to revitalize the municipality, the city of Yurihonjo has provided its full cooperation in Akita Prima Foods' manufacturing of its cheap but tasty Honjo Fried Ham.



Every year, employees of Akita Prima Foods take part in silvicultural activities sponsored by the Honjo Suigen no Mori Forest Cultivation Association. These include trimming zelkova, beech, and other species of trees, and picking up litter nearby.



A team comprising Akita Prima Foods' employees takes part in the annual Koyoshi River Regatta, a rowing race with a 30-plus-year history that is a much-anticipated event of autumn.

Akita Prima Foods takes every possible opportunity to join local seasonal events, including the Chokaikogen Rapeseed Flower Festival in spring and the Rice Festival in autumn.



We value our ties to the local community.





Prima Meat Packers' Products Honored in Competitions



Prizes for All Prima Products Entered in Renowned "Ham Olympics" in Germany

A ham and sausage competition, known as the "Ham Olympics" and boasting a 142-year history, is held in conjunction with IFFA. Products are judged on 120 criteria, and gold prizes are awarded to products that score a perfect 50 points. In the May 2016 competition, Prima Meat Packers entered 10 of its products, with eight of them winning gold and two of them winning silver.

Competition Confirmed Our Belief that Prima Meat Packers' Quality is World Class!

We were delighted that all 10 products that we entered won prizes. This is proof that our products' quality is world class. I believe that factors contributing to awards were our training in Germany and the close cooperation between the production and planning departments. Two of the products we entered won silver prizes, not gold. We will now look into why they did not win gold with the aim of having more products take the top prize next time.

Hiroshi Tani
Manufacturing and Engineering Department,
Development Division



Winning products

Gold winners

- Koukun Arabiki Pork
- Genryuu Loin Ham
- Kurobuta Loin Ham
- Kurobuta Boneless Ham
- Kurobuta Sausage
- Takumino Zen Boneless
- Takumino Zen Roast Pork
- Japanese Roast Pork

Silver winners

- Takumino Zen Loin Ham
- The Master's Sausage

Five Products Win Grand Gold Quality Awards from Monde Selection in 2016

In the 2016 awards, five Prima Meat Packers' products, including Takumi Ippin Roast Ham and Takumino Densetsu Tokusen Roast Ham, won grand gold quality awards, the highest honors of Monde Selection. The five winning Prima Meat Packers' products were combined into a special product for the summer 2016 gift-giving season in Japan and sold extremely well.



Prima Meat Packers' Monde Selection Products

- Takumi Ippin Roast Ham (400-g package)
- Takumi Ippin White Roast Ham (400-g package)
- Takumi Densetsu Tokusen Roast Ham (360-g package)
- Takumi Densetsu Tokusen White Roast Ham (360-g package)
- Takumi Densetsu Tokusen White Thigh Ham (390-g package)

Lunch Box Wins Second Consecutive Gold Prize in Premiere Category of FABEX Souzai Bentou Grand Prix 2016

A *bento* (prepared lunch box) made by Prima Meat Packers' Group company Essen House Co., Ltd. has won a gold prize at the 2016 World Food and Beverage Great Expo (FABEX), Japan's biggest food industry event. The product, called Wagyu Nippon-ichi Tabekurabe Gozen, offers the opportunity to taste two kinds of high-quality beef: Nagasaki wagyu beef and Miyazaki beef, which has twice won the Prime Minister's Award at the National Competition Exhibition of Wagyu.



Providing Food Education

FOOD EDUCATION LESSONS

at Elementary Schools Currently Expanding!

2016 marks the third year of Prima Meat Packers' food education activities aimed at teaching children about food safety and the importance of food. In fiscal 2015, we sought to double the number of schools where we provide lessons, expanding the areas covered from just Tokyo and Osaka prefectures to include the municipalities of Chiba, Saitama, Yokohama, Kawasaki, and Sendai. We faxed information on these food lessons to 3,300 elementary schools, and added an application form for the lessons to our website. As a result, we reached our goal: many schools sent us applications and the number of schools we visited rose from 20 in the first year of the program to 40 in the second year. We have also been providing teaching materials to schools. In fiscal 2014, there were 11 schools receiving our information, a figure that more than tripled to 34 in fiscal 2015.

We have set even higher targets for 2016 with the aim of giving lessons at 50 schools all over Japan and providing teaching materials to 50 schools.



Training More Employees to Be "School Teachers"

In 2015, there were 13 Prima Meat Packers' employees who led food education classes at elementary schools. This was three more teachers than the number in 2014. All of these "teachers" are enthusiastic employees who expressed an interest in joining this program. Before we send employees to schools, they practice by giving mock lessons to employees at our company and are given feedback on their strong and weak points.

A Word from a New Employee "Teacher" (East Japan)

I always enjoy going to teach the elementary school classes: activities include quizzes that get teachers and students interacting and tastings of Prima Meat Packers products to hear what the kids think of them. Our website has an application form for these classes, so by all means sign up so we can visit your school in the near future!

Kimie Suzuki
Legal Department



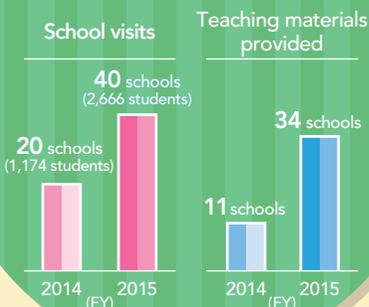
A Word from New Employee "Teachers" (West Japan)

The students participate with such enthusiasm, which makes this teaching work very rewarding! We want to continue tweaking our lessons so that they spark students' interest in and concern for food, and give students a good impression of Prima Meat Packers.

Akitomo Shindo
Kyohei Kajiwara
Osaka Branch Office,
Operations Department



Expansion of food education activities





I hope children can enjoy food without wasting any.



I hope children show an interest in and a concern for food issues.



We've received a flood of encouraging and useful comments.

Schools that we have visited to give our food education lessons answer questionnaires that help us plan future classes. In the fiscal 2015 questionnaires, about 80% of respondents said the lessons were "very good" or "good." Teachers have commented that the teaching materials are valuable from an educational perspective, and that students who don't normally speak up in class have been very vocal during the food education lessons. The children themselves have commented on how much fun the quizzes are and that they have enjoyed being able to learn about food allergies. But we also received suggestions as to how to improve future lessons. For example, respondents said the content could be more challenging, and that they would like information about Prima Meat Packers itself, such as the good points of products, how they are made, and how they get from factory to market.

A Word From the "Head Teacher"

We plan to continue with our food education activities. Our aim is to expand the circle of food education and successfully educate youngsters about food culture by coming up with original and unique teaching materials and improving the skills of the Prima Meat Packers "teachers" so that we can conduct even better lessons at elementary schools.



Masayuki Sakai
Environmental Management Department

A sample of our teaching materials

In a booklet titled "Secrets of Preserved Food," students learn about the kinds of preserved food and how it has been made throughout human history, which teaches them about the importance of food and of eating all the food on your plate without wasting any.



A booklet titled "Let's Look in the Fridge" focuses on the ingredients in one's fridge at home. The booklet takes an enjoyable quiz-game approach to getting children thinking about things like food preservation methods and how to read food labels.



Nation-wide

Win Tickets to an Invitation-only Nighttime Event at Tokyo Disneyland®

Purchasers of Prima Meat Packers' products can enter a drawing to win an invitation to Tokyo Disneyland® and Tokyo DisneySea®, to which we are an official sponsor. In 2014 and 2015, we held invitation-only nighttime events at Tokyo DisneySea®, and in 2016 we will hold an invitation-only nighttime event at Tokyo Disneyland® for the first time. And to mark the official recognition of May 9 as Koukun Day starting this year, we held a drawing to win a pass to join in celebrations of this day.

Facilities hosted by Prima Meat Packers at Tokyo Disneyland®



The Diamond Horseshoe



Plaza Pavilion Restaurant



Yucatan Base Camp Grill

Facility hosted by Prima Meat Packers at Tokyo DisneySea®



©Disney

2016 Tokyo Disneyland® Invitation-only Nighttime Event!

Tokyo Disneyland® Private Precious Night

October 14, 2016
7:30 – 10:30 p.m.

CAMPAIGNS FOR EACH REGION

Win Tickets to Laguna Ten Bosch Amusement Park

Tokai



Since 2015, Prima Meat Packers has been holding a joint campaign with some of its distributors in the Chubu region for a draw to win tickets for two to the Laguna Ten Bosch amusement park during the period when the popular pool is open.

Eat Prima Meat Packers' Products and Win a Trip to Huis Ten Bosch

Kyushu

With a sister relationship to Laguna Ten Bosch, Huis Ten Bosch is a popular theme park where visitors can enjoy Dutch culture firsthand. Purchasers of Prima Meat Packers' products can enter to win a chance for a one-day pass to Huis Ten Bosch in autumn 2015.



Win Tickets to Watch a Baseball Game and a Comedy Troupe

Tohoku

Prima Meat Packers strives for promotional campaigns that put a smile on customers' faces. One unique campaign to this end features a chance to win tickets to both a professional baseball game and a renowned comedy troupe. Ticket winners get to watch a performance by the famous Yoshimoto Kogyo comedy troupe at the newly built Eagles Dome just outside the third base side of Rakuten Kobo Stadium Miyagi, and then see a professional baseball game featuring the home team 'Rakuten Eagles' at the stadium next door.



Ad for the contest campaign

We value our ties to the community.



Prima Meat Packers' Summer Festival



Plants Host Summer Festivals to Invigorate the Community

Festivals held in summer 2016 were once again a resounding success, as we set up various food and game stalls and cooperated with local businesses in presenting a range of entertainment.

Taking Part in Local Events



Kagoshima Plant Employees Take Part in Local Festival

At the Sanosa Festival in July, approximately 150 employees formed a line as part of a traditional dance parade. At the Chikate Festival in October, employees ran a frankfurter stand that proved popular with festival-goers.

Contributing to Industry



Factory Tour for Local Volunteers for Promoting Improved Dietary Habits

Hokkaido Plant gave a factory tour to members of the Volunteers for Promoting Improved Dietary Habits of the towns of Shimizu and Shikaoi to explain the products made and the steps in the production process.

Planting Trees and Preserving Forests



Two Group Companies in Thailand Plant Mangroves

A total of 350 employees of Primaham (Thailand) Co., Ltd. and Primaham Foods (Thailand) Co., Ltd. got together to plant mangrove trees in Ban Phe, Rayong Province, in the eastern part of Thailand.

Helping Foster the Next Generation



Prime Foods Co., Ltd. Gives High School Students Work Experience

Seven high school students tried their hand at a series of tasks, including packaging barbecued pork and inspecting products.

Community Service



Taking Part in WFP's Walk the World 2016

"End Hunger: Walk the World" is an annual charity walk sponsored by the United Nation's World Food Programme (WFP) as part of its fight against global hunger. Prima Meat Packers has been a co-sponsor of this event since 2014 to show its solidarity in this fight.



Supporting Recovery in Earthquake-stricken Tohoku

To help rebuild Japan's Tohoku region following the earthquake and tsunami of March 2011, we donated a portion of the proceeds from the sale of Koukun Arabiki Pork to the disaster-stricken areas.

Joining WFP's Red Cup Campaign

Since fiscal 2012, we have taken part in the WFP's Red Cup campaign to provide meals for school children suffering from hunger. For every Prima Meat Packers' product sold, we donate 1 yen to the WFP.



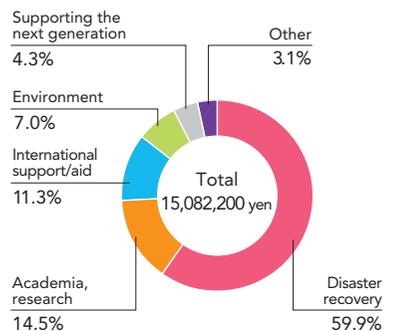
We provide ongoing support and donations to the community.



Supporting Areas Stricken by Kumamoto Earthquakes

To help victims of earthquakes that struck Kumamoto in April 2016, Prima Meat Packers worked with government agencies, local governments, and local distributors to deliver 22,000 packages of foil-pouch sausages, dried sausages, and other products to the stricken areas. We also made a monetary donation of 5 million yen, and we held a campaign during which we donated 15 yen for each package of Kumamon Sausages sold.

Fiscal 2015 donations



Processed Foods Business

Manufacture and sale of processed foods

From familiar consumer packs to commercial products, Prima Meat Packers makes products that respond to the needs of consumers and customers.

We sell to volume retailers, convenience stores, butcher shops, and other businesses. Our products can also be purchased at our online shop.



Manufacture and sale of products for convenience stores

We provide convenience stores with freshly made sandwiches, sweets, salads, light meals, prepared dishes, and other products.



Consolidated Group Companies

Manufacturing Business of Processed Food

- Akita Prima Foods Co., Ltd.
- Shikoku Foods Co., Ltd.
- Prima Environment Services, Ltd.
- PRIMAHAM FOODS (THAILAND) Co., Ltd.
- Prime Foods Co., Ltd.
- Prima Luca Co., Ltd.
- PRIMAHAM (THAILAND) Co., Ltd.
- Kangpu (Suzhou) Food Co., Ltd. (China)

Convenience Store-Vendor Business

- Prime Delica Co., Ltd.
- Prime Deli Corp. (USA)
- Prime Bakery Co., Ltd.

Sales Business of Fresh Meats, Hams, Sausages and Processed Foods

- Hokkaido Prima Meat Packers, Ltd.
- Saga Prima Meat Packers, Ltd.
- Hokuriku Prima Meat Packers, Ltd.

Retail Business of Meat Cuts, Delicatessens and Processed Foods, Etc.

- Prima Meat Kinki Hambai Co., Ltd.
- Laiyang Purui Foodstuff Co., Ltd. (China)
- Essen House Co., Ltd.
- Toei Foods Co., Ltd.

Corporate Data (As of March 31, 2016)

Company name Prima Meat Packers, Ltd.
 Head office Shinagawa Seaside West Tower, 4-12-2 Higashi-Shinagawa, Shinagawaku, Tokyo 140-8529, Japan
 TEL +81-3-6386-1800

Representative Tetsuya Matsui, President and Representative Director
 Detail of business Manufacture and sale of hams and sausages, fresh meats, processed foods, and other products

Fresh Meats Business

Manufacture and sales of fresh meats and processed meats

Together with our overseas suppliers, we provide safe, high-quality original brand meats.



We manufacture and sell graded meat, flavored meat, dressed meat, and other products (all products have been cut from fresh meat).



Live Hog Operation Business

We breed and raise safe, reliable, and high-quality breeding pigs and meat pigs in cooperation with our affiliates' farms and partner farms in Japan.



Consolidated Group Companies

Meat Products Sales Business	<ul style="list-style-type: none"> ● Kanto Prima Meat Hambai Co., Ltd. ● Kansai Prima Meat Hambai Co., Ltd.
Slaughtering Fabrication Business	<ul style="list-style-type: none"> ● Kamifurano Kobo Co., Ltd. ● Ibaraki Best Packers Co., Ltd. ● Nishi-Nippon Best Packers Co., Ltd.
Meat Distribution Business	<ul style="list-style-type: none"> ● Prima Logistics Co., Ltd.
Live Hog Operation Business	<ul style="list-style-type: none"> ● Pacific Ocean Breeding Co., Ltd. ○ Swine Genetics International, Ltd. (USA) ○ Kamifurano Farm, Ltd. ○ Pork Quality Research Farm, Ltd.

Other Business

Comprehensive Human Resources Services

Services including educating, training, dispatching, and insuring of human resources.

Information Systems

Developing, controlling, and operating systems; ensuring and maintaining information security

Research, Technology Development

Services for testing products and ensuring product safety; sale of inspection kits
Development, manufacture, and sale of micromanipulation equipment

Consolidated Group Companies

- Prima Management Service Co., Ltd.
- Prima System Development Co., Ltd.
- Tsukuba Food Evaluation Center Co., Ltd.
- Primetech Corporation
- Global Meat Investment Partners Inc.

● Consolidated subsidiaries ○ Companies accounted for using the equity method

Founded September 1, 1931
 Established July 9, 1948
 Capital 7,908 million yen
 Fiscal year-end March 31
 Number of employees 13,634 (including temporary employees)

Business sites Sales bases: 6 branch offices 25 sales offices
 Production bases: 4 plants
 Number of group companies: 35
 Consolidated subsidiaries: 28
 Companies accounted for using the equity method: 7

Prima Meat Packers

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Higashi-Shinagawa, Shinagawa-ku, Tokyo
140-8529, Japan

TEL. +81-3-6386-1800

Japanese-language website

<http://www.primaham.co.jp/>

English-language website

<http://www.primaham.co.jp/en/>