

Section 1

Value Creation Story

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Our Purpose

Over the years, we have built up the value of Prima Meat Packers Group by following our management philosophy. While remaining true to this philosophy, we will embrace a mindset of continuous change so that we will always create value for food culture in a volatile era. In this way, we will help bring about a better future for people and the planet.

Management Philosophy —The basics

- Be candid and sincere.
- Create quality products that sustain Prima Group.
- Provide value to customers through continuous innovation.

Developing healthy products with added nutrition

As well as developing food with reduced salt or reduced sugar, we develop food products added nutrition. We also have plans to develop foods with function claims (FFCs) in the future.

▶ p. 31

Driving industry-wide environmental action

We are committed to reducing Prima Meat Packers Group's greenhouse gas emissions, waste output, water consumption, and plastic consumption. We are also committed to protecting biodiversity.

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Building a healthy body

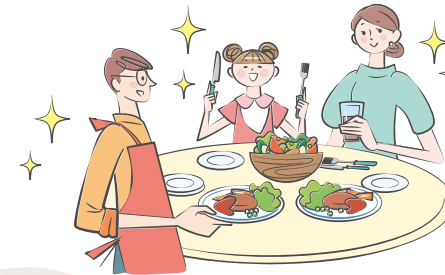


Protecting the global environment



Mission

Contribute to food culture and society through great taste and excitement



Putting our management philosophy into effect

Quantifying taste sensations for scientific analysis

We use sensory analysis surveys and scientific instrumentation to quantify how a piece of food feels in the mouth, how it tastes, and how it looks. In this way, we are visualization of tastiness.

▶ p. 20

Adding user-friendliness for each generation

Aside from our usual sales channels, we sell directly to consumers through our new online store, enabling us to cater to a wide range of needs.

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Simple, easy products

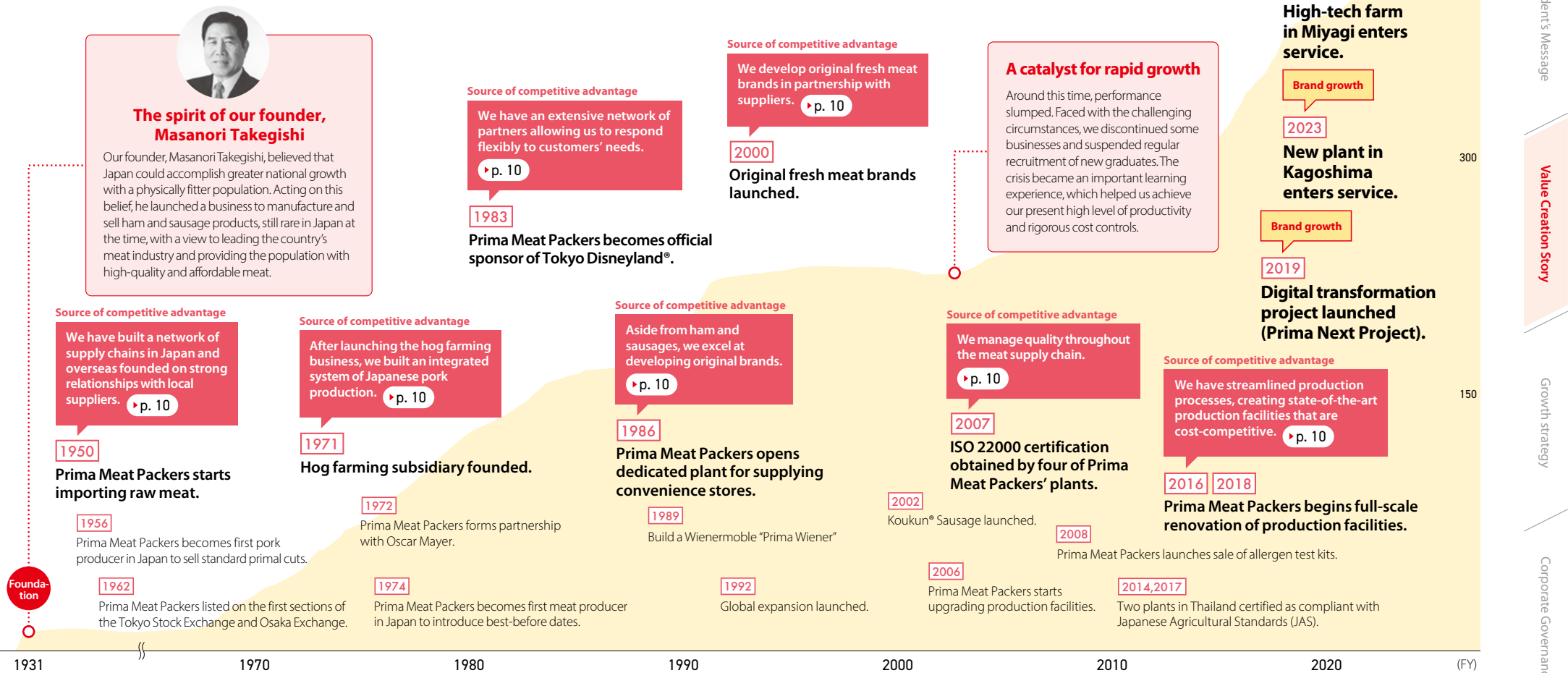


Great taste, time to enjoy



Our History

Prima Meat Packers started manufacturing and selling ham and sausages in 1931, a time when the Japanese population consumed very little meat other than seafood. Since then, we have never stopped pushing boundaries in our mission to deliver great taste and excitement.



1931-

Founded with a mission to improve people's lives

Prima Meat Packers was the first company in the Japanese meat industry to sell standard Japanese primary cuts of pork, and it developed innovative solutions in distribution channels to strengthen sales as well as manufacturing. The internal Company slogan chosen at the time was "We sell what we make. We will sell our Prima brand by ourselves."

1970-

Worldwide quality assurance

Prima Meat Packers worked with an overseas quality expert to build a proprietary system of quality management. Under this system, the Company launched a succession of winning products that excelled in quality. The Company then launched a hog farming business, laying the foundation for an integrated system of domestic pork production.

1980-

Adapting to shifting consumer trends

To expand business, Prima Meat Packers built dedicated plants for supplying convenience stores, as well as those for food processing. It also established overseas production sites. The plants in Japan obtained quality assurance certification.

2000-

Bouncing back from adversity with tighter management

In the early years of this century, we experienced tough business conditions and had to make hard decisions, such as closing down some business locations. Aiming to turn performance around, we tightened cost management. Through such efforts, we have bounced back stronger than ever.

2020-

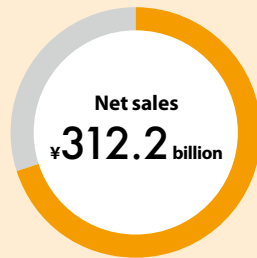
Mission for further growth

As consumer needs continue to diversify, Prima Meat Packers continues to expand its lineup and invest in initiatives to unlock further growth. These initiatives include building a new food processing plant, expanding the hog farming business, penetrating overseas markets, and transforming workflows.

Brand Strengths

With over 90 years of innovation, Prima Meat Packers Group has a number of sources of competitive advantage.

Processed foods business



Modern, Cost-competitive Plants

Raising the production capacity of our plants

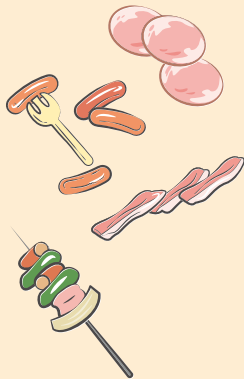
To ensure efficient production, we have rolled out automated packaging, linear production lines, and other equipment upgrades among our plants. The plants boast short lead times and a high production capacity. With the New Kagoshima Plant entering service, our cost competitiveness has further improved.



Excelling at In-house Product Development

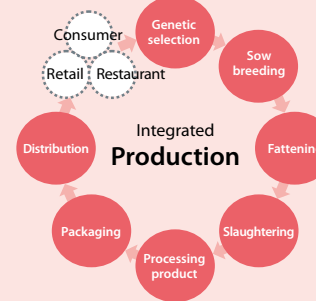
Keeping pace with diversifying diets

We produce processed food products (including ham, sausages, and burgers), as well as a range of deli items, filled pastries, and desserts. We monitor market trends and needs so that the finished products will match consumers' lifestyles and preferences and add value to their lives.



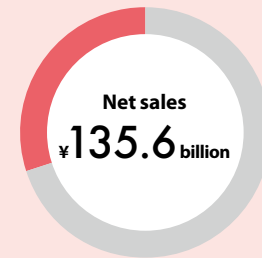
Integrated Domestic Pork Production Process

Integrated production that ensures safety, reliability, and great taste



To achieve safety, reliability, and great taste, we have integrated all operations throughout the pork supply chain. The Miyagi farm achieves high levels of production by using advanced technology and science-based practices.

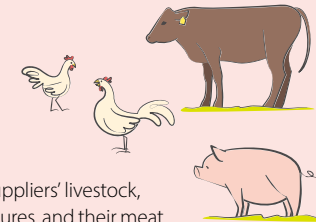
Fresh meat business



Original Brand Meat

Joint development of original brands that suit the Japanese palate

We work with suppliers to provide original meat brands. Our suppliers' livestock, which include cattle, swine, and poultry, enjoy wide-open pastures, and their meat quality is well-received by our customers. For example, we teamed up with HyLife, a leading pork producer in Canada, to develop Three Herb Pork, a tender, juicy brand of pork. Sourced from three-way crossbred pigs, the pork appeals to the Japanese palate. Additionally, the feed for the pigs includes herbal extracts.



Number of original brands
(as of September 2024) **14**

Groupwide

Food Safety Management System

Integrated food quality management

The Group conforms to international standards for managing food safety such as FSSC 22000 and ISO 22000. This means we follow an integrated approach to quality management, extending from product development through to procurement, production, and distribution. Our Thailand-based suppliers conform to the Japanese Agricultural Standards (JAS).

Number of FSSC 22000 certified sites **16**

Collaborative Development of Products and Services

Embracing collaboration to respond flexibly to demand

We embrace collaboration to respond swiftly to the needs of customers. For example, we procure raw meat jointly with the ITOCHU Group, develop products jointly with suppliers and other partners, receive technical guidance from outside organizations, and invite customers to thrilling private events co-organized with a theme park operator.



Domestic and International Procurement Networks

Working with suppliers to meet strict quality standards

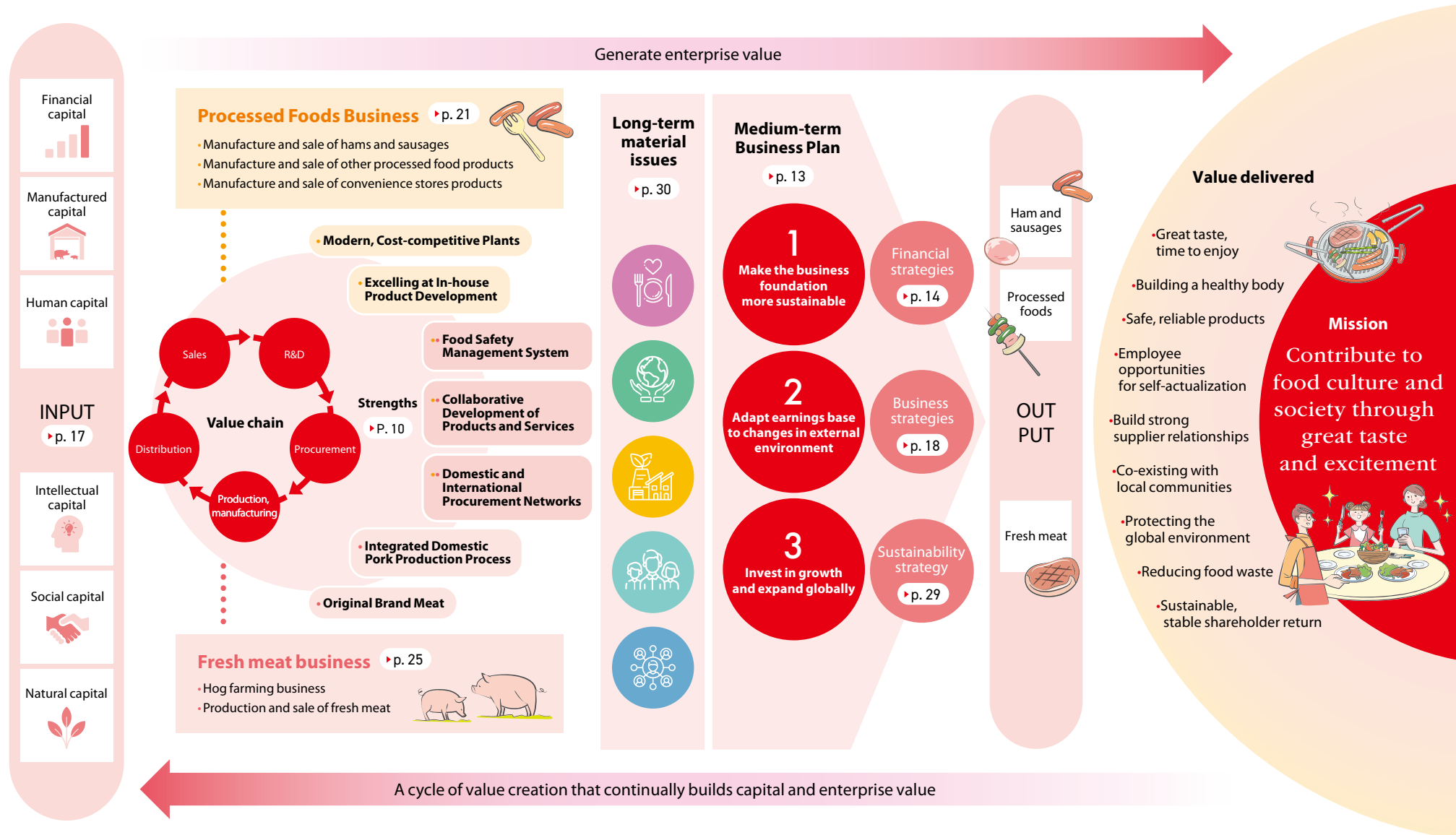
Leveraging our membership of the ITOCHU Group, we have secured international supply sources for raw meat. We engage with all suppliers via an importing company, to ensure their commitment to our strict quality standards.

Main overseas regions we procure from
North and South Americas
Europe
Asia



Value Creation Process

We use medium- and long-term strategies to strengthen our capacity for sustainable growth as a food manufacturer.



With extensive capital and long-cultivated sources of competitive advantage, we have built up a processed foods business and fresh meat business. We have recognized the need to identify what risks and opportunities we will need to address in the medium and long term to ensure we can sustain business growth in an era of dramatic shifts in social trends and global challenges. With

this in mind, we defined our material issues and established a medium-term business plan setting out financial, business, and sustainability strategies. For these strategies, we follow a PDCA cycle of continuous improvement. Through this process, we will deliver value to shareholders and make our vision a reality.