

Second Quarter Financial Results for the Year Ended March 31, 2018

Great taste, great connections

 PRIMAHAM

Nov 13, 2017

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March 31, 2018**

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Second Quarter

Financial Results for the Year Ended March 31, 2018

1-(1). Second Quarter Financial Results for the Year Ended March 31, 2018 1

[Consolidated statements of income]

(millions of yen)

Item	FYE March 2017		FYE March 2018		
	Results	Net sales ratio	Results	Net sales ratio	YOY
Net sales	179,438	100.0%	195,406	100.0%	108.9%
Processed Foods Business	121,137	67.5%	133,028	68.1%	109.8%
Fresh Meats Business	58,098	32.4%	62,181	31.8%	107.0%
Other	202	0.1%	196	0.1%	97.0%
Cost of Sales	150,164	83.7%	164,768	84.3%	109.7%
Gross Profit	29,274	16.3%	30,637	15.7%	104.7%
SG&A expenses	21,828	12.2%	23,433	12.0%	107.4%
Operating income	7,446	4.1%	7,203	3.7%	96.7%
Non-operating income	421	-	415	-	-
Non-operating expenses	155	-	146	-	-
Ordinary income	7,712	4.3%	7,473	3.8%	96.9%
Extraordinary income	106	-	303	-	-
Extraordinary loss	94	-	390	-	-
Income before income taxes	7,724	4.3%	7,386	3.8%	95.6%
Income taxes	2,381	-	2,331	-	-
Minority interests in income	567	-	124	-	-
Net income	4,775	2.7%	4,931	2.5%	103.3%

[Key Points]

[Net sales by product category] (millions of yen)

•Ham/sausage	43,024 (YOY: 109%)
•Processed Foods	35,305 (YOY: 123%)
•Vendor products	46,497 (YOY: 106%)
•Fresh Meats	70,384 (YOY: 105%)
•Other	196 (YOY: 97%)

[Cost of sales]

•Ratio of raw materials and inventory	Up 0.3%
•Production expenses ratio	Up 0.3%
Cost of sales ratio	⇒ Up 0.3%

[SG&A expenses]

•SG&A expenses (personnel expenses ratio)	Down 0.2%
•SG&A expenses (expense ratio)	-
SG&A expenses to net sales ratio	⇒ Down 0.2%

Ordinary income to net sales ratio ⇒ Down 0.4%

1-(2).Second Quarter Financial Results for the Year Ended March 31, 2018 2

[Income by business segment]

(millions of yen)

		FYE March 2017		FYE March 2018			Comparison to beginning of medium-term business	Beginning of medium-term business plan
		Results	Net sales ratio	Results	Net sales ratio	YOY		
Net Sales	Processed Foods Business	121,137	-	133,028	-	109.8%	103.4%	128,600
	Fresh Meats Business	58,098	-	62,181	-	107.0%	105.8%	58,800
	Other	202	-	196	-	97.0%	-	100
Operating income	Processed Foods Business	7,437	6.1%	6,901	5.2%	▲ 536	1,401	5,500
	Fresh Meats Business	-115	-0.2%	205	0.3%	320	-495	700
	Other	125	61.9%	98	50.0%	▲ 27	0	50

[Non-consolidated Income]

(millions of yen)

	FYE March 2017		FYE March 2018		
	Results	Net sales ratio	Results	Net sales ratio	YOY
Net sales	133,632	100.0%	151,977	100.0%	113.7%
Operating income	4,414	3.3%	5,234	3.4%	820
Ordinary income	5,023	3.8%	6,144	4.0%	1,121
Income before income taxes	5,001	3.7%	6,939	4.6%	1,938
Net income	3,591	2.7%	4,839	3.2%	1,248

[Income by group company]

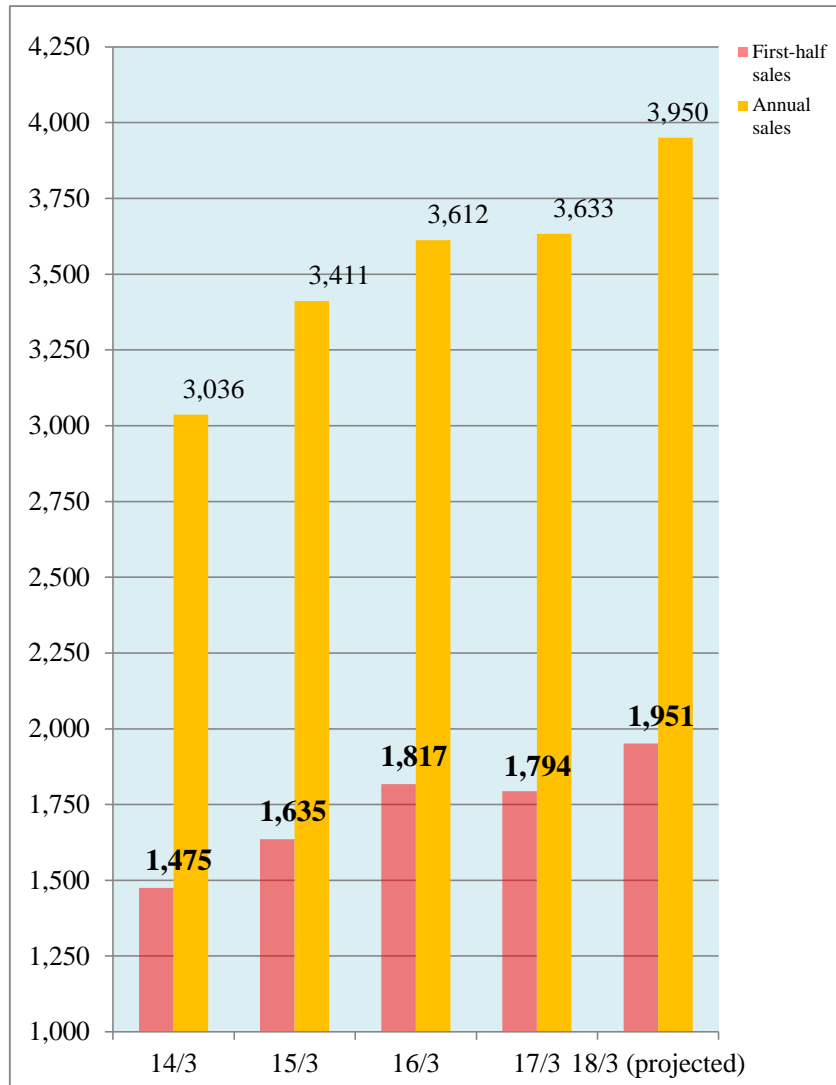
(millions of yen)

		FYE March 2017		FYE March 2018			
		Net sales	Operating income	Net sales	YOY	Operating income	YOY
Prima Meat Packers Ltd.		133,632	4,414	151,977	113.7%	5,234	820
Group Companies	Vendor(s) (1)	41,436	1,640	43,667	105.4%	635	▲ 1,005
	Other (including amendments for consolidation)	4,370	1,392	-238	-5.4%	1,334	▲ 58
Consolidated Total		179,438	7,446	195,406	108.9%	7,203	▲ 243

2. Changes in Net Sales and Operating Income

Net sales

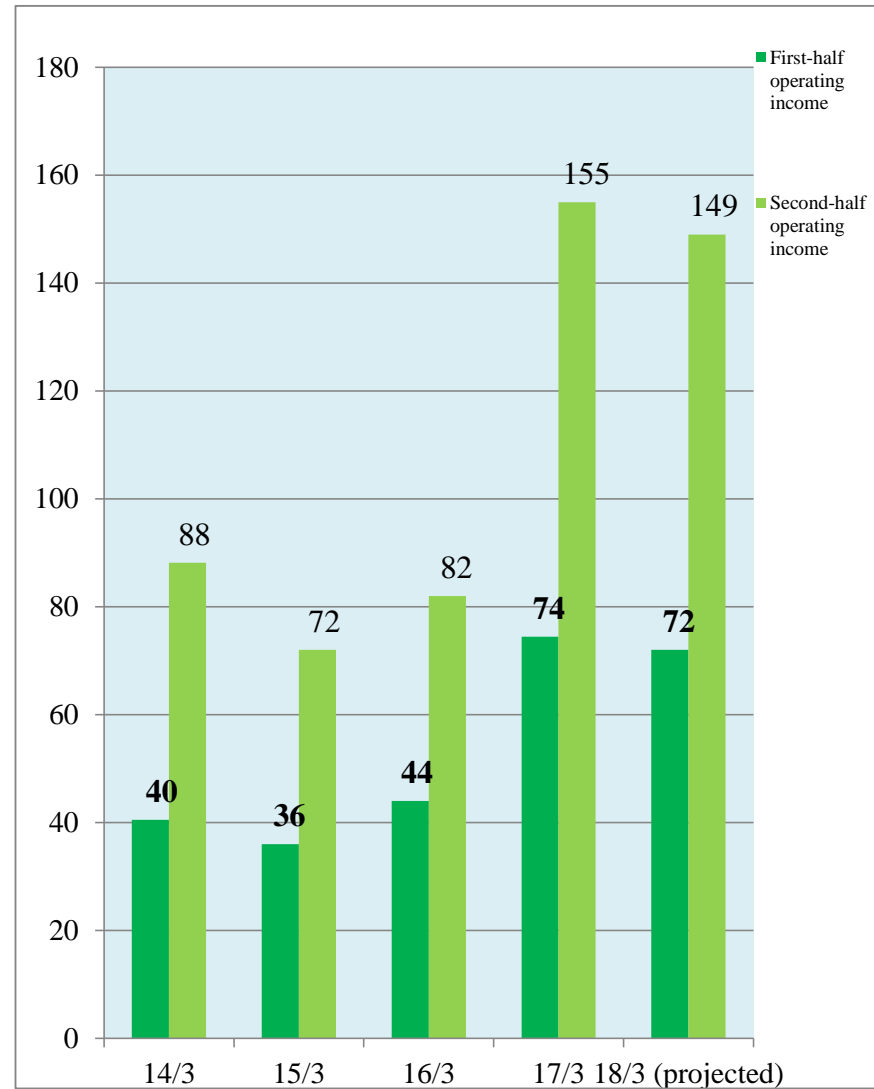
(hundred millions of yen)



(Note) rounded down to the nearest hundred million yen
The figures for March 2018 are projected figures.

Operating income

(hundred millions of yen)



(Note) rounded down to the nearest hundred million yen

3-(1). Processed Foods Business– First Half, Year Ended March 2018

Business environment

- Personal consumption→Increase in thriftiness
- Increase in low-price strategies, reflecting consumer environment
- High yen → Weaker yen
Sharp rise in raw material prices
- Changes in employment environment
(Lack of wage increase, personnel shortages)
- Soaring prices from vegetable shortage due to bad weather



10.72 million friends gained

Measures

Outcomes

○ Concentrate sales efforts on core products

• Core product sales ratio: 75.6%

Sales volume of sausages and ham

YOY: 112%

Consumer: 118%

Commercial: 101%

○ Strengthen development of sales promotion strategy

• New customers, customer base expanded (use of LINE)

• "Special present" promotional campaign
Invitation to Precious Night (October 6 booking at Tokyo Disney Land)

• Diamond Horseshoe restaurant, Tokyo Disney Land
Private promotional campaign

Sales volume of processed foods
YOY: 120%

Consumer: 112%

Commercial: 134%

○ Promote personnel saving and volume growth

• Man-hour productivity improved in four core plants
• Positive effect of the commencement of operations at Ibaraki sausage plant

YOY
Up 8%

○ Enhance production base and improve productivity in vendor plants

• "Sagamihara second plant" of operation
• Introduction of innovative facilities led to improvement in quality/sanitary control and productivity

Sales volume
YOY: 104.6%

3-(2). Processed Foods Business – First Half, Year Ended March 2018 2

Income

(millions of yen)

	FYE March 2017	FYE March 2018	YOY	Difference
Net sales	121,137	133,028	109.8%	11,891
Operating income	7,437	6,901	92.8%	▲ 536

Ordinary income to net sales ratio 6.1% 5.2%

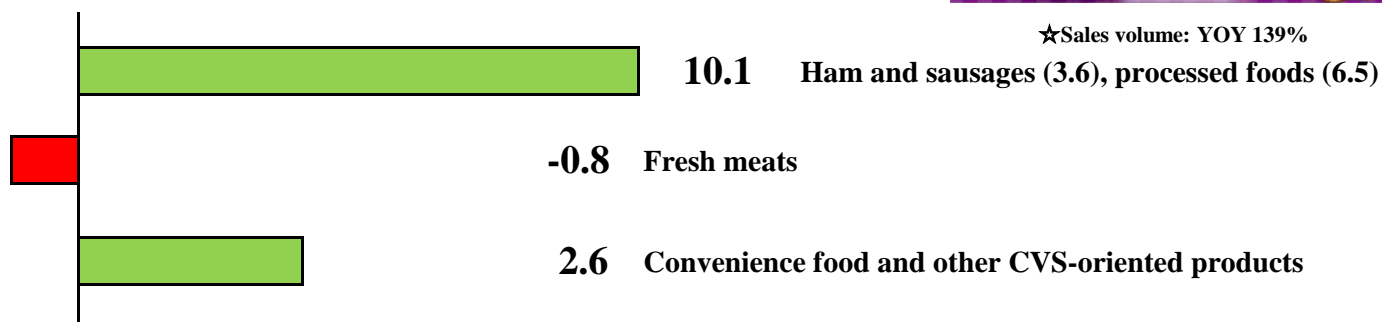


★Sales volume: YOY 139%

Factors behind earnings figures

★Increase in net sales

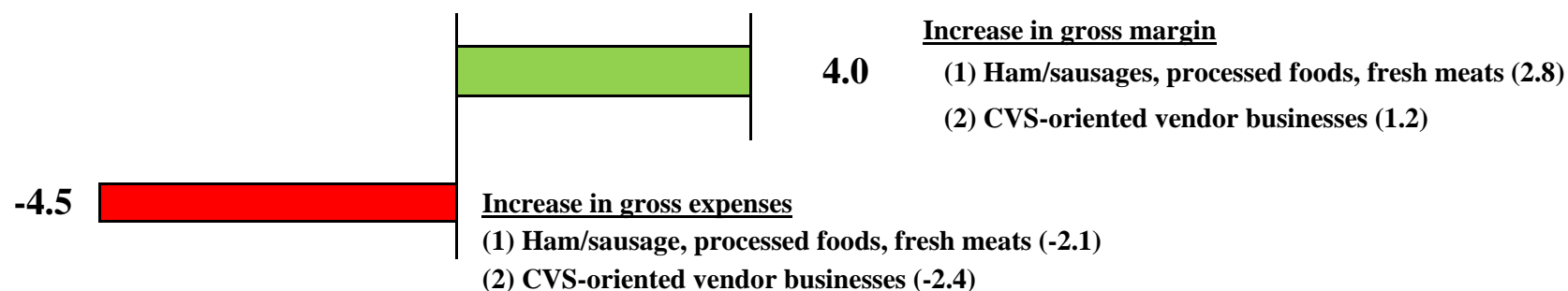
11.9 billion yen



★Decrease in operating income

-0.5 billion yen

(Ham/sausage 0.2, Processed Foods 0.7, Vendor Businesses -1.2, Fresh meats -0.2)



4-(1).Fresh Meats Business – First Half, Year Ended March, 2018

Business environment

- Personal consumption→Increase in thriftiness
- High yen → Weaker yen
Sharp rise in raw material prices
- High market prices for Japanese-produced beef, pork and poultry
- Decline in supply of Japanese-produced beef
- Imported frozen beef safeguard



Roast beef using original beef brands
"Oregano Beef"

Measures

Outcomes

● Strengthen sales capacity

- 1) Strengthen approaches to regional chains at an organizational and national level
- 2) Strengthen sales to regional clients
- 3) Develop new clients

- Sales up 10% year-on-year among total of five major clients
- Sales up 13% year-on-year among total of priority 54 companies
- Transactions commenced with 8 new clients

● Strengthen appeal of products

- * Expand sales of original brands

- 43% year-on-year increase in volume of five key items, excluding Japanese pork and beef products for which shipment volume declined
- Profit held back by intense competition

● Improve management and logistics

- * Control logistics costs

- The increase in volume was accompanied by a rise in transport costs
- Logistics reform efforts from the second half

4-(2). Fresh Meats Business – First Half, Year Ended March, 2018 2

Income

	FYE March 2017	FYE March 2018	YOY	Difference
Net Sales	58,098	62,181	107.0%	4,083
Operating income	-115	205	-178.3%	320
Ordinary income to net sales ratio	-0.2%	0.3%		

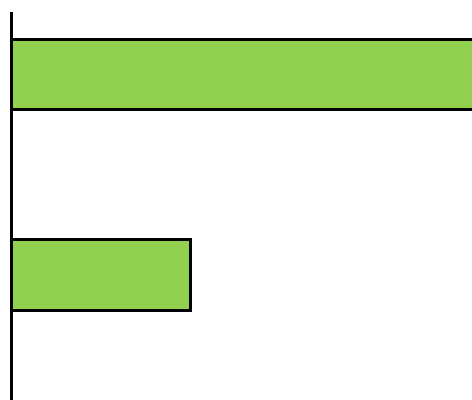
(millions of yen)

Factors behind earnings figures



★Decrease in net sales

4.1 billion yen



3.2 Sales volume up

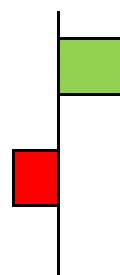
⇒ YOY Pork (111%), beef (99%), poultry (103%)

0.9 Sales prices up

⇒ YOY Pork (101%), beef (105%), poultry (114%)

★Increase in operating income

0.3 billion yen



0.5 Increase in gross margin

⇒ YOY Pork (-0.3), beef (0.7), poultry (0.1)

0.2 Decline in gross expenses

⇒ YOY Personnel expenses (0.1), SG&A expenses (-.03)

(1.5 bn increase in profit price, 250 mn increase in sales volume, 200 mn Increase in expenses, 100 mn in subsidiary profit)

3. Variance from Plan – First Half, Year Ended March, 2018

(millions of yen, %)

Q2 (accumulated)		Results	Plan	Variance	Last year	Year-on-year change
Processed Foods Business	Net sales	133,028	128,600	103.4%	121,369	109.6%
	Operating income	6,901	5,500	1,401	7,421	-520

[Key variances]

- Ham/sausage and processed foods business
Operating margin variance: +1.1 bn



Ham/sausage: Sales volume = 105% of planned figure, net sales = 104% of planned figure → Operating income = +200mn,
Production sec.: 0.8% improvement in sales-cost ratio (raw materials 0.4% ×, personnel expenses 0.2% ✓, non-personnel expenses 1.0% ✓) 0.6% improvement in SGA ratio
→1.4% improvement in operating margin → +700mn
Sales sec.: With volumes exceeding planned level, SG&A expenses (loading fees, payment commission, transportation fees, etc.) increased → Operating income = -500mn

Processed foods: Sales volume = 116% of planned figure, net sales = 119% of planned figure → Operating income = +1bn, group companies = -100mn

Fresh meats profit prices = down 400mn, amendment for consolidation = +400mn

- CVS-oriented vendor businesses
Operating margin variance: +300 mn



With net sales short (96%) of the 1.6bn figure and cost of sales down 1.6bn (96%), gross profit was 6.2bn, as planned.

With volumes short of the planned figure, 500mn increase in volume-related expenses (payment commission, transportation fees, etc.)

Kumamoto Prima and Prime Delica: -200mn

(millions of yen, %)

Q2 (accumulated)		Results	Plan	Variance	Last year	Year-on-year change
Fresh Meats Business	Net sales	62,181	58,800	105.8%	57,927	107.3%
	Operating income	205	700	-495	-66	271

[Key variances]

- Fresh Meats Business



High market prices prompted high cost of sales, resulting in decline in gross profit → -400mn

Rise in sales volume was accompanied by rise in expenses (payment commission and transport fees, etc.) → -200mn

Rise in profits among group companies → +100mn

5. Consolidated Balance Sheets for the Year Ended March 2018 First Half

(millions of yen)

	FYE March 2017	FY March 2018/1H	Change
Current assets	78,113	90,369	8,152
Noncurrent assets	92,806	97,406	3,697
Gross assets	170,919	187,775	16,856
Current liabilities	60,413	74,368	13,955
Noncurrent liabilities	31,307	30,024	22
Total liabilities	91,721	104,392	12,671
Shareholders' equity	66,335	70,261	3,926
Accumulated other comprehensive income	5,683	5,890	-1,379
Minority interests	7,179	7,231	52
Total net assets	79,198	83,383	13,509
Total liabilities and net assets	170,919	187,775	16,856

[Current assets]

• Cash and deposits	1.992 billion yen
• Increase in notes and accounts receivable	8.642 billion yen
• Increase in inventory assets	2.544 billion yen

[Noncurrent assets]

• Increase in property, plant and equipment	4.006 billion yen
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[Total liabilities]

• Increase in notes payable accounts payable	13.257 billion yen
• Decrease in long-term loans payable	1.239 billion yen

[Total net assets]

• Increase in retained earnings	3.93 billion yen
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6. Cash Flow and Performance Indicators for the Year Ended March 2018 First Half

[Consolidated statements of cash flows]

(millions of yen)

	FYE March 2017/1H	FYE March 2018/1H	Change
Cash flows from operating activities	13,184	13,124	-60
Cash flows from investing activities	-7,072	-8,750	-1,678
Cash flows from financing activities	-1,355	-2,854	-1,499
Cash and cash equivalents at end of period	11,611	21,002	9,391

[Cash flows from operating activities] [Cash flows from investing activities] [Cash flows from financing activities]

- Recording of quarterly net income before ir 7.386 billion yen
- Acquisitions of property, plant and equipmer -7.883
- Procurement of long-term loans payable -1.25 billion yen
- Recording of depreciation and amortization 4.047 billion yen
- Payment of dividends -1.004 billion yen

[Performance indicators]

(millions of yen, %)

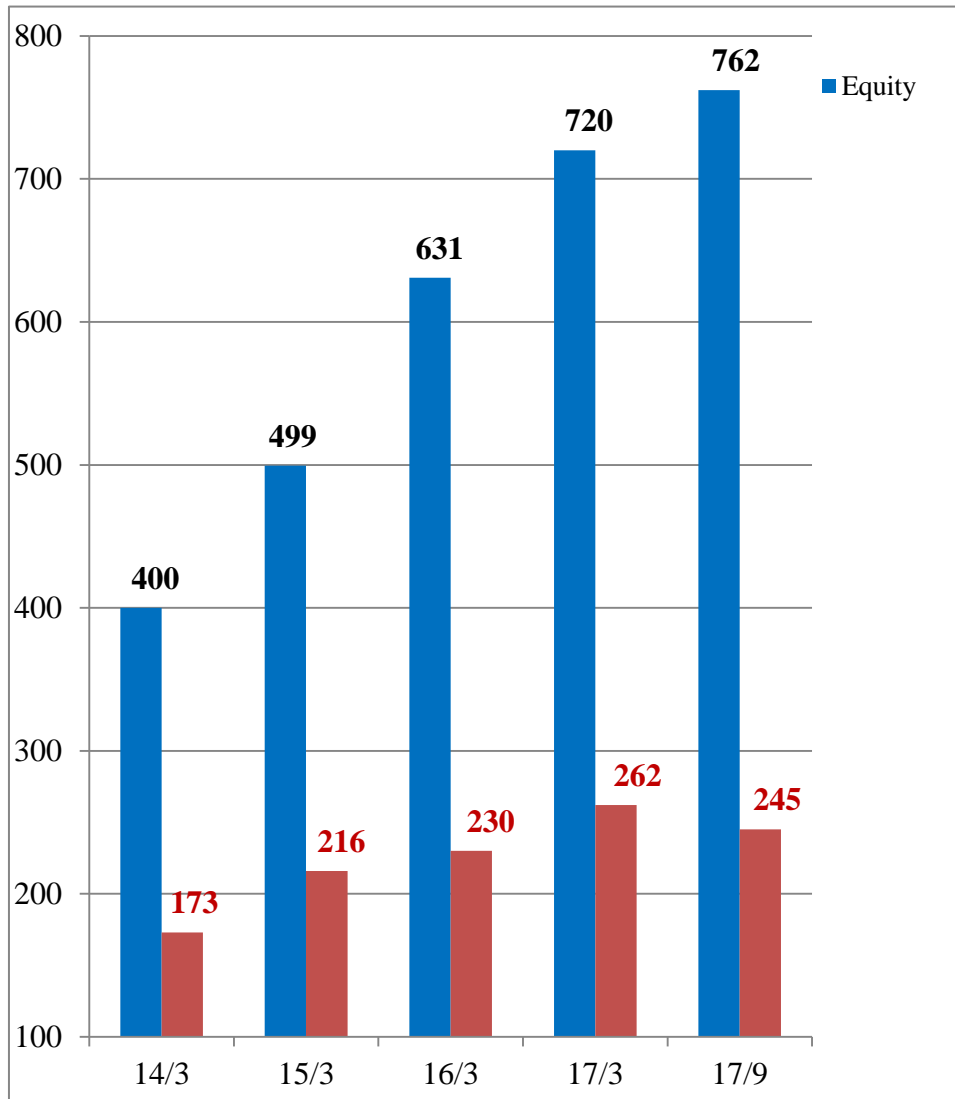
	FYE March 2017	FYE March 2018/1H	Change
Equity	72,019	76,151	4,132
Equity ratio	42.1	40.6	-1.5
Interest-bearing liabilities	25,733	24,523	-1,210
Debt equity ratio	0.357	0.32	-0.04

*Equity is total net assets minus minority interests.

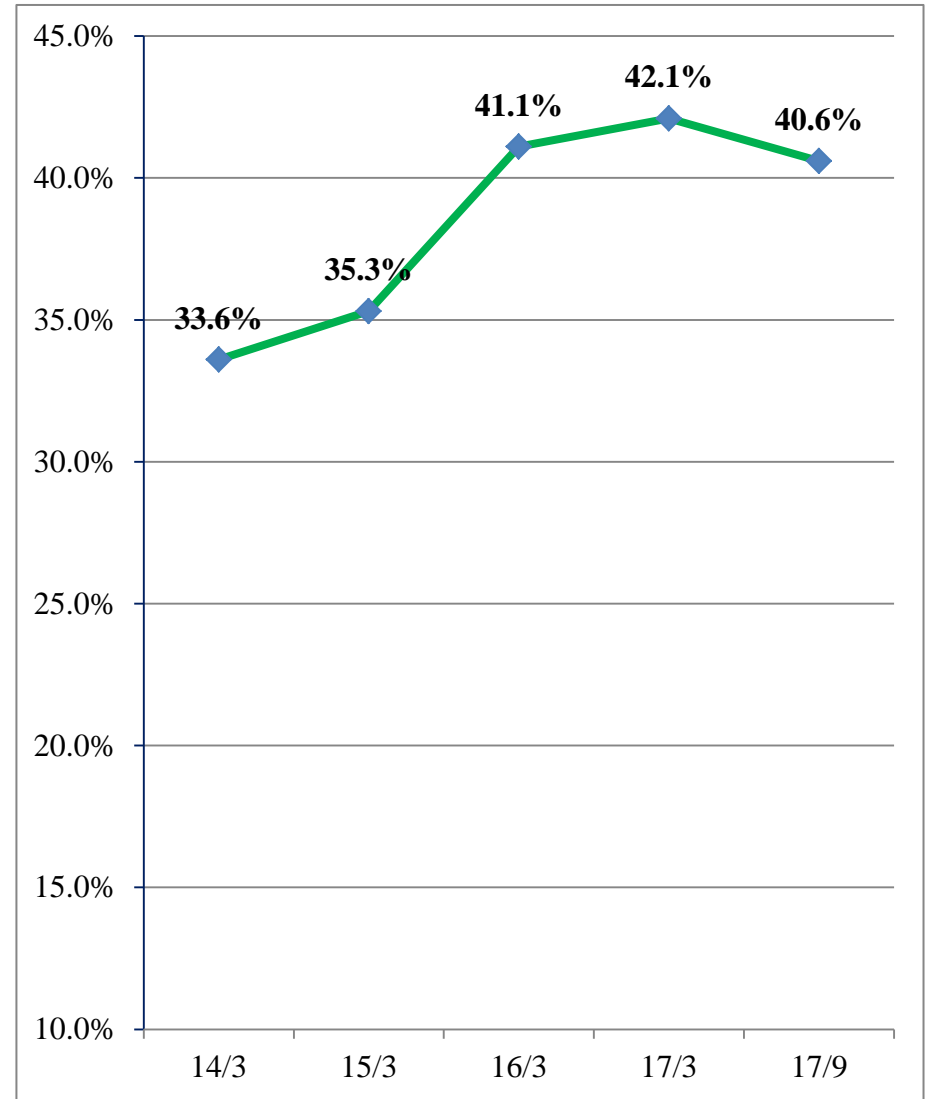
7. Changes in Equity, Interest-bearing Liabilities, and Equity Ratio

Equity and interest-bearing liabilities

(hundred millions of yen)



Equity ratio



(Note) rounded down to the nearest hundred million yen

Forecast for FYE March 2018

1. Initiatives of the Processed Foods Business for the Second Half of FYE March 2018

<Business Environment/Challenges>

- Intensification in competition for thrifty consumers



- Revive year-end gifts, secure profits in fourth quarter



<Measures>

- Concentrate sales effort on core products, aim to expand vendor businesses and sales area development
- Expand sales by proactive sales proposal strategy
- Continue efforts to cut costs and increase efficiency
- Improve man-hour productivity
- Launch nationwide TV commercial and LINE for "Koukun Wiener" product → Secure and expand sales
- Develop promotional campaigns (Halloween Party, etc.)
- Expansion of health-conscious products "Sugar zero"
- Expansion of the Sagami-hara second plant operation
- Bolster year-end gift lineup by further enhancing "Takumi no Zen / Takumi Ippin" series and "Kodawari Ippin" Aim for at least +105% year-on-year
- Expand sales of winter-oriented products (nabe/hot pot materials, etc.)



2. Initiatives of the Fresh Meats Business for the Second Half of FYE March 2018

<Business Environment/Challenges>

- **Decline in sales prices**
 - Low market prices for Japanese-produced pork and poultry
 - Excessive stocks of imported broiler meat resulting in poor market prices for products
 - Decline in sales price for imported poultry due to high yen
- **Intense competition over sales resulting in lower profit margins**
- **Increase in procurement costs due to competition with other importing countries**
- **Need to deal with disease risks**

<Measures>

- **Diversify composition of sales channel**
- **Expand sales volume by strengthening proposal-based sales efforts**
- **Expand profits by increasing sales share of original brands**
 - Japanese-produced Beef: Increase share from 10% to 30%
 - Imported beef (chilled): Increase Australian beef's share from 30-35% to 50%
Increase U.S. beef's share to 30% by introducing new original brands
 - Japanese-produced pork: Increase share from 25% to 30-35%
 - Imported pork (chilled): Increase present share of 60% by launching a fourth original brand
- **Strengthen and expand original brands**
- **Engage with suppliers that have established integration systems**
- **Develop new suppliers (Europe, South America)**



3. Forecast for FYE March 2018

【Consolidated profit and loss】

(millions of yen)

	Results for FYE March 2017	Forecast for FYE March 2018	YOY	Year plan
Net Sales	363,336	395,000	108.7%	381,300
Gross Profit	15,565	14,900	95.7%	13,000
Operating Income	16,102	15,400	95.6%	13,100
Net Income	10,009	10,500	104.9%	9,000

(First Half and Second Half)



(millions of yen)

	First Half (Results)	Second Half (Forecast)
Net Sales	195,406	199,594
Gross Profit	7,203	7,697
Operating Income	7,473	7,927
Net Income	4,931	5,569

(millions of yen)

Second Half (Plan)	Planning ratio
193,700	103.0%
6,700	997
6,700	1227
5,000	569

【Income by business segment】

(millions of yen)

	Results for FYE March 2017	Forecast for FYE March 2018	YOY	
Net Sales	Processed Foods Business	245,104	268,700	109.6%
	Fresh Meats Business	117,936	126,000	106.8%
	Other	294	300	102.0%
Gross Profit	Processed Foods Business	14,493	13,400	92.5%
	Fresh Meats Business	874	1,300	-
	Other	198	200	-

(millions of yen)

Year plan	Planning ratio
261,800	102.6%
119,200	105.7%
300	-
11,400	2,000
1,500	▲ 200
100	100

4. Topics

1. Investment for sustainable growth

- ① Construction of Prime Delica Sagamihara second plant completed in February 2018
 - • Improve quality, health-and-safety, and productivity by introducing innovative facilities
 - Streamline operations, increase share, and improve revenue in Tokyo area

- ② Start preparations for the construction of the new Ibaraki ham/bacon plant
 - • **Aim to have plant completed by March 2019**
 - **Aim for eco-friendly and productive plant**



2. Increased dividend for FYE March 2018

- • **In line with the shareholder-centered policy, the interim dividend will be raised by 2 yen to 4 yen. Combined with the term-end dividend of 4 yen, the total dividend will come to 8 yen.**

3. Compliance with Corporate Governance Code

On July 10, the revised disclosure was posted on TDnet and the company website.

Referential Materials

Changes in Consolidated Income

【Consolidated statements of income】

(millions of yen)

		FYE March 2016			FYE March 2017			FYE March 2018 (Forecast)				
	Segment	First half	Second half	Full year	First half	Second half	Full year	1Q	2Q	First half	Second half (Forecast)	Full year (Forecast)
Net sales	Processed Foods Business	119,350	120,279	239,629	121,137	123,530	244,667	63,326	69,702	133,028	135,672	268,700
	Fresh Meats Business	62,285	59,021	121,306	58,098	60,156	118,254	31,150	31,031	62,181	63,819	126,000
	Other business	129	159	288	202	214	416	105	91	196	104	300
Total		181,763	179,460	361,223	179,438	183,898	363,336	94,582	100,824	195,406	199,594	395,000
Cost of Sales		156,404	154,467	310,871	150,164	153,319	303,483	79,521	85,247	164,768		
Gross Profit		25,358	24,993	50,351	29,274	30,579	59,853	15,061	15,576	30,637		
Selling, general and admin		20,955	21,149	42,104	21,828	22,459	44,287	11,334	12,099	23,433		
Operating income		4,403	3,844	8,247	7,446	8,119	15,565	3,726	3,477	7,203	7,697	14,900
Non-operating loss		298	231	529	266	271	537	102	167	269		
Ordinary income		4,701	4,075	8,776	7,712	8,390	16,102	3,828	3,645	7,473	7,927	15,400
Extraordinary income		306	947	1,253	12	▲ 777	▲ 765	▲ 58	▲ 29	▲ 87		
Income before income taxes		5,007	5,022	10,029	7,724	7,613	15,337	3,770	3,616	7,386		
Net income		2,847	3,582	6,429	4,775	5,234	10,009	2,496	2,435	4,931	5,569	10,500

【Reference】 Net sales by product category

(millions of yen)

		FYE March 2016			FYE March 2017			FYE March 2018 (Forecast)				
	Product category	First half	Second half	Full year	First half	Second half	Full year			First half	Second half (Forecast)	Full year (Forecast)
Net sales	Ham/sausage	39,763	36,429	76,192	39,416	38,931	78,347			43,024	43,976	87,000
	Processed foods (etc.)	70,169	72,527	142,696	72,571	76,616	149,187			81,801	82,899	164,700
	Fresh meats	71,703	70,344	142,047	67,309	68,198	135,507			70,384	72,616	143,000
	Other	129	159	288	142	153	295			197	103	300
Total		181,763	179,460	361,223	179,438	183,898	363,336			195,406	199,594	395,000

5. Net Sales Comparison (by segment and by product category) for the Year Ended March 2018 First Half

Net sales by segment	Net sales by product category																																
(hundred millions of yen)	(hundred millions of yen)																																
Processed Foods Business <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">1,330</div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px;"></td> <td style="text-align: center;">Ham/sausage</td> <td style="text-align: right;">430</td> <td style="width: 20px;"></td> </tr> <tr> <td rowspan="2" style="background-color: orange; writing-mode: vertical-rl; text-orientation: mixed;">Processed foods (etc.)</td> <td style="text-align: center;">Processed foods (etc.)</td> <td style="text-align: right;">348</td> <td style="width: 20px;"></td> </tr> <tr> <td style="text-align: center;">Vendor products</td> <td style="text-align: right;">465</td> <td style="width: 20px;"></td> </tr> <tr> <td rowspan="2" style="background-color: orange; writing-mode: vertical-rl; text-orientation: mixed;">Fresh meats</td> <td style="text-align: center;">Fresh meats</td> <td style="text-align: right;">87</td> <td style="width: 20px;"></td> </tr> <tr> <td style="text-align: center;">Fresh meats</td> <td style="text-align: right;">617</td> <td style="width: 20px;"></td> </tr> <tr> <td style="background-color: orange; writing-mode: vertical-rl; text-orientation: mixed;">Processed foods</td> <td style="text-align: center;">Processed foods (etc.)</td> <td style="text-align: right;">5</td> <td style="width: 20px;"></td> </tr> <tr> <td style="background-color: yellow; text-align: center;">Other</td> <td style="background-color: yellow; text-align: center;">Other</td> <td style="text-align: right;">2</td> <td style="width: 20px;"></td> </tr> </table>		Ham/sausage	430		Processed foods (etc.)	Processed foods (etc.)	348		Vendor products	465		Fresh meats	Fresh meats	87		Fresh meats	617		Processed foods	Processed foods (etc.)	5		Other	Other	2							
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Other	Other	2																															
Fresh Meats Business <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">622</div>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px;"></td> <td style="text-align: center;">Ham/sausage</td> <td style="text-align: right;">430</td> <td style="width: 20px;"></td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;"><u>430</u></td> <td style="width: 20px;"></td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;">Processed foods (etc.)</td> <td style="width: 20px;"></td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;"><u>818</u></td> <td style="width: 20px;"></td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;">Fresh meats</td> <td style="width: 20px;"></td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;"><u>704</u></td> <td style="width: 20px;"></td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;">Other</td> <td style="width: 20px;"></td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;"><u>2</u></td> <td style="width: 20px;"></td> </tr> </table>		Ham/sausage	430				<u>430</u>				Processed foods (etc.)				<u>818</u>				Fresh meats				<u>704</u>				Other				<u>2</u>	
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		<u>2</u>																															

Changes in Consolidated Balance Sheets

[Consolidated Balance Sheets]

(millions of yen)

	FYE March 2015		FYE March 2016		FYE March 2017	
	End of first half	End of year	End of first half	End of year	End of first half	End of year
Current assets	57,728	61,088	69,770	69,241	69,030	78,113
Noncurrent assets	75,682	80,572	81,946	84,270	88,013	92,806
Gross assets	133,411	141,661	151,716	153,511	157,043	170,919

Current liabilities	58,744	60,350	60,423	58,669	55,616	60,413
Noncurrent liabilities	24,619	24,783	23,432	24,812	27,072	31,307
Total liabilities	83,363	85,134	83,856	83,481	82,689	91,721
Shareholders' equity	38,349	42,686	54,201	57,276	61,584	66,335
Accumulated other comprehensive income	4,507	7,261	6,925	5,881	5,524	5,683
Minority interests	7,190	6,578	6,732	6,871	7,245	7,179
Total net assets	50,047	56,526	67,860	70,030	74,354	79,198
Total liabilities and net assets	133,411	141,661	151,716	153,511	157,043	170,919

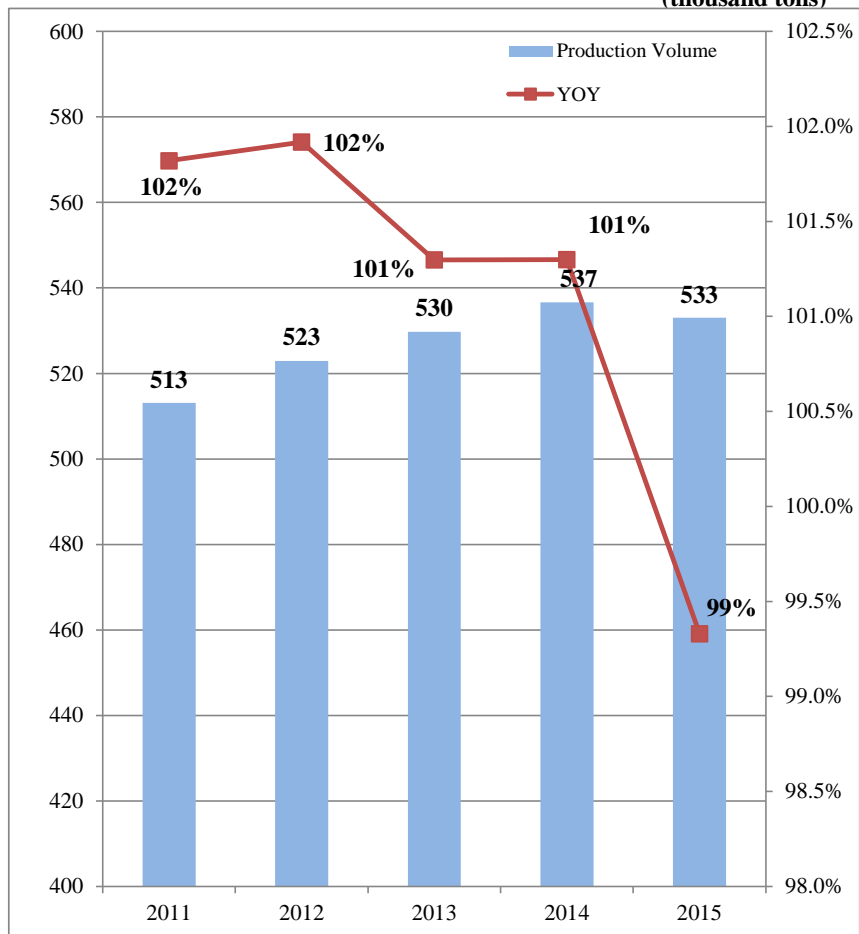
(millions of yen, %)

Equity	42,856	49,948	61,127	63,158	67,109	72,019
Equity ratio	32.1	35.3	40.3	41.1	42.7	42.1

Data on Industry Trends

(1) Change in Production Volume of ham/sausages (Japan)

(thousand tons)



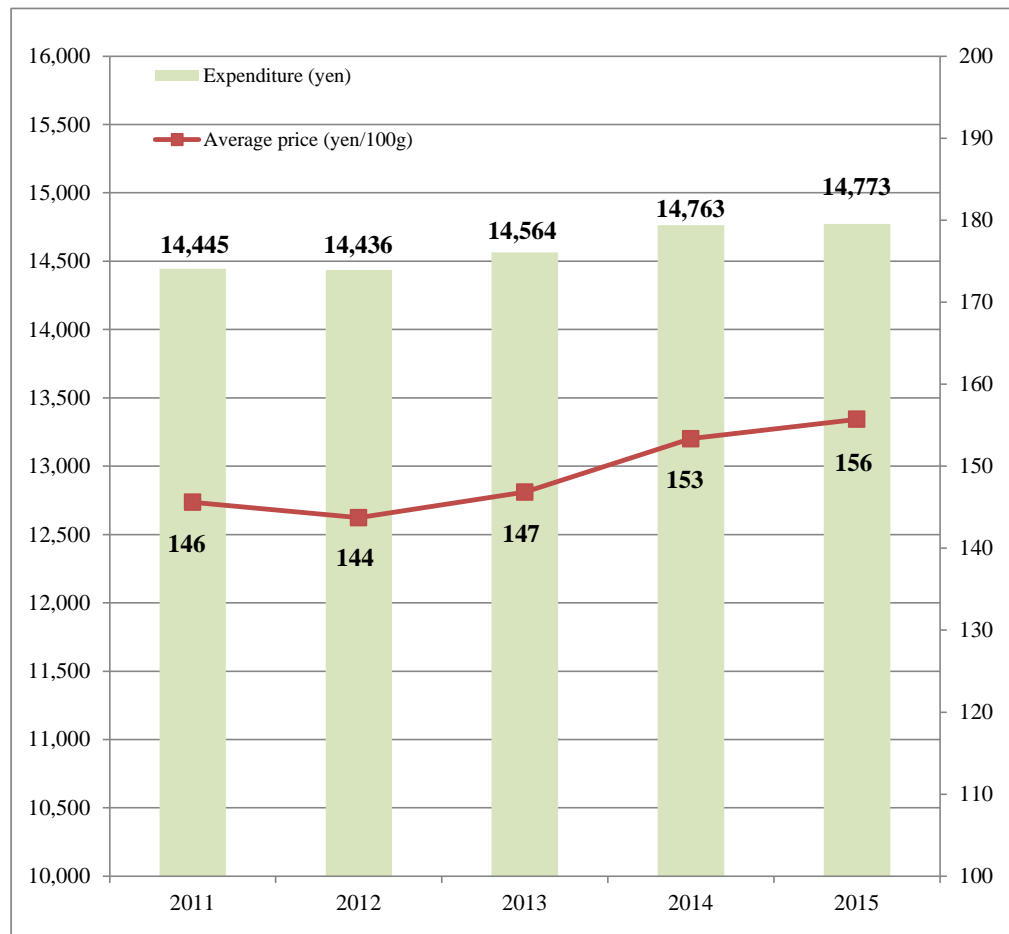
(Note) Data from Japan Ham & Sausage Processors Cooperative Association

2017 (1-8)

(t)

	Production Volume	YOY
Sausage	205,925	101.8%
Ham	70,684	106.2%
Bacon	62,070	104.4%
Pressed ham	20,340	95.6%

(2) Household Expenditure on Ham/sausages (annual figures, taxes excluded)



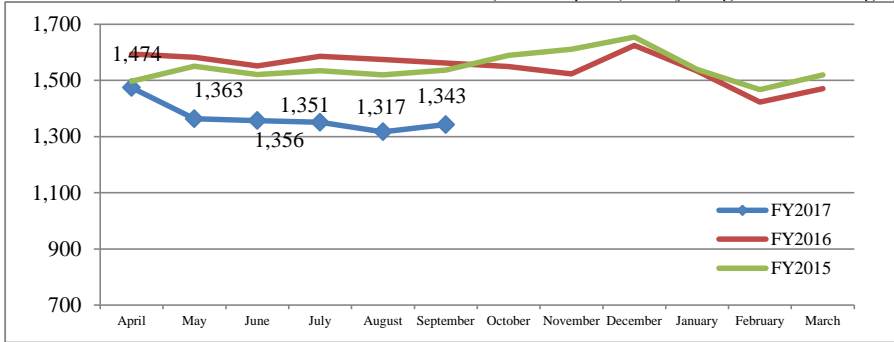
Report on the Family Income and Expenditure Survey, Bureau of Statistics (a nationwide survey of households with two or more members)

2017 (1-9)

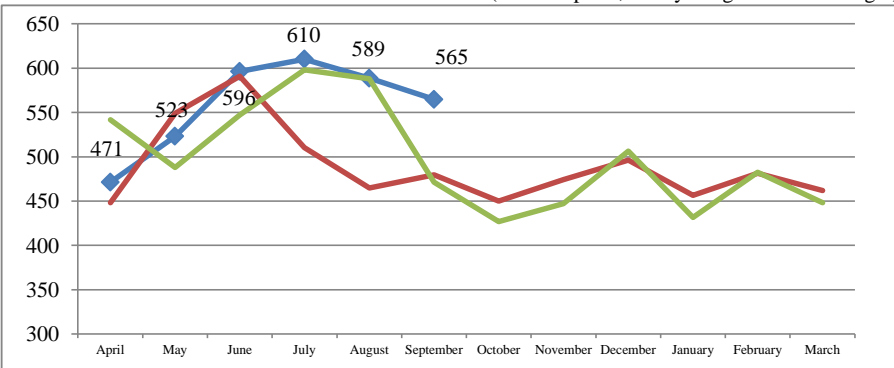
	family consumption	YOY
Volume (g)	6,940	100.9%
price(yen)	10,180	96.0%
avarege price (yen/100g)	147	95.1%

Data on Industry Trends 2

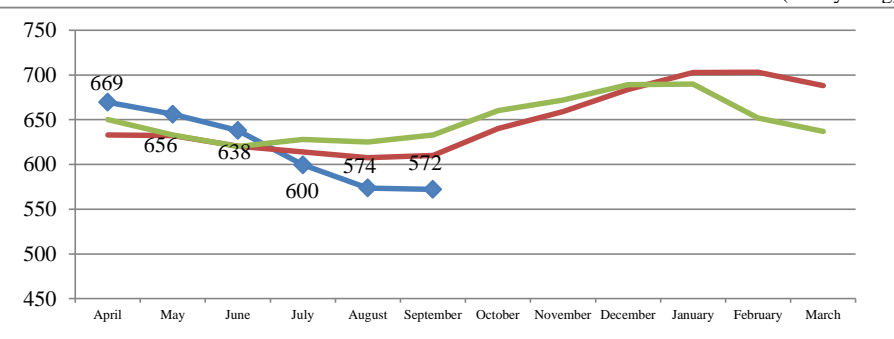
(1) Tax-excluded wholesale price (Tokyo) of B-3 crossbred steers
(Dressed price; unit: yen/kg of carcass weight)



(2) Tax-excluded wholesale price of pork (Tokyo, ministerial ordinance)
(Dressed price; unit: yen/kg of carcass weight)

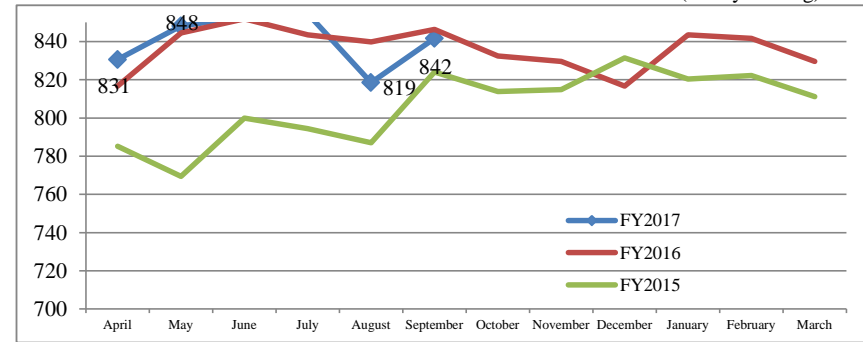


(3) Tax-excluded wholesale price (Tokyo) of chicken (leg)
(unit: yen/kg)

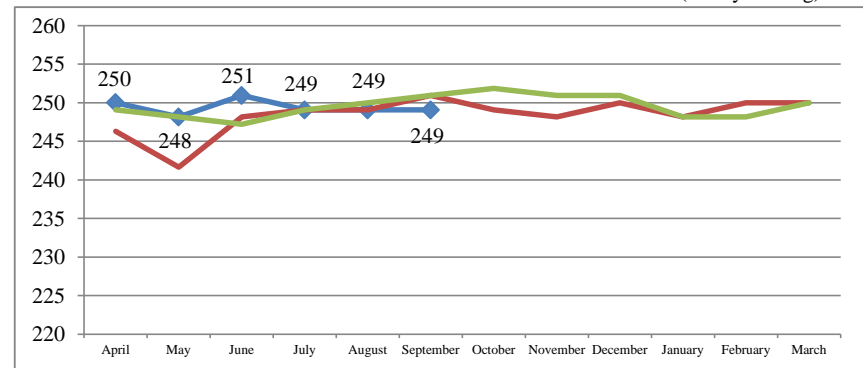


Ministry of Agriculture, Forestry and Fisheries (Survey on Meat Distribution)

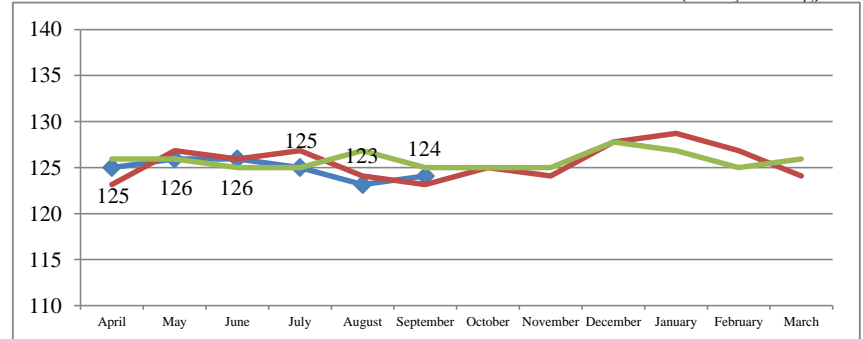
(4) Tax-excluded retail price of Japanese-produced beef loin (Tokyo)
(unit: yen/100g)



(5) Tax-excluded retail price of Japanese-produced pork loin (Tokyo)
(unit: yen/100g)



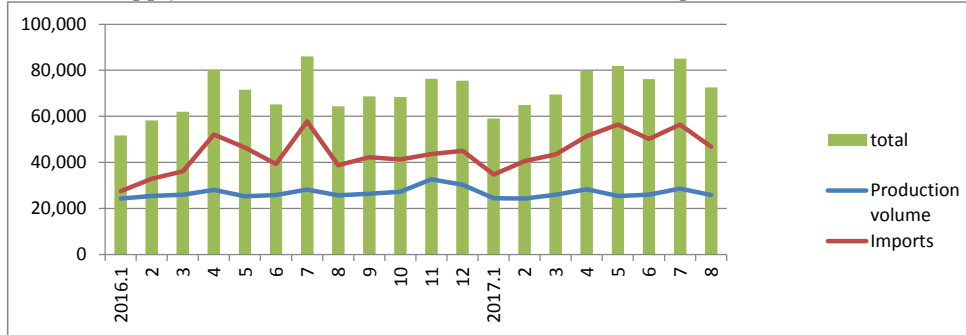
(6) Tax-excluded wholesale price (Tokyo) of Japanese-produced chicken (leg)
(unit: yen/100g)



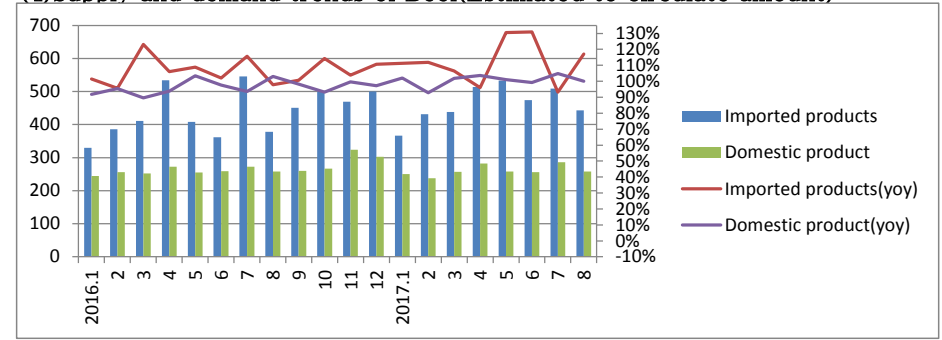
Ministry of Internal Affairs and Communications (Report on the Retail Price Survey)

Data on Industry Trends 3

(1) Beef supply and demand table (Production volume•Imports) (ton)

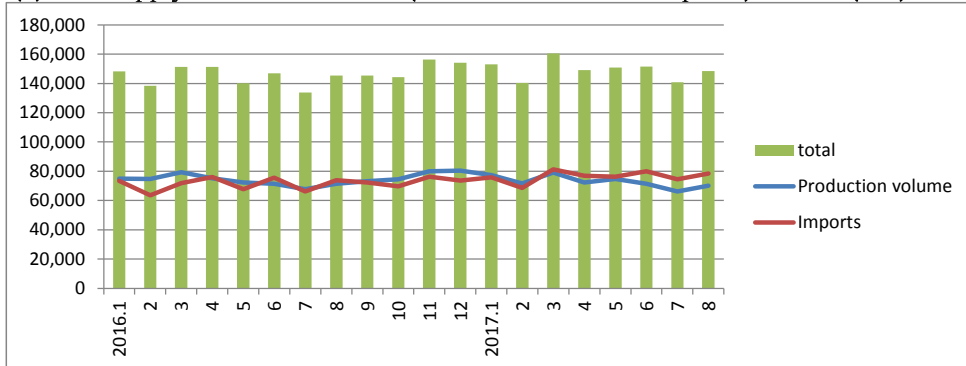


(4) Supply and demand trends of Beef (Estimated to circulate amount)

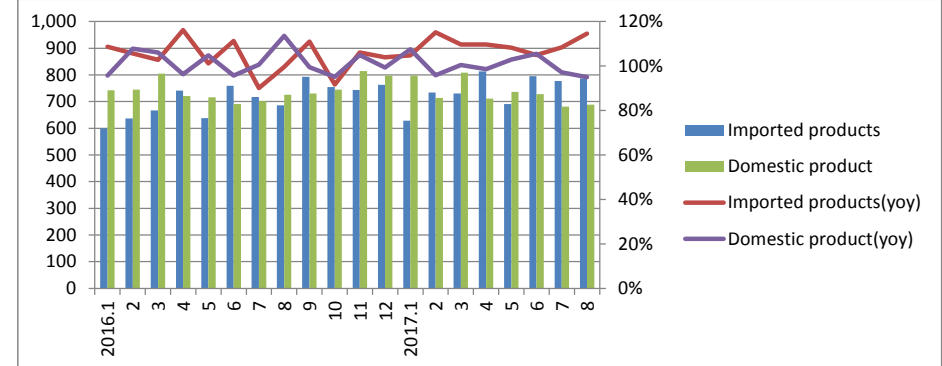


(One hundred tons/%)

(2) Pork supply and demand table (Production volume•Imports) (ton)

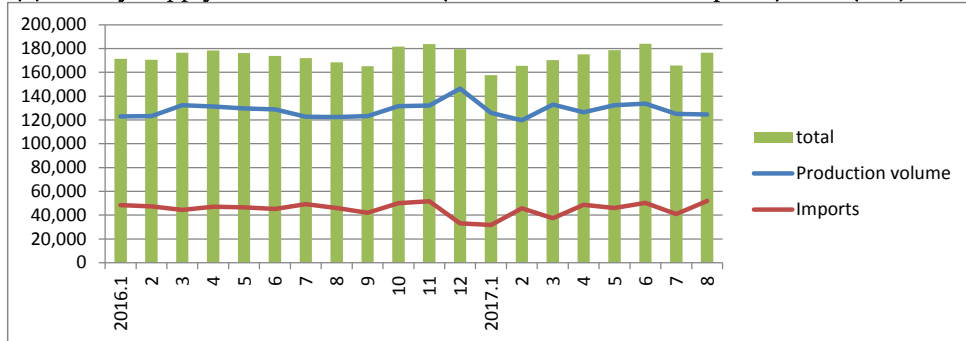


(5) Supply and demand trends of Pork (Estimated to circulate amount)

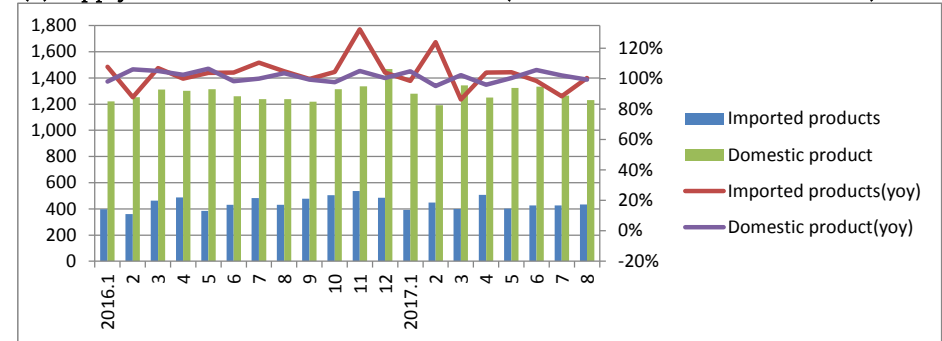


(One hundred tons/%)

(3) Poultry supply and demand table (Production volume•Imports) (ton)



(6) Supply and demand trends of Chicken (Estimated to circulate amount)



(One hundred tons/%)

Profile

(As of Sept 30, 2016)

■ Corporate data

Head office	Shinagawa Seaside West Tower, 4-12-2 Higashi-Shinagawa, Shinagawa-ku, Tokyo		
Representative	Tetsuya Matsui, President and Representative Director		
Detail of business	Manufacture and sale of hams and sausages, fresh meats, processed foods, and other products		
Established	July 9, 1948		
Capital	7,908 million yen		
Fiscal year-end	March 31		
Number of employees	1822 (declined by 115)		
Business sites	(note)	Sales bases	6 branch offices 25 sales offices Production bases 4 plants
Number of group companies	(note)	35 (± 0) Consolidated subsidiaries 28 (declined by 1) Companies accounted for using the equity method 7 (increased by 1)	
Number of employees across corporate group	13809 (declined by 697)		
Group bases	Production bases	25 plants (in Japan) 5 bases (overseas)	

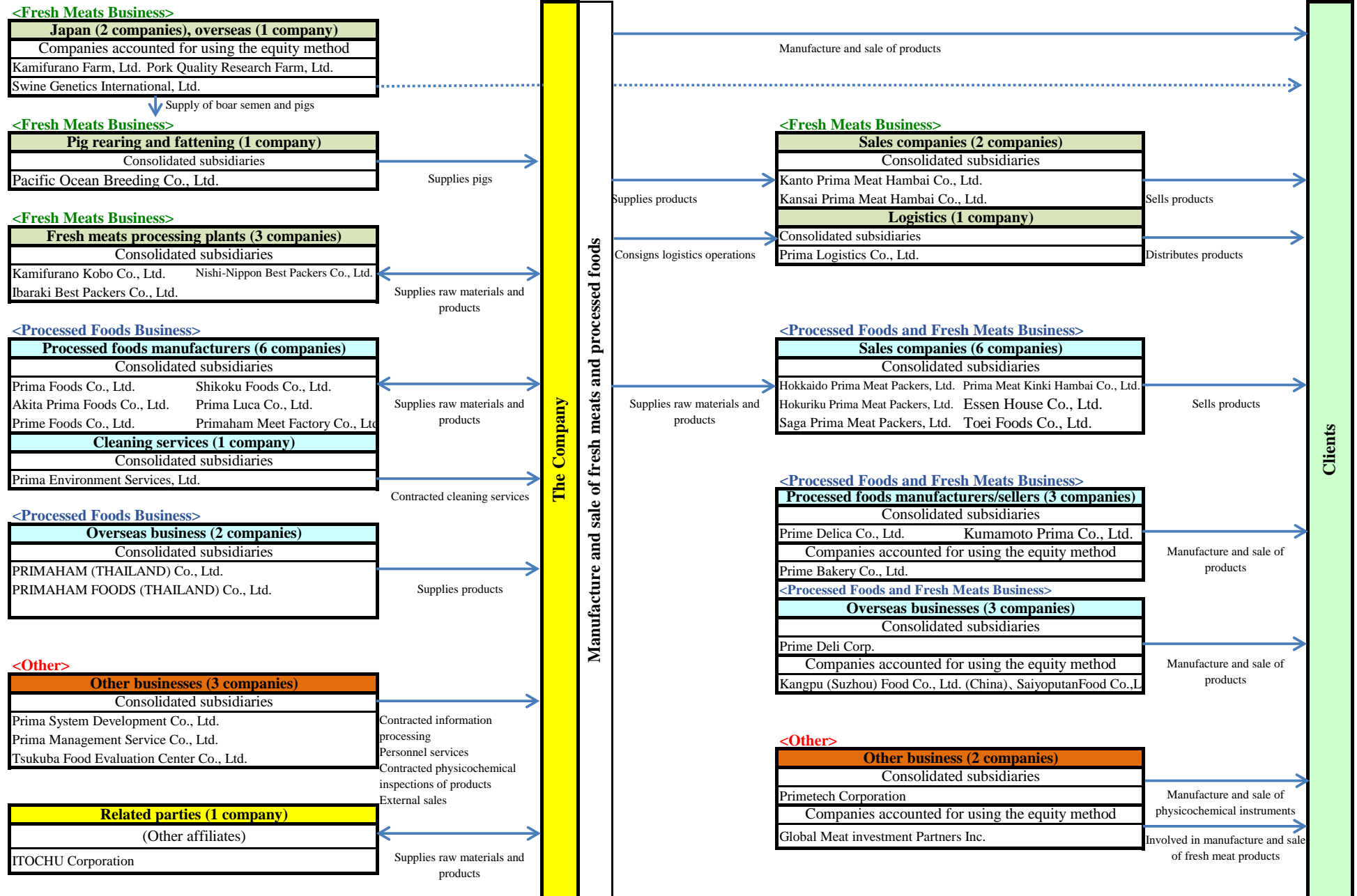
(Note)

1. Increase/decrease is in comparison to the end of the previous fiscal year (as of March 31, 2017)

■ Company history

September 1931	Takegishi Ham Company founded in Kanazawa
July 1948	Takegishi Livestock Co., Ltd. founded in Takaoka
August 1962	Listed on the first sections of the Tokyo Stock Exchange and Osaka Securities Exchange
May 1965	Name of company changed to Prima Meat Packers, Ltd.
March 1984	Becomes official sponsor of Tokyo Disneyland
April 2004	Mie plant gains ISO14001 certification
March 2005	Becomes official silver sponsor of professional baseball team Tohoku Rakuten Golden Eagles
April 2005	Head office and other production plants gain ISO14001 certification
May 2007	Four plants across Japan (ham/sausage) gain ISO22000 certification
July 2008	Processed foods plants and distribution centers gain ISO22000 certification (total of 26 business centers)
April 2010	Becomes official gold sponsor of professional baseball team Tohoku Rakuten Golden Eagles
September 2011	80th anniversary of company's foundation
June 2016	Ibaraki sausage plant completed, operations commenced

Corporate Group Data (as of Sept 30, 2017)



Management Vision

Great taste, great connections

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 connections between people.

Management philosophy - The basics -

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

Management vision

1. Each and every one of us shall use our imaginative faculties and come up with creative ideas and proposals
2. We shall utilize our exceptional productive development skills and technical prowess in a comprehensive effort to provide our customers with great tasting food and information related to such; in this way, we shall contribute toward an abundant and healthy dietary life.
3. We shall resolutely pursue self-improvement with a view to becoming a highly profitable comprehensive food business

Precautionary Notes

The projected figures used in this document are the results of the company's assessments and predictions based on currently available information, and they are subject to various risks and uncertainties.

Therefore, the actual performance may differ from the projected figures.

Inquiries

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Website (Japanese) <http://www.primaham.co.jp/>