

Second Quarter Financial Results for the Year Ended March 31, 2021

Great taste, great connections

 PRIMAHAM

Nov 20, 2020

Contents

**I. Second Quarter Financial Results for the Year Ended (P.2-14)
March 31, 2021**

II. Forecast for FYE March 2021 (P.15-19)

III. Referential Materials (P. 20-33)

Second Quarter

Financial Results for the Year Ended March 31, 2021

1-(1). Second Quarter Financial Results for the Year Ended March 31, 2021

[Consolidated statements of income]

(millions of yen)

Item	FYE March 2020		FYE March 2021		
	Results	Net sales ratio	Results	Net sales ratio	YOY
Net sales	206,400	100.0%	212,226	100.0%	102.8%
Processed Foods Business	139,583	67.6%	144,112	67.9%	103.2%
Fresh Meats Business	66,548	32.2%	67,876	32.0%	102.0%
Other	268	0.1%	237	0.1%	88.4%
Cost of Sales	173,813	84.2%	175,983	82.9%	101.2%
Gross Profit	32,587	15.8%	36,243	17.1%	111.2%
SG&A expenses	25,055	12.1%	25,094	11.8%	100.2%
Operating income	7,531	3.6%	11,148	5.3%	148.0%
Non-operating income	558	-	457	-	-
Non-operating expenses	145	-	154	-	-
Ordinary income	7,945	3.8%	11,451	5.4%	144.1%
Extraordinary income	2,390	-	193	-	-
Extraordinary loss	111	-	498	-	-
Income before income taxes	10,224	5.0%	11,147	5.3%	109.0%
Income taxes	3,349	-	3,349	-	-
Minority interests in income	1,127	-	840	-	-
Net income	5,747	2.8%	6,957	3.3%	121.1%

[Key Points]

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

•Ham/sausage	50,544 (YOY: 113%)
•Processed Foods	33,697 (YOY: 97%)
•Vendor products	51,005 (YOY: 100%)
•Fresh Meats	76,742 (YOY: 101%)
•Other	238 (YOY: 88%)

[Cost of sales]

•Ratio of raw materials and inventory	Down 1.3%
•Production expenses ratio	Down 0.0%
Cost of sales ratio	⇒ Down 1.3%

[SG&A expenses]

•SG&A expenses (personnel expenses ratio)	Up 0.0%
•SG&A expenses (expense ratio)	Down 0.3%
SG&A expenses to net sales ratio	⇒ Down 0.3%

Ordinary income to net sales ratio ⇒ **Up 1.6%**

1-(2).Second Quarter Financial Results for the Year Ended March 31, 2021

[Income by business segment]

(millions of yen)

		FYE March 2020		FYE March 2021			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	139,583	-	144,112	-	103.2%	95.1%	151,500
	Fresh Meats Business	66,548	-	67,876	-	102.0%	101.3%	67,000
	Other	268	-	237	-	88.4%	-	280
Operating income	Processed Foods Business	6,763	4.8%	9,121	6.3%	2,358	2,561	6,560
	Fresh Meats Business	639	1.0%	1,964	2.9%	1,325	904	1,060
	Other	143	-	63	-	▲ 80	13	50

[Non-consolidated Income]

(millions of yen)

	FYE March 2020		FYE March 2021		
	Results	Net sales ratio	Results	Net sales ratio	YOY
Net sales	157,291	100.0%	162,318	100.0%	103.2%
Operating income	4,558	2.9%	6,321	3.9%	1,763
Ordinary income	5,321	3.4%	7,109	4.4%	1,788
Income before income taxes	5,237	3.3%	6,653	4.1%	1,416
Net income	3,685	2.3%	4,705	2.9%	1,020

[Profit and loss of individual and subsidiaries after adjustment of paid sales]

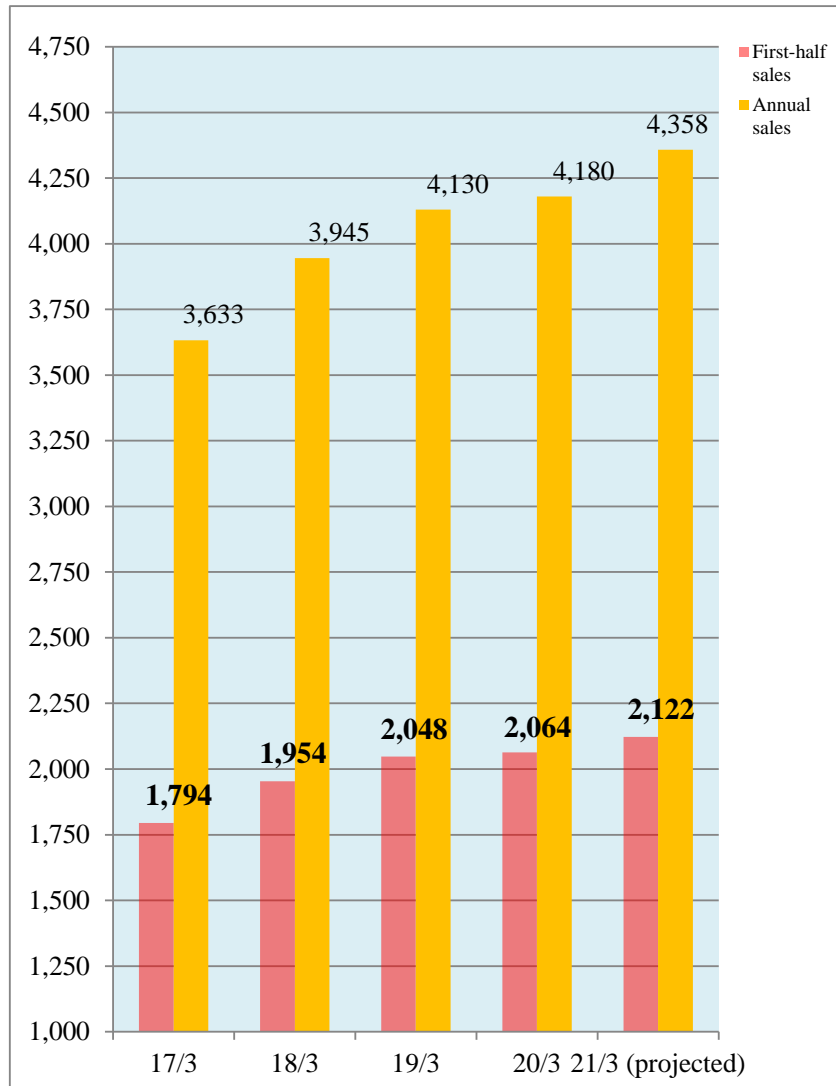
(millions of yen)

		FYE March 2020		FYE March 2021			
		Net sales	Operating income	Net sales	YOY	Operating income	YOY
Prima Meat Packers Ltd.		148,465	4,558	153,269	103.2%	6,321	1,763
Group Companies	Vendor(s) (1)	48,985	1,326	51,005	104.1%	1,953	627
	Other (including amendments for consolidation)	8,950	1,647	7,952	-	2,874	1,227
Consolidated Total		206,400	7,531	212,226	102.8%	11,148	3,617

2. Changes in Net Sales and Operating Income

Net sales

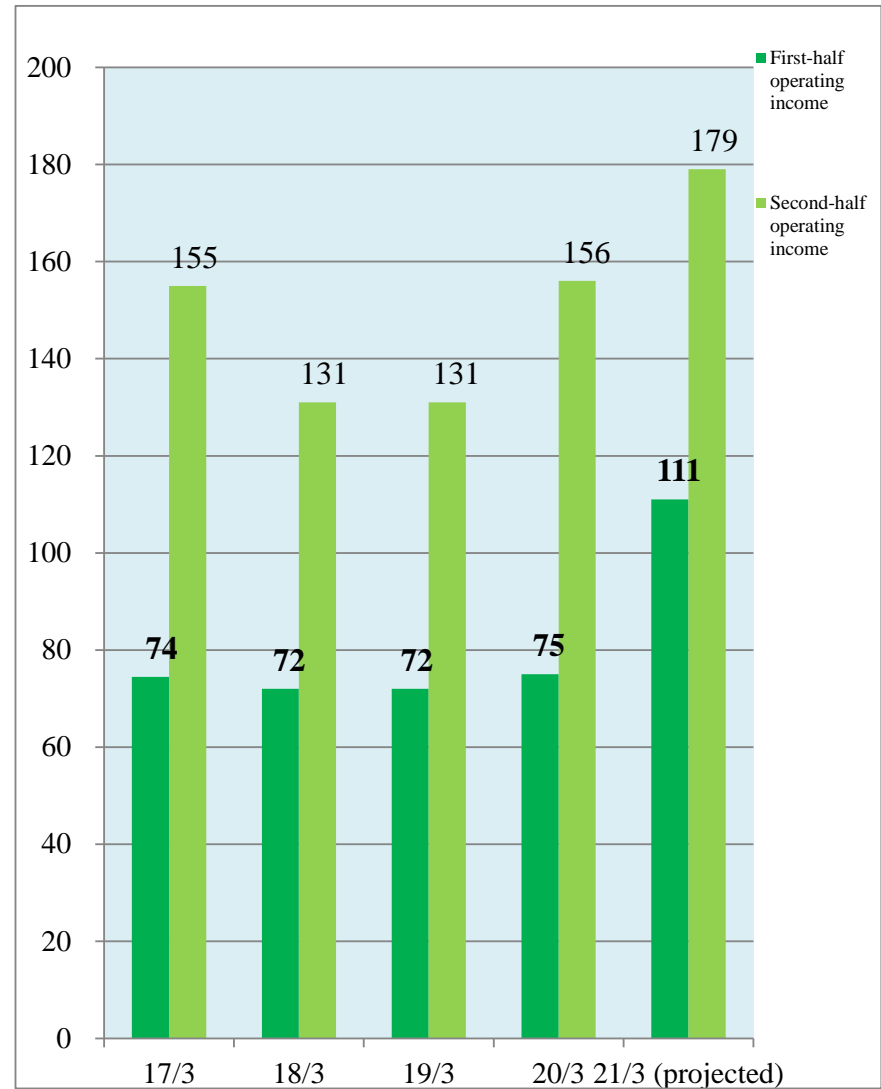
(hundred millions of yen)



(Note) rounded down to the nearest hundred million yen
The figures for March 2019 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 2021

Business environment

- Personal consumption→Increase in thriftiness
- Increase in low-price strategies, reflecting consumer environment
- Rising labor costs and logistics costs due to chronic labor shortage
- COVID-driven changes in consumer behavior, supply insecurity
- US-China trade war and COVID-19 have clouded global economic outlook



14.00 million friends gained

Measures

- Concentrate sales efforts on core products
- Strengthen development of sales promotion strategy
- Promote personnel saving and volume growth
- Enhance production base and improve productivity in vendor plants

Outcomes

- Focusing on national-brand ham/sausage products resulted 19% YoY increase in sales volume
- Adopted new sales strategy to adapt to COVID effects
- Advertising campaign featuring Tao Tsuchiya (Koukun and gift products) → Sales volume of sausages and ham
YOY: 111%
Consumer: 120%
Commercial: 89%
- Modified promotional campaigns to adapt to COVID effects
Cancelled or postponed Tokyo Disney Resort events
Cancelled promotional campaign in collaboration with Yoshimoto Kogyo
→ Line-based promotions
—e.g. Piica (LED-illuminated IC card holder)
Gift assortment
Gift selection
Sales volume of processed foods
YOY: 100%
Consumer: 115%
Commercial: 85%
Others: 109%
- Ham and bacon plant in Ibaraki now at full capacity → YOY
Improved of Man-hour productivity
• Ham/sausage Up 6%
• Processed Foods Down 1%
- Maintained production capacity amid COVID-19
- More client stores thanks to stay-fresh-long products → Sales volume
YOY: 105%
- Introduction of innovative facilities led to improvement in quality/sanitary control and productivity
- New product hit

3. Processed Foods Business– First Half, Year Ended March 2021

(1) Ham/sausage

☆Total<Sales volume of sausages and ham YOY>

Breakdown	FYE March 2019	FYE March 2020	First Half (Results)	Composition ratio
Ham/sausage Sum	104%	102%	111%	100%
Consumer	105%	106%	120%	77%
Commercial	101%	95%	89%	22%
Gift Products	95%	99%	95%	1%

☆Main Products<Sales volume YOY>

Product name	FYE March 2019	FYE March 2020	First Half (Results)
Koukun Winner	114%	120%	126%
Tokachi Raw ham	104%	104%	112%
Loin ham group	103%	93%	125%
Bacon group	102%	115%	133%



Koukun Winner

☆Improved of Man-hour productivity YOY

FYE March 2016	FYE March 2017	FYE March 2018	FYE March 2019	FYE March 2020	First Half (Results)
6%	6%	8%	5%	2%	6%

(3) Vendor products<Net Sales YOY>

FYE March 2016	FYE March 2017	FYE March 2018	FYE March 2019	FYE March 2020	First Half (Results)
106%	105%	106%	107%	103%	105%

(2) Processed Foods

☆Total<Sales volume of Processed Foods YOY>

Breakdown	FYE March 2019	FYE March 2020	First Half (Results)	Composition ratio
Processed Foods Sum	102%	100%	100%	100%
Consumer	96%	108%	115%	38%
Commercial	112%	101%	85%	38%
Seasoning raw	96%	95%	109%	24%

☆Main Products<Sales volume YOY>

Product name	FYE March 2019	FYE March 2020	First Half (Results)
Salada Chicken	96%	103%	107%
Spring roll	92%	91%	116%
Range pot	86%	97%	98%
hamburger steak group	107%	117%	159%

☆Improved of Man-hour productivity YOY

FYE March 2019	FYE March 2020	First Half (Results)
6%	1%	-1%



3-(2). Processed Foods Business – First Half, Year Ended March 2021 2

Income

(millions of yen)

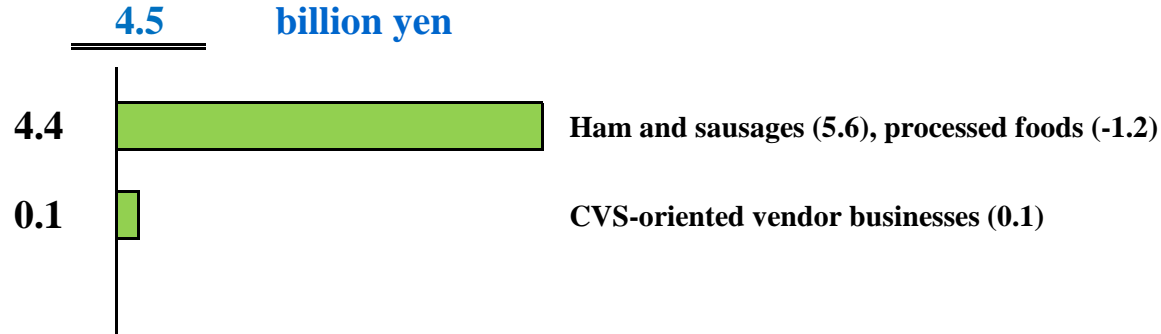
	FYE March 2020	FYE March 2021	YOY	Difference
Net sales	139,583	144,112	103.2%	4,529
Operating income	6,763	9,121	134.9%	2,358
Ordinary income to net sales ratio	4.8%	6.3%		



Happy Halloween campaign

Factors behind earnings figures

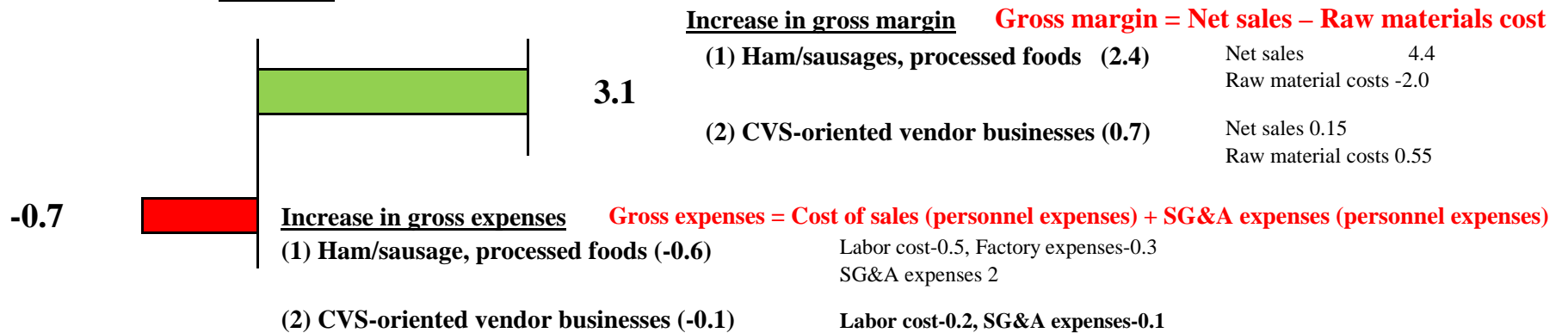
★ Increase in net sales



★ Increase in operating income

2.4 billion yen

(Ham/sausage 1.0, Processed Foods 0.8, Vendor Businesses 0.6)



4. Fresh Meats Business – First Half, Year Ending March, 2021



Business environment

- Personal consumption → Increase in thriftiness
- Increase in low-price strategies, reflecting consumer environment
- Rising labor costs and logistics costs due to chronic labor shortage
- Concerns about the spread of the domestic and foreign pork disease problems
- COVID-driven changes in consumer behavior, supply insecurity
- US-China trade war and COVID-19 have clouded global economic outlook

Measures

- Strengthen the Japanese-produced pork integration business (expand production)
- Strengthen sales capacity
 - 1) Reform employees' attitudes toward earnings
 - 2) Pursue selective and concentrated marketing to increase market share and expand revenue base
 - 3) Train sales team, strengthen management skills
- Strengthen merchandise power
 - * Expand sales of original brands
- Improve management and logistics
 - 1) Head office to coordinate and control all operations
 - 2) Consolidate distribution channels to improve efficiency and minimize costs

Outcomes

- Developed effective pig feed across whole group
- Improved pork categories for more efficient production
 - Better fattening, higher shipment volume
- Made progress in expanding farms
- Procurement and sales: Separate management for each key supplier
- Original brands sales volume:
 - Sales composition ratio 45%
- Strengthened strategic job rotation
- Better matching of talent to roles
- Closer relationship with major suppliers
 - e.g., High Life, Prime Pork
- Expanded farms for original brands
- Tighter control of transportation fees

4-(2). Fresh Meats Business – First Half, Year Ending March, 2021

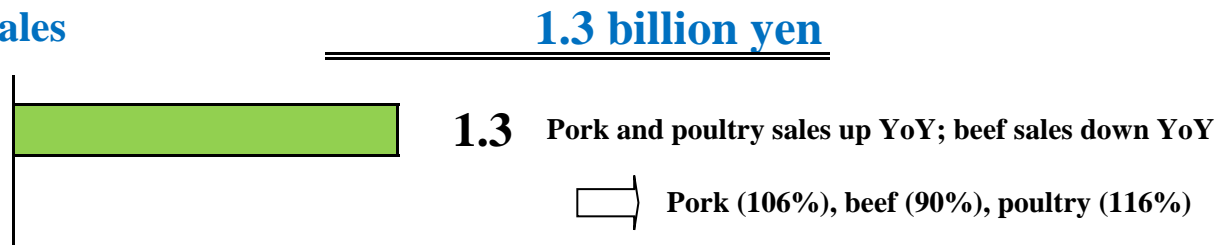
Income		(millions of yen)	
	FYE March 2020	FYE March 2021	YOY
Net sales	64,724	67,876	104.9%
Operating income	857	1,964	229.2%
Ordinary income to net sales ratio	1.3%	2.9%	



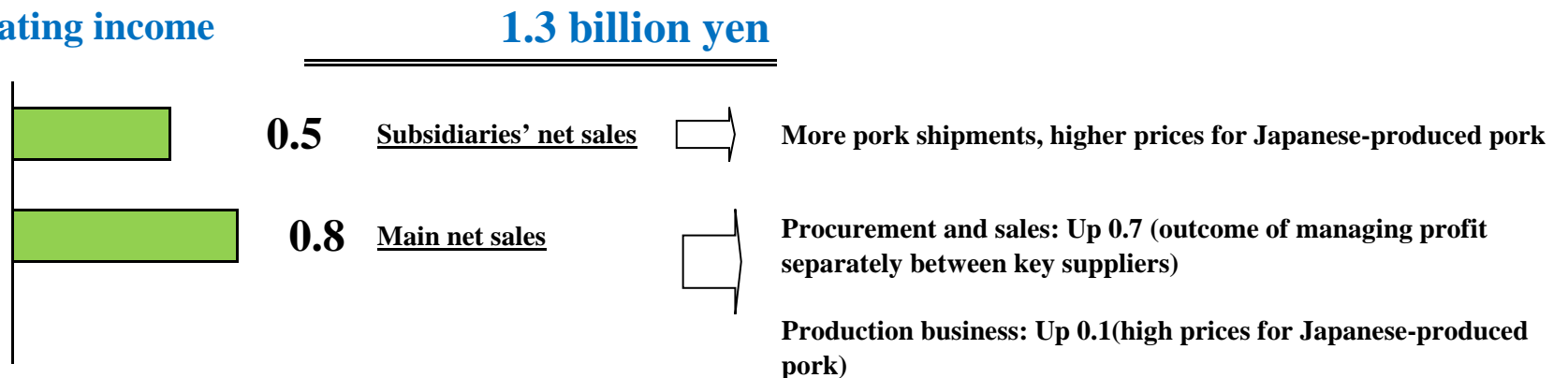
Roast pork prepared using Kagoshima Black Pig

Factors behind earnings figures

★ Increase in net sales



★ Increase in operating income



3. Variance from Plan – First Half, Year Ended March, 2021

(millions of yen, %)

Q2 (accumulated)		Results	Plan	Variance	Last year	Year-on-year change
Processed Foods Business	Net sales	144,113	151,500	95.1%	139,583	103.2%
	Operating income	9,121	6,560	2,561	6,763	2,358

[Key variances]

- Ham/sausage and processed foods business
Operating margin variance: 1.71 bn
1Q +0.95 bn 2Q +0.76 bn
- ⇒ Ham/sausage: Sales volume 103% of target, net sales 101% → Operating income up 0.8 bn
 Processed foods: Sales volume 92% of target, net sales 87% → Operating income up 0.91 bn
 → Margins buoyed by strong performance of consumer products. Our processed foods manufacturers saw higher profit as a result
 Offset downturn in commercial products

- CVS-oriented vendor businesses
Operating margin variance: +8.5 bn
1Q +0.42 bn 2Q +0.43 bn
- ⇒ Vendor business Net sales 97.5% of target
 Vendor business Operating income 0.85 bn more than expected
 → Missed sales target (1.3 bn), but achieved 0.2 bn increase in gross margin after trimming raw material costs by 1.5 bn
 Saved 0.1 bn by controlling labor costs; saved 0.5 bn by reducing production inefficiencies

(millions of yen, %)

Q2 (accumulated)		Results	Plan	Variance	Last year	Year-on-year change
Fresh Meats Business	Net sales	67,876	67,000	101.3%	66,548	102.0%
	Operating income	1,964	1,060	904	639	1,325

[Key variances]

- Fresh Meats Business
Operating margin variance: 0.9 bn
1Q +0.43 bn 2Q +0.47 bn
- ⇒ Procurement/sales: down 0.3 bn
 Production, subsidiary farms: Up 0.6 bn
 → Procurement and sales business saw strong pork and poultry sales to volume sellers, and higher gross margin for pork and beef
 Production business (including subsidiary farms) benefitted from high prices for Japanese-produced pork

5. Consolidated Balance Sheets for the Year Ended March 2021 First Half

(millions of yen)

	FYE March 2020	FY March 2021/1H	Change
Current assets	87,310	93,370	8,152
Noncurrent assets	111,220	112,909	3,697
Gross assets	198,530	206,280	7,750
Current liabilities	68,171	71,042	2,871
Noncurrent liabilities	30,225	28,807	22
Total liabilities	98,396	99,849	1,453
Shareholders' equity	86,010	90,953	4,943
Accumulated other comprehensive income	4,562	5,086	-1,379
Minority interests	9,561	10,390	829
Total net assets	100,134	106,430	13,509
Total liabilities and net assets	198,530	206,280	7,750

[Current assets]

• Cash and deposits	1.167 billion yen
• Increase in notes and accounts receivable	1.182 billion yen
• Increase in inventory assets	1.647 billion yen

[Noncurrent assets]

• Increase in property, plant and equipment	-0.516 billion yen
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[Total liabilities]

• Increase in notes payable accounts payable	3.169 billion yen
• Decrease in long-term loans payable	-1.566 billion yen
• Decrease in other current assets	-0.748 billion yen

[Total net assets]

• Increase in retained earnings	4.943 billion yen
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6. Cash Flow and Performance Indicators for the Year Ended March 2021 First Half

[Consolidated statements of cash flows]

(millions of yen)

	FYE March 2020/1H	FYE March 2021/1H	Change
Cash flows from operating activities	8,009	12,980	4,971
Cash flows from investing activities	-1,063	-6,137	-5,074
Cash flows from financing activities	-4,630	-4,279	351
Cash and cash equivalents at end of period	16,054	24,788	8,734

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

- | | | |
|---|---|--|
| • Recording of quarterly net income before income taxes
11.147 billion yen | • Acquisitions of property, plant and equipment
-4.681 billion yen | • Procurement of long-term loans payable
-1.736 billion yen |
| • Recording of depreciation and amortization
4.663 billion yen | • Acquisition of intangible fixed assets
-0.358 billion yen | • Payment of dividends
-2.009 billion yen |
| • Increase in trade payables
2.699 billion yen | • Increase in time deposits
-0.617 billion yen | |

[Performance indicators]

(millions of yen, %)

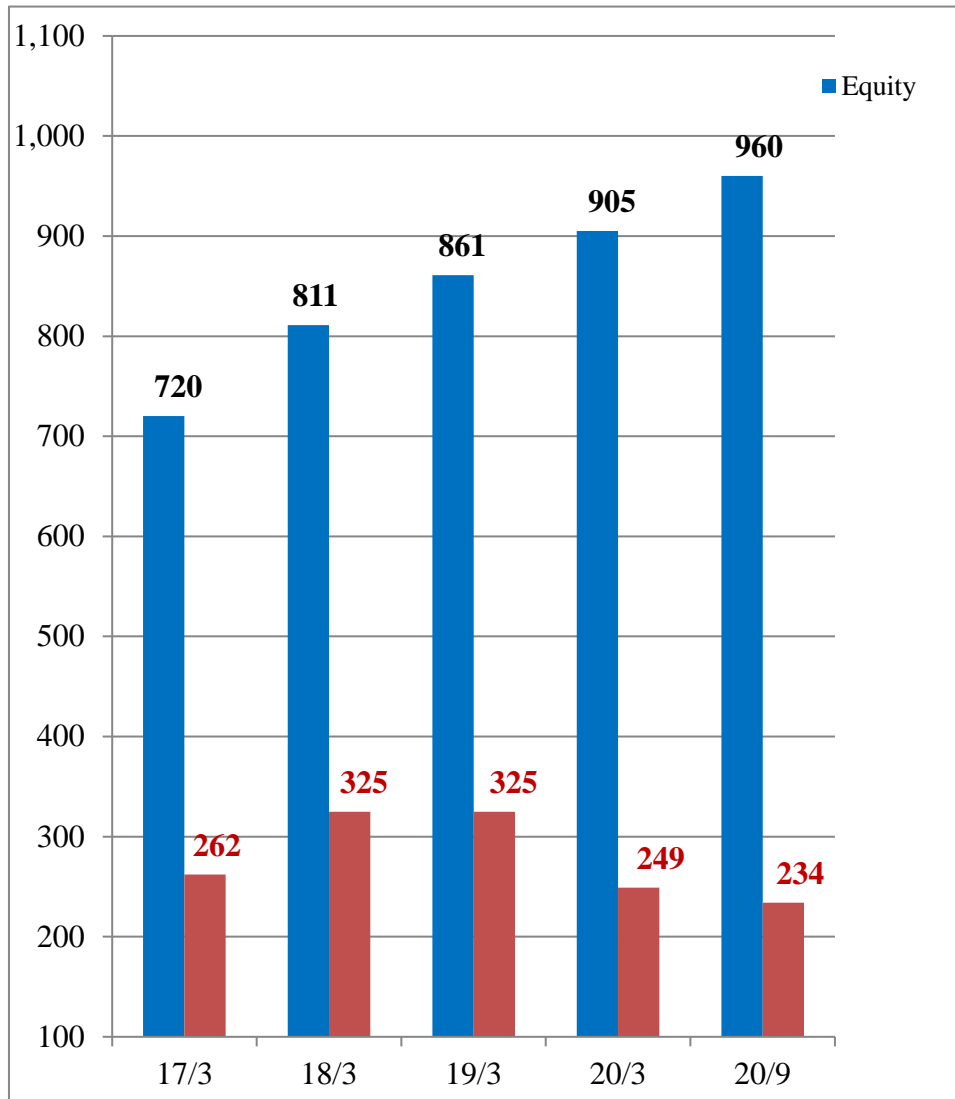
	FYE March 2020/1H	FYE March 2021/1H	Change
Equity	89,625	96,040	6,415
Equity ratio	44.7	46.6	1.9
Interest-bearing liabilities	27,125	23,465	-3,660
Debt equity ratio	0.30	0.24	-0.06

*Equity is total net assets minus minority interests.

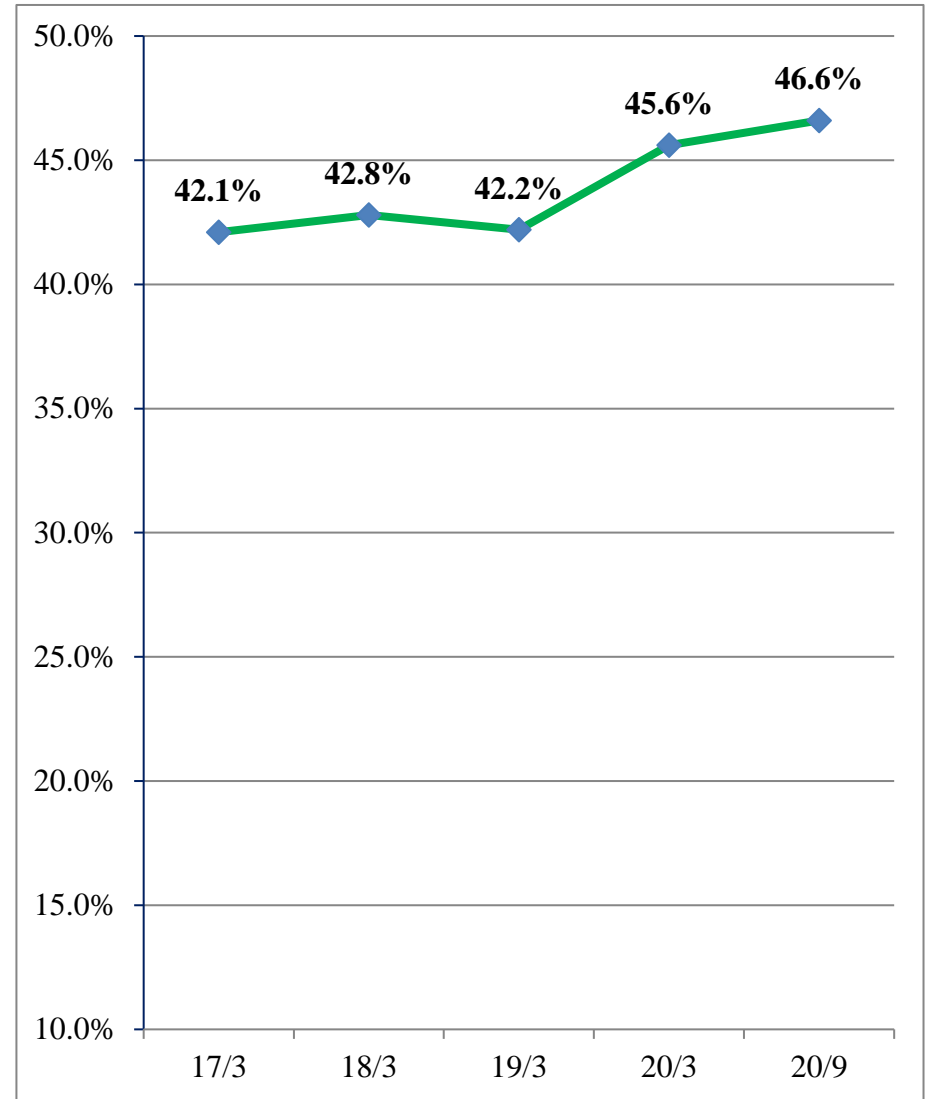
7. Changes in Equity, Interest-bearing Liabilities, and Equity Ratio

Equity and interest-bearing liabilities

(hundred millions of yen)



Equity ratio



(Note) rounded down to the nearest hundred million yen

Forecast for FYE March 2021

1. Initiatives of the Processed Foods Business for the Second Half of FYE March 2021

<Business Environment/Challenges>

- Adapt to COVID-driven changes in consumer behavior



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



<Measures>

- Concentrate sales effort on core products by working with partner stores and conducting promotional campaigns
- 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 online promotional campaigns
- Expand stay-fresh-long products in vendor business
- Ensure robust anti-infection measures
- Develop lineup of year-end gifts for expressing gratitude
- Continue double-gift campaign, offering a treat for the sender and receiver alike
- Incorporate HPP and IQF to reduce food waste



2. Initiatives of the Fresh Meats Business for the Second Half of FYE March 2021

Business Environment/Challenges

- Procurement prices remain high
 - Soaring feed prices
 - Swine disease
 - Buying among Chinese firms requires attention
- Effects of upcoming TPP-11 and Japan-EU EPA, TAG
- Intense competition over sales resulting in lower profit margins
- Japanese livestock businesses continue to downsize

Measures

- Focus sales efforts on group products, original brand products, and value-added products
- Work with partners to secure preferential products
- Push for better cheaper procurement as position allows
- Secure profits by marketing differentiated group products and original brand products
- Streamline workflows to enable control of indirect expenses
- Streamline workflows to enable control of indirect expenses
- Raise earning motivation with supplier and product-differentiated management
- Expand group's production business
- Strengthen relationships with partners to secure stable supply

3. Forecast for FYE March 2021

【Consolidated profit and loss】

(millions of yen)

	Results for FYE March 2020	Forecast for FYE March 2021	YOY	Year plan
Net Sales	418,060	435,800	104.2%	441,400
Gross Profit	15,636	17,900	114.5%	14,500
Operating Income	15,959	18,200	114.0%	14,600
Net Income	8,823	11,300	128.1%	8,900

(First Half and Second Half)

(millions of yen)

	First Half (Results)	Second Half (Forecast)	Second Half (Plan)
Net Sales	212,226	223,574	222,700
Gross Profit	11,148	6,752	6,800
Operating Income	11,451	6,749	6,900
Net Income	6,957	4,343	4,400

【Income by business segment】

(millions of yen)

(millions of yen)

	Results for FYE March 2020	Forecast for FYE March 2021	YOY	Year plan	Planning ratio	
Net Sales	Processed Foods Business	269,380	300,000	111.4%	307,400	97.6%
	Fresh Meats Business	124,663	135,300	108.5%	133,500	101.3%
	Other	491	500	101.8%	500	100.0%
Gross Profit	Processed Foods Business	11,688	15,100	129.2%	12,620	2,480
	Fresh Meats Business	1,207	2,700	-	1,750	950
	Other	236	100	-	130	-30

4. Topics

1. Investment for sustainable growth

① Digital transformation led by project team

- • Upgrade internal systems
- Business process re-engineering (BPR)
- Help prepare employees for transformation

② Work on ESG factors

- **HPP(High Pressure Processing)**
Use high pressure processing (HPP) to extend shelf life, cut food waste, and reduce added preservatives
- Promote new, sustainable farm management, focusing on animal welfare, carbon footprint, and community benefits

2. Payout ratio

- | | |
|--------------------------|-----------------------|
| → • FYE March 2015: 7.0% | FYE March 2018: 24.2% |
| FYE March 2016: 15.2% | FYE March 2019: 36.4% |
| FYE March 2017: 15.1% | FYE March 2020: 34.2% |



Referential Materials

Changes in Consolidated Income

【Consolidated statements of income】

(millions of yen)

		FYE March 2019			FYE March 2020			FYE March 2021 (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	139,903	138,811	278,714	139,583	146,212	285,795	70,736	73,376	144,112	155,888	300,000
	Fresh Meats Business	64,724	69,096	133,820	66,548	65,171	131,719	33,054	34,822	67,876	67,424	135,300
	Other business	238	249	487	268	277	545	127	110	237	263	500
Total		204,867	208,156	413,023	206,400	211,660	418,060	103,558	108,668	212,226	223,574	435,800
Cost of Sales		172,892	177,374	350,266	173,813	177,477	351,290	85,786	90,197	175,983		
Gross Profit		31,974	30,782	62,756	32,587	34,182	66,769	17,771	18,472	36,243		
Selling, general and admin		24,730	24,858	49,588	25,055	26,077	51,132	12,194	12,900	25,094		
Operating income		7,243	5,925	13,168	7,531	8,105	15,636	5,576	5,572	11,148	6,752	17,900
Non-operating loss		281	380	661	414	▲ 91	323	214	89	303		
Ordinary income		7,524	6,305	13,829	7,945	8,014	15,959	5,790	5,661	11,451	6,749	18,200
Extraordinary income		273	▲ 158	114	2,279	▲ 2,900	▲ 621	▲ 241	▲ 63	▲ 304		
Income before income taxes		7,797	6,147	13,944	10,224	5,114	15,338	5,549	5,598	11,147		
Net income		4,757	3,530	8,287	5,747	3,076	8,823	3,461	3,496	6,957	4,343	11,300

【Reference】 Net sales by product category

(millions of yen)

		FYE March 2019			FYE March 2020			FYE March 2021 (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	45,106	43,077	88,183	44,916	45,273	90,189			50,544	49,956	100,500
	Processed foods (etc.)	85,533	87,826	173,359	85,530	90,365	175,895			84,702	96,898	181,600
	Fresh meats	73,990	77,000	150,990	75,684	75,747	151,431			76,742	76,458	153,200
	Other	238	253	491	268	277	545			238	262	500
Total		195,406	217,617	413,023	206,400	211,660	418,060			212,226	223,574	435,800

5. Net Sales Comparison (by segment and by product category) for the Year Ended March 2021 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;">1,441</div>		Ham/sausage	505	Ham/sausage <u>505</u>
		Processed foods (etc.)	337	← Processed foods (etc.) <u>847</u>
		Vendor products	510	← <u>847</u>
		Fresh meats	89	← Fresh meats <u>767</u>
Fresh Meats Business <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">679</div>		Fresh meats	678	← <u>767</u>
		Processed foods (etc.)	0	← Other <u>3</u>
Other	2	Other	2	

Changes in Consolidated Balance Sheets

[Consolidated Balance Sheets]

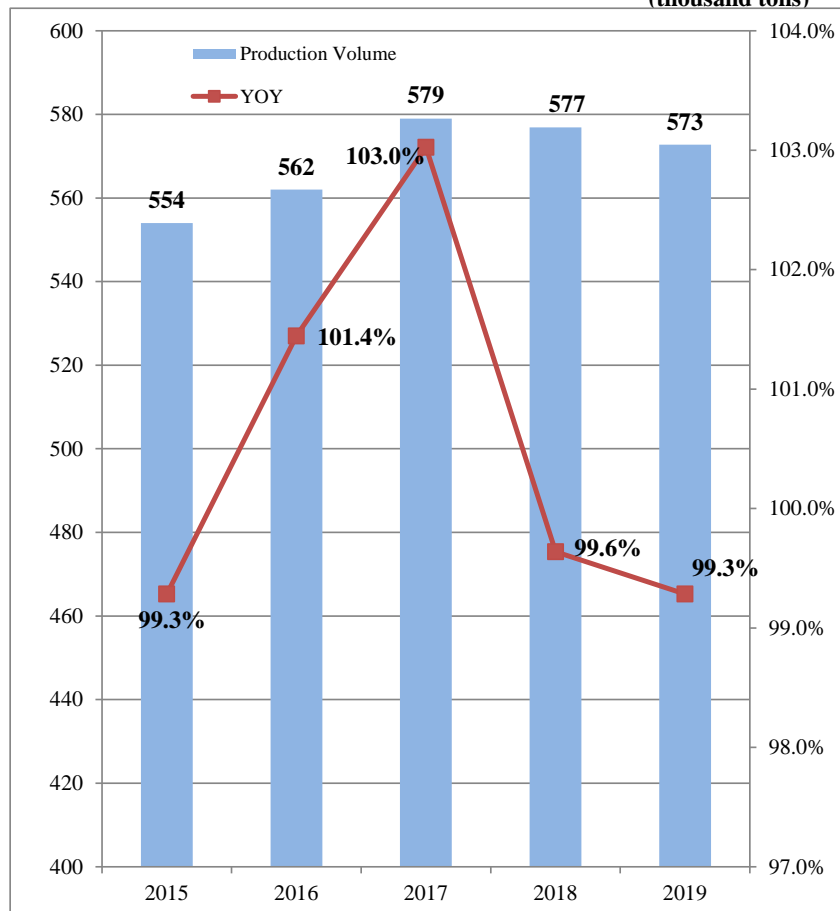
(millions of yen)

	FYE March 2018		FYE March 2019		FYE March 2020	
	End of first half	End of year	End of first half	End of year	End of first half	End of year
Current assets	69,030	79,329	91,315	82,857	85,529	87,310
Noncurrent assets	88,013	110,422	116,757	121,004	114,840	111,220
Gross assets	157,043	189,751	208,073	203,862	200,369	198,530
Current liabilities	55,616	64,630	78,588	74,706	68,705	68,171
Noncurrent liabilities	27,072	36,846	36,746	34,519	32,397	30,225
Total liabilities	82,689	100,477	115,305	109,226	101,102	98,396
Shareholders' equity	61,584	74,714	77,684	80,237	83,942	86,010
Accumulated other comprehensive income	5,524	6,466	6,569	5,877	5,682	4,562
Minority interests	7,245	8,094	8,513	8,521	9,641	9,561
Total net assets	74,354	89,274	92,767	94,635	99,267	100,134
Total liabilities and net assets	157,043	189,751	208,073	203,862	200,369	198,530
Equity	76,151	81,180	84,254	86,114	89,625	90,573
Equity ratio	40.6	42.8	40.5	42.2	44.7	45.6

Data on Industry Trends

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

(thousand tons)

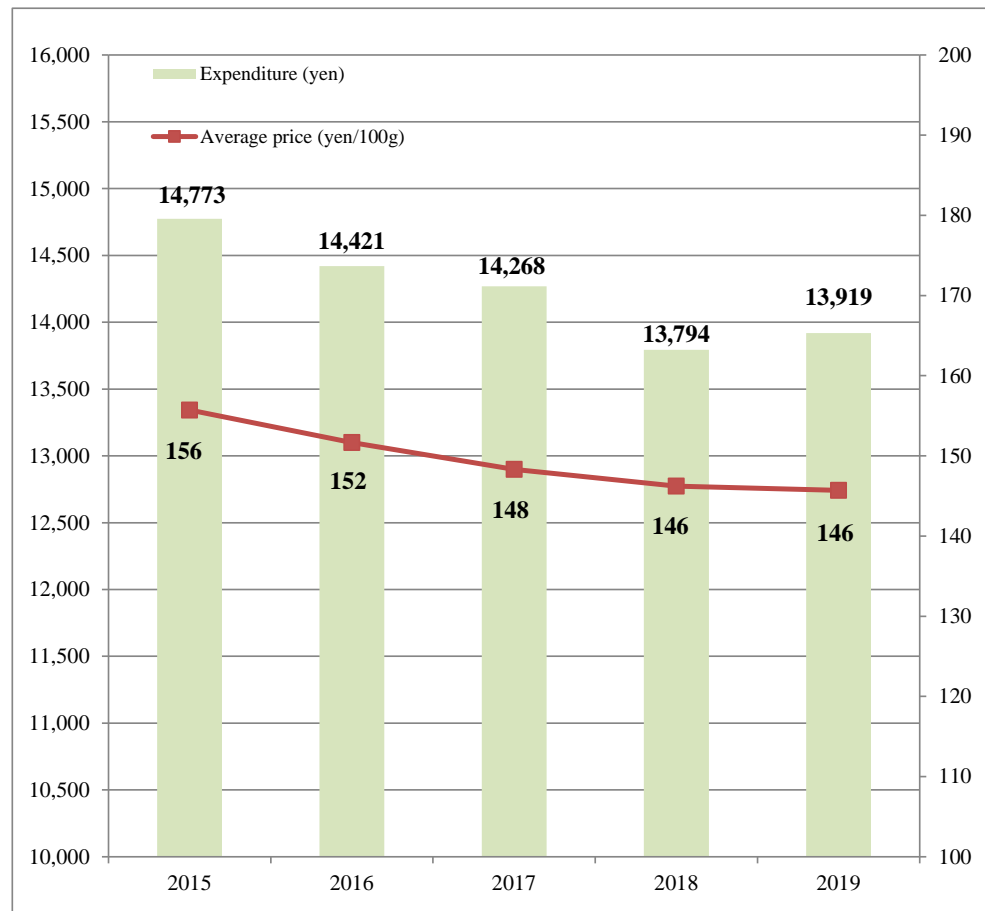


(Note) Data from Japan Ham & Sausage Processors Cooperative Association

2020(1-8) (t)

	Production Volume	YOY
Sausage	209,925	101.6%
Ham	72,948	101.4%
Bacon	65,090	102.4%
Pressed ham	14,279	87.5%
Roasted pork	12,979	99.6%

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



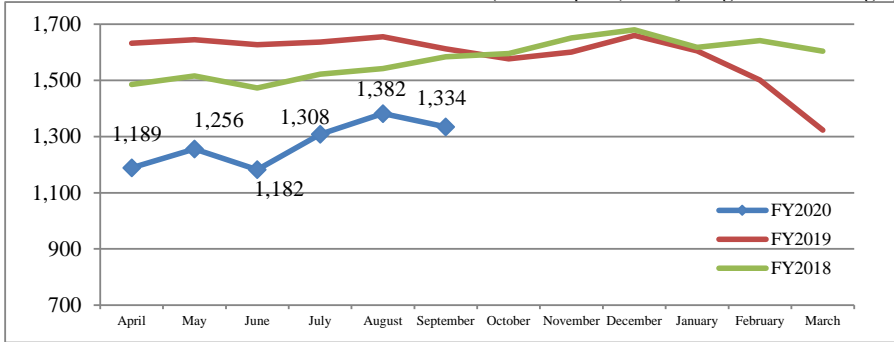
Report on the Family Income and Expenditure Survey, Bureau of Statistics (a nationwide survey of households with two or more members)

2020 (1-9)

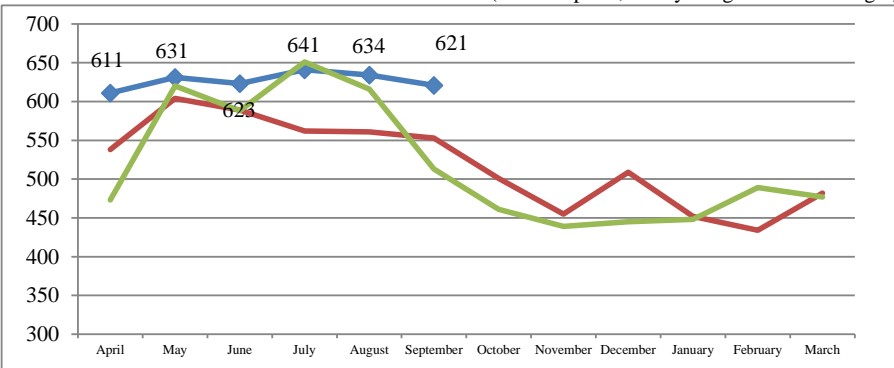
	family consumption	YOY
Volume (g)	7,487	108.1%
price(yen)	10,690	107.1%
avarege price (yen/100g)	142.8	99.1%

Data on Industry Trends 2

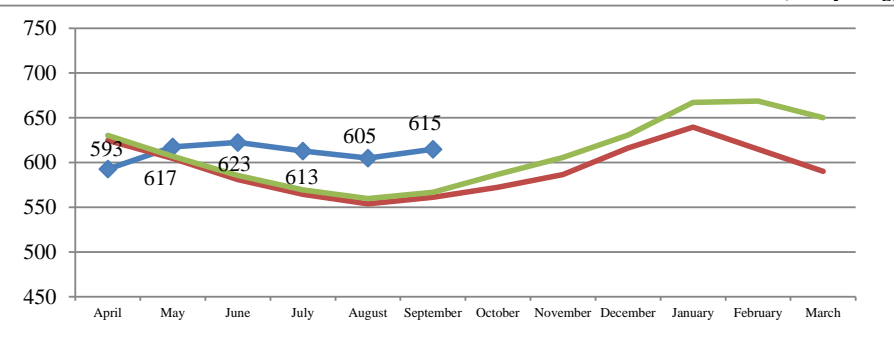
(1) Tax-excluded wholesale price (Tokyo) of B-3 crossbred steers
(Dressed price; unit: yen/kg of carcass weight)



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

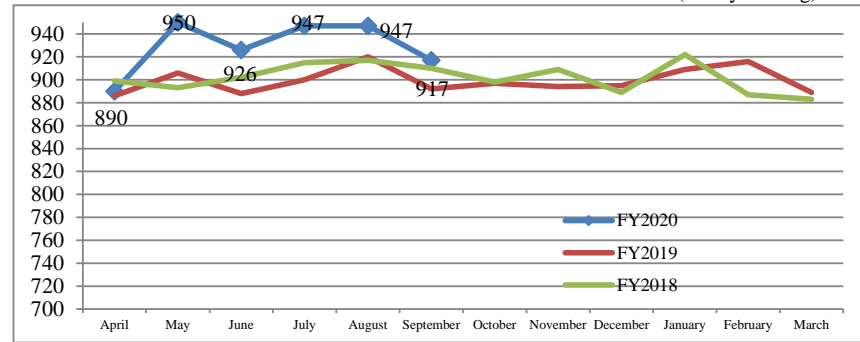


(3) Tax-excluded wholesale price (Tokyo) of chicken (leg)
(unit: yen/kg)

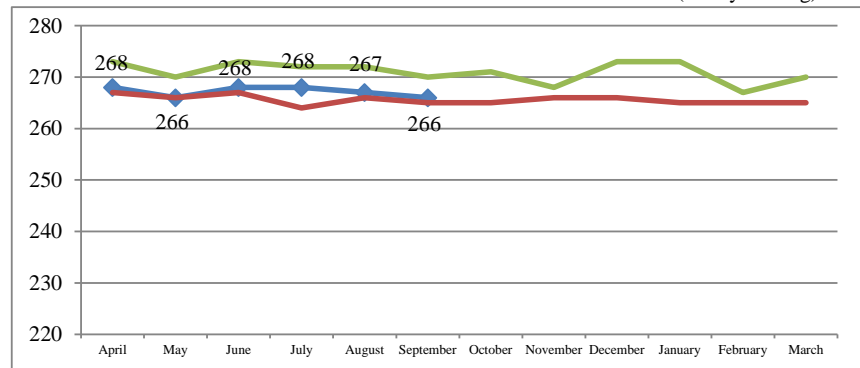


Ministry of Agriculture, Forestry and Fisheries (Survey on Meat Distribution)

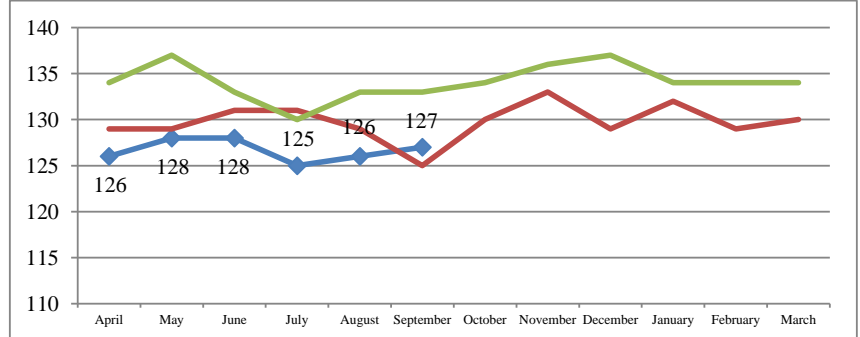
(4) Tax-excluded retail price of Japanese-produced beef loin (Tokyo)
(unit: yen/100g)



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



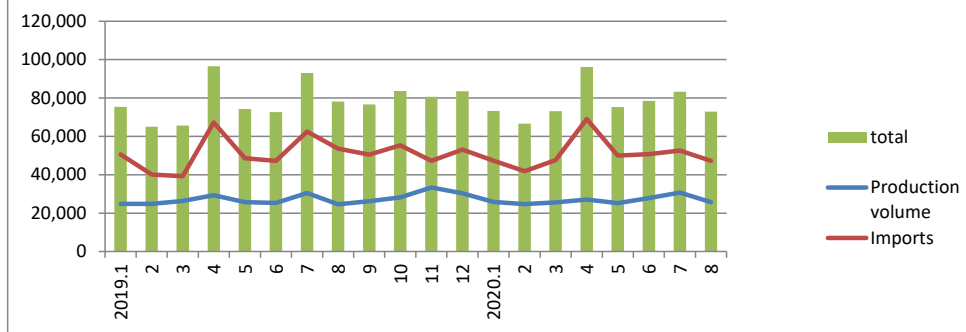
(6) Tax-excluded wholesale price (Tokyo) of Japanese-produced chicken (leg)
(unit: yen/100g)



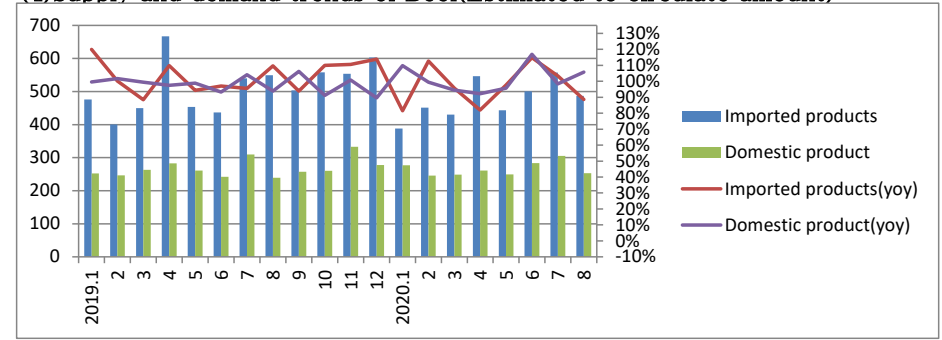
Ministry of Internal Affairs and Communications (Report on the Retail Price Survey)

Data on Industry Trends 3

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

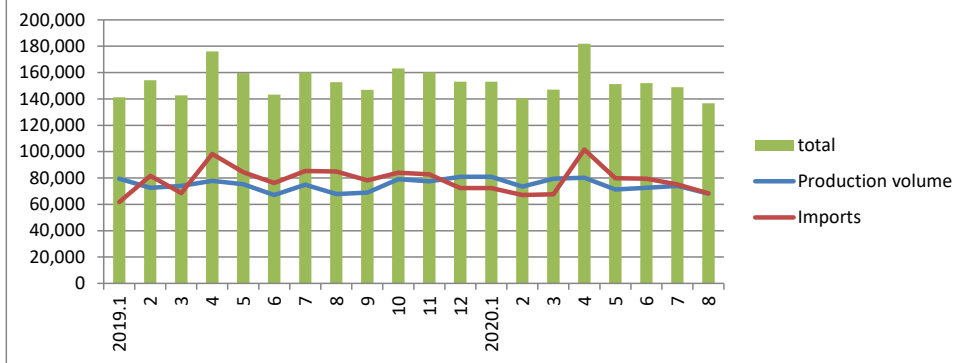


(4) Supply and demand trends of Beef (Estimated to circulate amount)

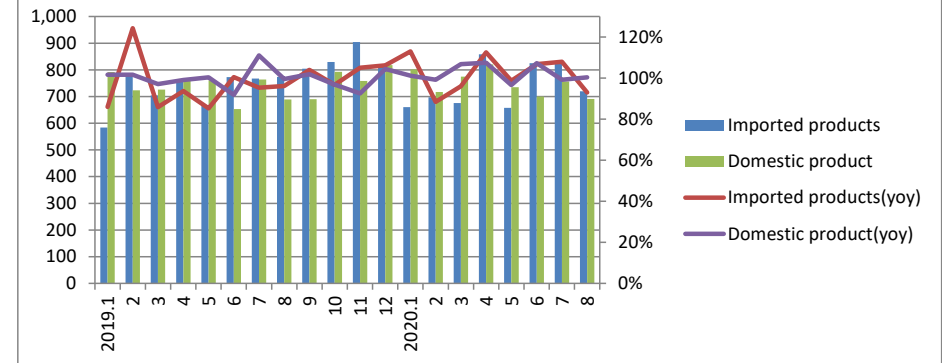


(One hundred tons/%)

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

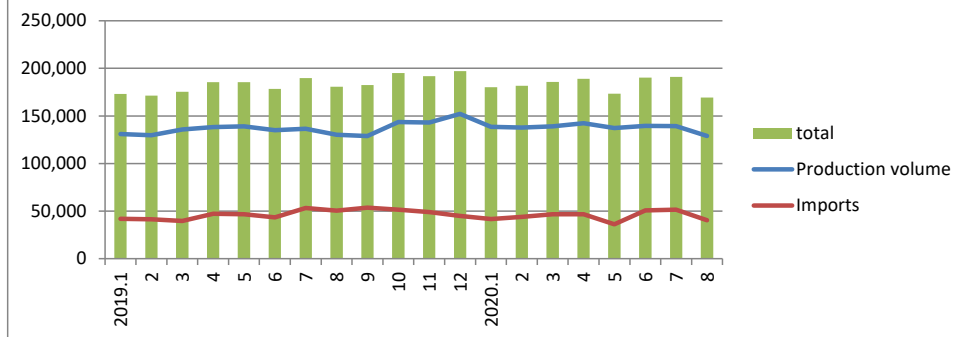


(5) Supply and demand trends of Pork (Estimated to circulate amount)

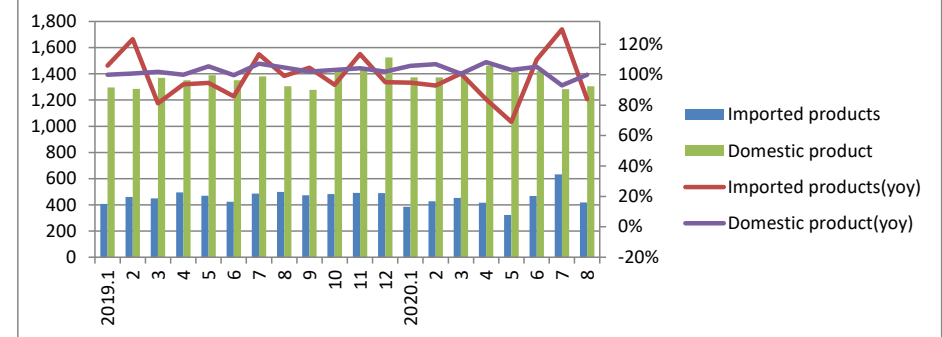


(One hundred tons/%)

(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, 2020)

■ Corporate data

Head office	Shinagawa Seaside West Tower, 4-12-2 Higashi-Shinagawa, Shinagawa-ku, Tokyo		
Representative	Naoto Chiba, 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	1,925 (increased by 30)		
Business sites	(note)	Sales bases	6 branch offices 25 sales offices Production bases 4 plants
Number of group companies	(note)	34	
		Consolidated subsidiaries	31
		Companies accounted for using the equity method	3
Number of employees across corporate group	15,295 (increased by 145)		
Group bases	Production bases	25 plants (in Japan) 3 bases (overseas)	

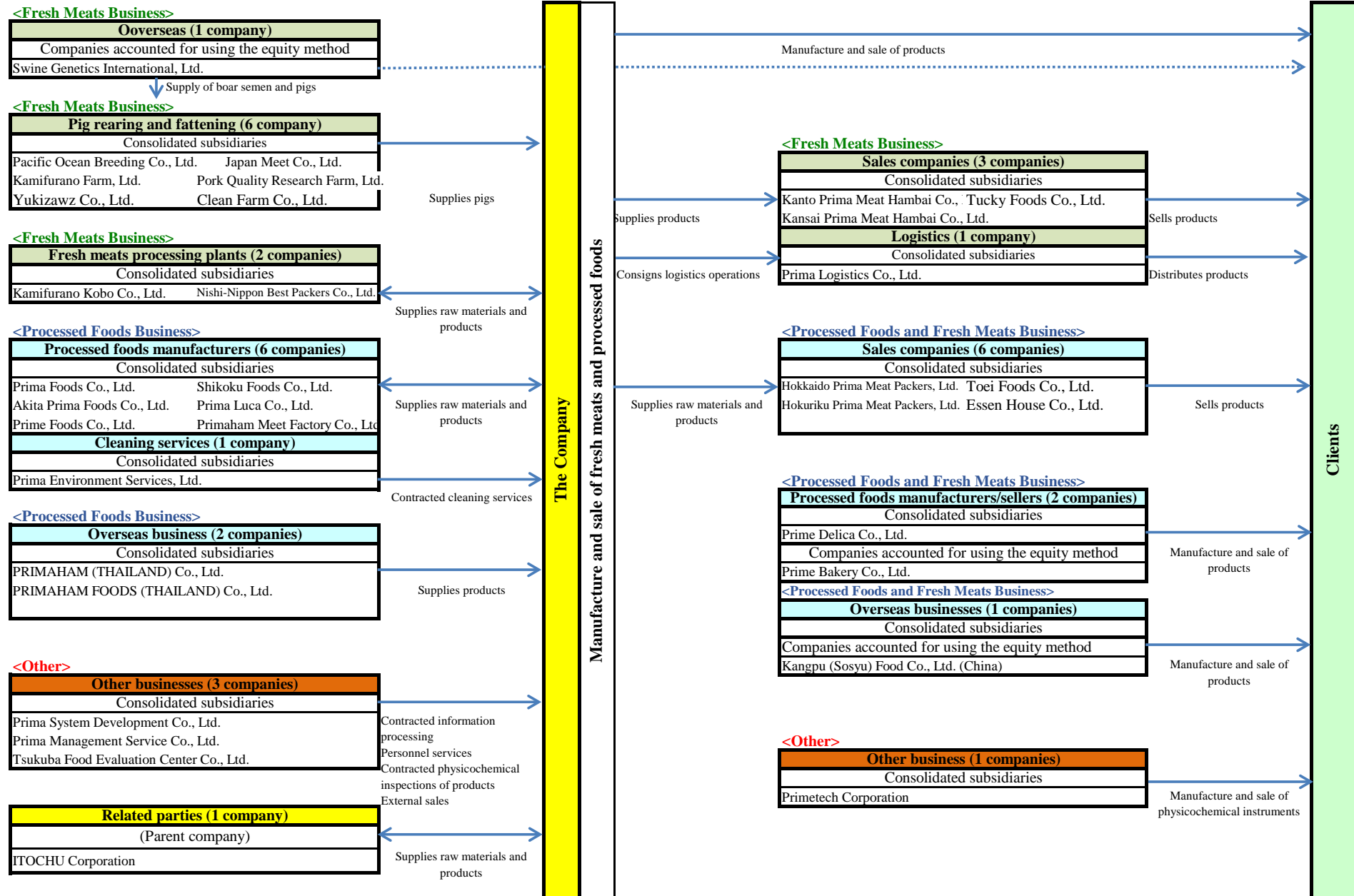
(Note)

1. Increase/decrease is in comparison to the end of the previous fiscal year (as of March 31, 2020)

■ 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
April 2019	Ibaraki ham·bacon plant completed, operations commenced
April 2019	Confrontation of official sponsorship contract with Small Worlds Tokyo

Corporate Group Data (as of Oct 1, 2020)



Prima Group's Environmental Activities (1)

Environmental policy:

Regarding environmental protection as a top priority, we contribute toward a sustainable society by **cutting carbon emissions and minimizing our burden on the environment** in general. We adopt environmental management practices that will lead to a society of low-emissions, recycling, and symbiosis with nature.

Ibaraki Sausage Plant eco-friendly equipment 1

1. Super-cooled thermal storage system

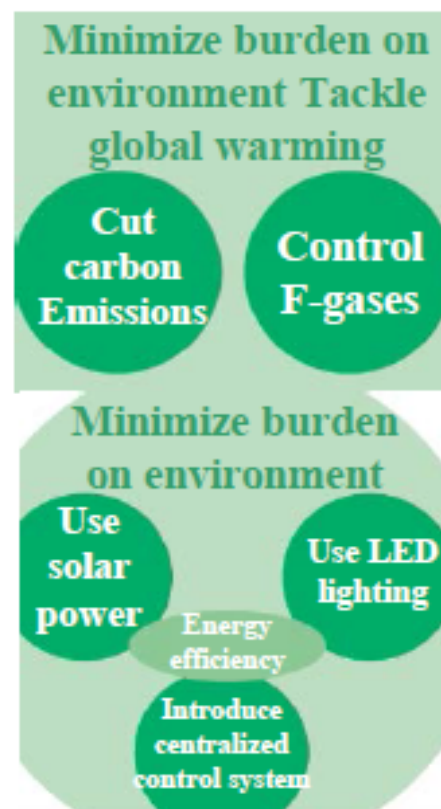
The packing room (15°C) uses an air conditioning system. 240 tons of slushy coolant is prepared in an ice tank during the night (when electricity rates are lower), and this coolant is then pumped through the system during the day to reduce energy consumption. **Energy consumption is now down 20%** compared to before the system was introduced.

Minimize burden on environment			Tackle global warming	
Use solar power	Use LED lighting	Introduce centralized control system	Cut carbon emissions	Control F-gases

2. Heating system

Switched fuel from heavy oil to propane, which is more energy-efficient. Switched fans from damper type to inverter type, resulting in **75% reduction in energy consumption**.

Minimize burden on environment			Tackle global warming	
Use solar power	Use LED lighting	Introduce centralized control system	Cut carbon emissions	Control F-gases



Prima Group's Environmental Activities (2)

Ibaraki Sausage Plant eco-friendly equipment 2

3. EcoCute

EcoCute heats water efficiently using leftover heat from refrigeration units. The heated water is pumped throughout the plant. It is also pumped into a heating tank. With this system, the plant is **30% more energy efficient** than before.

Minimize burden on environment			Tackle global warming	
Use solar power	Use LED lighting	Introduce centralized control system	Cut carbon emissions	Control F-gases

4. Refrigeration units (NewTon)

Eight units are used to cool heated water following heat treatment. The plant controls the amount of the units it operates according to the load, resulting in a 30% reduction in energy consumption on a unit to unit basis and a 35% reduction in in auxiliary power consumption outside the refrigeration units and refrigeration unit power consumption.

Minimize burden on environment			Tackle global warming	
Use solar power	Use LED lighting	Introduce centralized control system	Cut carbon emissions	Control F-gases

5. Compressors

The plant uses six 37-tonkw oil-free screw compressors and controls the amount in operation according to the load, thus cutting unnecessary power. This system enables a 25% reduction in energy consumption compared to before.

Minimize burden on environment			Tackle global warming	
Use solar power	Use LED lighting	Introduce centralized control system	Cut carbon emissions	Control F-gases



Prima Group's CSR activities

Prima Group supports the United Nations World Food Programme (WFP)

In Japan, the Japan Association for the World Food Programme aims to raise awareness about hunger and how the WFP provides food assistance. It also aims to extend the opportunities and means for individuals to get involved and thus significantly boost the level of Japan's material and immaterial support. Prima Group supports these aims and participates in WFP campaigns.



- Red Cup Campaign
→The Red Cup Campaign is a WFP program that supports school meals. We donate a percentage of the profits from sales of our products.
- Walk the World in Kanto and Kansai
→Walk the World is a WFP charity walk event that helps to end child hunger in developing countries. We donate a portion of the participation fees.

Forestry program that began in 2006

Under the direction of Saitama Norin, an agricultural association in Saitama Prefecture, we engage in afforestation, tree felling, and other forestry work. We continue to participate in the program, as we believe that it helps tackle the causes of climate change. We also engage in other forestry programs.



Participation in a cleanup event that connects us with the local community



Management Vision

Aiming figure

We create healthy, well-rounded dietary habits and contribute to communities and a hearty food culture by providing safe, reliable products.

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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