

Financial Results Briefing for the Year Ended March 31, 2021

Great taste, great connections.

IPRIMAHAM

May 24, 2021

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Financial Results for the Year Ended March 31, 2021

1-(1).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	418,060	100.0%	433,572	100.0%	103.7%
Processed Foods Business	285,795	68.4%	293,334	67.7%	102.6%
Fresh Meats Business	131,719	31.5%	139,719	32.2%	106.1%
Other	545	0.1%	518	0.1%	95.0%
Cost of Sales	351,291	84.0%	360,167	83.1%	102.5%
Gross Profit	66,769	16.0%	73,405	16.9%	109.9%
SG&A expenses	51,132	12.2%	51,929	12.0%	101.6%
Operating income	15,636	3.8%	21,475	5.0%	137.3%
Non-operating income	1,044	-	1,246	-	-
Non-operating expenses	722	-	310	-	-
Ordinary income	15,959	3.8%	22,411	5.2%	140.4%
Extraordinary income	2,409	-	565	-	-
Extraordinary loss	3,029	-	1,060	-	-
Income before income taxes	15,338	3.7%	21,916	5.1%	142.9%
Income taxes	5,461	-	6,187	-	-
Minority interests in income	1,054	-	1,563	-	-
Net income	8,823	2.1%	14,165	3.3%	160.5%

[Key Points]

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

•Ham and sausage	102,499 (YOY: 114%)
•Processed Foods	71,159 (YOY: 98%)
•Vendor products	104,404 (YOY: 101%)
•Fresh Meats	154,995 (YOY: 102%)
•Others	515 (YOY: 94%)

[Cost of sales]

•Ratio of raw materials and inventory	Down 1.2%
•Production expenses ratio	Up 0.2%
Cost of sales ratio	Up 1.0%

[SG&A expenses]

•SG&A expenses (personnel expenses ratio)	Down 0.1%
•SG&A expenses (expense ratio)	Down 0.1%
SG&A expenses to net sales ratio	Down 0.2%

Ordinary income to net sales ratio **Up 1.2%**

[Non-consolidated Income]

(millions of yen)

	FYE March 2020		FYE March 2021		
	Results	Net sales ratio	Results	Net sales ratio	YOY
Net sales	300,862	100.0%	311,596	100.0%	103.6%
Operating income	8,730	2.9%	11,692	3.8%	2,962
Ordinary income	9,907	3.3%	13,018	4.2%	3,111
Income before income taxes	8,329	2.8%	12,168	3.9%	3,839
Net income	5,631	1.9%	8,825	2.8%	3,194

Income by group company after accounting for sales of parts supplied for a fee (millions of yen)

		FYE March 2020		FYE March 2021			
		Results	Net sales ratio	Net sales	YOY	Operating income	YOY
Prima Meat Packers Ltd.		300,862	8,730	311,596	103.6%	11,692	2,962
Group Companies	Vendor(1)	98,943	2,582	105,140	106.3%	3,623	1,041
	Others (including amendments for consolidation)	18,255	4,324	16,836	92.2%	6,160	1,836
Consolidated Total		418,060	15,636	433,572	103.7%	21,475	5,839

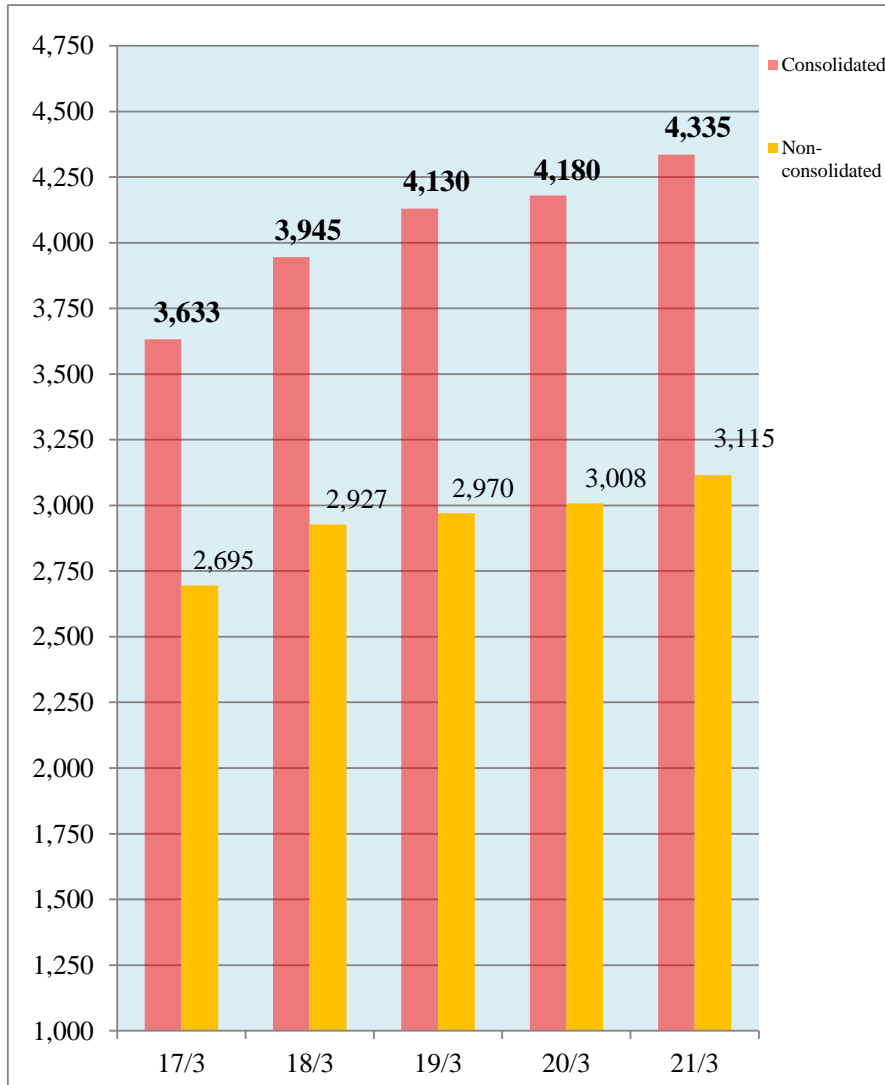
Business environment

- COVID-19 has led to changes in consumer behavior and lifestyles
- More demand for home cooking, less demand for commercial cooking (eating out)
- Supply chains disrupted by swine fever and overseas impacts of COVID-19
- Prices remain high for Japanese-produced pork and poultry
- More products that reflect changes in consumption

2. Changes in Net Sales and Operating Income

Net sales

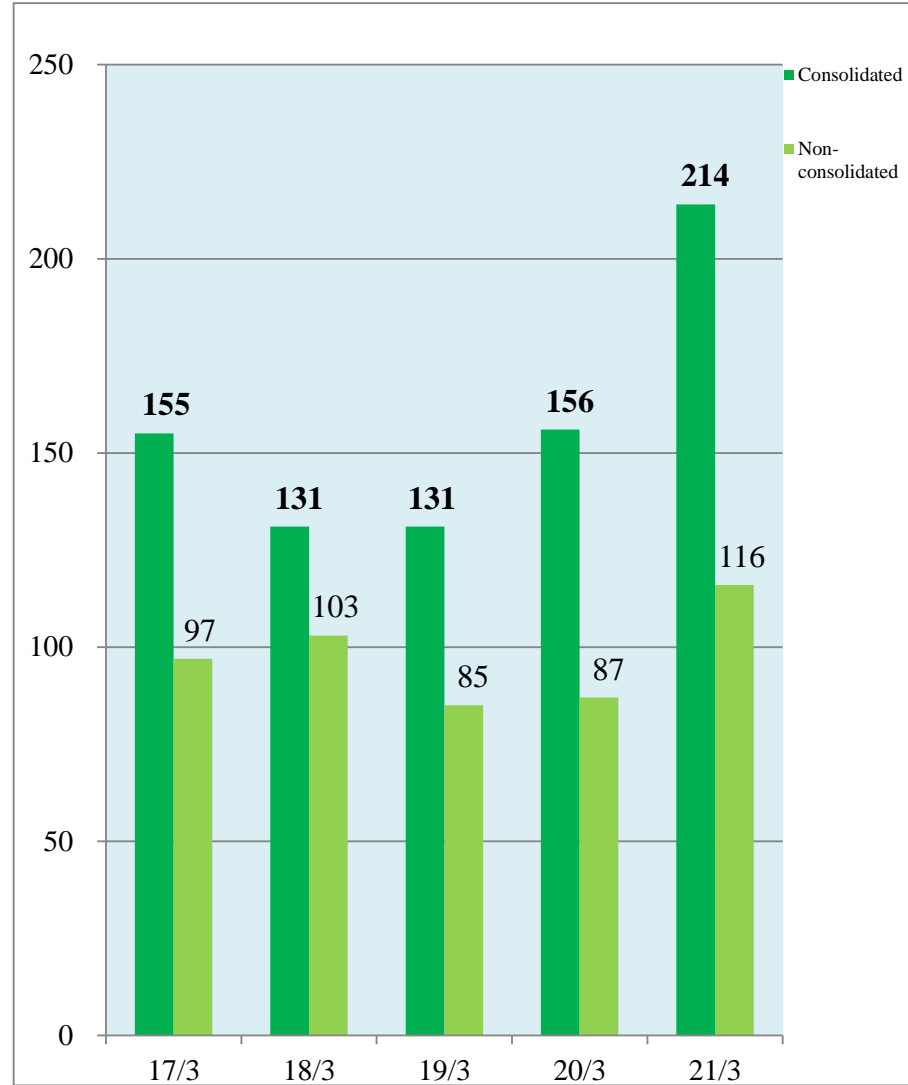
(hundred millions of yen)



(Note) rounded down to the nearest hundred million yen

Operating income

(hundred millions of yen)



(Note) rounded down to the nearest hundred million yen

3-(1). Processed Foods Business in the Year Ended March 2021

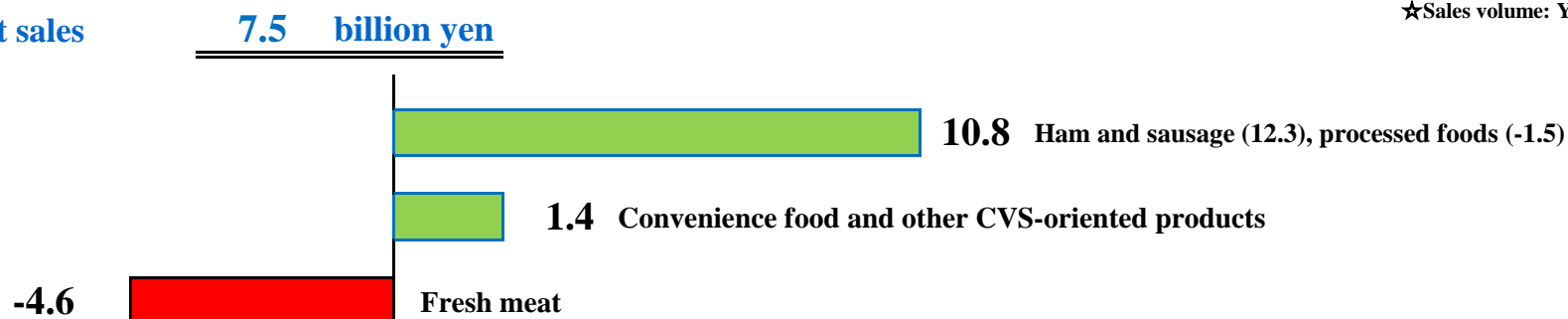
Income		(millions of yen)		
	FYE March 2020	FYE March 2021	YOY	Difference
Net sales	285,795	293,334	102.6%	7,539
Operating income	13,857	17,711	127.8%	3,854
Ordinary income to net sales ratio	4.8%	6.0%		



★Sales volume: YOY 123%

Factors behind earnings figures

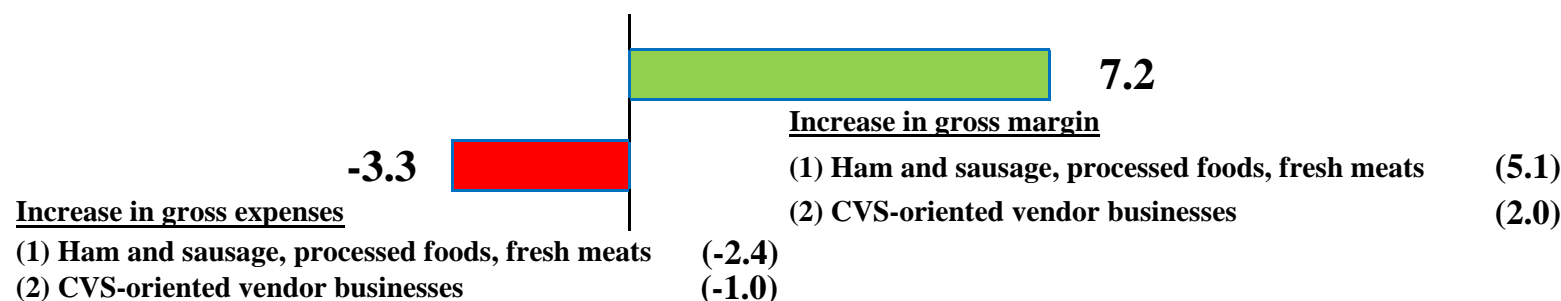
★Increase in net sales



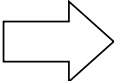
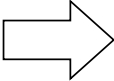
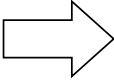
★Increase in operating income

3.9 billion yen

[Ham and sausage (1.5), processed foods (1.3), vendor (1.0)]



3-(2). Processed Foods Business in the Year Ended March 2021

Measures	Outcomes
<ul style="list-style-type: none"> ○ Concentrate sales efforts on core products ○ Strengthen development of sales promotion strategy 	<ul style="list-style-type: none"> • Focusing on national-brand ham/sausage products resulted 117% YoY increase in sales volume • Processed foods Consumer sales volume: Up 112% YoY • Better awareness of Koukun brand • Ran promotional campaigns amid COVID-19 Held Tokyo Disneyland event with reduced numbers Held Prima Meat Packers giveaway • Used Line, launched official Twitter account Reached out to young generation <div style="text-align: center; margin: 10px 0;">  </div> <p style="text-align: right;"> Sales volume of sausages and ham <u>YOY: 110%</u> Sales volume of processed foods <u>YOY: 97%</u> </p>
<ul style="list-style-type: none"> ○ Promote personnel saving and volume growth 	<ul style="list-style-type: none"> • Ham and bacon plant in Ibaraki now at full capacity • Maintained production capacity amid COVID-19 • Boosted man-hour productivity at plants <div style="text-align: center; margin: 10px 0;">  </div> <p style="text-align: right;"> Man-hour productivity (YoY) <u>Ham and sausage YOY: UP 106%</u> <u>Processed foods YOY: UP 104%</u> </p>
<ul style="list-style-type: none"> ○ Enhance production base and improve productivity in vendor plants 	<ul style="list-style-type: none"> • Boosted sales and output from 12 plants in Japan • Introduced products catering to new consumer preferences <div style="text-align: center; margin: 10px 0;">  </div> <p style="text-align: right;"> Sales volume <u>YOY: 106%</u> </p>

3-(3). Processed Foods Business in the Year Ended March 2021 (Reference materials)

(1) Ham and sausage

☆Total< Sales volume of sausages and ham YOY>

Breakdown	FYE March 2018	FYE March 2019	FYE March 2020	Composition ratio
Ham and sausage Sum	104%	102%	110%	100%
Consumer Products	105%	106%	117%	76%
Commercial Products	101%	95%	94%	22%
Gift Products	95%	99%	93%	1%

☆Main Products< Sales volume YOY>

Product name	FYE March 2018	FYE March 2019	FYE March 2020
Koukun Sausage	114%	120%	123%
Tokachi Raw ham	104%	104%	111%
Loin ham group	103%	93%	121%
Bacon group	102%	115%	122%



Koukun Sausage

☆Improved of Man-hour productivity YOY

FYE March 2015	FYE March 2016	FYE March 2017	FYE March 2018	FYE March 2019	FYE March 2020
6%	6%	8%	5%	2%	6%

(3) Vendor products< Net Sales YOY>

FYE March 2015	FYE March 2016	FYE March 2017	FYE March 2018	FYE March 2019	FYE March 2020
106%	105%	106%	107%	103%	106%

(2) Processed Foods

☆Total< Sales volume of Processed Foods YOY>

Breakdown	FYE March 2018	FYE March 2019	FYE March 2020	Composition ratio
Processed Foods Sum	102%	100%	97%	100%
Consumer Products	96%	108%	112%	31%
Commercial Products	112%	101%	87%	39%
Seasoning raw meat	96%	95%	105%	30%

☆Main Products< Sales volume YOY>

Product name	FYE March 2018	FYE March 2019	FYE March 2020
Salada Chicken	96%	103%	107%
Spring roll	92%	91%	113%
Raw chicken ball	86%	97%	106%
Hamburger group	107%	117%	141%

☆Improved of Man-hour productivity YOY

FYE March 2018	FYE March 2019	FYE March 2020
6%	1%	4%



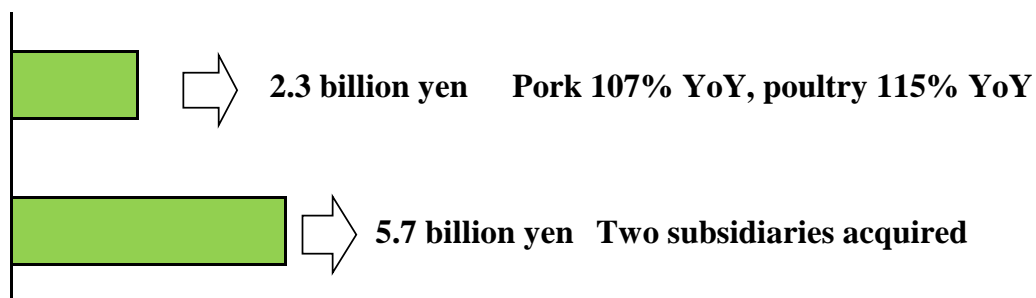
4-(1). Fresh Meats Business in the Year Ended March 2021

Income		(millions of yen)		
	FYE March 2019	FYE March 2020	YOY	Difference
Net Sales	131,719	139,719	106.1%	8,000
Operating income	1,528	3,613	236.5%	2,085
Ordinary income to net sales ratio	1.2%	2.6%		

Factors behind earnings figures

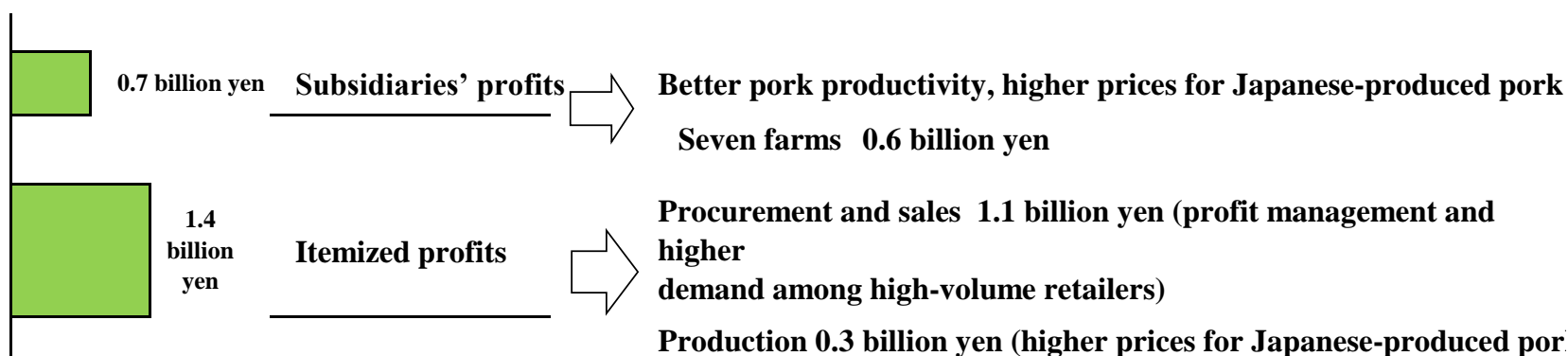
★ Increase in net sales

8.0 billion yen



★ Increase in operating income

2.1 billion yen



4-(2). Fresh Meats Business in the Year Ended March 2021

• Actions taken in fresh meats business

Measures

- Strengthen the Japanese-produced pork integration business (expand production)

- Strengthen sales capacity
 - 1) Instill greater sense of responsibility for final profit

 - 2) Cultivate sales team, improve sales skills

- Strengthen merchandise pov
 - 1) Grow earnings and improve profitability
 - *Expand sales of original brands
 - 2) Develop business in Japan and abroad in collaboration with ITOCHU Corporation
 - 2) Improve management and logistics
 - 1) Head office to coordinate and control all operations
 - 2) Consolidate distribution channels to improve efficiency and minimize costs

Outcomes

- Used effective pig feed across whole group
- Better productivity led to better-quality breeds and fewer accidents
- Progress made in expanding farms

- Procurement and sales: Separated management for each key supplier
- Original brands sales volume:
Sales composition ratio: 46%
- Strengthened strategic job rotation
- Better matching of talent to roles

- Closer relationship with major suppliers
HyLife, Prime Pork, etc.
- Grow share to establish brands

- Tighter control of transportation fees



5. Variance from Plan – FYE March 2021

(Millions of yen, %)

Cumulative annual results		Results	Plan	Variance from plan	Revised plan	Variance from revised plan
Processed Foods Business	Net sales	293,334	307,400	95.4%	285,795	102.6%
	Operating income	17,711	12,620	5,091	13,857	3,854

Key variances

- **Ham and Sausage, Processed Foods, etc.** The result vastly exceeded expectations because of higher demand for home cooking and progress in improving the market share for Koukun and other consumer products.
Operating income was 5.1 bn yen more than in revised plan
- **CVS-oriented vendor businesses** The result exceeded expectations because we captured emerging demand for products like Cup Deli and Dessert Pots and because prices for raw materials remained stable;
Operating income was 1.8 bn yen more than in revised plan
 these factors more than offset a year-on-year decline in the CVS market overall, which was caused by falling lunchtime demand in urban areas amid the rise in working from home.

(Millions of yen, %)

Cumulative annual results		Results	Plan	Variance from plan	Revised plan	Variance from revised plan
Fresh Meats Business	Net sales	139,719	133,500	104.7%	131,719	106.1%
	Operating income	3,613	1,750	1,863	1,528	2,085

Key variances

- **Fresh Meats Business** The result exceeded expectations (by 1,863 million yen, 207% of the forecasted figure) because, through profit management, we captured the demand among high-volume retailers for home goods, expanded production, boosted productivity, and because of high prices for Japanese pork.
Operating income was 1.9 bn yen more than in revised plan

6. Consolidated Balance Sheets for the Year Ended March 2021

(millions of yen)

	FYE March 2020	FYE March 2021	Change
Current assets	87,310	98,747	11,437
Noncurrent assets	111,220	115,795	4,575
Gross assets	198,530	214,542	16,012
Current liabilities	68,171	71,957	3,786
Noncurrent liabilities	30,225	27,823	-2,402
Total liabilities	98,396	99,781	1,386
Shareholders' equity	86,010	97,153	11,143
Accumulated other comprehensive income	4,562	6,479	1,917
Minority interests	9,561	11,128	1,567
Total net assets	100,134	114,761	14,627
Total liabilities and net assets	198,530	214,542	16,013

[Current assets]

- Deposit increase 10.010 billion yen
- Decrease in cash and deposits -0.939 billion yen
- Decrease in notes and accounts receivable 1.130 billion yen

[Noncurrent assets]

- Decrease in property, plant and equipment 2.645 billion yen

[Total liabilities]

- Decrease in notes payable accounts payable 2.969 billion yen
- Decrease in long-term loans payable -3.317 billion yen

[Total net assets]

- Increase in retained earnings 11.144 billion yen

6. Cash Flow and Performance Indicators for the Year Ended March 2021

[Consolidated statements of cash flows]

(millions of yen)

	FYE March 2020	FYE March 2021	Change
Cash flows from operating activities	22,304	27,248	4,944
Cash flows from investing activities	-5,875	-12,205	-6,330
Cash flows from financing activities	-7,924	-7,509	415
Cash and cash equivalents at end of period	22,214	29,773	7,558
Free cash flows	16,429	15,043	-1,386

[Cash flows from operating activities]

- Recording of quarterly net income before income tax 21.916 billion yen
- Recording of depreciation and amortization 9.923 billion yen
- Recording impairment loss 2.3 billion yen

[Cash flows from investing activities]

- Purchase of property, plant and equipment -9.843 billion yen
- Decrease (increase) in time deposits -1.42 billion yen

[Cash flows from financing activities]

- Procurement of long-term loans payable -3.475 billion yen
- Payment of dividends -3.016 billion yen

[Performance indicators]

(millions of yen, %)

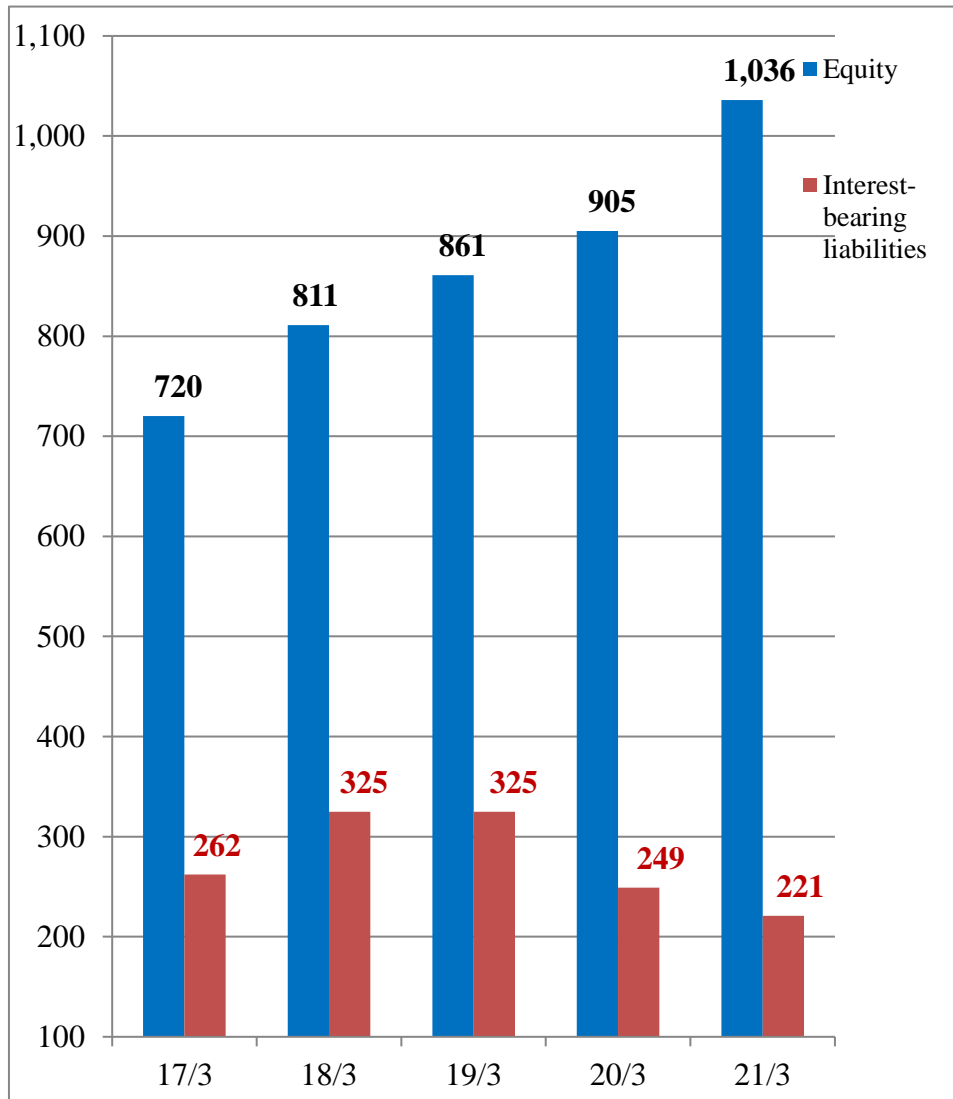
	FYE March 2020	FYE March 2021	Change
Equity	90,573	103,632	13,059
Equity ratio	45.6	48.3	2.7
Interest-bearing liabilities	24,948	22,151	-2,797
Debt equity ratio	0.28	0.21	-0.07

*Equity is total net assets minus minority interests.

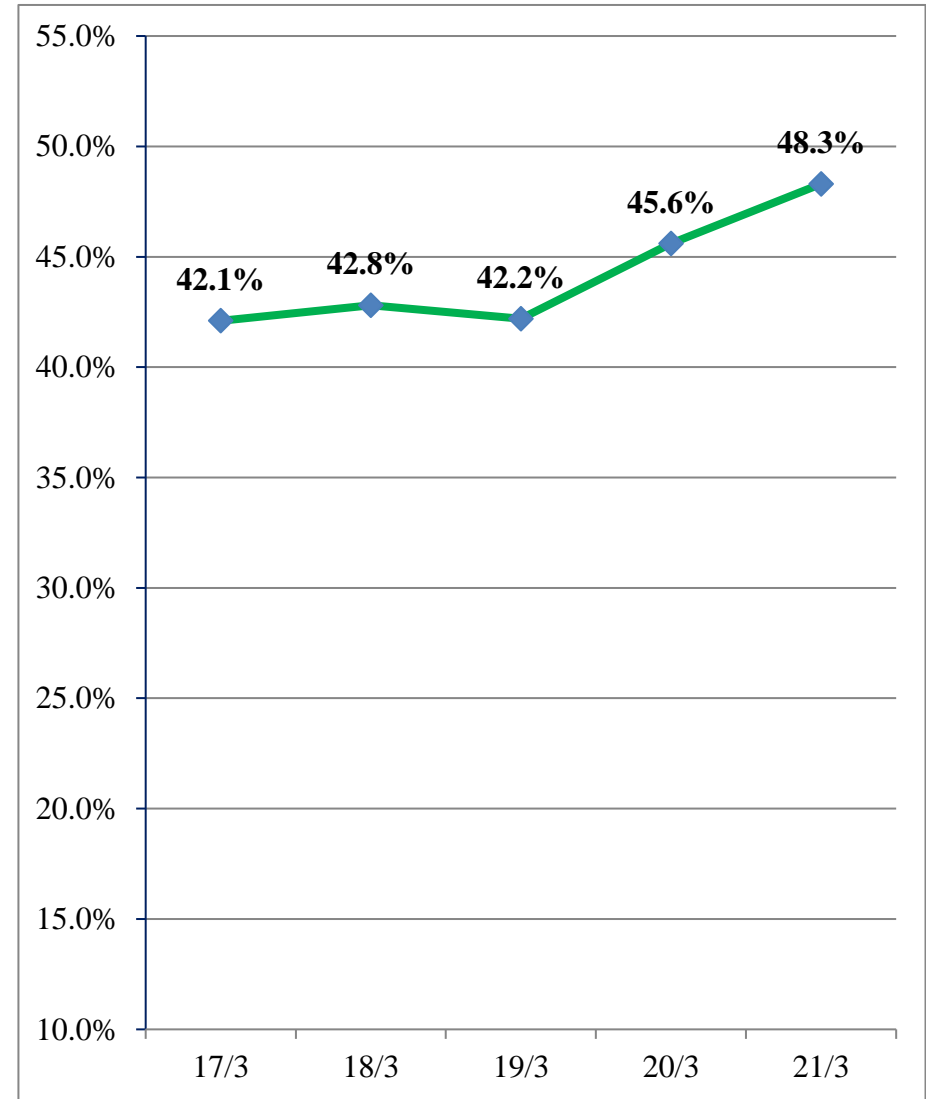
8. Changes in Equity, Interest-bearing Liabilities, and Equity Ratio

Equity and interest-bearing liabilities

(hundred millions of yen)



Equity ratio



(Note) rounded down to the nearest hundred million yen

Medium-term Business Plan (Rolling Plan) (FY2021-FY2023)

1. Management Policy

Aiming to stay in our customers' hearts and minds, we will hone our marketing, development, and merchandising expertise to increase and strengthen sales and profits while promoting ESG management.

○Basic Policy

1. Implement ESG strategy and make business foundation more sustainable

Use rigorous quality assurance system to ensure that products are safe and reliable

Protect the environment, ensure legal compliance, provide internal controls, provide high-quality disclosures

Provide excellent training and job satisfaction to transform workplace culture

Further expand the territory of the two existing major business segments and further strengthen their revenue bases

Strong operating base (overhaul cost structure, smart investment and procurement)

Better marketing, deeper penetration in growing sectors

Customer-oriented product design (healthy, trustworthy, delicious)

Create business and develop globally in order to capture growing markets

Business development in Japan and abroad based on collaboration with ITOCHU Corporation

Develop and Introduce innovative production technology

Strengthen consolidated management among group companies

☆ROE >10%, equity ratio >40%, payout ratio >30%

2. Consolidated Income Medium-term Business Plan (Rolling Plan)

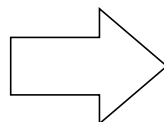
	(Unit: hundred millions of yen)			
	Results for FYE March 2021	Forecast for FYE March 2022	Forecast for FYE March 2023	Forecast for FYE March 2024
Consolidated net sales	4,326	4,377	4,527	4,689
Previous medium-term business plan	4,410	4,570	4,700	
Operating income	215	166	187	190
Previous medium-term business plan	145	156	163	
Ordinary income	224	168	190	192
Previous medium-term business plan	146	158	167	
Net income	141	105	117	123
Previous medium-term business plan	89	102	107	
Note) Net income = Net income attributable to owners of parent company				
Capital expenditures	123	183	296	246
Previous medium-term business plan	152	163	177	
Depreciation and amortization	99	103	112	122
Previous medium-term business plan	99	105	110	
ROE	14.6%	10.1%	10.3%	10.0%
Previous medium-term business plan	9.4%	10.1%	10.0%	
ROIC	13.5%	9.7%	10.4%	9.9%
Previous medium-term business plan	9.0%	9.3%	9.5%	
WACC		4.6%		
Previous medium-term business plan		4.2%		
EBITDA	313	269	299	312
Previous medium-term business plan	245	265	278	

3-(1). Business Environment and Key Measures (Processed Foods Business) for the Year Ended March 2021

Business environment

- FY2020 brought sweeping changes to lifestyles and consumer behavior
- More demand for home goods
- Competition has intensified in distribution channels, home delivery, dining, and other sectors
- Raw materials prices remain high amid swine fever, Chinese trends, and higher feed prices

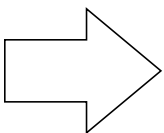
Sales growth, greater market share



Preparing for the new normal: Adaptation and integrity

- Expand key products (over 30)
- Enhance Koukun sausage brand
- Aggressively expand sales channels, market deli items to supermarkets
- 90th anniversary products and promotional campaigns: Hold promotional event at Tokyo
- Build social media following (Line, Twitter, YouTube)

Reduce costs



New production system

- Continue relentless effort to ensure product safety
- Enhance mechanisms to ensure the stable supply customers demand
- Prioritize Prima Innovation for better productivity across the group
- For better product development, consolidate organizational frameworks and functions
- Cut greenhouse emissions to improve the company's value

3-(2). Forecast (Processed Foods Business) for FYE March 2022

(millions of yen, %)

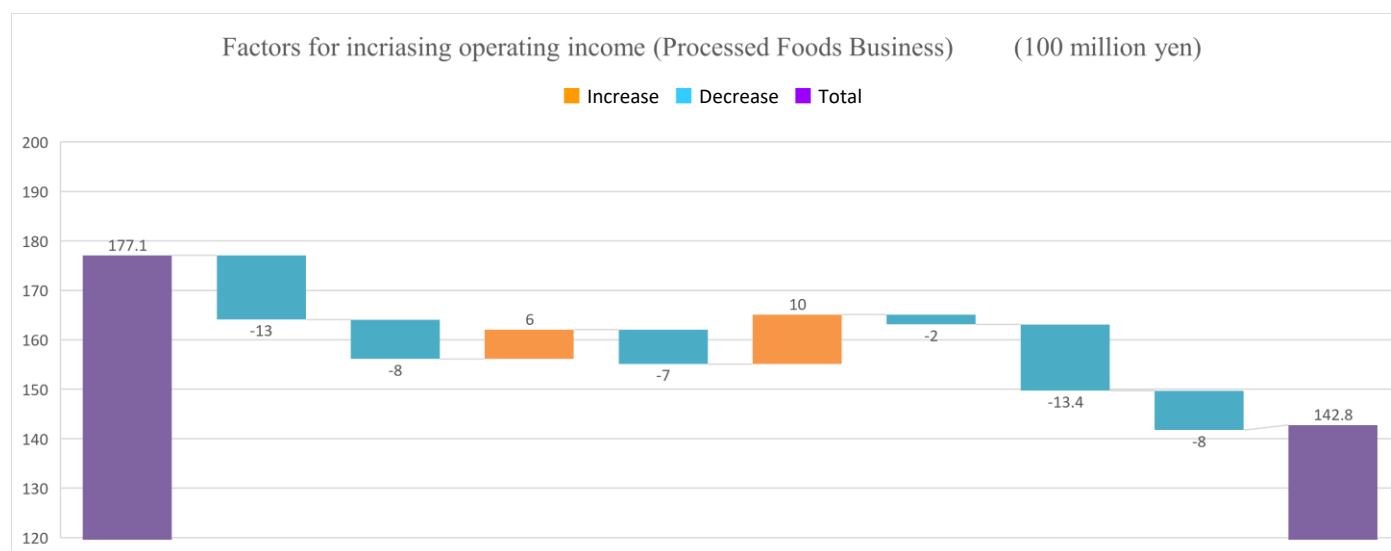
Impact of new J-GAAP standard on net sales: Net sales 106% YoY

Processed Foods	Results	
	FYE March 2020	FYE March 2021
Net Sales	285,795	293,334
Operating income	13,857	17,711

Forecast for FYE March 2022
297,419
14,284

Previous year's forecast
320,849
13,679

YOY
101.4%
-3,427



Factors of change in operating income

100 million yen

Factor	Amount
FY2020 operating income	177
Raw materials	-13
Manufacturing labor costs	-10
Productivity improvements	8
Production companies (e.g. Thai company)	-7
Expanded sales	10
90th anniversary promos	-2
Vendor	-13
Digital transformation (Prima Next Project)	-8
FY2021 operating income	143

- Raw materials
- Manufacturing labor costs
- Productivity improvements
- Production companies (e.g. TI Higher prices for local raw materials due to exchange rate)
- Prices of imports, lamb intestines
- 6-day weeks
- Better productivity, better first pass yield

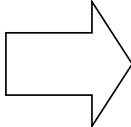
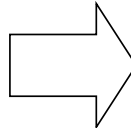
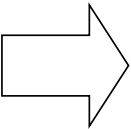
- Digital transformation (Prima Next Project)
- Vendor
- The vendor in question faced higher costs for labor and raw materials
- Cost of building groupwide platform

FY2021-2023 forecast comparison

Year	Vendor	
	Net sales	Operating income
FY2021	1,035	22.8
FY2022	1,055	22.8
FY2023	1,080	24.8

4-(1). Business Environment and Key Measures (Fresh Meats Business) for the Year Ended March 2021

Business environment	<ul style="list-style-type: none"> ●FY2020 brought sweeping changes to lifestyles and consumer behavior <li style="padding-left: 20px;">More demand for home goods ●Pork supply-demand balance and distribution has shifted on global scale amid swine fever and Chinese trends ●High feed prices pose concern for pork production in Japan
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Strengthening of production department		<p>Japanese-produced pork: Coordinate with supply chains (upstream, midstream, downstream)</p> <ul style="list-style-type: none"> ●Coordinate better with group companies to improve produce from our pig farmers in Japan ●Improve quantity and quality of pork shipments, use scientific findings and numerical data to improve quality testing ●Build cutting-edge pig farms in Miyagi
Strengthen sales capacity and procurement/development capacities		<ul style="list-style-type: none"> ●Clarify responsibility for profit, improve profitability ●Strengthen efforts in growth sectors according to changes among key suppliers ●Strengthen products / original brands catering to internal demand ●Develop business in Japan and abroad in collaboration with ITOCHU Corporation
New initiatives		<ul style="list-style-type: none"> ●Transform logistics <li style="padding-left: 20px;">Transform operational flow (standardize processes for logistics, sales, and product development) Transform distribution ●Develop new bases for production of goods to be imported to Japan <li style="padding-left: 20px;">Beef (Uruguay, Ireland)

4-(2).Forecast (Fresh Meats Business) for FYE March 2022

(millions of yen, %)

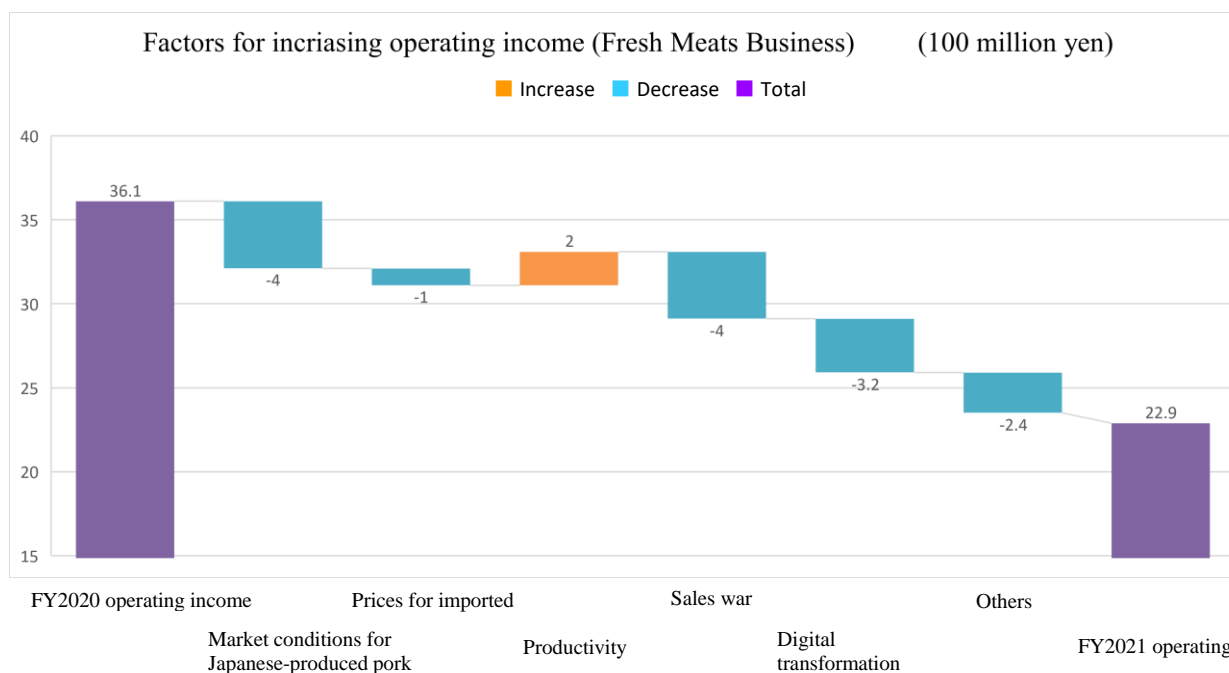
Fresh Meats	Results	
	FYE March 2020	FYE March 2021
Net Sales	131,719	139,719
Operating income	1,528	3,613

Impact of new J-GAAP standard on net sales: Net sales 103% YoY

Forecast for FYE March 2022
139,888
2,298

Previous year's forecast
135,653
1,770

YOY
100%
-1,315



Factors of change in operating income

100 million yen

Factor	Amount
FY2020 operating income	36
Market conditions for Japanese-produced pork	-4
Prices for imported pork	-1
Productivity improvements	2
Sales war	-4
Digital transformation (Prima Next Project)	-3
Others	-2
FY2021 operating income	23

- Market conditions for Japanese-produced pork Higher prices for pork and feed
- Sales war Reactionary decline in sales to high-volume retailers
- Productivity improvements Success of measures for hog raising

5. Initiatives for FYE March 2022

Expand and improve farms and plants



Two 13 ha farm sites

Define Japanese pork production as core business, expand and enhance pig farms

Coordinate with supply chains (upstream, midstream, downstream)

- Introduce new equipment into key farms, boost productivity, enhance quality
- Prepare to launch operations at cutting-edge farm in Miyagi

Improve animal welfare and scientific analytics

Boost plant production capacity and productivity



How the new Kagoshima plant will look

- Boost production capacity for Koukun sausages
- Continue Prima Innovation
- Build new Kagoshima plant

Construction schedule: August 2021 – December 2022

Expand vendor business



- Develop products that cater to new lifestyles and consumer preferences
- Second phase of Sagamihara vegetable plant construction

Get Prima Next Project rolling

- Unify system across the group
- Enable smooth, cross-organizational workflows

Promote ESG management

Further improve corporate value, enhance corporate governance

Referential Materials

Changes in Consolidated Income

[Consolidated statements of income]

(millions of yen)

		FYE March 2019			FYE March 2020			FYE March 2021		
Segment		First half	Second half	Full year	First half	Second half	Full year	First half	Second half	Full year
Net sales	Processed Foods Business	139,903	138,811	278,714	139,583	146,212	285,795	144,112	149,222	293,334
	Fresh Meats Business	64,724	69,096	133,820	66,548	65,171	131,719	67,876	71,843	139,719
	Other business	238	249	487	268	277	545	237	281	518
Total		204,867	208,156	413,023	206,400	211,660	418,060	212,226	221,346	433,572
Cost of Sales		172,892	177,374	350,266	173,813	177,477	351,290	175,983	184,184	360,167
Gross Profit		31,974	30,782	62,756	32,587	34,182	66,769	36,243	37,162	73,405
Selling, general and administrative expenses		24,730	24,858	49,588	25,055	26,077	51,132	25,094	26,835	51,929
Operating income		7,243	5,925	13,168	7,531	8,105	15,636	11,148	10,327	21,475
Non-operating loss		281	380	661	414	▲ 91	323	303	633	936
Ordinary income		7,524	6,305	13,829	7,945	8,014	15,959	11,451	10,960	22,411
Extraordinary income		273	▲ 158	115	2,279	▲ 2,900	▲ 621	▲ 304	▲ 191	▲ 495
Income before income taxes		7,797	6,147	13,944	10,224	5,114	15,338	11,147	10,769	21,916
Net income		4,757	3,530	8,287	5,747	3,076	8,823	6,957	7,208	14,165

(Reference) Net sales by product category

(millions of yen)

		FYE March 2019			FYE March 2020			FYE March 2021		
Product category		First half	Second half	Full year	First half	Second half	Full year	First half	Second half	Full year
Net sales	Ham/sausage	45,106	43,077	88,183	44,916	45,273	90,189	50,544	51,955	102,499
	Processed foods (etc.)	85,533	87,826	173,359	85,530	90,365	175,895	84,702	90,861	175,563
	Fresh meats	73,990	77,000	150,990	75,684	75,747	151,431	76,742	78,253	154,995
	Other	238	253	491	268	277	545	238	277	515
Total		195,406	217,617	413,023	206,400	211,660	418,060	212,226	221,346	433,572

5. Net Sales Comparison (by segment and by product category) for the Year Ended March 2021

Net sales by segment		Net sales by product category	
(hundred millions of yen)		(hundred millions of yen)	
Processed Foods Business	2,933	Ham and sausage	1,024
		Processed foods (etc.)	711
Fresh Meats Business	1,397	Vendor products	1,044
		Fresh meats	153
Others	5	Fresh meats	1,397
		Processed foods (etc.)	1
		Others	5

		Ham/sausage	<u>1024</u>
		Processed foods (etc.)	<u>1,756</u>
		Fresh meats	<u>1,550</u>
		Others	<u>5</u>

Changes in Consolidated Balance Sheets

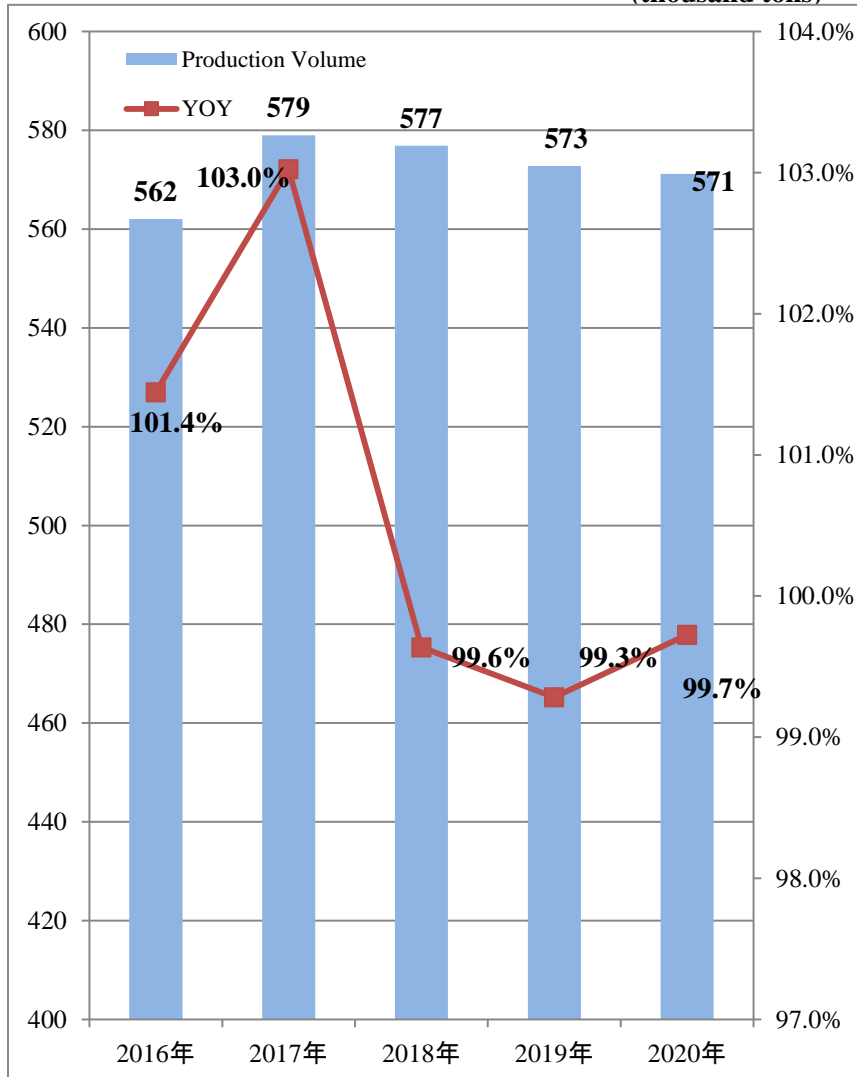
[Consolidated Balance Sheets]

(millions of yen)

	FYE March 2019		FYE March 2020		FYE March 2021	
	End of first half	End of year	End of first half	End of year	End of first half	End of year
Current assets	91,315	82,857	85,529	87,310	93,370	98,747
Noncurrent assets	116,757	121,004	114,840	111,220	112,909	115,795
Gross assets	208,073	203,862	200,369	198,530	206,280	214,542
Current liabilities	78,588	74,706	68,705	68,171	71,042	71,957
Noncurrent liabilities	36,746	34,519	32,397	30,225	28,807	27,823
Total liabilities	115,305	109,226	101,102	98,396	99,849	99,781
Shareholders' equity	77,684	80,237	83,942	86,010	90,953	97,153
Accumulated other	6,569	5,877	5,682	4,562	5,086	6,479
Minority interests	8,513	8,521	9,641	9,561	10,390	11,128
Total net assets	92,767	94,635	99,267	100,134	106,430	114,761
Total liabilities and net assets	208,073	203,862	200,369	198,530	206,280	214,542
Equity	84,254	86,114	89,625	90,573	96,040	103,632
Equity ratio(%)	40.5	42.2	44.7	45.6	46.6	48.3

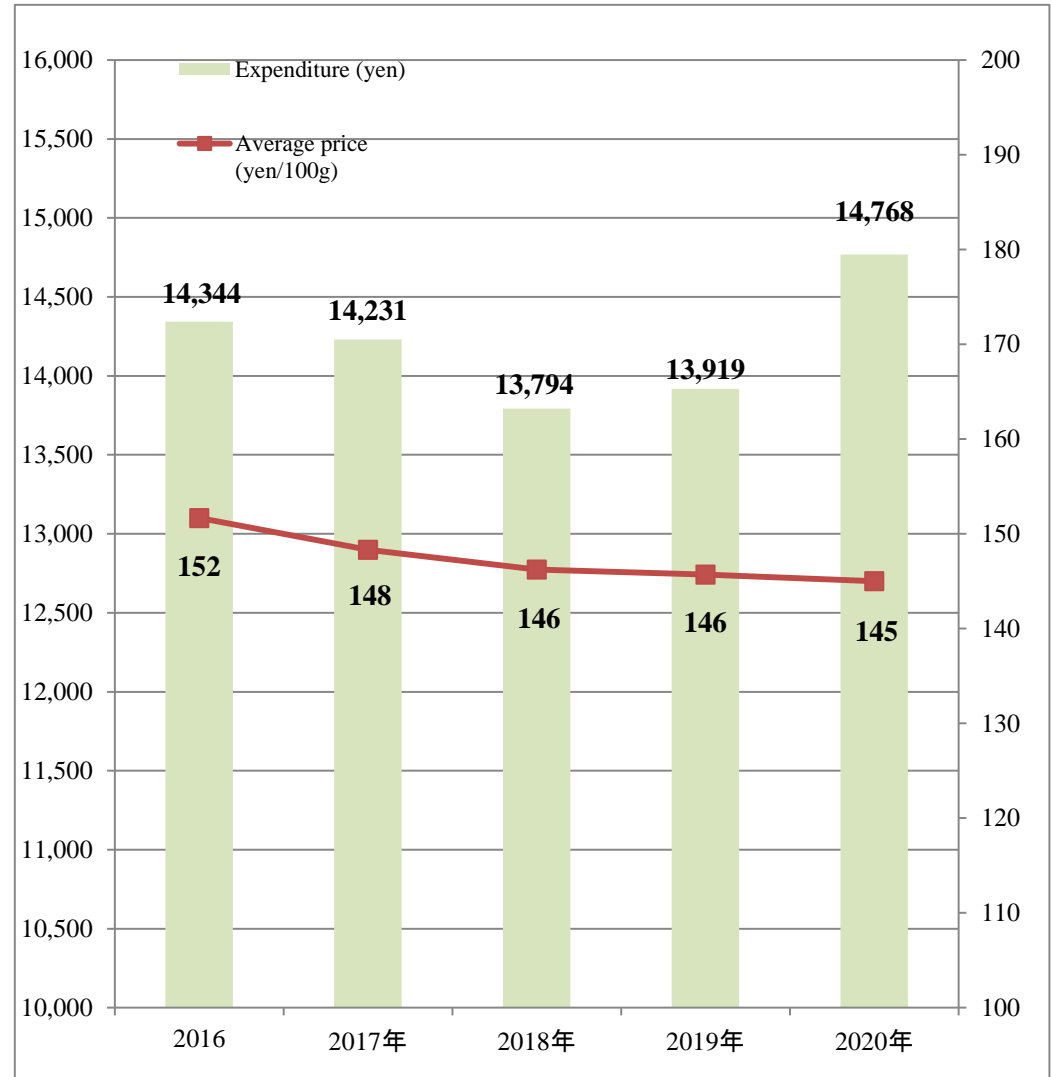
Data on Industry Trends

(1) Change in Production Volume of Ham and Sausage (Japan) (thousand tons)



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

(2) Household Expenditure on Ham and Sausage (annual figures, taxes excluded)

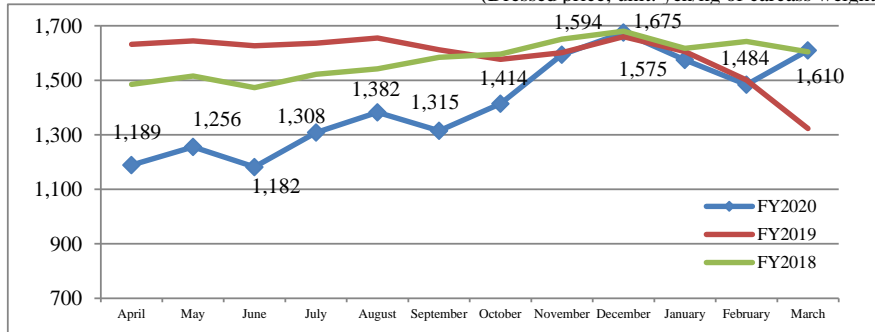


Report on the Family Income and Expenditure Survey, Bureau of Statistics (a nationwide survey of households with two or more members)

Data on Industry Trends 2

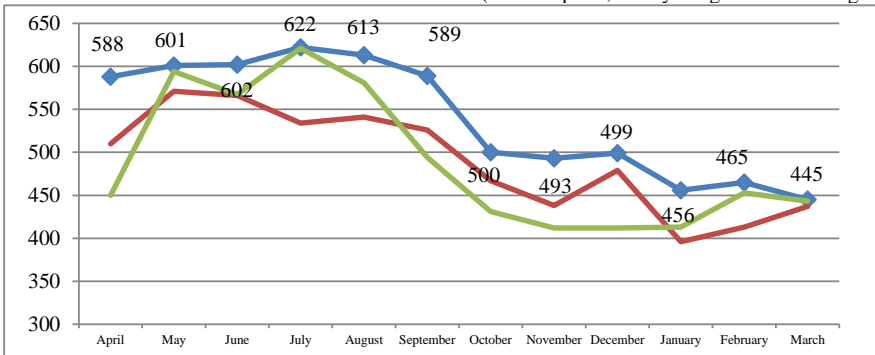
(1) Tax-excluded wholesale price (Tokyo) of B-3 crossbreed steers

(Dressed price; unit: yen/kg of carcass weight)



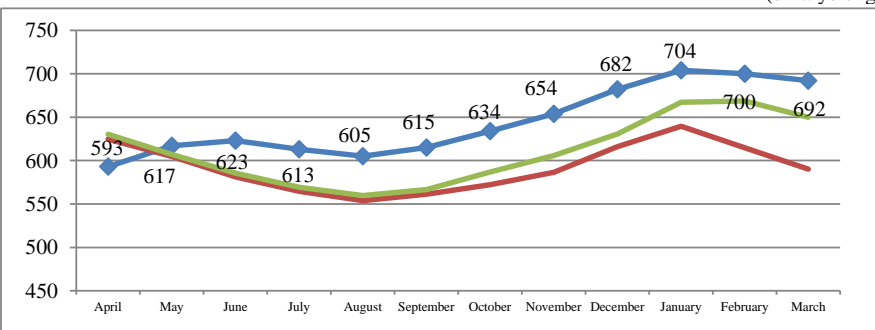
(2) Tax-excluded wholesale price of pork (Tokyo, ministerial ordinance)

(Dressed price; unit: yen/kg of carcass weight)



(3) Tax-excluded wholesale price (Tokyo) of chicken (leg)

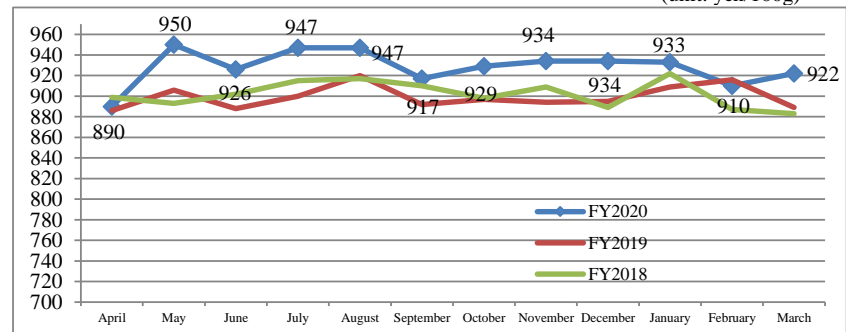
(unit: yen/kg)



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

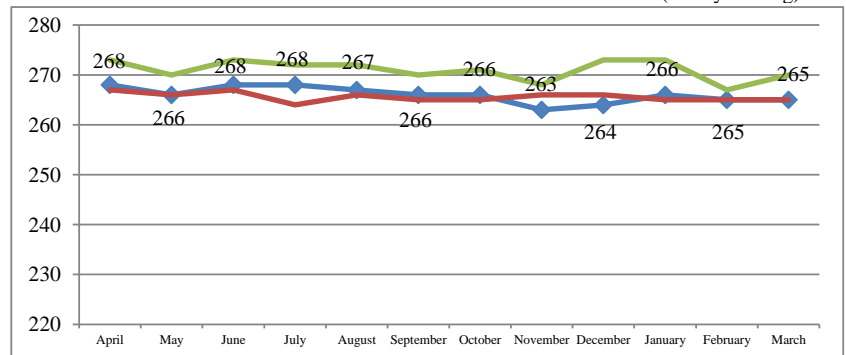
(4) Tax-excluded retail price of Japanese-produced beef loin (Tokyo)

(unit: yen/100g)



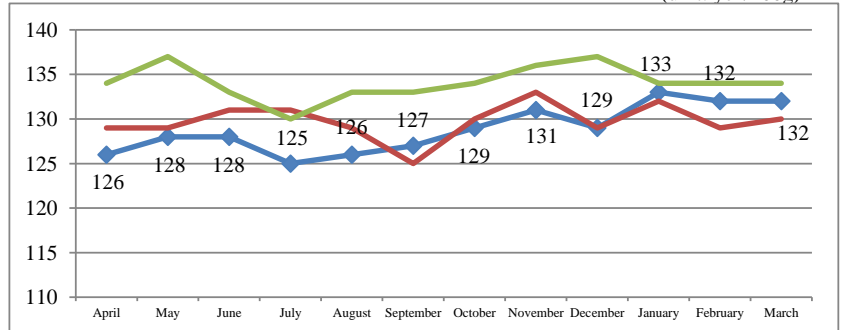
(5) Tax-excluded retail price of Japanese-produced pork loin (Tokyo)

(unit: yen/100g)



(6) Tax-excluded wholesale price (Tokyo) of Japanese-produced chicken (leg)

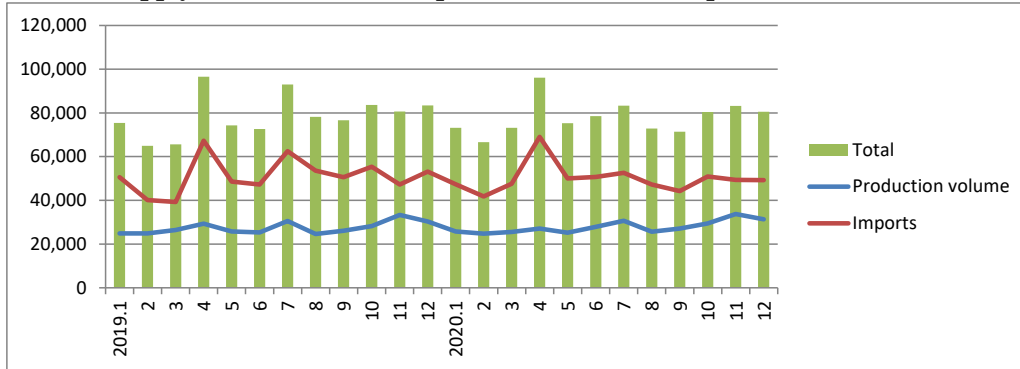
(unit: yen/100g)



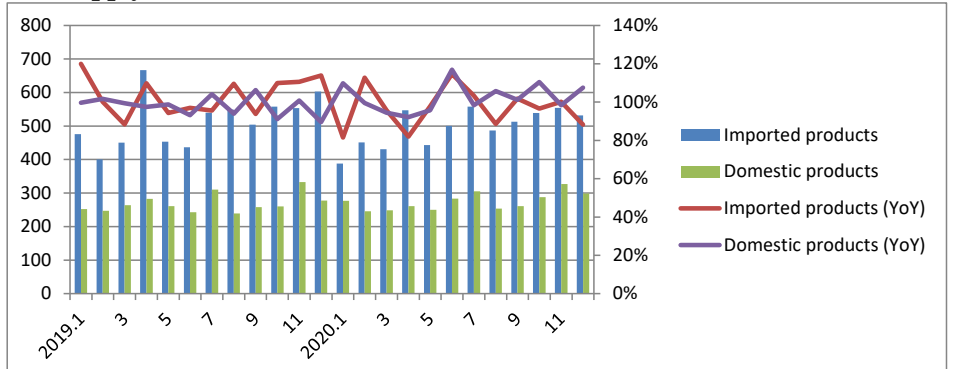
Ministry of Internal Affairs and Communications (Report on the Retail Price Survey)

Data on Industry Trends 3

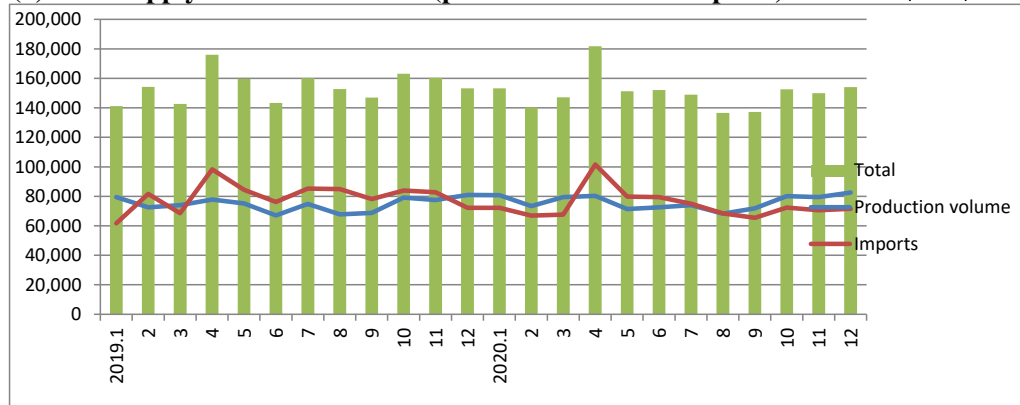
(1) Beef supply and demand table (production volume/imports) (tons)



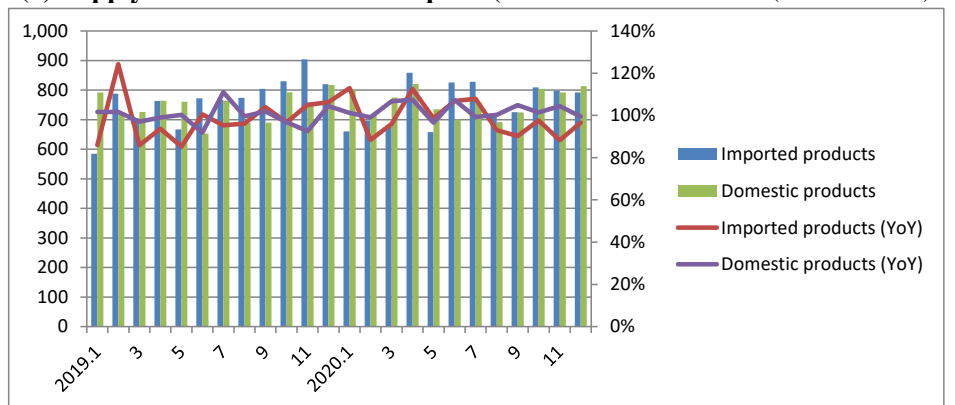
(4) Supply and demand trends of beef (estimated to circulate) (100 tons / %)



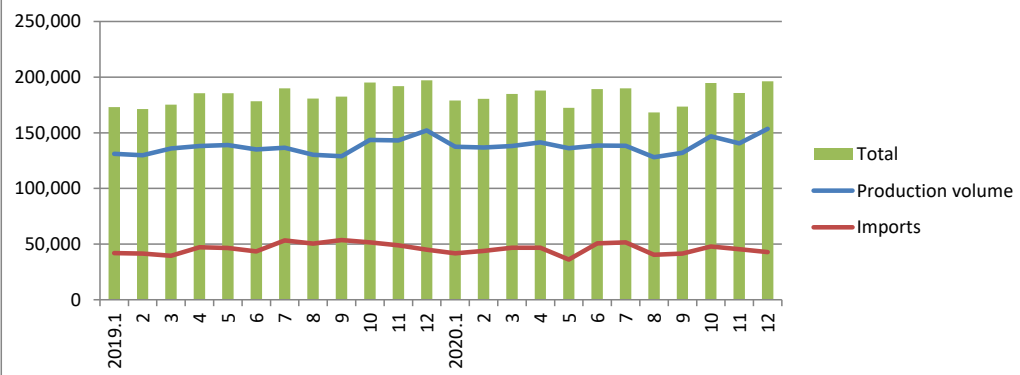
(2) Pork supply and demand table (production volume/imports) (tons)



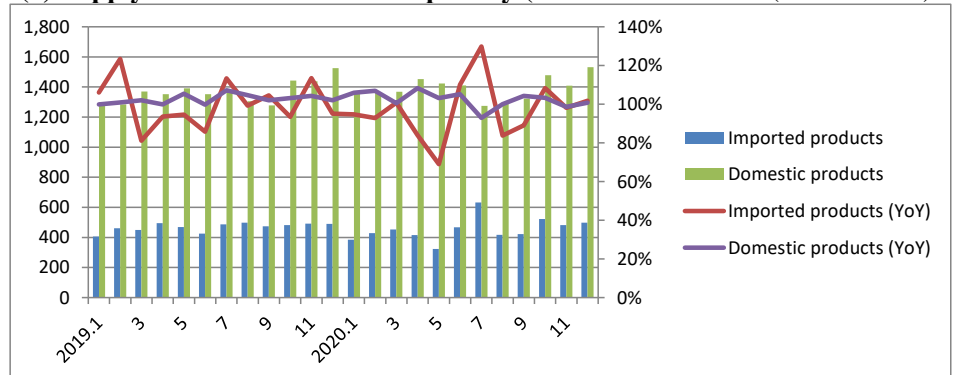
(5) Supply and demand trends of pork (estimated to circulate) (100 tons / %)



(3) Poultry supply and demand table (Production volume/imports) (tons)



(6) Supply and demand trends of poultry (estimated to circulate) (100 tons / %)



Profile

(As of March 31, 2021)

■ 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	1,921 (increased by 26)		
Business sites	Sales bases	6 branch offices	24 sales offices
	Production bases	4 plants	
Number of group companies	33		
	Consolidated subsidiaries	31	
	Companies accounted for using the equity method	2	
Number of employees across corporate group	15,443 (increased by 293)		
Group bases	Production bases	25 plants (in Japan) 2 bases (overseas)	

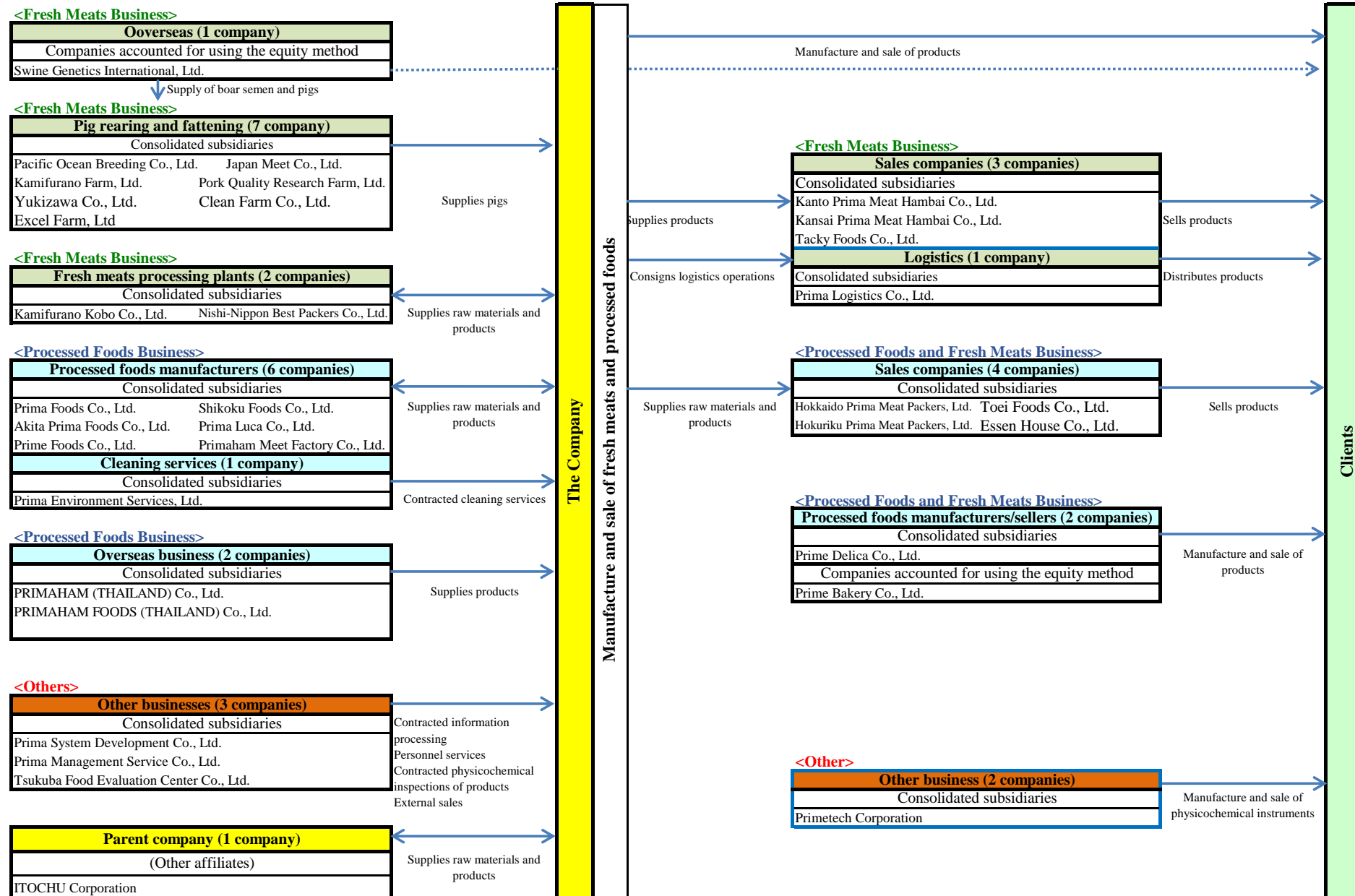
(Note)

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
December 2016	Sign an official sponsor contract with LEGOLAND® Japan
March 2019	Launched Ibaraki new ham and bacon plant

Corporate Group Data (as of Apr 1, 2021)



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	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	Cut carbon emissions	Control F-gases

3. Reuse machine coolant to cut water usage by 9%

Reuse machine coolant: Use closed-circuit cooling tower to remove heat from used coolant so it can be reused



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 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



Solar energpower system

Prima Meat Packers Group's mission

Mission

Contribute to food culture and society through great taste and excitement

Management Philosophy

- 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

Contribute to food culture and society through great taste and excitement

We will provide safe and reassuring products and services that add inspiration to people's mealtimes and daily lives.

We will work toward healthier lifestyles, a more sustainable food culture, and a brighter world.

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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