

Financial Results for the Year Ended March 31, 2023

May 18, 2023

Prima Meat Packers, Ltd.

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- 2 Medium-term Business Plan (Rolling Plan)
- 3 Appendix

Financial Results for the Year Ended March 31, 2023

Consolidated Statements of Income



(hundred millions of yen, %)

	*Result in comparative period, retroactively adjusted		FYE March 2023			
	Full-year	Net sales ratio	Full-year	Net sales ratio	% of comparative period	YoY change
Net sales	4,207	–	4,307	–	102.4	100
Cost of sales	3,680	87.5	3,830	88.9	104.1	(150)
Gross profit	527	12.5	478	11.1	90.5	(50)
SG&A expenses	387	9.2	380	8.8	98.2	7
Operating income	140	3.3	97	2.3	69.3	(43)
Ordinary income	149	3.5	105	2.4	70.6	(44)
Extraordinary income	6	0.1	2	0.1	39.0	(3)
Extraordinary loss	3	0.1	48	1.1	1408.5	(45)
Income before income taxes	151	3.6	59	1.4	39.1	(92)
Tax	42	1.0	21	0.5	48.6	22
Net income	109	2.6	38	0.9	35.4	(70)
Net income attributable to non-controlling interests	12	0.3	(7)	(0.2)	(57.5)	18
Net income attributable to owners of parent	97	2.3	45	1.0	46.4	(52)

*Result in comparative period, retroactively adjusted: For these figures, the new presentation method applied from the start of the period under review has been applied retroactively to revenue and expenses associated with the compound feed price stabilization system.

Gross profit margin: 1.4pt down (12.5%→11.1%)
Cost to sales ratio: Turned upward (unfavorable) by 1.4pt (87.5%→88.9%)
 Purchasing of raw materials and products: 1.1 pt up
 Production costs to sales ratio: 0.3 pt up
SG&A: Turned downward (favorable) by 0.4pt (9.2%→8.8%)
 Labor: 0.04 pt down
 Admin: 0.32 pt down
Operating margin: 1.0 pt down (3.3%→2.3%)

Extraordinary loss ¥4.8 bn
 Tangible fixed assets, goodwill amortization

(hundred millions of yen)

	Revised forecast (10/31)	Change
Net sales	4,320	(13)
Operating income	110	(13)
Ordinary income	116	(11)
Net income attributable to owners of parent	73	(28)

Financial Results for the Year Ended March 31, 2023

By Segment

Retroactively adjusted

(hundred millions of yen, %)

		Result in comparative period	FYE March 2023		
			Full-year	% of comparative period	YoY change
Processed Foods segment	Net sales	2,856	3,007	105.3	151
	Operating income	141	102	72.8	(38)
Fresh Meat segment	Net sales	1,347	1,296	96.2	(51)
	Operating income	13	(2)	-	(15)
Others	Net sales	5	5	110.2	0
	Operating income	2	2	101.8	0
Adjustment	Operating income	(16)	(6)	36.7	10
Consolidated Total	Net sales	4,207	4,307	102.4	100
	Operating income	140	97	69.3	(43)

* Adjustment: This refers to general (organization-wide) expenses not allocated to any particular segment.

Net sales by product category

(hundred millions of yen)

	Full-year	% of comparative period
Ham/Sausage	1,039	106.1
Other processed foods	731	108.4
Prepared deli items (vendor subsidiary)	1,016	99.5
Fresh meat	1,481	98.8
Total	4,307	102.4

* The fresh meat category includes fresh meat sales in the Processed Foods segment

Non-consolidated income statement

(hundred millions of yen, %)

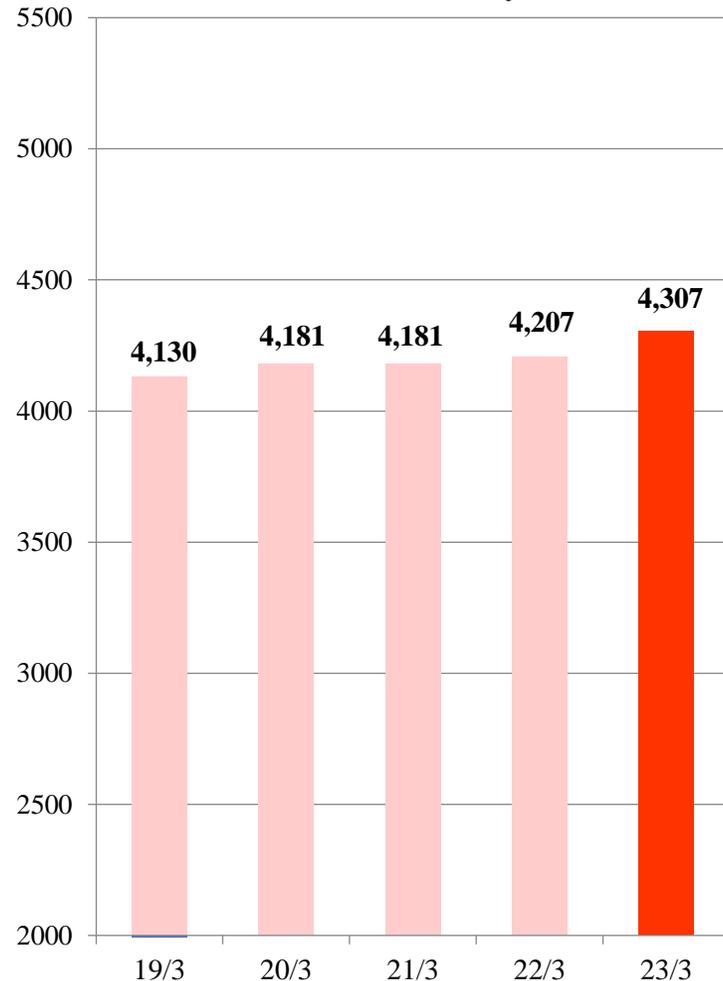
		Full-year	% of comparative period	YoY change
Prima Meat Packers	Net sales	3,074	102.6	79
	Operating income	71	95.6	(3)

Business environment

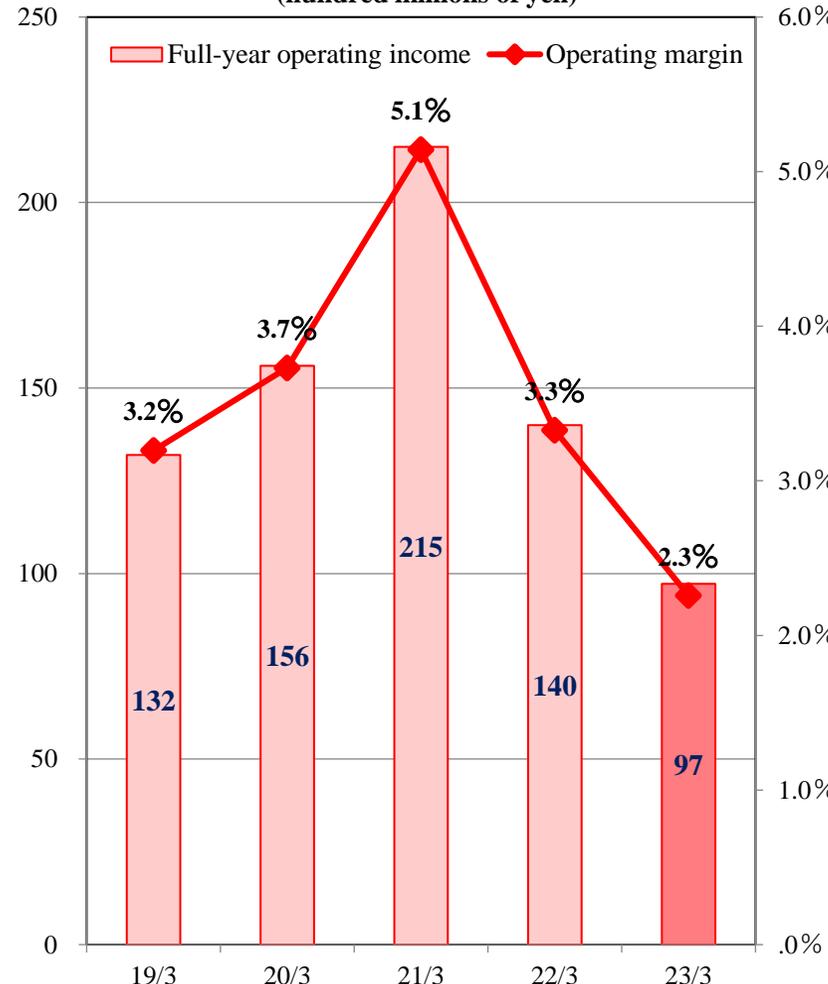
- ▶ The economy started normalizing following the easing of anti-Covid measures, and department stores, food services, tourism, and other industries hit by the pandemic traced a recovery path.
- ▶ Many food companies enacted multiple rounds of sales price hikes in an effort to absorb higher raw materials and energy costs, but the hikes failed to absorb higher production costs.
- ▶ Meat markets were severely affected by high animal feed prices, the low yen, high prices in overseas markets, and bird flu.

Changes in Net Sales, Operating Income, Net Income

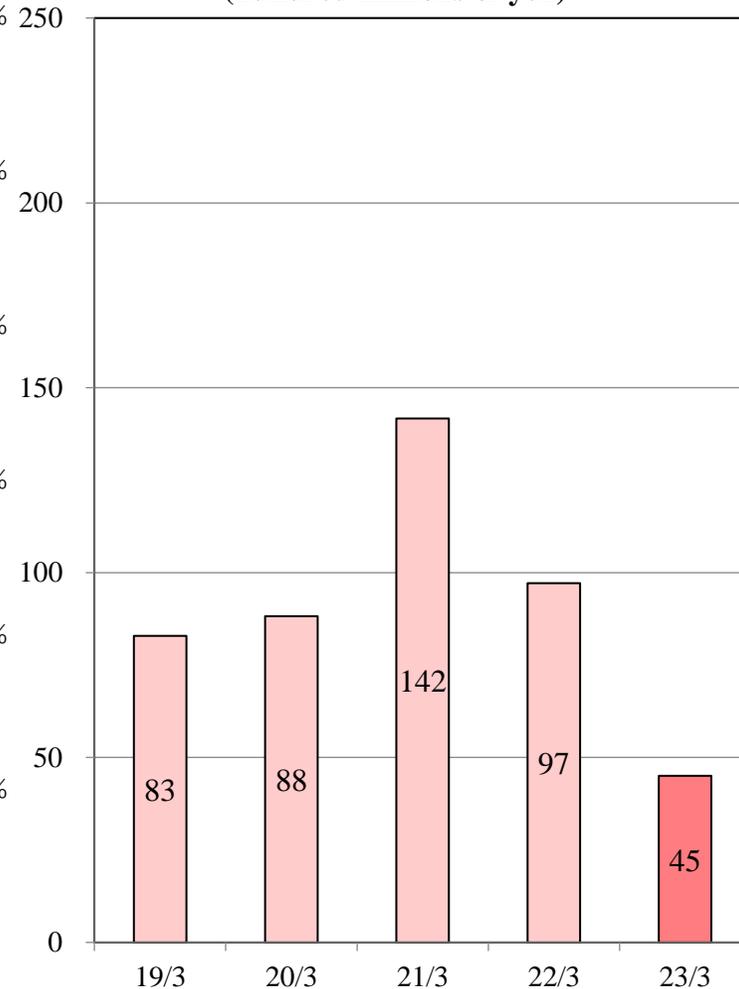
Consolidated net sales
(hundred millions of yen)



**Consolidated operating income/
Operating margin**
(hundred millions of yen)



Consolidated net income
(hundred millions of yen)



Notes: The new revenue recognition standard has been applied since the year ended March 31, 2022, and is retroactively applied to the year ended March 2021)

Net income refers to net income attributable to owners of parent.

Actions Taken in Processed Foods Business

	Actions taken	Outcomes	Notes												
Price hikes	<p>○We hiked prices of ham/sausage and other processed foods to absorb cost increases in key raw materials and energy.</p> <table border="0"> <tr> <td></td> <td>First price hike</td> <td>Second price hike</td> </tr> <tr> <td>Date</td> <td>1-Feb</td> <td>1-Sep</td> </tr> <tr> <td>Products</td> <td>200 ham/sausage products and other processed foods (164 consumer products, 36 commercial products)</td> <td>400 ham/sausage products and other processed foods (consumer products, commercial products)</td> </tr> <tr> <td>Size of increase</td> <td>5-12%</td> <td>consumer products: 5-20% commercial products: 5-30%</td> </tr> </table>		First price hike	Second price hike	Date	1-Feb	1-Sep	Products	200 ham/sausage products and other processed foods (164 consumer products, 36 commercial products)	400 ham/sausage products and other processed foods (consumer products, commercial products)	Size of increase	5-12%	consumer products: 5-20% commercial products: 5-30%	<p>○Ham/Sausage sales (FYE Mar 2023)</p> <p>◇106% of comp period</p> <p>○Sales of other processed foods (FYE Mar 2023)</p> <p>◇108% of comp period</p>	<p>○Prices were hiked on April 1, 2023</p> <p>Products affected</p> <p>Ham/sausage, other processed foods 400 products (consumer products, commercial products)</p> <p>Size of increase</p> <p>Consumer products: 5%-20% commercial products: 5%-30%</p>
	First price hike	Second price hike													
Date	1-Feb	1-Sep													
Products	200 ham/sausage products and other processed foods (164 consumer products, 36 commercial products)	400 ham/sausage products and other processed foods (consumer products, commercial products)													
Size of increase	5-12%	consumer products: 5-20% commercial products: 5-30%													
Sales	<p>○We continued efforts to expand market share</p> <p>○We worked to boost Koukun brand recognition</p>	<p>○Ham/Sausage sales vol: ◇101% of comp period</p> <table border="0"> <tr> <td>consumer products</td> <td>101%</td> </tr> <tr> <td>commercial products</td> <td>102%</td> </tr> </table> <p>○Sales vol of other processed foods: ◇99% of comp period</p> <table border="0"> <tr> <td>Prepared foods for consumers</td> <td>103%</td> </tr> <tr> <td>Prepared foods for commerce</td> <td>100%</td> </tr> <tr> <td>Seasoned meat</td> <td>95%</td> </tr> </table>	consumer products	101%	commercial products	102%	Prepared foods for consumers	103%	Prepared foods for commerce	100%	Seasoned meat	95%	<p>SCI data: (ham/sausage) share up for 11 consecutive years</p> <p>* FYE Mar 2020 and earlier: Monitors aged 15 to 69 FYE Mar 2021 and after: Monitors aged 15 to 79</p>		
consumer products	101%														
commercial products	102%														
Prepared foods for consumers	103%														
Prepared foods for commerce	100%														
Seasoned meat	95%														
Marketing	<p>○We ran promotional campaigns and events</p> <ul style="list-style-type: none"> Party event at Tokyo Disney Resort Private theater show (Takarazuka Revue's Cosmos troupe) commemorating Koukun's 20th anniversary 														
Other	<p>○We worked to grow our social media audience (on Twitter and Line)</p> <p>○Official Sponsorship of Ghibli Park</p>														
Production	<p>○We strengthened production and cost competitiveness to accommodate market share growth</p> <ul style="list-style-type: none"> Completed new plant in Kagoshima, completed production line relocation ⇒ Entered service in April 2023 Boosted capacity of existing plants to ensure stable output 	<p>○Man-hours productivity (FYE Mar 2023)</p> <table border="1"> <tr> <td>Ham/Sausage</td> </tr> <tr> <td>+0.2%</td> </tr> </table> <p>Note) 2% better when shrinkflation is taken into account</p>	Ham/Sausage	+0.2%											
Ham/Sausage															
+0.2%															
Vendors	<p>○We continued developing new products to suit customer needs and offset material cost increases</p>	<p>○Vendor business: Net sales</p> <p>◇99% of comp period</p>													

Processed Foods Business Performance

1. Ham/Sausage

(1) Sales volume: All ham/sausage products (%)

	FYE March 2021	FYE March 2022	FYE March 2023	% of total
Ham/Sausage	110	104	101	
Consumer Products	117	103	101	75.5
Commercial Products	94	110	102	23.3
Gift Products	93	98	97	1.2

(2) Sales volume: Key consumer products (%)

	FYE March 2021	FYE March 2022	FYE March 2023
Koukun Sausage	123	110	107
Loin ham group	121	99	99
Bacon group	122	100	96
Tokachi Raw ham	116	98	92

▶ For Koukun Sausage, we recorded growth, compared to previous year in sales of twin-pack and large-pack products

(3) Improvement in person-hours productivity

	FYE March 2021	FYE March 2022	FYE March 2023
Ham/Sausage	6% up	4% up	0.2% up

Note) 2% better when shrinkflation in FYE 2023 is taken into account

(4) Net sales in vendor business (1 company) (%)

	FYE March 2021	FYE March 2022	FYE March 2023
Net sales	106	103	99

2. Other processed foods

(1) Sales volume: All other processed foods products (%)

	FYE March 2021	FYE March 2022	FYE March 2023	% of total
Processed Foods	99	102	99	
Consumer Products	112	94	103	29.8
Commercial Products	87	118	100	45.8
Seasoning raw meat	105	88	95	21.5

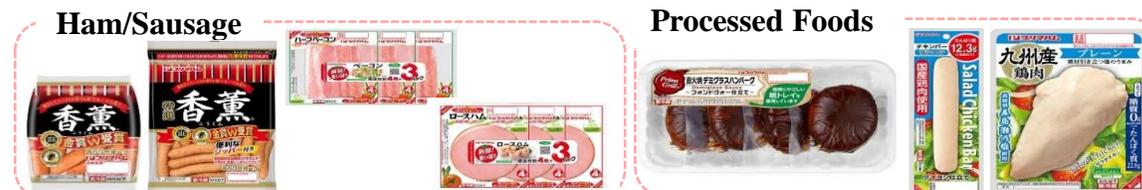
(2) Sales volume: Key consumer products (%)

	FYE March 2021	FYE March 2022	FYE March 2023
Burgers	141	103	91
Meatballs	104	101	100
Chicken strips for salads	107	85	95
Fried items for consumers	108	86	115

(3) Improvement in man-hours productivity

	FYE March 2021	FYE March 2022	FYE March 2023
Processed Foods	4% up	No change	2% down

Note) 1% better when shrinkflation in FYE 2023 is taken into account



Processed Foods Business: Factors of Change in Operating Income

(hundred millions of yen, %)

	Result in comparative period	FYE March 2023		
		Full-year	% of comp period	YoY change
Net sales	2,856	3,007	105.3	151
Operating income	141	102	73	(38)

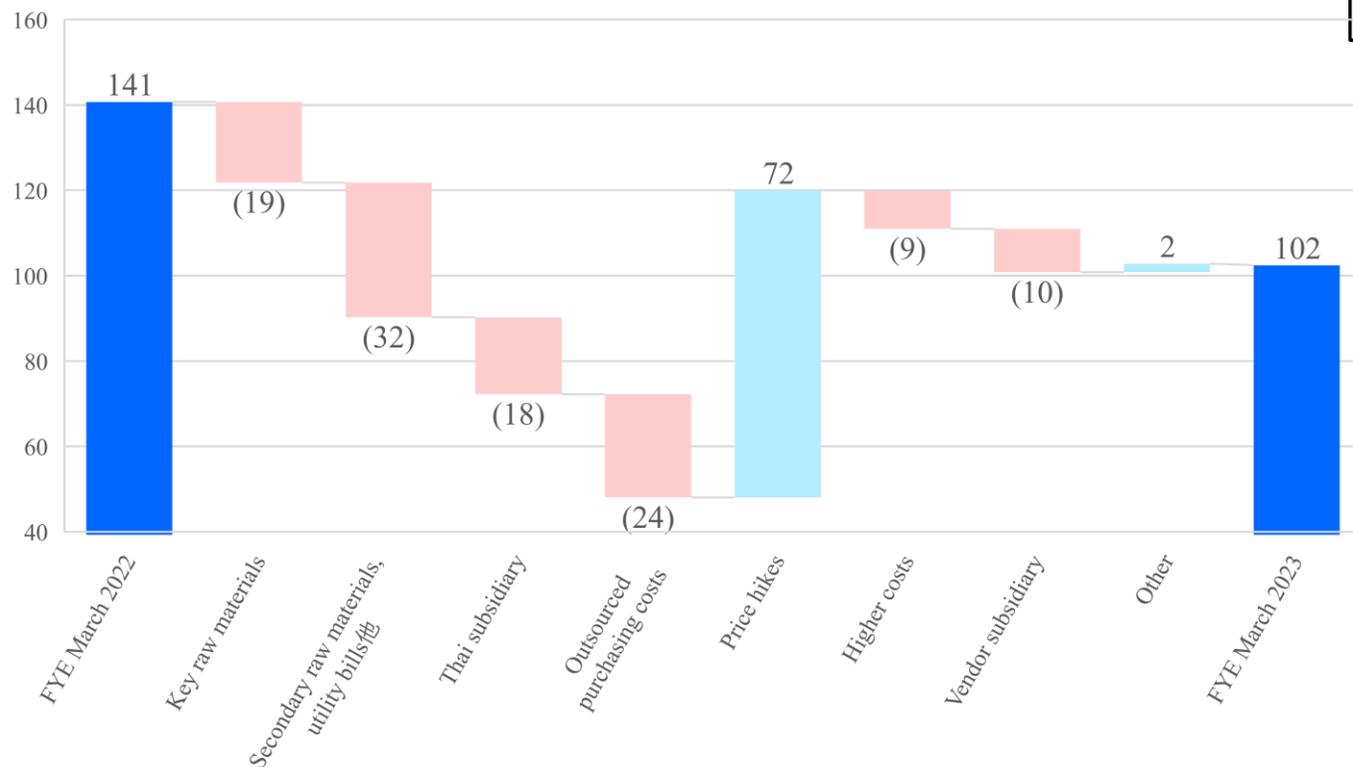
○ Cost increases - ¥9.3 bn
 (H1 ¥3.5 bn, H2 ¥5.7 bn)

Huge cost increases in key raw materials, secondary raw materials, and utility bills

○ Price hikes +¥7.2 bn
 (H1 ¥2.1 bn, H2 ¥5.1 bn)

2nd round of price hikes in September, price hikes rolled out to commercial-use items too

(hundred millions of yen)



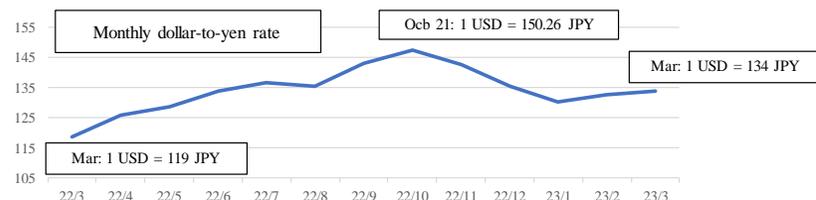
(hundred millions of yen)

Factor		Full-year	H1	H2
FYE March 2022 operating income		141	82	59
Cost increases (93)	Key raw materials	(19)	(4)	(15)
	Secondary raw materials, utility bills	(32)	(11)	(20)
	Thai subsidiary	(18)	(10)	(8)
	Outsourced purchasing costs	(24)	(10)	(14)
Sales	Price hikes	72	21	51
	Higher costs	(9)	—	(9)
Vendor subsidiary		(10)	(10)	0
Other		2	3	(1)
FYE March 2023 operating income		102	59	44
YoY change		(38)	(23)	(15)

Performance of Fresh Meat Segment

External environment

○Yen remained low



○Less demand for fresh red meat and poultry. Biggest decline was in beef sales.

Ministry of Internal Affairs and Communications survey of households(containing 2 people or more) between April 2022 and February 2023:

	Spending: (YoY)	Sales volume: (YoY)
Beef	97.5	92.3
Pork	102.8	98.1

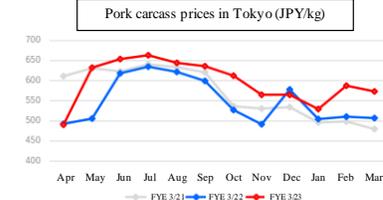
	Spending: (YoY)	Sales volume: (YoY)
Poultry	106.2	97.6
Fresh red meat and poultry	101.0	97.2

○We faced higher animal feed prices

	Apr–Jun 2022	Jul–Sep 2022	Jan–Mar 2023
JA animal feed prices (national average)	¥4,350 up ↑	¥11,400 up ↑	¥1,000 down ↓

○Another YoY increase in domestic pork prices
 (Pork carcass prices in Tokyo)

2022/3/1	¥507/kg
2022/7/1	¥663/kg
2023/3/1	¥574/kg



○For imported meat, dead stock situation persisted

Pork	Apr '22	May '22	Jun '22	Jul '22	Aug '22	Sep '22	Oct '22	Nov '22	Dec '22	Jan '23	Feb '23
(YoY)	106.9	110.9	118.4	124.5	125.6	123.6	121.5	126.4	127.3	122.5	121.2

Beef	Apr '22	May '22	Jun '22	Jul '22	Aug '22	Sep '22	Oct '22	Nov '22	Dec '22	Jan '23	Feb '23
(YoY)	109.0	107.2	113.2	117.6	121.1	118.5	114.2	118.9	118.7	118.1	119.4

○High egg prices (new record) amid bird flu

Internal environment

○Fresh meat sales:

- We were late in passing on cost increases to customers
- Net sales decreased YoY. The main factor was lower sales volume of imported chilled beef and pork, a result of higher costs coupled with less demand.

FYE Mar 2023 sales	Net sales: % of comp period	Sales vol: % of comp period
Imported beef	90%	76%
Imported pork	93%	88%

- Sales teams focused on margins in response to market trends
- Purchasing and sales teams kept inventory in mind

○Hog farming business:

- We worked to increase hog shipments, aiming for 600 k shipments by 2030

Year ended	Shipments
2020	380 k
2021	420 k
2022	440 k

FYE Mar 2023: 440 k

- We worked to improve productivity and quality
- We worked to improve animal welfare

Set standards in line with WOA standards

- We continued work to prepare the new farm in Miyagi

November 2022: First sows introduced and inseminated
 March 2023: Farrowing commenced

Fresh Meat Business: Factors of Change in Operating Income

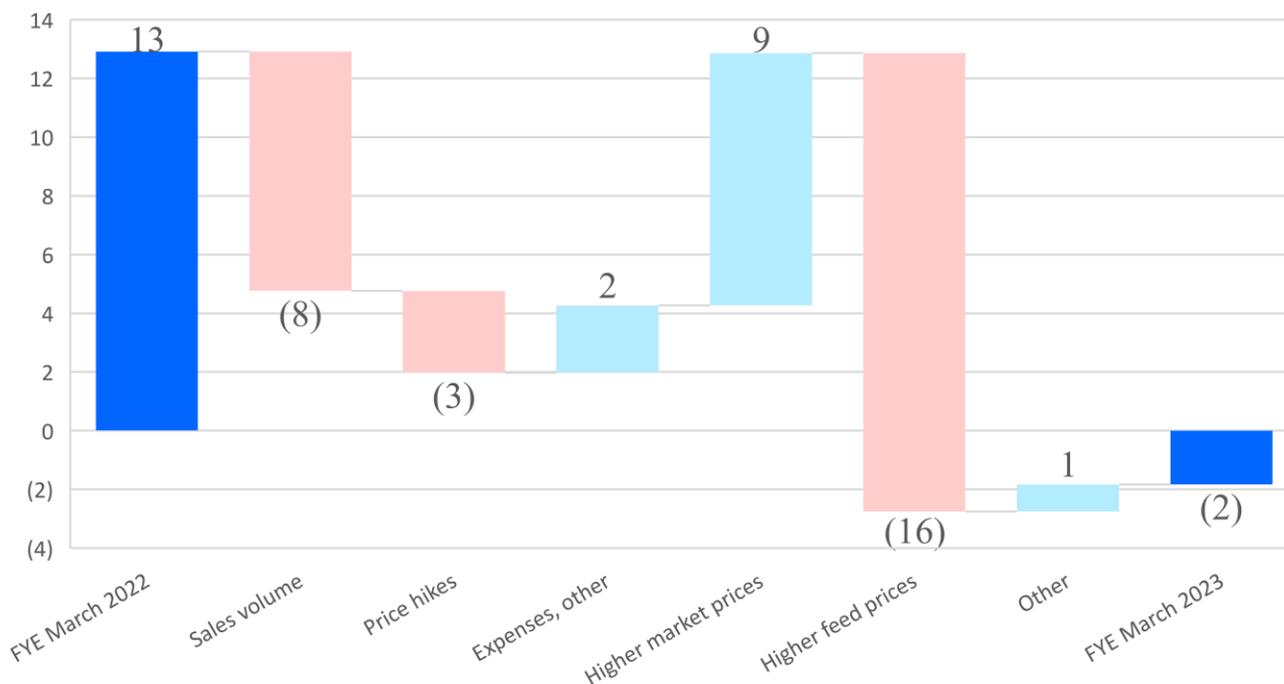
Retroactively adjusted

(hundred millions of yen, %)

	*Result in comparative period	FYE March 2023		
		Full-year	% of comp period	YoY change
Net sales	1,347	1,296	96.2	(51)
Operating income	13	(2)	-	(15)

* Feed compensation is included in net sales in both the FYE March 2023 result and the comparative period.

(hundred millions of yen)



- Fresh meat sales **-¥0.9 bn**
(H1 -¥0.9 bn, H2 -¥0.0 bn)
Sales volume had big impact
- Hog farming business **-¥0.7 bn**
(H1 -¥0.4 bn, H2 -¥0.3 bn)
High feed prices offset high market prices

(hundred millions of yen)

Factor		Full-year	H1	H2
FYE March 2022 operating income		13	10	3
Fresh meat sales (9)	Sales volume	(8)	(5)	(4)
	Price hikes	(3)	(6)	3
	Expenses, other	2	2	(0)
Hog farming (7)	Higher market prices	9	4	5
	Higher feed prices	(16)	(8)	(8)
Other		1	0	1
FYE March 2023 operating income		(2)	(2)	0
YoY change		(15)	(12)	(3)

Consolidated Balance Sheets

(hundred millions of yen)

	FYE March 2022	FYE March 2023	Change
Current assets	958	953	(5)
Cash and deposits	126	109	(17)
Notes and accounts receivable	441	465	24
Inventory	234	270	36
Deposits	130	70	(60)
Other	27	40	12
Noncurrent assets	1,259	1,346	87
Tangible fixed assets	972	1,023	51
Intangible fixed assets	49	73	25
Investment and other assets	238	250	11
Gross assets	2,217	2,299	82

(hundred millions of yen, %)

	FYE March 2022	FYE March 2023	Change
Equity ratio	50.5	49.2	(1.3)

(hundred millions of yen)

	FYE March 2022	FYE March 2023	Change
Total liabilities	992	1,067	75
Current liabilities	717	749	32
Noncurrent liabilities	275	318	43
Total shareholders' equity	1,028	1,040	13
Capital	79	79	0
Capital reserve	102	102	0
retained earnings	851	863	12
Treasury stock	(4)	(4)	0
Accumulated othe comprehensive income	91	91	1
Minority interests	107	100	(7)
Total net assets	1,226	1,232	6
Total liabilities and net assets	2,217	2,299	82

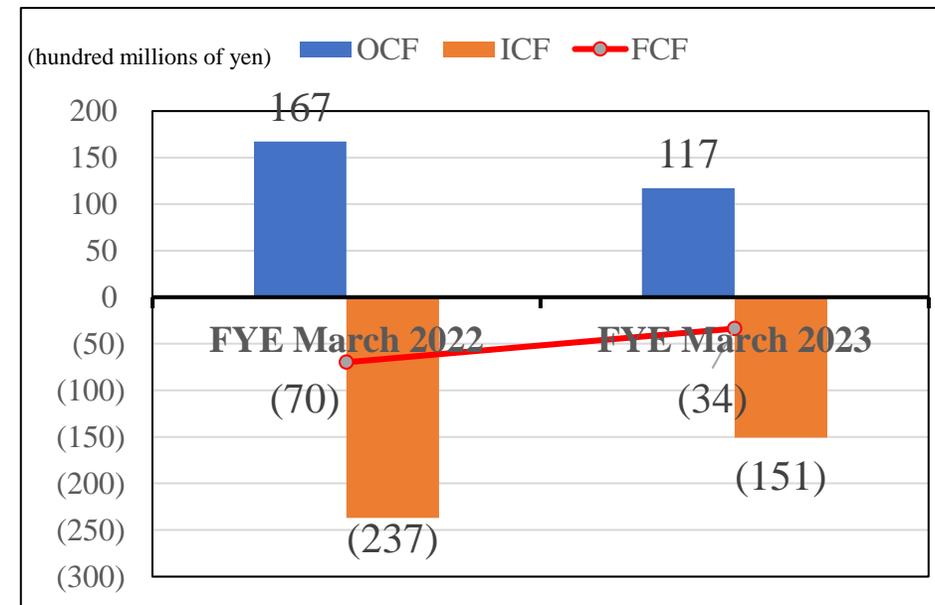
(hundred millions of yen, %)

	FYE March 2022	FYE March 2023	Change
Interest(bearing dept	206	254	48
D/E ratio	0.18	0.22	0.04
Net interest(bearing debt	(50)	75	125

Consolidated Cash Flow Statements

(hundred millions of yen)

	FYE March 2022	FYE March 2023	
	Full-year	Full-year	Change
1. Cash flows from operating activities	167	117	(50)
income before income taxes	151	59	(92)
Depreciation/amortization	105	110	5
Decrease (increase) in notes and accounts receivable-trade	(4)	(23)	(19)
Decrease (increase) in inventory assets	(26)	(35)	(8)
Increase (decrease) in notes and accounts payable-trade	16	(4)	(20)
Other	(73)	11	84
2. Cash flows from investing activities	(237)	(151)	86
Spending on property, plant and equipment	(147)	(182)	(35)
Spending on intangible assets	(9)	(24)	(14)
Deposits	(50)	50	100
Other	(31)	5	36
3. Cash flows from financing activities	(66)	12	78
4. Cash and cash equivalents at end of period	162	141	(21)
Free cash flow (1+2)	(70)	(34)	36



Depreciation/amortization, capital expenditures (hundred millions of yen)

	FYE March 2022	FYE March 2023		FYE March 2023 Full-year target
	Full-year	Full-year	YoY change	
Depreciation/ amortization	105	110	5	110
Capital expenditures	166	239	73	281

Performance in Dividend Benchmarks

Dividend Benchmarks

Payout ratio: 30% or higher

ROE: 10% or higher

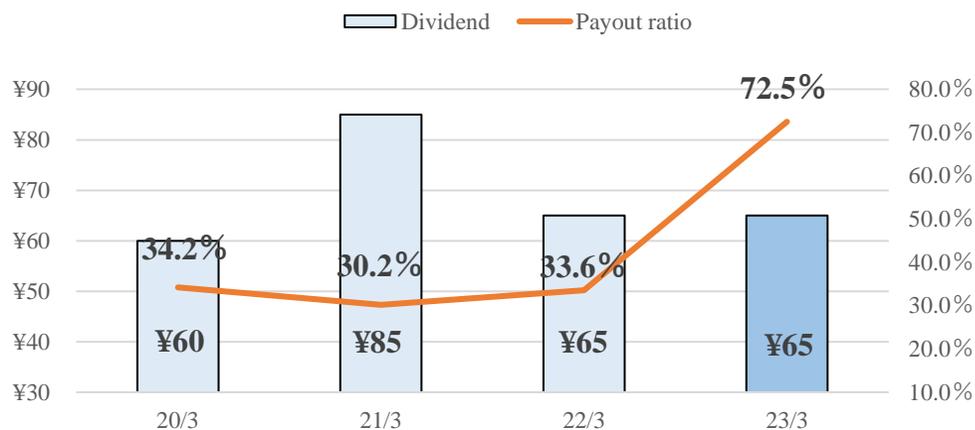
ROA: 5% or higher

(%, Yen)

	FYE Mar 2021 year-end	FYE Mar 2022 year-end	FYE Mar 2023 year-end	FYE Mar 2024 year-end
Payout ratio	34.2	30.2	33.6	72.5
Cash dividend per share	60	85*	65	65
ROE	10.0	14.6	9.0	4.0
ROA	4.4	6.9	4.5	2.0
PBR	1.36	1.69	0.99	0.98
Equity ratio	45.6	48.3	50.5	49.2

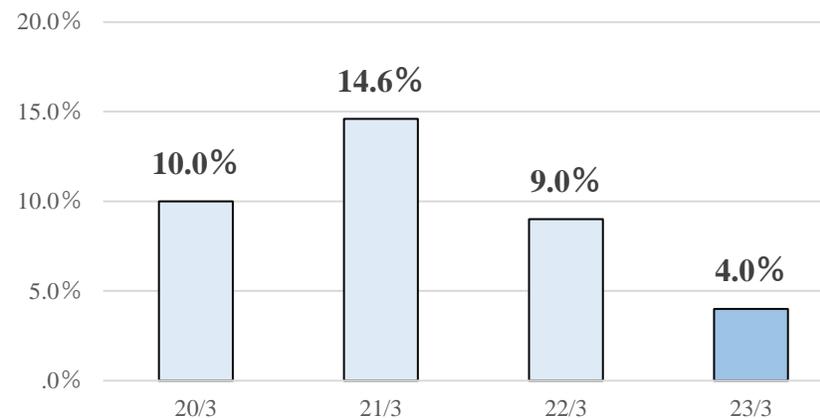
*Includes commemorative dividend of ¥20

Dividend and payout ratio



*Includes commemorative dividend of ¥20 for 21/3

ROE



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Mission

Contribute to food culture and society through great taste and excitement

**Medium-Term Business Plan (FYE March 2024 to FYE March 2026):
Basic Policy**

We will hone our sales capacity, development, and merchandising expertise to increase and strengthen sales and profits while promoting ESG management, to be a company that customers always love and support.

**Priority
actions**

- 1. Implement ESG strategy and make business foundation more sustainable**
- 2. Adapt earnings base to changes in external environment**
- 3. Create business and develop globally in order to capture growing markets**

1. Implement ESG strategy and make business foundation more sustainable

- ▶ Define and address material issues
- ▶ Use rigorous quality assurance system to ensure that products are safe and reliable
- ▶ Provide excellent training and job satisfaction to transform workplace culture

2. Adapt earnings base to changes in external environment

- ▶ Develop and implement strategies to grow existing businesses further
- ▶ Adapt risk/return management to changes in external environment
- ▶ Offer customer-first, value-added products value and entrench them in the market
- ▶ Strengthen corporate management over the group

3. Create business and develop globally in order to capture growing markets

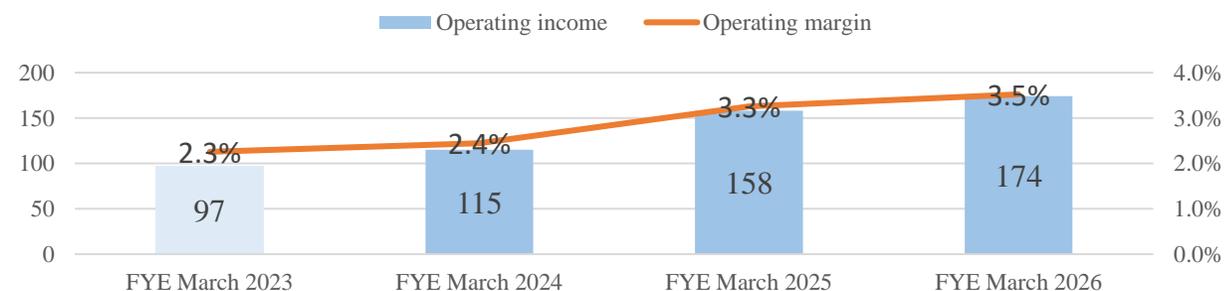
- ▶ Business development in Japan and abroad based on collaboration with ITOCHU Corporation
- ▶ Build a new business model
- ▶ Develop and Introduce innovative production technology

Rolling Medium-Term Targets for Consolidated Income (1)

(hundred millions of yen)

	FYE March 2023	FYE March 2024	% of comparative period	YoY change	FYE March 2025	FYE March 2026
Net sales	4,307	4,703	109.2	+ 396	4,851	4,944
Previous medium-term business plan	4,410	4,533			4,686	—
Operating income	97	115	118.3	+ 18	158	174
Previous medium-term business plan	161	177			178	—
Ordinary income	105	120	114.2	+ 15	162	178
Previous medium-term business plan	166	181			181	—
Net income attributable to owners of parent	45	76	168.7	+ 31	100	111
Previous medium-term business plan	106	112			116	—
Operating margin	2.3%	2.4%	-	+ 0.2%	3.3%	3.5%

Inter-year change in operating income and operating margin
 (hundred millions of yen, %)



Rolling Medium-Term Targets for Consolidated Income (2)

(hundred millions of yen)

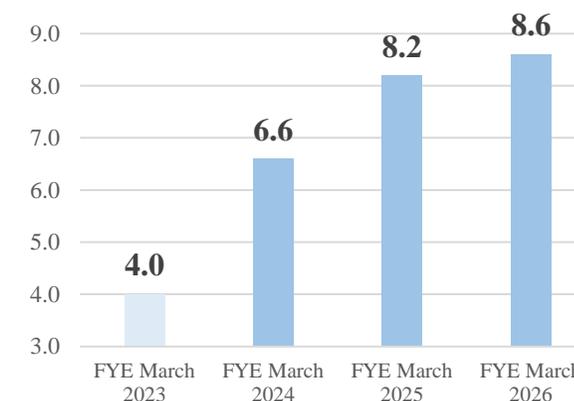
		FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026
Capital expenditures		239	230	233	90
	Previous medium-term business plan	281	256	187	—
Depreciation and amortization		110	122	129	149
	Previous medium-term business plan	110	122	141	—
ROE		4.0%	6.6%	8.2%	8.6%
	Previous medium-term business plan	9.4%	9.3%	9.0%	—
ROA		2.0%	3.2%	4.1%	4.5%
	Previous medium-term business plan	4.7%	4.7%	4.6%	—
ROIC		3.3%	5.9%	7.7%	8.3%
	Previous medium-term business plan	8.5%	8.7%	8.3%	—
WACC		4.0%	4.0%	4.0%	4.0%
	Previous medium-term business plan	4.3%	4.3%	4.3%	4.3%
EBITDA		207	237	287	323
	Previous medium-term business plan	271	299	319	—

Financial KPIs

ROE: 10% or higher

Payout ratio: 30% or higher

ROE targets (%)



Processed Foods: Key Actions in FYE March 2024

<p>Price hikes</p>	<p>○April 2023: Third round of price hikes (first was in February 2022, second in September 2022) Negotiate with each key customer to roll out price across national and private brands and commercial-use products</p>
<p>Sales growth</p>	<p>○Keep working to increase market share ○Grow sales of Koukun sausage, raise brand awareness (twin-pack, ziplock large-pack) ○Capitalize on recovery in demand for commercial-use products ○Grow online sales and sales of deli items, frozen foods, and gift items</p> <p>Sales promo</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <p>40th anniversary of Tokyo Disney Resort</p>  </div> <div style="text-align: center;"> <p>Takarazuka charter show</p>  <p>2022 ad</p> </div> <div style="text-align: center;"> <p>Official Sponsorship of Ghibli Park</p>  </div> </div> <p>Overseas Grow sales in Singapore subsidiary (Rudi's Fine Food Pte Ltd)</p>
<p>Production</p>	<p>○Improve cost competitiveness and productivity</p> <ul style="list-style-type: none"> • Boost production to accommodate market share growth and ensure stable output • New plant in Kagoshima (completed in December 2022) entered full service in April 2023 Boost Koukun line. Develop products that are environmentally friendly and made from locally sourced ingredients. Use solar power and LNG • Further improve man-hour productivity
<p>Vendor subsidiaries</p>	<p>Develop products that meet market needs and address manufacturing cost increases when bringing the products to market.</p>

Processed Foods: FYE March 2024 Operating Income Targets

"Great taste, great connections"



(hundred millions of yen, %)

	Result in comparative period Full-year	FYE March 2024 target		
		Full-year	% of comparative period	YoY change
Net sales	3,007	3,422	113.8	415
Operating income	102	105	102.5	3

(hundred millions of yen)

FYE March 2024	
H1	H2
1,687	1,735
49	56

(hundred millions of yen)

Factor	Full-year target
FYE March 2022 operating income	102
Cost increases (70)	Key raw materials (35)
	Secondary raw materials (25)
	Utility bills (10)
Price hikes +78	78
Higher costs	(7)
Vendor subsidiaries	2
Other	0
FYE March 2023 operating income	105
YoY change	3

(hundred millions of yen)



Fresh Meat: Key Actions in FYE March 2024

Sales	<ul style="list-style-type: none"> ○ Purchasing and sales teams to keep margins in mind. Shift to market linkage strategy ○ Cut food waste, tighten inventory management ○ Recover imported beef sales Recover sales in imported (Australian) chilled strip loin—which were sluggish last year because of exchange rate, low local shipments, and high market prices ○ Strengthen sales of online meat store (The Meat Guy) Imported beef sales prices are normalizing following easing of anti-Covid restrictions ○ Win new customers. Improve coordination with Processed Foods sales team ○ Grow sales of our own pork and our original products <p>New initiatives: Local produce packs, export business, thawing tech (frozen→chilled)</p>	<div style="border: 1px solid black; padding: 5px; display: inline-block;">  </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">    </div>
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Domestic hog farming	<p>600 k shipments by 2030</p> <ul style="list-style-type: none"> ○ New farm in Miyagi Pork shipments to commence in autumn 2023 New facilities, biosecurity, ICT ○ Improve productivity and quality on existing farms with strategic expenditures ○ Improve animal welfare In-house standards, phased rollout of free-access stalls
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Fresh Meat: FYE March 2024 Operating Income Targets

(hundred millions of yen, %)

	Result in comparative period Full-year	FYE March 2024 target		
		Full-year	% of comparative period	YoY change
Net sales	1,296	1,275	98.4	(21)
Operating income	(2)	15	—	17

(hundred millions of yen)

FYE March 2024 target	
H1	H2
629	666
8	7

(hundred millions of yen)



(hundred millions of yen)

Factor		Fuu-year target
FYE March 2022 operating income		(2)
Sales +9	Sell-in	5
	Online	2
	Other	2
Hog farming +7		7
FYE March 2023 operating income		15
YoY change		16

New Plant in Kagoshima Enters Service



Address: 17-43 Seisatsu-cho, Ichikikushikino-shi, Kagoshima Pref.
(2 km west of the old plant, in Seisatsu chukaku industrial park)

Entered service in: April 2023

Main products: Koukun, chicken strips for salads, light meals (paired with drinking) made from locally sourced ingredients



Strengths of new plant

- ◆ Linear production lines can boost production capacity for Koukun
- ◆ Uses innovative tech, including AI-driven testing
- ◆ Can supply wide area (Kyushu and parts of Chugoku and Shikoku)

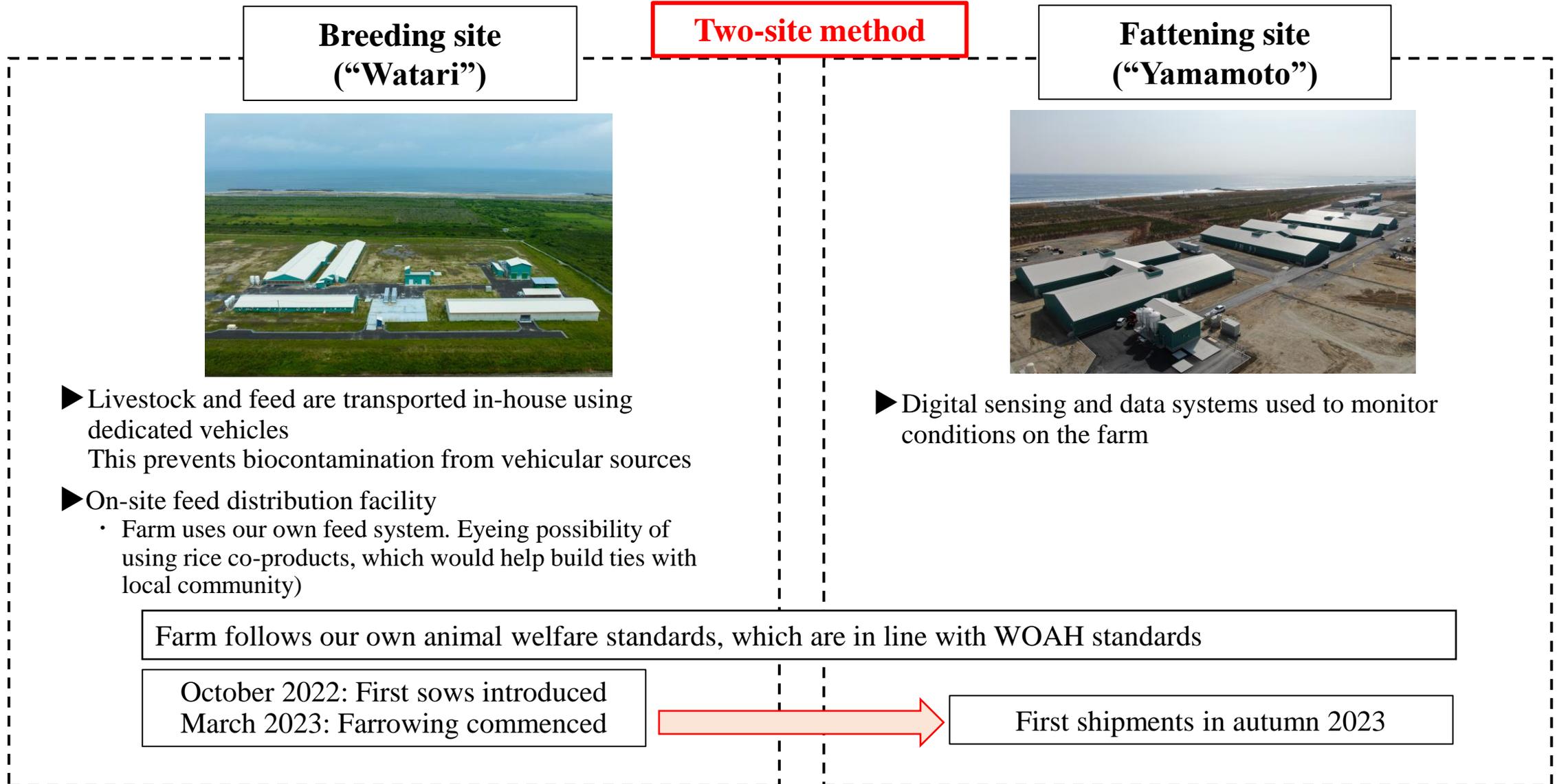
- ◆ Has solar power system,

Third-party PPA with local power company Ichikikushikino Electric Power (funded by municipality and local private capital)

- ◆ Uses LNG—lower carbon footprint



New Farm in Miyagi: Phase 1 Complete



Sustainability at the Prima Meat Packers Group

September 2022: Endorsed TCFD recommendations
December: TCFD disclosures (governance, risk management, metrics & targets)
 See Integrated Report 2022 for more on our sustainability strategy



1. Governance

Sustainability Committee established as advisory body to Board of Directors
 Sustainability Committee informs the board about ESG matters and monitors the board's performance in material issues

2. Strategy

Risks and opportunities relevant to Group

- Transition risks Introduction of carbon tax, the need to replace existing tech with low-carbon or no-carbon tech, innovation costs, higher raw material costs
- Physical risks Increased threat of prolonged epidemic/pandemic, higher temperatures
- Opportunities Efficient production and distribution systems, renewable shift

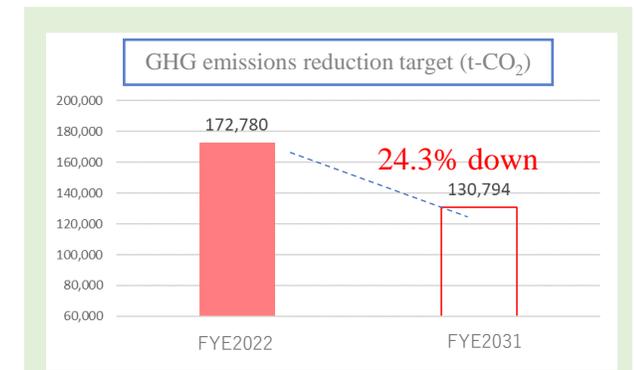
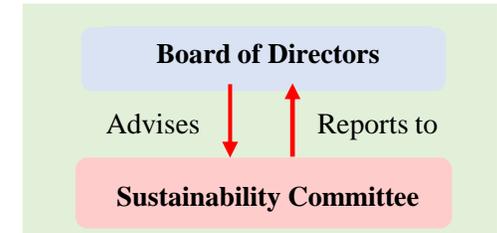
3. Risk management

The Sustainability Committee discusses the climate-related risks and opportunities and reports its findings to the Board of Directors, which then develops and executes strategies for addressing the risks and opportunities

4. Metrics and targets

Reducing greenhouse gas emissions (Scope 1 &2) set as material issues

Targets: FYE 2031: GHG emissions 24.3% down from FYE 2022 level
FYE 2022: 172,780 t-CO₂ → FYE 2031 130,794 t-CO₂



Material Issues: Metrics and Targets (1)

Material issue	Policy	Metrics and targets
Securing safe, reliable food	We will ensure the safety and reliability of our food and the sustainability of our production activities. By providing safe and reliable food, we will increase people's dietary options.	Food Safety Management System operating in all major plants and farms by end of FYE2031
Recommending health-conscious products	Embracing innovation, we will develop health-oriented food. By selling such food, we will promote healthier, more nutritious diets.	Large lineup of health-oriented foods
Reducing greenhouse gas emissions	To minimize our climate impact, we will set medium- to long-term goals for reducing greenhouse gas emissions and use efficient and clean energy.	FYE2031: CO₂ emissions from fossil fuel combustion in Japan (excludes emissions from overseas sources and from livestock) down 24.3% from FYE2022 level
Reducing the volume of waste output	We will reduce food waste during production. We will also use less plastic and recycle plastic in-house to combat plastic pollution in the ocean.	<ul style="list-style-type: none"> ● FYE2031: Plastic and food waste per production unit down 5% from FYE2022 level ● At least 98% of food waste produced during production is recycled
Achieving sustainable procurement of raw materials	In procuring raw materials from sources around the world, we will follow fair trading practices. We will ensure that our procurement activities are ecologically sustainable.	<ul style="list-style-type: none"> ● Procurement policy established for stable supply of raw materials ● All tier 1 suppliers performing first-person audits

Material Issues: Metrics and Targets (2)

Material issue	Policy	Metrics and targets
Addressing animal welfare	We will promote high standards of animal welfare in our hog farming business and beyond.	<ul style="list-style-type: none"> ● Directly managed pork farms compliant with WOAHS feed management standards ● Animal welfare used as a criterion in supplier selection
Respecting and promoting diverse workstyles	Embracing diversity and inclusion, we will build a workplace where all employees feel valued and motivated.	<ul style="list-style-type: none"> ● FYE2031, Prima Meat Packers: 90% takeup rate for paid leave and reduction in total no. of hours actually worked ● FYE2031, Prima Meat Packers: 100% takeup rate for paternity leave (at least five days leave) among full-time male employees, and women account for at least 40% of new hires ● FYE2031, all group companies: 100% of employees receive training in human rights awareness, yearly process in place for human rights due diligence ● FYE2031, Prima Meat Packers and its disability-friendly subsidiaries: Employees with disabilities account for at least 2.7% of total workforce
Hiring and developing outstanding human resources	We will create a culture that unlocks employees' full potential. We will build a workforce that makes a positive social impact through business activities.	FYE2031, Prima Meat Packers: Women occupy at least 10% of management posts
Occupational health and safety that focuses on mental and physical health	We will take steps to promote employee wellbeing in the course of business activities and create a work environment that takes mental health as seriously as physical health.	A program is in place to promote mental and physical wellbeing of employees and their families
Strengthening corporate governance	We will contribute to industry by upholding fair business practices, including a commitment to transparent and sustainable corporate development.	<ul style="list-style-type: none"> ● Business transactions are free, fair, and transparent ● A program is in place to permeate compliance mindset among employees ● Best practices followed in ESG reporting, improvement in ESG ratings ● Information disclosed in FYE2023 in accordance with TCFD recommendations

Contents

- 1 Financial Results for the Year Ended March 31, 2023
- 2 Medium-term Business Plan (Rolling Plan)
- 3 Appendix**

[Reference] Consolidated Statements of Income (FYE March 2020 to FYE March 2023)

(hundred millions of yen)

	Segment	FYE March 2020			FYE March 2021			FYE March 2022			FYE March 2023		
		H1	H2	Full-year									
Net sales	Processed Foods Business	1,396	1,462	2,858	1,375	1,423	2,798	1,422	1,434	2,856	1,484	1,522	3,007
	Fresh Meat Business	665	652	1,317	669	709	1,378	677	669	1,347	630	665	1,296
	Other business	3	3	5	2	3	5	2	2	5	3	3	5
	Total	2,064	2,117	4,181	2,046	2,135	4,181	2,102	2,106	4,207	2,117	2,190	4,307
	Cost of sales	1,738	1,775	3,513	1,760	1,842	3,602	1,827	1,853	3,680	1,871	1,959	3,830
	Gross profit	326	342	668	286	293	580	275	252	527	246	232	478
	SG&A expenses	251	261	511	175	190	365	191	180	371	191	189	380
	Operating income	75	81	156	111	103	215	84	56	140	55	43	97
	Non-operating income (loss)	4	(1)	3	3	6	9	4	4	8	4	4	8
	Ordinary income	79	80	160	115	110	224	89	60	149	58	47	105
	Extraordinary income (loss)	23	(29)	(6)	(3)	(2)	(5)	1	1	2	(1)	(45)	(46)
	Income before income taxes	102	51	153	111	108	219	89	62	151	58	1	59
	Net income attributable to owners of parent	57	31	88	70	72	142	53	44	97	37	8	45

- Notes: 1. The new revenue recognition standard has been applied since the year ended March 31, 2022, and is retroactively applied to the year ended March 2021.
2. The new presentation method applied from the start of the year ended March 31, 2022, has been applied retroactively to revenue and expenses associated with the compound feed price stabilization system.

[Reference] Net sales by product category (FYE March 2020 to FYE March 2023)

(hundred millions of yen)

	Segment	FYE March 2020			FYE March 2021			FYE March 2022			FYE March 2023		
		H1	H2	Full-year									
Net sales	Ham/Sausage	449	453	902	481	493	974	491	488	979	510	529	1,039
	Other processed foods	365	404	770	315	350	665	336	338	674	364	368	731
	Prepared deli items (vendor subsidiary)	490	500	989	487	510	997	514	508	1,021	506	510	1,016
	Fresh meat	757	757	1,514	745	760	1,505	746	752	1,498	722	759	1,481
	Other	3	3	5	18	22	40	15	19	34	16	25	41
	Total	2,064	2,117	4,181	2,046	2,135	4,181	2,102	2,106	4,207	2,117	2,190	4,307

[Reference] Vendor subsidiary (1 company)

Past results, FYE March 2024 target

(hundred millions of yen, %)

	FYE March 2022	FYE March 2023	FYE March 2024	% of comparative period
Net sales	1,021	1,016	1,059	104.2
Operating income	21	11	13	119.4

[Reference] Consolidated Balance Sheets (FYE March 2020 to FYE March 2023)



(hundred millions of yen)

	FYE March 2020		FYE March 2021		FYE March 2022		FYE March 2023	
	H1	Year-end	H1	Year-end	H1	Year-end	H1	Year-end
Current assets	855	873	934	987	961	958	989	953
Noncurrent assets	1,148	1,112	1,129	1,158	1,213	1,259	1,308	1,346
Total assets	2,004	1,985	2,063	2,145	2,173	2,217	2,296	2,299

Current liabilities	687	682	710	720	744	717	743	749
Noncurrent liabilities	324	302	288	278	260	275	306	318
Total liabilities	1,011	984	998	998	1,004	992	1,049	1,067
Shareholders' equity	839	860	910	972	992	1,028	1,042	1,040
Accumulated other comprehensive income	57	46	51	65	60	91	97	91
Non-controlling interests	96	96	104	111	118	107	109	100
Total net assets	993	1,001	1,064	1,148	1,170	1,226	1,248	1,232
Total liabilities and net assets	2,004	1,985	2,063	2,145	2,173	2,217	2,296	2,299

Equity capital	896	906	960	1,036	1,051	1,119	1,139	1,132
Equity capital ratio (%)	44.7%	45.6%	46.6%	48.3%	48.4%	50.5%	49.6%	49.2%

This document includes forecasts and other forward-looking statements. Such statements represent assumptions and suppositions based on information available at the time. They are subject to risk and uncertainties and do NOT represent guarantees of future performance. Actual performance and other future eventualities may therefore diverse significantly from what the forward-looking statements suggest.