

First Half Results for the Year Ending March 31, 2024

November 16, 2023
Prima Meat Packers, Ltd.



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First Half Results for the Year Ending March 31, 2024

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Forecasts for the Year Ending March 31, 2024

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Appendix: Inter-Year Comparison in Performance

First Half Results for the Year Ending March 31, 2024: Consolidated Statements of Income



(hundred millions of yen, %)

	Previous year		FYE March 2024			
	H1	Net sales ratio	H1	Net sales ratio	% of comparative period	YoY change
Net sales	2,117	-	2,227	-	105.2	+110
Cost of sales	1,871	88.4	1,968	88.4	105.2	(97)
Gross profit	246	11.6	259	11.6	105.5	+14
SG&A expenses	191	9.0	191	8.6	100.0	+0
Operating income	55	2.6	68	3.1	124.8	+14
Ordinary income	58	2.8	74	3.3	127.4	+16
Extraordinary income	0	0.0	0	0.0		+0
Extraordinary loss	1	0.0	6	0.3		(5)
Income before income taxes	58	2.7	69	3.1	119.4	+11
Net income	39	1.8	46	2.1	118.6	+7
Net income attributable to non-controlling interests	2	0.1	7	0.3	402.2	(5)
Net income attributable to owners of parent	37	1.7	39	1.7	104.7	+2

Gross profit margin: No change (11.6%→11.6%)

Cost to sales ratio: No change (88.4% →88.4%)

Purchasing of raw materials and products: 0.5 pt up

Production costs to sales ratio: 0.6 pt down

SG&A: Turned downward (favorable) by 0.4pt (9.0%→8.6%)

Labor: 0.1 pt down

Admin: 0.3 pt down

Operating margin: Up 0.5 pt (2.6% →3.1%)

Variance from forecast

(hundred millions of yen)

	Forecast (announced May 8)	Result	Change
Net sales	2,319	2,227	(92)
Operating income	56	68	+12
Ordinary income	58	74	+16
Net income attributable to owners of parent	35	39	+4

First Half Results for the Year Ending March 31, 2024: Segment Results



(hundred millions of yen, %)

		Result in comparative period	FYE March 2024		
			H1	% of comparative period	YoY change
Processed Foods segment	Net sales	1,484	1,571	105.9	+87
	Operating income	59	63	107.2	+4
Fresh Meat segment	Net sales	630	653	103.7	+23
	Operating income	(2)	6	-	+8
Others	Net sales	3	3	103.5	+0
	Operating income	1	1	87.1	(0)
*Adjustment	Operating income	(3)	(2)	60.5	+1
Consolidated Total	Net sales	2,117	2,227	105.2	+110
	Operating income	55	68	124.8	+14

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

Net sales by product category

	H1	% of comparative period
Ham/sausage	559	109.6
Processed foods	387	106.4
Prepared deli items (vendor subsidiary)	535	105.7
Fresh meat	728	100.9
Total	2,227	105.2

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

Non-consolidated income statement

(hundred millions of yen, %)

		H1	% of comparative period	YoY change
Prima Meat Packers	Net sales	1,586	104.9	74
	Operating income	32	77.4	(10)

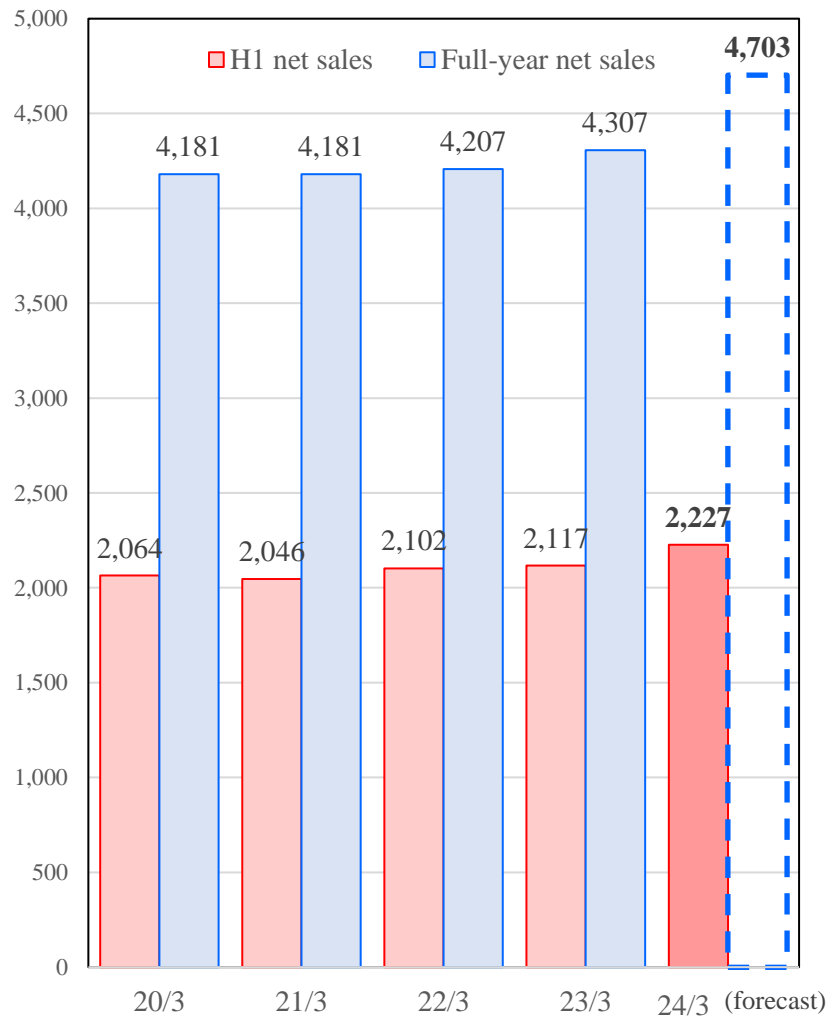
Business environment

- **The yen trended low again, and raw materials costs remained high. As in the previous period, many companies hiked prices multiple times.**
- **The Japanese economy continued normalizing, with strong demand for eating out and tourism. Department stores, convenience stores, and supermarkets recorded higher sales than they did last year.**
- **Meat markets: We faced higher costs in purchasing meat from overseas amid high international meat prices overseas coupled with the low yen. Meat prices trended high in Japanese meat markets too. Animal feed prices remained high.**

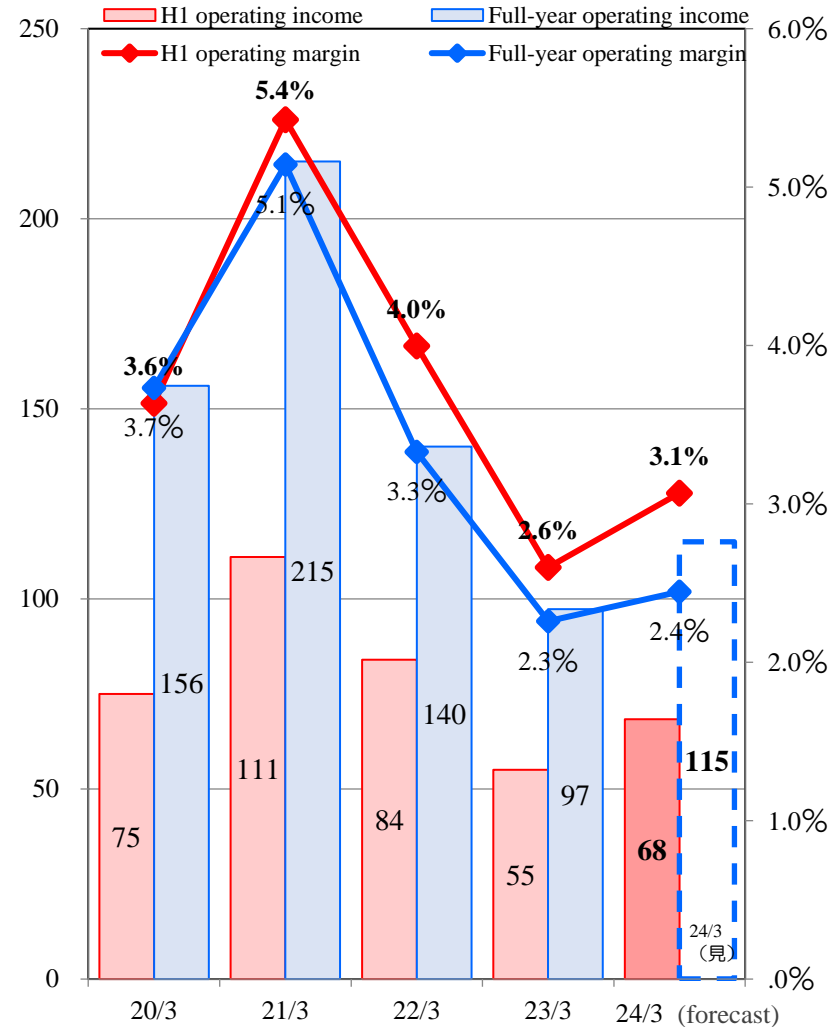
H1: Changes in Net Sales, Operating Income, Net Income



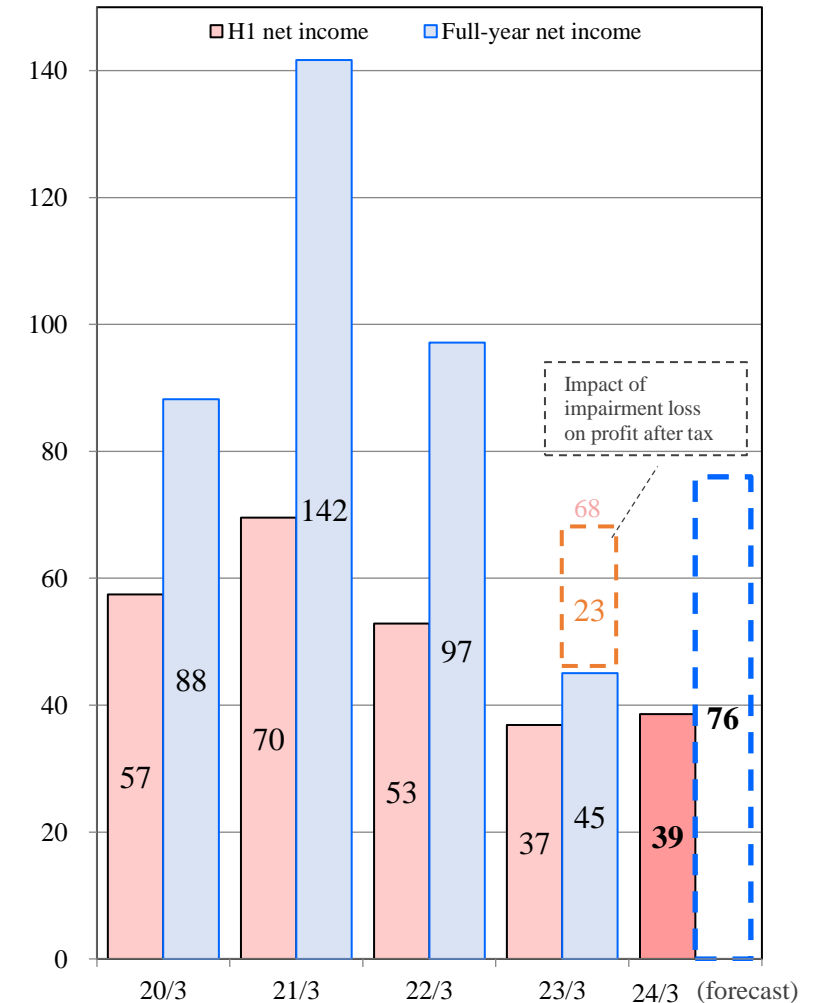
Consolidated net sales
(hundred millions of yen)



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



Consolidated net income
(hundred millions of yen)







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

Notes:

- In the year ended March 2023, we changed the way we present earnings to accord with the new revenue recognition standard and the revenue and expenses associated with the compound feed price stabilization system. The new revenue recognition standard has been retroactively applied to the year ended March 2021.
- The blue dashed outline indicates the forecast for the year ending March 2024.

Actions Taken in Processed Foods Business

	Actions taken	Outcomes									
Price hikes	<p>○We hiked prices of ham/sausage and other processed foods to absorb cost increases in key raw materials and energy.</p> <p>Date Third round was in April 1, 2023 (the first was in Feb 2022 and the second in Sep 2022)</p> <p>Products 400 ham/sausage products and other processed foods (consumer products, commercial products)</p> <p>Size of increase Consumer products: 5–20% Commercial products: 5–30%</p>	<p>○Ham/Sausage sales</p> <p>◇110% of comp period</p> <p>○Sales of other processed foods</p> <p>◇106% of comp period</p>									
Sales	<p>○We continued efforts to expand market share.</p> <p>○We grew Koukun sausage sales and improved brand recognition.</p> <p>○We promoted sales in the B2B sector, which is recovering.</p>	<p>○Ham/Sausage sales vol: ◇105% of comp period</p> <p>Consumer products 103%</p> <p>Commercial products 109%</p> <p>○Sales vol of other processed foods: ◇100% of comp period</p> <p>Prepared foods for consumers 99%</p> <p>Prepared foods for commerce 99%</p> <p>Seasoned raw meat 105%</p>									
Marketing	<p>○We enlarged our audience through promotional campaigns, events, and social media (Twitter/X, Line).</p> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Private theater show: Takarazuka Revue's Star troupe</p> </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  <p>Mid-year gift</p> </div> </div>	<p>○Share of B2C market: Ham/Sausage</p> <p>◇0.8% up YoY </p> <p>(SCI data, April 2023 to September 2023)</p>									
Production	<p>○We took action to accommodate market share growth: We strengthened production to ensure supply continuity, and increased productivity to improve cost competitiveness.</p> <ul style="list-style-type: none"> • The new plant in Kagoshima entered service in April 2023. ⇒ Higher production capacity (supply continuity), ecological sustainability • We boosted the production capacity of the core plant. <div style="text-align: center;">  </div>	<p>○Man-hours productivity (total for April–September 2023)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Ham/Sausage</th> <th>Processed foods</th> </tr> </thead> <tbody> <tr> <td>Note: Shrinkflation is taken into account</td> <td style="text-align: center;">(1.4%)</td> <td style="text-align: center;">+1.0%</td> </tr> <tr> <td></td> <td style="text-align: center;">+0.3%</td> <td style="text-align: center;">+2.0%</td> </tr> </tbody> </table>		Ham/Sausage	Processed foods	Note: Shrinkflation is taken into account	(1.4%)	+1.0%		+0.3%	+2.0%
	Ham/Sausage	Processed foods									
Note: Shrinkflation is taken into account	(1.4%)	+1.0%									
	+0.3%	+2.0%									
Vendors	<p>○Despite the high raw material costs, we developed new products to cover customers' needs and acted expeditiously to bring them to market.</p> <p>○The new products proved popular.</p>	<p>○Vendor business: Net sales</p> <p>◇106% 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	FYE March 2024/H1	% of total
Ham/Sausage	110	104	101	105	
・ Consumer Products	117	103	101	103	75.1
・ Commercial Products	94	110	102	109	24.3
・ Gift Products	93	98	97	88	0.6

(2) Sales volume: Key consumer products

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024/H1
Koukun Sausage	123	110	107	106
Loin ham group	121	99	99	104
Bacon group	122	100	96	103
Tokachi Raw ham	116	98	92	98

▶ YoY growth in Koukun (for 11th consecutive year), loin ham group, and bacon group

(3) Improvement in man-hours productivity

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024/H1
Ham/Sausage	6% up	4% up	0.2% up	1.4% down
	Shrinkflation is taken into account		2.0% up	0.3% up

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

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024/H1
Net sales	106	103	99	106

2. Other processed foods

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

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024/H1	% of total
Processed Foods	99	102	99	100	
・ Consumer Products	112	94	103	99	30.0
・ Commercial Products	87	118	100	99	48.2
・ Seasoning raw meat	105	88	95	105	19.1

(2) Sales volume: Key consumer products

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024/H1
Burgers	141	103	91	98
Meatballs	104	101	100	83
Chicken strips for salads (including ham/sausage)	107	85	95	103
Fried items for consumers	108	86	115	109

(3) Improvement in man-hours productivity

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024/H1
Processed Foods	4% up	No change	1.6% down	1.0% up
	Shrinkflation is taken into account		1.0% down	2.0% up

Ham/Sausage



Processed Foods

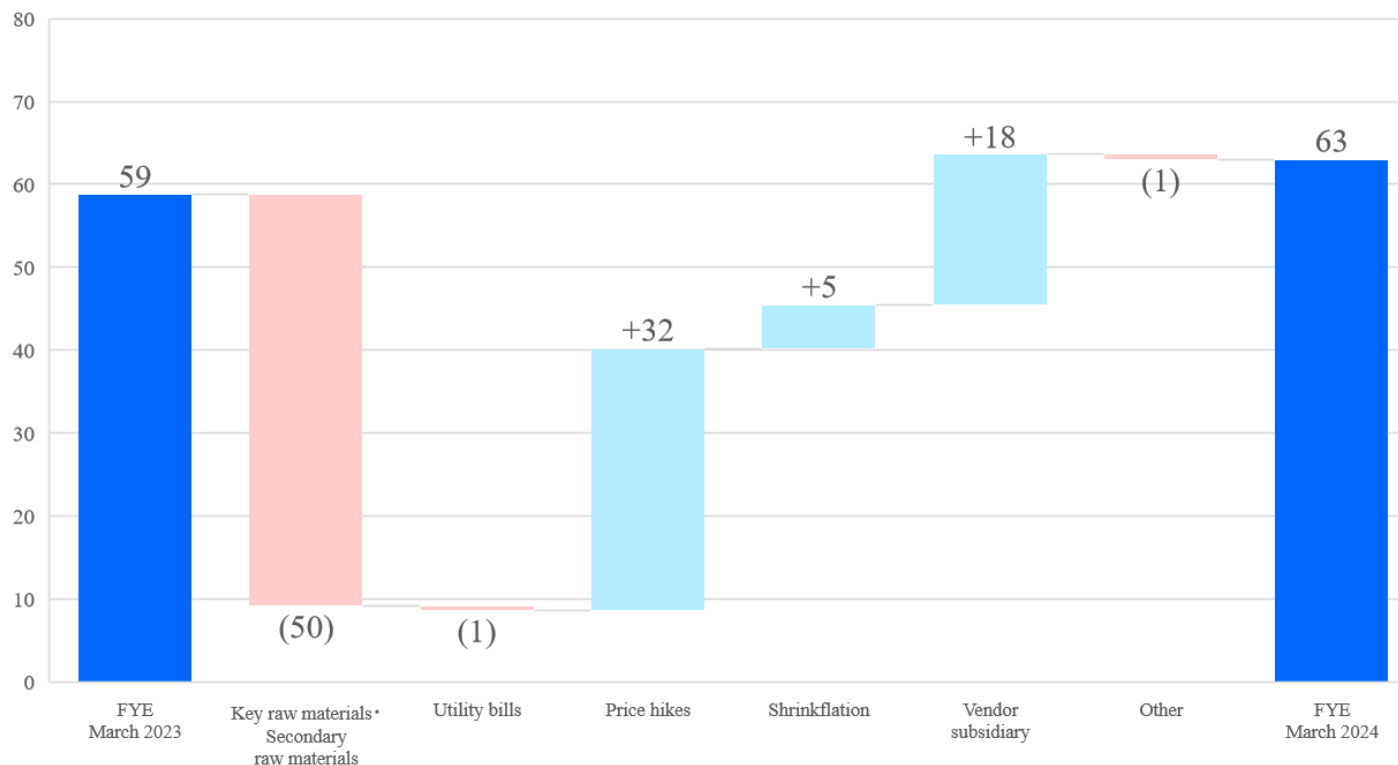


Processed Foods Business: Factors of Change in Operating Income

(hundred millions of yen, %)

	Result in comparative period	FYE March 2024		
		H1 result	% of comp period	YoY change
Net sales	1,484	1,571	105.9	+87
Operating income	59	63	107.2	+4

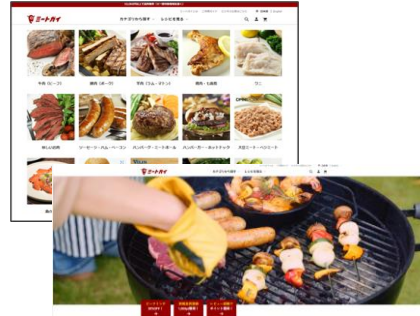
- Cost increases (¥5.1 bn)
Huge cost increases in key raw materials and secondary raw materials
- Sales +¥3.7 bn
(Price hikes +¥3.2 bn, Shrinkflation +¥0.5 bn)
3rd round of price hikes in April



Factor		H1	1Q	2Q
FYE March 2023/H1 operating income		59	37	22
Cost increases (51)	Key raw materials/secondary raw materials	(50)	(29)	(21)
	Utility bills	(1)	(1)	+0
Sales +37	Price hikes	+32	+15	+17
	Shrinkflation	+5	+3	+2
Vendor subsidiary		+18	+7	+11
Other		(1)	+1	(1)
FYE March 2024/H1 operating income		63	33	30
YoY change		+4	(4)	+8

Actions Taken in Fresh Meat Segment

	Actions taken	Outcomes								
Fresh meat sales	<p>○We improved margins.</p> <ul style="list-style-type: none"> We rolled out price increases to absorb higher purchasing costs. We adjusted delivery terms to reflect market conditions. <p>Actions taken</p> <ul style="list-style-type: none"> The Meat Guy (online fresh meat business): Expanded lineup, revamped website Locally packaging, defrosting tech (from frozen goods to chilled goods) 	<p>Net sales: % of comp period</p> <table border="1"> <thead> <tr> <th></th> <th>Net sales: % of comp period</th> </tr> </thead> <tbody> <tr> <td>Beef</td> <td>95%</td> </tr> <tr> <td>Pork</td> <td>92%</td> </tr> <tr> <td>Poultry</td> <td>111%</td> </tr> </tbody> </table>		Net sales: % of comp period	Beef	95%	Pork	92%	Poultry	111%
	Net sales: % of comp period									
Beef	95%									
Pork	92%									
Poultry	111%									
Hog farming business	<ul style="list-style-type: none"> We increased pig shipments. New farm in Miyagi made first shipment in summer of 2023. The farm got off to a good start; first shipment was made ahead of schedule. Older farms improved their productivity and meat quality. We worked to improve animal welfare. Farms applied our in-house animal welfare standards in line with WOAH standards. 	<p>Shipments</p> <table border="1"> <thead> <tr> <th>Year ended</th> <th>Shipments</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>440 k</td> </tr> </tbody> </table> <p>Shipments in H1 of 23/3 102% of comp period</p>	Year ended	Shipments	2023	440 k				
Year ended	Shipments									
2023	440 k									



The Meat Guy (online meat shop)



Fattening site (Yamamoto)

External environment																																										
<p>○Feed prices steadily declined over the period under review, but remained high.</p> <p>JA animal feed prices (national average)</p> <table border="1"> <tbody> <tr> <td>Apr–Jun 2023</td> <td>¥2,000 down</td> </tr> <tr> <td>Jul–Sep 2023</td> <td>¥2,000 down</td> </tr> <tr> <td>Oct–Dec 2023</td> <td>¥2,700 down</td> </tr> </tbody> </table>	Apr–Jun 2023	¥2,000 down	Jul–Sep 2023	¥2,000 down	Oct–Dec 2023	¥2,700 down																																				
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<p>○Meat prices in Japan remained high.</p> <p>Tokyo meat market: Pork carcasses</p> <p>¥574/kg in March 2023, ¥695/kg in September 2023</p>																																										
<p>○Stocks of imported meat exceeded previous year's level.</p> <p>Estimated stock (source: ALIC) ton, %</p> <table border="1"> <thead> <tr> <th></th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Jul</th> <th>Aug</th> </tr> </thead> <tbody> <tr> <td>Beef</td> <td>147,784</td> <td>148,317</td> <td>148,065</td> <td>146,616</td> <td>148,038</td> </tr> <tr> <td>YoY</td> <td>129</td> <td>125</td> <td>114</td> <td>107</td> <td>101</td> </tr> <tr> <td>Pork</td> <td>204,045</td> <td>223,902</td> <td>225,208</td> <td>220,067</td> <td>217,704</td> </tr> <tr> <td>YoY</td> <td>120</td> <td>127</td> <td>117</td> <td>110</td> <td>105</td> </tr> <tr> <td>Poultry</td> <td>119,503</td> <td>127,502</td> <td>133,613</td> <td>129,613</td> <td>133,334</td> </tr> <tr> <td>YoY</td> <td>103</td> <td>110</td> <td>112</td> <td>107</td> <td>110</td> </tr> </tbody> </table>		Apr	May	Jun	Jul	Aug	Beef	147,784	148,317	148,065	146,616	148,038	YoY	129	125	114	107	101	Pork	204,045	223,902	225,208	220,067	217,704	YoY	120	127	117	110	105	Poultry	119,503	127,502	133,613	129,613	133,334	YoY	103	110	112	107	110
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Fresh Meat Business: Factors of Change in Operating Income

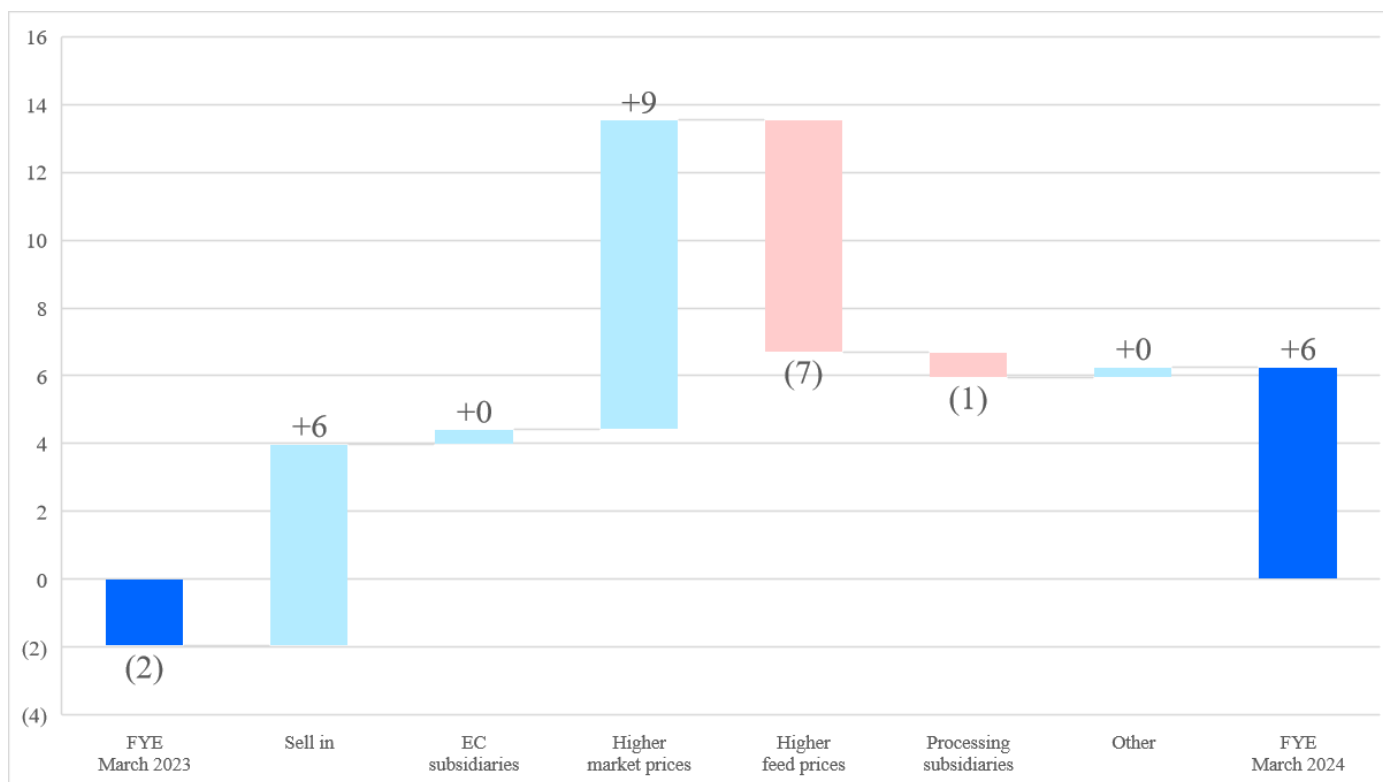


(hundred millions of yen, %)

	Result in comparative period	FYE March 2024		
		H1 result	% of comp period	YoY change
Net sales	630	653	103.7	+23
Operating income	(2)	6	—	+8

○ Fresh meat sales +¥0.6 bn
Shift to market-linked trading
Better margins (following price hikes)

○ Hog farming business +¥0.2 bn
Feed prices remained high
Market remained favorable



Factor		H1	1Q	2Q
FYE March 2023/H1		(2)	(2)	(0)
Sales +6	Sell in	+6	+4	+2
	EC subsidiaries	+0	+0	+0
Hog farming +2	Higher market prices	+9	+5	+4
	Higher feed prices	(7)	(3)	(4)
	Processing subsidiaries	(1)	(1)	+0
Other		+0	(1)	+2
FYE March 2024/H1		6	3	3
YoY change		+8	+5	+3

Consolidated Balance Sheets



(hundred millions of yen)

	FYE March 2023	FYE March 2024/H1	Change
Current assets	953	1,052	99
Cash and deposits	109	148	40
Notes and accounts receivable	465	540	75
Inventory	270	332	63
Deposits	70	1	(70)
Other	40	31	(9)
Noncurrent assets	1,346	1,395	50
Tangible fixed assets	1,023	1,014	(9)
Intangible fixed assets	73	93	20
Investment and other assets	250	289	39
Gross assets	2,299	2,448	149

	FYE March 2023	FYE March 2024/H1	Change
Total liabilities	1,067	1,179	112
Current liabilities	749	872	123
Noncurrent liabilities	318	308	(11)
Total shareholders' equity	1,040	1,056	16
Capital	79	79	0
Capital reserve	102	102	0
Retained earnings	863	879	16
Treasury stock	(4)	(4)	0
Accumulated other comprehensive income	91	105	13
Minority interests	100	107	7
Total net assets	1,232	1,268	36
Total liabilities and net assets	2,299	2,448	149

	FYE March 2023	FYE March 2024/H1	Change
Equity ratio	49.2	46.2	(3.0)

(hundred millions of yen, %)

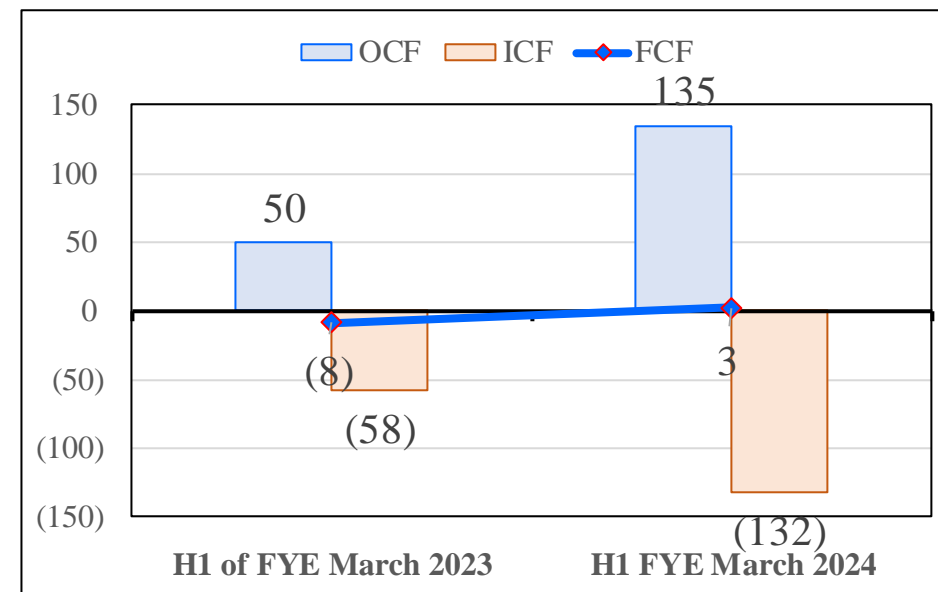
	FYE March 2023	FYE March 2024/H1	Change
Interest-bearing debt	254	238	(16)
D/E ratio	0.22	0.20	(0.02)
Net interest-bearing debt	75	89	14

For interest-bearing debt and D/E ratio, a negative value indicates a reduction.

Consolidated Cash Flow Statements

(hundred millions of yen)

	FYE March 2023	FYE March 2024	
	H1	H1	Change
1. Cash flows from operating activities	50	135	+85
Income before income taxes	58	69	+11
Depreciation/amortization	53	55	+2
Decrease (increase) in notes and accounts receivable-trade	(5)	(75)	(71)
Decrease (increase) in inventory assets	(73)	(62)	+10
Increase (decrease) in notes and accounts payable-trade	25	127	+102
Other	(8)	22	+30
2. Cash flows from investing activities	(58)	(132)	(74)
Spending on property, plant and equipment	(98)	(73)	+24
Spending on intangible assets	(10)	(34)	(24)
Deposits	50	-	(50)
Other	(0)	(24)	(24)
3. Cash flows from financing activities	7	(44)	(51)
4. Cash and cash equivalents at end of period	161	100	(61)
Free cash flow (1+2)	(8)	3	+11



Depreciation/amortization, capital expenditures

(hundred millions of yen)

	FYE March 2023	FYE March 2024		FYE March 2024 Full-year target
	H1	H1	YoY change	
Depreciation/amortization	53	55	+2	122
Capital expenditures	95	83	(12)	230

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First Half Results for the Year Ending March 31, 2024

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Forecasts for the Year Ending March 31, 2024

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Appendix: Inter-Year Comparison in Performance

Full-Year Forecasts: Consolidated Statements of Income

Consolidated forecasts for H2 and full year

(hundred millions of yen, %)

	H1			H2			Full-year		
	Result in comparative period	Result	% of comparative period	Result in comparative period	Forecast	% of comparative period	Result in comparative period	Forecast	% of comparative period
Net sales	2,117	2,227	105.2	2,190	2,476	113.0	4,307	4,703	109.2
Operating income	55	68	124.8	43	47	109.8	97	115	118.6
Ordinary income	58	74	127.4	47	46	97.7	105	120	114.3
Net income attributable to owners of parent	37	39	104.7	8	37	458.2	45	76	168.9

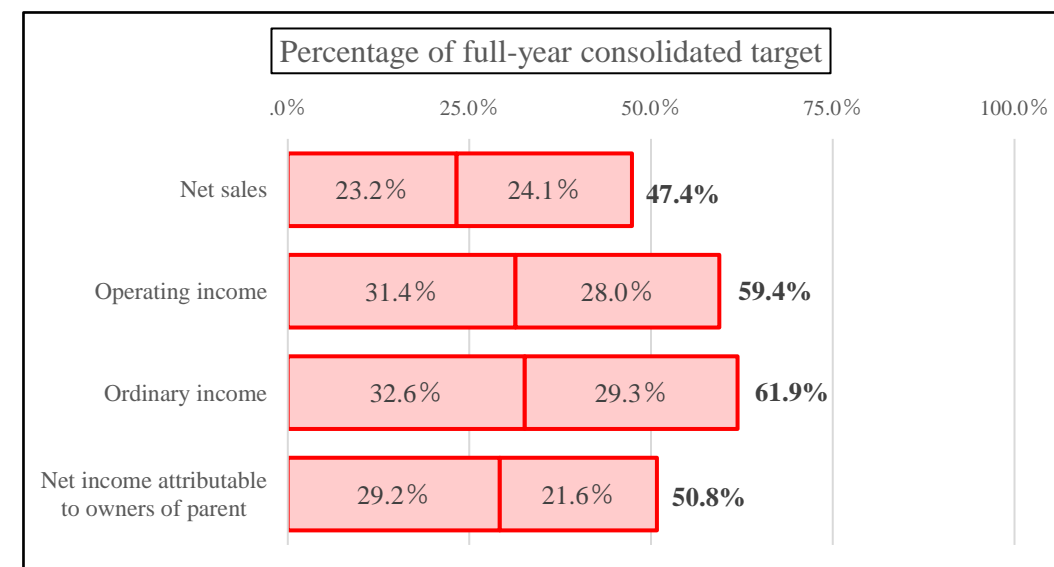
Full-year forecasts (for year ending March 2024) **remain unchanged from forecasts announced on May 8**

Previous fiscal year
Impact of impairment loss on profit after tax was ¥2.3 bn

H1 consolidated results

(hundred millions of yen)

	FYE March 2024		
	Q1	Q2	H1
Net sales	1,093	1,135	2,227
Operating income	36	32	68
Ordinary income	39	35	74
Net income attributable to owners of parent	22	16	39



FYE March 2024 Performance Targets for Each Segment



Processed Foods segment

(hundred millions of yen, %)

	H1			H2			Full-year		
	Result in comparative period	Result	% of comparative period	Result in comparative period	Forecast	% of comparative period	Result in comparative period	Target	% of comparative period
Net sales	1,484	1,571	105.9	1,522	1,851	121.6	3,007	3,422	113.8
Operating income	59	63	107.2	43	42	97.2	102	105	102.9

(hundred millions of yen)

	FYE March 2024		
	1Q	2Q	H1
Net sales	771	800	1,571
Operating income	33	30	63

Fresh Meat segment

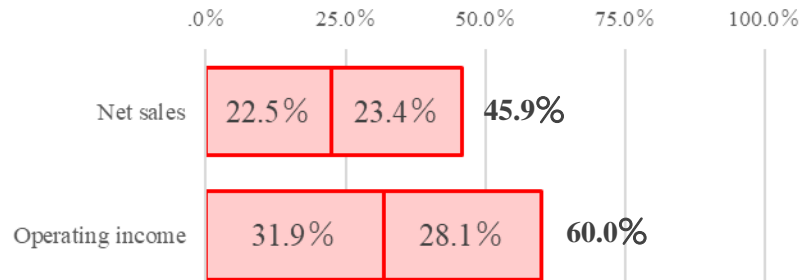
(hundred millions of yen, %)

	H1			H2			Full-year		
	Result in comparative period	Result	% of comparative period	Result in comparative period	Forecast	% of comparative period	Result in comparative period	Target	% of comparative period
Net sales	630	653	103.7	665	622	93.4	1,296	1,275	98.4
Operating income	(2)	6	-	(0)	9	-	(2)	15	-

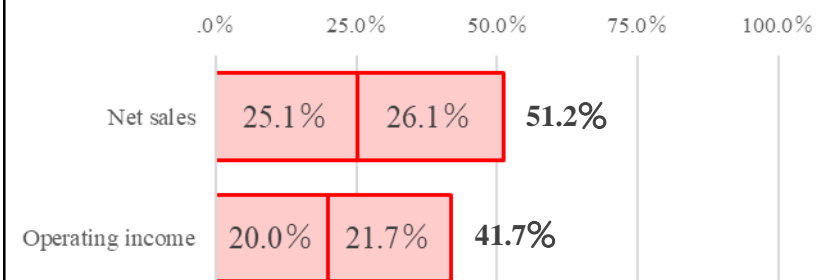
(hundred millions of yen)

	FYE March 2024		
	1Q	2Q	H1
Net sales	320	333	653
Operating income	3	3	6

Progress in full-year target: Processed Foods segment



Progress in full-year target: Fresh Meat segment



Processed Foods: Key Actions in H2

<p>Sales strategy</p>	<ul style="list-style-type: none"> ○ Maintain efforts to increase share ○ Grow sales of Koukun sausage, raise brand awareness ○ Improve branding and brand recognition of roast ham and bacon products <p>Launch of new brand: Smile Up! something for all the family</p> <p>Cut plastic use by 20% by reducing plastic packaging for roast ham</p> <ul style="list-style-type: none"> ○ Enlarge our audience through promotional campaigns and social media (X/Twitter). <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Happy Halloween Campaign</p> </div> <div style="text-align: center;"> <p>Special Select Campaign</p> </div> <div style="text-align: center;"> <p>Smile Up! Series</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center; border: 1px solid black; padding: 5px;"> <p>Private theater show: Takarazuka Revue's Star troupe</p> </div> <div style="text-align: center; border: 1px solid black; padding: 5px;"> <p>Buffet at Hotel New Otani</p> </div> </div>	<ul style="list-style-type: none"> ○ Develop differentiated products: year-end gifts <p>Authentic fresh meat developed by an employee who is a certified Meister Frozen products</p> <p>Gift items for Chinese cooking prepared under the direction of a famous chef</p>
<p>Price hikes</p>	<ul style="list-style-type: none"> ○ October 2023: Fourth round of price hikes => 200 items (first was in February 2022, second in September 2022. third in April 2023) <p>National and private brands and commercial-use products. Persuade clients to accept price hikes</p>	
<p>Production</p>	<ul style="list-style-type: none"> ○ Improve cost competitiveness and boost production capacity to accommodate market share growth to ensure supply continuity <ul style="list-style-type: none"> • Boost production capacity with new plant in Kagoshima , be eco-friendly, use AI testing 	
<p>Vendors</p>	<ul style="list-style-type: none"> ○ Continue developing new products customers want and actively bring them to market 	
<p>Adapting to 2024 Logistics Problem</p>	<ul style="list-style-type: none"> ○ Adapt to 2024 Problem 	

Fresh Meat: Key Actions in H2

Purchasing, sales

- Purchasing and sales teams to keep margins in mind
 - Shift to market-linked sales
 - Acquire a wide range of clients (locals, packers)

- Expand sales of original brands
 - Pork: Kurobuta pork, pork linked with Canadian brand
 - Beef: Delicious Grape finished beef
 - Poultry: Rice-fed chicken

- Strengthen online fresh meat business The Meat Guy (online meat store)
 - Expand lineup

- Forge new sales routes (B2B)



Domestic hog farming business

- Increase pig shipments: 600 thousand in FYE March 2031

- New farm in Miyagi made first shipment in summer of 2023 ⇒ Anti-biotic free
 Feed contains local rice

- Improve productivity and quality on existing farms, upgrade their fixed assets

- Improve animal welfare
 - New farm in Miyagi: Use open crates
 - Apply in-house animal welfare standards in line with WOAH standards



Breeding site (Watari)

Sep 2023: Released Prima Meat Packers Group Human Rights Policy and Prima Meat Packers Group Procurement Policy

プリマハムグループ人権方針

私たちプリマハムグループは、「おいしさと感動で、食文化と社会に貢献」という目指す姿のもと、当社グループの持続的な成長を通じて、持続可能な社会の実現に貢献します。

私たちは、自らの事業活動において影響を受けるすべての人々の人権が尊重されなければならないことを理解し、その責務を果たす指針として、国連人権理事会で採択された「ビジネスと人権に関する指導原則」に基づく「プリマハムグループ人権方針」（以下、本方針）をここに定め、人権尊重の取り組みを推進してまいります。

1. 人権に対する基本的な考え方

プリマハムグループは、すべての人々の基本的人権について規定した国連「国際人権章典」（「世界人権宣言」、「市民的および政治的権利に関する国際規約」、「経済的、社会的および文化的権利に関する国際規約」）、労働における基本的権利を規定した国際労働機関（ILO）の「労働における基本的原則および権利に関するILO宣言」（中核的労働基準である「児童労働の禁止」「強制労働の禁止」「差別の撤廃」「結社の自由・団体交渉権の承認」「安全で健康的な労働環境」の支持・尊重を含みます。）に加え、資金や労働時間など労働者の人権に関する諸条約、「OECD 多国籍企業の行動指針」、国連「先住民族の権利に関する国際連合宣言」などの人権に関わる国際行動規範を支持し尊重します。

2. 適用範囲

本方針は、プリマハムグループのすべての役員と従業員に適用します。また、プリマハムグループの事業、商品、サービスに関係するすべての取引関係者等に対しても、本方針の遵守を求めます。

3. 人権尊重の責任

プリマハムグループ調達方針

私たちプリマハムグループは「おいしさと感動で、食文化と社会に貢献」を「目指す姿」として、私たちが持続的な成長を遂げるだけでなく、持続可能な社会の実現に貢献するため、サプライチェーンにおけるお取引様との信頼関係を構築し、共存共栄を基本に安全・安心かつ、環境や社会に配慮した原材料、資材、商品の調達に努め、責任ある調達活動を実施することを目標として本方針を制定します。

1. 食の安全・安心の確保

当社グループの「食品安全方針」に則り、食の安全・安心の確保を最優先とした調達活動を行います。

2. サプライチェーン全体での地球環境への配慮

持続可能な社会の実現に向け「プリマハムグループ環境方針」の行動指針に基づき、サプライチェーンにおける低炭素社会、循環型社会、自然共生社会を意識した調達活動に努めます。

3. 取引先との協働

お取引先様に、本方針の趣旨を理解していただくと共に実現に向けて協働し、サプライチェーン全体が持続可能な調達になるよう推進します。

4. アニマルウェルフェアへの対応

国際獣疫事務局 (OIE) の指針に基づき、動物の「5つの自由」を確保し、快適な環境管理を

Prima Meat Packers Group Human Rights Policy

The policy is designed to ensure we respect, and fulfil our obligations regarding, the human rights of everyone affected by our business activities. We take action to respect human rights.

Prima Meat Packers Group Procurement Policy

The policy is designed to ensure responsible procurement activities. It emphasizes partnerships for shared prosperity, through which we promote safety and socioenvironmental sensitivity and build trust with business partners across our supply chain, ultimately contributing to a sustainable society.

Material Issues: Progress in Metrics and Targets (disclosed in 76th annual report)



Material issue	FYE 2023 result (compared to FYE 2022)	Metrics and Targets by FYE 2031
Securing safe, reliable food	Food Safety Management System operating in 85% of major plants and farms	Food Safety Management System operating in all major plants and farms
Reducing greenhouse gas emissions	GHG emissions down 0.54%	GHG emissions down 24.3% from FYE 2022 level <small>Excluding fossil fuel-based GHG, overseas sites, and pig-origin emissions</small>
Reducing the volume of waste output	Plastic waste down 4.4% Food waste down 3.1% Recycling rate 92.5%	<ul style="list-style-type: none"> ● Plastic and food waste per production unit down 5% from FYE 2022 level ● At least 98% of food waste produced during production is recycled
Respecting and promoting a diverse workforce	61% takeup rate for paid leave	90% take-up rate for paid leave <small>Coverage: All employees in Prima Meat Packers</small>
	5% takeup rate for paternity leave <small>Counts cases where men take at least 5 days off for paternity leave Coverage: All employees in Prima Meat Packers</small>	100% takeup rate for paternity leave <small>Counts cases where men take at least 5 days off for paternity leave Coverage: All employees in Prima Meat Packers</small>
	Women accounted for 32% of new full-time employees	Women accounted for at least 40% of new full-time employees <small>Coverage: Employees in Prima Meat Packers</small>
	Employees with disabilities accounted for 2.3% of total workforce	Employees with disabilities accounted for 2.7% of workforce <small>Coverage: Prima Meat Packers, including disability-friendly subsidiaries</small>
Hiring and developing outstanding human resources	Women occupying 3.4% of management posts	Women occupying 10% of management posts <small>Coverage: Employees in Prima Meat Packers</small>

▶ Published September 2023



Good aspects of 2023 integrated report

- 👉 President's message conveyed Prima Meat Packers Group's mission; report conveyed medium and long term strategies (e.g. medium-term plan)
- 👉 Report shows progress in material issues in FY2022
- 👉 Report included feature on new plant in Kagoshima and a farm in Miyagi

[Reference] Past integrated reports (since FY2021)



- Presented our long-term vision in two broad categories: growth strategy and material issues
- Presented detailed info on material issues identified in Sep 2020

FY2021



- TCFD-aligned climate disclosures
- Metrics and targets disclosed for material issues

FY2022

1

First Half Results for the Year Ending March 31, 2024

2

Forecasts for the Year Ending March 31, 2024

3

Appendix: Inter-Year Comparison in Performance

[Reference] Consolidated Statements of Income (FYE March 2021 to H1 of FYE March 2024)



(hundred millions of yen)

	Segment	FYE March 2021			FYE March 2022			FYE March 2023			FYE March 2024
		H1	H2	Full-year	H1	H2	Full-year	H1	H2	Full-year	H1
Net sales	Processed Foods Business	1,375	1,423	2,798	1,422	1,434	2,856	1,484	1,522	3,007	1,571
	Fresh Meat Business	669	709	1,378	677	669	1,347	630	665	1,296	653
	Other business	2	3	5	2	2	5	3	3	5	3
	Total	2,046	2,135	4,181	2,102	2,106	4,207	2,117	2,190	4,307	2,227
	Cost of sales	1,760	1,842	3,602	1,827	1,853	3,680	1,871	1,959	3,830	1,968
	Gross profit	286	293	580	275	252	527	246	232	478	259
	SG&A expenses	175	190	365	191	180	371	191	189	380	191
	Operating income	111	103	215	84	56	140	55	43	97	68
	Non-operating income (loss)	3	6	9	4	4	8	4	4	8	6
	Ordinary income	115	110	224	89	60	149	58	47	105	74
	Extraordinary income (loss)	(3)	(2)	(5)	1	1	2	(1)	(45)	(46)	(5)
	Income before income taxes	111	108	219	89	62	151	58	1	59	69
	Net income attributable to owners of parent	70	72	142	53	44	97	37	8	45	39

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 2021 to H1 of FYE March 2024)



(hundred millions of yen)

	Segment	FYE March 2021			FYE March 2022			FYE March 2023			FYE March 2024
		H1	H2	Full-year	H1	H2	Full-year	H1	H2	Full-year	H1
Net sales	Ham/Sausage	481	493	974	491	488	979	510	529	1,039	559
	Other processed foods	315	350	665	336	338	674	364	368	731	387
	Prepared deli items (vendor subsidiary)	487	510	997	514	508	1,021	506	510	1,016	535
	Fresh meat	745	760	1,505	746	752	1,498	722	759	1,481	728
	Other	18	22	40	15	19	34	16	25	41	18
	Total	2,046	2,135	4,181	2,102	2,106	4,207	2,117	2,190	4,307	2,227

[Reference] Vendor subsidiary (1 company)

(hundred millions of yen)

	FYE March 2021			FYE March 2022			FYE March 2023			FYE March 2024
	H1	H2	Full-year	H1	H2	Full-year	H1	H2	Full-year	H1
Net sales	487	510	997	514	508	1,021	506	510	1,016	535
Operating income	20	17	36	16	5	21	6	7	13	24

[Reference] Consolidated Balance Sheets (FYE March 2021 to H1 of FYE March 2024)



(hundred millions of yen)

	FYE March 2021		FYE March 2022		FYE March 2023		FYE March 2024
	H1	Year-end	H1	Year-end	H1	Year-end	H1
Current assets	934	987	961	958	989	953	1,052
Noncurrent assets	1,129	1,158	1,213	1,259	1,308	1,346	1,395
Total assets	2,063	2,145	2,173	2,217	2,296	2,299	2,448

Current liabilities	710	720	744	717	743	749	872
Noncurrent liabilities	288	278	260	275	306	318	308
Total liabilities	998	998	1,004	992	1,049	1,067	1,179
Shareholders' equity	910	972	992	1,028	1,042	1,040	1,056
Accumulated other comprehensive income	51	65	60	91	97	91	105
Non-controlling interests	104	111	118	107	109	100	107
Total net assets	1,064	1,148	1,170	1,226	1,248	1,232	1,268
Total liabilities and net assets	2,063	2,145	2,173	2,217	2,296	2,299	2,448

Equity capital	960	1,036	1,051	1,119	1,139	1,132	1,161
Equity capital ratio (%)	46.6%	48.3%	48.4%	50.5%	49.6%	49.2%	46.2%

Disclaimer

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.

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