



Contribute to food culture
and society through great
taste and excitement

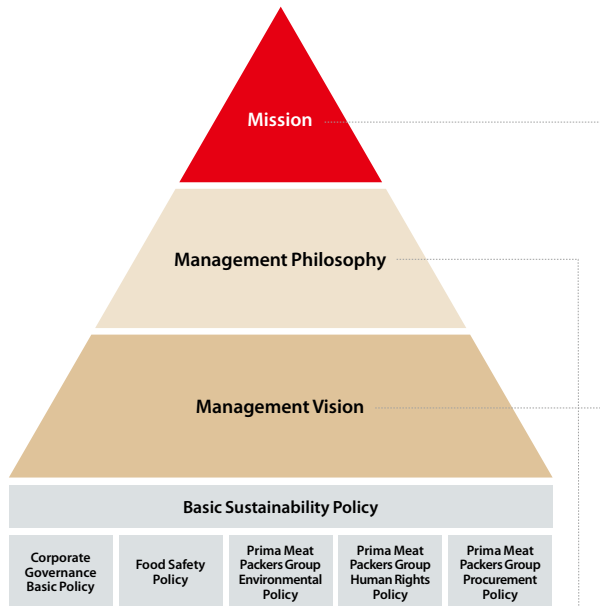
Prima Meat Packers Group
INTEGRATED REPORT

2025

Corporate Ethos

Mission

**Contribute to food culture
and society through
great taste and excitement**



Management Philosophy

- Be candid and sincere.
- Create quality products that sustain the Prima Group.
- Provide value to customers through continuous innovation.

Management Vision

1. We will each demonstrate our creative and persuasive skills and ability to act swiftly.
2. We will contribute to healthy, well-rounded dietary habits by combining our outstanding product development and technical skills and using our integrated strengths to provide safe, great tasting food and related information.
3. We will boldly transform the Prima Group into a highly profitable integrated food business.

At a glance

Prima Meat Packers Group by the numbers

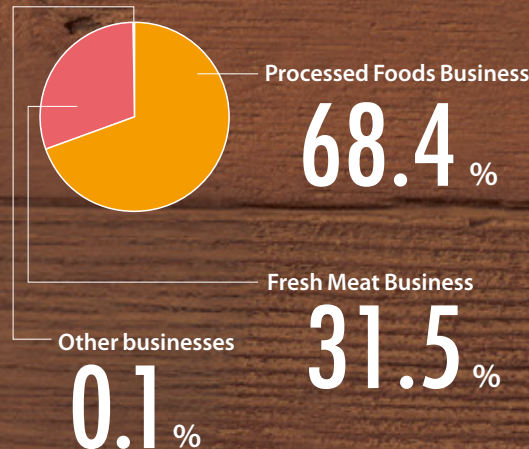
Year founded

1931

Consolidated net sales

¥ **458.4** billion

See page 53 for the assumptions underlying this figure.



Number of employees (consolidated basis)

Japan **14,542**
Overseas **1,419**
(As of March 31, 2025)

Number of patents (consolidated basis)

Japan **63**
Overseas **10**
(As of March 31, 2025)

Share of Japanese market

Ham and sausage market

1st

Results of SCI consumer panel (a national consumer panel survey provided by Intage) on the amount consumers spend on ham, sausage, and bacon products between April 2024 and March 2025.

Overseas production locations

Thailand **2**
Singapore **1**
(As of August 1, 2025)

Number of Group companies

28
(As of August 1, 2025)

Editorial Policy

We have published this integrated report to give our shareholders and stakeholders a deeper understanding of our organization, and to help them understand our medium- to long-term strategy for enhancing corporate value and how we are implementing the strategy.

This integrated report describes our founder's vision that formed the starting point for our organization and how we have carried this vision forward, tracing a path of continuous innovation. It also relates this history with our ongoing mission to contribute to food culture and society through great taste and excitement. We have also presented information about the capital, business, talent, and sustainability strategies aligned with our medium-term business plan (fiscal 2025 to 2027) to convey our future objectives more clearly. This report also provides detailed information about the metrics and targets for our material issues, including the progress we have made toward these targets, the challenges that remain, and the actions we will take.

In compiling this report, we followed the International Integrated Reporting Framework of the International Financial Reporting Standards Foundation. To give a more complete picture of Prima Meat Packers Group, we have added a disclosure chart showing the relationship between our integrated reporting and other channels of disclosure and reporting such as our annual securities reports, our IR website, and our sustainability website.

Scope of report and contact for inquiries

Time period covered: Fiscal 2024 (April 1, 2024 to March 31, 2025)
(includes some information from outside of this time period)

Organizations covered: Prima Meat Packers, Ltd. and Prima Meat Packers Group companies

Date published: September 2025 (next issue to be published in September 2026)

Contact for inquiries regarding the Integrated Report: Tel: +81-3-6386-1800

Disclaimer on projections

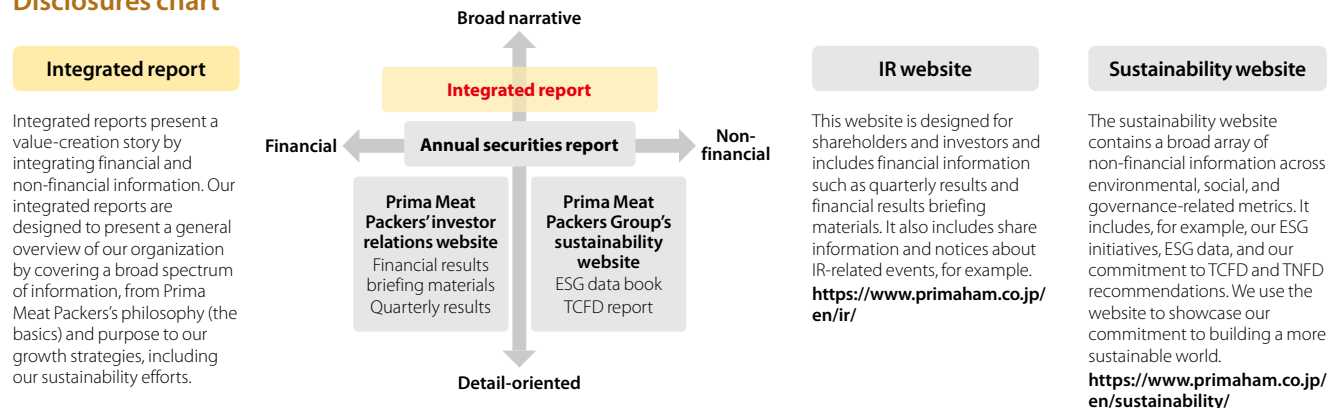
The data and projections in this integrated report are based on information available at the time this report was published. Actual results may differ substantially from these projections due to various factors. The Company assumes no obligation to update these projections based on new information and future events.

About the front cover



The front cover spotlights Koukun® Sausage, Prima Meat Packers's growth leader. It depicts the 11 carefully selected herbs and spices that give Koukun® Sausage its characteristic flavor. This report has a special feature in which employees involved in Koukun® Sausage share their passion and thoughts about the product.

Disclosures chart



Contents

03 President's Message

Section 1 Value Creation Story

08 Where It All Began

09 Our History

10 Our Business Model and Strengths

12 Value Creation Process

Section 2 Growth Strategy

14 Special Feature

Koukun® Sausage: The Possibilities That Innovation Produces

17 Medium-term Business Plan

Financial Strategy

19 Interview with the Chief Financial Officer

21 Capital Assets

Business Strategy

22 Processed Foods Business

26 Fresh Meat Business

Talent Strategy

30 Goals and Actions for a Stronger Workforce

Sustainability Strategy

32 Sustainability at the Prima Meat Packers Group

33 Initiatives for the Material Issues

34 Creating Healthy, Well-rounded Dietary Habits

35 Contributing to Global Environmental Protection

36 Applying the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

37 Biodiversity (Task Force on Nature-related Financial Disclosures)

38 Strengthening Supply Chain Management

39 Creating a Workplace That Promotes Job Satisfaction

Section 3 Corporate Governance

41 Overview of Corporate Governance Structure

46 Risk Management

47 A Conversation among the Outside Directors

50 Directors and Corporate Auditors

Appendix Data Section

53 Eleven-year Summary Consolidated Financial Statements

55 Sustainability Data Highlights

56 Company Information / Stock Information

President's Message

Taking Our Excellence in Japan to the World Committed as Ever to Innovating Dietary Culture

Naoto Chiba
President and CEO



Creating more fun customer experiences to go with our tasty products

I have a maxim: Broad horizons, small steps. Take that first step with the conviction that it will determine your destiny. Take one little step after another without losing sight of your destination. With the world growing more uncertain than ever, we must keep the vision in focus as we grapple with the challenges along the way.

An enterprising spirit has always run through our organization. Early on, our organization took the initiative to launch a meat import business and has taken on many fresh challenges since then ▶ [p. 08](#). Even when we experienced a financial crisis in the early 2000s, we maintained the enterprising spirit, launching what later became a major hit: Koukun® Sausage ▶ [p. 14](#). In the Covid-stricken fiscal year of 2021, we released a new mission statement: Contribute to food culture and society through great taste and excitement ▶ [p. 01](#). Since then, we have taken step after step with this mission in sight.

As we pursue this vision, what value should we be delivering? The value stems from our distinctive approach to innovation in manufacturing.

A manufacturer's products convey an important message to the customer. As a manufacturer, we have always sought to keep our product development process safe from imitation by competitors. To that end, we have obtained patents for our technological innovations. One example is our meat-processing technology that delivers thin, mellow-tasting ham. Another example is our technology for slicing sausages in such a way

that they look like little octopuses when heated. Thanks to this innovation, our products astonish and thrill customers, and that is a distinctive strength of ours.

In the spring of 2025, we launched a new sausage product, offering consumers a new gastronomic option: a sausage that you can eat cold. When eaten cold, the sausage goes well with cold tofu, with the texture and taste of *beni shoga* (red pickled ginger). I should also mention Guilty Sausage, which has received media attention. The idea behind Guilty Sausage is that consumers will enjoy the "guilty" pleasure of having, for a household meal, sausages filled with generous amounts of garlic, butter, and cheese. As we hoped, Guilty Sausage received media attention and became a hit.

To make our products even tastier, we launched a process to visualize tastiness. In other words, we have quantified the taste sensations the person experiences when consuming the product. This innovation is led by the Prima Meat Packers' R&D Center. The center has delineated the key elements affecting how we perceive food with a view to offering this method externally as the Prima standard. We launched the project back in 2016 and have now reached the stage where we will soon establish a universal metric for rating tastiness. The project is also changing attitudes. Employees are increasingly using quantitative data to develop new products or improve existing ones. We will step up efforts in research and research application to further refine the universal metric for rating tastiness with a view to ultimately establishing the method as the Prima standard.

As well as being tasty, our products create experience value in a number of ways. For

example, we have developed numerous promotional campaigns in which customers collect barcodes on the product packaging for a chance to win a prize product. With fun campaigns like this, the customer's engagement with the product continues after the product is eaten. The idea is to create an association between the fact that our products are tasty as well as affordable in a time of rising consumer prices and the fact that our products offer something new to discover and the chance to win wonderful experience. In this way, our products add a touch of joy in people's lives.

Topping the ham and sausage sector

Fiscal 2024 proved a challenging year, with the low yen, high raw materials prices, and high logistics costs. These headwinds affected our consolidated financial performance. ▶ [p. 19](#) While we achieved growth in consolidated net sales, we recorded less operating profit than we did in the previous year, with operating margin decreasing from 2.6% to 2.0%.

However, the progress we made in product development projects and other actions culminated in clear quantitative outcomes, indicating substantial progress in our corporate vision. Prima Meat Packers has committed to a PDCA cycle of continuous improvement in sales and production performance, measured against KPIs in both cases, with a view to increasing the Japanese market share for ham and sausages and achieving a category-specific number one for sales revenue and sales volume. In fiscal 2023, we achieved a milestone: our leading brand, Koukun® Sausage, topped the ham and sausage category in number of units sold.^{*1} With this tailwind, our share in Japan's ham and sausage market increased by 1.4 percentage points in fiscal 2024,^{*2} denoting that we now have the top share in this category.

Such accomplishments vindicate my belief that the next step you take determines the future. It was the culmination of a series of efforts—one step after another. I am grateful to our employees for listening to customer feedback and using the feedback to improve our products and for everyone's continual efforts to promote sales or improve production efficiency. The outcomes of these efforts have reinforced employees' self-confidence and have fostered a positive, go-getting mindset.

With that said, we still have more to do to achieve our vision. One key task is to improve awareness of our corporate brand. While awareness of the Koukun® Sausage brand has increased dramatically, people are less aware, by comparison, of the manufacturer of the product, Prima Meat Packers. To address this situation, we emphasize the phrase Prima

Koukun® Sausage in our TV advertising. We are also working to build up the Company's fan base by organizing private events at Tokyo Disney Resort® and a popular theater troupe. With further business growth, we will eventually penetrate new markets and build new growth drivers besides our two main ones, the processed foods and fresh meat businesses. Our desire to go further in penetrating overseas markets is another reason why we are working to improve recognition of the Prima brand.

^{*1} Source: Point-of-sale data by KSP-SP (number of units sold in the pork sausage category between April 2023 and March 2024)

^{*2} Source: Results of SCL consumer panel (a national consumer panel survey provided by Intage) on the amount consumers spent on ham, sausage, and bacon products between April 2024 and March 2025.

A new medium-term business plan emphasizing aggressive strategic investment

Fiscal 2025 saw the launch of our new medium-term business plan, covering the fiscal years 2025 to 2027 ▶ [p. 17](#). To review our performance against the goals set out in the previous medium-term business plan (from fiscal 2024 to fiscal 2026), we had mixed results. We did achieve the goal of gaining a top share of Japan's ham and sausage market. However, we performed less well in other goals such as increasing profitability and addressing the problem of aging plants. This was because of headwinds, which included high logistics costs, high raw materials prices, and a low yen. The new medium-term business plan retains the three priority tasks set out in the previous one: 1) make the business foundation more sustainable, 2) adapt earnings base to changes in external environment, and 3) invest in growth and expand globally. It also sets an aggressive approach on the premise that the external business environment has shifted away from one characterized by a pandemic-related slump and low yen.

One example of this aggressive approach is strategic investment ▶ [p. 19](#). The plan allocates 33 billion yen to invest in projects to increase our prospects for long-term growth. Some of this 33-billion-yen budget is earmarked for investing in projects to develop business overseas.

Overseas expansion is critical to our survival considering that the pace at which Japan's market and labor force are shrinking amid population decline and aging. That is why we are establishing an overseas business model targeting Southeast Asian markets such as Thailand and Vietnam and led by Rudi's Fine Food Pte Ltd, which became a subsidiary of ours in 2021. We are also eyeing the Halal market, a new market for us. Preparations are

already underway in Malaysia to export room-temperature Halal products, and we are researching Middle Eastern markets.

Also critical to our future success is digital transformation. We have invested in digital transformation since 2019, when we launched the Prima Next Project, a project to build digital infrastructure. The project will deliver a range of outcomes. It will optimize inventory management by matching inventories to supply and demand with high precision. It will also streamline business processes and enable management to make decisions quicker. We will continue to invest in the project to drive to digitally transform our business processes.

We have budgeted 24 billion yen to invest in business infrastructure to grow our existing businesses. This budget will be spent on projects to boost our capacity to meet growing demand. Examples include upgrading or replacing production equipment, some of which has aged.

In the processed foods business ▶ [p. 23](#), our strategy for ham and sausage sales in Japan targets region-specific challenges that we have identified from gaining a top market share. That is, we are concentrating resources on marketing campaigns in regions with sluggish sales. Gaining a top share has changed our perspective and circumstances. Now that we are riding the crest of the wave, we will use the momentum to the full and penetrate new markets.

As for the fresh meat business ▶ [p. 27](#), we have set new KPIs to measure meat-quality improvements and cost reductions. We are also focusing on improving productivity. In April 2025, our group company in Kagoshima appointed as its new president an expert in pig farming. Under the new leadership, the company will press ahead with reform.

PESTLE analysis (PEST plus legal and environmental)

In previous years, we have used a PEST analysis to monitor the key external factors that affect our organization. As the acronym implies, PEST focuses on political, economic, social, and technological factors. However, considering the murky global outlook, we now use a PESTLE analysis, which additionally covers legal and environmental factors. This wider scope allows us to study the present and future social impacts of the key external factors.

In a time when unforeseen events occur with increasing frequency, it is all the more important to identify legal risks. In April 2025, we endorsed the Taskforce on Nature-related Financial Disclosures (TNFD) ▶ [p. 37](#) as part of our commitment to the transition to a low-carbon and circular economy. While we have seen a growing worldwide

PESTLE analysis (December 2024)

Politics Political factors

- Anxieties about Trump administration's future direction
- Rising geopolitical tensions: Russia, Middle East, North Korea
- Prolonged conflict, new conflicts: Ukraine–Russia, Israel–Palestine
- Progress in international treaties (TPP, RCEP, IPEF)

Economy Economic factors

- Global transition from stagflation to growth-oriented approach
- The Trump administration's economic policy: Uncertainties
- The Bank of Japan's economic policy: Interest rate hikes
- Exchange rates

Society Social factors

- Japan's shrinking and aging population and dwindling workforce
- Demand diversification: Rise of Gen Z, increasing interest in health and QOL
- The 2024 problem (impact of labor regulation in logistics industry)
- Stakeholder demand for long-term value creation: Need for stronger governance

Technology Technological factors

- Rise of digital transformation as a means of improving business efficiency
- Rise of generative AI and risks associated with such
- Rise of alt-proteins, improvements in 3D food printing
- Growth in e-commerce market

Legal Legal factors

- Regulatory tightening in digital sector
- Regulation for restricting GHG emissions
- Global tax trends (anti-BEPS rules, environmental tax)
- The 2024 problem (impact of labor regulation in logistics industry)

Environment Environmental factors

- Growing interest in sustainability worldwide
- Growing interest in human rights, greater need to respect human rights
- Resource depletion

interest in sustainability, some parts of the world are more committed than others in combatting climate change, and sustainability-related expectations and demands have grown diverse. Such changes in environmental attitudes must be taken into account in product development.

Prolonged inflation has encouraged consumers to tighten their purse strings, while raw material prices remain high. To ensure our future profit margins, we must do more than pass on cost increases in prices. We must also use the Prima Next Project to introduce new technological innovations in production and sales operations. Regarding the economic factors, we are devising a price strategy by considering studying how exchange rates, long-affected by the low yen, will fare in the future. One of the social factors is the population decline in Japan. If we are to offset this risk, then expanding overseas markets is unavoidable.

Encouraging a culture of independence, building a globally fluent workforce

During the early 2000s, our performance stagnated, creating a severe crisis in which we had to close down some of our business sites. The lesson we learned was to cut inefficiencies and to think numerically. This mindset has culminated in the high productivity and rigorous cost management that now sustains our operations and underlies our growth. We have identified innovation themes for improving the productivity and decreasing the environmental impacts of our plants. We are also making an effort to build a team of talented industrial and digital engineers ▶ [p. 31](#).

We have been improving production efficiency for more than ten years through Prima Innovation. A major goal in Prima Innovation is to cut inefficiencies in production lines. For this goal, plant managers lead initiatives to achieve quantitative targets for metrics such as utilization rate and operational efficiency.

I want plant staff to go harder and faster in these self-directed initiatives to create the next growth wave. That will require a change in organizational culture. The employees are earnest and often modest and self-effacing. They need to think and act more independently. I am always urging employees to think for themselves. I want to build an organizational culture characterized by autonomy, in which employees take the initiative in addressing

problems through a PDCA cycle and in thinking how to channel workplace knowledge toward productivity improvement.

To accelerate the process of expanding overseas, which is so essential in our future growth prospects, we need to cultivate a more globally fluent workforce. As well as expanding in Southeast Asia, we have our sights set on the Middle East and other markets with bright growth prospects. We will therefore provide more opportunities for language learning and overseas training, lay the groundwork for proactive overseas deployments, and assembling a team of talented individuals who can be put to work immediately in overseas businesses.

Facing the future with pride as food professionals

The external business environment remains as challenging as ever, but we must remain uncowed and committed to long-term value creation. This task requires an organizational culture in which employees have dreams and goals and in which they think and act independently to achieve them. If we are to be a bottom-up organization that combines reason with flexibility, employees must take pride in being food professionals and work together to make our products all the safer, all the tastier, and all the more thrilling.

Nothing happens unless first a dream. This was a phrase I saw on a billboard during a business trip in New York, when I worked for ITOCHU Corporation. The phrase has remained with me ever since. Take that first step with the conviction that it will determine your destiny. Take one little step after another without losing sight of your destination. Nothing happens unless first a dream. I want these words to reverberate in employees' hearts so that employees will share their ideas and dreams, achieve them, and then take on more challenges.

Whether you are a customer or other stakeholder, I hope that we continue to earn your confidence and support, and I look forward to our continued journey together.



Value Creation Story

- 08 Where It All Began
- 09 Our History
- 10 Our Business Model and Strengths
- 12 Value Creation Process

Section 1

Where It All Began

“Japan could accomplish greater national growth with a physically fitter population” —The Founder’s Enterprising Spirit Underlying Our Organization

Japan could accomplish greater national growth with a physically fitter population. That is what our company’s founder, Masanori Takegishi, declared at a time when red meat scarcely featured in the Japanese diet. On this belief, Takegishi launched a business in 1931 to sell high-quality red meat products at affordable prices. This venture embodied Takegishi’s enterprising spirit, the same spirit that drives us to take on challenges today.

Known at the time as Takegishi Hamu Shokai (Takegishi Meat Packers Ltd.), the company began selling standard primary cuts of pork, a first for Japan’s meat industry. The company then forged sales channels and improved operations on the sales side as well as the manufacturing side. The result was a new business dedicated to creating positive impacts on people’s lives. The idea was as follows: We will sell what we make. We will sell our Prima brand ourselves.



Our founder,
Masanori Takegishi



The founder’s
spirit

Management Philosophy

▶ p. 01

Putting the Management Philosophy into action

Mission Contribute to food culture and society through great taste and excitement

- Great taste, time to enjoy
- Building a healthy body
- Safe, reliable products
- Simple, easy products
- Employee opportunities for self-actualization
- Build strong supplier relationships
- Co-existing with local communities
- Protecting the global environment
- Reducing food waste
- Sustainable, stable shareholder return



Upholding the Spirit of Continuous Innovation

Our founder’s spirit lives on in our ethos of continuous innovation, part of our Management Philosophy. Our innovative initiatives include the following: using a tastiness-visualization tool to enhance product development, creating innovative products with a focus on health and sustainability, automating and optimizing manufacturing processes, making the supply chain more robust, developing in global markets, developing talent, and actively tackling environmental challenges.

Our History

Prima Meat Packers boasts a history of leading the Japanese meat industry with continuous innovation. We were the first company in the industry to sell standard primary cuts of pork and the first to integrate its domestic pork business. Over the years, our business portfolio has expanded in tandem with the changing times. At every step of the way, we always remain committed to delivering great taste and excitement.



The spirit of our founder, Masanori Takegishi

Our founder, believed that Japan could accomplish greater national growth with a physically fitter population. Acting on this belief, he launched a business to manufacture and sell ham and sausage products, still rare in Japan at the time, with a view to leading the country's meat industry and providing the population with high-quality and affordable meat.

Source of competitive advantage

We have built a network of supply chains in Japan and overseas founded on strong relationships with local suppliers.

▶ p. 11

1950
Prima Meat Packers starts importing raw meat.

1956
Prima Meat Packers becomes first pork producer in Japan to sell standard primal cuts.

1962
Prima Meat Packers listed on the first sections of the Tokyo Stock Exchange and Osaka Exchange.

Source of competitive advantage

After launching the hog farming business, we built an integrated system of Japanese pork production.

▶ p. 11

1971
Hog farming subsidiary founded.

1972
Prima Meat Packers forms partnership with Oscar Mayer.

1974
Prima Meat Packers becomes first meat producer in Japan to introduce best-before dates.

Source of competitive advantage

We use partnerships to flexibly adapt our products and services to customers' needs.

▶ p. 11

1983
Prima Meat Packers becomes official sponsor of Tokyo Disneyland®.

Source of competitive advantage

Aside from ham and sausages, we excel at developing original brands.

▶ p. 11

1986
Prima Meat Packers opens dedicated plant for supplying convenience stores.

1989
Build a Wiernmobile "Prima Wiener"

1992
Global expansion launched.

Source of competitive advantage

We develop original fresh meat brands in partnership with suppliers.

▶ p. 11

2000
Original fresh meat brands launched.

Source of competitive advantage

We manage quality throughout the meat supply chain.

▶ p. 11

2007
ISO 22000 certification obtained by four of Prima Meat Packers' plants.

2002
Koukun® Sausage launched.

2008
Prima Meat Packers launches sale of allergen test kits.

2006
Prima Meat Packers starts upgrading production facilities.

2014, 2017
Two plants in Thailand certified as compliant with Japanese Agricultural Standards (JAS).

Source of competitive advantage

We have streamlined production processes, creating state-of-the-art production facilities that are cost-competitive.

▶ p. 11

2016, 2018
Prima Meat Packers begins full-scale renovation of production facilities.

2019
Digital transformation project launched (Prima Next Project).

2023
Miyagi Farm enters service.

A catalyst for rapid growth

Around this time, performance slumped. Faced with the challenging circumstances, we closed some business locations and suspended regular recruitment of new graduates. The crisis became an important learning experience, which helped us achieve our present high level of productivity and rigorous cost controls.

2023
Koukun® Sausage tops Japanese sausage market in number of units sold.

Source: Point-of-sale data by KSP-SP (number of units sold in the pork sausage category between April 2023 and March 2024)

2025
Launch of products labeled as Food with Function Claims.

2023
New plant in Kagoshima enters service.

Net sales (¥ billion)

450

300

150

1931

1970

1980

1990

2000

2010

2020

(FY)

1931-

Founded with a mission to improve people's lives

Prima Meat Packers was the first company in the Japanese meat industry to sell primary cuts of pork that were standard in Japan, and it developed innovative solutions in distribution channels to strengthen sales as well as manufacturing. The internal Company slogan chosen at the time was "We sell what we make. We will sell our Prima brand by ourselves."

1970-

Worldwide quality assurance

Prima Meat Packers worked with an overseas quality expert to build a proprietary system of quality management. Under this system, the Company launched a succession of winning products that excelled in quality. The Company then launched a hog farming business, laying the foundation for an integrated system of domestic pork production.

1980-

Adapting to shifting consumer trends

To expand business, Prima Meat Packers built dedicated plants for supplying convenience stores, as well as those for food processing. It also established overseas production sites. The plants in Japan obtained quality assurance certification.

2000-

Bouncing back from adversity with tighter management

In the early years of this century, we experienced tough business conditions and had to make hard decisions, such as closing down some business locations. Aiming to turn performance around, we tightened cost management. Through such efforts, we have bounced back stronger than ever.

2020-

Mission for further growth

As consumer needs continue to diversify, Prima Meat Packers continues to expand its lineup and invest in initiatives to unlock further growth. These initiatives include building a new food processing plant, expanding the hog farming business, penetrating overseas markets, and transforming workflows.

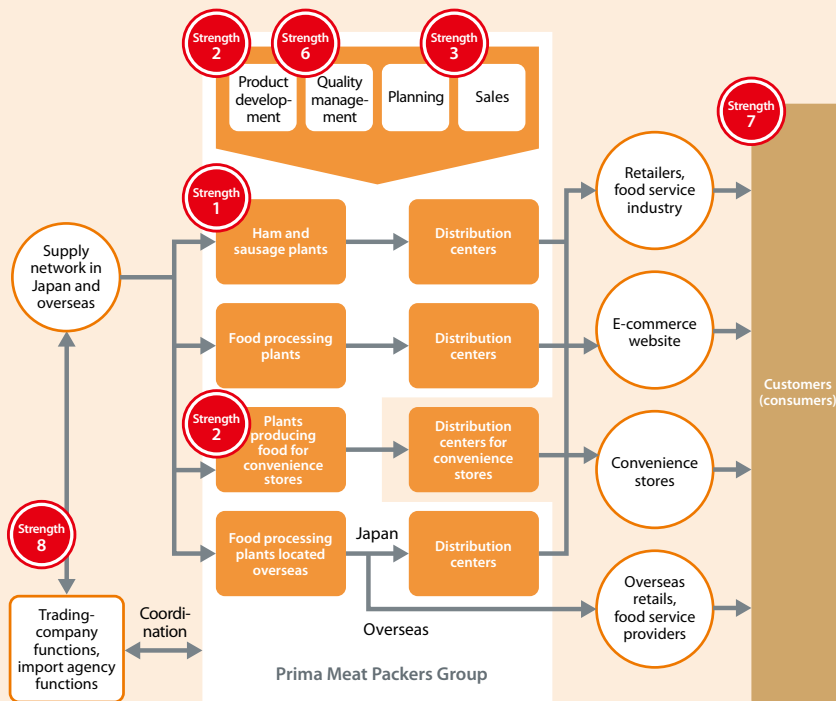
Our Business Model and Strengths

Prima Meat Packers has two main businesses: processed foods and fresh meat. In each business, we have long-established technological excellence and brand identity. We use these assets to deliver safe, reliable, high-quality products that satisfy a broad set of customer needs.

Processed foods business

Proven technological excellence and solid brand identity

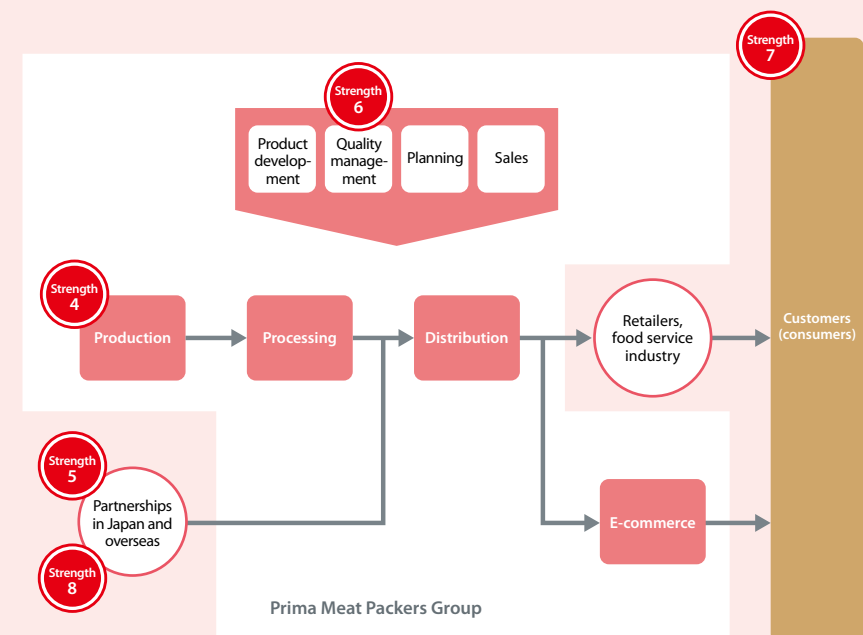
In our processed foods business, we have built up over many years a body of manufacturing technology and quality management know-how in ham and sausages and other processed foods. We draw on these assets to develop products adapted to changing consumer preferences and the increasing interest in health. With manufacturing sites across Japan along with an efficient distribution network, we maintain a stable supply of high-quality products. The Prima Meat Packers brand is well known and trusted, enabling us to increase our market share with a wide array of sales channels, from volume sellers to B2B channels.



Fresh meat business

Robust supply and efficient distribution underpinned by global partnerships

In the fresh meat business, we use supply networks in Japan and overseas to procure, process, and sell pork, beef, and poultry. Through our long-term partnerships with production sources, we develop and ensure the stable procurement of safe, high-quality fresh meat products. We also have a hog farming business in Japan. With our efficient distribution system, we ensure a stable supply of safe, reliable, high-quality meat to volume sellers, restaurants, and other businesses, thereby playing a vital role in Japan's meat distribution sector.



Processed foods business



Strength 1

Modern, Cost-competitive Plants

Raising the production capacity of our plants

To ensure efficient production, we have rolled out automated packaging, linear production lines, and other equipment upgrades among our plants. The plants boast short lead times and a high production capacity.



Strength 2

Excelling at In-house Product Development

Keeping pace with diversifying diets

We produce processed food products (including ham, sausages, and burgers), as well as a range of deli items, filled pastries, and desserts. We monitor market trends and needs so that the finished products will match consumers' lifestyles and preferences and add value to their lives.



Strength 3

Sales Promotion Excellence That Builds Our Audience

Boosting our brand's outreach through sales promotions and social media engagement

We actively use TV advertising and social media engagement to promote our brand. Alongside such advertising, we organize sales promotional campaigns involving private events at Tokyo Disney Resort® and private bookings for Yoshimoto theater shows. In this way, we deliver thrilling experience alongside tasty food, further amplifying our brand.



Groupwide

Strength 6

Food Safety Management System

Integrated food quality management

The Group conforms to international standards for managing food safety such as FSSC 22000 and ISO 22000. This means we follow an integrated approach to quality management, extending from product development through to procurement, production, and distribution. Our Thailand-based suppliers conform to the Japanese Agricultural Standards (JAS).

Number of FSSC 22000
certified sites

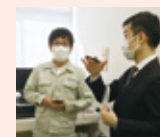
16

Strength 7

Collaborative Development of Products and Services

Embracing collaboration to respond flexibly to demand

We embrace collaboration to respond swiftly to the needs of customers. For example, we procure raw meat jointly with the ITOCHU Group, develop products jointly with suppliers and other partners, receive technical guidance from outside organizations, and invite customers to thrilling private events co-organized with a theme park operator.



Fresh meat business

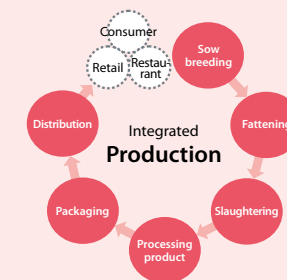


Strength 4

Integrated Domestic Pork Production Process

Integrated production that ensures safety, reliability, and great taste

To achieve safety, reliability, and great taste, we have integrated all operations throughout the pork supply chain, from breeding and fattening to slaughter, cutting, processing, packaging, distribution, and sale. The Miyagi farm achieves high levels of productivity by using advanced technology and science-based practices.



Strength 5

Original Brand Meat

Joint development of original brands that suit the Japanese palate

Through our longstanding partnerships with suppliers, we have developed original meat brands. Our suppliers' livestock, which include cattle, swine, and poultry, enjoy wide-open pastures, and their meat quality is well-received by our customers. In a cross-divisional collaboration, we are working on projects to manufacture and sell products that use these original brands as raw materials.

Number of original brands
(as of July 2025)

14



Strength 8

Domestic and International Procurement Networks

Working with suppliers to meet strict quality standards

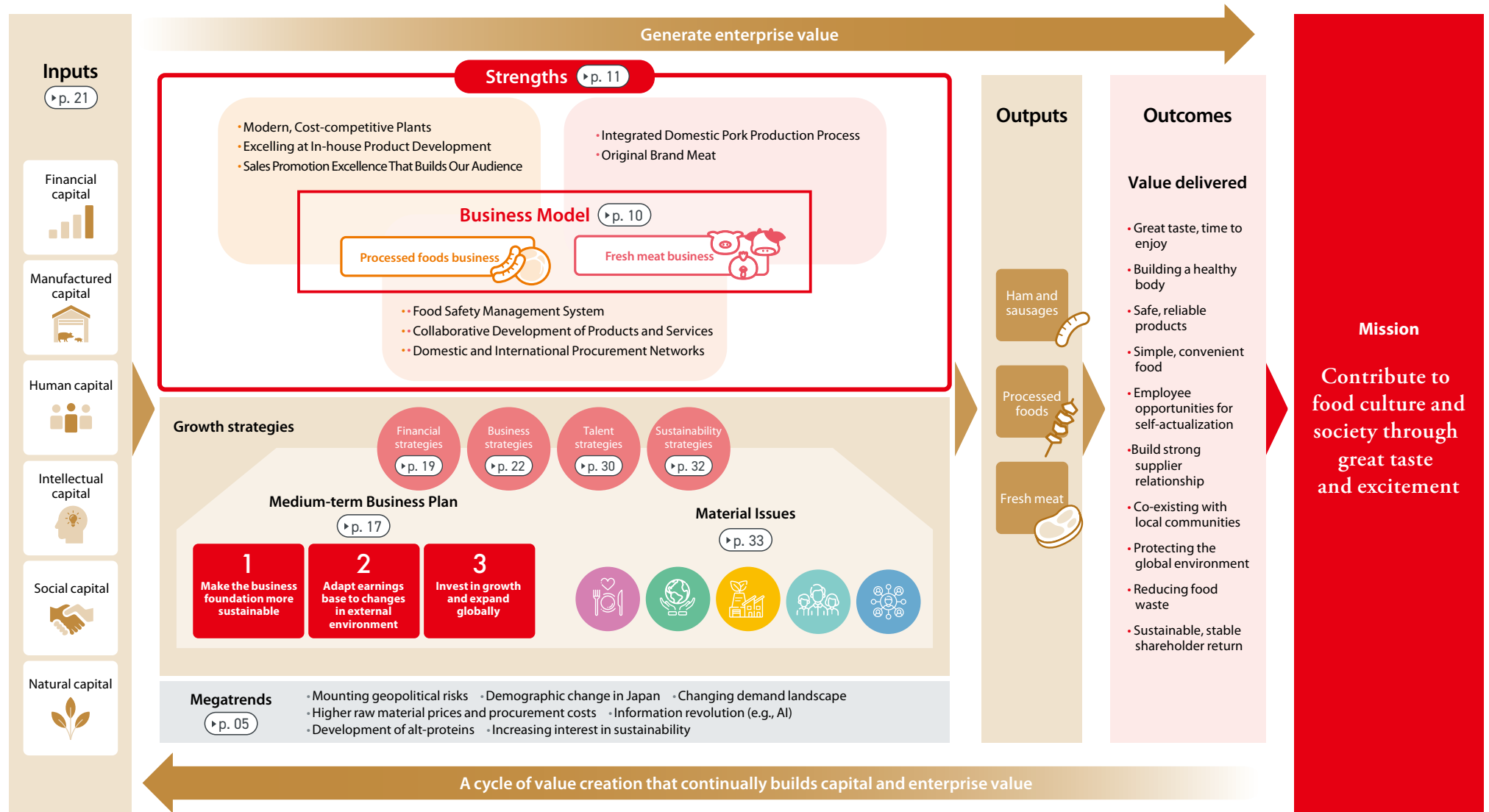
Leveraging our membership of the ITOCHU Group, we have secured international supply sources for raw meat. We engage with all suppliers via an importing company, to ensure their commitment to our strict quality standards.

Main overseas regions
we procure from

North and
South America,
Europe, and Asia

Value Creation Process

We use medium- and long-term strategies to strengthen our capacity for sustainable growth as a food manufacturer.



With extensive capital and long-cultivated sources of competitive advantage, we have built up a processed foods business and fresh meat business. We have recognized the need to identify what risks and opportunities we will need to address in the medium and long term to ensure we can sustain business growth in an era of dramatic shifts in social trends and global challenges. With this in mind, we defined our material issues and established a

medium-term business plan setting out financial, business, talent, and sustainability strategies. For these strategies, we follow a PDCA cycle of continuous improvement. Through this process, we will deliver value to shareholders and make our vision a reality.

Growth Strategy

- 14 Special Feature
Koukun® Sausage:
The Possibilities That Innovation Produces

- 17 Medium-term Business Plan

Financial Strategy

- 19 Interview with the Chief Financial Officer
21 Capital Assets

Business Strategy

- 22 Processed Foods Business
26 Fresh Meat Business

Talent Strategy

- 30 Goals and Actions for a Stronger Workforce

Sustainability Strategy

- 32 Sustainability at the Prima Meat Packers Group
33 Initiatives for the Material Issues
34 Creating healthy, well-rounded dietary habits
35 Contributing to global environmental protection
36 Applying the Recommendations of the Task Force
on Climate-related Financial Disclosures (TCFD)
37 Biodiversity (Task Force on Nature-related
Financial Disclosures)
38 Strengthening supply chain management
39 Creating a workplace that promotes job satisfaction

Section 2

Special Feature

Koukun[®] Sausage: The Possibilities That Innovation Produces

Our leading product is Koukun[®] Sausage. Since the product first went on sale in 2002, sales have grown year by year thanks to our initiatives and innovations to satisfy customers. In recent years, the product has achieved a top share of the market in Japan. In fiscal 2023, it topped the Japanese sausage market in number of units sold (based on point-of-sale data obtained by KSP-SP).^{*1} In the following year, Prima Meat Packers topped the ham and sausage category in Japan.^{*2}

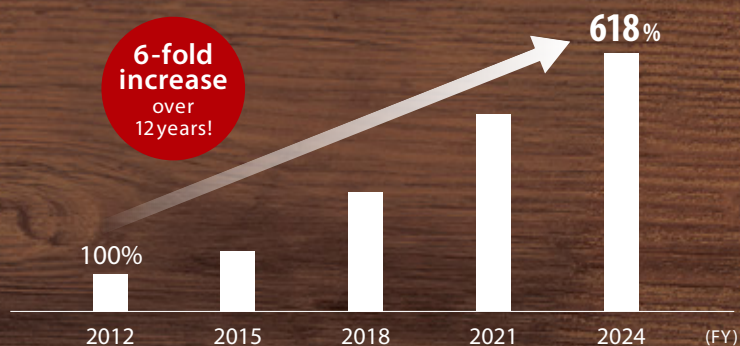
This formidable track records attest to our manufacturing values and workplace excellence. With many consumers feeling the squeeze from inflation, we have taken action to ensure that the product remains the first choice for our customers. These actions include proactive promotional campaigns and initiatives to give customers a sense of the added value they gain from the product.

The success of Koukun[®] Sausage has created momentum for the aggressive corporate strategy we will take in the future. We will continue to raise awareness of our corporate brand on the whole and build our fan base.

*1 Point-of-sale data by KSP-SP (number of units sold in the pork sausage category between April 2023 and March 2024).

*2 Results of SCI consumer panel (a national consumer panel survey provided by Intage) on the amount consumers spent on ham, sausage, and bacon products between April 2024 and March 2025.

Sales volume since 2012

Koukun[®] SausageKoukun[®] Sausage large pack

Quality and Taste Recognized Internationally

Again and again, Koukun[®] Sausage has been honored for its quality at prestigious competitions in Japan and overseas. It has repeatedly earned the highest accolade from the German Agricultural Society (Deutsche Landwirtschafts-Gesellschaft: DLG), an internationally respected organization that has run an award program since 1887, and from the IFFA, the world's leading trade fair for meat and alternative proteins. In 2022, the Belgium-based International Taste Institute (ITI) awarded Koukun[®] Sausage three stars, indicating that the institute considered the taste exceptional.

Accolades such as this prove that Koukun[®] Sausage's quality performs well against international criteria.



Koukun® Sausage: The Possibilities That Innovation Produces

A New Marketing Division for a More Effective Strategy

To further drive the sales growth of Koukun® Sausage and other products, we established the Marketing Division in fiscal 2025. The Marketing Division identifies market needs and then develops a product strategy aligned with these needs and market trends, working closely with teams in product development, product strategy, procurement, production, and sales.



Marketing

Maintaining Market Dominance with Data-driven Branding

I head up the Marketing Development Section of the division's Marketing Department. The Marketing Development Section conducts market research and consumer analytics to derive new product categories, develop new brands or bolster existing ones, and support sales efforts. My role is to analyze consumer trends and coordinate market and product analyses with the Product Strategy Department. I have been involved in projects related to Koukun® Sausage since fiscal 2021.

Market research we conducted in fiscal 2024 revealed that consumers are still unaware of Koukun® Sausage's unique selling points such as how the sausages contain 11 carefully selected herbs and spices and how they are smoked using Sakura woodchips. If we communicate these attributes more clearly, the product will resonate with many more customers. My team and I will continue working with other teams across the organization to make it clear to all that Koukun® Sausage is the number one sausage brand.



Takaaki Nagasawa

Sub-Section Head
Marketing Development Section of the Marketing Department,
Marketing Division

Product Strategy

Polishing the brand values for future success

I work in Section 1 of the Marketing Division's Product Strategy Department, which is responsible for planning ham and sausage products in general. I am involved in planning projects and developing products under our leading Koukun® Sausage brand. The Marketing Division was established in fiscal 2025, consolidating the Marketing Department, which had managed consumer research and sales promotion. With close interdepartmental collaboration, we can have deeper discussions about our strategy for developing the brand and enable us to incorporate this strategy into the process of converting new ideas into products.

Koukun® Sausage has a clear brand definition: a coarsely ground sausage smoked with Sakura woodchips and containing 11 carefully selected herbs and spices. Staying true to this brand identity, we always consider ideas for how to build a bigger audience for the brand.



Masami Fujii

Sub-section Head
Section 1 of the Product Strategy Department,
Marketing Division

Production

Maintaining a Solid Supply of Safe and Tasty Koukun® Sausage Products

I head up Section 4 of Ibaraki Plant's Manufacturing Department 2. The section is responsible for packaging Koukun® Sausage and other sausages. The packaging process requires rigorous hygiene controls and safety checks, as this is when the final checks are made prior to shipment. Our team coordinates with other teams to ensure the safety, reliability, and quality of the sausages that we send out to customers.

With the established Marketing Division obtaining precise information on customer needs, effective marketing strategies can be developed, which I am sure will further increase the production volume of Koukun® Sausage.

Our team will keep up production levels, if not increase them, so that we can keep delivering the safe and delicious Koukun® Sausage to customers' dinner tables.



Miyuki Takamura

Sub-section Head
Section 4 of Manufacturing
Department 2,
Ibaraki Plant

Koukun® Sausage: The Possibilities That Innovation Produces

Sales

Working with Retail Partners to Communicate the Koukun® Brand Values

I am a sales rep to key supermarkets in the Kanto region. My role is to increase the sales volume of ham and sausage products, particularly Koukun® Sausage, among such supermarkets. When engaging with these retail partners, I have always paid attention to the shelf space occupied by our products and the in-store sitings of our products in retail stores and have encouraged the effective use of promotional materials and point-of-sale displays to increase in-store sales overall, culminating in sales growth.

Koukun® Sausage is already a big-seller, but it still has untapped growth potential. To achieve a dramatic growth in sales, we need a strategy guided by market trends and data. The newly established Marketing Division will develop a strategy that communicates the unique selling points of Koukun® Sausage and our other products. My team will continue our efforts to build brand recognition so that our products become top-sellers among all our retail clients.



A promotional initiative at the store of a retail client



Hideto Uoi

Section 4 of the Mass Sales Department,
East Japan Branch



A fan event for Koukun Day on May 9

Sales-Promotion Planning

Making Koukun® a Truly First-Rate Brand

The team I lead organizes advertising and promotional campaigns to increase the number of retail stores stocking our products and thereby drive sales growth. In particular, we use social media marketing and other forms of digital marketing. To make Koukun® a truly first-rate brand, we have reaffirmed the identity of the brand and developed coherent brand messaging across different types of media, so that people buying the product will have a clear idea of the brand values. We have also organized Koukun Day (May 9) along with other events and promotional campaigns to raise brand awareness among young and old and build a bigger audience for the brand.

The Marketing Division will set out milestone targets and work with the Sales Division and Production Division to make Koukun® a truly first-rate brand.



Takashi Harashima

Section Head
Sales-Promotion Planning Section of
the Marketing Department,
Marketing Division

Balancing Quality of Taste with Ecological Sustainability



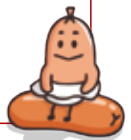
Prima Meat Packers takes action to reduce environmental impacts in the process of packaging Koukun® Sausage. In April 2022, we replaced the drawstring design with an eco-package. We then reduced the size of the package in March 2023 and again in September 2024. With the latter reduction, each package uses 38.5% less plastic compared to the plastic used in March 2022.

As well as reducing environmental impact, the reduction in plastic film has reduced packaging costs. With the cost reduction, we can focus all the more on maintaining the quality of the Koukun® Sausage brand—the delicious taste that comes from smoking the sausages with Sakura wood chips and using 11 carefully selected herbs and spices.

Drawstring design



Eco-package



Medium-term Business Plan

Tighter control of cost of capital to enhance our value

In fiscal 2024, revenue (consolidated net sales) exceeded the level of the previous year. However, operating profit was less than in the previous year because of factors such as the high raw material prices amid the weak yen, high utility costs, and difficulties in the vendor business.

Our current medium-term business plan runs from fiscal 2025 to fiscal 2027. The plan emphasizes tighter control over cost of capital. For the processed foods business, the plan focuses on expanding the market share of our ham and sausage brands. For the fresh meat business, we will drive forward a strategy of adapting purchasing, production, and sales activities to market needs.

Looking back on fiscal 2023

- 1 We published the Prima Meat Packers Group Human Rights Policy and the Prima Meat Packers Group Procurement Policy
We followed the TCFD recommendations in our disclosures
We added three material issues

Outstanding task Do more to address material issues

- 2 We expanded sales of Koukun® Sausage and improved brand recognition of Smile Up!
The new plant in Kagoshima entered service, boosting our production capacity
We launched Prima Meat Packers' online store, Takegishi Meat Packers
The new farm in Miyagi entered service, boosting pork shipments

Outstanding task Revise sales prices further, become more cost competitive, develop more B2B products

- 3 Among the vendor products, we expanded sales of smoothies and Cup Deli items
The Meat Guy (an online meat store) underwent a revamp

Outstanding task Invest in Japanese and overseas markets with bright growth prospects, develop new technology

Looking back on fiscal 2024

- We revised the Prima Meat Packers Group Environmental Policy and published the Prima Meat Packers Group Supplier Code of Conduct and the Prima Meat Packers Group Animal Welfare Policy
- We expanded the scope of information we disclose under the TCFD Recommendations
- In our production locations, we continued phasing out fluorinated refrigerants and installing solar panel systems.

Outstanding task Disclose GHG emissions (in particular, specific reduction goals at Scope 3) and disclose integrated information in line with the TCFD and TNFD

- We implemented multiple rounds of price revisions to reflect market changes
- We increased market share of our big-selling ham and sausage products, in particular Koukun® Sausage and Smile Up!
- We developed health-focused products with added value and launched our first Foods with Function Claims
- We increased pig shipments in our domestic hog farming business

Outstanding task Roll out sales price revisions, adapt to changing market needs, be more cost-competitive

- We prepared for the launch of the Prima Next Project
- We bolstered overseas manufacturing and sales operations through our Thai and Singaporean subsidiaries

Outstanding task Invest in growing sectors in Japan and overseas and develop new technology

Consolidated profit/loss

	Fiscal 2023 results	Fiscal 2024 target	Fiscal 2024 results
Net sales	448.4	470.0	458.4
Operating profit	11.8	16.0	8.9
Ordinary profit	12.9	17.0	10.5
Net income attributable to owners of parent	7.5	10.0	7.1
ROE	6.4 %	8.3 %	5.9 %
ROA	3.2 %	4.1 %	2.9 %
ROIC	5.9 %	8.3 %	4.6 %
Cost of capital	4.6 %	4.6 %	5.0 %
WACC	3.9 %	3.9 %	4.2 %

(¥ billion)

Prima Meat Packers Group's Medium-term Business Plan (Fiscal 2025–2027)

Medium-term Business Plan: 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.

1 Make the business foundation more sustainable

- Focus on cost of capital and stock price
- Inculcate a change mindset in talent acquisition and talent development
- Take action to drive the transition to a low-carbon circular economy

2 Adapt earnings base to changes in external environment

- Improve earnings base in existing businesses
- Reinforce business foundations and pave way to future growth
- Build a sustainable supply chain

3 Invest in growth and expand globally

- Expand business in Japan and overseas, mainly through collaboration with Itochu Corporation
- Penetrate growing markets, achieve digital transformation, develop and introduce new technology
- Launch the PNP and streamline business processes

Consolidated profit/loss

	Rolling plan		
	Fiscal 2025 plan	Fiscal 2026 plan	Fiscal 2027 plan
Net sales	480.0	510.0	540.0
Operating profit	12.0	12.0	15.0
Ordinary profit	13.0	13.0	16.0
Net income attributable to owners of parent	8.0	8.0	10.0
ROE	6.7 %	6.5 %	7.8 %
ROA	3.2 %	3.1 %	3.9 %
ROIC	6.6 %	6.2 %	7.1 %
Cost of capital	5.0 %	5.0 %	5.0 %
WACC	4.2 %	4.2 %	4.2 %

(¥ billion)

1

Make the business foundation more sustainable

Focus on cost of capital and stock price

To improve return on assets (ROA), we will maximize profitability and deploy assets more efficiently. To enhance return on equity (ROE), we will use financial leverage in our business strategies. We will also engage better with investors in our investor-relations activities so that our stock will be valued higher and our overall value will be appraised fairly. We will focus on the cost of capital to find the right balance between returning profits to shareholders and reinvesting profits to sustain our business growth.

Inculcate a change mindset in talent acquisition and talent development

We will both improve annual recruitment drives of new graduates and strategic recruitment of mid-career candidates to build a workforce with a broad set of experience and skills. We will also prepare future candidates for managerial posts to strengthen strategic control over the corporate group. Through these actions, we will inculcate a change mindset. This mindset will enable our organization to adapt quickly to changes in the market.

Take action to drive the transition to a low-carbon, circular economy

Committed to the carbon transition, we will shift to renewable energy sources to reduce our greenhouse gas emissions. We will also develop more environmentally friendly products and packaging to cut waste and reduce the use of water and plastics. In this way, we will transition to a more sustainable business model aligned with the principles of a circular economy.

KPIs and targets

- ROE: At least 10%
- Extent to which organization is enlivened as a result of recruiting mid-career candidates
- 2030 GHG emissions level compared to fiscal 2021 level: 24.3% reduction

2

Adapt earnings base to changes in external environment

Improve earnings base in existing businesses

We will raise sales prices to absorb past cost increases while diversifying our sales channels. We will also revise our approach to sales of existing products, bolstering the manufacturing and sale of key products. These actions will increase our profitability and make our earnings base more stable and adaptive to market changes.

Reinforce business foundations and pave way to future growth

We will take a more proactive approach in managing major risks threatening the quality of our products and services and our business operations, ensuring safety and peace of mind. We will also develop a new wave of profit drivers to increase our prospects for future growth. In this way, we will enhance long-term value creation.

Build a sustainable supply chain

We will pursue a modal shift (transitioning the mode of transport) and engage in other initiatives for making our logistic operations more efficient so that we can reduce the cost and environmental impact of such operations. We will work with our supply-chain partners on sustainability initiatives and build a sustainable integrated framework covering all processes from procurement to sale. These actions will give us a competitive advantage over the long term.

KPIs and targets

- Extent to which existing product sales have been improved by leveraging the competitive advantages of long-sellers (Koukun® Sausage and other ham and sausage products)
- Extent to which new products (new growth drivers beside Koukun® Sausage) have been developed
- Extent to which supply-chain partners are engaging in sustainability initiatives

3

Invest in growth and expand globally

Launch the PNP and streamline business processes

To drive a digital transformation, we will launch the Prima Next Project (PNP) during fiscal 2025. To minimize the shocks to business processes during the transition phase, we will provide adequate preparation time and coordinate dynamically during the testing phase. We will be rigorous in preparation and testing to ensure that the PNP has a smooth launch and works effectively in streamlining business processes connected with the building of digital infrastructure.

Expand business in Japan and overseas, mainly through collaboration with Itochu Corporation

We will collaborate with Itochu Corporation in developing our businesses in Japanese and overseas markets. We will pursue M&A deals and partnerships to drive overseas sales growth and accelerate penetration of new markets around the world. We will also embrace entrepreneurialism and work with startups. In this way, we will go beyond existing business frameworks to generate new value.

Penetrate growing markets, achieve digital transformation, develop and introduce new technology

We will accelerate global expansion with an overseas business model targeting burgeoning Southeast Asian markets. Unbound by existing business frameworks, we will keep innovating to create new businesses and technologies and develop and introduce digital innovations to gain a competitive edge. In this way, we will drive sustained business growth and establish new profit drivers.

KPIs and targets

- Extent to which we have established a production and sales model for Southeast Asia led by Primaham (Thailand), Primaham Foods (Thailand), and Rudi's Fine Food.

Interview with the Chief Financial Officer

Switching from Defense to Offense Accelerating Strategic Investment Upon a Firm Financial Footing

Satoshi Nakajima
Managing Executive Officer
Head of Administration Division

Profile

An expert in finance, accounting, and other areas of business administration, Satoshi Nakajima has headed the management of the Corporate Strategy Division and Corporate Strategy Department. He assumed his current posts in April 2025.

A firm business foundation in an adverse environment

In fiscal 2022, the external business environment changed dramatically. Since that year, we have contended with a low yen, high costs for raw materials and energy, high animal feed prices, and rising labor costs. These tough circumstances bring to mind the lessons we learned in the early 2000s, when we experienced a severe financial crisis. In the wake of that crisis, we embarked on a program of reform, which lasted for over 10 years, involved tough cost controls and other measures to boost profitability, and proved successful in strengthening our financial health. Consequently, our equity ratio passed the 50% mark, indicating robust finances. In another sign of financial health, our interest-bearing debt primarily comprises long-term borrowings with low interest rates.

Upon this firm financial footing, we have begun switching from a defensive posture to a more aggressive posture in anticipation of a rise in the yen. That is, we are entering a phase in which we use strategic investment to drive further growth.

An excellent credit rating, unlocking more financing options

Fiscal 2025 sees the launch of our new medium-term business plan covering the fiscal years 2025 to 2027. The plan provides a budget for aggressive strategic investment to drive long-term growth.

Our aggressive posture has already produced tangible outcomes. In 2024, Rating and Investment Information, Inc., awarded us a credit rating of A (stable). This rating indicates that we are in the middle and upper level of credit worthiness. This rating gives us more financing options. We are therefore shifting to more diversified approach to financing, which will include, besides conventional bank borrowing, issuing corporate bonds and sustainability bonds and making use of many other funding mechanisms in capital markets. We will continue to maintain our financial health while making active use of leverage options that offer returns commensurate with the risk. The cash gains from such leverage will be reinvested in projects to increase our future growth.

A 57-billion-yen investment budget to drive long-term growth

The new medium-term business plan assumes that 69 billion yen of cash will be generated over the three years of the plan (fiscal years 2025 to 2027). Of this cash, a portion will be reinvested in our businesses and growth-enhancing projects and the rest will be returned to shareholders.

Of the portion to be reinvested, ¥24 billion will be allocated as to projects for sustaining our businesses. These projects include improving efficiency in our existing businesses, upgrading fixed assets to boost production capacity, replacing aging infrastructure, and environment-related investments. Among these investments, priority will be placed on repairing and replacing infrastructure and installing septic tanks—tasks we have postponed for many years. These investments will be particularly essential in ensuring business continuity. That will therefore be a top priority.

Medium-term business plan (fiscal 2025–2027) Consolidated capital allocations

Cash in Total: ¥69 billion	Cash out Total: ¥69 billion	
Finance (borrowings) ¥14 billion	Driving long-term growth ¥33 billion	- Strategic investments (e.g. global expansion) - Digital transformation - R&D - Further integration in domestic pork business
OCF ¥55 billion	Investments ¥57 billion	- Purchasing of PPE to improve production efficiency and capacity - Environment-related - Upgrading/replacing aging PPE
	Building a foundation for growing existing businesses ¥24 billion	
	Shareholder returns ¥12 billion	Dividend per share: ¥80 (¥4 billion per year)
	Dividends ¥12 billion	

Some ¥33 billion of the cash to be reinvested will be allocated as strategic investments to improve our long-term growth prospects. The investments will include capitalizing on opportunities to drive overseas growth (we are particularly thinking of M&A-led growth), digital transformation, research and development, improving integration in domestic pork production, and other investments concentrated in sectors where we can build competitiveness in the future.

For digital transformation, we want to launch, by the end of fiscal 2025, the Prima Next Project. The project will upgrade core systems and digitally transform work processes. By doing so, the project will radically improve the profitability and capital efficiency of our businesses.

For product development, the Development Division has launched a project to visualize tastiness. The project is an unprecedented attempt to scientifically quantify the five taste sensations. The project is beginning to bear fruit. We will keep investing in such research and development so that the findings can be used to guide the development of new products or the improvement of existing ones.

Active environmental investments and a sustained commitment to non-financial disclosures

To address risks related to climate change, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures in September 2022 and now incorporate climate-related risks and opportunities into our business strategy. In April 2025, we endorsed the Taskforce on Nature-related Financial Disclosures. Since then, we have been working on incorporating nature-related information into our disclosure activities.

As an organization with a fresh meat business, we take animal welfare very seriously. In July 2024, we established the Prima Meat Packers Group Animal Welfare Policy. Aligned with

international standards and policies set by Japan's Ministry of Agriculture, Forestry and Fisheries, the policy sets out measures such as improving animal feeding practices and using free-access stalls.

As well as offering cost benefits, these actions are increasing the value of our organization. We will engage with ESG rating agencies and actively disclose non-financial information to earn the confidence of markets and the public.

We make investment decisions according to a broad set of criteria, including considerations such as return on invested capital, net present value, expected return period, and contribution to reducing environmental impacts. Major potential investments must be vetted and approved by the Business Review Committee.

Engaging with shareholders and investors as part of our commitment to long-term value creation

Our organization places importance on returning profits to shareholders, and dividend policy is a hot topic in boardroom discussions. In fiscal 2024, we raised our benchmark for consolidated payout ratio from 30% to 40% with a view to delivering stable and continuous dividends. The medium-term business plan allocates ¥12 billion to be returned to shareholders over the three years. Over that period, we will deliver generous shareholder returns and increase shareholder engagement.

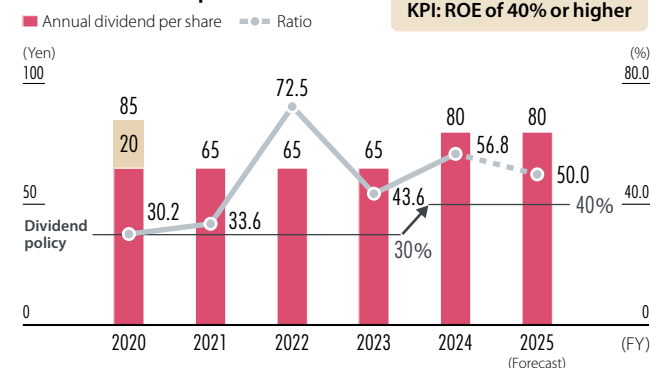
Improving engagement with investors is critical to sustaining our growth in the future. We are working to create more opportunities for engagement to give investors a better idea what of the competitive advantages we will leverage to deliver our corporate vision and how we will sustain our business growth. You can expect us to engage much more from now on.

As well as using integrated reporting, financial results briefings, and other means to actively disclose information, we are

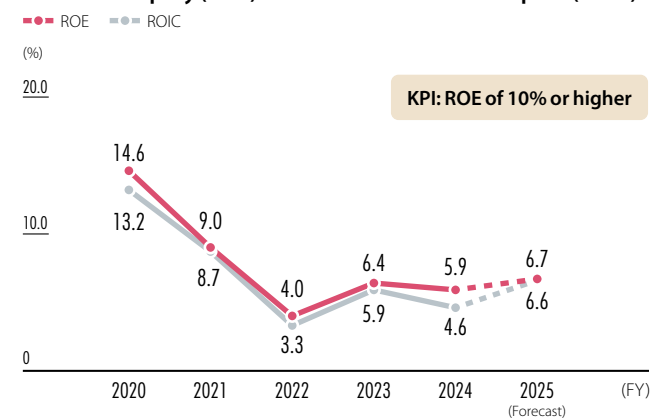
developing new actions related to engagement, such as ensuring that valuable feedback shareholders provide to us in the course of our interactions is incorporated into boardroom discussions.

As we continue to strengthen our earnings base and use growth investments to expand our business portfolio, we will also remain committed to increasing return on equity and driving long-term value creation to earn the trust of society at large.

Annual dividend per share / Ratio



Return on equity (ROE) and return on invested capital (ROIC)



Capital Assets

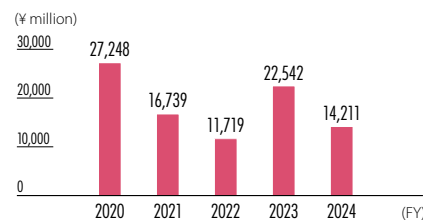


Financial capital

Fortifying the business foundation to fund strategic growth

One of our core strategies set out in the Medium-term Business Plan is to enhance the business foundation. In fiscal 2024, we posted annual operating cash flows of ¥14.2 billion. We are reinvesting the operating cashflows into activities for expanding operations and increasing growth prospects while monitoring investments more closely to ensure capital efficiency.

Cash flows from operating activities (consolidated)



In each of the past five years, we generated more than ¥10 billion in operating cash flows. While maintaining this fiscal health, we will invest toward higher growth.

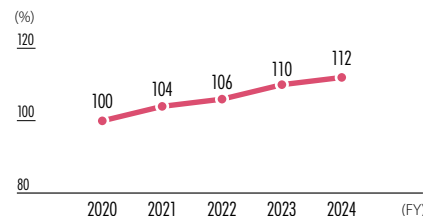


Manufactured capital

Leading the industry in production efficiency

In the processed foods business, we are building an efficient production system by using automation and streamlining plant production. In the fresh meat business, we are building an integrated system of domestic pork production. Our ham and sausage plants are taking ongoing actions to improve the efficiency of production lines and increase output, enabling a higher production volume.

Production volume over past five years (non-consolidated) With production volume in fiscal 2020 scaled at 100



Production volume rose each year thanks to more efficient production in the processed foods business. We will continue to invest in facilities and take other actions to make our production activities more efficient and our business more competitive.

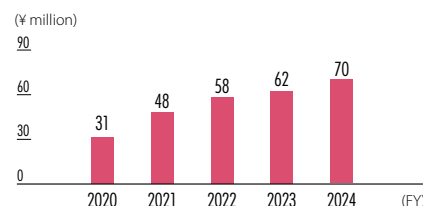


Human capital

A diverse, inclusive, empowering workplace

We have launched a program to strategically and systematically develop our leadership talent pool and build a more globally fluent workforce. Alongside this, we are cultivating an organizational culture that cherishes diverse backgrounds and experience. We also have a program to support employee satisfaction (the Employee-satisfaction Revolution Project) and a program for developing employee career paths.

Training expenditure (non-consolidated)



We provide a workplace in which a diverse mix of employees feel empowered and engaged. We also provide a range of training programs and follow-ups to help employees grow professionally.

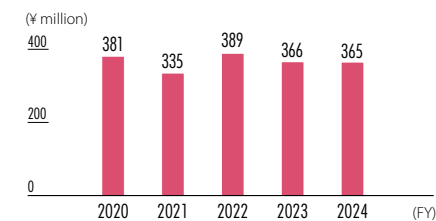


Intellectual capital

Embracing technology and innovation

We recently started developing health-oriented foods, including sugar-free products and reduced-salt products. We continue to research a tastiness-visualization (quantification) method whereby the tastiness of a product can be evaluated objectively and precisely. We also use information and communications technology for saving labor and enabling the production of high-quality products. Alongside this, we engage in joint research with academia to develop high-quality products and enhance quality management.

R&D expenditures (consolidated)



We actively invest in research and development. Our budget covers basic research, such as advanced techniques for processing/producing meat. It also covers applied research, such as practical solutions for developing and producing products.



Social capital

Trusting stakeholder relationships

To strengthen and expand our supply chain networks for raw meat, we work closely with fellow members of the ITOCHU Group, engage in joint product development with partners, and engage in joint research with universities and research institutions. We also sponsor popular theme parks. These sustained collaborative ties have enhanced trust and love for the Prima Meat Packers brand—and a beloved brand is a priceless asset.

Main suppliers (non-consolidated)



Our geographically dispersed supply networks give us the flexibility to choose just the right raw materials for each product. They also disperse the procurement risks, enabling stable supply and business continuity.



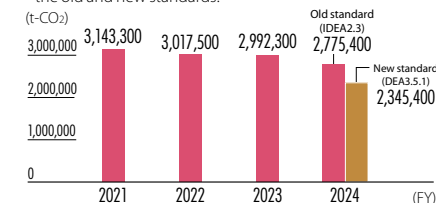
Natural capital

Fulfilling our environmental responsibility

We work to acquire the technology and expertise to make our businesses greener. Our efforts include consuming less energy during production, reducing greenhouse emissions, using more renewable energy, cutting waste, and using less plastic packaging (or using recycled plastic packaging).

CO₂ emissions (Scope 3) (non-consolidated)

* In fiscal 2024, we changed the standard for measuring emissions. For that year, we have shown the results under the old and new standards.



The data for fiscal 2024 includes Scope 3 emissions. In that year, Category 1 (purchased goods and services) accounted for more than 80% of total Scope 3 emissions. We commit to reducing emissions across our value chain.

Processed Foods Business

Automating Production Lines

With Japan's workforce shrinking, it is necessary to dramatically increase productivity. That is why Prima Meat Packers Group is taking on the challenge of using AI and robotics to automate our production lines. Such automation will free up employees to focus on high-value tasks, reduce waste, and contribute in other ways to a more sustainable form of manufacturing.



Ibaraki Plant

Automating boxing with our own technology

At the Ibaraki Plant, we are working on innovations to improve productivity and save labor. For example, we have installed an automatic boxing device on the vacuum-wrapping line, which slices up pork loin and bacon. We initially faced a problem: Conventional robotics had proven inadequate for shrink-wrapping our sliced pork loin and bacon products, as these products vary considerably in weight (weighing between 160 grams and 400 grams) and vary also in thickness and shape.

To address this problem, we worked with a machinery vendor to install a new type of device for automating bundling and boxing. We also developed our own method for optimizing the flow from the packaging machine to the automatic boxing machine. Alongside this, we modified the pitch intervals and installed a separation device. These actions proved successful in overcoming the technological hurdles. Consequently, the automated boxing eliminated the need for a human employee to manage the task and reduced cardboard packaging costs. The boxing device is highly accurate, packing the right number of items in more than 99% of cases. In this way, we have made progress in transitioning to a smart factory.



Takuho Arase

Production Technology
Section 2 of the
Production Technology
Department,
Ibaraki Plant



Kagoshima Plant

Optimizing efficiency in the retort pouch packaging

At the Kagoshima Plant, we are working to maximize production efficiency in the retort pouches for food trays. In this process, 50 packs of food are bundled into an aluminum tray called a *seiro* (the Japanese name for stackable bamboo steamers used in Chinese cooking). The *seiro* are stacked, with 17 *seiro* in each stack, and sent to the retort machine. The challenge we faced was how to automate this process without reducing efficiency.

Machinery vendors were unable to automate the process with the existing tray shape and number of stacked *seiro*. However, we discussed ideas among ourselves and designed an original robotic system for the task. The system eliminated the need for intensive manual labor in the process of stacking the heavy *seiro* and improved efficiency without reducing production capacity. Having developed this innovative device for automated stacking, we are now considering introducing it into other lines as part of our transition to a smart factory.



Tatsuya Kazuyori

Sub-Section Leader
Development and
Machinery Section 1,
Manufacturing and
Technology Department



Hokkaido Plant

Automating the production of diverse items

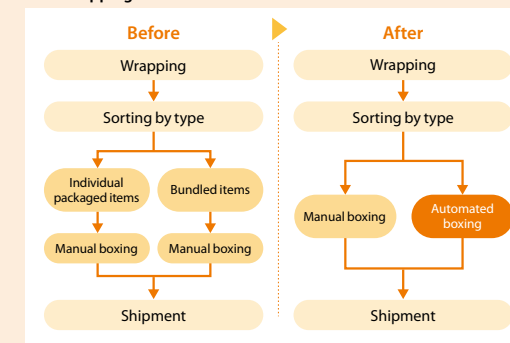
At the Hokkaido Plant, we are innovating the production lines that supply products in the processed foods business. A key challenge we faced was how to automate the process of boxing sliced ham products. Automation was unfeasible with conventional robotics because space was limited, the items vary considerably in weight (weighing between 160 grams and 400 grams) and vary also in thickness and shape.

To overcome these bottlenecks, we teamed up with a machinery vendor on a new type of device for automated bundling and boxing. We also developed our own method for uncluttering the flow—for optimizing the flow from the packaging machine to the automatic boxing machine. These actions enabled us to overcome the technological hurdles. Our robotics system eliminated one manual job. Additionally, by cutting cardboard packaging costs, it enabled us to switch to a more cost-efficient approach. The system is driving our transition to a smart factory with high productivity and cost-competitiveness.



Shuhei Yawata
Production
Technology Section,
Hokkaido Plant

Post-wrapping flow



Using our market dominance to navigate a time of transition

Using retail partnerships to leverage our market dominance

In fiscal 2023, Koukun® Sausage topped the pork sausage category in number of units sold, according to point-of-sale data by KSP-SP.^{*1} Then, in fiscal 2024, it became number one in the market category for ham, sausage, bacon and roast pork products, according to an SCI consumer panel by Intage.^{*2}

These successive number-one results prove that the Prima Meat Packers brand has attracted greater awareness and confidence. Volume sellers are increasingly nominating us as a category captain, meaning that they give us a big role in determining where the products appear in the store and in designing in-store promotions. We will continue to build on the momentum generated by our number-one position and work all the more earnestly with retailers to build win-win partnerships.

^{*1} Source: Point-of-sale data by KSP-SP (number of units sold in the pork sausage category between April 2023 and March 2024)

^{*2} Source: Results of SCI consumer panel (a national consumer panel survey provided by Intage) on the amount consumers spend on ham, sausage, and bacon products between April 2024 and March 2025.

Yuji Shinkawa

Senior Managing Executive Officer
Head of Sales Division

Yuji Shinkawa has extensive expertise in marketing and sales. He previously headed the Company's Chubu Branch and East Japan Branch, and has headed the Sales Division since April 2021. Since joining the Company, Mr. Shinkawa has devoted himself to sales, forging relations with numerous business partners.

Full automation and streamlining in view of future labor shortages

On the production side, a challenge we have faced is Japan's shrinking workforce. We are addressing this problem by using AI and other technological innovations to automate production technology and increasing efficiency over the medium- and long-term. This strategy involves installing automated machinery that makes decisions by itself. It also involves using digital data to improve the quality of management processes. These actions will make our production systems more sustainable. Alongside this, we are bolstering our organizational clout by enhancing training, upskilling employees, and improving employee retention.

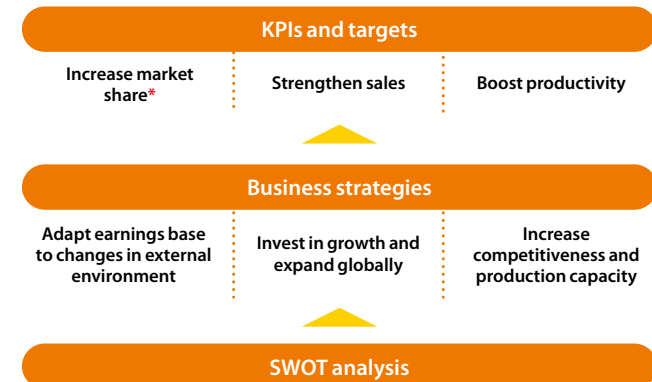
The Japanese market is decreasing as the population shrinks. To offset this risk, we are turning to overseas markets. That is, we are stepping up global expansion by founding overseas subsidiaries and exporting products. While doing so, we are also studying country-level standards for product compositions and quality and laying the organizational groundwork for selling our products in more overseas markets.

Toshihiro Tago

Senior Managing Executive Officer
Head of Production Division

Toshihiro Tago has extensive expertise in the Company and in the industry. Mr. Tago has worked in frontline production and at the Corporate Strategy Department. He has also served as foreperson at the Ibaraki plant. He has headed the Production Division since April 2021.

Future vision Support healthy and vibrant diets, adapting to diverse needs



Strengths

- The Ibaraki plant and others boast superior productivity and competitiveness.
- Our cutting-edge tech and equipment allow us to differentiate our products.
- We have an integrated system of development, production, and sales.
- We have deepened our client relations through our pitching and through top-to-top selling (when the top executive sells directly to the buyer's top executive).
- We use our sponsorships to promote our products.
- We have a flexible production system in which we monitor trends among our vendors and then quickly launch products tailored to these trends.
- We have proprietary tech for developing our own production equipment.

Opportunities

- Demand for eating out and leisure is high among international visitors to Japan.
- Markets and distribution networks could change in our favor as we enter the new normal.
- We could boost sales by embracing e-commerce.
- The health-conscious market is growing.
- Overseas markets offer rich opportunities.
- Technological innovation could transform production processes

Weaknesses

- We face higher costs in procuring raw materials and products from overseas suppliers.
- Swine disease can impact supply and market conditions.
- Most of our products, by their nature, have a short life and require refrigeration.
- We have few e-commerce opportunities.
- Some of our plants are aging and some equipment has deteriorated.

Threats

- Raw material prices, oil prices, and distribution costs are soaring amid turbulent exchange rates (the low yen).
- Supply crunches and outbreaks of swine disease could drive up competition in procurement in Japan or overseas.
- Price wars can easily occur in our industry.
- We may struggle to negotiate price increases.
- Japan's shrinking population is creating a labor shortage and diminishing domestic demand.

Looking back
on fiscal 2024

Improving Production Capacity Amid a Wave of High Costs

Processed Foods Business

Ham and
sausageProcessed
FoodsB2B (sales to
retail vendors)

Net sales

¥313.5 billion

Change from previous year:

Up ¥1.3 billion

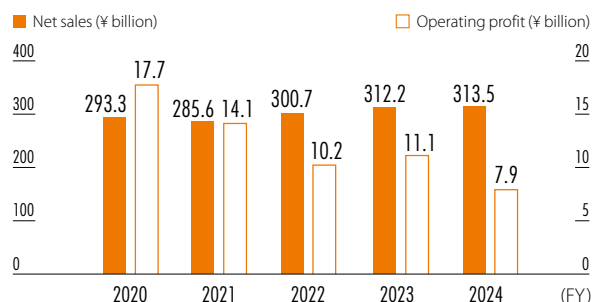
Segment's operating profit

¥7.9 billion

Change from previous year:

Down ¥3.2 billion

Annual comparison in net sales and operating profit

Solidifying the earnings base in
challenging external circumstances

In fiscal 2024, the external business environment was tough, with high costs and with consumers tightening purse strings amid inflation.

Nonetheless, Prima Meat Packers's products topped the ham and sausage category and increased their share of the market by 1.4 percentage points compared to their share in the previous year. We developed aggressive promotional campaigns and delivered added value to build the audience for our products. Fiscal 2024 was also a year that saw the introduction of regulation limiting truck drivers' working hours. Accordingly, we increased truck loading efficiency to reduce workloads and streamlined logistics processes.

For our popular Smile Up! series, we successfully developed two brands adapted to retail stores, culminating in double-digit sales growth.



Investment to drive growth; expanding overseas

We are seeing steady sales growth on Takegishi Meat Packers, an e-commerce website we launched in December 2023. The

website's Instagram account is also making a big impact. In fiscal 2025, we transferred management of our e-commerce operations to the new Marketing Division so we can respond to customer demands quicker and be timelier in product development.

As for the overseas business, Rudi's, our Singapore-based subsidiary, worked with a Thai affiliate to establish a new sales route. Specifically, the affiliate now produces yakitori (skewered and charcoal-grilled chicken) and karaage (Japanese-style fried chicken) products using Japanese technology to create added value. The products are then imported to Singapore and sold there by Rudi's. In this way, we have formed an important foothold for future global expansion.

Improving competitiveness and
production capacity

We are also boosting production capacity across a wide range of areas. In fiscal 2024, we saw strong sales of sliced pork loin ham. In fiscal 2025, we are boosting production capacity and making other improvements with a view to increasing the product's sales volume. For our big-seller Koukun® Sausage, we increased line speed to boost production capacity, enabling a higher level of production.

For block bacon, we reconfigured production lines to boost production capacity. For the yakitori tray packs we sell to convenience stores, we boosted production capacity significantly to capitalize on the explosive growth in demand. Similarly, we boosted line capacity for our steamed chicken strips in view of their strong sales performance. We approach such tasks through Prima Innovation*, our process for cutting inefficiencies and improving productivity.

* Prima Innovation is a series of practices for improving performance in quantitative metrics, which may include operation rate and work efficiency rate.

Looking ahead

Increasing Investment in Growth and Updating Internal Structures

Strengthening sales operations from multiple angles

Until fiscal 2025, we had a marketing department under the Sales Division. In fiscal 2025, the department was established as a separate division, the Marketing Division, to enable us to respond to customer demands quicker and be timelier in product development. The division will analyze a range of datasets and back up the sales teams as they make their pitches to customers.

We are also going to expand our lineup of high-priced products to help sustain our business growth. Alongside this, we will use our strategic investment budget to accelerate our global expansion with a view to establishing a new source of profit

Private evening party at Tokyo Disneyland®

We have served as an official sponsor of Tokyo Disneyland® and Tokyo Disney Sea® since the parks first opened. We use the sponsorship to organize events held at the parks that create opportunities for direct interaction with our customers. Since fiscal 2014, we have organized a Private Evening Party every year for our customers and downstream supply-chain partners. In fiscal 2024, we held the 11th such event.



A private event at Tokyo Disneyland® (October 17, 2025)

growth by 2027. To disseminate our brand among a wide range of customers, we will continue and strengthen our promotional campaigns, such as offering tickets to Tokyo Disney Resort®. For example, in fiscal 2025, we will revive our promotional campaign offering private Yoshimoto theater events.

Expanding in processed foods and food services

We have identified delicatessen as a market with bright growth prospects. Fresh food used to be divided into three main categories: fresh red meat and poultry, fresh seafood, and fresh vegetables. However, deli items make up an increasing share of fresh food, such that it is now common to delineate delicatessen as a fourth category. Considering this market trend, Prima Meat Packers is stepping up efforts in the deli sector.

In fiscal 2025, we began reorganizing the Food Service Department. The purpose of the reform is to bolster our food services, and this involves establishing two food service departments. This new organizational arrangement will enable us to penetrate the food services sector more aggressively and expand our business portfolio.

Global expansion

Singapore has a large market for Halal foods (foods that Muslims are permitted to eat under Islamic law). To offer Halal options is to have an advantage in this market. However, the Halal market is off-limits to Rudi's (our subsidiary in Singapore) inasmuch as the subsidiary handles pork. We are therefore working on plans to establish another sales channel that can reach the Halal market.

We will also work closer with a Singaporean production subsidiary on technological tasks. This partnership is part of our localized approach to disseminating Japanese technologies and approaches. In this approach, rather than applying Japanese

technologies and methods as they are, we adapt them to local circumstances. Our Thai affiliate has already begun developing products that incorporate Japanese product-development knowhow. The affiliate has important advantages: High-quality raw materials are cheaper in Thailand than they are in Japan, and a meat packer is located near the production location. These advantages enable the associate to use fresh raw materials and produce high-quality products.

Talent development as a means to strengthen production

In terms of talent development, we will provide training to help employees grow so that they gain a sense of growth and accomplishment. We will also use employee training to make our organization more dynamic.

Fiscal 2024 saw the launch of a training program led by the Production Division with a view to providing a program that is highly granular and adapted to each employee. The program has three components: 1) a course designed to help managers update their skillset (Section-Leader Plus), 2) a course to prepare sub-section leaders for management roles, and 3) a professional training course. These courses include sessions led by external and internal instructors with expertise in the technology concerned. Such training will help create a workplace atmosphere in which employees, simply by being in the Company, feel naturally motivated to develop themselves.

As more operations become automated, it will become increasingly important to have basic knowledge for managing production lines and the like. We will continue to provide training that supports each employee's growth in order to improve employee retention and with a view to making our organization more dynamic.

Fresh Meat Business

Reorganizing the Pork Division to Enable a More Market-targeted Approach

To improve profitability in the fresh meat business, Prima Meat Packers divided its Pork Division into the Domestic Pork Department and the Imported Pork Department. This change will enable us to tailor business strategies to the needs of domestic and international markets, leading to stronger sales power and profitability.



Putting the business on the path of profit growth

For 10 or so years, the fresh meat business struggled to grow its sales and operating profit. We urgently need to increase sales volume and profit margin. We must also adapt to Japan's changing market landscape, by which I mean the country's shrinking and aging population. With a view to strengthening the fresh meat business as a whole and pursuing sustained growth, we established two new departments: the Domestic Pork Department and the Imported Pork Department.

The Domestic Pork Department will increase integration upstream and downstream in our supply chain—from operations in our Group farms to processing, logistics, and sales—in order to maximize profit per head. The Miyagi Farm, which entered full service in fiscal 2023, is making headway in its production and sales plan. The department will also oversee operations such as retail-ready packaging, pork exports, and the use of offal. By pressing ahead with these operations, we will contribute to the profit growth of Prima Meat Packers Group as a whole.

As for the Imported Pork Department, this department will focus on launching new imported pork brands to supplement the North American brands. These will include Mexican-produced pork brands and EU-produced pork brands. A diversified supplier network will help us strike the right balance in our procurement activities and make our supply chain more resilient against price fluctuations and the risk of disease outbreaks.

Under our new organizational structure, we will work to develop new products aligned with consumer demand and open new sales channels in order to take the fresh meat business to the next level and set it on the path of sustained growth.

Meat Business Division

Domestic pork production

Domestic Pork Department



- Integrate processes from production to sales
- Increase productivity and ensure supply continuity
- Develop original brands
- Integrate sustainability into strategy

Imported pork production

Imported Pork Department



- Build and strengthen a diversified supply network
- Rigorously control and improve profitability
- Adapt actively to market trends
- Improve sales volume and profit margin
- Optimize inventory and loss management

Integrating manufacturing with sales—upstream with downstream

In Domestic Pork Section 2, our role is to optimize the entirety of the domestic pork production business by coordinating production operations in farms and processing plants (upstream and midstream operations) with sales (downstream in the supply chain), which is something the Company has struggled with in the past. We now use monthly production-sales meetings and monthly supply-demand reporting meetings to ascertain workplace realities and confer. This approach is helping us formulate a strategy for contributing to the organization's overall profit growth. I, for one, attend seminars and events featuring hands-on experiences at pig farms in order to deepen my knowledge and get a real feel of the issues that are not always apparent when you sit behind a desk. These insights help us make the business as a whole more competitive.



Hiroaki Keruma
Domestic Pork Section 2,
Domestic Pork
Department

Ensuring a stable supply of competitive imported pork

With the international landscape changing day by day, we have a mission to ensure continuity in the supply of imported pork. The newly established Imported Pork Department is working flat out to develop new supply partners in Mexico, the EU, and other regions to supplement those we have in North America. We will work closer with ITOCHU Group and hone our product knowledge and ability to analyze markets in an effort to forge strong relationships with suppliers around the world. We will never let up in our efforts to provide a stable supply of imported pork products that are high in quality and competitive so that Prima Meat Packers's fresh meat business grows with greater vigor.



Shunta Yamada
Sub-Section Leader
Imported Pork Section 1,
Imported Pork
Department

Growing the fresh meat business by strengthening the business foundations and improving profitability

Backcasting from our upcoming centenary with a view to achieving sustained growth

For some years now, the fresh meat business has contended with high prices in overseas meat markets and exchange rate fluctuation with the weak yen. Conditions remain tough as ever, with record summer temperatures impeding productivity and with pork prices in Japan fluctuating dramatically. Consumer preferences have shifted from beef to pork and from pork to poultry, prompting a shakeup of sales locations and products in the distribution sector. It is therefore more important than ever to adapt to the many market changes.

Despite these headwinds, Prima Meat Packers's fresh meat business performed well. We increased sales volume such that net sales reached ¥144.2 billion, a 6.3% increase from the previous year's level. We also achieved ¥1.2 billion in operating profit, 42.8% up from the previous year's level.

Committing to even greater growth and profitability, we have set the following targets for fiscal 2025: ¥145 billion in net sales, ¥2.4 billion in operating profit, and 1.7% in operating margin. We are now underway with structural reform and strategic investment in order to achieve these targets.

In 2031, we will celebrate our centenary. Having envisaged the kind of organization we want to be in that year and backcasted from that future vision to the present, we now commit to putting the fresh meat business on the path of sustained growth.



Makoto Amino

Senior Managing Executive Officer
Head of Meat Business Division

Makoto Amino has extensive experience in general trading and Prima Meat Packers' fresh meat business. Mr. Amino became the head of the Meat Production Department in April 2021. He assumed his current post in April 2023.



Strengths

- We have integrated all operations in domestic pork production across Japan.
- We have solid relations with overseas suppliers.
- We have a sales network among volume retailers across Japan.
- We have a top share in the processed foods market.
- We have a small but talented sales team, enabling high productivity.
- We have our own e-commerce website.

Weaknesses

- We have no sites for producing beef or poultry.
- We own only a few meat production sites overseas.
- Our sales portfolio is unbalanced.
- Our sales and distribution networks are limited.
- The age distribution of our employees is unbalanced.

Opportunities

- We have a collaborative relationship with ITOCHU Group.
- We can use AI to boost productivity.
- Inbound-tourist demand is rising.
- Consumer attitudes about animal welfare are changing.
- Growing interest in health is increasing meat demand.
- Labor shortages are reshaping demand among our clients.

Threats

- With developments in the financial landscape, increasing importance is placed on profitability.
- Japan's agricultural workforce is shrinking.
- Livestock diseases are becoming more widespread.
- The Trump tariffs are reshaping global markets.
- The protracted weak yen has diminished purchasing power.
- Inflation has reduced consumer confidence.

Looking back
on fiscal 2024

Sales Growth in Each Brand, Stronger Domestic Pork Production

Fresh Meat Business

Fresh Meat
SalesHog Farming
Business

Net sales

¥144.2 billion

Change from previous year:

Up ¥8.5 billion

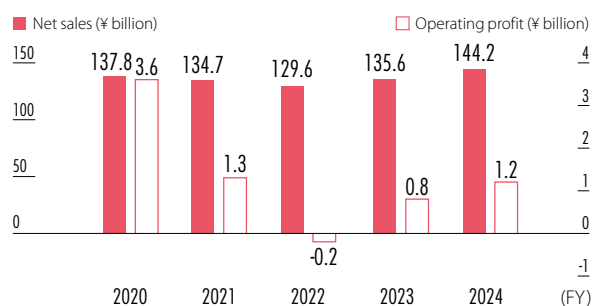
Segment's operating profit

¥1.2 billion

Change from previous year:

Up ¥0.4 billion

Annual comparison in net sales and operating profit



Strengthening sales and product development

In the imported pork sector, where we excel, we launched and aggressively marketed new imported pork products supplied primarily by HyLife, a Canadian pork producer and fellow member of ITOCHU Group. These efforts culminated in huge growth in sales volume. As for domestic pork, we exceeded our targets for Megumi-no-Kurobuta, one of our original domestic pork brands.

As for the beef sector, we continue to face tough conditions such as defensive spending patterns, a scaling down of cattle ranching in North America amid dry weather, and the weak yen. Nonetheless, our sales volume in fiscal 2024 remained at the level of the previous year, and sales increased from the previous year's level in our Japanese beef brand, Akita Beef, and our Australian brand, Limestone Coast Black Angus.

Amid unstable exchange rates, demand for poultry rose and we achieved significant sales-volume growth in our original brand of Thai-produced chicken, Komedori. On the organizational side,



we continued holding product-marketing meetings and meetings on how to close the gap with our goals for improving profitability. In this way, we continued to strengthen coordination between sales and product teams.

Building up the Japanese pork production business

We are committed to improving our domestic pork production business, but this task is a major, multi-year project, which will take time to produce results. Nonetheless, the business delivered higher profit than it did last year, helped by the fact that market prices remained steady despite animal-feed prices remaining high. We succeeded in increasing pig shipments following efforts taken in our existing pork farms to improve productivity and quality. The sweltering summer of 2024 impeded fattening and breeding. In the current fiscal year, we will take action to deal with the effects of increasingly hot summers.

As part of our commitment to animal welfare, we established the Prima Meat Packers Group Animal Welfare Policy in July 2024. As this policy illustrates, we follow animal welfare standards aligned with the codes of the World Organization for Animal Health (WOAH) to improve the welfare of animals under our control. Nikushitsu Kenkyu Farm uses free-access stalls in its Kurobuta pork breeding site to allow sows to move freely during gestation, reducing their stress. We intend to install such animal-friendly systems in our new hog sheds.



Looking ahead

Increasing Competitiveness and Recasting the Fresh Meat Business

Strengthening sales and product development

We will continue taking strategic actions in the pork, beef, and poultry sectors to put the business on the path of sustained growth.

In our pork operations, we continue to face adversities. In particular, climate change has led to increasingly hot summers, impeding efforts to increase production output. We are making a concerted effort to deal with the problem. To build profit growth, we are taking great care to synchronize sales operations and pricing with demand trends. On the production front, we are working to increase pig shipments and build a sustainable procurement network, focusing on the Tohoku region, where temperatures are relatively moderate. While continuing to use our existing farms as breeding sites, we will reorganize and expand our farm network by using land with a reduced scale in Tohoku as fattening facilities.

Meat brands of Prima Meat Packers Group



We will also continue and expand procurement of HyLife pork. Alongside this, we will seek to establish a new critical supplier in North America.

For beef operations, the most important task is to increase sales volume. For wagyu, we are working to create more sales opportunities by promoting specific meat cuts in an approach tailored to specific contexts in which the meat is used. As for imported beef, with US beef becoming more expensive, we have eyed an opportunity to utilize our strength in Australian-reared beef. That is, we will aggressively promote the Australian beef as an alternative to North American beef. Alongside our upmarket line, Delicious Grape Finished Beef, in which we have a 20-year track record, we will strategically develop Limestone Coast Black Angus in an effort to increase the sales volume of imported beef.

Regarding poultry, we will continue increasing sales volume and developing new products with a view to improving profit margins.

To improve sales capacity across the organization, we are standardizing sales processes. As part of this, we have organized a salesmanship course for junior staff. The course is led by the department head.

Organizational restructuring to improve operating efficiency and enhance functions

Because Prima Meat Packers's pork operations include upstream operations, a plethora of problems arise when a single division manages both Japanese meat and imported meat. We have therefore opted for organizational restructuring, splitting the Pork Division into the Domestic Pork Department and the Imported Pork Department. This change will enable us to improve operational efficiency and have more highly specialized departments.

Section 2 of the Domestic Pork Department will unify the management of domestic pork operations from rearing to

slaughtering and processing. By formulating a strategy for, and strengthening management of, the hog farming business, the section will improve production output and increase profit growth across the upstream operations.

Meanwhile, Section 2 of the Imported Pork Department will focus on strengthening the procurement of the raw materials for ham and sausage products. The section will develop new procurement sources and develop and market innovative raw materials. It will also integrate procurement of raw materials for processing with the procurement of table meat in order to improve its negotiating leverage and increase efficiency in its procurement of raw materials.

A more sustainable business foundation, tighter Groupwide management

A growing crisis in the logistics sector has led to rising costs for storage and transportation. Accordingly, we are putting aside conventional approaches in favor of fresh ideas for tackling the problems and improving operations. We will continue our efforts in digital integration and bolstering the workforce as part of a multifaceted approach to addressing the challenges.

To bolster the workforce, we need to address the shortage of employees in their 30s and 40s and address the rising turnover rate among young employees. To these ends, we will work on measures for systematizing routine workflows to improve operational efficiency and measures for improving employee engagement. In this way, we will improve the workplace environment and improve employee retention.

Goals and Actions for a Stronger Workforce

Toward an employee-management model for autonomy and co-creation

Prima Meat Packers is committed to providing a workplace environment in which employees feel engaged and motivated to perform to the best of their ability. As part of this commitment, we launched the Employee-satisfaction Revolution Project in 2020 to improve employees' understanding of and identification with our vision and strategy. We discontinued the project in fiscal 2024 after achieving the project goals. However, our commitment to improving employee engagement remains ongoing. We will continue to use our internal web portal to broadcast messages from the top leadership and hold morning assemblies in an effort to encourage employees to engage actively.

With that said, we do face challenges in this regard. We have a shortage of employees in their 30s and 40s, having reined in recruitment during the mid-2000s. We also have a shortage of production engineers and IT engineers. To address these issues, we are actively hiring mid-career candidates. Among both new graduates candidates and mid-career candidates, many withdraw their informal job offer citing their misgivings about the possibility of being transferred. Accordingly, we are diversifying the career paths we offer.

In fiscal 2026, we will offer a career path to management to employees on a non-transfer arrangement.

Facing an increasingly globalized world, we are fostering a workforce with international perspectives by expanding our study-abroad program in which we offer employees the chance to learn a foreign language in North America. We also offer employees an online learning course produced externally. In this way, we are creating an environment with a wide range of learning opportunities.

Through rank-specific training and other programs, we want to establish an employee-management model under which employees think for themselves and act autonomously to co-create value. We will continue providing a workplace environment in which employees of all kinds can work with peace of mind, contributing to Prima Meat Packers's sustained growth.

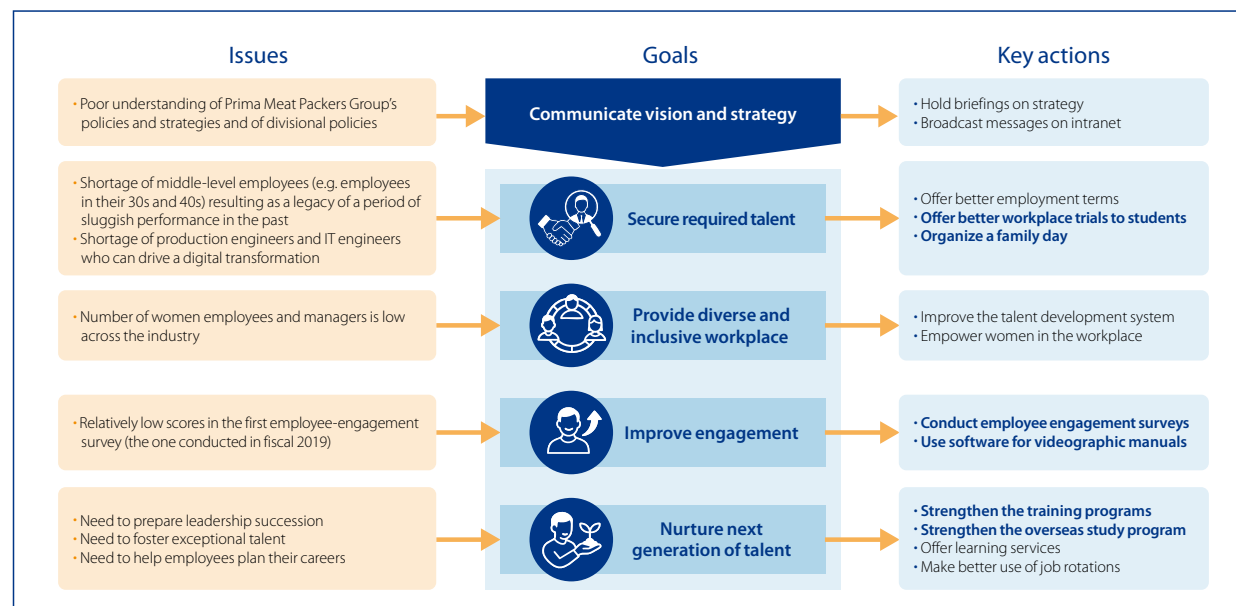
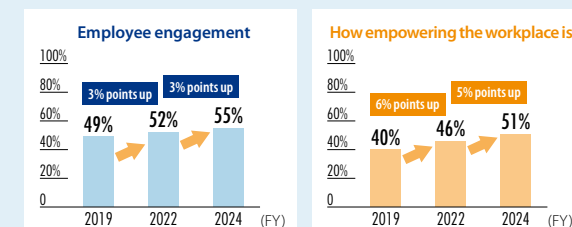
Jin Sato

Head of Human Resources Department,
Administration Division



Driving forward a project for improving employee engagement

In 2020, Prima Meat Packers launched the Employee-satisfaction Revolution Project to encourage employees to feel job motivation and a sense of accomplishment. This project sets out goals for addressing the workplace problems and improving employee engagement. In the employee engagement survey conducted in fiscal 2024, the total score for employee engagement was six points higher than it was in the first survey, which was conducted in fiscal 2019. The score for how empowering the workplace was 11 points higher.



Family Day: An opportunity for employees to think of their life plans

The Company is supporting employees' diverse workstyles. As part of this, we held our first family day at Shinagawa Head Office. The family day is designed to give employees an opportunity to think about their life plan. Employees who are parents of small children get the chance to familiarize their family members with the work they do at the Company, leading to better work-life balance. This initiative is provided in conjunction with measures to encourage men to take paternity leave and measures to increase the percentage of management posts that are held by women. In this way, we are fostering a corporate culture in which all employees feel able to continue their career without sacrificing their family life.





Using workplace trials to strengthen touchpoints with students

As part of our efforts to attract the next generation of talent, we have revamped our internship program (open company) for students preparing to enter the workforce so that it serves as a more effective touchpoint with such students. The sales and administrative teams organize several rounds of in-person sessions and give students a chance to tour our head office, participate in simulated trade negotiations, and gain experience in our fresh meat operations up close. We are making a particular effort to attract engineering talent, as we have a shortage of such. To that end, our open company program includes practical demonstrations in relation to our proprietary machinery, programming, and automated transport robots. The content is designed to actively showcase how Prima Meat Packers offers career experience in mechanical engineering and a place where STEM students can thrive.



Actively providing internships to strengthen touchpoints with students



Improving the level of safety training with a videographic manual



The videographic manual conveys motion and subtle nuances much better than a paper manual can, raising the quality of training.

To improve the quality of safety training for worksites and facilitate efforts to cultivate a diverse workforce, we started using a cloud-based system for producing video content. In this innovative system, you can create video content simply by using a smartphone to record content motions and subtle nuances that are hard to convey in paper manuals. The system comes equipped with automated translation covering more than 100 languages and has thus led to a dramatic increase in awareness among non-Japanese employees. It has also eased the burden on instructors. All in all, it has increased the level of safety. We are now working to standardize training quality with a view to increasing productivity and reducing future occupational incidents.



Rank-specific training to support self-led growth

We provide an integrated set of rank-specific training content designed to encourage employees to keep pursuing personal growth and contribute to organizational success. For managers, the training focuses on improving decision-making skills and ability to drive forward a strategy so that managers can act autonomously. For mid-ranking employees, the content introduces and underscores the importance of the concept of working identity, which is required for identifying problems independently. This content is designed to improve attendees' ability to execute business operations. The training involves casework, group discussions, and other experiential learning formats designed to encourage self-reflection, an identification with one's role and mission, and greater job motivation.



Resuming the overseas study program to foster a globally fluent workforce

An important task for Prima Meat Packers is to foster a workforce that can take on the challenges of a globalized business world. To that end, we resumed an overseas study program that offers employees a chance to learn a foreign language in North America. The program was suspended during the pandemic, but the relaunched program is an improvement on the original. Now, as well as language learning, attendees can have a range of experiences at the North American location, including club activities,

volunteering opportunities, and business analysis. These experiences give attendees broader and deeper global awareness. Attendees take TOEIC and SST tests before and after the overseas study program to test the learning efficacy of the program. We are using this program to assemble a team of globally fluent individuals equipped with both language skills and intercultural understanding. Such a team will serve as an important driving force in our efforts to develop businesses overseas in the future.



In January 2024, Prima Meat Packers sent Koki Katano to attend ICrest International LLC. He improved his TOEIC total score by 100 points and advanced by two levels in the SST. In the photo on the right, Katano appears in the center of the photo.

Sustainability at the Prima Meat Packers Group

Basic approach

Our business activities are driven by our belief that by achieving sustainable business growth, we contribute toward a sustainable society.

In September 2020, we undertook a materiality analysis to identify the risks and opportunities that will affect our growth prospects in the medium and long term and the define our material issues—the sustainability themes that we should prioritize along with our business strategies. In October 2021, we established the Sustainability Basic Policy, which serves as the fulcrum of our ongoing efforts to drive sustainable corporate development.

 **Sustainability Basic Policy**
<https://www.primaham.co.jp/en/sustainability/policy.html>

Organizational framework

To help us build medium- and long-term value, we established the Sustainability Committee in November 2021. A voluntarily established body for advising the Board of Directors, the Sustainability Committee advises the Board of Directors on goal-setting and action plans for the material issues. It also monitors progress in addressing the material issues and updates the materiality matrix when necessary. Additionally, it routinely reports on matters that the board seeks advice on.

The Sustainability Committee is chaired by the president and CEO, and its membership consists of senior executives and other managers. The committee has six subcommittees.

Material issues

In September 2020, we defined 10 material issues and set metrics and targets. Over the years that followed, we observed significant changes in the socio-environmental conditions and then added three more material issues. For the 13 material issues, we have set metrics and targets and are taking action to achieve the targets.

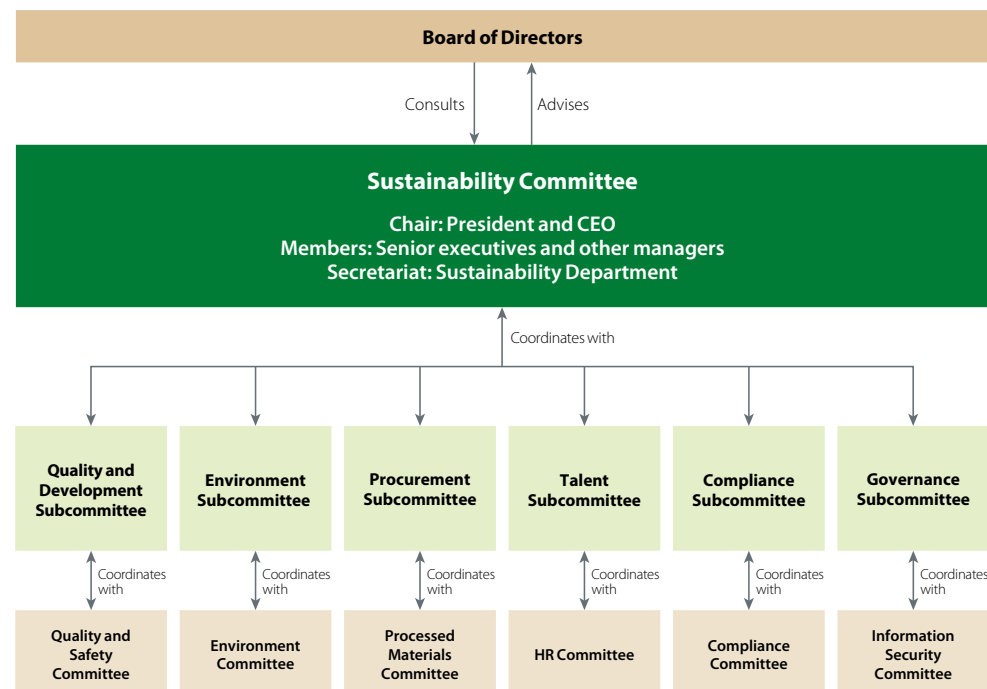
In addressing the 13 material issues, we follow a PDCA cycle in which the Sustainability Committee monitors the progress of each action.

 **Process for specifying material issues**
<https://www.primaham.co.jp/en/sustainability/process.html>

Sustainability milestones

September 2020	Material issues identified
October 2021	Sustainability Basic Policy set
November 2021	Sustainability Committee established
August 2022	Setting metrics and targets for material issues
December 2022	Disclosing information in line with the TCFD Recommendations
March 2023	Setting action plans
September 2023	Prima Meat Packers Group Human Rights Policy established Prima Meat Packers Group Procurement Policy established
April 2024	Prima Meat Packers Group Supplier Code of Conduct established Three issues added to set of material issues (reducing water usage, reducing plastic usage, safeguarding biodiversity) Prima Meat Packers Group Environmental Policy revised
July 2024	Prima Meat Packers Animal Welfare Policy established
April 2025	Information disclosed in line with TNFD Recommendations.

Framework for sustainability management



Initiatives for the Material Issues

Category	Material issues	Metrics and targets
Creating healthy, well-rounded dietary habits ▶ p. 34 	Securing safe, reliable food	Food Safety Management System (FSMS) operating in all major plants and farms by end of fiscal 2030
	Recommending health-conscious products	Larger lineup of health-oriented foods
Contributing to global environmental protection ▶ p. 35 	Reducing greenhouse gas emissions at scopes 1 and 2	Fiscal 2030: GHG emissions from fossil fuel combustion in Japan (excludes emissions from overseas sources and from livestock) down 24.3% from fiscal 2021 level
	Reducing the volume of waste output	- Fiscal 2030: Plastic and food waste per production unit down 5% from fiscal 2021 level - At least 98% of food waste produced during production is recycled
	Reducing water usage	Fiscal 2030: Water usage (volume of water withdrawn per unit of product created) down 3% from fiscal 2021 level
	Reducing plastic usage	Less plastic used in packaging
	Safeguarding biodiversity	Impact on biodiversity lessened as a result of efforts to reduce greenhouse gas emissions, water usage, and waste
Strengthening supply chain management ▶ p. 38 	Achieving sustainable procurement of raw materials	- Procurement policy established for stable supply of raw materials - All tier 1 suppliers performing first-person audits
	Addressing animal welfare	- Directly managed pork farms compliant with feed management standards of the World Organization for Animal Health - Animal welfare used as a criterion in supplier selection
Creating a workplace that promotes job satisfaction ▶ p. 39 	Respecting and promoting diverse workstyles	- Fiscal 2030, Prima Meat Packers: 90% take up rate for paid leave and reduction in total no. of hours actually worked - Fiscal 2030, Prima Meat Packers: 100% take-up rate for paternity leave (at least five days leave) among full-time male employees, women account for at least 40% of new full-time employees - Fiscal 2030, all Group companies: 100% of employees receive training in human rights awareness, yearly process in place for human rights due diligence - Fiscal 2030, 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	Fiscal 2030, Prima Meat Packers: Women occupy at least 10% of management posts
	Occupational health and safety that focuses on mental and physical health	A program is in place to promote mental and physical wellbeing of employees and their families
Strengthening the management platform ▶ p. 40 	Strengthening corporate governance	- 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 - Expanded information disclosures in line with TCFD Recommendations and TNFD Recommendations

Key results in fiscal 2024
FSMS operating in 93% of major plants and farms
Launched two Foods with Function Claims
GHG emissions reduction down 22.0% (135,000 t-CO₂e)
- Plastic waste down 4.3% (33.1 kg/t) - Food waste down 4.7% (66.2 kg/t) 96.7% of the food waste recycled
Water usage up 5.0% (16.0 m³ / t)
Endorsed the TNFD Recommendations and published first TNFD-aligned report
- Prima Meat Packers Group Supplier Code of Conduct established (in April 2024) - Supplier survey conducted
Prima Meat Packers Group Animal Welfare Policy established (in July 2024)
67% take-up rate for paid leave
60.6% take-up rate for paternity leave - Women accounted for 36% of new full-time employees hired in fiscal 2025
Employees with disabilities accounted for 2.5% of workforce
Women occupying 6.0% of management posts



Creating Healthy, Well-Rounded Dietary Habits

GABA-rich food as our first Food with Function Claims

The Quality and Development Subcommittee focuses on one of Prima Meat Packers Group's material issues: recommending health-conscious products. In line with this theme, the subcommittee develops products that are health-conscious in four aspects: sugar-free, low in salt, protein-rich, and added functionality (extra health benefits). The Prima Healthy® logo is attached to products that satisfy our health-food standards. Under the Prima Healthy brand, we have developed pork products (loin ham and bacon) that are free of sugar and with 30% less salt. In fiscal 2022, our sugar-free bite-sized calpas sausage product (Japan's first sugar-free dry sausage) was honored at the 52nd Japan Food Industry and Technology Distinguished Service Awards (products and technology category).

We are also developing more environmentally friendly products. For example, we are using high pressure processing (HPP) to extend shelf life. In 2022, we reinvented the packaging for Koukun® Sausage. The new packaging has no drawstring tape and is smaller. In September 2024, we set a target of reducing use of plastic by 38.5%, and reducing annual CO₂ emissions by approximately 2,200 tons, compared to the level in March 2022.

In the spring of 2025, we launched two products classified as Food with Function Claims. The first is a tomato-flavored steamed chicken strip containing GABA.^{*1} The second is a ginger-flavored steamed chicken strip containing MCT.^{*2} To address concerns about future shortages of animal proteins, our policy is to conduct basic research into the next generation of plant-derived proteins and to engage in joint research with universities. Such alternative proteins are among the health-oriented food products we will continue to develop.

We will continue our two-track approach to innovation in health foods: something less (reducing the amount of salt in the product) and something more (fortifying the product with extra protein or adding extra nutritional or health benefits).

^{*1} GABA stands for gamma-aminobutyric acid, an inhibitory neurotransmitter. GABA is effective for reducing blood pressure and stress.

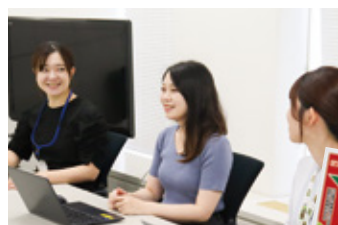
^{*2} MCT stands for medium-chain triglycerides, which are a form of edible oil. They are effective in burning bodyfat.

Teamwork helped us navigate uncharted waters

When we first began developing Food with Function Claims (FFC), no one in the Company had any knowledge about such products. We visited trade fairs and attended seminars to gain knowledge and then organized our own study meetings to disseminate the knowledge among the relevant departments. The project owes its success to our collaboration with the Quality Assurance Division, the R&D Center, and the Product Development Department.

When planning FFC products, we faced challenges we would not have faced with regular food products. For example, we had to work out how to ensure that the functional nutrients would remain effective after the food is cooked. We also had to minimize effects on flavor and mouth-feel. Additionally, the packaging would need to be designed in a way that communicates the health functions without misleading customers. To that end, we worked closely with the Quality Assurance Division to make sure the packaging communicates accurate information about the product's positive effects.

To me, the objective is to create a situation in which people would feel intrigued by the compelling nutrient function advertised on the package, buy the product, and then fall in love with the taste. Our team will continue to plan and develop products that meet customers' needs.



Working with staff from other departments



A quality assessment



Saori Takabatake

Section 1 of the Product Strategy Department



Developing products and technology aligned to support customers' health

Building on a concept that the Product Development Department derived from market analysis, the Product Development Department develops a recipe and preparation method, estimates costs, and works with the plant team to establish a safe production process. When it came to developing the FFC, it was important to ensure that the functional nutrients were distributed evenly, that the product retained a sufficient volume of active ingredients until the best-before date, and that the plant had a robust system of quality management.

Particularly challenging was the fact that the functional nutrients would, in some cases, detract from the product's physical attributes and flavor. To address this problem and make sure that the end product would delight customers, we ran numerous post-cooking quality assessments during the testing phase, focusing on flavor and five-sense impressions.

The Japanese market today features many FFC products, many in the form of dietary supplements and other processed foods. This trend reflects a growing interest in health among customers. I am proud that we have met customer needs with our own FFC products, the steamed chicken strip series.



Shunsuke Yamamoto

Sub-section Head
Section 1 of the Product Development Department
(now assigned to the R&D Center)



Contributing to Global Environmental Protection

Ibaraki Plant goes renewable in all energy purchases

The Environment Subcommittee met three times in fiscal 2024 to discuss efforts to achieve the goals for the following material issues: reducing greenhouse gas emissions, reducing the volume of waste output, reducing water usage, reducing plastic usage, and safeguarding biodiversity.

To reduce greenhouse gas emissions, we develop actions in a strategic manner, assigning order of priority, to ensure that the actions are effective and non-wasteful. We also consider how cost-effective the investments will be and what technological issues may arise. Recent actions include a phased replacement of refrigeration and freezing equipment, and the phasing out of ozone-harming fluorinated refrigerants, in plants.

In fiscal 2024, the Ibaraki Plant switched to renewable energy sources, and the renewable shift is being rolled out across other key plants. Of all our Group's plants, the one that consumes the largest amount of electricity is Prime Delica Co., Ltd. This plant has signed a solar power purchase agreement and taken other measures, with the effect that renewable energy now accounts for approximately 40% of the Company's energy.

As for reducing the volume of waste output, we commit to targets for reducing waste intensity and work on waste reduction initiatives that avoid compromising business growth. For reducing

food waste, each plant has taken the initiatives to develop an environmental management system. As of April 2025, 41.9% of the production sites across the Group are now certified to ISO 14001 (an international standard for environmental management systems) or Eco-Action 21 (a standard provided by Japan's Ministry of the Environment). To improve recycling of waste, we have piloted a new recycling method in some plants with a view to rolling it out across the corporate group.

To meet our targets set for fiscal 2030, we are accelerating the shift to renewable energy, testing the new recycling technology, and taking other actions with a long-term perspective and a PDCA cycle of continuous improvement. In this way, we are making a group-wide effort to address environmental issues.



A refrigerator that uses natural refrigerant
(Mie Plant)



Rooftop solar panels (Prima Fine Foods)

Reusing Sakura woodchips as farm fertilizer

Every month, the Kagoshima Plant generates some three tons of woodchip waste in the process of producing Koukun® Sausage (the woodchips are used to smoke the sausages). To put the woodchip waste to use, we launched a recycling project with our local recycling partner Shinkou Eco. In this project, the woodchip waste is used as fertilizer on a farm where Shinkou Eco cultivates takana (Japanese mustard greens). The harvested takana are pickled by a local pickler and sold by local retailers. In this way, we are addressing one of our material issues, namely reducing the volume of waste output, and contributing to a circular economy.



Actively incorporating the latest energy-saving tech in plants

As a member of the Environment Subcommittee, I propose ideas for achieving our CO₂ emissions targets and CO₂ emissions reduction targets in production. These ideas include tracking renewables as a percentage of our power purchases and using renewable energy. I also compose and distribute monthly reports to relevant departments featuring the amount of CO₂ emissions and reductions at each plant as well as progress on energy-saving initiatives.

Committed to achieving the reduction targets, each plant is engaging in energy saving and other initiatives to reduce CO₂ emissions, but outcomes are limited. Some years ago, we started having our plants generate renewable energy by rolling out solar energy systems, with all the generated power consumed at the plant. However, we will need to develop further measures besides this if we are to meet our reduction targets in the future.

In these activities led by the Environment Subcommittee, Group employees have shown an interest in sustainability that exceeded what I expected. They are thinking in terms of social sustainability as well as environmental sustainability.

Energy-saving technology advances day by day. My team and I will stay abreast of the latest developments in energy-saving technology and systems and actively incorporate the technology in a way that suits the realities of each plant.



Shinjo Koike

Section Head
Manufacturing and Facilities
Section of the Manufacturing
and Technology Department

Applying the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)



Endorsing the TCFD recommendations

Climate change is a serious global threat and one that drastically impacts business strategies and strategic planning across Prima Meat Packers Group.

In September 2022, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We now structure our disclosures around the four thematic areas that the TCFD recommends: governance, strategy, risk management, and metrics and targets.

Governance

One of the advisory bodies to the Board of Directors is the Sustainability Committee. This committee is responsible for coordinating action on material issues, including those related to climate change. For each material issue, it sets a goal, creates an action plan, monitors progress, and reports its findings to the Board of Directors.

In fiscal 2024, the committee met three times. During these meetings, the committee decided to update the set of climate-related risks and opportunities in view of changes in the external business environment, the opinions of external experts, and the results of scenario analysis based on past climate change data.

During meetings held in fiscal 2024 and fiscal 2025, the Sustainability Committee discussed the possibility of adding new targets for reducing GHG emissions. Following such discussions, the Board of Directors resolved, at a meeting held in July 2025, to add a new target for 2035.

Strategy

Our medium-term business plan commits us to taking action related to the carbon transition and circular economy. Under this policy, the Sustainability Committee and its subcommittees organize Group-wide action to fight climate change. Having identified the climate-related risks and opportunities that will potentially affect Prima Meat Packers Group, we use this information in our scenario analyses, in which we analyze future climate scenarios. We also run simulations to understand the financial impacts of the future risks. We then develop and implement measures based on the findings.

Read more about our scenario analyses on the following section of our website: Disclosing information in line with TCFD recommendations.

TCFD disclosures

<https://www.primaham.co.jp/sustainability/assets/pdf/data/tcfdreport2025.pdf> (Japanese only)



Risk management

The Sustainability Committee analyzes climate-related risks and opportunities and reports its findings to the Board of Directors. The Board of Directors reviews the findings, identifies areas of significant concern, and then makes decisions for planning and executing actions to address the environmental challenges.

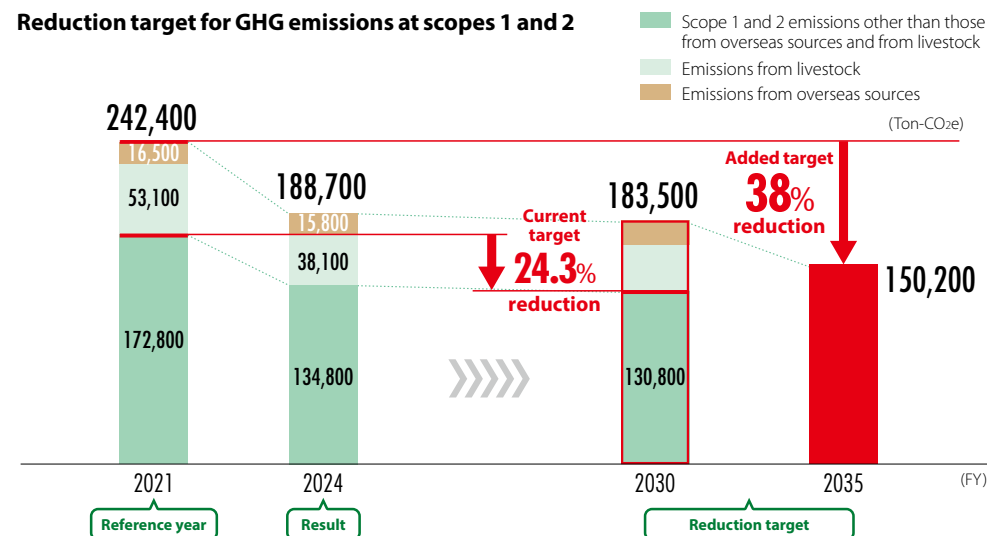
We define as an organization-wide risk any risk that could influence the operations or performance of Prima Meat Packers Group. Once the policies and plans are set, the Sustainability Committee and its subcommittees organize specific actions to address the risks.

Metrics and targets

Reducing greenhouse gas emissions is one of our material issues. We previously announced our commitment to an emissions reduction target for fiscal 2030. Adding to this commitment, we now additionally commit to a target for fiscal 2035: reducing GHG emissions at scopes 1 and 2 by 38% from the fiscal 2021 level (annualized at 2.7%, 150,200 tons-CO₂e). This target aligns with the Government of Japan's target for the same fiscal year. The target, resolved by the Cabinet on February 18, 2025, is to reduce GHG emissions by 60% (annualized at 2.7%) from the level in fiscal 2013. Our targets are for GHG emissions reported on a consolidated basis, including those from sources we previously excluded: emissions from overseas sources and from livestock.

In fiscal 2024, we invested in projects such as expanded procurement of renewable energy and phasing out fluorinated refrigerants. As a result of this investment, GHG emissions were down 9.9% from the previous year's level. We calculate and disclose our emissions on a consolidated basis. We will continue reducing GHG emissions across our value chain.

Reduction target for GHG emissions at scopes 1 and 2



Biodiversity (Task Force on Nature-related Financial Disclosures)



In order to understand our relationship with nature throughout the value chain and to transparently disclose nature-related risks and opportunities to our stakeholders, we have analyzed the relationship and disclosed relevant information based on the recommendations by the Taskforce on Nature-related Financial Disclosures (TNFD).

Biodiversity (Task Force on Nature-related Financial Disclosures)
<https://www.primaham.co.jp/en/sustainability/environment/tnfd.html>

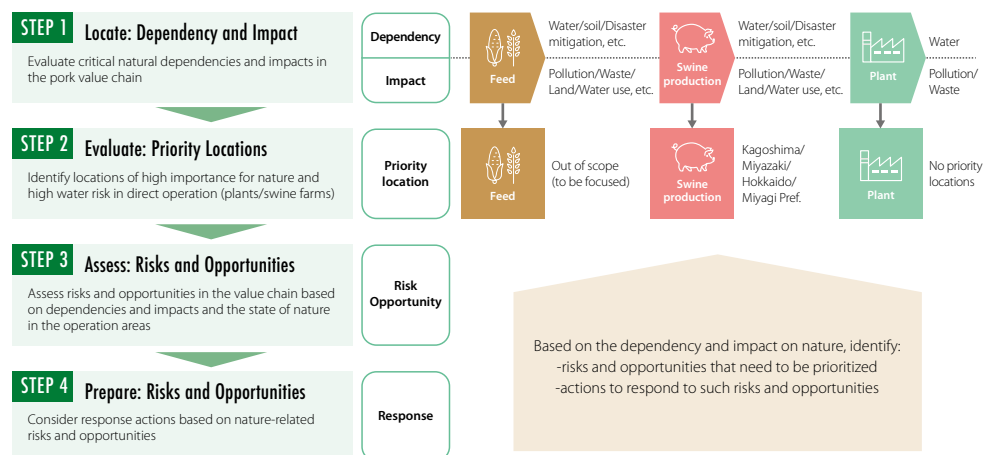
Overall steps to analyze nature-related issues

In analyzing nature-related issues, it is important to consider the relationship between the value chain and the nature in the locations where our business is operated. Our sustainability website includes a document titled “Disclosure based on TNFD recommendations.” In compiling this document, we followed the LEAP approach* recommended by TNFD to analyze the relationship with nature and examine the risks and opportunities based on the analysis. We focused on the pork value chain as a scope for the following reasons:

- Because the share of pork is high in the raw materials used in the Group's business, it is expected that the dependency and impact on nature through the pork business is higher than any other categories of business.
- Because the domestic pork is bred, produced, slaughtered, processed, and retailed in an integrated value chain (it has undergone integration), it is expected that the Group is most affected by the nature-related risks from the domestic pork value chain.

The Group recognizes the importance of understanding its relationship with nature throughout its entire business portfolio. We continue to expand and update the scope of the nature-related analysis in order to understand nature-related risks and opportunities across our entire business portfolio, thereby taking further steps to achieve both sustainable growth and nature conservation.

* LEAP is a systematic approach to assessing nature-related risks and opportunities, consisting of four phases: Locate, Evaluate, Assess, and Prepare.



Qualitatively assessing magnitude and likelihood, selecting items to prioritize

To identify a comprehensive set of nature-related risks and opportunities, we considered nature-related dependencies and impacts and business interfaces with nature across our value chain. We then qualitatively analyzed the magnitude and likelihood of each item and selected those to prioritize. We will continue to assess risks and opportunities, monitor international trends, and consult with internal and external stakeholders to develop specific actions.

Risks and response measures

	Risk classification		Description of risks	Impact on business	Response measures
Feed production	Physical	Chronic	- Decreased productivity and increased fertilizer inputs due to soil erosion and poor soil quality	- Increase in feed procurement prices - Decrease in feed procurement	- Establish a sustainable procurement system - Update and implement business continuity plans (BCPs) - Use domestic feeds (e.g. feed rice)
		Acute	- Lower production due to extreme weather and natural disasters - Decrease of transport due to lower water levels in rivers and canals caused by reduced rainfall		
	Transitional	Policy	- Hindering production due to restrictions on land conversion to agriculture	- Loss of sales opportunities	
		Market	- Change of market needs due to growing concern among society about the sourcing of raw materials contributing deforestation		
Swine production	Physical	Chronic	- Poor growth or spread of infectious diseases due to scarcity and poor quality of underground water - Increased costs for transport of groundwater, use of water supply, and maintenance of water quality	- Increase in pork procurement prices - Decrease in pork procurement	- Implement actions to save water - Implement disaster prevention measures - Update and implement business continuity plans (BCPs)
		Acute	- Nature degradation causes malfunction of disaster mitigation, leading to extensive damage to barns and farm animals - Increased costs for repairs		
	Transitional	Reputational	- Improper treatment of manure pollutes natural environment around farms and downstream areas, leading to increased complaints from local stakeholders	- Damage to reputation	- Implement effective wastewater management - Improve the capacity of wastewater treatment according to the scale of livestock production - Effective use of manure
		Policy	- Increased costs of wastewater treatment due to gradual stricter regulations of water discharge in livestock production	- Increase in pork procurement prices	
Plant	Transitional	Policy	- Increased costs of wastewater treatment due to high loads of wastewater treatment and stricter regulations	- Increase in manufacturing costs	- Invest in the carefully-planned replacement of wastewater treatment facilities

Opportunities and response measures

	Risk classification		Description of risks	Impact on business	Response measures
Feed production	Market		• Develop new crop species and agricultural production methods, and adaptability to the changing environment	• Stable procurement	• Promote sustainable procurement in response to environmental changes
Swine production	Resource efficiency		• Reduce costs by improving feed efficiency of hogs	• Improved reputation • Stable business of swine production	• Strict quarantine management • Health management and the improvement of immunity • Improve the breeding environment • Strict monitoring and control of odors • Use odor-improving materials and deodorizing device • Compost manure for use by farmers
	Technology		• Implement measures to avoid antimicrobial resistance through prudent use and reduction of antibiotics		
			• Mitigate the impact of odor to neighborhood communities through its reduction		
	Sustainable use of natural resources		• Promote resource circulation using manure		
Plant	Resource efficiency		• Reduce cost by improving the efficiency of water use in manufacture	• Reduction in manufacturing costs	• Measures for water saving
	Products/services		• Effectively use by-products and scraps generated in the manufacturing process and reduce food-loss through the improvement of product life span	• Improved reputation • New market opportunities	• Reduce food waste and increase recycling rate • Extension of best-before date and the development of products for long-term storage
			• Reduce plastics used in the products		• Reduce plastics in product packages • Use biomass materials in product packages



Strengthening Supply Chain Management

A PDCA cycle of continuous improvement

The Procurement Subcommittee focuses on two of the material issues: achieving sustainable procurement of raw materials and addressing animal welfare.

For sustainable procurement of raw materials, we are working to make our supply chain more resilient and sustainable by expanding supply sources, using multiple suppliers for each item, and incorporating environmental and human-rights criteria into supply chain evaluations along with price and quality criteria.

For the theme of addressing animal welfare, we are raising our animal welfare standards. As part of this, we have set our own criteria for protecting the Five Freedoms (five aspects of welfare for animals under human control), which are derived from the codes of the World Organization for Animal Health (WOAH) and the policies set by Japan's Ministry of Agriculture, Forestry and Fisheries. In July 2024, we established the Prima Meat Packers Group Animal Welfare Policy. Guided by the policy, we follow a PDCA cycle of continual improvement to achieve the goals set out in the policy and improve the quality of our disclosures.

In September 2023, we formulated and made public the Prima Meat Packers Group Procurement Policy. As well as

providing stipulations on securing safe, reliable food, the policy enshrines our commitment to supporting environmental sustainability, animal welfare, and respect for human rights across our supply chain. In April 2024, we established and made public the Prima Meat Packers Group Supplier Code of Conduct.

In fiscal 2024, we adopted a self-assessment tool provided by the Global Compact Network Japan (one of the local networks of the UN's Global Compact) as part of an effort to enhance risk management across the supply chain and make the supply chain more sustainable. In the same year, we used the tool to assess tier-1 suppliers on a trial basis. In fiscal 2025, we will adapt the tool into a questionnaire for, as a rule, tier-1 suppliers of critical meats. In this way, we will assess supply chain risks.



Prima Meat Packers Group Procurement Policy

https://www.primaham.co.jp/en/sustainability/assets/pdf/policy/primaham_ProcurementPolicy_E.pdf



Prima Meat Packers Group Supplier Code of Conduct

https://www.primaham.co.jp/en/sustainability/assets/pdf/policy/primaham_Supplier_Code_of_Conduct_E.pdf



Prima Meat Packers Group Animal Welfare Policy

https://www.primaham.co.jp/en/sustainability/assets/pdf/policy/primaham_AnimalWelfarePolicy_E.pdf

Safeguarding animal welfare

• Free-access stalls

Nikushitsu Kenkyu Farm uses free-access stalls in its Kurobuta pork breeding site. The free-access stalls allow sows to move freely during gestation, reducing their stress.



• Farrowing crates

Nikushitsu Kenkyu Farm and Kamifurano Farm use movable farrowing crates to house sows during farrowing and lactation. The crate can be adjusted according to the size of the sow. Our Miyagi farm uses open crates. The open design allows piglets to interact with neighboring litters, which makes it easier to manage the subsequent process of fattening the herd.



• Deployment of experts

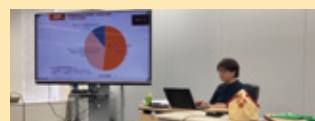
Pacific Ocean Breeding has deployed animal-welfare experts on directly run farms to facilitate a granular, farm-level approach to safeguarding animal welfare.

• Heat control

Some farms have protected the pigs from heat by applying a heat-resistant coating to barn roofs and installing blackout curtains. When transporting pigs during periods of extreme summer heat, drivers use expressways and reduce stop times to prevent excessive heat in the vehicle.

• Training for general staff

In August 2025, an outside expert led a training course on the basics of animal welfare to improve the awareness of employees and officers in Prima Meat Packers and group companies.



A training course led by Hiromi Kato, a member of the National Agriculture and Food Research Organization

Working as trusted partners to make the meat industry more sustainable

I am from Beef Section 1 of the Beef Department. Our team works to ensure the stable procurement of good quality Japanese beef and the development of products that meet customers' diverse needs. No two products are the same. Each product offers something unique, so that we can cover customers' diverse expectations regarding beef grade and such. To make sure that each product satisfies the customer, we work closely and carefully with Sasaki Cattle & Meat Suppliers, which is based in Obihiro in Hokkaido.

Amid the increasing importance placed on supply chain sustainability, Sasaki Cattle & Meat Suppliers became an early adopter of Cattle Ace, a feed made from white birch woodchips. Cattle Ace contributes to a rich gut microbiome and cuts methane emissions. Prima Meat Packers and Sasaki Cattle & Meat Suppliers are working with the Obihiro University of Agriculture and Veterinary Medicine to further refine the quality of the cattle feed.

During a survey of suppliers, I was placed in charge of surveying Sasaki Cattle & Meat Suppliers, our supplier and research partner. With a younger generation taking up the baton, Sasaki Cattle & Meat Suppliers is eager to engage in new initiatives with us. We will build even stronger ties with Sasaki Cattle & Meat Suppliers as part of our collaboration with upstream and downstream supply-chain partners to make the farming practices more sustainable and enhance fresh meat sales.



A photo of Sasaki Cattle & Meat Suppliers taken during an on-site survey

Note: The person on the far right is Akinori Sasaki, president of Sasaki Cattle & Meat Suppliers. To his right is Riku Mitsui. The person at the rear is the head of the sales division, Sasaki Cattle and Meat Suppliers.



Riku Mitsui
Beef Section 1 of
the Beef Department



Creating a Workplace That Promotes Job Satisfaction

Respecting workstyle diversity and attracting and nurturing exceptional talent

The Talent Subcommittee focuses on three material issues: Respecting diverse workstyles, hiring and developing outstanding human resources, and occupational health and safety that focuses on mental and physical health. In fiscal 2024, we launched a number of initiatives aligned with these themes in order to enhance our talent infrastructure.

For the theme of respecting and promoting diverse workstyles, women accounted for 36% of new employees hired during the annual bulk hiring in April 2025 and 6.0% of managerial positions in 2024 (compared to 1.2% in fiscal 2018). With our ongoing efforts to encourage men to take paternity leave, the take-up rate for paid leave reached 67%. Additionally, total number of hours worked per employee was down by 20 hours compared to the level in the previous year.

For the theme of hiring and developing outstanding human resources, we resumed a study-abroad program that we had suspended during the pandemic. In this program, employees attend an English-language course in North America. The attendees achieved their learning goals, which included

advancing two levels in social-skills training and increasing their score in the Test of English for International Communication (TOEIC) by 100. We also provide opportunities for gaining business skills. For example, to aid self-learning, we launched an e-learning tool that all employees can use to improve their logical and critical thinking skills. Because we scaled back hiring in the past, we have a relatively low number of employees in their 30s and 40s. To correct this age imbalance, we actively hire mid-career candidates in this age group.

In fiscal 2026, we will begin offering managerial promotions to fixed-location employees (employees appointed to work in a particular location with no relocation) to further diversify career paths. Additionally, in our recruitment activities, we focus on attracting and training experts in machinery and IT and on providing job satisfaction for all employees to create a workplace environment that empowers employees to reach their full potential.



Prima Meat Packers Group Human Rights Policy

https://www.primaham.co.jp/en/sustainability/assets/pdf/policy/primaham_HumanRightsPolicy_E.pdf

Human-rights Due Diligence

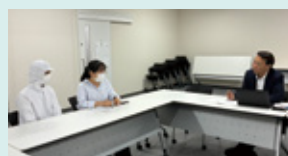
In June 2023, we conducted a human rights risk assessment with Caux Round Table Japan and Mizuho Research & Technologies, Ltd. The assessment identified and assessed major human rights risks and categorized these risks into the following three themes.

1. The working environment in Japan: It is essential to provide appropriate working conditions for and be culturally sensitive toward non-Japanese workers.
2. The working environment for contract workers (who provide services related to procurement, manufacturing, logistics, waste disposal, and other services): It is essential to improve their working environment across the supply chain..
3. The working environment among suppliers: It is essential to consider their working environment and their environmental impacts in local areas.

In view of these findings, we established the Prima Meat Packers Group Human Rights Policy in September 2023. The policy sets out stipulations regarding human-rights due diligence and provides a basis to guide sustained efforts related to human rights. Between May 23 and June 9, 2025, we conducted a questionnaire

survey among 547 non-Japanese workers (working in Japan on the Specified Skilled Worker program or the Technical Intern Training program) in four key plants of Prima Meat Packers. We designed this survey around the Dhaka Principles for Migration with Dignity, a global standard for protecting the rights of migrant workers. The principles guided us in making the survey as objective as possible.

In July, a human-rights consultant conducted in-depth face-to-face interviews with 20 non-Japanese employees at Ibaraki Plant and 20 more at Mie Plant. The Sustainability Committee will discuss the interview results and update the action plan based on the findings as part of an ongoing cycle of assessment, action, monitoring, and disclosure.



An interpreter attended each interview to facilitate effective communication

Paternity leave: I would not have traded it for anything

When I learned that my wife was pregnant, I applied for the six-months paternity leave program so that I could spend precious time bonding with the newborn. My boss and my senior colleagues supported me, telling me not to worry about work. Paternity leave turned out to be much more challenging than I had imagined, but I am so glad to have been there at all the important moments of my child's growth. It was such a rewarding experience and I would not have traded it for anything.



Shintaro Terasaki

Section 3 of CVS 1,
Food Service Department

Wanting to share insights about balancing work with parenting

As head of the Accounts and Review Section, I manage the corporate group's finance and credit. My work hours are limited because I have to balance work with parenting. To make the most of these limited hours, I try to make meetings as efficient as possible and improve the quality of communications, alongside other measures such as a short-hours program and remote work. With the help of my team, we have created a supportive and safe workplace. I believe that women managers benefit the organization with their own perspectives and managerial approaches. As a role model, I want to share my experience about balancing work with parenting.



Miyu Kikukawa

Section Head
Financial Control Section,
Financial & Accounting
Department

Corporate Governance

- 41 Overview of Corporate Governance Structure
- 46 Risk Management
- 47 A Conversation among the Outside Directors
- 50 Directors and Corporate Auditors

See also

Compliance

Sustainability website ► <https://www.primaham.co.jp/en/sustainability/governance/compliance.html>

Information Security

Information Security ► <https://www.primaham.co.jp/en/sustainability/governance/security.html>

Overview of Corporate Governance Structure

Basic Approach

We recognize that rigorous corporate governance is essential to achieving sustainable growth and maximizing the value of our organization over the medium to long term. On this basis, we commit to building a system of corporate governance that facilitates dynamic and adaptive decision-making, rigorous monitoring, adequate disclosures, and business management that is transparent and sincere. We will continually review our approach to corporate governance and make the necessary changes.



Corporate Governance Basic Policy

<https://www.primaham.co.jp/en/ir/library/attach/pdf/CorporateGovernanceBasicPolicy.pdf>

Corporate Governance Structure

Board of Directors

The Board of Directors plays a monitoring role. Directors monitor the execution of business by verifying whether managers are acting impartially and transparently, and by exercising authority in matters of regulatory compliance and strategic direction. Board membership reflects our basic approach to corporate governance. Specifically, three of the board members are outsiders who are independent from the Company. They bring diverse and expert perspectives to the board (one has a background in law and the other two in executive leadership). [▶ p. 50](#)

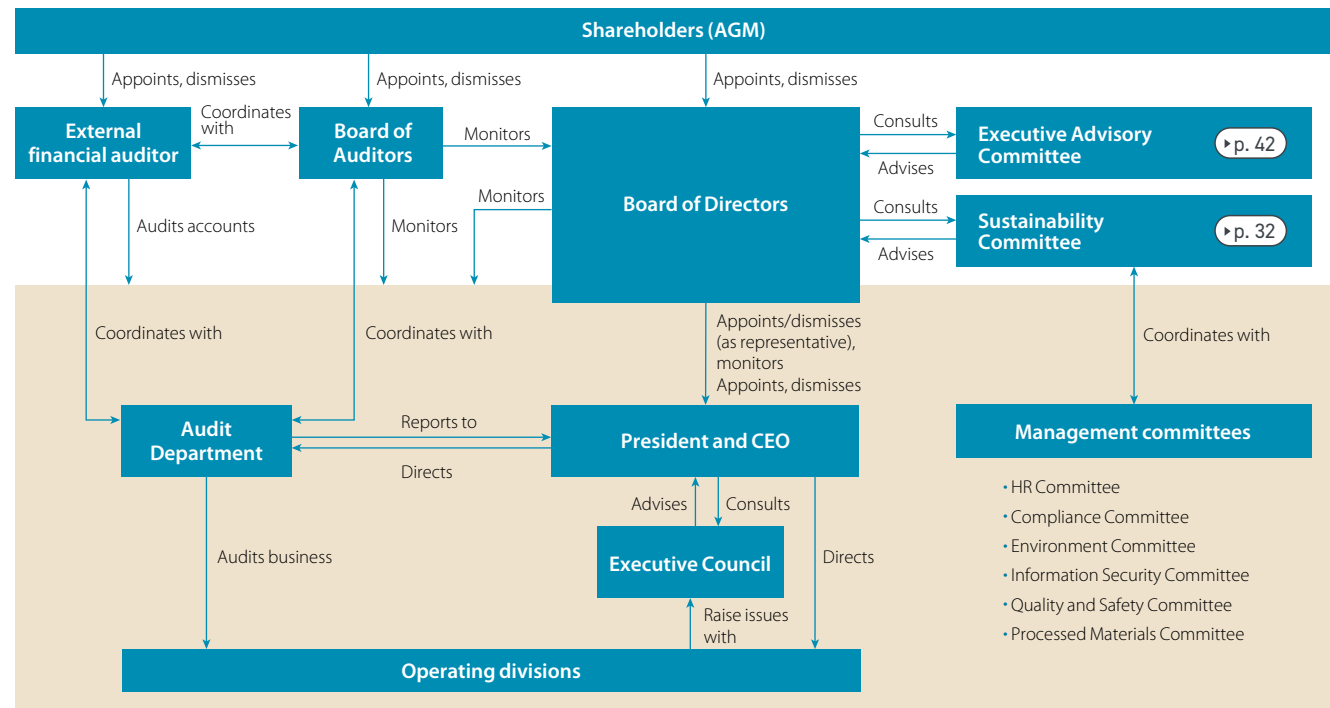
In nominating candidates for board membership, we aim for a board that can adapt to social trends and the business landscape.

We have also established the Executive Advisory Committee and the Sustainability Committee, which serve as advisory bodies to the Board of Directors (Executive Advisory Committee [▶ p. 42](#) and Sustainability Committee [▶ p. 32](#)).

Executive Council, management committees

To ensure that the Board of Directors can make wise and swift decisions, operational matters are delegated to the Executive

Corporate Governance Structure



Main board agenda items in fiscal 2024

Management strategies	Governance
• Medium-term business plan • Reports of business execution • Sustainability matters (revising the environment policy, setting a policy on animal welfare, disclosing information in line with the TNFD Recommendations)	• Remuneration of executive officers • Executives' performance evaluations • Evaluation of board effectiveness • Review of value in retaining shares held under cross-shareholding arrangements • Revision of status of compliance with Corporate Governance Code • Internal controls

Council and to the various management committees. Members of the Executive Council include directors and executive officers (managers who have executive authority without fiduciary duties). The Executive Council and the management committees meet to review important business matters. The Executive Council also receives updates on the execution of important business processes.

Board of Auditors

The Board of Auditors is independent from the Board of Directors and from the management. This independence allows the members to monitor both directors and those who execute the Company's business, ensuring transparency and accountability in management performance. The board has four members, two of whom are from

outside the Company. They rigorously monitor management from an impartial perspective, attending meetings of the Board of Directors, the Executive Council, and key management committees, and requesting regular or as-and-when needed reports from directors and executive officers. They may also request reports from a Group company if necessary. Additionally, they coordinate with the Company's Audit Department and the external financial auditor.

Training and support

Directors and executive officers attend externally run training courses to refine their leadership skills and strategic thinking.

Corporate auditors attend seminars and cross-industry gatherings to gain more skills in auditing and supervising management.

Outside directors receive briefings from the relevant operating divisions regarding business projects, workflows, and issues. Well in advance of board meetings, we hold briefing meetings where outside directors are informed of the agenda for the upcoming meeting, including the items to be discussed and the motions to be proposed. Additionally, outside directors and outside corporate auditors attend gatherings to share their expert insights.

Site inspections by outside directors

To enhance outside directors' understanding of our businesses, we provide opportunities for outside directors to inspect our Group business sites and hold dialogues with the employees there. Outside directors inspected four sites in fiscal 2024.



A group photo taken during an inspection of the Hokkaido Plant. Third from the left is Director Ide, fourth from the left is Director Tsujita, fifth from the left is Foreperson Terashima.

Executive Advisory Committee

The role of the Executive Advisory Committee is to ensure independence and transparency in the deliberation of matters such as the appointment, dismissal, and remuneration of officers. Consisting of the president and three independent outside directors, the Executive Advisory Committee advises the management on these matters and as such equates to a voluntarily established advisory committee for nominations and remuneration.

Main roles

- **Appointment and dismissal**

The committee reviews the president's proposals for appointing or dismissing executive officers, directors, or auditors.

- **Remuneration**

The committee reviews the remuneration for each director and executive officer and advises on a level of remuneration within the remuneration range decided by shareholders at the AGM.

- **Leadership succession planning**

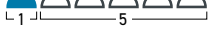
- **Important matters concerning corporate governance**

- **Conflicts of interest with the controlling shareholder**

Main topics discussed during meetings of the Executive Advisory Committee

	Meeting	Agenda
Fiscal 2022	1st	Evaluation of executive officers' performance in fiscal 2021
	2nd	Revision to the rules on director remuneration, related-party transactions
	3rd	Setting remuneration for officers in fiscal 2022
	4th	Implications of Corporate Governance Code revisions
	5th	Director appointments, auditor appointments, executive officer appointments
	6th	Executive officer reshuffle
Fiscal 2023	1st	Dividend and dividend policy for fiscal 2022
	2nd	Evaluation of executive officers' performance in fiscal 2022
	3rd	Revision to the rules on executive officer remuneration, related-party transactions
	4th	Setting remuneration for executive officers in fiscal 2023, executive officer reshuffle
	5th	Implications of Corporate Governance Code revisions
	6th	Executive officer reshuffle
	7th	Implications of Corporate Governance Code revisions
	8th	Executive officer reshuffle
	9th	Director appointments, executive officer appointments, executive officer reshuffle
Fiscal 2024	1st	Evaluation of executive officers' performance in fiscal 2023
	2nd	Update on related-party transactions
	3rd	Setting remuneration for officers in fiscal 2024
	4th	Implications of Corporate Governance Code revisions
	5th	Executive officer reshuffle
	6th	Appointments of directors and members of the Audit and Supervisory Committee, appointments of executive officers, reshuffle of executive officer

Improvements in governance

(FY)	Actions	Directors ^{*1}	% who are outsiders	Corporate auditors ^{*1}	% who are outsiders
2012	• First outside director appointed		17% (1/6)		66% (2/3)
2015	• Company announces basic approach to corporate governance • Company announces independence criteria for outside officers • Number of outside corporate auditors increased				
2016	• Number of outside directors increased Purpose To make Board of Directors more transparent		25% (2/8)		100% (3/3)
2017	• First board performance evaluation conducted Purpose To make Board of Directors more effective • Executive Advisory Committee established Purpose To ensure independence and transparency in appointments and remuneration		22% (2/9)		
2018	• Performance-linked pay introduced Purpose To further incentivize directors to contribute toward the building medium- to long-term success and corporate value				
2019	• Board membership reduced Purpose To clearly separate business execution from monitoring, thereby enabling slicker strategic decision-making and more dynamic business execution To increase the percentage of members who are outside directors, thereby strengthening the board's monitoring function and enhancing corporate governance		40% (2/5)		66% (2/3)
2020	• Basic approach to corporate governance updated Purpose To safeguard the interests of stakeholders				
2021	• Basic approach to corporate governance updated Purpose To establish rules for appointing and dismissing (or proposing the appointment and dismissal of) senior managers and establish a plan for leadership succession, thereby making the nomination process for corporate officers more transparent • Number of outside corporate auditors increased				75% (3/4)
2022	• Number of outside directors increased • Skill matrix set		50% (3/6)		
2023	• Percentage of outside directors increased (they now make up majority) • Inside corporate auditors appointed from within the Company proper		60% (3/5)		
2024	• Skill matrix reset		60% (3/5)		50% (2/4)
2025	• Percentage of outside directors increased (they now make up majority)		60% (3/5)		

*1 The numerical data for directors and corporate auditors indicates the number of persons who were elected as director/corporate auditor at the AGM held in that year.

Evaluating the Effectiveness of the Board of Directors

All directors and corporate auditors participate in the process of evaluating the performance of the Board of Directors. The evaluation of board performance in fiscal 2024 was conducted in April 2025, with support from an external organization. The

external organization managed the questionnaire survey to maintain respondent confidentiality.

The Board of Directors and the Executive Advisory Committee convened in June to analyze and discuss the response data provided by the organization. For over 80% of the question items, the respondents (directors and corporate auditors) reported no problem. The respondents also gave high

scores for items related to the board's overall effectiveness. These responses suggested that the board generally performed effectively in fiscal 2024.

However, the responses also indicated some areas for improvement. Guided by this feedback, the board is working to further improve its performance for better corporate governance.

Issues identified in fiscal 2024 and how they were addressed

Director training

- We introduced seminars that were judged as useful during a board discussion. We also provided opportunities to inspect production sites. Four such worksites were inspected during fiscal 2024. We will continue to provide plant-inspection opportunities and introduce helpful seminars and other training courses that we have researched.

Issues recognized in fiscal 2025 and how they will be addressed

Choosing a corporate governance structure and ensuring its effectiveness

- Feedback suggested that the Board of Directors is too small to enable wide-ranging and insightful discussions. Respondents also said that board discussions lack depth because of a lack of directors who were employees. To address these concerns, we will consider multiple options for increasing board membership, bearing in mind the need to enhance the board's supervising function and increase alignment with Japan's Corporate Governance Code. The Executive Council will convene on the same day as board meetings to ensure that executive officers who were employees have their ideas represented on the Board of Directors. In connection with this, we will consider our criteria for nominating board candidates and broaden the candidates to include our executives.
- Feedback highlighted the need to expand the deliberative scope of the Board of Directors, such that it regularly monitors human capital strategy, succession planning, and the like. Feedback also highlighted the need to choose the right corporate governance structure and allow deliberation on the business portfolio and where the Company is headed in the medium and long term. For each of these issues, a separate proposal will be submitted for deliberation.

Board proceedings, briefing directors

- Feedback suggested that board meetings focus too much on monitoring the execution of business and that more must be done to incorporate the perspectives of shareholders and investors into board discussions. To address these issues, we will re-emphasize the importance of being concise during speeches and presentations. We will also provide more time for discussing matters of interest to shareholders and investors.
- Feedback suggested that directors receive meeting materials too late. One reason is that more time and effort is taken to prepare the materials. To address this issue, we will continue standardizing the number of agenda items in board meetings and setting timely deadlines for issuing the materials, with members notified of the deadline in advance.
- Feedback suggested that having the Board of Directors and the Executive Council hold meetings on separate days would boost the monitoring function of the Board of Directors. However, other feedback highlighted the benefits of holding the meetings on the same day. We will consider the advantages and disadvantages of both options.

Incorporating investor feedback

- Respondents acknowledged that we hold dialogues with investors and analysts but noted that dialogues with shareholders go unreported. We will report shareholder dialogue as necessary.

Cross-shareholdings

Our cross-shareholding arrangements are subject to annual review by the Board of Directors. The board considers whether the arrangements still offer value in terms of fostering transactional relations with the issuer, and whether they bring qualitative benefits.

Following the board's review in fiscal 2024, we sold all the shares that we had held under three cross-shareholdings arrangements, one of which was with an unlisted issuer and two of which were with listed issuers. The review concluded that all other cross-shareholding arrangements continue to offer reasonable value and as such need not be disposed of for the time being. However, in some cases, the review raised questions over whether we profit from trade relations with the counterpart cross-shareholder.

The board will review these arrangements again in fiscal 2024.

and operating divisions. The president proposes the protocols, the Executive Advisory Committee reviews the protocols, and the Board of Directors ultimately determines them.

Selecting outside director and outside corporate auditor candidates

To enhance oversight of directors and business execution in general, we now have three outside directors and two outside corporate auditors. The reasons for the latest nominations are stated on pages 50 and 51.

Remuneration for officers

Remuneration for inside directors (outside directors are excluded) comprises a fixed base salary and performance-linked pay.

The fixed base salary, paid monthly, reflects the person's hierarchical rank and duties. In setting the amount, we also consider salary levels in other companies, Company performance, and employee salary level.

The performance-linked component consists of stock compensation and bonuses. The level of stock compensation reflects the Company's medium- to long-term business performance and enterprise value. Eligible directors earn points according to how well the Company attained its yearly consolidated target for operating profit. Upon their retirement as directors, they receive remuneration commensurate with the total accumulated points. As for bonuses, we sometimes provide bonuses for short-term accomplishments in performance.

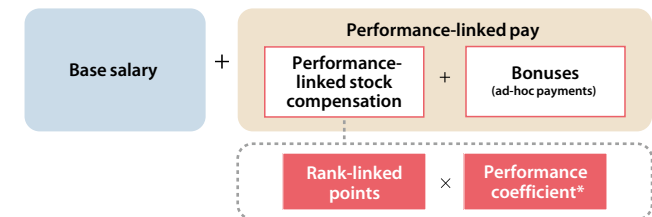
The Board of Directors determines, within a range approved by shareholders at the AGM, the relative weight of each remuneration component and how much each recipient will receive. In determining these items, the board follows the policy mentioned below and consults the opinion of the Executive Advisory Committee, on which the president sits.



78th Annual General Meeting of Shareholders

https://www.primaham.co.jp/en/ir/Notice_of_the_78th_Annual_General_Meeting_of_Shareholders.pdf

Remuneration structure



* The performance indicator is the budgeted consolidated operating profit in the Medium-term Business Plan.

Remuneration for officers (fiscal 2024)

Officer class	Total remuneration (¥ million)	By component (¥ million)			Eligible recipients
		Base salary	Performance-linked pay	Bonuses	
Directors (outside directors)	125 (32)	118 (32)	6 (-)	- (-)	6 (3)
Auditors (outside auditors)	49 (26)	49 (26)	- (-)	- (-)	4 (2)
Total (outside officers)	175 (59)	168 (59)	6 (-)	- (-)	10 (5)

Nominating and Remunerating Officers

Process for appointing and dismissing officers (senior executives, directors, and auditors)

In appointing and dismissing senior executives, and in nominating candidates for election as directors or auditors, we consider a broad set of criteria, including whether candidates have the requisite knowledge and experience, the ability to manage risks, the ability to execute business or monitor the execution thereof, and whether the candidate pool covers the Company's organizational functions

Skills matrix for directors and auditors

Accurate as of June 25, 2025

		Diversity		Skills						Board attendance in fiscal 2024			
		Age	Gender	Senior mgmt.	Global	Finance, accounts	Sustainability, human capital	Internal control, legal, compliance	Sales, marketing	Board of Directors		Board of Auditors	
										Meetings Attended	% attended	Meetings Attended	% attended
Directors	Naoto Chiba President and CEO	66	Male	✓	✓		✓	✓	✓	15/15	100	-	-
	Kenichi Tai Director	58	Male	✓	✓		✓		✓	-	-	-	-
	Takeshi Yamashita Outside Director (part-time)	79	Male		✓		✓	✓		15/15	100	-	-
	Yuzo Ide Outside Director (part-time)	70	Male	✓	✓		✓		✓	15/15	100	-	-
	Yoshino Tsujita Outside Director (part-time)	60	Female	✓	✓	✓				15/15	100	-	-
Corporate Auditors	Naofumi Sakai Corporate Auditor	61	Male	✓				✓	✓	15/15	100	16/16	100
	Hideki Shimosawa Outside Corporate Auditor	62	Male			✓		✓		15/15	100	16/16	100
	Kuniaki Abe Corporate Auditor (part-time)	56	Male	✓	✓				✓	15/15	100	16/16	100
	Akemi Sunaga Outside Corporate Auditor (part-time)	63	Female	✓		✓		✓		15/15	100	16/16	100

Why we chose these skills

Senior management

Senior management expertise and experience are necessary to decide on strategic-level matters and monitor the execution of business.

Global

Global expertise and experience are necessary to lead and manage one of the key strategies in the medium-term plan: invest in growth projects and expand globally.

Finance, accounts

Expertise and experience in finance and accounting are necessary to make the business foundation more sustainable.

Sustainability, human capital

Expertise and experience in sustainability and human capital are necessary to drive sustainable management.

Internal control, legal, compliance

Specialized expertise and experience in internal control, legal matters, and compliance are necessary to effectively manage business risks and monitor whether business is operating in a robust manner.

Sales, marketing

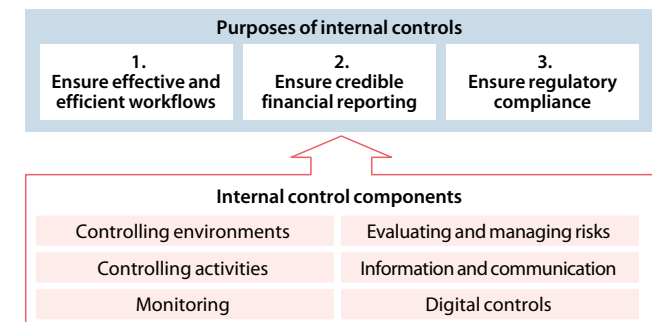
Expertise and experience in sales and marketing are necessary to create more and better opportunities for revenue and profit growth.

Internal Control System

Guided on the Board of Directors' basic approach to internal controls, we have developed a system of internal controls for ensuring legal and regulatory compliance, compliance with our Articles of Incorporation, and sound management in general. The Audit Department provides guidance and support to enhance controls across the Group. For example, it evaluates the

effectiveness of controls and, where issues have been detected, it follows up on the corrective and preventive action.

For follow-up, the department provides four internal controls: divisional audits (conducted in head office's operating divisions), area audits (conducted in regional branches, plants, and logistics centers), business site audits (conducted in sales offices), and Group company audits.



Risk Management

Basic Approach

To prevent or minimize the damage of business risks, we have established the Risk Management Rules, which stipulate measures for preventing risks from occurring in the first place and the optimal ways to respond to risk events once they occur.

Situational risks that emerge

1. When we commit a mistake that seriously harms our business partners or customers
2. When we are held responsible for committing a legal violation
3. When our financial disclosures lose their credibility
4. When we sustain severe damage in a natural disaster
5. When sensitive information is unduly divulged or leaked to third parties
6. When our continued operation is otherwise threatened

Risk Management

Our Risk Management Rules categorize risks according to causal factors and specify measures for preventing the risks from materializing. Such measures include establishing rules, producing manuals, and issuing directives. Prima Meat Packers has established code of conduct detailing specific routine workflows to ensure that the management philosophy is put into practice. The Company has also established a Food Safety Policy to ensure that all our business activities contribute toward the goal of delivering safe and tasty meals to the table.

When risk events materialize, we follow the Risk Event Response Manual, which outlines the steps to follow in accordance with the anticipated severity of the damage. If the damage is expected to be extensive, the business continuity plan (BCP) will be enacted, with a central task force headed by the president coordinating the emergency responses of the affected departments.

The employee handbooks we issue each year include content on the initial steps to take if a risk event materializes during routine work operations (there are separate instructions for serious customer complaints, food poisoning incidents, work accidents, traffic accidents, and natural disasters).

Risks Affecting Performance

The following table shows the main risks that could potentially affect our business and financial performance.

Category	Risk	Description	Actions
Business environment	Price fluctuations in raw materials Material risk	Because we produce and sell fresh meat, processed pork (ham and sausages), and other processed foods, our performance may be affected by price rises in the livestock market or oil market, from which we procure raw materials and goods for such products. • Price fluctuation in livestock market • Livestock disease • Safeguard action (international trade restrictions) on raw meat imports • Animal feed prices • Packaging • Fuel and electricity costs in plants • Distribution costs	• Procure raw materials from multiple sources • Find and secure alternative sources of raw materials • Use commodity futures contracts • Revise standards for inventory levels • Secure ample stocks • Adjust sales price
	Exchange rate fluctuation	Because we source raw materials and goods from the U.S., Europe, China, and other overseas areas, exchange rate fluctuations may affect our performance. Additionally, because the financial results of our overseas subsidiaries are denominated in local currency, our consolidated performance may be affected by the exchange rate that applies when we translate the results into Japanese yen.	• Use foreign exchange contracts to deal with short-term currency fluctuation • Exchange rate fluctuation • Ensure that sales prices reflect latest exchange rates • Hold foreign-currency-denominated bonds
Business operation	Securing safe, reliable food Material risk	If any of the following issues occur in the production and sale of our products, we may harm customers' health and our credibility may be affected, which may threaten our continued operation: • A serious quality issue • A prolonged quality issue • Allergen contamination	• Apply quality management standards (HACCP, ISO 22000, FSSC 22000) • Display accurate product information on packaging and on website • If an incident arises, notify the public immediately and take corrective and preventive action
	Impairment of goodwill and fixed assets	Our performance and financial health may be adversely affected if we fail to produce the expected cash flows as a result of tangible or intangible fixed assets diverging from what was stated in the business plan. • A newly acquired subsidiary fails to perform as well as expected • Business assets diverge from figures stated in the business plan	• Set purchase price after thorough review at Executive Council • Establish procedures for managing recent acquisitions • Review performance of investments at Executive Council
	Regulatory compliance Material risk	A Group business may be severely damaged if it commits a legal violation. • After violating the Food Sanitation Act or Food Labeling Act, a business is placed under administrative measures, resulting in reputational damage • After violating the cross-border trade laws, a business is placed under administrative measures, hurting its ability to produce and sell products • After violating the Antimonopoly Act, a business is placed under administrative measures, resulting in transaction restrictions and reputational damage • After violating labor laws, a business is placed under administrative measures, resulting in reputational damage • After violating environmental and recycling laws, a business is placed under administrative measures, harming its ability to recover and produce goods and causing reputational damage	• Observe quality management standards • Communicate code of conduct, use Compliance Committee to inculcate compliance culture, provide compliance training • Provide in-house rules, ensure directives are complied with, provide anti-bullying training • Ensure that environmental management system and Environment Committee are operating properly
Environment, emergencies	Natural disasters, accidents, incidents Material risk	If a natural disaster or accident harms the life, health, or property of a Group company or one of our distributors, the affected entity may be forced to suspend supplies and rearrange production, distribution, and sales networks, resulting in severe damage to performance. • Climate change (e.g., typhoon, torrential rain, severe snowfall, thunderstorm) • Natural disasters (e.g., earthquake, volcanic eruption) • Accidents (e.g., fire, explosion, traffic accident) • Incidents (e.g., terrorist incident, kidnapping, blackmail) • Armed conflict (e.g., civil unrest)	• Secure ample stocks • Buy extra supplies of key goods • Develop business continuity plan and run drills
	Infectious disease Material risk	If an infectious disease persists, we may be unable to continue business activities, resulting in severe damage to performance. • Forced to suspend non-critical workflows • Forced to suspend production lines and sale of products • Office or plant forced to suspend operations	Measures to prevent infection among employees and their families during epidemics/pandemics • Encourage healthy behavior • Limit meetings, restrict travel Action for business continuity • Develop business continuity plan and run drills • Develop business management framework for each business location • Bring in staff from other departments to help in production • Provide work-from-home and staggered-hours schemes • Use videoconferencing for board meetings
	Major system malfunction Material risk	If a major system malfunction occurs (as a result of a cyberattack or other reason), we may be unable to continue business activities, resulting in severe damage to performance. • Forced to suspend non-critical workflows • Forced to suspend production lines and sale of products • Leakage of confidential business data or personal data	• Establish a backup system • Establish a method whereby data is received at multiple locations • Strengthen cybersecurity • Develop a business continuity plan and run drills

* In the Risk column, "Material risk" indicates that the risk in question is particularly dangerous.

A Conversation among the Outside Directors

Our Board of Directors has three outside directors who monitor and supervise the management from an impartial perspective. Below, the three outside directors discuss efforts to increase the value of our organization and other topics such as governance structures and how we can navigate the external business environment surrounding the food industry. In this multifaceted conversation, the outside directors highlight issues Prima Meat Packers needs to address and describe what we should be doing in the future.



Yuzo Ide
Outside Director

Mr. Ide joined Wacoal Corp. in 1977. After Wacoal became a holding company (Wacoal Holdings Corporation) and established Wacoal Corp. as its operating company, Mr. Ide became a corporate officer of the operating company in April 2006 and then a director and vice president (as well as corporate officer) of the company in April 2014. In June 2014, he became a director of Wacoal Holdings Corporation. He became an outside director of Prima Meat Packers in June 2020.

Takeshi Yamashita
Outside Director

A visiting lawyer at Hibiya Park Law Offices, Mr. Yamashita specializes in trade law (compliance, risk management, AGM management, insurance law, financial law) and intellectual property law (copyright and legal matters for IT companies). Among other things, he has served as professor at Meiji Gakuin University's Graduate Law School (now the Graduate School of Business and Law). He is an auditor at the Association of Risk Management and serves on the Procurement and Disposal Review Committee of the Bank of Japan.

Yoshino Tsujita
Outside Director

After working in an overseas securities company, Ms. Tsujita joined Japan Tobacco Inc. At Japan Tobacco, she managed corporate planning and investor relations. In March 2020, she founded an apparel business, Relier Inc. She became an outside director of Prima Meat Packers in June 2022.

The role of outside directors

What do you think is your role as an outside director, and what are you doing to fulfill that role?

Ide ♦ I became an outside director of Prima Meat Packers in 2020, and fiscal 2025 marks my fifth term in the office. Speaking from my own experience in managing a manufacturing company, albeit one in another manufacturing field, I advocate the importance of two perspectives during board meetings.

The first is the customer's perspective. Prima Meat Packers makes a point of displaying the Prima brand name prominently on its products. The Company name is not displayed on fresh meat handled in the fresh meat business. I think the Company should display its logo on fresh meat, as this will serve as a guarantee of the product's quality. I will continue to argue this point.

The second is the employee's perspective. I often tell the management that it needs to adopt an employee's perspective so that it can more deeply consider the issues that exist in the workplace and how they can be solved. It is important to have an employee-first attitude. It is particularly important to make plants employee-friendly workplaces. Part of this is to guarantee safety in the workplace, obviously, but it also involves ensuring that employees feel able to take time off and upgrading or replacing aging equipment.

Tsujita ♦ I became an outside director in 2022. As a Company outsider, I place importance on offering a perspective a little distanced from that of the management and on asking questions unabashedly when I am unsure of something.

From my experience in IR and finance, I can say that the Company needs to engage more with shareholders to meet the increasing demand for a shareholder-centric approach.



By addressing all the kinds of questions and queries shareholders have, the management can narrow the information gap and increase the value of the organization. For example, with the Company having a below-1 price-to-book ratio, shareholders will have questions to ask about what the management will do to increase the ratio. The management needs to address these questions squarely.

Yamashita ♦ With my long experience as a university professor and my role as a lawyer, I have always taken an interest in worldwide political and economic developments. Such information is also of interest to Prima Meat Packers, as the Company has placed top priority on bolstering its position in overseas markets. Outside officers have an important role to play in helping the management navigate the turbulent changes around the world today and in offering global perspectives. To that end, I will not only communicate with the management during board meetings but also provide the management with timely updates about international economic developments and geopolitical risks.

Board discussions

How do you rate the quality of discussions during meetings of the Board of Directors?

Tsujita ♦ Board meetings have a very positive atmosphere that makes it easy to have conversations, thanks in no small part to consideration President Chiba has shown as board chair. Every board member makes a spirited contribution to discussions, whether or not the topic is their area of expertise. Board effectiveness is further enhanced by administrative support, with the administrative office briefing us in advance about the upcoming meeting agenda. For high-risk matters, the office informs us all the earlier, and it is more sensitive than it used to be when it comes to deciding what information to provide.

In fiscal 2023, the Company began inviting directors to inspect its plants in an effort to assist directors in their role. It is an excellent measure, as the information gained during visits contributes to lively board discussions.

Ide ♦ At those briefing events, the briefing delivered by the person in charge gets more thorough each time. They have contributed to more substantial discussions and increased board effectiveness.

Yamashita ♦ I agree that the quality of board discussions has increased. However, I have a different opinion from you two about the pre-meeting briefings. I worry that having a “meeting before the meeting” risks turning the actual board meetings into empty formalities. The management should take care to avoid this happening.

Issues highlighted in the evaluation of board effectiveness

When the board effectiveness was evaluated in fiscal 2023, the evaluation revealed concerns about the number of directors, leadership succession planning, and other matters. How well do you think the management is addressing these issues?

Yamashita ♦ Concerns were raised about the small number of directors and the absence of any directors from within Prima Meat Packers's ranks. These issues could make it hard to have multifaceted discussions about specialized subjects. In fiscal 2025, the board gained one more internal director. The board also needs more outside directors with expert insights, as this will strengthen the board's oversight function.

Ide ♦ The Executive Advisory Committee should have more extensive discussions about human capital and leadership succession planning. When it comes to expanding business overseas, it is important to ensure that the Company's culture is upheld and preserved. The management should therefore consider a talent strategy for recruiting corporate officers from within the ranks so that the officers will be steeped in the Company's culture.

Tsujita ♦ Adding to what Ide said, I would say that the Company must go further in coordinating and arranging a leadership succession plan. It must discuss in greater depth what top leadership Prima Meat Packers requires today in



order to achieve its future vision, what qualities it expects its directors and executive officers to embody, and how it should prepare leadership candidates so that these expectations can be met.

Meeting TSE requirements

The TSE has called on listed companies to prioritize the cost of capital and stock price. How well do you think Prima Meat Packers is complying with this requirement?

Tsujita ♦ I mentioned earlier that the Company needs to improve its value to increase its price-to-book ratio. The most important thing is to get underway with a process whereby you achieve targets and communicate the achievements to external stakeholders. Stock price correlates with the organization's value, so you need to understand market expectations toward the Company. As things stand, however, investors' insights and expectations are not being

communicated adequately to outside directors. This is an important issue, one that was highlighted in the evaluation of board effectiveness. The Company needs to improve its information-sharing structures so that outside directors can learn of the views, expectations, and other feedback gained from conversations with stakeholders and apply it when discussing business strategy.

Ide ♦ Tsujita is right. Engagement with shareholders is crucial to improving the organization's value. However, such engagement is somewhat lacking at the moment. The Company needs to communicate better with shareholders and other stakeholders.

Commitment to sustainability

Prima Meat Packers is also committing to environment-related investment. How do you rate the Company's commitment to sustainability?

Yamashita ♦ The food industry is replete with sustainability issues. These issues are hot topics among the subcommittees of the Sustainability Committee. I am impressed at how sustainability has been embedded as a core part of the corporate strategy.

Ide ♦ The environment-related investments involve vast expenditures on things like wastewater treatment at production sites. The Company has prepared a budget and is putting it into action. That is very commendable.

Tsujita ♦ One of the Company's material issues is the theme of creating healthy, well-rounded dietary habits. For a food producer that provides customers with plenty of gastronomic encounters, this issue is one that relates directly with trends in consumer demand. Amid the increasingly diverse array of definitions of healthiness, the Company should be mindful of the broad trends of the time and of consumer needs and then

use this awareness to shape the development of products that support healthy diets.

Matters for the future

What are your expectations regarding Prima Meat Packers's future, and what should the Company be doing in the future?

Tsujita ♦ Since I first became an outside director, I have always been urging the Company to do more to support the advancement of women. On this matter, I recently had some good news. I was sampling one of Prima Meat Packers's new products, which was a unique kind of sausage. I asked who had developed the product and, to my delight, I heard it was a woman. In this time of breakneck changes in the socioeconomic landscape, the key to future success lies in how well you can channel diversity and adapt to the changes. I want to see the Company embrace a wide range of perspectives, from men and women, and continue challenging itself to develop highly competitive products.

Yamashita ♦ The most important thing for a manufacturing company is employee motivation. Maintaining or improving employee motivation is an imperative for the management. This is not just the case for internal officers. Outside directors must share this responsibility too and do our best to monitor the management effectively.

Ide ♦ I want to see the Company developing new products outside of the ham and sausage category. The Company has the advantage of having manufacturing teams and other teams who can produce innovative products. If the Company fosters a corporate culture that encourages these teams to venture into new categories of product development, then Prima Meat Packers will be an organization that employees are proud of.



Directors and Corporate Auditors

Directors



Naoto Chiba
President and CEO

Apr. 1983 Joined ITOCHU Corporation
Apr. 2014 Executive Officer of ITOCHU Corporation, Chief Operating Officer of Food Products Marketing & Distribution Division
Apr. 2015 Seconded to Dole Asia Holdings Pte. Ltd. (Executive Vice President, Director)
Apr. 2016 Managing Executive Officer assigned to Processed Foods Business Division and Fresh Meat Business Division, in charge of Audit Department of the Company
Jun. 2018 President and Representative Director of the Company
Jun. 2019 President and Executive Officer of the Company (current position)

Reason for nomination

Naoto Chiba is qualified to lead the Group effectively and contribute toward further growth. He has led the Company toward greater success and has extensive experience and results as a business leader. As chair of the Board of Directors, he has managed the board's business effectively.

Number of the Company's shares owned	28,741
Number of shares to be granted under the performance-linked stock remuneration plan	15,754
Total	44,495



Kenichi Tai
Director

Apr. 1989 Joined ITOCHU Corporation
Apr. 2010 ITOCHU (Thailand) Ltd. (residing in Bangkok)
Jul. 2011 ITOCHU Management (Thailand) Co., Ltd. (residing in Bangkok) and ITOCHU (Thailand) Ltd.
Apr. 2014 General Manager, Meat Products Department of ITOCHU Corporation
Apr. 2019 Chief Operating Officer, Fresh Food Division of ITOCHU Corporation
Jun. 2019 Director of the Company
Apr. 2021 Executive Officer of ITOCHU Corporation
Apr. 2023 Managing Executive Officer, Head of Meat Sales Department, Meat Business Division of the Company
Apr. 2024 Managing Executive Officer, Head of East Japan Branch, Sales Division of the Company
Aug. 2024 Managing Executive Officer, Head of, Corporate Strategy Division and Head of, Corporate Strategy Department and Project Manager in PRIMA Next Project of the Company
Apr. 2025 Managing Executive Officer, Head of, Corporate Strategy Division and Head of, Corporate Strategy Department and Project Manager in PRIMA Next Project of the Company (current position)

Reason for nomination

Kenichi Tai is qualified to lead the Group effectively and contribute toward further growth. He has overseas experience at a general trading company and a high level of expert knowledge in fresh foods in general, including livestock products, having held positions such as COO of the Fresh Food Division. He is utilizing this specialized knowledge in the Company, where he is in charge of corporate strategy.

Number of the Company's shares owned	911
Number of shares to be granted under the performance-linked stock remuneration plan	1,223
Total	2,134



Takeshi Yamashita
Director

Part-time Independent Outside

Apr. 1985 Professor at Hiroshima University
Apr. 1997 Professor at Tokai University
Jul. 1997 Registration as an attorney
Apr. 1999 Part-time Lecturer of International Corporate Strategy at Graduate School of Hitotsubashi University
Jun. 2003 Corporate Auditor of the Company
Dec. 2003 Joined Hibiya Park Law Offices (current position)
Jun. 2012 Director of the Company (current position)

Reason for nomination

Takeshi Yamashita is qualified to audit and supervise the management impartially. As a university professor and attorney, he has extensive experience and specialized knowledge.

Number of the Company's shares owned 0



Yuzo Ide
Director

Part-time Independent Outside

Apr. 1977 Joined Wacoal Corp. (current Wacoal Holdings Corp.)
Apr. 2006 Corporate Officer of Wacoal Corp. (operating corporation)
Apr. 2008 Director and Senior Managing Corporate Officer of Wacoal Corp. (operating corporation)
Apr. 2014 Director and Vice President Corporate Officer of Wacoal Corp. (operating corporation)
Jun. 2014 Managing Director of Wacoal Holdings Corp.
May 2020 Outside Director of Cosmo Co., Ltd. (current position)
Jun. 2020 Director of the Company (current position)

Reason for nomination

Takeshi Yamashita is qualified to audit and supervise the management impartially. As a university professor and attorney, he has extensive experience and specialized knowledge.

Number of the Company's shares owned 2,133



Yoshino Tsujita
Director

Part-time Independent Outside

Mar. 1987 Joined Swiss Bank Securities Corporation
Jan. 1989 Joined Salomon Brothers Asia Securities Ltd.
Jun. 1999 Vice President of The Chase Manhattan Bank
Feb. 2001 Vice President of JPMorgan Securities Japan Co., Ltd.
Mar. 2002 Joined Japan Tobacco Inc.
Jun. 2006 General Manager, Corporate Planning Division of Japan Tobacco Inc.
Sep. 2014 General Manager, Compliance Office of Japan Tobacco Inc.
Apr. 2016 General Manager, Media and Investor Relations Division of Japan Tobacco Inc.
Mar. 2020 Representative Director of Relier Inc. (current position)
Apr. 2020 Outside Director of Yukiguni Factory Co., Ltd. (current position)
Jun. 2022 Director of the Company (current position)
Sep. 2022 Director, Yukai Engineering Inc. (current position)

Reason for nomination

Yoshino Tsujita is qualified to serve as an outside director. With her extensive corporate experience in Japan and abroad, she offers insights in business management and diversity, along with in-depth knowledge of accounting and finance. If elected as outside director, she will contribute toward Prima Meat Packers' strategic planning, while supervising, supporting, and advising the management from an independent standpoint.

Number of the Company's shares owned 1,461

Corporate Auditors



Naofumi Sakai
Corporate Auditor

Sep. 1987 Joined the Company
Apr. 2014 General Manager, Planning & Coordination Department, Sales Division of the Company
Apr. 2019 General Manager, Fresh Meats Business Management Department, Fresh Meats Business Division of the Company
Apr. 2023 Assistant to General Manager, Corporate Strategy Department, Corporate Strategy Division of the Company
Jun. 2023 Standing Corporate Auditor of the Company (current position)

Reason for nomination

Naofumi Sakai has abundant experience and specialized knowledge in the industry. He has been involved in the Company's business for many years and has extensive experience in internal control.

Number of the Company's shares owned 1,454



Kuniaki Abe
Corporate Auditor

Part-time

Apr. 1991 Joined ITOCHU Corporation
Apr. 2011 General Manager, Food Products Marketing & Distribution Strategy Department, Food Products Marketing & Distribution Division of ITOCHU Corporation
Apr. 2013 Executive Officer of FamilyMart Co., Ltd.
Apr. 2016 General Manager, Food Development Division of ITOCHU Corporation
Apr. 2017 General Manager, Retail Development Division of ITOCHU Corporation
Apr. 2019 General Manager, Planning & Administration Department, Fresh Food Division of ITOCHU Corporation
Apr. 2022 Executive Officer of ITOCHU Corporation
Apr. 2023 Executive Officer, Chief Operating Officer, Head of Fresh Food Division, Itochu Corporation
Jun. 2023 Corporate Auditor at the Company (current position)
Apr. 2024 Senior Executive Director, Head of Fresh Food Division (current position)

Reason for nomination

Kuniaki Abe is qualified to serve as corporate auditor in light of his extensive experience and specialized knowledge in general trading.

Number of the Company's shares owned 0



Hideki Shimozawa
Corporate Auditor

Independent Outside

Apr. 1986 Joined The Mitsui Trust and Banking Company, Limited (current Sumitomo Mitsui Trust Bank, Limited)
Jul. 2008 Manager, Takamatsu Branch of The Chuo Mitsui Trust and Banking Company, Limited
Nov. 2009 General Manager, Head Office Business Division 5 of The Chuo Mitsui Trust and Banking Company, Limited
Feb. 2011 General Manager, Credit Card and Financing Planning Department of The Chuo Mitsui Trust and Banking Company, Limited
Jun. 2019 Standing Corporate Auditor of the Company (current position)

Reason for nomination

Hideki Shimozawa is qualified to serve as outside corporate auditor in light of his extensive experience in banking.

Number of the Company's shares owned 2,767



Akemi Sunaga
Corporate Auditor

Part-time Independent Outside

Oct. 1989 Joined Auditing Department of Aoyama Audit Corporation
Feb. 1991 Joined Auditing Department of Chuo Audit Corporation
Aug. 1993 Registered as Certified Public Accountant
Oct. 1994 Registered as Certified Public Tax Accountant
Nov. 1994 Founded Sunaga CPA Firm, became its representative (current position)
Nov. 1996 Founded Marunouchi Business Consulting Ltd., became Representative Director (current position)
Jan. 2012 Founded Marunouchi Business Consulting Tax Co., became Senior Partner (current position)
Jun. 2016 Outside Auditor at Matsumotokiyo Holdings
Jun. 2017 Senior Partner of Marunouchi Audit Corporation
Jun. 2020 Outside Director and Audit and Supervisory Committee Member at Ushio Inc. (both current positions), Outside Director and Audit and Supervisory Committee Member at Yomeishu Seizo Co., Ltd. (both current positions)
Jun. 2021 Corporate Auditor at the Company (current position)
Jan. 2022 Senior Partner of Marunouchi Audit Corporation (current position)
Jun. 2022 Outside Director of KYB Corporation (current position)
Mar. 2023 Outside Auditor at Lion Corporation (current position)

Reason for nomination

Akemi Sunaga is qualified to serve as an outside corporate auditor in light of her extensive experience as a certified public accountant and certified tax accountant.

Number of the Company's shares owned 973

Executive Officers

President and Executive Officer

Naoto Chiba

Senior Managing Executive Officers

Takahiro Uchiyama Executive Officer in charge of Administration Division.
Toshihiro Tago Head of Production Div.
Yuji Shinkawa Head of Sales Div.
Makoto Amino Head of Meat Business Div.

Managing Executive Officers

Satoshi Nakajima Head of Administration Div.
Kenichi Tai Head of Corporate Strategy Div., Head of Corporate Strategy Dept., in charge of Prima Next Project

Executive Officers

Shinichi Koga Administration Division on Special Mission of Finance
Hiroyuki Teramura Head of East Japan Branch, Sales Div.
Tatsuya Kudo Head of Quality Assurance Div.
Yoshihiko Hayashi Head of Ibaraki Plant, Production Division
Keiko Sasajima Head of Development Div.
Shuji Katagiri Head of Marketing Division
Yasushi Miyatake Head of IT Promotion Dept., Corporate Strategy Div. and Prima Next Project Leader
Masayuki Ito Head of Meat Sales Department
Shin Sasaki Head of Food Service Division
Akio Matsumoto Corporate Strategy Department on Special Mission of Sustainability Promotion
Masayuki Izumi Head of Meat Procuring Division
Naoki Yamaguchi Head of Mie Plant, Production Division
Kazuaki Hino Head of West Japan Branch, Sales Division

* The two outside corporate auditors (Hideki Shimozawa and Akemi Sunaga) fulfill Prima Meat Packers' independence criteria, in that they pose no potential conflict of interest with general shareholders as defined by the TSE.

Appendix

Data Section

- 53 Eleven-year Summary Consolidated Financial Statements
- 55 Sustainability Data Highlights
- 56 Company Information / Stock Information

Eleven-year Summary Consolidated Financial Statements

Financial (consolidated)

(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statements of income (¥ million)											
Net sales	341,183	361,223	363,336	394,534	413,023	418,060	418,147	420,717	430,740	448,429	458,354
Cost of sales	293,272	310,871	303,483	333,426	350,266	351,290	360,167	367,971	382,986	398,289	409,868
Gross profit	47,911	50,351	59,853	61,108	62,756	66,769	57,980	52,745	47,753	50,140	48,486
Selling, general and administrative expenses	40,698	42,104	44,287	47,978	49,588	51,132	36,504	38,708	38,028	38,320	39,537
Operating profit	7,213	8,247	15,565	13,129	13,168	15,636	21,475	14,037	9,725	11,820	8,948
Non-operating income	1,126	930	859	873	1,173	1,044	1,246	1,189	1,232	1,587	1,965
Non-operating expenses	604	401	322	356	512	722	310	342	447	523	411
Ordinary profit	7,735	8,776	16,102	13,646	13,829	15,959	22,411	14,883	10,510	12,884	10,502
Profit before income taxes	8,039	10,029	15,337	14,790	13,944	15,338	21,916	15,106	5,900	13,427	10,921
Profit attributable to owners of parent	6,392	6,429	10,009	10,413	8,287	8,823	14,165	9,718	4,505	7,489	7,076
Investment and Research (¥ million)											
Capital expenditures (including software)	13,722	14,102	16,347	22,448	19,549	13,378	12,364	16,563	23,875	14,703	12,970
Depreciation and amortization	5,711	6,467	7,001	8,578	8,459	9,729	9,923	10,451	10,958	11,338	11,452
R&D expenditures	469	473	399	381	396	376	381	335	389	366	365
Cash flows (¥ million)											
Cash flows from operating activities	7,850	5,209	26,003	10,866	23,786	22,304	27,248	16,739	11,719	22,542	14,211
Cash flows from investing activities	(10,376)	(12,617)	(14,790)	(21,373)	(14,887)	(5,875)	(12,205)	(23,713)	(15,089)	(19,420)	(13,574)
Free cash flows	(2,526)	(7,408)	11,213	(10,507)	8,899	16,429	15,043	(6,973)	(3,370)	3,122	636
Cash flows from financing activities	(818)	9,347	1,335	3,187	(7,347)	(7,924)	(7,509)	(6,616)	1,206	(7,574)	(4,202)
Cash and cash equivalents at end of period	4,988	6,927	19,468	12,168	13,732	22,214	29,773	16,230	14,098	9,765	6,266
Net interest-bearing debt	12,149	12,672	2,801	16,453	14,313	1,035	(10,833)	(4,960)	7,505	6,353	9,657

Note that the following applies to the financial information presented in this integrated report:

* The new ASBJ revenue standard is applied to the results for fiscal 2020 and later fiscal years (the results for fiscal 2020 are unaudited).

* Up to and including fiscal 2020, revenue pertaining to the government's scheme for regulating animal feed prices (haigo shiyo kakaku anteido) were recognized as "non-operating income," and expenses pertaining to such were recognized as "non-operating expenses." In fiscal 2021, the former is recognized as "net sales" and the latter as "selling, general and administrative expenses."

Financial (consolidated)

	(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Balance sheet (¥ million)												
Current assets		61,088	69,241	78,113	79,329	82,857	87,310	98,747	95,828	95,311	103,192	99,561
Tangible fixed assets		59,741	66,231	73,852	89,724	100,275	89,259	91,060	97,204	102,309	98,961	97,006
Intangible fixed assets		966	1,282	1,371	1,155	1,288	1,146	1,666	4,854	7,308	12,386	14,248
Total net assets		141,661	153,511	170,919	189,751	203,862	198,530	214,542	221,721	229,887	244,793	239,610
Total liabilities		85,134	83,481	91,721	100,477	109,226	98,396	99,781	99,154	106,692	114,580	109,382
Net worth		49,948	63,158	72,019	81,180	86,114	90,573	103,632	111,860	113,169	119,313	119,382
Net assets		56,526	70,030	79,198	89,274	94,635	100,134	114,761	122,567	123,194	130,213	130,228
Information per share (¥) ^{*1}												
Net profit		142.95	131.68	198.80	206.85	164.78	175.57	281.90	193.41	89.66	149.03	140.79
Net assets		1,117.22	1,254.38	1,430.45	1,612.51	1,713.26	1,802.47	2,062.41	2,226.09	2,252.09	2,374.23	2,375.15
Annual dividend		10	20	30	50	60	60	85 ^{*2}	65	65	65	80
Key indicators												
Operating margin (%)		2.1	2.3	4.3	3.3	3.2	3.7	5.0	3.3	2.3	2.6	2.0
Return on equity (ROE) (%)		14.2	11.4	14.8	13.6	9.9	10.0	14.6	9.0	4.0	6.4	5.9
Return on assets (ROA) (%)		4.9	4.4	6.2	5.8	4.2	4.4	6.9	4.5	2.0	3.2	2.9
Return on invested capital (ROIC) (%)		9.4	9.9	12.5	10.4	9.0	9.7	13.2	8.7	3.3	5.9	4.6
Equity ratio (%)		35.3	41.1	42.1	42.8	42.2	45.6	48.3	50.5	49.2	48.7	49.8
Net debt equity ratio (times)		0.21	0.18	0.04	0.18	0.15	0.01	(0.09)	(0.04)	0.05	0.05	0.08
Payout ratio (%)		7.0	15.2	15.1	24.2	36.4	34.2	30.2	33.6	72.5	43.6	56.8
Stock price at end of period (JPY)		1,675	1,425	2,460	3,050	2,054	2,453	3,490	2,202	2,201	2,303	2,222
Price book-value ratio (PBR) (times) ^{*3}		1.50	1.14	1.72	1.89	1.20	1.36	1.69	0.99	0.98	0.97	0.94

^{*1} On June 26, 2015, we issued new shares by third-party allotment. On October 1, 2018, we conducted a reverse stock split, consolidating every five shares into one.

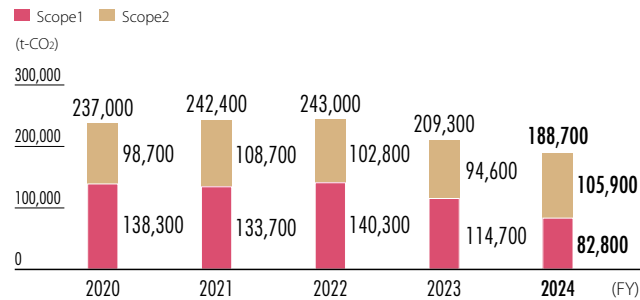
For the information per share in 2018 and earlier years, we have adjusted the information on the basis that the reverse stock split had occurred.

^{*2} The annual dividend for fiscal 2020 includes a commemorative dividend of ¥20.

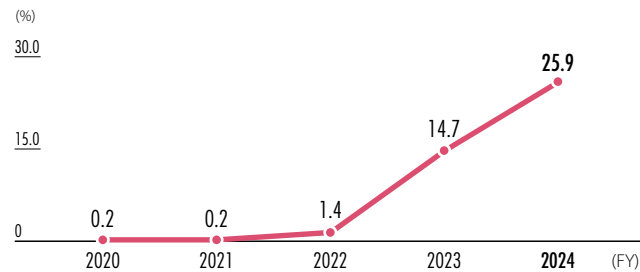
^{*3} Price book-value ratio is based on the stock price at the end of the period.

Sustainability Data Highlights

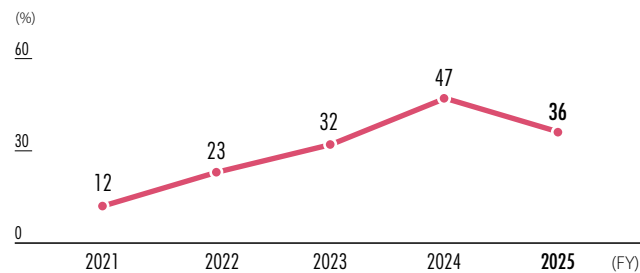
Greenhouse gas emissions



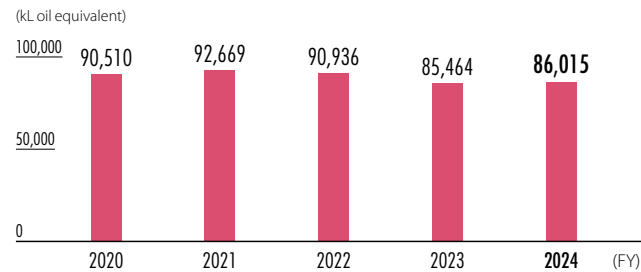
Renewable energy ratio^{*1}



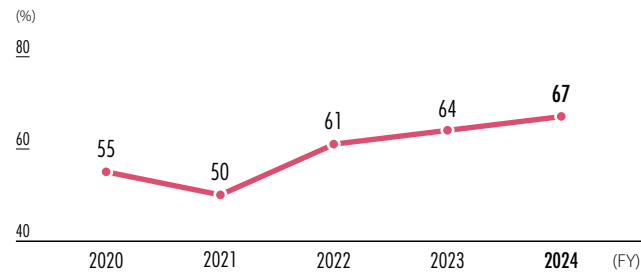
Percentage of new hires who are women (non-consolidated)^{*2}



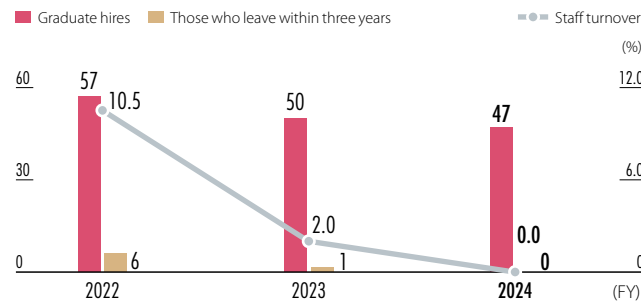
Energy consumption



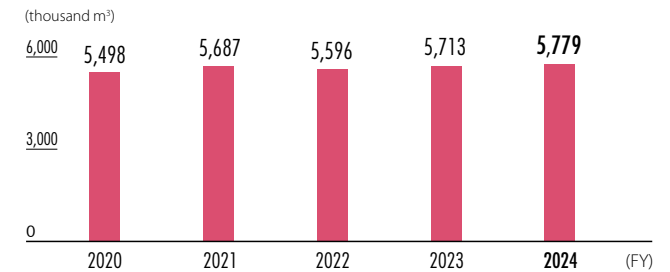
Paid leave take-up rate (non-consolidated)



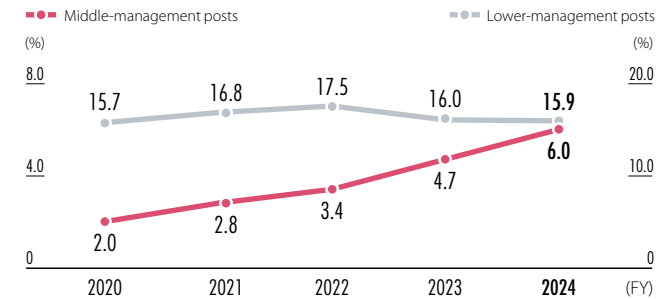
Percentage of graduate hires who leave within three years (non-consolidated)



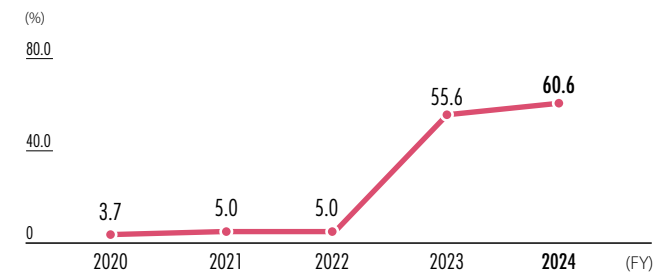
Water consumption



Percentage of women occupying middle- or lower-management posts (non-consolidated)^{*2}



Percentage of male employees taking childcare leave (non-consolidated)^{*3}



^{*1} Renewable energy comprises our own solar power generation (including onsite power purchase agreements) and electricity purchased through power companies' renewable energy plans.

^{*2} For new graduates. Total including secondments.

^{*3} For those who take five days or more of childcare leave

Company Information

(As of March 31, 2025)

Company name	Prima Meat Packers, Ltd.
Head office	Shinagawa Seaside West Tower, 4-12-2 Higashi-Shinagawa, Shinagawa-ku, Tokyo 140-8529, Japan Tel: +81-3-6386-1800  https://www.primaham.co.jp/en/company/profile.html#access-map
Representative	Naoto Chiba, President and CEO
Detail of business	Manufacture and sale of hams and sausages, fresh meats, processed foods, and other products
Founded	September 1, 1931
Established	July 9, 1948
Capital	¥7,908 million
Number of employees	2,116 Note: The figure includes executive officer and the annual average number of temporary employees.
Branch offices	East Japan Branch: Tohoku (Miyagi Pref.), Kanto (Tokyo) West Japan Branch: Chubu (Aichi Pref.), Kansai (Osaka Pref.), Chugoku / Shikoku (Hiroshima Pref.), Kyushu (Fukuoka Pref.)
Plants	Hokkaido, Ibaraki, Mie, Kagoshima
Logistics centers	Kanto (Ibaraki Pref.), Mie, Fukuoka
Research institutions	R&D Center (Ibaraki Pref.), Manufacturing and Technology Department (Technical Development Div.) (Ibaraki Pref.)



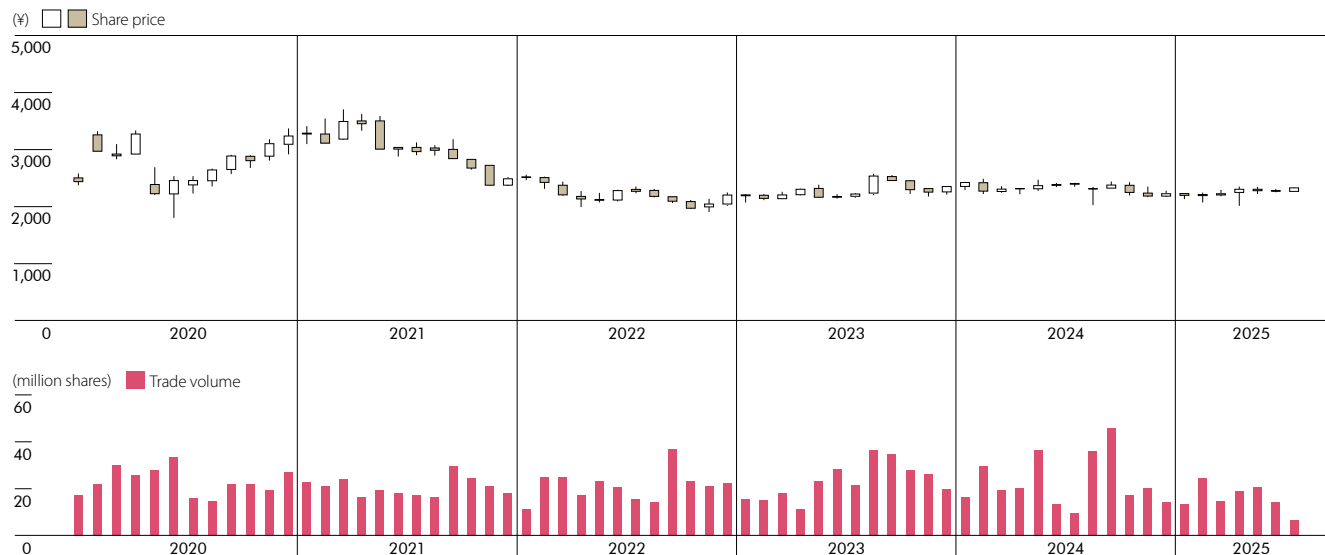
Information about our Group companies is available here:
https://www.primaham.co.jp/en/company/group_company.html

Stock Information

Major Shareholders (March 31, 2025)

Name	Number of shares held (thousand shares)	Ownership ratio (%)
ITOCHU Corporation	23,336	46.36
The Master Trust Bank of Japan Ltd. (Trust Account)	3,497	6.95
ITOCHU-SHOKUHIN Co.,Ltd.	2,262	4.50
Custody Bank of Japan, Ltd. (Trust Account)	1,256	2.50
Takegishi Gakuen Educational Corporation	910	1.81
STATE STREET BANK AND TRUST COMPANY 505001	786	1.56
Sanshoku Co.,Ltd.	700	1.39
STATE STREET BANK AND TRUST COMPANY 505223	521	1.04
Nippon Life Insurance Company	446	0.89
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	400	0.80

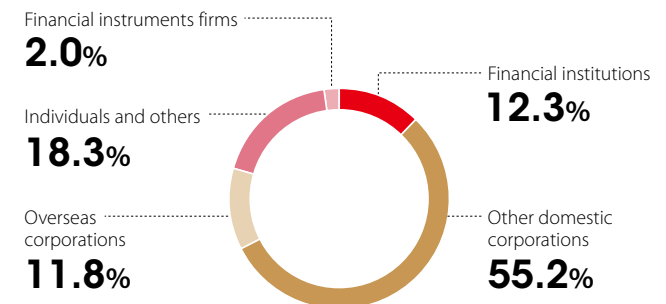
Trends in share price and trade volume (TSE)



Status of Shares (March 31, 2025)

Number of shares authorized	70,000,000
Total number of shares issued	50,524,399 (incl. 188,713 treasury shares)
Number of shareholders	30,012

Stock distribution by type of shareholder (March 31, 2025)



* Treasury shares are not included in the data above.