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For General Release

Kagome Co., Ltd.

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Notification Regarding Recalculation of Earnings Forecast

In light of our recent business performance, we have recalculated the earnings forecasts that we announced on April 25, 2013. The recalculated forecasts are presented below. The recalculations will not result in any change in dividends. The dividend for the year is scheduled to remain unchanged at ¥22 per share (an increase of ¥2 over that of the previous period).

1. Recalculation of consolidated earnings forecast (cumulative) for the first half of Fiscal 2013 (April 1 to September 30, 2013)

	Sales	Operating profit	Ordinary profit	Quarterly net profit	Quarterly net profit per share
	(¥million)	(¥million)	(¥million)	(¥million)	¥
Previously announced forecast (A)	105,000	6,300	6,500	4,100	41.22
Recalculated forecast (B)	103,500	5,000	5,400	4,000	40.22
Forecasted amount increase or decrease (B - A)	(1,500)	(1,300)	(1,100)	(100)	-
Rate of increase or decrease (%)	(1.4)	(20.6)	(16.9)	(2.4)	-
For reference purposes: Earnings during first half of previous fiscal year (first half of FY2012)	105,876	7,503	7,869	5,673	57.04

2. Recalculation of consolidated earnings forecast for all of Fiscal 2013 (April 1, 2013 to March 31, 2014)

	Sales	Operating profit	Ordinary profit	Net profit for the fiscal year	Net profit per share for the fiscal year
	(¥million)	(¥million)	(¥million)	(¥million)	¥
Previously announced forecast (A)	196,000	8,900	9,200	5,300	53.29
Recalculated forecast (B)	195,000	6,800	7,200	4,700	47.26
Forecasted amount increase or decrease (B - A)	(1,000)	(2,100)	(2,000)	(600)	-
Rate of increase or decrease (%)	(0.5)	(23.6)	(21.7)	(11.3)	-
For reference purposes: Earnings during previous fiscal year (FY2012)	196,233	9,278	10,025	6,480	65.15

3. Recalculation of non-consolidated earnings forecast (cumulative) for the first half of Fiscal 2013 (April 1 to September 30, 2013)

	Sales	Operating profit	Ordinary profit	Quarterly net profit	Quarterly net profit per share
	(¥million)	(¥million)	(¥million)	(¥million)	¥
Previously announced forecast (A)	91,000	5,900	6,200	4,100	41.22
Recalculated forecast (B)	89,000	3,900	4,300	3,300	33.18
Forecasted amount increase or decrease (B - A)	(2,000)	(2,000)	(1,900)	(800)	-
Rate of increase or decrease (%)	(2.2)	(33.9)	(30.6)	(19.5)	-
For reference purposes: Earnings during first half of previous fiscal year (first half of FY2012)	93,873	7,464	7,845	5,060	50.88

4. Recalculation of non-consolidated earnings forecast for all of Fiscal 2013 (April 1, 2013 to March 31, 2014)

	Sales	Operating profit	Ordinary profit	Net profit for the fiscal year	Net profit per share for the fiscal year
Previously announced forecast (A)	(¥million) 168,000	(¥million) 9,400	(¥million) 10,000	(¥million) 5,900	¥ 59.32
Recalculated forecast (B)	165,000	6,700	7,400	4,100	41.23
Forecasted amount increase or decrease (B - A)	(3,000)	(2,700)	(2,600)	(1,800)	-
Rate of increase or decrease (%)	(1.8)	(28.7)	(26.0)	(30.5)	-
For reference purposes: Earnings during previous fiscal year (FY2012)	172,756	10,002	10,687	6,128	61.61

5. Reasons for the recalculation

On a non-consolidated basis, during the first half of the fiscal year (April 1 to September 30, 2013) our beverage business and food business experienced sales that were basically at the same level as during the same period the previous year. Sales for these two segments did not achieve the level forecast in the initial plan. Then, in response to this shortfall, we implemented additional sales promotion measures, causing the sales promotion cost ratio to rise.

Business in other non-consolidated segments and the performance of Group Companies were favorable, but during the above-mentioned period our beverage business and food business, which are responsible for a significant part of revenues, did not achieve the levels planned, making it exceedingly difficult to offset the shortfall during the fiscal year and on a consolidated basis. Furthermore, the same trends are expected to continue during the third and subsequent quarters, and sales costs are expected to increase, so to reflect these and other factors we revised the previously forecast figures.