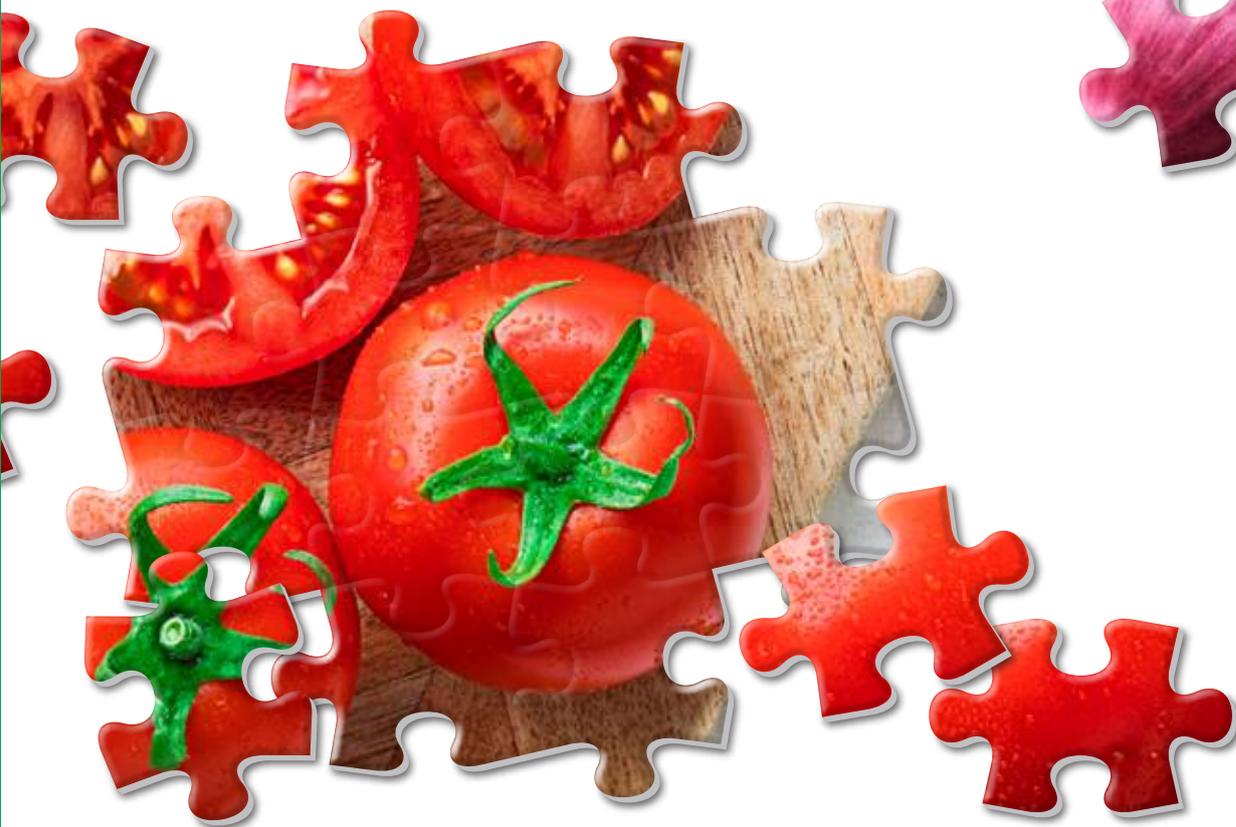




KAGOME
S T O R Y
2020

Company Guide





Japanese diets have been short on vegetables. We want to solve that problem.

Some people are short on time. Others do not like vegetables. For these reasons and more, Japanese diets have not included enough vegetables, and the problem is getting worse each year. Leveraging our expertise from years of experience in beverages, processed foods including condiments, and fresh vegetables, we at Kagome are doing everything we can to combat vegetable deficiency. We strive to make vegetables easy to consume at any time, as an even more accessible accompaniment to everyday diets. By making vegetables available in a variety of forms, we are helping people to live longer, healthier lives.

Using food as a means to resolve social issues, we aim to be a strong company capable of sustainable growth

Kagome was founded in 1899, the day farm owner and company founder Ichitaro Kanie saw the budding of the first tomato seedlings that he had grown himself. From then on, we have been focused on food in Japan, bringing forth new concepts in food over the past 120 years.

We have made it a goal to establish the image of the Kagome brand in the year 2025 as that of a “strong company capable of sustainable growth, using food as a means to resolve social issues.” With our integrated value chain from agriculture to production, processing, and sales that makes Kagome one of its kind in the world, we are working to help people live longer, healthy lives, promote agricultural development and regional revitalization, and address world food shortages.

We are now also presenting our vision of transformation from a “tomato company” into a “vegetable company.” Kagome currently offers a variety of vegetable products, but the Japanese diet is still falling seriously short of the target level of vegetable intake. This is particularly why we continue to bring all kinds of innovative new products to the market one after another that utilize the value of vegetables as well as tomatoes. We hope to build sustainable growth by helping people live healthy lives.

Our corporate philosophy at Kagome is “Appreciation” “Nature” and “Corporate openness.” Rooted in our origin of nature and hand-in-hand with all of our stakeholders around the world, which include communities, customers, clients, farmers, shareholders, and our employees, we will spare no effort to enable ourselves to deliver valuable products and services. We hope for your understanding and support.

Kagome Co., Ltd. President and Representative Director

Satoshi Yamaguchi



Kagome by the Numbers

“Wh..what? Really?”
“I had no idea” “Wow!”

We can describe the special characteristics and capabilities of Kagome with words, but here we describe them with various numbers as well.

1899-
121 Years in Business

The history of Kagome began in 1899 with enterprising efforts to cultivate and later to process tomatoes, foreign vegetables which were unfamiliar to Japan at the time. Since then, Kagome has been dedicated to vegetables, making fields its foundation and offering new food concepts on the way to its 122nd year in business this year.

Supply of Green and Yellow Vegetables

17.7%

Kagome supplies 17.7% of the green and yellow vegetables and 4.4% of all the vegetables* consumed in Japan.

*Pale-colored vegetables + green and yellow vegetables

Overall vegetable consumption in Japan

13,970,000 tons

Green and yellow vegetable consumption in Japan

3,380,000 tons

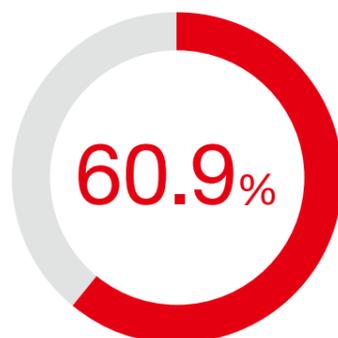
Supplied by Kagome

621,000 tons

600,000 tons

Sources: VEGE-DAS (Kagome vegetable supply calculation system), FY2018 estimates from the Ministry of Agriculture, Forestry and Fisheries “Food Supply/Demand Table”

Tomato ketchup



Source: Intage SRI/Period: January through December 2019/Based on monetary amount
Geographic area: All of Japan/Sales settings: Supermarkets & convenience stores

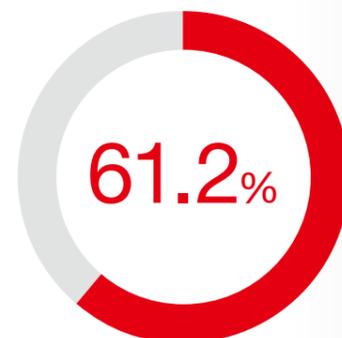
Market share in Japan

NO.1



*Pictured is a representative product in this category.

Mixed vegetable and fruit juice



Source: Intage SRI/Period: January through December 2019/Based on monetary amount
Geographic area: All of Japan/ Sales settings: Supermarkets, drug stores & convenience stores
Also includes: Dry & chilled, and the mixed vegetable and fruit juice category



Tomato genetic resources

Around **7,500** varieties

* Around 70 varieties are registered

The Innovation Division manages an abundance of genetic resources including roughly 7,500 varieties of tomato seeds, while maintaining the information in a database. We utilize these to develop new varieties of tomatoes for fresh and processed products, without any genetic modifications.

Dietary Education Assistance

3,643,751 people

Kagome “Dietary Education Assistance” develops children’s interest in food and helps them grow up healthy. This began in 1964, long before the term “dietary education” became commonplace, when we began distributing picture-story shows and picture books to kindergartens across Japan to support childcare. In 1972 we launched the musical “Kagome Theater” to teach parents and children the importance of food and health, and have distributed



free invitations to 3,643,751 people to this point. We also continue to provide seedlings of “Lylyco” tomatoes used for juice, along with educational materials, free of charge to about 10% of elementary schools and childcare centers across Japan.

Number of individual shareholders

192,722 shareholders

* As of the end of 2019

Individual shareholder ratio **99.5%**

With “Corporate openness” as part of our corporate philosophy, in 2001 we started working toward our “Vision of 100,000 Kagome Fans (shareholders),” and in September 2005 we surpassed the 100,000 mark. Kagome now overwhelmingly has the largest shareholder support base in the industry, with roughly 200,000 shareholders. We proactively listen to what shareholders have to say, and put it to use in developing products and planning events.

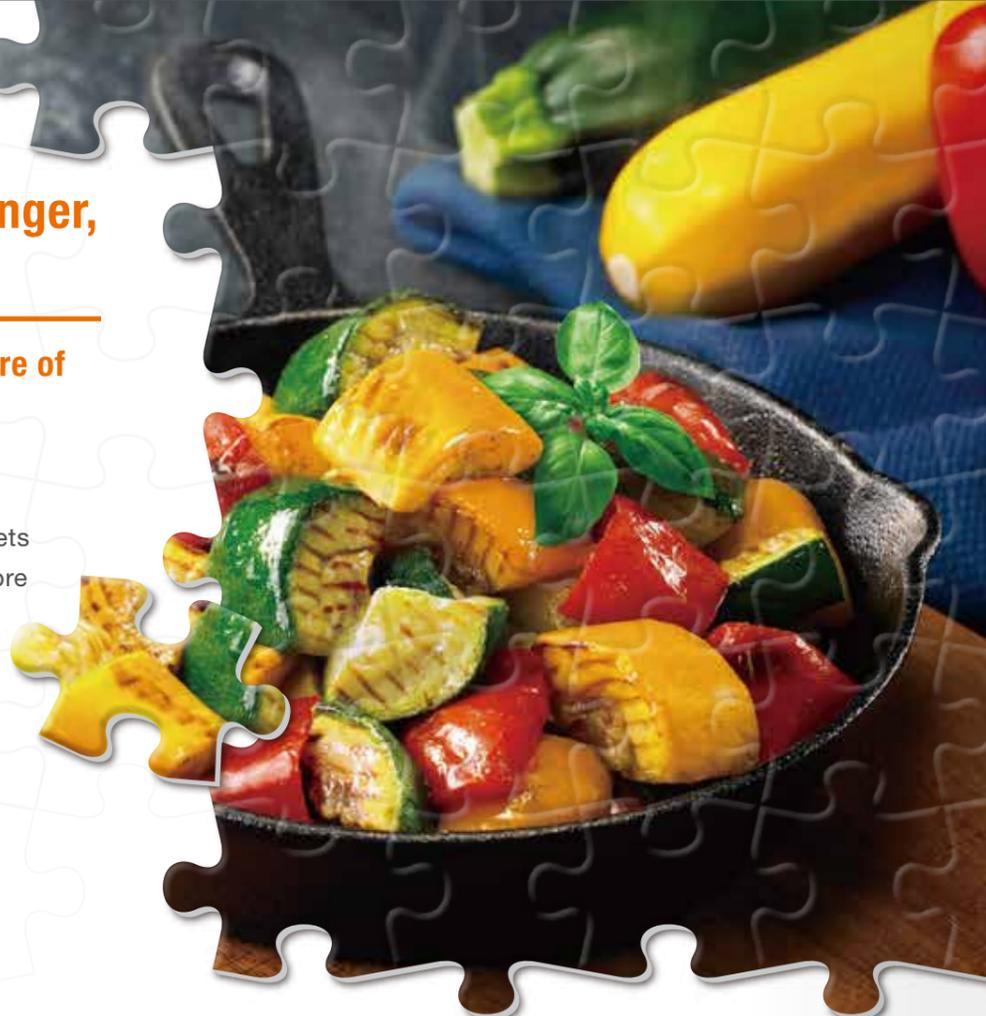


Gifts for shareholders

Using food to help people live longer, healthy lives

Paving the way to the future of Japan using the power of vegetables.

Improving modern salt-heavy diets that lack vegetables involves more than just providing products with the functional values of vegetables. We support healthy everyday living by also giving people delicious ways to eat them, and by making them easy to consume.



Launch of the Let's Eat Vegetables Campaign

Kagome has launched the Let's Eat Vegetables Campaign with the goal of eliminating vegetable deficiencies in Japan. Working together with other companies, groups, and experts, the campaign will promote a variety of measures to boost appetites for vegetables while advocating "60 more grams of vegetables" as a slogan symbolizing the current 60-gram deficiency relative to target vegetable intake. Kagome will be thinking outside the box to offer new, fun and positive ways to consume more vegetables for as many people as possible through this campaign.



Activities in FY2020

- (1) Target one million participants in Japan! Get people throughout Japan to try *VegeCheck*
- (2) Promoting Vegetable Intake Project, working with other companies and groups
- (3) Kagome's original Vegetable Maestro Skills Test
- (4) Communicate information via Kagome Shareholder Vegetable Ambassadors
- (5) Broader advertising (newspapers, TV, social media, etc.)

Tackling health management with the Registered Dietitian Laboratory for Green-eating Lifestyle

The Registered Dietitian Laboratory for Green-eating Lifestyle is a specialized team for developing and presenting content related to food and health, comprised of Kagome employees who are nutritionists. Leveraging our research knowledge in the field of vegetables, particularly tomatoes, as well as our capabilities at developing and offering new recipes which we have established over the years through sales activities to companies operating in the retail, meal preparation, and restaurant industries, the laboratory is developing programs and services such as health seminars and menu recipe supervision, and offering them mainly to companies and local governments. Since its launch in 2017, the laboratory has provided these programs and services to as many as 13,000 people at around 230 seminars. (As of the end of December 2019)



Developing the VegeCheck™ vegetable intake sufficiency measurement system

In July 2019, Kagome began renting and leasing *VegeCheck* devices that display a person's vegetable intake sufficiency level, developed jointly with Biozoom Services of Germany. We also began selling health support programs that use these devices. *VegeCheck* is being utilized as a support tool in health promotion efforts by companies and local government agencies, including for dietary guidance offered as part of health management and health checkups and other various settings. Health promotion program Team Competition! Four Week Vegetable Intake Tournament Challenge was also launched in February 2020, combining Kagome Health Services with a mobile app operated by Daiwa Institute of Research.

Labeling our longtime bestselling products with functional claims one after another.

Kagome has conducted years of continuous research on the nutritional components of vegetables, with a focus on tomatoes, and has successfully verified a variety of effects. Lycopene has been reported to act in a way that increases "good" (HDL) cholesterol, so we have released Kagome Tomato Juice (265g, 720ml, 200ml) and Lycopene Cholestefine as products with functional claims in 2016. Additionally, GABA from vegetable sources has been reported to lower high blood pressure, so in 2017 we re-released Kagome Vegetable Juice with functional claims. GABA from tomato sources has been reported to offer the same benefits, so we added these to the functional claims of Kagome Tomato Juice starting in 2018. We also released the first fresh tomato product with functional claims, GABA Select, in the Tokyo area, and this year we released Amai Tomato GABA & Relax tomato juice. Plant-based lactic acid beverage Kagome Labre Alpha Plain was released with the functional claim that it improves the intestinal environment.



Agricultural development and regional revitalization

Supporting agriculture and helping communities achieve sustainable growth.

In communities where the workforce is dwindling and the population is super-aging at alarming rates, thinned infrastructure for agricultural production is becoming a problem. Kagome believes that agricultural development in Japan is the key to revitalization of communities. We will help turn agriculture in Japan into a growth sector.



Kagome Yasai Seikatsu Farm Fujimi

Kagome Yasai Seikatsu Farm Fujimi opened in the town of Fujimi, in the Suwa District of Nagano Prefecture in April 2019, with the concept of being an interactive vegetable theme park that combines agriculture and production with sightseeing. With the majestic natural scenery of Yatsugatake as a backdrop, the facility gives visitors a rich experience of closeness with vegetables while allowing them to experience the agriculture, food, and other charming points about the region. Over 30,000 visitors from inside and outside Nagano Prefecture came to the farm in 2019 to experience the joy of vegetables and what the area has to offer.



The production process visualized through projection mapping



Partnering with producers and local governments to support agriculture in communities.

Kagome works proactively to promote agricultural development and health, concluding agreements with local governments and agencies, developing products made from locally produced agricultural ingredients, and providing dietary education and guidance for tomato farming, and more.

[Agreements that Kagome has concluded in communities]

**27 Agreements 17 prefectures,
5 cities, 1 town, 1 organization**

* as of the end of February 2020



Reducing the burden on farmers while expanding production volume of tomatoes used for juice.

While farm workers continue to increase in age and agricultural land becomes scarcer, Kagome faces the need for greater volumes of tomatoes for juice in Japan. As a way to resolve this problem, we joined forces with an agricultural machinery manufacturer to jointly develop the Kagome Tomato Harvester (KTH) that harvests tomatoes for processing. With the KTH we are working to mechanize harvesting, which is the most burdensome task for farmers. Through partnership with Minori Logistics Services Co., Ltd. (based in Omitama, Ibaraki Prefecture) which is contracted for the transport of tomatoes by Zen-Noh Ibaraki, we are expanding contracted harvesting services that deploy workers in combination with the KTH.

Energizing Japan with the "Yasai Seikatsu 100 Seasonals Series."

"Yasai Seikatsu 100 Seasonals Series" is the flagship product of the "locally grown, nationally consumed" campaign to consume locally produced agricultural products all over Japan. The series now sells in at least 10 different flavors each year. Kagome will continue to support local agriculture in addition to good health and longevity through collaboration and the pioneering of new vegetables and fruits.

Yasai Seikatsu 100 Seasonals Series (April 2019 to March 2020)



Vertically Integrated Business

Full-cycle value creation, from seed to table.

Kagome owns roughly 7,500 varieties of tomato genetic resources. From these seeds to soil cultivation, growth, harvest, production, all the way to the final product, our business model guarantees the values of safety and reassurance. That is what Kagome has to offer, a vertically-integrated business that is the only one of its kind in the world.



United States



Japan

Horizontally
Main global locations



Portugal



Australia



Demand creation
Communicate the value of our products to our customers, with value-communicative activities that generate demand.



Product production
Production processes and quality control that maximize the value of raw materials, with the optimal combination of good raw materials and technology.



Primary processing and procurement
We only procure raw materials that meet our own standards for quality, and our primary stage of processing keeps all of the flavor intact.

Vertically
“For anything tomato, it’s Kagome”



Farming
Contracted farming and agricultural guidance for specified varieties of plants, and growing fresh tomatoes in high-tech greenhouses.



Development of new varieties and seedling production
Producing and supplying seedlings that have a competitive edge, with useful new varieties created by cross-breeding our genetic resources of agricultural products.



Research and development
Integrated research and development that maximizes the value of agricultural products which are nature’s bounty and contributes to greater longevity and good health.

Expanding the Fresh Vegetables Business

With our lineup of cutting edge technology, our fresh vegetables business is turning agriculture into a growth sector.

Our fresh tomatoes business is invigorating fresh vegetable markets with focus on high-lycopene tomatoes, while at the same time developing new varieties of tomatoes. We are also expanding the sales area and product lineup of baby leaf lettuce as we broaden our range of business domains to transition from being a “tomato company” to a “vegetable company.”



Round Red



High-Lycopene Tomatoes



GABA-Rich Tomatoes



Developing large, high-tech greenhouses across Japan

Our fresh tomato business started in 1998. We grow them outdoors when they are in season in the summer and fall, and in large greenhouses the rest of the year. Temperature, humidity, and irrigation are controlled automatically by computers in the large greenhouses. Limiting exposure to the outside world allows us to limit the risk of damage from insects and diseases. With uniform environments and uniform management operations within the greenhouses, we also achieve consistent shipment volumes and high yield per unit area throughout the year, employing techniques such as three-dimensional modeling that maximize yield per unit area. The greenhouses cultivate tomatoes in an environmentally friendly manner with the use of green energy as well as measures to curb CO2, water conservation, considerations for the ecosystem, and other considerations. We aim to ship out around 14,000 tons of tomatoes per year, including our Round Red and High-Lycopene Tomatoes.



New vegetable Kalish*1 created from kale and daikon, now available

In October 2019 we released a new green leaf vegetable called Kalish which contains large amounts of healthy nutrient sulforaphane*2. Kalish is a new vegetable that was created by crossing kale with daikon. Eaten raw, it has the sharp flavor of daikon or arugula, and when cooked it produces a thick umami flavor. Kalish is characterized its high levels of healthy nutrient sulforaphane. While it can of course be served raw, Kalish is also well suited for soups, boiled and stir-fried dishes, and more, giving consumers more ways to increase their sulforaphane intake. Kagome will be helping people to eat well and eat healthier by bringing Kalish to more and more consumers.

*1 Kalish (Breed name: Santé Vert 48) in Japanese notation is a registered trademark of Kagome Co., Ltd. in Japan.

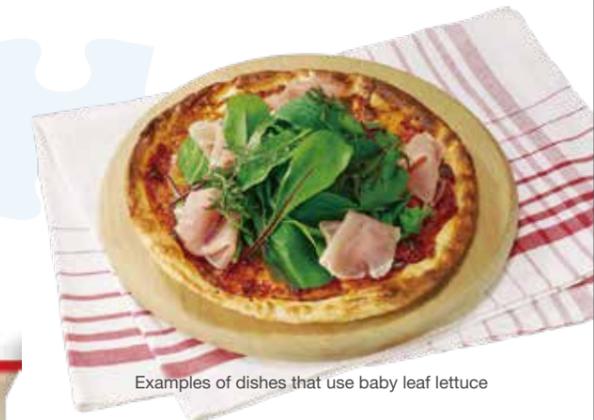
*2 Exists in food as SGS (sulforaphane glucosinolate) and turns into sulforaphane when broken down inside the body.



Italian salad mix



Baby leaf lettuce mix



Examples of dishes that use baby leaf lettuce



Domestically produced baby leaf lettuce mix, ready to eat without washing

Boosting sales of baby leaf lettuce

Baby leaf lettuce was the first vegetable product that Kagome sold other than tomatoes. It is a highly functional vegetable with fiber, calcium, iron, vitamin A, and other nutritional components in excess of the standard values for nutritional intake shown on food labels in Japan. Baby leaf lettuce is also now known to include more polyphenol and beta carotene than full-grown lettuce. Since 2017 Kagome has been operating Takane Baby Leaf Green Farm Co., Ltd. in Hokuto, Yamanashi Prefecture. While strengthening our supply system and our sales, we have also been rolling out new recipe suggestions. In summer 2019 we also launched our domestically produced baby leaf lettuce mix that is ready to eat without washing. We will continue to bring appealing products to our customers that give them simple ways to eat vegetables every day.



Fields are the Primary Production Plant

Good ingredients come from good fields. That is the philosophy behind our products.

Based on a manufacturing ideology that “fields are the primary production plant,” we continue to grow crops with contracted farmers as we have since the founding of our business, while also increasing production areas in Japan that grow the ingredients for tomato juice. At the same time, we leverage our expertise and track record from years of experience with contracted farming to procure agricultural raw materials from overseas.

We call our professional farmers “field masters.”

Since its founding, Kagome has stayed true to the ideal that good ingredients come from good fields, and has engaged in “contracted farming” for crops such as tomatoes in order to procure safe and reliable ingredients. For contracted farming, in which Kagome and Japanese farmers work together for mutual benefit, we enter into agreements with the farmers to buy their entire crop before they plant it. Then Kagome employees called “field masters” survey the fields of the contracted farmers and give out proper advice in relation to the growth stage of the tomatoes, including Kagome’s very own brand of meticulous farming guidance. “Contracted farming” frees farmers from their concerns about waste or price fluctuations, and lets them concentrate on producing high-quality ingredients. At the same time, this allows aging farmers in Japan to train younger, inexperienced farmers.



Our seeds and seedlings business now reaches more than 80 countries.

In November 2013, Kagome acquired ownership of US seedling company United Genetics. This company develops its own non-genetically modified tomato and vegetable seeds, and sells them in markets in over 80 countries worldwide, with a focus on the United States. This allows Kagome to expand its tomato business worldwide with seeds as a starting point. Kagome is globalizing faster than ever, equipped with a horizontal lineup of companies spanning the globe, and a unique vertically-integrated business model for full-cycle value creation, from seeds to ingredients, processing, and sales.



Becoming a Global Tomato Supplier

Keep challenging ourselves, keep growing, so the whole world can say “If it’s tomatoes, it’s Kagome.”

Global demand for food and tomatoes is expected to increase drastically as the world population grows towards what many say will be 9 billion people in 2050. Kagome aims to use tomatoes and food in general to help solve the various problems the world faces, and become the top global tomato supplier.

Established a new farming company in Senegal making tomatoes for processing

In December 2017 we established “Kagome Senegal Sarl”, a farming company that cultivates, purchases, and sells tomatoes for processing in Senegal, Africa. Tomatoes have become rooted in the food culture of western Africa, and average annual tomato consumption in Senegal exceeds 20 kg per person, more than double that of Japan. However, the region has been unable to secure sufficient quality or quantity of tomatoes due to factors such as poor funding, undeveloped agricultural technology, diseases, and insect damage. Kagome Senegal Sarl will utilize the agricultural technology resources of the Kagome Group such as seeds and cultivation technology to create new production areas in Senegal, and help develop the tomatoes for processing market in western Africa.



Co-developing cutting-edge technology for cultivation of tomatoes for processing

Starting in March 2015 we began developing leading-edge crop growing technology overseas that utilizes big data for cultivation of tomatoes for processing. Specifically, this system aims for high value-added, environmentally-friendly farming by maximizing harvests. It acquires a wide range of data from weather, soil, and other types of sensors placed in testing fields, as well as from satellites, drones, and other monitoring devices. It also incorporates farming data such as irrigation and fertilizer use. Utilizing all this information, it determines the optimal amounts of inputs such as water, fertilizer and pesticides according to weather conditions and the growth of the tomatoes.



Approach to global foodservice

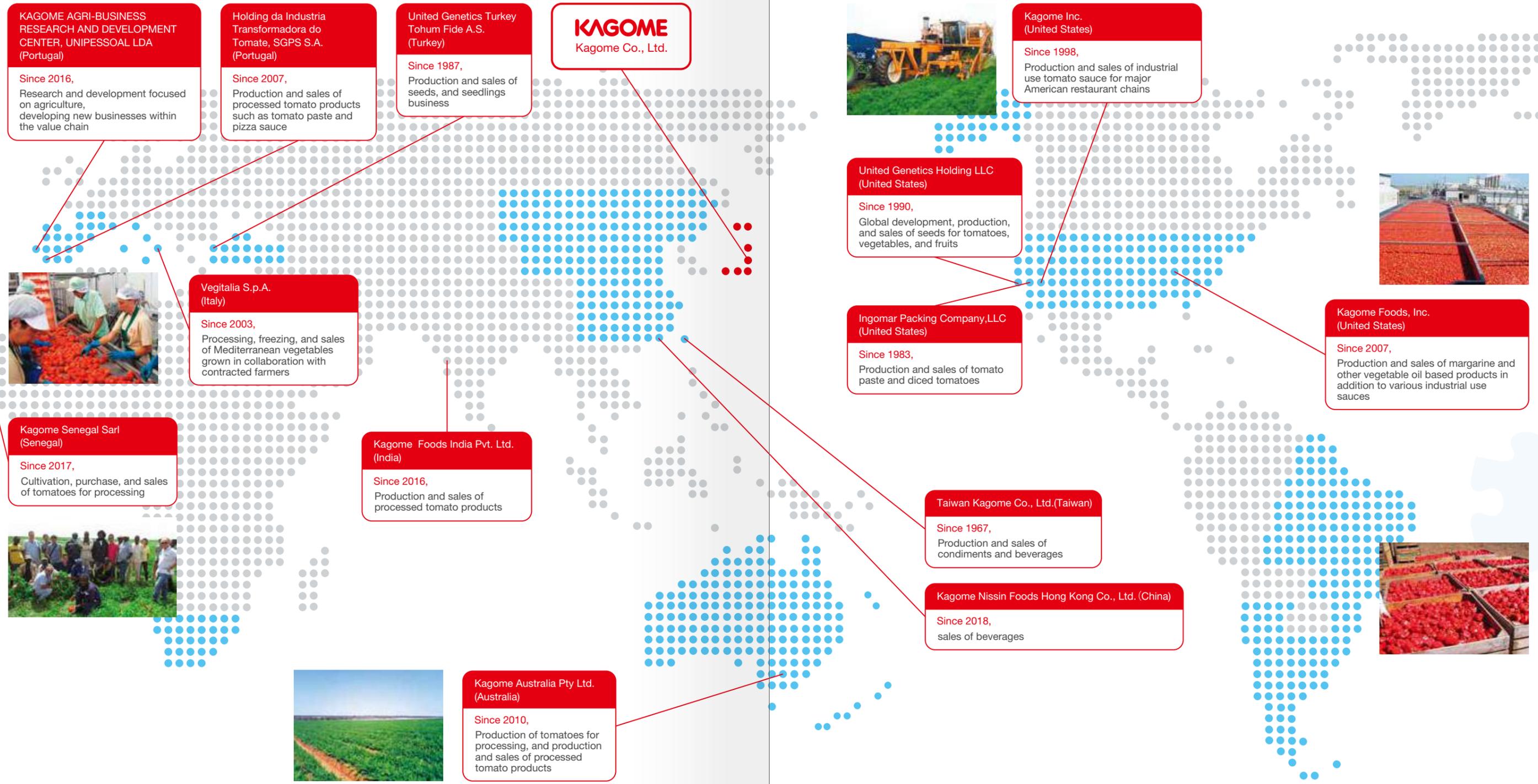
We have joined forces with major foodservice companies that are active globally and are beginning to work on new product development in addition to providing tomato-based products. Kagome is also utilizing findings from “research on the nutritional content and functionality of tomatoes and vegetables” to make “healthy food” possible that can cater to the growing demand for “low sugar, low salt, and low fat.” We are also proactively pursuing business opportunities and developing clientele in new areas from China to the rest of Asia, South America, and the Middle East.



Bringing flavor and health to people all over the world.

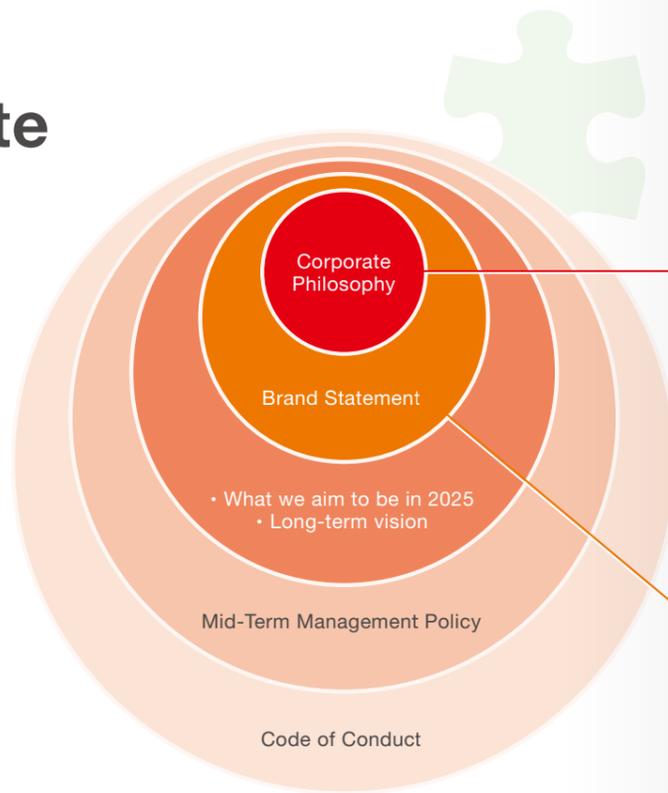
Based on the expertise we have accumulated in Japan, Kagome explores global locations to examine which of them are optimal for cultivation, and we operate businesses in countries throughout the world.

● Raw materials production countries overseas



Kagome Corporate Philosophy

In the 121 years since its founding, Kagome has been helping people live healthy lives by bringing them nature's bounty in the form of products such as tomatoes, observing its corporate philosophy while refining and improving the value that the company offers along with the changing times. Now, Kagome has set its sights on what it ideally strives to be in the year 2025. This is to be a strong company, a vegetable company, capable of sustainable growth, which actively leverages its knowledge built up over the years in the fields of tomatoes and health to resolve the wide range of social issues confronting not only Japan, but the entire world.



Corporate Philosophy An inherited management spirit that pervades through changing times

Appreciation

We are thankful for nature's bounty and for human relationships. We respect natural ecosystems and value human sensibility.

Nature

Through nature's bounty, we endeavor to create rich value that is ahead of the times and to contribute to consumers' health and wellbeing.

Corporate Openness

We aim to be an open company that engages in fair and transparent corporate activities and respects each person's individuality and abilities.



Calligraphy by Tomato Okina (Patriarch) Ichitaro Kanie

Brand Statement What our brand should be

Nature

To strive for healthier food that makes the most of the antioxidants and immunological capabilities of nature's bounty.

True

To produce healthy, great tasting foods without relying on unnatural additives and technologies.

Flavor

Create new demand for delicious food, paying attention to the needs of our bodies and our planet.



Our History

Since our founding in 1899, we have given consumers products made with "the desire to contribute to people's health, using the value of agricultural products which are the bounty of nature." This is also a history of

technological innovation, in which Kagome has continuously developed entirely new products to meet the needs of the times.

<p>1899</p> <p>Founder Ichitaro Kanie Began growing western vegetables</p> 	<p>1903</p> <p>Built a production plant in Nishiyashiki, Araomachi, in the city of Tokai in Aichi Prefecture. Entered full-scale production of tomato sauce</p>	<p>1906</p> <p>Released tomato juice for sale</p> 	<p>1908</p> <p>Began selling ketchup in a plastic bottle, the first of its kind in the world</p> 	<p>1933</p> <p>Launched "Kagome Theater"</p>	<p>1963</p> <p>Established Kagome USA, Inc. in the United States</p>	<p>1966</p>	<p>1967</p>	<p>1972</p>	<p>1978</p>	<p>1988</p>	<p>1992</p>
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Made "True to Nature, the Flavor of Kagome" into our brand statement.



<p>1995</p> <p>Launched Yasai Seikatsu 100</p> 	<p>1998</p> <p>Announced corporate philosophy ("Appreciation," "Nature" and "Corporate openness")</p>	<p>2000</p>	<p>2001</p>	<p>2003</p>	<p>2004</p>	<p>2005</p> <p>Surpassed 100,000 shareholders</p>	<p>2006</p>	<p>2010</p> <p>Established Kagome Australia Pty Ltd.</p>	<p>2014</p>	<p>2015</p> <p>Launched Greens</p> 
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<p>1906</p> <p>Began production of tomato sauce (now tomato puree)</p> 	<p>1908</p> <p>Began production of tomato ketchup and Worcestershire sauce</p> 	<p>1933</p> <p>Renamed company "Kagome Co., Ltd" and established the tomato logo</p> 	<p>1963</p> <p>Established Taiwan Kagome Co., Ltd. First Kagome operations outside of Japan</p>	<p>1978</p> <p>Publicly listed on the First Section of the Nagoya Stock Exchange</p>	<p>1988</p> <p>Publicly listed on the First Section of the Tokyo Stock Exchange</p>	<p>1992</p> <p>Launched Carrot 100 Series</p> 
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<p>2004</p> <p>Launched Anna Mamma</p> 	<p>2005</p> <p>Began sales of fresh tomatoes (Kokumi Tomatoes)</p> 	<p>2006</p> <p>Launched "Yasai Ichinichi Kore Ippon" (and the larger "Kore Ippai")</p> 	<p>2007</p> <p>Launched Plant-Based Lactic Acid Labre</p> 	<p>2014</p> <p>Launched salad vegetables</p> 
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Mid-Term Management Plan

What We Aim to Be in 2025

“To become a strong company capable of sustainable growth, using food as a means to resolve social issues”

- Social issue 1** Give people longer, healthy lives
- Social issue 2** Agricultural development and regional revitalization
- Social issue 3** World food shortages

In Japan, medical and nursing care expenses are rising while the working population is shrinking due to low birthrates and an aging population. On the other hand, when we look to other countries we see that food shortages are escalating due to population growth, abnormal weather and other such phenomena. We aim to utilize our knowledge of vegetables and health that we have accumulated over the years to help resolve these social problems.

Efforts and Contributions toward Social Issues

Give people longer, healthy lives

- Expand the range of vegetable types that we provide by strengthening business in the domain of fresh vegetables such as baby leaf lettuce
- Grow consumption of vegetable side dishes through “vegetable solutions”
- Boost vegetable intake through health promotion services that change customer behavior
- Promote health in communities through collaboration with area distributors and local governments with whom we have concluded comprehensive agreements
- Reveal relationships between vegetable intake and health promotion through joint research with external institutions such as universities

Agricultural development and regional revitalization

- Grow the vegetable processing business in Japan
- Produce tomatoes for processing and vegetables on abandoned farmland, and take measures to counter aging and insufficient labor among producers
- Discover and support the sales of producers who are dynamic at “farm support” direct marketing
- Grow consumption of the agriculture, fishery, and livestock products of the local governments with whom we have concluded comprehensive agreements

World food shortages

- Develop production areas for processed tomatoes and help improve productivity in Senegal, India, and other emerging countries
- Utilize cutting-edge technology to contribute to sustainable, high-efficiency agriculture

Great East Japan Earthquake Reconstruction

- Cooking instruction in places such as reconstruction housing and nursery schools, put on Kagome Mini-Theater, and deploy Kitchen Cars
- Tomato cultivation guidance at agricultural high schools
- Support the scholastic advancement of children orphaned by the earthquake disaster through the Michinoku Future Fund

Long-term vision

by 2025

Shift from a “tomato company” to a “vegetable company”

Kagome has a unique presence as a company that deals in “vegetables” with a variety of food ingredients, categories, temperature ranges, containers, and volumes; and in a wide range of forms from fresh vegetables to juices, condiments, frozen ingredients, and supplements. Refining the value that we provide in forms such as safety, flavor, and health, we aim to be a “vegetable company.”

by about 2040

50% of the workforce consisting of women —from employees to executive officers

Seeing things through the eyes of our stakeholders, including our customers, we will push forward with our business strategies and activities to cater to diversifying consumer needs and incorporate a wide range of views based on a diversity approach.

Mid-Term Management Policy (FY2019 to FY2021)

Basic Strategy

Growth by Continuing to Improve Earning Power, Starting New Businesses and Taking on New Domains

To successfully become what we aim to be in 2025 and achieve our long-term vision, we are positioning 2019-2021 as the “Second Mid-Term” on the heels of the three-year plan that began in 2016. We will start new businesses and take on new domains, while working to raise the social and economic value of our company. Since new businesses involve large investments, we will continue reforming our earnings structure to generate the capital this requires as part of multifaceted efforts to build and solidify a base for creating innovations.

Mid-Term Priorities

- Priority 1** Continue to boost value and reduce waste, overburden, and unevenness.
- Priority 2** Start new businesses and take on new domains
- Priority 3** Go from reforming workstyles to reforming lifestyles
-Be a company that is enjoyable and meaningful to work for, even with strict accountability-
- Priority 4** Develop the mechanisms to be a strong company

Business Strategy

As more people eat out instead of at home and borders lose their significance, we will eliminate the divide between the existing classifications of consumer use, industrial use, and agricultural business as we engage in more in-depth collaboration. We will make full-scale efforts to deliver vegetable intake in the form of side dishes to be a vegetable company that accomplishes its social mission of giving people longer, healthier lives.

Targets by Business Segment (FY 2021)

*We have adopted International Financial Reporting Standards (IFRS) starting the fiscal year ending December 2019

1 Domestic processed foods business		2 Agri-business		3 International business	
Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
148 billion yen	12.4 billion yen	14 billion yen	800 million yen	50 billion yen	3 billion yen

With more cooperation between business fields, we aim to take the brand value we have built in B to C, and expand it out into B to B to C corporate value. In order to do so, we will improve our solution capabilities for vegetables in B to B and our demand creation capability (innovation) for vegetables in B to C, and fully engage in offering vegetables as side dishes to the meal preparation and restaurant industries, while working to expand our product capabilities through the creation of new production areas and processing locations.

Business Overview

Delivering vegetable value with a diverse, colorful lineup

Some people are short on time. Others do not like vegetables. For these reasons and more, Japanese diets have not included enough vegetables, and the problem is getting worse each year. Based on our desire to make products widely available that give people an easy and delicious way to incorporate vegetables into their diets, we at Kagome are doing everything we can to combat vegetable deficiency. Expanding our business domain to include not only beverages, food products, and products for institutional and industrial use, but also direct marketing and agri-business as well, we now offer a lineup of more than 1,000 products that make vegetables more accessible. Continuing to make vegetables available in a variety of forms, we will help to eliminate vegetable deficiencies in Japan while contributing to greater longevity and good health.



✚ Beverages

Mixed vegetable and fruit / 100% tomato / 100% vegetable / 100% carrot / lactic acid / Mix of fruit, vegetables, and soybeans



✚ Food Products

Tomato ketchups, etc. / tomato condiments / sauces / pasta sauces
"okazu" side dish condiments / microwaveable foods / hotpot broth



✚ Agri-business

Fresh tomatoes / vegetables / processed agricultural products / household horticultural products



✚ Institutional and Industrial

Unrefrigerated products / refrigerated products



✚ Direct Marketing

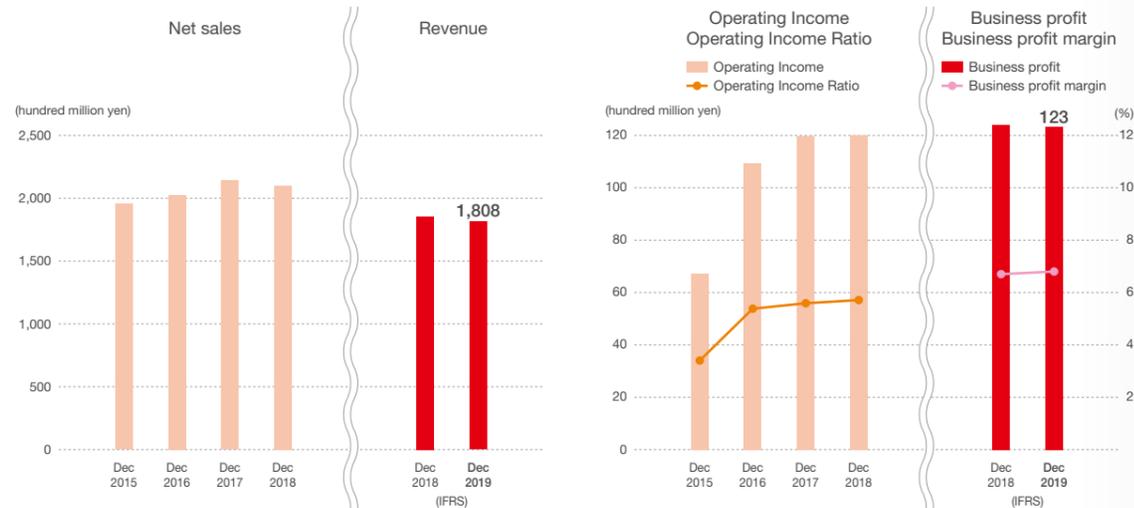
Seasonal products / beverages / supplements



Company Overview

Consolidated Financial Performance

* We have adopted International Financial Reporting Standards (IFRS) starting the fiscal year ended December 2019
FY2018 IFRS numbers have been converted (approximate)



Company Overview (As of the end of 2019)

Founded	1899	Main consolidated subsidiaries
Established	1949	Hibikinada Green Farm Co., Ltd.
Head Office	3-14-15, Nishiki, Naka-ku, Nagoya, Aichi Phone: +81-52-951-3571 (Main) Fax: +81-52-968-2510	Iwaki Onahama Green Farm Co., Ltd.
Tokyo Head Office	Nihonbashi-hamacho F-Tower, 3-21-1 Nihonbashi-hamacho, Chuo-ku, Tokyo Phone: +81-3-5623-8501 (Main) Fax: +81-3-5623-2331	Kagome Axis Co., Ltd.
Capital	19.985 billion yen	Kagome Inc.
Number of Employees	2,599 (consolidated)	United Genetics Holdings LLC
Places of Business	Head Office, Tokyo Head Office, 1 division office, 8 branches, 6 plants, the Innovation Division	Vegitalia S.p.A.
Description of Business	Production and sales of food seasonings, preserved foods, beverages, and other food products; purchasing, production, and sales of seedlings, fruits, and vegetables	Holding da Industria Transformadora do Tomate, SGPS S.A. (HIT)
		Taiwan Kagome Co., Ltd.
		Kagome Australia Pty Ltd.

Please refer to our Integrated Report for
CSR and financial information.

<http://www.kagome.co.jp/company/ir/data/integratedreport/>

Public Interest Incorporated Foundation The Michinoku Future Fund



Together with Rohto Pharmaceutical Co., Ltd. and Calbee Inc., Kagome established the Michinoku Future Fund in 2011 in the City of Sendai, Miyagi Prefecture, and began supporting the scholastic advancement of children who were orphaned by the earthquake disaster. The public interest incorporated foundation is now operated by four companies after the addition of Ebara Foods Industry, Inc. There are said to be roughly 1,800 children throughout Japan who lost one or both of their parents in the Great East

Japan Earthquake. This organization accepts donations from across the country to support the dreams of these children to advance to higher education by providing educational grants (up to 3 million yen per year) to cover all of their enrollment and tuition fees from admission to graduation. The Michinoku Future Fund is committed to providing support over the long term, until those children who were still in the womb at the time of the earthquake graduate from institutions of higher education.



More detailed information is available on the fund website.

Michinoku Future Fund Search

Vege Kids Nursery School Where Kids Love Vegetables



Vege Kids Nursery School Where Kids Love Vegetables, "Vege Kids" for short, was opened in April 2019 next to Tokyo Head Office (Chuo-ku, Tokyo). Vege Kids allows Kagome employees with young children to feel free and secure continuing their work without worrying about their career

plans or balancing their jobs with parenting. In addition to basic childcare, Vege Kids also provides veggie-centric dietary education that teaches babies and toddlers about the flavor, fun, and importance of vegetables during the formative phase of their mental and physical development.

More detailed information is available on the fund website.

Vege Kids Search



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