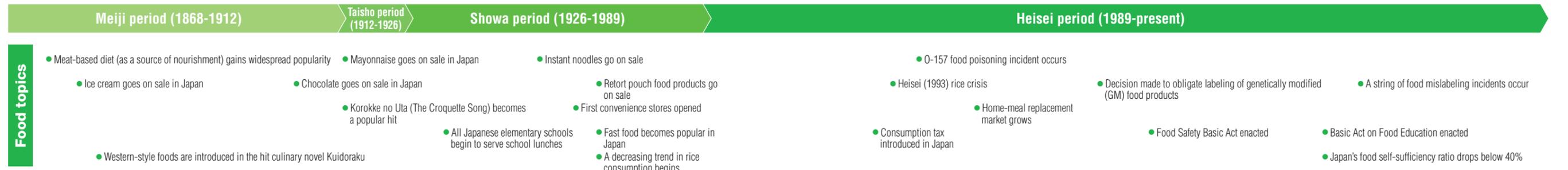


Kagome's History of Creating Value

Kagome was founded in 1899. Since then, we have instilled our founding sentiment of wanting to "contribute to people's health by leveraging the value of agricultural products, which are part of nature's bounty" into our products, and continued to deliver them to consumers. Our 120-year history since the time of our founding is also one of technological innovation; of continuously developing new products that did not yet exist, in order to cater to the needs of the times. Throughout that history, Kagome has contributed to the advancement of technologies for the development of tomato-based products. In addition, we have also

influenced Japanese food culture in various ways, such as by pioneering the nationwide launch of products such as tomato ketchup and Worcester sauce which led the way in the widespread popularization of Western-style dining, and proposing vegetable juice as a new way of consuming vegetables. We also constructed a distribution network for fresh tomatoes, and have engaged in food education support activities for communicating the health value of vegetables. Kagome's activities continue to stay one step ahead of the needs of the times, and have a wide-reaching impact in society.



Kagome's Value Creation

Innovations with a View to the Future

Kagome's founder began cultivation of Western vegetables, which were not typical or familiar to people in Japan at the time, with aspirations of creating a new age of agriculture

- Believed that Japanese agriculture would change (forward-looking perspective)
- Avoided wasting tomatoes (value agricultural produce)
- Manufactured tomato puree using originality and ingenuity (create new value)

Innovations for Sustainable Creation

Kagome created a system for contract farming

- Bought full volumes of tomato produce at a pre-determined transaction price agreed in advance through discussions with farmers
- Provided guidance to growers to maintain and improve quality of tomato (i.e. raw ingredients)

Innovations for Market Creation (1)

Kagome created a market for Western-style condiments by promoting widespread popularization of Western-style food menus and changing Japanese people's dietary lifestyles

- Conducted activities to promote widespread popularization by communicating information on how to use tomato ketchup and Worcester sauce

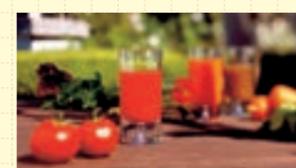


A 1934 advertisement run alongside a cooking article in the Japanese women's magazine *Shulu no Tomo* (Housewife's Friend)

Innovations for Market Creation (2)

Kagome created a market for tomato juice and vegetable juices

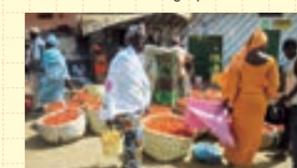
- Launched a vegetable juice that enabled anyone to "consume vegetables deliciously"
- Created the major category of "vegetable juices," running from the 1933 launch of tomato juice up to the present day
- Expanded the market by offering new variations in terms of containers and temperature ranges



Innovations for Coexistence

Kagome engaged in initiatives to achieve corporate growth through resolving social issues

- Conducted research into the health benefits of vegetables
- Ran activities in collaboration with national government and local communities to promote healthier lifestyles
- Corporate agricultural management (fresh tomatoes and baby leaf lettuce)
- Tackled overseas food shortage problems



Kagome's History

1899: Kagome's founder Ichitaro Kanie began growing Western vegetables

1903: Began production of tomato sauce (now tomato puree)

1906: Built a production plant in Nishiyashiki, Araomachi, Tokai City in Aichi Prefecture, and entered full-scale production of tomato sauce

1908: Began production of tomato ketchup and Worcester sauce

1933: Began selling tomato juice

1952: "Handbook of Tomato Cultivation" distributed to contract farmers

1960: Posted net sales of 3 billion yen

1963: Began selling tomato ketchup in a plastic bottle, the first of its kind in the world

1966: Posted net sales of 10 billion yen

1967: Established Taiwan Kagome Co., Ltd. The first business expansion overseas

1972: Started Kagome Gekijo

1976: Posted net sales of 50 billion yen

1978: Changed corporate logo and trade name to KAGOME

1983: Listed in First Section of the Nagoya Stock Exchange (NSE)

1988: Posted net sales of 100 billion yen. Established KAGOME U.S.A. INC., a U.S. corporation. Listed in First Section of the Tokyo Stock Exchange (TSE)

1992: Began selling Yasai Seikatsu 100 Series

1995: Began selling Anna Mamma

1998: Announced corporate philosophy of "Appreciation," "Nature" and "Corporate Openness"

2000: Began selling fresh tomatoes (Kokumi Tomato)

2001: Began selling Yasai Ichinichi Kore Ippon (and the larger "Kore Ippai")

2003: Established brand statement "True to Nature, the Flavor of Kagome"

2004: Began selling plant-based lactic acid Labre

2005: Number of shareholders exceeded 100,000

2006: Posted net sales of 200 billion yen. Established Kagome Australia Pty Ltd.

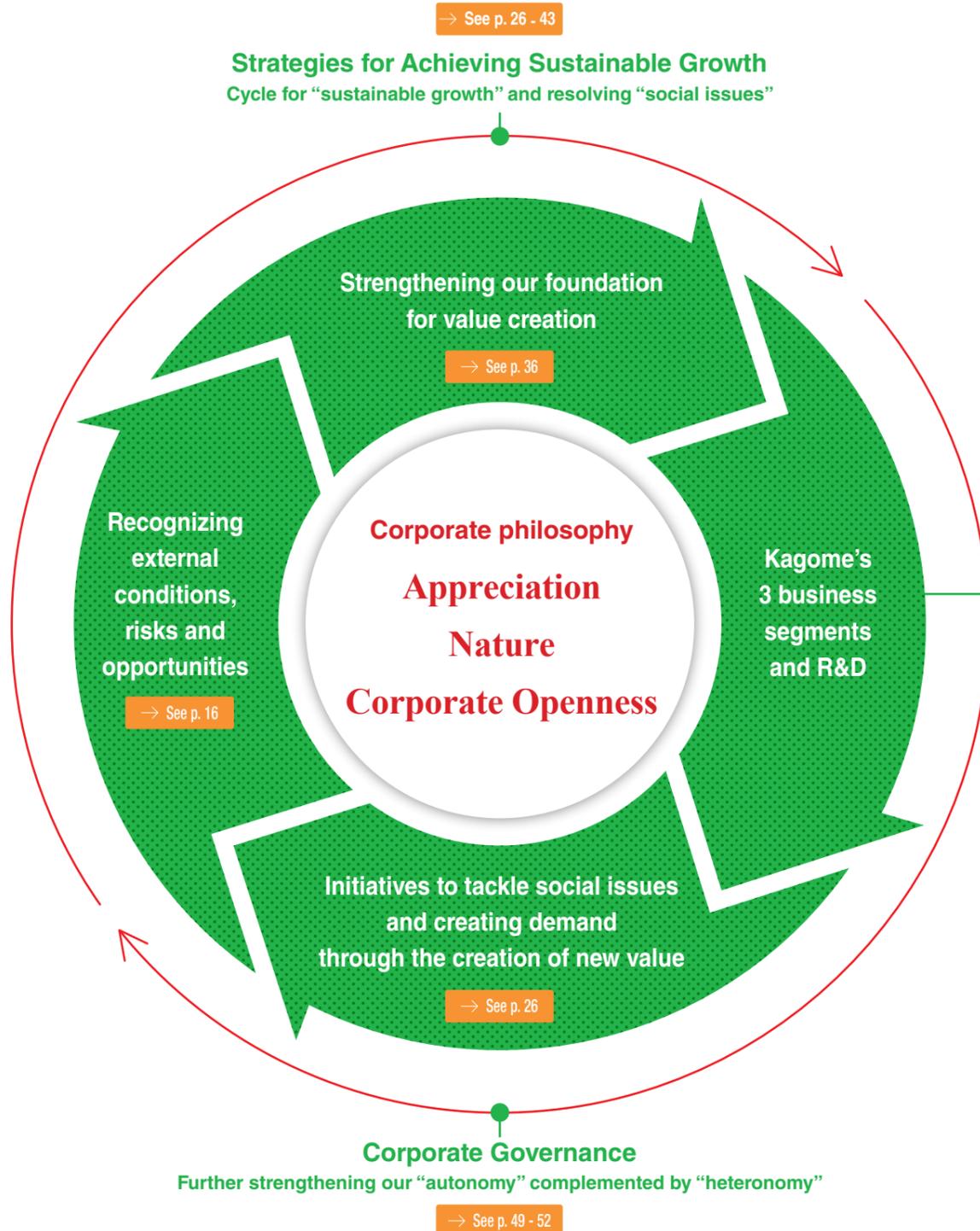
2010: Began selling salad vegetables

2014: Began selling salad vegetables

Present day: Continued growth and innovation.

Value Creation Process

What Kagome strives to be is “a strong company capable of sustainable growth, using food as a means of resolving social issues.” In order to achieve the realization of this aim, it is necessary for us to become an organization that is capable of responding flexibly to changes in the business environment. By resolving social issues through the provision of value to society, which we can create precisely because we are Kagome, we will continue to achieve sustainable growth and to coexist with a sustainable society. That is Kagome’s process for creating value.



Domestic Processed Food Business

→ See p. 28

Domestic Agri-Business

→ See p. 30

International Business

→ See p. 32

Research and Development

→ See p. 34

What Kagome Strives for

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

Long-term Vision

By 2025

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

By around 2040

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

Co-creation of value with society, and creating a sustainable society

Values Offered to Society

Resolving Three Social Issues

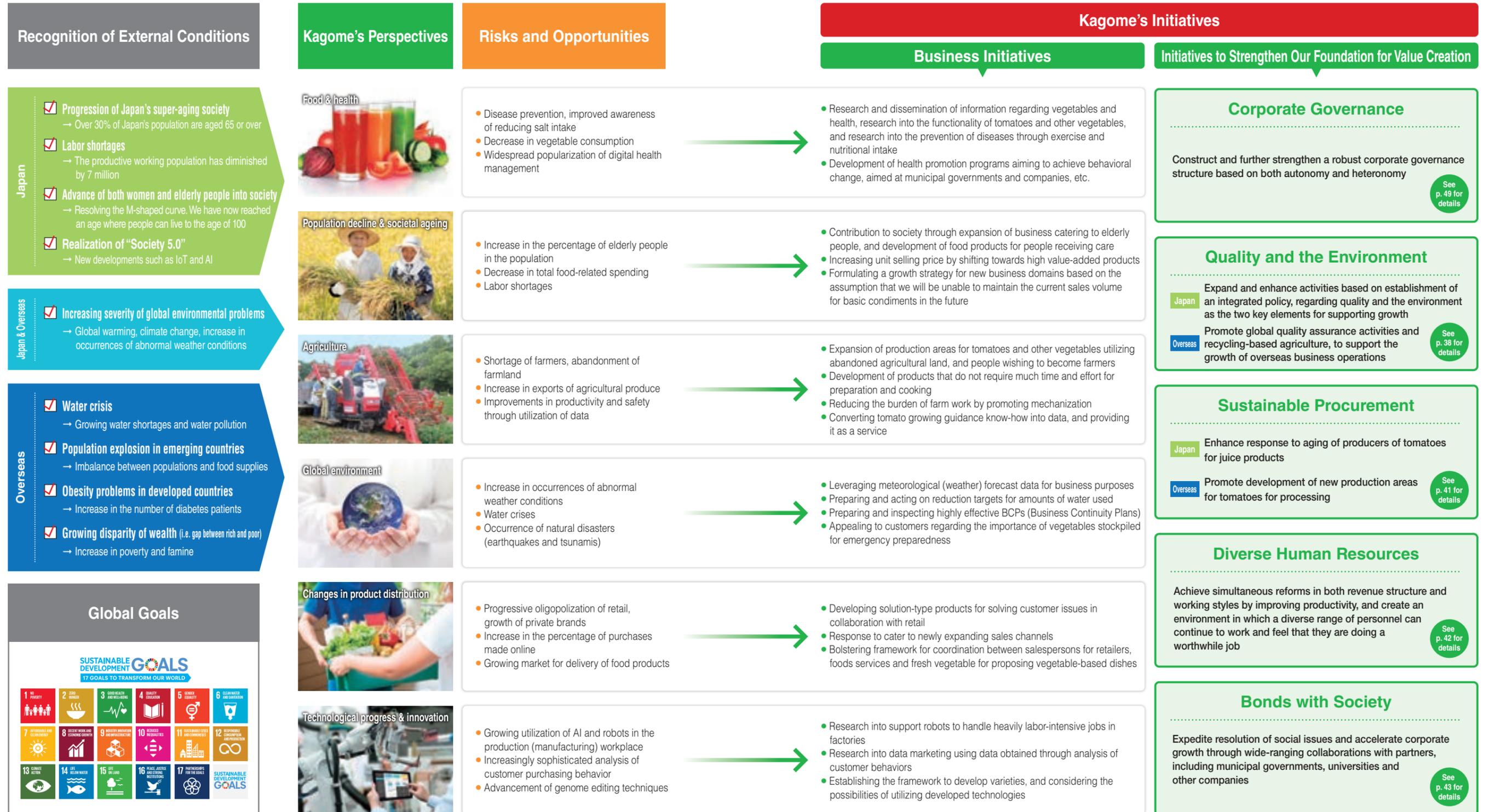
“Give people longer, healthy lives”
We aim to help people live longer, healthy lives by increasing the supply of vegetables.

“Agricultural development and regional revitalization”
We support agricultural development and regional revitalization by increasing the number of contracted farms and expanding new agricultural businesses.

“World food problems”
We contribute to resolving global food shortages and other problems through a vertically integrated tomato business model.

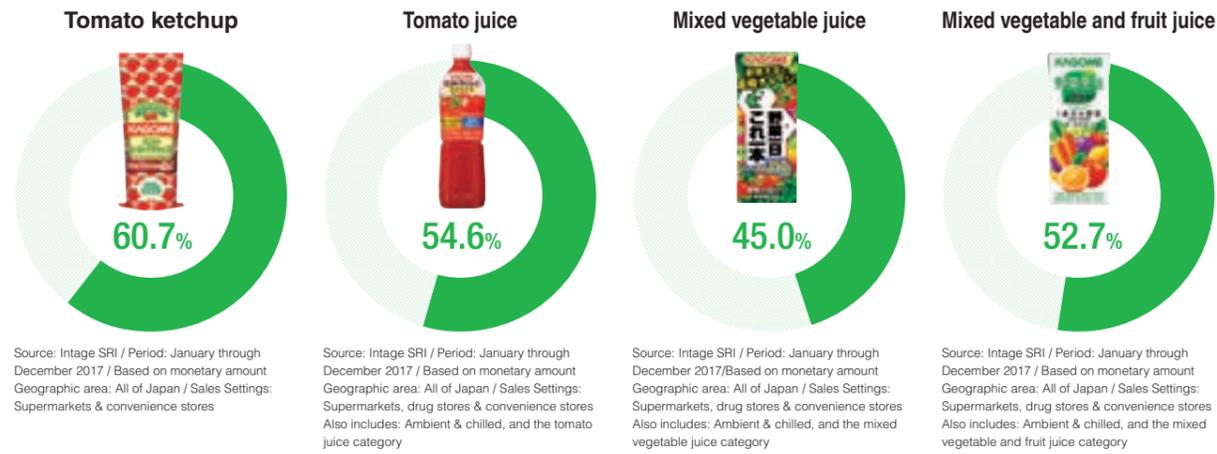
Recognizing External Conditions, Risks and Opportunities

In order to achieve what Kagome strives to be, it is necessary for us to speedily recognize changes in external conditions, and to identify risks and opportunities in our surrounding environment from short, medium and long-term perspectives. We also believe that in order for Kagome to continue being a company that is "needed" by society, it is important for us to implement initiatives with regard to both of the two aspects of business operations and our foundation for creating value (value creation infrastructure).



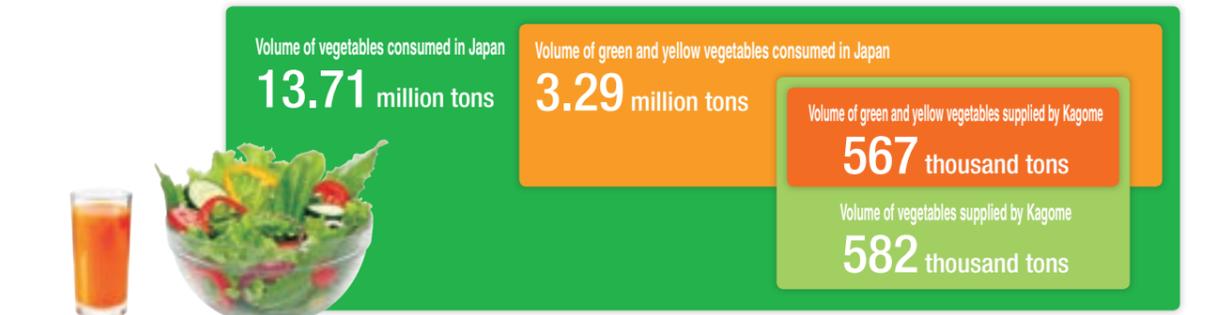
Kagome's Strengths

Our product lineup boasting **the largest share in Japan**



17.2% of the volume of **green and yellow vegetables** and **4.2%** of all vegetables* consumed in Japan are supplied by Kagome

* Green and yellow vegetables + other vegetables



Note: In past reports, Kagome's supply volume was calculated using the sorted consumption amount from MAFF's Food Balance Sheet as the denominator and Kagome's actual raw ingredient usage results as the numerator. However, this calculation method has now been changed, since it was judged more appropriate to use the actual amount of product delivered by Kagome to customers as the standard. We now use the net amount of food from MAFF's Food Balance Sheet as the denominator and Kagome's actual product sales results as the numerator.

Sales of tomato ketchup and tomato-based products 3rd place in the world

Sales of tomato ketchup 3rd place in the world

| Rank | Company name | USD million |
|------|-----------------------|-------------|
| 1 | Kraft Heinz Co | 1,639.8 |
| 2 | Unilever Group | 445.9 |
| 3 | Kagome Co Ltd | 232.0 |
| 4 | Del Monte Pacific Ltd | 182.9 |
| 5 | Nestlé SA | 125.2 |

* Euromonitor 2016 WORLD Brand Ranking

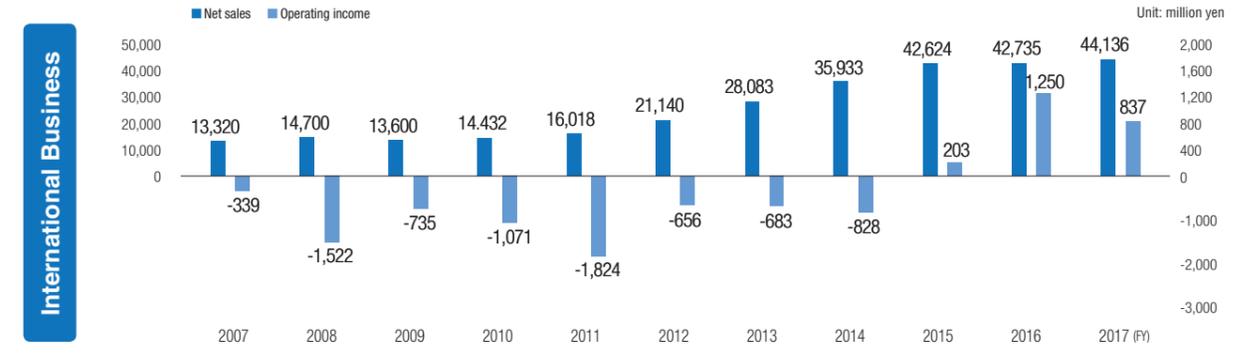
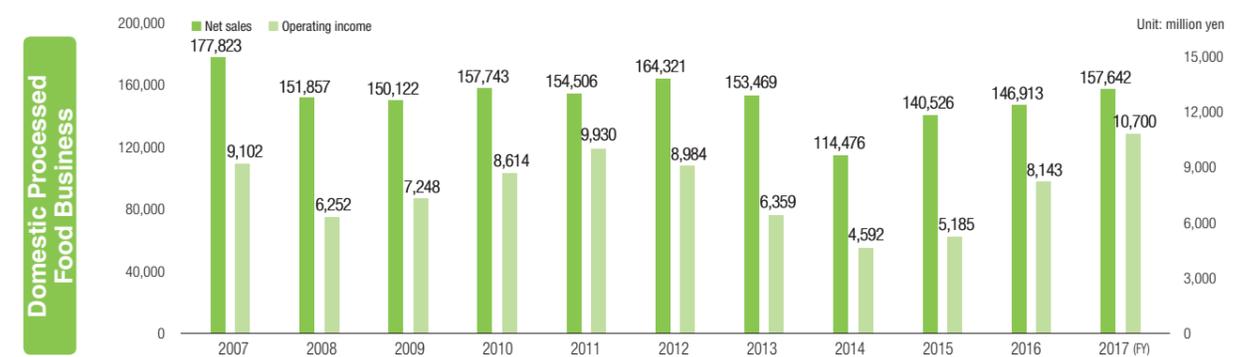
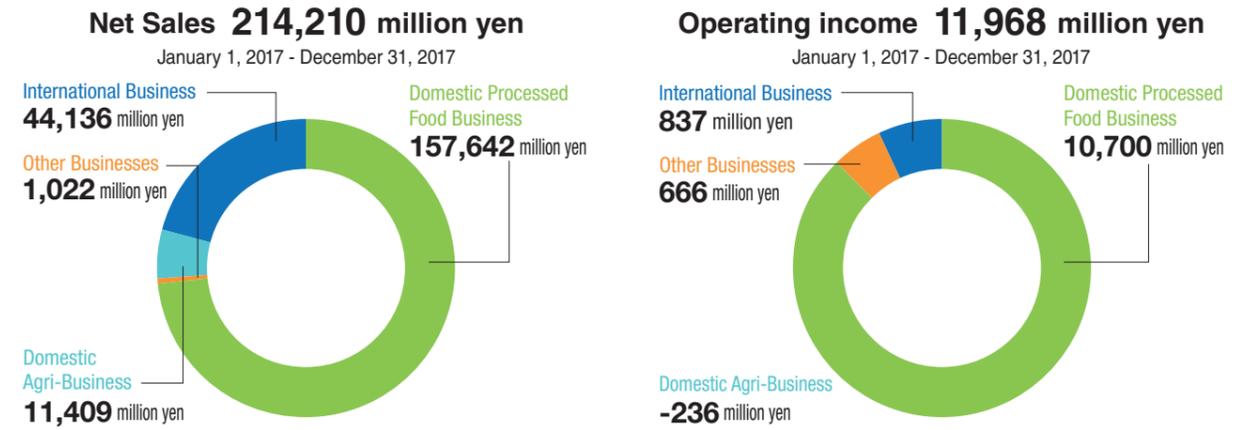
Sales of tomato-based products 3rd place in the world

| Rank | Company name | USD million |
|------|---|-------------|
| 1 | ConAgra Foods Inc | 315.2 |
| 2 | Del Monte Pacific Ltd | 186.8 |
| 3 | Kagome Co Ltd | 104.8 |
| 4 | Conserve Italia - Consorzio Cooperative Conserve Italia scarl | 89.0 |
| 5 | Desan Trading | 70.6 |

* Euromonitor 2016 WORLD Brand Ranking

Kagome's Revenue Structure

Ratio by business segment



* Figures after elimination and adjustment between segments. * Figures for FY2014 are for the nine-month period between April 1 and December 31, 2014, as a result of a change to the company's business year.