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For Immediate Release

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Notice on Revision to Results Forecast

KAGOME CO., LTD. (the "Company") hereby announces that it has revised the results forecast released on July 29, 2020.

1. Revision to the consolidated results forecast for the fiscal year ending December 31, 2020 (January 1, 2020 to December 31, 2020)

	Revenue	Core operating income (Note)	Operating income	Net Income Attributable to Shareholders of Parent	Earnings per share
	million yen	million yen	million yen	million yen	Yen
Previous forecast (A)	181,400	12,400	12,900	8,700	97.92
Revised forecast (B)	182,200	13,100	10,200	7,000	78.95
Change (B - A)	800	700	(2,700)	(1,700)	(18.97)
Percentage Change	0.4	5.6	(20.9)	(19.5)	(19.4)
Reference: Results in previous fiscal year (ended December 31, 2019)	180,849	12,304	14,079	10,198	114.89

Note: Core operating income is the profit index which measures constant business performance by deducting cost of sales and selling, general and administrative expenses from revenue plus share of loss (profit) of entities accounted for using equity method.

• Reason for the change

Revenue is expected to increase 800 million yen from the forecast announced on July 29, 2020, chiefly due to the "Let's Eat Vegetables" Campaign, which aims to increase individual consumption of vegetables in Japan by 60 g, and continued strong demand for foodstuffs for eating at home amid the COVID-19 pandemic.

Core operating income is expected to rise only 700 million yen despite the increase in revenue, chiefly reflecting active investment in advertising, primarily TV commercials, and an impairment loss in investment in equity method investees in the United States.

Operating income and net income will likely fall 2,700 million yen and 1,700 million yen, respectively, reflecting an impairment loss of approximately 3,000 million yen expected to be posted in non-current assets owned by Holding da Industria Transformadora do Tomate, SGPS S.A (hereinafter "HIT"), a subsidiary in Portugal.

Results at HIT have been weak in recent years due to a worldwide decline in the market for tomato paste, the mainstay product. In this environment, HIT is promoting a radical profit structure reform to build a business structure that will generate steady earnings. Within this context, the company will recognize the impairment loss on HIT. This impairment loss is caused by primarily in manufacturing equipment that is unlikely to generate stable cash flows as a result of selection in the course of the reforms based on earnings in each classification of businesses and customers.

Through structural reforms, HIT will change the structure to ensure a profit.