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For General Release

Kagome Co., Ltd.

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United Genetics Holding LLC to become Consolidated Subsidiary of Kagome Co., Ltd.

At its board of director meeting held September 20, 2013, Kagome agreed to acquire 70% of the shares of United Genetics Holding LLC, which operates businesses in five countries including the US, and develops, produces, and sells seeds for tomatoes, vegetables, and fruit on a global basis.

1. Investment objective

Agriculture is the foundation of Kagome's business, and agricultural resource development, including development of high-quality tomato varieties, is an important activity for the Company. To date, Kagome has principally focused on domestic resource development, but because of the Company's active expansion into overseas business in recent years, strengthening overseas development of agricultural resources has also become important.

The Company believes that its investment in United Genetics Holding LLC (UG) will accelerate its overseas business development and contribute significantly to new agriculture-related business.

2. United Genetics Holding LLC: Summary

(1) Company summary

UG operates businesses in five countries including the US. The company develops, produces, and sells seeds for tomatoes, vegetables, and fruit on a global basis.

The company supplies a variety of seed types, principally tomato but including peppers, watermelon, melon, and onion seed, with approximately 40% of sales accounted for by tomato seed.

Other than Scandinavia and part of Africa, UG sells throughout most of the globe, including Europe, the Middle East, North and Latin America, Asia, and elsewhere, with European sales accounting for more than 30% of the total.

United Genetics Holding LLC is a pure holding company with 100% ownership of the companies under its umbrella, as summarized below.

Company	United Genetics Holding LLC	United Genetics Seeds Company	United Genetics Italia S.p.A.	Unigen Seed Chile Ltda	United Genetics India Pvt. Ltd.	Unigen Seed Asia Inc.
Location	Wilmington, Delaware, USA	Hollister, California., USA	Parma, Romagna, Italy	Rancagua, Libertador General Bernardo O'Higgins, Chile	Bangalore, Karnataka, India	Mandaue, Cebu, Philippines
Established	2013	1990	1995	2004	2005	2013
Employees	-	40	17	2	78	10
Principal business	Holding company	Seed development and sales	Seed sales	Seed production and sales	Seed development, production, and sales	Seed sales
Relationship with Kagome	No material capital, personal, or business relationship	Same	Same	Same	Same	Same

(2) UG consolidated financial summary

(Unit: US\$ 1,000)

	June 2011	June 2012	June 2013	June 2014 (projected)
Sales	17,356	19,592	20,151	21,461
Operating profit	1,211	3,498	3,807	3,028
Net profit	829	1,699	(1,391)	1,490
Total assets	15,615	18,508	21,482	23,656
Net assets	6,388	8,098	6,673	8,527

Note: June 2013 figures are net of receivables writedown of approx. US\$1.7 million, inventory writedown of approx. US\$700,000, and reserves of approx. US\$500,000 for litigation in progress.

3. Summary of principal transaction partner

Name	Remo-Norma Ludergnani Trust
Location	Hollister, California, USA
Investors	Remo Ludergnani, Norma Ludergnani
Relationship between Kagome and trust	No material capital, personal, or business relationship

4. Transaction summary

Acquisition price	US\$20.3 million (¥2.03 billion at US\$1 = ¥100)
Settlement method	Cash settlement
Capital participation	Before transaction: 0% After transaction: 70.0%
Payment date (planned)	November 1, 2013

5. Post-acquisition management structure and forward outlook

After the acquisition, Kagome will control a majority of seats on UG's board of directors and will implement governance based on our corporate philosophy.

There will be no major changes in management structure, business policies, etc. Dr. Remo Ludergnani, founder and CEO, will continue to lead the company.

Remo Ludergnani career summary

After joining Petoseed went on to build his career in the seed industry. After serving in sales and marketing roles, he was promoted to vice president of the company's international operations. He subsequently joined Sunseeds, becoming a co-owner, but departed in 1989. In 1990, he founded United Genetics Seeds Company with his business partner, administrative vice president, and spouse, Norma Ludergnani, and since then has managed the company as CEO.

After the acquisition, 30% of UG's shares will be owned by the Remo-Norma Ludergnani Trust, which is controlled by Dr. Ludergnani and his spouse.

6. Kagome's objectives for the business

Kagome will promote further global expansion of US's existing businesses, with a medium-term goal of US\$30 million in sales (¥3 billion) and operating profit of US\$6 million (¥600 million, 20% operating margin).

To enhance Kagome's enterprise value, Kagome and UG will collaborate actively on global R&D in such areas as development of tomato varieties suited for cultivation in India.

7. Forward outlook

This acquisition is expected to have an insignificant impact on Kagome's business results.