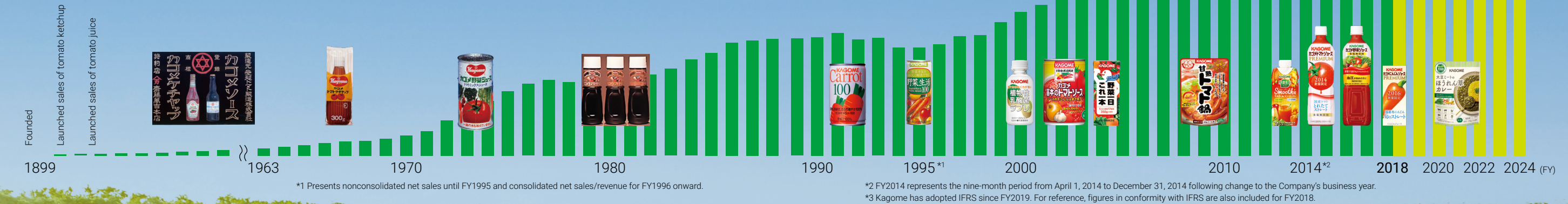


The Power of People Harnessing Nature’s Bounty

–Our Commitment and Technologies–

Kagome’s founder Ichitaro Kanie was a farmer who cherished agricultural produce and had an insatiable spirit of inquiry. These traits have been passed on today 126 years after the company was founded as the foundation of Kagome’s manufacturing spirit. We will continue to create value from agriculture as we aim to unlock greater growth through products and services that link the bounty of nature to people’s happiness.



Kagome Began with Agriculture Value Creation from Agriculture

Successful cultivation of Western vegetables The idea for processing came from unsold tomatoes

1875 to 1971
Kagome’s Founder
Ichitaro Kanie

Ichitaro Kanie was born in 1875 to a farming family in what is now Tokai City, Aichi Prefecture. Committed to developing his family business and the local community, he took on the challenge of cultivating Western vegetables, which were still rare at the time but were seen as offering great potential for the future.

Through trial and error, Kanie succeeded in growing cabbage, lettuce, parsley, tomatoes, and other vegetables. Western restaurants and hotels bought his crops, but his tomatoes were not accepted because of their strong smell and sweet-and-sour taste. For this reason, they were left to rot in the fields without any buyers.

However, Kanie believed in the future potential of tomatoes. After talking with experts at the local agricultural experiment station, he learned that in the United States, tomatoes were not only eaten raw, but also processed. Then, using a bottle of imported tomato sauce as a sample, he created his own method of boiling and crushing raw tomatoes, then straining them to create his own tomato sauce (what we call tomato puree today). As a result, Kanie’s first-ever product was tomato sauce, and in 1914, some 15 years after he cultivated his very first crop of tomatoes, Kanie started his own agricultural produce processing business.

Development of agricultural raw materials and cultivation techniques and expansion of the agri-business

From 1906
Contracted cultivation of raw tomatoes

From 1963
Development of tomato varieties for raw materials and development of cultivation technology

From 1972
Development of made-in-Japan tomato harvester

Ichitaro Kanie was the first to utilize contracted cultivation, in which farmers are contracted to grow crops, a practice that Kagome still uses to this day. While working alongside farmers to improve quality and ensure a stable supply of raw materials, Kagome also develops tomato varieties that are easy to grow and suitable for processing, as well as cultivation technology that reduces farmer workload.

Evolution of processing techniques using nature’s bounty / Functionality research on vegetables and lactic acid bacteria and promoting behavior change in vegetable consumption

1910
Around the time Kagome was founded

From around 1921
Mechanization of facilities

From around 1962
Development of plastic containers

Ichitaro Kanie actively promoted mechanization and automation in the manufacturing process. At the time, tomato processing involved a battle against the heat. To reduce the burden on employees, he developed Japan’s first automated tomato strainer. In terms of products, we responded to consumer demand by packaging our condiment products in plastic containers, and launched the world’s first tomato ketchup in a tube container.

From 1993
Developed tomato variety for juicing with greater harvesting efficiency

From 1999
Fresh vegetables business

From 2014
Sales of vegetable seedlings and soil for consumer use

2022
Development of AI-powered system for predicting fresh tomato yields

From 2022
Smart agri-services

From 2024
Solutions to worldwide agricultural issues

We began full-scale production and sales of fresh tomatoes in 1999. Since then, we have been working to stabilize the distribution volume and prices of fresh tomatoes. In 2014, Kagome also began selling tomato seedlings and soil for home gardening, providing food education and brand experience through vegetable cultivation.

We are focusing on AI-powered cultivation technology development, such as developing a yield prediction system for fresh tomatoes and a field management system for processing tomatoes together with partner companies. Additionally, we established a corporate venture capital (CVC) firm in the United States to promote open innovation to resolve agricultural challenges, such as adapting to climate change.

Around 1975
Advancements in concentration technology

1992
Establishment of carrot juicing technology

2000
Development of technology to reduce the bitterness of carrot juice

2022
Technological development expanding new possibilities of vegetables

Around 1990 to Present
Functionality research of vegetables and lactic acid bacteria

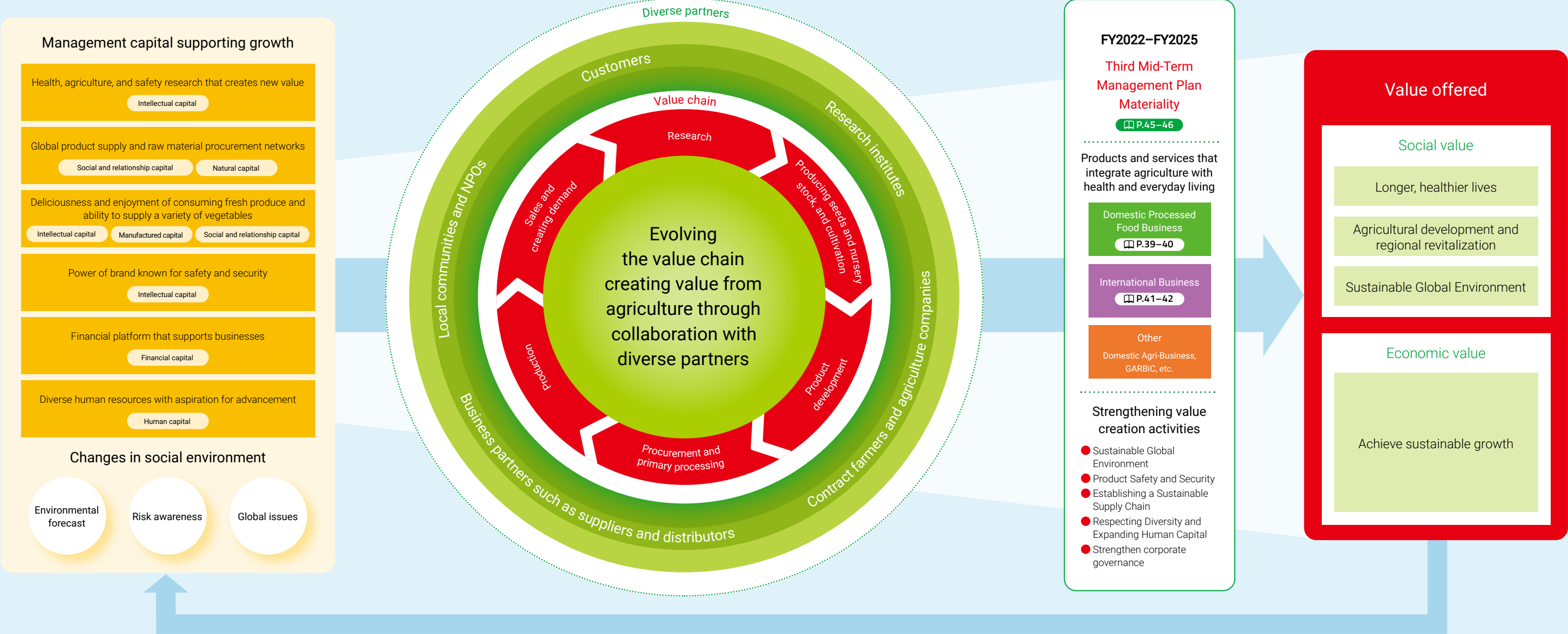
We developed a reverse osmosis (RO) concentrator that dramatically improves the color and aroma of tomato juice concentrate, and continue to improve it as a core technology. Furthermore, we established the Fresh Squeeze Method, a way of juicing carrots that makes their juice easier to drink while retaining nutritional elements, the Vegetable Refining Method, which removes the bitterness that is particular to carrots, and a technology for blending a variety of ingredients. In recent years, we developed a method for soft-boiling vegetables that creates an egg-like texture using only vegetables, which we use in our plant-based foods.

We are researching the functionality of vegetables and labre bacteria, which led to the launch of Foods with Function Claims. We are also promoting the dissemination of information and the development and popularization of equipment aimed at increasing vegetable intake.

Kagome's Value Creation Process

We take consistent action as an organization by positioning our corporate philosophy as Kagome's unwavering values and brand statement as our promise to society and our customers at the foundation of our management. By predicting environmental changes and utilizing management capital that supports our growth, we are developing our value chain founded in agriculture through collaboration with various partners.

Today, we are providing products and services that integrate agriculture with health and everyday living via our Domestic Processed Food Business, International Business, as well as the Domestic Agri-Business included in the Other segment, GARBiC, as well as the value creation activities that support these businesses. We strive to address the three social issues of longer, healthier lives, agricultural development and regional revitalization, and sustainable global environment through our businesses, and become a strong company capable of continuous growth to create social and economic values.





1 Developing Plant Varieties and Cultivation

Since its founding, Kagome has been involved in the development of agricultural resources, i.e., through the development of new varieties and cultivation technologies, based on the belief that “fields are the primary production plant.” In recent years, the environment surrounding agriculture has changed dramatically worldwide. Agriculture faces many challenges, including extreme weather caused by climate change, and the reduction of cultivation area due to the aging of farmers. Kagome will realize sustainable agriculture by developing plant varieties that can cope with environmental changes and cultivation methods with low environmental impact.

Point 1

Strengthening of the Foundation for Plant Variety Development and Cultivation Technology Development

With the goal of elevating development capabilities toward realizing sustainable agriculture, we established GARBiC in October 2023, bringing together the plant variety development and cultivation technology development departments that were previously scattered domestically and overseas into one organization. Under the umbrella of this organization are the agricultural resource development team that had carried out research at laboratories in Japan, the agri-business R&D center in Portugal, and United Genetics, which develops, produces, and sells seeds. In 2024, we established a new US base for the organization, GARBiC USA, and a corporate venture capital (CVC) firm in California, where new agricultural technologies and services are being developed in a diverse and rapid manner. GARBiC, Ingomar, and contract farmers will work closely together to identify issues faced by processing tomato producers, as well as develop, implement, and commercialize corresponding varieties and cultivation technologies through collaboration within the Group, thereby creating consistent agriculture-driven value.

Agricultural R&D Infrastructure

Organization	Role	Technological development		Verification and implementation	Business
		Plant variety development	Cultivation technology development		
GARBiC	GARBiC USA	Technological development (plant varieties, advanced breeding, and cultivation) Investment in and cooperation with start-ups with agricultural technology (CVC) * Investments as of January 2025: 1	○	○	○
	Agri, Bio Resource and Technology Development	Technological development (plant varieties, advanced breeding, and cultivation)	○	○	○
	UG	Plant variety development and seedling sales	○	○	○
	DXAS	Provision of AI-powered operational services	○	○	○
Ingomar and contract farmers		Identification of issues and verification/implementation of technologies		○	○

Point 2

Establishment of Corporate Venture Capital

In order to accelerate technology exploration and business development as a source of medium- to long-term innovation in the agricultural sector, we established a corporate venture capital (fund name: SVG Ventures Sunrise Agri Fund) on September 20, 2024 in collaboration with SVG Ventures, a venture capital firm based in Los Gatos, located in Silicon Valley. We have committed to a total investment amount of 50 million US dollars and an investment horizon of 10 years.

In November 2024, we participated in Global Impact Summit 2024, an event held in California, aimed at agritech and foodtech start-ups, large corporations, and government agencies. As a speaker, Executive Officer Hiroyuki Ueda, who also heads up GARBiC, explained the purpose of establishing the CVC, which received an overwhelming response.

The purpose of this event was to share information from various environmental perspectives, including water resources and energy, and to promote collaboration among stakeholders. More than 400 people from around the world attended.



Ueda speaking at Global Impact Summit 2024

2 Production (Primary Processing/Secondary Processing)

The process of producing products using crops harvested in the field as raw materials mainly involves primary processing and secondary processing. Primary processing is the processing of raw agricultural produce into a manageable form, with the main products being vegetable pastes and purées. Secondary processing is the process of adding other ingredients such as seasonings and vegetables to the primary processed agricultural produce, resulting in various products such as tomato ketchup, pizza sauce, and vegetable beverages.

Point 1

PMI at Ingomar (Primary Processing) in 2024

Ingomar became a consolidated subsidiary of Kagome in January 2024. Since then, the integration process has been progressing as planned. The main PMI* details are as shown in the table below. Kagome's quality control practices were introduced at Ingomar starting with the production of processing tomatoes in the summer of 2024, resulting in benefits such as reduced quality loss.

In agricultural research, we worked with Ingomar's raw materials team and contract farm technicians to understand the technical needs of tomato cultivation in California. Farmers there face a number of issues, including rising water prices and water withdrawal restrictions due to drought, soil diseases, drought- and salt-tolerant varieties, labor costs, the effects of heat waves, and environmental considerations. We have set priorities based on importance and feasibility and have begun working to resolve issues.

* PMI stands for post merger integration, a series of processes carried out after an M&A transaction is concluded to maximize the benefits of the integration.

Main Details of PMI

Agricultural research	<ul style="list-style-type: none"> Prioritization of issues based on importance and feasibility 1) Development of solutions for water resources 2) Research and studies aimed at improving soil health 	Group cooperation	<ul style="list-style-type: none"> Participation of CEO in Kagome Food International Company Management Meeting Exchanges of technician within the Group
Production efficiency Quality improvement	<ul style="list-style-type: none"> Quality improvement through the introduction of quality management standards (KBMP) P.58 Improvement of customer service quality and system establishment Start of big data analysis on processing tomato cultivation 	Improvement of management base	<ul style="list-style-type: none"> Unification of accounting period, accounting system, and accounting auditor J-SOX compliance Interest reduction by utilizing the credit strength of the Kagome Group

Message

Establishing a strong presence in tomato markets worldwide

I'm currently working in North America as Ingomar's first seconded expatriate employee from Japan. My main duties are PMI in manufacturing and quality. For the 2024 tomato season, we made progress in improving quality by introducing the common quality management standards (KBMP) used by our other overseas Group companies. This has enabled Ingomar to completely eliminate quality accidents during manufacturing and reduce the costs associated with quality loss. Additionally, in order to create medium- to long-term synergies, we are also working on visualizing data on the cultivation conditions and quality of our raw tomatoes, and conducting big data analysis. I will utilize my expertise in quality control and data analysis skills to contribute to the growth of the Kagome Group and Ingomar, and help us become a tomato company with a global presence.



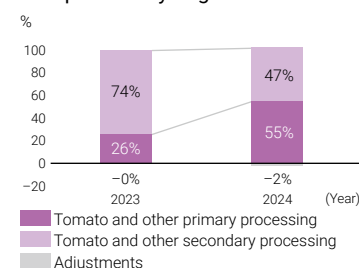
Profile
Kazuyuki Hashimoto
KFIC
Global Tomato Company

Point
2

Changes in the Structure of the International Business

In January 2024, we made Ingomar, which manufactures and sells primary processed tomato products, a consolidated subsidiary. Ingomar's revenue in FY2024 totaled 57.7 billion yen, and the revenue share of tomato and other primary processing in our International Business jumped by 29 points from FY2023 following the acquisition. As tomato and other primary processing is susceptible to fluctuations in tomato paste prices, the earnings structure of our International Business has become more volatile than before. In order to minimize this impact, we will continue to work on improving the production efficiency and quality of primary processed products, improving our competitiveness by strengthening customer relationships, and expanding sales of secondary processing products.

International Business Revenue
Composition by Segment

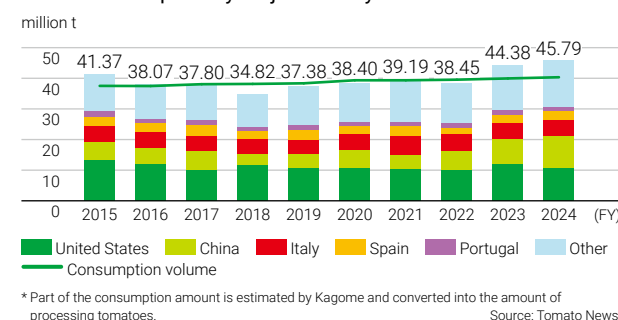


Topics Tomato Paste Market Conditions

Tomato paste market conditions

The market price of tomato paste fluctuates depending on the balance (inventory level) between the amount of processing tomatoes produced in each producing country and the amount of tomato paste consumed. The main producers of processing tomatoes are the United States, China and Europe. Since around 2022, droughts and water shortages caused by climate change have meant that there has not been enough processing tomatoes available, which has led to a decline in tomato paste production volume. On the other hand, consumption increased as the global economy, which had been sluggish due to the COVID-19 pandemic, reopened, and prices rose due to lower global inventories. Increased production of processing tomatoes in 2023 and 2024 is expected to alleviate the inventory shortage.

Trends in Processing Tomato Production Volume and Tomato Paste Consumption by Major Country



Tomato paste inventory situation in the United States

In the United States, a major producer of processing tomatoes and one of the Kagome Group's mainstay markets, tomato paste inventory levels have recovered and inventory shortages have been resolved following higher production volume in 2023 and 2024.

Point
3

Cost Reduction Initiatives at Domestic Processing Food (Secondary Processing) Plant

In the Domestic Processed Food Business, we are working to reduce costs by improving production efficiency and cutting costs in response to surging raw materials prices and rising energy costs.

At our plants, we are promoting "Production loss reduction activities" with the goal of halving the rate of waste generated in the manufacturing process by the end of 2025 compared to 2022. We have reviewed our processes and methods from scratch and reduced our waste rate by approximately 40% by the end of 2024. One example of this initiative is the introduction of air pigging system at our Ibaraki Plant. Until now, product remaining in the pipes at the end of production could not be recovered and had to be disposed of, but the new pigging system now makes it possible to recover them using compressed air. This project has also received a subsidy from the Ministry of Agriculture, Forestry and Fisheries as a food raw materials procurement stabilization measure project, as part of efforts to increase the efficiency of production lines and reduce food waste in an environmentally friendly manner.

Reducing losses reduces raw material and energy usage, and therefore GHG emissions, too. We will continue working to reduce our impacts on the environment.



Air pigging system at the Ibaraki Plant

3 Product Development and Creating Demand

Since our founding, we have valued the original taste and nutrients of vegetables and fruits, creating products that make use of all natural ingredients.

We are refining our knowledge of processing techniques and formulations amassed through previous product development and utilizing this in the development of new products.

In the International Business and B2B business in Japan, we focus on proposing solutions such as product and menu development to address the various concerns and meet the needs of our customers. In the B2C business, we provide products and services that spur demand for vegetables in Japan and Asia and solve the shortage of vegetable consumption by diversifying the delivery formats of vegetables and diversifying the markets where we supply our products.

Point
1

Strengthening Solutions Capabilities in the B2B Business

Food service companies are one of the Kagome Group's main customers. Food service companies have operations around the world, and the number of restaurants in India and other countries is expected to increase in the future. Our strength lies in our ability to supply stable and high-quality products globally because we have production bases for secondary processed products, such as tomato sauce, pizza sauce, and other products, located in the United States, Portugal, Australia, Taiwan, India, and other countries. By further strengthening cooperation among the Group, including sharing knowledge and know-how on product development, we aim to increase revenue from global food service companies.



Kagome Inc. production line

Point
2

Long-Established Brand Power

In Japan, we have captured a high market share thanks to our long-established brand power in vegetable beverages and tomato ketchup. In particular, Kagome Tomato Juice has been on the market for over 90 years, and in 2024 it achieved its highest revenue ever. In addition, the Yasai Seikatsu brand will mark its 30th anniversary since its launch in 2025. We will continue to develop products that focus on the great taste of whole foods so that our customers can continue to consume them as a long-term healthy habit.

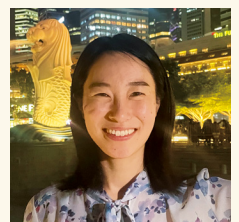


Yasai Seikatsu 30th anniversary logo

Message

Aiming for an indispensable presence for customers in ASEAN

The mission of the Global Consumer Department is to increase awareness of Kagome's Yasai Seikatsu 100 brand globally and contribute to improving the well-being of consumers. I'm working to increase brand awareness in three countries: Singapore, Thailand and Malaysia. The ASEAN market still has a low awareness in terms of consumers' desire to eat vegetables and the visibility of Kagome's vegetable beverages remains low, too. That's why we use VegeCheck® to visualize vegetable intake deficiency and raise awareness of vegetables and vegetable beverages, as well as create delicious experiences through tastings, all in an effort to steadily and carefully communicate the value of these products to customers. We will continue to work hard to expand business, with the aim to have Kagome vegetable beverages occupy an indispensable presence for customers in ASEAN in the future.



Profile
Risa Morimoto
Marketing Division
Global Consumer Department

General Business Conditions

The Group's business is divided into two segments: Domestic Processed Food Business and International Business. The Domestic Processed Food Business is further divided into three categories: Beverages, Direct Marketing and Food-Other.

Starting from FY2024, following Ingomar becoming a consolidated subsidiary, we reviewed our segment management divisions and divided the International Business into two categories: tomato and other primary processing and tomato and other secondary processing. Additionally, the "Domestic Agri-Business" and the "seedling production and sales business," which had been included in the International Business, have been consolidated into "Others."

Segment composition (FY2024)

■ Domestic Processed Food Business (■ Beverages ■ Direct marketing ■ Food-Other) ■ International Business (■ Tomato and other primary processing ■ Tomato and other secondary processing ■ Adjustments) ■ Other Businesses ■ Adjustments (includes common consolidated costs related to Group head office functions otherwise not allocated to business segments)

Total revenue
306,869 million yen

Total core operating income
27,094 million yen

* Figures after eliminations and adjustments of revenue between segments
* FY2014 represents the nine-month period from April 1, 2014 to December 31, 2014 following change to the Company's business year.
* Kagome has adopted IFRS since FY2019. For reference, figures in conformity with IFRS are also included for FY2018.
* Kagome changed its reporting segments in FY2022 and FY2024. Figures for FY2021 and FY2023 were prepared retroactively and are presented based on this change.

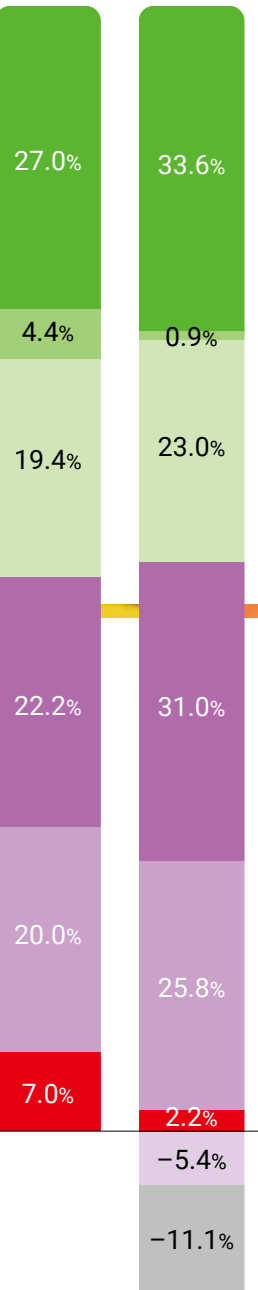
Domestic Processed Food Business

P.39-40

Engages in the manufacturing and sales of beverages, condiments, products for direct marketing, gift products and others.



Revenue
Core operating income



Revenue
155,711 million yen (FY2024)

Beverages 82,721 million yen
Direct Marketing 13,361 million yen
Food-Other 59,628 million yen

Core operating income
15,575 million yen (FY2024)

Beverages 9,102 million yen
Direct Marketing 239 million yen
Food-Other 6,233 million yen

International Business

P.41-42

Engages in a broad range of operations from farming to product development, processing, and sales.



Revenue
129,534 million yen (FY2024)

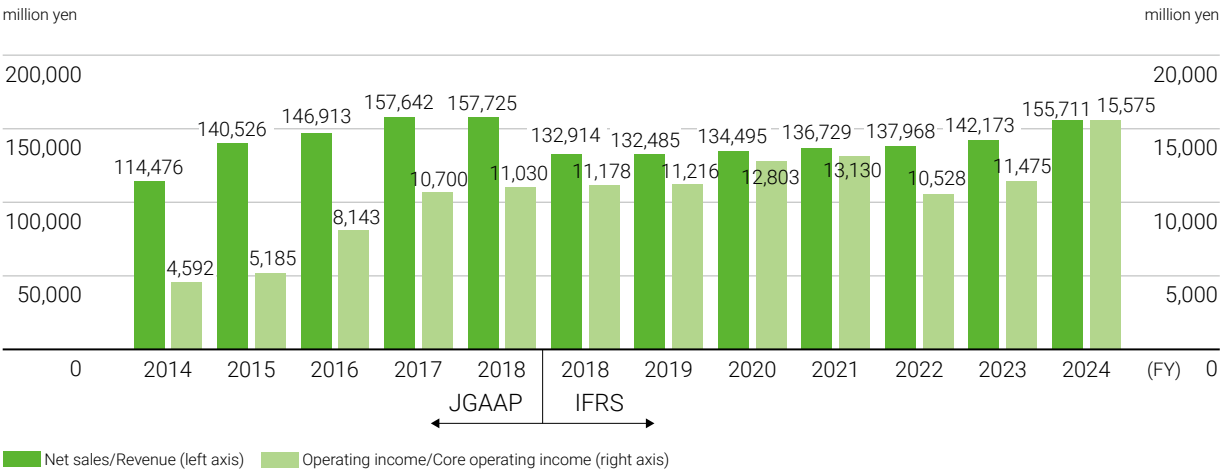
Tomato and other primary processing 68,048 million yen
Tomato and other secondary processing 61,486 million yen

Core operating income
13,932 million yen (FY2024)

Tomato and other primary processing 8,399 million yen
Tomato and other secondary processing 7,000 million yen
Adjustments (1,467 million yen)

* Figures after eliminations and adjustments of revenue between segments

Trends in Revenue and Core Operating Income



Trends in Revenue and Core Operating Income



* Figures after eliminations and adjustments of revenue between segments

CFO/CRO Message

We will maintain the stability
of our financial platform
and support growth with an
emphasis on capital efficiency

Profile

Takeshi Saeki

Director & Managing Executive Officer
CFO, CRO, Enterprise Risk Management Committee Executive
Director, and General Manager of Finance &
Accounting Department



1. Performance in FY2024

Our performance in FY2024 featured record highs in revenue and core operating income. In addition, the ratios of revenue and core operating income between the Domestic Processed Food Business and the International Business changed significantly, making 2024 a turning point for Kagome's future growth.

Revenue reached 306.8 billion yen, an increase of 82.1 billion yen, or 36.5%, year on year. The Domestic Processed Food Business achieved revenue of 155.7 billion yen, up 13.5 billion yen, or 9.5%, from the previous fiscal year. Although affected by surging raw materials prices for tomato paste and the weak yen, price revisions and measures to stimulate demand implemented since last year proved effective. The International Business achieved revenue of 149.3 billion yen, up 71.1 billion yen, or 91.0%, year on year. The increase from Ingomar, which became a consolidated subsidiary, contributed greatly to our performance. In addition, the main factors behind the increase in revenue were the increase in the selling price of tomato paste in the tomato and other primary processing business, and the strong sales to food service companies in the tomato and other secondary processing business.

Core operating income reached 27.0 billion yen, up 7.6 billion yen, or 39.1%, year on year. The Domestic Processed Food Business achieved core operating income of 15.5 billion yen, an increase of 4.1 billion yen, or 35.7%, from the previous fiscal year. The main factors behind this growth were price revisions in response to significant increases in the cost of main raw materials, the rapid recovery of sales volume after the price revisions, and active efforts to reduce costs. The International Business achieved core operating income of 13.9 billion yen, an increase of 3.0 billion yen, or 28.6%, over the previous year. The increase in core operating income was primarily attributed to revenue growth and progress in passing on higher raw materials costs to product prices. Net income attributable to shareholders of parent increased to 25.0 billion yen, up 14.5 billion yen, or 139.8%, compared to the previous fiscal year. The increase from core operating income was a result of recording a gain on the step acquisition of Ingomar of 9.3 billion yen. As a result, we were able to provide shareholder dividends in FY2024 that exceeded our initial expectations. Underpinned by this performance, ROIC* came in at 12.4%, down slightly by 0.8 points. This is because although our bottom line rose thanks to such factors as the consolidation of Ingomar, invested capital also increased significantly. I believe that the balance between invested capital and profits is being maintained at a healthy level.

* ROIC represents Kagome ROIC calculated by EBITDA ÷ invested capital.

2. Approach to Cash Flow and Financial Strategy

The Group intends to balance proactive investment for growth with substantial shareholder returns. At the same time, it is important to maintain a robust financial platform in order to support sustainable growth and withstand major changes. The trend in cash flows is as follows.

Type	FY2022	FY2023	FY2024
Cash flows from operating activities	4.6 billion yen	4.6 billion yen	31.6 billion yen
Cash flows from investing activities	-9.4 billion yen	-6.0 billion yen	-46.3 billion yen
Cash flows from financing activities	-5.5 billion yen	15.6 billion yen	-0.5 billion yen

● Cash flows from operating activities

Net cash provided by operating activities totaled 31.6 billion yen (net cash of 4.6 billion yen provided by operating activities a year earlier). The increase was owing to favorable profit trends as well as a 7.1 billion yen decrease in inventories.

● Cash flows from investing activities

Net cash used in investing activities totaled 46.3 billion yen (net cash of 6.0 billion yen used in investing activities a year earlier). The main reason for this was the expenditure of 36.0 billion yen for the acquisition of the additional equity stake in Ingomar.

● Cash flows from financing activities

Cash flows used in financing activities totaled 500 million yen (net cash of 15.6 billion yen gained in financing activities a year earlier). Although there was inflow of 23.1 billion yen from the disposal of treasury shares and other factors, the reason why net cash was used in financing activities as opposed to gained from them was mainly due to a decrease in short-term borrowings of 15.6 billion yen and dividend payments.

In terms of financial indicators for FY2024, the shareholders' equity ratio* was 51.3% and Kagome's credit rating is Single A. The shareholders' equity ratio temporarily fell below 50% due to borrowings incurred for the acquisition of Ingomar, but it has since

3. Disposal of Treasury Shares

In July 2024, Kagome disposed of treasury shares, raising 23.2 billion yen. The proceeds were used to repay 36.0 billion yen of short-term borrowings taken out to make Ingomar a consolidated subsidiary.

In our third Mid-Term Management Plan, we planned to invest 30 to 50 billion yen in business investments for inorganic growth, including M&A. This is based on maintaining a shareholders' equity ratio of 50% and taking into consideration cash flows from operating and financing activities. We believe that these goals have been

4. ROIC

As part of our initiatives for improving capital efficiency, we manage ROIC companywide, aiming to improve ROE.

For internal management, we do not use the common ROIC calculation method, but instead use EBITDA, which is core operating income plus depreciation, as the basis for calculating ROIC. We also created an ROIC tree and have each department set its

5. Risk Management Initiatives and Issues

One of the basic strategies during the period of the third Mid-Term Management Plan is "Strengthen the Group's management base and foster a culture for tackling challenges." We believe that risk management will be a pillar that supports this management base.

Recently, as the proportion of International Business has increased and the establishment of a global risk management system has become increasingly important, we have been working to strengthen governance, particularly with regard to our overseas subsidiaries.

recovered to 50% through financing provided by the sale of treasury shares. As a result, we believe our financial platform remains stable. In terms of capital efficiency, ROE was 15.7%, exceeding the target level of 9%. In terms of shareholder returns, we were able to increase our ordinary dividend by 6 yen, in addition to offering a commemorative dividend of 10 yen per share. We will steadily achieve our shareholder return policy of a "total return ratio of 40%" during the period of the third Mid-Term Management Plan.

* Shareholders' equity ratio : Ratio of equity attributable to shareholders of the parent

Purpose	Indicator	Results for FY2022	Results for FY2023	Results for FY2024	Policy of Third Mid-Term Management Plan
Stability of the financial platform	Shareholders' equity ratio	52.8%	49.8%	51.3%	50% or higher
	Credit ratings	Single A	Single A	Single A	Single A
Growth with an emphasis on capital efficiency	ROE	7.7%	8.3%	15.7%	9% or higher
Stable return of profits	Total return ratio*	—			40% or higher

* Dividends per share totaled 41 yen in FY2023 and 57 yen in FY2024

largely achieved through the disposal of treasury shares implemented in FY2024. To enable further business investment in the future, we will strive to achieve growth with an emphasis on capital efficiency while maintaining a stable financial platform.

In addition, with regard to this disposal of treasury shares, 30% was allocated to institutional investors, of which 80% was allocated overseas. During the roadshow, we received a variety of opinions from institutional investors, which we will use in our future management.

own KPIs to visualize its contribution. At the management level, we are working to analyze and improve ROIC for each business segment in order to optimize resource allocation and achieve sustainable growth. Going forward, we will continue to use these two approaches to improve capital efficiency and maximize corporate value.

Kagome's initiatives are structured so that each person, from executive management to individual employees, can take ownership and work on everything from the company's priority risk issues to the risk issues of each organization, in an effort to strengthen the management base.

Risk management [P.76-77](#)

Initiatives for Enhancing Corporation Value

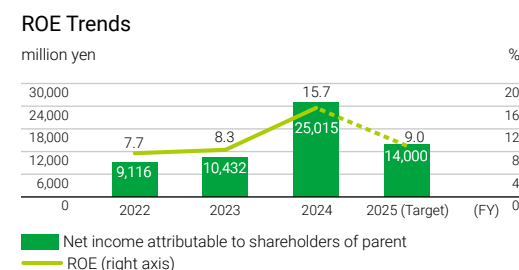
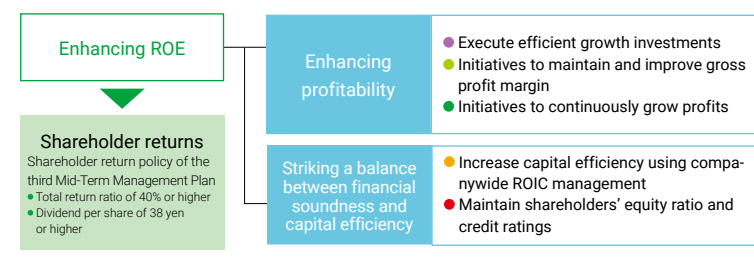
Based on our corporate philosophy (“appreciation,” “nature” and “corporate openness”), we will maximize corporate value by creating social and economic value through our business. In addition, we will focus on enhancing ROE and reducing capital costs over the medium- to long-term, with the aim of increasing corporate value in a sustainable manner.



→ Enhancing ROE

We have set ROE as the most important indicator for enhancing corporate value.

Based on the pillars of enhancing profitability and striking a balance between financial soundness and capital efficiency, we aim to achieve an ROE of 9% or more in FY2025, the final year of the third Mid-Term Management Plan. Going forward, we will continue to increase ROE and enhance corporate value by providing stable shareholder returns.

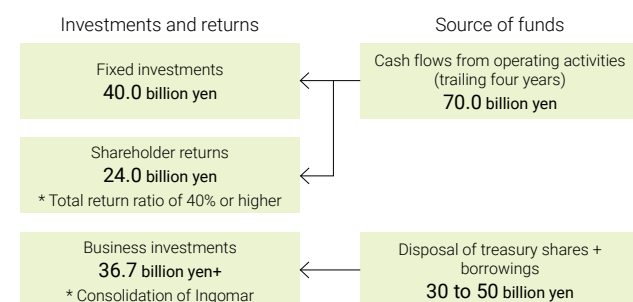


● Execution of Efficient Growth Investments and Shareholder Returns

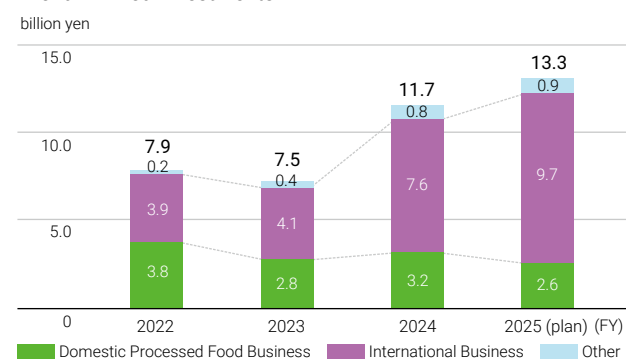
The Investment Committee, comprised of members of specialized departments such as Corporate Planning, Legal Affairs, and Finance and Accounting, deliberates on investments in facilities and businesses proposed by each department based on profitability and risk assessments, with the Management Meetings and the Board of Directors providing final approval. Even after investments are made, the Investment Committee continuously monitors each to confirm effectiveness.

During our third Mid-Term Management Plan, we planned to invest around 40 billion yen in organic growth. Targeting medium- to long-term growth, we will actively make capital investments in our International Business, including Ingomar. Additionally, business investments for inorganic growth, including M&A, totaling between 30 and 50 billion yen are progressing as planned. Going forward, we will continue to invest in growth, both organically and inorganically. We also recognize that returning profits to shareholders is one of our most important management priorities. We have a total return ratio of 40% as our shareholder return policy for the four-year Mid-Term Management Plan covering 2022 to 2025. Based on this policy, we are acquiring treasury shares in addition to paying dividends, intending to further enhance shareholder returns and improve capital efficiency. Looking ahead, we will continue working toward sustainable growth by balancing growth investments with shareholder returns.

Capital Procurement, Capital Demand and Cash Flows During the Third Mid-Term Management Plan



Trend in Fixed Investments



● Initiatives to Maintain and Improve Gross Profit Margin

In order to enhance profitability in a sustainable manner, we are working to maintain and improve gross profit margin in addition to growing sales.

Specifically, we are constantly making cost reductions at production sites, such as reducing raw material costs, improving labor productivity, and automating production lines, according to the characteristics of each business. Also, we are maintaining and improving gross profit margin by allowing the flexibility to revise prices when costs rise.

To transform the business structure of the Group, which engages in manufacturing under the concept “fields are the primary production plant,” and to ensure a stable gross profit margin over the medium- to long-term, we are promoting initiatives to transform the cost structure of our entire global value chain. This includes expanding the procurement network for high-quality agricultural raw materials, developing plant varieties that are adaptable to water shortages and climate change, and establishing cultivation technologies.

	Results for FY2023	Results for FY2024	FY2025 targets
Gross Profit Margin	35.5%	32.5%	32.5%
Domestic Processed Food Business	39.3%	37.4%	40.4%
International Business	24.7%	17.8%*	22.4%

* Temporarily at a low level due to the increase in cost of sales in the market value of Ingomar's inventories following the application of accounting standards for business combinations.

● Increase Capital Efficiency Using Companywide ROIC Management

In order to measure the appropriateness and efficiency of invested capital in addition to earning profits, we introduced management based on Kagome ROIC* in FY2021. Kagome ROIC aims to measure the efficiency of invested capital in relation to acquired EBITDA and to clarify issues that need to be improved by breaking down balance sheet items into individual elements.

* Kagome ROIC : EBITDA (Core operating income + Depreciation) ÷ Invested capital

Kagome ROIC for FY2024 was 12.4%, down 0.8 points from the previous fiscal year due to an increase in invested capital, despite a 0.4 point improvement in EBITDA margin. In FY2025, we expect Kagome ROIC to decline by 0.9 points to 11.5% due to lower EBITDA. The status of each business segment is presented below.

- Domestic Processed Food Business:** Decreased by 1.8 points owing to a decline in EBITDA caused by rising raw materials prices and increased logistics costs
- International Business:** Decreased by 1.7 points due to a decline in EBITDA caused by lower sales from the downturn in the tomato paste prices

(ROIC Tree implementation)

At Kagome, the ROIC tree is used as a control driver to increase capital efficiency. By implementing the ROIC tree, the balance sheet indicators that are broken down from ROIC can be incorporated into the KPIs of each department, and action plans based on this can be set by each company/department, while the PDCA cycle can be self-driven to improve indicators. In addition, we are making improvements where each company/department is aware of efficiency and implementing initiatives including creating an optimal supply chain structure.

	Results for FY2022	Results for FY2023	Results for FY2024	FY2025 targets
Kagome ROIC (%)	11.5	13.2	12.4	11.5
EBITDA Margin (%)	10.3	12.3	12.7	12.0
EBITDA (million yen)	21,091	27,726	39,096	36,000
Revenue (million yen)	205,618	224,730	306,869	300,000
Turnover of invested capital (days)	327	341	376	380
ROIC (%)	4.8	5.6	12.0	6.8

* Source: Bloomberg

Domestic Processed Food Business	International Business
FY2024: 17.3%	FY2024: 11.2%
FY2025: 15.5%	FY2025: 9.5%

Main KPIs and Departments in Charge

- Trade receivables turnover (Sales Division)
- Raw materials inventory (Purchasing Department)
- In-house processed material inventory (Production Department)
- Product inventory days (SCM Division)
- ROIC of each overseas subsidiary (Kagome Food International Company)

● Maintain Shareholders' Equity Ratio and Credit Ratings

Shareholders' equity ratio

Based on the premise of a stable financial platform, we will continue to improve ROE.

We will maintain a shareholders' equity ratio of 50% or more and aim for a credit rating of Single A or higher.

	FY2022	FY2023	FY2024	FY2025
Consolidated	52.8%	49.8%	51.3%	50% or higher
Rating	A	A	A	—

→ Summary of Operating Results for FY2024

In the fiscal year under review (January 1 to December 31, 2024), uncertainty of the future economic situation continued amid continued surges in raw materials prices worldwide, especially processed tomato products, while Japan saw consumers’ heightened awareness toward cutting costs caused by inflation. In the Domestic Processed Food Business, in response to rising prices of mainstay raw materials, we revised the shipping prices of some products, such as vegetable beverages and tomato condiments, while also taking proactive measures to stimulate demand and minimize the decline in demand. This enabled us to limit the decline in sales volume, resulting in increased revenue and profits. In the International Business, in addition to rising selling prices of tomato paste, there were strong sales to food service companies. Additionally, the acquisition of Ingomar as a consolidated subsidiary produced a net increase in revenue, resulting in increased revenue and profit.

As a result, revenue for the fiscal year under review increased by 36.5% year over year to 306,869 million yen, and core operating income* rose by 39.1% to 27,094 million yen. Operating income increased to 36,221 million yen, up 107.3% year on year, and net income attributable to shareholders of parent increased to 25,015 million yen, up 139.8%.

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

Performance Summary for Each Segment

Segment	Revenue			Core operating income (loss)		
	FY2023	FY2024	Change	FY2023	FY2024	Change
Domestic Processed Food Business	142,173	155,711	+13,538	11,475	15,575	+4,100
Beverages	75,446	82,721	+7,275	7,508	9,102	+1,593
Direct marketing	13,130	13,361	+230	751	239	-511
Food-Other	53,596	59,628	+6,032	3,215	6,233	+3,018
International Business	78,175	149,303	+71,128	10,835	13,932	+3,097
Tomato and other primary processing	20,460	82,267	+61,806	5,007	8,399	+3,391
Tomato and other secondary processing	57,833	70,543	+12,710	6,518	7,000	+482
Adjustments	-118	-3,507	-3,388	-690	-1,467	-776
Other	19,564	21,861	+2,296	-133	605	+739
Adjustments	-15,182	-20,007	-4,824	-2,701	-3,019	-318
Total	224,730	306,869	+82,138	19,476	27,094	+7,618

* In the first quarter, the Company revised the management classification of its segments following the acquisition and consolidation of Ingomar. To breakdown the International Business further, we have newly disclosed the categories of "tomato and other primary processing" and "tomato and other secondary processing," and consolidated the "Domestic Agri-Business" and "seedling production and sales business," which was included in the International Business, into "Other." Furthermore, segment information for FY2023 has been prepared and presented based on the classification after this change.

Domestic Processed Food Business

Revenue: up 9.5% year on year to 155,711 million yen
Core operating income: up 35.7% year on year to 15,575 million yen

■ Beverages

Tomato juice recorded strong sales amid the acquisition of new users from beauty-minded consumers, in addition to the health-conscious users concerned about blood pressure and cholesterol. In addition, the launch of new products such as Yasai Seikatsu 100 Lemon Salad and measures to stimulate demand under the theme "Make morning an ally" had a certain effect, leading to revenue increasing 9.6% year on year to 82,721 million yen and core operating income rising 21.2% year on year to 9,102 million yen.

■ Direct marketing

Revenue increased 1.8% year on year to 13,361 million yen. This was because of an increase in the number of regular customers for Tsubuyori Yasai and strong sales of soups. However, higher advertising expenses and other factors caused core operating income to fall 68.2% year on year to 239 million yen.

■ Food-Other

In the Food-Other category, sales were strong, as we stepped up menu information dissemination and sales promotion activities for products such as "baked ketchup" in response to weaker demand for tomato ketchup after price revisions. In the category of institutional and industrial use, sales were also strong thanks to sustained strong growth in demand for eating out, even after price revisions. In the gifts and specialty items category, sales of products with long shelf lives for stockpiling were strong. As a result, revenue of the Food-Other category increased to 59,628 million yen, up 11.3% year on year, and core operating income jumped to 6,233 million yen, up 93.9%, because of higher revenue.

International Business

Revenue: up 91.0% year on year to 149,303 million yen
Core operating income: up 28.6% year on year to 13,932 million yen

■ Tomato and other primary processing

Tomato and other primary processing involves the manufacture and sale of tomato paste, diced tomatoes, and other products in the United States, Europe, and Australia. Tomato primary processed products continued to see surging market conditions driven by tight supply-demand worldwide. In the United States, we expanded our business footprint by making Ingomar a consolidated subsidiary with the goals of achieving further growth of our United States business, expanding the global network of our tomato processing business, and building a sustainable tomato processing business. Meanwhile, HIT in Europe and Kagome Australia Pty Ltd. in Australia both saw increased revenues due to higher selling prices. As a result, revenue of tomato and other primary processing increased to 82,267 million yen, up 4.0 times year on year, and core operating income totaled 8,399 million yen, up 67.7% from the previous fiscal year.

■ Tomato and other secondary processing

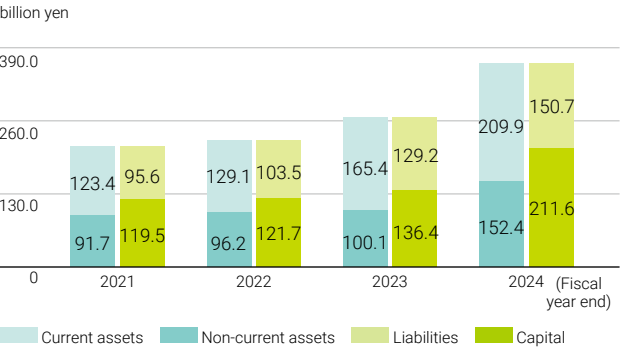
The tomato and other secondary processing category involves the manufacture and sale of pizza sauce, barbeque sauce, tomato ketchup and other products primarily for food service companies in the United States, Europe, Australia, Taiwan and India. We revised the prices of some secondary processed products following higher costs worldwide including raw materials and energy. Thanks to strong sales to food service companies in each region, including by Kagome Inc. in the United States, revenue from the tomato and other secondary processing category increased 22.0% year on year to 70,543 million yen and core operating income rose 7.4% to 7,000 million yen.

→ Summary of Financial Condition

As of the end of the fiscal year under review, consolidated total assets increased by 96,766 million yen compared to the end of FY2023. Current assets increased by 44,506 million yen due to increases in inventories, trade and other receivables as a result of Ingomar becoming a consolidated subsidiary. Non-current assets increased by 52,259 million yen owing to an increase in intangible assets and property, plant and equipment following the acquisition of Ingomar.

Liabilities increased by 21,561 million yen as a result of increases in trade and other payables, long-term debt, and deferred tax liabilities as a result of the Ingomar's consolidation. Capital increased by 75,205 million yen owing to the impacts of an increase in non-controlling interests, such as disposal of treasury shares, and net income attributable to shareholders of parent, which offset the decrease due to dividends of surplus.

Trend in Consolidated Balance Sheets



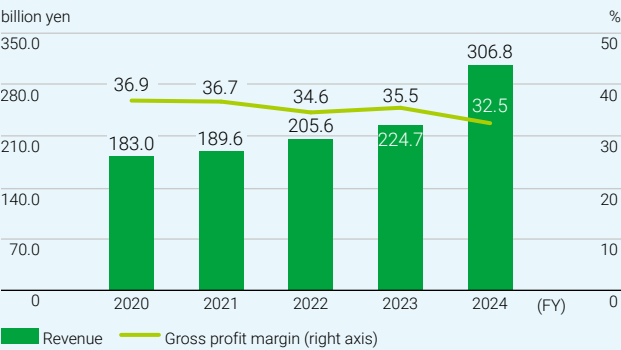
→ Summary of Cash Flows

Cash and cash equivalents at the end of FY2024 were 21,273 million yen, a decrease of 14,736 million yen compared to the end of the previous fiscal year. Cash flows from operating activities totaled 31,692 million yen (net cash of 4,617 million yen provided by operating activities a year earlier). The main factors were profit before income taxes of 33,665 million yen, depreciation and amortization of 12,000 million yen, and a decline in inventories of 7,198 million yen (net cash provided by operating activities) along with a gain on valuation of the existing investment stake related to the step acquisition of Ingomar of 9,323 million yen (net cash used in operating activities). Cash flows used in investing activities totaled 46,325 million yen (net cash of 6,056 million yen used in investing activities a year earlier). This was mainly attributed to expenditures of 36,046 million yen for the additional acquisition of Ingomar's shares and expenditures of 10,943 million yen for the acquisition of property, plant and equipment and intangible assets. Cash flows used in financing activities totaled 571 million yen (net cash of 15,626 million yen gained in financing activities a year earlier).

Item	Dec. 2023	Dec. 2024
Shareholders' equity ratio (%)	49.8	51.3
Shareholders' equity ratio based on market value (%)	101.8	76.9
Ratio of interest-bearing debt to cash flow (year)	14.4	2.4
Interest coverage ratio (times)	3.3	10.3

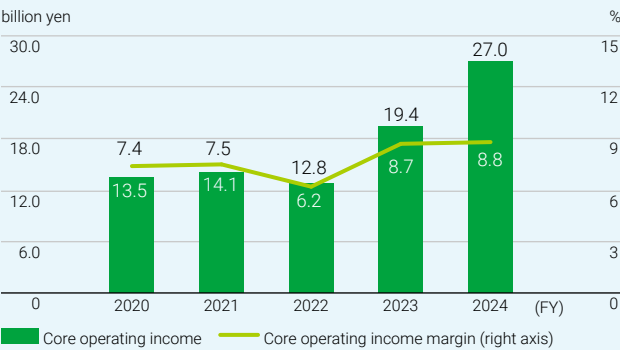
Financial (Consolidated) & Non-Financial Highlights

Revenue / Gross profit margin



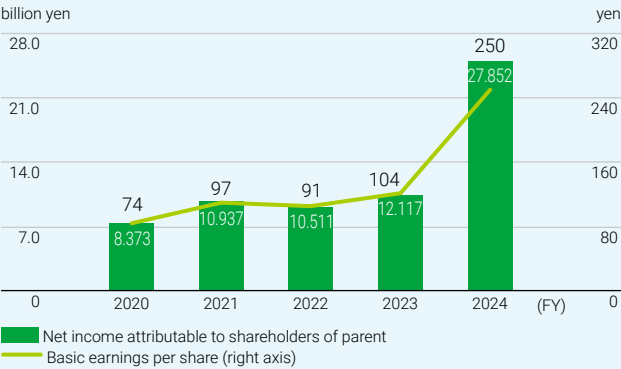
POINT Revenue in FY2024 totaled 306.8 billion yen, marking a record high. The gross profit margin was 32.5%.

Core operating income / Core operating income margin



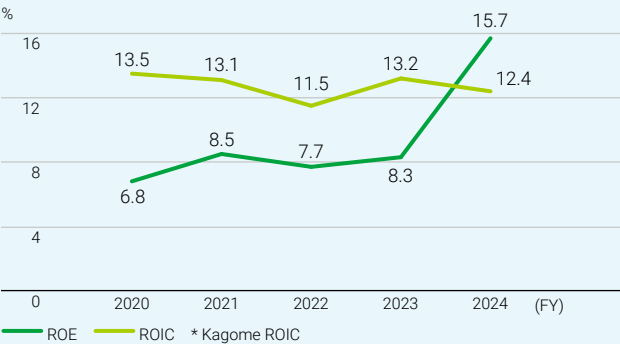
POINT Core operating income in FY2024 totaled 27.0 billion yen, marking a record high. The core operating income margin was 8.8%.

Net income attributable to shareholders of parent / Basic earnings per share



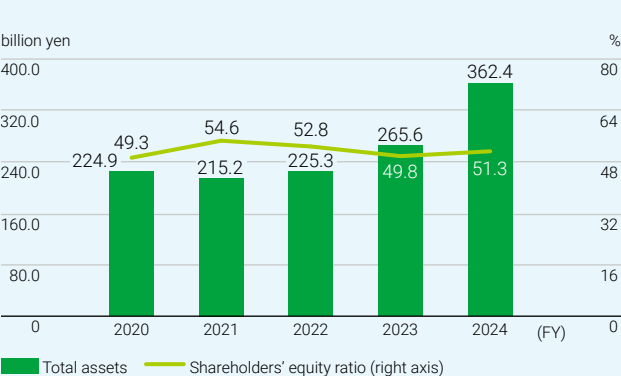
POINT Net income attributable to shareholders of parent and EPS in FY2024 reached record highs at 25.0 billion yen and 278.52 yen, respectively. In FY2024, the amount includes a one-time gain of 9.3 billion yen from the remeasurement of our previously held investment stake at fair value as of the acquisition date following the consolidation of Ingomar.

ROE / ROIC*



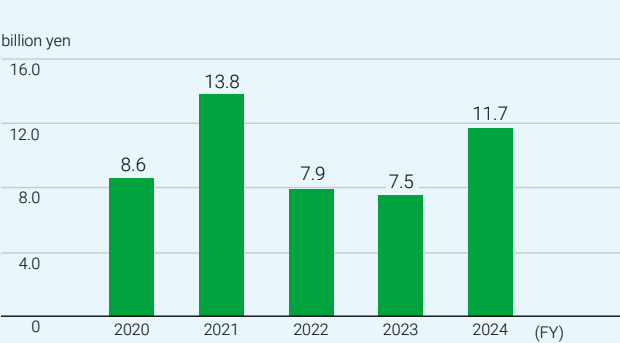
POINT ROE in FY2020 was 6.8% due to the recognition of an impairment loss on fixed assets at HIT, our subsidiary located in Portugal. In FY2024, the amount includes a one-time gain of 9.3 billion yen from the remeasurement of our previously held investment stake at fair value as of the acquisition date following the consolidation of Ingomar.

Total assets / Shareholders' equity ratio



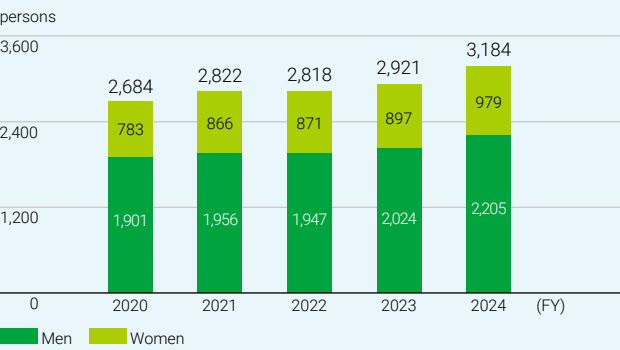
POINT The shareholders' equity ratio was slightly below the target of more than 50% in FY2020 and FY2023 due to a temporary increase in borrowings.

Capital investments for fixed assets



POINT In FY2021, capital investments totaled 13.8 billion after we invested 5.2 billion yen in the renewal of the Fujimi Plant.

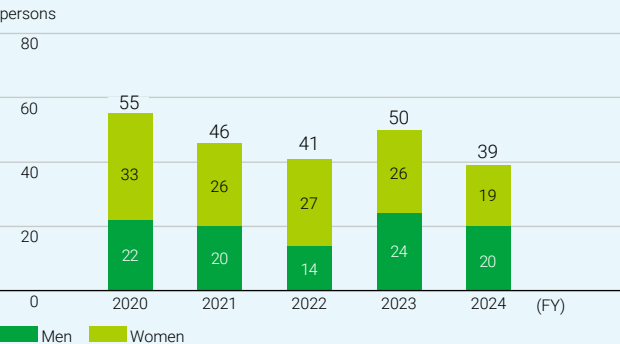
Number of employees (consolidated)



POINT The number of employees (consolidated) in FY2024 increased from the previous fiscal year to 3,184 following the acquisition of Ingomar as a consolidated subsidiary and other factors.

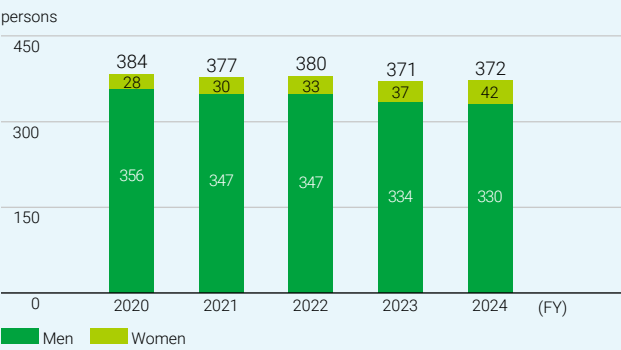
* Coverage is the Kagome Group.

Number of new hires (Kagome Co., Ltd.)



POINT In our action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace, we have set a target to achieve a 60% or higher ratio of women in new general career track hires out of university. The number of new hires in FY2024 (non-consolidated) was 39, a decrease over the previous fiscal year.

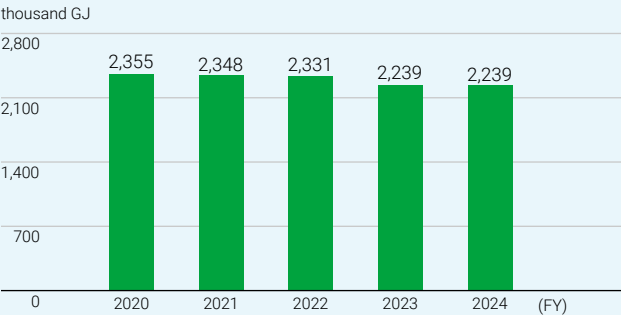
Number of employees in managerial positions (managers and above) (Japan)



POINT The number of employees in managerial positions (in Japan) was 372 in FY2024, an increase of one from the previous fiscal year.

* Coverage is Kagome Co., Ltd. (non-consolidated) and Kagome Axis Co., Ltd.

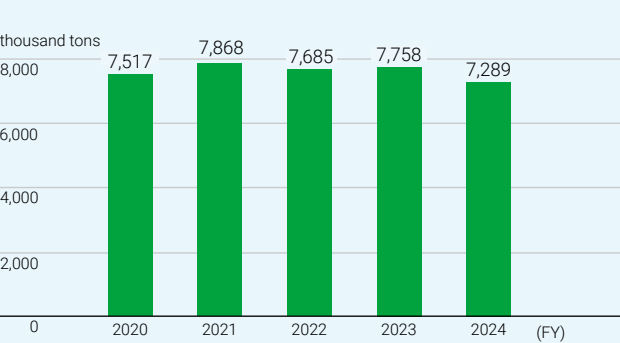
Energy used



POINT As a result of energy conservation at our plants achieved from energy-saving investments and promotion of energy-saving activities, we were able to reduce the amount of energy used.

* Data for FY2024 is preliminary as of February. Any updates to the figures will be published on our sustainability website.
* Coverage includes domestic Group companies and International Business subsidiaries (excluding Ingomar).

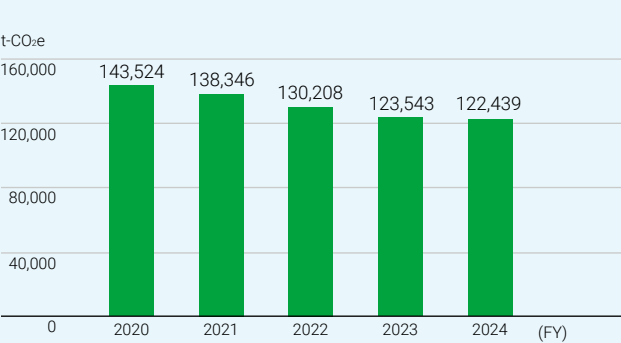
Water used



POINT The decrease in production volume at our plants had a significant impact, resulting in a decrease in water used. We will continue to advance water reduction activities such as reviewing cleaning methods.

* Data for FY2024 is preliminary as of February. Any updates to the figures will be published on our sustainability website.
* Coverage includes domestic Group companies and International Business subsidiaries (excluding Ingomar).

Greenhouse gas emissions (GHG; Scope 1 and Scope 2)



POINT In addition to energy conservation at our plants, we were able to reduce GHG emissions by promoting the switch to electricity derived from renewable energy sources.

* Data for FY2024 is preliminary as of February. Data represents figures before third-party verification. Figures after verification will be published on our sustainability website.
* Coverage includes domestic Group companies and International Business subsidiaries (excluding Ingomar).

Domestic Processed Food Business

The Domestic Processed Food Business offers a variety of vegetable beverages and food products using tomatoes, carrots, and a wide range of other vegetables. We deliver products that can be consumed by all ages, from children to the elderly, for use in various situations in everyday life to help people live longer, healthier lives through increased vegetable consumption.



SWOT Analysis

Strengths

- Overseas network and quality assurance capabilities in the procurement of raw materials
- Brand power cultivated over its 125-year history
- Functional research and product development capability utilizing the power of raw materials
- Diverse sales channels and product proposal capabilities tailored to customer

Weakness

- Flexible value chain adaptable to environmental changes
- Resource diversification in order to maintain offerings of wide range of categories
- Competitiveness in commodity markets
- Penetration among young people

Opportunities

- Growing consumer awareness of health, natural materials, and the environment
- Diversification of consumer purchasing behavior and brand selection criteria
- Sharing of new information with consumers and expanded purchase points
- Emergence of new service domains, including experiences

Threats

- Continued rise in raw materials prices
- Diversification of health-related products and services causes a decline in our relative position in existing domains
- Innovation in various fields leads to competition from other industries
- Shrinking domestic market caused by declining and aging population

FY2024 in Review (Results and Issues)

Results

Following on from the previous fiscal year, we revised product shipping prices in response to rising raw materials prices, and implemented measures to stimulate demand for both vegetable beverages and condiments so that the new prices would be accepted by consumers.

In vegetable beverages, we stepped up the communication of functional information about tomato juice, which continues to sell well, and in terms of the Yasai Seikatsu brand, we successfully implemented a campaign with the theme “make morning an ally,” which led to sales growth.

In condiments, we stepped up promotions for baked ketchup and machichuka rice omelets in order to increase the use of tomato ketchup on dining tables, which led to a significant increase in sales, including for institutional and industrial use.

Performance Trends (FY2024)

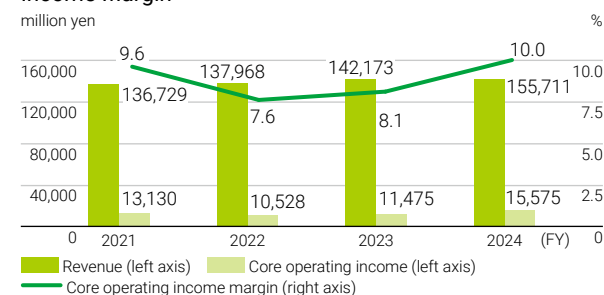


Issues

As a category leader, one of our key responsibilities is to revitalize the entire market. We will strengthen our efforts to ensure that customers feel that they are receiving value that goes beyond the price and to create new demand. In particular, an issue for the organization is to identify problems that customers have on a daily basis or potential problems that they are unaware of.

Additionally, we will continue to refine the value of our current business domains while exploring new ones.

Revenue, Core Operating Income, and Core Operating Income Margin



* Kagome changed its reporting segments in FY2022 and FY2024. Figures for FY2021 and FY2023 were prepared retroactively and are presented based on this change.

Strategy for FY2025

We will work to strengthen the foundation for robust growth in the Domestic Processed Food Business.

In vegetable beverages, we will further enhance our information strategy to grow sales of tomato juice, which continues to perform well. Meanwhile, the Yasai Seikatsu brand will celebrate its 30th anniversary in 2025. For those who used our products back then, we will roll out measures to encourage them to “start Yasai Seikatsu again” 30 years later, as an expression of gratitude for helping to grow the brand to this point.

Furthermore, we will begin full-scale efforts to establish plant-based milk in Japan. Our partner in plant-based milk, Blue Diamond Growers, is involved in every process from raw materials procurement to the final product, including providing cultivation guidance to farmers, and it shares the same passion for manufacturing as Kagome. In addition to conveying the passion of producers, we will be making a variety of proposals in a multifaceted way to help Japanese customers empathize with everyday healthy eating styles in the United States.

In food products, as we approach the 100th anniversary of the start of the Showa period in 2025, our consumer use business and institutional and industrial use business will work closely together through Kagome Napolitan Stadium to develop demand for tomato ketchup and aim to maximize sales from both businesses.

We will do our best to ensure that each of our beverages, food products, and institutional and industrial products contributes to sales growth under the Kagome brand and to revitalize all categories.

ありがとう 野菜生活100 30 YEARS



Message

Stepping up initiatives for an evolved form of “farm to life”

I would like to expand domains where we deliver value to our customers from “farm to table” to “farm to life.” I would like to explore ways to be of service to customers in helping them live healthier throughout their lives, beyond just providing products.

For example, we distribute vegetable seedlings to many people. Together with customers, we will experience and share the process of growing the vegetable seedlings, harvesting, and even cooking them. We also visit places where customers hang out to help them learn more about the appeal of vegetables. Through this series of activities, we hope that people will get to know and love Kagome even more.

We will strengthen these fan-based marketing efforts in conjunction with activities to enhance the appeal of individual products, as well as activities that promote the value of vegetables.

FY2025 is the final year of our third Mid-Term Management Plan. We will continue to grow our Domestic Processed Food Business through various activities, such as the 30th anniversary of the Yasai Seikatsu brand, initiatives to establish almond milk in the Japan market, and Kagome Napolitan Stadium.

Profile
Keiichi Inagaki
Executive Officer
Director of Marketing Division



International Business

The International Business engages in agricultural production, processing and sales, among other businesses. In processing, we largely classify our operations into primary processing, which manufactures tomato paste and other products, and secondary processing, which manufactures tomato sauce and pizza sauce using tomato paste. Our main customers in the International Business are condiment makers and food service companies, with the business focused on the B2B category in the United States, Europe, and Australia.



SWOT Analysis

Strengths

- Ability to propose solutions to food service companies
- Ability to supply tomato raw materials in a stable manner using Group companies operating around the world
- Quality capability in rolling out a common global quality management standard at our Group companies and promotion of solutions to ESG issues

Weakness

- Earnings volatility caused by fluctuations in tomato paste prices
- High level of dependence on specific high-volume customers
- Lack of brand recognition in B2C

Opportunities

- Growth potential of food service market centered on the United States and India, etc.
- Growing needs for productivity improvement technologies for processing the raw material of tomatoes
- Growing needs for solutions from food service companies caused by surging cost of sales and operating costs

Threat

- Deterioration in profits caused by downturn in tomato paste prices
- Impacts on business activities caused by weather risks such as extreme weather events, etc.
- Supply shortage of raw materials and products due to supply chain disruptions
- Difficulty securing employees for operations in each country and surging labor costs

FY2024 in Review (Results and Issues)

Results

In January 2024, we acquired an additional 50% stake in Ingomar, the world's fourth largest primary processor of tomatoes, making it a consolidated subsidiary. As a result, the Kagome Group's primary processing capacity for fresh tomatoes has risen significantly from fourteenth in the world to third. In tomato and other primary processing, revenue and profits increased following Ingomar's consolidation, as well as the impact of soaring prices for tomato paste driven by tight supply and demand around the world. In tomato and other secondary processing, each Group company implemented price revisions, and revenue and profits increased underpinned by robust demand for eating out, mainly in the United States.

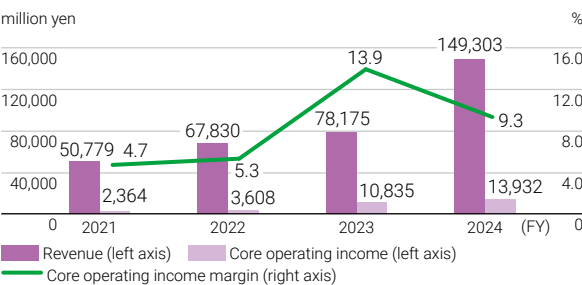
Performance Trends (FY2024)



Issues

As a result of Ingomar becoming a consolidated subsidiary, the proportion of consolidated revenue from tomato and other primary processing increased significantly from 9% in FY2023 to 27% in FY2024. Performance volatility has been growing because market conditions fluctuate significantly due to the supply and demand of tomato paste. However, by taking advantage of our value chain in the United States, from seed development and sales to secondary processing, we will increase the stability of our business and work to further grow our tomato processing business in the United States.

Revenue, Core Operating Income, and Core Operating Income Margin



* Includes intersegment revenue with the domestic business.
* Kagome changed its reporting segments in FY2022 and FY2024. Figures for FY2021 and FY2023 were prepared retroactively and are presented based on this change.

Strategy for FY2025

With inflation persisting worldwide, tomato paste prices declined in 2023 and 2024 due to increased global production. Therefore, in FY2025, we will work to minimize the impact of market conditions through collaboration within the Group and strengthen our ability to generate sustainable and stable profits in order to achieve our next stage of growth. In primary processing, we will bolster our competitiveness by improving quality, improving productivity, reducing costs, and strengthening relationships with customers. In secondary processing, we will make efforts to enhance our ability to propose solutions to food service companies and grow sales volumes. For existing customers who operate food service businesses globally, we will expand our product lineup by offering more flavors and container variations. At the same time, we will also work to acquire new customers from local food service companies operating in each geographic area.

In FY2024, we began collecting information on contract farmers' processing tomato cultivation and primary processing production activities and analyzing the big data. Our goal is to use this data to improve production efficiency and to reduce the rate of defective products. We will also build a supply chain that will help increase productivity, including organizational and personnel structures. Furthermore, we will work to convert Ingomar's tomato processing technology into explicit knowledge and improve the tomato processing technology of the entire Kagome Group, including other tomato primary processing centers at HIT and KAU.



Developing menu ideas at Kagome Inc.



Processing big data from Ingomar's plant

Message

Accelerating growth using global optimization

As of October 2023, the International Business Division was incorporated as Kagome Food International Company. Through the monthly Company Management Meetings attended by the CEOs of overseas local subsidiaries, we have been working to make agile decisions quickly and effectively, as well as strengthen collaboration, improve governance, and manage our global organization and human resources. We jointly formulated a vision for quantitative growth in the growth driver of food services, and improved engagement within the Kagome Group by making information visible via a portal site and conducting risk surveys to prevent fraud. With regard to human resource management, one of our most important issues, we implemented personnel exchanges between our overseas subsidiaries, a completely new endeavor. We will continue to strengthen our organizational and personnel structures, including by seconding personnel from Japan, to ensure that we can execute our sustainable growth strategy in our International Business. We will also promote sustainability activities such as reducing greenhouse gas and carbon dioxide emissions.

Profile
Norito Ebata

Managing Executive Officer
President of Kagome Food International Company and General Manager of Global Tomato Company

