FY2025 ESG Small Meeting (Held on September 18, 2025)

Question and Answer Session
Satoshi Yamaguchi, Representative Director & President
Harunobu Okuya, Director & Executive Officer, Corporate Division General Manager, Corporate Planning Department
Takeshi Saeki, Director & Managing Executive Officer, CFO and CRO
Shigeru Kumekawa, External Director
Tatsuya Endo, External Director

Q1
Your vision of transform from a "tomato company" to a "vegetable company" has served as a good bridge to ensure that the top line contributes to health through initiatives such as VegeCheck. What is your vision for the future?

A1 (Yamaguchi)
As the proportion of tomato-related products has increased, we will focus on tomatoes. In terms of the connection to ESG, we have created value from natural farm-produced ingredients. The stable procurement of these ingredients leads to economic value, and promoting this is also linked to sustainability. Furthermore, the idea that reducing carbon dioxide equates to reducing energy consumption also leads to cost savings, so our basic stance of balancing ESG initiatives with sustainable growth will remain unchanged.

Q2
Are there any KPIs that quantitatively bridge with the top line?

A2 (Yamaguchi)
We have SBTi certified indicators with regard to GHG emissions. Yet, we feel that we cannot bridge the gap without our own indicators. As we need to develop these indicators in parallel, we will study this at GARBiC (Global Agri Research & Business Center).

Q3
What specific KPIs do you have in mind? How competitive will you be?

A3 (Yamaguchi)
Take synergies with Ingomar, for example. Currently, we are working to improve productivity and reduce costs at Ingomar. Looking beyond that, once we can produce high-yielding tomatoes through the development of new varieties and cultivation techniques, we will be able to expand beyond the United

States to other regions such as Portugal, which will also lead to top-line growth. There is data predicting that the impact of climate change will lead to a 6% decrease in global production of processing tomatoes by 2050. If the Kagome Group can increase production volume in response, it will also help improve our competitiveness.

Q4

Ingomar represents an expansion of our upstream business domain and a major structural change. The mechanism for increasing value through marketing and linking this initiative to the top line is important for PMI after the company became a subsidiary. What kinds of issues and challenges are you aware of?

A4 (Yamaguchi)

Although there are still some areas where our dissemination of information externally can improve, we are making progress. In collaboration with GARBiC, we will enhance our information dissemination going forward and increase understanding of our efforts, which will change the way we are viewed by stakeholders outside the Group. The corporate venture capital (CVC) we established in California in 2024 has begun investing in startups, and by communicating the intentions behind these investments and helping stakeholders understand, we will be able to link this to increased sales.

A4 (Kumekawa)

Kagome's strengths are its broad global presence and vertically integrated value chain. Going forward, it would be better to clarify where priorities lie along a timeline. Since the level of maturity and customer demands vary from country to country, if we can properly pursue the KPIs we should aim for following the timeline, stakeholders will be able to better understand our intentions and timeline. We intend to hold in-depth discussions about this at the Board of Directors meetings as well.

Q5

In the International Business, even though you have acquired Ingomar, your competitors are stronger when it comes to cost competitiveness in primary processing. When it comes to competing on quality, can you reflect this in your selling prices in marketing, both for B2B and B2C, and then achieve high added value and create upside?

A5 (Okuya)

Our United States business is not just about the individual strengths of Ingomar, but our ability to create value across the entire value chain, including Kagome USA, which handles secondary processing, and United Genetics, which handles the seed business. Looking ahead, we will further deepen our collaboration to increase added value while also aiming for business growth. We also hope to leverage the CVC operated by GARBiC as a Group strength, rather than taking this on as a one-off initiative, to generate upside.

Currently, the people being sent to Ingomar are mainly members of our PMI team, but in the future, we will also consider sending employees who will handle business strategy and marketing.

Q6

It is still unclear how successful Kagome is in developing seedlings on its own, and how it will translate R&D into results, such as whether it will conduct its own R&D in the future or whether it will collaborate. What are your thoughts?

A6 (Yamaguchi)
Seedling development is carried out by Group company United Genetics. Kagome itself also has a basic research department. Until now, there has not been sufficient information exchange between the two. United Genetics continues to engage in traditional seedling development in some areas, while Kagome is developing new technologies at the genetic level. GARBiC will deploy cutting-edge technology in United Genetic's fields and with skilled personnel, thereby increasing the value of R&D for the entire Kagome Group. However, we understand that major seedling companies are making huge research investments. Kagome's strength is that it specializes in processing tomatoes, so we can conduct demonstration tests using Ingomar's actual fields. We intend to make use of this strength.

Q7

Do synergies with the CVC include the field of seedling development?

A7 (Yamaguchi)
The main investment targets are seedling development and cultivation technology development. In addition to CVC, we are also collaborating with universities to incorporate cutting-edge technology.

Q8

Are you able to analyze your secondary processing customers and manage them in detail? In turn, are you able to incorporate these findings into strategy?

A8(Yamaguchi)
For secondary processing, our main customers are food service companies, and in the United States we target the top 100 companies. Of these, we have only been able to do business with 20 to 30%. We are looking to increase this number. We have a solutions development team in California that is working closely with food service customers to develop solutions to their challenges. Until now, we have not been able to organize horizontal collaboration globally, but we are now sorting out which supply source area is most efficient for products to be produced from, and which company should take on the gaps in the

supply chain.

A8 (Kumekawa)
Although we have expanded our global operations, local expansion will also be important in the future. For the International Business, there is an opportunity to expand into secondary processing. This challenge involves different levels of demand depending on the country, so there are aspects to this that we will not know until we try. For example, whether value-added products will sell. Nevertheless, there is great potential for growth.

Q9
What time frame will be used to accelerate the strategy? Will it be in the next Mid-Term Management Plan, or further into the future?

A9 (Yamaguchi)
We have set a 10-year vision, with three mid-term management plans planned over 10 years. The next Mid-Term Management Plan will cover 2026 to 2028. As customers for the expansion of secondary processing have been decided to a certain extent, we expect to reap the benefits beginning in the first half of the next decade. In the second half of the next decade, the development of new plant varieties and cultivation techniques are expected to contribute to profits.

Q10
The CEOs of each Group company were to gather to formulate a strategy. Is this going well? What is the global management system, what areas need improvement, and what are the challenges facing the Group as a whole?

A10 (Saeki)
Governance covers a wide range of areas. We need to consider management encompassing the entire Group. To do this, it is extremely important to first clarify the actual management situation of each individual company and it is necessary to have dialogue based on the numbers. In order to improve governance in terms of finance and accounting, we have also issued a finance and accounting policy for the entire Group. We check to make sure overseas subsidiaries are following this policy to ensure that it does not become a mere formality.

A10 (Yamaguchi)
In 2023, the International Business was made into a company and decision-making authority was delegated to it, which has increased the speed of management and strengthened governance.

Q11

With the share of the International Business increasing, how do you plan to strengthen recruitment and training of human resources, especially as you expand globally?

A11 (Endo)
Our International Business is growing rapidly, so the Audit and Supervisory Committee is also discussing human resource development plans. Our current assessment is that it is difficult to immediately train people who can work on the front lines overseas, so we are hiring locally. For example, we have seen cases where we hire mid-career employees from Japanese companies with local operations. Our International Business is set to become a larger organization over the medium to long term. We can see through internal audits that its presence is growing. We have heard from many young employees who want to be assigned to work overseas, so both the Human Resources Department and the individual business departments will support their career development going forward.

A11 (Yamaguchi)
Human resources development is needed across the entire Group. There are many issues, such as what to do about the culture of overseas Group companies and what kind of human resources to develop. We are now in the phase of making improvements. We will also promote collaboration between HR departments of each Group company.

Q12
In terms of human capital, where will you focus going forward?

A12 (Yamaguchi)
The most important thing is to increase employee motivation and engagement. We monitor engagement surveys and aim for a score in the top 20%.

Q13
Regarding the perspective and challenges of marketing plant-based foods, your initiatives such as Almond Breeze have an ESG aspect that leads to the consumption of vegetables and plant-based ingredients. What do you think are the current challenges?

A13 (Kumekawa)
Offering plant-based foods also means cultivating a new category, so we are struggling in some areas. The market size for almond milk in Japan is around 10 billion yen, while the market size for soy milk is larger. When launching a market, there is competition and we need to consider how to compete. With almond milk, though, we are in the phase of letting customers know about the value of its functionality. In a domestic market where the population is declining, activities and efforts to launch new products are meaningful and should be undertaken.

A13 (Yamaguchi)
It is said that there are few consumers in Japan who are willing to buy environmentally friendly products even if they are expensive. It is not just Kagome, but the entire industry that needs to raise the bar. Sales of our plant-based foods have not expanded as quickly as expected, but they are growing steadily.