



2035 Vision Mid-Term Management Plan 2026-2028

Kagome Group Plan 2028
Briefing Materials

Securities Code: 2811

Kagome Group Plan 2028: Themes

Evolve the concept of “Value chain founded in agriculture” and build competitive advantages domestically and internationally

—Maximizing the synergies of our unique strengths: agriculture, technology, and global network—

Agriculture-based value chain

Develop varieties
and cultivation
technology

Cultivation

Procurement and
production

Marketing and sales

Unique strengths

Value creation from agriculture

- Development of varieties and cultivation technology
- Relationships of trust with producers
- Contributions to sustainability by resolving issues facing agriculture
- Functionality/consumer research

Technology and know-how

- Creation of value through research, processing, and development technology
- Development and generation of demand for products, functions, and solutions that meet customer needs
- Development of devices that promote behavioral change, such as VegeCheck

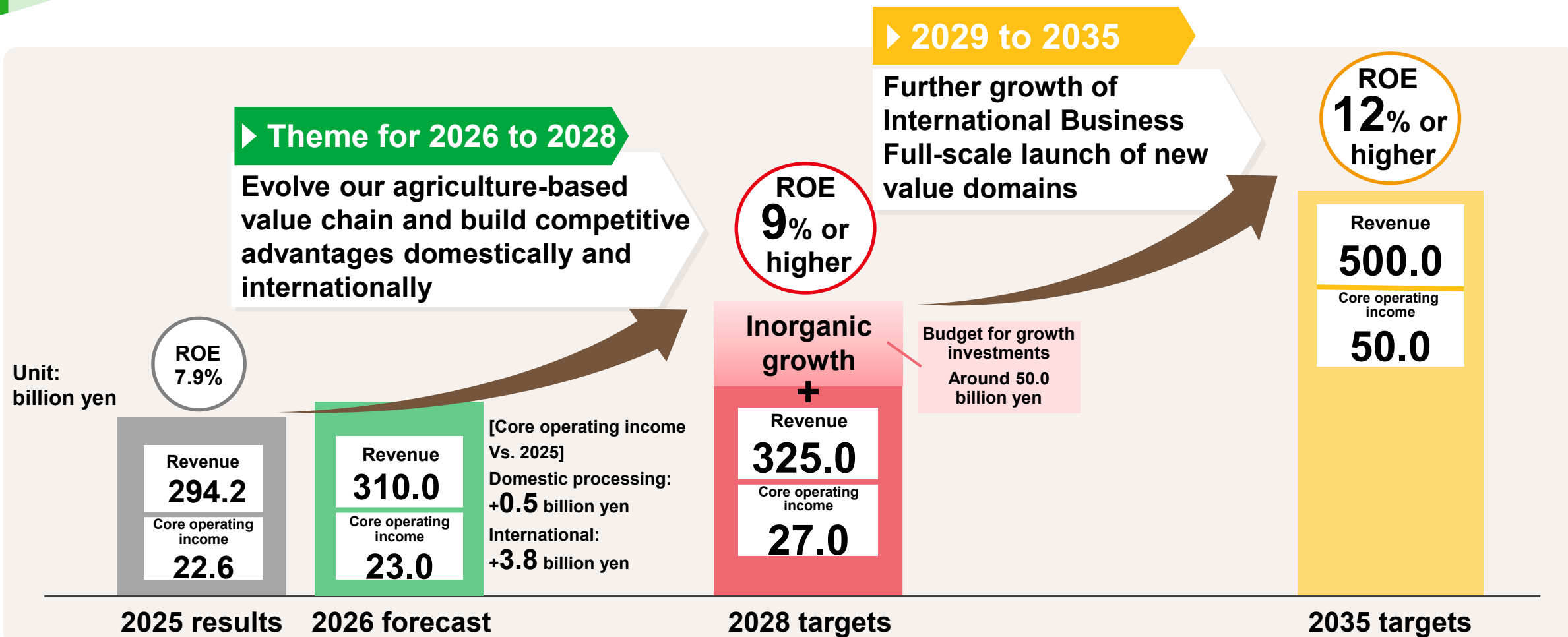
Global network

- Group bases spread around the world
- Strength of raw materials QCD through decentralized procurement
- Ability to service global customers

By combining the unique strengths we have cultivated in our agriculture-based value chain and maximizing synergies, we aim to create value that will give us a competitive advantage.

Kagome Group Plan 2028: Quantitative Targets

- To achieve the 2035 Vision, during the Kagome Group Plan 2028 period, we will strengthen our competitiveness to carry over to the next medium term.



Kagome Group Plan 2028: Theme and Basic Strategy

Theme: Evolve the concept of “Value chain creating value from agriculture” and build competitive advantages domestically and internationally

—Maximizing the synergies of our unique strengths: agriculture, technology, and global network—

Basic Strategy Improve revenue-generating capabilities and bolster competitiveness by investing resources in growth and new value domains

1 Maximize our own strengths, improve revenue-generating capabilities and accelerate growth centered on secondary processing in the International Business

Revenue Base

Japan

Strengthen revenue-generating capabilities by optimizing the value chain focused on the provision of value through vegetables and health

International Business

Generate stable revenue from tomato and other primary processing by strengthening mutual cooperation in the value chain

Growth Domains

International Business

Grow our food service business by improving our ability to propose solutions and build out our infrastructure in India

2 Create new value domains that will build business pillars of the future

- Expand food and agriculture well-being services
- Pioneer an Earth-positive tomato business

3 Improve capital efficiency through optimization of growth investments and shareholder returns

4 Evolve the management foundation (human resources, research and development, DX, sustainability) that will drive value creation

Basic Strategy 1: Revenue Base of the Domestic Processed Food Business

- Although Japan's population is declining, new areas of demand are emerging, such as growing interest in health.
- We will grow the top line by leveraging our existing value development for vegetables and plant-based products and our ability to create demand.
- We will review our business structure, including optimizing production bases and supply chains, to bolster our ability to generate profits.

Domestic Processed Food

Strengthen revenue-generating capabilities by optimizing the value chain focused on the provision of value through vegetables and health

2028
Core operating
income margin
target
Approx. **10%**

Recognition of environment

- Population decline, rising aging rate, increase in single-person households
- Worsening labor shortages
- Growing interest in mental and physical health and well-being
- Continued rise in costs of raw materials, logistics, personnel, etc.

Value development from agriculture

- Relationships of trust with producers
- Initiatives to improve the sustainability of domestic agriculture
- Expansion of plant-based foods
- Functionality/consumer research

Combination of strengths

Value conveyance

- Diverse product development and demand creation activities
- Expansion of vegetable intake promotion activities
- Proposals of solutions to labor shortages

Value chain optimization

- Strategic renewal of production sites
- Inventory optimization
- Sales channel optimization
- Improvement of sales promotion efficiency by unifying customer IDs

Basic Strategy 1: Revenue Base of the Domestic Processed Food Business

- We will focus on made-in-Japan featured products to add greater value through the domestic value chain.
- By leveraging the relationships we have built with producers and our ability to develop products and communicate value, we will strengthen our efforts and work on agricultural development.

Added greater value to domestic processed foods

Maximize the value of made-in-Japan featured products

Value creation

- Long-standing relationships with domestic vegetable and fruit producers
- Procurement of valuable agricultural products



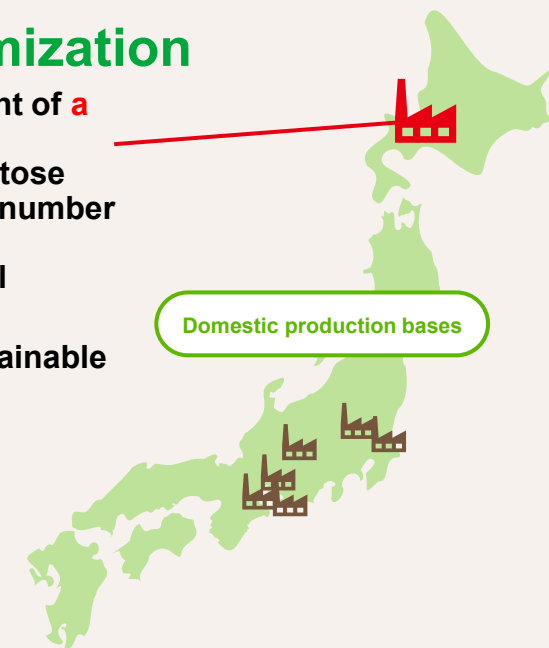
Value communication

- Offering of a wide variety of flavorful products
- Provision of information about production areas through “Megumi Meguru Action!”, which supports production areas and producers



Value chain optimization

- With the establishment of a **new domestic tomato processing plant** (Chitose Plant, Hokkaido), the number of domestic tomato processing plants will increase to two
- Contributions to sustainable agriculture



Basic Strategy 1: Revenue Base of International Tomato and Other Primary Processing

- Stabilizing revenue, given the fluctuations in the tomato paste market, is a management issue.
- In primary processing, which connects the field with secondary processing, we will create value by strengthening the ties between them, and strengthen generating profitability by gathering technology, know-how and human resources around each of the Group's business sites.

Tomato and other primary processing

Generate stable revenue from tomato and other primary processing by strengthening mutual cooperation in the value chain

2028
Core operating
income margin
target
Approx. **8%**

Recognition of environment

- The United States saw a bumper crop of processing tomatoes in 2025, but global production actually declined from the previous year.
- Global inventory levels are expected to gradually level off.
- We will utilize the strengths of global expansion and connections with contract farmers and secondary processing companies to improve profitability.

Addition of value to processing tomatoes

- Value creation from raw tomatoes
- Variety development and introduction of cultivation technology suited to the production area



Combination of strengths

Mutual collaboration among global sites

- Mutual collaboration of technology, know-how, and human resources across Group sites
- Improvement of production efficiency
- Stable supply chains

Value connection to secondary processing

- Development of value-added products that meet customer needs in terms of varieties and processing



Basic Strategy 1: Growth Domains: Tomato and Other Secondary Processing in the International Business

- We will focus on North America and Europe, where food service businesses have a large market share, as focus area of secondary processing.
- In addition to product strength, the key to success is the ability to quickly propose solutions in response to trends and customer requests, as well as quality, cost, and stable supply.
- We will combine intelligence from Japan and the United States with QCD and a global network to drive growth.

Tomato and other secondary processing

Grow our food service business by improving our ability to propose solutions and build out our infrastructure in India

2028 target
Revenue CAGR
*1
Approx. **8%**

2028
Core operating
income margin
target
Approx. **9%**

Recognition of environment (N. America/Europe)

- The food service industry has grown at a CAGR of 5.4% over the past decade, and this growth is expected to continue in the future*2.
- North America accounts for roughly half of the market share, while Europe accounts for around 20%.
- The ability to quickly respond to trends and customer requests, and the ability to propose solutions along with QCD (quality, cost, delivery) will determine success or failure.

Combination of strengths

Intelligence for food service companies

- Transformation of knowledge cultivated in the United States and Japan into strengths globally
- Acquisition of Silbury and bolstering of human resources that support proposal capabilities

Reliable QCD

- Establishment of a speedy and reliable QCD system that resolves customer issues

Global network

- Stable supply from each site to global food service companies
- Inroads in the European market

*1CAGR for the three years through FY2028, using FY2025 as the base year *2Source: Global Data: total market size by country for hamburger QSR, pizza QSR, and Italian FSR.

Basic Strategy 1: Growth Domains: Tomato and Other Secondary Processing in the International Business (India)

- India's tomato processing industry is in the formative stage, making the key to success the creation of an integrated value chain.
- Currently, we only have secondary processing sites, so we are working to build an integrated value chain from raw materials procurement to secondary processing.

Tomato and other secondary processing

Grow our food service business and build a foundation in India by improving our ability to propose solutions

Recognition of environment (India)

- India is the second largest producer of tomatoes in the world, with the majority consumed domestically.
- Currently, Kagome Foods India is developing a secondary processing business
- The stable procurement of tomato paste is an issue.
- The tomato processing industry is in the formative stage and our growth will be unlocked once our value chain is developed.

Combination of strengths

Cultivation of processing tomatoes

- Promote the cultivation of processing tomatoes suited to India and provide agricultural guidance

Knowledge and know-how for value chain creation

- Utilize knowledge gained in various countries for creating a tomato processing value chain

Global network

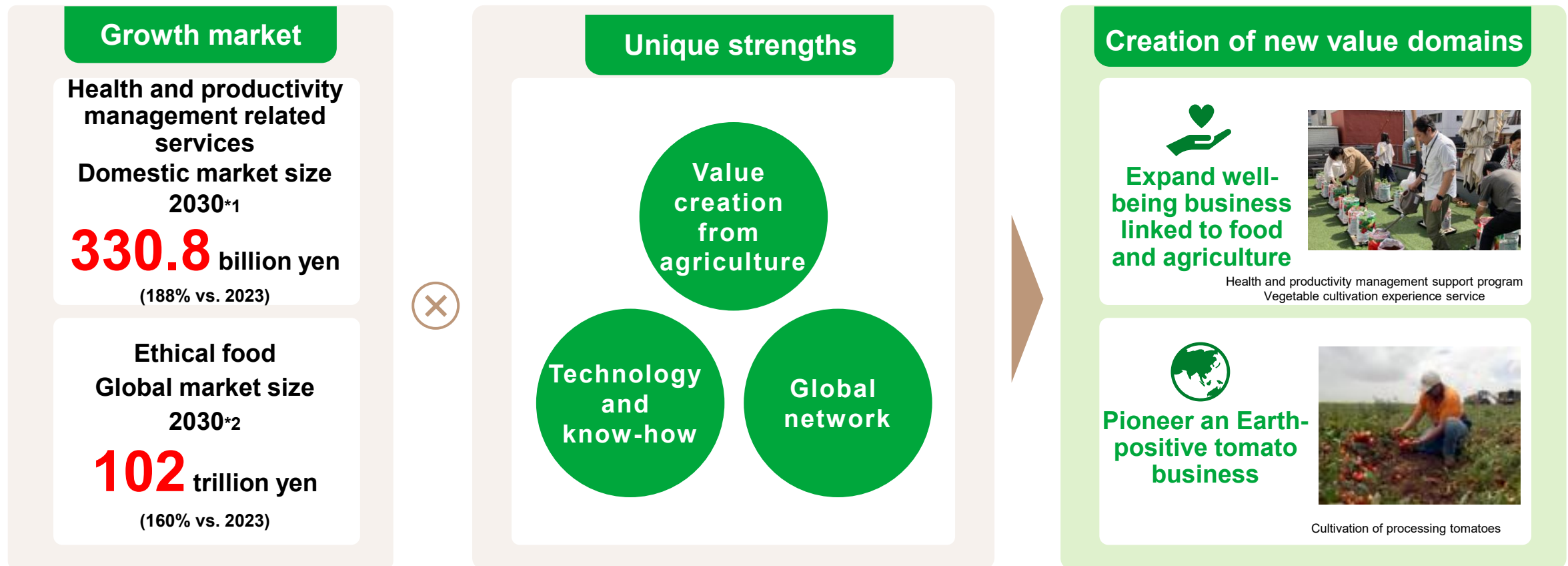
- Supply products to global food service companies operating in India
- Strengthen cost competitiveness



Visiting a contract farmer in India

Basic Strategy 2: Creating New Value Domains

- Going forward, we expect the well-being and sustainability-related markets to grow.
- In these markets, we will maximize the strengths of our agriculture-based value chain to develop value and create a pillar of future growth.



*1 Source: Fuji Keizai Group, [Survey of the Domestic Market for Health and Productivity Management/Data Health Planning Related Services](#), press release.

*2 Source: Nikkei Business Online, [The Ethical Wave Engulfing Consumption](#), Nikkei Business Online Edition, July 21, 2023.

Kagome Group Plan 2028 Basic Strategy 2: Creating New Value Domains

- Japan's rapid population decline and increase in single-person households mean that well-being, including not only physical health but also mental health and connections with the community, is becoming increasingly important.
- We will contribute to solving problems in the domains of agriculture and food by creating opportunities to connect people and revitalize communities.

New value domain

Expand food and agriculture well-being services

**Kagome's assets
that lead to new
value creation**

- Connections with production areas, local governments, schools, companies, etc. through business activities
- Evidence development through the Diet & Well-being Research Institute and participation in industry-government-academia projects
- Initiatives for social health through the Vegetable Intake Promotion Project, etc.



A cooking experience program for offices

**Implementation
Structure**

-Wellbeing Business Division-

- Integrate the existing Kagome Direct Marketing Business Department and Health Business Department to maximize the use of resources from both organizations
- Collaborate and conduct joint research with universities and local governments

**Direct
marketing business**

Mechanism to
deliver value directly

Health business

A place for social
communication that
connects people

Milestones

Kagome Group Plan 2028 Value Development Phase

Conduct business verification for full-scale commercialization and formulate a commercialization plan for 2029 and beyond

**2029 onwards:
Commercialization**

Start of full-scale operations
Expand points of contact with
customers in existing businesses

Basic Strategy 2: Creating New Value Domains— Pioneer an Earth-positive Tomato Business

- The need for sustainable agriculture is growing worldwide due to factors such as declining crop yields and soil deterioration caused by worsening climate change, along with shortages of farmland and agricultural workers resulting from the rising population globally, etc.
- Inquiries about GHG emissions from processed tomato products are increasing, and demand for Earth-positive products is expected to grow.

New value domain

Pioneer an Earth-positive tomato business

Kagome's assets that lead to new value creation

- By being deeply involved in the cultivation and processing of tomatoes while achieving both economic benefits and environmental contributions, we are accumulating knowledge on the development of cultivation, processing, and production technologies.
- Create a value chain from variety development to sales, and a network with producers around the world



Tomato harvesting in North America

Implementation structure

- Establish a global project structure with related departments centered around GARBiC*
- Collaborate with startups and universities through CVC

Milestones

Kagome Group Plan 2028 Value Development Phase

- Establish GHG calculation methods for cultivation, processing, and transportation
- Improve agricultural production efficiency as well as maximize processing and production efficiency
- Start selling processed tomato products that incorporate GHG emission reduction measures

2029 onwards: Commercialization

Increase sales volume by adding value to products made with Earth-positive tomatoes

Reduce costs in existing businesses

Basic Strategy 3: Financial Strategy

- Toward the implementation of the business strategies of Kagome Group Plan 2028, we will balance growth investments with shareholder returns based on a sound financial foundation.

Basic Policy

“Management conscious of the cost of capital” and “balancing growth investments with shareholder returns”

Growth with an
emphasis on capital
efficiency

- Organic investment: 50 billion yen
- Strategic investment allocation: 50 billion yen
- Improvement of capital efficiency

Stability of the
financial
foundation

- Maintain credit rating at **Single A**
- Funds procurement while maintaining credit rating

Stable return
of profits

- Total return ratio: **50%**
(increased from 40%)
- Introduction of **progressive dividend policy**

ROE of **9%**
or higher

- KPI for enhancing corporate value
- Reach the unachieved level of the previous Mid-Term Management Plan at the very minimum
- Aim for 12% or higher by 2035

Basic Strategy 3: Cash Allocation

- We expect to invest approx. 50 billion yen in organic growth strategies, DX, and environmental initiatives.
- We will actively utilize debts to the extent that credit ratings can be maintained, and make strategic growth investments, including M&A.

Kagome Group Plan 2028 Cash Allocation

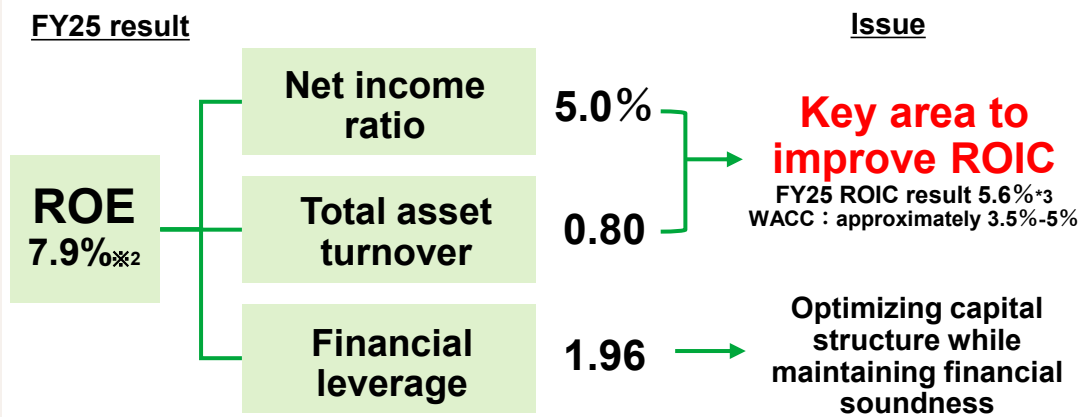


Basic Strategy 3: Improving capital efficiency to sustainably enhance ROE

- We will maximize the use of assets acquired through M&A and other activities to enhance our earning power.
- By strengthening ROIC management, we will work to sustainably improve ROE.

Current situation analysis

- ROE for FY25 is 7.9%, falling short of the previous mid-term target of 9%.
- The primary reasons are insufficient growth in net income*1 and total asset turnover.
- Improving ROIC, which drives our earning power, is a key issue to be addressed.



Action plan to improve ROIC

Previous
Mid-Term
Period

- Established a management foundation using Kagome ROIC*4
- Visualized segment-level Kagome ROIC and set KPIs for each division

Kagome
Group
Plan
2028

- **Strengthening Business Portfolio Management**
 - Optimize resource allocation based on profitability and growth potential
 - Clarify the decision-making process by enhancing the Board of Directors' oversight function
- **Improving ROIC by segment by Redesigning ROIC Management**
 - Improve profit margins: value enhancement and pricing strategies
 - Improve asset turnover: inventory optimization and asset efficiency initiatives

*1 Net income attributable to shareholders of parent *2 Reference: Our estimated cost of equity is approximately 5-6%, based on CAPM and discussions with investors.

*3 Core Operating Income × (1 - Tax rate) / (Shareholders' equity + interest-bearing debts) *4 Kagome ROIC : EBITDA (Core operating income + Depreciation and amortization) / Invested capital

Basic Strategy 3: Shareholder Return Policy

- By changing the total return ratio from 40% to 50% and introducing a progressive dividend policy, we will enhance shareholder returns through stable dividends and share buybacks.

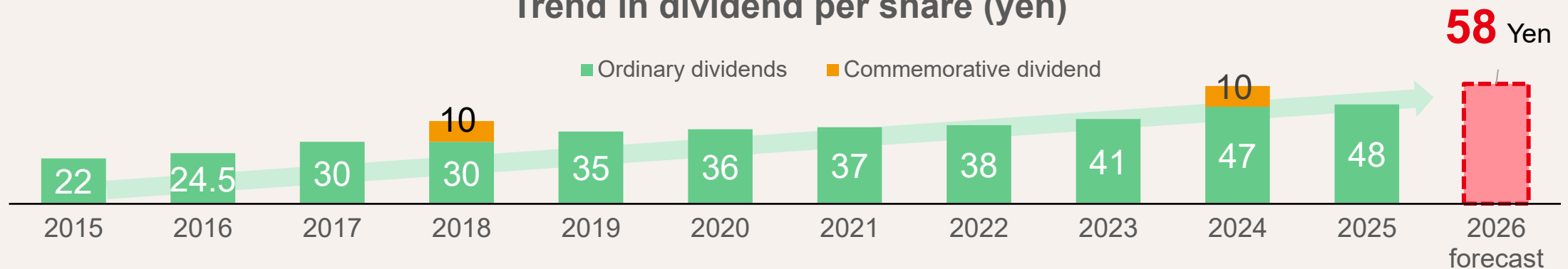
Shareholder return policy for 2022 to 2025

- Aim for a total return ratio of 40%
- Annual dividend: 38 yen or higher

Shareholder return policy of Kagome Group Plan 2028

- Aim for a total return ratio of **50%**
- Introduction of a **Progressive Dividend Policy**

Trend in dividend per share (yen)



Basic Strategy 4: Evolution of Management Foundations

- The Kagome Group's management foundation, which serves as the driving force for building unique strengths and creating value, is comprised of four management resources: human resources, research and development, DX, and sustainability.

Kagome Group Plan 2028: Management Resources that Drive Value Creation—Key Strategy

Human resources strategy

- By combining recruitment, assignment, and training, we will secure **100% of the talent with the diverse skills necessary to execute our business strategy.**
- Self-directed career development



Research & development

- [Diet & Well-being Research Institute]
 - Expand research domains from “mental and physical health” to **“social health”**
- [GARBiC]
 - Pursue agricultural research and development for the realization of **sustainable agriculture**



DX

- Create digital value in **differentiation domains** that support business strategy
- **Shift** company-wide business reform centered on AI to **value-creating operations**

Sustainability

- The agriculture-based value chain itself is a solution to social issues and a source of business growth



Kagome Group Plan 2028: Main Management Indicators

Kagome Group Plan 2028: Key Management Indicators

Business Growth Targets (Assuming the business portfolio at the start of the mid-term plan)

	FY25 Result	FY28 Target	Growth
Revenue (Billion yen)	294.2	325.0	+ 30.7
Core operating income (Billion yen)	22.6	27.0	+ 4.3

Management Performance Targets (Including Inorganic Growth)

	FY25 Result	FY28 Target	Growth
ROE	7.9%	9% or higher	+ 1.1pt
Shareholder returns (Mid-term period)	Total return ratio: 41.3%	Total return ratio: 50%	+ 8.7pt

Cautionary Statement

This presentation material contains Kagome's current plans, forecasts, strategies, and other matters that are not necessarily based on historical facts and are instead based on the judgment of Kagome's management team obtained from currently available information. Therefore, please refrain from relying solely on the forecasts that appear herein. Actual results may differ significantly from the forecasts due to various material factors. Such material factors that may affect actual results include the following: 1) weather, especially low temperatures in the summer; 2) product incidents, such as the contamination of foreign matter; 3) the economic situation surrounding Kagome's business domain, especially consumer trends; and 4) Kagome's ability to continue planning and developing products and services that are accepted by customers in a fiercely competitive market characterized by changing customer preferences. However, factors that may affect performance are not limited to the above. In addition, this presentation material is intended solely to provide a deeper understanding of Kagome, and is not necessarily intended to solicit an investment. Furthermore, the market data and other information contained in this presentation material is based on information that Kagome considers to be reliable and accurate. Please note, though, that not only future forecasts but also past data may be subject to review and other changes without notice.