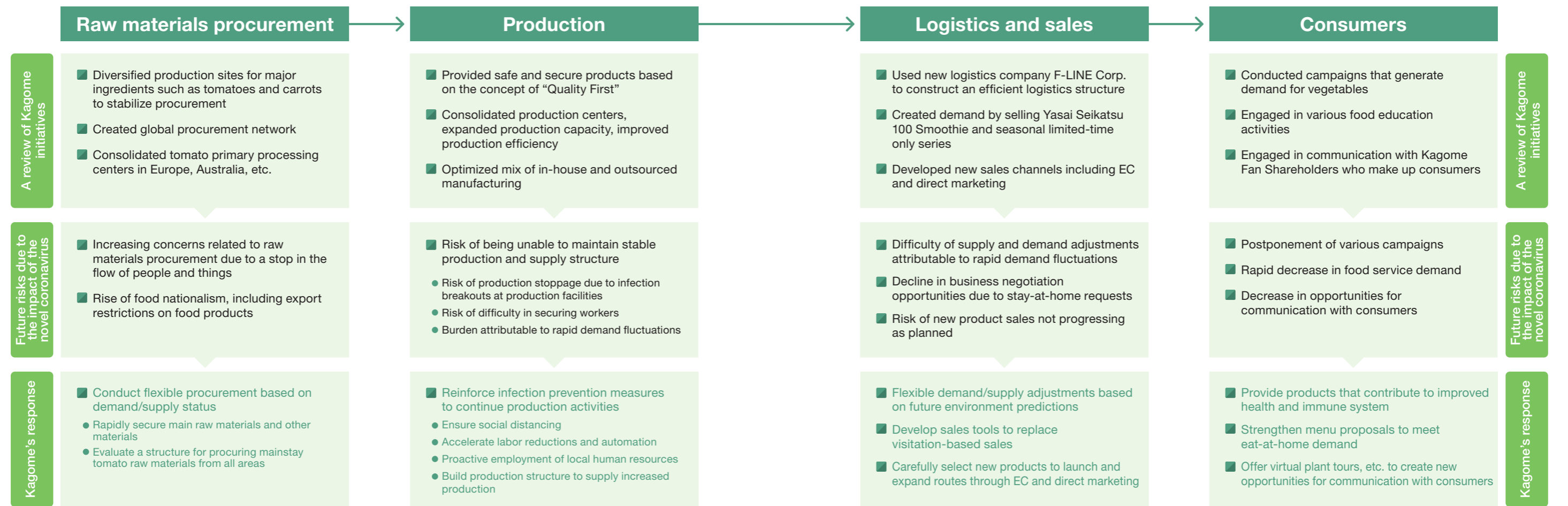
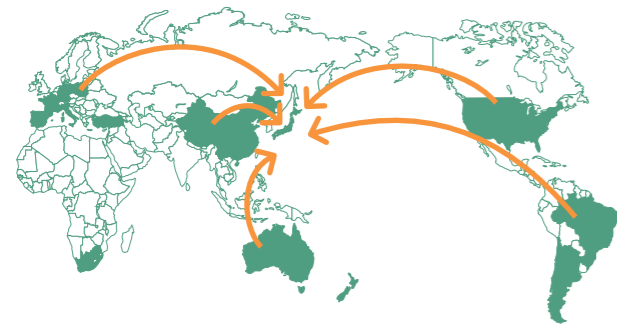


Kagome's Response to the COVID-19 Pandemic

The COVID-19 pandemic is having a severe impact on societies and economies around the world. In a post-coronavirus world, we expect to see the adoption of new values and lifestyle changes. Below, we introduce the role and benefits of the Kagome BCP as well as discuss what new measures we will incorporate to overcome the difficulties of the current environment and continue contributing to society through food. (Created based on information available through May 31, 2020)



Special Preface

Establishment of the COVID-19 Task Force

- Organization overseen by the president
- Regular meetings are held once per week
- Departments share status updates and rapid decisions are made on response matters
- Manages responses based on guidance from government and local municipalities

Structure of the Task Force

- HQ Director** President & Representative Director
- Members** Internal directors, Executive Officers, Division Directors, PR General Manager, etc.
- Administrative Office** Joint Risk Management Meeting

Basic Policy of the Task Force

- We prevent infections and critical infection among Kagome Group employees and business partners**
- As a food manufacturer, we constantly check the status of our entire supply chain to prioritize the supply of the lifeline products we provide.**

Main topics of the past responses

Shift to telecommuting

Through end of July 2020 (excludes departments related to product supply)

In response to the nationwide emergency declaration, we have adopted telecommuting for all Japanese offices. Since FY2014, Kagome has been implementing work style reforms as we aimed to be a company with a pleasant and rewarding workplace. As part of this initiative, we have adopted various systems, including shifts, flex-time, and

telecommuting to increase employee work style freedom and promote autonomous productivity improvements. Through simultaneous efforts to establish the infrastructure needed to support these reforms, we were successful in shifting to our first-ever companywide telecommuting without any major problems.



Employee working remotely



A Tokyo Head Office with no employees (April 2020)

Creating a stable financial platform

Thus far, we have recorded a relatively high level of equity to total assets and maintain an A (stable) credit rating from outside institutions. To prepare to potential strains on the capital procurement environment due to the ongoing COVID-19 pandemic, we executed credit agreements for approximately 20.0 billion yen. The increase in financing expenses resulting from these loans will not have a significant impact on our Kagome Group consolidated earnings.

Status of external ratings

Rating agency	Rating	Rating trends
Rating and Investment Information, Inc. (R&I)	A	Stable
Japan Credit Rating Agency, Ltd. (JCR)	A	Stable

Changes in balance sheet

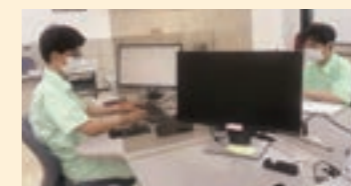
	31/12/2019	31/12/2019
Assets	201.1	209.6
Cash and cash equivalents	27.2	41.8
Liabilities	89.7	102.9
Borrowings	29.1	45.9
Capital	111.3	106.7

(Unit: billion yen)

Contributing to society

Embracing the basic policy of fulfilling our responsibility as a food manufacturer to provide lifeline products, we place maximum importance on ensuring the health and safety of workers directly involved in food supply as we work to maintain stable production. To support the municipalities and medical professionals battling the COVID-19 pandemic, we work with various local municipalities and medical associations to donate vegetable

beverages free of charge. Through May 30, 2020, we have donated approximately 52,000 products to organizations such as the Tokyo Medical Association, Kanagawa Prefecture, Wakayama Prefecture, and Osaka Prefecture. We hope to continue delivering vegetable beverages to the people battling on the front lines of this pandemic.



Plant employees working while engaged in infection prevention measures



Vegetable juice donated to medical institutions

Future initiatives amid the COVID-19 pandemic

(1) Impact on FY2020 Q1 earnings

[Japan]

- Sales of condiments and other consumer products increasing on acceleration of stay-at-home consumption
- Sales from convenience stores in business districts decreased, sales of certain beverages and products for institutional and industrial use decreased due to a slump in food service demand

[Overseas]

- Decreased sales from businesses related to food service industry due to expanding lockdowns, including restrictions on food service industry

(2) Future initiatives in light of changes in external environment

Changes in external environment

1 Food-related changes in consumer values and behavior

- Dining-out demand, increased demand for food delivery and internet supermarkets
- New values and consumer trends centering on health
- Rise of food nationalism

2 Lifestyle changes

- Decline in movement and travel
- Normalization of telecommuting and business not involving face-to-face meetings
- Diversification of communication

Future initiatives

- Strengthen menu proposals to meet eat-at-home demand
- Expand EC and direct marketing sales routes
- Provide products that contribute to improved health and immune system
- Create new opportunities for communication with consumers
- Identify and select businesses and resources based on predictions for a post-COVID society