

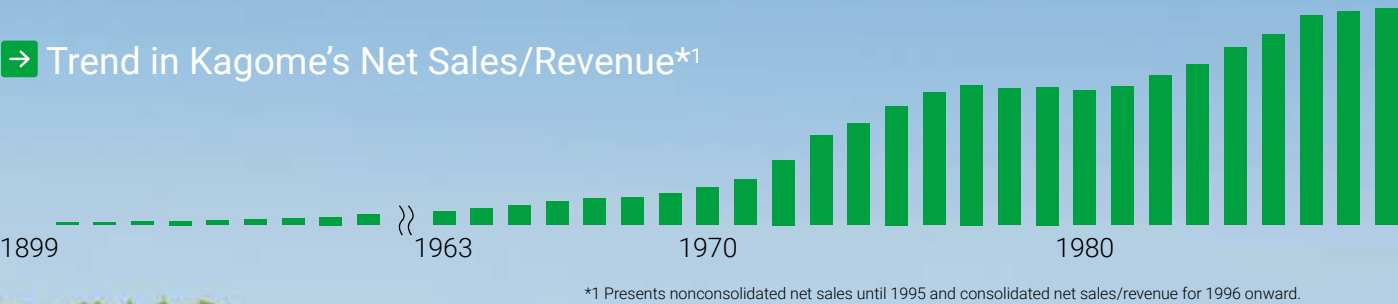
History of the Kagome Group's Value Creation

Aiming to Create Value from Agriculture

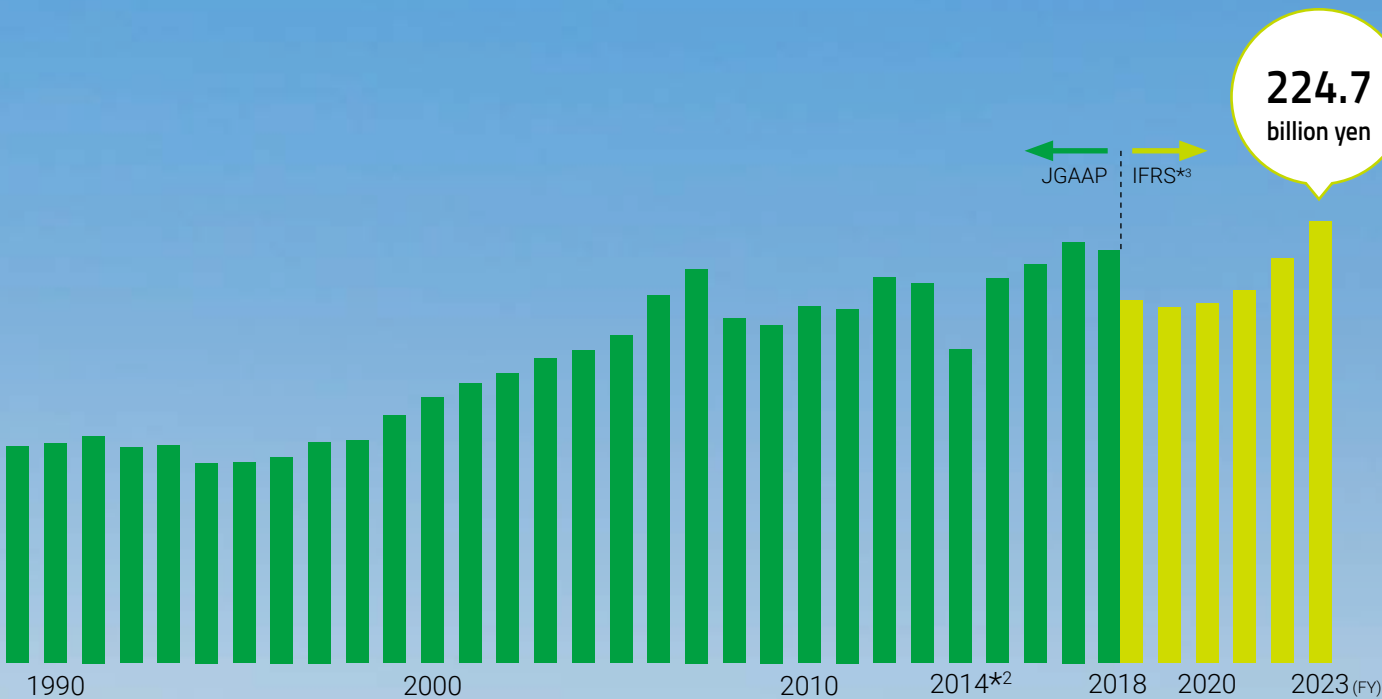
For 125 years since its founding in 1899, the Kagome Group has delivered products and services utilizing the bounty of nature to support the healthy and vibrant lives of customers.

Just as our founder, Ichitaro Kanie, pioneered the tomato processing industry as a farmer with the desire to make the most of his crops, we will continue to take on the challenge of creating value from agriculture and thereby aim for greater growth.

→ Trend in Kagome's Net Sales/Revenue*1



*1 Presents nonconsolidated net sales until 1995 and consolidated net sales/revenue for 1996 onward.



*2 FY2014 represents the nine-month period from April 1, 2014 to December 31, 2014 following change to the Company's business year.

*3 Kagome has adopted IFRS since FY2019. For reference, figures in conformity with IFRS are also included for FY2018.

1899 to 1962

Processor and Manufacturer of Agricultural Produce

Contributing to the spread of Western cuisine and the improvement of tomato cultivation technology through the launch of processed tomato products

In 1899, Ichitaro Kanie began cultivating Western vegetables in Japan. In 1903, the company began producing tomato sauce, and in 1908, tomato ketchup and Worcestershire sauce. At that time, the company's trademark was called "Kagome Mark" because it looked like the "mesh of a basket (*kago no me* in Japanese)" for harvesting tomatoes. With the modernization of lifestyles in Japan, Western food was becoming popular in ordinary households, and in response to the growing demand for its products, in 1919 Ichitaro Kanie decided to specialize in the agricultural production and processing business. For the procurement of natural farm-produced ingredients, the company introduced a contract cultivation system to maintain quality and ensure a stable income for farmers, laying the foundation for the procurement method of raw materials that continues to this day.

- 1899 Founded
- 1903 Began producing tomato sauce (currently, tomato purée)
- 1908 Began producing tomato ketchup and Worcestershire sauce
- 1914 Established Aichi Tomato Manufacturing Co., Ltd.
- 1933 Launched sales of tomato juice



1963 to 1980

Improvement of Tomato Varieties as a Focal Point

Making tomato ketchup more available and accessible in Japan

In the 1960s, in response to intensifying competition in Japan's tomato juice market and government measures for the liberalization of imports of tomato products, the company began to rationalize each stage of its business, from raw ingredient procurement to manufacturing. In 1963, the company established a test farm (later integrated into the Research & Development Division) to develop high-quality, more easily cultivable and high-yielding tomato varieties, laying the foundation for its research of breeding and cultivation technology. In 1966, anticipating customer needs, the company launched the world's first tomato ketchup in a plastic container. In response to growing demand, the company established its first overseas base in Taiwan in 1967 to secure tomato raw materials.

- 1963 Changed name to Kagome Co., Ltd.
- 1966 Launched sales of tomato ketchup in a plastic container
- 1967 Established Taiwan Kagome Co., Ltd.
- 1980 Launched sales of Jojuku Sauce



1981 to 1991

Advancements in Processing Techniques

Expanding the market with processing technology allowing consumers to enjoy the flavor of freshly picked tomatoes

In order to deliver the same quality and flavor throughout the year, the company mainly researched a method of concentrating tomato juice without the use of heat, and in 1982 it rolled out a reverse osmosis (RO) concentrator at its plants in Japan. This made it possible to produce concentrated reduced juice that retains the flavor of freshly picked tomatoes. In addition, in order to improve the quality of overseas raw materials, a commodity whose procurement volume was rapidly increasing at the time, the company introduced production lines with aseptic filling systems for tomato paste in Taiwan, Turkey, the United States, and other countries. This made it possible for the company to procure low-cost, high-quality raw materials from its overseas bases.

- 1983 Launched drinks sold in paper containers using RO concentration technology
- Changed brand mark to **KAGOME**
- 1988 Established Kagome USA, Inc.



1992 to 2006

Greater Added Value of Vegetable Beverages

Offering a wide variety of easy-to-drink vegetable beverages that would become a new way of vegetable consumption

In 1992, the company launched the Carrot 100 series. The creamy consistency and robust flavor of carrots was extremely well received by consumers. In 1995, the company launched a mixed vegetable and fruit juice called Yasai Seikatsu 100. After that, the company expanded the lineup based on vegetable colors such as green, purple, red, and yellow. In 1998, the company started a direct marketing service called Kenko Chokusobin. In 2004, the company launched Yasai Ichinichi Kore Ippon. Utilizing research on the functionality of vegetables in consumer communication, the company expanded knowledge about the functionality of vegetable pigments such as lycopene and beta-carotene, and promoted the benefits of consuming vegetables through juice.

- 1992 Launched sales of Carrot 100 Series
- 1995 Launched sales of Yasai Seikatsu 100
- 2000 Drafted corporate philosophy
- 2003 Established Vegetalia S.p.A. (Italy)
- 2006 Launched sales of plant-based lactic acid Labre



2007 to 2015

Expansion of Global Presence

Contributing to the local tomato industry and providing a stable supply of raw materials by expanding bases around the world

Following Taiwan and the United States, the company established overseas bases in Australia and Portugal, and promoted the introduction of products to the main customers of global food service companies, and entered local markets. At the same time, by bolstering the production of raw materials for Japan through these bases, the company was able to ensure access to stable procurement of safe and secure raw materials.

- 2010 Established Kagome Australia Pty Ltd. (Australia)
- 2011 Kagome Co., Ltd., Calbee, Inc. and ROHTO Pharmaceutical Co., Ltd. jointly established Michinoku Mirai Fund to support children orphaned in the Great East Japan Earthquake to study at the university level
- 2012 Acquired Holding da Industria Transformadora do Tomate, SGPS S.A. (HIT) in Portugal
- 2014 Launched sales of Kagome Tomato Juice Premium
- Launched sales of Yasai Seikatsu 100 Smoothie



2016 to Present

Towards Sustainable Growth

Supporting people's health and vibrant diet with a variety of products that utilize the bounty of nature

In 2016, the company launched Kagome Tomato Juice as a Food with Function Claims. The company's other Foods with Function Claims include vegetable juices and lactic acid bacteria drinks. In the same year, the company established What Kagome Strives for by 2025 and a long-term vision, aiming to achieve sustainable growth by resolving social issues. In 2021, the company began tapping into the plant-based food market in collaboration with other companies. In 2022, the company established DXAS Agricultural Technology LDA, a joint venture with NEC Corporation, and started an AI-powered farm management advice and automatic irrigation control service overseas.

- 2016 Established Kagome Axis Co., Ltd.
- Established Kagome Foods India Pvt. Ltd.
- 2017 Established Kagome Senegal Sarl
- 2019 Established Kagome Yasai Seikatsu Farm Fujimi
- 2022 Launched sales of products jointly developed with TWO Inc.



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 three segments of Domestic Processed Food Business, Domestic Agri-Business, and International Business, 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.



Global Value Chain Creating Value from Agriculture



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, the reduction of cultivation area due to the aging of farmers, and the tightening of environmental regulations, especially in Europe. Kagome will realize sustainable agriculture and develop new pillars of business by developing plant varieties that can cope with environmental changes and cultivation methods with low environmental impact.

Kagome's
Uniqueness
- Example

1

Bases for Developing Plant Varieties Around the World

We store and maintain a database of countless genetic resources, including seeds of approximately 7,500 varieties of tomatoes. Utilizing these resources, we are developing tomato varieties by crossing varieties without the use of genetic modification technology. Since it takes more than five years to develop plant varieties, we anticipate market needs several years in advance, identify taste and traits, and resistance to diseases and pests that match these needs.

To bolster the development of new plant varieties and cultivation technology, we established the Global Agri-Research & Business Center in October 2023. Under the umbrella of this organization is agricultural resource development that has been carried out by research laboratories in Japan, the agri-business R&D center in Portugal, and United Genetics, which develops, produces, and sells seeds in six countries around the world. We will promote the development of new plant varieties and cultivation technology in an integrated manner worldwide.



Head Office of United Genetics Holdings LLC (U.S.A.)

TOPICS Difference between Fresh Tomatoes and Processing Tomatoes

There are two types of tomatoes: fresh tomatoes that are eaten raw in salads, and tomatoes that are processed and used in tomato juice and tomato ketchup. The cultivation method and varieties are different for raw consumption and processing.

► Fresh tomatoes

In Japan, tomatoes with pink flesh suitable for raw consumption have been cultivated since the Meiji period, and many varieties have been created through improvement. Today, tomatoes with a variety of characteristics, not only size and taste, but also a large amount of nutritional components such as lycopene and GABA, are sold. Varieties with red flesh are also sold as fresh tomatoes. These are usually cultivated in greenhouses on supports.



► Processing tomatoes

The main feature of processing tomatoes is their bright red color and a high lycopene content. Lycopene is one of the carotenoids. In addition, their skin is hard and pulp dense, making them difficult to crush so that they can withstand containerized transportation. Since they are grown in locations with lots of exposure to sunlight and are grown on top of the soil without the use of supports, processing tomatoes can be planted on a large scale without much effort by producers.

Kagome's
Uniqueness
- Example
2

Agricultural Professional Supporting Agricultural Producers as a Field-Person

Based on the belief that “good raw materials come from good fields,” Kagome engages in contracted cultivation in order to procure safe agricultural products that offer peace of mind. Contracted cultivation refers to signing a contract with the farmer to purchase all their crops that meet the quality standards before planting. After that, agricultural professionals known as field-persons visit the fields of contract farmers and provide correct advice according to the growth conditions of the crops, including their own detailed cultivation guidance. By engaging in contracted cultivation, farmers can concentrate on producing high-quality raw materials without worrying about waste or being exposed to fluctuations in market prices.

Kagome's
Uniqueness
- Example
3

Development of Cultivation Technology with Low Environmental Impact

In recent years, droughts have occurred around the world, causing significant impacts on the cultivation of agricultural produce. As such, addressing water shortages has become an urgent issue standing in the way of sustainable agriculture.

DXAS Agricultural Technology LDA, a joint venture between Kagome and NEC Corporation that utilizes AI to support the farming of processing tomatoes, provides a service with NEC's agricultural ICT platform “CropScope” that combines AI farming advice and automatic irrigation control functions for pulse drip irrigation to reduce the amount of water used and increase the yield of processing tomatoes. In real world testing conducted between April and August 2023 in northern Italy, where CropScope had yet to be introduced, we were able to increase tomato yields by about 23% with about 19% less irrigation compared to plots without CropScope. As a result, we confirmed that good results can be obtained even in cultivation environments such as northern Italy, where the climate and soil quality are different from those in areas where CropScope has been previously introduced.



The field in North Italy (pulse drip irrigation area)



AI localizes water usage tailored to the conditions of the field

Message from a Person in Charge



Realizing Competitive Agriculture in Australia

Kagome Australia Pty Ltd. is the only company in Australia that engages in the large-scale processing of tomatoes, and it also grows carrots, garlic and wheat in addition to tomatoes. Our field team prides itself on our important responsibility to supply customers with safe, secure and high-quality products from Australia. Agriculture in Australia faces the important challenges of securing agricultural human resources, promoting advanced agriculture, and dealing with weather risks. Kagome Australia Pty Ltd. is promoting efficient agriculture that automates labor-intensive planting work and uses satellites to check growth conditions. Weather risk, though, is our most difficult challenge. Although we have been affected by the weather many times in the past, I'm convinced that we can realize stable and competitive agriculture by making improvements with the support of the Kagome Group.



Chris Taylor
General Manager Field
Operations
Kagome Australia Pty Ltd.

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.

Kagome operates 17 manufacturing plants around the world. Our plants for primary processed products are located near the production areas of agricultural produce. After harvesting, the agricultural produce is transported to the plant for processing as quickly as possible. We manufacture secondary processed products in Japan, the United States, Portugal, Australia, Taiwan, and India. These products are sold locally and in neighboring countries.

In order to ensure the stable production of products with both safety and peace of mind, we have introduced a common quality management standard (KBMP*) at overseas Group companies that improves the quality assurance level and productivity of the entire Group. **P.53-54**

* KBMP stands for Kagome Best Manufacturing Practice, a common quality management standard for overseas Group companies.

Kagome's
Uniqueness
- Example
1

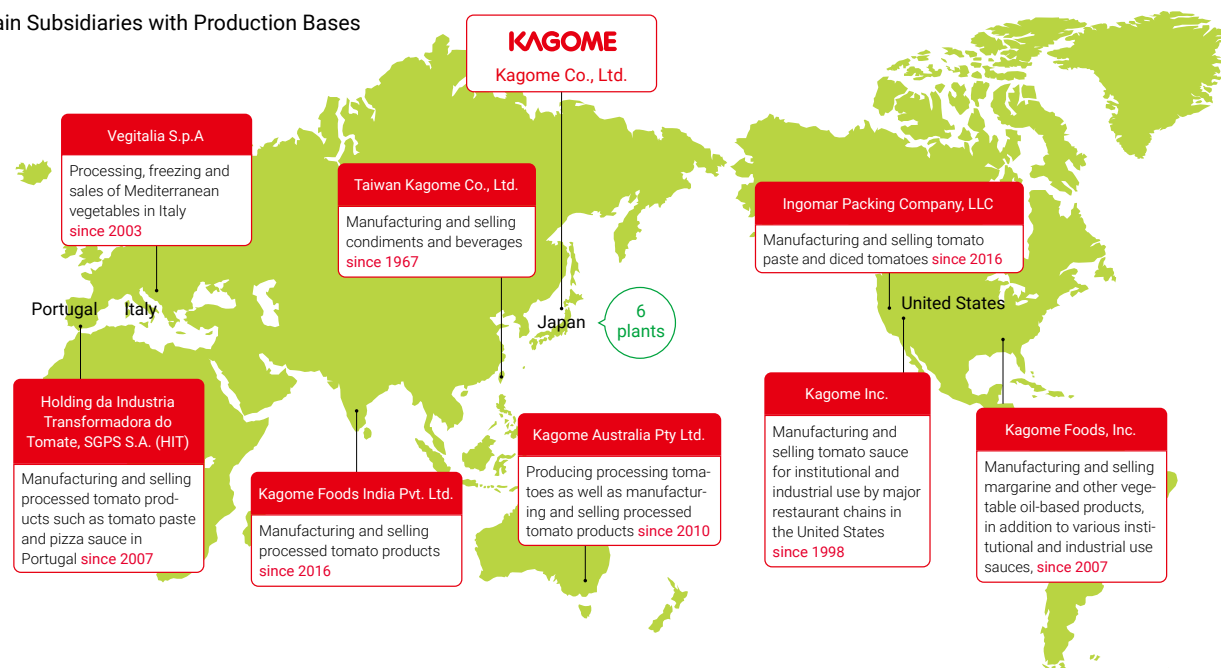
Producing Safe Products Offering Peace of Mind at 17 Bases Around the World

We have 17 production bases around the world, with 11 overseas and six in Japan. These can be divided into two categories: first, production bases for the primary processing of vegetables such as tomatoes, carrots, and paprika, and second, production bases for secondary processing of tomato sauce, pizza sauce, and vegetable drinks. In terms of the primary processing of tomatoes, Kagome's production capacity is the third largest in the world.

Pizza sauce and other secondary processed products are mainly sold to food service companies locally and in neighboring countries.

In the procurement of raw materials, we have built an expansive procurement network in Japan and overseas, which includes procurement within the Group, in order to ensure the stable delivery of products with both safety and peace of mind in each country.

Main Subsidiaries with Production Bases



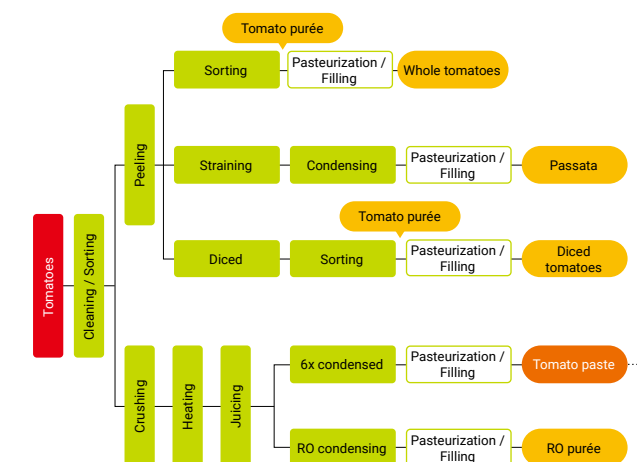
Kagome's
Uniqueness
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2

Providing Products Tailored to Customer Needs Combining Growing Area, Processing Techniques and Container Formats (Primary Processing)

The taste of agricultural produce varies depending on the production area and variety, such as sweetness, sourness, and umami. Taking advantage of the characteristics of each production area, we select the manufacturing method that is suitable for the application, and then proceed to processing. As for the manufacturing method, the viscosity, properties, brightness, flavor, and other traits of a product will change depending on the temperature at which it is concentrated. Kagome is developing processing technologies that take advantage of the goodness of the ingredients. This includes a patented manufacturing method (utilizing RO concentration technology) that can preserve the fresh aroma and bright and vivid red color of tomatoes by minimizing heating, and the "fresh squeeze method" that gently and slowly grinds carrots without applying heat. We offer containers in a variety of formats, from large-capacity drums to small-capacity containers such as bag-in-box*, to meet the needs of customers.

* Bag-in-box refers to a combination made from a plastic inner container and an outer container consisting mainly of cardboard case.

Tomato Primary Processing



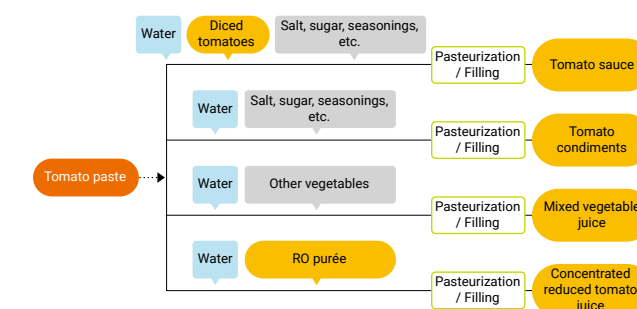
Kagome's
Uniqueness
- Example
3

Providing a Wide Range of Products That Maximize the Value of Vegetables (Secondary Processing)

Secondary processing refers to the process of producing a product by adding ingredients such as seasonings and vegetables to a paste or other products produced by primary processing. For example, tomato ketchup is tomato paste seasoned with sugar, brewed vinegar, salt, onions, and spices. Vegetable juices are made by mixing multiple types of vegetable concentrates.

We manufacture a wide range of products that make the most of the taste of vegetables according to diverse eating situations and the food culture of the country where they are sold.

Tomato Secondary Processing



Message from a Person in Charge



Developing the Market for Processed Tomato Products in India

In India, while large amount of raw tomatoes is used in curry dishes, secondary processed tomatoes are not often used. We are gradually expanding the market by fostering understanding of the advantages offered by Kagome's processed tomato products—i.e., reduction in cooking time and labor, and the ability to provide stable quality dishes at any time even by unskilled chefs—to hotels, restaurants, and catering businesses. The first hurdle we need to overcome is increasing our negotiating capabilities in terms of sales. In order to convey the value of our products, we are increasing opportunities for our qualified chefs to visit our customers' kitchens along with our sales representatives to provide demonstrations. We will also improve the sales skills of the entire organization to continuously acquire new customers. In India, things do not necessarily go as planned, and therefore, we are engaging in business with multiple scenarios in mind. The ability to dynamically scale our business despite facing many challenges makes doing business in India rewarding.



Koichi Fukawa
Kagome Foods India
Pvt. Ltd.

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 BtoB 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 BtoC 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.

Kagome's
Uniqueness
- Example

1

Product Development Capabilities Using Natural Ingredients

Valuing the original taste and nutrients of vegetables and fruits, we develop products with high-quality processing free from the use of additives whenever possible. We use the optimal combination of vegetables and fruits, as well as vegetable ingredients developed independently from tomatoes and carrots, to create the desired taste and properties. Vegetables and fruits have slightly different tastes depending on the production area, so we have built a system to adjust the blend so that they always have the same taste.

Example 1 Yasai Ichinichi Kore Ippon Triple Care

This product, launched in September 2023, is a Food with Function Claims that focuses on three functions of blood sugar, blood pressure, and triglycerides. It is characterized by the fact that it achieves three functions with only vegetable ingredients. In addition, it contains a 350 g portion of 30 types of vegetables, making it easy to supplement vegetable intake with a great taste.



Example 2 Carrot Powder

Kagome Australia Pty Ltd. processes by-products (discarded products) from carrot processing into powder form and sells it. By reducing waste, we aim to improve profitability and reduce food loss and waste.

Kagome's
Uniqueness
- Example

2

Strengthening Solution Proposal Capabilities in the BtoB Business Through Cooperation Between Group Companies

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 processing of 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.

In addition, labor shortages have become a serious problem facing the restaurant industry in Japan. By proposing solutions such as puréed vegetables, frozen grilled vegetables, and highly processed vegetables such as sautéed onions, each of which eliminates the need to cook raw vegetables, we are able to resolve the challenges facing customers.



Kagome Inc. production line



Frozen vegetable products that can make cooking easier

Kagome's
Uniqueness
- Example

3

BtoC Business Creating Demand by Conveying the Value of Vegetables and Plant-Based Products to Customers

Our BtoC business mainly covers Japan and Asia. With the aim of eliminating the shortage of vegetable consumption and contributing to longer, healthier lives, we engage in activities for creating demand through products such as vegetable soups and vegetable beverages that boost vegetable intake, promotions such as the Let's Eat Vegetables Campaign, and hands-on services such as health seminars and VegeCheck®.

In Japan, we have captured a high market share thanks to our established brand power.

- Tomato ketchup **58.3%**
- Tomato juice **63.4%**
- Mixed vegetable juice **47.1%**
- Mixed vegetable and fruit juice **67.9%**



Source: Intage SRI+
Period: January to December 2023
Unit: market share by value (%)
Target area: nationwide in Japan
Sales settings: supermarkets, convenience stores, drug stores, home improvement stores



VegeCheck®
A device that measures estimated vegetable intake volume simply by holding the palm of your hand over a sensor for about 30 seconds

► Initiatives in Asia

Currently, we export and sell vegetable beverages as well as build sales channels and pursue activities for creating demand in seven regions in Asia. Since the market environment for vegetable beverages varies greatly from region to region, we tailor our marketing to each location and build a foundation for sales expansion by utilizing local distributors and cross-border e-commerce channels. In Asia, we have confirmed that stores with VegeCheck® machines enjoy a sales promotion effect that increases sales. Looking ahead, we will continue to implement measures to encourage vegetable beverage purchases by providing in-store experiences.

TOPICS Establishment of Diet & Well-being Research Institute for Researching Behavioral Change in Vegetable Consumption

In order to realize the well-being of people not only in Japan but also around the world, Kagome established the Diet & Well-being Research Institute in October 2023 to examine the potential of vegetables and plant-based foods from various angles. The center focuses mainly on research covering the following three areas.

- 1 **Behavioral Change Research:** Research on the creation of mechanisms that lead to longer, healthier lives and behavioral change in vegetable consumption, research on behavioral change related to vegetable intake in collaboration with external research institutes, etc.
- 2 **Functionality Research:** Acquisition of evidence on the nutritional and functional value of products, services, and ingredients in Japan and overseas, and evidence that vegetable consumption in our diets contributes to longer, healthier lives, etc.
- 3 **Business Contributions:** Support for our business with the Na / K Promotion Association, strengthening of evidence for the commercialization of Foods with Function Claims, support for business in Japan and overseas through behavioral change content, dissemination and spread of information on vegetables and joint research with overseas research institutes, etc.

Message from a Person in Charge



Aiming to Help Improve Customer QOL by Normalizing Vegetable Beverages in Asia

In Asian markets, drinking vegetable beverages is not as well established as in Japan, although this varies slightly depending on the country and region. Given this, our mission is to help improve the health and QOL of our customers by spreading the habit of consuming vegetables in juice form.

In Hong Kong, where I work, we are developing our business in collaboration with Nissin Foods (H.K.) Co., Ltd., which owns the Demae Itcho brand which is extremely well known locally. As a result of our cooperation so far, the recognition rate and purchase rate of Kagome vegetable beverages are high, and the Kagome brand has become quite well known. However, there is still room to increase the amount of vegetable beverages consumed per drinker. To this end, we aim to further expand our business by utilizing all of our assets, including Kagome's various evidence on vegetable nutrition and VegeCheck®, to help customers understand the healthy value of our products.



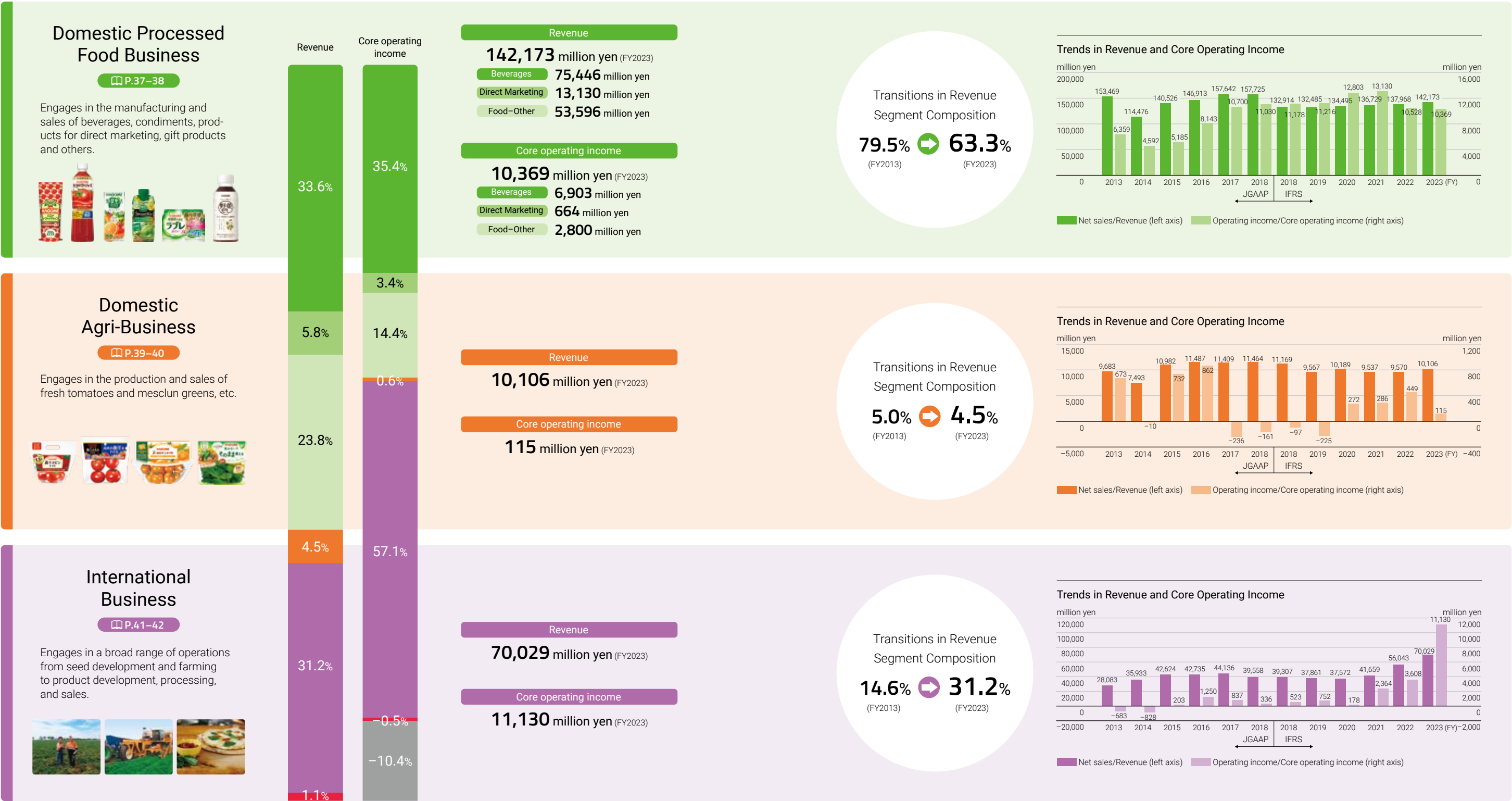
Hiroshi Shimotsuma
Global Consumer Business
Department

General Business Conditions

Our business is broadly divided into three segments: Domestic Processed Food Business, Domestic Agri-Business, and International Business. The Domestic Processed Food Business is further divided into three sub-segments: Beverages, Direct Marketing and Food-Other. In FY2023, the International Business experienced robust growth increasing its share of both revenue and core operating income significantly.

Segment Composition (FY2023)

- Domestic Processed Food Business (Beverages, Direct Marketing, Food-Other)
- Domestic Agri-Business
- International Business
- Other Businesses
- Adjustments (includes common consolidated costs related to Group head office functions otherwise not allocated to business segments)



* 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 from FY2022. Figures for FY2021 are presented assuming that these changes were applied retroactively.