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For General Release

Kagome Co., Ltd.

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### Notification Regarding Recalculation of Earnings Forecast

Based on updated financial data, we have recalculated the earnings forecasts announced on April 24, 2014. The recalculated forecasts are presented below. The recalculations will not result in any change in dividends. The dividend for the year is scheduled to remain unchanged at ¥16.50 per share

1. Recalculation of consolidated earnings forecast for the first half of fiscal 2014 (April 1 to September 30, 2014)

	Net Sales	Operating income	Ordinary income	Quarterly net income	Quarterly net income per share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	¥
Previously announced forecast (A)	109,000	4,800	5,000	3,000	30.25
Recalculated forecast (B)	104,000	3,200	3,400	2,200	22.18
Forecasted amount increase or decrease (B - A)	(5,000)	(1,600)	(1,600)	(800)	-
Rate of increase or decrease (%)	(4.6)	(33.3)	(32.0)	(26.7)	-
For reference purposes: Earnings during first half of previous fiscal year (first half of FY2013)	103,734	5,021	5,467	3,994	40.17

## 2. Recalculation of consolidated earnings forecast for Fiscal 2014 (April 1 to December 31, 2014)

	Net Sales	Operating income	Ordinary income	Quarterly net income	Quarterly net income per share
Previously announced forecast (A)	(¥ million) 167,000	(¥ million) 6,100	(¥ million) 6,200	(¥ million) 3,300	¥ 33.27
Recalculated forecast (B)	162,000	4,600	4,800	2,500	25.21
Forecasted amount increase or decrease (B - A)	(5,000)	(1,500)	(1,400)	(800)	-
Rate of increase or decrease (%)	(3.0)	(24.6)	(22.6)	(24.2)	-
For reference purposes: Earnings during previous fiscal year (FY2013)	193,004	6,775	7,529	5,105	51.39

## 3. Reasons for the recalculation

Demand for Kagome's beverage business and food business products fell in the wake of the March 2014 increase in the consumption tax, a consequence of the one-time demand surge that occurred prior to the increase. In addition, demand for vegetable juice products was negatively influenced by increased competition from other beverages. As a result of these and other factors, first-quarter sales (April 1 to June 30, 2014) for these two segments declined relative to the previous corresponding period.

Results for other individual business segments and group companies showed steady progress. Going forward, Kagome will undertake to exceed initial plan targets for reductions in production costs and fixed overhead. Nevertheless, it will be exceedingly difficult to offset the shortfall in projected sales for the beverage business segment, which accounts for a significant proportion of consolidated sales. Furthermore, in view of the likelihood that these trends will continue through the second quarter and beyond, management has recalculated its forecast accordingly.