



October 27, 2017

News Release

Agriculture Business of Tomatoes for Processing Established in Senegal

As a strategic point in the West Africa market where demand is growing
Formation of a new tomato producing area and entry into tomato-based processed goods
with the use of agricultural technical resources

Kagome Co., Ltd. (head office: Nagoya, Aichi) will establish Kagome Senegal Sarl (hereinafter “Kagome Senegal”), an agricultural business for cultivating, purchasing and selling tomatoes for processing, in the Republic of Senegal (hereinafter “Senegal”) on December 1, 2017 (planned).

We will form a new tomato producing area in Senegal using the agricultural technical resources of our group companies, such as seeds and cultivation techniques. In the future, we aim to expand the business fields to include the manufacture of tomato-based processed goods within the country and enter the tomato processed product market in Senegal and the members of the Economic Community of West African States (hereinafter, “ECOWAS”).

Tomato paste is one of the essential cooking ingredients in ECOWAS countries, having taken deep root in the dietary culture as a standard seasoning. However, tomato cultivation and paste production are unsatisfactory in terms of quality and quantity for reasons such as immature cultivation techniques of tomatoes for processing and a high level of stress caused by diseases and harmful insects. That is why almost all processed tomato products consumed in the region depend on imported merchandise from overseas.

Utilizing the Preparatory Survey of the Japan International Cooperation Agency (JICA), we investigated the potential for tomato cultivation and processing in Senegal from 2014 to 2017. Since the opening of the Kagome Agri-Business Research and Development Center, Unipessoal Lda in Portugal in March 2016 with a view to forming a new tomato producing area and establishing new cultivation techniques, Kagome has continued to carry out research into the potential of the agricultural business of tomatoes for processing in Senegal. The Japan External Trade Organization (JETRO) recognized our activities as an African business demonstration project in 2017.

As a result, Senegal was found to have land that is more suitable for culturing tomatoes and has a lower security risk because of the stable political situation than other ECOWAS members, as well as access to promising tomato processing markets nearby, including Nigeria and Ghana, in addition to its domestic market. The country was judged to be appropriate for a tomato business development center in ECOWAS.

We believe that Kagome will be able to be uniquely competitive by carrying out all processes from tomato seed development to farm production, product development, processing and distribution, while regarding the vertically

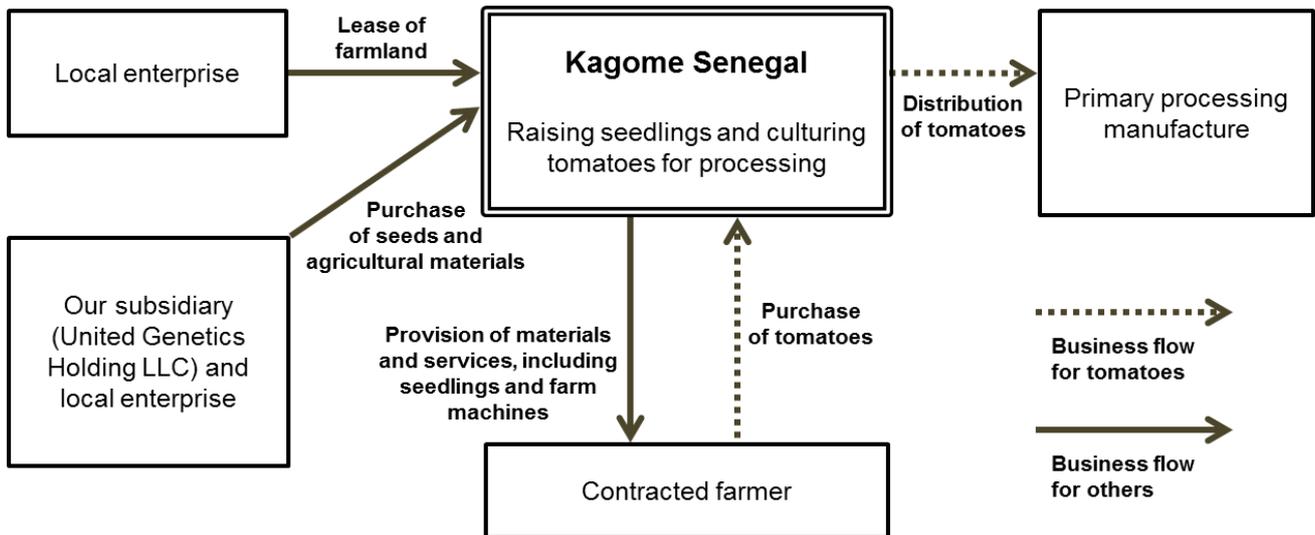
integrated tomato business as the core for business promotion. We will promote the same business model in Senegal as well to contribute to the promotion of the markets of tomatoes for processing in Senegal and West Africa in addition to the development of our international businesses.

■ Company outline

Official name	Kagome Senegal Sarl
Representative	Kosuke Nakamura
Foundation date	December 1, 2017 (planned)
Capital	600,000,000 XOF (approx. 915,000 euro)
Business objective	Formation of a production area of tomatoes for processing through agricultural business activities in Senegal, using Kagome’s agricultural technical resources
Business outline	Cultivation, purchase and distribution of tomatoes for processing to primary processing companies

* XOF: West African CFA franc

■ Business model



■ Our activities in Senegal

