

### Basic Policy on Risk Management

Kagome aims to become a “strong company capable of sustainable growth, using food as a means of resolving social issues” and a company that can fulfill the expectations of all stakeholders. Toward this end, we believe it is important for each and every person who works at Kagome to not only abide by laws and regulations, but also fulfill their social responsibilities with a high level of ethical values. In addition to acting ethically based on our Corporate Philosophy and Code of Conduct, it is important for employees to respond appropriately to various risks surrounding the Company based on our Corporate Philosophy and Code of Conduct.

Specifically, strategy risks, social and environmental risks, and operational risks involving the execution of important business operations are assessed and examined by the management institutions such as the Management Meeting and Board of Directors. Operational risks involving the execution of other business operations are addressed by each organization following the Kagome Group Risk Management Policy. Furthermore, the Regulations on Official Authority require that all levels of managerial positions implement and supervise risk management within the scope of operations of their own respective departments. The Company defines risk as “uncertainties that negatively affect business operations.”

#### Kagome Group Risk Management Policy

We stand committed to fulfilling our social responsibilities by becoming “strong company capable of sustainable growth, using food as a means of resolving social issues,” under our vision of “transforming from a tomato company into a vegetable company.” Toward this end, we identify and assess various risks that could occur in the constantly changing external environment or in our own operations, and respond accordingly.

Additionally, we are working to enhance our ability to deal with risks, having established a system that enables us to prevent damages from spreading as well as minimize damages and losses in the event that a serious incident were to occur.

### Risk Management Structure

Kagome has established a risk management system based on the approach of the Three Lines Model.

#### i) Enterprise Risk Management Committee

The Enterprise Risk Management Committee, chaired by the President, oversees risk management activities for the Group as a whole with the CRO serving as director of the committee’s administrative office. The committee, which is in charge of the First and Second Lines, monitors the initiatives of each line to implement the PDCA cycle for companywide risk management activities, using integrated perspectives based on management strategies.

#### ii) First and Second Lines

The First Line entails identifying and assessing risks related to one’s own work and creating action plans to define the response. At Kagome, persons in charge of specific operations at our plants, branches, domestic and overseas subsidiaries, and the departments therein form the First Line.

The Second Line involves creation of basic policy and procedures for risk management activities related to risk domains it is responsible for. It also checks that risk management activities of the First Line are carried out appropriately through monitoring of and advice provided to the First Line. At Kagome, departments responsible for sales and production, such as the Sales Promotion Department and Production Department, and corporate head office departments, such as the Finance & Accounting Department, form the Second Line. Additionally, the CRO is responsible for overseeing the entire Second Line.

Risks identified and assessed by the First Line are organized and integrated from the standpoint of Group-wide management, and reported to management institutions including the Board of Directors by the Second Line.

The First and Second Lines work together to identify and assess risks and implement the PDCA cycle of risk management activities for the Company as a whole.

#### iii) Third Line

The Internal Audit Department, which serves as the Third Line, provides objective assurances for the risk management activities of the First and Second Lines from an independent standing.

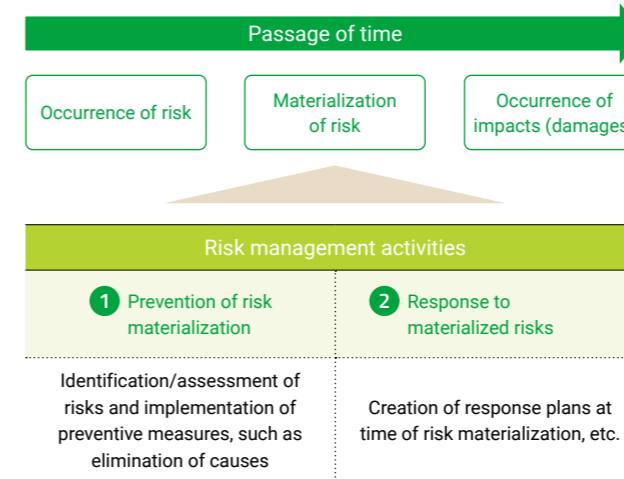
The Internal Audit Department, while maintaining its independence, conducts effective and efficient audits by cooperating mainly with the Enterprise Risk Management Committee to share management strategies and the basic policy on risk management activities carried out by the First and Second Lines based on these strategies.

In addition, findings by the Internal Audit Department are shared with the Enterprise Risk Management Committee as well as the audited departments. The Enterprise Risk Management Committee organizes the positioning of shared audit findings as issues in risk management activities for the entire Group. The Internal Audit Department adds integrated risks or revises assessments for the Group as a whole, and provides advice on improvement activities to the target departments.

 For details, see our website.  
<https://www.kagome.co.jp/english/company/ir/data/others/>

### Risk Management Activities

The primary focus of our risk management activities is the prevention of risk materialization and response to risks that have already materialized. In case of both our initiatives for prevention of risk materialization and response to risks that have already materialized, specific activities entail risk management based on management plans and business targets using the PDCA cycle.



#### 1 Prevention of risk materialization

##### i) Basic framework

The Company organizes risks concerning corporate activities into the following three categories in order to conduct appropriate management based on the nature and content of risks.

- **Strategy risks**

Risks designated by the Company as being recognized to have serious impacts based on mid- to long-term management strategies

- **Social and environmental risks**

Risks generally recognized as force majeure if materialized among those risks caused by external factors such as socioeconomic environment or natural disasters

- **Operational risks**

All other risks excluding strategy risks and social and environmental risks

Based on the above three categories of risks, those risks recognized individually are separated into the following two risks depending on the impact they have on corporate management.

- **Risks covered in priority risk themes of the Company**

Risks from among strategy risks, social and environmental risks, and operational risks that are assessed to have a large impact on corporate management. The Management Meeting or Enterprise Risk Management Committee implements risk management activities for these risks using the PDCA cycle, and it also reports to the Board of Directors.

- **Risks covered in risk themes of each organization**

Risks other than priority risk themes of the Company. As risk owner, each organization implements risk management activities for these risks using the PDCA cycle.

		Plan: determine a plan and response	Do: execute	Check: monitor and evaluate progress and response status	Action: rectify and improve risk response
Priority risk themes of the Company	Strategy risks	Management Meeting: designate strategy risks and determine priority risk themes	Each organization: implement risk response	Management Meeting: check reports from each organization Each organization: report on progress to Management Meeting	Management Meeting: point out areas of improvement to each organization Each organization: reflect findings in activities
	Social and environmental risks	Each organization: determine a plan and response			
	Operational risks	Management Meeting: determine priority risk themes Each organization: determine a plan and response -> appears in the KPI target sheet of risk owners	Each organization: implement risk response	Management Meeting and Enterprise Risk Management Committee: check reports from each organization Each organization: self-evaluate themes and formulate future plans	Management meeting and Enterprise Risk Management Committee: point out areas of improvement to each organization Each organization: reflect findings in KPI target sheet
Risk themes of each organization	Operational risks	Each organization: determine a plan and response -> appears in the KPI target sheet of risk owners	Each organization: implement risk response	Each organization: manage and evaluate progress	Each organization: rectify and improve