

To All Stakeholders

KAGOME Co., Ltd.

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Extension of Countermeasures for Large Purchases of KAGOME Stock (Takeover Defense Measures)

KAGOME enacted the Countermeasures for Large Purchases of KAGOME Stock (Takeover Defense Measures) on October 20, 2006 and the extension of these Takeover Defense Measures, which were revised on February 12, 2015, was approved by shareholders at the 71st Ordinary General Meeting of Shareholders held on March 27, 2015. The Takeover Defense Measures will expire at the end of the 74th Ordinary General Meeting of Shareholders to be held on March 28, 2018.

KAGOME has been constantly examining the proper role of the Takeover Defense Measures from the standpoint of preserving and increasing corporate value and shareholder value. This process takes into consideration changes to applicable laws and regulations, social and economic changes, various opinions concerning takeover defense measures, and other items. As a result, the KAGOME Board of Directors approved a resolution on February 1, 2018 to extend the Takeover Defense Measures after revising some of the current terms of these measures. This revision and extension will require the approval of the majority of voting rights of shareholders attending the 74th Ordinary General Meeting of Shareholders to be held on March 28, 2018.

Major revisions to be made in association with this extension are as follows.

1. The fundamental stance concerning the Takeover Defense Measures will be revised to reflect activities for increasing corporate value based on KAGOME's long-term vision and medium-term management policies and to reflect actions taken involving corporate governance due to KAGOME's transition in 2016 to the Company with Audit and Supervisory Committee governance structure.
2. Recommendations of an Independent Committee are used in order to prevent arbitrary use of the Takeover Defense Measures by management. The previous requirement that the Board of Directors respect as much as possible this recommendation is to be changed to a requirement to follow these recommendations.
3. The date used to begin the calculation to determine the deadline for submission of additional information after receipt of an explanation of the proposed purchase is to be defined more clearly.
4. A provision is to be added that clearly states no monetary or other items of economic value will be given in the event that KAGOME acquires stock acquisition rights from a party that is designated as unsuitable for a takeover.
5. A provision is to be added that clearly states the Takeover Defense Measures are not dead-hand or slow-hand measures.

Change	Items	Current Takeover Defense Measures	Revised Takeover Defense Measures
1	1. (1) (2)	Omitted	Omitted
2	2. (1) 2. (3) 7 8 3. (2) (4)	The KAGOME Board of Directors, after respecting to the greatest extent the recommendation of the Independent Committee,	The KAGOME Board of Directors, in accordance with the recommendation of the Independent Committee (except if the directors decide that following this recommendation would violate their obligation to exercise due care as good managers)
3	2. (3) 2	A period required to receive appropriate responses (maximum of 60 days, as a rule)	A period required to receive appropriate responses (maximum of 60 days beginning on the day the purchase explanation document was received, as a rule)
4	2. (5) 9	No provision	New provision
5	3. (5)	No provision	New provision

All 12 directors, including five external directors, attended the Board of Directors meeting held on February 1, 2018 at which the resolution to extend the Takeover Defense Measures was approved.

As of today, KAGOME has not received any proposals, requests or other communications concerning the large-scale purchase of KAGOME stock.