



January 24, 2020

(Translation)

For Immediate Release

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**Notice of Establishment of Kagome Mirai Yasai Foundation and Disposition  
of Treasury Stock by Way of Third-Party Allotment**

KAGOME CO., LTD. (the “Company”) hereby announces that at a meeting held on January 24, 2020, the Board of Directors resolved to establish the Kagome Mirai Yasai (meaning “future vegetable (s)”) Foundation (the “Foundation”) and dispose of treasury stock by way of third-party allotment in order to continuously and stably support the social contribution activities of the Foundation. Regarding the implementation of the disposition of treasury stock, it is subject to the approval of shareholders at the 76<sup>th</sup> Ordinary General Meeting of Shareholders to be held on March 27, 2020. Details are as follows.

1. Establishment of the Foundation

(1) Purpose of establishment

The Company has created the Kagome Code of Conduct, a set of behavioral rules that embody its corporate philosophy and promises to customers, and mutual assistance is the first rule. The Kagome Code of Conduct is dedicated to the idea of employees supporting and helping each other in dealing with social themes that may not be solved solely through self-help and public help, but may be solved through cooperation with people who are willing to work together and with local communities. The Foundation will act as the framework to achieve this idea.

The Company will implement initiatives that bring business activities in line with solving the social agenda, and will have a structure for pure social contributions at the same time, allowing it to help solve social issues surrounding food and especially promote dietary education for children. Therefore, the Company believes that benefits from social initiatives by the Foundation will be passed on to the business activities and lead to the enhancement of Kagome’s corporate value.

## (2) Outline of the Foundation

(1) Name	Kagome Mirai Yasai Foundation
(2) Location	Nihonbashi Hamacho F Tower 3-21-1 Nihonbashi Hamacho, Chuo-ku, Tokyo
(3) Administrative Director	Naoyuki Terada
(4) Content of activity	Provision of aid (donations) to organizations engaged in social contribution regarding food (centering on initiatives for children such as dietary education)
(5) Estimated funding for activities	Approximately 50 million yen per year
(6) Date of establishment	July 1, 2020 (scheduled)

## 2. Disposition of treasury stock

### Outline of disposition

(1) Number of shares to be disposed of	940,000 shares of common stock (Percentage against the total number of issued shares: 0.996%)
(2) Price of disposition	1 yen per share
(3) Amount to be procured	940,000 yen
(4) Method of offering or disposition	Disposition by way of third-party allotment
(5) Subscriber (scheduled)	The Master Trust Bank of Japan, Ltd.
(6) Date of disposition	To be determined.
(7) Other	The disposition of the treasury stock is subject to the special resolution on the offering of shares at a favorable price at the 76 <sup>th</sup> Ordinary General Meeting of Shareholders to be held on March 27, 2020. The date of the disposition and other details regarding the disposition will be resolved at the meeting of the Board of Directors to be held following the said Ordinary General Meeting of Shareholders.

## 3. Purpose of and reason for disposition

With the intention of solving social issues surrounding food, especially through the promotion of dietary education for children, the Foundation will provide aid to organizations whose activities are in line with this objective. In order to continuously and stably support the Foundation's social contribution activities, the Company will establish a third-party benefit trust (the "Trust") with Mitsubishi UFJ Trust and Banking Corporation as the trustee, The Master Trust Bank of Japan, Ltd. as the co-trustee and the Foundation as

the beneficiary. The Trust will subscribe to purchase shares of the Company's stock and will pay trust proceeds earned from dividends on the Company's stock to the Foundation, which will use said trust proceeds to partially fund its activities and perform its business in the future.

The disposition of the Company's treasury stock will be made to the Trust, which will be established to provide funding for the social contribution activities of the Foundation.

#### 4. Amount of proceeds, use of the proceeds and expected timing of spending

##### (1) Amount of proceeds

(1)	Total amount to be paid in	940,000 yen
(2)	Estimated amount of expenses related to the offering	0 yen
(3)	Estimated net proceeds	940,000 yen

##### (2) Specific use of funds to be procured

The above estimated net proceeds are scheduled to be applied towards the costs needed to build the scheme, including attorney's fees.

#### 5. Reasonableness of use of proceeds

The proceeds are scheduled to be applied to expenses, such as attorneys' fees, incurred in connection with considering the building of the scheme. Each of those expenses is necessary for building the scheme and the Company believes that the said use of proceeds is reasonable.

#### 6. Reasonableness of terms of disposition

##### (1) Basis of calculation of the amount to be paid in and specific details of the amount

With the intention to solve social issues surrounding food, especially through the promotion of dietary education for children, the Foundation will implement the continuous and stable provision of aid to organizations whose activities are in line with this objective. The disposition of treasury stock is for the purpose of funding the social contribution activities of the Foundation and the amount of proceeds will be allocated to building the scheme as described in 4(2). Accordingly, the Company believes that the price of disposition of 1 yen per share is reasonable. In addition, since the disposition of treasury stock qualifies as an offering at a favorable price to the Foundation, the disposition is subject to the special resolution at the 76<sup>th</sup> Ordinary General Meeting of Shareholders to be held in March 2020.

##### (2) Basis of the decision that the number of shares to be disposed of and the extent of dilution of shares are reasonable

As the Foundation will continuously and stably implement its business, such as the provision of aid to organizations whose activities are in line with its objective, it believes that the number of shares to

be disposed of is at a reasonable size for funding the activities of the Foundation. Moreover, as it is not currently expected, under the structure of the scheme, that the treasury stock would be sold into the market after the disposition, and as the impact on the secondary market triggered by the disposition of treasury stock will be small, the Company believes that the number of shares to be disposed of is at a reasonable level.

Moreover, as the extent of dilution of the shares of the Company's stock triggered by the disposition of treasury stock is small, representing 0.996% (rounded to the third decimal place; 1.06% against the aggregate number of voting rights of 889,576 as of December 31, 2019) of the total number of issued shares, the Company believes that the impact on the stock market triggered by the disposition of treasury stock will be small.

## 7. Reason for selection of subscriber

### (1) Outline of subscriber

- ① Name: The Master Trust Bank of Japan, Ltd.
- ② Outline of trust agreement

Type of trust	Money in trust other than specific individually managed money trust (third-party benefit trust)
Purpose of trust	To put into effect social contribution activities by delivering dividends on the shares of the common stock of the settlor, as issuer, to the beneficiary as trust proceeds.
Settlor	KAGOME CO., LTD.
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiary	Kagome Mirai Yasai Foundation
Date of trust agreement	To be determined
Term of trust	To be determined

Note: The Master Trust Bank of Japan, Ltd. shall not exercise through the term of trust the voting rights of the shares acquired by the Trust upon disposition of the treasury stock. Details of the trust agreement to be executed between the Company and Mitsubishi UFJ Trust and Banking Corporation, as trustee, will be determined in the future.

### (Reference)

(1) Name	The Master Trust Bank of Japan, Ltd.
(2) Location	2-11-3 Hamamatsucho, Minato-ku, Tokyo
(3) Name and title of representative	Hiroshi Naruse, Representative Director, President
(4) Description of business	Operations for management of securities and operations for

	management and settlement in asset management		
(5) Amount of capital	10,000 million yen		
(6) Date of establishment	May 9, 2000		
(7) Number of issued shares	120,000 shares of common stock		
(8) Fiscal year end	March 31		
(9) Number of employees	757 (as of March 31, 2019)		
(10) Main client	Industrial corporations and financial institutions		
(11) Main financing bank	—		
(12) Major shareholder and shareholding ratio	Mitsubishi UFJ Trust and Banking Corporation: 46.5% Nippon Life Insurance Company: 33.5% Meiji Yasuda Life Insurance Company: 10.0% The Norinchukin Trust & Banking Co., Ltd.: 10.0%		
(13) Relationship between the parties			
Capital relationship	Not applicable		
Personnel relationship	Not applicable		
Transaction relationship	Not applicable, however, the Company has trust banking transactions with Mitsubishi UFJ Trust and Banking Corporation, a major investor in The Master Trust Bank of Japan, Ltd.		
Applicability of related party	Not applicable		
(14) Results of operations and financial conditions for previous three fiscal years (Unit: million yen)			
Fiscal year ended	March 31, 2017	March 31, 2018	March 31, 2019
Net assets	22,508	23,000	23,496
Total assets	3,220,692	3,294,049	2,638,179
Net assets per share (yen)	187,570.25	191,673.16	195,803.14
Ordinary income	23,328	22,505	23,474
Ordinary profit	1,274	1,091	1,010
Net income	892	773	69
			1
Net income per share (yen)	7,439.55	6,448.23	5,765.36
Dividends per share (yen) (Common stock)	1,859.00	1,612.00	1,441.00

\*The Company has confirmed that the subscriber and its officers or major shareholders (major investors) have no relationships with antisocial forces after conducting an investigation based on their respective web pages, disclosure books and other publicly announced information, and submitted to Tokyo Stock Exchange, Inc. a written confirmation stating to that effect.

(2) Reason for selecting the subscriber

In consideration of achieving the purposes described under “3. Purpose and reason for disposition” above, the Company determined that Mitsubishi UFJ Trust and Banking Corporation was most suitable due to its abundant track record and experience in trust business, and selected it as trustee. In addition, as The Master Trust Bank of Japan, Ltd. will conduct trust affairs, as co-trustee, in accordance with the trust agreement to be executed between the Company and Mitsubishi UFJ Trust and Banking Corporation, as well as custodial and settlement services for the assets in trust, The Master Trust Bank of Japan, Ltd. will be selected as subscriber.

(3) Subscriber’s shareholding policy

Pursuant to the trust agreement, The Master Trust Bank of Japan, Ltd., as subscriber, will pay trust proceeds earned from dividends on the Company’s stock to the Foundation. The Trust will hold the shares to be disposed of in accordance with the trust agreement to be executed in the future. In the event that the Trust is terminated, the trust property will be delivered to the beneficiary of the Trust, as is.

The voting rights of the shares held by the Trust upon disposition of the treasury stock shall not be exercised through the term of trust.

The Company will receive from The Master Trust Bank of Japan, Ltd., as subscriber, a written confirmation stating that if all or part of the disposed shares are transferred within two (2) years from the date of payment due to a specific reason, the names and addresses of the transferees, number of shares transferred, date of transfer, transfer price, reason for transfer and method of transfer will be immediately reported in writing to the Company, which the Company will notify the details of such report to Tokyo Stock Exchange, Inc. and that the details of such report will be made publicly available.

(4) Details confirmed regarding the existence of assets necessary for the payment by the subscriber

The Master Trust Bank of Japan, Ltd., as subscriber, will make the payment in cash, which will be the trust property of the Trust to be established by the Company.

8. Major shareholder and shareholding ratio

Before the offering (as of December 31, 2019)		After the offering	
Japan Trustee Services Bank, Ltd. (Trust Account)	9.24%	Japan Trustee Services Bank, Ltd. (Trust Account)	9.24%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5.27%	The Master Trust Bank of Japan, Ltd. (Trust Account)	5.27%
Dynapac Co., Ltd.	4.66%	Dynapac Co., Ltd.	4.66%
Nissin Foods Holdings Co., Ltd.	1.65%	Nissin Foods Holdings Co., Ltd.	1.65%

Toshichika Kanie	1.49%	Toshichika Kanie	1.49%
JP MORGAN CHASE BANK 385151	1.37%	JP MORGAN CHASE BANK 385151	1.37%
Eikichi Kanie	1.13%	Eikichi Kanie	1.13%
STATE STREET BANK WEST CLIENT – TREATY 505234	1.04%	STATE STREET BANK WEST CLIENT – TREATY 505234	1.04%
Kagome Business Association	1.02%	Kagome Business Association	1.02%
Kagome Employee Stock Ownership Plan	0.98%	Kagome Mirai Yasai Foundation	0.99%

\*The above figures represent the percentage against the total number of issued shares.

#### 9. Future prospect

The Company expects the impact of the third-party allotment on its future results to be immaterial. To the extent any disclosable matters arise in the future, it plans to promptly make the appropriate disclosure.

#### 10. Procedures under the corporate code of conduct

As the third-party allotment involves a dilution ratio of less than 25% and there is no change in controlling shareholders, there is no need to obtain an opinion from an independent third party or to follow the procedures for confirming the intent of shareholders pursuant to Article 432 of the Securities Listing Regulations established by Tokyo Stock Exchange, Inc.

#### 11. Results of operations and status of equity finance for the last three years

##### (1) Results of operations for the last three years (on a consolidated basis)

	Fiscal year ended December 31, 2016	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018
Consolidated revenue	202,534 million yen	214,210 million yen	209,865 million yen
Consolidated operating income	10,946 million yen	11,968 million yen	12,000 million yen
Consolidated ordinary income	11,315 million yen	12,618 million yen	12,051 million yen
Net income attributable to owners of parent	6,764 million yen	10,100 million yen	11,527 million yen
Net income per share	68.30 yen	114.03 yen	130.03 yen
Dividend per share	24.5 yen	30.0 yen	40.0 yen
Consolidated net assets per share	1,043.89 yen	1,150.50 yen	1,146.85 yen

##### (2) Current status of number of issued shares and number of dilutive shares (as of December 31, 2019)

	Number of shares	Ratio against issued shares
Number of issued shares	94,366,944 shares	100.0%
Number of diluted shares at current	119,468 shares	0.13%

conversion price (exercise price)		
Number of diluted shares at lowest limit conversion price (exercise price)	— shares	—%
Number of diluted shares at highest limit conversion price (exercise price)	— shares	—%

(3) Recent share price

(i) Status for the last three years

	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Opening price	2,933 yen	4,190 yen	2,797 yen
High price	4,330 yen	4,225 yen	3,155 yen
Low price	2,795 yen	2,681 yen	2,356 yen
Closing price	4,185 yen	2,881 yen	2,618 yen

(ii) Status for the last six months

	July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
Opening price	2,539 yen	2,535 yen	2,674 yen	2,748 yen	2,597 yen	2,669 yen
High price	2,564 yen	2,824 yen	2,858 yen	2,886 yen	2,741 yen	2,713 yen
Low price	2,420 yen	2,356 yen	2,630 yen	2,710 yen	2,570 yen	2,618 yen
Closing price	2,535 yen	2,682 yen	2,729 yen	2,734 yen	2,660 yen	2,618 yen

(iii) Share price on the business day immediately preceding the day of resolution of the disposition of treasury stock

	January 23, 2020
Opening price	2,601yen
High price	2,605 yen
Low price	2,583 yen
Closing price	2,602 yen

(4) Status of equity finance for the last three years

Not applicable.