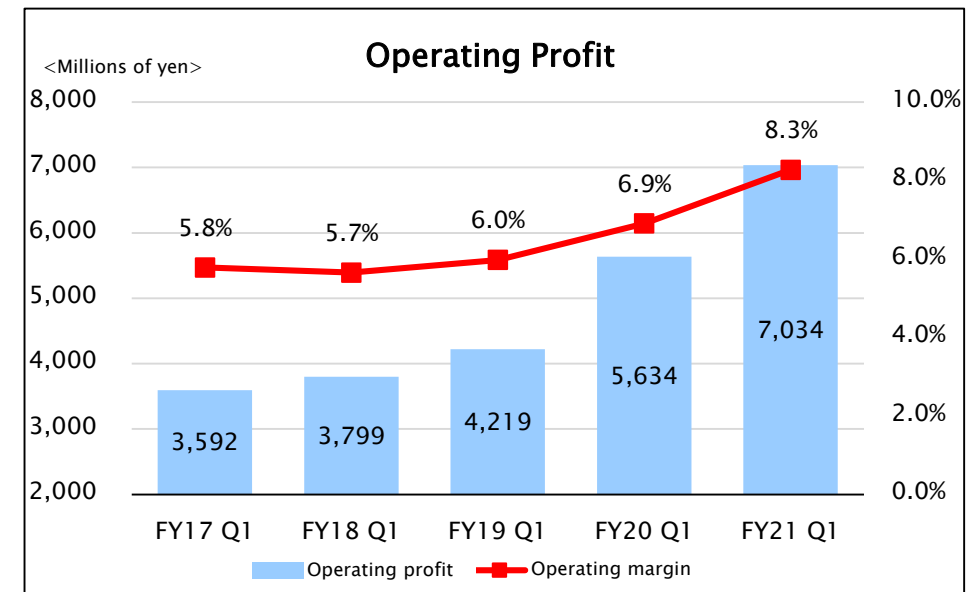
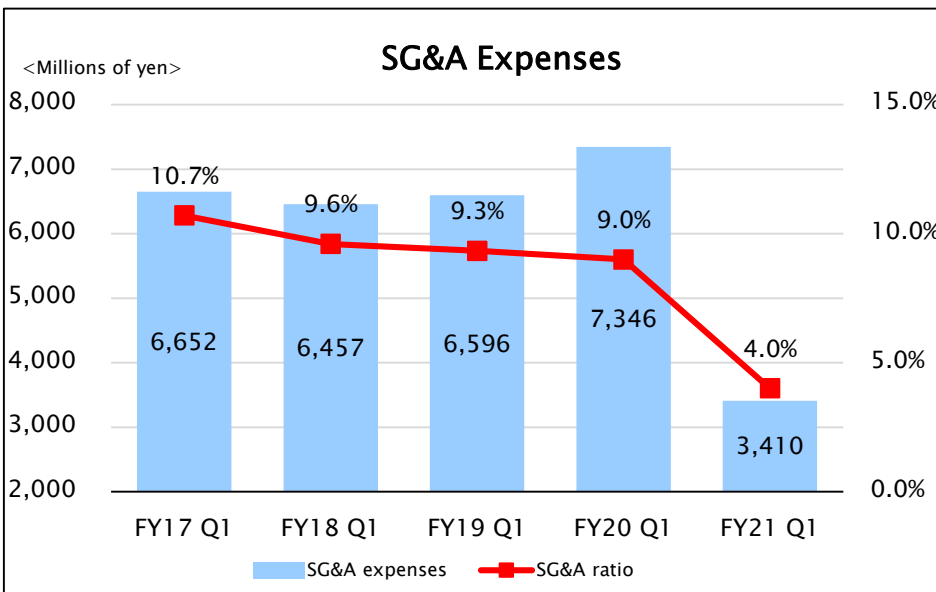
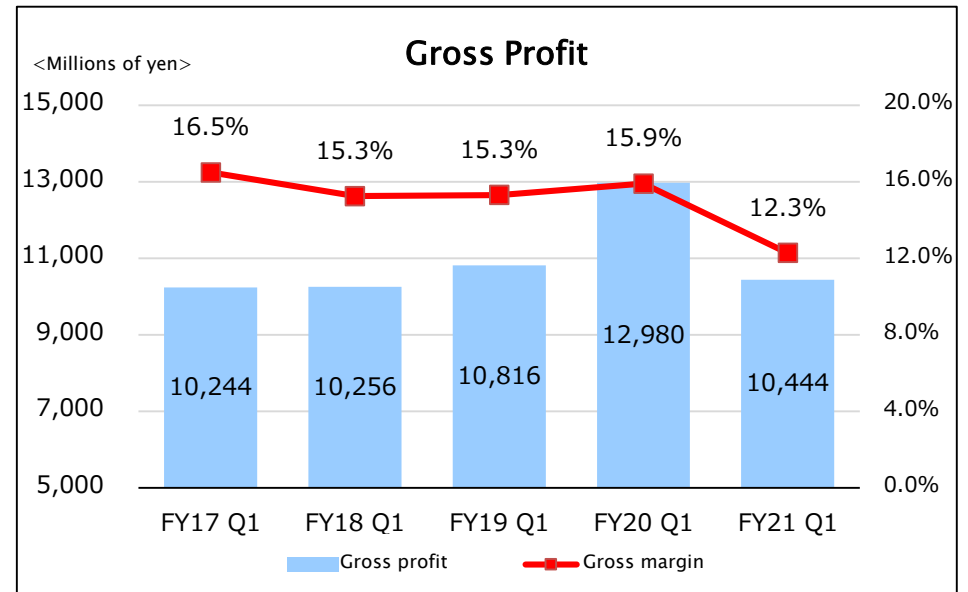
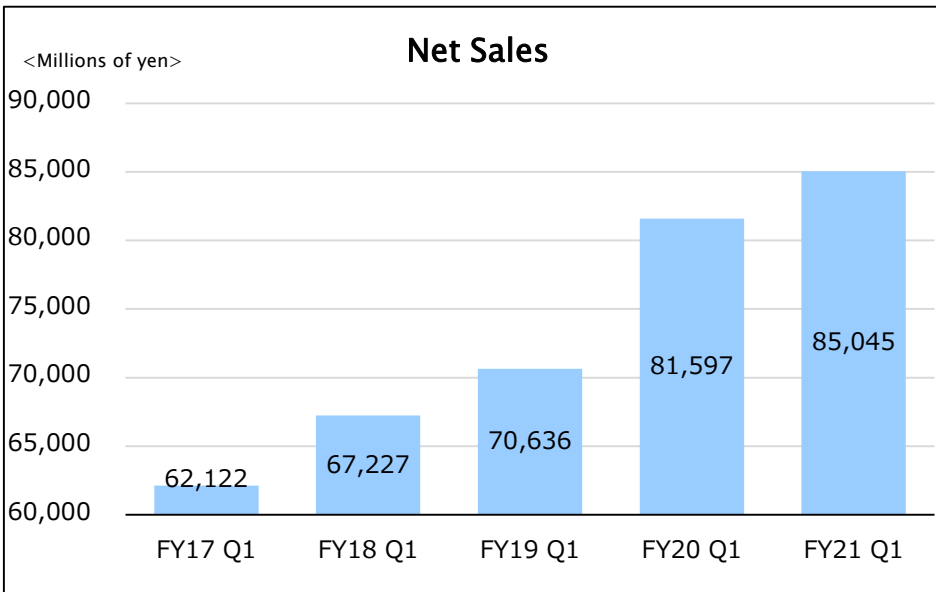


Supplementary Material for
FY2021 Q1 Financial Results

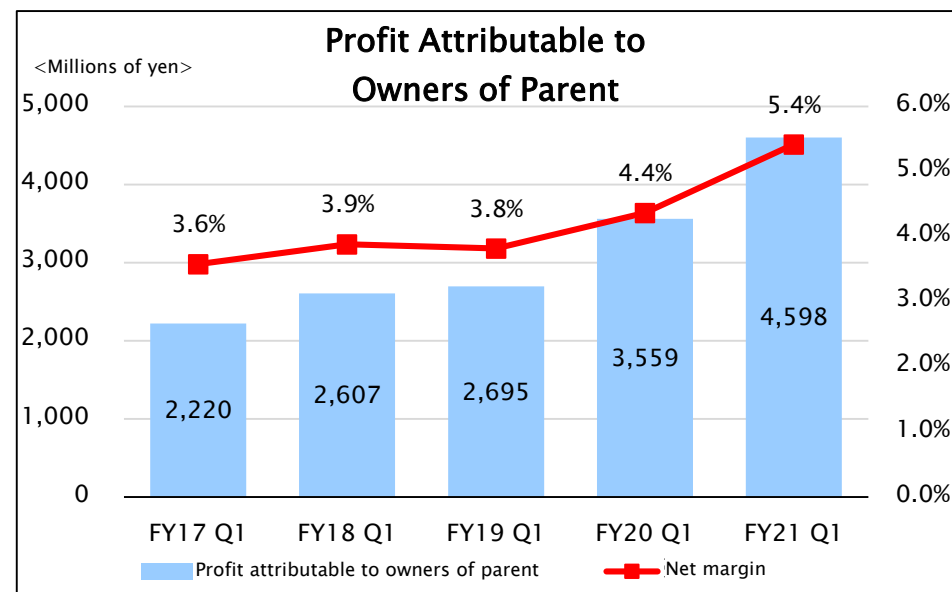
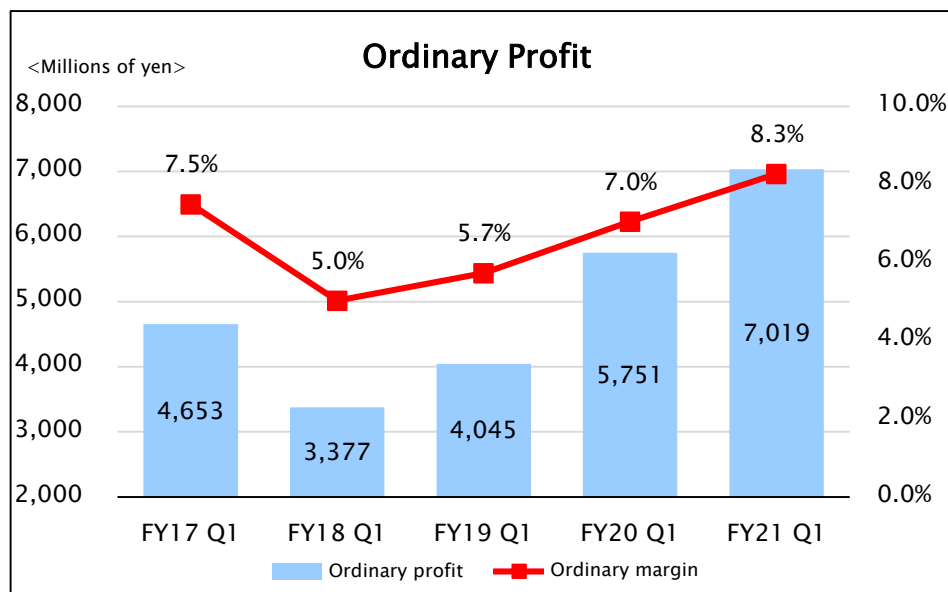
March 15, 2021



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Note: Fiscal year (FY) represents the one-year period from November 1 to October 31 of the following year.



[Financial Overview]

- **Net sales**

Although Cook Innoventure Co., Ltd., which mainly operates restaurant business, was excluded from the scope of consolidation from FY2021, net sales increased by 3,448 million yen (4.2%) year on year, driven by Gyomu Super Business.

- **Gross profit**

Gross profit decreased by 2,535 million yen (19.5%) year on year due to the exclusion mentioned above.

- **SG&A expenses**

SG&A expenses decreased by 3,936 million yen (53.6%) year on year due to a decrease in personnel expenses and utility expenses caused by the exclusion mentioned above.

- **Operating profit**

As a result of the above, operating profit increased by 1,400 million yen (24.9%) year on year.

- **Ordinary profit**

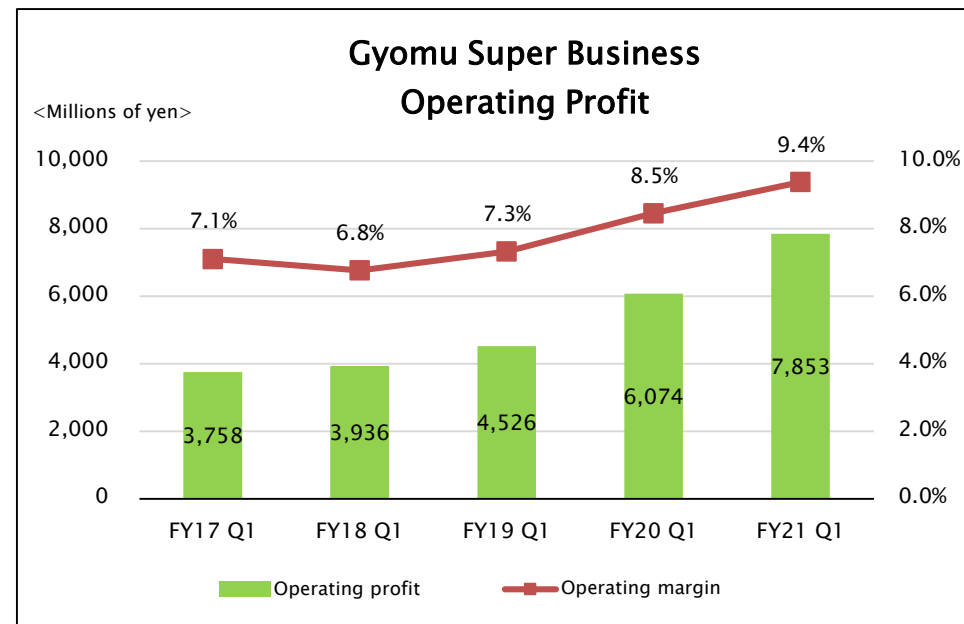
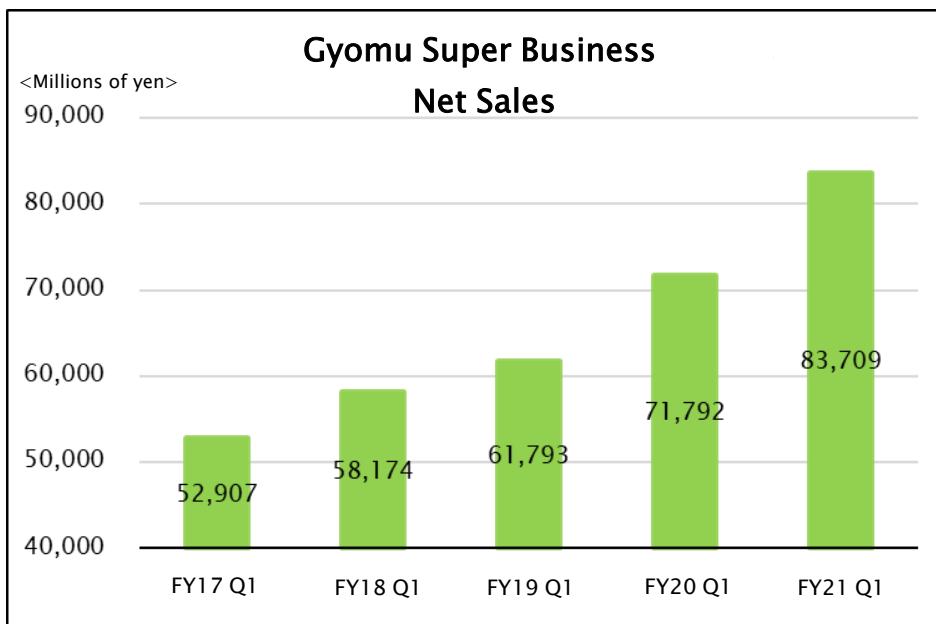
Ordinary profit increased by 1,267 million yen (22.0%) year on year thanks to a less adverse impact of foreign exchange rates.

- **Profit attributable to owners of parent**

As a result of the above, profit attributable to owners of parent increased by 1,039 million yen (29.2%) year on year.

Gyomu Super is our core business. Operating results of this business segment reflect wholesale sales to, and royalty fee from, Gyomu Super franchisees earned by Kobe Bussan, a franchisor (franchising headquarters), as well as earnings of Kobe Bussan Group's plants.

- Gyomu Super stores have expanded nationwide with 900 stores as of January 31, 2021.
- Net sales remained strong because staying and working at home has continued to increase demand for eating at home.
- The ratio of private label products has continued to increase partly because of these products being featured on television, magazines, and newspapers.

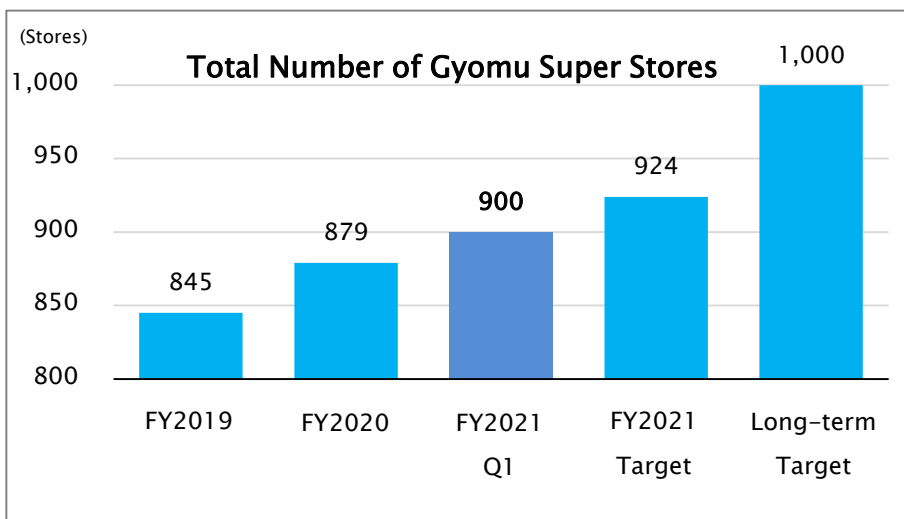


Note: Due to a change in the reportable segment structure in FY2021, the figures for FY2020 are reclassified retrospectively to reflect the change. Accordingly, the figures for these two years are not consistent with those for FY2019 or before.

FY2021 Q1: Net increase of 21 stores

FY2021 Target: Net increase of 45 stores
(46.7% progress as of January 31, 2021)

Strong store openings in directly managed areas in Kyushu (+6 stores)



Outline of Franchise Contract & Requirements

Initial franchise fee (Consumption taxes not included)	¥2,000,000
Franchise deposit	¥10,000,000
Royalty fee	1% of purchase cost

Note: Equipment, construction work, POS registers, and other funds for start-up are required separately.

Note: Separate requirements apply for indirectly managed areas.

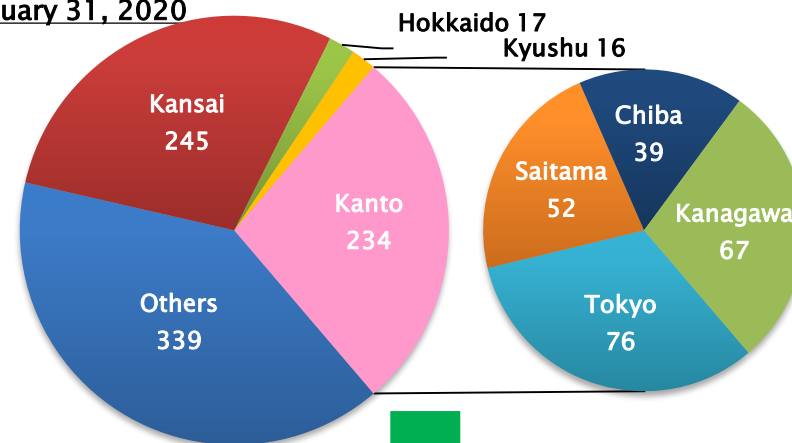
Simulated Average Earnings (Standard Store Franchisees)

(Thousands of yen)

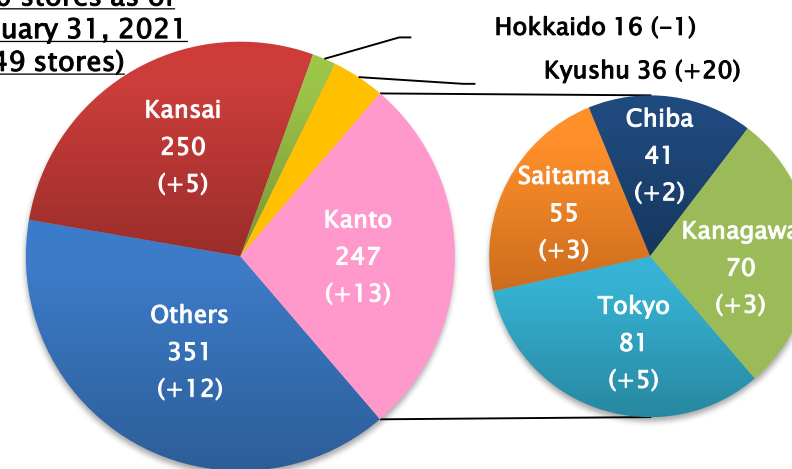
P&L account	Monthly amount	Composition
Net sales	32,000	100.0%
Gross profit	5,120	16.0%
SG&A expenses	4,480	14.0%
(Rent expenses)	1,300	4.1%
(Personnel expenses)	1,440	4.5%
Operating profit	640	2.0%

Number of Stores by Area

851 stores as of January 31, 2020



900 stores as of January 31, 2021 (+49 stores)



Kanto (directly managed areas):
Kansai (directly managed areas):

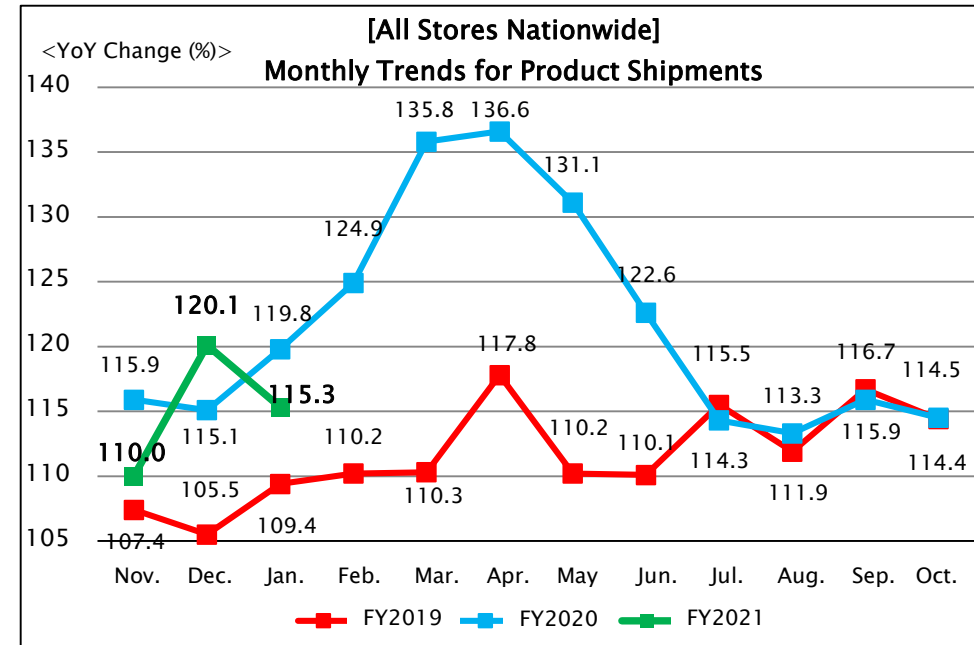
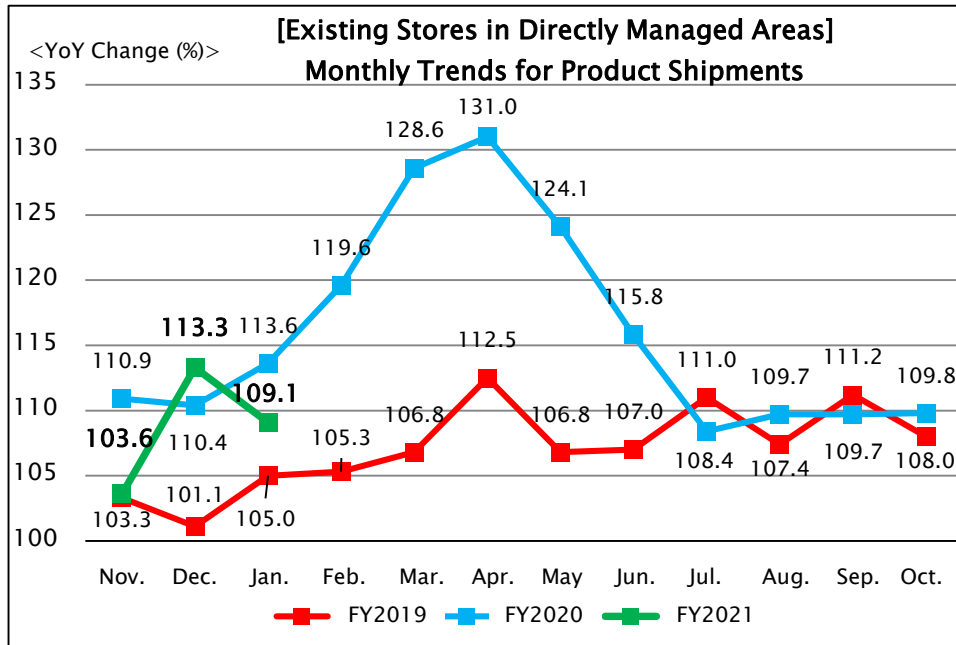
Kyushu (directly managed areas):

Hokkaido (directly managed areas):

Others (indirectly managed areas):

Tokyo, Chiba, Kanagawa, and Saitama
Osaka, Kyoto, Hyogo (excl. Awaji Island), Nara, Wakayama, and Shiga
Fukuoka, Saga, Nagasaki, Kumamoto, Oita, and Miyazaki
Hokkaido
Prefectures other than those listed above

Kobe Bussan has achieved a year-on-year increase in product shipments to all Gyomu Super stores nationwide for **70 consecutive months**.



[Year-on-year % Changes in Product Shipments to Gyomu Super Stores]

		FY2020															FY2021			
		Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	H1	May	Jun.	Jul.	Aug.	Sep.	Oct.	H2	Full	Nov.	Dec.	Jan.	Q1
Directly managed areas	Existing stores	110.9	110.4	113.6	119.6	128.6	131.0	119.3	124.1	115.8	108.4	109.7	109.7	109.8	112.8	115.9	103.6	113.3	109.1	108.8
	All stores	115.4	114.1	117.7	124.4	135.0	137.7	124.3	130.9	121.1	113.0	113.6	114.3	114.4	117.8	120.9	109.0	119.7	116.1	115.1
Nationwide	All stores	115.9	115.1	119.8	124.9	135.8	136.6	125.0	131.1	122.6	114.3	113.3	115.9	114.5	118.5	121.6	110.0	120.1	115.3	115.3

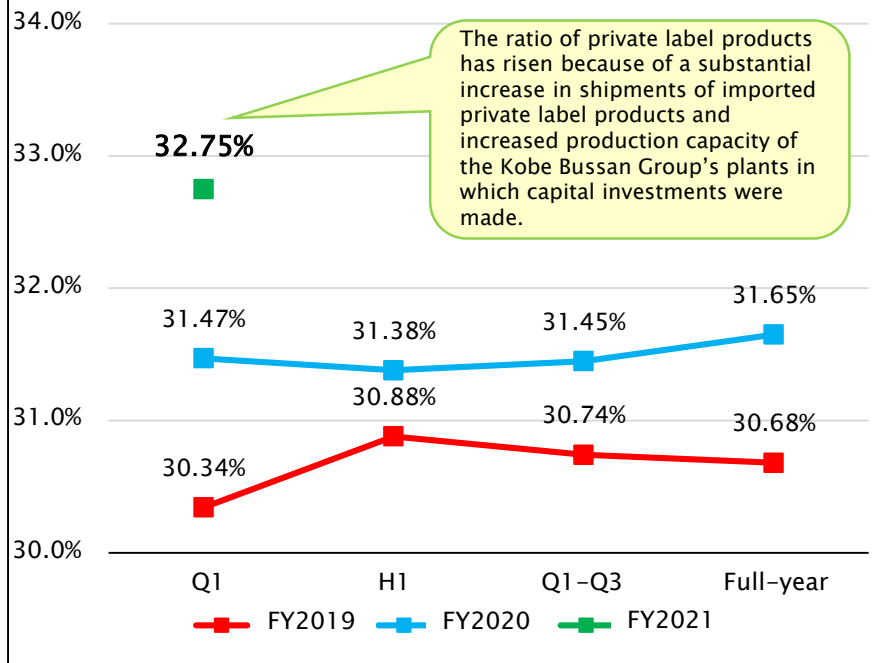
Note: "Nationwide" represents the product shipments to the stores in both directly and indirectly managed areas.

Enhancing Original Products

Today we have come to own 24 plants with the confectionery plant located in Okayama acquired in April 2020, as well as the meat processing plant in Kanagawa and the food production plant in Miyagi, which started their operation in July 2020 and January 2021, respectively. The number is one of the largest in Japan's supermarket industry. Our original products produced at these plants are available only at Gyomu Super stores and enjoy strong consumer acceptance.

Also, food products directly imported from approximately 40 countries under the concept, "the flavors of the world, to Japan," are popular with consumers because they enjoy genuine taste of countries across the world at reasonable prices at home.

Ratio of Private Label Products



Samples of Private Label Products

Products produced by Kobe Bussan Group's plants



Bulk sausages

460 yen (1,000g)



Natural yeast bread

228 yen (1 loaf)



Milk pack dessert (Mizu-yokan)

248 yen (1kg)

Import products



Frozen chicken boneless leg

648 yen (2kg)



Frozen fried eggplant

148 yen (500g)



Belgian sugar waffles

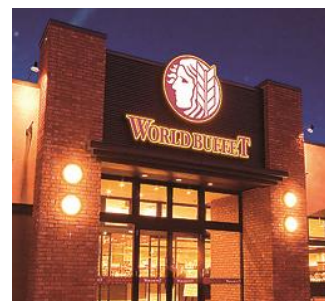
378 yen (Pack of 10)

Note: All prices exclude tax.

Products and prices are different depending on stores and seasons.

Restaurant & Deli Business covers restaurants and delicatessen shops that we operate directly or as a franchisor. This business segment includes Kobe Cook World Buffet, a buffet-style restaurant chain; Premium Karubi, a BBQ buffet-style restaurant chain; and Chisouna, a delicatessen shop chain.

- Restaurant & Deli Business, which was renamed from Kobe Cook Business, has now incorporated the BBQ business, which was previously classified into “Other” businesses.
- Kobe Cook World Buffet faced difficult times amid the COVID-19 crisis (with the number of restaurants having decreased by 7 from a year earlier).
- Premium Karubi and Chisouna recorded strong sales.



Kobe Cook World Buffet



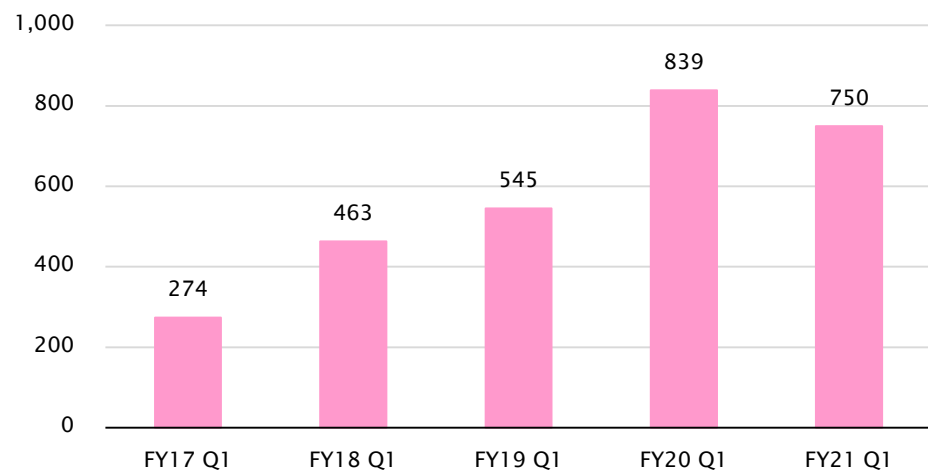
Premium Karubi



Chisouna

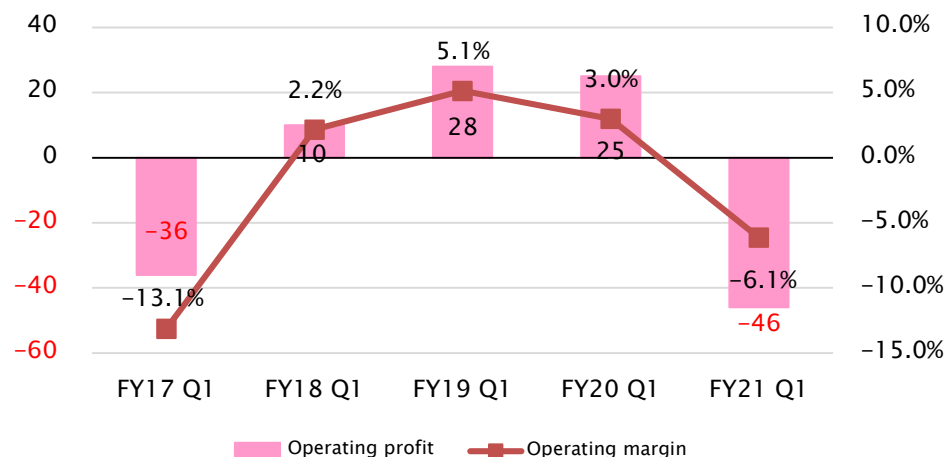
Restaurant & Deli Business Net Sales

<Millions of yen>



Restaurant & Deli Business Operating Profit

<Millions of yen>



Note: Due to a change in the reportable segment structure in FY2021, the figures for FY2020 are reclassified retrospectively to reflect the change. Accordingly, the figures for these two years are not consistent with those for FY2019 or before.

Kobe Cook World Buffet

Total Number of Restaurants: 16 (as of January 31, 2021)

FY2021 Q1: Closed 1 restaurant

Maintained ongoing efforts such as promoting a takeout service to cater for customer needs.

Improved the breakeven point through reviewing to change operations and menu.



Measures to Prevent COVID-19 Infections

Kobe Cook World Buffet has strengthened measures to prevent the COVID-19 infections so that customers can enjoy meals with peace of mind.

- Measures for employees

Wash and sanitize hands, and gargle; clean, sterilize and disinfect the restaurant; and check health condition before work.
- Measures to protect safety of customers

Provide alcohol spray in the restaurants; regularly exchange, wash, and sterilize tongs and other utensils shared and used for self-service in the restaurants; ventilate the restaurant with a supply and exhaust system; and wear disposable vinyl gloves for foodservice.
- Certain restaurants were temporarily closed or shortened opening hours due to the rebound of COVID-19.



Sample of takeout menu

Premium Karubi

Total Number of Restaurants: 4 (as of January 31, 2021)

FY2021 Q1: Opened 1 restaurant

Showed a positive trend given an increase in the number of the restaurants and BBQ popularity.



What is Premium Karubi?

Premium Karubi is a BBQ buffet-style restaurant chain directly operated by Kobe Bussan since 2018. We seek to differentiate it from other competitors by offering premium dishes such as the best selected meats as well as desserts and gelatos created by pâtissiers exclusively dedicated to us.

Restaurant Locations

Miyamaedaira	2-6-14, Tsuchihashi, Miyamae-ku, Kawasaki-shi, Kanagawa
Kamiooka	1-9-24, Nakazato, Minami-ku, Yokohama-shi, Kanagawa
Nishitsuruma	2-1-3, Nishitsuruma, Yamato-shi, Kanagawa
Kasukabe	3-11-10, Yutaka-cho, Kasukabe-shi, Saitama
Tachikawa	1-5-8, Wakaba-cho, Tachikawa-shi, Tokyo
Fujimino	3-5-2, Tsurugamai, Fujimino-shi, Saitama

Scheduled to open on March 16

Scheduled to open on April 13



Note: Menus may vary by restaurant and season.

Chisouna

Total Number of Shops: 29 (as of January 31, 2021)

FY2021 Q1: Opened 4 restaurants

Remained strong due to an increase in Gyomu Super customers and menu changes.



Measures to Prevent COVID-19 Infections

Chisouna strengthened measures to prevent the COVID-19 infections with the safety of customers and employees as the first priority.

- Sell pre-packaged fried foods, or otherwise cover foods with a clear lid.
- Always keep alcohol spray near tongs shared and used for self-service.

Shops Opened during FY2021 Q1

Tsunishi

1-5-8, Tsunishi, Kamakura-shi, Kanagawa

Akashi

3-10-52, Suzuri-cho, Akashi-shi, Hyogo

Murakami

386, Chugen-machi, Murakami-shi, Niigata

Taisho Keisatsu Mae

1-6-7, Kobayashinishi, Taisho-ku, Osaka-shi, Osaka



Note: Products and prices may vary by shop and season.

7 AFFORDABLE AND CLEAN ENERGY

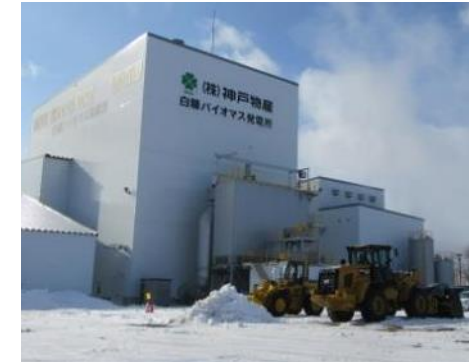


We provide eco-friendly, safe, and reliable renewable energy by operating solar and woody biomass power plants.

- This business segment deals with renewable energies centering on solar power generation.
- In early summer this year, a solar power plant (9.9MW) is scheduled to start operating in Misaki-cho, Osaka.
- Going forward, we plan to gradually start operating solar power plants in Fukushima and Miyagi.



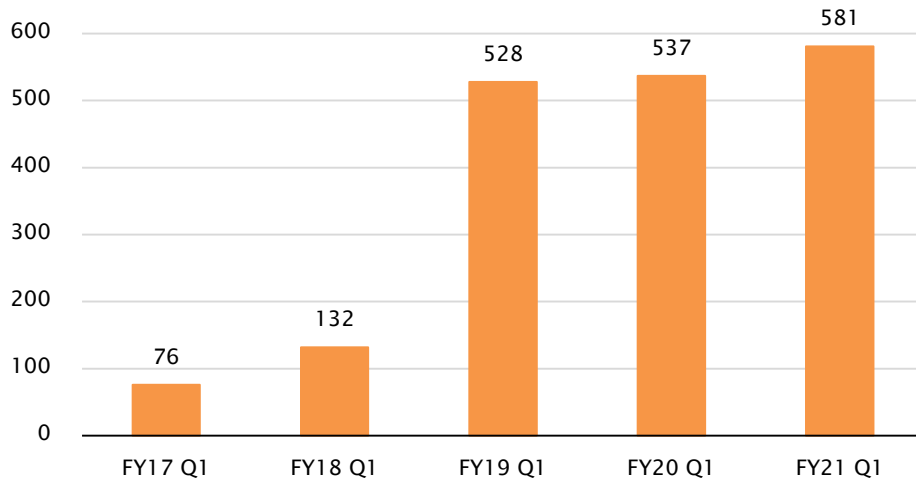
Kobe Bussan's Solar Power Plant



Kobe Bussan's Biomass Power Plant

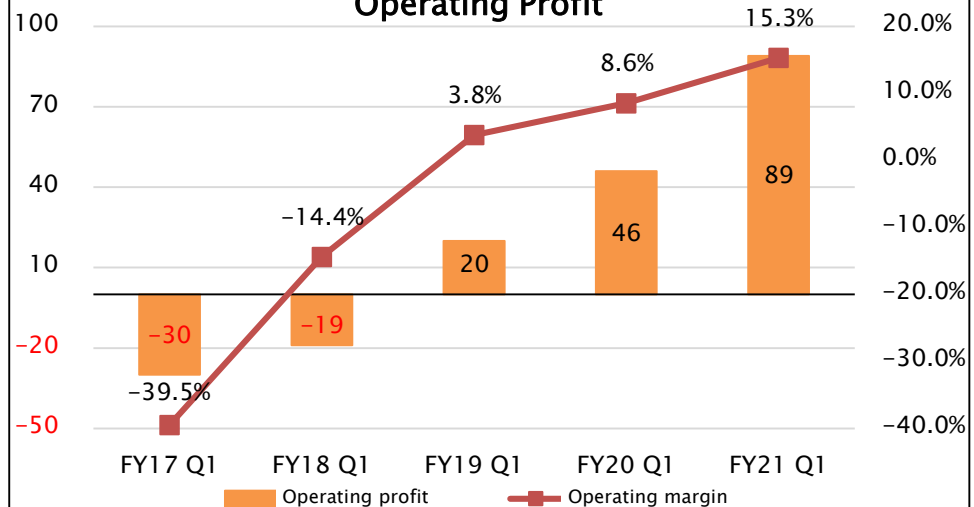
Eco Renewable Energy Business Net Sales

<Millions of yen>



Eco Renewable Energy Business Operating Profit

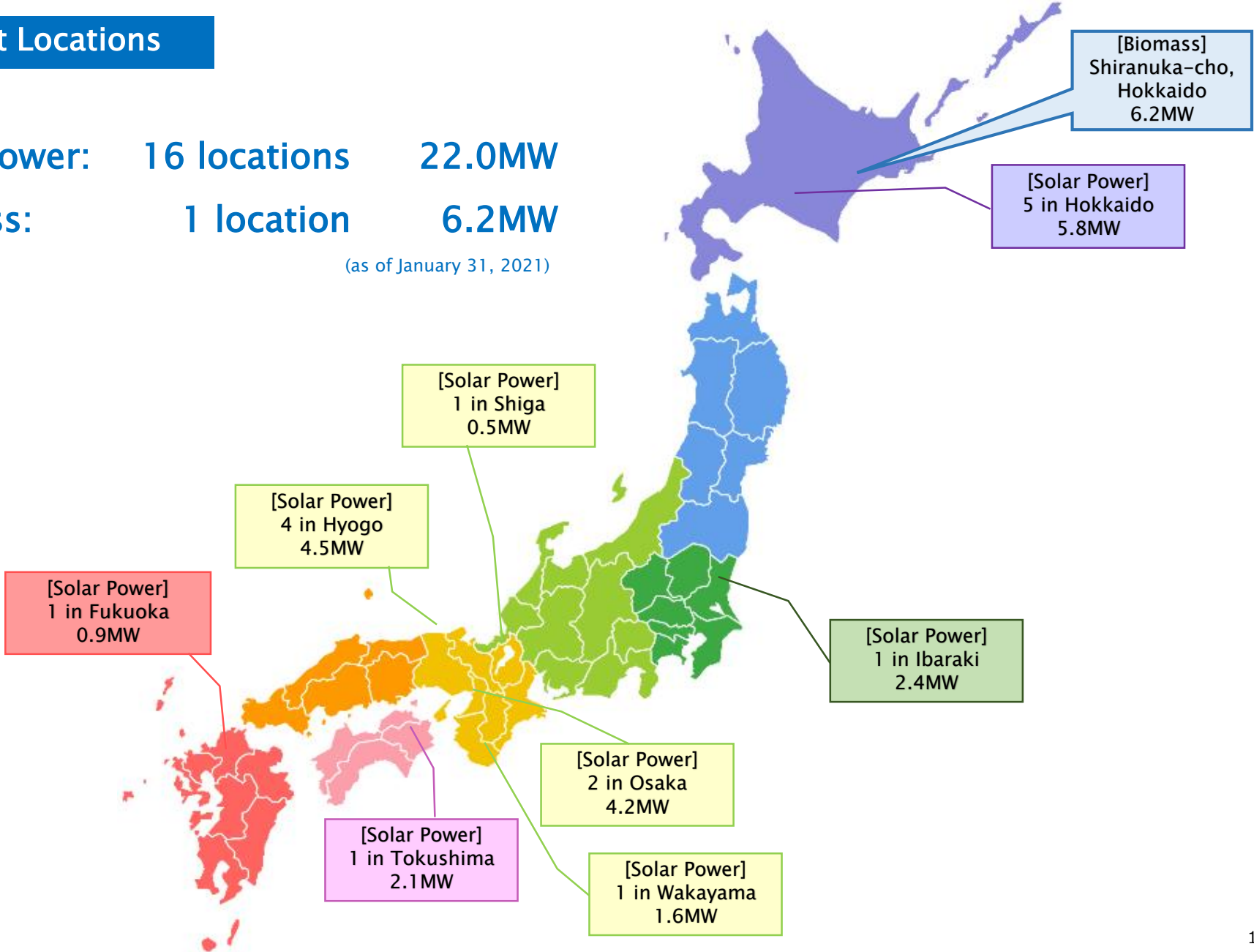
<Millions of yen>



Plant Locations

Solar Power: 16 locations 22.0MW
Biomass: 1 location 6.2MW

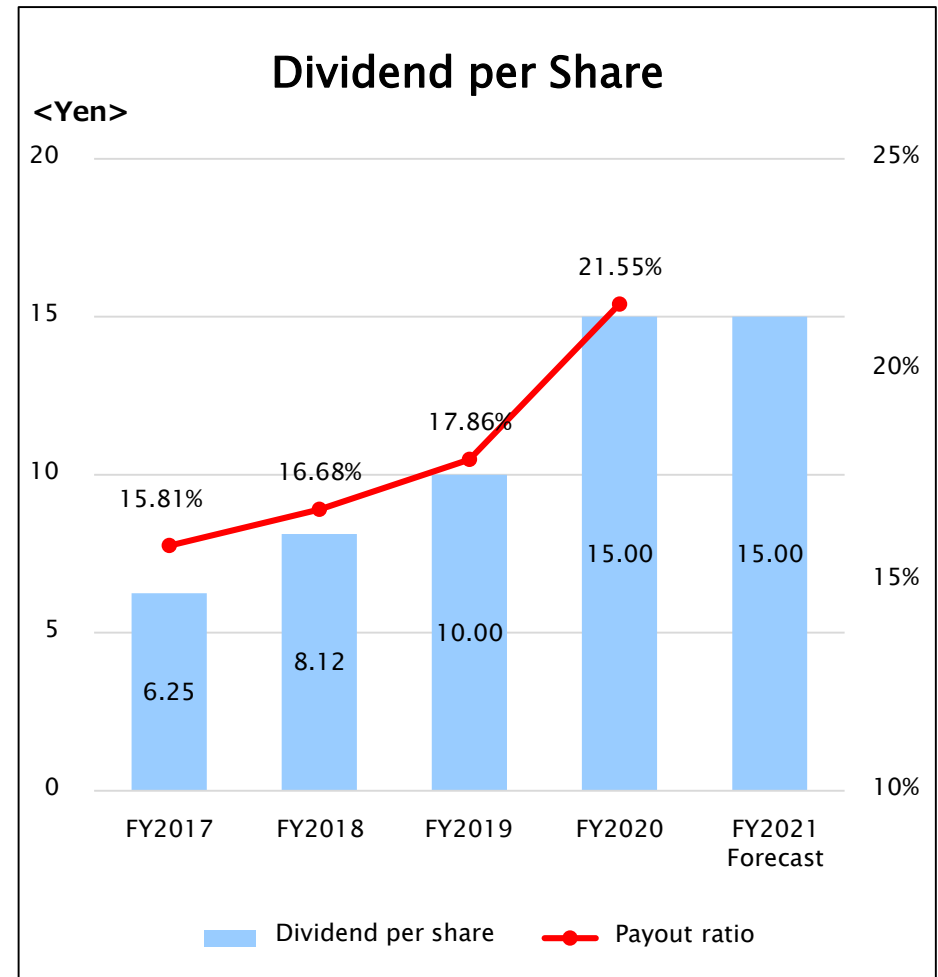
(as of January 31, 2021)



Kobe Bussan regards returning profits to shareholders as one of key management issues. Our basic policy is to secure funds necessary for our business growth and distribute profits to shareholders according to the operating results.

For FY2020, we paid the annual dividends of 30.00 yen per share, up 5.00 yen from the initial forecast of 25.00 yen per share by paying year-end dividends only as in the past years.

For FY2021, with the 2-for-1 stock split in November 2020 taken into account, we plan to pay a year-end dividend of 15.00 yen per share (or 30.00 yen had the stock split not been carried out).



Note: The figures in the graph above have been adjusted for the effect of the 2-for-1 stock splits carried out in November 2018, November 2019, and November 2020.

Progress towards FY2021 Forecast

(Millions of yen)

	FY2021 Q1 actual	Full-year forecast	YoY	Progress towards full-year forecast
Net Sales	85,045	341,000	104.2%	24.9%
Operating profit	7,034	24,800	125.3%	28.4%
Profit attributable to owners of parent	4,598	16,000	129.7%	28.8%

Net sales remain strong as planned.

Operating profit exceeds the forecast due to the impact of the strong yen and the improvement of the ratio of private label products.

Gyomu Super Business Guideline towards FY2021 Forecast

	FY2021 target	Action plan
Target of store openings	Net increase of 45 stores	Open stores focusing on Kanto and Kyusyu areas. Strengthen property data-gathering capability driven by headquarters.
Product shipments to existing stores	Higher than FY2020 results	Prevent opportunity loss by increasing product supply capacity. Exceed FY2020 results, which were favorably impacted by the COVID-19 infections.

Kobe Bussan formulated the medium-term business plan for 3 years from FY2020 to FY2022.

Basic Policy

- (1) Grow our core business, Gyomu Super, by enhancing private label products.
- (2) Grow the deli business to respond to changes in Japan's social and economic circumstances, represented by the advancing low birthrate and aging population, and the promotion of women's participation in the workplace.
- (3) Grow the restaurant business by strengthening "Integrated Food Production & Distribution Operations" by satisfying diverse needs and wants of consumers for food preferences.
- (4) Promote eco-friendly business and CSR activities through "Shoku," which basically means anything related to food practices in Japanese language.
- (5) Improve productivity by enhancing employees' satisfaction as well as focusing on recruiting and retaining talented employees and training them.

Numerical Targets

(Millions of yen)

	FY2020 actual	FY2021 forecast	FY2022 forecast (Medium-term business plan)
Net sales	340,870	341,000	358,050
Operating profit	23,851	24,800	26,000
ROE	29.5%	20% or higher each fiscal year, while improving financial standings	

- This material contains forward-looking statements based on assumptions, estimates, and plans as of March 15, 2021.
- Please note that actual results may differ significantly from these forward-looking statements due to uncertain factors arising from changes in the economic climate.
- This material is not intended to solicit and encourage purchase of shares.

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