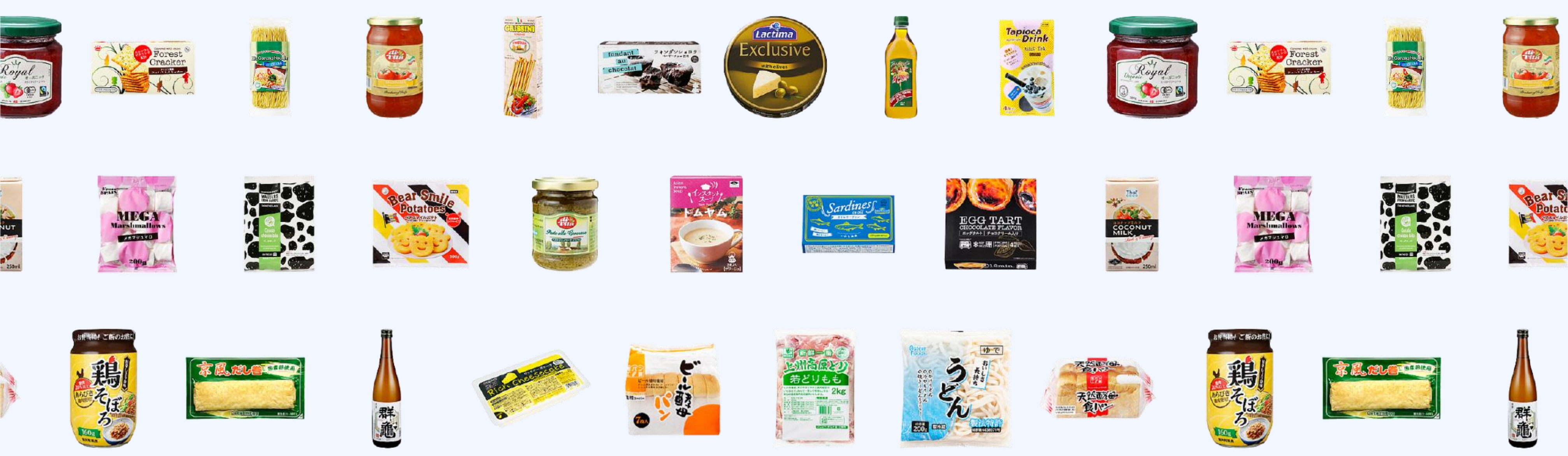
神戸物産
KOBE BUSSAN CO., LTD.

Supplementary Materials on the Issuance of Euro-Yen Convertible Bonds and Share Repurchase

September 29, 2026

Securities code: 3038



Overview of the Issuance

KOBE BUSSAN CO., LTD.

Issuance Overview

Issuer	KOBE BUSSAN CO., LTD.
Securities Offered	Bonds with stock acquisition rights (*tenkanshasaigata shinkabu yoyakuken-tsuki shasai*)
Target Markets	Overseas markets, mainly in Europe and Asia (excluding the U.S.)
Governing Law	English law
Pricing Method	Bookbuilding
Resolution / Pricing Date	September 29, 2026 (Tuesday)
Closing Date	October 15, 2026 (Thursday)
Tenor	7 years
Maturity Date	September 30, 2033 (Friday)
Issue Size	JPY 60.0 Bn
Offer Price / Issue Price	102.5%／100.0%
Redemption Price	100.0%
Initial Conversion Price	To be determined
Coupon	0.0%
Put Option	Year 5: September 30, 2031 (Tuesday), 100%
Additional Provisions	Contingent Conversion (CoCo) (150% until 15 months before the maturity date / 130% from 15 months to 3 months before the maturity date) Acquisition Option (net share settlement type) (from Year 5 onwards: upon conversion request; at maturity: lump sum)
Repurchase of Shares	Up to JPY 40.0 Bn / Up to 16,000,000 shares from September 30, 2026 to April 30, 2027 Repurchase through the ToSTNeT-3 system on September 30, 2026 ※If the aggregate amount of shares repurchased through the ToSTNeT-3 above falls short of the upper limit of the repurchase amount, the Company intends to continue to repurchase its own shares as necessary during the period ending on April 30, 2027, taking market conditions, regulations, etc., into consideration.
Lock-up	180 days: The Company, Gyomu Super Japan Dream Foundation, Coccolare Co., Ltd., Hirokazu Numata and M&U Asset Management LLC

Rationale and Objectives of the Transaction

神戸物産 KOBE BUSSAN CO., LTD.

To secure funding for growth investments toward the Group's long-term vision of becoming an "integrated food company," while enhancing capital efficiency and pursuing a balanced capital strategy that mitigates dilution, the Company has resolved to issue the CB and repurchase its shares

Background

- Aiming to become an "integrated food company," the Group has expanded from private-label (PB) manufacturing and direct imports, centered on Gyomu Super, into restaurant and delicatessen businesses
- To further accelerate growth, in addition to ongoing new store openings and growth at existing stores, **the Group is expanding its restaurant and delicatessen businesses in Japan and overseas**
- As part of this strategy, the Company acquired shares in 15 airline catering-related companies in APAC and North America through a JV with GOURMET KINEYA CO., LTD, supporting broader PB distribution and overseas growth; **this financing addresses the related funding needs**

Why CB

- As a zero-coupon issue, **the CB carries no interest expense even in a rising rate environment**, minimizing funding costs
- An above-market conversion price and Contingent Conversion limit conversion, while the Acquisition Option **limits future dilution for existing shareholders, resulting in a highly debt-like structure**
- Accordingly, the Company determined that **CB issuance is the most suitable way to fund growth investments and the share repurchase**

Why Share Repurchase

- While pursuing growth investments to expand earnings, the Company also views **enhancing shareholder returns and improving capital efficiency** as key management priorities for increasing corporate and shareholder value
- Based on the view above, by funding the share repurchase with a combination of external financing and a portion of cash on hand, the Company can maintain financial flexibility for growth investments while **improving capital efficiency through capital structure optimization and further enhancing shareholder returns**
- In addition, purchasing shares through ToSTNeT-3 is expected to absorb CB-related hedge selling by overseas institutional investors, thereby **mitigating the short-term impact on supply-demand dynamics for the Company's shares** and facilitating an orderly financing process

Use of Proceeds

Proceeds: approx. JPY60.0Bn | **Cash on hand: approx. JPY10.0Bn**

M&A funding: approx. JPY30.0Bn

- Funds to acquire shares in 15 airline catering-related companies in APAC and North America via MEAL HUB, a JV with GOURMET KINEYA CO., LTD

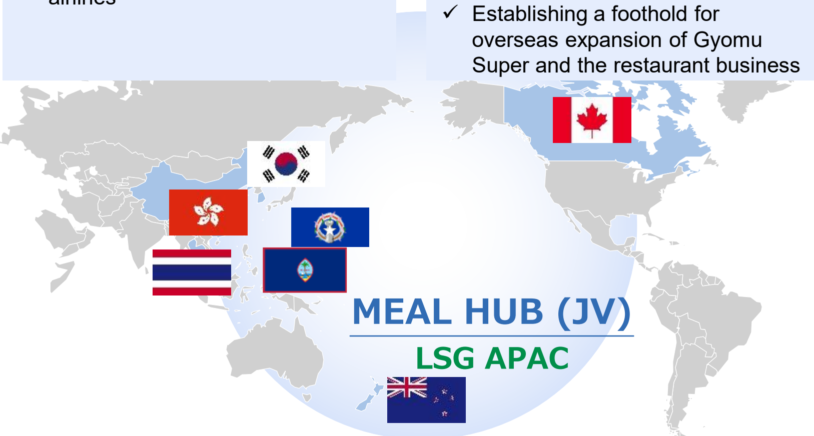
Acquisition of LSG APAC

Target overview

- ✓ Companies forming the Asia-Pacific division of the LSG Group, a global airline caterer
- ✓ Provide catering services to airlines

Rationale

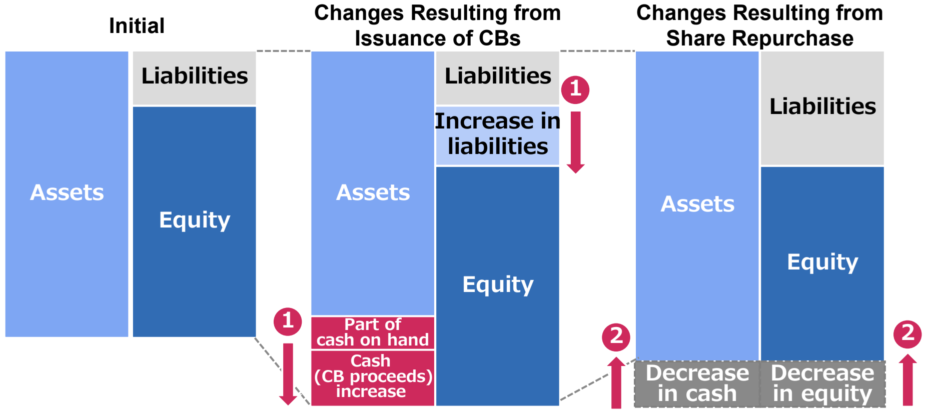
- ✓ Expanding growth domains in restaurant and delicatessen through entry into the airline catering business
- ✓ Strengthening imported private-label product development and overseas procurement network
- ✓ Establishing a foothold for overseas expansion of Gyomu Super and the restaurant business



Share repurchase: approx. JPY40.0Bn

- Funds to enhance per-share value through improved capital efficiency and a lower share count, while mitigating the CB's short-term impact on share supply and demand
- Funded by approx. JPY30.0Bn of CB proceeds plus approx. JPY10.0Bn of cash on hand
- Largest share repurchase in the Company's history by value

Scheme of CB-Funded Share Repurchase



1. Increase in liabilities from CB issuance
2. Decrease in equity from share repurchase

- Lower cost of capital from higher debt and lower equity
- Higher ROE from lower equity
- Higher EPS from share repurchase

Measures to Mitigate Potential Dilution

神戸物産 KOBE BUSSAN CO., LTD.

1 Setting the conversion price above the share price at pricing helps mitigate dilution

- A conversion premium is designed to prevent conversion unless the share price rises above a certain level
- A higher conversion price reduces the number of shares delivered upon conversion, mitigating the impact on per-share value

2 Share repurchase offsets potential dilution from the CB

- Maximum number of shares to be repurchased: approx. 7.21% of total issued shares (excl. treasury shares) as of July 31, 2026
- Maximum aggregate repurchase amount: approx. 22.86% of consolidated shareholders' equity as of July 31, 2026

3 Contingent Conversion and Acquisition Options[1] limit conversion into common shares and potential dilution

- CB holders may exercise their conversion rights only if, for a specified period, the share price exceeds 150% of the conversion price until 15 months prior to maturity, or 130% from 15 months to 3 months prior to maturity (see following pages)
- From Year 5 onward, even when conversion is permitted, the principal amount is settled in cash, with shares delivered only for the conversion value in excess of the principal amount, thereby limiting dilution

These measures are designed to mitigate dilution for existing shareholders while enabling growth investments through the financing and improving capital efficiency

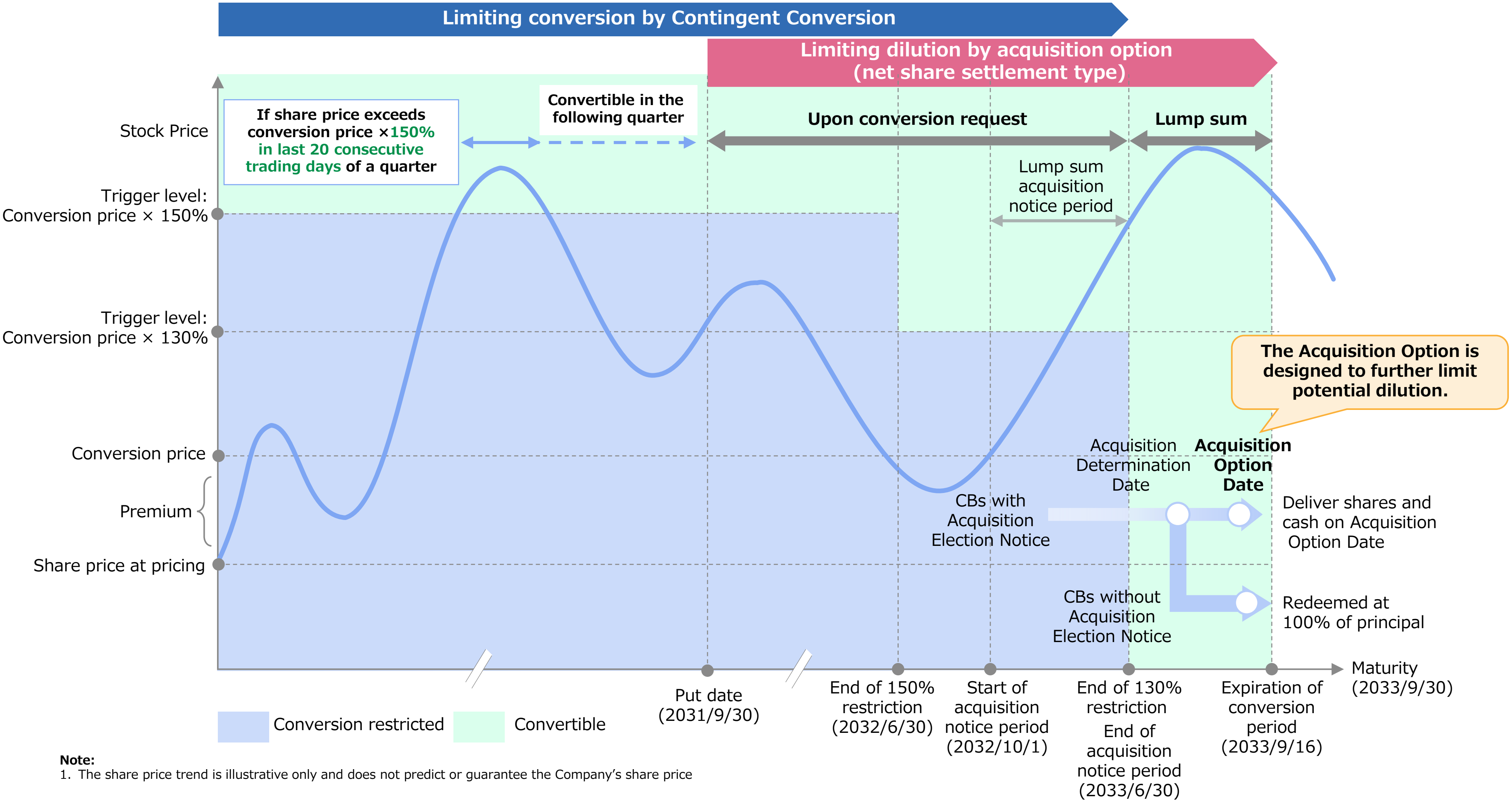
Note:
1. Net share settlement type (from Year 5 onwards: upon conversion request; at maturity: lump sum)

Product Design① Contingent Conversion

KOBE BUSSAN CO., LTD.

Conversion rights under the contingent conversion feature may be exercised only if the share price exceeds 150% (stepping down to 130%) of the conversion price for a specified period, giving the Bonds a strong debt-like profile. The Acquisition Option is designed to further limit potential dilution.

Image of the Combined Use of Contingent Conversion & Acquisition Options (1)



Note:
1. The share price trend is illustrative only and does not predict or guarantee the Company's share price

Product Design② Acquisition Option

神戸物産 KOBE BUSSAN CO., LTD.

With the Acquisition Option (net share settlement type), shares are delivered only for the conversion value above par, mitigating dilution to the maximum extent

Image of Acquisition Option (net share settlement type)(1)

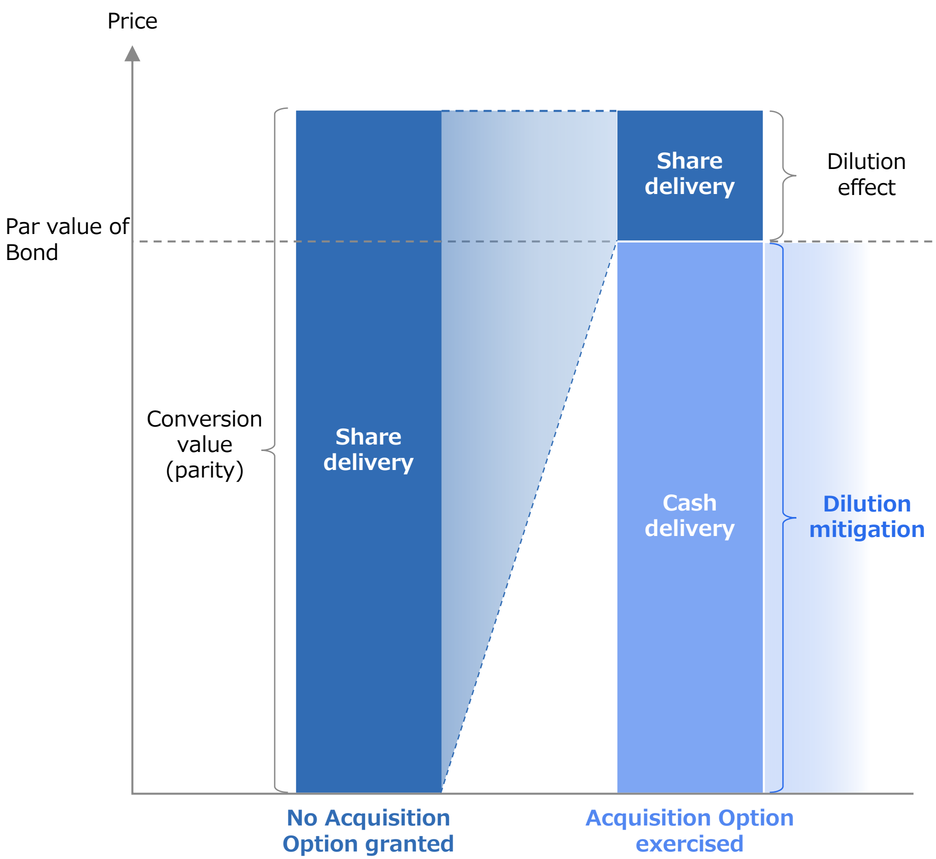
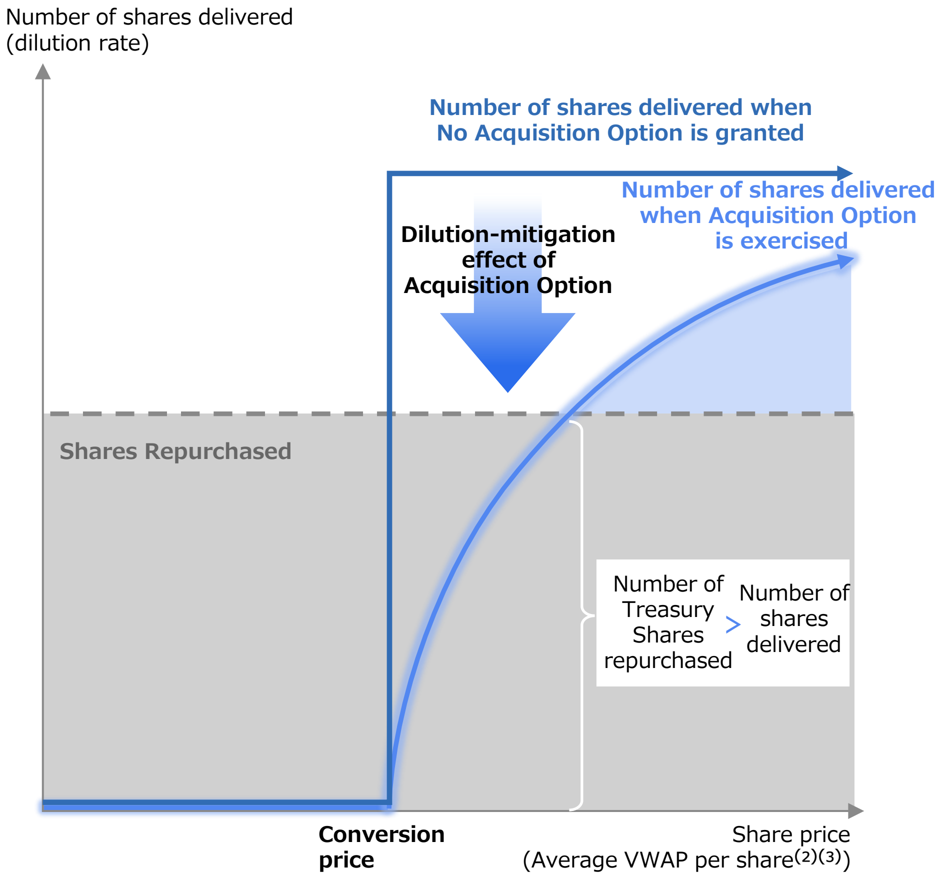


Image of Acquisition Option (net share settlement type) + Acquisition of Treasury Shares (1)



Note:

1. The image above is for illustrative purposes only and does not guarantee the conversion value (parity) or the number of shares to be delivered if the Acquisition Option is actually exercised
2. Average VWAP per share (upon conversion request): average of the Company's daily VWAPs published by the Tokyo Stock Exchange (TSE) over 10 consecutive trading days starting 2 trading days after the conversion request date
3. Average VWAP per share (lump sum): average of the Company's daily VWAPs published by the TSE over 25 consecutive trading days from July 7, 2033 (Thu)

Legal Disclaimer

This material has been prepared as a supplemental material to the press releases titled “Announcement Concerning Issuance of Zero Coupon Convertible Bonds due 2033” and “Announcement Concerning Repurchase of Shares (Repurchase of Shares pursuant to Provision of Articles of Incorporation in accordance with Article 459, Paragraph 1, Item 1 of the Companies Act),” which were announced by KOBE BUSSAN CO., LTD. (the “Company”) on September 29, 2026. This material does not constitute an offer of securities for sale in the United States, or an offer to purchase or subscribe for, or the solicitation of an offer to purchase or subscribe for the Bonds or the shares of common stock of the Company in the United States or in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the shares of common stock of the Company issuable upon exercise of, or upon acquisition by the Company of, the stock acquisition rights (together, the “Securities”) have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any relevant securities laws of any state or other jurisdictions of the United States, and any such Securities may not be offered or sold within the United States, absent registration or an applicable exemption from, or transactions not subject to, the registration requirements of the Securities Act and incompliance with any applicable state or local securities laws. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Company and such prospectus will contain detailed information about the Company and its management, as well as financial statements. No public offering of the Securities will be made in the United States.