Supporting your sustainability

Yamatane

Financial Results Briefing Materials

For the Fiscal Year Ended March 31, 2023

May 26, 2023

Yamatane Corporation

(Securities code: 9305)

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1. (1) Overview of consolidated financial results

Both sales and profit increased year on year as a result of the contribution of KABUTO ONE which opened in August 2021 and Shinyo・Logi Co., Ltd. which became a wholly-owned consolidated subsidiary in April 2022 to the performance.

(Million yen)

	FY22/3	FY23/3		Year on year		Compared with plan	
	Results	Plan	Results		% change		% change
Net sales	46,765	51,300	51,090	4,325	9.2%	(209)	(0.4)%
Operating profit	3,002	3,300	3,588	585	19.5%	288	8.7%
Operating profit margin	6.4%	6.4%	7.0%	—	—	—	—
Ordinary profit	2,655	3,200	3,501	845	31.9%	301	9.4%
EBITDA	5,317	6,680	6,899	1,581	29.7%	219	3.3%
Profit attributable to owners of parent	1,832	1,850	2,150	317	17.3%	300	16.2%

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Logistics Services segment

Key points

[Both sales and profit increased]

・Shinyo・Logi Co., Ltd. which became a wholly-owned consolidated subsidiary in April of last year significantly contributed to earnings.

・Domestic cargo movements recovered.

・Recovery in the handling volume of overseas moving and forwarding services, together with surging shipping charges, contributed to an increase in net sales.

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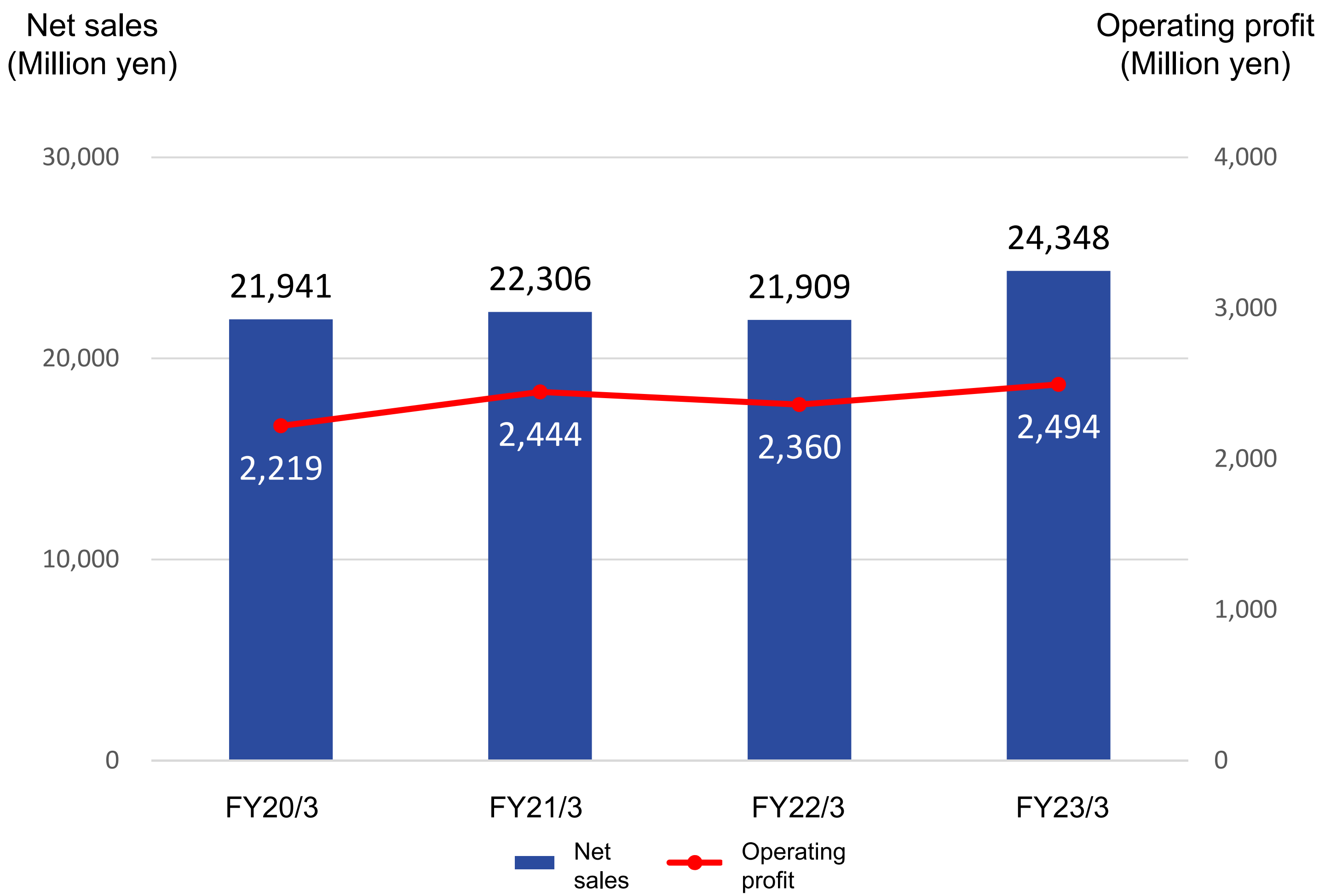
Logistics Services segment



Net sales

24,348 million yen

Year on year (change)

+2,438 million yen

[+11.1%]

Operating profit

2,494 million yen

Year on year (change)

+133 million yen

[+5.7%]

Food Business (Rice Merchandising) segment

Key points

[Both sales and profit increased]

- Due to recovery in restaurant-related demand and expansion of sales shares to mass retailers, sales of white rice increased (up 10.9% year on year).
- The sales volume of brown rice increased (up 11.0% year on year) due to increased demand for brown rice caused by expectations of rising rice prices.
- The production efficiency improved as the production sites were consolidated to the Inzai Rice Mill Factory (operating costs were reduced by approximately 26% year on year).
  On the other hand, a burden of depreciation increased.
- Significant decrease in valuation loss on inventories.

1. (2) Overview of financial results by segment

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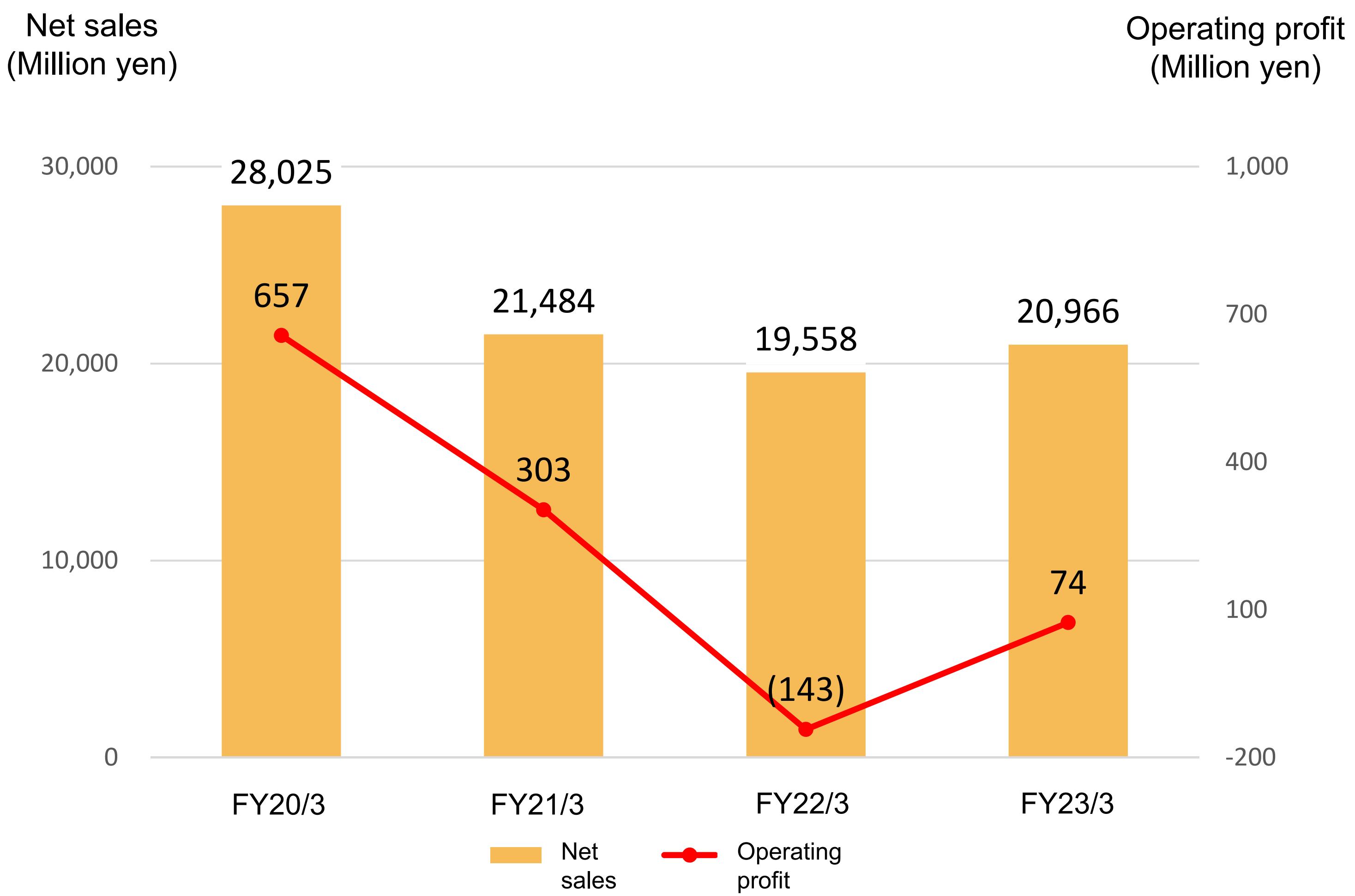
Food Business (Rice Merchandising) segment



Net sales

20,966 million yen

Year on year (change)

+1,407 million yen

[+7.2%]

Operating profit

74 million yen

Year on year (change)

+218 million yen

(Loss of 143 million yen in the previous fiscal year)

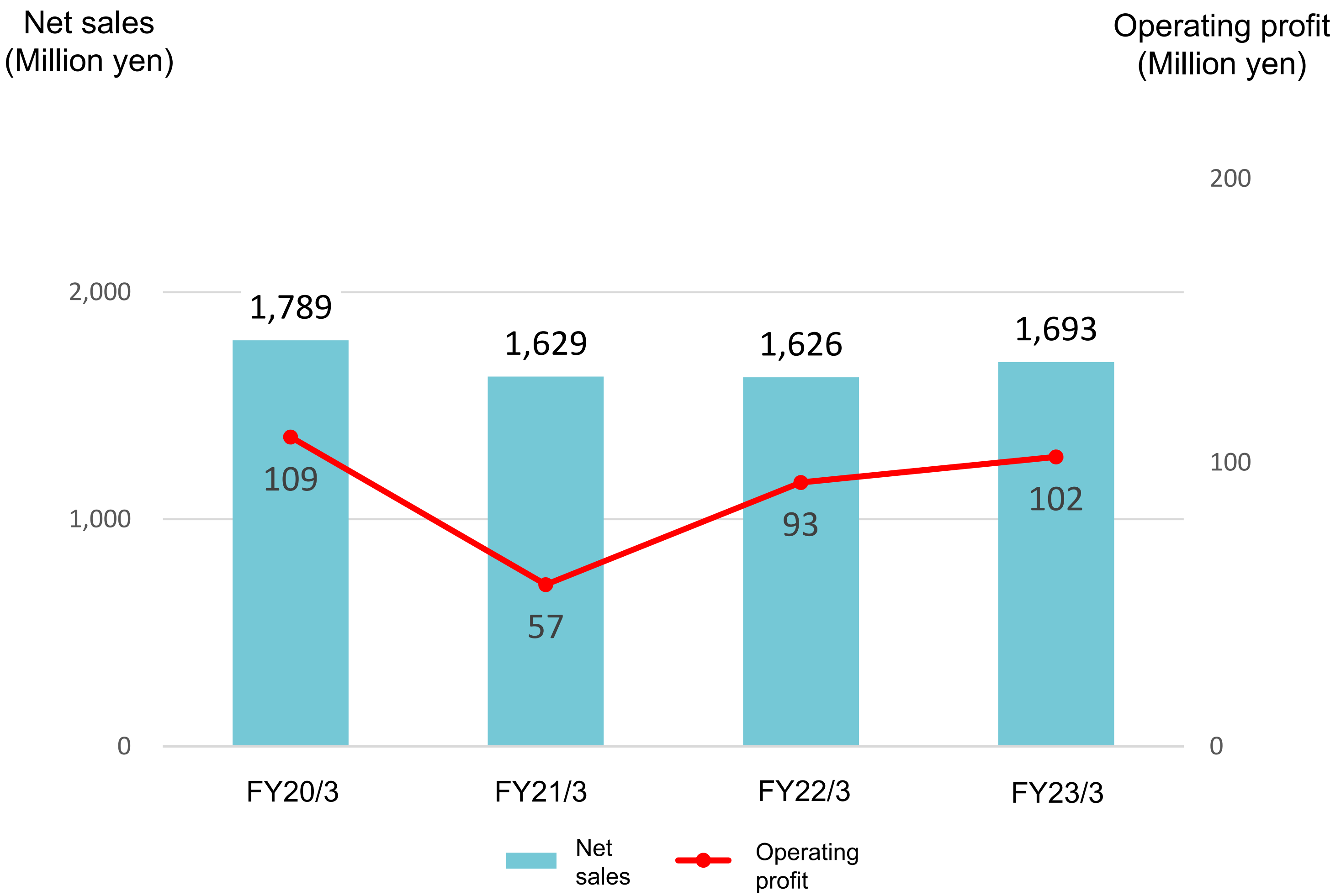
Information Systems segment

Key points

[Both sales and profit increased]

- Expansion and new acquisition of projects for development/maintenance/operation of on-site system infrastructures
- A decrease in expenses for IT system investment within the Group

Information Systems segment



Net sales

1,693 million yen

Year on year (change)

+67 million yen

[+4.1%]

Operating profit

102 million yen

Year on year (change)

+8 million yen

[+9.4%]

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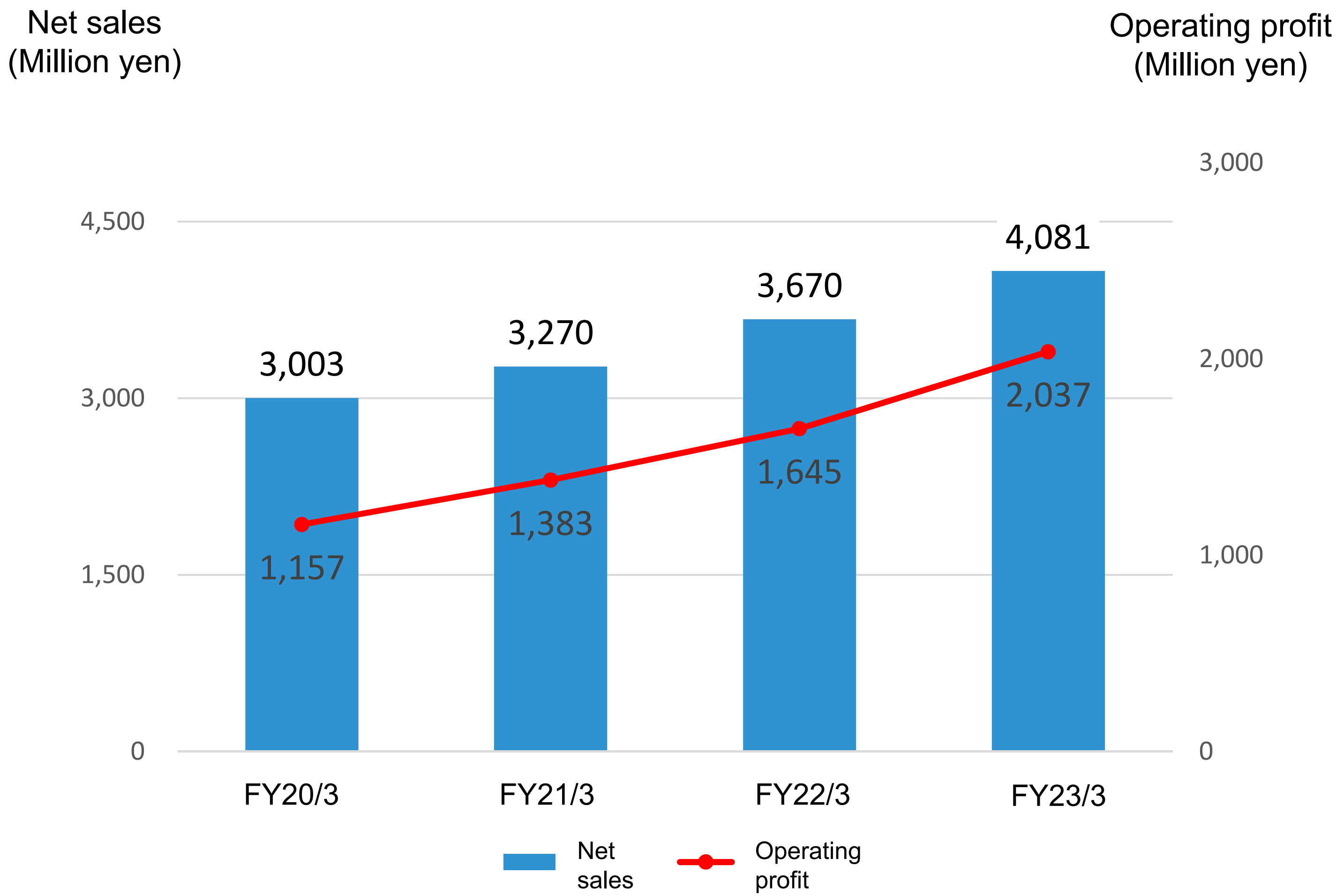
Real Estate Business segment

Key points

[Both sales and profit increased]

- Maintained high occupancy rate for rental properties
  (99.7% for the entire Real Estate Business section) *As of March 2023
- Contribution to earnings by KABUTO ONE which opened in August 2021
- Expenses decreased year on year due to the absence of tax on real estate acquisition recorded for KABUTO ONE in the previous fiscal year.

Real Estate Business segment



Net sales

4,081 million yen

Year on year (change)

+411 million yen

[+11.2%]

Operating profit

2,037 million yen

Year on year (change)

+392 million yen

[+23.8%]

1. (3) Consolidated cash flows

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Cash of 6,982 million yen was provided from profit before income taxes, etc.

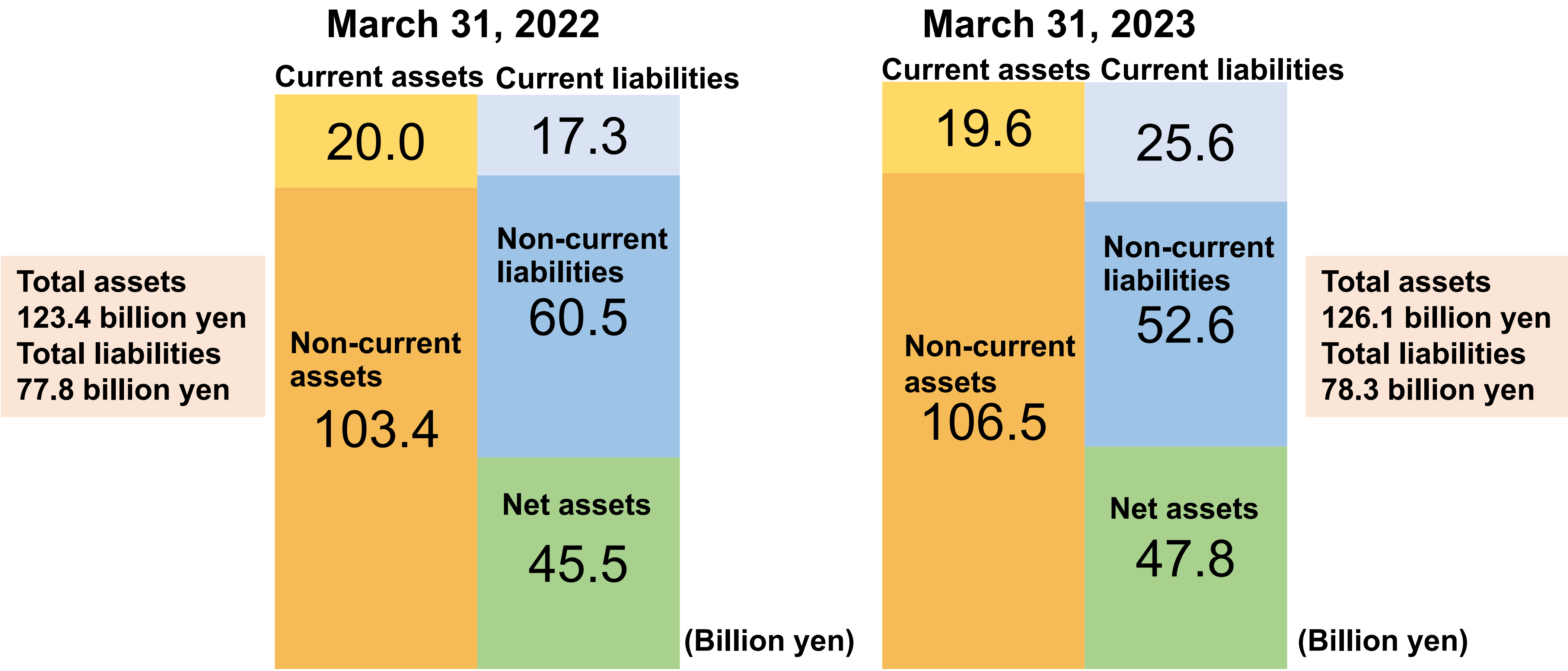
Cash and cash equivalents increased by 955 million yen from the end of the previous fiscal year due to expenditure such as capital investment, M&As, and repayment of interest-bearing liabilities.

(Million yen)

	FY22/3	FY23/3	Change
Balance at beginning of period	16,529	7,459	(9,069)
Operating C/F	4,242	6,982	2,739
Investing C/F	(9,725)	(3,051)	6,674
Financing C/F	(3,585)	(2,974)	611
Balance at end of period	7,459	8,415	955
Change	(9,069)	955	10,025

1. (4) Consolidated financial position

Assets increased by 2,762 million yen from the end of the previous fiscal year due to the generation of goodwill and an increase in property, plant and equipment caused by the acquisition of Shinyo・Logi Co., Ltd. as a subsidiary.
Liabilities increased by 442 million yen from the end of the previous fiscal year despite a decrease in interest-bearing liabilities.
Net assets increased by 2,320 million yen from the end of the previous fiscal year due in part to recording of profit attributable to owners of parent.



2. Outlook on Financial Results for the Fiscal Year Ending March 31, 2024

(1) Outlook on consolidated financial results

(2) Outlook on financial results by segment

2. (1) Outlook on consolidated financial results

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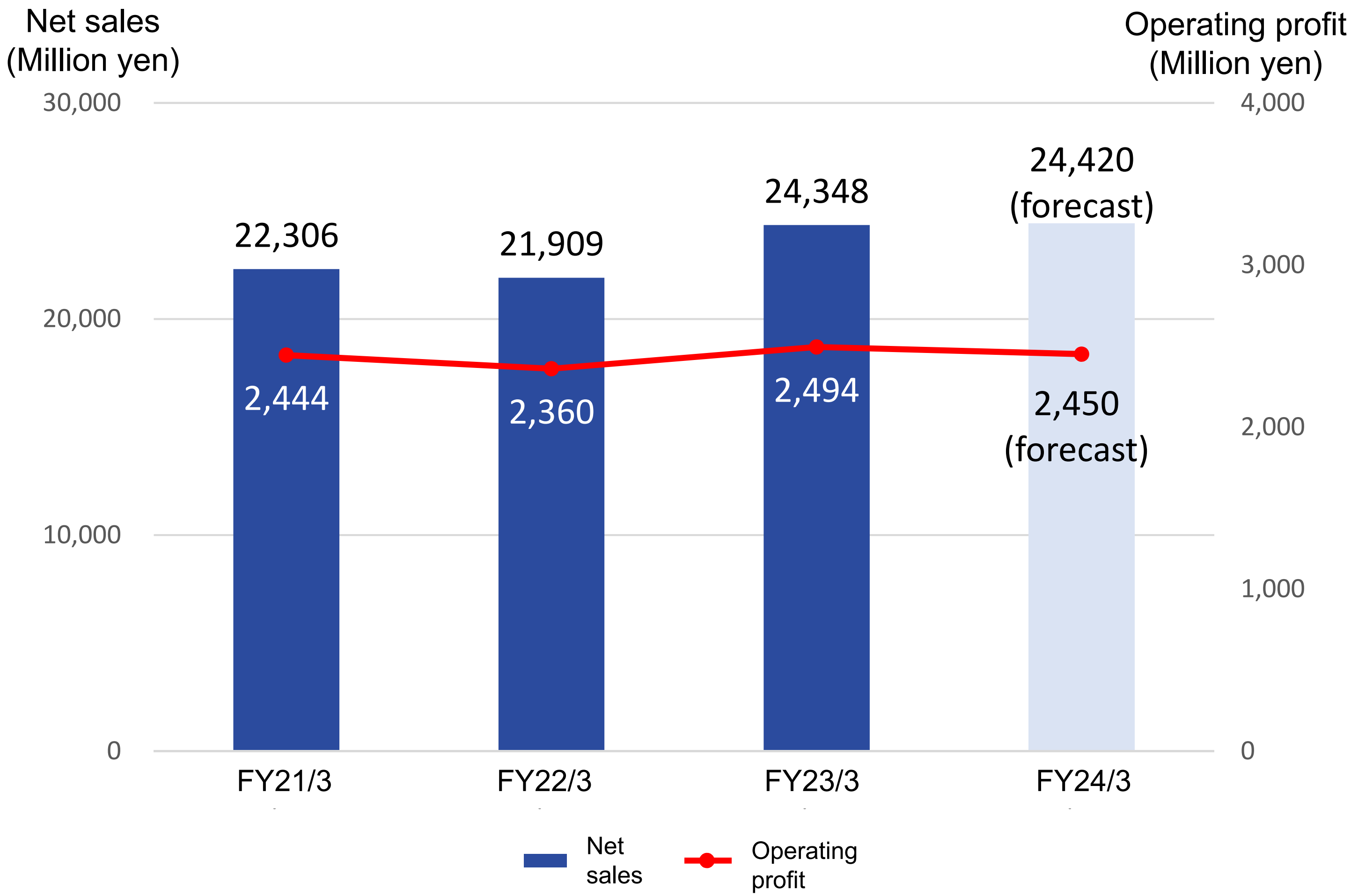
We plan to increase sales mainly through an increase in the sales volume of white rice in the food business (rice merchandising) section.
Profits are expected to decline due to increases in various expenses such as electricity charges, personnel expenses, IT investment, etc., but bottom line is expected to increase due to the sale of idle real estate.

(Million yen)

	FY23/3 Results	FY24/3 Outlook	Change	% change
Net sales	51,090	53,500	2,409	4.7%
Operating profit	3,588	3,140	(448)	(12.5)%
Operating profit margin	7.0%	5.9%	—	—
Ordinary profit	3,501	3,100	(401)	(11.5)%
EBITDA	6,899	6,430	(469)	(6.8)%
Profit attributable to owners of parent	2,150	2,200	49	2.3%

2. (2) Outlook on financial results by segment

Logistics Services segment



Net sales (forecast)

24,420 million yen

Year on year (change)

+71 million yen

[+0.3%]

Operating profit (forecast)

2,450 million yen

Year on year (change)

(44) million yen

[(1.8)%]

2. (2) Outlook on financial results by segment

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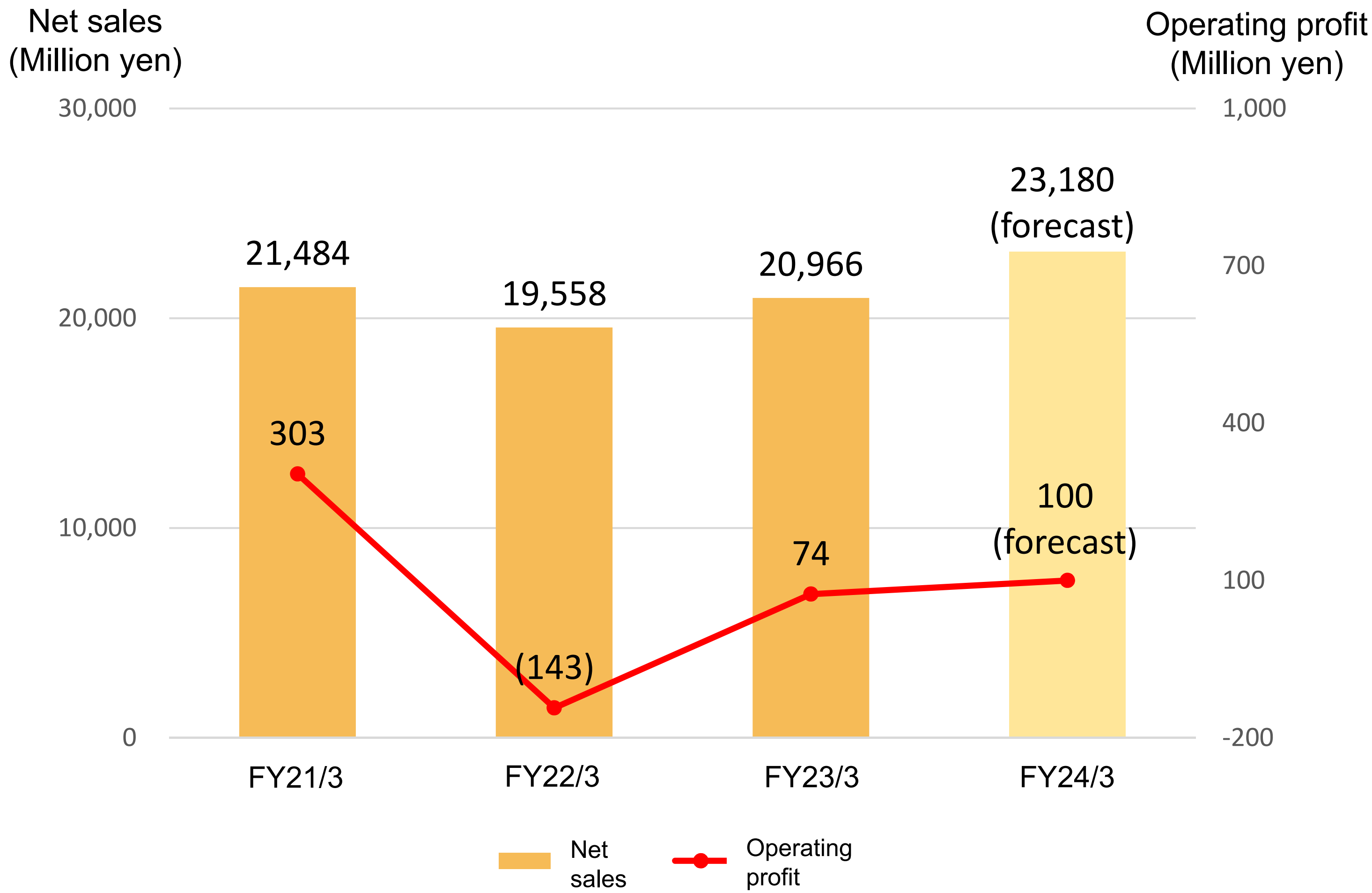
Food Business (Rice Merchandising) segment



Net sales (forecast)

23,180 million yen

Year on year (change)

+2,213 million yen

[+10.6%]

Operating profit (forecast)

100 million yen

Year on year (change)

+25 million yen

[+34.0%]

2. (2) Outlook on financial results by segment

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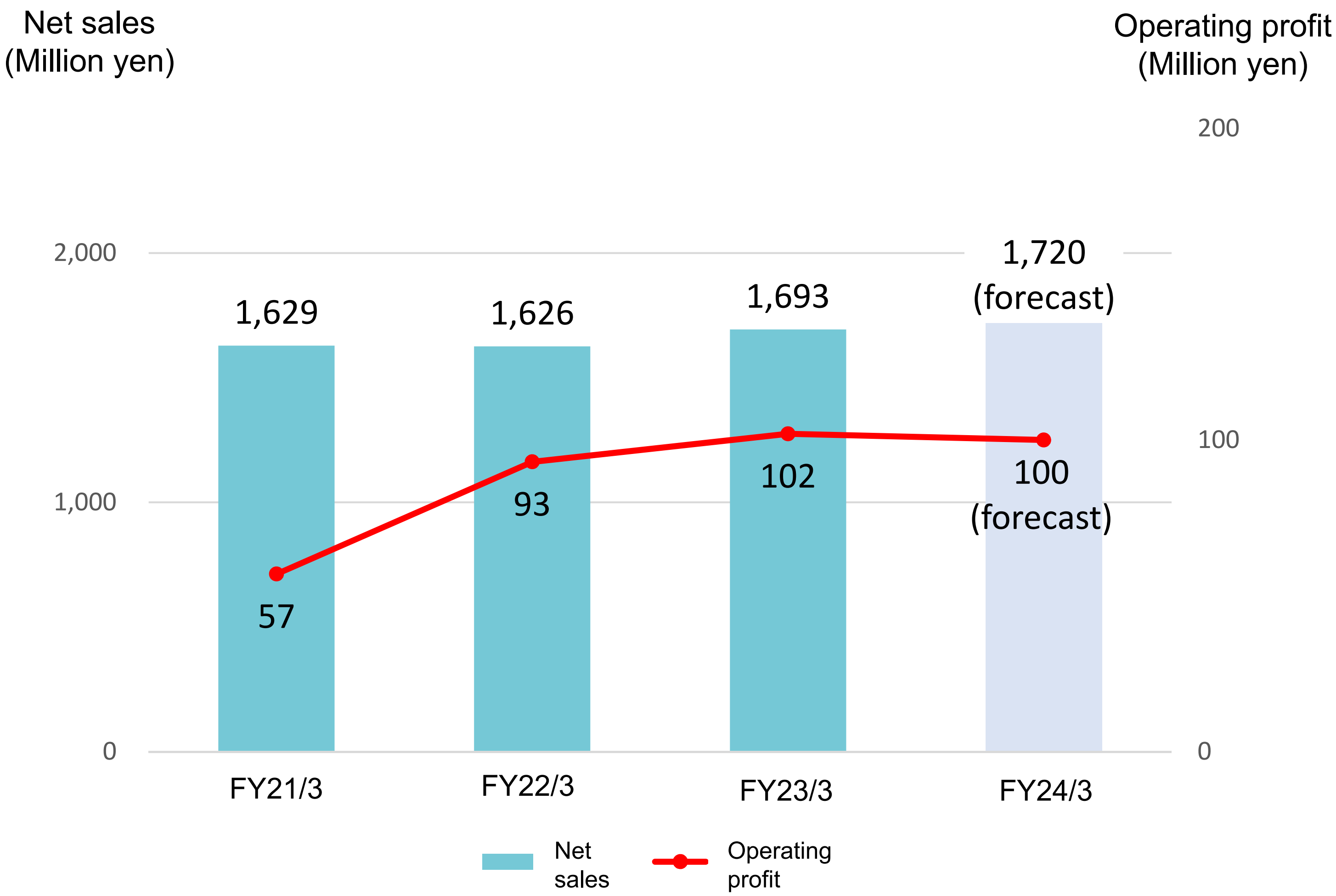
Information Systems segment



Net sales (forecast)

1,720 million yen

Year on year (change)

+26 million yen

[+1.6%]

Operating profit (forecast)

100 million yen

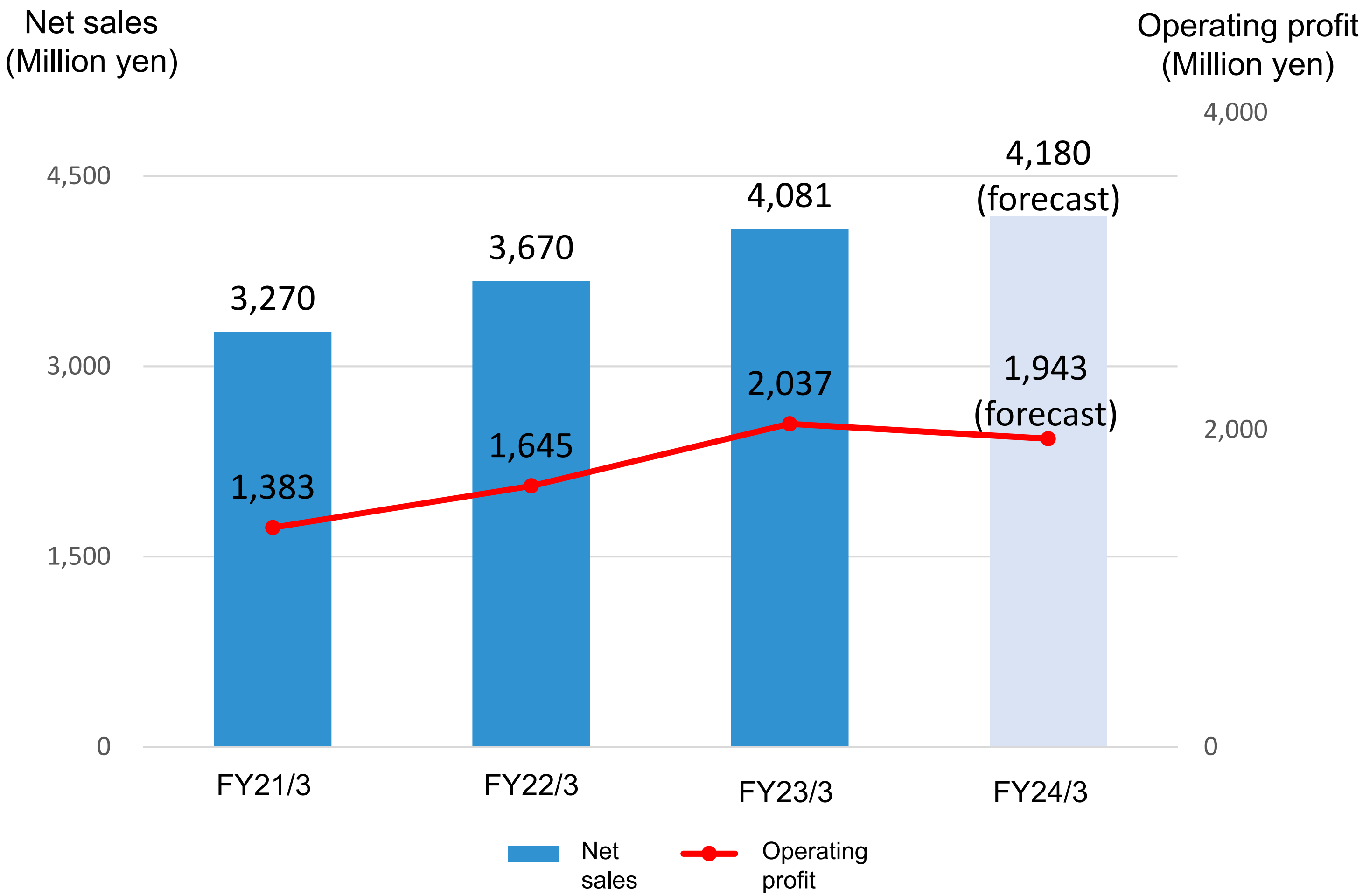
Year on year (change)

(2) million yen

[(2.5)%]

2. (2) Outlook on financial results by segment

Real Estate Business segment



Net sales (forecast)

4,180 million yen

Year on year (change)

+98 million yen

[+2.4%]

Operating profit (forecast)

1,943 million yen

Year on year (change)

(94) million yen

[(4.6)%]

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3. Progress in the Medium-Term Management Plan

(1) Financial goals

(2) Uncharted domains

(3) Core business domains

(4) Priority initiatives for the fiscal year ending March 31, 2024

3. (1) Financial goals

Medium-term management plan "Yamatane Plan 2025" financial goals

	Results FY23/3	Goals FY25/3
Net sales	51.0 billion yen	56.5 billion yen
Operating profit	3.5 billion yen	3.2 billion yen
EBITDA	6.8 billion yen	6.6 billion yen
Total assets	126.1 billion yen	118.4 billion yen
Interest-bearing liabilities	53.3 billion yen	52.0 billion yen
ROE	4.9%	5% or more
Payout ratio	26.9%	35% or more

3. (2) Uncharted domains

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Progress in uncharted domains

Uncharted domains

Section	Goal	Progress
Logistics Services	Embark on the operation of food mass merchandisers' distribution centers, etc. to make inroads into new business domains	Through the M&A of Shinyo･Logi in April 2022, we embarked on the operation of food mass merchandisers' distribution centers. We expanded our business domain into the cold chain field, where demand is increasing.
Food Business (Rice Merchand-ising)	Launch development of new varieties and product categories, given climate change risks and ever-evolving consumer needs	We conducted experiments with JA on high-yield cultivation (use of hormones, regenerative double cropping) for brands that meet actual needs. We were able to confirm an increase in yield, therefore we are continuing discussions on problem solving toward realization.

3. (2) Uncharted domains

Progress in uncharted domains

Uncharted domains

Section	Goal	Progress
Information Systems	Provide an inventory count mobile app full of know-how for the inventory count equipment rental business to meet the inventory count needs of a broad range of customers	Focusing on the distribution industry, we promoted new development and switching to the mobile app for rental customers. Approximately 50% of major department stores that are customers have completed switching. We made offers to device manufacturers as well to expand sales.
Real Estate Business	Strengthen the agency business of logistics properties, etc. by taking advantage of having the warehousing business as well	We operated both real estate leasing and warehousing, but the results were not achieved. We are currently reviewing sales strategies, including the scale of our targets.
Administration	Determine the direction for the redevelopment project of the Etchujima district, where our Headquarters is located	In order to make the most of the beautiful scenery facing the river and the potential of our location close to the city center, we are considering a land utilization plan with a consultant.

3. (3) Core business domains

Progress in core business domains

Core business domains

Section	Goal	Progress
Logistics Services	Achieve efficient and advanced logistics through alliance and collaboration with cargo owners and each player in the supply chain	By constructing a dangerous goods warehouse on the same site as existing warehouses, we were entrusted with cargo owners' VMI warehouse management work.
	Open new warehouses and replace existing warehouses to boost earning capacity	We decided to build a warehouse with a total floor area of 19,584m² at Honmoku Pier in Yokohama City. Construction started in March this year, aiming for completion in June 2024. The utilization rate is expected to be 50% or more in the year of completion.
Food Business (Rice Merchand-ising)	Assure quality and safety of rice at each distribution stage to ensure stable supply of reliable products to consumers	In order to refine and stabilize the production plan and raw material plan of the Inzai Rice Mill Factory, we implemented a make-to-stock production system instead of a make-to-order production system. We created a competitive advantage in new factories with warehouses.
	Reinforce ties with places of production and pursue reduction of production/distribution costs	We formed a capital and business alliance with a human resources support company for primary industries such as agriculture, and began to fully implement initiatives to solve labor shortages in production areas.

3. (3) Core business domains

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Progress in core business domains

Core business domains

Section	Goal	Progress
Information Systems	As a trusted partner offering the technology necessary for DX, train engineers with a broad range of advanced IT skills and make them available to customers	Two open system engineers learned legacy languages (COBOL, RPG) for multi-language support. In order to respond to customer needs in the infrastructure system, they learned RACF, which is a component of the Security Server of the z/OS operating system.
Real Estate Business	Enhance quality (safety, convenience, comfort, environmental performance) of our existing properties to maximize their real-estate value	An underground passage leading to Kayabacho Station was opened at KABUTO ONE, a redevelopment property in Kabuto-cho.
	Utilize cloud database to increase efficiency of real estate management and expand business in the property management domain	We completed the creation of a cloud database for a variety of data. By standardizing the work flow, we have increased the degree of utilization of the system and built a property management work environment.
Administration	Expand investment in human resources via education/training, hire older people with expertise and experience, and appoint female employees to managerial positions, to build a diverse human resource base	We started operating a new training system consisting of rank-specific training and job-specific training. We also provided career training for non-managerial female employees to encourage them to switch from general positions to regular positions.
	Strengthen governance so that the Board of Directors can monitor imminent risks and opportunities and provide supervision	At the Board of Directors meeting held in March 2023, we resolved to transition to a company with an Audit and Supervisory Committee, subject to approval at the 124th Annual General Meeting of Shareholders scheduled to be held in June 2023.

3. (4) Priority initiatives for the fiscal year ending March 31, 2024

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FY2023 management policy

＜Basic policy＞

Towards the Company's 100th anniversary in 2024, all executives and employees will take concrete action in order for the Group to work in a concerted effort to ensure our purpose.

＜Focus policies＞

	Focus policy	Measures
1	Speed-up of management	・Accelerate initiatives in uncharted domains through the new establishment of the Business Strategy Department ・ Enhancing the efficiency of business operations ・Foster an open corporate culture
2	Further progress of core business domains	・Secure appropriate profits ・Challenge towards the target business model
3	Strengthening and progress of the Information Systems Department	・Build an offensive and defensive information systems structure through the new establishment of the Digital Promotion Division
4	Expansion of human capital investment	・Strengthen initiatives to penetrate our purpose ・Build a fulfilling education system ・Promote initiatives to improve engagement

4. Initiatives Toward Sustainability

4. Initiatives toward sustainability

Promote sustainable rice procurement

YUIME × Supporting your sustainability Yamatane

〇Alliance with a human resources support company

In December 2022, the Company concluded a capital and business alliance with YUIME INC., a company that develops human resource support businesses, etc. for primary industries and actively works to solve the issue of shortages of agricultural human resources in production areas.

In our “Yamatane Vision 2031,” the Group aims to “facilitate cooperation among producers for sustainable farming,” and we will utilize the management resources of both companies to develop and pioneer new business models, new services, new products, new technologies, and more.

4. Initiatives toward sustainability

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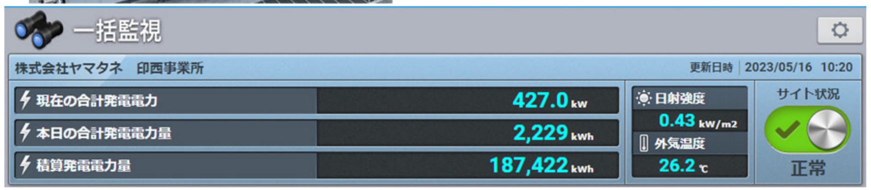
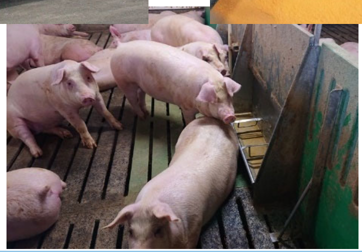
Promote eco-friendly business

3 GOOD HEALTH AND WELL-BEING | 7 AFFORDABLE AND CLEAN ENERGY | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION



○Solar panel installation

A total of 2,268 solar panels will be installed on the roofs of the Inzai Rice Mill Factory and the Inzai Archives Center, and all the power generated will be supplied to these two centers. The panel capacity of this equipment will be 1,224 kW, and it will be possible to supply an estimated annual power generation of 1,114 MWh, which is expected to reduce CO2 emissions by 509 tons annually.



○Reuse of water generated in the rice polishing process

At the Inzai Rice Mill Factory, the wastewater (water after washing rice) produced from the pre-washed rice production process is given to Bright Pig Chiba co.,Ltd as a raw material for pig feed. By reusing this water as a raw material for pig feed, the Company is contributing to the reduction of energy for waste disposal and CO2 emissions, as well as the realization of recycling-oriented society.

5. Reference Materials

Company overview

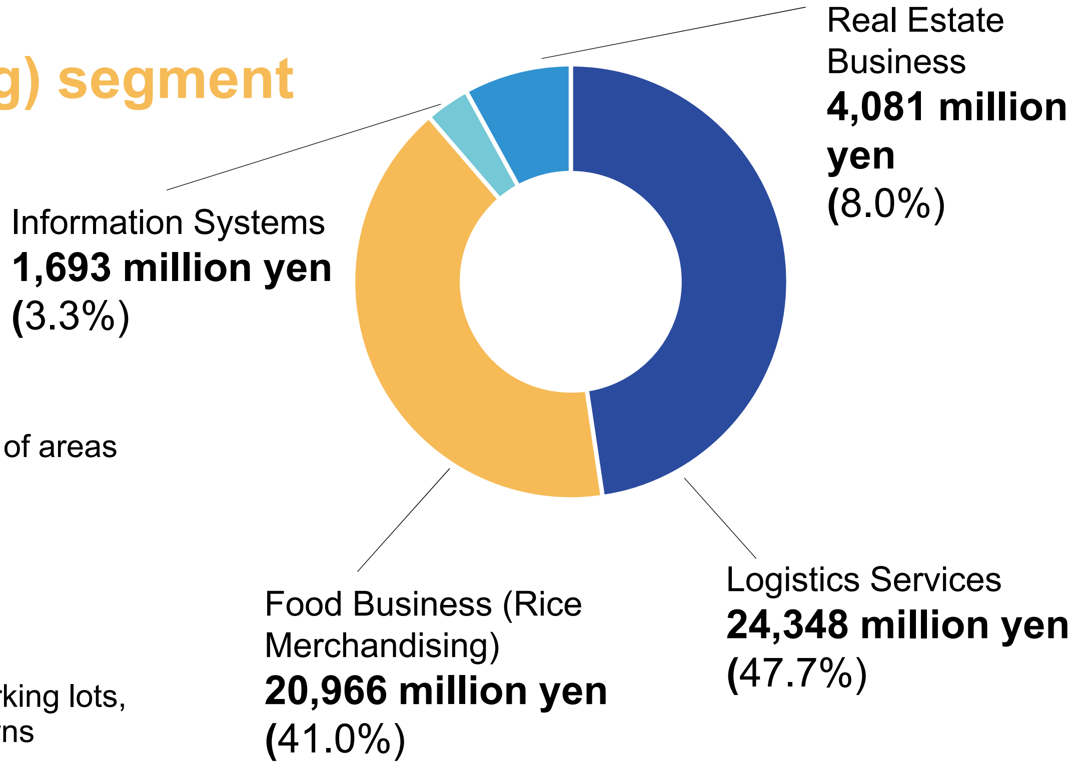
Company name:	Yamatane Corporation
Foundation:	July 1924, to celebrate the 100th anniversary in 2024
Location:	1-2-21 Etchujima, Koto-ku, Tokyo
Capital:	10,555 million yen
Listed market:	Prime Market, Tokyo Stock Exchange (securities code: 9305)
Representatives:	Motohiro Yamazaki, President & Representative Director Tatsuya Tsunoda, Executive Vice President & Representative Director Yasumichi Suzuki, Executive Vice President & Representative Director
Number of employees	923 (on a consolidated basis) (as of March 31, 2023)
Businesses:	・Logistics Services-related: Warehousing services, port and harbor transportation services, customs services, and cargo-use and transportation services ・Food Business (Rice Merchandising)-related: Staple food wholesale services ・Information Systems-related: Designing, development, and sale of software for information equipment and information processing services ・Real Estate Business-related: Sale and purchase, brokerage, leasing, and management of real estate
Affiliates:	Six consolidated subsidiaries (as of March 2023)

Businesses

Logistics Services segment

Provides logistics platform which supports customers' corporate activities, ranging from procurement to production, sales, and reverse logistics

■ **Net sales by segment (FY2023/3)**



Food Business (Rice Merchandising) segment

Works to maintain and develop the local farming industry through collaboration with production areas, while supporting Japan's food culture

Information Systems segment

Provides IT solutions and operation support services in a wide range of areas

Real Estate Business segment

Conducts efficient operation of logistics and commercial facilities, parking lots, etc. by placing a focus on leasing of office buildings the Company owns

Engages also in property management, sale and purchase and brokerage of real estate, among other things

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2030 sustainability goals

○ Promote eco-friendly business

- Reduce greenhouse gas emissions
- Reduce energy consumption
- Control waste and hazardous substances

2030 goal

□Reduce GHG emissions: 50% or more from FY2013

○ Improve quality of products and services

- Offer safe and reliable products and services
- Promote health and safety
- Protect personal information and maintain advanced data security
- Manage risks

2030 goals

□Serious occupational accidents/incidents[*1]: 0

□Have all sites certified for ISO 9001 (commercial warehouses / rice mills)

□Personal information leakage incidents: 0

○ Celebrate diverse human resources and support their success

- Reform workstyles by improving productivity
- Develop and train human resources
- Support the success of diverse human resources including women
- Prevent discrimination and be considerate to the socially disadvantaged

2030 goals

□Ratio of annual paid leave taken: 80% or more

□Ratio of female managers[*2]: 20% or more

□Empower mid-career employees

○ Develop local communities, farming regions, and agriculture

- Participate in community efforts and contribute to their development

2030 goals

□Contribute to community-based cultural activities

□Further government-private partnerships in the wake of large-scale disasters

□Build a consortium among places of production, governments, and business partners

○ Promote sustainable rice procurement

- Procure materials sustainably and use them efficiently

2030 goal

□Realize sustainable farming by establishing brand value at places of production

○ Enhance corporate governance

- Ensure sound management, pursue efficiency, improve transparency, and maintain reproducibility
- Manage risks
- Appropriately disclose information

2030 goals

□The Board of Directors monitor risks and opportunities and address them appropriately

□Cases of serious non-compliance: 0

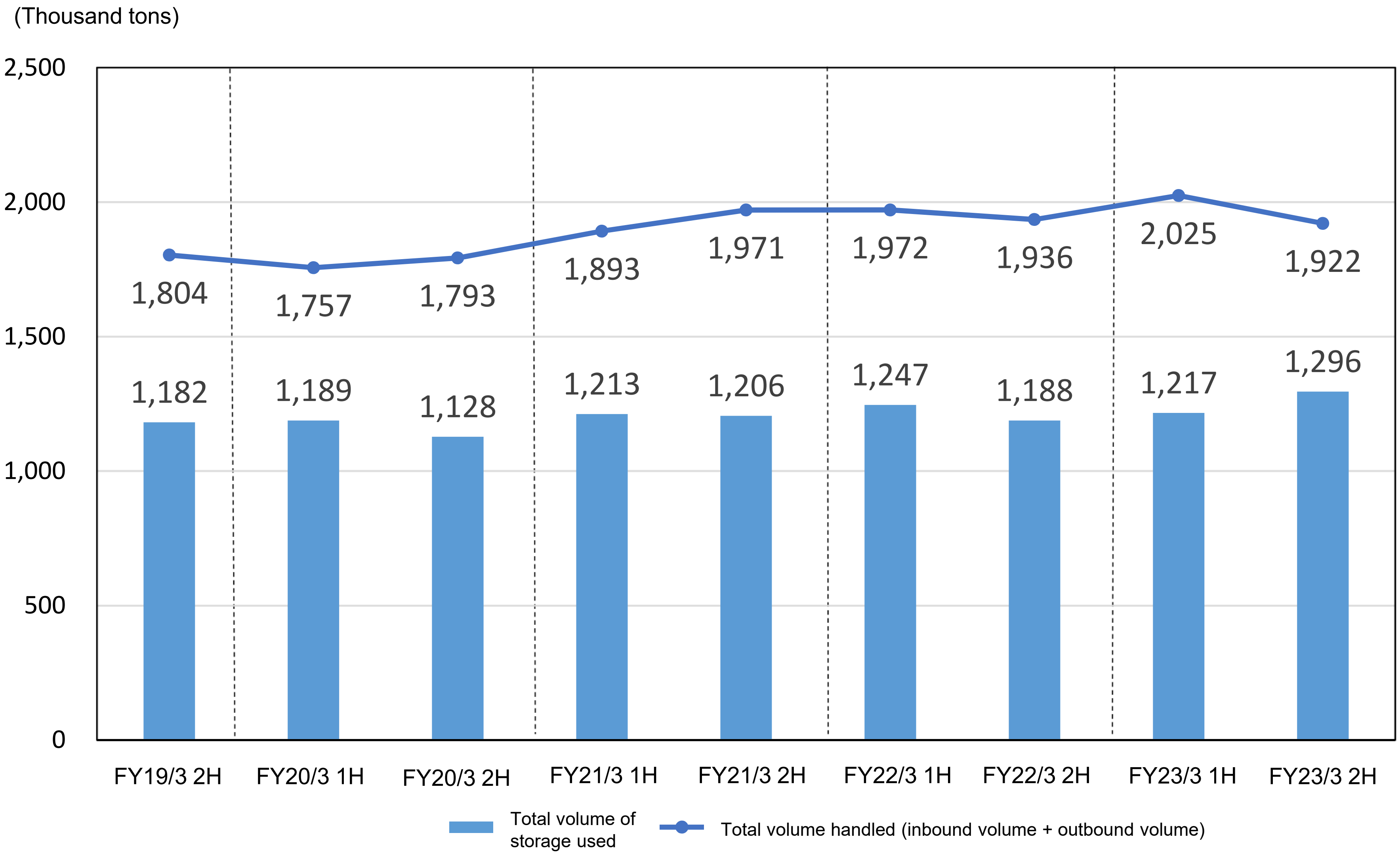
*1 Serious occupational accidents/incidents

(1) Death, diseases (possibly) requiring extended care, injuries (possibly) resulting in physical impairment, and specified communicable diseases

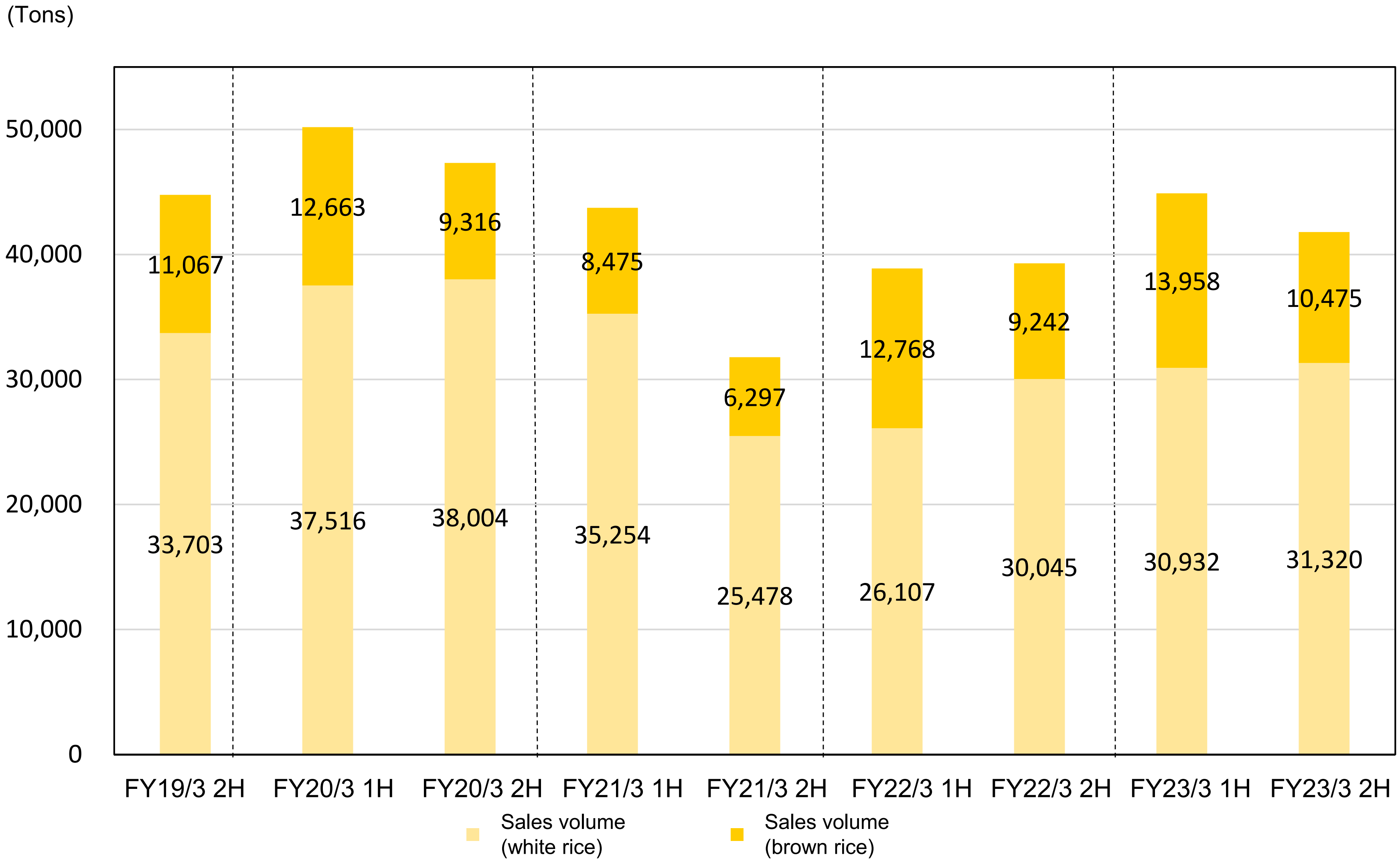
(2) Work-related disasters that resulted in death, injury, or infection of three or more workers at one time (including those not accompanied by lost worktime)

*2 Scope: Yamatane Corporation

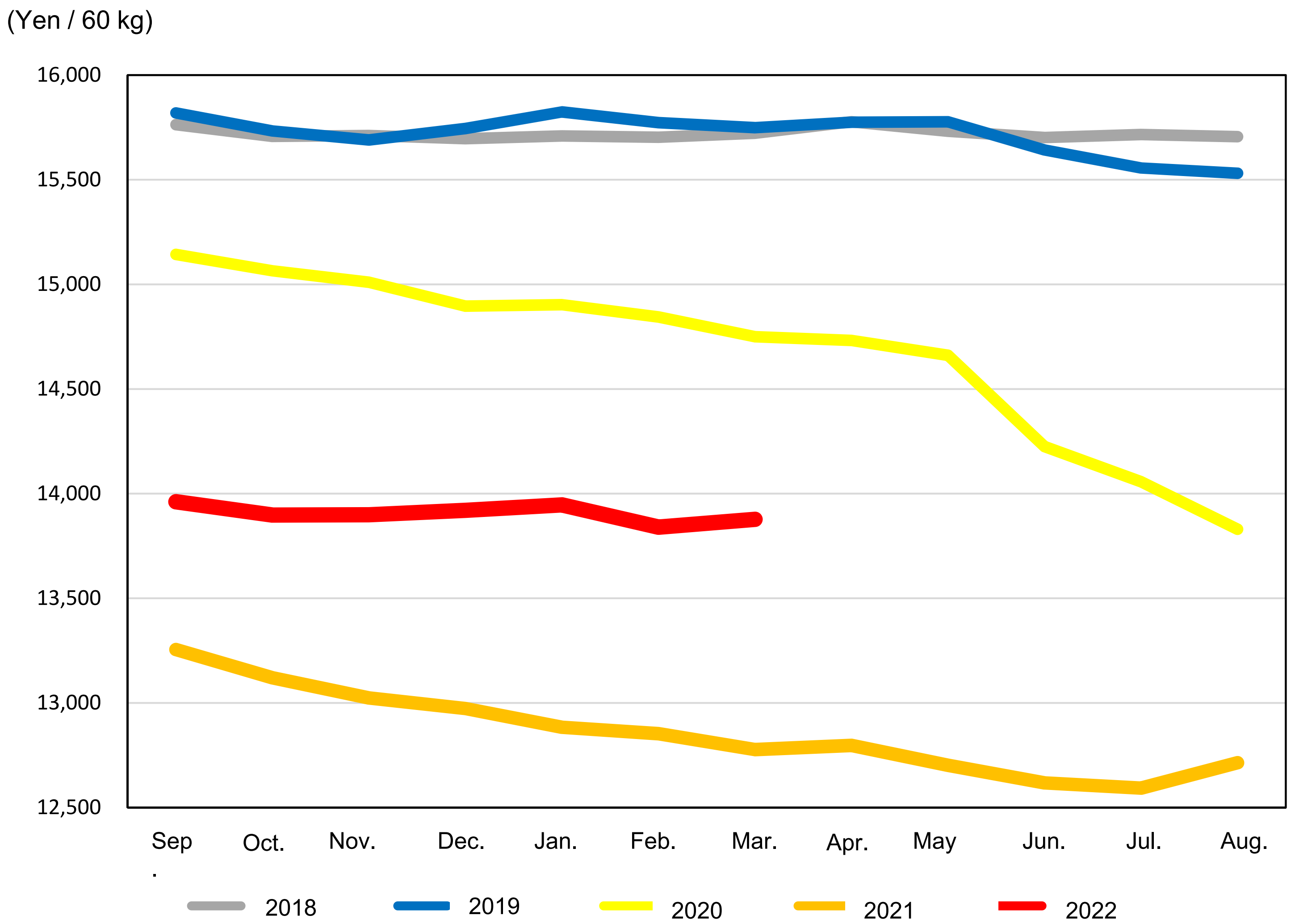
[Logistics Services] Total volume of storage used / total volume handled



[Rice Merchandising] Sales volume (white rice / brown rice)



[Rice Merchandising] Over-the-counter price of rice by production year



Average price	
Produced in 2018	15,688
Produced in 2019	15,716
Produced in 2020	14,616
Produced in 2021	12,835
Produced in 2022	13,865

Data source:
Over the Counter Price of Rice, Ministry of Agriculture, Forestry and Fisheries

Dividends

◆Basic policy: Continue stable dividends to shareholders while aiming to expand business revenue and strengthen financial standing from a medium- to long-term perspective.
To enhance shareholder returns toward the 100th anniversary of the Company's founding in 2024, we will adopt a progressive dividend policy in which dividends increase gradually.

◆Consolidated dividend payout ratio target: 35% or higher

◆Annual dividends: 56 yen for the fiscal year ended March 31, 2023
57 yen for the fiscal year ending March 31, 2024 (forecast)

	FY22/3	FY23/3 Sep. 30	FY23/3 Mar. 31	FY24/3 Sep. 30	FY24/3 Mar. 31 (forecast)
Annual dividends	55 yen	25 yen	31 yen	**25 yen**	**32 yen**
Consolidated dividend payout ratio	31.0%	26.9%		**26.8%**	

Notes

- Forward-looking statements regarding the performance trends and business details of Yamatane Corporation (the “Company”) in this document are based on the Company’s plans, estimates, expectations, and forecasts as of the date of publication of this document.
- The forward-looking statements involve a variety of inherent risks and uncertainties. Known or unknown risks, uncertainties, and other factors may cause results that are different from details provided herein.
- The actual business details and financial results of the Company in the future may differ from the forward-looking statements in this document.
- Forward-looking statements in this document are made by the Company based on information available as of the disclosure of this document (May 26, 2023), and will not be updated or changed to reflect future events or circumstances.

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