Supporting your sustainability

Yamatane

Financial Results Briefing Materials

for the Fiscal Year Ended March 31, 2022

May 26, 2022

Yamatane Corporation

(Securities code: 9305)

Contents

1. Overview of Financial Results for the Fiscal Year Ended March 31, 2022

(1) Business environment for the fiscal year ended March 31, 2022
(2) Overview of consolidated financial results
(3) Overview of financial results by segment
   (i) Net sales
   (ii) Operating profit
(4) Consolidated cash flows
(5) Consolidated financial position

1. (1) Business environment for the fiscal year ended March 31, 2022

Yamatane

Amid the prolonged COVID-19 pandemic, there were signs of economic recovery as social/economic activities began returning to normal. Triggered by the Ukrainian situation in Feb. '22, however, the economic outlook became uncertain due to a downward risk stemming from the resultant rise in raw materials prices, etc.

Logistics industry

Despite the disruptions caused by the pandemic, the industry recovered overall, with total shipping volume of domestic cargo, both consumer- and production-related, increasing. The total shipping volume of international cargo, too, showed an increase for both imports/exports.

Rice distribution industry

As restaurant-related consumption declined due to the pandemic, stocks of rice harvested in 2020 built up, which fueled sales competition among rice wholesalers to lower trading prices. In addition, the pandemic's lingering impact pushed down trading prices of rice harvested in 2021.

Information services industry

The pandemic limited person-to-person contact and accelerated the permanent shift to work-from-home and online meetings. This increased the need for a transition to a digital society, which in turn accelerated the shift to cloud-based services and digital transformation (DX).

Real estate industry

Land prices began recovering as the pandemic gradually abated. Official land prices began rising for the first time in two years both in terms of national average (for all uses) and regional areas. Meanwhile, the move to downsize offices continued as more people work from home, etc., increasing vacancy rates at office buildings for rent and lowering rents in city centers.

1. (2) Overview of consolidated financial results

Net sales undershot the plan as sales competition intensified and trading prices declined due to weak restaurant-related demand in the Food Business (Rice Merchandising) segment. However, operating profit was in line with the plan due to the opening and full-year-contributions of redevelopment projects in the Real Estate Business segment. (The adoption of the Accounting Standard for Revenue Recognition, etc. caused net sales to decrease by 1,362 million yen.)

(Million yen)

	FY21/3	FY22/3		Year-on-year (Note)		Compared with plan	
	Results	Plan	Results		% change		% change
Net sales	48,690	48,100	46,765	[(1,925)]	—	(1,334)	(2.8)%
Operating profit	3,302	3,000	3,002	(300)	(9.1)%	2	0.1%
Operating profit margin	6.8%	6.2%	6.4%	—	—	—	—
Ordinary profit	3,142	2,710	2,655	(486)	(15.5)%	(54)	(2.0)%
EBITDA	5,299	5,310	5,317	18	0.3%	7	0.2%
Profit attributable to owners of parent	2,042	1,650	1,832	(210)	(10.3)%	182	11.1%

Note: As the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. has been adopted from the beginning of the fiscal year ended March 31, 2022, net sales for the fiscal year under review reflect the adoption of the accounting standard, etc. and the year-on-year percentage changes are not presented. The amount of change presented in square brackets is a simple comparison.

1. (3) Overview of financial results by segment
(i) Net sales

Yamatane

The Logistics Services segment performed strongly and the Real Estate Business segment grew significantly year-on-year primarily due to the opening of redevelopment projects, while the situation in the Food Business (Rice Merchandising) segment remained bleak and decreased year-on-year.

(Million yen)

Segment	FY21/3	FY22/3	Change(Note)	% change	Overview
Logistics Services	22,306	21,909	[(396)]	—	International services saw a pickup in the number of overseas removal projects handled and otherwise. For domestic services, however, cargo movements of commercial-use beverages, etc. remained sluggish and those of consumer electronics, etc. decreased as cocooning demand had run its course. (The adoption of the Accounting Standard for Revenue Recognition caused net sales to decrease by 589 million yen.)
Food Business (Rice Merchandising)	21,484	19,558	[(1,926)]	—	Stocks of rice harvested in 2020 built up due to the decline in consumption at restaurants, which fueled sales competition among rice wholesalers and caused trading prices to fall. Sales to restaurants and company cafeterias, too, decreased. (The adoption of the Accounting Standard for Revenue Recognition caused net sales to decrease by 545 million yen.)
Information Systems	1,629	1,626	[(2)]	—	Some clients of the inventory count equipment rental business cancelled or narrowed the scale of their inventory count projects, but contract IT system development projects grew strongly. (The adoption of the Accounting Standard for Revenue Recognition caused net sales to increase by 17 million yen.)
Real Estate Business	3,270	3,670	[+400]	—	An aggressive approach to attracting tenants resulted in a gradual pickup in building utilization, while the opening of KABUTO ONE (for Kabuto-cho Redevelopment Project) in August 2021 and the full-year operation of Yamatane Gotanno Building (completed in December 2020) contributing to the segment's net sales. (The adoption of the Accounting Standard for Revenue Recognition caused net sales to decrease by 244 million yen.)
Total	48,690	46,765	[(1,925)]	—	

Note: As the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. has been adopted since the beginning of the fiscal year ended March 31, 2022, net sales for the fiscal year under review reflect the adoption of the accounting standard, etc. and the year-on-year percentage changes are not presented. The amount of change presented in square brackets is a simple comparison.

1. (3) Overview of financial results by segment
(ii) Operating profit

Yamatane

Operating profit of the Logistics Services segment decreased due to the depreciation of the Inzai Archives Center, despite solid performance in the segment. The Food Business (Rice Merchandising) segment reported operating loss primarily due to drops in rice trading prices. Profit from the Real Estate Business segment and Information Systems segment, on the other hand, increased primarily due to the opening of redevelopment projects and the reduction in outsourcing costs, respectively.

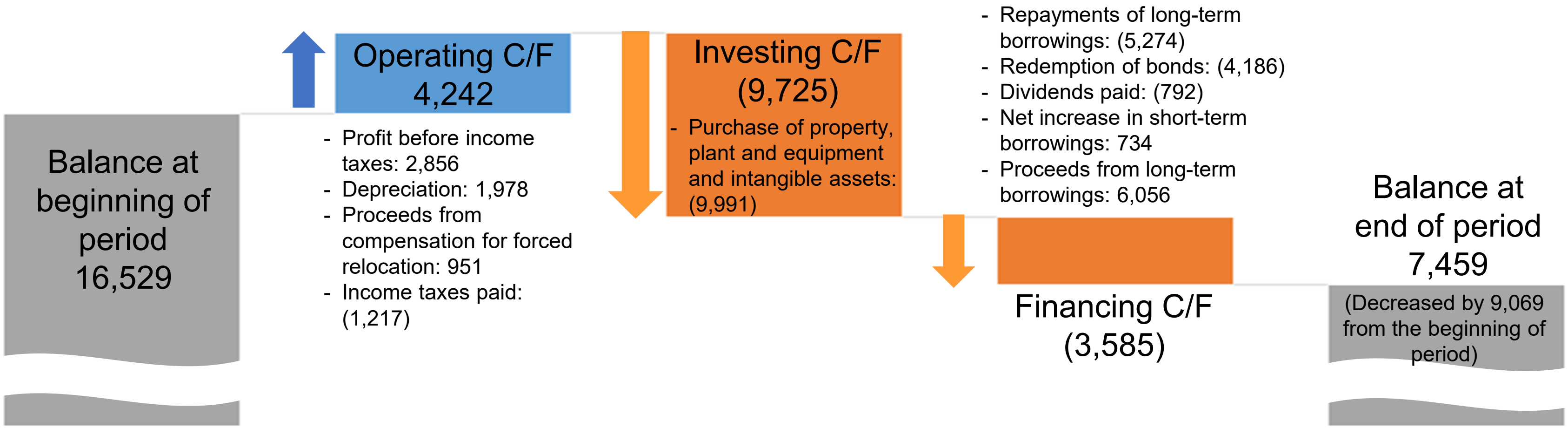
(Million yen)

Segment	FY21/3	FY22/3	Change	% change	Overview
Logistics Services	2,444	2,360	(84)	(3.4)%	Operating profit decreased due to the depreciation of the Inzai Archives Center, which has started its operation
Food Business (Rice Merchandising)	303	(143)	(447)	—	Operating loss recorded mainly due to the valuation loss on inventories of rice harvested in 2020 following decreases in trading prices
Information Systems	57	93	36	63.0%	Operating profit increased due to the reduction in outsourcing costs and a reversal of previously recorded SG&A expenses
Real Estate Business	1,383	1,645	262	18.9%	Operating profit increased due to top-line growth
Adjustments	(886)	(953)	(66)	—	
Total	3,302	3,002	(300)	(9.1)%	

1. (4) Consolidated cash flows

(Million yen)

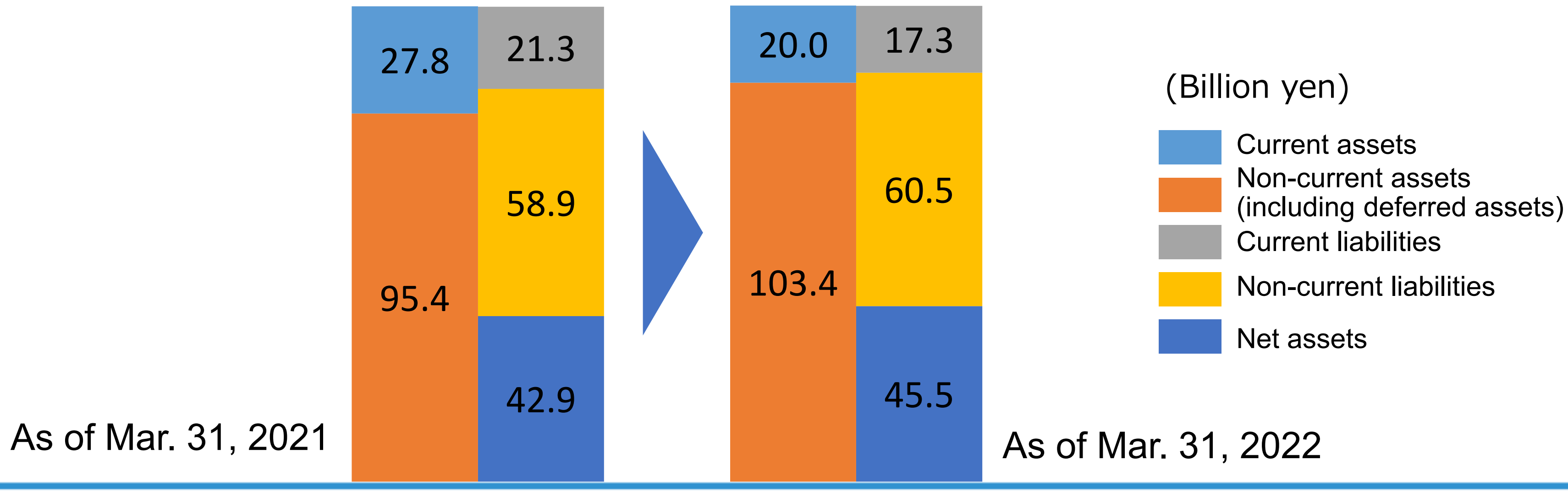
	FY21/3	FY22/3	Year on year	Factors for change
Operating C/F	4,044	4,242	197	Decrease (increase) in trade receivables: 1,663 Decrease (increase) in investments in leases: (1,365) Proceeds from compensation for forced relocation: 951
Investing C/F	(6,333)	(9,725)	(3,391)	Purchase of property, plant and equipment and intangible assets: (3,228)
Financing C/F	8,924	(3,585)	(12,510)	Net increase (decrease) in short-term borrowings: 2,933 Redemption of bonds: (2,410) Proceeds from issuance of bonds: (9,947)
Balance at end of period	16,529	7,459	(9,069)	



1. (5) Consolidated financial position

(Million yen)

	As of Mar. 31, 2021	As of Mar. 31, 2022	Change	Factors for change
Total assets	123,279	123,425	146	Current assets: (7,779) [Cash and deposits: (9,069)] Non-current assets: 7,993 [Property, plant and equipment: 5,953]
Liabilities	80,355	77,867	(2,488)	Current liabilities: (4,019) [Trade accounts payable: (409), Interest-bearing debt: (2,439)] Non-current liabilities: 1,531 [Long-term accounts payable in other non-current liabilities: 408, Long-term advances received: 951]
Net assets	42,923	45,558	2,634	Retained earnings: 1,037 Valuation difference on available-for-sale securities: 1,300



Yamatane

2. Outlook on Financial Results for the Fiscal Year Ending March 31, 2023

(1) Outlook on consolidated financial results

(2) Outlook on financial results by segment

(i) Net sales

(ii) Operating profit

2. (1) Outlook on consolidated financial results

Yamatane

While social/economic activities are expected to gradually return to normal with infections being kept in check, the outlook remains unclear due partly to rising prices stemming from the Ukrainian situation and the difference in interest rates between Japan and the U.S., with the result that profit is expected to decrease because of the depreciation of the Inzai Rice Mill Factory (now in operation) of the Food Business (Rice Merchandising) segment and goodwill amortization following an M&A. Meanwhile, EBITDA is expected to increase year-on-year, partly buoyed by profit growth in the brisk Logistics Services segment and Real Estate Business segment.

(Million yen)

	FY22/3 Results	FY23/3 Outlook	Change	% change
Net sales	46,765	52,100	5,334	11.4%
Operating profit	3,002	2,890	(112)	(3.8)%
Operating profit margin	6.4%	5.5%	—	—
Ordinary profit	2,655	2,650	(5)	(0.2)%
EBITDA	5,317	6,200	882	16.6%
Profit attributable to owners of parent	1,832	1,420	(412)	(22.5)%

2. (2) Outlook on financial results by segment
(i) Net sales

With Shinyo•Logi Co., Ltd. and KABUTO ONE starting to contribute to earnings and establishing a foothold into the new medium-term management plan, we should see the expansion of a new customer base, transaction volumes, business, etc., which will in turn boost sales in each segment.

(Million yen)

Segment	FY22/3 Results	FY23/3 Outlook	Change	% change	Overview
Logistics Services	21,909	23,400	1,490	6.8%	Net sales are expected to increase as we expect the operation of food mass merchandisers' distribution centers and Shinyo・Logi, which was acquired in April 2022 as a foothold into the cold chain business, to begin contributing to earnings, external sales for transport service to expand, and orders for VMI warehouse projects to increase, etc.
Food Business (Rice Merchandising)	19,558	22,900	3,341	17.1%	Will use a greater variety of suppliers to prepare for a pickup in rice demand due to rising prices of other farm products. Net sales are expected to increase through proactive offering of solutions and new customer acquisition
Information Systems	1,626	1,700	73	4.5%	Net sales are expected to increase as we anticipate handling more projects for development/operation of on-site IT systems
Real Estate Business	3,670	4,100	429	11.7%	Net sales are expected to increase as KABUTO ONE will start contributing to earnings throughout the year
Total	46,765	52,100	5,334	11.4%	

2. (2) Outlook on financial results by segment (ii) Operating profit

Profit from KABUTO ONE will be felt throughout the year and the Logistics Services segment should perform briskly, but operating profit is forecasted to decrease primarily due to the depreciation of the Inzai Rice Mill Factory and goodwill amortization following an M&A.

(Million yen)

Segment	FY22/3 Results	FY23/3 Outlook	Change	% change	Overview
Logistics Services	2,360	2,380	19	0.8%	Operating profit is expected to remain flat year-on-year, with factors for profit increase (contributions from recently-acquired Shinyo・Logi, VMI warehouse projects, etc.) being offset by the uncertainty of key cargo movements and an anticipated increase in labor cost
Food Business (Rice Merchandising)	(143)	(200)	(56)	—	Operating loss is expected to continue due to the depreciation of the Inzai Rice Mill Factory, despite an expected increase in sales volumes and our plan to increase production efficiency by consolidating plants
Information Systems	93	60	(33)	(36.0)%	Operating profit is expected to decrease primarily due to an increase in labor costs (including upfront investments for business expansion), despite the anticipated increase in the volume of on-site IT system business
Real Estate Business	1,645	1,940	294	17.9%	Operating profit is expected to increase on account of top-line growth
Adjustments	(953)	(1,290)	(336)	—	
Total	3,002	2,890	(112)	(3.8)%	

3. Formulation of Our Long-Term Vision and New Three-Year Medium-Term Management Plan

(1) Long-term vision

(2) New three-year medium-term management plan

(3) Priority initiatives for the fiscal year ending March 31, 2023

3. (1) Long-term vision

Yamatane Vision 2031

PURPOSE we set up	Involve diverse human resources to offer meaningful services to society
VISION we wish to fulfill in 9 years	Dedicated to making our society better through logistics services and food distribution
VALUE we offer	With the corporate philosophy-inspired cycle of “faith, trust, confidence” firmly in mind, we make our society safer and more secure and efficient through opportune alliances and collaboration with each and every stakeholder in the value chain.

Uncharted domains

Embark on new services and develop two types of solutions to social issues

Initiatives to embark on new services

Solutions to stabilize food supply
- Operation of food mass merchandisers’ distribution centers
- Third party logistics from suppliers
- Processed food meeting the need for greater convenience of eating
- Rationalization of food distribution via blockchain

Circulative resource solutions
- Greater use of renewable energy for business
- Promotion of 3Rs based on waste distribution
- Promotion of programs for food waste
- Establishment of secure and reliable services via blockchain

Core business domains

Maintain and strengthen the existing four business segments to contribute to the realization of a sustainable society

Logistics Services
- Improve ability to support cargo owners’ supply chains
- “Scrap & build” obsolete distribution centers
- Make inroads into the cold chain business

Food Business (Rice Merchandising)
- Facilitate cooperation among producers for sustainable farming
- Add more value by shoring up marketing
- Increase efficiency of the entire supply chain

Information Systems
- Maintain competitive advantage of mainframe technology
- Strengthen ability to develop systems for broad areas
- Promote DX by utilizing digital technology

Real Estate Business
- Redevelop and increase value of our own property
- Strengthen non-asset areas, such as PM
- Maintain stable earnings base by keeping utilization high

Establish growth-oriented and compliance-oriented governance to create both social value and economic value

Materiality | Organizational foundations

3. (2) New three-year medium-term management plan

Yamatane Plan 2025

Dedicated to making our society better in advance of the first centennial anniversary of our inception

Policies

1. Divide domains into "uncharted" and "core business" domains to properly allocate management resources and optimize their scales
2. Conduct business in an eco-friendly way to ensure security, safety, and efficiency in our society
3. Tap into existing assets (financial, manufacturing, intellectual, human, social, and natural) to seek business opportunities according to a long-term outlook

Goals

	ROE	Payout ratio	Net sales	Operating profit	EBITDA
Financial goals	5% or more	35% or more	56.5B yen	3.2B yen	6.6B yen

By-segment goals

Uncharted domains

Logistics Services
- Embark on the operation of food mass merchandisers' distribution centers, etc. to make inroads into new business domains

Food Business (Rice Merchandising)
- Launch development of new varieties and product categories, given climate change risks and ever-evolving consumer needs

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

Real Estate Business
- Strengthen the agency business of logistics properties, etc. by taking advantage of having the warehousing business as well

Administration
- Determine the direction for the redevelopment project of the Etchujima district, where our Headquarters is located

Core business domains

Logistics Services
- Achieve efficient and advanced logistics through alliance and collaboration with cargo owners and each player in the supply chain
- Open new warehouses and replace existing warehouses to boost earning capacity

Food Business (Rice Merchandising)
- Assure quality and safety of rice at each distribution stage to ensure stable supply of reliable products to consumers
- Reinforce ties with places of production and pursue reduction of production/distribution costs

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

Real Estate Business
- Enhance quality (safety, convenience, comfort, environmental performance) of our existing properties to maximize their real-estate value
- Utilize cloud database to increase efficiency of real estate management and expand business in the property management domain

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
- Strengthen governance so that the Board of Directors can monitor imminent risks and opportunities and provide supervision

3. (3) Priority initiatives for the fiscal year ending March 31, 2023

Yamatane

In the relentless quest for sustainable growth

Starting anew to achieve Vision 2031

1. **Promote the medium-term management plan, "Yamatane Plan 2025"**
2. **Classify all businesses as either "uncharted domains" or "core business domains" to optimize allocation of management resources**
3. **Create new business domains through integrated management of the Group**
4. **Systematically implement long-term strategies**
5. **Undertake operational reforms and develop organizational foundations**
6. **Realize a sustainable society through sustainability-oriented management**

4. Reference Materials

Yamatane

■ Shinyo・Logi becomes a wholly-owned subsidiary (Announced on Jan. 21, ‘22)

On April 1, 2022, we completed the acquisition of all outstanding shares in Shinyo・Logi Co., Ltd.

The Yamatane Group has four business segments (Logistics Services, Food Business, Information Systems, and Real Estate Business) under its umbrella. Among the primary domestic services of the Logistics Services segment are warehouse-based storage at room temperature, distribution, and distribution processing. For the Food Business segment, we wholesale rice to food mass merchandisers and restaurant operators.

With its core businesses being daily distribution of food products in general, including perishables, and the operation of food mass merchandisers’ distribution centers, Shinyo・Logi possesses know-how in operating transfer centers for frozen/refrigerated storage and distribution. We expect this to create synergies with our Logistics Services and Food Business segments.

Overview of Shinyo・Logi Co., Ltd.	
Trade name	Shinyo・Logi Co., Ltd.
Location	2-1-15, Takahama, Mihama-ku, Chiba City, Chiba Prefecture
Main lines of business	Transportation of general cargo, including perishables and food, and warehousing
Paid-in capital	20,000,000 yen
Establishment	June 1972
URL	https://shinyo-logi.net/index.php

Opened Inzai Rice Mill Factory / Received BELS certification
(Announced on January 6, 2022)

We opened the Inzai Rice Mill Factory in Inzai-shi, Chiba. With annual production of 70,000 tons (one of the largest in Japan), this facility incorporates features designed to reduce environmental impact, such as three-dimensionally arranged machinery to connect processes by “free fall” for lower power requirements for rice conveyance equipment and introduction of the state-of-the-art machinery for rationalized energy use. This facility also reduces energy for waste disposal and CO_2 emissions by outsourcing treatment of wastewater produced from the pre-washed rice production process to feed manufacturers so that the wastewater will be reused as raw material for producing feed.

The Inzai Rice Mill Factory received a five-star rating, the highest rating under the Building-Housing Energy-efficiency Labeling System (BELS), and a ZEB Ready evaluation. With its advanced energy saving performance, which allowed it to reduce its primary energy consumption to less than 50% of the applicable energy efficiency standard, and eco-friendly operations, this facility will further advance its production control system with a focus on safety, quality, and efficiency.

▲ Exterior view

Overview of the facility	
Location	2-1-1, Tsukuriyadai, Inzai-shi, Chiba
Building area	8,190.40 ㎡
Total floor area	12,413.36 ㎡
Principal structure	Steel frame
Number of floors	2 aboveground floors
Major equipment	Rice milling machines, pre-washed rice processing machines, constant temperature brown rice warehouse (1,184.73 ㎡)
Opening	February 2022

■ **Financed through the SDGs Promotion Loan program**
(Announced on January 5, 2022)

On December 30, 2021, we raised funds through a syndicated loan arranged by Sumitomo Mitsui Banking Corporation (SMBC). This syndicated loan was extended as part of SMBC's SDGs Promotion Loan*.

We were granted the loan because of the expected contributions to achieving the SDGs through the following undertakings. Based on the analysis results for this arrangement, we will remain committed to the achievement of the SDGs as we work to realize a sustainable society.

* At the time of arrangement, SMBC and the Japan Research Institute, Limited confirm applicants' commitment to the SDGs and the present state of their efforts and analyze the logic of how they intend to go about contributing to the SDGs through their main business, based on which advice, etc. on how they can further advance their initiatives for the SDGs is provided.

(1) Supporting rice farmers by purchasing the total amount produced / Helping to realize circulatory farming through reuse of water after washing rice

For many years, we have contracted out production of high-yielding rice to selected producers and purchased the total amount thus produced. We also use the IoT to visualize cultivation techniques with the purpose of improving yields per acre and productivity. These initiatives have been recognized as contributing to stabilizing farm management and maintaining/revitalizing production infrastructure in respective regions, and potentially to preventing vacant arable land.

At the Inzai Rice Mill Factory, which was opened in February 2022, we reduce energy for waste disposal and CO_2 emissions by outsourcing the treatment of wastewater (water after washing rice) produced from the pre-washed rice production process to feed manufacturers so that the wastewater will be reused as raw material for producing feed, thus contributing to the realization of circulatory farming.

4. (1) Topics

(2) Facilitating the use of renewable energy and the improvement of energy efficiency in the production and logistics processes

7 AFFORDABLE AND CLEAN ENERGY

In October 2021, our six bases in the Kanto region began purchasing electricity that is fully sourced from renewable energy. In a bid to further expand the use of renewable energy, we are considering installing solar cells under the Power Purchase Agreement (PPA).

In the Food Business segment, we will rationalize energy use during the rice milling process by introducing the latest equipment, and in the Logistics Services segment we will develop a platform for cooperative distribution and promote the changeover to vehicles with lower environmental impact, thus improving energy consumption efficiency.

At the Inzai Archives Center, which was completed in April 2021, we successfully reduced our energy consumption to less than 50% of the applicable energy efficiency standard by planning and implementing, from the construction stage, warehouse operations that achieve reduced environmental impact, for which we received the highest rating under BELS and a ZEB Ready evaluation.

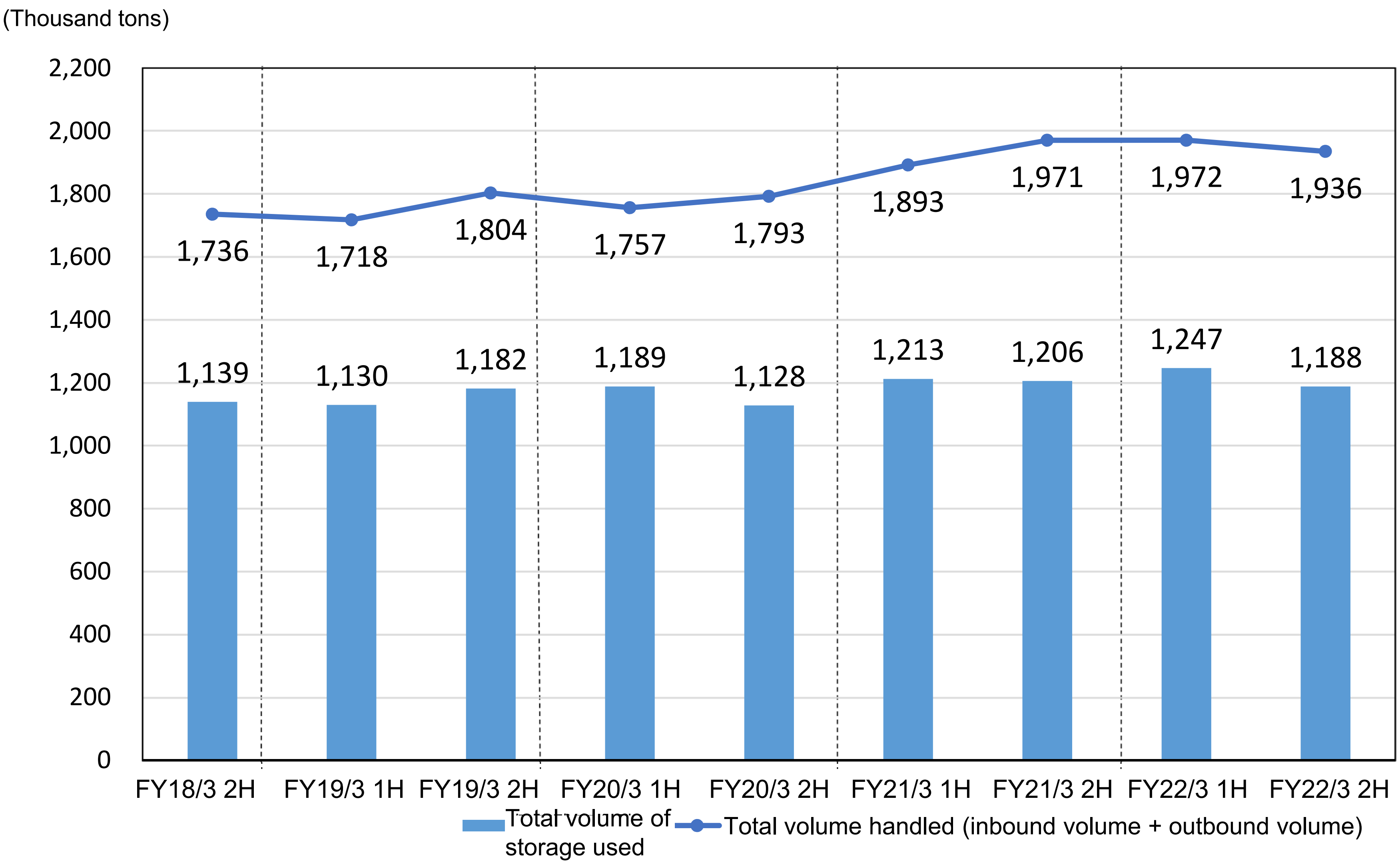
We also mapped out a plan to place machinery and design a structure in an eco-friendly manner for the Inzai Rice Mill Factory, which was opened in February 2022.

BELS Building-Housing Energy-efficiency Labeling System
建築物省エネルギー性能表示制度

▲ Inzai Archives Center external view

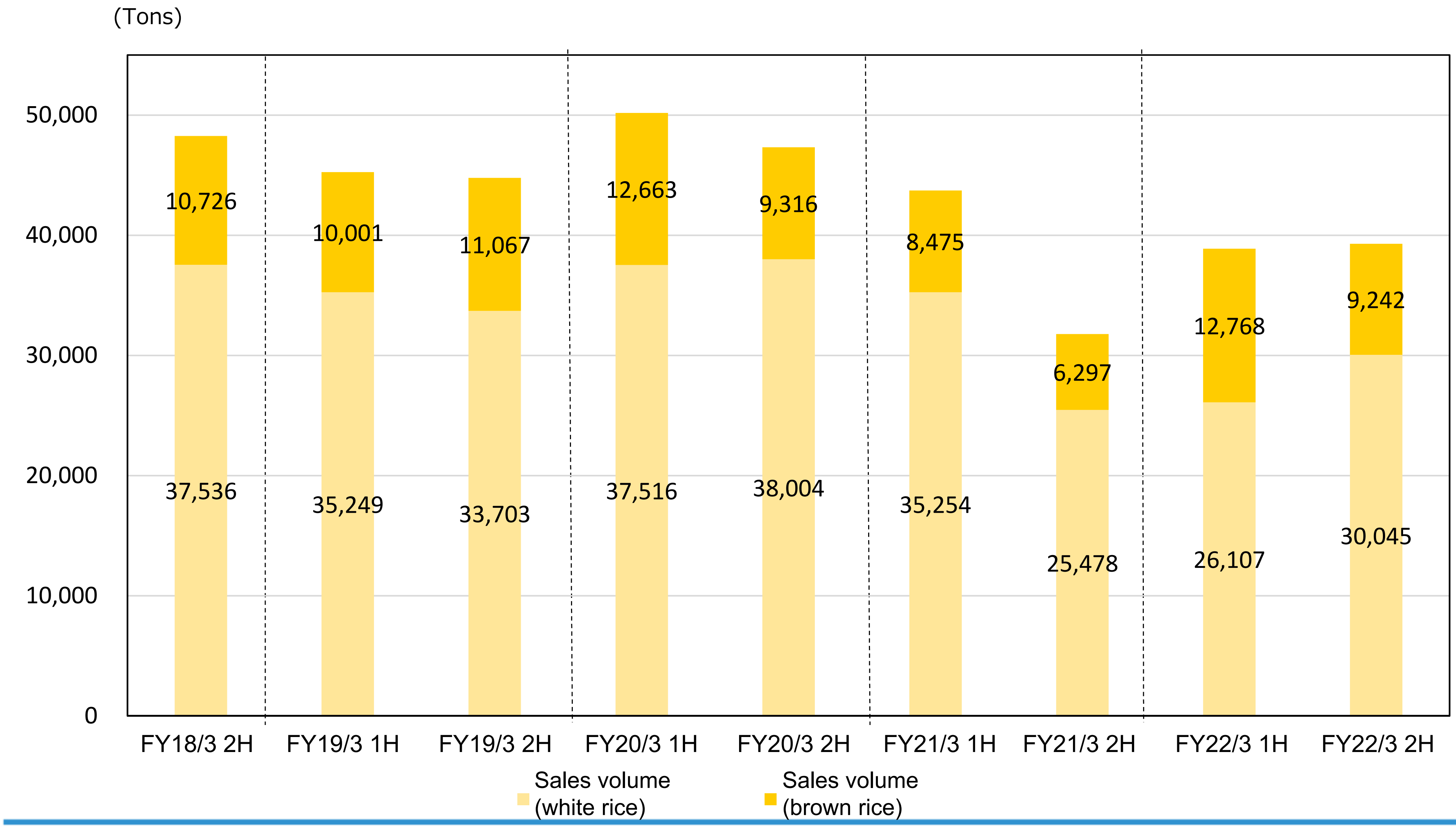
4. (2) Business information

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



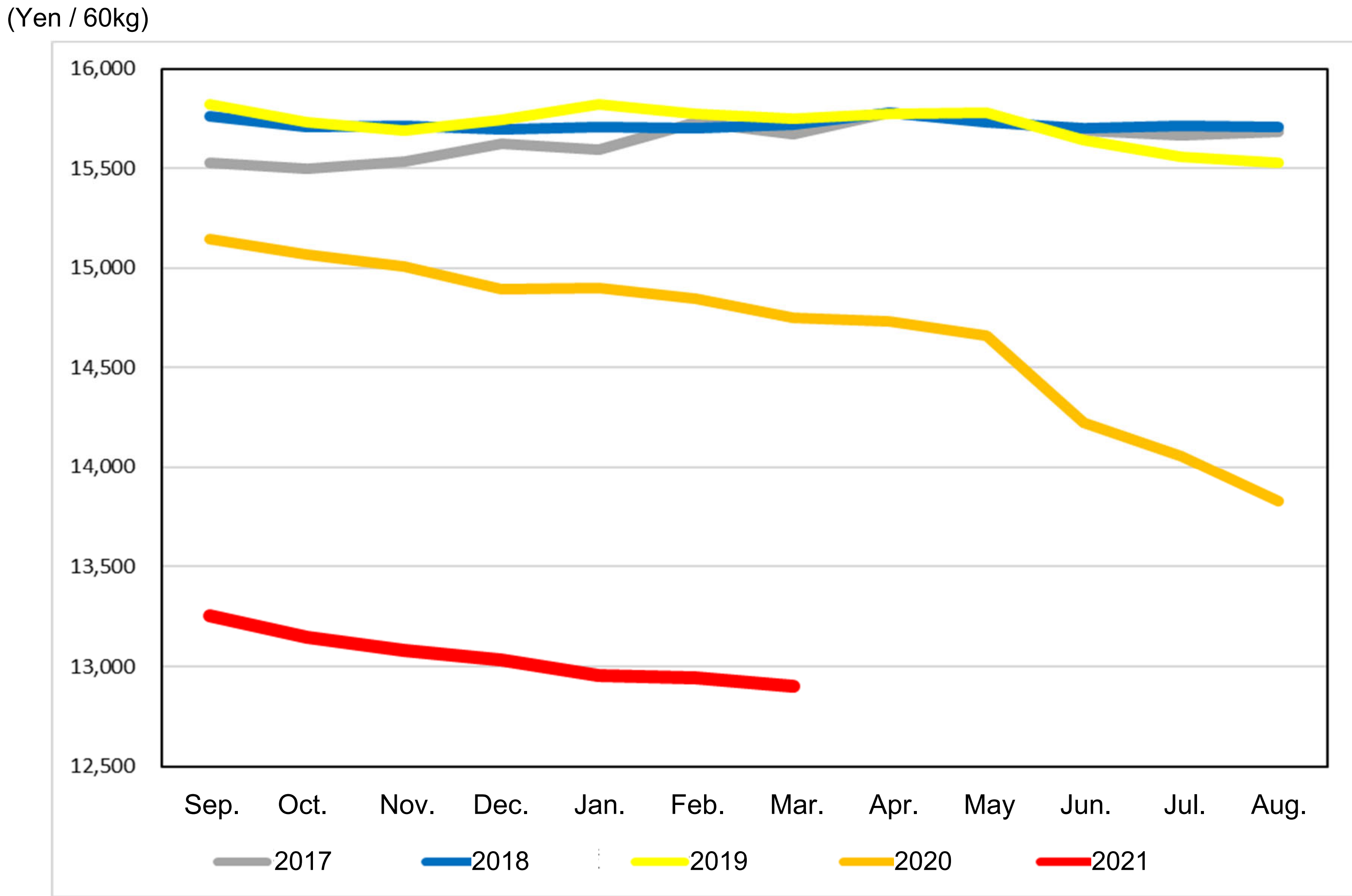
4. (2) Business information

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



4. (2) Business information

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



Average price	
Produced in 2017	15,595
Produced in 2018	15,688
Produced in 2019	15,716
Produced in 2020	14,616
Produced in 2021	13,045

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

4. (3) 2030 sustainability goals

Yamatane

○ 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

4. (4) ESG data

S (Society)

	FY2019	FY2020	FY2021
Basic employee information			
Number of employees	313	328	324
Male	216	216	210
Female	97	112	114
Average age	40 years and 7 months old	39 years and 11 months old	40 years and 3 months old
Average years of service	15 years and 4 months	14 years and 9 months	14 years and 10 months
Diversity			
Number of female managers	6	7	8
Ratio of female managers	6.1%	7.2%	8.2%
Number of rehired seniors	12	17	20
Creation of employment			
Number of new graduate hires	17	22	16
Of which, number of female hires	11	17	6
Number of midcareer hires	9	5	1
Of which, number of female hires	5	1	1

	FY2019	FY2020	FY2021
Work-life balance			
Number of overtime hours (monthly average) * Excluding managers	26.1	17.9	21.2
Number of annual paid leave days taken	9.5	9.5	10.3
Ratio of annual paid leave taken	51.5%	51.6%	56.3%
Number of employees taking maternity leave	6	6	3
Number of employees taking childcare leave	9	8	12
Ratio of employees returning from childcare leave	100.0%	100.0%	100.0%
Number of employees using shortened workhours system	8	15	15

All figures are non-consolidated figures for Yamatane Corporation.

4. (4) ESG data

G (Governance)

	FY2018	FY2019	FY2020	FY2021
Corporate governance				
Number of Directors	8	8	11	6
Number of Audit & Supervisory Board Members	4	4	4	4
Outside Directors	2	2	3	3
Of whom, independent directors	2	2	3	3
Outside Audit & Supervisory Board Members	2	2	2	2
Of whom, independent auditors	1	1	1	1
Number of executive officers	—	—	—	15
Board of Directors meetings (number of meetings held)	15	14	16	14
Audit & Supervisory Board meetings (number of meetings held)	14	14	14	14
Compliance				
Number of Compliance Meetings held	12	12	12	12
Number of cases of whistleblowing	3	5	5	0

Figures for "Corporate governance" above are scheduled numbers after the General Meeting of Shareholders to be held in June.

4. (5) 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:
  55 yen for the fiscal year ended March 31, 2022
  56 yen for the fiscal year ending March 31, 2023 (forecast)

	FY21/3	FY22/3 Sep. 30	FY22/3 Mar. 31	FY23/3 Sep. 30 (forecast)	FY23/3 Mar. 31 (forecast)
Annual dividends	52 yen	25 yen	30 yen	**25 yen**	**31 yen**
Consolidated dividend payout ratio	26.3%	31.0%		**40.7%**	

Notes

Yamatane

- 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, 2022), and will not be updated or changed to reflect future events or circumstances.

[Inquiries]
Phone: +81-3-3820-1111 (switchboard)
Email: kikaku@yamatane.co.jp