Supporting your sustainability

Yamatane

Financial Results Briefing Materials for the Six Months Ended September 30, 2023

November 29, 2023

Yamatane Corporation (Securities code: 9305)

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Progress on the Yamatane Plan 2025 (1): Overview

Yamatane Plan 2025

Policies

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

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

Financial goals	ROE	Payout ratio	Net sales	Operating profit	EBITDA
	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

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Progress on the Yamatane Plan 2025 (2): Numerical Goals

We expect the Yamatane Plan 2025's numerical goals to be mostly achieved in FY24/3, one year ahead of schedule.

	FY23/3 Results	FY24/3 Forecasts	FY25/3 Goals	
Net sales	51.0 billion yen	63.8 billion yen	56.5 billion yen	Achieved
Operating profit	3.5 billion yen	3.4 billion yen	3.2 billion yen	Achieved
EBITDA	6.8 billion yen	6.8 billion yen	6.6 billion yen	Achieved
ROE	4.9%	4.8%	5.0% or more	In Progress
Payout ratio	26.9%	26.7%	35.0% or more	In Progress

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Progress on the Yamatane Plan 2025 (3): Qualitative Evaluation (1)

Steady progress on goals in core business domains is contributing to achieving some FY25/3 goals earlier than planned.

Core Business Domain

Section	Goals	Progress	Assessment
Logistics Services	● Achieve efficient and advanced logistics through alliance and collaboration with cargo owners and each player in the supply chain	We increased the utilization rate of VMI warehouses leveraging a newly constructed dangerous goods warehouse, and made SCM proposals to cargo owners.	○
	● Open new warehouses and replace existing warehouses to boost earning capacity	Construction of a new warehouse at Honmoku Pier in Yokohama City is progressing as planned. We are also focusing on attracting cargo business, expecting to achieve operating targets when opened.	○
Food Business (Rice Merchandising)	● Assure quality and safety of rice at each distribution stage to ensure stable supply of reliable products to consumers	We implemented digitalization of operations at the rice mill factory and warehouse layout changes, increasing production volume.	○
	● Reinforce ties with places of production and pursue reduction of production/distribution costs	We concluded a business alliance agreement with Faeger Co., Ltd., which generates agricultural carbon credits, to strengthen ties with production areas.	○
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	• Promoted staff's multi-language abilities and cultivated project leaders through enhanced training. • Expanded on-site-type business through new customer orders and additional maintenance for existing customers.	○
Real Estate Business	● Enhance quality (safety, convenience, comfort, environmental performance) of our existing properties to maximize their real-estate value	We began concrete consideration of rebuilding and redevelopment plans for aging properties and idle real estate.	△
	● Utilize cloud database to increase efficiency of real estate management and expand business in the property management domain	We formed a specialist property management team and commenced activities. We took a step towards expanding business domains.	○
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	Ongoing human capital investments are being made through improved rank-specific training content and the expansion of target participants. We are also promoting women's empowerment through better work environments.	○
	● Strengthen governance so that the Board of Directors can monitor imminent risks and opportunities and provide supervision	• Revised the committee structure to strengthen the Board of Directors' governance. Assigned officers to each committee to improve risk management effectiveness. • Transitioned to a company with an Audit and Supervisory Committee to enhance Board of Directors oversight and expedite the execution of directorial duties.	○

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Progress on the Yamatane Plan 2025 (4): Qualitative Evaluation (2)

Limited upside potential due to delays making progress in uncharted domains

Uncharted domains

Section	Goals	Progress	Assessment
Logistics Services	● Embark on the operation of food mass merchandisers' distribution centers, etc. to make inroads into new business domains	• Focusing on near-term business continuity, including securing drivers in anticipation of the "2024 problem" in logistics. Considering specific measures to expand food mass merchandisers' distribution center operations. • Commenced fine art storage services, anticipating increased demand. Accumulating expertise and will judge the feasibility of infrastructure investments needed to fully enter the business.	△
Food Business (Rice Merchandising)	● Launch development of new varieties and product categories, given climate change risks and ever-evolving consumer needs	Made Shokukai a subsidiary, expecting to leverage its product development capabilities and mutual sales networks. Generating this synergy should expand rice sales and product development.	△
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, engaged in new development and encouraged rental customers to switch to the inventory count mobile app, aiming to complete existing customer transitions by FY25/3.	△
Real Estate Business	● Strengthen the agency business of logistics properties, etc. by taking advantage of having the warehousing business as well	Abandoned plans to expand by developing new logistics properties due to high prices. Will allocate resources to executing group-wide CRE strategy, including asset replacement by selling the former Iwatsuki Plant site and acquiring a building connected to Monzen-nakacho Station.	×
Administration	● Determine the direction for the redevelopment project of the Etchujima district, where our Headquarters is located	An internal project team began examining Etchujima district redevelopment, aiming for development aligned with the Community Development Policy, and started discussions with government and external stakeholders.	○

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Status of Efforts to Enhance Corporate Value (1): Started Considering the Next Medium-term Management Plan

We have started considering the next medium-term management plan to enhance our corporate value.

2031 VISION

Taking on the challenge of creating a more prosperous society through logistics and food distribution

Yamatane Plan 2025

Aggressively making large-scale investments to sow seeds for the 2031 Vision

Recognizing the issues

- Improving the profitability of core businesses
- Revising challenge strategies
- Utilizing owned real estate (CRE strategy)
- Balance sheet management

FY23/3 - FY25/3

To be announced with FY2024 results

Next medium-term management plan

Cultivation period

aimed at recovery of investment

Under consideration

- Profit management by division and authority delegation
- Announcing Etchujima Grand Vision
- Promoting synergies in logistics and food
- Reducing cross-shareholdings

FY26/3 - FY28/3

Long-term vision final phase

Recovery of investment and reaping returns

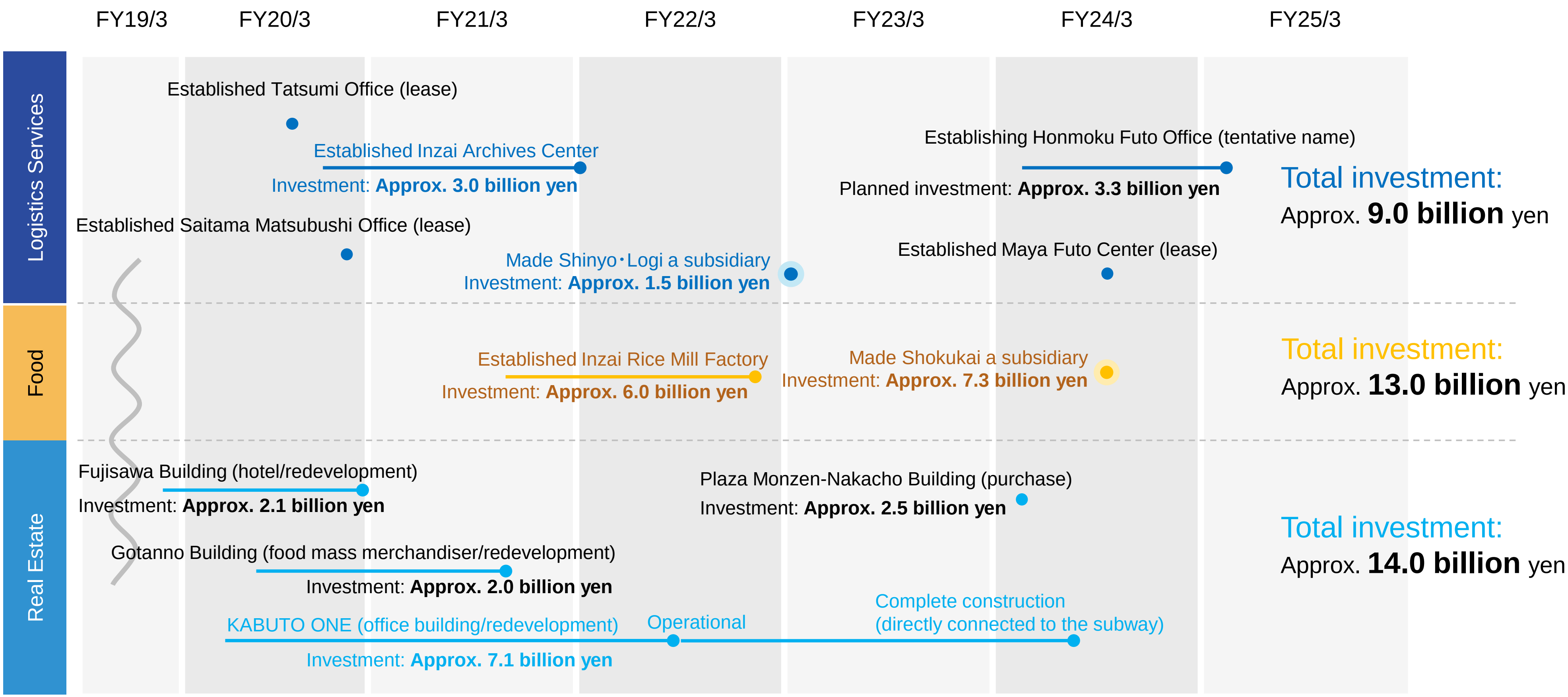
Maximizing corporate and shareholder value towards the next 100 years

Realizing synergies in logistics and food

FY29/3 – FY31/3

Status of Efforts to Enhance Corporate Value (2): Investment Track Record toward Realizing Our Long-term Vision

Significantly increased potential for growth through large-scale investments, centered on the Inzai business site, KABUTO ONE, and making Shinyo･Logi and Shokukai subsidiaries

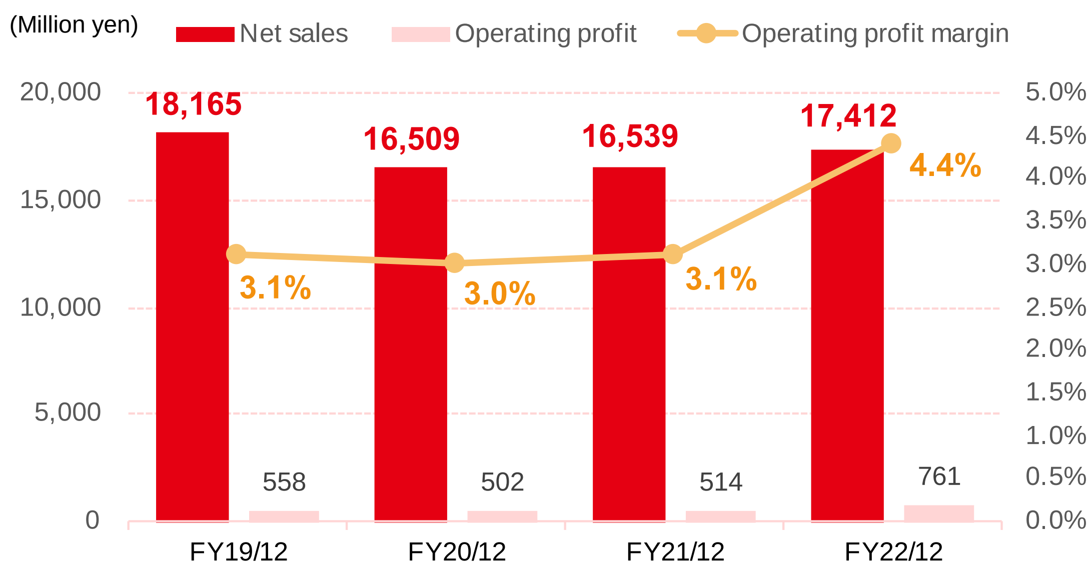


Status of Efforts to Enhance Corporate Value (3): Acquiring Shokukai in the Food Business

The Shokukai acquisition improved food business profitability, and we will explore synergies with the logistics services business for the next medium-term management plan.

Company Name	Shokukai Co., Ltd.
Head Office	Nihon Seimei Higashiueno Bldg., Higashiueno, Taito-ku, Tokyo
Established	March 1991
Business	Wholesale food distributor (for bento providers and delicatessens)
Capital	90 million yen
Consolidated Results	Net sales: 17,412 million yen Operating Profit: 761 million yen
Employees	72
Business Characteristics	• Top share player in the bento (prepared meal boxes) provision wholesale industry. Built mutually beneficial relationships with approx. 320 manufacturers/food processors since its founding. Maintains high price competitiveness through direct purchasing, eliminating intermediate margins. • A customer base focused on the bento provision business (approx. 1,200 bento providers, approx. 380 delicatessens) enables stable transactions through an efficient sales system.

Net Sales, Operating Profit, Operating Profit Margin over Past 4 Years



Considering synergies with our food and logistics services businesses

- Expanding sales channels utilizing the acquired company's and our sales networks
- Joint development of frozen bento and rice products
- Collaboration with logistics services business (obtaining expertise in frozen/chilled transport), etc.

Status of Efforts to Enhance Corporate Value (4): Etchujima Real Estate Development Project

Formulating a specific redevelopment plan and schedule for Etchujima district and improving the profitability of existing real estate in anticipation

Areas under redevelopment consideration

Source: Google LLC, Google Maps, Google Earth

Envisaged schedule

- FY2025: Announce Etchujima Grand Vision
- FY2027: Transfer warehoused cargo to a new location
- FY2028: Dismantle offices and warehouses in the project area
- FY2032: New building completion

Current real estate information

	Completion year	Land area (m^2)	Total floor area (m^2)	Current use
Yamatane Building	1989	4,126	12,930	Office
Yamatane Building Annex	2012	3,853	12,208	Office
Fukagawa Office	1981	28,674	60,255	Office/ Warehouse

Existing properties, new acquisitions, etc.

New acquisitions	Plaza Monzen-Nakacho Building (June 2023), several other new acquisitions
Increasing the value of owned assets	Utilizing vacant land in Nishi-Tachikawa, rebuilding Nihonbashi Koami-cho Building (use undecided)

Status of Efforts to Enhance Corporate Value (5): Logistics Services Business—Constructing a New Logistics Center at Honmoku Pier, Yokohama Port

Expanding logistics services business capacity with a new logistics center

[Major Logistics Centers in Kanto Region]

Source: (C) OpenStreetMap contributors

Ichikawa Office

Total floor area: 13,057 tsubo (approx. 43,163 m²)
Occupancy rate: 84.2%

Fukagawa Office

Total floor area: 17,579 tsubo (approx. 58,112 m²)
Occupancy rate: 98.8%

Tatsumi Office

Total floor area: 7,135 tsubo (approx. 23,586 m²)
Occupancy rate: 97.0%

Oi Futo Office

Total floor area: 5,430 tsubo (approx. 17,950 m²)
Occupancy rate: 98.2%

Daikoku Futo Office

Total floor area: 7,669 tsubo (approx. 25,352 m²)
Occupancy rate: 99.2%

(Tentative name) Honmoku Futo Office (Completion expected in June 2024)

Total floor area: 5,924 tsubo (approx. 19,583 m²)

Honmoku Pier handles approx. 60% of containers at Yokohama Port, an international strategic port. It will serve as a hub for imports/exports, distribution processing, small-lot delivery, etc., with increasing import/export cargo volume expected going forward.

Reference: Yamatane's total managed floor area: 111,041 tsubo (approx. 367,077 m²)

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Overview of Consolidated Financial Results

Net sales

YoY

Up 8.7%

Increased overseas moving handling in Logistics Services, increased sales volume in Food Business (Rice Merchandising)

Operating profit

YoY

Down 6.0%

Increase in personnel expenses, increase in outsourcing costs in Logistics Services, booking of M&A-related expenses, etc.

Ordinary profit

YoY

Down 21.5%

Booking commission for syndicated loans related to M&As, etc.

Profit attributable to owners of parent

YoY

Up 24.7%

Gain on sale of non-current assets from selling idle real estate, etc.

(Million yen)

	FY23/3 1H Results	FY24/3 1H Results	Change (YoY)
Net sales	25,440	27,663	**2,223**
Operating profit	1,948	1,831	**(117)**
Operating profit margin	7.7%	6.6%	**—**
Ordinary profit	1,909	1,497	**(411)**
EBITDA	3,584	3,155	**(429)**
Profit attributable to owners of parent	1,135	1,416	**280**

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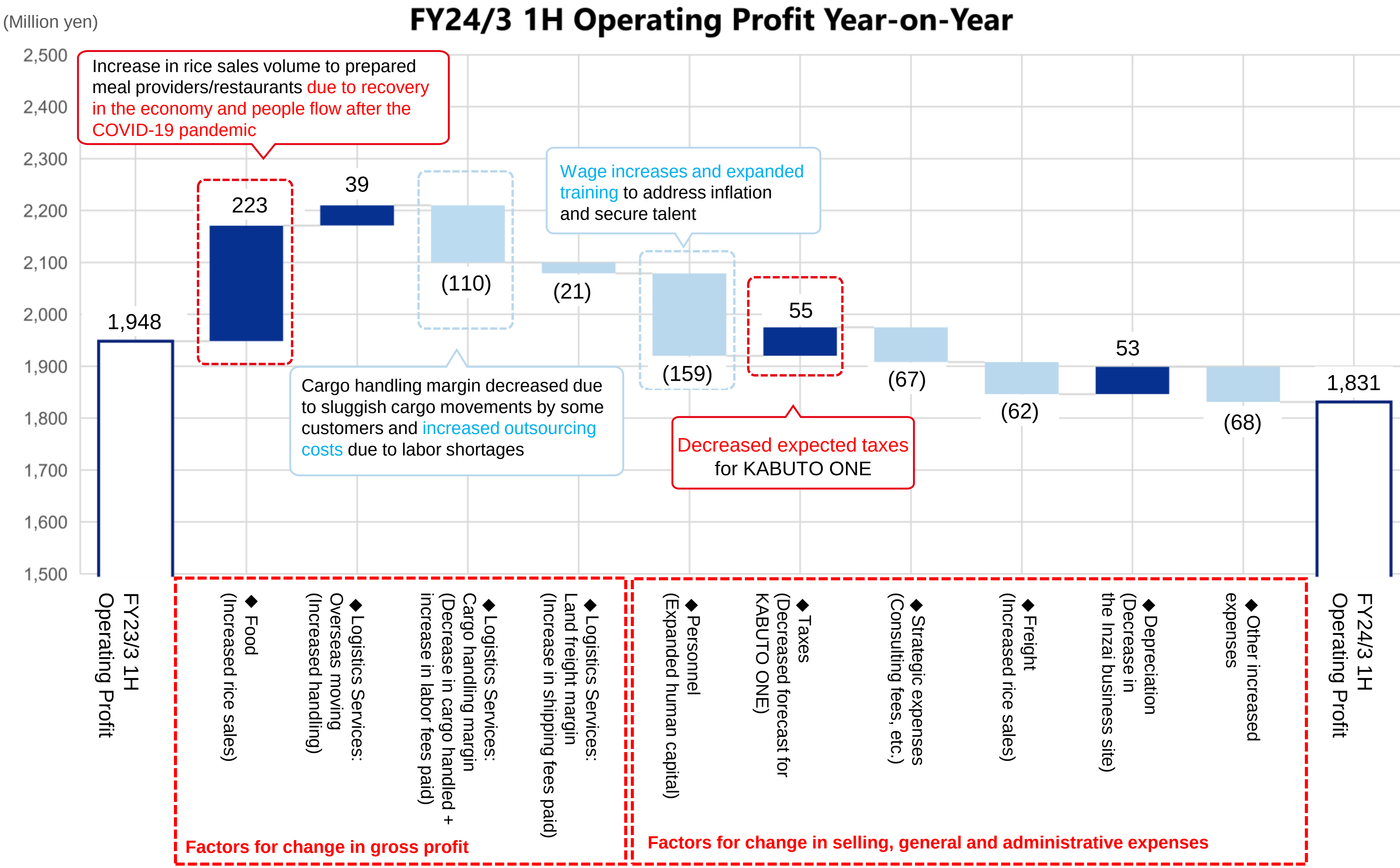
Change in Operating Profit (Year-on-Year)



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Overview of Financial Results by Segment

(Million yen)

Business segment		FY23/3 1H	FY24/3 1H	YoY	% change
Logistics Services	Net sales	12,192	**12,369**	177	1.5%
	Operating profit	1,365	**1,198**	(167)	(12.2)%
Food Business (Rice Merchandising)	Net sales	10,380	**12,350**	1,970	19.0%
	Operating profit	24	**174**	150	623.6%
Information Systems	Net sales	807	**868**	61	7.6%
	Operating profit	41	**55**	13	32.5%
Real Estate Business	Net sales	2,060	**2,074**	13	0.7%
	Operating profit	1,044	**1,107**	63	6.0%
Adjustment	Net sales	—	**—**	—	—
	Operating profit	(528)	**(705)**	(177)	(33.5)%
Total	Net sales	25,440	**27,663**	2,223	8.7%
	Operating profit	1,948	**1,831**	(117)	(6.0)%

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Logistics Services Segment

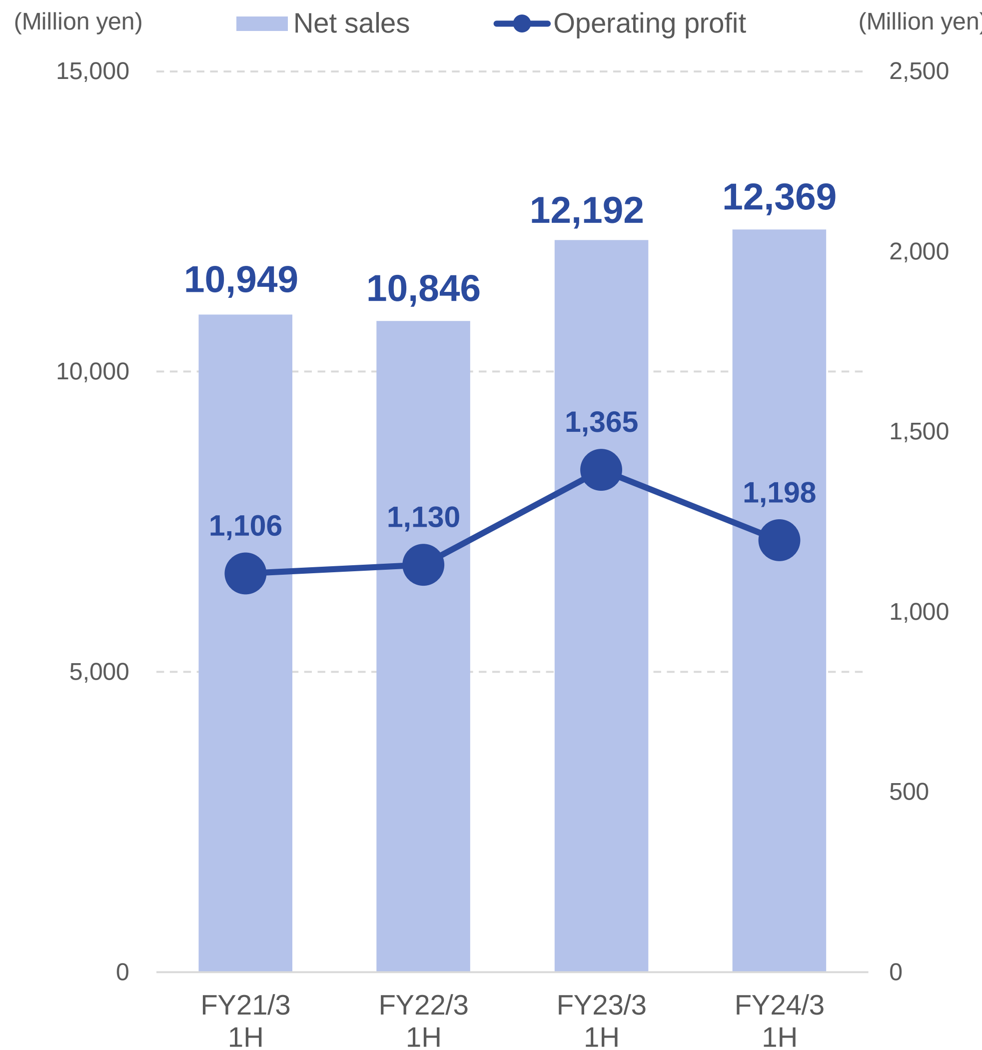
Increased sales and decreased profit

Key points

Net sales: Increased 1.5% year-on-year due to number of handling such as overseas moving in international operations exceeding the same period last year.

Operating profit: Decreased 12.2% year-on-year due to costs such as chartered vehicle expenses and outsourcing costs increasing

■ **Net sales**	**12,369 million yen**
Year on year (change) +1.5%	+177 million yen
■ **Operating profit**	**1,198 million yen**
Year on year (change) (12.2)%	(167) million yen



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Food Business (Rice Merchandising) Segment

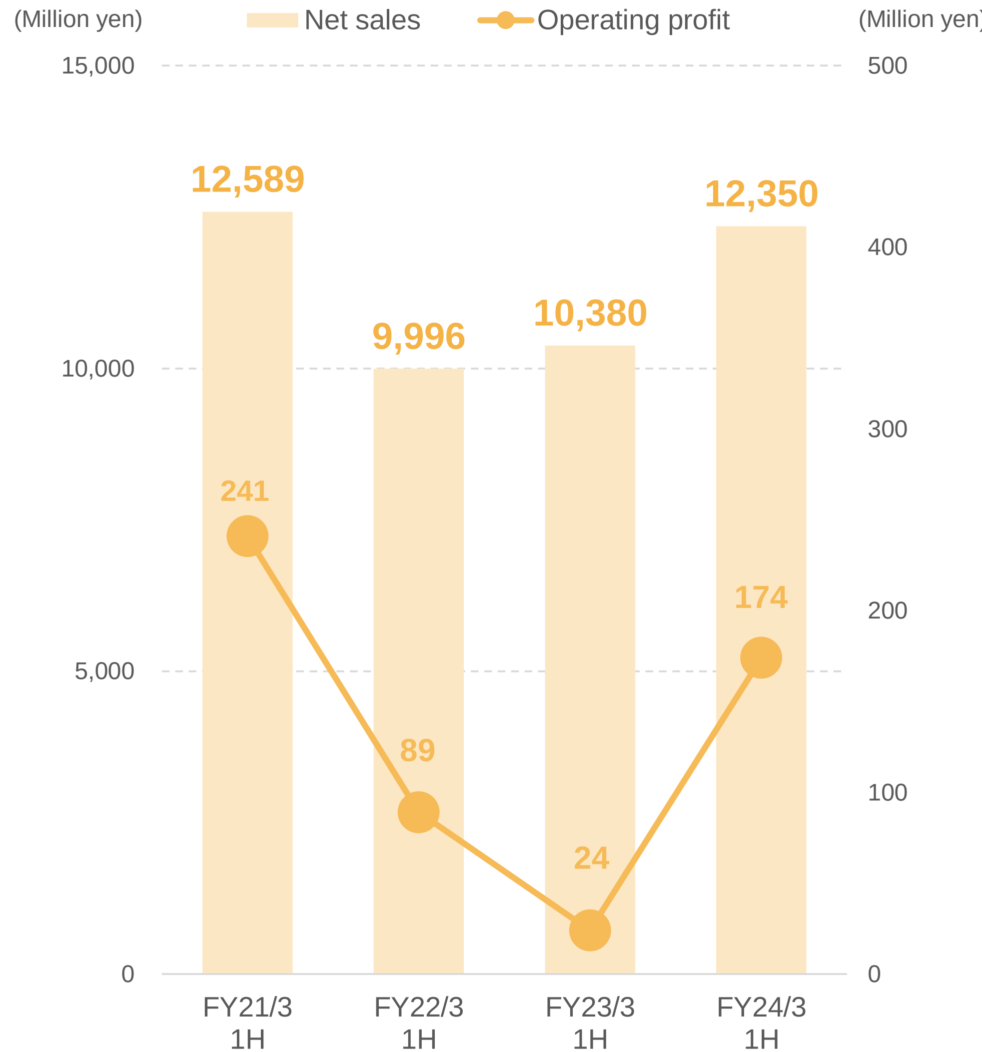
Both sales and profits increased

Key points

Net sales: Increased 19.0% year-on-year with an increase in rice sales volume as demand for prepared meal providers and restaurants rebounded due to economic recovery following the COVID-19 pandemic.

Operating profit: Increased 623.6% year-on-year due to a decrease in depreciation at the Inzai Rice Mill Factory and power cost savings by utilizing a solar power generation system.

■ Net sales	12,350 million yen
Year on year (change) +19.0%	+1,970 million yen
■ Operating profit	174 million yen
Year on year (change) +623.6%	+150 million yen



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Information Systems Segment

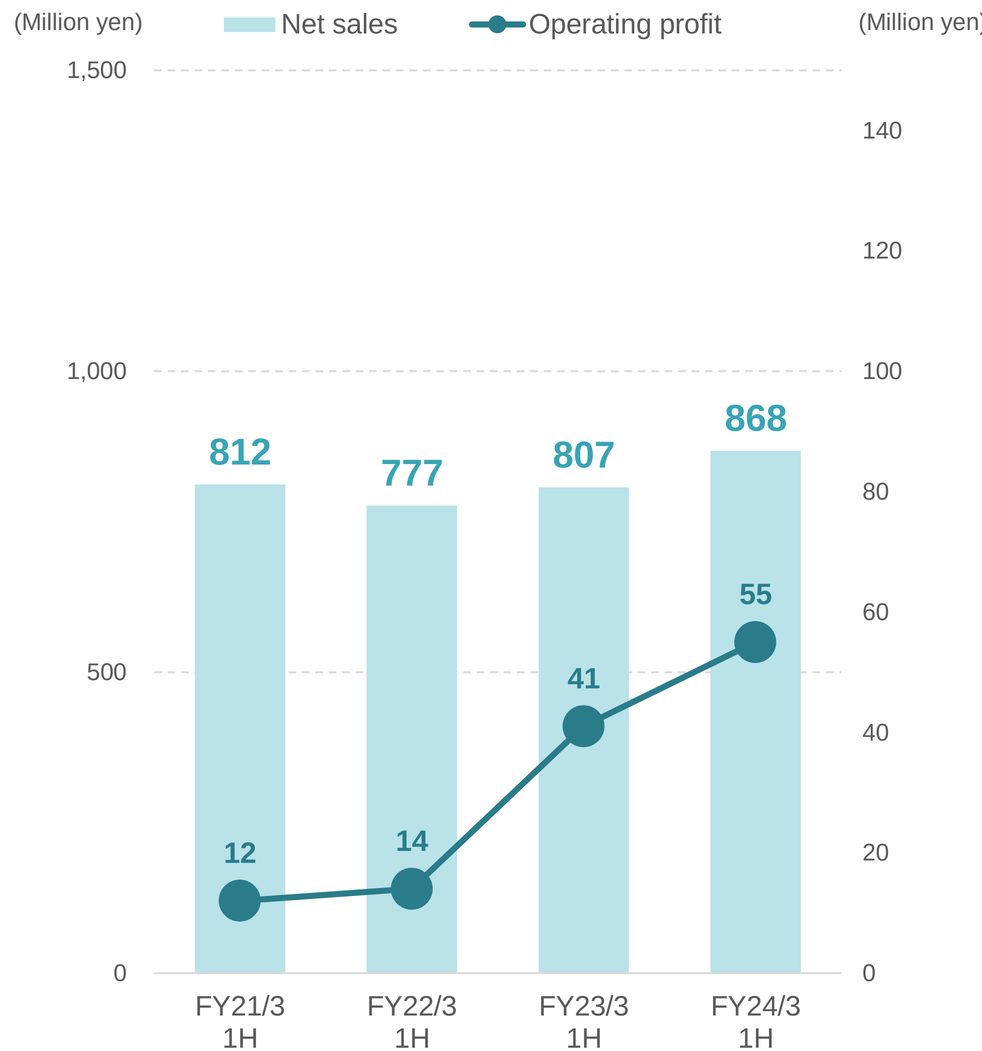
Both sales and profits increased

Key points

Net sales: Increased 7.6% year-on-year owning to steady progress in development and operation of mainframe infrastructure and system development contracts for customer compliance with the invoice system, etc.

Operating profit: Increased 32.5% year-on-year for the same reasons mentioned above.

■ **Net sales**	**868 million yen**
Year on year (change) +7.6%	+61 million yen
■ **Operating profit**	**55 million yen**
Year on year (change) +32.5%	+13 million yen



Real Estate Business Segment

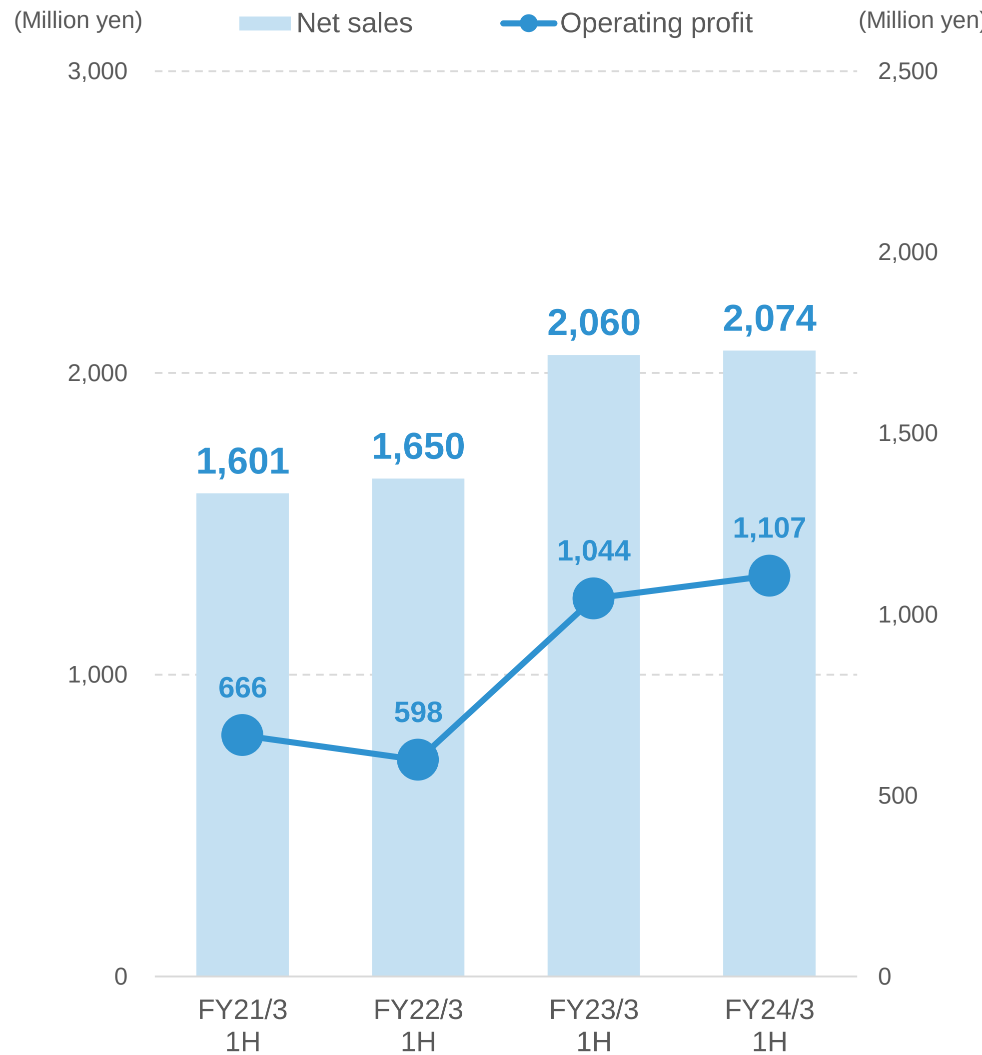
Both sales and profits increased

Key points

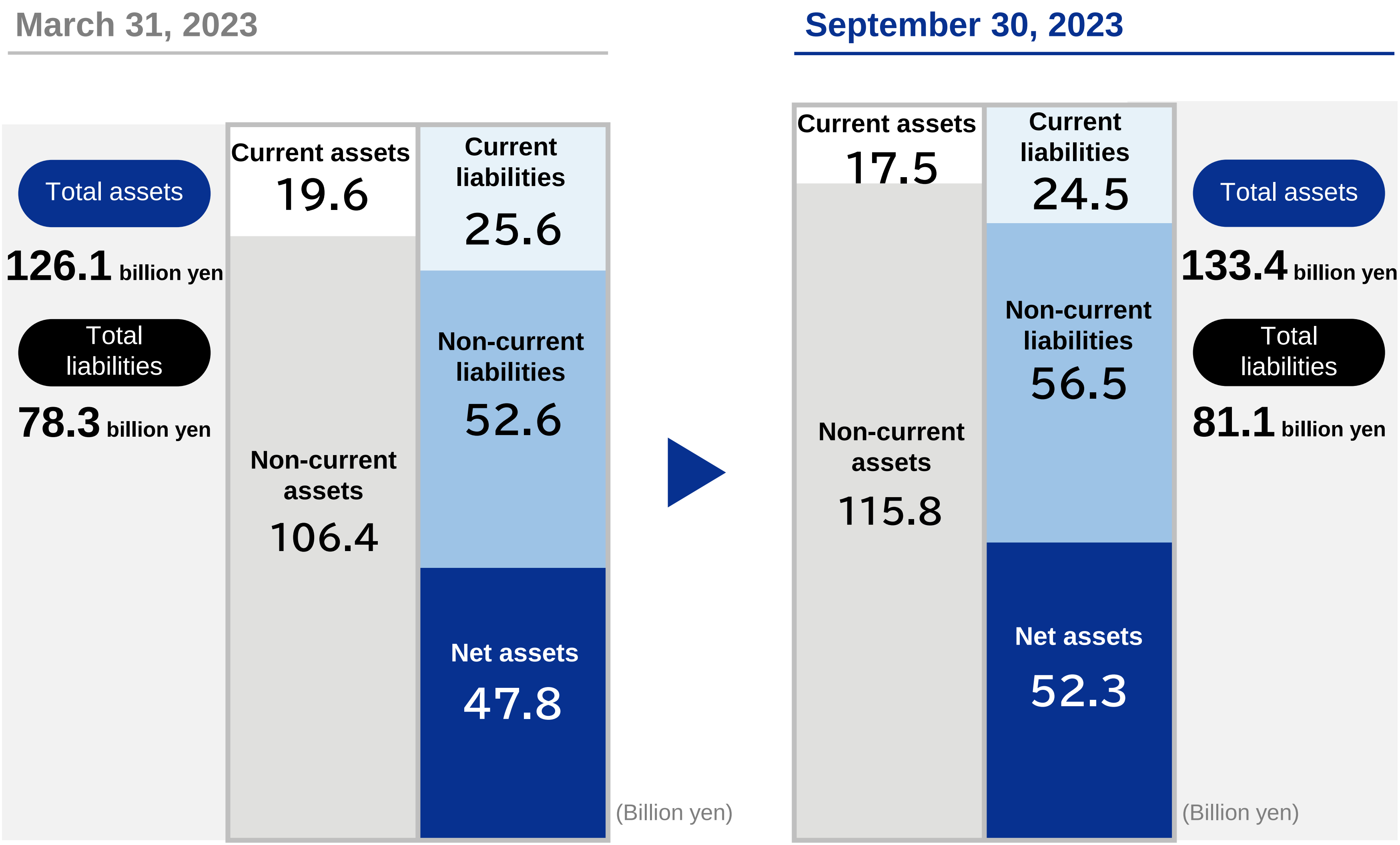
Net sales: Increased 0.7% year-on-year due to the acquisition of new rental properties

Operating profit: Increased 6.0% year-on-year due to a decrease in real estate acquisition tax for KABUTO ONE

■ Net sales	2,074 million yen
Year on year (change) +0.7%	+13 million yen
■ Operating profit	1,107 million yen
Year on year (change) +6.0%	+63 million yen



Consolidated Financial Position



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Consolidated Cash Flows

(Million yen)

	FY23/3 1H	FY24/3 1H	YoY
Balance at beginning of period	7,459	8,415	955
Operating C/F	4,090	2,111	(1,978)
Investing C/F	(2,112)	(7,199)	(5,086)
Financing C/F	(2,233)	2,620	4,854
Balance at end of period	7,204	5,948	(1,255)
Change	(255)	(2,466)	(2,211)

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Outlook on Consolidated Financial Results

- **Revised forecasts for net sales and operating profit upward** owing to the acquisition of all Shokukai shares to make it a subsidiary on October 2, 2023, and brisk rice sales to food mass merchandisers in the Food Business (Rice Merchandising)
- **Kept forecasts for ordinary profit and profit attributable to owners of parent unchanged** because commission for syndicated loans for M&A financing booked in the period under review are expected to increase non-operating expenses

(Million yen)	FY23/3 1H Results	FY24/3 1H Results	YoY	FY24/3 Outlook	Progress rate
Net sales	25,440	27,663	2,223	**63,800**	**43.4%**
Operating profit	1,948	1,831	(117)	**3,400**	**53.9%**
Operating profit margin	7.7%	6.6%	—	**5.3%**	**—**
Ordinary profit	1,909	1,497	(411)	**3,100**	**48.3%**
EBITDA	3,584	3,155	(429)	**6,833**	**46.2%**
Profit attributable to owners of parent	1,135	1,416	280	**2,200**	**64.4%**

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Outlook on Financial Results by Segment

Logistics Services

Expecting increased sales from overseas moving handling growth and new Kansai center, but **forecasting a decrease in profit** due to increased personnel and outsourcing costs

Food Business (Rice Merchandising)

Expecting increased sales and profit following Shokukai's integration as a subsidiary on October 2, 2023, and brisk rice sales, especially to food mass merchandisers

Information Systems

Expecting **flat net sales year on year**, but **forecasting decreased profit** due to increased costs for internal systems renewal

Real Estate Business

Forecasting increased sales and profit due to lower-than-expected real estate acquisition tax for KABUTO ONE and the contribution of newly acquired rental properties

(Million yen)

Business segment		FY23/3 Results	FY24/3 Forecasts	YoY	% change
Logistics Services	Net sales	24,348	**24,500**	151	0.6%
	Operating profit	2,494	**2,450**	(44)	(1.8)%
Food Business (Rice Merchandising)	Net sales	20,966	**33,400**	12,433	59.3%
	Operating profit	74	**830**	755	1,012.4%
Information Systems	Net sales	1,693	**1,700**	6	0.4%
	Operating profit	102	**80**	(22)	(22.0)%
Real Estate Business	Net sales	4,081	**4,200**	118	2.9%
	Operating profit	2,037	**2,050**	12	0.6%
Adjustment	Net sales	—	**—**	—	—
	Operating profit	(1,121)	**(2,010)**	(888)	(79.3)%
Total	Net sales	51,090	**63,800**	12,710	24.9%
	Operating profit	3,588	**3,400**	(188)	(5.2)%

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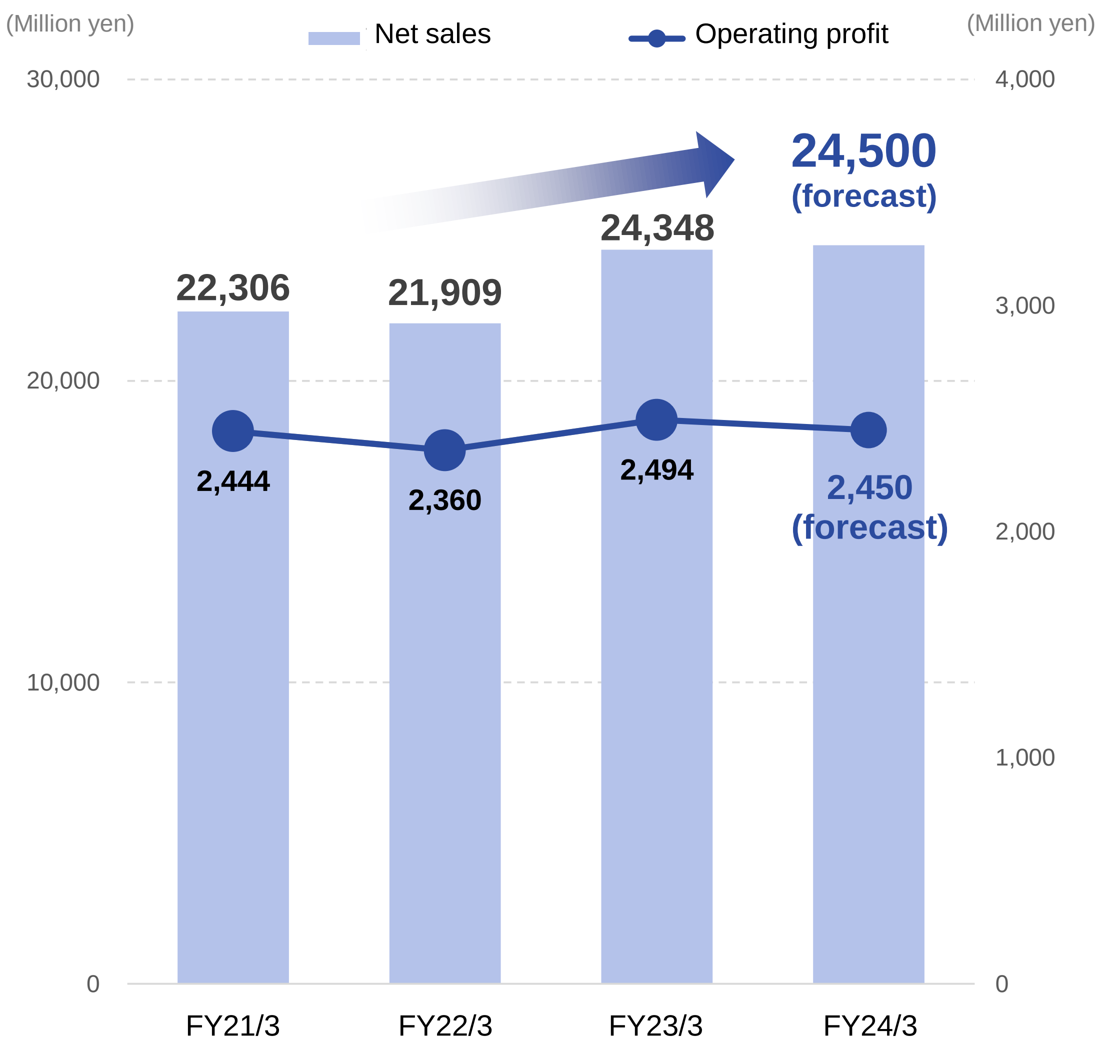
Logistics Services Segment



■ Net sales (forecast)

24,500 million yen

Year on year (change)

+0.6% **151 million yen**

■ Operating profit (forecast)

2,450 million yen

Year on year (change)

(1.8)% **(44) million yen**

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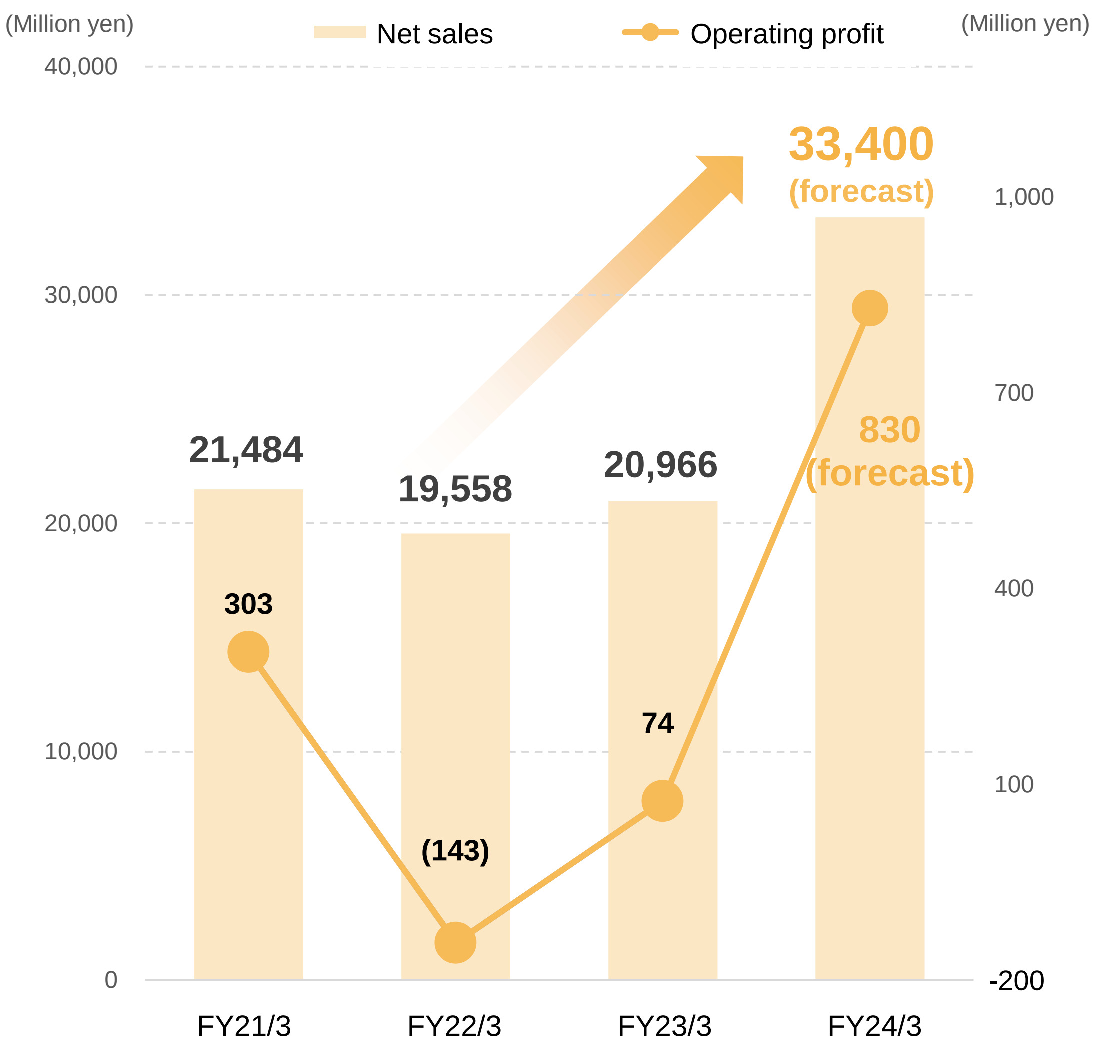
Food Business (Rice Merchandising) Segment



Net sales (forecast)

33,400 million yen

Year on year (change)

+59.3% **12,433 million yen**

Operating profit (forecast)

830 million yen

Year on year (change)

+1,012.4% **755 million yen**

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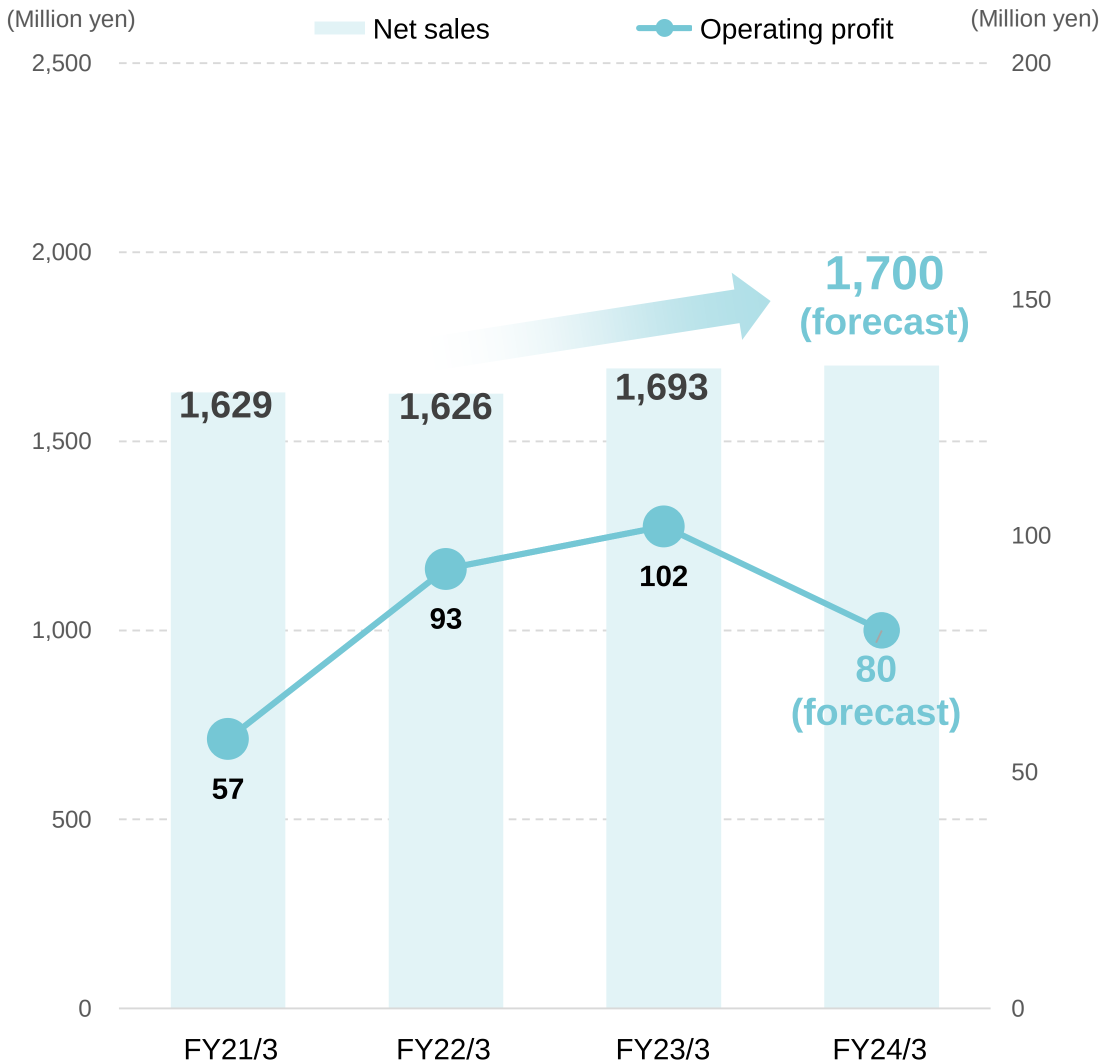
Information Systems Segment



Net sales (forecast)

1,700 million yen

Year on year (change)

+0.4% **6 million yen**

Operating profit (forecast)

80 million yen

Year on year (change)

(22.0)% **(22) million yen**

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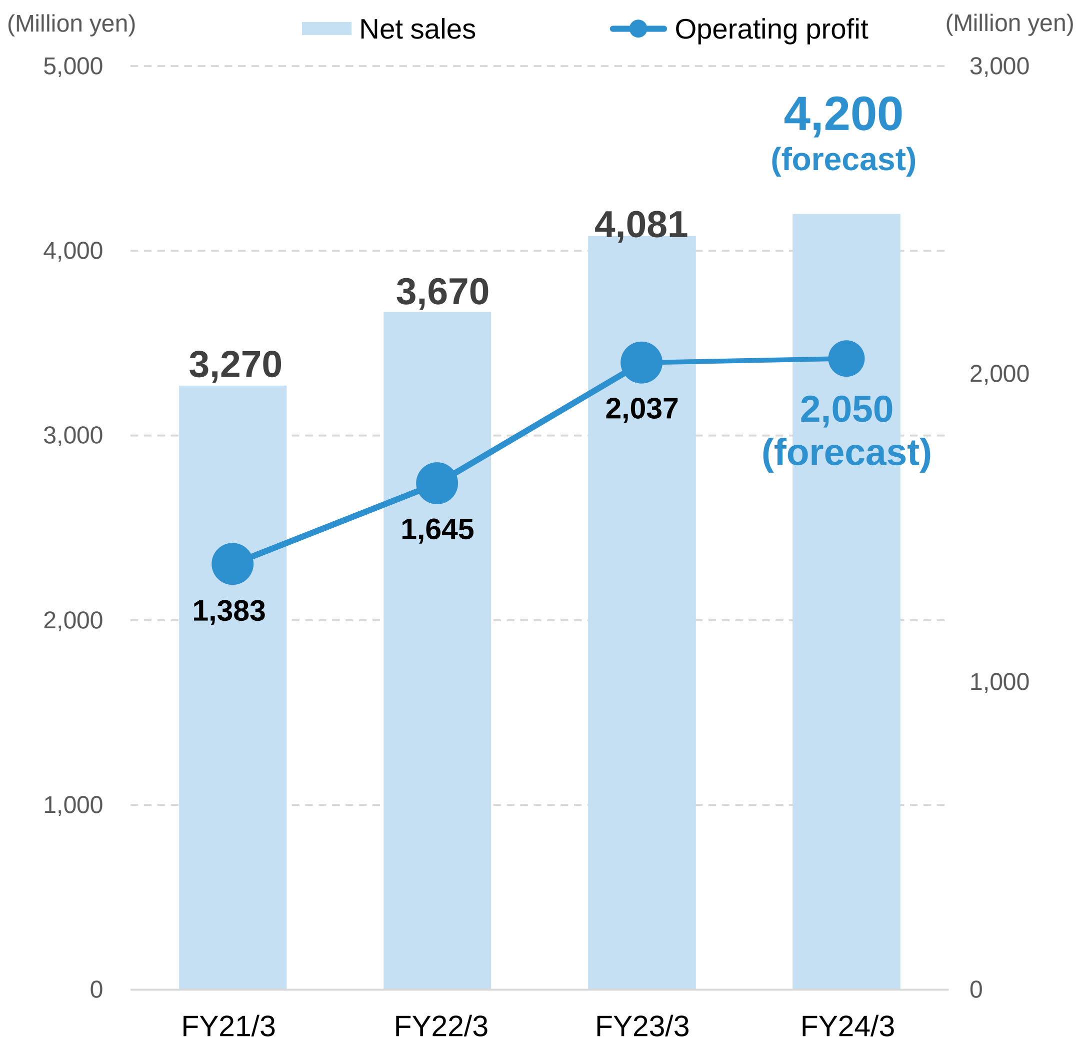
Real Estate Business Segment



■ Net sales (forecast)

4,200 million yen

Year on year (change)

+2.9% **118 million yen**

■ Operating profit (forecast)

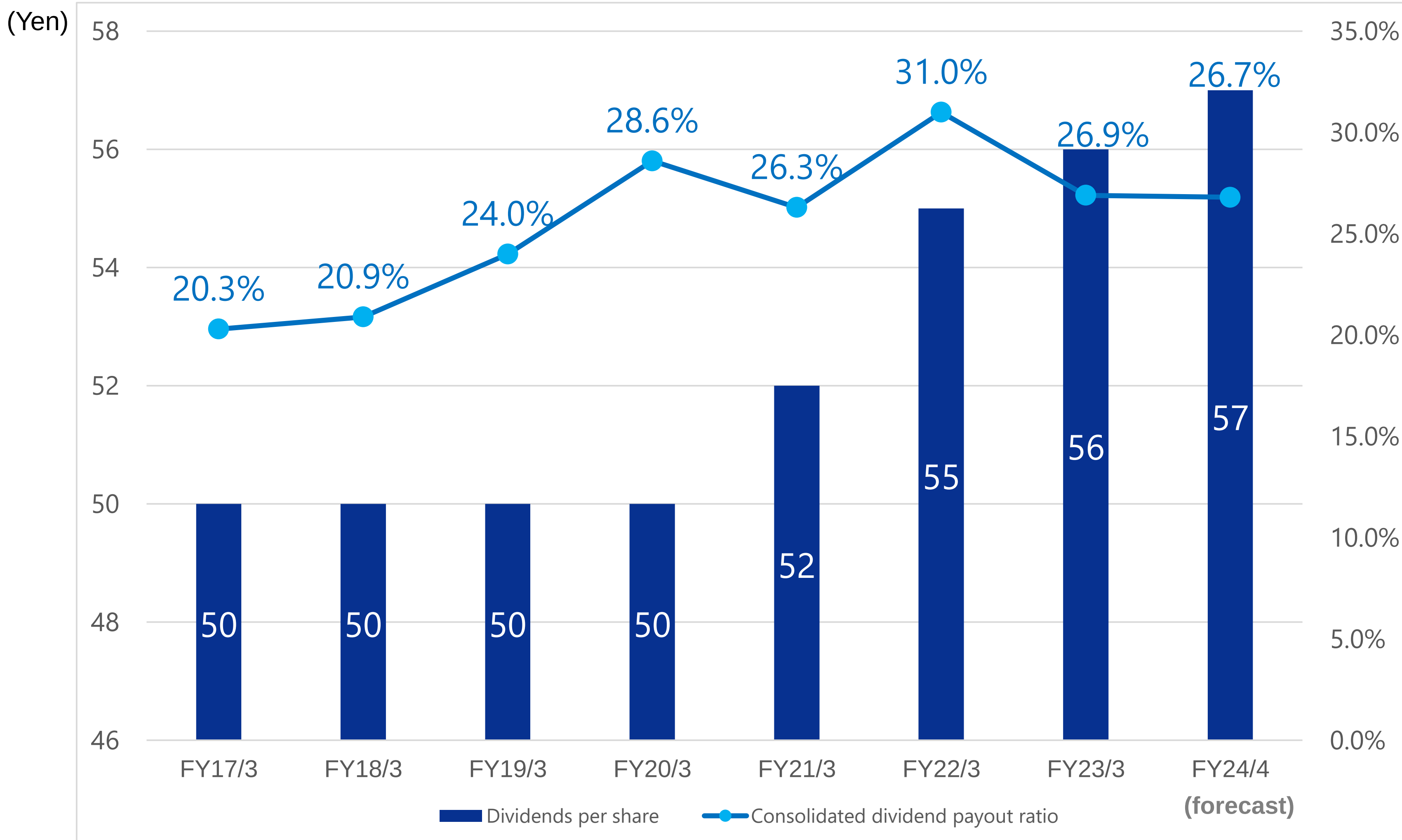
2,050 million yen

Year on year (change)

+0.6% **12 million yen**

Dividend Status

Resolved interim dividend of 25 yen per share, and year-end dividend expected to be 32 yen per share at this point (with an expected annual dividend of 57 yen per share)



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Reference: Changes (Enhancements) to the Shareholder Benefit Program

Yamatane will change its shareholder benefit program, effective from the record date of March 31, 2024.

March 31 record date | **Benefits**

Number of shares	Shareholder benefits
300 shares or more	Choice of two bottles of juice (¥1,100 value) or two 1-go (approx. 180ml each) bottles of sake made from terraced rice
500 shares or more	Choice of two bottles of juice (¥1,400 value) or one 4-go (approx. 720ml) bottle of sake made from terraced rice
1,000 shares or more	Choice of three bottles of juice (¥1,850 value) or two 4-go (approx. 720ml each) bottles of sake made from terraced rice

September 30 record date | **Benefits**

Number of shares	Shareholder benefits
100 shares or more	Yamatane Museum of Art calendar
300 shares or more	Yamatane Museum of Art calendar and carefully selected 2kg specialty rice
500 shares or more	Yamatane Museum of Art calendar and carefully selected 5kg specialty rice
1,000 shares or more	Yamatane Museum of Art calendar, 10kg terraced rice, and rice planting/harvesting experience (registration required)

Hoshitoge Rice Terraces (Tokamachi City, Niigata Prefecture, in May 2023)

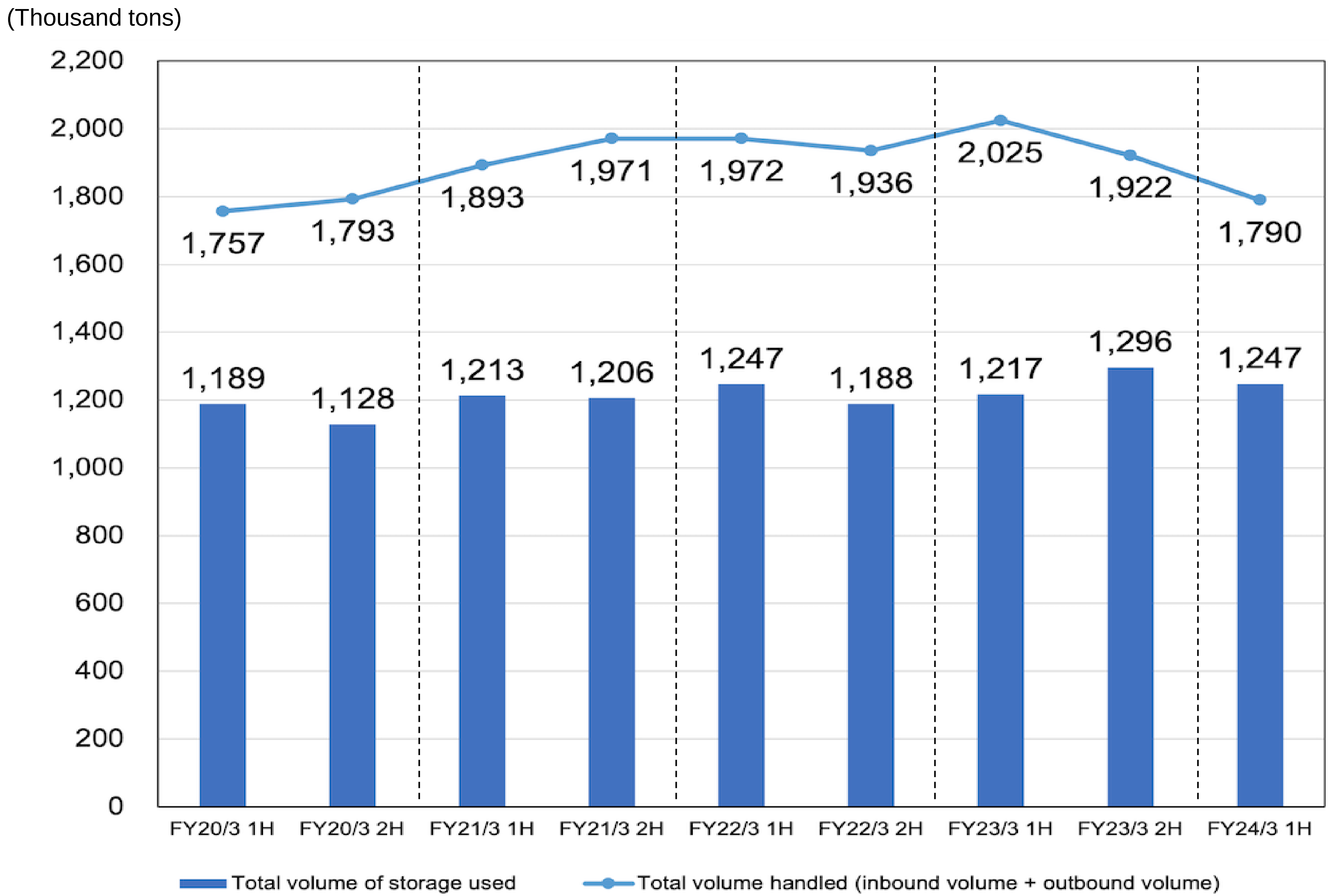
In changing the shareholder benefit program, Yamatane became an owner of the Hoshitoge Rice Terraces in Tokamachi City, Niigata Prefecture.

Rice terraces, symbolic of Japanese agriculture, provide national land conservation, water source replenishment, and other functions beyond supplying agricultural products. However, low economic viability and labor shortages have left many neglected and threatened by ruin.

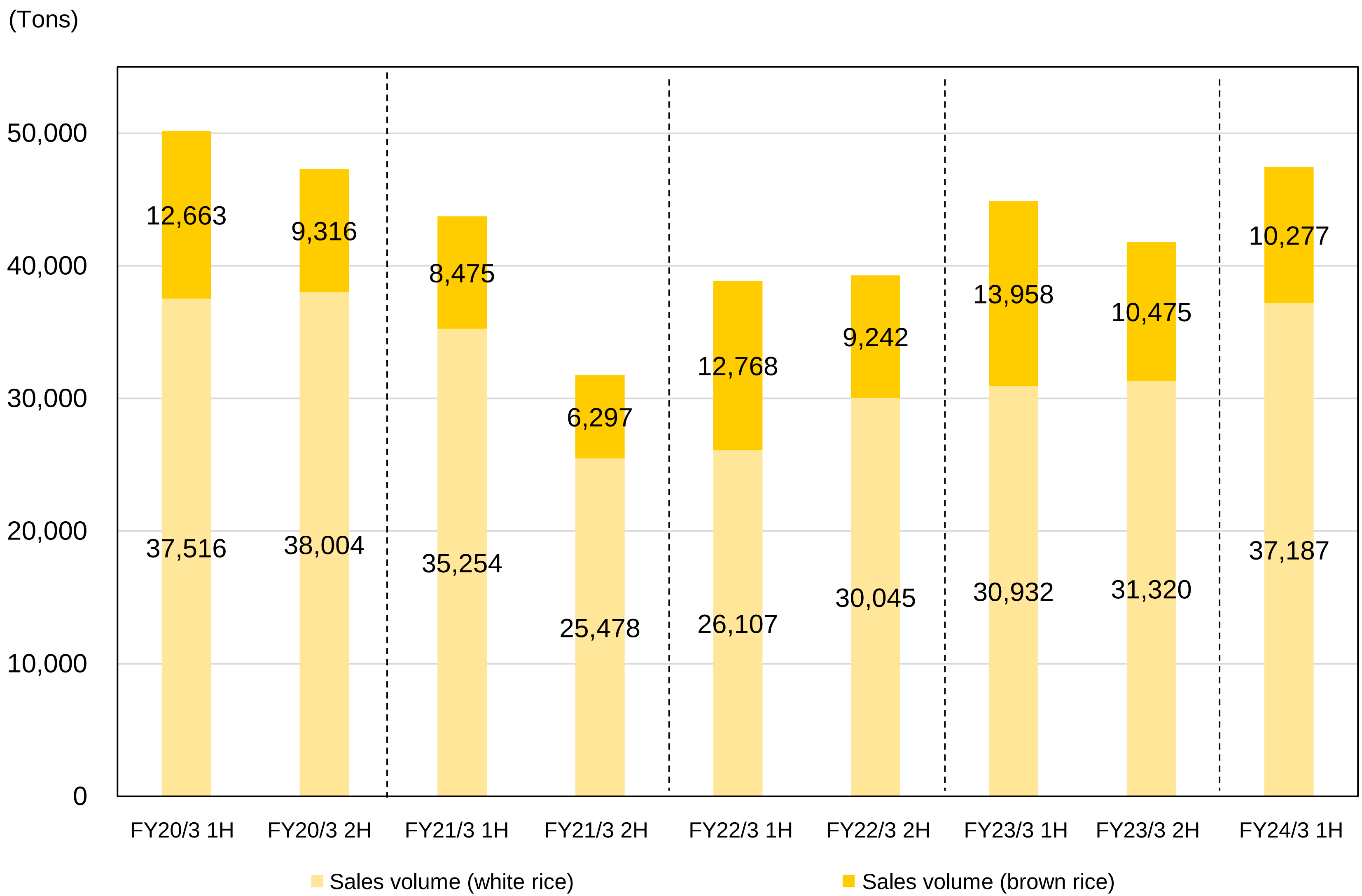
In light of this situation, we will launch terrace preservation efforts with shareholders through the new program. Shareholders with 1,000 shares or more will receive 10kg of rice harvested at Hoshitoge. Those interested can also experience rice planting in May and harvesting in September. As part of our focus theme, “Develop local communities, farming regions, and agriculture,” we will remain committed to these efforts going forward.

* Please see Yamatane’s website (https://www.yamatane.co.jp/) for details on the new shareholder benefit program.

Appendix:
[Logistics Services] Total Volume of Storage Used / Total Volume Handled

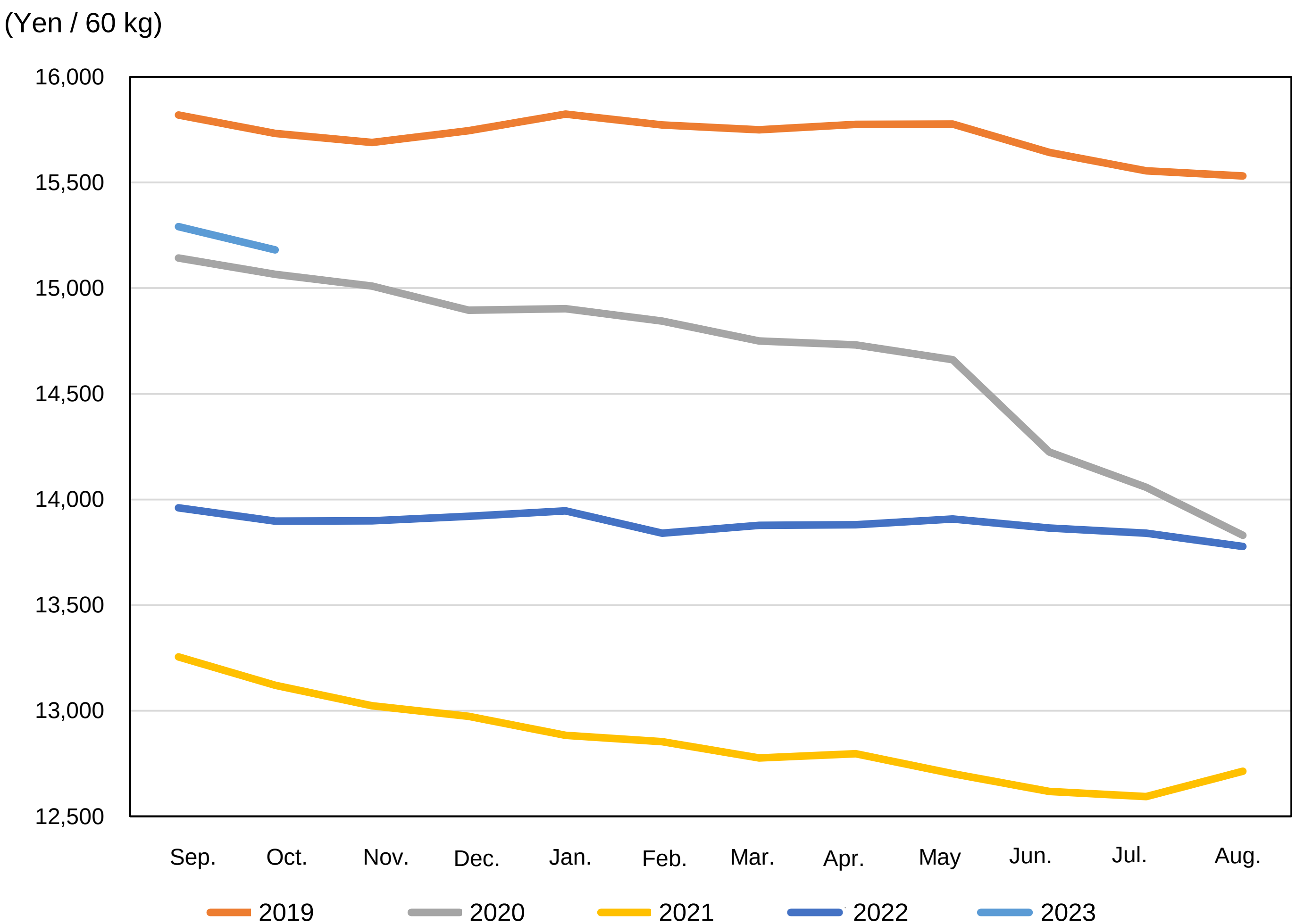


Appendix:
[Rice Merchandising] Sales Volume (White Rice / Brown Rice)



Yamatane

Appendix:
[Rice Merchandising] Over-the-Counter Price of Rice by Production Year



Average prices	
Produced in 2019	15,716
Produced in 2020	14,616
Produced in 2021	12,835
Produced in 2022	13,865
Produced in 2023	15,177

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 (November 29, 2023), and will not be updated or changed to reflect future events or circumstances.

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