Supporting your sustainability

Yamatane

Financial Results Briefing Materials

for the Six Months Ended September 30, 2022

November 28, 2022

Yamatane Corporation

(Securities code: 9305)

Contents

1. Overview of Financial Results for the Six Months Ended September 30, 2022 P 2
2. Outlook on Financial Results for the Fiscal Year Ending March 31, 2023 P 14
3. Progress in the Medium-Term Management Plan P 20
4. Initiatives Toward Sustainability P 24
5. Reference Materials P 27

Yamatane

1. Overview of Financial Results for the Six Months Ended September 30, 2022

(1) Overview of consolidated financial results

(2) Overview of financial results by segment

(3) Consolidated cash flows

(4) Consolidated financial position

1. (1) Overview of consolidated financial results

Yamatane

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

(Million yen)

	FY22/3 1H	FY23/3 1H		Year on year		Compared with plan	
	Results	Plan	Results		% change		% change
Net sales	23,271	25,800	25,440	2,169	9.3%	(359)	(1.4)%
Operating profit	1,348	1,400	1,900	552	41.0%	500	35.7%
Operating profit margin	5.8%	5.4%	7.5%	—	—	—	—
Ordinary profit	1,187	1,290	1,861	674	56.8%	571	44.3%
EBITDA	2,413	3,047	3,584	1,171	48.5%	537	17.6%
Profit attributable to owners of parent	694	670	1,078	383	55.3%	408	60.9%

Yamatane

Logistics Services segment

Key points

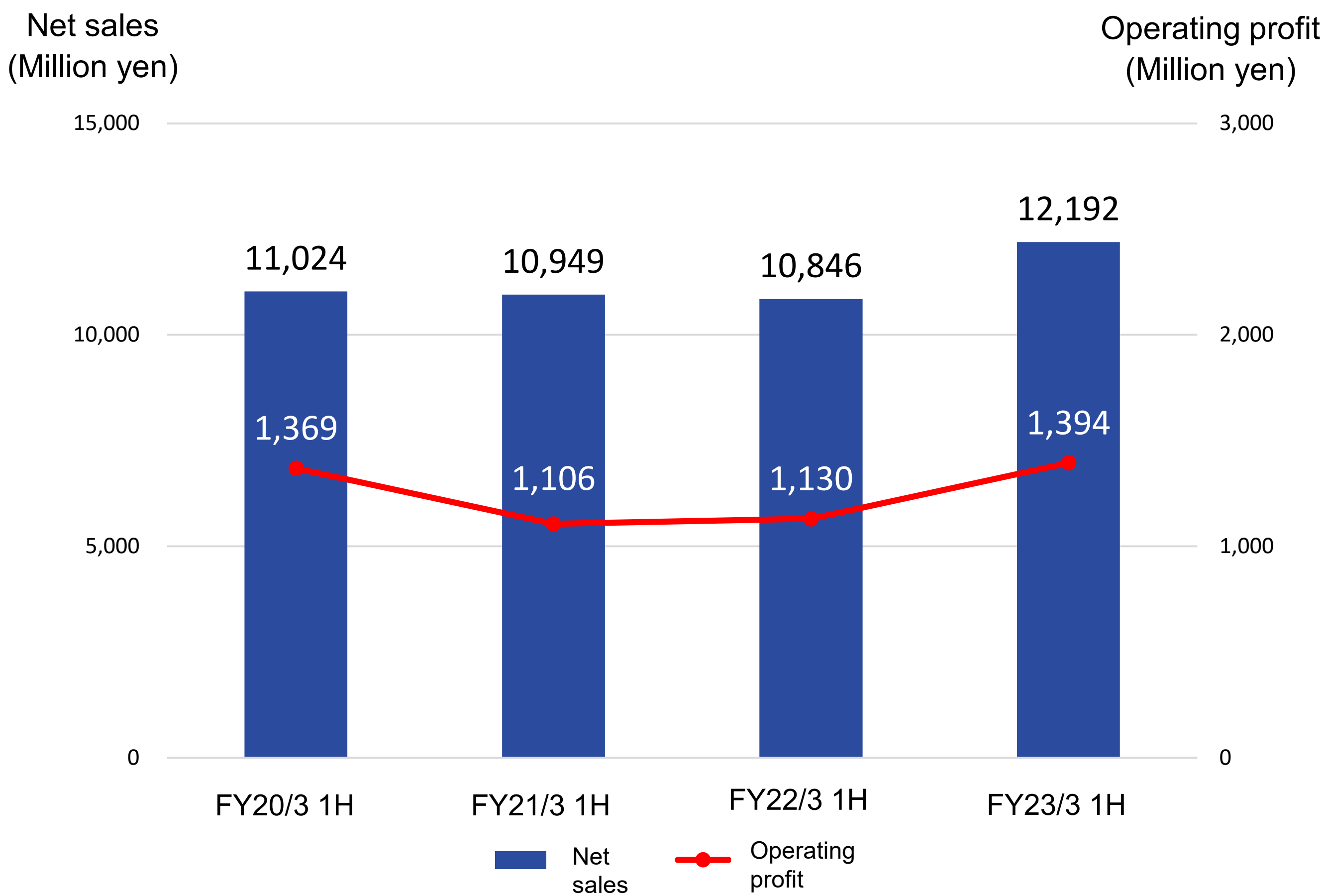
[Both sales and profit increased]

- Shinyo・Logi Co., Ltd. which became a wholly-owned consolidated subsidiary in April 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.

1. (2) Overview of financial results by segment

Yamatane

Logistics Services segment



Net sales

12,192 million yen

Year on year (change)

1,346 million yen

[+12.4%]

Operating profit

1,394 million yen

Year on year (change)

264 million yen

[+23.4%]

Food Business (Rice Merchandising) segment

Key points

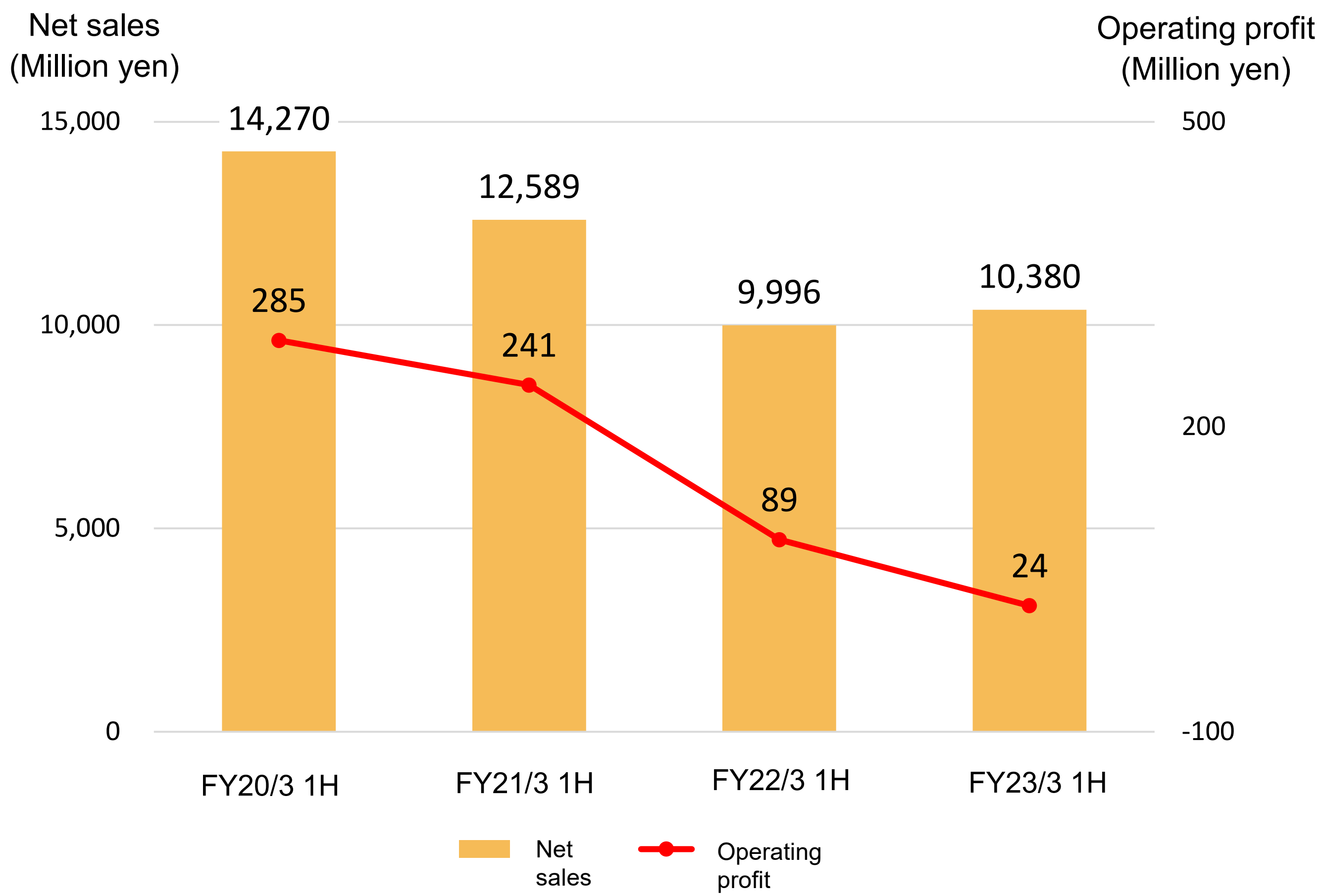
[Sales increased but profit decreased]

- Recovery in restaurant-related demand and sales to mass retailers were robust, and sales of white rice increased (up 18.5% year on year).
- The sales volume of brown rice also increased (up 9.3% year on year) due to increased demand for brown rice produced in 2021 and planned sales of brown rice produced in 2020.
- The production efficiency improved as the production sites were consolidated to the Inzai Rice Mill Factory. On the other hand, a burden of depreciation increased.

1. (2) Overview of financial results by segment

Yamatane

Food Business (Rice Merchandising) segment



Net sales

10,380 million yen

Year on year (change)

383 million yen

[+3.8%]

Operating profit

24 million yen

Year on year (change)

(64) million yen

[(72.9)%]

Information Systems segment

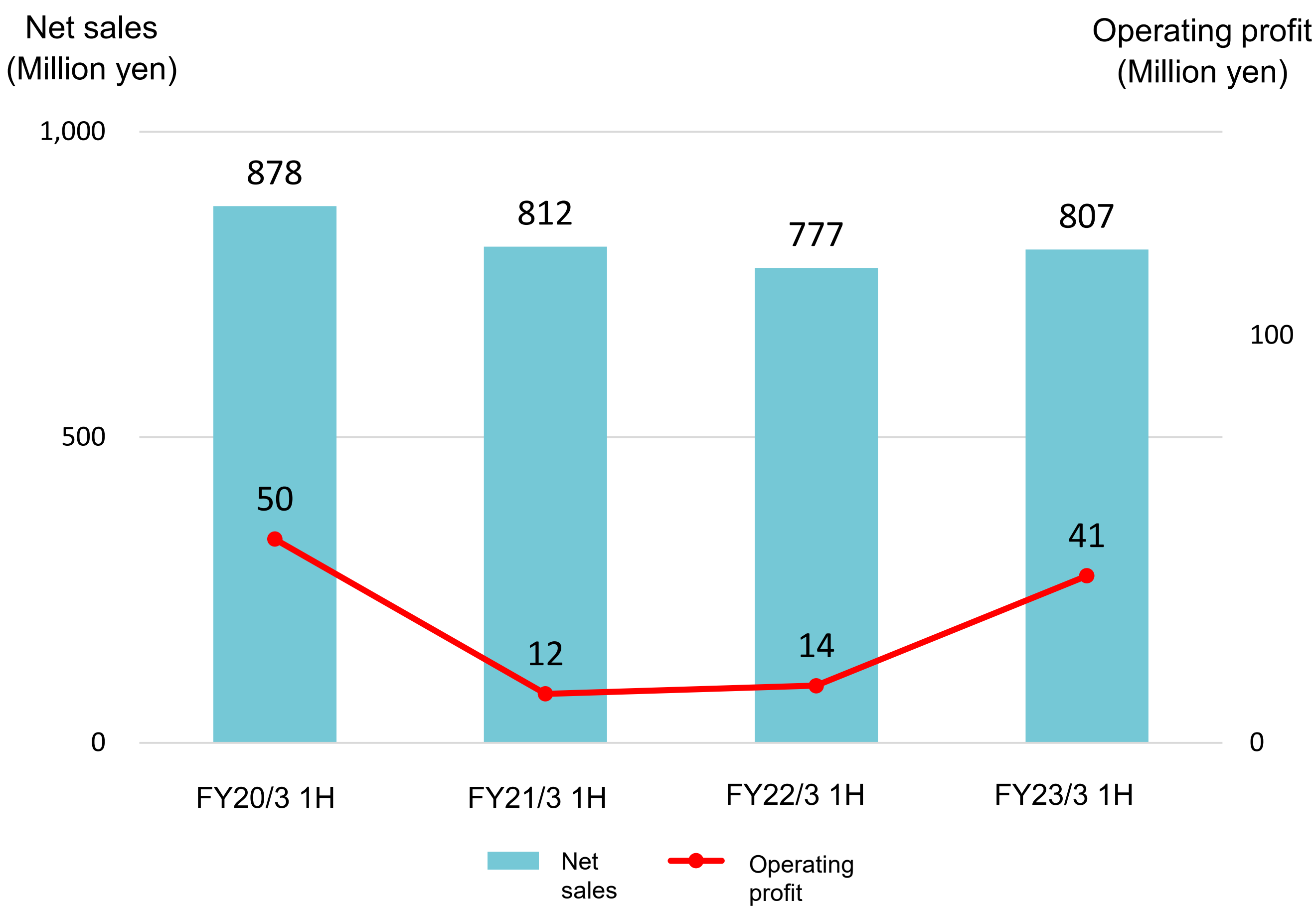
Key points

[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

Yamatane

Information Systems segment



Net sales

807 million yen

Year on year (change)

29 million yen
[+3.8%]

Operating profit

41 million yen

Year on year (change)

27 million yen
[+199.5%]

Real Estate Business segment

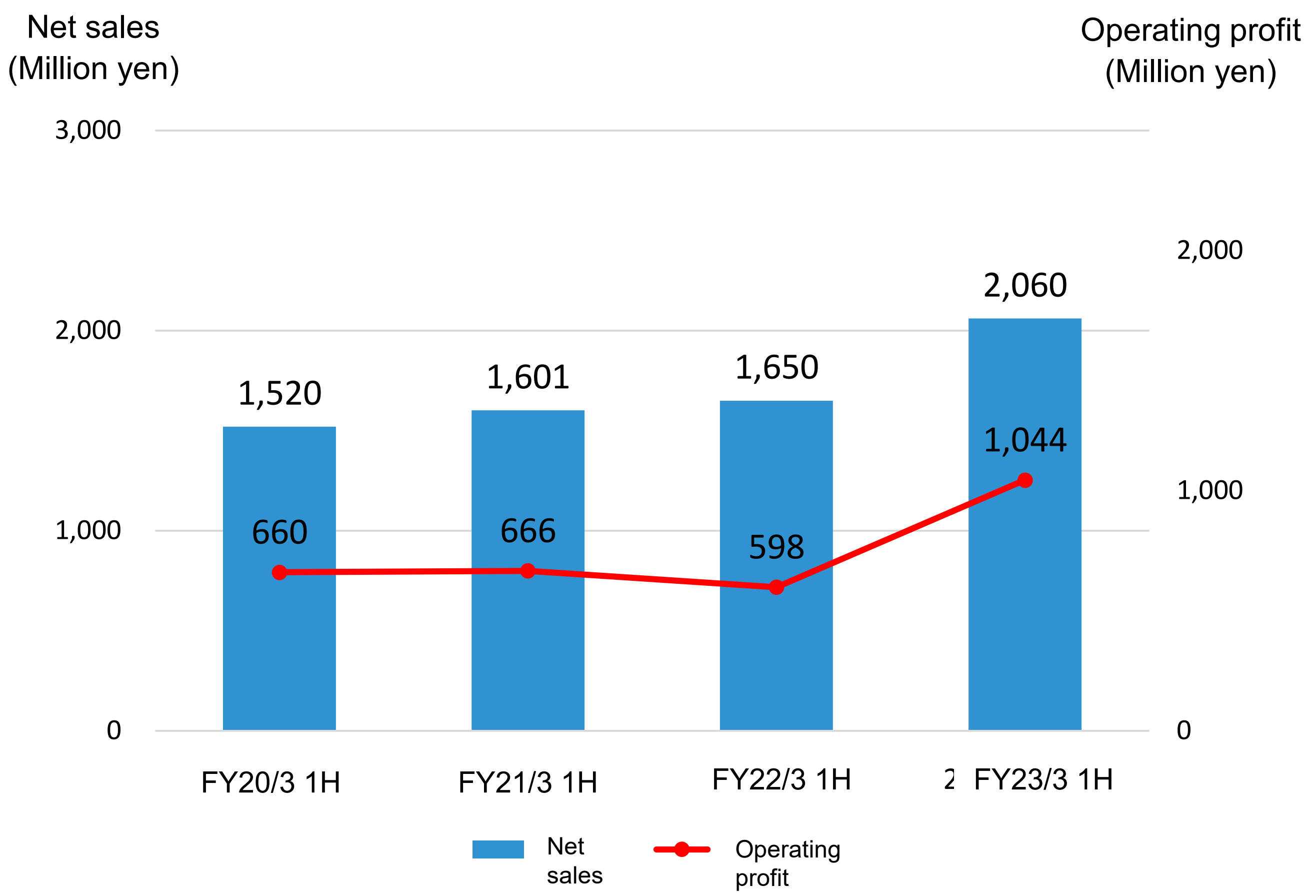
Key points

[Both sales and profit increased]

- Contribution to earnings by KABUTO ONE which opened in August of last year
- Expenses decreased year on year due in part to the absence of tax on real estate acquisition recorded for KABUTO ONE in the previous fiscal year.

1. (2) Overview of financial results by segment

Real Estate Business segment



Net sales

2,060 million yen

Year on year (change)

409 million yen
[+24.8%]

Operating profit

1,044 million yen

Year on year (change)

445 million yen
[+74.4%]

1. (3) Consolidated cash flows

Yamatane

Cash of 4,090 million yen was provided from profit before income taxes, etc.

Cash and cash equivalents decreased by 255 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.

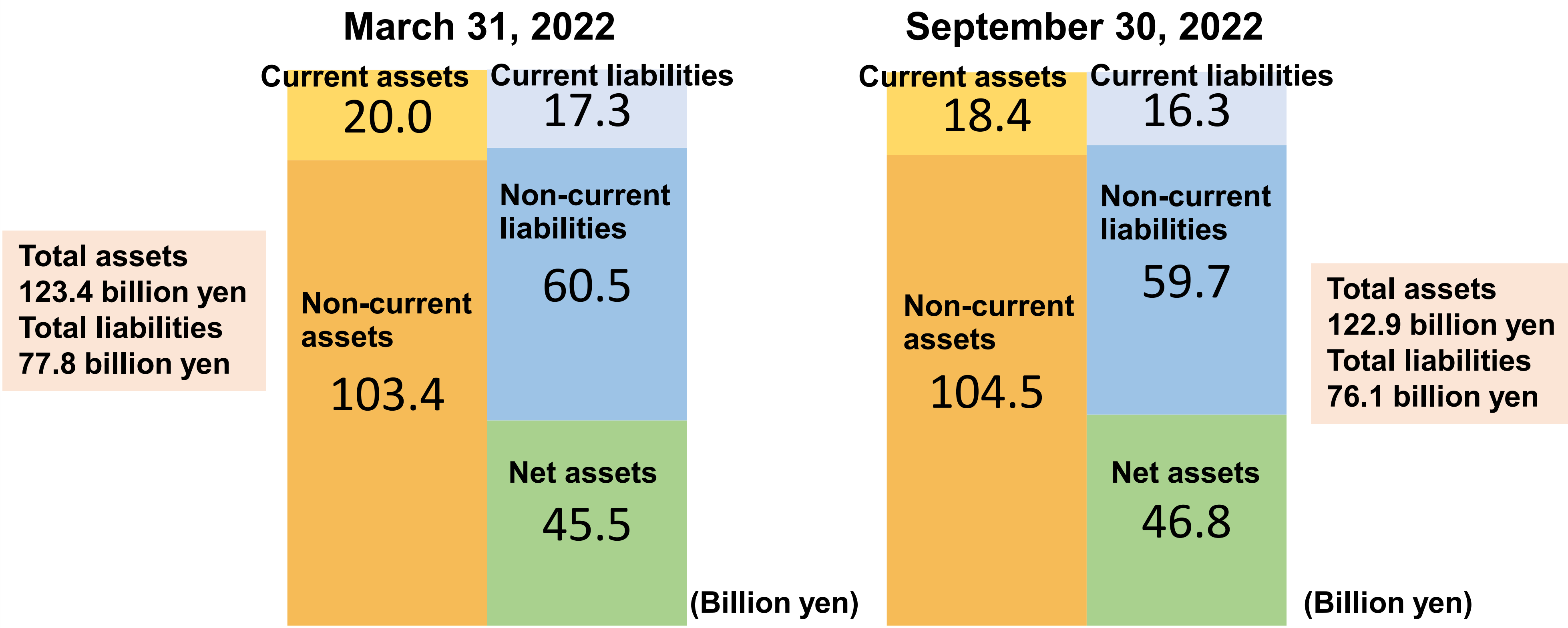
	FY22/3 1H	FY23/3 1H	Change
Balance at beginning of period	16,529	7,459	(9,069)
Operating C/F	2,069	4,090	2,020
Investing C/F	(5,956)	(2,112)	3,844
Financing C/F	413	(2,233)	(2,646)
Balance at end of period	13,055	7,204	(5,851)
Change	(3,474)	(255)	3,218

1. (4) Consolidated financial position

Despite goodwill incurred as Shinyo・Logi became our subsidiary, assets decreased by 481 million yen from the end of the previous fiscal year due in part to a decrease in property, plant and equipment.

Liabilities decreased by 1,764 million yen from the end of the previous fiscal year due in part to a decrease in interest-bearing liabilities.

Net assets increased by 1,282 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, 2023

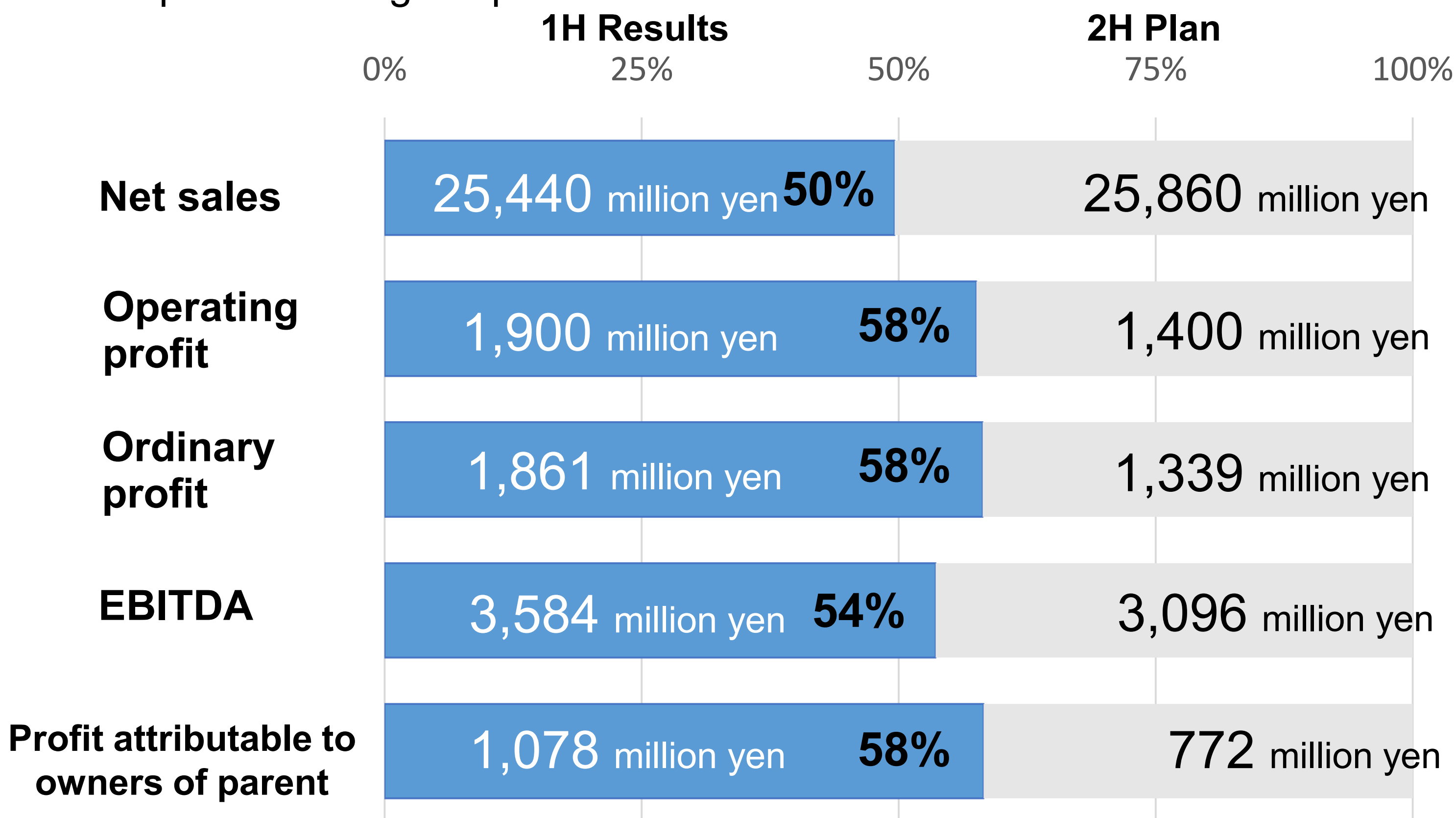
(1) Outlook on consolidated financial results

(2) Outlook on financial results by segment

2. (1) Outlook on consolidated financial results

Yamatane

In the second half, although net sales are expected to remain robust, operating profit is expected to decrease compared to the first half, as expenses are expected to increase due in part to an impact of a surge in prices.



Forecast for FY23/3

51,300 million yen
(Up 4,535 million yen year on year)

3,300 million yen
(Up 298 million yen year on year)

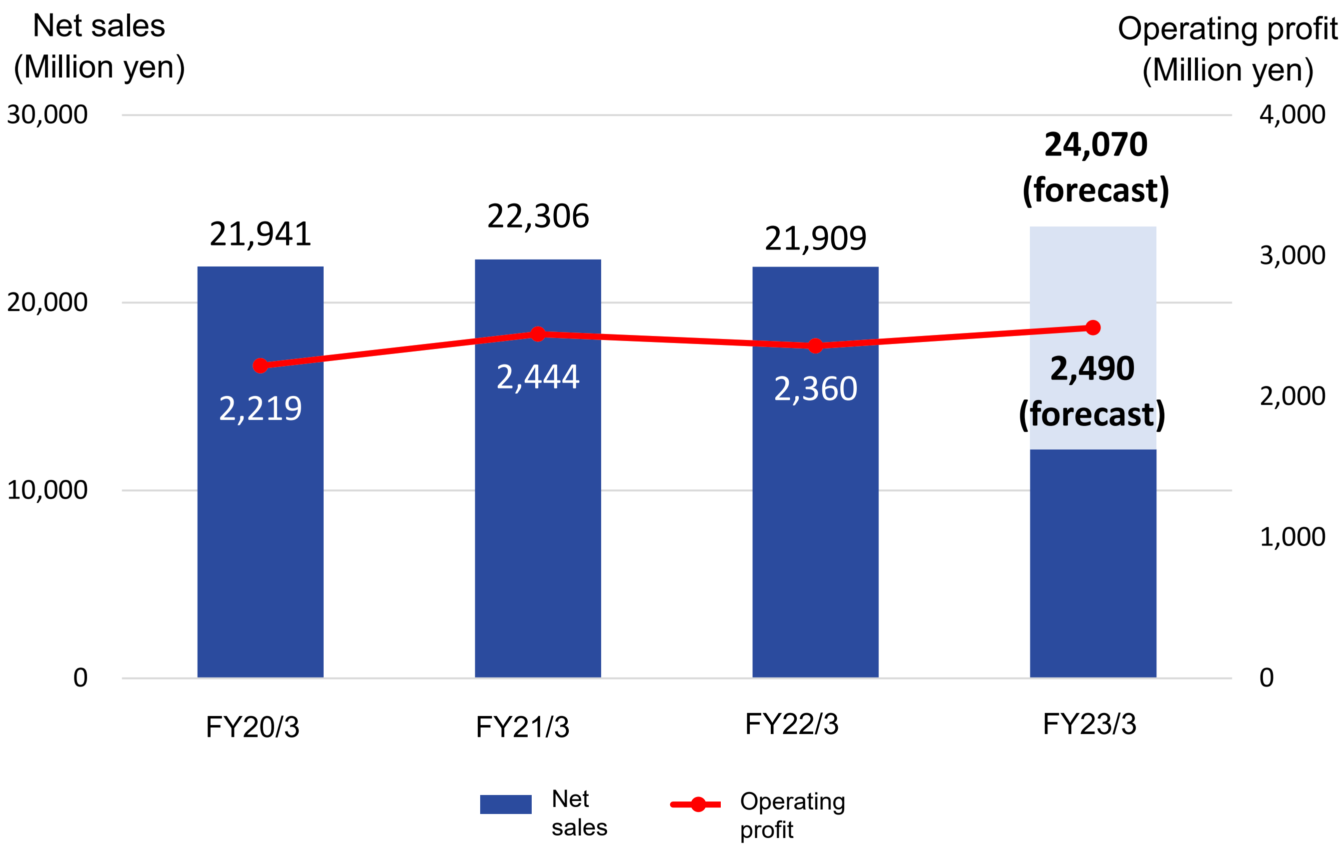
3,200 million yen
(Up 545 million yen year on year)

6,680 million yen
(Up 1,363 million yen year on year)

1,850 million yen
(Up 18 million yen year on year)

As for the full-year consolidated financial results forecast, since the Company anticipates increases in items such as operating and repair costs in the future in the Logistics Services section mainly due to a surge in prices, it has revised the forecast to reflect the actual financial results for the six months ended September 30, 2022 and other factors.

Logistics Services segment



Net sales (forecast)

24,070 million yen

Year on year (change)

2,160 million yen
[+9.9%]

Operating profit (forecast)

2,490 million yen

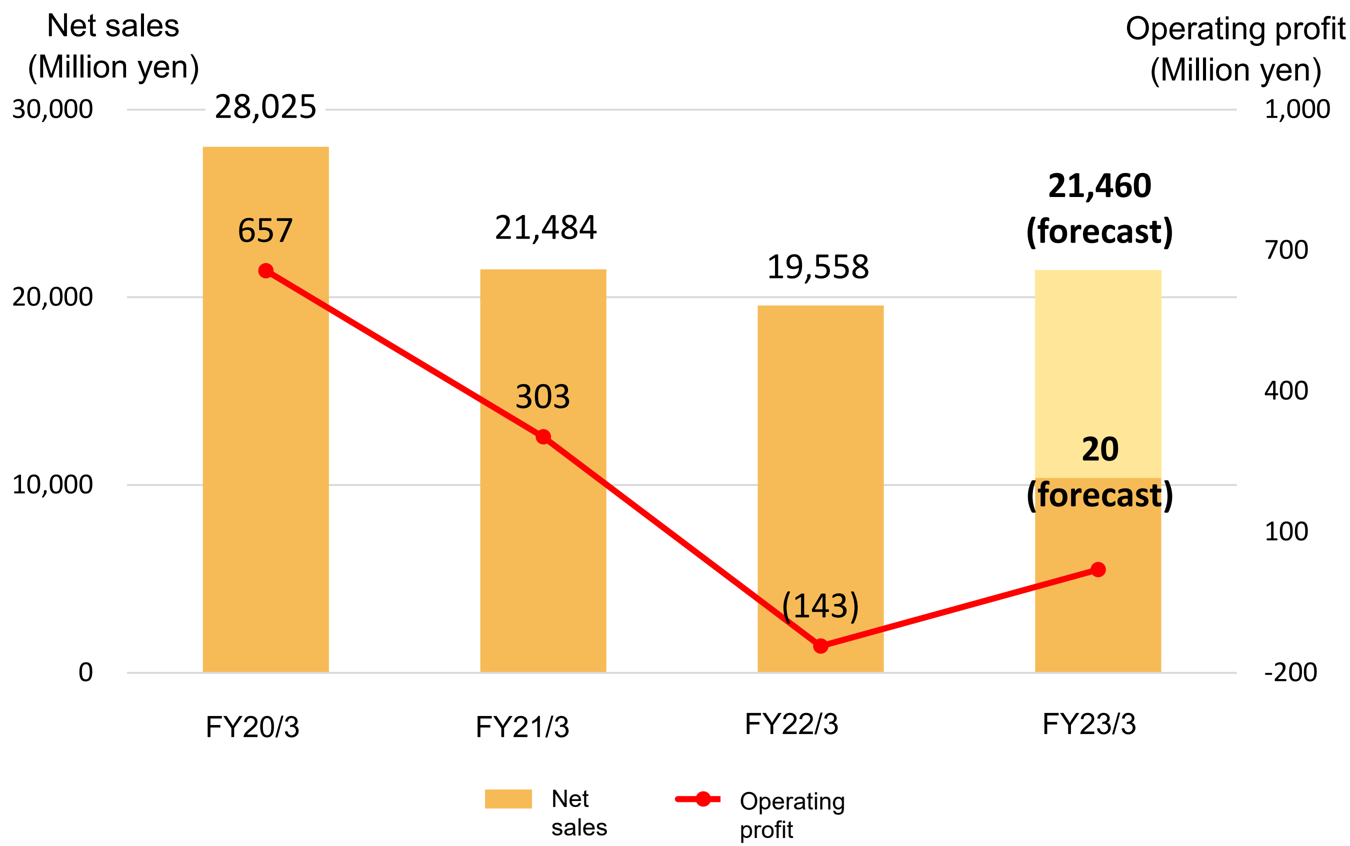
Year on year (change)

129 million yen
[+5.5%]

2. (2) Outlook on financial results by segment

Yamatane

Food Business (Rice Merchandising) segment



Net sales (forecast)

21,460 million yen

Year on year (change)

1,901 million yen
[+9.7%]

Operating profit (forecast)

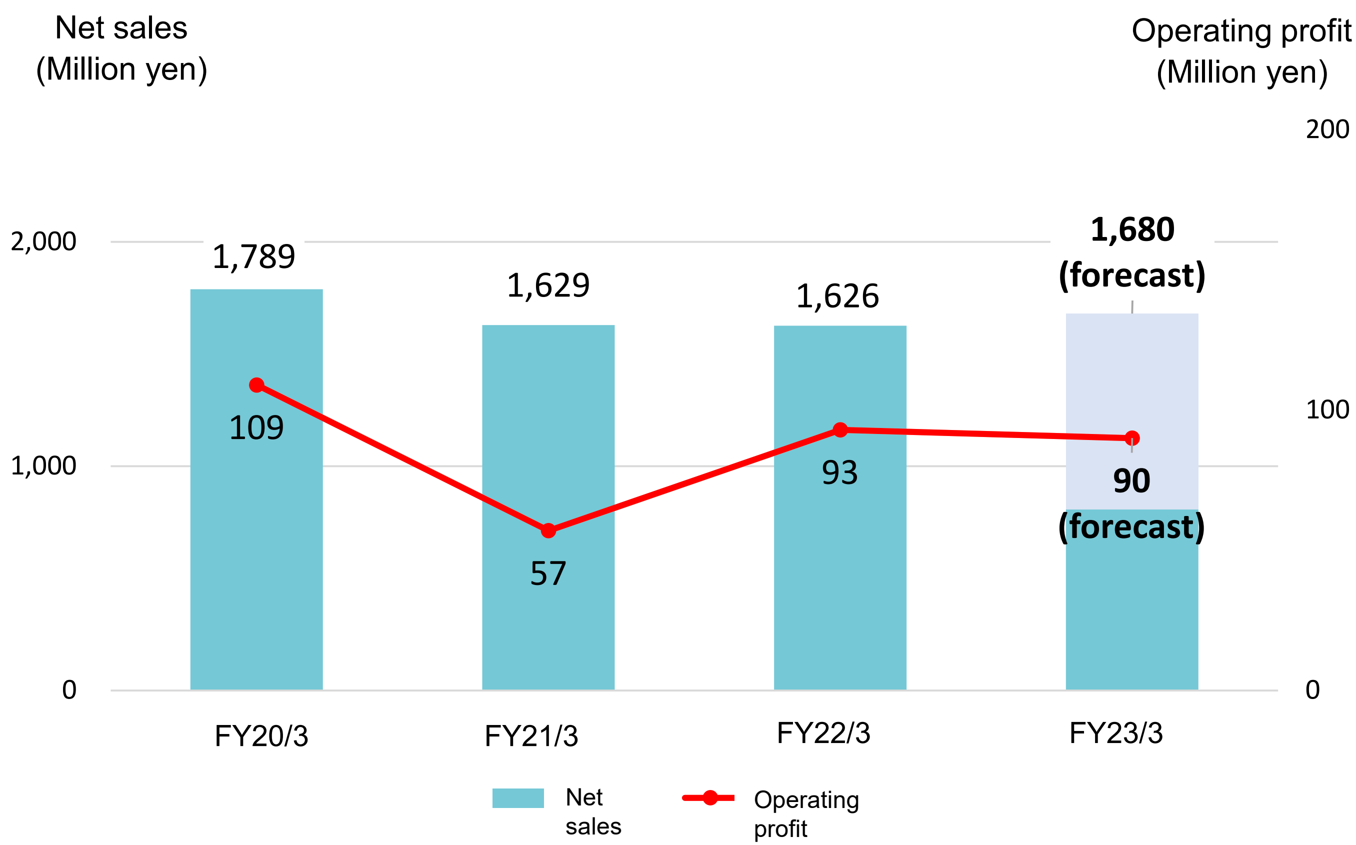
20 million yen

Year on year (change)

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

2. (2) Outlook on financial results by segment

Information Systems segment



Net sales (forecast)

1,680 million yen

Year on year (change)

53 million yen
[+3.3%]

Operating profit (forecast)

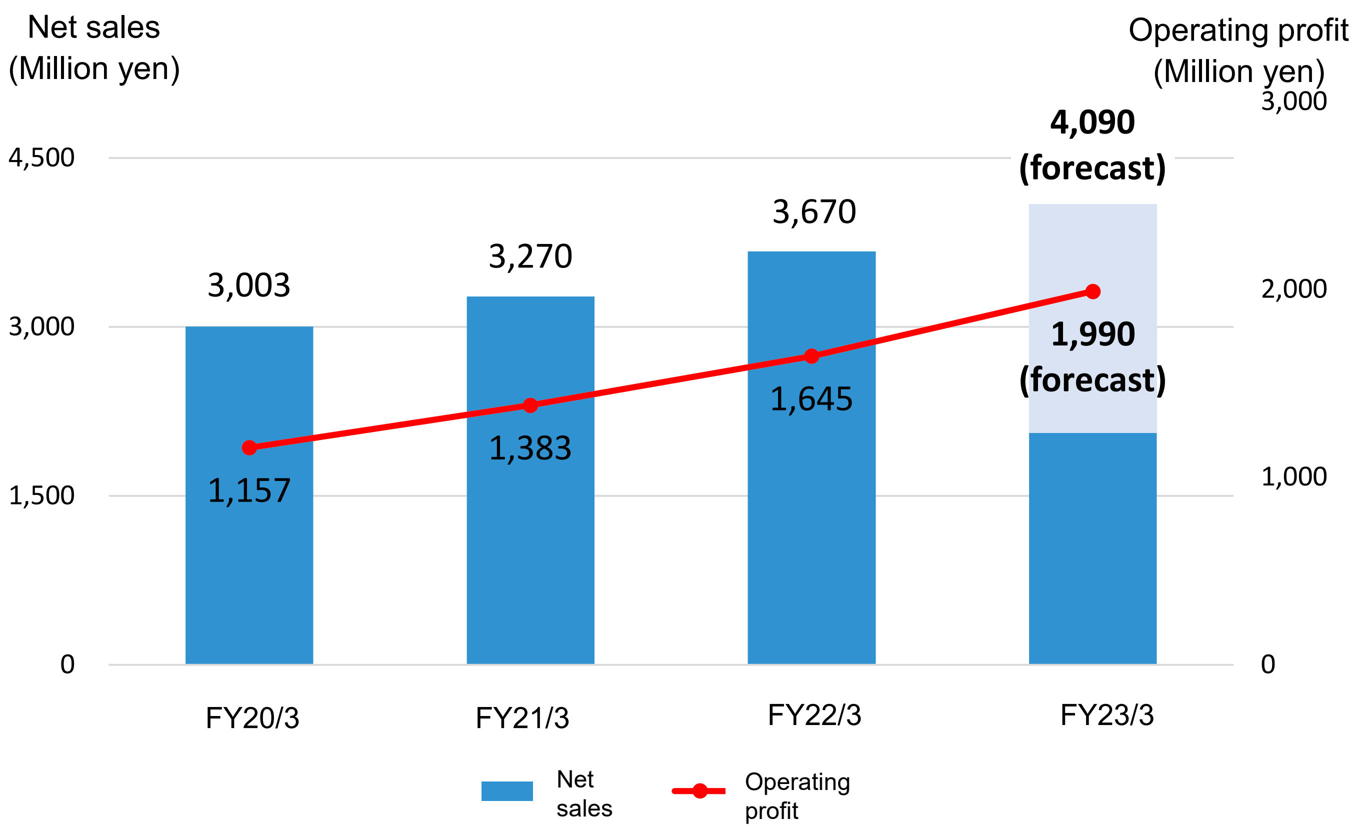
90 million yen

Year on year (change)

(3) million yen
[(4.0)%]

Yamatane

Real Estate Business segment



Net sales (forecast)

4,090 million yen

Year on year (change)

419 million yen
[+11.4%]

Operating profit (forecast)

1,990 million yen

Year on year (change)

344 million yen
[+20.9%]

Yamatane

3. Progress in the Medium-Term Management Plan

(1) Medium-term management plan, “Yamatane Plan 2025”

(2) Progress in the medium-term management plan

(3) Examples of efforts to achieve goals of each section

3. (1) Medium-term management plan, “Yamatane Plan 2025”

Yamatane

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

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

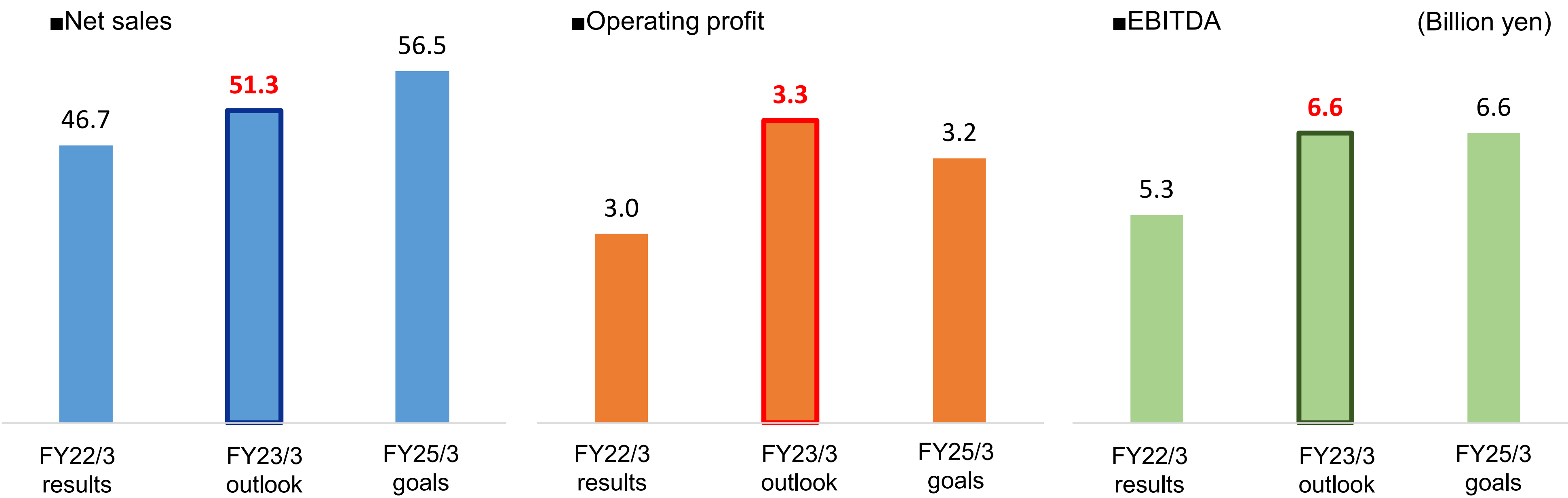
Real Estate Business
- Enhance quality (safety, convenience, comfort, environmental performance) of our existing properties to maximize their real-estate value
- Utilize cloud database to increase efficiency of real estate management and expand business in the property management domain

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

3. (2) Progress in the medium-term management plan

As for operating profit and EBITDA, the financial goals for the medium-term management plan are expected to be achieved in the fiscal year under review.

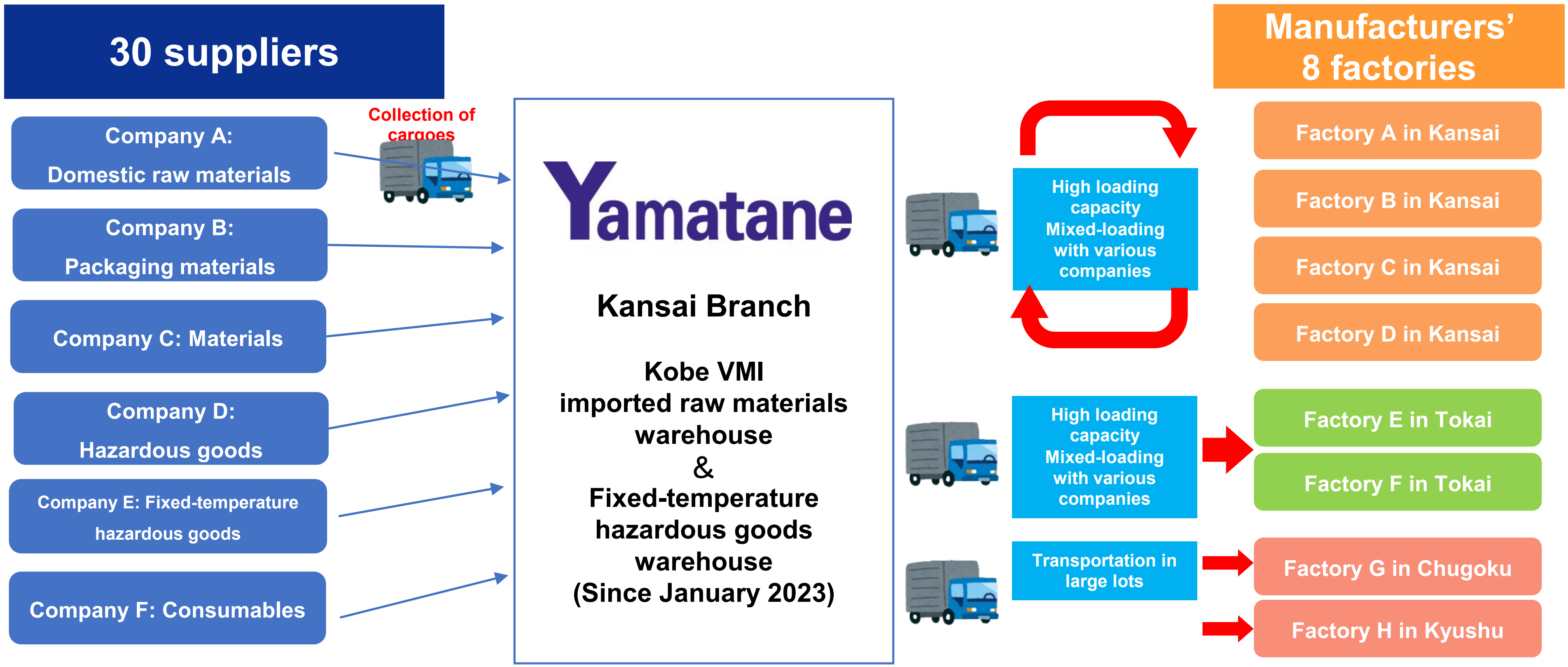
	FY22/3 results	FY23/3 outlook	Medium-term management plan goals (FY25/3)
Net sales	467	513	565
Operating profit	30	33	32
EBITDA	53	66	66



3. (3) Examples of efforts to achieve goals of each section

- ✓ **Contributed to JIT procurement (manufacturers) and restocking in a planned manner (suppliers)**
- ✓ **Realized reduction of GHG emissions and logistics burdens through reduction of the number of vehicles and the number of times of receiving cargoes**

Transportation in large lots x delivery in a high loading rate
+ decrease in the number of cargoes handled



4. Initiatives Toward Sustainability

(1) 2030 sustainability goals

(2) Examples of efforts

4. (1) 2030 sustainability goals

〇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

〇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

〇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

〇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

〇Promote sustainable rice procurement

- Procure materials sustainably and use them efficiently

2030 goal
□Realize sustainable farming by establishing brand value at places of production

〇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

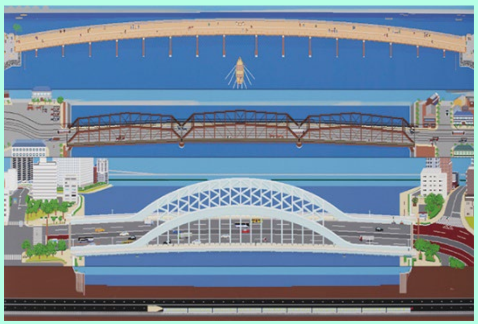
*1 Serious occupational accidents/incidents
(1) Death, diseases (possibly) requiring extended care, injuries (possibly) resulting in physical impairment, and specified communicable diseases
(2) Work-related disasters that resulted in death, injury, or infection of three or more workers at one time (including those not accompanied by lost worktime)
*2 Scope: Yamatane Corporation

4. (2) Examples of efforts

Yamatane

■Contribute to community-based cultural activities

The Company co-sponsors a lot of community events as part of our efforts to “Contribute to community-based cultural activities” undertaken under our focus theme, “Develop local communities, farming regions, and agriculture.”



The Company co-sponsored “ARTPARA FUKAGAWA 2022” as a festival partner, and provided a location to store art works.
For FY2022 “Yamatane Award,” the Company selected “Eitai Bridge with Fukagawa” by Mr. Katsuyoshi Watanabe as the award winner.

The Company co-sponsored and set up a booth in the “40th Koto Residents’ Festival: Central Festival,” which was held for the first time in three years due to an impact of the spread of COVID-19. At the booth, visitors enjoyed “scooping of rice.”
About 700 visitors including children and adults visited our booth.

About 500 local residents gathered at the “Fukagawa Residents Sports Day” held at the Fukagawa Sports Center right next to our Headquarters. Events included the sprint race and ball-toss game, and the Company offered rice as prize.

5. Reference Materials

■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

Company overview

Yamatane

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:	927 (on a consolidated basis) (as of September 30, 2022)
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 September 2022)

Businesses

Logistics Services segment

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

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

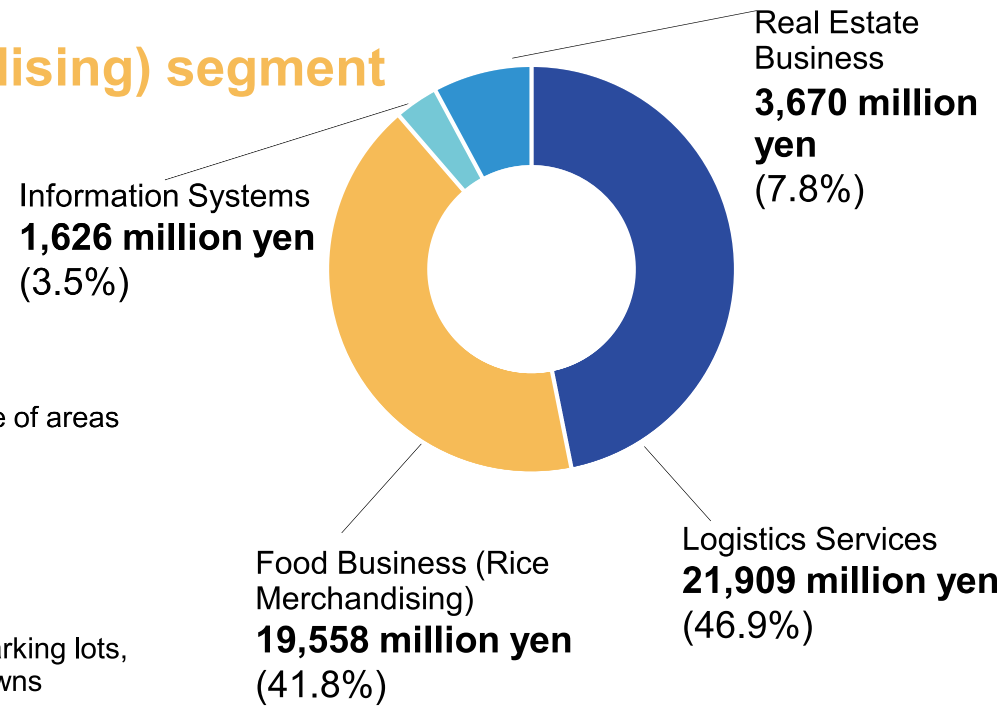
Provides IT solutions and operation support services in a wide range of areas

Real Estate Business segment

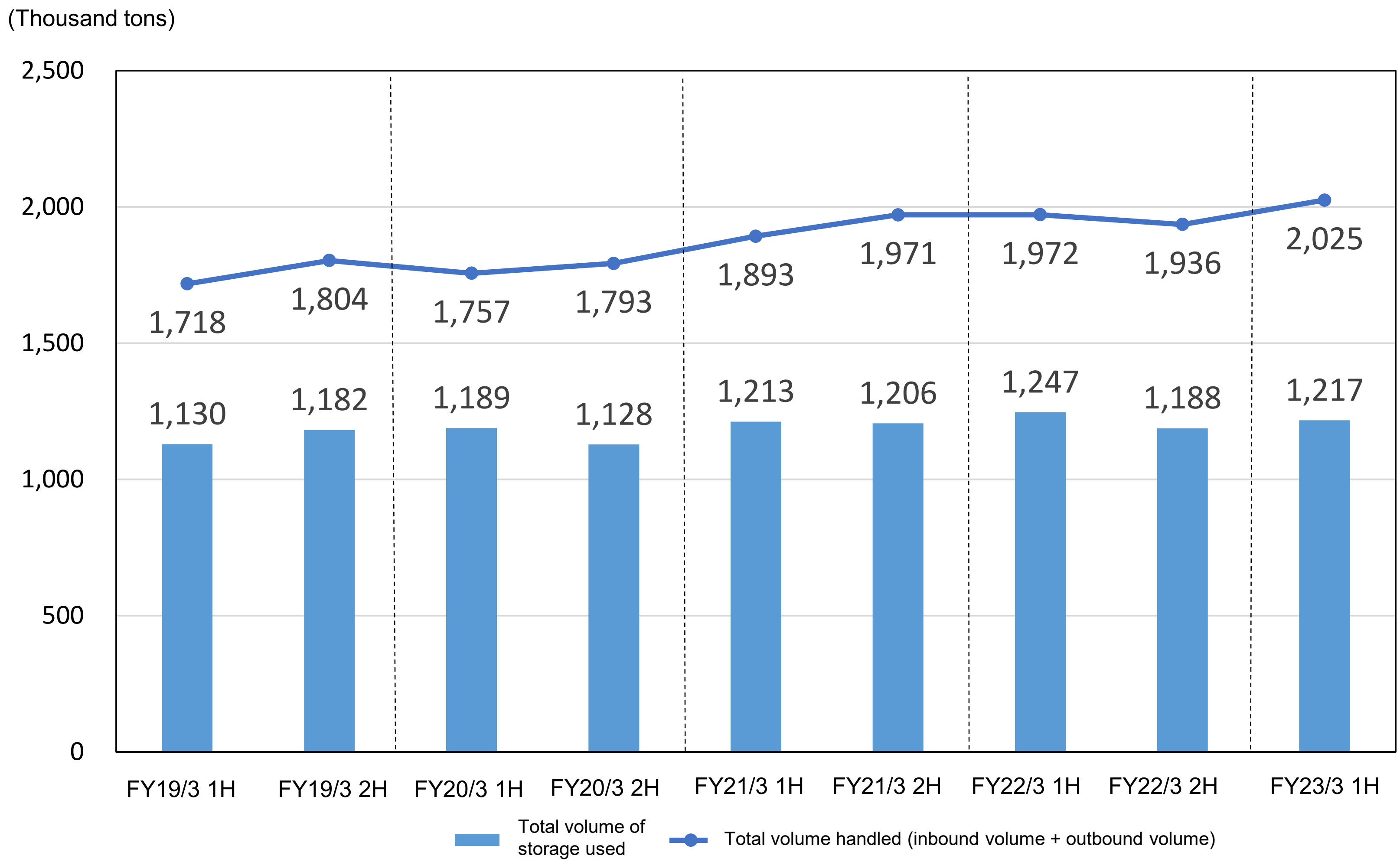
Conducts efficient operation of logistics and commercial facilities, parking lots, etc. by placing a focus on leasing of office buildings the Company owns

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

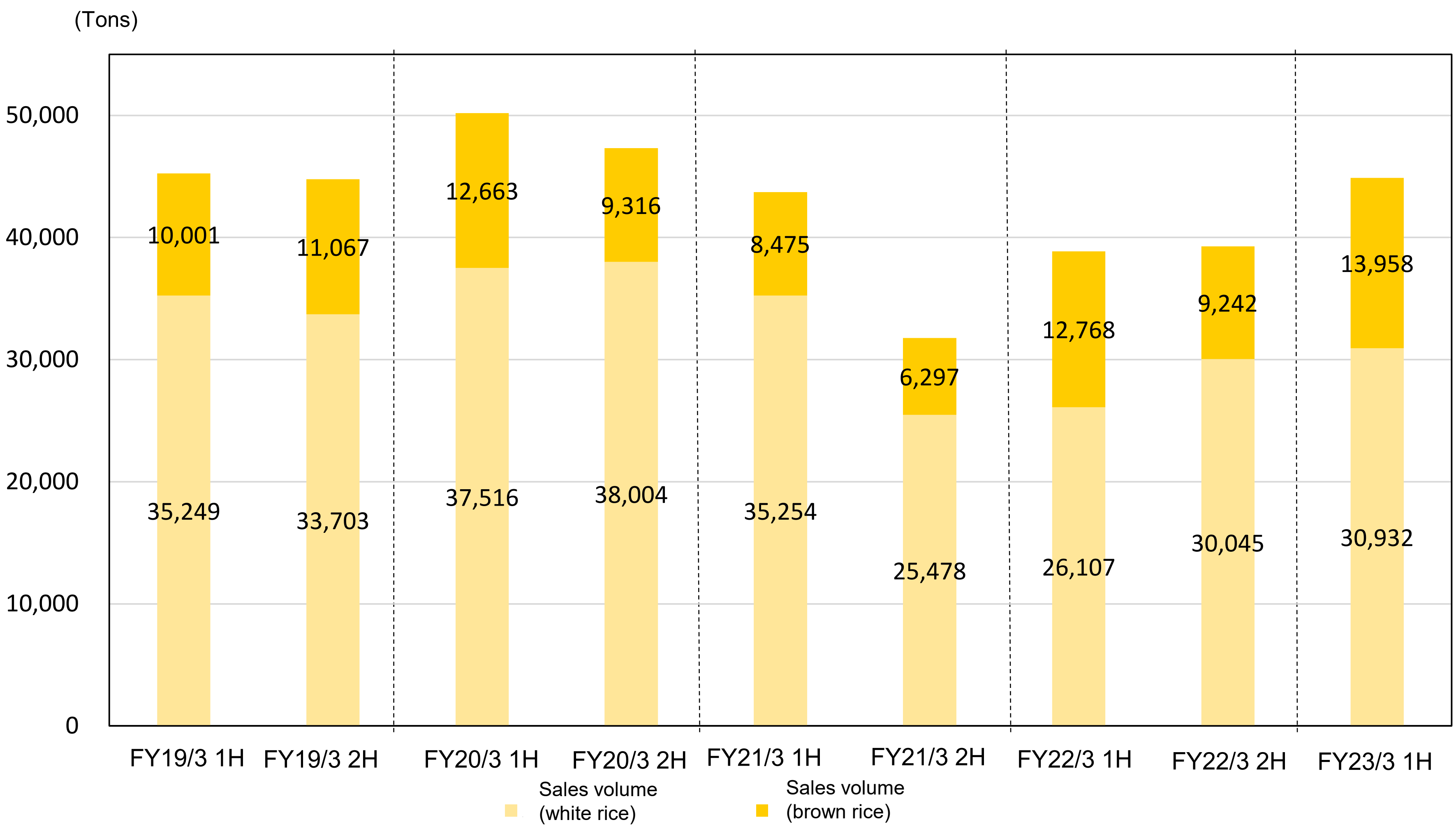
■**Net sales by segment (Mar. 2022)**



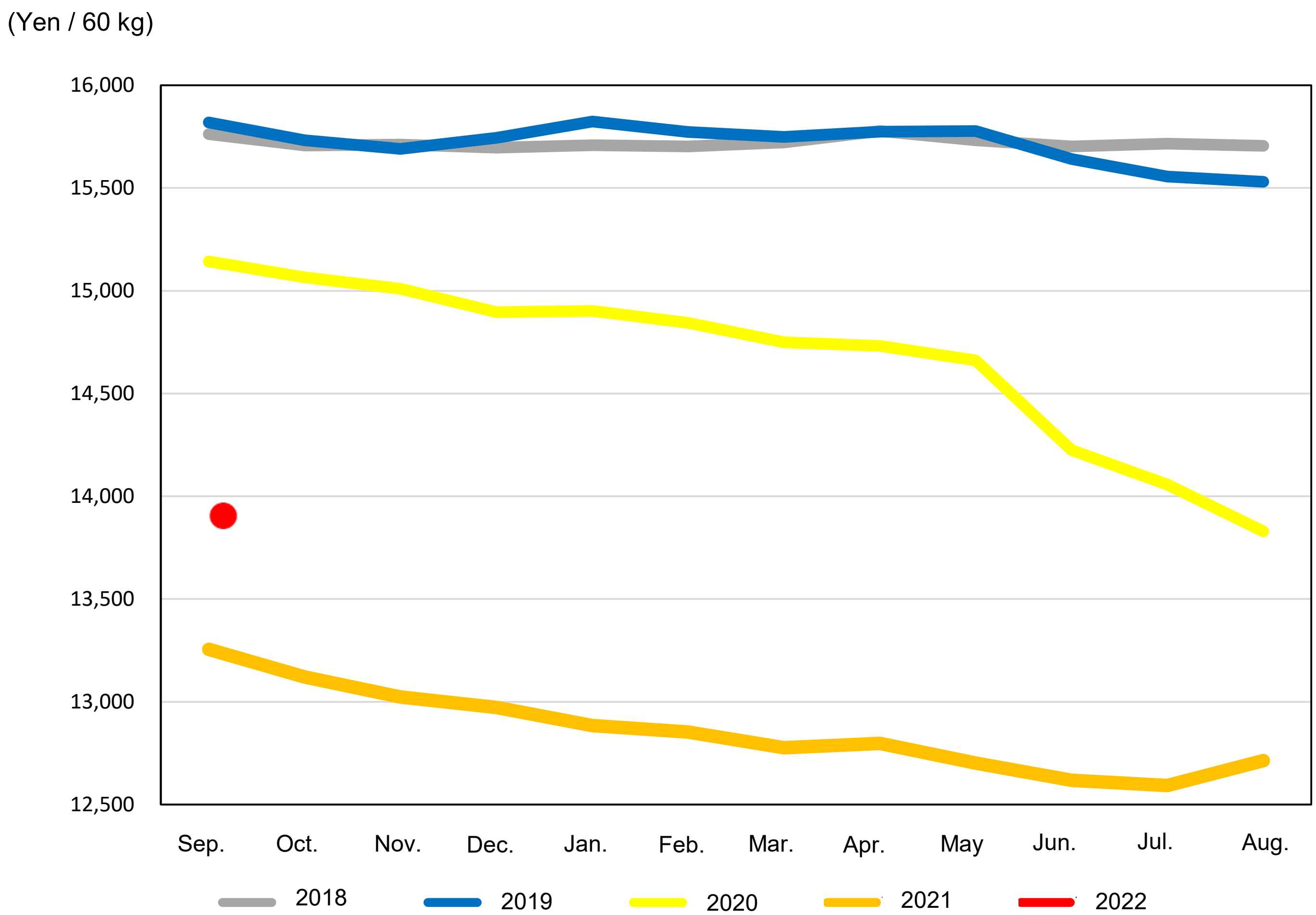
[Logistics Services] Total volume of storage used / total volume handled



[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	13,961

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: 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	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%		31.3%	

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 28, 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