November 14, 2024

To whom it may concern,

Company name: **Yamatane Corporation**
Representative: Iwao Kawaharada, Representative Director, President
(Securities code: 9305 Tokyo Stock Exchange Prime Market)
Contact: Kenji Mizoguchi, Managing Executive Officer, General Manager, Corporate Planning Department
(Phone: +81-3-3820-1116)

Notice Regarding the Establishment of the New Medium-term Management Plan "Yamatane 2028 Plan"

Yamatane Corporation (the "Company") hereby announces that it has established a new medium-term management plan "Yamatane 2028 Plan" for the three-year period from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028, and that it has resolved the content of the plan at the meeting of the Board of Directors held on November 14, 2024, as described below.

The Yamatane Group (the "Group") perceives its purpose as "bringing together diverse human resources and creating the power to contribute to society." To realize this Purpose, it has formulated the "Yamatane 2031 Vision," aspiring to "take the challenge to build a rich society through logistics and food distribution."

The medium-term management plan "Yamatane 2025 Plan" (for the fiscal years ended March 31, 2023 to 2025) represents the first phase in this process. During this phase, we are promoting M&A activities and other growth investments, and we expect to achieve our main financial targets for net sales, operating profit, ROE, etc. However, the Group must achieve more sophisticated revenue management in each division, generate even greater business synergies, improve return on capital with a consciousness of the cost of capital, and engage further in strengthening the governance system to achieve management that is conscious of the cost of capital and stock price in line with the recent demands of the capital market.

Based on this awareness, under the new medium-term management plan "Yamatane 2028 Plan" (for the fiscal years ending March 31, 2026 to 2028), the Group will strive to further enhance corporate value by promoting more vigorous participation by each employee and nurturing a corporate culture that encourages the pursuit of challenges, as it aims to further promote Purpose-focused management and make this a turning-point for the next 100 years in the development of the Yamatane Group.

1. Review of Yamatane 2025 Plan

	Main financial targets	Forecasts for the fiscal year ending March 31, 2025	Difference
Net sales	¥56.5 billion	¥81.3 billion	+ ¥24.8 billion
Operating profit	¥3.2 billion	¥3.23 billion	+ ¥0.03 billion
EBITDA	¥6.6 billion	¥7.52 billion	+ ¥0.92 billion
ROE	5.0% or higher	5.0%	—
Dividend payout ratio	35.0% or higher	35.1%	—

2. Overview of Yamatane 2028 Plan

(1) Financial Targets

	Forecasts for the fiscal year ending March 31, 2025	Targets under Yamatane 2028 Plan	Difference
Net sales	¥81.3 billion	¥88.0 billion	+ ¥6.7 billion
Operating profit	¥3.23 billion	¥4.7 billion	+ ¥1.47 billion
EBITDA	¥7.52 billion	¥9.2 billion	+ ¥1.68 billion
ROE	5.0%	6.5% or higher	—
Dividend payout ratio	35.1%	—	—
Total shareholder return	—	70% to 80%	—

(2) Basic Policies

1) Promote overall optimization of the Group through revenue management in each division and the maximization of synergies between divisions
2) Engage in improving return on capital while simultaneously building an effective and decisive governance framework
3) Lay the groundwork for sustainable growth over the next 100 years together with stakeholders both inside and outside the Group

(3) Policies in Each Segment

Segment	Theme	Measures
Logistics	Generate “food×logistics” synergies	1) Strengthen earning capacity 2) Build industry-specific platforms 3) Consider entering the cold chain sector
Foodstuffs	Expand the value chain	1) Improve profitability in the rice business 2) Downstream strategy (develop new customers) 3) Upstream entry (expand into production)
Information Systems	Develop specialized SI operations	1) Support DX in the Yamatane Group 2) Develop device sales services 3) Expand into regional areas
Real Estate	Upgrade the CRE strategy	1) Effectively utilize the real estate portfolio 2) Launch a real estate securitization business 3) Engage in new fields

(4) Financial and Capital Policy

- Total shareholder return: 70–80% (total return: approx. ¥7.0–8.0 billion)
  *Including measures to address dilution due to the absorption and merger of Yamatane Real Estate
- The Company plans to continue to increase the dividend payout ratio to achieve DOE of 3% in the fiscal year ending March 31, 2028

*Please refer to the attached materials for details of the new medium-term management plan “Yamatane 2028 Plan.”



Yamatane Plan 2028

Yamatane Corporation (Securities code: 9305)

Supporting your sustainability

Yamatane 100th

Purpose (Raison d'être)

Bringing together diverse human resources to create the power to contribute to society

Yamatane Vision 2031

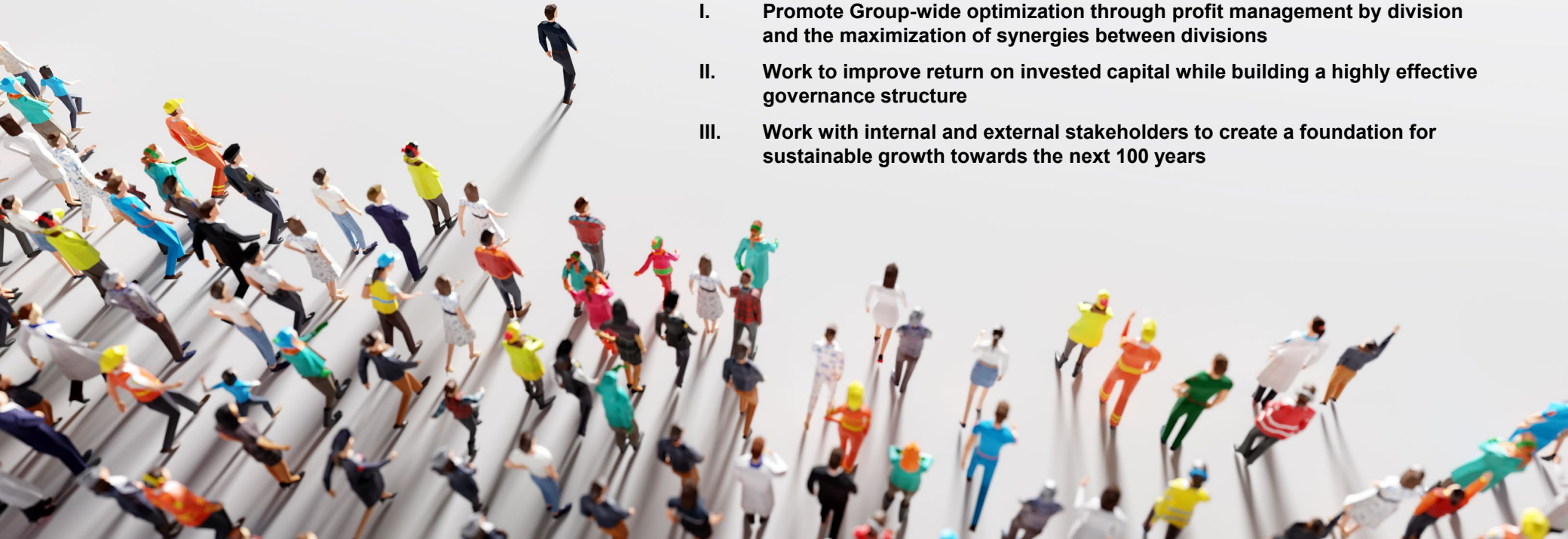
Taking on the challenge of creating a more prosperous society through logistics and food distribution

Yamatane Plan 2028 Basic Policies

I. Promote Group-wide optimization through profit management by division and the maximization of synergies between divisions

II. Work to improve return on invested capital while building a highly effective governance structure

III. Work with internal and external stakeholders to create a foundation for sustainable growth towards the next 100 years



Positioning of Yamatane Plan 2028

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

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

FY23/3 – FY25/3

Yamatane Plan 2028

New medium-term management plan

Growth period aimed at maximizing investment effects

- **Achieving ROE of 6.5%**
- **Profit management by division and authority delegation**
- **Pursuing business synergies and making additional growth investments**
- **Strengthening CRE strategy**
- **Enhancing balance sheet management and strengthening governance**

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

- ROE 8% or more
- Realizing synergies in logistics and food



FY29/3 – FY31/3

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1. **Review of the Current Medium-term Management Plan and Identification of Issues** **P.4**

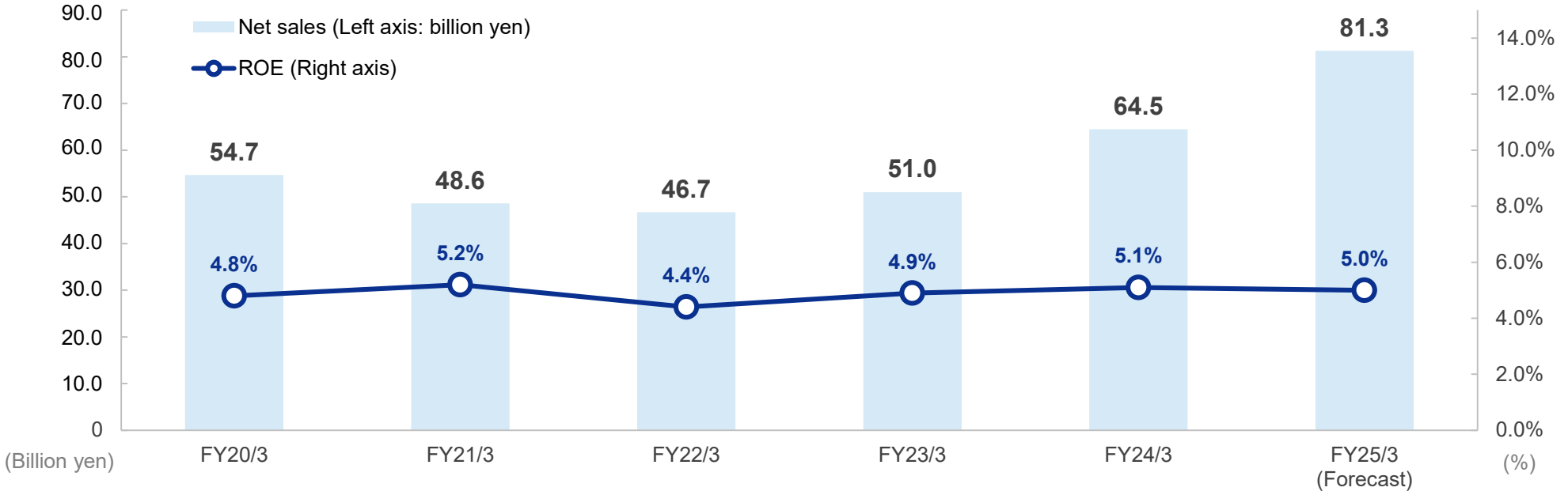
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Review of Yamatane Plan 2025 (Consolidated)

- **We made proactive investments during the period of this medium-term management plan, and while operating profit increased slightly, net sales and EBITDA increased significantly**
- **Major quantitative goals were achieved one year ahead of schedule, and FY25/3 forecasts are also expected to be achieved**

	FY22/3 Results	Yamatane Plan 2025 Goals	FY25/3 Forecasts	Three-year difference	CAGR (2022-2025)
Net sales	46.7 billion yen	56.5 billion yen	**81.3 billion yen**	+34.6 billion yen	+20.3%
Operating profit	3.0 billion yen	3.2 billion yen	**3.23 billion yen**	+0.23 billion yen	+2.5%
EBITDA	5.3 billion yen	6.6 billion yen	**7.52 billion yen**	+2.22 billion yen	–
ROE	4.4%	5.0% or more	**5.0%**	–	–
Payout ratio	31.0%	35.0% or more	**35.1%**	–	–



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Review of Yamatane Plan 2025 (by Segment)

- **In the Logistics Division, operating profit decreased due to the impact of tax effects and depreciation related to the construction of new warehouses. However, in the Foodstuffs Division, the operating profit margin exceeded 2%, mainly due to an M&A in October 2023, contributing approximately 1.4 billion yen**

		FY22/3 Results	FY25/3 Forecasts	Change
Logistics Services	Net sales	21.9 billion yen	**25.0 billion yen**	+3.1 billion yen
	Operating profit	2.36 billion yen	**1.90 billion yen**	(0.46) billion yen
	Operating profit margin	10.8%	**7.6%**	–
Food Business	Net sales	19.5 billion yen	**49.8 billion yen**	+30.3 billion yen
	Operating profit	(0.14) billion yen	**1.25 billion yen**	+1.39 billion yen
	Operating profit margin	(0.7)%	**2.5%**	–
Information Systems	Net sales	1.6 billion yen	**1.8 billion yen**	+0.2 billion yen
	Operating profit	0.09 billion yen	**0.07 billion yen**	(0.02) billion yen
	Operating profit margin	5.6%	**3.8%**	–
Real Estate Business	Net sales	3.6 billion yen	**4.7 billion yen**	+1.1 billion yen
	Operating profit	1.6 billion yen	**2.15 billion yen**	+0.55 billion yen
	Operating profit margin	44.4%	**45.7%**	–
Adjustment	Operating profit	(0.95) billion yen	**(2.14) billion yen**	(1.19) billion yen

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Review of Yamatane Plan 2025 (Qualitative Evaluation)

The achievement of goals in core business domains contributed to reaching quantitative goals in the current medium-term management plan
Progress in uncharted domains was insufficient, and issues remain for the next medium-term management plan

Core Business Domains

Section	Goals	Assessment
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	● Assure the quality and safety of rice at each distribution stage to ensure a 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 digital transformation, 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	○

Uncharted Domains

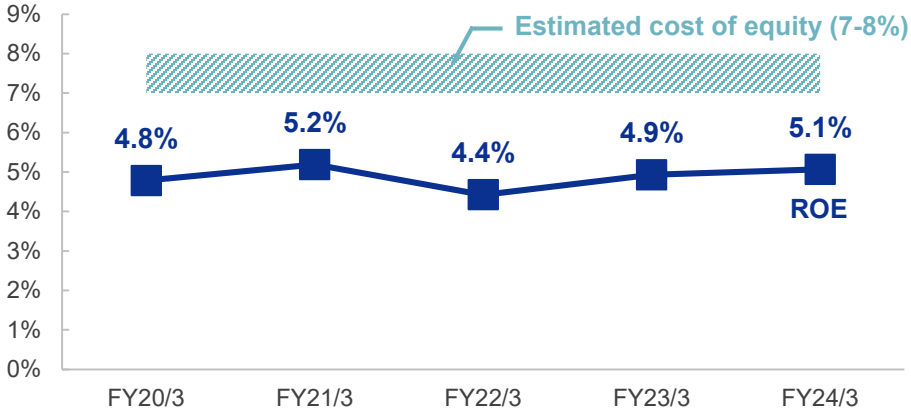
Section	Goals	Assessment
Logistics Services	● Embark on the operation of food mass merchandisers' distribution centers, etc. to make inroads into new business domains ⇒ Incorporated Shinyo・Logi into the Group and successfully entered new domains	○
Food Business	● Launch development of new varieties and product categories, given climate change risks and ever-evolving consumer needs ⇒ Details are not disclosed due to confidentiality obligations with joint development research partners	In 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 ⇒ Although the service was launched, sales growth has yet to be achieved	△
Real Estate Business	● Strengthen the agency business of logistics properties, etc. by taking advantage of having the warehousing business as well ⇒ Plans abandoned due to intensifying competition	×
Administration	● Determine the direction for the redevelopment project of the Etchujima district, where our Headquarters is located ⇒ Formulating the Grand Vision for May 2025	In Progress

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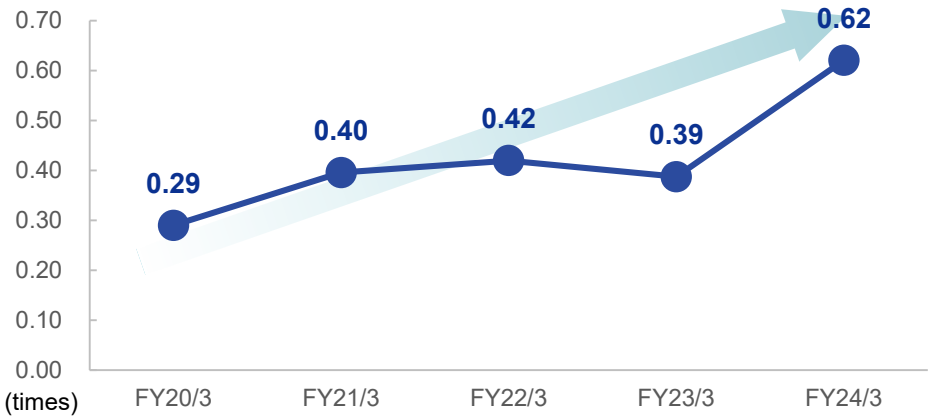
Trends in ROE, Cost of Equity, and PBR, and Recognition of Issues

Urgent need to achieve return on invested capital that exceeds the cost of equity and restore evaluation from the market

Annual trends in ROE and estimated cost of equity



Annual trends in PBR



We recognize that it is necessary to take the following measures to enhance shareholder value. We will focus on these measures in the next medium-term management plan

Towards
ROE of 6.5% (in FY28/3)
and
ROE of 8.0% (in FY31/3)...

Improve profitability

- Profit management by division and governance system
- Profitability in the Food Business and synergies between divisions
- Business growth investments including M&As

Improve the balance sheet

- Optimization of management resource allocation
- Introduction of DOE as a shareholder return indicator (DOE of 3.0% in FY28/3)
- Capital efficiency and cross-shareholdings

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Identifying Issues for the New Medium-term Management Plan

Business strategy	Company-wide strategy	● Building a system for profit management by division ● Promoting creation of synergies between divisions
	Business strategy	● Improving the sustainability of high-quality services in the Logistics Services segment ● Improving profit margins in the Food Business Segment ● Promoting the utilization of owned real estate (CRE strategy)
Finance and governance	Financial and capital strategy	● Improving ROIC, with an eye on cost of capital
	Governance	● Reducing cross-shareholdings ● Strengthening linkage between corporate value, shareholder value, and incentives ● Strengthening the function of the Board of Directors to contribute to the implementation of the new medium-term management plan
Implementation of the long-term vision	Organizational and human resources strategy	● Fostering a sense of unity through a shared “purpose” ● Improving employee engagement
	Sustainability	● Realizing sustainable agriculture

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Summary

KPI

Net sales	Operating profit	EBITDA	ROE	Total return ratio
88.0 billion yen	4.7 billion yen	9.2 billion yen	6.5% or more	70-80%*

Company-wide strategy

01 Implement thorough profit management by division through the introduction of an in-house company system

02 Further improve profitability through the creation of synergies between businesses

Business strategy

Logistics Services	**Creation of synergies in "Food x Logistics"**	(1) Strengthening earning capacity (2) Building an industry-specific platform (3) Considering entry into the cold chain
Food Business	**Expansion of the value chain**	(1) Improving rice business profitability (2) Downstream strategy (developing new customers (3) Upstream entry (advancing into production)
Information Systems	**Development of specialized SI**	(1) Digital transformation support for Yamatane Group (2) Development of equipment sales services (3) Regional development
Real Estate Business	**Enhancement of the CRE strategy**	(1) Effective utilization of owned real estate (2) Start of real estate securitization business (3) Initiatives in new fields

Financial and capital strategy

01 Total return ratio: 70-80% (Total return amount: approx. 7.0-8.0 billion yen)
Plan to continue increasing the payout ratio towards achieving DOE of 3% in FY28/3

02 Enhance balance sheet management: Review of cash allocation

Governance

01 Reduce cross-shareholdings (to 20% or less of net assets by 2030)

02 Further strengthen the function of the Board of Directors, and consider reviewing the performance-linked ratio of officers' remuneration as well as KPIs

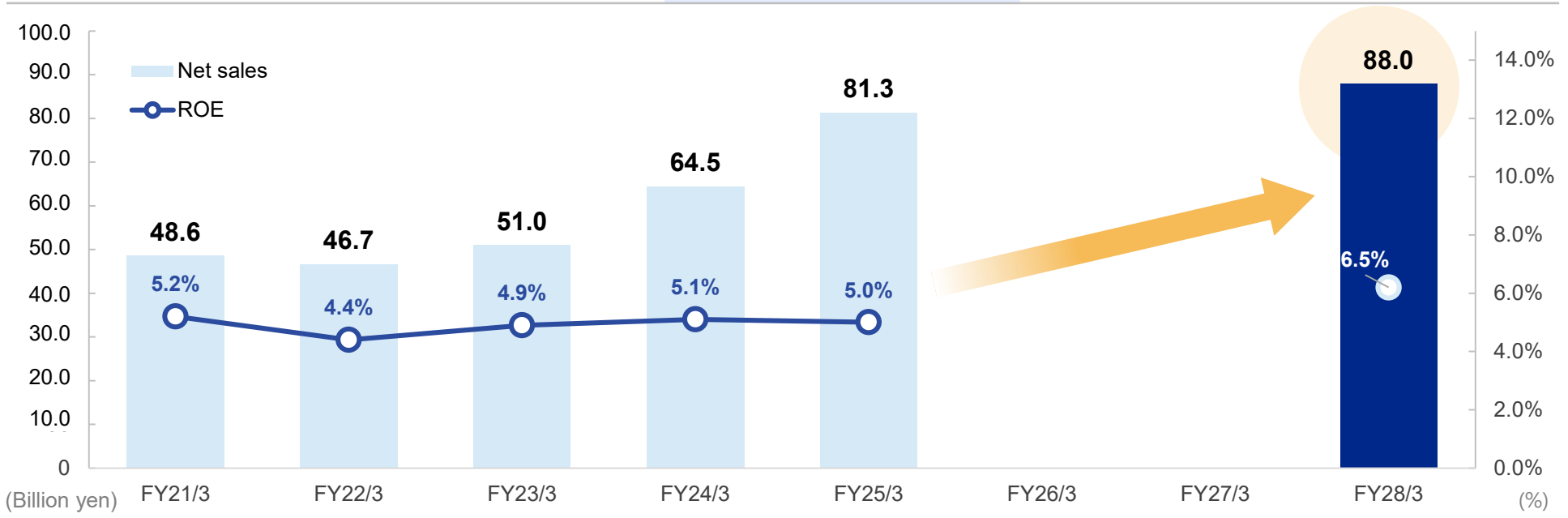
*...Includes measures to address dilution associated with acquisition of Yamatane Real Estate as a subsidiary (for details, see page 28)

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Yamatane Plan 2028 KPIs (Consolidated)

- **Setting operating profit goal at 4.7 billion yen and ROE goal at 6.5% or more, and positioning improvement of capital efficiency as the most important management issue**

	FY25/3 Forecasts	Yamatane Plan 2028 Goals	Change	CAGR(2025-2028)
Net sales	81.3 billion yen	**88.0 billion yen**	+6.7 billion yen	**2.7%**
Operating profit	3.23 billion yen	**4.7 billion yen**	+1.47 billion yen	**13.7%**
EBITDA	7.52 billion yen	**9.2 billion yen**	+1.68 billion yen	**–**
ROE	5.0%	**6.5% or more**	–	**–**
Payout ratio	35.1%	**-**	–	**–**
Total return ratio	-	**70-80%**	–	**–**



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Yamatane Plan 2028 KPIs (by Segment)

- **Positioning “Logistics Services Business x Food Business” as the largest growth driver, and aiming for an operating profit margin of 8.8% for the Logistics Division in the final year**

		FY25/3 Forecasts	Yamatane Plan 2028 Goals	Change	CAGR (2025-2028)
Logistics Services	Net sales	25.0 billion yen	**27.0 billion yen**	+2.0 billion yen	2.6%
	Operating profit	1.9 billion yen	**2.4 billion yen**	+0.5 billion yen	8.1%
	Operating profit margin	7.6%	**8.8%**	–	–
Food Business	Net sales	49.8 billion yen	**53.5 billion yen**	+3.7 billion yen	2.4%
	Operating profit	1.25 billion yen	**1.8 billion yen**	+0.55 billion yen	12.9%
	Operating profit margin	2.5%	**3.4%**	–	–
Information Systems	Net sales	1.8 billion yen	**2.1 billion yen**	+0.3 billion yen	5.3%
	Operating profit	0.07 billion yen	**0.14 billion yen**	+0.07 billion yen	26.0%
	Operating profit margin	3.8%	**6.7%**	–	–
Real Estate Business	Net sales	4.7 billion yen	**5.4 billion yen**	+0.7 billion yen	4.7%
	Operating profit	2.15 billion yen	**2.4 billion yen**	+0.25 billion yen	3.7%
	Operating profit margin	45.7%	**44.4%**	–	–
Adjustment	Operating profit	(2.14) billion yen	**(2.04) billion yen**	+0.1 billion yen	

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Transition to In-house Company System

Transition from a divisional system to an in-house company system in April 2025

We will work to accelerate management decision-making and promote business operations with an awareness of capital efficiency in order to improve earning capacity and train the next management team

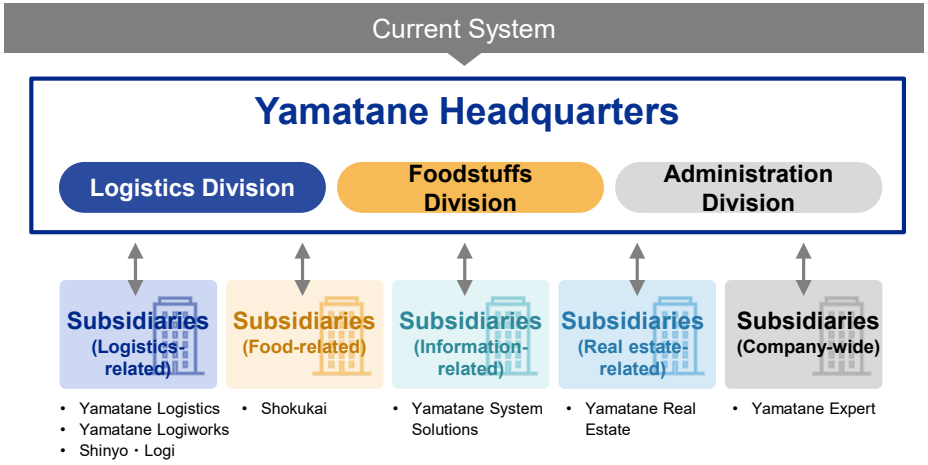
Purpose of the transition

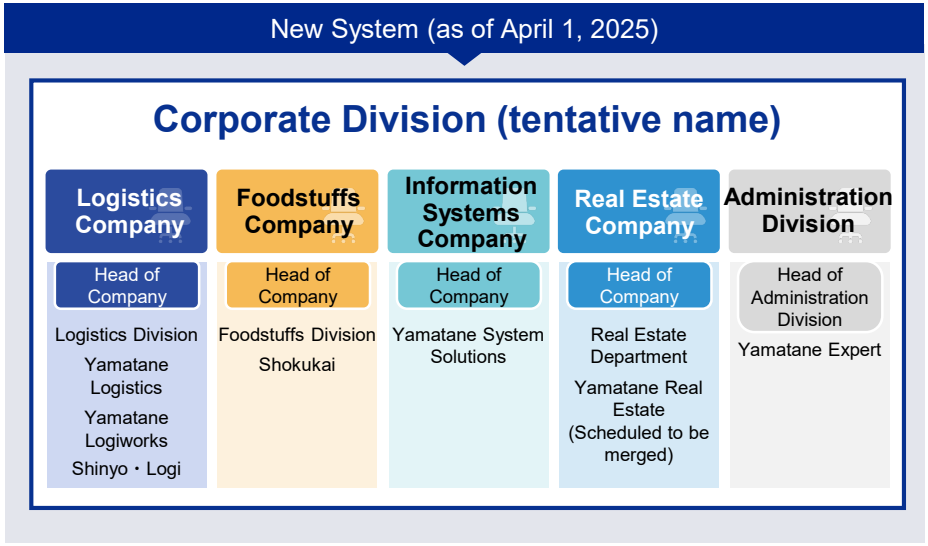
Profit management by division

- Positioning each subsidiary as a Yamatane business division, the Head of each Company will manage profits and balance sheets, including those of subsidiaries, in order to promote business operations with an awareness of capital efficiency
- We will consider the introduction of performance-linked remuneration for the Heads of Companies, based on indicators such as segment profit and ROIC. We aim to improve earning capacity and train the next management team

Delegation of decision-making authority

- We will enhance the speed of decision-making and stimulate growth investments by increasing the amounts to be approved by Company Heads for investment decisions and delegating some personnel authority to Company Heads



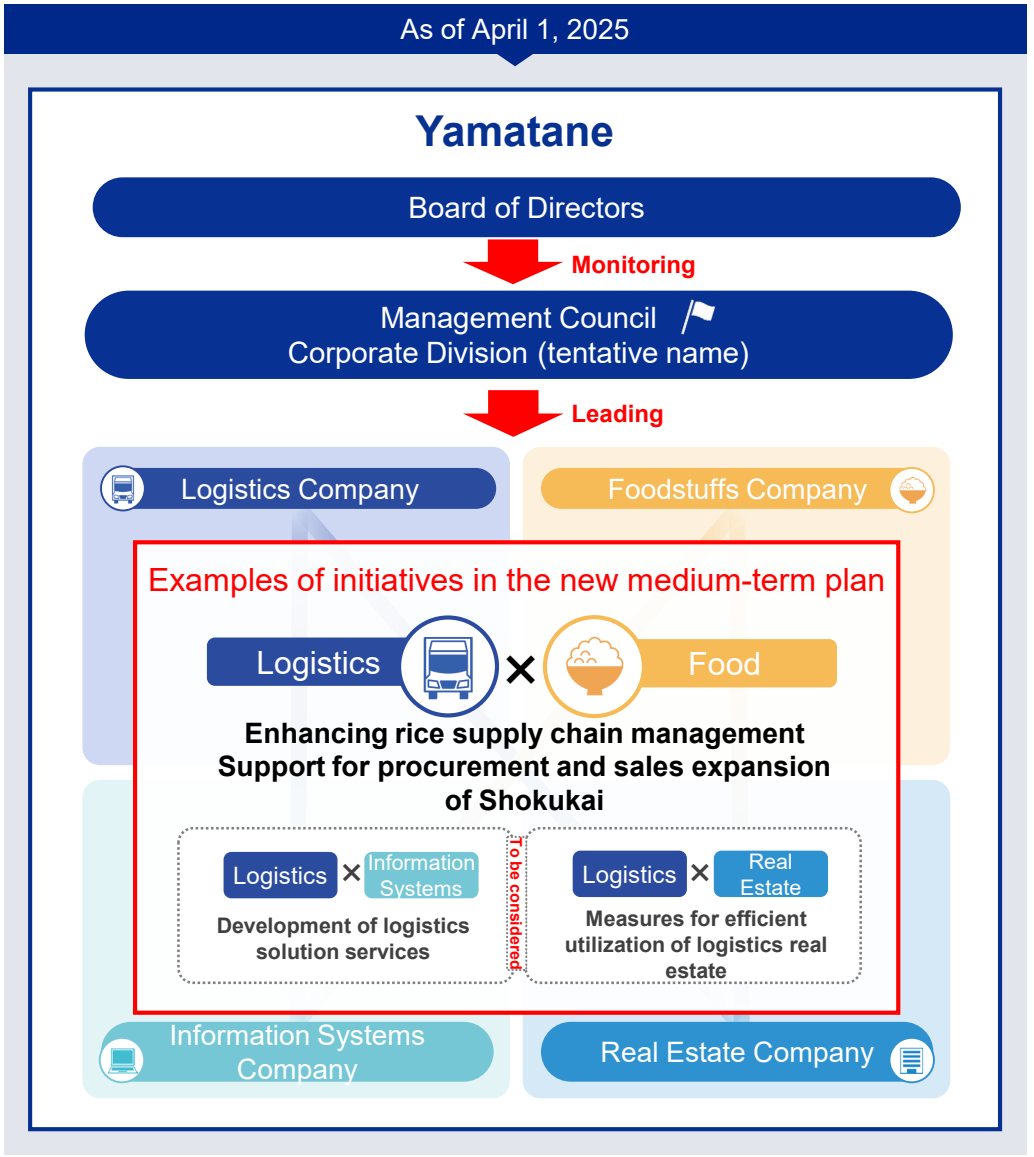


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Creating Synergies Between Companies

The Corporate Division (tentative name) will lead company-wide strategies, as well as promote collaborations and new business development that will bring about the creation of synergies

- The Board of Directors will supervise investment decisions and the creation of synergies between companies from the perspective of a company-wide long-term strategy
- Each company will take the lead in determining specific plans for the creation of synergies
- During the period of the new medium-term management plan, we will focus on maximizing synergies between “Logistics” and “Food”



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Logistics Services Segment



- **We will utilize the supply chain management cultivated through synergies with the Food Business segment to increase the number of transactions and reduce costs**
- **We aim to improve unit prices by growing into a proposal-based logistics company and entering the high-value-added logistics business**

FY28/3 plan

- Net sales **27.0** billion yen
- Operating profit **2.4** billion yen
  Operating profit margin 8.8%

01| Strengthening earning capacity in existing business domains

- 100% operation of existing warehouses, including the new warehouse at Honmoku Pier
- Deepen supply chains for existing customers and engage in cross-sectional activities
- Improve productivity by revamping WMS based on business standardization

02| Industry-specific logistics platform

- Build a logistics platform that specializes in food and nursing care products
- Proposal-based supply chain management aimed at optimizing the entire logistics supply chain for customers
- Expand reverse logistics development

03| Entering the cold chain

- Handling of frozen foods, fresh foods, etc.
- Support for sales expansion of Shokukai
- Support exports for producers and small and medium-sized food manufacturers

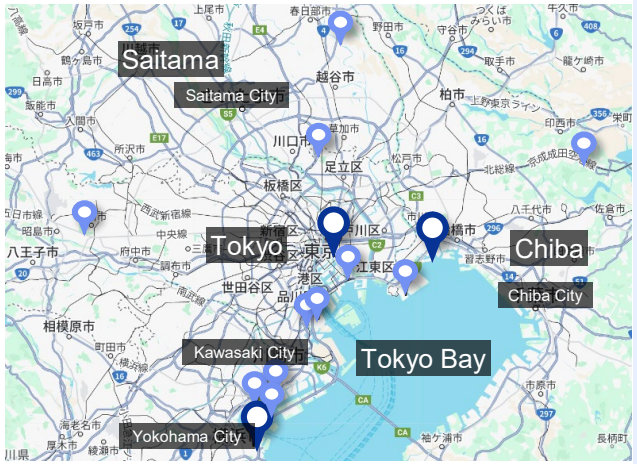
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2-3. Business Strategy

Logistics Services Segment: Strategy 1 - Strengthening Earning Capacity in Existing Business Domains

- **Construction of the Honmoku Futo Office was completed in June 2024, expanding our total managed floor area to 106,458 tsubo (approx. 351,927m²). We are aiming to strengthen earning capacity by deepening supply chains for existing customers**

Kanto region



Major logistics centers



Fukagawa Office
17,579 tsubo (approx. 58,112m²) / 98.8%



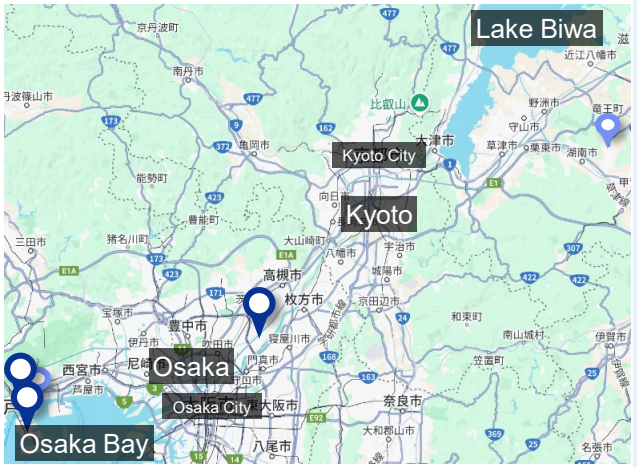
Ichikawa Office
13,057 tsubo (approx. 43,163m²) / 84.2%



Honmoku Futo Office
5,924 tsubo (approx. 19,583m²) / 77.2%

[Managed floor area / Occupancy rate]

Kansai region



Major logistics centers



Kita-Osaka Office
4,981 tsubo (approx. 16,466m²) / 93.3%



Kobe Office
3,479 tsubo (approx. 11,500m²) / 100%



Port Island Office
3,285 tsubo (approx. 10,859m²) / 100%

[Managed floor area / Occupancy rate]

Customer cultivation strategy

Identify the utilization status of various services for customers in each division, and draw out the potential for business expansion across the entire company

Image	Main department	Transaction amount	Services provided							
			Storage	Cargo handling	Transportation and delivery	Reverse	Supplemental services	…	Air	Customs clearance
Company A	XXX Branch	…	●	●	●	No transactions	●	No transactions	No transactions	No transactions
Company B	XXX Branch	…	●	No transactions	●	No transactions	No transactions	No transactions	No transactions	No transactions
Company C	YYY Branch	…	●	●	No transactions	No transactions	●	No transactions	No transactions	No transactions
Company D	YYY Branch	…	No transactions	No transactions	No transactions	●	No transactions	No transactions	No transactions	No transactions
Company E	ZZ Office	…	No transactions	No transactions	No transactions	No transactions	No transactions	No transactions	●	●

Room for expansion of transactions

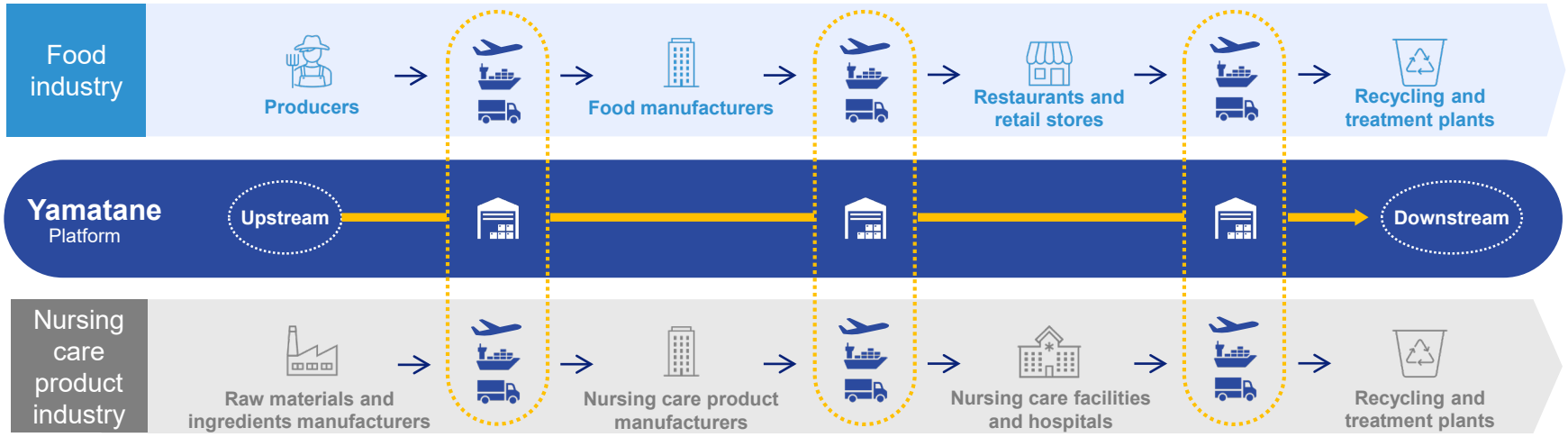
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Logistics Services Segment: Strategy 2 - Industry-specific Logistics Platform

- **Proposing optimal solutions for the entire logistics supply chain for customers by expanding our service lineup based on industry needs**
- **Aiming to become an industry-specific logistics platform provider by further expanding suppliers and sales destinations for food and nursing care products**

Yamatane industry-specific logistics platform

Providing one-stop services for strategic logistics, business management, and operations



Solutions provided

Current status: Operations | Management | Strategies

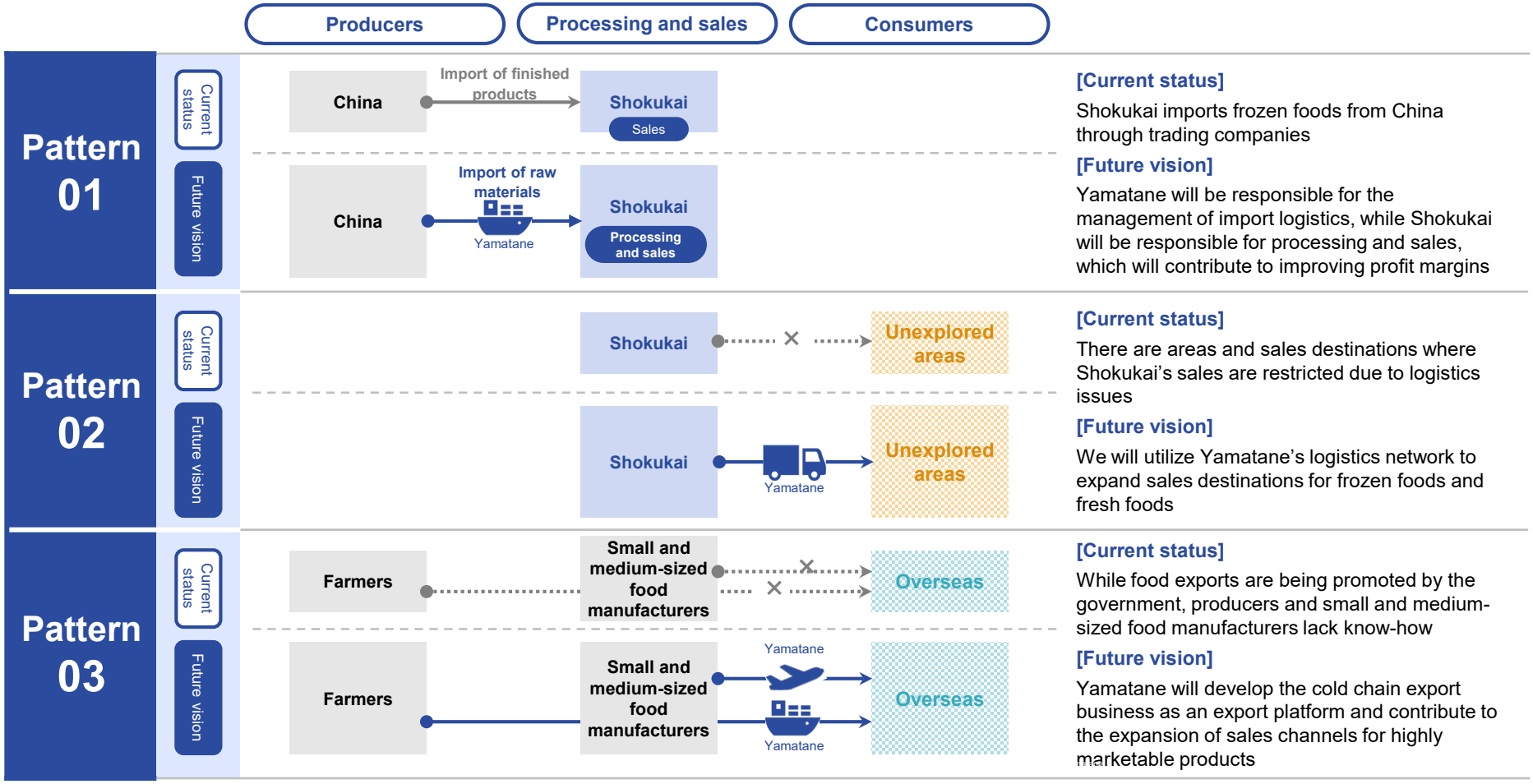
Future vision:

Operations	Management	Strategies
• Storage/cargo handling • Distribution processing • Domestic and international transportation and delivery • Stock/inventory management • Order/shipment processing • In-warehouse SS activities	• Logistics cost management • Review of logistics operations • Safety and quality control • Joint delivery/collaboration • Introduction of new technologies • KPI management	• Medium- to long-term logistics strategy • System development • Organizational structure review • Optimization of overall logistics • Product design (DFL) • Expense budget reports

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Logistics Services Segment: Strategy 3 - Entering the Cold Chain

- **Entry into the cold chain market will make it possible for us to handle frozen foods, fresh foods, and more**
- **We are working to expand business with a view to creating synergies with the Food Business segment by procuring raw materials and expanding sales channels for Shokukai, and supporting exports for producers and small and medium-sized food manufacturers**



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Food Business Segment



We aim to further improve the operating profit margin by increasing our handling share and productivity while also developing downstream, processing and sales domains

We will advance into upstream, in-house rice production, aiming to expand our handling volume share and strengthen price competitiveness

FY28/3 plan

- Net sales **53.5** billion yen
- Operating profit **1.8** billion yen
  Operating profit margin 3.4%

01| Improving profitability of rice wholesaling business

- Increase in handling share and sales margins
- Improve rice milling quality and productivity at the Inzai Rice Mill Factory

02| Developing new customers [downstream]

- Promote Shokukai's growth strategy
- Shift to high value-added food processing
  ► Frozen onigiri (rice balls), rice flour, rice for export (organic rice), etc.

03| Advancing into production [upstream]

- Build a highly profitable rice production model and expand partnerships with rice farmers
- Steadily increase in-house production and procurement from business partners to expand industry share
- Strengthen price competitiveness by improving production efficiency

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Food Business Segment: Strategy 1 - Improving Profitability of Rice Wholesaling Business

- **As domestic rice production decreases, we aim to secure procurement volume through in-house production and expansion of business partners, while also increasing our presence in the industry and improving margin rates**
- **We aim to strengthen competitiveness by improving quality and productivity at the Inzai Rice Mill Factory**

Market share increase goal

- Strengthening cooperation with existing suppliers by providing personnel resource support, etc.
- Securing procurement volume through in-house production and expansion of business partners



	Current state	FY2030
Amount handled by Yamatane	**90,000** tons	**100,000** tons▲
Domestic production volume	**6.69** million tons	**6.0** million tons▼(Forecast)
Market share	**1.3%**	**1.7%**

Unit price management

- Managing sales margins by sales destination/product
- Review of sales volume and margin rates

Increase margin per unit by 10%

(2024-2028)

Improving rice milling quality and productivity at the Inzai Rice Mill Factory

- Promoting efficiency in plant operations through collaboration with machinery manufacturers
- Aiming to create added value and improve utilization rates through high-quality, environmentally friendly operations

▼ **Recent test items**

Digitization of rice milling slips	Yield improvement of 0.1-0.2%
Automation of visual quality inspection of brown rice and white rice	Analysis time reduced by 5 hours/day
Automatic operation of rice milling machines and optical sorters	Rice milling operation time reduced by 8 hours/day

▼ **Inzai Rice Mill Factory (from February 2022)**





Features	**(1) One of the largest production capacities in Japan (2) High-precision foreign matter removal function (3) Environmentally friendly plant** **▶ Annual production volume: 70,000 tons**

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Food Business Segment: Strategy 2 - Developing New Products and New Customers [Downstream]

- **We will expand the scope of our business beyond the conventional rice milling and wholesaling functions to include processing and sales functions. We will work to improve profit margins by making effective use of by-products and developing processed products. At the same time, we will promote the growth strategy of Shokukai, which became a consolidated subsidiary in October 2023, as well as cross-selling with the rice wholesaling business. We will also consider the handling of highly marketable rice.**



Processing Initiatives

Exploring new uses for rice (utilization of rice milling by-products)

▶ Examples: rice bran, crushed rice, spotted rice

Expansion of manufacturing schemes for processed rice products

▶ Examples: Frozen onigiri (rice balls), rice flour, okowa, brown rice processing

Sales Initiatives

Expansion of Shokukai sales areas and channels

▶ Examples: M&As in the same industry, synergies with Logistics Services segment, etc.

Cross-selling between Yamatane Foodstuffs Division and Shokukai

Expansion of handling and development of sales destinations for highly marketable rice

▶ Examples: Scope 3 compliant rice, organic rice, new demand rice (ex: rice for feed), etc.

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Food Business Segment: Strategy 3 - Advancing into Rice Production [Upstream]

- **In September 2024, we established Blueseed Niigata Co., Ltd., an agricultural production company, with the aim of creating a highly profitable rice production model through "diversified management." We are aiming to expand our market share by steadily increasing in-house production and procurement from business partners, while at the same time strengthening price competitiveness through improved production efficiency**

Current status	Production	**Distribution**	Processing	Sales
Future vision	**Production**	**Distribution**	Processing	Sales

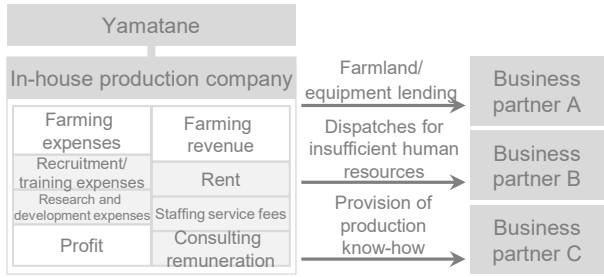
Reducing rice production costs

- Improving productivity through the introduction of IoT for agriculture
- Efficient operation of agricultural machinery
- Introduction of new cultivation techniques and materials

Building a "diversified management" model

- Farmland/equipment lending model
- Consulting model
- Staffing service model

▼ Image of diversified management model



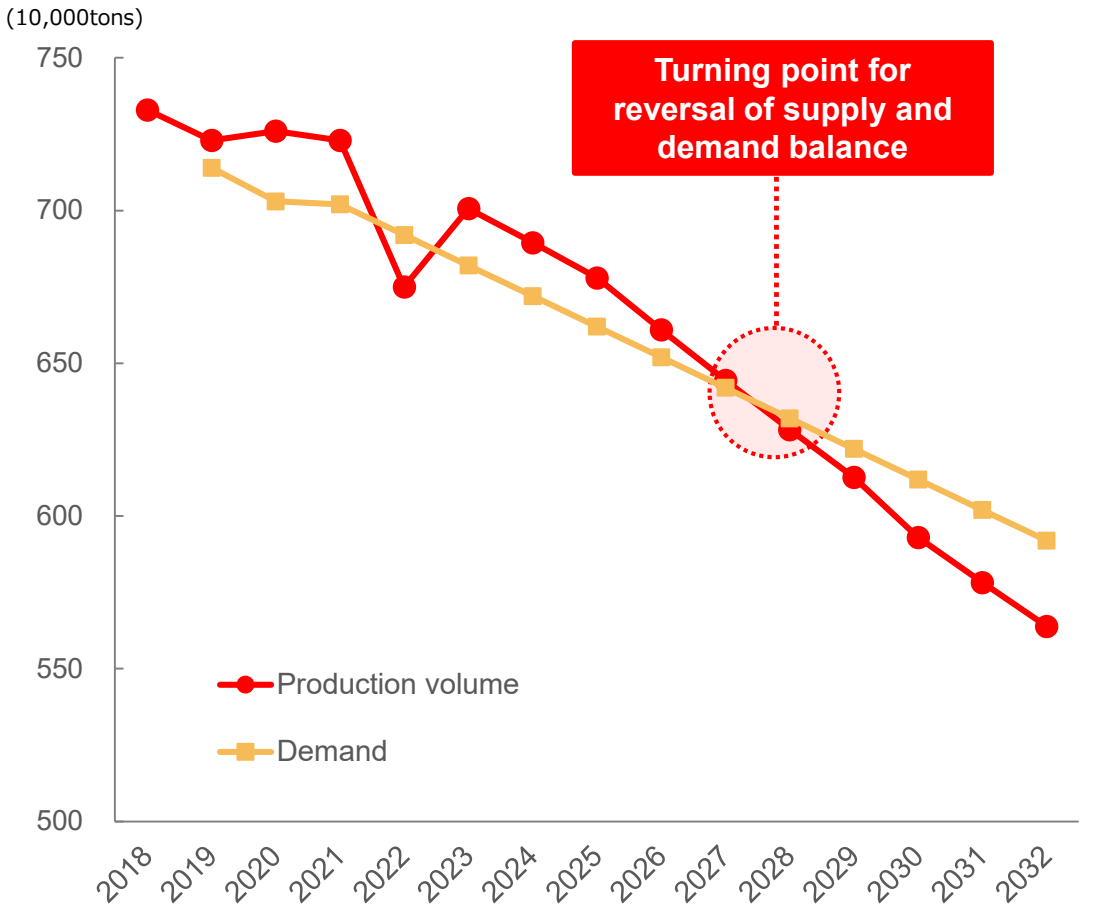
Roadmap

FY25/3	FY26/3		FY27/3	FY28/3
Establishment of company	Rice cultivation using new methods	Start of sales of in-house products	Rice cultivation (demonstration test every year)	
	Partnership pattern design		Consider acquiring business partners and optimizing distribution channels	Expansion of business partners and management to improve profitability

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Food Business Segment: External Environment

- **Due to factors such as the aging of rice farmers, the balance of supply and demand for rice is expected to reverse around 2030 (supply < demand)**
- **In light of structural factors that make it difficult for newcomers to enter the market, Yamatane, which operates a rice wholesaling business, aims to ensure the continuity of production areas and create growth opportunities by building a value chain that unites production areas and sales**



*Estimated by the Company based on reference data

Supply side

- The number of rice farmers (individuals) has **halved** over the past 15 years (2005 → 2020)
- **About 90%** of rice farmers (individuals) are **aged 60 or over**, with an average age of 71.1 (as of 2020)
- **70%** of rice farmers **have no successors**
- Government policies are **promoting the use of paddy fields for purposes other than staple food rice** ▶ Rice for processing and feed, new demand rice (for export), dry field crops, etc.

Demand side

- Demand for staple food rice is expected to **decline at a pace of 100,000 tons per year**
  (Taking into account the decline in rice consumption per person per year and the declining population)

References
"Census of Agriculture and Forestry," Ministry of Agriculture, Forestry and Fisheries
"Recent Trends in Rice Consumption and Production," Crop Production Bureau, Ministry of Agriculture, Forestry and Fisheries (March 2024)
"The Situation Surrounding Rice," Ministry of Agriculture, Forestry and Fisheries (September 2024)
"Monthly Rice Report," Ministry of Agriculture, Forestry and Fisheries (October 2024)

With Yamatane joining the rice supply side...

- ✓ **Continuity in production areas will be ensured**
- ✓ **Growth opportunities in the Foodstuffs Division will be created**

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Information Systems Segment



- **By supporting the Yamatane Group's digital transformation, we will accumulate know-how to address system issues specific to the logistics and food industries, and use this knowledge to improve customer services**
- **We are promoting measures to improve unit prices and attract new customers, such as by selling bundled products to existing customers and expanding services in regional areas**

FY28/3 plan

- Net sales **2.1** billion yen
- Operating profit **0.14** billion yen
  Operating profit margin 6.7%

01| Yamatane Group digital transformation support

- Promote operational efficiency by solving system-related issues across the entire Group and in each segment
- Return know-how obtained through the introduction of digital transformation within the Group by enhancing customer services
- Secure human resources to promote digital transformation within the Group

02| Development of equipment sales services

- Provide one-stop services by combining infrastructure renewal skills with equipment sales
- Make requests to Group companies for temporary storage locations and transportation methods required for equipment sales

03| Development of services at regional sites

- Focus on the supply-demand gap where system construction service providers are in short supply despite rising digital transformation investment enthusiasm
- Establish regional sites to approach customer bases in the Logistics Services Business and Food Business

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Real Estate Business Segment



- **We will promote the CRE strategy, including large-scale development projects in Etchujima and Shinjuku**
- **We will start a real estate securitization business**
- **We will implement an absorption-type merger of Yamatane Real Estate**

FY28/3 plan

• Net sales	**5.4** billion yen
• Operating profit	**2.4** billion yen
Operating profit margin	44.4%

01| Effective utilization of owned real estate

- Formulate utilization policies for owned real estate across business divisions
- Promote the monetization and sale of idle real estate and replace older properties with newer ones

02| Start of real estate securitization business

- Securitize part of owned real estate and reinvest the funds generated
- Periodically review the classification of inventories and non-current assets, and systematically realize unrealized gains

03| Initiatives in new fields

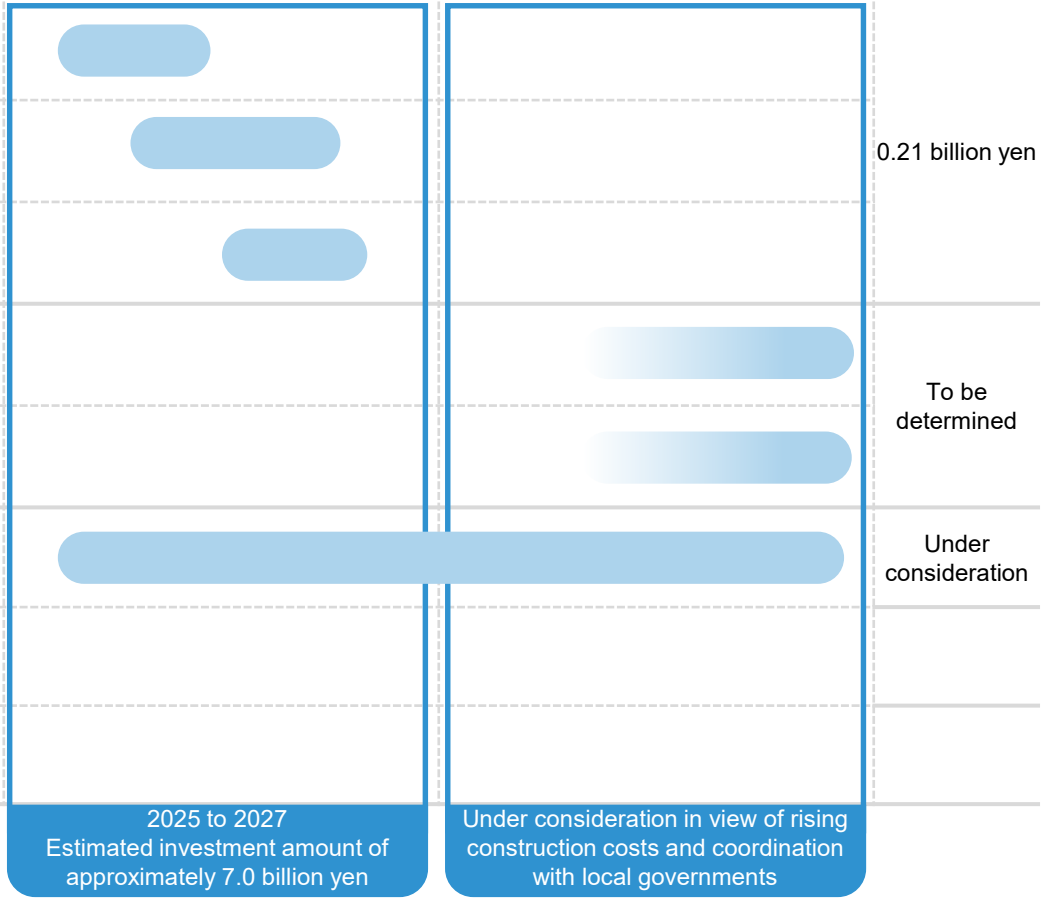
- Promote replacement of asset classes while considering real estate market conditions
- Looking ahead to Etchujima development, enhance knowledge and work on new methods such as joint ventures with external developers, equity investments, and M&As

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Real Estate Business Segment:
Strategy 1 - Effective Use of Owned Real Estate and Liquidation Business

Promoting development of owned real estate and aiming to realize unrealized gains through securitization

		Project	Area	Scheduled completion	Contribution to profits
Redevelopment projects	Scheduled for completion	Nishi-Tachikawa	Tachikawa City, Tokyo	April 2026	0.21 billion yen
		Koami-cho	Chuo-ku, Tokyo	January 2027	
		North Inzai	Inzai City, Chiba	March 2027	
	Development started	Shinjuku Sanei Building	Shinjuku-ku, Tokyo	Under consideration	To be determined
		Etchujima development	Koto-ku, Tokyo	Under consideration	
Securitization		Existing profitable properties	—	—	Under consideration
Sale and purchase of properties		Purchase of new properties	—	—	
		Sale of existing properties	—	—	



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Real Estate Business Segment: Overview of Redevelopment Projects

- **Redevelopment is currently planned for Shinjuku Sanei Building and Etchujima business site. The Etchujima District Development Promotion Office has been established for the Etchujima development project. In collaboration with external experts, the “Etchujima Grand Vision” is scheduled to be announced in May 2025**

-Shinjuku Sanei Building-

- Convenient location with access to Shinjuku Station underground passage, approx. 1-minute walk from Toei Shinjuku Line Shinjuku Station and approx. 5-minute walk from JR Line Shinjuku Station
- Redevelopment planned due to deterioration
- Considering rebuilding the facility into one with high growth potential and profitability



Current real estate information				
	Completion year	Land area (m²)	Total floor area (m²)	Current use
Shinjuku Sanei Building	1979	3,063	31,136	Office

* ”Land area” and “total floor area” include some areas owned by other companies

-Etchujima development-

- Started considering development plans, holding discussions with local communities, and coordinating with the government



Current real estate information				
	Completion year	Land area (m²)	Total floor area (m²)	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

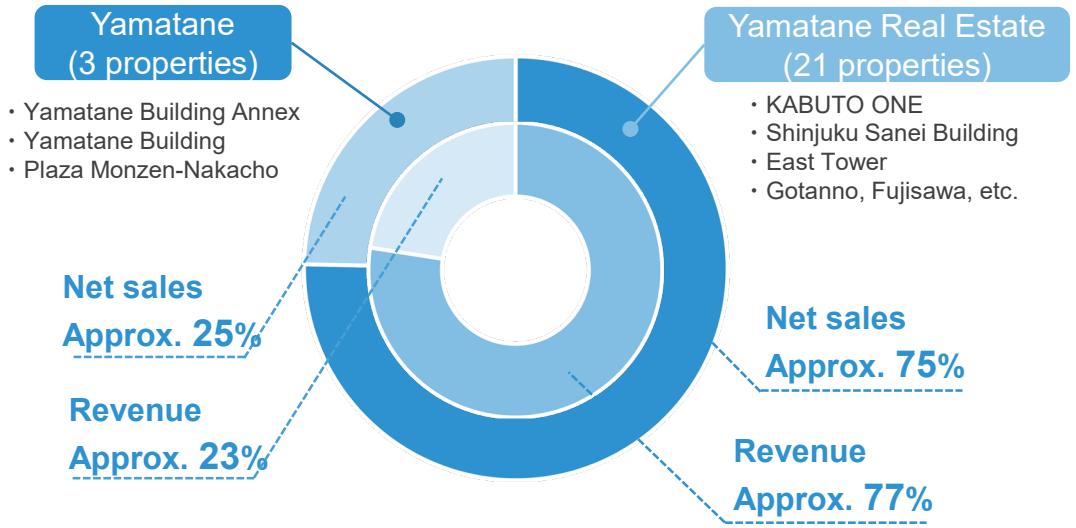
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Real Estate Business Segment: Strengthening the CRE Strategy Through Absorption-type Merger of Yamatane Real Estate

- **Plans are underway to implement an absorption-type merger through the partial share exchange with Yamatane Art Foundation, which holds shares of Yamatane Real Estate**
- **Taking into consideration the dilution of shares, we plan to acquire treasury shares equivalent to the number of shares to be delivered. A boost to EPS is expected**

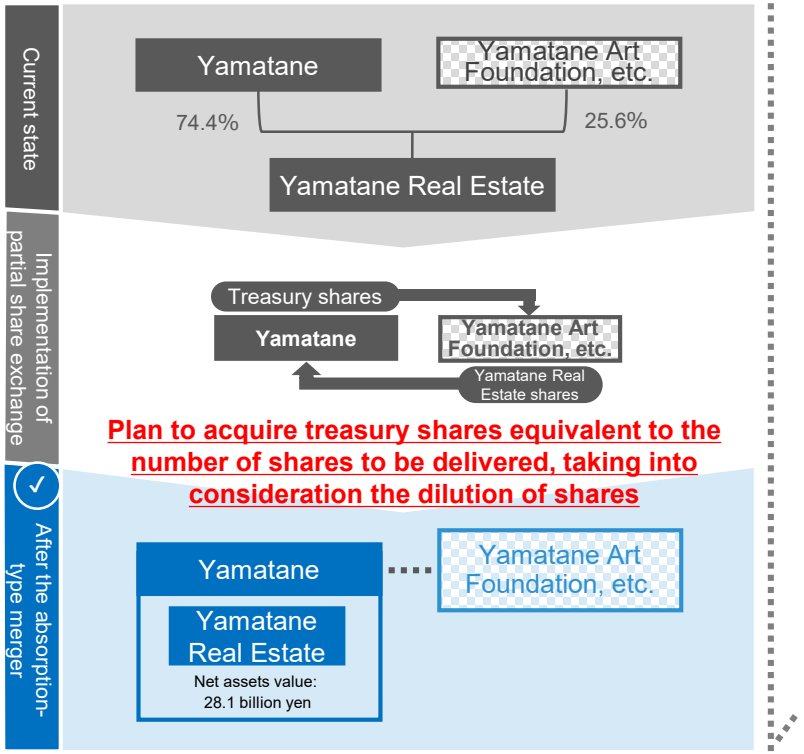
Company name	Yamatane Real Estate Co., Ltd.
Established	April 1948
Capital	400 million yen
Number of employees	27 persons (as of March 31, 2024)

■ Yamatane Real Estate's sales and profit ratio in the Real Estate Business



Absorption-type merger of Yamatane Real Estate

As the Yamatane Art Foundation is a public interest incorporated foundation, the merger will be carried out through the partial share exchange



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Shareholder Return Policy

Formulating a new shareholder return policy to improve return on invested capital and sustainably increase corporate value

	To date	Period of the new medium-term management plan
Shareholder return policy	Payout ratio of **35%**	**FY28/3 DOE of 3%***1 **+ Acquisition of treasury shares of 3.0 billion to 4.0 billion yen***2 (Total return ratio of approx. 70-80%)
Shareholder return amount	Approx. **2.0 billion yen** (Cumulative total for the current medium-term management plan period)	**7.0 billion to 8.0 billion yen** (Forecast)
Approach to shareholder returns	■ We introduced progressive dividends to enhance the return of profits to shareholders ■ We carried out timely treasury share buybacks to implement a flexible capital policy	■ We will return profits to shareholders with the aim of achieving an ROE of 6.5% in FY28/3 (the final year of the new medium-term management plan) ■ We will introduce DOE as a shareholder return indicator in order to ensure the stable distribution of dividends regardless of profit fluctuations during the period of the plan ■ We plan to acquire treasury shares flexibly, taking into consideration capital market trends, the Company's stock price level, and other factors

*1: We plan to continue increasing the payout ratio towards achieving DOE of 3% in FY28/3
*2: Includes measures to address dilution associated with absorption-type merger of Yamatane Real Estate (for details, see page 28)

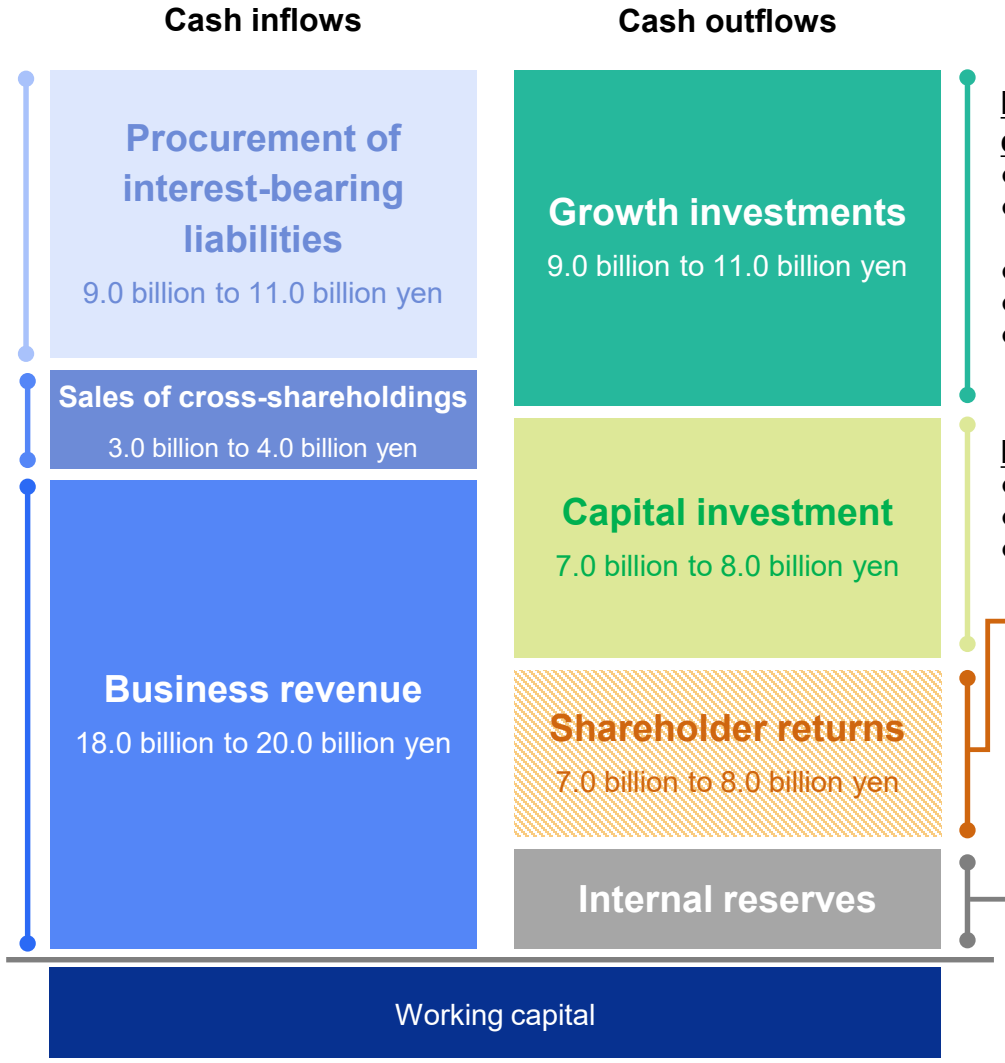
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Cash Procurement and Allocation

Procurement of interest-bearing liabilities
Procure funds necessary for growth investments using interest-bearing liabilities

Sale of investment securities
Reduce cross-shareholdings to 20% or less of net assets by 2030

Business revenue
Generate operating cash flow by improving gross margin ratio and expanding sales structure in the Food Business



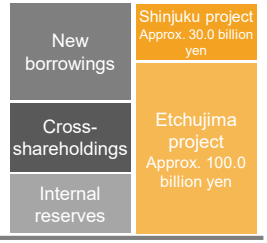
Business growth investment and human capital investment
- Capital investment in synergies in “Food x Logistics”
- Purchase of real estate for business purposes or sales purposes
- Expand human capital investment, including RS
- M&A deals
- Capital and business alliances aimed at accelerating open innovation

Breakdown of real estate investments
- Nishi-Tachikawa
- Koami-cho
- North Inzai

Shareholder returns
Return profits to shareholders with a goal of DOE of 3% in FY28/3

Use of internal reserves
- Plan to invest a total of over 130.0 billion yen from FY2030 onward
- Plan to procure funds through new borrowings, sales of cross-shareholdings, and more, in addition to internal reserves

Investment image



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Initiatives to Strengthen Governance

2023

Transition to a company with an Audit and Supervisory Committee

Strengthened the supervisory function of the Board of Directors and promoted speedy business execution

2024

Introduction of a remuneration plan for the allotment of shares with restrictions on transfer

Further increased the motivation of the Board of Directors to contribute to increasing the stock price and corporate value

Appointment of independent outside directors

Appointed three independent outside directors to bring diverse insights to Board of Directors discussions

- Hiroyuki Iwami : He has a wealth of international experience and a high level of insight into management cultivated at a financial institution
- Tomoko Ito : She has a wealth of experience and a high level of insight into labor, human resources, and human resources development
- Samuel David Snoddy : He has a wealth of experience and a high level of insight into Japanese stock investments

2025

Transition to an in-house company system

Authority will be delegated to the Head of each Company to enhance profit management by division as well as balance sheet management

The Board of Directors will supervise investment decisions and the creation of synergies between companies from the perspective of a company-wide long-term strategy

Reducing cross-shareholdings

Reduce cross-shareholdings to 20% or less of net assets by 2030

Under consideration

Revision of the performance-linked ratio of officers' remuneration and performance indicators (KPIs)

Further increase motivation to contribute to the improvement of corporate value through improved business performance and capital efficiency

Further enhancement of the function of the Board of Directors (deepening experience, knowledge and expertise)

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100 Years of Yamatane History

Logistics Services		Food Business		Information Systems		Real Estate Business	
1924	**Established Yamazaki Taneji Shoten, a rice wholesaler (currently Yamatane Corporation)**	**1924**	**Established Yamazaki Taneji Shoten, a rice wholesaler** ***Closed due to the Rice Distribution Control Act of 1939**			**1948**	**Established Daido Securities Co., Ltd. (currently Yamatane Real Estate Co., Ltd.)**
1940	Taneji Yamazaki acquired management rights of Tatsumi Warehouse Co., Ltd. in Tokyo (currently Yamatane Corporation)	1950	Established Yamatane Rice Co., Ltd.	**1971**	**Established Chuo Management Center Co., Ltd. *for the purpose of shared computer use**	1966	Completed construction of Yamatane Main Building *Currently KABUTO ONE (Joint enterprise building)
1950	Listed on the Tokyo Stock Exchange	1969	Opened a large-scale rice milling plant, Furuishiba Rice Milling Plant (Furuishiba, Koto-ku) *Closed when the Tokyo Rice Milling Plant was opened in 1988	1973	Contracted to develop business system for Yamatane Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)	**1972**	**Company name of Daido Securities Co., Ltd. changed to "Yamatane Real Estate Co., Ltd."**
		1976	Established Yamatane Foods Co., Ltd. (currently Yamatane Expert Co., Ltd.)	1977	Developed logistics system for Tatsumi Warehouse Co., Ltd. (currently Yamatane Corporation)	1975	Completed construction of Yamatane Tsudanuma Building
1984	**Company name of Tatsumi Warehouse Co., Ltd. changed to "Yamatane Industry Co., Ltd."**	1988	Opened Tokyo Rice Milling Plant (Shin-Kiba, Koto-ku)	1984	Company name of Chuo Management Center Co., Ltd. changed to "Yamatane System Science Co., Ltd."		
		1989	Yamatane Rice Co., Ltd. merged with Yamatane Industry Co., Ltd.	1989	Started the first inventory system rental business in Japan (Stock Tay-Kun Business)	1992	Completed construction of Yamatane Hakozaki Building
1995	**Company name of Yamatane Industry Co., Ltd. changed to "Yamatane Corporation"**			1990	Developed logistics packages (IBM Japan T-PACK/CR, T-PACK/WH)	2012	Completed construction of Yamatane Building Annex Completed construction of Yamatane Honjo Building *Reconstructed building Completed construction of Yamatane Iwata Building *Reconstructed building
				1991	Established Solution Labo Tokyo Co., Ltd.		
		2001	Opened Iwatsuki Rice Milling Plant	2000	Yamatane System Science Co., Ltd. was absorbed and merged into Yamatane Corporation Developed and began sales of "Box Manager," a document box management system	2015	Completed construction of Yamatane Tsudanuma Building *Reconstructed building
2018	Company name of Chuo Logistics Co., Ltd. changed to "Yamatane Logistics Co., Ltd." Company name of Active Co., Ltd. changed to "Yamatane Logiworks Co., Ltd."			**2018**	**Company name of Solution Lab Tokyo Co., Ltd. changed to "Yamatane System Solutions Co., Ltd."**	2020	Completed construction of Yamatane Fujisawa Building *Reconstructed building Completed construction of Yamatane Gotanno Building *Reconstructed building
2022	Made Shinyo・Logi Co., Ltd. into a subsidiary	**2022**	**Opened Inzai Rice Mill Factory**			**2021**	**Opened KABUTO ONE** ***Reconstructed joint enterprise building**
		2023	**Made Shokukai into a subsidiary**				

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Value Creation Process

Purpose

Bringing together diverse human resources to create the power to contribute to society

Capital

Human capital
"Reliable" and "diverse" human resources created from 100 years of history and four segments

Social capital
Long-standing customers and suppliers

Intellectual capital
One-stop logistics and real estate services

Manufacturing capital
Logistics warehouses mainly in the coastal areas of the Tokyo metropolitan area and Kinki region

Rice mill factories with the latest equipment

Real estate
Offices and other real estate properties in prime locations in the Tokyo metropolitan area

Business strategy

Cultivated over the past 100 years

Human resources

Trust

Information Systems Business
1. Group digital transformation support
2. Development of equipment sales
3. Regional development

Logistics Services Business
1. Strengthening earning capacity
2. Building an industry-specific platform
3. Considering entry into the cold chain

Yamatane Plan 2028

Real Estate Business
1. Effective utilization of owned real estate
2. Real estate securitization business
3. Initiatives in new fields

Food Business
1. Improving rice business profitability
2. Downstream strategy (developing new customers)
3. Upstream entry (production field)

Output/Value

2031 VISION

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

Logistics Services Business

Contributing to the creation of a sustainable society

- ✓ Connecting production areas and consumers to contribute to the development of local communities and production areas
- ✓ Collecting, recycling and repairing industrial waste to contribute to the realization of a recycling-oriented society

As forward logistics | As reverse logistics

Food Business

Realizing sustainable agriculture and food

- ✓ Contributing to the development of regional agriculture by building a highly profitable production platform
- ✓ Strengthening cooperation with production areas to ensure a stable supply of rice that consumers can eat with peace of mind

For producers | For consumers

External environment

Opportunities
- Increase in demand for refrigerated/frozen warehouses
- Recognition of Japanese food/Japanese brands
- Promotion of food exports by the Ministry of Agriculture, Forestry and Fisheries

Challenges
- Aging of farmers and retirement from farming
- Downsizing of the feeding service industry
- Shortage of human resources in logistics and IT
- Fluctuations in rice market prices
- Rising construction costs

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Strategies to Support the Continuation of Production Areas

We believe that Yamatane's development goes hand in hand with

the prosperity of the region.

Using in-house production companies as a starting point, we will deeply involve ourselves in production areas, as well as fully utilize Yamatane's resources and know-how to support the "continuation" of the region.

Yamatane's growth → **Prosperity of the region**

Yamatane's strategies

Expansion of business partners	Diversification of revenue	High profitability	Strengthening sales capabilities	Logistics synergies
Proposing production and earning plans with a view to sales	Staffing services Farmland/equipment lending	Providing production know-how Expert collaboration system	Providing in-house sales channels Branding support	Providing collection and delivery functions Export platform

Issues in production areas

Planning	Preparation for production	Production	Sales	Logistics
Repeated production of the same crops	Labor shortage No successors Lack of investment capacity	Lack of production know-how and information	Limited sales channels Lack of branding	Small-lot logistics burden Lack of export know-how

Make full use of Yamatane's resources and know-how

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Realizing our Purpose as a Company (Purpose Management and Human Capital Investment)

Purpose (Raison d'être)

Bringing together diverse human resources to create the power to contribute to society

Vision (Yamatane Vision 2031)

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

Goals in the New Medium-term Management Plan "Yamatane Plan 2028"

To mark a turning point for the Yamatane Group as we move forward into the next 100 years, we will encourage the active participation of all employees and foster a corporate culture filled with a spirit of challenge

Purpose training

Deepen understanding of our philosophy amongst all Group employees and encourage behavioral changes

Measures to promote dialogue

Promote active communication from management to the frontlines through town hall meetings

New personnel system

Introduce evaluation standards and remuneration systems that reward bold challenges and enhance employee engagement

Enhancement of training

Enhance training to develop next-generation executive candidates as well as training to develop line managers

Inclusion of diversity

Consider introducing a flextime system and enhancing the nursing care leave system to create a workplace where diverse human resources can thrive

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ESG Activities for Sustainable Business Growth

	Materiality (Important Issues)		2030 Goals
Environmental	Promotion of environmentally conscious business activities	• Reduction of greenhouse gas emissions • Reduction of energy consumption • Management of waste and hazardous substances	• Reduction of GHG emissions Reduction of 50% or more compared to FY2013
Social	Improving the quality of products and services	• Provision of safe and reliable products and services • Promotion of safety and health • Personal information protection and advanced data security • Risk management	• Zero serious workplace accidents • All sites (commercial warehouses/rice mill factories) certified with ISO 9001 • Zero personal information leak incidents
	Promotion of the diversity and participation of human resources	• Workstyle reforms through improved productivity • Human resources development and education • Promotion of the active participation of diverse human resources, including women • Prevention of discrimination and consideration for the socially vulnerable	• Rate of paid leave taken: 80% or more • Ratio of women in managerial positions: 20% or more • Promoting activities of mid-career hires
	Development of agriculture with local communities and production areas	• Participation in the community and contribution to its development	• Contribution to cultural activities in local communities • Promotion of public-private collaboration in the event of a large-scale disaster • Establishment of consortiums with production areas, governments, and business partners
	Promotion of sustainable rice procurement	• Sustainable procurement and efficient use of materials	• Realization of sustainable farming through branding of production areas
Governance	Strengthening corporate governance	• Ensuring sound management, pursuing efficiency, improving transparency, and maintaining reproducibility • Risk management • Appropriate disclosure of information	• Identification of risks and opportunities and appropriate responses by the Board of Directors • Zero serious compliance violations

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Sustainability Measures for Sustainable Business Growth

Yamatane positions environmental issues as one of its most important management issues, and promotes sustainability management while contributing to the sustainable development of society and striving to enrich people's lives.

SDGs Promoting initiatives for SDGs

- In 2022, we established the "Inzai Rice Mill Factory" in Inzai City, Chiba, and obtained BELS (Building-Housing Energy-efficiency Labeling System) certification
- The factory uses renewable energy through the installation of solar power generation equipment
- By arranging machinery and equipment three-dimensionally and connecting processes in a free-fall manner, the power consumption of rice transport equipment is reduced. Consideration is also given to reducing environmental impact through energy conservation achieved by introducing the latest machinery and equipment
- In addition, wastewater (water after washing rice) produced from the pre-washed rice production process is reused as a raw material for feed by feed dealers, contributing to the reduction of energy for waste disposal and CO_2 emissions
- We obtained BELS (Building-Housing Energy-efficiency Labeling System) and CASBEE (Comprehensive Assessment System for Built Environment Efficiency) certification at the Honmoku Futo Office, which was opened in 2024



Introduction of renewable energy

- At six sites in the Kanto region in October 2021, and at the remaining nine sites in the Kanto region in December 2023, 100% of purchased electricity was converted to renewable energy.
  CO_2 emissions are expected to be reduced by about 7,600 tons per year
- As a result, all sites in the Kanto region (excluding some leased properties) are now powered by 100% renewable energy. We will continue to expand the scope of our switch to renewable energy sources and aim to reduce greenhouse gas emissions

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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 25, 2024), and will not be updated or changed to reflect future events or circumstances.

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