

*Supporting your sustainability*

**Yamatane** 100<sup>th</sup>



# Yamatane Plan 2028

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Yamatane Corporation (Securities code: 9305)



Supporting your sustainability



Purpose (Raison d'être)

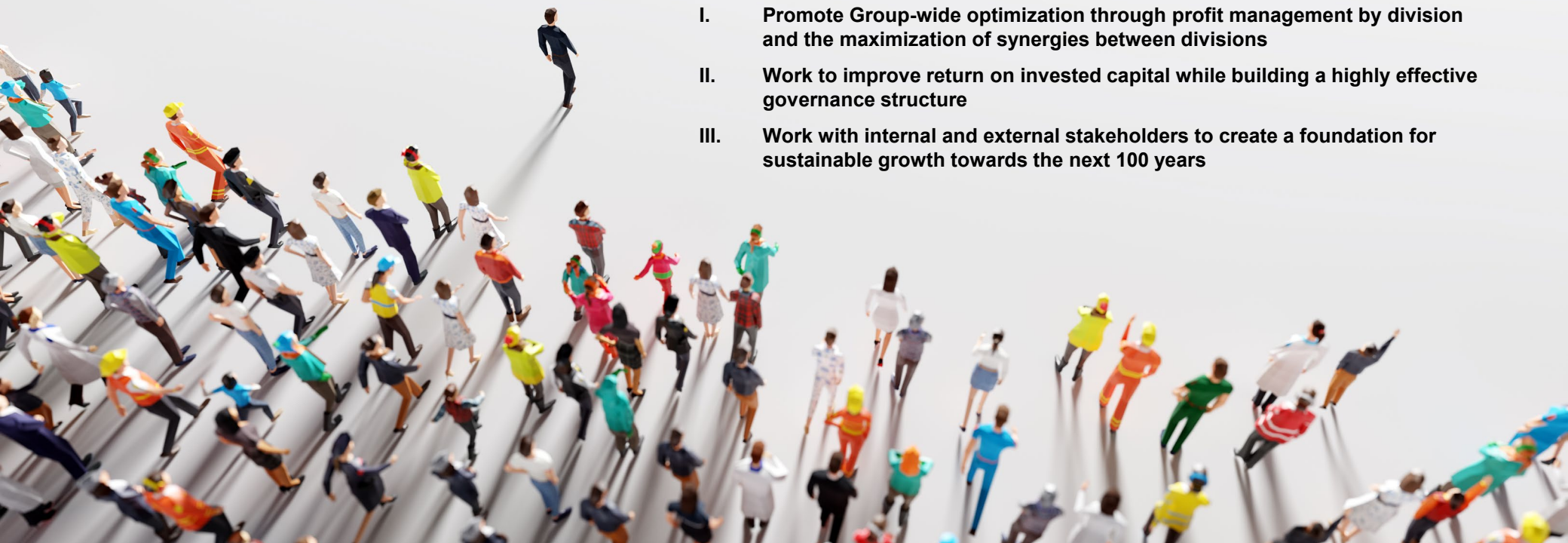
**Bringing together diverse human resources to create  
the power to contribute to society**

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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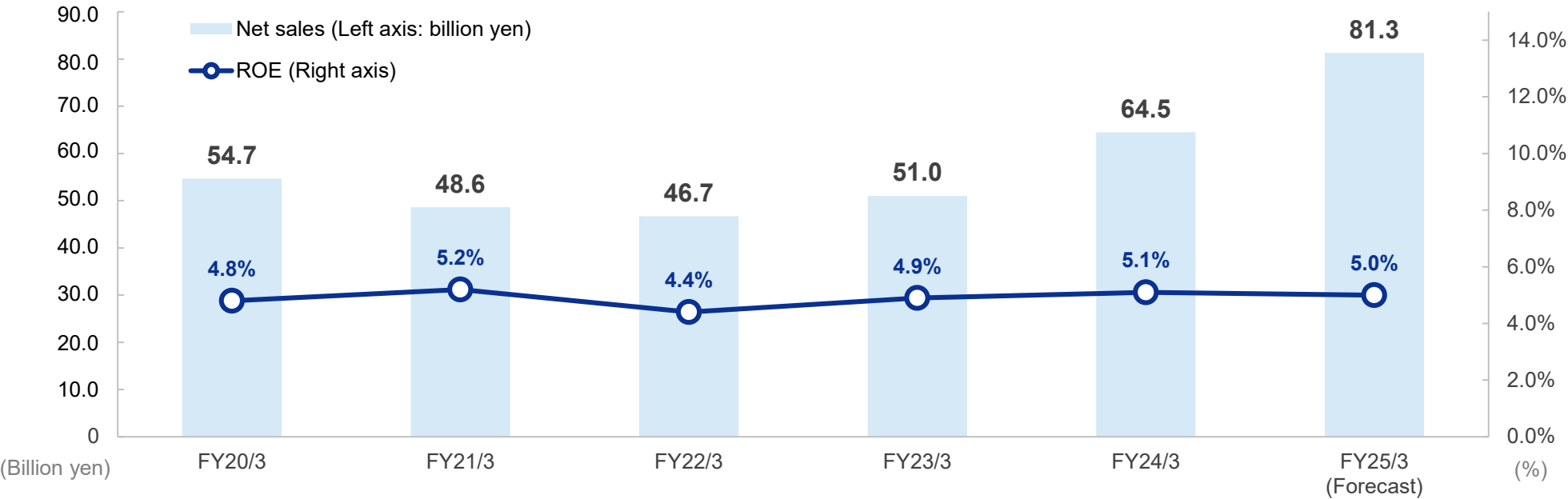


1. Review of Yamatane Plan 2025 and Identification of Issues

# 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%	—	—





## 1. Review of Yamatane Plan 2025 and Identification of Issues

# 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



# 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

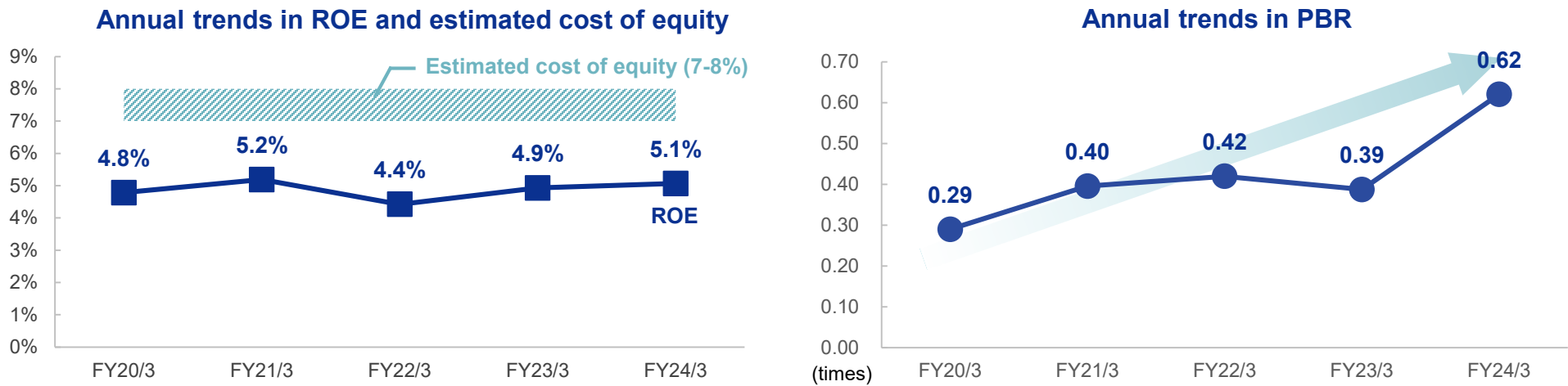
Progress in uncharted domains was insufficient, and issues remain for the next medium-term management plan

Core Business Domains	Section	Goals	Assessment	Uncharted Domains	Section	Goals	Assessment
	Logistics Services	<ul style="list-style-type: none"> <li>Achieve efficient and advanced logistics through alliance and collaboration with cargo owners and each player in the supply chain</li> </ul>	○		Logistics Services	<ul style="list-style-type: none"> <li>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</li> </ul>	○
		<ul style="list-style-type: none"> <li>Open new warehouses and replace existing warehouses to boost earning capacity</li> </ul>	○				
	Food Business	<ul style="list-style-type: none"> <li>Assure the quality and safety of rice at each distribution stage to ensure a stable supply of reliable products to consumers</li> </ul>	○		Food Business	<ul style="list-style-type: none"> <li>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</li> </ul>	In Progress
		<ul style="list-style-type: none"> <li>Reinforce ties with places of production and pursue reduction of production/distribution costs</li> </ul>	○				
	Information Systems	<ul style="list-style-type: none"> <li>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</li> </ul>	○		Information Systems	<ul style="list-style-type: none"> <li>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</li> </ul>	△
	Real Estate Business	<ul style="list-style-type: none"> <li>Enhance quality (safety, convenience, comfort, environmental performance) of our existing properties to maximize their real-estate value</li> </ul>	○		Real Estate Business	<ul style="list-style-type: none"> <li>Strengthen the agency business of logistics properties, etc. by taking advantage of having the warehousing business as well ⇒ Plans abandoned due to intensifying competition</li> </ul>	×
		<ul style="list-style-type: none"> <li>Utilize cloud database to increase efficiency of real estate management and expand business in the property management domain</li> </ul>	○				
	Administration	<ul style="list-style-type: none"> <li>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</li> </ul>	○		Administration	<ul style="list-style-type: none"> <li>Determine the direction for the redevelopment project of the Etchujima district, where our Headquarters is located ⇒ Formulating the Grand Vision for May 2025</li> </ul>	In Progress
		<ul style="list-style-type: none"> <li>Strengthen governance so that the Board of Directors can monitor imminent risks and opportunities and provide supervision</li> </ul>	○				

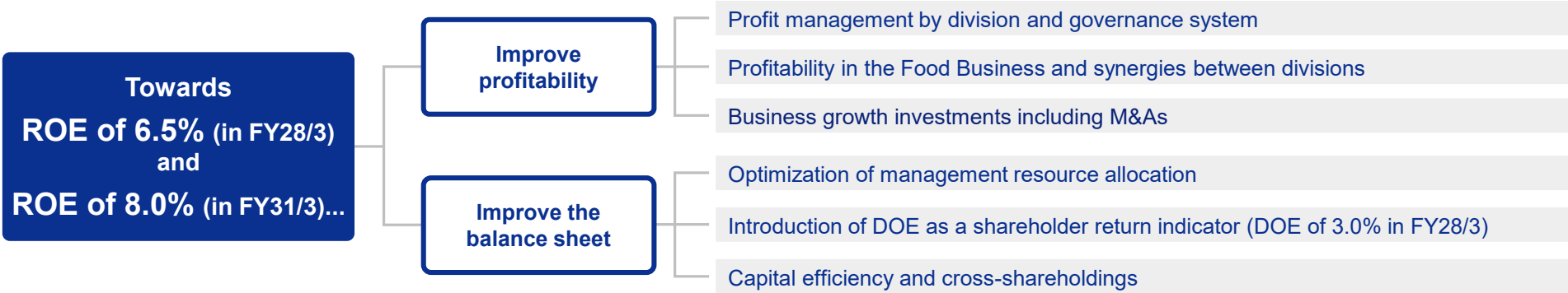


# Trends in ROE, Cost of Equity, and PBR, and Recognition of Issues

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



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







# Identifying Issues for the New Medium-term Management Plan

Business strategy	Company-wide strategy	<ul style="list-style-type: none"><li>● Building a system for profit management by division</li><li>● Promoting creation of synergies between divisions</li></ul>
	Business strategy	<ul style="list-style-type: none"><li>● Improving the sustainability of high-quality services in the Logistics Services segment</li><li>● Improving profit margins in the Food Business Segment</li><li>● Promoting the utilization of owned real estate (CRE strategy)</li></ul>
Finance and governance	Financial and capital strategy	<ul style="list-style-type: none"><li>● Improving ROIC, with an eye on cost of capital</li></ul>
	Governance	<ul style="list-style-type: none"><li>● Reducing cross-shareholdings</li><li>● Strengthening linkage between corporate value, shareholder value, and incentives</li><li>● Strengthening the function of the Board of Directors to contribute to the implementation of the new medium-term management plan</li></ul>
Implementation of the long-term vision	Organizational and human resources strategy	<ul style="list-style-type: none"><li>● Fostering a sense of unity through a shared “purpose”</li><li>● Improving employee engagement</li></ul>
	Sustainability	<ul style="list-style-type: none"><li>● Realizing sustainable agriculture</li></ul>

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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	<div>01</div> Implement thorough profit management by division through the introduction of an in-house company system <div>02</div> 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	<div>01</div> 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 <div>02</div> Enhance balance sheet management: Review of cash allocation				
Governance	<div>01</div> Reduce cross-shareholdings (to 20% or less of net assets by 2030) <div>02</div> Further strengthen the function of the Board of Directors, and consider reviewing the performance-linked ratio of officers’ remuneration as well as KPIs				

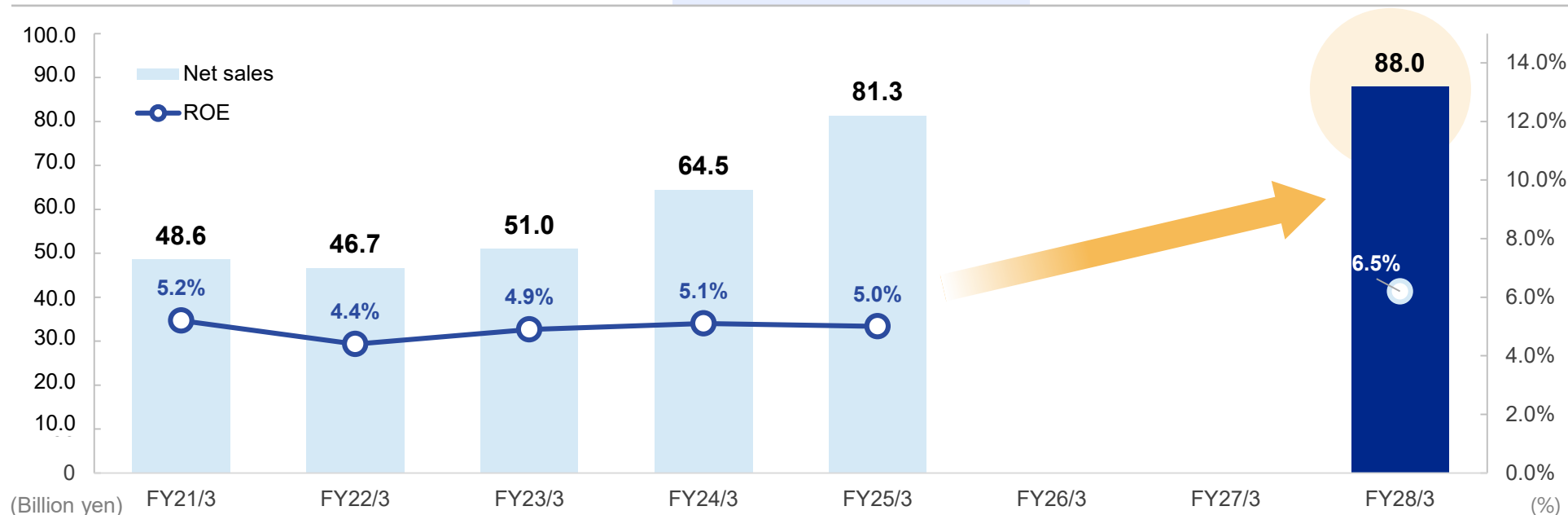
\*...Includes measures to address dilution associated with acquisition of Yamatane Real Estate as a subsidiary (for details, see page 28)



# 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%	—	—





# 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	<b>27.0 billion yen</b>	+2.0 billion yen	2.6%
	Operating profit	1.9 billion yen	<b>2.4 billion yen</b>	+0.5 billion yen	8.1%
	Operating profit margin	7.6%	<b>8.8%</b>	—	—
Food Business	Net sales	49.8 billion yen	<b>53.5 billion yen</b>	+3.7 billion yen	2.4%
	Operating profit	1.25 billion yen	<b>1.8 billion yen</b>	+0.55 billion yen	12.9%
	Operating profit margin	2.5%	<b>3.4%</b>	—	—
Information Systems	Net sales	1.8 billion yen	<b>2.1 billion yen</b>	+0.3 billion yen	5.3%
	Operating profit	0.07 billion yen	<b>0.14 billion yen</b>	+0.07 billion yen	26.0%
	Operating profit margin	3.8%	<b>6.7%</b>	—	—
Real Estate Business	Net sales	4.7 billion yen	<b>5.4 billion yen</b>	+0.7 billion yen	4.7%
	Operating profit	2.15 billion yen	<b>2.4 billion yen</b>	+0.25 billion yen	3.7%
	Operating profit margin	45.7%	<b>44.4%</b>	—	—
Adjustment	Operating profit	(2.14) billion yen	<b>(2.04) billion yen</b>	+0.1 billion yen	





# 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

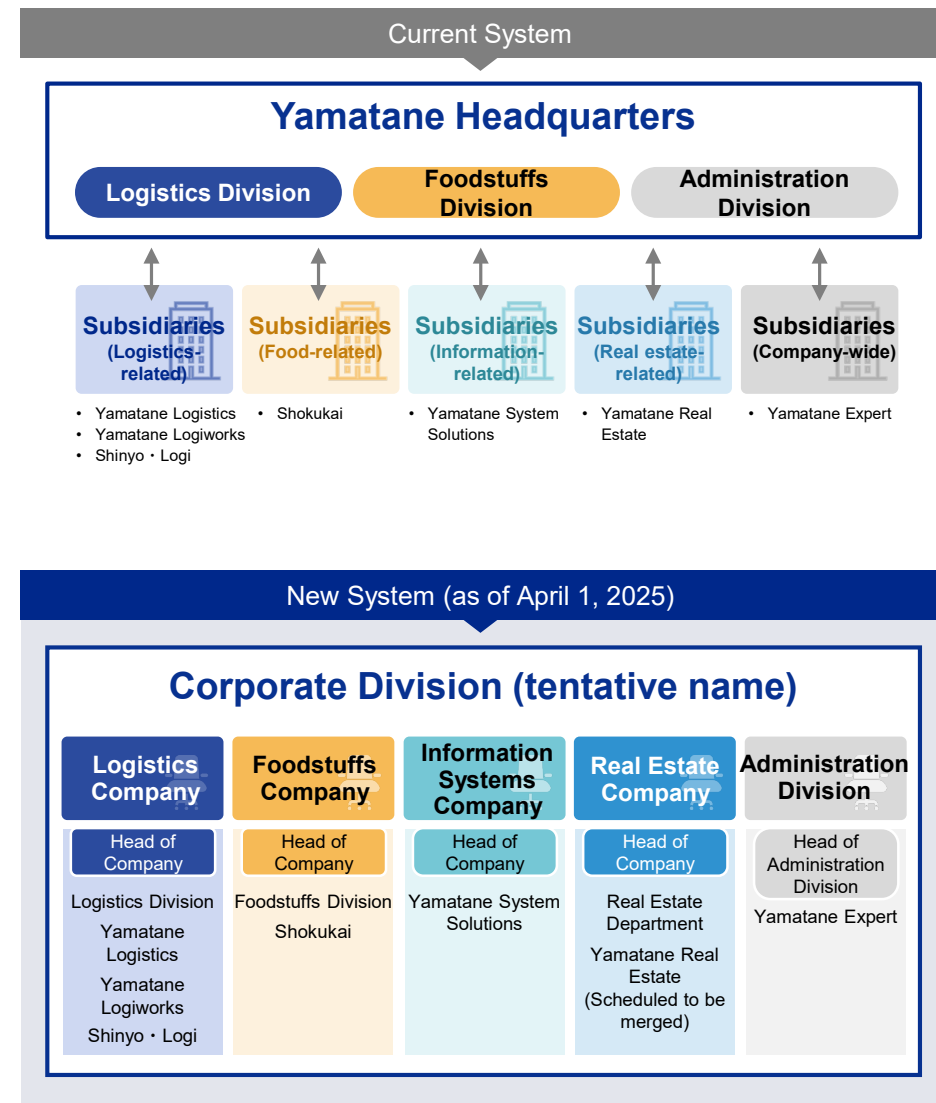
### Purpose of the transition

#### 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

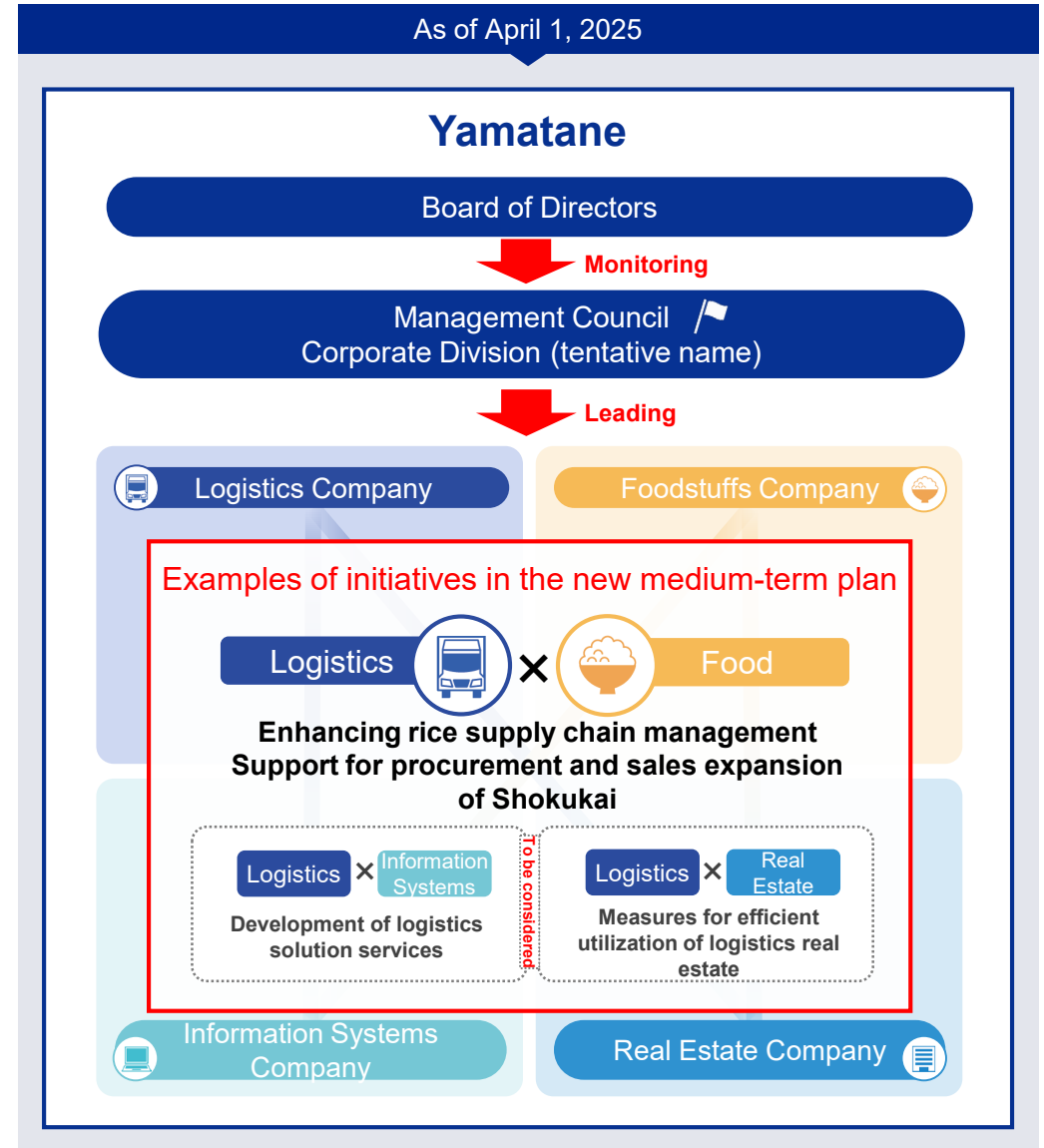




# Creating Synergies Between Companies

**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”





# 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

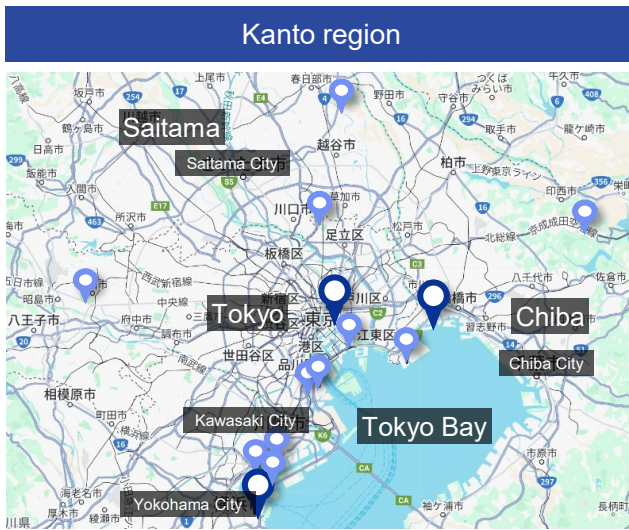


## 2-3. Business Strategy

### 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. 351,927m<sup>2</sup>). We are aiming to strengthen earning capacity by deepening supply chains for existing customers



#### Major logistics centers



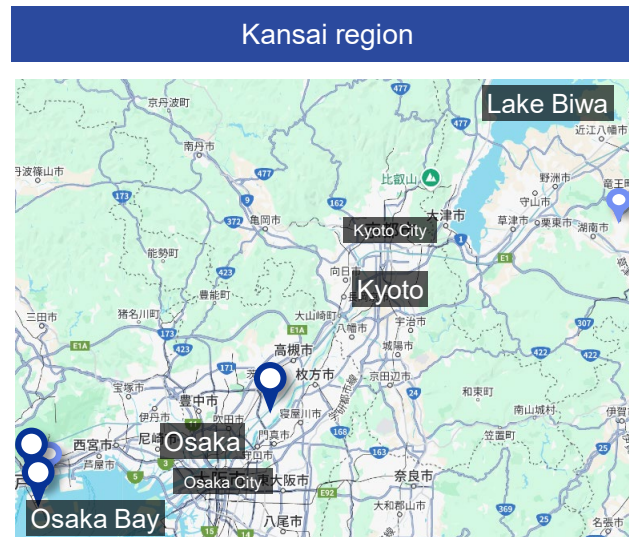
**Fukagawa Office**  
17,579 tsubo (approx. 58,112m<sup>2</sup>) / 98.8%



**Ichikawa Office**  
13,057 tsubo (approx. 43,163m<sup>2</sup>) / 84.2%



**Honmoku Futo Office**  
5,924 tsubo (approx. 19,583m<sup>2</sup>) / 77.2%  
[Managed floor area / Occupancy rate]



#### Major logistics centers



**Kita-Osaka Office**  
4,981 tsubo (approx. 16,466m<sup>2</sup>) / 93.3%



**Kobe Office**  
3,479 tsubo (approx. 11,500m<sup>2</sup>) / 100%



**Port Island Office**  
3,285 tsubo (approx. 10,859m<sup>2</sup>) / 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

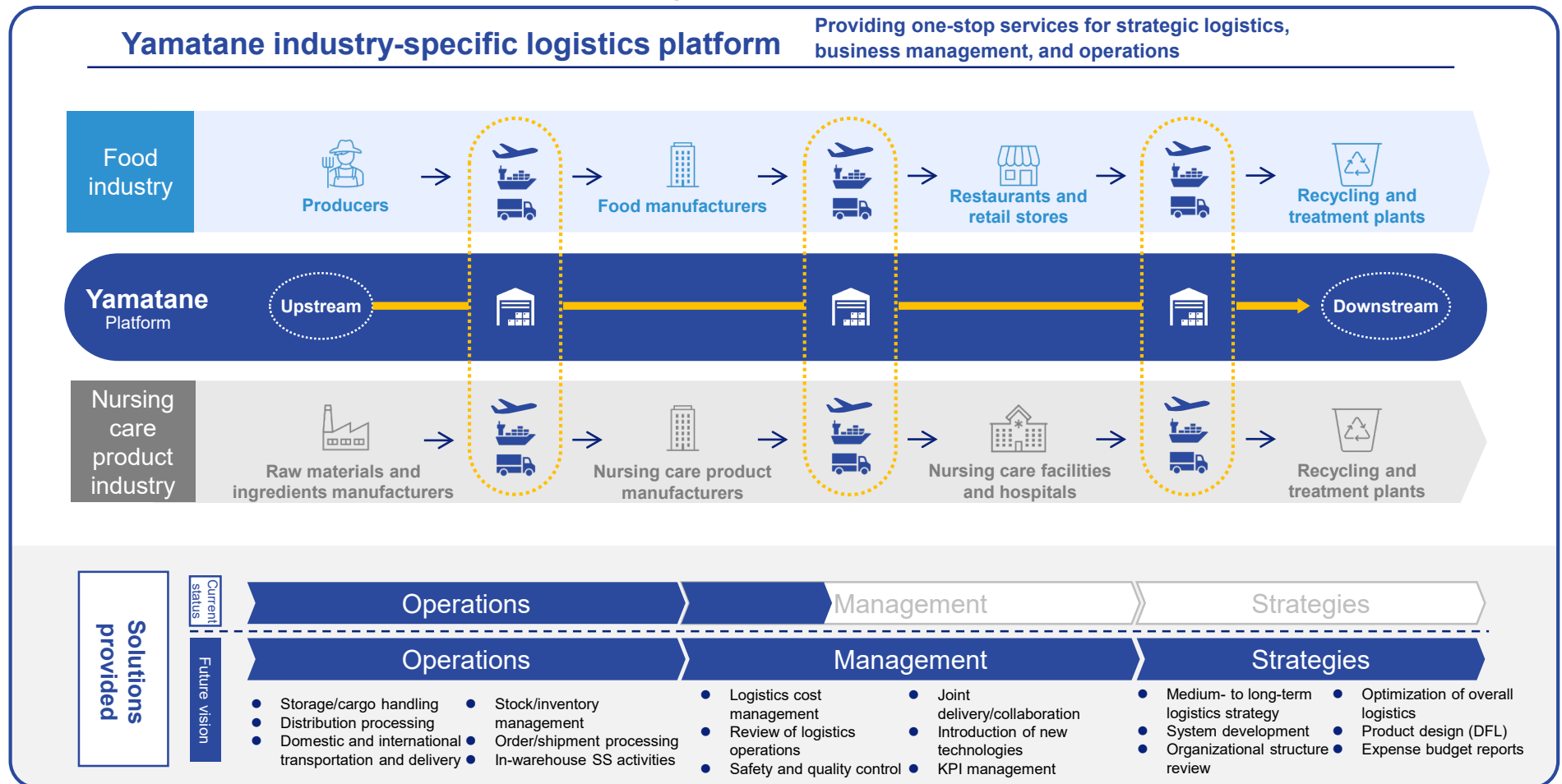
Image	Main department	Transaction amount	Services provided							
			Storage	Cargo handling	Transportation and delivery	Reverse	Supplemental services	...	Air	Customs clearance
Company A	XXX Branch	...	●	●	●	No transactions	●	No transactions	No transactions	No transactions
Company B	XXX Branch	...	●	No 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



## 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

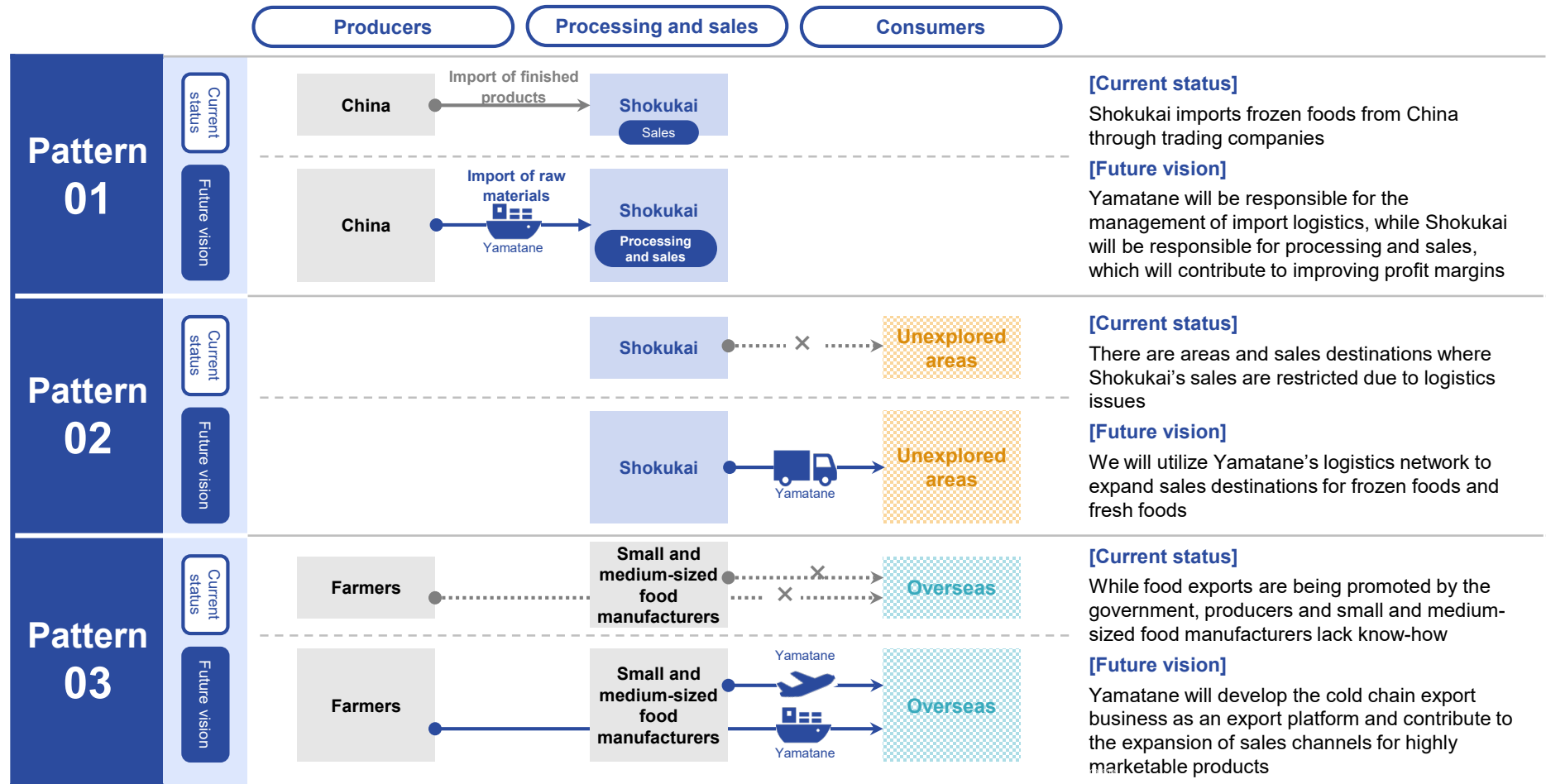






## Logistics Services Segment: Strategy 3 - Entering the Cold Chain

- 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





# 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



## 2-3. Business Strategy

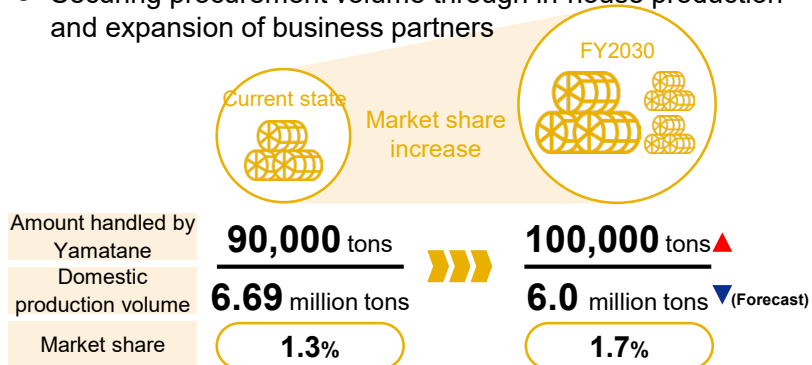
### Food Business Segment:

#### 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



##### 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

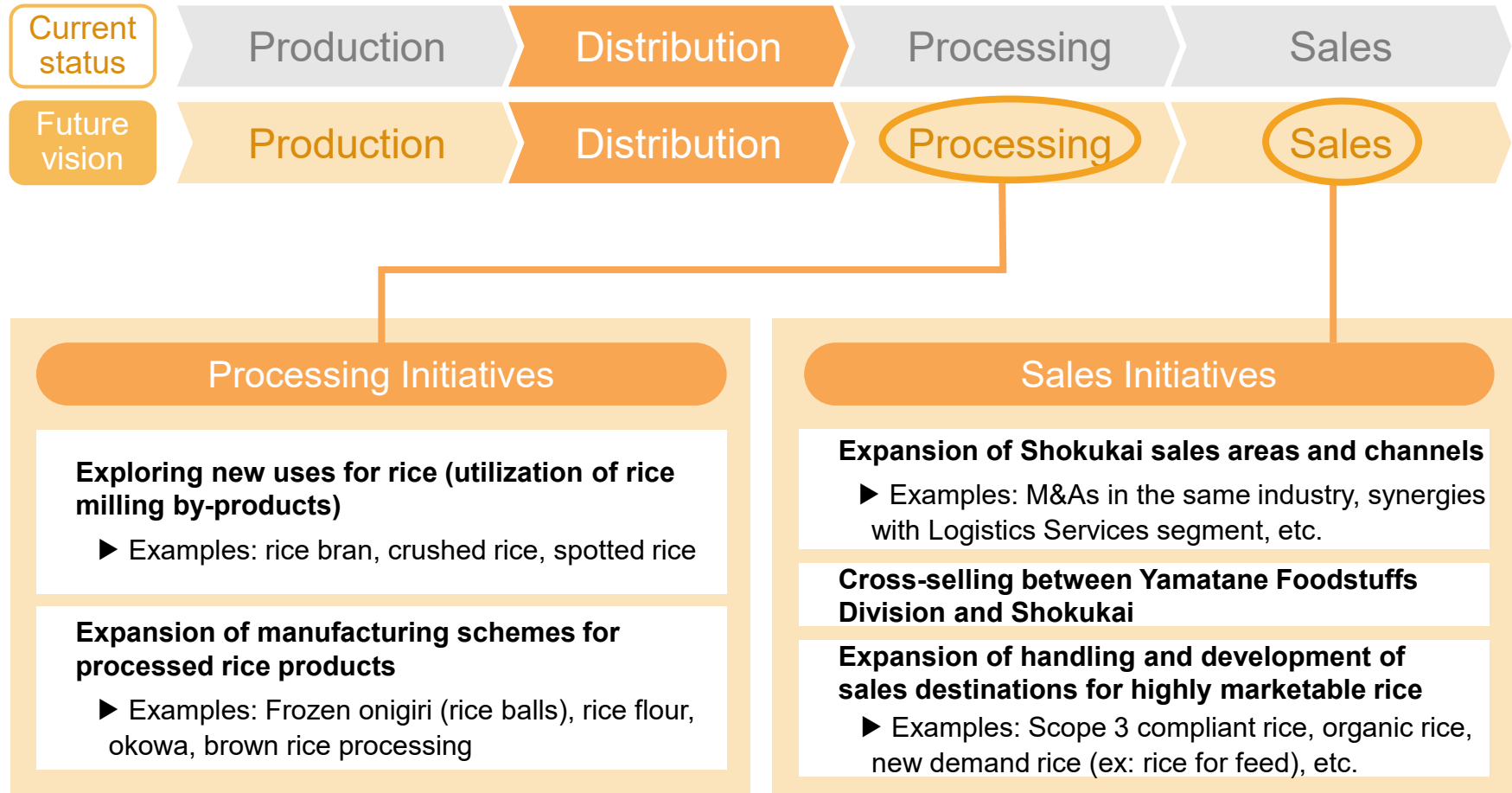


## 2-3. Business Strategy

## 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.





## 2-3. Business Strategy

### 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



#### Reducing rice production costs

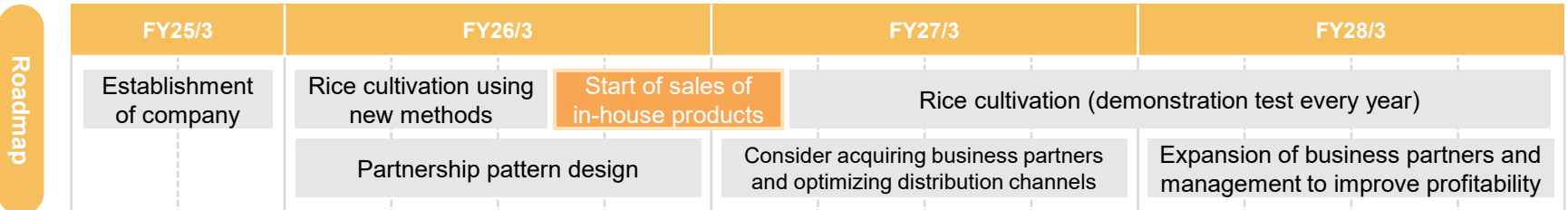
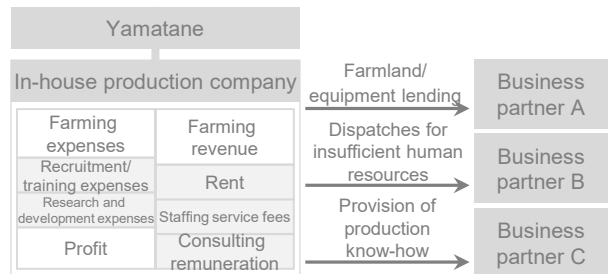
- Improving productivity through the introduction of IoT for agriculture
- Efficient operation of agricultural machinery
- Introduction of new cultivation techniques and materials



#### Building a “diversified management” model

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

#### ▼ Image of diversified management model



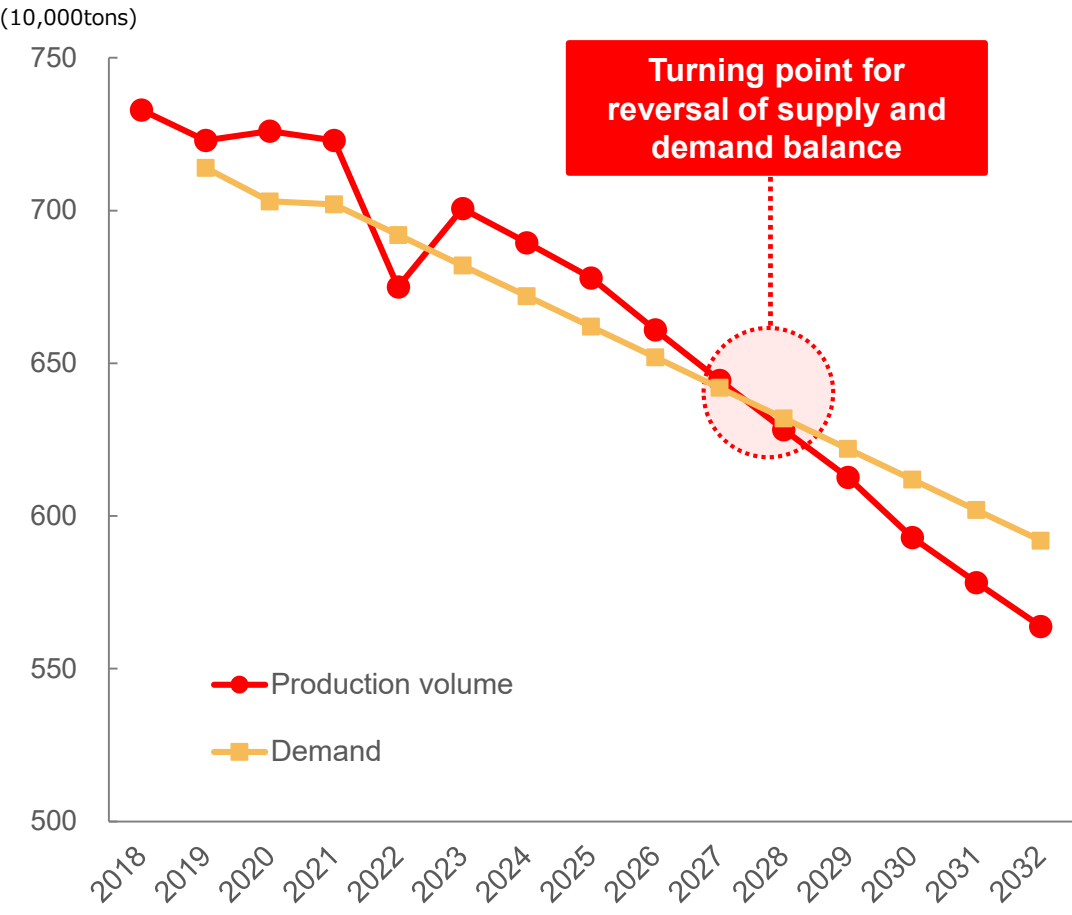




2-3. Business Strategy

# 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**



# 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



# 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



2-3. Business Strategy

# 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	2025 2026 2027	2028 2029 2030	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	—	—			
					2025 to 2027 Estimated investment amount of approximately 7.0 billion yen	Under consideration in view of rising construction costs and coordination with local governments	



# 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 (m <sup>2</sup> )	Total floor area (m <sup>2</sup> )	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 (m <sup>2</sup> )	Total floor area (m <sup>2</sup> )	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





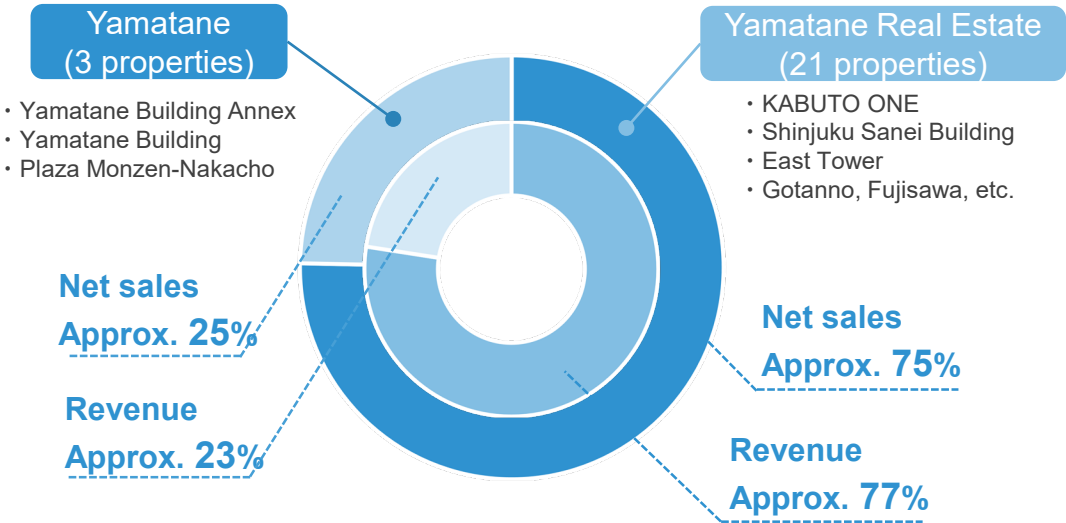
2-3. Business Strategy

# 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

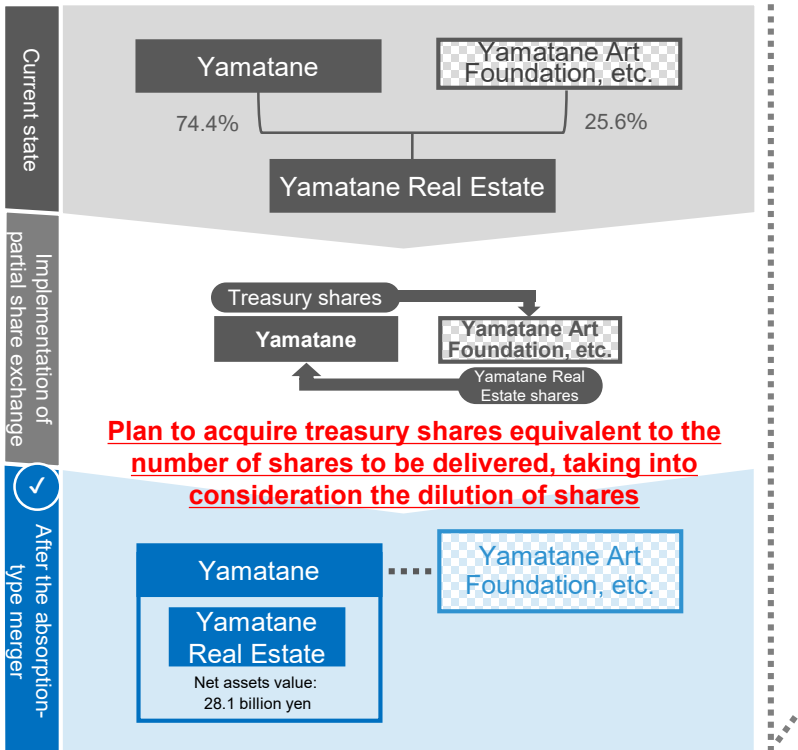
Company name	Yamatane Real Estate Co., Ltd.
Established	April 1948
Capital	400 million yen
Number of employees	27 persons (as of March 31, 2024)

## ■ 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





## Shareholder Return Policy

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

### To date

Payout ratio of **35%**

Approx. **2.0 billion yen**  
(Cumulative total for the current medium-term management plan period)

- 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

Shareholder  
return policy

Shareholder  
return amount

Approach to  
shareholder  
returns

### Period of the new medium-term management plan

**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%)

**7.0 billion to 8.0 billion yen**  
(Forecast)

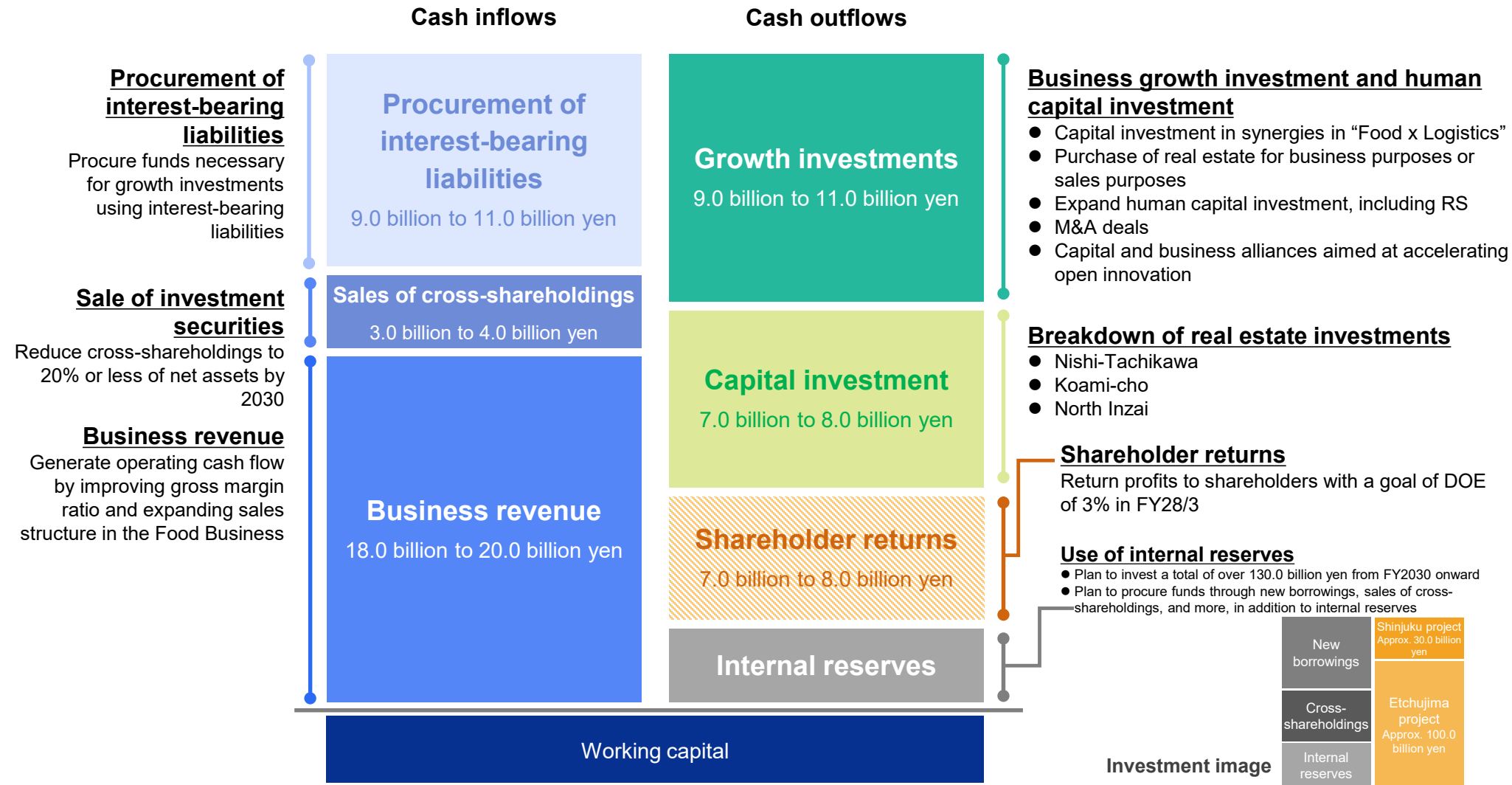
- We will return profits to shareholders with the aim of achieving an ROE of 6.5% in FY28/3 (the final year of the new medium-term management plan)
- We will introduce DOE as a shareholder return indicator in order to ensure the stable distribution of dividends regardless of profit fluctuations during 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)



# Cash Procurement and Allocation





# 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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### 3. Yamatane's Sustainability for the Next 100 Years

# 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 Hakozaiki 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				

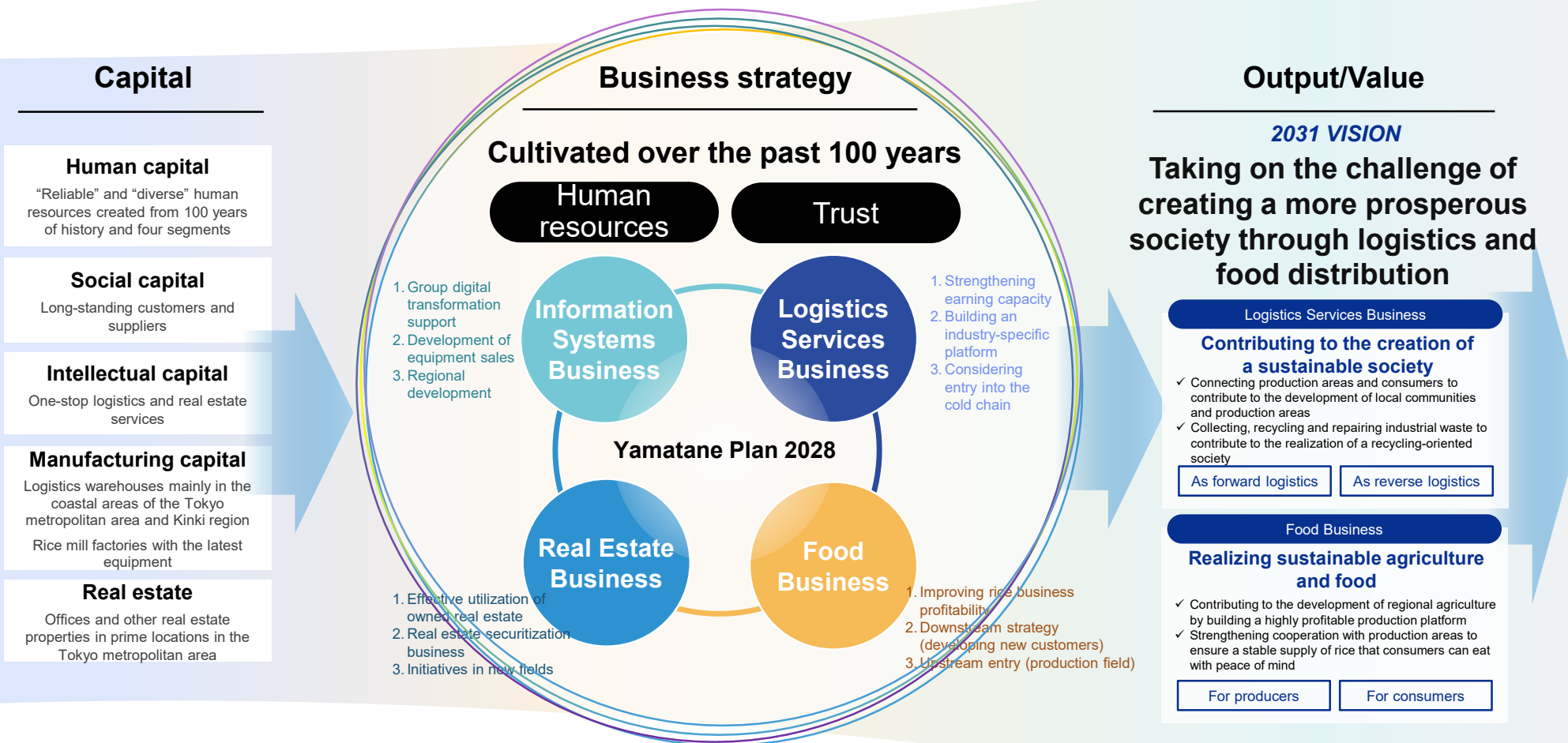




# Value Creation Process

## Purpose

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



## 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

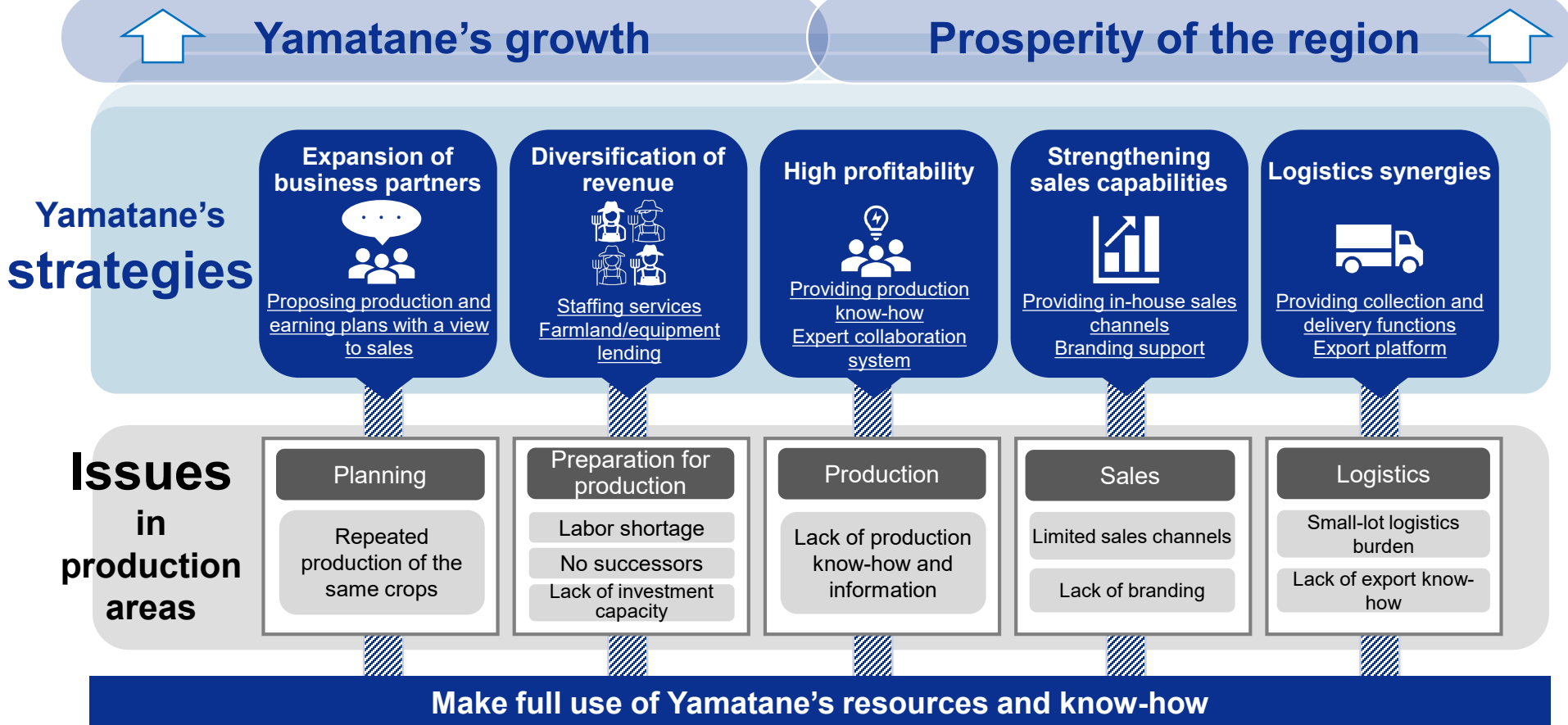
- Aging of farmers and retirement from farming
- Downsizing of the feeding service industry
- Shortage of human resources in logistics and IT
- Fluctuations in rice market prices
- Rising construction costs



# 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.





### 3. Yamatane's Sustainability for the Next 100 Years

## 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



# 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
- 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

#### Development of agriculture with local communities and production areas

- Participation in the community and contribution to its development

#### 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



# 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<sub>2</sub> 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<sub>2</sub> 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

# 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.

*Supporting your sustainability*



**Inquiries**

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