1. Qualitative Information on the Consolidated Business Results for the Fiscal Year Ended September 30, 2011

(1) Qualitative Information on the Consolidated Operating Performance

(Operating environment)
In the fiscal year ended September 30, 2011, the Japanese economy initially exhibited moderate recovery, as overseas economic growth fueled improved corporate earnings and personal consumption increased. The economy deteriorated rapidly, however, following the Great East Japan Earthquake on March 11, 2011, as production activity declined and personal consumption slumped. In the aftermath of the disaster, while there were signs of a pick-up in economic activity, the pace of recovery remained weak. With the addition of downside risk stemming from surging yen appreciation and anemic recovery in the United States and Europe, the sense of uncertainty over the future course of the economy only grew stronger during the period.

In the food-related sector, despite moderate improvement in consumer sentiment, severe employment and income conditions persisted in the wake of the disaster. Furthermore, the accident at the Fukushima nuclear power plant led to heightened awareness of food safety and security issues among consumers.

(Operating results)
Amid such conditions, in the final year of the Medium-Term Management Plan (three-year plan) it announced in November 2008, the Yokohama Reito Group strove to meet the plan goals by aggressively expanding its broad array of logistics services in the Refrigerated Warehousing Business and enhancing its capabilities as a raw ingredient supplier in the Food Sales Business. In both business segments, the Group endeavored to bolster its business performance by further upgrading its services and developing new demand.

In the fiscal year under review, the Company recognized extraordinary losses totaling ¥1,230 million, which comprised such items as loss on disaster amounting to ¥617 million relating to the Great East Japan Earthquake; loss on closure of business facilities amounting to ¥381 million in connection with the closure of the Osaka Logistics Center and the former Kagoshima Logistics Center; and asset retirement obligations amounting to ¥132 million.

As a result, the Group's consolidated operating performance for the fiscal year ended September 30, 2011 was as follows. Net sales totaled ¥124,051 million, a 2.1% increase over the previous fiscal year. Operating income totaled ¥4,193 million, an increase of 10.6%, ordinary income totaled ¥4,298 million, an increase of 5.2%, and net income totaled ¥1,668 million, a decrease of 5.6%.

(Results by business segment)
Effective from the fiscal year under review, the Company adopted the *Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No. 17, revised March 27, 2009) and *Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (Guidance No. 20, March 21, 2008). Since the adoption has only a minor impact on financial results, the segment results for the fiscal year under review are directly compared with the results for the previous year under the former segmentation method.

1) Refrigerated Warehousing Business
Despite a gradual recovery in cargo movement, the overall market remained severe due to ongoing inventory adjustments by customers seeking to trim logistics costs, along with direct and indirect impacts from the Great East Japan Earthquake. In this environment, the Group continued its efforts to expand cargo collection activities, which focused on maintaining profitability through the Group's system of geographic blocks, while also working to cut costs through enhanced operational efficiency.

With regard to inventory volume, while the volume of marine products declined, the Company succeeded in expanding the total year-on-year volume of inbound cargo by 40,000 tons and the volume of outbound cargo by 62,000 tons, mainly through increases in such categories as frozen foods and agricultural products. The average inventory volume increased 0.2%. The customs clearance business, which was strengthened as part of the Group's comprehensive logistics services, continued to perform well and made a contribution to the segment's results.

As a result, net sales for this segment increased 1.4% compared with the previous fiscal year to ¥18,788 million, and segment operating income rose 10.9% to ¥3,846 million.

One of the major strategies under the Group's Third Medium-Term Management Plan was "the enhancement of Yokorei quality through an investment program." In line with this goal, construction was completed as planned on Hokko Logistics Center, the Kagoshima Logistics Center, and Thai Yokorei Co., Ltd.'s Wang Noi Logistics Center. In addition, construction has begun on the tentatively-named Kimobetsu Logistics Center, which has a storage capacity of approximately 15,000 tons and is scheduled for completion in August 2012, as part of the ongoing efforts to expand the business foundation.

2） Food Sales Business

In an environment characterized by a prolonged slump in domestic consumer demand, the Group carried out stringent inventory management based on its business-division organizational structure and conducted sales activities focused on improving profit margins. Although the impact of the Great East Japan Earthquake led to an opportunity loss related to exports and other sales, for marine products in particular, the Company focused on strengthening its procurement capabilities through collaboration with one of its consolidated subsidiaries and worked to enhance its capabilities as a raw-ingredient supplier.

As a result, the Company achieved growth in sales and profits in the marine products category amid an overall firm market, driven by higher volume sales of such mainstay products as prawn/shrimp and mackerel. In the livestock products category, sales of pork decreased while sales volumes of chicken and beef surged, and although the Company maintained sales at about the same level as the previous year, profits declined. The agricultural products category performed steadily since the beginning of the fiscal year as a result of expanded sales channels.

As a result, segment sales amounted to ¥105,246 million, an increase of 2.3% compared with the previous fiscal year, and operating income totaled ¥2,023 million, an increase of 3.5%.

(Outlook for fiscal year ending September 30, 2012)

Regarding the economic outlook, there is a growing sense of uncertainty regarding the pace of economic recovery in Japan due to a variety of factors, including anxiety surrounding European sovereign debt, concerns of a slowdown in the global economy, yen appreciation, and slumping stock prices.

In this environment, the Yokohama Reito Group formulated its Fourth Medium-Term Management Plan (three-year plan), entitled 'Step toward the Future,' and initiated the plan in October 2011. The plan represents the first step towards the establishment of a robust business model which can facilitate a strong, flexible, and rapid response to various changes in the operating environment, and enable the Group to achieve its long-term vision of realizing sustainable improvement in corporate value.

The Group is implementing various initiatives to reach the goals of the new plan, based on the two primary operating policies of "strengthening the core business" and "strengthening growth potential." Based on the above, we forecast net sales of ¥126,820 million, an operating income of ¥4,740 million, an ordinary income of ¥4,730 million and a net income of ¥2,440 million for the fiscal year ending September 30, 2012.

(2) Qualitative Information on the Consolidated Financial Position

1） **Assets, Liabilities and Net Assets**

Total assets amounted to ¥93,065 million, an increase of ¥9,783 million compared with the previous fiscal year-end. This change was mainly attributable to increases of ¥686 million in cash and deposits, ¥3,094 million in merchandise, ¥5,158 million in property, plant, and equipment due to the new construction of logistics centers and other facilities, and ¥718 million in investment securities.

Total liabilities amounted to ¥36,503 million, an increase of ¥9,275 million compared with the previous fiscal year-end. This change was mainly attributable to increases of ¥8,070 million in loans payable, ¥1,570 million in accounts payable—other, ¥796 million in notes payable—facilities, and a decrease in notes and accounts payable—trade of ¥1,062 million.

Total net assets amounted to ¥56,562 million, an increase of ¥508 million compared with the previous fiscal year-end.

2) **Cash Flows**

Cash and cash equivalents (hereinafter, "cash") at the end of the fiscal year amounted to ¥4,563 million, an increase of ¥686 million compared with the previous fiscal year-end. The main factors affecting cash flows during the fiscal year under review are summarized as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥1,067 million, compared with net cash used in operating activities totaling ¥1,471 million in the previous fiscal year. This net inflow was mainly attributable to income before income taxes and minority interests of ¥3,193 million and depreciation and amortization of ¥3,098 million, the sum of which was partially offset by an increase of ¥3,322 million in inventories and ¥2,111 million in income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥7,058 million, compared with ¥2,721 million in the previous fiscal year. Major investment outflows included purchase of property, plant and equipment of ¥6,403 million, and purchases of investment securities of ¥607 million.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥6,686 million, compared with ¥2,880 million in the previous fiscal year. This net inflow was mainly derived from a net increase in loans payable of ¥8,070 million, which was partly offset by cash dividends paid of ¥1,034 million.

3) Cash Flow-related Indices

	Year ended September 30, 2009	Year ended September 30, 2010	Year ended September 30, 2011
Equity ratio	69.7	66.9	60.4
Equity ratio based on market value	41.4	36.2	32.7
Ratio of cash flow to interest-bearing debt (annual)	1.3	-5.8	20.7
Interest coverage ratio	46.6	-7.6	5.0

The above indices are calculated as follows:

Equity ratio: Total shareholders' equity/Total assets

Market capitalization-based equity ratio: Market capitalization/Total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest expense

*All indices are calculated base don consolidated figures.

*Market capitalization is calculated by multiplying the stock price at fiscal year end by the total number of issued and outstanding shares (excluding treasury stock) at the end of the year.

*The interest expense is the figure used in the consolidated statements of cash flow.
2. The interest-bearing debt represents the portion of total debt from the consolidated balance sheet for which interest is paid.

(3) Basic Policy on Profit Distribution and Dividend Forecasts

1) Basic policy on profit distribution

The Company recognizes the return of profits to shareholders as a management priority and maintains a policy of paying a stable dividend to shareholders. The Company seeks to maintain a target dividend payout ratio of 40% or more. Internal reserves are utilized effectively for various types of investments in facilities and IT systems, along with M&As and various other initiatives which raise profitability and competiveness and enhance corporate value.

2) Dividend forecast

In accordance with the above policy, the Company plans to make a year-end dividend payment of ¥10 per share for the year under review. The planned annual dividend is therefore ¥20 per share, including the interim dividend of ¥10 per share previously paid to shareholders.

For the year ending September 30, 2012, the Company plans to pay an interim dividend of ¥10 per share and a year-end dividend of ¥10 per share, for an annual dividend of ¥20 per share.

(4) Business Risks

In consideration of the Group's business and financial status, the following represent potential risks to the Group's financial condition and management performance. These potential risks may have a significant effect on investors' investment decisions.

1) Economic conditions and operating environment

The Group is engaged in the sale of marine products, livestock products, and agricultural products, as well as related processed products. False labeling of product origin, agrochemical contamination, bird-related influenza and other food-related problems may cause a decrease in product import volumes, a rise in product prices, or a decline in consumption which could potentially impact the Group's sales.

In addition, a decline in fish catches or a change in consumption trends caused by changes in the natural environment, including changes to weather patterns such as unusually cool or hot summers, or changes to sea currents or temperatures, may impact the Group's business.

2) Changes in product prices

Procurement prices for marine, livestock and other products handled by the Group change within a market environment governed by a supply-demand balance in and outside Japan. In addition, market prices change depending on fish catches and agricultural harvests in Japan, along with other factors such as import restraints and embargoes. These price changes could have a serious impact on the Group's financial performance.

3) Property, plant, and equipment

In the Refrigerated Warehousing Business, the Group maintains a large network of refrigerated warehouses which require significant capital investments. In the event of a change in the business environment stemming from a deterioration to customers' businesses, such a changes in road networks or a decline in fish catches, or a decline in the warehouses' convenience, the Group's financial performance may be significantly impacted by a decline in profitability, impairments to property, plant and equipment, or the impact of the disposal of property, plant and equipment.

4) IT systems

The Group conducts its Refrigerated Warehousing Business and Food Sales Business using a nationwide online IT system. In the event of a large-scale, unforeseen natural disaster, the suspension of the Group's business systems, fracturing of the communications network, or a prolonged, wide-scale power blackout may make it difficult for the Group to provide services to customers and conduct business operations. These events could have a significant impact on the Group's business.

Following the Great East Japan Earthquake, in an effort to mitigate risks, the Company installed earthquake-resistant private power generation systems capable of long-term operation and moved its critical system operations to a large-scale datacenter situated in an area relatively safe from flooding.

3. Management Policy

(1) Basic Management Policy

The Yokohama Reito Group has a management philosophy which states, "The Company is an organ of society, and profits are a measure of our service." The Group's management vision is, "To be a food distribution network company which supports deliciousness, convenience, and enjoyment." Our Group values emphasize the provision of "safe and secure food products" and "high-quality logistics services" in order to raise corporate value and increase shareholder returns.

(2) Management Goals, Performance Indices, and Medium-term Strategy

1. Performance under previous Medium-Term Management Plan

The Medium-Term Management Plan announced in November 2008 (three-year plan) was completed in the fiscal year under review. The targets (unconsolidated) and actual results are as follows. The targets (unconsolidated) are the revised figures announced November 12, 2010 together with the financial results for the year ended September 30, 2010.

1) Net sales and income (unconsolidated)

While net sales, operating income, and ordinary income surpassed the medium-term targets, net income fell short of the target. The net sales target was ¥102,500 million, and the actual result was ¥106,900 million, surpassing the target by ¥4,400 million. The operating income target was ¥3,600 million, and the actual result was ¥3,700 million, surpassing the target by ¥100 million. The ordinary income target was ¥3,700 million, and the actual result was ¥3,895 million, surpassing the target by ¥195 million. The net income target was ¥1,800 million, and the actual result was ¥1,544 million, falling short of the target by ¥255 million. The main factor behind the failure to meet the net income target was extraordinary losses of about ¥1,188 million, which included such items as loss on disaster amounting to ¥617 million relating to the Great East Japan Earthquake, and loss on closure of business facilities amounting to ¥381 million relating to the closure of the Osaka Logistics Center and the former Kagoshima Logistics Center.

2) Return on equity (ROE) of 4% or higher (unconsolidated)

The ROE was 2.7% in the final year, falling short of the target.

3) Dividend payout ratio of 40% or higher (unconsolidated)

The dividend payout ratio was 67.0% in the final year, maintaining the policy on payout ratio.

2. Establishment of Fourth Medium-Term Management Plan

The Fourth Medium-Term Management Plan launched in October 2011, 'Step towards the Future,' covers the three-year period from October 2011 to September 2014. The standard of conduct during the new plan will be "to aim for growth by breaking out of the current mold." The plan is positioned as the first step towards the establishment of a robust business model which can facilitate a strong, flexible, and rapid response to various changes in the operating environment and enable the Group to achieve its long-term vision of realizing sustainable improvement in corporate value. The two main operating policies for the Refrigerated Warehousing Business and Food Sales Business are "strengthening the core businesses" and "strengthening growth potential." The Group is implementing various initiatives to reach the goals of the new plan.

The Company has set consolidated targets to achieve by the year ending September 2014, which are as follows.

(billion yen)

	Consolidated	
	Year ended September 30, 2011	Year ending September 30, 2014
Net sales	124.0	150.0
Operating income	4.1	6.3
Ordinary income	4.2	6.3
Net income	1.6	3.3
ROE	3.0%	4.0%
Dividend payout ratio	62.0%	40.0%

1) The net sales target is ¥150.0 billion, 20.9% higher than the result for the year ended September 30, 2011.
2) The profit targets are operating income of ¥6.3 billion, up 50.2% from the year ended September 30, 2011, ordinary income of ¥6.3 billion, up 46.6%, and net income of ¥3.3 billion, up 97.8%.
3) The return on equity (ROE) target is 4% or higher.
4) The dividend payout ratio target is to maintain a ratio of 40% or higher, as the Company prioritizes returns to shareholders.

(3) Issues to Address

The Yokohama Reito Group aims to leverage its well-developed management foundation and sound financial condition to establish a management structure capable of responding to various economic and operating conditions. This will enable the Group to realize its vision of a sustainable improvement in corporate value, and continue to maintain stable profitability and provide high-quality services into the future.

Going forward, the Company will utilize its IT systems to their fullest potential and promote the standardization, efficiency, and consolidation of operations in order to further reduce costs. Additionally, the Company will actively enhance its risk management system and strengthen both its compliance and internal controls, while striving to improve the organization by nurturing human resources critical to the Group’s growth.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2010	As of September 30, 2011
	Amount	Amount
Assets		
Current assets		
Cash and deposits	3,877	4,563
Notes and accounts receivable - trade	15,755	15,902
Merchandise	10,890	13,985
Deferred tax assets	450	728
Other	341	568
Allowance for doubtful accounts	(19)	(31)
Total current assets	31,296	35,716
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	21,612	24,778
Machinery, equipment and vehicles, net	3,477	4,727
Land	18,207	18,401
Leased assets, net	162	174
Construction in progress	704	1,280
Other, net	383	344
Total property, plant and equipment	44,547	49,706
Intangible fixed assets		
Goodwill	1,153	1,001
Other	1,466	1,419
Total intangible fixed assets	2,620	2,420
Investments and other assets		
Investment securities	3,057	3,775
Long-term loans receivable	464	500
Deferred tax assets	158	10
Other	1,325	1,007
Allowance for doubtful accounts	(188)	(72)
Total investments and other assets	4,817	5,222
Total noncurrent assets	51,985	57,349
Total assets	83,282	93,065

(Millions of yen)

	As of September 30, 2010	As of September 30, 2011
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,828	6,765
Short-term loans payable	6,100	7,335
Current portion of long-term loans payable	1,252	2,100
Bonds due within one year	250	140
Lease obligations	43	52
Income taxes payable	1,321	722
Accrued employees' bonuses	607	614
Accrued bonuses for directors and corporate auditors	30	30
Other	2,139	4,949
Total current liabilities	19,571	22,710
Noncurrent liabilities		
Bonds	230	90
Long-term loans payable	6,478	12,465
Lease obligations	125	130
Deferred tax liabilities	91	95
Provision for employees' retirement benefits	422	536
Provision for directors' and corporate auditors' retirement benefits	258	302
Asset retirement obligations	—	105
Other	50	68
Total noncurrent liabilities	7,657	13,793
Total liabilities	27,228	36,503
Net assets		
Shareholders' equity		
Common stock	11,065	11,065
Capital surplus	11,109	11,109
Retained earnings	34,264	34,897
Treasury stock	(519)	(520)
Total shareholders' equity	55,920	56,553
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	(59)	35
Deferred gain (loss) on derivatives under hedge accounting	(24)	(224)
Foreign currency translation adjustments	(152)	(168)
Total accumulated other comprehensive income	(236)	(358)
Minority interests	369	367
Total net assets	56,053	56,562
Total liabilities and net assets	83,282	93,065

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Year ended September 30, 2010	Year ended September 30, 2011
	Amount	Amount
Net sales	121,443	124,051
Cost of sales	110,912	113,055
Gross profit	10,531	10,996
Selling, general and administrative expenses	6,738	6,802
Operating income	3,793	4,193
Other income		
Interest income	28	28
Dividend income	72	82
Amortization of negative goodwill	31	—
Incentives received	76	32
Insurance dividends	27	29
Insurance received	18	12
Commission received	—	51
Other	265	110
Total other income	520	348
Other expenses		
Interest expense	195	209
Other	31	34
Total other expenses	226	243
Ordinary income	4,087	4,298
Extraordinary gains		
Gain on reversal of allowance for doubtful accounts	-	43
Gain on sales of noncurrent assets	3	1
Gain on sale of investment securities	24	1
Gain on reversal of provision for directors' and corporate auditors' retirement benefits	65	—
Other	—	79
Total extraordinary gains	93	126
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	82	62
Loss on sales of investment securities	43	2
Loss on valuation of golf club membership	—	9
Loss on sales of golf club membership	—	2
Provision for doubtful accounts	115	—
Loss on sales of subsidiaries and affiliates' stocks	68	—
Loss on change in equity	70	—
Impairment loss	260	22
Loss related to merchandise inventories	50	—
Loss on disaster	—	617
Effect of adopting accounting standards for assets retirement obligations	—	132
Loss on closure of business facilities	—	381
Total extraordinary losses	690	1,230
Income before income taxes and minority interests	3,490	3,193
Income taxes—Current	1,650	1,514
Income taxes—Deferred	12	(23)
Total income taxes	1,663	1,491
Income before minority interests	-	1,702
Minority interests	60	33
Net income	1,767	1,668

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended September 30, 2010	Year ended September 30, 2011
	Amount	Amount
Income before income taxes and minority interests	―	1,702
Other comprehensive income		
Valuation difference on available-for-sale securities	―	94
Deferred gain (loss) on derivatives under hedge accounting	―	(206)
Foreign currency translation adjustments	―	(26)
Total other comprehensive income	―	(137)
Comprehensive income	―	1,564
Breakdown:		
Comprehensive income attributable to owners of the parent	―	1,546
Comprehensive income attributable to minority interests	―	17

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Year ended September 30, 2010	Year ended September 30, 2011
	Amount	Amount
Shareholders' Equity		
Common stock		
Balance at end of previous period	11,065	11,065
Changes during period		
Total changes during period	—	—
Balance at end of period	11,065	11,065
Capital surplus		
Balance at end of previous period	11,109	11,109
Changes during period		
Total changes during period	—	—
Balance at end of period	11,109	11,109
Retained earnings		
Balance at end of previous period	33,532	34,264
Changes during period		
Cash dividends	(1,035)	(1,034)
Net income	1,767	1,668
Total changes during period	731	633
Balance at end of period	34,264	34,897
Treasury stock		
Balance at end of previous period	(500)	(519)
Changes during period		
Repurchase of treasury stock	(18)	(0)
Total changes during period	(18)	(0)
Balance at end of period	(519)	(520)
Total shareholders' equity		
Balance at end of previous period	55,207	55,920
Changes during period		
Cash dividends	(1,035)	(1,034)
Net income	1,767	1,668
Repurchase of treasury stock	(18)	(0)
Total changes during period	712	632
Balance at end of period	55,920	56,553

(Millions of yen)

	Year ended September 30, 2010 Amount	Year ended September 30, 2011 Amount
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities		
Balance at end of previous period	200	(59)
Changes during period		
Net change in items other than shareholders' equity during period	(259)	94
Total changes during period	(259)	94
Balance at end of period	(59)	35
Deferred gain (loss) on derivatives under hedge accounting		
Balance at end of previous period	(1)	(24)
Changes during period		
Net change in items other than shareholders' equity during period	(22)	(200)
Total changes during period	(22)	(200)
Balance at end of period	(24)	(224)
Foreign currency translation adjustments		
Balance at end of previous period	(138)	(152)
Changes during period		
Net change in items other than shareholders' equity during period	(14)	(15)
Total changes during period	(14)	(15)
Balance at end of period	(152)	(168)
Total accumulated other comprehensive income		
Balance at end of previous period	60	(236)
Changes during period		
Net change in items other than shareholders' equity during period	(296)	(121)
Total changes during period	(296)	(121)
Balance at end of period	(236)	(358)
Minority interests		
Balance at end of previous period	286	369
Changes during period		
Net change in items other than shareholders' equity during period	83	(2)
Total changes during period	83	(2)
Balance at end of period	369	367
Total net assets		
Balance at end of previous period	55,553	56,053
Changes during period		
Cash dividends	(1,035)	(1,034)
Net income (loss)	1,767	1,668
Repurchase of treasury stock	(18)	(0)
Net change in items other than shareholders' equity during period	(213)	(124)
Total changes during period	499	508
Balance at end of period	56,053	56,562

(4) Consolidated Statements of Cash flows

(Millions of yen)

	Year ended September 30, 2010	Year ended September 30, 2011
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and minority interests	3,490	3,193
Depreciation and amortization	3,116	3,098
Impairment loss	260	22
Amortization of goodwill	182	152
Amortization of negative goodwill	(31)	—
Increase (decrease) in accrued employees' bonuses	83	7
Increase (decrease) in accrued bonuses for directors and corporate auditors	0	—
Increase (decrease)in provision for employees' retirement benefits	31	114
Increase (decrease) in provision for directors' and corporate auditors' retirement benefits	(46)	43
Increase (decrease) in allowance for doubtful accounts	132	(103)
Effect of adopting accounting standards for assets retirement obligations	—	132
Loss on disaster	—	617
Loss on closure of facilities	—	381
Interest and dividends income	(101)	(111)
Interest expenses paid on loans and bonds	195	209
Loss (gain) on sales and retirement of noncurrent assets	78	60
Loss (gain) on sales and valuation of investment securities	87	0
Loss (gain) on change in equity	70	—
Decrease (increase) in accounts receivable - trade	(1,754)	(149)
Decrease (increase) in inventories	(5,077)	(3,322)
Increase (decrease) in accounts payable - trade	(899)	(1,062)
Increase (decrease) in accrued expenses	376	295
Other - net	(506)	(302)
Sub total	(312)	3,277
Interest and dividends received	99	117
Interest paid	(193)	(216)
Income taxes paid	(1,064)	(2,111)
Net cash provided by (used in) operating activities	(1,471)	1,067
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,003)	(6,403)
Proceeds from sales of property, plant and equipment	5	6
Purchase of investment securities	(97)	(607)
Proceeds from sales of investment securities	709	18
Purchase of long-term prepaid expenses	(389)	—
Payments of loans receivable	(4)	(103)
Collection of loans receivable	25	27
Other - net	30	3
Net cash provided by (used in) investing activities	2,721	(7,058)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	5,200	1,235
Proceeds from long-term loans payable	300	8,089
Repayments of long-term loans payable	(1,212)	(1,254)
Purchase of treasury stock	(18)	(0)
Proceeds from stock issuance to minority shareholders	13	—
Dividends paid to shareholders	(1,034)	(1,034)

Dividends paid to minority shareholders	(20)	(20)
Payments for redemption of bonds	(300)	(250)
Other - net	(48)	(78)
Net cash provided by (used in) financing activities	2,880	6,686
Effect of exchange rate changes on cash and cash equivalents	(3)	(8)
Net increase (decrease) in cash and cash equivalents	(1,316)	686
Cash and cash equivalents, beginning of period	5,194	3,877
Cash and cash equivalents, end of period	3,877	4,563

(5) Notes on the Going-concern Assumption

Not applicable

(6) Significant Information Regarding the Preparation of Consolidated Financial Statements

	Year ended September 30, 2010 (October 1, 2009 to September 30, 2010)	Year ended September 30, 2011 (October 1, 2010 to September 30, 2011)
1. Scope of consolidation	(1) Number of consolidated subsidiaries: 3 Names of consolidated subsidiaries: Thai Yokorei Co., Ltd. Seiwa Food Corporation. Alliance Seafoods, Inc.	(1) Number of consolidated subsidiaries: 3 Names of major consolidated subsidiaries: Thai Yokorei Co., Ltd. Clover Trading Co., Ltd. Alliance Seafoods, Inc. For reference, Clover Trading Co., Ltd. has changed its company name from Seiwa Food Corporation., effective of December 1, 2010.
	(2) Number of unconsolidated subsidiaries: 1 Names of major unconsolidated subsidiaries: Global Agency Co., Ltd.	(2) Number of unconsolidated subsidiaries: 1 Same as on the left
	(3) Reason for excluding from the scope of consolidation: Global Agency Co., Ltd. was excluded from consolidation because it is small in size and its total assets, net sales, net income/loss (amounts proportionate to the company's equity interest) and retained earnings (amount proportionate to the company's equity interest) are of minor importance.	(3) Reason for excluding from the scope of consolidation: Same as on the left
2. Application of the equity method	The equity method was not applied to one (1) unconsolidated subsidiary and two (2) affiliates (Kobe Danchi Reizo Co., Ltd. and Mietansuigyo Corporation.) because they are of minor importance in terms of the bearing of their net income/loss (amounts proportionate to the company's equity interest) and retained earnings (amount proportionate to the company's equity interest) on the consolidated financial statements, and in terms of their position within the whole Yokohama Reito Group.	Same as on the left

3. Fiscal closing date of consolidated subsidiaries and related matters	Fiscal closing date: Thai Yokorei Co., Ltd.: June 30 Seiwa Food Corporation.: August 31 Alliance Seafoods, Inc.: July 31 Each subsidiary's fiscal closing date was used for the preparation of the consolidated financial statements. However, for important transactions that took place between consolidated subsidiaries between the last fiscal closing date of each company and the consolidated fiscal closing date, adjustments necessary for consolidation were performed.	Fiscal closing date: Thai Yokorei Co., Ltd.: June 30 Clover Trading Co., Ltd.: August 31 Each subsidiary's fiscal closing date was used for the preparation of the consolidated financial statements. However, for important transactions that took place between consolidated subsidiaries between the last fiscal closing date of each company and the consolidated fiscal closing date, adjustments necessary for consolidation were performed. Effective this fiscal year, the closing date for Alliance Seafoods, Inc. was changed from July 31 to September 30. As a result, Alliance Seafoods, Inc.'s net income/loss for fourteen corresponding months was incorporated into the consolidated financial statements for this fiscal year. The impact of this change on the consolidated Statement of Income is negligible.
4. Accounting standards	(1) Valuation standards / methods for principal assets	(1) Valuation standards / methods for principal assets
	1) Marketable securities Securities held-to-maturity: Amortized cost method (the straight-line method)	1) Marketable securities: ――――
	Available-for-sale securities For which market value is available: The present market value is recorded based on the market prices etc. at the consolidated closing date. (Valuation differences between this and acquisition cost were incorporated into net assets in full. Selling prices were computed with the moving-average cost method.)	Available-for-sale securities: For which market value is available: Same as on the left
	For which market value is not available: Valued using the moving-average cost method	For which market value is not available: Same as on the left
	2) Derivatives: The market value method	2) Derivatives: Same as on the left
	3) Inventories Merchandise: The cost accounting method is mainly applied based on gross average for each month. (The value recorded on the balance sheets was computed with devaluation treatment based on reduction of profitability.)	3) Inventories: Same as on the left
	(2) Depreciation and amortization of principal depreciable assets 1) Property, plant and equipment (excluding leased assets): The company and its domestic consolidated subsidiaries mainly use the declining-balance method. Overseas consolidated subsidiaries use the straight-line method. However, the straight-line method was used for buildings (except for accompanying equipment	(2) Depreciation and amortization of principal depreciable assets 1) Property, plant and equipment (excluding leased assets): Same as on the left

	or facilities) acquired by the company or its domestic consolidated subsidiaries on or after April 1, 1998. The useful lives of buildings and machinery, equipment and vehicles are as follows: Buildings and structures: 7-50 years Machinery, equipment and vehicles: 4-12 years	
	2) Intangible fixed assets (excluding leased assets) The Straight-line method is used. The cost of computer software developed or obtained for internal use is amortized using the straight-line method over its estimated useful life (five years).	2) Intangible fixed assets (excluding leased assets) Same as on the left
	3) Leased assets Leased assets associated with finance leases for which ownership of the leased assets does not transfer to the lessee: The straight-line method is employed assuming the lease period equals the estimated useful life and the residual value at the end of the lease term is nil. Among leased assets for finance leases for which ownership of the leased assets does not transfers to lessees, lease transactions entered into before the beginning of the fiscal year during which the company started to adopt the *Accounting Standard for Lease Transactions* (ASBJ Statement No.13) are accounted for in the same manner as ordinary operating leases.	3) Leased assets Same as on the left
	4) Long-term prepaid expenses: The Straight-line method is used.	4) Long-term prepaid expenses: Same as on the left
	(3) Accounting standards for principal provisions and allowances	(3) Accounting standards for principal provisions and allowances
	1) Allowance for doubtful accounts Allowances for general doubtful accounts were set aside on the basis of historical losses experienced on receivables/loans. For certain receivables/loans and bankruptcy/reorganization claims for which default is expected, allowance was calculated by assessing the obligor's financial position.	Same as on the left
	2) Employees' bonuses To prepare for the payment of bonuses to employees, accrued bonuses are recorded in an amount expected to be paid within this fiscal year.	2) Employees' bonuses Same as on the left
	3) Directors' and corporate auditors' bonuses To prepare for the payment of bonuses to directors and corporate auditors, accrued bonuses for directors and corporate auditors are	3) Directors' and corporate auditors' bonuses Same as on the left

recorded in an amount expected to be paid within this fiscal year. 4) Employees' retirement benefit plan To prepare for the retirement benefits payment to employees and regular workers at some operating facilities, provision for employees' retirement benefits were recorded for the period in the amount deemed to have arisen within this fiscal year on the basis of the estimated value of projected retirement benefit obligations and the fair value of pension assets at the end of this fiscal year. Some domestic consolidated subsidiaries used simplified accounting methods. Any actual differences were amortized from the following fiscal year using the straight-line method over a number of years (10 years) within average remaining years of service of the employees when incurred.	4) Retirement benefit plan Same as on the left
Changes in accounting policy Effective this fiscal year, the company adopted the *Partial Amendments to Accounting Standard for Retirement Benefits* (Part3) (ASBJ Statement No.19, July 31, 2008). This adoption has no bearing on operating income, ordinary income, and income before income taxes and minority interests.	――――――
Additional information Effective October 1, 2010, the company switched from the tax qualified pension plan to the defined benefit pension plan as well as adopting the *Accounting Treatments for Change in Pension Plans* (ASBJ Guidance No.1). The impact of this change on profits was negligible.	――――――
5) Directors' and corporate auditors' retirement benefit plan To provide for the payment of retirement benefits for directors and corporate auditors, provision for directors' and corporate auditors' retirement benefits are recorded in the necessary amount for the end of the fiscal year in accordance with internal regulations.	5) Directors' and corporate auditors' retirement benefit plan Same as on the left
(4) Accounting method for principal hedges	(4) Accounting method for principal hedges
1) Hedge accounting Deferral hedge accounting is used. Of rights and obligations denominated in foreign currencies with forward exchange contract, those which meet specific conditions were translated and allocated at a predetermined rate.	1) Hedge accounting Same as on the left
2) Hedging instruments and hedged transactions Hedging instruments: Derivative contracts (e.g. forward exchange transactions)	2) Hedging instruments and hedged transactions

	Hedged transactions: Rights and obligations denominated in foreign currencies arising from export/import of merchandise, and forecasted transactions denominated in foreign currencies 3) Hedging policy In accordance with internal regulations, the company utilizes hedging instruments such as forward exchange transactions etc. against future risk of foreign exchange fluctuations relating to operation rights and obligations denominated in foreign currencies. The company has a policy of not utilizing derivative contracts for speculation purposes. 4) Method for evaluating effectiveness of hedges Evaluation of effectiveness of hedges was omitted, as forecasted transactions are hedged with forward exchange transactions for the same currency to offset the future effects of foreign currency fluctuations.	Hedging instruments: Same as on the left Hedged transactions: Same as on the left 3) Hedging policy Same as on the left 4) Method for evaluating effectiveness of hedges Same as on the left (5) Amortization of goodwill Goodwill is amortized with the straight-line method over ten years. (6) Scope of cash and cash equivalents in the consolidated statements of cash flows Cash and cash equivalents in the consolidated statements of cash flows for this fiscal year consist of cash on hand, bank deposits which can be withdrawn freely and easily converted into money, and short-term investments with maturities of three months or less at the date of acquisition and represent a minor risk of fluctuation in value.
	(5) Other significant information regarding the preparation of consolidated financial statements Accounting methods for consumption tax: Consumption tax and local consumption tax were not included	(7) Other significant information regarding the preparation of consolidated financial statements Same as on the left
5. Evaluation of consolidated subsidiaries' assets and liabilities	Consolidated subsidiaries' assets and liabilities were evaluated with the full market value method.	Same as on the left
6. Amortization of goodwill and negative goodwill	Goodwill is amortized using the straight-line method over ten years.	——————
7. Scope of cash and cash equivalents in the consolidated statements of cash flows	Cash and cash equivalents in the consolidated statements of cash flows for this fiscal year consist of cash on hand, bank deposits which can be withdrawn freely and easily converted into money, and short-term investments with maturities of three months or less at the date of acquisition and represent a minor risk of fluctuation in value.	——————

(7) Changes in Significant Information Regarding the Preparation of Consolidated Financial Statements

Year ended September 30, 2010	Year ended September 30, 2011
――――――	*Accounting Standard for Asset Retirement Obligations* Effective this fiscal year, the company adopted the *Accounting Standard for Asset Retirement Obligations* (Statement No.18, March 31, 2008) and its accompanying *Guidance on Accounting Standard for Asset Retirement Obligations* (Guidance No.21, March 31, 2008). Due to this adoption, income before income taxes and minority interests for this fiscal year was 132 million yen lower. The amount of change in asset retirement obligations resulting from the adoption of the accounting standards and guidance was 132 million yen.

Changes in Presentation Method

Year ended September 30, 2010	Year ended September 30, 2011
――――――	*Consolidated statements of income* Effective this fiscal year, the company adopted the accounting title of "income before income taxes and minority interests" in accord with adoption of *Cabinet Office Ordinance on Partial Revision of the Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements and Other Items* (Cabinet Office Ordinance No.5, March 24, 2009) based on the *Accounting Standard for Consolidated Financial Statements* (ASBJ Statement No.22, December 26, 2008).

Additional Information

Year ended September 30, 2010	Year ended September 30, 2011
――――――	*Consolidated balance sheets* Effective this fiscal year, the company adopted the "*Accounting Standard for Presentation of Comprehensive Income*" (ASBJ Statement No.25, June 30, 2010). However, for the previous fiscal year, the amounts of "Valuation and translation adjustments" and "Total valuation and translation adjustments" were presented instead of "Accumulated other comprehensive income" and "Total accumulated other comprehensive income."

Segment information

a. Business segment information

(October 1, 2009 – September 30, 2010)

(Millions of yen)

	Refrigerated warehousing	Food sales	Other businesses	Total	Elimination/ corporate	Consolidated
I.Net sales and operating income/loss						
Net sales						
1) Sales to outside customers	18,519	102,888	35	121,443	―	121,443
2) Intersegment sales or transfers	1,083	―	26	1,110	(I,110)	―
Total	19,603	102,888	62	122,554	(1,110)	121,443
Operating expenses	16,135	100,932	48	117,117	533	117,650
Operating income	3,467	1,955	13	5,436	(1,643)	3,793
II. Assets, depreciation/ amortization, impairment loss, and capital expenditure						
Assets	47,470	25,907	405	73,783	9,498	83,282
Depreciation/amortization	2,828	51	17	2,896	220	3,116
Impairment loss	―	260	-	260	―	260
Capital expenditure	2,586	58	371	3,016	67	3,084

Notes:

1. Classification of business segments

   Businesses are classified after taking into consideration the type, nature, and characteristic of business activities conducted by consolidated companies.

2. Operations in each segment

   1) Refrigerated warehousing business includes cool storage and frozen storage operations of marine, livestock, and other products as well as related operations.

   2) Food sales business includes wholesale sales, processing operations, etc. of marine, livestock, and other products.

   3) Other businesses includes real estate leasing operations etc.

3. Unallocated operating expenses included in “Elimination/corporate” amounted to 1,643 million yen, consisting mainly of administrative expenses incurred to Yokohama Reito Co., Ltd.

4. Unallocated corporate assets included in “Elimination/corporate” amounted to 9,498 million yen, consisting principally of working funds (cash and deposits) and long-term investment funds (investment securities etc.) of Yokohama Reito Co., Ltd.

5. Depreciation/amortization and capital expenditure include long-term prepaid expenses and their amortization expenses.

b. Geographical segment information

(October 1, 2009 – September 30, 2010)

Geographical segment information was omitted from disclosure because net sales and assets in Japan exceed 90% of the total sales and assets of all segments.

c. Overseas sales

(October 1, 2009 – September 30, 2010)

Overseas sales information was omitted from disclosure because overseas sales accounts for less than 10% of consolidated net sales.

d. Segment information

1. Overview of reportable segment

The company's reportable segments are components of the company about which separate financial information is available. These segments are subject to periodic examinations to enable the company's board of directors to decide how to allocate resources and assess performance. The company has three reportable segments categorized by the type of service provided, namely "refrigerated warehousing business", "food sales business" and "other businesses."
Operations in each segment are as follows.

1) Refrigerated warehousing business includes cool storage and frozen storage operations of marine, livestock, and other products as well as related operations.
2) Food sales business includes wholesale sales, processing operations, etc. of marine, livestock, and other products.
3) Other businesses includes real estate leasing operations etc.

2. Calculation of net sales, income/loss, assets, liabilities, and other items by reportable segment

Accounting methods applied in reportable business segments largely correspond to what is set forth in *Significant Information Regarding the Preparation of Consolidated Financial Statements*. Reportable segment income is based on operating income. Intersegment sales or transfers are based on prices of trading with third parties.

3. Net sales, income/loss, and other items by reportable segment
(October 1, 2010 – September 30, 2011)

(Millions of yen)

	Reportable segment				Adjustments *1	Amounts reported on consolidated financial statements*2
	Refrigerated warehousing	Food sales	Other businesses	Total		
Net sales						
Sales to outside customers	18,788	105,246	16	124,051	—	124,051
Intersegment sales or transfers	1,488	—	49	1,538	(1,538)	—
Total	20,276	105,246	66	125,589	(1,538)	124,051
Segment income	3,846	2,023	11	5,880	(1,687)	4,193
Segment assets	52,796	29,868	406	83,071	9,994	93,065
Other items						
Depreciation/amortization*3	2,838	39	26	2,904	193	3,097
Amortization of goodwill	23	128	—	152	—	152
Impairment loss	—	22	—	22	—	22
Increase in property, plant and equipment and intangible fixed assets*3	8,296	59	27	8,383	22	8,405

Notes: 1. Details of adjustments are as follows:

1) The minus 1,687 million yen adjustment for segment income was unallocated corporate expenses, consisting principally of general administrative expenses that are not attributable to reportable segments.
2) The 9,994 million yen adjustment for segment assets was unallocated corporate assets, consisting principally of working funds (cash and deposits) and long-term investment funds (investment securities etc.) of Yokohama Reito Co., Ltd.
3) The 193 million yen adjustment for depreciation/amortization was for unallocated corporate assets.
4) The 22 million yen adjustment for increase in property, plant and equipment and intangible fixed assets was an increase in unallocated corporate assets.

2. Segment income was adjusted based on operating income reported on the consolidated financial statements for the corresponding period.

3. Depreciation/amortization and increase in property, plant and equipment and intangible fixed assets include long-term prepaid expenses and their amortization expenses.

Additional information

Effective the fiscal year ended September 30, 2011, the company adopted the *Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No. 17, revised March 27, 2009) and its accompanying *Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (Guidance No. 20, March 21, 2008).

e. Related information
(October 1, 2010 – September 30, 2011)

1. Information by product and service
   Information was omitted from disclosure because the segment information above presents the same information.

2. Information by geographic area

   1) Net sales
   Information was omitted from disclosure because net sales to outside customers in Japan exceed 90% of total net sales in the consolidated statements of income.

   2) Property, plant and equipment
   Information was omitted from disclosure because total property, plant and equipment owned in Japan exceeds 90% of total property, plant and equipment in the consolidated balance sheets.

3. Information by major customer
   Information was omitted from disclosure because no outside customer accounts for more than 10% of total net sales in the consolidated statements of income.

f. Impairment loss on fixed assets by reportable segment
(October 1, 2010 – September 30, 2011)

Information was omitted from disclosure because the segment information above presents the same information.

g. Amortization expense for and unamortized balance of goodwill by reportable segment
(October 1, 2010 – September 30, 2011)

(Millions of yen)

	Refrigerated warehousing	Food sales	Other	Sub total	Elimination/ corporate	Total
Amortization expense	23	128	−	152	−	152
Unamortized balance	101	899	−	1,001	−	1,001

h. Gain on negative goodwill by reportable segment
(October 1, 2010 – September 30, 2011)

Not applicable

Per-Share Information

Year ended September 30, 2010		Year ended September 30, 2011	
	yen		yen
Net assets per share	1,076.01	Net assets per share	1,085.92
Net income per share	34.14	Net income per share	32.25
Diluted net income per share has been omitted from disclosure as there were no residual securities.		Diluted net income per share has been omitted from disclosure as there were no residual securities.	

Note: Net income per share was calculated based on the following:

		Year ended September 30, 2010	Year ended September 30, 2011
Net income per share			
Net income	(millions of yen)	1,767	1,668
Amount not attributed to common stock	(millions of yen)	-	-
Net income attributed to common stock	(millions of yen)	1,767	1,668
Average number of shares outstanding	(thousands of shares)	51,763	51,749

Significant Subsequent Events
Not applicable