

Consolidated Financial Results for the Fiscal Year Ended September 30, 2024 (Under Japanese GAAP)

November 14, 2024

Company name: YOKOREI Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2874
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Scheduled date of annual general meeting of shareholders: December 25, 2024
 Scheduled date to commence dividend payments: December 26, 2024
 Scheduled date to file annual securities report: December 26, 2024
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2024	122,282	(2.6)	4,647	29.5	4,808	16.3	3,933	-
Year ended September 30, 2023	125,598	13.4	3,588	(13.7)	4,133	(17.3)	(10,731)	-

Note: Comprehensive income Year ended September 30, 2024 7,894 million yen [-%]
 Year ended September 30, 2023 (9,962) million yen [-%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended September 30, 2024	66.79	-	5.2	2.5	3.8
Year ended September 30, 2023	(182.52)	-	(13.8)	2.3	2.9

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	203,026	79,871	38.5	1,327.75
As of September 30, 2023	188,263	73,340	38.2	1,222.23

Reference: Equity Year ended September 30, 2024 78,248 million yen
 Year ended September 30, 2023 71,881 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2024	13,471	(17,603)	3,628	3,471
Year ended September 30, 2023	3,979	(19,086)	16,611	3,927

2. Cash dividends

	Annual dividends per share					Total cash dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2023	-	11.50	-	12.50	24.00	1,416	-	1.7
Year ended September 30, 2024	-	12.00	-	12.00	24.00	1,418	35.9	1.9
Fiscal year ending September 30, 2025 (forecast)	-	12.00	-	12.00	24.00		50.5	

Note: Breakdown of year-end dividends for the fiscal year ended September 30, 2023
 Ordinary dividend 11.50 yen
 Commemorative dividend 1.00 yen

3. Consolidated earnings forecast for the fiscal year ending September 30, 2025 (October 1, 2024 to September 30, 2025)

(Percentage figures show year-on-year increase or decrease.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2025	68,000	13.3	2,200	(19.1)	2,100	13.5	1,400	27.1	23.77
Full year	127,000	3.9	4,250	(8.6)	4,150	(13.7)	2,800	(28.8)	47.54

*Notes

- (1) Significant changes in scope of consolidation during the period: None
 Newly included: – (Company name), Excluded: – (Company name)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - 2) Changes in accounting policies due to other reasons: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: Yes

(3) Number of issued shares (common shares)

1)	Total number of issued shares at the end of the period (including treasury shares)	As of September 30, 2024	59,266,684 shares	As of September 30, 2023	59,266,684 shares
2)	Number of treasury shares at the end of the period	As of September 30, 2024	333,635 shares	As of September 30, 2023	454,502 shares
(3)	Average number of shares outstanding during the period	Year ended September 30, 2024	58,896,182 shares	Year ended September 30, 2023	58,793,224 shares

In the current consolidated fiscal year, 180,685 shares of the Company's stock held by the Executive Compensation BIP Trust were included in treasury stock.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2024	119,927	(2.9)	4,398	26.8	4,624	16.0	3,871	-
Year ended September 30, 2023	123,513	13.6	3,468	(10.3)	3,986	(16.2)	(10,798)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended September 30, 2024	65.74	-
Year ended September 30, 2023	(183.67)	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	196,995	76,009	38.6	1,289.76
As of September 30, 2023	183,418	70,287	38.3	1,195.12

(Reference) Equity Year ended September 30, 2024 76,009 million yen
Year ended September 30, 2023 70,287 million yen

2. Non-consolidated earnings forecast for the fiscal year ending September 30, 2025 (October 1, 2024 to September 30, 2025)

(Percentage figures show year-on-year increase or decrease.)

	Net sales		Ordinary income		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2025	66,550	13.1	2,200	(11.8)	1,500	(18.7)	25.47
Full year	124,000	3.4	4,300	(7.0)	3,000	(22.5)	50.94

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors, including economic conditions surrounding the Yokorei Group, business environment, competition with other companies, natural disasters, and interest rates.

The Company plans to hold a presentation for institutional investors and securities analysts on Thursday, December 5, 2024. A video of this presentation will be posted on the Company's website promptly after the meeting.

1. Overview of Consolidated Operating Performance

(1) Consolidated Operating Performance

(Operating environment)

During the fiscal year ended September 30, 2024 (October 1, 2023 - September 30, 2024), the Japanese economy continued to recover moderately against the backdrop of increased inbound demand and other factors, but the outlook remains uncertain due to soaring resource and raw material prices, rising prices due to the weak yen, and increasing tension in global affairs.

In food industries related to the Yokorei Group's business, we continue to face a difficult business environment with rising prices due to a series of food price hikes, higher delivery costs, and a continued tendency for consumers to economize, although real wages are on the rise.

(Operating results)

Against this backdrop, the Yokorei Group formulated a new medium-term management plan (Phase II) "The Power to Connect," with the final year of 2026. The Refrigerated Warehousing Business aims to "solve domestic and overseas issues with the high-quality logistics we have accumulated over the years and provide smart cold services to customers," and the Food Sales Business aims to "provide our customers with seasonal and delicious products through our discerning abilities by leveraging our network with domestic and overseas producers," and we have been working on each priority measure.

As a result, the Yokorei Group recorded consolidated net sales of ¥122,282 million, down 2.6% year on year. Operating income totaled ¥4,647 million, up 29.5% year on year, and ordinary income was ¥4,808 million, up 16.3% year on year. Profit attributable to owners of the parent totaled ¥3,933 million, compared with loss attributable to owners of the parent of ¥10,731 million for the previous fiscal year.

In the current fiscal year, the Company recorded an extraordinary gain of 1,795 million yen from gain on sales of investment securities and an impairment loss of 1,358 million yen due to a review of the Kesenuma Sorting Spot business plan.

As described in "Announcement of correction of financial results for previous fiscal years" dated on November 14, 2024, and "Announcement of submission of corrected securities reports and other reports for previous fiscal years and correction of financial results for previous fiscal years" dated on January 6, 2025, the Yokorei Group corrected its financial statements by performing accounting processing in accordance with the Accounting Standard for Revenue Recognition, and corrected its financial statements retroactively to record extraordinary loss of ¥13,514 million for the 76th fiscal year (fiscal year ended September 30, 2023).

In this correction of financial statements for the previous fiscal years, the Yokorei Group corrected its financial statements for the 74th (fiscal year ended September 30, 2021) and subsequent fiscal years, submitted the corrected securities reports, quarterly reports, and internal control reports for the 74th (fiscal year ended September 30, 2021) and subsequent fiscal years to the Kanto Local Finance Bureau on January 6, 2025, and disclosed the corrected financial results for the third quarter and full year of the current fiscal year (October 1, 2023 – September 30, 2024).

Results by business segment are as follows.

(Results by business segment)

1) Refrigerated Warehousing Business

The Refrigerated Warehousing Business posted year-on-year increases in sales and profit in the fiscal year ended September 30, 2024.

With inventory levels remaining high from the previous fiscal year, both incoming and outgoing cargo volumes and inventory volumes exceeded those of the previous fiscal year, and storage and loading/unloading fee revenues also increased significantly. These stronger sales absorbed increases in depreciation and amortization, expenses at the time of the launch, and other costs for the three logistics centers that were launched in the current fiscal year. Also, we worked to improve productivity by negotiating rate revisions and promoting DX in response to rising prices and costs due to inflation, resulting in an increase in sales and profit.

At THAI YOKOREI CO., LTD., a consolidated subsidiary in Thailand, both incoming and outgoing cargo volumes exceeded the previous term, and both sales and profit grew due to an increase in the handling of livestock products and dairy products, which are major commodities.

As a result, overall segment sales came to ¥35,127 million, up 10.4% year on year, and operating income was ¥7,198 million, up 7.6% year on year.

2) Food Sales Business

The Food Sales Business posted a year-on-year decrease in sales and increase in profit in the fiscal year ended September 30, 2024.

In marine products, the mainstay salmon/trout sales declined but profits increased, while the handling volume of sardines and red fish increased and both sales and profits grew. Shrimp and fish roe, whose profit margins declined in the previous fiscal year due to a drop in market prices, also recovered in profit margins, and overall profit of marine products increased despite a decrease in sales due to our efforts to focus on profit.

In livestock products, sales and profits increased for pork and chicken due to a recovery in demand from inbound tourists and restaurants. Beef recorded a decrease in profit due to a decline in transaction volume caused by sluggish domestic demand, but overall sales and profit increased.

Although the volume of agricultural products declined as crops did not grow well due to the high temperatures, profits remained at the same level as the previous year, driven by the mainstay product, potatoes.

As a result, overall segment sales came to ¥87,095 million, down 7.1% year on year, and operating income was ¥1,473 million, up 53.3% year on year.

(2) Overview of Financial Position for the Fiscal Year Ended September 2024

Assets, Liabilities, and Net Assets

Total assets as of September 30, 2024, amounted to ¥203,335 million, an increase of ¥14,763 million from the previous fiscal year-end (September 30, 2023). This was mainly due to increases of ¥14,230 million in property, plant and equipment and ¥3,837 million in investment securities, and a decrease of ¥3,152 million in notes and accounts receivable – trade.

Total liabilities increased ¥8,232 million from the end of the previous fiscal year to ¥123,155 million. This was mainly due to increases of ¥5,287 million in loans payable and ¥2,198 million in income taxes payable.

Total net assets amounted to ¥79,871 million, an increase of ¥6,530 million from the previous fiscal year-end.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year amounted to ¥3,471 million, a decrease of ¥456 million compared with the previous fiscal year-end (September 30, 2023). The main factors affecting cash flows during the fiscal year are summarized as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥13,471 million, compared with ¥3,979 million provided in the same period of the previous fiscal year. Cash inflow was mainly attributable to ¥5,520 million in income before income taxes, depreciation and amortization of ¥7,365 million, and impairment loss of ¥1,358 million. These inflows exceeded cash outflows mainly attributable to a ¥1,499 million increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥17,603 million, compared with ¥19,086 million used in the same period of the previous fiscal year. Cash inflow was mainly attributable to ¥2,300 million from the proceeds from redemption of investment securities. This inflow was outweighed by cash outflows of ¥20,525 million for the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥3,628 million, compared with ¥16,611 million used in the same period of the previous fiscal year. This net inflow was mainly due to a net increase in loans payable from financial institutions of ¥5,193 million, which was partly offset by dividends paid to shareholders of ¥1,446 million.

Cash Flow-Related Indices

	Year ended September 30, 2022	Year ended September 30, 2023	Year ended September 30, 2024
Equity ratio (%)	46.8	38.2	38.5
Equity ratio based on market value (%)	29.0	37.8	27.6
Ratio of cash flow to interest-bearing debt (years)	12.9	-	7.5
Interest coverage ratio (times)	17.0	-	24.3

Notes:

1. The above indices are calculated as follows:
 - Equity ratio: $\text{Total equity} / \text{Total assets}$
 - Equity ratio based on market value: $\text{Market capitalization} / \text{Total assets}$
 - Ratio of cash flow to interest-bearing debt: $\text{Interest-bearing debt} / \text{Operating cash flow}$
 - Interest coverage ratio: $\text{Operating cash flow} / \text{Interest expense}$
 - * All indices are calculated based on 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. The ratio of cash flow to interest-bearing debt and the interest coverage ratio for the fiscal year ended September 30, 2023, are not shown because of the negative cash flows.

(4) Outlook for the Fiscal Year Ending September 30, 2025

The Yokorei Group's business environment continues to be challenging, with labor shortages due to population decline, increased electricity costs due to soaring energy prices, sharp fluctuations in foreign exchange rates, and a desire to save money due to rising prices. Globally, environmental problems are becoming more serious year by year, and competition for food resources is intensifying as they are depleted due to climate change and global population growth. There is a need for proactive initiatives for sustainability to balance consideration for the global environment and sustainable corporate growth.

Against this backdrop, the Yokorei Group has set forth the medium- to long-term direction for 2030, "Yokorei Business Vision 2030" and "Yokorei Sustainability Vision 2030."

In addition, as the second stage toward realizing them, we have formulated a new medium-term management plan (Phase II: October 2023 to September 2026), "The Power to Connect," with the final year of 2026, and are working on various priority measures.

Based on the above, the Yokorei Group is aiming for consolidated net sales of ¥127,000 million, operating income of ¥4,250 million, ordinary income of ¥4,150 million, and ¥2,800 million in profit attributable to owners of the parent in the fiscal year ending September 30, 2025.

Due to extraordinary losses recorded related to receivables from overseas business partners for the current and previous fiscal years, we decided to revise our company-wide risk management. The Yokorei Group established the Risk Management Department on January 1, 2025, through reorganization to build collaborative relationships among offices of all business divisions throughout the Company, ensure information and communication, and rebuild and strengthen the risk management mechanism.

2. Basic Approach towards Selection of Accounting Standard

The Yokorei Group currently adopts Japanese accounting standards for its financial reporting in view of comparability between fiscal years on financial statements and comparability with other companies.

Regarding the adoption of the International Financial Reporting Standards (IFRS), the Group will respond appropriately in consideration of the trends of other companies in Japan.

1. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of September 30, 2023	As of September 30, 2024
	Amount	Amount
Assets		
Current assets		
Cash and deposits	3,937	3,481
Notes and accounts receivable – trade	*1 16,523	*1 13,370
Merchandise	14,816	16,295
Advance payments	2,178	498
Short-term loans receivable, net	870	825
Other	1,046	1,809
Allowance for doubtful accounts	(101)	(10)
Total current assets	39,270	36,270
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	*3,*4 54,182	*3,*4 63,660
Machinery, equipment and vehicles, net	*3,*5 8,353	*3,*5 9,775
Land	30,507	31,410
Leased assets, net	*3 312	*3 373
Construction in progress	7,056	9,199
Other, net	*3 756	*3 981
Total property, plant and equipment	101,168	115,399
Intangible fixed assets		
Goodwill	32	-
Other	3,398	3,340
Total intangible fixed assets	3,431	3,340
Investments and other assets		
Investment securities	*2 39,401	*2 43,239
Long-term loans receivable	4,724	4,224
Long-term accounts receivable – other	6,762	6,450
Deferred tax assets	-	264
Other	1,200	904
Allowance for doubtful accounts	(7,695)	(7,067)
Total investments and other assets	44,392	48,015
Total non-current assets	148,993	166,756
Total assets	188,263	203,026

	As of September 30, 2023 Amount	(Millions of yen) As of September 30, 2024 Amount
Liabilities		
Current liabilities		
Notes and accounts payable – trade	4,568	4,573
Short-term loans payable	*7 21,087	*7 12,273
Current portion of long-term loans payable	5,864	5,698
Current portion of bonds payable	-	10,000
Lease obligations	95	99
Income taxes payable	899	3,098
Accrued employees' bonuses	812	622
Accrued bonuses for directors and corporate auditors	45	-
Other	*8 5,693	*8 7,277
Total current liabilities	<u>39,067</u>	<u>43,643</u>
Noncurrent liabilities		
Bonds	30,000	20,000
Long-term loans payable	38,586	52,854
Lease obligations	245	306
Deferred tax liabilities	117	-
Provision for Executive Compensation BIP Trust	143	95
Provision for loss on guarantees	4,487	4,281
Net defined benefit liability	1,081	783
Asset retirement obligations	91	91
Other	1,102	1,098
Total non-current liabilities	<u>75,855</u>	<u>79,511</u>
Total liabilities	<u>114,922</u>	<u>123,155</u>
Net assets		
Shareholders' equity		
Common stock	14,303	14,303
Capital surplus	14,419	14,428
Retained earnings	38,650	41,137
Treasury stock	(386)	(282)
Total shareholders' equity	<u>66,987</u>	<u>69,586</u>
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	4,214	7,542
Deferred gain (loss) on derivatives under hedge accounting	(39)	(184)
Foreign currency translation adjustments	884	1,237
Remeasurements of defined benefit plans	(164)	64
Total accumulated other comprehensive income	<u>4,894</u>	<u>8,661</u>
Non-controlling interests	<u>1,459</u>	<u>1,623</u>
Total net assets	<u>73,340</u>	<u>79,871</u>
Total liabilities and net assets	<u>188,263</u>	<u>203,026</u>

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

	(Millions of yen)	
	Year ended September 30, 2023	Year ended September 30, 2024
	Amount	Amount
Net sales	*1 125,598	*1 122,282
Cost of sales	112,970	108,618
Gross profit	12,628	13,664
Selling, general and administrative expenses	*2 9,039	*2 9,016
Operating income	3,588	4,647
Other income		
Interest income	307	292
Dividend income	435	334
Insurance dividends	33	18
Insurance received	75	17
Commission income	196	107
Foreign exchange gains	126	-
Delinquency charge received	-	198
Reversal of allowance for doubtful accounts	-	278
Other	335	354
Total other income	1,511	1,600
Other expenses		
Interest expense	399	549
Commission expenses	19	237
Loss on retirement of non-current assets	95	202
Provision of allowance for doubtful accounts	205	-
Loss on valuation of derivatives	178	130
Foreign exchange losses	-	200
Other	68	118
Total other expenses	966	1,439
Ordinary income	4,133	4,808
Extraordinary income		
Gain on sale of investment securities	-	*3 1,795
Gain on receipt of contingent consideration	*4 260	*4 275
Total extraordinary income	260	2,070
Extraordinary losses		
Impairment losses	-	*5 1,358
Loss on valuation of investment securities	2,604	-
Provision for loss on guarantees	4,487	-
Provision of allowance for doubtful accounts	6,421	-
Total extraordinary losses	13,514	1,358
Income (loss) before income taxes	(9,119)	5,520
Income taxes – current	1,669	3,405
Income taxes – deferred	(101)	(1,912)
Total income taxes	1,567	1,493
Profit	(10,687)	4,026
Profit attributable to non-controlling interests	43	93
Profit (loss) attributable to owners of the parent	(10,731)	3,933

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Year ended September 30, 2023	Year ended September 30, 2024
	Amount	Amount
Profit	(10,687)	4,026
Other comprehensive income		
Unrealized gain on available-for-sale securities	658	3,328
Deferred gain (loss) on derivatives under hedge accounting	(216)	(144)
Foreign currency translation adjustments	355	454
Remeasurements of defined benefit plans	(72)	229
Total other comprehensive income	*1 725	*1 3,867
Comprehensive income	(9,962)	7,894
Breakdown:		
Comprehensive income attributable to owners of the parent	(10,081)	7,700
Comprehensive income attributable to non-controlling interests	119	194

(3) Consolidated Statements of Changes in Equity

Year ended September 30, 2023 (October 1, 2022 – September 30, 2023)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	
Balance as of October 1, 2022	14,303	14,399	50,740	(286)	79,157
Changes during period					
Cash dividends			(1,358)		(1,358)
Profit (loss) attributable to owners of the parent			(10,731)		(10,731)
Purchase of treasury stock				(200)	(200)
Disposal of treasury stock		19		99	119
Net change in items other than shareholders' equity during period					-
Total changes during period	-	19	(12,089)	(100)	(12,170)
Balance as of September 30, 2023	14,303	14,419	38,650	(386)	66,987

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of October 1, 2022	3,556	176	605	(92)	4,245	1,365	84,768
Changes during period							
Cash dividends					-		(1,358)
Profit (loss) attributable to owners of the parent					-		(10,731)
Purchase of treasury stock					-		(200)
Disposal of treasury stock					-		119
Net change in items other than shareholders' equity during period	658	(216)	279	(72)	649	93	743
Total changes during period	658	(216)	279	(72)	649	93	(11,427)
Balance as of September 30, 2023	4,214	(39)	884	(164)	4,894	1,459	73,340

Year ended September 30, 2024 (October 1, 2023 – September 30, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of October 1, 2023	14,303	14,419	38,650	(386)	66,987
Changes during period					
Cash dividends			(1,447)		(1,447)
Profit (loss) attributable to owners of the parent			3,933		3,933
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		9		104	113
Net change in items other than shareholders' equity during period					-
Total changes during period	-	9	2,486	104	2,599
Balance as of September 30, 2024	14,303	14,428	41,137	(282)	69,586

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of October 1, 2023	4,214	(39)	884	(164)	4,894	1,459	73,340
Changes during period							
Cash dividends					-		(1,447)
Profit (loss) attributable to owners of the parent					-		3,933
Purchase of treasury stock					-		(0)
Disposal of treasury stock					-		113
Net change in items other than shareholders' equity during period	3,328	(144)	353	229	3,766	164	3,930
Total changes during period	3,328	(144)	353	229	3,766	164	6,530
Balance as of September 30, 2024	7,542	(184)	1,237	64	8,661	1,623	79,871

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	Year ended September 30, 2023	Year ended September 30, 2024
	Amount	Amount
Cash flows from operating activities		
Income (loss) before income taxes	(9,119)	5,520
Depreciation and amortization	6,581	7,365
Impairment losses	-	1,358
Amortization of goodwill	43	35
Increase (decrease) in accrued employees' bonuses	21	(190)
Increase (decrease) in accrued bonuses for directors and corporate auditors	15	(45)
Increase (decrease) in allowance for doubtful accounts	6,608	(719)
Increase (decrease) in provision for loss on guarantees	4,487	(205)
Increase (decrease) in net defined benefit liability	25	(74)
Increase (decrease) in provision for Executive Compensation BIP Trust	-	(48)
Interest and dividend income	(743)	(627)
Commission income	(196)	(107)
Interest expense	399	549
Loss (gain) on valuation of derivatives	178	130
Gain on receipt of contingent consideration	(260)	(275)
Loss (gain) on sales of investment securities	-	(1,795)
Loss on valuation of investment securities	2,604	-
Decrease (increase) in accounts receivable – trade	(3,150)	3,175
Decrease (increase) in inventories	395	(1,499)
Decrease (increase) in advance payments	(1,988)	1,652
Increase (decrease) in accounts payable – trade	(609)	7
Increase (decrease) in accrued expenses	354	(199)
Other	(507)	649
Sub total	5,139	14,658
Interest and dividend income received	774	585
Commission income received	196	107
Interest paid	(406)	(553)
Income taxes paid	(1,724)	(1,325)
Cash flows from operating activities	3,979	13,471
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,427)	(20,525)
Proceeds from sales of property, plant and equipment	5	11
Purchase of intangible fixed assets	(1,413)	(143)
Purchase of investment securities	(2,611)	(10,595)
Proceeds from sales of investment securities	-	10,677
Proceeds from redemption of investment securities	293	2,300
Proceeds from settlement of contingent consideration	260	275
Payments of loans receivable	(326)	(118)
Collection of loans receivable	4,542	455
Net decrease (increase) in investment and lending	(5,288)	52
Other	(122)	7
Cash flows from investing activities	(19,086)	(17,603)

	(Millions of yen)	
	Year ended September 30, 2023	Year ended September 30, 2024
	Amount	Amount
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	7,926	(8,863)
Proceeds from long-term loans payable	15,465	20,000
Repayments of long-term loans payable	(5,123)	(5,943)
Purchase of treasury stock	(200)	(0)
Dividends paid to shareholders	(1,358)	(1,446)
Other	(97)	(118)
Cash flows from financing activities	16,611	3,628
Effect of exchange rate changes on cash and cash equivalents	9	46
Net increase (decrease) in cash and cash equivalents	1,514	(456)
Cash and cash equivalents, beginning of period	2,413	3,927
Cash and cash equivalents, end of period	3,927	3,471

(5) Notes on Consolidated Financial Statements

(Notes on the Going-Concern Assumption)

Not applicable.

(Significant matters as the basis for preparation of consolidated financial statements)

1. Scope of consolidation

- (1) Number of consolidated subsidiaries: 3

Names of consolidated subsidiaries:

THAI YOKOREI CO., LTD.

BEST COLD CHAIN CO., LTD.

VIETNAM YOKOREI CO., LTD.

- (2) Number of unconsolidated subsidiaries: 5

Names of major unconsolidated subsidiaries:

Global Agency Co., Ltd.

YOKOREI (THAILAND) CO., LTD.

PAX FREEZER Co., Ltd.

H&C Co., Ltd.

Seiki, Inc.

- (3) Reason for excluding from the scope of consolidation:

Global Agency Co., Ltd., YOKOREI (THAILAND) Co., Ltd., PAX FREEZER Co., Ltd., H&C Co., Ltd. and Seiki, Inc. were excluded from consolidation because they are small in size, and their total assets, net sales, profit/loss (amounts proportionate to the Company's equity interest) and retained earnings (amount proportionate to the Company's equity interest) are of minor importance for the consolidated financial statements.

2. Application of the equity method

The equity method was not applied to five (5) unconsolidated subsidiaries and two (2) affiliates (Kobe Danchi Reizo Co., Ltd. and Diamond Tokachi K.K.) because they are of minor importance in terms of the bearing of their profit/loss (amounts proportionate to the Company's equity interest) and retained earnings (amount proportionate to the Company's equity interest) for the consolidated financial statements, and in terms of their position within the whole Yokorei Group.

3. Fiscal year-end date of consolidated subsidiaries and related matters

Among the consolidated subsidiaries, THAI YOKOREI CO., LTD., BEST COLD CHAIN CO., LTD., and VIETNAM YOKOREI CO., LTD. have a fiscal year ending June 30 and are consolidated based on their financial statements as of their respective closing dates.

For significant transactions that took place during the period between the above fiscal year-end dates of each company and the consolidated year-end date, adjustments necessary for consolidation were performed.

4. Accounting policies

- (1) Valuation standards/methods for principal assets

1) Securities

Shares in subsidiaries and affiliated companies: Moving-average cost method

Available-for-sale securities:

For securities other than shares, etc. for which a market price is not available:

The present market value is recorded. (Valuation differences between this and acquisition cost were incorporated into net assets in full. Costs of securities sold were computed with the moving-average cost method.)

For shares, etc. for which market price is not available:

Valued using the moving-average cost method

2) Derivatives

The market value method

3) Inventories

Merchandise

The cost method is mainly applied based on the specific cost method. (The value recorded on the balance sheets is computed with devaluation treatment based on reduction of profitability.)

- (2) Depreciation and amortization of principal depreciable assets
- 1) Property, plant and equipment (excluding leased assets)
 The Company mainly uses the declining-balance method. Overseas consolidated subsidiaries use the straight-line method.
 The straight-line method, however, is used for buildings (except for facilities attached to buildings) acquired by the Company on or after April 1, 1998, and for facilities attached to buildings and structures acquired by the Company on or after April 1, 2016.

 The useful lives of property, plant and equipment are as follows:
 Buildings and structures: 5–50 years
 Machinery, equipment and vehicles: 4–17 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 internal useful life (5 years).
 - 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 that the lease period equals the estimated useful life and the residual value at the end of the lease term is nil.
- (3) Accounting standards for principal provisions and allowances
- 1) Allowance for doubtful accounts
 Allowances for general doubtful accounts are set aside on the basis of historical losses experienced on receivables/loans. For bankruptcy/reorganization claims and certain receivables/loans for which default is expected, allowances are recorded in the estimated unrecoverable amounts in consideration of the obligor's financial position.
 - 2) Accrued employees' bonuses
 To use for the payment of bonuses to employees, a provision is recorded in the amount deemed to have accrued during the current fiscal year under review.
 - 3) Accrued bonuses for directors and corporate auditors
 To prepare for the payment of bonuses to directors and corporate auditors, a provision is recorded based on the amount deemed to have accrued during the current fiscal year under review.
 - 4) Provision for Executive Compensation BIP Trust
 To prepare for the future delivery of the Company's stocks to the directors, a provision is recorded based on the amount of stock expected to be delivered, commensurate with the points accumulated by each director, in accordance with the Stock Delivery Regulations.
 - 5) Provision for loss on guarantees
 To provide for losses mainly related to guarantees, the Company records losses estimated based on consideration of the financial position and other factors of the guaranteed parties.
- (4) Accounting treatment for retirement benefits
- 1) The method for attributing projected retirement benefits to periods of employee service
 In calculating retirement benefit obligations, the benefit formula basis is used to attribute projected retirement benefits for the period up to the end of the current fiscal year under review.
 - 2) Treatment of actuarial differences as expenses
 Any actuarial gain/loss is charged to expenses from the fiscal year following its incurrence using the straight-line method over a certain number of years (10 years) within average remaining years of service of the employees when incurred. Some consolidated subsidiaries use simplified accounting methods.
- (5) Accounting standards for significant revenues and expenses
 Major performance obligations in the main businesses related to revenue arising from contracts with customers of the Yokorei Group and the normal time for satisfying the performance obligations (usual point in time for recognizing revenue) are as follows:
- 1) Refrigerated Warehousing Business
 It mainly provides loading/unloading services including entering cargo into and removing cargo from refrigerated warehouses, as well as services for storing deposited items under the conditions requested by customers. For consideration for loading/unloading services including entering cargo

into and removing cargo from there, we receive the total amount of the contract including fees for entering and removing, at the time of warehousing. Performance obligations related to services are determined to be satisfied over a certain period from the receipt of the deposited goods to the delivery of those, and the progress estimate is measured based on the ratio of the quantity received and delivered to the total quantity received and delivered for each contract. We recognize the amount calculated by multiplying the total cargo handling service fee by the degree of progress as revenue.

The consideration for storage services for deposited items is calculated based on the unit price for each deposited item (monthly or semi-monthly), storage quantity, and storage period as determined in the contract with the customer. The performance obligation related to storage services is to store the deposited items under the conditions requested by the customer, and revenue is recognized when it is determined that the performance obligation is satisfied over a certain period of storage.

The transaction price is calculated by deducting variable consideration such as discounts from the consideration promised in the contract with the customer. The consideration under the contract is received within one year from the time the services are provided to the customer.

Significant financial factors are not included.

2) Food Sales Business

The Company engages primarily in the processing, sale, and import/export of marine products, and agricultural and livestock products. Revenue from sales of these goods or products is recognized primarily at the point in time when the goods or products are delivered to the customer or on the shipping date, etc. both at which the customer obtained control of these products, which is the point in time when the performance obligations are deemed to be satisfied.

The alternative treatment specified in Paragraph 98 of the Implementation Guidance on Revenue Recognition has been applied, and for domestic sales of goods or products, if the period from the time of shipment to the time when control of the goods or products is transferred to the customer is a usual period, revenue is recognized at the time of shipment. The Company also engages in transactions of promotion expenses, etc. and agent transactions. Treatment of these transactions is as follows:

The transaction price is calculated by deducting variable consideration such as discounts from the consideration promised in the contract with the customer. The consideration under the contract is received within one year from the time the services are provided to the customer.

Significant financial factors are not included.

a. Promotion expenses, etc.

Promotion expenses, etc. are paid to sellers such as retailers and wholesalers, within the prescribed period, based on the predetermined sales volume or sales amount. The amount of promotion expenses, etc. is calculated based on the estimated sales volume or sales amount when the Company recognizes the revenue, and is deducted from the revenue.

b. Agent transactions

Some of the sales transactions of marine products and agricultural and livestock products involve other parties in the provision of goods or services to customers, for which we determine that we are an agent because we have no primary responsibility, inventory risk, or price discretionary authority, and for which revenues are recognized on a net basis. Such transactions include those in which our customers entrust us with procurement of raw materials, processing of products, and delivery of products. Such transactions have the following characteristics: (1) specifications and suppliers are designated by the customer for the procurement of raw materials; (2) the Company is not responsible for the processing and quality of the products in addition to the designation of the subcontractor for the processing of the products; (3) the Company has no inventory risk related to retention, etc.; and (4) the selling price is agreed to be the actual cost of raw materials, processing costs, etc. plus fees. Therefore, we have determined that our performance obligation with respect to such transactions is to arrange for the products to be provided to the customer by the other party.

(6) Translation of principal assets and liabilities denominated in foreign currencies into yen

Monetary receivables and payables denominated in foreign currencies are translated into yen based on the spot exchange rate in the foreign exchange market on the consolidated year-end date, and the foreign exchange differences from the translations are recognized in profit or loss. Assets and liabilities and revenues and expenses of overseas subsidiaries are translated into yen based on the spot exchange rate in the foreign exchange market on the fiscal year-end date, and the differences resulting from these translations are included in foreign currency translation adjustments and non-controlling interests under net assets.

(7) Accounting method for principal hedges

1) Hedge accounting

Deferral hedge accounting is used.

Receivables and payables denominated in foreign currencies with a forward exchange contract are translated and allocated at a predetermined rate if they meet specific conditions for such treatment.

Interest rate swap contracts are accounted for using the special accounting method if they meet specific conditions for such treatment.

2) Hedging instruments and hedged items

a. Hedging instruments: Forward exchange transactions

Hedged items: Receivables and payables denominated in foreign currencies arising from export/import of merchandise and scheduled transactions denominated in foreign currencies

b. Hedging instruments: Interest rate swap contracts and currency swap contracts

Hedged items: Loans payable and securities

3) Hedging policy

In accordance with internal regulations, the Company utilizes hedging instruments against future risk of interest rate fluctuations and foreign exchange fluctuations. The Company has a policy of not utilizing derivative contracts for speculation purposes.

4) Method for evaluating effectiveness of hedges

The effectiveness of hedging activities is evaluated by confirming that there is a high correlation between the market fluctuations and cash flows of the hedged items and the hedging instruments. However, evaluation of effectiveness of hedges is omitted for forecasted transactions because those transactions are hedged with forward exchange transactions in the same currency to thoroughly offset the future effects of foreign currency fluctuations.

Evaluation of effectiveness is also omitted for interest rate swap transactions which are accounted for using the special accounting method.

(8) Amortization of goodwill

Goodwill is amortized with the straight-line method over ten (10) years.

(9) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hand, bank deposits which can be withdrawn at any time, and short-term investments with maturities of three months or less at the date of acquisition that can be easily converted into money and are subject to a minor risk of fluctuation in value.

(Notes on Segment Information)

Business segment information

1. Overview of reportable segments

The Company's reportable segments are components of the Company and the Yokorei Group about which separate financial information is available and 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) The refrigerated warehousing business includes cool storage and frozen storage operations of marine, livestock, and other products as well as related operations.
- (2) The food sales business includes wholesale sales, processing operations, etc. of marine, livestock, and other products.
- (3) Other businesses include real estate leasing operations etc.

2. Calculation of net sales, profit/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 profit is based on operating income. Intersegment sales or transfers are based on prices of trading with third parties.

3. Information of net sales, profit/loss, assets, liabilities, and other items by reportable segment

Year ended September 30, 2023 (October 1, 2022 – September 30, 2023)

(Millions of yen)

	Reportable segment				Adjustments *1	Amounts reported on consolidated financial statements *2
	Refrigerated Warehousing Business	Food Sales Business	Other	Total		
Net sales						
Sales to outside customers	31,827	93,712	58	125,598	-	125,598
Intersegment sales or transfers	2,096	-	32	2,128	(2,128)	-
Total	33,923	93,712	90	127,727	(2,128)	125,598
Segment profit	6,689	961	33	7,685	(4,096)	3,588
Segment assets	104,976	62,397	1,599	168,973	19,290	188,263
Other items						
Depreciation and amortization*3	5,888	107	16	6,012	568	6,581
Amortization of goodwill	43	-	-	43	-	43
Increase in property, plant and equipment and intangible fixed assets*3	11,972	184	34	12,191	236	12,428

Notes: 1. Details of adjustments are as follows:

- 1) The adjustment amount (-4,096 million yen) to segment profit is for company-wide expenses that are not allocated to each reportable segment. Company-wide expenses are mainly general and administrative expenses that do not belong to any reportable segment.
 - 2) The 19,290 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 the Company.
 - 3) The 568 million yen adjustment for depreciation and amortization was for unallocated corporate assets.
 - 4) The 236 million yen adjustment for increase in property, plant and equipment and intangible fixed assets was an increase in unallocated corporate assets.
2. Segment profit was adjusted based on operating income reported on the consolidated financial statements for the corresponding period.
3. Depreciation and amortization, and increase in property, plant and equipment and intangible fixed assets include long-term prepaid expenses and their amortization expenses.

Year ended September 30, 2024 (October 1, 2023 – September 30, 2024)

(Millions of yen)

	Reportable segment				Adjustments *1	Amounts reported on consolidated financial statements *2
	Refrigerated Warehousing Business	Food Sales Business	Other	Total		
Net sales						
Sales to outside customers	35,127	87,095	59	122,282	-	122,282
Intersegment sales or transfers	2,030	-	32	2,063	(2,063)	-
Total	37,158	87,095	92	124,346	(2,063)	122,282
Segment profit	7,198	1,473	25	8,697	(4,049)	4,647
Segment assets	119,513	62,120	1,583	183,217	19,808	203,026
Other items						
Depreciation and amortization*3	6,751	115	16	6,882	482	7,365
Amortization of goodwill	35	-	-	35	-	35
Increase in property, plant and equipment and intangible fixed assets*3	21,140	289	0	21,429	208	21,638

Notes: 1. Details of adjustments are as follows:

- 1) The adjustment amount (-4,049 million yen) to segment profit is for company-wide expenses that are not allocated to each reportable segment. Company-wide expenses are mainly general and administrative expenses that do not belong to any reportable segment.
 - 2) The 19,808 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 the Company.
 - 3) The 482 million yen adjustment for depreciation and amortization was for unallocated corporate assets.
 - 4) The 208 million yen adjustment for increase in property, plant and equipment and intangible fixed assets was an increase in unallocated corporate assets.
2. Segment profit was adjusted based on operating income reported on the consolidated financial statements for the corresponding period.
 3. Depreciation and amortization, and increase in property, plant and equipment and intangible fixed assets include long-term prepaid expenses and their amortization expenses.

Related information

Year ended September 30, 2023 (October 1, 2022 – September 30, 2023)

1. Information by product and service

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

2. Information by geographic area

1) Net sales

(Millions of yen)

Japan	Asia	North America	Europe	Other	Total
117,473	7,670	293	113	47	125,598

2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Total
92,986	8,182	101,168

3. Information by major customer

Information was omitted from disclosure because no outside customer accounts for 10% or higher of total net sales in the consolidated statements of income.

Year ended September 30, 2024 (October 1, 2023 – September 30, 2024)

1. Information by product and service

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

2. Information by geographic area

1) Net sales

(Millions of yen)

Japan	Asia	North America	Europe	Other	Total
115,734	6,251	280	16	-	122,282

2) Property, plant and equipment

(Millions of yen)

Japan	Asia	Total
102,400	12,999	115,399

3. Information by major customer

Information was omitted from disclosure because no outside customer accounts for 10% or higher of total net sales in the consolidated statements of income.

Impairment loss on non-current assets by reportable segment

Year ended September 30, 2023 (October 1, 2022 – September 30, 2023)

Not applicable.

Year ended September 30, 2024 (October 1, 2023 – September 30, 2024)

(Millions of yen)

	Refrigerated Warehousing Business	Food Sales Business	Other	Total	Elimination/corp orate	Total
Impairment losses	1,358	-	-	1,358	-	1,358

Amortization expense for and unamortized balance of goodwill by reportable segment

Year ended September 30, 2023 (October 1, 2022 – September 30, 2023)

(Millions of yen)

	Refrigerated Warehousing Business	Food Sales Business	Other	Total	Elimination/corp orate	Total
Amortization expense	43	-	-	43	-	43
Balance as of September 30, 2023	32	-	-	32	-	32

Year ended September 30, 2024 (October 1, 2023 – September 30, 2024)

(Millions of yen)

	Refrigerated Warehousing Business	Food Sales Business	Other	Total	Elimination/corp orate	Total
Amortization expense	35	-	-	35	-	35
Balance as of September 30, 2024	-	-	-	-	-	-

Gain on negative goodwill by reportable segment

Year ended September 30, 2023 (October 1, 2022 – September 30, 2023)

Not applicable.

Year ended September 30, 2024 (October 1, 2023 – September 30, 2024)

Not applicable.

(Revenue Recognition)

1. Information on the breakdown of revenue from contracts with customers

(Millions of yen)

	Year ended September 30, 2023	Year ended September 30, 2024
Refrigerated Warehousing Business		
(Storage)	16,209	17,557
(Loading/unloading)	6,513	7,088
(Transportation and handling, etc.)	9,103	10,481
Sub total	31,827	35,127
Food Sales Business		
(Marine products)	75,697	68,657
(Livestock products)	16,107	17,102
(Agricultural products, etc.)	1,907	1,336
Sub total	93,712	87,095
Other	-	-
Revenue from contracts with customers	125,540	122,223
Other revenue	58	59
Sales to outside customers	125,598	122,282

2. Information that forms the basis for understanding revenue from contracts with customers

Information that forms the basis for understanding revenue is as stated in “(5) Accounting standards for significant revenues and expenses” under “4. Accounting policies” of “(Significant Information Regarding the Preparation of Consolidated Financial Statements).”

3. Information to understand the amount of revenue for the current and subsequent periods

(Millions of yen)

	Year ended September 30, 2023	Year ended September 30, 2024
Receivables arising from contracts with customers (beginning balance)	13,354	16,523
Receivables arising from contracts with customers (ending balance)	16,523	13,370
Contract liabilities (beginning balance)	645	687
Contract liabilities (ending balance)	687	724

Contract liabilities are mainly the consideration received for the portion of cargo handling fees that had been recorded as sales in a lump sum at the time of warehousing in the cold storage business but not yet shipped, and are included in “Other” under current liabilities on the consolidated balance sheets. The contract liability is transferred to revenue when the performance obligation is satisfied upon delivery.

Year ended September 30, 2023 (October 1, 2022 – September 30, 2023)

The amount of revenue recognized in the current fiscal year that was included in contract liabilities at the beginning of the period was 566 million yen.

Year ended September 30, 2024 (October 1, 2023 – September 30, 2024)

The amount of revenue recognized in the current fiscal year that was included in contract liabilities at the beginning of the period was 606 million yen.

(Per-Share Information)

	Year ended September 30, 2023	Year ended September 30, 2024
	yen	yen
Net assets per share	1,222.23	1,327.75
Earnings (losses) per share	(182.52)	66.79

Notes: 1. Information on diluted earnings per share is omitted, as there were no dilutive shares.

2. The basis for calculating earnings per share is as follows:

	Year ended September 30, 2023	Year ended September 30, 2024
Earnings or losses per share		
Profit attributable to owners of the parent (millions of yen)	(10,731)	3,933
Amount not attributable to common stock shareholders (millions of yen)	-	-
Profit (loss) attributable to owners of the parent related to common stock (millions of yen)	(10,731)	3,933
Average number of shares outstanding (thousands of shares)	58,793	58,896

Note: In calculating “earnings or losses per share,” the Company’s shares held by the Executive Compensation BIP Trust are included in the treasury stock which are deducted in the calculation of the average number of outstanding shares (222,500 shares for the previous fiscal year, and 162,100 shares for the current fiscal year).

(Significant Subsequent Events)

Not applicable.