

Consolidated Financial Results for the Three Months Ended December 31, 2024
(Under Japanese GAAP)

February 14, 2025

Company name: YOKOREI Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2874
 URL: <https://www.yokorei.co.jp/en/>
 Representative: President and Representative Director Kenji Furuse
 Inquiries: Corporate Officer, IR Department Mitsutaka Hoshi
 Telephone: +81-45-210-0011

Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended December 31, 2024 (from October 1, 2024, to December 31, 2024)

(1) Consolidated operating results (Cumulative) (Percentages represent year-over-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 | % |
| Three months ended December 31, 2024 | 33,758 | 3.6 | 1,811 | 5.5 | 850 | (49.6) | 134 | (89.3) |
| Three months ended December 31, 2023 | 32,571 | 3.9 | 1,716 | 58.9 | 1,687 | 28.6 | 1,260 | 68.7 |

Note: Comprehensive income Three months ended December 31, 2024 679 million yen [(40.3)%]
 Three months ended December 31, 2023 1,138 million yen [109.3%]

| | Earnings per share | Diluted earnings per share |
|--------------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended December 31, 2024 | 2.28 | - |
| Three months ended December 31, 2023 | 21.43 | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|--------------------------------------|-----------------|-----------------|-----------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| Three months ended December 31, 2024 | 215,766 | 80,179 | 36.4 | 1,333.67 |
| As of September 30, 2024 | 203,026 | 79,871 | 38.5 | 1,327.75 |

Reference: Equity Three months ended December 31, 2024 78,523 million yen
 Year ended September 30, 2024 78,248 million yen

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|--------------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| Year ended September 30, 2024 | Yen - | Yen 12.00 | Yen - | Yen 12.00 | Yen 24.00 |
| Year ending September 30, 2025 | - | | | | |
| Fiscal year ending September 30, 2025 (forecast) | | 12.00 | - | 12.00 | 24.00 |

Note: Revisions to the most recently announced dividend forecast: None

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 (Cumulative) | 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 |

Note: Revisions to the most recently announced earnings forecast: None

*Notes

- (1) Significant changes in the scope of consolidation during the period: Yes
 Newly included: One company (company name: PAX FREEZER Co., Ltd.)
 Excluded: - companies (company name: -)
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - 2) Changes in accounting policies due to other reasons: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None
- (4) Number of issued shares (common shares)

| | | | | |
|---|-------------------------|-------------------|--------------------------------------|-------------------|
| 1) Total number of issued shares at the end of the period (including treasury shares) | As of December 31, 2024 | 59,266,684 shares | As of September 30, 2024 | 59,266,684 shares |
| 2) Number of treasury shares at the end of the period | As of December 31, 2024 | 333,685 shares | As of September 30, 2024 | 333,635 shares |
| 3) Average number of shares outstanding (cumulative from the beginning of the three-month period) | As of December 31, 2024 | 58,933,011 shares | Three months ended December 31, 2023 | 58,811,924 shares |

In the three-month period under review, 162,100 shares of the Company's stock held by the Executive Compensation BIP Trust were included in treasury stock.

- * Review by certified public accountants or an audit corporation of the Japanese-language originals of the attached quarterly consolidated financial statements: Yes (mandatory)
- * 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. Regarding the use of earnings forecasts and the assumptions underlying such forecasts, please refer to “Explanation regarding consolidated earnings forecasts and other forward-looking information” of the attached materials.

1. Qualitative Information on the Consolidated Business Results for the Three Months Ended December 31, 2024

(1) Consolidated Operating Performance

In the first three months of the fiscal year ending September 30, 2025 (October 1, 2024 – December 31, 2024), Japan's economy continued its moderate recovery trend, backed by further progress in the normalization of social and economic activities as well as improvements in the employment and income environment and a recovery in inbound demand. However, the economic outlook remains uncertain due to soaring resource and raw material prices, rising prices due to the weak yen and heightened geopolitical risks in addition to the developments in U.S. government policies and other factors.

Against this backdrop, last year, we formulated a new medium-term management plan (Phase II) "The Power to Connect," with the final year of 2026, under which we aim to "solve domestic and overseas issues with the high-quality logistics we have accumulated over the years and provide smart cold services to customers" through the Refrigerated Warehousing Business, and to "provide our customers with seasonal and delicious products through our discerning abilities by leveraging our network with domestic and overseas producers" through the Food Sales Business. In order to achieve the quantitative targets of "consolidated net sales of ¥150 billion," "operating income of ¥6.5 billion," "EBITDA of ¥13 billion," "ROE of 5% or higher," and "equity ratio to be maintained in the 40% range" in the final year (fiscal year ending in September 2026), we have been working on respective priority measures.

As a result, the Yokorei Group recorded consolidated net sales of ¥33,758 million, up 3.6% year on year, in the first three months of the current fiscal year. Operating income totaled ¥1,811 million, up 5.5% year on year, and ordinary income was ¥850 million, down 49.6% year on year. Profit attributable to owners of the parent totaled ¥134 million, a decrease of 89.3% year on year.

In the first three months of the fiscal year ending September 30, 2025, other income decreased by a total of ¥240 million year on year, and other expenses increased by a total of ¥692 million year on year owing to the effects of foreign exchange rates, including the effect of conversion changes on borrowings for capital investment of VIETNAM YOKOREI CO., LTD., a consolidated subsidiary, foreign exchange losses on provision for loss on guarantees in relation to overseas business partners, and loss on valuation of derivatives. As a result, ordinary income decreased compared with the previous year.

Refrigerated Warehousing Business

The Refrigerated Warehousing Business posted a year on year increase in both sales and profit in the first three months of the fiscal year.

Despite an increase in depreciation expenses for the three logistics centers and other facilities that commenced operation in the fiscal year ended September 30, 2024, both incoming and outgoing cargo volumes and inventory volumes increased year on year, and the handling of all commodity types, including marine products and livestock products, increased, led by frozen foods and agricultural products. The inclusion of PAX FREEZER Co., Ltd. in the scope of consolidation from the current fiscal year also contributed to an increase in profit.

At THAI YOKOREI CO., LTD., a consolidated subsidiary, both incoming and outgoing cargo volumes increased; however, both sales and profit declined due to decreases in the handling and inventory volumes of livestock products and dairy products, which are major commodities.

As a result, overall segment sales came to ¥9,760 million, up 10.7% year on year, and operating income was ¥2,521 million, up 8.6% year on year.

Food Sales Business

In the first three months of the fiscal year ending September 30, 2025, both sales and gross profit remained at levels similar to the previous year but failed to fully offset increases in freight, storage and other costs. As a result, sales increased while profit decreased.

In marine products, handling volumes increased due to an abundant catch of sardines and others for feed in Kyushu area ports, as in the previous fiscal year, and handling volumes of mackerel, our core product, also increased, contributing to profit. Sales of and profit from scallops also remained steady due to an increase in inquiries from overseas. On the other hand, while increases in the handling volumes of salmon and trout contributed to sales, profit fell, and profit from saury and others also decreased. As a result, marine products as a whole posted an increase in sales and a decrease in profit.

In livestock products, demand from inbound tourists remained strong, with pork maintaining its strong performance. Beef recorded only slight increases in sales and profit despite an increase in inquiries from hotels. Chicken saw a decrease in profit due to higher market prices compared with last year. However, overall sales

for livestock products increased while profit decreased.

Agricultural products recorded increases in both sales and profit due to an overall increase in the handling of agricultural products, led by the mainstay potato products.

As a result, overall segment sales came to ¥23,990 million, up 1.0% year on year, and operating income was ¥322 million, down 30.6% year on year.

(2) Consolidated Financial Position

Assets, Liabilities, and Net Assets

Total assets as of December 31, 2024, amounted to ¥215,766 million, an increase of ¥12,739 million from the previous fiscal year-end (September 30, 2024). This was mainly due to increases of ¥5,122 million in notes and accounts receivable – trade and ¥3,770 million in non-current assets and ¥3,637 million in merchandise.

Total liabilities increased ¥12,431 million from the end of the previous fiscal year to ¥135,586 million. This was mainly due to increases of ¥9,321 million in loans payable and ¥2,180 million in notes and accounts payable – trade.

Total net assets amounted to ¥80,179 million, an increase of ¥308 million from the previous fiscal year-end.

Cash Flows

Cash and cash equivalents (hereinafter, “cash”) at the end of the period amounted to ¥4,083 million, an increase of ¥611 million compared with the previous fiscal year-end (September 30, 2024). The main factors affecting cash flows during the first three months of the fiscal year are summarized as follows.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥4,683 million, compared with ¥1,722 million provided in the same period of the previous fiscal year. Cash inflow was mainly attributable to ¥1,124 million in income before income taxes, and depreciation and amortization of ¥1,878 million. These inflows were outweighed by cash outflows mainly attributable to an increase of ¥5,078 million in accounts receivable - trade and an increase of ¥3,614 million in inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥3,386 million, compared with ¥1,697 million used in the same period of the previous fiscal year. Cash outflows were mainly attributable to ¥3,390 million for the purchase of property, plant and equipment, and others.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥8,558 million, compared with ¥1,465 million provided in the same period of the previous fiscal year. This net inflow was mainly derived from a net increase in loans payable from financial institutions of ¥9,300 million, which was partly offset by dividends paid to shareholders of ¥711 million.

(3) Consolidated Earnings Forecast

There is no change to the earnings forecast for the fiscal year ending September 30, 2025, announced on January 6, 2025, with the financial results for the fiscal year ended September 30, 2024.

2. Consolidated Financial Statements
(1) Consolidated Balance Sheets

| | (Millions of yen) | |
|--|-----------------------------|----------------------------|
| | As of September 30, 2024 | As of December 31, 2024 |
| | Amount | Amount |
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,481 | 4,093 |
| Notes and accounts receivable – trade | 13,370 | 18,493 |
| Merchandise | 16,295 | 19,933 |
| Advance payments | 498 | 1,004 |
| Short-term loans receivable | 825 | 825 |
| Other | 1,809 | 905 |
| Allowance for doubtful accounts | (10) | (14) |
| Total current assets | 36,270 | 45,239 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 63,660 | 62,690 |
| Machinery, equipment and vehicles, net | 9,775 | 9,622 |
| Land | 31,410 | 31,428 |
| Leased assets, net | 373 | 379 |
| Construction in progress | 9,199 | 13,556 |
| Other, net | 981 | 936 |
| Total property, plant and equipment | 115,399 | 118,613 |
| Intangible fixed assets | | |
| Other | 3,340 | 3,220 |
| Total intangible fixed assets | 3,340 | 3,220 |
| Investments and other assets | | |
| Investment securities | 43,239 | 43,785 |
| Long-term loans receivable | 4,224 | 4,608 |
| Long-term accounts receivable – other | 6,450 | 7,097 |
| Deferred tax assets | 264 | - |
| Other | 904 | 966 |
| Allowance for doubtful accounts | (7,067) | (7,764) |
| Total investments and other assets | 48,015 | 48,692 |
| Total non-current assets | 166,756 | 170,526 |
| Total assets | 203,026 | 215,766 |

| | As of September 30, 2024 | (Millions of yen) As of December 31, 2024 |
|--|-----------------------------|---|
| | Amount | Amount |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable – trade | 4,573 | 6,754 |
| Short-term loans payable | 12,273 | 22,780 |
| Current portion of long-term loans payable | 5,698 | 5,641 |
| Current portion of bonds payable | 10,000 | 10,000 |
| Lease obligations | 99 | 101 |
| Income taxes payable | 3,098 | 664 |
| Accrued employees' bonuses | 622 | 122 |
| Accrued bonuses for directors and corporate auditors | - | 11 |
| Other | 7,277 | 10,045 |
| Total current liabilities | 43,643 | 56,122 |
| Noncurrent liabilities | | |
| Bonds | 20,000 | 20,000 |
| Long-term loans payable | 52,854 | 51,725 |
| Lease obligations | 306 | 311 |
| Deferred tax liabilities | - | 312 |
| Provision for Executive Compensation BIP Trust | 95 | 95 |
| Provision for loss on guarantees | 4,281 | 4,745 |
| Net defined benefit liability | 783 | 799 |
| Asset retirement obligations | 91 | 91 |
| Other | 1,098 | 1,382 |
| Total non-current liabilities | 79,511 | 79,463 |
| Total liabilities | 123,155 | 135,586 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 14,303 | 14,303 |
| Capital surplus | 14,428 | 14,428 |
| Retained earnings | 41,137 | 40,899 |
| Treasury stock | (282) | (282) |
| Total shareholders' equity | 69,586 | 69,349 |
| Accumulated other comprehensive income | | |
| Unrealized gain on available-for-sale securities | 7,542 | 7,875 |
| Deferred gain (loss) on derivatives under hedge accounting | (184) | 97 |
| Foreign currency translation adjustments | 1,237 | 1,131 |
| Remeasurements of defined benefit plans | 64 | 69 |
| Total accumulated other comprehensive income | 8,661 | 9,173 |
| Non-controlling interests | 1,623 | 1,656 |
| Total net assets | 79,871 | 80,179 |
| Total liabilities and net assets | 203,026 | 215,766 |

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

| | (Millions of yen) | |
|--|---|---|
| | Three months ended December 31, 2023 | Three months ended December 31, 2024 |
| | Amount | Amount |
| Net sales | 32,571 | 33,758 |
| Cost of sales | 28,569 | 29,563 |
| Gross profit | 4,001 | 4,195 |
| Selling, general and administrative expenses | 2,284 | 2,384 |
| Operating income | 1,716 | 1,811 |
| Other income | | |
| Interest income | 55 | 42 |
| Dividend income | 104 | 113 |
| Insurance dividends | 18 | 29 |
| Gain on valuation of derivatives | 41 | - |
| Foreign exchange gains | 165 | - |
| Commission income | 21 | 0 |
| Reversal of allowance for doubtful accounts | - | 22 |
| Other | 141 | 100 |
| Total other income | 549 | 308 |
| Other expenses | | |
| Interest expense | 109 | 183 |
| Provision of allowance for doubtful accounts | 386 | - |
| Loss on valuation of derivatives | - | 311 |
| Foreign exchange losses | - | 680 |
| Other | 81 | 95 |
| Total other expenses | 577 | 1,269 |
| Ordinary income | 1,687 | 850 |
| Extraordinary income | | |
| Gain on sale of investment securities | - | 274 |
| Total extraordinary income | - | 274 |
| Income before income taxes | 1,687 | 1,124 |
| Income taxes – current | 78 | 673 |
| Income taxes – deferred | 327 | 301 |
| Total income taxes | 406 | 975 |
| Profit | 1,281 | 149 |
| Profit attributable to non-controlling interests | 20 | 14 |
| Profit attributable to owners of the parent | 1,260 | 134 |

Consolidated Statements of Comprehensive Income

| | (Millions of yen) | |
|--|---|---|
| | Three months ended December 31, 2023 | Three months ended December 31, 2024 |
| | Amount | Amount |
| Profit | 1,281 | 149 |
| Other comprehensive income | | |
| Unrealized gain on available-for-sale securities | (174) | 332 |
| Deferred gain (loss) on derivatives under hedge accounting | 7 | 281 |
| Foreign currency translation adjustments | 18 | (88) |
| Remeasurements of defined benefit plans | 6 | 4 |
| Total other comprehensive income | (142) | 530 |
| Comprehensive income | 1,138 | 679 |
| Breakdown: | | |
| Comprehensive income attributable to owners of the parent | 1,110 | 646 |
| Comprehensive income attributable to non-controlling interests | 27 | 33 |

(3) Consolidated Statements of Cash Flows

| | (Millions of yen) | |
|---|---|---|
| | Three months ended December 31, 2023 | Three months ended December 31, 2024 |
| | Amount | Amount |
| Cash flows from operating activities | | |
| Income before income taxes | 1,687 | 1,124 |
| Depreciation and amortization | 1,604 | 1,878 |
| Amortization of goodwill | 11 | - |
| Increase (decrease) in accrued employees' bonuses | (636) | (500) |
| Increase (decrease) in accrued bonuses for directors and corporate auditors | (35) | 11 |
| Increase (decrease) in allowance for doubtful accounts | 246 | 701 |
| Increase (decrease) in provision for loss on guarantees | (232) | 463 |
| Increase (decrease) in net defined benefit liability | 12 | 14 |
| Interest and dividend income | (160) | (155) |
| Commission income | (21) | (0) |
| Increase (decrease) in provision for Executive Compensation BIP Trust | (48) | - |
| Interest expense | 109 | 183 |
| Loss (gain) on valuation of derivatives | (41) | 311 |
| Loss (gain) on sales of investment securities | - | (274) |
| Decrease (increase) in accounts receivable – trade | (1,130) | (5,078) |
| Decrease (increase) in inventories | (1,813) | (3,614) |
| Decrease (increase) in advance payments | 688 | (505) |
| Increase (decrease) in accounts payable – trade | 1,120 | 2,180 |
| Increase (decrease) in accrued expenses | 13 | 725 |
| Other | 707 | 623 |
| Sub total | 2,081 | (1,912) |
| Interest and dividend income received | 160 | 117 |
| Commission income received | 21 | 0 |
| Interest paid | (109) | (76) |
| Income taxes paid | (432) | (2,812) |
| Cash flows from operating activities | 1,722 | (4,683) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1,568) | (3,390) |
| Proceeds from sales of property, plant and equipment | 0 | 0 |
| Purchase of intangible fixed assets | (47) | (30) |
| Purchase of investment securities | (2) | (682) |
| Proceeds from sales of investment securities | - | 414 |
| Proceeds from redemption of investment securities | - | 407 |
| Payments of loans receivable | (15) | (1) |
| Collection of loans receivable | 268 | 41 |
| Net decrease (increase) in investment and lending | (450) | (85) |
| Other | 118 | (61) |
| Cash flows from investing activities | (1,697) | (3,386) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 3,502 | 10,489 |
| Repayments of long-term loans payable | (1,261) | (1,189) |
| Purchase of treasury stock | (0) | - |
| Dividends paid to shareholders | (739) | (711) |
| Other | (35) | (30) |
| Cash flows from financing activities | 1,465 | 8,558 |
| Effect of exchange rate changes on cash and cash equivalents | 6 | (82) |
| Net increase (decrease) in cash and cash equivalents | 1,496 | 405 |
| Cash and cash equivalents, beginning of period | 3,927 | 3,471 |
| Net increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | - | 206 |
| Cash and cash equivalents, end of period | 5,424 | 4,083 |

(4) Notes on the Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Current Income Taxes)

The Group has applied the "Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, Accounting Standards Board of Japan) and others since the beginning of the first quarter of the current fiscal year.

There is no impact on the quarterly consolidated financial statements as a result of the application of said accounting standard and others.

(Notes on Segment Information)

Business segment information

I Three months ended December 31, 2023 (October 1, 2023 – December 31, 2023)

1 Net sales and profit/loss by reportable segment

(Millions of yen)

| | Reportable segment | | | | Adjustments *1 | Amounts reported on consolidated statements of income *2 |
|---------------------------------|---|------------------------|-------|--------|-------------------|---|
| | Refrigerated Warehousing Business | Food Sales Business | Other | Total | | |
| Net sales | | | | | | |
| Sales to outside customers | 8,813 | 23,742 | 14 | 32,571 | - | 32,571 |
| Intersegment sales or transfers | 471 | - | 8 | 479 | (479) | - |
| Total | 9,284 | 23,742 | 22 | 33,050 | (479) | 32,571 |
| Segment profit (loss) | 2,322 | 465 | 7 | 2,795 | (1,078) | 1,716 |

- Notes: 1. The adjustment amount (-1,078 million yen) to segment profit (loss) 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. Segment profit (loss) was adjusted based on operating income reported on the consolidated statements of income for the corresponding period.

II Three months ended December 31, 2024 (October 1, 2024 – December 31, 2024)

1 Net sales and profit/loss by reportable segment

(Millions of yen)

| | Reportable segment | | | | Adjustments *1 | Amounts reported on consolidated statements of income *2 |
|---------------------------------|---|------------------------|-------|--------|-------------------|---|
| | Refrigerated Warehousing Business | Food Sales Business | Other | Total | | |
| Net sales | | | | | | |
| Sales to outside customers | 9,760 | 23,990 | 8 | 33,758 | - | 33,758 |
| Intersegment sales or transfers | 575 | - | 14 | 590 | (590) | - |
| Total | 10,335 | 23,990 | 23 | 34,348 | (590) | 33,758 |
| Segment profit (loss) | 2,521 | 322 | 10 | 2,854 | (1,043) | 1,811 |

- Notes: 1. The adjustment amount (-1,043 million yen) to segment profit (loss) 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. Segment profit (loss) was adjusted based on operating income reported on the consolidated statements of income for the corresponding period.