



YOKOREI Integrated Report **2022**

Fiscal Year Ended September 30, 2022



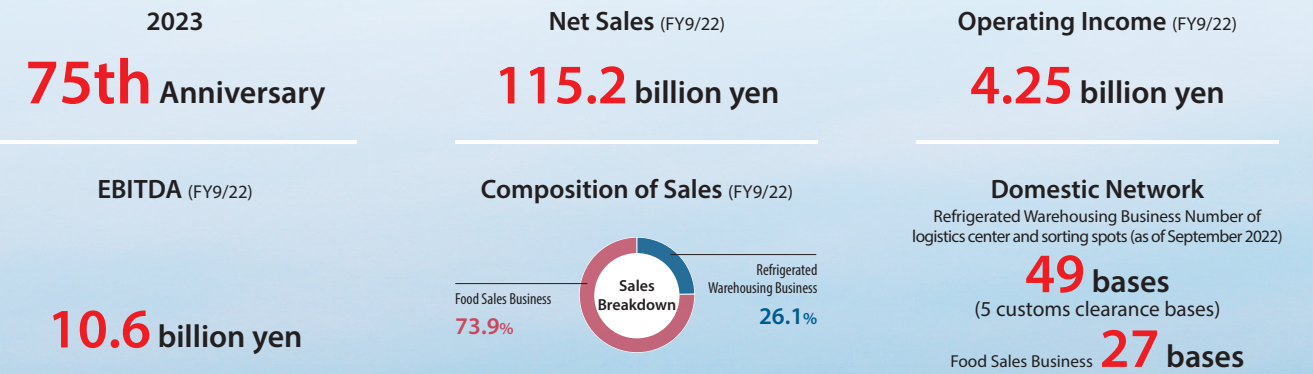
Corporate Philosophy

Since our founding, Yokorei has acted upon the policy that **“companies are social institutions and profits are a measure of their service”** and we aim to be a company that is loved by our customers and our region.

- Yokorei was launched with the goal of being a company that benefits society.
- We position profits as a measure of our service to society.
- For us, “service” means fulfilling our social responsibilities by incorporating “customer satisfaction,” “activities that contribute to local communities,” and “environmental conservation activities” into all of our business activities.

Our mission is to become ever more meaningful as a company that can contribute to social development both in Japan and overseas through our business activities.

At a Glance



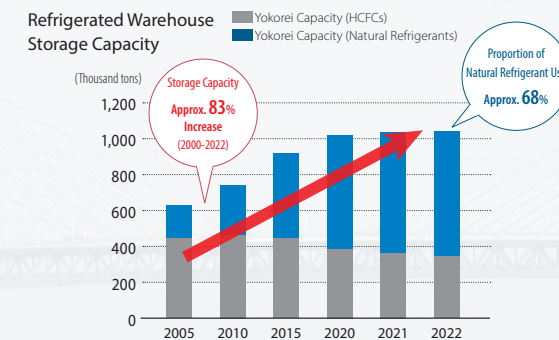
Refrigerated Warehousing Business

Yokorei and its network of overseas subsidiaries provide refrigerated and frozen warehousing for marine, agricultural and livestock products, along with related businesses.



Industry-Leading Storage Capacity and Rate of Adoption of Natural Refrigerants

Proactive capital investment is an integral part of Yokorei's growth strategy. We currently have over 1.0 million tonnes of storage capacity worldwide and a rate of adoption for natural refrigerants of about 68%. This extensive storage capacity allows us to maintain our position as an industry leader, and supports stable growth.



Food Sales Business

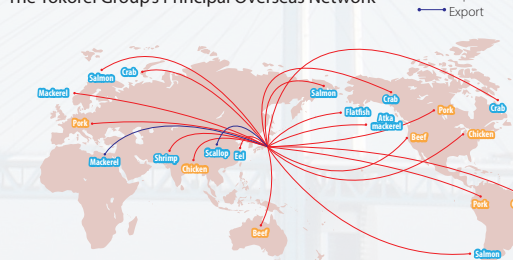
Yokorei and its subsidiaries in Japan and overseas provide processing, sales, and import/export services for marine, agricultural, and livestock products.



Product Procurement Capabilities to Meet Diverse Needs

One of Yokorei's strengths is the procurement capabilities provided by its extensive trading network, allowing us to respond accurately to product needs in Japan and overseas. We import products from around the world, mainly Northern Europe and Southeast Asia, as well as North America, South America, and Australia. We also procure domestic products from across Japan, mainly through our sales offices in producing regions, and supply them to our trading partners in Japan and overseas.

The Yokorei Group's Principal Overseas Network



Contents

1 At a Glance	16 Financial and Non-Financial Highlights	32 Main Consolidated Financial Indicators
2 Yokorei Growth Trajectory	18 Business Activities	34 Non-Financial Data
4 Message from the President	18 / Refrigerated Warehousing Business	35 External Recognition, Investor FAQ, Attestation of Validity
6 Yokorei Value Creation Process	20 / Food Sales Business	36 Share Trends by Business
8 Changes in the Business Environment, Risks & Opportunities	22 Corporate Governance	37 Stock Information
10 Materiality	24 / Directors, Audit & Supervisory Board Members, Corporate Officers	38 Corporate Data
12 Overview of the Medium-Term Management Plan (Phase I)	26 / Message from an Outside Director	
14 Financial Strategy	27 Compliance and Risk Management	
	28 Environmental and Social Initiatives	

About this report

This report has been prepared to help our stakeholders better understand our medium- to long-term growth strategy. In line with this goal, this report presents information on financial factors, including financial performance and corporate strategy, as well as non-financial factors, such as information on governance reforms, environmental and social matters, in an integrated fashion.

In preparing this report, we have made reference to the Global Reporting Initiative (GRI) standard and international reporting frameworks, including those provided by the IFRS Foundation

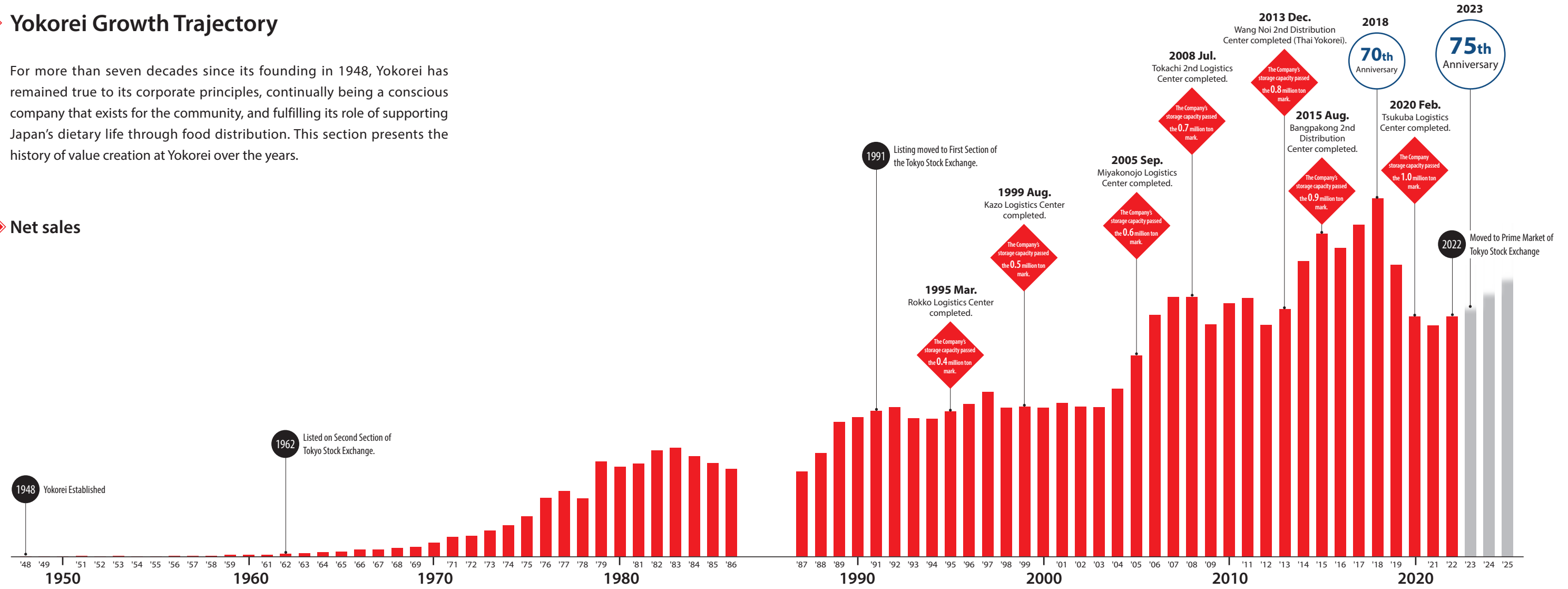
Editorial Policy YOKOREI Integrated Report 2022 was compiled as a financial and non-financial information report for Yokorei Co., Ltd. The report is focused on activities in FY2022 (from October 1, 2021 to September 30, 2022) and some reports from after October 2022 are included. Moreover, department and job titles of related parties are those at the time of the activity. We also provide comprehensive and detailed information for our stakeholders to better understand our company on our website (<https://www.yokorei.co.jp/en/>).

Disclaimer This report contains statements about Yokorei and Yokorei Group Companies' future plans, strategies, performance forecasts, and outlooks. These are projections based on our beliefs and assumptions using the information currently available to the Company at the time of compilation.

Yokorei Growth Trajectory

For more than seven decades since its founding in 1948, Yokorei has remained true to its corporate principles, continually being a conscious company that exists for the community, and fulfilling its role of supporting Japan's dietary life through food distribution. This section presents the history of value creation at Yokorei over the years.

Net sales



Needs required of Yokorei

Refrigerated Warehousing Business

Food Sales Business

Food-related needs arising from post-war rapid economic growth and urbanization

Refrigerated warehouse business launched to store fresh marine products.

Marine products such as fish and shrimp, important sources of protein for Japanese facing food shortages in the post-WWII period, which were landed in Yokohama are sold to wholesalers nationwide.

Reliable and safe, high-quality food infrastructure

Yokorei responded to growing needs for quality control with employee-centered operations built on accumulated product knowledge and technical skills, along with natural convection cooling to allow for long-term storage without loss in quality.

Yokorei adopted strict food defense measures to mitigate the risk of contamination from foreign substances. An integrated, in-house management system was put in place for the entire distribution process, including import/export, storage, sorting, freezing, and sales, to ensure a safe and reliable food supply.

Environmentally friendly food distribution

Yokorei is reducing GHG emissions by replacing conventional freezers with equipment using natural refrigerants. Solar power systems have also been installed on rooftops at 17 facilities in Japan, and two distribution centers overseas.

Yokorei is utilizing a procurement and supply structure that takes into account the impact on the environment and ecosystems, including proactively handling the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC) certified products.

Business History

1950-1990's

1948	May	Company established as Yokohama Reito Kigyō Co., Ltd., with business operations centered on the sale and export of frozen marine products, and the cold storage of frozen foods.
1953	Nov.	Corporate name changed to Yokohama Reito Co., Ltd.
1989	Dec.	Thai Yokorei Co., Ltd. established (currently a consolidated subsidiary).
1994	Feb.	Fukuoka Logistics Center and Ishikari Logistics Center completed.
1997	Jul.	Shibushi Logistics Center and Sasebo Cold Storage completed; Sasebo Sales Office opened.
1998	Mar.	Tokyo 2nd Logistics Center completed.

2000-2010's

2003	Aug.	Tsurugashima Logistics Center completed.
2007	Mar.	Yokohama Logistics Center completed.
2008	Dec.	Equity investment in Seiwa Food Corporation (Clover Trading Co., Ltd.).
2009	Jun.	Alliance Seafoods Inc. established.
2011	Oct.	Wang Noi Distribution Center completed (Thai Yokorei).
	Dec.	Best Cold Chain Co., Ltd. established (currently a consolidated subsidiary).
2012	Aug.	Kimobetsu Logistics Center completed.
2013	Jul.	Yokorei Co., Ltd. (Kingdom of Thailand) established. * Name changed to Yokorei (THAILAND) Co., Ltd. on Dec. 1, 2021.
2014	Apr.	Diamond Tokachi Co., Ltd. established.
	Apr.	Ishikari 2nd Logistics Center completed.
	Jul.	Yumeshima Logistics Center completed.
	Oct.	Miyakonojo 2nd Logistics Center completed.

2020's

2016	Mar.	Syvde Eiendom AS (Kingdom of Norway) became a subsidiary.
	Jul.	HIYR AS (Kingdom of Norway) established.
	Jul.	Fjordlaks Aqua AS (Kingdom of Norway) became a subsidiary. (Currently Hofseth Aqua AS)
	Aug.	Tokachi 3rd Logistics Center completed.
	Nov.	Tokachi Sorting Spot completed.
2017	Jun.	Satte Logistics Center completed.
2018	Feb.	Tokyo Haneda Logistics Center completed.
	May	Yokorei makes its 70th anniversary.
	Nov.	Meiko Logistics Center completed.
2020	Jan.	Merger and integration of Alliance Seafoods Inc. and Clover Trading Co., Ltd.
	Feb.	Tsukuba Logistics Center completed.
	May	Yokohama Mirai HRD and Yokohama Mirai Satellite completed.
	Jun.	Nagasaki Sorting Spot completed.
2021	Jan.	Fukuoka ISLAND CITY Logistics Center completed.
	Jul.	Kesenuma Sorting Spot II completed.
	Aug.	Hirado Ice Factory completed.
	Sep.	HIYR AS and Hofseth Aqua AS removed from scope of consolidation.



For a brighter food future – Yokorei will ensure a stable

Hiroyuki Matsubara
President and
Representative Director, CEO

Our mission to provide a stable supply of safe and reliable food products

Since Yokorei's founding in 1948, we have followed our corporate philosophy that "companies are social institutions and profits are a measure of their service," and have always held being a company that benefits the region as an important value. In 2023, we will celebrate our 75th anniversary as a company engaged in the food distribution industry and playing a role in supporting the food industry in Japan.

Currently, the food distribution industry is approaching a turning point. The way people purchase goods is shifting from store-based shopping to internet shopping (e-commerce) making distribution more complicated and diverse. Companies need to acknowledge this change and learn to deal with it. However, an even greater change is occurring as the world moves to solve the biggest issues facing it. Within this environment, it is crucial for companies to actively incorporate sustainable management practices that enable them to tackle

environmental, social, and economic issues.

Yokorei has continued to pursue business activities that are kind to the environment and that protect food stability in Japan by valuing our connections to local communities. In our ongoing efforts to support Japan's dietary life, we are striving to make further progress toward enriching the world's dining tables.

Vision for 2030

The Yokorei Group's business environment remains uncertain, clouded by the yen's continued depreciation, rising electricity costs due to soaring energy prices, and the prolonged crisis in Ukraine.

In countries around the world, large-scale natural disasters and environmental problems are becoming more serious each year, and efforts toward carbon neutrality are accelerating. In Japan, population decline and low food self-sufficiency are major issues.

In this environment, the Yokorei Group announced in November 2020 that we are advancing policies outlined in two

food supply to help support a sustainable society

long-term visions for the decade until 2030—Yokorei Business Vision 2030 and Yokorei Sustainability Vision 2030. "We promise to provide smart cold services combining tradition and innovation," was set the aspiration for our Refrigerated Warehousing Business and "We will realize the distinctive food value together with customers, preserve our close relationship with producers, and add to the richness of the world's tables" for our Food Sales Business and are promoting various measures to realize these goals.

In addition, under the Sustainability Vision 2030 "For a brighter food future – Yokorei will ensure a stable food supply to help support a sustainable society," we aim to achieve qualitative and quantitative targets for five material issues. [▶ See p. 12 for details.](#)

Steady progress of the Medium-Term Management Plan – "The Power to Create"

As the first stage toward the realization of each vision, the Yokorei Group is promoting the Medium-Term Management Plan (Phase I) "The Power to Create," which ends in 2023.

In the Refrigerated Warehousing Business, we will expand our refrigerated warehouse network through aggressive development of eco-friendly distribution centers and continue to invest in digital transformation (DX) and IT robotics to achieve greater productivity with a smaller workforce. In the Food Sales Business, we will expand cooperation between business locations and promote a shift from quantity to quality while expanding sales of strategic business products such as Norwegian salmon, which is one of our strengths, and building a stable procurement and supply network for food material.

While the promotion of each of these objectives steadily shows results toward achieving our quantitative targets, the Yokorei Group is aiming for consolidated net sales of ¥124,000 million, operating income of ¥5,000 million, ordinary income of ¥5,200 million, and ¥3,400 million in profit attributable to owners of the parent in the fiscal year ending September 30, 2023.

[▶ See p. 13 for details.](#)

Creating social value through sustainable management

We are also making various efforts regarding sustainability. As a food-related company, we know that the risks and opportunities of climate change are a key management issue. As part of our commitment to "Harmony with the Global Environment," one of our key material issues, we expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium in December 2021. [▶ See p. 28-29 for details.](#)

As one of our concrete efforts to decarbonize our operations, in April 2022 we shifted all six of our refrigerated warehouses in the Hokkaido to virtually 100% renewable energy power. This switch to renewable energy is expected to reduce annual CO₂ emissions by approximately 8,200 tons.

In addition, due to progress in ESG-related disclosures, Yokorei was selected for the first time as a constituent of the "FTSE Blossom Japan Sector Relative Index" established by global index provider FTSE Russell. We will continue to strengthen our ESG initiatives to realize a sustainable society and increase our corporate value.

In the area of governance, we have established a Sustainability Committee that the President and Representative Director chairs, we have implemented the PDCA (plan-do-check-adjust) process, and our Board of Directors has set up a structure for identifying and monitoring the status of our risks and opportunities.

[▶ See p. 22-29 for details.](#)

Message to Stakeholders who Co-create Value

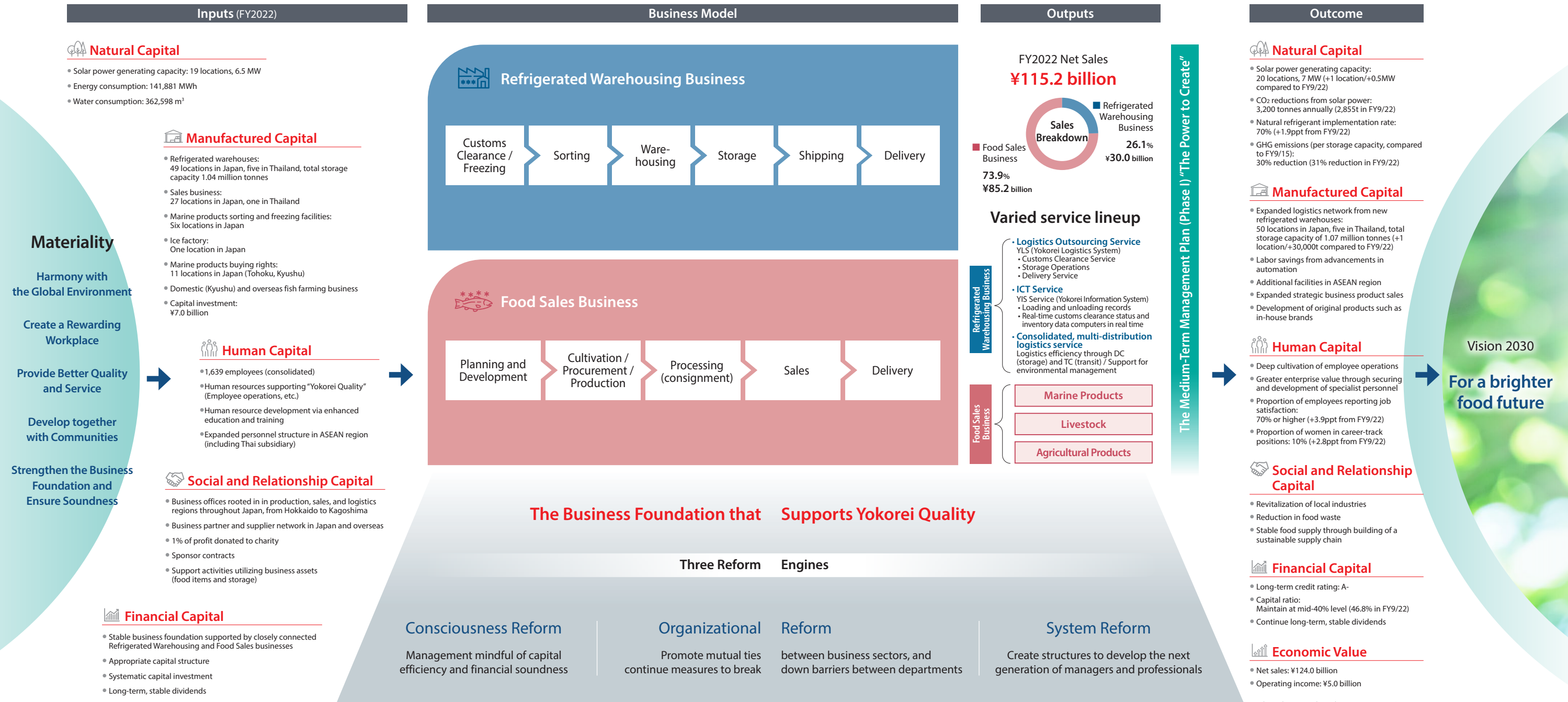
As experts in food distribution that are kind to people, things, and the globe, we will take into consideration environmental and social problems, and actively work to achieve sustainable development goals (SDGs), while broadly expanding business. We will also contribute to a safe, secure, and stable supply of food, with an eye toward the 80th and 100th anniversary of the founding of the Company.

I humbly ask all of you to bestow us with your firm support.

Hiroyuki Matsubara
President and
Representative Director, CEO

Yokorei Value Creation Process

Yokorei conducts business to ensure a stable food supply for Japan, while bearing in mind the importance of environmental conservation and connections with local communities. Yokorei generates social and economic value by utilizing its accumulated resources to the greatest extent possible and addressing a broad range of social challenges.



Value Creation Process for a "Brighter Food Future"

Yokorei determines the most important aspects of the capital it has acquired over its 75-year history, amplifies them into strengths, and builds business models that utilize these assets. By focusing on the three "reform engines" (consciousness reform, organizational reform, and system reform) that support the management foundation underpinning Yokorei Quality, Yokorei

continues to generate the value that will contribute to a brighter food future in 2030.

Business Model

Through its two main businesses of refrigerated warehousing and food sales, Yokorei contributes to a safe, reliable, and stable food supply for Japan and the world as it continues to build trust.










The Refrigerated Warehouse Business offers a high level of service for a wide range of needs in temperature-controlled logistics, providing high-quality services for a variety of logistics processes, including storage, customs clearance, and transport.

The Food Sales Business is built on the strength of its procurement capabilities, utilizing a network able to precisely meet food product needs in Japan and overseas. The integrated

supply chain management for marine, livestock, and agricultural products encompasses everything from product planning, development, and procurement to processing (consignment), sales, and distribution.






Changes in the Business Environment, Risks & Opportunities

Yokorei has determined the risks and opportunities for its business from issues currently facing society, and identified the important management issues (materiality).

Social Theme	Risks & Opportunities	Principal Measures	Materiality									
 <p>Climate change (Global warming)</p>	<ul style="list-style-type: none"> ◆ Risk: Decrease in fish catches and production volume due to changes in the natural environment, outbreaks of disease or insect pests ◆ Risk: Increase in procurement cost of farmed fish and livestock due to rise in feed costs (plants, animals) ◆ Risk: Increase in cost of introducing decarbonization and energy-saving equipment ◆ Risk: Increase in cost of electricity to operate refrigerated warehouses due to introduction of carbon pricing ◆ Risk: Increase in cost of electricity to operate refrigerated warehouses due to higher temperatures ◇ Opportunity: Rise in demand for temperature-controlled storage of food items due to higher average temperatures ◇ Opportunity: Rise in demand for eco-friendly refrigerated warehouses and logistics services ◇ Opportunity: Rise in demand for eco-friendly products (such as marine products with eco-label certification) ◇ Opportunity: Decrease in energy costs from use of energy-efficient equipment 	<ul style="list-style-type: none"> • Strengthen handling of eco-friendly products (ASC and MSC certified products) • Diversify supply chains • Build and operate eco-friendly refrigerated warehouses that contribute to decarbonization <ul style="list-style-type: none"> • Proactive introduction of energy-efficient equipment to reduce GHG emissions • Installation of rooftop solar panels to increase generation of renewable energy • Switch to renewable energy • Switch to natural refrigerants to reduce GHG emissions • Implement measures for greater logistics efficiency in cooperation with cargo companies, and reduce GHG emissions 	 <p>Harmony with the Global Environment</p>									
	 <p>Natural disasters</p>			<ul style="list-style-type: none"> ◆ Risk: Increase in prices for marine, livestock and agricultural products due to declines in catches and production yields, and higher procurement costs for alternative products ◆ Risk: Decrease in sales from suspension of refrigerated warehouse operations or supply chain disruptions ◆ Risk: Increase in repair costs for damaged facilities and equipment ◇ Opportunity: Increase in demand for disaster-resistant facilities 	<ul style="list-style-type: none"> • Formulate BCP • Construct natural disaster-resistant refrigerated warehouses • Develop aquaculture business in countries and areas with few natural disasters • Diversify supply chains and develop relationships with new suppliers 	 <p>Create a Rewarding Workplace</p>						
				 <p>Economic situation and the business environment</p>			<ul style="list-style-type: none"> ◆ Risk: Slowdown in cargo movements and decline in storage volume due to markets adjusting to supply and demand ◆ Risk: Increase in product procurement costs due to soaring prices of raw materials and fuel ◆ Risk: Increase in construction costs for refrigerated warehouses due to rise in prices ◆ Risk: Intensification of competition due to companies from other industries entering the temperature-controlled logistics market ◆ Risk: Deterioration in earnings due to sudden exchange rate fluctuations ◇ Opportunity: Increase in food storage demand of highly processed foods such as frozen food ◇ Opportunity: Rising demand for facilities with exceptional logistics efficiency due to increase in e-commerce 	<ul style="list-style-type: none"> • Build refrigerated warehouses • Accumulate information • Acquire certification under the Act on Advancement of Integration and Streamlining of Distribution Business • Provide consolidated, multi-distribution logistics services • Expand customs clearance business • Foreign exchange contract trading • Price adjustments to pass on rising costs • Diversification of suppliers and customers, revision of product balance 	 <p>Provide Better Quality and Service</p>			
							 <p>Securing human resources</p>			<ul style="list-style-type: none"> ◆ Risk: Difficulties continuing refrigerated warehouse business due to shortage of warehouse workers ◆ Risk: Loss of workers due to a lack of measures to provide an appropriate work environment or make improvements ◆ Risk: Increase in costs due to intensification of competition to hire and retain workers as a result of Japan's decreasing birthrate and aging population, and population decline 	<ul style="list-style-type: none"> • Proactively introduce systems for labor-savings and automation • Support creation of workplaces comfortable for women and many types of employees • Strengthen internal education system • Promote DX • Enhance name recognition through branding 	 <p>Develop together with Communities</p>
										 <p>Product, service quality and safety</p>		

Materiality

Yokorei sets long-term targets and determines the KPI to achieve them based on the needs of stakeholders in relation to the materiality themes.

Materiality	Yokorei's Response	Relevant Capital / Stakeholders	Stakeholder Needs	Long-Term Targets Relative to Materiality	FY9/22 Results	FY9/23 Measures	KPI
 <p>Harmony with the Global Environment</p>	<ul style="list-style-type: none"> Lessen the environmental load by operating environment friendly refrigerated warehouses Reduce GHG emissions through cooperation with other companies Establish an environment-conscious supply chain 	<ul style="list-style-type: none"> Capital: Natural, Manufactured Stakeholders: Shareholders and investors, customers, suppliers, partner companies 	<ul style="list-style-type: none"> Reduction in GHG emissions Eco-friendly products and services 	<ul style="list-style-type: none"> Enhance energy efficiency to reduce energy consumption, and increase use of renewable energy Facilitate shift to natural refrigerants to reduce GHG emissions Appropriate processing and recycling of waste to lessen environmental load Protect marine ecosystems 	<ul style="list-style-type: none"> Natural refrigerant conversion completed at one facility Switched to 100% renewable energy in real terms at six refrigerated warehouses in the Hokkaido region Enhanced logistics efficiency (Implemented certification plan under the Act on Advancement of Integration and Streamlining of Distribution Business; Provided consolidated multi-distribution logistics services) Increased handling volume of ASC/MSC certified marine products 	<ul style="list-style-type: none"> Complete construction of environment friendly refrigerated warehouse (natural refrigerants used, increased solar power generating capacity) Continue handling ASC/ MSC certified marine products Enhance logistics efficiency (palletized cargo, response to regulatory changes in 2024, expand consolidated multi-distribution logistics services) 	<ul style="list-style-type: none"> Natural refrigerant implementation rate Solar power generation capacity and output GHG emissions per storage capacity Procurement amount of ASC/MSC certified marine products
 <p>Create a Rewarding Workplace</p>	<ul style="list-style-type: none"> Change consciousness (promote open communication and emphasize dialogue) Implement measures for labor savings Provide a work environment suited to employee diversity Secure global human resources Strengthen cooperation with other companies 	<ul style="list-style-type: none"> Capital: Human, Social and Relationship Stakeholders: Employees, partner companies 	<ul style="list-style-type: none"> Working environments comfortable for employees Improvement in job satisfaction 	<ul style="list-style-type: none"> Strengthen measures to cope with labor shortage Provide a comfortable work environment Implement measures to secure employee diversity, including promoting active roles for women Ensure and ingrain occupational health and safety 	<ul style="list-style-type: none"> Second "job satisfaction survey" conducted Automation system introduced Advancements in DX 	<ul style="list-style-type: none"> Reform systems to improve job satisfaction and establish more comfortable environments Continue introducing automation systems Establish structures to support active roles for female and older employees Formulate career plans Recruit global human resources 	<ul style="list-style-type: none"> Proportion of employees with job satisfaction Proportion of women in career-track positions Number of women in management positions Employment ratio of persons with disabilities Number and proportion of employees taking child-care leave, and return rate
 <p>Provide Better Quality and Service</p>	<ul style="list-style-type: none"> Deepen Yokorei quality Strengthen education and training Invest in IT and robotics Develop original products 	<ul style="list-style-type: none"> Capital: Human, Manufactured Stakeholders: Employees, partner companies, customers, suppliers 	<ul style="list-style-type: none"> Safe and reliable food High-quality products, storage and logistics services Enhanced skills 	<ul style="list-style-type: none"> Provide stable supply of food Reduce food waste Establish a structure to provide safe products and services 	<ul style="list-style-type: none"> Advancements made in automation Human Resources Development Center established (Education strengthened) Developed and expanded sales of Yokorei brand products Increased number of requests for product analysis test (2.6 times YoY) 	<ul style="list-style-type: none"> Expand aquaculture business Strengthen relationships with contracted manufacturers Strengthen training in food labeling Conduct more thorough inspections of in-house products 	<ul style="list-style-type: none"> Number of automation systems installed Number of employees completing trainings, and cumulative hours
 <p>Develop together with Communities</p>	<ul style="list-style-type: none"> Build refrigerated warehouses in regions throughout Japan Social contribution program through donations and sponsorships 	<ul style="list-style-type: none"> Capital: Manufactured, Social and Relationship Stakeholders: Local communities, employees 	<ul style="list-style-type: none"> Vibrant local communities Job creation Strengthen partnerships 	<ul style="list-style-type: none"> Support revitalization of local industries Establish a cooperative framework for environmentally and socially conscious supply chains overall 	<ul style="list-style-type: none"> Construction started on three refrigerated warehouses Marine products buying rights acquired in area where ice factory was built (Hirado) Donations (23 times) Sponsorships (for sports, education and culture, environmental activities) Support activities through donations of food material and storage space (food banks, cafeterias providing meals to children) 	<ul style="list-style-type: none"> Build new refrigerated warehouses Social contribution program utilizing business assets Continue sponsorships 	<ul style="list-style-type: none"> Number of donations and amount
 <p>Strengthen the Business Foundation and Ensure Soundness</p>	<ul style="list-style-type: none"> Organizational reform (Strengthen coordination by breaking down barriers between business divisions) Reform of the personnel system Improve capital efficiency and maintain financial soundness 	<ul style="list-style-type: none"> Capital: Financial, Human Stakeholders: Shareholders and investors, employees 	<ul style="list-style-type: none"> Corporate growth Shareholder returns Maintain and improve transparency of corporate management 	<ul style="list-style-type: none"> Enhance corporate governance Establish BCP structures (natural disaster response, data management) Ensure legal and regulatory compliance Strengthen initiatives for SDGs and provide proactive disclosure 	<ul style="list-style-type: none"> Personnel system reforms started SDGs conference held, with follow-ups Sustainability Committee began conducting activities Various policies formulated Selected for inclusion in FTSE Blossom Japan Sector Relative Index 	<ul style="list-style-type: none"> Design new personnel system Revise and strengthen BCP strategies Increase dividends with 75th anniversary dividend Formulate new medium-term management plan 	<ul style="list-style-type: none"> Credit rating (Japan Credit Rating Agency) Capital ratio ESG evaluation organization score

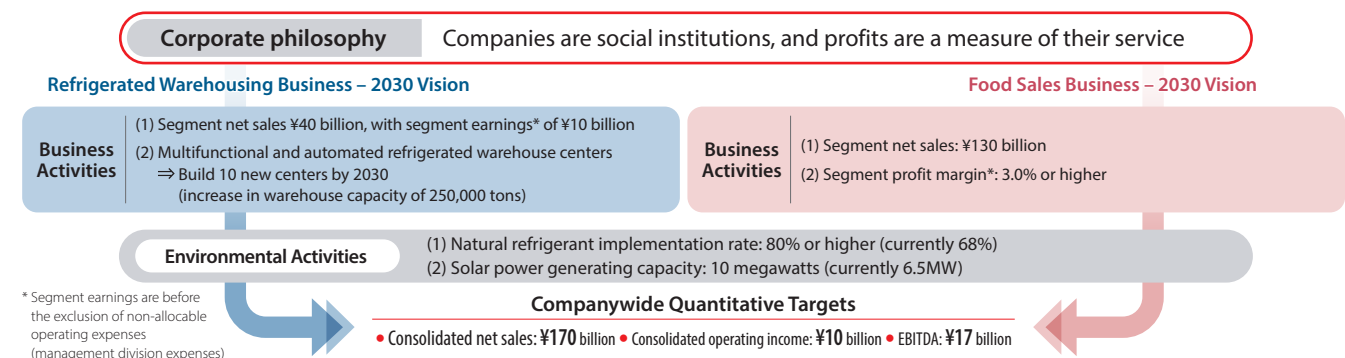
Overview of the Medium-Term Management Plan (Phase I)

Review of the Previous Medium-Term Management Plan

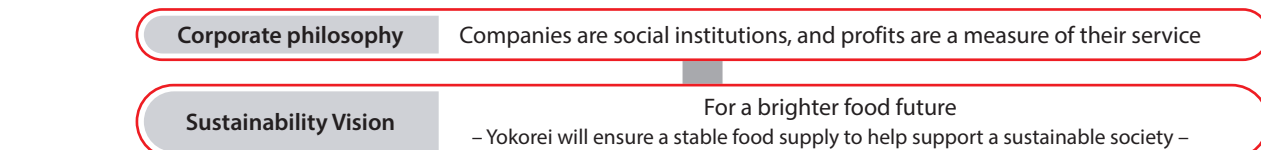
The supply-demand balance for refrigerated warehouses was tight, and the global business environment for food procurement and sales weakened. Yokorei will streamline and restructure the food sales structure to achieve the next stage of growth.

Previous Medium-Term Plan Policy	Results	Challenges
Refrigerated Warehousing Business Actively pursue initiatives to strengthen our capability to meet refrigerated network needs, and enhance efficiency in low-temperature logistics	(1) Network base built to meet diversifying customer needs, and provide optimal logistics services with value-added operations. (2) Introduction of ICT has reduced lost time, and contributed to labor savings (cargo navigation system, truck reservation system, worksite support system, etc.).	(1) Assess changes in customer needs and market trends, and utilize the service characteristics of logistics centers to acquire new customers. (2) Expand use of IT and robotics to contend with labor shortages.
Food Sales Business Establish a vertically integrated business model with consideration for sustainability	(1) Strengthened purchasing power through partnerships with suppliers in Norway, Peru, and Malaysia, as well as eel farms. (2) Expanded domestic production base (Nagasaki Sorting Spot) and boosted cooperation with production areas in Japan.	(1) Change supply destinations and products in response to social changes. (2) Establish a sales model that is not susceptible to external business conditions. (3) Revise sales composition by business type.
Evolution of Business Foundations • Evolution through working-style reforms and inclusion • Strong financial base • Building of strategic ICT	(1) Promotion of flexible working styles increased the proportion of women in executive positions. (2) Capital procured for growth investments. (3) Renovation of core systems and utilization of ICT enhanced work efficiency.	(1) Development of personnel to support globalization. (2) Adapt to utilization of IT and digitization. (3) Design systems to capitalize on diverse working styles.

Yokorei Business Vision 2030 —Quantitative Targets—

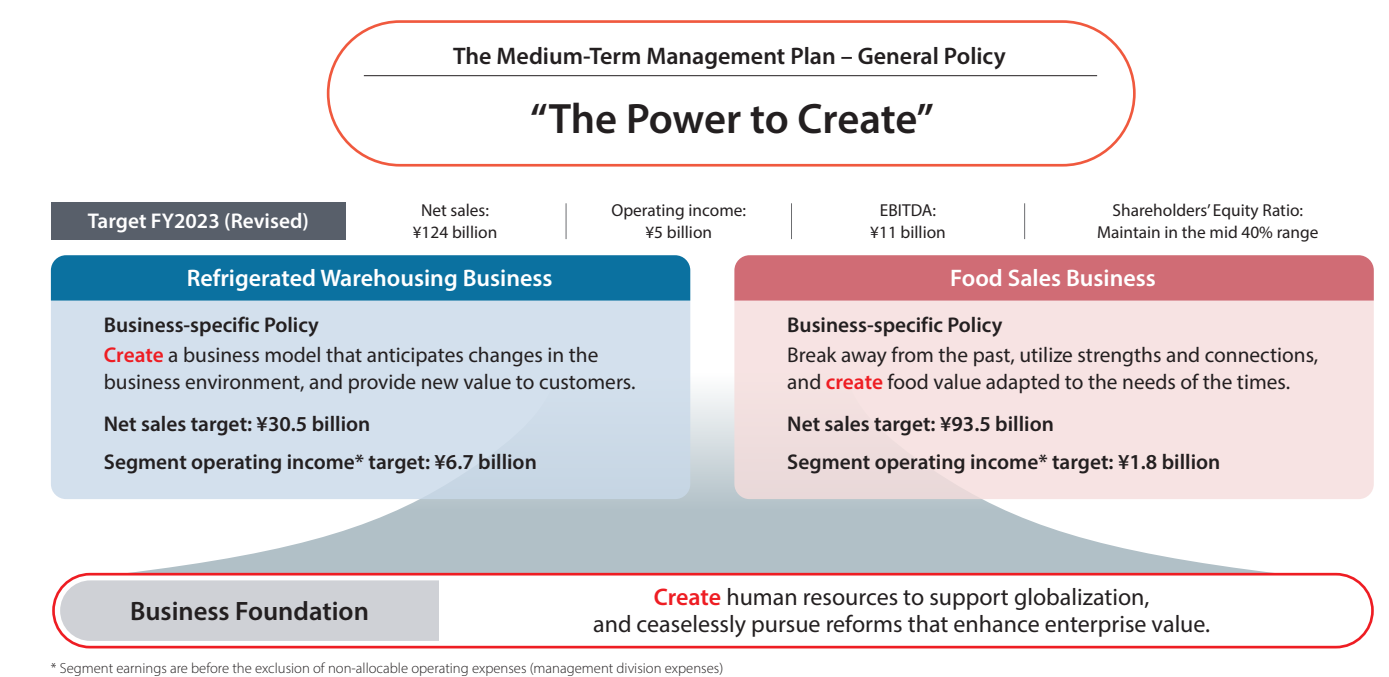


Yokorei Sustainability Vision 2030

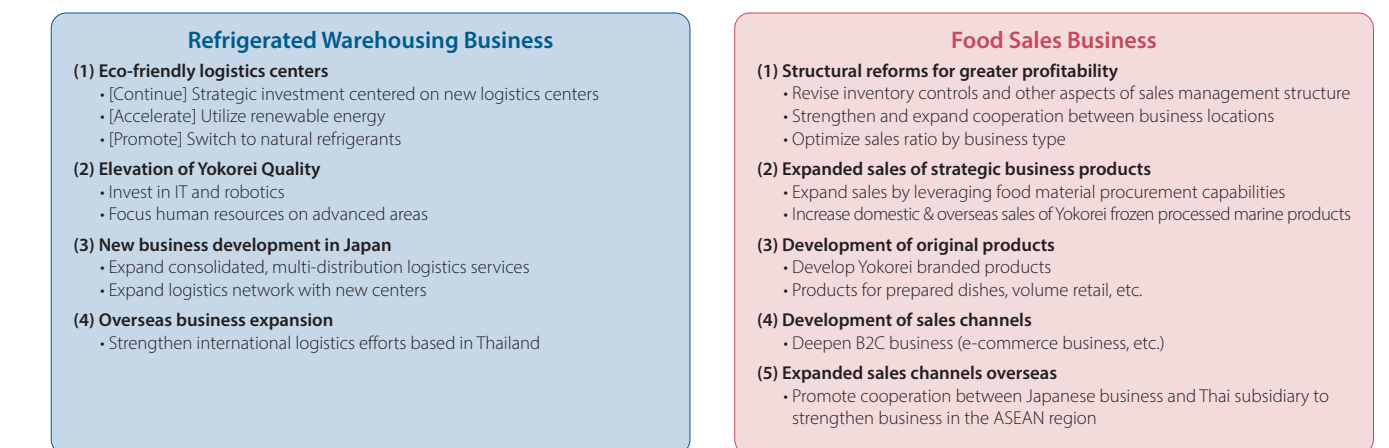


Materiality	Qualitative Aims	Quantitative Targets
Harmony with the Global Environment	<ul style="list-style-type: none"> • Aim for efficient use of energy, with consumption reductions and greater use of renewable energy • Reduce greenhouse gas emissions by transitioning to natural refrigerants • Lessen the environmental load through proper waste disposal, and use of recyclable materials • Strive to conserve marine ecosystems 	<ul style="list-style-type: none"> • Reduce greenhouse gas emissions per storage capacity by 40% compared to 2015 levels • Natural refrigerant implementation rate of 80% or higher
Create a Rewarding Workplace	<ul style="list-style-type: none"> • Strengthen measures to cope with labor shortages • Provide a rewarding work environment • Implement diversity measures, including supporting active roles for women • Continue measures for workplace health and safety 	<ul style="list-style-type: none"> • Proportion of employees who express job satisfaction at 80% or higher • Double the number of female managers compared to fiscal 2020 levels
Provide Better Quality and Service	<ul style="list-style-type: none"> • Strive to ensure a stable food supply • Reduce food waste • Establish systems to provide safe products and services • Total commitment to food safety 	
Develop together with Communities	<ul style="list-style-type: none"> • Promote the revitalization of local industry • Establish a cooperative framework for the entire supply chain with consideration for the environment and society 	
Strengthen the Business Foundation and Ensure Soundness	<ul style="list-style-type: none"> • Establish a BCP structure (to cope with natural disasters, pandemic response, information security, etc.) • Strict adherence to legal compliance • Strengthen SDG-related measures, and proactively provide disclosure • Conduct ongoing measures to enhance corporate governance 	

Overview of the Medium-Term Management Plan – General and Business-specific Policies



Medium-Term Management Plan Priority Measures



The Business Foundation that Supports Yokorei Quality —Three Reform Engines—

Yokorei is pursuing reforms in three areas – consciousness, organization, and systems – as the engines to bolster and enhance its business foundation.

	Example Measures
Consciousness Reform	<ul style="list-style-type: none"> • Promote open communication, and emphasize dialogue • Management mindful of capital efficiency and financial soundness • Foster awareness of sustainability throughout the company, centered on a new promotion organization
Organizational Reform	<ul style="list-style-type: none"> • Promote mutual ties between business segments, and continue measures to break down barriers between divisions • Continue reforms to achieve a consultative-style sales structure • Strict adherence to business portfolio management
System Reform	<ul style="list-style-type: none"> • Reform human resource system to improve productivity and produce solution-oriented personnel • Create structures to develop the next generation of managers and professionals

Financial Strategy

Consolidated Operating Results for FY2022

During the current period (the fiscal year ended September 2022), there was a rapid resurgence of COVID-19 infections, a seventh wave of the pandemic, but government measures to sustain social and economic activity enabled the Japanese economy to continue on a path toward normalization. However, the food industries related to the Yokorei Group's business continue to face a difficult business environment characterized by soaring prices and logistics costs, and increasing consumer cost-consciousness triggered by continued price increases.

In this environment, the Group formulated the Medium-term Management Plan (Phase I) "The Power to Create," the last year of which is 2023. Under the policy of "creating a business model" for the Refrigerated Warehousing Business and "creating new food value" for the Food Sales Business, we worked to implement priority measures to achieve not only business targets but also sustainability targets by the final fiscal year (FY2023).

As a result, our consolidated operating results for the current period were net sales of ¥115,257 million (up 4.0% from the prior year), operating income of ¥4,252 million (up 65.9%), ordinary income of ¥4,999 million (up 81.0%). However, profit attributable to owners of the parent came to ¥3,317 million, 8.0% lower than in the previous fiscal year when profit attributable to owners was boosted by extraordinary income of ¥2,646 million related to the reorganization of the Group's Norwegian trout cultivation business.

From the beginning of the fiscal year ended September 30, 2022 the Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. Owing to the change in the accounting standard, the year-on-year percent change figures are based on differing calculation methods.

Funding

Among the Group's capital needs, working capital needs in business activities are mainly for product purchases, selling, general and administrative expenses, etc. Moreover, equipment capital needs are mainly for the construction and renovation of refrigerated warehouses, and investment capital needs are mainly for investments in overseas businesses.

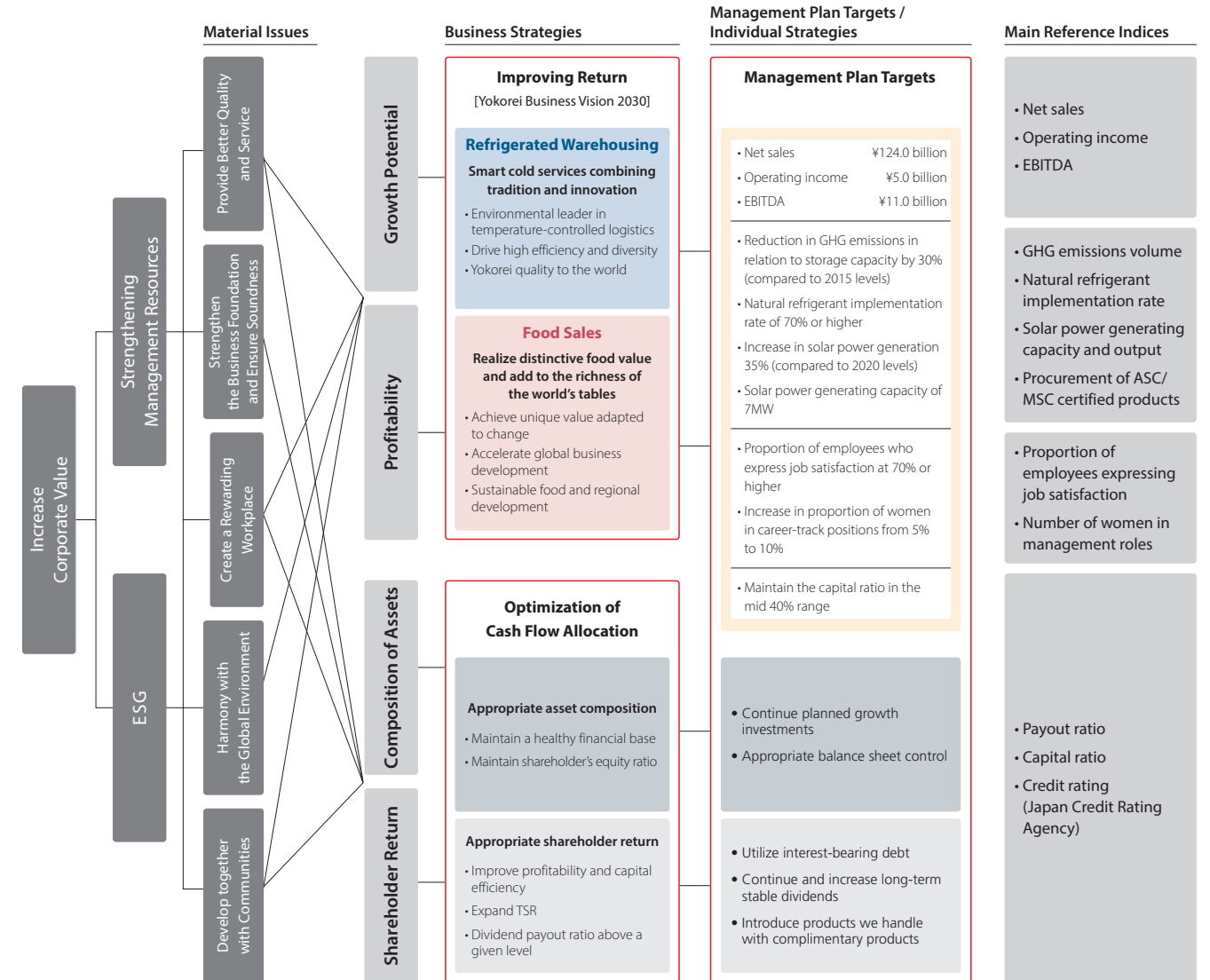
Cash and cash equivalents at the end of the fiscal year amounted to ¥2,413 million. Working capital is mainly covered by operating revenue and short-term loans payable, but in order to supplement liquidity and mobility, the Company has entered into a commitment line agreement totaling ¥12,000 million with its main bank.

Capital and investment funds are financed mainly by internal funds, long-term borrowings, and bonds. As a result of financing for capital expenditures, the balance of long-term debt at the end of the period under review was ¥34,091 million. In addition, on September 27, 2021, we issued 1st Series Deferrable Interest and Callable Unsecured Subordinated Bonds to reinforce our financial base, strengthen and accelerate sustainability management, and diversity fund raising. These were the industry's first Sustainability Bonds for the purpose of refinancing construction funds for selected projects (Fukuoka ISLAND CITY Logistics Center, Nagasaki Sorting Spot, and Kesenuma Sorting Spot II), based on the materiality priorities in the Yokorei Sustainability Vision 2030.

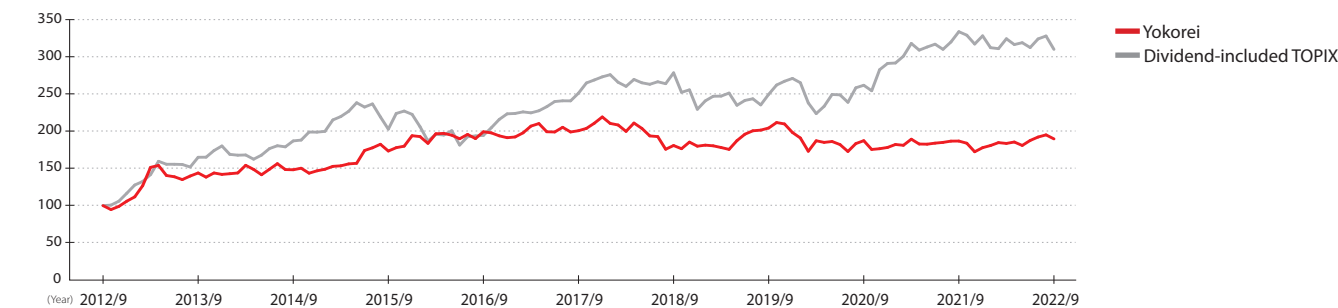
Investment Strategy

We are making planned investments in equipment and IT deemed necessary to increase our corporate value. The major capital expenditures in this fiscal year were for the construction of

Yokorei's Financial Logic Tree



TSR (10 years, including dividend)



TSR (Total Shareholder Return): Factors in capital gains and dividends when measuring the total return generated by a stock. TSR is calculated by Yokorei using cumulative dividends and share price fluctuations whereas TOPIX is calculated using share prices indices including dividends (formulated by the Company based mainly on Japan Exchange Group, Inc. (JPX) data). Graph values are indexed market prices in terms of TSR, with September 30, 2012 closing price data set at 100 (holding period through end-September 2022).

Share Performance (Total Shareholder Return)

Investment period	1 year	3 Years		5 Years		10 Years	
		Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
Yokorei	+1.9%	-8.2%	-2.8%	-6.0%	-1.2%	+89.7%	+6.6%
Dividend-included TOPIX	-7.1%	+24.2%	+7.5%	+23.4%	+4.3%	+210.0%	+12.0%

Chiba Research Park Logistics Center, Eniwa Smart Logistics Center (provisional name), Yumeshima 2nd Logistics Center (provisional name), and Hakozaiki Logistics Center (provisional name). We are also in the process of rebuilding centers and replacing equipment. In our new facilities, we are installing cutting-edge equipment in line with the facilities' needs and implementing initiatives to reduce labor and personnel and to be environmentally friendly by using natural refrigerants in consideration of the environmental impact of HCFC gases, incorporating solar power generation systems, and introducing cargo navigation systems. As a result, the total capital investment for this fiscal year amounted to ¥7,068 million.

Shareholder Return Policy

In recognition that the shareholder return is a key management issue, our basic policy is to maintain a stable dividend. Based on this policy, we declared a dividend of ¥23 per share (including an

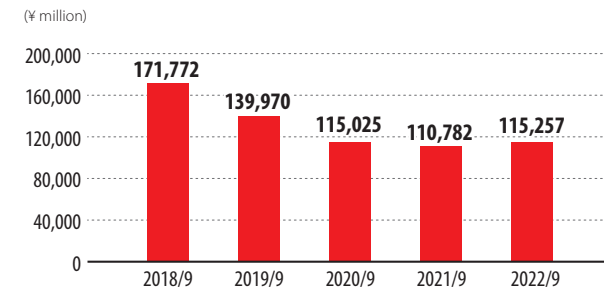
interim dividend of ¥11.5 per share) for the fiscal year ended September 30, 2022. On May 13, 2023, a commemorative dividend of ¥1 per share will be gifted as a year-end dividend for the fiscal year ending September 30, 2023 to celebrate the 75th anniversary of Yokorei's founding. As a result, the year-end dividend for the fiscal year ending September 30, 2023 is expected to be ¥12.50, consisting of an ordinary dividend of ¥11.50 and a commemorative dividend of ¥1.00. We also recognize that share buybacks are an option as a method of flexible capital policy.

Our Total Shareholder Return (TSR) including dividends for the past 10 years is shown on the graph. Although our TSR has remained below TOPIX performance, we will implement growth strategies and appropriate financial and capital policies so that we can expand our TSR by paying stable and continuous dividends and increasing corporate value.

Financial and Non-Financial Highlights

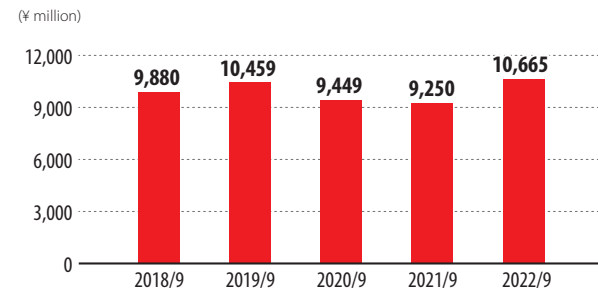
Financial Highlights

Net Sales



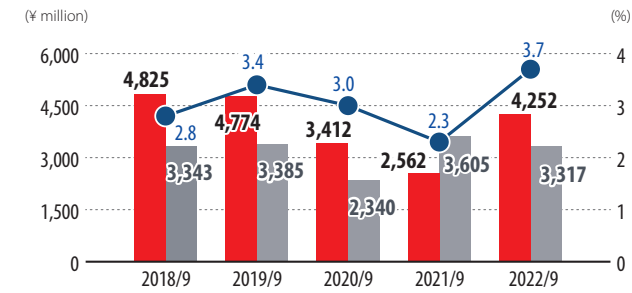
Net sales totaled ¥115,257 million, an increase of 4.0% from the previous fiscal year. During the COVID-19 pandemic, sales increased in both the Refrigerated Warehousing Business and Food Sales Business.

EBITDA



Earnings before interest, taxes, and depreciation (EBITDA) were ¥10,665 million, an increase of 15.3% from the previous fiscal year, as operating income increased while depreciation decreased.

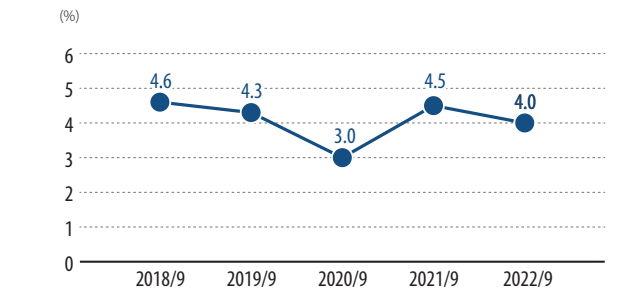
Operating Income / Net Income* / Operating Income Ratio



* Profit attributable to owners of parent

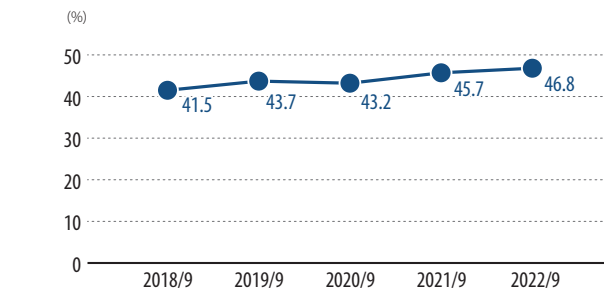
As net sales increased, operating income rose to ¥4,252 million, an increase of 65.9% year over year, but net income fell to ¥3,317 million, a decrease of 8.0% year over year, because the previous year was affected by posting ¥2,646 million in extraordinary profit from the sale of shares in subsidiaries accompanying the restructuring of the Norwegian fish farming business.

Return on Equity (ROE)



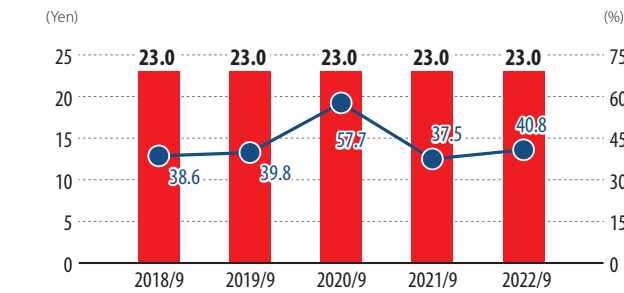
ROE was 4.0%, a decrease of 0.5 percentage points year over year, because of a decrease in net income.

Shareholders' Equity Ratio



Shareholders' equity ratio was 46.8%, an increase of 1.1 percentage points year over year.

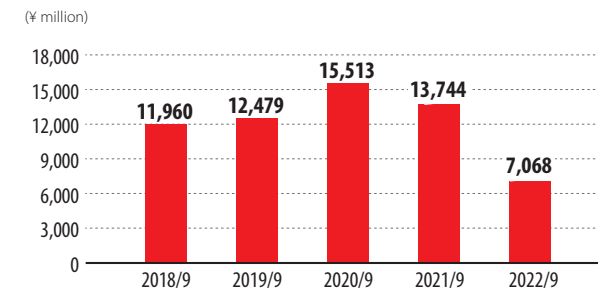
Dividends per Share / Payout Ratio



■ Dividends per share (left) ● Payout ratio

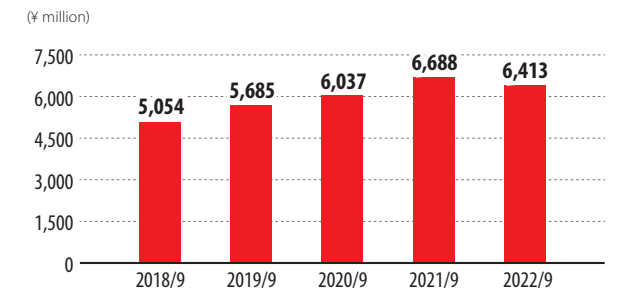
Net income per share for the fiscal year ended September 30, 2022, was ¥56.34, a decrease of ¥4.96 from the previous fiscal year, and the annual dividend was ¥23, for a dividend payout ratio of 40.8%. The Company's policy is to maintain a stable, long-term dividend, paying dividends twice a year, at mid-year and at year-end.

Capital Expenditures



Capital expenditures were ¥7,068 million, a decrease of 48.6% year over year. The major capital expenditures in the fiscal year ended September 30, 2022, were related to construction of the Chiba Research Park Logistics Center, Eniwa Smart Logistics Center (provisional name), and Yumeshima 2nd Logistics Center (provisional name).

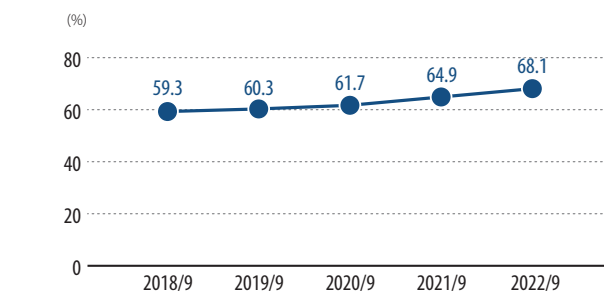
Depreciation



Depreciation was ¥6,413 million, a decrease of 4.1% year over year, due to the opening of new business locations.

Non-Financial Highlights

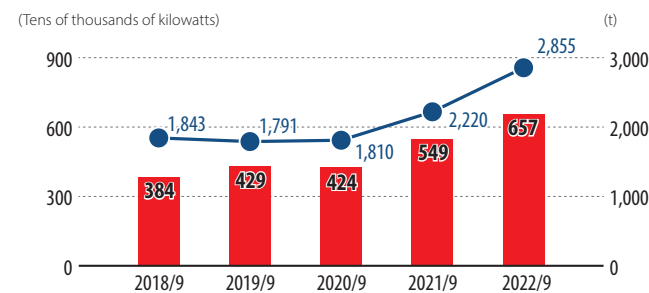
Natural Refrigerant Usage Rate



In the fiscal year ended September 30, 2022, the Company's natural refrigerant usage rate was about 68%, much higher than the industry average, which is around 50%.

* Effective from the fiscal year ended September 30, 2021, the non-consolidated subsidiary PAX FREEZER Co., Ltd. is excluded from the scope of calculation.

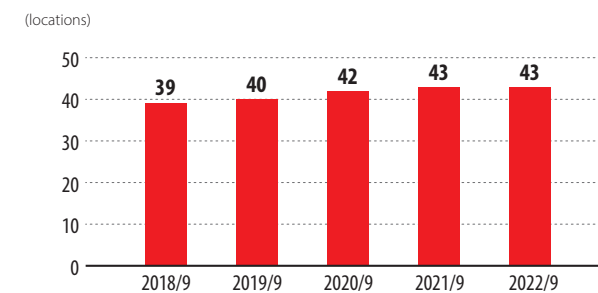
Solar-cell Power Generation and Reduction of CO₂ Emissions



■ Solar Power Generation (left) ● Reduction of CO₂ Emissions

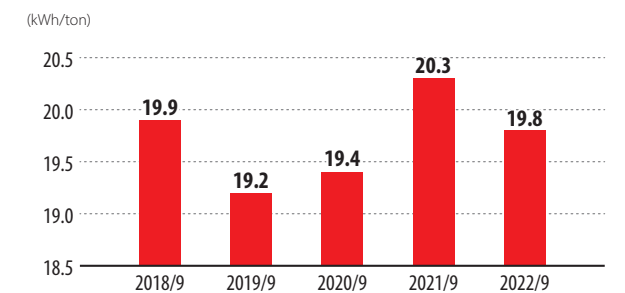
At present, 17 of our domestic logistics centers and 2 overseas logistics centers are operating with solar-cell power generation systems. For the fiscal year ended September 30, 2022, their annual power generation totaled 6.57 million kWh, which corresponds to a reduction of 2,855 tons in CO₂ emissions.

Number of Sites with Green Management Certification



All our facilities, except new ones, have received Green Management Certification as business facilities that are implementing best environmental practices of a certain level or higher.

Per Unit Electricity Consumption



The Company has set the goal of reducing per unit electricity consumption 1% year over year by increasing energy efficiency. During the fiscal year ended September 30, 2022, the volume of cargo handled increased due to a recovery in cargo movement. However, due to energy saving efforts, per unit electricity consumption decreased 2.1% year over year to 19.8 kWh/ton.

Per unit electricity consumption: An indicator showing how much electricity is used to handle one ton of cargo. The lower the value, the greater the energy efficiency.
Per unit energy consumption for one year = Electricity used over the year ÷ Cargo handled over the year

* The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the current fiscal year, and the figures for the fiscal year ended September 30, 2022, are after the application of the said accounting standards and others.

Business Activities

Refrigerated Warehousing Business

Business Vision 2030

We promise to provide smart cold services combining tradition and innovation.

Three Principles:

- Utilize position as environmental leader to further strengthen the temperature-controlled logistics business.
- Drive high efficiency and diversity at multifunctional logistics centers.
- Extend to the world the Yokorei Quality consistently chosen by stakeholders.

Business Strengths and Results

Providing high quality services

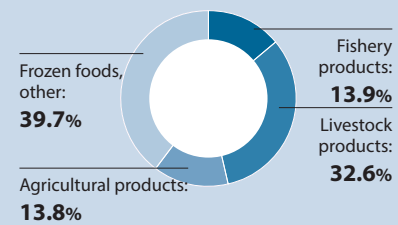


- Allows for long-term, high-quality storage by natural convection cooling method (Helps prevent drying, freezer burn, and color fade-out)

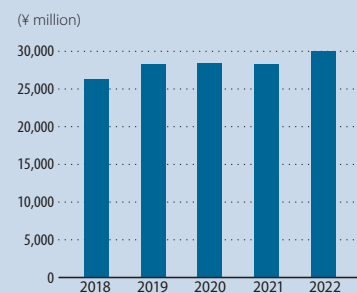


- Accumulated product knowledge and expertise
- Highly skilled
- Efficient operations generate earnings

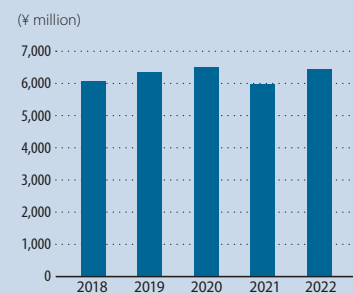
Composition of warehousing volume by product



Net sales



Operating income



Business Strengths

Yokorei is an industry leader with more than one million tonnes of refrigerated warehouse capacity, including overseas locations. Its strengths include storage systems utilizing advanced technologies such as cooling through natural convection, and logistics services.

Yokorei has three types of refrigerated warehouses (dockside warehouses, logistics centers, and production area warehouses) to handle a wide range of food storage and logistics needs. In recent years, Yokorei has begun operating state-of-the-art facilities such as the Tokyo Haneda Logistics Center, which combines the benefits of a dockside warehouse and logistics center. Another major feature that differentiates Yokorei from its competitors is

that all stowage operations in refrigerated warehouses are performed mainly by Yokorei employees. Further, Yokorei is utilizing IT to achieve automation and labor savings, aiming to establish a highly productive and profitable business.

Consolidated Operating Results for FY2022

The Refrigerated Warehousing Business segment achieved revenue and earnings gains in FY9/22.

The movement of goods recovered, with inflows, outflows, and inventory volumes all exceeding the levels of the previous fiscal year despite the continued impact from the COVID-19 pandemic. In particular, the “consolidated multi-distribution logistics service” to support eco-friendly management, contributed to continued

growth of handling volume for frozen foods, one of the priority measures in the medium-term management plan.

In addition, an upturn of in-port movement of goods following the alleviation of delays in receiving cargo caused by the shortage of marine containers led to recovery in handling volumes, which had been sluggish in the previous fiscal year, making a significant contribution to earnings.

Yokorei’s consolidated subsidiary in Thailand, Thai Yokorei Co.,

Ltd., also posted gains in revenue and earnings as inbound and outbound cargo volumes exceeded that of the previous fiscal year, along with an increase in handling of mainstay items such as livestock products.

As a result, net sales in the Refrigerated Warehousing Business segment amounted to ¥30,045 million (up 6.2% year on year), with operating income of ¥6,447 million (up 7.9%).

Progress of Measures in the Medium-Term Management Plan

Measure	FY9/22 Activities	FY9/23 Outlook
Eco-friendly logistics centers (Expand)	<ul style="list-style-type: none"> • Daikoku Logistics Center: Converted facilities to natural refrigerants (Natural refrigerant implementation rate increased 3.2 percentage points to 68.1%) • Hokkaido Region: Switched to 100% renewable energy in real terms 	<ul style="list-style-type: none"> • Completion of Chiba Research Park Logistics Center - Forecast to meet management plan target of 7.3MW solar power generating capacity - Natural refrigerant implementation rate expected to increase 0.9ppt to 69.0%
Yokorei Quality (Deepen)	<ul style="list-style-type: none"> • Implementation of automation - Truck reservation system: Introduced at 10 locations - Cargo navigation system: Introduced at 9 locations, start of in-house production - Robotic arms: Test operation conducted at one location - Automation of administrative tasks with RPA: Implemented at 24 locations • Strengthened internal training 	<ul style="list-style-type: none"> • Further progress of automation - Truck reservation system: Introduction planned at 5 locations - Cargo navigation system and electric movable racks: Introduction planned at 2 locations - Robotic arms: Introduction planned at 2 locations - Expanded utilization of RPA
New business development in Japan (Extend)	<ul style="list-style-type: none"> • Shared issues raised through the Refrigeration Innovation Summit, and measures launched by regional block to provide solutions • Major contract acquired for the Consolidated Multi-distribution Logistics Service 	<ul style="list-style-type: none"> • Accelerate provision of the Consolidated Multi-distribution Logistics Service • Introduce electric movable racks and palletized operations as response to the changes in the logistics industry coming in 2024. • Propose labor-saving services utilizing RPA and other means as measure to cope with labor shortages.
Overseas business expansion (Connect)	<ul style="list-style-type: none"> • Preparations and surveys conducted for new refrigerated warehouses in the ASEAN region • In collaboration with overseas subsidiary Best Cold Chain Co., Ltd., established a cooperative framework for delivery operations at Yokorei (THAILAND) Co., Ltd. 	<ul style="list-style-type: none"> • Expand refrigerated warehouse business in the ASEAN region

New Eco-Friendly Logistics Centers in Prime Locations

Yokorei, based on the principle of “Harmony with the Global Environment,” one of the materiality items in the Yokorei Sustainability Vision 2030, is building new, environmentally friendly, state-of-the-art next generation refrigerated warehouses.

Chiba Research Park Logistics Center Completed

The Chiba Research Park Logistics Center (Chiba-shi, Chiba Prefecture) was completed in March 2023. The addition of this logistics center in the eastern Kanto region will provide a wide-area logistics network extending from the Tokyo metropolitan area to northern Kanto. The center will have one of the largest solar power generation systems among Yokorei’s facilities, along with a large-capacity lithium-ion battery, making it the first Yokorei refrigerated warehouse cooled using batteries.



The Chiba Research Park Logistics Center

Construction Started on Eniwa Smart Logistics Center (provisional name)

Construction of the Eniwa Smart Logistics Center (Eniwa-shi, Hokkaido) began in October 2021. Because the area offers extremely good access to major sea and air routes through Tomakomai Port and New Chitose Airport, many food manufacturers have production plants in the vicinity, making it a hub for foods and food material produced in Hokkaido. The new logistics center incorporates global warming mitigation measures including a solar power system, the first for a Yokorei facility in Hokkaido, as well as a system for C-class (air conditioned) temperature control utilizing outside air during the winter. Completion is scheduled for the end of January 2024.



Conceptual drawing of the Eniwa Smart Logistics Center (provisional name)

Construction Started on Yumeshima 2nd Logistics Center (provisional name)

Construction of the Yumeshima 2nd Logistics Center began in July 2022 in the Yumeshima District of Konohana-ku (Osaka-shi), the center of the Osaka Bay area and planned site of the 2025 World Expo. The new facility is being built adjacent to the existing Yumeshima Logistics Center, and will strengthen the logistics network to meet growing demand in the Hanshin region. Completion is scheduled for the end of January 2024.



Conceptual drawing with the existing Yumeshima Logistics Center (left) and the Yumeshima 2nd Logistics Center (provisional name) (right)

Food Sales Business

Business Vision 2030

We will realize distinctive food value together with customers, preserve our close relationship with producers, and add to the richness of the world's tables.

Three Principles:

- Break away from the past, change with the times, and achieve unique value together with customers.
- Utilize every resource to accelerate global business development.
- Expand business on strength of practical experience with sustainable food and regional development.

Business Strengths and Results

Procuring High Quality Foods from Producing Areas in Japan and Overseas

Seamless Process from Procurement to Worldwide Sales

Yokorei is the only listed company with marine product buying rights in 11 major fishing ports in Japan. This has allowed Yokorei to establish a seamless, end-to-end framework from buying in markets to freezing, storage, and sale in Japan and overseas.

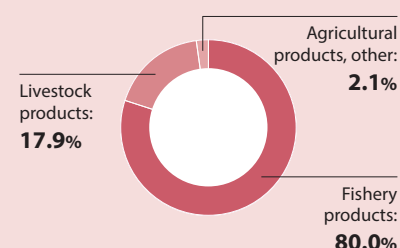


Hofseth Aqua AS's salmon and trout aquaculture farm

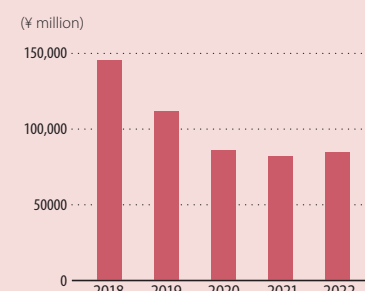
Strengthening the Overseas Business Strategy

Yokorei is utilizing its established strength in handling marine products to enhance its overseas business strategy. Along with facilities in Thailand that form the hub for business in the ASEAN region, Yokorei operates a salmon aquaculture business in Norway in partnership with Hofseth Aqua AS.

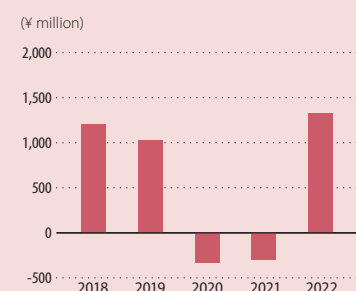
Composition of sales by product



Net sales



Operating income



Business Strengths

The strength of Yokorei's Food Sales Business is its business offices in production and consumption areas, along with its ability to procure high-quality foods from production areas in Japan and overseas. In Japan, Yokorei has marine product buying rights in major fishing ports in Tohoku and Kyushu, where employees participate in auctions and buy fish.

Further, Yokorei has established a seamless in-house structure for the entire process from procurement to sales, freezing the fish it has purchased at company sorting spots, storing it in refrigerated warehouses, and selling it in Japan and overseas. One focus area for overseas operations is the salmon aquaculture business in Norway. Yokorei's partner company Hofseth uniformly manages the entire process, from hatching of salmon eggs to

raising fish, processing, and shipping, ensuring strict quality control to deliver high quality products to end users.

Consolidated Operating Results for FY2022

The Food Sales Business segment posted revenue and earnings gains overall in FY9/22.

In the marine products category, Yokorei strengthened collaborations among production area sales offices and with overseas partners in line with the measures in the medium-term management plan. In particular, expanded trade with Hofseth for Norwegian salmon led to higher sales to Japanese mass retailers and restaurants. Domestic and overseas sales of fish roe, Peruvian squid, and other marine products also contributed significantly to earnings. At the same time, falling market prices for crab caused

by the situation in Ukraine, and an increase in demurrage costs owing to lockdowns in China, put downward pressure on earnings. However, the marine products category as a whole managed to achieve revenue and earnings growth.

In the livestock products category, Yokorei implemented reforms to shift from quantity to quality in accordance with the medium-term management plan. Sales of chicken products increased to restaurants, the home meal replacement market, mass retailers, and pet food makers, while trading volume for pork to restaurants declined as a consequence of the impact from measures to prevent

the spread of COVID-19 infections. As a result, while sales of livestock products declined, earnings increased.

In the agricultural products category, sales of the mainstay item, potatoes, were on a par with the previous fiscal year, but an increase in trade volume for cabbage contributed to earnings, resulting in gains in revenue and profit for the category overall.

As a result, net sales in the Food Sales Business amounted to ¥85,157 million (up 3.3% year on year), with operating income of ¥1,324 million (compared to an operating loss of ¥302 million in the previous fiscal year).

Progress of Measures in the Medium-Term Management Plan

Measure	FY9/22 Activities	FY9/23 Outlook
Structural reforms for greater profitability	<ul style="list-style-type: none"> • Implemented inventory controls and other measures for the sales management structure • Strengthened and expanded internal coordination among business offices • Shifted focus in the livestock products category from quantity to quality 	<ul style="list-style-type: none"> • Establish a sales structure with greater coordination between sales offices in production and consumption areas • Strengthen collaboration with overseas partners • Diversify sales channels and optimize balance (food material, restaurants, HMR, mass retailers)
Expanded sales of strategic business products*	<ul style="list-style-type: none"> • Expanded sales of Yokorei brand Trim C salmon and smoked salmon • Increased eel production with expanded capacity for company-owned culture farms in Japan • Developed nationwide mass retailers as a new sales channel for Norwegian salmon and Peruvian squid 	<ul style="list-style-type: none"> • Expand sales of Yokorei brand products such as Norwegian salmon and eel (open new sales channels to mass retailers and restaurants, and cultivate business with existing customers) • Sales in Japan of Peruvian squid processed as food material
Development of original products	<ul style="list-style-type: none"> • Launched Yokorei brand smoked salmon and dressed salmon • Expanded sales of Yokorei brand eel farmed at company-owned culture farms in Miyazaki Prefecture • Commercialized saury and mackerel products bought and frozen by Yokorei 	<ul style="list-style-type: none"> • Continue to expand sales of Yokorei brand products at mass retailers • Develop products with a story characteristic by utilizing marine products buying rights to directly purchase food material, and collaborations with overseas partners
Development of sales channels	<ul style="list-style-type: none"> • Opened sales channels with nationwide mass retailers, and steadily gained new customers • Established platform and other foundations to support start of e-commerce business and sales to ordinary consumers • Operations begun at the Hirado Ice Factory; Marine product buying rights acquired at Hirado fish market • Participation in the aquaculture industry establishment project in Ibaraki Prefecture; Activities begun to verify the commercialization of mackerel cultivation 	<ul style="list-style-type: none"> • Continue developing business with mass retailers and cultivating trade with existing customers • Complete final verifications to launch e-commerce business to ordinary customers • Begin sales of ice from the Hirado Ice Factory for fresh fish
Expanded sales channels overseas	<ul style="list-style-type: none"> • Strengthened exports of scallops to China • Expanded trade volume for Peruvian squid • Bolstering of exports increased sales volume (up 18% YoY) 	<ul style="list-style-type: none"> • Strengthen sales within Thailand • Expand sales in the ASEAN region of marine products directly purchased and frozen by Yokorei, as well as Norwegian salmon and Peruvian squid

* Salmon, shrimp, frozen processed marine products, farm-raised eel, etc.

Initiatives to Expand Sales Channels

Yokorei is increasing business with mass retailers mainly for Norwegian salmon, while also working to diversify sales channels, including partnership agreements with local governments, and making preparations for a full-fledged e-commerce business.

Partnership Agreement Concluded with Ibaraki Prefecture for Aquaculture Industry Establishment Project

In April 2022, Yokorei concluded a partnership agreement with Ibaraki Prefecture, which boasts the second highest marine products landing volume in Japan, to establish an aquaculture industry. As a means of securing new procurement routes for marine resources and part of its regional contribution program, Yokorei will verify the potential for commercialization of mackerel cultivation in Ibaraki Prefecture.



Ibaraki Governor Kazuhiko Oigawa (left) and Yokorei Chairman Toshio Yoshikawa (right)

Participation in Cookpad Exhibition and Sales Event

In June 2022, Yokorei participated in an exhibition and sales event sponsored by Cookpad Inc., held at the SOGO Yokohama department store. Yokorei presented and sold its smoked salmon, as well as sliced salmon and other products. The event was popular, and led to the start of sales of smoked salmon through the Cookpad Mart e-commerce platform for fresh foods.



Yokorei brand package smoked salmon

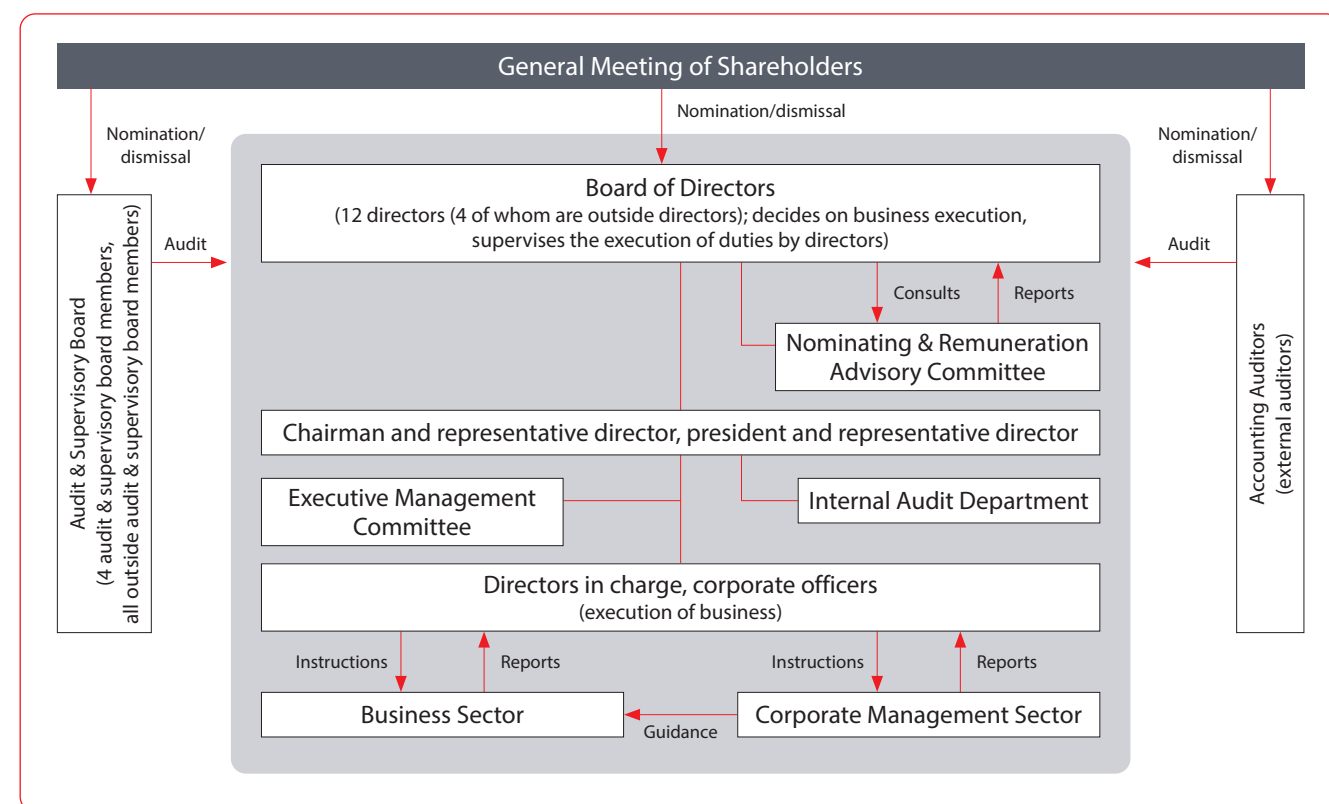


Corporate Governance

Basic Policy for Corporate Governance

Yokorei aims to respond to the trust placed in us by a wide range of stakeholders and to realize sustainable growth and raise medium- to long-term corporate value. We also aim to practice transparent and fair management and we are always working to improve corporate governance by making decision making swifter and strengthening oversight functions. In addition, under the Companies Act, we have adopted the institutional format of a company with an audit & supervisory board.

Corporate Governance Structure



Directors	
Maximum Number of Directors Stipulated in Articles of Incorporation	15 members
Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	President
Number of Directors	12 members
Number of Outside Directors	4 members
Number of Independent Directors	4 members

Number of Outside Directors	
Number of Outside Directors	4 members
Number of Outside Audit & Supervisory Board Members	4 members

Four of the Yokorei Group's 12 directors are outside directors, and all 4 audit & supervisory board members are outside audit & supervisory board members. We are practicing sound management by incorporating outside perspectives.

Analysis and Evaluation of the Effectiveness of the Board of Directors

In order to further improve the function of the Board of Directors, the Company conducts an annual survey of all directors, and the Board of Directors discusses issues identified from the results of the survey to analyze and evaluate its own effectiveness. This fiscal year's survey was conducted in August 2022. As a result, we assessed that the Company's Board of Directors is operating appropriately overall, and that the Board's effectiveness is ensured. We will continue to evaluate the Board of Directors on an ongoing basis to ensure a higher level of effectiveness, as well as to promote early distribution of materials and more active discussions from broad points of view.

Independence Standards and Qualifications for Independent Outside Directors

Based on the Tokyo Stock Exchange's criteria for independence, we have stipulated Standards for Outside Director Independence and we select candidates who meet these standards.

Matters Related to Independent Officers

Mototsugu Sakai was appointed at the 72nd (FY2019) General Shareholders Meeting, Yosuke Horiai was appointed at the 73rd (FY2020) General Shareholders Meeting, while Mitsuhiro Honda and Yoriko Sakamoto were appointed at the 74th (FY2021) General Shareholders Meeting. All four individuals are independent officers in their capacities as outside directors.

Independent officers Keizou Inoue, Eizo Tanahashi, and Hisao Munakata were appointed outside audit & supervisory board members at the 73rd (FY2020) General Shareholders Meeting.

Name	Reason for selection	Name	Reason for selection
Mototsugu Sakai	Mr. Sakai has a wealth of experience and extensive insights obtained by holding key positions in the National Federation of Agricultural Cooperative Associations, and he provides useful opinions and advice on management in general to the Board of Directors, etc.	Keizou Inoue	From his experience with corporate management and auditing, we deem Mr. Inoue capable of fulfilling supervisory functions with regard to business execution.
Yosuke Horiai	From his abundant experience as a certified public accountant and his considerable knowledge of corporate finance, we deem that Mr. Horiai will provide the Board of Directors with valuable opinions and advice on all aspects of business management.	Eizo Tanahashi	We deem Mr. Tanahashi capable of utilizing his specialized knowledge and experience as an attorney to support our auditing systems.
Mitsuhiro Honda	Mr. Honda has held various important taxation-related positions at the National Tax Agency and is currently active in various capacities, including as a professor at the University of Tsukuba Graduate School. Because of his abundant experience, we deem that Mr. Honda will provide the Board of Directors with valuable opinions and advice on all aspects of business management.	Hisao Munakata	Mr. Munakata has had a career in key positions at the Defense Agency (now the Ministry of Defense), including Vice Chief of Staff and Inspector General of the North Eastern Army in the Ground Self-Defense Force. We deem him capable of utilizing his wealth of experience and insights of crisis management to support our auditing systems.
Yoriko Sakamoto	Because of her abundant experience as an educator and extensive knowledge and experience as an attorney, we deem that Ms. Sakamoto will provide the Board of Directors with valuable opinions and advice on all aspects of business management from various perspectives.		

Succession Planning

We recognize that it is a top priority to foster a management team able to steadfastly achieve our business strategies based on our business principles and with a focus on future developments. As such, we plan to carry out discussions on our Nominating and Remuneration Advisory Committee (with more than one half of its members being independent outside directors) and we will deepen debate regarding policies for fostering management and formulating a succession plan.

Nominating and Remuneration Advisory Committee

To strengthen the Board of Directors' audit function and accountability and expand its scope of review, on October 25, 2019, we established a Nominating and Remuneration Advisory Committee as an advisory body to the Board, and a majority of the committee's members are independent outside directors. This advisory committee will report to the Board on matters concerning the appointment and resignation of directors and audit & supervisory board members, and on the content of discussions regarding remuneration and related issues, and it will ensure the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors and audit & supervisory board members.

Matters Related to Director Compensation

Directors' remuneration is determined by the Board of Directors, limited to the scope passed by resolution at the General Shareholders Meeting, and based on the results of discussions and deliberations by the Nominating and Remuneration Advisory Committee (which has independent outside directors comprising a majority of its members). Director compensation is comprised of base compensation that is a fixed amount, performance-based compensation that reflects business results for one fiscal year, and restricted stock compensation that reflects medium- to long-term business results. The rough ratio of base compensation and performance-based compensation, which are monetary compensation, and restricted stock compensation, which is non-monetary compensation, is 6:2:2 if performance targets are met. Outside director and audit & supervisory board member compensation are only comprised of base compensation of a fixed amount.

For details on our corporate governance, please see our Corporate Governance Report. <https://www.yokorei.co.jp/en/csr/governance/corpgovernance/pdf/governance.pdf>

▶ **Directors, Audit & Supervisory Board Members, Corporate Officers** (as of Dec. 22, 2022)

I Directors

Chairman and Representative Director

Toshio Yoshikawa

Number of the Company's shares held: 160 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Apr. 1968 Joined the Company
- Sept. 1992 Sapporo Sales Office General Manager at the Company
- Dec. 1992 Sapporo Sales Office General Manager and Director at the Company
- Dec. 1996 General Affairs Dept. General Manager and Managing Director at the Company
- Dec. 2003 President and Representative Director, CEO at the Company
- Dec. 2015 Chairman and Representative Director at the Company (current)

President and Representative Director, CEO

Hiroyuki Matsubara

Number of the Company's shares held: 66 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Apr. 1979 Joined the Company
- Dec. 2003 Ishikari Logistics Center General Manager at the Company
- Dec. 2011 General Affairs Dept. General Manager and Corporate Officer at the Company
- Dec. 2013 Chief of Corporate Management Sector and Director in charge of internal affairs, compliance, and affiliate management at the Company
- Feb. 2016 General Manager of Kanto Block, Satte Logistics Center Launch Preparation Committee Chair, and Director at the Company
- Dec. 2017 Deputy Chief of Corporate Management Sector, Public Relations and IR Dept. General Manager, and Director in charge of affiliate management at the Company
- Sept. 2018 Chief of Corporate Management Sector and Director in charge of affiliate management at the Company
- Apr. 2019 Chief of Cold Logistics Business Sector, Cold Logistics Sales Dept. General Manager, and Director at the Company
- Dec. 2019 Chief of Corporate Management Sector, Medium-Term Management Plan Promotion Committee Chair, and President and Representative Director, CEO at the Company
- Oct. 2021 President and Representative Director, CEO at the Company (current)

Executive Vice President and Director

Yuji Inoue

Number of the Company's shares held: 58 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Apr. 1978 Joined the Company
- Dec. 2003 Tokyo Plant General Manager and Corporate Officer at the Company
- Apr. 2012 Chief of Cold Logistics Business Sector, General Manager of Kanto Block, and Director in charge of subsidiaries' cold logistics businesses at the Company
- Dec. 2015 Chief of Cold Logistics Business Sector and Managing Director in charge of cold logistics business at the Company
- Dec. 2017 Chief of Corporate Management Sector, Chief of Cold Logistics Business Sector, Cold Logistics Sales Dept. General Manager, and Managing Director at the Company
- Apr. 2019 Managing Director in charge of all sectors at the Company
- Dec. 2019 Executive Vice President and Director in charge of business sectors, Public Relations and IR Dept., and SDGs promotion at the Company
- Oct. 2021 Executive Vice President and Director in charge of business sectors, Public Relations and IR Dept., SDGs promotion, and Medium-Term Management Plan Promotion Committee Chair at the Company (current)

Managing Director

Koji Ochi

Number of the Company's shares held: 33 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Apr. 1984 Joined the Company
- Dec. 2009 Corporate Officer at the Company, seconded to Alliance Seafoods Inc., and Managing Director at Alliance Seafoods Inc.
- Dec. 2011 Director at the Company, seconded to Alliance Foods Inc., and Executive Vice President and Director at Alliance Foods Inc.
- Oct. 2016 General Manager of Keihin Block and Director at the Company
- Apr. 2017 Deputy Chief of Corporate Management Sector, General Affairs and Human Resources Dept. General Manager, and Director in charge of internal controls, compliance, and affiliate management at the Company
- Apr. 2019 Chief of Corporate Management Sector and Director in charge of affiliate management at the Company
- Dec. 2019 Chief of Food Sales Business Sector, and Director at the Company
- Dec. 2021 Chief of Food Sales Business Sector, General Manager of Domestic Production Area Sales Group, and Managing Director at the Company
- Jan. 2022 Chief of Food Sales Business Sector, and Managing Director at the Company (current)

Director

Naotaka Yoshikawa

Number of the Company's shares held: 18 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Jul. 1998 Joined the Company
- Apr. 2011 Yokohama Logistics Center General Manager at the Company
- Dec. 2017 General Manager of General Affairs and Human Resources Dept. and Corporate Officer at the Company
- Dec. 2019 General Manager of General Affairs and Human Resources Dept., Investment and Loan Dept. General Manager, Domestic Investment and Loan Management Office General Manager, and Director at the Company
- May 2020 Investment and Loan Dept. General Manager, Overseas Business Dept. General Manager, and Director at the Company
- Oct. 2021 Deputy Chief of Food Sales Business Sector, General Manager of Business Planning Dept., General Manager of Consumption Area Sales Group, and General Manager of Consumption Area Sales Business Dept., and Director at the Company
- Apr. 2022 General Manager of Business Planning Dept.; Deputy Chief of Food Sales Business Sector; General Manager of Consumption Area Sales Group, and General Manager of Consumption Area Sales Business Dept. and Director at the Company (current)

Director

Mikio Hanazawa

Number of the Company's shares held: 39 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Apr. 1983 Joined the Company
- Oct. 2007 Koyasu Logistics Center General Manager at the Company
- Dec. 2013 General Manager of Chukyo and Tokai Block, Komaki Logistics Center General Manager, and Corporate Officer at the Company
- Dec. 2015 General Manager of General Affairs and Human Resources Dept. and Director at the Company
- Feb. 2016 Chief of Corporate Management Sector, General Manager of General Affairs and Human Resources Dept., and Director in charge of internal controls, compliance, and affiliate management at the Company
- Apr. 2017 Chief of Cold Logistics Business Sector, General Manager of Keihin Block, and Director at the Company
- Sept. 2018 General Manager of Meat Business Group, and Director at the Company
- Oct. 2021 Responsible for Internal Control, Compliance; General Manager of Risk Management Dept., and Director at the Company
- Apr. 2022 Director; Responsible for Internal Audit Dept., at the Company (current)

Director

Kenji Furuse

Number of the Company's shares held: 22 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Apr. 1986 Joined the Company
- Oct. 2001 Sasebo Sales Office General Manager at the Company
- Jul. 2015 General Manager of Kyushu Group, and Kyushu Sales Dept. General Manager at the Company
- Dec. 2015 General Manager of Kyushu Group and Corporate Officer at the Company
- Sept. 2018 Internal Audit Office General Manager and Corporate Officer
- Dec. 2019 General Manager of Domestic Production Area Sales Group, and Director at the Company
- Oct. 2021 Chief of Corporate Management Sector, AEO Management Dept. General Manager, and Director at the Company
- Dec. 2022 Medium-Term Management Plan Promotion Committee Chair, Chief of Corporate Management Sector, and Director in charge of climate affairs at the Company (current)

Director

Hiroshi Okada

Number of the Company's shares held: 14 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Apr. 1996 Joined the Company
- Apr. 2011 Nagoya Logistics Center General Manager at the Company
- Dec. 2017 General Manager of Keihin Block, Tokyo Haneda Logistics Center Launch Preparation Committee Chair, and Corporate Officer at the Company
- Dec. 2019 Director in charge of Norway business at the Company
- May 2020 Overseas Strategy Division General Manager (stationed in Norway) and Director at the Company (current)

Director (Outside)

Mototsugu Sakai

Number of the Company's shares held: 5 thousand
Board of Directors meeting attendance (attendance rate):
12 times / 13 times (92%)

- Jul. 2005 Compliance and Operation Audit Dept. Manager (Main Office) at National Federation of Agricultural Cooperative Associations
- Jan. 2006 Supervision and Audit Operations Bureau Chief at National Federation of Agricultural Cooperative Associations
- Oct. 2008 Full-time Auditor at Z-BS INC.
- Jun. 2014 Resigned as Full-time Auditor at Z-BS INC.
- Dec. 2015 Director at the Company (current)
- Jul. 2020 Director at Certified Management Support NPO Club
- May 2022 Vice Chairman, Certified Management Support NPO Club (current)

Director (Outside)

Yosuke Horiai

Number of the Company's shares held: 1 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Oct. 1980 Joined Shinko Kansa Hojin
- Jul. 1988 Moved to Ota-showa Kansa Hojin
- Mar. 1989 Opened Horiai Accounting Office (current)
- Dec. 2020 Director at the Company (current)

Director (Outside)

Mitsuhiro Honda

Number of the Company's shares held: 0.4 thousand
Board of Directors meeting attendance (attendance rate):
9 times / 13 times (90%)

- Apr. 1984 Joined National Tax Agency
- Jul. 2010 Assistant Regional Commissioner (Management and Coordination), Takamatsu Regional Taxation Bureau
- Jul. 2012 Professor, Graduate School of Business Sciences, Tsukuba University (current)
- May 2013 International Tax Advisor, TOMA Consultants Group Co., Ltd. (current)
- Mar. 2016 Outside Audit & Supervisory Board Member, Roland DG Corp. (current)
- Apr. 2016 Lecturer, Professional Graduate School, Meiji University (current)
- Apr. 2017 Research Grant Selection Committee Member, Institute of Tax Research and Literature (current)
- Jun. 2018 Outside Audit & Supervisory Board member, Yuasa Trading Co., Ltd. (current)
- Jun. 2021 Tax Advisor, Grant Thornton Yamada & Partners (current)
- Dec. 2021 Director at the Company (current)

Director (Outside)

Yoriko Sakamoto

Number of the Company's shares held: 0.2 thousand
Board of Directors meeting attendance (attendance rate):
10 times / 13 times (100%)

- Apr. 1995 Assigned to No. 1 Nippori Elementary School, Arakawa-ku, Tokyo
- Sept. 2011 Passed bar exam
- Dec. 2012 Joined Rokuta-Sakamoto Law Office (current)
- Jun. 2016 Outside Audit & Supervisory Committee Member, Watahan & Co., Ltd.
- Apr. 2018 Mediation Committee Member, Tokyo Family Court (current)
- Jun. 2021 Outside Director, Watahan & Co., Ltd. (current)
- Dec. 2021 Director at the Company (current)

I Audit & Supervisory Board Members

Standing Statutory Auditor (Outside)

Keizou Inoue

Number of the Company's shares held: 1 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Jan. 2008 Head Office Accounting Dept. Manager at National Federation of Agricultural Cooperative Associations
- Jan. 2010 Head Office Operation Audit Dept. Manager at National Federation of Agricultural Cooperative Associations
- Jun. 2012 Statutory Auditor at Zen-noh Butsuryu K.K.
- Jun. 2018 President and Representative Director at Z-BS INC.
- Dec. 2020 Audit & Supervisory Board Member at the Company (current)

Standing Statutory Auditor (Outside)

Shuzo Hayashi

Number of the Company's shares held: 0.4 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Dec. 2011 Utsunomiya Office Manager at The Norinchukin Bank
- Dec. 2014 Sales Dept. Manager and Director at Nikken Lease Kogyo Co. Ltd.
- Feb. 2016 Fisheries Credit Dept. Manager at Agriculture, Forestry and Fisheries Credit Foundations
- Dec. 2020 Audit & Supervisory Board Member at the Company (current)

Auditor (Outside)

Eizo Tanahashi

Number of the Company's shares held: 5 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Oct. 1987 Passed bar exam
- Apr. 1990 Registered as attorney
- Apr. 2000 Opened Tanahashi Ozawa Law Offices (present-day Ginza Imperial Law Office) (current)
- Sept. 2005 Audit & Supervisory Board Member at Marubeni Construction Material Lease Co., Ltd.
- Dec. 2009 Audit & Supervisory Board Member at the Company (current)

I Corporate Officers

Corporate Officer **Shigetaka Senda**

Corporate Officer **Masato Iwakura**

Corporate Officer **Hiroto Ikeda**

Corporate Officer **Takuji Uchiyama**

Corporate Officer **Yoshiaki Hoshino**

Corporate Officer **Masakazu Oda**

Corporate Officer **Narito Nakao**

Corporate Officer **Naoto Negishi**

Corporate Officer **Mitsutaka Hoshi**

Corporate Officer **Akiko Komatsu**

Corporate Officer **Hajime Izu**

Corporate Officer **Shinya Seki**

Corporate Officer **Satoshi Yoshida**

I Director and Audit & Supervisory Board Member Skill Matrix

We have identified skill fields (knowledge, experience, skills, etc.) that directors and auditors should possess and the following are the fields that each director and auditor is particularly expected to contribute to.

	Name	Corporate management	Legal affairs and internal controls	Crisis management	Personnel & human resources	Financial accounting & taxation	Refrigerated Warehousing Business	Food Sales Business	Overseas business
Chairman and Representative Director	Toshio Yoshikawa	○	○	○	○	○	○	○	○
President and Representative Director, CEO	Hiroyuki Matsubara	○	○	○	○		○		
Executive Vice President and Director	Yuji Inoue	○	○				○	○	
Managing Director	Koji Ochi		○		○		○	○	
Director	Naotaka Yoshikawa		○		○		○	○	○
Director	Mikio Hanazawa		○		○		○	○	
Director	Kenji Furuse		○					○	
Director	Hiroshi Okada						○		○
Director (Outside)	Mototsugu Sakai		○						
Director (Outside)	Yosuke Horiai					○			
Director (Outside)	Mitsuhiro Honda					○			
Director (Outside)	Yoriko Sakamoto		○						
Standing Statutory Audit & Supervisory Board Member (Outside)	Keizou Inoue	○	○						
Standing Statutory Audit & Supervisory Board Member (Outside)	Shuzo Hayashi		○			○			
Audit & Supervisory Board Member (Outside)	Eizo Tanahashi		○						
Audit & Supervisory Board Member (Outside)	Hisao Munakata			○					

* The attendance of Outside Directors Mr. Mitsuhiro Honda and Ms. Yoriko Sakamoto at Board of Directors meetings is since their appointment as Outside Directors (December 2021).

▶ Message from an Outside Director



Yosuke Horiai Outside Director

We have shown our long-term direction in the Yokorei Business Vision 2030, based on our corporate philosophy that “companies are social institutions and profits are a measure of their service,” in the aspiration of “We promise to provide smart cold services combining tradition and innovation,” in the Refrigerated Warehousing Business; “We will realize distinctive food value together with customers, preserve our close relationship with producers, and add to the richness of the world’s tables,” in the Food Sales Business; and “For a brighter food future – Yokorei will ensure a stable food supply to help support a sustainable society” in the Yokorei Sustainability Vision 2030. In November 2020, we launched our Medium-term Management Plan (Phase I), “The Power to Create,” which concludes in the fiscal year ending September 30, 2023, and are working to achieve our quantitative targets of ¥124 billion in net sales, ¥5 billion in operating income, ¥11 billion in EBITDA, and a shareholders’ equity ratio in the mid-40% range, as well as our sustainability targets.

In terms of business performance, I believe the Company is conducting stable, sound management despite the uncertain external environment, such as rising electricity prices. To further increase corporate value in the future, the Company could proactively share information between the Refrigerated Warehousing Business and Food Sales Business, and establish a system to develop new products for sale utilizing local commercial products handled by the Refrigerated Warehousing Business. In addition, I believe that we can contribute to the Sustainable Development Goals (SDGs) of stable food supply by solving the problem of food waste due to various causes, for example, by utilizing our own refrigerated warehouses to sell frozen food products. This seems to be in line with Prime Minister Fumio Kishida’s proposal for a “virtuous cycle of growth and

distribution based on ‘new capitalism’ paving the way to the future” in which, aiming to solve social issues and achieve economic growth by positioning such efforts per se as a source of value-added creation in the growth strategy, the public and private sectors cooperate in making planned and focused investments and reforms over the medium to long term.

After working for the company now known as Ernst & Young ShinNihon LLC, I opened the Horiai Accounting Office in 1989 to practice as a certified public accountant and tax accountant. I have been an outside director of the Company since December 2020. Outside directors have the role of supervising management and confirming the process of management decisions. As a public accountant and tax accountant, I do not make management decisions as a management professional in the essential sense of the word. However, I do utilize my knowledge and experience as certified public accountant and tax accountant in discussions and decision making regarding various corporate activities at the Board of Directors meetings. Specifically, I would like to be actively involved in governance and support the Company in improving corporate value by closely monitoring responses to Key Account Management (KAM) letters from the audit firm and working with the audit & supervisory board members to oversee the Company’s management.

The most important role of an outside director is to supervise management and confirm the management decision-making process of a company, as described above. I believe that the Company’s Board of Directors makes appropriate decisions through open discussions. While the Company provides material for Board of Directors meetings in advance and shares summaries of deliberations, I believe that we will be able to make better judgments regarding decision-making if outside directors can participate in meetings that lead to detailed decisions on what are considered to be important matters. Moreover, the Board of Directors meetings are conducted in an extremely open manner because participating directors are provided with opportunities to make comments while the chairman works through the agenda.

Going forward, to strengthen governance I will take an active role in fulfilling my functions on the Board of Directors and ensuring the effectiveness of internal audits and internal controls in accordance with the Corporate Governance Code. In particular, I will contribute to governance and the evaluation of the so-called “control environment” (management’s intentions and stance, integrity and ethics, corporate culture, management policy, management strategy, effectiveness of the Board of Directors and Audit & Supervisory Board, etc.) based on a sufficient understanding of business and management, and taking into account the importance of the control environment.

▶ Compliance and Risk Management

▶ Internal Control System Operation

By stipulating a Code of Conduct in line with the Company’s policies and basic management policies, sharing the spirit of the code with all employees, including executives, and continuing to communicate that into the future, the Company is working to thoroughly adopt the stance that all business activities are premised on adherence to laws, regulations, and social ethics.

The Representative Director designates the director in charge of compliance as the person responsible for efforts throughout the Company related to the compliance system, and the Corporate Management Headquarters undertakes various efforts including maintaining the compliance system, ascertaining problems, and conducting training for employees. Directors in charge of operations analyze the unique compliance risks for the operations they are in charge of and strive to implement necessary responses. In order to further strengthen internal controls, including maintaining a system of internal controls for financial reporting, the Basic Policy on the Operation of Internal Controls System was formulated, and a resolution to revise some of the provisions of that basic policy was passed at the Board of Directors meeting held on November 25, 2021.

Working with the Corporate Management Headquarters, audit & supervisory board members and the Internal Audit Department examine the state of compliance and report on that to the Board of Directors, and the Board of Directors regularly reviews the compliance system and works to ascertain and resolve problem points.

As one part of efforts to maintain the internal control system, an Internal Control Committee was created to identify laws and regulations that departments should adhere to and risks that could impact the business and propose and order necessary responses.

 For the Company’s Basic Policy on the Operation of Internal Controls System, please see the following website.
<https://www.yokorei.co.jp/en/csr/governance/corpgovernance/pdf/naibutose.pdf>

▶ Internal Whistleblowing System


The Company has established the Yokorei Group Whistleblowing and Consultation Helpdesk in the General Affairs Department and Human Resources Department as an internal reporting system for legal violations and other compliance-related matters, which they work to prevent. Based on the Whistleblowing Process Rules, the Company also takes utmost care to protect providers of information, which includes not engaging in unfavorable treatment. In FY2022, the Helpdesk received three consultations (four in FY2021) and took appropriate actions, functioning as a hotline that can be accessed with peace of mind.

▶ Basic Policy for Risk Management

The Company is tackling the risks surrounding its business by engaging in risk management aimed at preventing said risks in advance and minimizing damage should they occur. The Risk Management Committee, chaired by the Chief of Corporate Management Sector, meets regularly (at least twice per year) to identify company-wide risks, discuss appropriate responses, and report to the Board of Directors. Ultimately, the Board of Directors determines the company-wide risk management policy, and the Risk Management Department manages the risks in accordance with our Risk Management Rules.

Risk Management Basic Policy

- (1) Basic Objectives
 The objectives of our risk management activities are to reduce the loss of management resources, including people and objects, due to the various risks we face through our business activities, to enable a swift recovery from emergency situations and ensure such a situation does not reoccur in the future, and to secure sound management and revenues.
- (2) Guidelines for Action
 - ✓ Stay highly conscious of risk and continuously work to enhance measures for preventing it and capacity for responding to it.
 - ✓ Conserve and appropriately allocate management resources to secure sound management and profitability.
 - ✓ Maintain the health and safety of employees and their families.
 - ✓ Prioritize the recovery of humanitarian and social considerations when responding to emergency situations.
 - ✓ Practice risk management that improves the Company’s reputation within society.
 - ✓ Practice risk management that reflects societal demands concerning risk.

 For details on our risk management, please see the following website.
<https://www.yokorei.co.jp/en/csr/governance/riskmanagement/>

Environmental and Social Initiatives

Environmental Initiatives

Yokorei has installed a natural refrigerant air-conditioning system at its new refrigerated warehouse, and is converting existing facilities to natural refrigerants. The natural refrigerant implementation rate for Yokorei Group overall now exceeds 68% (as of the end of September 2022). In addition, solar power systems have been installed at 17 logistics centers in Japan and two facilities overseas. Electricity generated during FY9/22 amounted to 6.57 million kilowatts, equivalent to a reduction of 2,855 tonnes in CO₂ emissions. In addition, the Company has obtained Green Management Certification for all of its Refrigerated Warehousing Business facilities nationwide, and is promoting energy conservation and waste reduction initiatives based on its Environmental Conservation Action Plan.

Metric	FY2021		FY2022 Target
	Target	Result	
Waste emissions	5% reduction from the previous year	11.1% reduction	5% reduction from the previous year

* These figures account for all Yokorei locations in Japan (excluding offices of the Food Sales Business and company headquarters).

Measures to Address Climate Change

Support for the TCFD Recommendations

In December 2021, Yokorei announced its endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium. Yokorei recognizes the risk that climate change poses for its business, while at the same time considers taking advantage of change to create new revenue opportunities to be a management priority, and believes that proactive measures to address climate change will enhance corporate value over the longer term. Yokorei acknowledges the importance of financial disclosure related to climate change, and will provide disclosure in line with the TCFD recommendations.



Climate Change-related Governance

Yokorei established a Sustainability Committee in September 2021 to provide support for appropriate oversight by the Board of Directors regarding evaluation and measures for policies, strategies, risks and opportunities related to climate change. Committee membership comprises directors, corporate officers, and heads of business departments, with the president serving as the committee chairperson. The Sustainability Committee regularly discusses and assesses the impact on business from factors related to climate change (twice a year in principle), and reports material matters to the Board of Directors. The committee also considers strategies for responding to specific risks and opportunities, sets targets, and reviews results to monitor progress. The Board of Directors, based on the climate change-related matters reported by the Sustainability Committee, reviews and directs the Company's strategies, business plans, and risk management policies.

Strategies

Yokorei identifies the risks and opportunities from climate change on its businesses (Refrigerated Warehousing Business and Food Sales Business), and considers the impact based on chosen scenarios.

Yokorei has examined climate-related transition risks and physical risks, as well as opportunities, in line with the TCFD framework, and specified them as per the following chart. After specifying the risks and opportunities, Yokorei envisioned multiple scenarios, concentrating on the two factors of progress in government decarbonization strategies and rises in average air and seawater temperatures, and verified the Company's resilience.

Risks and Opportunities

Chosen Scenario	Envisioned Scenario	Specified Risks and Opportunities			Driver	Timeframe	Countermeasures
		Type	Relevant Business Segment	Summary			
1.5°C Scenario IEA NZE 2050	Measures to reduce GHG emissions are strengthened worldwide, and the Japanese government accelerates its decarbonization strategies. The degree of climate-related physical risk remains at the current level.	Transition Risk (Policy and Legal)	Refrigerated Warehousing	Associated with acceleration of curbs in GHG emissions • Strengthened calls for power savings in order to reduce electricity consumption • Increased cost for introducing equipment using natural refrigerants • Increased cost for introducing energy-saving equipment	Energy saving regulations	Short to Medium	• Curb power consumption utilizing system to make power consumption visible (BEMS) • Systematic introduction of facilities to reduce financial burdens
		Transition Risk (Policy and Legal)	Refrigerated Warehousing	Associated with carbon pricing (introduction of carbon tax / emissions trading) • Increase in electricity costs for operating refrigerated warehouses	Carbon pricing	Short to Long	• Introduction of solar power systems to generate renewable energy • Switch to renewable energy for electricity to operate refrigerated warehouses
		Opportunity (Products and Services)	Refrigerated Warehousing	Call for reduction in GHG emissions from freezers and refrigerators, rising demand from customers for refrigeration and freezing services that contribute to decarbonization.	GHG emissions regulations	Medium to Long	• Introduction of additional freezing and refrigeration equipment that contributes to decarbonization • Cooperation with freight carriers to enhance efficiency through consolidation of distributed storage locations and the transport network in order to curb GHG emissions
		Opportunity (Markets)	Food Sales	Rising demand from customers for environmentally certified products	Demand from customers for environmentally certified products	Medium to Long	• Increase handling volume of environmentally friendly products
4°C Scenario IPCC RCP8.5	Measures to reduce GHG emissions stagnate worldwide, economic development dependent on fossil fuels continues to advance, and the Japanese government shows few signs of advancing its decarbonization strategies. Climate-related physical risk increases.	Physical Risk (Acute)	Refrigerated Warehousing	Associated with severe rainstorms and more intense typhoons in Japan • Decline in sales due to cessation of operations at refrigerated warehouses • Generation of repair cost for refrigerated warehouse facilities	Frequency of wind and water damage	Short to Long	• Construct disaster-resistance refrigerated warehouses
		Physical Risk (Acute)	Food Sales	Associated with abnormal weather around the world • Higher purchase prices for marine, livestock, and agricultural products due to declines in fish catches and production volumes • Increase in costs from procurement of alternative products	Frequency of abnormal weather	Short to Long	• Develop aquaculture businesses in countries and areas less susceptible to natural disasters
		Physical Risk (Chronic)	Refrigerated Warehousing	Associated with rising temperatures in Japan • Increase in electricity costs for operation of refrigerated warehouses	Rise in average temperature	Medium to Long	• Decrease electricity costs by introducing energy-saving equipment
		Physical Risk (Chronic)	Food Sales	Associated with changes in the natural environment, generation of viruses, insect pests, etc. • Higher purchase prices for marine, livestock, and agricultural products due to declines in fish catches and production volumes • Rise in procurement cost for aquaculture and livestock products	Rise in average temperature Rise in ocean temperature	Medium to Long	• Strengthen cooperation with producers to ensure stable procurement • Diversify supply chains and develop relationships with new suppliers
	Opportunity (Products and Services / Market)	Refrigerated Warehousing	Associated with rise in average temperature in Japan • Increase in demand for temperature-controlled handling of food products	Rise in average temperature	Medium to Long	• Increase temperature-controlled warehouse capacity to meet rising demand	

Chosen scenarios: • WEO NZE 2050 scenario formulated by the International Energy Agency (IEA) Timeframes: Short = 1-3 years (to 2025) Medium = 2030 (Same period as Japan's NDC intermediate target) Long = 2050 (Same period as Paris Agreement and Japan's declared NDC target)
• RCP 8.5 scenario formulated by the Intergovernmental Panel on Climate Change (IPCC) Financial impact: The financial impacts of climate-related risks and opportunities are currently being assessed and considered (disclosure scheduled for FY23).

Risk Management

Climate-related risk management process

1. Risk management method: Risks identified as climate-related are considered by the Sustainability Committee, and in cooperation with relevant internal departments, are handled through a process of reduce, transfer, accept, or mitigate. The Sustainability Committee reports the results of its considerations of climate-related risks to the Risk Management Committee, which reviews each matter, and a final decision on management policy is made by the Board of Directors.
2. Prioritization: The Sustainability Committee determines the priority in which climate-related risks are to be addressed by the Company. Priority is determined based on an assessment of the potential financial impact, and the likelihood of the risk becoming manifest.

Integration with company-wide risk management

The Risk Management Committee meets regularly (at least twice a year) to assess the risks reported by corporate departments. The committee considers the overall risk to the organization, discusses the appropriate response, and reports its findings to the Board of Directors. Climate-related risks are examined and assessed in the same manner as other risks. The Board of Directors makes the final decision regarding company-wide risk management policy, and the risk is managed by the Risk Management Office based on risk management rules.

Indicators and Targets

Yokorei has set the following targets to mitigate and adapt to climate-related risk, as well as maximize climate-related opportunities.

	Target	Indicator
Target 1	By 2030, GHG emissions reduction of 40% (compared to 2015 levels)	GHG emissions volume per storage capacity in the Refrigerated Warehousing Business
Target 2	By 2030, natural refrigerant implementation rate of 80% (compared to 68% in 2022)	Storage capacity of warehouses using natural refrigerants in the Refrigerated Warehousing Business
Target 3	By 2030, solar power production capacity of 10MW (compared to around 6MW in 2022)	Electricity production capacity of solar power systems in the Refrigerated Warehousing Business

All three target figures are based on the Refrigerated Warehousing Business, which has a high environmental load (accounting for 99% of the Company's GHG emissions).

* Projecting from the current rate of GHG emissions reductions, the forecast reduction by 2030 is 47% from 2015 levels, against a target of 40%.

Measures to Mitigate Climate Change

Yokorei supports policies based on the Paris Agreement and other accords concerning measures to prevent global warming. The Company also supports the Japanese government's commitment to achieve decarbonization, and fully complies with legislation on climate change, including the Act on the Rational Use of Energy, and the Act on Promotion of Global Warming Countermeasures. The Company provides annual reports to the government regarding its energy usage, progress with achieving energy efficiency targets, and the volume of GHG emissions.

Yokorei is making a particular effort to reduce GHG emissions in the Refrigerated Warehousing Business, mainly by introducing cutting-edge facilities and replacing existing equipment. In addition, the Company proactively participates in initiatives from the Ministry of the Environment. Yokorei has received a ZEB (net Zero Energy Building) rating for the office building at the Chiba Research Park Logistics Center, and will switch to electricity from renewable sources compliant with RE100 criteria for the power used at refrigerated warehouses in the Hokkaido region, and at the Yokohama Mirai Satellite facility.

Environmental Assessments Received

Assessment	Rank	Business Location that Received the Assessment
CASBEE Fukuoka	A	Yokorei Fukuoka ISLAND CITY Logistics Center
CASBEE	A	Yokorei Chiba Research Park Logistics Center

* CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a method of evaluating and rating the environmental performance of buildings. The nationwide system was developed by government, industry, and academia based on guidance from the Ministry of Land, Infrastructure, Transport and Tourism. A building's environmental performance is rated on a five-point scale based on an assessment of its environmental quality and impact. CASBEE Fukuoka provides ratings based on the city of Fukuoka's own priority criteria, in addition to environmental performance.

Measures for Sustainable Procurement

Yokorei recognizes the importance of sustainable procurement that takes into account both the environment and society, and as such preferentially deals in marine products certified by the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC). The Company has also acquired MSC and ASC Chain of Custody (CoC) certification for management of the processing and distribution process, working to procure and supply sustainable marine products. Of marine products procured in FY9/22, around 38% of flounder and pacific ocean perch were MSC certified.

In addition, Hofseth Aqua AS, Yokorei's partner in the Norwegian salmon business, in 2017 became the first salmon aquaculture company in Norway to receive ASC certification for its fish farms. Currently, all of the company's salmon farms are ASC certified.



Procurement of Certified Marine Products

Certification	Tonnes and proportion of certified marine products*		
	2020	2021	2022
ASC	501 (6.5%)	139 (10.5%)	344 (22.0%)
MSC	164 (4.7%)	3,587 (19.5%)	5,264 (19.8%)

* Proportion of certified marine products among the items that contain certified marine products

▶ Working Style Reforms and Health Promotion

Yokorei actively pursues working style reforms that provide a better work-life balance, such as lessening the burden on employees and reducing work hours.

Kesenuma, where the Kesenuma Sorting Spot II was recently built, is one of Japan's leading areas for marine products. However, the area's population is declining and growing older, leading to such problems as an aging workforce to sort marine products, and a worker shortage. In addition, the sorting and freezing of marine products is physically demanding work. The majority of employees are men, and they need to continue at their jobs throughout the day.



Kesenuma Sorting Spot II, automated sorting line

Kesenuma Sorting Spot II utilizes a large-scale, automated sorting and freezing line that allows for a reduction in manpower, and by greatly lessening the physical load of the work itself, allows the job to be performed by a broader range of workers, regardless of age or gender. As a result, compared to previous methods, the facility is able to process three times the volume with the same number of personnel.

Yokorei is also automating administrative tasks with the company-wide introduction of RPA. During FY9/22, this system saved around 6,000 work hours, supporting efforts for more highly productive operations. The Cold Logistics Business Sector, along with RPA, is enhancing operational efficiency with the successive introduction of a paperless system for warehouse receiving operations using tablet devices.

In addition to these working style reforms, Yokorei is also focused on health promotion. Employees are a company's most valuable asset, and by maintaining and improving the health of its employees Yokorei aims to enhance labor productivity, and achieve sustainable growth as a company with an attractive work environment. Yokorei has set KPI and will continue to pursue measures to support certification as a Health and Productivity Management Outstanding Organization.

▶ Human Resources Development

Yokorei conducts employee development and training at the Yokohama Mirai HRD (Human Resource Development) with facilities as a system development center, and the Yokohama Mirai Satellite providing on-the-job training. In FY9/22, the HRD Center and Cold Logistics Business Headquarters collaborated on various internal trainings, including practical skills for forklift operation, briefings on the introduction of RPA, and training for site managers.

Total Training Hours and No. of Trainees

	Total Training Hours	No. of Trainees
FY9/21	13,198 hours	826 persons
FY9/22	10,765 hours	935 persons



Yokohama Mirai HRD

Yokohama Mirai Satellite

▶ Diversity Initiatives

Yokorei strives to provide a pleasant work environment for all employees regardless of gender, nationality, or physical disability. Yokorei aims to create workplaces where employees can fully demonstrate their capabilities and individuality.

Active Roles for Female Employees and Career Support

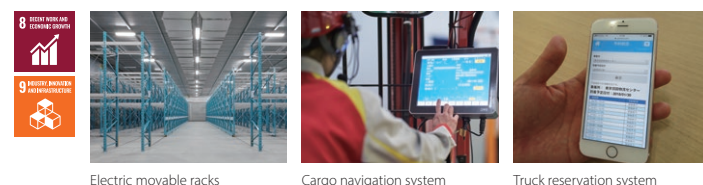
Yokorei has expanded opportunities for women in recent years with labor-saving advancements and automation of warehouse operations. The Company has also renovated changing rooms, as well as established policies for maternity and childcare leave, and shortened working hours, in order to provide a work environment more conducive to women throughout the organization. As a result, at the end of September 2022, a total of 37 women were working on site in refrigerated warehouses (increased 9 a year earlier), 11 were on child-care leave (increased 3 a year earlier), and 19 were on reduced hours for child or nursing care (increased 2 a year earlier).



Yokorei offers a work environment in which anyone can play an active role

Introducing Automation and Labor Saving Systems

Yokorei works to improve the work environment for truck drivers and warehouse operations staff, and continue measures to ensure sustained and stable logistics. In December 2017, Yokorei developed and introduced the truck reservation system to reduce the amount of time trucks spent waiting, and to even out warehouse operations. This system is currently in operation at 10 business locations. Yokorei has introduced electric movable racks at its logistics centers that significantly reduce the amount of time required for picking work. A cargo navigation system has been introduced at 9 locations. The system, that works together with the movable racks, allows for labor savings and efficient warehouse operations.



Electric movable racks

Cargo navigation system

Truck reservation system

▶ Human Rights Initiatives

In recent years, relevant institutions and economic organizations in Japan have issued principles and guidelines regarding human rights, and measures to respect human rights have become important management concerns for Japanese corporations. Yokorei recognizes that respect for human rights is an important aspect of corporate activity, and supports the International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work, which represent the international community's standards and philosophy regarding human rights. Yokorei pursues the following human rights initiatives, based on the UN Guiding Principles on Business and Human Rights.

Of note, there were no reported incidents of human rights violations in FY2022.

Respect for human rights

We prohibit the inhumane treatment of people, including all forms of discrimination, abuse, and harassment, as well as all forms of forced labor and child labor, and respect the culture of every country and region in the world.

Respect for collective bargaining and the freedom to unionize

We view collective bargaining as a fundamental right of workers and respect it as a means for labor and management to discuss work environments and wage levels. We also respect the freedom to unionize.

Work hours and wages

Along with properly managing work hours to ensure that they do not exceed legal limits, we will prevent long working hours and overwork while providing appropriate compensation that exceeds the minimum wage.

See the following for details on initiatives regarding respect for human rights:
<https://www.yokorei.co.jp/en/csr/society/humanright/>
 Supplier Guidelines
<https://www.yokorei.co.jp/en/csr/society/safety/supplier/pdf/supplier.pdf>

▶ Contribution to Local Communities

Yokorei has donated a portion of its profit each year since 1973 as a way of giving back to the community. In FY9/22, the Company donated a total of ¥23,271,949 in support of 23 causes. As a foods company, Yokorei makes a particular effort to support food-related activities.

Donation to Meals on Wheels Japan

Yokorei supports the efforts of Meals on Wheels Japan, and made a donation as part of its food-based social action program. Meals on Wheels Japan provides ongoing support to organizations engaged in meal delivery services, volunteer-run cafeterias providing meals to children, and other types of food-related activities as a means of addressing such problems as social isolation and child poverty. Along with the financial donation, Yokorei also began offering logistics support, such as providing storage space for food utilizing the Company's refrigerated warehouses.



Donation to the "sweet heart project"

The "sweet heart project" assists facilities for persons with disabilities and other welfare centers by providing opportunities to make and sell cookies and cakes. Along with product development and technical support for production, the project provides a wide range of support that includes a structure for joint purchasing of ingredients, and expanding sales channels. Yokorei provides financial assistance, while also helping to broaden the project activities by giving boxes of assorted sweets to visitors or as sending products as thank-you gifts.



A gift box of assorted sweets given out at the ceremony for the cooperation agreement with Ibaraki Prefecture for the aquaculture industry establishment project. The "sweet heart project" and Yokorei logo were printed on the carrying bag and box label.

Box of assorted sweets with a message card distributed to new employees during the welcoming ceremony.

Main Consolidated Financial Indicators

¥ million	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net sales, operating income, and net income*											
Net sales	115,257	110,782	115,025	139,970	171,772	159,045	148,609	154,767	141,654	118,691	111,108
EBITDA	10,665	9,250	9,449	10,459	9,880	9,879	9,407	8,339	7,988	7,244	4,620
Operating income	4,252	2,562	3,412	4,774	4,825	5,179	5,169	3,874	4,105	3,729	1,083
Net income	3,317	3,605	2,340	3,385	3,343	3,360	2,932	2,517	1,835	2,308	199
Profitability ratios											
Operating income ratio (%)	3.7	2.3	3.0	3.4	2.8	3.3	3.5	2.5	2.9	3.1	1.0
Return on sales (%)	2.9	3.3	2.0	2.4	1.9	2.1	2.0	1.6	1.3	1.9	0.2
Gross profit margin (%)	10.9	12.5	12.1	10.8	8.8	9.2	8.4	7.4	8.1	8.9	7.3
SGA ratio (%)	7.2	10.1	9.1	7.4	6.0	5.9	4.9	4.9	5.2	5.8	6.4
Total assets, total shareholders' equity, and interest-bearing debt											
Total assets	179,021	178,203	179,935	179,247	186,791	173,699	145,232	118,901	114,210	97,593	90,937
Total shareholders' equity	79,157	77,550	75,248	74,122	72,181	64,369	61,130	59,228	57,799	56,989	55,716
Net assets	85,170	82,568	79,975	80,580	78,858	69,688	63,027	62,322	59,635	58,159	55,639
Interest-bearing debt	77,185	79,330	82,346	79,949	89,478	83,845	63,927	42,789	38,274	25,816	24,011
Shareholders' equity ratio (%)	46.8	45.7	43.2	43.7	41.5	39.4	42.7	51.6	51.5	59.1	60.8
Debt/Equity ratio (%)	97.5	102.3	109.4	107.9	124.0	130.3	104.6	72.2	66.2	45.3	43.1
Capital expenditures and depreciation											
Capital expenditures	7,068	13,744	15,513	12,479	11,960	10,210	12,721	4,556	13,929	3,919	4,965
Depreciation	6,413	6,688	6,037	5,685	5,054	4,699	4,237	4,465	3,882	3,515	3,536
Return indicators											
Return on equity (ROE) (%)	4.0	4.5	3.0	4.3	4.6	5.1	4.8	4.2	3.2	4.1	0.4
Return on total assets (ROA) (%)	1.9	2.0	1.3	1.8	1.9	2.1	2.2	2.2	1.7	2.4	0.2
Investment indicators											
Price/Earnings ratio — PER (times)	15.64	14.47	22.90	17.92	15.45	16.49	18.92	19.34	22.94	18.13	148.33
Price/Book value ratio — PBR (times)	0.62	0.64	0.69	0.77	0.70	0.82	0.89	0.79	0.72	0.73	0.54
Price/Cash flow ratio — PCFR (times)	5.34	5.35	6.13	6.76	6.43	7.41	7.92	7.08	7.44	7.70	7.64
Per share value indicators											
Net income per share (EPS) (¥)	56.34	61.30	39.86	57.77	59.63	64.28	56.66	48.66	35.48	44.61	3.85
Book value per share (BPS) (¥)	1,422.83	1,383.60	1,321.34	1,336.12	1,321.87	1,298.88	1,198.56	1,185.23	1,135.88	1,114.84	1,068.19
Cash flow per share (CFPS) (¥)	164.85	165.71	148.95	153.17	143.25	143.05	135.39	132.89	109.38	105.13	75.00
Dividends and payout ratio											
Dividends per share (¥)	23.00	23.00	23.00	23.00	23.00	20.00	20.00	20.00	20.00	20.00	20.00
Payout ratio (%)	40.8	37.5	57.7	39.8	38.6	31.1	35.3	41.1	56.4	44.8	520.0

Methods of Calculating Main Financial Indicators

EBITDA = Operating income + Depreciation

Operating income ratio = Operating income/Net sales ×100

Return on sales = Net income/Net sales ×100

Gross profit margin = Gross profit/Net sales ×100

SGA ratio = Selling, general and administrative expenses/Net sales ×100

Shareholders' equity ratio = Total shareholders' equity/Total assets ×100

Debt/Equity ratio = Interest-bearing debt/Shareholders' equity ×100

Return on equity (ROE) = Net income/Average shareholders' equity ×100

Return on total assets (ROA) = Net income/Average total assets ×100

Cash flow per share (CFPS) = (Net income + Depreciation and amortization + Deferred income tax)/Outstanding shares

*1 Net income on this page represents profit attributable to owners of parent.

*2 The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the current fiscal year; and the figures for the fiscal year ended September 30, 2022, are after the application of the said accounting standards and others.

Non-Financial Data

Social Data

		2022	2021	2020	Scope*1
Human Resources	No. of employees (consolidated basis)	1,639	1,652	1,722	Yokorei and consolidated subsidiaries
	Employee average annual income (thousand yen)	5,475	5,423	5,392	
	Average age	36.4	35.9	36.1	
	Average years of service	12.1	11.8	11.8	
	Male	13.5	13.1	13.2	
	Female	7.8	7.6	7.3	
	Percentage of employees with disabilities	2.2	2.2	1.9	
	Percentage of female managers	2.1	2.2	2.3	
	Number of recruits	114	127	111	
	Job turnover (retirement for personal reasons) (%)	7.6	4.9	4.9	
	Number of employees taking childcare leave	11	8	10	
	Male	1	1	0	
	Female	10	7	10	
	Percentage of employees taking childcare leave	28.2	21.1	24.4	
	Male	3.5	3.2	0.0	
	Female	100.0	100.0	100.0	
	Workplace Safety	Number of labor law violations	0	0	0
Annual number of scheduled working hours		1,928	1,920	1,928	
Number of business accidents		18	15	14	
Number of accidents resulting in business closures (4 days or more)		8	3	5	
Workplace accident frequency rate (%)**2		6.45	5.50	5.36	
Number of participants in training related to workplace health and safety		253	-	-	

*1 Items with nothing listed under Scope refer to Yokorei.

**2 Number of casualties due to occupational accidents/Total actual working hours×1,000,000

Environmental Data

Category	Metric	2021*1	2020	2019	Scope**2	Notes
Environment-related accidents	Environmental law violation fine (yen)	0	0	0		
Air pollution	NOx (nitrogen oxide) emissions (t)	0 (0)	0	0		No applicable equipment
	SOx (sulfur oxide) emissions (t)	0 (0)	0	0		No business sites with soot or smoke producing facilities
	VOC (volatile organic compounds) emissions (t)	0 (0)	0	0		No applicable equipment
Waste	Hazardous waste emissions (t)**3	2.0	0	0	Yokorei	
	Waste emissions (t)	3,093	3,246	3,046		
	Recyclable	1,688	1,664	1,821	Yokorei**4	
	Non-recyclable	1,406 / YoY-11.1% (YoY-5%)	1,582	1,224		
	Waste emissions per unit of capacity (kg)	1.4	1.6	1.3	Yokorei**4	
Water resources	Water-related law violations (incidents)	0	0	0		
	Total water withdrawal (m ³)	362,598	291,080	313,192		
	Tap water	248,269	223,565	246,533	Yokorei**5	
	Industrial water	103,628	67,515	66,659		
	Ocean water	10,701	-	-		
Climate change	Greenhouse gas emissions (t-CO ₂)**6					
	Scope1	479	510	584		
	Refrigerated warehousing business sector	402	-	-		
	Food sales business sector	60	-	-		
	Corporate management sector	17	-	-		
	Scope2	58,696	57,834	57,226	Yokorei	
	Refrigerated warehousing business sector	58,373	-	-		
	Food sales business Sector	184	-	-		
	Corporate management sector	139	-	-		
	Scope1+2	59,175	58,344	57,810		
Refrigerated warehousing business sector	58,775	-	-			
Food sales business sector	244	-	-			
Corporate management sector	156	-	-			

*1 Numbers in parentheses are 2021 targets.

*2 Fields containing no text in the scope pertain to Yokorei and its consolidated subsidiaries.

*3 The FY2021 figure is due to the emission of PCB waste (transformers); hazardous waste emissions do not occur every year.

*4 Covers all 49 of Yokorei's domestic Refrigerated Warehousing Business's locations.

*5 Water withdrawals at offices of the food sales business sector and company headquarters are omitted because they account for less than 1% of total water withdrawals.

*6 GHG emissions are calculated by segment from FY2021.

Governance Data

		2022	2021	2020	Scope*
Prevention of Corruption	Amount of political donations (yen)	0	0	0	
	Number of employees disciplined and let go resulting from violations of anti-corruption policies	0	0	0	
	Amount of fines for anti-corruption violations (yen)	0	0	0	
Board of Directors	Number of board meetings	13	13	13	
	Attendance of directors at board meetings (%)	98.7	99.2	100.0	
	Number of outside directors	4	3	2	
	Percentage of outside directors	33.3%	27.3%	20.0%	
IR Activities	Number of individual meetings with institutional investors and analysts	45	39	54	
	Number of small meetings	2	2	1	

* Items with nothing listed under Scope refer to Yokorei.

External Recognition

Selected as a constituent stock of the FTSE Blossom Japan Sector Relative Index.



FTSE Blossom
Japan Sector
Relative Index

Investor FAQ

Question 1 With “the year 2024 problem” approaching, please tell us about changes in customer needs, the refrigerated warehousing industry, logistics providers, etc.

Answer “The year 2024 problem” refers to various issues that will arise after April 1, 2024, when a law related to work style reform will cap the amount of overtime that truck drivers work. For example, distances that up to this point were covered by a single driver will start to require switching with multiple drivers and breaks due to the limit on overtime hours, and Yokorei’s network could be useful as a base for these activities. In addition, we believe that cargo navigation systems and truck reservation systems on the part of refrigerated warehouses to reduce waiting times could help to solve the problem. Although “the year 2024 problem” is not a problem that we can solve head on, we do see it as a great opportunity for our business and will continue our efforts to help sort out the problem.

Question 2 Please expound on the changes in the sales aspect of ESG management. Are customers showing increasing demand for ESG-compliant refrigerated warehouses?

Answer Demand for our eco-friendly refrigerators is increasing, especially among our major customers. As more and more companies comply with Scope 3 disclosure in the future, we expect that this trend will grow and our refrigerators will become more competitive. Although we have long considered environmental conservation measures to be one of our most critical issues and have implemented a variety of initiatives, some of these efforts have gone unrecognized due to a lack of sufficient publicizing. Therefore, we are currently in the process of improving and enhancing the content of our disclosures and strengthening our appeal to customers.

Question 3 Please tell us how the steep rise in electricity costs has impacted your business performance, the status of price pass-ons, and the outlook for the next fiscal year.

Answer Electricity costs increased significantly this fiscal year, about 26% from the previous year. Since electricity costs account for a large portion of expenses in the refrigerated warehousing business, we ask our customers to bear this cost. After getting the green light from our customers — especially those who make up the highest amount of our sales — to proceed with price pass-ons, we were able to absorb the price increase this fiscal year. Since we expect this difficult situation to continue into the next fiscal year and beyond, we will continue our efforts to negotiate price pass-ons. And we will also continue to promote cost reduction efforts, such as utilization of energy-saving equipment and improvement of operational efficiency, as we have done for a long time.

Attestation of Validity

The YOKOREI Integrated Report 2022 is the third report produced and published by Yokorei since we began publishing integrated reports in FY2020. Based on our policy that “companies are social institutions and profits are a measure of their service,” we continue to make improvements to deepen stakeholders’ understanding of the value creation story Yokorei is pursuing by communicating our medium- and long-term efforts to realize our sustainability vision: “For a brighter food future– Yokorei will ensure a stable food supply to help support a sustainable society.”

In the YOKOREI Integrated Report 2022, we have examined Yokorei’s business model and its value creation process in order to provide an easy-to-understand guide. In addition, we explain our approach of resolving issues by clarifying materiality priorities and their relevant targets, and by presenting our initiatives and KPIs for each fiscal year. Furthermore, in response to the demands of society, we have further enhanced our disclosure of ESG information, including our stance on the environment, climate change, and human resources, as well as information on corporate governance.

This report was produced under the leadership of the Public Relations and IR Department and through earnest discussions with the relevant departments. As the officer responsible for the production of the report, I attest that the process of preparing the report is legitimate and that its content is accurate.

We hope that this report will help our stakeholders to better understand our Group’s medium- to long-term growth and the enhancement of our corporate value. We will continue striving to further strengthen our information disclosure and deepen our dialogue with our stakeholders. We look forward to your continued support.

Naoto Negishi

Corporate Officer, General Manager of Public Relations and IR Department

Share Trends by Business

Refrigerated Warehousing Business, Industry Comparison Warehousing Volume by Product (Excluding intersegment transactions)

(Thousand tons)

		2022		YoY		2021		YoY		2020	
Fishery products	Yokorei (Share)	205	(10.3%)	10.8%	(0.9ppt)	185	(9.4%)	2.8%	(0.0ppt)	180	(9.4%)
	Japan Association of Refrigerated Warehouses 12 cities	1,997		1.9%		1,959		2.0%		1,920	
Livestock products	Yokorei (Share)	480	(10.9%)	0.8%	(-0.2ppt)	476	(11.1%)	-2.9%	(-0.2ppt)	490	(11.3%)
	Japan Association of Refrigerated Warehouses 12 cities	4,412		2.5%		4,306		-0.9%		4,347	
Agricultural products	Yokorei (Share)	203	(16.2%)	8.6%	(0.7ppt)	187	(15.5%)	-2.6%	(0.1ppt)	192	(15.4%)
	Japan Association of Refrigerated Warehouses 12 cities	1,250		3.4%		1,209		-2.7%		1,243	
Frozen foods, other	Yokorei (Share)	586	(11.9%)	9.7%	(0.6ppt)	534	(11.3%)	9.9%	(0.9ppt)	486	(10.4%)
	Japan Association of Refrigerated Warehouses 12 cities	4,912		4.4%		4,705		0.9%		4,662	
Total	Yokorei (Share)	1,474	(11.7%)	6.7%	(0.4ppt)	1,382	(11.3%)	2.5%	(0.2ppt)	1,348	(11.1%)
	Japan Association of Refrigerated Warehouses 12 cities	12,571		3.2%		12,179		0.1%		12,172	

Refrigerated Warehousing Business, Industry Comparison Month-End Inventory Accumulation by Product (Excluding intersegment transactions)

(Thousand tons)

		2022		YoY		2021		YoY		2020	
Fishery products	Yokorei (Share)	863	(14.1%)	4.4%	(0.5ppt)	827	(13.6%)	-7.7%	(-0.2ppt)	896	(13.8%)
	Japan Association of Refrigerated Warehouses 12 cities	6,106		0.3%		6,090		-6.4%		6,508	
Livestock products	Yokorei (Share)	1,219	(13.7%)	0.1%	(-0.1ppt)	1,218	(13.8%)	-8.1%	(0.1ppt)	1,325	(13.7%)
	Japan Association of Refrigerated Warehouses 12 cities	8,885		0.5%		8,838		-8.7%		9,684	
Agricultural products	Yokorei (Share)	958	(31.2%)	-0.1%	(1.6ppt)	959	(29.6%)	-6.2%	(-1.1ppt)	1,022	(30.7%)
	Japan Association of Refrigerated Warehouses 12 cities	3,067		-5.4%		3,242		-2.6%		3,329	
Frozen foods, other	Yokorei (Share)	694	(12.6%)	10.3%	(0.4ppt)	629	(12.2%)	2.4%	(0.5ppt)	614	(11.7%)
	Japan Association of Refrigerated Warehouses 12 cities	5,498		6.7%		5,153		-1.7%		5,243	
Total	Yokorei (Share)	3,734	(15.9%)	2.8%	(0.3ppt)	3,633	(15.6%)	-5.8%	(0.0ppt)	3,857	(15.6%)
	Japan Association of Refrigerated Warehouses 12 cities	23,556		1.0%		23,323		-5.8%		24,764	

Food Sales Business, Sales Volume and Unit Price by Major Product (Consolidated Basis)

(Tons)

		2022		YoY		2021		YoY		2020	
• Pork	Sales Volume (Unit Price (¥/en))	18,809	(453)	-6,592	(-16)	25,401	(469)	-5,529	(-23)	30,930	(492)
• Chicken	Sales Volume (Unit Price (¥/en))	10,034	(393)	-1,583	(116)	11,617	(277)	358	(-10)	11,259	(287)
• Beef	Sales Volume (Unit Price (¥/en))	2,988	(871)	331	(-26)	2,657	(897)	-831	(-53)	3,488	(950)
• Salmon and trout	Sales Volume (Unit Price (¥/en))	8,045	(953)	980	(255)	7,065	(698)	-1,725	(-67)	8,790	(765)
• Scallop	Sales Volume (Unit Price (¥/en))	7,484	(1,006)	2,763	(-30)	4,721	(1,036)	1,234	(-115)	3,487	(1,151)
• Mackerel	Sales Volume (Unit Price (¥/en))	44,702	(190)	-4,792	(13)	49,494	(177)	3,339	(-5)	46,155	(182)
• Shrimp	Sales Volume (Unit Price (¥/en))	4,532	(1,206)	293	(99)	4,239	(1,107)	-481	(147)	4,720	(960)
• Crab	Sales Volume (Unit Price (¥/en))	823	(4,349)	-228	(1,150)	1,051	(3,199)	-91	(673)	1,142	(2,526)
• Squid	Sales Volume (Unit Price (¥/en))	14,087	(402)	439	(44)	13,648	(358)	4,837	(-104)	8,811	(462)
• Atka mackerel	Sales Volume (Unit Price (¥/en))	7,954	(354)	-1,877	(20)	9,831	(334)	-1,130	(-21)	10,961	(355)
• Eel	Sales Volume (Unit Price (¥/en))	1,612	(3,463)	-329	(703)	1,941	(2,760)	-174	(-417)	2,115	(3,177)

Stock Information (As of September 30, 2022)

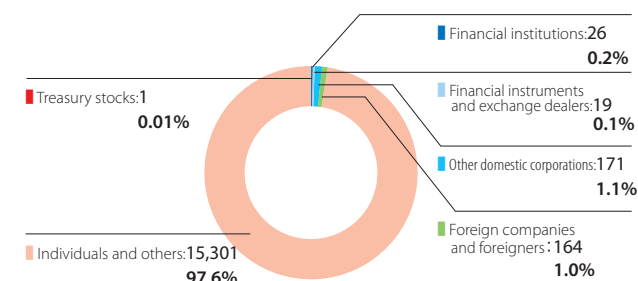
Securities Code	2874
Stock Listing	Prime Market, Tokyo Stock Exchange
Share Handling Agent	Mitsubishi UFJ Trust and Banking Corporation
Authorized Number of Shares	160,000,000 Shares
Number of Shares Outstanding	59,266,684 Shares
Share Trading Unit	100 Shares
Number of Shareholders	15,682
Credit Rating	Japan Credit Rating Agency, Ltd. Long-term: A- (As of August 23, 2022)

Principal Shareholders

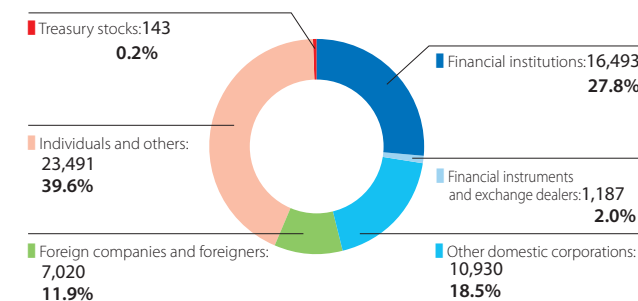
Name	Number of Shares Held (Thousand Shares)	Ratio of Shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,092	10.30
Matsuoka Co., Ltd.	2,569	4.34
The Dai-ichi Life Insurance Company, Limited	2,205	3.73
The Bank of Yokohama, Ltd.	2,176	3.68
The Norinchukin Bank	1,473	2.49
Custody Bank of Japan, Ltd. (Trust Account)	1,468	2.48
Hacchoko Co., Ltd.	1,411	2.38
Yokorei Employee Shareholding Association	1,249	2.11
DFA INTL SMALL CAP VALUE PORTFOLIO	1,194	2.01
SAKATA SEED CORPORATION	1,022	1.72

Note: The shareholding ratio has been calculated excluding treasury stock (143,936 shares).

Breakdown of Shareholders by Type



Breakdown of Shareholders by Number of Shareholders Held (Thousand shares)




Number of Shares Outstanding and Market Capitalization (Fiscal Year-End)

	2022	2021	2020	2019	2018	2017
Number of shares outstanding (shares)	59,266,684	59,266,684	59,266,684	59,266,684	59,266,684	53,436,216
Market capitalization (¥ million)	52,213	52,569	54,110	61,341	54,584	56,642

Corporate Data (As of September 30, 2022)

Basic Data

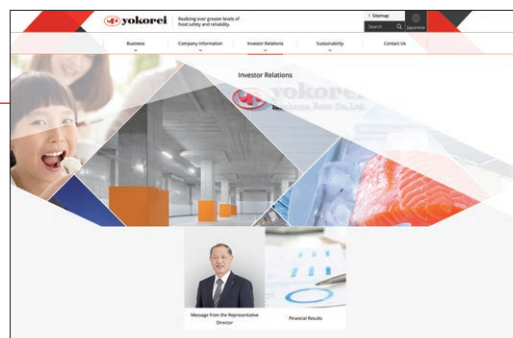
Trade Name	Yokorei Co., Ltd.		
Head Office	7th Floor, Minato Mirai Grand Central Tower, 4-6-2 Minato Mirai, Nishi-ku, Yokohama 220-0012 TEL. 045-210-0011 FAX. 045-210-0018 https://www.yokorei.co.jp/en/		
Established	May 13, 1948		
Capital	14,303.42 million yen		
Number of Employees	1,639 (consolidated); 1,326 (non-consolidated)		
Business Activities	1. Refrigerated and ordinary warehousing 2. Processing, sale, and import/export of marine products 3. Processing, sale, and import/export of agricultural and livestock products 4. Customs clearance 5. Aquaculture	6. Ice-making business 7. Freight forwarding and trucking 8. Real estate leasing 9. Restaurant and coffee shop management; food and drink sales 10. Other related businesses (business purpose in the Articles of Incorporation)	
Contact	Public Relations and IR Department TEL. 045-210-0011 Fax 045-210-0018		

Website Information

<https://www.yokorei.co.jp/en/ir>

Investor Relations

- ▶ Management Policy
- ▶ IR Library
- ▶ Get to Know Yokorei
- ▶ Stock Information
- ▶ Financial Highlights
- ▶ IR Sitemap



Group Companies Overview

Company Name	Thai Yokorei Co., Ltd.
Main Business	Frozen and cold storage of food products, etc.
Address	18th Fl., Sindhorn Tower3, 130-132 Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Thailand TEL: +66(0)2-651-4515
Company Name	Best Cold Chain Co., Ltd.
Main Business	Low temperature transportation of food products, etc.
Address	131 Moo1 Phahonyothin Road, Km 74, Sanuabueb, Wang Noi, Phra Nakhon Si Ayuttaya 13170 Thailand TEL: +66(0)3-572-1031
Company Name	Yokorei (Thailand) Co., Ltd.
Main Business	Sale and import/export of food products
Address	18th Fl., Sindhorn Tower 3, 130 - 132 Wireless Road, Lumpini, Pathumwan, Bangkok, 10330 Thailand TEL: +66(0)2-651-4518