

YOKOREI Integrated Report 2023

Fiscal Year Ended September 30, 2023



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.

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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 2023 was compiled as a financial and non-financial information report for Yokorei Co., Ltd. The report is focused on activities in FY2023 (from October 1, 2022 to September 30, 2023) and some reports from after October 2023 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 adopted a new corporate identity (CI) in January 2024.

At a Glance

Net Sales (FY9/23)

133.8 billion yen

Operating Income (FY9/23)

3.78 billion yen

Profit Attributable to Owners of Parent (FY9/23)

2.83 billion yen

EBITDA (FY9/23)

10.3 billion yen

Composition of Sales (FY9/23)



Domestic Network

Refrigerated Warehousing Business Number of logistics center and sorting spots (as of September 2023)

50 bases
(5 customs clearance bases)

Food Sales Business **25** bases

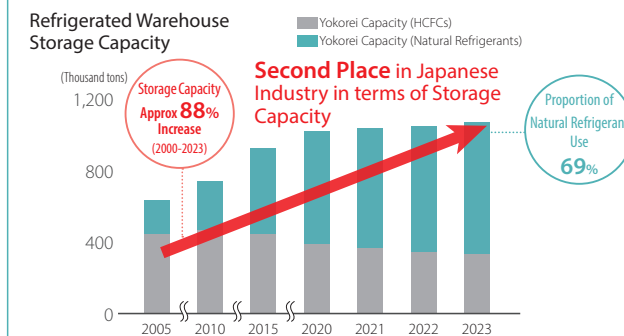
Refrigerated Warehousing Business

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 69%. This extensive storage capacity allows us to maintain our position as an industry leader, and supports stable growth.



Note: Yokorei capacity figures include those of overseas consolidated subsidiaries.
* Effective from the fiscal year ended September 30, 2021, the non-consolidated subsidiary PAX FREEZER Co., Ltd. is excluded from the scope of calculation.

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



75th Anniversary

On May 13, 2023, Yokorei celebrated its 75th anniversary. In order to express our gratitude for all the support we have received, and to make our business widely known, we created our first traffic advertisement, which was displayed in train stations and inside trains. Through various opportunities, we will continue to communicate our efforts to contribute to local communities through food in accordance with our corporate philosophy that “companies are social institutions and profits are a measure of their service.”

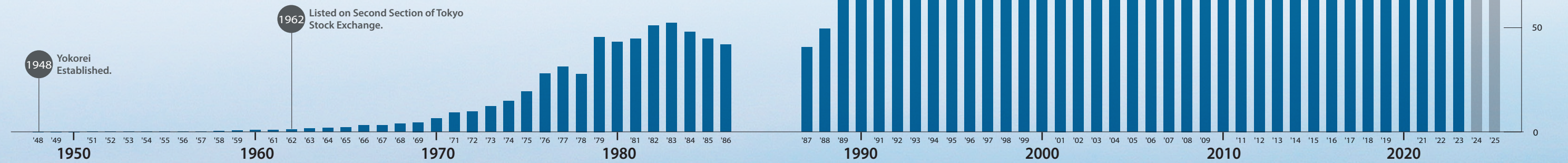


Yokorei's 75th Anniversary poster displayed in Tokyo Station, Yokohama Station, Minatomirai Station, and other train stations

Yokorei Growth Trajectory

For more than 75 years 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-related needs arising from post-war rapid economic growth and urbanization

Refrigerated warehouse business launched to store fresh marine products.

Food Sales Business

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 19 facilities in Japan, and two logistics 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 Kigyo 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.

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's

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.	Kesennuma Sorting Spot II completed.
	Aug.	Hirado Ice Factory completed.
	Sep.	HIYR AS and Hofseth Aqua AS removed from scope of consolidation.
2023	Mar.	Chiba Research Park Logistics Center completed.
	Mar.	Vietnam Yokorei Co., Ltd. established.

Vision for 2030

We will accelerate growth to realize our aim of “For a brighter food future – Yokorei will ensure a stable food supply to help support a sustainable society.”

Kenji Furuse

President and Representative Director, CEO



Yokorei's value creation

I'm Kenji Furuse, who was appointed president in December 2023.

Yokorei celebrated its 75th anniversary in May 2023. Since our founding, we have continually valued being a company that benefits local communities, based on our corporate philosophy of “Companies are social institutions and profits are a measure of their service.” As a part of the food distribution industry, we have played a role as a company that supports food stability in Japan.

Consumer needs are constantly changing, as seen in the recent expansion of the e-commerce business and the increase in demand for frozen foods. As a result, food distribution has become more complex and diverse, leading to various challenges for the food distribution industry. To embrace these changes and respond to the challenges, we must not only continue to do the same things we have up to now, but also forge ahead with initiatives to create new value. As part of these efforts, Yokorei is working to improve the efficiency of low-temperature logistics through palletized operations. In December 2022, we received the “Logistics Structure Reform Award” at the Logistics Partnership Excellence Awards held by Japan's Ministry of Economy, Trade and Industry (METI), and the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

Yokorei has continued its business activities to ensure food security in Japan, while being environmentally friendly and valuing its connections with local communities. We will continue to support Japan's food culture, while embracing change as a company aiming for growth.

Vision for 2030

The business environment for Yokorei Group remains uncertain, including the regulatory changes in 2024 related to working style reforms in the logistics sector, labor shortages stemming from population decline, an increase in electricity costs due to rising energy prices, and prolonged geopolitical instability.

Globally, issues such as the depreciation of the yen, climate

change, and environmental problems are becoming more serious year by year. Considering such issues as the competition for increasingly scarce food resources due to population growth, there is a need for proactive sustainability initiatives that balance consideration for the global environment with sustainable corporate growth.

Against this backdrop, Yokorei Group has outlined its long-term direction for 2030, comprising the Yokorei Business Vision 2030 and the Yokorei Sustainability Vision 2030.

As the “ideal vision” for business, the Refrigerated Warehousing segment adopted “Smart cold services combining tradition and innovation,” while the Food Sales segment chose “Realize distinctive food value together with customers, preserve our close relationship with producers, and add to the richness of the world's tables.” We are pursuing various initiatives 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.13 for details.

Looking back on the Medium-Term Management Plan (Phase I) – “The Power to Create”

The subject fiscal year (ended September 2023) was extremely important for Yokorei Group, as it was the final year for the new Medium-Term Management Plan (Phase I) – “The Power to Create” (October 2020 to September 2023). The consolidated results for this final year were net sales of ¥133,862 million (up 16.1% year on year), with operating income of ¥3,785 million (down 11.0%), ordinary income of ¥4,203 million (down 15.9%), and profit attributable to owners of parent of ¥2,831 million yen (down 14.6%).

Despite these severe figures, in the Refrigerated Warehousing business, we managed to expand the scope of our consolidated, multi-distribution logistics service, and achieve labor savings through the introduction of robots and robotic process automation

(RPA). In October 2023, Yokorei acquired certification from Tokyo Customs as a Certified Customs Broker under the Authorized Economic Operator (AEO) system, denoting a customs broker with proper security management and legal compliance systems. With this certification, as a company involved in international logistics with five customs clearance bases in Japan, Yokorei is now better able to focus on ensuring food safety and security, enhancing competitiveness by facilitating trade, and realizing smart cold chain services. In the Food Sales business, despite the impact of unstable market conditions, we managed to improve profit margins by shifting our focus from quantity to quality, and steadily expanded sales of Norwegian salmon and other strategic business products (commercial products of our investment partners). I intend to continue to build on this solid foundation established under the leadership of my predecessor Hiroyuki Matsubara (currently an advisor), and spearhead the implementation of the New Medium-Term Management Plan (Phase II). ▶ See p.12 for details.

Accelerating growth speed under the New Medium-Term Management Plan (Phase II) – “The Power to Connect”

For the second stage in realizing our long-term vision, Yokorei Group has formulated the New Medium-Term Management Plan (Phase II: October 2023 to September 2026) “The Power to Connect” with 2026 as the final year. To achieve this plan, for the Refrigerated Warehousing business we have set a policy of “Utilize our accumulated high-quality logistics to offer solutions in Japan and overseas, and provide smart cold chain services to our customers,” and for the Food Sales business “Take advantage of our network with domestic and overseas (global) producers, and apply our experience and skill in assessing quality to deliver seasonal and delicious products to customers.” As the management foundation supporting these strategies, we will “Improve productivity and accelerate business growth.”

All the measures in this latest management plan were decided from the bottom up by respective departments and worksites through the Innovation Summit, a central meeting held to formulate the medium-term plan. By focusing on these measures, by the fiscal year ending September 2026, the final year of the plan, we aim to achieve consolidated net sales of ¥150 billion, with operating income of ¥6.5 billion, EBITDA of ¥13 billion, and ROE of 5% or higher, while maintaining an equity ratio in the 40% range. ▶ See p.14-15 for details.

In addition, over the next three years, we will continue to make capital investments aimed at increasing operating cash flow and maintaining financial soundness. Specifically, we plan to make strategic investments of ¥30-40 billion (construction of new logistics centers, installation of solar power facilities, etc.) and renovation-related investments of ¥2.0 billion (conversion to natural refrigerants, efficiency enhancements through renewal of aging facilities, etc.). As a result, although the increase in depreciation expenses will depress ROE over the next three

years, these are upfront investments for future growth. Investment is also necessary to take advantage of opportunities provided by the sweeping regulatory changes in the logistics industry in 2024, and gain new business by providing solutions to the supply chain management issues faced by customers. I hope that all stakeholders will understand this.

Further advancements in sustainable management

Yokorei is also pursuing various initiatives to realize the Yokorei Sustainability Vision 2030. In terms of environmental measures (Materiality theme: “Harmony with the Global Environment”), we have revised upward our 2030 target for the natural refrigerant implementation rate from “80% or higher” to “85% or higher,” and the target for solar power generation capacity from 10 MW to 20 MW. We also achieved our 2023 target of a 30% reduction in GHG emissions by the end of fiscal 2022, indicating that we are making steady progress with our environmental measures. ▶ See p.13 for details.

In terms of human capital (Materiality theme: “Create a Rewarding Workplace”), our latest survey showed that 65.1% of employees felt a sense of job satisfaction, compared to the 2030 target of 80% or higher. We take seriously the need for improvement efforts to enhance engagement, and as part of this effort, we plan to introduce a new personnel system in April 2024 based on the valuable feedback and opinions obtained through these surveys. ▶ See p.32 for details.

As a result of these advances in our ESG disclosures and related initiatives, Yokorei was selected as a constituent stock of the FTSE Blossom Japan Index, established by global index provider FTSE Russell, for the first time in July 2023. We were also selected for inclusion in the FTSE Blossom Japan Sector Relative Index for the first time in 2022. Yokorei will continue to strengthen its ESG initiatives with the aim of realizing a sustainable society and enhancing our corporate value.

Message to stakeholders

With the 75th anniversary of its founding, the launch of a new medium-term management plan, and the adoption of a new corporate logo, Yokorei Group has reached a major turning point. Amid such major developments, we plan to accelerate the strengthening of human capital and, to realize our two visions for 2030, achieve sustainable growth as a food infrastructure company.

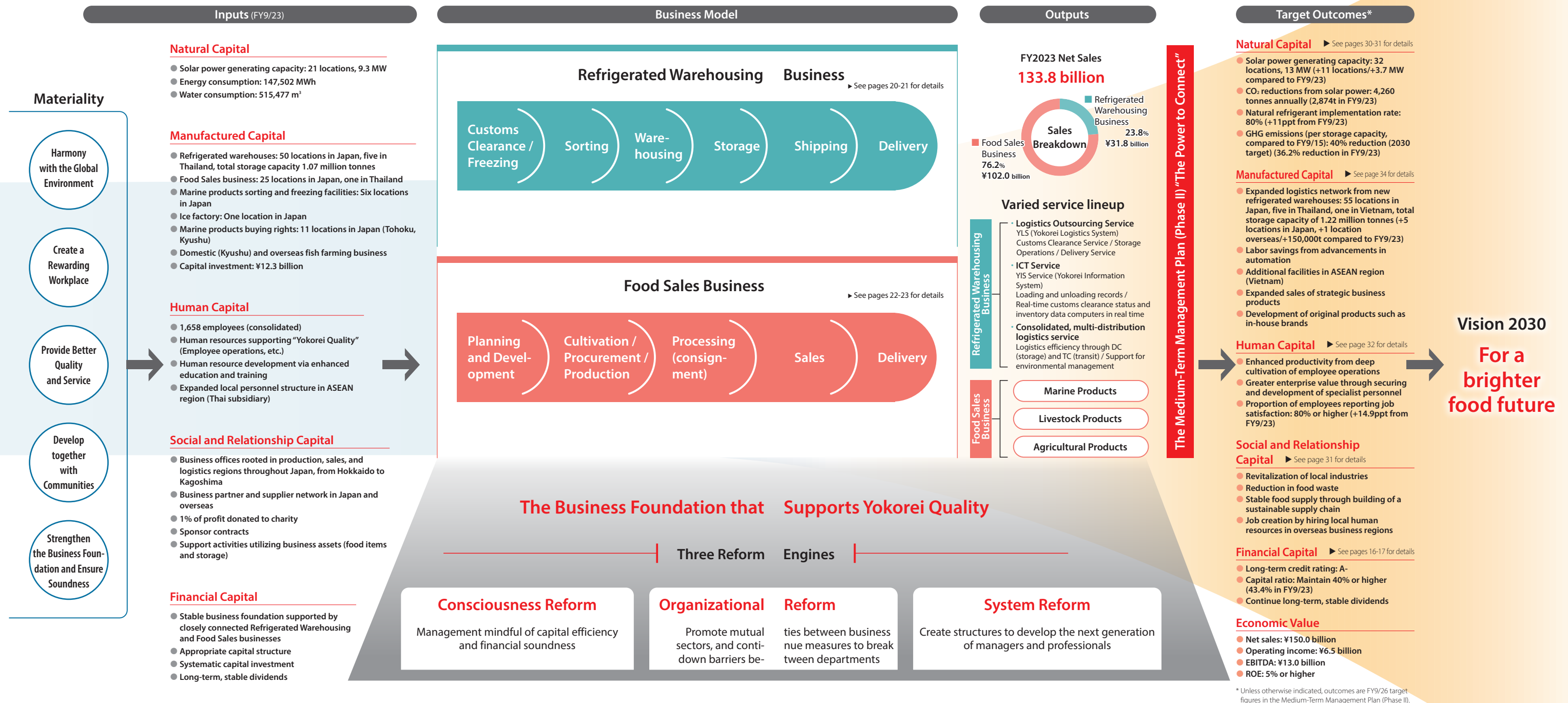
As experts in food distribution that is friendly to people, things, and the planet, Yokorei will continue to contribute to the stable supply of safe and secure food, looking ahead to its 80th and 100th anniversaries.

Thank you for your continued support of Yokorei.

Kenji Furuse

President and Representative Director, CEO

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.

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>	<p>■ Risk □ Opportunity</p> <ul style="list-style-type: none"> ■ Decrease in fish catches and production volume due to changes in the natural environment, outbreaks of disease or insect pests ■ Increase in procurement cost of farmed fish and livestock due to rise in feed costs (plants, animals) ■ Increase in cost of introducing decarbonization and energy-saving equipment ■ Increase in cost of electricity to operate refrigerated warehouses due to introduction of carbon pricing ■ Increase in cost of electricity to operate refrigerated warehouses due to higher temperatures □ Rise in demand for temperature-controlled storage of food items due to higher average temperatures □ Rise in demand for eco-friendly refrigerated warehouses and logistics services □ Rise in demand for eco-friendly products (such as marine products with eco-label certification) □ 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"> ■ Increase in prices for marine, livestock and agricultural products due to declines in catches and production yields, and higher procurement costs for alternative products ■ Decrease in sales from suspension of refrigerated warehouse operations or supply chain disruptions ■ Increase in repair costs for damaged facilities and equipment □ Increase in demand for disaster-resistant facilities 	<ul style="list-style-type: none"> • Formulate BCP • Construct natural disaster-resistant refrigerated warehouses (logistics centers to support BCP) • 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"> ■ Slowdown in cargo movements and decline in storage volume due to markets adjusting to supply and demand ■ Increase in product procurement costs due to soaring prices of raw materials and fuel ■ Increase in construction costs for refrigerated warehouses due to rise in prices ■ Intensification of competition due to companies from other industries entering the temperature-controlled logistics market ■ Deterioration in earnings due to sudden exchange rate fluctuations □ Increase in food storage demand of highly processed foods such as frozen food □ 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"> ■ Difficulties continuing refrigerated warehouse business due to shortage of warehouse workers ■ Loss of workers due to a lack of measures to provide an appropriate work environment or make improvements ■ 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 • Revise the personnel system to enhance job satisfaction and strengthen human capital 	 <p>Develop together with Communities</p>
 <p>Product, service quality and safety</p>	<ul style="list-style-type: none"> ■ Decline in consumer trust due to customer complaints regarding product or service quality □ Gain trust in Yokorei quality and brand by enhancing customer satisfaction □ Gain trust by providing appropriate disclosure to stakeholders 	<ul style="list-style-type: none"> • Food defense measures for all refrigerated warehouses • Improve quality of storage of frozen foods through employee operations • Management through the Quality Control Department • Strengthen education and training for quality control • Strengthen relationships with contracted manufacturers • Timely and appropriate disclosure 	 <p>Strengthen the Business Foundation and Ensure Soundness</p>

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

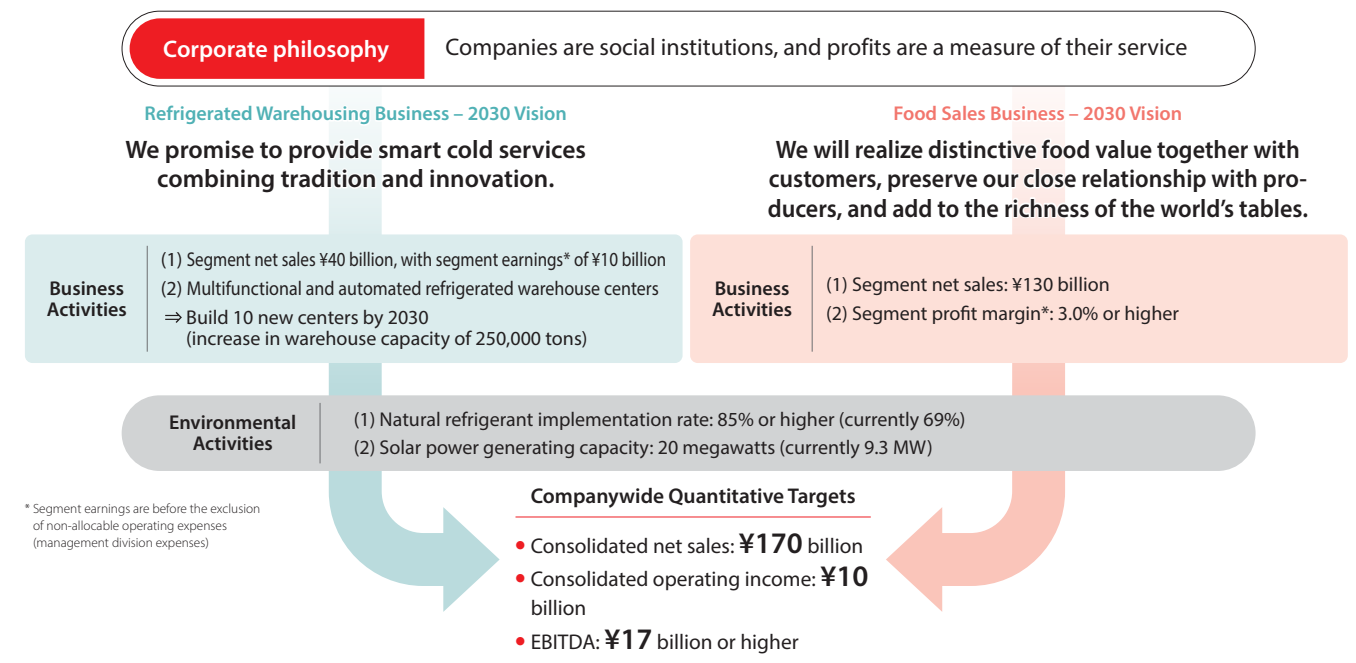
Materiality	Yokorei's Response	Relevant Capital / Stakeholders	Stakeholder Needs	Long-Term Targets Relative to Materiality	FY9/23 Results	FY9/24 Measures	KPI
 <p>Harmony with the Global Environment</p>	<ul style="list-style-type: none"> Lessen the environmental load by operating environment-friendly 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"> Completed construction of an environment-friendly refrigerated warehouse (natural refrigerants used, increased solar power generating capacity) Installed solar panels on two existing refrigerated warehouses Continued handling ASC/MSC certified marine products Enhanced logistics efficiency (palletized cargo, expanded consolidated multi-distribution logistics services) 	<ul style="list-style-type: none"> Complete construction of three environment-friendly refrigerated warehouses (natural refrigerants used, increased solar power generating capacity) Replace the refrigeration equipment at one existing refrigerated warehouse with a natural refrigerant unit Install solar panels on existing refrigerated warehouses Continue handling ASC/MSC certified marine products 	<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"> Third "job satisfaction survey" conducted Reformed system to improve job satisfaction and establish more comfortable work environments Automation system introduced Initiatives enacted for paperless procedures 	<ul style="list-style-type: none"> Implement new personnel system (clarification of career vision, introduction of structures for appropriate evaluation and treatment, etc.) Consider and strengthen measures for employees raising children and workplace support Continue progress with DX (nationwide implementation of RPA) Advance measures for paperless procedures (electronic billing, etc.) 	<ul style="list-style-type: none"> Proportion of employees with job satisfaction Proportion of women in career-track positions Proportion 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 and establish sales channels Provide services to solve customers' supply chain management issues 	<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 Response to issues facing the logistics industry (labor shortage, reduced delivery capacity, etc.) 	<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"> Introduced automation systems Promoted the utilization of palletized cargo Received "Logistics Structure Reform Award" at the Logistics Partnership Excellence Awards Conducted company-wide trainings at the Human Resources Development Center Submitted application for Authorized Economic Operator (AEO) Opened official online shop Developed and sold first fully in-house original brand products 	<ul style="list-style-type: none"> Introduce new system for truck reservations Expand customs clearance business Centralized management of domestic outsourcing processing companies Start full-fledged sales to general consumers through the official online shop Strengthen the B2C business by developing original products and building a sales network 	<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"> Construction of refrigerated warehouses throughout Japan and in the ASEAN region Social contribution program through donations and sponsorships Recruitment of overseas local human resources 	<ul style="list-style-type: none"> Capital: Manufactured, Human, Social and Relationship Stakeholders: Local communities, employees 	<ul style="list-style-type: none"> Vibrant local communities Job creation Strengthen partnerships Development of high-quality cold chain services 	<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"> Completed construction of one refrigerated warehouse Started construction of four refrigerated warehouses Established Vietnam Yokorei Co., Ltd. Social contribution program utilizing business assets (providing food material, storage locations, etc.) Sponsorships Total 23 donations made 	<ul style="list-style-type: none"> Build new refrigerated warehouses Continue and expand social contribution program utilizing business assets (providing food material, storage locations, etc.) 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 (fast sharing of information and strengthening of collaborations) Reform of the personnel system Improve capital efficiency and maintain financial soundness Strengthen monitoring of overseas risks Practice health and productivity management Expand and improve disclosure 	<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 sustainability and provide proactive disclosure 	<ul style="list-style-type: none"> Designed new personnel system Provided disaster preparedness information through the BCP Committee, and raised awareness internally Increased dividends with 75th anniversary dividend Formulated new medium-term management plan Began building new systems aimed at acquiring certification as a Health & Productivity Management Outstanding Organization Selected as a constituent of the FTSE Blossom Japan Index 	<ul style="list-style-type: none"> Implement new personnel system Revise and strengthen BCP strategies Commence measures to acquire certification as a Health & Productivity Management Outstanding Organization Further expand and improve disclosure 	<ul style="list-style-type: none"> Credit rating (Japan Credit Rating Agency) Capital ratio ESG evaluation organization score

■ Review of the Previous Medium-Term Management Plan (Phase I: October 2020 to September 2023)

Despite challenging circumstances such as the slowdown in cargo movement due to the COVID-19 pandemic, results in the Refrigerated Warehousing Business progressed as planned. In the Food Sales Business, structural reforms implemented mainly in the livestock business had a certain effect, but unstable market conditions presented difficulties.

Previous Plan Measures	Results	Challenges
<p>Refrigerated Warehousing Business</p> <p>Create a business model that anticipates changes in the business environment, and provide new value to customers.</p> <p>(1) Eco-friendly logistics centers</p> <ul style="list-style-type: none"> [Continue] Strategic investment centered on new logistics centers [Accelerate] Utilize renewable energy [Promote] Switch to natural refrigerants <p>(2) Elevation of Yokorei Quality</p> <ul style="list-style-type: none"> Invest in IT and robotics Focus human resources on advanced areas <p>(3) New business development in Japan</p> <ul style="list-style-type: none"> Expand consolidated, multi-distribution logistics services Expand logistics network with new centers <p>(4) Overseas business expansion</p> <ul style="list-style-type: none"> Strengthen international logistics efforts based in Thailand 	<ul style="list-style-type: none"> Expanded sales through development of consolidated, multi-distribution logistics services. Labor savings through the introduction of IT technologies (robots, RPA). Commenced acquisition of an AEO customs broker. Started construction of a refrigerated warehouse in Vietnam. Completion of refrigerated warehouses (3 sites). 	<ul style="list-style-type: none"> Global inflation and rising electricity costs put pressure on earnings.
<p>Food Sales Business</p> <p>Break away from the past, utilize strengths and connections, and create food value adapted to the needs of the times.</p> <p>(1) Structural reforms for greater profitability</p> <ul style="list-style-type: none"> Revise inventory controls and other aspects of sales management structure Strengthen and expand cooperation between business locations Optimize sales ratio by business type <p>(2) Expanded sales of strategic business products</p> <ul style="list-style-type: none"> Expand sales by leveraging food material procurement capabilities Increase domestic & overseas sales of Yokorei frozen processed marine products <p>(3) Development of original products</p> <ul style="list-style-type: none"> Develop Yokorei branded products Products for prepared dishes, volume retail, etc. <p>(4) Development of sales channels</p> <ul style="list-style-type: none"> Deepen B2C business (e-commerce business, etc.) <p>(5) Expanded sales channels overseas</p> <ul style="list-style-type: none"> Promote cooperation between Japanese business and Thai subsidiary to strengthen business in the ASEAN region 	<ul style="list-style-type: none"> Improved profit margins by shifting focus from quantity to quality. Expanded sales of Norwegian salmon and other strategic business products. Development of sales channels to mass retailers. Establishment of an e-commerce site. Achieved an overseas sales ratio of 13% or higher. Sold the first original in-house brand products. Hirado Ice Factory completed. 	<ul style="list-style-type: none"> Adapting to higher procurement costs and unstable market conditions. Establishing businesses that generate stable earnings. Response to geopolitical risks.
<p>Evolution of Business Foundations</p> <p>Create human resources to support globalization, and ceaselessly pursue reforms that enhance enterprise value.</p> <ul style="list-style-type: none"> Evolution through working-style reforms and inclusion Strong financial base Building of strategic ICT 	<ul style="list-style-type: none"> Established a Human Resource Management Center and systematically conducted company-wide trainings. Began transition to a new personnel system. Moved away from legacy systems and migrated to a more flexible IT infrastructure. Enhanced ESG disclosure information which led to inclusion in FTSE index. 	<ul style="list-style-type: none"> Human resource development in line with business strategies. Introduction of a new personnel system. Severe shortage of workers (Japan).

■ Yokorei Business Vision 2030 —Quantitative Targets—



■ Yokorei Sustainability Vision 2030

Corporate philosophy Companies are social institutions, and profits are a measure of their service

Sustainability Vision For a brighter food future – Yokorei will ensure a stable food supply to help support a sustainable society –

Materiality	Qualitative Aims	Quantitative Targets
<p>Harmony with the Global Environment</p>	<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 85% or higher
<p>Create a Rewarding Workplace</p>	<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
<p>Provide Better Quality and Service</p>	<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 	
<p>Develop together with Communities</p>	<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 	
<p>Strengthen the Business Foundation and Ensure Soundness</p>	<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 New Medium-Term Management Plan (Phase II)

Positioning of the New Medium-Term Management Plan (Phase II: Oct. 2023 to Sept. 2026)

To achieve the "Two Visions" for 2030, Yokorei has positioned this management plan to maximize the speed of business growth, aiming to enhance corporate value.



Overview of the New Medium-Term Management Plan (Phase II) – General and Business-Specific Policies –

New Medium-Term Management Plan (Phase II) – General Policy "The Power to Connect"

FY9/26 Targets	Net sales	¥150.0 billion	ROE	5% or higher
	Operating income	¥6.5 billion	Capital ratio	Maintain at 40% level
	EBITDA	¥13.0 billion		

Refrigerated Warehousing Business

Business-specific Policy
Utilize our accumulated high-quality logistics to offer solutions in Japan and overseas, and provide smart cold chain services to our customers.

Net sales target: ¥36.0 billion
Segment operating income target: ¥8.0 billion

Food Sales Business

Business-specific Policy
Take advantage of our network with domestic and overseas (global) producers, and apply our experience and skill in assessing quality to deliver seasonal and delicious products to customers.

Net sales target: ¥114.0 billion
Segment operating income target: ¥2.5 billion

Management Foundation Improve productivity and accelerate business growth.

Overview of the New Medium-Term Management Plan (Phase II) – Priority Measures and Quantitative Targets –

Priority Measures by Business Segment

Refrigerated Warehousing Business – Three priority measures –

- Accelerate development of eco-friendly logistics centers
- Realization of smart cold chain services ~ Establish next-generation refrigerated warehouses ~
- Global business expansion in ASEAN region

Food Sales Business – Four reforms / Growth package –

- Structural reforms to enhance profitability
- Expansion of sales channels for strategic business products¹ and commercial products from company-wide initiatives²
- Development of original products and sales networks
- Expansion of overseas sales channels

Quantitative Targets

Year	Group sales (left axis)	Operating income (right axis)
2023 (Result)	133.8	3.8
2024 (Plan)	-	-
2025 (Plan)	-	-
2026 (Plan)	150.0	6.5

Management Foundation Improve productivity and accelerate the speed of business

1. Commercial products from domestic and overseas partners, and in-house branded products (Norwegian salmon, frozen items processed at in-house facilities, etc.)
2. Commercial products purchased in bulk by taking advantage of Yokorei's procurement capabilities (mackerel, eel, etc.)

Refrigerated Warehousing Business – Three priority measures –

Accelerate development of eco-friendly logistics centers

- Proactive investment in renewable energy facilities
- Use of natural refrigerants and reduction in GHG emissions
- Promotion of BCP-compliant logistics centers

Realization of smart cold chain services

- Proactive establishment of transfer center refrigerated warehouses
- Enhanced productivity through use of robots and IT
- Measures to address reduced transport capacity (company-wide and regional)
- Synergies between customs clearance and sales businesses

Global business expansion in ASEAN region

- Expansion of overseas sales through additional facilities in ASEAN region
- Global promotion of Yokorei Quality
- Acceleration of overseas business development

Quantitative Targets

Year	Segment sales (left axis)	Segment operating income* (right axis)
2023 (Result)	31.8	6.7
2024 (Plan)	-	-
2025 (Plan)	-	-
2026 (Plan)	36.0	8.0

* Segment operating income is before the exclusion of non-allocable operating expenses (management division expenses).

Food Sales Business – Four reforms / Growth package –

Expansion of sales channels for strategic business products and commercial products from company-wide initiatives

Expand sales of products that leverage our strength in procurement capabilities.

Sales of strategic business products

Sales of commercial products from company-wide initiatives

Development of original products and sales networks

Utilize Yokorei's unique strengths to provide highly satisfactory products that meet diverse customer needs.

Development of original products

Strengthening of medical foods

Development of sales networks

Expansion of overseas sales channels

Strengthen sales in existing business areas, and utilize the sales channels of overseas partners to sell Japanese food.

Existing business areas

- ASEAN
- Central and South America

New business areas

- North America
- Europe

Structural reforms to enhance profitability

- Sales support through digital transformation (DX), business reform and risk mitigation.
- Establishment of the Sales Promotion Business Department, strengthening of manufacturer functions and expansion of sales channels in Japan and overseas.
Japan: Promote product development and sales as a company, and strengthen the handling of farmed fish.
Overseas: Promote sales of food material and Japanese foods in ASEAN region, North America, and Europe.

Quantitative Targets

Year	Segment sales (left axis)	Segment operating margin* (right axis)
2023 (Result)	102.0	1.1%
2024 (Plan)	-	-
2025 (Plan)	-	-
2026 (Plan)	114.0	2.2%

* Segment operating income is before the exclusion of non-allocable operating expenses (management division expenses).

Management Foundation to Accelerate Business Growth

Yokorei will enhance its systems and structures from the standpoint of the environment, society, and governance.

Environment	<ul style="list-style-type: none"> Provide information disclosure in line with TCFD recommendations. Continue eco-conscious management and foster employee awareness. Organizational structure to manage the reduction of environmental impacts from business activities.
Society (Human resources strategy)	<ul style="list-style-type: none"> Introduction of a personnel system responsive to diverse human resources, and linked to improved productivity. Implementation of health management aimed at raising employee engagement. Human resource development in line with departmental business strategies.
Governance	<ul style="list-style-type: none"> Enhanced monitoring of overseas risks to support sustainable business growth. Utilize DX to create a system that strengthens transparent and prompt information sharing. Improvement of external evaluation by further expanding disclosure.

Consolidated Operating Results for FY2023

During the current period (the fiscal year ended September 30, 2023), there were signs of movement toward normalization of socioeconomic activities, including a gradual recovery in demand in Japan and inbound demand. However, the economic outlook remained uncertain due to factors such as unstable international conditions, the yen's continued depreciation, and rising prices. The food industries related to the Yokorei Group's business continue to face a difficult business environment characterized by soaring energy and logistics costs, and increasing consumer cost-consciousness triggered by continued price increases.

In this environment, based on the Medium-term Management Plan (Phase I: October 2020 to September 2023) "The Power to Create," which is now in its final year, the Group worked to implement priority measures under the policy of "creating a business model" for the Refrigerated Warehousing Business and "creating new food value" for the Food Sales Business.

As a result, our consolidated operating results for the current period were net sales of ¥133,862 million (up 16.1% from the prior year), operating income of ¥3,785 million (down 11.0%), ordinary income of ¥4,203 million (down 15.9%), and profit attributable to owners of the parent of ¥2,831 million (down 14.6%).

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.

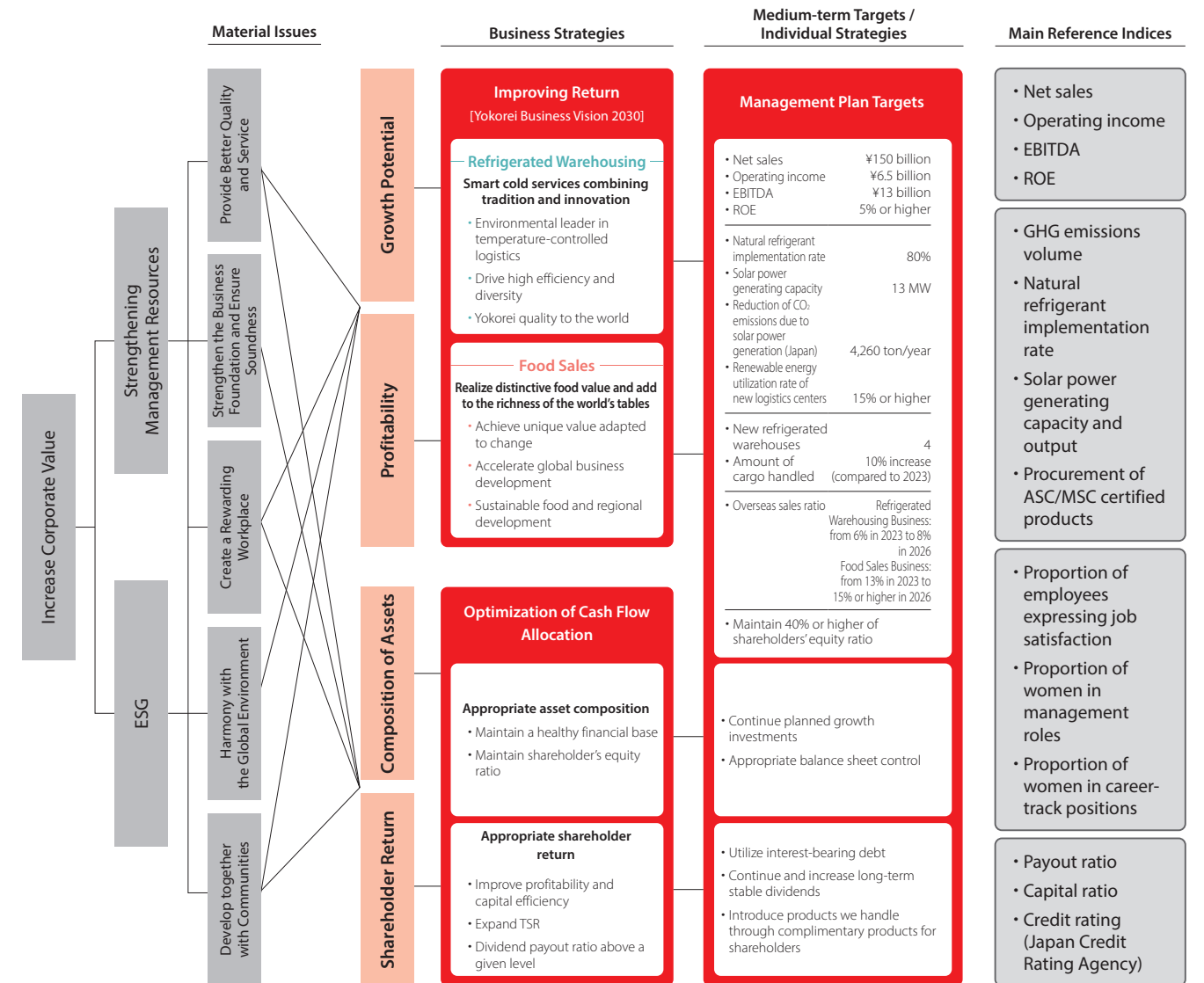
Cash and cash equivalents at the end of the fiscal year amounted to ¥3,927 million. Working capital is mainly covered by operating revenue and short-term loans payable, but in order to supplement liquidity and mobility, the Company has entered into a commitment line agreement totaling ¥12,000 million 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 ¥44,450 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 diversify 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 Kesennuma Sorting Spot II), based on the materiality priorities in the Yokorei Sustainability Vision 2030. The total issue amount was ¥10 billion and the redemption date is September 28, 2058.

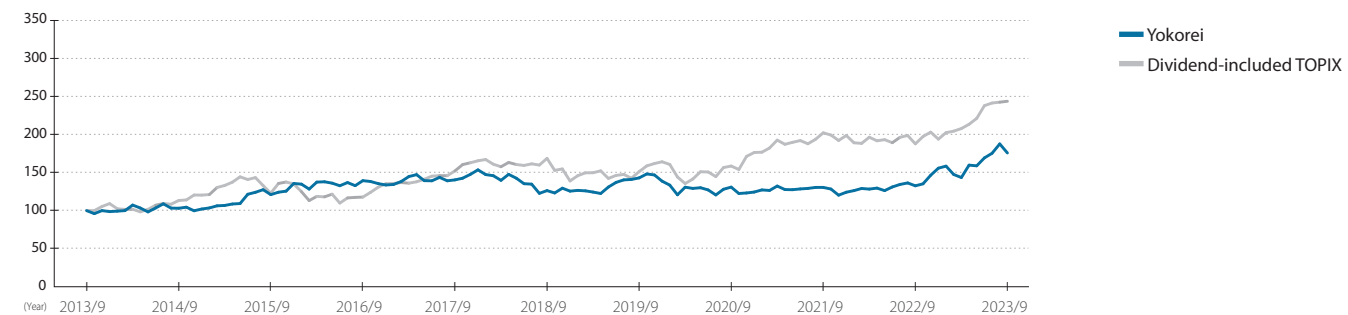
Investment Strategy

We are making the 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 Chiba Research Park Logistics Center, Eniwa Smart Logistics Center (provisional name), Yumeshima 2nd Logistics Center (provisional name), Hakozaki Logistics Center (provisional name), Ben luk Logistics Center (provisional name), Tokachi 4th Logistics Center, and Okayama Logistics Center (provisional name). In our new facilities, we are installing cutting-edge equipment in line

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, 2013 closing price data set at 100 (holding period through end-September 2023).

Share Performance (Total Shareholder Return)

Investment period	1 year	3 Years		5 Years		10 Years	
		Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
Yokorei	+40.2%	+40.3%	+12.0%	+44.1%	+7.6%	+75.8%	+5.8%
Dividend-included TOPIX	+29.8%	+53.7%	+15.4%	+44.5%	+7.6%	+143.8%	+9.3%

with the needs of the times, our customers and the land, 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. We are also installing motorized moving shelves and switching to natural refrigerant freezers in existing logistics centers. As a result, the total capital investment for this fiscal year amounted to ¥12,378 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 ¥24 per share (including an interim dividend of ¥11.5 per share) for the fiscal year ended September 30, 2023. On May 13, 2023, a commemorative

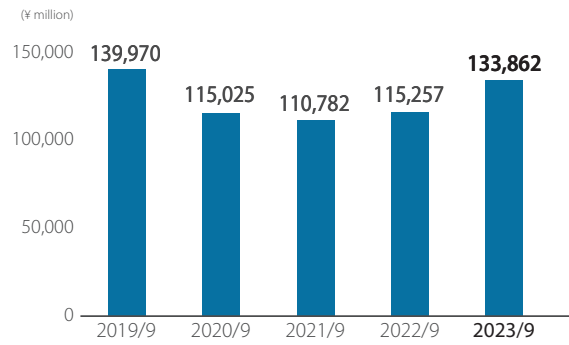
dividend of ¥1 per share was gifted as a year-end dividend for the fiscal year ended September 30, 2023 to celebrate the 75th anniversary of Yokorei's founding. As a result, the year-end dividend for the fiscal year ended September 30, 2023 was ¥12.50, consisting of an ordinary dividend of ¥11.50 and a commemorative dividend of ¥1.00. The annual dividend for the fiscal year ending September 30, 2024 is expected to be ¥24 per share.

We also recognize that share buybacks are an option as a method of flexible capital policy.

Our Total Shareholder Return (TSR) for the fiscal year ended September 30, 2023 was 144.1% (dividend-included TOPIX 144.5%). Our 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.

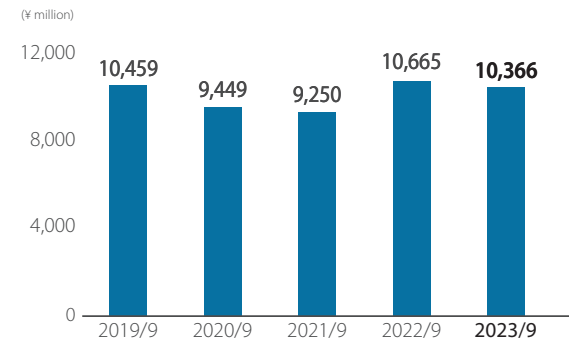
Financial Highlights

Net Sales



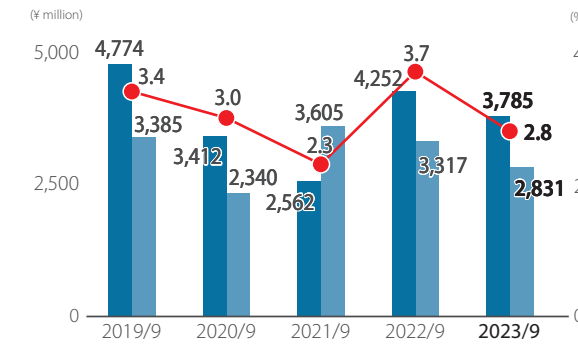
Net sales totaled ¥133,862 million, an increase of 16.1% from the previous fiscal year. Despite the severe business environment, sales increased in both the Refrigerated Warehousing Business and the Food Sales Business.

EBITDA



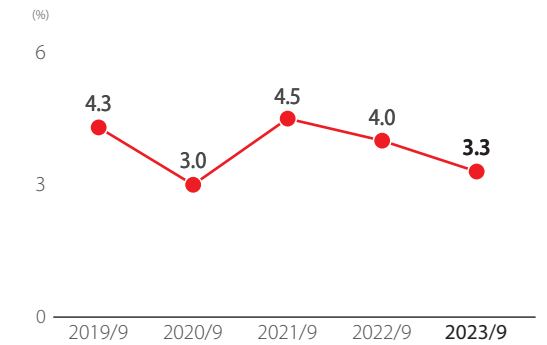
Earnings before interest, taxes, and depreciation (EBITDA) were ¥10,366 million, a decrease of 2.8% from the previous fiscal year, as operating income decreased while depreciation increased.

Operating Income / Net Income* / Operating Income Ratio



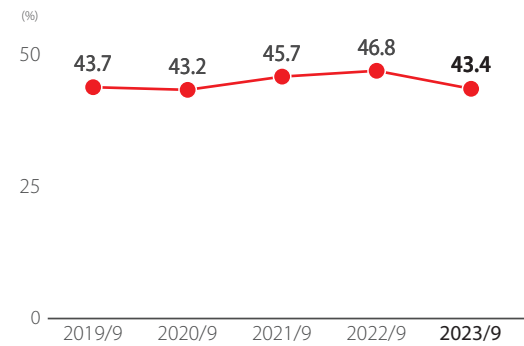
Despite efforts to pass on higher energy prices and other costs, operating income fell to ¥3,785 million, a decrease of 11.0% year over year, and net income fell to ¥2,831 million, a decrease of 14.6% year over year, due to higher procurement costs and market fluctuations.

Return on Equity (ROE)



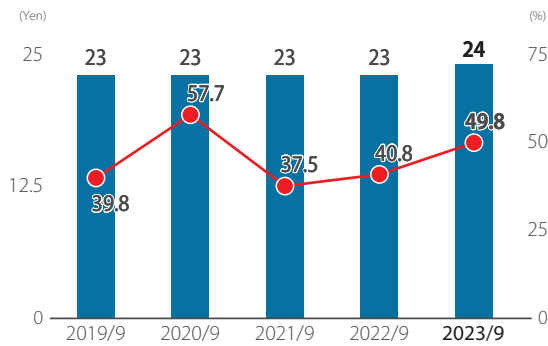
ROE was 3.3%, a decrease of 0.7 percentage points year over year, because of a decrease in net income.

Shareholders' Equity Ratio



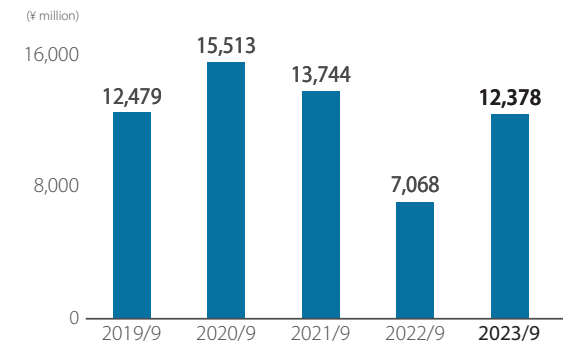
Shareholders' equity ratio was 43.4%, a decrease of 3.4 percentage points year over year.

Dividends per Share / Payout Ratio



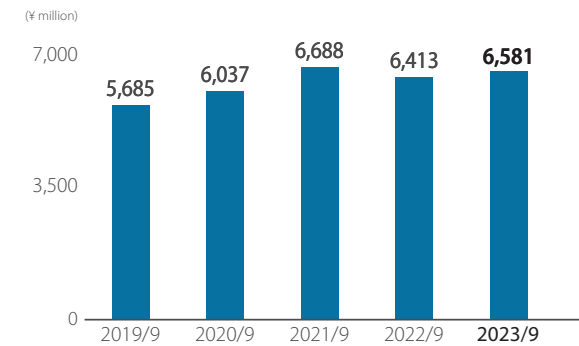
Net income per share for the fiscal year ended September 30, 2023, was ¥48.16, a decrease of ¥8.18 from the previous fiscal year, and the annual dividend was ¥24, for a dividend payout ratio of 49.8%. The Company's policy is to maintain a stable, long-term dividend, paying dividends twice a year, at mid-year and at year-end.

Capital Expenditures



Capital expenditures were ¥12,378 million, an increase of 75.1% year over year. The major capital expenditures in the fiscal year ended September 30, 2023 were related to the construction of Chiba Research Park Logistics Center, Eniwa Smart Logistics Center (provisional name), Yumeshima 2nd Logistics Center (provisional name), Hakozaki Logistics Center (provisional name), Ben luk Logistics Center (provisional name), Tokachi 4th Logistics Center, and Okayama Logistics Center (provisional name).

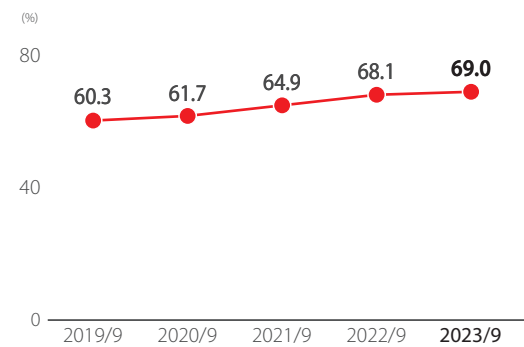
Depreciation



Depreciation was ¥6,581 million, an increase of 2.6% year over year, due to the opening of new business locations.

Non-Financial Highlights

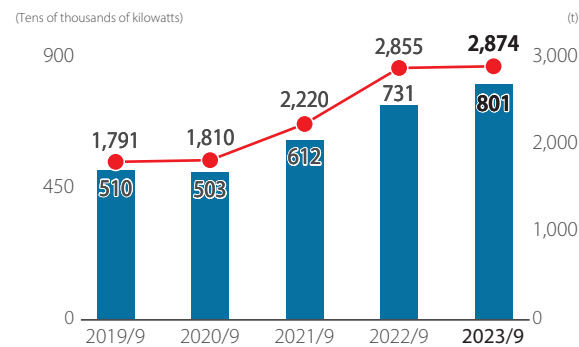
Natural Refrigerant Usage Rate



In the fiscal year ended September 30, 2023, the Company's natural refrigerant usage rate was about 69%, due to the completion of the Chiba Research Park Logistics Center.

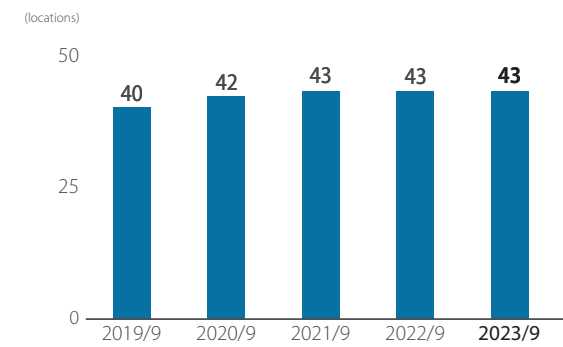
* Effective from the fiscal year ended September 30, 2021, the non-consolidated subsidiary PAX FREEZER Co., Ltd. is excluded from the scope of calculation.

Solar-cell Power Generation and Reduction of CO₂ Emissions



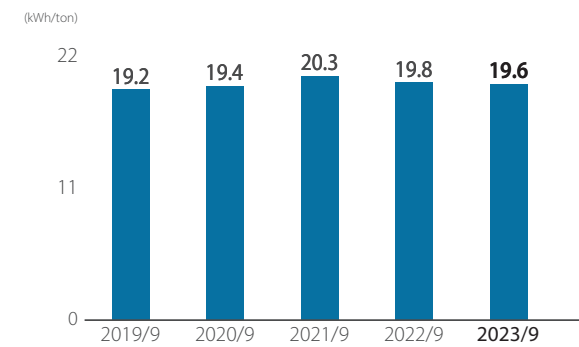
At present, 19 of our domestic logistics centers and 2 overseas logistics centers are operating with solar-cell power generation systems. For the fiscal year ended September 30, 2023, their annual power generation totaled 8.01 million kWh, which corresponds to a reduction of 2,874 tons in CO₂ emissions.

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 by 1% year over year by increasing energy efficiency. During the fiscal year ended September 30, 2023, although the volume of cargo handled increased, due to energy saving efforts such as the renewal of existing facilities and installation of solar panels, per unit electricity consumption decreased by 1.0% year over year to 19.6 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

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)

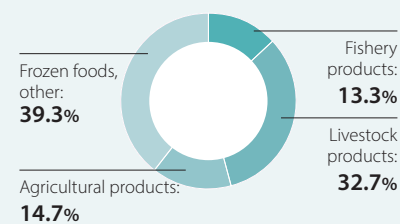


- Single logistics center for storage, delivery, sorting, and transshipment of goods
- Supports customers' environmentally conscious management

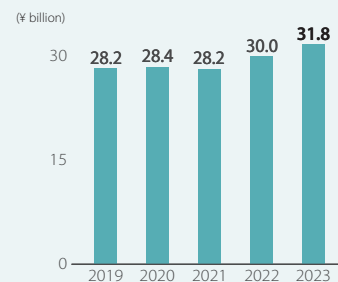


- Accumulated product knowledge and expertise
- Highly skilled
- Efficient operations generate earnings

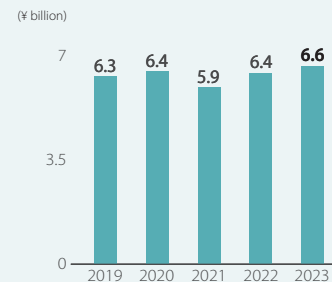
Composition of warehousing volume by product



Net sales



Operating income



Business Strengths

Yokorei has three types of refrigerated warehouses (dockside warehouses, logistics centers, and producing area warehouses) to handle a wide range of food storage and logistics needs. In recent years, Yokorei has focused on providing "consolidated multi-distribution logistics," a service unique to Yokorei that combines the functions of an inventory-type distribution center (DC), a transit distribution center (TC), and a delivery center. This service allows customers such as food manufacturers and wholesalers to reduce transportation and labor costs, while also shortening transportation distances, cutting CO₂ emissions, and helping to alleviate driver shortages.

A major feature that differentiates Yokorei from other companies is that operations such as cargo loading in the refrigerated warehouse are mainly carried out by Yokorei employees. Efficient operations are achieved through the

accumulation of knowledge and technology. In addition to employee-conducted operations, Yokorei is promoting automation and labor-savings by utilizing IT technology, aiming to establish a highly productive and profitable business.

Consolidated Operating Results for FY2023

The Refrigerated Warehousing Business segment achieved revenue and earnings gains in FY2023.

Inventory levels continued to be higher than in the previous fiscal year, with significant growth in storage fee revenue. In addition, as one of the priority measures of the Medium-Term Management Plan, Yokorei focused on expanding its consolidated multi-distribution logistics service supporting the environmentally conscious management programs of its customers, leading to an increase in handling volume for frozen foods. In response to the increase in costs caused by rising electricity prices, Yokorei

replaced existing equipment to enhance energy efficiency, and negotiated rate revisions, contributing to an increase in profits.

Yokorei's consolidated subsidiary in Thailand, Thai Yokorei Co., Ltd., recorded an increase in cargo handling revenue, with brisk cargo movement supporting inbound and outbound cargo volumes that exceeded the levels of the previous fiscal year.

However, inventory-shipment ratios for mainstay livestock products and other items were down, resulting in an overall decrease in revenue and earnings.

As a result, net sales in the Refrigerated Warehousing Business segment amounted to ¥31,827 million (up 5.9% year on year), with operating income of ¥6,689 million (up 3.8%).

Challenges and Prospects for the New Medium-Term Management Plan

Measures	FY2023 Activities	FY2024 Action Plan
Accelerate development of eco-friendly logistics centers	<ul style="list-style-type: none"> • Completion of the Chiba Research Park Logistics Center (BCP-compatible center with large-scale photovoltaic panels and lithium-ion storage batteries). • Installation of photovoltaic panels at the Wang Noi Logistics Center (Thailand) and Oigawa Logistics Center. <ul style="list-style-type: none"> - Solar power generating capacity increased 2.8 MW to 9.3 MW. - Natural refrigerant implementation rate increased 0.9ppt to 69.0%. • Commencement of construction for the Ben luk Logistics Center (provisional name) in Vietnam, Tokachi 4th Logistics Center (provisional name), and Okayama Logistics Center (provisional name). 	<ul style="list-style-type: none"> • Completion of the Yumeshima 2nd Logistics Center (provisional name), Eniwa Smart Logistics Center (provisional name), and Hakozaki Logistics Center (provisional name). • Conversion of the Sendai LC to natural refrigerants. • Installation of photovoltaic panels at existing logistics centers. <ul style="list-style-type: none"> - Solar power generating capacity of 1.5 MW or more. - Natural refrigerant implementation rate to increase 4.3ppt to 73.3%.
Realization of smart cold chain services	<ul style="list-style-type: none"> • Continued implementation of automation systems <ul style="list-style-type: none"> - Truck reservation system implemented at 11 centers (+1 office) - Development of a new system for truck reservations - Cargo navigation system implemented at 12 centers (+2 offices) - Robotic arm installed at two centers - Expanded use of RPA: Reduction effect of 9,400 hours/year • Palletizing operations using pallets equipped with RFID (IC tags): 5 centers in the greater Tokyo area, 1 center in the Hanshin area. • Expansion of consolidated multi-distribution logistics services. • Authorized Economic Operator (AEO) application submitted (Certification received in October 2023). 	<ul style="list-style-type: none"> • In response to regulatory changes for truck drivers in 2024, increase the number of bases (network of 53 centers) to alleviate the shortage of transit refrigerated warehouses. • Utilize IT and material handling systems to address labor shortages and enhance productivity. <ul style="list-style-type: none"> - Complete development of a new system for truck reservations, and begin implementation. • Expansion of customs clearance business (expansion of services and business area, assigning of additional customs clearance officers and training).
Global business expansion in ASEAN region	<ul style="list-style-type: none"> • Establish a local subsidiary in Vietnam and start construction on the Ben luk Logistics Center (provisional name). • Implement cloud-based refrigeration system at Thai Yokorei. 	<ul style="list-style-type: none"> • Preparations for the opening of the Ben luk Logistics Center (provisional name) at Vietnam Yokorei.

Environmentally Friendly Distribution Centers Established in Prime Locations

Based on the principle of "Harmony with the Global Environment," one of the materialities in the Yokorei Sustainability Vision 2030, Yokorei is building new environmentally friendly, state-of-the-art next generation refrigerated warehouses.

Establishment of a local subsidiary in Vietnam and construction of a new refrigerated warehouse

In March 2023, Yokorei established the wholly owned local subsidiary Vietnam Yokorei Co., Ltd. in the Phu An Thanh Industrial Park in southern Vietnam (Ben Luc district, Long An Province), and started construction of the Ben luk Logistics Center (provisional name). Vietnam has been attracting attention in recent years as a global seafood processing center, and Yokorei has received requests from local contracted processing firms and client companies for the construction of refrigerated warehouses. To meet these needs and further expand business in the ASEAN region, Yokorei is establishing its first business venture in Vietnam, and building a refrigerated warehouse. The new facility will have storage capacity of approximately 45,000 tonnes, making it one of the largest in the Yokorei group, and will be the group's first automated warehouse (automated racking system), providing labor savings. Completion is scheduled for January 2025.



Conceptual drawing of the Ben luk Logistics Center (provisional name)

Construction started on the Tokachi 4th Logistics Center (provisional name)

Construction of the Tokachi 4th Logistics Center (provisional name) began in August 2023, near the existing three facilities in the Memuro East Industrial Park in Hokkaido (Memuro-cho, Kasai-gun). The new facility will expand storage capacity to meet growing demand for low-temperature logistics in response to the increase in handling of dairy products and frozen foods. It will be Yokorei's first automated warehouse (automated racking system) in Japan, following the Ben luk Logistics Center (provisional name) at Yokorei Vietnam, providing labor savings. Completion is scheduled for April 2025.



Conceptual drawing of the Tokachi 4th Logistics Center (provisional name)

Construction started on the Okayama Logistics Center (provisional name)

Construction of the Okayama Logistics Center (provisional name) began in September 2023 in Okayama (Okayama Prefecture) as Yokorei's first refrigerated warehouse in the Chugoku region. Completion is scheduled for spring 2025, and is expected to have the largest refrigerated warehouse capacity in the Chugoku and Shikoku regions. The new facility will provide Yokorei's unique consolidated multi-distribution logistics service combining storage, delivery, sorting, and transshipment of goods in a single location, and will play an important role in addressing the challenges posed by the 2024 regulatory changes for truck drivers.



Conceptual drawing of the Okayama Logistics Center (provisional name)

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

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.

Procuring high-quality foods from producing areas in Japan and overseas

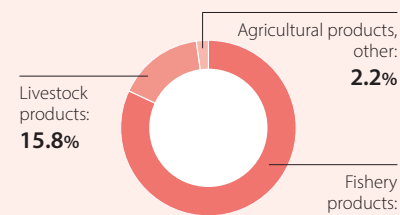


Hofseth Aqua AS's salmon and trout aquaculture farm

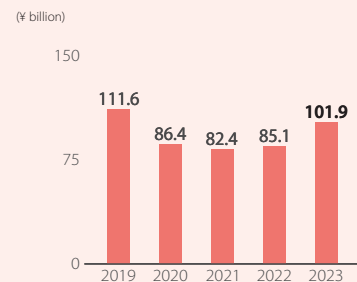
Strengthening the Overseas Business Strategy

Yokorei is utilizing its established strength in handling marine products to bolster its overseas business. Along with facilities in Thailand that are the core of its business in the ASEAN region, Yokorei has established procurement routes from partner companies in Norway and Peru.

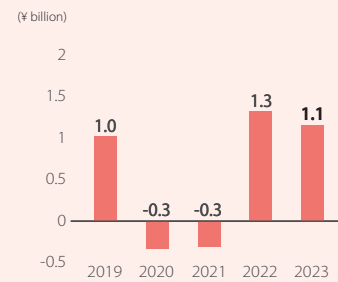
Composition of sales by product



Net sales



Operating income



Business Strengths

The strength of Yokorei's food sales business lies in its network of business offices in major production areas and consumption centers throughout Japan, along with its ability to procure high-quality foods from producing areas in Japan and overseas. Yokorei has marine product buying rights in major fishing ports in Tohoku and Kyushu, and has established a structure to handle all aspects of the distribution process in-house, from purchase at markets to freezing at sorting spots, storage in refrigerated warehouses, and sales in Japan and overseas.

Currently, Yokorei is strengthening its B2C business to establish a business model that is less susceptible to market conditions, including developing and marketing original brand products using high-quality seafood purchased directly from markets. In the overseas business, Yokorei is able to secure a stable supply of high-quality products such as salmon and squid from its partner companies in Norway and Peru

for sales in Japan and overseas. Yokorei is currently focusing on expanding its sales channels and increasing handling volume.

Consolidated Operating Results for FY2023

The Food Sales Business segment posted revenue and earnings gains in FY2023.

In marine products, Yokorei increased the handling of strategic business products such as Peruvian squid, Norwegian salmon, locally caught feed sardines and mackerel, and Kesenuma albacore. However, the collapse of prices for products from Hokkaido squeezed earnings, which along a decline in the handling volume of scallops due to the discharge of ALPS treated water, led to a sales gain with earnings decrease for the full year period.

In livestock products, although sales of pork recovered on demand stemming from inbound tourism and restaurants, the

profit margin for chicken declined due to imbalance between supply and demand, resulting in a sales gain with earnings decrease.

In agricultural products, despite poor harvests due to abnormal weather, Yokorei expanded sales channels to include potatoes

and cabbage, for gains in both sales and earnings.

As a result, net sales in the Food Sales Business amounted to ¥101,976 million (up 19.8% year on year), with operating income of ¥1,158 million (down 12.5%).

Challenges and Prospects for the New Medium-Term Management Plan

Measures	FY2023 Activities	FY2024 Action Plan
Structural reforms to enhance profitability	<ul style="list-style-type: none"> • Establishment of a sales structure based on collaboration between sales offices in producing areas and those in consumption centers. • Diversification and balancing of sales outlets. • Greater cooperation with overseas partner companies. • Expansion of outsource processing to areas other than China as a means of mitigating geopolitical risk and countermeasures for the effects of COVID-19. 	<ul style="list-style-type: none"> • Establish the Sales Promotion Business Department directly under the Food Sales Business Headquarters to promote cross-organizational sales activities. • Utilize digital technologies (DX) to enhance the visibility of company-wide sales data, promote thorough inventory management, optimize costs, and provide sales support. • Centralized management of domestic outsource processing companies to improve production efficiency and reduce costs.
Expansion of sales channels for strategic business products and commercial products from company-wide initiatives	<ul style="list-style-type: none"> • Exclusive contract for salmon belly concluded with Hofseth (Norway). • Expansion of sales for strategic business products to mass retailers. • Increase in production volume of frozen processed products following large catches of albacore in Kesenuma. 	<ul style="list-style-type: none"> • Establishment of domestic and international sales promotion offices directly under the Sales Promotion Business Department to broaden the business scope in Japan and overseas. • Continue to expand sales of strategic business products and commercial products from company-wide initiatives. • Continue to cultivate business with mass retailers and deepen relationships with existing customers.
Development of original products and sales networks	<ul style="list-style-type: none"> • Launch of sales of original Yokorei brand products for general consumers, using seafood landed at local fishing ports. • Opening of an official online shop and start of in-house and closed market sales. • Hirado Ice Factory begins selling ice for packing fresh fish. • Continued support for the aquaculture industry establishment project in Ibaraki Prefecture, and exploration of the commercialization of mackerel cultivation. 	<ul style="list-style-type: none"> • Development and expanded sales of convenience and medical foods using locally caught seafood procured by utilizing buying rights (strengthening manufacturer functions). • Start of full-fledged sales to general consumers through the official online shop. • Facility expansion to strengthen sales of farmed fish products, mainly yellowtail. • Establishment of an office in Oita Prefecture, and increased handling of farmed fish to enhance focus on the Shikoku region. • Shipments of mackerel from the aquaculture industry establishment project in Ibaraki Prefecture.
Expansion of overseas sales channels	<ul style="list-style-type: none"> • Increased exports of albacore. • Expansion of trilateral trade for Peruvian seafood products (squid, tobico (flying fish roe), mahi-mahi, etc.) • Exhibition at the Seafood Expo North America (Boston) and Seafood Expo Global (Barcelona). 	<ul style="list-style-type: none"> • Begin preparations for the launch of agricultural and livestock products. • Strengthen sales in existing trade areas. • Leverage the sales channels of overseas business partners to develop new markets in Europe and North America. • Develop new markets for processed products such as farmed yellowtail for Japanese restaurants.

Development of Original Products and Establishing a Sales Network

Yokorei procures high-quality food material by utilizing its buying rights at fishing ports throughout Japan, and develops its own branded products. Yokorei is working to strengthen its functions as a manufacturer and establish a sales network, aiming to improve profit margins through expansion of the B2C business.

Leveraging procurement capabilities to develop original products

Yokorei has begun selling "Japanese Mackerel with Sweet and Sour Sauce" and "Japanese Mackerel Tomato Cheese Bake" through Ito-Yokado's online supermarket. These are the first completely original consumer products developed by Yokorei from the product design stage. They are made with carefully selected, high-quality mackerel, and can be microwaved in the tray. As a strategy to develop the B2C business, Yokorei will develop products that meet needs for shorter cooking times and easier preparation, owing to the increase in single-person and dual-income households.



"Japanese Mackerel with Sweet and Sour Sauce" and "Japanese Mackerel Tomato Cheese Bake"

Expansion of e-commerce to general consumers

Yokorei opened its official online shop "DELI yokorei" to establish a new sales network. Based on the concept of "a store with higher-grade products," Yokorei offers delicious items carefully selected by its buyers from across Japan and around the world. Sales in fiscal 2023 were exclusively in-house and closed market, but from fiscal 2024 Yokorei will begin full-fledged sales to general consumers, leading to the strengthening of its branding and the development of products that meet consumer needs.



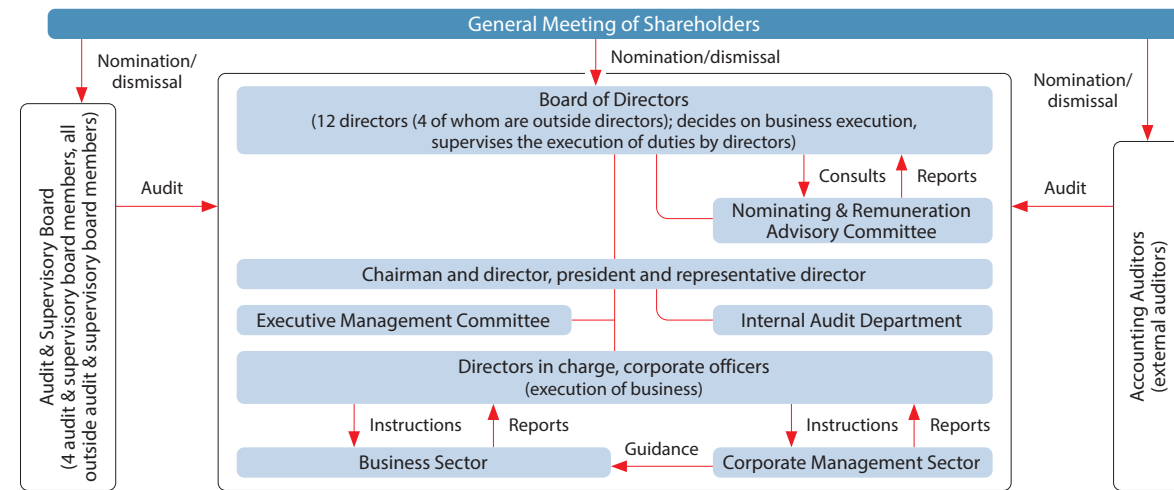
Official Online Shop "DELI Yokorei"

https://deliyokorei.com/tokushu_soutokushu

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 2023. 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.

Results of Board of Directors meetings, Nominating & Remuneration Advisory Committee meetings, etc.

Date	Results	Contents of Discussion	Date	Results	Contents of Discussion
October 28, 2022	B A	Budget, financial results and finance, board effectiveness, shareholder meetings, business, and individual projects.	March 28, 2023	B A	Budget, financial results, finance, business, and individual projects.
November 14, 2022	B A	Budget, financial results, finance and dividends, nomination and compensation, human resources, stocks, and individual projects.	April 28, 2023	B A	Budget, financial results, finance, human resources, business, and individual projects.
November 25, 2022	A	Budget, financial results, finance and dividends, nomination and compensation, human resources, shareholder meetings, internal control, audits, sustainability, compliance, business, individual projects.	May 15, 2023	B A	Budget, financial results, finance and dividends, stocks, and individual projects.
November 29, 2022	B N	Budget, financial results, finance, human resources, audits, business, and individual projects.	June 29, 2023	B A	Budget, financial results, finance, sustainability, compliance, business, and individual projects.
December 22, 2022	B A	Budget, financial results, finance, human resources, audits, business, and individual projects.	July 28, 2023	B A	Budget, financial results, finance, board effectiveness, stocks, sustainability, business, and individual projects.
January 27, 2023	B A	Budget, financial results, finance, human resources, internal control, business, and individual projects.	August 29, 2023	B A	Budget, financial results, finance, business, and individual projects.
February 27, 2023	B A	Budget, financial results, finance, business, and individual projects.	September 29, 2023	B A	Budget, financial results, finance, sustainability, business, individual projects.

B Board of Directors A Audit & Supervisory Board N Nominating & Remuneration Advisory Committee

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

Four outside directors, Mototsugu Sakai, Yosuke Horiai, Mitsuhiro Honda, and Yoriko Sakamoto, and three outside audit & supervisory board members Keizou Inoue, Eizo Tanahashi, and Hisao Munakata were appointed as independent officers at the 76th (FY2023) General Shareholders Meeting.

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.
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.
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.

Name	Reason for selection
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.
Keizou Inoue	From his experience with corporate management and auditing, we deem Mr. Inoue capable of fulfilling supervisory functions with regard to business execution.
Eizo Tanahashi	We deem Mr. Tanahashi capable of utilizing his specialized knowledge and experience as an attorney to support our auditing systems.
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.

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.

Strategic Shareholdings

1. Policy on Strategic Shareholdings
The Company will hold shares only when we believe that such holdings will lead to the sustainable growth of the Group and enhance its corporate value over the medium to long term through the maintenance and strengthening of business relationships and other measures.
2. Verification of rationality of shareholdings
The Company periodically examines whether the benefits and risks associated with strategic shareholdings are commensurate with the cost of capital, and the Board of Directors examines the medium- to long-term economic rationale and future prospects of the Company. Stocks whose significance of strategic holdings has been diluted will be sold off sequentially. The high ratio of investment securities of ¥42,264 million (including unlisted stocks) to net assets of ¥87,334 million at the end of the current fiscal year includes ¥32,632 million (including unlisted stocks) in stocks of important overseas business partners in the Food Sales Business, which are held for strategic purposes.

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, 2023)

Directors

Chairman and Director Toshio Yoshikawa

Number of the Company's shares held: 183 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
- Dec. 2023 Chairman and Director, the Company (current)

President and Representative Director, CEO Kenji Furuse

Number of the Company's shares held: 26 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
- May 2023 Director; Chief of Corporate Management Sector, General Manager of Public Relations and IR Dept., Medium-Term Management Plan Promotion Committee Chair, responsible for climate affairs, the Company
- Dec. 2023 President and Representative Director, the Company (current)

Managing Director Koji Ochi

Number of the Company's shares held: 41 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, and Managing Director at the Company
- Dec. 2023 Managing Director in charge of the Refrigerated Warehousing Business and overseas promotion of the Refrigerated Warehousing Business, the Company (current)

Audit & Supervisory Board Members

Standing Statutory Auditor (Outside) Keizou Inoue

Number of the Company's shares held: 2 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 Butsuruyou 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: 0.6 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)

Corporate Officers

Corporate Officer	Masato Iwakura
Corporate Officer	Masakazu Oda
Corporate Officer	Narito Nakao
Corporate Officer	Mitsutaka Hoshi
Corporate Officer	Akiko Komatsu
Corporate Officer	Hajime Izu
Corporate Officer	Shinya Seki
Corporate Officer	Norio Kawahara
Corporate Officer	Toshiyuki Terai
Corporate Officer	Yoshinori Maki
Corporate Officer	Kazuhito Ishida
Corporate Officer	Nobuo Kitaike
Corporate Officer	Mieko Matsui
Corporate Officer	Tomohiro Kuriyama
Corporate Officer	Hiroyasu Abe

Managing Director Naotaka Yoshikawa

Number of the Company's shares held: 23 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
- 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 Business Dept., and Director at the Company
- Apr. 2022 Director; Deputy Chief of Food Sales Business Sector, Chief of Sales Business Strategy Sector, General Manager of Consumption Area Sales Group, General Manager of Consumption Area Sales Business Dept., the Company
- Dec. 2023 Managing Director; Chief of Business Planning Sector, Chief of Food Sales Business Sector, Medium-Term Management Plan Promotion Committee Chair, the Company (current)

Director Hiroshi Okada

Number of the Company's shares held: 18 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
- Dec. 2023 General Manager of Sales Promotion Department, General Manager of Sales Strategy Management Dept., and Director at the Company (current)

Director Hiroto Ikeda

Number of the Company's shares held: 16 thousand
Board of Directors meeting attendance (attendance rate): –

- Sept. 1983 Joined the Company
- Oct. 2002 General Manager of Tosu Plant, the Company
- Dec. 2011 Corporate Officer; General Manager of Hanshin, Chukyo, and Tokai Blocks and General Manager of Hokko Logistics Center, the Company
- Dec. 2015 Director; General Manager of Kanto Block and Chair of Satte Logistics Center Preparation Committee, the Company
- Dec. 2017 Senior Counselor; Assistant to General Manager of Nagasaki Refrigeration Plant, the Company
- Dec. 2019 Corporate Officer; General Manager of Kyushu Block, the Company
- Mar. 2023 Corporate Officer; General Manager of Domestic Production Area Sales Group and General Manager of Eastern Japan Business Dept., responsible for facilitation of Eastern Japan Business, the Company
- Dec. 2023 Director; General Manager of Domestic Production Area Sales Group and General Manager of Eastern Japan Business Dept., responsible for facilitation of Eastern Japan Business, the Company (current)

Auditor (Outside) Eizo Tanahashi

Number of the Company's shares held: 6 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)

Auditor (Outside) Hisao Munakata

Number of the Company's shares held: 3 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- Mar. 2003 GSDF Staff Office, Defense Dept. Manager at Defense Agency
- Aug. 2006 Deputy Chief of Staff of the GSDF at Defense Agency
- Jul. 2007 Tohoku Region Inspector General at Ministry of Defense
- Oct. 2009 Director at PSC Jieitai-Kazoku-Kai, and Consultant at The Japan Steel Works, Ltd. (current)
- Apr. 2018 New Business Development Advisor at safety NET K.K. Part-time lecturer, Tokyo Campus of Shiseikan University (current)
- Dec. 2020 Consultant at Pasona Group Inc. (current)
Audit & Supervisory Board Member at the Company (current)

Director Yoshiaki Hoshino

Number of the Company's shares held: 10 thousand
Board of Directors meeting attendance (attendance rate): –

- Apr. 1985 Joined the Company
- Jan. 2009 General Manager of General Affairs Dept., the Company
- Nov. 2014 General Manager of Yamanouchi Logistics Center, the Company
- Jul. 2015 General Manager of Meat Business Dept., the Company
- Apr. 2016 Diamond Tokachi Co., Ltd (seconded), Director and Vice President of Diamond Tokachi Co., Ltd.
- Dec. 2019 Corporate Officer, the Company, Director and Vice President of Diamond Tokachi Co., Ltd.
- Dec. 2023 Director, the Company, Director and Vice President of Diamond Tokachi Co., Ltd. (current)

Director Satoshi Yoshida

Number of the Company's shares held: 2 thousand
Board of Directors meeting attendance (attendance rate): –

- Apr. 2019 Chief Manager; General Manager of Kanagawa Sales Bureau of The Dai-ichi Life Insurance Company, Limited
- Apr. 2022 Joined the Company
- Dec. 2022 Corporate Officer; General Manager of General Affairs & Human Resources Dept., the Company
- Dec. 2023 Director; Chief of Corporate Management Sector, General Manager of General Affairs & Human Resources Dept., Medium-Term Management Plan Promotion Committee Vice Chair, responsible for climate affairs, the Company (current)

Director (Outside) Mototsugu Sakai

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

- 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)
- 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: 1 thousand
Board of Directors meeting attendance (attendance rate):
13 times / 13 times (100%)

- 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. 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: 0.6 thousand
Board of Directors meeting attendance (attendance rate):
13 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 Law Office (currently Rokuta-Sakamoto Law Office)
- 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)

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 Director	Toshio Yoshikawa	○	○	○	○	○	○	○	○
President and Representative Director, CEO	Kenji Furuse	○	○	○	○	○	○	○	○
Managing Director	Koji Ochi	○	○		○		○	○	
Managing Director	Naotaka Yoshikawa		○		○		○	○	○
Director	Hiroshi Okada	○					○	○	○
Director	Hiroto Ikeda						○	○	
Director	Yoshiaki Hoshino		○					○	
Director	Satoshi Yoshida		○		○				
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			○					

■ Message from an Outside Director

We have two long-term visions for the year 2030: Yokorei Business Vision 2030 and Yokorei Sustainability Vision 2030. Based on our corporate philosophy that “companies are social institutions and profits are a measure of their service,” we have set forth in our Business Vision 2030, “We promise to provide smart cold services combining tradition and innovation,” in the Refrigerated Warehousing Business, and, “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. In addition, in the Sustainability Vision 2030 we set forth “For a brighter food future – Yokorei will ensure a stable food supply to help support a sustainable society.”

This effort to clarify our vision and provide specific guidelines and goals is in line with the concept of Purpose Management, which has been advocated in recent years, and we believe it has great significance in the midst of the drastically changing environment surrounding our business.

The three reform engines of the business foundation that supports Yokorei quality are consciousness reform (management mindful of capital efficiency and financial soundness), organizational reform (promote mutual ties between business sectors, and continue measures to break down barriers between departments), and system reform (create structures to develop the next generation of managers and professionals). We have high expectations that these efforts will contribute to the sustainable growth of the Company and increase its corporate value from the soft side.

Since the understanding of all employees is essential to put the above vision and reforms into practice, we look forward to further efforts to put them into practice in the future.

I worked for the National Tax Agency and the Ministry of Finance, where I was involved in the enforcement, planning and formulation of the taxation system, before moving on to university teaching. I am currently teaching and researching tax law as a practicing teacher at the Graduate School of Business Sciences, University of Tsukuba.

Corporate governance, which has recently come under increasing pressure to be enhanced, is a mechanism aimed at preventing misconduct within a company, and through sound management, achieving sustainable growth of the company and increasing its corporate value. My expertise in taxation and accounting is the foundation of corporate governance efforts, and I hope to contribute to the enhancement of Yokorei’s corporate value by utilizing my knowledge and experience in this area. I would also like to contribute to the Company from the perspective of tax compliance by leveraging my experience in efforts to enhance such compliance.

The Board of Directors is expected to provide major direction, such as corporate strategy, and to provide an environment that supports risk-taking and highly effective supervision from an independent and objective standpoint. From this perspective, I believe that the Yokorei’s Board of Directors generally makes appropriate decisions through open discussions.

I believe that the Board of Directors’ supervisory function will be further improved by further enhancing discussions on medium- to long-term management strategies and investment plans from a holistic perspective. I also believe that the Board of Directors’ awareness of management issues will be further shared by, for example, providing opportunities for prior explanations of important agenda items.

As Japan’s birthrate declines and the population ages rapidly, the need for global governance is becoming increasingly important as companies must expand into overseas markets. In the New Medium-Term Management Plan (Phase II), the Refrigerated Warehousing Business has identified global expansion in ASEAN region as one of its priority measures, and in the Food Sales Business, expansion of overseas sales channels is positioned as one of the measures to promote reform and growth packages. As globalization is expected to progress rapidly at Yokorei as well in the future, we would like to contribute to the enhancement of global governance as well.



Mitsuhiro Honda Outside Director

■ 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 FY2023, the Helpdesk received nine consultations (three in FY2022) 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 manages the risks in accordance with our Risk Management Rules. In addition, the Company’s risk management system is maintained by reference to ISO31000 and other frameworks as appropriate.

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 Initiatives

Yokorei uses natural refrigerant air-conditioning systems at its new refrigerated warehouses, and is converting equipment at existing facilities to natural refrigerants. The 2030 target natural refrigerant implementation rate for Yokorei Group has been raised from 80% or higher to 85% or higher. During fiscal 2024, the Company plans to install natural refrigerant air-conditioners at three new logistics centers and one existing center.

Yokorei is also gradually introducing solar power generation systems. In fiscal 2023, solar power systems were installed at one new logistics center, and two existing centers. In fiscal 2024, the Company plans to expand installations to multiple sites, including a new logistics center. In addition, Yokorei has obtained Green Management Certification for its Refrigerated Warehousing Business sites throughout Japan, and based on its Environmental Conservation Action Plan, is pursuing initiatives for energy efficiency, waste reduction, and recycling.

Metric	Scope	FY2023		FY2024 Target
		Target	Actual	
GHG emissions per unit of capacity (compared to FY2015)	Yokorei*	30% reduction	32.1% reduction	40% reduction by 2030
Natural refrigerant implementation rate	Yokorei and consolidated subsidiaries	70%	69%	80% implementation by 2026
Waste emissions	Yokorei*	5% reduction YoY	3.9% reduction	5% reduction YoY
NOx (nitrogen oxide) emissions	Yokorei and consolidated subsidiaries	0 t	0 t	0 t
SOx (sulfur oxide) emissions	Yokorei and consolidated subsidiaries	0 t	0 t	0 t
VOC (volatile organic compounds) emissions	Yokorei and consolidated subsidiaries	0 t	0 t	0 t

* All Yokorei business sites in Japan (excluding Food Sales business offices and the head office)

Water Resources

Yokorei uses a large volume of water, mainly in its Refrigerated Warehousing Business, such as makeup water for cooling towers in refrigerated warehouses. Because the conservation of water resources is an important societal issue, the Company has included conservation of water resources as an action guideline in its environmental policy and is pursuing measures to reduce water usage in its business activities, such as introducing scrubber washers that consume less water and the adoption of cooling towers. Yokorei has formulated water management plans for all its Refrigerated Warehousing Business sites in Japan and the Hirado Ice Factory, and has implemented measures to monitor water intake, manage wastewater quality, and recycle water.

In addition, Yokorei uses Aqueduct, a water risk assessment tool developed by the World Resources Institute (WRI), to survey water risks at its business sites. The water stress level and water usage volume are assessed for each site, and measures implemented for the efficient use of water resources.

Although the risk of drought at sites in Japan is low, Yokorei will continue to work to reduce the amount of water it uses, and take measures to protect against water-related risks such as flood damage.

Water Stress Level	No. of Sites	FY2023 Water Intake (m ³)
Extremely High (>80%)	0	0
High (40-80%)	0	0
Medium - High (20-40%)	20	167,418
Low - Medium (10-20%)	26	278,803
Low (<10%)	5	64,756
Total	51	510,977

* Assessed using the WRI Aqueduct Water Risk Atlas Water Stress
 * Scope: All 50 Refrigerated Warehousing Business sites in Japan and the Hirado Ice Factory (Water usage in the Food Sales Business is less than 1% of that of the Refrigerated Warehousing Business, so the business is excluded.)

■ 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



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) • RCP 8.5 scenario formulated by the Intergovernmental Panel on Climate Change (IPCC)
 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)
 Financial impact: The financial impacts of climate-related risks and opportunities are currently being assessed.

poses for its business, and 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.

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 85% or higher (compared to 69% in 2023)	Storage capacity of warehouses using natural refrigerants in the Refrigerated Warehousing Business
Target 3 By 2030, solar power production capacity of 20 MW (compared to around 9.3 MW in 2023)	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%.

* In Target 2, the natural refrigerant implementation rate was revised from 80% or higher to 85% or higher.

■ Sustainable Procurement

Handling of MSC/ASC-certified marine products and acquisition of CoC certification

Yokorei procures food material from around the world, and recognizing the importance of sustainable procurement that considers both the environment and society, takes steps to enhance the sustainability of its procurement activities. Yokorei has acquired Chain of Custody (CoC) certification (authentication management for processing and distribution chains) for MSC and ASC marine products, working to procure and supply sustainable marine products. In recent years, the Company has been gradually expanding its handling of MSC- and ASC-certified marine products. Of the marine products procured in fiscal 2023, nearly all flounder and Pacific Ocean perch were MSC certified, and around 48% of trout was ASC certified.

Procurement of Certified Marine Products

Certification	Tonnes and proportion of certified marine products*		
	2021	2022	2023
MSC	3,587 (19.5%)	5,263 (19.8%)	9,666 (36.2%)
ASC	139 (10.5%)	344 (22.0%)	845 (30.8%)

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



■ Human Capital Management

Yokorei Group, with the aim of realizing the Yokorei Sustainability Vision 2030, is pursuing initiatives for human capital management as part of its new medium-term management plan. As part of this effort, the Company has set key indicators for human capital management, and through a new personnel system that will come into effect from April 2024, is working to improve the individual abilities and retention of employees, and strengthen on-site capabilities.

■ Improving Job Satisfaction

Yokorei conducts an annual job satisfaction survey for all employees, analyzes the results to identify issues, and considers improvement measures. In the survey conducted in July 2023, 65.1% of employees reported feeling a sense of job satisfaction, down 1.0 percentage point from the previous year.

As one of the measures to address the issues raised in the survey, which has been conducted three times since fiscal 2021, Yokorei plans to implement a new personnel system in April 2024. This new system will introduce a framework to clarify career visions for employees, provide appropriate evaluations and treatment, and secure and develop specialized human resources. With this new personnel system as a foundation to address various issues, the Company aims to improve job satisfaction for all employees, and achieve further growth.

■ Human Resource Development

Yokorei Group believes that the growth of its employees, who are a vital management resource, is the driving force for expansion and development. To ensure a stable food supply and establish a sustainable supply chain, it is essential for employees to improve their capabilities, and have opportunities to demonstrate their proficiency. To this end, Yokorei supports skill development for career advancement tailored to the position of each employee, and provides a work environment in which they can utilize their capabilities. As part of a wide-ranging educational program, the Company also partners with external organizations to provide practical training in areas such as compliance, quality, and safety, and to support self-development.

To provide a platform for human resource development, Yokorei utilizes on-the-job training as the basis for the acquisition of professional knowledge and skills based on workplace safety and quality, and expresses this clearly throughout the organization. In addition, the Company provides professional employee education and training at the fully equipped Yokohama Mirai HRD (Human Resource Development) facility established in 2020, and the Yokohama Mirai Satellite for on-the-job employee training. Further, the Human Resources Development Center, established in 2022, creates programs for self-guided training and learning for the acquisition of advanced and specialized skills.



Yokohama Mirai HRD
Yokohama Mirai HRD is a specialized facility for human resource development at Yokorei. There are rooms to accommodate large groups, along with smaller training classrooms. The facility is also equipped as a system development center, allowing for large-scale software development to support future strategic ICT investments.



Yokohama Mirai Satellite
Yokohama Mirai Satellite is a centralized group training facility for practical training with forklifts and other equipment. In addition to serving as a training facility, the center is also a refrigerated warehouse operated as a satellite facility for the Yokohama Logistics Center, providing overflow capacity for refrigerated warehouses in the greater Tokyo-Yokohama area.

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
FY9/23	14,763 hours	935 persons

■ 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.

Improvement of the Workplace Environment

Yokorei has introduced labor-saving advancements and automation of warehouse operations in recent years so that all employees, regardless of gender or age, are able to play a more active role. The gradual introduction of electric moving racks, linked with the cargo navigation system, allows anyone to efficiently handle incoming and outgoing cargo operations. As a result, at the end of September 2023, the number of female employees working on-site in refrigerated warehouses was 41 (an increase of 4 from the previous fiscal year). The Company is also developing systems to support a greater balance for work and child or nursing care. In fiscal 2023, 17 employees took childcare leave (an increase of 6 from the previous fiscal year), and 25 employees were working shortened hours due to childcare or nursing care responsibilities (an increase of 6 from the previous year).



Electric moving racks

Human Capital Metrics and Targets

Goal	Metric	Target
Diversity in human resources	Percentage of women in managerial positions	More than double the 2020 level by the end of September 2026
Improvement of the workplace environment (work-life balance)	Percentage of male employees taking childcare leave	Achieve 50% by the end of September 2026
	Engagement	Percentage of employees who feel a sense of job satisfaction: 80% or higher (by 2030)
Improvement of the workplace environment (occupational health and safety)	Health and safety targets common to the Refrigerated Warehousing Business	Number of occupational accidents: 50% decrease compared to the previous fiscal year
	Percentage of employees receiving health checkups	100% by the end of March 2025

■ Occupational Health and Safety

As experts in food distribution that is friendly to people, goods, and the earth, Yokorei Group conducts business activities with the highest priority on ensuring the safety and health of its employees.

In fiscal 2023, Yokorei implemented the following measures based on its policy of eliminating occupational accidents, creating a comfortable work environment, and maintaining and promoting employee health. Health and safety meetings were held once a month at each business site, with risk assessments conducted regarding minor incidents involving work processes or machinery. When new equipment or machinery was introduced, risk assessments were conducted prior to operation to ensure thorough safety procedures. When industrial accidents occurred, the details of the incident were shared throughout the Company as part of a concerted effort to prevent recurrence. To maintain and improve employee health, the Company encouraged regular health checkups, and worked to increase the percentage of employees receiving stress checks. A total of 11 occupational accidents occurred in fiscal 2023, of which 3 were lost-time accidents. In addition, 10 cases were isolated incidents, with many accidents involving getting caught in machinery. There were no fatal industrial accidents. When an occupational accident occurs, the Company prepares and shares a report detailing the incident and a report outlining countermeasures, and conducts on-site inspections at each business site to prevent recurrence.

Elimination of Occupational Accidents

Target Number of occupational accidents: 50% decrease compared to the previous fiscal year
Current status The number of occupational accidents in fiscal 2023 decreased by 39% (11 cases) against the target of a 50% reduction from the previous fiscal year

	2022	2023	2024 (Target)
Number of Occupational Accidents	18	11	6

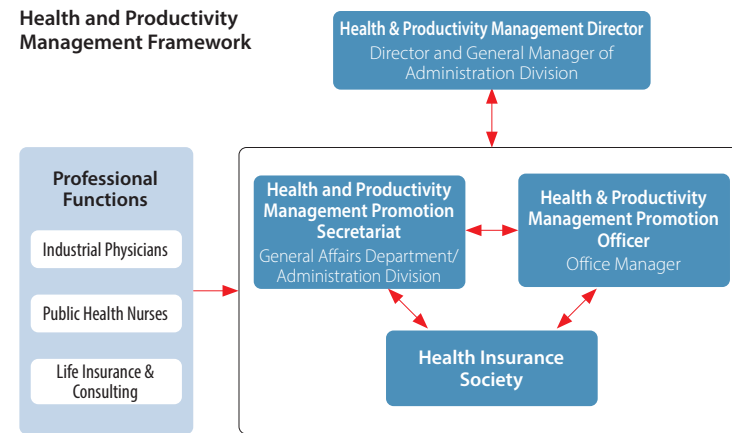
Health and Productivity Management

Yokorei aims to obtain certification as a Health and Productivity Management Outstanding Organization as part of an effort to enhance labor productivity and corporate value by maintaining and improving the health of its employees. In addition to creating a dynamic work environment for the employees who are our most important asset, Yokorei provides the following support to promote the physical and mental health of employees and their families, so that they can work safely and with peace of mind.

Basic Policy on Health and Productivity Management

- We will achieve a 100% health checkup rate and work to ensure follow-up treatment based on the examination results.
- We will work to improve the stress check rate and provide follow-up treatment for those who are highly stressed.
- We will work to provide support to balance illness/treatment and work.
- We will work to increase opportunities for exercise.
- Through these measures to improve the mental and physical health of employees, we aim to increase job satisfaction by creating a rewarding work environment, and boost labor productivity to enhance corporate value.

Target Health checkup rate of 100% by the end of March 2025
Current status Health checkup rate of 98.7% in fiscal 2022



Initiatives for the Realization of Sustainable Logistics

Yokorei is pursuing various initiatives to realize sustainable logistics.

Labor Savings from the Introduction of Automation Systems

Yokorei introduced its first Devanning Palletize System (DPS) using work robots at the Chiba Research Park Logistics Center completed in March 2023. The system automates a series of tasks, from transporting cargo after unloading to stacking on pallets and wrapping, allowing work to be conducted by less than half the number of workers as was previously necessary.

In addition, Yokorei is working to automate administrative work such as shipping processing using RPA, mainly in the Refrigerated Warehousing Business. During fiscal 2023, this system saved around 9,600 work hours. Company-wide rollout is planned for as soon as possible in fiscal 2024, and is expected to save around 20,000 work hours annually.

Measures to Solve Issues in the Logistics Industry

Yokorei is working to improve the efficiency of logistics to build a sustainable logistics network. The Company has introduced a truck reservation system to reduce waiting times and even out warehouse operations, and is currently developing a new, more convenient system scheduled for implementation in the spring of 2024. In addition, Yokorei has begun full-scale introduction of pallets equipped with RFID tags (automatic identification technology using near field communication), allowing for streamlined management of information on pallets and palletized cargo, starting with the Chiba Research Park Logistics Center. The Company is currently working to promote palletizing operations using these pallets, mainly at sites in the Tokyo-Yokohama metropolitan area, with plans to expand the range of sites in the future.



Chiba Research Park Logistics Center

Loading (palletizing robots)

Receipt of the Logistics Structural Reform Award

In December 2022, Yokorei received the Logistics Structural Reform Award at the Logistics Partnership Excellence Awards held by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism. The award recognized Yokorei's efforts to enhance the efficiency of low-temperature logistics through palletization, an initiative to address of societal issue of "reducing waiting times for delivery companies at wholesale centers."



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 FY2023.

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, by educating managers about labor management and introducing an attendance management system, 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

As a member of the local community, Yokorei aims to be a company that sincerely responds to the needs and expectations of society, and will continue to pursue activities that support solutions to the challenges facing local communities, and their further development.

Yokorei has donated a portion of its profit each year since 1973 as a way of giving back to the community. In fiscal 2023, the Company donated a total of ¥43,390,000 in support of 23 causes. As a foods company, Yokorei makes a particular effort to support food-related activities. In addition, Yokorei interacts with local communities through sponsorships and participation in sporting events, and the support of facility tours, in an effort to deepen understanding of its business activities and initiatives.

Support for Food-Related Activities

Yokorei contributes to society through its business activities. In June 2022, the Kagoshima Logistics Center began storing food material in its refrigerated warehouse to support the operation of local children's cafeterias. Providing storage space allows children's cafeterias to significantly expand the amount of frozen foods they can receive, and offer a wider range of meals. In October 2023, the Tokyo Haneda Logistics Center also began providing food storage support as part of the Meals on Wheels Logistics System (MOWLS) project, a logistics system for food support operated by Meals on Wheels Japan.



Facility Tours

Yokorei hosts tours from elementary and junior high school students for social experience classes. In November 2022, 11 students from junior high schools in Kanagawa Prefecture visited Yokohama Mirai HRD as part of their SDGs and careers education program. In August 2023, the Company held a facility tour event for 10 parents and children from the supporters' club of the Yokohama FC soccer team, which Yokorei sponsors, as part of its "food education experience." Through hands-on learning about the cooling mechanism and tours of refrigerated warehouses, the program gave participants the opportunity to learn about the role of refrigerated warehouses and food distribution.



Yokohama FC Supporters' Club field trip event

Main Consolidated Financial Indicators

¥ million	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net sales, operating income, and net income*											
Net sales	133,862	115,257	110,782	115,025	139,970	171,772	159,045	148,609	154,767	141,654	118,691
EBITDA	10,366	10,665	9,250	9,449	10,459	9,880	9,879	9,407	8,339	7,988	7,244
Operating income	3,785	4,252	2,562	3,412	4,774	4,825	5,179	5,169	3,874	4,105	3,729
Net income	2,831	3,317	3,605	2,340	3,385	3,343	3,360	2,932	2,517	1,835	2,308
Profitability ratios											
Operating income ratio (%)	2.8	3.7	2.3	3.0	3.4	2.8	3.3	3.5	2.5	2.9	3.1
Return on sales (%)	2.1	2.9	3.3	2.0	2.4	1.9	2.1	2.0	1.6	1.3	1.9
Gross profit margin (%)	9.6	10.9	12.5	12.1	10.8	8.8	9.2	8.4	7.4	8.1	8.9
SGA ratio (%)	6.8	7.2	10.1	9.1	7.4	6.0	5.9	4.9	4.9	5.2	5.8
Total assets, total shareholders' equity, and interest-bearing debt											
Total assets	197,695	179,021	178,203	179,935	179,247	186,791	173,699	145,232	118,901	114,210	97,593
Total shareholders' equity	80,549	79,157	77,550	75,248	74,122	72,181	64,369	61,130	59,228	57,799	56,989
Net assets	87,334	85,170	82,568	79,975	80,580	78,858	69,688	63,027	62,322	59,635	58,159
Interest-bearing debt	95,537	77,185	79,330	82,346	79,949	89,478	83,845	63,927	42,789	38,274	25,816
Shareholders' equity ratio (%)	43.4	46.8	45.7	43.2	43.7	41.5	39.4	42.7	51.6	51.5	59.1
Debt/Equity ratio (%)	118.6	97.5	102.3	109.4	107.9	124.0	130.3	104.6	72.2	66.2	45.3
Capital expenditures and depreciation											
Capital expenditures	12,378	7,068	13,744	15,513	12,479	11,960	10,210	12,721	4,556	13,929	3,919
Depreciation	6,581	6,413	6,688	6,037	5,685	5,054	4,699	4,237	4,465	3,882	3,515
Return indicators											
Return on equity (ROE) (%)	3.3	4.0	4.5	3.0	4.3	4.6	5.1	4.8	4.2	3.2	4.1
Return on total assets (ROA) (%)	1.5	1.9	2.0	1.3	1.8	1.9	2.1	2.2	2.2	1.7	2.4
Investment indicators											
Price/Earnings ratio — PER (times)	25.15	15.64	14.47	22.90	17.92	15.45	16.49	18.92	19.34	22.94	18.13
Price/Book value ratio — PBR (times)	0.83	0.62	0.64	0.69	0.77	0.70	0.82	0.89	0.79	0.72	0.73
Price/Cash flow ratio — PCFR (times)	7.69	5.34	5.35	6.13	6.76	6.43	7.41	7.92	7.08	7.44	7.70
Per share value indicators											
Net income per share (EPS) (¥)	48.16	56.34	61.30	39.86	57.77	59.63	64.28	56.66	48.66	35.48	44.61
Book value per share (BPS) (¥)	1,460.17	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
Cash flow per share (CFPS) (¥)	157.47	164.85	165.71	148.95	153.17	143.25	143.05	135.39	132.89	109.38	105.13
Dividends and payout ratio											
Dividends per share (¥)	24.0	23.00	23.00	23.00	23.00	23.00	20.00	20.00	20.00	20.00	20.00
Payout ratio (%)	49.8	40.8	37.5	57.7	39.8	38.6	31.1	35.3	41.1	56.4	44.8

■ 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 fiscal year ended September 30, 2022; 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

		2023	2022	2021	2020	Scope ^{*1}	
Human Resources	No. of employees (consolidated basis)	1,658	1,639	1,652	1,722	Yokorei and consolidated subsidiaries	
	Employee average annual income (thousand yen)	5,702	5,475	5,423	5,392		
	Average age	36.9	36.4	35.9	36.1		
	Average years of service	12.3	12.1	11.8	11.8		
	Male	13.1	13.5	13.1	13.2		
	Female	8.1	7.8	7.6	7.3		
	Percentage of employees with disabilities	2.2	2.2	2.2	1.9		
	Percentage of female managers	2.04	2.1	2.2	2.3		
	Percentage of women in career-track positions	7.1	7.2	6.1	5.1		
	Number of recruits	110	114	127	111		
	Job turnover (retirement for personal reasons) (%)	7.0	7.6	4.9	4.9		
	Number of employees taking childcare leave	17	11	8	10		
	Male	5	1	1	0		
	Female	12	10	7	10		
	Percentage of employees taking childcare leave	36.1	28.2	21.1	24.4		
	Male	14.2	3.5	3.2	0.0		
	Female	100.0	100.0	100.0	100.0		
	Number of labor law violations	0	0	0	0		
	Workplace Safety	Annual number of scheduled working hours	1,920	1,928	1,920	1,928	
		Number of business accidents	11	18	15	14	
Number of accidents resulting in business closures (4 days or more)		3	8	3	5		
Workplace accident frequency rate (%) ^{*2}		3.88	6.45	5.50	5.36		
Number of participants in training related to workplace health and safety		334	253	-	-		

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

*2 Number of casualties due to occupational accidents/Total actual working hoursx1,000,000

Environmental Data

Category	Metric	2023	2022	2021	Scope ^{*1}	Notes
Environment-related accidents	Environmental law violation fine (yen)	0	0	0		
	Air pollution					
Air pollution	NOx (nitrogen oxide) emissions (t)	0	0	0		No applicable equipment
	SOx (sulfur oxide) emissions (t)	0	0	0		No business sites with soot or smoke producing facilities
	VOC (volatile organic compounds) emissions (t)	0	0	0		No applicable equipment
	Hazardous waste emissions (t)	0	0.9	2.0		
Waste	Waste emissions (t)	3,120	2,962	3,093	Yokorei ^{*2}	
	Recyclable	1,952	1,745	1,688		
	Non-recyclable	1,168	1,216	1,406		
	Waste emissions per unit of capacity (kg)	1.1	1.2	1.4		
Water resources	Water-related law violations (incidents)	0	0	0	Yokorei ^{*3}	
	Total water withdrawal (m ³)	515,477	499,589	362,598		
	Tap water	315,989	305,309	248,269		
	Industrial water	90,097	77,980	103,628		
	Well water	102,079	106,755	-		
	Ocean water	7,312	9,545	10,701		
Total discharge volume (m ³)		298,804	-	-		
	Third-party discharge destination (e.g., sewer)	298,804	-	-		
Climate change	Greenhouse gas emissions (t-CO ₂) ^{*4}					
	Scope1	542	533	479	Yokorei	
	Refrigerated warehousing business sector	445	438	402		
	Food sales business sector	79	79	60		
	Corporate management sector	17	17	17		
	Scope2	56,491	57,104	58,696		
	Refrigerated warehousing business sector	55,878	56,477	58,373		
	Food sales business sector	523	480	184		
	Corporate management sector	90	147	139		
	Scope3	581,704	485,881	-		
	Purchased products and services	522,684	446,545	-		
	Capital goods	31,519	12,475	-		
	Fuel and energy-related activities not included in Scope 1 and 2	9,874	9,823	-		
	Transportation and delivery (upstream)	16,602	16,020	-		
	Waste from operations	327	313	-		
	Business travel	184	184	-		
	Employee commuting	504	503	-		
	Leased assets (upstream)	-	-	-		Non-applicable
	Transportation and delivery (downstream)	-	-	-		Non-applicable
	Processing of products sold	-	-	-		Non-applicable
	Use of sold products	-	-	-		Non-applicable
	Disposal of sold products	11	18	-		
	Leased assets (downstream)	-	-	-		Non-applicable
	Franchises	-	-	-		Non-applicable
	Investments	-	-	-		Non-applicable
	Scope1+2	57,032	57,637	59,175		
	Refrigerated warehousing business sector	56,324	56,915	58,775		
Food sales business sector	602	559	244			
Corporate management sector	107	164	156			
Scope1+2+3	638,737	543,518	-			

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

*2 Covers all 50 of Yokorei's domestic Refrigerated Warehousing Business's locations.

*3 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.

*4 Scope 3 emissions have been calculated since FY2022.

Governance Data

		2023	2022	2021	2020	Scope*
Prevention of Corruption	Amount of political donations (yen)	0	0	0	0	
	Number of employees disciplined and let go resulting from violations of anti-corruption policies	0	0	0	0	
	Amount of fines for anti-corruption violations (yen)	0	0	0	0	
Board of Directors	Number of board meetings	13	13	13	13	
	Attendance of directors at board meetings (%)	100.0	98.7	99.2	100.0	
	Number of outside directors	4	4	3	2	
IR Activities	Percentage of outside directors	33.3	33.3	27.3	20.0	
	Number of individual meetings with institutional investors and analysts	36	45	39	54	
	Number of small meetings	2	2	2	1	

* Items with nothing listed under Scope refer to Yokorei.

External Recognition

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



FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Index

Attestation of Validity

The YOKOREI Integrated Report 2023 is the fourth 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 2023, 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.

Akiko Komatsu

Corporate Officer, General Manager of Public Relations and IR Department

Share Trends by Business

Refrigerated Warehousing Business, Industry Comparison Warehousing Volume by Product

(Thousand tons)

		2023		YoY		2022		YoY		2021	
Fishery products	Yokorei (Share)	195	(10.4%)	-4.9%	(0.1pt)	205	(10.3%)	10.8%	(0.9pt)	185	(9.4%)
	Japan Association of Refrigerated Warehouses 12 cities	1,880		-5.9%		1,997		1.9%		1,959	
Livestock products	Yokorei (Share)	480	(11.0%)	0.0%	(0.1pt)	480	(10.9%)	0.8%	(-0.2pt)	476	(11.1%)
	Japan Association of Refrigerated Warehouses 12 cities	4,359		-1.2%		4,412		2.5%		4,306	
Agricultural products	Yokorei (Share)	216	(17.7%)	6.4%	(1.5pt)	203	(16.2%)	8.6%	(0.7pt)	187	(15.5%)
	Japan Association of Refrigerated Warehouses 12 cities	1,219		-2.5%		1,250		3.4%		1,209	
Frozen foods, other	Yokorei (Share)	576	(11.7%)	-1.7%	(-0.2pt)	586	(11.9%)	9.7%	(0.6pt)	534	(11.3%)
	Japan Association of Refrigerated Warehouses 12 cities	4,923		0.2%		4,912		4.4%		4,705	
Total	Yokorei (Share)	1,467	(11.8%)	-0.5%	(0.1pt)	1,474	(11.7%)	6.7%	(0.4pt)	1,382	(11.3%)
	Japan Association of Refrigerated Warehouses 12 cities	12,381		-1.5%		12,571		3.2%		12,179	

Refrigerated Warehousing Business, Industry Comparison Month-End Inventory Accumulation by Product

(Thousand tons)

		2023		YoY		2022		YoY		2021	
Fishery products	Yokorei (Share)	968	(14.9%)	12.2%	(0.7pt)	863	(14.1%)	4.4%	(0.5pt)	827	(13.6%)
	Japan Association of Refrigerated Warehouses 12 cities	6,507		6.6%		6,106		0.3%		6,090	
Livestock products	Yokorei (Share)	1,268	(12.7%)	4.0%	(-1.0pt)	1,219	(13.7%)	0.1%	(-0.1pt)	1,218	(13.8%)
	Japan Association of Refrigerated Warehouses 12 cities	9,951		12.0%		8,885		0.5%		8,838	
Agricultural products	Yokorei (Share)	1,031	(31.5%)	7.6%	(0.2pt)	958	(31.2%)	-0.1%	(1.6pt)	959	(29.6%)
	Japan Association of Refrigerated Warehouses 12 cities	3,276		6.8%		3,067		-5.4%		3,242	
Frozen foods, other	Yokorei (Share)	730	(12.6%)	5.2%	(0.0pt)	694	(12.6%)	10.3%	(0.4pt)	629	(12.2%)
	Japan Association of Refrigerated Warehouses 12 cities	5,800		5.5%		5,498		6.7%		5,153	
Total	Yokorei (Share)	3,997	(15.7%)	7.0%	(-0.2pt)	3,734	(15.9%)	2.8%	(0.3pt)	3,633	(15.6%)
	Japan Association of Refrigerated Warehouses 12 cities	25,534		8.4%		23,556		1.0%		23,323	

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

(Tons)

		2023		YoY		2022		YoY		2021	
● Pork	Sales Volume (Unit Price (Yen))	18,327	(516)	-482	(63)	18,809	(453)	-6,592	(-16)	25,401	(469)
● Chicken	Sales Volume (Unit Price (Yen))	11,573	(409)	1,539	(16)	10,034	(393)	-1,583	(116)	11,617	(277)
● Beef	Sales Volume (Unit Price (Yen))	1,770	(1,005)	-1,218	(134)	2,988	(871)	331	(-26)	2,657	(897)
● Salmon and trout	Sales Volume (Unit Price (Yen))	9,391	(1,013)	1,346	(60)	8,045	(953)	980	(255)	7,065	(698)
● Scallop	Sales Volume (Unit Price (Yen))	5,067	(1,243)	-2,417	(237)	7,484	(1,006)	2,763	(-30)	4,721	(1,036)
● Mackerel	Sales Volume (Unit Price (Yen))	42,336	(222)	-2,366	(32)	44,702	(190)	-4,792	(13)	49,494	(177)
● Shrimp	Sales Volume (Unit Price (Yen))	4,420	(1,245)	-112	(39)	4,532	(1,206)	293	(99)	4,239	(1,107)
● Crab	Sales Volume (Unit Price (Yen))	429	(2,667)	-394	(-1,682)	823	(4,349)	-228	(1,150)	1,051	(3,199)
● Squid	Sales Volume (Unit Price (Yen))	18,344	(469)	4,257	(67)	14,087	(402)	439	(44)	13,648	(358)
● Atka mackerel	Sales Volume (Unit Price (Yen))	8,151	(420)	197	(66)	7,954	(354)	-1,877	(20)	9,831	(334)
● Eel	Sales Volume (Unit Price (Yen))	1,722	(3,443)	110	(-20)	1,612	(3,463)	-329	(703)	1,941	(2,760)

Stock Information (As of September 30, 2023)

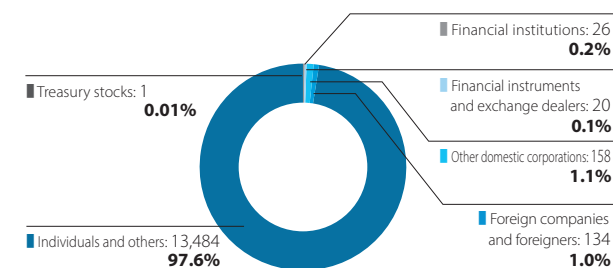
Securities Code	2874
Stock Listing	Prime Market, Tokyo Stock Exchange
Share Handling Agent	Mitsubishi UFJ Trust and Banking Corporation
Authorized Number of Shares	160,000,000 Shares
Number of Shares Outstanding	59,266,684 Shares
Share Trading Unit	100 Shares
Number of Shareholders	13,823
Credit Rating	Japan Credit Rating Agency, Ltd. Long-term: A- (As of August 22, 2023)

Principal Shareholders

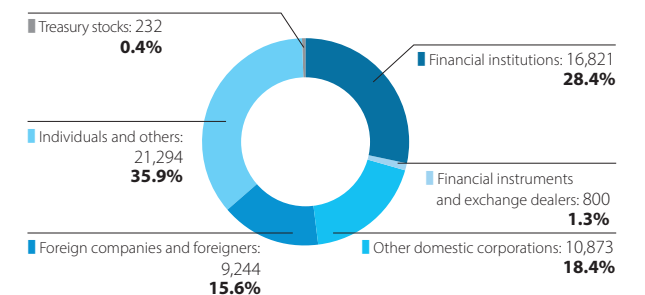
Name	Number of Shares Held (Thousand Shares)	Ratio of Shareholding
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,293	10.66
Matsuoka Co., Ltd.	2,569	4.35
The Dai-ichi Life Insurance Company, Limited	2,205	3.73
The Bank of Yokohama, Ltd.	2,176	3.68
Custody Bank of Japan, Ltd. (Trust Account)	1,629	2.76
The Norinchukin Bank	1,473	2.49
Hacchoko Co., Ltd.	1,411	2.39
Yokorei Employee Shareholding Association	1,329	2.25
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	1,023	1.73
SAKATA SEED CORPORATION	1,022	1.73

Note: The shareholding ratio has been calculated excluding treasury stock (232,002 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)

	2023	2022	2021	2020	2019	2018
Number of shares outstanding (shares)	59,266,684	59,266,684	59,266,684	59,266,684	59,266,684	59,266,684
Market capitalization (¥ million)	71,771	52,213	52,569	54,110	61,341	54,584

Basic Data

Trade Name	Yokorei Co., Ltd.	
Head Office	10th Floor, Yokohama Connect Square, 3-3-3 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	1,658 (consolidated); 1,335 (non-consolidated)	
Business Activities	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
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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, Sanubtueb, 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
Company Name	Vietnam Yokorei Co., Ltd.
Main Business	Frozen and cold storage of food products, etc.
Address	Lot B18-1,B19-1,B20-1,B21-1, Doc 2 line of Phu An Thanh Industrial Park, Provincial road 830, An Thanh commune, Ben Luc district, Long An Province, Vietnam. TEL: +84(0)27-2365-5746