1. Qualitative Information on the Consolidated Business Results for the Fiscal Year Ended September 30, 2015

(1) Qualitative Information on the Consolidated Operating Performance

(Operating environment)
In the fiscal year ended September 30, 2015, the Japanese economy witnessed a rapid depreciation of the yen following the Bank of Japan's additional monetary easing in October, 2014. While the earnings of export-oriented companies rebounded and personal consumption firmed, companies reliant on the import of raw materials suffered higher costs and faced a severe business environment. Reviewing global economic trends, the slowing expansion of China—which has driven the global economy since the failure of Lehman Brothers and the ensuing financial crisis—became more evident during the year. This caused heightened uncertainty over the future prospects of newly emerging economies which in turn influenced the U.S. decision to postpone raising its policy interest rate. Amid these developments, the future course of the global economy became unpredictable. In food industries related to the Yokohama Reito Group's business, even while signs of a recovery in consumption finally began to emerge during the year, the overall business environment remained severe due to the continued impact of yen depreciation and soaring raw materials prices.

(Operating results)
In this environment, the Yokohama Reito Group launched its Fifth Medium-Term Management Plan (three-year plan), "Flap The Wings 2017," in October 2014. Through this plan, the Group is aiming to become a leading "COOL" network company in the Refrigerated warehousing business. In the Food sales business, the Group is aiming to generate stable profits while expanding its mainstay products across the Company. During the year, the Group took various initiatives on the basis of these business operation policies.

In the Refrigerated warehousing business, four new logistics centers which opened in the previous and current fiscal year operated smoothly during the period. Although the Group was able to absorb a significant rise in related depreciation and other expenses, the business's results fell slightly short of the target set at the start of the fiscal year. In the Food sales business, the rapid depreciation of the yen at the start of the fiscal year caused a significant decline in profit margins for imported food products, and the business failed to meet its target by a wide margin. The business completed the disposal of unprofitable products, however, and financial performance began to recover during the period.

As a result, the Group's consolidated net sales for the fiscal year ended September 30, 2015 totaled ¥154,767 million, a 9.3% increase compared to the previous fiscal year. Operating income totaled ¥3,874 million, a year-on-year decline of 5.6%, ordinary income totaled ¥4,039 million, a year-on-year decline of 1.5%, and net income totaled ¥2,517 million, a year-on-year increase of 37.1%.

(Results by business segment)

1) Refrigerated Warehousing Business
The Group promoted the establishment of storage and logistics sites and building a nationwide network—its two primary strategies under its Fifth Medium-Term Management Plan. There was a significant rise in expenses due to the booking of depreciation costs for four new logistics centers as well as an increase in one-time start-up costs. Although this led the business to miss its original financial targets by a small margin, earnings were trending upwards at the end of the fiscal year.

In terms of cargo handling, the volume of inbound cargo increased by approx. 46,000 tons, an increase of 3.9% compared with the previous year, and the volume of outbound cargo rose by approx. 30,000 tons, a year-on-year increase of 2.4%. The average inventory volume increased by approx. 241,000 tons, or 8.0% year on year, driven mainly by strong inbound cargo volume of livestock products. At Thai consolidated subsidiary Thai Yokorei Co., Ltd., the Wang Noi 2nd Distribution Center completed in the previous year reached full capacity and the Company's other logistics centers maintained high levels of inventory to generate strong results.

As a result, the segment's net sales increased 8.3% compared with the previous fiscal year to ¥24,139 million, while operating income declined 0.9% year on year to ¥4,748 million.

2) Food Sales Business

In the Food sales business, the business environment was very severe at the start of the fiscal year, as high market prices and the rapid depreciation of the yen combined to weigh on business performance. The Group took thorough measures, however, to reduce inventories of unprofitable products while actively expanding sales of strategic products. As a result, performance began to rebound from the third quarter.

In the marine products category, the business posted year-on-year increases in sales and profit by conducting bold and flexible sales programs. By product, sales and profits for scallops, crab, and mackerel rose on the back of higher handling volumes and successful export promotions. Sales of eel declined while profits increased significantly, as appropriate inventory levels were maintained and steady measures were taken to expand sales channels. Sales and profits for shrimp and salmon/trout declined as handling volumes were reduced amid unstable market prices. In the livestock products category, sales increased while profits declined amid generally high market prices and lower profit margins. For pork and chicken, even as the Group took steps to reduce handling volumes of unprofitable products, an oversupply in the domestic market led to an increase in sales and decline in profit. Beef sales and profit declined due to lower demand amid higher market prices. The agricultural product category posted lower sales and profits due to lower handling volumes caused by unfavorable weather.

As a result, segment sales amounted to ¥130,595 million, an increase of 9.4% compared with the previous fiscal year, and operating income totaled ¥1,189 million, a year-on-year decline of 7.5%.

(Outlook for fiscal year ending September 30, 2016)

The fiscal year ending September 30, 2016 represents the second year of the three-year Fifth Medium-Term Management Plan, and the Yokohama Reito Group recognizes this as an important year for achieving the final goals of the plan. In the Refrigerated warehousing business, the Group will continue to implement its main strategies under the plan, while expanding facilities in key areas and regions to prepare for future growth. In the Food sales business, the Group will conduct strict inventory management and further strengthen its risk controls, while implementing active sales of strategic products along with bold and flexible sales programs. In July 2015, the overseas business department was reorganized and integrated into consolidated subsidiary Alliance Seafoods Inc. Moving forward, Alliance Seafoods will spearhead the Group's overseas strategies and seek to further expand sales channels.

In consideration of the above management stance, for the fiscal year ending September 30, 2016, the Yokohama Reito Group forecasts consolidated net sales of ¥160,000 million, a 3.4% increase over the previous year, operating income of ¥5,000 million, up 29.1% year on year, ordinary income of ¥5,000 million, up 23.8% year on year, and net income attributable to owners of the parent of ¥3,100 million, up 23.1% year on year.

(2) Qualitative Information on the Consolidated Financial Position

1) Assets, Liabilities and Net Assets

Total assets at September 30, 2015 amounted to ¥118,901 million, an increase of ¥4,691 million compared with the previous fiscal year-end (September 30, 2014). This change was mainly attributable to increases of ¥1,056 million in property, plant, and equipment in relation to the construction of new logistics centers, ¥884 million in notes and accounts receivable-trade, ¥1,313 million in merchandise, and ¥1,346 million in investment securities, which were partially offset by a decrease of ¥1,105 million in cash and deposits.

Total liabilities amounted to ¥56,579 million, an increase of ¥2,004 million compared with the previous fiscal year-end. This change was mainly attributable to an increase of ¥4,515 million in loans payable to financial institutions, which was partially offset by decreases of ¥1,286 million in notes and accounts payable-trade, ¥1,485 million in accounts payable related to facilities, and ¥1,333 million in notes payable related to facilities.

Total net assets amounted to ¥62,322 million, an increase of ¥2,687 million compared with the previous fiscal year-end.

2) Cash Flows

Cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year amounted to ¥3,887 million, a decrease of ¥543 million compared with the previous fiscal year-end (September 30, 2014). The main factors affecting cash flows during the fiscal year under review are summarized as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥4,189 million compared with ¥280 million used in the previous fiscal year. This net inflow was mainly attributable to income before income taxes and minority interests of ¥4,039 million and depreciation and amortization of ¥4,465 million, the sum of which was outweighed by factors such as an increase in inventories of ¥1,228 million, a decrease of ¥1,286 million in accounts payable-trade, and income taxes paid of ¥1,454 million.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥7,711 million, compared with ¥12,812 million used in the previous fiscal year. The main investment outflow was ¥7,318 million used for the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥2,788 million, compared with ¥11,320 million provided in the previous fiscal year. This net inflow was mainly derived from a net increase in loans payable of ¥3,900 million, which was partly offset by dividends paid to shareholders of ¥1,038 million.

3) Cash Flow-related Indices

	Year ended September 30, 2013	Year ended September 30, 2014	Year ended September 30, 2015
Equity ratio (%)	59.1	51.5	51.6
Equity ratio based on market value (%)	42.9	36.9	41.0
Ratio of cash flow to interest-bearing debt (years)	3.7	-	10.2
Interest coverage ratio (times)	30.0	-	12.0

Notes:

1. The above indices are calculated as follows:
Equity ratio: Total equity/Total assets
Market capitalization-based equity ratio: Market capitalization/Total assets
Ratio of cash flow to interest-bearing debt: Interest-bearing debt/Operating cash flow
Interest coverage ratio: Operating cash flow/Interest expense
*All indices are calculated based on consolidated figures.
*Market capitalization is calculated by multiplying the stock price at fiscal year-end by the total number of issued and outstanding shares (excluding treasury stock) at the end of the year.
*The interest expense is the figure used in the consolidated statements of cash flow.

2. The interest-bearing debt represents the portion of total debt from the consolidated balance sheet for which interest is paid.

3. The ratio of cash flow to interest-bearing debt and the interest coverage ratio for the year ended September 30, 2014 are not calculated because there was a negative cash flow from operating activities.

(3) Basic Policy on Profit Distribution and Dividend Forecasts

1) Basic policy on profit distribution

The Company's basic policy on the return of profits to shareholders is to provide long-term, stable dividends. Undistributed internal reserves are utilized effectively for various types of investments in facilities and IT systems, along with M&As and various other initiatives which raise profitability and competiveness and enhance corporate value.

2) Dividend forecast

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

For the year ending September 30, 2016, the Company plans to pay an interim dividend of ¥10 per share and a year-end dividend of ¥10 per share, for an annual dividend of ¥20 per share.

(4) Business Risks

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

1) Economic conditions and operating environment

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

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

2) Changes in product prices

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

3) Property, plant, and equipment

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

4) IT systems

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

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

5) Risk associated with changes in legal systems, etc.

The domestic operations of the Group are subject to various laws and regulations including the Warehousing Business Act, the Consigned Freight Forwarding Business Act, the Customs Business Act, the Food Sanitation Act and laws and regulations relating to the environment. For this reason, any unforeseen changes, new establishments or violations of laws and regulations could have a significant impact on the Group's financial performance.

6) Risk associated with overseas expansion

The Group's overseas business strategy entails expanding procurement routes to avoid a concentration of suppliers, increasing the outsourcing of product processing to enhance cost competitiveness and proactive expansion with the aim of engaging in sales in consideration of the supply-demand imbalance. However, any acts of terrorism or deterioration in governments of countries where the Group operates, any fluctuation in economic circumstances therein, any unforeseen changes in laws and regulations or any trouble resulting from differences between the laws and regulations of Japan and those of the countries in which the Group operates could have a significant impact on the Group's financial performance.

7) Risk associated with foreign exchange rate fluctuation

The import and export of commodities and raw materials constitute a portion of the Group's main business operations and transactions denominated in foreign currencies expose the Group to risk associated with foreign exchange rate fluctuation. In order to mitigate this risk, the Group leverages forward exchange transactions. However, a drastic exchange rate fluctuation that cannot be covered by such transactions could have a significant impact on the Group's financial performance.

2. Management Policy

(1) Basic management policy

Since its founding, the Yokohama Reito Group has operated based on a management philosophy which states, "The Company is an organ of society, and profits are a measure of our service." Based on this policy, we aim to raise corporate value and increase shareholder returns as “Experts in foods distribution gentle to people, resources, and the planet.”

(2) Targets and management indices

1. Targets under Fifth Medium-Term Management Plan

Begun in October 2014, the Fifth Medium-Term Management Plan “Flap The Wings 2017” is a three-year plan covering October 2014 through September 2017. Fiscal 2016 is the second year of the management plan and an important period for achieving the plan’s final targets. The Group is therefore steadily promoting various measures in support of the plan and will make strenuous efforts to achieve the plan’s targets.

In terms of the financial targets, please see the notice on revision to the medium-term management plan (in Japanese) announced November 13, 2015.

(3) Medium-term corporate strategy

1) Guiding principle and vision

The current management plan’s guiding principle is to maximize the Group’s accumulated strengths and management resources in order to provide high-quality services worthy of the Yokohama Reito Group and build Win-Win relationships and strong partnerships with customers.

2) Business operation policies

In the Refrigerated warehousing business, the Group is promoting the establishment of storage and logistics sites and building a nationwide network in order to provide optimal logistics to customers and establish the Group as the leading cool network company.

In the Food sales business, the operational policy is to thoroughly implement partnership-oriented trading in order to establish a business structure with stable profitability. Based on this policy, the Group is expanding its mainstay products across the Company and bolstering overseas trading.

(4) Issues to address

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

Going forward, the Group will deploy and maintain up-to-date IT systems in order to promote the standardization, efficiency, and consolidation of operations and achieve further cost reductions. Additionally, the Group will implement meticulous risk management and continually take measures to strengthen compliance and internal controls while also bolstering corporate governance. The Group will also enhance its training systems to nurture its employees, who are critical to the Group’s future growth, with the aim of establishing a robust organization.

3. Basic Policy on Selecting Accounting Standards

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

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

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2014	As of September 30, 2015
	Amount	Amount
Assets		
Current assets		
Cash and deposits	4,993	3,887
Notes and accounts receivable - trade	19,646	20,531
Merchandise	17,405	18,718
Deferred tax assets	550	539
Other	1,001	2,466
Allowance for doubtful accounts	(19)	(15)
Total current assets	43,577	46,128
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	32,482	33,169
Machinery, equipment and vehicles, net	6,810	6,496
Land	19,176	19,366
Leased assets, net	281	283
Construction in progress	2,236	2,695
Other, net	711	745
Total property, plant and equipment	61,700	62,756
Intangible fixed assets		
Goodwill	600	483
Other	1,721	1,729
Total intangible fixed assets	2,321	2,212
Investments and other assets		
Investment securities	5,513	6,859
Long-term loans receivable	110	56
Other	1,096	1,001
Allowance for doubtful accounts	(109)	(113)
Total investments and other assets	6,610	7,804
Total noncurrent assets	70,632	72,773
Total assets	114,210	118,901

(Millions of yen)

	As of September 30, 2014	As of September 30, 2015
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,315	6,028
Short-term loans payable	12,289	16,331
Current portion of long-term loans payable	3,029	3,298
Lease obligations	95	102
Income taxes payable	797	844
Accrued employees' bonuses	651	659
Accrued bonuses for directors and corporate auditors	30	27
Other	5,439	3,877
Total current liabilities	29,646	31,171
Noncurrent liabilities		
Convertible bonds	7,000	7,000
Long-term loans payable	15,956	16,160
Lease obligations	170	144
Deferred tax liabilities	436	542
Provision for Executive Compensation BIP Trust	-	44
Provision for directors' and corporate auditors' retirement benefits	382	-
Net defined benefit liability	804	947
Asset retirement obligations	105	105
Other	73	464
Total noncurrent liabilities	24,928	25,408
Total liabilities	54,575	56,579
Net assets		
Shareholders' equity		
Common stock	11,065	11,065
Capital surplus	11,109	11,132
Retained earnings	36,145	37,575
Treasury stock	(522)	(546)
Total shareholders' equity	57,799	59,228
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,087	1,908
Deferred gain (loss) on derivatives under hedge accounting	46	0
Foreign currency translation adjustments	(63)	319
Remeasurements of defined benefit plans	(91)	(125)
Total accumulated other comprehensive income	978	2,102
Minority interests	857	991
Total net assets	59,635	62,322
Total liabilities and net assets	114,210	118,901

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

(Millions of yen)

	Year ended September 30, 2014	Year ended September 30, 2015
	Amount	Amount
Net sales	141,654	154,767
Cost of sales	130,235	143,275
Gross profit	11,419	11,492
Selling, general and administrative expenses	7,314	7,617
Operating income	4,105	3,874
Other income		
Interest income	17	53
Dividend income	105	107
Incentives received	46	31
Insurance dividends	28	31
Insurance received	18	128
Gain on sales of noncurrent assets	2	-
Other	161	236
Total other income	380	589
Other expenses		
Interest expense	278	358
Loss on sales and retirement of noncurrent assets	73	-
Other	32	64
Total other expenses	383	423
Ordinary income	4,102	4,039
Extraordinary losses		
Impairment loss	620	-
Total extraordinary losses	620	-
Income before income taxes and minority interests	3,481	4,039
Income taxes—Current	1,576	1,497
Income taxes—Deferred	20	(12)
Total income taxes	1,596	1,484
Income before minority interests	1,885	2,555
Minority interests	49	37
Net income	1,835	2,517

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended September 30, 2014 Amount	Year ended September 30, 2015 Amount
Income before income taxes and minority interests	1,885	2,555
Other comprehensive income		
Unrealized gain on available-for-sale securities	352	821
Deferred gain (loss) on derivatives under hedge accounting	41	(45)
Foreign currency translation adjustments	(29)	511
Remeasurements of defined benefit plans	-	(34)
Total other comprehensive income	364	1,252
Comprehensive income	2,249	3,808
Breakdown:		
Comprehensive income attributable to owners of the parent	2,205	3,641
Comprehensive income attributable to minority interests	44	166

(3) Consolidated Statements of Changes in Shareholders' Equity

Year ended September 30, 2014 (October 1, 2013 – September 30, 2014)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of October 1, 2013	11,065	11,109	35,335	(521)	56,989
Cumulative effect of change in accounting policy					-
Balance as of October 1, 2013 reflecting change in accounting policy	11,065	11,109	35,335	(521)	56,989
Changes during period					
Cash dividends			(1,034)		(1,034)
Net income			1,835		1,835
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock					-
Change of consolidation scope			9		9
Net change in items other than shareholders' equity during period					-
Total changes during period	-	-	810	(0)	809
Balance as of September 30, 2014	11,065	11,109	36,145	(522)	57,799

	Accumulated other comprehensive income					Minority interests	Total net assets
	Unrealized gain on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of October 1, 2013	734	5	(39)	-	700	469	58,159
Cumulative effect of change in accounting policy					-		-
Balance as of October 1, 2013 reflecting change in accounting policy	734	5	(39)	-	700	469	58,159
Changes during period							
Cash dividends					-		(1,034)
Net income					-		1,835
Purchase of treasury stock					-		(0)
Disposal of treasury stock					-		-
Change of consolidation scope					-		9
Net change in items other than shareholders' equity during period	352	41	(23)	(91)	278	387	665
Total changes during period	352	41	(23)	(91)	278	387	1,475
Balance as of September 30, 2014	1,087	46	(63)	(91)	978	857	59,635

Year ended September 30, 2015(October 1, 2014 – September 30, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of October 1, 2014	11,065	11,109	36,145	(522)	57,799
Cumulative effect of change in accounting policy			(49)		(49)
Balance as of October 1, 2014 reflecting change in accounting policy	11,065	11,109	36,096	(522)	57,749
Changes during period					
Cash dividends			(1,038)		(1,038)
Net income			2,517		2,517
Purchase of treasury stock				(300)	(300)
Disposal of treasury stock		23		276	299
Change of consolidation scope					-
Net change in items other than shareholders' equity during period					-
Total changes during period	-	23	1,479	(24)	1,478
Balance as of September 30, 2015	11,065	11,132	37,575	(546)	59,228

	Accumulated other comprehensive income					Minority interests	Total net assets
	Unrealized gain on available -for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasure ments of defined benefit plans	Total accumulated other comprehensi ve income		
Balance as of October 1, 2014	1,087	46	(63)	(91)	978	857	59,635
Cumulative effect of change in accounting policy					-		(49)
Balance as of October 1, 2014 reflecting change in accounting policy	1,087	46	(63)	(91)	978	857	59,585
Changes during period							
Cash dividends					-		(1,038)
Net income					-		2,517
Purchase of treasury stock					-		(300)
Disposal of treasury stock					-		299
Change of consolidation scope					-		-
Net change in items other than shareholders' equity during period	821	(45)	382	(34)	1,123	134	1,258
Total changes during period	821	(45)	382	(34)	1,123	134	2,736
Balance as of September 30, 2015	1,908	0	319	(125)	2,102	991	62,322

(4) Consolidated Statements of Cash flows

(Millions of yen)

	Year ended September 30, 2014	Year ended September 30, 2015
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and minority interests	3,481	4,039
Depreciation and amortization	3,882	4,465
Impairment loss	620	-
Amortization of goodwill	160	117
Increase (decrease) in accrued employees' bonuses	11	8
Increase (decrease) in accrued bonuses for directors and corporate auditors	-	(2)
Increase (decrease) in provision for employees' retirement benefits	(635)	-
Increase (decrease) in provision for directors' and corporate auditors' retirement benefits	50	(390)
Increase (decrease) in net defined benefit liability	661	62
Increase (decrease) in provision for Executive Compensation BIP Trust	-	44
Increase (decrease) in allowance for doubtful accounts	56	(1)
Interest and dividends income	(123)	(161)
Interest expenses paid on loans and bonds	278	358
Decrease (increase) in accounts receivable - trade	(3,605)	(852)
Decrease (increase) in inventories	(3,267)	(1,228)
Increase (decrease) in accounts payable - trade	800	(1,286)
Increase (decrease) in accrued expenses	295	821
Other - net	(607)	(165)
Sub total	2,060	5,831
Interest and dividend income received	121	162
Interest paid	(278)	(349)
Income taxes paid	(2,184)	(1,454)
Net cash provided by (used in) operating activities	(280)	4,189
Cash flows from investing activities		
Payments into time deposits	(561)	-
Withdrawals from time deposits	-	561
Purchase of property, plant and equipment	(12,097)	(7,318)
Proceeds from sales of property, plant and equipment	18	-
Purchase of investment securities	(29)	(358)
Payments of loans receivable	(66)	(890)
Collection of loans receivable	101	328
Other – net	(177)	(33)
Net cash provided by (used in) investing activities	(12,812)	(7,711)

(Millions of yen)

	Year ended September 30, 2014	Year ended September 30, 2015
	Amount	Amount
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	7,154	3,900
Proceeds from long-term loans payable	8,045	3,336
Repayments of long-term loans payable	(2,724)	(3,258)
Proceeds from sales of treasury stock	-	299
Purchase of treasury stock	(0)	(300)
Dividends paid to shareholders	(1,034)	(1,038)
Other – net	(118)	(150)
Net cash provided by (used in) financing activities	11,320	2,788
Effect of exchange rate changes on cash and cash equivalents	(35)	190
Net increase (decrease) in cash and cash equivalents	(1,807)	(543)
Cash and cash equivalents, beginning of period	6,159	4,431
Increase (decrease) in cash and cash equivalents due to change in the scope of consolidation	78	-
Cash and cash equivalents, end of period	4,431	3,887

(5) Notes on the Consolidated Financial Statements

(Notes on the Going-concern Assumption)
Not applicable

(Significant Information Regarding the Preparation of Consolidated Financial Statements)

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 4
   Names of consolidated subsidiaries:
   Thai Yokorei Co., Ltd.
   Clover Trading Co., Ltd.
   Alliance Seafoods, Inc.
   Best Cold Chain Co., Ltd.
   (2) Number of unconsolidated subsidiaries: 2
   Names of major unconsolidated subsidiaries:
   Global Agency Co., Ltd.
   Yokorei Co., Ltd.
   (3) Reason for excluding from the scope of consolidation:
   Global Agency Co., Ltd. and Yokorei Co., Ltd. were excluded from consolidation because they are small in size, and their total assets, net sales, net income/loss (amounts proportionate to the Company's equity interest) and retained earnings (amount proportionate to the Company's equity interest) are of minor importance for the consolidated financial statements ..

2. Application of the equity method
   The equity method was not applied to two (2) unconsolidated subsidiaries and three (3) affiliates (Kobe Danchi Reizo Co., Ltd., etc.) because they are of minor importance in terms of the bearing of their net income/loss (amounts proportionate to the Company's equity interest) and retained earnings (amount proportionate to the Company's equity interest) for the consolidated financial statements, and in terms of their position within the whole Yokohama Reito Group.

3. Fiscal year-end date of consolidated subsidiaries and related matters
   The fiscal year period of Thai Yokorei Co., Ltd. and Best Cold Chain Co., Ltd. ends on June 30. Each subsidiary's financial statements on its fiscal year-end date were used for the preparation of the consolidated financial statements. However, for important transactions that took place between consolidated subsidiaries during the period between the fiscal year-end date of each company and the consolidated year-end date, adjustments necessary for consolidation were performed.

4. Accounting standards
   (1) Valuation standards / methods for principal assets
   1) Securities

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

   Available-for-sale securities:
   For which market value is available:
   The present market value is recorded based on the market prices etc. at the fiscal year-

end date. (Valuation differences between this and acquisition cost were incorporated into net assets in full. Costs of securities sold were computed with the moving-average cost method.)

For which market value is not available:

Valued using the moving-average cost method

2) Derivatives

The market value method

3) Inventories

Merchandise:

The cost accounting method is mainly applied based on gross average for each month. (The value recorded on the balance sheets was computed with devaluation treatment based on reduction of profitability.)

(2) Depreciation and amortization of principal depreciable assets

1) Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries mainly use the declining-balance method. Overseas consolidated subsidiaries use the straight-line method.

The straight-line method, however, was used for buildings (except for accompanying equipment or facilities) acquired by the Company or its domestic consolidated subsidiaries on or after April 1, 1998.

The useful lives of buildings and machinery, equipment and vehicles are as follows:

Buildings and structures: 7-50 years

Machinery, equipment and vehicles: 4-17 years

2) Intangible fixed assets (excluding leased assets)

The Straight-line method is used.

The cost of computer software developed or obtained for internal use is amortized using the straight-line method over its estimated internal useful life (5 years).

3) Leased assets

Leased assets associated with finance leases for which ownership of the leased assets does not transfer to the lessee:

The straight-line method is employed assuming the lease period equals the estimated useful life and the residual value at the end of the lease term is nil.

For finance leases, for which ownership of the leased assets is not deemed to transfer to the lessee and which commenced prior to the initial year of application of “Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan - ASBJ Statement No. 13), the accounting treatment applicable to ordinary lease transactions has been applied.

(3) Accounting standards for principal provisions and allowances

1) Allowance for doubtful accounts

Allowances for general doubtful accounts were set aside on the basis of historical losses experienced on receivables/loans. For bankruptcy/reorganization claims and certain receivables/loans for which default is expected, allowance was calculated by assessing the obligor’s financial position.

2) Accrued employees' bonuses

To use for the payment of bonuses to employees, a provision is recorded in the amount deemed to have accrued during the fiscal year ended September 30, 2015.

3) Accrued bonuses for directors and corporate auditors

To prepare for the payment of bonuses to directors and corporate auditors, a provision is recorded based on the amount deemed to have accrued during the fiscal year ended September 30, 2015.

4) Provision for Executive Compensation BIP Trust

To prepare for the future delivery of the Company's stocks to the directors, a provision is recorded based on the amount of stock expected to be delivered, commensurate with the points accumulated by each director, in accordance with the Stock Delivery Regulations.

(4) Accounting treatment for retirement benefits

1) The method for attributing projected retirement benefits to periods of employee service

In calculating retirement benefit obligations, the benefit formula basis is used to attribute projected retirement benefits for the period up to the end of the fiscal year under review.

2) Treatment of actuarial differences as expenses

Any actuarial gain/loss is charged to expenses from the fiscal year following its incurrence using the straight-line method over a certain number of years (10 years) within average remaining years of service of the employees when incurred.

Some domestic consolidated subsidiaries use simplified accounting methods.

(5) Accounting method for principal hedges

1) Hedge accounting

Deferral hedge accounting is used.

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

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

2) Hedging instruments and hedged objects

a.Hedging instruments: Derivative contracts (forward exchange transactions)
Hedged objects: Receivables and payables denominated in foreign currencies arising from export/import of merchandise as well as forecasted transactions denominated in foreign currencies

b.Hedging instruments: Interest rate swap contracts
Hedged objects: Loans

3) Hedging policy

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

4) Method for evaluating effectiveness of hedges

Evaluation of effectiveness of hedges was omitted for forecasted transactions because those transactions are hedged with forward exchange transactions in the same currency to

thoroughly offset the future effects of foreign currency fluctuations.
Evaluation of effectiveness was also omitted for interest rate swap transactions which are accounted for using the special accounting method.

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

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

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

(9) Other significant information regarding the preparation of consolidated financial statements
Accounting methods for consumption tax:
Consumption tax and local consumption tax are accounted for using the tax-excluded method.

(Changes in accounting policy)

(Application of accounting standard for retirement benefit)
The provisions of Article 35 of the "Accounting Standard for Retirement Benefits" (ASBJ - Statement No. 26 of May 17, 2012) and the provisions of Article 67 of the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015) are applied, effective the fiscal year ended September 30, 2015. Accordingly, the method of calculating retirement benefit obligations and prior service costs has been revised, and the method of attributing projected retirement benefits has been changed from the straight-line attribution method to the benefit formula basis. Additionally, the method of determining the discount rate has been changed from the method in which the discount rate based on the average remaining years of service of the employees is used to the method in which a single weighted average discount rate is used that reflects the estimated timing of benefit payments and the amount of benefit payment for each estimated payment period.
The application of the Accounting Standard for Retirement Benefits, etc. is subject to the tentative treatment provided for in Article 37 of the Accounting Standard for Retirement Benefits. Consequently, the impact of the change in the method of calculating retirement benefit obligations and prior service costs as of October 1, 2014, has been added to or subtracted from retained earnings.
As a result, as of October 1, 2014, net defined benefit liability increased by ¥77 million and retained earnings decreased by ¥49 million. The impact of the above changes on operating income,

ordinary income and income before income taxes and minority interests for the fiscal year ended September 30, 2015 was minimal.

(Additional information)

(Abolishment of the retirement benefits system for officers)
Previously, to prepare for the payment of retirement benefits for directors and corporate auditors, a provision for directors' and corporate auditor's retirement benefits had been reported in the necessary amount at the end of the fiscal year in accordance with internal regulations. However, the system of retirement benefits for directors and corporate auditors was abolished upon conclusion of the Ordinary General Meeting of Shareholders held on December 19, 2014. In conjunction with this change, a resolution was passed at the said General Meeting of Shareholders to approve final payments to directors and corporate auditors commensurate with their respective terms of office, and the outstanding balance of retirement benefits for directors and corporate auditors has been included in "Other" under noncurrent liabilities.

(Delivery of the Company's own stock to officers through a trust)
The Company, by resolution of the Ordinary General Meeting of Shareholders held on December 19, 2014, adopted the Executive Compensation BIP Trust for the purpose of providing incentives to its directors.

The Executive Compensation BIP Trust makes a one-time purchase of the Company's stock from the Company in numbers it expects to deliver to its directors, in accordance with the Stock Delivery Regulations that have been established in advance, and delivers the Company's stock to the directors commensurate with their position and years of service. As a general rule, the directors receive delivery of such stock upon retirement.

The trust is accounted for by application of the total amount method, in accordance with the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc." (PITF No. 30, March 26, 2015). Accordingly, the Company's stock held in trust are recognized under "Treasury stock" in "Shareholders' equity" in the carrying amount of the stock in the trust.

The carrying amount and the number of shares of such treasury stock as of September 30, 2015 were ¥299 million and 373,100 shares.

Segment information

a. Business segment information

1. Overview of reportable segment

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

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

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

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

3. Net sales, income/loss, assets, liabilities, and other items by reportable segment
(October 1, 2013 – September 30, 2014)

(Millions of yen)

	Reportable segment				Adjustments *1	Amounts reported on consolidated financial statements*2
	Refrigerated warehousing	Food sales	Other businesses	Total		
Net sales						
Sales to outside customers	22,292	119,330	32	141,654	-	141,654
Intersegment sales or transfers	1,919	-	44	1,964	(1,964)	-
Total	24,211	119,330	76	143,619	(1,964)	141,654
Segment income	4,792	1,285	32	6,110	(2,004)	4,105
Segment assets	65,277	35,623	348	101,250	12,960	114,210
Other items						
Depreciation/amortization*3	3,581	46	15	3,644	238	3,882
Amortization of goodwill	32	128	-	160	-	160
Impairment loss	-	620	-	620	-	620
Increase in property, plant and equipment and intangible fixed assets*3	13,930	11	-	13,941	118	14,059

Notes: 1. Details of adjustments are as follows:
1) The minus 2,004 million yen adjustment for segment income was unallocated corporate expenses, consisting principally of general administrative expenses that are not attributable to reportable segments.

2) The 12,960 million yen adjustment for segment assets was unallocated corporate assets, consisting principally of working funds (cash and deposits) and long-term investment funds (investment securities etc.) of Yokohama Reito Co., Ltd.

3) The 238 million yen adjustment for depreciation/amortization was for unallocated corporate assets.

4) The 118 million yen adjustment for increase in property, plant and equipment and intangible fixed assets was an increase in unallocated corporate assets.

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

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

(October 1, 2014 – September 30, 2015)

(Millions of yen)

	Reportable segment				Adjustments *1	Amounts reported on consolidated financial statements*2
	Refrigerated warehousing	Food sales	Other businesses	Total		
Net sales						
Sales to outside customers	24,139	130,595	32	154,767	-	154,767
Intersegment sales or transfers	1,875	-	41	1,917	(1,917)	-
Total	26,015	130,595	73	156,684	(1,917)	154,767
Segment income	4,748	1,189	36	5,973	(2,099)	3,874
Segment assets	67,304	40,056	335	107,696	11,205	118,901
Other items						
Depreciation/amortization*3	4,211	26	13	4,251	214	4,465
Amortization of goodwill	58	59	-	117	-	117
Increase in property, plant and equipment and intangible fixed assets*3	4,531	40	-	4,571	41	4,613

Notes: 1. Details of adjustments are as follows:

1) The minus 2,099 million yen adjustment for segment income was unallocated corporate expenses, consisting principally of general administrative expenses that are not attributable to reportable segments.

2) The 11,205 million yen adjustment for segment assets was unallocated corporate assets, consisting principally of working funds (cash and deposits) and long-term investment funds (investment securities etc.) of Yokohama Reito Co., Ltd.

3) The 214 million yen adjustment for depreciation/amortization was for unallocated corporate assets.

4) The 41 million yen adjustment for increase in property, plant and equipment and intangible fixed assets was an increase in unallocated corporate assets.

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

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

b. Related information

(October 1, 2013 – September 30, 2014)

1. Information by product and service

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

2. Information by geographic area

1) Net sales

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

2) Property, plant and equipment

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

3. Information by major customer

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

(October 1, 2014 – September 30, 2015)

1. Information by product and service

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

2. Information by geographic area

1) Net sales

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

2) Property, plant and equipment

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

3. Information by major customer

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

c. Impairment loss on noncurrent assets by reportable segment

(October 1, 2013– September 30, 2014)

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

(October 1, 2014 – September 30, 2015)

Not applicable

d. Amortization expense for and unamortized balance of goodwill by reportable segment

(October 1, 2013 – September 30, 2014)

(Millions of yen)

	Refrigerated warehousing	Food sales	Other	Sub total	Elimination/ corporate	Total
Amortization expense	32	128	-	160	-	160
Unamortized balance	363	236	-	600	-	600

(October 1, 2014 – September 30, 2015)

(Millions of yen)

	Refrigerated warehousing	Food sales	Other	Sub total	Elimination/ corporate	Total
Amortization expense	58	59	-	117	-	117
Unamortized balance	305	177	-	483	-	483

e. Gain on negative goodwill by reportable segment

(October 1, 2013– September 30, 2014)

Not applicable

(October 1, 2014 – September 30, 2015)

Not applicable

(Per-Share Information)

Year ended September 30, 2014		Year ended September 30, 2015	
	yen		yen
Net assets per share	1,135.88	Net assets per share	1,185.23
Net income per share	35.48	Net income per share	48.66
Net income per share(diluted)	31.06	Net income per share (diluted)	42.59

Note: Net income per share and net income per share – fully diluted were calculated based on the following:

	Year ended September 30, 2014	Year ended September 30, 2015
Net income per share		
Net income (millions of yen)	1,835	2,517
Amount not attributable to common stock shareholders (millions of yen)	-	-
Net income attributable to common stock (millions of yen)	1,835	2,517
Average number of shares outstanding (thousands of shares)	51,746	51,745
Net income per share (diluted)		
Net income (millions of yen)	-	-
Increase in the number of shares of common stock (thousands of shares)	7,368	7,368
Of which, Convertible bonds (thousands of shares)	(7,368)	(7,368)

Note: In the calculation of net income per share, the Company’s stocks held in the Executive Compensation BIP Trust were included in the treasury stock to be deducted in the calculation of the average number of shares outstanding (200,900 shares for the fiscal year ended September 30, 2015).

(Significant Subsequent Events)

Not applicable