1. Qualitative Information on the Consolidated Business Results for the Nine Months Ended June 30, 2013

(1) Qualitative Information on the Consolidated Operating Performance

(Operating environment)
In the nine months ended June 30, 2013 (October 1, 2012 - June 30, 2013), corporate earnings, consumption and other areas of the Japanese economy showed signs of improvement amid anti-deflation economic and fiscal policies by the new Japanese government. At the same time, however, Japanese financial markets entered a correction phase in reaction to rapid yen depreciation and soaring stock prices, along with forecasts of a contraction in U.S. quantitative easing measures. Additionally, external factors continued to challenge Japan's economic recovery, including a slowdown in China's economy and the inability of Europe to shake off its economic slump.

Amid this environment, in the second year of its Fourth Medium-Term Management Plan (three-year plan) announced in November 2011, the Yokohama Reito Group strove to improve its performance through its two primary operating policies of "strengthening the core businesses" and "strengthening growth potential."

The refrigerated warehousing business demonstrated a steady performance during the period. There was a recovery in the profit structure of the food sales business after the supply-demand balance for its core products improved. As a result, the Group's consolidated net sales for the nine months ended June 30, 2013 totaled ¥85,831 million, a 2.9% increase compared with the same period of the previous fiscal year. Operating income totaled ¥3,183 million, a year-on-year increase of 152.4%, ordinary income totaled ¥3,314 million, a year-on-year increase of 131.7%, and net income totaled ¥2,016 million, a year-on-year increase of 299.8%.

Results by business segment are as follows.

Refrigerated Warehousing Business
The inventory to sales ratio, which had remained at a high level during the previous fiscal year, began to decline from the end of 2012 amid brisk cargo movements. The logistics outsourcing service, launched the previous year as part of the "strengthening growth potential" strategy, posted strong results in its second year, and related increases in customs clearance income and distribution processing income contributed to the segment's results.

Inventory volume was generally strong during the period. Imported cargo volumes declined temporarily due to the sudden yen depreciation and domestic inventory adjustments before rebounding later in the period. The volume of inbound cargo increased by approximately 10,000 tons, or 1.2%, compared with the same period of the previous fiscal year while the volume of outbound cargo rose by approximately 50,000 tons, a year-on-year increase of 5.9%. Overall, the average inventory volume increased by 70,000 tons, or 3.2%.

Overseas, the Wang Noi Logistics Center operated by Thai subsidiary Thai Yokorei Co., Ltd. continued to perform well after starting full-scale operations in the previous fiscal year, posting significant increases in revenue and profit.

As a result, net sales for the segment increased 5.8% compared with the same period of the previous fiscal year to ¥16,033 million, and operating income rose 11.2% to ¥3,819 million.

Food Sales Business
The Group's marine products and livestock products categories, which experienced severe price declines in the previous fiscal year, saw their markets bottom out during the period under review as they experienced a moderate recovery. Although prices of some products have failed to recover sufficiently, the supply-demand imbalance is improving. As a result, the segment's overall revenues showed a turnaround over the same period of the previous fiscal year and profits surged.

In the marine products category, revenues declined while profits increased. Trading volume in the salmon/trout business, which was a primary cause of the price decline last year, saw a decline but profitability improved significantly through trading based on close monitoring of the market trends. Trading volumes for mackerel, scallops, and other marine products increased, mostly export trade, and contributed to revenue and profits. Revenues and profits in the eel business, which has suffered from poor fishing conditions for four straight years, declined due to a large drop in demand from retailers. In the livestock products category, although chicken prices, which slumped the previous year, turned soft towards the end of the period under review, overall the category demonstrated steady performance to post a strong increase in revenues and profits. The agricultural products category posted higher year-on-year revenues but lower profits, with strong potato and onion harvests helping to boost sales.

As a result, segment sales amounted to ¥69,787 million, an increase of 2.3% compared with the same period of the previous fiscal year, and operating income totaled ¥669 million, compared with an operating loss of ¥667 million in the same period of the previous fiscal year.

(2) Qualitative Information on the Consolidated Financial Position

(Assets, Liabilities and Net Assets)

Total assets at June 30, 2013 amounted to ¥91,580 million, an increase of ¥642 million compared with the previous fiscal year-end (September 30, 2012). This change was mainly attributable to increases of ¥1,293 million in notes and accounts receivable—trade and ¥1,115 million in investment securities, which were partially offset by decreases of ¥1,017 million in merchandise and ¥197 million in cash and deposits.

Total liabilities amounted to ¥33,814 million, a decrease of ¥1,483 million compared with the previous fiscal year-end. This change was mainly attributable to decreases of ¥4,138 million in loans payable and ¥438 million in accrued employees' bonuses, which were partially offset by increases of ¥2,209 million in notes and accounts payable—trade and ¥814 million in income taxes payable.

Total net assets amounted to ¥57,766 million, an increase of ¥2,126 million compared with the previous fiscal year-end.

(Cash Flows)

Cash and cash equivalents (hereinafter, "cash") as of June 30, 2013 amounted to ¥2,502 million, a decrease of ¥197 million compared with the previous fiscal year-end (September 30, 2012). The main factors affecting cash flows during the first nine months of the fiscal year under review are summarized as follows.

1) Cash flows from operating activities

Net cash provided by operating activities amounted to ¥7,695 million, compared with net cash provided of ¥677 million in the same period of the previous fiscal year. This net inflow was mainly attributable to income before income taxes and minority interests of ¥3,314 million, depreciation and amortization of ¥2,598 million, a decline of ¥1,067 million in inventories, and an increase of ¥2,207 million in accounts payable—trade, the sum of which was partially offset by an increase of ¥1,254 million in accounts receivable—trade.

2) Cash flows from investing activities

Net cash used in investing activities amounted to ¥2,424 million, compared with ¥3,762 million in net cash used in the same period of the previous fiscal year. Major investment outflows included the ¥2,677 million used for the purchase of property, plant and equipment.

3) Cash flows from financing activities

Net cash used in financing activities amounted to ¥5,488 million, compared with ¥1,373 million in net cash provided in the same period of the previous fiscal year. This was mainly the result of a net decrease in loans payable of ¥4,340 million and cash dividends paid of ¥1,034 million.

(3) Consolidated Earnings Forecast

There is no change to the revised earnings forecast for the fiscal year ending September 30, 2013 announced by the Company on May 7, 2013.

2. Other Information

(1) Changes in consolidation status of major subsidiaries during the period:
Not applicable

(2) Use of accounting methods specific to the preparation of quarterly consolidated financial statements:
Not applicable

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement:
Changes in accounting policy

Change in depreciation method
In response to Japan's recent corporate tax law amendments and effective from the first quarter of the fiscal year ending September 30, 2013, the method which Yokohama Reito Co., Ltd. and its domestic consolidated subsidiaries use for depreciation of property, plant, and equipment acquired on or after October 1, 2012 will be adjusted to reflect the revised corporate tax code. The impact of this change on consolidated operating income, ordinary income and net income for the nine months ended June 30, 2013 was negligible.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2012	As of June 30, 2013
	Amount	Amount
Assets		
Current assets		
Cash and deposits	2,700	2,502
Notes and accounts receivable - trade	14,402	15,695
Merchandise	14,003	12,986
Deferred tax assets	441	467
Other	985	517
Allowance for doubtful accounts	(26)	(27)
Total current assets	32,507	32,142
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	26,243	25,243
Machinery, equipment and vehicles, net	4,912	4,575
Land	19,382	19,119
Leased assets, net	212	192
Construction in progress	8	1,647
Other, net	366	340
Total property, plant and equipment	51,125	51,119
Intangible fixed assets		
Goodwill	848	734
Other	1,630	1,626
Total intangible fixed assets	2,479	2,360
Investments and other assets		
Investment securities	3,616	4,732
Long-term loans receivable	71	121
Other	1,190	1,160
Allowance for doubtful accounts	(53)	(56)
Total investments and other assets	4,825	5,958
Total noncurrent assets	58,430	59,438
Total assets	90,937	91,580

(Millions of yen)

	As of September 30, 2012	As of June30, 2013
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,314	7,524
Short-term loans payable	10,509	5,676
Current portion of long-term loans payable	2,211	2,168
Bonds due within one year	47	-
Lease obligations	69	74
Income taxes payable	191	1,006
Accrued employees' bonuses	619	180
Accrued bonuses for directors and corporate auditors	27	20
Other	3,802	3,609
Total current liabilities	22,793	20,259
Noncurrent liabilities		
Long-term loans payable	11,242	11,981
Lease obligations	153	126
Deferred tax liabilities	23	311
Provision for employees' retirement benefits	605	636
Provision for directors' and corporate auditors' retirement benefits	302	319
Asset retirement obligations	105	105
Other	72	73
Total noncurrent liabilities	12,504	13,554
Total liabilities	35,297	33,814
Net assets		
Shareholders' equity		
Common stock	11,065	11,065
Capital surplus	11,109	11,109
Retained earnings	34,061	35,043
Treasury stock	(520)	(521)
Total shareholders' equity	55,716	56,697
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	214	572
Deferred gain (loss) on derivatives under hedge accounting	(28)	47
Foreign currency translation adjustments	(197)	(30)
Total accumulated other comprehensive income	(439)	589
Minority interests	362	479
Total net assets	55,639	57,766
Total liabilities and net assets	90,937	91,580

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

(Millions of yen)

	Nine months ended June 30, 2012	Nine months ended June 30, 2013
	Amount	Amount
Net sales	83,397	85,831
Cost of sales	76,776	77,531
Gross profit	6,620	8,299
Selling, general and administrative expenses	5,359	5,116
Operating income	1,261	3,183
Other income		
Interest income	19	15
Dividend income	83	88
Subsidy income	182	3
Insurance dividends	28	29
Gain on sales of noncurrent assets	1	43
Other	152	211
Total other income	468	392
Other expenses		
Interest expense	216	181
Loss on sales and retirement of noncurrent assets	32	55
Other	50	25
Total other expenses	299	262
Ordinary income	1,430	3,314
Extraordinary gains		
Gain on sales of investment securities	3	-
Refund of prior-year real estate taxes	84	-
Total extraordinary gains	87	-
Income before income taxes and minority interests	1,517	3,314
Income taxes—Current	789	1,351
Income taxes—Deferred	220	(108)
Total income taxes	1,009	1,242
Income before minority interests	507	2,071
Minority interests	3	54
Net income	504	2,016

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended June 30, 2012	Nine months ended June 30, 2013
	Amount	Amount
Income before income taxes and minority interests	507	2,071
Other comprehensive income		
Unrealized gain on available-for-sale securities	(168)	786
Deferred gain (loss) on derivatives under hedge accounting	200	75
Foreign currency translation adjustments	14	229
Total other comprehensive income	46	1,091
Comprehensive income	553	3,163
Breakdown:		
Comprehensive income attributable to owners of the parent	541	3,045
Comprehensive income attributable to minority interests	12	117

(3) Consolidated Statements of Cash flows

	(Millions of yen)	
	Nine months ended June 30, 2012	Nine months ended June 30, 2013
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and minority interests	1,517	3,314
Depreciation and amortization	2,623	2,598
Amortization of goodwill	136	114
Increase (decrease) in accrued employees' bonuses	(384)	(438)
Increase (decrease) in accrued bonuses for directors and corporate	(7)	(6)
Increase (decrease) in provision for employees' retirement benefits	40	28
Increase (decrease) in provision for directors' and corporate auditors'	(14)	16
Increase (decrease) in allowance for doubtful accounts	(17)	4
Interest and dividend income	(102)	(104)
Interest expenses paid on loans and bonds	216	181
Loss (gain) on sales/valuation of investment securities	(3)	-
Decrease (increase) in accounts receivable - trade	2,377	(1,254)
Decrease (increase) in inventories	(3,615)	1,067
Increase (decrease) in accounts payable - trade	(1,481)	2,207
Increase (decrease) in accrued expenses	570	(99)
Other - net	319	675
Sub total	2,175	8,305
Interest and dividend income received	102	104
Interest paid	(218)	(181)
Income taxes paid	(1,382)	(533)
Net cash provided by (used in) operating activities	677	7,695
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,383)	(2,677)
Proceeds from sales of property, plant and equipment	2	413
Purchase of investment securities	(103)	(3)
Proceeds from sales of investment securities	9	-
Purchase of investments in subsidiaries	(23)	-
Payments of loans receivable	(307)	(221)
Collection of loans receivable	192	115
Other – net	(150)	(50)
Net cash provided by (used in) investing activities	(3,762)	(2,424)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,260	(5,036)
Proceeds from long-term loans payable	1,100	2,676
Repayments of long-term loans payable	(1,777)	(1,980)
Purchase of treasury stock	(0)	(0)
Dividends paid to shareholders	(1,034)	(1,034)
Dividends paid to minority shareholders	(2)	-
Payments for redemption of bonds	(117)	(47)
Other – net	(55)	(65)
Net cash provided by (used in) financing activities	1,373	(5,488)
Effect of exchange rate changes on cash and cash equivalents	0	19
Net increase (decrease) in cash and cash equivalents	(1,710)	(197)
Cash and cash equivalents, beginning of period	4,563	2,700
Cash and cash equivalents, end of period	2,853	2,502

(4) Notes on the Going-concern Assumption

Not applicable

(5) Notes on Significant Changes in Shareholders' Equity

Not applicable

(6) Segment information

I. Nine months ended June 30, 2012 (October 1, 2011 – June 30, 2012)

1. Net sales, income/loss by reportable segment

(Millions of yen)

	Reportable segment				Adjustments *1	Amounts reported on consolidated statements of income*2
	Refrigerated warehousing	Food sales	Other businesses	Total		
Net sales						
Sales to outside customers	15,160	68,228	8	83,397	-	83,397
Intersegment sales or transfers	1,280	-	36	1,316	(1,316)	-
Total	16,440	68,228	45	84,714	(1,316)	83,397
Segment income (loss)	3,436	(667)	11	2,780	(1,519)	1,261

Notes: 1. The minus 1,519 million yen adjustment for segment income (loss) was unallocated corporate expenses, consisting principally of general administrative expenses that are not attributable to reportable segments.

2. Segment income (loss) was adjusted based on operating income reported on the consolidated statements of income for the corresponding period.

II. Nine months ended June 30, 2013 (October 1, 2012 – June 30, 2013)

1. Net sales, income/loss by reportable segment

(Millions of yen)

	Reportable segment				Adjustments *1	Amounts reported on consolidated statements of income*2
	Refrigerated warehousing	Food sales	Other businesses	Total		
Net sales						
Sales to outside customers	16,033	69,787	10	85,831	-	85,831
Intersegment sales or transfers	1,146	-	33	1,180	(1,180)	-
Total	17,180	69,787	43	87,011	(1,180)	85,831
Segment income	3,819	669	11	4,501	(1,317)	3,183

Notes: 1. The minus 1,317 million yen adjustment for segment income was unallocated corporate expenses, consisting principally of general administrative expenses that are not attributable to reportable segments.

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