



Introduction of Shareholder Special Benefit Plan

We have a shareholder special benefit plan, which we operate as a token of our appreciation for the support of our shareholders and to increase the number of shareholders by enhancing the appeal of shares in the Company.

Details of Special Benefit Plan

Targets: Shareholders who hold a unit of shares (1,000 shares) or more on the record date (March 31) of each year.

Benefit: The target shareholders will be presented with our products valued at 5,000 yen.

Shipment: Gifts will be shipped in July.

Shareholders Information

Business year: April 1 to March 31 next year

Ordinary general meeting of shareholders: June of each year

Record date for exercising voting rights at the ordinary general meeting of shareholders: March 31

Term-end dividend record date: March 31

Media for public notice: Nihon Keizai Shimbun

Shareholders list manager and special purpose bank accounts manager: Mitsubishi UFJ Trust and Banking Corporation

Contact information: Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation 10-11 Higashisuna 7-chome, Koto-ku, Tokyo 137-8081
Phone: 0120-232-711 (toll-free in Japan)

(Note)

- 1.Procedures for shareholders' requests for changes of address and share purchases by stock companies shall, in principle, be performed by the account management agencies (securities firms etc.) for shareholders. Please ask the securities firm etc. where you have your account about the procedures. The shareholders list manager (Mitsubishi UFJ Trust and Banking Corporation) cannot handle the procedures.
- 2.For procedures concerning shares in your special purpose bank account, please ask Mitsubishi UFJ Trust and Banking Corporation, which is the special purpose bank accounts manager. Branches of Mitsubishi UFJ Trust and Banking Corporation nationwide are able to accept inquiries.
- 3.Dividends that you have not received will be paid at the head office or branches of Mitsubishi UFJ Trust and Banking Corporation.

Introduction to Our Web Site



Our website contains a top page (news and topics), information about the Company, IR information, product information, and the latest information from the Kyokuyo Group. The website also includes an inquiry form which you can use to send us your opinions and questions.



<http://www.kyokuyo.co.jp>



いつも となりに おいしいキョクヨー

BUSINESS REPORT

89th Business Report

April 1, 2011 - March 31, 2012



KYOKUYO CO., LTD.
3-5, Akasaka 3-chome, Minato-ku, Tokyo 107-0052



Corporate Ideal

Aiming to grow together with society, contributing to a healthy and heart-enriched lifestyle and food culture based on management of human respect

I am pleased to present this business report for the 89th fiscal term (term ended March 2012). I would like to take this opportunity to thank our shareholders for their support.

In the fiscal year ended March 31, 2012, the Kyokuyo Group completed the final year of its medium-term business plan “Kyokuyo Group Challenge 2012” under the new management structure that started on April 1 with Kiyokazu Fukui as Chairman & CEO, and Hisaki Tada as President. During the final year of the plan, the Group was proactive in managing the business, and implemented future-oriented measures such as the establishment of joint ventures abroad in the overseas purse-seine fishing business, and pursuing business partnerships in Japan for our complete bluefin tuna farming operations.

This year marks the 75th anniversary of Kyokuyo’s founding. The new medium-term business plan “Power Up Kyokuyo 2015” started in April, with the basic goal of “maximizing corporate value for the Group by strengthening and enhancing the Kyokuyo Group’s superiority and offering safe, secure, and competitive products.” The basic policy includes three strategies; in addition to further intensifying the “Processing Strategy” and “Global Strategy,” with the “Synergy Strategy,” we aim to exploit to the fullest the synergistic effects among the 27 Group companies including Kyokuyo Co., Ltd.

As we enter our 75th year, the Kyokuyo Group is moving from the “Challenge” stage to the “Power Up” stage. Going forward, we will endeavor to boost the power of the corporation, while maintaining a spirit of challenge, as we strive to achieve our goals.

We look forward to your continued support and cooperation.

June 2012



Chairman & CEO
Kiyokazu Fukui

President
Hisaki Tada

From “Kyokuyo Group Challenge 2012” to “Power Up Kyokuyo 2015”

Overall performance in the fiscal year ended March 2012

In the fiscal year under review, the Japanese economy stagnated in an atmosphere of lingering uncertainty resulting from factors that included the still-severe effects of the Great East Japan Earthquake, in addition to persistent yen appreciation triggered mainly by the fiscal crisis in Europe and the sluggish economies in the United States, as well as the increasingly high price of resources in the midst of deflation.

In the marine products and food industries, purchasing prices are rising for marine products overall due to the influence of an increasing trend of fish consumption in overseas, and economic growth in emerging countries; meanwhile, however, on the domestic front there is a continuing preference for low prices and saving money, as consumers become more concerned with defensive spending pattern amid deteriorating employment and income conditions.

In the circumstances, the Group worked to implement proactive and efficient operations prioritizing above all recovery from the damage caused by the earthquake, and emphasizing the provision of safe and secure food products, reinforcement of the business base, and securing earnings. As a result, we were able to achieve a year-on-year increase in net sales, although ordinary income unfortunately fell below the previous year’s level, reflecting a downturn in the refrigeration ship business.

In the Marine Products Purchasing segment, market conditions were favorable for marine products overall during the first half of the year; in the second half, however, profit trends started to decline as the domestic sales environment worsened due to sudden market fluctuations for certain species. In these circumstances, we actively traded in raw materials for processing, and worked to expand sales for value-added products such as salted salmon fillets and shelled crab and shrimp meat.

In the processed & frozen marine products division of our Frozen Foods segment, net sales were up as a result of efforts to expand sales to major conveyor belt sushi restaurant chains and volume retailers. However, we could not avoid the impact of soaring prices for raw materials and escalating sales competition. In the Prepared Frozen Foods segment,

there was expansion in sales of fried marine products, processed shrimp products, and imitation crab meat to volume retailers and convenience stores, in line with increasing consumer preference for eating at home rather than eating out.

In the Shelf-Stable Foods segment, the supply of canned marine products decreased due to damage to production facilities at some associated plants in Japan resulting from the earthquake. However, we worked to expand sales of imported canned products such as tuna, as well as canned live stock and seafood delicacies through major convenience store channels and volume retailers, and to develop new product materials, thus managing to achieve net sales on par with the previous year.

In the Logistics Service segment, the Cold Storage Business performed well, but we posted a loss in the refrigeration ship business due to factors including a drop in the freight rates caused by competition with container ships, a decline in production volume of bananas, which is a main cargo, resulting from abnormal weather conditions, a decrease in purchasing power following on the economic crisis in Europe, added to a sharply rising yen and the soaring cost of fuel oil.

In the overseas purse-seine fishing business in the Tuna Business segment, although net sales were not as high as the previous fiscal year due to a lower catch during the first half of the year, profits were up year-on-year owing to favorable market conditions and reducing expenses such as spending on repairs. In the bluefish tuna farming business, sales progressed smoothly backed by the strong reputation for quality of the Hon-Maguro no Kiwami, farmed by Kyokuyo Marine Farm Co., Ltd. In addition, at Kyokuyo Marine Ehime, Co., Ltd., which was established two years ago, tuna are being raised on schedule and the first shipments are planned for this year. In the tuna and skipjack processing and sales business, we continued to reinforce domestic and foreign sourcing channels for raw materials, and enhanced the processing system including fresh and chilled supply, and expanded sales to major conveyor belt sushi restaurant chains, volume retailers, and others. Furthermore, in order to strengthen access to skipjack and tuna resources, we began work on joint ventures with island nations and a business partnership with Nippon Formula Feed Manufacturing Co., Ltd.

**Medium-term business plan
Review of “Kyokuyo Group Challenge 2012”**

Under the medium-term business plan “Kyokuyo Group Challenge 2012” we ensured stable earnings in existing businesses by increasing the distinctiveness and superiority of the Group, and clarified our proactive position with regard to making inroads into growth fields.

We expanded the scale of the business in Japan with the addition of four companies through mergers and acquisitions that added new Group companies and by setting up new farming business companies. In addition, two new companies were established overseas in order to secure access to resources. As a result, net sales for the final fiscal year of the plan exceeded initial target.

On the other hand, profits in the Marine Products Purchasing Business and in the Frozen Foods Business fell short of target levels due to factors such as rising purchase prices for raw materials amid prolonged deflation within Japan. This, in addition to lower catches in the overseas purse-seine fishing business and a downturn in the refrigeration ship business, led to profits that were less than targeted levels. We did not meet the targets set for return on equity (ROE) and equity ratio.

Results for the final year of “Kyokuyo Group Challenge 2012” (fiscal year ended March 31, 2012) compared with the plan

	Plan	Results	Comparison with the plan
Net sales	¥177.0 billion	¥181.8 billion	¥4.8 billion
Operating income	¥4.25 billion	¥1.63 billion	(2.62 billion)
Ordinary income	¥4.0 billion	¥1.70 billion	(2.30 billion)
Return on equity (ROE)	10%	2.5%	(7.5 point)
Equity ratio	30%	20.0%	(10.0 point)

**Basic policy for new medium-term business plan
“Power Up Kyokuyo 2015” and targets for the 90th term (fiscal year ending March 31, 2013)**

Basic goal was set for the new medium-term business plan “Power Up Kyokuyo 2015” under the policy of “maximizing corporate value for the Group by strengthening and enhancing the Kyokuyo Group’s superiority and offering safe, secure, and competitive products.”

Final fiscal year (fiscal year ending March 31, 2015)	Numerical targets
Net sales	¥200 billion
Operating income	¥5 billion
Return on equity (ROE)	10%
Equity ratio	30%
D/E Ratio	In the range of not exceeding the double amount

Under the new medium-term business plan, in addition to further intensifying the “Processing Strategy” and “Global Strategy,” we added the “Synergy Strategy” with the aim of exploiting to the fullest the synergistic effects among the expanded Group companies as we work toward achievement of our goals.

Furthermore, we will endeavor to strengthen the fiscal culture, increase the equity ratio, improve cash flow, and reduce interest-bearing debt and risky assets, while striving to raise corporate value through measures such as thorough implementation of environmentally-friendly management and formulating a Business Continuity Plan (BCP) for emergencies. In the Marine Products Purchasing Business, we will increase the volume of trade in high value-added products based on an accurate grasp of customer needs, and enhance a steady

supply of high quality marine products by taking advantage of the abundant experience we have built up regarding marine products and stronger, sustainable relations with domestic and overseas suppliers. We will also utilize our network of locally-based companies overseas in Europe, the United States and Southeast Asia to step up efforts for off-shore trade and to deeply cultivate foreign markets, in order to strengthen our sourcing capacity for raw materials and enhance the collaborative framework within the Group.

In the Frozen Foods Business, we will move into the retail frozen foods field with the aim of broadening the scope of business development. To that end, we will promote new brand-building from the perspective of consumers, while developing products in response to the market and upgrading production technology. In addition, in order to enhance the sushi-related business that is one of the Group’s strengths, we will open up production bases mainly in Asia, and pursue further tie-ups with trading partners who are expanding overseas.

At the same time, we will advance our market strategy of broadening new sales channels including those overseas. In the production sector, we will build a more stable supply framework by restructuring directly-controlled domestic plants and decentralizing production bases overseas.

In the canned foods business of the Shelf-Stable Foods Business, we aim to stabilize bases in the processing sector in Japan and abroad. Domestically, we will further strengthen partnerships with our main associated plants. Overseas, we will pursue sourcing of raw materials and production bases globally, in order to develop competitive products and to enhance our responsive pricing capacity. Furthermore, in collaboration with the overseas purse-seine fishing business, we will carry out integrated operations from sourcing to sales in order to provide safe and secure products.

In processing and sales, including seafood delicacies, we will enhance our wide array of product items developed by utilizing the Group’s strengths.

We will also further enhance online sales, and link this to expansion of sales channels.

In the processing and sales business of the Tuna Business, we will strive to develop high value-added products, while enhancing production bases in Japan and abroad.

In the overseas purse-seine fishing business, access to skipjack and tuna resources is a Group priority, and we are broadening the business base through partnerships with island countries. In addition, Group-owned ships allow us to catch and produce high quality skipjack.

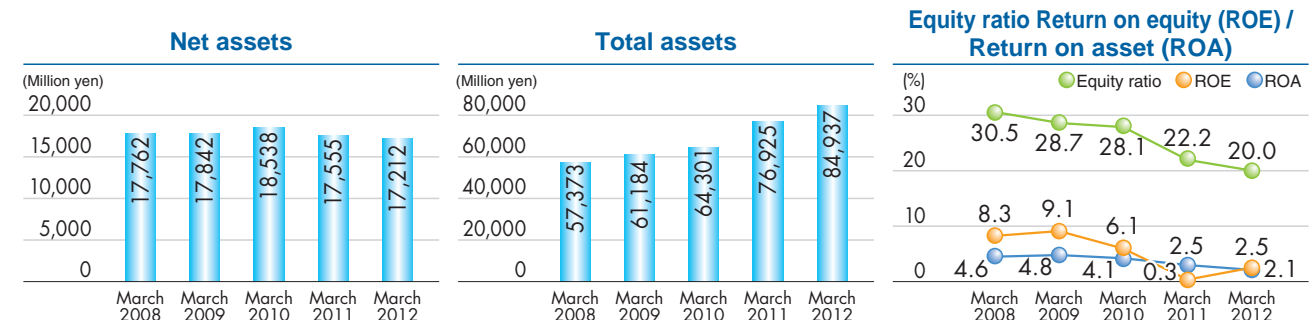
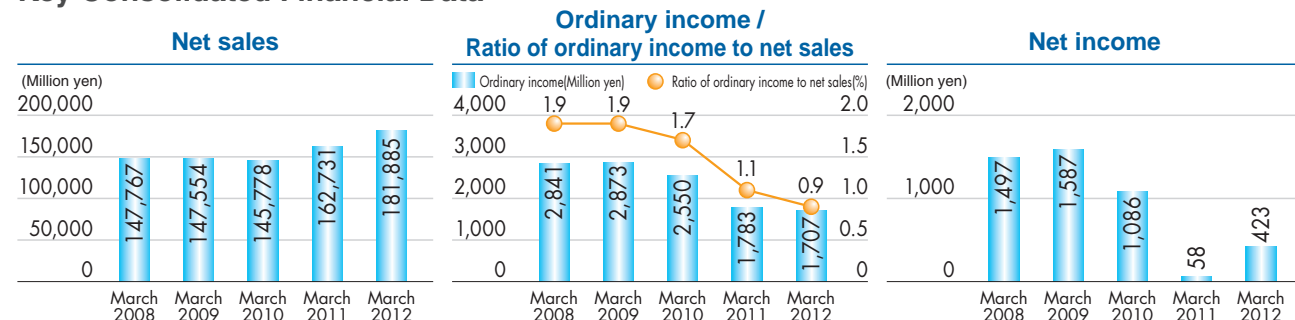
In the farming business, we have expanded the facilities with the goal of creating a system that can ship 1,000 tons of bluefin tuna. In addition, in order to get the complete farming operation, which is conducted in cooperation with other companies, going forward, we have worked to accumulate expertise as we move forward with new development in the Tuna Business based both on catching and farming.

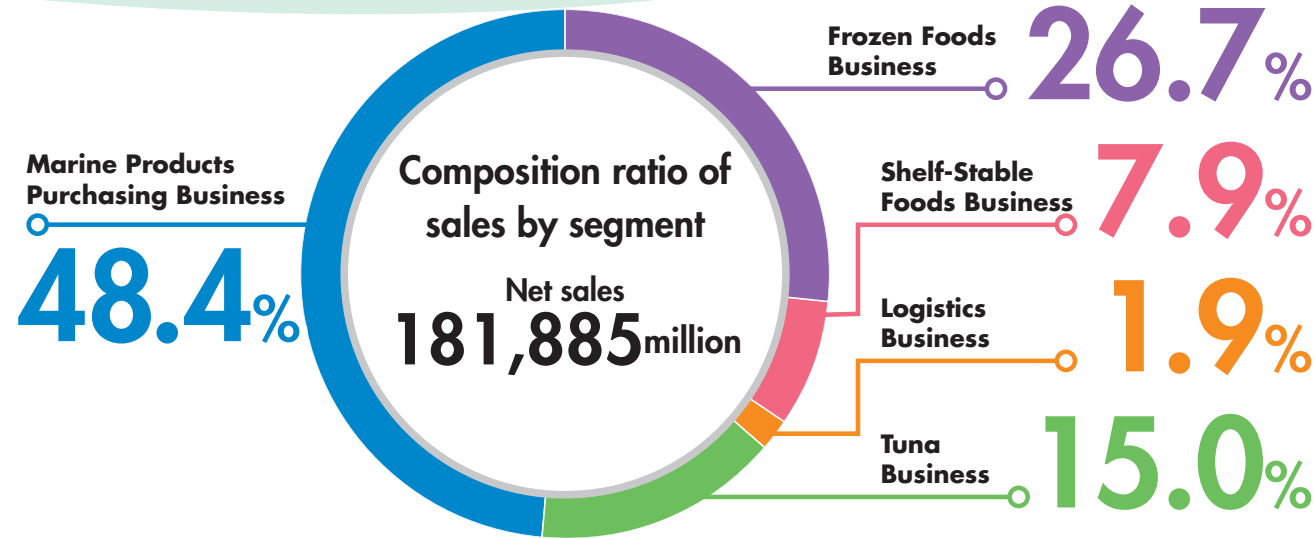
In the Cold Storage Business of the Logistics Business, we are aiming to secure stable earnings through proactive consolidation and improved service, and enhancing the quality of operations and increasing storage space.

In the refrigeration ship business, we will work to secure earnings by streamlining the fleet to match the scale of the market.

As a result of these initiatives, we expect consolidated results as follows for the next fiscal year, which is the first year of the medium-term business plan “Power Up Kyokuyo 2015”: consolidated net sales of ¥185.0 billion, operating income of ¥3.2 billion, ordinary income of ¥3.1 billion, and net income for the year of ¥1.8 billion.

Key Consolidated Financial Data





Marine Products Purchasing Business

- Net sales **88,030 million**
- Operating income **1,371 million**

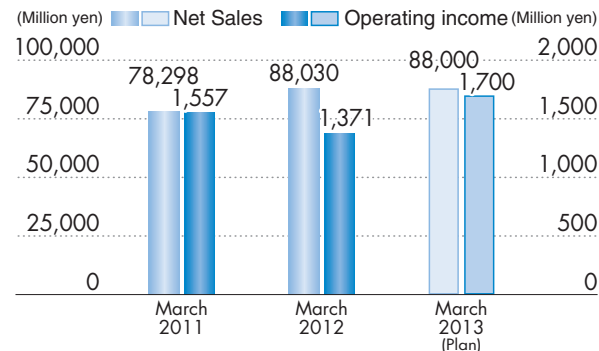
The Kyokuyo Group supplies marine products sourced from the oceans of the world through our global network of domestic and foreign branches, representative offices, and mutual partnerships with subsidiaries. Taking advantage of the experience we have built up as a marine products company, we offer these products not only as ingredients, but as processed products suited to various needs. We also engage actively in off-shore trade, striving to use marine products efficiently and to create a recycling society, while responding to the globalization of fish consumption.



Processing plant in China

Shiretoko salted salmon fillet (mild)

Wild salmon caught off the coast of the Hokkaido Shiretoko Peninsula, a World Natural Heritage, is chilled and shipped to the Kyokuyo Shokuhin, Co., Ltd. plant in Hachinohe for processing. In Kyokuyo's unique maturing process, we pay special attention to freshness and color.



PRODUCT INFORMATION

Frozen Foods Business

- Net sales **48,640 million**
- Operating income **546 million**

The Frozen Foods Business consists of two segments: the processed & frozen marine products, and the prepared frozen foods. Products are produced at subsidiary plants and associated plants in Japan and abroad, and are delivered to customers mainly via the food service industry and volume retailers.

The main products in the processed & frozen marine products business are sushi toppings and processed products for heating, or fish to be grilled and cooked. Sushi toppings are produced by our joint venture in Thailand at facilities featuring state of the art hygienic standards, and special attention is paid to bringing out the original flavor and texture of the ingredients. The frozen sushi developed uniquely by the Group is exported to Europe, the United States, and other countries.

In the prepared frozen foods business, we produce and develop products adapted to customer needs, such as deep-fried food including shrimp fritters and creamy croquettes, Ocean King (imitation crab meat), live stock products, and frozen vegetables.



Processing sushi shrimp at KUE

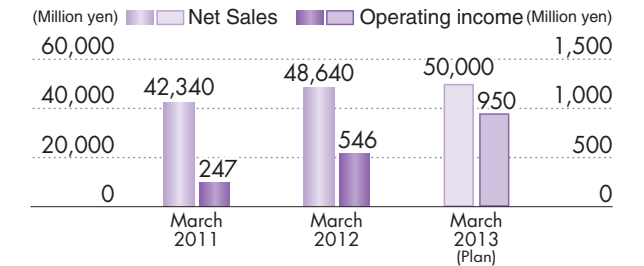
Processed & frozen marine products Sushi toppings

Sushi toppings are processed at a joint venture in Thailand, and other bases. Fresh materials such as shrimp, squid, and salmon are used. Products become authentic sushi toppings when they are thawed naturally or thawed using running water. And our products can be combined to create colorful and superb sushi dishes.



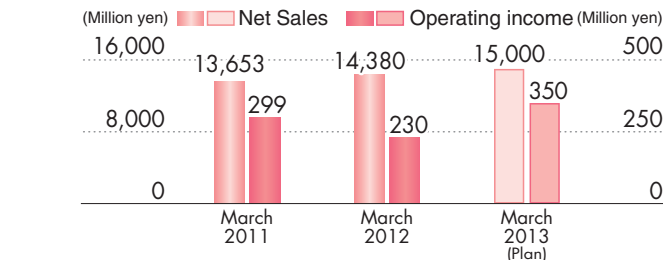
Prepared Frozen Food *Ocean King no Kiwami*

Ocean King no Kiwami is made from high-quality mince and tastes like crab leg meat. Customers can enjoy the juicy taste and the texture of crab. The product comes in a five-piece pack and a version for fritters.



Shelf-Stable Foods Business

- Net sales **14,380 million**
- Operating income **230 million**



Alaskan Sockeye Salmon Boiled in Water (Just-caught fresh pack)

Fresh sockeye salmon is packed in the can just as it is - the only ingredients are salmon and salt.



Our line-up in the Shelf-Stable Foods Business is extensive, including canned seafood such as skipjack, salmon, and crab, Tetra Re-cart products such as sweet corn, health food products such as glucosamine, and seafood delicacies from Jokki Co., Ltd. With these products, we offer health and great taste to our customers.



Jokki Co., Ltd. Saitama Plant

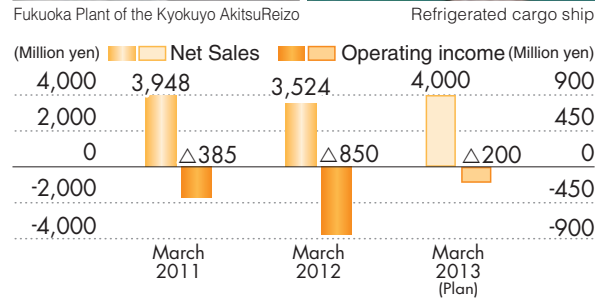
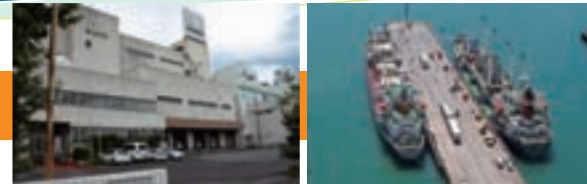


Health food products

Logistics Business

- Net sales **3,524million**
- Operating income **△ 850million**

In the Logistics Business we operate the Cold Storage Business and the refrigeration ship business. The environment in the refrigeration ship business remains challenging, and we are proceeding with revisions to increase the efficiency of the operating framework, including restructuring of the fleet.



PRODUCT INFORMATION

Tuna Business

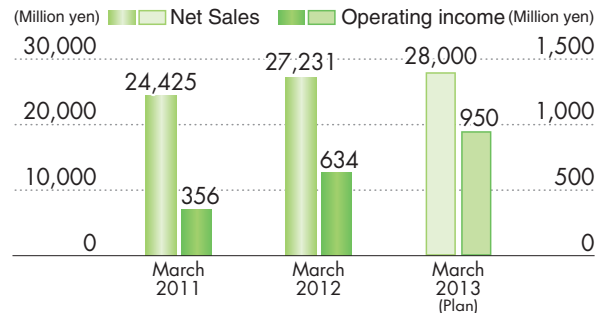
- Net sales **27,231 million**
- Operating income **634million**

In the Tuna Business, we integrate entire operation from fishing, farming and purchasing to processing and marketing, making maximal use of the expertise we have built up over the years. In the overseas purse-seine fishing business, the Wakaba Maru fleet of purse-seiners belonging to Kyokuyo Suisan Co., Ltd. continue steady operations in pursuit of high quality skipjack. In the tuna farming business, in order to secure tuna sources, we operate two bluefin tuna farms, Kyokuyo Marine Farm Co., Ltd., in Sukumo-shi, Kochi, and Kyokuyo Marine Ehime, Co., Ltd., in Ainan-cho, Ehime. Kyokuyo Marine Ehime, Co., Ltd. is proceeding steadily with preparations for its first shipments this fall.

The Group catches, farms and, with the same thorough-going dedication to quality, buys tuna and skipjack from around the world, which is then processed into sushi toppings, sashimi, negitoro, and other forms at Group companies and associated plants in Japan and abroad before being shipped to markets.

Hon-maguro no Kiwami

Hon-maguro no Kiwami is farmed at Kyokuyo Marine Farm Co., Ltd., where tuna thrive in the gentle, clear waters of Sukumo-shi, Kochi. This is one of our star products, born from the unique farming technology built up at Kyokuyo, and has been well received by customers.



Kyokuyo Fresh Co., Ltd.

Wakaba Maru No. 7



The Great East Japan Earthquake Disaster Zone Assistance

The Great East Japan Earthquake that struck on March 11, 2011, measured 9.0 in magnitude, making this massive quake the largest recorded in Japan's history. It caused tremendous damage mainly on the Pacific coast of the Tohoku and Kanto regions. We would like to express once more our heartfelt sympathy to those affected by the earthquake. Our entire Group came together as one to provide support in various forms after the earthquake.

(Disaster Zone Assistance)

- Donation totaling ¥12 million as a contribution to the stricken area through the Japanese Red Cross Society and other organizations
- Canned food and other material support provided to the area
- A portion of revenue from summer and winter gift catalogue sales in 2011 was donated to the stricken area through a contribution to the Japanese Red Cross Society
- Material aid transported to the stricken area by overseas purse-seiners and other ships belonging to Kyokuyo Suisan Co., Ltd. (photo above)
- Free tuna rice-bowl meals provided to the stricken area jointly by tuna farm operators and major volume retailers



Co-sponsoring canoe events sponsored by the Japan Canoe Federation

As part of our environmental activities to attract society's attention to co-existing with nature and the importance of water resources, we co-sponsored the 34th Japan Canoe Slalom Competition NHK Trophy (April 2011) sponsored by the Japan Canoe Federation. A total of about 1,000 people participated in our canoe school, which we opened in Yamanakako Lake since the summer 16 years ago.



Maguro steak

Efficient use of marine resources

Bearing in mind the need for efficient and sustainable use of limited marine resources, the Group strives not to waste these precious resources, and works to develop high value-added products through the application of advanced processing to materials derived from the process of making products. The "maguro steak" handled by the Tuna Business is one such example.

Kyokuyo Group Social and Environment Report 2011 published

In September 2011, we published the "Kyokuyo Group Social and Environment Report 2011." This is the fifth edition of the report which facilitates closer communication within the Group and with the public by describing the results of the Group's activities to protect the environment since December 2001, as well as the Group's social activities. The Kyokuyo Group is committed to improving its environmental management and to fulfilling the trust and expectations of society.



The reports are available on our website.

<http://www.kyokuyo.co.jp/environment/>

Co-sponsoring Japan Fish Certification (Totoken)

We co-sponsored the second Japan Fish Certification Examination (sponsored by the Japan Fish Certification Association) held in Tokyo, Osaka, and Tottori in May 2011. The purpose of the event is to help revive and preserve Japan's traditional culture of fish consumption, by stimulating a deeper interest in and knowledge of fish through the certification process.

As a comprehensive food company focusing on seafood, we support this goal and have acted as cosponsors since the first event in 2010.



NEWS
Our smoked salmon wins gold medals at Monde Selection for the third consecutive year

Our sliced smoked salmon and cut smoked salmon won gold medals at the 50th Monde Selection for the third consecutive year and International High Quality Trophies in 2011. Winning gold medals for the third consecutive year underlined the high value added to our products. Moreover, Jokki's entry, "Dry Smoked Salmon Kun" won the silver medal.



Third consecutive Monde Selection / International High Quality Trophy

TOPIC
Conclusion of business partnership regarding farming of bluefin tuna and other fish

An agreement was concluded between Kyokuyo Co., Ltd., Kyokuyo Marine Farm Co., Ltd., Kyokuyo Marine Ehime Co., Ltd., Nippon Formula Feed Manufacturing Co., Ltd. and its consolidated subsidiary Nanyo Fishing, Co., Ltd., to engage in a comprehensive business partnership in the field of breeding production, farming, processing, and sales of bluefin tuna and other marine products.



Nippon Formula Feed Manufacturing
 Juvenile bluefin tuna incubated artificially

TOPIC
"Woman-centric" product development project team

The "woman-centric" project team for product development is engaged in product development aimed at creating "typically Kyokuyo" products through market research with an emphasis on female tastes. Two of the items created by the project team as new products for spring 2012, the "shrimp cream spring roll," and the "crab cream spring roll," are now on restaurant menus.



The women on the project team



Shrimp cream spring roll



Crab cream spring roll

TOPICS
 2011 ~ 2012



TOPIC
Establishment of joint venture in the overseas purse-seine fishing business

Amid increasing international regulation of fisheries, we launched an overseas purse-seine fishing joint venture with the goal of securing stable sources of marine products and using them effectively while supporting preservation of bio-diversity, and to contribute to the economic development of island countries of fisheries. Two companies were set up: "Kiribati and Kyokuyo Co., Ltd.," established as a joint venture between Kyokuyo Suisan Co., Ltd., and the Kiribati government in July 2011, and "KF (PNG) Ltd.," set up in September 2011 as a joint venture with Frabelle PNG Co., Ltd., a locally incorporated company in Papua New Guinea.



Establishment of KKC



Establishment of KF (PNG) Ltd.

PR
Participation in various exhibitions

We participated in a series of international exhibitions such as the "Japan International Seafood Show" held in July. Additionally, we made sales promotion through exhibition and trade fairs in August with the collaboration of Tokyo branch and Kyokuyo Shoji Co., Ltd., and in September at the Osaka branch.



Japan International Seafood Show



Tokyo branch and Kyokuyo Shoji Co., Ltd. Joint exhibition and trade fair

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets

(Million yen)

Account Item	Current consolidated fiscal year (As of March 31, 2012)	Previous consolidated fiscal year (As of March 31, 2011)
ASSETS		
Current Assets	64,824	56,145
Fixed Assets	20,113	20,779
Property and Equipment	11,574	12,331
Intangible Assets	730	777
Investments and Other Assets	7,807	7,669
Total Assets	84,937	76,925
LIABILITIES		
Current Liabilities	58,730	50,190
Long-term Liabilities	8,995	9,178
Total Liabilities	67,725	59,369
NET ASSETS		
Shareholders' Equity	17,683	17,785
Accumulated other comprehensive income	△717	△707
Minority Interests	246	477
Total Net Assets	17,212	17,555
Total Liabilities and Net Assets	84,937	76,925

Key Points in the Consolidated Balance Sheet

Current Assets

- Current assets increased ¥8,600 million year on year, primarily attributable to a rise in notes and accounts receivable-trade and inventories.

Fixed Assets

- Fixed Assets declined ¥600 million. The major factor is a decrease of property and equipment associated with depreciation.

Current Liabilities

- Current liabilities rose ¥8,500 million, primarily attributable to an increase in short-term borrowings and issuance of commercial papers.

Long-term Liabilities

- Long-term liabilities declined ¥100 million, reflecting both an increase in the provision for retirement benefits and a decrease in long-term debt.

Total Net Assets

- Net assets declined ¥300 million, due to a decrease of shareholders' equity and minority interests.

Consolidated Statement of Changes in Net Assets for the Current Consolidated Fiscal Year (from April 1, 2011 to March 31, 2012) (Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Minority interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Unrealized holding gains on other securities	Gains on deferred hedge	Foreign currency translation adjustment	Total Accumulated other comprehensive income		
Balance as of March 31, 2011	5,664	749	12,119	△747	17,785	△742	83	△48	△707	477	17,555
Changes during the consolidated fiscal year											
Distribution of retained earnings			△525		△525						△525
Net income			423		423						423
Acquisition of treasury stock				△0	△0						△0
Net changes in items other than shareholders' equity during the consolidated fiscal year						72	△21	△61	△10	△230	△241
Total changes during the consolidated fiscal year	—	—	△102	△0	△102	72	△21	△61	△10	△230	△343
Balance as of March 31, 2012	5,664	749	12,017	△747	17,683	△669	61	△109	△717	246	17,212

Consolidated Statement of Income

(Million yen)

Account Item	Current consolidated fiscal year (from April 1, 2011 Period ended March 31, 2012)	Previous consolidated fiscal year (from April 1, 2010 Period ended March 31, 2011)
Net sales	181,885	162,731
Cost of sales	162,411	144,085
Gross profit	19,474	18,645
Selling, general and administrative expenses	17,838	17,056
Operating income	1,636	1,588
Non-operating income	574	631
Non-operating expenses	503	436
Ordinary income	1,707	1,783
Extraordinary gains	153	42
Extraordinary losses	19	970
Income before income taxes	1,842	854
Income taxes-current	1,446	1,195
Income taxes-deferred	△62	△396
Income (loss) on minority interests	35	△2
Net income	423	58

Key Points in the Consolidated Statement of Income

Net sales

(Increased ¥19,100 million year on year)

- Although net sales rose from the year-ago level in the Marine Products Purchasing Business, Frozen Foods Business, Shelf-Stable Foods Business, and Tuna Business, it fell in the Logistics Business. Overall net sales increased 11.8% year on year.

Operating income

(Increased ¥40 million year on year)

- While operating income increased from a year ago in the Frozen Foods Business and Tuna Business, it declined in the Marine Products Purchasing Business, Shelf-Stable Foods Business, and Logistics Business. Overall operating income rose 3.0% year on year.
- The operating margin slipped to 0.9%, from 1.0% for the previous fiscal year.

Ordinary income

(Decreased ¥70 million year on year)

- Ordinary income declined 4.2% year on year.
- The recurring margin was 0.9%, a fall from 1.1% in the previous fiscal year.

Net income

(Increased ¥300 million year on year)

- Net income rose 626.4% year on year.

Consolidated Statements of Cash Flow

(Million yen)

Account Item	Current consolidated fiscal year (from April 1, 2011 Period ended March 31, 2012)	Previous consolidated fiscal year (from April 1, 2010 Period ended March 31, 2011)
Net cash provided by operating activities	△5,297	△5,079
Net cash provided by investing activities	△1,006	△3,077
Net cash provided by financing activities	6,434	8,837
Adjustment of cash and cash equivalents	△14	△29
Net increase (decrease) in cash and cash equivalents	116	650
Cash and cash equivalents at beginning of the year	3,322	2,672
Cash and cash equivalents at end of the year	3,438	3,322

Key points in the Consolidated Statement of Cash Flow

Net cash used in operating activities

- Net cash used in operating activities was ¥5,200 million with increases in notes and accounts receivable-trade and inventories.

Net cash used in investing activities

- Net cash used in investing activities was ¥1,000 million, mainly because of purchase of fixed assets, etc.

Net cash provided by financing activities

- Net cash provided by financing activities was ¥6,400 million, reflecting increases in short-term borrowings and issuance of commercial papers.

Nonconsolidated Balance Sheets (Million yen)

Account Item	89th fiscal term (As of March 31, 2012)	88th fiscal term (As of March 31, 2011)
ASSETS		
Current Assets	55,446	47,903
Fixed Assets	15,667	14,607
Property and equipment	4,462	4,354
Intangible assets	324	346
Investments and other assets	10,881	9,907
Total Assets	71,113	62,511
LIABILITIES		
Current Liabilities	51,963	43,923
Long-term Liabilities	5,328	4,951
Total Liabilities	57,291	48,875
NET ASSETS		
Shareholders' Equity	14,556	14,408
Valuation and Translation Adjustments, Etc.	△733	△773
Total Net Assets	13,822	13,635
Total Liabilities and Net Assets	71,113	62,511

Nonconsolidated Statement of Income (Million yen)

Account Item	89th fiscal term (from April 1, 2011 to March 31, 2012)	88th fiscal term (from April 1, 2010 to March 31, 2011)
Net sales	165,737	148,009
Cost of sales	148,987	131,437
Gross profit	16,750	16,572
Selling, general and administrative expenses	14,941	14,492
Operating income	1,809	2,080
Non-operating income	391	381
Non-operating expenses	319	274
Ordinary income	1,881	2,187
Extraordinary gains	0	0
Extraordinary losses	202	899
Income before income taxes	1,679	1,288
Income taxes-current	1,088	994
Income taxes-deferred	△81	△412
Net income	672	706

Statement of Changes in Net Assets for the Current Fiscal Term (from April 1, 2011 to March 31, 2012) (Million yen)

	Shareholders' equity										Valuation and translation adjustments, etc.			Total net assets
	Common stock	Additional paid-in capital			Retained earnings			Treasury stock, at cost	Total shareholders' equity	Unrealized holding gains on other securities	Gains on deferred hedge	Total valuation and translation adjustments, etc.		
		Capital reserve	Other capital surplus	Total capital surplus	Earned reserve	General reserve	Retained earnings brought forward						Total retained earnings	
Balance as of March 31, 2011	5,664	742	7	749	673	1,560	6,508	8,742	△747	14,408	△856	83	△773	13,635
Changes during the current fiscal year														
Distribution of retained earnings							△525	△525		△525				△525
Net income							672	672		672				672
Acquisition of treasury stock									△0	△0				△0
Net changes in items other than shareholders' equity during the current fiscal year											61	△21	39	39
Total changes during the fiscal year	—	—	—	—	—	—	147	147	△0	147	61	△21	39	186
Balance as of March 31, 2012	5,664	742	7	749	673	1,560	6,656	8,889	△747	14,556	△795	61	△733	13,822

Corporate Profile (As of March 31, 2012)

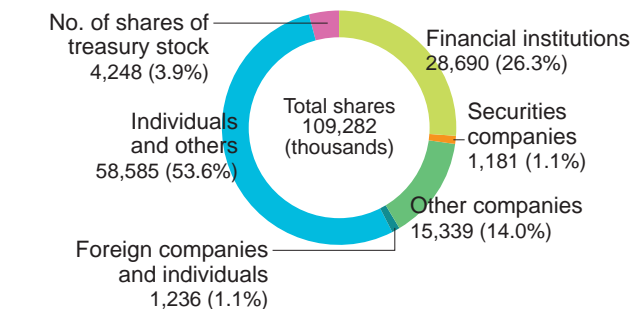
Corporate name	Kabushiki Kaisha Kyokuyo	
English corporate name	KYOKUYO CO., LTD.	
Headquarters	3-5 Akasaka 3-chome, Minato-ku, Tokyo, 107-0052	
Established	September 3, 1937	
Stated capital	¥5,664 million	
Major businesses	Exports, imports, domestic purchasing and sales of marine products, and manufacture and sales of processed and frozen foods	
Employees	2,460 (consolidated) 534 (nonconsolidated)	
Number of consolidated companies	26	
Board of Directors (As of May 31, 2012)	Chairman CEO	Kiyokazu Fukui
	President	Hisaki Tada
	Senior Managing Director	Kenichi Kadota
	Senior Managing Director	Kenji Imai
	Managing Director	Tokihiko Sudou
	Managing Director	Takashi Kamii
	Managing Director	Yoshio Murakami
	Director	Masayoshi Hosaka
	Director	Kenichi Matsuyuki
	Director	Masayuki Kumotsu
	Full-time Corporate Auditor	Takatoshi Hosokawa
	Full-time Corporate Auditor	Masataka Nakayama
	Corporate Auditor	Koutaro Kubo
	Corporate Auditor	Makoto Arato

Stock Information (As of March 31, 2012)

Total number of shares the company is authorized to issue:	437,000,000
Total number of shares issued:	109,282,837
Number of shareholders:	25,477
Major shareholders	

Shareholder's name	No. of shares held (thousands)	Equity position (%)
Mitsui Sumitomo Insurance Co., Ltd.	5,701	5.21
Resona Bank, Limited	5,234	4.78
Japan Trustee Services Bank, Ltd.	5,121	4.68
The Norinchukin Bank	4,450	4.07
TOYO SEIKAN KAISHA, LTD.	3,150	2.88
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,245	2.05
KAPPA · CREATE CO., LTD.	2,100	1.92
Kyokuyo Akitsukai	1,674	1.53
Chuo Gyorui Co., Ltd.	1,399	1.28
The Chuo Mitsui Trust and Banking Company, Limited	1,215	1.11

Distribution of shares by shareholder type



Trends of Stock Prices and Trading Volume

