

**Non-Consolidated Financial Results  
for the Three Months Ended June 30, 2019  
[Japanese GAAP]**

August 9, 2019

Company name: NAFCO Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 2790  
 URL: <http://www.nafco.tv>  
 Representative: Takumi Ishida, President and CEO  
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 Scheduled date of filing quarterly securities report: August 9, 2019  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: Not available  
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts below one million yen are truncated.)

**1. Financial and Operating Results for the Three Months Ended June 30, 2019 (April 1, 2019 to June 30, 2019)**

**(1) Operating Results (cumulative)**

(Percentages refer to changes from the corresponding period of the preceding fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2019	58,318	(1.0)	3,175	4.3	3,292	4.2	1,982	22.7
June 30, 2018	58,886	(3.2)	3,043	(19.9)	3,159	(18.7)	1,616	(17.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended		
June 30, 2019	69.42	-
June 30, 2018	55.78	-

**(2) Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2019	225,578	139,940	62.0	4,899.38
As of March 31, 2019	222,501	138,540	62.3	4,850.37

(Reference) Equity: As of June 30, 2019: ¥139,940 million  
 As of March 31, 2019: ¥138,540 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2019	Yen -	Yen 19.00	Yen -	Yen 19.00	Yen 38.00
Fiscal year ending March 31, 2020	-				
Fiscal year ending March 31, 2020 (Forecast)		19.00	-	19.00	38.00

(Note) Revision from the most recently announced dividend forecast: None

## 3. Projected Operating Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (Cumulative)	118,854	3.1	6,558	34.9	6,850	34.2	3,810	49.1	133.39
Full year	224,997	0.8	8,426	20.4	8,971	19.2	4,781	5.8	167.38

(Note) Revision from the most recently announced projected operating results: None

### \* Notes:

(1) Accounting policies adopted specifically for the preparation of quarterly financial statements: Yes

(Note) For details please refer to “2. Quarterly Financial Statements and Primary Notes (3) Notes on Quarterly Financial Statements (Accounting policies adopted specifically for the preparation of quarterly financial statements)” on page 7 of the attached document.

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the term (including treasury stock):

June 30, 2019: 29,784,400 shares

March 31, 2019: 29,784,400 shares

2) Total number of treasury stock at the end of the term:

June 30, 2019: 1,221,594 shares

March 31, 2019: 1,221,594 shares

3) Average number of shares during the term:

Three months ended June 30, 2019: 28,562,806 shares

Three months ended June 30, 2018: 28,969,906 shares

\* These financial results are outside the scope of the quarterly review by a certified public accountant or an audit corporation.

\* Explanation of the proper use of financial results forecast and other notes

(Cautionary note on forward-looking statement)

The earnings forecasts and other forward-looking statements provided herein are based on information that is currently available to the Company and certain assumptions that the Company deems reasonable, and the Company does not in any way guarantee the achievement of the projections. Actual results may differ significantly from the forecasts due to various factors. For details on the assumptions of the earnings forecasts and points to be noted in using the earnings forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Forecast of Performance Results and Other Forward-Looking Information” on page 3 of the attached document.

## 2. Financial Statements and Primary Notes

### (1) Balance Sheets

(Millions of yen)

	End of Previous Fiscal year (March 31, 2019)	End of First Quarter of Current Fiscal Year (June 30, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	23,088	25,822
Accounts receivable - trade	3,312	2,816
Merchandise	57,619	58,871
Other	1,562	1,681
Allowance for doubtful accounts	(1)	(1)
Total current assets	85,581	89,190
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	69,493	69,478
Land	48,685	48,685
Construction in progress	1,003	644
Other, net	4,161	4,123
Total property, plant and equipment	123,344	122,932
Intangible assets	2,915	2,914
Investments and other assets	10,660	10,541
Total non-current assets	136,920	136,388
Total assets	222,501	225,578
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	30,494	32,810
Short-term borrowings	22,465	21,455
Current portion of long-term borrowings	1,896	1,808
Income taxes payable	1,071	1,373
Accounts payable – other	4,260	5,022
Notes payable – facilities	3,861	3,543
Provision for bonuses	1,010	513
Provision for bonuses for directors (and other officers)	26	—
Provision for point card certificates	1,199	1,194
Asset retirement obligations	46	75
Other	3,001	3,255
Total current liabilities	69,333	71,053
Non-current liabilities		
Long-term borrowings	2,914	2,948
Provision for retirement benefits	3,162	3,149
Provision for retirement benefits for directors (and other officers)	975	958
Asset retirement obligations	5,405	5,400
Other	2,169	2,126
Total non-current liabilities	14,628	14,584
Total liabilities	83,961	85,637

(Millions of yen)

	End of Previous Fiscal year (March 31, 2019)	End of First Quarter of Current Fiscal Year (June 30, 2019)
Net assets		
Shareholders' equity		
Share capital	3,538	3,538
Capital surplus	4,223	4,223
Retained earnings	132,996	134,437
Treasury shares	(2,350)	(2,350)
Total shareholders' equity	138,407	139,847
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	132	92
Total valuation and translation adjustments	132	92
Total net assets	138,540	139,940
Total liabilities and net assets	222,501	225,578

(2) Statements of Income  
Statements of Income

(Millions of yen)

	Three Months Ended June 30, 2018 (From April 1, 2018 to June 30, 2018)	Three Months Ended June 30, 2019 (From April 1, 2019 to June 30, 2019)
Net sales	58,886	58,318
Cost of sales	39,812	39,147
Gross profit	19,074	19,171
Selling, general and administrative expenses	16,031	15,996
Operating profit	3,043	3,175
Non-operating income		
Interest income	0	0
Dividend income	6	7
Commission income	37	42
Rental income from buildings	78	114
Insurance claim income	57	9
Other	32	34
Total non-operating income	212	208
Non-operating expenses		
Interest expenses	39	35
Rental cost on real estate	37	44
Other	18	10
Total non-operating expenses	95	90
Ordinary profit	3,159	3,292
Extraordinary income		
Gain on sales of non-current assets	89	3
Total extraordinary income	89	3
Extraordinary losses		
Loss on retirement of non-current assets	3	34
Impairment loss	311	8
Retirement benefits for directors (and other officers)	290	—
Loss on cancellation of rental contracts	—	28
Other	7	0
Total extraordinary losses	612	71
Profit before income taxes	2,636	3,224
Income taxes	1,020	1,241
Profit	1,616	1,982