

**Non-Consolidated Financial Results
for the Nine Months Ended December 31, 2018
[Japanese GAAP]**

February 8, 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
 Contact: Kazuomi Kobayashi, General Manager, Accounting Division
 Phone: +81-93-521-7030
 Scheduled date of filing quarterly securities report: February 8, 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 Nine Months Ended December 31, 2018

(April 1, 2018 to December 31, 2018)

(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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2018	174,891	(1.4)	7,582	(10.8)	7,961	(9.8)	4,348	(11.9)
December 31, 2017	177,289	(2.0)	8,500	(6.1)	8,828	(5.2)	4,932	5.3

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2018	151.51	-
December 31, 2017	165.62	-

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2018	229,112	138,359	60.4	4,844.05
As of March 31, 2018	224,507	137,503	61.2	4,616.67

(Reference) Equity: As of December 31, 2018: ¥138,359 million

As of March 31, 2018: ¥137,503 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2018	Yen -	Yen 19.00	Yen -	Yen 19.00	Yen 38.00
Fiscal year ending March 31, 2019	-	19.00	-	-	-
Fiscal year ending March 31, 2019 (Forecast)				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, 2019 (April 1, 2018 to March 31, 2019)

(% 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
Full year	226,000	0.2	8,800	15.0	9,000	11.2	4,700	7.3	163.97

(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):

December 31, 2018: 29,784,400 shares

March 31, 2018: 29,784,400 shares

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

December 31, 2018: 1,221,594 shares

March 31, 2018: 294 shares

3) Average number of shares during the term:

Nine months ended December 31, 2018: 28,698,506 shares

Nine months ended December 31, 2017: 29,784,106 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, 2018)	End of Third Quarter of Current Fiscal Year (December 31, 2018)
Assets		
Current assets		
Cash and deposits	27,118	28,509
Accounts receivable - trade	2,849	3,068
Merchandise	56,263	58,128
Other	1,611	2,093
Allowance for doubtful accounts	(1)	(1)
Total current assets	87,841	91,798
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	70,504	70,472
Land	47,937	48,688
Construction in progress	329	445
Other, net	4,201	4,318
Total property, plant and equipment	122,973	123,925
Intangible assets	2,898	2,923
Investments and other assets	10,793	10,464
Total non-current assets	136,666	137,313
Total assets	224,507	229,112
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,265	35,652
Short-term loans payable	22,630	22,630
Current portion of long-term loans payable	2,724	2,083
Income taxes payable	1,838	1,352
Accounts payable - other	4,198	6,312
Notes payable - facilities	1,723	3,003
Provision for bonuses	1,055	523
Provision for directors' bonuses	31	-
Provision for point card certificates	1,245	1,200
Asset retirement obligations	43	-
Other	3,267	2,935
Total current liabilities	70,024	75,693
Non-current liabilities		
Long-term loans payable	4,810	3,263
Provision for retirement benefits	3,164	3,246
Provision for directors' retirement benefits	1,554	966
Asset retirement obligations	5,271	5,417
Other	2,179	2,165
Total non-current liabilities	16,980	15,058
Total liabilities	87,004	90,752

(Millions of yen)

	End of Previous Fiscal year (March 31, 2018)	End of Third Quarter of Current Fiscal Year (December 31, 2018)
Net assets		
Shareholders' equity		
Capital stock	3,538	3,538
Capital surplus	4,223	4,223
Retained earnings	129,586	132,826
Treasury shares	(0)	(2,350)
Total shareholders' equity	137,347	138,236
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	156	122
Total valuation and translation adjustments	156	122
Total net assets	137,503	138,359
Total liabilities and net assets	224,507	229,112

(2) Statements of Income
Statements of Income

(Millions of yen)

	Nine Months Ended December 31, 2017 (From April 1, 2017 to December 31, 2017)	Nine Months Ended December 31, 2018 (From April 1, 2018 to December 31, 2018)
Net sales	177,289	174,891
Cost of sales	119,243	118,509
Gross profit	58,045	56,382
Selling, general and administrative expenses	49,544	48,800
Operating profit	8,500	7,582
Non-operating income		
Interest income	21	2
Dividend income	8	9
Commission fee	113	109
House rent income	191	257
Insurance income	56	112
Other	185	167
Total non-operating income	577	659
Non-operating expenses		
Interest expenses	119	113
Rent cost of real estate	98	113
Other	31	53
Total non-operating expenses	249	280
Ordinary profit	8,828	7,961
Extraordinary income		
Gain on sales of non-current assets	1	341
Insurance income	16	496
Reversal of asset retirement obligations	-	22
Total extraordinary income	17	861
Extraordinary losses		
Loss on retirement of non-current assets	108	55
Impairment loss	669	378
Loss on disaster	-	760
Directors' retirement benefits	-	290
Other	21	245
Total extraordinary losses	798	1,730
Profit before income taxes	8,047	7,093
Income taxes	3,114	2,745
Profit	4,932	4,348