

**Non-Consolidated Financial Results
for the Nine Months Ended December 31, 2019
[Japanese GAAP]**

February 7, 2020

Company name: NAFCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2790
 URL: <http://www.nafco.tv>
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 Scheduled date of filing quarterly securities report: February 7, 2020
 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, 2019 (April 1, 2019 to December 31, 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	%
Nine months ended								
December 31, 2019	170,983	(2.2)	7,672	1.2	8,179	2.7	4,816	10.8
December 31, 2018	174,891	(1.4)	7,582	(10.8)	7,961	(9.8)	4,348	(11.9)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended		
December 31, 2019	168.61	-
December 31, 2018	151.51	-

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2019	226,318	142,239	62.8	4,979.90
As of March 31, 2019	222,501	138,540	62.3	4,850.37

(Reference) Equity: As of December 31, 2019: ¥142,239 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	-	19.00	-		
Fiscal year ending March 31, 2020 (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, 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
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):

December 31, 2019: 29,784,400 shares

March 31, 2019: 29,784,400 shares

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

December 31, 2019: 1,221,670 shares

March 31, 2019: 1,221,594 shares

3) Average number of shares during the term:

Nine months ended December 31, 2019: 28,562,798 shares

Nine months ended December 31, 2018: 28,698,506 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 Third Quarter of Current Fiscal Year (December 31, 2019)
Assets		
Current assets		
Cash and deposits	23,088	27,559
Accounts receivable - trade	3,312	3,108
Merchandise	57,619	57,999
Other	1,562	1,837
Allowance for doubtful accounts	(1)	(3)
Total current assets	85,581	90,500
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	69,493	69,227
Land	48,685	48,615
Construction in progress	1,003	335
Other, net	4,161	4,110
Total property, plant and equipment	123,344	122,289
Intangible assets	2,915	3,080
Investments and other assets	10,660	10,448
Total non-current assets	136,920	135,817
Total assets	222,501	226,318
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,494	33,391
Short-term borrowings	22,465	21,125
Current portion of long-term borrowings	1,896	1,496
Income taxes payable	1,071	1,980
Accounts payable - other	4,260	4,168
Notes payable - facilities	3,861	2,554
Provision for bonuses	1,010	502
Provision for bonuses for directors (and other officers)	26	-
Provision for point card certificates	1,199	1,183
Asset retirement obligations	46	111
Other	3,001	3,542
Total current liabilities	69,333	70,054
Non-current liabilities		
Long-term borrowings	2,914	2,200
Provision for retirement benefits	3,162	3,142
Provision for retirement benefits for directors (and other officers)	975	978
Asset retirement obligations	5,405	5,476
Other	2,169	2,225
Total non-current liabilities	14,628	14,023
Total liabilities	83,961	84,078

(Millions of yen)

	End of Previous Fiscal year (March 31, 2019)	End of Third Quarter of Current Fiscal Year (December 31, 2019)
Net assets		
Shareholders' equity		
Share capital	3,538	3,538
Capital surplus	4,223	4,223
Retained earnings	132,996	136,727
Treasury shares	(2,350)	(2,350)
Total shareholders' equity	138,407	142,138
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	132	101
Total valuation and translation adjustments	132	101
Total net assets	138,540	142,239
Total liabilities and net assets	222,501	226,318

(2) Statements of Income
Statements of Income

(Millions of yen)

	Nine Months Ended December 31, 2018 (From April 1, 2018 to December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 to December 31, 2019)
Net sales	174,891	170,983
Cost of sales	118,509	114,956
Gross profit	56,382	56,026
Selling, general and administrative expenses	48,800	48,354
Operating profit	7,582	7,672
Non-operating income		
Interest income	2	0
Dividend income	9	10
Commission income	109	140
Rental income from buildings	257	350
Insurance claim income	112	227
Other	167	127
Total non-operating income	659	856
Non-operating expenses		
Interest expenses	113	105
Rental cost on real estate	113	136
Loss on disaster	46	82
Other	7	24
Total non-operating expenses	280	348
Ordinary profit	7,961	8,179
Extraordinary income		
Gain on sales of non-current assets	341	18
Insurance claim income	496	-
Reversal of asset retirement obligations	22	-
Total extraordinary income	861	18
Extraordinary losses		
Loss on retirement of non-current assets	55	70
Impairment loss	378	267
Loss on disaster	760	-
Retirement benefits for directors (and other officers)	290	-
Loss on cancellation of rental contracts	-	28
Other	245	0
Total extraordinary losses	1,730	367
Profit before income taxes	7,093	7,830
Income taxes	2,745	3,014
Profit	4,348	4,816