

Non-Consolidated Financial Results
for the Nine Months Ended December 31, 2020
[Japanese GAAP]

January 29, 2021

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 5, 2021
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Scheduled

(Amounts below one million yen are truncated.)

1. Financial and Operating Results for the Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)

(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, 2020	186,892	9.3	18,326	138.9	18,826	130.2	11,564	140.1
December 31, 2019	170,983	(2.2)	7,672	1.2	8,179	2.7	4,816	10.8

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended		
December 31, 2020	404.88	-
December 31, 2019	168.61	-

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2020	242,869	152,677	62.9	5,345.36
As of March 31, 2020	221,037	142,324	64.4	4,982.87

(Reference) Equity: As of December 31, 2020: ¥152,677 million
 As of March 31, 2020: ¥142,324 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2020	Yen -	Yen 19.00	Yen -	Yen 20.00	Yen 39.00
Fiscal year ending March 31, 2021	-	23.00	-		
Fiscal year ending March 31, 2021 (Forecast)				20.00	43.00

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

3. Projected Operating Results for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% 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	238,000	9.3	19,800	138.0	20,300	126.5	12,100	144.8	423.63

(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, 2020: 29,784,400 shares

March 31, 2020: 29,784,400 shares

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

December 31, 2020: 1,221,812 shares

March 31, 2020: 1,221,670 shares

3) Average number of shares during the term:

Nine months ended December 31, 2020: 28,562,644 shares

Nine months ended December 31, 2019: 28,562,798 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, 2020)	End of Third Quarter of Current Fiscal Year (December 31, 2020)
Assets		
Current assets		
Cash and deposits	24,190	46,066
Accounts receivable - trade	2,952	3,805
Merchandise	57,068	56,881
Other	1,528	1,919
Allowance for doubtful accounts	(2)	(4)
Total current assets	85,738	108,669
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	68,700	67,722
Land	48,580	48,524
Construction in progress	239	561
Other, net	3,781	3,513
Total property, plant and equipment	121,301	120,322
Intangible assets	3,059	3,155
Investments and other assets	10,937	10,722
Total non-current assets	135,298	134,199
Total assets	221,037	242,869
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,116	36,626
Short-term borrowings	20,905	20,465
Current portion of long-term borrowings	1,496	1,317
Income taxes payable	2,237	5,839
Accounts payable - other	3,904	4,363
Notes payable - facilities	2,112	2,466
Provision for bonuses	1,003	500
Provision for bonuses for directors (and other officers)	28	-
Provision for point card certificates	1,179	1,091
Asset retirement obligations	119	19
Other	3,837	5,121
Total current liabilities	64,939	77,811
Non-current liabilities		
Long-term borrowings	1,793	883
Provision for retirement benefits	3,148	3,113
Provision for retirement benefits for directors (and other officers)	1,028	361
Asset retirement obligations	5,620	5,807
Other	2,181	2,214
Total non-current liabilities	13,773	12,380
Total liabilities	78,713	90,191

(Millions of yen)

	End of Previous Fiscal year (March 31, 2020)	End of Third Quarter of Current Fiscal Year (December 31, 2020)
Net assets		
Shareholders' equity		
Share capital	3,538	3,538
Capital surplus	4,223	4,223
Retained earnings	136,853	147,189
Treasury shares	(2,350)	(2,351)
Total shareholders' equity	142,263	152,600
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	60	77
Total valuation and translation adjustments	60	77
Total net assets	142,324	152,677
Total liabilities and net assets	221,037	242,869

(2) Statements of Income
Statements of Income

(Millions of yen)

	Nine Months Ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Nine Months Ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
Net sales	170,983	186,892
Cost of sales	114,956	122,339
Gross profit	56,026	64,553
Selling, general and administrative expenses	48,354	46,226
Operating profit	7,672	18,326
Non-operating income		
Interest income	0	0
Dividend income	10	10
Commission income	140	136
Rental income from buildings	350	371
Insurance claim income	227	141
Other	127	199
Total non-operating income	856	859
Non-operating expenses		
Interest expenses	105	91
Rental costs on real estate	136	141
Loss on disaster	82	98
Other	24	27
Total non-operating expenses	348	359
Ordinary profit	8,179	18,826
Extraordinary income		
Gain on sales of non-current assets	18	11
Insurance claim income	-	124
Total extraordinary income	18	135
Extraordinary losses		
Loss on retirement of non-current assets	70	34
Impairment loss	267	48
Loss on disaster	-	197
Loss on cancellation of rental contracts	28	-
Other	0	-
Total extraordinary losses	367	280
Profit before income taxes	7,830	18,682
Income taxes	3,014	7,118
Profit	4,816	11,564