

**Non-Consolidated Financial Results
for the Three Months Ended June 30, 2022
[Japanese GAAP]**

July 29, 2022

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: August 12, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and securities analysts)

(Amounts below one million yen are truncated.)

1. Financial and Operating Results for the Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(1) Operating Results (cumulative)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2022	53,961	(4.0)	4,295	(3.6)	4,394	(3.2)	2,766	(1.8)
June 30, 2021	56,238	-	4,456	-	4,541	-	2,817	-

The Company has applied “Accounting Standard for Revenue Recognition” and others since the beginning of the fiscal year ended March 31, 2022. Therefore, changes from the actual figures before applying such Standard and others are not presented.

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	96.86	-
June 30, 2021	98.63	-

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	240,274	159,726	66.5	5,592.16
As of March 31, 2022	233,075	157,763	67.7	5,523.42

(Reference) Equity: As of June 30, 2022: ¥159,726 million
 As of March 31, 2022: ¥157,763 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2022	Yen -	Yen 28.00	Yen -	Yen 28.00	Yen 56.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		28.00	-	28.00	56.00

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

3. Projected Operating Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (Cumulative)	107,805	(0.2)	7,939	12.0	8,162	11.7	5,109	12.8	178.87
Full year	208,100	0.8	12,800	6.6	13,200	5.0	8,000	0.5	280.08

(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 6 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 shares):

June 30, 2022: 29,784,400 shares

March 31, 2022: 29,784,400 shares

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

June 30, 2022: 1,221,812 shares

March 31, 2022: 1,221,812 shares

3) Average number of shares during the term:

Three months ended June 30, 2022: 28,562,588 shares

Three months ended June 30, 2021: 28,562,588 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 2 of the attached document.

2. Financial Statements and Primary Notes

(1) Balance Sheets

(Millions of yen)

	End of Previous Fiscal year (March 31, 2022)	End of First Quarter of Current Fiscal Year (June 30, 2022)
Assets		
Current assets		
Cash and deposits	34,111	39,852
Accounts receivable – trade	3,901	3,756
Merchandise	60,845	62,403
Other	1,889	1,782
Allowance for doubtful accounts	(4)	(4)
Total current assets	100,744	107,791
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,853	65,133
Land	48,515	48,515
Construction in progress	171	990
Other, net	4,017	3,975
Total property, plant and equipment	118,557	118,614
Intangible assets	3,372	3,445
Investments and other assets	10,401	10,422
Total non-current assets	132,331	132,482
Total assets	233,075	240,274
Liabilities		
Current liabilities		
Notes and accounts payable – trade	29,038	31,292
Short-term borrowings	19,585	19,420
Current portion of long-term borrowings	599	449
Income taxes payable	517	1,768
Accounts payable – other	3,567	4,452
Notes payable – facilities	1,758	2,255
Provision for bonuses	1,043	540
Provision for bonuses for directors (and other officers)	28	–
Asset retirement obligations	–	2
Contract liabilities	3,209	3,266
Other	3,195	4,226
Total current liabilities	62,545	67,676
Non-current liabilities		
Long-term borrowings	108	83
Provision for retirement benefits	3,063	3,060
Provision for retirement benefits for directors (and other officers)	384	390
Asset retirement obligations	6,074	6,218
Other	3,136	3,118
Total non-current liabilities	12,767	12,871
Total liabilities	75,312	80,547

(Millions of yen)

	End of Previous Fiscal year (March 31, 2022)	End of First Quarter of Current Fiscal Year (June 30, 2022)
Net assets		
Shareholders' equity		
Share capital	3,538	3,538
Capital surplus	4,223	4,223
Retained earnings	152,268	154,235
Treasury shares	(2,351)	(2,351)
Total shareholders' equity	157,679	159,646
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	83	80
Total valuation and translation adjustments	83	80
Total net assets	157,763	159,726
Total liabilities and net assets	233,075	240,274

(2) Statements of Income
Statements of Income

(Millions of yen)

	Three Months Ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	Three Months Ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Net sales	56,238	53,961
Cost of sales	36,672	35,026
Gross profit	19,565	18,934
Operating revenue	82	86
Operating gross profit	19,648	19,020
Selling, general and administrative expenses	15,191	14,725
Operating profit	4,456	4,295
Non-operating income		
Interest income	0	0
Dividend income	7	9
Commission income	30	27
Rental income from buildings	126	131
Insurance claim income	17	12
Other	10	30
Total non-operating income	194	211
Non-operating expenses		
Interest expenses	28	27
Rental costs on real estate	50	53
Loss on disaster	20	27
Other	9	4
Total non-operating expenses	109	112
Ordinary profit	4,541	4,394
Extraordinary losses		
Loss on retirement of non-current assets	24	3
Other	2	—
Total extraordinary losses	27	3
Profit before income taxes	4,514	4,391
Income taxes	1,697	1,624
Profit	2,817	2,766