

Non-Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

October 25, 2024

Company name: NAFCO Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2790
 URL: <https://www.nafco.tv>
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 Scheduled date of filing semi-annual securities report: November 8, 2024
 Scheduled date of commencing dividend payments: December 2, 2024
 Availability of supplementary briefing material on financial results: Available
 Schedule of 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 Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Operating Results (cumulative)

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

	Total operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2024	96,636	(4.8)	888	(78.8)	904	(78.5)	346	(86.1)
September 30, 2023	101,471	-	4,186	-	4,209	-	2,487	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2024	12.93	-
September 30, 2023	87.07	-

(Note) As the Company made changes in presentation in the six months ended September 30, 2024, the figures for the six months ended September 30, 2023 are presented after applying the changes in the presentation. Due to the changes in presentation, percentages of changes from the corresponding period of the preceding fiscal year are not presented for the six months ended September 30, 2023. In addition, in conjunction with the changes in presentation, net sales of the financial and operating results have been changed to total operating revenue, starting in the six months ended September 30, 2024. Total operating revenue is the sum of net sales of ¥96,289 million and operating revenue of ¥347 million. This change has also been applied to the six months ended September 30, 2023.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2024	236,197	158,909	67.3	5,934.70
As of March 31, 2024	232,246	159,361	68.6	5,951.52

(Reference) Equity: As of September 30, 2024: ¥158,909 million
 As of March 31, 2024: ¥159,361 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	29.00	-	29.00	58.00
Fiscal year ending March 31, 2025	-	29.00			
Fiscal year ending March 31, 2025 (Forecast)			-	29.00	58.00

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

3. Projected Operating Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	189,454	(1.4)	3,062	(44.1)	3,106	(44.1)	1,700	(45.3)	63.48

(Note) Revision from the most recently announced projected operating results: Yes

For details, please refer to the “Notice Regarding Differences between Forecasts and Actual Results for the Six Months Ended September 30, 2024 and Revision to Projected Operating Results for the Full Year Ending March 31, 2025” announced today, October 25, 2024.

* Notes:

(1) Accounting policies adopted specifically for the preparation of semi-annual financial statements: Yes

(Note) For details please refer to “2. Semi-annual Financial Statements and Primary Notes (4) Notes on Semi-annual Financial Statements (Accounting policies adopted specifically for the preparation of semi-annual financial statements)” on page 9 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):

September 30, 2024: 29,784,400 shares

March 31, 2024: 29,784,400 shares

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

September 30, 2024: 3,008,023 shares

March 31, 2024: 3,007,890 shares

3) Average number of shares during the term:

Six months ended September 30, 2024: 26,776,403 shares

Six months ended September 30, 2023: 28,562,556 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 Semi-annual 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, 2024)	End of First Six-Month Period of Current Fiscal Year (September 30, 2024)
Assets		
Current assets		
Cash and deposits	32,997	34,554
Accounts receivable - trade	4,513	4,017
Merchandise	60,562	59,752
Other	1,504	1,648
Allowance for doubtful accounts	(3)	(3)
Total current assets	99,574	99,969
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,025	67,584
Land	49,171	49,171
Construction in progress	1,013	21
Other, net	5,000	5,977
Total property, plant and equipment	119,210	122,755
Intangible assets	3,210	3,287
Investments and other assets	10,251	10,184
Total non-current assets	132,672	136,227
Total assets	232,246	236,197
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,447	25,462
Short-term borrowings	18,820	18,685
Current portion of long-term borrowings	8	-
Income taxes payable	362	451
Accounts payable - other	4,322	4,755
Notes payable - facilities	2,462	5,326
Provision for bonuses	955	1,007
Provision for bonuses for directors (and other officers)	31	-
Asset retirement obligations	3	4
Contract liabilities	3,069	3,010
Other	3,962	3,138
Total current liabilities	58,445	61,842
Non-current liabilities		
Provision for retirement benefits	3,014	2,986
Provision for retirement benefits for directors (and other officers)	744	754
Asset retirement obligations	6,538	6,732
Other	4,141	4,971
Total non-current liabilities	14,439	15,444
Total liabilities	72,885	77,287

(Millions of yen)

	End of Previous Fiscal year (March 31, 2024)	End of First Six-Month Period of Current Fiscal Year (September 30, 2024)
Net assets		
Shareholders' equity		
Share capital	3,538	3,538
Capital surplus	4,223	4,223
Retained earnings	157,788	157,358
Treasury shares	(6,351)	(6,351)
Total shareholders' equity	159,198	158,768
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	162	141
Total valuation and translation adjustments	162	141
Total net assets	159,361	158,909
Total liabilities and net assets	232,246	236,197

(2) Statements of Income
Statements of Income

(Millions of yen)

	Six Months Ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
Net sales	101,033	96,289
Cost of sales	67,011	64,534
Gross profit	34,021	31,755
Operating revenue	438	347
Operating gross profit	34,460	32,102
Selling, general and administrative expenses	30,273	31,214
Operating profit	4,186	888
Non-operating income		
Interest income	0	0
Dividend income	9	11
Commission income	53	42
Insurance claim income	28	22
Other	62	73
Total non-operating income	154	150
Non-operating expenses		
Interest expenses	61	90
Loss on disaster	52	30
Other	17	13
Total non-operating expenses	130	133
Ordinary profit	4,209	904
Extraordinary income		
Gain on sale of non-current assets	–	36
Total extraordinary income	–	36
Extraordinary losses		
Loss on retirement of non-current assets	143	75
Impairment losses	117	10
Loss on disaster	–	305
Total extraordinary losses	261	391
Profit before income taxes	3,947	549
Income taxes	1,460	203
Profit	2,487	346

(3) Statements of Cash Flows

(Millions of yen)

	Six Months Ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	3,947	549
Depreciation	2,768	2,950
Impairment losses	117	10
Amortization of intangible assets	121	125
Amortization of long-term prepaid expenses	25	23
Loss on retirement of property, plant and equipment	143	75
Loss (gain) on sale of property, plant and equipment	–	(36)
Increase (decrease) in allowance for doubtful accounts	(1)	0
Increase (decrease) in provision for retirement benefits	8	(28)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	37	9
Increase (decrease) in provision for bonuses for directors (and other officers)	(31)	(31)
Increase (decrease) in provision for bonuses	41	51
Interest and dividend income	(10)	(11)
Interest expenses	61	90
Loss on disaster	–	305
Decrease (increase) in trade receivables	(26)	378
Decrease (increase) in inventories	2,833	728
Increase (decrease) in trade payables	(1,309)	1,014
Increase (decrease) in accrued consumption taxes	675	(627)
Decrease (increase) in other assets	(57)	(136)
Increase (decrease) in other liabilities	428	(98)
Other, net	(24)	37
Subtotal	9,749	5,381
Interest and dividends received	10	11
Interest paid	(56)	(98)
Income taxes paid	(1,408)	(152)
Net cash provided by (used in) operating activities	8,293	5,142

	Six Months Ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,429)	(1,625)
Proceeds from sale of property, plant and equipment	—	36
Purchase of intangible assets	(22)	(141)
Payments for retirement of non-current assets	(36)	(70)
Payments for asset retirement obligations	(30)	(28)
Payments of leasehold and guarantee deposits	(25)	(66)
Proceeds from refund of leasehold and guarantee deposits	22	92
Decrease (increase) in investments and other assets	(53)	(57)
Net cash provided by (used in) investing activities	(2,575)	(1,861)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(175)	(135)
Repayments of long-term borrowings	(49)	(8)
Repayments of lease liabilities	(737)	(857)
Purchase of treasury shares	(0)	(0)
Dividends paid	(799)	(776)
Net cash provided by (used in) financing activities	(1,761)	(1,777)
Net increase (decrease) in cash and cash equivalents	3,956	1,503
Cash and cash equivalents at beginning of period	33,230	30,104
Cash and cash equivalents at end of period	37,186	31,607