Non-Consolidated Financial Results
for the Fiscal Year Ended March 31, 2026
[Japanese GAAP]

May 8, 2026

Company name: NAFCO Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 2790
URL: http://www.nafco.tv
Representative: Takumi Ishida, President and CEO
Contact: Yuichi Masumoto, General Manager, Corporate Planning Department
Phone: +81-93-521-8596
Scheduled date of Annual General Meeting of Shareholders: June 25, 2026
Scheduled date of filing annual securities report: June 24, 2026
Scheduled date of commencing dividend payments: June 26, 2026
Availability of supplementary briefing material on annual financial results: Available
Schedule of annual 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 Fiscal Year Ended March 31, 2026
(April 1, 2025 to March 31, 2026)

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

	Total operating revenue		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	175,272	(3.6)	1,636	29.2	1,488	11.9	223	21.6
March 31, 2025	181,850	(5.8)	1,266	(76.9)	1,329	(76.0)	183	(94.1)

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	9.09	-	0.1	0.7	0.9
March 31, 2025	6.95	-	0.1	0.6	0.7

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	215,957	152,842	70.8	6,217.47
As of March 31, 2025	225,195	153,956	68.4	6,262.80

(Reference) Equity: As of March 31, 2026: ¥152,842 million
As of March 31, 2025: ¥153,956 million

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the term
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	3,064	(5,837)	(3,926)	8,907
March 31, 2025	(709)	(5,945)	(7,840)	15,607

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Net asset payout ratio
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	-	29.00	-	29.00	58.00	1,489	834.5	0.9
March 31, 2026	-	29.00	-	29.00	58.00	1,425	638.1	0.9
Fiscal year ending March 31, 2027 (Forecast)	-	29.00	-	29.00	58.00		112.3	

3. Projected Operating Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Total operating revenue		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (Cumulative)	94,418	3.8	2,446	33.4	2,457	43.6	1,286	58.2	52.34
Full year	180,770	3.1	2,930	79.1	3,030	103.7	1,270	467.9	51.66

*** Notes:**

(1) 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

(2) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the term (including treasury shares):
March 31, 2026: 29,784,400 shares
March 31, 2025: 29,784,400 shares

2) Total number of treasury shares at the end of the term:
March 31, 2026: 5,201,723 shares
March 31, 2025: 5,201,723 shares

3) Average number of shares during the term:
Fiscal year ended March 31, 2026: 24,582,677 shares
Fiscal year ended March 31, 2025: 26,438,899 shares

<u>* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.</u>

<u>* Explanation of the proper use of financial results forecast and other notes</u>

- 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. Overview of Operating Results, etc. 1. Overview of Operating Results, etc. (4) Future Outlook" on page 4 of the attached document.

3. Financial Statements and Primary Notes

(1) Balance Sheets

(Millions of yen)

	End of Previous Fiscal year (March 31, 2025)	End of Current Fiscal year (March 31, 2026)
Assets		
Current assets		
Cash and deposits	18,500	11,523
Accounts receivable - trade	4,536	4,729
Merchandise	64,282	66,536
Supplies	9	4
Prepaid expenses	1,003	1,003
Accounts receivable - other	59	84
Other	1,839	401
Allowance for doubtful accounts	(3)	(3)
Total current assets	90,228	84,279
Non-current assets		
Property, plant and equipment		
Buildings	138,141	138,478
Accumulated depreciation	(76,245)	(79,241)
Buildings, net	61,895	59,236
Structures	23,939	23,780
Accumulated depreciation	(20,556)	(20,818)
Structures, net	3,383	2,962
Vehicles	4	4
Accumulated depreciation	(4)	(4)
Vehicles, net	0	0
Tools, furniture and fixtures	10,825	10,854
Accumulated depreciation	(10,372)	(10,480)
Tools, furniture and fixtures, net	453	374
Land	49,321	49,321
Leased assets	20,744	21,399
Accumulated depreciation	(15,434)	(16,894)
Leased assets, net	5,310	4,505
Construction in progress	629	1,092
Total property, plant and equipment	120,994	117,492
Intangible assets		
Leasehold interests in land	2,709	2,659
Software	146	445
Telephone subscription right	47	47
Leased assets	301	168
Other	446	588
Total intangible assets	3,651	3,909
Investments and other assets		
Investment securities	405	532
Shares of subsidiaries and associates	21	21
Investments in capital	0	0
Distressed receivables	0	-
Long-term prepaid expenses	213	181
Deferred tax assets	3,583	3,492
Leasehold and guarantee deposits	6,095	6,046
Construction assistance fund receivables	2	-
Other	8	9
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	10,321	10,275

(Millions of yen)

	End of Previous Fiscal year (March 31, 2025)	End of Current Fiscal year (March 31, 2026)
Total non-current assets	134,966	131,677
Total assets	225,195	215,957
Liabilities		
Current liabilities		
Notes payable - trade	11,267	125
Accounts payable - trade	11,337	11,585
Electronically recorded obligations - operating	-	6,059
Short-term borrowings	18,355	17,695
Lease liabilities	1,749	1,512
Accounts payable - other	3,839	3,383
Income taxes payable	307	390
Accrued consumption taxes	347	1,230
Contract liabilities	2,978	2,997
Advance deposits received	955	1,017
Deposits received	302	328
Unearned revenue	65	70
Provision for bonuses	936	838
Provision for bonuses for directors (and other officers)	20	28
Notes payable - facilities	2,842	13
Advances received	100	734
Asset retirement obligations	52	69
Other	246	245
Total current liabilities	55,703	48,324
Non-current liabilities		
Lease liabilities	4,705	3,846
Provision for retirement benefits	2,972	2,948
Provision for retirement benefits for directors (and other officers)	774	844
Asset retirement obligations	6,701	6,747
Other	381	403
Total non-current liabilities	15,535	14,790
Total liabilities	71,239	63,115

(Millions of yen)

	End of Previous Fiscal year (March 31, 2025)	End of Current Fiscal Year (March 31, 2026)
Net assets		
Shareholders' equity		
Share capital	3,538	3,538
Capital surplus		
Legal capital surplus	4,223	4,223
Total capital surplus	4,223	4,223
Retained earnings		
Legal retained earnings	37	37
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	649	645
General reserve	146,500	146,500
Retained earnings brought forward	9,232	8,034
Total retained earnings	156,419	155,216
Treasury shares	(10,401)	(10,401)
Total shareholders' equity	153,779	152,577
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	177	264
Total valuation and translation adjustments	177	264
Total net assets	153,956	152,842
Total liabilities and net assets	225,195	215,957

(2) Statements of Income

Statements of Income

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Net sales	181,133	174,477
Cost of sales		
Beginning merchandise inventory	60,562	64,282
Cost of purchased goods	123,461	117,355
Total	184,023	181,638
Ending merchandise inventory	64,282	66,536
Total cost of sales	119,740	115,101
Gross profit	61,392	59,375
Operating revenue	717	795
Operating gross profit	62,110	60,170
Selling, general and administrative expenses	60,843	58,534
Operating profit	1,266	1,636
Non-operating income		
Interest income	1	6
Dividend income	16	20
Administrative service fee income	38	31
Commission income	78	64
Insurance claim income	63	156
Other	146	101
Total non-operating income	345	381
Non-operating expenses		
Interest expenses	206	265
Loss on disaster	48	162
Other	27	102
Total non-operating expenses	282	529
Ordinary profit	1,329	1,488
Extraordinary income		
Gain on sale of non-current assets	36	-
Insurance claim income	176	194
Total extraordinary income	213	194
Extraordinary losses		
Loss on retirement of non-current assets	104	47
Impairment losses	568	926
Loss on disaster	342	-
Total extraordinary losses	1,014	974
Profit before income taxes	528	708
Income taxes - current	498	433
Income taxes - deferred	(153)	51
Total income taxes	344	484
Profit	183	223

(3) Statements of Changes in Net Assets

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity								
		Capital surplus		Retained earnings					
					Other retained earnings				
	Share capital	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	Reserve for special account for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	3,538	4,223	4,223	37	615	47	145,000	12,087	157,788
Changes during period									
Provision of reserve for tax purpose reduction entry of non-current assets					47			47	–
Reversal of reserve for tax purpose reduction entry of non-current assets					(13)			13	–
Reversal of reserve for special account for tax purpose reduction entry of non-current assets						(47)		47	–
Provision of general reserve							1,500	(1,500)	–
Dividends of surplus								(1,553)	(1,553)
Profit								183	183
Purchase of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	34	(47)	1,500	(2,855)	(1,369)
Balance at end of period	3,538	4,223	4,223	37	649	–	146,500	9,232	156,419

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(6,351)	159,198	162	162	159,361
Changes during period					
Provision of reserve for tax purpose reduction entry of non-current assets		–			–
Reversal of reserve for tax purpose reduction entry of non-current assets		–			–
Reversal of reserve for special account for tax purpose reduction entry of non-current assets		–			–
Provision of general reserve		–			–
Dividends of surplus		(1,553)			(1,553)
Profit		183			183
Purchase of treasury shares	(4,049)	(4,049)			(4,049)
Net changes in items other than shareholders' equity			14	14	14
Total changes during period	(4,049)	(5,419)	14	14	(5,404)
Balance at end of period	(10,401)	153,779	177	177	153,956

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity								
		Capital surplus		Retained earnings					
					Other retained earnings				
	Share capital	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	Reserve for special account for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	3,538	4,223	4,223	37	649	—	146,500	9,232	156,419
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(4)			4	—
Dividends of surplus								(1,425)	(1,425)
Profit								223	223
Net changes in items other than shareholders' equity									
Total changes during period	—	—	—	—	(4)	—	—	(1,197)	(1,202)
Balance at end of period	3,538	4,223	4,223	37	645	—	146,500	8,034	155,216

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(10,401)	153,779	177	177	153,956
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		–			–
Dividends of surplus		(1,425)			(1,425)
Profit		223			223
Net changes in items other than shareholders' equity			87	87	87
Total changes during period	–	(1,202)	87	87	(1,114)
Balance at end of period	(10,401)	152,577	264	264	152,842

(4) Statements of Cash Flows

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	528	708
Depreciation	6,069	5,884
Impairment losses	568	926
Amortization of intangible assets	241	252
Amortization of long-term prepaid expenses	57	56
Loss on retirement of property, plant and equipment	104	47
Loss (gain) on sale of property, plant and equipment	(36)	-
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for retirement benefits	(42)	(23)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	29	69
Increase (decrease) in provision for bonuses for directors (and other officers)	(10)	7
Increase (decrease) in provision for bonuses	(19)	(98)
Interest and dividend income	(17)	(26)
Insurance claim income	(176)	(194)
Interest expenses	206	265
Loss on disaster	342	-
Decrease (increase) in trade receivables	(95)	(60)
Decrease (increase) in inventories	(3,817)	(2,250)
Increase (decrease) in trade payables	(1,842)	(4,834)
Increase (decrease) in accrued consumption taxes	(1,202)	1,947
Decrease (increase) in other assets	47	254
Increase (decrease) in other liabilities	(427)	61
Other, net	17	34
Subtotal	522	3,026
Interest and dividends received	17	26
Proceeds from insurance income	176	194
Interest paid	(219)	(269)
Payments associated with disaster loss	(223)	-
Income taxes paid	(983)	(364)
Income taxes refund	-	450
Net cash provided by (used in) operating activities	(709)	3,064

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,538)	(5,509)
Proceeds from sale of property, plant and equipment	36	-
Purchase of intangible assets	(254)	(623)
Payments for retirement of non-current assets	(96)	(46)
Payments for asset retirement obligations	(111)	(323)
Payments of leasehold and guarantee deposits	(88)	(29)
Proceeds from refund of leasehold and guarantee deposits	173	78
Decrease (increase) in investments and other assets	(67)	(29)
Proceeds from compensation for expropriation	-	644
Net cash provided by (used in) investing activities	(5,945)	(5,837)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(465)	(660)
Repayments of long-term borrowings	(8)	-
Repayments of lease liabilities	(1,764)	(1,841)
Purchase of treasury shares	(4,049)	-
Dividends paid	(1,552)	(1,425)
Net cash provided by (used in) financing activities	(7,840)	(3,926)
Net increase (decrease) in cash and cash equivalents	(14,496)	(6,700)
Cash and cash equivalents at beginning of period	30,104	15,607
Cash and cash equivalents at end of period	15,607	8,907