

Financial Results Briefing Material for the Fiscal Year Ended March 31, 2026

(April 01, 2025 – March 31, 2026)

May 11, 2026
NAFCO Co., Ltd.
(Securities Code: 2790)

Financial Results for the Fiscal Year Ended March 31, 2026

(April 01, 2025 – March 31, 2026)

Results for the Fiscal Year Ended March 31, 2026

(Millions of yen)

	Fiscal year ended March 31, 2025	% of total operating revenue	Fiscal year ended March 31, 2026	% of total operating revenue	YoY change
Total operating revenue	181,850	100.0%	175,272	100.0%	96.4%
Operating profit	1,266	0.7%	1,636	0.9%	129.2%
Ordinary profit	1,329	0.7%	1,488	0.8%	111.9%
Profit	183	0.1%	223	0.1%	121.6%

[Lower Revenue, Higher Profit]

- Total operating revenue decreased mainly due to high prices and seasonal factors.
- Profit increased thanks to cost constraint through expense reviews and securing gross profit by reviewing sales promotions and other measures.

* Total operating revenue was calculated by adding operating revenue to net sales.

Statements of Income for the Fiscal Year Ended March 31, 2026

(Millions of yen)

	Fiscal year ended March 31, 2025	% of sales	Fiscal year ended March 31, 2026	% of sales	YoY change
Net sales	181,133	100.0%	174,477	100.0%	96.3%
Gross profit	61,392	33.9%	59,375	34.0%	96.7%
Operating gross profit	62,110	34.3%	60,170	34.5%	96.9%
Selling, general and administrative expenses	60,843	33.6%	58,534	33.5%	96.2%
Operating profit	1,266	0.7%	1,636	0.9%	129.2%
Ordinary profit	1,329	0.7%	1,488	0.9%	111.9%
Profit	183	0.1%	223	0.1%	121.6%

Balance Sheets

(Millions of yen)

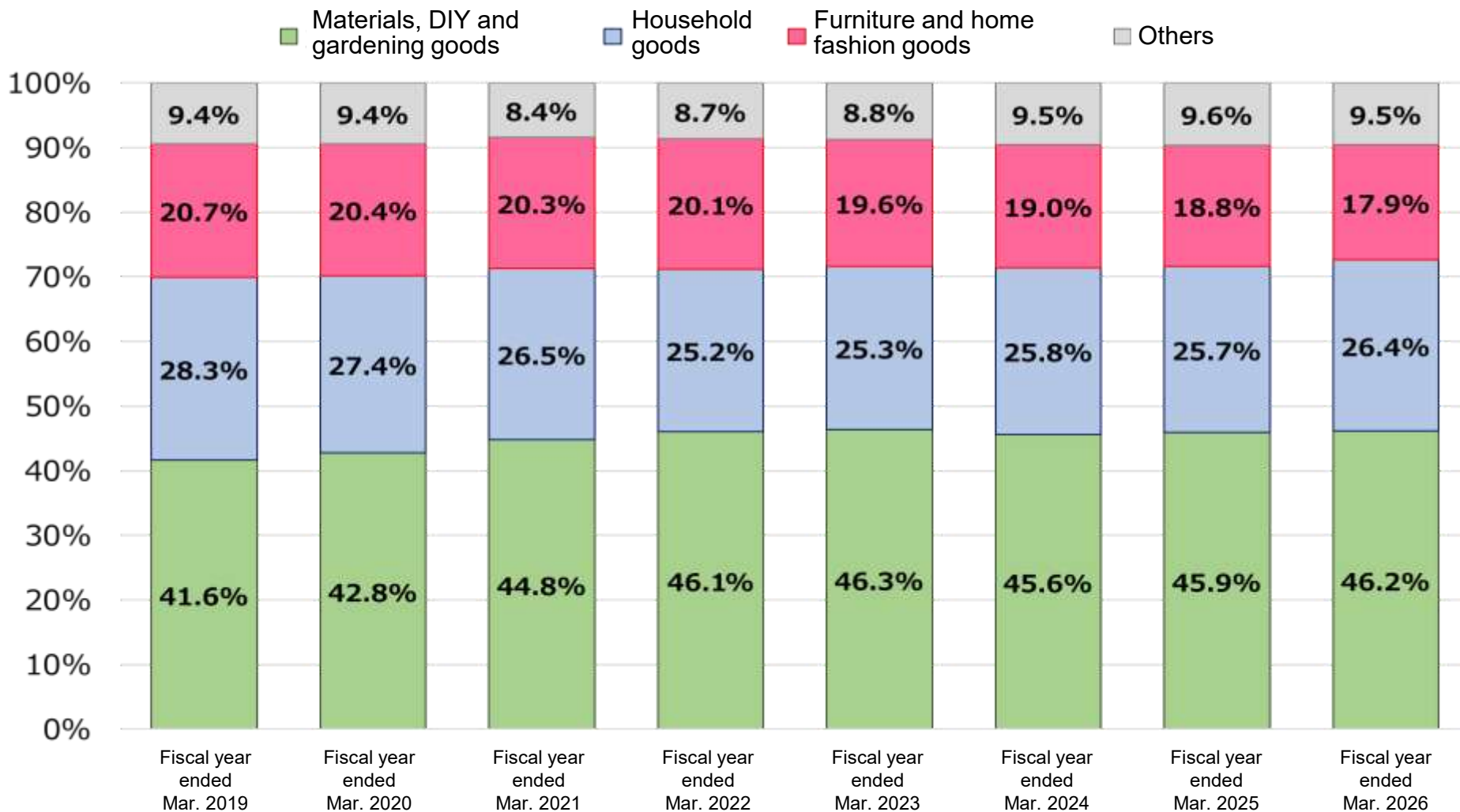
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change from the end of the previous fiscal year
Total assets	225,195	215,957	(9,238)
Current assets	90,228	84,279	(5,948)
Of which, cash and deposits	18,500	11,523	(6,977)
Non-current assets	134,966	131,677	(3,289)
Of which, property, plant and equipment	120,994	117,492	(3,501)
Liabilities	71,239	63,115	(8,123)
Of which, interest-bearing liabilities (short-term borrowings, current portion of long-term borrowings, long-term borrowings)	18,355	17,695	(660)
Net assets	153,956	152,842	(1,114)
Ratio of interest-bearing liabilities (%)	8.2	8.2	
Equity ratio (%)	68.4	70.8	
Current ratio (%)	162.0	174.4	
Non-current ratio (%)	87.7	86.2	

Statements of Cash Flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal year
Fiscal Year Ended March 31, 2021	24,781	(3,495)	(4,492)	38,091
Fiscal Year Ended March 31, 2022	1,180	(3,496)	(4,556)	31,218
Fiscal Year Ended March 31, 2023	9,656	(3,427)	(4,217)	33,230
Fiscal Year Ended March 31, 2024	9,167	(4,935)	(7,357)	30,104
Fiscal Year Ended March 31, 2025	(709)	(5,945)	(7,840)	15,607
Fiscal Year Ended March 31, 2026	3,064	(5,837)	(3,926)	8,907

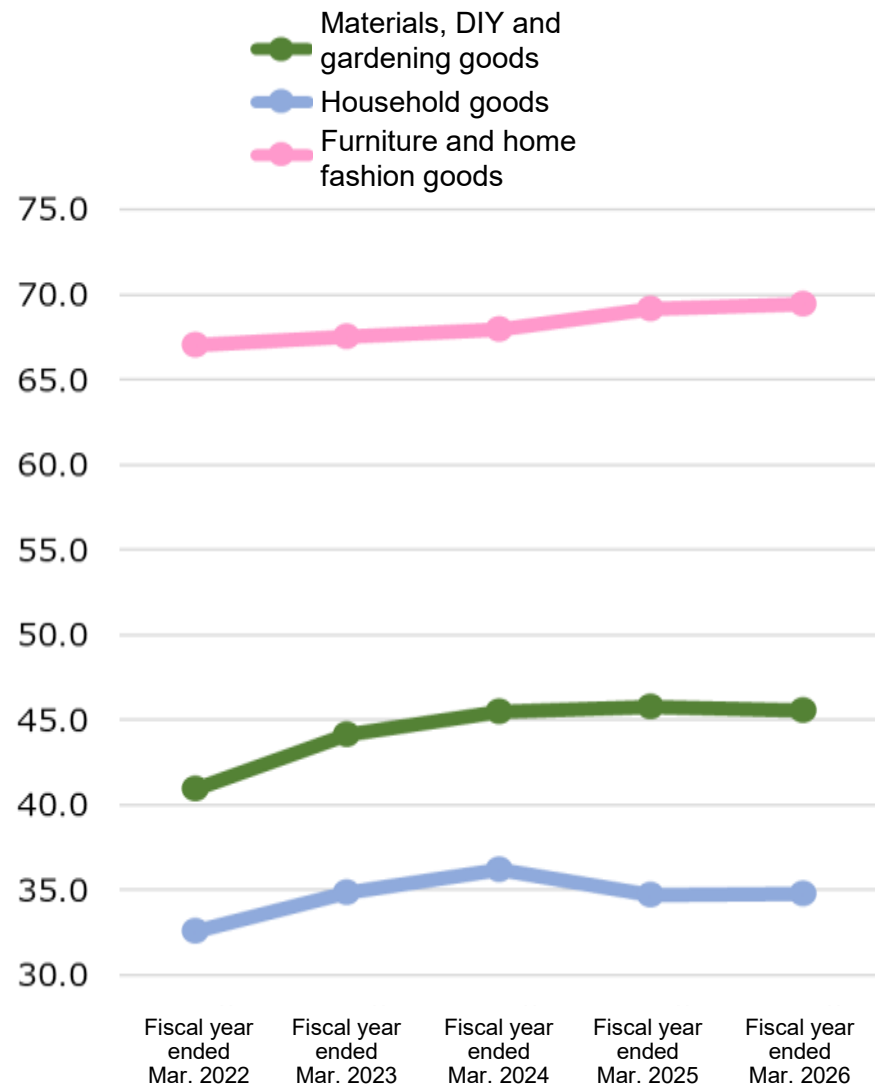
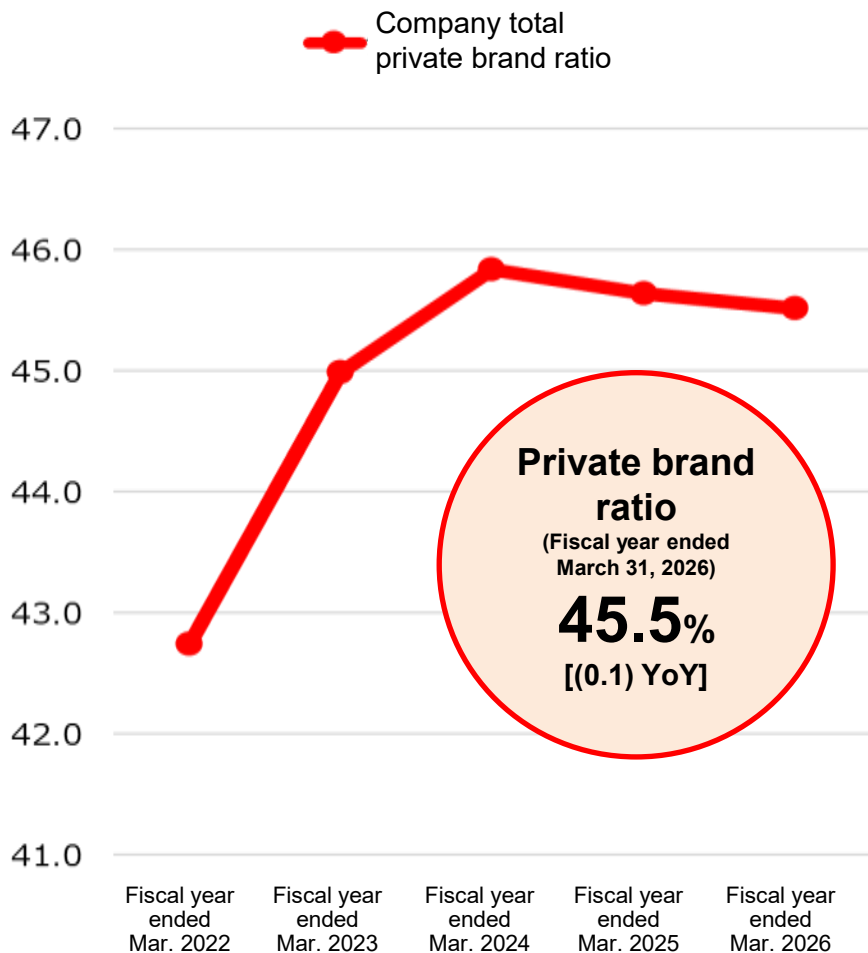
Trends in Sales Composition by Product



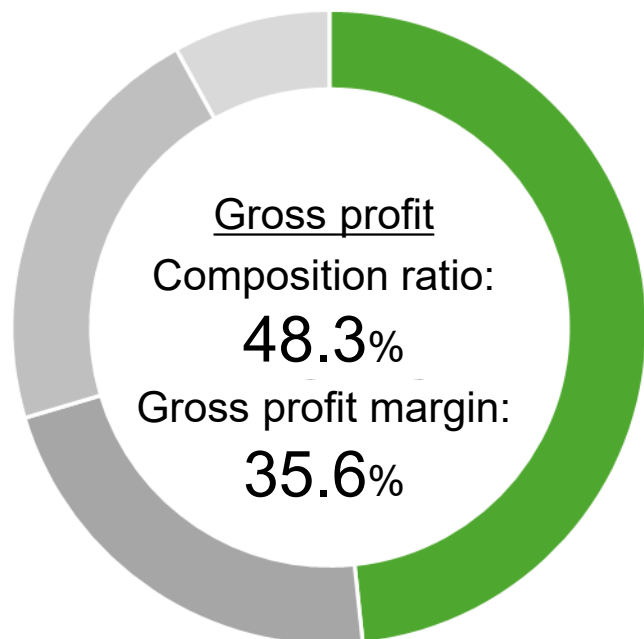
- Starting with the fiscal year ended March 2026, certain products have been reclassified from the materials, DIY and gardening goods segment to the household goods segment.
- Figures for the periods prior to the period under review are shown using the segment classifications applied at the time of their original disclosure.

Trends in Private Brand Ratio

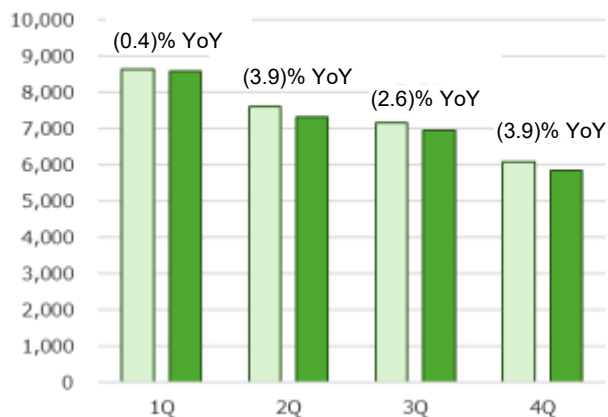
(%)



Materials, DIY and Gardening Goods



Gross profit (Millions of yen) ■ FY3/25 ■ FY3/26



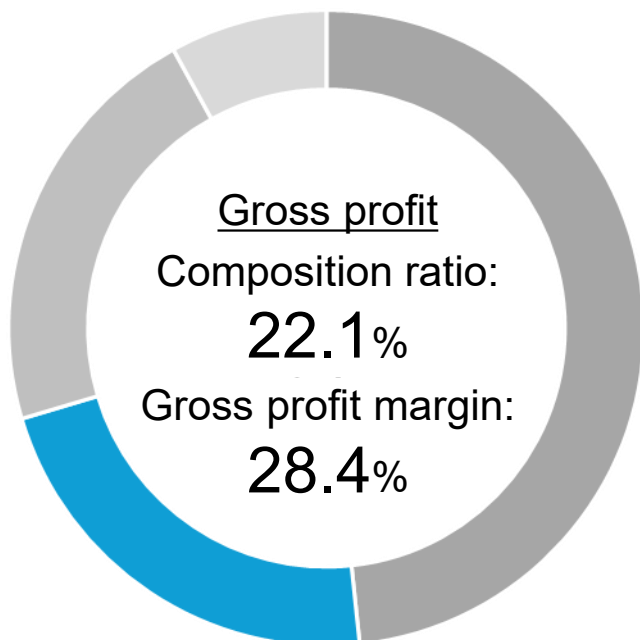
Segment overview

- Net sales: ¥80.5 billion (98.2% YoY)
- Sales composition ratio: 46.2%
- Gross profit margin: 35.6% (down 0.3 pp YoY)
- Private brand ratio: 45.5%
- Wildlife-control gardening products remained strong.
- Demand declined following last year's earthquake and typhoon recovery efforts.
- Demand for security-related goods declined following last year's heightened security awareness.
- Weed control and cleaning-related products performed well heading into year-end.

Quarterly overview

- Early spring: gardening products performed well, while rain gear, boosted by last year's unusual weather, was weak.
- From August onward: demand for roofing materials and generators was weak due to a decline following last year's earthquake and typhoon.
- From October onward: sales struggled due to a decline following last year's heightened security demand, but weed control products and pressure washers performed well.
- From February onward: gardening products performed well due to warm temperatures.

Household Goods



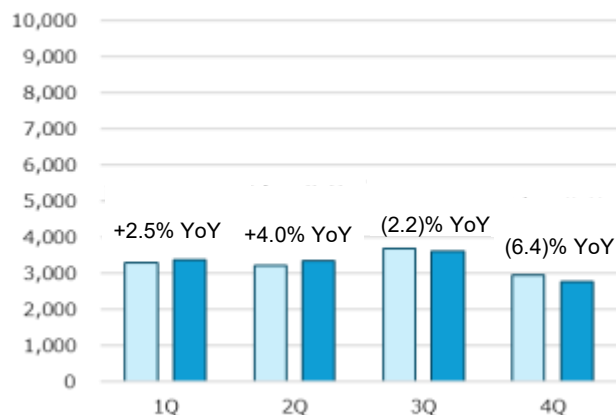
Segment overview

- Net sales: ¥46.1 billion (96.8% YoY)
 - Sales composition ratio: 26.4%
 - Gross profit margin: 28.4% (up 0.8 pp YoY)
 - Private brand ratio: 34.8%
- Hot weather boosted sales of summer clothing and cooling products.
 - In 1H, daily necessities and food declined after last year's discount promotions, but recovered in 2H.
 - Heating and cold-weather products struggled due to the mild winter.

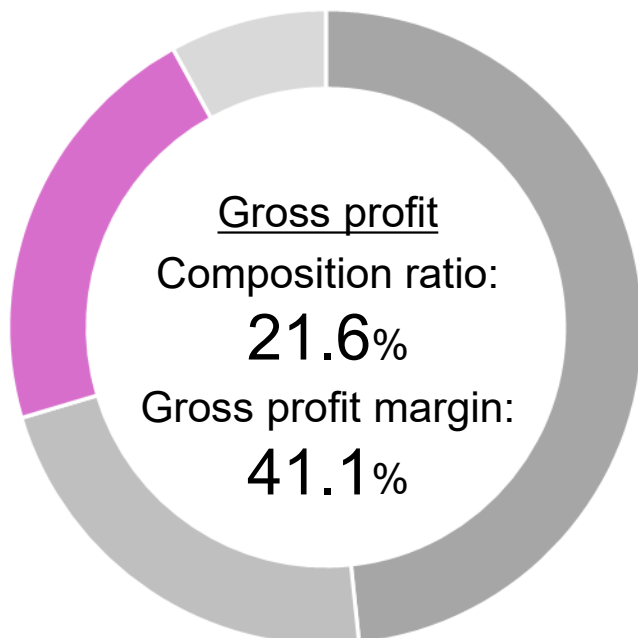
Quarterly overview

- From May onward: higher temperatures boosted sales of summer clothing and air conditioners.
- July: rice sales increased, partly due to government purchases under discretionary contracts.
- October: heating and cold-weather products performed well as temperatures lowered, but struggled in December because temperatures didn't fall sufficiently.
- March: demand for petroleum products increased partly due to reports of the deteriorating situation in the Middle East.

Gross profit (Millions of yen) ■ FY3/25 ■ FY3/26



Furniture and Home Fashion Goods



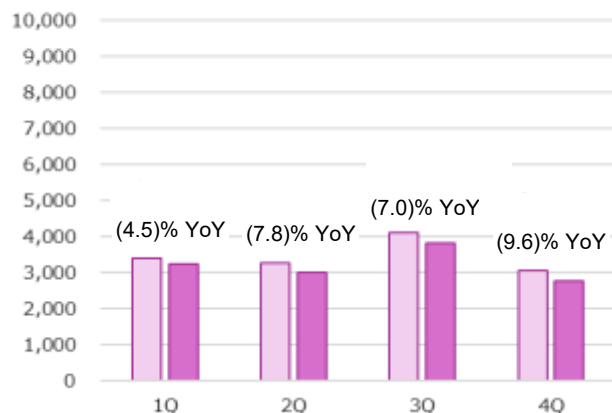
Segment overview

- Net sales: ¥31.2 billion (91.8% YoY)
 - Sales composition ratio: 17.9%
 - Gross profit margin: 41.1% (up 0.5 pp YoY)
 - Private brand ratio: 69.5%
- High-priced durable goods struggled, partly due to inflation.
 - Bedding and other interior products performed steadily, reflecting temperature trends.
 - Kotatsu (Japanese table with a heater underside) and other heaters struggled due to warmer temperatures.

Quarterly overview

- Spring: struggled, especially in new lifestyle-related products.
- June: hot weather boosted sales of cooling rugs and similar products.
- September: summer bedding pads remained strong due to lingering summer heat.
- Seasonal winter products: started strong, but struggled due to warmer temperatures.

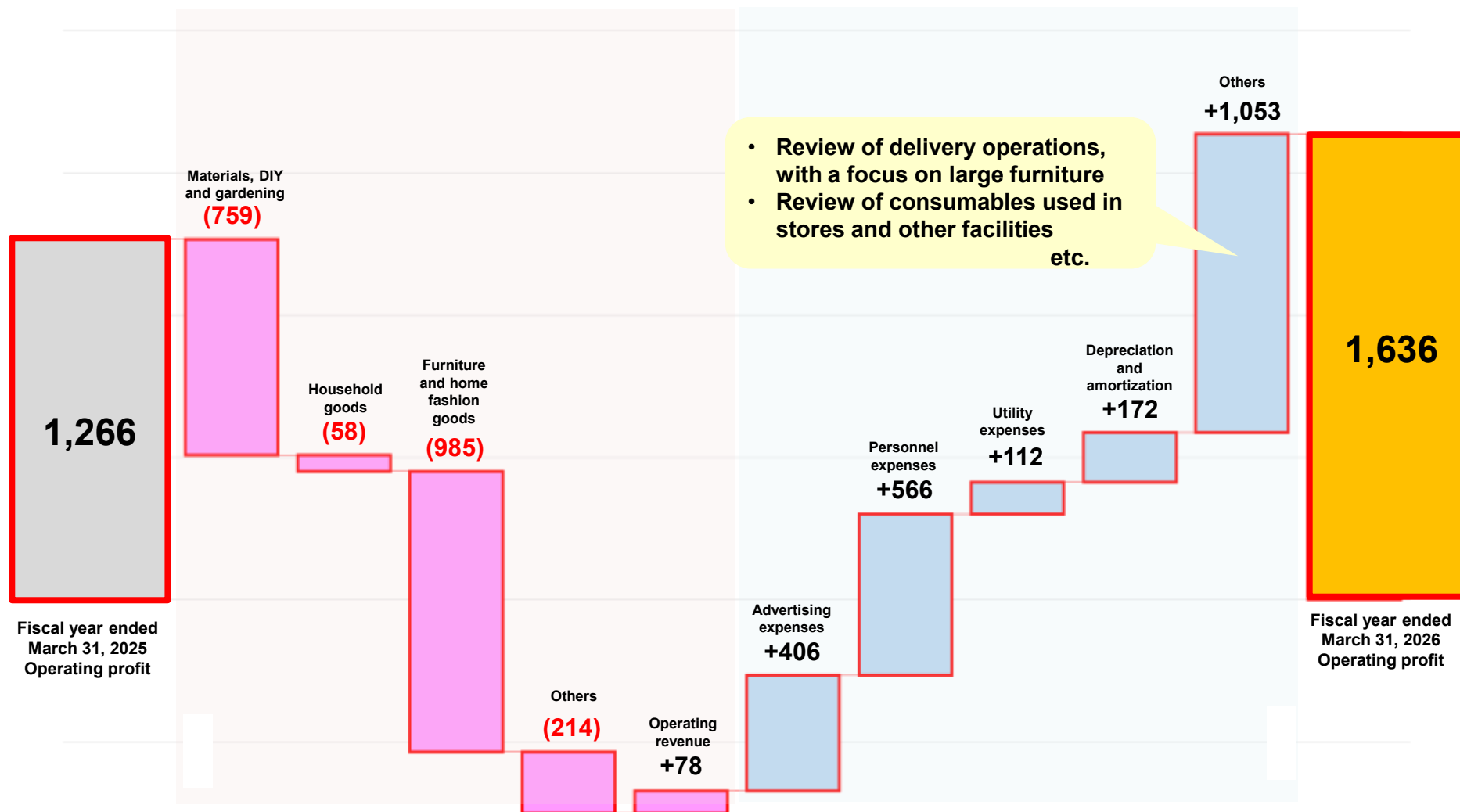
Gross profit (Millions of yen) ■ FY3/25 ■ FY3/26



Factors for Changes in Operating Profit

(Millions of yen)

■ Operating gross profit
 ■ Selling, general and administrative expenses



Weed Control Sheet

Ultra high-density woven weed control fabric



- ◆ Highest standards for agricultural and professional use
- ◆ Excellent durability suitable for walk-on and other heavy-duty applications
- ◆ Weather resistant for 15 years



Sensor Light

Raku Raku Tripod Sensor Light



- ◆ Easily attachable anywhere with a flexible tripod and built-in magnet
- ◆ Equipped with both always-on and motion-sensor modes

[Specifications]

- Brightness (lumens): 150 lm
- Motion sensing details
 - Detection method: Infrared
 - Detection angle: Up to approx. 110°
 - Detection range: Up to approx. 4 m
- Lighting time: approx. 10 seconds
- Lighting mode: AUTO (motion-sensor mode) / OFF / ON (always on)
- Power source: 3 x AA alkaline battery
- Battery life
 - Motion-sensor mode: approx. 3 months (based on 10 uses per day)
 - Always-on mode: approx. 3 hours

Paper Products

Soft-pack tissues, 150 sheets x 12 packs



- ◆ Suitable for bulk purchases
- ◆ Made from 100% pulp
- ◆ Eco-friendly tissues

Toilet rolls, 24-roll pack, double-ply, 27.5 m per roll)



- ◆ Large-pack, made in Japan
- ◆ Made from 100% recycled paper
- ◆ Soft embossed, fluffy and gentle on skin

Bulk laundry detergent



Enzyme-powered,
phosphorus-free
laundry detergent
with bleach, 4 kg



With bleach, 1.8 kg



With fabric softener, 1.8 kg

Sofas

Wing series (multiple colors available)



- ◆ Backrest and left/right armrests feature 14-level reclining adjustment
- ◆ Urethane foam filling, pipe frames, and reclining gears all use Japan-made components

Roche series (multiple colors available)



- ◆ Convertible between a sofa and a bed
- ◆ Substantial 18 cm-thick seat cushion with the backrest designed to minimize unevenness at the seams
- ◆ Includes 2 cushions; 3-level reclining adjustment

Store Openings and Renovation

	Store Name	Opening	Location	Store Style
New Stores	Kaga	April	Ishikawa	Home center
	Matsubase	April	Kumamoto	Home center
Renovation	Hamaoka	June	Shizuoka	Home center

Matsubase Store
(Home center)

Kaga Store
(Home center)

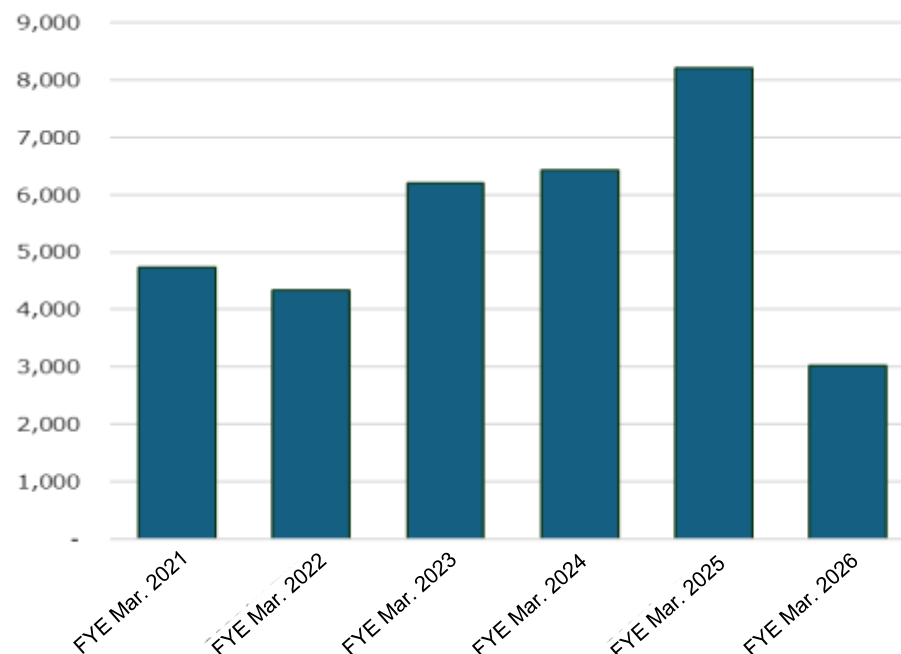


[Partial list of stores with partial floor renovations]

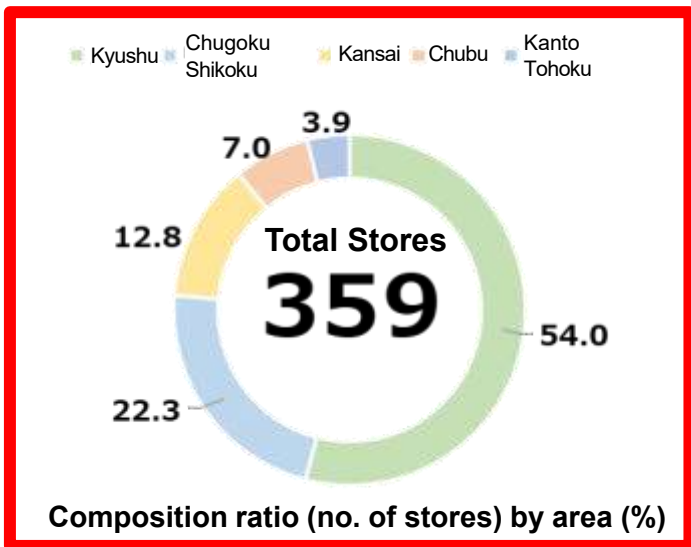
Store Name	Opening	Location	Renovation Overview
Minami Kurashiki	August	Okayama	• Furniture floor
Kita Miyakonojo	September	Miyazaki	• Furniture floor
Moriyama	October	Aichi	• Home center floor • New supermarket added
Yonago Higashi	October	Tottori	• Furniture floor
Yahata Higashi	November	Fukuoka	• Furniture floor • Home center floor • New supermarket added
Kita Kumamoto	November	Kumamoto	• Furniture floor

(Millions of yen)

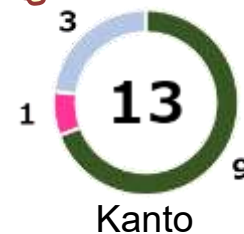
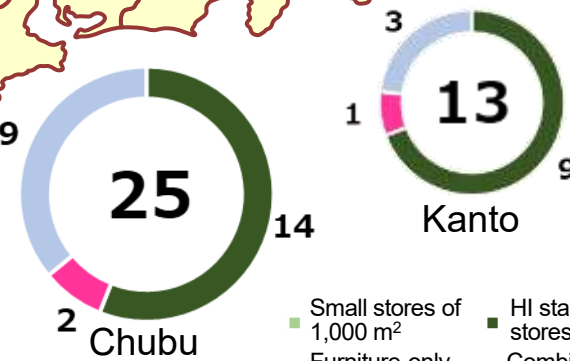
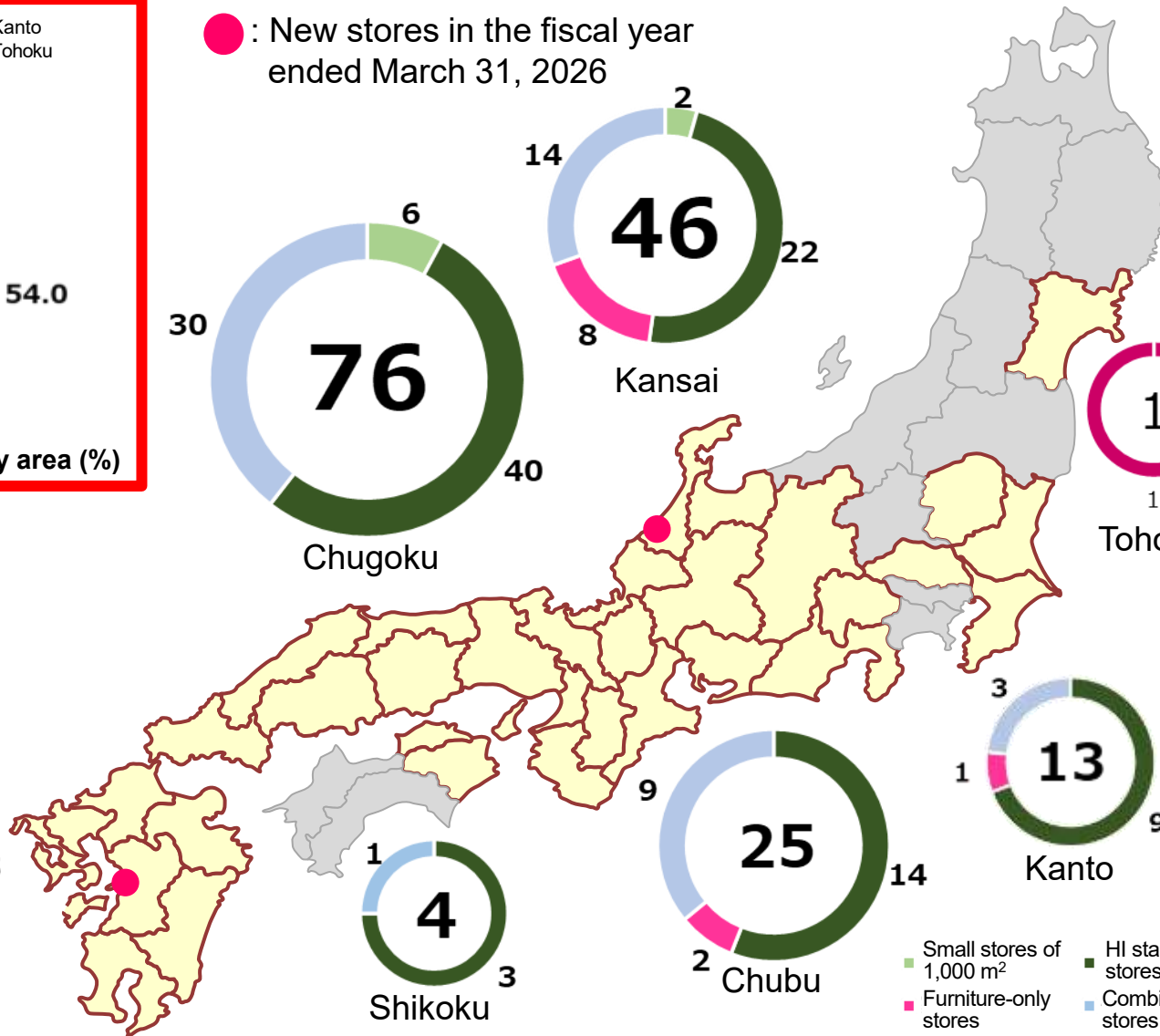
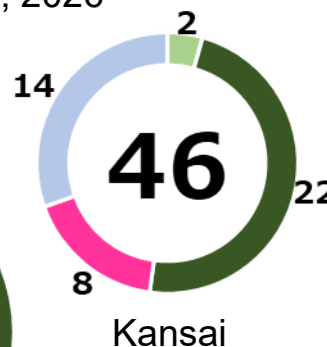
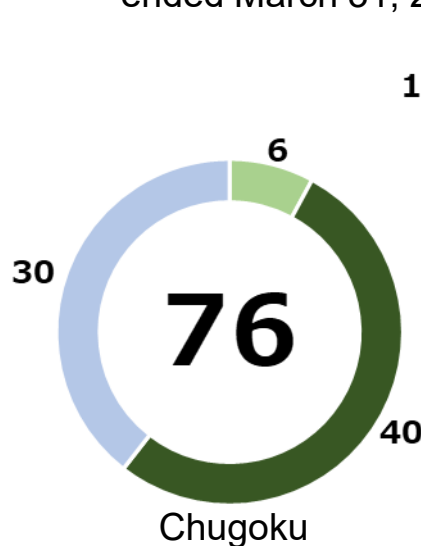
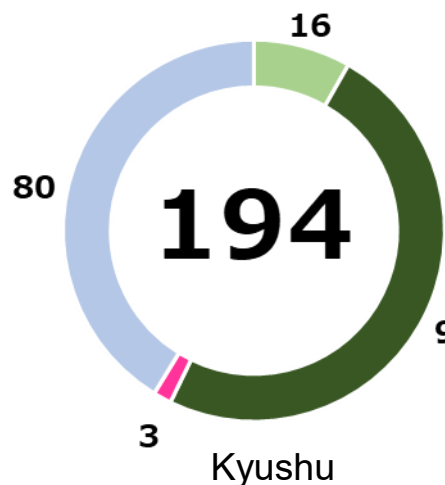
Trend in Capital Expenditure



Number of Stores by Area



● : New stores in the fiscal year ended March 31, 2026



■ Small stores of 1,000 m² ■ HI stand-alone stores
 ■ Furniture-only stores ■ Combination stores

Roles in Disasters

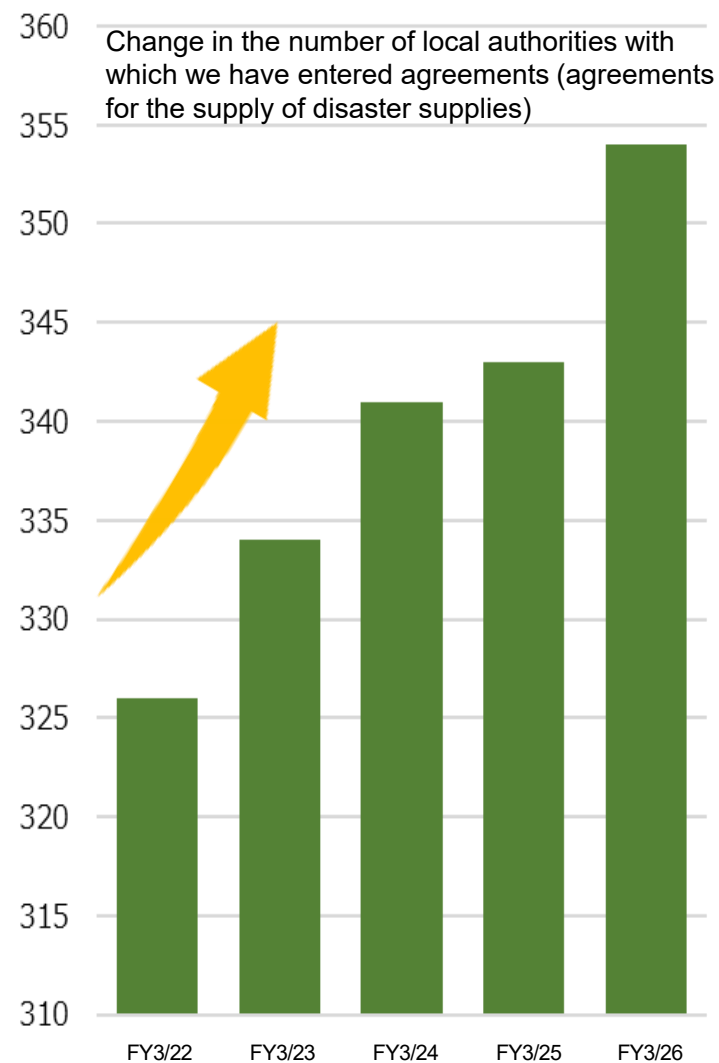
Number of local authorities with which we have entered agreements

As of March 31, 2026 **354** local authorities

* Local authorities include the police
(excluding those during the application process from the number)

[Recent Agreement Cases]

Date of Agreement	Prefecture	Local Authority
October 28, 2025	Kagawa Pref.	Mitoyo City
November 17, 2025	Kumamoto Pref.	Kuma Village
January 14, 2026	Miyazaki Pref.	Mimata Town
March 16, 2026	Tokushima Pref.	Naruto City
March 19, 2026	Fukuoka Pref.	Kawara Town
March 19, 2026	Kagoshima Pref.	Hioki City



Installation of Solar Power Generation Systems

Cumulative installations:

39 stores

(As of March 31, 2026)



Enzan Store (Yamanashi)



Kurobe Store (Toyama)



Nogata Store (Fukuoka)



Hatazaki Store (Fukuoka)

Forecast for the Fiscal Year Ending March 31, 2027

(April 01, 2026 – March 31, 2027)

Forecast for the Fiscal Year Ending March 31, 2027

(Millions of yen)

	Fiscal year ending March 31, 2027 (Plan)	% of total operating revenue	YoY change (%)	Fiscal year ended March 31, 2026 (Results)	% of total operating revenue
Total operating revenue	180,770	100.0%	103.1%	175,272	100.0%
Operating profit	2,930	1.6%	179.1%	1,636	0.9%
Ordinary profit	3,030	1.7%	203.7%	1,488	0.8%
Profit	1,270	0.7%	567.9%	223	0.1%

Appendix

- Income and expenses pertaining to real estate leasing are reclassified as operating revenue and selling, general and administrative expenses from the fiscal year ended March 31, 2025.
- Starting with the fiscal year ended March 2026, certain products have been reclassified from the materials, DIY and gardening goods segment to the household goods segment.
- Figures for the periods prior to the period under review are shown using the segment classifications applied at the time of their original disclosure.

Statements of Income

Items (Millions of yen)	Fiscal year ended March 31, 2024			Fiscal year ended March 31, 2025			Fiscal year ended March 31, 2026		
	Results	YoY change	% of sales	Results	YoY change	% of sales	Results	YoY change	% of sales
Net sales	192,116	95.0%	100.0%	181,133	94.3%	100.0%	174,477	96.3%	100.0%
Gross profit	65,053	93.5%	33.9%	61,392	94.4%	33.9%	59,375	96.7%	34.0%
Operating gross profit	65,384	93.5%	34.0%	62,110	94.2%	34.3%	60,170	96.9%	34.5%
Selling, general and administrative expenses	60,220	99.1%	31.4%	60,843	100.7%	33.6%	58,534	96.2%	33.5%
Operating profit	5,164	56.0%	2.7%	1,266	23.1%	0.7%	1,636	129.2%	0.9%
Ordinary profit	5,552	57.5%	2.9%	1,329	24.0%	0.7%	1,488	111.9%	0.9%
Profit	3,107	55.1%	1.6%	183	5.9%	0.1%	223	121.6%	0.1%

Existing Stores (YoY change)	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	95.0%	94.4%	96.4%
Customers	92.5%	96.1%	94.2%
Customer average	102.7%	98.2%	102.3%

Segments

Net sales (Millions of yen)	Fiscal year ended March 31, 2024			Fiscal year ended March 31, 2025			Fiscal year ended March 31, 2026		
	Results	YoY change	% of sales	Results	YoY change	% of sales	Results	YoY change	% of sales
Materials, DIY and gardening goods	87,688	93.5%	45.6%	83,082	94.7%	45.9%	80,569	98.2%	46.2%
Household goods	49,599	96.8%	25.8%	46,556	93.9%	25.7%	46,106	96.8%	26.4%
Furniture and home fashion goods	36,502	92.3%	19.0%	33,997	93.1%	18.6%	31,217	91.8%	17.9%
Others	18,325	103.4%	9.6%	17,496	95.5%	9.6%	16,584	94.8%	9.5%
Total	192,116	95.0%	100.0%	181,133	94.3%	100.0%	174,477	96.3%	100.0%
Gross profit (Millions of yen)	Fiscal year ended March 31, 2024			Fiscal year ended March 31, 2025			Fiscal year ended March 31, 2026		
	Results	YoY change	% of sales	Results	YoY change	% of sales	Results	YoY change	% of sales
Materials, DIY and gardening goods	31,431	92.6%	35.8%	29,919	95.2%	36.0%	28,695	97.4%	35.6%
Household goods	13,733	94.0%	27.7%	12,700	92.5%	27.3%	13,106	99.6%	28.4%
Furniture and home fashion goods	14,672	93.0%	40.2%	13,810	94.1%	40.6%	12,825	92.9%	41.1%
Others	5,215	99.4%	28.5%	4,962	95.2%	28.4%	4,748	95.7%	28.6%
Total	65,053	93.5%	33.9%	61,392	94.4%	33.9%	59,375	96.7%	34.0%

Number of Stores by Area and Business Type

Number of stores at the end of the term	Fiscal year ended March 31, 2024			Fiscal year ended March 31, 2025			Fiscal year ended March 31, 2026		
	Combination stores	HI stand-alone stores	Furniture-only stores	Combination stores	HI stand-alone stores	Furniture-only stores	Combination stores	HI stand-alone stores	Furniture-only stores
Kyushu	81	108	3	80	111	3	80	111	3
Chugoku and Shikoku	32	50	1	31	49	0	31	49	0
Kansai	16	24	8	15	25	8	14	24	8
Chubu	9	13	2	9	13	2	9	14	2
Kanto and Tohoku	3	9	2	3	9	2	3	9	2
Total	141	204	16	138	207	15	137	207	15
	361			360			359		

Balance Sheets

Items (Millions of yen)	Fiscal year ended March 31, 2024			Fiscal year ended March 31, 2025			Fiscal year ended March 31, 2026		
	Results	Compared to the end of the previous fiscal year	Change from the end of the previous fiscal year	Results	Compared to the end of the previous fiscal year	Change from the end of the previous fiscal year	Results	Compared to the end of the previous fiscal year	Change from the end of the previous fiscal year
Total assets	232,246	97.4%	(6,162)	225,195	97.0%	(7,050)	215,957	95.9%	(9,238)
Current assets	99,574	94.2%	(6,173)	90,228	90.6%	(9,345)	84,279	93.4%	(5,948)
Of which, cash and deposits	32,997	91.3%	(3,125)	18,500	56.1%	(14,496)	11,523	62.3%	(6,977)
Non-current assets	132,660	100.0%	+11	134,966	101.7%	+2,294	131,677	97.6%	(3,289)
Of which, property, plant and equipment	119,210	100.2%	+199	120,994	101.5%	+1,784	117,492	97.1%	(3,501)
Liabilities	72,885	95.2%	(3,709)	71,239	97.7%	(1,646)	63,115	88.6%	(8,123)
Of which, interest- bearing liabilities	18,828	98.9%	(204)	18,355	97.5%	(473)	17,695	96.4%	(660)
Net assets	159,361	98.5%	(2,452)	153,956	96.6%	(5,404)	152,842	99.3%	(1,114)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash and deposit ratio (%)	14.2%	8.2%	5.3%
Ratio of interest- bearing liabilities (%)	8.1%	8.2%	8.2%
Equity Ratio (%)	68.6%	68.4%	70.8%

Stock (Full-year)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Number of issued shares	29,784,400	29,784,400	29,784,400
Number of treasury shares	3,007,890	5,201,723	5,201,723
Net assets per share (yen)	5,951	6,262	6,217
Dividend per share (yen)	58	58	58
Earnings per share (yen)	110	6	9
Payout ratio (%)	52.6	834.5	638.1

This document is intended solely for the purpose of providing information to investors.

We will disclose information as needed at an appropriate time depending on the external environment and the progress of business performance.

This document may contain forward-looking statements. These statements are not statements of past fact, but are instead forecasts based on hypotheses and assumptions determined from information available at the current time.

They also involve risks and uncertainties related to economic trends, market environments, and the like.

Actual business performance may therefore differ from the Company's forecasts.

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(Securities Code: 2790)