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Non-Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

November 7, 2025

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

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Scheduled date of filing semi-annual securities report: November 7, 2025

Scheduled date of commencing dividend payments: December 1, 2025

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, 2025 (April 1, 2025 to September 30, 2025)

(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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	90,993	(5.8)	1,833	106.5	1,710	89.1	813	134.8
September 30, 2024	96,636	(4.8)	888	(78.8)	904	(78.5)	346	(86.1)

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	33.07	-
September 30, 2024	12.93	-

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2025	223,125	154,084	69.1	6,267.99
As of March 31, 2025	225,195	153,956	68.4	6,262.80

(Reference) Equity: As of September 30, 2025: ¥154,084 million

As of March 31, 2025: ¥153,956 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 29.00	Yen -	Yen 29.00	Yen 58.00
Fiscal year ending March 31, 2026	-	29.00			
Fiscal year ending March 31, 2026 (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, 2026 (April 1, 2025 to March 31, 2026)

(% 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
Full year	173,080	(4.8)	2,700	113.2	2,763	107.8	1,260	585.3	51.25

(Note) Revision from the most recently announced projected operating results: None

* 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, 2025: 29,784,400 shares

March 31, 2025: 29,784,400 shares

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

September 30, 2025: 5,201,723 shares

March 31, 2025: 5,201,723 shares

3) Average number of shares during the term:

Six months ended September 30, 2025: 24,582,677 shares

Six months ended September 30, 2024: 26,776,403 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, 2025)	End of First Six-Month Period of Current Fiscal Year (September 30, 2025)
Assets		
Current assets		
Cash and deposits	18,500	18,009
Accounts receivable - trade	4,536	3,781
Merchandise	64,282	65,921
Other	2,911	1,674
Allowance for doubtful accounts	(3)	(2)
Total current assets	90,228	89,383
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,279	64,343
Land	49,321	49,326
Construction in progress	629	541
Other, net	5,763	5,358
Total property, plant and equipment	120,994	119,570
Intangible assets	3,651	3,828
Investments and other assets	10,321	10,343
Total non-current assets	134,966	133,741
Total assets	225,195	223,125
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,605	11,651
Electronically recorded obligations - operating	-	10,856
Short-term borrowings	18,355	18,025
Income taxes payable	307	832
Accounts payable - other	3,839	3,754
Notes payable - facilities	2,842	553
Provision for bonuses	936	937
Provision for bonuses for directors (and other officers)	20	-
Asset retirement obligations	52	266
Contract liabilities	2,978	2,983
Other	3,766	4,000
Total current liabilities	55,703	53,861
Non-current liabilities		
Provision for retirement benefits	2,972	2,938
Provision for retirement benefits for directors (and other officers)	774	822
Asset retirement obligations	6,701	6,763
Other	5,087	4,655
Total non-current liabilities	15,535	15,180
Total liabilities	71,239	69,041

	(Millions of yen)	
	End of Previous Fiscal year (March 31, 2025)	End of First Six-Month Period of Current Fiscal Year (September 30, 2025)
Net assets		
Shareholders' equity		
Share capital	3,538	3,538
Capital surplus	4,223	4,223
Retained earnings	156,419	156,519
Treasury shares	(10,401)	(10,401)
Total shareholders' equity	153,779	153,879
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	177	204
Total valuation and translation adjustments	177	204
Total net assets	153,956	154,084
Total liabilities and net assets	225,195	223,125

(2) Statements of Income
Statements of Income

(Millions of yen)

	Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
Net sales	96,289	90,609
Cost of sales	64,534	59,426
Gross profit	31,755	31,182
Operating revenue	347	383
Operating gross profit	32,102	31,566
Selling, general and administrative expenses	31,214	29,733
Operating profit	888	1,833
Non-operating income		
Interest income	0	2
Dividend income	11	13
Commission income	42	32
Insurance claim income	22	22
Other	73	63
Total non-operating income	150	133
Non-operating expenses		
Interest expenses	90	128
Loss on disaster	30	106
Other	13	20
Total non-operating expenses	133	256
Ordinary profit	904	1,710
Extraordinary income		
Gain on sale of non-current assets	36	-
Insurance claim income	-	194
Total extraordinary income	36	194
Extraordinary losses		
Loss on retirement of non-current assets	75	34
Impairment losses	10	443
Loss on disaster	305	-
Total extraordinary losses	391	478
Profit before income taxes	549	1,426
Income taxes	203	613
Profit	346	813

(3) Statements of Cash Flows

(Millions of yen)

	Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
Cash flows from operating activities		
Profit before income taxes	549	1,426
Depreciation	2,950	2,926
Impairment losses	10	443
Amortization of intangible assets	125	125
Amortization of long-term prepaid expenses	23	28
Loss on retirement of property, plant and equipment	75	34
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	(28)	(33)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9	47
Increase (decrease) in provision for bonuses for directors (and other officers)	(31)	(20)
Increase (decrease) in provision for bonuses	51	1
Interest and dividend income	(11)	(15)
Insurance claim income	-	(194)
Interest expenses	90	128
Loss on disaster	305	-
Decrease (increase) in trade receivables	378	761
Decrease (increase) in inventories	728	(1,635)
Increase (decrease) in trade payables	1,014	(97)
Increase (decrease) in accrued consumption taxes	(627)	1,463
Decrease (increase) in other assets	(136)	69
Increase (decrease) in other liabilities	(98)	133
Other, net	37	9
Subtotal	5,381	5,600
Interest and dividends received	11	15
Proceeds from insurance income	-	194
Interest paid	(98)	(128)
Income taxes paid	(152)	(121)
Income taxes refund	-	448
Net cash provided by (used in) operating activities	5,142	6,009

(Millions of yen)

	Six Months Ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,625)	(3,816)
Proceeds from sale of property, plant and equipment	36	-
Purchase of intangible assets	(141)	(341)
Payments for retirement of non-current assets	(70)	(33)
Payments for asset retirement obligations	(28)	(32)
Payments of leasehold and guarantee deposits	(66)	(27)
Proceeds from refund of leasehold and guarantee deposits	92	32
Decrease (increase) in investments and other assets	(57)	(82)
Net cash provided by (used in) investing activities	(1,861)	(4,302)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(135)	(330)
Repayments of long-term borrowings	(8)	-
Repayments of lease liabilities	(857)	(934)
Purchase of treasury shares	(0)	-
Dividends paid	(776)	(712)
Net cash provided by (used in) financing activities	(1,777)	(1,977)
Net increase (decrease) in cash and cash equivalents	1,503	(269)
Cash and cash equivalents at beginning of period	30,104	15,607
Cash and cash equivalents at end of period	31,607	15,337