

**Financial Results Briefing Material
for the Six Months Ended September 30, 2025
(Semi-annual)
(April 01, 2025 – September 30, 2025)**

**November 10, 2025
NAFCO Co., Ltd.
(Securities Code: 2790)**

Financial Results for the Six Months Ended September 30, 2025

(April 01, 2025 – September 30, 2025)

Results for the Six Months Ended September 30, 2025

(Millions of yen)

	Six months ended September 30, 2024	% of total operating revenue	Six months ended September 30, 2025	% of total operating revenue	YoY change
Total operating revenue	96,636	100.0%	90,993	100.0%	94.2%
Operating profit	888	0.9%	1,833	2.0%	206.5%
Ordinary profit	904	0.9%	1,710	1.9%	189.1%
Profit	346	0.4%	813	0.9%	234.8%

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

Statements of Income for the Six Months Ended September 30, 2025

(Millions of Yen)

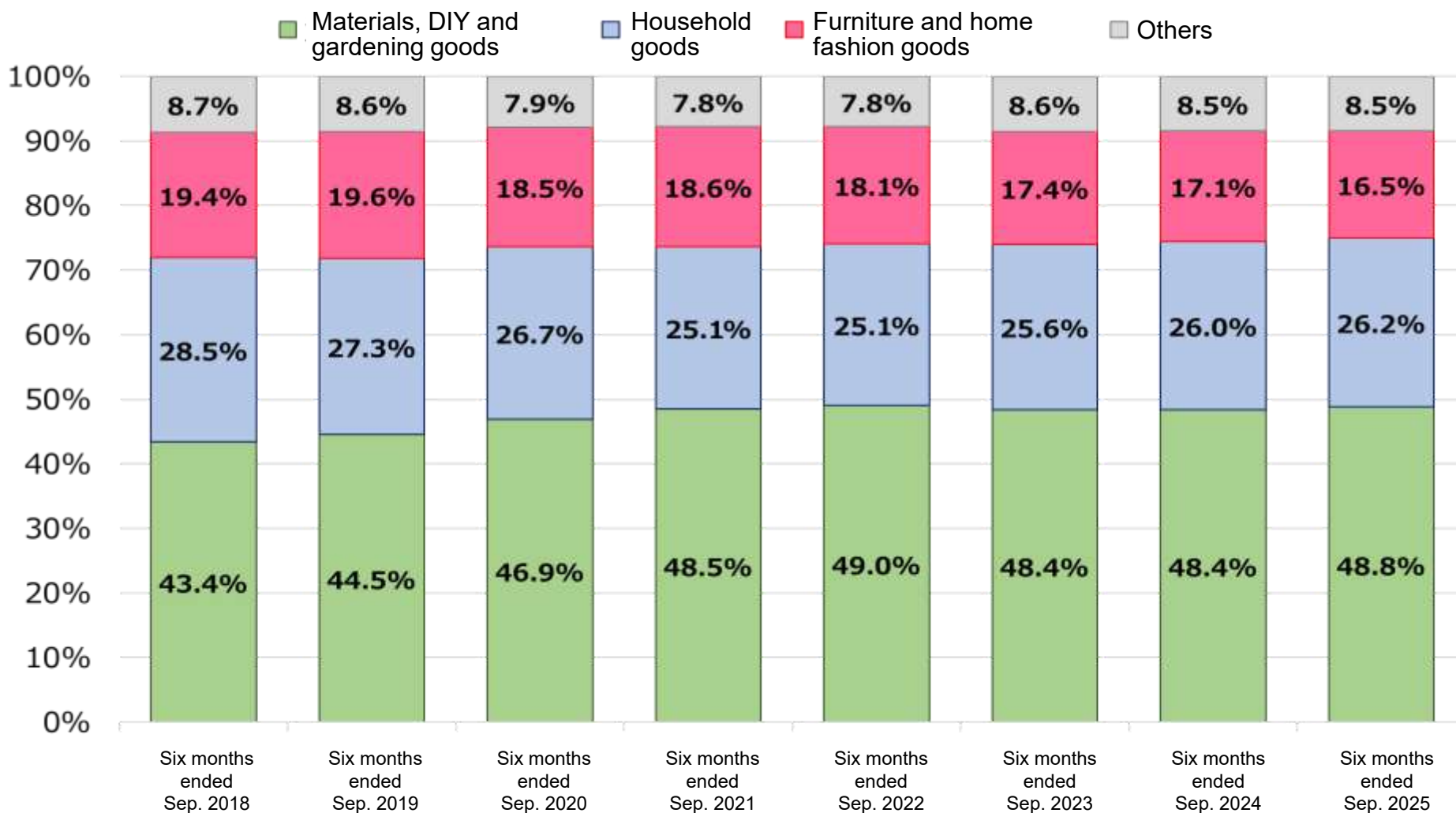
	Six months ended September 30, 2024	% of sales	Six months ended September 30, 2025	% of sales	YoY change
Net sales	96,289	100.0%	90,609	100.0%	94.1%
Gross profit	31,755	33.0%	31,182	34.3%	98.2%
Operating gross profit	32,102	33.3%	31,566	34.8%	98.3%
Selling, general and administrative expenses	31,214	32.4%	29,733	32.8%	95.3%
Operating profit	888	0.9%	1,833	2.0%	206.5%
Ordinary profit	904	0.9%	1,710	1.9%	189.1%
Profit	346	0.4%	813	0.9%	234.8%

Balance Sheets

(Millions of yen)

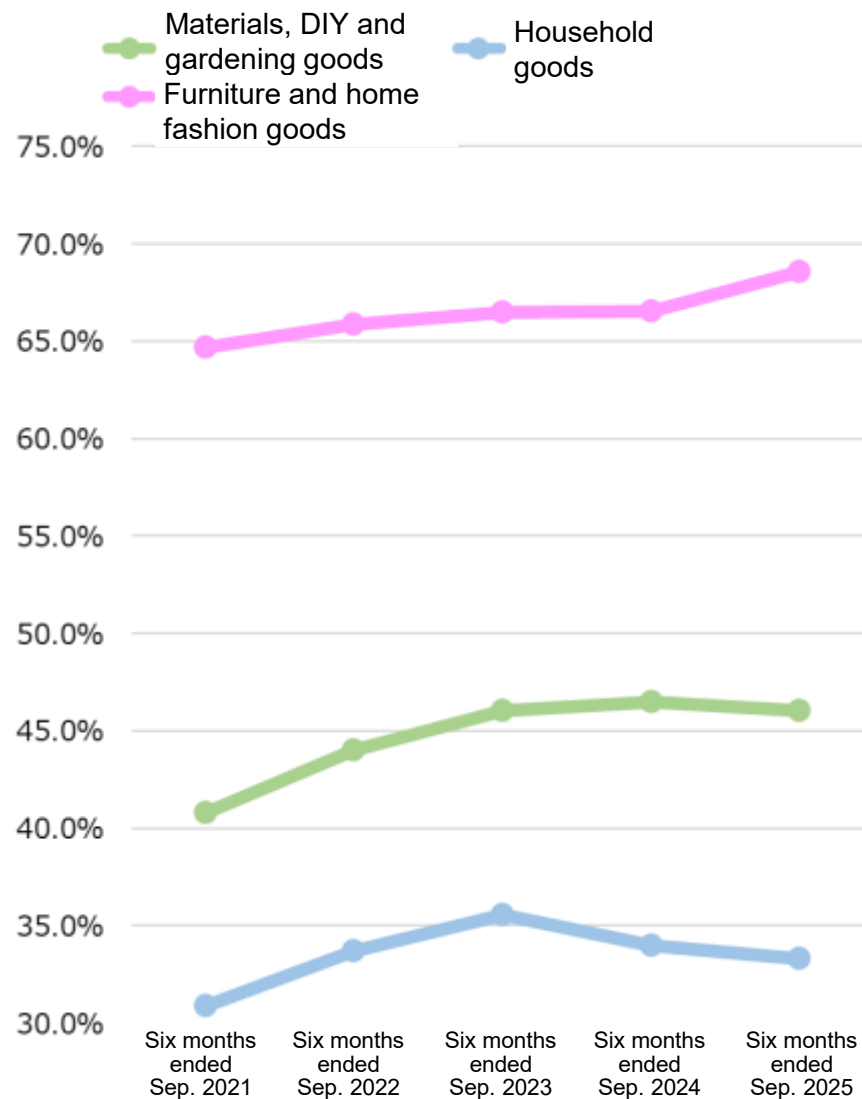
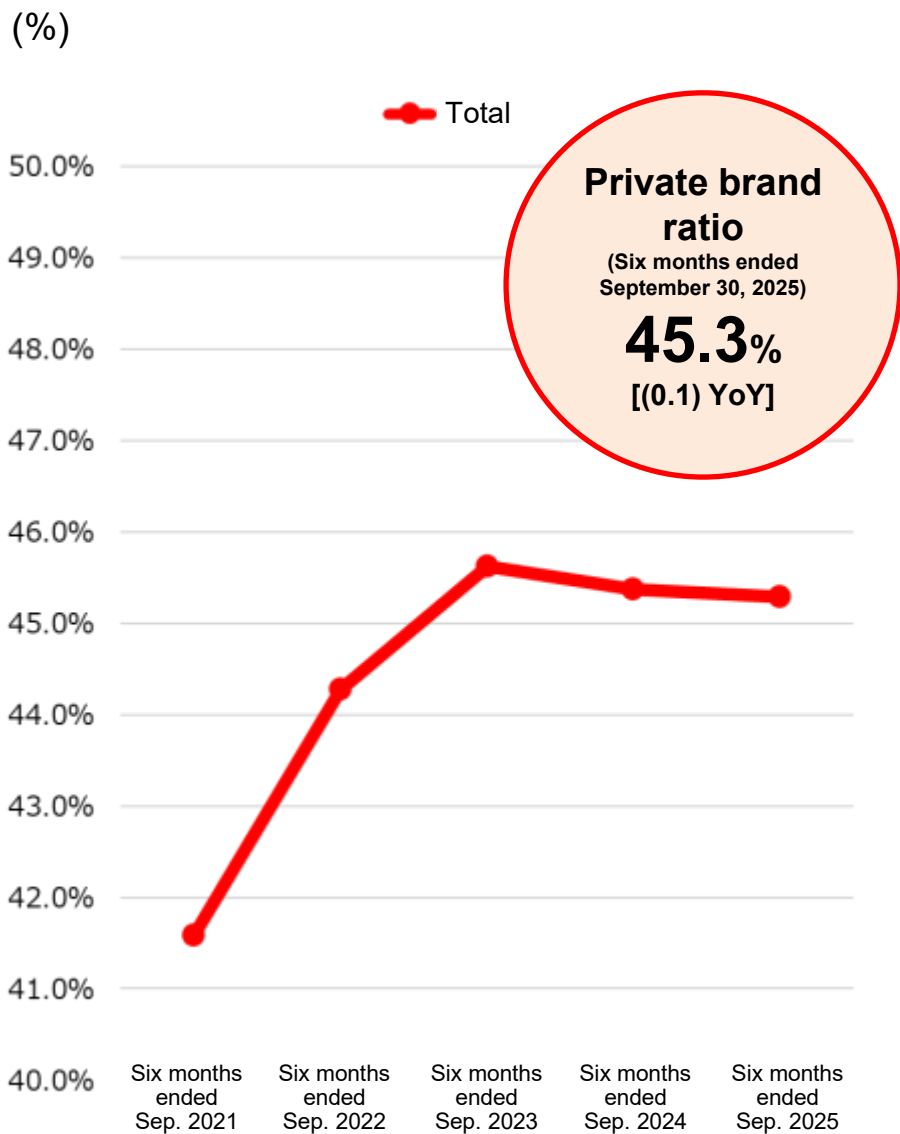
	Fiscal year ended March 31, 2025	Six months ended September 30, 2025	Change from the end of the previous fiscal year
Total assets	225,195	223,125	(2,069)
Current assets	90,228	89,383	(844)
Of which, cash and deposits	18,500	18,009	(491)
Non-current assets	134,966	133,741	(1,224)
Of which, property, plant and equipment	120,994	119,570	(1,423)
Liabilities	71,239	69,041	(2,197)
Of which, interest-bearing liabilities (short-term borrowings, current portion of long-term borrowings, long-term borrowings)	18,355	18,025	(330)
Net assets	153,956	154,084	+127
Cash and deposit ratio (%)	8.2	8.1	
Ratio of interest-bearing liabilities (%)	8.2	8.1	
Equity ratio (%)	68.4	69.1	
Current ratio (%)	162.0	166.0	
Non-current ratio (%)	87.7	86.8	

Trends in Sales Composition by Product (Six Months Ended September 30)

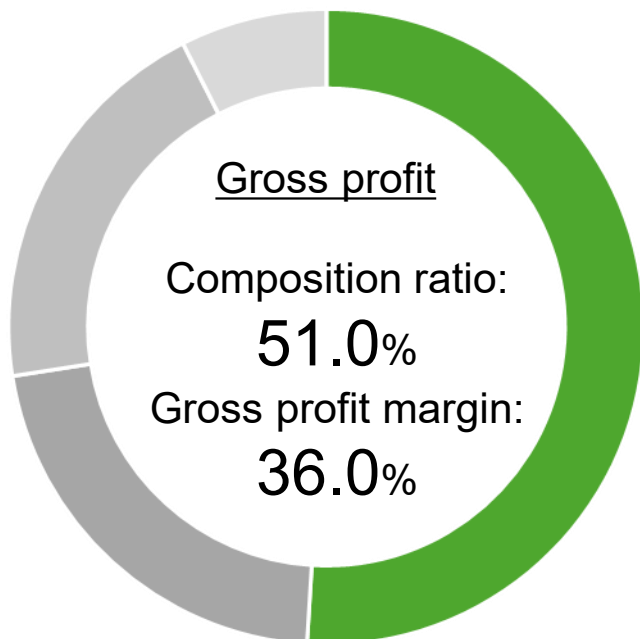


- Starting with the fiscal year ended March 2025, certain products were reclassified from the materials, DIY and gardening goods segment to the household goods segment.
- Figures for the periods prior to the period under review are shown using the segment classifications applied at the time of their original disclosure.

Trends in Private Brand Ratio (Six Months Ended September 30)



Materials, DIY and gardening goods

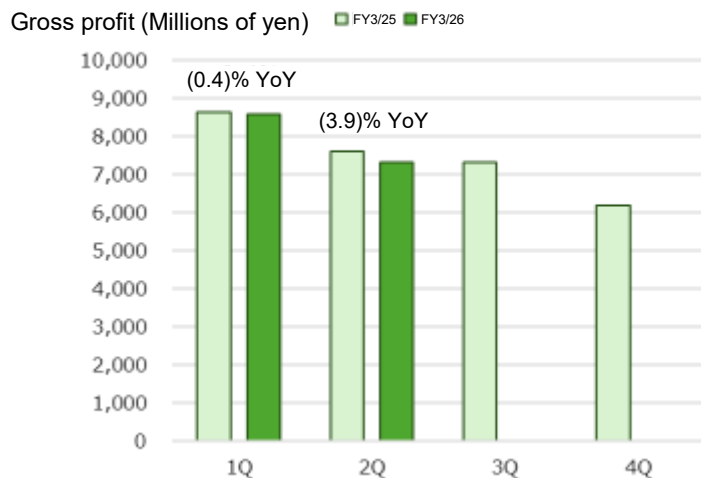


Segment overview

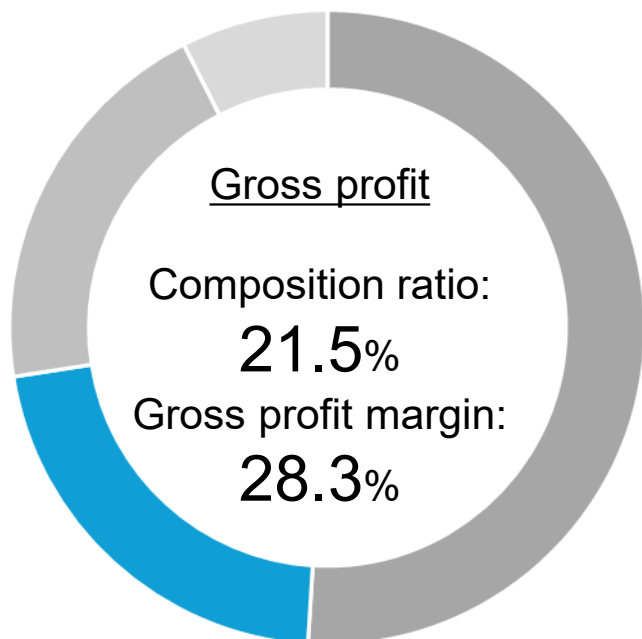
- Net sales: ¥44.2 billion (95.8% YoY)
 - Sales composition ratio: 48.8%
 - Gross profit margin: 36.0% (up 0.8 pp YoY)
 - Private brand ratio: 46.1%
- Wildlife-control gardening products remained strong.
 - Demand declined following last year's earthquake and typhoon recovery efforts.

Quarterly overview

- Early spring: gardening products performed well, while rain gear, boosted by last year's unusual weather, was weak.
- July: below-average rainfall drove higher demand for agricultural pumps and related equipment.
- From August onward: demand for roofing materials and generators was weak due to a decline following last year's earthquake and typhoon.



Household goods



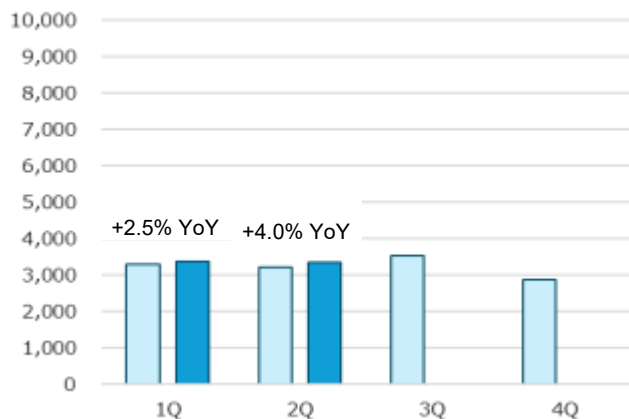
Segment overview

- Net sales: ¥23.7 billion (93.1% YoY)
 - Sales composition ratio: 26.2%
 - Gross profit margin: 28.3% (up 2.7 pp YoY)
 - Private brand ratio: 33.3%
- Hot weather boosted sales of summer clothing and cooling products.
 - Daily necessities and food declined after last year's discount promotions, but profits recovered.

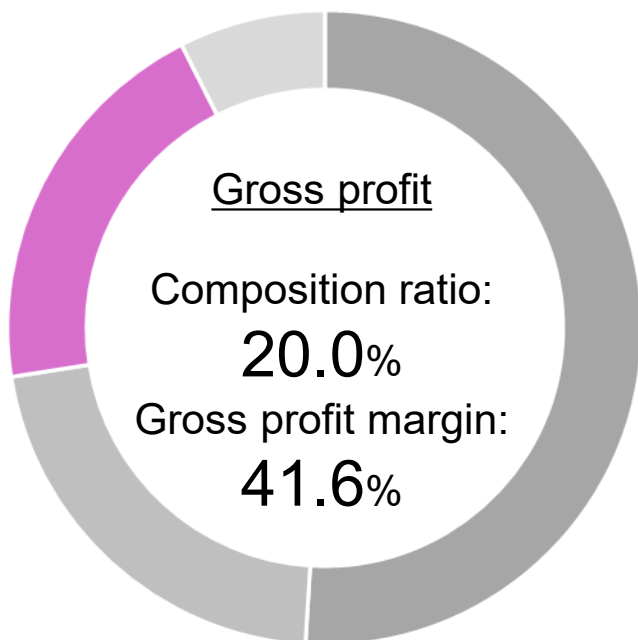
Quarterly overview

- 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.

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



Furniture and home fashion goods

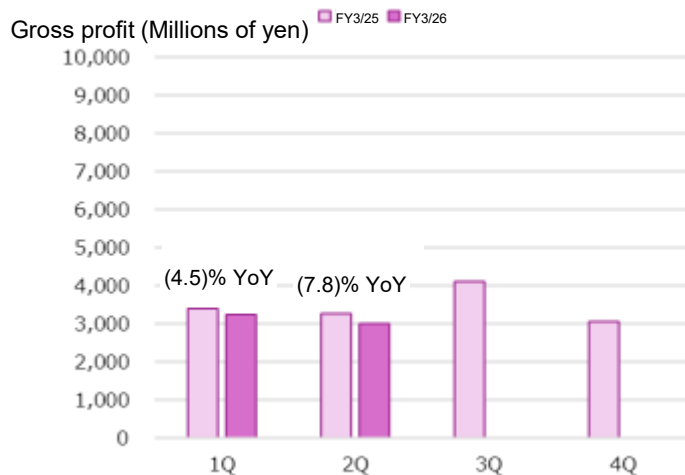


Segment overview

- Net sales: ¥14.9 billion (90.9% YoY)
 - Sales composition ratio: 16.5%
 - Gross profit margin: 41.6% (up 1.3 pp YoY)
 - Private brand ratio: 68.6%
- High-priced durable goods struggled, partly due to inflation.
 - Bedding and other interior products performed steadily, reflecting temperature trends.

Quarterly overview

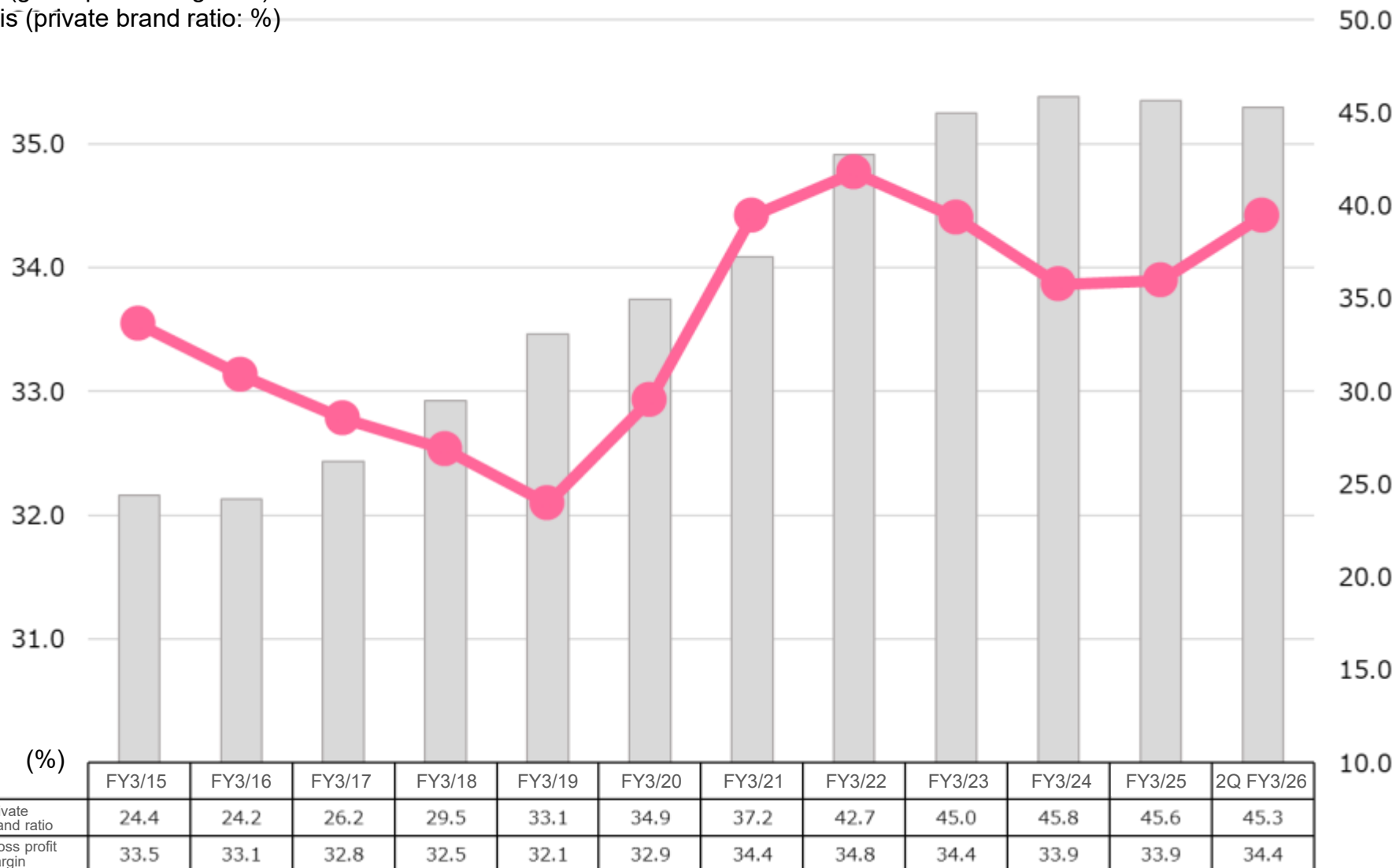
- Spring: struggled, especially in new lifestyle-related products.
- June: hot weather boosted sales of cooling rugs and similar products.
- September: summer bedding pads remained strong due to lingering summer heat.



Trends in Gross Profit Margin at the End of the Term

Left axis (gross profit margin: %)

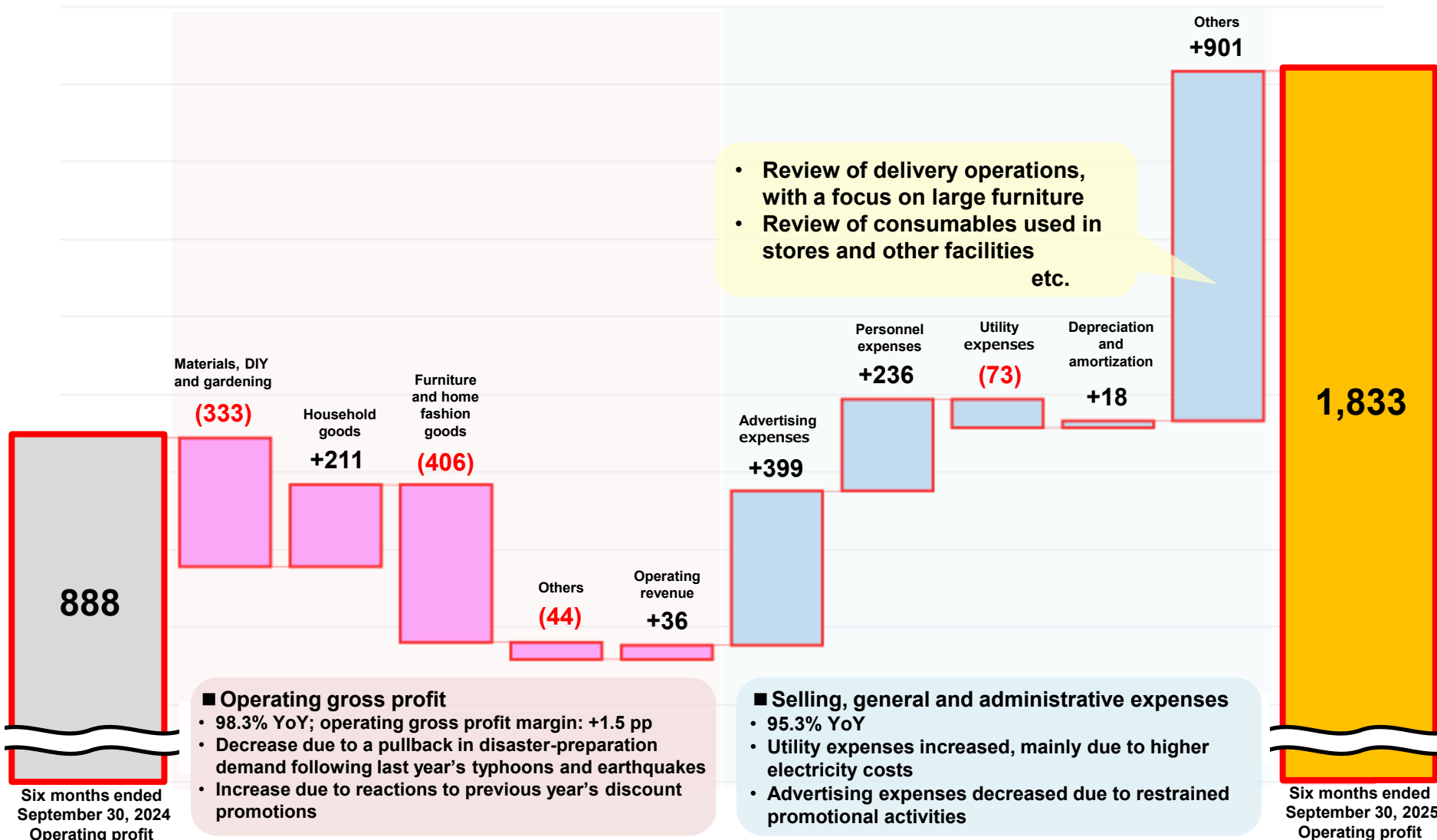
Right axis (private brand ratio: %)



Factors for Changes in Operating Profit

(Millions of yen)

■ Operating gross profit ■ Selling, general and administrative expenses



888

Six months ended
September 30, 2024
Operating profit

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1,833

Six months ended
September 30, 2025
Operating profit

<https://www.nafco.tv>

Electric Fence Energizer



Electric fence energizer

- Maximum voltage: 10,000 V
- Equipped with adjustable pulse intervals (three settings: 0.8–1.25 seconds)
- Fence line distance selectable in three levels to match field size
- Versatile unit operable with three different power sources
- 40B19 automotive battery can be housed inside the unit
- Optional power source: Solar panel & battery type
- Optional power source: Battery box / AC adapter type

Solar panel & battery



Dry-cell battery



AC adapter



[Product accessories]

Hooks for FRP posts



FRP posts



Gate grips with stainless springs



Stainless steel high-strength electric fence rope



Battery

Air Conditioner Piping Materials



Covered copper pair coil for air conditioning

- Flame-retardant compliant (UL94 standard), moderate stiffness for easy handling
- Compatible with new refrigerants (R32, R410A, R407C, R404A, R507A)
- Copper tube (outer diameter × wall thickness):
6.35 × 0.8 mm, 9.52 × 0.8 mm, C1220T
- Insulation thickness: 8 mm, PFE8-N

Cotton T-shirt

Cotton short-sleeve crew neck T-shirt



Cotton long-sleeve crew neck T-shirt



Collar with binder construction for reduced stretching



Soft cotton material



Cotton T-shirt series

- 100% cotton for a soft, skin-friendly feel
- Equipped with antibacterial and deodorizing functions

Indoor Drying Racks



Can be folded for storage when not in use

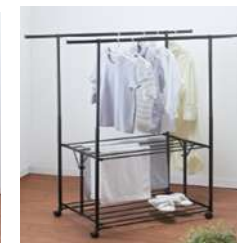


Indoor drying racks series

- Six types available, selectable by function
- Foldable for storage when not in use
- Matte black finish



Parasol type



X-type



Steel wagon

Bed Mattress

Mattress jointly developed by SIMMONS  and **TWO-ONE STYLE**



BackCare series

- Pocket coil mattress
- Four types are available to suit sleeping preferences, combining thickness (6.5" or 7.5") and firmness (medium or hard)

Indoor Shelves



York Series

- Shelving series with a Brooklyn-style design, combining steel and wooden boards
- Units in the series can be placed side by side for a continuous setup
- Natural color newly introduced

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

Minami Kurashiki Store



Kita Miyakonojo Store



Yonago Higashi Store



Moriyama Store



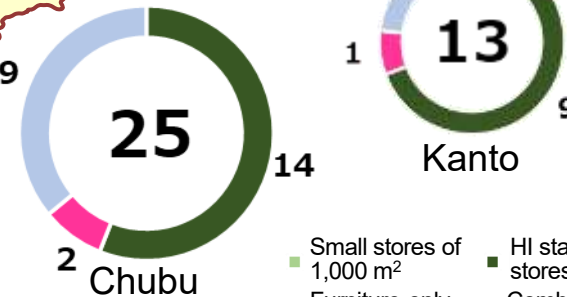
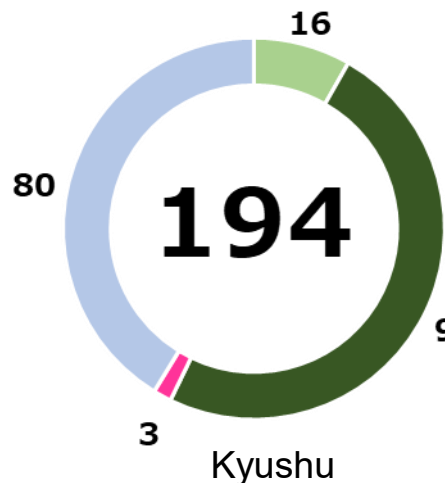
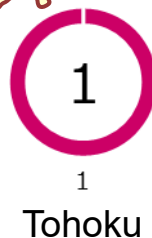
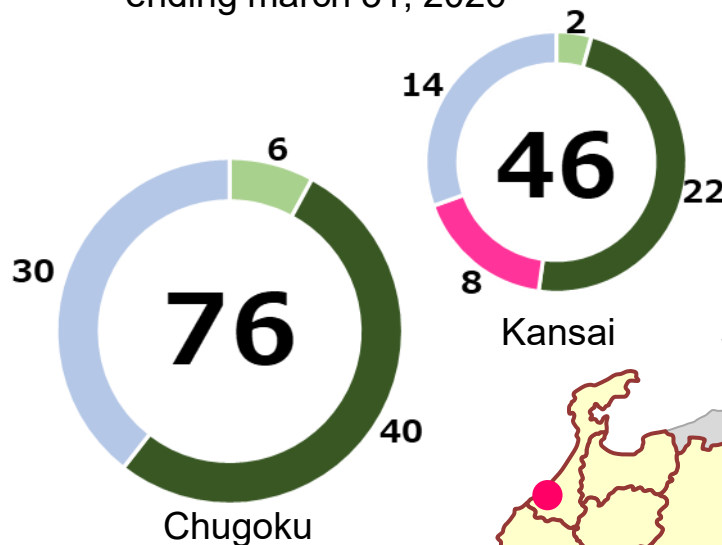
Number of Stores by Area

● : New stores in the fiscal year ending march 31, 2026

■ Kyushu
 ■ Chugoku Shikoku
 ■ Kansai
 ■ Chubu
 ■ Kanto
 ■ Tohoku



Composition ratio (no. of stores) by area (%)



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

Roles in Disasters

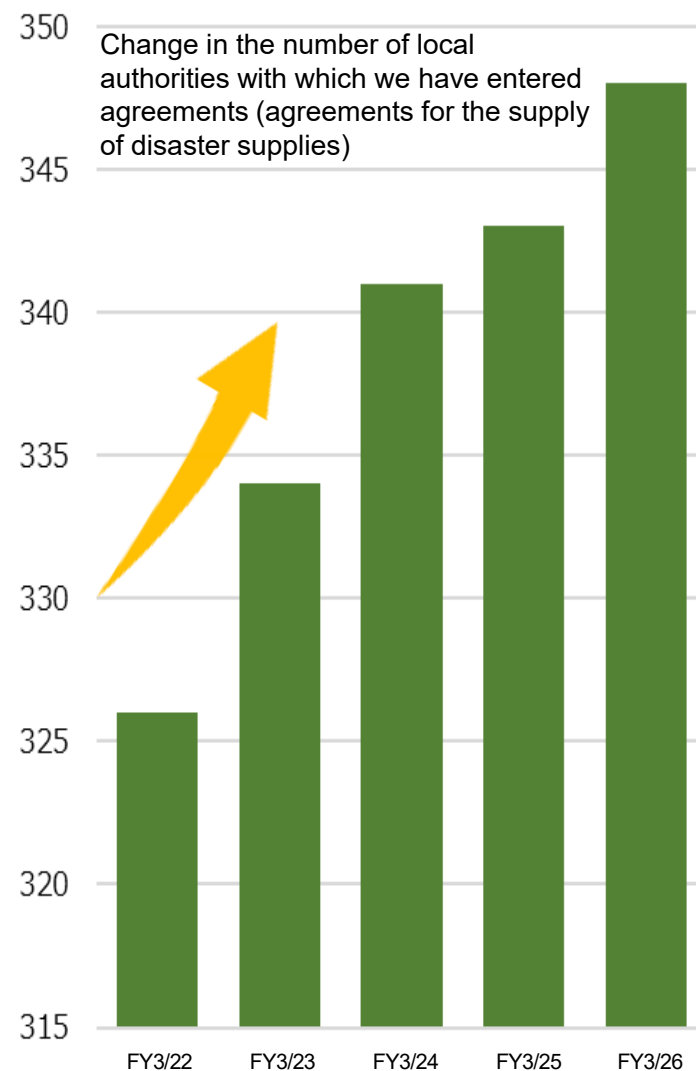
Number of local authorities with which we have entered agreements

As of September 30, 2025 **348** local authorities

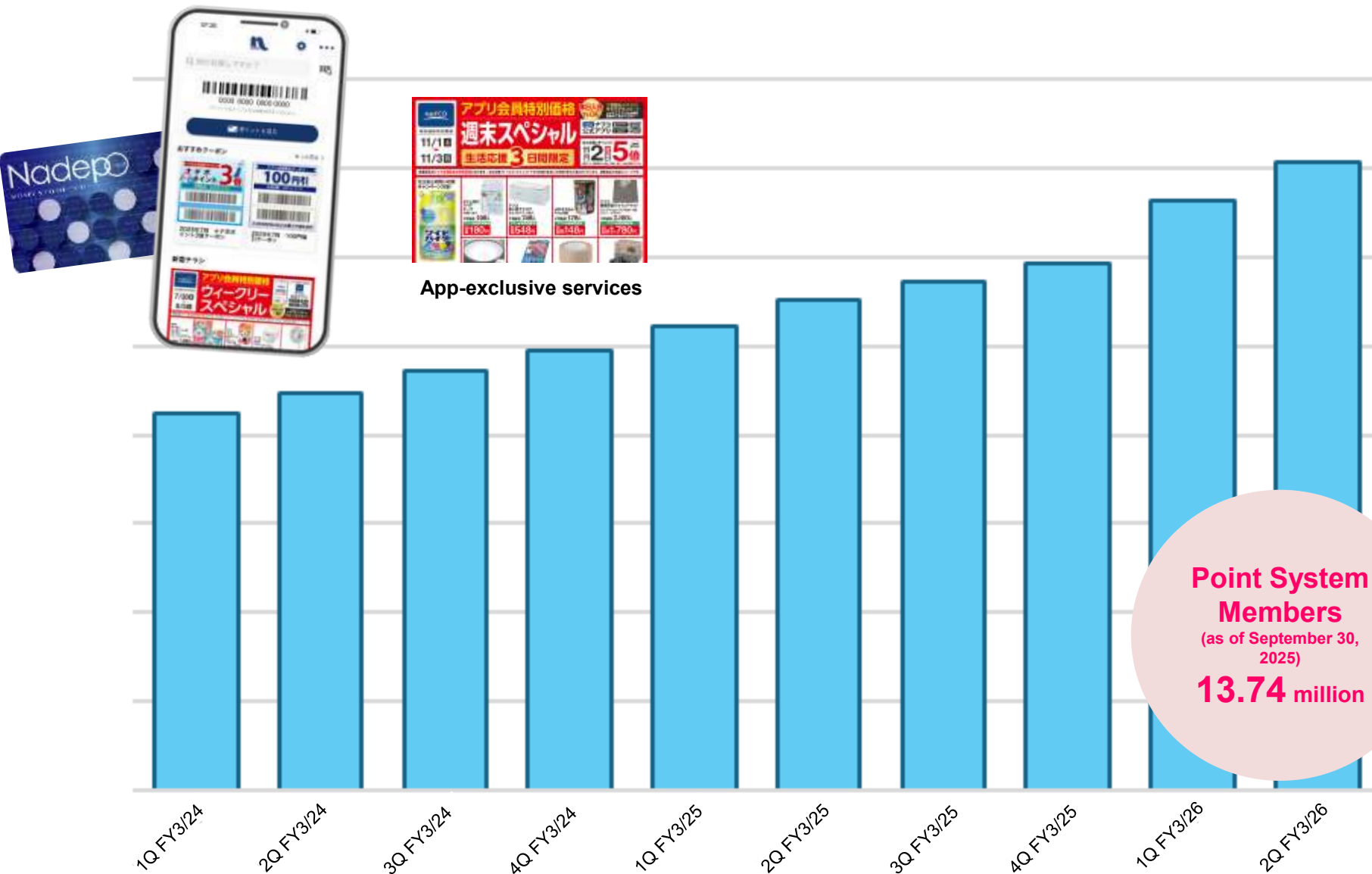
* Local authorities include the police
(excluding those during the application process from the number)

[Recent Agreement Cases]

Date of Agreement	Prefecture	Local Authority
July 1, 2025	Fukuoka	Aka Village
August 1, 2025	Kagawa	Tadotsu Town
August 1, 2025	Kagawa	Manno Town
August 18, 2025	Gifu	Kaizu City
September 2, 2025	Hyogo	Sanda City



Trend in App Downloads



Point System Members
 (as of September 30, 2025)
13.74 million

Revision of Large Furniture Delivery



Forecast for the Fiscal Year Ending March 31, 2026

(April 01, 2025 - March 31, 2026)

Revision:[None]

Forecast for the Fiscal Year Ending March 31, 2026

(Millions of yen)

	Fiscal year ending March 31, 2026 (Plan)	% of total operating revenue	YoY change (%)	Fiscal year ended March 31, 2025 (Results)	% of total operating revenue
Total operating revenue	173,080	100.0%	95.2%	181,850	100.0%
Operating profit	2,700	1.6%	213.2%	1,266	0.7%
Ordinary profit	2,763	1.6%	207.8%	1,329	0.7%
Profit	1,260	0.7%	685.3%	183	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 2025, certain products were 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)	Six months ended September 30, 2023			Six months ended September 30, 2024			Six months ended September 30, 2025		
	Results	YoY change	% of sales	Results	YoY change	% of sales	Results	YoY change	% of sales
Net sales	101,033	96.6%	100.0%	96,289	95.3%	100.0%	90,609	94.1%	100.0%
Gross profit	34,021	93.2%	33.7%	31,755	93.3%	33.0%	31,182	98.2%	34.4%
Operating gross profit	34,199	93.2%	33.9%	32,102	93.2%	33.3%	31,566	98.3%	34.8%
Selling, general and administrative expenses	30,165	100.3%	29.9%	31,214	103.1%	32.4%	29,733	95.3%	32.8%
Operating profit	4,033	60.9%	4.0%	888	21.2%	0.9%	1,833	206.5%	2.0%
Ordinary profit	4,209	61.6%	4.2%	904	21.5%	0.9%	1,710	189.1%	1.9%
Profit	2,487	59.2%	2.5%	346	13.9%	0.4%	813	234.8%	0.9%
Existing Stores (YoY change)	Six months ended September 30, 2023			Six months ended September 30, 2024			Six months ended September 30, 2025		
Net sales	96.5%			95.2%			94.2%		
Customers	93.0%			98.0%			90.7%		
Customer average	103.7%			97.1%			103.8%		

Segments

Net sales (Millions of yen)	Six months ended September 30, 2023			Six months ended September 30, 2024			Six months ended September 30, 2025		
	Results	YoY change	% of sales	Results	YoY change	% of sales	Results	YoY change	% of sales
Materials, DIY and gardening goods	48,878	95.4%	48.4%	46,637	95.4%	48.4%	44,222	94.8%	48.8%
Household goods	25,879	98.6%	25.6%	24,992	96.6%	26.0%	23,712	94.9%	26.2%
Furniture and home fashion goods	17,556	92.7%	17.4%	16,487	93.9%	17.1%	14,992	90.9%	16.5%
Others	8,718	106.2%	8.6%	8,172	93.7%	8.5%	7,681	94.0%	8.5%
Total	101,033	96.6%	100.0%	96,289	95.3%	100.0%	90,609	94.1%	100.0%
Gross profit (Millions of yen)	Six months ended September 30, 2023			Six months ended September 30, 2024			Six months ended September 30, 2025		
	Results	YoY change	% of sales	Results	YoY change	% of sales	Results	YoY change	% of sales
Materials, DIY and gardening goods	17,295	92.7%	35.4%	16,435	95.0%	35.2%	15,897	96.7%	36.0%
Household goods	7,002	92.8%	27.1%	6,302	90.0%	25.2%	6,719	106.6%	28.3%
Furniture and home fashion goods	7,139	92.1%	40.7%	6,645	93.1%	40.3%	6,239	93.9%	41.6%
Others	2,584	101.0%	29.6%	2,371	91.8%	29.0%	2,326	98.1%	30.3%
Total	34,021	93.2%	33.7%	31,755	93.3%	33.0%	31,182	98.2%	34.4%

Number of Stores by Area and Business Type

Number of stores at the end of the term	Six months ended September 30, 2023			Six months ended September 30, 2024			Six months ended September 30, 2025		
	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	107	3	80	111	3	80	111	3
Chugoku and Shikoku	33	50	1	31	49	1	31	49	0
Kansai	16	23	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	142	202	16	138	207	16	137	207	15
	360			361			359		

Balance Sheets

Items (Millions of yen)	Fiscal year ended March 31, 2024			Fiscal year ended March 31, 2025			Six months ended September 30, 2025		
	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)	223,125	99.1%	(2,069)
Current assets	99,574	94.2%	(6,173)	90,228	90.6%	(9,345)	89,383	99.1%	(844)
Of which, cash and deposits	32,997	91.3%	(3,125)	18,500	56.1%	(14,496)	18,009	97.3%	(491)
Non-current assets	132,660	100.0%	+11	134,966	101.7%	+2,294	133,741	99.1%	(1,224)
Of which, property, plant and equipment	119,210	100.2%	+199	120,994	101.5%	+1,784	119,570	98.8%	(1,423)
Liabilities	72,885	95.2%	(3,709)	71,239	97.7%	(1,646)	69,041	96.9%	(2,197)
Of which, interest- bearing liabilities	18,828	98.9%	(204)	18,355	97.5%	(473)	18,025	98.2%	(330)
Net assets	159,361	98.5%	(2,452)	153,956	96.6%	(5,404)	154,084	100.1%	+127
	Fiscal year ended March 31, 2024			Fiscal year ended March 31, 2025			Six months ended September 30, 2025		
Cash and deposit ratio (%)	14.2%			8.2%			8.1%		
Ratio of interest- bearing liabilities (%)	8.1%			8.2%			8.1%		
Equity Ratio (%)	68.6%			68.4%			69.1%		

Stock (Full-year)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Number of issued shares	29,784,400	29,784,400	29,784,400
Number of treasury shares	1,221,850	3,007,890	5,201,723
Net assets per share (yen)	5,665	5,951	6,262
Dividend per share (yen)	56	58	58
Earnings per share (yen)	197	110	6
Payout ratio	28.4	52.6	834.5

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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)