

FOR IMMEDIATE RELEASE

Nac Announces Consolidated Financial Results for Fiscal 2012

Tokyo, May 10, 2013 --- Nac Ltd. (TSE:9788) today announced its consolidated financial results for fiscal 2012, ended March 31, 2013.

1. Summary

	The years ended March 31		
	Yen (millions)		(B)/(A) (%)
	2012(A)	2013(B)	
1. Sales	64,307	72,621	112.9
2. Operating income	3,474	4,444	127.9
3. Ordinary income	3,454	4,456	129.0
4. Income before income taxes	3,084	4,014	130.1
5. Net income	1,700	2,467	145.1
6. Net income per share	108.05 yen	149.52 yen	138.4
7. Return on equity	16.2%	19.6%	3.4pt
8. Ordinary income to Total assets	15.0%	16.0%	1.0pt

2. Financial Position

(Millions of yen)

	As of the end of Mar. 2012	As of the end of Mar. 2013	YOY change
Total assets	25,817	29,971	4,153
Total liabilities	14,328	16,322	1,994
Interest-bearing debt	2,100	2,228	128
Shareholder's equity	12,324	14,448	2,124
Total net assets	11,489	13,648	2,159
Net assets per share	699.23 yen	824.06 yen	124.83 yen
Equity ratio	44.5%	45.5%	1.0pt

Note: Figures took into account a 1:2 stock split on common stock with an effective date of April 1, 2013.

3. Cash Flows

(Millions of yen)

	As of the end of Mar. 2012	As of the end of Mar. 2013	YOY change
Cash flows from operating activities	5,261	4,689	(572)
Cash flows from investing activities	(1,455)	(1,646)	(191)
Free cash flows	3,806	3,043	(763)
Cash flows from financing activities	(870)	(477)	393

4. Cash Dividends

	As of the end of Mar. 2012	As of the end of Mar. 2013	YOY change
Dividends per share	52 yen	61 yen	9 yen
Total Annual Cash Dividends	417 million yen	504 million yen	87 million
Dividend ratio	24.1%	20.4%	(3.7%)
Ratio of dividends to shareholder's equity	4.0%	4.0%	Opt

5. Outlook for Fiscal 2013

	Year ending March 31, 2014	
	Yen (millions)	YOY change (% or millions yen)
1. Sales	86,000	18.4%
2. Operating income	5,300	856
3. Ordinary income	5,310	854
4. Net income	2,850	383
5. Net income per share	172.08	22.56

Note: Figures took into account a 1:2 stock split on common stock with an effective date of April 1, 2013.

1. Qualitative Information Concerning Consolidated Business Results

(1) Business Results

	Year ended March 31, 2013	
	Yen (millions)	YOY change (% or millions yen)
1. Sales	72,621	12.9%
2. Operating income	4,444	970
3. Ordinary income	4,456	1,002
4. Net income	2,467	767
5. Net income per share	149.52 yen	41.47 yen

In fiscal 2012, the year ended March 31, 2013, the Japanese economy moved into a recovery phase thanks to public works spending on reconstruction efforts after The Great East Japan Earthquake. But the economic prospects remained uncertain because the sovereign debt crisis continued in Europe and emerging countries also experienced an economic slowdown. However, the Japanese economy is expected to recover as the excessive appreciation of yen has been corrected and share prices have surged, reflecting expectations of the economic measures implemented by the new government since December, 2012.

In this environment, Nac boosted its business activities based on the medium-term targets (100 billion yen sales in FY2014). Nac grew steadily and achieved higher sales year on year in all segments, resulting from 20 new stores in the Housing Sales Business, growing sales at directly managed stores in the CreCla Business, and the effect of buying building maintenance business in the Rental Business.

As a result, Nac consolidated sales for fiscal 2012 increased 12.9% year on year, to 72,621 million yen. Nac posted operating income of 4,444 million yen, up 27.9% year on year, and ordinary income of 4,456 million yen, up 29.0% year on year, and net income of 2,467 million yen, up 45.1% year on year, all record-highs for the Group.

As for non-consolidated operating results, Nac posted sales of 28,789 million yen, up 5.8% year on year, and operating income of 1,781 million yen, up 11.7% year on year, and ordinary income of 1,822 million yen, up 13.0% year on year, and net income of 943 million yen, up 44.6% year on year.

Operating results by segment were as follows.

In addition to the operating income or loss of each segment, the Group posted 1,072 million yen as corporate expenses, which are not attributable to any segment.

(2) Sales and Operating income by Segment

[CleCla Business (Bottled Water)]

	Year ended March 31, 2013	
	Yen (millions)	YOY change (% or millions yen)
1. Sales	13,235	1.3%
2. Operating income	576	47

For fiscal 2012, the segment stepped up PR to boost CreCla brand and awareness of bottled water. The number of bottles produced grew steadily and recorded 17 million bottles, up 12.8% year on year, achieving double digit growth. Especially, the number of bottles sold to affiliated stores increased 22% year on year on back of steady expansion in affiliated stores.

Number of customers also increased at directly managed stores, but Nac could not allocate enough sales representatives, bringing about losing sales and maintenance delay. It took a couple of months to improve the condition, and so Nac could not catch up the sales plan.

Water cooler sales to affiliated stores also fell short of plan because affiliated stores had excess stock of water coolers as a reaction to rapid rise in customers after Great East Japan Earthquake.

As a result, the segment recorded sales of 13,235 million yen, up 1.3% year on year, and operating income of 576 million yen, up 8.9% year on year. During the fiscal year under review, the segment opened 2 directly managed plants in Nagoya and Chiba city.

[Rental Business]

	Year ended March 31, 2013	
	Yen (millions)	YOY change (% or millions yen)
1. Sales	11,884	9.4%
2. Operating income	1,582	47

As the cleaning equipment market is mature, the segment deploys Merger and Acquisitions for new sources of growth. In the fiscal 2011, the segment bought a building maintenance company Earnest Corporation. And in the fiscal 2012, Earnest launched two new services in order to promote sales through web site, which contributed to more revenue. Besides, the segment bought Duskin's Gyoda office from Duskin Co., LTD. and succeeded in merger integration, generating more sales. As a result, segment sales increased 9.3% year on year, to 11,884 million yen, and operating income increased 3.0% year on year, to 1,582 million yen. Operational efficiency improved in each With-branded pest control devices stores, delivering more sales and profits.

[Construction Consulting Business]

	Year ended March 31, 2013	
	Yen (millions)	YOY change (% or millions yen)
1. Sales	4,455	33.5%
2. Operating income	670	126

In the housing market, as new housing starts gradually recovered, the sales of building firms increased step by step. Owing to this, sales of mainstay know-how system products for building firms grew steadily. In addition to launching new products, the segment improved training and support services for affiliated building firms. This effort activated affiliated firms and let them buy more products.

As housing and remodeling market grew, the segment boosted business activities targeting local builders and home remodeling companies, and so expanded distribution channels for selling construction materials including solar power systems. As a result, sales increased almost as planned, but operating income recorded lower than plan mainly due to increase in sales promotion cost and allowances of bad debts.

The segment recorded sales of 4,455 million yen, up 33.5% year on year, and operating income of 670 million yen, up 23.2% year on year.

[Housing Sales Business]

	Year ended March 31, 2013	
	Yen (millions)	YOY change (% or millions yen)
1. Sales	43,049	16.2%
2. Operating income	2,686	828

The housing market gradually recovered and new housing starts increased for three consecutive years, assisted by continuing low interest rates and central government measures for supporting housing acquisition. In this environment, segment sales increased 16.2% year on year, to 43,049 million yen, due to the proactive opening stores and a steady rise in average sales price in urban areas. Increase in sales offset cost of opening new stores and personnel expenses, and so segment operating income sharply increased 44.5% year on year, to 2,686 million yen.

The housing market showed a little weakness because the outline of tax revisions was uncertain, such as tax deduction for housing loans, assuming a consumption tax increase. But the number of orders recorded 2,575 (compared with 2,545 in the previous year), and the number of orders in hand recoded 1,306 (compared with 1,187 in the previous year), mainly due to the opening new stores.

During the fiscal year under review, the segment opened 20 new branches and model display sites, bringing the total number of stores to 44 branches and 31 model display sites. In addition, the segment developed a new Smart House product and accelerated store openings in urban areas. The segment plans to expand into metropolitan regions, such as Tokyo, Kanagawa, Chiba, and Saitama prefectures.