

FOR IMMEDIATE RELEASE

Nac Announces Consolidated Financial Results
for the First Quarter ended June 30, 2013

Tokyo, August 9, 2013 --- Nac Ltd. (TSE:9788) today announced its consolidated financial results for the first Quarter of fiscal 2013, ended June 30, 2013.

Notes:1. In the case of inconsistencies between the Japanese and English versions of this release, the Japanese version will control and supersede any ambiguities.

2. Operating income is presented in accordance with financial reporting principles and practices generally accepted in Japan.

1. Summary

	Three months ended June 30		
	Yen (millions)		(B)/(A) (%)
	2012(A)	2013(B)	
1. Sales	13,627	15,215	111.7
2. Gross Profit	5,386	5,875	109.1
3. SG&A	5,454	6,246	114.5
4. Operating income	(68)	(371)	-
5. Ordinary income	(63)	(352)	-
6. Net income	(810)	(541)	-

2. Financial Results by Segment

	Three months ended June 30		
	Yen (millions)		(B)/(A) (%)
	2012(A)	2013(B)	
1. Sales			
CreCla	3,301	3,142	95.2
Rental	2,889	2,953	102.2
Construction Consulting	899	1,072	119.2
Housing Sales	6,538	8,047	123.1
Total	13,627	15,215	111.7

2. Operating income			
CreCla	65	(192)	-
Rental	291	356	122.6
Construction Consulting	44	161	358.7
Housing Sales	(198)	(410)	-
Elimination, HQ costs	(271)	(286)	-
Total	(68)	(371)	-

3. Financial Position

(Millions of yen)

	As of March 31, 2013 (A)	As of June 30, 2013 (B)	(B)-(A)
1. Total assets	29,971	29,946	(24)
2. Total liabilities	16,322	17,111	788
3. Shareholder's equity	14,448	13,676	(771)
4. Total net assets	13,648	12,835	(813)
5. Equity ratio	45.5%	42.9%	(2.6pt)

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

4. Outlook for Fiscal 2013

	Year ending March 30, 2014	
	Yen (millions)	YOY change (% or millions yen)
1. Sales	94,500	30.1%
2. Operating income	5,450	1,006
3. Ordinary income	5,460	1,004
4. Net income	2,850	383
5. Net income per share	172.08	22.56

Note: Nac revised the Company's consolidated business forecasts for the Fiscal 2013, expecting higher revenues from the acquisition of JIMOS Co., Ltd. and J-wood Co., Ltd. (August 9, 2013)

1. Qualitative Information Concerning Consolidated Business Results

(1) Summary of Fiscal 2013 First-Quarter Consolidated Business Results

	Three months ended June 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	15,215	111.7%
2. Operating income	(371)	(303)
3. Ordinary income	(352)	(288)
4. Net income	(541)	269

During the first quarter of fiscal 2013, the Japanese economy continued to display some positive signs of recovery, due to the yen's correction and higher share prices resulting from the economic policy implemented by the government and massive quantitative easing led by the Bank of Japan. Therefore, more improvement is expected in corporate performances.

However, attention should be given to the risks that the economy is depressed by the influence of the economic slowdown in emerging countries and uncertain labor market in Japan. So, it is essential to monitor the consumer spending outlook, considering economic policies after the consumption tax increase and expenses of social welfare insurance.

In the housing market, new housing starts continued to increase, assisted by last-minute demand before the tax increase, in addition to central measures for supporting housing acquisition and continuing low interest rates. On the other hand, in the retail and service businesses, competition among companies became severe including different types of business. And so, the business condition is uncertain.

In this environment, Nac boosted its business activities based on the medium-term targets (100 billion sales in FY2014), proactively opening new stores in the housing sales business and strongly promoting products in the delivery business in order to acquire new customers at the beginning of fiscal

year.

As a result, Nac consolidated sales for the first quarter increased 11.7% year on year, to 15,215 million yen. Nac posted operating loss of 371 million yen, 303 million yen worse than the operating loss recorded in the first quarter of fiscal 2012 as a result of increasing sales promotion cost, and ordinary loss of 352 million yen, 288 million yen worse than the ordinary loss recorded in the first quarter of fiscal 2012, and net loss of 541 million yen, 269 million yen better than the net loss recorded in the first quarter of fiscal 2012.

Operating results by segment were as follows.

In addition to the operating income or loss of each segment, the Group posted 286 million yen as corporate expenses, which are not attributable to any segment.

(2) Sales and Operating income by Segment

[CleCla Business (Bottled Water)]

	Three months ended June 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	3,142	(4.8%)
2. Operating income	(192)	(257)

Directly managed stores intensively conducted sales promotion to acquire new customers at the beginning of fiscal year, acquiring more customers than planned, which will contribute to profit growth throughout fiscal 2013. At affiliated companies, the number of customers increased but fell short of plan. And so, while the wholesale volume of bottles increased, sales of water coolers decreased and sales of plant component was postponed until the second quarter of fiscal 2013.

As a result, the segment recorded sales of 3,142 million yen, down 4.8% year on year, and operating loss of 192 million yen, 257 million yen worse than the

operating income recorded in the first quarter of fiscal 2012, mainly due to increasing personnel expenses and sales promotion cost.

During the first quarter under review, the segment opened 1 directly managed store in Saitama city.

[Rental Business]

	Three months ended June 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	2,953	2.2%
2. Operating income	356	65

The market of Duskin for business remains severe, but the order of a regular cleaning plan provided by Earnest (acquired in fiscal 2011) continuously increased and contributed to sales growth. The number of Duskin consumer customers increased as targeted, resulting from intensive sales promotion at the beginning of fiscal year. With-branded pest control devices division faced staff shortage at directly managed stores but sales increased as targeted due to sales growth from affiliated stores.

As a result, segment sales increased 2.2% year on year, to 2,953 million yen, and operating income increased 22.6% year on year, to 356 million yen.

[Construction Consulting Business]

	Three months ended June 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	1,072	19.2%
2. Operating income	161	116

In the housing market, as new housing starts gradually recovered, the sales of building firms increased step by step. In this environment, consulting business expanded the lineup such as constructing technical system of natural houses. Sales foundation of construction materials has been established in fiscal 2012, thus sales and profit from construction materials grew despite the decreasing number of subsidy application for solar power systems.

As a result, the segment recorded sales of 1,072 million yen, up 19.2% year on year, and operating income of 161 million yen, up 258.7% year on year.

[Housing Sales Business]

	Three months ended June 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	8,047	23.1%
2. Operating income	(410)	(212)

The segment sales recorded 8,047 million yen, up 23.0% year on year, due to 1,306 orders in hand as of the end of fiscal 2012. In terms of profit and loss, housing sales business tends to post an operating loss in the first quarter because hand-overs usually concentrate around fiscal year-end. In addition, store opening cost and sales promotion cost increased in the first quarter of fiscal 2013 because the segment accelerated the opening of new stores and opened more stores than the first quarter of fiscal 2012. As a result, the segment posted operating loss of 410 million yen, 212 million yen worse than the operating loss recorded in the first quarter of fiscal 2012.

The orders in hand as of June 30, 2013 were 1,606, compared with 1,401 as of June 30, 2012. Orders and Unit prices increased as targeted due to the revision of sale strategies and flagship products by region.

In addition, the following were newly opened: Toyosu model display site, Hachioji model display site, Sagamihara model display site, Matsudo model display site, Maebashi model display site, Koshigaya model display site, Housing stage Takenozuka, Housing stage Ichinoe and Oita branch store, bringing the total number of stores to 45 branches and 39 model display sites.