Consolidated Financial Flash Report for the Third Quarter Ended December 31, 2010

The Company Nac released Consolidated Financial Flash Report for the Third Quarter Ended December 31, 2010 on February 9, 2011. The summary is as follows. The details are shown in the Information Service for Timely Disclosure on the website of Tokyo Stock Exchange, Inc. or on our website.

Operating results for the nine months ended December 31, 2010

During the nine months ended December 31, 2010 (from April 1, 2010 to December 31, 2010), the Japanese economy was observed to show a sign of gradual recovery as a result of increased demand in emerging countries and the effect of economic measures by the government. However, future prospects remained uncertain due to factors such as a stagnant employment environment, a prolonged appreciation of the yen, and a continued trend of deflation.
In this environment, the Group, while striving to strengthen the business structure in each business area, undertook fierce business development. As a result, we recorded consolidated operating results for the nine months ended December 31, 2010 with net sales of 39,122 million yen, up 10.3% year on year, an operating income of 1,439 million yen, up 104.9% year on year, an ordinary income of 1,421 million yen, up 104.2% year on year, and a net income of 980 million yen, up 407.0% year on year.

Operating results by segment are as follows.

Note that the operating income or loss of each segment excludes marketing and other expenses related to the headquarters administration section because it is difficult to allocate respective expenses to each segment.

(Rental Division)
Regarding sales of mainstay dust control products, the number of customers dropped mainly due to the effect from cost cutting efforts on the part of companies in the wake of the stagnant economy. In particular, in the commercial-use market in which the number of customers has been declining, although the number of contracts for sterilization/deodorant related and other products grew, business was overall lackluster due to the impact of the difficult market environment, including increasing consciousness of cost reduction.
In the household market, as a result of the aggressive implementation of exhaustive visiting activities rooted in local communities, and the strengthening of sales promotion activities for air purifiers, the performance in this market was satisfactory overall.
Sales of pest control devices rose year on year as a result of the effect of sales campaigns and other factors.
As a result, although the Rental Division posted a 0.1% year-on-year decrease in net sales to 8,439 million yen, the rationalization measures, such as personnel and other cost reductions, resulted in an 11.3% year-on-year increase in operating income to 1,409 million yen.

(Construction Consulting Division)
Benefiting from the introduction of new products, sales were on an upward trend to some extent. However in addition to the long-lasting slowdown in the construction market, factors such as the expiration of consigned sales for some know-how system products caused net sales and operating income to decrease by 12.4% year on year to 1,657 million yen and 37.2% year on year to 251 million yen, respectively.
During the nine months ended December 31, 2010, we undertook measures to improve earnings, including product development that accurately captures and meets the needs of regional building firms, and expanding the lineup of construction materials and residential construction equipment to be sold to member building firms in a format that avoids inventory and credit risks, among others.

(Bottled Water Sales Division)
Supported by the factors such as increased recognition of the brand “CreCla” as a result of implementing proactive promotion activities and the expansion of our sales network by substantially increasing the number of our directly-managed stores and agents, the number of customers steadily increased. As a result, net sales of the Bottled Water Sales Division

significantly increased to 6,958 million yen, up 23.8% year-on-year. However, with the increase in the number of sales personnel as well as the burden of future expenses incurred in relation to new agency development and promotion activities, the division posted operating loss of 57 million yen, compared with an operating loss of 192 million yen for the same period a year ago.
During the nine months ended December 31, 2010, we undertook measures to further strengthen and expand our business base, including organizational reforms, undertaken to fortify our business promotion system, production capacity increases, achieved by constructing a new plant in Fukuoka city, Japan, business efficiency improvements, achieved by introducing vehicles that utilize proprietary technology and that are specially made for delivery, and the development of energy-efficient servers.

(Housing Sales Division)
Thanks to an increase in the number of house constructions completed as well as an increase in orders received for homes with installed solar systems and for related construction works (exterior construction works, lighting fixture, air conditioners, etc.), the Housing Sales Division posted a 13.1% year-on-year increase in net sales to 22,066 million yen. In addition to the increased sales, combined effects such as cost reduction by the appropriate placement of employees and business efficiency improvement resulted from enhanced management systems in the design and building sections, etc., the division posted operating income of 634 million yen. We were able to achieve this considerable improvement in the operating income from the 78 million yen operating loss in the same period of the previous year.
On the back of the economic stimulus measures taken by the government such as the preferential tax system for residential property acquisition, low interest rates and the eco-points program, we took action to strengthen the sales system whereby the office managers played a greater management role and to become better established in areas by constructing temporary model home displays. With 1,626 buildings ordered during the nine month period, compared with 1,277 buildings in the same period of the previous year, the Group expects to easily achieve the initial revenue targets for the full year, considering that there was an order backlog of 978 buildings (compared with 883 buildings in the same period of the previous year).
As of the end of the nine-month period, the total number of stores stood at 37, following new store openings in Kofu city and Hitachi city.

Consolidated Financial Flash Report

1. Consolidated performance for the Year Ended March 31,2011

(from April 1, 2010 to December 31, 2010)

(1) Consolidated operating results

(Millions of yen, except per share amounts)

	Nine months ended December 31		
	2009	**2010**	**Change**
Net sales	35,476	39,122	10.3%
Operating income	702	1,439	104.9%
Ordinary income	696	1,421	104.2%
Net income	193	980	407.0%
Net income per share	¥23.79	¥120.60	

(2) Consolidated financial position

	December 31		
	2009	**2010**	March 31,2010
Total assets	19,256	21,267	18,238
Net assets	7,562	8,899	8,273
Equity ratio	39.3%	41.8%	45.4%
Net assets per share	¥930.44	¥1,095.05	¥1,017.97

(3) Consolidated cash flows

	Nine months ended Dcember 31	
	2009	**2010**
Cash flows from operating income	714	1,954
Cash flows from investing activities	(141)	(983)
Cash flows from financing activities	(675)	(848)
Cash and cash equivalents	3,572	3,997

2. Cash Dividends

	Year ended March 31	
	2010	**2011**
Interim	¥18.00	¥20.00
Year-end	¥21.00	¥22.00
Full year	¥39.00	¥42.00

3. Projected consolidated performance for the Year Ended March 31,2011

(from April 1, 2010 to March 31, 2011)

	Year ended March 31		
	2010	**2011**	**Change**
Net sales	50,295	54,000	7.4%
Operating income	1,768	2,000	13.1%
Ordinary income	1,776	2,000	12.6%
Net income	901	1,300	44.3%
Net income per share	¥110.98	¥159.95	