

FOR IMMEDIATE RELEASE

Nac Announces Consolidated Financial Results
for the Second Quarter ended September 30, 2013

Tokyo, November 8, 2013 --- Nac Ltd. (TSE:9788) today announced its consolidated financial results for the Second Quarter of fiscal 2013, ended September 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

	Six months ended September 30		
	Yen (millions)		(B)/(A) (%)
	2012(A)	2013(B)	
1. Sales	32,785	39,631	120.9
2. Gross Profit	12,394	15,460	124.7
3. SG&A	11,086	14,051	126.7
4. Operating income	1,307	1,408	107.7
5. Ordinary income	1,311	1,423	108.6
6. Net income	401	773	192.8

2. Financial Results by Segment

	Six months ended September 30		
	Yen (millions)		(B)/(A) (%)
	2012(A)	2013(B)	
1. Sales			
CreCla	6,937	6,990	100.8
Rental	5,904	6,098	103.2
Construction Consulting	2,065	2,413	116.9
Housing Sales	17,877	22,049	123.3
Mail-order	-	2,079	-
Total	32,785	39,631	120.8

2. Operating income			
CreCla	353	146	41.6
Rental	712	874	122.7
Construction Consulting	162	445	273.6
Housing Sales	602	540	89.7
Mail-order	-	20	-
Elimination, HQ costs	(523)	(617)	118.0
Total	1,307	1,408	107.7

3. Financial Position

(Millions of yen)

	As of March 31, 2013 (A)	As of Sept. 30, 2013 (B)	(B)-(A)
1. Total assets	29,971	38,612	8,641
2. Total liabilities	16,322	24,439	8,116
3. Shareholder's equity	14,448	15,031	582
4. Total net assets	13,648	14,173	524
5. Equity ratio	45.5%	36.7%	(8.8pt)

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	93,400	28.6%
2. Operating income	5,150	706
3. Ordinary income	5,170	714
4. Net income	2,850	383
5. Net income per share	171.63	22.11

Note: Nac revised the Company's consolidated business forecasts for the Fiscal 2013, planning to strengthen sales activities and increase sales promotion cost in Mail-order business. (November 8, 2013)

1. Qualitative Information Concerning Consolidated Business Results

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

	Six months ended Sept. 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	39,631	20.9%
2. Operating income	1,408	101
3. Ordinary income	1,423	112
4. Net income	773	372

During the six months ended September 30, 2013, the Japanese economy was on a way to mild recovery with improved corporate earnings and signs of picking up in consumer spending, supported by the government-led economic policy and monetary easing by the Bank of Japan. And so, this brought heightened sense of expectation for a recovery. However, given the current economic surroundings such as the rise of energy prices and materials cost due to the weak yen, and the uncertain effect of tax hike in next spring, it is essential to monitor the economic outlook concerning a substantial recovery of consumer spending.

In the housing market, which is one of our businesses, new housing starts continued to increase, reflecting a last-minute demand before the tax increase and expected rises of land prices and mortgage rates. On the other hand, in the retail and service businesses, the business condition is uncertain because competitions among companies became severe including different types of business.

Amid these circumstances, the Nac group has worked to promote the conglomerate business model, which is our fundamental strategies since NAC's establishment, accelerating sales promotions to achieve the medium-term targets; 100 billion sales. In the housing business, 20 new stores opened in the previous fiscal year contributed to income growth and the number of orders in hand steadily increased. And during the six months, we continuously opened new

stores mainly in metropolitan areas to secure more orders. In addition, we acquired 100% of the share capital of JIMOS Co., Ltd., the mail-order business company focused on cosmetics and health food, and J-wood Co., Ltd., the built-to-order housing company located in Iwate prefecture. The both companies became consolidated subsidiaries of Nac Co., Ltd.

As a result, consolidated financial results for the six months recorded net sales of 39,631 million yen, an increase of 20.9% compared to the same period in the previous year. Nac posted operating income of 1,408 million yen, up 7.7%, and ordinary income of 1,423 million yen, up 8.6%, and net income of 773 million yen, up 92.6%.

Operating results by segment were as follows. To be noticed, we established a Mail-order business segment from the three months ended September 30, 2013, as JIMOS Co., Ltd. became a consolidated subsidiary of us.

In addition to the operating income or loss of each segment, the Group posted 617 million yen as corporate expenses, which are not attributable to any segment.

(2) Sales and operating income by Segment

[CreCla Business (Bottled Water)]

	Six months ended Sept. 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	6,991	0.8%
2. Operating income	146	(206)

During the six months ended September 30, 2013, we continuously conducted sales promotion to boost our "CreCla" brand, and so the number of customers increased in both directly managed stores and affiliated stores, bringing an increase in the number of bottles sold to customers. On the other hand, the wholesale volume of water coolers to affiliated stores decreased compared to the last year's figure. As a result, the segment recorded sales of 6,991 million yen, up

0.8% compared to the same period in the previous year.

In terms of profit and loss, the segment posted operating income of 146 million yen, down 58.4% compared to the same period in the previous year, due to an increase in personnel expenses along with the recruitment of more sales staffs and an increase in sales promotion cost as we continued to strengthen sales activities.

During the three months ended September 30, 2013, we opened 1 directly managed store in Yokohama city.

[Rental Business]

	Six months ended Sept. 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	6,098	3.2%
2. Operating income	874	161

Regarding sales of mainstay dust control products, the market condition of Duskin for business remained severe, and the number of Duskin consumer customers was below the target due to staff shortage. The sales of a regular cleaning plan provided by Nac's subsidiary increased compared to the same period in the previous year as a result of strengthened sales activities. Regarding sales of With-branded pest control devices, we faced staff shortage at directly managed stores and sales of newly launched products were lower than plan. Nevertheless, sales to affiliated stores steadily grew.

As a result, the segment sales increased 3.2% compared to the same period in the previous year, to 6,098 million yen, and operating income increased 22.7%, to 874 million yen.

[Construction Consulting Business]

	Six months ended Sept. 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	2,413	16.8%
2. Operating income	445	282

This segment targeted building firms and their market condition gradually improved along with an increase in the number of new housing starts. Amid these circumstances, we launched new products of know-how systems relating to natural houses and designer-brand houses. Regarding sales of construction materials, whose mainstay were solar energy systems, the market of solar energy systems for built houses faced slight slowdown in its growth. However, both sales and profit grew due to an improvement in cost rate and a cost reduction in SG&A.

As a result, the segment sales increased 16.8% compared to the same period in the previous year, to 2,413 million yen, and operating income increased 173.6%, to 445 million yen.

[Housing Sales Business]

	Six months ended Sept. 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	22,049	23.3%
2. Operating income	540	(62)

During the six months under review, we proactively continued to open new stores mainly in metropolitan area, strengthening sales activities. As new housing starts continued to increase, a price hike of construction materials and a lengthening of construction time due to workmen shortage was concerned. The number of completions and delivers of houses, however, steadily increased compared to the last year's figure, contributing to sales growth.

Moreover, sales and profit of J-wood Co., Ltd. was added to this segment as

J-wood became a consolidated subsidiary of Nac Co., Ltd. from the three months ended September 30, 2013.

As a result, the segment sales recorded 22,049 million yen, up 23.3% compared to the same period in the previous year. In terms of profit and loss, however, the segment posted operating income of 540 million yen, down 10.3%. This was because we opened 5 more stores (15 stores in total) during the six months than the same period in the previous year (10 stores in total), resulting in a rise of opening new stores cost and so on.

With respect to orders received, the orders in hand as of September 30, 2013 were 1,860, compared with 1,434 as of September 30, 2012. The number of orders in metropolitan areas increased and sales activities of existing stores improved, contributing to a growth trend of orders and unit prices.

In addition, the followings were newly opened during the three months ended September 30, 2013; Yokohama model display site, Totsuka model display site, Kani model display site, Omi-hachiman model display site, Kobe-kita branch store, Kobe-nishi model display site, bringing the total number of stores to 46 branches and 44 model display sites. Moreover, J-wood Co., Ltd. had 3 model display sites in Iwate prefecture.

[Mail-order Business]

	Six months ended Sept. 30, 2013	
	Yen (millions)	YOY change (% or million yen)
1. Sales	2,079	
2. Operating income	20	

In July, 2013, Nac Co., Ltd. acquired 100% of the share capital of JIMOS Co., Ltd. and added JIMOS to Nac Group, entering into mail-order business as a new business. The sales of this segment were consisted of the followings;

(1) "MACCHIA Lb.": Mainstay brand of cosmetics, (2) "Coyori": Second brand of

natural products for skin and hair care, (3) "Taisha Seikatsu CLUB": Health food, (4) Wholesale of cosmetics for retailers, (5) Mail-order consulting.

During the three months ended September 30, 2013, the segment sales recorded 2,079 million yen, and the ordinary income posted 20 million yen.