

Results for FY2020 ended Mar.31, 2021 【 Reference 】

May 14th, 2021

NAC CO., LTD.

Code; 9788 TSE 1st section



Translation

In the case of inconsistencies between the Japanese and English version, the Japanese version will control and supersede any ambiguities.

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This document contains certain forward-looking statements including the NAC group of companies' sales and contract targets based on information available to us as of the date of release. These statements are subject to a number of risks and uncertainties such as economic and business conditions as well as the outcomes of new services.

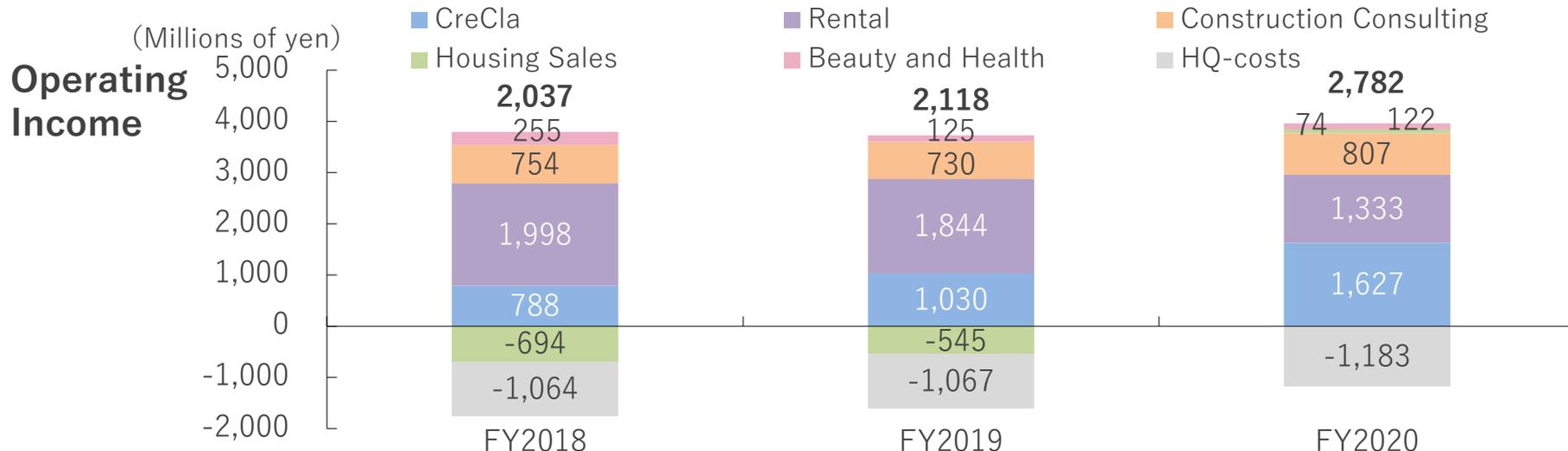
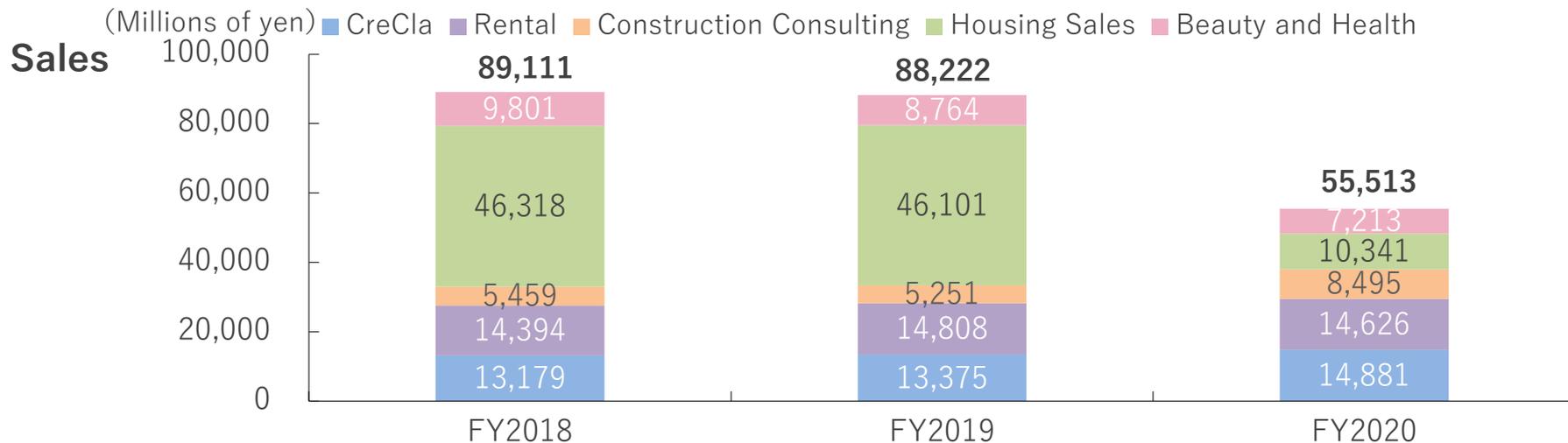
Therefore, please understand that actual future results may differ from the forward-looking statements.

1. Results for the Fiscal year (FY2020)

1

Comparison of 3 fiscal years

Note) The figures in the graph include internal transactions.



» Consolidated sales decreased year on year. This is because Leohouse Co., Ltd. was excluded from our consolidated subsidiaries from the first quarter of this fiscal year (Sales of 35,214 millions of yen).

» Operating income increased year on year, due to the exclusion of loss for Leohouse, which was recorded in the same period of the previous year (Operating loss of 357 millions of yen).

(Millions of yen)

	FY2020 Result	Plan Comparison		YoY Comparison	
		Plan	Actual/Plan Comparison	FY2019 Result	YoY Comparison
Sales	55,513	56,000	99.1 %	88,222	▲ 37.1 %
Gross profit	27,450	-	-	32,189	▲ 14.7 %
(Gross margin)	49.4 %	-	-	36.5 %	+ 13.0 pt
SG&A	24,668	-	-	30,071	▲ 18.0 %
Operating Income	2,782	2,000	139.1 %	2,118	31.3 %
(Operating margin)	5.0 %	3.6 %	+ 1.4 pt	2.4 %	+ 2.6 pt
Non-operating income and loss	▲ 98	-	-	▲ 19	-
Ordinary Income	2,683	1,900	141.2 %	2,098	27.9 %
Extra-ordinary income and loss	▲ 534	-	-	▲ 688	-
Net income attributable to owners of parent company	1,837	1,350	136.1 %	514	257.5 %

- » Consolidated sales decreased year on year. This is because Leohouse Co., Ltd. was excluded from our consolidated subsidiaries from the first quarter of this fiscal year.
- » Operating income increased year on year, due to the exclusion of loss for Leohouse, which posted operating loss in the previous year, and significant growth in the CreCla Business and Construction Consulting Business.

1 Sales by Segment

	FY2020 Result	Plan Comparison		YoY Comparison	
		Plan	Actual/Plan Comparison	FY2019 Result	YoY Comparison
CreCla	14,881	14,500	+ 381	13,375	+ 1,506
Rental	14,626	14,100	+ 526	14,808	▲ 182
Construction Consulting	8,495	9,000	▲ 505	5,251	+ 3,243
Housing Sales	10,341	10,000	+ 341	46,101	▲ 35,759
Beauty and Health	7,213	8,400	▲ 1,187	8,764	▲ 1,550
Elimination	▲ 45	-	▲ 45	▲ 80	+ 34
Total	55,513	56,000	▲ 487	88,222	▲ 32,708

- » In the CreCla Business, sales increased year on year due to the bottle price hike and increase customer unit price in our direct managed stores, increase in server sales in our affiliated stores, increased sales of ZiACO utilizing “hypochlorous acid water”.
- » In the Rental Business, sales remained on a par with the same period of previous fiscal year, although sales in the pest control devices business declined, sales increased in the Duskin business.
- » In the Construction Consulting Business, sales significantly increased year on year due to Suzukuri and ACEHOME added to the business segment since the 1st quarter.
- » In the Housing Sales Business, sales significantly decreased year on year, since Leohouse was excluded from our consolidated subsidiaries from the first quarter of this fiscal year.
- » In the Beauty and Health Business, sales decreased year on year due to decline in the number of customers. Unauthorized access to the server used at the company’s EC site for online-shopping of cosmetics took place July, 2019.

1 Operating income by Segments

(Note) The figures inside () marks indicate operating margin.

(Millions of yen)

	FY2020 Result	Plan Comparison		YoY Comparison	
		Plan	Actual/Plan Comparison	FY2018 Result	YoY Comparison
CreCla	1,627 (10.9 %)	1,300 (9.0 %)	+ 327 (+ 2.0 pt)	1,030 (7.7 %)	+ 596 (+ 3.2 pt)
Rental	1,333 (9.1 %)	1,300 (9.2 %)	+ 33 (▲ 0.1 pt)	1,844 (12.5 %)	▲ 511 (▲ 3.3 pt)
Construction Consulting	807 (9.5 %)	750 (8.3 %)	+ 57 (+ 1.2 pt)	730 (13.9 %)	+ 76 (▲ 4.4 pt)
Housing Sales	74 (0.7 %)	▲ 100 (▲ 1.0 %)	+ 174 (+ 1.7 pt)	▲ 545 (▲ 1.2 %)	+ 620 (+ 1.9 pt)
Beauty and Health	122 (1.7 %)	50 (0.6 %)	+ 72 (+ 1.1 pt)	125 (1.4 %)	▲ 2 (+ 0.3 pt)
Elimination, HQ Cost	▲ 1,183	▲ 1,300	+ 117	▲ 1,067	▲ 115
Total	2,782 (5.0 %)	2,000 (3.6 %)	+ 782 (+ 1.4 pt)	2,118 (2.4 %)	+ 663 (+ 2.6 pt)

- » In the CreCla Business, operating income increased year on year due to an increase in the sales.
- » In the Rental Business, operating income decreased year on year due to sales in the pest control devices business, which is highly profitable, declined.
- » In the Construction Consulting Business, operating income increased year on year since we increased sales in highly profitable construction know-how systems department.
- » In the Housing Sales Business, we posted operating income since Leohouse was excluded from our consolidated subsidiaries from the first quarter of this fiscal year.
- » In the Beauty and Health Business, operating income decreased year on year due to decrease in the sales at JIMOS.

1 Analysis for operating income & loss (YoY change)

			Comparison
FY2019 Operating Income		2,118	-
1. Gross profit		▲ 4,739	▲ 14.7 %
2. Increase and Decrease of SG&A	Personnel expenses	+ 1,877	+ 17.0 %
	Sales promotion costs and Advertising Exp.	+ 1,112	+ 27.1 %
	Rent and Rent expenses	+ 547	+ 26.0 %
	Depreciation and Amortization	+ 461	+ 31.0 %
	Commission paid	+ 73	+ 5.5 %
	Others	+ 1,331	+ 13.3 %
FY2020 Operating Income		2,782	+ 31.3 %

※Increase and Decrease of SG&A
+ Increase in profit and loss
▲ Decrease in the profit and loss

1. The reason of increases in Gross profit
 - » This is due to Leohouse was excluded from our consolidated subsidiaries from the first quarter of this fiscal year.
2. The reason of increases and decreases in SG&A
 - » SG&A expenses decreased due to the exclusion of Leohouse as mentioned above and the reduction of advertising cost at JIMOS.

1 FY2020 Consolidated Balance Sheet

(Millions of yen)

	As of Mar.31 2021	Break down	As of Mar.31 2020	Break down	Comparison
Current assets	26,204	64.2 %	28,858	62.1 %	▲ 2,653
Total property, plant and equipment	8,841	21.6 %	10,615	22.9 %	▲ 1,774
Intangible assets	1,679	4.1 %	2,253	4.9 %	▲ 574
Investments and other assets	4,098	10.0 %	4,626	10.0 %	▲ 528
Non-current assets	14,619	35.8 %	17,496	37.7 %	▲ 2,876
Total deferred assets	23	0.1 %	78	0.2 %	▲ 55
Total assets	40,847	100.0 %	46,433	100.0 %	▲ 5,585
Current liabilities	13,619	33.3 %	20,125	43.3 %	▲ 6,505
Non-current liabilities	5,872	14.4 %	6,499	14.0 %	▲ 627
Total liabilities	19,492	47.7 %	26,625	57.3 %	▲ 7,133
Shareholder's equity	21,960	53.8 %	20,601	44.4 %	+ 1,358
Accumulated other comprehensive income	▲ 662	▲ 1.6 %	▲ 844	▲ 1.8 %	+ 181
Minority interest	57	0.1 %	50	0.1 %	+ 6
Total net assets	21,355	52.1 %	19,808	42.7 %	+ 1,547
Total liabilities and net assets	40,847	100.0 %	46,433	100.0 %	▲ 5,585

- Current assets : Cash and deposits + 5,073 Real estate for sale ▲ 2,890
Costs on uncompleted construction contracts ▲1,435
- Non-current assets : Building and structures ▲ 2,039 Deposit ▲ 456 Goodwill ▲ 562
- Current liabilities : Accounts payable ▲ 2,822 Advances received on uncompleted construction contracts ▲ 2,419
- Non-current liabilities : Asset retirement obligation ▲440 Long-term loans payable ▲ 340

Equity Ratio : 52.1 %

1 FY2020 Consolidated Cash Flow

(Millions of yen)

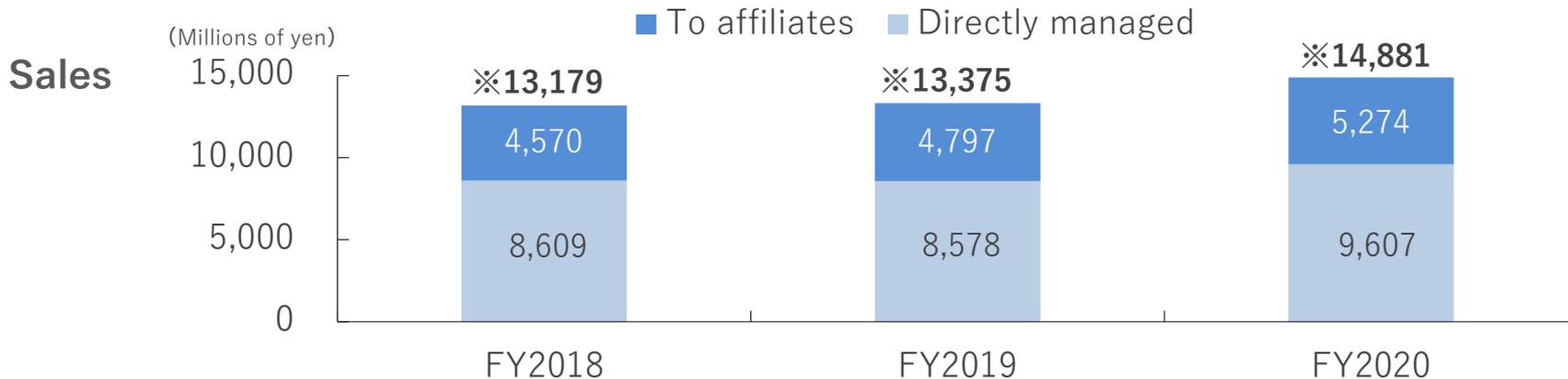
	FY2020	FY2019	Comparison
1.Net cash provided by operating activities	6,454	2,488	3,966
2.Net cash used in investing activities	▲ 1,448	▲ 1,706	257
3.Net cash used in financing activities	54	▲ 857	912
Net increases cash and cash equivalents	5,060	▲ 75	5,136
Cash and cash equivalents at beginning of period	9,115	9,167	▲ 52
Cash with the new connection and cash equal accrual	11	22	▲ 10
Cash and cash equivalents at end of period	14,188	9,115	5,073
Depreciation and amortization	1,007	1,374	▲ 366

The main reasons of the fluctuation

- Operating activities : Decrease in Short-term loans receivable + 2,172 Net income before income taxes + 2,149
Depreciation + 1,007 Inventory ▲ 976
- Investing activities : Payments for sales of shares of subsidiaries resulting in change in scope of consolidation ▲ 809
Purchase of intangible fixed assets ▲ 344 Purchase of tangible fixed asset ▲ 260
- Financing activities : Proceeds from sale-and-leaseback transactions + 1,046
Dividends ▲ 495

2. Results by Segments

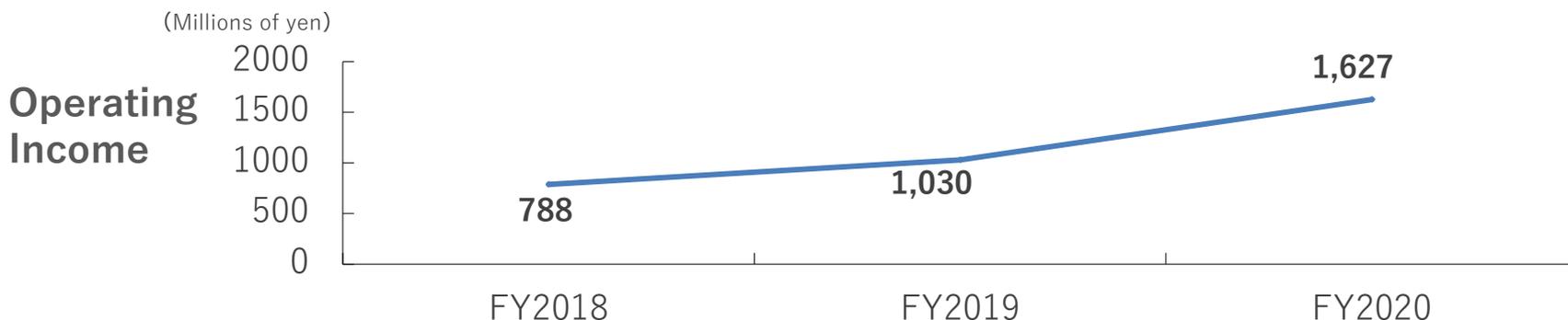
2 Results by Segment (1) CreCla ①



Internal transactions	0	0	0
Intersegment transactions	3	2	3

※The figures in the graph include the above internal transactions and intersegment transactions. (Millions of yen)

- » In our direct managed stores, while the demand for corporate customers decreased, the demand for household customers increased due to the increase in time spent at home, therefore sales increased year on year.
- » In our affiliated stores, sales increased year on year due to the rise in water server sales and the bottle price hike.

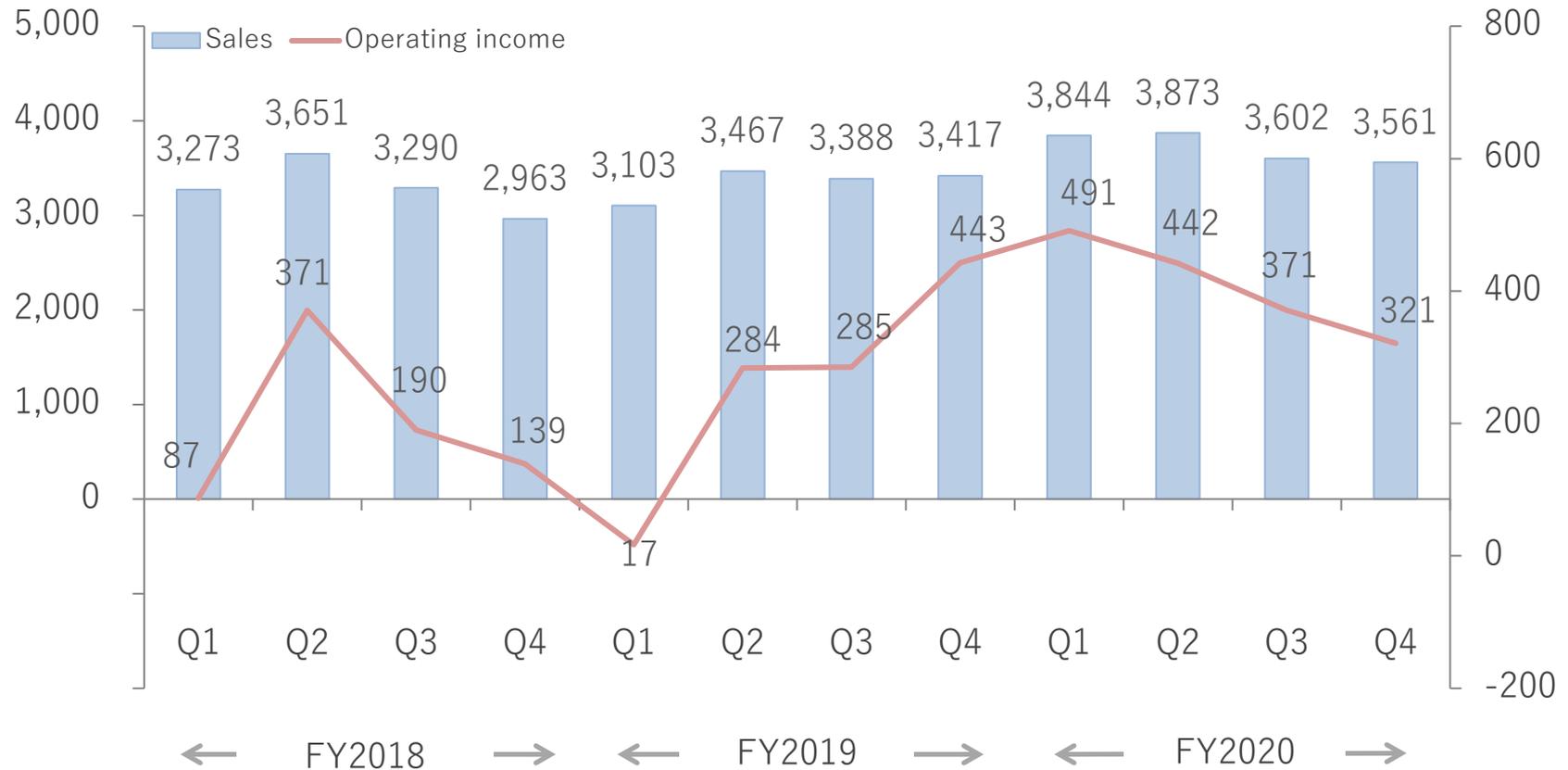


- » In the CreCla Business, operating income increased year on year thanks to increased sales.

2 Results by Segment (1) CreCla ②

(Millions of yen)

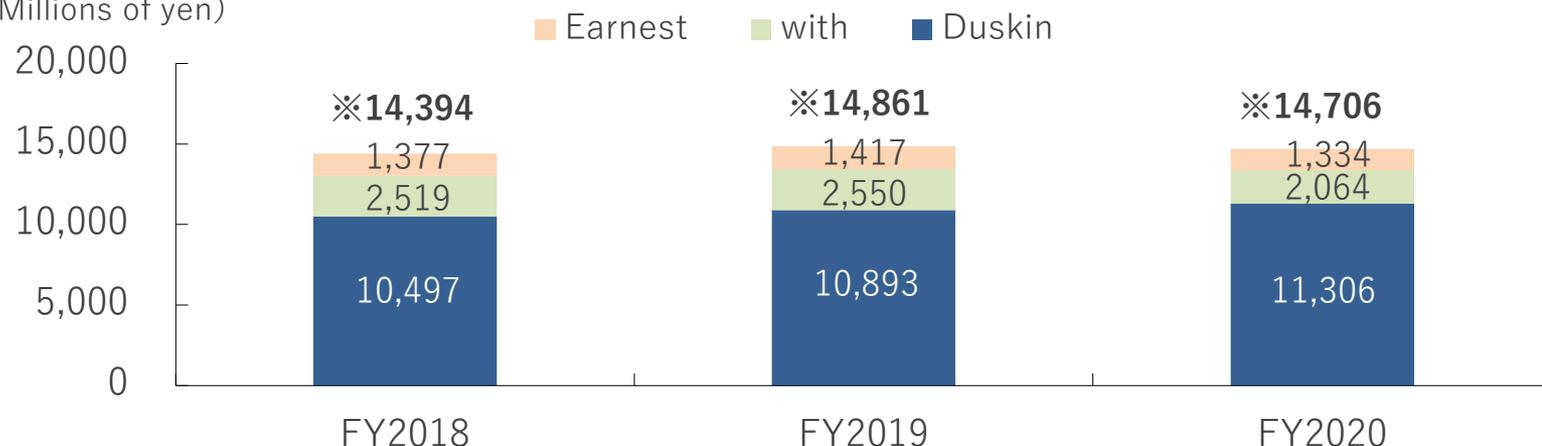
(Millions of yen)



» Sales promotion expenses such as TV commercial increase to Q1 , and operating Income tend to increases after Q2. In the current fiscal year, profits are high overall quarter due to increased household demand.

2 Results by Segment (2) Rental ①

Sales (Millions of yen)

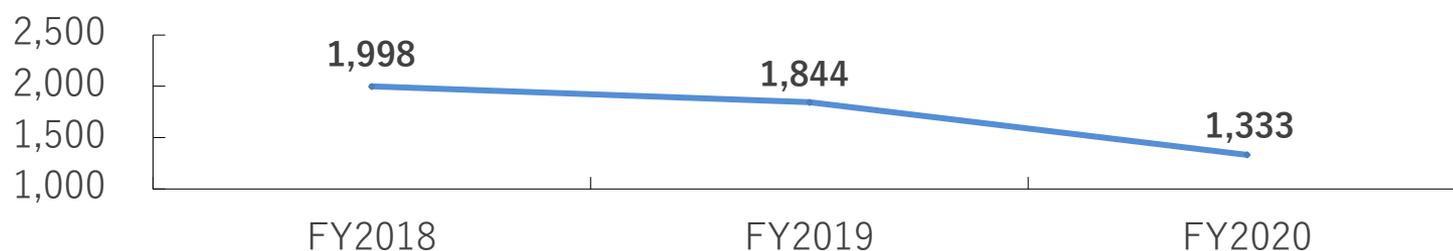


	FY2018	FY2019	FY2020
Internal transactions	0	52	79
Intersegment transactions	6	3	5

※The figures in the graph include the above internal transactions and intersegment transactions. (Millions of yen)

- » In the mainstay Duskin business, rental sales decreased at dust control products business. However, we made up for the decrease through selling products and sales in care services (i.e. the housekeeping service, exterminator and gardener). As a result, the Duskin business increased sales.
- » In the With-branded pest-control devices business, the main customer, restaurants, were temporary closed due to the COVID-19. Thus, we saw plunge in sales at this business.

Operating Income (Millions of yen)

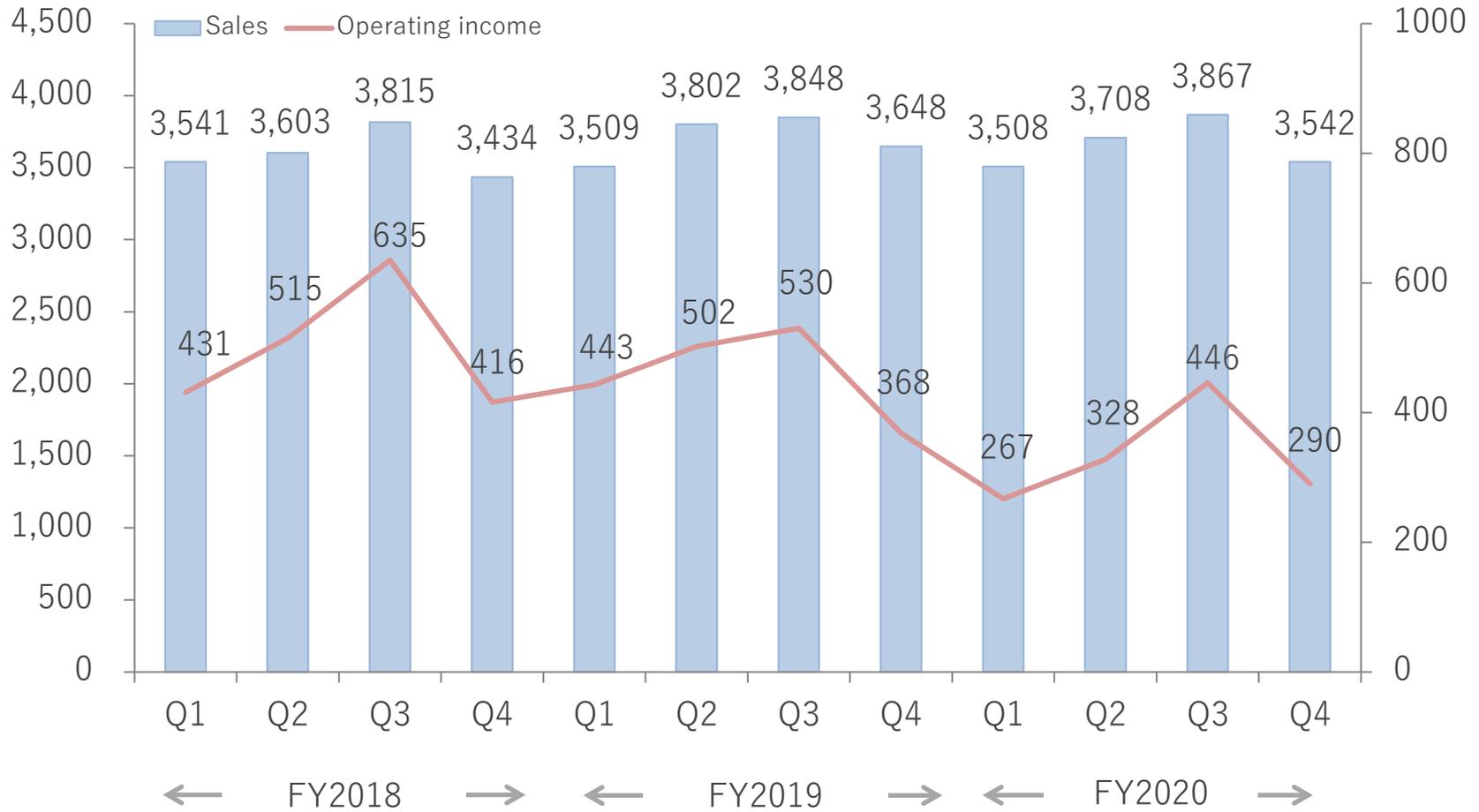


- » Operating income decreased due to a decrease in sales of the highly profitable With-branded pest-control devices business.

2 Results by Segment (2) Rental ②

(Millions of yen)

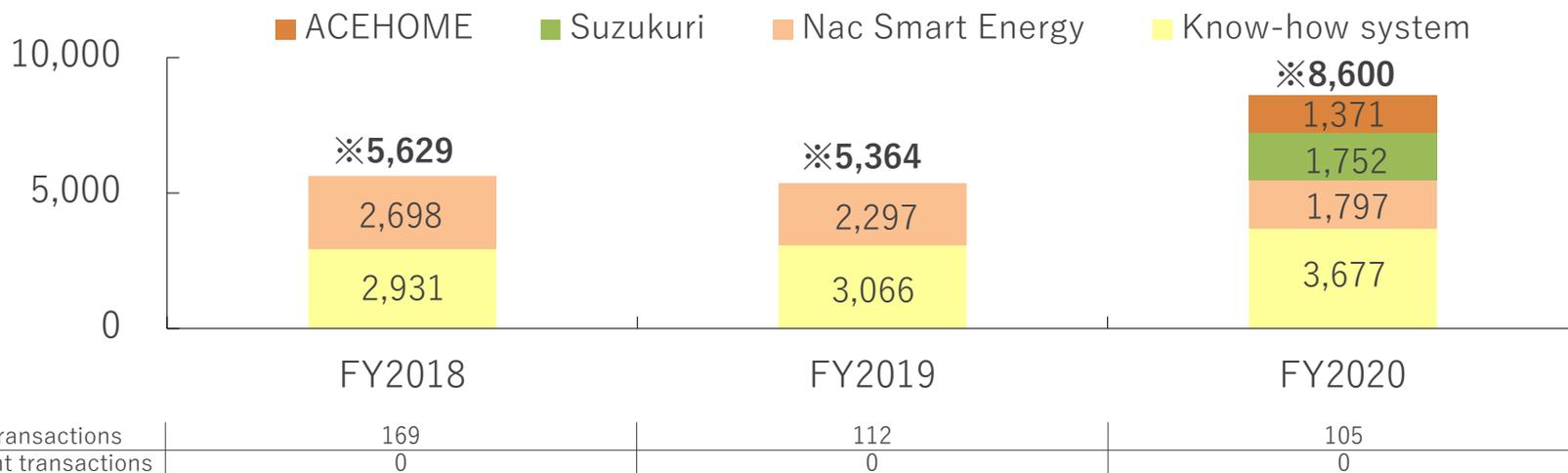
(Millions of yen)



- » Sales and operating income tend to hold steady through the year over.
- » In the current fiscal year, operating income decreased due to a decrease in sales of the highly profitable With-branded pest-control devices business.

2 Results by Segment (3) Construction Consulting ①

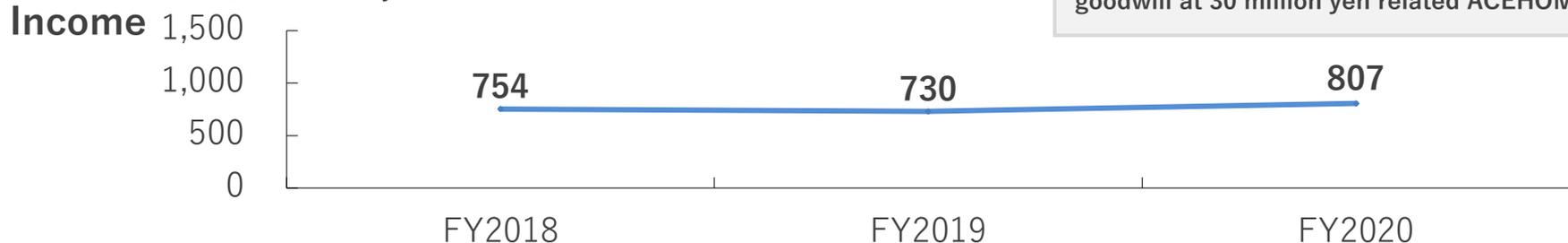
Sales (Millions of yen)



※The figures in the graph include the above internal transactions. (Millions of yen)

» From the first quarter of the current consolidated cumulative period, Suzukuri Co., Ltd. and ACEHOME Co., Ltd. have been added to this business segment. So, sales increased from the same period of the previous year.

Operating Income (Millions of yen)

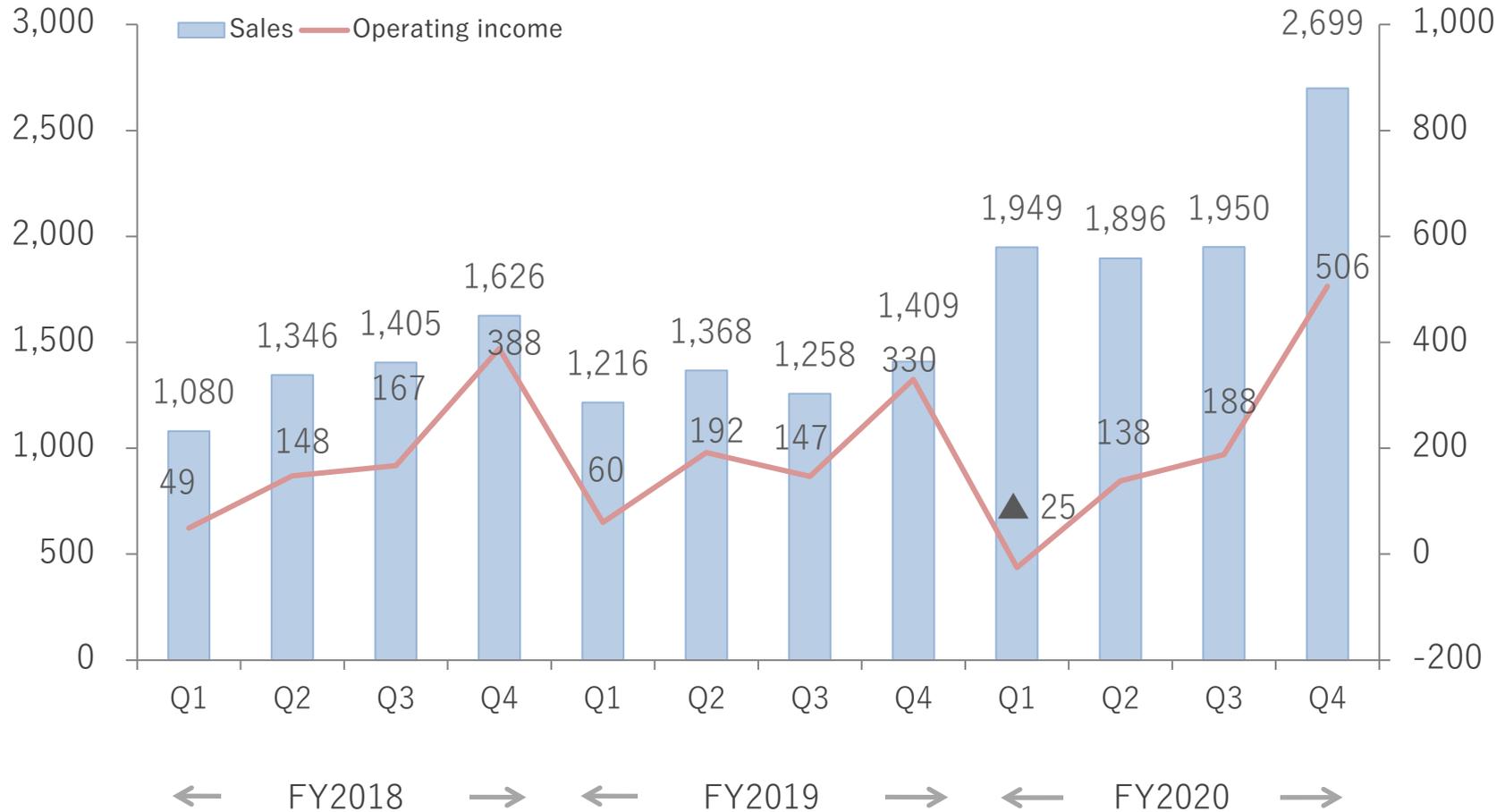


» Operating income increased year on year. This is because we increased sales in highly profitable construction know-how systems department.

2 Results by Segment (3) Construction Consulting ②

(Millions of yen)

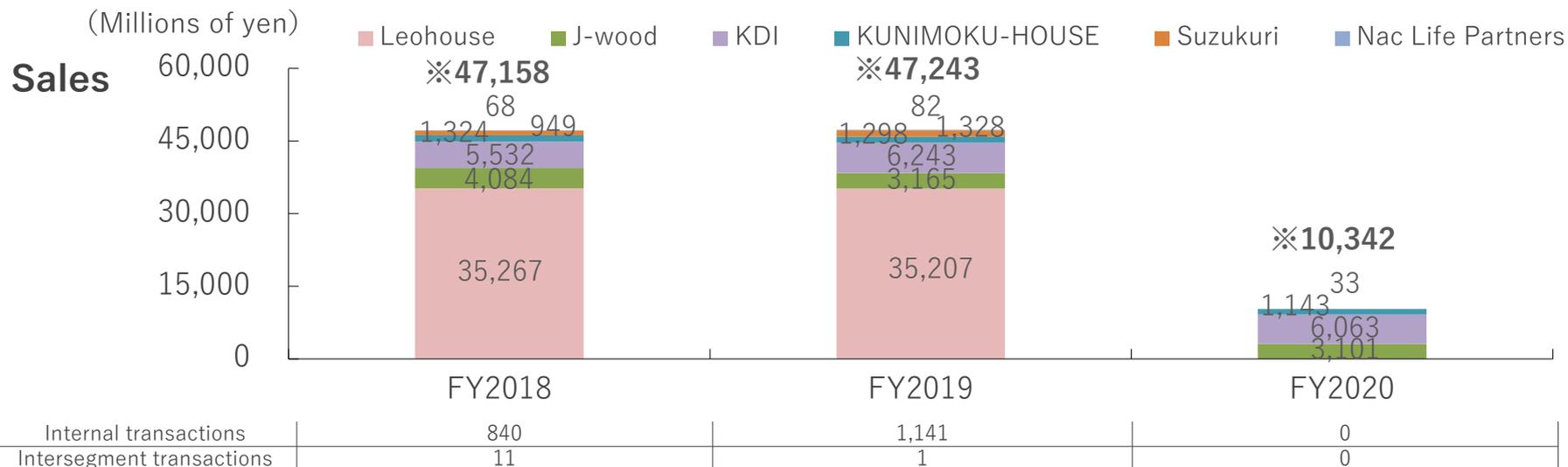
(Millions of yen)



» Sales and Operating income tend to increase around Q4.

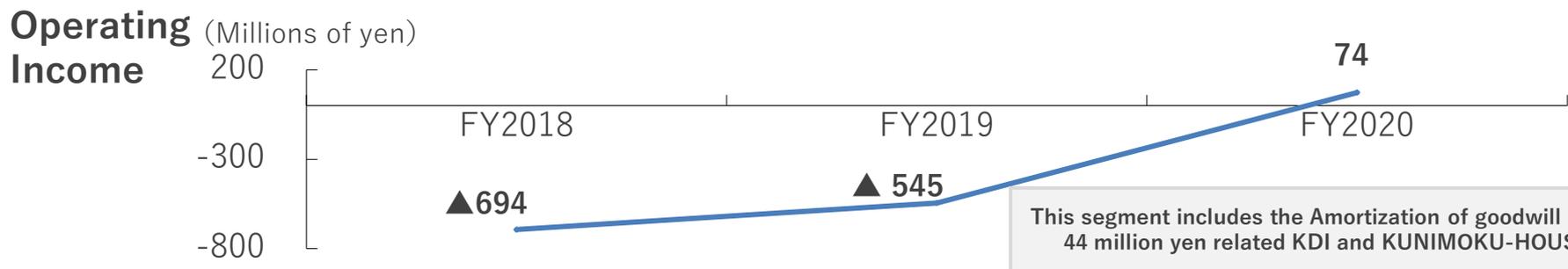
2 Results by Segment (4) Housing Sales ①

Note) We sold all of our shareholding in Leohouse on May 14. Consequently, Leohouse Co., Ltd. was excluded from our consolidated subsidiaries from the first quarter of this fiscal year.



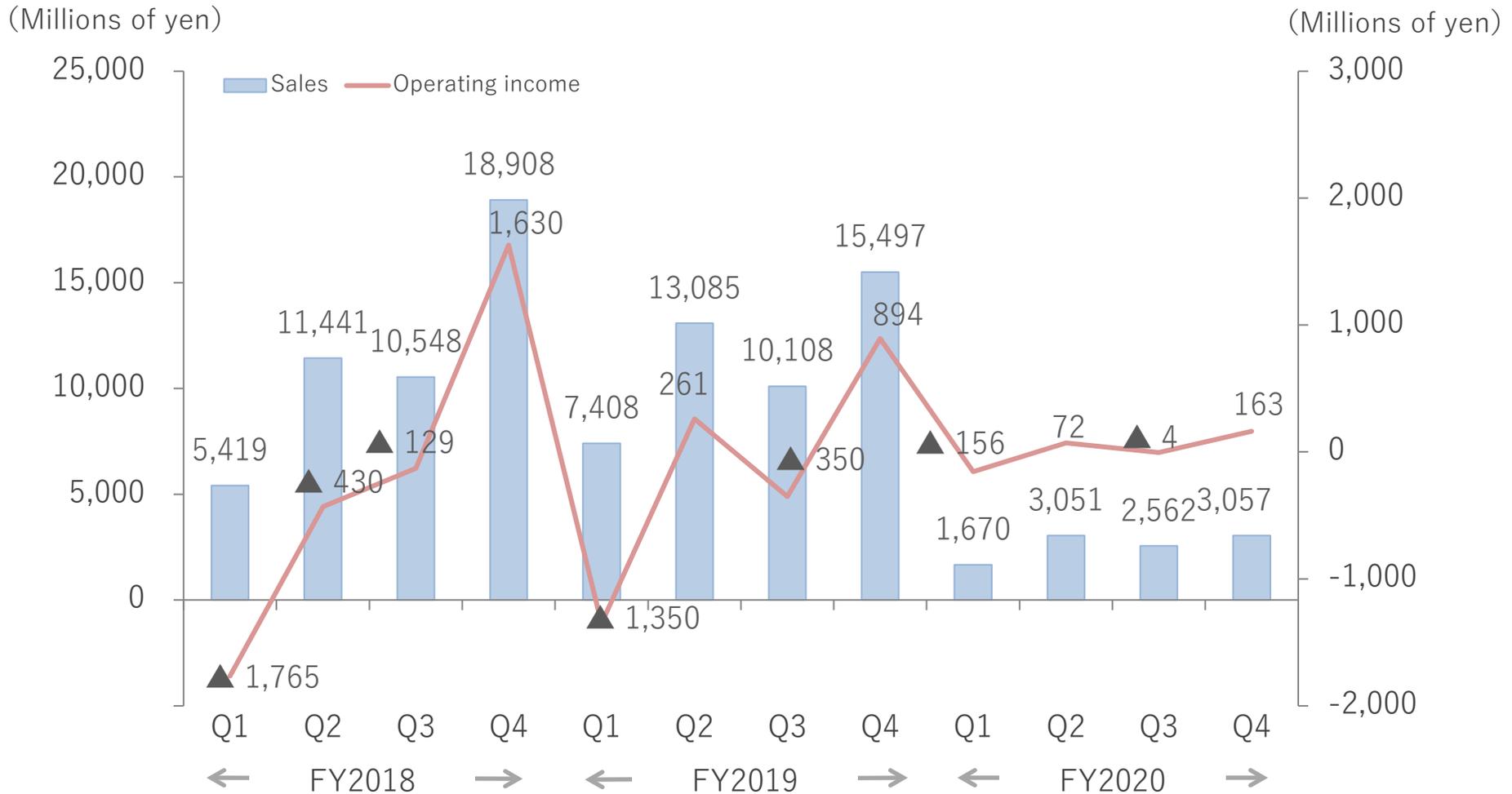
※The figures in the graph include the above internal transactions and intersegment transactions. (Millions of yen)

- » We sold all of our shareholding in Leohouse to YAMADA DENKI Co., LTD. on May 14. Consequently, Leohouse was excluded from our consolidated subsidiaries from the first quarter of this fiscal year. Thus, sales decreased at this segment.
- » KDI Co., Ltd. decreased sales year on year, however, increased operating income year on year. This is attributable to the better gross margin.



- » We posted operating income since Leohouse was excluded from our consolidated subsidiaries.

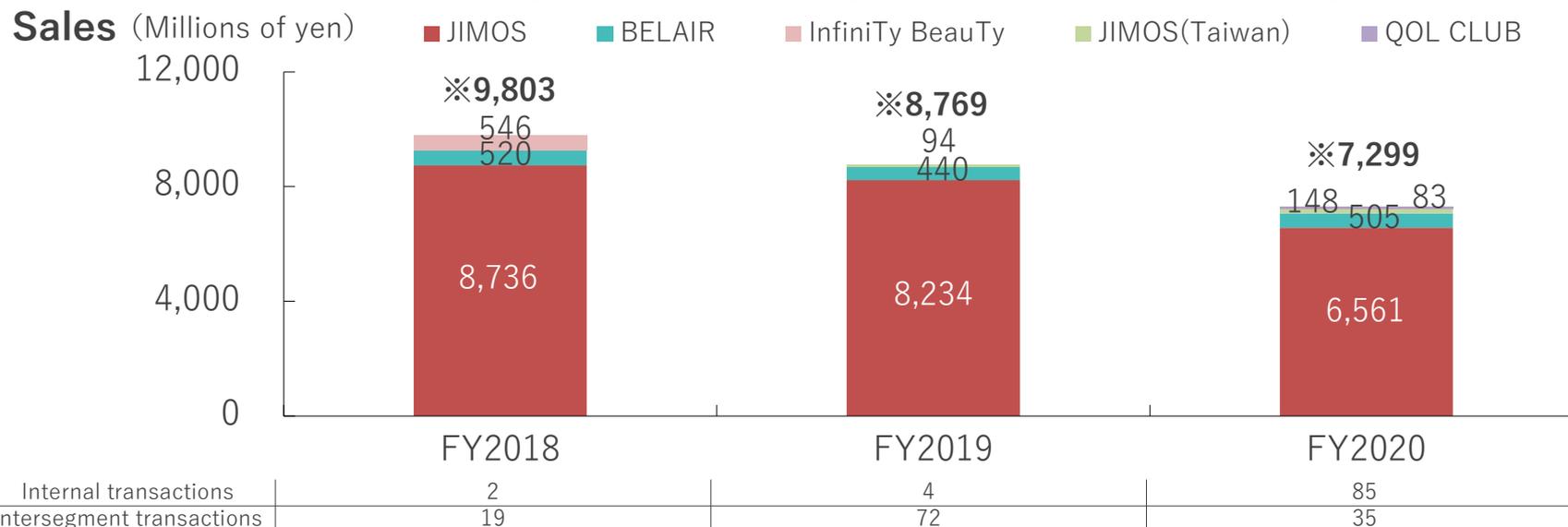
2 Results by Segment (4) Housing Sales ②



- » Sales and Operating income tend to increase around Q4 until FY2019.
The scale of the business is shrinking due to we sold our shareholding in Leohouse.

2 Results by Segment (5) Beauty and Health ①

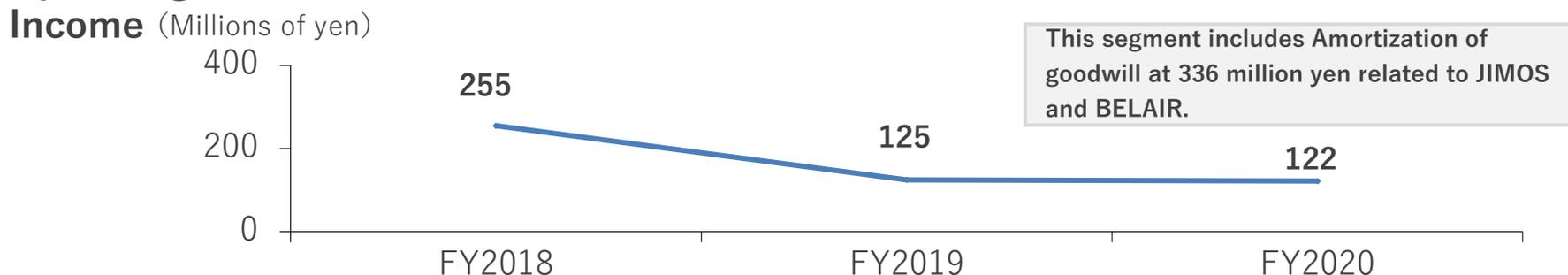
Note) We changed in the accounting period of BELAIR, the sales figures of BELAIR for the current period is the figures for 15 months.



※The figures in the graph include the above internal transactions and intersegment transactions. (Millions of yen)

» JIMOS Co., Ltd., decreased sales year on year. The entire cosmetics industry is sluggish due to the effects of the COVID-19. Another factor is decline in the number of customers. Unauthorized access to the server used at the company's EC site for online-shopping of cosmetics took place July, 2019. As a countermeasure, we suspended use of EC site for four months. Therefore, the number of customers decreased.

Operating Income

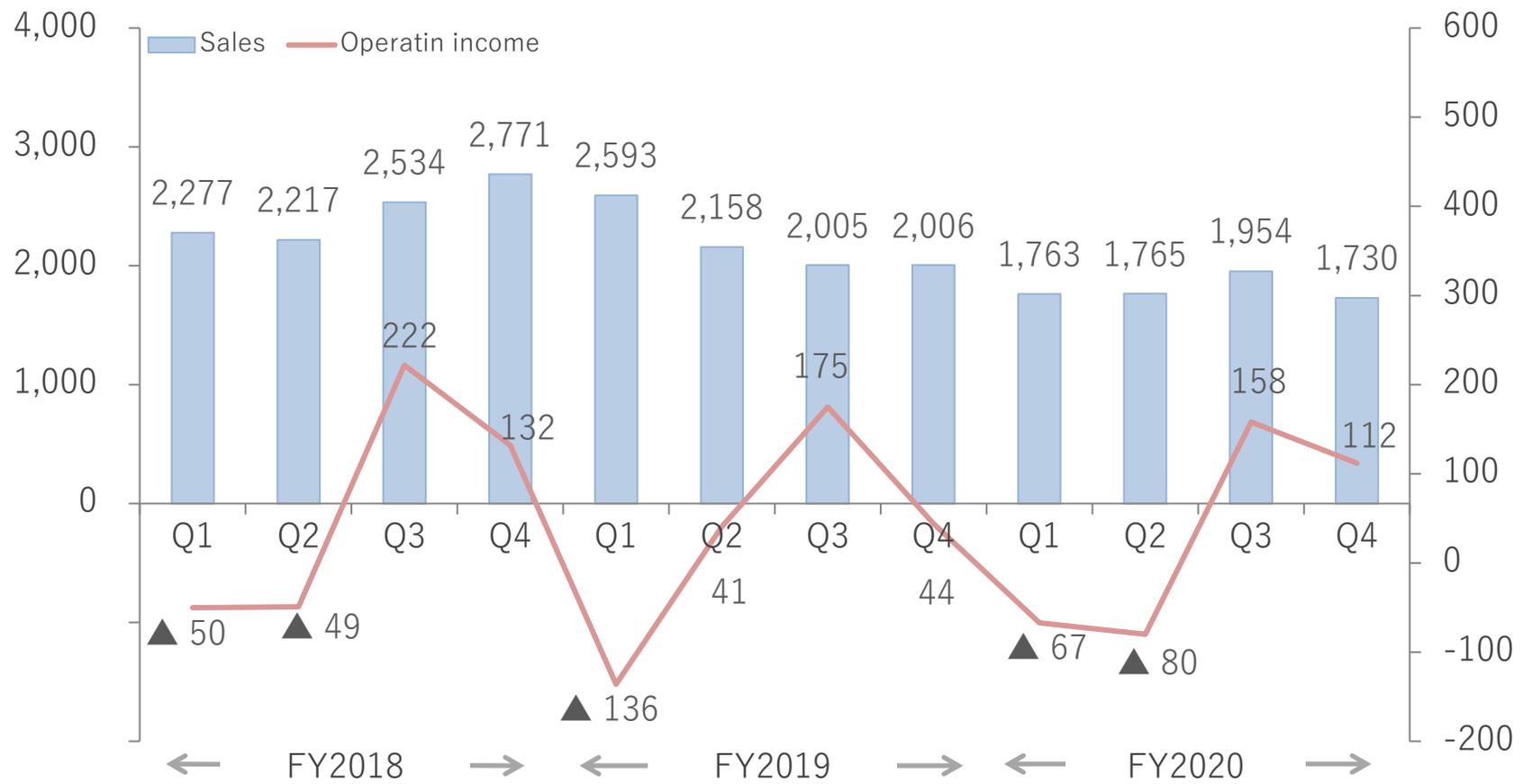


» Operating income remained at the same level as the previous fiscal year due to the reduction in SG & A expenses.

2 Results by Segment (5) Beauty and Health ②

(Millions of yen)

(Millions of yen)



» Sales and operating income generally are tilted toward the second half of the year due to aggressive investment in advertising and promotions the first half of the year.

3. FY2021 Forecasts of Financial Results

3 FY2021 Forecasts of Financial Results

(Millions of yen)

Sales	Result FY 2020	Plan FY 2021	Comparison
CreCla	14,881	16,100	+ 8.2 %
Rental	14,626	15,100	+ 3.2 %
Construction Consulting	8,495	8,800	+ 3.6 %
Housing Sales	10,341	11,100	+ 7.3 %
Beauty-health	7,213	6,500	▲ 9.9 %
Elimination	▲ 45	-	-
Total	55,513	57,600	+ 3.8 %

3 FY2021 Operating income Forecasts by Segment

Note) The figures inside () marks indicate operating margin.

(Millions of yen)

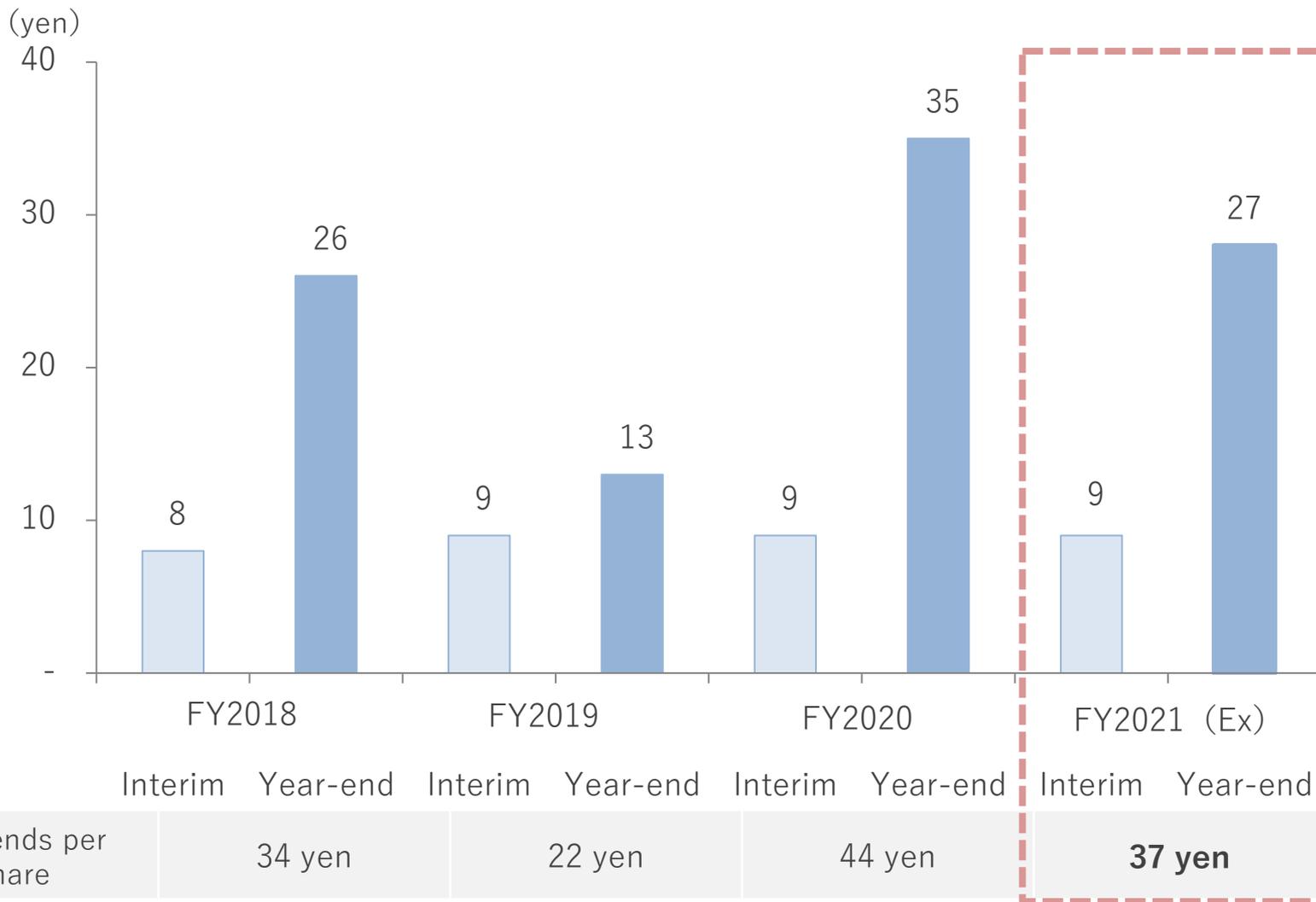
Operating income	Result FY 2020	Plan FY 2021	Comparison
CreCla	1,627 (10.9 %)	1,500 (9.3 %)	▲ 7.8 % (▲ 1.6 pt)
Rental	1,333 (9.1 %)	1,300 (8.6 %)	▲ 2.5 % (▲ 0.9 pt)
Construction Consulting	807 (9.5 %)	900 (10.2 %)	+ 11.5 % (+ 0.7 pt)
Housing Sales	74 (0.7 %)	150 (1.4 %)	+ 102.7 % (+ 0.7 pt)
Beauty-health	122 (1.7 %)	200 (3.0 %)	+ 63.9 % (+ 1.3pt)
Elimination, HQ Cost	▲ 1,183	▲ 1,450	—
Total	2,782 (5.0 %)	2,600 (4.5 %)	▲ 6.5 % (▲ 0.5 pt)

4. Plan of Dividends

4

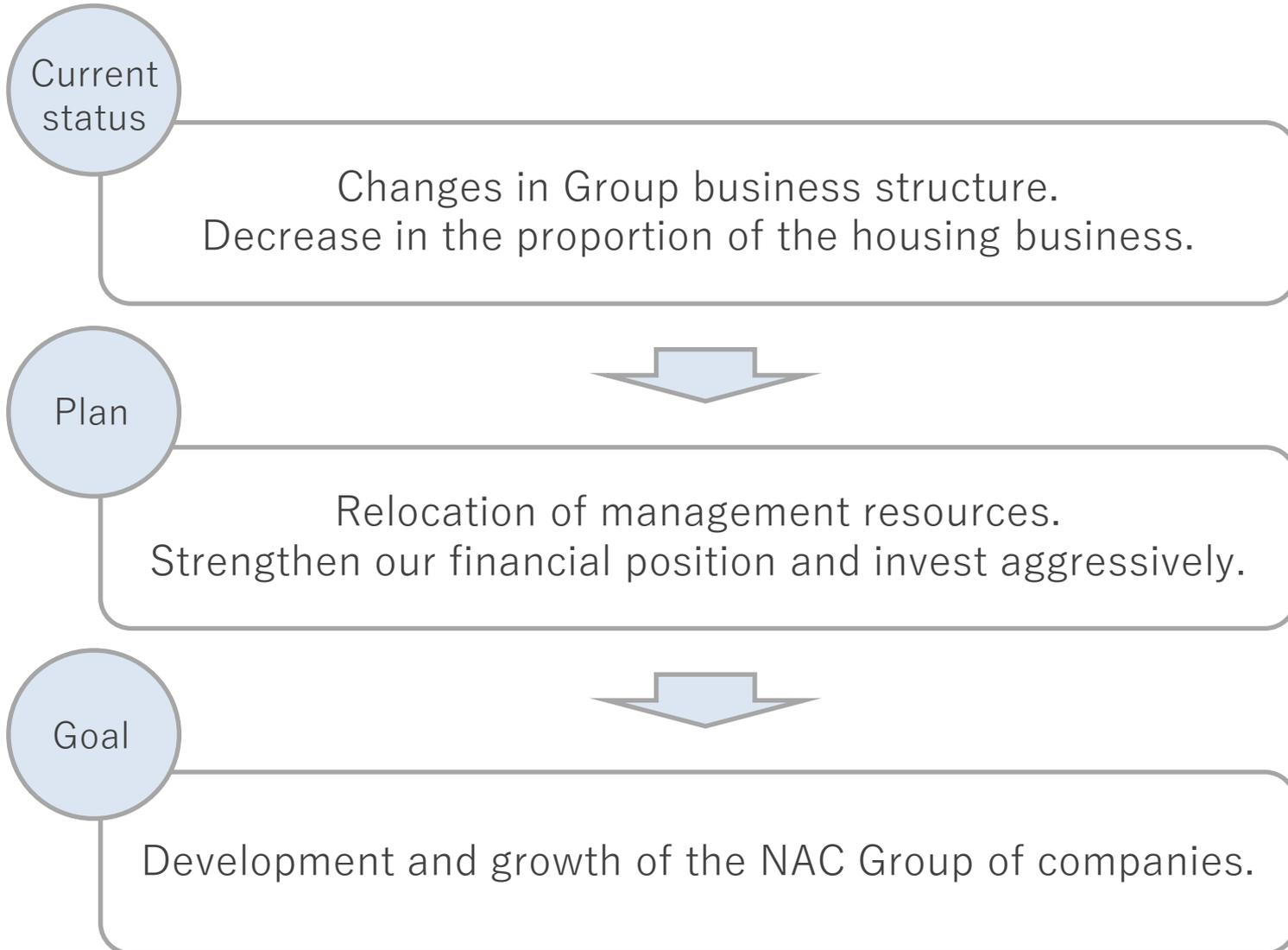
Plan of dividends : Dividend Policy with DOE 4%

Dividend payout ratio is within 100%

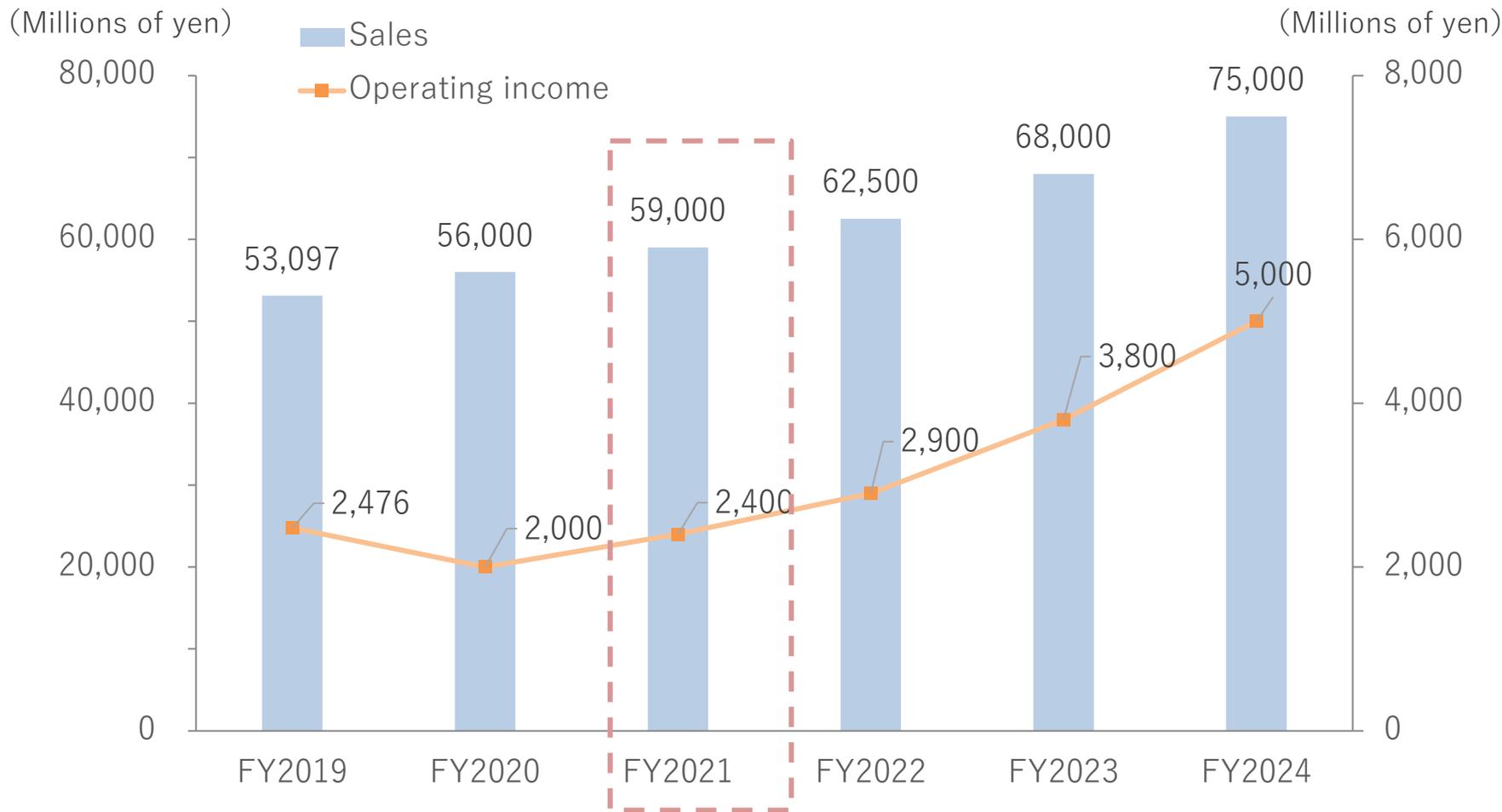


5. Medium-Term Strategy

5 Basic Strategy



5 Consolidated business performance trends



» All shares of Leohouse were transferred in May 2020, and the company's performance (sales of 352 millions of yen, operating loss of 350 millions of yen) in the FY2019 excluded for comparison.

5 Final year Sales target

(Millions of yen)

Sales	Plan FY2024	Result FY2019※	Comparison	Result FY2019
CreCla	20,000	13,375	+ 49.5%	13,375
Rental	17,000	14,808	+ 14.7 %	14,808
Construction Consulting	13,000	5,251	+ 147.6 %	5,251
Housing Sales	11,000	10,975	+ 0.2 %	46,101
Beauty-health	11,000	8,764	+ 25.5 %	8,764
CreCla	3,000	-	-	-
Elimination	-	▲ 80	-	▲ 80
Total	75,000	53,097	+ 41.2 %	88,222

※ All shares of Leohouse were transferred in May 2020, and the company's performance in the FY2019 excluded for comparison.

5 Final year Operating income target

Note) The figures inside () marks indicate operating margin.

(Millions of yen)

Operating income	Plan FY2024	Result FY2019 ※	Comparison	Result FY2019
CreCla	2,100 (10.5 %)	1,030 (7.7 %)	+ 103.7 % (+ 2.8 pt)	1,030 (7.7 %)
Rental	2,000 (11.8 %)	1,844 (12.5 %)	+ 8.42 % (▲ 0.7 pt)	1,844 (12.5 %)
Construction Consulting	1,600 (12.3 %)	730 (13.9 %)	+ 119.0 % (▲ 1.6 pt)	730 (13.9 %)
Housing Sales	300 (2.7 %)	▲ 187 (▲ 1.7 %)	- (+ 4.4 pt)	▲ 545 (▲ 1.2 %)
Beauty-health	500 (4.5 %)	125 (1.4 %)	+ 298.3 % (+ 3.1 pt)	125 (1.4 %)
Elimination, HQ Cost	▲ 1,500	▲ 1,067	-	▲ 1,067
合 計	5,000 (6.7 %)	2,476 (4.7 %)	+ 101.9 % (+ 2.0 pt)	2,118 (2.4 %)

※ All shares of Leohouse were transferred in May 2020, and the company's performance in the FY2019 excluded for comparison.

6. Appendix

Company name	NAC CO., LTD.
Head office	Shinjuku Center Building, 1-25-1 Nishi-shinjuku Shinjuku-ku, Tokyo
Established	May 1971
President	Kan Yoshimura
Businesses	<ul style="list-style-type: none"> ■ CreCla (Production and sale of bottled water) ■ Rental (Duskin franchise business, pest control machine rental, regular cleaning plan) ■ Construction Consulting (Construction know-how, solar energy systems, housing franchises) ■ Housing Sales (Contract construction of a custom-built house, finance and insurance affairs with housing sales) ■ Beauty and Health (Cosmetics and health food mail-order sales)
Consolidated companies	<p>Earnest Co., Ltd. (Building maintenance) JIMOS Co., Ltd. (Beauty and Health) BELAIR Co., Ltd. (Beauty and Health) J-wood Co., Ltd. (Housing sales) Nac Smart Energy Co., Ltd. (Sales of energy-saving products ・ Construction) KDI Co., Ltd. (Housing sales) Nac life partners Co., Ltd. (Housing sales) KUNIMOKU HOUSE Co., Ltd. (Housing sales) ACEHOME Co., Ltd. (Housing franchise) JIMOS TAIWAN Co., Ltd. (Beauty and Health)</p>
Employees	1,583 (consolidated)
Capital stock	6,729,493,750 yen
Number of shares	24,306,750 shares (share unit :100 shares)
Number of shareholders	16,737 (Total number of shareholders; treasury shares are excluded)

6 Key Financial Indicators (Consolidated)

	FY2020	FY2019	Comparison
Average number of shares during the period	22,405,080 shares	22,405,080 shares	+ 143 shares
Net assets per share (BPS)	950.59 yen	881.83 yen	+ 68.76 yen
Net income per share (EPS)	82.02 yen	22.94 yen	+ 59.08 yen
Equity ratio	52.1 %	42.6 %	+ 9.5 pt
Ratio of shareholder's equity to Net income (ROE)	9.0 %	2.6 %	+ 6.4 pt
Dividends per share	44 yen	22 yen	+ 22 yen
Dividend ratio	53.6 %	95.9 %	▲ 42.3 pt
Ratio of dividends to shareholder's equity	4.8 %	2.5 %	+ 2.3 pt

6

Company History

May. 1971	Established Duskin Tsurukawa in Machida city
Aug. 1977	Changed company name to NAC CO., LTD.
Sep. 1995	Listed on the JASDAQ market
Jan. 1997	Listed on the 2nd section of the Tokyo Stock Exchange
Sep. 1999	Listed on the 1st section of the Tokyo Stock Exchange
Dec. 2001	Started bottled water “CreCla” delivery business
Feb. 2002	Started housing sales business through Leohouse
Mar. 2010	Achieved 50 billion yen of sales when celebrating its 40th year
Mar. 2012	Acquired Earnest Co., Ltd.
Jul. 2013	Acquired JIMOS Co., Ltd. & J-wood Co., Ltd.
Apr. 2015	Opened the CreCla Honjo-Plant
Sep. 2015	Acquired Eco & Eco Co., Ltd.
May. 2016	Acquired KDI CORPORATION
Dec. 2016	Acquired BELAIR Co., Ltd.
Apr. 2017	Acquired suzukuri Co., Ltd.
Jun. 2017	Acquired KUNIMOKU HOUSE Co., Ltd.
Feb. 2020	Acquired ACEHOME Co., Ltd.
May. 2020	Sold all of our shareholding in Leohouse Co., Ltd.



CreCla

- **First HACCP** certified business in the industry
- **First Eco Mark** certified business in the industry
- **First** in the industry to open an R&D center

Rental

- **Highest sales** of all Duskin franchisees (out of approximately 2,000 companies)
- With-branded pest control devices for restaurants **first** in the industry to be approved by Ministry of Health, Labour and Welfare

Construction Consulting

- Nacmembers(Construction company :**7,000**)
- Providing support for affiliated building firms through order promotion and cost reduction services, including solar power systems and products for Smart House.
- We acquired Nac Smart Energy Co., Ltd. (September, 2015) that deals with energy-saving products.(formerly Eco & Eco Co., Ltd.)
- We acquired Suzukuri Co., Ltd. that perform business in a matrix concept.(Changed from the housing business segment in April 2020)
- We acquired ACEHOME Co., Ltd. (February, 2020) that develops a housing franchise business.

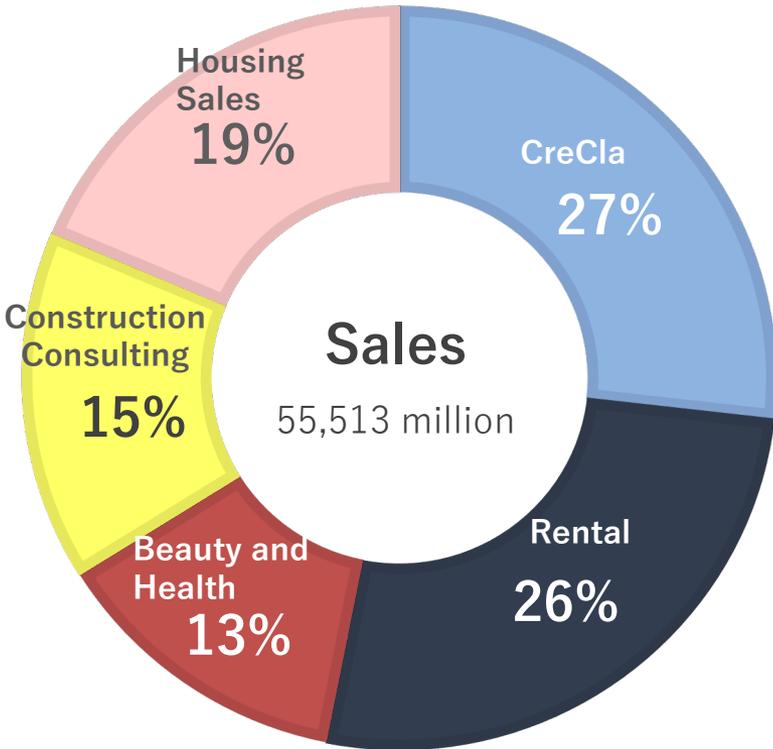
Housing Sales

- Acquired J-wood Co., Ltd. (July 2013) that produces natural houses
- We acquired KDI Co., Ltd. that deal with subdivided housing unit and custom-built house in metropolitan area.
- We acquired KUNIMOKU HOUSE Co., Ltd. that expands the housing sales business in Hokkaido.

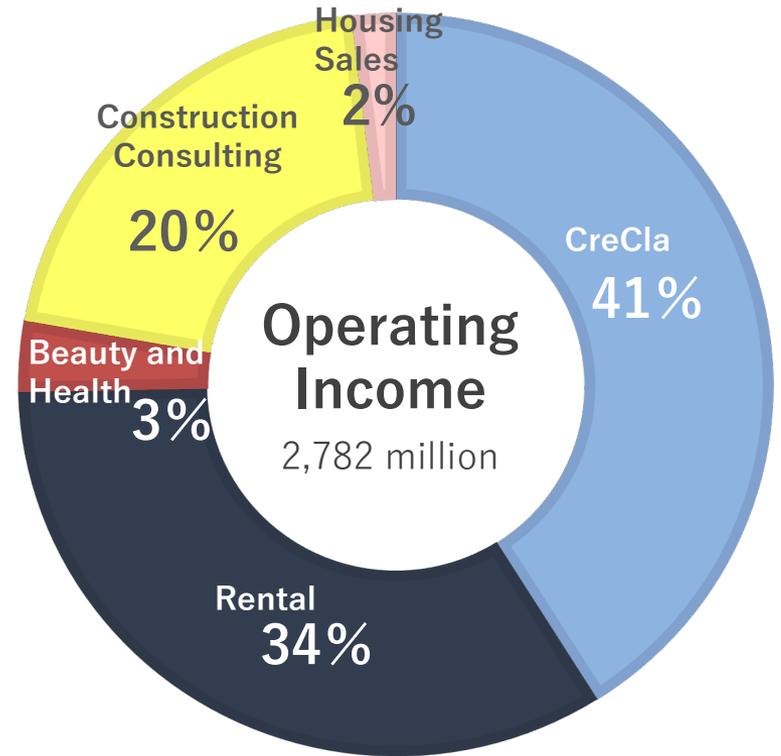
Beauty and Health

- In July 2013, the mail-order business entry by a subsidiary of JIMOS Co., Ltd.
- Various cosmetics for skin and hair care suitable for repeat use female customers (mainly in their 40-60's)
- We acquired BELAIR Co., Ltd.(December, 2016).

- CleCla
- Beauty and Health
- Housing
- Rental
- Construction Consulting



- CleCla
- Beauty and Health
- Housing Sales
- Rental
- Construction Consulting



Operating margin on sales

※ except HQ-costs

CreCla	Rental	Construction Consulting	Beauty and Health	Housing Sales	Total
10.9%	9.1%	9.5%	1.7%	0.7%	5.0%

6 Operating income trend by segment

