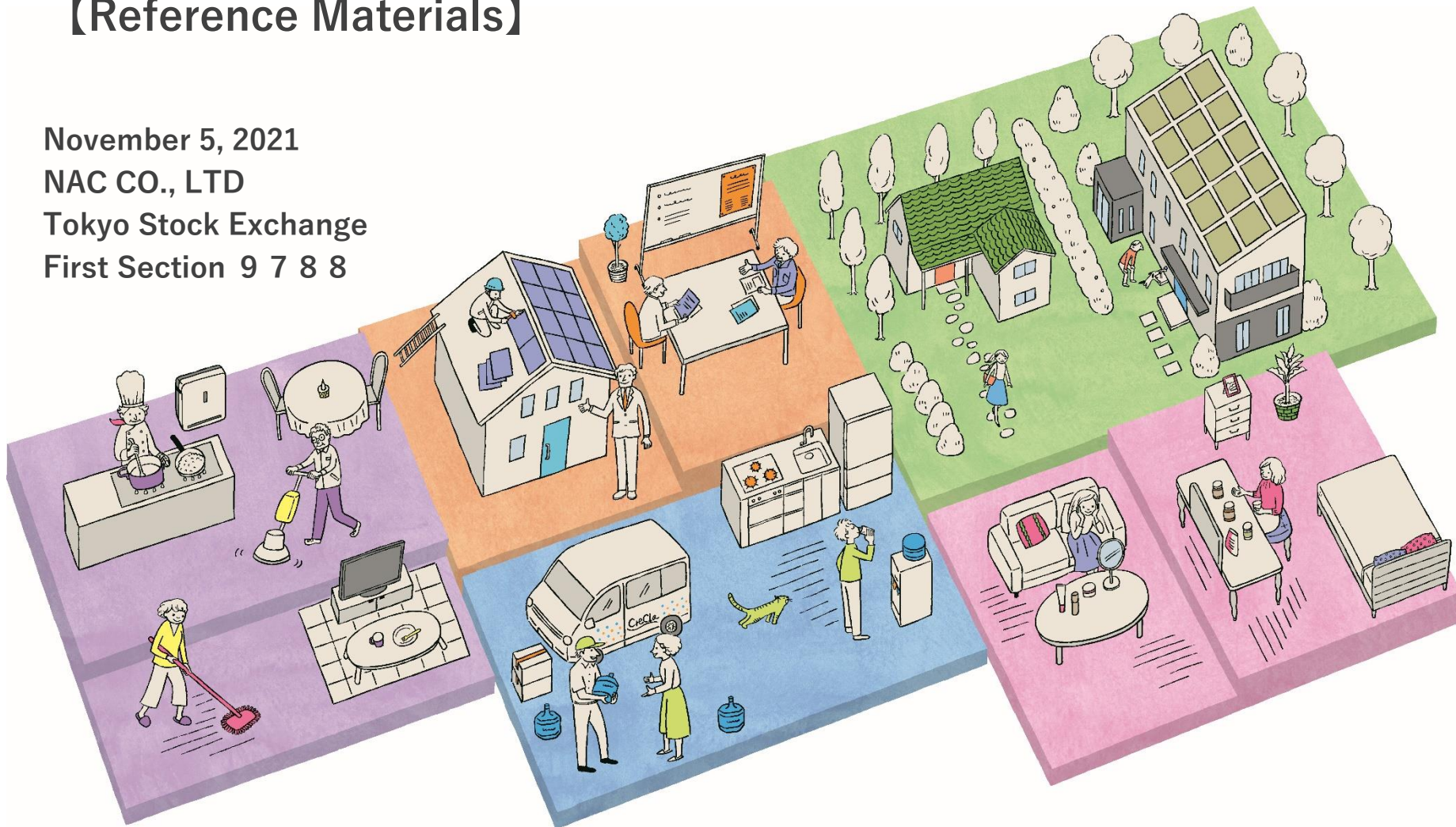


Results for 2Q of Fiscal Year ending March 31, 2022 【Reference Materials】

November 5, 2021
NAC CO., LTD
Tokyo Stock Exchange
First Section 9 7 8 8



Note) IR is cancelled as preventive measure of COVID-19.

This material is prepared to help readers better understand the financial result for 2Q.

Topics

1 . 2nd Quarter Results	... P. 2
2 . Business Segment Results	... P. 10
3 . Dividends	... P. 30
4 . Mid-Term Management Plan	... P. 32
5 . Corporate Profile	... P. 34

All performance targets and other information contained in this document are forecasts based on information currently available to the Group, and are subject to uncertain factors such as economic environment, competitive conditions, and the success or failure of new services.

Therefore, please know that actual results may differ from the forecasts described in this material.

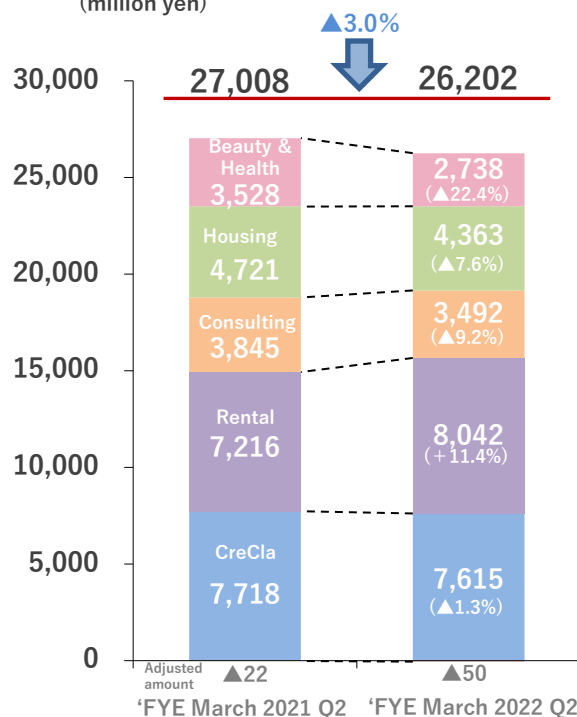
1. 2nd Quarter Results

1-1 Financial Highlights (Year-on-Year Comparison)

- » **Sales** : Sales increased in Earnest Co., Ltd of Rental Business as a result of large order for vaccination sites operations
Sales decreased in Beauty and Health Business due to decline in customers of JIMOS Co., Ltd and impact of infectious disease.
- » **Operating income** : Decreased operating income in CreCla Business due to strengthened sales promotion activities
Return to profitability due to postponement of sales promotion activities in JIMOS Co., Ltd of Beauty and Health Business
Head Office expenses increased due to the expenses related to the company's 50th anniversary
- » **Quarterly net income(※)** : Decreased due to profit from sale of Leo House Co., Ltd shares in the previous fiscal year

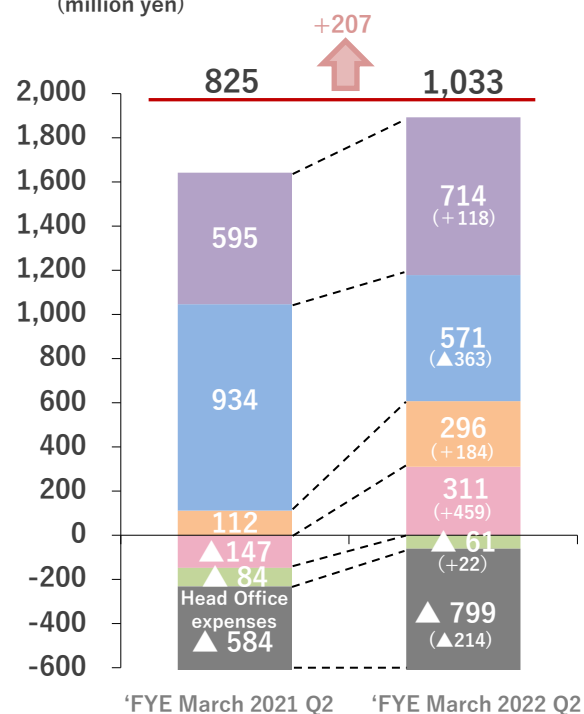
Sales (Percentage in parentheses are changes)

(million yen)



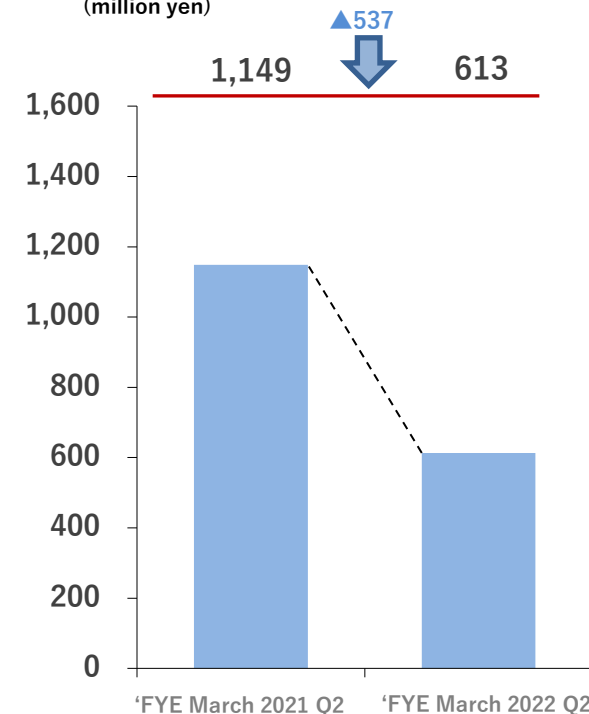
Operating income (Figures in parentheses are changes)

(million yen)



Net profit (※)

(million yen)



(※) Quarterly net income: Attributable to Owners of the Parent, Adjustments: Intersegment Sales or Transfers

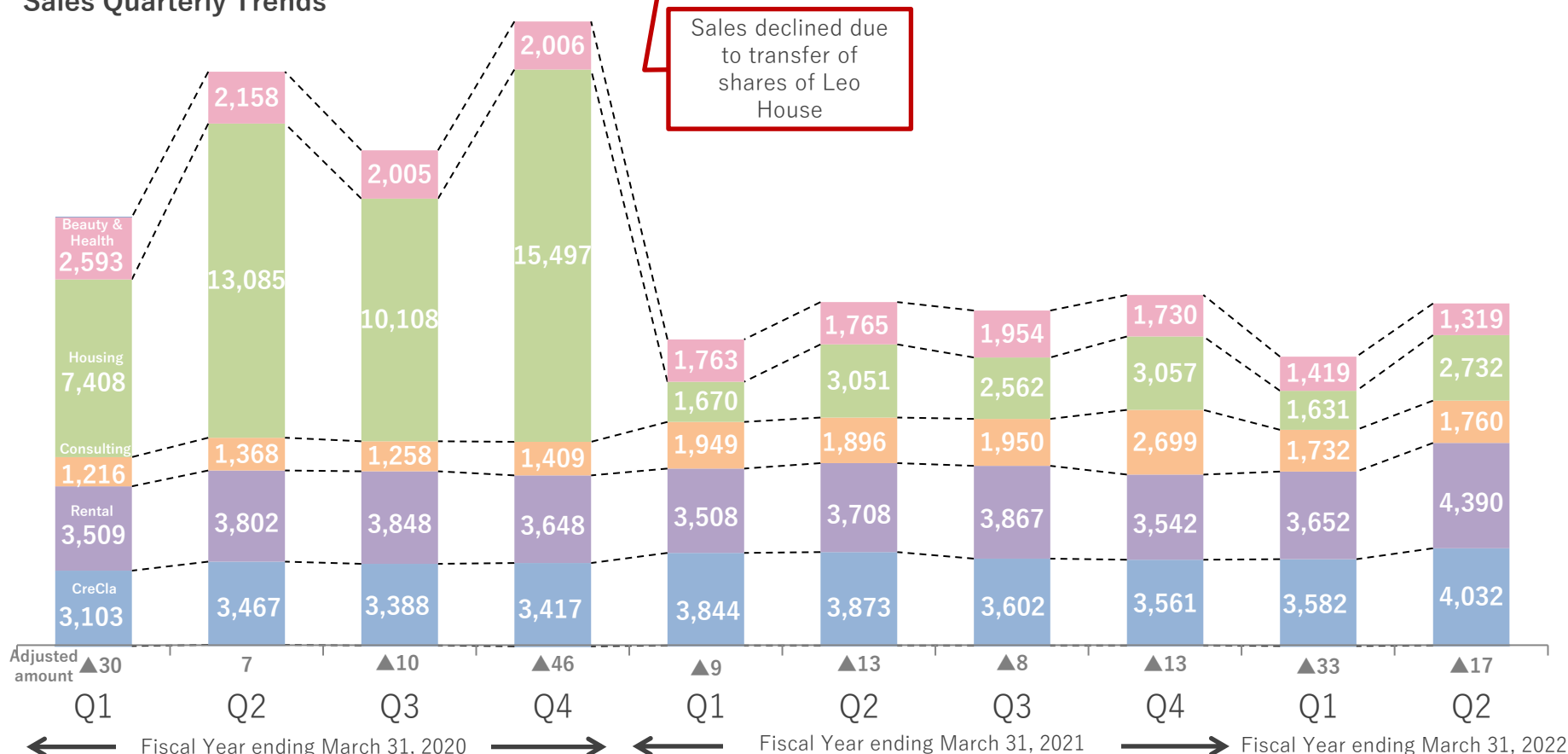
1-2 Quarterly trends of Sales and Operating income

Sales

(million yen)

17,800	23,889	20,599	25,932	12,727	14,281	13,927	14,577	11,984	14,218
▲1,243	1,013	527	1,820	211	614	871	1,084	185	848

Sales Quarterly Trends



(※) Adjustments : Intersegment sales or transfer

1-3 Breakdown of Changes in Operating Income (Year-on-Year)

- » **Gross Profit : Decreased due to decline in sales of Beauty and Health Business**
- » **Advertising and sales promotion expenses :**
Decreased due to reductions in Beauty and Health Business
- » **Depreciation and amortization of goodwill :**
A portion of goodwill decreased due to end of amortization period

(million yen)		
		Year-on-Year change
FYE March 31, 2021 Q2 Operating Income	825	—
Change in gross profit	▲ 254	▲ 1.9%
Increase (decrease) of SG&A expenses	Personnel expenses	+ 27
	Advertising and sales promotional expenses	+ 190
	Land rent costs	+ 5
	Depreciation and amortization of goodwill	+ 145
	Other SG&A expenses	+ 94
FYE March 31, 2022 Q2 Operating Income	1,033	+ 25.1%

1-4 Consolidated Balance Sheets (Assets)

- » Current assets : Cash and deposits ▲2,140
 Costs on uncompleted construction contracts + 467
 Real estate for sales + 261
 » Noncurrent assets : Goodwill +158 (as a result of M&A of TOREMY Co., Ltd)

(million yen)					
	FYE March 31, 2022 Q2	Percentage of total	FYE March 31, 2021	Percentage of total	Comparison
Current assets	25,446	62.6%	26,204	64.2%	▲ 758
Property, plant and equipment	9,001	22.2%	8,841	21.6%	+ 160
Intangible assets	1,853	4.6%	1,679	4.1%	+ 173
Investments and other assets	4,321	10.6%	4,098	10.0%	+ 222
Noncurrent assets	15,176	37.4%	14,619	35.8%	+ 556
Deferred assets	—	—	23	0.1%	▲ 23
Total assets	40,623	100.0%	40,847	100.0%	▲ 224

1-5 Consolidated Balance Sheets (Liabilities and Net Assets)

» **Current liabilities** : Short-term loans payable ▲1,000

Advances received on uncompleted construction contracts + 595

» **Non-current liabilities** : No notable items

» **Net assets** : Valuation difference on available-for-sale securities +270 Retained earnings ▲258

(retained earnings : due to dividends paid ▲789、Net income attributable to owners of parent +613)

(million yen)

	FYE March 31, 2022 Q2	Percentage of total	FYE March 31, 2021	Percentage of total	Comparison
Current liabilities	13,220	32.5%	13,619	33.3%	▲ 399
Non-current liabilities	5,994	14.8%	5,872	14.4%	+ 121
Total liabilities	19,214	47.3%	19,492	47.7%	▲ 277
Shareholder's equity	21,735	53.5%	21,960	53.8%	▲ 225
Accumulated other comprehensive income	▲ 391	▲ 1.0%	▲ 662	▲ 1.6%	+ 271
Non-controlling interests	64	0.2%	57	0.1%	+ 6
Total net assets	21,408	52.7%	21,355	52.3%	+ 53
Total liabilities and net assets	40,623	100.0%	40,847	100.0%	▲ 224

1-6 Consolidated Cash Flow

- » **Operating activities** : income before income taxes +1,078 increase in advances receive on uncompleted construction contracts+595 increase of inventories ▲392 decrease in consumption tax payable ▲310
 » **Investing activities** : Acquisition of subsidiary company shares resulting in change in scope of consolidation ▲333 acquisition of intangible assets ▲152
 » **Financing activities** : Decrease of short term loans payable ▲1,000 Dividends paid ▲788

	(million yen)		
	Result FYE 2022 Q2	Result FYE 2021 Q2	Result FYE 2021
1. Cash flows from operating activities	626	2,690	6,454
2. Cash flows from investing activities	▲ 822	▲ 1,055	▲ 1,448
3. Cash flows from financing activities	▲ 1,986	2,546	54
Net increase (decrease) in cash and cash equivalents	▲ 2,181	4,181	5,060
Beginning balances of cash and cash equivalents	14,188	9,115	9,115
Increase in cash and cash equivalents from newly consolidated subsidiary	—	11	11
Ending balances of cash and cash equivalents	12,008	13,309	14,188
Depreciation and amortization	495	499	1,007

1-7 Forecasts of Financial Results

- Increased operating income in Rental Business as a result of large order for vaccination sites operations
- Decreased personnel expenses and advertisement expenses in CreCla Business due to delay in securing sales staff and failure to achieve sales promotion plan
- Increased operating income in Beauty and Health Business as a result of postponement of advertising expenses

(million yen)

	Plan FYE 2022 Q2 ※	Result FYE 2022 Q2	Comparison
Sales	26,700	26,202	▲ 497
Operating income	450	1,033	+ 583
Ordinary income	450	1,027	+ 577
Net income	250	613	+ 363
EPS	11.16 円	27.37 円	+ 16.21

※ Plan FYE 2022 Q2 are initial plan. The revise forecast was disclosed on November 4, 2021.

2. Business Segment Results

2-1. CreCla Business

2-1a CreCla Business: Sales and Operating Income trends

» Sales : D) Sales of CreCla bottled water maintained on the same level year-on-year

A) Sales of CreCla servers has increased by “CreCla Fit”

Decreased sales due to reactionary decline of hypochlorous acid aqueous solution (ZiACO) related products

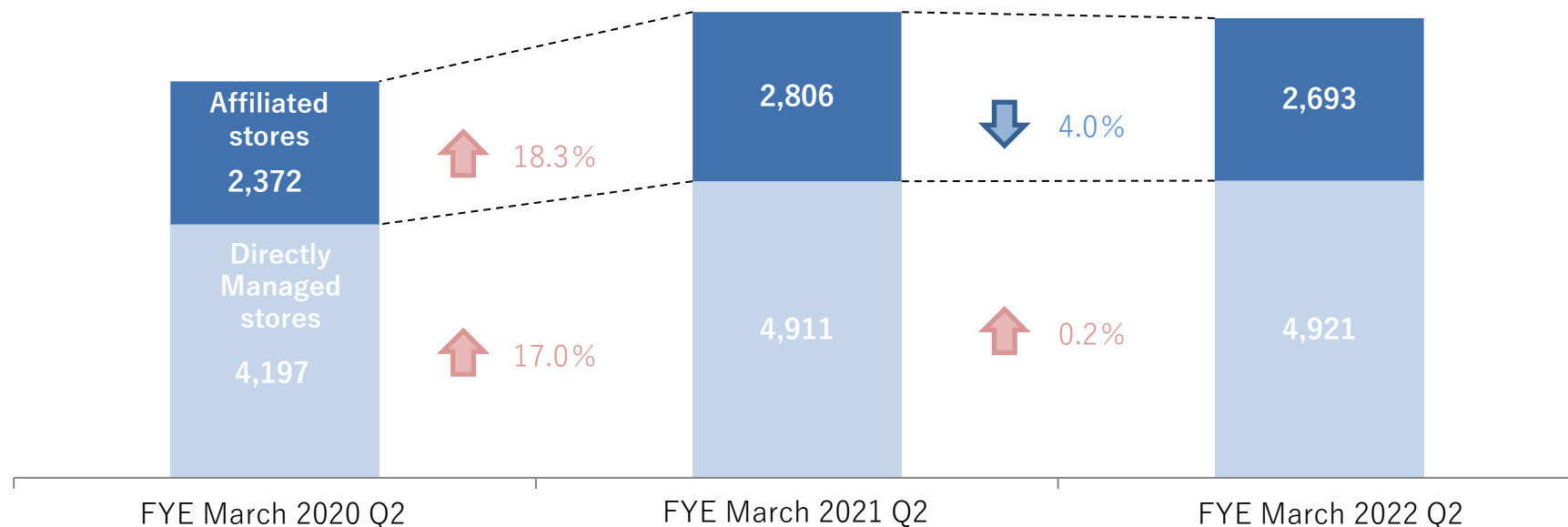
» Operating income : D • A) Decreased operating income because of increase in sales personnel and strengthened sales promotion activities which resulted an increase in SG&A expenses.

NOTE) D:Directly Managed stores A: Affiliated stores

Sales	6,570	7,718	7,615
Operating income	302	934	571

(million yen)

Sales trends

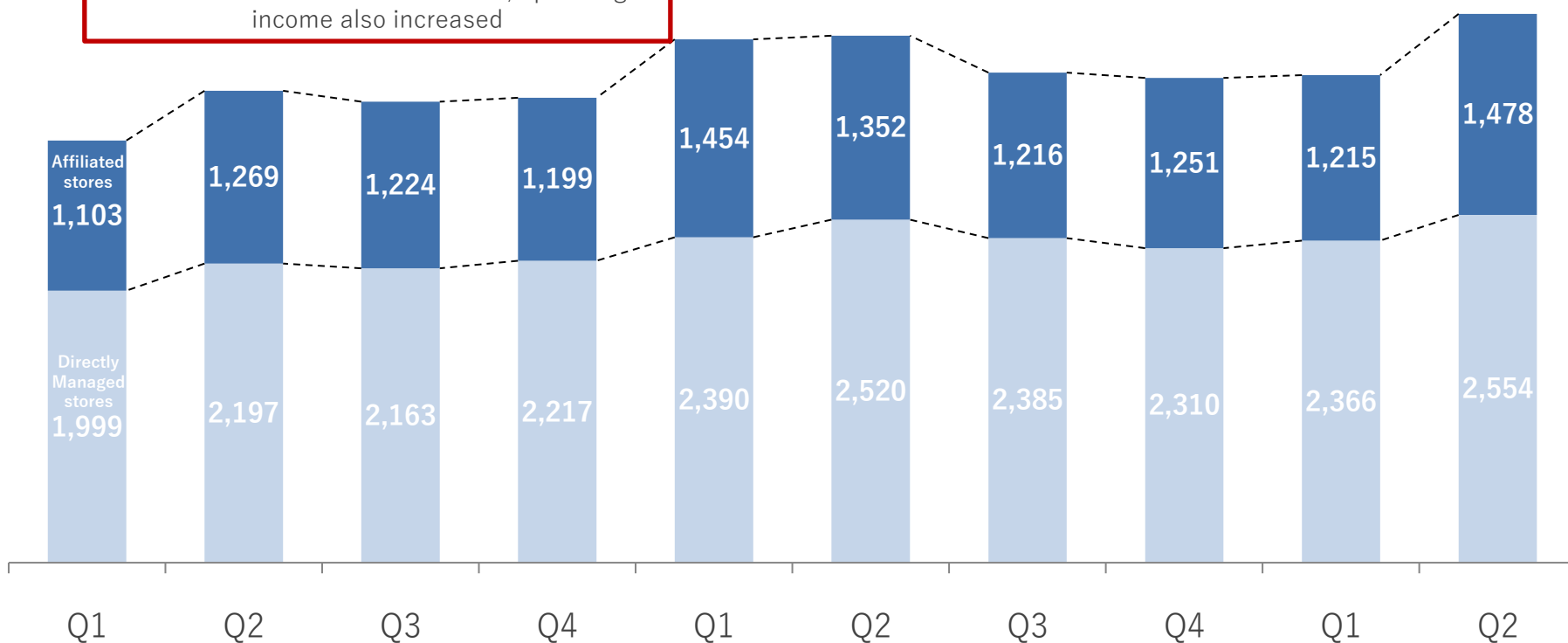


2-1b CreCla Business Quarterly trends of Sales and Operating Income

Sales (million yen)									
3,103	3,467	3,388	3,417	3,844	3,873	3,602	3,561	3,582	4,032
Operating income									
17	284	285	443	491	442	371	321	169	401

Sales Quarterly Trends

Sales of ZiACO increased significantly due to the infectious disease and as a result, operating income also increased



← Fiscal Year ending March 31, 2020 →

← Fiscal Year ending March 31, 2021 → Fiscal Year ending March 31, 2022

2-1c CreCla Business: Priority Measures for FY2021 onwards

- » Increase number of customers by strengthening sales method such as by internet
 - ⇒ Provision of new products and services
 - ⇒ Character collaborations and hold events
- » Strengthen ZiACO branding and expand manufacturing capacity
 - ⇒ Implement new investments with the aim of improving productivity



※2020年12月ニフティ（株）調べ
「宅配水に関する調査」



CreCla Fit



※2020年12月 Anetis運営事務局調べ



Multi-server
CreCla Shuwa



2. Business Segment Results

2-2. Rental Business

2-2a Rental Business: Sales and Operating Income Trends

» Sales :

NOTE) D: Duskin Business W: With Pest Control Business E: Earnest Co., Ltd

D) Sales in Dust Control Product Division were on the same level year-on-year

Sales increased in Care Service Division as a result of additional business locations

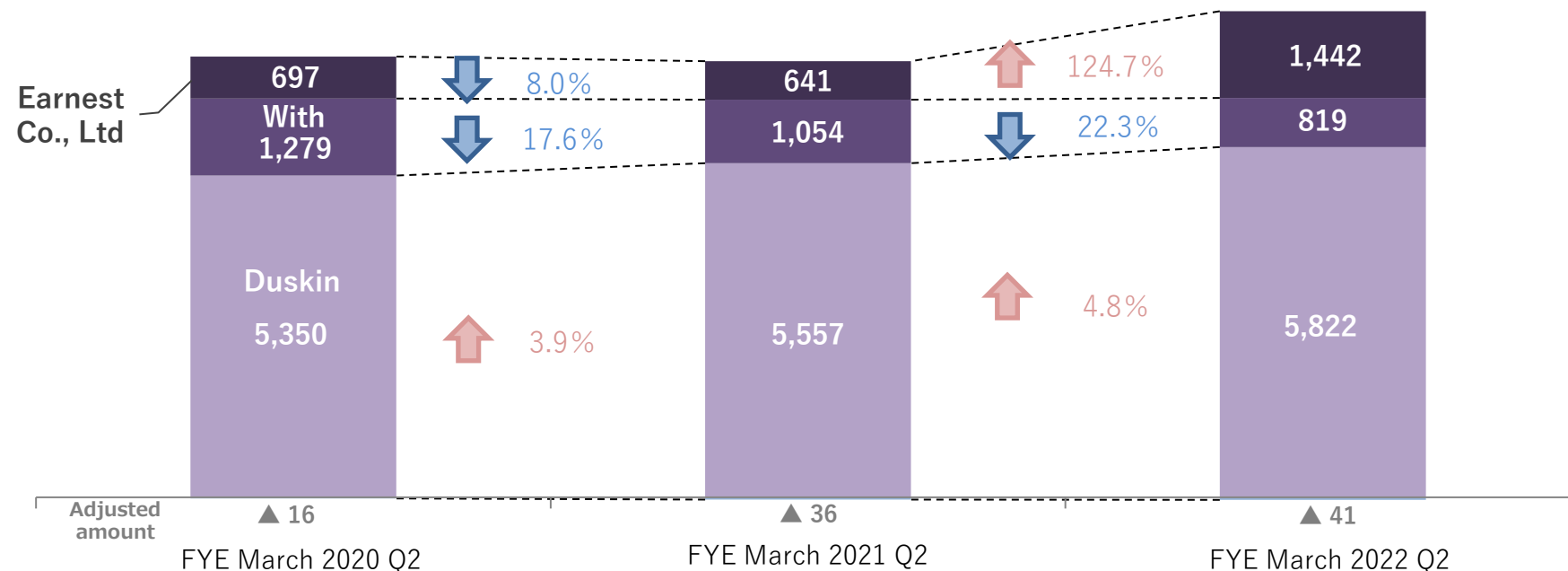
W) Sales decreased due to continuation of restaurant closures in major metropolitan areas

E) Sales significantly increased as a result of large order for vaccination sites operation

» Operating income : Increased operating income as a result of increase in Earnest Co., Ltd sales

Sales	7,311	7,216	8,042
Operating income	945	595	714

Sales Trends



(※) Adjusted amount : Sales mainly within the segment

2-2b Rental Business: Quarterly Trends of Sales and Operating income

Sales

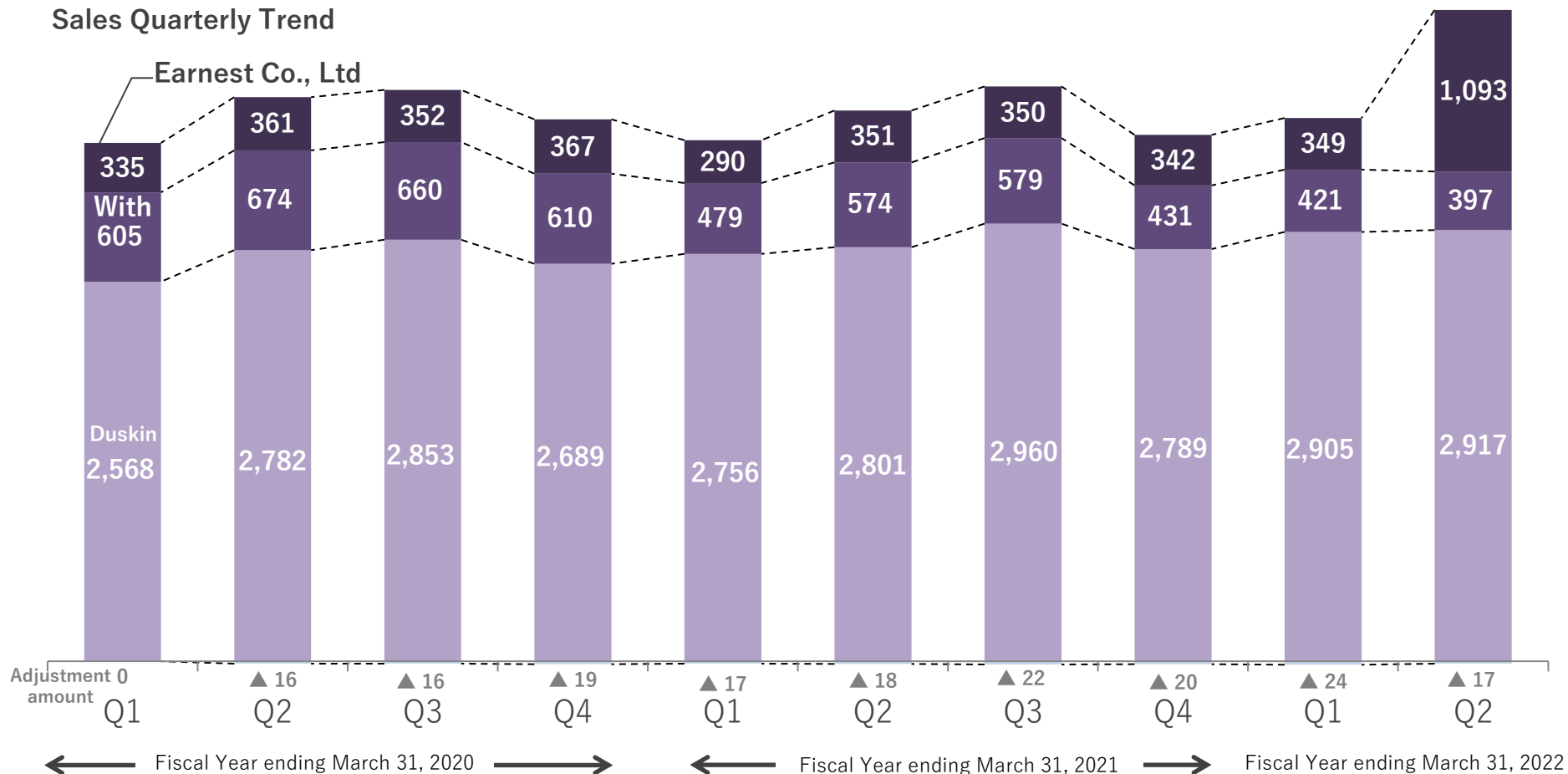
(million yen)

3,509	3,802	3,848	3,648	3,508	3,708	3,867	3,542	3,652	4,390
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Operating income

443	502	530	368	267	328	446	290	290	424
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Sales Quarterly Trend



(※) Adjusted amount : Sales mainly within the segment

2-2c Rental Business: Priority Measures for FY2021 onwards

- » Promote planning through capital and business alliance with Duskin Co., Ltd
 - ⇒ Care Services Division : open 21 more businesses in addition to 46 businesses after alliance
 - ⇒ HealthRent Division : open two more stores in addition to two new stores after alliance
- » Duskin Business (Dust Control Products Division) : Promote M&A of Duskin Franchised stores
- » Pest-control Business (With) : Expanding sales channel by cultivating new markets in antibacterial and hygiene field

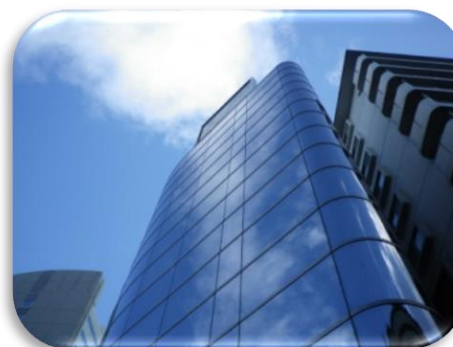


衛生環境を整える
DUSKIN

Health
Rent
ヘルスレント



with



EARNEST
総合ビル管理 株式会社アーネスト

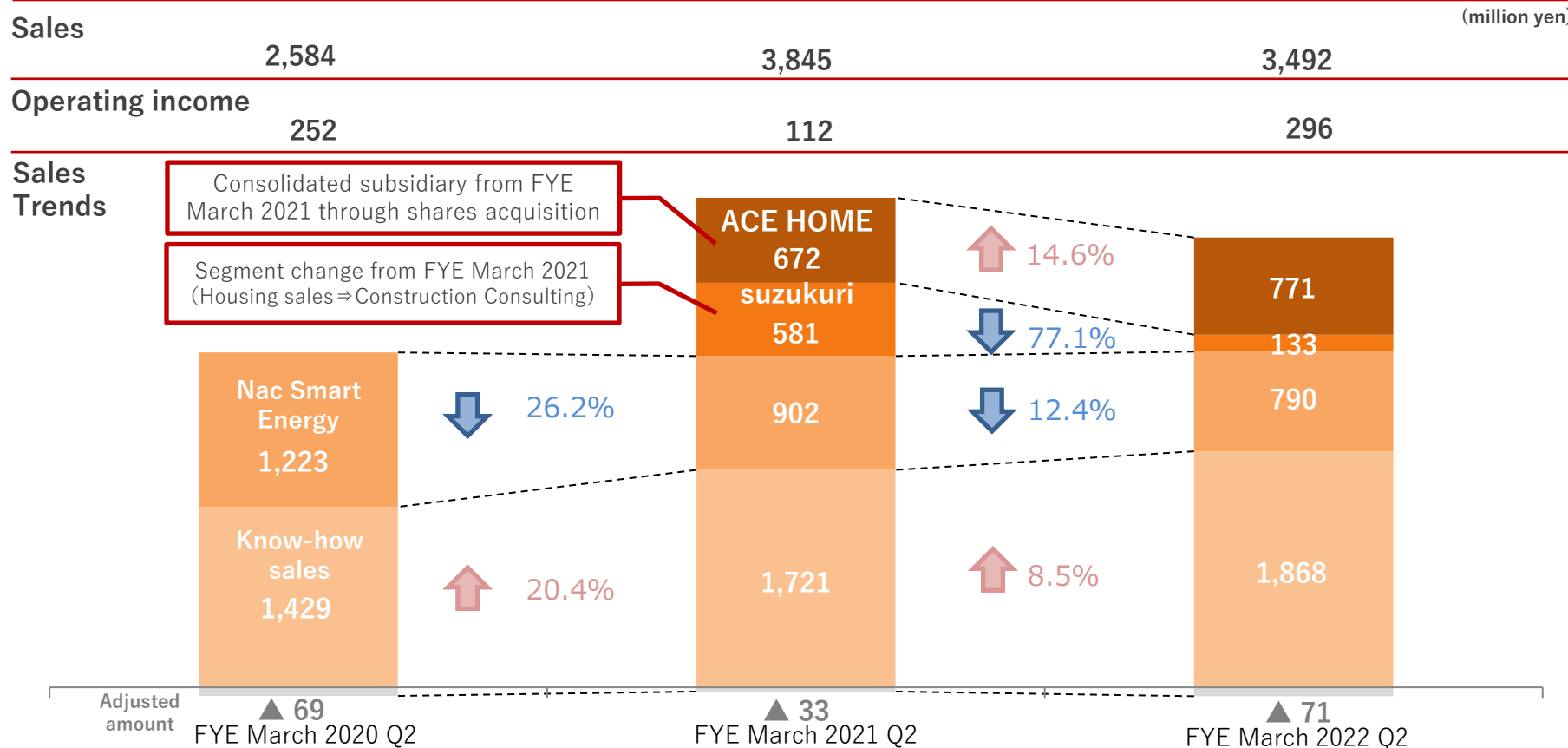
2. Business Segment Results

2-3. Construction Consulting Business

2-3a Construction Consulting Business: Sales and Operation Income trends

- » Sales : K) Sales increased as a result of renewal of know-how product content, etc
 - N) Sales decreased due to delay in construction period caused by semiconductor shortage
 - SU) Sales decreased due to decline in order backlog caused by infectious disease and discontinuation of sales in business agency
 - A) Sales increased as a result of strong sales of products jointly developed with NAC
- » Operating income : K) Increased operating income as a result of increased sales of know-how products

NOTE: K: Know-How Sales Division N: Nac Smart Energy Co., Ltd SU: Suzukuri Division A: ACE HOME Co., Ltd



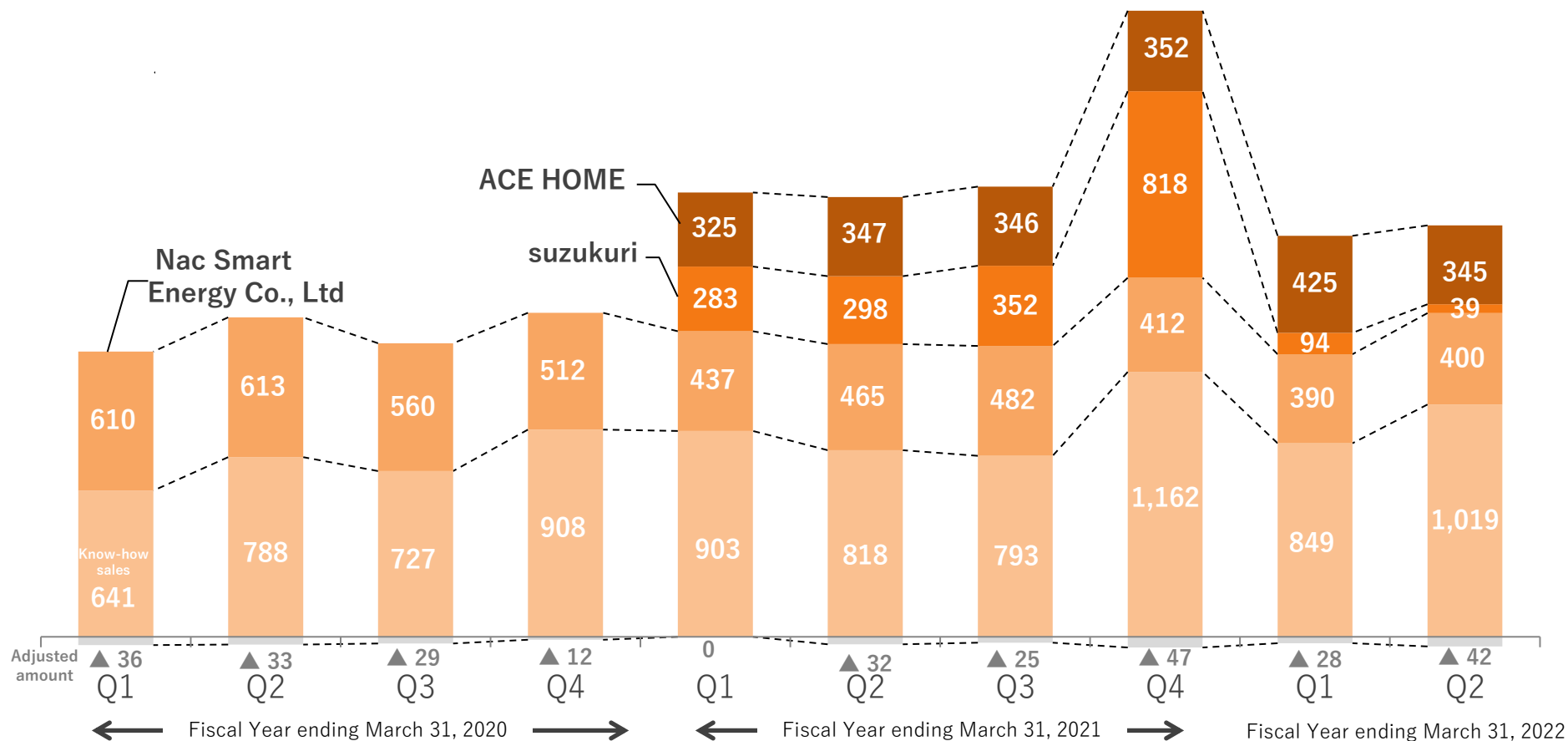
2-3b Construction Consulting Business: Quarterly trends of Sales and Operating Income

Sales

(million yen)

	1,216	1,368	1,258	1,409	1,949	1,896	1,950	2,699	1,732	1,760
Operating income	60	192	147	330	▲ 25	138	188	506	84	212

Sales Quarterly Trend



(※) Adjusted amount : Sales mainly within the segment

2-3c Construction Consulting Business: Priority Measures for FY2021 onwards

- » Know-how Sales Division : Provide new non-face-to-face services through DX and VR aiming to maximize the value of building contractors (client)
- » Nac Smart Energy Co., Ltd : Strengthen sales promotion activities to housing markets that focuses on energy-saving measures of the local government and nation
- » ACE HOME Co., Ltd : Add housing products that create synergies between businesses



2. Business Segment Results

2-4. Housing Sales Business

2-4a Housing Sales Business: Sales and Operating Income trends

» Sales : Significant decrease in sales due to segment change of
suzukuri Co., Ltd (currently suzukuri Division)

» Operating income :

J) Operating income improved because of reductions in SG&A expenses as a result of reorganization and relocation of stores in the previous fiscal year.

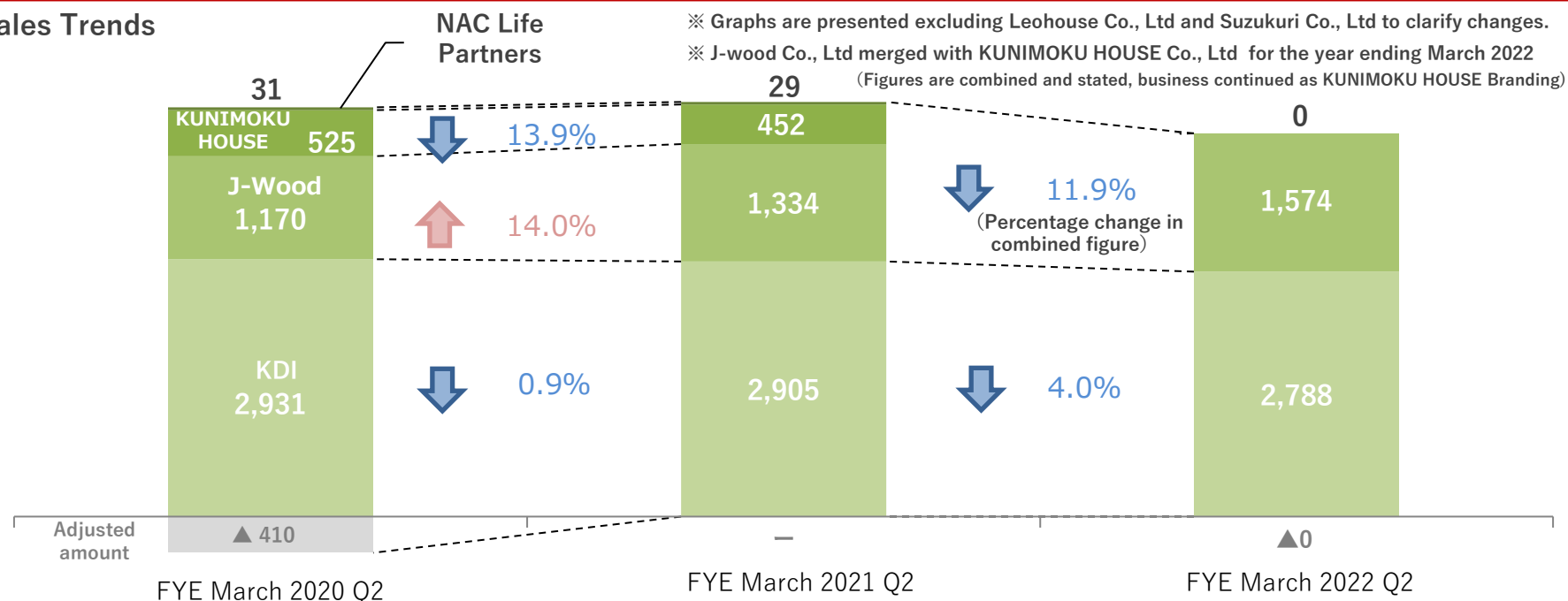
K) Operating income increased as a result of increase in land prices because of increased housing demands

NOTE) KD : KDI Co., Ltd J : J-wood Co., Ltd KU : KUNIMOKU HOUSE Business N : NAC Life Partners Co., Ltd

Sales	including Leohouse Co., Ltd 15.775 billion yen and Suzukuri Co., Ltd 471 million yen	(million yen)
20,494	4,721	4,363

Operating income		
▲ 1,088	▲ 84	▲ 61

Sales Trends



(※) Adjusted amount : Sales mainly within this segment

2-4b Housing Sales Business: Quarterly Trends of Sales and Operating Income

※ Sales and Operating income figures in the table includes Leohouse Co., Ltd and Suzukuri Division.

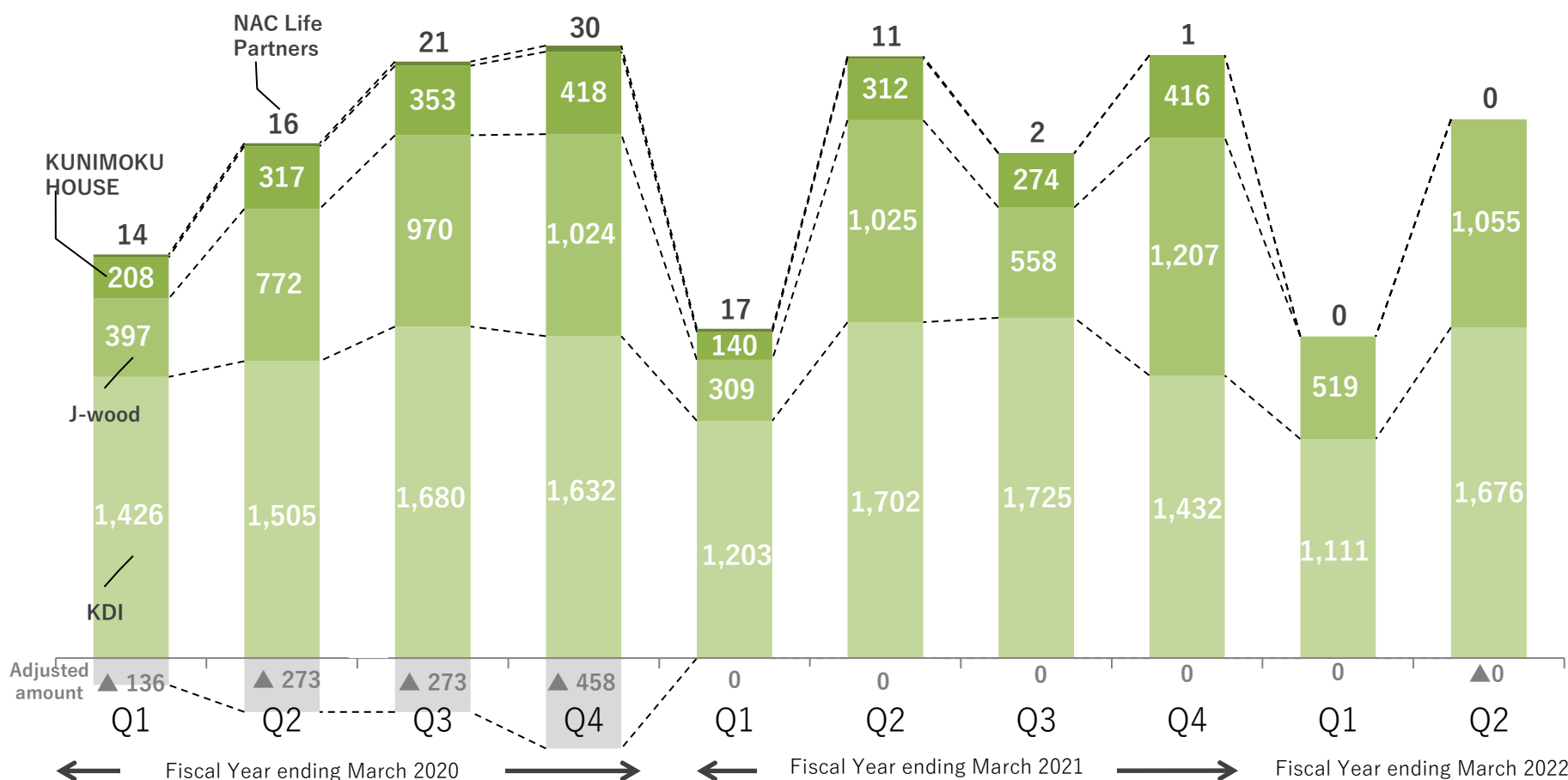
Sales

(million yen)

7,408	13,085	10,108	15,497	1,670	3,051	2,562	3,057	1,631	2,732
Operating income									
▲ 1,350	261	▲ 350	894	▲ 156	72	▲ 4	163	▲ 114	53

Sales Quarterly Trends

※ Graphs are presented excluding Leohouse Co., Ltd and Suzukuri Division to clarify changes



(※) Adjusted amount : Sales mainly within the segment

2-4c Housing Sales Business: Priority Measures for FY2021 onwards

» J-wood Co., Ltd :

Concentrate on management resources and improve business efficiency of two companies, including the merged KUNIMOKU HOUSE Co., Ltd. At the same time, develop a business that leverages the strength of both businesses.

» KDI Co., Ltd :

Expand sales area with the aim of increasing sales and strengthen profitability (expansion outside Tokyo 23 wards)

KDI-HOME

Kindness, Development, Integrity



株式
会社

ジェイウッド



KUNIMOKU
HOUSE



2. Business Segment Results

2-5. Beauty and Health Business

2-5a Beauty and Health Business: Sales and Operating Income trends

» Sales : J) Sales decreased due to reduced customers because of unauthorized access of EC website in July 2019 and sluggish sales of makeup products due to the impact of infectious disease.

B) Sales increased as a result of expanded sales of beauty and healthcare products

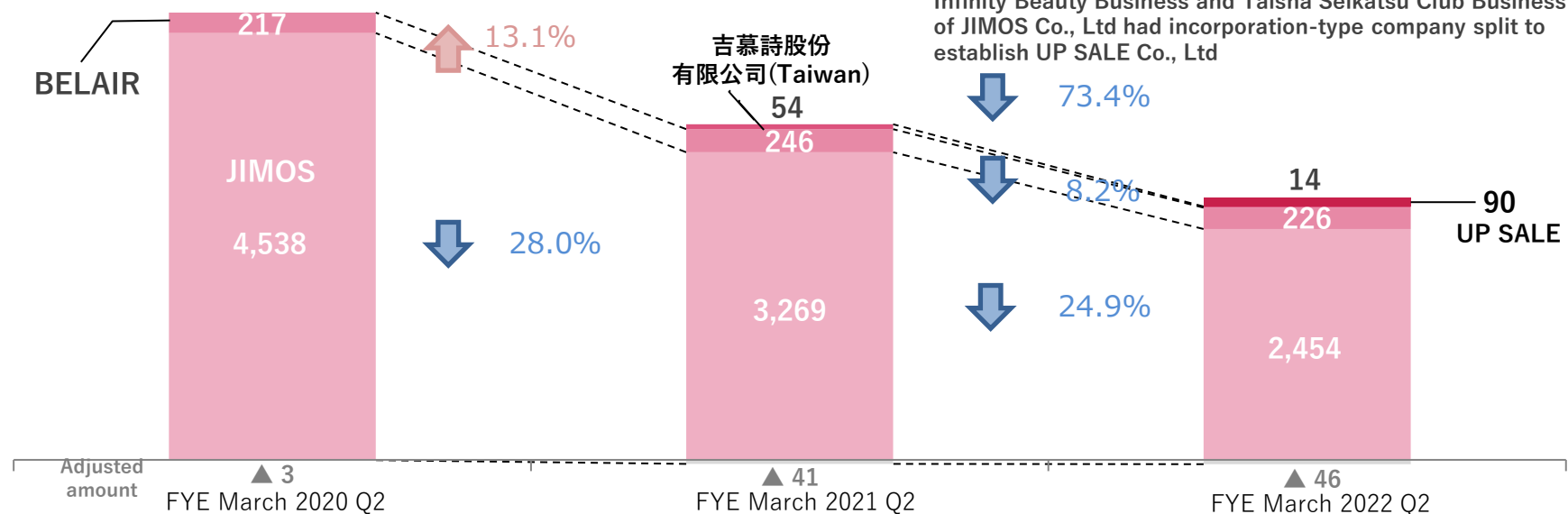
» Operating income :

J · B) Return to profitability as a result of reduced SG&A expenses which are mainly advertising and outsourcing expenses

NOTE) J : JIMOS Co., Ltd B : BELAIR Co., Ltd
吉 : 吉慕詩股份有限公司(Taiwan) U : UPSALE Co., Ltd

Sales	4,752	3,528	2,738
Operating income	▲ 94	▲ 147	

Sales Trends



(※) Adjusted amount : Sales mainly within the segment

2-5b Beauty and Health Business: Quarterly Trends of Sales and Operating Income

Sales

(million yen)

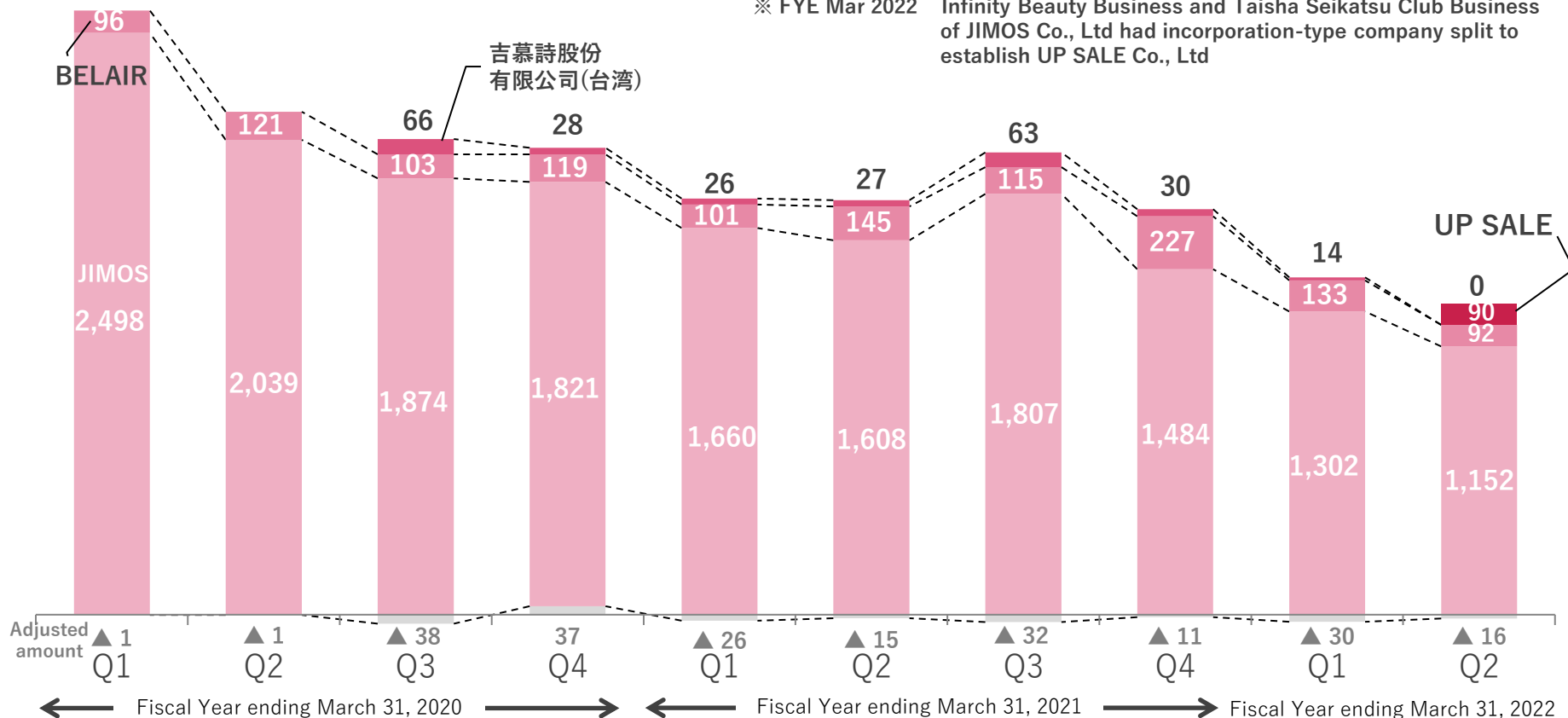
2,593	2,158	2,005	2,006	1,763	1,765	1,954	1,730	1,419	1,319
Operating income ▲136	41	175	44	▲67	▲80	158	112	183	128

Sales Quarterly Trends

※ Due to change in BELAIR's fiscal year ending(Dec⇒March),
FYE March 2021 Q4 is 6months

※ FYE Mar 2021 BELAIR Co., Ltd merges with QOL Club

※ FYE Mar 2022 Infinity Beauty Business and Taisha Seikatsu Club Business
of JIMOS Co., Ltd had incorporation-type company split to
establish UP SALE Co., Ltd



(※) Adjusted amount : Sales mainly within the segment

2-5c Beauty and Health Business: Priority Measures for FY2021 onwards

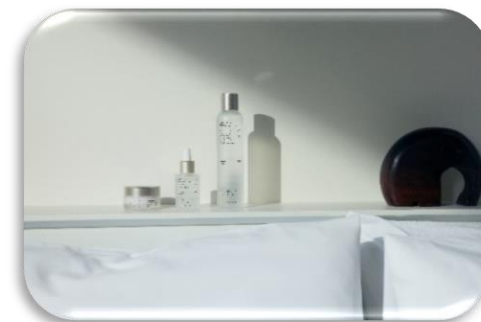
- » J I M O S Co., Ltd : Acquire new customers by enhancing the functions of basic cosmetics and expand new “SINN PURETÉ” brand
- » BELAIR Co., Ltd : Diversification for the purpose of expanding sales channels associating developing products for the general market
- » TOREMY Co., Ltd : Propose and offer new products that meet customer needs
- » UP SALE Co., Ltd : Focus on EC market, mainly through our own EC website and EC malls



macchia
MACCHIA LABEL
マキアレイベル



 coyori



SINN PURETÉ
natural & organics



 **TOREMY**



ベルエア

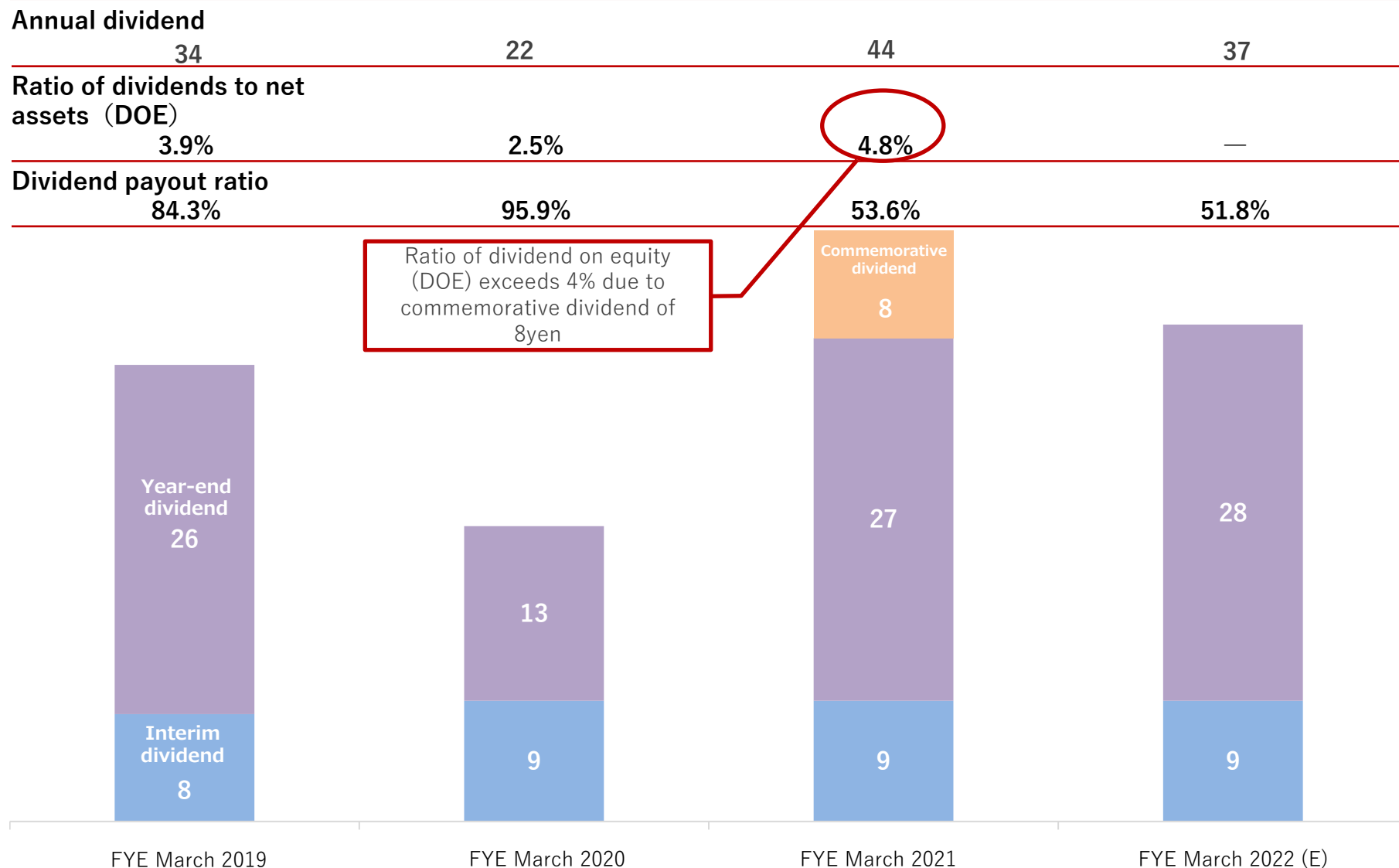


UP SALE

3. Dividends

3-1 Dividend Policy, Dividend Results and Dividend Forecast

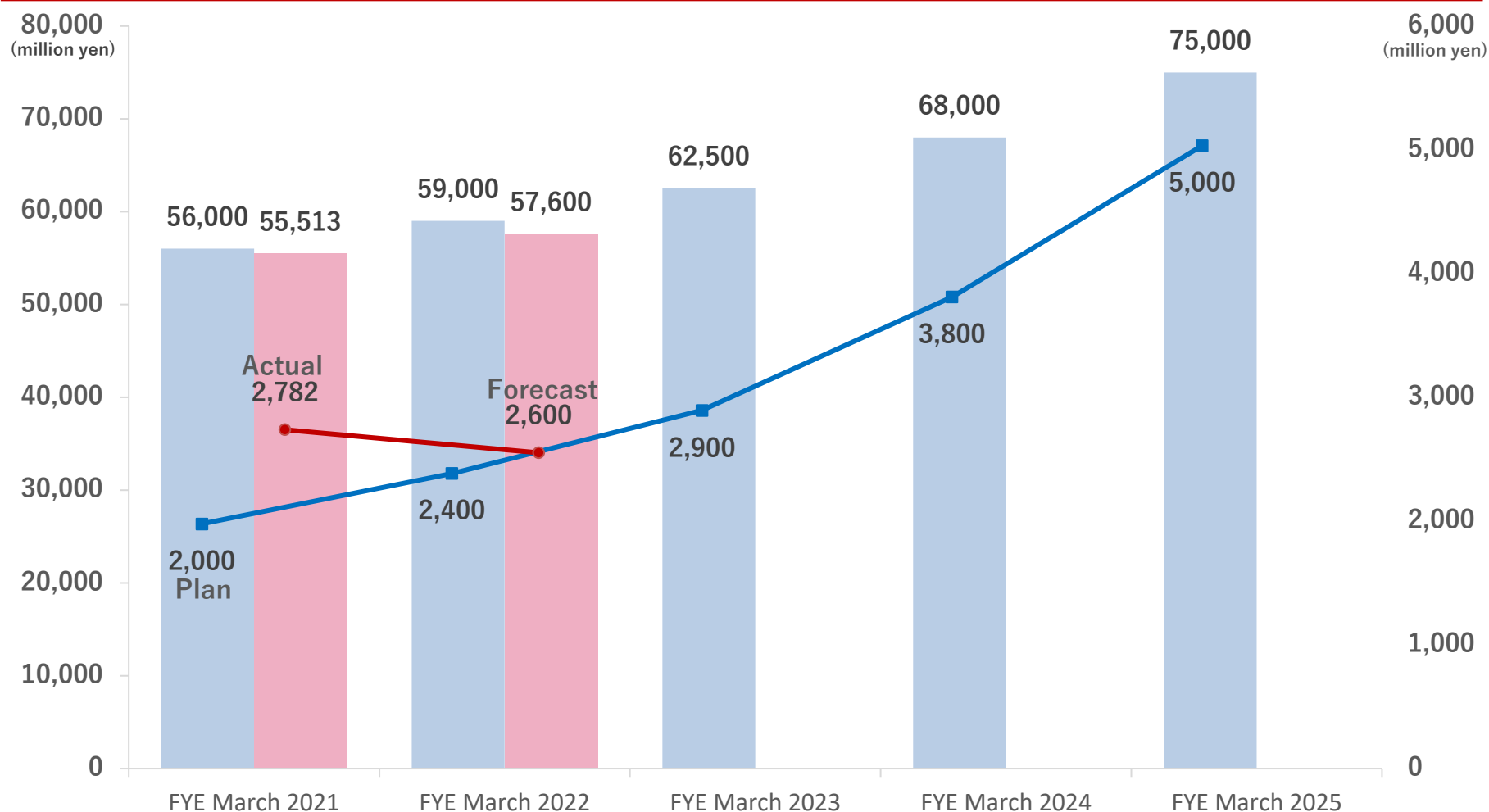
Dividend Policy : Dividend on equity(DOE) ratio of 4 % and dividend payout ratio within 100%



4 . Mid-Term Management Plan

4-1 Progress under Medium-Term Business Plan

» In the fiscal year ending March 31, 2022, although sales and profits are expected to decline year-on-year due to aggressive investments for future business expansion mainly in CreCla and rental businesses, both are expected to increase compared to the medium-term plan.



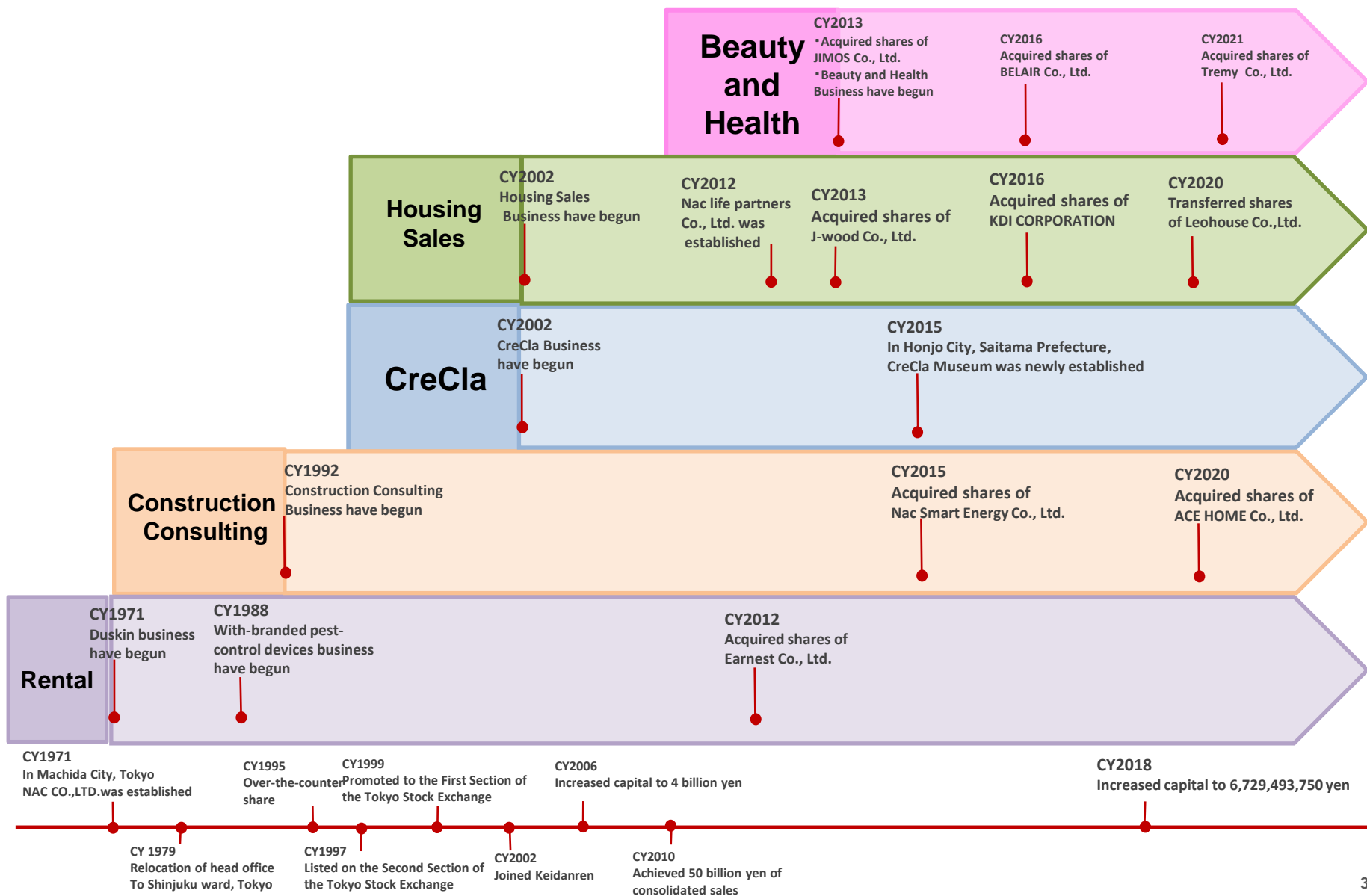
5. Corporate Profile

5-1 Corporate Profile

(As of the end of September 2021)

Company name	NAC CO., LTD
Address	42F Shinjuku Center Building, Nishi-shinjuku 1-25-1, Shinjuku-ku, Tokyo
Established	May 20, 1971
Representative	Yoshimura Kan, President
Consolidated Subsidiaries	<div> <div>Rental</div> <div>Consulting</div> <div>Housing</div> <div>Beauty & Health</div> </div> <p> Earnest Co., Ltd (Building Maintenance Business) Nac Smart Energy Co., Ltd (Sales and Construction energy-saving products) ACE HOME Co., Ltd (Residential Franchise Business) J-wood Corporation (Residential Business) KDI CORPORATION (Residential Business) Nac Life Partners Co., Ltd (Finance and Benefits) JIMOS Co., Ltd (Beauty and Health Business) BELAIR Co., Ltd (Beauty and Health Business) 吉慕詩股份有限公司 (Taiwan) (Beauty and Health Business) TOREMY Co., Ltd (Contract Manufacturing) ※ Subsidiary in July 2021 UP SALE Co., Ltd (Beauty and Health Business) ※Established September 2021 </p>
No. of Employees (Full-time)	Consolidated 1,649 (excluding part-time employees)
Capital	6,729,493,750 yen
Shares Outstanding	24,306,750 shares (1 unit : 100 shares)
Number of Shareholders	11,440 (Total number of shareholders excluding treasury stock)

5-2 History of NAC Group

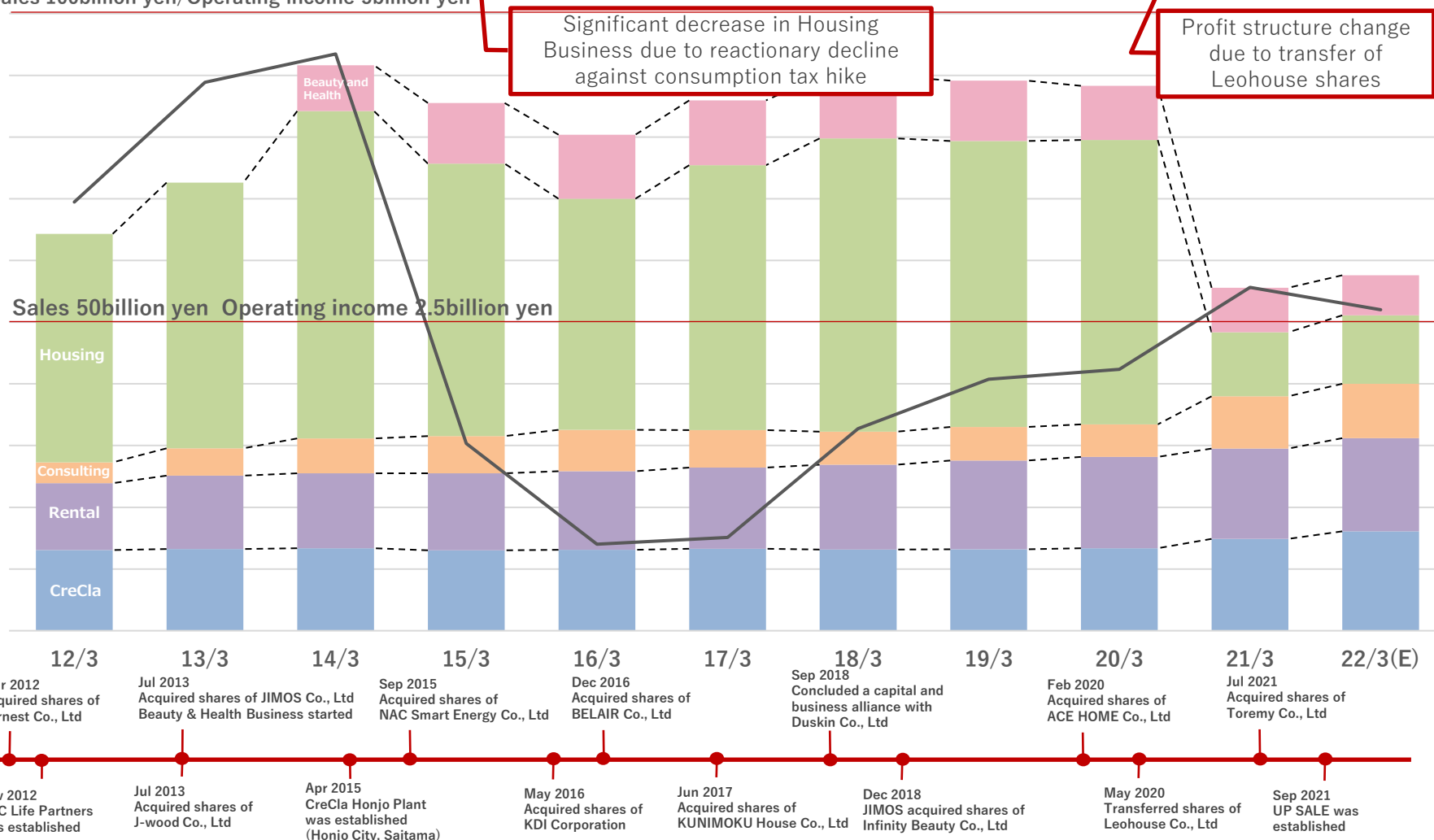


5-3 NAC Business Result (Previous 10 Fiscal Years + Forecasts)

Sales	64,307	72,621	91,630	85,443	80,302	85,901	89,818	89,111	88,222	55,513	57,600
Operating income	3,474	4,444	4,672	1,517	701	756	1,637	2,037	2,118	2,782	2,600

Sales Trend (Bar Chart) and Operating Income Trends (Line Chart)

Sales 100billion yen/Operating income 5billion yen



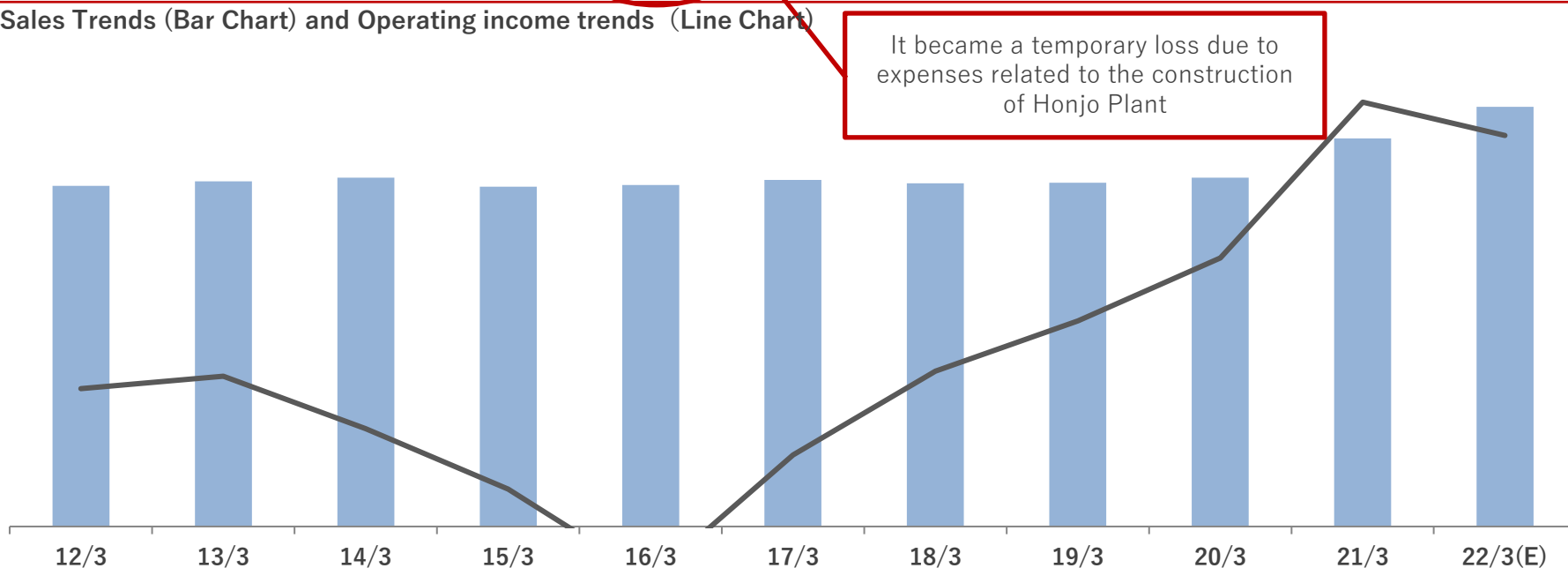
5-4 Business Introduction CreCla Business

Major composition : NAC CreCla Business

- Production and sales of CreCla (bottled water delivery with dispenser) and ZiACO (hypochlorous acid aqueous solution)
- Operates Head Office of CreCla Chain Business (approximately 500 Affiliated stores)
- **No. 1** in customer satisfaction for **10 consecutive years** (Dec 2020 survey by NIFTY Corporation on water delivery)
- Acquired the **industry's first*** HACCP Certification and eco-mark, and established the **industry's first*** R&D Center
- In April 2015, a manufacturing plant and CreCla Museum were established in Honjo City, Saitama Prefecture

	(million yen)										
Sales	13,059	13,235	13,376	13,033	13,095	13,293	13,158	13,179	13,375	14,881	16,100
Operating income	529	576	375	143	▲201	274	596	788	1,030	1,627	1,500

Sales Trends (Bar Chart) and Operating income trends (Line Chart)



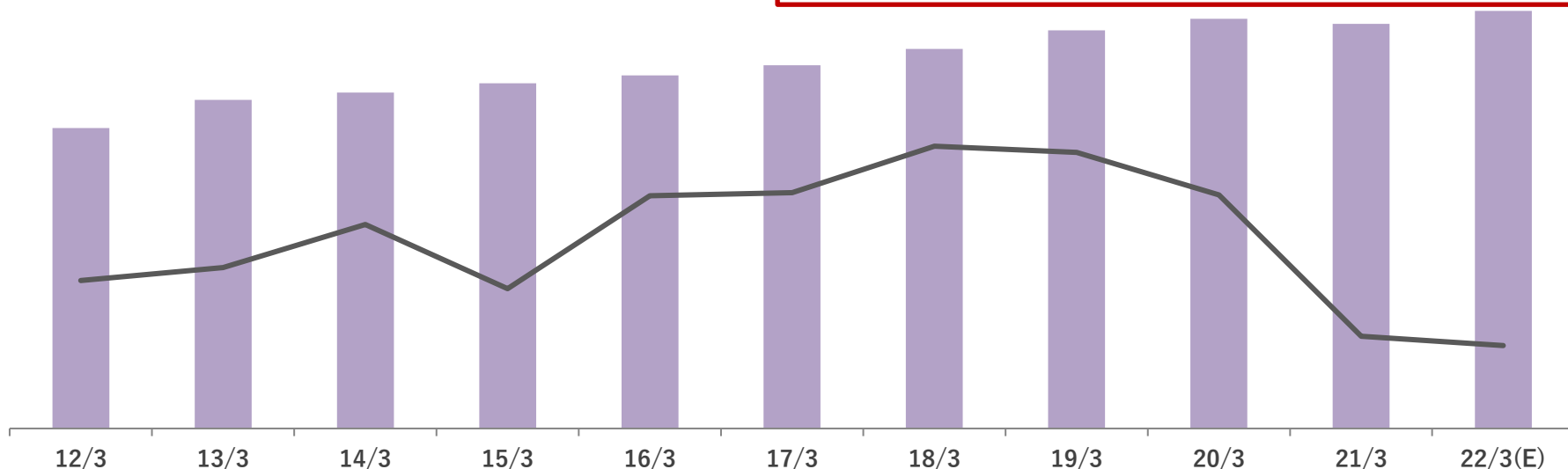
5-5 Business Introduction Rental Business

Major composition : NAC Rental Business, Earnest Co., Ltd

- Rental and sales of dust control products and pest control equipment, and regular cleaning operations, etc
- **No. 1 sales** of all Duskin franchise dealers (approximately 1900 companies)
- Pest control device “With” for restaurants, **Japan’s first** approved by Ministry of Health, Labor and Welfare
- March 2012 Earnest Co., Ltd became a subsidiary (building maintenance business)
- August 2018 Concluded a capital and business alliance with Duskin Co., Ltd

Sales	(million yen)										
	10,865	11,884	12,147	12,485	12,765	13,135	13,727	14,394	14,808	14,626	15,100
Operating income	1,535	1,582	1,738	1,505	1,841	1,853	2,021	1,998	1,844	1,333	1,300

Sales Trend (Bar chart) and Operation income trend (Line chart)



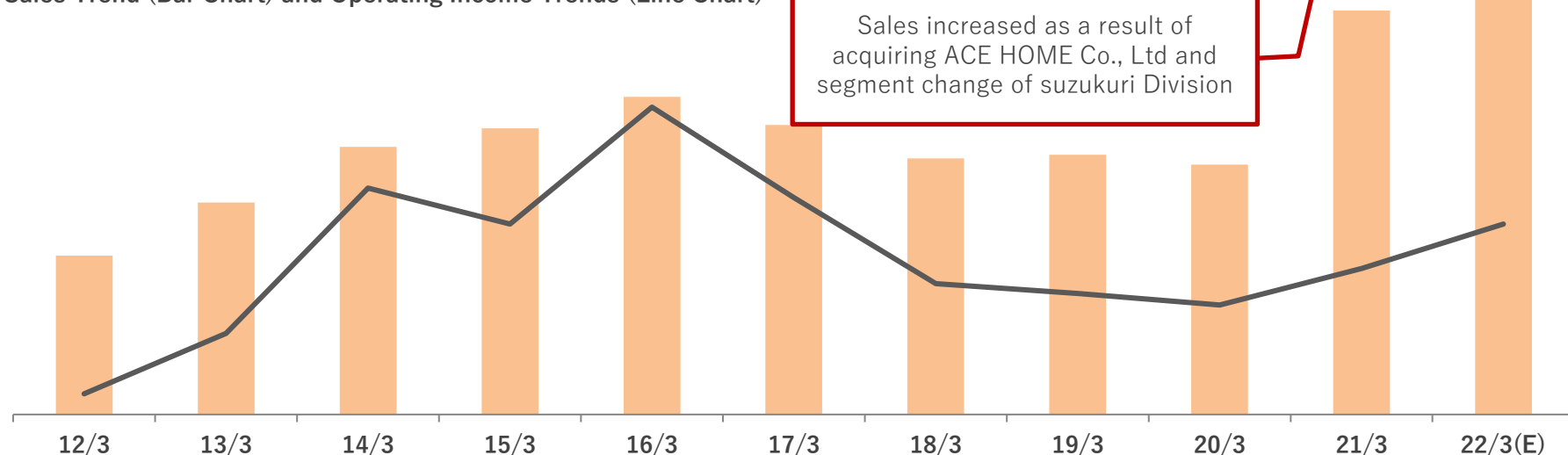
5-6 Business Introduction Construction Consulting Business

Major compositions : NAC Construction Consulting Business,
NAC Smart Energy Co., Ltd, ACE HOME Co., Ltd

- Sales and installation of construction know-how system products and construction materials to local building contractor, and housing franchise business
- NAC Building Contractor **approximately 7,000**
- Sep 2015 NAC Smart Energy Co., Ltd became a subsidiary (Sales and installation of energy-saving products)
- Apr 2017 suzukuri became a subsidiary (Housing Development Business in partnership with other industries)
(Continued as Suzukuri Div after segment change from Housing Sales Business in April 2020)
- Feb 2020 ACE HOME Co., Ltd became a subsidiary (Housing Franchise Business)

Sales	3,336	4,455	5,628	6,014	6,676	6,089	5,383	5,459	5,251	8,495	8,800
											(million yen)
Operating income	543	670	976	900	1,146	956	775	754	730	807	900

Sales Trend (Bar Chart) and Operating Income Trends (Line Chart)



5-7 Business Introduction Housing Sales Business

Major components : KDI Corporation, J-wood Co., Ltd, NAC Life Partners Co., Ltd

□ Construction contract of custom-built houses, sales of built-for-sale houses, and related finance and insurance operation

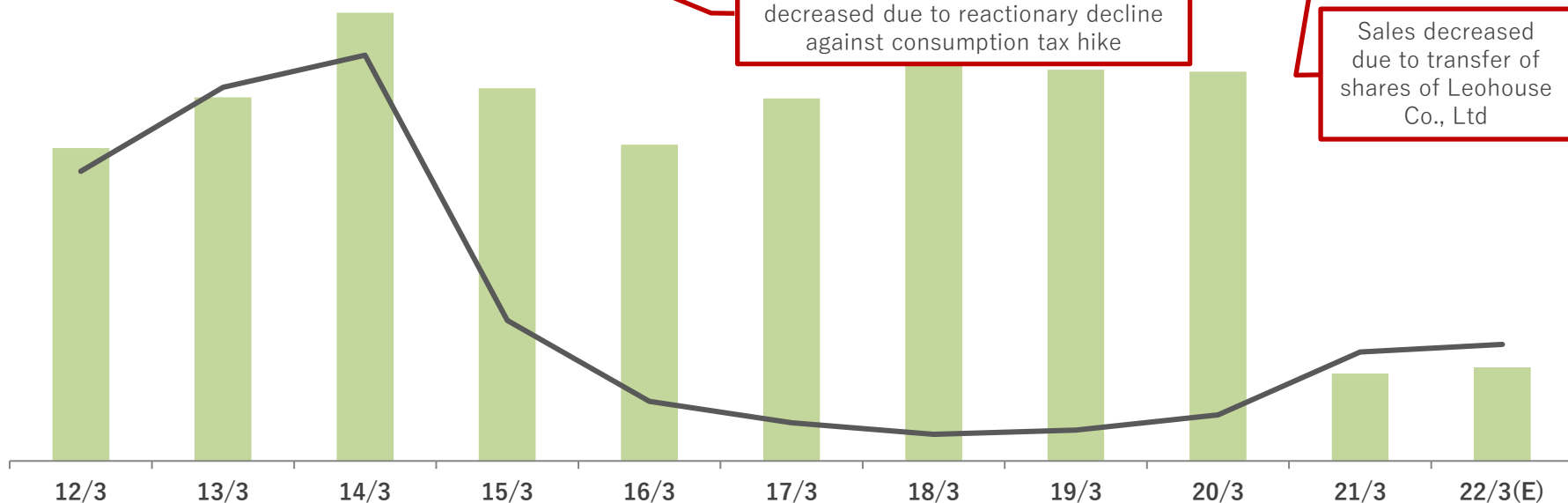
■ Jul 2013 J-wood Co., Ltd became subsidiary (custom-built house made of natural materials)

■ May 2016 KDI Co., Ltd became a subsidiary (for sale and custom-built houses in Tokyo Metropolitan area)

■ Jun 2017 KUNIMOKU HOUSE Co., Ltd became a subsidiary (Housing Development Business in Hokkaido)
(April 2021 merged with J-wood Co., Ltd)

Sales	37,046	43,049	53,059	44,134	37,452	42,936	47,492	46,318	46,101	10,341	11,100
Operating income	1,858	2,686	3,003	388	▲ 412	▲ 622	▲ 736	▲ 694	▲ 545	74	150

Sales Trend (Bar Chart) and Operating income (Line Chart)



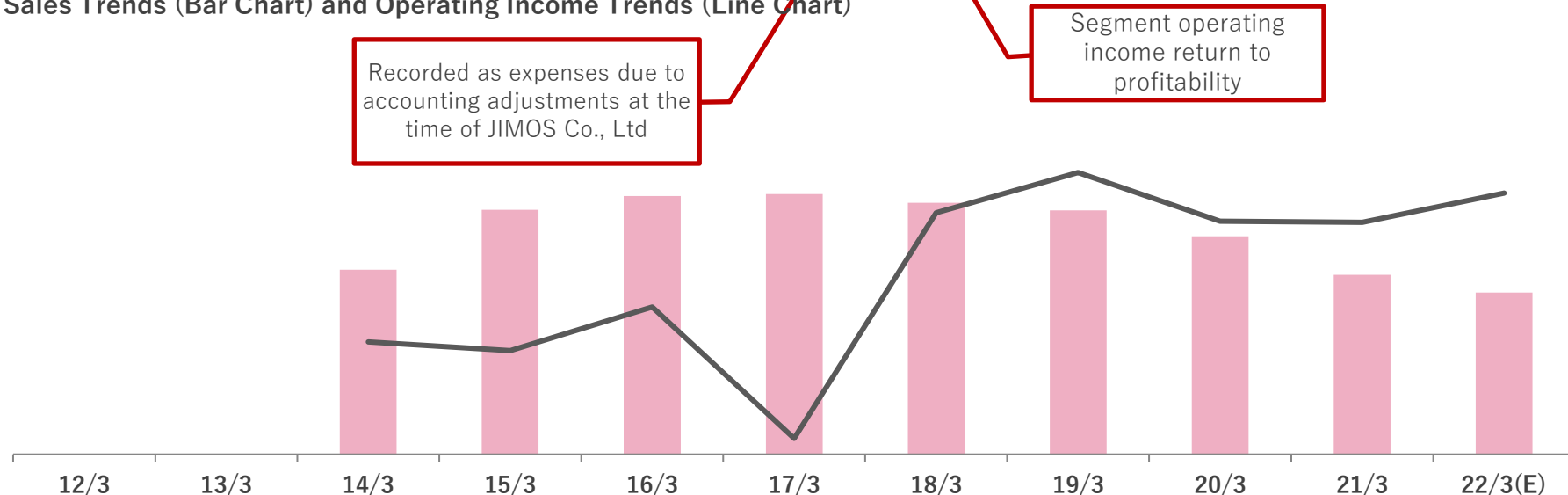
5-8 Business Introduction Beauty and Health Business

Major components : JIMOS Co., Ltd, BELAIR Co., Ltd, TOREMY Co., Ltd, UPSALE Co., Ltd

- Mail-order sales of cosmetics, healthy food, beauty materials, etc
- Jul 2013 Started Beauty and Health Business when JIMOS Co., Ltd was acquired
Basic cosmetics mainly for women in their 40s to 60s
- Dec 2016 BELAIR Co., Ltd became a subsidiary (sales of supplement)
- Jul 2021 TOREMY Co., Ltd became a subsidiary (contract manufacturer of cosmetics)
- Sep 2021 Established UP SALE Co., Ltd

Sales	7,421	9,825	10,378	10,463	10,115	9,801	8,764	7,213	6,500
	(million yen)								
Operating income	▲ 199	▲ 222	▲ 105	▲ 457	147	255	125	122	200

Sales Trends (Bar Chart) and Operating Income Trends (Line Chart)



Best Communication
NAC