

May 13, 2022
NAC CO., LTD
Tokyo Stock Exchange
PRIME 9 7 8 8



Topics

1 . Fiscal Year 2021 Results	...	P. 2
2 . Business Segment Results	...	P. 10
3 . Dividends	...	P. 30
4 . Mid-term Management Plan	...	P. 32
5 . Corporate Profile	...	P. 39

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. Fiscal Year 2021 Results

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

[Sales] Earnest Co., Ltd of Rental Business : increased as a result of large order of vaccination sites operation
JIMOS Co., Ltd of Beauty and Health : decreased due to the impact of COVID-19 where usage of makeup are minimal

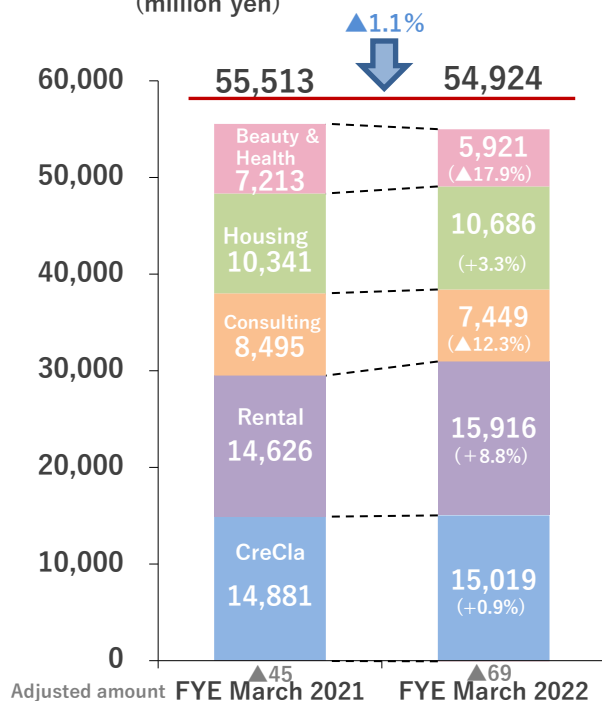
[Operating income] CreCla Business : decreased due to strengthening sales promotion activities
and securing sales personnel

Rental Business : increased following the sales increase in Duskin business and Earnest Co., Ltd

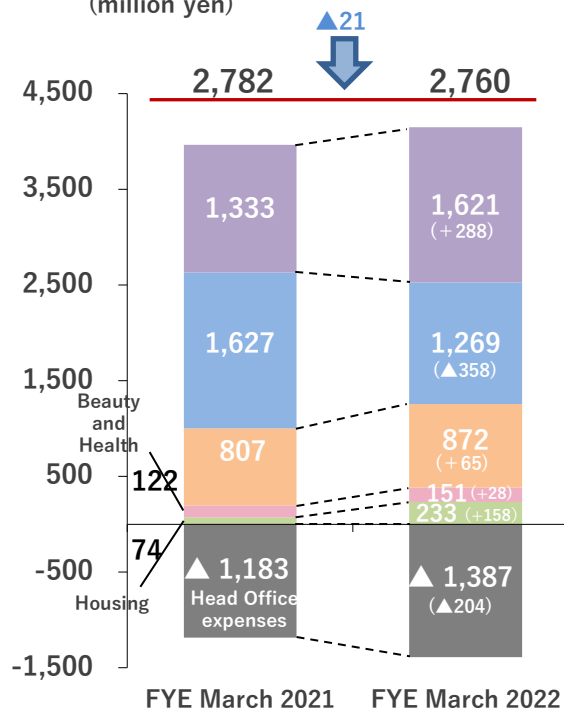
Head Office : decreased due to expenses related to 50th Founding Anniversary

[Current net income(※)] decreased in this fiscal year due to gains from stock transactions of LeoHouse Co., Ltd in the previous fiscal year

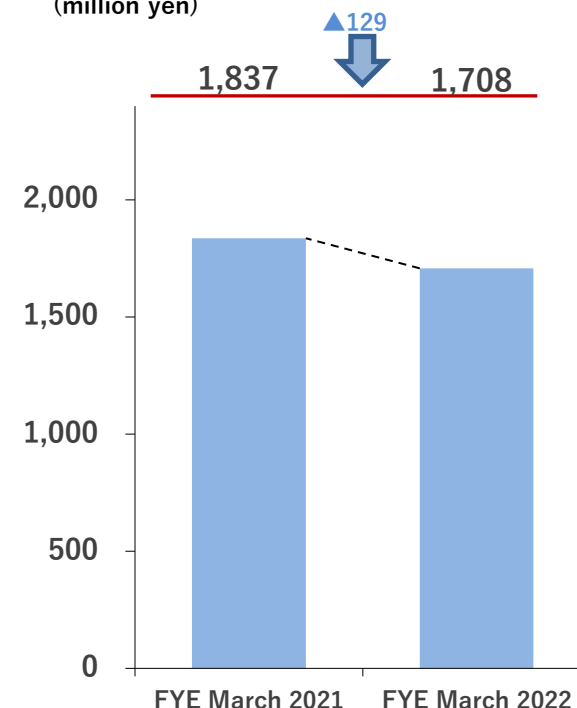
Sales (percentage in parentheses are the changes)
(million yen)



Operating income (figures in parentheses are the changes)
(million yen)



Current Net income (※)
(million yen)



(※) Current Net Income : Attributable to owners of the parent, Adjustments: Intersegment sales of Transfers

1-2 Quarterly trends of Sales and Operating income

Sales

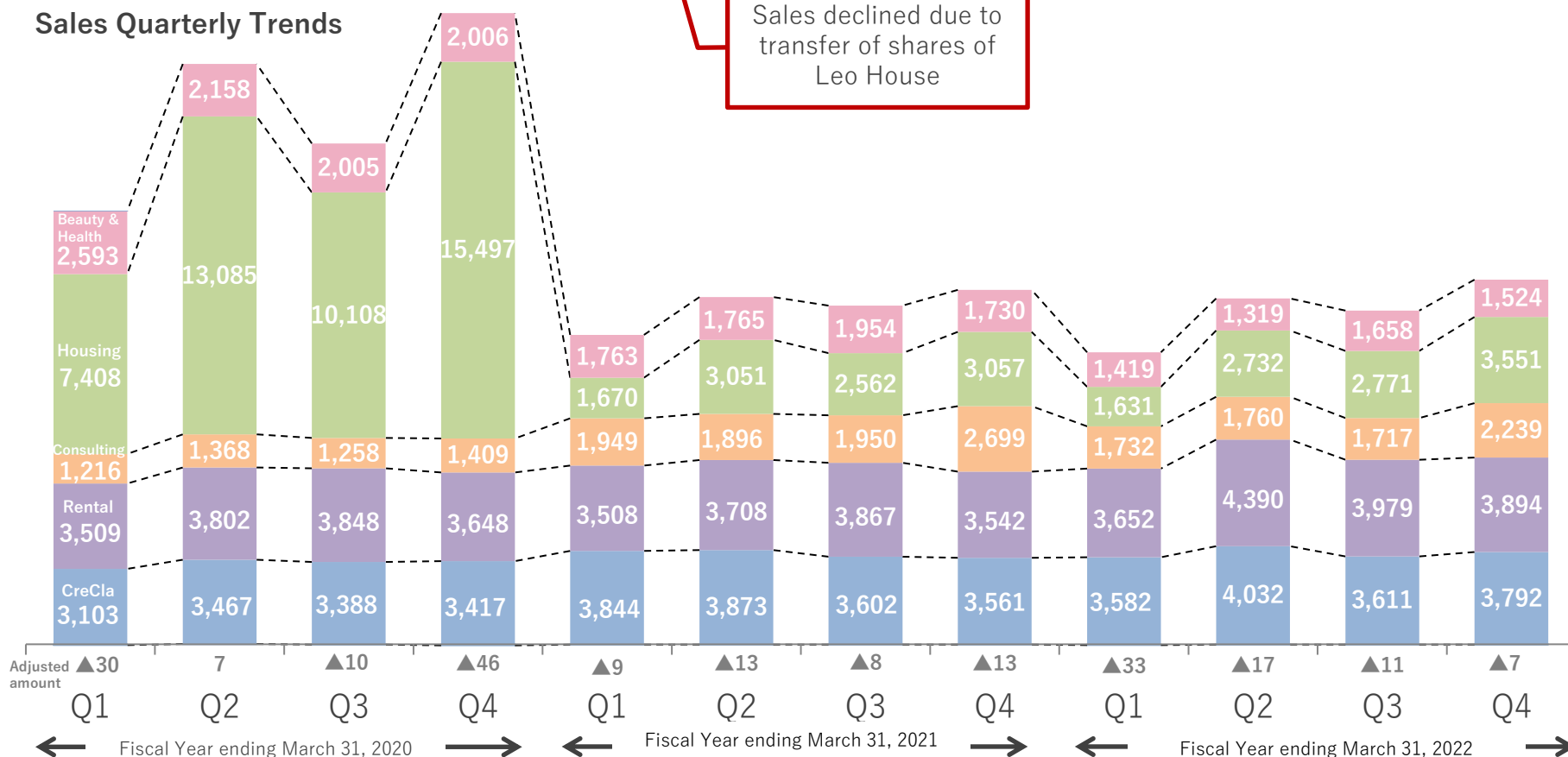
(million yen)

17,800 23,889 20,599 25,932 **12,727** 14,281 13,927 14,577 11,984 14,218 13,727 14,993

Operating income

▲1,243 1,013 527 1,820 211 614 871 1,084 185 848 856 871

Sales Quarterly Trends



(※) Adjusted amount : Intersegment sales or transfer

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

- » Gross profit : decreased due to sales decline in With business of Rental Business,
and Beauty and Health Business
- » Depreciation and amortization of goodwill :
A portion of goodwill decreased due to end of amortization period
- » Other SG&A expenses : decreased due to cut down of outsourcing expenses and so on in Beauty and Health Business

(million yen)		
		Year-on-Year change
FYE March 31, 2021 Q 4 Operating income	2,782	—
Change in gross profit	▲ 498	▲ 1.8%
Increase (decrease) of SG&A expenses	Personnel Expenses	+ 91 + 0.9%
	Advertising and sales promotional expenses	▲ 57 ▲ 1.9%
	Land rent cost	+ 0 + 0.0%
	Depreciation and amortization of goodwill	+ 179 + 17.5%
	Other SG&A expenses	+ 262 + 2.9%
FYE March 31, 2022 Q 4 Operating income	2,760	▲ 0.8%

1-4 Consolidated Balance Sheets (Assets)

- » Current assets : Cash and deposits ▲2,001
 Real estates for sale + 482
 Notes and accounts receivable - trade +430
 » Noncurrent assets : No notable items

(million yen)					
	FYE March 31, 2022 Q3	Percentage of Total	FYE March 31, 2021	Percentage of Total	Variance
Current assets	25,091	63.2%	26,204	64.2%	▲ 1,113
Property, plant and equipment	8,720	22.0%	8,841	21.6%	▲ 121
Intangible assets	1,890	4.8%	1,679	4.1%	+ 211
Investments and other assets	4,022	10.1%	4,098	10.0%	▲ 76
Noncurrent assets	14,633	36.8%	14,619	35.8%	+ 13
Deferred assets	—	—	23	0.1%	▲ 23
Total assets	39,724	100.0%	40,847	100.0%	▲ 1,123

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

» Current liabilities : Short-term loans payable ▲1,300

» Net assets : Retained earnings +633

(million yen)					
	FYE March 31, 2022	Percentage of total	FYE March 31, 2021	Percentage of total	Variance
Current liabilities	12,576	31.7%	13,619	33.3%	▲ 1,043
Non-current liabilities	5,009	12.6%	5,872	14.4%	▲ 862
Total liabilities	17,585	44.3%	19,492	47.7%	▲ 1,906
Shareholder's equity	22,627	57.0%	21,960	53.8%	+ 666
Accumulated other comprehensive income	▲ 563	▲ 1.4%	▲ 662	▲ 1.6%	+ 99
Non-controlling interests	74	0.2%	57	0.1%	+ 17
Total net assets	22,138	55.7%	21,355	52.3%	+ 782
Total liabilities and net assets	39,724	100.0%	40,847	100.0%	▲ 1,123

1-6 Consolidated Cash Flow

- » Operating activities : Income before income taxes +2,736 Depreciation +1,020
 Increase in trade receivables ▲352 Decrease in consumption tax payable ▲244
- » Investing activities : Purchase of intangible fixed assets ▲445 Purchase of tangible fixed asset ▲207
 Acquisition of subsidiary company shares resulting in change in scope of consolidation ▲333
- » Financing activities : Decrease of short term loans payable ▲1,300
 Decrease of long term loans payable ▲1,168 Dividends paid ▲991

	Result FYE 2022	Result FYE 2021	(million yen) Variance
1.Cash flow from operating activities	2,847	6,454	▲ 3,607
2.Cash flow from investing activities	▲ 1,107	▲ 1,448	+ 341
3.Cash flow from financing activities	▲ 3,743	54	▲ 3,798
Net increase (decrease) in cash and cash equivalents	▲ 2,001	5,060	▲ 7,062
Beginning balances of cash and cash equivalents	14,188	9,115	+ 5,073
Increase in cash and cash equivalents from newly consolidated subsidiary	—	11	▲ 11
Ending balances of cash and cash equivalents	12,187	14,188	▲ 2,001
Depreciation and amortization	1,020	1,007	+ 12

1-7 Forecasts of Financial Results

- » Plan of decrease in sales and increase income in relative to mid-term plan
- » Aggressive up-front investments in human capital, new products and services, sales promotion activities and so on to acquire customers are planned to continue as in FYE March 2022

(million yen)			
	Plan FYE 2023	Result FYE 2022	Variance
Sales	60,000	54,924	+ 5,075
Operating income	3,000	2,760	+ 239
Ordinary income	3,000	2,792	+ 207
Profit attributable to owners of parent company	2,000	1,708	+ 291
EPS	89.26 yen	76.17 yen	+ 13.09 yen

2. Business Segment Results

2-1. CreCla Business

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

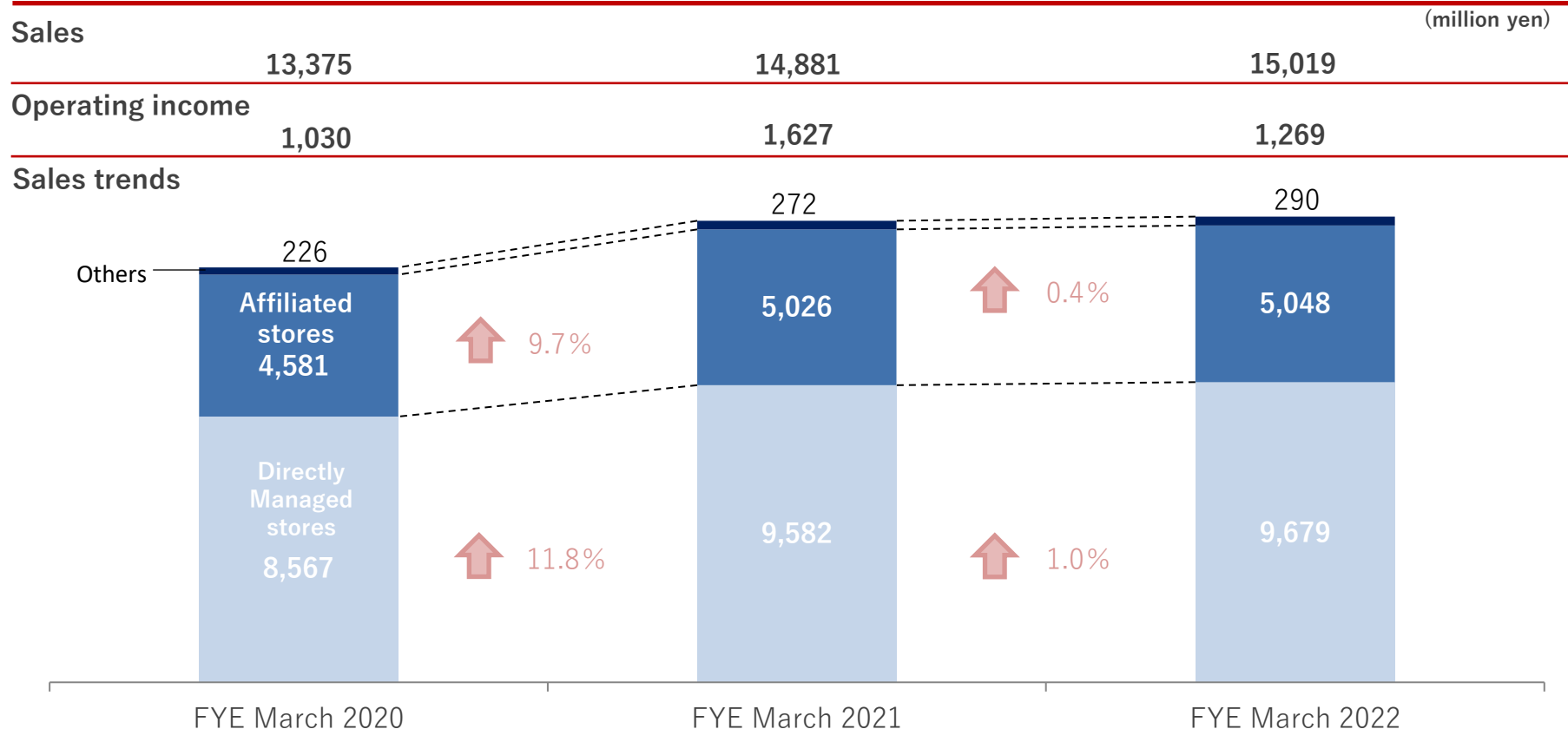
【Sales】 D) A slight increase in sales of bottled water and decrease in ZiACO year-on-year.

Overall sales slightly increased year-on-year

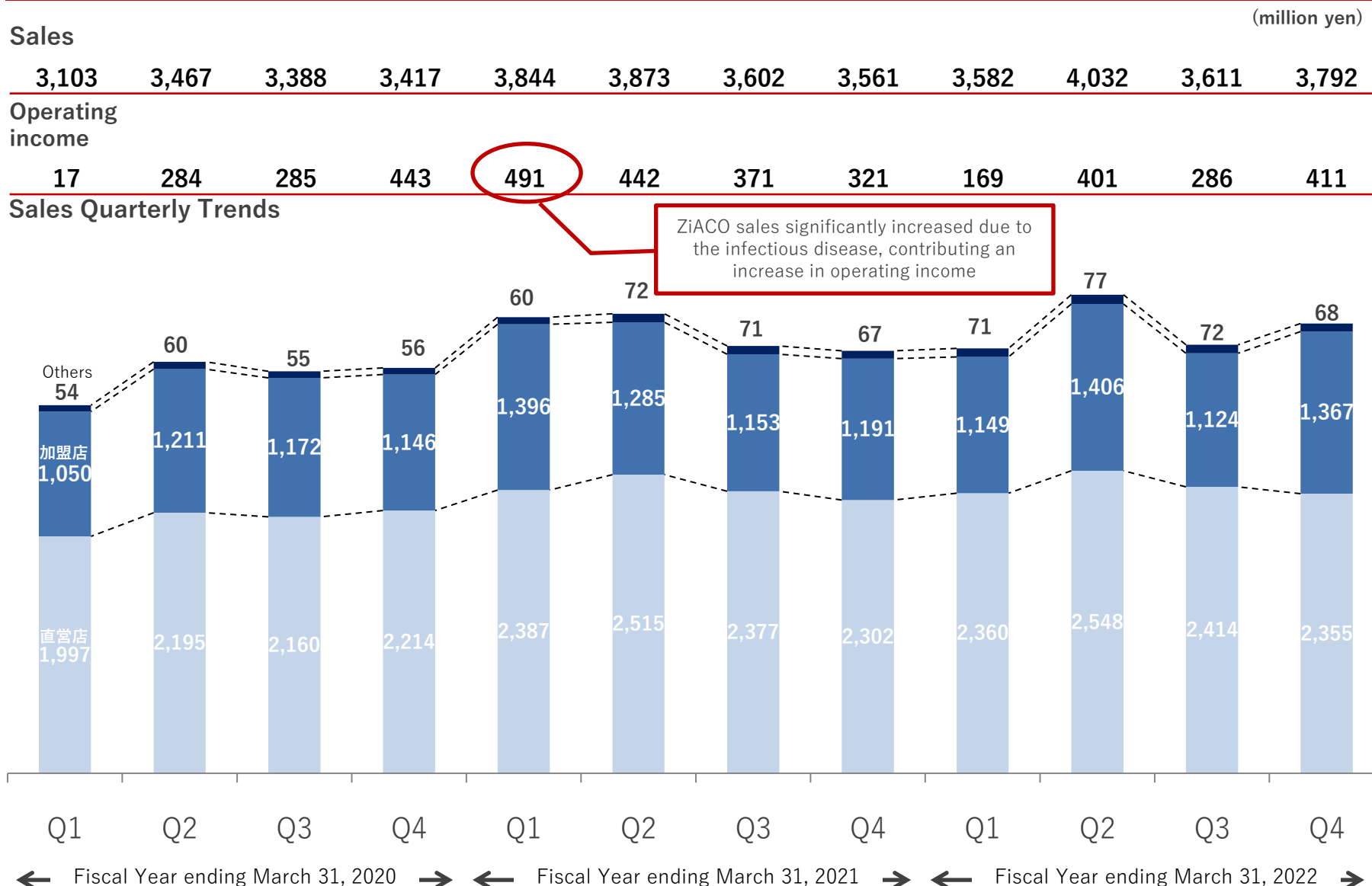
A) The increase in plant-related sales from the previous fiscal year compensated the decline in sales of products related to hypochlorous acid solution “ZiACO” and overall sales remained at the same level as in the previous fiscal year.

【Operating income】 D・A) Due to up-front investments in sales personnel and strengthening sales promotion activities, SG&A expenses increased and operating income decreased

※ D: Directly managed stores A: Affiliated stores



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



2-1c CreCla Business: Priority Measures for FY2022 onwards

» Increase customers

- ⇒ Execution of all customer acquisition measures including strengthening of various sales channels
- ⇒ Develop and offer new products and new services
- ⇒ Improve service quality, SNS activities, strengthen CRM and so on

» Strengthen training system and securing personnel

» Strengthen media strategies and competitive measures



※2021年12月ニフディ(株)調べ
「宅配水に関する調査」



CreCla Fit



※2021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】

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

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

Sales in Care Service Division has increased with the additional business locations

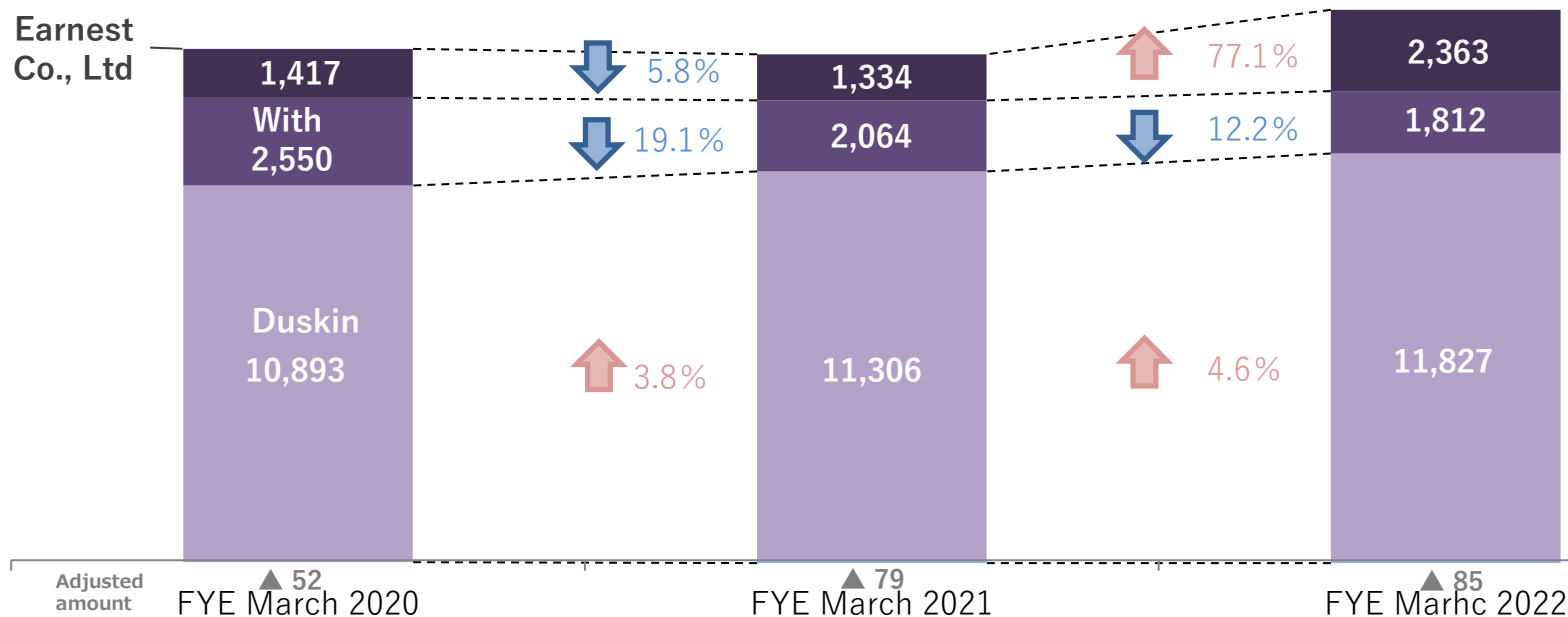
W) Sales decreased due to declining customers caused by restaurant closures and reduced business hours in major metropolitan areas

E) Sales significantly increased due to the orders made by large customers of vaccination sites operation

【Operating income】 D・E) Operating income increased following the increase in sales

Sales	14,808	14,626	15,916
Operating income	1,844	1,333	1,621

Sales Trends



(※) Adjusted amount : Sales mainly within the segment

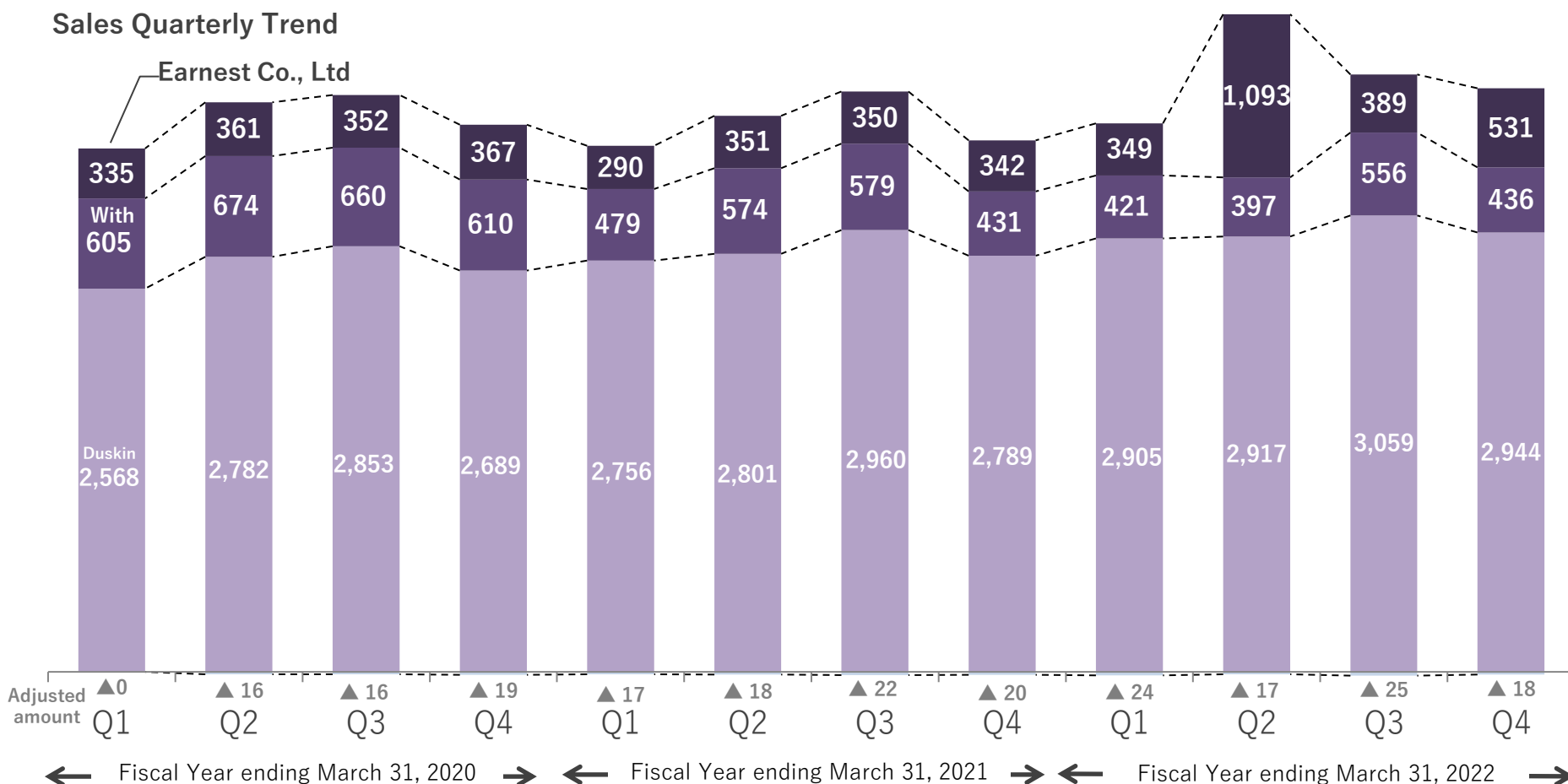
2-2b Rental Business: Quarterly Trends of Sales and Operating Income

Sales

(million yen)

3,509	3,802	3,848	3,648	3,508	3,708	3,867	3,542	3,652	4,390	3,979	3,894
Operating income											
443	502	530	368	267	328	446	290	290	424	458	448

Sales Quarterly Trend



(※) Adjusted amount : Sales mainly within the segment

2-2c Rental Business: Priority Measures for FY2022 onwards

- » Promote projects through capital business alliance with Duskin Co., Ltd
 - ⇒ Care Services Division: open 39 more businesses in addition to the 71 business after alliance
 - ⇒ HealthRent Division: open six more stores in addition to the four stores after alliance
- » Duskin business(Dust Control Products Division) : Return to emphasizing face to face customer contact
- » With business : Strengthening organizational structure and resumption of developing agencies that has been suspended due to COVID-19
- » Earnest Co., Ltd : Continue to focus on acquiring government projects such as operation of vaccination sites for COVID-19 vaccines, as in the previous year

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 decreased due to decline of completed construction caused by change in the business format of suzukuri Division

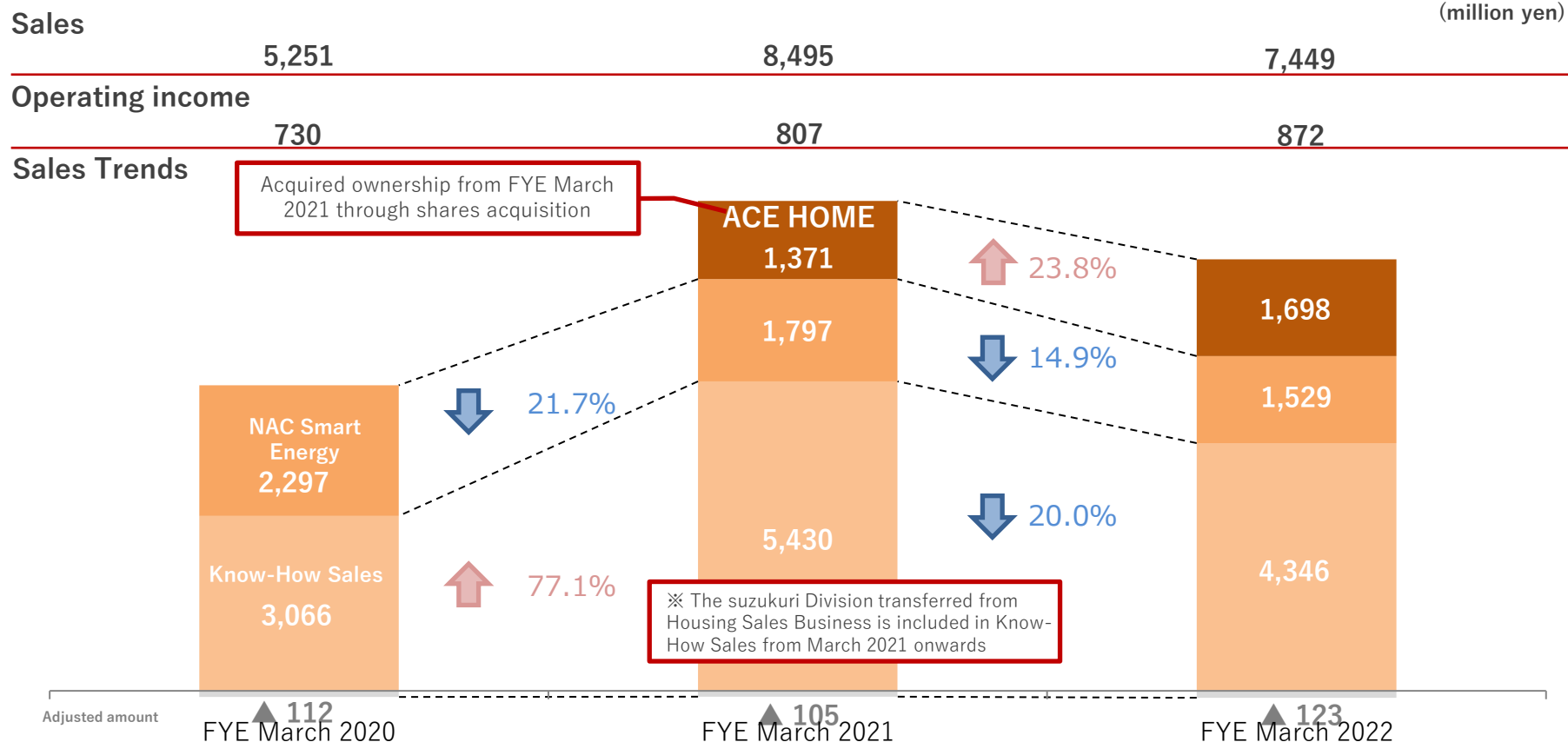
N) Sales decreased due to delay in construction caused by semiconductor shortage

A) Sales increased as a result of strong sales of products jointly developed with NAC and an increase of buildings built by affiliated stores.

【Operating income】 K) Operating income decreased following the decrease of sales in suzukuri Division

A) Operating income increased following the increase in sales

※ K: Know-How Sales Division (including suzukuri Division) N: NAC Smart Energy Co., Ltd A: ACE HOME Co., Ltd



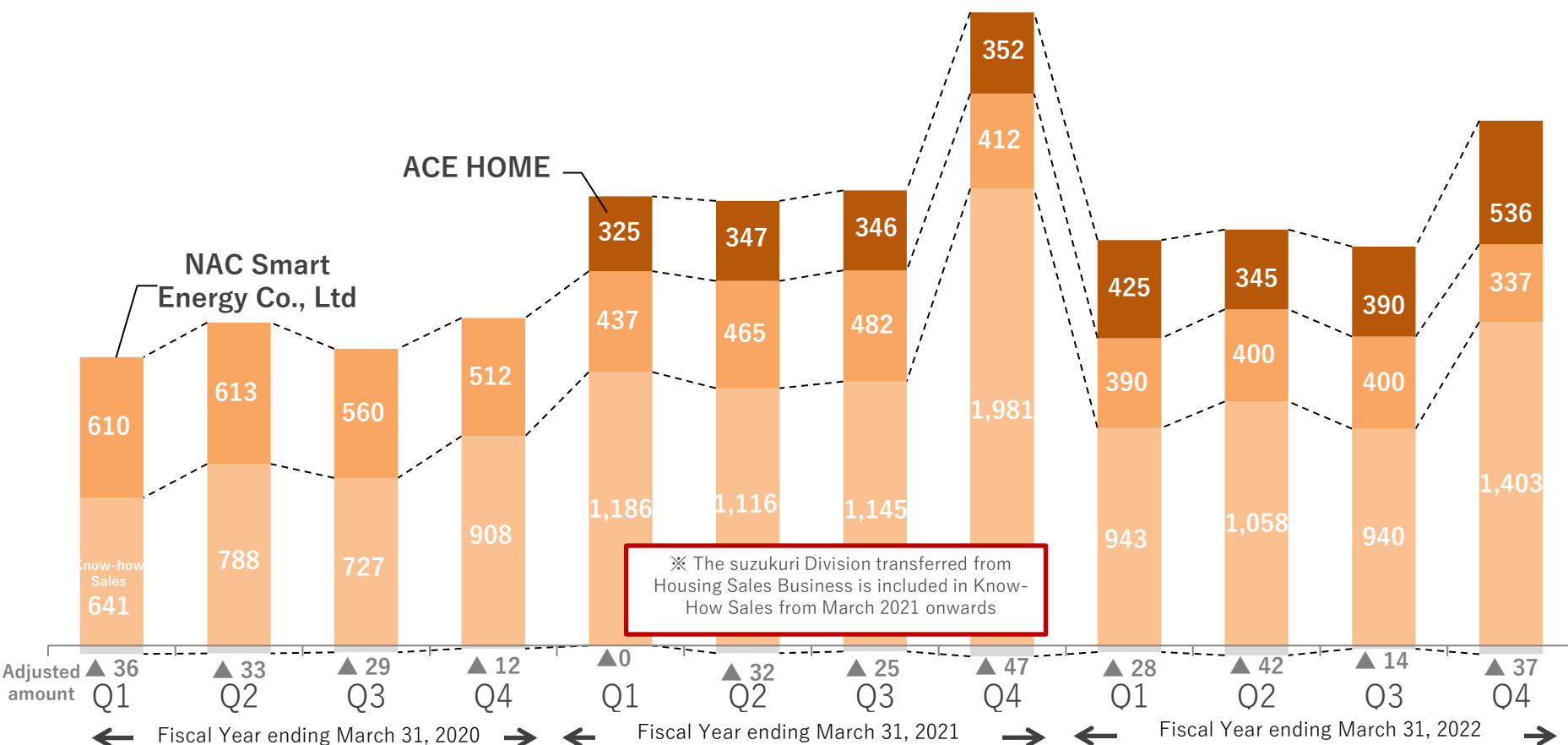
2-3b Construction Consulting Business: Quarterly Trends of Sales and Operating Income

Sales

(million yen)

1,216	1,368	1,258	1,409	1,949	1,896	1,950	2,699	1,732	1,760	1,717	2,239
Operating income											
60	192	147	330	▲ 25	138	188	506	84	212	113	461

Sales Quarterly Trends



(※) Adjusted amount : Sales mainly within the segment

2-3c Construction Consulting Business: Priority Measures for FY2022 onwards

- » Know-how Sales Division : Implement mid-term plan measures, strengthen training of members, introduce a free membership system and develop sales activities that also utilizes BPO in non-core operation and SDGs approach
- » NAC Smart Energy Co., Ltd : As various national and local government measures aimed at achieving a decarbonized society as tailwinds, our company is expanding business mainly targeting customers in the residential market.
- » ACE HOME Co., Ltd : Strengthen support for affiliated stores and trial new support services in collaboration with NAC



2. Business Segment Results

2-4. Housing Sales Business

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

【Sales】 K) decreased due to difficulty in purchasing land and delay in construction schedule due to the lumber shortage

J) increased as a result of strong orders in the first half of the year, affected by the deadline of applications for the Home Stay Benefit Program.

【Operating income】

K) Higher land prices in the market contributed to higher sales prices, resulting in a significant increase

J) Operating loss narrowed year on year, as a result of year-on-year sales increase, and decline in SG&A through consolidation and relocation of stores in the previous fiscal year.

※ K : KDI CORPORATION J: J-wood Co., Ltd

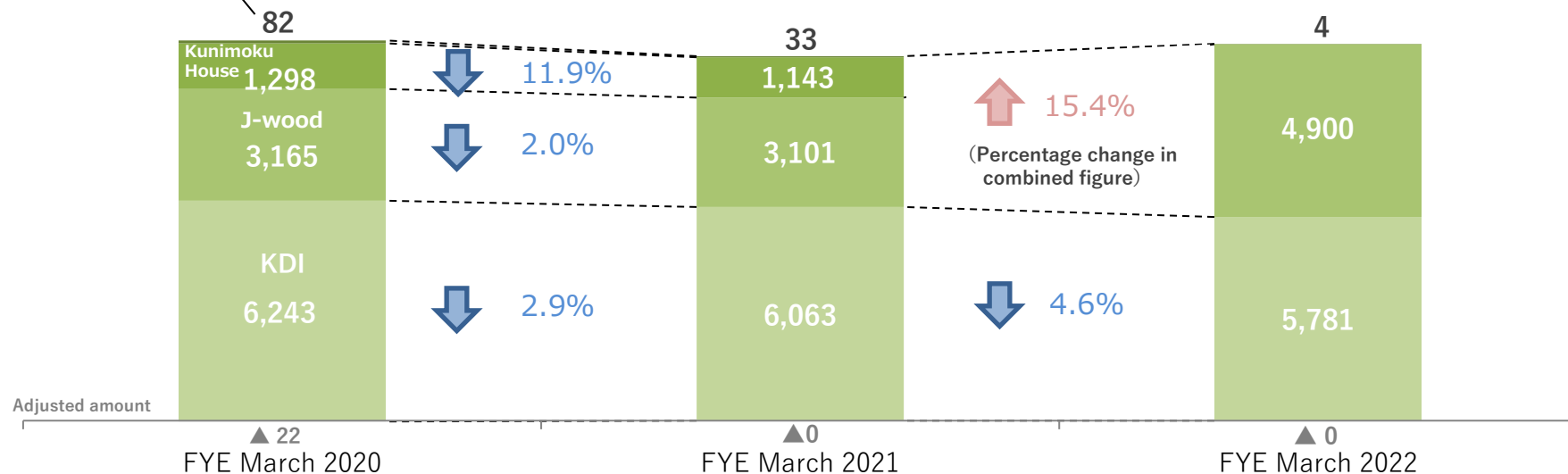
Sales	46,101	10,341	10,686
	Including Leohouse Co., Ltd 35,124M yen and Suzukuri Co., Ltd 1,328M yen		
Operating income	▲ 545	74	233

Sales Trends

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

※ J-wood Co., Ltd merged with KUNIMOKU HOUSE Co., Ltd for year ending March 2022
(Figures are combined and stated, and business continued as KUNIMOKU HOUSE branding)

NAC Life
Partners



(※) Adjusted amount : Sales mainly within the segment

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

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

Sales

(million yen)

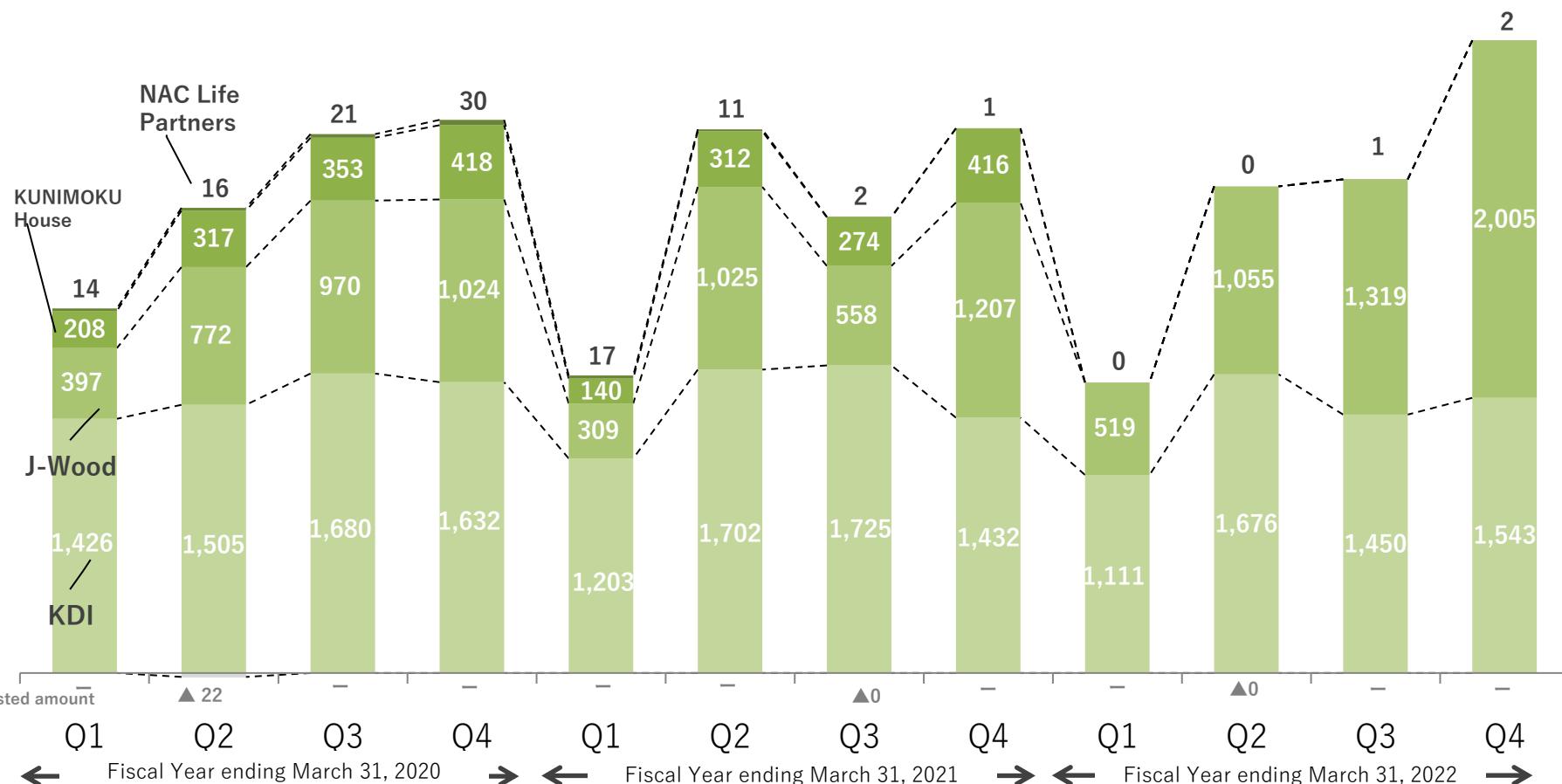
7,408 13,085 10,108 15,497 1,670 3,051 2,562 3,057 1,631 2,732 2,771 3,551

Operating income

▲ 1,350 261 ▲ 350 894 ▲ 156 72 ▲ 4 163 ▲ 114 53 142 152

Sales Quarterly Trends

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



(※) Adjusted amount : Sales mainly within the segment

- » J-wood Co., Ltd : Implement various measures to acquire referrals, mobile model houses and Web measures.
Capture new customers in KUNIMOKU HOUSE Business through low-priced planned housing and 3-story plans on narrow lots
- » KDI CORPORATION : Expand sales area with the aim of increasing sales and strengthen profitability, and expanding custom-built housing business and the renovation and resale of existing condominiums

KDI-HOME

Kindness, Development, Integrity



KUNIMOKU HOUSE



株式会社 ジェイウッド



2. Business Segment Results

2-5. Beauty and Health Business

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

- 【Sales】 J) Decreased due to fewer shipments of makeup products caused by prolonged effects of infectious diseases
- B) Although sales of Beauty and Health products are strong, sales of nutritional supplements declined due to a decrease in the number of customers. Overall sales decreased year-on-year.

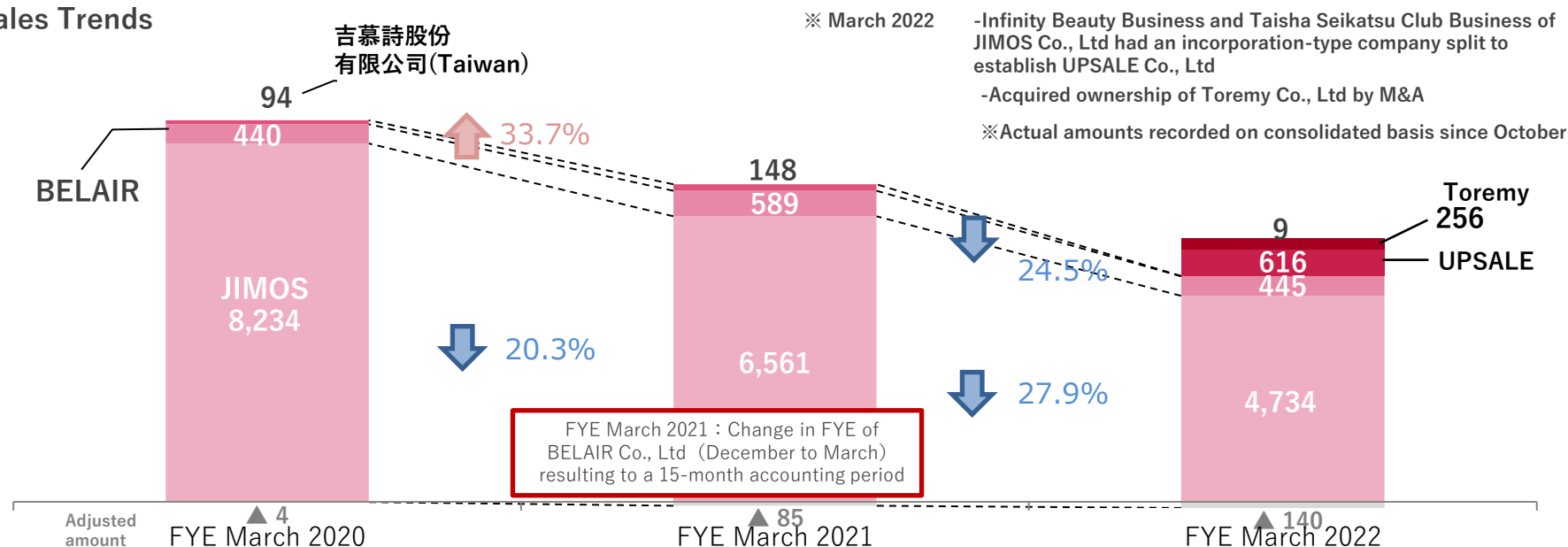
【Operating income】

- J) Operating income increased due to efforts in reducing the SG&A
- B) Decreased due to lower sales of high-margin nutritional supplements

※ J : J I M O S Co., Ltd B : BELAIR Co., Ltd

Sales	8,764	7,213	5,921
Operating income	125	122	

Sales Trends



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

Sales

(百万円)

2,593 2,158 2,005 2,006 1,763 1,765 1,954 1,730 1,419 1,319 1,658 1,524

Operating income

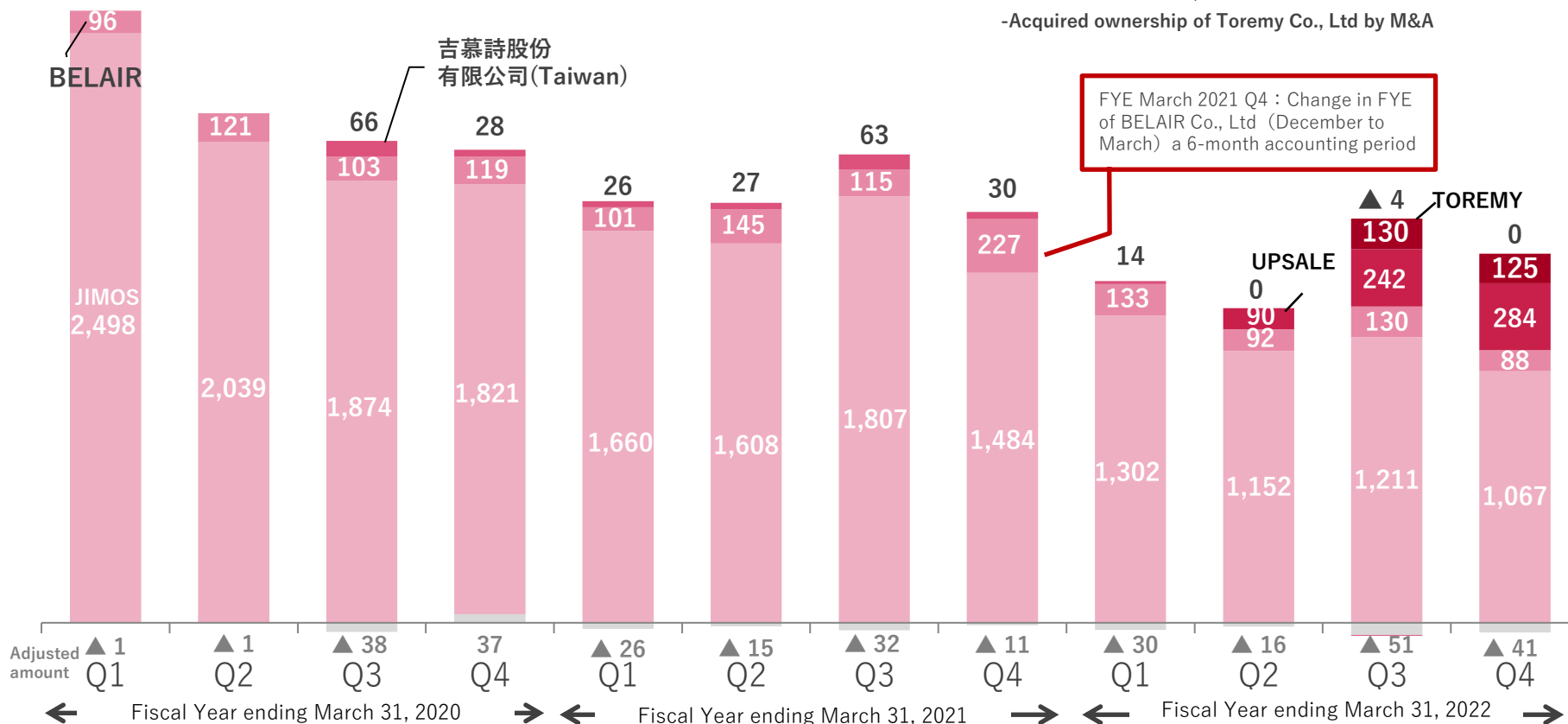
▲136 41 175 44 ▲67 ▲80 158 112 183 128 193 ▲353

Sales Quarterly Trends

※ March 2022

-Infinity Beauty Business and Taisha Seikatsu Club Business of JIMOS Co., Ltd had an incorporation-type company split to establish UPSALE Co., Ltd

-Acquired ownership of Toremy Co., Ltd by M&A



(※) Adjusted amount : Sales mainly within the segment

2-5c Beauty and Health Business: Priority Measures for FY2022 onwards

- » JIMOS Co., Ltd : Acquire new customers and develop new products by making aggressive investments
Further market penetration and sales expansion of SINN PURETÉ brand launched in the previous fiscal year
- » BELAIR Co., Ltd : Diversification of sales form and conversion to agency system to expand sales channels
- » TOREMY Co., Ltd : Aggressive development of ODM proposals in addition to OEM business, maximizing benefits through vertical collaborations
- » UPSALE Co., Ltd : Optimize e-commerce mall sales, acquire new customers using pharmaceuticals and increase LTV



macchia
MACCHIA LABEL
マキアレイベル



 coyori



SINN PURETÉ
natural & organics



 TOREMY



ベルエアー



UP SALE

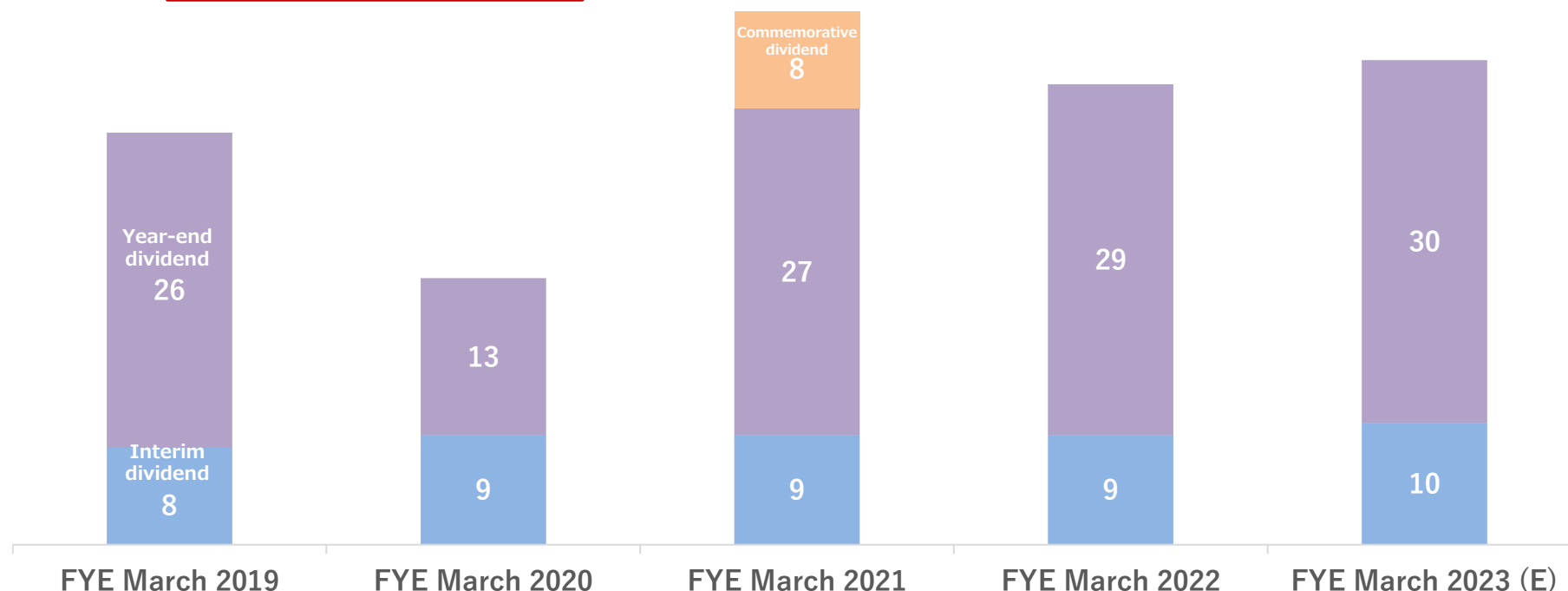
3. Dividends

3-1 Dividend Policy、Dividend Results and Dividend Forecast

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

Annual dividend	34	22	44	38	40
Ratio of dividends to net assets (DOE)	3.9%	2.5%	4.8%	3.9%	—
Dividend payout ratio	84.3%	95.9%	53.6%	49.9%	44.9%

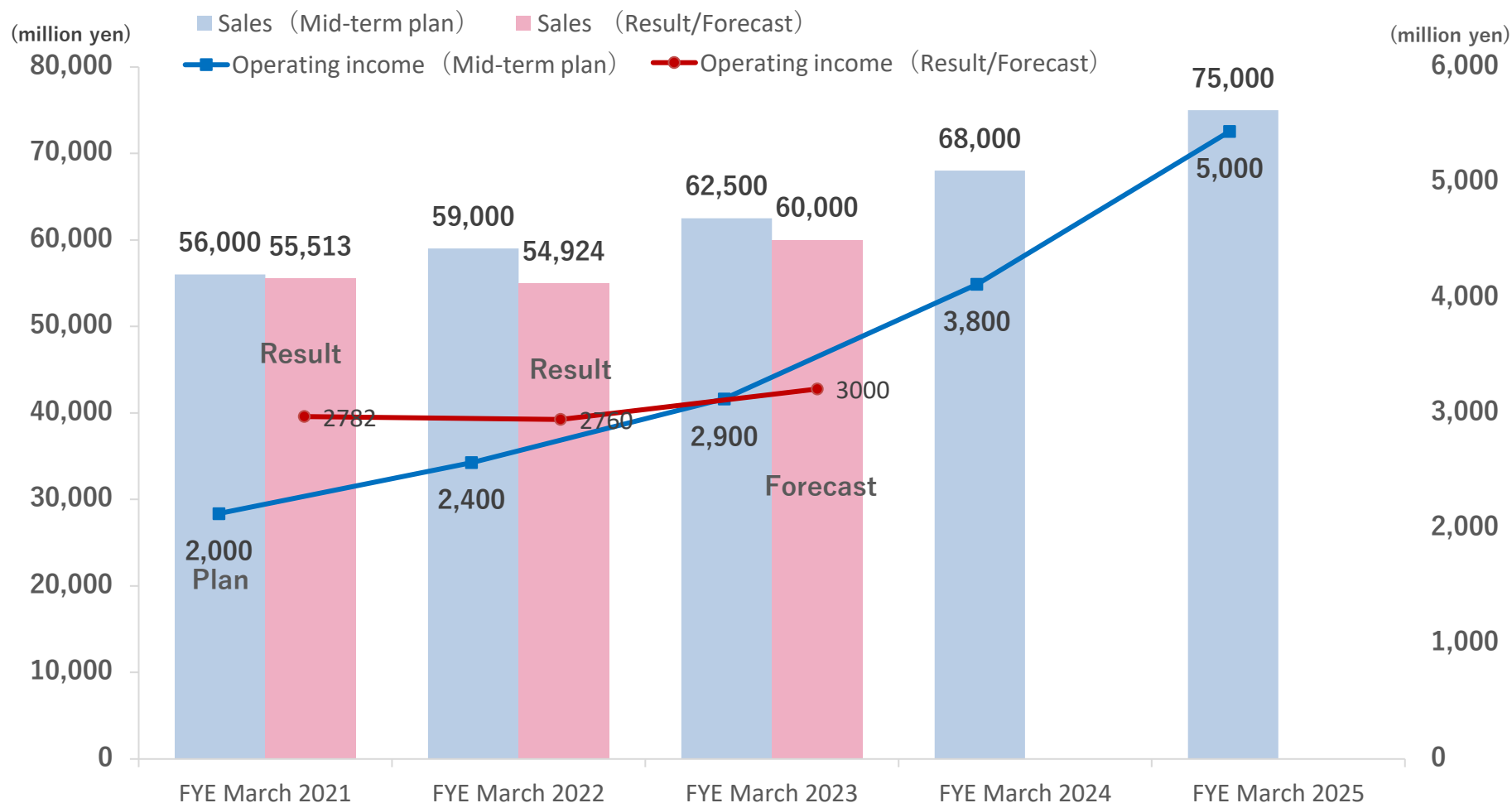
Ratio of dividend on equity (DOE) exceeds 4% due to commemorative dividend of 8 yen



4 . Mid-term Management Plan

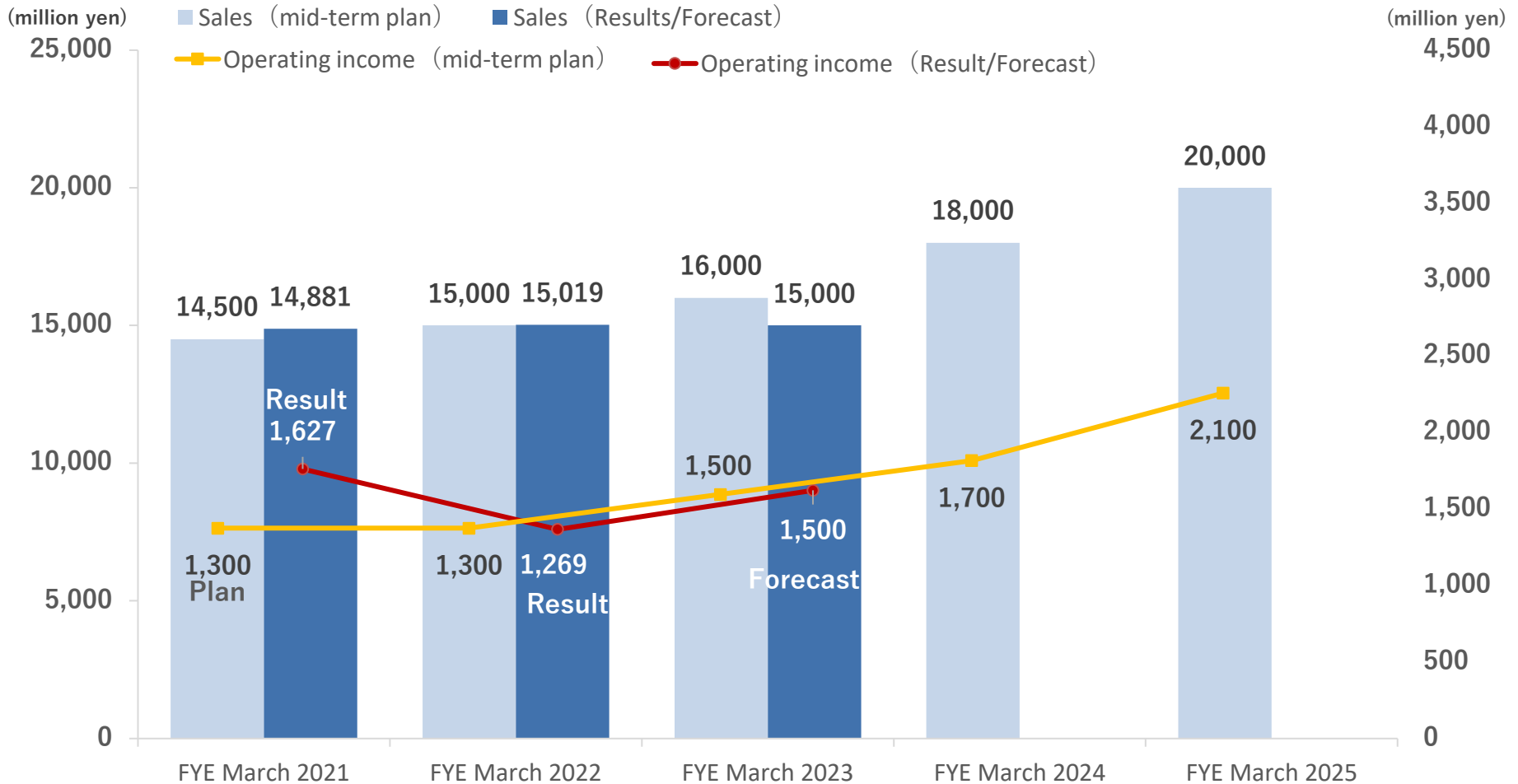
4-1 Progress of Medium-Term Business Plan

- » In the fiscal year ending March 31, 2023, we plan to continue the aggressive investments mainly in CreCla Business and Rental Business.
- » Although the plan is an increase in sales and income compared to the previous year, decrease in sales and increase in income are expected relative to the mid-term plan



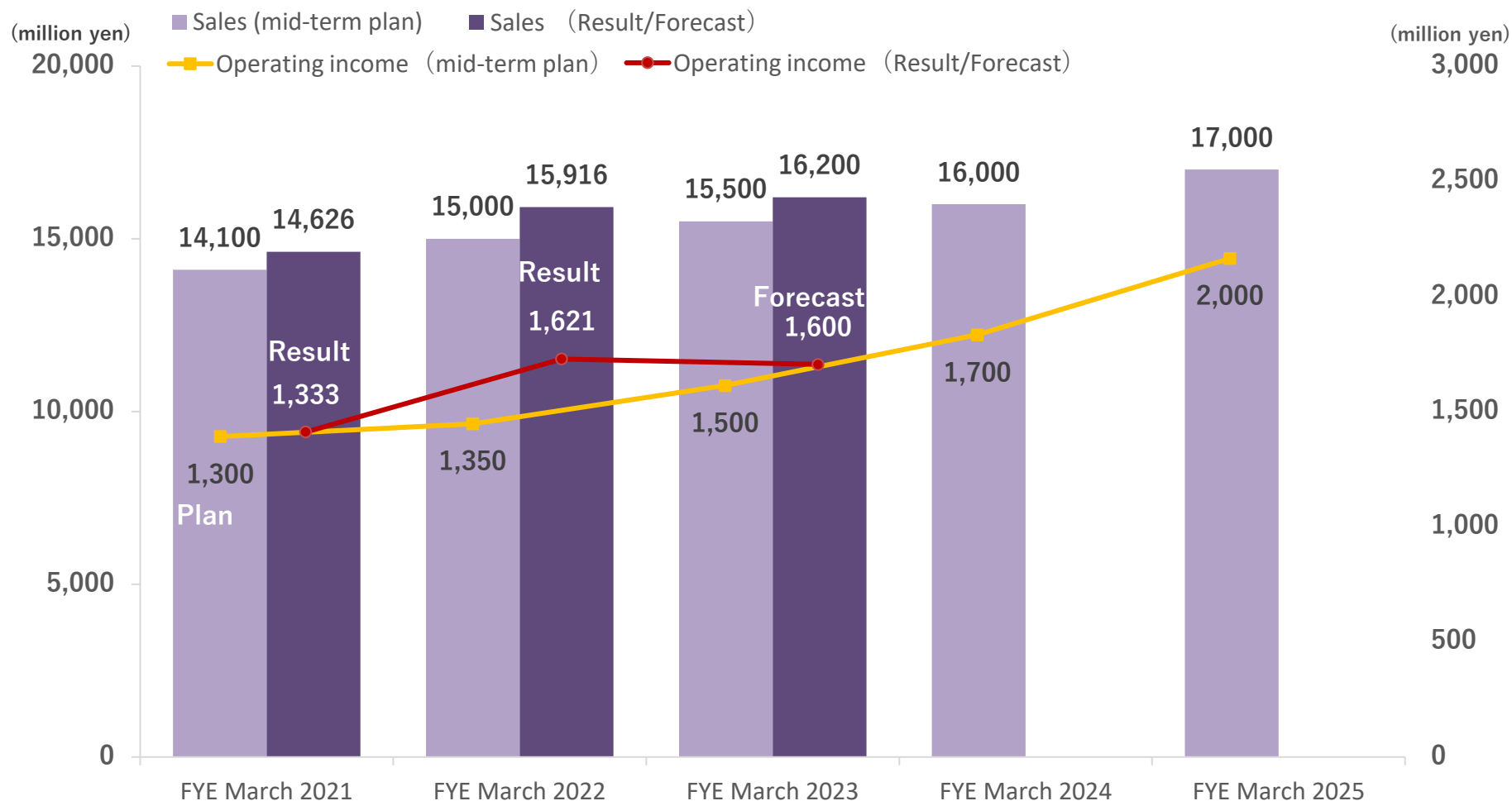
4-1 Progress of Medium-Term Business Plan (CreCla Business)

- » Plan of increase in income compared to the previous year
- » Sales is expected to decrease relative to the mid-term plan



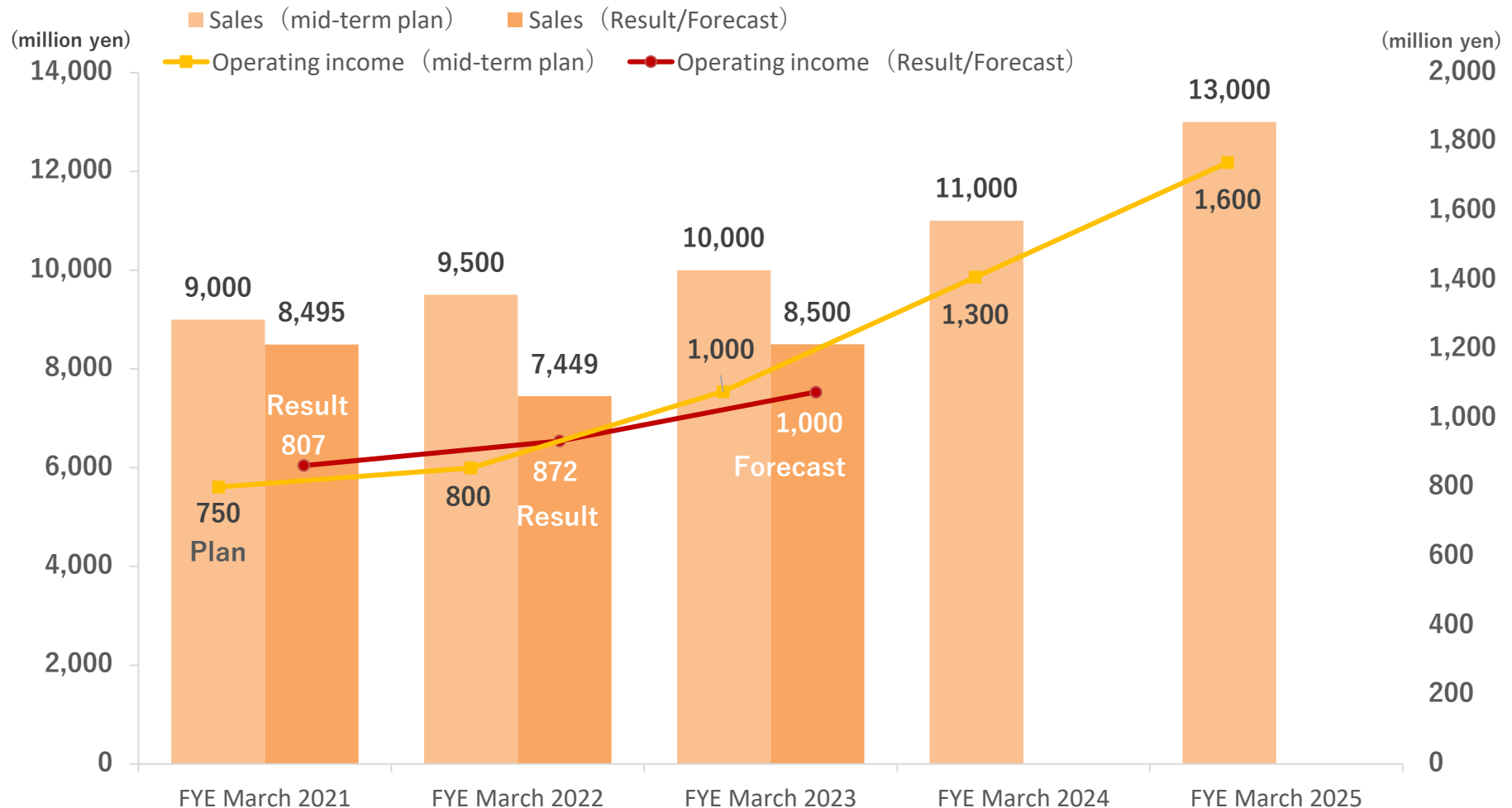
4-1 Progress of Medium-Term Business Plan (Rental Business)

- » Plan of increase in sales and decrease in income compared to the previous year
- » Sales and income are expected to increase in relative to the mid-term plan



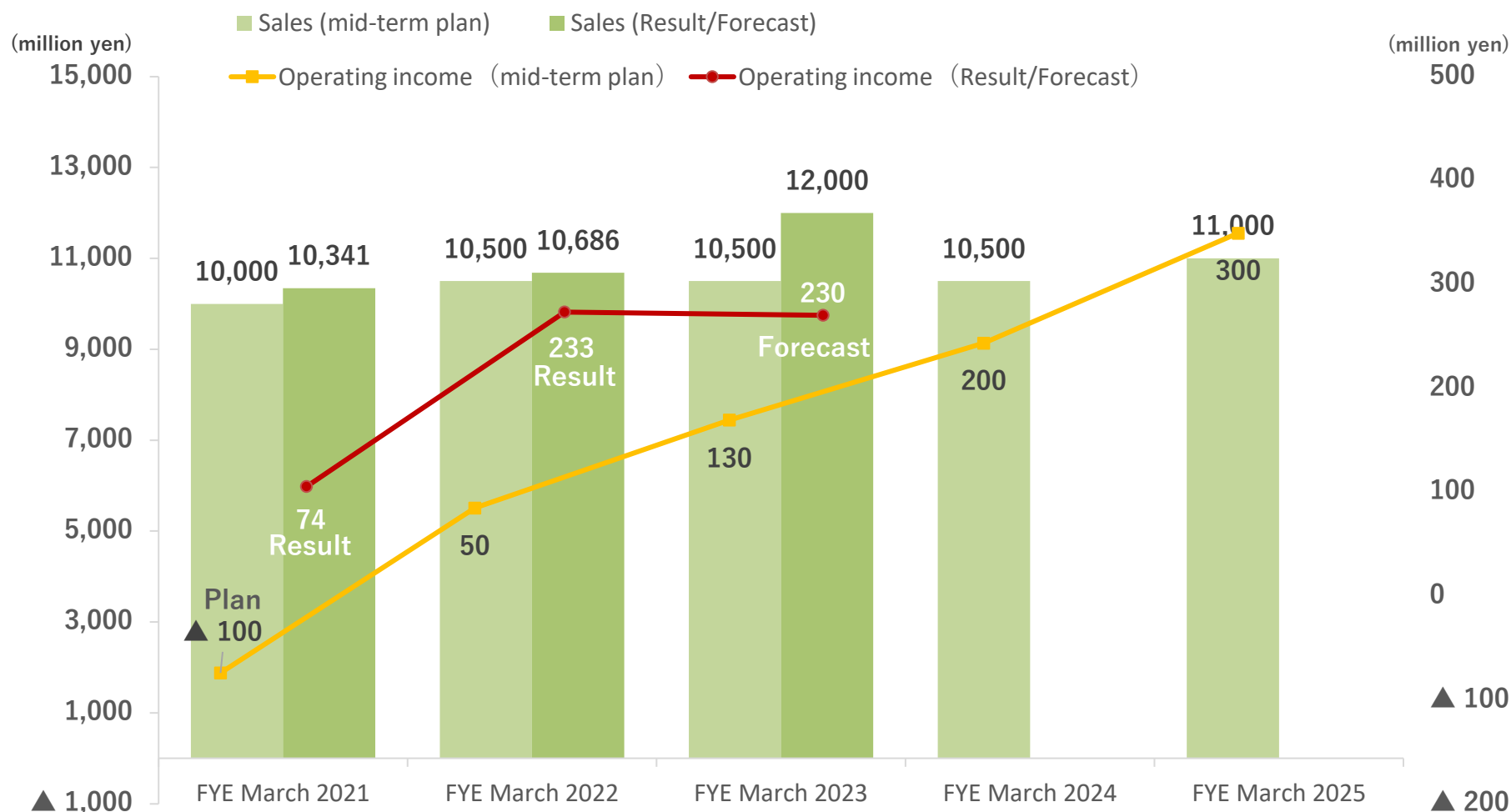
4-1 Progress of Medium-Term Business Plan (Construction Consulting Business)

- » Plan of increase in sales and income compared to the previous year
- » Sales is expected to decline relative to mid-term plan



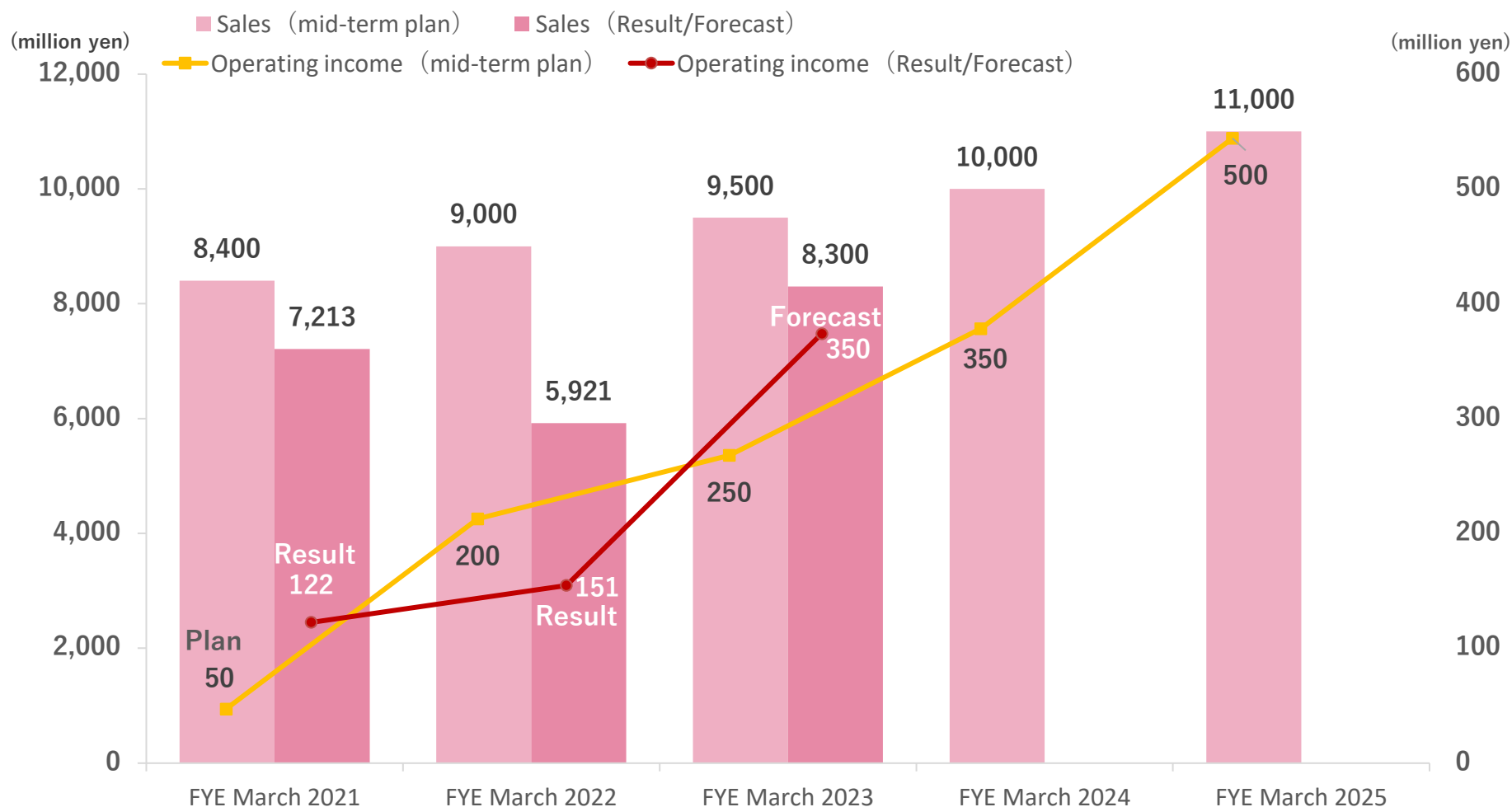
4-1 Progress of Medium-Term Business Plan (Housing Business)

- » Plan of increase in sales and decrease in income compared to the previous year
- » Sales and income are expected to increase relative to the mid-term plan



4-1 Progress of Medium-Term Business Plan (Beauty and Health Business)

- » Plan of increase in sales and income compared to the previous year
- » Decline in sales and increase in income are expected relative to the mid-term plan

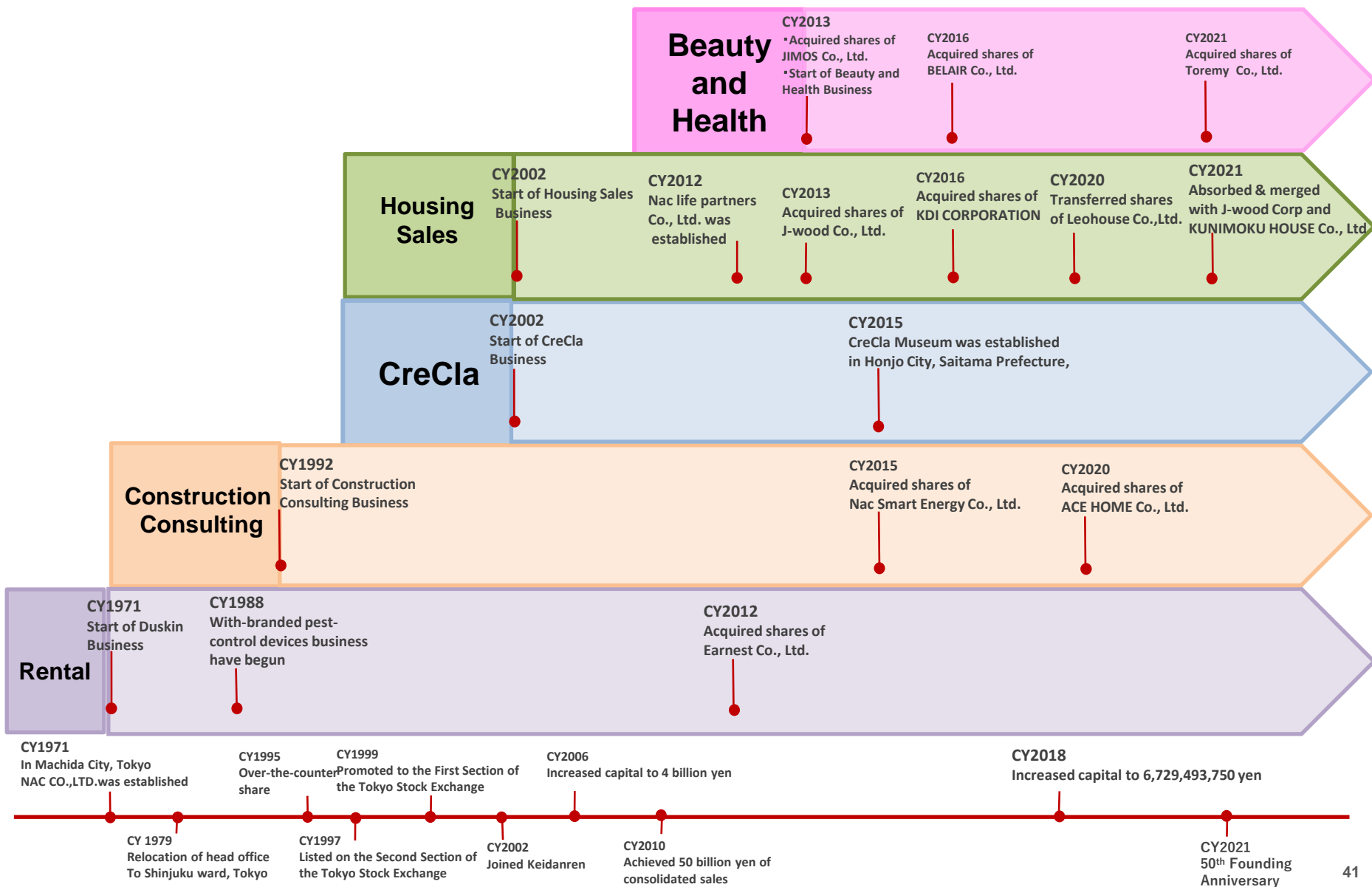


5. Corporate Profile

5-1 Company outline

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> <div> <p>Earnest Co., Ltd (Building Maintenance Business)</p> <p>NAC Smart Energy Co., Ltd (Sales and Construction energy-saving products)</p> <p>ACE HOME Co., Ltd (Residential Franchise Business)</p> <p>J-wood Corporation (Residential Business)</p> <p>KDI Corporation (Residential Business)</p> <p>NAC Life Partners Co., Ltd (Finance and Benefits)</p> <p>JIMOS Co., Ltd (Beauty and Health Business)</p> <p>BELAIR Co., Ltd (Beauty and Health Business)</p> <p>吉慕詩股份有限公司(Taiwan) (Beauty and Health Business)</p> <p>TOREMY Co., Ltd (Contract Manufacturing) ※ Acquired ownership in July 2021</p> <p>UPSALE Co., Ltd (Beauty and Health) ※ Established in September 2021</p> </div>
No. of employees (Full time)	Consolidated 1,633 (excluding part-time employees)
Capital	6,729,493,750 yen
Shares Outstanding	24,306,750 shares (1 unit : 100 shares)
Number of shareholders	18,497 (Total number of shareholders excluding treasury stock)

5-2 History of NAC Group

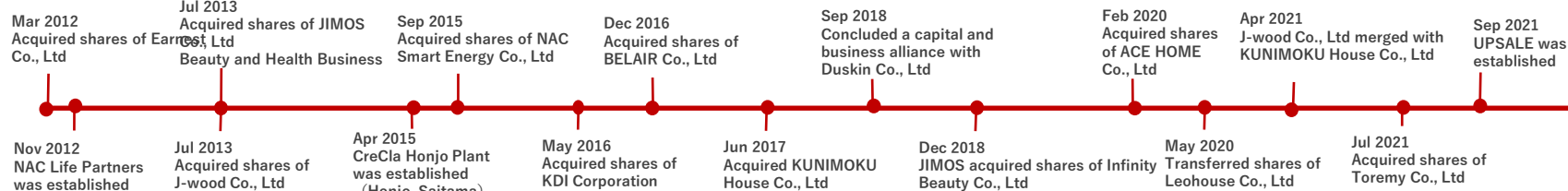
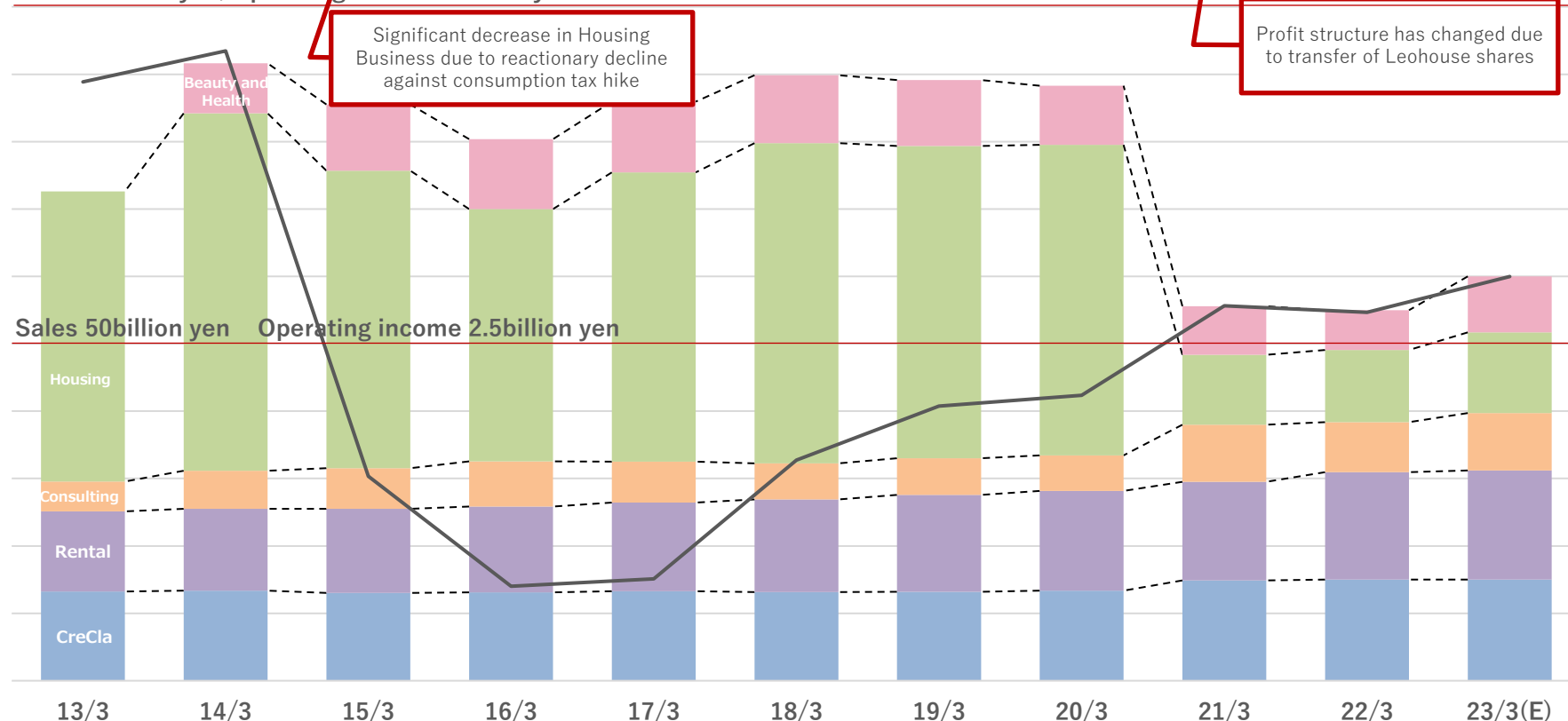


5-3 NAC Business Result (Previous 10 Fiscal Years + Forecasts)

Sales	72,621	91,630	85,443	80,302	85,901	89,818	89,111	88,222	55,513	54,924	60,000
Operating income	4,444	4,672	1,517	701	756	1,637	2,037	2,118	2,782	2,760	3,000

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

Sales 100billion yen/Operating income 5billion yen



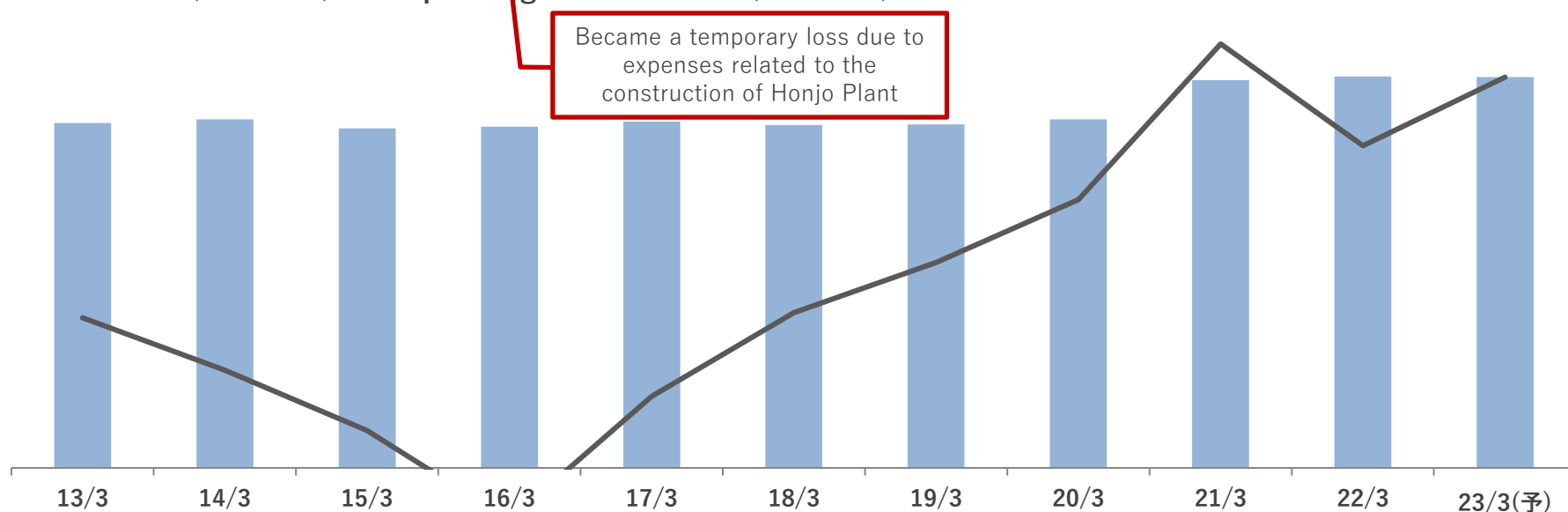
5-4 Business Introduction CreCla Business

Major composition : NAC Co., Ltd CreCla Business

- Production and sales of CreCla (delivery of bottled water with dispenser) and ZiACO (hypochlorous acid aqueous solution)
- Operates the Head Office of CreCla Chain Business (approximately 500 Affiliated stores)
- **No. 1 in customer satisfaction for 11 consecutive years** (Dec 2021 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, manufacturing plant and CreCla Museum were established in Honjo City, Saitama Prefecture

Sales	(million yen)									
13,235	13,376	13,033	13,095	13,293	13,158	13,179	13,375	14,881	15,019	15,000
Operating income										
576	375	143	▲201	274	596	788	1,030	1,627	1,269	1,500

Sales Trends (bar chart) and Operating income trends (trendline)



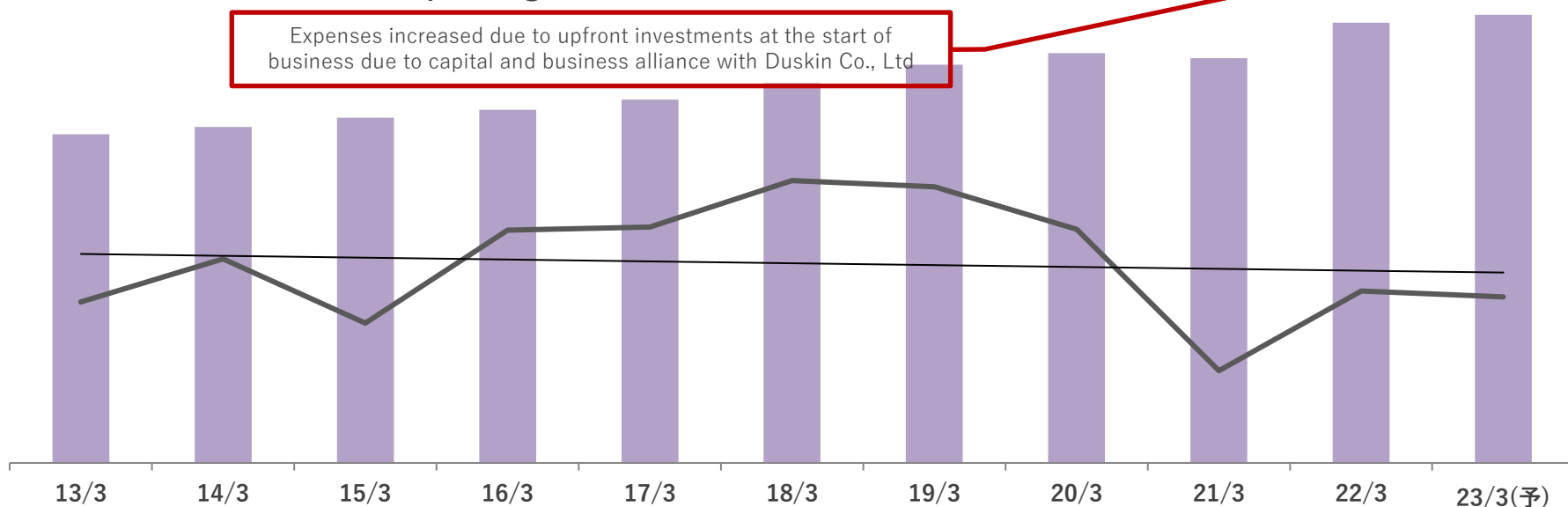
5-5 Business Introduction Rental Business

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

- ☐ Rental and sales of dust control products and pest control devices, and operates regular cleaning etc
- **No. 1 sales** of all Duskin Franchise dealers (approximately 1,900 companies)
- Pest control device “With” for restaurants, a **Japan’s first** approved by Ministry of Health, Labor and Welfare
- March 2012 Acquired ownership of Earnest Co., Ltd (building maintenance business)
- August 2018 Concluded a capital and business alliance with Duskin Co., Ltd

Sales	(million yen)									
11,884	12,147	12,485	12,765	13,135	13,727	14,394	14,808	14,626	15,916	16,200
Operating income										
1,582	1,738	1,505	1,841	1,853	2,021	1,998	1,844	1,333	1,621	1,600

Sales Trend (Bar chart) and Operating income (trendline)



5-6 Business Introduction Construction Consulting Business

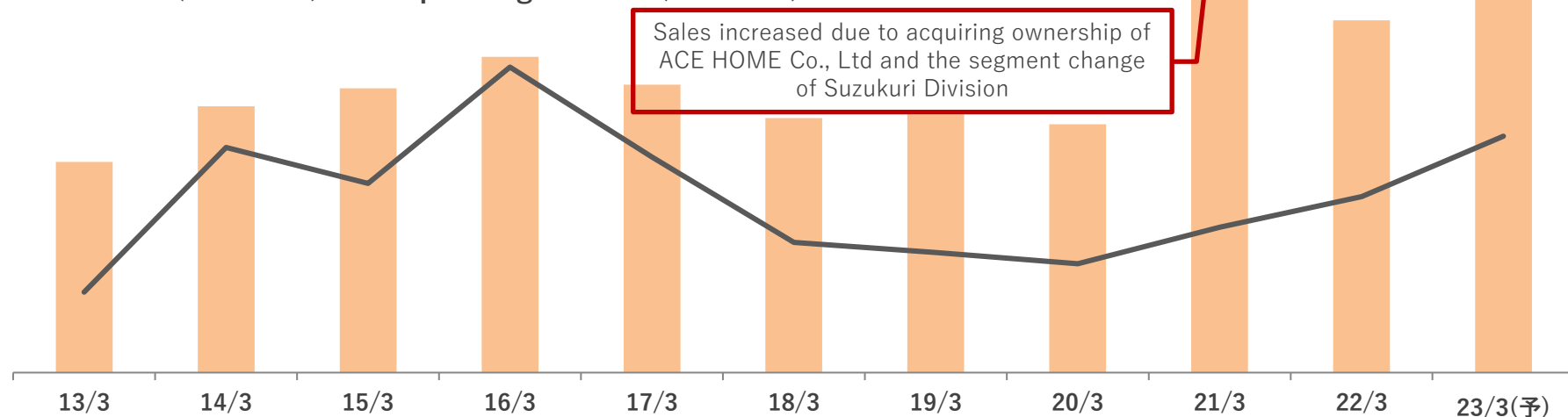
Major composition : NAC Co., Ltd Construction Consulting Business

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 a housing franchise business
- NAC Building Contractor **approximately 7,000**
- Sep 2015 Acquired ownership of NAC Smart Energy Co., Ltd (Sales and installation of energy-saving products)
- Apr 2017 Acquired ownership of Suzukuri Co.,Ltd (Housing Development Business in partnership with other industries)
(continued as Suzukuri Division after segment change from Housing Sales Business in April 2020)
- Feb 2020 Acquired ownership of ACE HOME Co., Ltd (Housing Franchise Business)

Sales	4,455	5,628	6,014	6,676	6,089	5,383	5,459	5,251	8,495	7,449	8,500
											(million yen)
Operating income	670	976	900	1,146	956	775	754	730	807	782	1,000

Sales Trend (Bar chart) and Operating income (trendline)



5-7 Business Introduction Housing Sales Business

Major composition : KDI Corporation、J-wood Co., Ltd & NAC Life Partners Co., Ltd

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

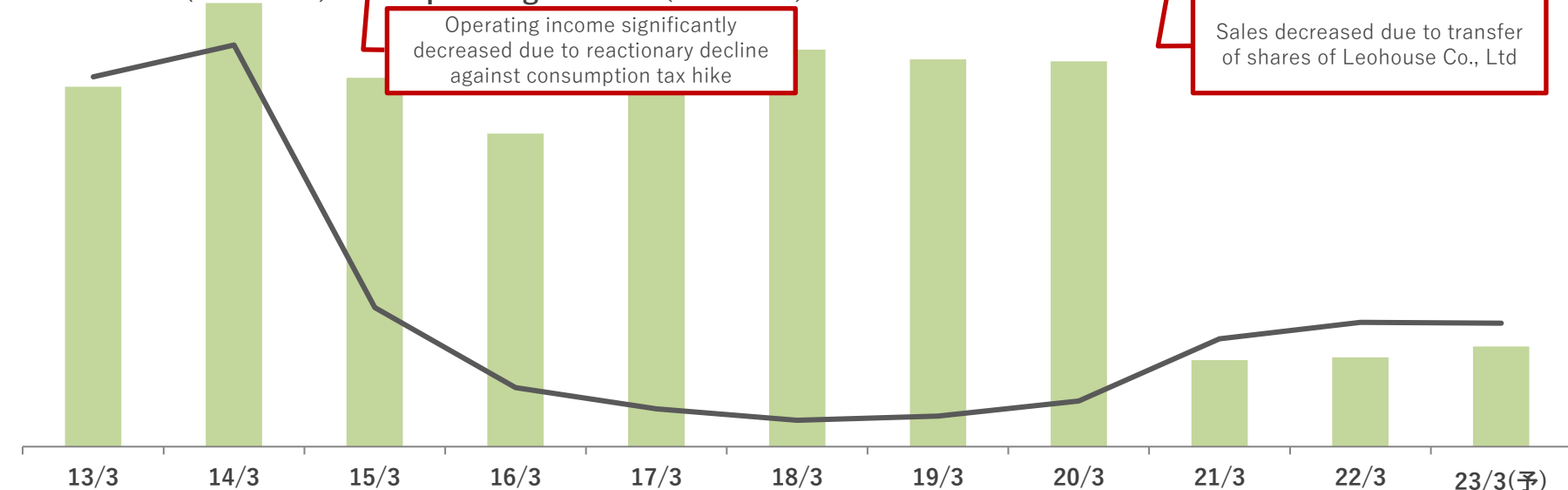
■ Jul 2013 Acquired ownership of J-wood Co., Ltd (custom-built house made of natural materials)

■ Jun 2016 Acquired ownership of KDI Corporation (for sale and custom-built houses in Tokyo Metropolitan area)

■ Jun 2017 Acquired ownership of KUNIMOKU House Co., Ltd (Develop Housing Business in Hokkaido)
(merged with J-wood Co., Ltd in April 2021)

Sales	43,049	53,059	44,134	37,452	42,936	47,492	46,318	46,101	10,341	10,686	12,000
Operating income	2,686	3,003	388	▲412	▲622	▲736	▲694	▲545	74	233	230

Sales Trend (Bar chart) and Operating income (trendline)



5-8 Business Introduction Beauty and Health Business

Major composition : JIMOS Co., Ltd、BELAIR Co., Ltd、TOREMY Co., Ltd、UPSALE Co., Ltd

□ Online shopping services of cosmetics, health-food products and beauty care items

■ Jul 2013 Started Beauty and Health Business when JIMOS Co., Ltd was acquired

Basic cosmetics mainly for women in their 40s and 60s

■ Dec 2016 Acquired ownership of BELAIR Co., Ltd (sales of supplement)

■ Jul 2021 Acquired ownership of TOREMY Co., Ltd (contract manufacturer of cosmetics)

■ Sep 2021 Established UPSALE Co., Ltd

Sales	(million yen)									
—	7,421	9,825	10,378	10,463	10,115	9,801	8,764	7,213	5,921	8,300
Operating income										
—	▲199	▲222	▲105	▲457	147	255	125	122	151	350

Sales Trend (Bar chart) and Operating income (trendline)

