

# Results for Second Quarter of Fiscal Year ending March 31, 2023 【Reference Materials】

November 8, 2022

NAC Co., Ltd

Tokyo Stock Exchange

PRIME 9788



Note: The Financial Results Meeting for the second quarter was not held.

This material was prepared in order to help readers to understand better the financial result of FY2022 second quarter.

# TOPICS

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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 the actual results may differ from the forecasts described in this material.

# **01 Second Quarter Results**

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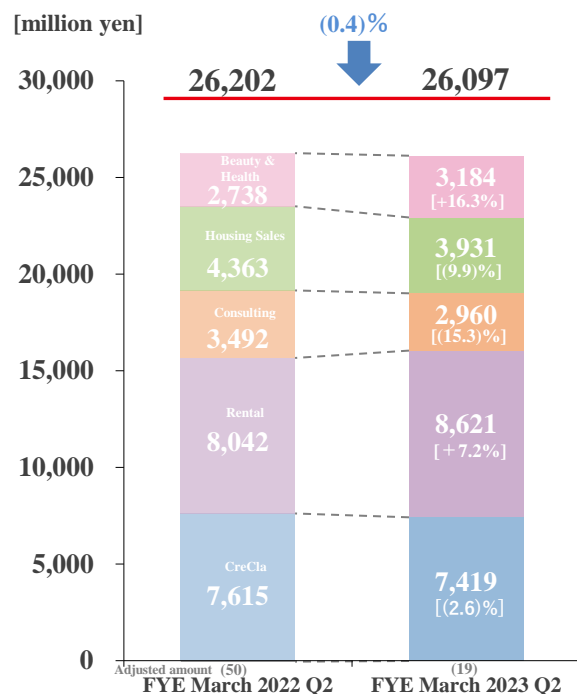
## **1-1. Consolidated Income Statement**

# 1-1a Financial Highlights[Year-on-Year Comparison]

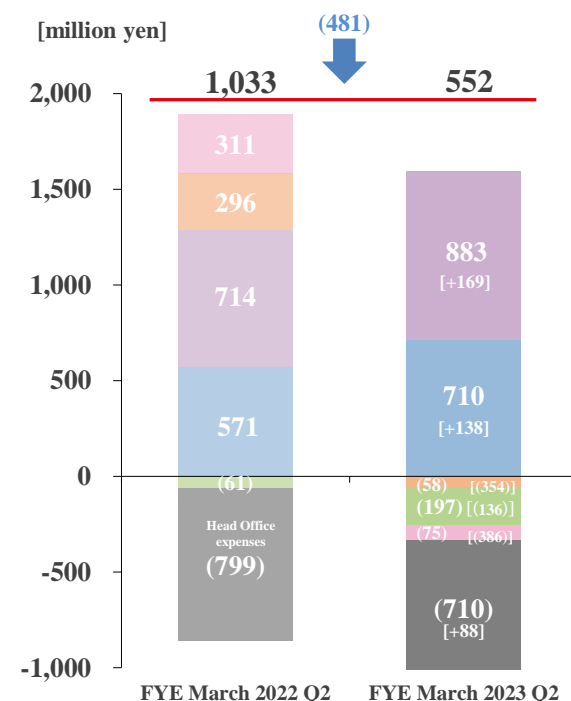
<b>Sales</b>	<b>Rental</b>	Sales increased due to strong performance of border control support projects implemented by MHLW in Earnest Co., Ltd, and rise of sales in With-branded pest-control devices business as deliveries were back to normal operation
	<b>Consulting</b>	Sales decreased due to rising construction prices, repaying of loans related to COVID-19, and decline in purchasing power of local construction companies, the clients of Consulting Department
<b>Operating income</b>	<b>Consulting</b>	Decreased due to decline in sales of the high profit margin, Consulting Business
	<b>Beauty and Health</b>	Decreased due to aggressive advertising investments ahead of schedule due to strong new customer acquisition
<b>Current net income</b>		Decreased due to decline in sales and upfront SG&A expenses

MHLW : Ministry of Health, Labor and Welfare

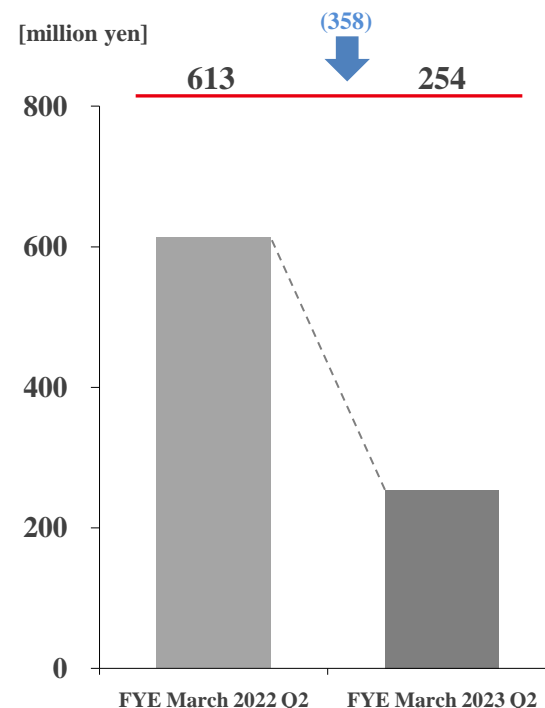
## Sales [percentage in parentheses are the changes]



## Operating income [figures in parentheses are the changes]



## Current Net Income[※]



[※]Current net income: Attributable to owners of the parent, Adjustments: Intersegment sales of Transfers

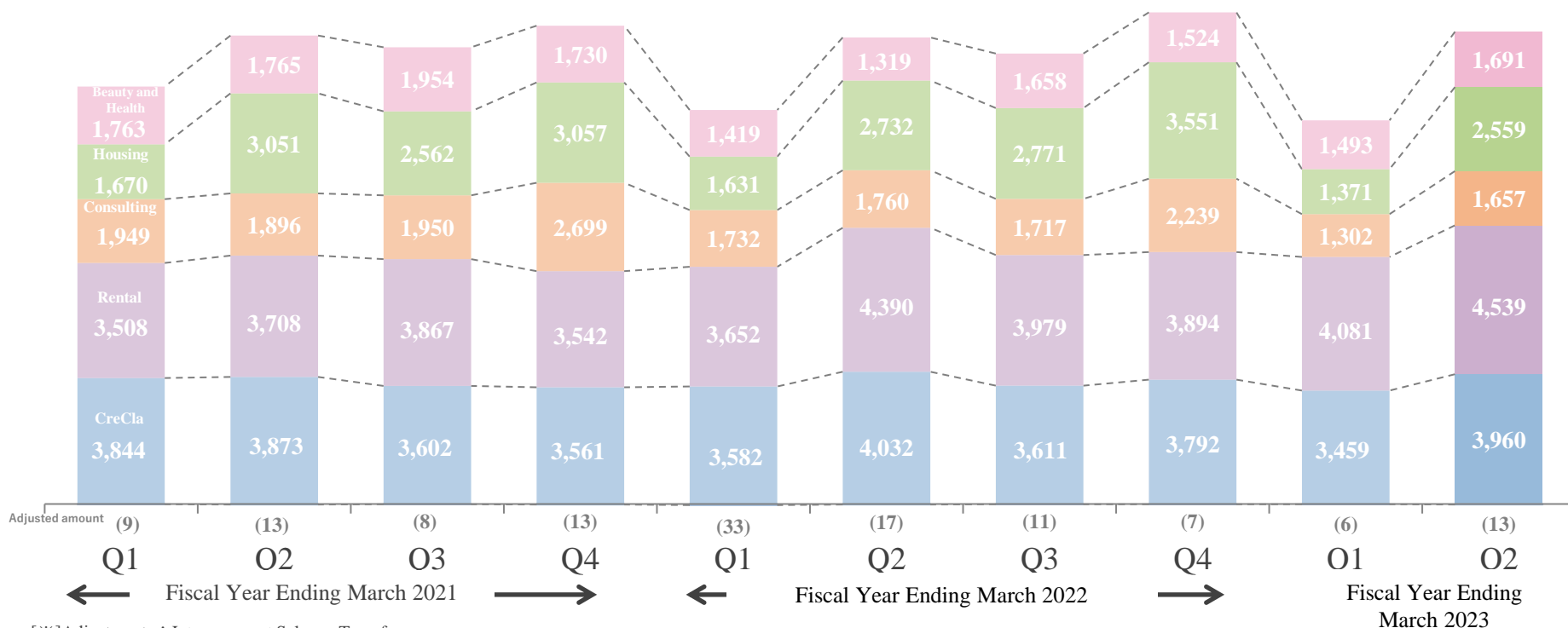
# 1-1b Sales and Operating Income Quarterly Trends

FYE March 2021				FYE March 2022				FYE March 2023	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Sales</b>									
12,727	14,281	13,927	14,577	11,984	14,218	13,727	14,993	11,702	14,394
<b>Operating income</b>									
211	614	871	1,084	185	848	856	871	(243)	795

[million yen]

## Sales Quarterly Trend

※Sales in Q1 decreased in reaction to the concentration of sales in the **Construction Consulting Business** and **Housing Sales Business** in Q4.



[※] Adjustments : Inter-segment Sales or Transfers

# 1-1c Consolidated Income Statement

[million yen]

	FYE March 31, 2023 Q2 Result	Plan		YoY Comparison	
		FYE 2023 Q2※ (May 13, 2022 published value)	Percentage of total※	FYE 2021 Q2	Percentage
Sales	26,097	28,500 [26,000]	91.6% [100.4%]	26,202	(0.4)%
Gross Profit	13,108	—	—	13,037	+ 0.5%
[Gross margin]	50.2%	—	—	49.8%	+ 0.4pt
SG&A	12,556	—	—	12,004	+ 4.6%
Operating income	552	1,050 [550]	52.6% [100.4%]	1,033	(46.6)%
[Operating margin]	2.1%	—	—	3.9%	(1.8)pt
Non-operating income and loss	13	—	—	(5)	—
Ordinary income	566	1,050 [550]	53.9% [102.9%]	1,027	(44.9)%
Extra-ordinary income	5	—	—	51	(89.6)%
Net income attributable to owners of parent company	254	700 [250]	36.4% [101.6%]	613	(58.5)%

※ The figures in parentheses are the latest target values presented in November 04, 2022 and its corresponding success percentage

# 1-1d Sales by Segment

[million yen]

	FYE March 31, 2023 Q2 Result	Plan		YoY Comparison	
		FYE 2023 Q2 (May 13, 2022 published value)	Plan	FYE 2021 Q2	YoY comparison
CreCla Business	7,419	7,400	+ 19	7,615	(196)
Rental Business	8,621	8,100	+ 521	8,042	+ 578
Construction Consulting Business	2,960	4,000	(1,039)	3,492	(532)
Housing Sales Business	3,931	5,100	(1,168)	4,363	(432)
Beauty and Health Business	3,184	3,900	(715)	2,738	(445)
Elimination of intersegment	(19)	—	—	(50)	—
TOTAL	26,097	28,500	(2,402)	26,202	(105)

# 1-1e Operating Income by Segment

[million yen]

	FYE March 31, 2023 Q2 Result	Plan Comparison		YoY Comparison	
		FYE 2023 Q2 (May 13, 2022 published value)	Plan	FYE 2021 Q2	YoY comparison
CreCla Business	<b>710</b> [9.6%]	<b>550</b> [7.4%]	<b>+ 160</b> [+ 2.1pt]	<b>571</b> [7.5%]	<b>+ 138</b> [+ 2.1pt]
Rental Business	<b>883</b> [10.3%]	<b>720</b> [8.9%]	<b>+ 163</b> [+ 1.4pt]	<b>714</b> [8.9%]	<b>+ 169</b> [+ 1.4pt]
Construction Consulting Business	<b>(58)</b> [(2.0)%]	<b>380</b> [9.5%]	<b>(438)</b> [(11.5)pt]	<b>296</b> [8.5%]	<b>(354)</b> [(10.5)pt]
Housing Sales Business	<b>(197)</b> [(5.0)%]	<b>(20)</b> [(0.4)%]	<b>(177)</b> [(4.6)pt]	<b>(61)</b> [(1.4)%]	<b>(136)</b> [(3.6)pt]
Beauty and Health Business	<b>(75)</b> [(2.4)%]	<b>180</b> [4.6%]	<b>(255)</b> [(7.0)pt]	<b>311</b> [11.4%]	<b>(386)</b> [(13.7)pt]
Corporate expense, etc	<b>(710)</b>	—	—	<b>(799)</b>	—
<b>TOTAL</b>	<b>552</b> [2.1%]	<b>1,050</b> [3.7%]	<b>(497)</b> [(1.6)pt]	<b>1,033</b> [3.9%]	<b>(481)</b> [(1.8)pt]

※percentage in parentheses are the operating income percentage of sales



# 1-1 Breakdown of Changes in Operating Income [Year-on-Year]

<b>Gross Profit</b>	Rental	Increased due to the strong performance of Rental Business
	Consulting	Due to decline in sales of Construction Consulting Business, decrease in gross profit incurred
<b>Advertising &amp; Sales Promotion Expenses</b>	Housing	Increased due to upfront investment in advertising and promotion expenses at J-wood Co., Ltd to attract customers
	Beauty and Health	Increased due to aggressive advertising investments ahead of schedule due to strong new customer acquisition in JIMOS Co., Ltd

[million yen]		
		Year-on-Year change
<b>FY2021 Q2    Operating income</b>	<b>1,033</b>	—
<b>Change in gross profit</b>	<b>+ 70</b>	+ 0.5%
<b>Increase (Decrease) of SG&amp;A expenses</b>	<b>Personnel expenses</b>	<b>+ 4</b> (0.1)%
	<b>Advertising and sales promotional expenses</b>	<b>(399)</b> + 29.7%
	<b>Land rent cost</b>	<b>(21)</b> + 2.7%
	<b>Depreciation and amortization of goodwill</b>	<b>(21)</b> + 5.1%
	<b>Other SG&amp;A expenses</b>	<b>(114)</b> + 2.5%
<b>FY2022 Q2    Operating income</b>	<b>552</b>	—

# **01 Second Quarter Results**

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## **1-2. Consolidated Balance Sheet**

# 1-2a Consolidated Sheets [Assets]

## Current Assets

Increase

Real estate for sale + 689 million yen

Costs on uncompleted construction contracts + 348 million yen

Decrease

Cash and deposits – 2,203 million yen

## Noncurrent Assets

No notable items

[million yen]

	FYE March 2023 Q2	Percentage of total	FYE March 2022	Percentage of total	Comparison
Current Assets	24,462	63.5%	25,091	63.2%	(628)
Property, plant and equipment	8,468	22.0%	8,720	22.0%	(251)
Intangible assets	1,671	4.3%	1,890	4.8%	(219)
Investments and other assets	3,894	10.1%	4,022	10.1%	(127)
Noncurrent assets	14,034	36.5%	14,633	36.8%	(598)
Total assets	38,496	100.0%	39,724	100.0%	(1,227)

# 1-2b Consolidated Balance Sheet    Liabilities and Net Assets

Liabilities	Increase	Advances received on uncompleted construction contracts + 387 million yen
	Decrease	Payables - 383 million yen    Income taxes payable - 366 million yen
Net assets	Decrease	Retained earnings - 404 million yen
		Valuation difference on available-for-sale securities - 107 million yen

[million yen]

	FYE March 2023 Q2	Percentage of total	FYE March 2022	Percentage of total	Comparison
Current liabilities	11,979	31.1%	12,576	31.7%	(596)
Noncurrent liabilities	4,933	12.8%	5,009	12.6%	(76)
Total liabilities	16,912	43.9%	17,585	44.3%	(673)
Shareholder's equity	22,254	57.8%	22,627	57.0%	(373)
Accumulated other comprehensive income	(670)	(1.7)%	(563)	(1.4)%	(106)
Non-controlling interests	—	—	74	0.2%	(74)
Total net assets	21,583	56.1%	22,138	55.7%	(554)
Total liabilities and net assets	38,496	100.0%	39,724	100.0%	(1,227)

# **01 Second Quarter Results**

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## **1-3. Consolidated Cash Flow Statement**

# 1-3 Consolidated Cash Flow Statement

**Operating activities**
**Increase**

Income before income taxes + 571 million yen

**Decrease**

Increase of inventories - 1.064 billion yen    Decrease of accounts payable - 416 million yen  
Decrease in consumption tax payable - 113 million yen

**Investing activities**
**Decrease**

Purchase of tangible fixed assets - 107 million yen

**Financing activities**
**Decrease**

Dividends paid - 653 million yen

[million yen]

	Result FYE March 2023 Q2	Result FYE March 2022 Q2	Result FYE March 2022
1.Cash flow from operating activities	(1,192)	626	2,847
2.Cash flow from investing activities	(212)	(822)	(1,107)
3.Cash flow from financing activities	(849)	(1,986)	(3,743)
Net increase (decrease) in cash and cash equivalents	(2,254)	(2,181)	(2,001)
Beginning balances of cash and cash equivalents	12,187	14,188	14,188
Increase in cash and cash equivalents from newly consolidated subsidiary	—	—	—
Ending balances of cash and Cash equivalents	9,983	12,008	12,187
Depreciation and amortization	513	495	1,020

## **02 Business Segment Results**

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### **2-1. CreCla Business**

## 2-1a CreCla Business

## Sales and Operating Income Trends

### Sales

Directly  
Managed  
stores

As a result of water consumption increase due to higher average of summer temperature and increase in deliveries following the last-minute demand prior to the price increase of CreCla bottle, we have seen a rise in sales.

Affiliated  
stores

Due to sales slowing following the price increase of servers for Affiliated stores in April 2022, as well as decline in sales of products related to ZiACO (hypochlorous acid aqueous solution), sales have decreased.

### Operating income

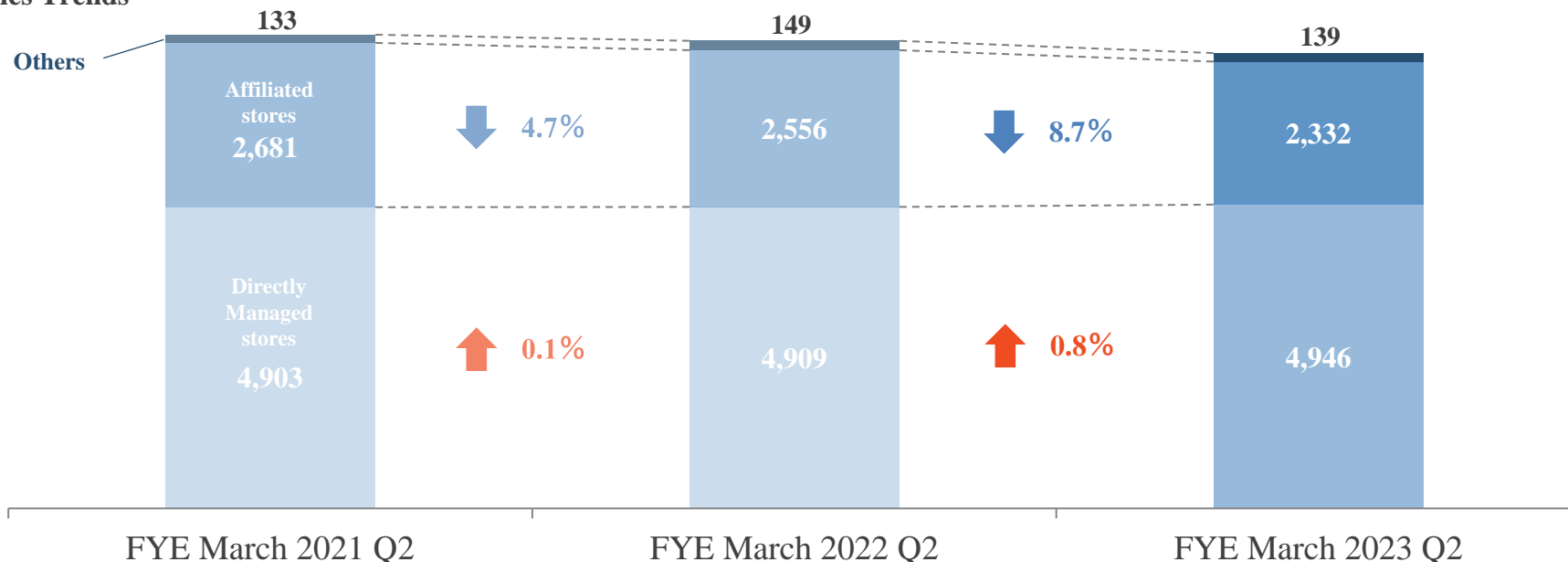
D

A

Operating income increased due to review in sales promotion activities resulting a decrease in administrative and G&A expenses.

Sales	7,718	7,615	7,419
			[million yen]
Operating income	934	571	710

### Sales Trends





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

[million yen]

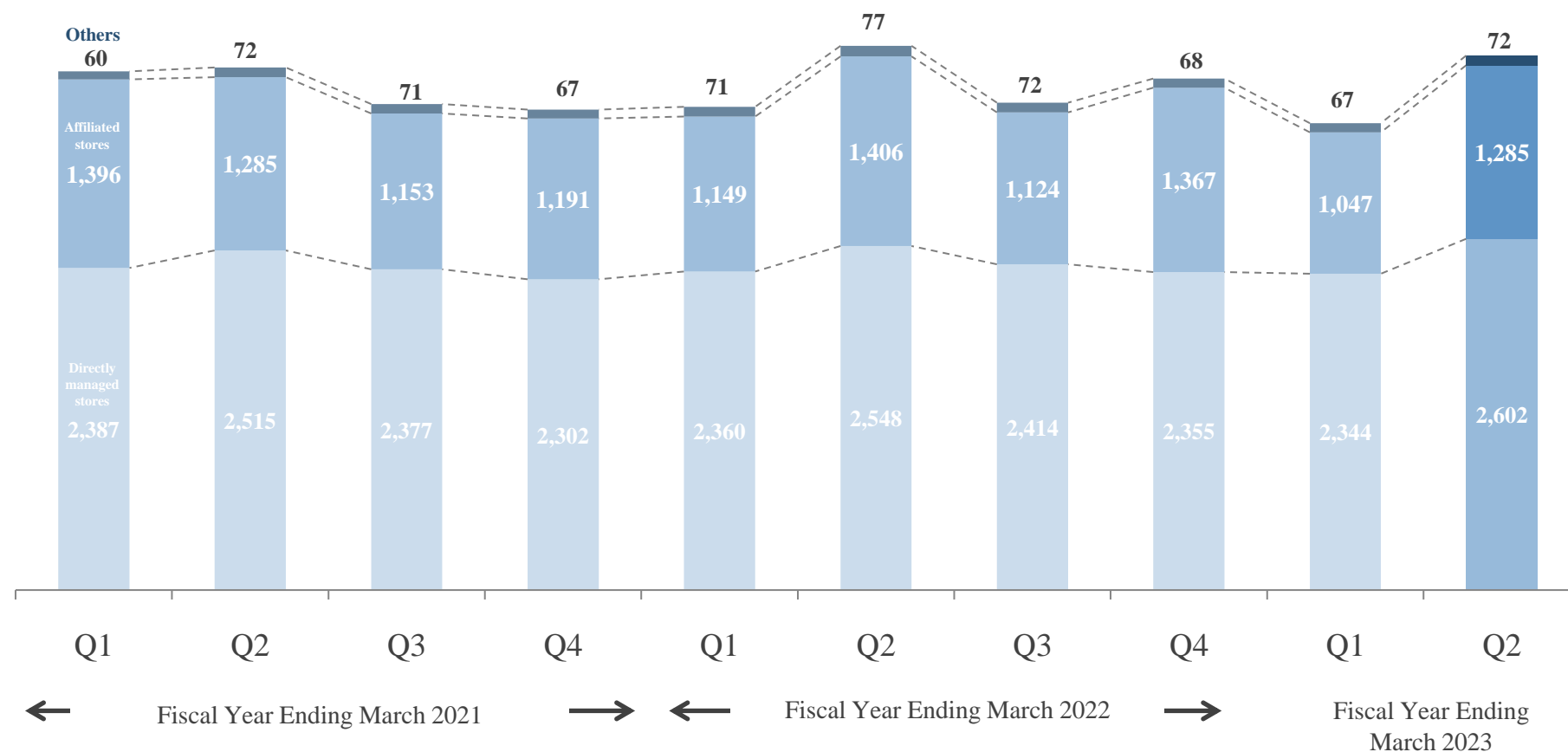
### Sales

3,844	3,873	3,602	3,561	3,582	4,032	3,611	3,792	3,459	<b>3,960</b>
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### Operating income

491	442	371	321	169	401	286	411	125	<b>584</b>
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### Sales Quarterly Trends



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

### ■ Increase customers

- ⇒Implement an all customer acquisition measures including strengthening various sales channels
- ⇒Develop and offer new products and new services
- ⇒Improve service quality, strengthen SNS activities and CRM
- ⇒Appeal safety with “CreCla Anshin” CM
- ⇒Verification of system infrastructure 「CrePF (CreCla Platform)」

### ■ Strengthen training system and secure personnel

### ■ Strengthen competitive measures and media strategies



ZiACO



## **02 Business Segment Results**

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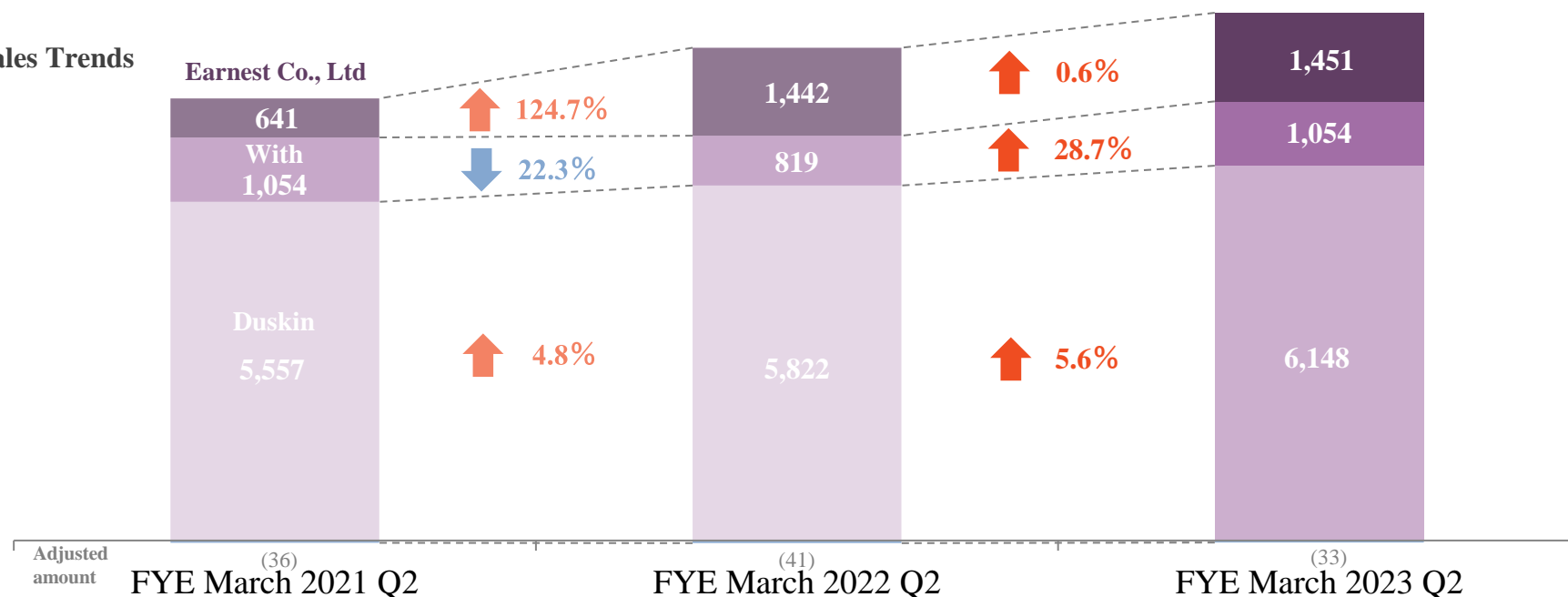
### **2-2. Rental Business**

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

Sales	Duskin	Sales increased due to price increase of some products in Dust Control Product Division.	
		Sales increased in Care Service Division due to additional business locations (15 additional locations YOY)	
	With	Sales increased as regular deliveries were back to normal when restaurants shift to normal operation	
	Earnest	Sales increased due to strong sales of infectious disease-related projects (border control support projects implemented by Ministry of Health, Labor and Welfare)	
Operating income	W	E	Increased following the increase in sales

<b>Sales</b>	7,216	8,042	8,621	[million yen]
<b>Operating income</b>	595	714	883	

### Sales Trends



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

[million yen]

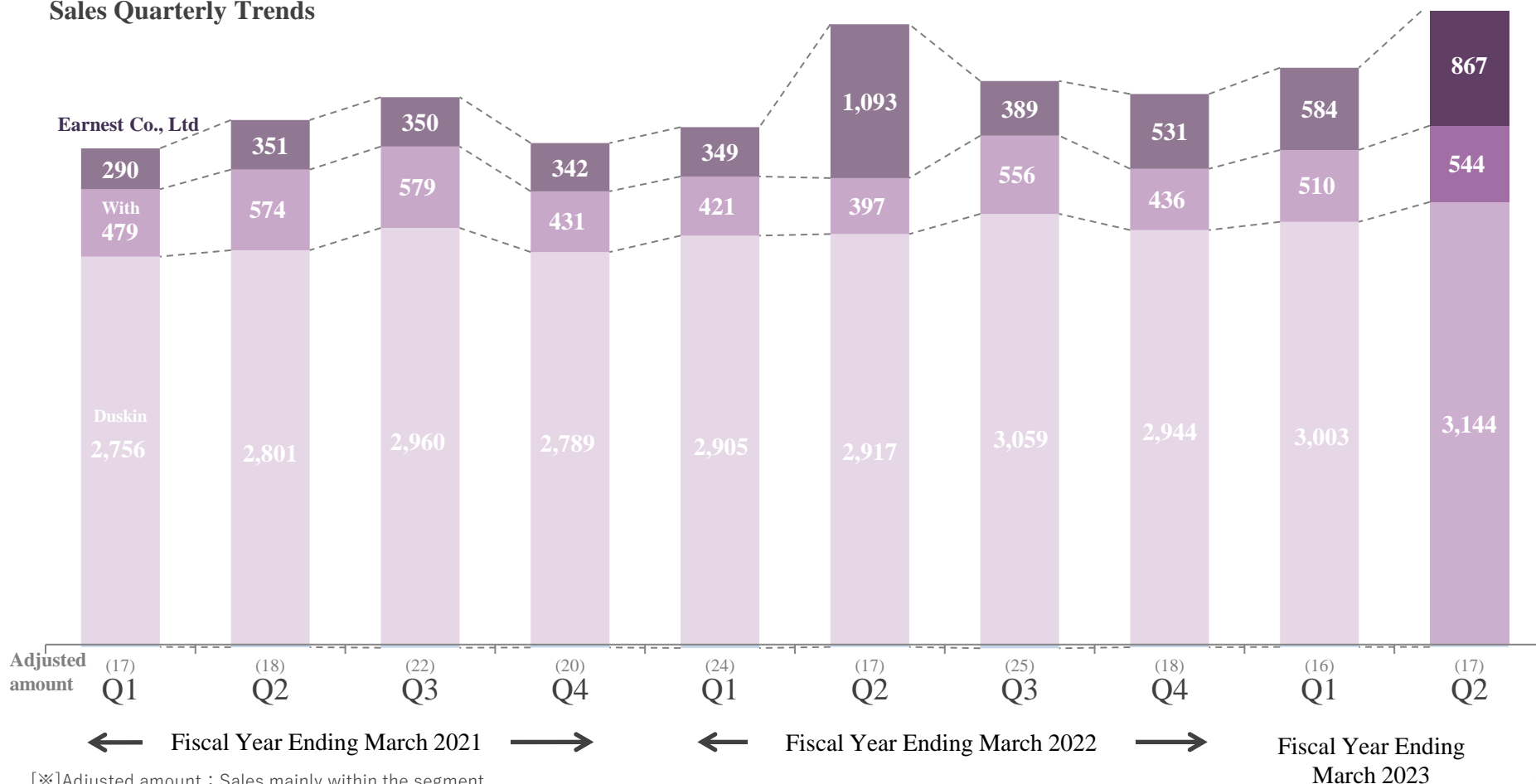
### Sales

3,508	3,708	3,867	3,542	3,652	4,390	3,979	3,894	4,081	4,539
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### Operating income

267	328	446	290	290	424	458	448	414	469
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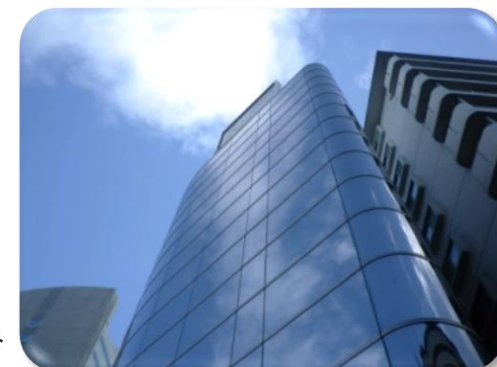
### Sales Quarterly Trends



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

- Promote projects through capital and business alliance agreement with Duskin Co., Ltd
  - ⇒Care Service division : Open 39 more businesses in addition to 71 businesses\* after alliance
  - ⇒HealthRent division : Open five more stores in addition to the five stores after alliance
- Duskin business (Dust Control Product Division) : Resume emphasizing “Face to Face” customer contact
- With-branded pest-control devices business: Strengthen organizational structure and resumption of developing agencies that has been suspended due to COVID-19

\* businesses as of September 2022



## **02 Business Segment Results**

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### **2-3. Construction Consulting Business**

## 2-3a Construction Consulting Business Sales and Operating Income Trends

### Sales

#### Consulting

Sales decreased due to customer's loss of purchasing power caused by the rising prices of construction and repaying of loans related to COVID-19

#### N S E

Sales decreased due to delay in construction schedule caused by extended shortage of semiconductors

#### ACE HOME

Sales decreased due to decline in wholesales caused by decrease of buildings in affiliated stores and reactionary decline of jointly developed products

### Operating income

#### Consulting

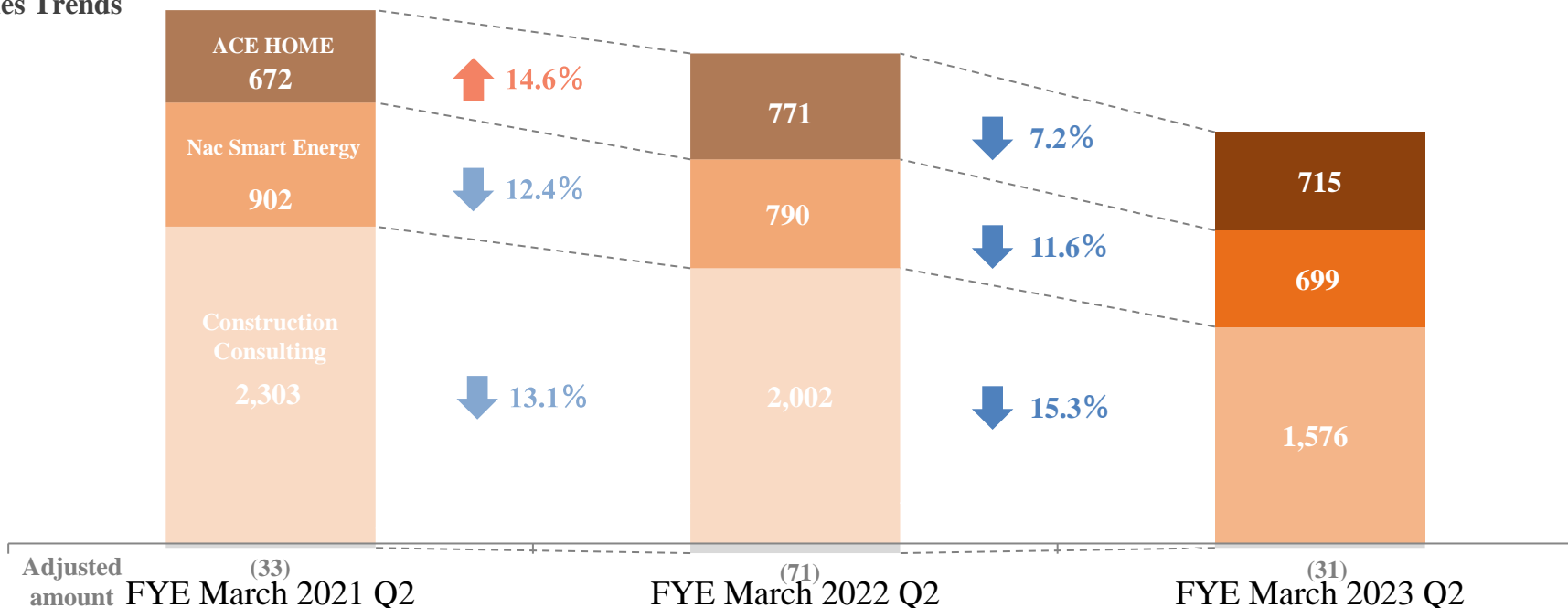
Decreased due to decline in sales of high profit margin, the Consulting Business

(Note) NSE : NAC Smart Energy Co., Ltd

[million yen]

Sales	3,845	3,492	2,960
Operating income	112	296	(58)

### Sales Trends





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

[million yen]

### Sales

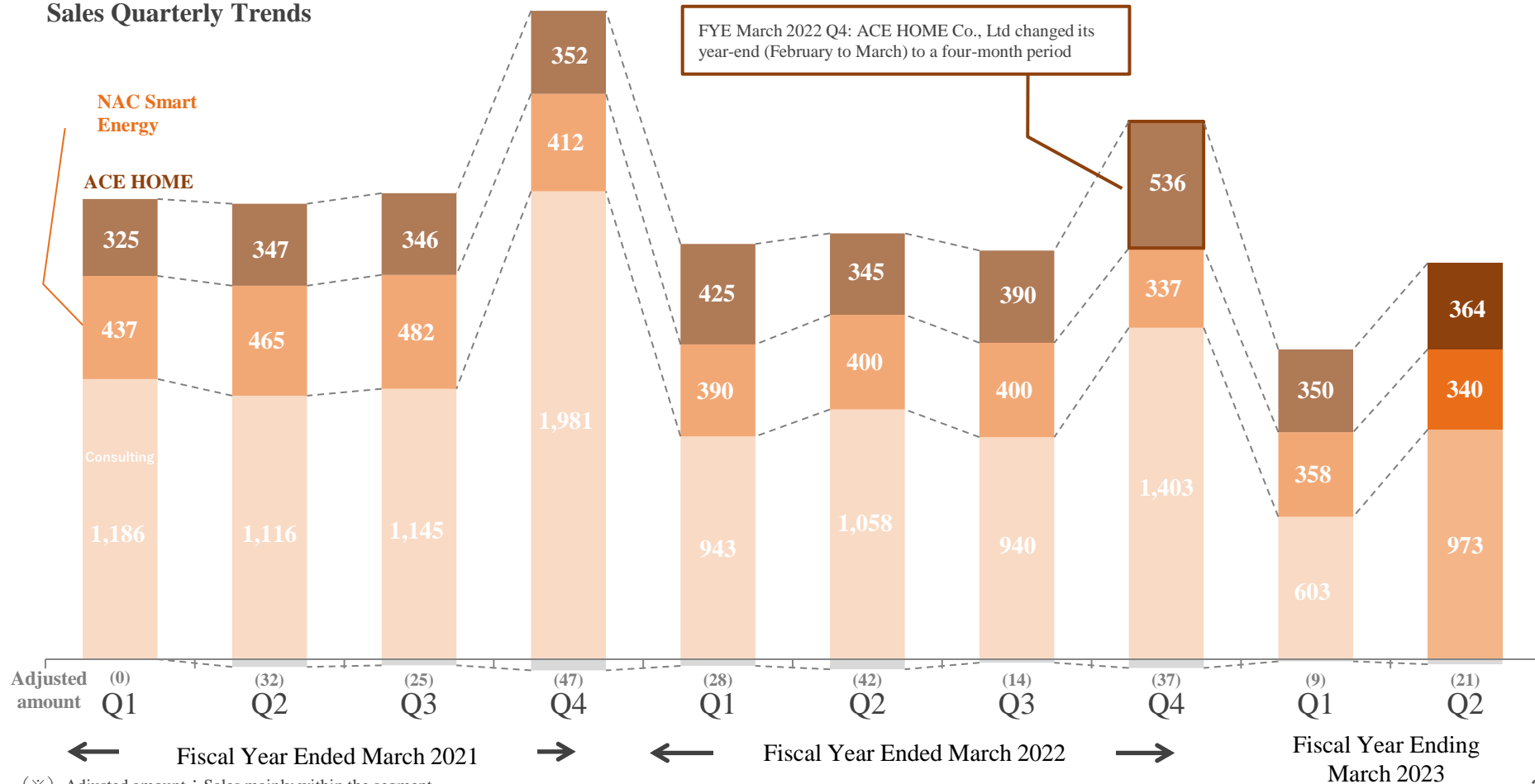
1,949      1,896      1,950      2,699      1,732      1,760      1,717      2,239      1,302      **1,657**

### Operating income

(25)      138      188      506      84      212      113      461      (193)      **134**

### Sales Quarterly Trends

FYE March 2022 Q4: ACE HOME Co., Ltd changed its year-end (February to March) to a four-month period



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

- Consulting Division : Implement mid-term plan measures, strengthen the training of members, introduce a free membership system and develop sales activities that also utilizes BPO and SDGs approach in non-core operation
- 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



## **02 Business Segment Results**

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### **2-4. Housing Sales Business**

# 2-4a Housing Sale Business Sales and Operating Income Trends

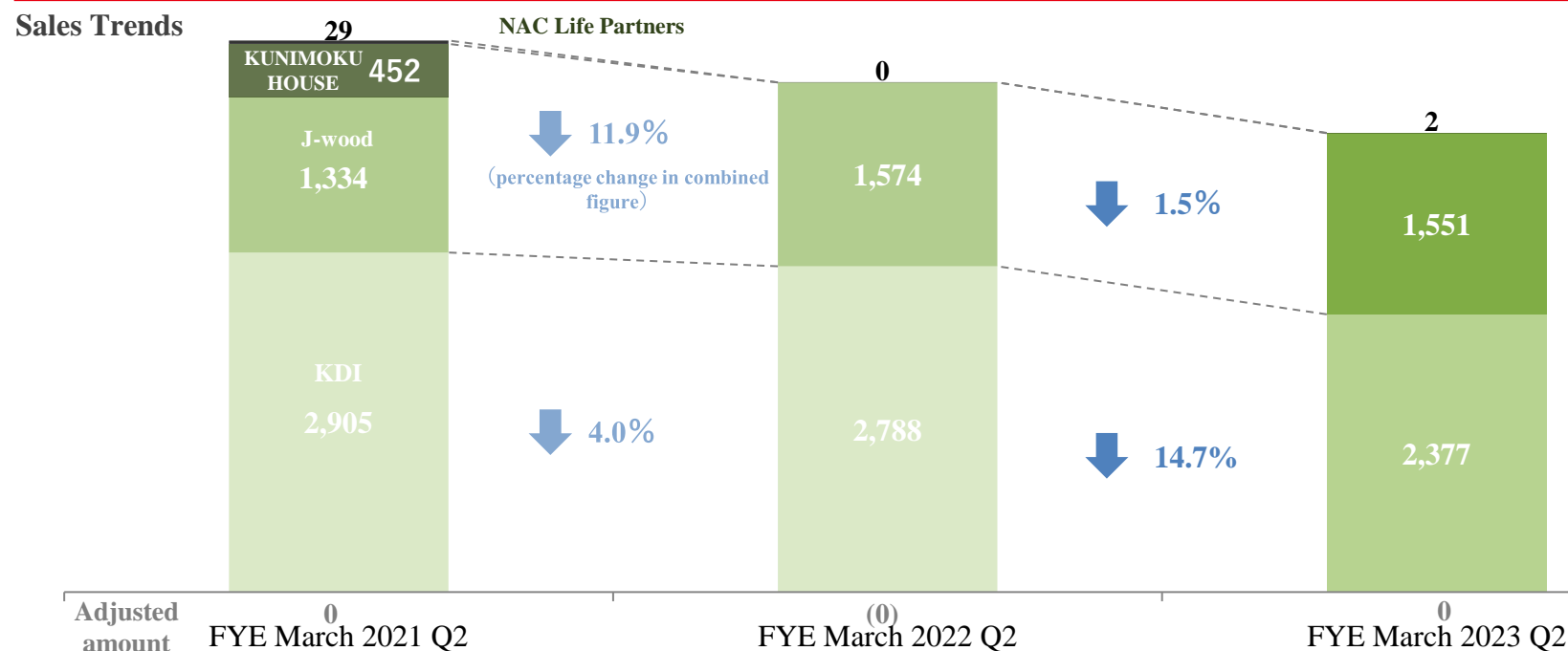
**Sales**      **K**   **D**   **I**    Although inventory for sales has slightly increased, sales decreased due to continued difficulty in purchasing properties caused by soaring land prices and a slowdown in real estate market caused by high prices.

**Operating income**      **K**   **D**   **I**    Operating income increased following the increase in sales

**K**   **J**    Decrease due to lower gross profit caused by price hike in construction materials

Sales	4,721	4,363	3,931
Operating income	(84)	(61)	(197)

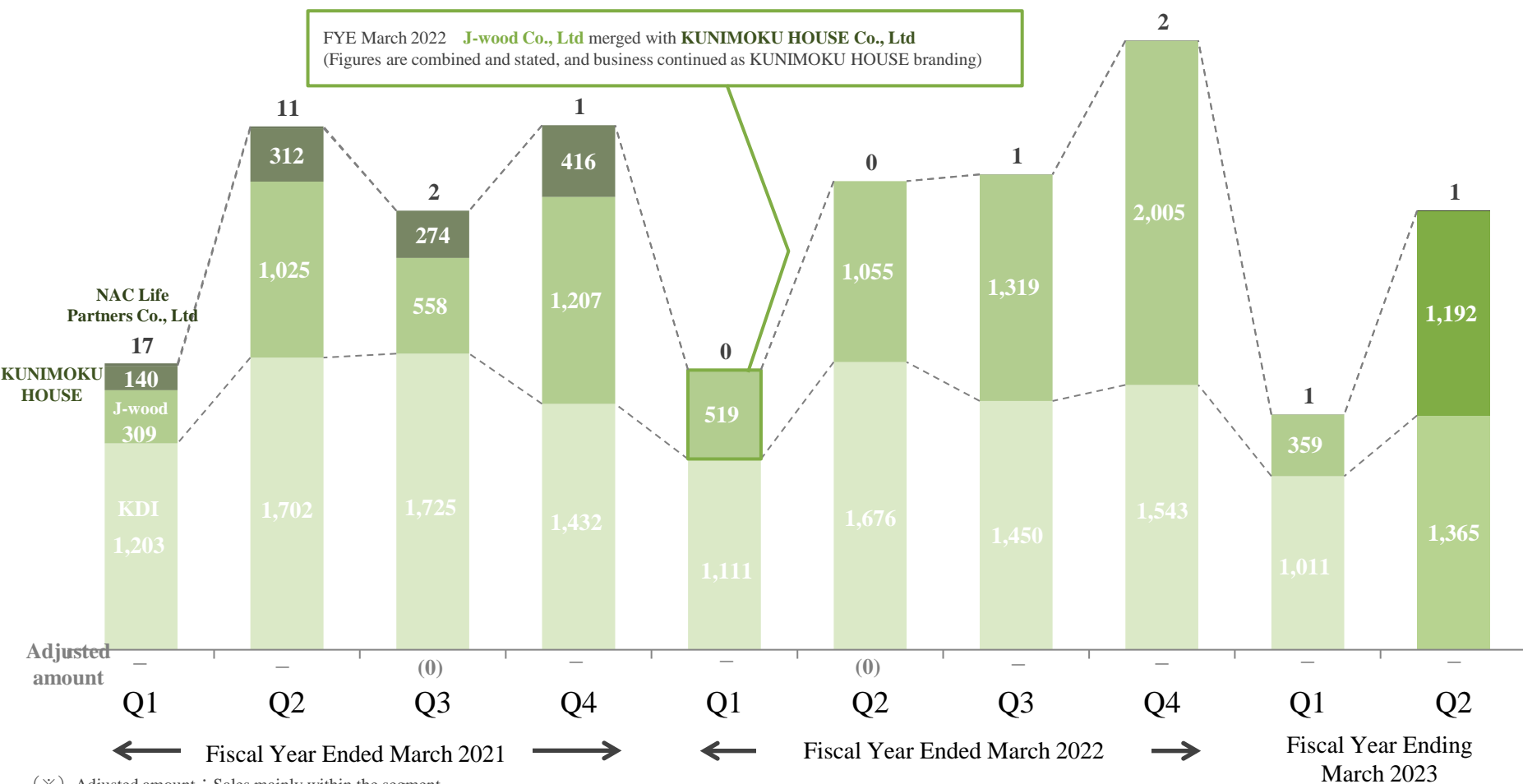
[million yen]



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

Sales	[million yen]								
1,670	3,051	2,562	3,057	1,631	2,732	2,771	3,551	1,371	2,559
Operating income									
(156)	72	(4)	163	(114)	53	142	152	(197)	(0)

### Sales Quarterly Trend



## 2-4c Housing Sales Business Priority Measures for FY2022 onwards

- J-wood Co., Ltd : Execute various strategies to acquire mobile houses, Web measures and referrals

Incorporate new demographics through low-cost planned housing and 3-story plans on narrow lots  
(KUNIMOKU HOUSE business)

- KDI Corporation : Progress expansion of sales area to increase sales and strengthen profitability, and expansion into custom-built housing businesses, and renovation and resale of existing condominiums



▲September 5, 2022  
Kichijoji store(Tokyo)  
New open



株式会社 ジェイウッド

**KUNIMOKU  
HOUSE**



**KDI-HOME**

Kindness, Development, Integrity

## **02 Business Segment Results**

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### **2-5. Beauty and Health Business**

# 2-5a Beauty and Health Business Sales and Operating Income Trends

## Sales

### JIMOS

Sales increased in acquiring new customers and strong performance of “Tofu no Moritaya” brand which was merged into the company, excluding the decrease due to establishment of UPSALE Co., Ltd

### BELAIR

Sales decreased year-on-year due to the decline of customers in nutritional supplement

### UPSALE

Despite acquisition of Pharmaceutical business, sales decreased due to decline in distribution and price revision in Hair Care business

## Operating income

### JIMOS

Decreased due to aggressive advertising investments ahead of schedule due to strong new customers acquisition

### BELAIR

Decreased due to decline in sales of the high-margin nutritional supplements

## Sales

3528

2738

3184

## Operating income

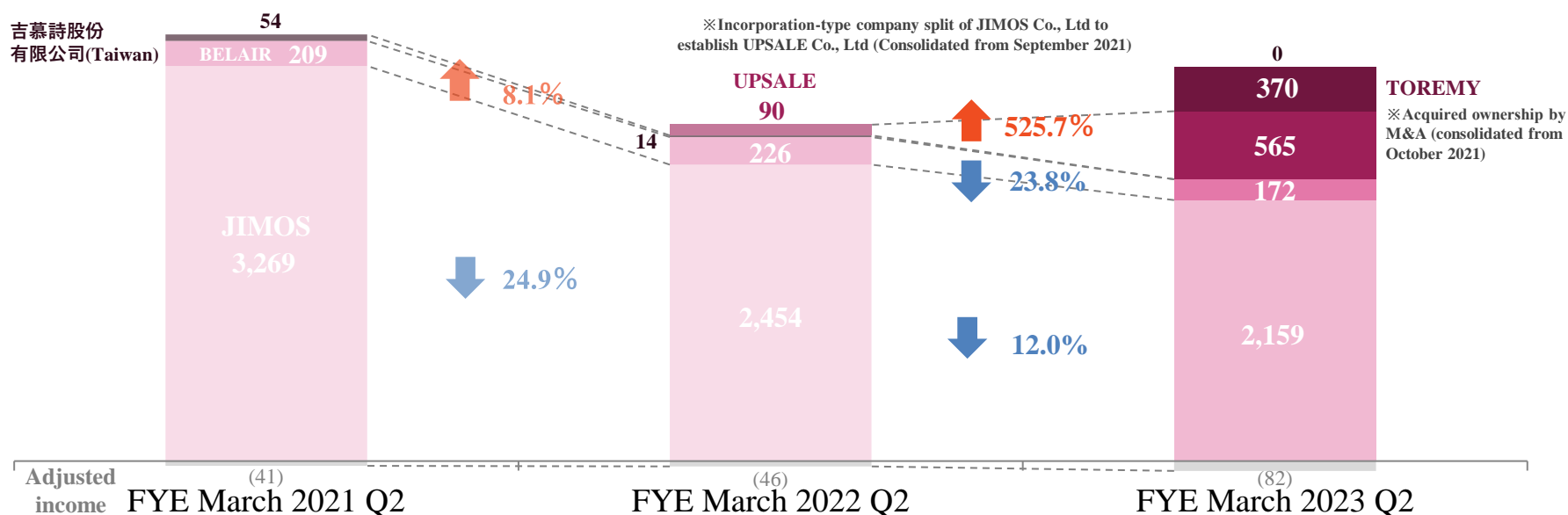
(147)

311

(75)

## Sales Trends

[million yen]





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

### Sales

[million yen]

1,763      1,765      1,954      1,730      1,419      1,319      1,658      1,524      1,493      **1,691**

### Operating income

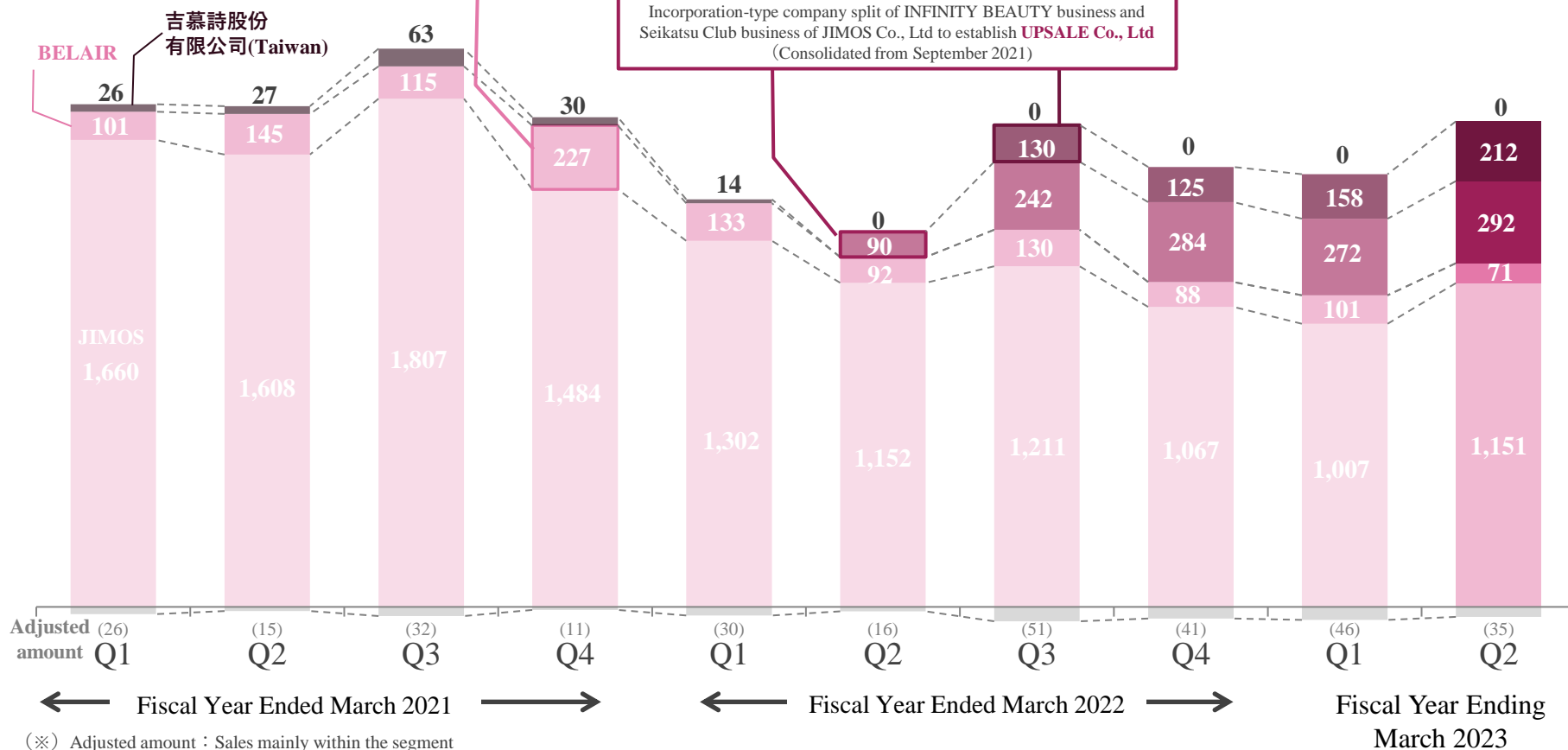
(67)      (80)      158      112      183      128      193      (353)      (41)      **(34)**

### Sales Quarterly Trends

FYE March 2021 Q4 : BELAIR Co., Ltd changed its year-end (December to March) to a six-month period

Acquired ownership of **TOREMY Co., Ltd** by M&A (Consolidated from October 2021)

Incorporation-type company split of INFINITY BEAUTY business and Seikatsu Club business of JIMOS Co., Ltd to establish **UPSAL Co., Ltd** (Consolidated from September 2021)



## 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” branch, launched from the previous fiscal year

Strengthen sales of “Tofu no Moritaya” branch, merged this 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 : Optimization of mainstay e-commerce sales

Acquire new customers and improve LTV by utilizing the third-class drug “Ayumin S”



MACCHIA LABEL  
マキアレイベル



coyori



SINN PURETÉ  
natural&organics



TOREMY



ベルエア



UP SALE

## **03 Result Forecast for FYE March**

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## 3-1 Consolidated Result Forecast

- Sales and income are expected to increase compared to fiscal year ended March 31, 2022
- Continuing from the fiscal year ended March 31, 2022, we plan to make aggressive upfront investments to acquire customers such as focus on human capital, new products and services, and sales promotion activities.

[million yen]			
	FYE March 2023 Forecast	FYE March 2022 Result	Comparison
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	89.12 yen	76.17 yen	+ 12.95 yen

## 3-2 Consolidated Result Forecast Sales by Segment

[million yen]

	FYE March 2023 Forecast	FYE March 2022 Result	Comparison
CreCla Business	15,000	15,019	(19)
Rental Business	16,200	15,916	+ 283
Construction Consulting Business	8,500	7,449	+ 1,050
Housing Sales Business	12,000	10,686	+ 1,313
Beauty and Health Business	8,300	5,921	+ 2,378
Elimination adjustments (including new • M&A)	—	(69)	—
<b>TOTAL</b>	<b>60,000</b>	<b>54,924</b>	<b>+ 5,075</b>

# 3-3 Consolidated Result Forecast Operating income by Segment

[million yen]

	FYE March 2023 Forecast	FYE March 2022 Result	Comparison
CreCla Business	1,500 [10.0%]	1,269 [8.5%]	+ 230 [+ 1.5 pt]
Rental Business	1,600 [9.9%]	1,621 [10.2%]	(21) [(0.3) pt]
Construction Consulting Business	1,000 [11.8%]	872 [11.7%]	+ 127 [+ 0.1 pt]
Housing Sales Business	230 [1.9%]	233 [2.2%]	(3) [(0.3) pt]
Beauty and Health Business	350 [4.2%]	151 [2.6%]	+ 198 [+ 1.7 pt]
Corporate expenses (including new • M&A)	(1,680)	(1,387)	(292)
<b>TOTAL</b>	<b>3,000</b> <b>[5.0%]</b>	<b>2,760</b> <b>[5.0%]</b>	<b>+ 239</b> <b>[(0.0) pt]</b>

※ Figures in parentheses are the operating margin to net sales

## 04 Dividend

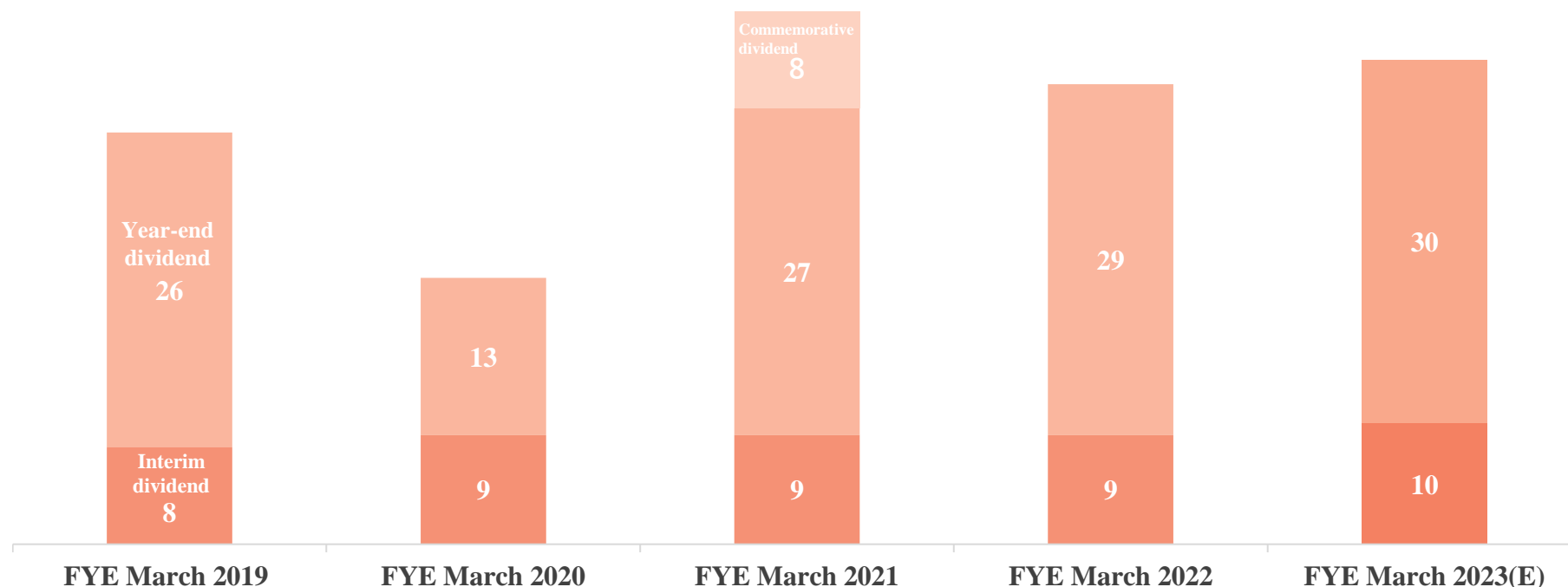
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# 4-1 Dividend Policy, Dividend Results and Dividend Forecast

**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 8yen



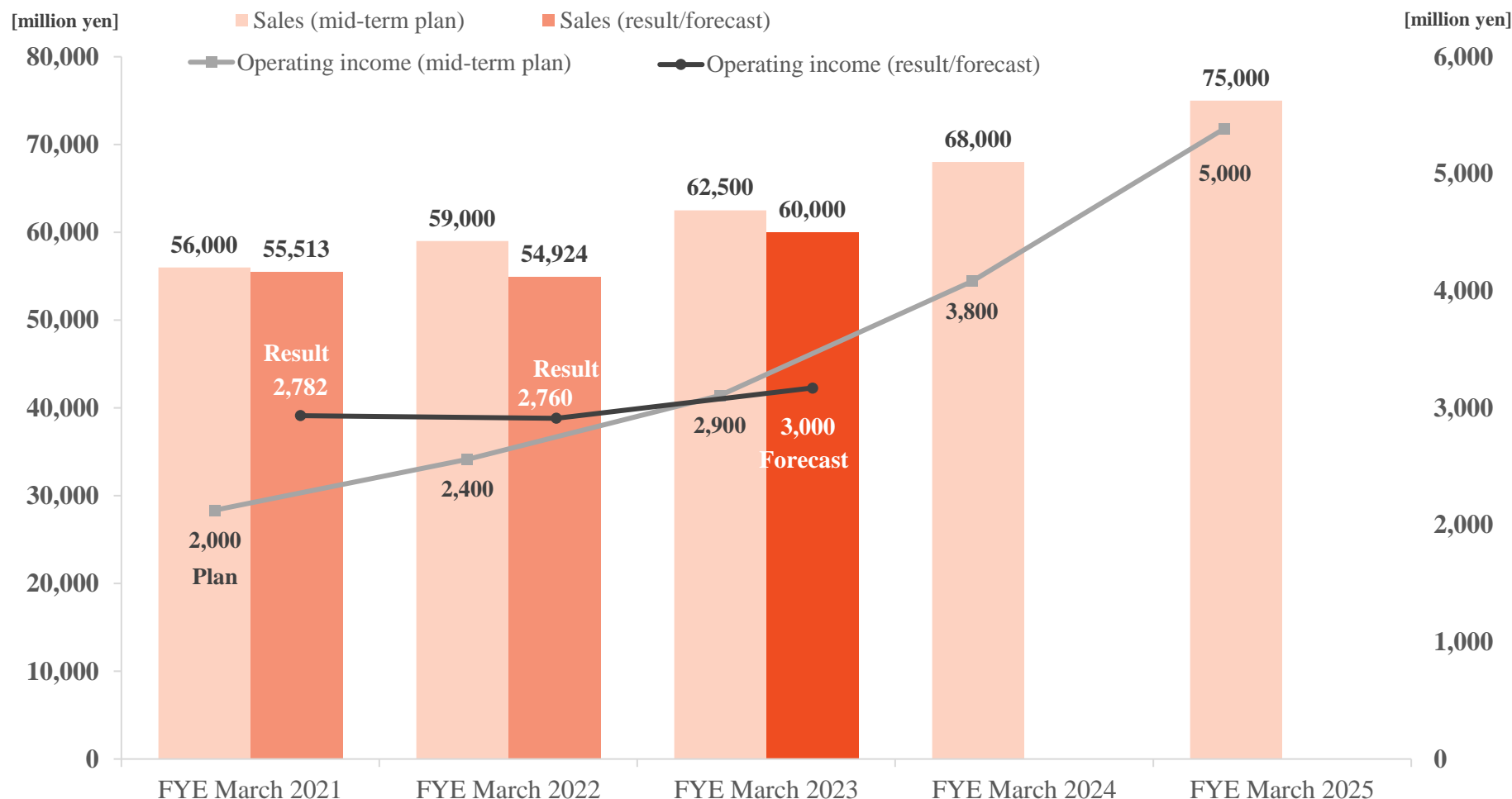


## **05 Mid-term Management Plan**

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## 5-1 Progress of Medium-Term Business Plan

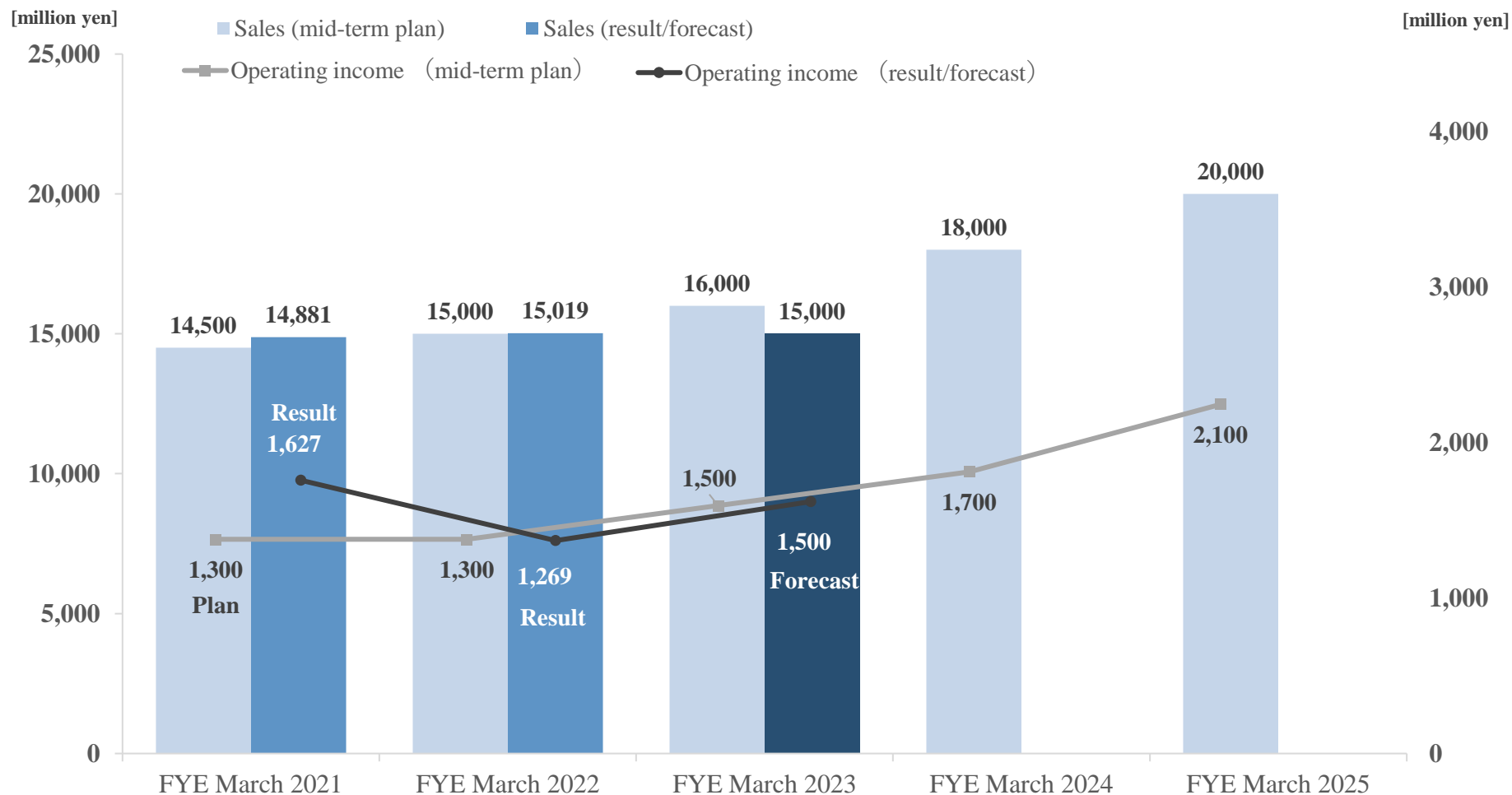
- In the fiscal year ending March 31, 2023, we plan to continue to make aggressive upfront investments mainly in CreCla Business and Rental Business
- Although the plan is to increase revenue and profit of the previous fiscal year, decrease in sales and increase in income are expected relative to mid-term plan



## 5-1 Progress of Medium-Term Business Plan (CreCla Business)

■ We plan to increase profit compared with the previous year

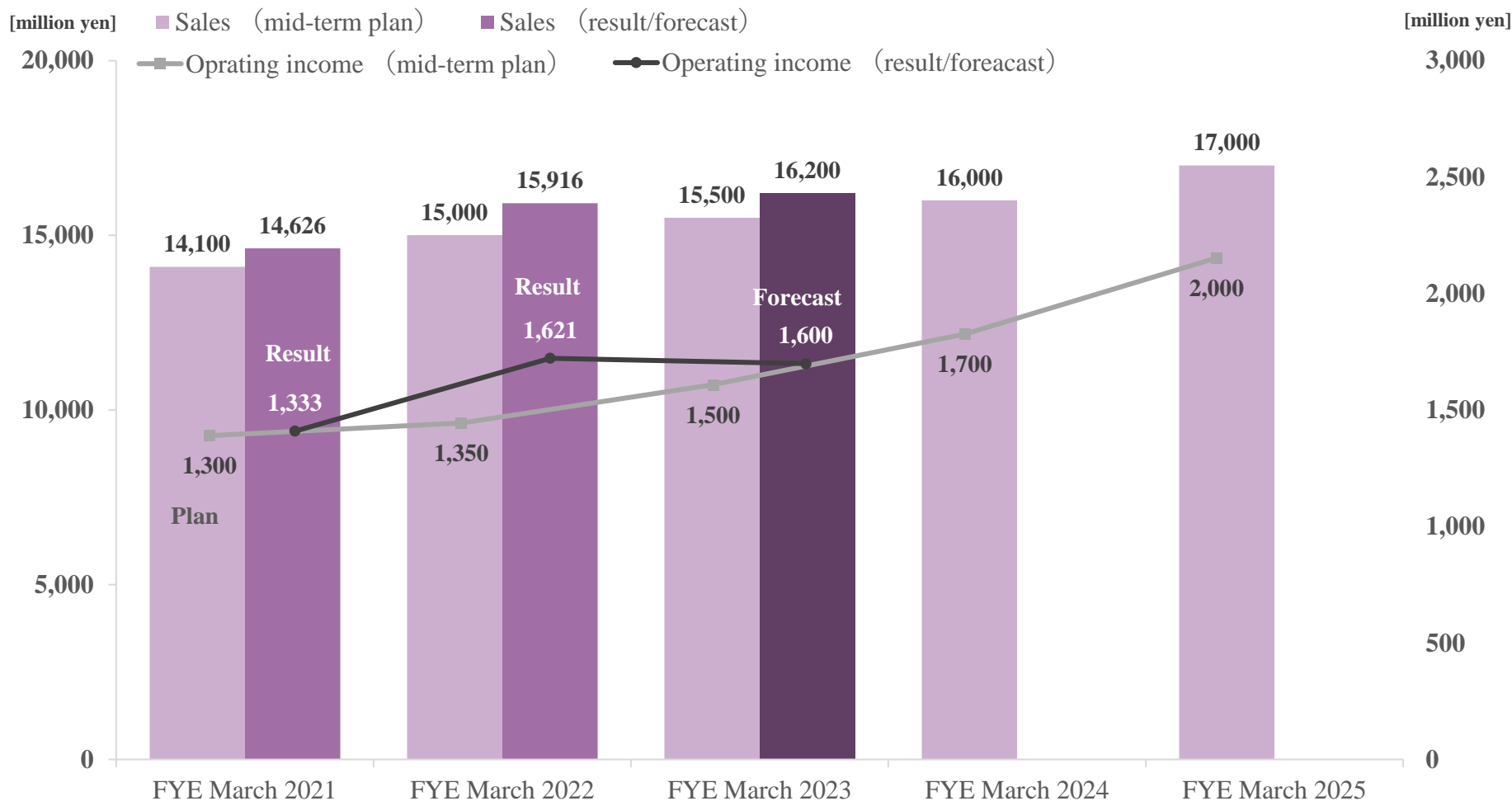
■ Decrease in sales is expected relative to mid-term plan



## 5-1 Progress of Medium-Term Business Plan (Rental Business)

■ We plan to increase revenue and decrease profit compared with the previous year

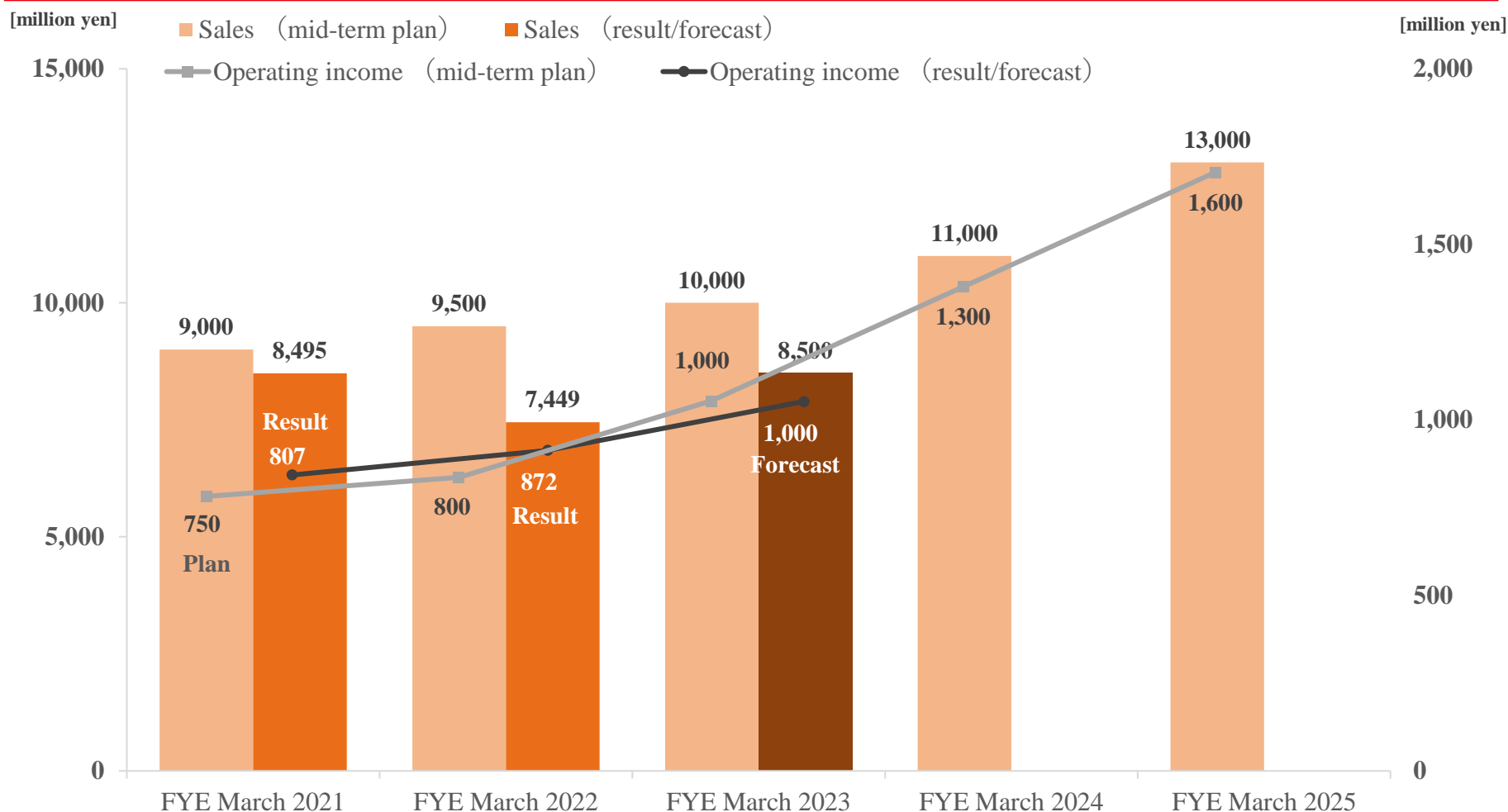
■ Increase in sales and income are expected relative to mid-term plan



## 5-1 Progress of Medium-Term Business Plan (Construction Consulting Business)

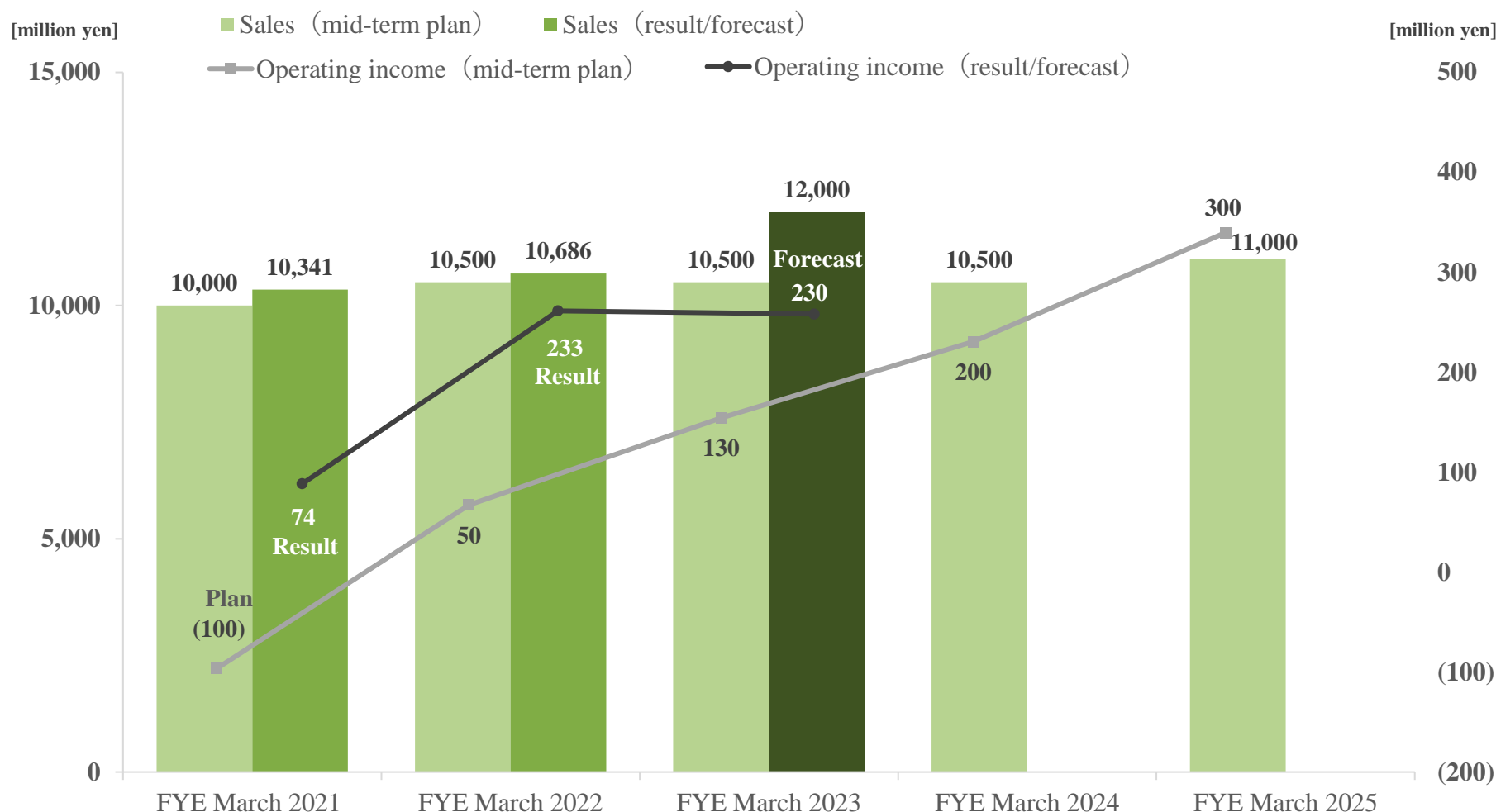
■ We plan to increase the revenue and profit compared with the previous year

■ Decrease in revenue is expected relative to mid-term plan



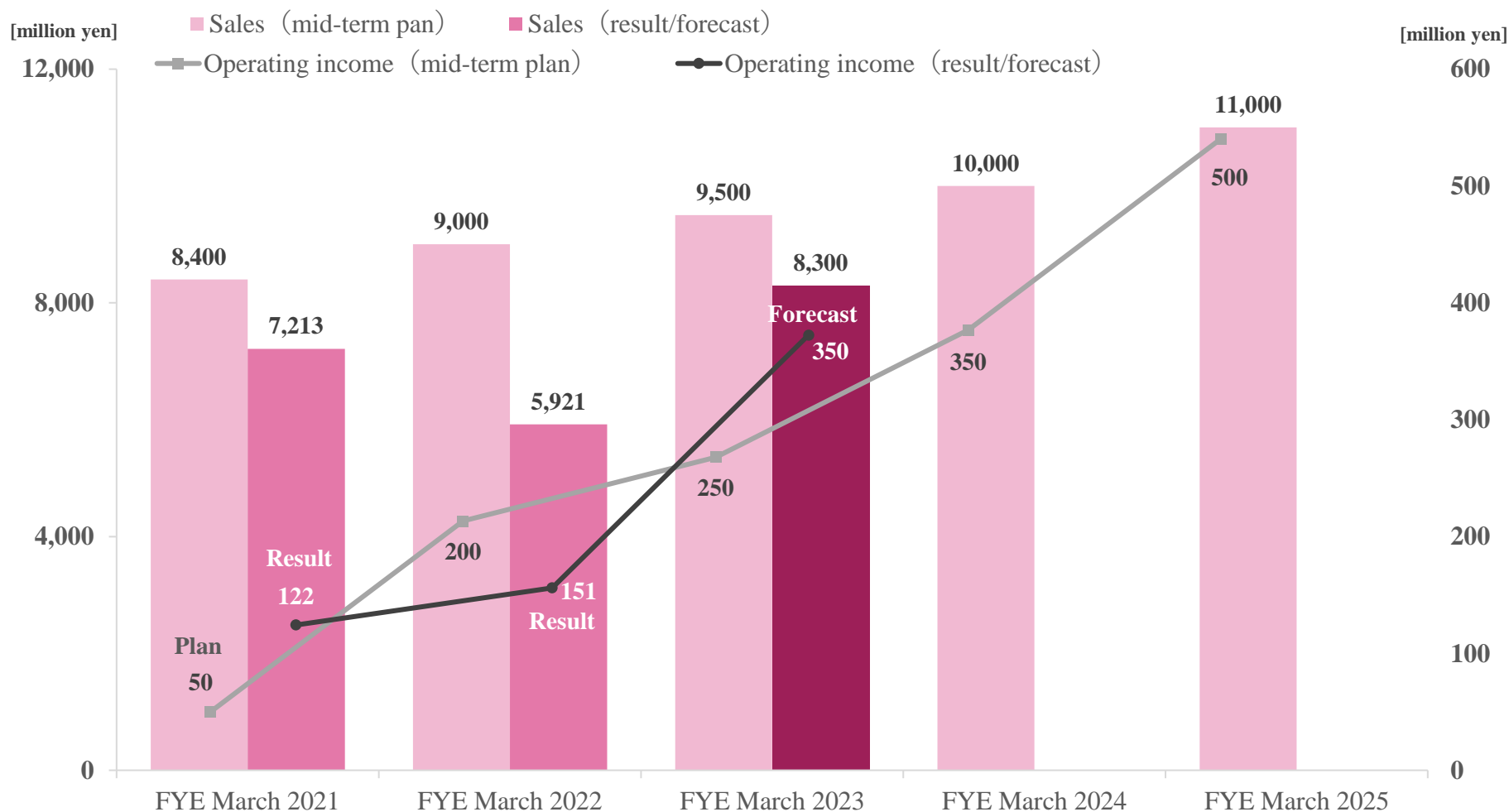
## 5-1 Progress of Medium-Term Business Plan (Housing Sales Business)

- We plan to increase revenue and decrease the profit compared with the previous year
- Increase in revenue and profit are expected relative to mid-term plan



## 5-1 Progress of Medium-Term Business Plan (Beauty and Health Business)

- We plan to increase the revenue and profit compared with the previous year
- Decline in revenue and increase profit are expected relative to the mid-term plan



## **06**   **Company Profile**

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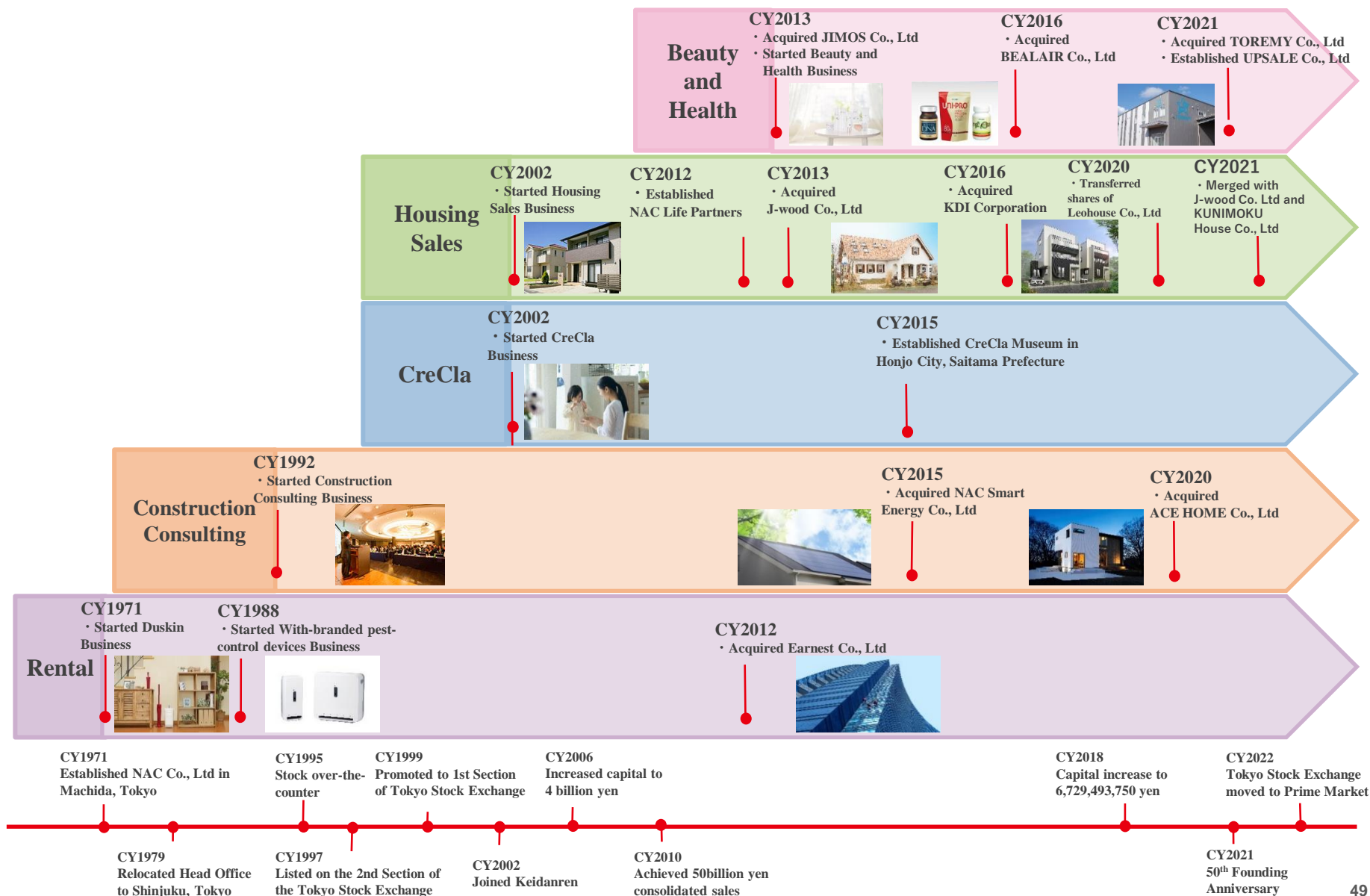


## 6-1 Company outline

(as of September 2022)

<b>Company name</b>	NAC CO., LTD.
<b>Address</b>	42F Shinjuku Center Building, Nishi-Shinjuku 1-25-1 Shinjuku-ku, Tokyo
<b>Established</b>	May 20, 1971
<b>Representative</b>	Yoshimura Kan, President
<b>Consolidated Subsidiaries</b>	<b>Rental</b> Earnest Co., Ltd (Building Maintenance Business)
	<b>Consulting</b> Nac Smart Energy Co., Ltd (Sales and Construction energy-savings products) ACE HOME Co., Ltd (Residential Franchise Business)
	<b>Housing</b> J-wood Corporation (Residential Business) KDI CORPORATION (Residential Business) NAC Life Partners Co., Ltd (Finance and Benefits)
	<b>Beauty &amp; Health</b> 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) UPSALE Co., Ltd (eCommerce sales of Beauty and Health Business)
<b>No. of employees (Regular employees)</b>	Consolidated 1,652 (excluding part-time employees)
<b>Capital</b>	6,729,493,750 yen
<b>Shares Outstanding</b>	24,306,750 shares (1 unit : 100 shares)
<b>No. of shareholders</b>	13,263 (total number of shareholders excluding treasury stock)

## 6-2 NAC Group History



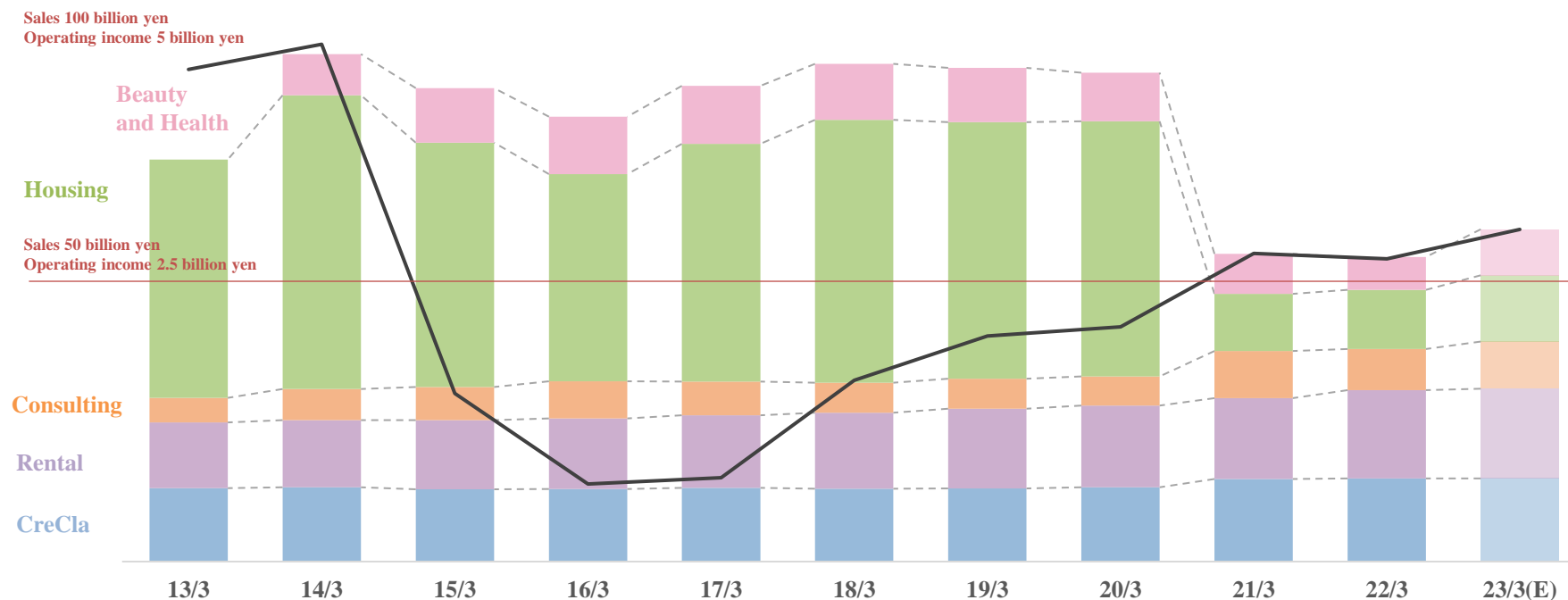
## 6-3 NAC Business Result (Previous 10 Fiscal years + Forecasts)

	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023(E)
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

Significant decrease in Housing Business  
due to reactionary decline against  
consumption tax hike

Profit structure has  
changed due to transfer of  
Leohouse shares

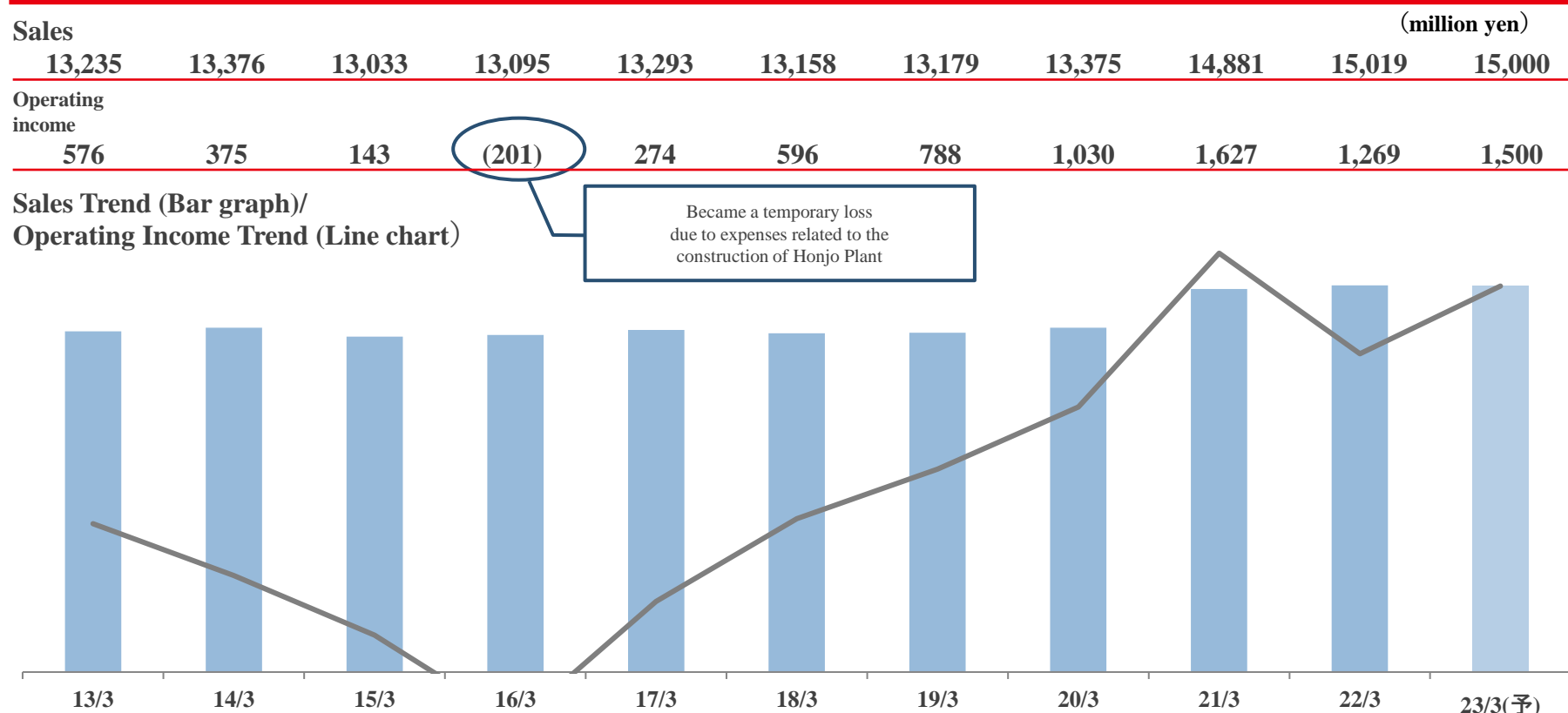
【Sales Trend : Bar graph / Operating Income Trends : Line chart】



## 6-4 Business Introduction CreCla Business

### Major composition : NAC Co., Ltd CreCla Business

- Production and sales of CreCla (delivery of bottled water) 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’ first** R&D center
- In April 2015, manufacturing plant and CreCla Museum were established in Honjo city, Saitama Prefecture



## 6-5 Business Introduction Rental Business

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

□ Rental and sales of dust control products and pest control items, 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 Minister of Health, Labor and Welfare

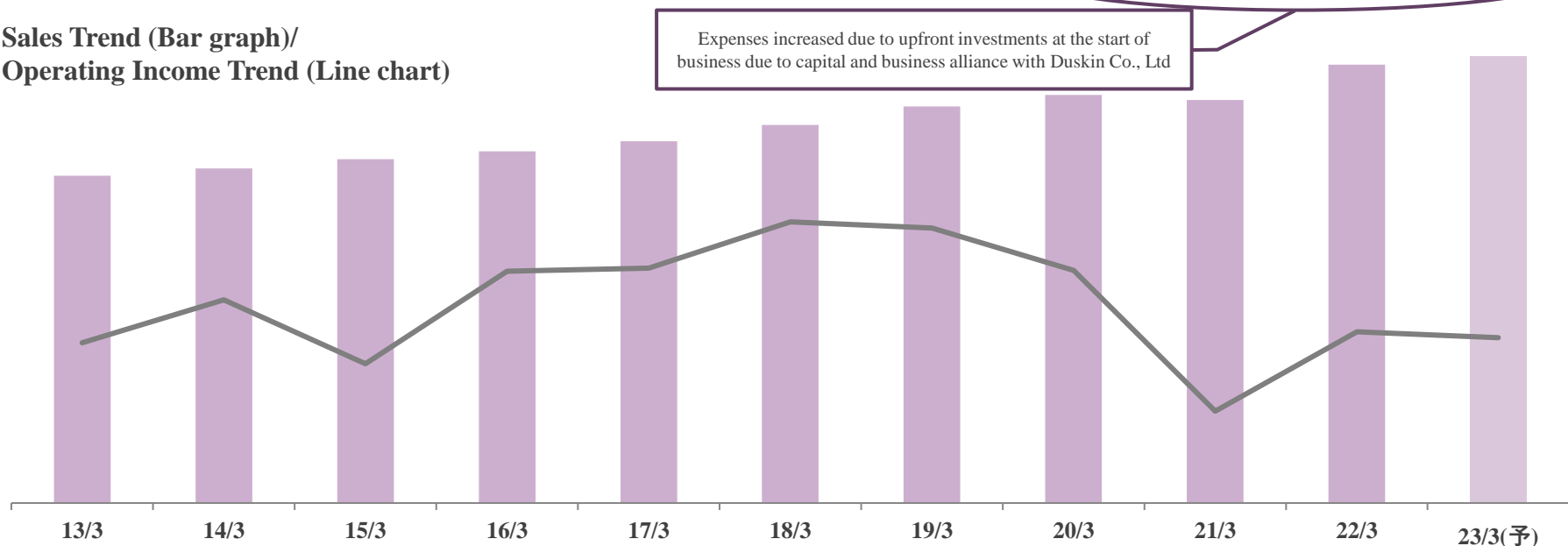
■ March 2012 Acquired ownership of Earnest Co., Ltd (Building Maintenance Business)

■ 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 graph)/

Operating Income Trend (Line chart)

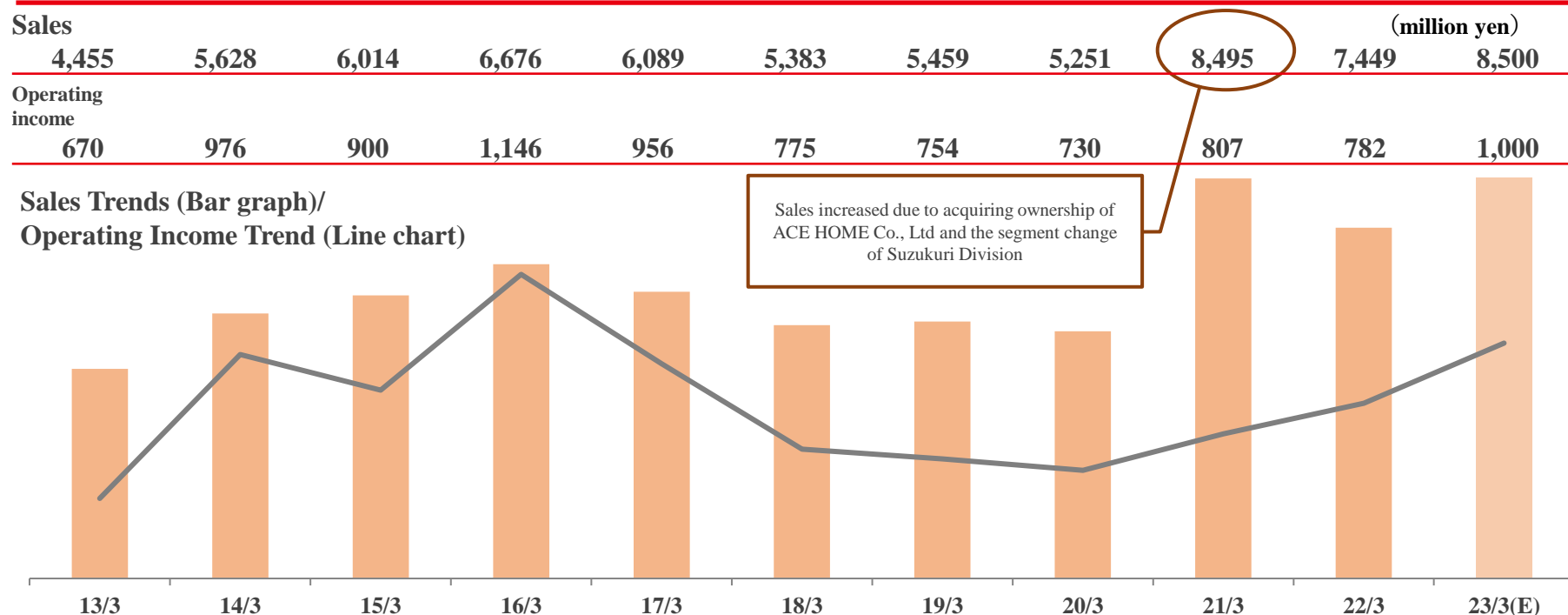


## 6-6 Business Introduction Construction Consulting Business

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

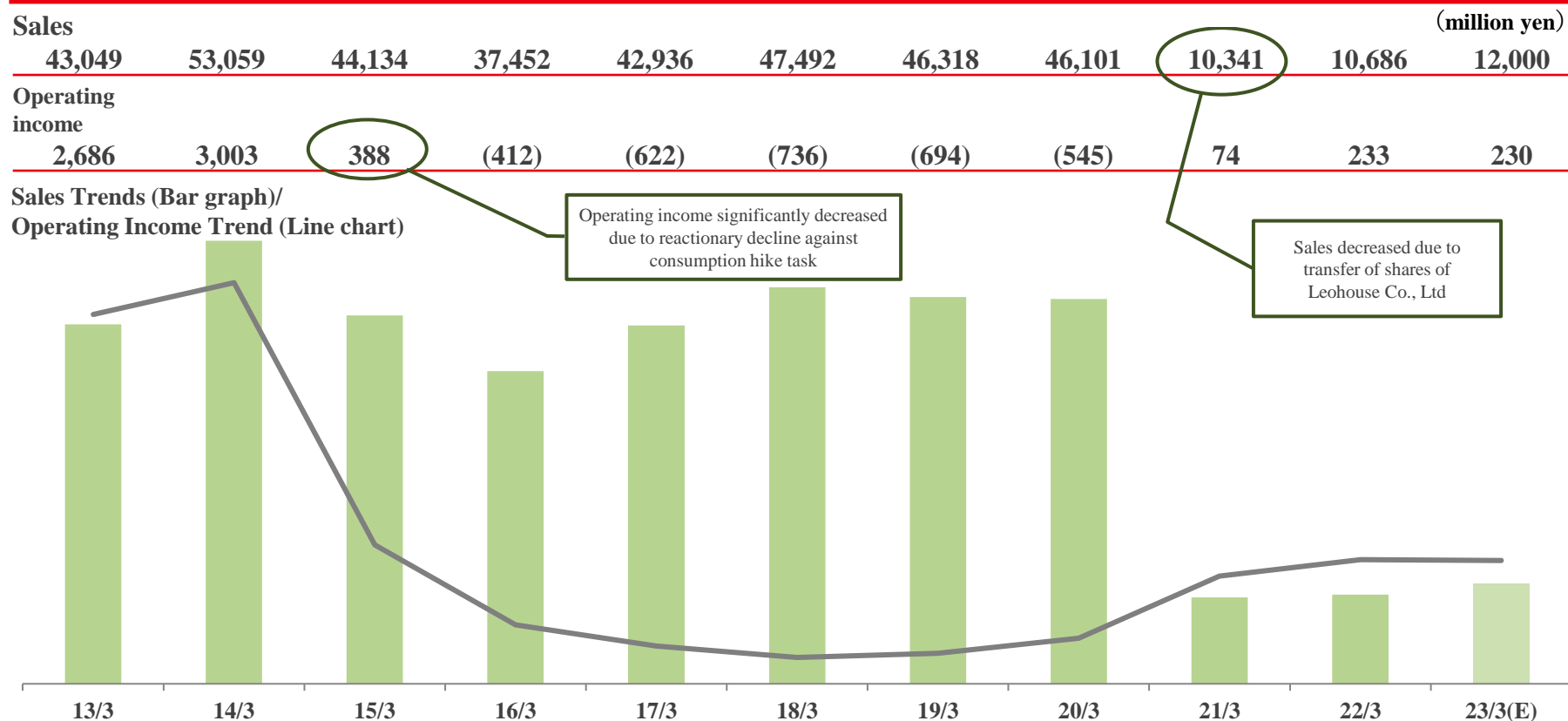


# 6-7 Business Introduction Housing Sales Business

**Major composition: KDI CORPORATION, J-wood Co., Ltd and NAC Life Partners Co., Ltd**

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

- July 2013 Acquired ownership of J-wood Co., Ltd (custom-built houses made of natural minerals)
- May 2016 Acquired ownership of KDI Co., Ltd (for sale and custom-built houses in Tokyo Metropolitan Area)
- June 2017 Acquired ownership of KUNIMOKU House Co., Ltd (Housing Development Business in Hokkaido)  
(merged with J-wood Co., Ltd in April 2021)



## 6-8 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

- July 2013 Started Beauty and Health Business by acquiring JIMOS Co., Ltd  
Basic cosmetics mainly for women in their 40s and 60s
- December 2016 Acquired ownership of BELAIR Co., Ltd (sales of supplement)
- July 2021 Acquired ownership of TOREMY Co., Ltd (contract manufacturer of cosmetics)
- September 2021 Established UPSALE Co., Ltd

