

Summary of Interim Business Results (on a consolidated basis)

During the term, we were aggressive in expanding our Housing Sales and Bottled Water Sales Divisions, in line with our medium-term plan which has set a target of achieving net sales of ¥45,000 million and ordinary income of ¥3,000 million yen in the term ended March 31, 2007. Consequently, we enjoyed significant revenue increase with net sales of ¥7,562 million, up 26.6 percent year on year. Reflecting investment in our new businesses, ordinary income was ¥379 million, a year-on-year decline of 35.3 percent.

Rental Division

The dust control business, our flagship business, continued to enjoy sound growth. During the term, we affiliated with a pest control rental business operator, before it subsequently merged with us on October 1. As a result, the operator is included in our consolidated accounts. This bolstered both revenues and earnings, producing net sales of ¥5,123 million, up 19.0 percent from the previous year, and operating income of ¥833 million, a gain of 12.1 percent.

Systems Engineering Division

Backed by the growing market penetration of Grandpia, a wooden housing technology product released in the previous term, we increased net sales 3.5 percent from a year earlier, to ¥964 million. Operating income meanwhile rose 11.3 percent, to ¥267 million.

Housing Sales Division

May 2002 the Kokura Shop, our oldest outlet, enjoyed steady growth in orders and completed sales to become profitable on a periodic accounting basis. Three new shops in Miyazaki, Takamatsu and Kagoshima also enjoyed a strong start. We opened new shops at a faster pace and began preparing to open two extra shops, in Hyuga and Kanoya, within the present term.

As a result, we achieved an outstanding net sales jump of 584.6 percent, to ¥1,195 million, and reduced our operating loss from ¥114 million in the preceding year, to ¥125 million for the term under review.

Bottled Water Sales Division

With the positive launch of five new shops and sales promotion activities, we achieved growth in our customer base at a rate of 2,000 new customers per month. This in turn led to a steep climb in net sales, which rose 631.1 percent from a year earlier, to ¥213 million. With three new plants commencing operation during the term, our manufacturing and sales structure at the end of the interim term under review consisted of five plants and 11 sales offices. These investments resulted in an operating loss of ¥215 million, compared to an operating loss of ¥65 million for the same period last year. However, development is nearly on schedule.

Outlook for the Full Year

We expect the central Rental and Systems Engineering Divisions to sustain their first-half growth into the second half of the term.

In the Housing Sales and Bottled Water Sales Divisions, we will be committed to expanding sales areas and finding new customers. For our two new businesses, the next year or two will be a time for investment. These businesses should begin to contribute to our bottom line starting in the March 2006 term, although they are set to generate sharp revenue growth in the current term.

Consolidated Business Results

(Millions of yen, except per share amounts)

	Six months ended September 30		
	2002	2003	Change
Net sales	5,971	7,562	26.6%
Operating income	541	336	-37.8%
Ordinary income	587	379	-35.3%
Net income	331	263	-20.5%
Net income per share	¥36.73	¥30.54	

Financial results

	September 30	
	2002	2003
Total assets	10,388	10,756
Shareholders' equity	7,168	7,499
Shareholders' equity ratio	69.0%	69.7%
Shareholders' equity per share	¥821.19	¥867.74

Cash Flows

	Six months ended September 30	
	2002	2003
Cashflows from operating activities	(4)	740
Cashflows from investing activities	(516)	(354)
Cashflows from financing activities	(679)	(408)
Cash and cash equivalents at end of year	1,779	1,330

Performance estimates for fiscal 2003(from April 1, 2003 to March 31, 2004)

	Full term
Net sales	16,600
Ordinary income	860
Net income	430

Reference) Estimated net income per share for the year ended March 31, 2004: ¥47.44

Non-Consolidated Business Results

(Millions of yen, except per share amounts)

	Six months ended September 30		
	2002	2003	Change
Net sales	5,960	5,631	-5.5%
Operating income	692	449	-35.1%
Ordinary income	738	509	-31.1%
Net income	413	409	-1.2%
Net income per share	¥45.81	¥47.33	

Dividends

	2002	2003
Cash-dividends per share(Interium)	¥14.00	¥14.20

Financial results

	September 30	
	2002	2003
Total assets	10,270	10,251
Shareholders' equity	7,251	7,713
Shareholders' equity ratio	70.6%	75.2%
Shareholders' equity per share	¥830.78	¥892.52

Performance estimates for fiscal 2003 (from April 1, 2003 to March 31, 2004)

	Full term
Net sales	12,600
Ordinary income	1,230
Net income	800
Cash-dividends per share	¥27.08

Reference) Estimated net income per share for the year ended March 31, 2004: ¥90.25

Cautionary Statement

Statements made in this release with respect to NAC's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of NAC. These statements are based on management's assumptions and beliefs in light of the information currently available to it and therefore you should not place undue reliance on them. NAC cautions you that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.