

Third Quarter Results

On January 26, 2005, NAC Co., Ltd. announced its consolidated results for the third quarter of the fiscal year ending March 31, 2005, as in the annex.

Summary of Consolidated Business Results for the Third Quarter of Fiscal 2004

January 26, 2005

1. NOTES ON METHOD OF PRESENTATION OF RESULTS FOR THE QUARTER UNDER REVIEW

- (1) Adoption of simplified accounting method : Yes
- The computation standard for corporation taxes is calculated using the annual estimated tax rates on the basis of legally effective tax rates.
- Partial simplified method is adopted in computation standards for allowances.
- (2) Change in accounting method from the recent consolidated accounting period : No
- (3) Change in applicable scope of consolidation and equity accounting : No

2.OVERVIEW OF THIRD QUARTER OF PERIOD ENDING MARCH 31, 2005 (APRIL 1, 2004 TO DECEMBER 31, 2004)

(1) Progress in business results

	Net sales		Operating income		Ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
Third quarter of fiscal 2004	17,191	44.4	1,290	115.8	1,318	102.0	612	69.7
Third quarter of fiscal 2003	11,902	27.9	588	37.4	652	35.0	360	36.5
(Reference only) Fiscal 2003	17,036		1,110		1,198		338	

Notes

1. Percentages reflect change from same quarter in preceding year.
2. No tax effect was recognized for subsidiaries showing a loss.

[Qualitative data regarding results of operations]

The Rental Division produced stable results, primarily with dust control products.

Following its strong performance in the first half, the Systems Engineering Division continued to enjoy robust sales of its flagship know-how solutions.

The Housing Sales Division remained solid, by adding new sales shops. As of the end of the third quarter under review, it had ten shops, adding four shops since the end of the preceding fiscal year.

The Bottled Water (Mineral Water) Sales Division continued to obtain new customers at a rate of nearly 2,000 per month. The number of customers reached 37,000 at the end of the third quarter under review.

This Division's performance is nearly in line with projections.

Consequently, the consolidated business results in the third quarter under review for the period from April to December 2004 were as follows: net sales of ¥17,191 million, representing a 44.4% rise from the same period in the preceding year, operating income of ¥1,270 million, with a 115.8% jump, ordinary income of ¥1,318 million, showing 102.0% growth, and net income of ¥612 million, representing a 69.7% increase.

(2) Financial Results (consolidated)

(Unit: ¥ million, fractions omitted)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥ million	¥ million	%	yen
Third quarter of fiscal 2004	14,073	7,459	53.0	863.19
Third quarter of fiscal 2003	12,240	7,133	58.3	825.38
(Reference only) Fiscal 2003	11,765	7,118	60.5	821.80

[Qualitative Information on Financial Results (Consolidated)]

As of the end of the third quarter under review, total assets amounted to ¥14,073 million yen, up ¥2,308 million from the end of the previous fiscal year. Liabilities were ¥6,614 million, up ¥1,968 million. These results primarily reflect a rise in inventories of unfulfilled orders following the expansion of the housing sales business as well as an increase in trades payable, advances received and other factors.

(3) Sales by segment

(¥ million)

	Rental	Systems Engineering	Housing Sales	Bottled Water Sales	Other
Third quarter of fiscal 2004	7,583	2,617	5,937	1,063	-
Third quarter of fiscal 2003	7,733	1,621	2,097	385	64
% change	1.9	61.4	183.1	176.0	-

(4) Orders Received – Housing Sales Business

	Orders received		Outstanding orders	
	Amount (¥ million)	Number of buildings	Amount (¥ million)	Number of buildings
Third quarter of fiscal 2004	9,564	631	7,133	464
Third quarter of fiscal 2003	3,716	247	3,104	209

3. ESTIMATED CONSOLIDATED RESULTS FOR THE FISCAL YEAR ENDING MARCH 31, 2005

	Net sales	Ordinary income	Net income	Earnings per share
	(¥ million)	(¥ million)	(¥ million)	(Yen)
Full year	24,6100	1,720	750	83.31

[Qualitative Information on Estimated Results]

As both net sales and profits are performing well, the Company has not changed its forecasts for fiscal year 2004 announced on November 24, 2004.

Cautionary Statement: Projections are made on the basis of the information available on the date of announcement, and are subject to uncertainty. Consequently, actual results may differ.