

Third Quarter Results

On February 6, 2007, NAC Co., Ltd. announced its consolidated results for the third quarter of the fiscal year ending March 31, 2007, as in the annex.

Summary of Consolidated Business Results for the Third Quarter of Fiscal 2006

February 6, 2007

Consolidated Business Results

(Millions of yen, except per share amounts)

	Nine months ended December 31		
	2005	2006	Change
Net sales	22,904	27,730	21.1%
Operating income	982	1,586	61.5%
Ordinary income	1,039	1,631	57.0%
Net income	507	761	49.9%
Net income per share	¥56.06	¥87.82	

Qualitative Information Regarding Results of Operations (Consolidated)

Results for the third quarter under review were generally in line with plans in all divisions.

The Rental Division and the System Engineering Division enjoyed a stable performance, primarily backed by their mainstay products.

In the Housing Sales Division, sales continued to increase, reflecting the completion and delivery of 880 houses (compared with 640 houses in the same period of the previous fiscal year) and a backlog of 900 houses (790 houses).

The Bottled Water Sales Division remained favorable as the number of customers in directly managed agencies reached to 60,000 (an increase of 10,000 from the end of the previous term) and improvement in the cost ratio.

Consolidated financial position

(Millions of yen, except per share amounts)

	December 31		March 31
	2005	2006	2006
Total assets	14,887	15,980	15,350
Net assets	8,519	8,571	9,294
Shareholders' equity ratio	57.2%	53.6%	60.6%
Net assets per share	¥940.69	¥1,001.86	¥1,022.16

Qualitative Information Regarding Financial Position (Consolidated)

As of the end of the third quarter under review, total assets increased 630 million yen from the end of the previous fiscal year, while liabilities rose 1,353 million yen, and net assets declined 723 million yen. Major factors for the change are as follows.

The increase in assets was mainly attributable to an increase in accumulated cost of construction in process in the Housing Sales Division of 1,564 million yen, which offset a decrease in cash and deposits of 514 million yen and a fall in long-term trade receivables of 325 million yen.

An increase in accounts payable of 465 million yen and a rise in advance payments received on construction process of 1,399 million yen in the Housing Sales Division were the main factors adding to liabilities, while a decline in accrued income taxes of 334 million yen and a decline in allowances for bonus payments of 242 million yen helped limit the increase.

Net assets decreased mainly reflecting the acquisition of the company's own shares of 1,036 million yen (negative item) and an increase in retained earnings of 322 million yen.

[Reference]

Consolidated results forecast for the fiscal year ending March 2007 (from April 1, 2006 to March 31, 2007)

	(Millions of yen)
	Full-year
Net sales	40,800
Ordinary income	2,650
Net income	1,300
Forecasted net income per share (full-year)	151.95 yen

[Qualitative Information Regarding Forecasts]

There is no change in the above consolidated results forecast from the forecast announced at the time of releasing the interim results on November 21, 2006, as both sales and profits remained favorable.

(Note) Our forecasts are based on information available as of the date of this release. As various uncertain factors are inherent in the forecasts, actual results may differ from estimated results.