

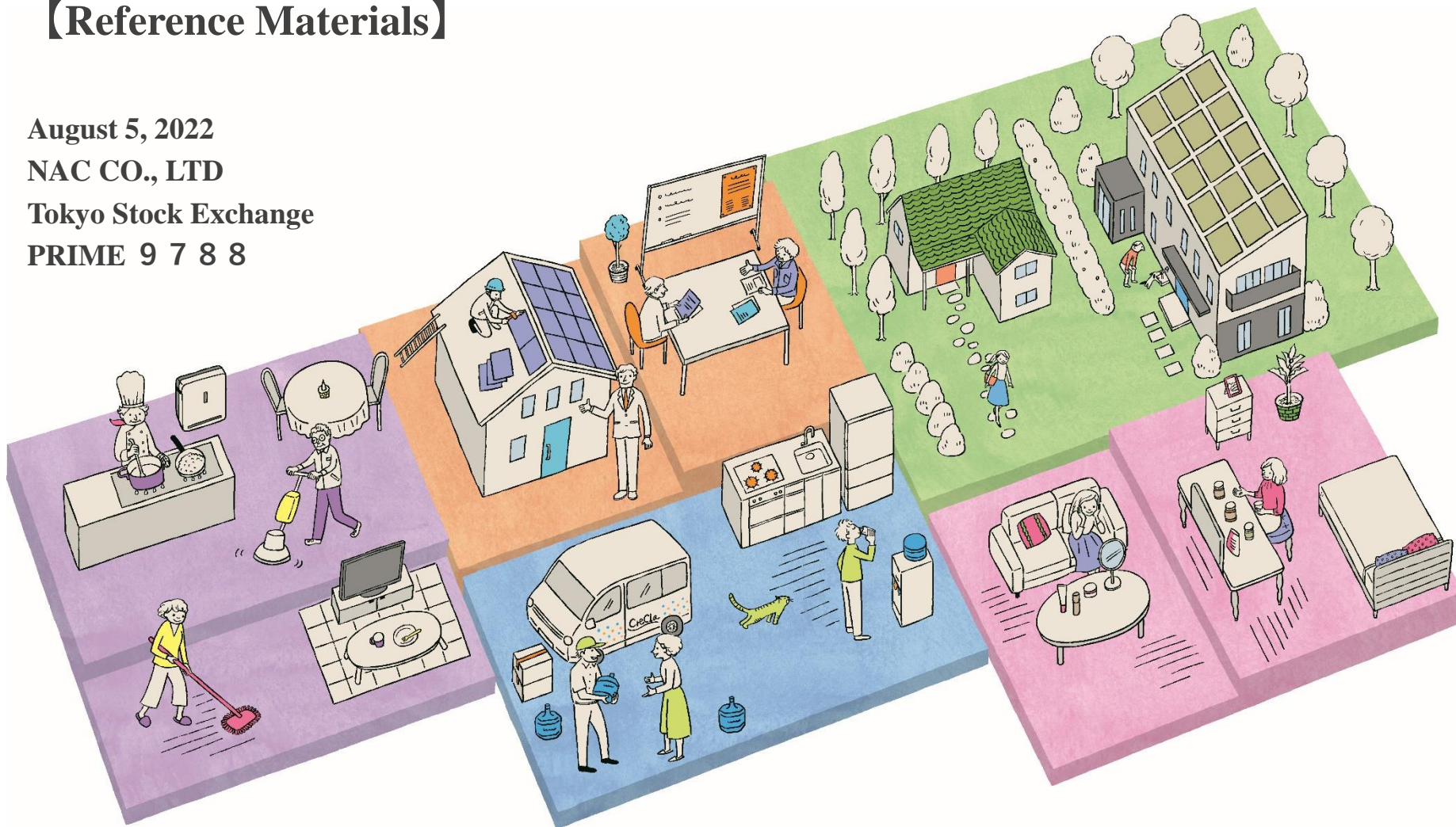
Results for First Quarter of Fiscal Year ending March 31, 2023 【Reference Materials】

August 5, 2022

NAC CO., LTD

Tokyo Stock Exchange

PRIME 9 7 8 8



Note : The Financial Results Meeting for First Quarter was not held.

This material was prepared in order to help readers to understand better the financial result of FY 2022 First Quarter.

This document has been translated from the Japanese original for reference purposes only.

In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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

1. First Quarter Results

1-1. Consolidated Income Statement

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

【Sales】

Rental Business: Sales increased in Earnest Co., Ltd as a result of favorable order of vaccination sites operation

Construction Consulting Business: Sales decreased due to sharp rise in construction cost, repayments of COVID-19 related loans and lower purchasing power of Consulting division's customers

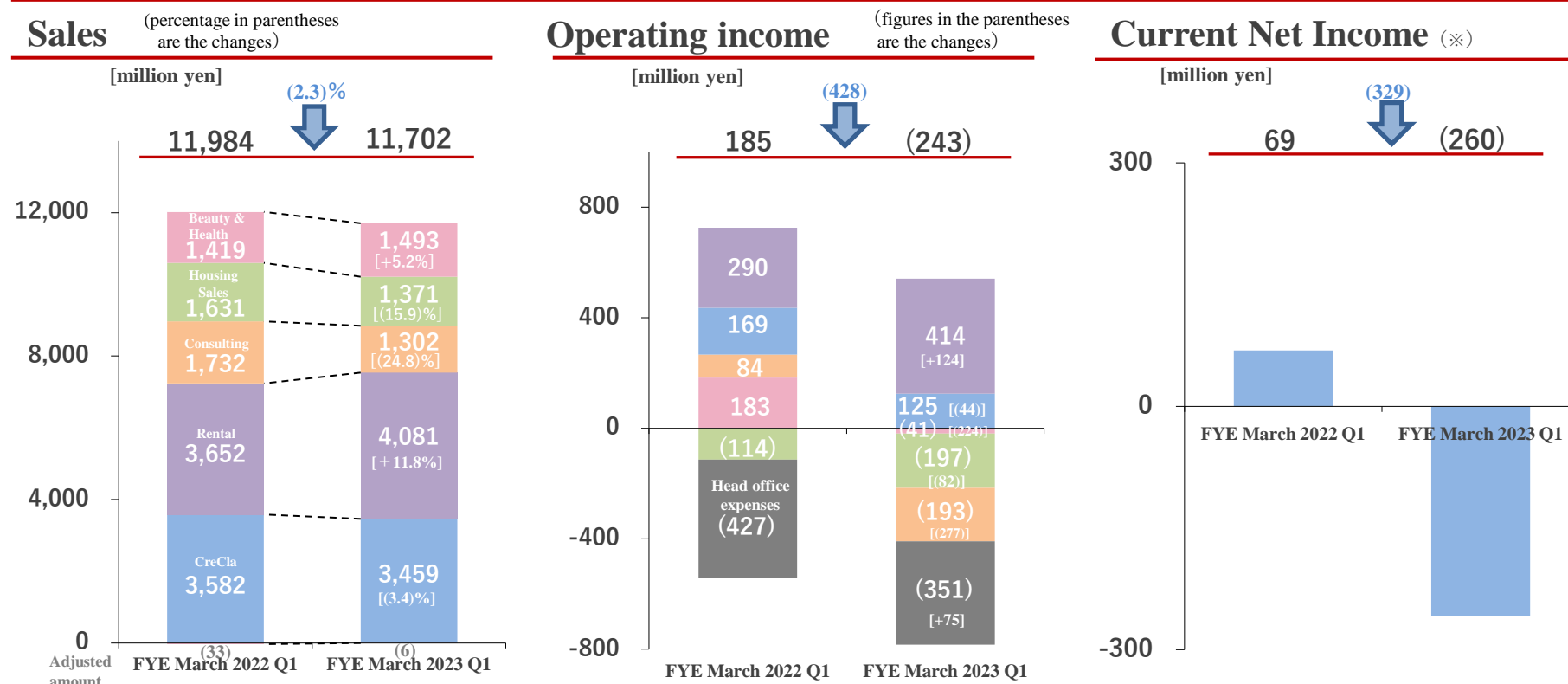
【Operating income】

Construction Consulting Business: Operating income decreased due to decline of sales in Consulting division, a high profit margin

Beauty and Health Business: Operating income decreased due to aggressive advertising investments ahead of schedule as a result of strong (new) customer acquisition

【Current net income(※)】

Incurred decrease following the decline in sales and advance SG&A expenses



1-2 Quarterly trends of Sales and Operating income

Sales

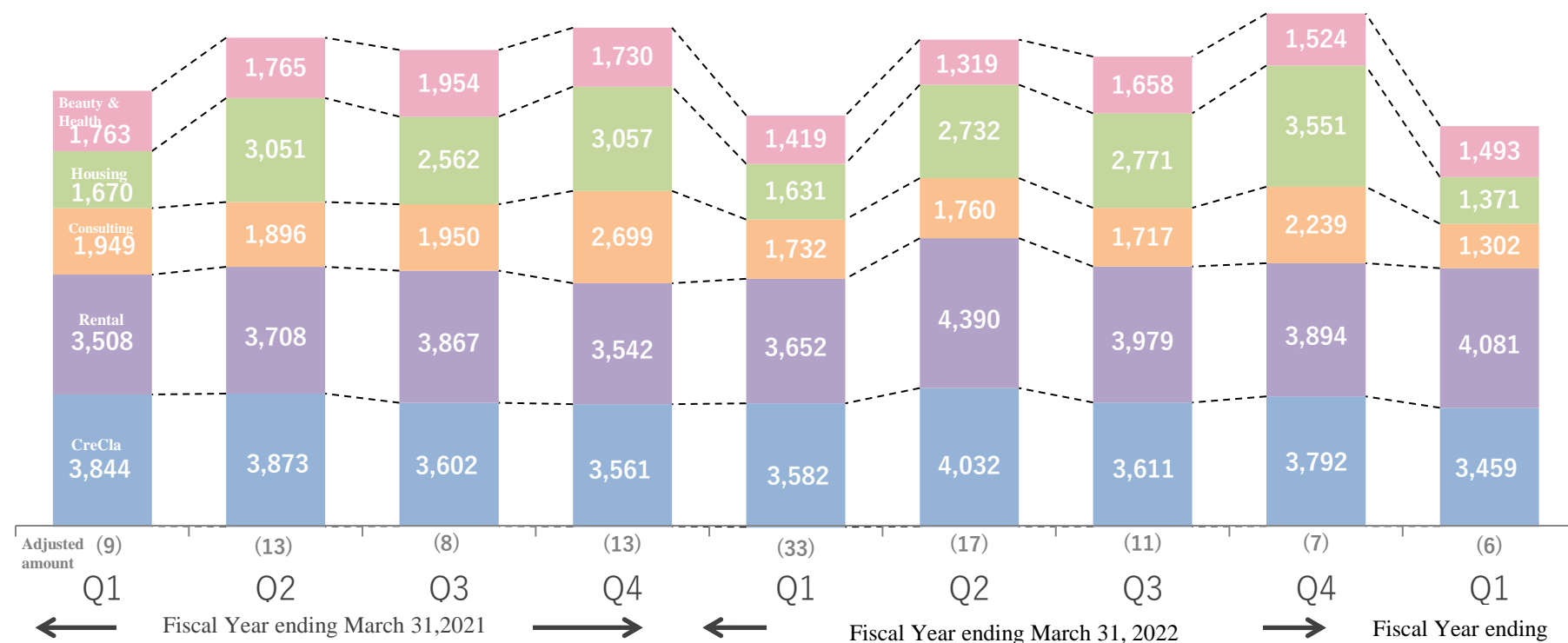
[million yen]

12,727	14,281	13,927	14,577	11,984	14,218	13,727	14,993	11,702
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Operating income

211	614	871	1,084	185	848	856	871	(243)
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Sales Quarterly Trends



(※) Adjustments : Inter-segment Sales or transfers

1-3 Consolidated Income Statement

[million yen]

	FYE March 31, 2023 Q 1 Result	FYE March 31, 2022 Q 1 Result	YoY Comparison
Sales	11,702	11,984	(2.3)%
Gross Profit	6,077	6,197	(1.9)%
[Gross margin]	51.9%	51.7%	+ 0.2pt
SG&A	6,321	6,012	+ 5.1%
Operating income	(243)	185	—
[Operating margin]	(2.1)%	1.5%	(3.6)pt
Non-operating income and loss	12	(9)	—
Ordinary income	(230)	175	—
Extra-ordinary income	(0)	60	—
Net income attributable to owners of parent company	(260)	69	—

1-4 Sales by Segment

[million yen]

	FYE March 31, 2023 Q 1 Result	FYE March 31, 2022 Q 1 Result	YoY Comparison
CreCla Business	3,459	3,582	(123)
Rental Business	4,081	3,652	+ 429
Construction Consulting Business	1,302	1,732	(429)
Housing Sales Business	1,371	1,631	(259)
Beauty and Health Business	1,493	1,419	+ 73
Elimination of intersegment	(6)	(33)	+ 27
TOTAL	11,702	11,984	(281)

1-5 Operating income by Segment

[million yen]

	FYE March 31, 2023 Q 1 Result	FYE March 31, 2022 Q 1 Result	YoY Comparison
CreCla Business	125 [3.6%]	169 [4.7%]	(44) [(1.1)pt]
Rental Business	414 [10.2%]	290 [8.0%]	+ 124 [+ 2.2 pt]
Construction Consulting Business	(193) [(14.8)%]	84 [4.9%]	(277) [(19.7)pt]
Housing Sales Business	(197) [(14.4)%]	(114) [(7.0)%]	(82) [(7.3)pt]
Beauty and Health Business	(41) [(2.7)%]	183 [12.9%]	(224) [(15.6)pt]
Corporate Expenses, others	(351)	(427)	+ 75
TOTAL	(243) [(2.1)%]	185 [1.5%]	(428) [(3.6)pt]

※percentage in parentheses are the operating income percentage of sales

1-6 Breakdown of Changes in Operating Income (Year-on-Year)

- » **Gross profit** : Decreased following the decline in sales of Construction Consulting Business
- » **Advertising and sales promotion expenses** : Increased due to aggressive advertising investments ahead of schedule in Beauty and Health Business, and new CM in CreCla Business

[million yen]		
		Year-on-Year change
FY2021 Q 1 Operating income	185	—
Change in gross profit	(119)	(1.9)%
Personnel expenses	(0)	(0.0)%
Advertising and sales promotional expenses	(277)	(41.9)%
Land rent cost	(8)	(2.1)%
Depreciation and amortization of goodwill	(10)	(5.1)%
Other SG&A expenses	(11)	(0.5)%
Increase (decrease) of SG&A expenses		
FY2022 Q 1 Operating income	(243)	—

1. First Quarter Results

1-2. Consolidated Balance Sheet

1-7 Consolidated Balance Sheets (Assets)

» **Current assets : Cash and deposits -3,439 Real estate for sale + 596**

Costs on uncompleted construction contracts + 500

» **Noncurrent Assets : No notable items**

[million yen]					
	FY2022 Q 1	Percentage of total	FY2021	Percentage of total	Comparison
Current assets	22,889	61.5%	25,091	63.2%	(2,201)
Property, plant and equipment	8,605	23.1%	8,720	22.0%	(115)
Intangible assets	1,772	4.8%	1,890	4.8%	(118)
Investments and other assets	3,957	10.6%	4,022	10.1%	(64)
Noncurrent assets	14,335	38.5%	14,633	36.8%	(298)
Total assets	37,224	100.0%	39,724	100.0%	(2,499)

1-8 Consolidated Balance Sheets (Liabilities and Net Assets)

» Noncurrent liabilities : Income taxes payable -637 Long-term loans payable -394

Provision for bonuses -319

» Net assets : Retained earnings -917 Valuation difference on available-for-sale securities -104

[million yen]					
	FY2022 Q 1	Percentage of total	FY2021	Percentage of total	Comparison
Current liabilities	11,651	31.3%	12,576	31.7%	(925)
Noncurrent liabilities	4,529	12.2%	5,009	12.6%	(479)
Total liabilities	16,180	43.5%	17,585	44.3%	(1,404)
Shareholder's equity	21,710	58.3%	22,627	57.0%	(916)
Accumulated other comprehensive income	(666)	(1.8)%	(563)	(1.4)%	(103)
Non-controlling interests	—	—	74	0.2%	(74)
Total net assets	21,044	56.5%	22,138	55.7%	(1,094)
Total liabilities and net assets	37,224	100.0%	39,724	100.0%	(2,499)

2. Business Segment Results

2-1. CreCla Business

2-1a CreCla Business Sales and Operating Income Trends

【Sales】 D) Although our customers slightly increased, sales decreased due to the declining time spent at home and slower pace of consumption

A) Sales decreased due to the sluggish sales at affiliated stores caused by the long-term effect of the infectious disease and reactionary decline from the surge in demands at the end of the previous fiscal year following the revision of the server's selling price.

【Operating income】

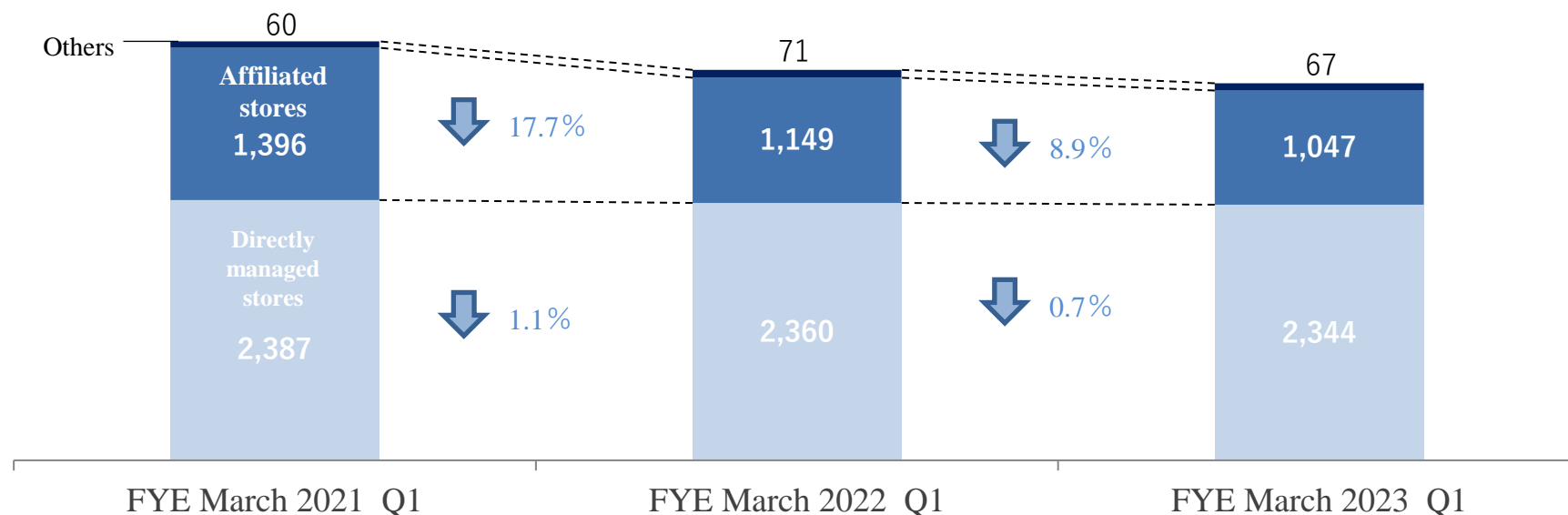
D・A) Operating income decreased due to the decline in sales, and increase of SG&A with the new CM “CreCla Anshin”

※ D: Directly managed stores A: Affiliated stores

Sales	3,844	3,582	3,459
Operating income	491	169	125

[million yen]

Sales trends



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

[million yen]

Sales

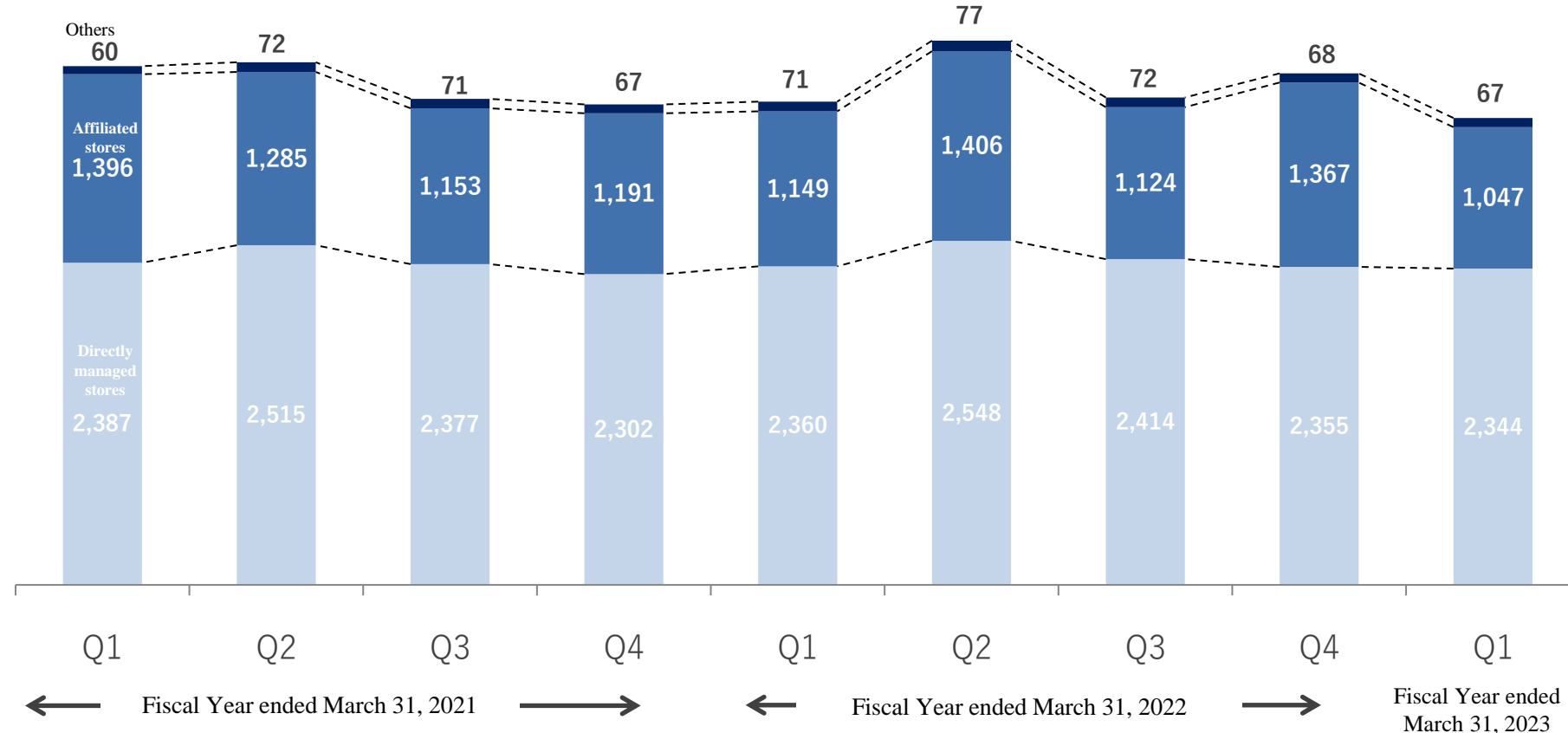
3,844	3,873	3,602	3,561	3,582	4,032	3,611	3,792	3,459
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Operating income

491	442	371	321	169	401	286	411	125
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Sales Quarterly Trends

Decrease in operating income due to new CM and strengthening sales promotion



2-1c CreCla Business Priority Measures for FY2022 onwards

» Increase customers

⇒Execute an all customer acquisition measure including strengthening of various sales channels

⇒Develop and offer new products and new services

⇒Improve service quality, SNS activities, strengthen CRM

⇒Stream of new CM “CreCla Anshin”

⇒Verification of system infrastructure 「CrePF (CreCla Platform)」

» Strengthen training system and secure personnel

» Strengthen media strategies and competitive measures



※2021年12月ニフティ(株)調べ
「宅配水に関する調査」



CreCla Fit



Multi-server
CreCla Shuwa



Water Purifier server
CreCla feel free



※2021年12月 Areitis運営事務局調べ



2. Businesss Segment Results

2-2. Rental Business

2-2a Rental Business Sales and Operating Income Trends

【Sales】 D) Sales in Dust Control Product Division slightly increased

Sales in Care Service Division increased as a result of additional business locations

W) Sales increased as regular deliveries were back to normal when restaurants shift to normal operation

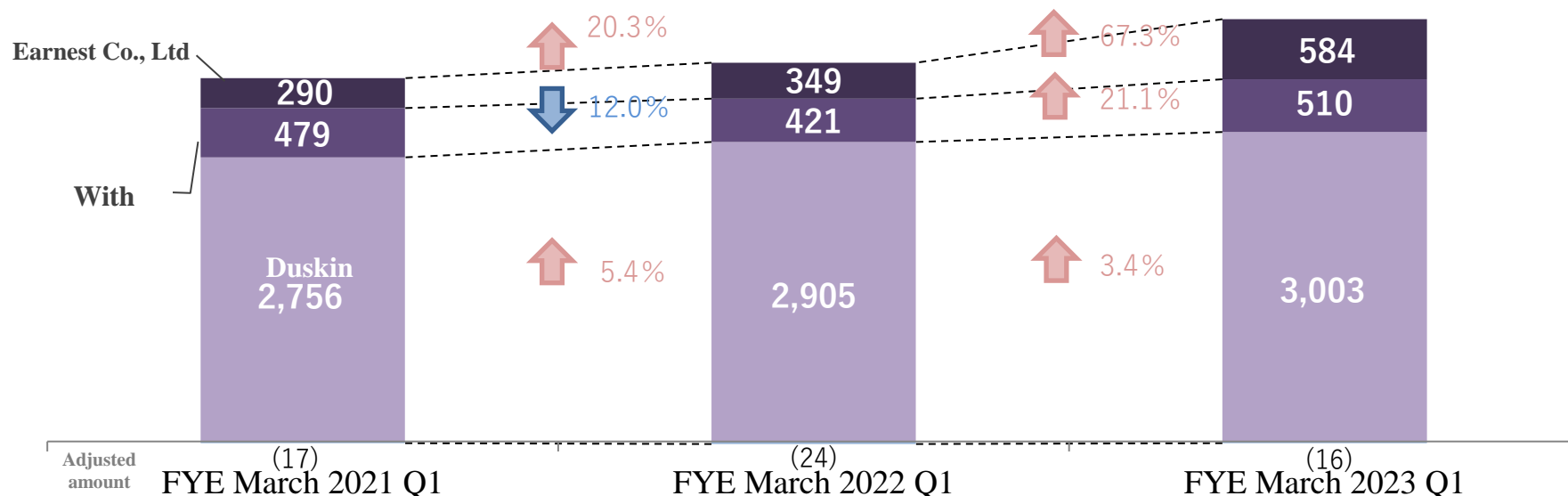
E) Sales significantly increased due to the orders made by large customers of vaccination sites operation

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

※ D: Duskin Business W: With-branded pest-control devices business E: Earnest Co., Ltd

Sales	3,508	3,652	4,081	[million yen]
Operating income	267	290	414	

Sales Trends



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

[million yen]

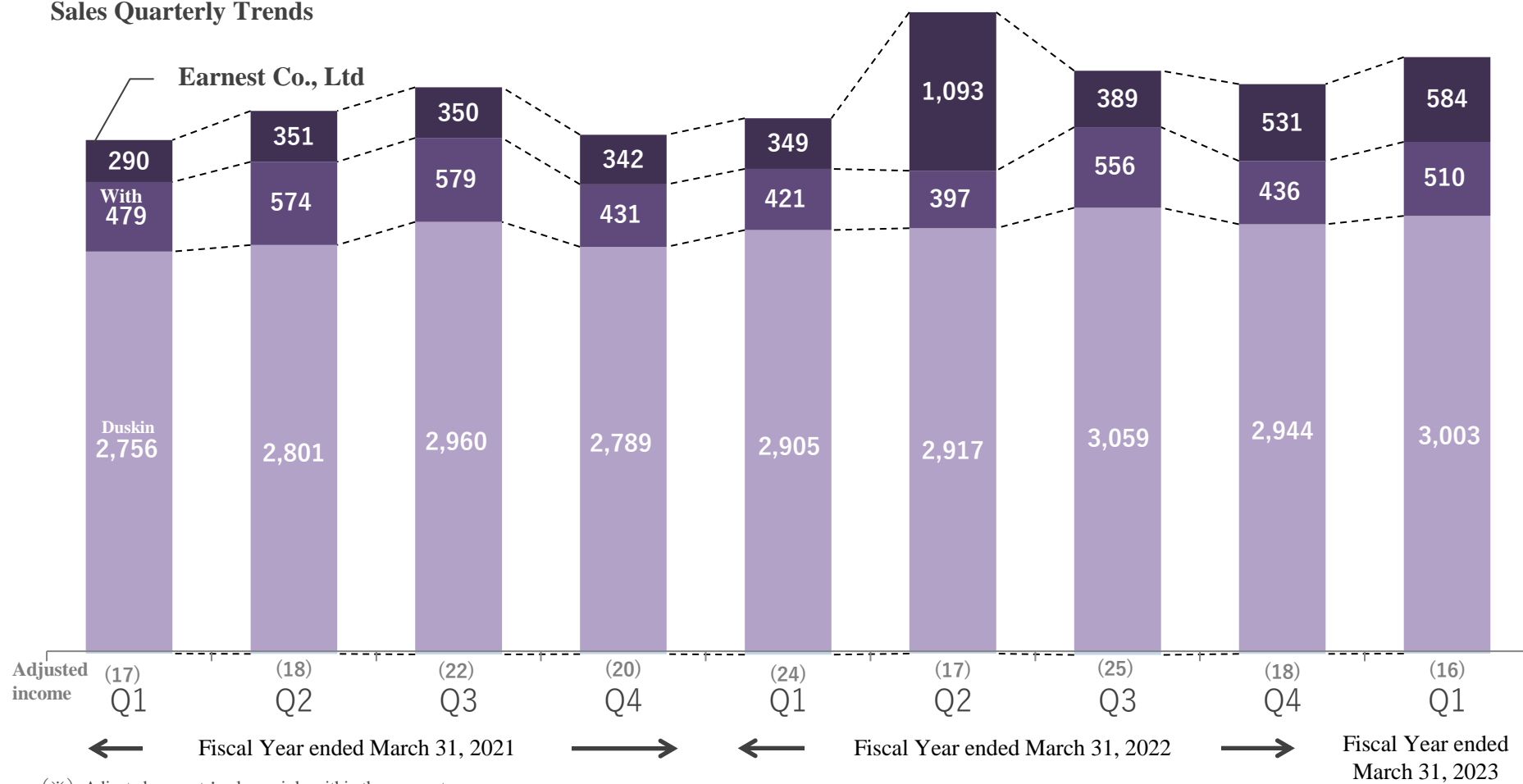
Sales

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

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



(※) Adjusted amount : sales mainly within the segment

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 business* after the alliance
 - ⇒ HealthRent division : open six more stores in addition to four stores after the alliance
- ≫ Duskin business (Dust control products division) : Resume emphasizing “Face to Face” customer contact
- ≫ With-branded pest-control devices business : Strengthening organizational structure and resumption of developing agencies that has been suspended due to COIVD-19

衛生環境を整える

DUSKIN

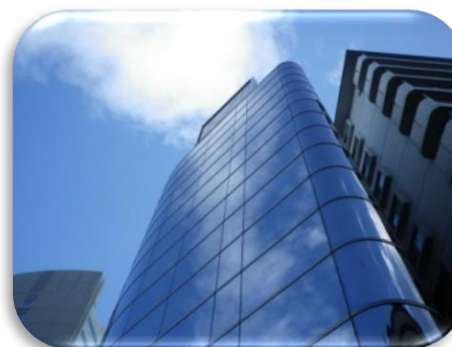


(*) businesses as of June 2022

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 Operating Income Trends

【Sales】 C) Sales significantly 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) Sales decreased due to delay in construction schedule caused by extended shortage of semiconductors

A) Sales decreased due to decline in wholesales due to decrease of buildings built by affiliated stores reactionary decline of jointly developed products

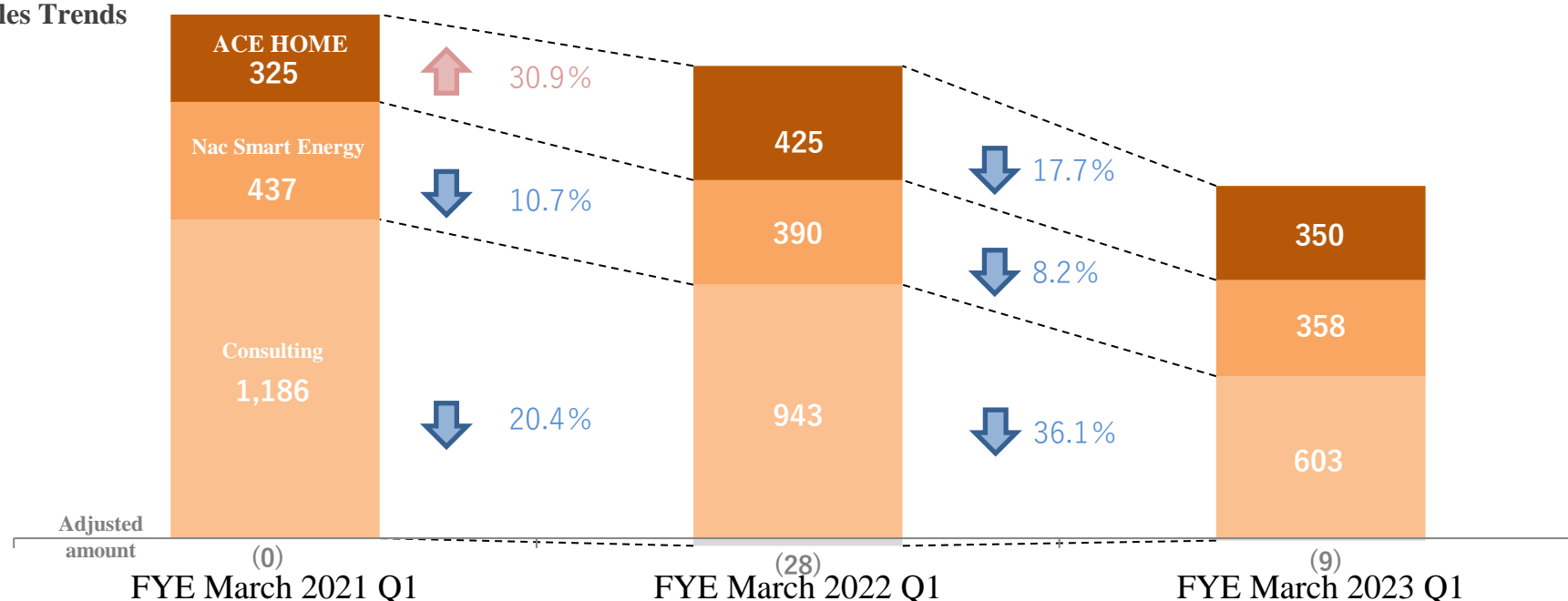
【Operating income】

C) Operating income decreased due to decline in sales of the high profit margin, Consulting Business

※ C: Consulting division N: Nac Smart Energy Co., Ltd A: ACE HOME Co., Ltd

Sales	1,949	1,732	1,302	[million yen]
Operating income	(25)	84	(193)	

Sales Trends



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

Sales

[million yen]

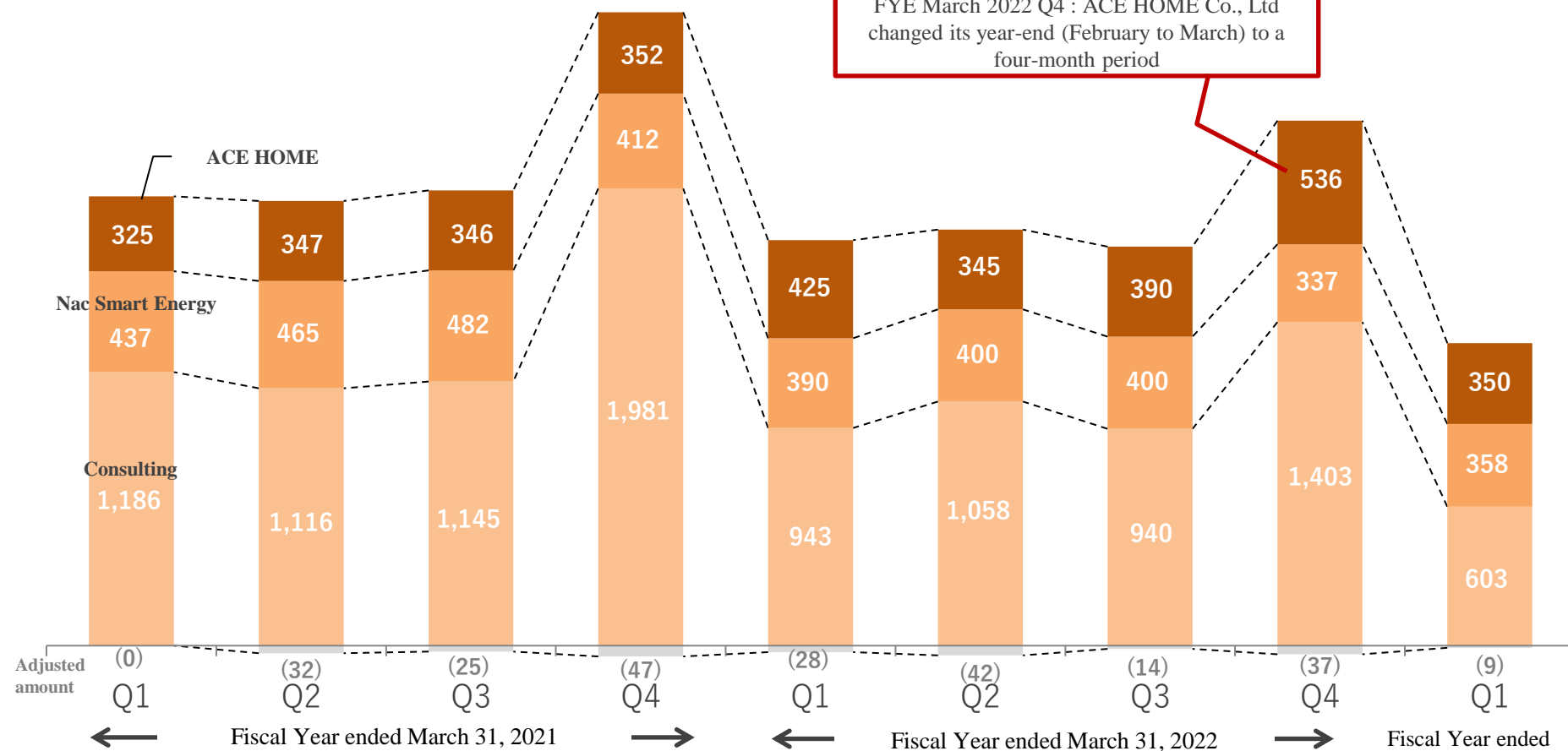
1,949	1,896	1,950	2,699	1,732	1,760	1,717	2,239	1,302
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Operating income

(25)	138	188	506	84	212	113	461	(193)
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Sales Quarterly Trends

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



(※) Adjusted amount : Sales mainly within the segment

- » Consulting division : Implement mid-term plan measures, strengthen trainings 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

Think Tank For Construction
NAC



2. Business Segment Results

2-4. Housing Sales Business

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

【Sales】 K) Decrease in sales following the decline in sales inventory due to difficulty in purchasing land because of the rising land prices

J) Decrease in sales due to decrease in number of houses completed in KUNIMOKU HOUSE business, which has a high unit price per house

【Operation Income】

K) Decrease in operating income following the decrease in sales

J) In addition to a decrease in gross profit due to lumber shortage, there was also a slight increase in advertising expenses due to a reactionary decline from the restriction of sales activities in the same period of the previous fiscal year, that resulted a decrease in the operating income

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

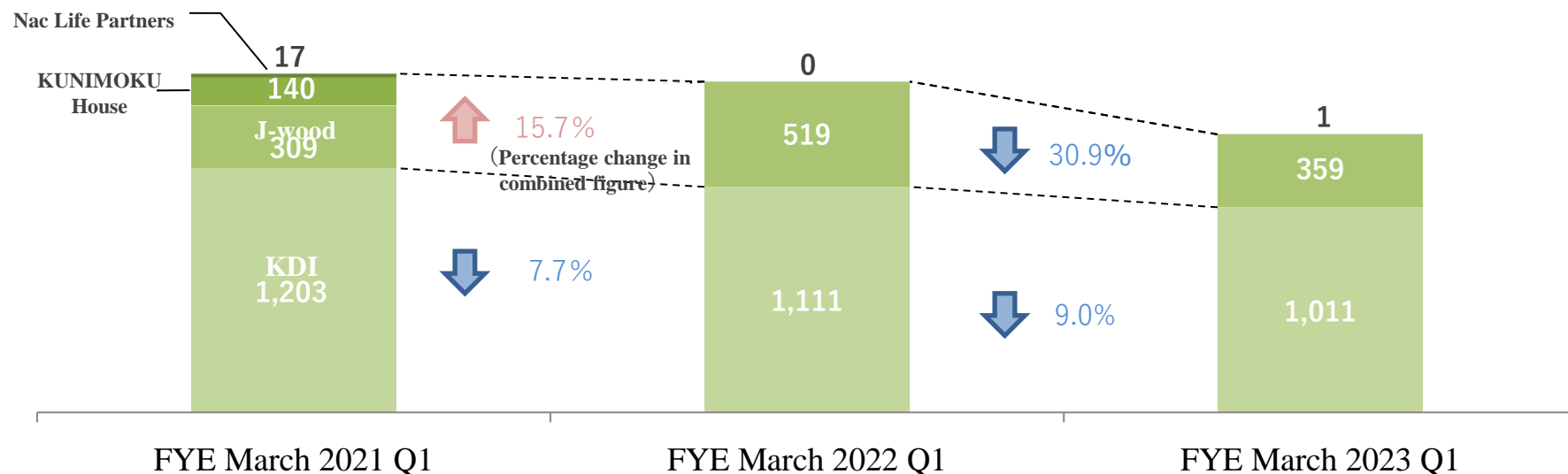
Sales	1,670	1,631	1,371
Operating income	(156)	(114)	(197)

[million yen]

Sales Trends

※ FYE March 2022 J-wood Co., Ltd merged with KUNIMOKU HOUSE Co., Ltd

(Figures are combined and stated, and business continued as KUNIMOKU HOUSE branding)

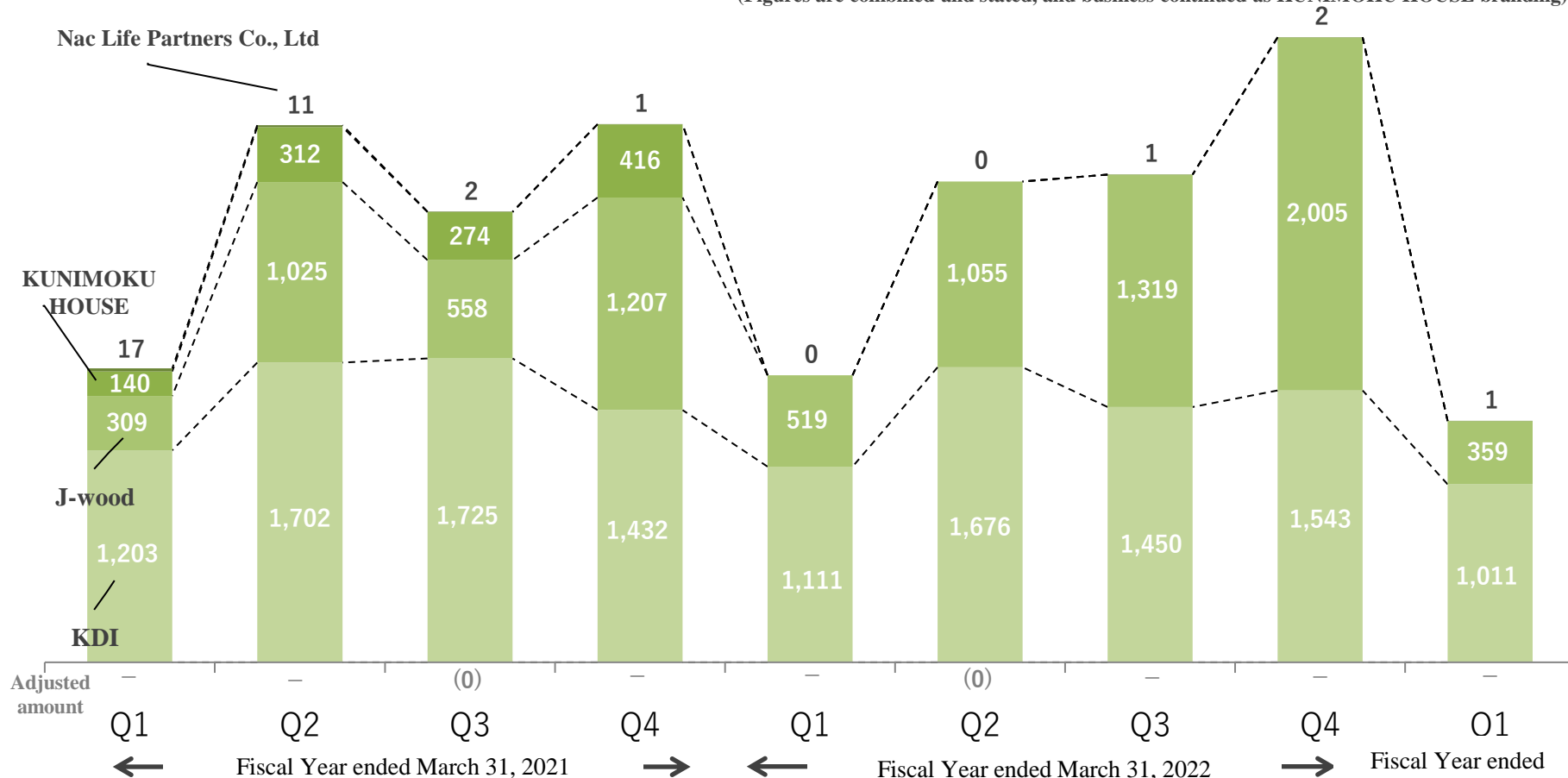


2-4b Housing Sales Business: Quarterly Trend of Sales and Operating Income

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

Sales Quarterly Trends

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



(※) Adjusted amount : Sales mainly within the segment

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

- » **J-wood Co., Ltd** : Execution of 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

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) Slightly increased due to strong (new) customer acquisition, excluding the decrease in UPSALE Co., Ltd. due to its establishment

B) Sales decreased year-on-year due to decreasing customers of nutritional supplement

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

【Operating income】 J) Decreased due to aggressive advertising investments ahead of schedule as a result of strong (new) customer acquisition

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

Sales	※ J : J I M O S Co., Ltd B: BELAIR Co., Ltd U: UPSALE Co., Ltd T: TOREMY Co., Ltd			[million yen]
	1,763	1,419	1,493	
Operating income	(67)	183	(41)	

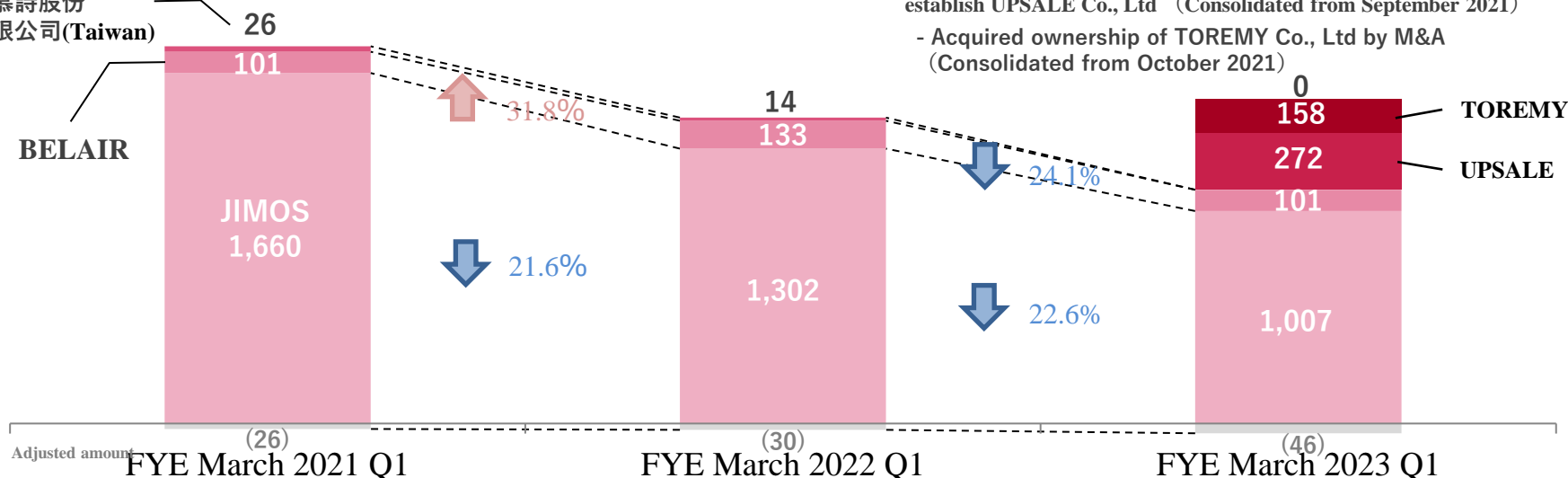
Sales Trends

吉慕詩股份有限公司(Taiwan)

※ FYE 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 (Consolidated from September 2021)

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



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

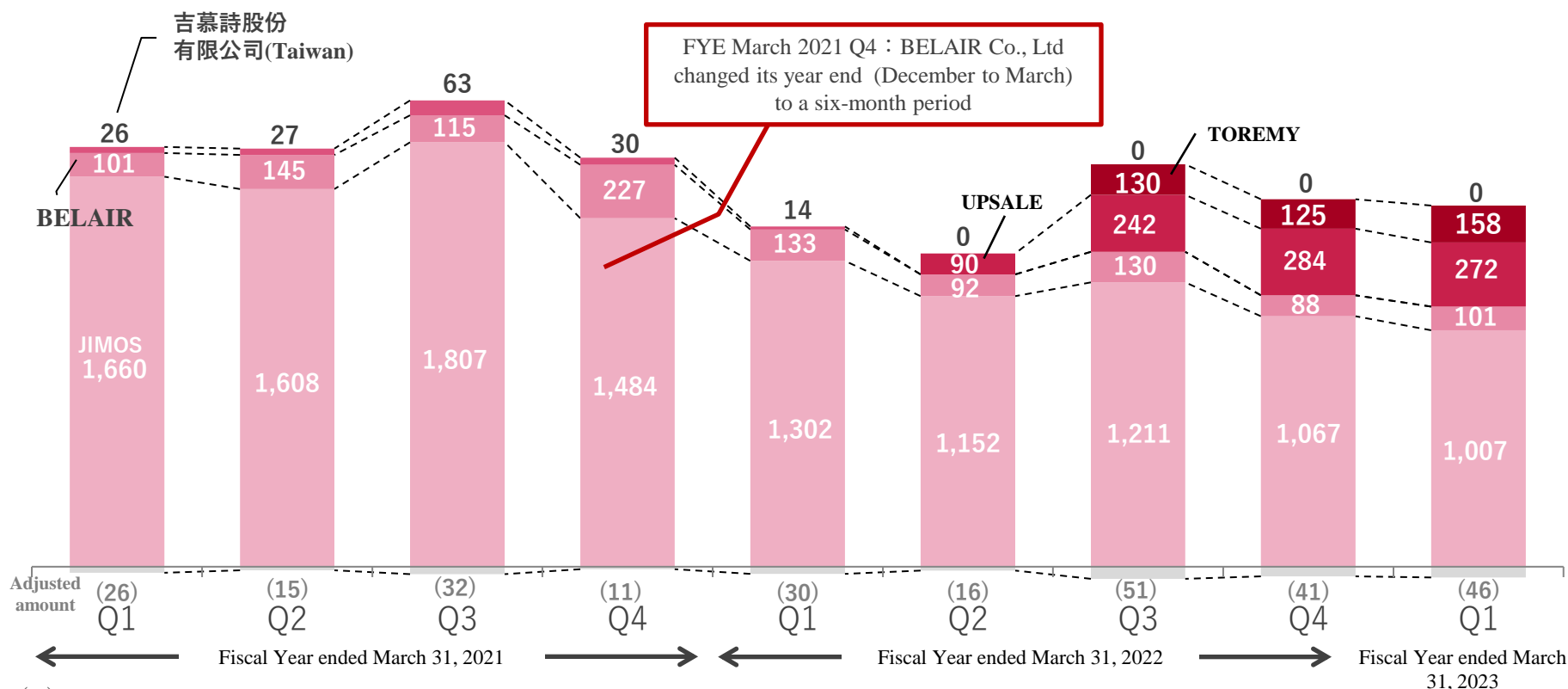
Sales	[million yen]							
1,763	1,765	1,954	1,730	1,419	1,319	1,658	1,524	1,493
Operating income								
(67)	(80)	158	112	183	128	193	(353)	(41)

Sales Quarterly Trends

※ FYE 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 (Consolidated from September 2021)

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



(※) 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” branch, launched from the previous fiscal year.

Strengthen sales of “TOFU NO MORITAYA” brand, which was 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
MACCHIA LABEL
マキアレイベル



 coyori



SINN PURETÉ
natural & organics



 **TOREMY**



ベルエアー



UP SALE

3. Forecast for FYE March 2023

3-1 Consolidated Result Forecast

- » Plan of decrease in sales and increase in income compared to FYE March 2022
- » In FYE March 2022, continue aggressive up-front investments in human capital, new products and services, sales promotion and other activities to acquire customers.

[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)	—
TOTAL	60,000	54,924	+ 5,075

3-3 Consolidated Result Forecast : Operating income by Segment

[million yen]

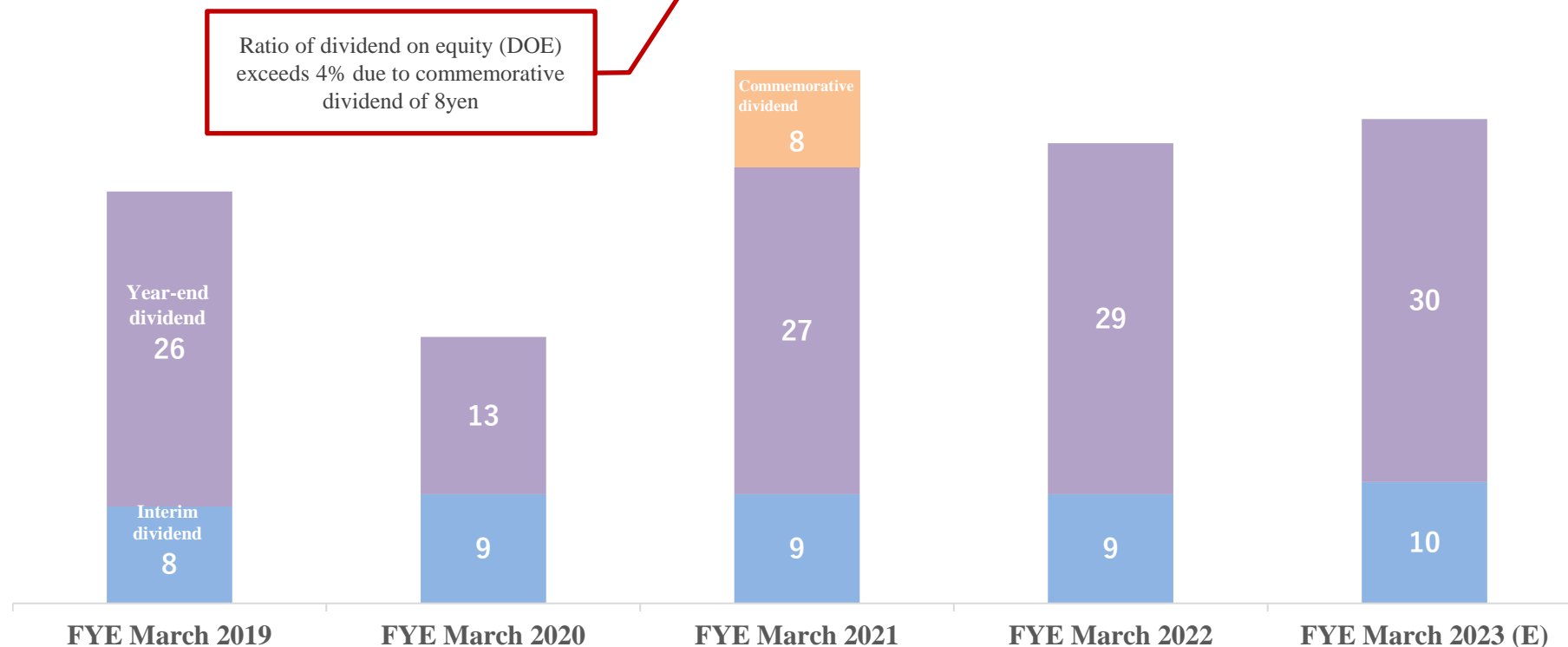
	FYE March 2023 Forecast	FYE March 2022 Result	Comparison
CreCla Business	1,500 [10.0%]	1,269 [8.5%]	+ 230 [+ 1.5 pt]
Rental Business	1,600 [9.9%]	1,621 [10.2%]	(21) [(0.3)pt]
Construction Consulting Business	1,000 [11.8%]	872 [11.7%]	+ 127 [+ 0.1 pt]
Housing Sales Business	230 [1.9%]	233 [2.2%]	(3) [(0.3)pt]
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)
TOTAL	3,000 [5.0%]	2,760 [5.0%]	+ 239 [(0.0)pt]

4. Dividend

4-1 Dividend Policy, Dividend Results and Dividend Forecast

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

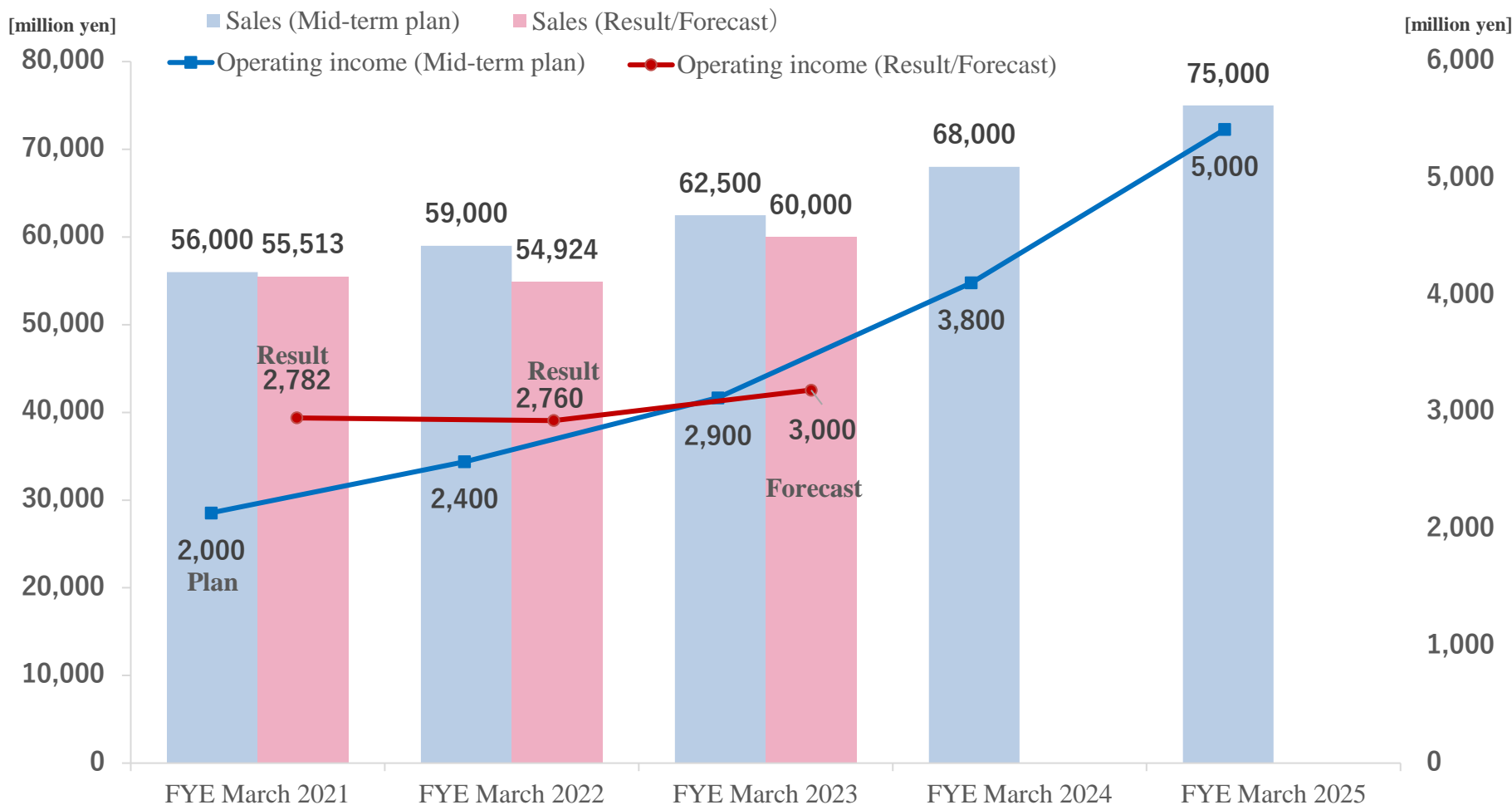
Annual dividend				
34	22	44	38	40
Ratio of dividends to net assets (DOE)				
3.9%	2.5%	4.8%	3.9%	—
Dividend payout ratio				
84.3%	95.9%	53.6%	49.9%	44.9%



5. Mid-term Management Plan

5-1 Progress of Medium-Term Business Plan

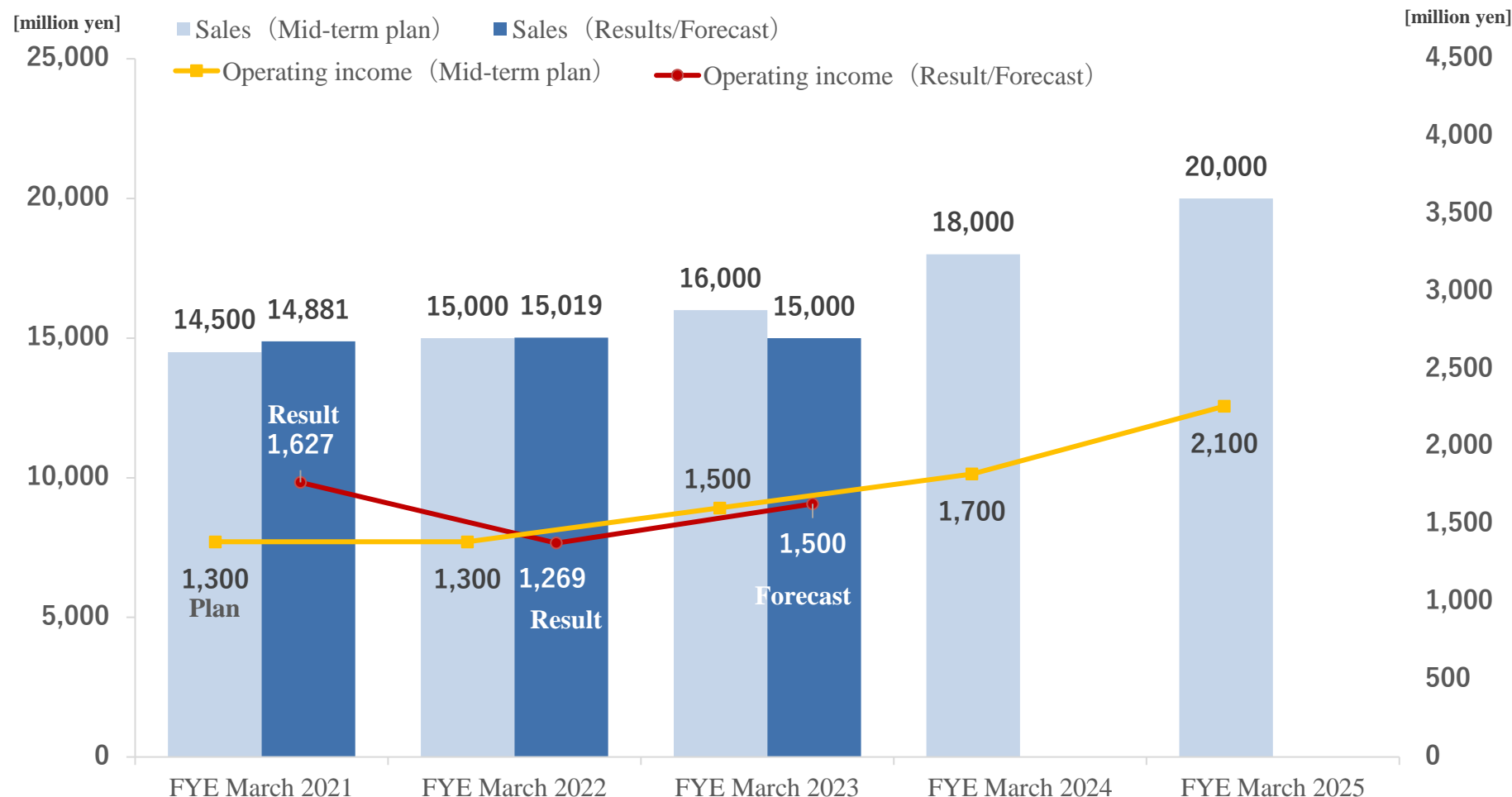
- » In the Fiscal Year Ending March 31, 2023, we plan to continue the aggressive investments mainly in CreCla Business and Rental Business.
- » Although the plan is increase in sales and income compared to the previous year, decrease in sales and increase in income are expected relative to the mid-term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



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

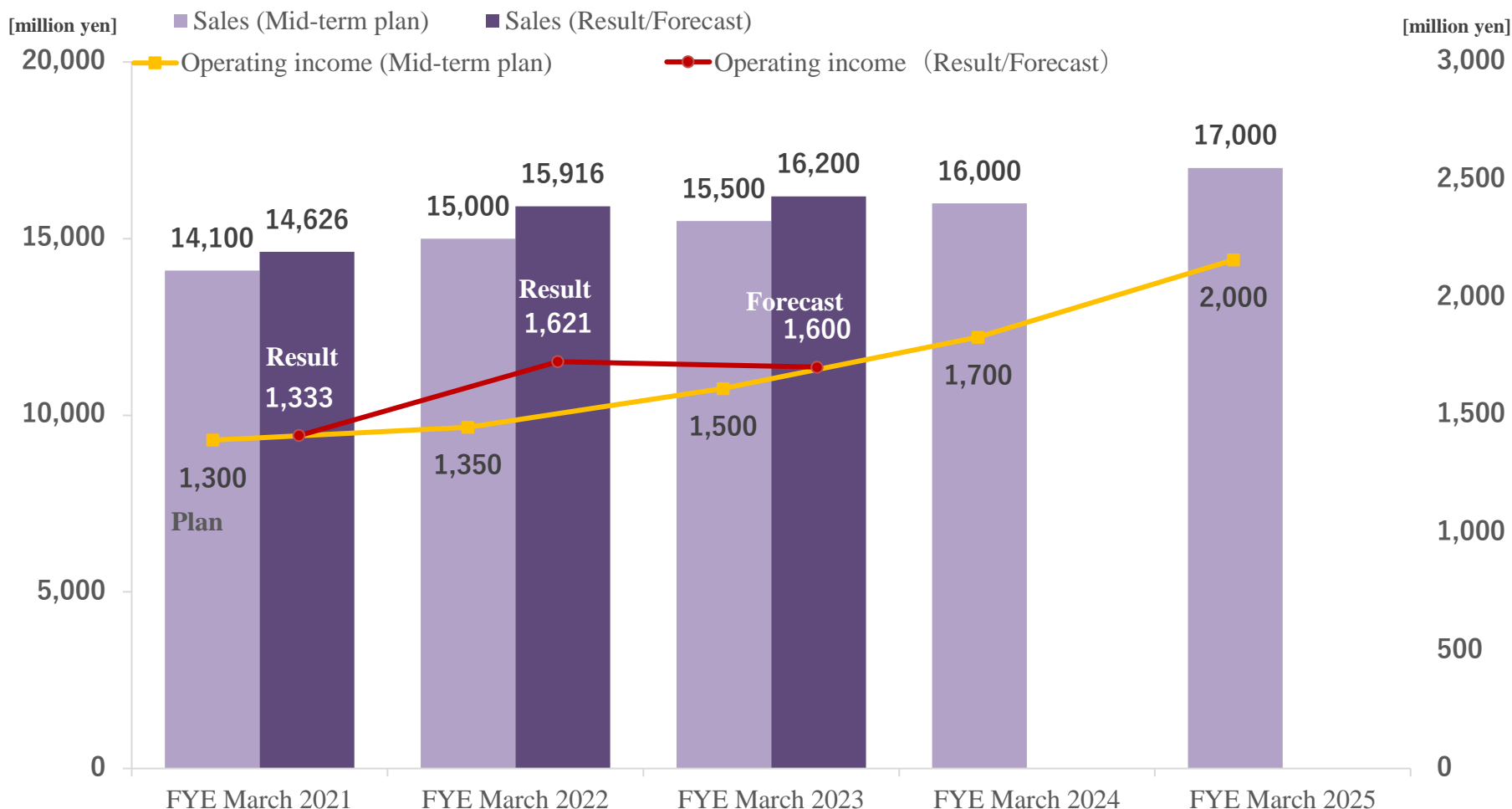
» Plan of increase in income compared to the previous year

» Sales is expected to decrease relative to the mid-term plan



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

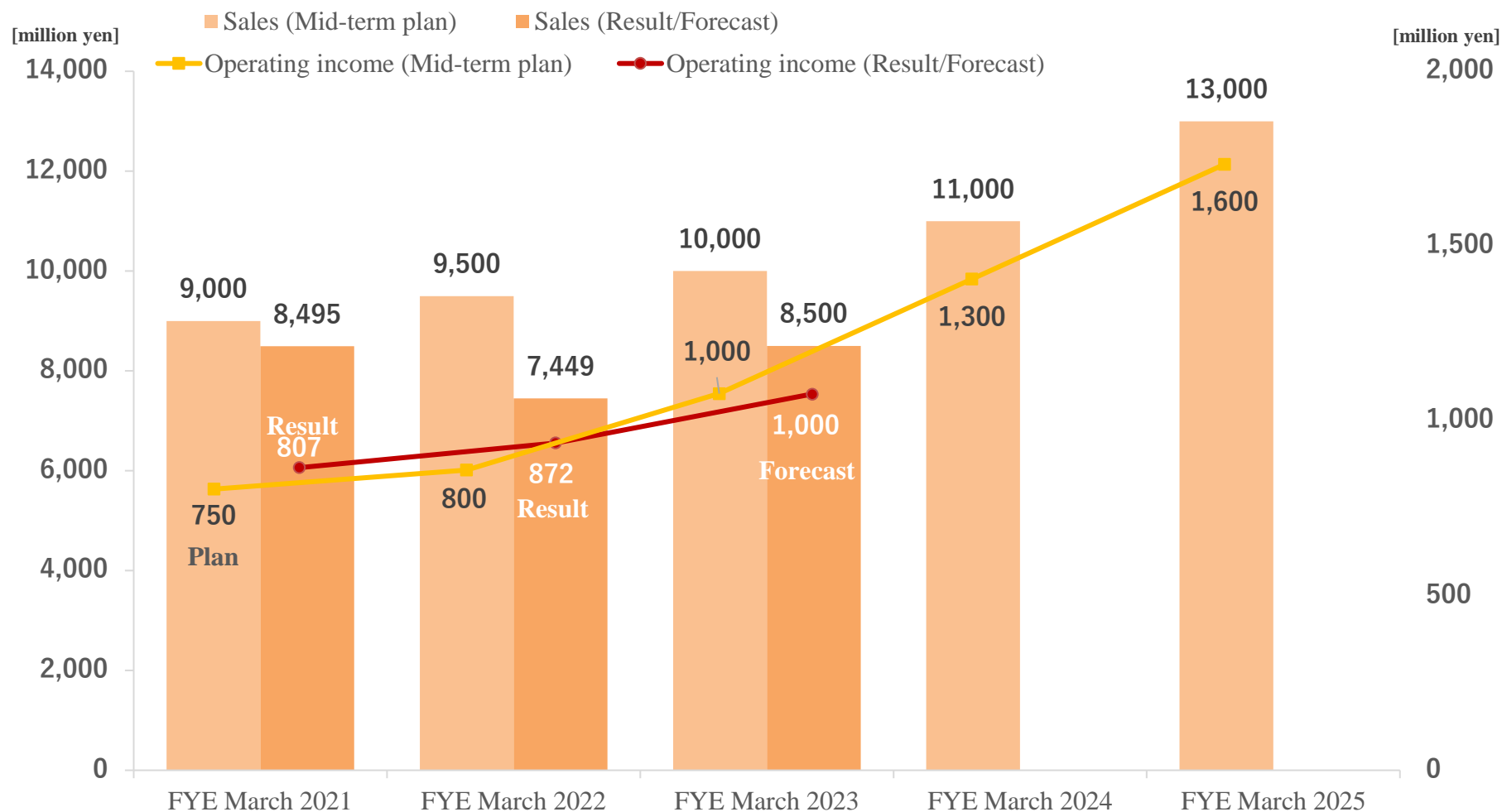
- » Plan an increase of sales and decrease in income compared to the previous year
- » Sales and income are expected to increase in relative to the mid-term plan



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

» Plan of increase in sales and income compared to the previous year

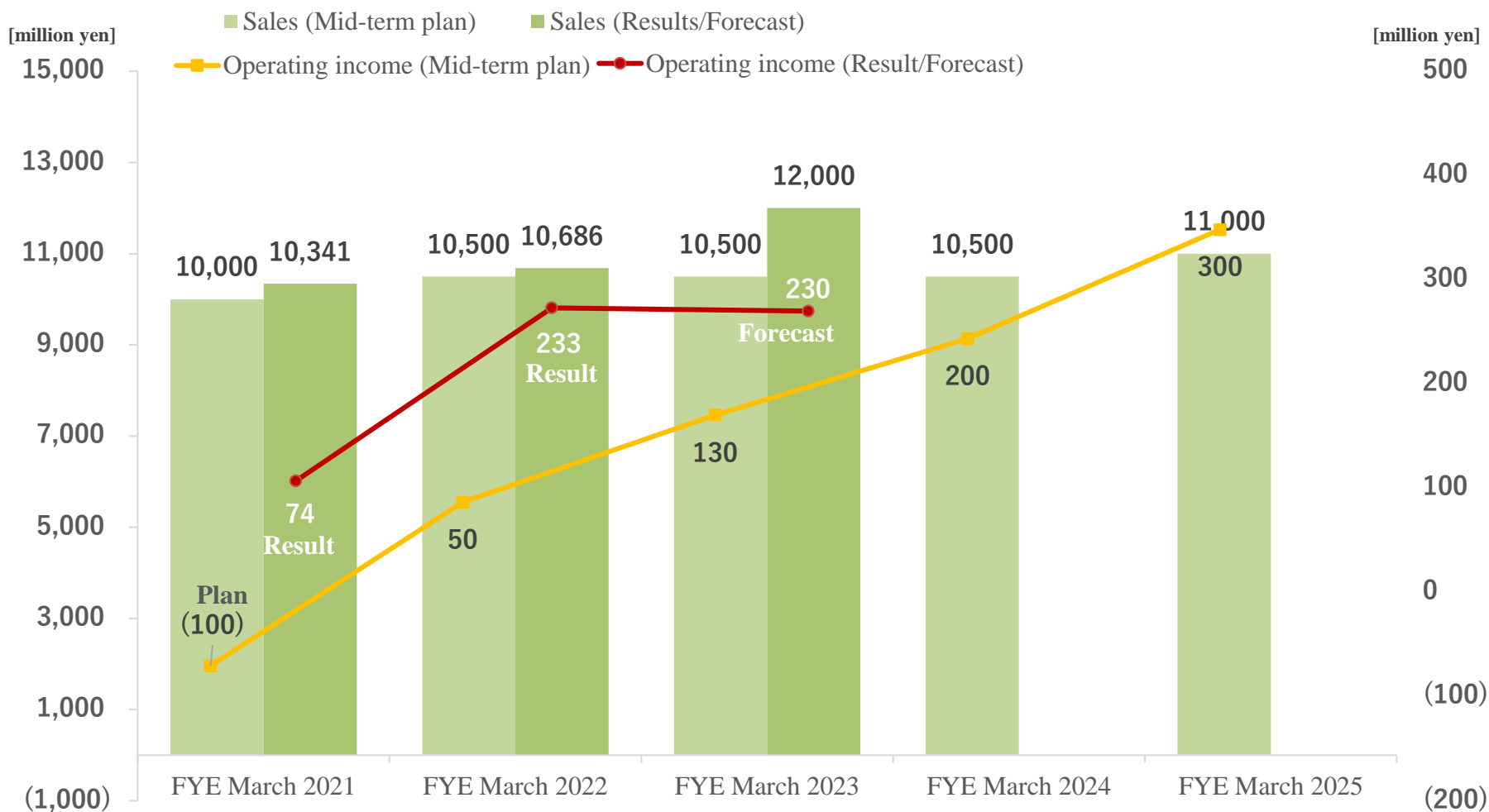
» Sales is expected to decline relative to mid-term plan



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

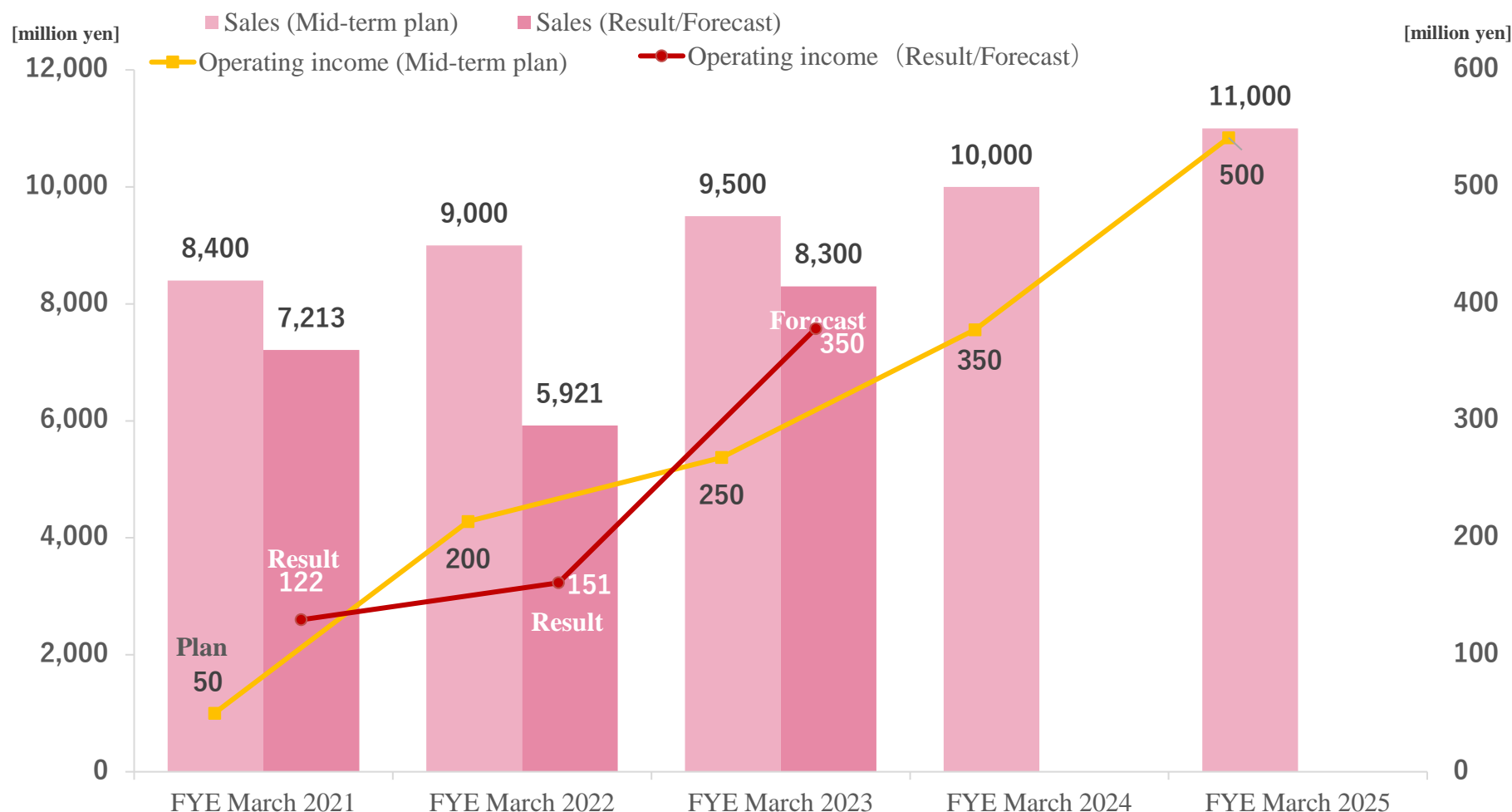
» Plan of increase in sales and decrease in income compared to the previous year

» Sales and income are expected to increase relative to the mid-term plan



5-1 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

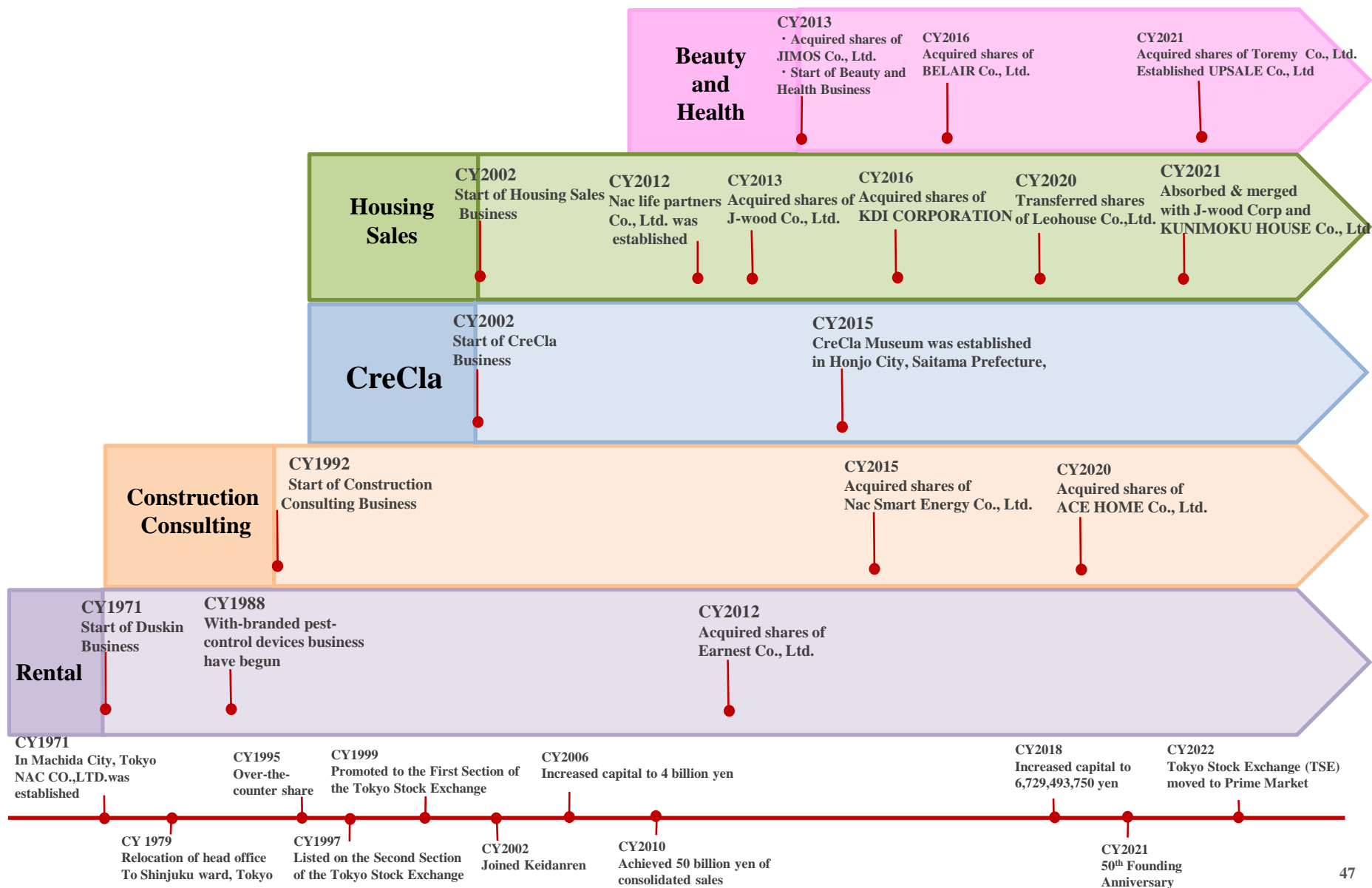


6. Corporate Profile

6-1 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	<table> <tr> <td>Rental</td><td>Earnest Co., Ltd (Building Maintenance Business)</td></tr> <tr> <td>Consulting</td><td>NAC Smart Energy Co., Ltd (Sales and Construction energy-saving products) ACE HOME Co., Ltd (Residential Franchise Business)</td></tr> <tr> <td>Housing</td><td>J-wood Corporation (Residential Business) KDI Corporation (Residential Business) NAC Life Partners Co., Ltd (Finance and Benefits)</td></tr> <tr> <td>Beauty & Health</td><td>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) ※ Acquired ownership in July 2021 UPSAL Co., Ltd (Beauty and Health) ※ Established in September 2021</td></tr> </table>	Rental	Earnest Co., Ltd (Building Maintenance Business)	Consulting	NAC Smart Energy Co., Ltd (Sales and Construction energy-saving products) ACE HOME Co., Ltd (Residential Franchise Business)	Housing	J-wood Corporation (Residential Business) KDI Corporation (Residential Business) NAC Life Partners Co., Ltd (Finance and Benefits)	Beauty & Health	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) ※ Acquired ownership in July 2021 UPSAL Co., Ltd (Beauty and Health) ※ Established in September 2021
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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)								

6-2 History of NAC Group

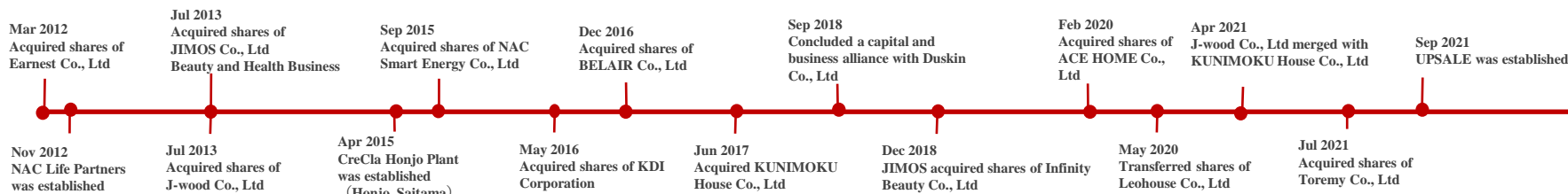
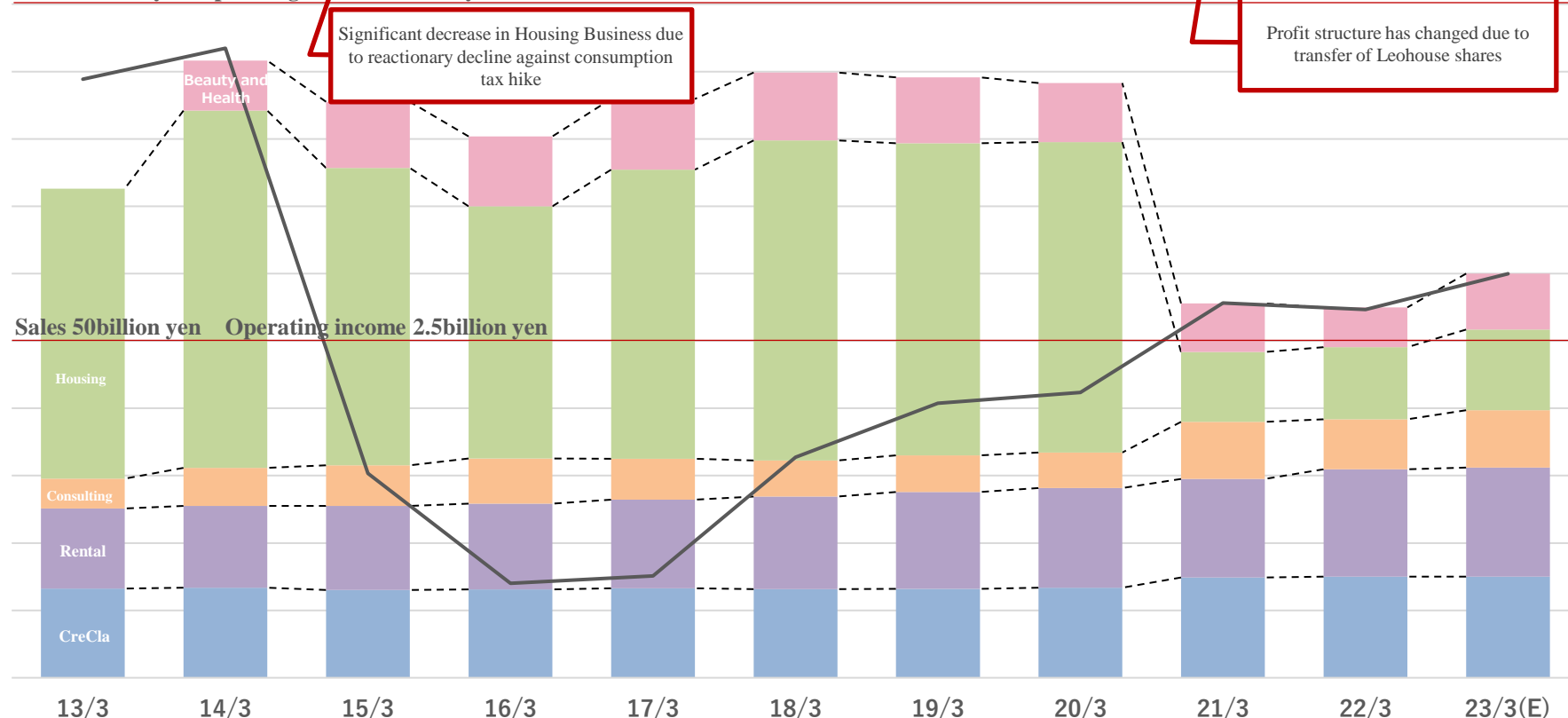


6-3 NAC Business Result (Previous 10 Fiscal Years + Forecasts)

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



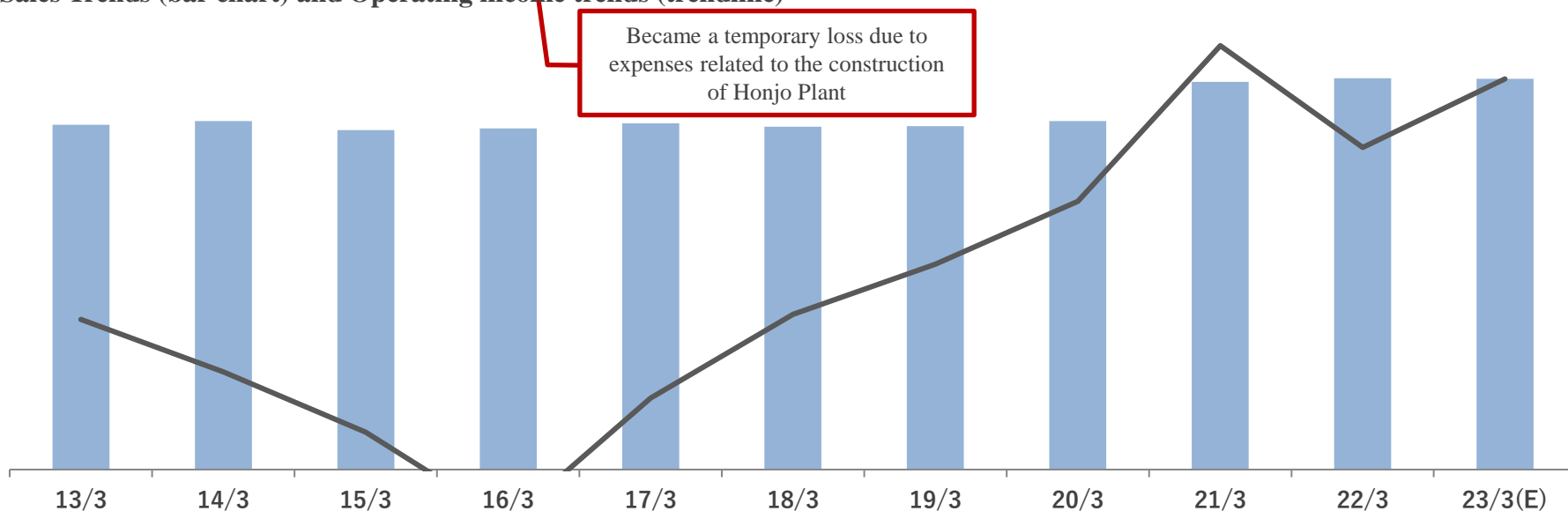
6-4 Business Introduction CreCla Business

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)



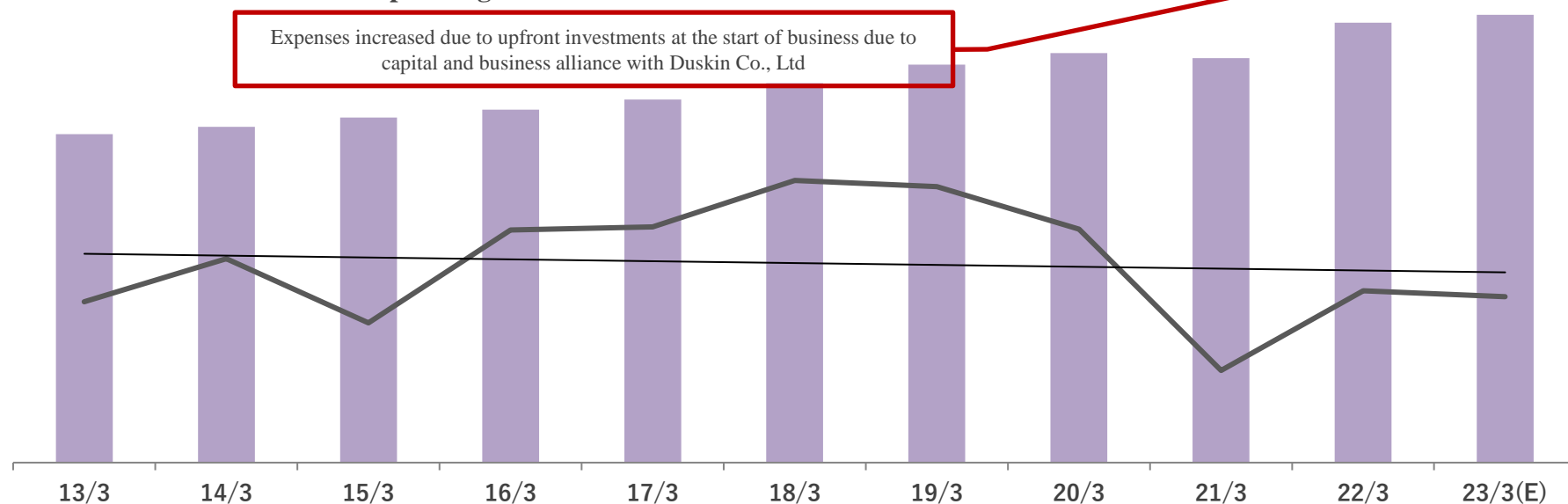
6-5 Business Introduction Rental Business

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 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)



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, and a housing franchise business

■ NAC Building Contractor **approximately 7,000**

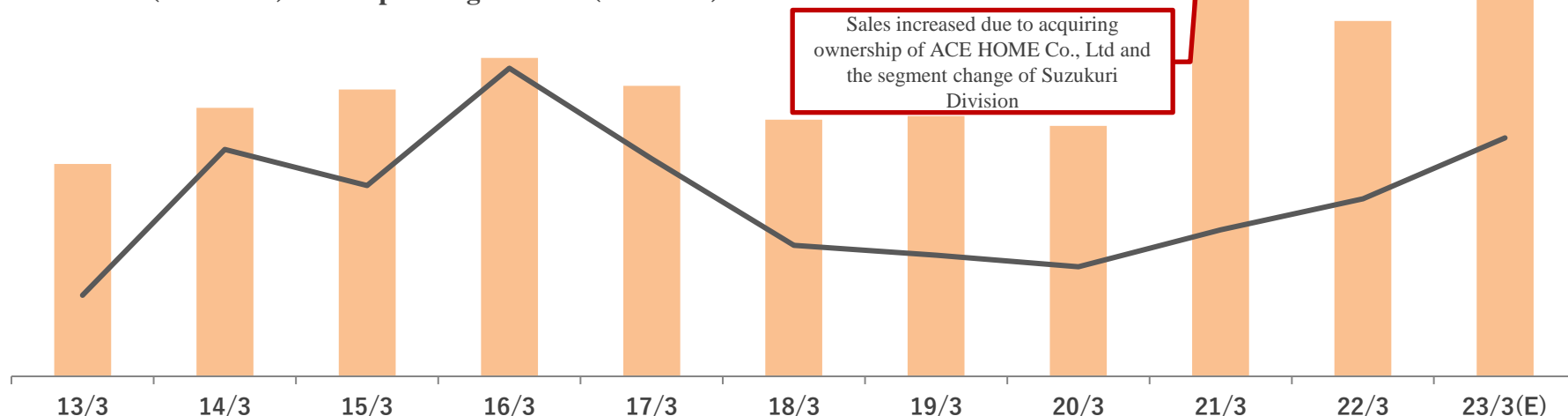
■ Sep 2015 Acquired ownership of NAC Smart Energy Co., Ltd (Sales and installation of energy-saving products)

■ Apr 2017 Acquired ownership of SUZUKURI (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
Operating income	670	976	900	1,146	956	775	754	730	807	782	1,000

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



6-7 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

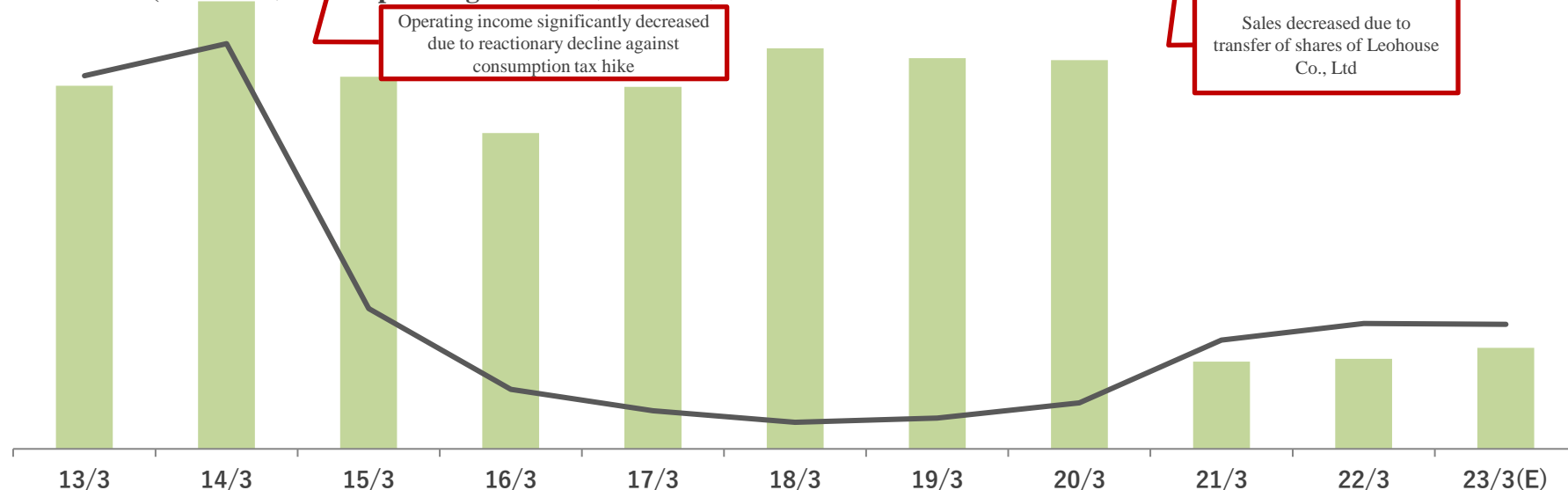
■ Jul 2013 Acquired ownership of J-wood Co., Ltd (custom-built house made of natural materials)

■ May 2016 Acquired ownership of KDI Co., Ltd (for sale and custom-built houses in Tokyo Metropolitan area)

■ Jun 2017 Acquired ownership of KUNIMOKU House Co., Ltd (Housing Development 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)



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

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

Recorded as expenses due to accounting adjustments when JIMOS Co., Ltd was acquired

Segment operating income return to profitability

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

