

FOR IMMEDIATE RELEASE

Nac Announces Consolidated Financial Results
for the Third Quarter ended December 31, 2013

Tokyo, February 7, 2014 --- Nac Ltd. (TSE:9788) today announced its consolidated financial results for the Third Quarter of fiscal 2013, ended December 31, 2013.

Notes:1. In the case of inconsistencies between the Japanese and English versions of this release, the Japanese version will control and supersede any ambiguities.

2. Operating income is presented in accordance with financial reporting principles and practices generally accepted in Japan.

1. Summary

| | Nine months ended December 31, 2013 | | |
|---------------------|-------------------------------------|---------|----------------|
| | Yen (millions) | | (B)/(A) (%) |
| | 2012(A) | 2013(B) | |
| 1. Sales | 50,710 | 63,388 | 125.0 |
| 2. Gross Profit | 19,317 | 25,115 | 130.0 |
| 3. SG&A | 16,997 | 22,111 | 130.1 |
| 4. Operating income | 2,319 | 3,004 | 129.5 |
| 5. Ordinary income | 2,324 | 3,018 | 129.9 |
| 6. Net income | 1,012 | 1,633 | 161.3 |

2. Financial Results by Segment

| | Nine months ended December 31, 2013 | | |
|-------------------------|-------------------------------------|---------|----------------|
| | Yen (millions) | | (B)/(A) (%) |
| | 2012(A) | 2013(B) | |
| 1. Sales | | | |
| CreCla | 10,152 | 10,217 | 100.6 |
| Rental | 9,085 | 9,273 | 102.1 |
| Construction Consulting | 3,086 | 3,782 | 122.5 |
| Housing Sales | 28,390 | 35,318 | 124.4 |
| Mail-order | - | 4,798 | - |
| Total | 50,710 | 63,388 | 125.0 |

| | | | |
|-------------------------|-------|-------|-------|
| 2. Operating income | | | |
| CreCla | 353 | 195 | 55.2 |
| Rental | 1,239 | 1,353 | 109.2 |
| Construction Consulting | 291 | 660 | 226.8 |
| Housing Sales | 1,226 | 1,534 | 125.1 |
| Mail-order | - | 152 | - |
| Elimination, HQ costs | (790) | (892) | 112.9 |
| Total | 2,319 | 3,004 | 129.5 |

3. Financial Position

(Millions of yen)

| | As of March 31, 2013 (A) | As of Dec. 31, 2013 (B) | (B)-(A) |
|-------------------------|-----------------------------|----------------------------|---------|
| 1. Total assets | 29,971 | 40,755 | 10,784 |
| 2. Total liabilities | 16,322 | 25,967 | 9,645 |
| 3. Shareholder's equity | 14,448 | 15,642 | 1,194 |
| 4. Total net assets | 13,648 | 14,787 | 1,138 |
| 5. Equity ratio | 45.5% | 36.3% | (9.2pt) |

Note: Figures took into account a 1:2 stock split on common stock with an effective date of April 1, 2013.

4. Outlook for Fiscal 2013

| | Year ending March 31, 2014 | |
|-------------------------|----------------------------|-----------------------------------|
| | Yen (millions) | YOY change (% or millions yen) |
| 1. Sales | 93,400 | 28.6% |
| 2. Operating income | 5,150 | 706 |
| 3. Ordinary income | 5,170 | 714 |
| 4. Net income | 2,850 | 383 |
| 5. Net income per share | 171.63 | 22.11 |

Note: Nac revised the Company's consolidated business forecasts for the Fiscal 2013, planning to strengthen sales activities and increase sales promotion cost in Mail-order business. (November 8, 2013)

1. Qualitative Information Concerning Consolidated Business Results

(1) Summary of Fiscal 2013 Third-Quarter Consolidated Business Results

| | Nine months ended Dec. 31,2013 | |
|---------------------|--------------------------------|----------------------------------|
| | Yen (millions) | YOY change (% or million yen) |
| 1. Sales | 63,388 | 25.0% |
| 2. Operating income | 3,004 | 685 |
| 3. Ordinary income | 3,018 | 694 |
| 4. Net income | 1,633 | 621 |

During the nine months ended December 31, 2013, the Japanese economy showed a recovery trend of consumer spending along with the improvement in stock price and employment environment. New housing starts also increased significantly, assisted by last-minute demand before the tax hike in next April. However, given the current economic surroundings such as the rise of energy prices and materials cost due to the weak yen, and the uncertain effect of tax rise in next spring, it is essential to monitor the economic outlook.

In the housing market, which is one of our businesses, new housing starts posted 980 thousands in 2013, up 11.0% year on year, showing steady growth. On the other hand, in the retail and service businesses, the business condition is uncertain because competitions among companies became severe including different types of business.

Amid these circumstances, the Nac group has worked to promote the conglomerate business model, which is our fundamental strategies since NAC's establishment, accelerating sales promotions to achieve the medium-term targets; 100 billion sales.

As a result, consolidated financial results for the nine months recorded net sales of 63,388 million yen, an increase of 25.0% compared to the same period in the previous year. Nac posted operating income of 3,004 million yen, up 29.5%, and

ordinary income of 3,018 million yen, up 29.9%, and net income of 1,633 million yen, up 61.3%.

Operating results by segment were as follows.

In addition to the operating income or loss of each segment, the Group posted 892 million yen as corporate expenses, which are not attributable to any segment.

(2) Sales and operating income by Segment

[CreCla Business (Bottled Water)]

| | Nine months ended Dec. 31,2013 | |
|---------------------|--------------------------------|----------------------------------|
| | Yen (millions) | YOY change (% or million yen) |
| 1. Sales | 10,217 | 0.6% |
| 2. Operating income | 195 | (157) |

Rapid expansion phase in new customers after Great East Japan Earthquake reached an end and the reactionary fall was over, so the market growth rate returned to the pre-quake level. Competitions among companies, however, became intensified because many private firms, including large enterprises, entered into HOD water business after the earthquake. Amid these circumstances, we continuously conducted sales promotion to boost our "CreCla" brand during the nine months ended December 31, 2013, and so the number of bottles sold to customers increased.

On the other hand, the wholesale volume of water coolers to affiliated stores decreased compared to the last year's figure. As a result, the segment recorded sales of 10,217 million yen, up 0.6% compared to the same period in the previous year.

In terms of profit and loss, the segment posted operating income of 195 million yen, down 44.7% compared to the same period in the previous year, due to an increase in personnel expenses along with the recruitment of more sales staffs and a sales promotion cost as we continued sales activities.

[Rental Business]

| | Nine months ended Dec. 31,2013 | |
|---------------------|--------------------------------|----------------------------------|
| | Yen (millions) | YOY change (% or million yen) |
| 1. Sales | 9,273 | 2.1% |
| 2. Operating income | 1,353 | 114 |

Regarding sales of mainstay dust control products, the market condition of Duskin for business showed a mild recovery, but the sales failed to increase because the segment faced a staff shortage. The sales of a regular cleaning plan for business increased compared to the same period in the previous year as a result of strengthened sales activities. Regarding sales of With-branded pest control devices, the sales of newly launched products were below the target, but the sales to affiliated stores steadily grew.

As a result, the segment sales increased 2.1% compared to the same period in the previous year, to 9,273 million yen, and operating income increased 9.2%, to 1,353 million yen.

[Construction Consulting Business]

| | Nine months ended Dec. 31,2013 | |
|---------------------|--------------------------------|----------------------------------|
| | Yen (millions) | YOY change (% or million yen) |
| 1. Sales | 3,782 | 22.5% |
| 2. Operating income | 660 | 369 |

Regarding sales of know-how products, new products relating to natural houses and designer-brand houses sold well steadily, contributing sales growth. And, regarding sales of construction materials, whose mainstay were solar energy systems, the market of solar energy systems for built houses faced slight slowdown in its growth. However, both sales and profit grew steadily due to an improvement in cost rate and a cost reduction in SG&A.

As a result, the segment sales increased 22.5% compared to the same period in the previous year, to 3,782 million yen, and operating income increased 126.8%, to 660 million yen.

[Housing Sales Business]

| | Nine months ended Dec. 31,2013 | |
|---------------------|--------------------------------|----------------------------------|
| | Yen (millions) | YOY change (% or million yen) |
| 1. Sales | 35,318 | 24.4% |
| 2. Operating income | 1,534 | 307 |

New housing starts have increased for four consecutive years on the back of last-minute demand before the consumption tax hike in April, 2014. Amid these circumstances, the sales increased significantly partly due to opening new stores, and unit prices also increased due to improved sales activities. As a result, the segment sales recorded 35,318 million yen, up 24.4% compared to the same period in the previous year.

In terms of profit and loss, the segment posted operating income of 1,534 million yen, up 25.1%. This was because the sales growth offset the increasing cost of materials and the opening new stores cost.

With respect to orders received, although the last-minute demand before the tax hike reached an end, the orders in hand as of December 31, 2013 were 1,739, compared with 1,393 as of December 31, 2012.

In addition, the followings were newly opened during the three months ended December 31, 2013; Sumai-stage Yokohama model display site, and Kashima model display site, bringing the total number of stores to 46 branches and 46 model display sites. Moreover, J-wood Co., Ltd. newly opened Akita model display site, bringing the total number of stores to 4 model display sites.

[Mail-order Business]

| | Nine months ended Dec. 31,2013 | |
|---------------------|--------------------------------|----------------------------------|
| | Yen (millions) | YOY change (% or million yen) |
| 1. Sales | 4,798 | - |
| 2. Operating income | 152 | - |

In July, 2013, Nac Co., Ltd. acquired 100% of the share capital of JIMOS Co., Ltd. and added JIMOS to Nac Group, entering into mail-order business as a new business. The sales of this segment were consisted of the followings;

(1) "MACCHIA Lb.": Mainstay brand of cosmetics, (2) "Coyori": Second brand of natural products for skin and hair care, (3) "Taisha Seikatsu CLUB": Health food, (4) Wholesale of cosmetics for retailers, (5) Mail-order consulting.

During the six months ended December 31, 2013, the segment sales recorded 4,798 million yen, and the ordinary income posted 152 million yen.