News Release

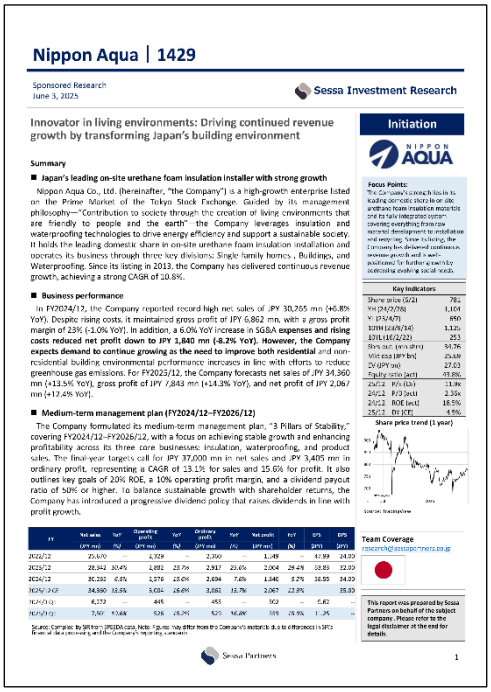
To All Members of the Press

June 19, 2025
Nippon Aqua Co., Ltd.
(TSE Prime 1429)

Notice of Publication of English Version Sponsored Research Report

Nippon Aqua Co., Ltd. (Headquarters: Minato-ku, Tokyo; President and Representative Director: Fumitaka Nakamura), the leading company in the market share of on-site foamed urethane insulation materials, is pleased to announce the publication of a sponsored research report (English version) concerning our company.

This report was planned and created by SESSA Partners Inc. with the aim of deepening dialogue with investors and enhancing their understanding of our company. The report provides an objective analysis and evaluation from the perspective of the capital market on our business overview, strengths and challenges, growth strategy, and performance trends.



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Sponsored Research
June 3, 2025

Sessa Investment Research

Innovator in living environments: Driving continued revenue growth by transforming Japan's building environment

Summary

■ Japan's leading on-site urethane foam insulation installer with strong growth

Nippon Aqua Co., Ltd. (hereinafter, "the Company") is a high-growth enterprise listed on the Prime Market of the Tokyo Stock Exchange. Guided by its management philosophy—"Contribution to society through the creation of living environments that are friendly to people and the earth" the Company leverages insulation and waterproofing technologies to drive energy efficiency and support a sustainable society. It holds the leading domestic share in on-site urethane foam insulation installation and operates its business through three key divisions: Single family homes , Buildings, and Waterproofing. Since its listing in 2013, the Company has delivered continuous revenue growth, achieving a strong CAGR of 10.8%.

■ Business performance

In FY2024/12, the Company reported record-high net sales of JPY 30,255 mn (+6.8% YoY). Despite rising costs, it maintained gross profit of JPY 6,862 mn, with a gross profit margin of 23% (-1.0% YoY). In addition, a 6.0% YoY increase in SG&A **expenses and rising costs reduced net profit down to JPY 1,840 mn (-8.2% YoY). However, the Company expects demand to continue growing as the need to improve both residential** and non-residential building environmental performance increases in line with efforts to reduce greenhouse gas emissions. For FY2025/12, the Company forecasts net sales of JPY 34,360 mn (+13.5% YoY), gross profit of JPY 7,843 mn (+14.3% YoY), and net profit of JPY 2,067 mn (+12.4% YoY).

■ Medium-term management plan (FY2024/12–FY2026/12)

The Company formulated its medium-term management plan, "3 Pillars of Stability," covering FY2024/12–FY2026/12, with a focus on achieving stable growth and enhancing profitability across its three core businesses: insulation, waterproofing, and product sales. The final-year targets call for JPY 37,000 mn in net sales and JPY 3,405 mn in ordinary profit, representing a CAGR of 13.1% for sales and 15.6% for profit. It also outlines key goals of 20% ROE, a 10% operating profit margin, and a dividend payout ratio of 50% or higher. To balance sustainable growth with shareholder returns, the Company has introduced a progressive dividend policy that raises dividends in line with profit growth.

FY	Net sales (JPY mn)	YoY (%)	Operating profit (JPY mn)	YoY (%)	Ordinary profit (JPY mn)	YoY (%)	Net profit (JPY mn)	YoY (%)	EPS (JPY)	BPS (JPY)
2022/12	25,670	--	2,329	--	2,350	--	1,149	--	41.99	24.00
2023/12	28,342	10.4%	2,882	23.7%	2,917	24.1%	2,004	74.4%	72.83	32.30
2024/12	30,293	6.8%	3,078	6.8%	3,094	6.0%	1,840	-8.2%	66.55	34.00
2025/12 CE	34,360	13.5%	3,604	17.1%	3,661	18.3%	2,067	12.4%		35.00
2024/3 Q	6,272	--	445	--	453	--	302	--	10.82	--
2025/3 Q	7,707	22.8%	526	18.2%	529	16.8%	339	12.3%	12.24	--

Source: Company by SBI from JPGAAP data. Note: Figures may differ from the Company's statements due to differences in SBI's financial statement and filing company's reporting standards.

Initiation

NIPPON AQUA

Focus Points:
The Company's strength lies in its leading domestic share in on-site urethane foam insulation materials and its fully integrated operation covering everything from raw material development to installation and recycling. Since its listing, the Company has delivered continuous revenue growth and is well-positioned for further growth by proactively meeting social needs.

Key Indicators

Share price (5/23)	782
YH (24/3/28)	1,104
YL (25/4/7)	650
10TH (24/9/24)	1,112
10TL (25/2/22)	653
Shs out (mn shrs)	34.76
Mkt cap (JPY bn)	26.69
DY (JPY sh)	27.03
Equity ratio (act)	49.8%
24/12 P/E (act)	11.8x
24/12 P/B (act)	2.38x
24/12 ROE (act)	18.5%
25/12 DY (CE)	4.5%

Share price trend (1 year)

Source: StockgoView

Team Coverage
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This report was prepared by Sessa Partners on behalf of the subject company. Please refer to the legal disclaimer at the end for details.

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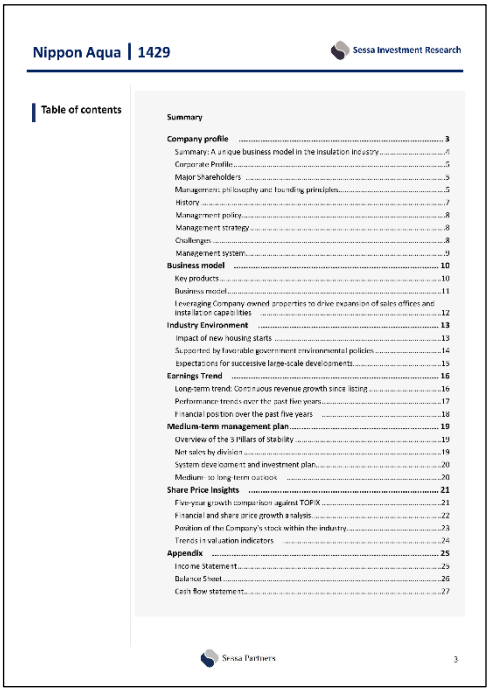

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Sessa Investment Research

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The report can be viewed at the following URLs.
https://www.sessapartners.co.jp/en/research-report/nippon-aqua
https://www.n-aqua.jp/en/ir/result.html

We kindly ask you to read it.

*This report is characterized by its emphasis on accuracy and objectivity and has been prepared and published by SESSA Partners Inc. It is scheduled to be distributed through major financial information terminals such as Bloomberg.
Additionally, the Japanese version was published on June 4, 2025, as previously reported.

End of document

[Company Overview]
Company Name: Nippon Aqua Co., Ltd.
Listed Market: Tokyo Stock Exchange Prime Market (Securities Code: 1429)
Representative: President and Representative Director Fumitaka Nakamura
Location: 20th Floor, Taiyo Seimei Shinagawa Building, 2-16-2 Konan, Minato-ku, Tokyo
Established: November 2004
Business Description: Sales and installation of "Aqua Foam" rigid urethane foam for building insulation
Development, manufacturing, and sales of residential energy-saving components
https://www.n-aqua.jp/en/

[Key contacts]

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