

Progress in line with expectations despite H2-weighted seasonality, with strong results: sales +21.9%, OP +28.5%

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%.

■ 2025/12 Earnings results

In H1 of FY2025/12, the Company pursued share expansion in the Single-family homes division through pricing strategies and adjusted the sales mix in the Buildings division, while keeping the SG&A ratio at 15.0% (-0.7 ppt YoY) to further strengthen its profit structure. As a result, net sales rose to JPY 15,983 mn (+21.9% YoY), operating profit to JPY 1,091 mn (+28.5%), ordinary profit to JPY 1,102 mn (+26.8%), and interim net profit to JPY 748 mn (+29.0%), marking significant increases in both revenue and profit.

■ 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.

■ 2025/12 Full-year forecast

There have been no changes to the full-year forecast announced in May for FY2025/12. The Company expects net sales of JPY 34,360 mn (+13.5% YoY), operating profit of JPY 3,004 mn (+16.6% YoY), ordinary profit of JPY 3,062 mn (+17.6% YoY), and net profit of JPY 2,067 mn (+12.4% YoY). SIR plans to publish a follow-up report after interviewing the Company.

FY	Net sales (JPY mn)	YoY (%)	Operating profit (JPY mn)	YoY (%)	Ordinary profit (JPY mn)	YoY (%)	Net profit (JPY mn)	YoY (%)	EPS (JPY)	DPS (JPY)
2022/12	25,670	--	2,329	--	2,360	--	1,549	--	47.99	24.00
2023/12	28,342	10.4%	2,882	23.7%	2,917	23.6%	2,004	29.4%	63.83	32.00
2024/12	30,265	6.8%	2,576	-10.6%	2,604	-10.7%	1,840	-8.2%	58.55	34.00
2025/12 (CE)	34,360	13.5%	3,004	16.6%	3,062	17.6%	2,067	12.4%		35.00
2024/12 H1	13,112	--	849	--	868	--	579	--	18.46	--
2025/12 H1	15,983	21.9%	1,091	28.5%	1,102	26.8%	748	29.0%	23.44	--

Source: Compiled by SIR from SPEEDA data. Note: Figures may differ from the Company's materials due to differences in SIR's financial data processing and the Company's reporting standards.

Q2 Flash



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