

Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Japanese GAAP]



February 13, 2026

Company name: Nippon Aqua Co., Ltd.
Code number: 1429 (listed on the Tokyo Stock Exchange)
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Scheduled date of Ordinary General Meeting of Shareholders: March 30, 2026
Scheduled date of dividend payout: March 31, 2026
Scheduled date of filing annual securities report: March 27, 2026
Supplementary materials on financial results prepared: Yes
Financial results briefings held: Yes (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen.)

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025-December 31, 2025)

(1) Financial Results (Percentage figures indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended December 31, 2025	33,670	11.3	2,774	7.7	2,794	7.3	1,895	3.1
Fiscal year ended December 31, 2024	30,265	6.8	2,575	(10.6)	2,604	(10.7)	1,839	(8.2)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2025	59.42	—	17.1	11.2	8.2
Fiscal year ended December 31, 2024	58.55	—	18.5	11.7	8.5

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2025	25,810	11,633	45.1	361.17
As of December 31, 2024	24,071	10,545	43.8	330.50

[Reference] Shareholders' equity: As of December 31, 2025: 11,633 million yen
As of December 31, 2024: 10,545 million yen

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2025	1,510	(603)	(755)	2,415
Fiscal year ended December 31, 2024	(516)	(338)	(1,054)	2,263

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio	Ratio of dividends to net assets
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended December 31, 2024	—	0.00	—	34.00	34.00	1,084	58.1	10.8
Fiscal year ended December 31, 2025	—	0.00	—	35.00	35.00	1,127	58.9	10.1
Fiscal year ending December 31, 2026 (forecast)	—	0.00	—	35.00	35.00		56.6	

3. Financial Forecasts for the Fiscal Year Ending December 31, 2026 (January 1, 2026-December 31, 2026)

(Percentage figures indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending June 30, 2026	15,921	(0.4)	837	(23.3)	845	(23.3)	572	(23.4)	17.96
Fiscal year ending December 31, 2026	37,000	9.9	2,900	4.5	2,910	4.1	1,972	4.1	61.84

* Notes

(1) Changes in accounting policies, changes in accounting estimates and restatements

- (i) Changes in accounting policies due to revisions of accounting standards, etc.: No
- (ii) Changes in accounting policies other than (i): No
- (iii) Changes in accounting estimates: No
- (iv) Restatements: No

(2) Number of issued shares (common shares)

- (i) Number of issued shares at end of period under review (including treasury shares)
 - As of December 31, 2025 34,760,000 shares
 - As of December 31, 2024 34,760,000 shares
- (ii) Number of treasury shares at end of period under review
 - As of December 31, 2025 2,548,771 shares
 - As of December 31, 2024 2,851,871 shares
- (iii) Average number of shares during period under review
 - Fiscal year ended December 31, 2025 31,902,199 shares
 - Fiscal year ended December 31, 2024 31,416,326 shares

* Financial results are not subject to audit by certified public accountants or audit corporations.

* Notes concerning appropriate use of financial forecasts and other significant matters

Financial forecasts and other forward-looking statements in this release are based on data currently available to the Company and certain assumptions that the Company believes are reasonable. They are not intended as a guarantee that the Company will achieve such results. Actual results may differ materially from them for various reasons. For details of the assumptions used in the forecast of financial results and cautionary notes concerning appropriate use of the financial forecasts, please refer to “(4) Notes on Financial Forecasts and Other Forward-looking Statements” on page 7 of the Attachment.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Fiscal Year Under Review

During the fiscal year (22nd term: January 1, 2025, to December 31, 2025), the Japanese economy has been on a gradual recovery trend, although the impact of U.S. trade policies is noticeable, particularly in the automotive industry. On the other hand, the continued rise in prices is affecting consumer sentiment, and fluctuations in U.S. trade policies and financial markets pose downside risks to the economy.

In the housing and construction industry, to which our company belongs, compliance with energy-saving standards has been mandated for almost all newly constructed houses and buildings starting in April 2025. These standards consist of two indicators: "envelope performance," which indicates insulation performance, and "primary energy consumption performance," which indicates energy consumption. The current standards require a level equivalent to Insulation Class "4."

The government has indicated a policy to raise this to Insulation Class "5," which corresponds to the current ZEH (Net Zero Energy House) level, by 2030. Furthermore, in September 2025, the Ministry of Economy, Trade and Industry announced the definition of "GX ZEH," which strengthens the current ZEH standards, with application scheduled to begin in April 2027, raising the insulation class to "6." In response to these policy trends, Insulation Class "4" is becoming a thing of the past, and interest in higher classes of "6" and above is increasing. Additionally, the recognition that insulation and airtightness contribute to the durability and longevity of houses by preventing condensation and deterioration is spreading among general consumers.

In the non-residential sector, corporate capital investment is expanding, particularly in the information-related field, and there is a growing demand for high insulation aimed at labor-saving and rationalization. Especially in data centers, where low PUE (Power Usage Effectiveness: the ratio of total facility energy consumption to IT equipment energy consumption) is required, there is a notable strengthening of insulation performance aimed at energy-saving measures and improving operational efficiency. The cold chain sector, targeting refrigerated and cold storage warehouses and low-temperature logistics facilities, is also attracting attention as a promising market with expected demand for high-performance insulation materials from the perspective of advanced temperature control and energy efficiency. Furthermore, urban redevelopment is progressing, particularly in the metropolitan area, and ensuring high environmental performance is increasingly emphasized in the construction of high-rise condominiums and complex commercial facilities.

Additionally, the demand for waterproofing renovation work is increasing against the backdrop of aging buildings constructed in the 1980s and 1990s. In buildings where the lifespan of the waterproofing layer has been exceeded, leaks and deterioration are progressing, and external factors such as climate change response and strengthened regulations are also driving renovation demand. Our company is enhancing its market advantage by improving the comfort and energy efficiency of buildings through the deployment of comprehensive waterproofing solutions centered on our unique construction technology "FUKUGEN Method," which integrates insulation and heat shielding functions.

In this market environment, we actively pursued order activities in each business division by leveraging the product competitiveness of the "AQUA FOAM series," which achieves high insulation and airtightness, and the ultra-fast curing waterproof material "AQUA HAJIKUN," as well as our nationwide construction network.

In the Single-family Homes Division, we promoted differentiation by proposing insulation construction combined with airtightness measurement services under the slogan "Insulation without airtightness is powerless," and worked to expand market share. Furthermore, from July 2025, we established a system to provide optimal insulation plans for each house under the name "All-in AQUA FOAM (Marutto AQUA FOAM)". This differentiation strategy was successful, leading to an expansion of orders from major builders with wide-area operations, as well as contributing throughout the year from construction projects from new large customers with whom we started transactions in the fall of 2024. The impact of rush demand due to the reduction of the 4th special exception (simplification of building inspections for small-scale buildings) was limited, and we recognize that our growth is due to structural demand expansion and strengthened proposal capabilities. As a result, the number of construction units increased by 11.1% year-on-year, and sales in this division amounted to 15,765 million yen.

In the Buildings Division, we steadily acquired new projects, including data centers, commercial facilities, and high-rise

condominiums. However, we were affected by design changes and delays in construction commencement decisions due to rising construction costs and fluctuations in material prices on some projects.

Meanwhile, we positioned this fiscal year as a transitional period to strengthen our integrated capabilities from order receipt to construction, and established the Construction Project Management Department with the aim of more accurate project selection and improved on-site response capabilities. The department made progress in securing additional construction work and responding flexibly to specification changes, resulting in steady construction unit prices and contributing to improved profitability. As a result, sales in this division amounted to 9,896 million yen.

In the Waterproofing Division, increased recognition accompanying the expansion of construction track record led to steady acquisition of orders from large logistics centers and nationwide chain stores, resulting in sales of 1,515 million yen, more than double the previous year. We expect new and repeat orders to continue expanding going forward.

Sales of raw materials amounted to 2,072 million yen, and sales in other divisions, including auxiliary supplies and machinery, amounted to 4,420 million yen.

(in million yen, %)

	21st fiscal year ended December 31, 2024	22nd fiscal year ended December 31, 2025	Amount of change	Percentage change
Single-family Homes Division	13,704	15,765	+2,061	+15.0
Buildings Division	9,499	9,896	+397	+4.2
Waterproofing Division	719	1,515	+795	+110.5
Sales of Urethane Raw Materials	2,226	2,072	(154)	(6.2)
Other divisions	4,115	4,420	+305	+7.4
Total	30,265	33,670	+3,405	+11.3

As a result, net sales for the fiscal year amounted to 33,670 million yen, marking a 11.3% increase compared to the same period last year. Gross profit was 7,738 million yen, with a gross profit margin of 23.0%, down 0.3 percentage points year-on-year.

Operating profit was 2,774 million yen, an increase of 8.2% compared to the same period last year. The operating profit margin was 8.2%, down 0.3 percentage points year-on-year. Selling, general and administrative expenses totaled 4,964 million yen, primarily consisting of personnel expenses of 2,487 million yen, trainee-related expenses of 634 million yen, and rent expenses of 285 million yen.

Ordinary profit amounted to 2,794 million yen (up 7.3% year-on-year), and net income for the period was 1,895 million yen (up 3.1% year-on-year).

(2) Overview of Financial Position for the Fiscal Year Under Review

(Total Assets)

The total assets at the end of the current fiscal year amounted to 25,810 million yen, an increase of 1,738 million yen, or 7.2%, compared to the end of the previous fiscal year.

(Current Assets)

Current assets at the end of the current fiscal year were 20,015 million yen, an increase of 1,195 million yen, or 6.4%, compared to the end of the previous fiscal year. This was mainly due to increases in raw materials and supplies of 513 million yen, electronically recorded monetary claims of 292 million yen, accounts receivable - other of 179 million yen, and merchandise of 155 million yen, while notes and accounts receivable - trade, and contract assets decreased by 140 million yen.

(Non-current Assets)

Non-current assets at the end of the current fiscal year were 5,795 million yen, an increase of 543 million yen, or 10.3%, compared to the end of the previous fiscal year. This was mainly due to an increase of 384 million yen from the acquisition of land for the construction of Kumamoto Sales Office and Kagoshima Sales Office, an increase of 125 million yen in long-term prepaid expenses associated with the disposal of treasury shares related to the allocation of restricted stock to

employees, an increase of 99 million yen in deferred tax assets, and an increase of 96 million yen in insurance reserve funds included in other investments and other assets, while assets decreased by 214 million yen due to depreciation and allowance for doubtful accounts increased by 57 million yen.

(Total Liabilities)

Total liabilities at the end of the current fiscal year amounted to 14,176 million yen, an increase of 650 million yen, or 4.8%, compared to the end of the previous fiscal year.

(Current Liabilities)

Current liabilities at the end of the current fiscal year were 14,090 million yen, an increase of 674 million yen, or 5.0%, compared to the end of the previous fiscal year.

(Non-current Liabilities)

Non-current liabilities at the end of the current fiscal year were 85 million yen, a decrease of 24 million yen, or 21.9%, compared to the end of the previous fiscal year. This is mainly due to a decrease of 12 million yen in lease liabilities.

(Net Assets)

Net assets at the end of the current fiscal year were 11,633 million yen, an increase of 1,087 million yen, or 10.3%, compared to the end of the previous fiscal year. This was mainly due to profit of 1,895 million yen, an increase in Capital surplus of 82 million yen and a decrease in Treasury shares of 194 million yen resulting from the disposal of treasury shares associated with the allocation of restricted shares to employees, while Retained earnings decreased by 1,084 million yen due to dividend payments.

(Equity Ratio)

The equity ratio at the end of the current fiscal year was 45.1%, an increase of 1.3% compared to the end of the previous fiscal year.

(Research and Development Activities)

The total amount of research and development expenses incurred by the company during the current fiscal year was 36 million yen. There were no significant changes in the status of research and development activities during the current fiscal year.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents (hereinafter referred to as "funds") for the fiscal year increased by 151 million yen compared to the end of the previous fiscal year, reaching 2,415 million yen (2,263 million yen in the same period of the previous year).

(Cash flows from operating activities)

Net cash provided by operating activities for the fiscal year was 1,510 million yen (compared to a decrease of 516 million yen in the same period of the previous year). This was mainly due to income before income taxes of 2,796 million yen and an increase in funds from depreciation of 214 million yen, while there were decreases in funds from an increase in trade receivables of 290 million yen, an increase in inventories of 525 million yen, a decrease in trade payables of 107 million yen, an increase in accounts receivable - other of 100 million yen, and income taxes paid of 618 million yen.

(Cash flows from investing activities)

Net cash used in investing activities for the fiscal year was 603 million yen (compared to a decrease of 338 million yen in the same period of the previous year). This was mainly attributable to the acquisition of property, plant and equipment of 472 million yen, the acquisition of intangible assets of 31 million yen, and payments for insurance funds of 96 million yen.

(Cash flows from financing activities)

Net cash used in financing activities for the fiscal year was 755 million yen (compared to a decrease of 1,084 million yen in the same period of the previous year). This was mainly due to a net increase in short-term borrowings of 300 million yen and payment of dividend by 1,084 million yen.

(4) Notes on Financial Forecasts and Other Forward-looking Statements

In light of the current economic recovery, amendments to laws and regulations related to housing and buildings, subsidies

and preferential tax systems for energy conservation, and support measures such as low-interest loans, we are advancing the following initiatives to meet the growing demand for insulation materials and achieve our sustainable development:

1. Company-wide Initiative

i. About the Medium-Term Management Plan

Our company formulated the Medium-Term Management Plan "3 Pillars of Stability" on February 14, 2024, with fiscal year 2026 as its final year. Furthermore, on November 8, 2024, we introduced a progressive dividend system to achieve stable dividends (maintenance and increase). Subsequently, on February 7, 2025, we revised the performance targets of the same plan, resetting the sales target for the fiscal year ending December 2026 to 37,000 million yen and the ordinary profit target to 3,405 million yen.

Moreover, as announced today, we have revised our financial forecasts for the fiscal year ending December 2026, with net sales of 37,000 million yen and ordinary profit of 2,910 million yen. The main factors are that in the Buildings Division, there have been continued multiple delays in construction commencement and project plan revisions, primarily for large-scale construction projects, resulting in construction volume expected to fall below initial projections. Accordingly, the competitive environment in this division has become increasingly challenging against the backdrop of a temporary contraction in market size, and this is expected to impact profit levels in the short term.

On the other hand, we recognize that these changes in the market environment are temporary, and there are no changes to our medium- to long-term growth strategy, policy for strengthening our business foundation, and policy for stable shareholder returns. Regarding net sales, we expect to achieve the level initially forecast, as other segments continue to perform steadily. We will continue to promote initiatives aimed at ensuring profitability and enhancing corporate value.

Please note that the statements regarding this outlook are based on information available at present and are prepared based on the judgment of our management, but actual performance may differ due to future business environments and market trends. Details of potential risks and uncertainties are described in the "Section 2 Business Status 3. Business Risks" of the securities report.

ii. Initiatives for Sustainability

Under our management philosophy of "Contributing to society by creating a housing environment that is friendly to people and the earth," working to resolve social issues through the reduction of CO₂ emissions from houses and buildings via the "AQUA FOAM series" and the promotion of recycling of urethane insulation materials.

Also, as part of our human capital initiatives, we are advancing internal work style reforms, including the introduction of a staggered commuting system from January 2026 to enable each employee to achieve flexible and sustainable working styles.

Among these achievements, we received a "B score," classified as Management Level, for the second consecutive year in the 2025 Climate Change Survey conducted by CDP, an international non-profit organization. Furthermore, our products, including our flagship product "Aqua Foam," underwent third-party verification under SuMPO EPD and obtained EPD (Environmental Product Declaration) certification—a first in Japan for on-site foamed urethane insulation.

We will continue to contribute to realizing a sustainable society through both our business activities and work style reforms.

iii. Securing Construction Personnel and Strengthening the Construction Structure

For sustainable growth and maintaining competitiveness, we recognize the importance of securing and developing personnel responsible for high-quality construction and are advancing investments in human capital. Specifically, we are working to improve the work environment by introducing a weekend off system to improve the work-life balance of construction personnel, revising the salary system and allowances to improve treatment, and promoting proximity between work and home through the establishment of new offices and warehouses. Additionally, we are working to strengthen both the quality and quantity of construction personnel by building diverse career paths such as management, specialist, and independent-oriented paths, conducting training and safety conventions by specialized departments, thoroughly implementing safety management systems, and enhancing the acceptance of technical interns.

iv. Maintaining Prime Market Listing and Management with Awareness of Capital Costs and Stock Prices

The Company positions management that is conscious of the cost of capital and stock price as an important management

issue, and is working to achieve sustainable improvement in corporate value through enhancing profitability and improving capital efficiency. We believe that maintaining our listing on the Prime Market is an important element that supports our overall competitiveness, including purchasing power, creditworthiness in receiving construction orders, and the recruitment and retention of talented personnel. As a result of conducting management based on this approach, according to the Company's calculations, we expect to meet the listing maintenance criteria for the Prime Market as of the end of December 2025.

Furthermore, it has been newly selected as a constituent of the "JPX-Nikkei Mid and Small Cap Index," jointly calculated by JPX Research Institute and Nikkei Inc., for the fiscal year 2025 (from August 29, 2025, to August 28, 2026). We will continue to strive to gain proper evaluation in the stock market and improve stock liquidity, regularly grasp capital costs, analyze market evaluations, and appropriately feedback opinions obtained through dialogue with shareholders and investors to management and the Board of Directors, aiming to enhance corporate value.

2.About Full-Year Financial Forecasts

The financial forecasts for the fiscal year ending December 2026 (23rd term) are detailed in the summary information "3. Financial Forecasts for the Fiscal Year Ending December 2026." The sales forecasts by item are as follows.

(in million yen, %)

	22nd fiscal year ended December 31, 2025	23rd fiscal year ending December 31, 2026	Amount of change	Percentage change
Single-family Homes Division	15,765	17,097	+1,332	+8.5
Buildings Division	9,896	10,948	+1,052	+10.6
Waterproofing Division	1,515	2,096	+581	+38.3
Sales of Urethane Raw Materials	2,072	2,377	+305	+14.7
Other divisions	4,420	4,480	+60	+1.4
Total	33,670	37,000	+3,330	+9.9

2. Basic Policy on Selection of Accounting Standards

The Company prepares its financial statements based on Japanese GAAP in order to ensure the compatibility of financial statements by term. With respect to the future adoption of International Financial Reporting Standards (IFRS), the Company plans to carefully consider the adoption, taking into account the trend regarding the accounting standards in Japan.

3.Non-consolidated Financial Statements and Primary Notes

Non-consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	2,263,300	2,415,160
Notes and accounts receivable - trade, and contract assets	8,117,202	7,977,173
Electronically recorded monetary claims - operating	1,142,650	1,434,813
Merchandise	266,746	421,796
Raw materials and supplies	1,955,310	2,469,110
Advance payments to suppliers	24,512	9,639
Prepaid expenses	162,635	248,185
Accounts receivable - other	4,853,360	5,032,498
Other	34,177	31,129
Allowance for doubtful accounts	-	(24,207)
Total current assets	18,819,894	20,015,299
Non-current assets		
Property, plant and equipment		
Buildings, net	2,180,027	2,090,123
Structures, net	150,395	121,518
Machinery and equipment, net	150,613	117,887
Vehicles, net	32,763	18,401
Tools, furniture and fixtures, net	48,154	45,452
Land	1,680,298	2,065,464
Leased assets, net	28,872	20,434
Construction in progress	-	840
Total property, plant and equipment	4,271,125	4,480,123
Intangible assets		
Leasehold interests in land	15,000	15,000
Software	53,657	36,849
Lease assets, net	5,780	2,764
Software in progress	5,000	33,780
Other	429	390
Total intangible assets	79,868	88,785
Investments and other assets		
Investment securities	3,380	3,944
Shares of subsidiaries and associates	16,988	16,988
Investments in capital	560	560
Long-term loans receivable from subsidiaries and associates	37,004	37,535
Long-term loans receivable from employees	1,726	2,114
Distressed receivables	13,733	57,724
Long-term prepaid expenses	326,614	451,446
Deferred tax assets	207,151	306,823
Leasehold and guarantee deposits	116,637	132,890
Other	177,627	273,876
Allowance for doubtful accounts	(470)	(57,729)
Total investments and other assets	900,953	1,226,175
Total non-current assets	5,251,947	5,795,084
Total assets	24,071,841	25,810,383

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	7,556,639	7,528,350
Short-term borrowings	4,500,000	4,800,000
Lease liabilities	13,497	12,676
Accounts payable - other	474,579	400,035
Accrued expenses	283,713	297,465
Income taxes payable	292,298	687,987
Accrued consumption taxes	32,775	101,689
Advances received	48,384	41,284
Deposits received	49,551	38,256
Provision for bonuses	33,297	40,531
Other	131,250	142,339
Total current liabilities	13,415,988	14,090,615
Non-current liabilities		
Lease liabilities	12,676	-
Asset retirement obligations	40,005	40,239
Other	57,257	45,621
Total non-current liabilities	109,939	85,860
Total liabilities	13,525,927	14,176,475
Net assets		
Shareholders' equity		
Share capital	1,903,649	1,903,649
Capital surplus		
Legal capital surplus	1,883,649	1,883,649
Other capital surplus	131,726	213,780
Total capital surplus	2,015,375	2,097,430
Retained earnings		
Other retained earnings		
Retained earnings brought forward	8,357,887	9,168,917
Total retained earnings	8,357,887	9,168,917
Treasury shares	(1,731,568)	(1,536,812)
Total shareholders' equity	10,545,343	11,633,185
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	570	722
Total valuation and translation adjustments	570	722
Total net assets	10,545,914	11,633,907
Total liabilities and net assets	24,071,841	25,810,383

Non-consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net sales	30,265,345	33,670,846
Cost of sales	23,403,300	25,932,324
Gross profit	6,862,045	7,738,522
Selling, general and administrative expenses	4,286,356	4,964,092
Operating profit	2,575,689	2,774,429
Non-operating income		
Interest income	35,709	52,460
Insurance claim income	4,077	2,605
Outsourcing service income	4,686	4,990
Other	12,317	17,886
Total non-operating income	56,791	77,943
Non-operating expenses		
Compensation expenses	7,300	-
Interest expenses	20,111	42,956
Amortization of long-term prepaid expenses	-	14,862
Other	935	425
Total non-operating expenses	28,346	58,245
Ordinary profit	2,604,134	2,794,127
Extraordinary income		
Gain on sale of non-current assets	7,111	6,087
Total extraordinary income	7,111	6,087
Extraordinary losses		
Loss on retirement of non-current assets	12,617	3,805
Total extraordinary losses	12,617	3,805
Profit before income taxes	2,598,628	2,796,410
Income taxes - current	719,497	1,000,242
Income taxes - deferred	39,501	(99,738)
Total income taxes	758,998	900,503
Profit	1,839,630	1,895,906

Non-consolidated Statement of Changes in Equity

For the fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	1,903,649	1,883,649	28,811	1,912,460
Changes during period				
Dividends of surplus				
Disposal of treasury shares			102,915	102,915
Profit				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	102,915	102,915
Balance at end of period	1,903,649	1,883,649	131,726	2,015,375

	Shareholders' equity			Valuation and translation adjustments	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Other retained earnings				
	Retained earnings brought forward				
Balance at beginning of period	7,523,317	(2,035,153)	9,304,273	372	9,304,646
Changes during period					
Dividends of surplus	(1,005,060)		(1,005,060)		(1,005,060)
Disposal of treasury shares		303,584	406,500		406,500
Profit	1,839,630		1,839,630		1,839,630
Net changes in items other than shareholders' equity				197	197
Total changes during period	834,569	303,584	1,241,069	197	1,241,267
Balance at end of period	8,357,887	(1,731,568)	10,545,343	570	10,545,914

For the fiscal year ended December 31, 2025

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	1,903,649	1,883,649	131,726	2,015,375
Changes during period				
Dividends of surplus				
Disposal of treasury shares			82,054	82,054
Profit				
Net changes in items other than shareholders' equity				
Total changes during period	-	-	82,054	82,054
Balance at end of period	1,903,649	1,883,649	213,780	2,097,430

	Shareholders' equity			Valuation and translation adjustments	Total net assets
	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Other retained earnings				
	Retained earnings brought forward				
Balance at beginning of period	8,357,887	(1,731,568)	10,545,343	570	10,545,914
Changes during period					
Dividends of surplus	(1,084,876)		(1,084,876)		(1,084,876)
Disposal of treasury shares		194,756	276,811		276,811
Profit	1,895,906		1,895,906		1,895,906
Net changes in items other than shareholders' equity				152	152
Total changes during period	811,030	194,756	1,087,841	152	1,087,993
Balance at end of period	9,168,917	(1,536,812)	11,633,185	722	11,633,907

Non-consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,598,628	2,796,410
Depreciation	239,764	214,095
Increase (decrease) in allowance for doubtful accounts	(93,034)	81,465
Increase (decrease) in provision for bonuses	8,266	7,234
Interest and dividend income	(35,797)	(52,586)
Interest expenses	20,111	42,956
Compensation costs	7,300	-
Insurance claim income	(4,077)	(2,605)
Gain from business consulting fee	(4,686)	(4,990)
Loss (gain) on sale and retirement of non-current assets	5,505	(2,282)
Decrease (increase) in trade receivables	(1,845,593)	(290,950)
Decrease (increase) in inventories	13,165	(525,054)
Decrease (increase) in distressed receivables	53,909	(43,990)
Increase (decrease) in trade payables	1,174,964	(107,976)
Decrease (increase) in accounts receivable - other	(1,228,473)	(100,638)
Increase (decrease) in accounts payable - other	(157,737)	(60,372)
Increase (decrease) in accrued consumption taxes	(419,671)	68,914
Other, net	78,789	91,908
Subtotal	411,334	2,111,536
Interest and dividends received	35,797	52,586
Proceeds from insurance income	4,077	2,605
Proceeds from fiduciary obligation fee	4,686	4,990
Interest paid	(20,111)	(42,956)
Compensation expenses paid	(7,300)	-
Income taxes paid	(945,004)	(618,290)
Net cash provided by (used in) operating activities	(516,518)	1,510,471
Cash flows from investing activities		
Purchase of property, plant and equipment	(182,325)	(472,377)
Proceeds from sale of property, plant and equipment	19,580	16,465
Purchase of intangible assets	(26,638)	(31,432)
Purchase of investment securities	(313)	(344)
Purchase of insurance funds	(96,364)	(96,364)
Loan advances to subsidiaries and associates	(41,400)	(4,600)
Collection of loans receivable from subsidiaries and affiliates	-	4,027
Other, net	(10,950)	(18,494)
Net cash provided by (used in) investing activities	(338,411)	(603,119)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,100,000	300,000
Repayments of finance lease liabilities	(20,978)	(13,497)
Repayments of long-term accounts payable - other	(51,572)	(10,321)
Proceeds from sale and leaseback transactions	62,565	53,204
Dividends paid	(1,005,060)	(1,084,876)
Net cash provided by (used in) financing activities	1,084,955	(755,491)
Net increase (decrease) in cash and cash equivalents	230,024	151,859
Cash and cash equivalents at beginning of period	2,033,275	2,263,300
Cash and cash equivalents at end of period	2,263,300	2,415,160

(5) Notes to Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Revenue Recognition Related)

Information breaking down revenue arising from contracts with customers

Our business is a single business of thermal insulation construction and related work, consisting of five types: insulation work for detached houses, insulation work for buildings, waterproofing, raw material sales, and others. Information breaking down revenue arising from contracts with customers is disclosed by type.

Previous fiscal year (from January 1, 2024 to December 31, 2024)

Information by product and service

(in thousand yen)

	Single-family Homes Division	Buildings Division	Waterproofing Division	Sales of Urethane Raw Materials	Other divisions	Total
Timing of transfer of goods or services						
At a point in time	13,704,006	-	719,961	2,226,989	4,115,100	20,766,056
Over a period of time	-	9,499,286	-	-	-	9,499,286
Revenue arising from contracts with customers	13,704,006	9,499,286	719,961	2,226,999	4,115,100	30,265,345
Net sales to external customers	13,704,006	9,499,286	719,961	2,226,989	4,115,100	30,265,345

(Note) Sales of goods include machinery sales of 914,904 thousand yen.

Current fiscal year (from January 1, 2025 to December 31, 2025)

Information by product and service

(in thousand yen)

	Single-family Homes Division	Buildings Division	Waterproofing Division	Sales of Urethane Raw Materials	Other divisions	Total
Timing of transfer of goods or services						
At a point in time	15,765,263	-	789,435	2,072,862	4,420,721	23,048,281
Over a period of time	-	9,896,414	726,151	-	-	10,622,565
Revenue arising from contracts with customers	15,765,263	9,896,414	1,515,587	2,072,862	4,420,721	33,670,846
Net sales to external customers	15,765,263	9,896,414	1,515,587	2,072,862	4,420,721	33,670,846

(Note) Sales of goods include machinery sales of 950,439 thousand yen.

(Segment Information, Etc.)

Our business is a single business of thermal insulation construction and related work, and there are no segments to be disclosed, so the description is omitted.

(Equity Method Profit and Loss, Etc.)

The affiliated companies we own are not significant in terms of profit standards and surplus fund standards, so the description is omitted.

(Per Share Information)

	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Current fiscal year (from January 1, 2025 to December 31, 2025)
Net assets per share	330.50 yen	361.17 yen
Basic earnings per share	58.55 yen	59.42 yen

(Note) 1. For the current fiscal year, diluted earnings per share are not listed as there are no potential shares.

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

Item	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Current fiscal year (from January 1, 2025 to December 31, 2025)
Basic earnings per share		
(Basis for calculation)		
Profit (thousand yen)	1,839,630	1,895,906
Amount not attributable to ordinary shareholders (thousand yen)	-	-
Profit attributable to ordinary shares (thousand yen)	1,839,630	1,895,906
Average number of ordinary shares during the period (shares)	31,416,326	31,902,199

(Important Subsequent Events)

There are no applicable matters.