

## Continued strong earnings on policy-driven tailwinds. Procurement and supply capabilities stand out amid concerns over the Middle East situation, expanding business opportunities through replacement demand

### Q1 Flash



### 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. The Company has achieved consecutive net sales growth since its listing in 2013, positioning itself as a high-growth enterprise.

#### ■ Q1 FY 2026/12 Earnings results

In 1Q FY2026/12, the Company posted net sales of JPY 7,710 mn (+2.8% YoY), operating profit of JPY 543 mn (+3.3% YoY), ensuring sales and profit growth. On the other hand, due to increases in interest expenses and amortization of long-term prepaid expenses, ordinary profit fell to JPY521 mn (-1.6% YoY) and quarterly net profit decreased to JPY341 mn (-4.9% YoY).

Net sales in the core Single-family homes division remained strong at JPY 3,907 mn (+6.5% YoY), supported by proposals for high insulation and airtightness and expansion of airtightness measurement services. The Waterproofing division also grew to JPY 212 mn (+33.4% YoY), driven by growth in factory renovation projects. Meanwhile, the Buildings division declined to JPY 2,171 mn (-8.1% YoY) owing to a decrease in large-scale projects, although orders for data centers and commercial facilities remained firm.

JPY mn, %, JPY	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Net profit	YoY	EPS	DPS
FY2023/12	28,342	10.4%	2,882	23.7%	2,917	23.6%	2,004	29.4%	63.83	32.00
FY2024/12	30,265	6.8%	2,575	-10.6%	2,604	-10.7%	1,839	-8.2%	58.55	34.00
FY2025/12	33,670	11.3%	2,774	7.7%	2,794	7.3%	1,895	3.1%	59.42	35.00
FY2026/12 (CE)	37,000	9.9%	2,900	4.5%	2,910	4.1%	1,972	4.1%	61.84	35.00
FY2025/12 Q1	7,501	19.6%	526	18.3%	529	16.8%	359	18.8%	11.25	--
FY2026/12 Q1	7,710	2.8%	543	3.3%	521	-1.6%	341	-4.9%	10.60	--

Source: Compiled by SIR from the Company's results materials .

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

Tetsu Nakanishi, Analyst  
[research@sessapartners.co.jp](mailto:research@sessapartners.co.jp)



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

*(Continued from the previous page)*

■ **2026/12 Full-year forecast**

There have been no changes to the full-year forecast. The Company expects net sales of JPY 37,000 mn (+9.9% YoY), operating profit of JPY 2,900 mn (+4.5% YoY), ordinary profit of JPY 2,910 mn (+4.1% YoY), and net profit of JPY 1,972 mn (+4.1% YoY). Both net sales and operating profit exceeded the initial plan for the first quarter, marking a solid start.

Looking ahead, growing demand for high-performance insulation driven by stricter energy efficiency standards is expected to remain a tailwind. In addition, growing demand from data centers and the cold chain sector is expected to serve as a medium- to long-term growth driver. Furthermore, amid rising concerns over raw material supply caused by deteriorating conditions in the Middle East, inquiries regarding changes in designated contractors and shifts from insulation boards to on-site urethane foam insulation have increased significantly. As a result, the Company appears to be anticipating significant business opportunities.

SIR plans to issue a follow-up report after conducting further interviews.

## LEGAL DISCLAIMER

This report is intended to provide information about the subject company, and it is not intended to solicit or recommend investment. Although the data and information contained in this report have been determined to be reliable, we do not guarantee their authenticity or accuracy.

This report has been prepared by Sessa Partners on behalf of the concerned company for which it has received compensation. Officers and employees of Sessa Partners may be engaged in transactions such as trading in securities issued by the company, or they may have the possibility of doing so in the future. For this reason, the forecasts and information contained in this report may lack objectivity. Sessa Partners assumes no liability for any commercial loss based on use of this report. The copyright of this report belongs to Sessa Partners. Modification, manipulation, distribution or transmission of this report constitutes copyright infringement and is strictly prohibited.



### **Sessa Partners Inc.**

---

#5a i-o Azabu, 2-8-14  
Azabujyuban, Minato-ku, Tokyo  
[info@sessapartners.co.jp](mailto:info@sessapartners.co.jp)