Business Results for the Six Months Ended June 30, 2026

August 7, 2026

Nippon Aqua Co., Ltd.

Tokyo Stock Exchange Prime Section #1429

JPX-NIKKEI Mid Small

JPX PRIME TOKYO

Financial Highlights

Amid supply uncertainty for urethane raw materials and other materials due to the Middle East situation, orders from a nationwide homebuilder and a major homebuilder remained firm in the Single-family Homes Division, while growth in airtightness measurement services raised unit prices.

The Buildings Division exceeded the plan as awarded projects progressed steadily. The Waterproofing Division fell short due to supply constraints on related materials, but Other Sales remained firm. Overall results exceeded both the previous year and the plan.

Net sales				
16,972 M yen	OYA	15,983	M yen	+6.2 %
	Forecast	15,921	M yen	+6.6 %
Gross profit				
3,838 M yen	OYA	3,492	M yen	+9.9 %
	Forecast	3,427	M yen	+12.0 %
Ordinary profit				
1,150 M yen	OYA	1,102	M yen	+4.4 %
	Forecast	845	M yen	+36.1 %

Single-family Homes Division

8,125 M yen

OYA 7,548 M yen +7.6 %

Forecast 7,990 M yen +1.7 %

✓Record-high orders from a nationwide homebuilder

✓Strong growth in airtightness measurement services

✓Growing interest in insulation performance grade 6 and above

✓Secured projects involving switches from other installers amid the Middle East situation

Buildings Division

4,542 M yen

OYA 4,815 M yen (5.7 %)

Forecast 4,274 M yen +6.3 %

✓Outperformed expectations through steady execution of awarded projects

✓Secured projects involving switches from other installers amid the Middle East situation

Waterproofing Division, Others

4,305 M yen

OYA 3,619 M yen +19.0 %

Forecast 3,656 M yen +17.7 %

Waterproofing Division:

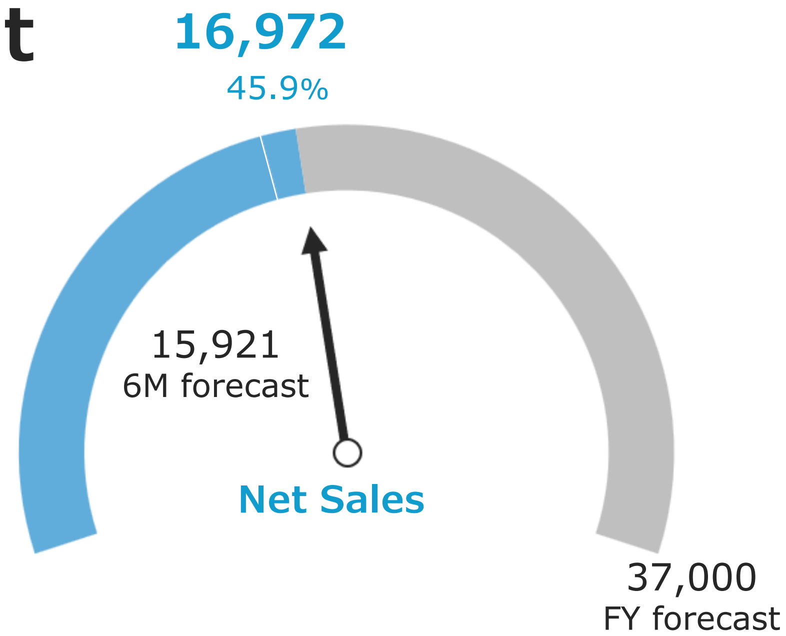
✓Continued demand for non-residential renovation projects

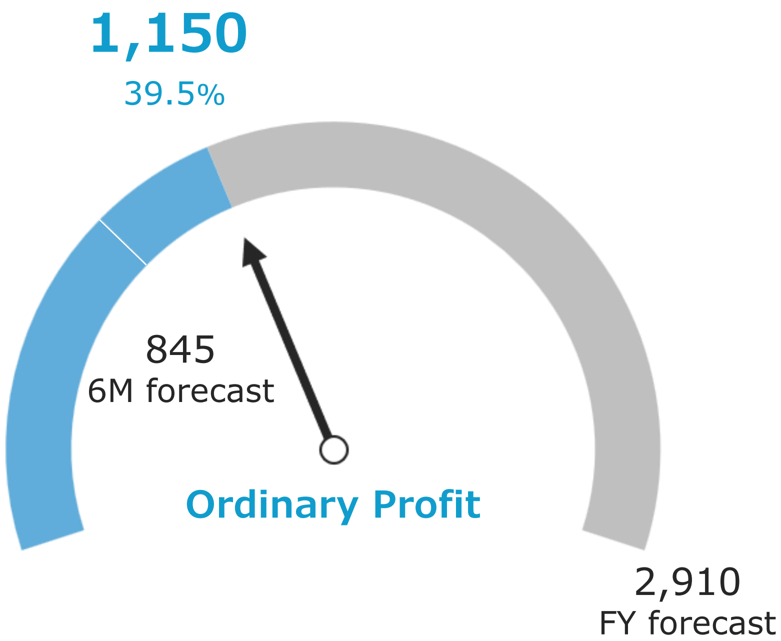
Raw Materials Sales Division:

✓Increased sales by leveraging procurement advantages amid the Middle East situation

Progress towards Full-year Financial Forecast

(Million yen)





	Net sales					Ordinary profit				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2021	FY2022	FY2023	FY2024	FY2025
6M Results	10,712	11,742	13,158	13,112	15,983	335	936	1,400	868	1,102
Progress	45.6%	44.3%	45.3%	42.3%	46.5%	16.7%	44.1%	50.9%	28.0%	36.0%
Initial FY Forecast	23,513	26,490	29,021	31,005	34,360	2,003	2,121	2,750	3,100	3,062
FY Results	23,903	25,670	28,341	30,265	33,670	1,429	2,359	2,917	2,604	2,794

Agenda

Strengthening “Marutto AQUA FOAM”

U-MAX Enables Double Insulation

✓Launch of “U-MAX,” the Company’s own urethane insulation board

✓Supports Insulation Grades 6 and 7 through double insulation (cavity and exterior insulation)

✓Provides optimal insulation plans for each home as a one-stop solution

Insulation Grade 6

Ratio to our total installations

✓2024: Approximately 3%

✓2025: Approximately 15%

✓2026: Approximately 25%(forecast)

Airtightness Measurement Services

Ratio to our total installations

✓2024: 9.8%

✓2025: 24%

✓2026: Approximately 40%(forecast)

Roof

Aqua Foam (Cavity Insulation)
U-MAX (Exterior Insulation)

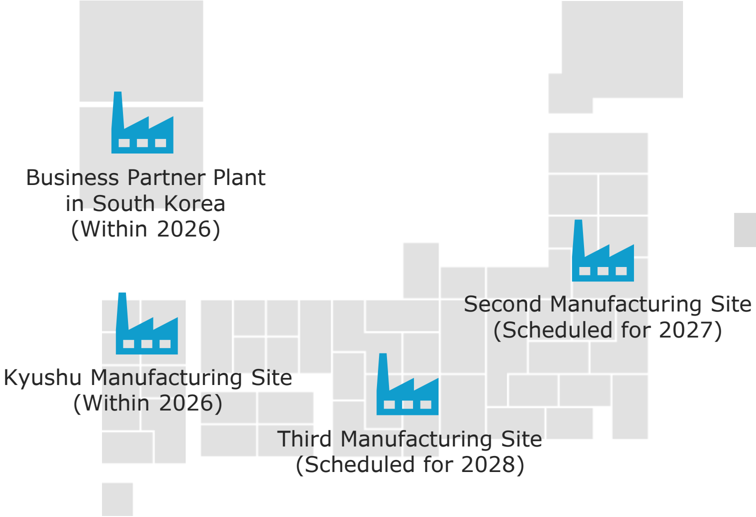
Wall

Aqua Foam (Cavity Insulation)
U-MAX (Exterior Insulation)

Floor

U-MAX

U-MAX Manufacturing and Supply Structure and Business Expansion



✓Four manufacturing sites planned in Japan and overseas

*The second and third manufacturing sites will be operated by the Toray Group

✓Top-class insulation performance

✓Pricing backed by raw material procurement capabilities

✓Heat-shielding effect of aluminum facings

✓Full pre-cut processing

✓Direct delivery to construction sites

*In partnership with Ichimura Sangyo Co., Ltd. of the Toray Group

2026
South Korea Partner Plant Production and Import Sales Begin

Kyushu Manufacturing Site Completed

2027
Second Manufacturing Site Scheduled for Completion

Sales Target: ¥3.0 Billion

2028
Third Manufacturing Site Scheduled for Completion

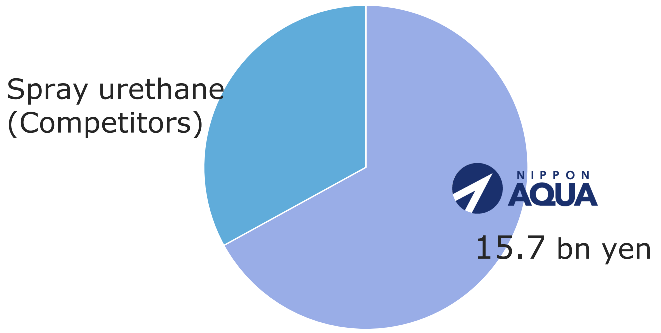
Sales Target: ¥5.0 Billion

2029
Sales Target: ¥10.0 Billion

Market Development through In-house Production of Insulation Boards

Spray Polyurethane Foam

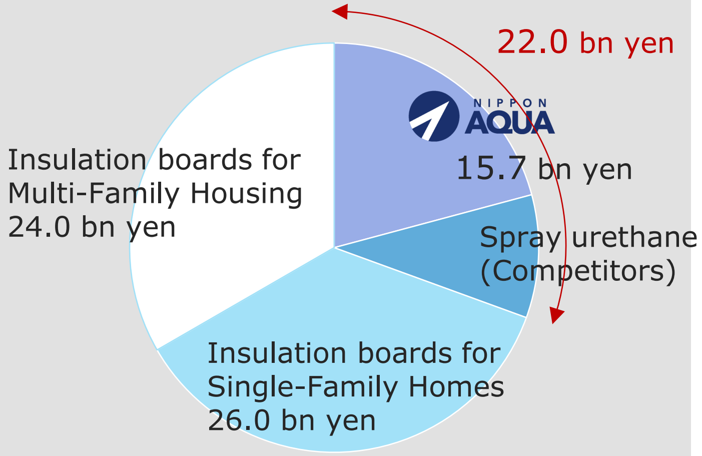
Market size 22 bn yen



- ✓Price advantage and installation capability (securing personnel) are strengths
- ✓Integrated system from raw material development to recycling

Spray Polyurethane Foam + Insulation Board

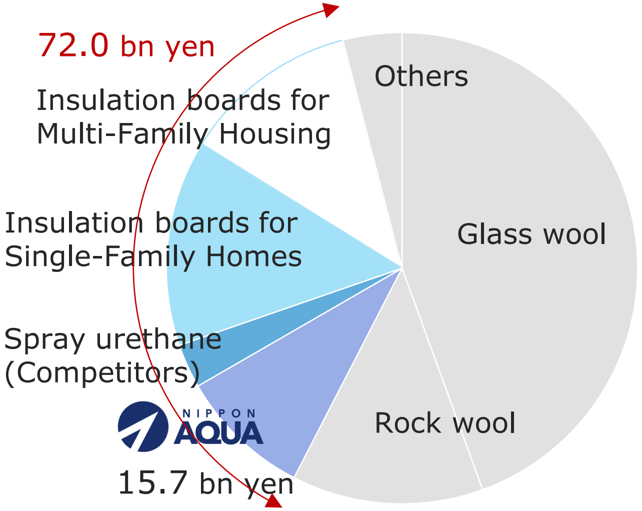
Market size 72 bn yen



- ✓Start manufacturing and sales of U-MAX within 2026
- ✓Enter the market in earnest by leveraging the existing sales base

Home insulation market

Market size 190 bn yen

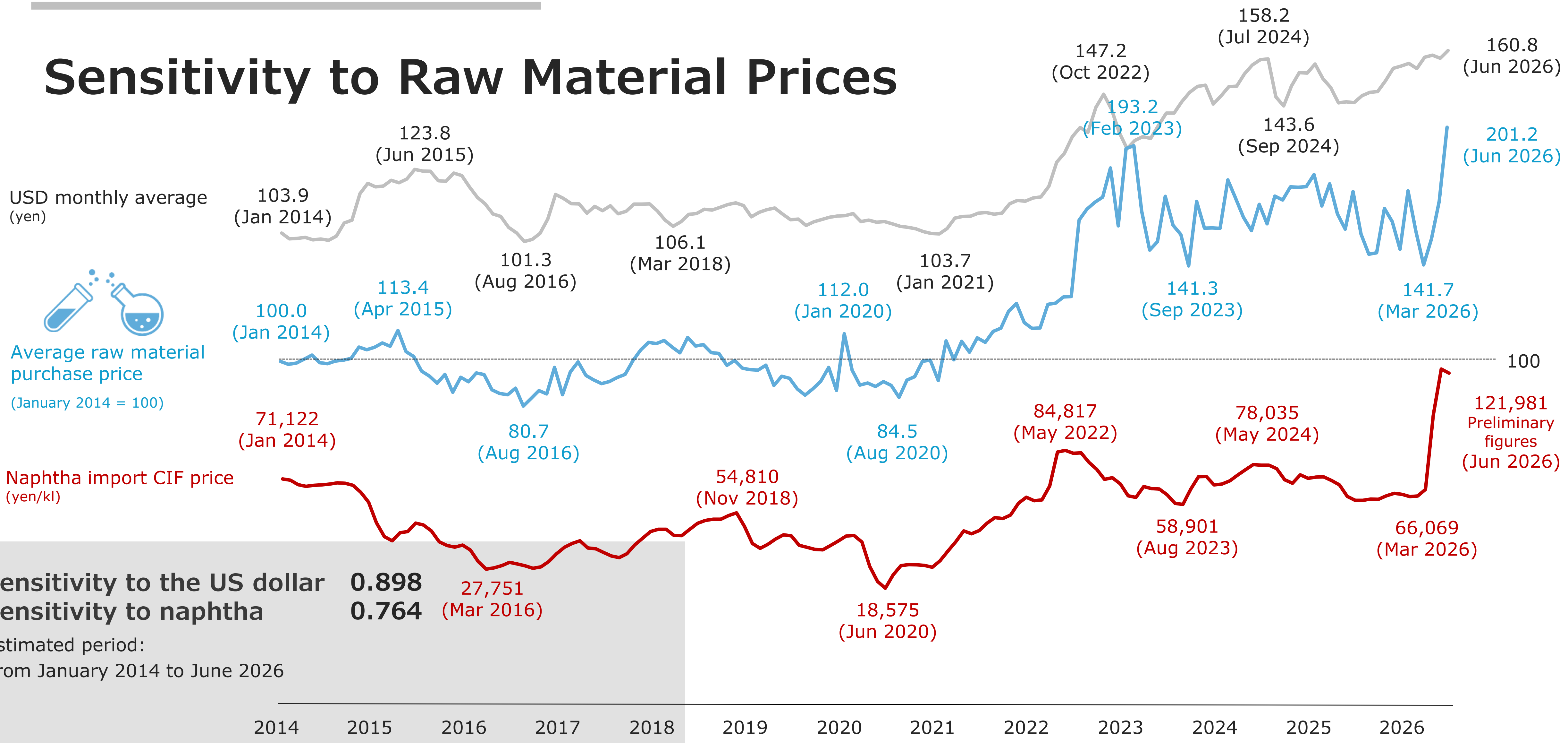


- ✓Growing demand for higher insulation grades and airtightness performance
- ✓Leveraging the characteristics of Aqua Foam and U-MAX to promote switching from other insulation materials

Source: Prepared by Nippon Aqua based on data from the Ministry of Land, Infrastructure, Transport and Tourism, Yano Research Institute, Fuji Keizai, and the Glass Fiber Association

Agenda

Sensitivity to Raw Material Prices



Sensitivity to the US dollar 0.898
Sensitivity to naphtha 0.764

Estimated period:
From January 2014 to June 2026

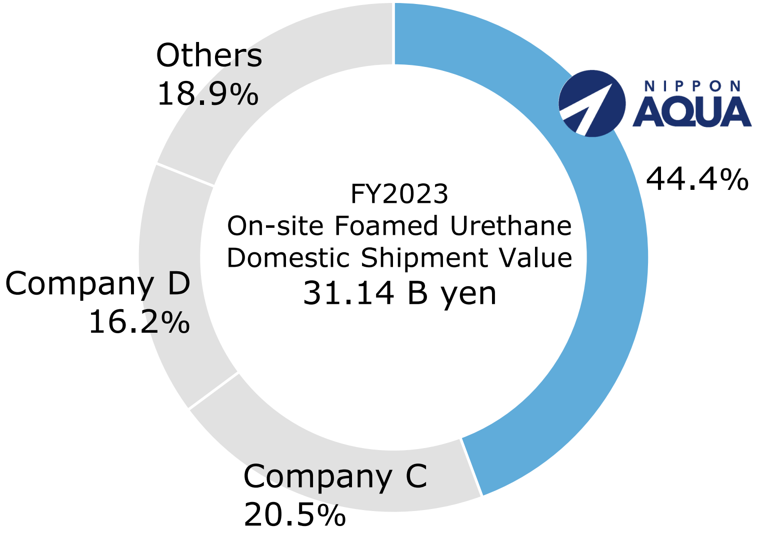
It is not a transition under the same conditions due to an increase in the products handled and the purchase volume.

Source Mizuho Bank (Foreign Exchange Official Market Rate), Petroleum Association of Japan, Ministry of Finance (Trade Statistics by Commodity)

Three Strengths Underpinning Our Supply Stability

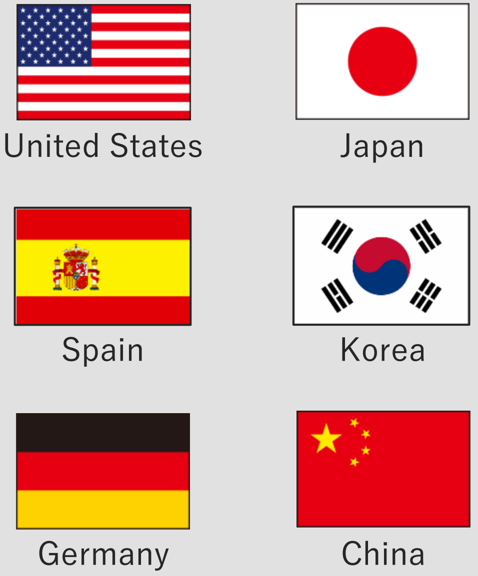
Leading Procurement Capability in Japan

We are the largest player in Japan, handling approximately half of the domestic on-site foamed urethane raw material market.



Source: Prepared by Nippon Aqua based on "Housing Equipment and Building Materials Market Trend Data Handbook 2024" by Fuji Keizai

Procurement System with Multiple Suppliers

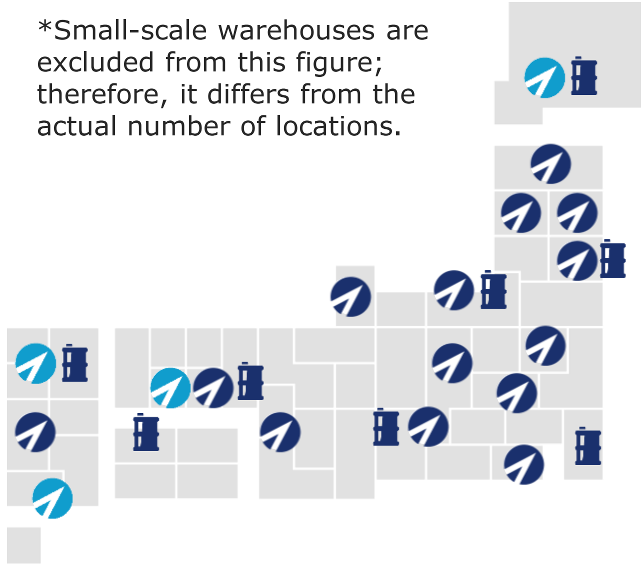


The countries of the overseas suppliers shown are illustrative and not exhaustive, and we do not necessarily have business relationships with all listed countries.

Supply Stability through Raw Material Inventory

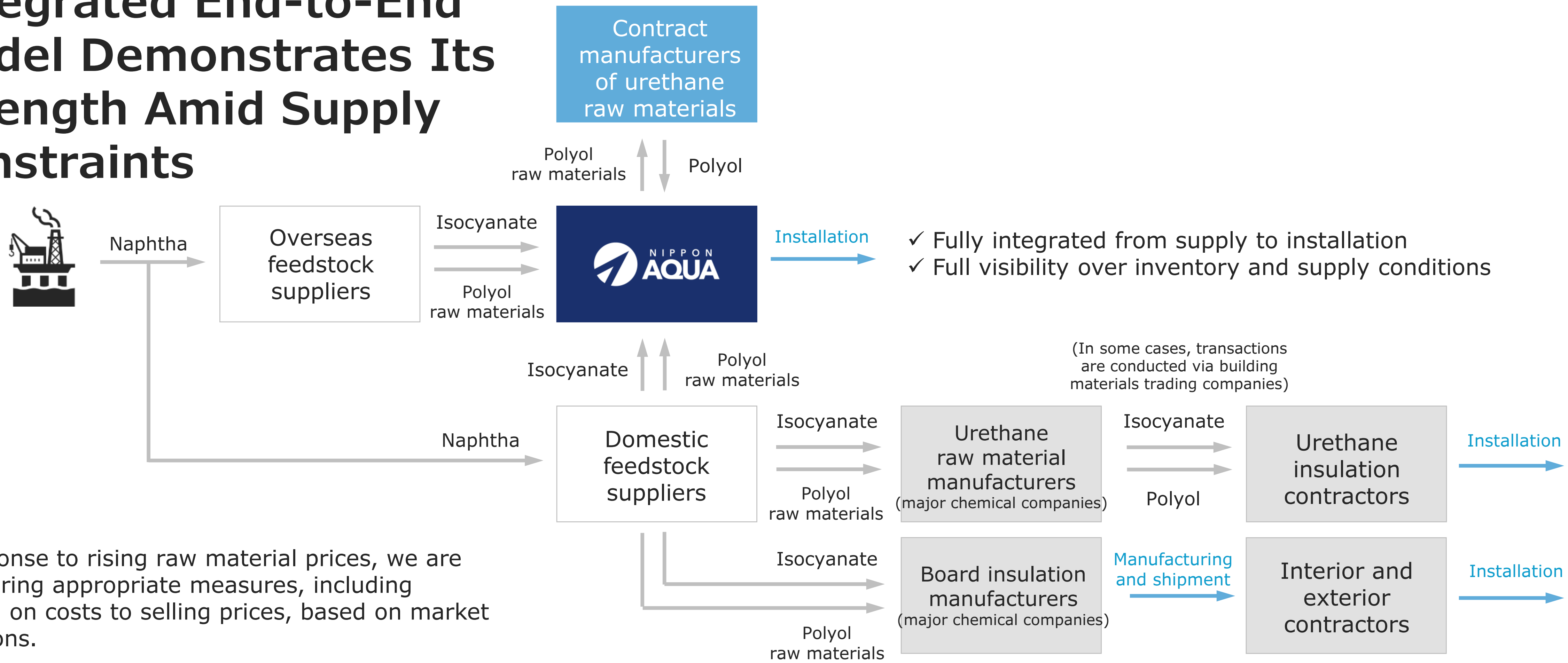
We maintain 26* inventory storage sites across Japan, securing a certain level of raw material stock.

*Small-scale warehouses are excluded from this figure; therefore, it differs from the actual number of locations.



In-house facility
In-house facility (under preparation)
Outsourced contractors

Integrated End-to-End Model Demonstrates Its Strength Amid Supply Constraints



✓ Fully integrated from supply to installation
✓ Full visibility over inventory and supply conditions

In response to rising raw material prices, we are considering appropriate measures, including passing on costs to selling prices, based on market conditions.

Through our integrated, end-to-end model—from raw material procurement to installation—we ensure supply stability, and at this stage, we have determined that no revision to our earnings forecast is necessary.

✓ Supply instability due to competition with other applications
✓ Lack of inventory visibility for contractors
✓ High risk of supply delays

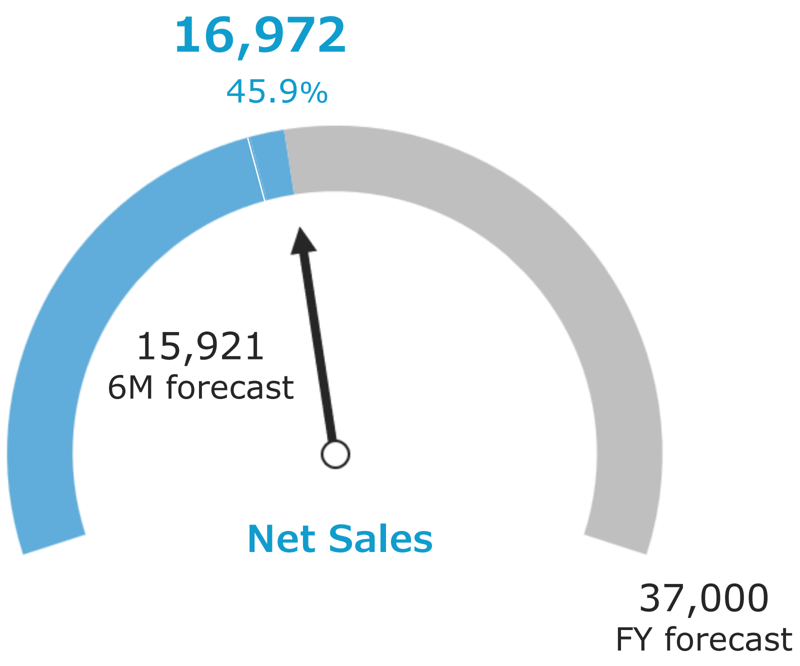
Agenda

Six months ended June 30, 2026

Net Sales

16,972 M yen

OYA	15,983	M yen	FC	15,921	M yen
YoY	+989	M yen	vs FC	+1,051	M yen
ROC	+6.2	%	ROC	+6.6	%



	FY2025	FY2026 Results		Forecast		FY2026 Results		Forecast				
	6M	6M	YoY	6M	vs FC	Q1	Q2	Q1	Q2	Q3	Q4	Total
Net sales	15,983	16,972	+989	15,921	+1,051	7,710	9,262	7,279	8,641	9,205	11,873	37,000
Single-family homes	7,548	8,125	+576	7,990	+134	3,907	4,217	3,765	4,225	4,075	5,031	17,097
Buildings	4,815	4,542	(273)	4,274	+268	2,171	2,370	1,980	2,294	2,779	3,894	10,948
Waterproofing	625	563	(62)	759	(196)	212	350	249	509	574	762	2,096
Urethane raw materials sales	884	1,269	+384	988	+280	489	779	443	545	634	754	2,377
Other product sales	2,108	2,473	+364	1,909	+564	929	1,544	841	1,067	1,141	1,429	4,480

Six months ended June 30, 2026

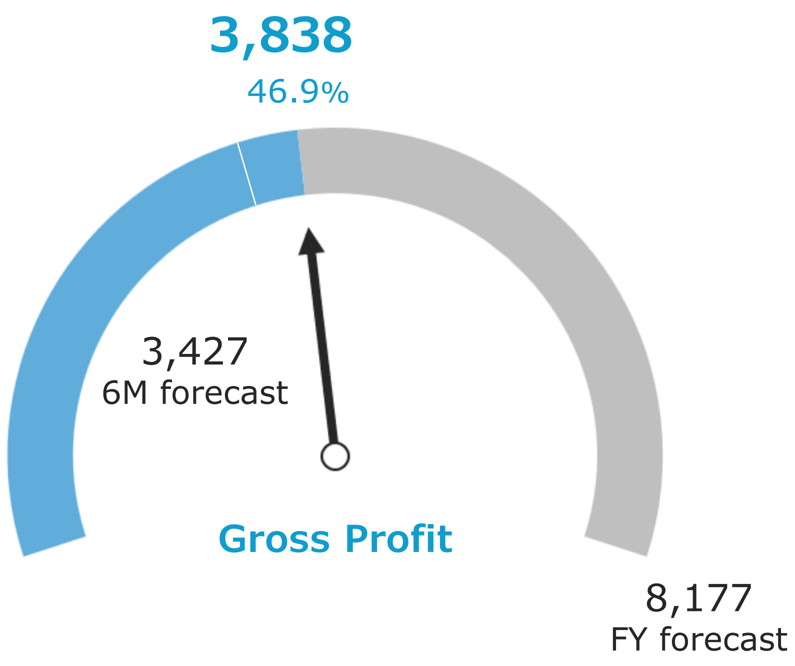
Gross Profit

3,838 M yen

OYA	3,492 M yen	FC	3,427 M yen
YoY	+345 M yen	vs FC	+411 M yen
ROC	+9.9 %	ROC	+12.0 %

GPM **22.6** %

OYA	21.9 %	ROC	21.5 %



	FY2025	FY2026 Results		Forecast		FY2026 Results		Forecast				
	6M	6M	YoY	6M	vs FC	Q1	Q2	Q1	Q2	Q3	Q4	Total
Gross profit	3,492	3,838	+345	3,427	+411	1,795	2,042	1,543	1,884	2,069	2,680	8,177
Single-family homes	1,655	1,805	+149	1,774	+30	920	884	830	944	964	1,217	3,955
Buildings	1,069	997	(72)	830	+166	466	531	372	457	559	777	2,167
Waterproofing	59	82	+22	148	(66)	40	42	48	100	113	153	415
Urethane raw materials sales	171	261	+89	211	+49	104	156	94	116	135	161	508
Other product sales	535	692	+156	462	+229	263	428	197	265	297	370	1,130

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Six months ended June 30, 2026

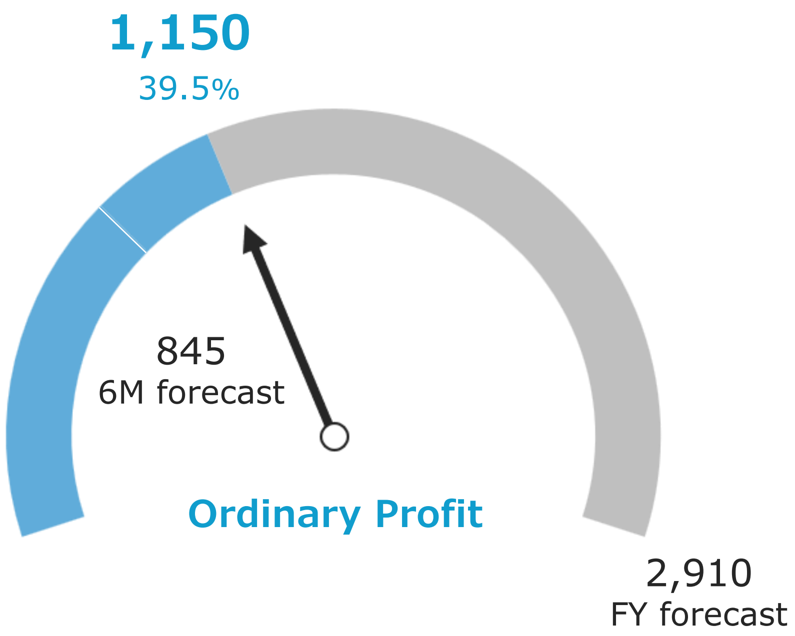
Ordinary Profit

1,150 M yen

OYA	1,102	M yen	FC	845	M yen
YoY	+48	M yen)	vs FC	+305	M yen
ROC	+4.4	%	ROC	+36.1	%

Ordinary PM **6.8** %

OYA	6.9	%	ROC	5.3	%



	FY2025	FY2026 Results		Forecast		FY2026 Results		Forecast				
	6M	6M	YoY	6M	vs FC	Q1	Q2	Q1	Q2	Q3	Q4	Total
SG&A	2,400	2,659	+258	2,589	+69	1,252	1,407	1,236	1,353	1,331	1,355	5,277
Payroll cost	1,246	1,326	+80	1,350	(24)	615	711	628	722	649	636	2,635
Trainee related expenses	279	400	+121	444	(43)	186	213	225	218	224	225	893
Travel expenses	117	111	(6)	135	(24)	49	61	67	67	67	67	271
Rent expenses	138	166	+27	153	+13	80	85	76	76	76	76	306
Depreciation expenses	81	80	+0	95	(14)	40	40	46	48	51	53	199
Ordinary Profit	1,102	1,150	+48	845	+305	521	628	310	534	741	1,323	2,910

Nippon Aqua's Initiatives

Installation Capability Trends

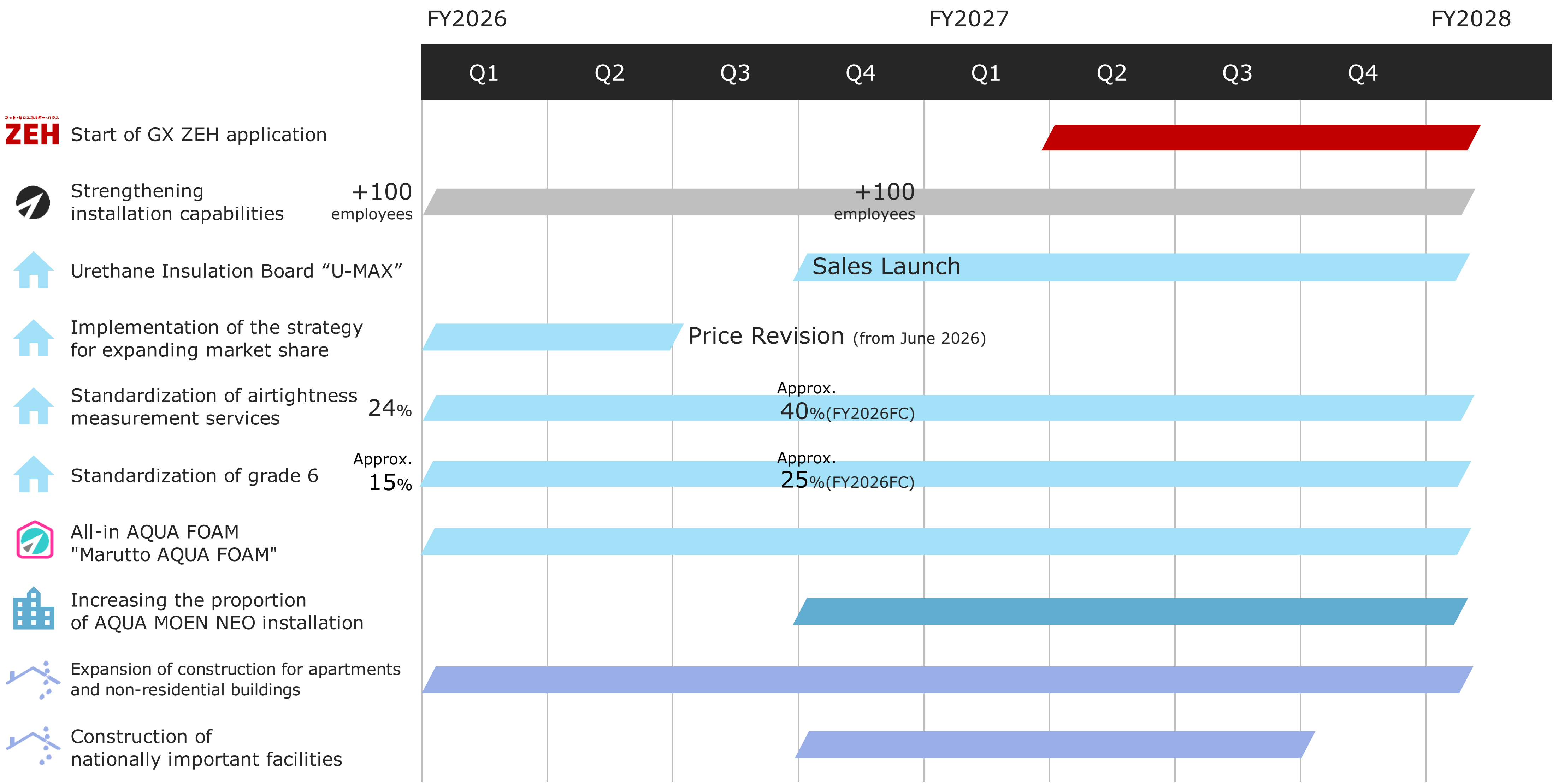
- ✓ Installation system policy: Aim to build an overwhelmingly superior installation system in terms of both quality and quantity compared to competitors.
- ✓ Workforce expansion initiatives: Since 2023, we have been continuously increasing our workforce by approximately 100 personnel annually, including employees of certified contractors.
- ✓ Trend in the number of installation personnel: Increase mainly driven by Technical intern trainees

	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Jun 2026
Total	948	950	1,052	1,153	1,256	
External installation work personnel (Certified contractors)	780	794	832	840	854	
Internal installation work personnel	128	99	136	201	267	265
Technical intern trainees	40	57	84	112	135	166

Technical Intern Trainees are entitled to a temporary return to their home country under the Technical Intern Training Act.

Agenda

Prospects of Major Policies



Six months ended June 30, 2026

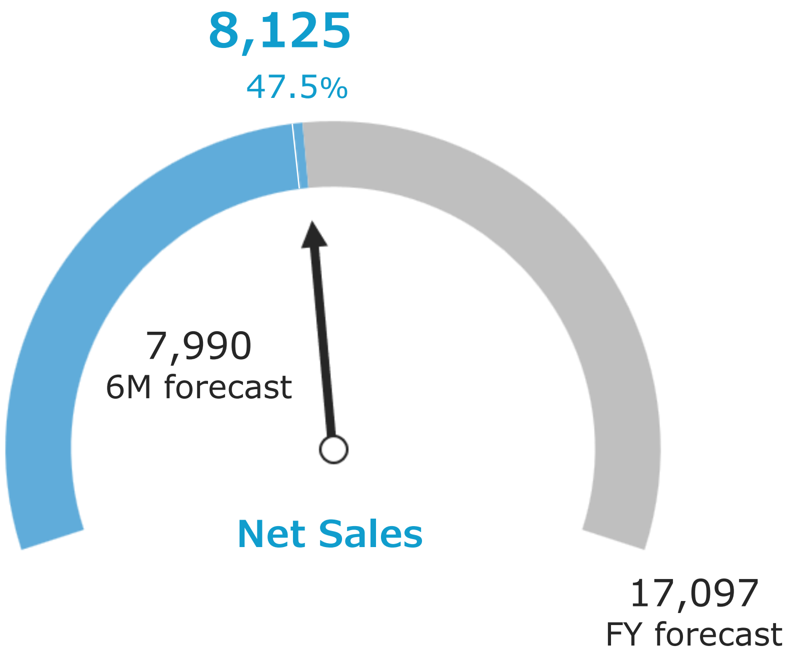
Single-family Homes Division

NS **8,125** M yen

OYA	7,548 M yen	FC	7,990 M yen
YoY	+576 M yen	vs FC	+134 M yen
ROC	+7.6 %	ROC	+1.7 %
QE	+1.8 %	QE	+1.1 %
PE	+5.8 %	PE	+0.6 %

GP **1,805** M yen GPM **22.2** %

OYA	21.9 %	FC	22.2 %
OYA	1,655 M yen	FC	1,774 M yen
YoY	+149 M yen	vs FC	+30 M yen
ROC	+9.0 %	ROC	+1.7 %



- ✓ Record-high orders from a nationwide homebuilder continued, and increased orders from a major homebuilder
- ✓ Strong growth in airtightness measurement services
- ✓ Growing interest in high insulation performance grade 6 and above
- ✓ Secured projects involving switches from other installers due to concerns over urethane raw material supplies amid the Middle East situation

	FY2025	FY2026 Results		Forecast		FY2026 Results		Forecast				
	6M	6M	YoY	6M	vs FC	Q1	Q2	Q1	Q2	Q3	Q4	Total
Net sales	7,548	8,125	+576	7,990	+134	3,907	4,217	3,765	4,225	4,075	5,031	17,097
Gross profit	1,655	1,805	+149	1,774	+30	920	884	830	944	964	1,217	3,955
Num (YoY)	+19%	+2%		+1%		+3%	+1%	(3%)	+4%	+4%	+11%	+5%
Unit price (YoY)	+1%	+6%		+1%		+3%	+8%	+6%	+4%	+4%	+1%	+4%

Six months ended June 30, 2026

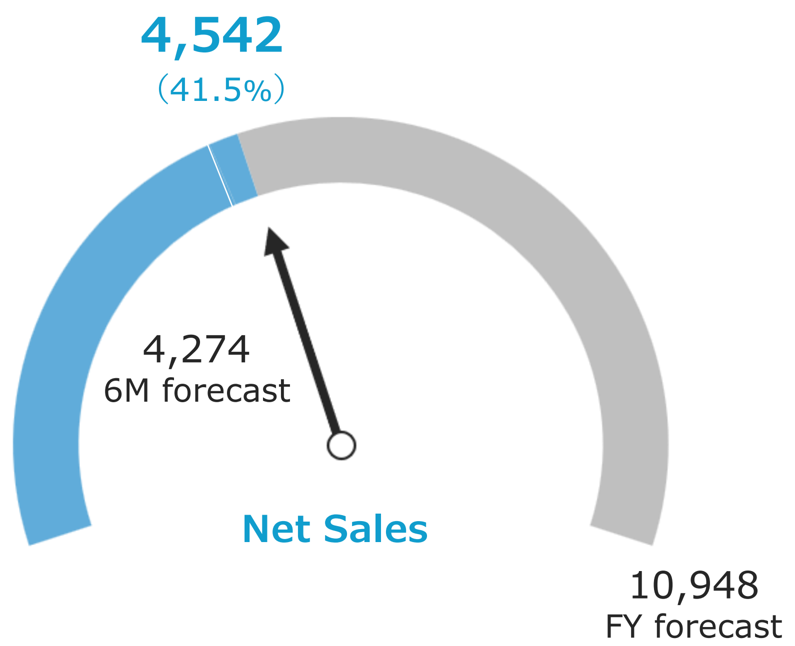
Buildings Division

NS **4,542** M yen

OYA	4,815 M yen	FC	4,274 M yen
YoY	(273 M yen)	vs FC	+268 M yen
ROC	(5.7 %)	ROC	+6.3 %
QE	(6.6 %)		
PE	+0.9 %		

GP **997** M yen GPM **22.0** %

OYA	22.2 %	FC	19.4 %
OYA	1,069 M yen	FC	830 M yen
YoY	(72 M yen)	vs FC	+166 M yen
ROC	(6.8 %)	ROC	+20.1 %



✓Exceeded the plan through steady execution of awarded projects

✓Secured projects involving switches from other installers due to concerns over urethane raw material supplies amid the Middle East situation

✓Revenue declined year on year as large-scale projects remained at the foundation work stage, resulting in lower installation area

	FY2025	FY2026 Results		Forecast		FY2026 Results		Forecast				
	6M	6M	YoY	6M	vs FC	Q1	Q2	Q1	Q2	Q3	Q4	Total
Net sales	4,815	4,542	(273)	4,274	+268	2,171	2,370	1,980	2,294	2,779	3,894	10,948
Gross profit	1,069	997	(72)	830	+166	466	531	372	457	559	777	2,167

Six months ended June 30, 2026

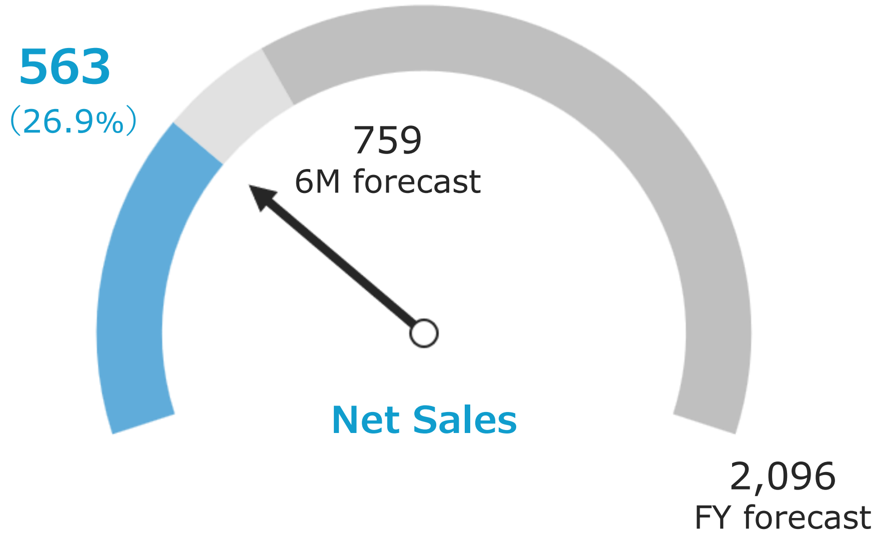
Waterproofing Division

NS **563** M yen

OYA	625 M yen	FC	759 M yen
YoY	(62 M yen)	vs FC	(196 M yen)
ROC	(10.0 %)	ROC	(25.8 %)

GP **82** M yen GPM **14.6** %

OYA	9.6 %	FC	19.6 %
OYA	59 M yen	FC	148 M yen
YoY	+22 M yen	vs FC	(66 M yen)
ROC	+37.9 %	ROC	(44.5 %)



✓Continued demand for non-residential renovation projects (logistics warehouses, factories, and retail stores)

✓Timing shifts in construction due to supply constraints on related materials amid the Middle East situation

✓Orders have been secured for nationally important facilities, with adoption progressing at other facilities.

	FY2025	FY2026 Results		Forecast		FY2026 Results		Forecast				
	6M	6M	YoY	6M	vs FC	Q1	Q2	Q1	Q2	Q3	Q4	Total
Waterproofing division sales	625	563	(62)	759	(196)	212	350	249	509	574	762	2,096
Single-family homes	229	225	(4)	200	+25	104	120	100	100	100	100	400
Non-residential	396	338	(58)	559	(221)	108	229	149	409	474	662	1,696
Gross profit	59	82	+22	148	(66)	40	42	48	100	113	153	415

Waterproofing Track Record in the Non-Residential Sector

Repeat Orders (Ongoing Business Relationships)

Logistics warehouses operated nationwide

Factories of major building materials manufacturers

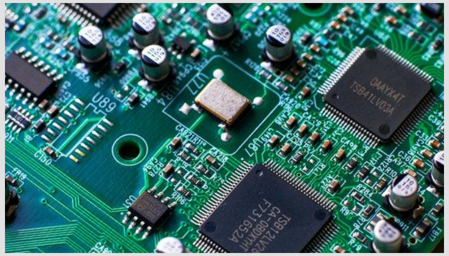
Drugstore chains expanding nationwide

Large-scale home improvement retail chains

New Large-Scale Projects

Nationally important facilities

Public sports and racing venues



Factories of major semiconductor manufacturers

Factories of marine equipment manufacturers

Six months ended June 30, 2026

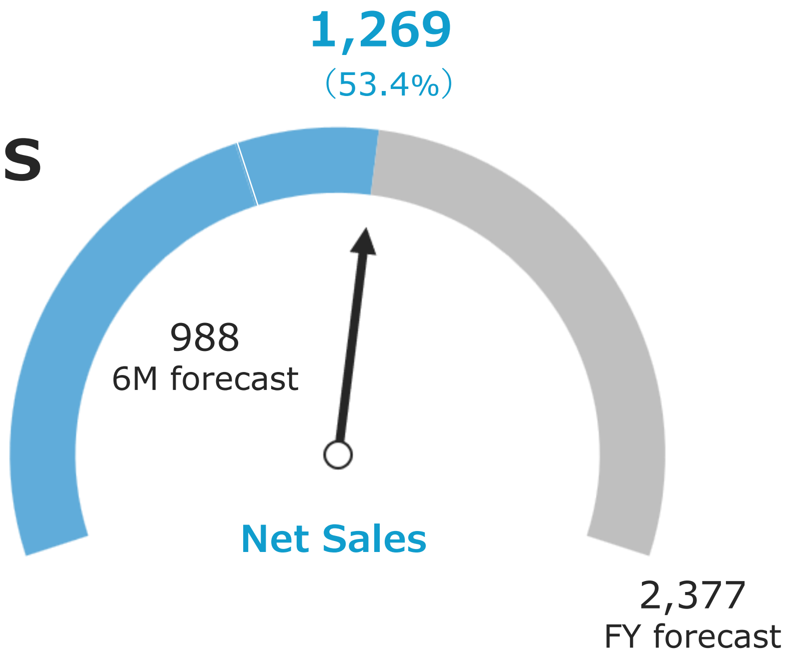
Sales of Urethane Raw Materials

NS **1,269** M yen

OYA	884 M yen	FC	988 M yen
YoY	+384 M yen	vs FC	+280 M yen
ROC	+43.4 %	ROC	+28.4 %

GP **261** M yen GPM **20.6** %

OYA	19.4 %	FC	21.4 %
OYA	171 M yen	FC	211 M yen
YoY	+89 M yen	vs FC	+49 M yen
ROC	+51.8 %	ROC	+23.7 %



✓Expanded the customer base and sales volume by leveraging procurement advantages amid concerns over raw material supplies due to the Middle East situation

	FY2025	FY2026 Results		Forecast		FY2026 Results		Forecast				
	6M	6M	YoY	6M	vs FC	Q1	Q2	Q1	Q2	Q3	Q4	Total
Urethane raw materials sales	884	1,269	+384	988	+280	489	779	443	545	634	754	2,377
Gross profit	171	261	+89	211	+49	104	156	94	116	135	161	508

Six months ended June 30, 2026

Other Product Sales

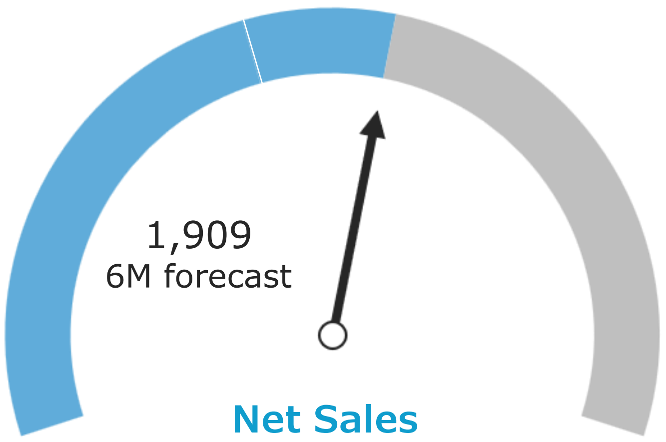
NS **2,473** M yen

OYA	2,108 M yen	FC	1,909 M yen
YoY	+364 M yen	vs FC	+564 M yen
ROC	+17.3 %	ROC	+29.5 %

GP **692** M yen GPM **28.0** %

OYA	25.4 %	FC	24.2 %
OYA	535 M yen	FC	462 M yen
YoY	+156 M yen	vs FC	+229 M yen
ROC	+29.2 %	ROC	+49.7 %

2,473
(55.2%)



4,480
FY forecast

✓Steady growth in sales of auxiliary materials driven by increased installations in the Single-family Homes Division

✓ Increased revenue, mainly from auxiliary materials that became difficult to procure in the market due to the Middle East situation

	FY2025	FY2026 Results		Forecast		FY2026 Results		Forecast				
	6M	6M	YoY	6M	vs FC	Q1	Q2	Q1	Q2	Q3	Q4	Total
Other product sales	2,108	2,473	+364	1,909	+564	929	1,544	841	1,067	1,141	1,429	4,480
Gross profit	535	692	+156	462	+229	263	428	197	265	297	370	1,130

NIPPON AQUA

Income Statement (Million yen,%)

	FY2025 Jan-Jun	FY2026 Jan-Jun	YoY Amount	YoY ROC	FY2026 Forecast Jan-Jun	FY2026 Forecast Amount	FY2026 Forecast ROC	FY2026 Forecast Jan-Dec	FY2026 Forecast Progress
Net sales	15,983	16,972	+989	+6.2%	15,921	+1,051	+6.6%	37,000	45.9%
Single-family homes	7,548	8,125	+576	+7.6%	7,990	+134	+1.7%	17,097	47.5%
Buildings	4,815	4,542	(273)	(5.7%)	4,274	+268	+6.3%	10,948	41.5%
Waterproofing	625	563	(62)	(10.0%)	759	(196)	(25.8%)	2,096	26.9%
Sales of urethane raw materials	884	1,269	+384	+43.4%	988	+280	+28.4%	2,377	53.4%
Other product sales	2,108	2,473	+364	+17.3%	1,909	+564	+29.5%	4,480	55.2%
Cost of sales	12,490	13,134	+643	+5.2%	12,493	+640	+5.1%	28,822	45.6%
Gross profit	3,492	3,838	+345	+9.9%	3,427	+411	+12.0%	8,177	46.9%
Single-family homes	1,655	1,805	+149	+9.0%	1,774	+30	+1.7%	3,955	45.6%
Buildings	1,069	997	(72)	(6.8%)	830	+166	+20.1%	2,167	46.0%
Waterproofing	59	82	+22	－	148	(66)	(44.5%)	415	19.8%
Sales of urethane raw materials	171	261	+89	+51.8%	211	+49	+23.7%	508	51.4%
Other product sales	535	692	+156	+29.2%	462	+229	+49.7%	1,130	61.2%
SG&A expenses	2,400	2,659	+258	+10.8%	2,589	+69	+2.7%	5,277	50.4%
Operating profit	1,091	1,179	+87	+8.0%	837	+341	+40.8%	2,900	40.7%
Ordinary profit	1,102	1,150	+48	+4.4%	845	+305	+36.1%	2,910	39.5%
Profit	748	755	+7	+1.1%	572	+182	+31.9%	1,972	38.3%
Dividend per share (yen)								35.0	

NIPPON AQUA

Balance Sheet (Million yen)

	As of Dec 31 2025	As of Jun 30 2026
Assets		
Current assets		
Cash and deposits	2,415	2,758
Notes and accounts receivable - trade, and contract assets	7,977	7,987
Electronically recorded monetary claims	1,434	1,116
Inventories	2,890	2,655
Accounts receivable - other	5,032	4,845
Total current assets	20,015	19,663
Non-current assets		
Total property, plant and equipmen	4,480	4,539
Total intangible assets	88	133
Total investments and other assets	1,226	1,220
Total non-current assets	5,795	5,893
Total assets	25,810	25,557

	As of Dec 31 2025	As of Jun 30 2026
Liabilities		
Current liabilities		
Accounts payable - trade	7,528	7,546
Short-term borrowings	4,800	5,000
Total current liabilities	14,090	14,197
Non-current liabilities		
Total non-current liabilities	85	81
Total liabilities	14,176	14,278
Net assets		
Share capital	1,903	1,903
Capital surplus	2,097	2,100
Retained earnings	9,168	8,797
Treasury shares	(1,536)	(1,522)
Total net assets	11,633	11,278
Total liabilities and net assets	25,810	25,557

We will continue aiming to achieve sustainable growth as a TSE Prime-listed company.

Agenda

Corporate Profile

Management Philosophy

Contribution to society through the creation of living environments that are friendly to people and the earth

Visions

Our reason for being is reducing overall energy demand through innovation in insulation technologies and realizing healthy and comfortable lives for people alongside measures to combat global warming.

Business Description

Development, manufacturing, sales, and installation of rigid polyurethane foam for building insulation

Development, manufacturing, and sales of energy-saving materials for housing

Company Name	Nippon Aqua Co., Ltd.
Head Office	2-16-2 Konan, Minato-ku, Tokyo Taiyo Seimei Shinagawa Building 20th floor
Established	November 29, 2004

President & Representative Director	Fumitaka Nakamura
Senior Managing Director	Yuka Murakami
Managing Director	Kazuhisa Nagata
Director	Koji Fujii
Director	Keiji Usami
Outside Director	Takeshi Kenmochi
Outside Director	Kenji Komatsu
Outside Director Audit and Supervisory Committee Member	Shosaku Shimomura
Outside Director Audit and Supervisory Committee Member	Yuki Matsuda
Outside Director Audit and Supervisory Committee Member	Naofumi Higuchi
Outside Director Audit and Supervisory Committee Member	Hidetaka Nishina

Capital	1,903 million yen
No. of employees	765 people (Non-consolidated)

as of June 30, 2026

Product Portfolio

Expanding around the core of two-component polyurethane

Polyol

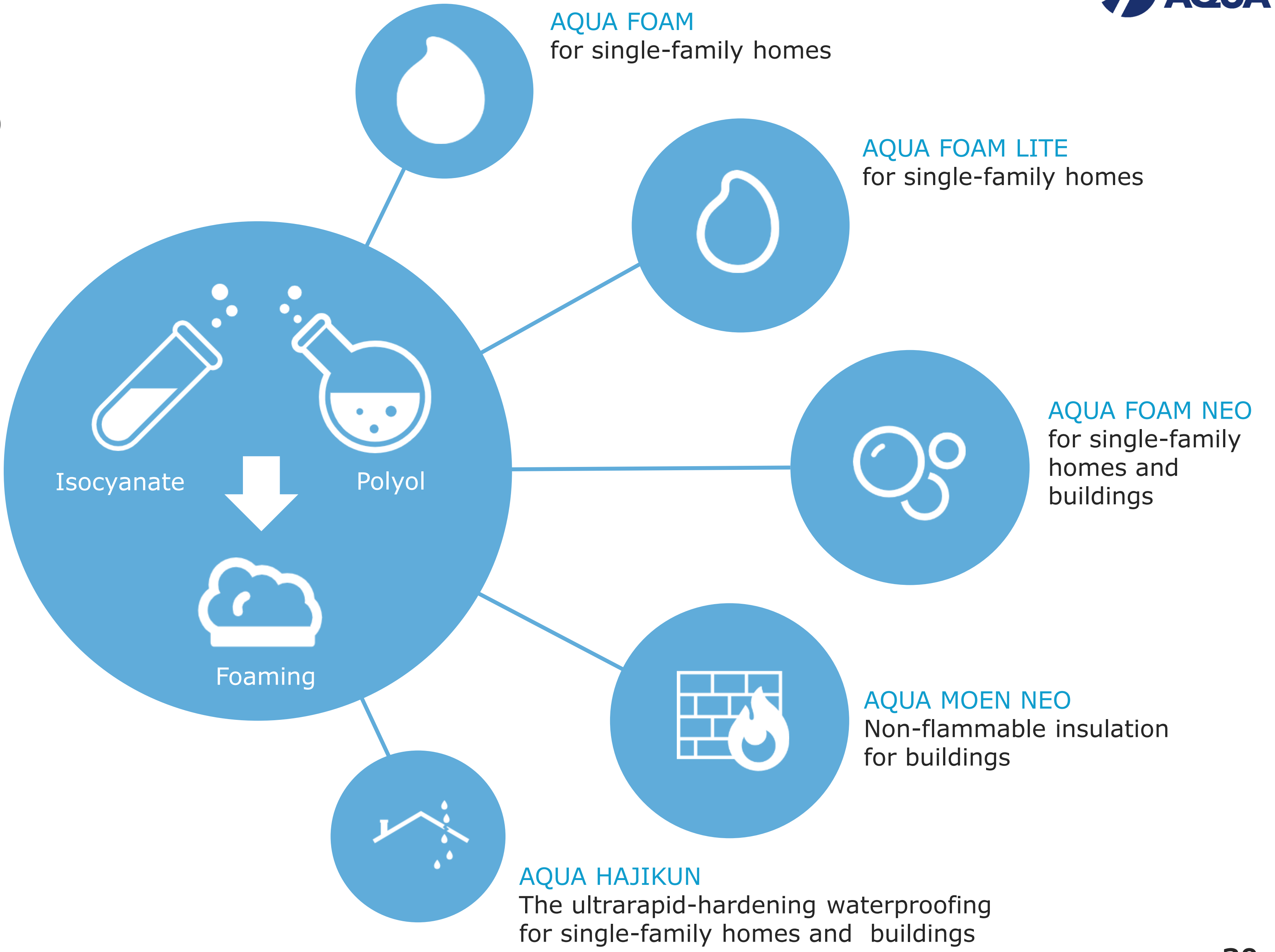
✓An organic compound with a hydroxyl group as the main ingredient.
✓By changing the molecular structure and molecular weight of polyols, the physical properties such as hardness and flexibility of urethane can be adjusted.

Isocyanate

✓An organic compound containing an NCO group.
✓Forms a urethane bond by reacting with polyols through stirring and other means.

Polyamine

✓An organic compound with multiple amino groups.
✓Forms AQUA HAJIKUN (polyurea resin) by reacting with isocyanate.



Company History

2004
AQUA FOAM
Founded by Fumitaka Nakamura (current President) as a company engaging in the sales and installation of insulation for single-family homes

2012
AQUA FOAM for buildings
Entered the insulation market for buildings

2013
Mothers
Listed on the Mothers Market of the Tokyo Stock Exchange

2014
Technical Center
Strengthened product development functions
Started manufacturing raw materials

2016
AQUA BLOW
Urethane materials recycling
Commercialized a blowing insulation product

2018
JPX 東証一部上場
Changed to the First Section of the Tokyo Stock Exchange

2019
Non-flammable insulation
Nippon Aqua's presence grew in the market for buildings

2020
AQUA HAJIKUN
The ultrarapid-hardening waterproofing
Entered the waterproofing market

2021
AQUA FOAM LITE
30% reduction in raw material usage (compared to AQUA FOAM)
Formulation using plant derived materials

2022
JPX PRIME TOKYO
Transitioned to the Prime Market of the Tokyo Stock Exchange

2025
MARUTTO AQUA FOAM
Entry into the floor insulation board market (in addition to wall and roof insulation)

From Material Development to Installation and Recycling

Unique Business Model

Nationwide sales network

45 sites throughout Japan

Raw material development and quality control

Procurement source diversification and raw material storage and warehousing

Product manufacturing

Fabless manufacturer

Nationwide installation network

In-house installation and certified contractors

Installation quality management

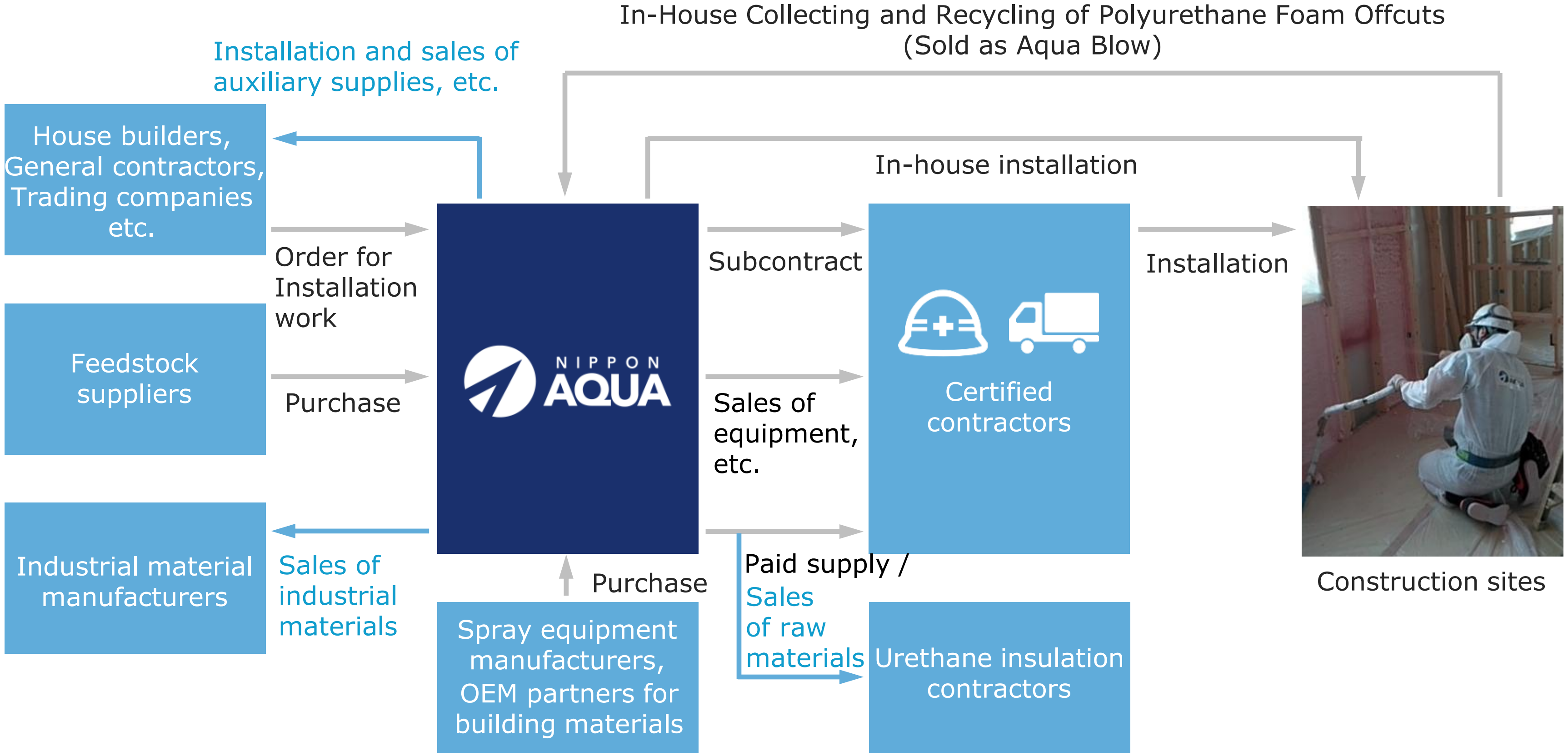
Ensuring work safety and installation quality

Recycle blowing

Certified operator under the Ministry of the Environment’s Wide Area Certification System
4 recycling plants

Business Scheme

We handle all insulation installation work in-house and through our own team and certified contractors



What are Certified Contractors ?

Outsourcing contract
Full commission-based

Purchase blowing equipment
(installation tool)
(a 2-ton truck needed)

No sales activities needed

Contractors can take on projects appropriate for their respective capacities

No royalty

No franchise fee or deposit money

Raw materials are supplied at cost

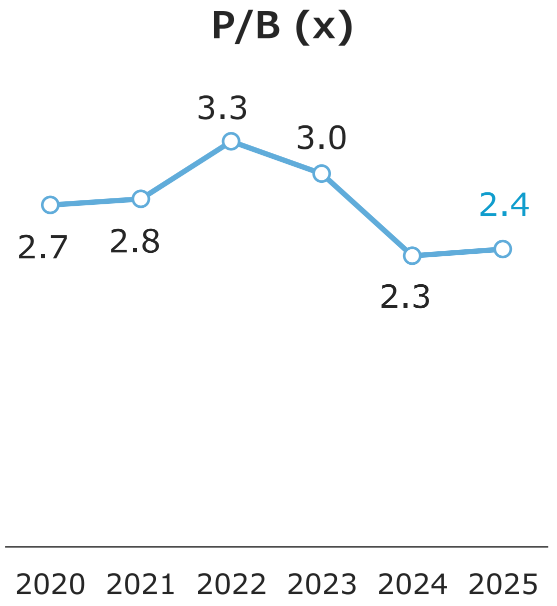
Supplying raw materials and deducting the cost from payment for the installation work reduces financial burden

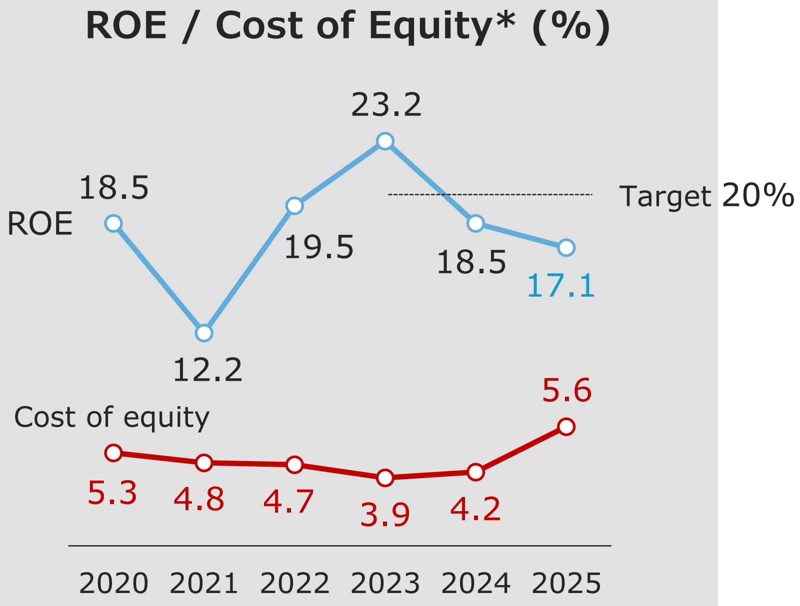
Technical training

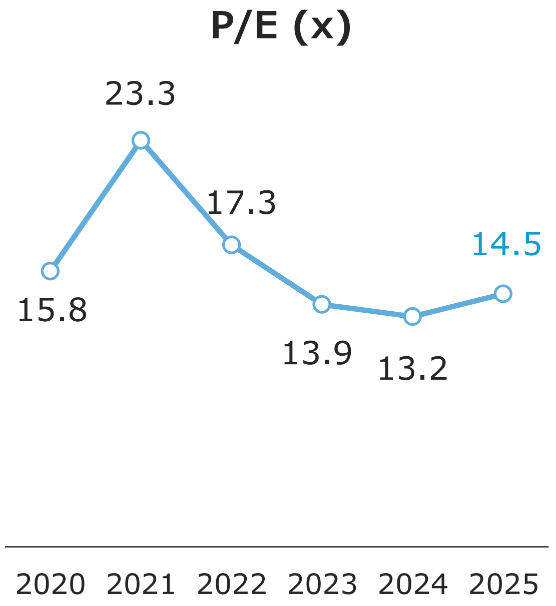
Broad range of support from basics to practical skills

Actions to Implement Management that is Conscious of the Cost of Capital and Stock Price

Our PBR has remained in the high 2x to 3x range since 2020 and stood at 2.4x in 2025, representing an increase from the previous year. When PBR is decomposed into ROE and PER, we recognize that the rise in PER, despite a decline in ROE, was the primary factor behind the increase in PBR.
We regard the expected return of shareholders as our cost of equity and believe that maintaining ROE above the cost of equity is key to enhancing corporate value. While our cost of equity has remained at approximately 5%, our ROE has been maintained at a level of 17–20%, excluding temporary factors*, thereby ensuring a high level of capital efficiency. Going forward, we will continue to focus on maintaining ROE above our cost of equity as a key performance indicator and strive to further improve capital efficiency.
* In 2021, ROE temporarily declined due to a sharp increase in urethane raw material prices caused by a factory accident at a major manufacturer.







*The Cost of Equity is calculated using CAPM.
Risk-free rate: Calculated based on 10-year government bond yield Beta: Against TOPIX 5-year weekly Risk premium: 6%

Performance Trends (Million yen)

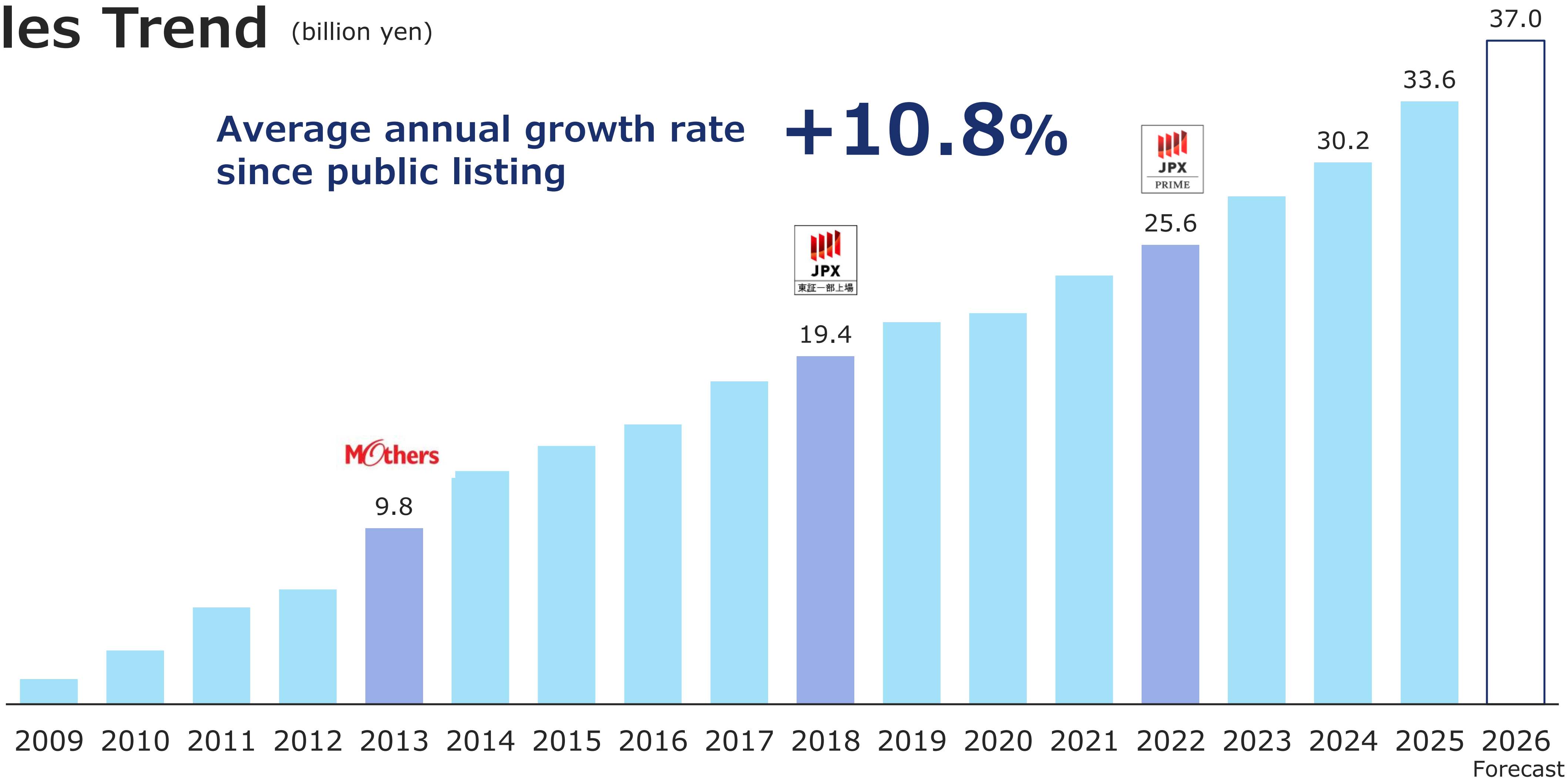
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Performance trends													
Net sales	9,825	13,020	14,406	15,608	18,052	19,417	21,366	21,872	23,903	25,670	28,341	30,265	33,670
Gross profit	2,444	2,856	3,137	4,027	4,305	3,891	5,403	5,310	4,739	5,784	6,924	6,862	7,738
Gross profit margin	24.9%	21.9%	22.3%	25.8%	23.9%	20.0%	25.3%	24.3%	19.8%	22.5%	24.4%	22.7%	23.0%
Operating profit	956	944	1,013	1,404	1,313	766	1,909	1,896	1,412	2,329	2,875	2,575	2,774
Ordinary profit	925	937	1,016	1,404	1,419	764	1,909	1,911	1,429	2,359	2,917	2,604	2,794
Ordinary profit margin	9.4%	7.2%	7.2%	9.0%	7.9%	3.9%	8.9%	8.7%	6.0%	9.2%	10.3%	8.6%	8.3%
Profit	512	529	137	979	941	489	1,275	1,342	953	1,549	2,004	1,839	1,895
Sales by item													
Single-family homes	8,044	8,483	9,414	10,903	11,552	12,257	13,244	12,448	13,521	13,873	13,798	13,704	15,765
Buildings	883	2,392	2,858	2,601	2,715	3,331	4,144	4,848	5,371	6,838	8,267	9,499	9,896
Waterproofing									128	315	489	719	1,515
Sales of urethane raw materials					613	561	933	1,137	1,098	1,211	1,916	2,226	2,072
Product sales	897	2,144	2,133	2,103	3,171	3,267	3,043	3,438	3,783	3,430	3,869	4,115	4,420
Gross profit by item													
Single-family homes			2,305	3,038	2,790	2,217	3,544	3,183	2,772	3,542	3,685	3,196	3,557
Buildings			183	419	526	551	832	1,004	822	1,206	1,963	2,329	2,353
Waterproofing									20	(16)	(35)	(22)	223
Sales of urethane raw materials					140	113	198	212	177	361	342	372	409
Product sales			648	569	848	1,009	830	909	946	690	968	984	1,195

Other Key Indicators

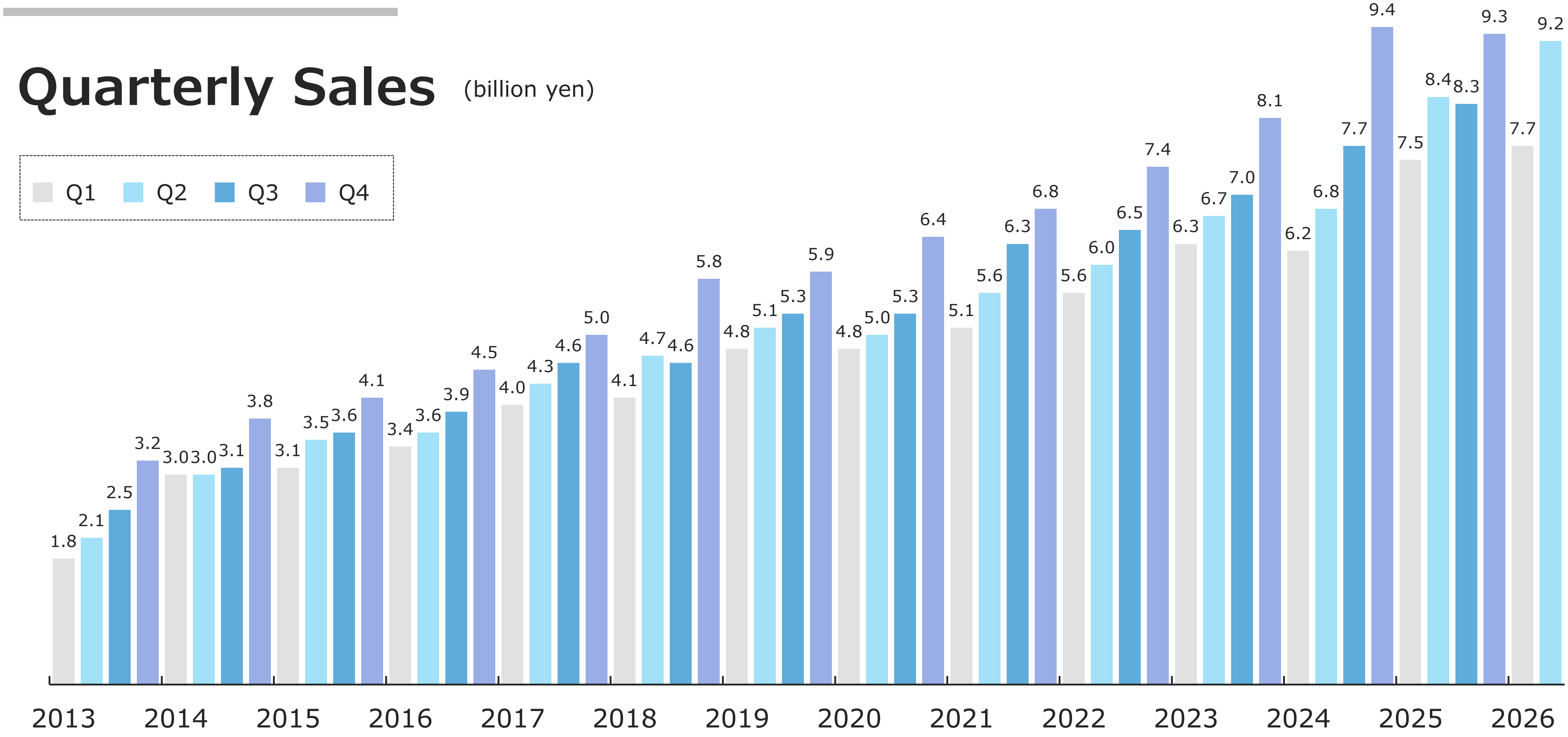
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assets, liabilities, and equity													
Net assets	5,103	5,529	5,590	6,663	5,508	5,885	6,843	7,638	7,951	7,966	9,304	10,545	11,633
Return on equity	16.6%	10.0%	2.5%	16.0%	15.5%	8.6%	20.0%	18.5%	12.2%	19.5%	23.2%	18.5%	17.1%
Total assets	7,982	9,138	11,254	12,596	12,806	14,381	15,379	16,021	18,279	21,969	20,392	24,071	25,810
Total assets turnover	1.82	1.52	1.38	1.31	1.42	1.43	1.44	1.39	1.39	1.28	1.34	1.36	1.30
Equity ratio	63.9%	60.5%	49.7%	52.9%	43.0%	40.9%	44.5%	47.7%	43.5%	36.3%	45.6%	43.8%	45.1%
Interest-bearing debt			1,433	834	2,370	2,776	2,136	2,400	3,166	6,033	2,400	4,500	4,800
No. of employees													
Sales	160	184	182	206	233	208	218	218	189	209	215	226	229
Construction	234	246	206	185	132	180	188	196	168	156	220	313	402
Management	21	20	35	27	62	57	69	73	81	58	66	73	79
Total	415	450	423	418	427	445	475	487	438	423	501	612	710
Stock-related (after reflecting 1:5 stock split on January 1, 2015)													
Stock price at the end of tl	663	845	438	414	498	437	627	649	687	828	887	772	863
Market value	22,892	29,176	15,209	14,960	18,038	15,180	21,792	22,559	23,880	28,781	30,832	26,834	29,997
Net assets per share (yen)	147.81	160.15	161.01	184.40	171.31	182.36	211.88	236.46	246.09	254.41	296.24	330.50	361.17
Dividend per share (yen)	3.00	3.00	3.00	3.00	4.00	10.00	17.00	20.00	20.00	24.00	32.00	34.00	35.00
Basic earnings per share ('	20.61	15.33	3.97	27.61	27.84	15.19	39.50	41.57	29.52	47.99	63.83	58.55	59.42
Price earnings ratio	32.20	55.10	110.30	15.00	17.90	28.80	15.90	15.60	23.30	17.30	13.90	13.19	14.52

Sales Trend (billion yen)

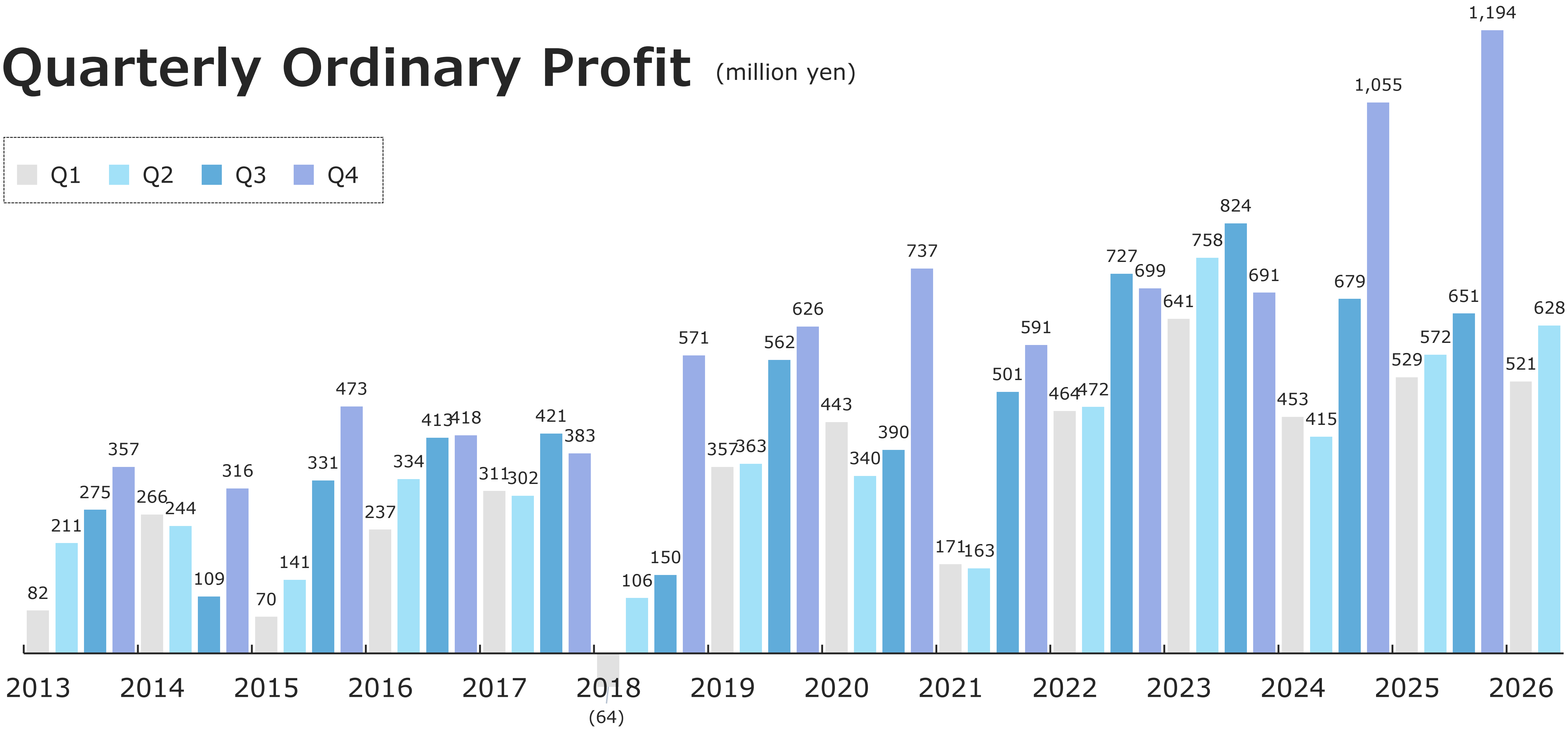
Average annual growth rate since public listing +10.8%



Quarterly Sales (billion yen)



Quarterly Ordinary Profit (million yen)



Market Environment

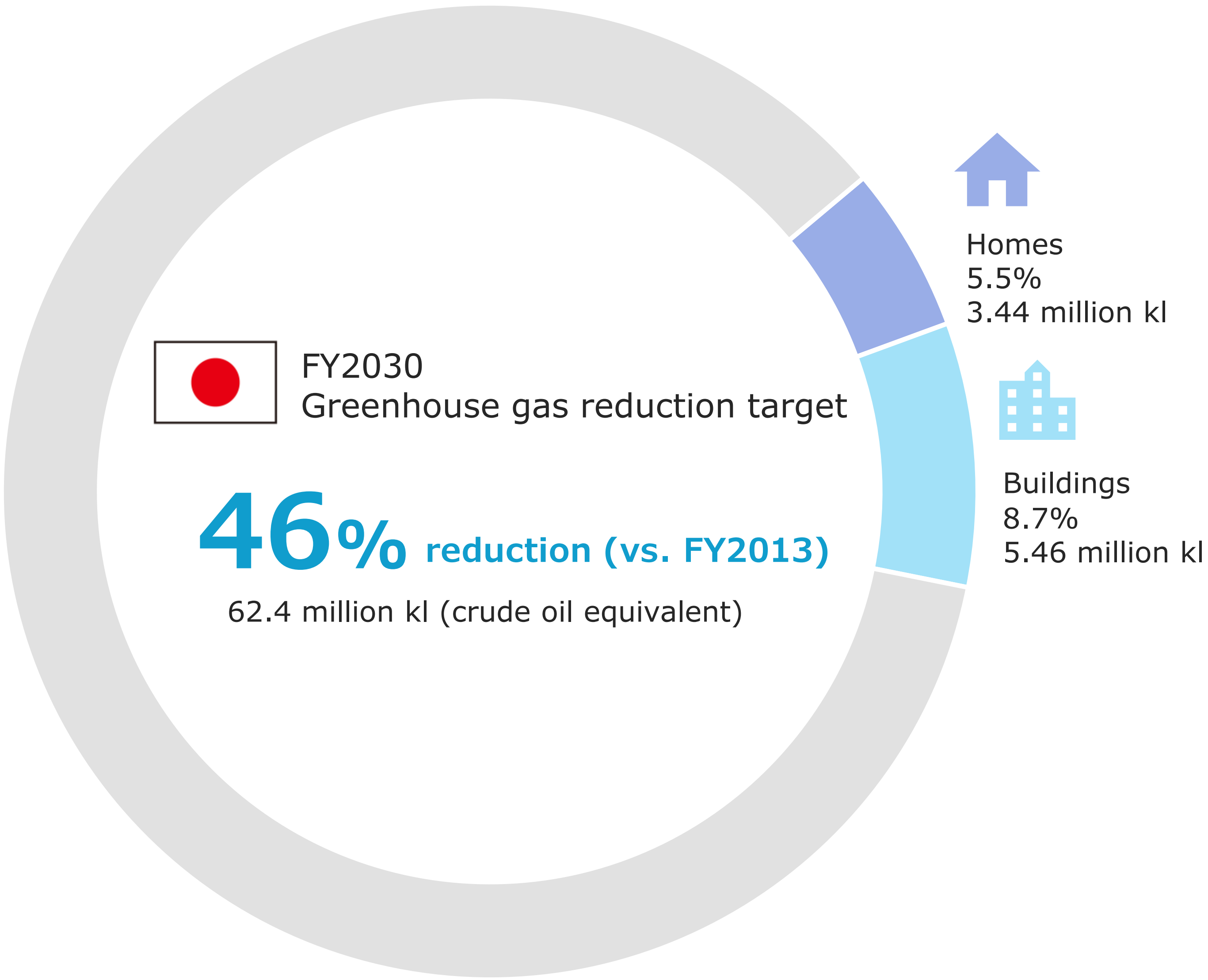
Housing and Buildings for a Decarbonized Society

Japan's targets for decarbonization

FY2030 Target: 46% Reduction
- Reduction of 62.4 million kl (crude oil equivalent)

Breakdown – Residential Sector (Housing)
- Improved energy efficiency in new housing: 2.53 million kl
- Insulation retrofits in existing housing: 0.91 million kl

Breakdown – Non-Residential Buildings
- Improved energy efficiency in new non-residential buildings: 4.03 million kl
- Energy efficiency improvements and retrofits in existing non-residential buildings: 1.43 million kl



Source: Prepared by Nippon Aqua based on the Ministry of Land, Infrastructure, Transport and Tourism, "Study Group on Energy Saving Measures for Housing and Buildings Towards a Decarbonized Society"

Market Environment

The Vision for Housing and Buildings in 2030

Newly constructed houses and buildings

Ensure energy-saving performance at ZEH and ZEB levels

Newly constructed single-family homes

60% are equipped with solar power generation systems

Raise the mandatory standards to the ZEH level

Insulation performance grade 5* (UA value for region 6 = 0.60)
BEI=0.8*

*Please refer to insulation performance grade P47, BEI is P48.

Raise the mandatory standards to the ZEB level

For medium to large scale, BEI=0.6/0.7 depending on the use
For small scale, BEI=0.8

Support through loans and tax measures

Implementation of energy-saving performance labeling

Promotion by local governments

Improvement in the performance of equipment and building materials

Source: Prepared by Nippon Aqua based on the Ministry of Land, Infrastructure, Transport and Tourism, "Study Group on Energy Saving Measures for Housing and Buildings Towards a Decarbonized Society"

To Achieve Energy-Saving Housing*

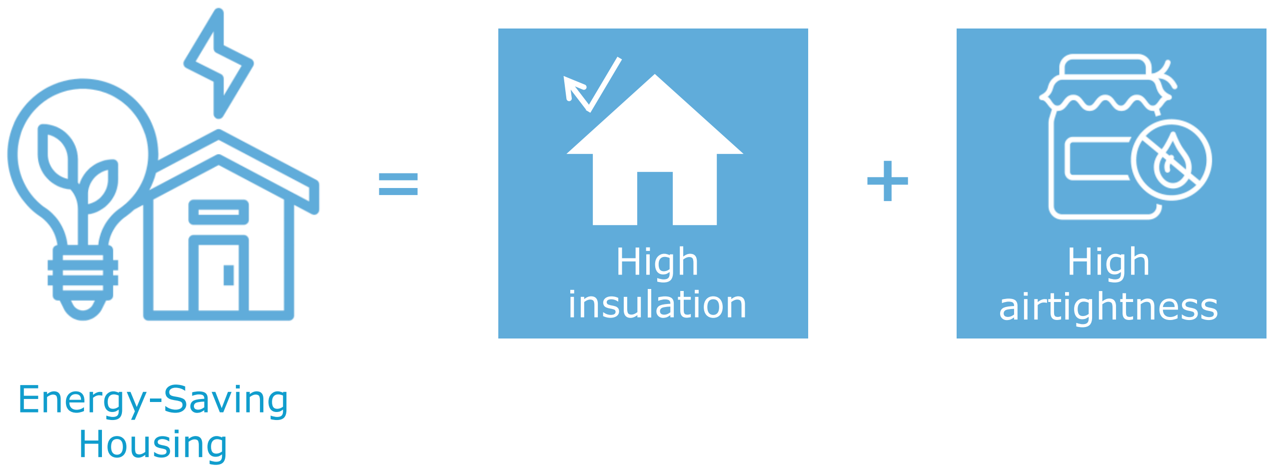
*Housing that is comfortable to live in even with low energy consumption

High insulation (insulation performance)

Use high insulation materials to prevent heat intrusion from the outside. This improves the energy efficiency of heating and cooling, stabilizing the temperature inside the living space.

High airtightness (airtightness performance)

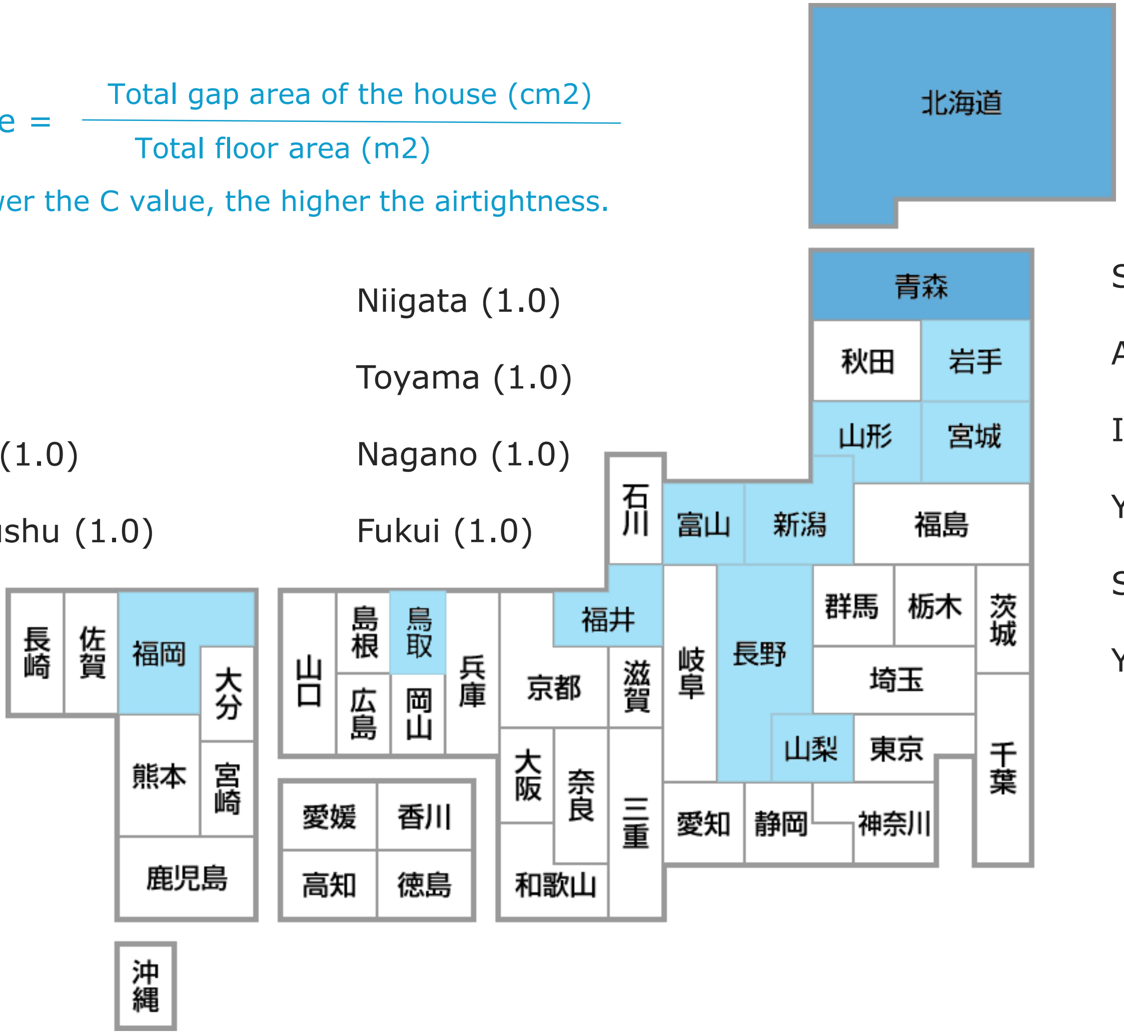
By increasing the airtightness of the building, the inflow and escape of air from the outside are minimized. This maximizes insulation performance and reduces energy waste.



Municipal Regulations on Airtightness Performance

$$\text{C value} = \frac{\text{Total gap area of the house (cm2)}}{\text{Total floor area (m2)}}$$

The lower the C value, the higher the airtightness.



Tottori (1.0)

Kitakyushu (1.0)

Niigata (1.0)

Toyama (1.0)

Nagano (1.0)

Fukui (1.0)

Sapporo (0.5)

Aomori (0.7)

Iwate (1.0)

Yamagata (1.0)

Sendai (1.0)

Yamanashi (1.0)

C Value≤10.0

The image of a typical house without consideration for airtightness.

C Value ≤ 5.0

The value that was the standard in regions other than cold regions (current regions 1 and 2) under the next-generation energy-saving standards (1999).

This standard was abolished with the revision of the Energy Saving Law in 2009.

C Value ≤ 2.0

The value that was the standard in cold regions (current regions 1 and 2) under the next-generation energy-saving standards (1999).

This standard was abolished with the revision of the Energy Saving Law in 2009.

C Value ≤ 1.0

The level to secure for comfortable living. Often defined in local government energy-saving housing policies.

C Value ≤ 0.5

A level of airtightness that is comparable to strict standards adopted in other countries.

Source: Created by Nippon Aqua from publicly available materials from each local government

Differences in Airtightness Directly Affecting Comfort

✓Additional insulation at the ceiling

✓Installation of internal windows

✓Floor insulation and airtightness (urethane foam application)

Before insulation and airtightness retrofit

✓Uneven indoor temperatures
(blue areas indicate lower temperatures)

✓Cold outdoor air infiltrates due to insufficient airtightness

After insulation and airtightness retrofit

✓Reduced temperature variations indoors

✓Lower heat loss due to improved airtightness

Image: © Associate Professor Masayuki Mae, Department of Architecture, Graduate School of Engineering, The University of Tokyo

Regional Categorization and Insulation Grade

Envelope Performance Level

Impact of higher insulation performance grades for detached houses and the spread of ZEH on the Company's performance.

Insulation performance standards are not uniform nationwide but are categorized by region according to climate conditions (see representative cities for each region). Many major metropolitan areas, including Tokyo, Nagoya, Osaka, Yokohama, and Kobe, are classified as Region 6.

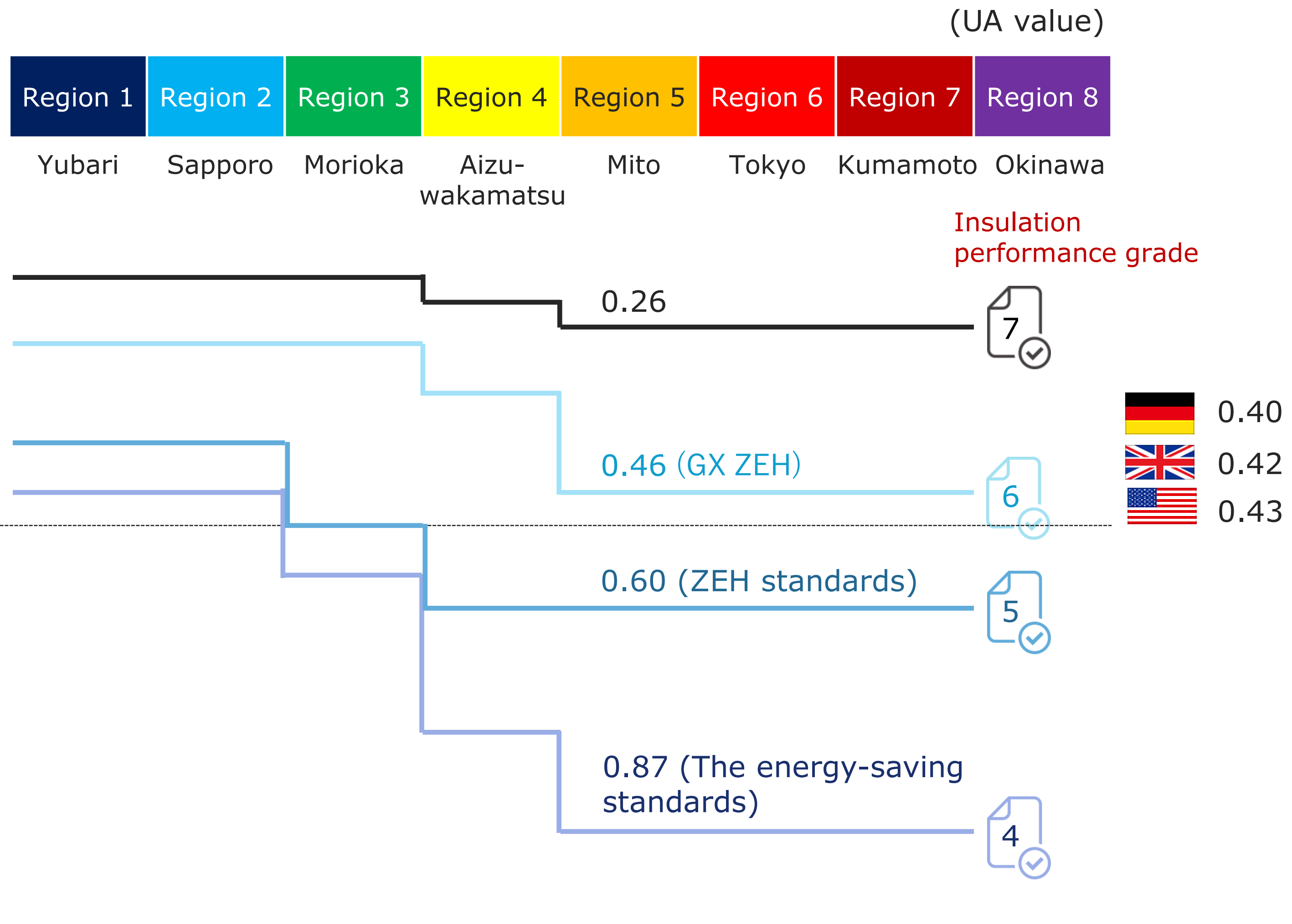
The UA value (average heat transfer coefficient of the building envelope) for Insulation Performance Grade 5 differs by region; the lower the value, the higher the required insulation performance.

AQUA FOAM NEO

Additional insulation might be necessary

0.50

AQUA FOAM LITE



Source: Prepared by Nippon Aqua based on a publication by the Ministry of Land, Infrastructure, Transport and Tourism (new categorization effective from November 16, 2019), with the names of major cities

Enhancement of Insulation Performance (Grade 5 ▶ 6)

Also applicable to apartment buildings and other multi-family housing (ZEH-M)

					Guidance standards		Highest grade
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7
Region 6 such as Tokyo		UA value 1.67	UA value 1.54	UA value 0.87	UA value 0.60	UA value 0.46	UA value 0.26
Region 6 such as Tokyo			ηAC value 3.8	ηAC value 2.8	ηAC value 2.8	ηAC value 2.8	ηAC value 2.8
					ZEH Current standards	HEAT20 G2	HEAT20 G3
						GX ZEH New standards	

Insulation performance grade

UA value= Average thermal transmittance of the envelope
(Ease of heat escape from buildings)

ηAC value= Average solar heat gain coefficient during the cooling period
(Ease of solar heat gain into buildings)

Source: Prepared by Nippon Aqua based on the Ministry of Land, Infrastructure, Transport and Tourism, "Housing Performance Indication System under the Act on the Promotion of Quality Assurance of Housing"

ZEH Revision of ZEH standards in 2027

Establish New Energy Consumption Standards

Also applicable to apartment buildings and other multi-family housing (ZEH-M)

Grade 1	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8
	Existing property only			Guidance standards* for single-family homes	Guidance standards* for buildings	
Grade 1 →	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7 To be established	Grade 8 To be established
	BEI 1.10 or less	BEI 1.00 or less	BEI 0.90 or less	BEI 0.80 or less	BEI 0.70 or less	BEI 0.65 or less
				ZEH Current standards	ZEB Varies by use	ZEB Varies by use
				→		GX ZEH New standards

Primary energy consumption grade

$$BEI = \frac{\text{Design primary energy consumption (Energy consumption considering energy-saving methods)}}{\text{Standard primary energy consumption (Energy consumption with standard specifications)}}$$

* What are guidance standards?
Standards intended to guide the promotion of improved energy efficiency performance, which must be met for the certification of energy efficiency improvement plans.
Established under the Building Energy Saving Law. Enforced from April 1, 2016.

Source: Prepared by Nippon Aqua based on the Ministry of Land, Infrastructure, Transport and Tourism, "Housing Performance Indication System under the Act on the Promotion of Quality Assurance of Housing"

Differences in Specification between Insulation Grades

Region 6 such as Tokyo

Grade 4
The energy-saving standards

AQUA FOAM LITE

Metal Double glazing Low-E

Thermal insulated entrance door

When the insulation class is upgraded, not only the insulation material but also the thermal insulation performance of doors and sashes needs to be enhanced, resulting in construction costs higher than the energy-saving standard (Grade 4).

Grade 5
ZEH standards

AQUA FOAM LITE

AQUA FOAM

Metal/Resin Double glazing Low-E

Thermal insulated entrance door

According to our company's estimates, for a standard detached house in region 6 such as Tokyo, reaching the ZEH level (Grade 5) increases the thickness of the insulation material, making the construction unit price 1.2 to 1.5 times higher than the energy-saving standard (Grade 4).

Grade 6
GX-oriented housing

AQUA FOAM*

AQUA FOAM NEO

Metal/Resin Triple glazing Low-E (2 panels)

Thermal insulated entrance door

For GX-oriented housing, etc. (Grade 6), either AQUA FOAM or the superior product AQUA FOAM NEO is used, and the construction unit price is 2.0 to 3.0 times higher than the energy-saving standard (Grade 4).

*From April 2024, due to the improved thermal conductivity of AQUA FOAM, enhancing its insulation performance, specifications for Grade 6 have become possible, albeit with conditions.

Nippon Aqua's Initiatives

Insulation Without Airtightness is Powerless.

The AQUA FOAM Series enables both thermal insulation and airtightness to be achieved simultaneously during installation, making it less likely for “Superficial Grade 6”—which meets insulation performance alone—to occur.

While “Bare-minimum Grade 6” is achieved under standard specifications, “High-performance Grade 6” represents a higher level of quality achieved through a double-insulation system that combines cavity insulation with exterior insulation to enhance thermal performance, while also improving airtightness.

The concepts of “Superficial Grade 6,” “Bare-minimum Grade 6,” and “High-performance Grade 6” were proposed by Associate Professor Maeda of the University of Tokyo.

Superficial Grade 6

○ Insulation — × Airtightness

Standard — Needs Improvement

Bare-minimum Grade 6

○ Insulation — ◎ Airtightness

Standard — High Performance

High-performance Grade 6

◎ Insulation — ◎ Airtightness

High Performance in both

Number of housing starts

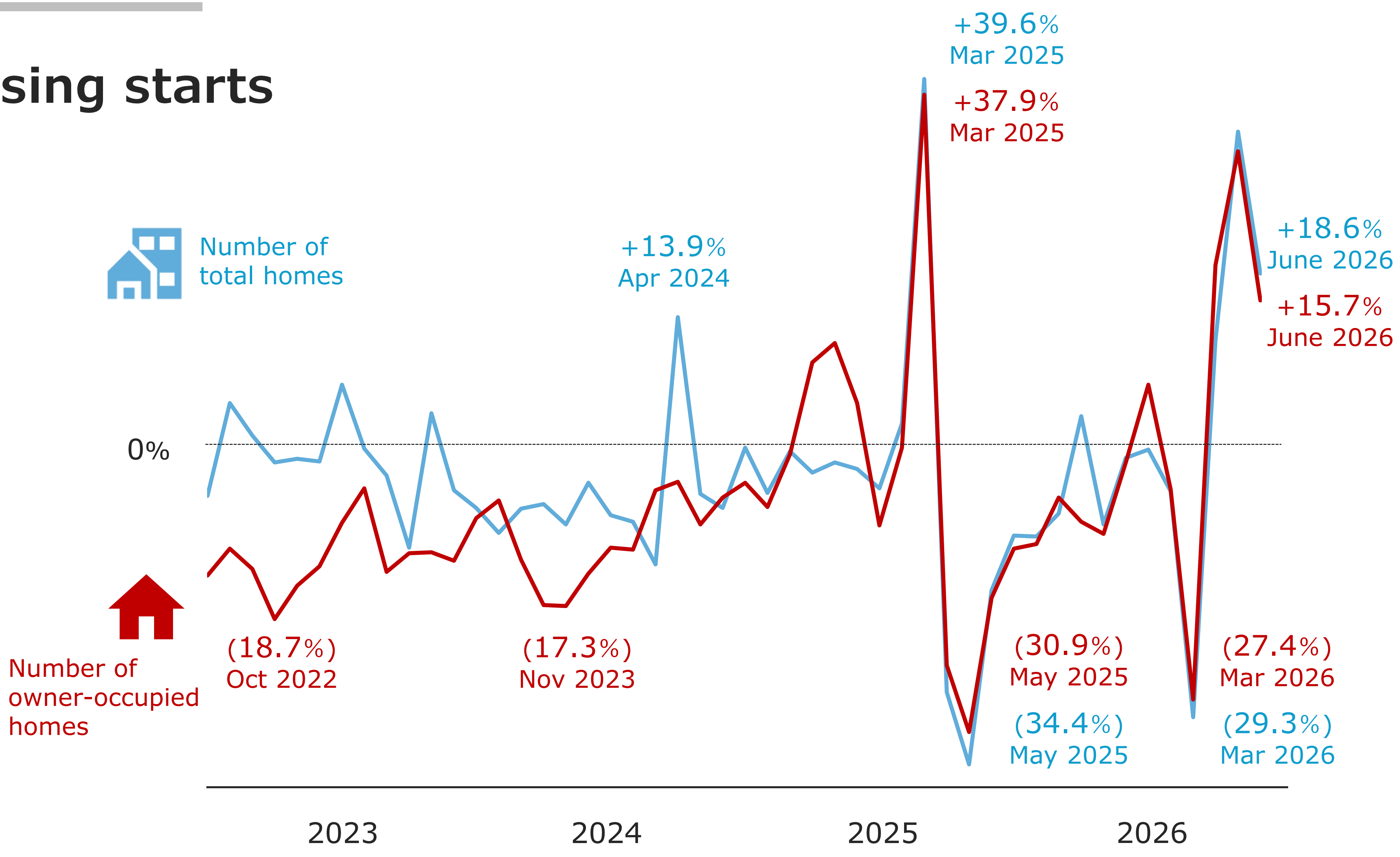
(year-on-year)

Our Single-family Homes Division has a high level of affinity with owner-occupied homes, as many of the projects involve custom-built houses.

Condominiums are included in the total number of housing units; however, at the Company, they are recorded under the Buildings Division.

The large fluctuations in figures from March to June 2025 are considered to be attributable to the so-called reduction of the “No. 4 special exception.”

In addition, the significant decline in March 2026 is considered to be a reaction to the above.



Source: Ministry of Land, Infrastructure, Transport and Tourism (Statistical Report on Building Starts)

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