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May 8, 2026

Non-consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 1429
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2026	7,710	2.8	543	3.3	521	(1.6)	341	(4.9)
March 31, 2025	7,501	19.6	526	18.3	529	16.8	359	18.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2026	10.60	-
March 31, 2025	11.25	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
March 31, 2026	23,722	10,848	45.7
December 31, 2025	25,810	11,633	45.1

Reference: Equity

As of March 31, 2026: 10,848 million yen
 As of December 31, 2025: 11,633 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	35.00	35.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		0.00	-	35.00	35.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

Note: Revisions to financial forecasts disclosed most recently: None

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	34,760,000 shares
As of December 31, 2025	34,760,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	2,578,271 shares
As of December 31, 2025	2,548,771 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2026	32,210,436 shares
Three months ended March 31, 2025	31,905,183 shares

* Review of the accompanying quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of financial forecasts, and other 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 “(3) Notes on Financial Forecasts and Other Forward-looking Statements” in “1. Qualitative Information Concerning Financial Results for the Period Under Review” on page 7 of the Attachment.

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1. Qualitative Information Concerning Financial Results for the Period Under Review

(1) Explanation Regarding Operating Results

During the cumulative period of the first quarter (from January 1 to March 31, 2026), the Japanese economy has continued on a moderate recovery trend, supported by improvements in employment and income conditions. On the other hand, the outlook remains uncertain due to the impact of the situation in the Middle East, fluctuations in financial and capital markets, and developments in U.S. policy.

In the housing and construction industry, to which the 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. Under the current standards, a level equivalent to Insulation Performance Grade 4 (hereinafter referred to as “Insulation Grade 4”) is required.

The government has indicated a policy to raise the standard to Insulation Grade “5” by around 2030, and further plans to raise it to Insulation Grade “6” through the application of “GX ZEH” starting in April 2027. Against this backdrop, interest in being observed, with some homebuilders offering Insulation Grade “7” in their product lineup. In addition, awareness is spreading that improvements in insulation and airtightness contribute to the durability and longevity of houses.

In the non-residential sector, demand for higher levels of insulation is increasing against the backdrop of expanding capital investment, with demand expected to grow particularly in data centers and the cold chain sector. In addition, as urban redevelopment progresses, requirements for high environmental performance are becoming increasingly stringent. On the other hand, large-scale non-residential projects are currently centered on foundation work, and the construction phases in which the Company is involved are expected to accelerate from the second half of fiscal year 2026, mainly from 2027 onward.

Additionally, demand for waterproofing renovation work is increasing against the backdrop of aging buildings. The Company is enhancing its competitive advantage in the market by improving the comfort and energy efficiency of buildings through the provision of comprehensive waterproofing solutions centered on its proprietary “FUKUGEN Method.”

In this market environment, the Company actively pursued order acquisition activities by leveraging the product competitiveness of the “AQUA FOAM Series” and “AQUA HAJIKUN,” as well as its nationwide installation network.

In the Single-family Homes Division, the Company further advanced its concept that “Insulation without airtightness is powerless” by strongly promoting proposals centered on “Grade 6 with added margin,” which features high levels of insulation and airtightness. In addition, the Company further strengthened its differentiation by combining insulation installation with airtightness measurement services, thereby expanding its market share. Furthermore, from July 2025, the Company established a system to provide optimal insulation plans for each house under the name “Marutto AQUA FOAM.” As a result of these initiatives, orders from a nationwide homebuilder and a major homebuilder increased significantly. In addition to an increase in the number of construction units, the unit price per project also rose due to a higher proportion of projects with Insulation Grade “6” or higher and the wider adoption of airtightness measurement services. Consequently, the number of construction units increased by 3.0% year-on-year, and sales in this division amounted to 3,907 million yen, exceeding both the previous year and the plan.

In the Buildings Division, the Company steadily secured projects such as data centers, commercial facilities, and high-rise condominiums. Furthermore, by leveraging the expertise of the Buildings Division and the Construction Project Management Department, the Company promoted highly precise proposals tailored to customer needs, leading to additional construction work and responses to specification changes, with unit prices remaining firm. As a result, although sales did not reach the level of the same period of the previous fiscal year due to fewer large-scale projects compared with the previous fiscal year, they exceeded the plan, and sales in this division amounted to 2,171 million yen.

In the Waterproofing Division, sales for the current quarter fell short of the plan due to delays in the start timing of certain projects. On the other hand, supported by steady order intake for new construction projects and factory renovation projects, sales increased by 33.4% year-on-year. Furthermore, following the confirmation of orders for nationally important facilities, inquiries for similar facilities and factory renovation projects have been steadily increasing in succession. As a result, sales in this division amounted to 212 million yen.

Sales in both the Raw Materials Division and the Other Division, including auxiliary supplies and machinery, remained steady, exceeding the previous year and the plan, and amounted to 489 million yen and 929 million yen, respectively.

(Millions of yen, %)

	22nd fiscal year Three months ended March 31, 2025	23rd fiscal year Three months ended March 31, 2026	Amount of change	Percentage change
Single-family Homes Division	3,669	3,907	+238	+6.5
Buildings Division	2,362	2,171	(190)	(8.1)
Waterproofing Division	159	212	+53	+33.4
Raw Materials Division	394	489	+94	+24.0
Other Division	916	929	+12	+1.4
Total	7,501	7,710	+208	+2.8

As a result, net sales for the cumulative period of the first quarter amounted to 7,710 million yen (up 2.8% year-on-year). Operating profit totaled 543 million yen (up 3.3% year-on-year), securing increases in both sales and profit, and both figures exceeded the plan. On the other hand, ordinary profit amounted to 521 million yen (down 1.6% year-on-year), and net profit amounted to 341 million yen (down 4.9% year-on-year). This was mainly attributable to temporary factors such as an increase in interest expenses due to rising interest rates.

(2) Explanation Regarding Financial Position

(Total Assets)

Total assets at the end of the first quarter of the fiscal year amounted to 23,722 million yen (down 8.1% from the end of the previous fiscal year), representing a decrease of 1,496 million yen.

(Current Assets)

Current assets at the end of the first quarter of the fiscal year amounted to 17,966 million yen (down 10.2% from the end of the previous fiscal year), representing a decrease of 2,048 million yen. This was mainly due to a decrease of 1,046 million yen in notes and accounts receivable and contract assets, a decrease of 826 million yen in other receivables, a decrease of 209 million yen in electronically recorded monetary claims reflecting collections, and a decrease of 286 million yen inventories, offset by an increase of 275 million yen in cash and deposits.

(Non-current Assets)

Non-current assets at the end of the first quarter of the fiscal year amounted to 5,756 million yen (down 0.7% from the end of the previous fiscal year), representing a decrease of 38 million yen. This was mainly due to a decrease of 52 million yen in assets reflecting depreciation and a decrease of 65 million yen in long-term prepaid expenses included in investments and other assets, offset by an increase of 39 million yen in software included in other intangible assets and an increase of 34 million yen in deferred tax assets included in other assets under investments and other assets.

(Total Liabilities)

Total liabilities at the end of the first quarter of the fiscal year amounted to 12,874 million yen (down 9.2% from the end of the previous fiscal year), representing a decrease of 1,302 million yen.

(Current Liabilities)

Current liabilities at the end of the first quarter of the fiscal year amounted to 12,790 million yen (down 9.2% from the end of the previous fiscal year), representing a decrease of 1,300 million yen. This was mainly due to a decrease of 1,290 million yen in accounts payable – trade and a decrease of 455 million yen in income taxes payable, offset by an increase of 300 million yen in short-term borrowings and an increase of 116 million yen in provision for bonuses.

(Non-current Liabilities)

Non-current liabilities at the end of the first quarter of the fiscal year amounted to 83 million yen (down 2.5% from the end of the previous fiscal year), representing a decrease of 2 million yen. This was mainly due to a decrease of 2 million yen in long-term accounts payable included in other liabilities.

(Net Assets)

Net assets at the end of the first quarter of the fiscal year amounted to 10,848 million yen (down 6.7% from the end of the previous fiscal year), representing a decrease of 785 million yen. This was mainly due to net profit for the quarter of 341 million yen, offset by a decrease of 1,127 million yen in retained earnings due to dividend payments.

(Equity Ratio)

The equity ratio at the end of the first quarter of the fiscal year was 45.7% (up 0.6 percentage points from the end of the previous fiscal year).

(Research and Development Activities)

Total research and development expenses incurred by the Company during the first quarter of the fiscal year amounted to 3 million yen. There have been no significant changes in research and development activities during the first quarter.

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

In addition to signs of a recovery in the current economy, revisions to the legal system related to housing and buildings, as well as various measures supporting energy-saving initiatives, are expected to drive increasing demand for insulation materials.

On the other hand, continued attention is required regarding trends in material prices associated with heightened geopolitical tensions in the Middle East and their impact on the global economy, and we are closely monitoring their potential effects on our business activities.

Under these business conditions, the Company is promoting the following initiatives to achieve sustainable growth.

1. Companywide Measures

i. Response to Raw Material Price Trends and Changes in the External Environment

Against the backdrop of escalating tensions in the Middle East and shortages of naphtha, concerns over supply instability are expanding in the urethane raw material market, with certain manufacturers experiencing disruptions in raw material production and supply.

Meanwhile, the Company has maintained a stable supply system without experiencing any raw material shortages at this stage, leveraging its procurement advantages built through direct transactions with multiple overseas suppliers, a nationwide inventory network, and one of the largest handling volumes in Japan.

Under these circumstances, the Company has seen a significant increase in inquiries regarding changes to designated contractors as well as specification changes from board insulation to on-site foamed urethane insulation. In addition to installation projects, requests for the supply of raw materials have increased significantly, further enhancing the market's evaluation of the Company's supply capability and installation responsiveness.

Furthermore, in the renovation condominium sector, the adoption of the Aqua Foam series is expanding on the back of the Company's stable supply capability, and the current business environment represents an important opportunity for the Company to expand its market share.

For further details, please refer to the document titled "Impact of the Current Situation in the Middle East on Our Business and Financial Results," released today.

ii. About the Medium-Term Management Plan

The company formulated the Medium-Term Management Plan "3 Pillars of Stability" on February 14, 2024, with fiscal year 2026 as the final year, and is promoting initiatives aimed at achieving sustainable growth and enhancing corporate value. In addition, the Company has introduced a progressive dividend policy with the aim of ensuring stable and continuously improving shareholder returns.

Subsequently, in light of the impact of delays in the commencement of certain large-scale construction projects, primarily in the Buildings Division, the Company revised the performance targets of the Medium-Term

Management Plan, resetting the sales target for the fiscal year ending December 2026 to 37,000 million yen and the ordinary profit target to 2,910 million yen.

Although the impact of such changes in the business environment is currently being observed, the Company recognizes these factors as temporary, and there have been no changes to its medium- to long-term growth strategy, policies for strengthening its business foundation, or its policy of stable shareholder returns. The Company will continue to promote initiatives aimed at securing profitability and enhancing corporate value.

iii. Initiatives for Sustainability

Under its management philosophy of “Contributing to society by creating a housing environment that is friendly to people and the earth,” the Company is working to address social issues through initiatives such as reducing CO₂ emissions from houses and buildings with the “AQUA FOAM series” and promoting the recycling of urethane insulation materials.

In addition, as part of its human capital initiatives, the Company is promoting internal work style reforms, including the introduction of a staggered commuting system from January 2026, enabling each employee to achieve flexible and sustainable working styles.

Among these efforts, the Company 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, the Company’s products, including its flagship product “Aqua Foam,” underwent third-party verification under SuMPO EPD and obtained EPD (Environmental Product Declaration) certification—the first in Japan for on-site foamed urethane insulation.

The Company will continue to contribute to the realization of a sustainable society through both its business activities and work style reforms.

iv. Securing Installation Personnel and Strengthening the Installation Structure

The Company recognizes that securing and developing personnel responsible for high-quality installation is essential for achieving sustainable growth and maintaining competitiveness, and is therefore promoting investments in human capital. Specifically, the Company is working to improve the work environment by introducing a weekend-off system to enhance the work-life balance of installation personnel, revising compensation systems and allowances to improve treatment, and promoting proximity between work and home through the establishment of new offices and warehouses.

In addition, the Company is strengthening both the quality and quantity of its installation workforce by developing diverse career paths, including management, specialist, and independent-oriented tracks, conducting training programs and safety conventions led by specialized departments, ensuring the thorough implementation of safety management systems, and enhancing the acceptance of specified skilled workers and foreign technical interns.

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

The Company positions management with an awareness of capital costs and stock prices as a key management priority and is working to achieve sustainable enhancement of corporate value through improving profitability and capital efficiency. The Company believes that maintaining its listing on the Prime Market is an important factor supporting its overall competitiveness, including purchasing power, credibility in securing installation orders, and the recruitment and retention of talented personnel.

Furthermore, the Company 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 fiscal year 2025 (from August 29, 2025 to August 28, 2026).

The Company will continue to strive to gain appropriate recognition in the stock market and improve stock liquidity, while regularly monitoring capital costs, analyzing market evaluations, and appropriately feeding back insights obtained through dialogue with shareholders and investors to management and the Board of Directors,

with the aim of enhancing corporate value over the medium to long term.

2. Financial Forecasts for the Fiscal Year Ending December 31, 2026

The financial forecasts for the fiscal year ending December 2026, as announced on February 13, 2026, remain unchanged at this time.

2. Quarterly Financial Statements and Primary Notes

(1) Quarterly Balance Sheet

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	2,415,160	2,690,173
Notes and accounts receivable - trade, and contract assets	7,977,173	6,931,047
Electronically recorded monetary claims - operating	1,434,813	1,225,800
Inventories	2,890,906	2,604,038
Accounts receivable - other	5,032,498	4,206,061
Other	288,953	330,473
Allowance for doubtful accounts	(24,207)	(20,970)
Total current assets	20,015,299	17,966,624
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,211,641	2,180,175
Land	2,065,464	2,065,464
Other, net	203,016	201,932
Total property, plant and equipment	4,480,123	4,447,571
Intangible assets		
Leasehold interests in land	15,000	15,000
Other	73,785	102,236
Total intangible assets	88,785	117,236
Investments and other assets		
Long-term loans receivable from subsidiaries and associates	37,535	36,419
Other	1,246,368	1,213,075
Allowance for doubtful accounts	(57,729)	(58,057)
Total investments and other assets	1,226,175	1,191,437
Total non-current assets	5,795,084	5,756,245
Total assets	25,810,383	23,722,870

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	7,528,350	6,237,628
Short-term borrowings	4,800,000	5,100,000
Lease liabilities	12,676	9,450
Income taxes payable	687,987	232,150
Provision for bonuses	40,531	157,139
Other provisions	-	68,600
Other	1,021,070	985,562
Total current liabilities	14,090,615	12,790,531
Non-current liabilities		
Asset retirement obligations	40,239	40,297
Other	45,621	43,393
Total non-current liabilities	85,860	83,690
Total liabilities	14,176,475	12,874,222
Net assets		
Shareholders' equity		
Share capital	1,903,649	1,903,649
Capital surplus	2,097,430	2,097,430
Retained earnings	9,168,917	8,383,171
Treasury shares	(1,536,812)	(1,536,812)
Total shareholders' equity	11,633,185	10,847,439
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	722	1,208
Total valuation and translation adjustments	722	1,208
Total net assets	11,633,907	10,848,647
Total liabilities and net assets	25,810,383	23,722,870

(2) Quarterly Income Statement
Three months ended March 31, 2026

(Thousands of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Net sales	7,501,853	7,710,545
Cost of sales	5,867,659	5,914,656
Gross profit	1,634,193	1,795,888
Selling, general and administrative expenses	1,107,622	1,252,120
Operating profit	526,570	543,768
Non-operating income		
Interest income	13,233	16,451
Subsidy income	-	9,035
Insurance claim income	1,024	453
Other	5,667	3,385
Total non-operating income	19,925	29,326
Non-operating expenses		
Amortization of long-term prepaid expenses	6,227	36,770
Interest expenses	10,145	14,935
Other	220	23
Total non-operating expenses	16,593	51,730
Ordinary profit	529,901	521,364
Extraordinary income		
Gain on sale of non-current assets	4,152	187
Total extraordinary income	4,152	187
Extraordinary losses		
Loss on retirement of non-current assets	295	643
Total extraordinary losses	295	643
Profit before income taxes	533,758	520,907
Income taxes - current	190,136	214,092
Income taxes - deferred	(15,592)	(34,831)
Total income taxes	174,543	179,260
Profit	359,215	341,647

(3) Notes to Quarterly Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Presentation Method)

(Statements of Income)

“Amortization of long-term prepaid expenses,” which had been included in “Other” under “Non-operating expenses” in the cumulative first quarter period of the previous fiscal year, has been separately presented from the cumulative first quarter period of the current fiscal year due to its increased materiality. To reflect this change in presentation method, the quarterly financial statements for the cumulative first quarter period of the previous fiscal year have been reclassified.

As a result, 6,448 thousand yen previously presented as “Other” under “Non-operating expenses” in the quarterly statement of income for the cumulative first quarter period of the previous fiscal year has been reclassified as “Amortization of long-term prepaid expenses” of 6,227 thousand yen and “Other” of 220 thousand yen.

(Notes on Significant Changes in Amount of Shareholders’ Equity)

Not applicable.

(Segment Information, Etc.)

No disclosure is made about segments as the Company operates in only one business segment of heat insulation work and related services.

(Notes on Cash Flow Statement)

A quarterly cash flow statement for the cumulative first quarter period has not been prepared. Depreciation expenses (including amortization expenses related to intangible fixed assets) for the cumulative third quarter period are as follows.

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Depreciation expenses	55,128	52,632

(Additional Information)

Not applicable.

(Important Subsequent Events)

Not applicable.