Business Results for the Three Months Ended March 31, 2026

May 8, 2026

Nippon Aqua Co., Ltd.

Tokyo Stock Exchange Prime Section #1429

JPX-NIKKEI Mid Small

Financial Highlights

In the Single-family Homes Division, orders from a nationwide homebuilder and a major homebuilder continued to remain firm, and the growth of airtightness measurement services contributed to an increase in unit prices.

In the Buildings Division and the Waterproofing Division and other sales, performance remained generally steady, and overall results exceeded expectations.

Net sales	**7,710** M yen	OYA	7,501 M yen	+2.8 %
		Forecast	7,279 M yen	+5.9 %
Gross profit	**1,795** M yen	OYA	1,634 M yen	+9.9 %
		Forecast	1,543 M yen	+16.4 %
Ordinary profit	**521** M yen	OYA	529 M yen	(1.6 %)
		Forecast	310 M yen	+67.9 %

Single-family Homes Division

3,907 M yen

OYA	3,669 M yen	+6.5 %
Forecast	3,765 M yen	+3.8 %

✓Record-high orders from a nationwide homebuilder

✓Increased orders from a major homebuilder

✓Strong growth in airtightness measurement services

✓Growing interest in insulation performance grade 6 and above

Buildings Division

2,171 M yen

OYA	2,362 M yen	(8.1 %)
Forecast	1,980 M yen	+9.7 %

✓Progresses largely in line with expectations

✓Outperforms expectations through acquiring additional work on completed projects

Waterproofing Division, Others

1,631 M yen

OYA	1,470 M yen	+10.9 %
Forecast	1,534 M yen	+6.4 %

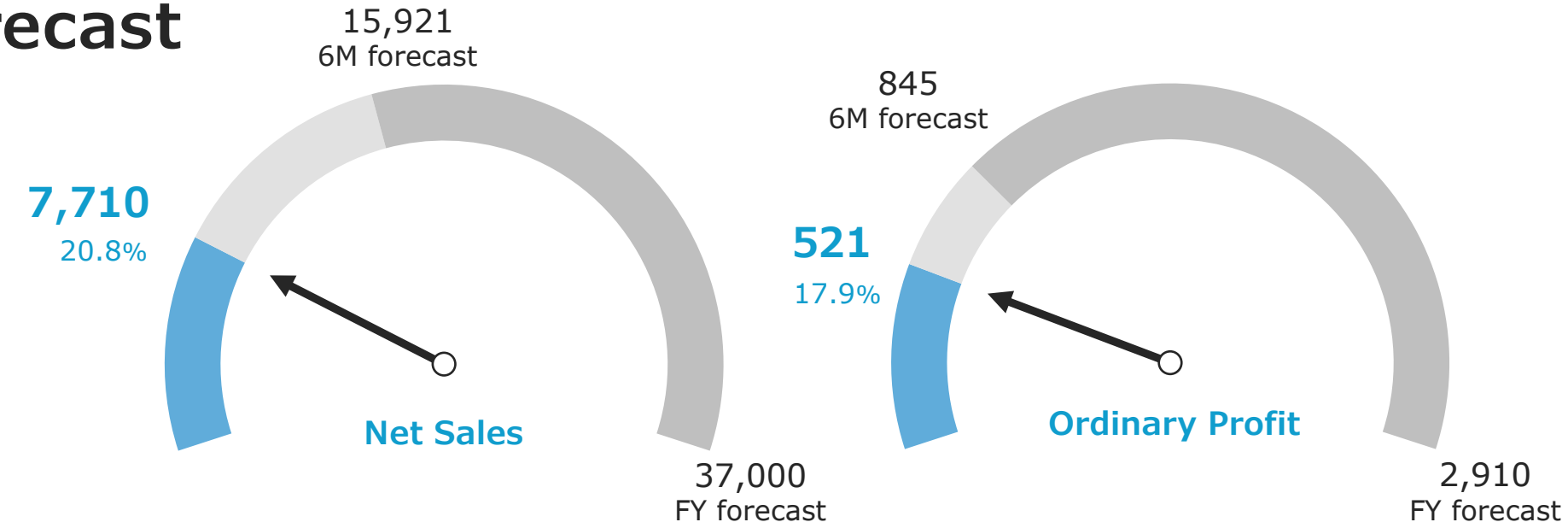
Waterproofing Division:

✓Continued demand for non-residential renovation projects

✓Timing shifts in construction for some projects

Progress towards Full-year Financial Forecast

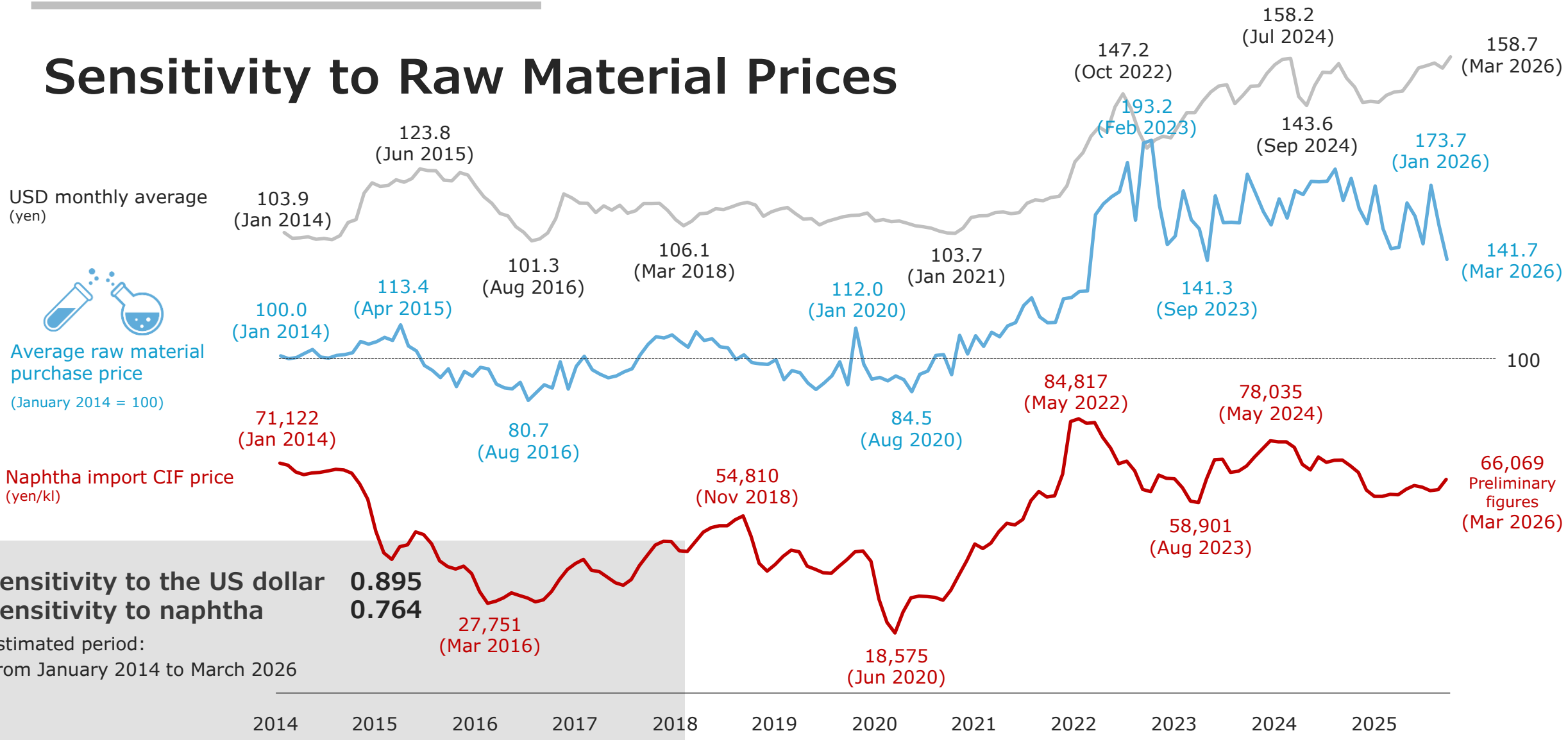
(Million yen)



	Net sales					Ordinary profit				
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2021	FY2022	FY2023	FY2024	FY2025
3M Results	5,101	5,697	6,368	6,272	7,501	171	464	641	453	529
Progress	21.7%	21.5%	21.9%	20.2%	21.8%	8.6%	21.9%	23.3%	14.6%	17.3%
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

Sensitivity to Raw Material Prices



Sensitivity to the US dollar 0.895
Sensitivity to naphtha 0.764

Estimated period:
From January 2014 to March 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), Ministry of Finance (Trade Statistics by Commodity)

Continued Price Increases Across Building Materials, with Emerging Supply Constraint Risks

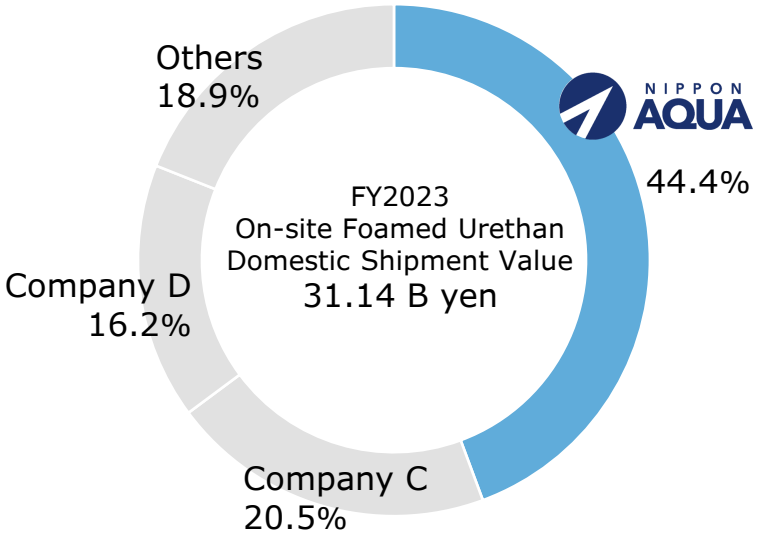
As of April 30, 2026, the cases presented in this material have been confirmed by the Company based on publicly available disclosures and news reports.
In addition, not only insulation materials but building materials in general are experiencing price revisions, order restrictions, and delivery schedule adjustments.

	On-site Foamed Urethane Insulation				Foam Plastic Insulation Boards						Glass Wool Insulation	
	ASAHI YUKIZAI	Achilles	Company A	Company B	kaneka	DUPONT	Toray Group	JSP	Achilles	AsahiKASEI 旭化成建材	MAG isover SAINT-GOBAIN	パラマウント硝子工業株式会社
Announcement Date	March 19, 2026	March 24, 2026	April 2026 (TBD)	April 2026 (TBD)	March 19, 2026	March 23, 2026	March 25, 2026	April 1, 2026	April 17, 2026	April 17, 2026	April 2026 (TBD)	April 27, 2026
Price Revision Rate		Potential indication	+30% or more	+30% to +40%	+40%	+40%	Individual disclosure	+40%	+40%	around +20%	+25% or more	+15%
Effective Date of Price Revision			May 1, 2026	April 20, 2026	April 1, 2026	May 1, 2026		June 1, 2026	May 1, 2026	May 7, 2026	July 1, 2026	June 1, 2026
Order Restrictions	Potential indication	Potential indication	Potential indication	Potential indication			Potential indication		Suspension of supply of key products	Complete suspension of supply		Potential indication
Delivery Schedule Adjustments	Potential indication	Potential indication	Potential indication	Potential indication			Potential indication		Potential indication	Implemented		Potential indication
Subsequent Price Revision					Potential indication	Potential indication		Potential indication			Potential indication	Potential indication
Remarks			Customer information	Customer information						Production suspension		
									2 notifications	3 notifications		2 notifications

Three Strengths Underpinning Our Supply stability

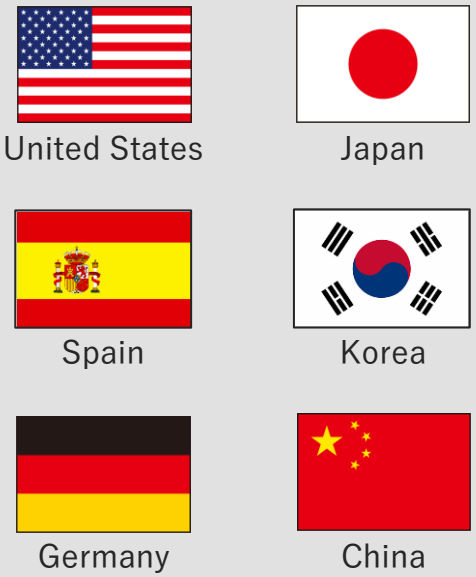
Leading Procurement Capability in Japan

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

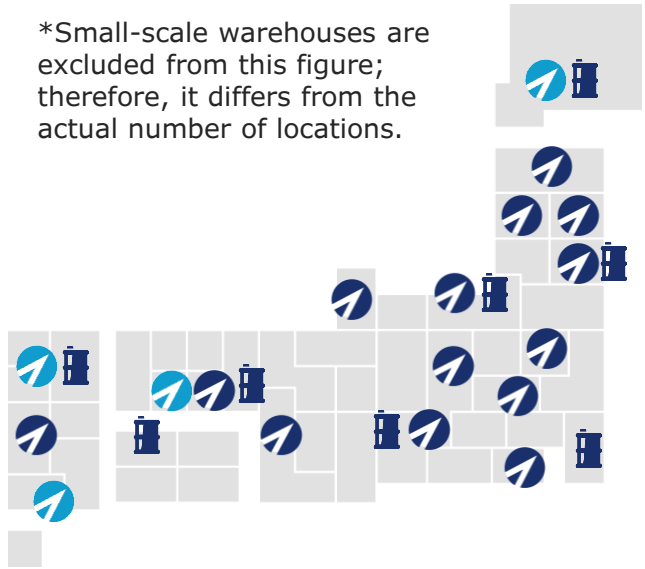


The countries of the overseas suppliers shown are illustrative and not exhaustive, and we do not necessarily have business relationships with all listed countries.

Supply Stability through Raw Material Inventory

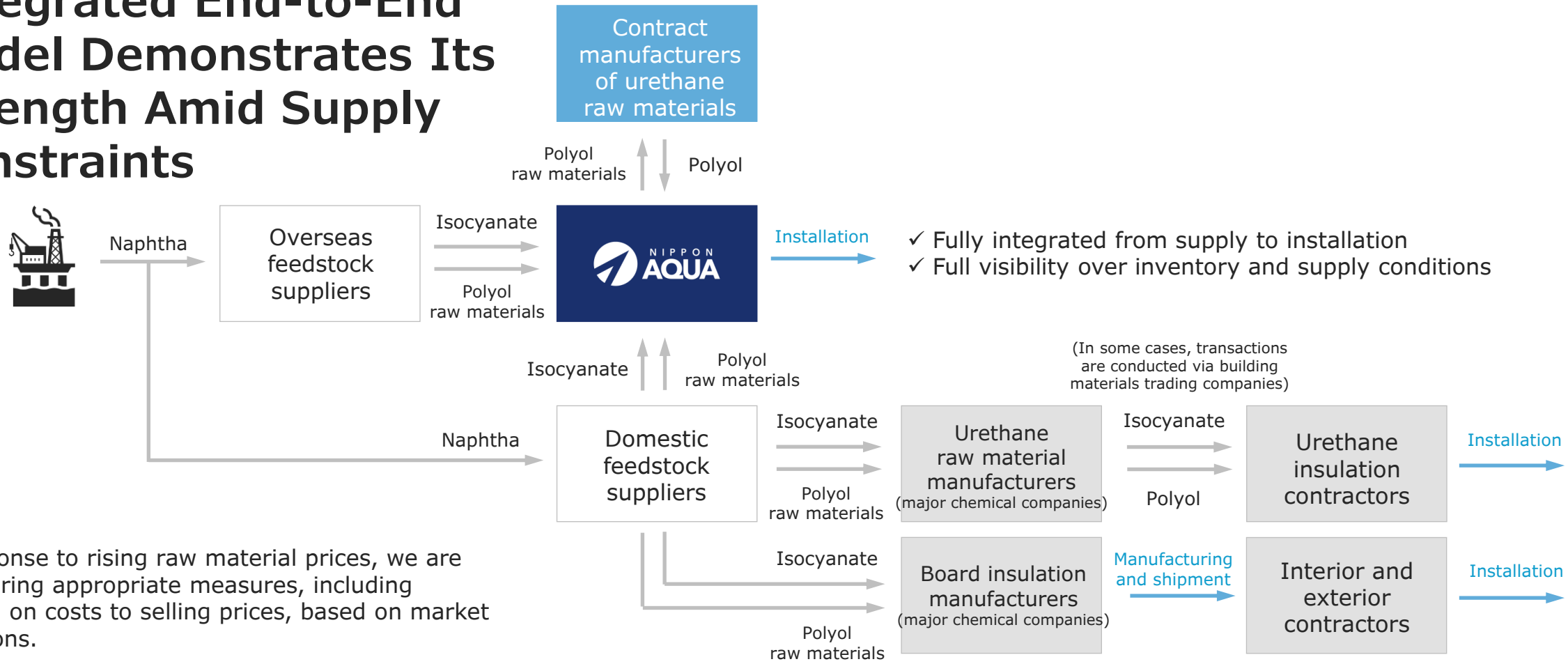
We maintains 26* inventory storage sites across Japan, securing a certain level of raw material stock.

*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



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

Turning Supply Constraints into Growth Opportunities

Against the backdrop of changes in designated contractors, there has been an increasing shift from other urethane insulation contractors to Nippon Aqua.

Leveraging its integrated, end-to-end system—from raw material development to installation—the Company is able to ensure stable supply and present appropriate construction schedules.

Amid delays in other trades caused by shortages of petroleum-based building materials, the Company's responsiveness has become a key differentiator.

In addition, the Company responds to requests for the supply of raw materials and auxiliary materials based on appropriate pricing, while striving to ensure fair and stable supply.

Single-family Homes Division

- Acquisition of replacement orders due to changes in designated contractors
- A nationwide homebuilder and a major homebuilder prioritize supply stability

Buildings Division

- Acquisition of replacement orders due to changes in designated contractors
- Substitute demand from board insulation is becoming increasingly evident

Waterproofing Division

- Acquisition in conversion of pipeline projects into orders
- Expansion of specification changes from alternative construction methods

Other Product Sales

- Increase in inquiries due to shortages of auxiliary materials
- Growing demand for raw material supply

Nippon Aqua's Initiatives

Capturing Substitute Demand Driven by Shortages of Board Insulation Materials

Amid supply shortages of foam plastic insulation board, there is a growing shift from board insulation to alternative materials. Leveraging its supply stability and strong installation capabilities, we are steadily capturing this substitute demand.

Rooftop insulation waterproofing for buildings (XPS boards)

Renovated condominiums (phenolic foam boards)

Floor insulation in Single-Family Homes (XPS boards)

Replaced by products such as Aqua Foam NEO (on-site foamed urethan)

Urethane Insulation Installation and Interior Work Process

Relationship with Unit Bath Installation

Amid growing attention to supply trends for unit baths, in condominium construction it is generally the case that unit baths are installed after the installation of urethane insulation.

Therefore, even in situations where unit bath supply is constrained, urethane insulation installation is often carried out in advance.

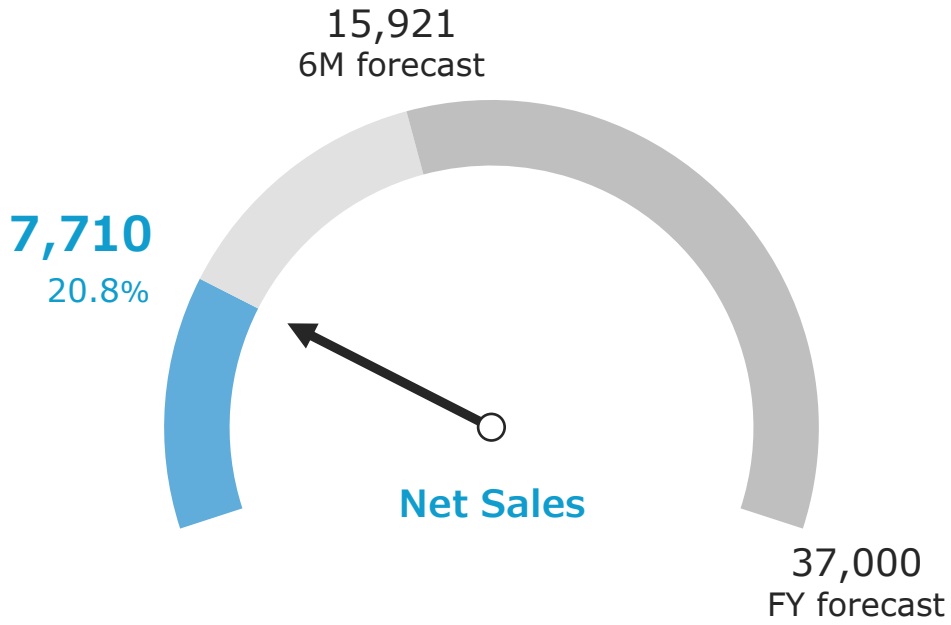
Agenda

Three months ended March 31, 2026

Net Sales

7,710 M yen

OYA	7,501	M yen	FC	7,279	M yen
YoY	+208	M yen	vs FC	+431	M yen
ROC	+2.8	%	ROC	+5.9	%



	FY2025					FY2026		Forecast					
	Q1	Q2	Q3	Q4	Total	Q1	YoY	Q1	vs FC	Q2	Q3	Q4	Total
Net sales	7,501	8,481	8,305	9,382	33,670	7,710	+208	7,279	+431	8,641	9,205	11,873	37,000
Single-family homes	3,669	3,879	3,751	4,465	15,765	3,907	+238	3,765	+141	4,225	4,075	5,031	17,097
Buildings	2,362	2,453	2,395	2,684	9,896	2,171	(190)	1,980	+191	2,294	2,779	3,894	10,948
Waterproofing	159	466	485	404	1,515	212	+53	249	(36)	509	574	762	2,096
Sales of urethane raw materials	394	490	535	652	2,072	489	+94	443	+46	545	634	754	2,377
Other product sales	916	1,192	1,137	1,174	4,420	929	+12	841	+87	1,067	1,141	1,429	4,480

Three months ended March 31, 2026

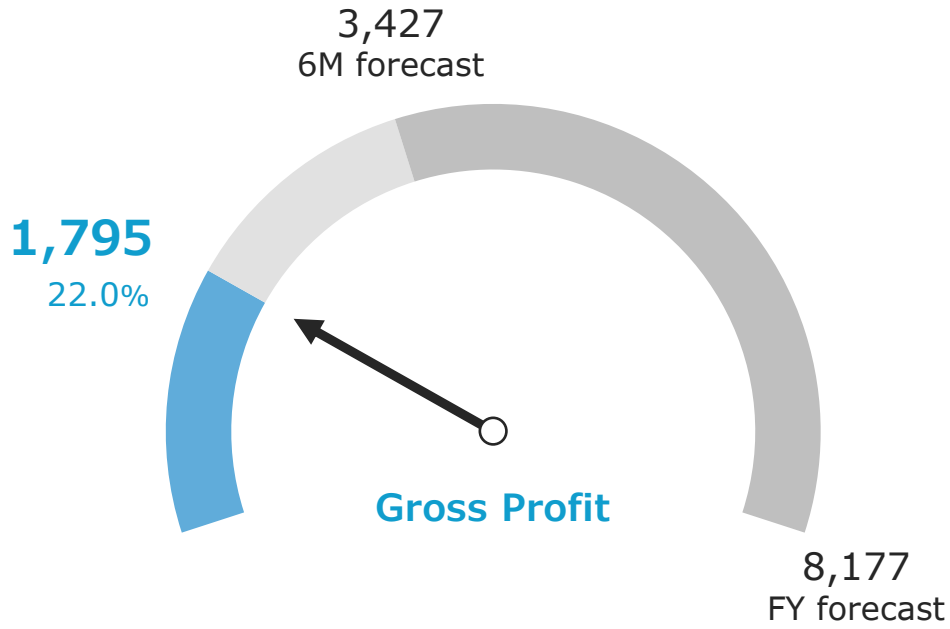
Gross Profit

1,795 M yen

OYA	1,634 M yen	FC	1,543 M yen
YoY	+161 M yen	vs FC	+252 M yen
ROC	+9.9 %	ROC	+16.4 %

GPM **23.3** %

OYA	21.8 %	ROC	21.2 %



	FY2025					FY2026		Forecast					
	Q1	Q2	Q3	Q4	Total	Q1	YoY	Q1	vs FC	Q2	Q3	Q4	Total
Gross profit	1,634	1,858	1,899	2,346	7,738	1,795	+161	1,543	+252	1,884	2,069	2,680	8,177
Single-family homes	803	852	825	1,076	3,557	920	+117	830	+90	944	964	1,217	3,955
Buildings	520	549	559	723	2,353	466	(54)	372	+93	457	559	777	2,167
Waterproofing	12	47	89	74	223	40	+27	48	(7)	100	113	153	415
Sales of urethane raw materials	78	93	109	128	409	104	+26	94	+9	116	135	161	508
Other product sales	219	316	315	344	1,195	263	+44	197	+66	265	297	370	1,130

Three months ended March 31, 2026

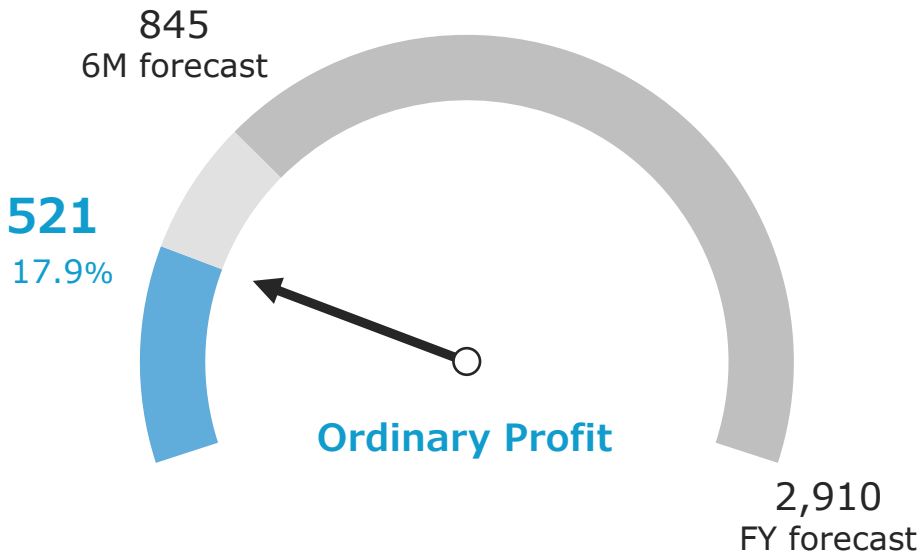
Ordinary Profit

521 M yen

OYA	529 M yen	FC	310 M yen
YoY	(8 M yen)	vs FC	+210 M yen
ROC	(1.6 %)	ROC	+67.9 %

Ordinary PM **6.8** %

OYA	7.1 %	ROC	4.3 %

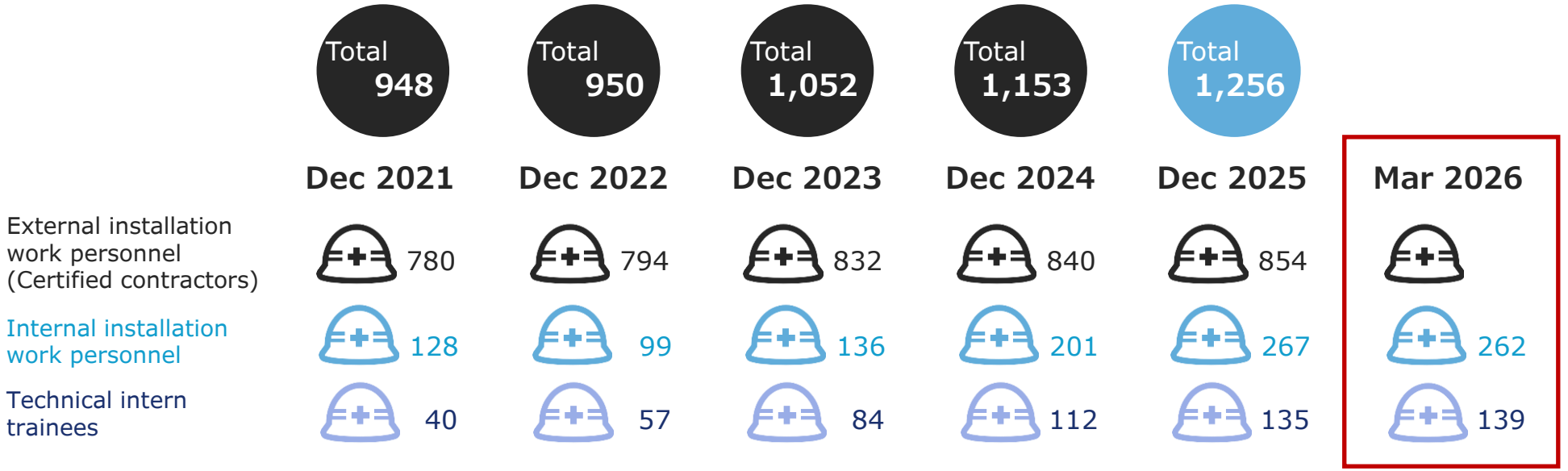


	FY2025					FY2026		Forecast					
	Q1	Q2	Q3	Q4	Total	Q1	YoY	Q1	vs FC	Q2	Q3	Q4	Total
SG&A	1,107	1,293	1,250	1,312	4,964	1,252	+144	1,236	+15	1,353	1,331	1,355	5,277
Payroll cost	557	577	576	585	2,296	615	+40	628	(13)	722	649	636	2,635
Trainee related expenses	72	93	113	144	423	186	+49	225	(38)	218	224	225	893
Travel expenses	53	58	65	59	236	49	(9)	67	(18)	67	67	67	271
Rent expenses	49	55	55	61	221	80	+13	76	+4	76	76	76	306
Depreciation expenses	41	43	43	44	173	40	+0	46	(6)	48	51	53	199
Ordinary Profit	529	572	651	1,040	2,794	521	(8)	310	+210	534	741	1,323	2,910

Nippon Aqua's Initiatives

Installation Capability Trends

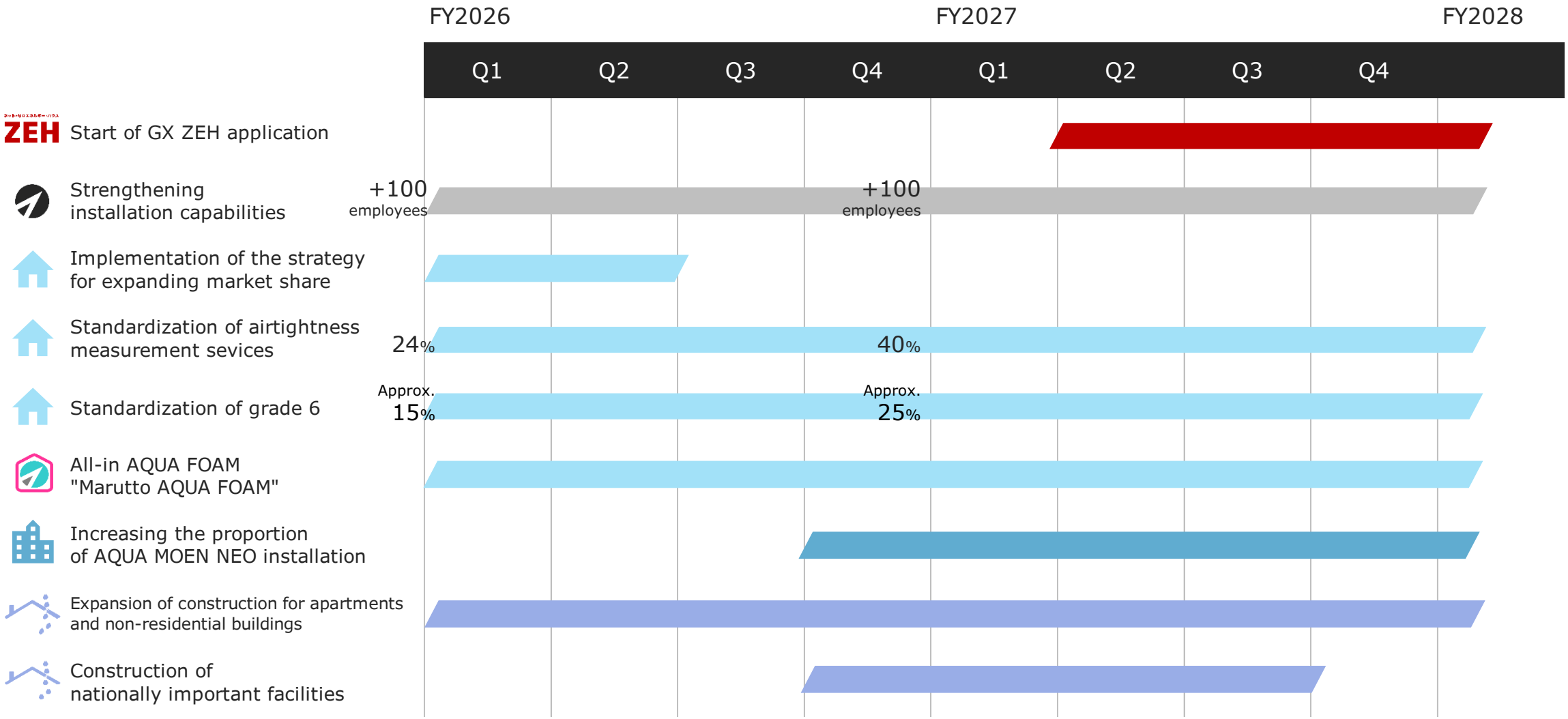
- ✓ Installation system policy: Aim to build an overwhelmingly superior installation system in terms of both quality and quantity compared to competitors.
- ✓ Workforce expansion initiatives: Since 2023, we have been continuously increasing our workforce by approximately 100 personnel annually, including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



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

Agenda

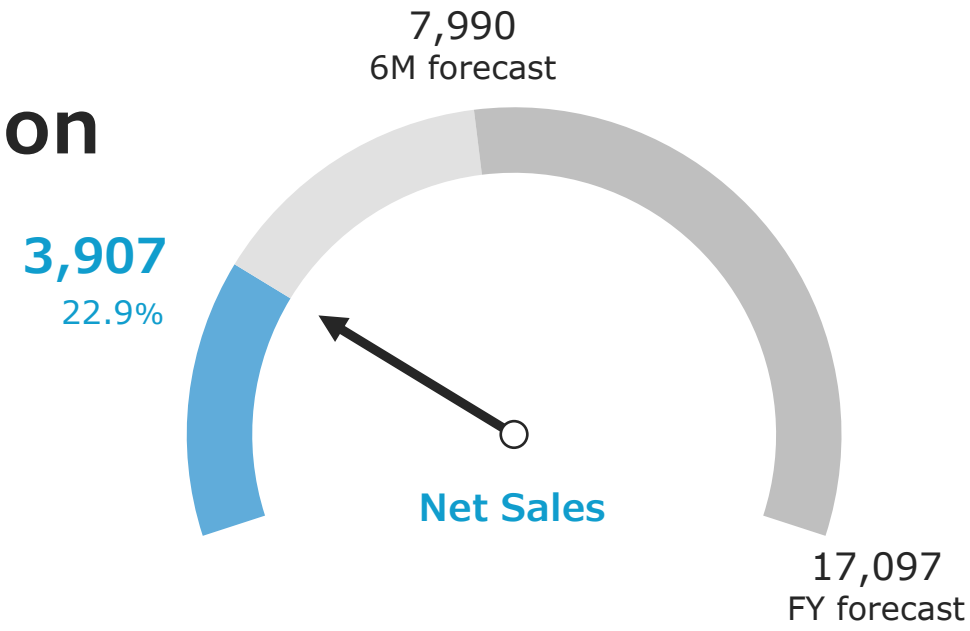
Prospects of Major Policies



Three months ended March 31, 2026

Single-family Homes Division

NS	**3,907**	M yen			
OYA	3,669	M yen	FC	3,765	M yen
YoY	+238	M yen	vs FC	+141	M yen
ROC	+6.5	%	ROC	+3.8	%
QE	+3.0	%	QE	+6.2	%
PE	+3.5	%	PE	(2.5	%)
GP	**920**	M yen	GPM	**23.6**	%
OYA	21.9	%	FC	22.0	%
OYA	803	M yen	FC	830	M yen
YoY	+117	M yen	vs FC	+90	M yen
ROC	+14.7	%	ROC	+10.9	%



- ✓ Record-high orders from a nationwide homebuilder and increased orders from a major homebuilder
- ✓ Growing interest in high insulation performance and airtightness
- ✓ Increased adoption of insulation performance grade 6
- ✓ Strong growth in airtightness measurement services

	FY2025					FY2026		Forecast					
	Q1	Q2	Q3	Q4	Total	Q1	YoY	Q1	vs FC	Q2	Q3	Q4	Total
Net sales	3,669	3,879	3,751	4,465	15,765	3,907	+238	3,765	+141	4,225	4,075	5,031	17,097
Gross profit	803	852	825	1,076	3,557	920	+117	830	+90	944	964	1,217	3,955
Num (YoY)	+8%	+15%	+5%	+14%	+10%	+3%		(3%)	+6%	+4%	+4%	+11%	+5%
Unit price (YoY)	+6%	+3%	+2%	+4%	+4%	+3%		+6%	(2%)	+4%	+4%	+1%	+4%

Insulation Without Airtightness is Powerless.

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: 40%(forecast)

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.

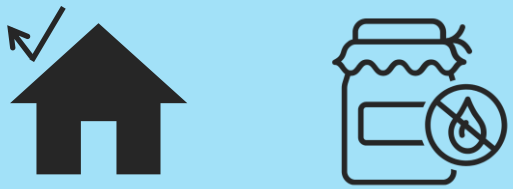
While “Bare-minimum Grade 6” is achieved under standard specifications, “High-performance Grade 6” represents a higher level of quality attained through enhanced insulation specifications, along with improved airtightness performance.

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 Standard

× Airtightness Needs Improvement



Bare-minimum Grade 6

○ Insulation Standard

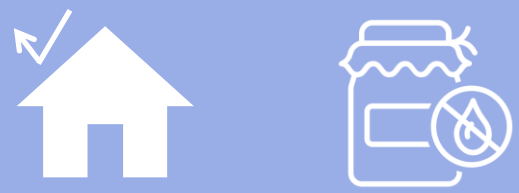
◎ Airtightness High Performance

High-performance Grade 6

◎ Insulation

◎ Airtightness

High Performance in both

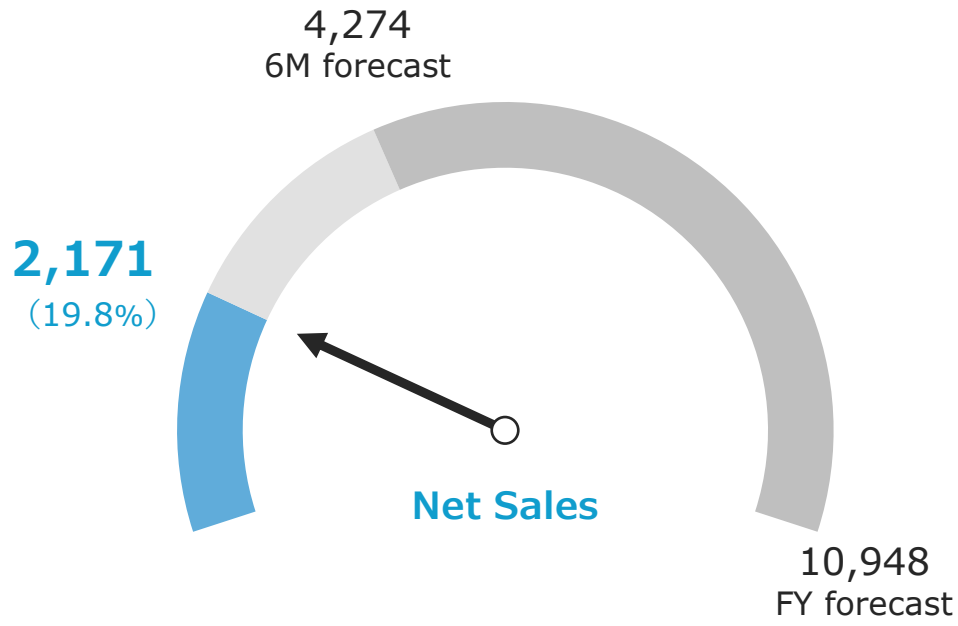


Three months ended March 31, 2026

Buildings Division

NS	**2,171**	M yen			
OYA	2,362	M yen	FC	1,980	M yen
YoY	(190	M yen)	vs FC	+191	M yen
ROC	(8.1	%)	ROC	+9.7	%
QE	(7.2	%)			
PE	(0.8	%)			

GP	**466**	M yen	GPM	**21.5**	%
OYA	22.0	%	FC	18.8	%
OYA	520	M yen	FC	372	M yen
YoY	(54	M yen)	vs FC	+93	M yen
ROC	(10.4	%)	ROC	+25.1	%



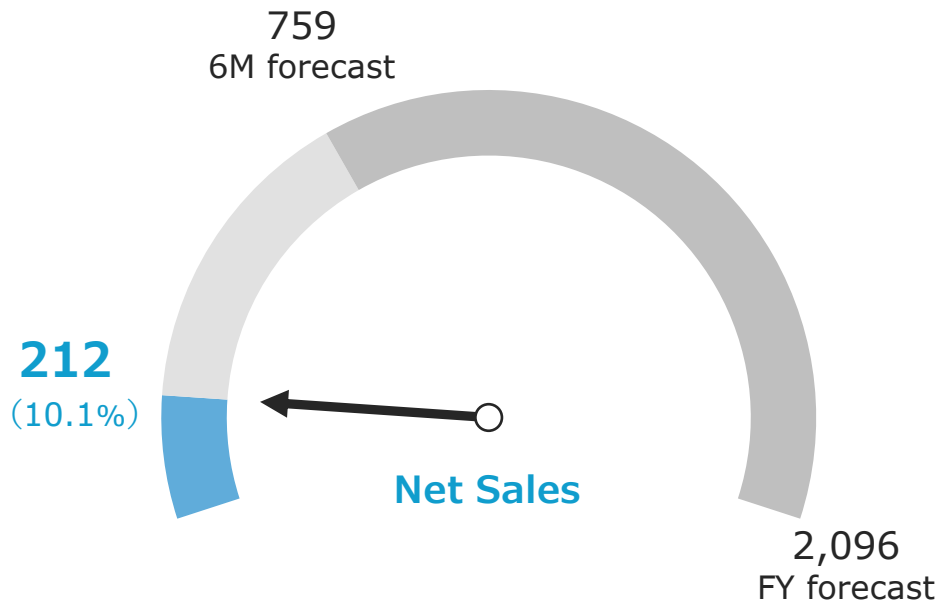
- ✓First-quarter construction progressed in line with expectations
- ✓Outperformance driven by additional work on completed projects
- ✓Unit prices declined due to a lower mix of Aqua Moen NEO projects

	FY2025					FY2026		Forecast					
	Q1	Q2	Q3	Q4	Total	Q1	YoY	Q1	vs FC	Q2	Q3	Q4	Total
Net sales	2,362	2,453	2,395	2,684	9,896	2,171	(190)	1,980	+191	2,294	2,779	3,894	10,948
Gross profit	520	549	559	723	2,353	466	(54)	372	+93	457	559	777	2,167
Area (YoY)	+7%	+21%	+21%	+11%	+15%	(7%)							
Unit price (YoY)	+15%	+5%	(4%)	+3%	+4%	(1%)							

Three months ended March 31, 2026

Waterproofing Division

NS	**212**	M yen			
OYA	159	M yen	FC	249	M yen
YoY	+53	M yen	vs FC	(36	M yen)
ROC	+33.4	%	ROC	(14.7	%)
GP	**40**	M yen	GPM	**19.0**	%
OYA	7.9	%	FC	19.4	%
OYA	12	M yen	FC	48	M yen
YoY	+27	M yen	vs FC	(7	M yen)
ROC	+221.5	%	ROC	(16.5	%)



- ✓Continued demand for non-residential renovation projects (logistics warehouses, factories, and retail stores)
- ✓Timing shifts in construction for some projects
- ✓Orders have been secured for nationally important facilities, with adoption progressing at other facilities.

	FY2025					FY2026		Forecast					
	Q1	Q2	Q3	Q4	Total	Q1	YoY	Q1	vs FC	Q2	Q3	Q4	Total
Waterproofing division sales	159	466	485	404	1,515	212	+53	249	(36)	509	574	762	2,096
Single-family homes	98	130	123	111	463	104	+5	100	+4	100	100	100	400
Non-residential	60	336	361	293	1,051	108	+47	149	(41)	409	474	662	1,696
Gross profit	12	47	89	74	223	40	+27	48	(7)	100	113	153	415

Repeat Orders (Ongoing Business Relationships)

Logistics warehouses operated nationwide

Factories of major building materials manufacturers

Drugstore chains expanding nationwide

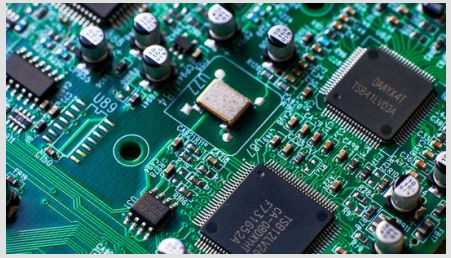
Large-scale home improvement retail chains

Waterproofing Track Record in the Non-Residential Sector

New Large-Scale Projects

Nationally important facilities

Public sports and racing venues



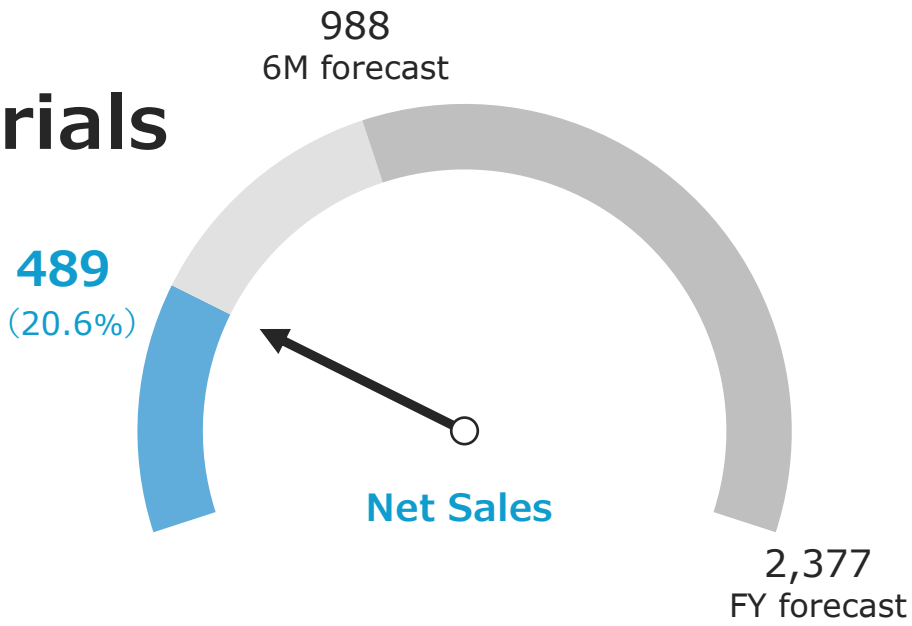
Factories of major semiconductor manufacturers

Factories of marine equipment manufacturers

Three months ended March 31, 2026

Sales of Urethane Raw Materials

NS	**489**	M yen			
OYA	394	M yen	FC	443	M yen
YoY	+94	M yen	vs FC	+46	M yen
ROC	+24.0	%	ROC	+10.5	%
GP	**104**	M yen	GPM	**21.3**	%
OYA	19.8	%	FC	21.3	%
OYA	78	M yen	FC	94	M yen
YoY	+26	M yen	vs FC	+9	M yen
ROC	+33.7	%	ROC	+10.6	%



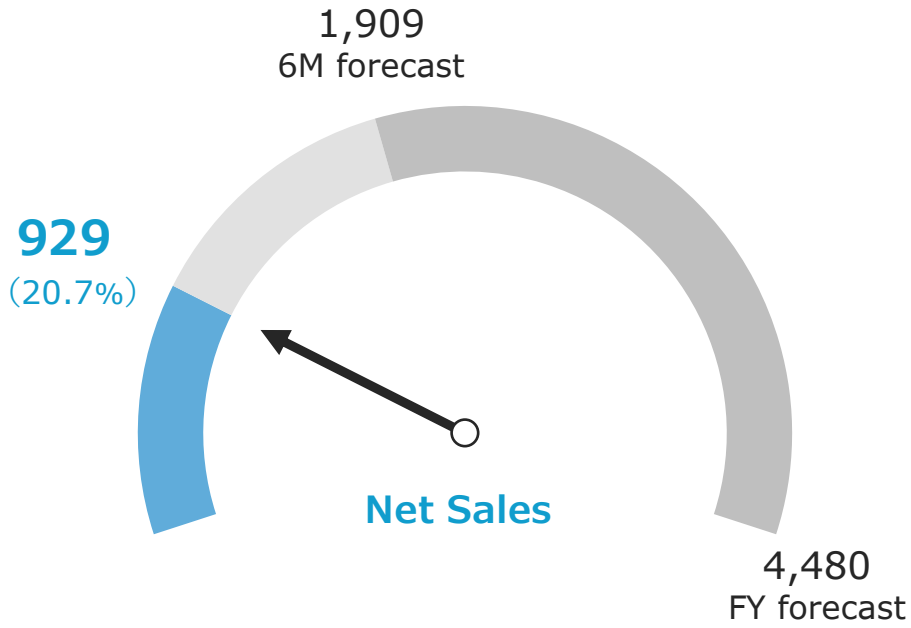
✓Increased number of customers due to rising recognition as a raw material manufacturer

	FY2025					FY2026		Forecast					
	Q1	Q2	Q3	Q4	Total	Q1	YoY	Q1	vs FC	Q2	Q3	Q4	Total
Sales of urethane raw materials	394	490	535	652	2,072	489	+94	443	+46	545	634	754	2,377
Gross profit	78	93	109	128	409	104	+26	94	+9	116	135	161	508

Three months ended March 31, 2026

Other Product Sales

NS	**929**	M yen			
OYA	916	M yen	FC	841	M yen
YoY	+12	M yen	vs FC	+87	M yen
ROC	+1.4	%	ROC	+10.4	%
GP	**263**	M yen	GPM	**28.4**	%
OYA	24.0	%	FC	23.5	%
OYA	219	M yen	FC	197	M yen
YoY	+44	M yen	vs FC	+66	M yen
ROC	+20.1	%	ROC	+33.6	%



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

	FY2025					FY2026		Forecast					
	Q1	Q2	Q3	Q4	Total	Q1	YoY	Q1	vs FC	Q2	Q3	Q4	Total
Other product sales	916	1,192	1,137	1,174	4,420	929	+12	841	+87	1,067	1,141	1,429	4,480
Gross profit	219	316	315	344	1,195	263	+44	197	+66	265	297	370	1,130

Income Statement (Million yen,%)

	FY2025 Jan-Mar	FY2026 Jan-Mar	YoY Amount	YoY ROC(%)	FY2026 Forecast Jan-Mar	FY2026 Forecast Amount	FY2026 Forecast ROC(%)	FY2026 Forecast Jan-Jun	FY2026 Forecast Jan-Dec
Net sales	7,501	7,710	+208	+2.8	7,279	+431	+5.9	15,921	37,000
Single-family homes	3,669	3,907	+238	+6.5	3,765	+141	+3.8	7,990	17,097
Buildings	2,362	2,171	(190)	(8.1)	1,980	+191	+9.7	4,274	10,948
Waterproofing	159	212	+53	+33.4	249	(36)	(14.7)	759	2,096
Sales of urethane raw materials	394	489	+94	+24.0	443	+46	+10.5	988	2,377
Other product sales	916	929	+12	+1.4	841	+87	+10.4	1,909	4,480
Cost of sales	5,867	5,914	+46	+0.8	5,736	+178	+3.1	12,493	28,822
Gross profit	1,634	1,795	+161	+9.9	1,543	+252	+16.4	3,427	8,177
Single-family homes	803	920	+117	+14.7	830	+90	+10.9	1,774	3,955
Buildings	520	466	(54)	(10.4)	372	+93	+25.1	830	2,167
Waterproofing	12	40	+27	+221.5	+48	(7)	—	148	415
Sales of urethane raw materials	78	104	+26	+33.7	94	+9	+10.6	211	508
Other product sales	219	263	+44	+20.1	197	+66	+33.6	462	1,130
SG&A expenses	1,107	1,252	+144	+13.0	1,236	+15	+1.3	2,589	5,277
Operating profit	526	543	+17	+3.3	306	+237	+77.3	837	2,900
Ordinary profit	529	521	(8)	(1.6)	310	+210	+67.9	845	2,910
Profit	359	341	(17)	(4.9)	210	+131	+62.3	572	1,972
Dividend per share (yen)									35.0

Balance Sheet (Million yen)

	As of Dec 31 2025	As of Mar 31 2026
Assets		
Current assets		
Cash and deposits	2,415	2,690
Notes and accounts receivable - trade, and contract assets	7,977	6,931
Electronically recorded monetary claims	1,434	1,225
Inventories	2,890	2,604
Accounts receivable - other	5,032	4,206
Total current assets	20,015	17,966
Non-current assets		
Total property, plant and equipment	4,480	4,447
Total intangible assets	88	117
Total investments and other assets	1,226	1,191
Total non-current assets	5,795	5,756
Total assets	25,810	23,722

	As of Dec 31 2025	As of Mar 31 2026
Liabilities		
Current liabilities		
Accounts payable - trade	7,528	6,237
Short-term borrowings	4,800	5,100
Total current liabilities	14,090	12,790
Non-current liabilities		
Total non-current liabilities	85	83
Total liabilities	14,176	12,874
Net assets		
Share capital	1,903	1,903
Capital surplus	2,097	2,097
Retained earnings	9,168	8,383
Treasury shares	(1,536)	(1,536)
Total net assets	11,633	10,848
Total liabilities and net assets	25,810	23,722

NIPPON AQUA

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	710 people* (Non-consolidated)	*as of December 31, 2025

as of March 31, 2026

Product Portfolio

Expanding around the core of two-component polyurethane

Polyol

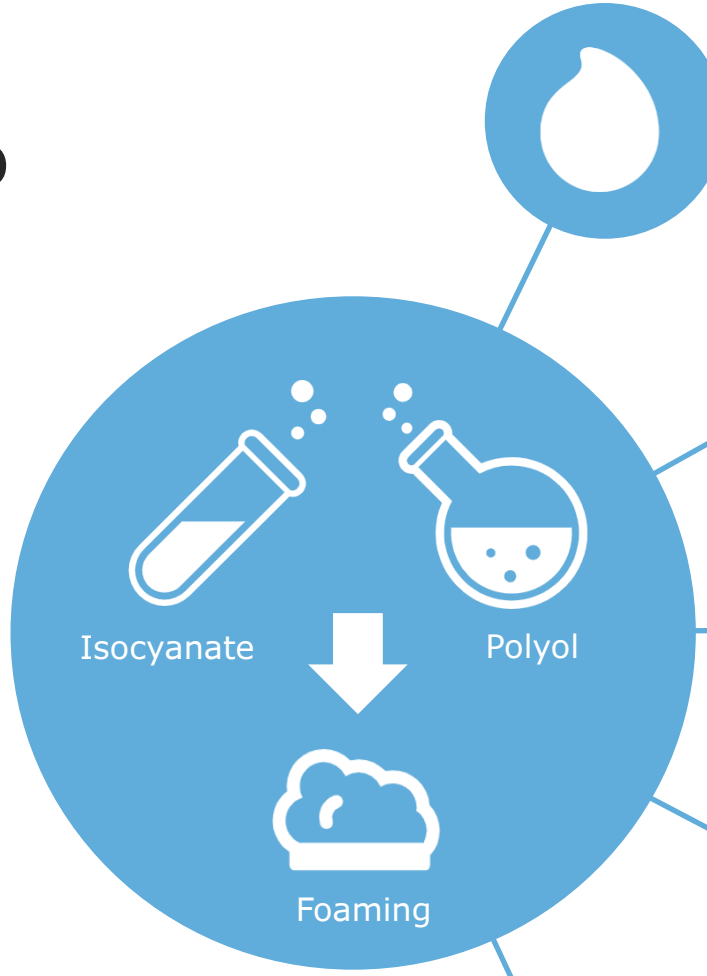
✓An organic compound with a hydroxyl group as the main ingredient.
✓By changing the molecular structure and molecular weight of polyols, the physical properties such as hardness and flexibility of urethane can be adjusted.

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.



AQUA FOAM
for single-family homes

AQUA FOAM LITE
for single-family homes

AQUA FOAM NEO
for single-family homes and buildings

AQUA MOEN NEO
Non-flammable insulation for buildings

AQUA HAJIKUN
The ultrarapid-hardening waterproofing for single-family homes and buildings

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

Recycle blowing

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

Product manufacturing

Fabless manufacturer

Installation quality management

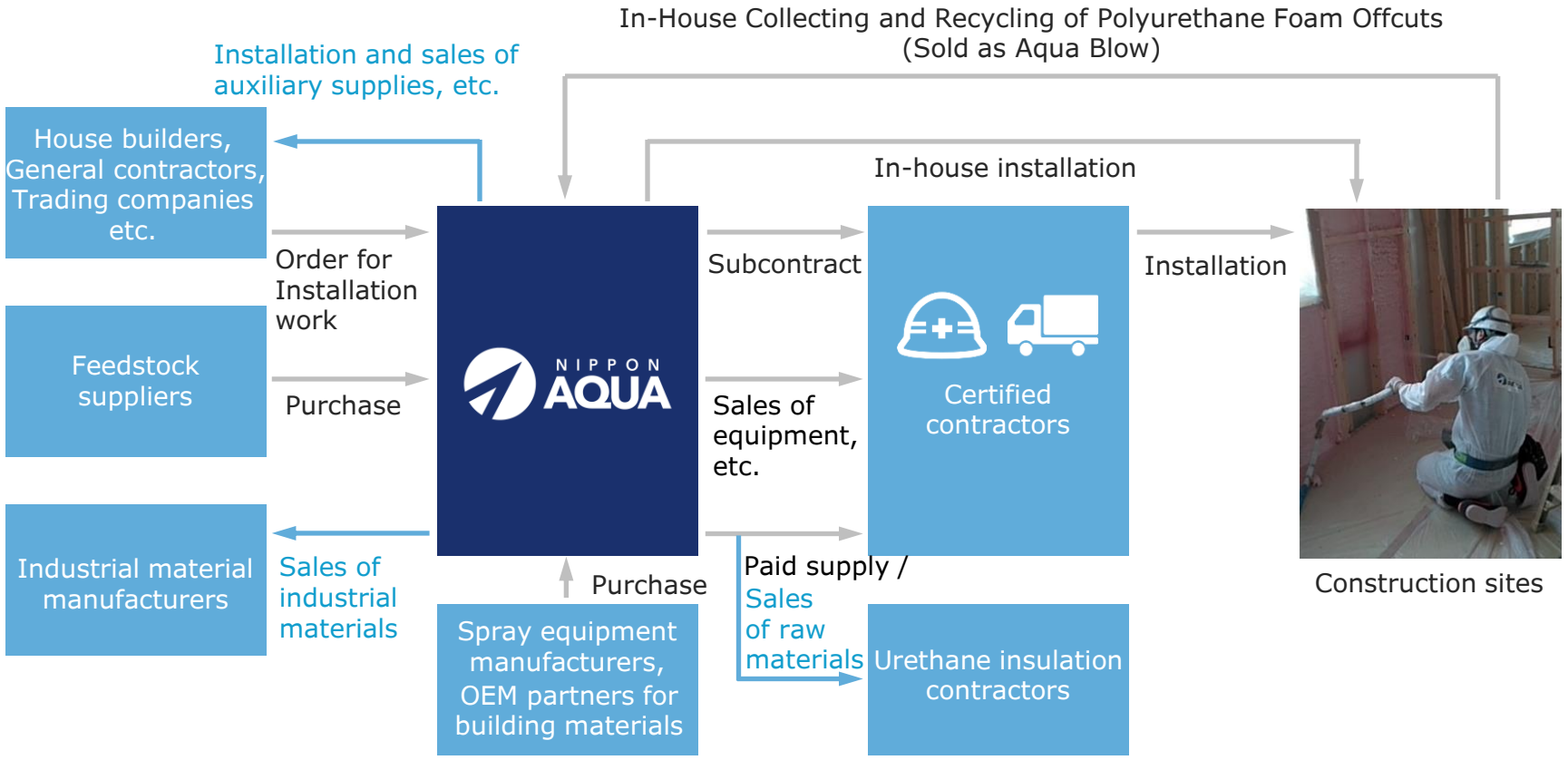
Ensuring work safety and installation quality

Nationwide installation network

In-house installation and certified contractors

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

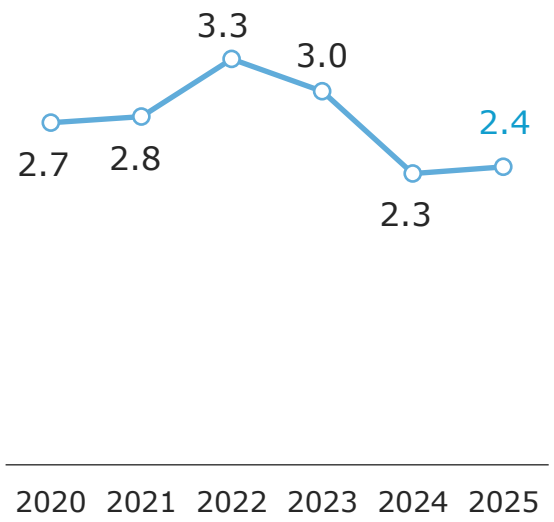
Broad range of support from basics to practical skills

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

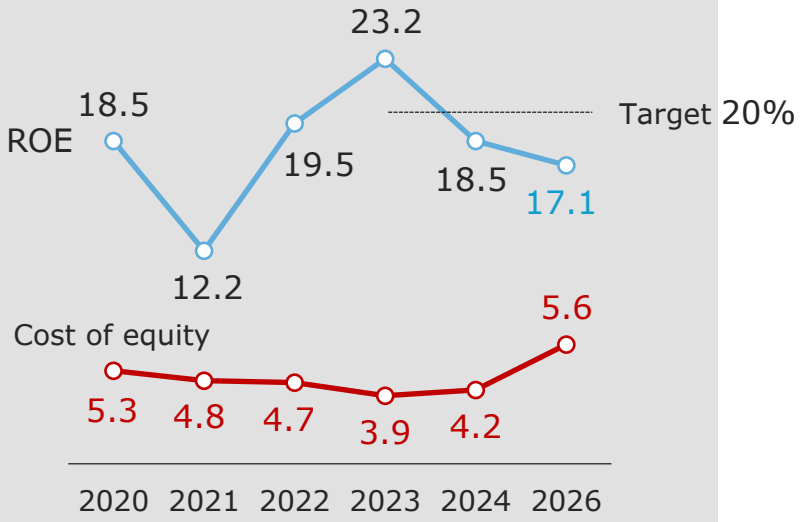
Our PBR has remained in the high 2x to 3x range since 2020 and stood at 2.4x in 2025, representing an increase from the previous year. When PBR is decomposed into ROE and PER, we recognize that the rise in PER, despite a decline in ROE, was the primary factor behind the increase in PBR.
We regard the 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 18–20%, 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.

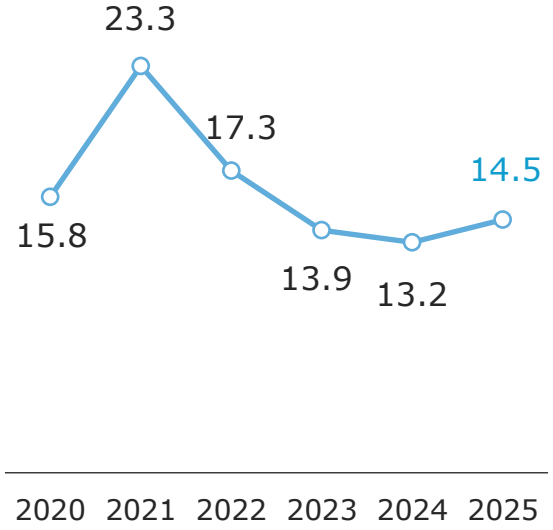
P/B (x)



ROE / Cost of Equity* (%)



P/E (x)



*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)

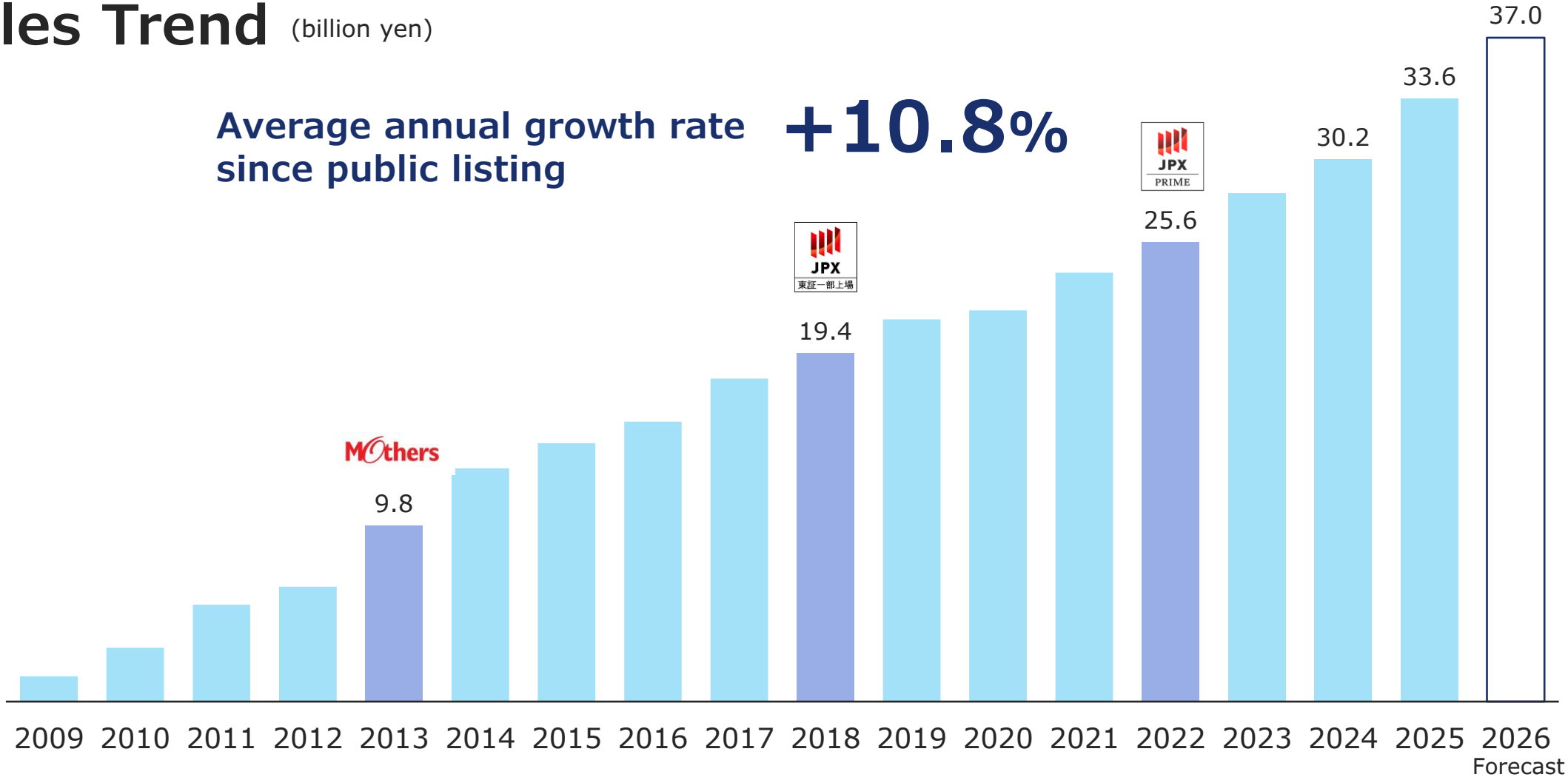
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Performance trends													
Net sales	9,825	13,020	14,406	15,608	18,052	19,417	21,366	21,872	23,903	25,670	28,341	30,265	33,670
Gross profit	2,444	2,856	3,137	4,027	4,305	3,891	5,403	5,310	4,739	5,784	6,924	6,862	7,738
Gross profit 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

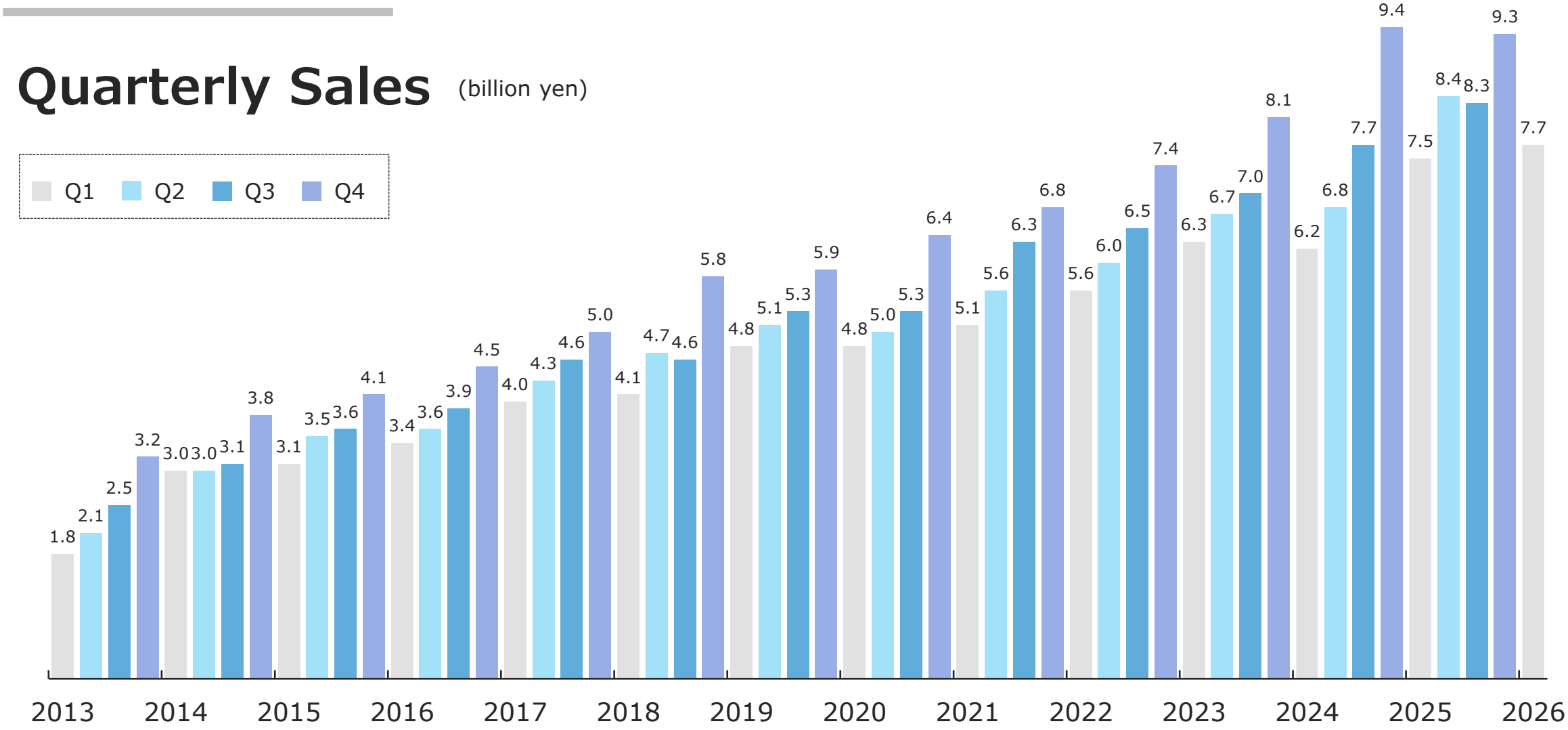
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assets, liabilities, and equity													
Net assets	5,103	5,529	5,590	6,663	5,508	5,885	6,843	7,638	7,951	7,966	9,304	10,545	11,633
Return on equity	16.6%	10.0%	2.5%	16.0%	15.5%	8.6%	20.0%	18.5%	12.2%	19.5%	23.2%	18.5%	17.1%
Total assets	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 th	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)

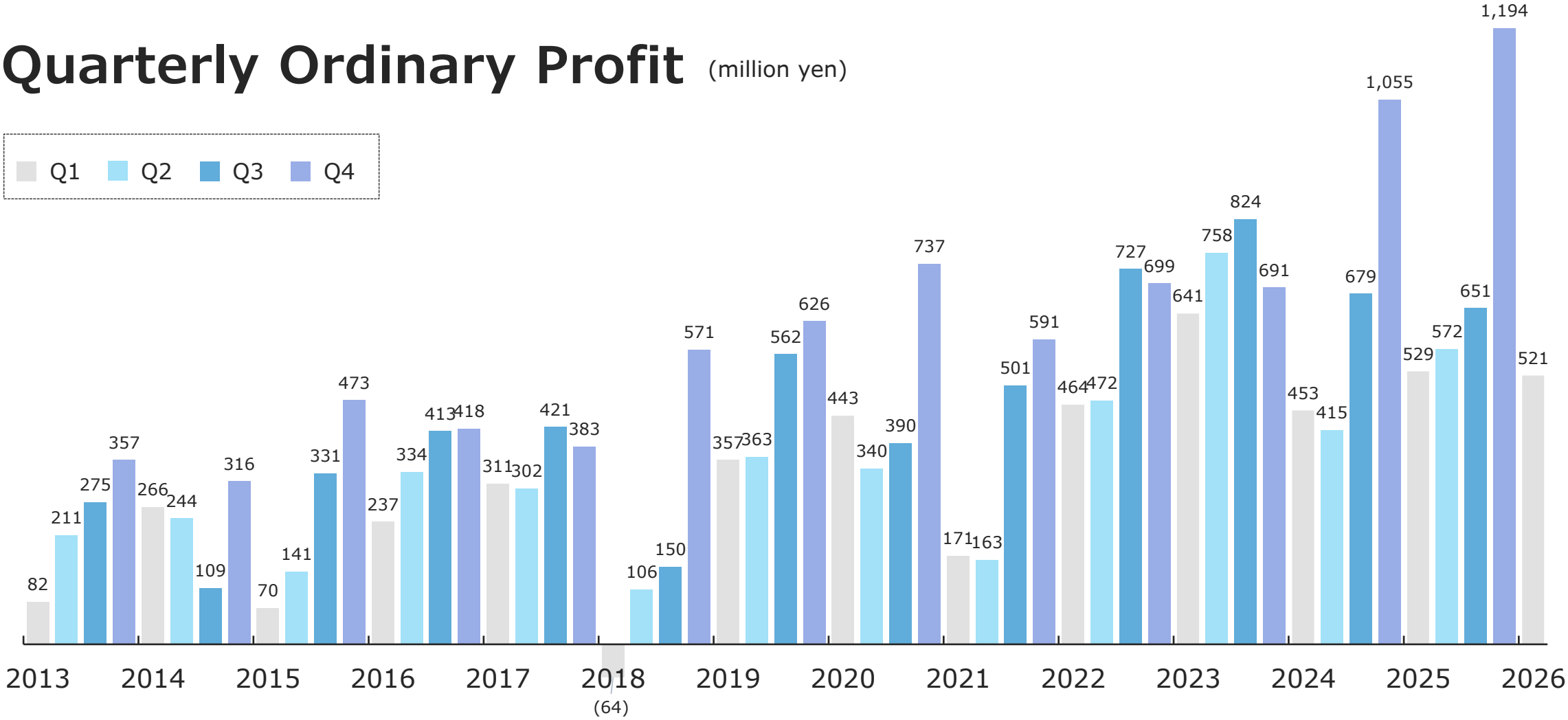
Average annual growth rate since public listing **+10.8%**



Quarterly Sales (billion yen)



Quarterly Ordinary Profit (million yen)



Market Environment

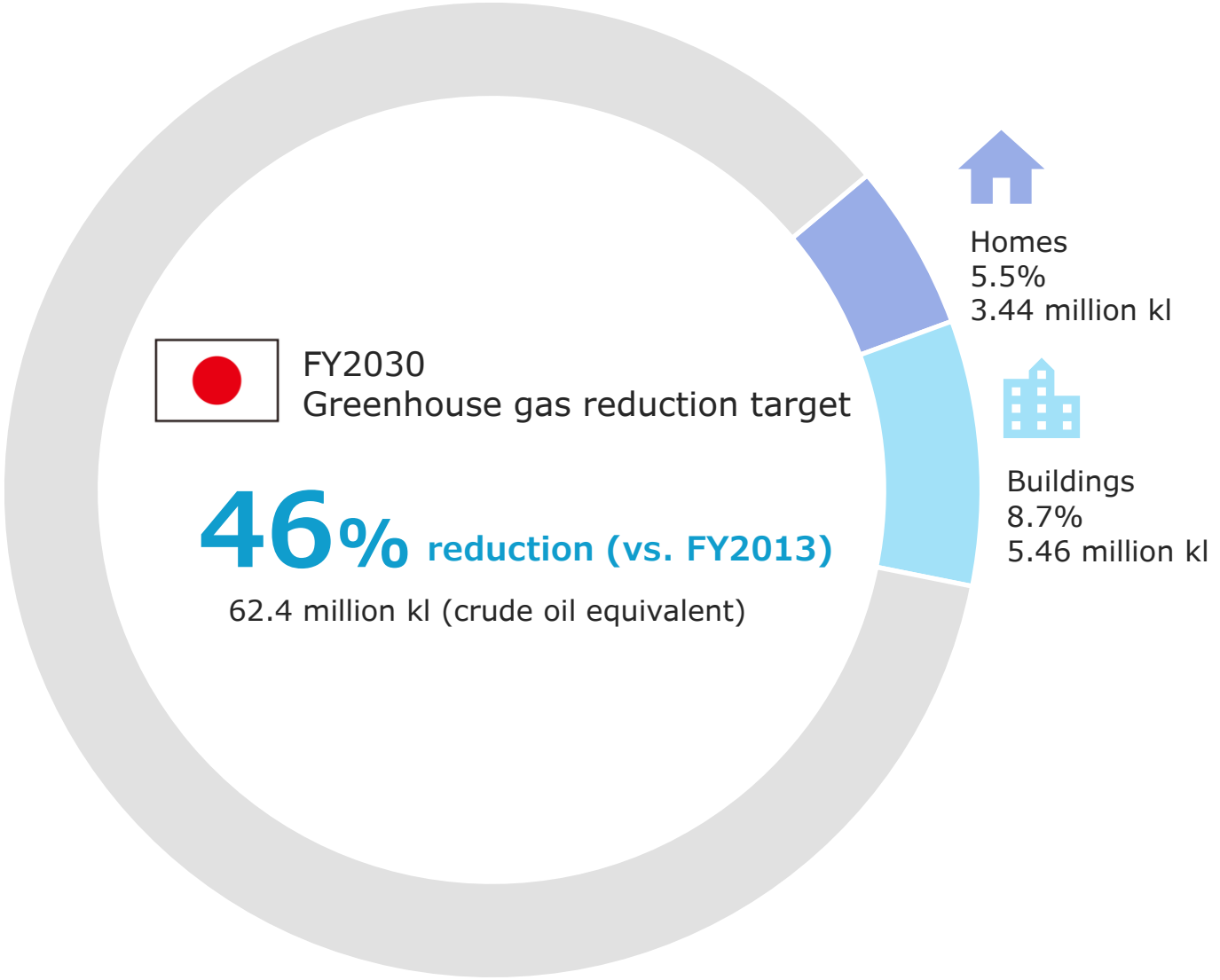
Housing and Buildings for a Decarbonized Society

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 P21, BEI is P20.

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*

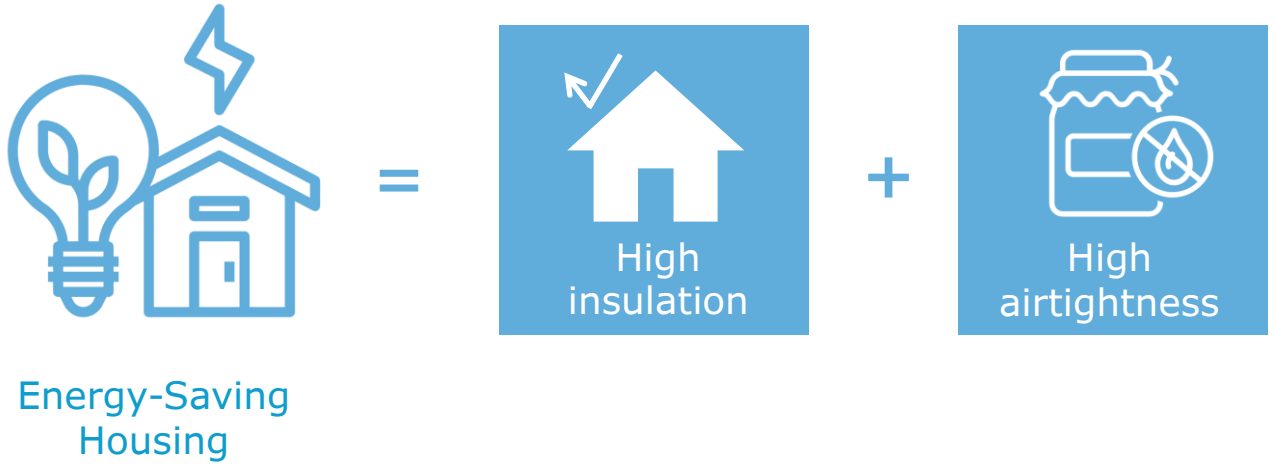
*Housing that is comfortable to live in even with low energy consumption

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

C value = Total gap area of the house (cm2) / 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)

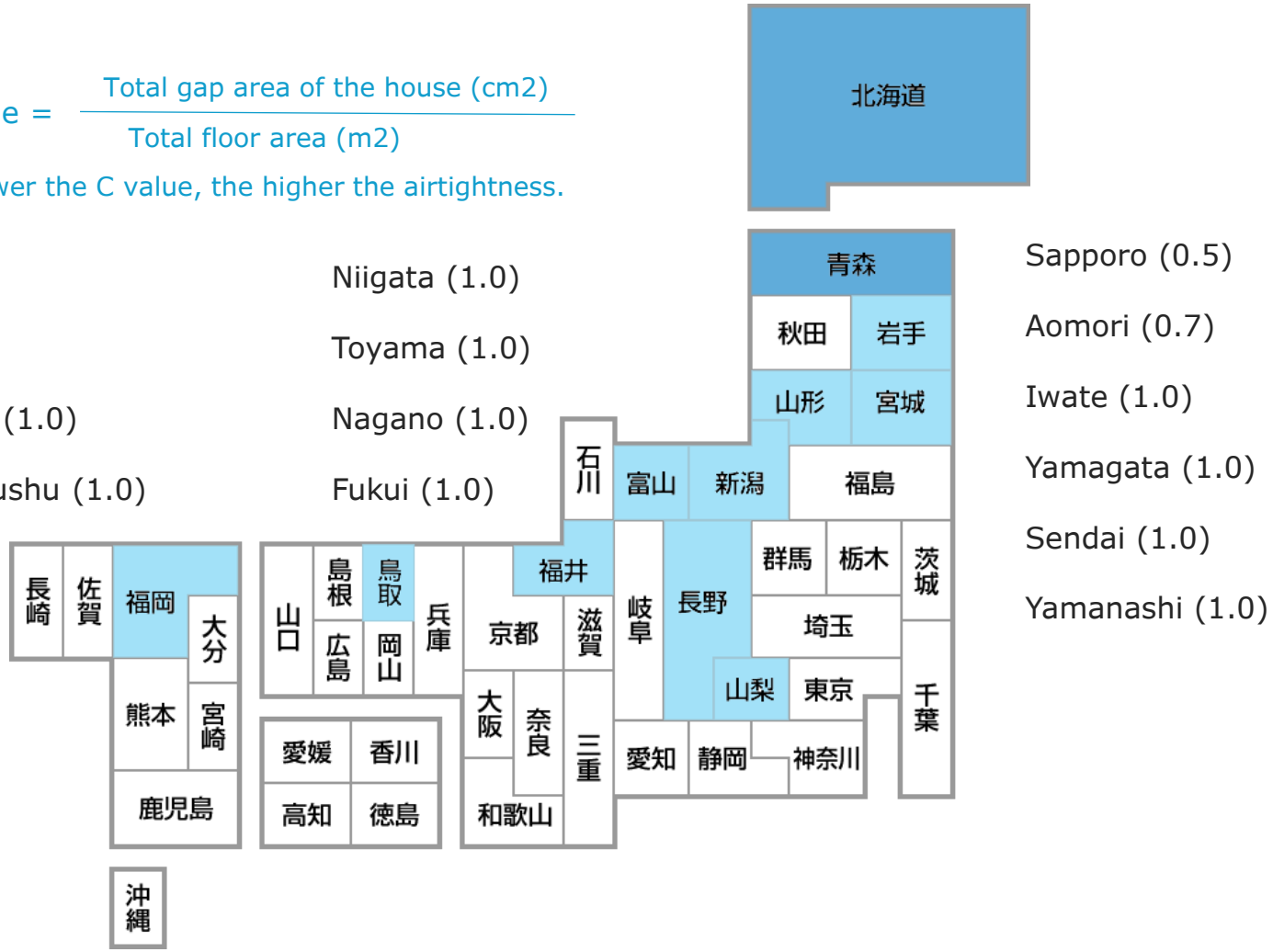
Aomori (0.7)

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

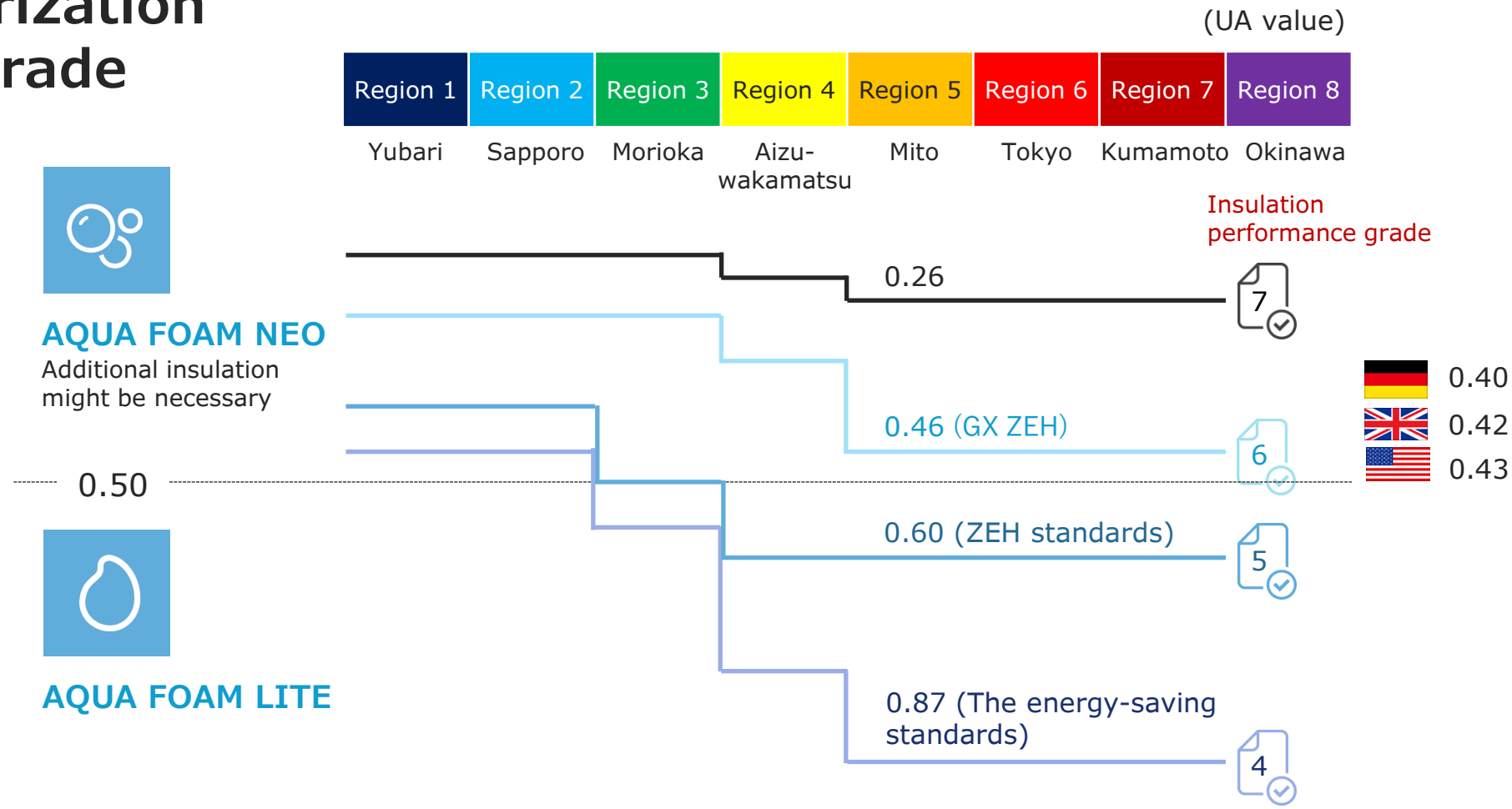
Regional Categorization and Insulation Grade

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.



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)

	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5 (Guidance standards)	Grade 6	Grade 7 (Highest grade)
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
						ZEH New standards	

Insulation performance grade

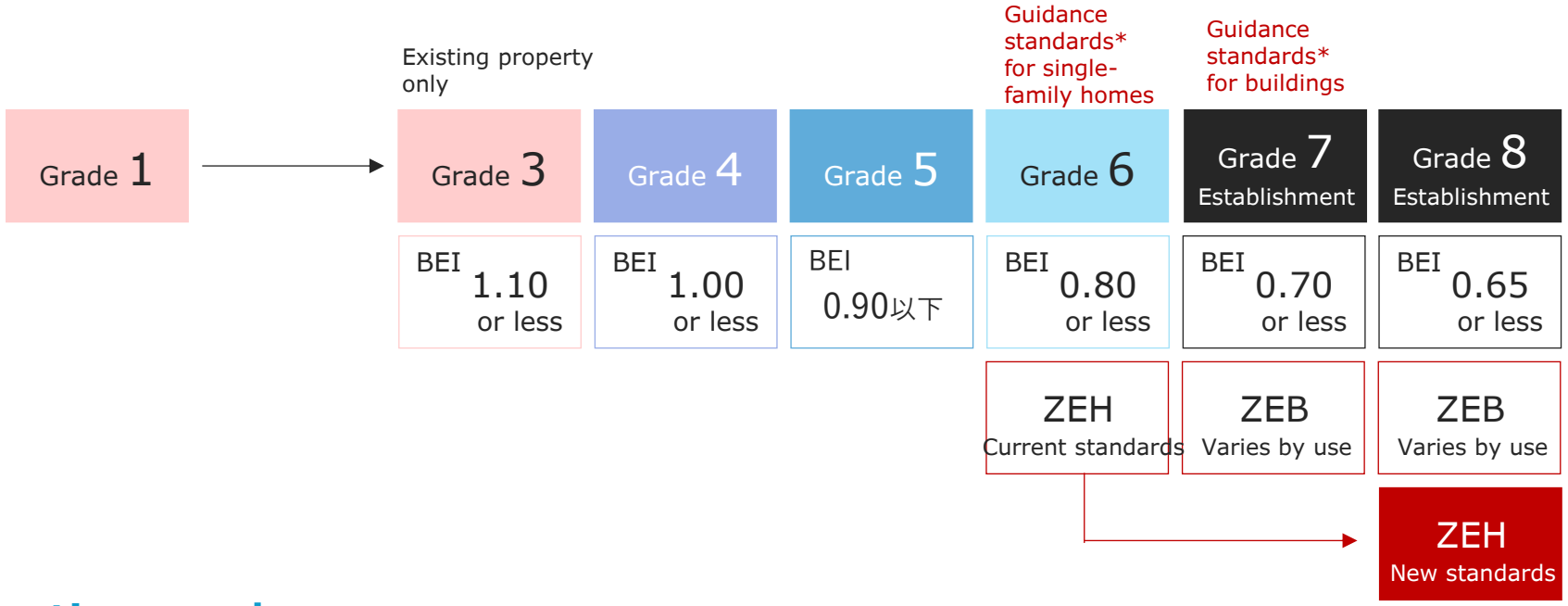
UA value= Average thermal transmittance of the envelope
(Ease of heat escape from buildings)

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"

Establish New Energy Consumption Standards

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



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 Class 6 have become possible, albeit with conditions.

Number of housing starts

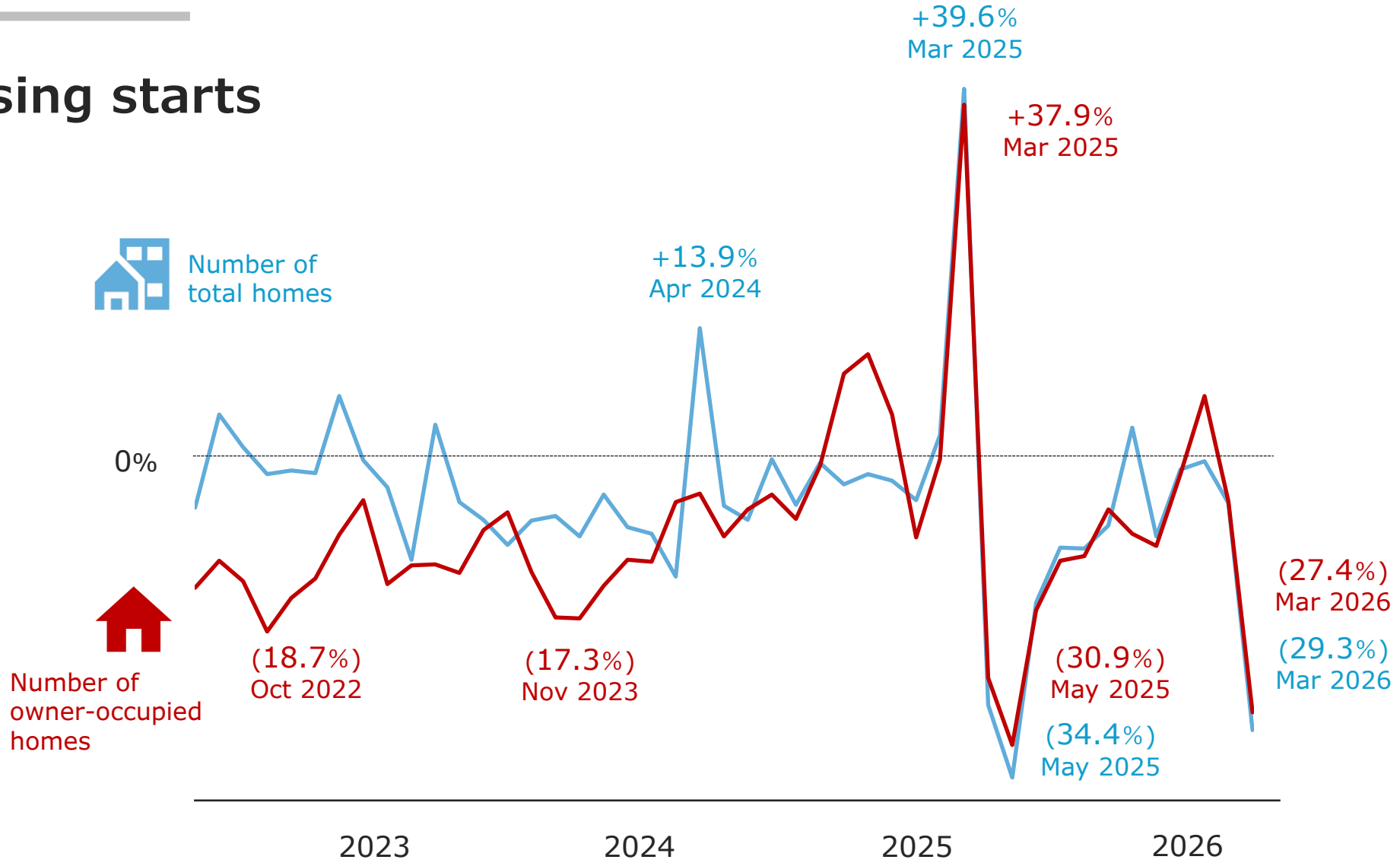
(year-on-year)

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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Disclaimer and Notes Regarding Forward-Looking Statements

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This document contains forward-looking statements, including our plans. These forward-looking statements are based on information available at the time of preparation and involve various risks and uncertainties. Therefore, please note that actual results may differ significantly due to various factors. We assume no obligation to update, alter or revise any forward-looking statements in light of new information, future events or other findings.