Business Results for the Three Months Ended March 31, 2024

May 10, 2024

Nippon Aqua Co., Ltd.

Tokyo Stock Exchange Prime Section #1429

Three months ended March 31, 2024

Financial Highlights

- ✓Revenue and profit decreased in the first quarter, but progress exceeded initial expectations.
- ✓Single-family Homes Division: Standardization of Insulation Class 5 (ZEH level)
- ✓Buildings Division: Secured about 75% of orders for the full-year forecast

Net sales

6,272 Million yen

YoY (1.5 %)

Gross profit

1,447 Million yen

YoY (0.7 %)

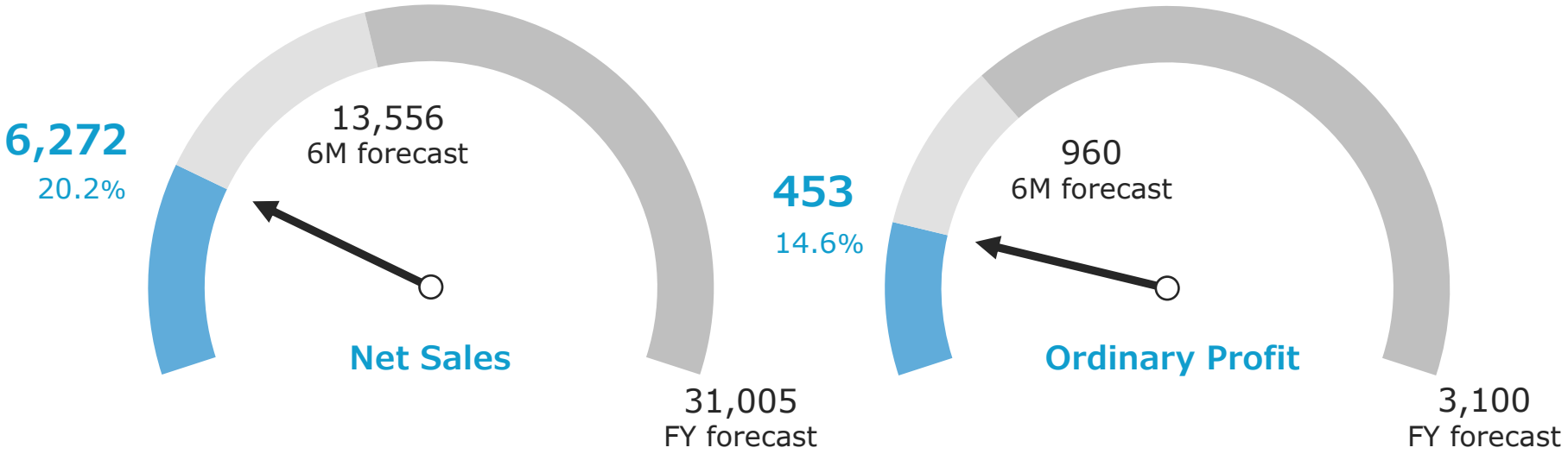
Ordinary profit

453 Million yen

YoY (29.3 %)

Progress towards Full-year Financial Forecast

(Million yen)



		FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	3M	4,808	4,889	5,101	5,697	6,368
	FY	21,366	21,872	23,903	25,670	28,341
	Progress rate	22.5%	22.4%	21.3%	22.2%	22.5%
Ordinary profit	3M	357	443	171	464	641
	FY	1,909	1,911	1,429	2,359	2,917
	Progress rate	18.7%	23.2%	12.0%	19.7%	22.0%

Efforts in the First Quarter and Future Outlook

	Q1 Net sales 6.27 Bn yen	Q2 about 7.3 Bn yen	Q3 about 8.2 Bn yen	Q4 about 9.2 Bn yen
Single-family Homes Division	✓The thermal conductivity of AQUA FOAM and AQUA FOAM LITE has changed, improving insulation performance. ✓An increase in the number of orders from key builders ✓Promotion of standardization of air tightness measurement services	✓Share acquisition from urethane construction contractors based on the establishment of a construction system (5% increase in the number of residential constructions) ✓Share acquisition from other insulation constructions based on the improved insulation performance of the two main products ✓Differentiation with a combination of higher grades (Insulation Class 6 and above) and high confidentiality performance ✓Cross-sell through airtightness measurement services and bundled sales of waterproofing construction		
Buildings Division	✓Secured about 75% of orders for the FY2024 full-year sales forecast ✓Sales of urethane raw materials have grown in line with the expansion of the building market. ✓Increase in blowing equipment sales due to the increase in external installation work personnel	✓Share acquisition from urethane construction contractors based on the establishment of a construction system ✓Starting from the second quarter, AQUA MOEN NEO construction for semiconductor factories and large-scale redevelopment projects ✓Continued increase in sales of urethane raw materials for properties that our company cannot handle in construction		
Company-wide Waterproofing Division	✓Increase in non-residential renovation projects in the Waterproofing Division ✓Managed to suppress the cost of raw material purchases amid a weaker yen and higher naphtha prices ✓Mid-career hiring of internal installation work personnel is progressing smoothly ✓Strengthening of sales backed by the development of construction capabilities	✓In the Waterproofing Division, steady progress in renovation construction proposals to leading companies representing Japan ✓Regarding procurement, taking advantage of purchasing from multiple companies, the impact of the weaker yen and higher naphtha prices is limited ✓Aiming for a construction workforce increase of over 100 people annually through active recruitment of both our own and certified contractors to strengthen construction capabilities		

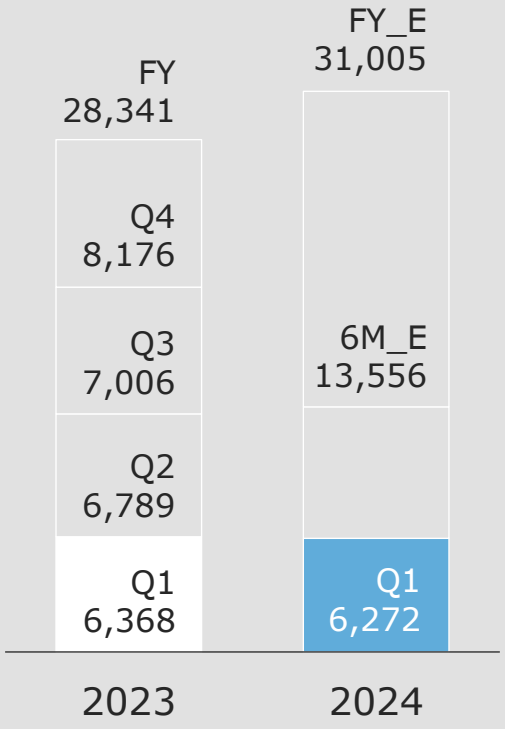
Agenda

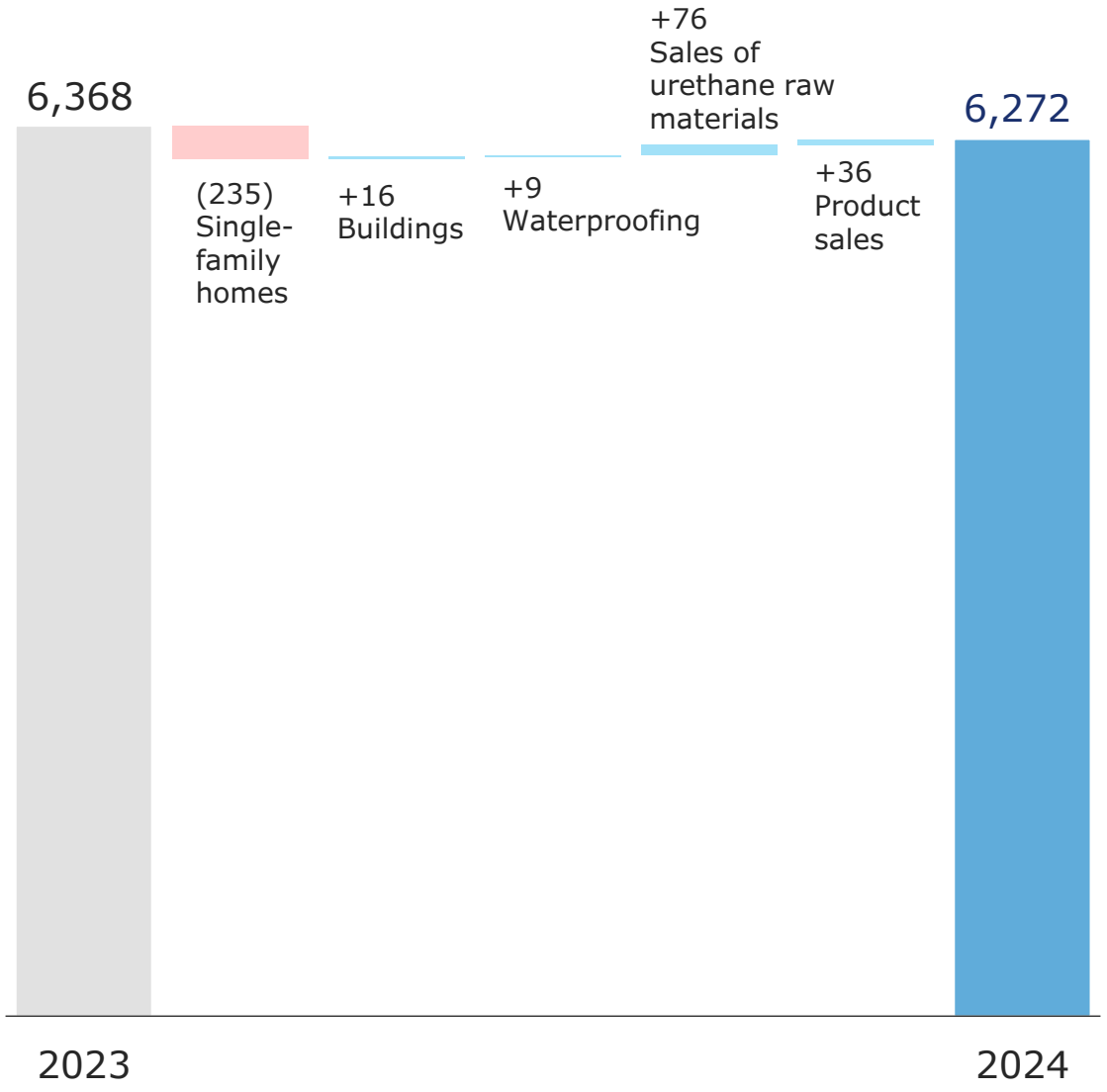
Three months ended March 31, 2024

Net Sales

(Million yen)

YoY (235 Million yen) (7.3%)



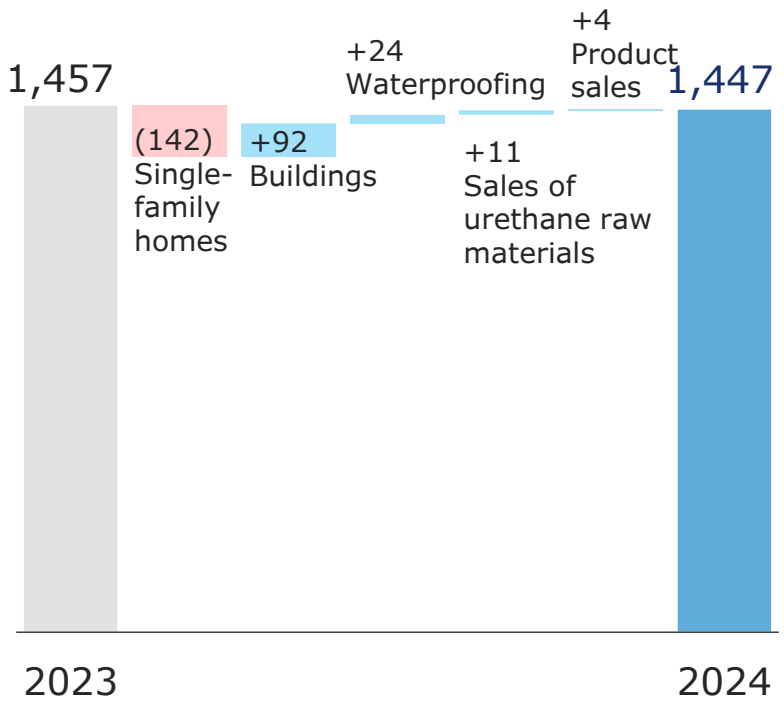


Gross Profit

(Million yen)

YoY (10 Million yen) (0.7%)

GPM 22.9% ▶ 23.1%



Gross profit by division

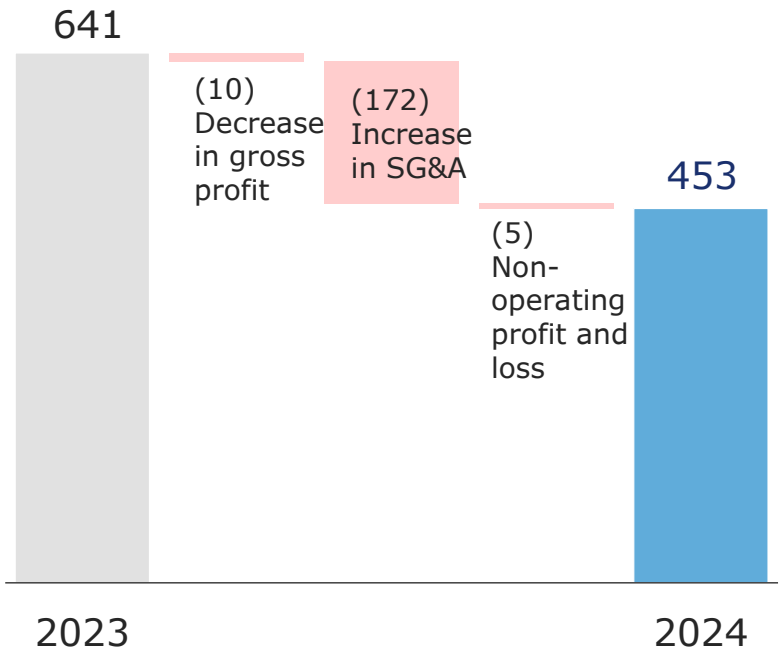
	FY2023 Q1	Q2	Q3	Q4	FY2024 Q1
Gross profit	1,457	1,666	1,734	2,066	1,447
Single-family homes	876	866	922	1,019	733
Buildings	361	450	540	610	454
Waterproofing	(21)	(12)	(1)	0	2
Sales of urethane raw mater	63	82	89	107	74
Product sales	177	279	182	329	181

Ordinary Profit

(Million yen)

YoY (188 Million yen) (29.3%)

Ordinary PM 10.1% ▶ 7.2%



- ✓Increase in labor costs: Increase in personnel and salaries, etc.
- ✓From the first quarter of 2024, we have allocated certified contractors' incentive payments (principally as subcontracting expenses).
- ✓Land and rent: Increase due to the establishment of new warehouses and office centers.

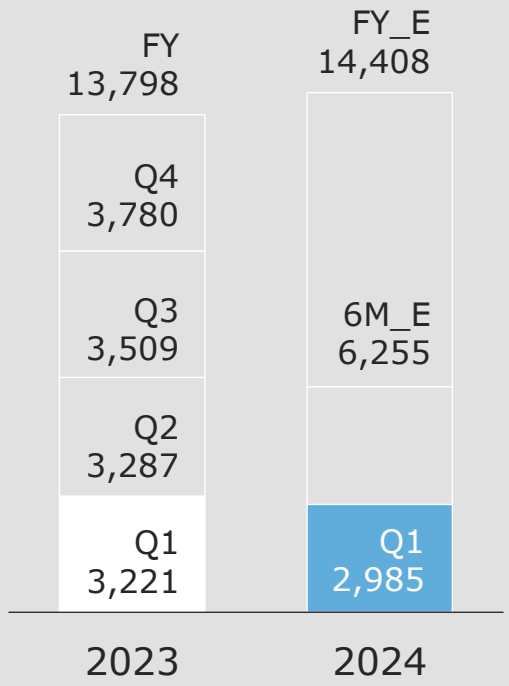
SG&A

	FY2023 Q1	Q2	Q3	Q4	FY2024 Q1
Gross profit	1,457	1,666	1,734	2,066	1,447
SQ&A	829	913	915	1,383	1,002
Payroll cost	488	542	537	827	629
Special incentives*	-	-	-	150	2
Trainee related expenses	56	62	60	89	72
Travel expenses	53	66	64	66	53
Rent expenses	45	46	48	50	49
Depreciation expenses	39	41	41	42	41
Ordinary Profit	641	758	824	691	453

*Special incentives for certified contractors

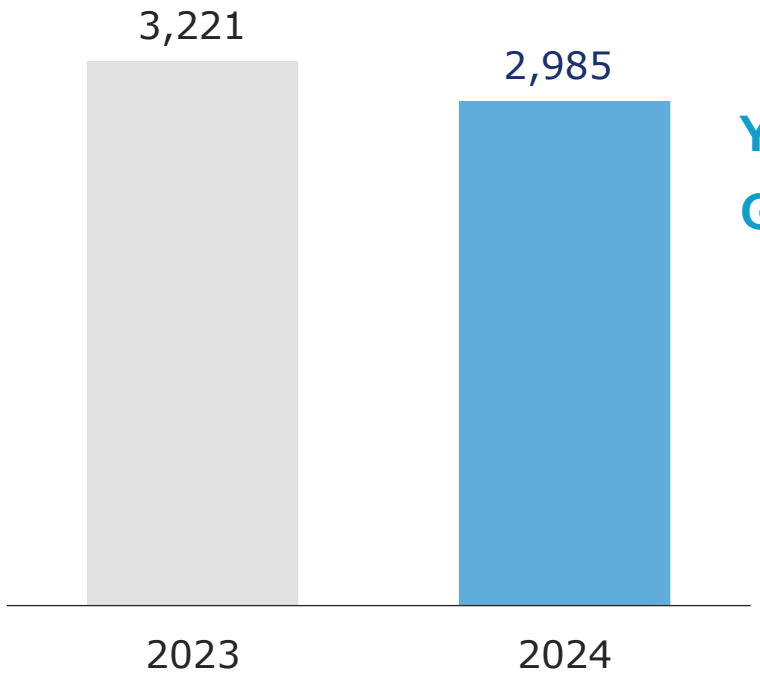
Single-family Homes Division

(Million yen)



YoY

- ✓Construction unit price (per housing) increased by about 4%
- ✓The factors for the increase are the spread of Insulation Class 5 and higher classes and price revisions, etc.
- ✓The number of housing constructions decreased by about 11%
- ✓The decrease factor is due to a reduction in order quantities from existing clients following market downturns.
- ✓Results from share expansion measures are materializing since the second quarter.

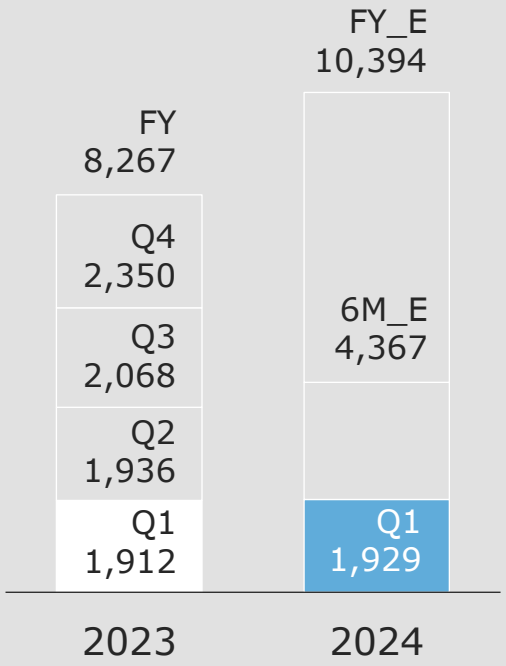


YoY (235 Million yen) (7.3%)

GPM 27.2% ▶ 24.6%

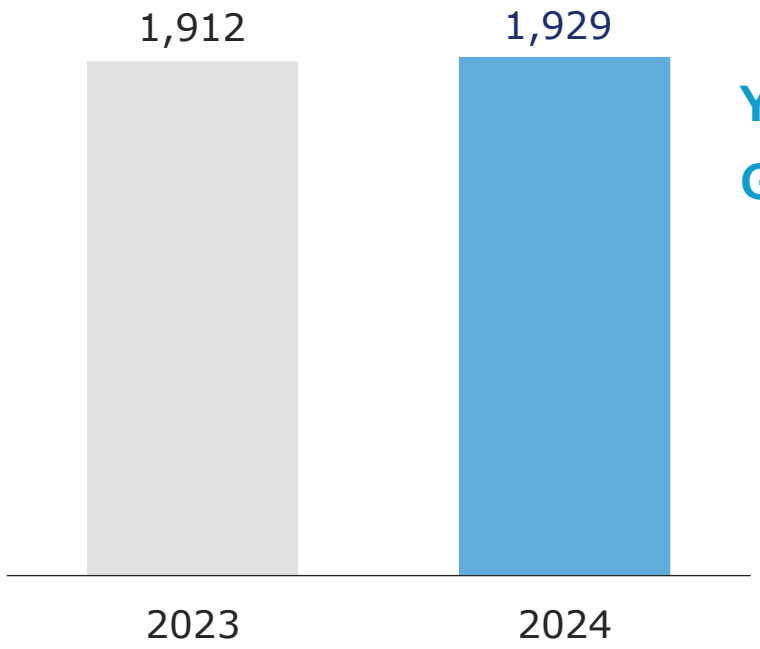
Buildings Division

(Million yen)



YoY

- ✓Construction unit price (per square meter) has increased by approximately 9%
- ✓The increase factor is due to the increased thickness of AQUA FOAM NEO applications and price revisions, among others.
- ✓The construction area has decreased by approximately 8%.
- ✓The decrease factor is a reactionary decline due to large-scale projects accounted for in the same period of the previous year.
- ✓Several large-scale AQUA MOEN NEO projects commenced after the second quarter.

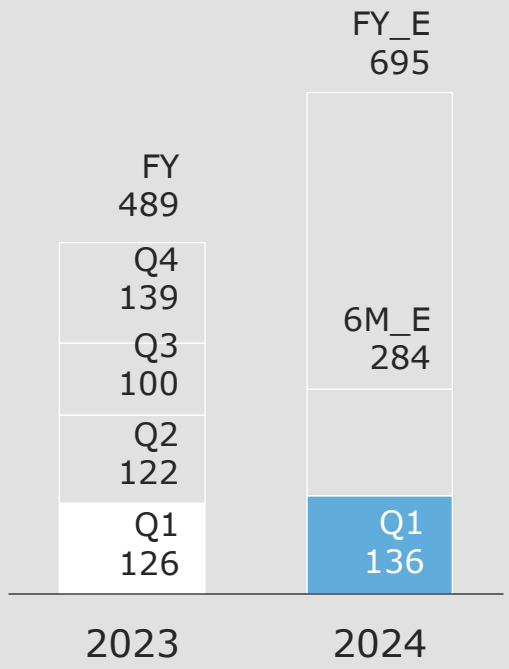


YoY **+16 Million yen** **+0.8%**

GPM **18.9% ▶ 23.6%**

Waterproofing Division

(Million yen)



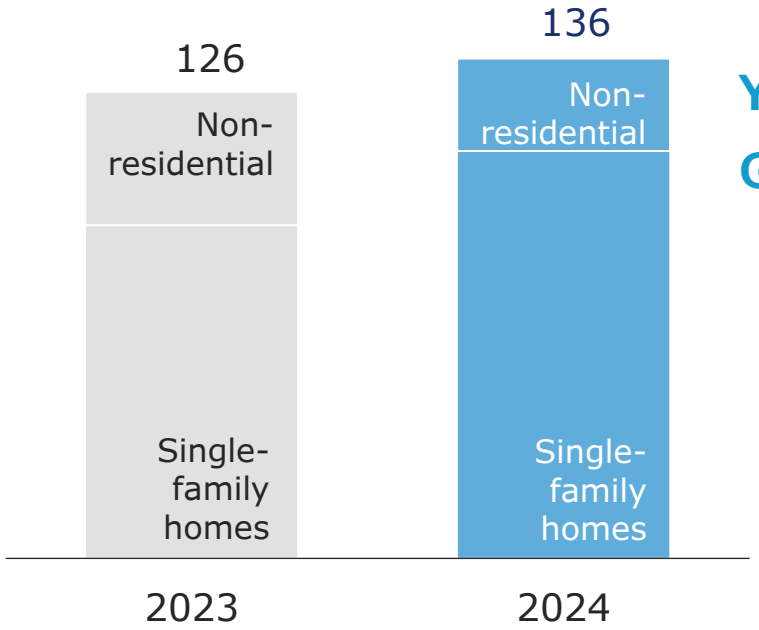
YoY

For single-family homes (balcony construction)

✓Expansion of the switch from existing construction methods through collaboration with the Single-family Homes Division.

Non-residential

✓Actively proposing measures against the aging of buildings using asbestos-containing materials.



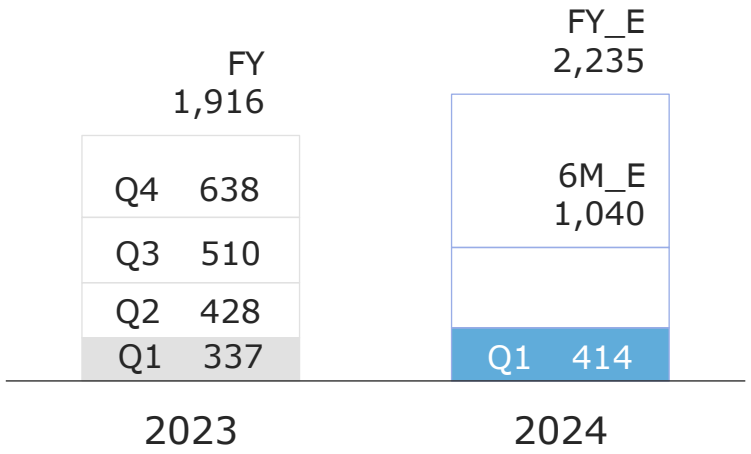
YoY **+9 Million yen** **+7.8%**

GPM **Turning profitable** **2.2%**

	FY2023 Q1	Q2	Q3	Q4	FY2024 Q1
Waterproofing division sales	126	122	100	139	136
Single-family homes	90	107	91	123	110
Non-residential	36	14	9	15	25

Sales of Urethane Raw Materials Other Product Sales

(Million yen)



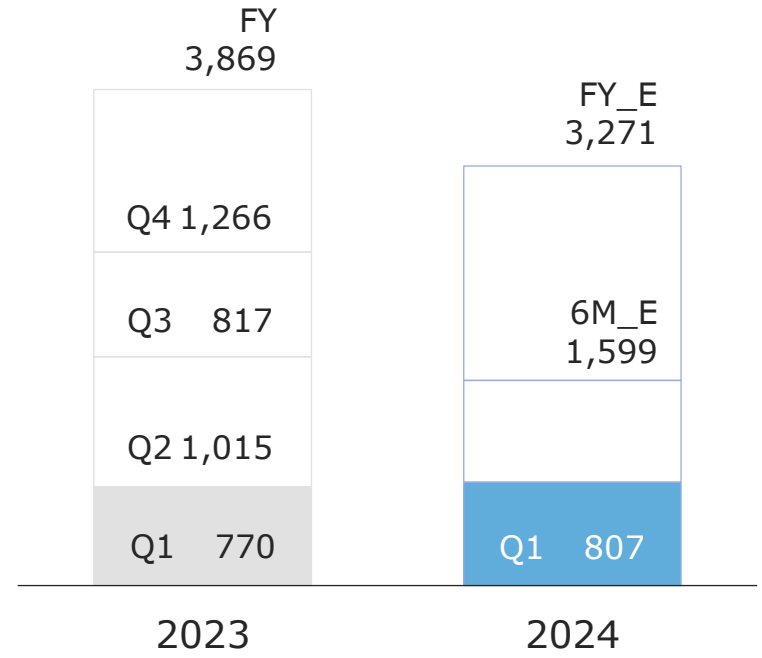
YoY +76 Million yen +22.8%

GPM 18.7% ▶ 18.1%

Sales of Urethane Raw Materials

✓Sales of building materials are performing well.

✓Repeat orders are increasing.



YoY +36 Million yen +4.8%

GPM 23.0% ▶ 22.5%

Other Product Sales

✓Increase in blowing equipment sales due to the increase in external installation work personnel

Income Statement (Million yen,%)

	FY 2023 Jan-Mar	FY 2024 Jan-Mar	YoY Amount	YoY Change(%)	Forecast 6M (Jan-Jul)	Forecast Amount
Net sales	6,368	6,272	(95)	(1.5)	13,556	31,005
Single-family homes	3,221	2,985	(235)	(7.3)	6,255	14,408
Buildings	1,912	1,929	+16	+0.8	4,376	10,394
Waterproofing	126	136	+9	+7.8	284	695
Sales of urethane raw materials	337	414	+76	+22.8	1,040	2,235
Product sales	770	807	+36	+4.8	1,599	3,271
Cost of sales	4,911	4,825	(85)	(1.7)	10,543	23,596
Gross profit	1,457	1,447	(10)	(0.7)	3,012	7,408
Single-family homes	876	733	(142)	(16.3)	1,492	3,585
Buildings	361	454	+92	+20.7	1,024	2,774
Waterproofing	(21)	+2	+24	—	13	38
Sales of urethane raw materials	63	+74	+11	+18.5	193	398
Product sales	177	+181	+4	+2.3	289	611
SG&A expenses	829	1,002	+172	+20.7	2,051	4,308
Operating profit	627	445	(182)	(29.1)	960	3,100
Ordinary profit	641	453	(188)	(29.3)	960	3,100
Profit	432	302	(130)	(30.1)	648	2,092
Dividend per share (yen)						34.0

Balance Sheet (Million yen)

	As of Dec 31 2023	As of Mar 31 2024
Assets		
Current assets		
Cash and deposits	2,033	1,889
Notes and accounts receivable - trade, and contract assets	6,397	5,975
Electronically recorded monetary claims	1,098	949
Inventories	2,209	2,494
Accounts receivable - other	3,648	3,121
Total current assets	15,472	14,516
Non-current assets		
Total property, plant and equipment	4,367	4,366
Total intangible assets	85	89
Total investments and other assets	466	417
Total non-current assets	4,919	4,873
Total assets	20,392	19,390

	As of Dec 31 2023	As of Mar 31 2024
Liabilities		
Current liabilities		
Accounts payable - trade	6,453	5,273
Short-term borrowings	2,400	4,300
Total current liabilities	10,927	10,642
Non-current liabilities		
Total non-current liabilities	159	145
Total liabilities	11,087	10,788
Net assets		
Share capital	1,903	1,903
Capital surplus	1,912	1,912
Retained earnings	7,523	6,820
Treasury shares	(2,035)	(2,035)
Total net assets	9,304	8,602
Total liabilities and net assets	20,392	19,390

Agenda

Market Environment

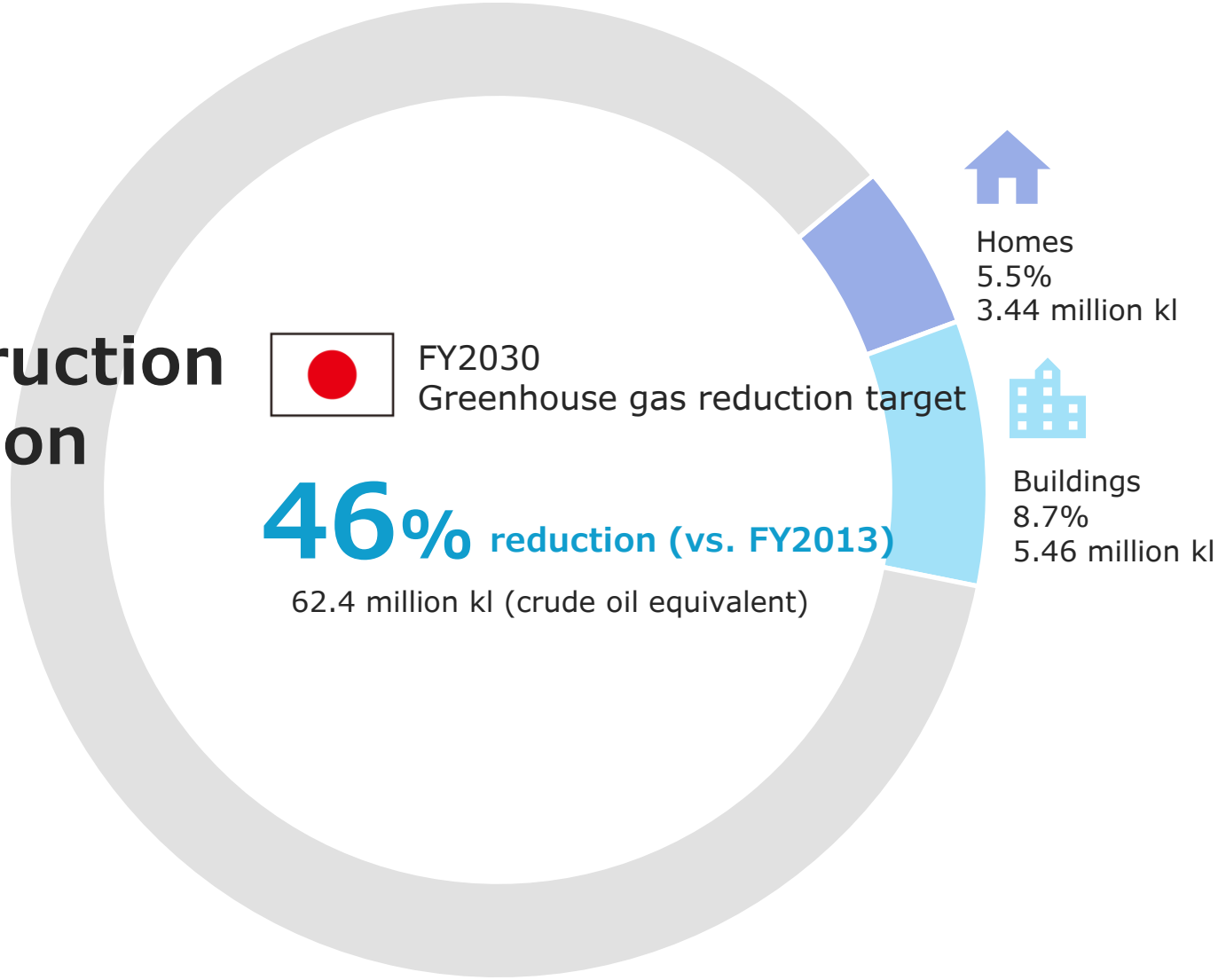
Home and Building Construction Aimed at Realizing a Carbon Free Society

Japan's targets for decarbonization

Reduce greenhouse gases by 46% by FY2030 (vs. FY2013) (equivalent to 62.4 million kl of crude oil)

5.5% reduction for the housing sector (equivalent to 3.44 million kl of crude oil). Suggested measures: Improve energy conservation performance of new homes and renovate existing homes for higher insulation performance

8.7% reduction for the buildings sector (equivalent to 5.46 million kl of crude oil). Suggested measures: Improve energy conservation performance of new buildings and renovate existing buildings for higher energy conservation performance



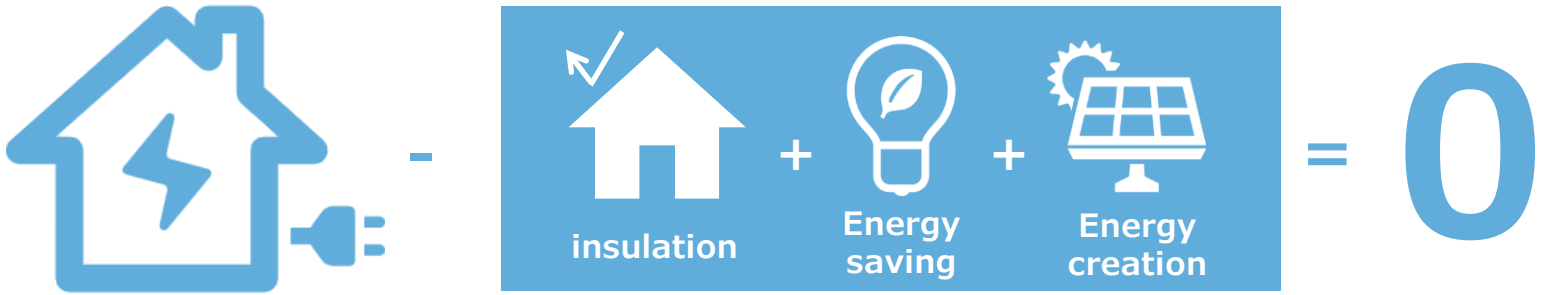
Source: Ministry of Economy, Trade and Industry; Ministry of Land, Infrastructure, Transport and Tourism; Ministry of the Environment

What is ZEH (Net Zero Energy House)?

One of the concrete measures to improve energy conservation performance in the housing sector is to spread ZEH (Net Zero Energy House).

ZEH is a house that reduces the annual consumption of primary energy at home to virtually zero through the combination of insulation, energy conservation, and energy creation.

A similar initiative called ZEB (Net Zero Energy Building) is being undertaken for buildings.



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 class 5* (UA value for region 6 = 0.60)
BEI=0.8*

*Please refer to insulation performance class 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=0.5

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

Energy Efficiency Labeling System

To achieve zero-energy buildings and houses, it is essential to enable everyone to choose buildings based on energy efficiency performance.

From April 2024, it will be a due diligence obligation for businesses selling or leasing buildings and houses to display an energy efficiency label.

For single-family homes and Condominiums

Defines energy consumption performance and insulation performance.

For non-residential

Defines energy consumption performance.

Market Environment

What is Energy Consumption Performance?

Primary energy consumption class

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

* 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: Ministry of Land, Infrastructure, Transport and Tourism
* Home performance indication system based on the Housing Quality Assurance Act

Market Environment

What is Insulation Performance?

				Guidance standards		Highest grade
Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 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	HEAT20 G2	HEAT20 G3

Insulation performance class

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: Ministry of Land, Infrastructure, Transport and Tourism
* Home performance indication system based on the Housing Quality Assurance Act

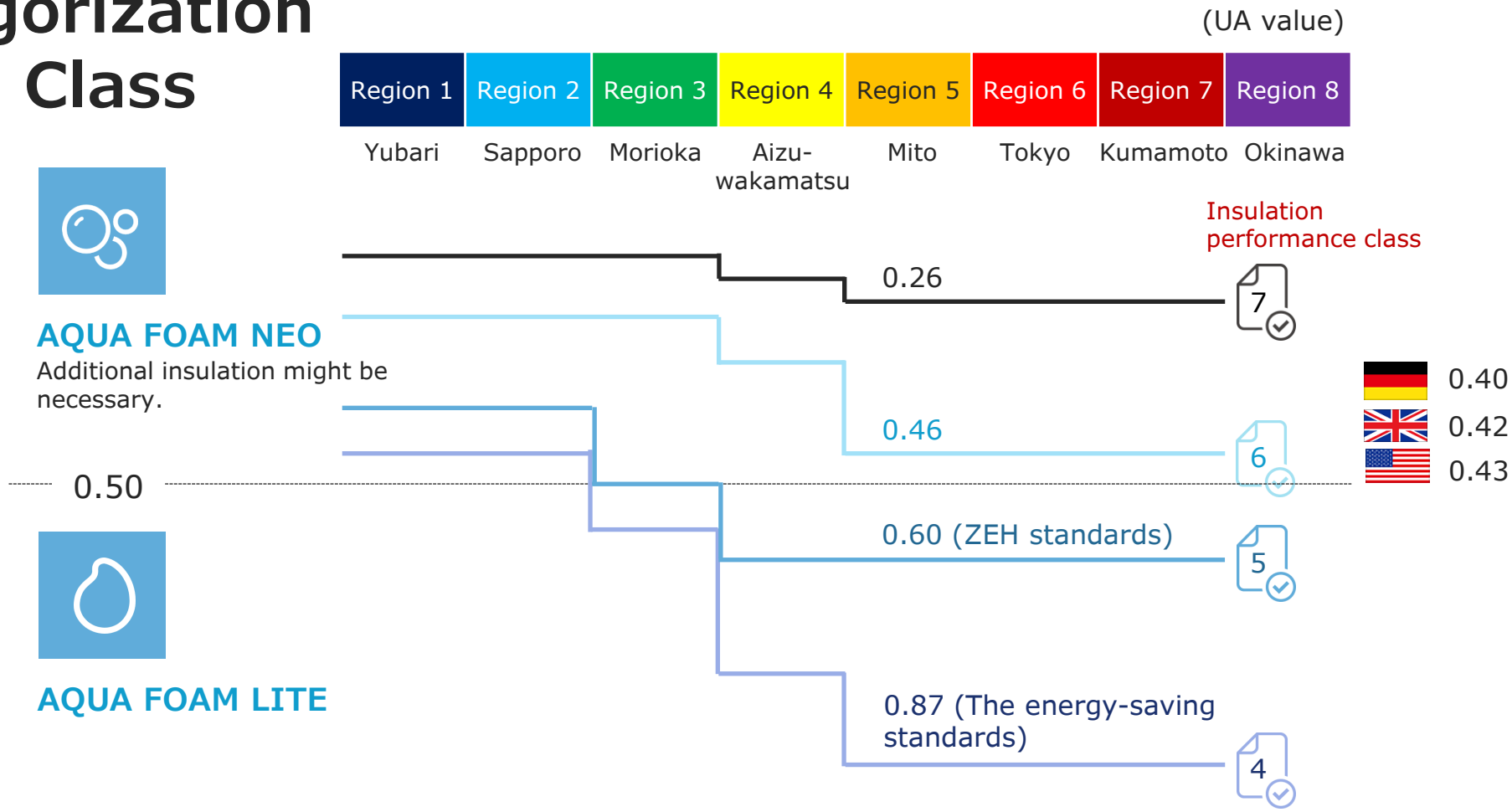
Regional Categorization and Insulation Class

Envelope Performance Level

Impacts that single-family homes with higher insulation classes and the spread of ZEH will have on the Company's performance

Standards of insulation classes are not unified nationwide but are categorized by region according to climate, etc. (See representative cities for each region on the right) Many metropolitan cities, including Tokyo, Nagoya, Osaka, Yokohama, and Kobe, are classified into Region 6.

UA value (average coefficient of heat transmission for outside walls) for insulation Class 5 differs from one region to another; the smaller the value is, the higher insulation performance is required



Summarized 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

Spread of Regulations Related to 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.

✓With the revision of the Energy Conservation Law in 2009, the standard of C value ≦ 5.0 was abolished, and there is currently no clear standard defining "high airtightness".

✓However, the number of cases where it is stipulated in the energy-saving housing measures by local governments (requirements for subsidy grants) is increasing.

Sapporo	Yamagata	Miyagi	Nagano	Tokyo	Yokohama	Tottori	Kitakyushu
Sapporo version of next-generation housing	YAMAGATA Energy-saving healthy housing	MIYASUMA Healthy energy-saving housing	Shinshu Healthy energy-saving housing	TOKYO Zero emission houses	YOKOHAMA energy-saving housing	TOTTORI Healthy energy-saving housing	kitaQ ZEH
C value 0.5 or less	C value 1.0 or less	Strive for high airtightness	C value 1.0 or less	_	C value 1.0 or less	C value 1.0 or less	C value 1.0 or less

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

Redevelopment in the Metropolitan Area Semiconductor Factories in Regional Areas

✓The ratio of city names is the increase rate of the standard land price for fiscal 2023

✓Large-scale equipment investment related to semiconductors after 2024
(It does not promise our orders)

✓Urban redevelopment is accelerating nationwide

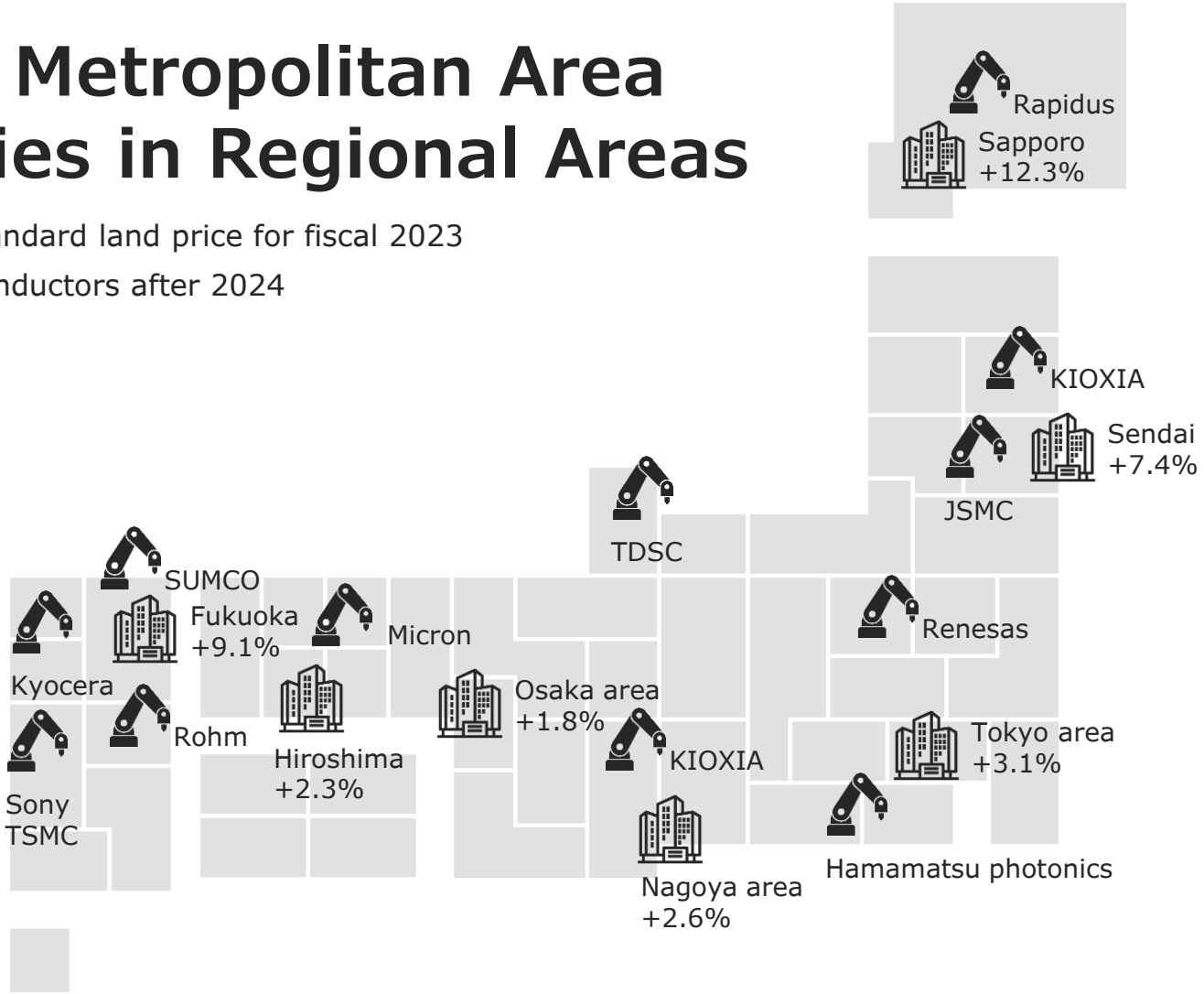
✓The three major metropolitan areas and four cities in the regions are particularly noticeable

✓Investment in cutting-edge fields as a national policy

✓Domestic return of manufacturing facilities

✓Development of infrastructure, commercial facilities, housing, etc. in the surrounding areas in line with the construction of semiconductor factories is also progressing

✓Large data centers (about 20 locations expected to open) are also promising targets



Source: The standard land prices are from the Ministry of Land, Infrastructure, Transport and Tourism, and the semiconductor factories are based on the public materials of each company, compiled by Nippon Aqua.

Agenda

The Thermal Conductivity of the Two Main Products Has Changed, Improving Insulation Performance

The ease with which heat is transmitted is expressed numerically as thermal conductivity.

What is improved thermal conductivity (enhancement of insulation performance)?

Thermal conductivity indicates how much heat (W) is transmitted per square meter when the thickness of the material is 1m and the temperature difference between both sides is 1 degree Celsius and is expressed in units of W/(mK).

A simplified method for calculating the U value (thermal transmittance) (The UA value is the average of the U values for each part)

U value (W/m2K) = 1/thermal resistance value

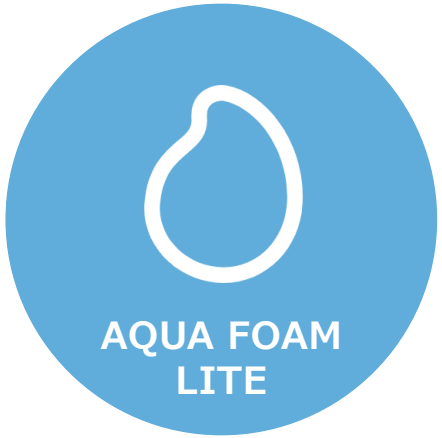
Thermal resistance value (m2K/W)
= thickness of the material (m) / thermal conductivity (W/mK)

0.036 ▶

0.033 W/mK

U value=0.383

Calculated based on the premise of 85mm spray application



0.038 ▶

0.036 W/mK

U value=0.423

Calculated based on the premise of 85mm spray application

Difference in Specification between Insulation Classes

Region 6 such as Tokyo

Class 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 (Class 4).

Class 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 (Class 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 (Class 4).

Class 6
TOKYO ZERO EMISSION HOUSES

AQUA FOAM*

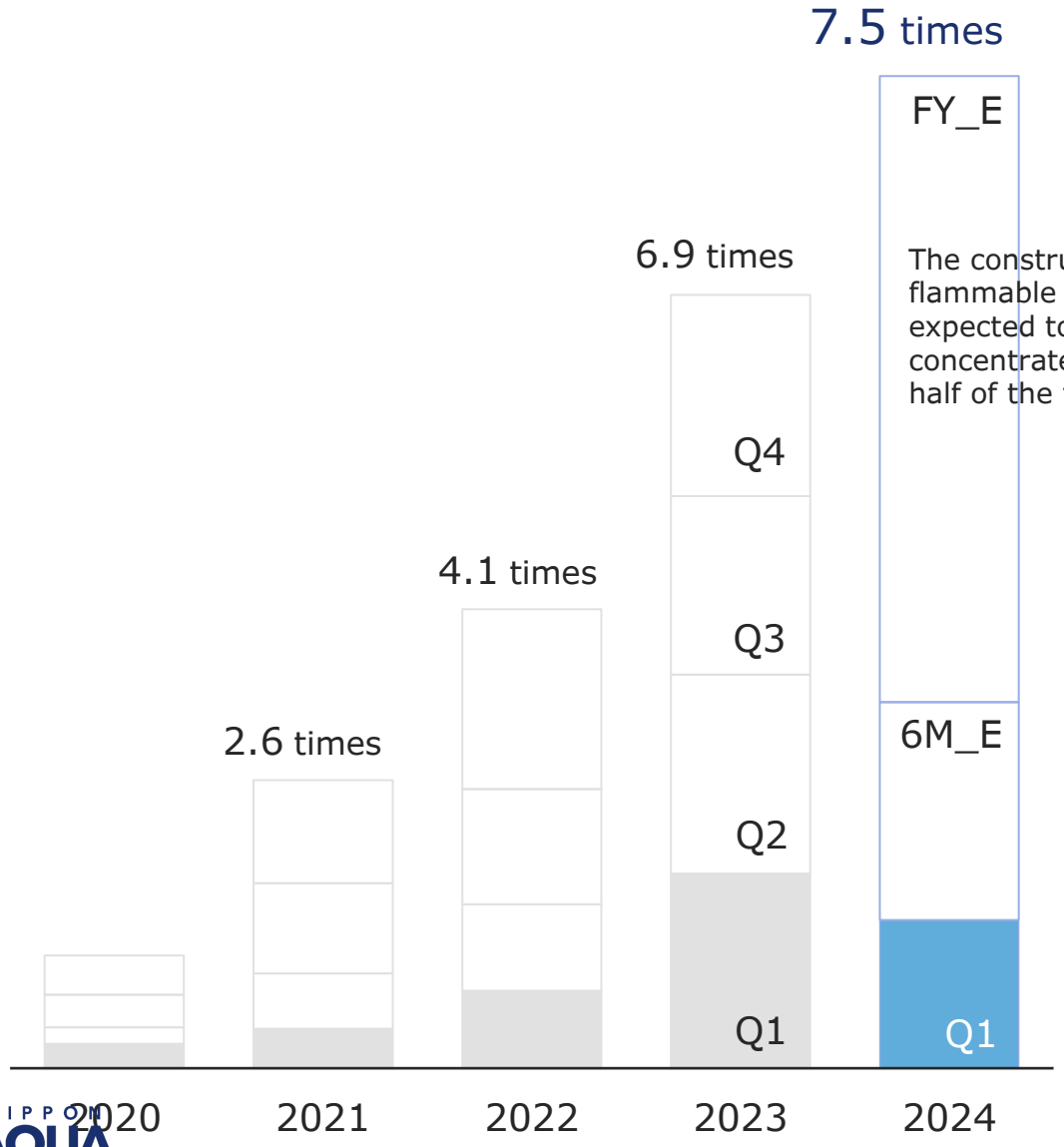
AQUA FOAM NEO

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

Thermal insulated entrance door

For Tokyo Zero Emission Houses, etc. (Class 6), either AQUA FOAM or the superior product AQUA FOAM NEO is used, and the construction unit price is 1.7 to 3.0 times higher than the energy-saving standard (Class 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.



The construction of non-flammable insulation is expected to be concentrated in the second half of the fiscal year 2024.

Nippon Aqua's Initiatives

Net Sales of Non-flammable Insulation

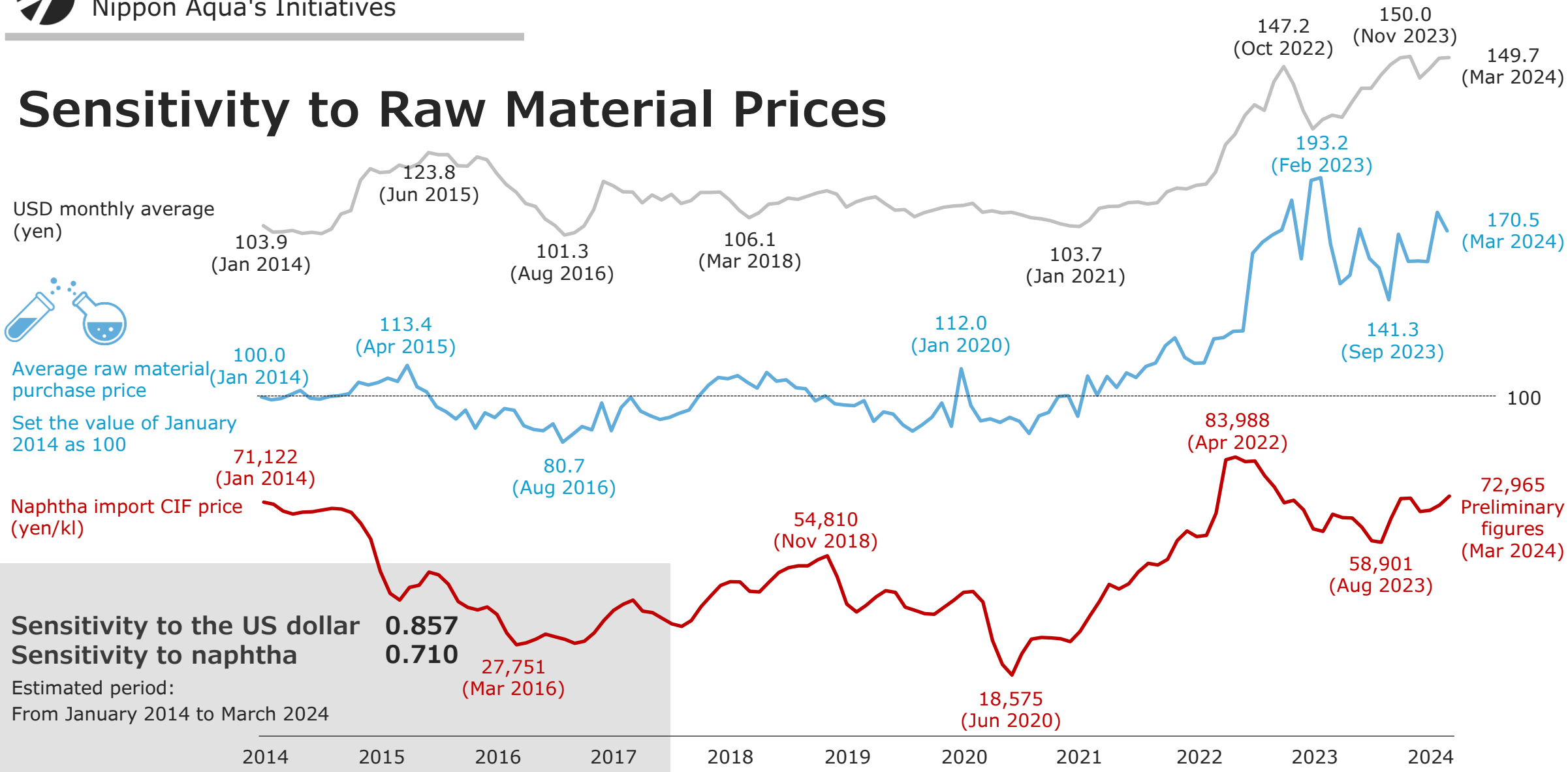
Magnification when 2020 is 1

What is non-flammable insulation?

High-performance insulation that is non-flammable and approved by the Minister of Land, Infrastructure, Transport and Tourism

Born from the need for construction sites to eliminate fire risks, it demonstrates a high level of flame-retardant performance when exposed to welding, steel cutting, welding sparks, etc. at construction sites

Sensitivity to Raw Material Prices



Sensitivity to the US dollar 0.857
Sensitivity to naphtha 0.710

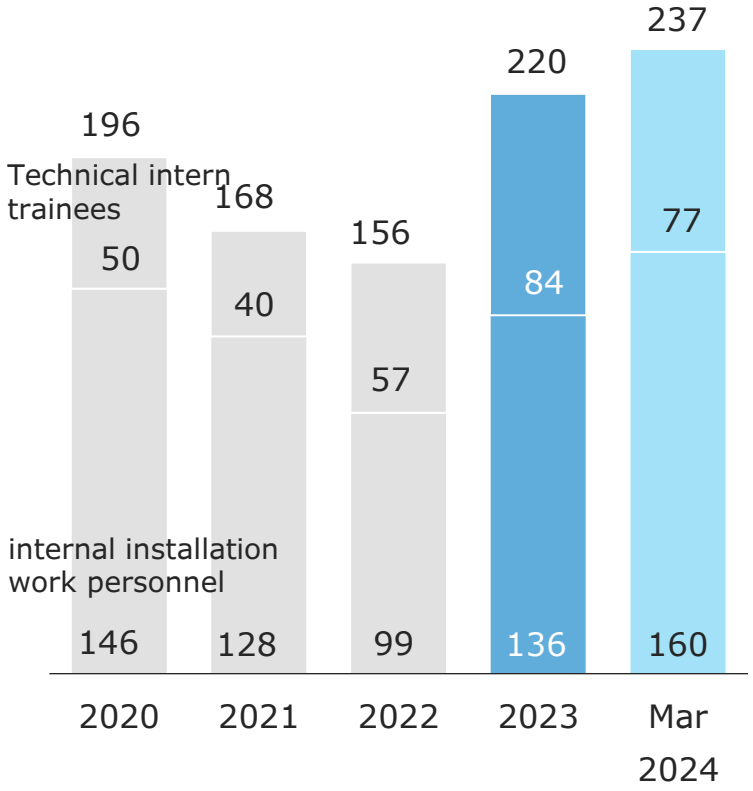
Estimated period:
From January 2014 to March 2024

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)

Number of internal installation work personnel (Nippon Aqua)

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



Nippon Aqua's Initiatives

Construction Capability Trends

The reasons people are drawn to Nippon Aqua

- High compensation and favorable conditions
- Complete weekends off
- Listed on the TSE Prime Market
- Department responsible for training
- Proximity of workplace and residence
- A predominantly young workforce

NIPPON AQUA

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

Agenda

Corporate Profile

Management philosophy

Contributing to society by creating a housing environment that is friendly to people and the Earth

Visions

We exist to reduce total energy demand through innovation in insulation technology, prevent global warming, and at the same time, help people lead healthy and comfortable lives.

Business description

Development, manufacturing, sale, and installation of hard urethane foam for use as building insulation

Development, manufacture, and sale of residential energy conservation-related materials

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
	Director	Kazuhisa Nagata
	Director	Koji Fujii
	Director	Keiji Usami
	Outside Director	Yoshiaki Takahashi
	Outside Director	Takeshi Kenmochi
	Outside Director Full-time Audit and Supervisory Committee Member	Junichi Tamagami
	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	518 people (Non-consolidated)	

As of March 31, 2024

Product Portfolio

Expanding around the core of two-component polyurethane

Polyol

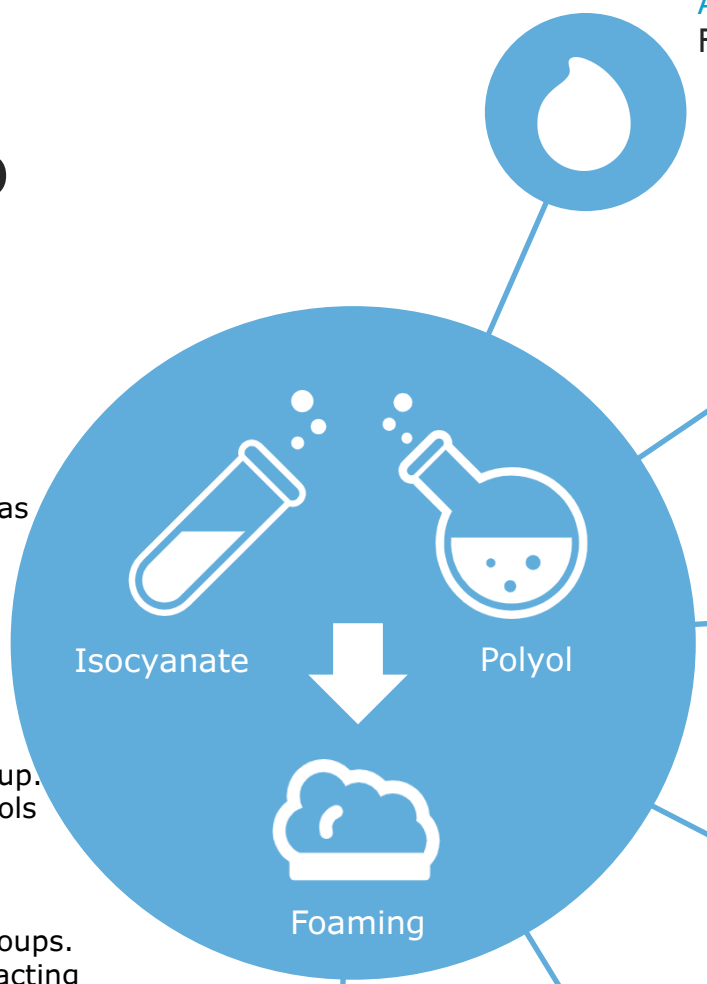
✓An organic compound with a hydroxyl group as the main ingredient.
✓By changing the molecular structure and molecular weight of polyols, the physical properties such as hardness and flexibility of urethane can be adjusted.

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 concrete buildings

AQUA MOEN NEO
Non-flammable insulation
For concrete buildings

AQUA BARRIER
Fireproof coatings
For concrete buildings

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

NIPPON AQUA

Company History

2004 AQUA FOAM

Founded by Fumitaka Nakamura (current President) as a company engaging in the installation and sales 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

2023 AQUA BARRIER

Fireproof coating agent
Low cost, high adhesiveness, quick drying

NIPPON AQUA

From Material Development to Installation and Recycling

Unique Business Model

Nationwide sales network

28 sites throughout Japan

Raw material development and quality management

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

Construction quality management

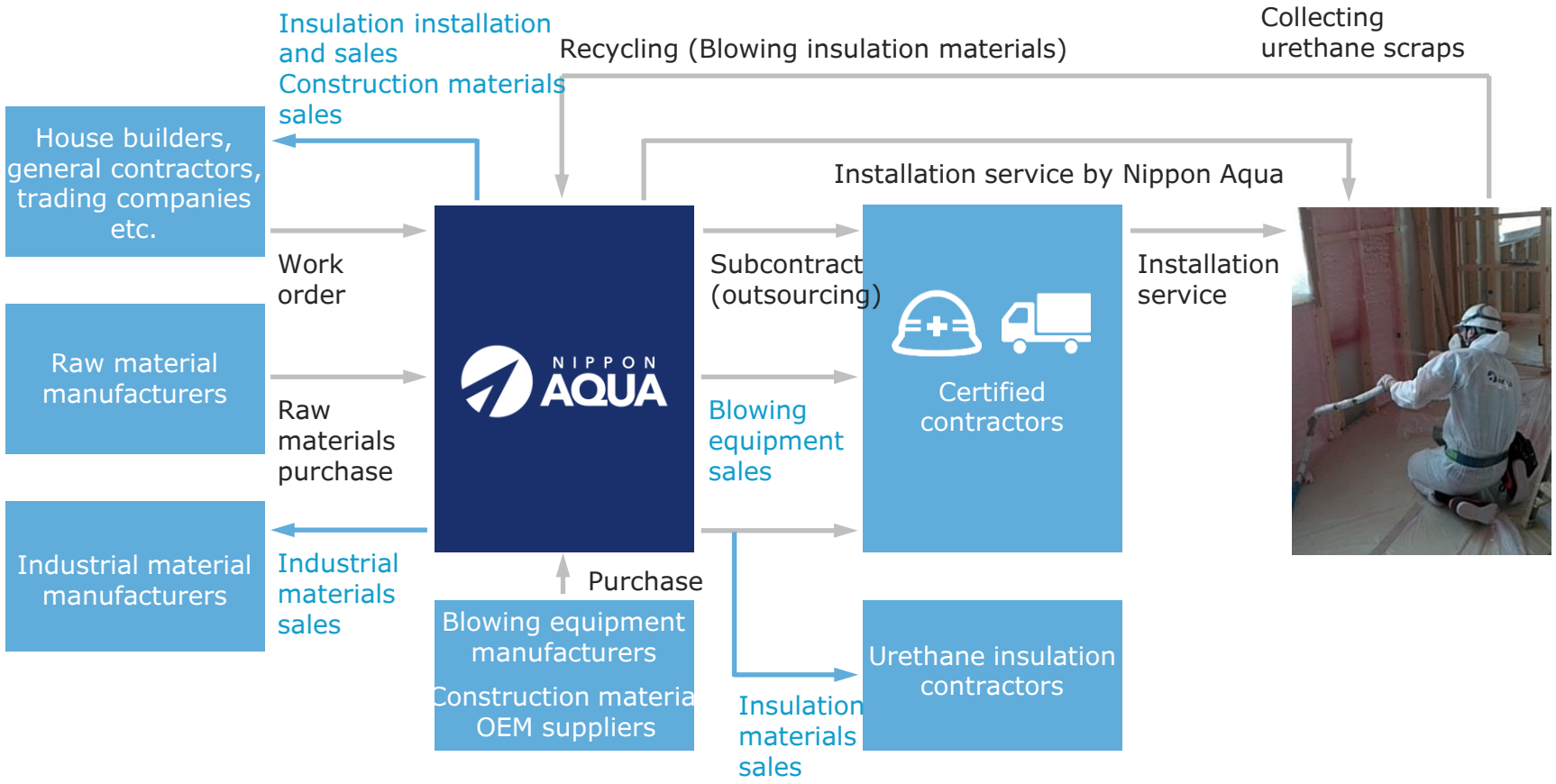
Ensuring work safety and construction quality

Nationwide construction network

In-house construction + certified contractors

Business Scheme

We undertake insulation work projects as the sole contractor and either do them ourselves or subcontract them out to certified contractors



What is 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

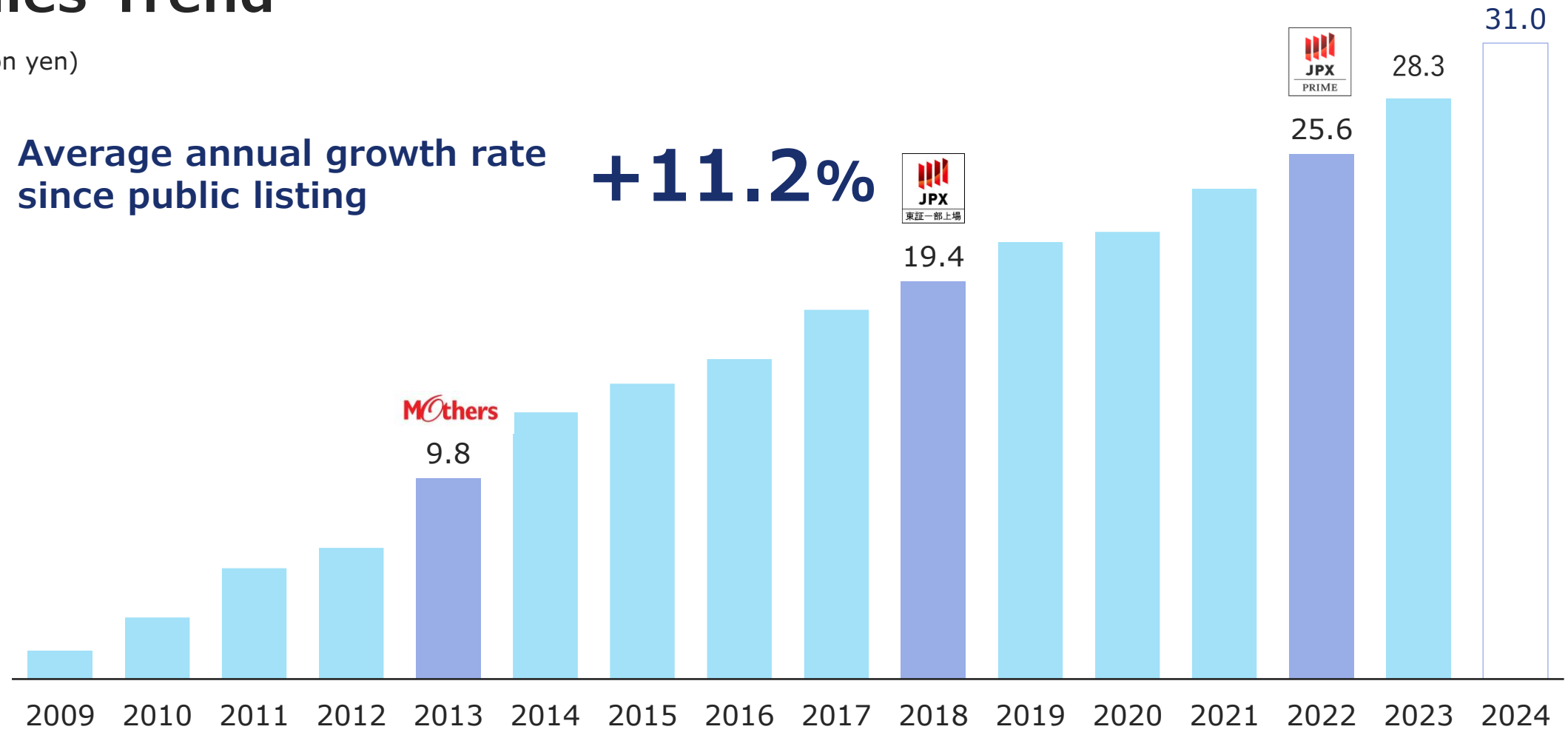
Technical training

Broad range of support from basics to practical skills

Sales Trend

(Billion yen)

Average annual growth rate since public listing **+11.2%**



Performance Trends (Million yen)

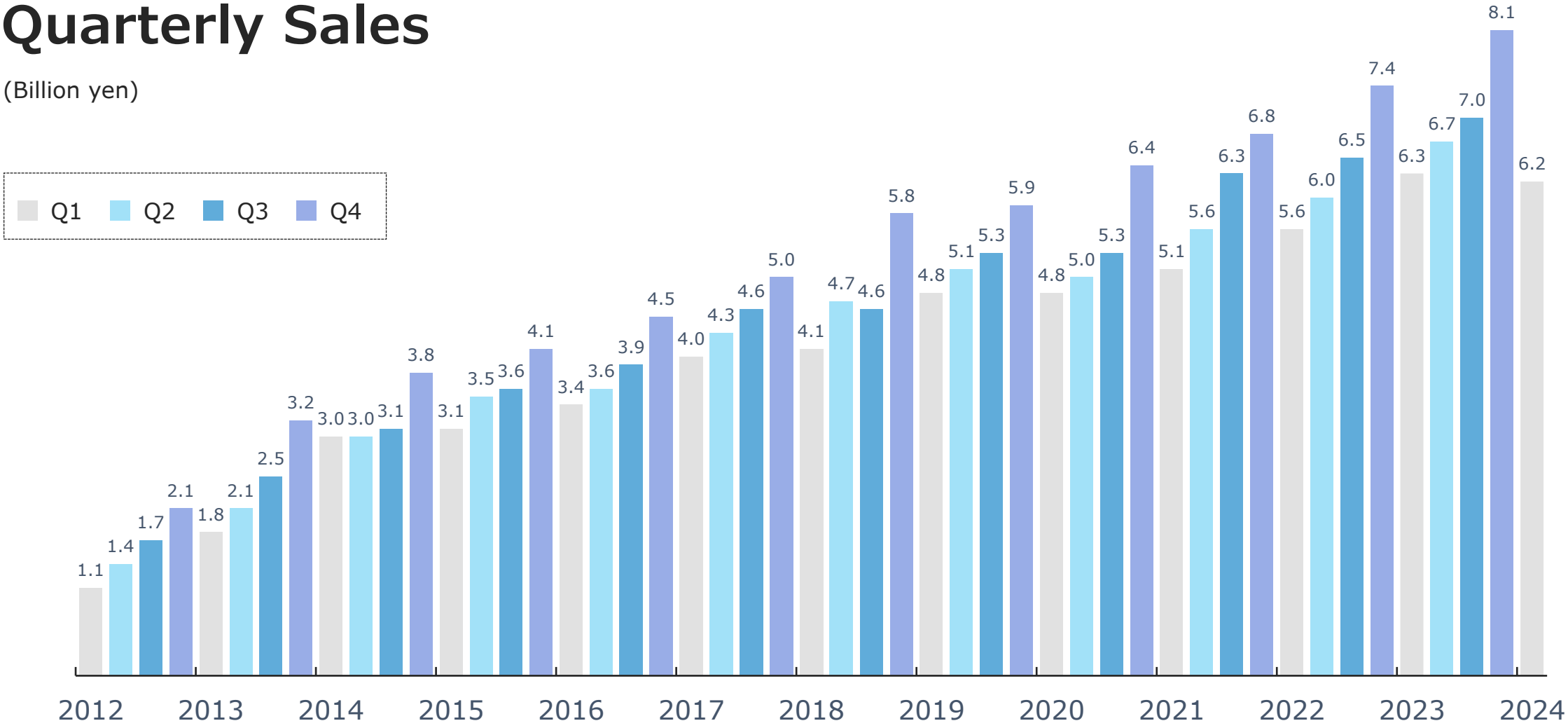
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Performance trends													
Net sales	5,475	6,488	9,825	13,020	14,406	15,608	18,052	19,417	21,366	21,872	23,903	25,670	28,341
Gross profit	1,686	1,904	2,444	2,856	3,137	4,027	4,305	3,891	5,403	5,310	4,739	5,784	6,924
Gross profit margin	30.8%	29.3%	24.9%	21.9%	22.3%	25.8%	23.9%	20.0%	25.3%	24.3%	19.8%	22.5%	24.4%
Operating profit	809	662	956	944	1,013	1,404	1,313	766	1,909	1,896	1,412	2,329	2,875
Ordinary profit	807	662	925	937	1,016	1,404	1,419	764	1,909	1,911	1,429	2,359	2,917
Ordinary profit margin	14.7%	10.2%	9.4%	7.2%	7.2%	9.0%	7.9%	3.9%	8.9%	8.7%	6.0%	9.2%	10.3%
Profit	457	364	512	529	137	979	941	489	1,275	1,342	953	1,549	2,004
Sales by item													
Single-family homes	5,830	8,044	8,483	9,414	10,903	11,552	12,257	13,244	12,448	13,521	13,873	13,798	
Buildings	440	883	2,392	2,858	2,601	2,715	3,331	4,144	4,848	5,371	6,838	8,267	
Waterproofing										128	315	489	
Sales of urethane raw materials						613	561	933	1,137	1,098	1,211	1,916	
Product sales	218	897	2,144	2,133	2,103	3,171	3,267	3,043	3,438	3,783	3,430	3,869	
Gross profit by item													
Single-family homes				2,305	3,038	2,790	2,217	3,544	3,183	2,772	3,542	3,689	
Buildings				183	419	526	551	832	1,004	822	1,206	1,963	
Waterproofing										20	(16)	(35)	
Sales of urethane raw materials						140	113	198	212	177	361	342	
Product sales				648	569	848	1,009	830	909	946	690	968	

Other Key Indicators

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets, liabilities, and equity													
Net assets	715	1,080	5,103	5,529	5,590	6,663	5,508	5,885	6,843	7,638	7,951	7,966	9,304
Return on equity	94.0%	40.6%	16.6%	10.0%	2.5%	16.0%	15.5%	8.6%	20.0%	18.5%	12.2%	19.5%	23.2%
Total assets	1,993	2,787	7,982	9,138	11,254	12,596	12,806	14,381	15,379	16,021	18,279	21,969	20,392
Total assets turnover	3.20	2.71	1.82	1.52	1.38	1.31	1.42	1.43	1.44	1.39	1.39	1.28	1.34
Equity ratio	35.9%	38.8%	63.9%	60.5%	49.7%	52.9%	43.0%	40.9%	44.5%	47.7%	43.5%	36.3%	45.6%
Interest-bearing debt					1,433	834	2,370	2,776	2,136	2,400	3,166	6,033	2,400
No. of employees													
Sales			160	184	182	206	233	208	218	218	189	209	215
Construction			234	246	206	185	132	180	188	196	168	156	220
Management			21	20	35	27	62	57	69	73	81	58	66
Total	194	298	415	450	423	418	427	445	475	487	438	423	501
Stock-related (after reflecting 1:5 stock split on January 1, 2015)													
Stock price at the end of the period (yen)			663	845	438	414	498	437	627	649	687	828	887
Market value			22,892	29,176	15,209	14,960	18,038	15,180	21,792	22,559	23,880	28,781	30,832
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
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
Basic earnings per share (yen)			20.61	15.33	3.97	27.61	27.84	15.19	39.50	41.57	29.52	47.99	63.83
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

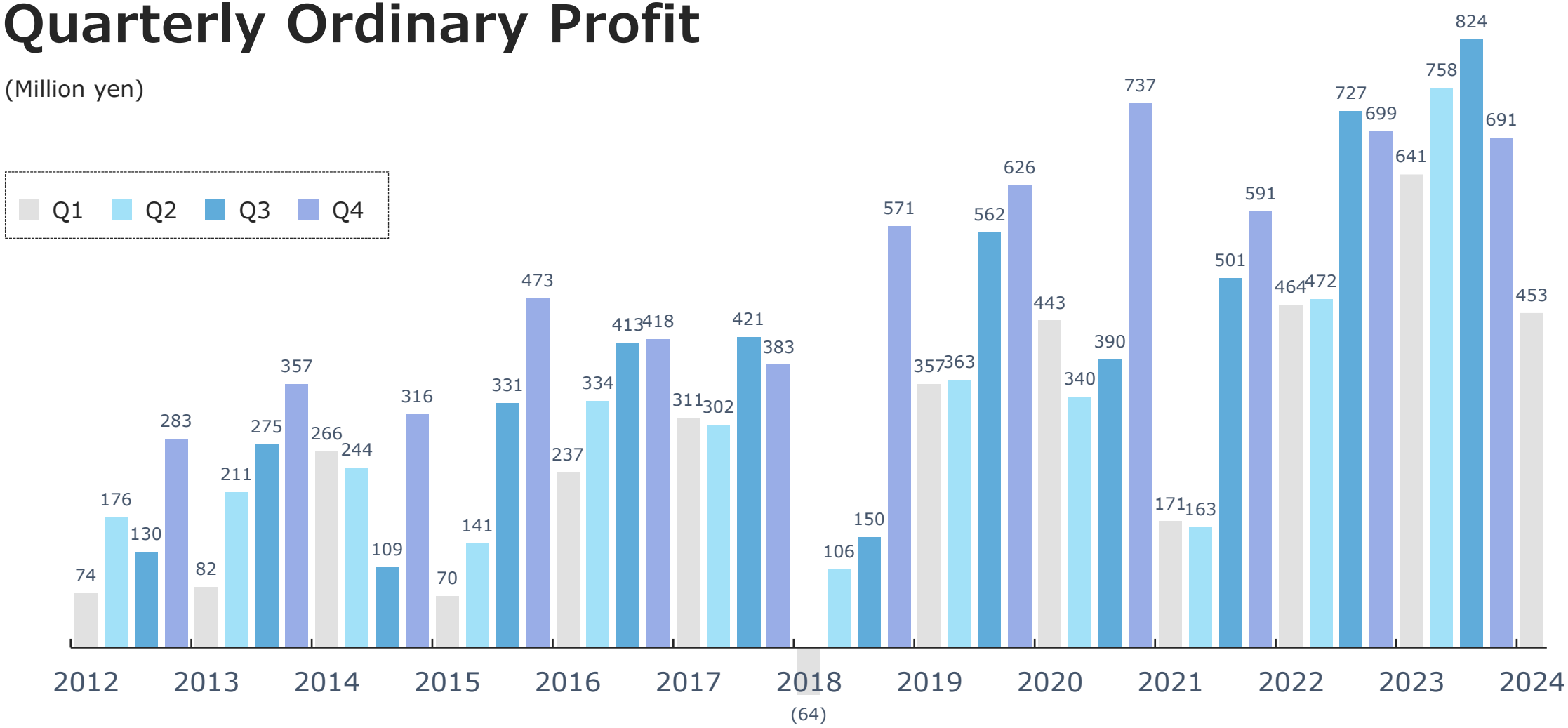
Quarterly Sales

(Billion yen)



Quarterly Ordinary Profit

(Million yen)

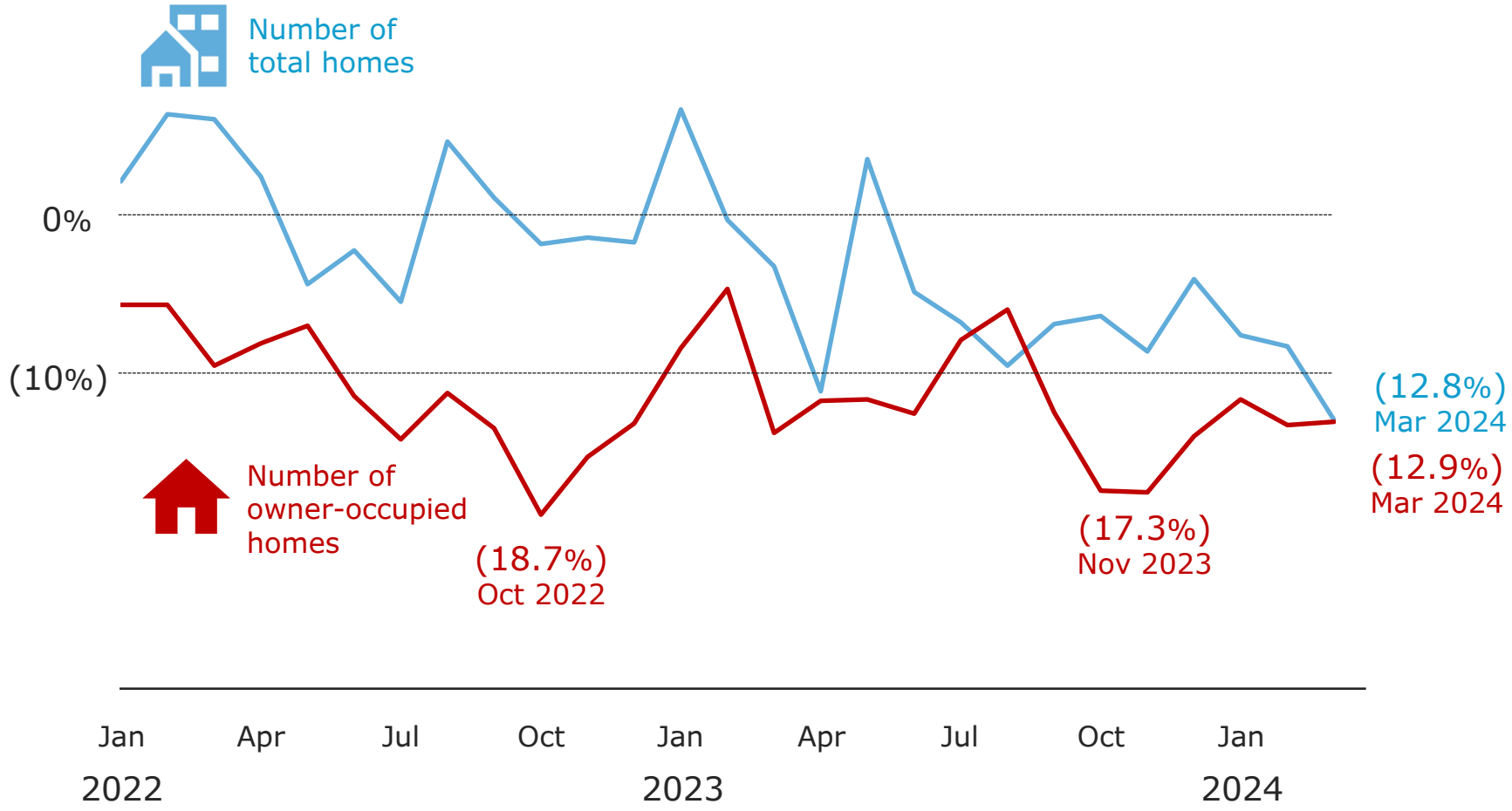


Number of housing starts

(year-on-year)

Our Single-family Homes Division has a high level of affinity with owner-occupied homes, as there are many custom-built houses being constructed

In addition, the Buildings Division also performs construction on new condominiums



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

Inquiries

Corporate Planning Dept., Administration Division
(Person in charge: Masahiko Komuro)
m.komuro@n-aqua.com

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