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 (Securities code: 1429; Tokyo Stock Exchange, Prime Market)
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Progress of the Plan to Meet Continued Listing Criteria

On December 20, 2021, Nippon Aqua Co., Ltd. (the “Company”) submitted and disclosed its “Plan to Meet the Continued Listing Criteria for New Market Segments” (the “Plan”). The Company hereby announces the progress of the Plan as of the end of February 2023 as follows.

1. Trends in the status of our compliance with the continued listing criteria and the plan period

The status of and trends in our compliance with the continued listing criteria for the Prime Market as of the end of February 2023 are outlined below. Both tradable share market capitalization criterion and tradable share ratio criterion, which were not met as of the transition record date, are satisfied. The Company will continue to work on various initiatives to meet the continued listing criteria during the plan period described in the Plan (by the last day of December 2023).

		Number of shareholders	Number of tradable shares (unit)	Tradable share market capitalization (billion yen)	Tradable share ratio (%)	Daily average trading value (million yen)	Amount of net assets (billion yen)
The status of and trends in our compliance	As of the end of June 2021 (transition record date)*1 Compliance status	2,662 Conformed	120,737 Conformed	6.9 Not conformed	34.7 Not conformed	40 Conformed	7.6 Conformed
	As of the end of December 2022 *2 Compliance status	2,799 Conformed	120,967 Conformed	9.5 Not conformed	34.8 Not conformed	40 Conformed	7.9 Conformed
	As of the end of February 2023 *3 Compliance status	— —	121,920 Conformed	10.7 Conformed	35.0 Conformed	60 Conformed	— —
Continued listing criteria		800	20,000	10.0	35.0	20	Positive figure
Plan period described in the Plan		—	—	End of December 2023	End of December 2023	—	—

*1 The status of our compliance as of the end of June 2021 is calculated based on the distribution status of the Company’s shares, etc. known to the Tokyo Stock Exchange (“TSE”) as of the transition record date (end of June 2021).

*2 The status of our compliance as of the end of December 2022 is calculated based on the distribution status of the Company’s shares, etc. known to the TSE as of the record date (end of December 2022). Daily average trading value is calculated by the Company in accordance with the calculation method used by the TSE.

*3 The status of our compliance as of the end of February 2023 is calculated by the Company in accordance with the calculation method used by the TSE on the record date.

2. Status and evaluation of efforts to meet the continued listing criteria

(1) Efforts to improve tradable share market capitalization

i Promote energy conservation (decarbonization) in houses with highly-airtight and highly-insulated AQUA FOAM

The Company is continuously addressing environmental issues through its business activities and making a concerted effort to achieve its business plan described in the Plan. The comparison with the plan is as follows.

	Fiscal year ended December 31, 2021		Fiscal year ended December 31, 2022		Fiscal year ending December 31, 2023	
	Initial plan	Results	Initial plan	Results	Initial plan	Current forecast
Net sales (million yen)	24,000	23,903	26,490	25,670	29,135	29,021
Operating profit (million yen)	—	1,412	—	2,329	—	2,750
Ordinary profit (million yen)	1,500	1,429	2,121	2,359	2,812	2,750
Profit (million yen)	—	953	—	1,549	—	1,828
Basic earnings per share (yen)	31.75	29.52	44.90	47.99	59.52	58.41
Dividend per share (yen)	20.00	20.00	22.00	24.00	30.00	30.00

ii Strengthen investor relations (IR)

The main IR measures taken after the disclosure of the Plan (from January 2022 to February 2023) to increase recognition of the Company are as follows. The Company will continue its active IR activities.

- Web briefings and investor meetings attended by representative (3 live meetings)
- Video streaming attended by representative (2 streamings)
- Web briefings and investor meetings attended by a person responsible for IR (5 live meetings)
- Disclosure in English (financial results, financial results briefing materials, and timely disclosure materials)

iii Increase shareholder returns

The Company's basic policy is to constantly pay stable dividends, and the current medium-term business plan, the final year of which is the fiscal year ending December 31, 2023, aims to achieve a dividend payout ratio of 50%. The year-end dividend for the fiscal year ended December 31, 2022 is 24 yen per share, an increase of 2 yen per share from the initial dividend payout forecasts of 22 yen per share. The year-end dividend for the fiscal year ending December 31, 2023 will be 30 yen per share.

(2) Efforts to improve tradable share ratio

In December 2022, the Company resolved to issue the 2nd series of stock acquisition rights with exercise price revision clauses (the "Stock Acquisition Rights") by third-party allotment and to acquire treasury stock. Based on the resolution, the Company issued stock acquisition rights for the 1.0 million shares of treasury stock acquired, and if all of the Stock Acquisition Rights are exercised, the Company estimates that it will be able to secure a tradable share ratio of 37.6%. For details, please refer to "Notice Concerning Issuance of the 2nd Series of Stock Acquisition Rights with Exercise Price Revision Clauses by Third-Party Allotment Using Treasury Stock" dated December 19, 2022 and "Notice Concerning Acquisition of Treasury Stock and Purchase of Treasury Stock Through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) (Acquisition of Treasury Stock and Purchase of Treasury Stock Through Off-Auction Own Share Repurchase Trading (ToSTNeT-3) in accordance with the provisions of the Articles of Incorporation pursuant to Article 165, Paragraph 2 of the Companies Act)" dated the same date.

Following the exercise of the Stock Acquisition Rights, the number of tradable shares increased by 95,300 shares (953 units) as of the end of February 2023. As a result, the Company estimates that tradable share market capitalization was 10.7 billion yen and tradable share ratio was 35.0% at the end of February 2023.

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