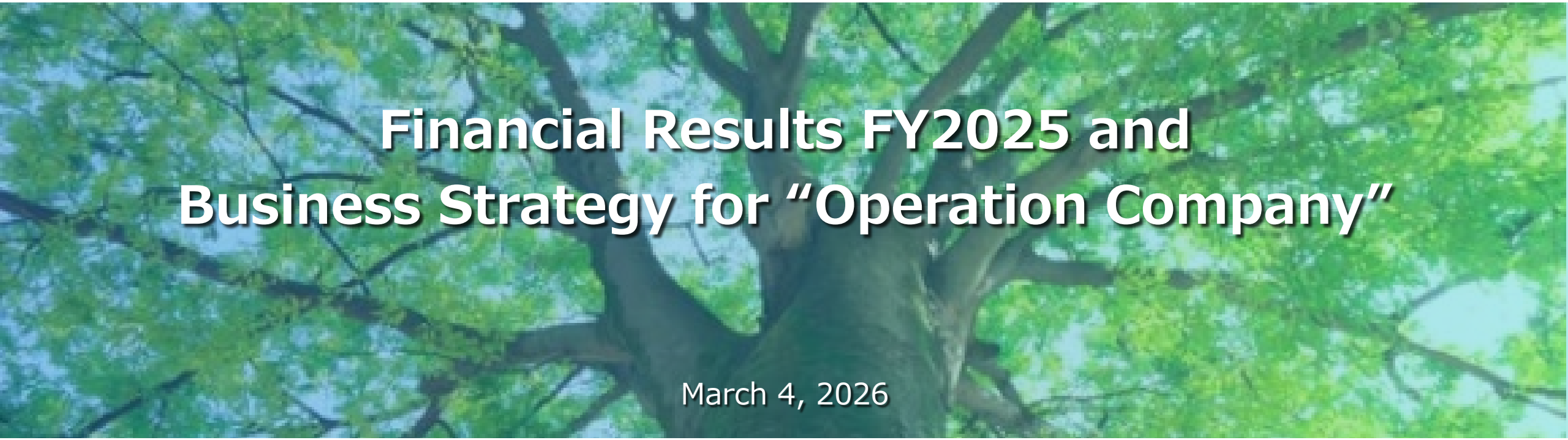
NJS

Passing On Healthy Water and Environment to the Next Generation



Financial Results FY2025 and Business Strategy for “Operation Company”

March 4, 2026

Contents

Section 1

Company Overview and Financial Results FY2025

Executive Managing Director
Yasuhiko Kabaya

Section 2

Business Strategy for “Operation Company”

President and CEO
Masaaki Murakami

Section **1**

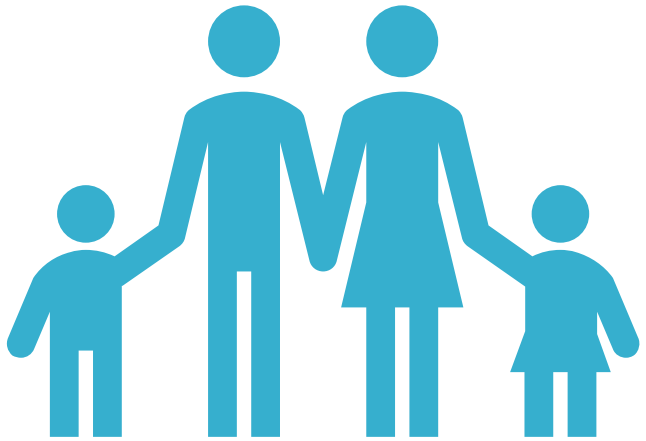
Company Overview and Financial Results FY2025

1. Purpose & Values
2. NJS Services
3. Growth History
4. Revenue (FY2025)
5. Financial Performance Trends
6. Balance Sheet
7. Cash Flow Statement
8. Financial Outlook
9. Dividend Policy

1. Purpose and Values

Purpose

Passing on healthy water and environment to the next generation



Values

Customer Oriented
We protect the safety, health, and comfort of water users

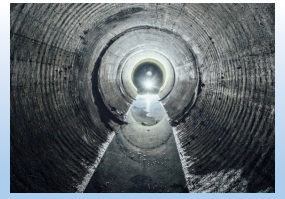
Professional
As water and environmental professionals, we create new value

Diversity
We respect each individual's uniqueness and growth to enhance team strength

Proactive
We embrace change, see it as an opportunity, and take on challenges without fear of failure

Integrity
We act with high ethical standards, guided by sincerity and integrity

2. NJS services



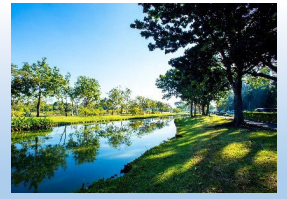
Pipe Network

Treatment Plant

Management

Infrastructure Solutions

We create water infrastructure for a new era
We maintain sound infrastructure functions and services



Environmental Protection & Community Development

Carbon Neutral

Disaster Prevention

Regional and Environmental Solutions

We protect local communities' lives and the environment
We promote disaster-resilient community development

Environmental Research & Plan

Construction Management

HR Development

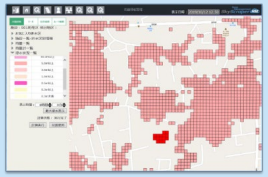
Global Solutions

We promote water infrastructure development that supports local communities
We promote self-reliant and sustainable business operations

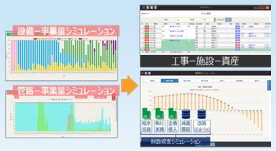
Software Services

We achieve advanced and efficient infrastructure management
We achieve sound business operations and accountability

Operation Management



Disaster Prevention



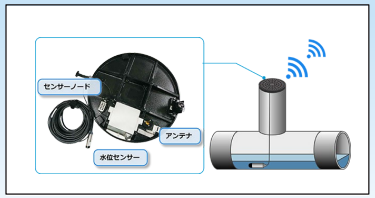
Asset Management

Inspection Services

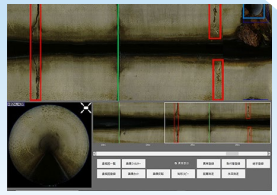
We conduct safe and efficient inspections using drones and sensors
We provide accurate diagnostics using AI analysis and 3D models

Drone

Manhole Sensor



Data Analysis



Customer services

We protect daily life through water services
We promote water and environmental businesses together with local communities

Information Service

Customer Relation

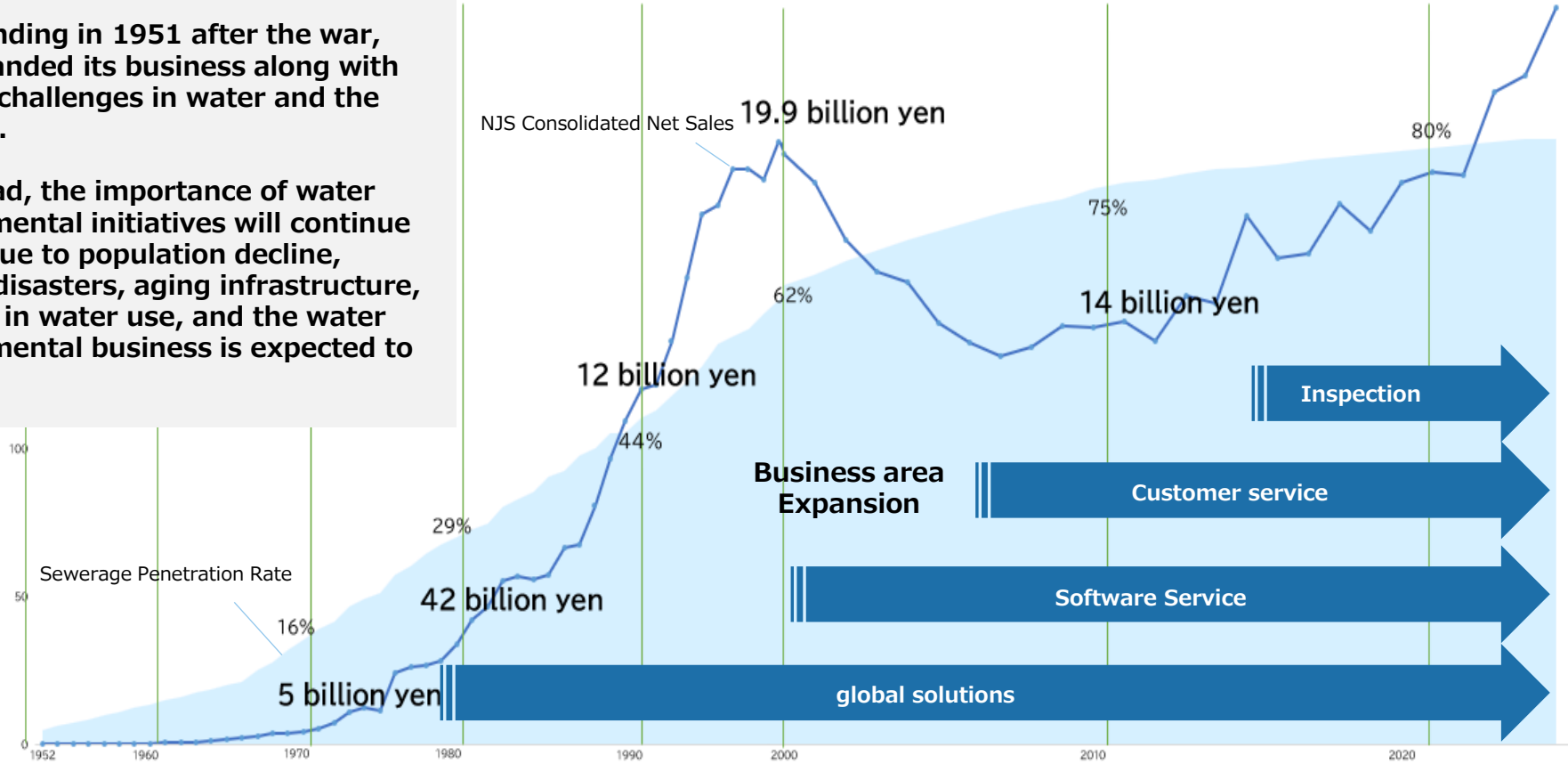
Workshop

3. Growth History

Expanding Business to Meet the Needs of the Times

Since its founding in 1951 after the war, NJS has expanded its business along with the growing challenges in water and the environment.

Looking ahead, the importance of water and environmental initiatives will continue to increase due to population decline, intensifying disasters, aging infrastructure, and changes in water use, and the water and environmental business is expected to expand.



FY2025
24.9 billion yen
record-high

Date of Founding 1951

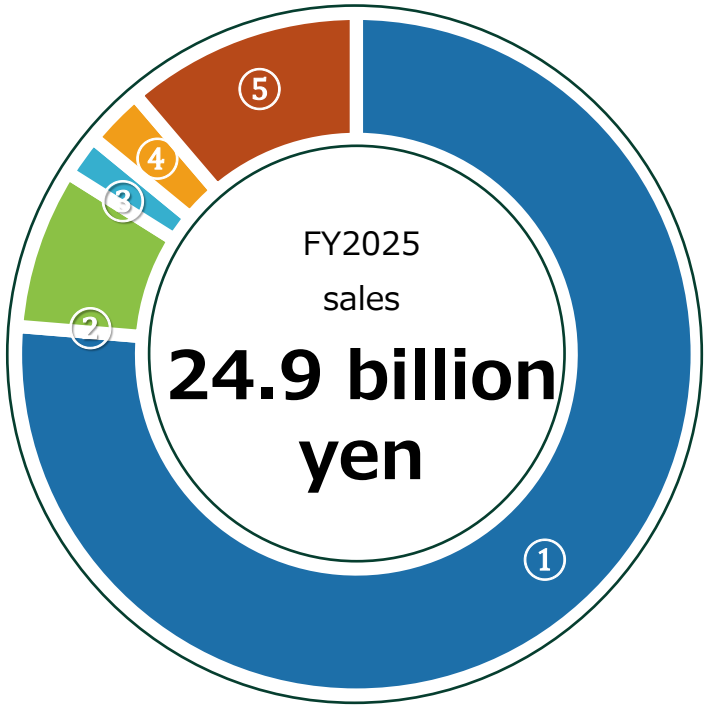
Business Expansion Period Corresponding to Infrastructure Development
1st Growth Stage

Expansion Period Responding to Diversification of Issues
2nd growth stage

Growth Period through In-house companies Company
3rd growth stage

4. Revenue (FY2025)

Currently, Domestic Consulting accounts for 3/4, while Software, Inspection, and Customer services each have growth potential



① Domestic Consulting

19.0 billion yen

Survey, planning, and design for water and sewerage systems

② Global Solutions

1.9 billion yen

Overseas project promotion for water and sewerage systems

③ Software Service

0.5 billion yen

Survey, development, construction, and operation of information systems

④ Inspection Service

0.7 billion yen

Development and sales of inspection survey services and systems

⑤Customer service

2.8 billion yen

Fee management and counter services for citizens and users

5. Financial Performance Trends

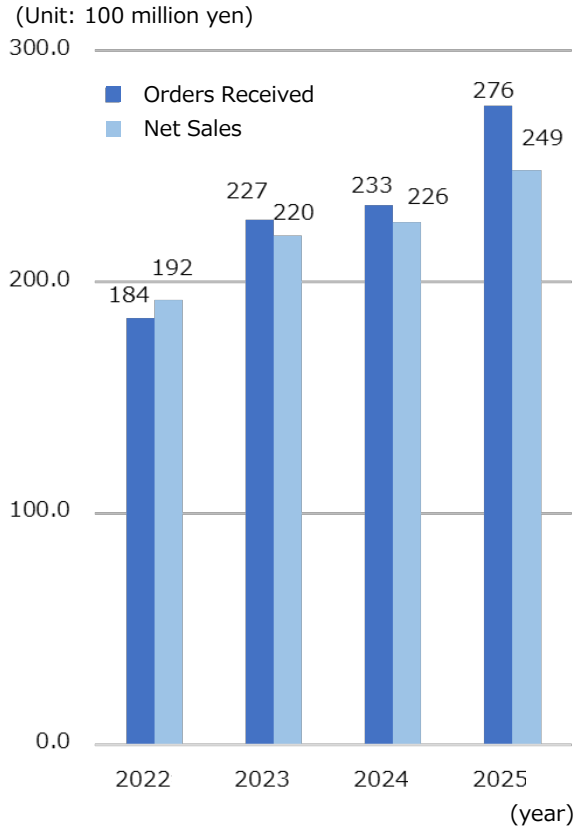
- Orders received were 27.64 billion yen (up 18.5% YoY), net sales were 24.85 billion yen (up 10.0% YoY)
- Operating income was 3.27 billion yen (up 9.2% YoY), net income was 2.18 billion yen (up 3.2% YoY)
- All figures set new record highs

■ FY2025 Consolidated Results

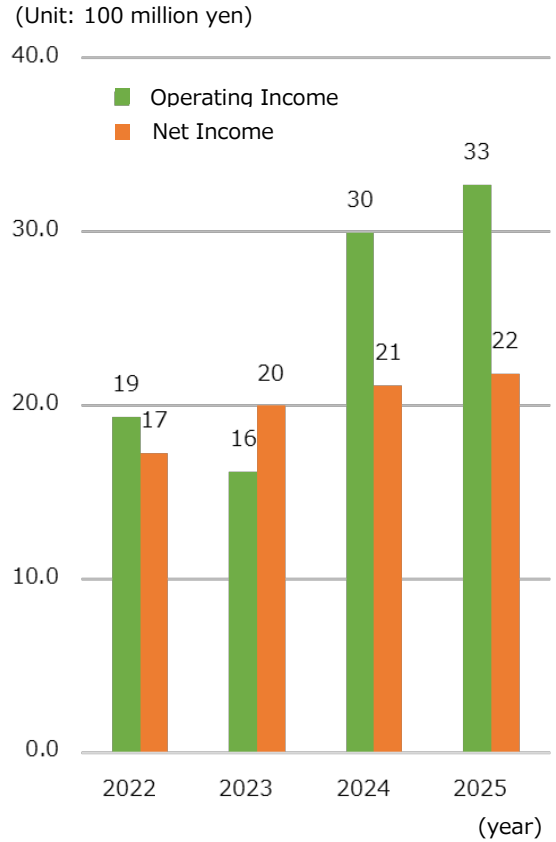
(Unit: 100 million yen)

	Fiscal Year Ended December 2024 (Previous Year)	Fiscal Year Ended December 2025		
		Actual Results	Year over Year	
			Change	Change (%)
Orders Received	233.3	**276.4**	+43.1	+18.5%
Net Sales	225.9	**248.5**	+22.6	+10.0%
Operating Income (Operating Margin)	29.9 (13.2%)	**32.7 (13.1%)**	+2.7	+9.2%
Net Income (Net Margin)	21.2 (9.4%)	**21.8 (8.8%)**	+0.7	+3.2%

■ Orders Received and Net Sales



■ Operating Income and Net Income



6. Balance Sheet

■ Balance Sheet

(Unit: 100 million yen)

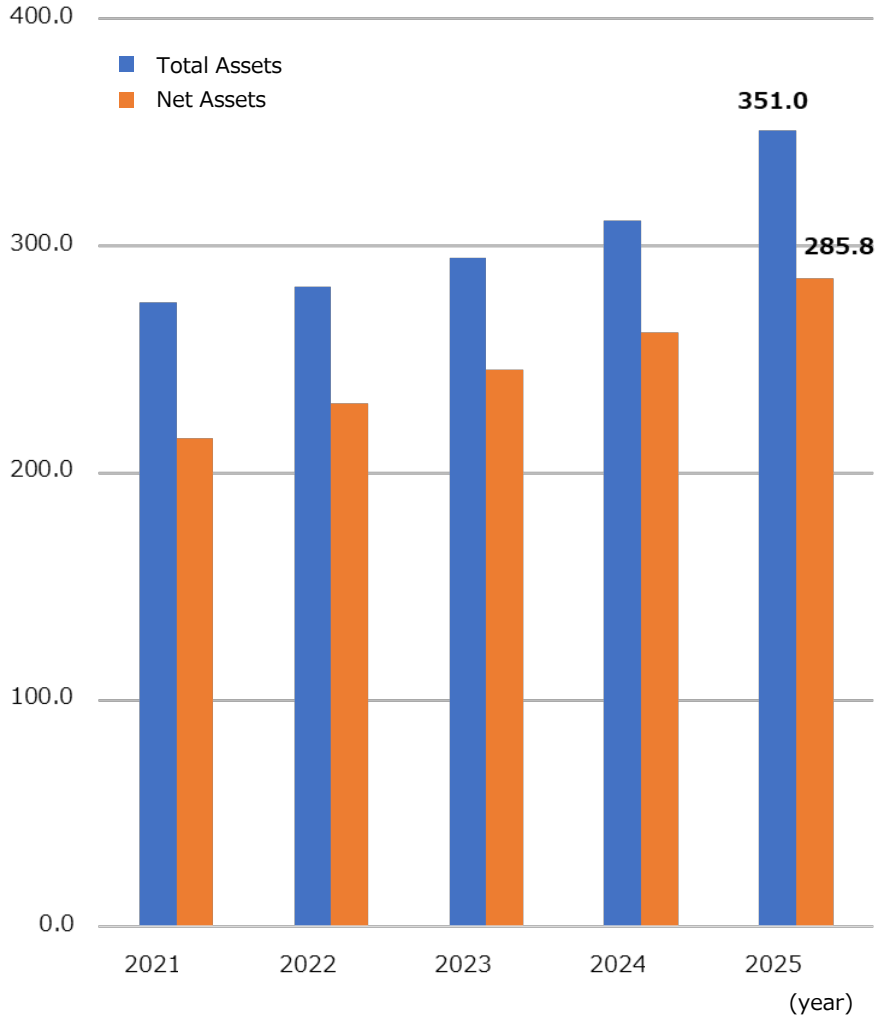
	FY2024 (End)	FY2025 (End)	Change (%)
Assets	311.2	**351.0**	+12.8%
Liabilities	49.3	**65.2**	+32.2%
Net Assets	261.9	**285.8**	+9.1%

Stock Price per Share	3,575 yen	**5,100 yen**	+42.7%
Market Capitalization	34.19 billion yen	**48.77 billion yen**	+42.6%

- Equity ratio of 80% or more
  Maintaining a stable financial base

■ Increasing Company Value

(Unit: 100 million yen)



7. Cash flow statement

- Securing necessary cash for business operations while actively investing in technology and human resources for the future

■ Cash flow statement

Operating cash flow	**2.08 billion yen**	●Securing necessary cash for business operations
Cash flows from investing activities	**▲950 million yen**	●Investment in operation technology development (Software, Inspection) ●Expanding business through M&A (Customer service)
Cash flows from financing activities	**▲970 million yen**	●distribution of profits through dividend payments

8. Financial Outlook

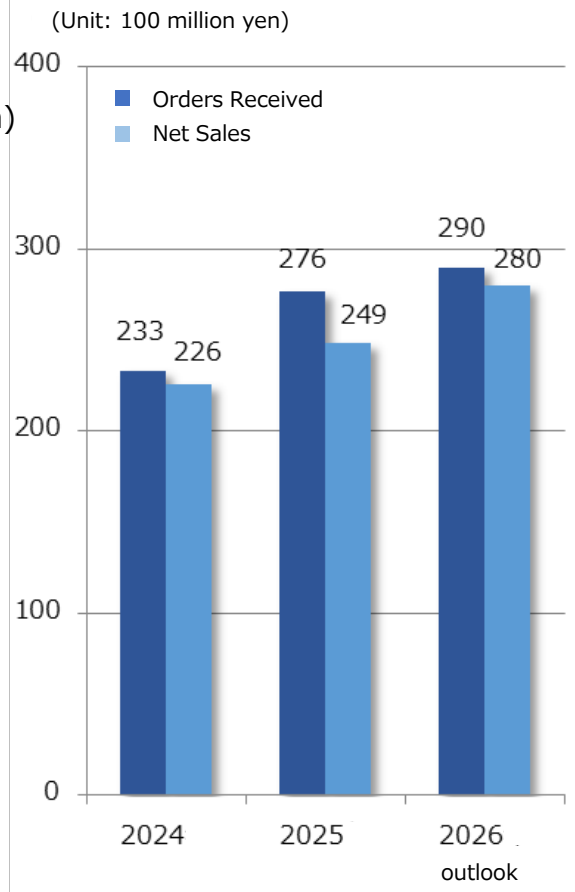
- Measures against aging infrastructure, disaster countermeasures, and PPP-related operations continue to increase
- Expansion of customer service
- Aiming for further growth through investment in human resources and technology development

■ FY2026 Consolidated Results Outlook

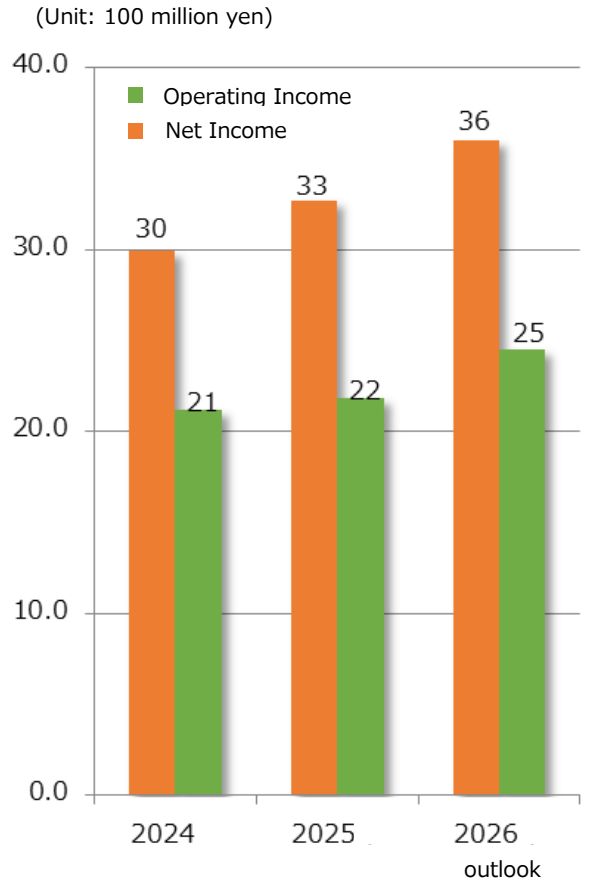
(Unit: 100 million yen)

	Fiscal Year Ended December 2025 (Previous Year)	Fiscal Year Ended December 2026		
		Outlook	Year over Year	
			Change	Change (%)
Orders Received	276.4	**290.0**	+13.6	+4.7%
Net Sales	248.5	**280.0**	+31.5	+11.2%
Operating Income (Operating Margin)	32.7 (13.1%)	**36.0 (12.9%)**	+3.3	+9.2%
Net Income (Net Margin)	21.8 (8.8%)	**24.5 (8.8%)**	+2.7	+10.9%

■ Orders Received/ Net Sales

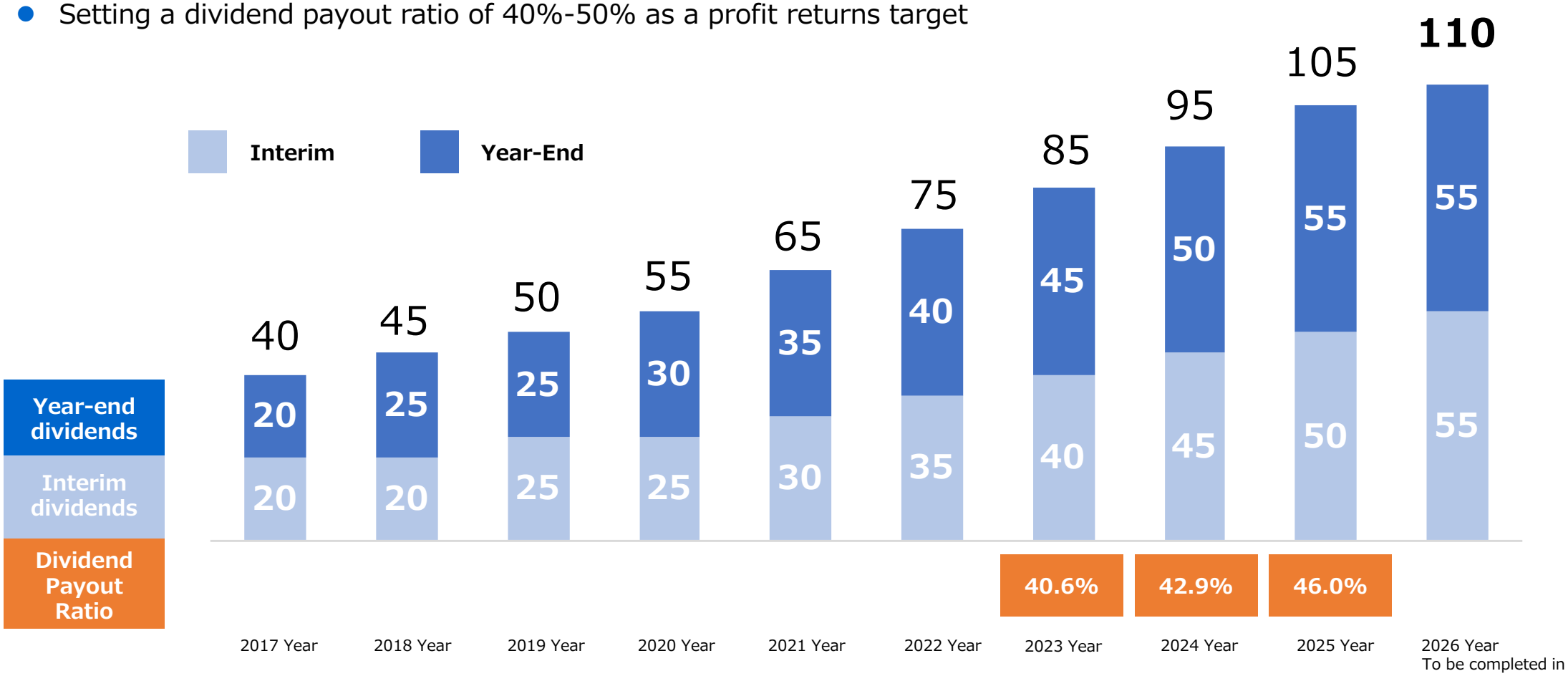


■ Operating income / Net income



9. Dividend Policy

- Annual dividend per share is 105 yen for FY2025 and 110 yen for FY2026
- Planning for the ninth consecutive years of dividend increases
- Setting a dividend payout ratio of 40%-50% as a profit returns target



■ Dividend per Share (Unit: yen)

Section 2

Business Strategy for “Operation Company”

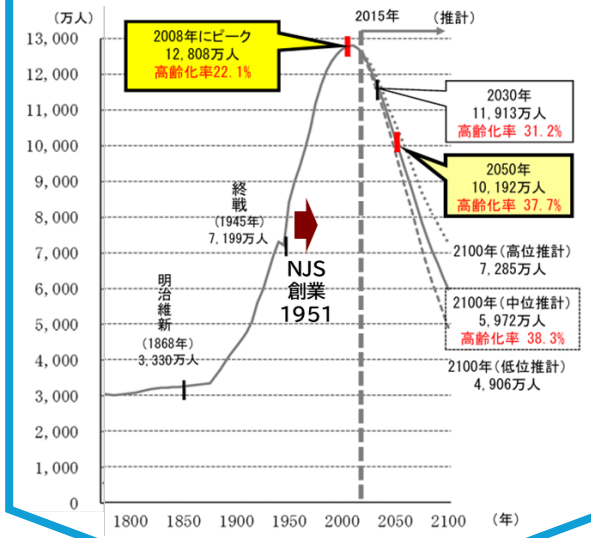
1. Business Environment
   -Growing Challenges for Water Infrastructure
2. Business Environment
   -Changes in Water Usage and Impact on Water Infrastructure
3. New Trends
4. Operations Services
5. “Operation Company” Vision
6. SmartPPP
7. Productivity Improvement through BIM/CIM
8. Business Policy
9. Financial target
10. Hybrid Ultra Small Slow Sand Filter System

1. Operating Environment

Growing Challenges for Water Infrastructure

Rapid population decline

Amid high water and sewerage coverage rates, responding to rapid population decline is necessary



- The importance of water and sewerage systems that support daily life under high coverage rates is increasing
- To sustain water and sewerage services, creation of new value is required

Intensifying natural disasters

Responding to intensifying and increasingly frequent natural disasters
Water usage measures at disaster-affected areas and evacuation facilities

- Strengthening disaster prevention and mitigation functions of water infrastructure
- Strengthening regional disaster resilience together with citizens

Aging infrastructure

Urgent response needed for frequent accidents caused by aging infrastructure

- Planned and efficient reconstruction of infrastructure
- Integrated management of construction and maintenance

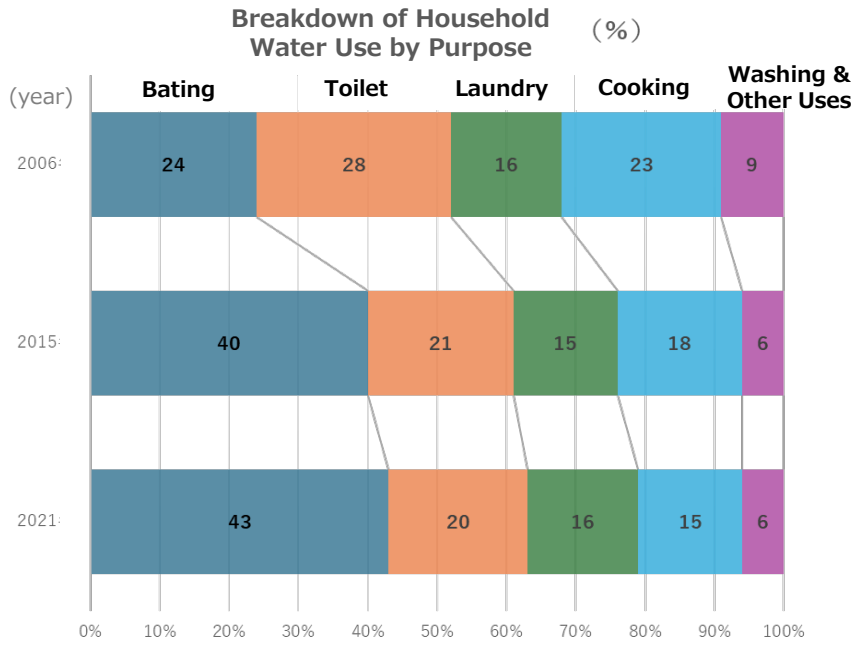
2. Operating Environment

Changes in Water Usage and Impact on Water Infrastructure

The spread of water and sewerage systems has changed lifestyles, and lifestyle changes have changed household water usage, and changes in water usage are impacting water infrastructure

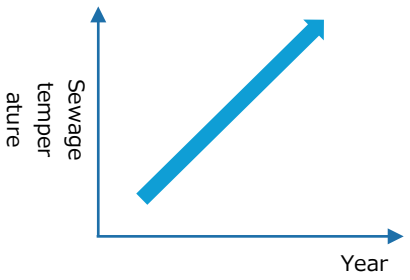
Changes in Water Usage

Water used in households has changed from drinking and cooking purposes
to cleaning, sanitation, hygiene, and fatigue recovery.
There are no alternative means for these uses,
increasing the importance of water and sewerage services.

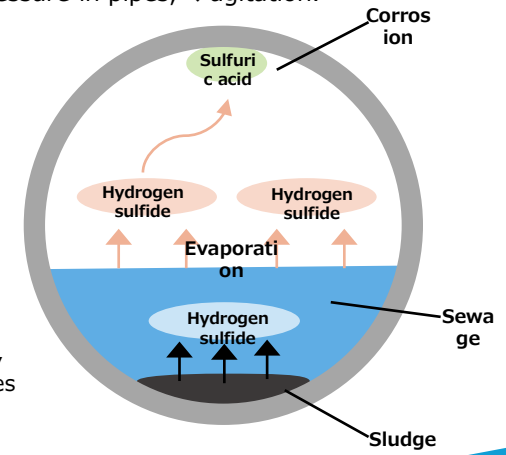


Changes in Sewage and Generation of Hydrogen Sulfide

Generation of hydrogen sulfide in sewer pipes increases due to:
◆decreased flow velocity,
◆prolonged retention time, ◆increased sediment, ◆rising water temperature.
These factors increase generation.
Evaporation of hydrogen sulfide increases due to: ◆rising water temperature, ◆decreased air pressure in pipes, ◆agitation.



Sewage temperature rises year by year, increasing hydrogen sulfide in sewer pipes



●Advancing water and sewerage operations with focus on citizens' lives and water usage

3. New Trends

New Policy Development for Water Infrastructure

Wide-area Operations and Distributed Systems

Integration of operations by multiple municipalities
Optimal allocation of centralized and distributed systems

Integration of Operations and Optimal Facility Allocation (Conceptual Image)

Promotion of Public-Private Partnership Projects

Utilization of private sector technology, expertise, and resources
Operational efficiency focused on output

Water PPP

Target Number

- 100 Water Supply Projects, 100 Sewerage Projects, 25 Industrial Water Projects
- Integrated Management of Operation and Renewal
- Performance-Based Procurement
- Contract Period: 10+ Years
- Profit Sharing

Reform of Infrastructure Management

Preventing serious infrastructure accidents
Reform of infrastructure management and building management systems

Integrated Management
Integrated management of construction management

Prioritization
Accurate and efficient management through prioritization and focus

More Light
Shining light on the field and fostering maintenance personnel

Visualization
Understanding current status and gaining public understanding through data digitization

Momentum
Building awareness for citizen participation Business Promotion

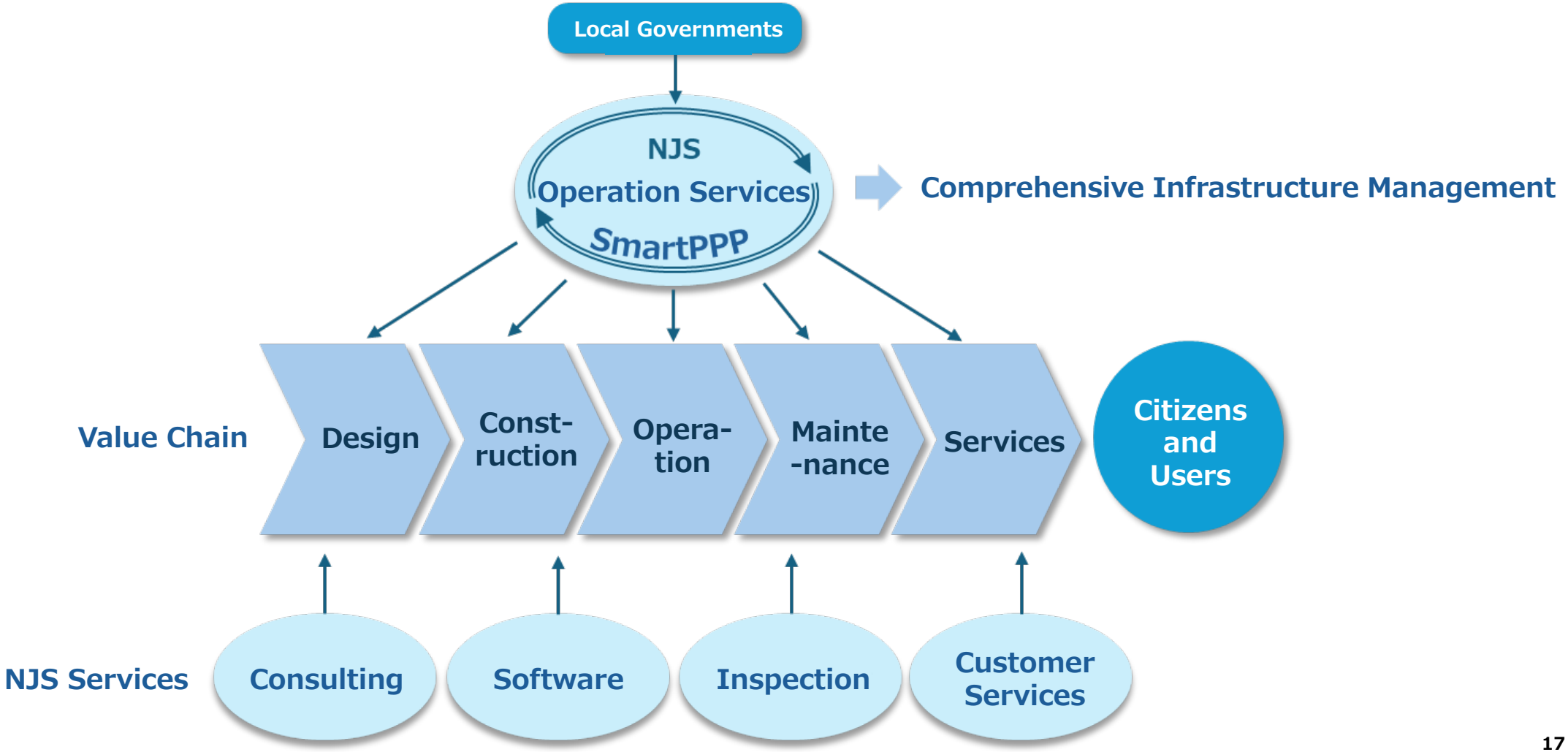
Restructuring of operations and systems

Operational efficiency through public-private partnership

Integrated Infrastructure Management

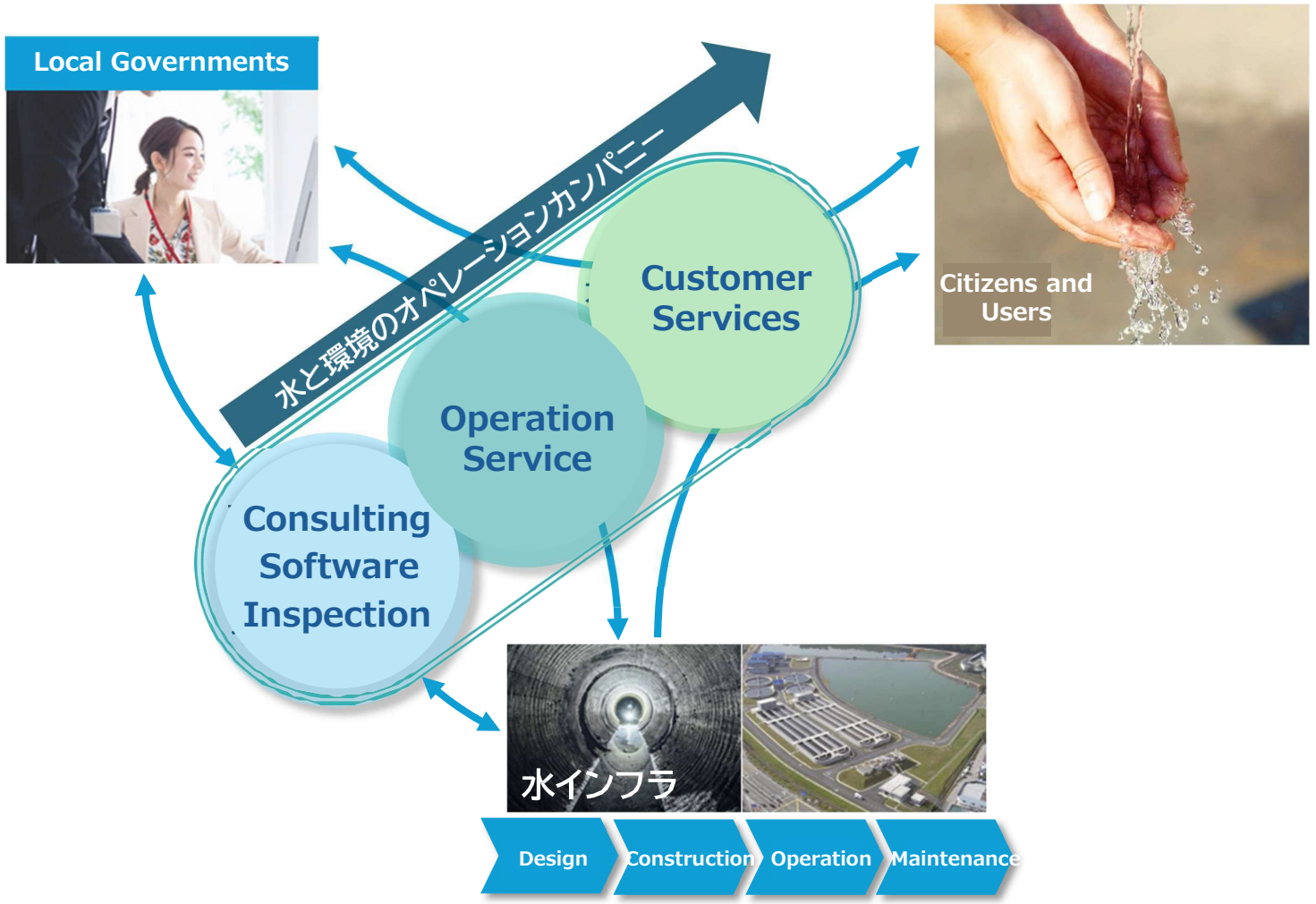
4. Operations Services

Providing operations services for integrated management through public-private partnerships
Deploying ""Smart PPP,"" an information system that supports operations services



5. Operations Company Vision

Creating operations services based on consulting and software
Developing customer services through operations services initiatives
Realizing a ""Water and Environment Operations Company"" through all of these activities

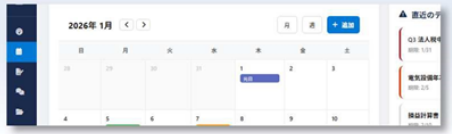


6. SmartPPP

Information Sharing

チャット＆掲示板
・リアルタイムに情報共有
・意思疎通の円滑化

スケジュール管理
・スケジュールの作成と共有
・期限遅延や調整漏れを防止



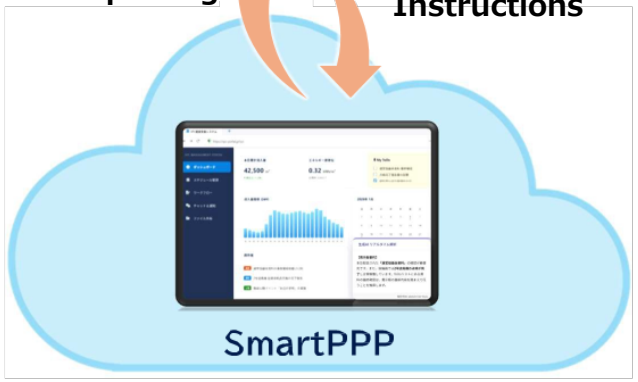
書類作成管理
・報告書申請書の作成支援
・各種書類の履歴管理

ワークフロー
・申請・承認・報告の効率化
・業務負荷の軽減と迅速化

Operations Information Management System

reporting

Approval / Instructions



Centralized Information Management

ファイル共有
・資料や成果物を一元的に管理
・最新版を関係者に提供

BIM/CIM活用
設計・建設・維持管理における
BIM/CIMデータの活用推進

Operational Support

タブレット点検
・施工状況・点検結果を登録
・業務状況の見える化

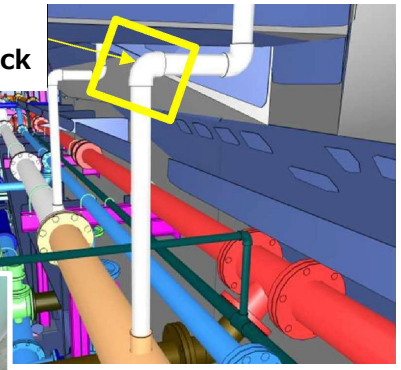
遠隔臨場
・施工や点検状況を遠隔監視
・作業支援、品質管理、省力化

対話型AIの活用

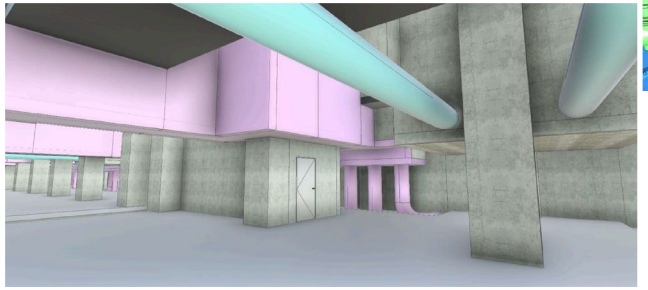
7. Productivity Improvement through BIM/CIM

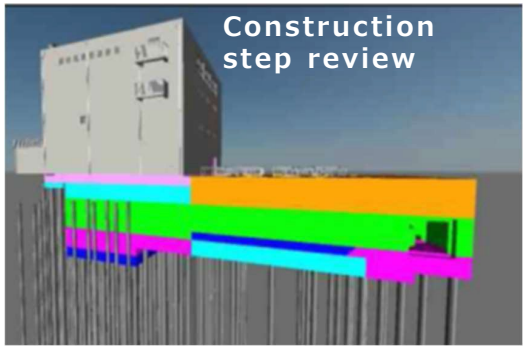
Improving Quality and Operational Efficiency through Using BIM/CIM Data

Interference Check

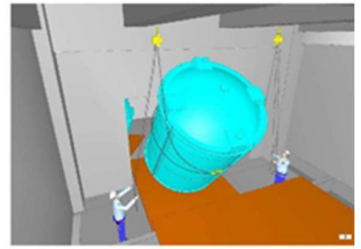


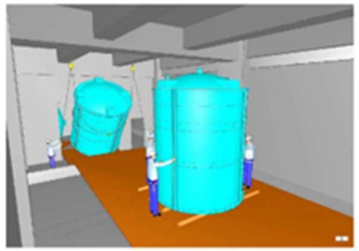
Easy-to-understand explanation of design content





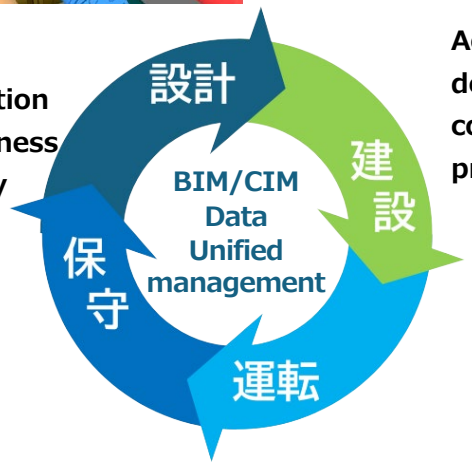
Equipment delivery planning



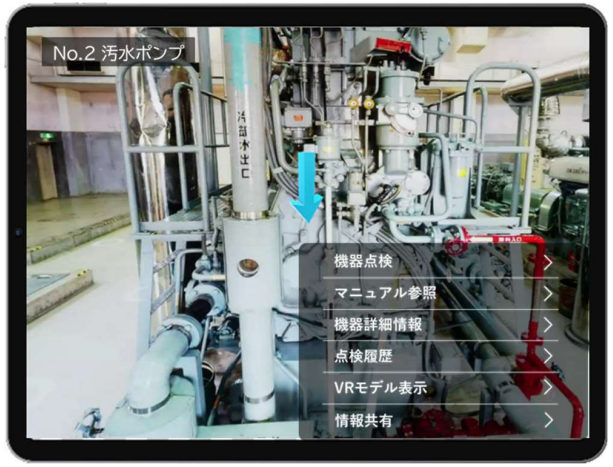


Ease of modification and business efficiency

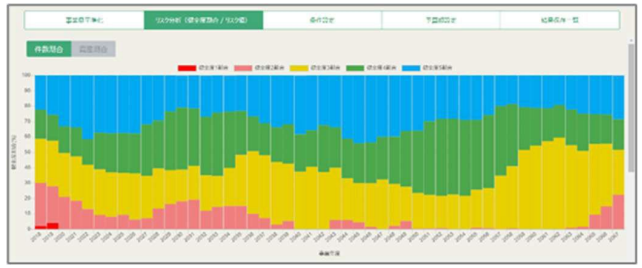
Accurate transmission of design content and ease of construction drawing preparation



Linked to equipment inspection system



Linked to health simulation

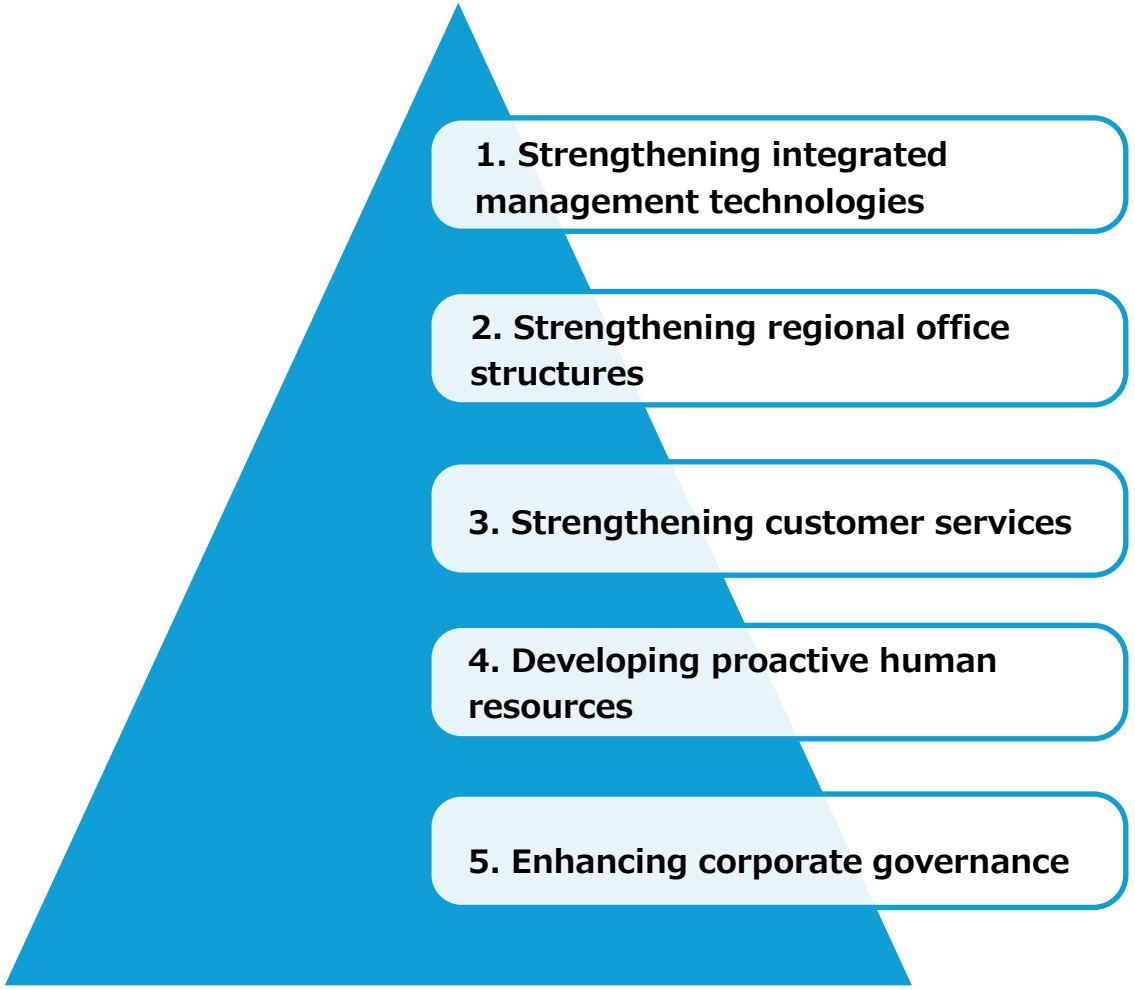


Linked to facility information system

* CIM: Construction Information Management

8. Business Policy

Measures to achieve “Operation Company”



1. Strengthening integrated management technologies

Strengthening EPC (Engineering, Procurement, Construction), O&M (Operation Maintenance, Inspection and Management),
operations services, and customer service technologies

2. Strengthening regional office structures

From the perspective of thinking about regional issues locally and working together with the community,
strengthening the structure and activities of regional offices

3. Strengthening customer services

Strengthening customer services that serve as points of contact with citizens and users, promoting collaboration with customers, information dissemination, and citizen participation projects

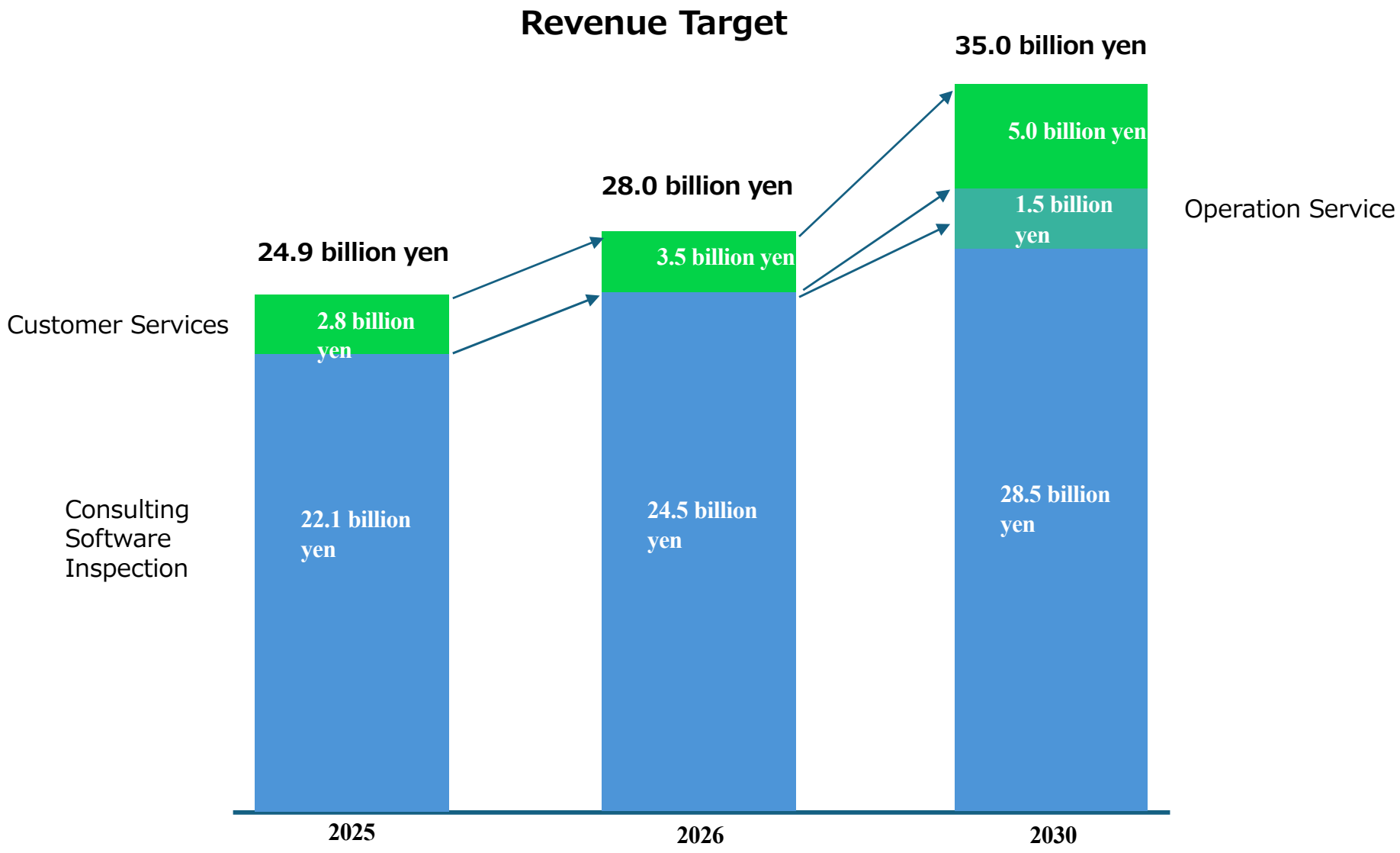
4. Developing proactive human resources

Securing personnel to lead the Operations Company, acquiring skills, and promoting the cultivation of proactive awareness

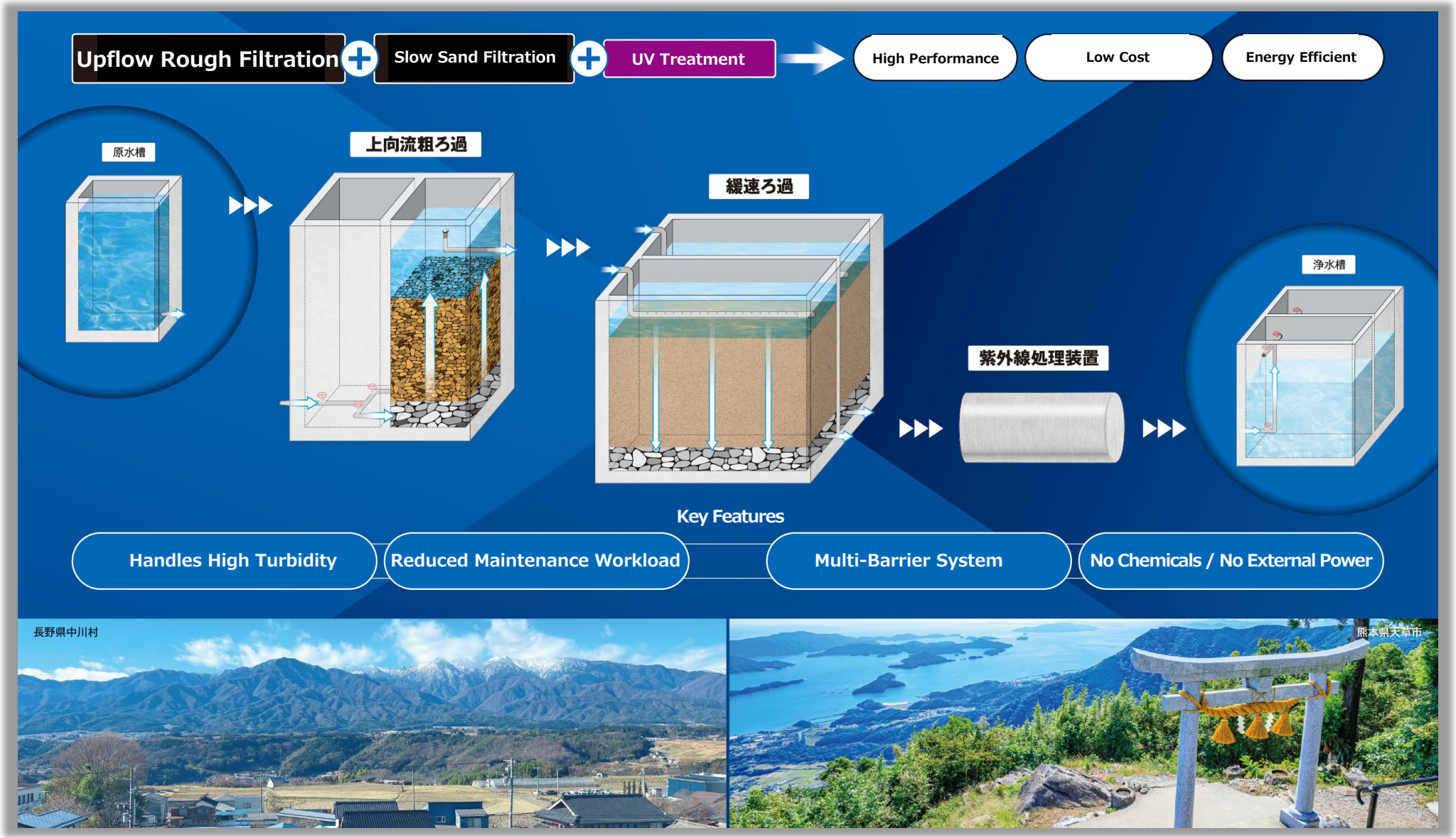
5. Enhancing corporate governance

Strengthening Group corporate governance with the aim of improving compliance, risk management, and sustainability

9. Financial target



10. Hybrid Ultra Small Slow Sand Filter System



Passing On Healthy Water and Environment to the next Generation

Disclaimer

The forward-looking statements included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.

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