

# PREMIUM WATER HOLDINGS

**Supplementary Materials for Financial Results  
for the First Nine Months of the Fiscal Year Ending March 31, 2026**

---

**Premium Water Holdings, Inc.**

**TSE: 2588**

**February 10, 2026**



# PREMIUM WATER HOLDINGS

## Contents

- | **Aspirations, Competitive Advantages,  
and Future Outlook**
- | **Financial Results for the First Nine Months  
of the Fiscal Year Ending March 31, 2026**
- | **Appendix**
  - (1) Company Outline and Business Overview
  - (2) SDG-related Initiatives



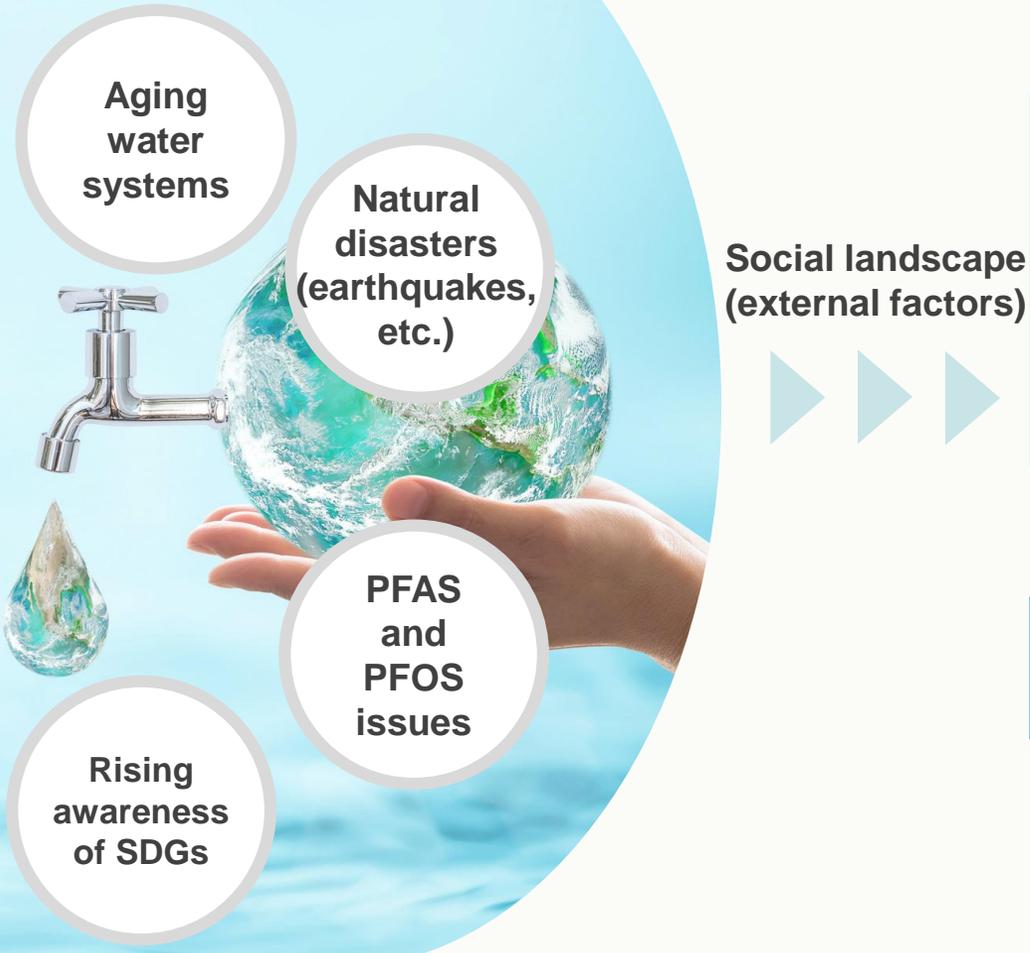
PREMIUM WATER  
HOLDINGS

**Aspirations**

**Competitive Advantages**

**Future Outlook**

## Rise in water dispenser demand



Preserving water resources for future generations and enhancing the value of Japan's natural mineral water

**PWHD** (Premium Water Holdings)

**No.1** in the water delivery industry\*1

**8 water sources**  
– industry leading

**Consistent user growth**  
since founding

**Purified water dispenser**  
with safety & reliability



**Dominant sales capabilities**

Create a foundation for supplying safe and reliable natural mineral water at low cost

**State-of-the-art plants**

Keep manufacturing costs down and support nationwide supply of high-quality water in bottles with less plastic

**Optimal delivery efficiency**

Maintaining our own logistics network\*2 for optimal delivery efficiency aids in curtailing logistics costs

\*1 PWHD's customer numbers as of end-March 2025 (1.73 million) ÷ water delivery market projected customer numbers as of end-March 2025 (5.24 million), according to Japan Delivery Water & Server Association (JSDA) data

\*2 Delivery partners participating in PWHD's delivery management system

# Competitive Advantages

The three key factors behind the company's competitive advantage and **No. 1 share in the natural mineral water market**, a category with limited differentiation.

## 1 Industry No. 1 in customer acquisition capabilities

We are building an **even stronger sales network** by sharing our expertise in direct sales, where we have overwhelming sales capabilities, with our agents.



## 2 Industry leader with 8 water sources, including 3 at in-house plants

We have monthly production capacity of **approximately 5 million bottles** (enough to supply about 2.5 million customers), with the newly completed Gifu Kitagata plant further boosting production capacity and efficiency.



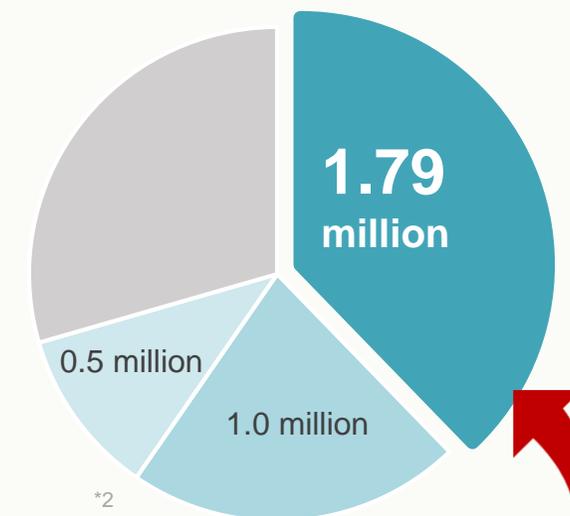
## 3 Efficient delivery using our own distribution network

By building an in-house logistics network independent of major logistics companies, we have raised the in-house distribution rate to **51.3%**, achieving **significant cost reductions**.



## Market No. 1 in water dispenser customer numbers

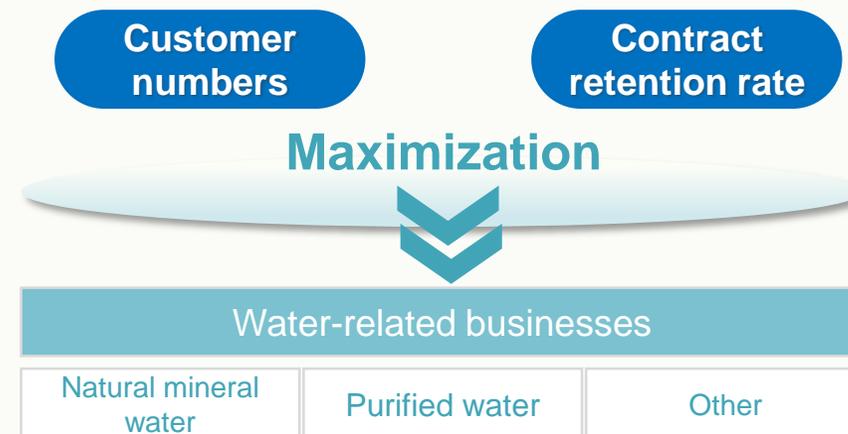
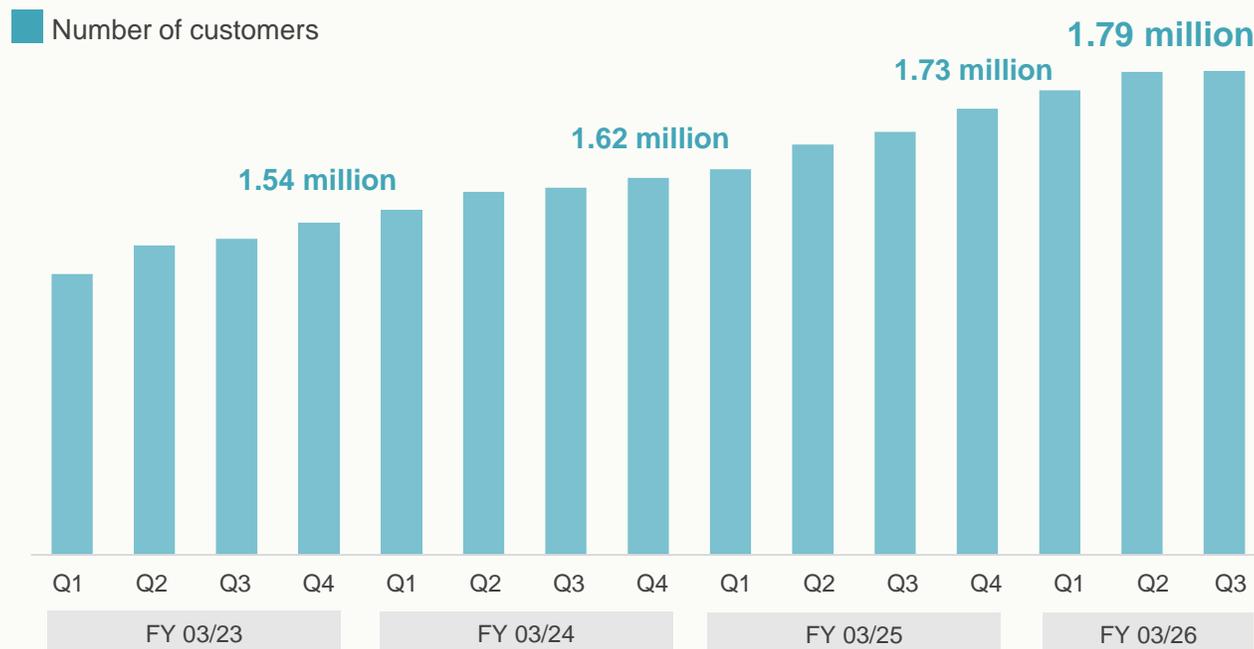
**32.0%** industry share<sup>\*1</sup>



■ Premium Water Holdings  
■ Company A  
■ Company B  
■ Other

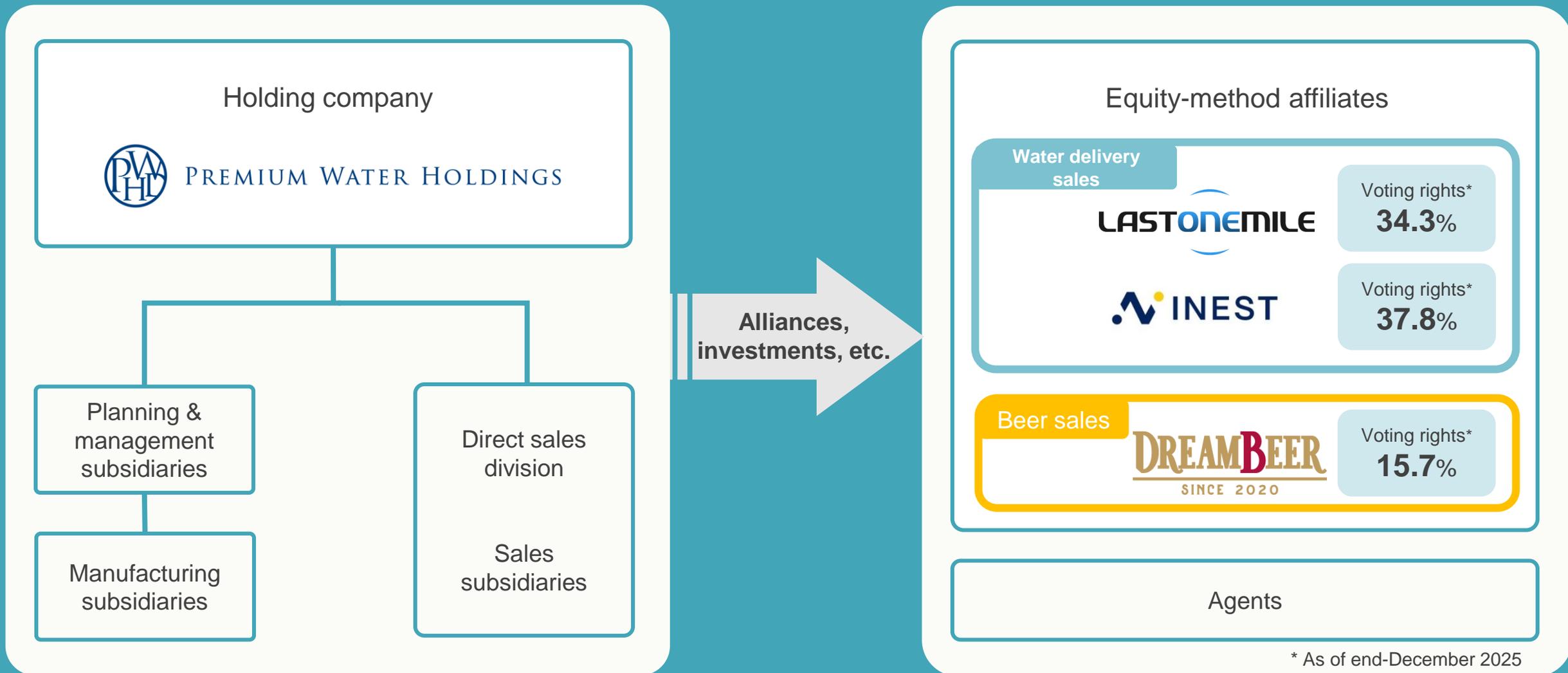
<sup>\*1</sup> Calculated based on JDSA FY 03/24 water delivery industry statistics  
<sup>\*2</sup> Prepared by the company based on the January 8, 2026 issue of Nihon Ryutsu Sangyo Shimbun

Focus on growing customer base to largest in the industry.



- Three customer base expansion measures**
- 1 Strengthen productivity in direct sales**
  - 2 Enhance customer satisfaction** by leveraging our strength as a manufacturer with integrated production and sales
  - 3 Enhance sales capabilities via M&A, investments, and business alliances**

In addition to investing in stronger sales capabilities, we are working to build a more efficient manufacturing and distribution network.



\* As of end-December 2025



# Regarding Expected Compliance with the TSE Continued Listing Criteria

We expect to **comply with the continued listing criteria** for the TSE Standard Market by **March 31, 2026**.

<Compliance status with the continued listing criteria for the Standard Market>

	Number of shareholders	Number of tradable shares	Market cap of tradable shares	Tradable share ratio
As of March 31, 2025	7,639 persons	56,835 units	¥16.7 billion	19.0%
Continued listing criteria (Standard Market)	400 persons	2,000 units	¥1.0 billion	25.0%
Outlook for March 31, 2026				

## Takeaways

- No major shareholders plan to sell shares in the market.
- Following the implementation of relevant measures, the tradable share ratio is projected to be around 26%.



PREMIUM WATER  
HOLDINGS

**Financial Results for the First  
Nine Months of the Fiscal Year  
Ending March 31, 2026**

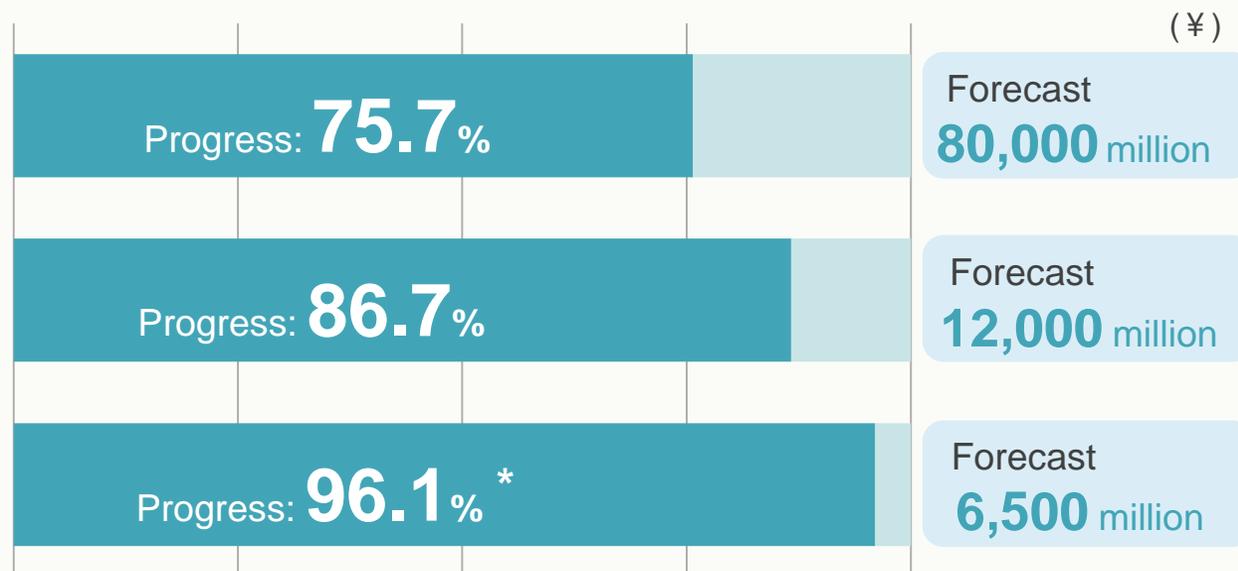
# Financial Results Highlights

Revenue and profit continued to increase YoY, driven by steady growth in the customer base and ongoing profit contributions from stabilized production and improved operating rates at the Gifu Kitagata plant, which commenced full-scale operation in April 2024.

## Cumulative Q3 (Apr–Dec) financial results

	(¥)	YoY
Revenue	<b>60,572</b> million	<b>104.3%</b>
Operating profit	<b>10,399</b> million	<b>115.5%</b>
Profit attributable to owners of parent	<b>6,243</b> million	<b>127.5%</b>
EBITDA	<b>19,955</b> million	<b>109.9%</b>

## Progress toward full-year forecast



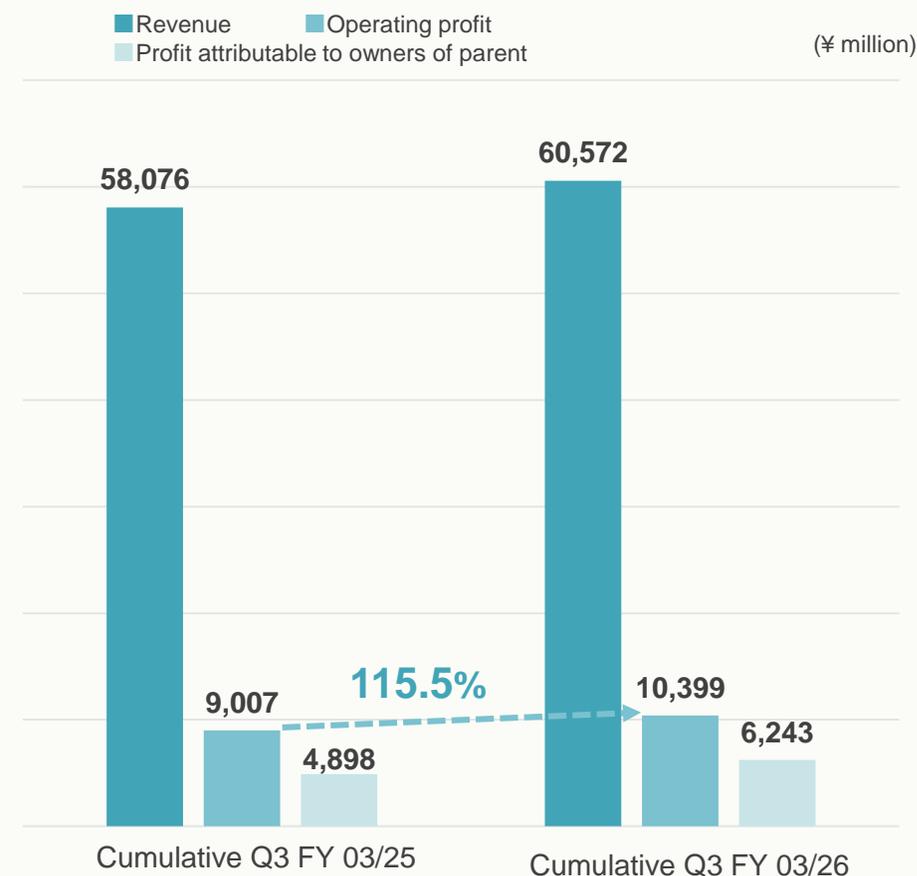
\* The progress rate of profit attributable to owners of parent for the first nine months of the fiscal year ending March 31, 2025 remained at a high level, supported by a decrease in the share of loss of investments accounted for using equity method and lower tax expenses associated with transactions among consolidated subsidiaries.

# Overview of Cumulative Q3 (Apr–Dec) Financial Results

Revenue increased to 104.3% of the prior-year level, supported by growth in the customer base. Operating profit improved significantly, rising to 115.5% of the prior-year level, reflecting the success of productivity improvement initiatives.

(¥ million)

	Cumulative Q3 FY 03/25	Cumulative Q3 FY 03/26	YoY
Revenue	58,076	60,572	104.3%
Gross profit	49,623	52,110	105.0%
Operating profit	9,007	10,399	115.5%
Profit attributable to owners of parent	4,898	6,243	127.5%
EBITDA (operating profit + depreciation)	18,165	19,955	109.9%



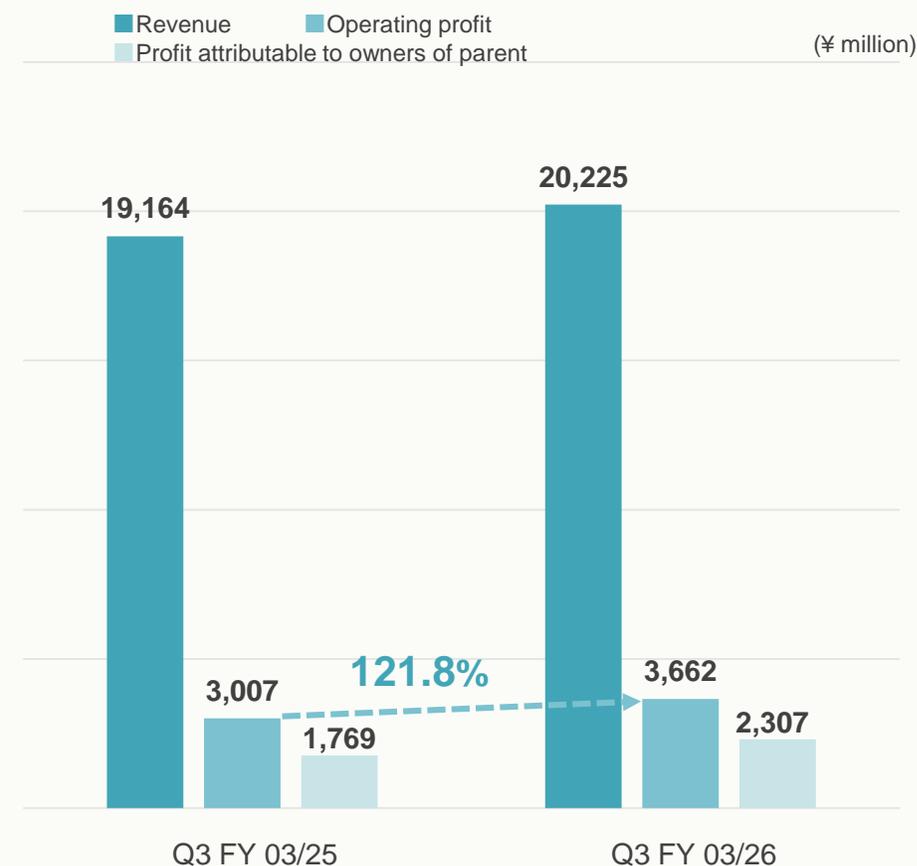
# Overview of Q3 (Oct–Dec) Financial Results

Revenue increased steadily YoY, driven by growth in the customer base, while operating profit rose to **121.8%** of the prior-year level.

Revenue and profit continued to grow YoY in Q3.

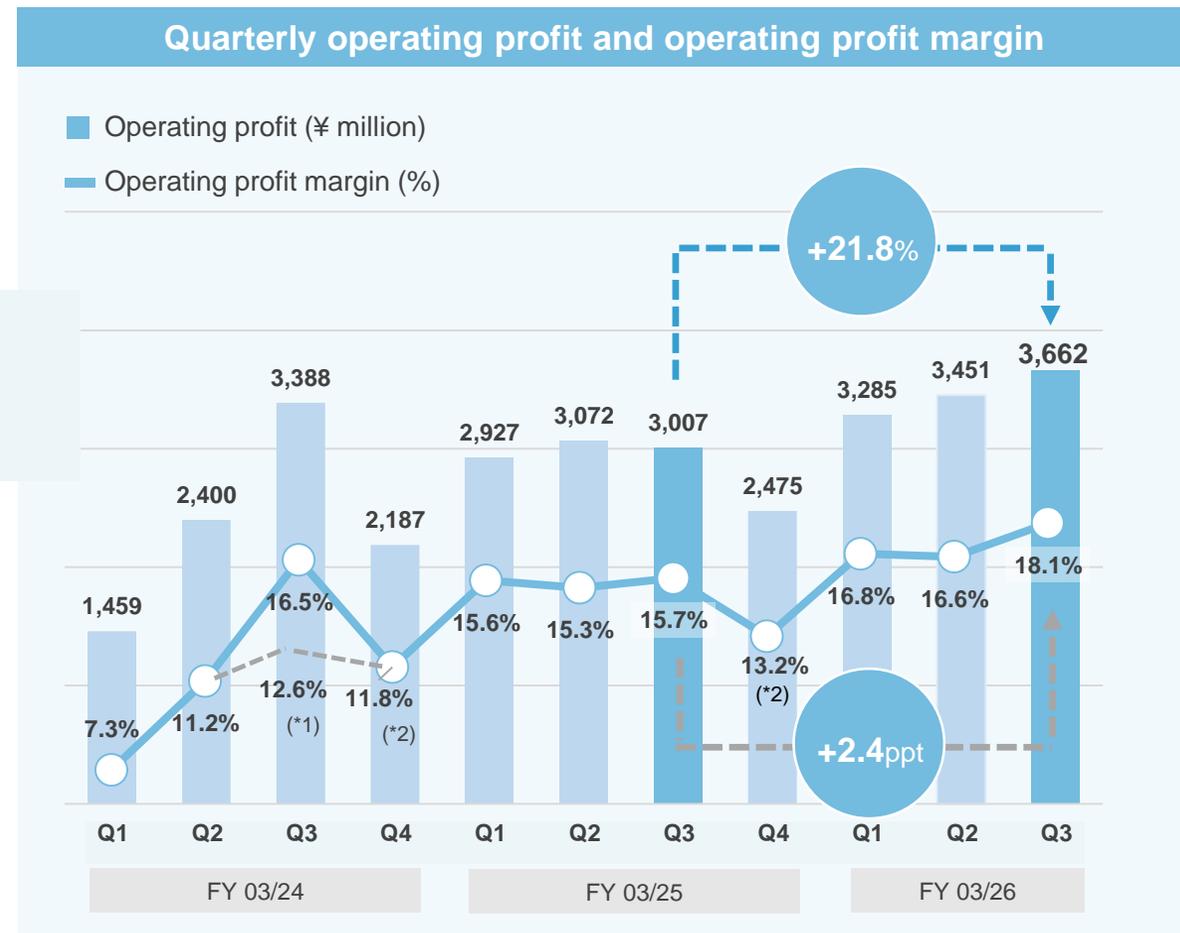
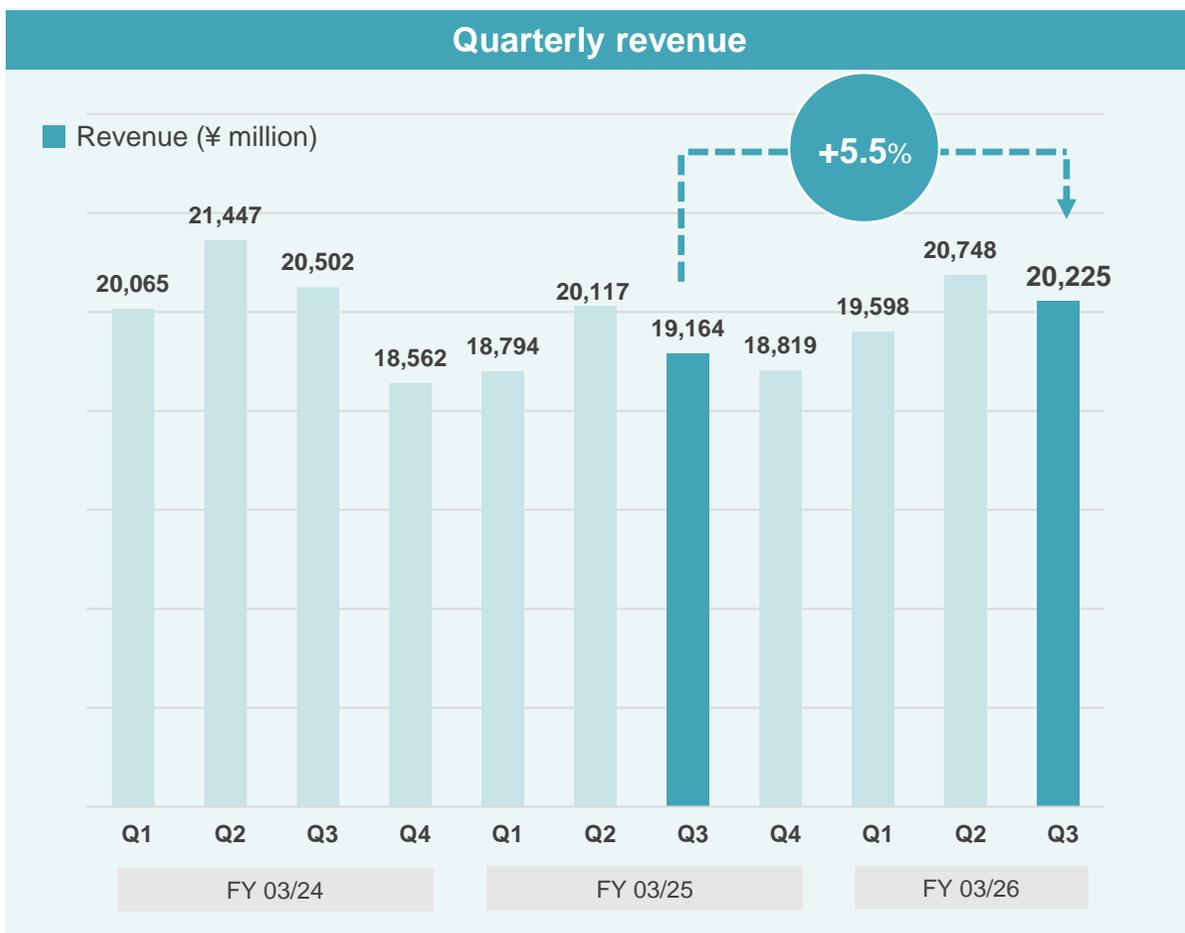
(¥ million)

	Q3 FY 03/25	Q3 FY 03/26	YoY
Revenue	19,164	20,225	105.5%
Gross profit	16,580	17,469	105.4%
Operating profit	3,007	3,662	121.8%
Profit attributable to owners of parent	1,769	2,307	130.4%
EBITDA (operating profit + depreciation)	6,206	6,961	112.2%



# Revenue and Operating Profit

In Q3, revenue increased 5.5% YoY, driven by growth in the customer base, and the operating profit margin improved by 2.4ppt YoY.



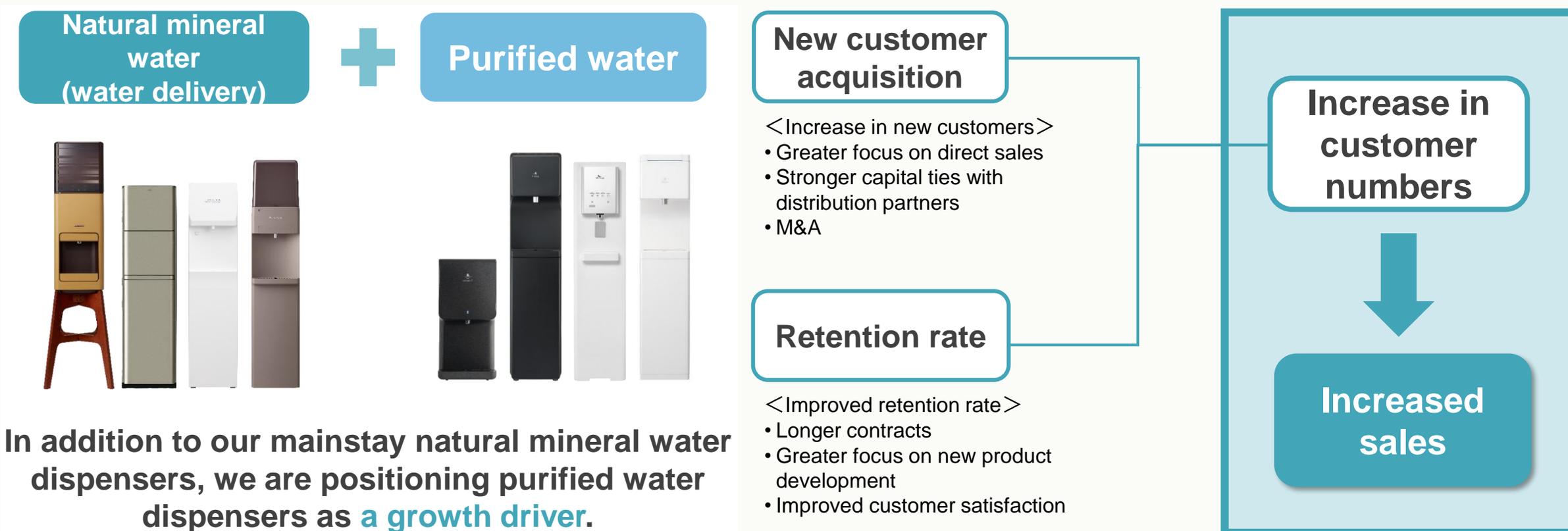
\*1 Adjusted to exclude extraordinary factor in the booking of ¥797mn gain from the sale of shares in sales subsidiary FLC Premium in FY 03/24.

\*2 Q4 operating profit and operating profit margin tend to be lower than in other quarters due to the seasonal concentration of agent commission payments.

# Premium Water Holdings' Growth Drivers

We seek to grow customer numbers by both acquiring new customers and improving the retention rate for existing customers.

In addition to growing customer numbers, it will also become increasingly important to devise strategies for raising existing customer retention.



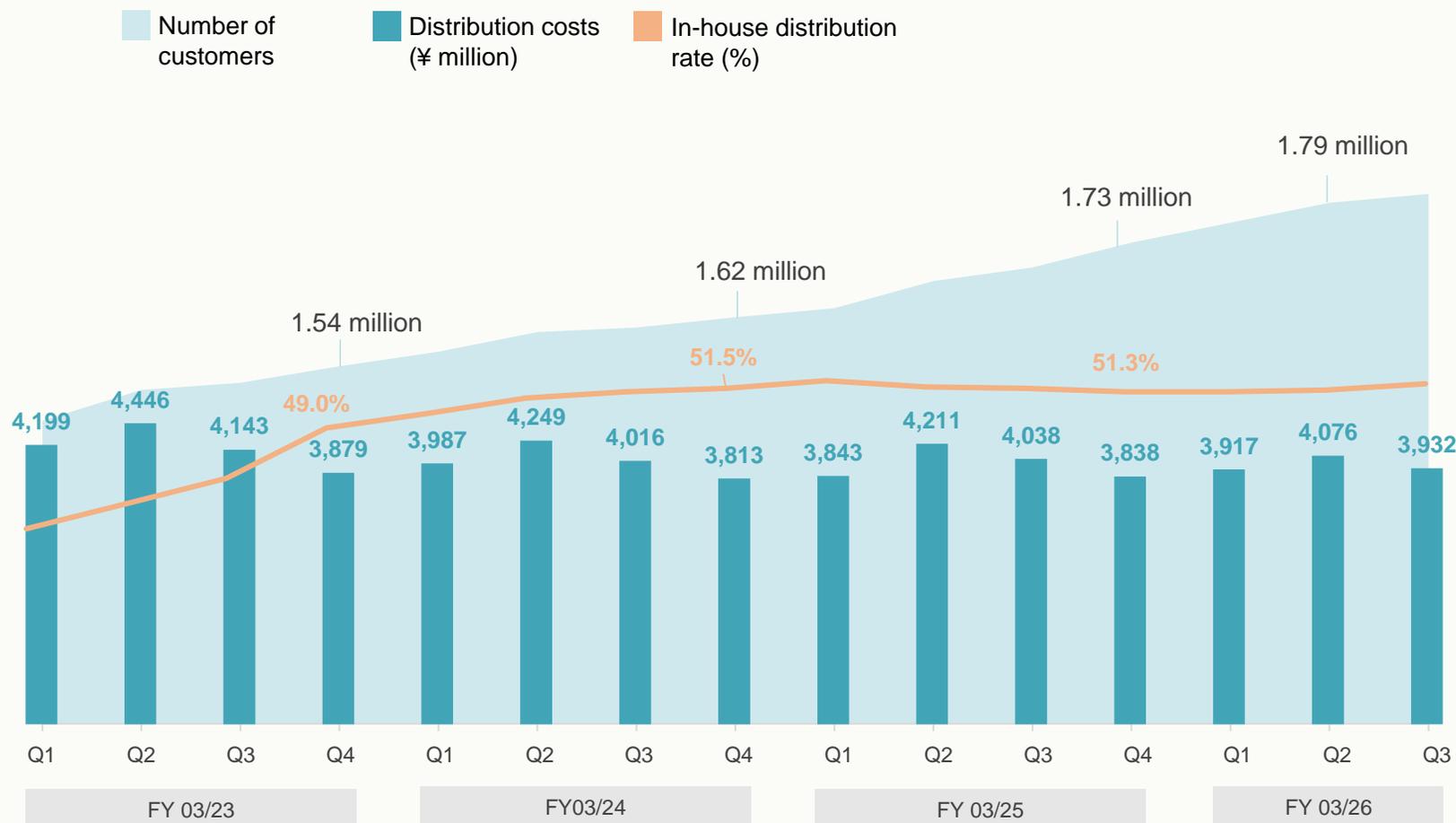
# Factors Contributing to Operating Profit

Despite higher variable costs associated with sales investments and increased revenue, operating profit rose YoY, supported by revenue growth driven by an expanding customer base, lower manufacturing costs resulting from higher operating rates at the Gifu Kitagata plant ①, and cost efficiency measures.



# Initiatives to Reduce Distribution Costs

Despite upward pressure on costs from higher distribution volume driven by growth in the customer base combined with price inflation, we contained distribution cost growth by keeping the in-house distribution\* rate at an optimal level.



## In-house distribution\* rate

FY 03/19 18.7%

▼

FY 03/25 51.3%

\*Delivery partners participating in PWHD's delivery management system



# Cumulative Q3 FY 03/26 Non-operating Income

(¥ million)

	Cumulative Q3 FY 03/25	Cumulative Q3 FY 03/26	Change	YoY
Operating profit	9,007	10,399	1,392	115.5%
Finance income + finance costs	-544	-506	38	—
Share of profit (loss) of investments accounted for using equity method	-691	-343	348	—
Profit before tax	7,770	9,550	1,779	122.9%
Income tax expense	-2,873	-3,306	-433	—
Non-controlling interests	0	-0	-0	—
Profit attributable to owners of parent	4,898	6,243	1,344	127.5%

## Lease obligations and other interest-bearing liabilities increased due to financing for investments in water dispensers and related equipment.

(¥ million)

	FY 03/25	End-Q3 FY 03/26	Change
Current assets	47,324	47,654	329
Cash and cash equivalents	31,900	32,829	928
Trade and other receivables	12,271	12,726	454
Inventories	917	742	-175
Other current assets	2,235	1,356	-878
Non-current assets	64,751	75,401	10,649
Property, plant and equipment	32,797	33,984	1,187
Intangible assets	3,223	3,528	304
Investments accounted for using equity method	4,218	4,657	439
Other financial assets	10,103	17,835	7,732
Contract costs	12,847	14,421	1,573
Other non-current assets	1,561	973	-587
<b>Total assets</b>	<b>112,076</b>	<b>123,056</b>	<b>10,979</b>

(¥ million)

	FY 03/25	End-Q3 FY 03/26	Change
Liabilities	87,003	93,698	6,695
Current liabilities	43,076	44,272	1,195
Trade and other payables	15,459	15,896	437
Interest-bearing liabilities	24,481	25,365	884
Income taxes payable	2,447	1,927	-520
Other current liabilities	687	1,082	394
Non-current liabilities	43,927	49,426	5,499
Interest-bearing liabilities	43,289	48,783	5,494
Other non-current liabilities	637	643	5
Equity	25,073	29,357	4,283
Shareholders' equity	25,057	29,341	4,283
Others	15	15	0
<b>Total liabilities and equity</b>	<b>112,076</b>	<b>123,056</b>	<b>10,979</b>



# Cumulative Q3 FY 03/26 Consolidated Cash Flow Statement



PREMIUM WATER  
HOLDINGS

(¥ million)

	Cumulative Q3 FY 03/25	Cumulative Q3 FY 03/26
Cash and cash equivalents at beginning of period	30,561	31,900
Cash flows from operating activities	14,144	15,802
Cash flows from investing activities	-9,314	-8,929
Cash flows from financing activities	-3,376	-6,092
Effect of exchange rate changes on cash and cash equivalents	69	147
Cash and cash equivalents at end-Q3	32,085	32,829



# Financial Indicators

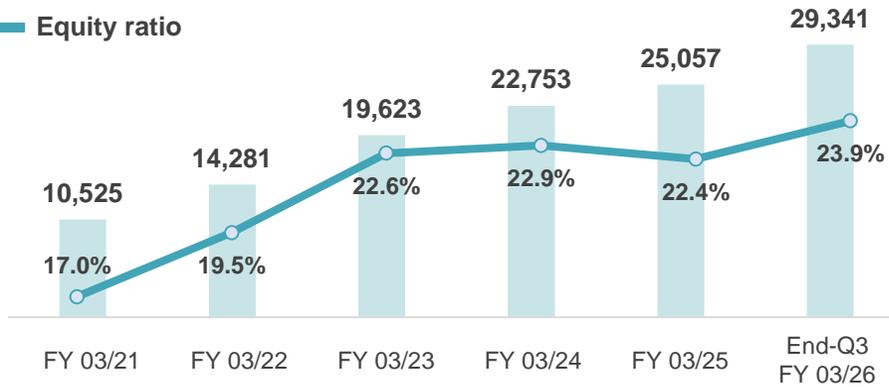
The target equity ratio is 30%.

The decline in the current ratio was partly attributable to an increase in borrowings due within one year.

## Equity and equity ratio

Equity (¥ million)

Equity ratio

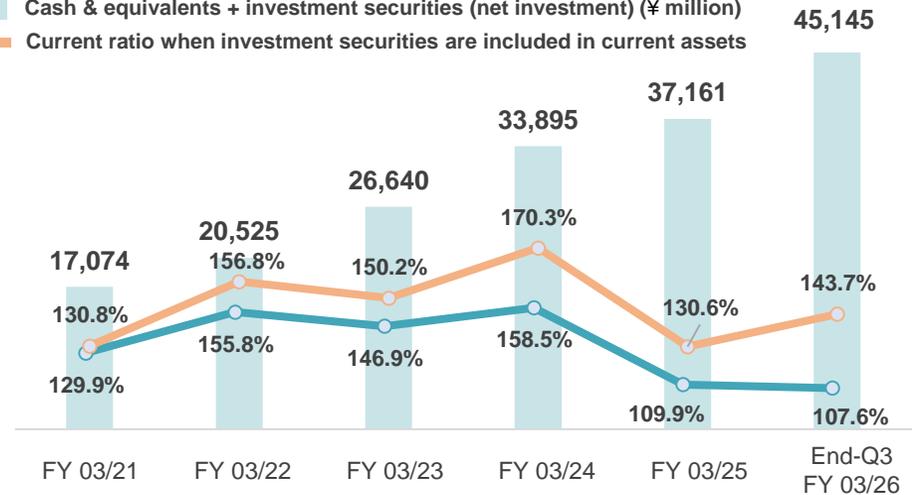


## Current ratio and cash & equivalents + investment securities (net investment)

Current ratio

Cash & equivalents + investment securities (net investment) (¥ million)

Current ratio when investment securities are included in current assets

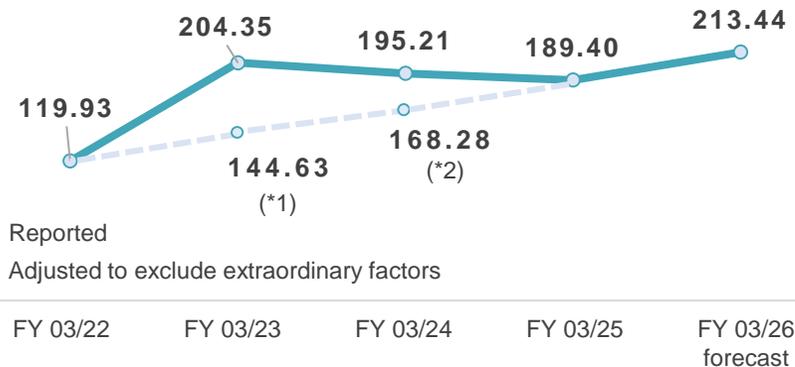


## Basic earnings per share (EPS)

(¥)

Reported

Adjusted to exclude extraordinary factors



ROE **23.9%** (end-FY 03/26 forecast)

ROA **5.3%** (end-FY 03/26 forecast)

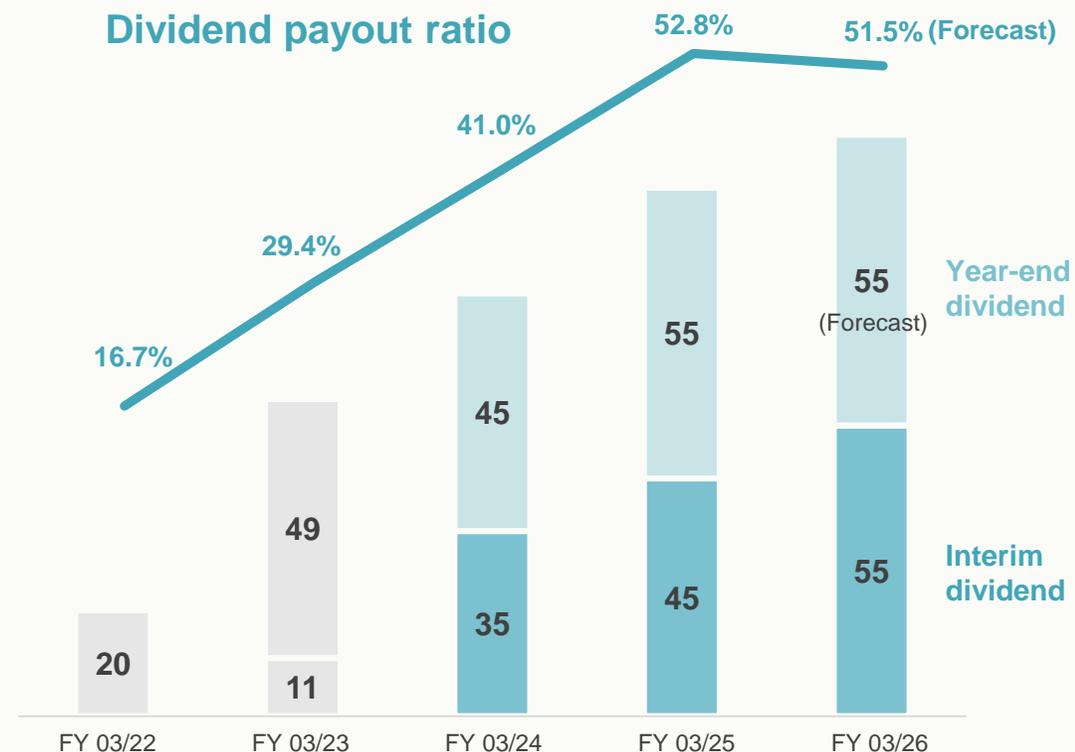
\*1 In FY 03/23, profit attributable to owners of parent was ¥6,057 million, but this included an extraordinary factor in the booking of ¥1,753 million in deferred tax assets, without which profit attributable to owners of parent was ¥4,304 million.

\*2 In FY 03/24, profit attributable to owners of parent was ¥5,777 million, but this included an extraordinary factor in the booking of ¥797 million in gains on the sale of shares in a subsidiary, without which profit attributable to owners of parent was ¥4,980 million.

We plan to continue steadily **increasing the dividend**, in balance with internal reserves and growth investments.

(¥)

	FY 03/24	FY 03/25	FY 03/26 (forecast)
Interim dividend (record date: 30 Sep)	35.00	45.00	55.00
Year-end dividend (record date: 31 Mar)	45.00	55.00	55.00 (Forecast)
<b>Total</b>	<b>80.00</b>	<b>100.00</b>	<b>110.00 (Forecast)</b>



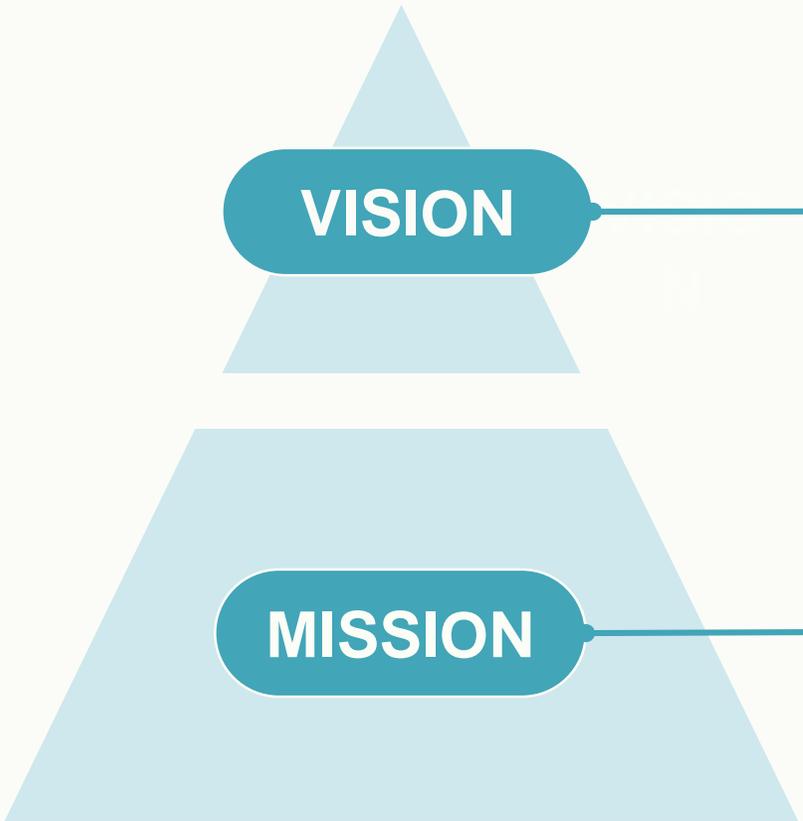


PREMIUM WATER  
HOLDINGS

## **Appendix**

**(1) Company Outline, Corporate Philosophy,  
and Business Overview**

<b>Company name</b>	Premium Water Holdings, Inc.
<b>Establishment</b>	October 13, 2006
<b>Address</b>	<p>&lt;Tokyo corporate office&gt; 5F, Jingumae 123 Building, 1-23-26 Jingumae, Shibuya Ward, Tokyo</p> <p>&lt;Headquarters&gt; 4597-1 Kamiyoshida, Fujiyoshida, Yamanashi Prefecture</p>
<b>Representative</b>	Akihiko Kanemoto, President & CEO
<b>Number of employees</b>	882, as of March 31, 2025 (not including directors and part-time employees) (Consolidated)
<b>Capital</b>	¥5,015 million, as of December 31, 2025 (Consolidated)
<b>Business overview</b>	Management of subsidiaries engaged in the water dispenser business, principally dispensing the company's own PREMIUM WATER brand, and other related operations
<b>Main group companies</b>	<p>Premium Water, inc.</p> <p>Premium Water Products, Inc.</p> <p>LUXURY, Inc.</p> <p>PW resource, Inc.</p> <p>Life Select, Inc.</p> <p>SINGAPORE FLC PTE. LTD</p>



## VISION

Enrich people's lives through our business activities.  
**Aim to become the most beloved company in the world.**

## MISSION

Share the unique value of **Japanese natural mineral water** with people in Japan and around the world.  
Fulfill our social responsibility and contribute to regional revitalization.

### **Water Direct Corporation**

Among leading manufacturers in Japan in terms of both product quality and shipment volume for non-heat treated natural mineral water



### **FLC, Inc.**

Among Japan's leading sales promotion companies

**PREMIUM WATER**

HighQuality Water Delivery Service

### **Premium Water Holdings, Inc.**

Created via integration of these two companies  
Brand names also integrated under "Premium Water"



PREMIUM WATER HOLDINGS

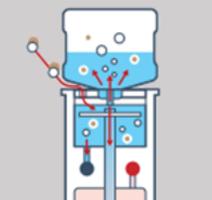
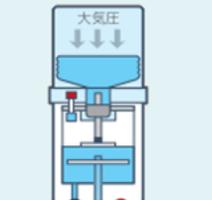
Leading company in terms of creating and promoting new value to customers while remaining committed to the intrinsic value of Japan's high-quality natural mineral water

Year	Water Direct Corporation		FLC Inc.	
2004			Feb	FLC Inc. established Launched sales promotion business
2006	Oct	Water Direct Corporation established		
2007	Apr	Started operations at Plant No. 1		
2008			Jan	Launched water dispenser agency business
2010	Jul	Completed construction of the Fujiyoshida plant	Apr	Premium Water Inc. established
2011			Mar	FLC Inc. established through an incorporation-type company split
2013	Mar	Listed on the Mothers Section of the Tokyo Stock Exchange		
2014	Apr	Changed listing to the Second Section of the Tokyo Stock Exchange		
2015	Feb	Became a subsidiary of Hikari Tsushin as the result of a tender offer for the company's shares by Sogo Seikatsu Service Co., Ltd.		

2016	Jul	<b>Premium Water Holdings, Inc. established</b>		
2020	Mar	Water delivery business customer base broke through one million mark		
2022	Apr	Listed on the Tokyo Stock Exchange's Standard Market		
2024	Apr	Completed construction of the Gifu Kitagata plant		

# One-way Delivery System (natural mineral water)

PWHD has opted for a **one-way delivery system** in the interests of hygiene and convenience.

Delivery system	Reusable bottle (returnable system)	Single-use bottle (one-way system)
Delivery flow	<p>Used bottles are collected, washed, and sterilized for reuse</p>  <p>Used bottles are collected upon the next delivery</p>	<p>One-way delivery of single-use bottles</p>  <p>Used bottles are discarded by the customer</p>
Bottle features	<p>Collected and reused</p>  <p>Gallon bottles take up lots of room in the home...</p> <p>Outside air can enter gallon bottles</p> 	<p>Crushed and thrown in the recycling bin</p>  <p>Disposable bottles make it easy!</p> <p>Outside air rarely enters bottles</p> 
Delivery format	 <p>Shipped directly from the manufacturer, according to fixed route schedules</p>	 <p>Delivered by third-party logistics providers at customer-specified times</p>
Scope of delivery	<p>Primarily residents <b>near distribution centers</b> (with some regional exceptions)</p>	 <p>Enables <b>nationwide delivery</b> (excluding certain remote islands)</p>

## Advantages of one-way delivery system

For the customer

- Eliminates hygiene concerns  
Hygienic single-use bottles prevent outside air from entering
- Uses regular PET bottles  
Smell is inoffensive and recyclable bottles are environmentally friendly
- Saves space  
No need for bottle delivery or collection, no need to clean or store empty bottles

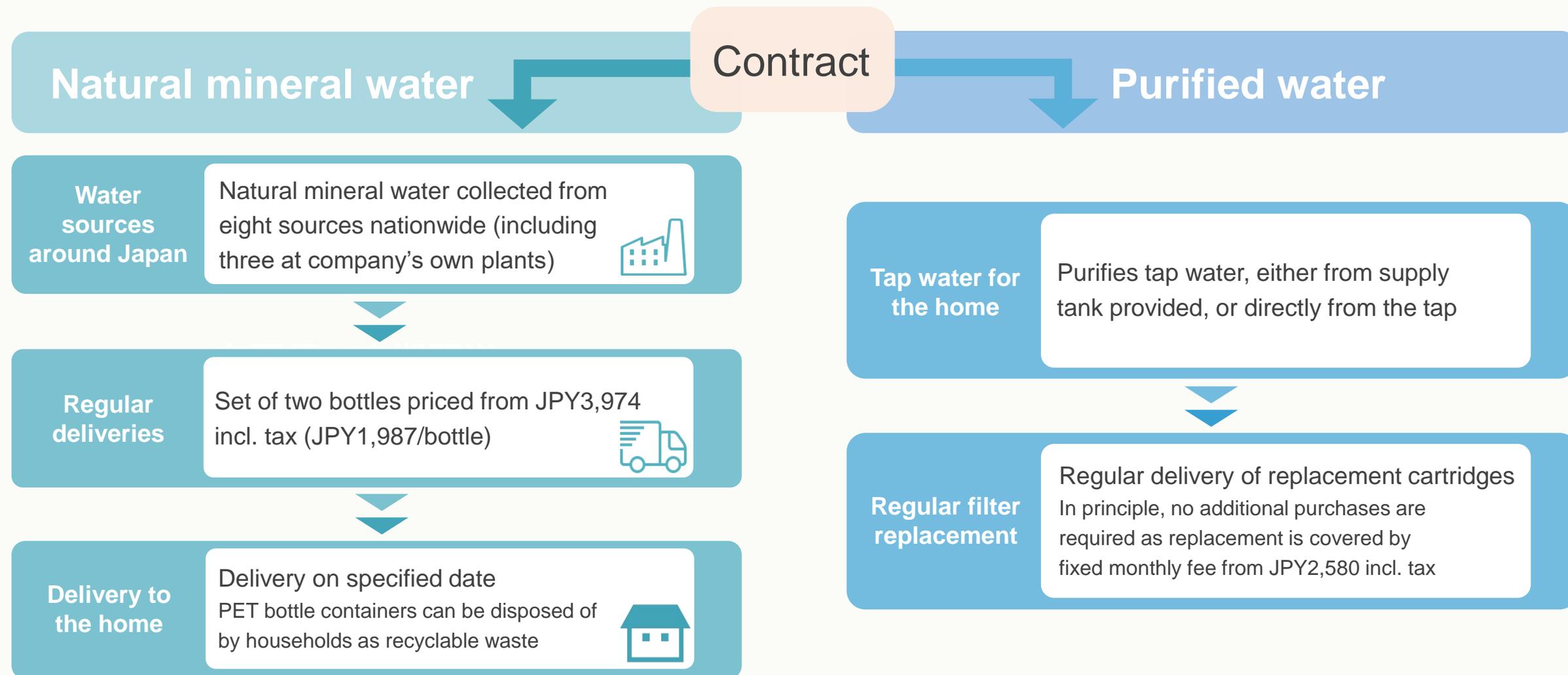
For the company

- Improved profitability  
Eliminates the need for additional logistics personnel or facilities, such as for storing empty bottles
- Removes distribution constraints  
No area restrictions; facilitates EC and other peripheral businesses
- Greater delivery convenience  
Time-specified delivery and redelivery both possible; no need for storing empty bottles

Through a business model allowing us to **handle everything from development to after-sales service**, we can directly address customers' needs and provide them with more attractive products and services.



Natural mineral water and purified water dispenser business centered around the PREMIUM WATER brand.



# Business Overview and Business Model

We operate a natural mineral water and purified water dispenser business centered on our own brand, PREMIUM WATER, with a highly stable business model that we expect will generate steady growth in revenue as customer numbers increase.

## Natural mineral water (water delivery)

Supplying customers with Japan's precious natural mineral water via regular deliveries



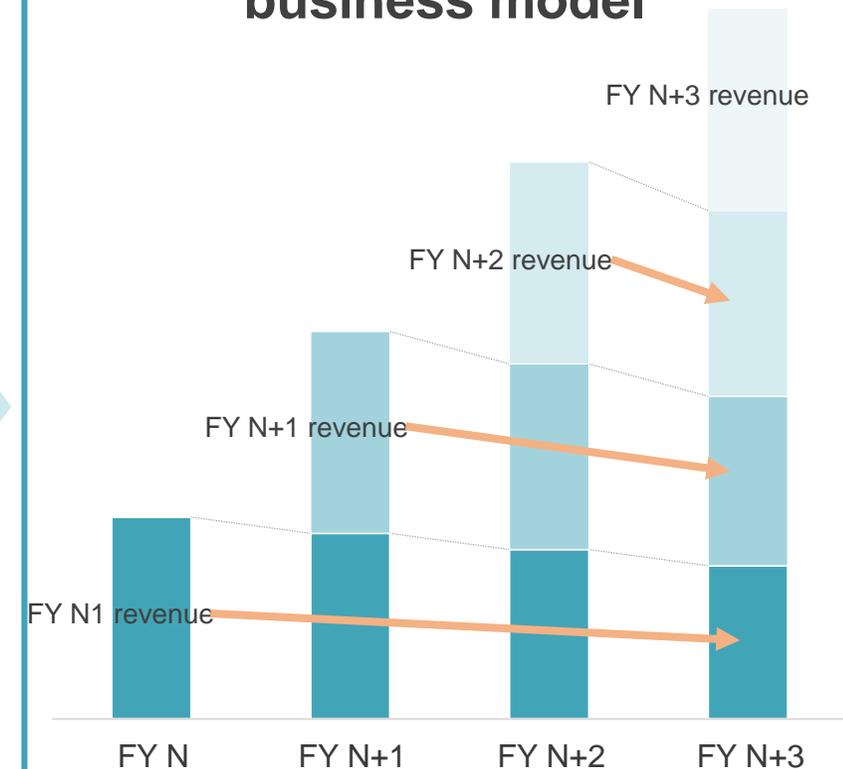
+

## Purified water

Charging a low flat rate for the supply of water dispensers enabling easy purification of household tap water

A model that drives revenue growth as long as the cost of acquiring each customer remains at a certain level

## Recurring revenue business model



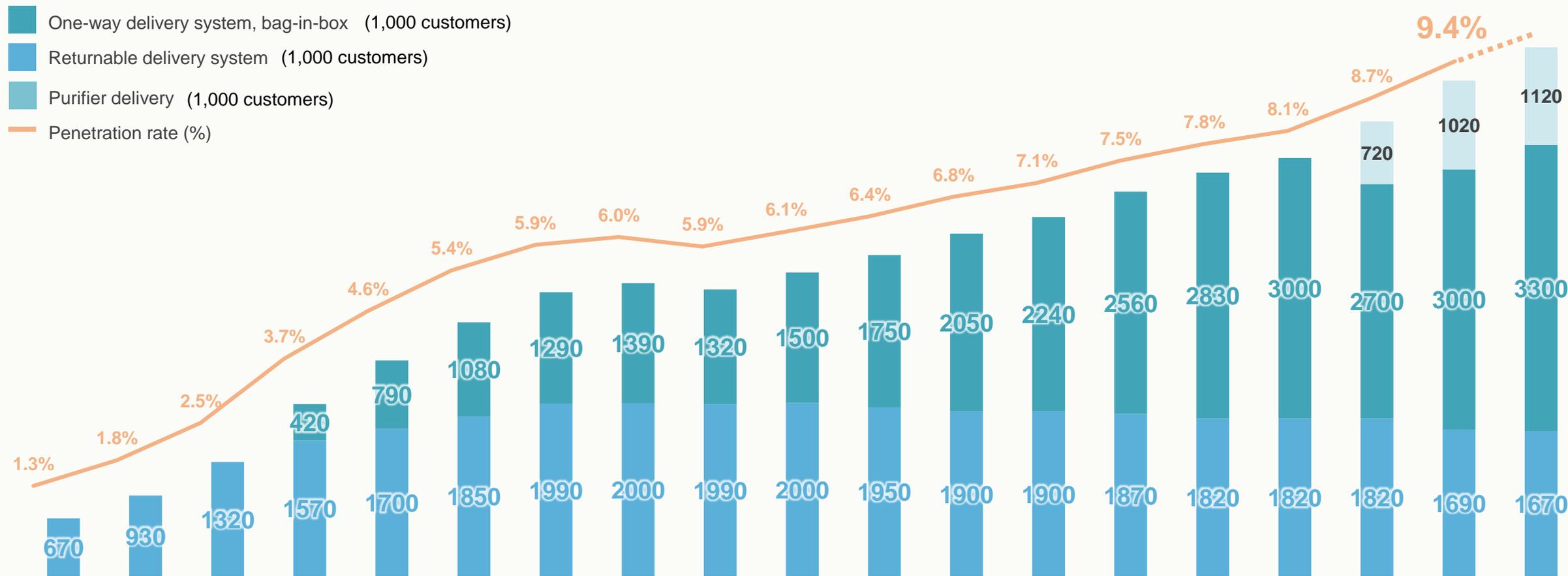


# Japan's Water Dispenser Market – Household Penetration Rate



PREMIUM WATER HOLDINGS

Household penetration rate in Japan is around **9.4%\***, leaving ample room for growth.



\* Company estimate based on Japan Delivery Water & Server Association (JDSA) data on customer numbers and Ministry of Internal Affairs and Communications (MIC) data on household numbers (JDSA figure of ¥5.71 million for water delivery market customer numbers ÷ MIC figure of 60,779,141 households according to "Population, Demographics and. Number of Households Based on the Basic Resident Register")

Forecast



PREMIUM WATER  
HOLDINGS

## **Appendix**

### **(2) SDG-Related Initiatives**

## Donating Rice to Kodomo Shokudo



To help improve the diets of children facing poverty or who eat alone, we donated rice harvested at our Fujiyoshida property to *Kodomo Shokudo* (Children's Cafeteria), which provides meals to children from low-income households and those who eat alone.

## Ongoing donations to WaterAid Japan



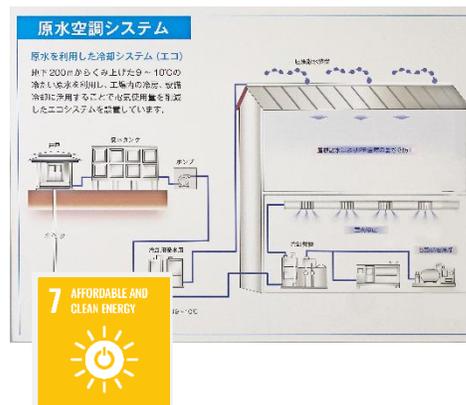
We launched "PREMIUM WATER FUTURE," a new SDGs-specialized water dispenser brand. By donating a portion of "PREMIUM WATER FUTURE" sales to WaterAid Japan, an organization dedicated to realizing a better future, we are helping to ensure that more people have access to clean water.

## Disaster Relief and Reconstruction Support



We have signed disaster relief agreements with Fujiyoshida City in Yamanashi Prefecture and Asago City in Hyogo Prefecture to supply drinking water in the event of an emergency. Under these agreements, we will provide free drinking water and loan water dispensers at no cost to affected residents. In addition, we have donated relief supplies to areas impacted by heavy rains in Western Japan, contributed relief funds following the Kumamoto Earthquake, and held events to support recovery efforts in the region. We also provided support to areas affected by the 2024 Noto Peninsula Earthquake.

## Groundwater Utilization



At the Fujiyoshida plant, we have implemented a system that reduces electricity costs by using cold groundwater (9–10°C), pumped from 200 meters underground, for air conditioning and equipment cooling throughout the facility.

## Safe and Reliable Natural Mineral Water



The Group's natural mineral water products are subject to proprietary quality standards that are more stringent than public regulations. Testing is conducted independently about a dozen times per day, including microbiological, physicochemical, and sensory evaluations, along with regular screening for radioactive substances. We also offer soft water that is gentle on babies' bodies.

## Lightweighting PET Bottles



We have been altering the structure of our PET bottles. By 2023, we had achieved a 20% reduction in weight (volume of plastics used), and in 2024 we succeeded in a further 3% weight reduction. We have been progressively switching to bottles that are 23% lighter than conventional PET bottles, and by end-March 2025 we had made this switch for approximately 80% of all water sources, with a view to switching 100% over by end-FY25.

## Fair Personnel System and Gender Equity Initiatives



To ensure fairness in employee performance evaluations, we are revising our personnel policies and evaluation systems. In addition to providing maternity leave, childcare leave, related benefits, and social insurance premium exemptions during childcare leave, we are also working to raise awareness and provide information about these programs.

## Forest Maintenance Activities (Nishikatsura Area)



To support the sustainability of local water resources, we are engaged in forest maintenance activities—such as thinning—in Nishikatsura, Yamanashi Prefecture, where our Nishikatsura Plant is located. This initiative is based on the belief that forests with strong water retention capacity produce quality water sources, which in turn support a rich and healthy food culture.

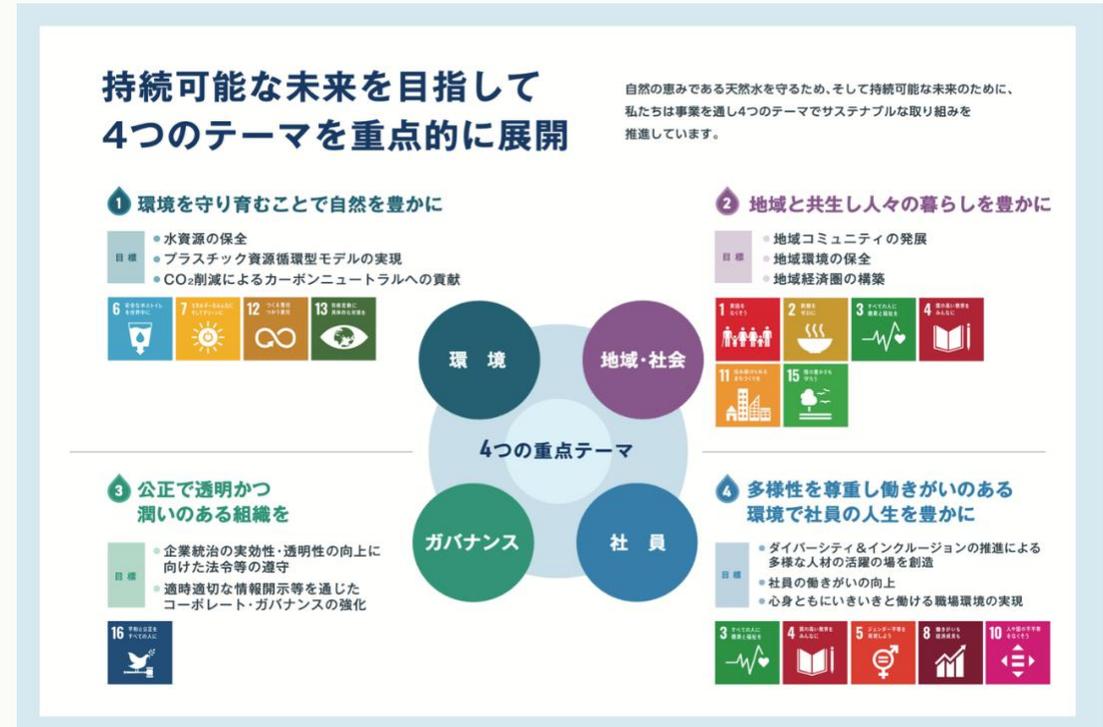
## Notice Regarding Publication of Sustainability Report

We have published "Sustainability Report 2025" (available only in Japanese) on our website, to help more stakeholders understand our Group's sustainability initiatives and activities.

Organized around the themes of ESG (Environment, Social, and Governance), the report focuses on the initiatives we have undertaken to date and specific actions aimed at contributing to a sustainable society. It features the latest information on topics such as "Calculation of Scope 3 CO<sub>2</sub> emissions," "Disaster preparedness initiatives for customers," and "Efforts to promote diversity." We invite you to read the report.

Sustainability Report 2025 (Japanese only)  
<https://premiumwater-hd.co.jp/sdgs/img/report/ssr2025.pdf>

Our website's sustainability page (Japanese only)  
<https://premiumwater-hd.co.jp/sdgs/>



## 1. Cautionary note about information contained in this document

We disclose financial information, management indicators, and other information in this document. While we exercise the utmost care in disclosing information via this document, we do not guarantee the accuracy of information contained herein. The information disclosed in this document is intended for use as reference in making investment decisions, and it is not intended as a solicitation for investment. Final investment decisions should be made at your own discretion. We do not accept responsibility for any damage arising from use of information contained in this document.

## 2. Statements regarding future outlooks

The information contained in this document includes performance forecasts and other statements regarding future outlooks, which involve risks and uncertainties. Please note that performance forecasts and other statements regarding future outlooks are not guaranteed to be realized. They may not be realized due to factors including change in the business environment surrounding our company, or market trends.

## 3. Use of this information

Distribution of this material may be discontinued or its contents changed without notice. We do not accept responsibility for any damage incurred due to the reader no longer being able to use this material.

Inquiries should be directed to Premium Water Holdings, Inc.'s IR representative.

Please use the following link to contact us:

<https://premiumwater-hd.co.jp/contact/>



PREMIUM WATER  
HOLDINGS