

## First Six Months of Fiscal Year 2025

### Major Questions and Answers at Financial Results Briefings, etc.

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**[Question] Regarding Presentation Material P12 ' Enhancement of Insulation Performance '.**

**What is the impact of raising the standards, and will Nippon Aqua (AQUA Foam) have an advantage over other insulation materials?**

We see it as having a significant positive impact for our company. With this increase, Insulation Class 6 is expected to become the de facto standard. Even now, there are increasing cases where housing manufacturers, who primarily use other insulation materials, adopt our Aqua Foam for Class 6 specifications. Therefore, if Class 6 becomes standardized, we believe such adoption cases will expand rapidly.

**[Question] Regarding Presentation Material P13 ' Prospects of Major Policies '.**

**It is expected that the market share expansion strategy will settle after FY2026, but do you think the number of construction units will not increase much?**

We do not think so and continue to expect an increase in the number of construction units. Although the market environment is not necessarily favorable, looking back at the first half results, we have achieved a number of construction units exceeding the plan. Additionally, there are increasing cases where top builders in each region are switching to our company. Furthermore, the fact that we are chosen due to our strong construction system is also a reality, and we will actively work on expanding the number of construction units by leveraging this strength.

**[Question] Regarding Presentation Material P14 'Single-family Homes Division'.**

**Sales seem to be strong, especially among new clients, but how does it look when separating new clients from existing ones?**

Many new clients, including large ones, are performing well. On the other hand, it is not that all existing clients are struggling; those who have gained customer support are growing. Conversely, those who have not gained support seem to be struggling.

**It seems that the development of new large clients is progressing, but what aspects do you think are being evaluated besides pricing strategy?**

We recognize that Aqua Foam is being evaluated as the optimal insulation material amid growing interest in high insulation and airtightness as an external environment. In addition, our strong nationwide construction system and the wide-area certification system that can properly handle urethane scraps are also highly evaluated. Furthermore, our unique business model, which handles everything from raw material development to manufacturing,

construction, and recycling, seems to be chosen from the perspective of sustainability and reliability.

**[Question] Regarding Presentation Material P15 'All-in AQUA FOAM'.**

**It is stated that Insulation Class 6 construction is planned for 10% of all construction, but what is the progress as of the end of the second quarter?**

It is progressing along the planned line, and as of the first half (up to the second quarter), it is about 10%. We expect it to increase slightly in the second half.

**It is stated that the number of airtightness measurement services is planned for 20% of all construction, but what is the progress as of the end of the second quarter?**

It is progressing at a level slightly above the plan. We expect an increase in new adopters from the second half, and ultimately, it is expected to exceed 20%.

**It is mentioned that new floor insulation materials will be handled, but will it involve spray work? How will the sales be recorded?**

Although spray work for floors already exists, demand is limited, and currently, the mainstream method is to pre-cut insulation boards made from polystyrene foam, etc., and have carpenters fit them. Therefore, our handling has been limited so far, but we will expand the handling of insulation boards by utilizing our sales network for builders and contractors. The sales will be recorded as part of the other product sales

**[Question] Regarding Presentation Material P17 'Buildings Division'.**

**It is stated that 'Delays in design changes and construction decisions occurred in some large projects.' We understand that delays can still allow for sales recording, but what are the design changes?**

Regarding delays, as you understand, we believe sales can be recorded. Design changes refer to the review of building specifications and configurations, which in turn adjust our construction scope and work volume.

**Is it possible to achieve the full-year plan for this division? Are the plans for the third and fourth quarters too ambitious?**

We do not recognize the plans for the third and fourth quarters as too ambitious, and since the clients are approaching the fiscal year-end, we expect progress as planned. For the full-year plan, we aim for steady achievement while closely monitoring the progress of each project.

**What is the status of projects that have experienced construction delays so far?**

The third and fourth quarters are entering a busy period for the industry, and the resolution of construction delays is also progressing.

**Please show the advantages of establishing the Construction Project Management Department.**

We consider the faster settlement of large-scale construction projects to be a significant effect. The establishment of the department has led to more efficient fund recovery and stabilization of profit margins.

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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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