

## First Three Months of Fiscal Year 2026

### Major Questions and Answers at Financial Results Briefings and Other

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#### **Presentation Materials, p.5: Sensitivity to Raw Material Prices**

##### **Q: How will the Company respond to rising raw material prices?**

A: As stated in the May 8, 2026 announcement, “Impact of the Current Situation in the Middle East on Our Business and Financial Results,” although certain raw material prices have recently increased due to the impact of the situation in the Middle East, our business operations and financial performance during the current quarter have remained stable, and no material impact has arisen at this time.

However, in light of the continued fluctuations in raw material prices and energy costs, we plan to implement price increases of several tens of percent for installation service fees and various product selling prices starting in June 2026.

#### **Presentation Materials, p.7: Three Strengths Underpinning Our Supply Stability**

##### **Q: While many companies are facing raw material shortages, why is the Company able to maintain a stable supply? Also, please explain the sustainability of this advantage.**

A: Among the three strengths outlined in the presentation materials, we believe that one of our key differentiators from other companies is our ability to secure diverse procurement channels through direct transactions with multiple overseas suppliers.

In addition, at present, no supply restrictions have been imposed on the Company, and we believe that stable and continuous procurement will remain possible going forward.

##### **Q: What is the status of the Company’s inventory levels and inventory management system?**

A: The Company has established stockpiling bases at 26 locations nationwide and maintains sufficient raw material inventories for several months of operations.

In addition, because the Company manufactures urethane raw materials in-house, we can accurately monitor inventory levels and provide builders and general contractors with reliable installation schedules.

**Presentation Materials, p.9: Turning Supply Constraints into Growth Opportunities**

**Q: Please explain in detail what growth opportunities the Company sees.**

A: We see growth opportunities mainly in the following three areas, all of which are currently increasing:

1. Customers switching to the Company from competitors that have become unable to carry out installation work due to shortages of urethane raw materials
2. Specification changes from board insulation materials, which are facing severe supply shortages, to spray-applied polyurethane foam insulation
3. Sales of urethane raw materials to construction sites that have sufficient installation personnel but are facing raw material shortages

**Presentation Materials, p.15: Ordinary Profit & p.16: Installation Capability Trends**

**Q: Selling, general and administrative expenses appear to have increased mainly due to personnel expenses and costs related to technical intern trainees.**

**Will the Company continue expanding its installation workforce by approximately 100 personnel annually going forward?**

A: In anticipation of future growth in demand, the Company will continue its recruitment activities. In addition, we will further promote skill development and management-level appointments for our installation personnel in order to enhance motivation and support their professional growth.

At the same time, we will work to improve productivity and strengthen profitability by enhancing order management, optimizing operational processes, and increasing utilization rates.

**Presentation Materials, p.18: Prospects of Major Policies**

**Q: What impact does the introduction of GX ZEH from 2027 onward have the potential to create?**

A: We believe that the full-scale adoption of GX ZEH standards (equivalent to Insulation Performance Grade 6) from 2027 onward will further increase awareness of and demand for high insulation performance. As government and local authority subsidies and incentive programs are expected to expand, along with increased media exposure, we view this as an opportunity for the Company to achieve higher installation unit prices and expand proposals for higher value-added solutions.

In fact, when ZEH standards (equivalent to Insulation Performance Grade 5) became more widespread in fiscal 2022, the proportion of newly built homes meeting Grade 5 standards increased to approximately 47%. We believe GX ZEH standards may similarly achieve broader market penetration going forward.

### **Presentation Materials, p.19: Single-family Homes Division**

#### **Q: What factors contributed to year-on-year increases in both the number of buildings completed and installation unit prices?**

A: Orders from nationwide and major builders that are expanding their market share by differentiating themselves through housing performance, including insulation performance, have continued to increase.

In addition, as demand for homes meeting Insulation Performance Grade 6 or higher rises ahead of the introduction of GX ZEH standards in April 2027, the advantages of spray-applied polyurethane foam insulation compared with other insulation materials have become more pronounced. We believe this has been one of the factors contributing to higher installation unit prices (ratio of Grade 6 projects to total installations: approximately 15% in 2025 → projected approximately 25% in 2026).

Furthermore, growing awareness of the need to improve overall housing performance has led to wider adoption of airtightness measurement services, which has also contributed to earnings growth (ratio of projects adopting airtightness measurement services: 24% in 2025 → projected 40% in 2026).

### **Presentation Materials, p.21: Buildings Division**

#### **Q: What specifically are the “additional works” cited as a factor behind the outperformance versus the plan? Is this business expected to continue?**

A: “Additional works” refer to work such as corrective filling for unforeseen gaps and responses to specification changes. In 2024, the Company established the Construction Management Department and assigned dedicated personnel to propose and handle additional construction works at installation sites.

In addition, because such additional construction works can potentially arise at virtually any construction site, we will continue working to secure these orders on an ongoing basis.

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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.

【Contact Information】      Masahiko Komuro  
   Corporate Planning Department  
   +81-3-5463-1117  
   m.komuro@n-aqua.com