August 26, 2026

First Six Months of Fiscal Year 2026
Major Questions and Answers at Financial Results Briefings, etc.

Presentation Materials, p.3: Progress towards Full-year Financial Forecast

Q: Despite weak housing market conditions and the impact of the situation in the Middle East, both net sales and profit exceeded forecasts in the first half. Given that the original plan was weighted toward the second half, is it fair to view the Company as making steady progress toward achieving its full-year financial forecast?

A: In the first half, the Single-family Homes Division and sales of raw materials and auxiliary materials were the main drivers of overall performance, with both net sales and profit exceeding forecasts. In addition, large-scale projects in the Buildings and Waterproofing Divisions are scheduled for installation in the second half. Accordingly, we believe the Company is making steady progress toward achieving its full-year financial forecast.

If, in light of future business performance and other factors, we determine that a revision to the forecast is necessary, we will promptly disclose it.

Presentation Materials, p.5: Strengthening "Marutto AQUA FOAM"

Q: What is the aim of bringing insulation board production in-house, and why did the Company decide to commercialize the product at this time?

A: The Company has announced the start of manufacturing urethane insulation board "U-MAX" and plans to launch sales within 2026. The main aims are to expand our business scope in insulation materials for residential housing and further strengthen our "Marutto AQUA FOAM" initiative.

With GX ZEH scheduled to take effect from April 2027, we expect interest in Insulation Performance Grades 6 and 7 to increase further. As a means of achieving such highly insulated homes, we believe that double insulation, combining cavity insulation using Aqua Foam with exterior insulation using insulation boards, will become increasingly mainstream. In anticipation of this market environment, we decided to bring in-house the production of insulation boards that we had previously procured and sold, under the "U-MAX" brand. Through this initiative, we aim to strengthen the proposal capabilities of "Marutto AQUA FOAM," which provides all insulation materials required for an entire home as a one-stop solution, while capturing new demand arising from higher insulation performance.

Presentation Materials, p.6: U-MAX Manufacturing and Supply Structure and Business Expansion

Q: What are the key features of urethane insulation board "U-MAX" compared with conventional products?

A: By developing the raw materials in-house, the Company has achieved top-class insulation performance (lambda value = 0.021). Because U-MAX uses the same types of raw materials as our core Aqua Foam product, we aim to leverage our strength in raw material procurement to offer a competitively priced product.

In addition, through collaboration with our partner, Ichimura Sangyo Co., Ltd. (Head Office: Kita-ku, Osaka; President and Representative Director: Hideki Oshima), we will provide full pre-cut processing and direct delivery to construction sites, thereby contributing to labor savings at installation sites.

Presentation Materials, p.9: Sensitivity to Raw Material Prices

Q: Raw material prices are rising due to the situation in the Middle East. What impact has this had on the Company's financial results, and to what extent can the increase in costs be absorbed through price revisions?

A: The impact on second-quarter financial results was limited. Although naphtha prices rose significantly in April and May 2026, by utilizing stockpiled raw materials, we were able to limit the impact on our raw material purchase prices to a certain extent.

In anticipation of higher raw material costs, we have been implementing price revisions for installation work from June 2026 onward. At present, we expect these price revisions to largely absorb the increase in raw material costs.

Presentation Materials, p.10: Three Strengths Underpinning Our Supply Stability

Q: Raw material supply shortages associated with the situation in the Middle East have recently begun to ease. Looking back on this period, how does the Company assess its supply structure?

A: We believe this provided an opportunity for the Company's strengths in supply stability to be recognized once again. In particular, our direct transactions with multiple overseas suppliers enabled us to secure diverse procurement channels, which proved effective.

In addition, supported by our stable supply structure, we secured projects involving switches from other installers and other insulation materials, while sales of raw materials and auxiliary materials that had become difficult to procure in the market also performed strongly.

The Company has experienced raw material supply shortages in the past, but as on those occasions, we were once again able to continue installation work and sales without running out of raw materials.

Presentation Materials, p.20: Buildings Division

Q: The full-year forecast is weighted toward the second half. Is there any concern that delays in installation work for large-scale projects, as seen in 2025, could result in the Company falling short of its plan?

A: At present, no concerns have materialized that would have a significant impact on achieving the full-year forecast. In 2025, installation work for large-scale projects was pushed back due to factors including longer and postponed construction schedules in the construction industry, which resulted in sluggish performance in the Buildings Division.

This fiscal year, orders are steadily accumulating toward achievement of the full-year forecast. In addition, for large-scale projects, including major commercial facilities in the Tokyo metropolitan area, preceding construction work such as foundation work is already underway, and our installation work is scheduled to commence sequentially from the second half onward.

Based on these circumstances, we believe progress is currently generally in line with plan.

Presentation Materials, p.21: Waterproofing Division

Q: Progress toward the full-year forecast is somewhat behind plan. What are the reasons for this, and what is the outlook for the second half?

A: The main factors were delays in preceding construction work and supply constraints on related materials, including adhesive primers, against the backdrop of the worsening situation in the Middle East. As a result, the timing of installation work for certain projects originally scheduled for the second quarter was pushed back to the second half.

Accordingly, we believe the current delay in progress is primarily attributable to shifts in the timing of installation work.

In the second half, in addition to carrying out installation work for these postponed projects, the Company plans to begin installation work at nationally important facilities. By steadily executing these projects, we expect the division to make generally steady progress toward the full-year forecast.

Presentation Materials, pp.23-24: Raw Materials Sales / Other Product Sales

Q: Performance significantly exceeded the plan. Is it fair to regard this as temporary special demand resulting from the situation in the Middle East?

A: While it is true that the results include a temporary increase in demand, this was not the sole factor behind the increase in sales of raw materials.

For several years, the Company has been developing new customers by promoting the quality and performance of its raw materials, and the steady expansion of our customer base has contributed to higher sales. In addition, a temporary increase in demand resulting from the situation in the Middle East also contributed to performance.

With respect to auxiliary materials, temporary supply shortages of consumable products such as breathable waterproof sheets and masking materials led to increased inquiries to the Company, which has diverse procurement channels, resulting in higher sales.
Recently, supply disruptions caused by the situation in the Middle East have begun to ease, and temporary demand is returning to normal levels. Meanwhile, we continue to develop new customers and expand our customer base, particularly in raw material sales.
By further expanding our customer base, including through ongoing transactions with customers newly acquired during this period, we aim to achieve sustainable business growth.

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