Q&A Summary

FY2026, ending March 31, 2027

Presentation of Financial Results for 2Q

Date: October 30, 2026

* HPP Company: High Performance Plastics Company

* UIEP Company: Urban Infrastructure & Environmental Products Company

About the HPP Company

Q: (Presentation materials P19) What factors contributed to the substantial growth in 2Q non-LCD sales in the Electronics field? What is your outlook for the 2H?

A: (Asano) The principal factor was that component shipments coinciding with the launch of new smartphone models exceeded expectations. Sales grew significantly in the non-LCD field, especially in areas other than semiconductors and electronic components. Sales are projected to decline in the 2H compared with the 2Q as production volumes begin to level off.

Q: What are your thoughts on the growth in sales of such semiconductor- and electronic component-related products as SELFA and binder resins for MLCCs? What is your outlook for the 2H?

A: (Asano) Both SELFA and binder resins for MLCCs sales are exhibiting substantial YoY growth. Sales in the 2H are expected to remain on par or exceed that of the 1H.

Q: What is the status of Build-up Film? What is your outlook for the 2H?

A: (Asano) While sales volumes currently remain modest, shipments are anticipated to expand from FY2027 in line with the upswing in overall demand. In the 2H, fixed costs are expected to climb in line with efforts to ramp up development and production to help drive sales growth.

Q: (Presentation materials P19) Turning to the Mobility field, sales of N-HPP interlayer films are forecast to see substantial growth, with an increase of +15% in the 2H. What are the factors behind this growth?

A: (Asano) In addition to the decline in automobile sales volumes, sales of colored and designed films widely used in EVs struggled in the 1H. We anticipate a positive turnaround in the 2H buoyed by increased use in new models. Sales of films for HUD use are also expected to expand, carrying over the momentum from the 1H.

Q: Can you elaborate on the competitive landscape with local Chinese manufacturers and resulting impact in the interlayer film business?

A: (Asano) Price competition continues to intensify owing to improvements in the quality of products manufactured by Chinese companies and a slowdown in the number of automobiles manufactured. Moving forward, we will work to promote the increased use of highly competitive products that only this Company can provide.

Q: What are the factors behind the robust performance of aeronautical components?

A: (Asano) We adopted a somewhat conservative approach toward aeronautical components in our April plans. As such, trends exceeded expectations. Sales of components in the air mobility field are also exceeding expectations with results exhibiting even stronger growth.

Q: (Presentation materials P17) Looking at the analysis of operating profit, what caused the increase in selling price-driven operating profit to exceed forecasts?

A: (Asano) Continued improvements in selling prices in the Industrial field, which handles a large volume of commodities, were a major factor.

About the Housing Company

Q: (Presentation materials P24) Plans are in place to include Australia-based Ausbuild Group in the Company's scope of consolidation following its acquisition by way of M&A from the 4Q. What is the projected scale of annual profit?

A: (Yoshida) Formal closing is scheduled for January 2027. We are unable to provide exact figures at this time. Looking ahead, we will disclose details at the appropriate time. As far as results for the fiscal year under review are concerned, the majority of the ¥3.1 billion increase in operating profit outlined in the presentation materials is attributable to Ausbuild.

Q: (Presentation materials P14) ROIC data for the Housing Company does not include the impact of newly consolidated companies in the 2H. If Ausbuild's assets are substantial, will this cause ROIC to decline? Can you elaborate on the direction going forward?

A: (Yoshida) Taking into account Ausbuild's current ROIC, we do not anticipate that its consolidation will lower the Company's ROIC. In the future, we intend to manage within a certain range, similar to the Group's domestic operations.