Integrated Report 2025 Online Briefing

July 15, 2025
Nippon Paint Holdings Co., Ltd.
Investor Relations

Objectives of Today's Briefing

1. **Deepen understanding of our strategic initiatives aimed at Maximization of Shareholder Value (MSV) by providing clear and detailed explanations of the key themes in the Integrated Report 2025**

2. **Engage actively with investors on critical topics including our distinctive business model, governance structure, competitive strengths, strategic direction, and sustainability efforts. The insights gained through these discussions will be leveraged to further refine our management approach and strengthen future IR activities**

3. **We aim to maximize our PER by incorporating feedback from today's dialogue, while also collecting valuable insights to help shape the Integrated Report 2026**

Production Process and Editorial Policy

→ Integrated Report P01/P04

1. Guided by questions such as "Why is Nippon Paint an attractive investment opportunity?", this year's Integrated Report was developed with a strong focus on articulating Nippon Paint's investment thesis from the perspective of investors

2. The Report presents carefully curated key information designed to convey our identity as an Asset Assembler, reflecting the feedback and inquiries received through ongoing engagement with investors

3. It was prepared with sincerity and transparency, through close collaboration with relevant departments in both Japan and overseas, and through thoughtful discussions with management, including the Co-Presidents and the Board Chair

Integrated Report 2025 production process

Do

Publication of the Integrated Report 2024 (July 31, 2024)

Check

Conducted interviews of 31 institutional investors from 18 firms to obtain their feedback and evaluations (September–October 2024)

Plan

Reported the feedback and evaluations of institutional investors internally and to the management, and developed a draft plan for the Integrated Report 2025 (November 2024–January 2025)

Act

Conducted interviews of 19 institutional investors from 12 firms based on the draft plan for the Integrated Report 2025 (March–April 2025)

Create

Created the Integrated Report 2025 mainly by the staff of Investor Relations Department, Sustainability Department, and Corporate Governance Department based on interviews and information gathering with the management and Group partner companies around the world (February–June 2025)

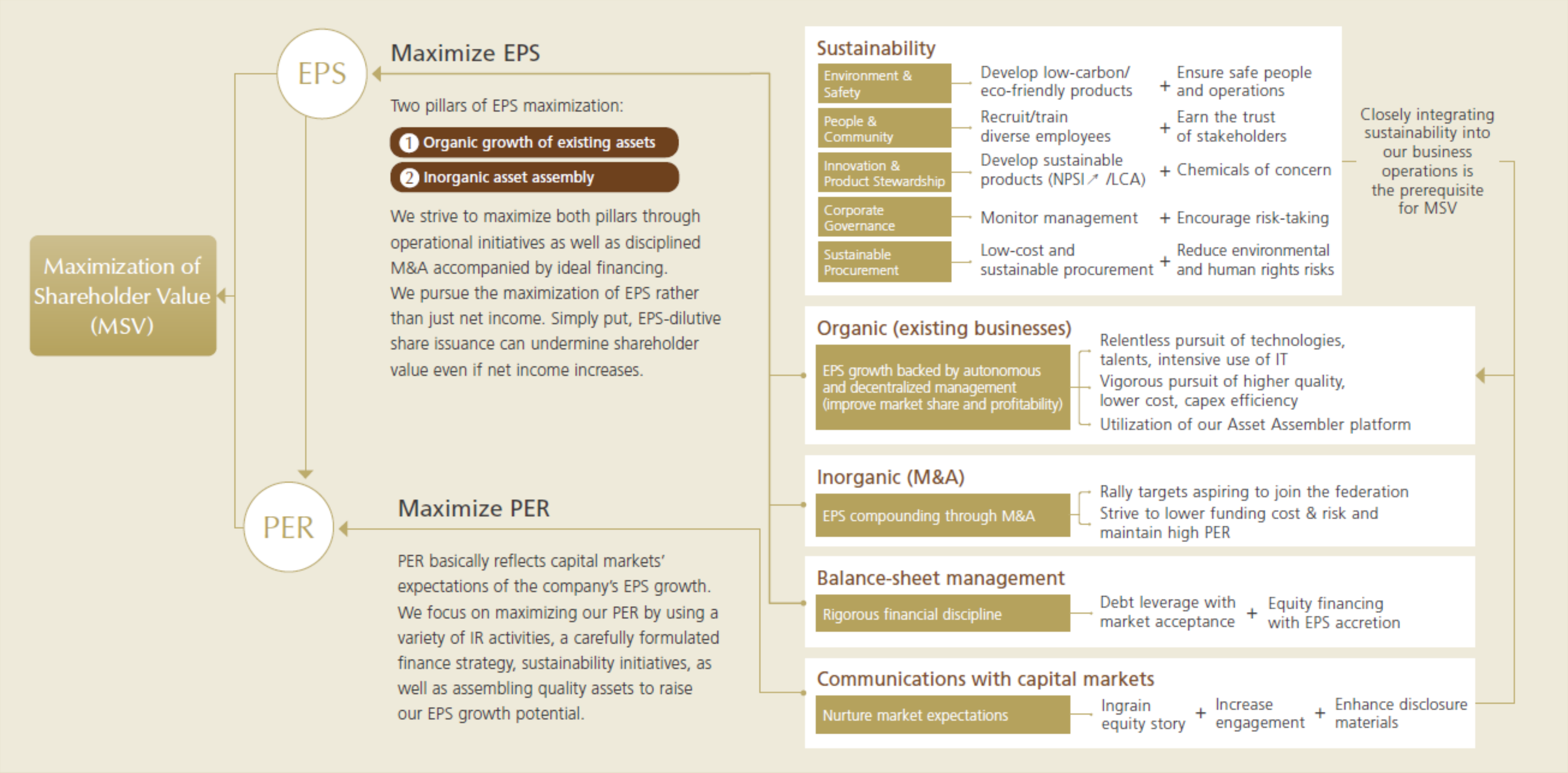
Do

Publication of the Integrated Report 2025 (June 30, 2025)

Overall Structure

→ Integrated Report P19

MSV Logic Tree

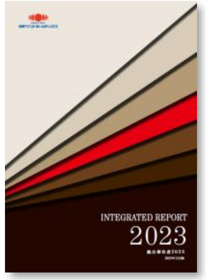


Specific strategies and initiatives are explained throughout the Integrated Report, following the MSV Logic Tree that outlines "How Shareholder Value Is Maximized"

Key Improvements

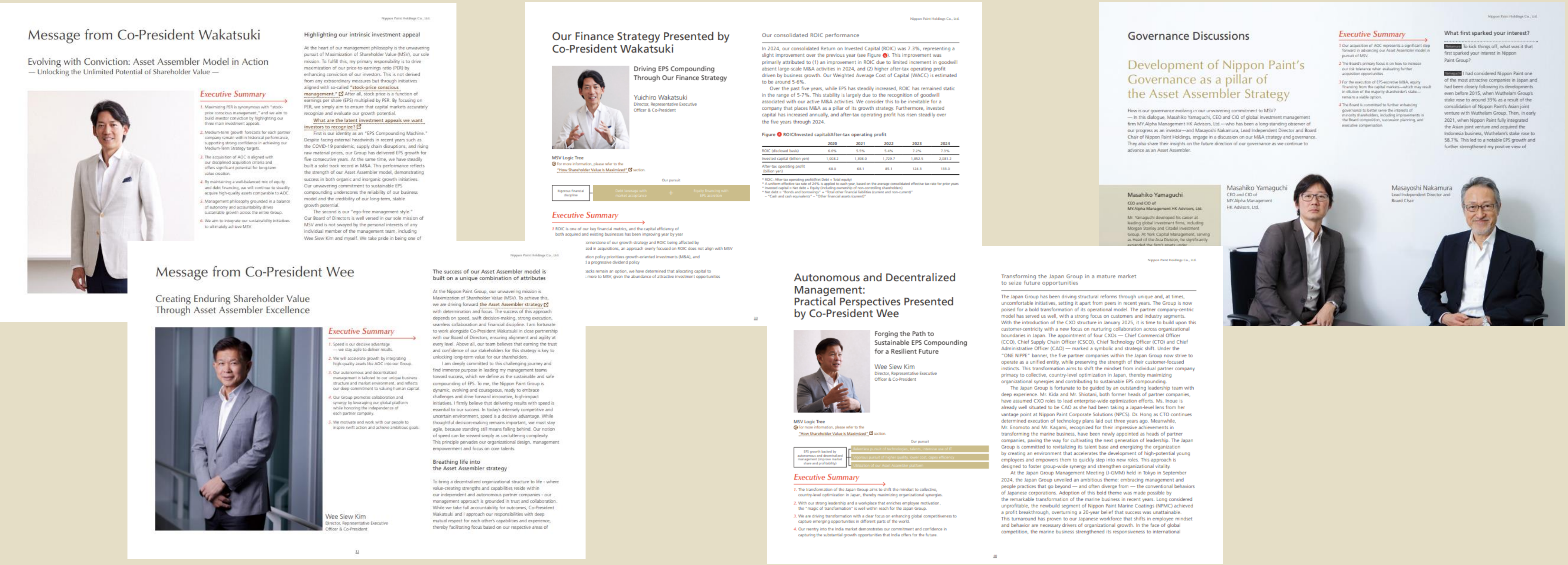
Areas of focus	Major enhancemens
1. Stronger investor focus	• New section: "Why Invest in Nippon Paint?" to clearly present our investment appeal • Introduction of an Executive Summary in key sections to support efficient reading for time-constrained audiences • Clearly articulated our perspective in response to investor questions regarding the Asset Assembler model • Analyzed our stock's positioning as a defensive and growth stock • Included comments from Directors on the AOC acquisition as discussed at the Board meeting • New feature: Dialogue between our Independent Director and a global institutional investor
2. Autonomous and decentralized management: features and advantages	• Explained the key features of "Autonomous and Decentralized Management" (reinforced in messages from both Co-Presidents) • Presented practical perspectives of "Autonomous and Decentralized Management" from Co-President Wee • Highlighted case studies demonstrating synergy initiatives across our Group platform
3. Emphasis on our strengths in M&A	• Included comments from the CEOs of AOC and DuluxGroup within the case study section
4. Expanded inclusion of ground-level case studies and data	• Explained growth strategies leveraging brand power and other core strength, supported by specific case study examples • Expanded website content to share practical, on-the-ground solutions to challenges, along with insights from frontline employees • Responded to investor requests by expanding historical data, including figures on retail outlets and CCMs
5. Deeper integration of sustainability with EPS and PER performance metrics	• Enhanced explanations of how sustainability initiatives contribute to maximizing EPS and PER, with concrete examples • Introduced new initiatives to promote employee engagement across the Japan Group

Evolution and Enhancement of the Integrated Report

	2023 edition	2024 edition	2025 edition
Format	Vertical 	Horizontal (interactive) 	Horizontal (interactive) 
Total pages	136	100	100
New contents	• Management with Attention Paid to Our Stock Price • The Impact of China's Macroeconomic Data on the Earnings of Nippon Paint Group • M&A Success Case (DuluxGroup) • Embracing Transformation and Changing Work Style (Japan Group) • Status of Inclusion in Indexes/External Evaluation • Key Non-Financial Data	• Our Asset Portfolio • Human Capital as the Key to Achieving MSV • Our Platform That Underpins Autonomous and Decentralized Management • Harnessing Our Platform for Group Collaboration: The Betek Boya Success Story • Our Strategy for Maximizing PER • Medium-Term Strategy (Released in April 2024) • Indonesia Business Strategy • Japan Group: Striving for Greater Profitability by Unifying Efforts and Overcoming Organizational Barriers and Boundaries	• Why Invest in Nippon Paint? • Autonomous and Decentralized Management • Three Key Investor Questions About Our Asset Assembler Model • How Joining Nippon Paint Group Unlocks Growth and Opportunity (Case Study 1) • Driving Employee Engagement Across the Japan Group (Case Study 5) • Governance Discussions (Dialogue with a global institutional investor)
Key contents migrated to the website	-	• 11-year Selected Business Performance Data/Data by Segment • Key Non-Financial Data • Sustainability contents: Approaches aimed at EPS growth, case studies • Governance contents: History of governance reforms, Discussions by the Board of Directors•Developments of growth strategy discussions, Meeting of the Independent Directors, Upgrading of the Board of Directors' Office functions, Cross-shareholding policy	• Index Inclusion and External Evaluations
Other refinement	-	• Asset Management Report provided as a standalone volume	• Addition of an "Executive Summary" to key sections • Enhanced the Asset Management Report

Executive Summary Added to Key Sections

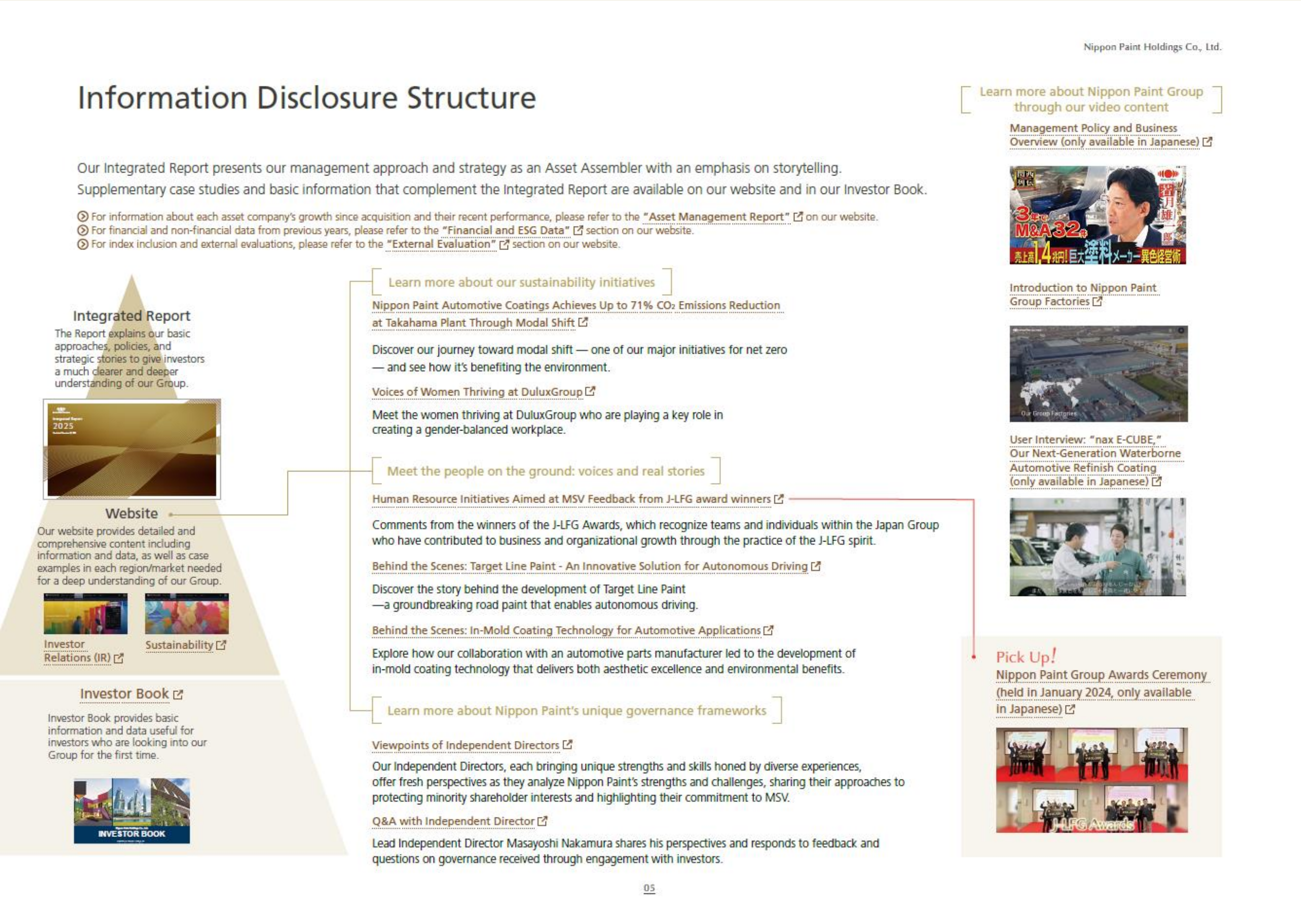
→ Integrated Report P07/P11/P30/P40/P93



To support time-constrained readers, an "Executive Summary" has been included in key sections of the Report

Information Disclosure Structure

→ Integrated Report P05


Nippon Paint Holdings Co., Ltd.

Information Disclosure Structure

Our Integrated Report presents our management approach and strategy as an Asset Assembler with an emphasis on storytelling.
Supplementary case studies and basic information that complement the Integrated Report are available on our website and in our Investor Book.

- For information about each asset company's growth since acquisition and their recent performance, please refer to the "Asset Management Report" on our website.
- For financial and non-financial data from previous years, please refer to the "Financial and ESG Data" section on our website.
- For index inclusion and external evaluations, please refer to the "External Evaluation" section on our website.

Integrated Report
The Report explains our basic approaches, policies, and strategic stories to give investors a much clearer and deeper understanding of our Group.

Website
Our website provides detailed and comprehensive content including information and data, as well as case examples in each region/market needed for a deep understanding of our Group.

Investor Relations (IR)
Sustainability

Investor Book
Investor Book provides basic information and data useful for investors who are looking into our Group for the first time.

Learn more about our sustainability initiatives

Nippon Paint Automotive Coatings Achieves Up to 71% CO_2 Emissions Reduction at Takahama Plant Through Modal Shift
Discover our journey toward modal shift — one of our major initiatives for net zero — and see how it's benefiting the environment.

Voices of Women Thriving at DuluxGroup
Meet the women thriving at DuluxGroup who are playing a key role in creating a gender-balanced workplace.

Meet the people on the ground: voices and real stories

Human Resource Initiatives Aimed at MSV Feedback from J-LFG award winners
Comments from the winners of the J-LFG Awards, which recognize teams and individuals within the Japan Group who have contributed to business and organizational growth through the practice of the J-LFG spirit.

Behind the Scenes: Target Line Paint - An Innovative Solution for Autonomous Driving
Discover the story behind the development of Target Line Paint —a groundbreaking road paint that enables autonomous driving.

Behind the Scenes: In-Mold Coating Technology for Automotive Applications
Explore how our collaboration with an automotive parts manufacturer led to the development of in-mold coating technology that delivers both aesthetic excellence and environmental benefits.

Learn more about Nippon Paint's unique governance frameworks

Viewpoints of Independent Directors
Our Independent Directors, each bringing unique strengths and skills honed by diverse experiences, offer fresh perspectives as they analyze Nippon Paint's strengths and challenges, sharing their approaches to protecting minority shareholder interests and highlighting their commitment to MSV.

Q&A with Independent Director
Lead Independent Director Masayoshi Nakamura shares his perspectives and responds to feedback and questions on governance received through engagement with investors.

Learn more about Nippon Paint Group through our video content

Management Policy and Business Overview (only available in Japanese)

Introduction to Nippon Paint Group Factories

User Interview: "nax E-CUBE," Our Next-Generation Waterborne Automotive Refinish Coating (only available in Japanese)

Pick Up!
Nippon Paint Group Awards Ceremony (held in January 2024, only available in Japanese)

05

Supplementary content, such as concrete examples, foundational information, and expanded insights, is now available on the website and in the Investor Book. This includes frontline employee perspectives, real-world case studies, and updates on sustainability initiatives

1. Strong Investor Focus

Why Invest in Nippon Paint?

→ Integrated Report P01

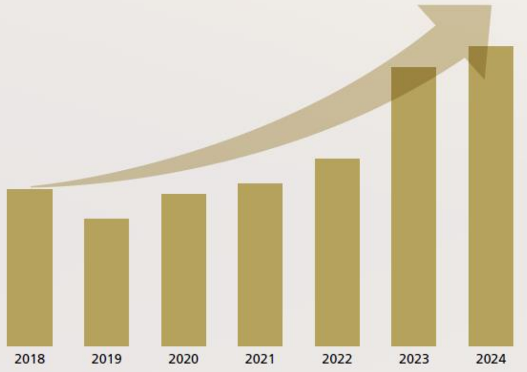
Why Invest in Nippon Paint?

1 Nippon Paint as EPS Compounding Machine

With MSV as our sole mission, we remain fully committed to sustainable EPS compounding, driving growth through both organic and inorganic initiatives. Despite headwinds such as the COVID-19 pandemic, logistic disruptions, and inflation, Nippon Paint Group has delivered EPS growth for five consecutive years and built a solid track record of successful M&A activity.

EPS CAGR +11.5%

Sustainable EPS compounding



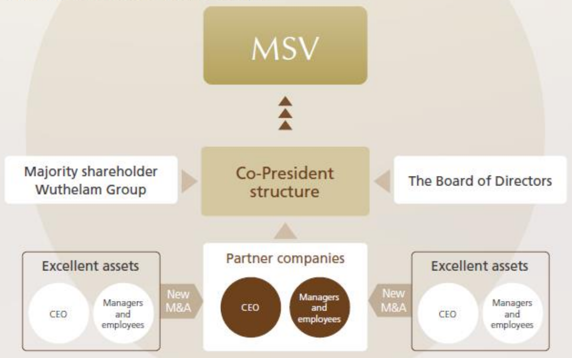
Performance Highlights P36

2 "Ego-free management" approach dedicated to the pure pursuit of MSV

Our Group is committed to an "ego-free management" approach, focused solely on the achievement of MSV. With strong alignment between management and the Board of Directors, we uphold a disciplined stance that does not tolerate any actions misaligned with the MSV mission. By pursuing sustainable EPS compounding through both organic and inorganic growth, we strive to meet the expectations of the capital markets.

Ego-free management

Management dedicated to the pursuit of MSV



Message from Co-President Wakatsuki P07
Message from Co-President Wee P11

Why Invest in Nippon Paint?

3 Relentlessly pursuing unlimited growth while minimizing risk

Balancing growth and soundness at the core of our management approach, our Group has delivered solid growth even through the challenges of the COVID-19 pandemic and inflationary periods. On the inorganic side, we have consistently executed safe M&A, placing emphasis on sound valuation and autonomous post-acquisition growth. Looking ahead, we remain committed to pursuing unlimited growth potential while minimizing risk.

Balancing "growth" and "safety"

Performance Highlights P36

Investment appeal driven by operational excellence

Each partner company within our Group operates under an autonomous and decentralized management structure, leveraging competitive advantages such as strong market share, powerful brands, and extensive distribution channels to achieve sustainable EPS compounding.

1 Market share

14 countries

No.1 market share in decorative paints (global)

Our Group holds leading market shares, including 75% in the decorative paints market in Singapore, 50% in Australia, and 49% in Malaysia. This strong market presence serves as a barrier to new entrants and supports our sustained growth and profitability improvement.

Performance Highlights P38

2 Brands

51%

Top of Mind rating (NIPSEA China)

Our Group has built strong brands, particularly in decorative paints, earning high recognition and trust among consumers, especially in the Asia Pacific market. This brand strength sets us apart from competitors and underpins our ability to maintain and enhance price competitiveness.

Case Study 2: Leveraging Brand Power for Market Leadership (NIPSEA China Business Strategy) P43

3 Distribution channel

c. 260,000

Number of retail outlets (NIPSEA China)

Our Group has developed extensive and diverse distribution channels for the decorative paints market in each country and region, with a primary focus on B2C segments, such as retail stores, distributors, and e-commerce.
By leveraging these robust distribution networks, we drive market penetration through strategies tailored to the unique characteristics of each local market.

Performance Highlights P38

We present three core investment highlights, along with an updated overview of the strengths underpinning our operational excellence

Message from Co-President Wakatsuki

→ Integrated Report P11

Evolving with Conviction: Asset Assembler Model in Action

— Unlocking the Unlimited Upside of Shareholder Value —

Executive Summary

1. Maximizing PER is synonymous with "stock-price conscious management," and we aim to build investor conviction by highlighting our three main investment appeals.
2. Medium-term growth forecasts for each partner company remain within historical performance, supporting strong confidence in achieving our Medium-Term Strategy targets.
3. The acquisition of AOC is aligned with our disciplined acquisition criteria and offers significant potential for long-term value creation.
4. By maintaining a well-balanced mix of equity and debt financing, we will continue to steadily acquire high-quality assets comparable to AOC.
5. Management philosophy grounded in a balance of autonomy and accountability drives sustainability growth across the entire Group.
6. We aim to integrate our sustainability initiatives to ultimately achieve MSV.

Outlining our strategies in M&A, sustainability, and PER maximization, all focused on unlocking the unlimited upside of shareholder value

Message from Co-President Wee

→ Integrated Report P15

Creating Enduring Shareholder Value Through Asset Assembler Excellence

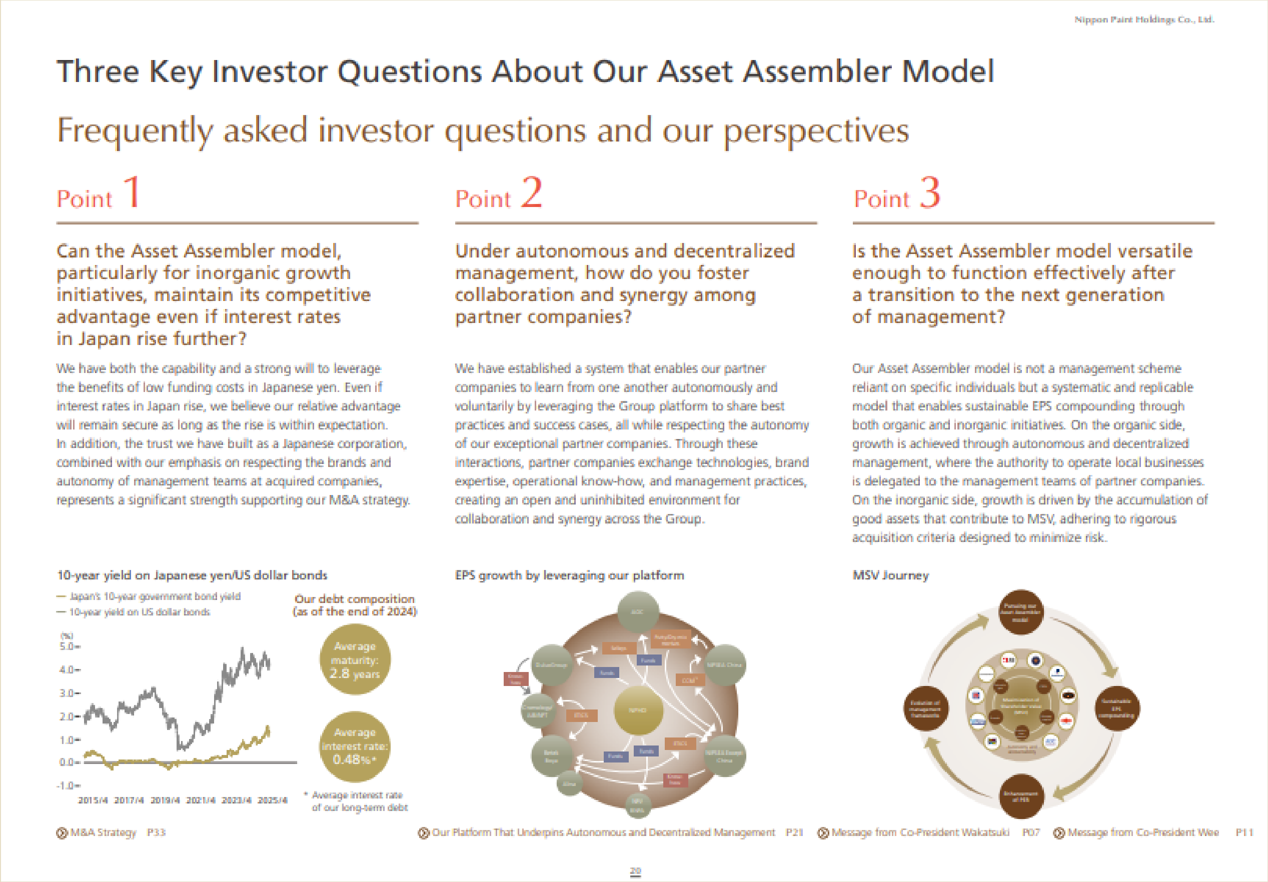
Executive Summary

1. Speed is our decisive advantage — we stay agile to deliver results.
2. We will accelerate growth by integrating high-quality assets like AOC into our Group.
3. Our autonomous and decentralized management is tailored to our unique business structure and market environment, and reflects our deep commitment to valuing human capital.
4. Our Group promotes collaboration and synergy by leveraging our global platform while honoring the independence of each partner company.
5. We motive and work with our people to inspire swift action and achieve ambitious goals.

Emphasized the advantages of autonomous and decentralized management, along with our collaborative strategies across the Group, to drive sustainable long-term shareholder value creation

Three Key Investor Questions About Our Asset Assembler Model

→ Integrated Report P20


Nippon Paint Holdings Co., Ltd.

Three Key Investor Questions About Our Asset Assembler Model

Frequently asked investor questions and our perspectives

Point 1

Can the Asset Assembler model, particularly for inorganic growth initiatives, maintain its competitive advantage even if interest rates in Japan rise further?

We have both the capability and a strong will to leverage the benefits of low funding costs in Japanese yen. Even if interest rates in Japan rise, we believe our relative advantage will remain secure as long as the rise is within expectation. In addition, the trust we have built as a Japanese corporation, combined with our emphasis on respecting the brands and autonomy of management teams at acquired companies, represents a significant strength supporting our M&A strategy.

10-year yield on Japanese yen/US dollar bonds

* Average interest rate of our long-term debt

M&A Strategy P33

Point 2

Under autonomous and decentralized management, how do you foster collaboration and synergy among partner companies?

We have established a system that enables our partner companies to learn from one another autonomously and voluntarily by leveraging the Group platform to share best practices and success cases, all while respecting the autonomy of our exceptional partner companies. Through these interactions, partner companies exchange technologies, brand expertise, operational know-how, and management practices, creating an open and uninhibited environment for collaboration and synergy across the Group.

EPS growth by leveraging our platform

Our Platform That Underpins Autonomous and Decentralized Management P21

Point 3

Is the Asset Assembler model versatile enough to function effectively after a transition to the next generation of management?

Our Asset Assembler model is not a management scheme reliant on specific individuals but a systematic and replicable model that enables sustainable EPS compounding through both organic and inorganic initiatives. On the organic side, growth is achieved through autonomous and decentralized management, where the authority to operate local businesses is delegated to the management teams of partner companies. On the inorganic side, growth is driven by the accumulation of good assets that contribute to MSV, adhering to rigorous acquisition criteria designed to minimize risk.

MSV Journey

Message from Co-President Wakatsuki P07 Message from Co-President Wee P11

20

Clear answers to key investor questions, along with deeper insights and more detailed explanations than ever before throughout the report

Stock-Price Conscious Management

→ Integrated Report P25

Stock-Price Conscious Management

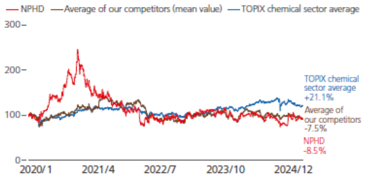
Our stock price as a defensive/growth stock

We are pursuing our sole mission of MSV through the maximization of EPS and PER. We practice management with a stock price-consciousness, which is the outcome of our MSV pursuit.

Over the past five years, we have steadily compounded EPS through both organic and inorganic initiatives, and our EPS has significantly outperformed both the TOPIX chemical sector average and the average of our competitors. However, our stock price declined from 2021 to 2022 despite the growth in EPS, and we carried out an analysis in last year's Integrated Report 2024, taking into account macroeconomic factors, sector trends, and our own analysis of stock price trends.

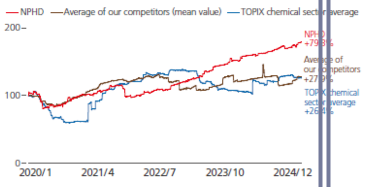
This year, in light of the uncertain macroeconomic environment prevailing in recent years, we analyzed our stock from the perspective of its characteristics as both a defensive and growth stock.

Figure 1
Stock price trends



*1 Source: FactSet, Bloomberg
*2 The stock prices were indexed with the closing price on January 1, 2020 as 100
*3 The average of competitors is the average of indexed stock prices of Sherwin-Williams, BASF, Asian Paints, PPG, AkzoNobel, Berger Paints, Axalta Coating Systems, SKSHU Paint, Kansai Paint, TOA Paint, and Asia Cuanon Technology

Figure 2
EPS trends



*1 Source: FactSet, Bloomberg
*2 The stock prices were indexed with the closing price on January 1, 2020 as 100
*3 The competitor average is based on the average of stock prices of the following companies, each indexed to 100 at the start of 2020: Sherwin-Williams, BASF, Asian Paints, PPG, AkzoNobel, Berger Paints, Axalta Coating Systems, SKSHU Paint, Kansai Paint, TOA Paint, and Asia Cuanon Technology

Figure 3
EPS growth rate

*1 Original guidance announced in May 2020; EPS was calculated using the number of shares after stock split
*2 Guidance revised downward at mid-term (Factors) COVID, raw material inflation, chip shortage, etc.
*3 Guidance revised downward at mid-term (Factors) Increase in provision in China, hyperinflationary accounting in Türkiye, etc.

Analysis results

Figure 1 2 : Over the past five years, our EPS has outperformed both the TOPIX chemical sector average and the average of our competitors, increasing by 79.3%. While our PER is not low in absolute terms, its rate of change has been declining compared to benchmarks, and our stock price has been underperforming both the TOPIX chemical sector average and the average of our competitors.

We believe that the main factors contributing to this decline in PER are: (1) market anxieties over China-related risks, (2) an underestimation of our growth potential, and (3) our aggressive M&A strategy being evaluated as high risk. We are working to alleviate these concerns and evaluations.

Figure 3 : One clear indication of the soundness of our assets is that, although various events occur within our broad business portfolio, we have consistently delivered solid results overall. Even amid a highly volatile business environment — including a sharp rise in raw material prices in 2021, as well as the recording of provisions in China and the application of hyperinflationary accounting in Türkiye in 2022 — we have continued to achieve year-on-year EPS growth. This consistent performance highlights our strength as a growth stock. Furthermore, we have largely achieved the original guidance over the past five years. This demonstrates that our Asset Assembler model, which enables low-risk and sustainable EPS compounding, also provides the characteristics of a defensive stock — one that is less susceptible to shifts in the macroeconomic environment.

Our approach to PER maximization

"We appreciate your strategy, but at the end of the day, what really matters is whether the share price rises." We sometimes receive such feedback from investors, which is indeed reasonable. In order to reward shareholders who have invested in us because they empathize with our strategy, we are actively taking initiatives to close the valuation gap. Initiatives to maximize PER are synonymous with stock-price conscious management. Accordingly, we will continue to build a solid track record of sustainable EPS compounding through organic and inorganic initiatives. At the same time, we are committed to restoring market confidence, which is reflected in PER, by sharing our future growth vision with the capital markets and earning the conviction of our investors in our management.

As outlined in the Integrated Report 2024, we have implemented three concrete measures: (1) analyzing perception gap in capital markets, (2) fostering a deeper understanding of our business model and track record, and (3) enhancing opportunities for investor engagement while enriching our disclosure materials. We believe that deepening investor understanding of the three areas outlined to the right is especially important.

Following the adoption of the Co-President structure in 2021, we have developed a 10-year roadmap that covers net profit, M&A-related numbers, financial KPI, and other key benchmarks, while updating it from time to time. This roadmap is based on simulations using a variety of variables to project how we can safely and sustainably execute M&A and maximize shareholder value. Our management is confident that this roadmap is fully achievable.

Key points often overlooked by the stock market

1. Nippon Paint as an EPS Compounding Machine
2. "Ego-free management" approach dedicated to the pure pursuit of MSV
3. Relentlessly pursuing unlimited growth while minimizing risk

Why Invest in Nippon Paint? P01

The diagram below illustrates some of these concepts. Figure 4 presents our vision for sustainable EPS compounding through both organic initiatives and M&A, while Figure 5 outlines the key factors we believe are necessary to enhance PER. With respect to PER maximization, our goal is not to reach unprecedented levels, but rather to restore PER as quickly as possible to the levels attained in the recent past.

Figure 4
EPS track record

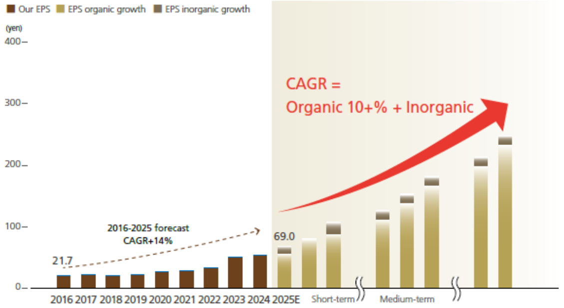
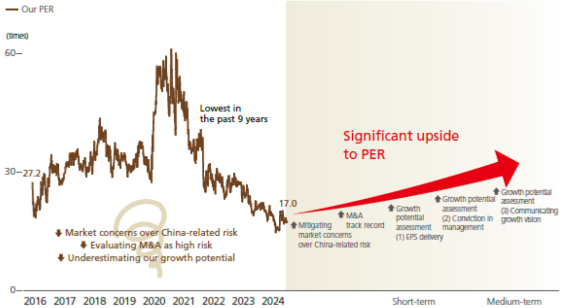


Figure 5
PER track record



In light of the recent decline in valuation despite continued EPS growth, we analyze our share price positioning as a defensive and growth stock, and highlight our strategic approach to maximizing PER

Discussions by the Board of Directors

→ Integrated Report P91

Discussions by the Board of Directors

Theme

Strategic Implications of AOC Acquisition

In October 2024, we announced the acquisition of AOC, a U.S.-based global specialty formulator, and successfully closed the transaction in March 2025. While AOC operates outside our core paint and coatings business, the acquisition aligns fully with our Asset Assembler model and reflects our future vision.

This section outlines key remarks from our Directors regarding this milestone transaction.

Overview of the Transaction

(Excerpted from the AOC acquisition presentation material released on October 28, 2024)

Overview of AOC	▸ A leading formulator of CASE (Coatings, Adhesives, Sealants, and Elastomers), colorants & composite solutions, formulating, producing, and selling Unsaturated Polyester (UP) and Vinyl Ester (VE) ▸ 2023A Net sales: USD 1,496M (JPY 216,907M), EBITDA: USD 528M (JPY 76,571M), EBITDA margin: 35.3%
Acquisition price and schedule	▸ Acquisition price (Equity value basis*1/Enterprise value basis) - USD 2,304M/4,350M (JPY 334,080M/630,750M) ▸ EV/EBITDA multiple*2: c.8.2x
Financial impact	▸ EPS for the first year is expected to increase by +15-17 yen*3 on an annualized basis ▸ Fully financed through existing cash and new debt facilities. No plans for equity financing ▸ Based on 2024 pro forma, net debt/EBITDA: c.3.5x; net D/E ratio after this acquisition: c.0.7x

Note:USD/JPY=145.0 for AOC figures

*1 Equity value is calculated based on the latest balance sheet. The actual purchase price will be determined after adjustment of some items at the completion of this transaction based on agreement with the seller

*2 2023A EBITDA on IFRS basis

*3 Closing is scheduled for 1H 2025 thereby contribution in year 1 will be pro rated depending on the timing of closing. Post-acquisition EPS in this document is based on a pro forma estimate, assuming a full-year contribution for FY2024 with a preliminary estimate of interest cost, forex and PPA/ITA amortization included

Q1. How do you evaluate the risks of acquiring a business outside the paint and coatings sector?

A Although AOC operates beyond our traditional paint and coatings domain, we do not consider the associated risks to be material. The company brings a strong track record, robust cash-flow generation, attractive market fundamentals, and a high-caliber management team. While our distribution channels differ, AOC and our Group share a common foundation in resin-based technologies, making AOC's business model relatively familiar to us. Notably, both businesses benefit from high profitability and strong cash-flow supported by low capital expenditure requirements, a result of factory operations centered around reactor-based processes similar to those used in paint manufacturing. As such, AOC represents a business adjacent to, rather than entirely outside of, our operational expertise, a feature of which gives us additional confidence to the business risk profile.

Q2. AOC's profitability has improved significantly over the past three years. Do you believe this level of performance is sustainable following the acquisition?

A AOC operates in a market with high barriers to entry, which supports its ability to maintain strong profitability. Its customer base further reinforces this, enabling stable, long-term performance. At the core of AOC's success is a disciplined, system-driven approach rooted in principles akin to the Toyota Production System. This holistic business model integrates a structured set of practices and procedures designed to deliver consistent and repeatable performance improvements. AOC systematically applies this framework across key operational areas, including new product development, lean manufacturing, procurement, and commercial excellence, through a cross-functional lens. This ongoing focus on value creation supports the sustainability of its profitability. Additionally, approximately 70% of AOC's products are customized formulations, enabling the company to meet specific customer needs and differentiate itself by delivering high-performance solutions. Looking ahead, we see further upside in profitability through volume recovery and a greater share of custom formulations in the U.S., alongside the expansion of AOC's business system into Europe.

Q3. In light of heightened uncertainty in the current environment, including geopolitical factors, do you have any reservations about proceeding with this acquisition at this time?

A We view the geopolitical risk associated with this acquisition as relatively limited, particularly given that AOC's core business centers on resin production and involves a modest-sized workforce. As such, its direct exposure to geopolitical dynamics is minimal. While the upcoming U.S. presidential election does contribute to broader market uncertainty, we also see this as a window of opportunity for M&A activity. AOC is currently owned by a private equity fund expected to seek an exit in the near term, and we believe that our ability to offer long-term stability and certainty as part of the Nippon Paint Group strengthens our position as an attractive buyer. Although this marks our first major acquisition outside the paint and coatings sector, we are confident that the associated risks are well within our capacity to manage.

Q4. Is there a risk that AOC's current CEO may step down? If the CEO or other key executives were to leave, would AOC still be able to maintain its competitive edge?

A To assess this risk, our Chairperson and both Co-Presidents held in-person meetings with AOC's management team, in addition to conducting multiple online interviews. These discussions reaffirmed the CEO's strong commitment, as well as that of his leadership team, to drive its continued growth post-acquisition. Moreover, we observed a high degree of alignment between AOC's management and our MSV mission and broader management philosophy. Based on this alignment and the mutual enthusiasm for future collaboration, we view the likelihood of key leadership departures as relatively low. Furthermore, AOC's business system is deeply embedded across the organization. As a result, even if certain key members of the management team were to depart, we are confident that AOC would retain its ability to deliver strong, sustained profitability.

Q5. How do you expect the stock market to respond to the significant changes in our revenue structure and the reduced dependence on China resulting from the AOC acquisition?

A With the consolidation of AOC, our 2024 operating profit, on a simple aggregate basis, is projected to comprise approximately 25% from AOC and 25% from NIPSEA Except China, while the contribution from NIPSEA China is expected to decline from 32% to 24%. The addition of AOC as a new growth pillar is anticipated to drive improvements in consolidated margins, cash-flow generation, and other key financial metrics. This transaction is expected to enhance consolidated profitability and deliver meaningful EPS compounding from the first year, while naturally lowering our earnings dependence on China. Given that a "China discount" is currently reflected in some degree by the stock market, we believe this diversification will be positively received by investors. It is important to underscore that the acquisition of AOC was driven by its strategic fit with our Asset Assembler model, not by an intent to reduce exposure to China. The shift in profit composition is simply a result of this strategic alignment, not its primary aim, and we will communicate this point clearly to the stock market.

Our Group's margin profile following consolidation of AOC*1 (2024)

OP margin

11.5% → 13.7%

Operating cash flow

JPY167.4bn → JPY221.3bn

Operating profit breakdown*2

Note: The exchange rate used for AOC's figures is USD/JPY152.2

*1 FY2024 results are proforma, representative as if AOC operated as subsidiary for the whole of 2024

*2 Percentages to the total sum of segment profit

*3 PPA reflects our current assumptions but excludes one-off costs such as inventory step-up. M&A expenses related to the AOC acquisition are excluded. To align with our post-acquisition profit and loss profile, expenses such as payments to India businesses in EMEA and affiliated companies of former shareholders are also excluded

The Report presents individual Directors' perspectives on the risks related to the AOC acquisition, as discussed during Board meetings

Governance Discussions

→ Integrated Report P93

Evolution of Governance as a pillar of the Asset Assembler strategy

Executive Summary

1. Our acquisition of AOC represents a significant step forward in advancing our Asset Assembler model in pursuit of MSV.
2. The Board's primary focus is on how to increase our risk tolerance when evaluating further acquisition opportunities.
3. For the execution of EPS-accretive M&A, equity financing from the capital markets-which may result in dilution of the majority shareholders' stake-remains a viable option.
4. The Board is committed to further enhancing governance to better serve the interests of minority shareholders, including improvements in the Board composition, succession planning, and executive compensation.

Governance Discussions

Development of Nippon Paint's Governance as a pillar of the Asset Assembler Strategy

Executive Summary

Masahiko Yamaguchi

Masayoshi Nakamura

A new feature highlights a governance-focused dialogue between an overseas investor and Lead Independent Director and Board Chair Nakamura

Our Finance Strategy Presented by Co-President Wakatsuki

→ Integrated Report P30

Driving EPS compounding through our finance strategy

Executive Summary

1. ROIC is one of the key financial metrics, and the capital efficiency of both acquired and existing businesses has been improving year by year
2. With M&A as a cornerstone of our growth strategy and ROIC being affected by goodwill recognized in acquisitions, an approach overly focused on ROIC does not align with MSV
3. Our capital allocation policy prioritizes growth-oriented investments (M&A), and we have adopted a progressive dividend policy
4. While share buybacks remain an option, we have determined that allocating capital to M&A contributes more to MSV, given the abundance of attractive investment opportunities

ROIC/Invested capital/After-tax operating profit

	2020	2021	2022	2023	2024
ROIC (disclosed basis)	6.6%	5.5%	5.4%	7.2%	7.3%
Invested capital (billion yen)	1,008.2	1,398.0	1,729.7	1,852.5	2,081.2
After-tax operating profit (billion yen)	68.0	68.1	85.1	124.3	133.0

* ROIC: After-tax operating profit/(Net Debt + Total equity)
* A uniform effective tax rate of 24% is applied to each year, based on the average consolidated effective tax rate for prior years
* Invested capital = Net debt + Equity (including ownership of non-controlling shareholders)
* Net debt = "Bonds and borrowings" + "Total other financial liabilities (current and non-current)" – "Cash and cash equivalents" – "Other financial assets (current)"

ROIC of major acquired assets*

	2020	2021	2022	2023	2024
DGL (Pacific)	3.7%	4.4%	5.6%	5.8%	7.0%
Betek Boya	7.4%	9.9%	7.9%	11.8%	16.4%
PT Nipsea	-	3.8%	5.3%	6.6%	7.1%
Cromology	-	-	2.5%	2.9%	2.8%
JUB	-	-	-	5.7%	6.6%

* ROIC after-tax opreating profit (after PPA amortization of intangible assets) / acquisition cost (excluding goodwill but including transfer consideration and subsequent capital increase, etc.), converted into Japanese yen using actual exchange rates
* The ROIC calculation for DGL (Pacific), Betek Boya, and JUB excludes Year 1 as these companies were acquired during the fiscal year
* None of these companies incurred any acquisition-related costs in Year 1
* Until 2023, the DuluxGroup figures represented the consolidated total excluding Cromology and JUB. For 2024, the figure represents DGL (Pacific) only, with DGL (Europe) excluded from the consolidated total
* For Betek Boya, the statutory tax rate for 2024 is applied to each fiscal year, due to abnormal tax rates resulting from the application of hyperinflationary accounting. For other companies, the average statutory effective tax rate for prior years is applied to each year

Disclosed ROIC and WACC figures derived through extensive internal discussions. Clarified our stance on share buybacks to prevent potential misunderstandings

2. Autonomous and Decentralized Management: Features and Advantages

Autonomous and Decentralized Management

→ Integrated Report P18

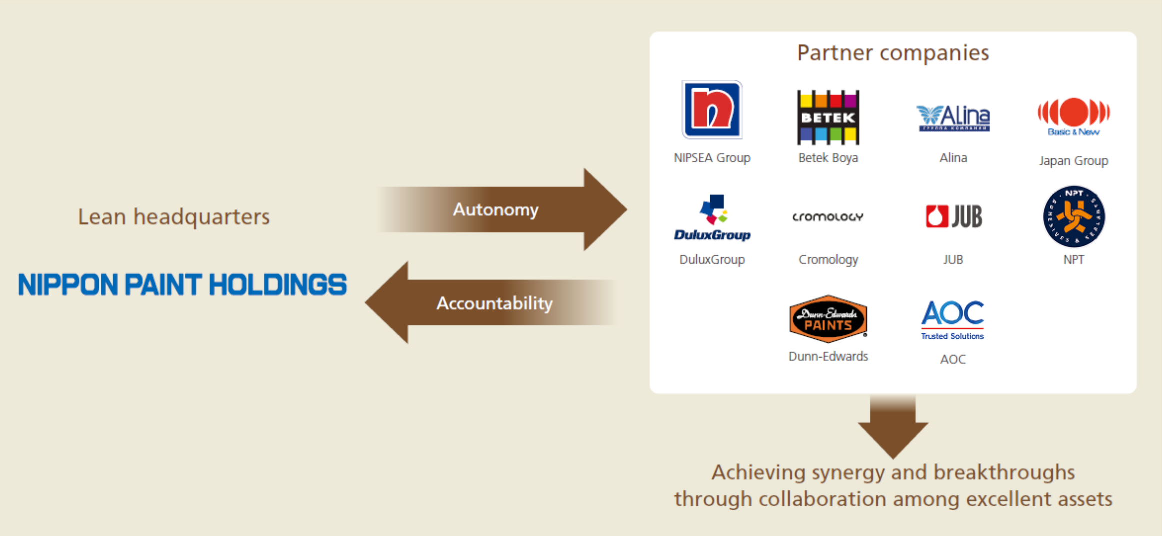
Autonomous and Decentralized Management

Sustainable EPS compounding anchored in autonomy and accountability

Our Group employs a unique autonomous and decentralized management framework to achieve MSV. This framework empowers management teams in each region and business segment to make swift and flexible decisions. Its greatest strength is the ability to allow us to exercise agility and competitiveness in a rapidly changing business environment.

At the core of autonomous and decentralized management are the values of autonomy and accountability. By granting a high degree of discretion to the management teams of each partner company while holding them accountable for outcomes, we promote prompt, agile, and autonomous decision-making, while maintaining a flexible level of control as a Group.

The balance between autonomy and accountability is the key to recruiting and retaining exceptional talents and strengthening competitiveness, and serves as the driving force behind sustainable EPS compounding.



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Message from Co-President Wakatsuki (P09)

assets on par with AOC. We believe this will further highlight our commitment to safeguarding the interests of minority shareholders.

Harnessing a lean headquarters to foster autonomous growth and Group synergies

Under our autonomous and decentralized management approach, we entrust the exceptional management teams of our partner companies with both autonomy and accountability, enabling them to drive their autonomous growth. Instead of imposing uniform Nippon Paint practices,

Message from Co-President Wee (P12)

groundwork to expand its role within our Group and drive sustainable, long-term growth.

Empowering decentralized talented management through mutual trust

To effectively execute the Asset Assembler strategy in pursuit of MSV, our Group has embraced an autonomous and decentralized management approach. Tailored to our unique business structure and market environment, this model reflects our deep commitment to valuing human capital and serves as a cornerstone of our sustainable growth.

Unlike centralized management, where key decisions are concentrated at the head office, often at the expense of speed and agility at the regional level, our decentralized model empowers local management teams to make prompt, flexible

Core features and benefits of our autonomous and decentralized model, rooted in the values of autonomy and accountability (reinforced in messages from both Co-Presidents)

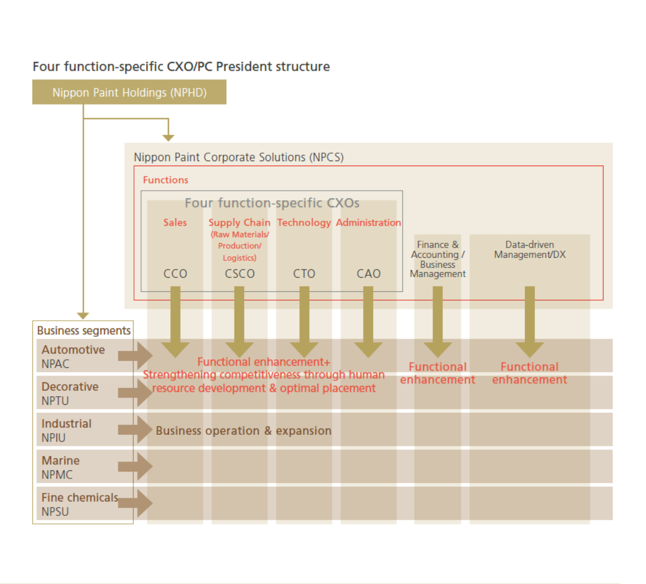
Autonomous and Decentralized Management: Practical Perspectives Presented by Co-President Wee

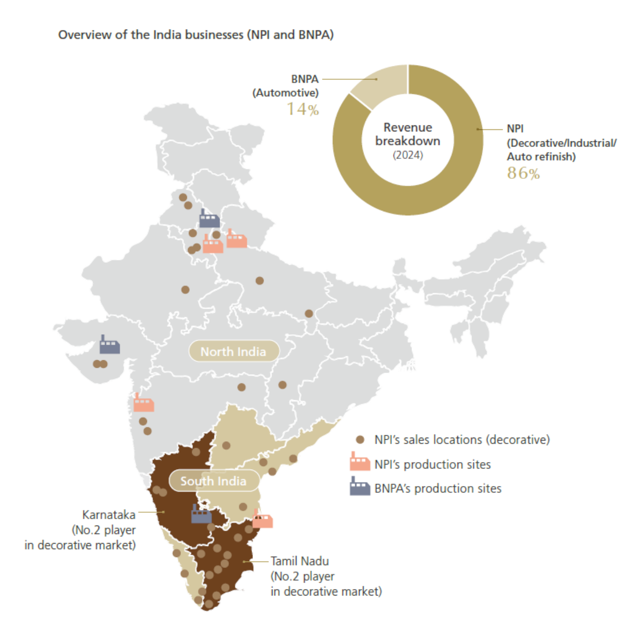
→ Integrated Report P40

Laying the groundwork for sustainable EPS compounding

Executive Summary

1. The transformation of the Japan Group aims to shift the mindset to collective, country-level optimization in Japan, thereby maximizing organizational synergies.
2. With our strong leadership and a workplace that enriches employee motivation, the “magic of transformation” is well within reach for the Japan Group.
3. We are driving transformation with a clear focus on enhancing global competitiveness to capture emerging opportunities in different parts of the world.
4. Our reentry into the India market demonstrates our commitment and confidence in capturing the substantial growth opportunities that India offers for the future.





Co-President Wee shares real-world examples of our autonomous and decentralized management approach, highlighting ongoing transformations in the Japan Group, automotive business, and India business

Case Study 4

→ Integrated Report P51

Nippon Paint Holdings Co., Ltd.

4 Case Study

Harnessing Our Platform for Group Collaboration Through the Selleys Brand

How do our partner companies collaborate and pursue synergies across the Group by leveraging the strengths of our Group platform?
–Case Study 4 showcases NIPSEA Group's initiatives to scaling the Selleys brand, developed in Australia by DuluxGroup, as a thriving success in the Asian market.

Case 1: Harnessing the strength of the Selleys brand to unlock opportunities and drive growth across the NIPSEA Group

Following the acquisition of DuluxGroup by NPHD in 2019, NIPSEA saw a clear opportunity to unlock value by scaling the Selleys brand across Asia. Despite Selleys' strong brand heritage and visibility in the Australia and New Zealand markets, sales momentum had been limited and presence in Asia outside its mainstay markets remained small. With NIPSEA's deep market coverage, high top of mind and share of market, particularly in the "To consumer" or "DIY" space, and dominant distribution channels across 28 countries, it was a natural strategic fit. As such, NIPSEA immediately activated a structured expansion plan to include the Selleys business overlapping its region into its fold. Since then, Selleys' footprint in the NIPSEA region has grown from a few countries to 13 countries in 2025, significantly broadening its reach, relevance and our capability across the region.

This growth has been driven by the strategic alignment between Selleys' Sealants, Adhesives & Fillers (SAF) product portfolio and NIPSEA's core decorative paint and DIY businesses. Together, they create strong cross-sell potential in both retail and project segments. Execution is led by the NIPSEA local team, adapting communications, product mix, and pricing to local consumer preferences. Supported by the Selleys business, this tailored approach ensures market fit, drives consumer engagement, and positions Selleys for sustainable long-term growth in Asia.

Sales trends in the SAF business (NIPSEA Group)

* Indexed to 2019 as the base year (100)

Case 2: Strategic expansion through Selleys integration and Vital Technical acquisition in Malaysia

As part of NIPSEA Group's strategic thrust to grow adjacencies beyond the core decorative paint business, the SAF segment emerged as a key area of focus. The integration of the Selleys brand into NIPSEA's operations in 2019 marked a pivotal step in strengthening our footprint in the non-paint category across Asia.

In Malaysia, Selleys has established a strong reputation in the DIY retail space, offering a range of premium-quality, easy-to-use sealants, adhesives, and household repair products. With an estimated 15% market share in the consumer SAF segment, Selleys' entry enabled NIPSEA to accelerate its presence in a segment with high consumer visibility and growing demand.

This strategic integration laid the foundation for the acquisition of Vital Technical Sdn Bhd (V-tech) in 2021, a key player in Malaysia's B2B SAF market with a strong track record among contractors, applicators, and industrial users. V-tech commands approximately 40% market share in Malaysia's professional SAF segment and brings robust manufacturing capabilities, R&D expertise, and well-established trade distribution networks.

Together, Selleys and Vital Technical provides NIPSEA with a dual-channel strategy that enhances both consumer and professional outreach. This complementary pairing not only aligns with NIPSEA's long-term ambition to diversify its offerings in the home improvement and construction solutions space, but also strengthens our competitive advantage in the region as the Total Coatings & Construction Solutions (TCCS) provider.

This collaboration exemplifies the Group's ability to execute synergistic partnerships, combining global brand strength with local market expertise. It reinforces NIPSEA's commitment to building a strong, sustainable SAF business and aligns with our broader strategy to grow non-paint adjacencies as a significant pillar of future growth in the region.

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Case Study 4: Harnessing Our Platform for Group Collaboration Through the Selleys Brand

Case 3: Cross-border collaboration unlocks new opportunities for home-improvement market growth in Singapore

The partnership between Nippon Paint Singapore and Selleys Australia exemplifies effective cross-border collaboration within the Group. Recognizing Selleys' reputation for quality and its "can-do spirit" in Australia, Nippon Paint Singapore identified an opportunity to leverage Selleys' expertise to expand its own presence in Singapore across multiple product categories and distribution channels.

Traditional paint distribution in Singapore had a limited presence in household channels and supermarkets. Selleys, with its market leadership in SAF, and cleaning solutions, provided the perfect bridge to these untapped channels. With strategic support from Selleys Australia, Nippon Paint Singapore rapidly expanded into over 300 household and small hardware shops, establishing valuable relationships with a new customer base and identifying opportunities to introduce our paint products, which we previously could not.

Our market analysis revealed that cleaning products were ubiquitous in these channels, purchased by both homeowners and contractors for convenience. This insight led to deeper collaboration with Selleys Australia to introduce three hero cleaning products from their Australian portfolio: Sugar Soap, Rapid Mould Killer, and White for Life - Tile & Grout Cleaner. Together, we developed additional cleaning solutions, including floor cleaners, multipurpose disinfectants, and glass cleaners to create a comprehensive range for the Singapore market.

Following the successful launch across household and hardware channels, we identified further potential in modern trade supermarkets, where most consumers purchase daily essentials. Drawing on Selleys Australia's expertise, we established a dedicated team to develop this channel, forming strategic partnerships with key retailers including NTUC FairPrice, Sheng Siong, and the DFI Retail Group.

Through this three-pronged channel approach, Nippon Paint Singapore has achieved island-wide presence, positioning both NIPPON PAINT and Selleys as trusted brands for comprehensive home improvement solutions in Singapore. This collaboration demonstrates how leveraging complementary strengths across our group companies creates significant market expansion opportunities.

Column Selleys: a trusted brand nurtured by DuluxGroup

Founded in Australia in 1939, Selleys is a long-established brand specializing in SAF and DIY products. For decades, Selleys has earned trust through its iconic tagline, "If it's Selleys, it works," becoming a household name with leading brand recognition and market share in the Australian and New Zealand markets. Known for its high-performance products and extensive lineup, Selleys offers solutions that are widely supported by both DIY and professional users.

Brand history

- 1939 Selleys was founded in Sydney, Australia
- 1977 The birth of the iconic tagline: "If it's Selleys, it works."
- 1988 Acquisition of Selleys SAF business by DuluxGroup
- 2000s Selleys expands into other world markets including New Zealand and parts of Asia
- 2019 Acquisition of DuluxGroup by Nippon Paint Holdings
  → **Began collaboration with NIPSEA Group**

Nippon Paint Holdings Co., Ltd.

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Showcased NIPSEA Group's efforts to expand the Selleys brand into Asian markets as a synergy initiative leveraging our Group platform

3. Our Strengths in M&A

M&A Strategy/Case Study 1

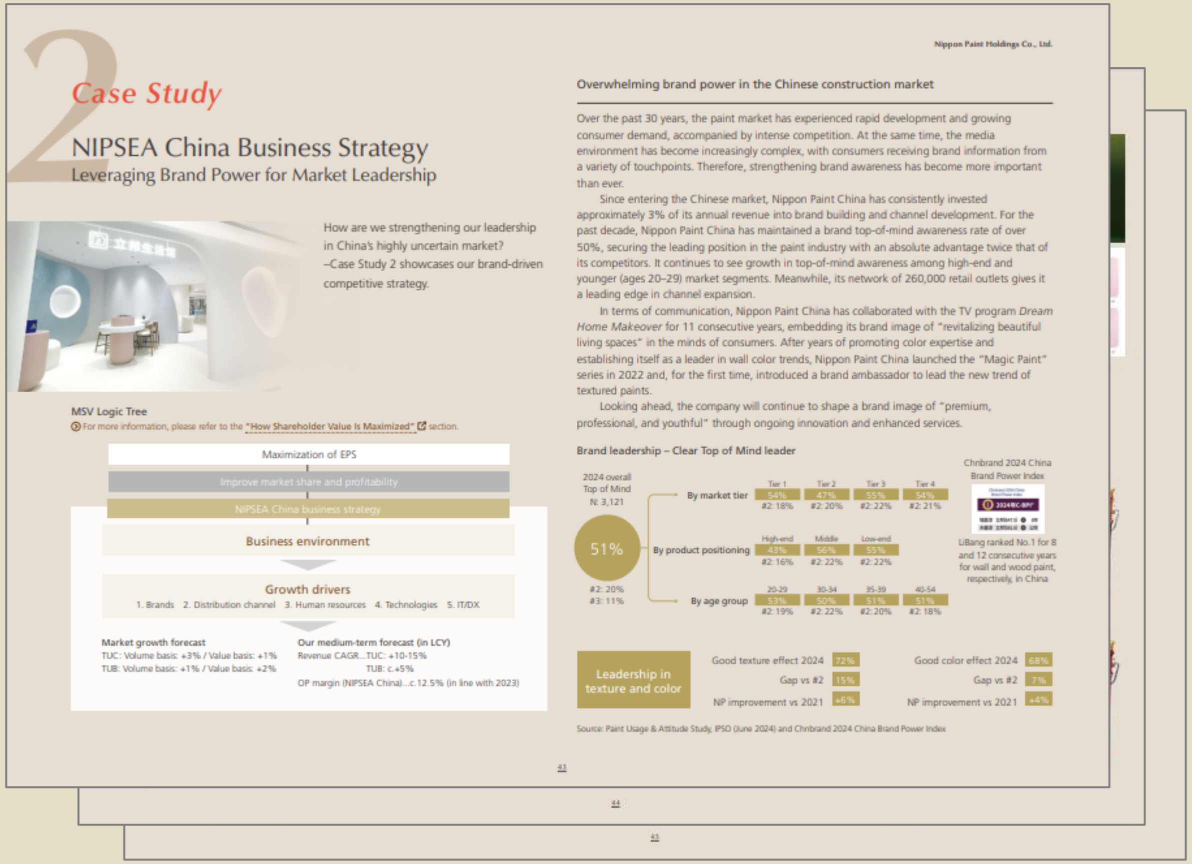
→ Integrated Report P33/P34

Outlined our M&A strategy and featured insights from CEOs of recently acquired partner companies, including Joe Salley of AOC, on the background of their acquisitions and their visions for future growth

4. Expansion of Practical Examples and Data

Case Study 2/Case Study 3

→ Integrated Report P41/P48



Nippon Paint Holdings Co., Ltd.

2 Case Study

NIPSEA China Business Strategy

Leveraging Brand Power for Market Leadership

How are we strengthening our leadership in China's highly uncertain market?
–Case Study 2 showcases our brand-driven competitive strategy.

MSV Logic Tree

For more information, please refer to the "How Shareholder Value Is Maximized" section.

Maximization of EPS

Improve market share and profitability

NIPSEA China business strategy

Business environment

Growth drivers

1. Brands 2. Distribution channel 3. Human resources 4. Technologies 5. IT/DX

Market growth forecast

TUC: Volume basis: +3% / Value basis: +1%

TUB: Volume basis: +1% / Value basis: +2%

Our medium-term forecast (in LCY)

Revenue CAGR…TUC: +10-15%

TUB: c.+5%

OP margin (NIPSEA China)…c.12.5% (in line with 2023)

Overwhelming brand power in the Chinese construction market

Over the past 30 years, the paint market has experienced rapid development and growing consumer demand, accompanied by intense competition. At the same time, the media environment has become increasingly complex, with consumers receiving brand information from a variety of touchpoints. Therefore, strengthening brand awareness has become more important than ever.

Since entering the Chinese market, Nippon Paint China has consistently invested approximately 3% of its annual revenue into brand building and channel development. For the past decade, Nippon Paint China has maintained a brand top-of-mind awareness rate of over 50%, securing the leading position in the paint industry with an absolute advantage twice that of its competitors. It continues to see growth in top-of-mind awareness among high-end and younger (ages 20–29) market segments. Meanwhile, its network of 260,000 retail outlets gives it a leading edge in channel expansion.

In terms of communication, Nippon Paint China has collaborated with the TV program *Dream Home Makeover* for 11 consecutive years, embedding its brand image of "revitalizing beautiful living spaces" in the minds of consumers. After years of promoting color expertise and establishing itself as a leader in wall color trends, Nippon Paint China launched the "Magic Paint" series in 2022 and, for the first time, introduced a brand ambassador to lead the new trend of textured paints.

Looking ahead, the company will continue to shape a brand image of "premium, professional, and youthful" through ongoing innovation and enhanced services.

Brand leadership – Clear Top of Mind leader

Source: Paint Usage & Attitude Study, IPSO (June 2024) and Chnbrand 2024 China Brand Power Index

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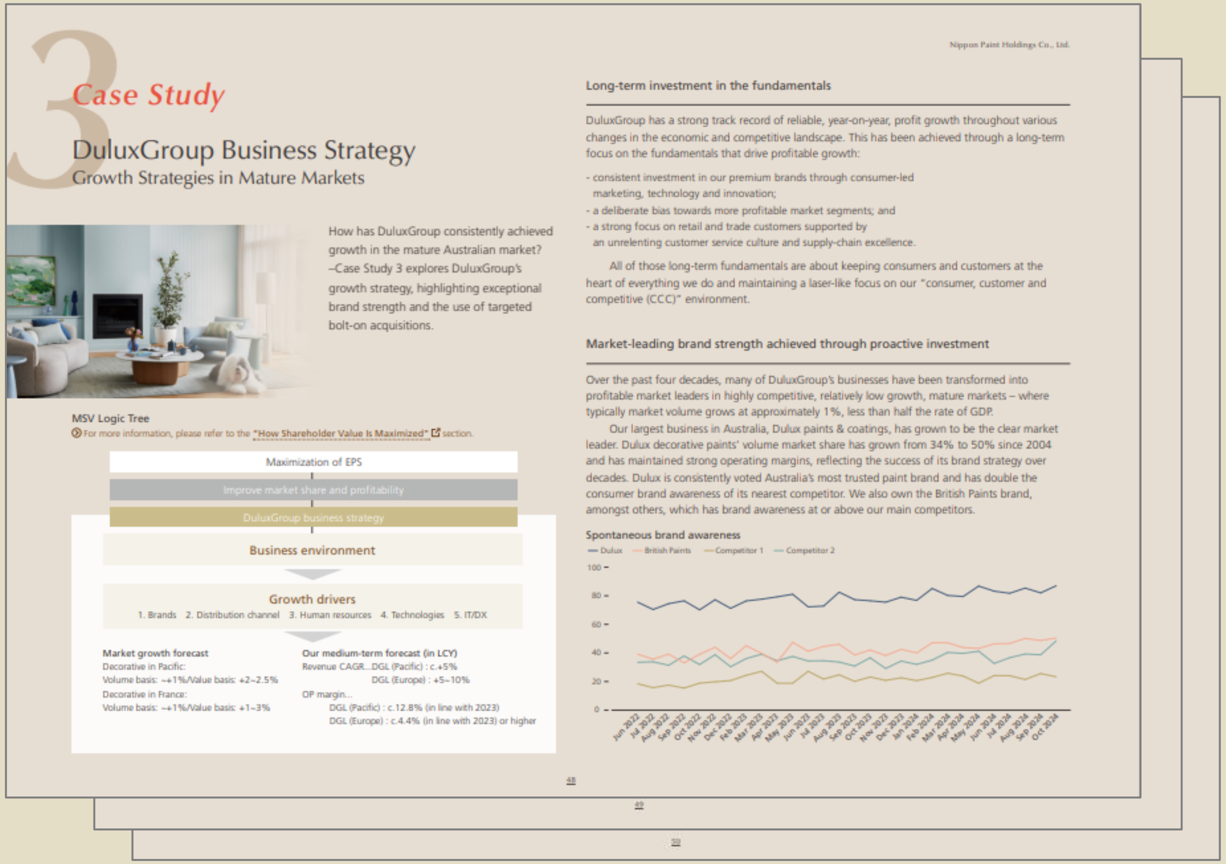

Nippon Paint Holdings Co., Ltd.

3 Case Study

DuluxGroup Business Strategy

Growth Strategies in Mature Markets

How has DuluxGroup consistently achieved growth in the mature Australian market?
–Case Study 3 explores DuluxGroup's growth strategy, highlighting exceptional brand strength and the use of targeted bolt-on acquisitions.

MSV Logic Tree

For more information, please refer to the "How Shareholder Value Is Maximized" section.

Maximization of EPS

Improve market share and profitability

DuluxGroup business strategy

Business environment

Growth drivers

1. Brands 2. Distribution channel 3. Human resources 4. Technologies 5. IT/DX

Market growth forecast

Decorative in Pacific:

Volume basis: ~+1%/Value basis: +2~2.5%

Decorative in France:

Volume basis: ~+1%/Value basis: +1~3%

Our medium-term forecast (in LCY)

Revenue CAGR…DGL (Pacific) : c.+5%

DGL (Europe) : +5~10%

OP margin…

DGL (Pacific) : c.12.8% (in line with 2023)

DGL (Europe) : c.4.4% (in line with 2023) or higher

Long-term investment in the fundamentals

DuluxGroup has a strong track record of reliable, year-on-year, profit growth throughout various changes in the economic and competitive landscape. This has been achieved through a long-term focus on the fundamentals that drive profitable growth:

- consistent investment in our premium brands through consumer-led marketing, technology and innovation;
- a deliberate bias towards more profitable market segments; and
- a strong focus on retail and trade customers supported by an unrelenting customer service culture and supply-chain excellence.

All of those long-term fundamentals are about keeping consumers and customers at the heart of everything we do and maintaining a laser-like focus on our "consumer, customer and competitive (CCC)" environment.

Market-leading brand strength achieved through proactive investment

Over the past four decades, many of DuluxGroup's businesses have been transformed into profitable market leaders in highly competitive, relatively low growth, mature markets – where typically market volume grows at approximately 1%, less than half the rate of GDP.

Our largest business in Australia, Dulux paints & coatings, has grown to be the clear market leader. Dulux decorative paints' volume market share has grown from 34% to 50% since 2004 and has maintained strong operating margins, reflecting the success of its brand strategy over decades. Dulux is consistently voted Australia's most trusted paint brand and has double the consumer brand awareness of its nearest competitor. We also own the British Paints brand, amongst others, which has brand awareness at or above our main competitors.

Spontaneous brand awareness

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Highlighted growth strategies driven by long-standing brand strength and bolt-on M&A, focusing on NIPSEA China and DuluxGroup—partner companies of strong interest to investors

Expanded Website Content to Highlight Hands-On, Ground-Level Initiatives 1

Tangible sustainability initiatives

Up to 71% CO2 Emissions Reduction Achieved Through Modal Shift

Voices of Women Thriving at DuluxGroup

Helen Fitzpatrick
Executive General Manager | Yates

DuluxGroup provides such a broad range of opportunities for leaders to keep growing & developing. I am grateful to have had the support to lead diverse businesses across different industries in our portfolio.

Dorothy Grouios
General Manager | Dulux Retail

I have a young family and DuluxGroup has been incredibly supportive. I feel really fortunate to have had my family while working here. I have a great manager, who supports my flexible work arrangement.

Natalie Vaughan
General Manager | Dulux Retail

DuluxGroup has both supported and enabled me to constantly learn and tackle new challenges.

Video content

Featuring behind-the-scenes development stories and on-the-ground problem-solving initiatives, with ongoing coverage of concrete actions throughout the year

Expanded Website Content to Highlight Hands-On, Ground-Level Initiatives 2

Voices from the frontline: real-world initiatives in action

《Initiatives》
Frontline voices and real-world examples through J-LFG Award recipient comments as part of our talent development initiatives for MSV

《Behind-the-scenes story》
Target line paint for autonomous driving

《Behind-the-scenes story》
In-mold coating technology for automotive applications

Featuring behind-the-scenes stories and initiatives highlighting practical solutions and the insights of our on-the-ground teams throughout the year

Expansion of Data Coverage 1

→ Integrated Report P30/P38/P43/P44/P55

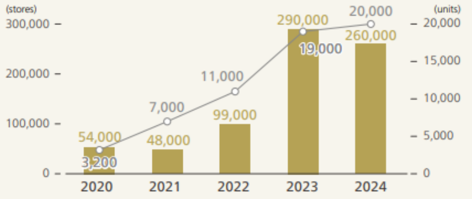
Dominant position enabled by extensive distribution channels

Customer base

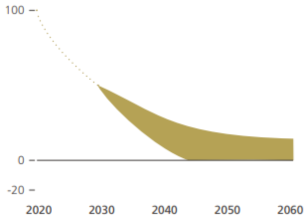
Our Group has established a broad and diverse range of distribution channels, primarily targeting the B2C market (including retail, distributors, and e-commerce) in the decorative markets of each country and region. The number of retail outlets for NIPSEA China in 2024 declined from 2023 due to a detailed review of reporting criteria, such as the exclusion of dormant or non-active shops; under the previous criteria, the total number of distribution shops would have increased by approximately 5%.

Case Study 2: Leveraging Brand Power for Market Leadership (NIPSEA China Business Strategy) P43

Number of retail outlets/Number of CCMs (NIPSEA China)



Our Group's GHG emissions reduction target (Scope 1 and 2)



Climate Change-related targets

PCG	Targets*1: GHG emissions	Targets*1: Energy consumption
NIPSEA Group	Scope 1 and 2 2025: 15% reduction 2060: Net zero	2025: 8% energy consumption reduction
DuluxGroup*2	Scope 1 and 2 2030: 50% reduction 2050: Net zero	2030: 50% renewable electricity consumption
Japan Group	Scope 1 and 2 2030: 37% reduction 2050: Net zero Scope 3 2030: 13% reduction	2030: 62% renewable energy, 10% energy intensity reduction
Dunn-Edwards	Scope 1 and 2 2045: Net zero	–

*1 Baseline years for targets are 2021 for NIPSEA Group, 2020 for DuluxGroup, and Japan Gr

Metrics and results related to Climate Change (2024)

* Figures in brackets indicate year-on-year change

For data for 2023 and ea

PCG	GHG emissions (Scope 1 and 2 Market based) (kg/t)	GHG emissions (Scope 1 and 2 Location based) (kg/t)	GHG emissions (Scope 3) (Mt)*	Total Energy (G
NIPSEA Group	36.8 (n/a)	36.6 (+13.5%)	8.0 (+11.5%)	0.4 (+
DuluxGroup	85.8 (-4.4%)	74.3 (-8.2%)	1.0 (+16.6%)	0.9 (
Japan Group	139.5 (-6.9%)	164.3 (+13.0%)	1.2 (-1.6%)	3.3 (
Dunn-Edwards	–	–	–	0.3 (+
Total	–	45.0 (+10.9%)	10.2 (+10.2%)	0.5 (+

* NIPSEA Group includes the China, Malaysia Group and Betek Boya only (representing approximately 90% of NIPSEA production). DuluxGroup includes DGL (Paci

ROIC/Invested capital/After-tax operating profit

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Brand leadership – Clear Top of Mind leader

Source: Paint Usage & Attitude Study, IPSO (June 2024) and Chnbrand 2024 China Brand Power Index

Strengthening brand presence in Tier 0 and Tier 1-2 cities

Market environment and our strategy in Tier 0 and Tier 1-2 cities

As of 2024, the global paint and coatings market has reached a total value of USD 196 billion. China remains the largest single market, accounting for 25% of the global market (approximately USD 49 billion), followed by Europe at 22% (approximately USD 43.1 billion) and North America at 19% (approximately USD 37.2 billion)*. With per-capita paint consumption in China approximately 50-60% of developed countries, the decorative paints market in China offers significant opportunities for growth over the medium to long term.

In 2024, China's real-estate policy direction has shifted toward "stopping the decline and stabilizing the market." These policies are mainly implemented in Tier 0 and Tier 1–2 cities. Measures such as easing purchase restrictions, lowering down-payment requirements, and reducing mortgage interest rates have been introduced to stimulate home buying, along with efforts to advance old town and urban redevelopment projects. In 2025, even stronger measures are expected to promote the healthy development of the property market and to fully unleash the potential demand for both first-time home purchases and housing upgrades.

Nippon Paint China's TUC Division covers over 2,000 cities across China, with product lines that cater to various usage scenarios and consumer segments. In 2024, the TUC Division recorded growth across all city tiers: Tier 0 cities grew by 5%, Tier 1–2 cities by 3%, and Tier 3–6 cities by 13%.

Tier 1–2 markets are primarily located in provincial capitals and economically developed regions of China. The dominant demand in these markets is for old home renovation, which makes up about 70% of the total. Competition mainly comes from a major paint company as well as local paint manufacturers.

Distribution by city tier (2024)

	Population	GDP
Tier 0 and Tier 1–2 cities	42%	47%
Tier 3-6 cities	45%	29%

Nippon Paint China's core strategies in Tier 0 and Tier 1–2 cities include:
- Channel Reform 2.0 – Develop new category-focused distributors and attract more capable, well-resourced, and newly funded partners to grow the Nippon Paint China business together.
- Ensure Distributor Staffing – Consolidate and leverage Nippon Paint China's strength in distribution by ensuring sufficient manpower among dealers.
- Strengthen Home Decoration Business – Align and collaborate with leading national renovation firms, retain and attract designers, and rapidly expand partnerships with regional small-to-medium renovation companies.
- Promote Commercial Projects (Phoenix Plan) – Drive public decoration (commercial space) business through focused initiatives.
- Distributor Store Upkeep and Expansion – Retain existing stores while developing new ones, expand product offerings, and improve store productivity (e.g., sales per square meter).

* Source: Orr & Boss, "2024 Global Paint & Coatings Market Estimates"

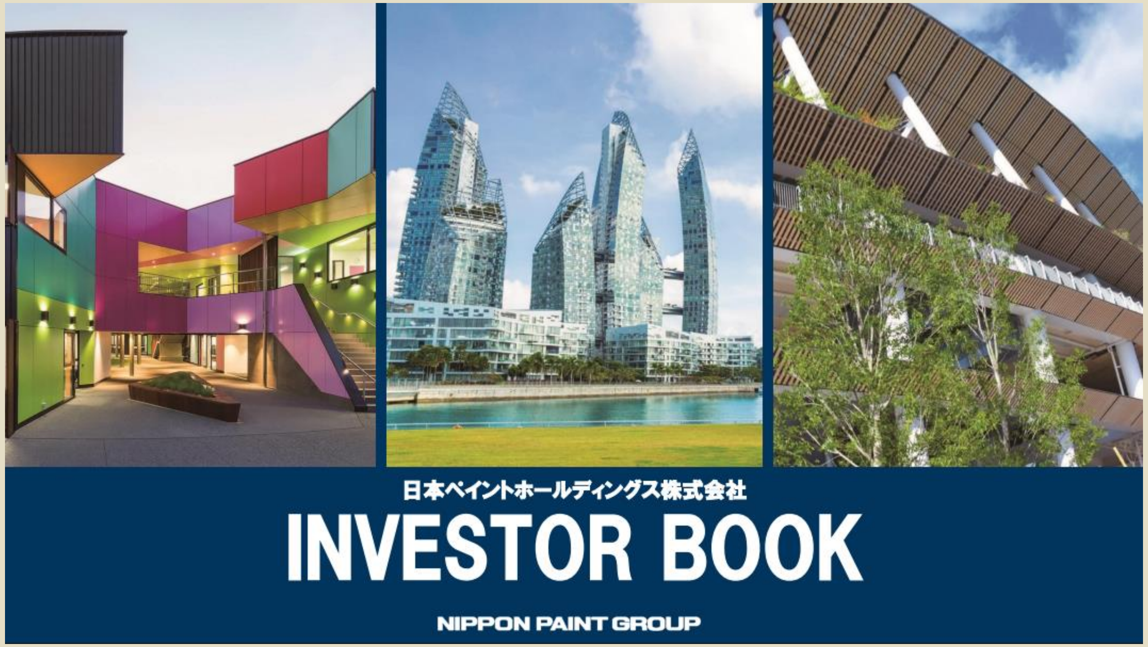
Expanded historical data coverage, including the number of retail outlets and CCMs, in response to investor needs

Expanded Data Coverage 2

Asset Management Report

- Expanded from 4 pages in the previous edition to 17 pages
- Consolidated financial and non-financial results, medium-term growth strategies, and competitive advantages for each asset company into a single comprehensive volume

Investor Book

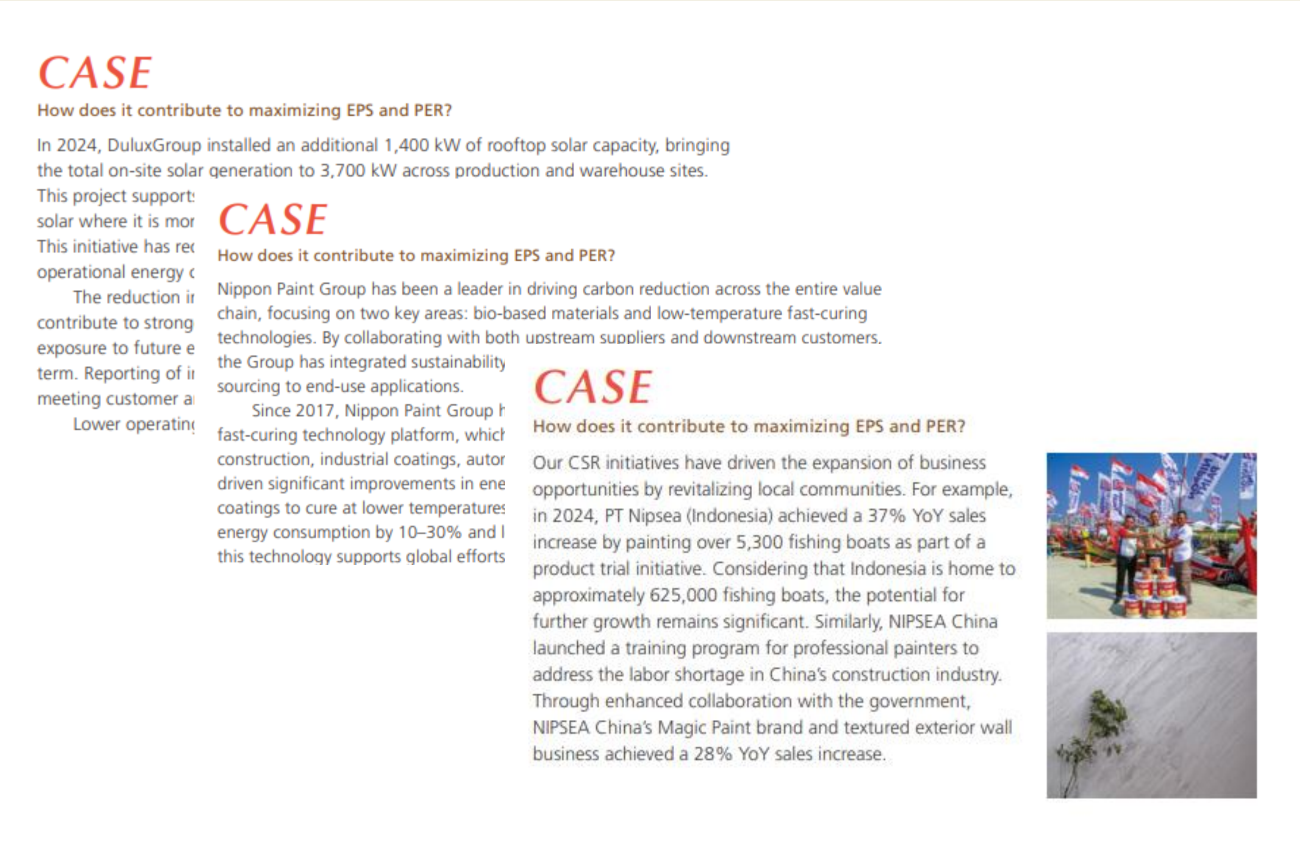


- Newly disclosed sales figures for the Singapore Group and Malaysia Group
- Includes essential information for each asset company, such as company overviews, SWOT analyses, the Group's inorganic growth track record, and key market data

5. Integrating Sustainability with EPS and PER

R&D Strategy/Growth with Communities, etc.

→ Integrated Report P62/P64/P68


CASE

How does it contribute to maximizing EPS and PER?

In 2024, DuluxGroup installed an additional 1,400 kW of rooftop solar capacity, bringing the total on-site solar generation to 3,700 kW across production and warehouse sites.

This project support
solar where it is mor
This initiative has red
operational energy c
The reduction ir
contribute to strong
exposure to future e
term. Reporting of ir
meeting customer a
Lower operating

CASE

How does it contribute to maximizing EPS and PER?

Nippon Paint Group has been a leader in driving carbon reduction across the entire value chain, focusing on two key areas: bio-based materials and low-temperature fast-curing technologies. By collaborating with both upstream suppliers and downstream customers, the Group has integrated sustainability
sourcing to end-use applications.

Since 2017, Nippon Paint Group h
fast-curing technology platform, which
construction, industrial coatings, autor
driven significant improvements in ene
coatings to cure at lower temperatures
energy consumption by 10–30% and l
this technology supports global efforts

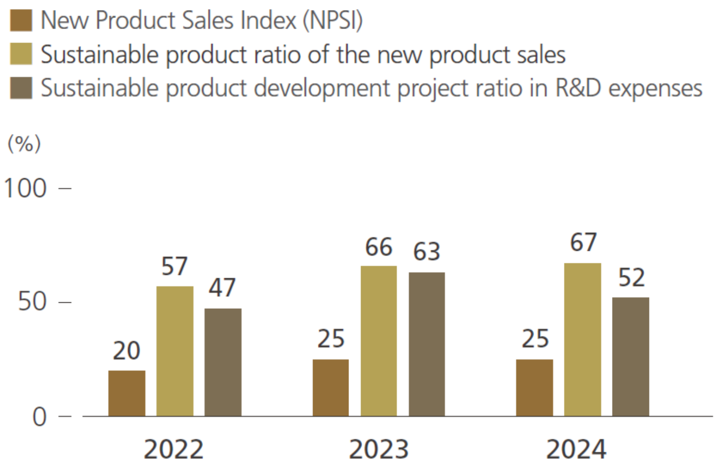
CASE

How does it contribute to maximizing EPS and PER?

Our CSR initiatives have driven the expansion of business opportunities by revitalizing local communities. For example, in 2024, PT Nipsea (Indonesia) achieved a 37% YoY sales increase by painting over 5,300 fishing boats as part of a product trial initiative. Considering that Indonesia is home to approximately 625,000 fishing boats, the potential for further growth remains significant. Similarly, NIPSEA China launched a training program for professional painters to address the labor shortage in China's construction industry. Through enhanced collaboration with the government, NIPSEA China's Magic Paint brand and textured exterior wall business achieved a 28% YoY sales increase.

Enhanced explanations, with concrete examples, of how each sustainability theme contributes to maximizing EPS and PER

Sustainable products data*



* NIPSEA Group and Japan Group data

Visualized trends in sustainable product initiatives using time-series data across key indices

Environmental Strategy/R&D Strategy, etc.

→ Integrated Report P7/P65

Strategy

Risk

- Significant hindrance to future corporate earnings owing to inability to generate innovation due to slow response to new markets

Opportunity

- Expansion of market for products that contribute to controlling and adapting to climate change
- Products and services that address social issues contribute significantly to society and help boost corporate earnings in the long term

Disclosed risks and opportunities under each theme to further align with the TCFD framework

Climate Change-related targets

PCG	Targets*1 GHG emissions	Targets*1 Energy consumption	Improvement priorities
NIPSEA Group	Scope 1 and 2 2025: 15% reduction 2060: Net zero	2025: 8% energy consumption reduction	Carbon mitigation best practices were disseminated across the NIPSEA Group to facilitate consistent adoption across operations.
DuluxGroup*2	Scope 1 and 2 2030: 50% reduction 2050: Net zero	2030: 50% renewable electricity consumption	Delivery of an additional 1,400 kW of solar generation capacity, ongoing energy efficiency initiatives across operational sites, continued roll-out of the fleet transition plan in the Pacific and Cromology business, review of climate targets across the entire DuluxGroup including Scope 3 target setting.
Japan Group	Scope 1 and 2 2030: 37% reduction 2050: Net zero Scope 3 2030: 13% reduction	2030: 62% renewable energy, 10% energy intensity reduction	Increased renewable-electricity purchase and commenced an off-site solar Power Purchase Agreement (PPA). Approved Scope 3 target and reduction plan at JOM. Strengthened collaboration with suppliers for reductions of Category 1 emissions.
Dunn-Edwards	Scope 1 and 2 2045: Net zero	–	Use of renewable electricity in the LA office and PHX.

*1 Baseline years for targets are 2021 for NIPSEA Group, 2020 for DuluxGroup, and Japan Group (Scope 1 and 2 2019, Scope 3 and Energy 2021) *2 DGL (Pacific) only

Newly disclosed Scope 3 reduction target for the Japan Group

PFAS regulations

DuluxGroup	‣ All PFAS variants listed on the Stockholm Convention are prohibited above the trigger concentration thresholds. We are also working to formulate from all known use of non-polymer forms of PFAS. As PFAS are not always declared on safety data sheets, we are working with suppliers to identify any undeclared PFASs in materials supplied so that these can be reviewed for phase out.
Japan Group	‣ We monitor trends in PFAS regulations in each country and ensure that we comply appropriately with the PFAS regulations in each country, both for domestic use and export.
Dunn-Edwards	‣ We plan on replacing our PFAS-containing resins and surfactants by the end of 2025 with some carry through of existing materials into early 2026.

Newly disclosed each PCG's response to PFAS regulations

Case Study 5

→ Integrated Report P51

5 *Case Study*

Driving Employee Engagement Across the Japan Group

How does the Japan Group nurture corporate culture and drive improvements in productivity and EPS to contribute to MSV? –Case Study 5 highlights key measures and initiatives implemented to enhance employee engagement, based on the findings of the 2024 employee engagement survey.

Employee engagement survey results and identified challenges

In 2024, the Japan Group introduced an employee engagement survey to better understand employee sentiment and incorporate it into future HR initiatives. Engagement is measured across three dimensions: "Say (speaking positively about the company)," "Stay (intending to remain with the company)," and "Strive (making extra efforts for the company)." Among these, the survey results showed that the scores for "Say" and "Strive" were lower than those for "Stay," and were also below the average of Japanese companies.

As a result of analyzing the survey findings, the Japan Group has identified the following three challenges to improve employee engagement:

1. Lack of optimistic and elevated outlook for the company's future;
2. Insufficient improvement of the work environment; and
3. Limited opportunities for employees to develop their skills and career paths

We have already begun full-scale initiatives to address these issues. Our goal is to realize "ONE NIPPE" and "ONE People," creating a workplace where every employee can work with a future-oriented mindset. By unlocking the full potential of all employees, we aim to foster both personal growth of employees and sustainable enhancement of corporate value.

Initiatives to address each challenge

1. Optimistic and elevated outlook for the company's future

It is essential for employees to be able to envision the company's future in order for the company to nurture culture and unleash energy throughout the organization. To support this, in 2024, the management team communicated messages and created opportunities for direct dialogue with employees. Beginning in 2025, the Japan Group has fully implemented a CXO structure, enhancing efficiency and enabling the cross-organizational sharing of corporate vision and strategic direction. Through these initiatives, we are broadening the dissemination of corporate vision and strategy across the organization, while further strengthening open and transparent communication.

2. Improvement of the work environment

Efficient task execution by employees is essential for improving overall organizational productivity. To this end, the Japan Group has begun actively introducing AI tools and developing digital transformation (DX) talents. Additionally, to enhance employees' psychological safety and develop a culture of open communication, we are supporting bottom-up initiatives and providing evaluator training for management-level personnel. Furthermore, we are promoting a 1-on-1 program to strengthen relationships between supervisors and subordinates through regular direct meetings.

3. Development of employee skills and career path

A company's growth is closely linked to the development of each employee's skills and career paths. To enhance the fairness and objectivity of our personnel evaluations and develop a more open and transparent organizational culture, the Japan Group has revised its evaluation system to introduce differentiated and merit-based treatment and to better recognize and reward employees who take on new challenges. Additionally, the management team is taking the lead in continuously holding cross-organizational Talent Management Committee and D&I Committee meetings within the Japan Group. Furthermore, in 2024, we launched an internal side-job system on a trial basis to support employee career development and promote inter-organizational communication, and are preparing for its full-scale implementation.

Challenges identified from employee engagement survey and initiatives to address them

To Be

- Creating a workplace where all employees can unlock their full potential and work with a future-oriented mindset
- Realizing "ONE NIPPE, ONE People" creating a workplace that fosters both individual growth and the sustainable enhancement of corporate value

Initiatives

ONE NIPPE - Establishment of the CXO structure (2025–2026) - Medium-Term Strategy (2024 onward) Dissemination of management message (through J-GMM and other channels) (2024) Direct dialogue between management and employees (2024)	Introduction of AI tools and development of DX talents Strengthening the support system for bottom-up initiatives (e.g., EFE) Evaluator training, 1-on-1 program	Revision of the evaluation system (2024–2025) Talent Management Committee and D&I Committee meetings Leadership programs for executives and department heads Expanded implementation of internal side-job system, career profile sharing system, and career development training programs

Scores by engagement component * Figures in parentheses indicate comparison with the average for Japanese companies

Say (Speaking positively about the company)......14 points (-16 points)
Stay (Intention to remain with the company)......39 points (+1 point)
Strive (Making extra efforts for the company)......21 points (-12 points)

As Is

Challenges identified

1. Lack of optimistic and elevated outlook for the company's future 2. Insufficient improvement of the work environment
3. Limited opportunities for employees to develop their skills and career paths

Case study introduction

1 Japan Group Management Meeting (J-GMM)

The J-GMM, hosted by the Co-Presidents in September 2024 under the theme "Transforming the Japan Group into a Dominant Corporate Group of True Leaders," brought together approximately 400 participants from across the Japan Group. While past meetings primarily focused on revenue improvement initiatives and operational process reviews, this year's meeting, considering the results of the employee engagement survey, placed the highest priority on human resources initiatives. The Co-Presidents emphasized the importance of every employee demonstrating leadership and generating added value. They also reiterated the commitment to fostering a culture that encourages taking on challenges, including revising the evaluation system to place greater emphasis on the execution process rather than solely on results. The meeting further shared the policy of creating an environment that enables future-oriented work style.

2 Engagement for Employee (EFE)

The EFE activities, which originally began as an unofficial gathering initiated and formed by volunteer employees within the Japan Group, is an open forum where anyone can participate. It provides a space for employees to unlock their full potential and support personal growth through dialogue. In particular, EFE encourages employees to become "First Penguins" by embracing behavioral transformation and offers opportunities for co-creation, with a strong focus on envisioning a better future. To date, EFE has organized both internal and external workshops, as well as various co-creation projects with outside partners. From 2025, the management team has officially recognized EFE as an official community within the Japan Group and has reinforced support systems, acting as a close partner to accompany and support employees' bottom-up initiatives.

3 IT case study presentation

The IT case study presentation series was held throughout the year, with approximately 300 employees participating in 2024. The events emphasized the increasing importance of digital technologies and generative AI, and showcased practical examples including the digitalization of logistics operations, improvements in operational efficiency, the development of robust information-sharing systems, and the implementation of RPA tools. Participation was voluntary, yet many employees with a strong sense of urgency demonstrated active interests, resulting in engaging Q&A sessions. Following the presentations, poster sessions and consultation meetings were organized, further facilitating exchanges and collaboration among the participants.

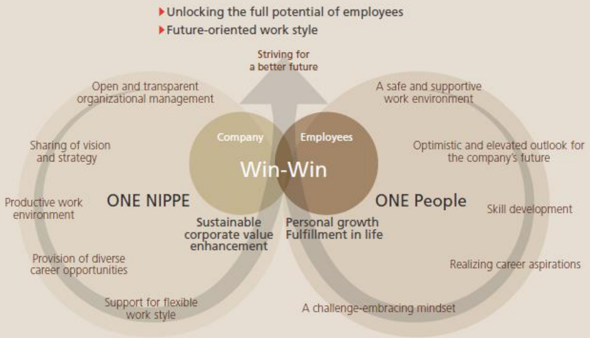
Further embedding the "ONE NIPPE" culture

Under the banner of "ONE NIPPE, ONE People," the Japan Group is nurturing a corporate culture where employees proactively demonstrate leadership and work toward total optimization across the organization. Cross-functional initiatives, such as standardizing business processes, establishing the resin center, and building greater collaboration among sales teams, have already produced tangible results. Nevertheless, there are still challenges to fully realizing the "ONE NIPPE" vision.

In the next phase, we will drive greater efficiency and sophistication by fully implementing the CXO structure and consolidating HR functions. Our focus will be on enhancing fairness in talent management and performance-based compensation, as well as optimizing personnel assignments. We also encourage employees to take on concurrent roles and participate in cross-functional projects, supporting flexible work styles to unlock greater initiative and engagement.

"ONE NIPPE" is about breaking down psychological silos and maximizing synergy through a shared sense of purpose. By empowering employees to lead and build a value-creating culture, and collaborate across the Japan Group, we aim to boost productivity, improve EPS, and ultimately contribute to MSV.

Our corporate vision, achieved through enhanced employee engagement



Analyzed current challenges and outlined specific initiatives aimed at strengthening employee engagement across the Japan Group

6. Other Content in Focus

Four Reasons Why Our Performance Does Not Necessarily Correlate with Chinese Macroeconomic Indicators

→ Integrated Report P46

Four Reasons Why Our Performance Does Not Necessarily Correlate with Chinese Macroeconomic Indicators

Our stock price tends to be significantly influenced by news flow from China, more so than by our actual performance results. Our analysis suggests that the capital market participants might be overly focused on Chinese macroeconomic indicators. While we do acknowledge a certain correlation between our performance and Chinese macroeconomic indicators, we believe that these factors are not the sole determinants of our performance due to the following four reasons.

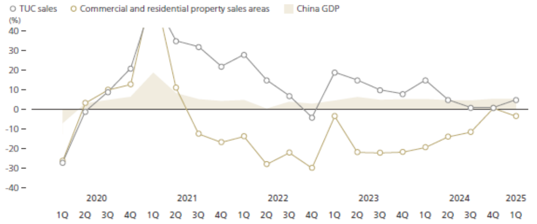
Reason 1 TUC revenue growth has been outpacing the growth in commercial and residential property sales areas

Tier 0 and 1-2 cities, where our TUC business has a dominant No.1 position, have a higher proportion of commercial and residential property sales areas compared to Tier 3-6 cities. These cities are also characterized by faster market recovery.

Consequently, the growth rate of TUC tends to be higher than that of property sales areas nationwide. In 2024, property sales areas expanded, driven by nationwide government stimulus measures. In particular, the policy announced in September 2024 significantly increased property sales areas in the fourth quarter. The effects of these policies are expected to positively impact the growth of our TUC business with a time lag.

The high revenue growth in the TUC business can also be attributed to factors such as NIPSEA China's extensive distribution networks, the large number of Computerized Color Matching (CCM) machines installed, high brand awareness and quality. Factors such as the arrival of the era of stock housing and our market share gains in Tier 3-6 cities also contribute to a growth rate that exceeds the general macroeconomic indicators.

TUC sales trends (QoQ)



Reason 2 TUB revenue growth has been outpacing the growth in new residential construction areas

Since March 2020, our TUB revenue growth has constantly been outpacing growth of new residential construction areas. This strong performance is attributable to: (1) working with financially stronger real estate developers, (2) growth contribution from non-real estate developers, e.g. healthcare, industrial, infrastructure, as well as interior decoration companies and contractors, and (3) pushing the adjacencies area, such as substrates and construction chemicals (CC). As a result of these diversification strategies, the sales mix within the TUB business between residential and non-residential applications has become roughly evenly split in 2024, resulting in a more balanced sales composition.

We expect that the TUB business will remain on a steady growth track due to the arrival of the era of stock housing and by focusing on the development of key channel businesses.

TUB sales trends (QoQ)

Nippon Paint Holdings Co., Ltd.

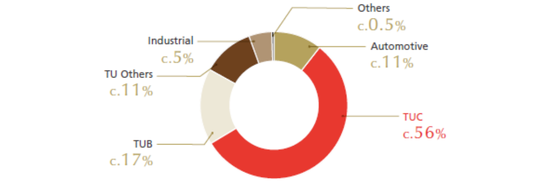
Reason 3 TUC's competitive advantage and its significant contribution to NIPSEA China's sustainable growth and profitability

The TUC segment, which demonstrates strong growth potential and high profitability, accounts for approximately 56% of NIPSEA China's total revenue. Even in a challenging business environment, NIPSEA China has maintained strong margins across China, driven by the solid performance of the TUC segment. Furthermore, even if certain business segments are temporarily impacted by economic or market fluctuations, NIPSEA China's diversified business portfolio enables it to maintain resilient growth across its operations in China.

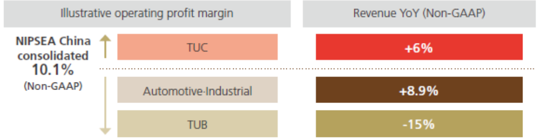
The ability of TUC to maintain high profitability is not solely due to its B2C business model. Other contributing factors include: (1) the ability to control pricing, based on the strong brand power we have built over the years in this B2C brand business, (2) the creation of demand and improvement in margin through the expansion of CCM deployment, (3) our "Asset Light Strategy," and (4) the sheer size of the enlarged Group that allows us to leverage our economies of scale and tap into resources spanning from purchasing to marketing. We are optimistic that TUC's medium-term growth forecast will continue to surpass the market growth. Looking ahead, NIPSEA China will steadfastly pursue sustainable growth while preserving the operating profit margin.

Case Study 2: Leveraging Brand Power for Market Leadership (NIPSEA China Business Strategy) P43
For trends in the number of retail outlets and CCMs in China, please refer to the "Performance Highlights" section.

Revenue composition in NIPSEA China (2024)



Illustrative operating profit margin and revenue growth rate by business segment for NIPSEA China (2024)



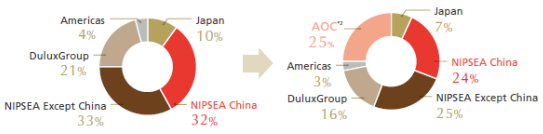
Reason 4 AOC's integration has further diversified our asset portfolio

As Asset Assembler, the Group maintains a diversified asset portfolio across a wide range of regions and business segments. While China remains one of our key assets, its contribution to consolidated operating profit is only 32%. This proportion has further declined to 24% following the integration of AOC, indicating that our dependence on the China market is significantly lower than that of local competitors focused exclusively on China. In addition, our operations in NIPSEA Except China have achieved revenue and profit growth, as well as profitability, that surpass those in NIPSEA China.

NIPSEA China vs. NIPSEA Except China (2024: Non-GAAP basis)

	NIPSEA China	NIPSEA Except China
Revenue (YoY)	+6.3%	+13.1%
Operating profit (YoY)	-0.4%	+10.6%
OP margin	10.1%	17.0%

Consolidated operating profit composition (2024)*1



*1 FY2024 results are proforma, representative as if AOC operated as subsidiary for the whole of 2024. Percentages to the total sum of segment profit

*2 PPA reflects our current assumptions but excludes one-off costs such as inventory step-up. M&A expenses related to the AOC acquisition are excluded. To align with our post-acquisition profit and loss profile, expenses such as payments to India businesses in EMEA and affiliated companies of former shareholders are also excluded

Amid continued stock price sensitivity to China-related news, we analyze and explain the strategic role and competitive strengths of our China business within the broader Group portfolio

Message from the Chairman

→ Integrated Report P75

To Our Shareholders and Investors

1. MSV anchors the core values and decision-making principles of both the Board of Directors and the executive team. Every agenda item brought before the Board is thoroughly examined and resolved based on MSV.
2. Our Co-President setup is remarkably effective, allowing speedy and effective decision making and execution across the organization.
3. The interests of the majority shareholder d minority shareholders are completely aligned, and the funding capability o fa public listed company combined with the strength of a private shareholder has created a more potent growth engine.
4. If an acquisition opportunity calls for equity financing, I have no qualms about the dilution of Wuthelam's stake, as long as the transaction is significantly EPS accretive;
Wuthelam, as the majority shareholder, will strongly support it.
5. I will persevere on the path of pursuit of further Low Risk, High Accretion acquisitions that match the calibre of the AOC transaction.

Chairman Goh, also a majority shareholder, shares his current perspectives and underscores his commitment to driving the Group's continued growth