

**Consolidated Financial Results**  
**for the Fiscal Year Ended December 31, 2025**  
**[IFRS]**



February 13, 2026

Company name: Nippon Paint Holdings Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 4612

URL: <https://www.nipponpaint-holdings.com/en/>

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Scheduled date of annual general meeting of shareholders: March 27, 2026

Scheduled date of commencing dividend payments: March 30, 2026

Scheduled date of filing the securities report: March 26, 2026

Availability of supplementary briefing material on consolidated financial results: Yes

Schedule of consolidated financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

**1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 to December 31, 2025)**

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	1,774,231	8.3	257,104	38.1	250,565	39.1	181,174	42.4
December 31, 2024	1,638,720	13.6	186,206	10.3	180,081	11.5	127,233	6.9

	Profit attributable to owners of parent		Comprehensive income	
Fiscal year ended	Million yen	%	Million yen	%
December 31, 2025	179,800	42.8	275,538	(1.5)
December 31, 2024	125,889	6.3	279,705	11.9

	Basic earnings per share	Diluted earnings per share	Return on equity	Profit before tax to total assets	Operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	76.66	76.66	10.6	7.1	14.5
December 31, 2024	53.60	53.60	8.5	6.2	11.4

Reference: Share of profit of investments accounted for using equity method:

Fiscal year ended December 31, 2025: ¥2,108 million

Fiscal year ended December 31, 2024: ¥2,569 million

**(2) Consolidated Financial Position**

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets	Equity per share attributable to owners of parent
	Million yen	Million yen	Million yen	%	Yen
As of December 31, 2025	4,017,738	1,823,073	1,803,859	44.9	774.87
As of December 31, 2024	3,068,582	1,607,431	1,589,520	51.8	676.76

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2025	187,526	(321,988)	254,732	424,337
December 31, 2024	167,401	(148,106)	(37,377)	288,301

2. Dividends

	Annual dividends					Total dividends paid	Consolidated dividend payout ratio	Consolidated dividend on equity attributable to owners of parent
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2024	—	7.00	—	8.00	15.00	35,231	28.0	2.4
December 31, 2025	—	8.00	—	8.00	16.00	37,414	20.9	2.2
December 31, 2026 (forecast)	—	8.00	—	9.00	17.00		19.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2026

(January 1, 2026 to December 31, 2026)

(% indicates changes from the previous corresponding period)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,920,000	8.2	283,000	10.1	274,000	9.4	198,000	10.1	85.34

**\* Notes:**

- (1) Changes in significant subsidiaries during the period under review: Yes  
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)

Newly consolidated (3 companies)	LSF11 A5 TopCo LLC LSF11 A5 MidCo LLC LSF11 A5 HoldCo LLC	Excluded	-
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- (2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: No  
2) Changes in accounting policies other than 1) above: No  
3) Changes in accounting estimates: No

- (3) Total number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2025: 2,370,512,215 shares

December 31, 2024: 2,370,512,215 shares

- 2) Total number of treasury shares at the end of the period:

December 31, 2025: 42,570,007 shares

December 31, 2024: 21,780,807 shares

- 3) Average number of shares during the period:

Fiscal year ended December 31, 2025: 2,345,317,300 shares

Fiscal year ended December 31, 2024: 2,348,681,630 shares

\*These consolidated financial results are outside the scope of audit by Certified Public Accountants or auditing corporations.

\*Explanation of the proper use of financial results forecast and other notes

(Caution concerning forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that are deemed rational and contain risks and uncertainties. Actual results, etc. may differ greatly from the forecast figures depending on various factors.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the Period under Review

During the fiscal year ended December 31, 2025, Nippon Paint Group recorded consolidated revenue of ¥1,774,231 million, representing an increase of 8.3% compared with the previous fiscal year. This increase was primarily attributable to contributions from LSF11 A5 TopCo LLC (AOC), including AOC, LLC, a global specialty formulator, and its affiliated companies, following the completion of the acquisition in March 2025. Consolidated operating profit increased by 38.1% year on year to ¥257,104 million. Although a goodwill impairment loss was recorded for the Cromology Group—based on the results of an impairment test reflecting the latest business environment amid deteriorating conditions in Europe—this was more than offset by revenue growth, improved raw material cost contribution ratio and SG&A ratio, and a gain on the transfer of non-current assets at the Tokyo Office.

As a result, consolidated profit before tax increased by 39.1% to ¥250,565 million, and profit attributable to owners of the parent rose by 42.8% to ¥179,800 million.

The operating results by business segment are presented below. From the current fiscal year, AOC has been newly designated as a reportable segment.

#### **Japan**

Revenue from automotive coatings increased compared with the previous year, reflecting a recovery in automobile production. Revenue from industrial coatings also increased, as the impact of weak market conditions was more than offset by the pass-through of price increases. Revenue from decorative paints declined, despite initiatives to expand sales of high value-added products, including new products, due to a slowdown in renovation projects caused by inflation.

As a result, consolidated revenue increased by 1.1% year on year to ¥205,360 million. Consolidated operating profit rose by 44.6% to ¥28,125 million, supported by higher revenue, improved raw material cost contribution ratio and SG&A ratio, and a gain on the transfer of non-current assets at the Tokyo Office.

#### **NIPSEA**

Revenue from automotive coatings in the NIPSEA segment increased compared with the previous year, as higher automobile production in China and strong sales to Chinese local automakers more than offset flat automobile production in Thailand. Revenue from decorative paints decreased, as increased sales volumes in China and key markets such as Malaysia and Singapore were offset by weak consumer sentiment and other adverse market conditions in other parts of Asia.

As a result, consolidated revenue decreased by 2.9% year on year to ¥887,462 million, while consolidated operating profit increased by 17.3% to ¥144,021 million.

#### **DuluxGroup**

Revenue from decorative paints increased compared with the previous fiscal year, reflecting modest market share gains and the pass-through of price increases in the Pacific region, while softer market conditions in Europe were offset by growth in other markets. Revenue from the adjacencies business was largely stable due to contributions from small-scale acquisitions and the pass-through of price increases, which more than offset the impact of sluggish market conditions in the Pacific and Europe.

As a result, consolidated revenue increased by 1.7% year on year to ¥405,173 million. Consolidated operating profit decreased by 13.5% to ¥34,943 million, primarily due to the recognition of a goodwill impairment loss, recorded following an impairment test conducted reflecting the latest business environment for Cromology Group amid deteriorating market conditions in Europe.

\*DuluxGroup Limited is an Australian company that holds the rights to the Dulux® trademark exclusively in Australia, New Zealand, Papua New Guinea, Samoa and Fiji. DuluxGroup Limited is not affiliated with, nor connected to, the owners of the Dulux® trademark in other regions and does not sell Dulux® products outside these designated markets.

#### **Americas**

Revenue from automotive coatings decreased compared with the previous fiscal year, reflecting a decline in automobile production in the United States. Revenue from decorative paints also declined, due to reduced demand stemming from economic uncertainty in the United States and continued softness in the housing market.

As a result, consolidated revenue decreased by 3.1% year on year to ¥118,952 million, and consolidated operating profit declined by 17.8% to ¥6,393 million.

## AOC

From March 2025, AOC's income and expenses have been included in the Group's consolidated results. Revenue from the adjacencies business was affected by weaker market demand compared with the prior year, primarily due to soft macroeconomic conditions.

As a result, consolidated revenue amounted to ¥157,282 million, and consolidated operating profit was ¥48,585 million.

### (2) Overview of Financial Position for the Period under Review

As of December 31, 2025, total assets increased by ¥949,156 million from the end of the previous fiscal year to ¥4,017,738 million.

Current assets increased by ¥223,673 million, primarily due to an increase in cash and cash equivalents. Non-current assets also increased by ¥725,482 million, mainly reflecting an increase in goodwill.

Total liabilities increased by ¥733,514 million to ¥2,194,665 million, largely attributable to an increase in borrowings.

Equity increased by ¥215,641 million to ¥1,823,073 million, primarily reflecting an increase in retained earnings.

As a result, the ratio of equity attributable to owners of the parent to total assets decreased from 51.8% at the end of the previous fiscal year to 44.9%.

### (3) Overview of Cash Flows for the Period under Review

For the fiscal year ended December 31, 2025, cash provided by operating activities amounted to ¥187,526 million. Net cash used in investing activities totaled ¥321,988 million, while net cash provided by financing activities was ¥254,732 million. As a result, cash and cash equivalents ("funds") increased by ¥136,036 million from the end of the previous fiscal year, reaching ¥424,337 million.

#### (Cash flows from operating activities)

Net cash provided by operating activities increased by ¥20,125 million compared with the previous fiscal year, to ¥187,526 million. Key contributing factors included a cash inflow of ¥293,397 million (excluding changes in operating capital), primarily driven by non-cash expenses such as depreciation and amortization on profit before tax. This was offset by a ¥44,791 million decrease in funds due to an increase in operating capital, and income taxes paid totaling ¥61,079 million.

#### (Cash flows from investing activities)

Net cash used in investing activities rose by ¥173,881 million from the previous year, to ¥321,988 million. This increase was primarily attributable to capital expenditures of ¥42,513 million for the purchase of property, plant and equipment and cash outflows of ¥299,943 million related to the acquisition of subsidiaries, partially offset by cash inflows of ¥21,380 million resulting from a decrease in marketable securities.

#### (Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥254,732 million, compared with a net cash outflow of ¥37,377 million in the previous fiscal year. This was mainly attributable to cash inflows of ¥378,229 million from increased borrowings, partially offset by cash outflows of ¥38,673 million for dividend payments and ¥41,010 million for the redemption of bonds.

### (4) Future Outlook

For the fiscal year ending December 31, 2026, the decorative paints market and the global automotive market are expected to remain generally stable.

Under these conditions, the Nippon Paint Group will continue to leverage its Asset Assembler model to pursue sustainable growth, with a focus on steadily compounding EPS through the growth of existing businesses and active pursuit of M&A opportunities. The Group aims to expand distribution channels and enhance brand equity across all regions and businesses, drive continued growth in the paint and coatings business through new product development, and reinforce the adjacencies business, including ETICS (External Thermal Insulation Composite Systems), CASE\* and colorants. In addition, by promoting autonomous management at Group partner companies worldwide, the Group seeks to expand market share across all regions and business domains.

Based on this outlook, consolidated revenue is expected to be ¥1,920,000 million, operating profit ¥283,000 million, profit before tax ¥274,000 million, and profit attributable to owners of the parent ¥198,000 million for the fiscal year ending December

31, 2026.

In line with this earnings forecast, the Group plans to pay a dividend of ¥17 per share for the fiscal year ending December 31, 2026.

\*CASE: Coatings, Adhesives, Sealants and Elastomers

## 2. Basic Approach to Selection of Accounting Standards

In order to further strengthen global management, improve the comparability of financial information, and enhance disclosure by standardizing accounting procedures among group companies, the Nippon Paint Group has been voluntarily using International Financial Reporting Standards (IFRS) for consolidated financial statements in its annual securities reports since the fiscal year ended December 31, 2018.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Statements of Profit or Loss and Comprehensive Income

##### Consolidated Statement of Profit or Loss

(Million yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Revenue	1,638,720	1,774,231
Cost of sales	(981,275)	(1,023,995)
<b>Gross profit</b>	657,444	750,235
Selling, general and administrative expenses	(481,331)	(502,558)
Other income	13,805	21,031
Other expenses	(3,713)	(11,604)
<b>Operating profit</b>	186,206	257,104
Finance income	11,092	17,789
Finance costs	(19,786)	(27,149)
Share of profit (loss) of investments accounted for using equity method	2,569	2,108
Gain (loss) on step acquisitions	—	710
<b>Profit before tax</b>	180,081	250,565
Income taxes	(52,848)	(69,390)
<b>Profit</b>	127,233	181,174
<b>Profit attributable to</b>		
Owners of parent	125,889	179,800
Non-controlling interests	1,343	1,373
<b>Profit</b>	127,233	181,174
<b>Earnings per share</b>		
Basic earnings (loss) per share (yen)	53.60	76.66
Diluted earnings (loss) per share (yen)	53.60	76.66



## Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
<b>Profit</b>	127,233	181,174
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(732)	(1,701)
Remeasurements of defined benefit plans	3,274	(135)
Share of other comprehensive income of investments accounted for using the equity methods	(41)	(70)
Total of items that will not be reclassified to profit or loss	2,499	(1,908)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	141,680	105,698
Cash flow hedges	8,870	(10,606)
Share of other comprehensive income of investments accounted for using equity method	(577)	1,180
Total of items that may be reclassified to profit or loss	149,972	96,271
<b>Total other comprehensive income</b>	152,472	94,363
<b>Comprehensive income</b>	279,705	275,538
<b>Comprehensive income attributable to</b>		
Owners of parent	277,371	273,133
Non-controlling interests	2,334	2,404
<b>Comprehensive income</b>	279,705	275,538

## (2) Consolidated Statement of Financial Position

(Million yen)

	As of December 31, 2024	As of December 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	288,301	424,337
Inventories	202,484	225,146
Trade and other receivables	376,976	409,007
Other financial assets	153,584	179,460
Other current assets	25,731	39,437
<b>Subtotal</b>	<b>1,047,077</b>	<b>1,277,389</b>
Assets held for sale	8,131	1,492
<b>Total current assets</b>	<b>1,055,208</b>	<b>1,278,882</b>
<b>Non-current assets</b>		
Property, plant and equipment	478,759	562,598
Goodwill	968,993	1,468,989
Other intangible assets	456,385	614,148
Investments accounted for using equity method	30,240	30,056
Other financial assets	51,595	29,377
Other non-current assets	22,811	24,555
Deferred tax assets	4,589	9,130
<b>Total non-current assets</b>	<b>2,013,374</b>	<b>2,738,856</b>
<b>Total assets</b>	<b>3,068,582</b>	<b>4,017,738</b>

(Million yen)

	As of December 31, 2024	As of December 31, 2025
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	292,513	289,380
Bonds and borrowings	146,473	124,188
Other financial liabilities	27,244	39,473
Income taxes payable	18,207	21,045
Provisions	3,923	5,196
Other current liabilities	93,709	113,392
<b>Total current liabilities</b>	<b>582,072</b>	<b>592,677</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	613,540	1,297,704
Other financial liabilities	125,600	123,950
Retirement benefit liability	17,725	18,660
Provisions	2,044	2,027
Other non-current liabilities	5,856	6,289
Deferred tax liabilities	114,311	153,355
<b>Total non-current liabilities</b>	<b>879,078</b>	<b>1,601,988</b>
<b>Total liabilities</b>	<b>1,461,151</b>	<b>2,194,665</b>
<b>Equity</b>		
Share capital	671,432	671,432
Treasury shares	(6,015)	(26,885)
Retained earnings	434,223	577,798
Other components of equity	489,880	581,514
<b>Total equity attributable to owners of parent</b>	<b>1,589,520</b>	<b>1,803,859</b>
<b>Non-controlling interests</b>	<b>17,910</b>	<b>19,213</b>
<b>Total equity</b>	<b>1,607,431</b>	<b>1,823,073</b>
<b>Total liabilities and equity</b>	<b>3,068,582</b>	<b>4,017,738</b>

## (3) Consolidated Statement of Changes in Equity

(Million yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance as of January 1, 2024	671,432	—	(6,049)	351,205	341,721	1,358,310	9,793	1,368,104
Profit	—	—	—	125,889	—	125,889	1,343	127,233
Other comprehensive income	—	—	—	—	151,481	151,481	990	152,472
Comprehensive income	—	—	—	125,889	151,481	277,371	2,334	279,705
Purchase of treasury shares	—	—	(1)	—	—	(1)	—	(1)
Disposal of treasury shares	—	89	34	—	(26)	97	—	97
Dividends	—	—	—	(35,230)	—	(35,230)	(579)	(35,809)
Changes in ownership interest in subsidiaries	—	(123)	—	—	—	(123)	(151)	(274)
Transfer from retained earnings to capital surplus	—	10,937	—	(10,937)	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	6,174	6,174
Transfer from other components of equity to retained earnings	—	—	—	3,296	(3,296)	—	—	—
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	15	15
Put option liabilities over non-controlling interests	—	(10,903)	—	—	—	(10,903)	—	(10,903)
Other	—	—	—	—	—	—	323	323
Total transactions with owners	—	—	33	(42,871)	(3,322)	(46,160)	5,782	(40,378)
Balance as of December 31, 2024	671,432	—	(6,015)	434,223	489,880	1,589,520	17,910	1,607,431
Profit	—	—	—	179,800	—	179,800	1,373	181,174
Other comprehensive income	—	—	—	—	93,332	93,332	1,031	94,363
Comprehensive income	—	—	—	179,800	93,332	273,133	2,404	275,538
Purchase of treasury shares	—	(4)	(20,907)	—	—	(20,911)	—	(20,911)
Disposal of treasury shares	—	69	37	—	(16)	90	—	90
Dividends	—	—	—	(37,580)	—	(37,580)	(1,091)	(38,672)
Changes in ownership interest in subsidiaries	—	(72)	—	—	—	(72)	(134)	(206)
Transfer from retained earnings to capital surplus	—	2,109	—	(2,109)	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	123	123
Transfer from other components of equity to retained earnings	—	—	—	3,463	(3,463)	—	—	—
Transfer from other components of equity to non-financial assets	—	—	—	—	1,781	1,781	—	1,781
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	—	—
Put option liabilities over non-controlling interests	—	(2,101)	—	—	—	(2,101)	—	(2,101)
Other	—	—	—	—	—	—	(0)	(0)
Total transactions with owners	—	—	(20,869)	(36,226)	(1,698)	(58,794)	(1,101)	(59,896)
Balance as of December 31, 2025	671,432	—	(26,885)	577,798	581,514	1,803,859	19,213	1,823,073

## (4) Consolidated Statement of Cash Flows

(Million yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
<b>Cash flows from operating activities</b>		
Profit before tax	180,081	250,565
Depreciation and amortization	63,665	70,063
Impairment losses	611	6,855
Interest and dividend income	(9,974)	(14,583)
Interest expenses	13,398	21,718
Share of loss (profit) of investments accounted for using equity method	(2,569)	(2,108)
Loss (gain) on retirement and sale of non-current assets	69	(6,558)
Decrease (increase) in inventories	733	765
Increase (decrease) in trade and other receivables	(18,843)	(9,657)
Increase (decrease) in trade and other payables	(4,991)	(35,899)
Increase (decrease) in other current liabilities	2,149	(14,437)
Other	(7,490)	(11,262)
<b>Subtotal</b>	<b>216,840</b>	<b>255,461</b>
Interest received	8,425	12,788
Dividends received	2,844	2,847
Interest paid	(13,353)	(22,492)
Income taxes paid	(47,356)	(61,079)
<b>Net cash provided by (used in) operating activities</b>	<b>167,401</b>	<b>187,526</b>
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	(17,272)	(22,461)
Net decrease (increase) in short-term investment securities	(46,955)	21,380
Proceeds from sale of investment securities	893	8,405
Purchase of property, plant and equipment	(48,997)	(42,513)
Proceeds from sale of property, plant and equipment	2,670	10,844
Purchase of shares of subsidiaries	(35,892)	(299,943)
Other	(2,553)	2,297
<b>Net cash provided by (used in) investing activities</b>	<b>(148,106)</b>	<b>(321,988)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,400)	(231)
Proceeds from long-term borrowings	73,003	807,825
Repayments of long-term borrowings	(56,052)	(429,364)
Redemption of bonds	—	(41,010)
Repayments of lease obligations	(16,850)	(18,717)
Purchase of treasury shares	(1)	(20,911)
Dividends paid	(35,222)	(37,577)
Other	(853)	(5,279)
<b>Net cash provided by (used in) financing activities</b>	<b>(37,377)</b>	<b>254,732</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>14,771</b>	<b>15,424</b>
<b>Adjustments for hyperinflation</b>	<b>1,965</b>	<b>341</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,346)</b>	<b>136,036</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>289,647</b>	<b>288,301</b>
<b>Cash and cash equivalents at end of period</b>	<b>288,301</b>	<b>424,337</b>

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in Presentation)

(Consolidated Statements of Cash Flows)

Beginning with the fiscal year ended December 31, 2025, “Impairment loss” and “Loss (gain) on retirement and sale of non-current assets,” which were previously included in “Other” under “Cash Flows from Operating Activities,” have been presented as separate line items due to their increased materiality. Conversely, “Increase (decrease) in allowance for doubtful accounts,” which was presented as a separate line item under “Cash Flows from Operating Activities” in the previous fiscal year, has been included in “Other” beginning with the current fiscal year due to its decreased materiality. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presentation.

As a result, the amounts of ¥(306) million previously presented as “Increase (decrease) in allowance for doubtful accounts” and ¥(6,502) million previously included in “Other” in the consolidated statement of cash flows for the previous fiscal year have been reclassified and are now presented as ¥611 million under “Impairment loss,” ¥69 million under “Loss (gain) on retirement and sale of non-current assets,” and ¥(7,490) million under “Other.”

Beginning with the current fiscal year, “Proceeds from sale of investment securities,” which was previously included in “Other” under “Cash Flows from Investing Activities,” has been presented as a separate line item due to its increased materiality. Conversely, “Purchase of intangible assets” and “Payments for acquisition of businesses,” which were presented as separate line items under “Cash Flows from Investing Activities” in the previous fiscal year, have been included in “Other” beginning with the current fiscal year due to their decreased materiality. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presentation.

As a result, the amounts of (¥2,756) million previously presented as “Purchase of intangible assets,” (¥404) million previously presented as “Payments for acquisition of businesses,” and ¥1,501 million previously included in “Other” under “Cash Flows from Investing Activities” in the consolidated statement of cash flows for the previous fiscal year have been reclassified and are now presented as ¥893 million under “Proceeds from sale of investment securities” and (¥2,553) million under “Other.”

Beginning with the current fiscal year, “Purchase of treasury shares,” which was previously included in “Other” under “Cash Flows from Financing Activities,” has been presented as a separate line item due to its increased materiality. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presentation.

As a result, the amount of (¥855) million previously included in “Other” under “Cash Flows from Financing Activities” in the consolidated statement of cash flows for the previous fiscal year has been reclassified and is now presented as (¥1) million under “Purchase of treasury shares” and (¥853) million under “Other.”

(Business combinations)

For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

There are no applicable items.

For the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Acquisition of equity interests in LSF11 A5 TopCo LLC)

Main reasons for business combination

Nippon Paint Group pursues Maximization of Shareholder Value (MSV) as our sole mission by leveraging our Asset Assembler model. We will achieve this goal by compounding EPS (earnings per share) through both organic growth, driven by the expansion of existing businesses, and inorganic growth, achieved via good and low-risk mergers and acquisitions without limitations on regions, business areas, and scales. Additionally, we aim to maximize PER (price-to-earnings ratio) by enhancing capital market understanding and evaluations.

Backed by its broad customer base, including areas with significant growth potential, advanced technological capabilities that allow for high-level product customization tailored to customer needs, and flexible logistics network, LSF11 A5 TopCo LLC has secured a leading position in the US and European markets as a specialty formulator for CASE, colorants, and composite

solutions. Additionally, LSF11 A5 TopCo LLC features excellent cash generation capabilities, driven by excellent profitability and low capital expenditure requirements.

By joining the Group, the company is expected to contribute to our sustainable compounding of EPS (earnings per share) and aid in the growth of existing businesses through collaboration with our group companies.

(1) Overview of business combination

(i) Name and business activities of the acquired company

Name: LSF11 A5 TopCo LLC

Business activities: Formulation development, manufacturing and distribution of unsaturated polyester, vinyl ester, etc. for composites and related products

(ii) Date of acquisition: March 3, 2025

(iii) Percentage of equity interests with voting rights acquired: 100%

(iv) Method of acquisition of control: By acquisition of equity interests for cash consideration

(2) Fair value of assets acquired and liabilities assumed at the date of business combination

	(Million yen)
	Fair value
Cash and cash equivalents	32,427
Property, plant and equipment	61,387
Intangible assets	143,065
Other assets	62,856
Fair value of liabilities assumed	(426,033)
Fair value of assets acquired and liabilities assumed, net	(126,296)

Trade and other receivables

	(Million yen)	
	Contractual amount due	Fair value
Trade and other receivables	27,727	27,348
Accounts receivable-other	314	309
Total	28,041	27,658
Best estimate of contractual cash flows not expected to be collected	(383)	—
Net total	27,658	27,658

Note 1: The purchase consideration was allocated to the acquired assets and assumed liabilities at their respective fair values as of the acquisition date. During the current fiscal year, the purchase price allocation was finalized. As a result, the following adjustments were made to the amounts initially recorded on a provisional basis:

Property, plant and equipment: Increased by ¥27,119 million

Intangible assets: Increased by ¥143,051 million

Other assets: Increased by ¥2,469 million

Fair value of assumed liabilities: Increased by ¥40,535 million

Goodwill: Decreased by ¥132,104 million

Note 2: Intangible assets primarily comprise trademarks of ¥64,749 million, customer-related intangible assets of ¥73,784 million, and technology assets of ¥4,517 million. In the purchase price allocation, the fair value of trademarks was determined using the relief-from-royalty method, while the fair value of customer-related intangible assets was

determined using the multi-period excess earning method, and the fair value of technology assets was determined using the relief-from-royalty method.

(3) Consideration transferred and goodwill

		(Million yen)
		Amount
Consideration transferred (cash and other assets)	A	330,236
Basis adjustments	B	1,781
Fair value of assets acquired and liabilities assumed, net	C	(126,296)
Goodwill (Note)	A + B - C	458,314

Note: Goodwill primarily reflects the ability to generate excess earnings in the future. No amount of the above goodwill is expected to be tax deductible.

(4) Acquisition-related expenses

Account item: Selling, general and administrative expenses

Amount: ¥2,136 million

(5) Effects on the condensed consolidated quarterly statement of profit or loss

Financial results of the acquired company on and after the date of acquisition recognized in the condensed consolidated quarterly statement of profit or loss

		(Million yen)
		Amount
Revenue		157,282
Profit		37,229

(6) Effects of business combination on the consolidated statement of profit or loss assuming that the business combination was carried out at the beginning of the period

		(Million yen)
		Amount
Revenue		189,436
Profit		45,108

The pro forma information (unaudited) has not undergone a quarterly review.

(7) Effects of business combination on cash flows

		(Million yen)
		Amount
Consideration paid for acquisition		332,017
Cash and cash equivalents		(32,427)
Acquisition of equity interests of subsidiaries		299,590



(Segment information)

(1) Summary of reportable segments

The Nippon Paint Group's operations are divided into business segments for which separate financial information is available. Segments are subject to periodic evaluations by the Board of Directors, which is the highest decision-making body, in order to make decisions regarding business resource allocations and performance assessments. The Nippon Paint Group's primary businesses are the paint and coating business, which manufactures and sells automotive coatings, decorative paints, industrial coatings, fine chemicals, and other paints, and the adjacencies business which manufactures and sells paint-related products, CASE, and colorants. An independent company and companies overseen by this company are responsible for business activities in Japan. Independent companies, led by key partner companies including NIPSEA, DuluxGroup, and AOC, are responsible for business activities in Asia, Oceania, the Americas, and other regions. Each company operates as an independent management unit, formulating comprehensive strategies for each management unit or region regarding the products they handle and carrying out business activities based on these strategies.

As a result, the Nippon Paint Group consists of five reportable segments divided by management units or regions based on manufacturing and sales infrastructures: Japan, NIPSEA, DuluxGroup, the Americas, and AOC. The Japan segment includes the overseas marine coatings business.

\*CASE: Coatings, Adhesives, Sealants and Elastomers

(Matters regarding a change in reportable segments)

During the fiscal year ended December 31, 2025, NPHD completed the acquisition of all the equity interests in LSF11 A5 TopCo LLC and included the company and its 23 subsidiaries into the scope of consolidation. As a result of this change, AOC has been included in the reportable segments as an independent segment.

The segment information for the fiscal year ended December, 2024 has been restated in accordance with the classification under the revised reportable segments.

(2) Information on reportable segments

For the fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

								(Million yen)
	Reportable segment						Adjustments (Note 1)	Amounts in consolidated financial statements
	Japan	NIPSEA	DuluxGroup	Americas	AOC	Total		
Revenue								
Revenue from external customers	203,112	914,370	398,534	122,702	—	1,638,720	—	1,638,720
Intersegment revenue	19,871	8,738	376	48	—	29,034	(29,034)	—
Total	222,983	923,109	398,911	122,751	—	1,667,755	(29,034)	1,638,720
Segment profit (loss)	19,446	122,813	40,374	7,778	—	190,412	(4,206)	186,206
Finance income								11,092
Finance costs								(19,786)
Share of profit of investments accounted for using equity method								2,569
Profit before tax								180,081
Other items								
Depreciation and amortization	5,212	27,457	23,330	7,206	—	63,207	458	63,665
Impairment loss	6	605	—	—	—	611	—	611
Capital expenditures (Note 2)	9,395	33,413	17,470	15,034	—	75,313	472	75,786

Note 1: Adjustments for segment profit are headquarters expenses that do not belong to any reportable segment and intersegment eliminations.

Note 2: These mainly consist of expenditures for property, plant and equipment and intangible assets.

For the fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Million yen)

	Reportable segment						Adjustments (Note 1)	Amounts in consolidated financial statements
	Japan	NIPSEA	DuluxGroup	Americas	AOC	Total		
Revenue								
Revenue from external customers	205,360	887,462	405,173	118,952	157,282	1,774,231	—	1,774,231
Intersegment revenue	21,041	15,508	534	96	—	37,182	(37,182)	—
Total	226,402	902,971	405,708	119,049	157,282	1,811,414	(37,182)	1,774,231
Segment profit (loss)	28,125	144,021	34,943	6,393	48,585	262,068	(4,963)	257,104
Finance income								177,789
Finance costs								(27,149)
Share of profit of investments accounted for using equity method								2,108
Loss (gain) on step acquisition								710
Profit before tax								250,565
Other items								
Depreciation and amortization	5,398	24,406	23,652	7,602	8,900	69,960	103	70,063
Impairment loss	323	1,046	5,486	—	—	6,855	—	6,855
Capital expenditures (Note 2)	10,093	16,743	25,959	4,784	5,372	62,953	1	62,954

Note 1: Adjustments for segment profit are headquarters expenses that do not belong to any reportable segment and intersegment eliminations.

Note 2: These mainly consist of expenditures for property, plant and equipment and intangible assets.

(3) Information on products and services

For the fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Million yen)

	Japan	NIPSEA	DuluxGroup	Americas	AOC	Total
Paint and coatings business						
Automotive coatings	39,202	108,039	—	45,462	—	192,705
Decorative paints	48,366	678,741	251,531	75,033	—	1,053,673
Industrial coatings	39,536	49,345	10,725	—	—	99,607
Fine chemicals	9,111	10,345	—	2,206	—	21,663
Other paints	66,894	29,062	—	—	—	95,957
	203,112	875,535	262,256	122,702	—	1,463,607
Adjacencies business	—	38,835	136,278	—	—	175,113
Total	203,112	914,370	398,534	122,702	—	1,638,720

For the fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Million yen)

	Japan	NIPSEA	DuluxGroup	Americas	AOC	Total
Paint and coatings business						
Automotive coatings	39,653	119,028	—	44,519	—	203,201
Decorative paints	46,884	631,538	258,016	72,264	—	1,008,704
Industrial coatings	40,124	52,812	11,140	—	—	104,078
Fine chemicals	8,300	10,009	—	2,168	—	20,478
Other paints	70,397	33,616	—	—	—	104,013
	205,360	847,005	269,156	118,952	—	1,440,476
Adjacencies business	—	40,457	136,016	—	157,282	333,755
Total	205,360	887,462	405,173	118,952	157,282	1,774,231

(Impairment losses)

During the current fiscal year, an impairment test was conducted reflecting the latest business environment for Cromology Group, in light of the deterioration in market conditions in Europe and the resulting decline in the Group's growth prospects. As a result, the recoverable amount (fair value less costs of disposal) was lower than the carrying amount, and a goodwill impairment loss of ¥5,486 million was recognized. The impairment loss is recorded under "Other expenses" in the consolidated statement of profit or loss and is included in the DuluxGroup segment.

(Per-share information)

The basis of calculation of basic earnings per share and diluted earnings per share is as below.

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Profit attributable to owners of parent (million yen)	125,889	179,800
Adjustment to profit used in the calculation of diluted earnings per share (million yen)	—	—
Diluted earnings (million yen)	125,889	179,800
Weighted-average number of common shares issued (thousand shares)	2,348,681	2,345,317
Increase in the number of common shares used in the calculation of diluted earnings per share (thousand shares)	94	68
Increase due to exercise of stock options (thousand shares)	73	47
Increase due to restricted share compensation plan (thousand shares)	20	20
Weighted-average number of common shares used in the calculation of diluted earnings per share (thousand shares)	2,348,775	2,345,386
Basic earnings (loss) per share (yen)	53.60	76.66
Diluted earnings (loss) per share (yen)	53.60	76.66

(Significant subsequent events)

There was no applicable item.