

**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/>

Representative: Yuichiro Wakatsuki, Director, Representative Executive Officer & Co-President

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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 |
|-------------------|----------------|------------------|-------------------|---------------|
| | Million yen % | Million yen % | Million yen % | Million yen % |
| Fiscal year ended | | | | |
| 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 |
|-------------------|--|-------------------------|
| | Million yen % | Million yen % |
| Fiscal year ended | | |
| 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 |
|-------------------|-----------------------------|-------------------------------|---------------------|--------------------------------------|--------------------------------|
| | Yen | Yen | % | % | % |
| Fiscal year ended | | | | | |
| 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 December 31, 2025 | Million yen 187,526 | Million yen (321,988) | Million yen 254,732 | Million yen 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 December 31, 2024 | Yen — | Yen 7.00 | Yen — | Yen 8.00 | Yen 15.00 | Million yen 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 |
|-----------|--------------------------|------------------|------------------------|---|--------------------------|
| Full year | Million yen 1,920,000 | % 8.2 | Million yen 283,000 | % 10.1 | Million yen 274,000 |

*** 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 | - |
|-------------------------------------|---|----------|---|

(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.

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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) |
| Gross profit | 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) |
| Operating profit | 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 |
| Profit before tax | 180,081 | 250,565 |
| Income taxes | (52,848) | (69,390) |
| Profit | 127,233 | 181,174 |
| <hr/> | | |
| Profit attributable to | | |
| Owners of parent | 125,889 | 179,800 |
| Non-controlling interests | 1,343 | 1,373 |
| Profit | 127,233 | 181,174 |
| <hr/> | | |
| Earnings per share | | |
| 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 |
|---|--|--|
| Profit | 127,233 | 181,174 |
| Other comprehensive income | | |
| 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 |
| Total other comprehensive income | 152,472 | 94,363 |
| Comprehensive income | 279,705 | 275,538 |
| Comprehensive income attributable to | | |
| Owners of parent | 277,371 | 273,133 |
| Non-controlling interests | 2,334 | 2,404 |
| Comprehensive income | 279,705 | 275,538 |

(2) Consolidated Statement of Financial Position

(Million yen)

| | As of December 31, 2024 | As of December 31, 2025 |
|---|----------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| 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 |
| Subtotal | 1,047,077 | 1,277,389 |
| Assets held for sale | 8,131 | 1,492 |
| Total current assets | 1,055,208 | 1,278,882 |
| Non-current assets | | |
| 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 |
| Total non-current assets | 2,013,374 | 2,738,856 |
| Total assets | 3,068,582 | 4,017,738 |

| | (Million yen) | |
|--|----------------------------|----------------------------|
| | As of December 31, 2024 | As of December 31, 2025 |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| 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 |
| Total current liabilities | <u>582,072</u> | <u>592,677</u> |
| Non-current liabilities | | |
| 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 |
| Total non-current liabilities | <u>879,078</u> | <u>1,601,988</u> |
| Total liabilities | <u>1,461,151</u> | <u>2,194,665</u> |
| Equity | | |
| 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 |
| Total equity attributable to owners of parent | <u>1,589,520</u> | <u>1,803,859</u> |
| Non-controlling interests | <u>17,910</u> | <u>19,213</u> |
| Total equity | <u>1,607,431</u> | <u>1,823,073</u> |
| Total liabilities and equity | <u>3,068,582</u> | <u>4,017,738</u> |

(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 |
|--|--|--|
| Cash flows from operating activities | | |
| 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) |
| Subtotal | 216,840 | 255,461 |
| 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) |
| Net cash provided by (used in) operating activities | 167,401 | 187,526 |
| Cash flows from investing activities | | |
| 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 |
| Net cash provided by (used in) investing activities | (148,106) | (321,988) |
| Cash flows from financing activities | | |
| 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) |
| Net cash provided by (used in) financing activities | (37,377) | 254,732 |
| Effect of exchange rate changes on cash and cash equivalents | 14,771 | 15,424 |
| Adjustments for hyperinflation | 1,965 | 341 |
| Net increase (decrease) in cash and cash equivalents | (1,346) | 136,036 |
| Cash and cash equivalents at beginning of period | 289,647 | 288,301 |
| Cash and cash equivalents at end of period | 288,301 | 424,337 |

(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 | <u>(426,033)</u> |
| Fair value of assets acquired and liabilities assumed, net | <u>(126,296)</u> |

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 | <u>28,041</u> | <u>27,658</u> |
| Best estimate of contractual cash flows not expected to be collected | (383) | — |
| Net total | <u>27,658</u> | <u>27,658</u> |

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.