

**FY2025 4Q Financial Results Conference Call &  
Medium-Term Strategy Update Briefing Summary  
February 13, 2026**



Good afternoon, everyone. I am Yuichiro Wakatsuki, Co-President of Nippon Paint Holdings.

Thank you very much for joining us today. I will begin with a review of our fourth-quarter and full-year results for FY2025, followed by an update on our Medium-Term Strategy.

As you know, we typically provide a formal update on our Medium-Term Strategy each April. In 2025, however, we experienced several significant developments, most notably the consolidation of AOC. At our IR Day in November 2025, we discussed these developments in depth, including AOC, NIPSEA China, the Türkiye Group, and our M&A strategy. Given that our overarching strategic direction remains unchanged, today's update will be streamlined, with a primary focus on recent progress and key developments.

Please also note that members of the press are in attendance today.

## Supplementary Information

### Operating Results Analysis

This report primarily uses "Adjusted Profit" to explain operating results and trend analysis.

- Adjusted Profit: Profit from consolidated financial statements excluding one-off or non-recurring items; subsidies, etc. are included
- This metric provides a clearer view of the Group's core profitability and sustainable growth, capturing the impact of exchange rate movements and M&A contributions

	Reported basis (Tanshin)	Adjusted Profit
FX impact	Included	Included
M&A contributions	Included	Included
One-off and non-recurring items (e.g., M&A-related expenses, PPA-related expenses, impairment losses, non-recurring provision for credit losses, gain (loss) on sale of fixed assets)	Included	Excluded
Hyperinflationary accounting <sup>1)</sup>	Included	Excluded

### FX rates used

	P/L: average rate <sup>2)</sup>										F/P: closing rate		(For reference) Estimates of FX sensitivity Impact per 1 yen change (FY2025 full-year impact)			
	FY2024					FY2025					FY2026	FY2024	FY2025	Revenue	Operating profit	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	Guidance	As of Dec. 31	As of Dec. 31			
JPY/USD	149.9	158.2	148.7	154.2	152.2	151.2	143.7	148.4	155.8	149.8	150.0	158.2	156.5	USD	c. ¥2.0 bn	c. ¥0.4 bn
JPY/RMB	20.8	21.8	20.7	21.3	21.1	20.8	19.9	20.8	22.1	20.9	21.5	21.7	22.4	RMB	c. ¥25.5 bn	c. ¥3.6 bn
JPY/AUD	97.8	104.6	98.9	99.1	100.1	94.3	92.6	96.7	102.7	96.6	100.0	98.5	104.8	AUD	c. ¥4.2 bn	c. ¥0.4 bn
JPY/EUR	162.2	170.1	161.6	163.6	164.4	159.3	165.1	172.2	181.4	169.5	175.0	164.9	184.3			
JPY/TRY <sup>3)</sup>	4.7	4.9	4.2	4.5	4.5	4.0	3.6	3.6	3.7	3.7	3.5	4.5	3.7			
JPY/IDR	0.0095	0.0097	0.0094	0.0097	0.0096	0.0092	0.0088	0.0090	0.0093	0.0091	0.0090	0.0098	0.0093			

### Terminology

-RMCC	: Raw Material Cost Contribution	-CC	: Construction Chemicals
-CCM	: Computerized Color Matching	-NPCCS	: Nippon Paint Corporate Solutions
-ETICS	: External Thermal Insulation Composite System	-c.	: Circa (approximately)
-SAF	: Sealants, Adhesives & Fillers	-Adj	: Adjusted
-LSD: Low single-digit percentage; MSD: Mid single-digit percentage; HSD: High single-digit percentage; DD: Double-digit percentage; LDD: Low double-digit; Flat: ±0%			

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<sup>1)</sup> Revenue figures presented are after applying hyperinflationary accounting and are unadjusted. <sup>2)</sup> The yen-converted amount for each individual quarter is derived by subtracting the yen-converted amount for the prior cumulative period from that of the current cumulative period. Accordingly, the exchange rate for the standalone quarter is not used in calculating the quarterly yen-converted amount. <sup>3)</sup> Closing rates are used following the application of hyperinflationary accounting.

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Please note that beginning in the third quarter of 2025, we implemented revisions to our disclosure approach. These enhancements have been generally well received by investors. We remain committed to incorporating constructive feedback from investors and will continue refining our disclosures where appropriate.

We have also updated the way we present foreign exchange information. Rather than disclosing cumulative average rates, we now present the exchange rate for each individual quarter. In the fourth quarter of 2025, the yen was weaker year on year, while on a full-year basis it was slightly stronger. Our assumed FX rates for 2026 are modestly stronger than current spot levels and broadly consistent with the average levels seen in 2025.

## 1. 4Q Historical Performance Summary

(Billion yen)		FY2018 4Q	FY2019 4Q	FY2020 4Q	FY2021 4Q	FY2022 4Q	FY2023 4Q	FY2024 4Q	FY2025 4Q	FY2018-FY2025 4Q CAGR (%)
Consolidated P/L	Revenue	153.2	196.9	216.0	262.0	329.1	356.7	416.0	455.9	16.9%
	Gross profit	57.4	79.8	89.5	97.4	126.4	144.9	166.7	195.6	19.1%
	Gross profit margin	37.5%	40.5%	41.4%	37.2%	38.4%	40.6%	40.1%	42.9%	-
	Adj operating profit	19.6	24.8	25.1	24.8	35.9	42.0	48.0	73.9	20.9%
	Adj OP margin	12.8%	12.6%	11.6%	9.5%	10.9%	11.8%	11.5%	16.2%	-
	Adj profit <sup>*1</sup>	10.3	12.9	14.3	20.6	29.4	30.0	31.9	55.6	27.3%
	Adj EPS (yen)	6.4	8.0	8.9	8.8	12.5	12.8	13.6	23.8	20.6%
	EPS (yen)	6.4	2.6	8.3	7.6	10.5	10.7	12.3	19.5	17.1%
Organic/Inorganic Growth		FY2018 4Q	FY2019 4Q	FY2020 4Q	FY2021 4Q	FY2022 4Q	FY2023 4Q	FY2024 4Q	FY2025 4Q	FY2018-FY2025 4Q Average (%)
	Adj operating profit	19.6	24.8	25.1	24.8	35.9	42.0	48.0	73.9	-
	Adj organic operating profit	19.6	20.2	25.1	20.2	35.2	41.8	45.8	59.6	-
	Adj operating profit from M&A <sup>*2</sup>	-	4.6	-	4.6	0.7	0.2	2.2	14.4	-
	Adj growth rate	-	26.9%	1.2%	-1.3%	44.9%	16.8%	14.4%	54.0%	22.4%
	Adj organic operating profit contribution	-	3.3%	1.2%	-19.7%	42.0%	16.3%	9.1%	24.0%	10.9%
	Adj operating profit contribution from M&A	-	23.6%	-	18.4%	2.9%	0.5%	5.3%	29.9%	11.5%

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\*1 Adjusted profit attributable to owners of parent \*2 Profit from businesses acquired and consolidated within the last 12 months

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## 1. Full-Year Historical Performance Summary

(Billion yen)		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2018-FY2025 CAGR (%)
Consolidated P/L	Revenue	627.7	692.0	772.6	998.3	1,309.0	1,442.6	1,638.7	1,774.2	16.0%
	Gross profit	242.2	275.6	321.2	378.3	487.5	576.1	657.4	750.2	17.5%
	Gross profit margin	38.6%	39.8%	41.6%	37.9%	37.2%	39.9%	40.1%	42.3%	-
	Adj operating profit	86.3	95.9	92.5	101.3	140.8	181.5	199.6	274.9	18.0%
	Adj OP margin	13.7%	13.9%	12.0%	10.1%	10.8%	12.6%	12.2%	15.5%	-
	Adj profit <sup>*1</sup>	44.8	48.8	48.6	79.4	106.6	135.3	141.9	201.7	24.0%
	Adj EPS (yen)	27.9	30.5	30.3	34.6	45.4	57.6	60.4	86.0	17.4%
	EPS (yen)	28.3	22.9	28.5	29.0	33.8	50.4	53.6	76.7	15.3%
Organic/Inorganic Growth		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2018-FY2025 Average (%)
	Adj operating profit	86.3	95.9	92.5	101.3	140.8	181.5	199.6	274.9	-
	Adj organic operating profit	86.3	87.3	78.9	87.3	132.6	180.3	193.2	218.9	-
	Adj operating profit from M&A <sup>*2</sup>	-	8.6	13.6	14.0	8.2	1.3	6.4	56.0	-
	Adj growth rate	-	11.1%	-3.6%	9.6%	39.0%	28.9%	9.9%	37.8%	19.0%
	Adj organic operating profit contribution	-	1.2%	-17.7%	-5.6%	30.9%	28.0%	6.4%	9.7%	7.5%
	Adj operating profit contribution from M&A	-	10.0%	14.1%	15.2%	8.1%	0.9%	3.5%	28.1%	11.4%

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The tables on pages 3 and 4 provide a summary of our long-term performance trajectory. When viewed over time, our fourth-quarter and full-year results underscore our strong and consistent growth track record, supported by both organic and inorganic expansion, and strategic M&A.

Looking specifically at the long-term full-year performance trend, we believe the data highlights the resilience of our organic earnings capacity. Although organic profit growth turned temporarily negative in 2020 due to the impact of COVID-19 and again in 2021 amid a sharp rise in raw material costs, growth has rebounded significantly since 2022.

## 2. FY2025 4Q Results: Record-Breaking Revenue and Operating Profit

- Revenue grew +13.6%<sup>†</sup> on a comparable basis, supported by M&A contributions (notably AOC), volume growth, and adjacencies expansion

- Adjusted operating profit surged +54.0% (organic: +24.0%, inorganic: +29.9%), reflecting strong topline-growth and RMCC and SG&A efficiencies; adjusted OP margin improved by +470 bps to 16.2%

- AOC remained a high-profit contributor; market conditions are showing signs of bottoming out
- NIPSEA China achieved profitability improvement and operating profit growth despite weak market conditions
- NIPSEA Except China delivered volume growth, driven by sales campaigns

(Billion yen)	FY2024 4Q	FY2025 4Q	YoY
Revenue	416.0	455.9	+9.6% (+13.6%)*
Gross profit	166.7	195.6	+17.3%
Gross profit margin	40.1%	42.9%	+280 bps
Adj operating profit	48.0	73.9	+54.0%
Adj OP margin	11.5%	16.2%	+470 bps
Adj EPS (yen)	13.6	23.8	+75.4%
EPS (yen)	12.3	19.5	+57.8%

Let me now turn to an overview of our fourth-quarter performance for 2025.

We achieved record highs in both revenue and operating profit. Revenue increased by 14%, while adjusted operating profit rose by 54% and adjusted EPS grew by 75%, reflecting a significant expansion in earnings. In terms of the drivers behind adjusted operating profit growth, organic factors contributed 24% and inorganic factors contributed 30%. As a result, our adjusted operating profit margin improved by 470 basis points.

By region, AOC continued to make a strong contribution to overall profitability. Following recent U.S. rate cuts, we are beginning to observe early signs of market stabilization. In NIPSEA China, although macroeconomic conditions remained challenging, we maintained a disciplined, margin-focused approach and continued to deliver profit growth. In NIPSEA Except China, volumes showed broad-based improvement.

### 3. FY2025 Results: Record-High Revenue and Operating Profit

- Revenue grew +11.4%\* on a comparable basis, reflecting strong M&A contributions (notably AOC), volume growth, and adjacencies expansion

- Adjusted operating profit surged +37.8% (organic: +9.7%, inorganic: +28.1%), driven by higher revenue and RMCC and SG&A efficiencies; adjusted OP margin improved by +330 bps to 15.5%

- Operating profit, net profit, and EPS each outperformed FY2025 guidance disclosed in April 2025 (¥244.0 bn, ¥162.0 bn, and ¥69.0)

(Billion yen)	FY2024	FY2025	YoY
Revenue	1,638.7	1,774.2	+8.3% (+11.4%)*
Gross profit	657.4	750.2	+14.1%
Gross profit margin	40.1%	42.3%	+220 bps
Adj operating profit	199.6	274.9	+37.8%
Adj OP margin	12.2%	15.5%	+330 bps
Adj EPS (yen)	60.4	86.0	+42.3%
EPS (yen)	53.6	76.7	+43.0%

Next, I will review our full-year results for 2025.

Revenue increased by 11% year on year, while adjusted operating profit rose by 38%. As a result, our adjusted operating profit margin improved by 330 basis points to 15.5%. Adjusted EPS increased by 42.3%. Reported EPS reached JPY 76.7, and together with operating profit and net profit, we significantly exceeded the guidance announced in April 2025.

#### 4. FY2026 Guidance: On Track for Record-High Revenue and Operating Profit

- Revenue is forecast to grow c.+8%, leveraging competitive advantages across regions and businesses despite a soft market outlook
- Adjusted operating profit is expected to expand c.+10%, driven by RMCC improvement, partially offset by increased SG&A; adjusted OP margin to show a modest uptick
- Adjusted EPS is projected to increase c.+10%, with the annual dividend raised by ¥1 to ¥17
- AOC return to +LSD revenue growth following the market bottoming out
- NIPSEA China: +HSD growth in TUC revenue and profits, outperforming the market growth of -LSD
- NIPSEA Except China: Expected to deliver stable growth exceeding +HSD across markets, supported by leading market position

(Billion yen)	FY2025 Results	FY2026 Forecast	YoY
Revenue	1,774.2	1,920.0	+8.2%
Adj operating profit	274.9	-	c.+10%
Operating Profit	257.1	283.0	+10.1%
OP margin	14.5%	14.7%	+20 bps
Profit*	179.8	198.0	+10.1%
Adj EPS (yen)	86.0	-	c.+10%
EPS (yen)	76.7	85.3	+11.4%
Annual dividend (yen)	16	17	+1

Turning to our full-year outlook for 2026, we expect the macroeconomic environment to remain challenging. Nevertheless, we are forecasting new record highs in both revenue and operating profit. We project revenue growth of approximately 8%, with both adjusted operating profit and net profit expected to increase by around 10%. In addition, we anticipate a modest improvement in our adjusted operating profit margin.

Reported EPS is forecast at JPY 85.3, representing an 11.4% increase year on year. This includes slightly more than 100 basis points of uplift attributable to the share buyback program we have been executing since October 2025.

By region, we expect AOC to return to low single-digit revenue growth. In NIPSEA China, as discussed at our IR Day, we anticipate TUC will deliver high single-digit revenue growth alongside continued profit expansion. For NIPSEA Except China, supported by our strong market positions, we expect stable high single-digit - or higher - growth across each market.

With respect to shareholder returns, as announced at the time of the AOC acquisition in October 2024, we have adopted a progressive dividend policy. While we will continue to prioritize deleveraging in order to preserve financial flexibility for future M&A, in light of our solid performance, we are forecasting a JPY 1 increase in the annual dividend.

### 5. Assumptions for FY2026 Forecast (1)

(Billion yen)		Revenue		Adj operating profit		Adj OP margin		Overview
		FY2025 results (bn yen)	FY2026 forecast (In LCY)	FY2025 results (bn yen)	FY2026 forecast (In LCY)	FY2025 results (%)	FY2026 forecast (In LCY) <sup>1</sup>	
Japan	Segment total	205.4	+LSD	22.0	+LSD	10.7%	→	
	Automotive	39.7	Flat					Pursue earnings improvement initiatives amid a flat automotive production outlook
	Decorative	46.9	+MSD					Enhance execution capabilities across project origination, new customer acquisition, solution proposals, and customer support, while accelerating the launch of high-performance, differentiated products to outperform market growth
	Industrial	40.1	Flat					Accelerate earnings initiatives through pricing actions, market share gains, and expansion into new markets
NIPSEA China	Segment total	470.7	+HSD	69.2	+HSD	14.7%	→	
	Decorative (TUC)	386.7 <sup>2</sup>	+HSD					Deepening brand leadership, driving premiumization through Magic Paint and full-scenario solutions, accelerating share gains in texture coatings
	Decorative (TUB)		+LSD					Continuing to balance and pivot toward non-residential segments, deepening partnerships with high-quality project vendors and government enterprises, and expansion of scenario-based, end-to-end coating solutions
	Automotive	58.4	+DD					Strengthening OEM partnerships, upgrading technology capabilities and accelerating customer conversions through more competitive pricing and improved performance systems

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### 5. Assumptions for FY2026 Forecast (2)

(Billion yen)		Revenue		Adj operating profit		Adj OP margin		Overview
		FY2025 results (bn yen)	FY2026 forecast (In LCY)	FY2025 results (bn yen)	FY2026 forecast (In LCY)	FY2025 results (%)	FY2026 forecast (In LCY) <sup>1</sup>	
NIPSEA Except China	Segment total	416.8	+HSD	81.8	Flat	19.6%	↘	
	Malaysia Grp. Singapore Grp. Thailand Grp.		+MSD				↘	Accelerating growth by leveraging total coating and construction solutions, strengthening brand thought leadership and capitalizing distribution network strength to scale high potential adjacencies
	PT Nipsea (Indonesia)	65.9	+HSD	22.2	+HSD	33.7%	→	Pursuing growth via volume-led expansion across both Decorative and Industrial, pushing for deeper dealer penetration, OCM machines expansion, premium product growth, waterproofing and SAFL (Sealants, Adhesives, Filters and Lubricants) and adjacencies
	Betek Boya (Türkiye)	94.8	+DD	16.2	-MSD	17.1%	↓	Strengthening leadership in Decorative and ETICS, driving profitable growth through price optimization, boosting market share with new product innovation and stronger channel penetration
Dulux Group	Segment total	405.2	+MSD	44.8	+MSD	11.1%	→	
	DGL (Pacific)	251.2	+MSD	35.4	+LSD	14.1%	→	Revenue growth of mid-single digits, supported by small share gains, despite flat markets
	DGL (Europe)	153.9	+MSD	9.4	+DD	6.1%	→	Revenue growth driven by share gains, with markets showing signs of recovery
Americas	Segment total	119.0	+MSD	6.7	+HSD	5.7%	→	
	Automotive	44.5	+LSD					Deliver growth that outpaces the increase in auto production through new business acquisition, while increasing business profit by reducing raw material and other variable costs
	Decorative	72.3	+MSD					Higher revenue due to expected improvement in the housing market and a price increase
AOC <sup>2</sup>	157.3	+LSD	53.7	+MSD	34.1%	→	Projecting modest top-line growth reflecting anticipated improvement of market demand benefitting from projected macroeconomic recovery in select geographies	

NIPPON PAINT GROUP \*1 ↑: 2~2%, ↗: +1%~+2%, →: -1%~+1%, ↘: -1%~2%, ↓: 2~2% \*2 FY2025 results include 10-month earnings

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Pages 8 and 9 outline the key assumptions underpinning our segment outlook. In summary, we expect NIPSEA China and NIPSEA Except China to remain the principal engines of revenue growth, while continuing to deliver profitable expansion in each region by leveraging our competitive advantages.

## 6. Market & Business Environment

		Japan	NIPSEA China		DGL (Pacific)	DGL (Europe)	Americas	AOC
FY2025 4Q	Automotive	⇒	⇩		⇩	⇩	⇒	(Adjacencies)
	Decorative	⇒	⇒ TUC	⇒ TUB	⇒	⇒	⇒	⇒
FY2026 1Q (outlook)	Automotive		■		⇩	⇩		(Adjacencies)
	Decorative		TUC	TUB				
FY2026 (outlook)	Automotive				⇩	⇩		(Adjacencies)
	Decorative		TUC	TUB				

■ Market (YoY)  
■ Strong ■ ■ ■ ■ ■ Weak

■ Business (vs. Market)\*  
 ⇩ Outperform ⇨ Inline ⇩ Underperform

\*Internal estimates

Overall market conditions remain challenging, and in this environment, we will maintain a disciplined focus on delivering sustainable and profitable growth.

## 7. Summary of Operating Results in Major Segments

(Billion yen)		FY2024 4Q	FY2025 4Q	YoY	Overview
Japan <sup>*1</sup>	Revenue	53.5	54.0	+1.0%	Higher revenue, driven by industrial segment growth from price pass-through, offsetting softness in automotive and decorative segments
	Adj OP	6.0	7.1	+18.1%	Higher profit, reflecting improved RMCC and tighter SG&A control
NIPSEA China	Revenue	122.2	100.2	-18.0% (-6.9% <sup>*2</sup> )	China's total revenue decreased by 6.9% <sup>*2</sup> on a comparable basis amidst the weak overall property market and market sentiment
	Adj OP	9.8	12.9	+31.1%	Higher profit, despite lower revenue, due to lower RMCC ratio and cost cutting measures
NIPSEA Except China	Revenue	111.1	116.3	+4.7%	Revenue is up, supported by growth from Malaysia Group, Singapore Group, Thailand Group, PT Nipsea, Alina and India
	Adj OP <sup>*3</sup>	20.8	27.2	+30.6%	Profit increased, as a result of the higher revenue, and also benefitting from an improvement in the RMCC ratio, despite the weaker exchange rates
DGL (Pacific)	Revenue	65.6	73.2	+11.5%	Higher revenue in decorative paint with small share gains and mix benefits, together with growth from small scale acquisitions in adjacencies
	Adj OP	10.6	11.6	+9.9%	Profit higher driven by higher revenue from mix, and small scale acquisitions in adjacencies
DGL (Europe) <sup>*4</sup>	Revenue	34.0	38.2	+12.1%	Decorative revenues slightly higher, driven by Southern Europe and JUB, with France markets flat. FX upside on prior year
	Adj OP	0.6	0.7	+21.0%	Higher profits in Southern Europe, with France and JUB slightly lower. FX gain on prior year
Americas	Revenue	29.5	28.4	-3.8%	Revenue was lower, with lower revenue in the decorative business as economic uncertainty continued to affect demand and the housing market remained sluggish and lower revenue in the automotive business affected by soft market
	Adj OP	0.9	0.8	-9.5%	Profit lower, despite an improved RMCC ratio, due to lower operating profit in the decorative business caused by lower topline demand
AOC <sup>*5</sup>	Revenue	-	45.6	-	Overall market demand demonstrated slight improvement across regions
	Adj OP	-	14.0	-	Slightly higher overall market demand; affected by timing of operating expenses and recognition of ¥2.1 billion in PPA-related depreciation of property, plant and equipment

<sup>\*1</sup> Recorded ¥7.6 billion in gain on the transfer of non-current assets at the Tokyo Office, not included in adjusted operating profit. <sup>\*2</sup> Assuming that the change of the agent model for the trading business in China's decorative business had been implemented in FY2024. <sup>\*3</sup> Excludes adjustments for unrealized profit on inventory from intersegment transactions of similar items. The total for the NIPSEA segment does not equal the combined totals of NIPSEA China and NIPSEA Except China. <sup>\*4</sup> As a result of weaker European market conditions, we conducted an impairment test reflecting the latest business environment for Cromology Group and recorded a ¥5.5 billion goodwill impairment loss, not included in adjusted operating profit. <sup>\*5</sup> Recognized ¥7.2 billion in PPA-related expenses. Adjusted operating profit includes ¥2.1 billion in PPA-related depreciation of property, plant and equipment, but excludes ¥2.4 billion in PPA-related inventory step-up costs and ¥2.6 billion in PPA-related amortization of intangible assets.

On page 11, I will briefly touch on the performance of our major segments, with further details to be addressed during the Q&A session.

1. Japan: Market conditions remained soft, and volumes declined accordingly. However, through an improved product mix, we achieved a slight increase in revenue. Adjusted operating profit rose by approximately 18%, even excluding gains on the sale of non-current assets, supported by an improved raw material cost contribution ratio and disciplined SG&A control. As a result, adjusted operating profit margin improved significantly to 13.1%.
2. NIPSEA China: Market conditions were weak across most segments, with the exception of automotive. Nevertheless, we delivered 30% year-on-year operating profit growth in the fourth quarter. Through rigorous cost management, we achieved nearly a 500 basis point improvement in operating profit margin despite softer demand. Looking ahead to 2026, while market conditions are expected to remain challenging, as noted earlier, we aim to return to a revenue growth trajectory by leveraging our competitive strengths.
3. NIPSEA Except China: Both revenue and operating profit continued to grow, more than offsetting the negative impact from foreign exchange movements.
4. DuluxGroup: In the Pacific region, market conditions were broadly flat. Nevertheless, we delivered near double-digit growth in both revenue and operating profit, supported by volume expansion, an improved product mix, small-scale acquisitions, and favorable FX effects - demonstrating stable and consistent growth. In Europe, market conditions were mixed. France recovered to approximately the prior year's level, Southern Europe remained strong, while the ETICS (External Thermal Insulation Composite System) market at JUB was weak. Even so, aided by favorable exchange rates, we achieved growth in both revenue and operating profit. However, in light of the deteriorating market

environment in Europe, we conducted an impairment test on the Cromology Group and recorded a goodwill impairment loss of JPY 5.5 billion.

5. Americas: In the automotive segment, overall automobile production across the Americas declined. In the decorative segment, housing demand softened amid persistently high long-term interest rates. As a result, both revenue and operating profit in the Americas decreased year on year.
6. AOC: AOC continued to make a strong profit contribution while maintaining very high margins. For reference, revenue declined by 2% year on year, which we view as an early indication that the market may be approaching a bottom. The PPA process has now been completed. On an unadjusted basis, we recognized a total of JPY 5.1 billion in intangible asset amortization and inventory step-up costs. In addition, JPY 2.1 billion of depreciation on tangible fixed assets is included even in our adjusted figures; excluding this impact, the adjusted operating profit margin would remain at approximately 35%.

## 8. Major Topics (1)

### “IR DAY 2025” (held on November 26, 2025)

- Our second IR DAY (briefing for institutional investors)

Program	Speaker
Opening Remarks	Yuichiro Wakatsuki, Director, Representative Executive Officer & Co-President
AOC's Competitive Advantage and Business Strategy	Joe Salley, AOC Chief Executive Officer
	Bob Seidel, AOC Chief Financial Officer
NIPSEA Group Business Strategy (NIPSEA China and Türkiye Group)	Wee Siew Kim, Director, Representative Executive Officer & Co-President
M&A Strategy	Yuichiro Wakatsuki, Director, Representative Executive Officer & Co-President

For more details, including on-demand video and presentation materials, please visit our IR website: <https://www.nipponpaint-holdings.com/en/ir/library/materials/>

### Continued High Ratings from Major Japanese IR and Sustainability Evaluation Organizations (announced on December 25, 2025)

- In FY2025, we once again received high ratings from three leading Japanese evaluators of IR and sustainability websites
- Pursue enhancement of both sites and promote active stakeholder engagement to build up long-term trust

Name of Evaluation organization	Award Received in 2025
Daiwa Investor Relations Co., Ltd. 2025 Internet IR Award	Grand Prize for 5th consecutive year (2nd place among 4,122 companies) Sustainability category: Grand Prize (8th place)
BroadBand Security, Inc. Gomez IR Site Ranking 2025 Gomez ESG Site Ranking 2025	IR Category: Gold Prize for 5th consecutive year (2nd place overall) ESG category: Excellent Company
Nikko Investor Relations Co., Ltd. All Japanese Listed Companies' Website Ranking 2025	Overall ranking: AAA grade for 4th consecutive year By-Sector ranking (Chemical): AAA grade (1st place) for 4th consecutive year

## 8. Major Topics (2)

### Notice Regarding the Status of Acquisition of Treasury Stock (published on February 12, 2026)

- Progress of treasury stock buyback: 72.98% (share basis), 85.69% (value basis)

(1) Class of shares to be acquired:	Shares of common stock
(2) Total number of shares to be acquired:	Up to 35,000,000 shares (1.5% of total number of issued shares (excluding treasury stock))
(3) Total amount of shares to be acquired	Up to 30 billion yen
(4) Period of acquisition	From October 10, 2025 to February 28, 2026
(5) Method of acquisition	Market purchases on the Tokyo Stock Exchange under a discretionary trading agreement for the acquisition of treasury stock

Cumulative treasury stock acquired (as of January 31, 2026)

- |                                                        |
|--------------------------------------------------------|
| (1) Total number of shares acquired: 25,541,400 shares |
| (2) Total acquisition amount: ¥25,705,565,874          |

Further details are available in the press release at the following link:  
[https://www.nipponpaint-holdings.com/en/ir/news\\_release/20260212r01/](https://www.nipponpaint-holdings.com/en/ir/news_release/20260212r01/)

There are three key topics to highlight.

First, as previously announced, we held our IR Day in November 2025.

Second, we continued to receive strong evaluations from external assessors of our IR and sustainability disclosures. We sincerely appreciate the constructive feedback provided, which continues to support the enhancement of our communications.

Third, as announced yesterday, our share buyback program is progressing steadily. While we are naturally disappointed that our share price has been trading at relatively low levels, from a

buyback perspective this presents an opportunity to repurchase shares at an attractive valuation. If the program proceeds as planned, we expect it to be largely completed by the end of February, contributing approximately 120 basis points to year-on-year EPS growth.

This concludes the financial results portion of our presentation. I will now move on to provide an update on our Medium-Term Strategy.

# Nippon Paint Medium-Term Strategy Update Briefing

— Our Roadmap as Asset Assembler —

February 13, 2026

## 1. Executive Summary

### **We remain steadfast in our Asset Assembler strategy as the engine of unlimited organic and inorganic growth**

- Organic and inorganic initiatives remain core growth drivers and will continue to support sustained EPS compounding through a dual-pillar approach
- We execute bolt-on acquisitions via partner companies while advancing asset assembly at the holding company

### **Organic revenue and profit growth power remains very strong**

- While margin improvement was emphasized in 2025 amid challenging market conditions, our core strategy remains firmly focused on profitable growth through sales and market-share expansion
- Partner companies continued to deliver steady growth post-acquisition, leveraging the Group platform, including brand strength
- Organic growth, assuming the 2025 business portfolio, is targeted at +MSD revenue growth, +HSD in adjusted operating profit, and +HSD in adjusted EPS

### **Remain focused on actively pursuing M&A opportunities aligned with Maximization of Shareholder Value (MSV)**

- Focusing our capital allocation on M&A, backed by strong cash generation across our assets, unlocks the full potential of our platform
- With greater focus on capital cost, our M&A strategy is evolving from a primarily EPS-driven lens to a more holistic, ROIC-conscious framework, supported by stricter acquisition criteria
- We target companies in markets with secular growth and competitive advantages—across management quality, margins, and cash generation. In the near term, ample acquisition opportunities remain within the chemicals space, and will actively pursue synergies in both bolt-on acquisitions and asset-assembly

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I will begin with an executive summary.

There have been no fundamental changes to the Medium-Term Strategy originally announced in April 2024 and subsequently updated in April 2025. Accordingly, I will focus my remarks on the key points.

First, we remain firmly committed to our Asset Assembler strategy as the core engine driving unlimited organic and inorganic growth.

Second, our organic growth capabilities remain robust, as demonstrated by our 2025 results despite a challenging market environment. That said, revenue visibility is more limited than it

was in 2024. We are therefore adopting a slightly more cautious outlook for growth in NIPSEA China. In addition, with AOC now integrated into our portfolio - operating primarily in the U.S., where near-term market conditions remain somewhat challenging - we expect a degree of short-term dilution to our overall growth rate. As a result, we are modestly revising our medium-term targets from 8–9% revenue growth and 10 - 12% EPS growth to mid single-digit revenue growth and high single-digit EPS growth.

Third, with respect to inorganic growth, we will continue to pursue both bolt-on acquisitions and asset-assembly transactions. Even following the acquisition of AOC, we have remained actively engaged in evaluating new M&A opportunities. While we have walked away from transactions where valuation expectations could not be aligned or where we had concerns regarding long-term business sustainability, we believe the current environment presents a number of attractive opportunities for disciplined buyers. In the past, we have described our M&A scope as having “no limitations.” However, based on investor feedback that this message was overly broad and may not resonate clearly with new investors, we have sharpened our focus. Going forward, we will prioritize opportunities within the chemicals domain, targeting businesses operating in resilient growth markets with clear competitive advantages and strong potential to accelerate under our Group platform. We will pursue transactions that are EPS-accretive from year one and capable of achieving ROIC above WACC within approximately three years. To reiterate, M&A is not an objective in itself. We will continue to approach opportunities with strict discipline, including with respect to valuation.

## 2. Full-Year Historical Performance Summary

		(Billion yen)								FY2018-FY2025 CAGR (%)
		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Consolidated P/L	Revenue	627.7	692.0	772.6	998.3	1,309.0	1,442.6	1,638.7	1,774.2	16.0%
	Gross profit	242.2	275.6	321.2	378.3	487.5	576.1	657.4	750.2	17.5%
	Gross profit margin	38.6%	39.8%	41.6%	37.9%	37.2%	39.9%	40.1%	42.3%	-
	Adj operating profit	86.3	95.9	92.5	101.3	140.8	181.5	199.6	274.9	18.0%
	Adj OP margin	13.7%	13.9%	12.0%	10.1%	10.8%	12.6%	12.2%	15.5%	-
	Adj profit <sup>*1</sup>	44.8	48.8	48.6	79.4	106.6	135.3	141.9	201.7	24.0%
	Adj EPS (yen)	27.9	30.5	30.3	34.6	45.4	57.6	60.4	86.0	17.4%
	EPS (yen)	28.3	22.9	28.5	29.0	33.8	50.4	53.6	76.7	15.3%
Organic/Inorganic Growth		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2018-FY2025 Average (%)
	Adj operating profit	86.3	95.9	92.5	101.3	140.8	181.5	199.6	274.9	-
	Adj organic operating profit	86.3	87.3	78.9	87.3	132.6	180.3	193.2	218.9	-
	Adj operating profit from M&A <sup>*2</sup>	-	8.6	13.6	14.0	8.2	1.3	6.4	56.0	-
	Adj growth rate	-	11.1%	-3.6%	9.6%	39.0%	28.9%	9.9%	37.8%	19.0%
	Adj organic operating profit contribution	-	1.2%	-17.7%	-5.6%	30.9%	28.0%	6.4%	9.7%	7.5%
	Adj operating profit contribution from M&A	-	10.0%	14.1%	15.2%	8.1%	0.9%	3.5%	28.1%	11.4%

\*1 Adjusted profit attributable to owners of parent \*2 Profit from businesses acquired and consolidated within the last 12 months

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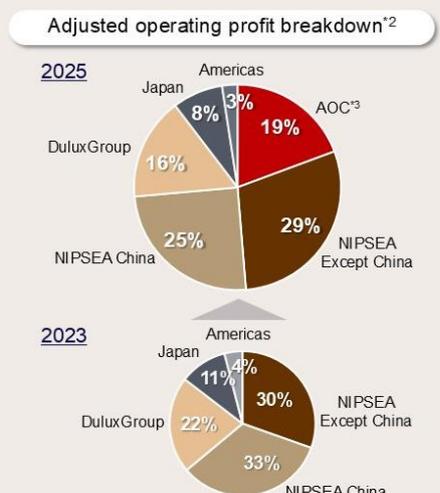
This slide is carried forward from our FY2025 fourth-quarter results presentation. From 2018 to 2025, we achieved a revenue CAGR of 16% and an adjusted EPS CAGR of 17.4%. Please note that the EPS growth shown here is calculated after adjusting for the impact of the equity issuance in 2021, which was undertaken in connection with the full integration of our Asian joint ventures and the acquisition of the Indonesia business. We believe these figures clearly demonstrate our long-term growth capability through a balanced combination of organic and inorganic expansion, and we remain committed to consistently delivering on our commitments.

### 3. Review of Our Medium-Term Strategy (Launched in April 2024)

Achieved strong results despite challenging markets: +6.7%\*<sup>1</sup> organic revenue CAGR on a comparable basis and +10.3% adjusted EPS CAGR, with additional upside from inorganic growth

Consolidated basis					
(Billion yen)	FY2023	FY2024	FY2025	FY2023-FY2025 CAGR (excl. AOC)	FY2023-FY2025 CAGR (incl. AOC)
Revenue	1,442.6	1,638.7	1,774.2	5.9% (6.7%)* <sup>1</sup>	10.9%
Operating profit	168.7	186.2	257.1	11.2%	23.4%
OP margin	11.7%	11.4%	14.5%	-	-
Adj operating profit	181.5	199.6	274.9	10.4%	23.1%
Adj OP margin	12.6%	12.2%	15.5%	-	-
Adj EPS (yen)	57.6	60.4	86.0	10.3%	22.2%
EPS (yen)	50.4	53.6	76.7	9.8%	23.3%

- Organic growth continues, underpinned by the ongoing contribution and steady growth of acquired businesses
- Our strategic initiatives, including AOC's acquisition, has structurally strengthened our margin profile, cash generation, and portfolio mix



\*1 Assuming the change of the agent model for the trading business in China's decorative business had been implemented in FY2023 \*2 Percentages to the total sum of segment profit \*3 10-month earnings

This page provides a brief review of developments since we first disclosed our Medium-Term Strategy in April 2024.

At that time, we did not anticipate the acquisition of AOC and communicated medium-term targets of 8–9% revenue growth and 10–12% EPS growth. Over the past two years, on an organic basis, we delivered just under 7% revenue growth and slightly above 10% adjusted EPS growth - broadly in line with those targets. Considering the significant political and economic changes since April 2024, we believe this represents a strong performance. With the addition of AOC, we achieved 11% revenue growth and 22.2% growth in adjusted EPS. Revenue growth would have been approximately 12% assuming the change in the agent model for China's decorative trading business had been implemented in 2023. Compared with 2023, our margins and cash generation have improved, and our overall business portfolio has become more balanced.

## 4. Organic Growth (Summary)

Even in a challenging market, we met our profit targets through operational excellence, and will continue to drive strong growth

### 1 Market environment

- Compared with April 2024, when we announced our Medium-Term Strategy, the global economy has generally weakened, with GDP growth slowing in advanced countries; the paint market tends to track GDP to some extent

### 2 Our performance (vs. Medium-Term Strategy targets announced in April 2024)

- Solid growth delivered over the 3-year period (2023-2025), with revenue CAGR of +11% and adjusted operating profit CAGR of +23%
- Organic growth was supported by leveraging the strength of the Group platform across regions, resulting in revenue CAGR of +6.7% on a comparable basis<sup>\*1</sup> and adjusted operating profit CAGR of +10%, thereby meeting initial profit targets
- By region, NIPSEA Except China recorded strong performance with adjusted operating profit CAGR of +21%, while NIPSEA China, DuluxGroup, and Japan each delivered steady growth of +6% CAGR

### 3 Updates on Medium-Term Strategy targets

- Medium-term consolidated CAGR targets (based on the 2025 business portfolio) are set at +MSD for revenue, +HSD for adjusted operating profit, and +HSD for adjusted EPS
- By region and business: profit CAGR is expected to range from +MSD to +DD, with initiatives aimed at driving revenue growth and margin improvement through region-focused strategies

### 4 Our perspectives on the China business and AOC

- NIPSEA China and AOC have maintained their advantages despite a challenging market environment and remain key growth drivers

\*1 Assuming the change of the agent model for the trading business in China's decorative business had been implemented in FY2023

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Next, let me provide a summary of our organic growth outlook.

As we have consistently emphasized, the paint and coatings industry - particularly decorative paints - benefits from structurally resilient demand. Over the long term, demand expands steadily, supported by population growth, urbanization, and rising living standards. At the same time, it remains influenced by broader macroeconomic conditions. In light of the current environment, we believe it is prudent to adopt a measured and appropriately cautious set of assumptions.

Against this backdrop, as mentioned earlier, we delivered very strong organic growth, even excluding the consolidation impact of AOC. This continued organic expansion and solid cash generation provide a robust foundation from which we can pursue further growth.

With respect to our medium-term targets, based on our current portfolio, we are aiming for mid single-digit revenue growth and high single-digit growth in adjusted EPS. That said, internally, we remain focused on achieving double-digit growth.

Finally, as we emphasized at IR Day, both our China business and AOC continue to represent compelling growth platforms, and our conviction in their long-term potential remains unchanged.

#### 4. Organic Growth: 2024 Guidance, 2023-2025 Results, and Current Forecast

Segment	Our Medium-Term Growth							
	2024 guidance (in LCY)		2023-2025 Results			Current guidance (in LCY)		
	Revenue CAGR	OP margin (vs 2023) <sup>*1</sup>	Revenue CAGR	Adjusted OP CAGR	Adjusted OP margin (2025)	Revenue CAGR	Adjusted OP CAGR	Adjusted OP margin (vs 2025) <sup>*1</sup>
Japan	+0~5%	↗ (2023: 9.5%)	+1.0%	+6.3%	10.7%	+LSD	+MSD	↗
NIPSEA China	c. +10%	→ (2023: 12.5%)	-1.3% (+1.1%) <sup>*2</sup>	+5.9%	14.7%	+MSD	+MSD	→
NIPSEA Except China	+15~20%	→ (2023: 17.4%)	+20.1%	+20.7%	19.6%	+HSD	+HSD	→
DuluxGroup	c. +5%	↗ (2023: 9.6%)	+6.0%	+6.1%	11.1%	+MSD	+DD	↑
AOC	-	-	-	-	34.1% <sup>*3</sup>	+MSD	+MSD	↗

<sup>\*1</sup> ↑ : ≥+2%, ↗ : +1%~2%, → : -1%~+1%, ↘ : -1%~-2%, ↓ : ≤-2% <sup>\*2</sup> Assuming the change of the agent model for the trading business in China's decorative business had been implemented in FY2023 <sup>\*3</sup> 10-month earnings

This page compares our actual results for 2023–2025 with the assumptions we outlined in 2024, along with the outlook discussed earlier.

Japan: Operating margin improved broadly in line with our guidance, rising from 9.5% in 2023 to 10.7% in 2025 on an adjusted basis.

NIPSEA China: As mentioned, market conditions remained challenging, and our margin-first approach is clearly reflected in the results. Adjusted operating profit CAGR was 5.9%, somewhat below our original expectations. However, this shortfall was more than offset by the strong performance of NIPSEA Except China.

DuluxGroup: Performance has been broadly in line with our guidance. Looking ahead, a key factor will be the extent to which the recovery in Europe - particularly in France - continues.

## 4. Organic Growth: Our Perspective on the China Business

A return to growth driven by “Premiumization x Servitization x Application Mix Shift”

Outlook for 2026: TUC - High single-digit growth; TUB - Positive growth

Growth Drivers

TUC

TUB

### 1. Sustain premiumization through brand investment

Enhance Trend Color communication / Magic Paint awareness (via key digital platforms)



Integrated product-and-service solutions (e.g., “Decoration Solution”)



### 2. Tier 3-6 penetration: County Distributor x ASP\* model

Build direct service to painters



Hire 5,000 ASPs in 2025-2026

### 3. D2F (Direct2Front): Streamline delivery and installation

Accelerate order-to-delivery lead time (D2F order system)



In Shanghai, 70% orders distributed by D2F, with remaining 30% distributed by factory

### Shift from residential focus to new business avenues

Gradually increase proportion of non-residential sectors to over 50%



Focus areas: Commercial housing, industrial clean-room and high-end manufacturing, urban investment / general contractors (repainting) and municipal infrastructure and heavy industry (one-stop solution)

Market Environment: Continued softness expected, outlook remains subdued

\* Application Service Partner

With respect to NIPSEA China, Wee Siew Kim provided a detailed update at IR Day, so I will not repeat those points here. In summary, we are assuming that market conditions will remain soft; however, we intend to pursue growth more proactively. For 2026, we are targeting high single-digit revenue growth for TUC. That said, as shown on the previous page, for NIPSEA China overall, we consider mid single-digit revenue growth to be a realistic medium-term assumption. At the same time, we will continue refining our local initiatives with the aim of outperforming that level.

As we have consistently stated, China is an exceptionally dynamic market. We believe we are uniquely positioned, supported by strong brands, scale advantages, IT-driven capabilities, and our ability to develop new operating models across Tier 3 to Tier 6 cities. Should the market recover - something we are not currently factoring into our assumptions - we believe we will be among the best positioned to capture the upside.

## 5. Inorganic Growth (Summary)

Continue to pursue acquisitions of good assets, supported by strong organically generated cash flow

### 1 M&A market environment

- Amid heightened macroeconomic uncertainty, valuation multiples have generally moderated, creating a potentially favorable environment for acquiring good assets at reasonable valuations
- Globally, discussions and consideration of M&A transactions are showing signs of increased activity

### 2 Our track record

- With the exception of Cromology, acquired companies have generally delivered growth, with ROIC showing an improving trend
- AOC delivered the expected EPS contribution and strong cash generation from the first year following acquisition

### 3 Our strengths

- Discerning eye to identify good acquisition targets
- Maintaining and enhancing the motivation of talent joining our Group
- Autonomy with accountability
- Leverage low funding cost benefits

### 4 Our acquisition criteria and targets

- Markets with a solid growth outlook
- Companies with competitive advantages, including management quality, margins, and cash generation
- Companies expected to be EPS accretive from Year 1 and valuations structured to achieve ROIC exceeding WACC within three years
- Bolt-on acquisitions prioritize synergies; asset assembly pursues them but does not justify elevated valuations

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Next, let me turn to inorganic growth and M&A.

From a market perspective, amid ongoing macroeconomic uncertainty and a broad reset in valuation multiples, we believe the current M&A environment presents attractive opportunities for disciplined buyers. In fact, we are seeing deal-related discussions becoming increasingly active.

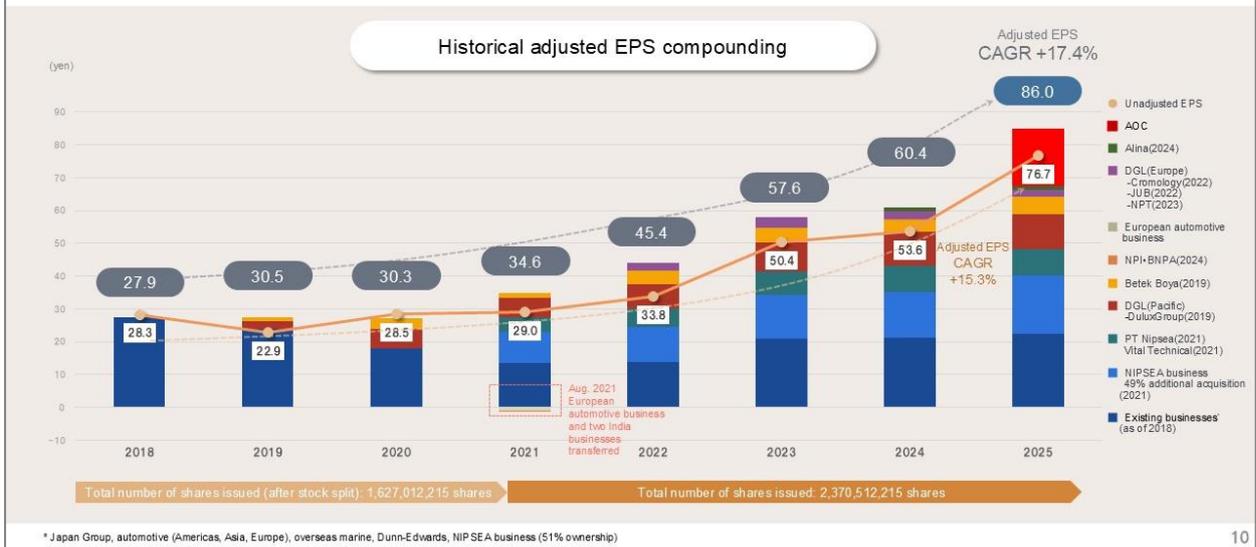
At the same time, our track record remains solid. AOC has already made a meaningful contribution, and as I will demonstrate on the following pages, the businesses we have acquired over the years have continued to grow and steadily enhance their returns.

Our advantage in accessing low-cost funding remains intact. That said, as interest rates have risen, our sensitivity to risk has naturally increased, leading us to take a more cautious stance. Even under current funding conditions, however, we believe there remain ample acquisition opportunities that can be pursued without compromising our financial soundness.

Our acquisition criteria and target profile are as outlined earlier. I would also like to address a point raised in investor feedback: we are by no means disregarding ROIC. On the contrary, as our valuation has moderated, our focus on ROIC has become even more disciplined, and we have correspondingly tightened our acquisition standards. At the same time, we do not intend to become overly ROIC-centric in a way that constrains our growth ambition. We believe the appropriate course is to maintain a well-balanced approach between financial discipline and long-term value creation.

## 5. Inorganic Growth: Our M&A Track Record (1)

Successfully and substantially compounded EPS since 2018 by driving organic and inorganic growth



This page presents an updated overview of our EPS compounding track record, which we have highlighted on several occasions.

To ensure there is no misunderstanding, let me clarify this point once again. In 2021, our share count increased by 46% following the full integration of our Asian joint ventures and the acquisition of the Indonesia business. As a result, the EPS contribution from our existing businesses may have appeared to decline temporarily due to the higher share base. However, on a total basis, EPS increased, as the earnings contribution from the newly integrated businesses more than compensated for the dilution effect.

## 5. Inorganic Growth: Our M&A Track Record (2)

Capital efficiency of acquired companies is increasing each year; AOC's ROIC (goodwill and intangible assets included) exceeded 7% starting in Year 1

### ROIC of major acquired assets

Including goodwill and intangible assets							Excluding goodwill and intangible assets						
	2020	2021	2022	2023	2024	2025		2020	2021	2022	2023	2024	2025
DGL (Pacific)	3.7%	4.4%	5.6%	5.8%	7.0%	7.2%	DGL (Pacific)	52.4%	40.1%	32.9%	34.2%	41.6%	42.3%
	(3.4%)	(3.6%)	(4.5%)	(4.6%)	(5.1%)	(5.5%)		(32.5%)	(23.1%)	(28.6%)	(29.3%)	(32.7%)	(34.7%)
Betek Boya	7.4%	9.9%	7.9%	11.8%	16.4%	18.4%	Betek Boya	21.9%	27.3%	19.0%	29.3%	38.3%	45.8%
	(9.1%)	(14.9%)	(20.7%)	(45.7%)	(68.1%)	(94.3%)		(20.8%)	(33.8%)	(47.5%)	(104.1%)	(155.1%)	(214.6%)
PT Nipsea	-	3.8%	5.3%	6.6%	7.1%	7.2%	PT Nipsea	-	34.7%	50.2%	62.2%	68.4%	68.1%
	-	(3.6%)	(4.4%)	(5.2%)	(5.4%)	(5.8%)		-	(34.0%)	(41.8%)	(49.0%)	(51.3%)	(55.1%)
Cromology	-	-	2.5%	2.9%	2.8%	2.1%	Cromology	-	-	50.3%	35.3%	31.0%	23.9%
	-	-	(2.3%)	(2.5%)	(2.2%)	(1.6%)		-	-	(49.1%)	(31.3%)	(28.7%)	(22.3%)
JUB	-	-	-	5.7%	6.6%	7.8%	JUB	-	-	-	12.8%	15.1%	17.4%
	-	-	-	(5.7%)	(6.2%)	(6.3%)		-	-	-	(12.4%)	(14.3%)	(14.4%)
AOC	-	-	-	-	-	7.2%	AOC	-	-	-	-	-	74.3%
	-	-	-	-	-	(7.2%)		-	-	-	-	-	(74.9%)

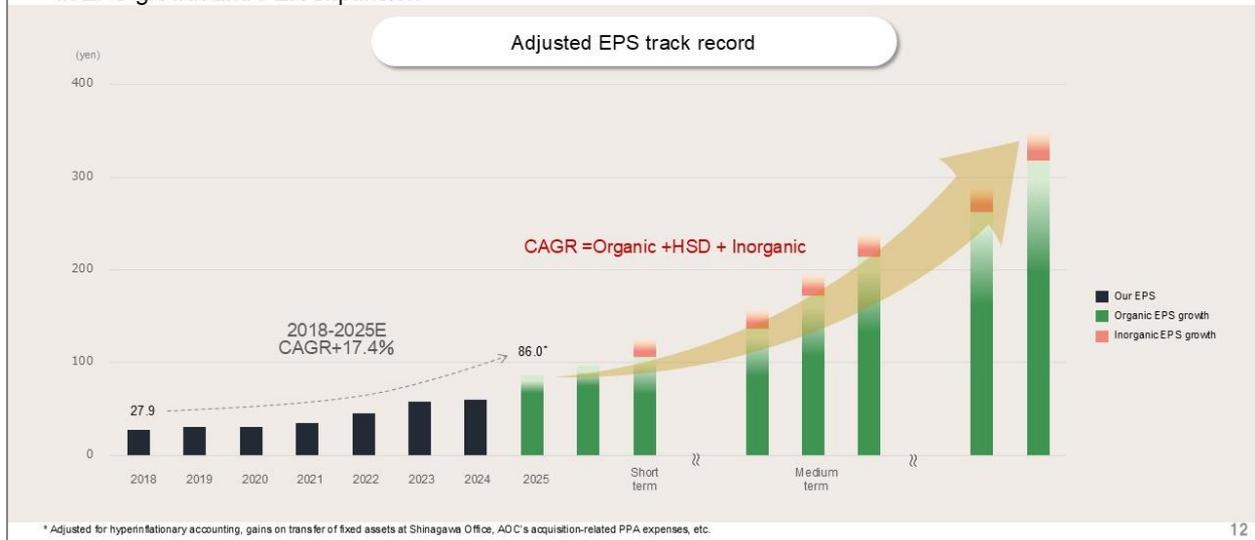
\* Assumptions for preparation  
 \* The ROIC for DGL (Pacific), Betek Boya and JUB excludes Year 1 as these companies were acquired during the fiscal year and starts from Year 2. PT Nipsea and Cromology, acquired at the beginning of the fiscal year, are included from Year 1.  
 \* None of these companies incurred any acquisition-related costs in Year 1.  
 \* DGL (Pacific): For 2019-2023, the DuPont Group figures reflect the consolidated total excluding Cromology and JUB. From 2024 onward, the figures reflect DGL (Pacific) only. For 2022, the figures exclude acquisition-related costs for Cromology and JUB (including small-scale acquisitions).  
 \* Betek Boya: Goodwill deducted from the denominator does not reflect adjustments under hyperinflationary accounting. After-tax operating profit, the numerator, is shown after applying hyperinflationary accounting.  
 \* For AOC, a 12-month long-form value is used. Inventory set-up is excluded.  
 \* For corporate tax rates, Betek Boya uses the statutory effective tax rate of 25% due to abnormal corporate tax rates due to hyperinflationary accounting. For other companies (PT Nipsea, DGL (Pacific), Cromology, and JUB), the average effective tax rate over the past three years is applied uniformly across all years.

This page provides an updated overview of ROIC trends by asset, which we also presented at our IR Day. We disclose ROIC on two bases: including goodwill and intangible assets, and excluding them. Please keep the following three points in mind:

- ROIC for each asset has improved steadily since acquisition. This reflects not only our disciplined approach to identifying high-quality targets, but also the effectiveness of our management model, which emphasizes autonomy and accountability. In addition, synergies are being realized in practice - both tangible and intangible - further supporting performance improvement.
- The purchase consideration we pay in acquisitions includes goodwill and intangible assets, and therefore these elements cannot be disregarded. That said, we believe the data clearly demonstrates that our acquisitions have consistently focused on asset-light, high-return businesses.
- We are sometimes compared with peers based solely on a company-wide ROIC benchmark. However, companies that actively pursue M&A and those that do not typically have fundamentally different asset compositions and growth profiles. While some investors attempt to adjust for these differences, we believe that an overly ROIC-centric evaluation, as mentioned earlier, can overlook the distinctive strengths and value-creation model that set us apart.

## 6. Our Approach to Capital Allocation (1)

Our strong growth engine-driven by both organic and inorganic initiatives-underpins substantial upside in EPS growth and PER expansion

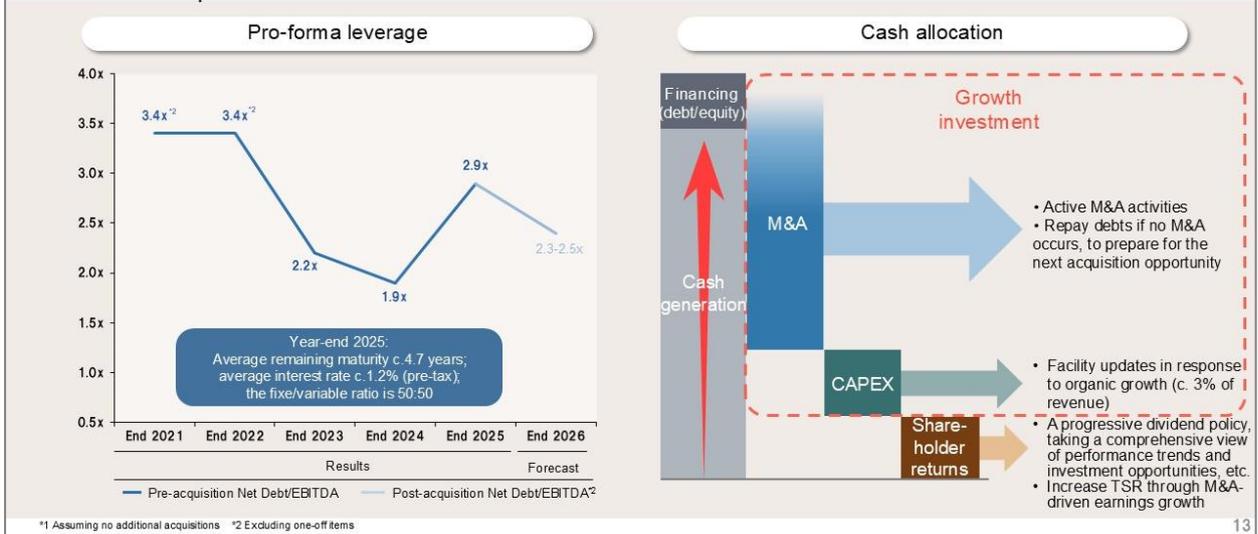


This slide revisits a key message from our IR Day. The significant capital generated through organic EPS growth will be reinvested into M&A that advances our goal of Maximization of Shareholder Value (MSV), thereby enabling us to sustain strong growth.

What is essential is that investors recognize the credibility and repeatability of this growth model- both organically and inorganically. We remain committed to further strengthening our track record in the years ahead.

## 6. Our Approach to Capital Allocation (2)

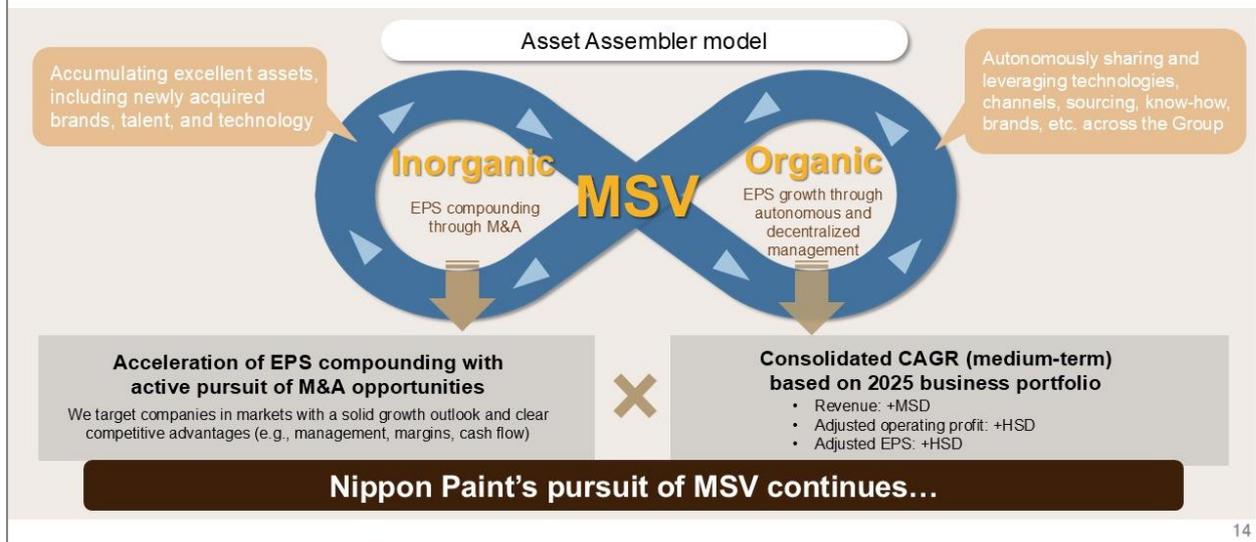
We will continue active M&A investment, seizing opportunities aligned with MSV with financial disciplines maintained



Our financial discipline remains firmly intact. We will continue to pursue growth while maintaining prudent financial management, guided by a net debt-to-EBITDA ratio of no more than 4.0x and a D/E ratio of no more than 1.0x. As of the end of 2025, our net debt-to-EBITDA stood at 2.9x, even after executing a meaningful level of share buybacks - an outcome that exceeded our expectations. Based on our current projections, we anticipate leverage will decline by approximately 0.5x in 2026. As noted at IR Day and reiterated today, we continue to actively evaluate potential M&A opportunities, and we believe our current financial position provides ample capacity to proceed when appropriate.

## 7. In Summary

Sustainable EPS compounding shall enhance PER, achieving MSV over the long term



Finally, our commitment to MSV remains unwavering. We believe that few companies express MSV as clearly and unequivocally as their core mission. More importantly, MSV is deeply embedded throughout our organization, guiding our decision-making and execution. We remain fully committed to delivering sustainable results in line with that principle.

Thank you for your attention.