Integrated Report 2026 Online Briefing

—Reassessing the Appeal of the MSV Journey Through Dialogue with Investors—

July 16, 2026
Nippon Paint Holdings Co., Ltd.
Investor Relations

Objectives of Today's Briefing

1. Highlight the sections of the Integrated Report 2026 that merit particular attention, enabling investors to review the Report more efficiently and gain a clearer understanding of its key messages

2. Engage investors in dialogue on our distinctive business model, management structure, competitive advantages, business strategy, and sustainability initiatives, and apply the insights gained to strengthen future management and IR activities

Editorial Policy/Overall Structure

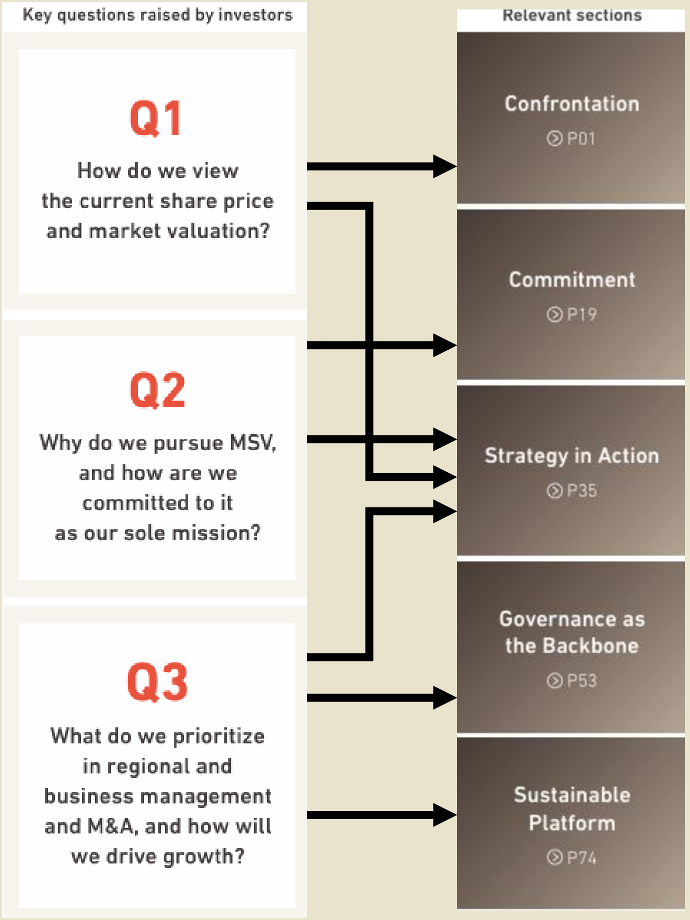
→ Integrated Report P01/P04

Inspired by representative questions raised by investors, the Report was planned, structured, and produced in close collaboration with management and the Board

1. Reassessing the appeal of the MSV Journey through dialogue with investors
   It reflects investor feedback and questions raised through ongoing dialogue, including themes such as earnings quality, asset efficiency, share liquidity, and acquisition discipline

2. The Report carefully curates the key information needed to convey our identity as an Asset Assembler
   The Report focuses on the information most essential to clearly conveying our intrinsic strengths as an Asset Assembler, including adjusted profit/EPS and RNOA (Return on Net Operating Assets), to support more substantive dialogue

3. Close collaboration with management and the Board
   All Board members, including Co-Presidents Wakatsuki and Wee and Board Chair Nakamura, were actively involved through multiple meetings during both the planning and production stages



Key Improvements and Changes

Analyze the gap between our performance and share valuation, and enhance disclosure on autonomous and decentralized management as well as concrete M&A case studies and track record

Key areas of focus	Key improvements and changes
1. Sharper investor focus and disclosure that squarely addresses the valuation gap	• In the Leadership Roundtable, discuss the factors behind our subdued share price and valuation from multiple angles • Analyze correlations between our share price as a "defensive growth" stock and multiple indicators • Present adjusted operating profit, adjusted EPS, and RNOA (Return on Net Operating Assets) to highlight our underlying earnings power • Strengthen IR disclosure and initiatives reflecting investor feedback to improve valuation
2. Asset Assembler model (autonomous and decentralized management + M&A): features and advantages	• Introduce the features of the "Compounder" model, which is similar to our model • Explore, in a dialogue format, NIPSEA China's ability to drive self-transformation and its 10-Year management philosophy • Explain Betek Boya's growth and evolution, as well as AOC's competitive advantage and future growth potential • Explain examples of the Board's initiatives in the "Governance Highlights" and "Major Board Discussions on Key Strategies" sections • Introduce collaboration within the Group, including examples related to LCA and emissions reduction contribution volumes
3. Volume reduction and stronger linkage with our website	• Condense the Report by rigorously selecting information that truly enhances investor understanding, while keeping the length manageable for investors, reducing it from 100 pages to 92 pages • Expand web content that highlights on-the-ground problem-solving and the passions and aspirations of employees on the front lines

Evolution and Enhancement of the Integrated Report

While strengthening links with our website and other channels, we are progressively streamlining the Report and deepening content that enhances investor understanding each year

	2023 edition	2024 edition	2025 edition	2026 edition
Format	Vertical 	Horizontal (interactive) 	Horizontal (interactive) 	Horizontal (interactive) 
Theme	Pursuit of uniqueness	Selective focus on information	Sharpened investor focus	Confrontation/Elevating investor dialogue
Total pages	136	100	100	92
Publication timing	End of September	End of July	End of June	End of June
Key enhance-ments	(Structure) •Revamp information disclosure structure (Content) •Add a new section “Stock-Price Conscious Management” •Analyze “The Impact of China’s Macroeconomic Data on the Earnings of Nippon Paint Group” •Introduce M&A success case (DuluxGroup), and more	(Structure) •Revamp the Report into a 100-page horizontal format •Promote the the allocation of information across disclosure channels by moving suitable standard content to our website and issuing the Asset Management Report as a separate booklet •Release the Medium-Term Strategy (Content) •Our Platform That Underpins Autonomous and Decentralized Management •Examples of collaboration across the Group •Our strategy for maximizing PER, and more	(Structure) •Add an Executive Summary to key management content •Expand website content highlighting the on-the-ground efforts of front-line employees (Content) •Why Invest in Nippon Paint? •Autonomous and Decentralized Management •Three Key Investor Questions About Our Asset Assembler Model •Governance Discussions (Dialogue with a global institutional investor) •Joining Nippon Paint Group Unlocks Growth and Opportunity •Driving Employee Engagement Across the Japan Group, and more	(Structure) •Condense the Report to 92 pages •Strengthen linkage with our website (Content) •Add the “Leadership Dialogue” section •Expand content on “Stock-Price Conscious Management” •Add the “Leadership at the Forefront of the MSV Journey” •“What are Acquisition-Driven Compounders?” •Enhance the track record in the “M&A Strategy” section •Leadership Dialogue: NIPSEA China •Major Board Discussions on Key Strategies, and more

1. Sharpened Investor Focus and Disclosure That Squarely Addresses the Valuation Gap

Why Invest in Nippon Paint?

→ Integrated Report P05

Redefined our investment appeal as an Asset Assembler, highlighting our replicable growth model, highly experienced management and execution team, and strong execution capabilities driven by autonomous and decentralized management

Leadership Roundtable

→ Integrated Report P07

Advancing the MSV Journey and the Path Forward

Nippon Paint Holdings Co., Ltd.

Leadership Roundtable

Advancing the MSV Journey: Management Priorities and the Path Forward

In 2025, strong earnings growth from our existing businesses, combined with contribution from the AOC acquisition, reaffirmed both the quality of our earnings - particularly their replicability and sustainability - and our ability to deliver long-term growth. At the same time, our share price has not fully reflected this performance. This mismatch has highlighted several areas that require greater market understanding and stronger communication, including building confidence in the sustainability of our existing businesses, a clearer appreciation of the Asset Assembler model, perspectives on ROIC and growth potential, share liquidity, and effectiveness of our disclosures.

This roundtable stems from our engagement with capital markets in 2025 and uses those perspectives to clarify key management priorities facing the Company and actions required to address them. We examine the changes and enhancements necessary to advance the MSV Journey to its next stage and further strengthen the Company's long-term value creation strategy.

Yuichiro Wakatsuki
Director, Representative Executive Officer & Co-President

Wee Siew Kim
Director, Representative Executive Officer & Co-President

Masayoshi Nakamura
Lead Independent Director and Board Chair

Executive Summary

1. **[Share price in 2025]** Despite record earnings in 2025, our share price did not fully reflect our growth and earnings quality, highlighting the need to address the disconnect between our business performance and market valuation.
2. **[Growth capability of existing businesses]** Our existing businesses continued to gain market share and improve profitability even in a challenging environment. This demonstrates the replicability and sustainability of our earnings. At the same time, we believe we need to communicate this strength more effectively to the capital markets.
3. **[Business model (Asset Assembler model vs. pure play)]** While some investors favor a pure-play paint model, we will continue expanding selectively into adjacent chemical fields to broaden growth opportunities while preserving business quality and discipline.
4. **[EPS Compounder]** Our model - combining organic growth, disciplined M&A, strong cash generation, and decentralized management - supports sustained compounded EPS growth.
5. **[Business model (growth rate vs. ROIC)]** We will continue improving ROIC, while prioritizing compounded EPS growth as the key driver of MSV, requiring clearer communication on the role and interpretation of each metric.
6. **[Share liquidity]** Limited liquidity has affected share-price formation, index inclusion, and investor base expansion, making further improvement an important priority.
7. **[IR disclosure/dialogue]** While our disclosures have been robust in quantity, our key strengths have not always been communicated with sufficient clarity. We therefore aim to strengthen investor dialogue by communicating more clearly our earnings quality, cash generation, and proven M&A track record.

Based on our engagement with capital markets in 2025, this roundtable clarifies key management priorities facing the Company and actions required to address them

Message from Co-President Wakatsuki

→ Integrated Report P20

Delivering Sustainable EPS Growth and PER Expansion Through Disciplined Capital Allocation and Integrity

Executive Summary

1. A corporate culture grounded in Integrity is what enables MSV to serve as our sole basis for judgment. Management's responsibility is to ensure that the MSV Journey advances step by step in a deliberate and consistent manner.

2. The most reliable way to strengthen investor conviction is through the consistent delivery of results and clear accountability. This, in turn, elevates expectations for the MSV Journey and supports sustained improvement in PER.

3. The essence of the Asset Assembler model lies in enabling strong partner companies to create value with greater autonomy and systematically redeploying the cash they generate into the next opportunity for growth.

4. By engaging our partner companies in the spirit of "What can we do for you?", we reinforce their inherent strengths and translate those strengths into the realization of MSV.

5. We have shifted more decisively toward acquisitions that place greater emphasis on capital efficiency, become more selective in the opportunities we pursue, and will make no compromise where risk and return are not appropriately aligned. This disciplined approach will further strengthen the certainty of the MSV Journey

6. We will demonstrate through our track record, rather than words, that the MSV journey is equally compelling to investors

Articulates our corporate culture and management approach centered on MSV as the sole decision-making criterion, enhanced acquisition discipline, and our commitment to presenting our track record to improve PER

Message from Co-President Wee

→ Integrated Report P23

Driving Sustainable EPS Growth by Enhancing Earnings Quality Through People and Systems

Executive Summary

1. Our enduring strength lies in the combination of trust in people and systems that inspire trust. By empowering high-quality management teams with autonomy and resources under the shared purpose of MSV, we reinforce a resilient platform for safe and sustainable EPS growth.
2. The true significance of the AOC acquisition lay in bringing into the Group an exceptional management team and well established business systems with a proven record of consistent performance.
3. Growth potential is shaped not only by market conditions, but by the ambition and judgment of our people on the ground — their ability to identify opportunities and act decisively.
4. NIPSEA China is well positioned to grow alongside its customers, supported by established relationships in China, technology capabilities spanning Japan, Europe, and China, and access to the Group's global operating footprint.
5. Knowledge is shared across the Group not only in times of challenge, but also in the normal course of business, across areas such as raw material procurement, pricing strategy, cost management, digitalization, and the expansion of SAF.
6. Looking ahead, we will continue to build safe and sustainable EPS growth through both organic and inorganic initiatives, underpinned by strong people, robust systems, and a management system that balances decentralization with collaboration.

Achieve safe and sustainable EPS growth through high-quality earnings supported by people and systems, a balance between decentralization and collaboration, and the twin engines of organic and inorganic growth

Message from Chairman

→ Integrated Report P26

To Our Shareholders and Investors

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

Chairman Goh, who is also our majority shareholder, shares his current thinking and reaffirms how he intends to contribute to our Group

Stock-Price Conscious Management

→ Integrated Report P12

While our shares have a defensive growth profile and are relatively resilient to market conditions, that valuation is not yet fully reflected in the share price; we therefore analyze the drivers from historical and correlation perspectives

What Are Acquisition-Driven Compounders?

→ Integrated Report P31

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As a model similar to our "Asset Assembler" model,
explain the globally recognized "compounder" model

Our Finance Strategy Presented by Co-President Wakatsuki

→ Integrated Report P38

Capital Allocation Centered on M&A to Maximize EPS

Executive Summary

1. ROIC is one of our key financial metrics, and the capital efficiency of both acquired and existing businesses has been improving year by year
2. With M&A as a cornerstone of our growth strategy and ROIC being affected by goodwill recognized in acquisition, an approach overly focused on ROIC does not align with MSV
3. High RNOA, reflecting superior asset efficiency, and a low capital expenditure-to-sales, demonstrating strong cash generation, are clear indicators of high business quality
4. Our capital allocation policy prioritizes growth oriented investments (M&A), and we have adopted a progressive dividend policy
5. Share buybacks are undertaken as a capital allocation decision when our share price is undervalued and earnings are robust, with a clear focus on EPS growth. They are fully compatible with M&A and maintain our Asset Assembler model

ROIC of major acquired assets

Including goodwill and intangible assets

	2020	2021	2022	2023	2024	2025
DGL (Pacific)	3.7% (3.4%)	4.4% (3.6%)	5.6% (4.5%)	5.8% (4.6%)	7.0% (5.1%)	7.2% (5.5%)
Betek Boya	7.4% (9.1%)	9.9% (14.9%)	7.9% (20.7%)	11.8% (45.7%)	16.4% (68.1%)	18.4% (94.3%)
PT Nipsea	- -	3.7% (3.6%)	5.3% (4.4%)	6.6% (5.2%)	7.1% (5.4%)	7.2% (5.8%)
Cromology	- -	- -	2.2% (2.1%)	2.6% (2.2%)	2.5% (2.0%)	2.1% (1.6%)
JUB	- -	- -	- -	5.7% (5.2%)	6.7% (5.6%)	7.8% (6.3%)
AOC	- -	- -	- -	- -	- -	7.2% (7.2%)

Excluding goodwill and intangible assets

	2020	2021	2022	2023	2024	2025
DGL (Pacific)	52.4% (32.5%)	40.1% (23.1%)	32.9% (28.6%)	34.2% (29.3%)	41.6% (32.7%)	42.3% (34.7%)
Betek Boya	21.9% (20.8%)	27.3% (33.8%)	19.0% (47.5%)	29.3% (104.1%)	38.3% (155.1%)	45.8% (214.6%)
PT Nipsea	- -	34.7% (34.0%)	50.2% (41.7%)	62.2% (48.9%)	68.4% (51.2%)	68.1% (55.1%)
Cromology	- -	- -	50.3% (44.0%)	35.3% (28.0%)	31.0% (25.7%)	23.9% (22.3%)
JUB	- -	- -	- -	12.8% (11.2%)	15.1% (12.9%)	17.4% (14.4%)
AOC	- -	- -	- -	- -	- -	74.3% (74.9%)

* In Japanese yen; percentages in parentheses are based on local currency
* 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 DuluxGroup 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 pro forma value is used. Inventory step-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

Present our approach to ROIC, the quality of our business as reflected in high RNOA (high asset efficiency) and a low sales-to-capital-expenditure ratio (cash generation), and our capital allocation policy

Major Board Discussions on Key Strategies/Discussions by the Board of Directors

→ Integrated Report P57/P58

Major Board Discussions on Key Strategies

	Major discussions in 2025	Relevant execution-related pages
M&A strategy	At the Board of Directors meetings, under the Asset Assembler model, we engage in active discussions on the creation of growth opportunities through M&A in global markets from multiple perspectives, including the quality of the management teams of acquisition targets, business synergies, and risk tolerance. In particular, in executing large-scale transactions, including AOC, we place emphasis on deliberations on their contribution to MSV, namely the expected contribution to EPS from Year 1, optimization of the Group portfolio, and the strengthening of the risk management framework. In addition, by drawing on the diverse perspectives of the Independent Directors, we exchange objective and constructive views on proposals from the management team and support decision-making that contributes to the Group's sustainable growth and shareholder value enhancement.	Medium-Term Strategy Updates (Released in February 2026) P36 M&A Strategy P41
Stock price and valuation	At the Board of Directors meetings, we are monitoring whether our stock price and valuation appropriately reflect our growth strategy and financial performance, and discuss how we should address capital market assessments and investor expectations based on indicators such as EPS, PER, and ROIC. We closely review how M&A and growth investments contribute to shareholder value enhancement over the medium to long term and whether returns in excess of the cost of capital are being achieved, and encourage the management team to improve capital efficiency and execute appropriate capital policies. In addition, to better understand market feedback, we have also held a training session by inviting an overseas investor, thereby deepening our understanding of the global capital markets. Through dialogue with investors and enhanced disclosure, the Board aims to achieve sustainable enhancement of shareholder value.	Management Discussion P07 Stock-Price Conscious Management P12
Sustainability	The Board of Directors monitors whether the management team is appropriately addressing sustainability, taking into account investor expectations and the latest developments in international disclosure standards. Specifically, we invited experts from DuluxGroup with deep expertise in sustainability, and they provided us with their insights from their on-the-ground knowledge and practical case examples. We discussed upgrading the Group's overall sustainability capabilities as well as future issues and responses. In addition, in light of requests from investors and rating agencies, the Board has received reports from the management team on the overall picture of sustainability-related statutory disclosures and the actions that will be required across the Group to comply with the SSBJ standards going forward. We will continue to examine future sustainability strategies and necessary framework.	Sustainability as the Prerequisite for MSV P75 Discussions by the Board of Directors P58
Risk Management	In February each year, the Board of Directors receives a report from management, delivered by the Co-Presidents as the executives with ultimate responsibility for risk management across the Group, on the operation status of the internal control system. The report focuses on risk recognition and responses at both the Group-wide and each PCG level, including global risk management items, such as **CSA and high-risk categories**, as well as the results of the operation of the whistleblowing hotlines. At the same time, **the Group Audit Committee (GAC)** shares the status of risks across PCGs, thereby raising the level of risk recognition and enhancing the effectiveness of risk management. Through these processes, the Board of Directors works to enhance risk tolerance by ensuring the effectiveness of internal control and strengthening the risk management framework.	Risk Management P71

Discussions by the Board of Directors

Theme Sustainability Initiatives

The Company is preparing for non-financial disclosure on a consolidated basis. This section introduces selected discussions from the Board of Directors meeting in February 2026 on sustainability disclosure in the Asset Assembler model.

Q1 In the Asset Assembler model, how is the Group addressing mandatory requirements for non-financial disclosure in each region? What is our position for the inefficiencies of entity-by-entity responses?

A While the mandatory disclosure requirements vary across regions and therefore require individual responses in the local regions, the underlying principles are broadly aligned with the ISSB Standards. The Sustainability Team spanning partner companies is working to identify common issues, share know-how, and strengthen information coordination. This enables the Group to balance region-specific compliance with overall efficiency.
For example, the Team shares relevant knowledge and practices across the Group, including the level of GHG data required for third-party assurance in Australia, which is ahead of other markets in implementing mandatory disclosure requirements in the environmental and climate change field, NIPSEA's process for developing a sustainability product portfolio, and the path Japan Group went through to formulate its Scope 3 emissions reduction targets.

Q2 How is the Company assessing the human resources and talents required to prepare for non-financial disclosure under Japanese regulations and the related third-party assurance? Does it have sufficient expertise, and are preparations for the required disclosures progressing appropriately?

A We have currently allocated minimum manpower, and will need to assess the necessary resources by examining the practical workload involved, for example, for data collection and verification. In terms of expertise, the Company is drawing on knowledge within the Group through collaboration with Australia and other Asian regions, where prompt actions have been required, while also incorporating the know-how of external professionals to ensure readiness for the required disclosures. We also expect to take advantage of the networks of such external advisors, and will determine its own resource allocation in light of these factors.

Q3 What are the principal challenges for NPHD in addressing disclosure and assurance?

A We recognize the lack of full standardization in data definitions and calculation processes across Group companies as a principle challenge. While each company has adopted definitions suited to its regional and business environment, and operations have progressed to a certain extent, disclosure and assurance will require these data to be organized and standardized so that the information be objective and verifiable. In addition, we will need to identify and develop system infrastructure appropriate for the Group as a whole to enable efficient and continuous information collection.

SSBJ disclosure schedule

	2026	2027	2028	2029
Market cap of JPY 3 tn or more	Voluntary application of SSBJ standards	From FYE12/2027 Mandatory disclosure commences	From FYE12/2028 Mandatory assurance commences	
Market cap of JPY 1 tn or more	Voluntary application of SSBJ standards		From FYE12/2028 Mandatory disclosure commences	From FYE12/2029 Mandatory assurance commences

In addition to Board discussions on key strategies, including sustainability, share selected discussions actually held at Board meetings

2. Asset Assembler Model (Autonomous and Decentralized Management + M&A): Features and Advantages

NIPPON PAINT HOLDINGS CO., LTD.
Basic & New

Leadership Dialogue: NIPSEA China

→ Integrated Report P43

Growing Against the Headwinds: Disciplined “Share X Margin” Execution to Deliver Profitable Growth


Nippon Paint Holdings Co., Ltd.

Leadership Dialogue: NIPSEA China

Growing Against the Headwinds: Disciplined “Share × Margin” Execution to Deliver Profitable Growth

NIPSEA China's competitive advantage lies in the discipline that holds firm not only in times of growth, but also through downturns. As China's market structure undergoes significant change, NIPSEA China has stayed anchored to its disciplined "Share × Margin" execution, pursuing profitable growth across both the TUC (B2C business: business to consumers, DIY business, sales via dealers/distributors and e-commerce to end consumers, etc.) and TUB (B2B business: transactions direct to Project customers and main contractors, etc.) segments despite weak consumer sentiment and a sluggish property market. The objective is simple and consistent: grow share where it strengthens our competitive position, protect margins through value creation and cost discipline, and maintain financial resilience so that we can invest through the cycle.

In this dialogue, we explore NIPSEA China's ability to execute self-transformation and its long-term management philosophy grounded in a 10-year vision – autonomy, accountability, and MSV – covering topics ranging from sustaining top-of-mind awareness and creating demand, to expanding into Tier 3-6 cities, organizational transformation, and improving productivity through Digitalization and AI.

NIPSEA China's competitive advantages built over time

Wee At the Nippon Paint Group, our unwavering mission is **Maximization of Shareholder Value (MSV)** Ⓢ, and that mission applies consistently across all markets. In China, achieving MSV requires a very clear balance between growth and profitability. Over many years, NIPSEA China has demonstrated that sustainable performance comes from improving market share and margins together, rather than prioritizing one at the expense of the other. Even in a tough environment, the model remains replicable because it is anchored in discipline. It protects brand equity, preserves cash discipline, and keeps the organization ready to invest when opportunities appear, which is ultimately how we pursue MSV across cycles in China and beyond.

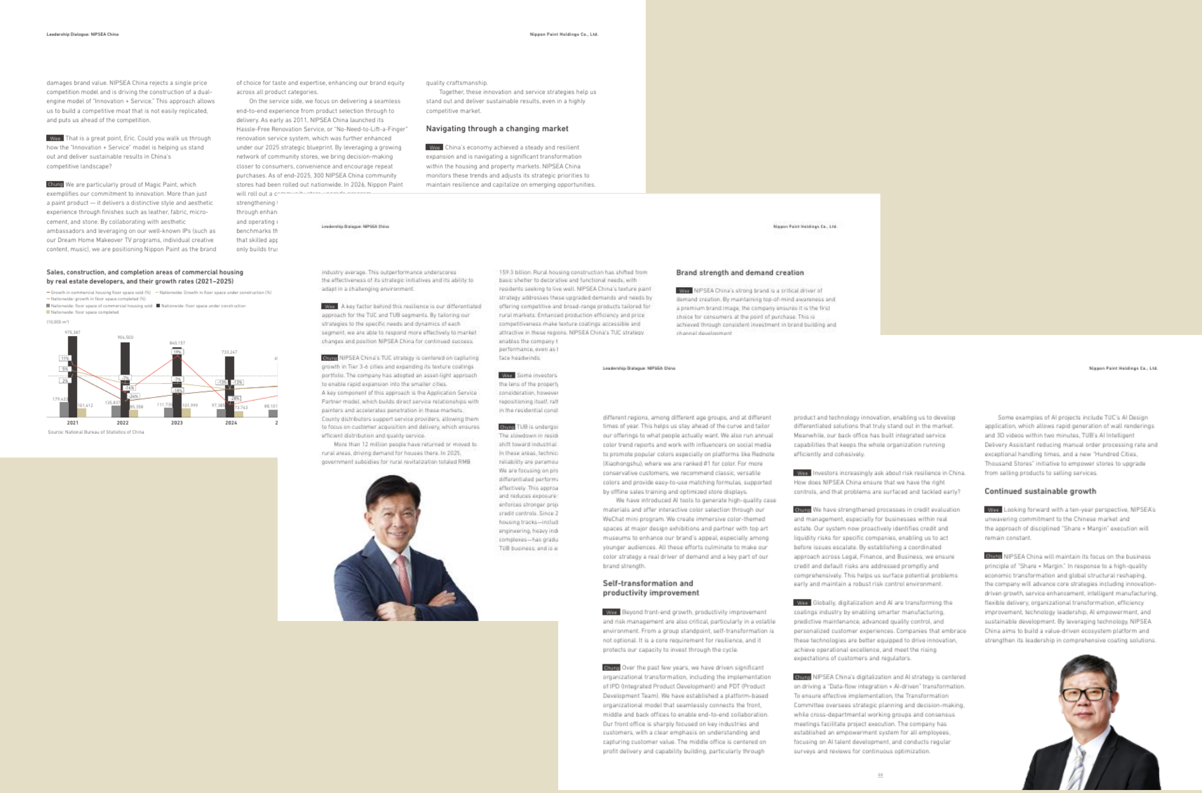
Chung China is an extremely competitive market, and growth without margin discipline is fragile. Volume gained at the expense of profitability is difficult to sustain and often

Executive Summary

1. Protecting brand equity, preserving cash discipline, and keeping the organization ready to invest when opportunities appear is ultimately how we pursue MSV across cycles.
2. By combining innovation and service strategies, we are able to differentiate ourselves in a highly competitive market, and deliver sustainable results.
3. By tailoring our strategies to the specific needs and dynamics of each segment, we are able to respond more effectively to market changes and position NIPSEA China for continued success.
4. As competition intensifies, NIPSEA China's color strategy plays a critical role in differentiating our brand and sustaining top-of-mind awareness.
5. Self-transformation is a core requirement for resilience, enhancing our ability to respond to changes in the business environment while protecting our capacity to invest through the cycle.
6. Looking forward with a ten-year perspective, NIPSEA's unwavering commitment to the Chinese market and its disciplined "Share × Margin" execution will remain unchanged.

Wee Siew Kim
Director, Representative Executive Officer & Co-President

Eric Chung
CEO of Nippon Paint China



In China, where market structure is undergoing major change, explore in a dialogue format NIPSEA China’s capacity for self-transformation and its 10-year management philosophy

Türkiye Group Business Strategy (Case Study)

→ Integrated Report P47

Analyze the business strategy driving Betek Boya's accelerated growth in Türkiye and overseas since joining our Group in 2019

AOC's Business Strategy (Case Study)

→ Integrated Report P49


Nippon Paint Holdings Co., Ltd.

Case Study 2

AOC's Business Strategy

How AOC Leverages Its Competitive Advantages to Drive Sustainable Growth

AOC has built a distinctive market position by concentrating its management resources on high-value-added segments, such as CASE (Coatings, Adhesives, Sealants and Elastomers), colorants, and other solutions. Supporting AOC's competitive advantages are two core strengths: business systems refined to accommodate a portfolio that is both rich in complexity and customization. AOC also has the ability to create customer value through the integrated delivery of best performing products, with best delivery and best technical service.

This case study explores how AOC turns the complexity of customer-specific requirements into a source of strength and achieves sustainable growth through product development aligned with long-term demand trends.

Joe Salley
Chief Executive Officer of AOC

Business and financial profile

- A leading formulator of CASE and colorants solutions
- High profitability driven by highly customized products, a competitive product lineup, and differentiated services
- Business systems with significant potential for further value creation
- Controllable, multi-faceted growth opportunities above market growth
- Best-in-class cash flow generation and financial profile
- A high-caliber management team with a proven track record of value creation

Sales mix by end market (2025, by volume)

Infrastructure 29% | Construction 41% | Transportation 8% | Others 22%

1 A unique market position built on a focus on high-value-added segments

Market volume (CASE and customized volume ~28%): 18% / 10% / 72%

Sales volume (CASE and customized volume ~79%): 52% / 27% / 21%

CASE / Customized composite materials / Conventional composite materials

2 Delivering customer value through differentiation in product performance, delivery, and technical service

Hyper-regional market structure

High-performance products with limited shell life | Dynamic demand requirements | Customers value local service

3 A robust set of business systems underpinning competitive advantage and value creation

New product development / Commercial excellence / Lean / Procurement

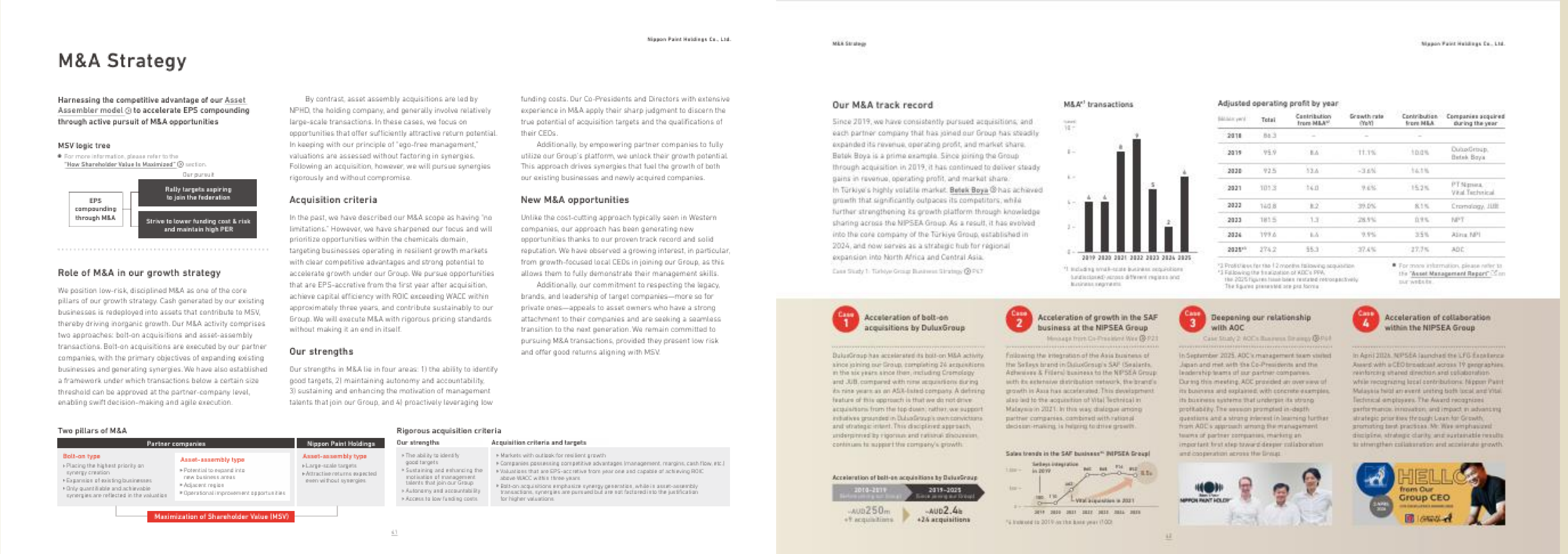
4 Innovative products aligned with long-term demand trends

Infrastructure needs and CIPP opportunities

Analyze how AOC, which joined our Group in 2025,
leverages its competitive advantages and charts a path to sustainable growth

M&A Strategy

→ Integrated Report P41



Introduce the strategic position of our M&A strategy, along with our acquisition criteria and strengths, and our M&A track record using key figures and case studies

Human Resource Strategy/Natural Capital Strategy/R&D Strategy

→ Integrated Report P81/P85/P87

How does it contribute to maximizing EPS and PER?

Our Group positions human capital as an important management foundation that supports medium- to long-term enhancement of corporate value, and is advancing digitalization and the use of AI in HR across each region and company. The use of AI goes beyond improving the efficiency of HR operations; it also enables higher-quality operations, faster decision-making, and an enhanced employee experience across areas such as recruitment, talent development, HR services, and people data utilization. Through these efforts, we will improve the productivity of HR functions and support employees in maximizing their capabilities, thereby contributing to the realization of MSV through strengthening the competitiveness of the organization as a whole.

Examples of initiatives

NIPSEA Group	NIPSEA Group is progressively embedding AI to enhance decision-making, efficiency, and employee experience. Key initiatives include the development of AI literacy learning pathways to future-proof workforce capabilities, the deployment of AI resume screening tools to improve candidate matching and shortlisting quality, and the rollout of AI-driven HR bots to provide seamless access to company policies, benefits, and employee services. In addition, the Group is strengthening its digital HR infrastructure and designing future AI-enabled capabilities to support advanced analytics and more data-driven workforce insights and decision-making.
DuluxGroup	We are engaging with HR systems that have AI enabled functions to increase productivity through the work we do. This includes the shortlisting of candidates through our recruitment process, utilising workflows in AI tools to compile information and data and provide insights and create agents to support our leaders.
Dunn-Edwards	Various AI platforms are used to create training content and programs. This allows our training department to be more nimble in providing relevant material and programs, and also aids in producing content that is easily digestable based on current learning and development best practices.

Introduce examples of AI adoption in the human capital area across each PCG

PCG	Reduction Targets (Scope 1, 2)		Progress	Improvement Priorities
	Net Zero (Scope1, 2)	Medium-term*1		
NIPSEA Group	2060	2025: 15%	7.2% 2021 (Baseline) = 40.60 kg CO_2-e/tonne 2025 = 37.67 kgCO_2e/tonne	Carbon mitigation best practices were disseminated across the NIPSEA Group to facilitate consistent adoption across operations
Dulux Group*2	2050	2030: 50%	40% (including all acquisitions since 2020) 25% (excluding all acquisitions since 2020) 2020 (Baseline) = 149 kg CO_2-e/tonne 2025 (including acquisitions since 2020) = 90 kg CO_2-e/tonne, 2025 (excluding acquisitions) = 112 kg CO_2-e/tonne	Delivery of an additional 1,400 kW of solar generation capacity, ongoing energy efficiency initiatives across operational sites, continued roll-out of the fleet transition plan in the Pacific and Cromology business, review of climate targets for all DGL including Scope 3 target setting.
Japan Group	2050	2030: 37% 2030: 13% (Scope3)	22% 10% (Scope 3)	Reduced GHG emissions through increased renewable electricity purchases and Power Purchase Agreement (PPA). Conducted a carbon footprint survey of suppliers and strengthened collaboration to reduce Scope 3 Category 1 emissions.

*1 Baseline years for targets are 2019 for Japan Group (Scope 1, 2), 2020 for DuluxGroup, and 2021 for NIPSEA Group and Japan Group (Scope3)
*2 DGL (Pacific) only

New content highlighting our progress toward medium-term GHG emission reduction targets, including each PCG's 2025 reduction rate versus the base year

LCA and Avoided Emissions

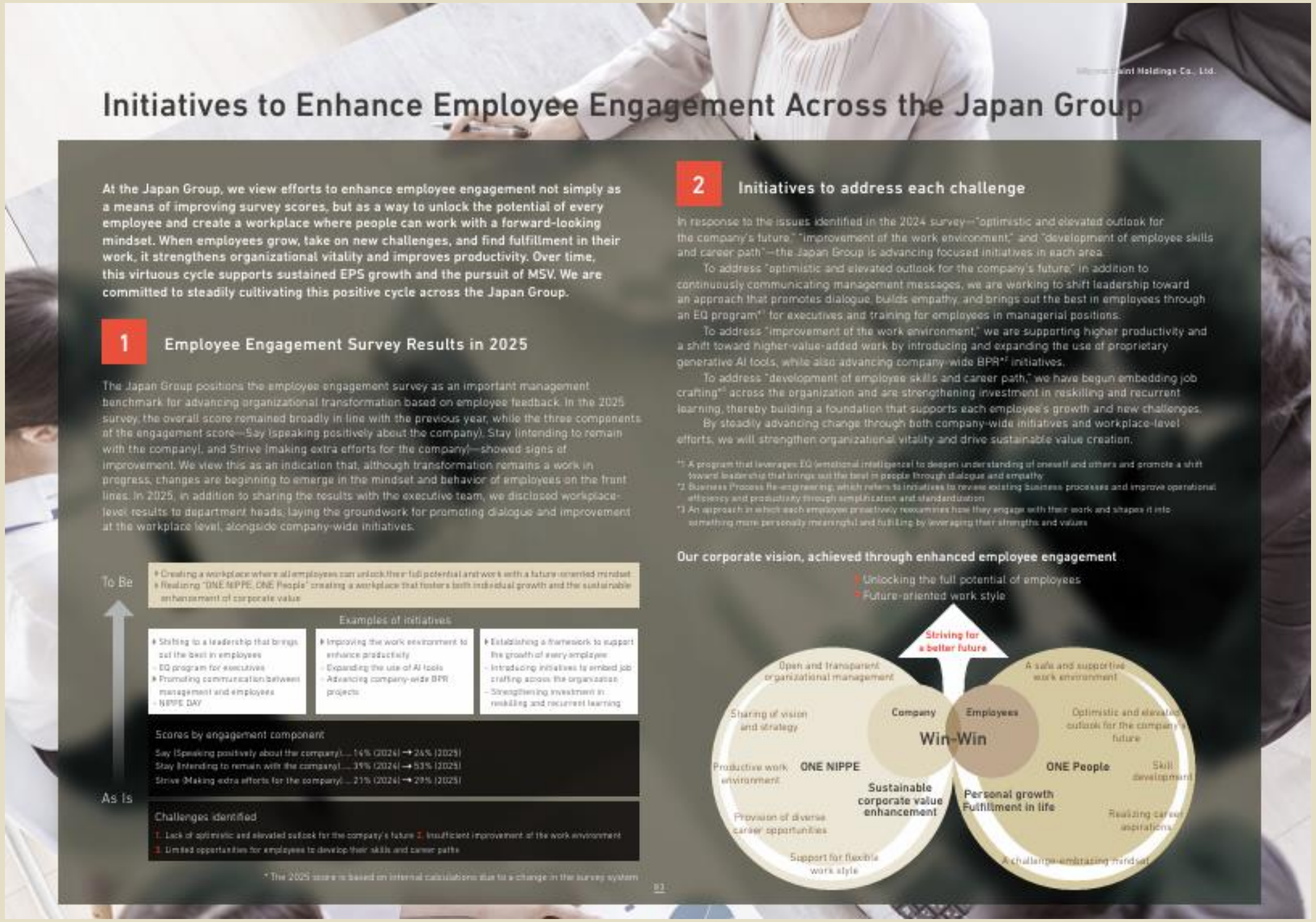
To share LCA expertise, which forms the foundation of sustainable product development, across our major PCGs, we hold joint monthly meetings on product safety and LCA, with AOC newly joining these initiatives. More recently, with support from the Japan Group, the NIPSEA Group obtained third-party LCA certification, contributing to subsequent business expansion, while the China Group has established its own LCA platform to calculate product carbon emissions.

NIPSEA Group	• Completed 4 EPDs (Environmental Product Declarations) in Singapore, covering 60 products, including decorative paints. • Completed 2 EPDs in Vietnam, covering 11 products.
DGL (Pacific)	• Developed EPDs for 22 powder coating products.
Japan Group	• Launched the "SUSTAINA SYSTEM," a service for companies working to reduce their environmental impact, which calculates and provides information on CO_2 emissions at each stage of paint production, during painting, and after painting in the construction sectors.
Dunn-Edwards	• Currently has EPDs for 19 products, with coverage expected to expand to an additional 18 products in 2026.
AOC	• In collaboration with the European industry organization CEFIC and the U.S. industry organization ACMA, completed third-party validated LCAs, including PCFs (Product Carbon Footprints), for unsaturated polyester and vinyl ester formulations.

New content highlighting collaboration among PCGs, including examples related to LCA and emissions reduction contribution volumes

Initiatives to Enhance Employee Engagement

→ Integrated Report P83



Initiatives to Enhance Employee Engagement Across the Japan Group

At the Japan Group, we view efforts to enhance employee engagement not simply as a means of improving survey scores, but as a way to unlock the potential of every employee and create a workplace where people can work with a forward-looking mindset. When employees grow, take on new challenges, and find fulfillment in their work, it strengthens organizational vitality and improves productivity. Over time, this virtuous cycle supports sustained EPS growth and the pursuit of MSV. We are committed to steadily cultivating this positive cycle across the Japan Group.

1 Employee Engagement Survey Results in 2025

The Japan Group positions the employee engagement survey as an important management benchmark for advancing organizational transformation based on employee feedback. In the 2025 survey, the overall score remained broadly in line with the previous year, while the three components of the engagement score—Say (speaking positively about the company), Stay (intending to remain with the company), and Strive (making extra efforts for the company)—showed signs of improvement. We view this as an indication that, although transformation remains a work in progress, changes are beginning to emerge in the mindset and behavior of employees on the front lines. In 2025, in addition to sharing the results with the executive team, we disclosed workplace-level results to department heads, laying the groundwork for promoting dialogue and improvement at the workplace level, alongside company-wide initiatives.

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

Examples of initiatives
- Shifting to a leadership that brings out the best in employees
  - EQ program for executives
- Promoting communication between management and employees
  - NIPPE DAY
- Improving the work environment to enhance productivity
  - Expanding the use of AI tools
  - Advancing company-wide BPR projects
- Establishing a framework to support the growth of every employee
  - Introducing initiatives to embed job crafting across the organization
  - Strengthening investment in reskilling and recurrent learning

Scores by engagement component
Say (Speaking positively about the company)......14% (2024) → 24% (2025)
Stay (Intending to remain with the company)......39% (2024) → 53% (2025)
Strive (Making extra efforts for the company)......21% (2024) → 29% (2025)

As Is

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

* The 2025 score is based on internal calculations due to a change in the survey system

2 Initiatives to address each challenge

In response to the issues identified in the 2024 survey—"optimistic and elevated outlook for the company's future," "improvement of the work environment," and "development of employee skills and career path"—the Japan Group is advancing focused initiatives in each area.

To address "optimistic and elevated outlook for the company's future," in addition to continuously communicating management messages, we are working to shift leadership toward an approach that promotes dialogue, builds empathy, and brings out the best in employees through an EQ program[*1] for executives and training for employees in managerial positions.

To address "improvement of the work environment," we are supporting higher productivity and a shift toward higher-value-added work by introducing and expanding the use of proprietary generative AI tools, while also advancing company-wide BPR[*2] initiatives.

To address "development of employee skills and career path," we have begun embedding job crafting[*3] across the organization and are strengthening investment in reskilling and recurrent learning, thereby building a foundation that supports each employee's growth and new challenges.

By steadily advancing change through both company-wide initiatives and workplace-level efforts, we will strengthen organizational vitality and drive sustainable value creation.

*1 A program that leverages EQ (emotional intelligence) to deepen understanding of oneself and others and promote a shift toward leadership that brings out the best in people through dialogue and empathy
*2 Business Process Re-engineering, which refers to initiatives to review existing business processes and improve operational efficiency and productivity through simplification and standardization
*3 An approach in which each employee proactively reexamines how they engage with their work and shapes it into something more personally meaningful and fulfilling by leveraging their strengths and values

Our corporate vision, achieved through enhanced employee engagement

- Unlocking the full potential of employees
- Future-oriented work style

Striving for a better future
Open and transparent organizational management
Sharing of vision and strategy
Productive work environment
ONE NIPPE
Provision of diverse career opportunities
Support for flexible work style
Company
Employees
Win-Win
Sustainable corporate value enhancement
Personal growth Fulfillment in life
A safe and supportive work environment
Optimistic and elevated outlook for the company's future
ONE People
Skill development
Realizing career aspirations
A challenge-embracing mindset

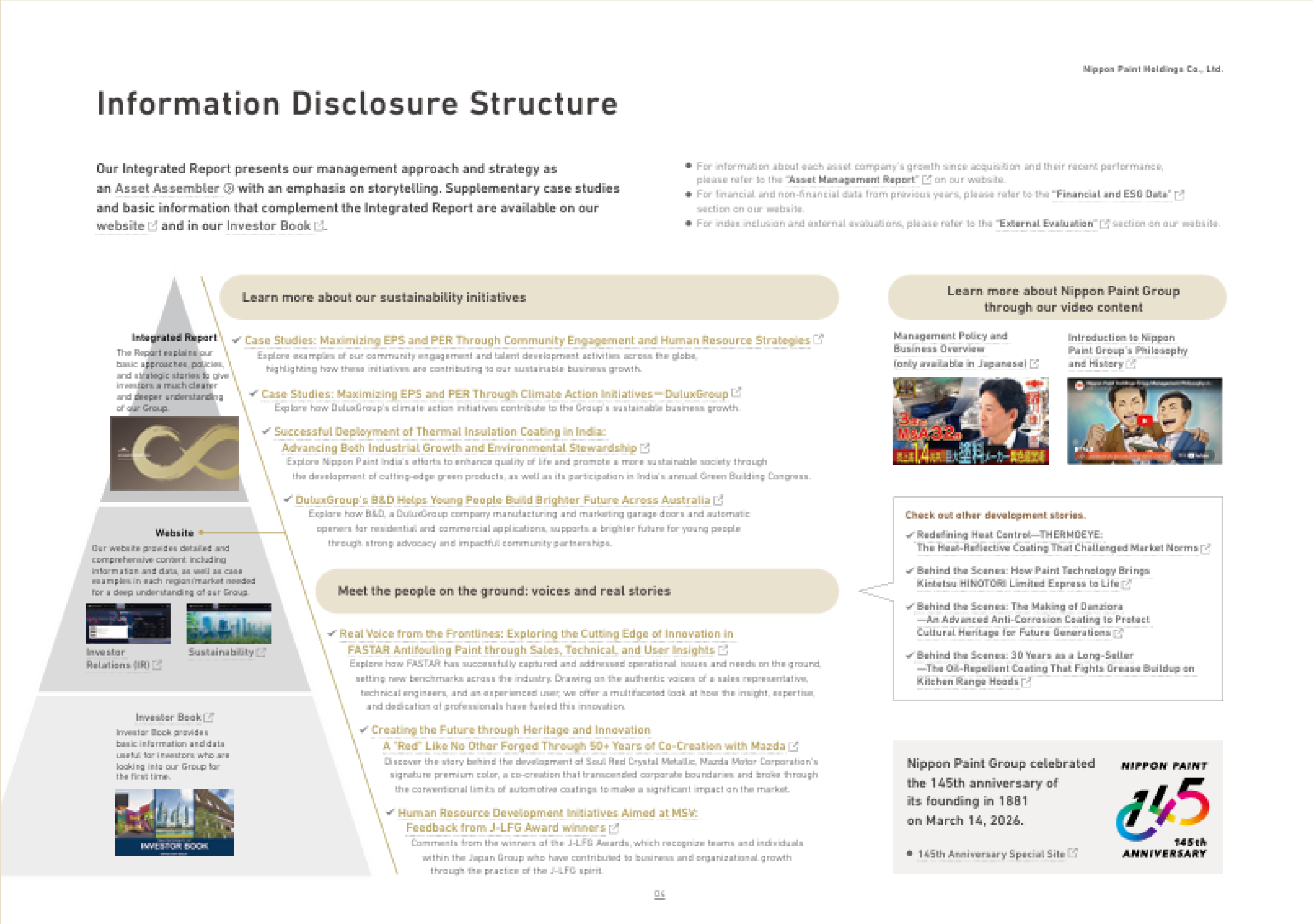
83

Highlight analysis of the Japan Group employee engagement survey results and progress since last year in addressing identified challenges

3. Volume Reduction and Stronger Linkage with Our Website

Information Disclosure Structure

→ Integrated Report P04



Nippon Paint Holdings Co., Ltd.

Information Disclosure Structure

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

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

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

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

Investor Relations (IR)
Sustainability

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

Learn more about our sustainability initiatives

- Case Studies: Maximizing EPS and PER Through Community Engagement and Human Resource Strategies
  Explore examples of our community engagement and talent development activities across the globe, highlighting how these initiatives are contributing to our sustainable business growth.
- Case Studies: Maximizing EPS and PER Through Climate Action Initiatives—DuluxGroup
  Explore how DuluxGroup's climate action initiatives contribute to the Group's sustainable business growth.
- Successful Deployment of Thermal Insulation Coating in India: Advancing Both Industrial Growth and Environmental Stewardship
  Explore Nippon Paint India's efforts to enhance quality of life and promote a more sustainable society through the development of cutting-edge green products, as well as its participation in India's annual Green Building Congress.
- DuluxGroup's B&D Helps Young People Build Brighter Future Across Australia
  Explore how B&D, a DuluxGroup company manufacturing and marketing garage doors and automatic openers for residential and commercial applications, supports a brighter future for young people through strong advocacy and impactful community partnerships.

Meet the people on the ground: voices and real stories

- Real Voice from the Frontlines: Exploring the Cutting Edge of Innovation in FASTAR Antifouling Paint through Sales, Technical, and User Insights
  Explore how FASTAR has successfully captured and addressed operational issues and needs on the ground, setting new benchmarks across the industry. Drawing on the authentic voices of a sales representative, technical engineers, and an experienced user, we offer a multifaceted look at how the insight, expertise, and dedication of professionals have fueled this innovation.
- Creating the Future through Heritage and Innovation A "Red" Like No Other Forged Through 50+ Years of Co-Creation with Mazda
  Discover the story behind the development of Soul Red Crystal Metallic, Mazda Motor Corporation's signature premium color, a co-creation that transcended corporate boundaries and broke through the conventional limits of automotive coatings to make a significant impact on the market.
- Human Resource Development Initiatives Aimed at MSV: Feedback from J-LFG Award winners
  Comments from the winners of the J-LFG Awards, which recognize teams and individuals within the Japan Group who have contributed to business and organizational growth through the practice of the J-LFG spirit.

Learn more about Nippon Paint Group through our video content

Management Policy and Business Overview (only available in Japanese)
Introduction to Nippon Paint Group's Philosophy and History

Check out other development stories.

- Redefining Heat Control—THERMOEYE: The Heat-Reflective Coating That Challenged Market Norms
- Behind the Scenes: How Paint Technology Brings Kintetsu HINOTORI Limited Express to Life
- Behind the Scenes: The Making of Danziora —An Advanced Anti-Corrosion Coating to Protect Cultural Heritage for Future Generations
- Behind the Scenes: 30 Years as a Long-Seller —The Oil-Repellent Coating That Fights Grease Buildup on Kitchen Range Hoods

Nippon Paint Group celebrated the 145th anniversary of its founding in 1881 on March 14, 2026.

- 145th Anniversary Special Site

NIPPON PAINT 145th ANNIVERSARY

04

While streamlining the Report to deepen investor understanding and reduce it from 100 pages to 92 pages, showcase frontline employees, their voices and firsthand perspectives, and concrete sustainability initiatives on our website

Expand Website Content That Brings Out the Firsthand Perspectives of Employees on the Ground ①

Concrete sustainability initiatives

Examples of maximizing EPS and PER through community revitalization and human capital strategies

How heat-shield coatings help balance industrial growth and environmental responsibility in India

Media coverage featuring on-the-ground initiatives
(only available in Japanese)

読売新聞の連載「サービス・モノがたり」に、日本ペイントマリン株式会社の船底防汚塗料に関する記事が掲載されました

東京新聞の連載「まちビズ最前線」に、自動運転用特殊塗料の開発経緯や特徴を紹介する記事が掲載されました

ABEMAの情報バラエティ番組「カンニング竹山のイチバン研究所」で遮熱塗料が紹介されました

日刊工業新聞の秀でたスキルを持つ人材を特集する企画「極める」で、当社グループの技術者が紹介されました

中国新聞の連載「こんにちは支店長です」に、自動車用塗料の製造・販売を手掛ける事業会社の所長が掲載されました

毎日新聞の連載「私の推シゴト」に、自動運転用特殊塗料の開発に携わる"お仕事"ぶりを紹介する記事が掲載されました

https://www.nipponpaint-holdings.com/company/media/index.html

Continuously publish development stories and concrete sustainability initiatives throughout the year, highlighting on-the-ground problem-solving and the commitment of people involved

Expand Website Content That Brings Out the Firsthand Perspectives of Employees on the Ground ②

Frontline employees, their voices and first-hand perspectives (development stories)

https://www.nipponpaint-holdings.com/en/company/story/

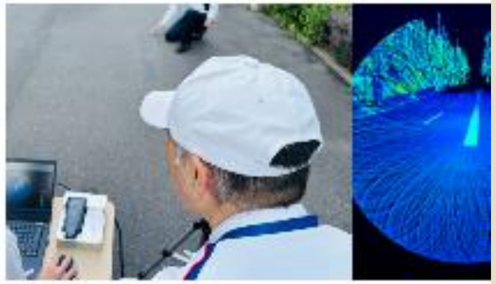
Development Story: How a Fresh Perspective Led to a Breakthrough–Behind the Development of "Mizeron," the Insulating Coating Safeguarding Power Infrastructure from Bird Damage

Development Story: The Culmination of Technological Excellence Since Our Founding – "FASTAR," A Next-Generation Antifouling Paint That Suppresses Marine Biofouling

Development Story: Redefining Heat Control – THERMOEYE: The Heat-Reflective Coating That Challenged Market Norms

Behind the Scenes: The Making of Danziora – An Advanced Anti-Corrosion Coating to Protect Cultural Heritage for Future Generations

Development Story: A "Red" Like No Other Forged Through 50+ Years of Co-Creation with Mazda



Behind the Scenes: Target Line Paint - An Innovative Solution for Autonomous Driving, Born from Our Aspiration to Address Societal Challenges

Behind the Scenes: How Paint Technology Brings Kintetsu HINOTORI Limited Express to Life

Behind the Scenes: Developing Innovative and Eco-Friendly In-Mold Coating Technology for the Automotive Industry

Continuously publish development stories and concrete sustainability initiatives throughout the year, highlighting on-the-ground problem-solving and the commitment of people involved

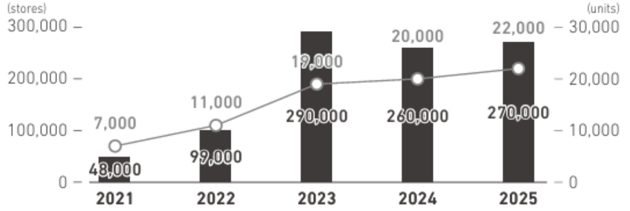
Enhancement of Data Disclosure ①

→ Integrated report P38/P42/P47/P52/P55

Customer base

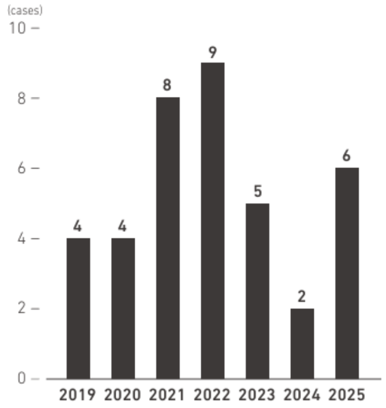
Dominant position enabled by extensive distribution channels

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



Our Group has built a broad and diverse distribution network, primarily serving the B2C market including retail, distributors, and e-commerce across the decorative paint markets in each country and region in which we operate. In 2025, we continued to increase the number of retail outlets and CCM installations, supporting the continued expansion of our distribution channels and further strengthening our ability to deliver value-added solutions to customers.

M&A[*1] transactions



*1 Including small-scale business acquisitions (undisclosed) across different regions and business segments

Metrics and targets

● For other ESG data, please refer to the "ESG Data" section on our website.

	GHG emissions (Scope 1, 2; Market based) (kg/t)	GHG emissions (Scope 1, 2; Location based) (kg/t)	GHG emissions (Scope 3) (Mt)*	Total Energy Consumption (GJ/t)	Renewable Energy Consumption (% of total)	Renewable Electricity Consumption (% of total)
Total	60.9 (+34.3%)	62.9 (+39.7%)	10.5 (+2.4%)	0.62 (+14.3%)	8.2% (-1.4 pp)	6.4% (-12.7 pp)

* Excluding Dunn-Edwards and AOC data. NIPSEA includes the China, the Malaysia Group and BETEK only (representing approximately 90% of NIPSEA production). DuluxGroup includes Pacific business only (representing 45% of the DuluxGroup total production)

PCG	Reduction Targets (Scope 1, 2)		Progress	Improvement Priorities
	Net Zero (Scope1, 2)	Medium-term[*1]		
NIPSEA Group	2060	2025: 15%	7.2% 2021 (Baseline) = 40.60 kg CO_2-e/tonne 2025 = 37.67 kgCO_2e/tonne	Carbon mitigation best practices were disseminated across the NIPSEA Group to facilitate consistent adoption across operations
Dulux Group[*2]	2050	2030: 50%	40% (including all acquisitions since 2020) 25% (excluding all acquisitions since 2020) 2020 (Baseline) = 149 kg CO_2-e/tonne 2025 (including acquisitions since 2020) = 90 kg CO_2-e/tonne, 2025 (excluding acquisitions) = 112 kg CO_2-e/tonne	Delivery of an additional 1,400 kW of solar generation capacity, ongoing energy efficiency initiatives across operational sites, continued roll-out of the fleet transition plan in the Pacific and Cromology business, review of climate targets for all DGL including Scope 3 target setting.
Japan Group	2050	2030: 37% 2030: 13% (Scope3)	22% 10% (Scope 3)	Reduced GHG emissions through increased renewable electricity purchases and Power Purchase Agreement (PPA). Conducted a carbon footprint survey of suppliers and strengthened collaboration to reduce Scope 3 Category 1 emissions.

*1 Baseline years for targets are 2019 for Japan Group (Scope 1, 2), 2020 for DuluxGroup, and 2021 for NIPSEA Group and Japan Group (Scope3)
*2 DGL (Pacific) only

	2021	2022	2023	2024	2025
ROIC (Return on Invested Capital)	5.2%	5.2%	6.8%	6.8%	7.6%
RNOA (Net Operating Assets)	19.4%	20.4%	27.0%	26.5%	30.7%
Capital expenditure-to-sales ratio	5.0%	3.8%	3.5%	4.6%	3.5%

Growing faster as part of the Nippon Paint Group

Türkiye Group (2025) [*1*2]

Net sales: USD 0.82 bn (+205% vs. 2019)
Operating profit: USD 0.12 bn (+303% vs. 2019)
OP margin: 15% (+400 bps vs. 2019)

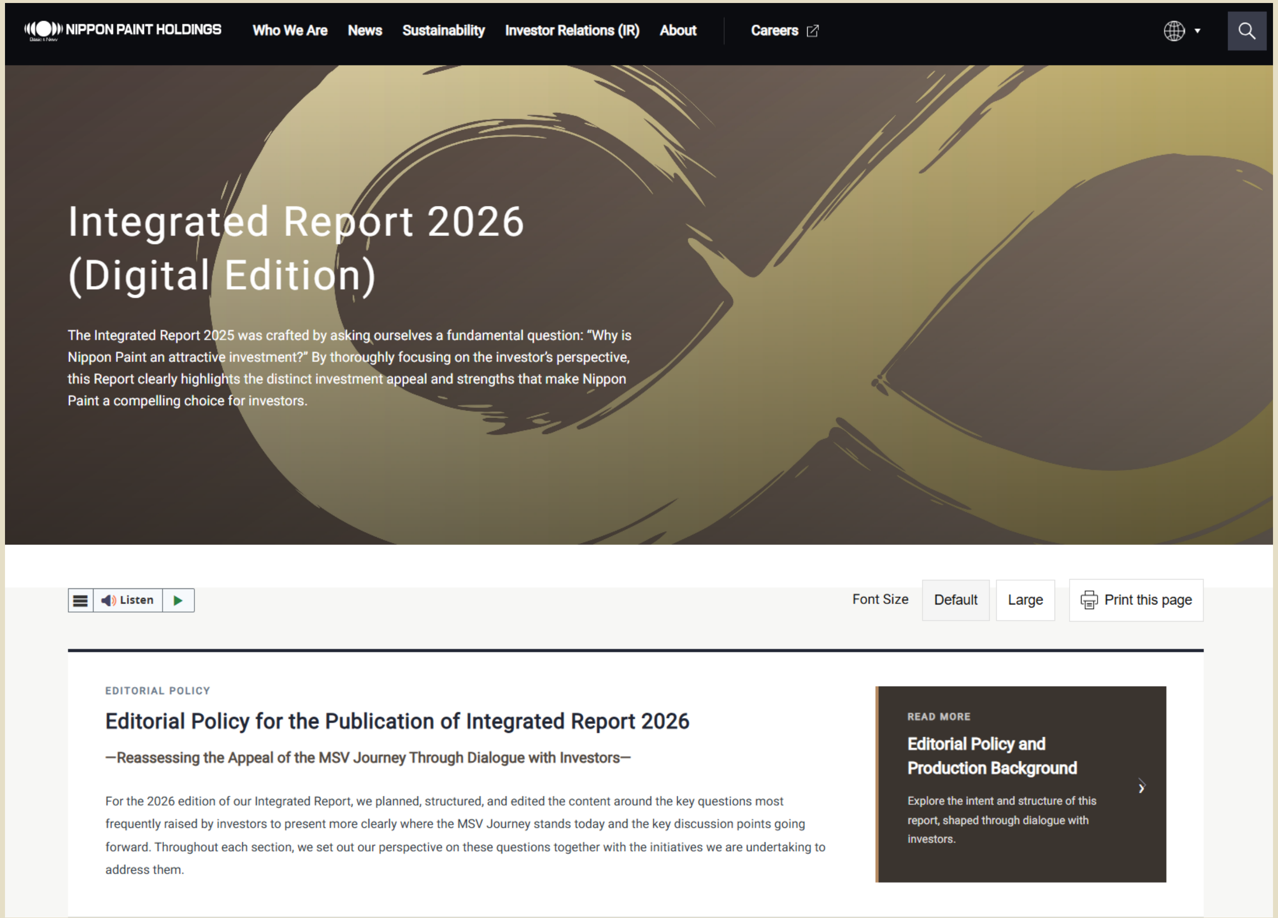
Türkiye business snapshot

Net sales: USD 0.66 bn (+145% vs. 2019)
Operating profit: USD 0.09 bn (+187% vs. 2019)
Our share in the Turkish decorative paint market
36% (+900 bps vs. 2019)
Turkish ETICS[*3] market share
50% (+2,600 bps vs. 2019)

Notes:
*1 Figures after applying hyperinflation accounting from 2022 onward
*2 Elimination of intersegment transactions and similar adjustments are not applied
*3 External thermal insulation composite system
*4 2019 figures on full year basis assuming acquisition completed at beginning of the year

Enhance data disclosure in response to investor needs, including the number of paint stores, CCM installations, and historical data

Enhancement of Data Disclosure ②



*Not yet disclosed at the time of investor briefing

- The online edition of the Integrated Report will be published at the end of July 2026
- This edition will complement the PDF version and supports AIO (AI search optimization), which is becoming increasingly important

Enhancement of Data Disclosure ③

Investor Book

- Reference material for investors seeking a basic understanding of our Group
- Includes an overview of each asset company, such as market share and revenue, our inorganic growth track record, and various market data

Asset Management Report

- Reference material for investors seeking a deeper understanding of our assets
- Brings together each asset company's financial and non-financial performance, medium-term growth strategy, and competitive advantages in one place