**FY2026 2Q Financial Results Conference Call Presentation Summary**
**August 7, 2026**


Good afternoon, everyone. I am Yuichiro Wakatsuki, Co-President of Nippon Paint Holdings. Thank you for taking time out of your busy schedules to join us today.

I would like to begin by briefly reviewing the key highlights of our financial results for the second quarter of fiscal year 2026.

Members of the media are also joining us today.

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# 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*1, impairment losses, non-recurring provision for credit losses, gain (loss) on sale of fixed assets) | Included | Excluded |
| Hyperinflationary accounting*2 | Included | Excluded |

## FX rates used

| | P/L: average rate*3 | | | | | | | | | | | F/P: closing rate | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY2025 | | | | | FY2026 | | | | | FY2026 | FY2025 | FY2026 |
| | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY | Guidance | As of Dec. 31 | As of June 30 |
| JPY/USD | 151.2 | 143.7 | 148.4 | 155.8 | 149.8 | 156.4 | 160.7 | - | - | - | 156.8 | 156.5 | 162.4 |
| JPY/RMB | 20.8 | 19.9 | 20.8 | 22.1 | 20.9 | 22.6 | 23.6 | - | - | - | 23.1 | 22.4 | 23.9 |
| JPY/AUD | 94.3 | 92.6 | 96.7 | 102.7 | 96.6 | 109.3 | 113.3 | - | - | - | 108.7 | 104.8 | 111.5 |
| JPY/EUR | 159.3 | 165.1 | 172.2 | 181.4 | 169.5 | 183.4 | 186.1 | - | - | - | 180.8 | 184.3 | 185.3 |
| JPY/TRY*4 | 4.0 | 3.6 | 3.6 | 3.7 | 3.7 | 3.6 | 3.5 | - | - | - | 3.4 | 3.7 | 3.5 |
| JPY/IDR | 0.0092 | 0.0088 | 0.0090 | 0.0093 | 0.0091 | 0.0093 | 0.0091 | - | - | - | 0.0090 | 0.0093 | 0.0091 |

(For reference) Estimates of FX sensitivity

Impact per 1 yen change (FY2025 full-year impact)

| | Revenue | Operating profit |
|---|---|---|
| USD | c. ¥2.0 bn | c. ¥0.4 bn |
| RMB | c. ¥25.5 bn | c. ¥3.6 bn |
| AUD | c. ¥4.2 bn | c. ¥0.4 bn |

## Terminology

- ・RMCC : Raw Material Cost Contribution
- ・CCM : Computerized Color Matching
- ・ETICS : External Thermal Insulation Composite System
- ・SAF : Sealants, Adhesives & Fillers
- ・CC : Construction Chemicals
- ・NPCS : Nippon Paint Corporate Solutions
- ・c. : Circa (approximately)
- ・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%

*1 Starting from FY2026 2Q, depreciation of property, plant, and equipment associated with PPA has been included as an adjustment item. Prior-year figures have also been retrospectively revised to reflect this change *2 Revenue is presented after applying hyperinflationary accounting and has not been adjusted *3 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 *4 Closing rates are used following the application of hyperinflationary accounting

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Before I begin, I would like to highlight two points.

First, we have revised our full-year earnings forecast for fiscal 2026. We have also updated our foreign exchange assumptions to reflect current market conditions, incorporating a weaker yen than assumed at the beginning of the fiscal year in February.

Specifically, we have revised our U.S. dollar exchange rate assumption from JPY 150.0 for the full year to JPY 155.0 for the second half and JPY 156.8 for the full year. We have also revised our Chinese yuan assumption from JPY 21.5 to JPY 23.1 for the full year.

Second, we have made a minor change to the treatment of PPA-related expenses in our definition of adjusted profit. Accordingly, prior-year figures have been retrospectively restated. We believe this change enhances comparability with our global peers and provides a clearer view of our underlying earnings power.

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## 1. 2Q Historical Performance Summary

**Consolidated P/L**

| (Billion yen) | FY2018 2Q | FY2019 2Q | FY2020 2Q | FY2021 2Q | FY2022 2Q | FY2023 2Q | FY2024 2Q | FY2025 2Q | FY2026 2Q | FY2018-FY2026 2Q CAGR (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 164.0 | 165.1 | 181.8 | 259.1 | 337.0 | 362.7 | 432.8 | 446.7 | 533.4 | 15.9% |
| Gross profit | 64.4 | 65.7 | 74.5 | 97.3 | 121.6 | 145.2 | 173.8 | 184.2 | 228.2 | 17.1% |
| Gross profit margin | 39.3% | 39.8% | 41.0% | 37.6% | 36.1% | 40.0% | 40.2% | 41.2% | 42.8% | - |
| Adj operating profit | 24.5 | 24.1 | 21.1 | 26.6 | 35.5 | 50.8 | 54.4 | 72.8 | 94.9 | 18.4% |
| Adj OP margin | 14.9% | 14.6% | 11.6% | 10.3% | 10.5% | 14.0% | 12.6% | 16.3% | 17.8% | - |
| Adj profit*1 | 12.9 | 11.8 | 10.6 | 19.2 | 26.7 | 37.3 | 39.8 | 52.5 | 68.3 | 23.2% |
| Adj EPS (yen) | 8.0 | 7.4 | 6.6 | 8.1 | 11.4 | 15.9 | 16.9 | 22.4 | 29.4 | 17.6% |
| EPS (yen) | 7.6 | 6.4 | 6.2 | 7.4 | 5.9 | 15.1 | 15.2 | 20.8 | 23.1 | 15.0% |

**Organic/Inorganic Growth**

| | FY2018 2Q | FY2019 2Q | FY2020 2Q | FY2021 2Q | FY2022 2Q | FY2023 2Q | FY2024 2Q | FY2025 2Q | FY2026 2Q | FY2018-FY2026 2Q Average (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| Adj operating profit | 24.5 | 24.1 | 21.1 | 26.6 | 35.5 | 50.8 | 54.4 | 72.8 | 94.9 | - |
| Adj organic operating profit | 24.5 | 24.1 | 15.5 | 23.1 | 32.0 | 50.4 | 53.2 | 55.0 | 94.9 | - |
| Adj operating profit from M&A*2 | - | - | 5.5 | 3.5 | 3.5 | 0.4 | 1.2 | 17.8 | - | - |
| Adj growth rate | - | -1.9% | -12.4% | 26.1% | 33.6% | 42.9% | 7.2% | 33.8% | 30.4% | 20.0% |
| Adj organic operating profit contribution | - | -1.9% | -35.4% | 9.7% | 20.3% | 41.7% | 4.9% | 1.1% | 30.4% | 8.9% |
| Adj operating profit contribution from M&A | - | - | 23.0% | 16.4% | 13.3% | 1.2% | 2.3% | 32.7% | - | 11.1% |

NIPPON PAINT GROUP *1 Adjusted profit attributable to owners of parent *2 Profit from businesses acquired and consolidated within the last 12 months 3

Let me begin with the long-term performance trends for the second quarter.

Driven by the twin engines of organic growth and M&A, we have steadily increased revenue, adjusted operating profit, and adjusted EPS.

Despite an uncertain business environment, including higher raw material prices stemming from the situation in the Middle East, we maintained and strengthened our earnings power in the second quarter through price pass-through and disciplined cost control.

Our second-quarter results represent a continuation of this sustained growth. Although there was no incremental contribution from new acquisitions compared with the second quarter of the previous year, strong organic growth enabled us to maintain growth in adjusted operating profit.

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## 2. FY2026 2Q Results: Record-High Revenue and Operating Profit

- Revenue: +19.4%, driven by higher sales volume, an improved product mix, and favorable FX effects

- Adjusted operating profit: +30.4% (organic: +30.4%, inorganic: no contribution), supported by strong revenue growth and an improved RMCC ratio; adjusted OP margin improved +150 bps to 17.8%

- AOC: Higher revenue and higher operating profit, with the market showing signs of bottoming out, driven by price revisions in response to rising raw material cost and volume growth
- Japan, NIPSEA Except China, and DGL (Pacific): Also higher revenue and higher operating profit, driven by volume growth and price revisions
- NIPSEA China: Delivered a solid operating profit margin through effective cost management, despite ongoing market softness and an increase in RMCC ratio

- Raw material costs: The impact of Middle East-related cost increases varied by region and business but was offset in 2Q by price pass-through and cost reductions

| (Billion yen) | FY2025 2Q | FY2026 2Q | YoY |
|---|---|---|---|
| Revenue | 446.7 | 533.4 | +19.4% |
| Gross profit | 184.2 | 228.2 | +23.9% |
| Gross profit margin | 41.2% | 42.8% | +150 bps |
| Adj operating profit | 72.8 | 94.9 | +30.4% |
| Adj OP margin | 16.3% | 17.8% | +150 bps |
| Adj EPS (yen) | 22.4 | 29.4 | +31.7% |
| EPS (yen) | 20.8 | 23.1 | +11.2% |

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Let me now provide an overview of our second-quarter performance.

Consolidated revenue increased by 19.4% year on year to JPY 533.4 billion, driven by higher sales volumes, an improved product mix, and a positive foreign exchange impact.

Adjusted operating profit rose by 30.4% to JPY 94.9 billion, while the adjusted operating profit margin improved by 150 basis points to 17.8%. Adjusted EPS increased by 31.7% year on year to JPY 29.4.

The key point is not simply the increase in revenue. What I would like to emphasize is that, despite an uncertain business environment, including the situation in the Middle East, we improved our profit margin through top-line growth, a more favorable raw material cost contribution, and effective cost control.

The impact of higher raw material costs stemming from the situation in the Middle East varies by region and business. In the second quarter, we were able to absorb this impact through price pass-through and cost reduction initiatives. However, the impact may become more apparent in the second half. We will therefore maintain a disciplined approach and carefully manage pricing, procurement, inventory, and SG&A expenses across all regions.

By segment, AOC recorded higher revenue and profit, supported by price increases implemented in response to rising raw material costs and by higher sales volumes, as the market showed signs of bottoming out. Japan, NIPSEA Except China, and DGL (Pacific) also achieved increases in both revenue and profit, driven by higher sales volumes, price increases, and other factors.

For NIPSEA China, higher raw material costs stemming from the situation in the Middle East added further pressure amid the continued weakness in the property market and consumer sentiment. In this environment, rather than aggressively pursuing sales growth, we focused on disciplined channel management, cost efficiency, and maintaining the strength of our brand. As a result, we achieved an operating profit margin of approximately 15%. Importantly, we maintained profitability without relying on an early recovery in the Chinese market.

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## 3. Revised FY2026 Guidance: Record-High Revenue and Operating Profit Expected

- Revenue: Despite continued uncertainty including the situation in the Middle East, business performance was largely in line with the February forecast, supported by effective pricing and successful marketing initiatives; Revenue forecast raised by 80 bn yen, representing a YoY growth of +12.7%, driven mainly by favorable FX movements

- Adjusted operating profit: Unchanged from the February forecast, with the more pronounced impact of higher raw material costs in 2H expected to be offset by price pass-through, cost reductions, and other measures: YoY growth of +13.6% is projected
- Adjusted EPS: Expected to increase +10.0% YoY despite a slightly higher-than-assumed effective tax rate and other factors

- Operating profit (reported basis): Expected to remain in line with the February 2026 forecast, supported by favorable FX movements despite M&A-related expenses and transformation costs at DGL (Europe)
- EPS (reported basis): Revised slightly downward to reflect one-off items and higher tax rates; annual dividend forecast unchanged

| | FY2026 Forecast | | |
|---|---|---|---|
| (Billion yen) | Feb 2026 forecast | Revised forecast | Revised Forecast (YoY) |
| Revenue | 1,920.0 | 2,000.0 | +12.7% |
| Adj operating profit | - | 316.0 | +13.6% |
| Adj OP margin | - | 15.8% | +10 bps |
| Adj EPS (yen) | - | 95.7 | +10.0% |
| (Reported basis) | | | |
| Operating profit | 283.0 | 283.0 | +10.1% |
| OP margin | 14.7% | 14.2% | -30 bps |
| Profit* | 198.0 | 189.0 | +5.1% |
| EPS (yen) | 85.3 | 81.5 | +6.3% |
| Annual dividend (yen) | 17 | 17 | +1 |

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*Profit attributable to owners of parent

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Next, I would like to explain our revised full-year earnings forecast for fiscal 2026.

First, we have raised our revenue forecast by JPY 80 billion, from JPY 1.92 trillion announced in February to JPY 2.0 trillion. This represents year-on-year growth of 12.7%.

We have also introduced full-year guidance for our adjusted financial metrics. We now forecast adjusted operating profit of JPY 316.0 billion, an adjusted operating profit margin of 15.8%, and adjusted EPS of JPY 95.7. This represents year-on-year growth of 13.6% in adjusted operating profit and 10.0% in adjusted EPS.

Following strong performance in both the first and second quarters, supported by effective price pass-through and cost control, we now expect to achieve record-high revenue and profit for the full year.

That said, as I mentioned during our first-quarter results announcement, we are maintaining a somewhat cautious outlook for the second half.

The Chinese property market remains in the early stages of recovery, while consumer sentiment continues to be weak. In addition, raw material prices remain elevated due to the situation in the Middle East, and uncertainty surrounding the U.S. housing market persists.

Against this backdrop, and without relying on a market recovery, we believe we can maintain full-year profitability broadly in line with our initial forecast by continuing to offset cost pressures through price pass-through, an improved product mix, cost reduction initiatives, and disciplined SG&A control.

On a reported basis, our operating profit forecast remains unchanged at JPY 283.0 billion, as the positive impact of the revised foreign exchange assumptions is expected to be offset by one-off items, including M&A-related expenses and business transformation costs at DGL (Europe).

EPS is forecast at JPY 81.5, reflecting the impact of these one-off expenses and the effective tax rate. Our annual dividend forecast also remains unchanged at JPY 17 per share.

From the perspective of Maximization of Shareholder Value (MSV), we will continue to prioritize sustainable EPS growth and will update our outlook from the third quarter onward if necessary.

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## 4. Assumptions for FY2026 Forecast (1)

(Billion yen)

| Segment | | FY2025 results (bn yen): Revenue | FY2025 results (bn yen): Adj operating profit | FY2025 results (bn yen): Adj OP margin | FY2026 forecast (In local currency) Feb. forecast: YoY Revenue | Feb. forecast: YoY Adj operating profit | Feb. forecast: YoY *1 Adj OP margin | Latest forecast: YoY Revenue | Latest forecast: YoY Adj operating profit | Latest forecast: YoY *1 Adj OP margin | Latest forecast: YoY Adj OP margin vs Feb. forecast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Japan | Segment total | 205.4 | 22.0 | 10.7% | +LSD | +LSD | → | +HSD | +HSD | → | Slightly above |
| Japan | Automotive | 39.7 | | | Flat | | | Flat | | | |
| Japan | Decorative | 46.9 | | | +MSD | | | +DD | | | |
| Japan | Industrial | 40.1 | | | Flat | | | Flat | | | |
| NIPSEA China | Segment total | 470.7 | 69.2 | 14.7% | +HSD | +HSD | → | Flat | -MSD | → | Slightly below |
| NIPSEA China | Decorative (TUC) | 386.7*2 | | | +HSD | | | -LSD | | | |
| NIPSEA China | Decorative (TUB) | | | | +LSD | | | -MSD | | | |
| NIPSEA China | Automotive | 58.4 | | | +DD | | | +DD | | | |

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## 4. Assumptions for FY2026 Forecast (2)

(Billion yen)

| Segment | | FY2025 results (bn yen): Revenue | FY2025 results (bn yen): Adj operating profit | FY2025 results (bn yen): Adj OP margin | FY2026 forecast (In local currency) Feb. forecast: YoY Revenue | Feb. forecast: YoY Adj operating profit | Feb. forecast: YoY *1 Adj OP margin | Latest forecast: YoY Revenue | Latest forecast: YoY Adj operating profit | Latest forecast: YoY *1 Adj OP margin | Latest forecast: YoY Adj OP margin vs Feb. forecast |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NIPSEA Except China | Segment total | 416.8 | 82.1 | 19.7% | +HSD | Flat | ↘ | +DD | +HSD | → | Slightly above |
| NIPSEA Except China | Malaysia Grp.<br>Singapore Grp.<br>Thailand Grp. | | | | +MSD | | ↘ | +MSD | | ↘ | Slightly above |
| NIPSEA Except China | PT Nipsea (Indonesia) | 65.9 | 22.2 | 33.7% | +HSD | +HSD | → | +HSD | +DD | → | Inline |
| NIPSEA Except China | Betek Boya (Türkiye) | 94.8 | 16.2 | 17.1% | +DD | -MSD | ↓ | +DD | +DD | ↗ | Above |
| DuluxGroup | Segment total | 405.2 | 45.3 | 11.2% | +MSD | +MSD | → | +MSD | +HSD | → | Slightly above |
| DuluxGroup | DGL (Pacific) | 251.2 | 35.5 | 14.1% | +MSD | +LSD | → | +MSD | +MSD | → | Slightly above |
| DuluxGroup | DGL (Europe) | 153.9 | 9.8 | 6.4% | +MSD | +DD | → | +LSD | +DD | → | Inline |
| Americas | Segment total | 119.0 | 7.0 | 5.9% | +MSD | +HSD | → | +LSD | -LSD | → | Slightly below |
| Americas | Automotive | 44.5 | | | +LSD | | | Flat | | | |
| Americas | Decorative | 72.3 | | | +MSD | | | +LSD | | | |
| AOC*2 | Segment total | 157.3 | 55.8*3 | 35.5%*3 | +LSD | +MSD | → | +LSD | +MSD | → | Flat |

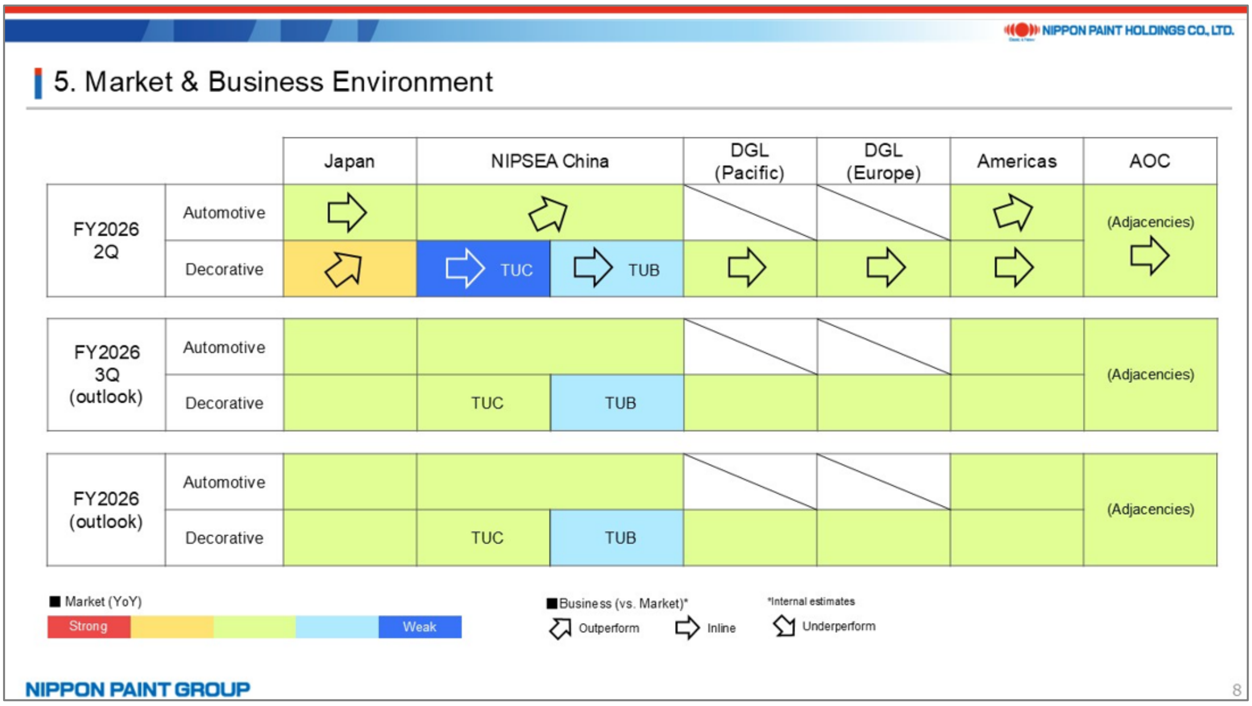
NIPPON PAINT GROUP *1 ↑ : ≧+2%, ↗ : +1%～2%, → : -1%～+1%, ↘ : -1%～-2%, ↓ : ≦-2% *2 The 2025 results reflect 10-month earnings
*3 Following the finalization of PPA, retrospective adjustments have been made (unaudited pro forma figures) 7

Next, let me explain the assumptions underlying our full-year earnings forecast for fiscal 2026.

Reflecting our strong first-half performance, while factoring in some moderation in the second half, we have raised our adjusted operating profit forecasts for Japan, NIPSEA Except China, and DuluxGroup.

On the other hand, for NIPSEA China, where the property market and consumer sentiment remain weak, we have maintained our forecast for the automotive coatings business while revising our initial assumptions for both TUC and TUB.

In the Americas, given the highly uncertain economic outlook, we are taking a cautious view of revenue. For AOC, we have maintained our forecast, as the market is showing signs of bottoming out.




Regarding market conditions, we expect growth from the second half onward to remain broadly flat year on year.

In Japan, we saw temporary strength in the second quarter, particularly in decorative paints, driven by supply concerns and front-loaded demand related to the situation in the Middle East. However, we do not expect these temporary factors to continue from the third quarter onward.

In NIPSEA China, automotive coatings remained relatively strong. Although TUC sales declined sharply in the second quarter due to the impact of the situation in the Middle East, we expect the market to recover in the third quarter to approximately the level recorded in the first quarter.

In the Americas, uncertainty continues to surround automotive production and housing demand. For AOC, it is also too early to conclude that end-market demand has recovered strongly. Nevertheless, supported by pricing actions, stable supply, and higher sales volumes, we are seeing underlying resilience in the business.

Taking these market conditions into account, our full-year forecast for fiscal 2026 does not simply assume that the strong first-half performance will continue into the second half. Rather, it reflects our commitment to pursuing profitable growth while appropriately accounting for the prevailing uncertainties.

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## 6. Summary of Operating Results in Major Segments

| (Billion yen) | | FY2025 2Q | FY2026 2Q | YoY | Overview |
|---|---|---|---|---|---|
| Japan | Revenue | 52.3 | 61.6 | +17.9% | Higher revenue, driven by decorative segment growth from higher sales of high-durability architectural and structural products, along with higher sales in the industrial and automotive segments driven by volume growth |
| | Adj OP | 5.4 | 8.9 | +65.0% | Higher profit on higher revenue, supported by improved RMCC ratio and SG&A cost control |
| NIPSEA China | Revenue | 117.7 | 129.1 | +9.7% | Higher revenue with favorable FX more than offsetting the impact of continued weakness in China's property market and subdued consumer and market sentiment |
| | Adj OP | 18.7 | 18.7 | -0.1% | Profit was unchanged, with cost efficiencies from an improved SG&A ratio offset by higher RMCC ratio |
| NIPSEA Except China | Revenue | 98.8 | 124.9 | +26.4% | Revenue is up, supported by growth from Malaysia Group, Singapore Group, Thailand Group, Betek Boya, PT Nipsea, and India |
| | Adj OP*1 | 17.9 | 27.4 | +53.1% | Profit is higher due to higher revenue and a better RMCC ratio and ongoing streamlining efforts |
| DGL (Pacific) | Revenue | 57.1 | 73.7 | +29.2% | Higher revenue in a challenging market environment, with share gains in specialty coatings and a favorable FX impact |
| | Adj OP | 7.5 | 10.7 | +42.9% | Profit higher driven by increased revenue and a favorable FX impact |
| DGL (Europe)*2 | Revenue | 41.7 | 50.1 | +19.9% | Revenue higher due to slightly stronger markets and share gains in Central and Southern Europe, with France market relatively flat |
| | Adj OP | 4.6 | 5.0 | +9.6% | Profit higher driven by revenue growth in Southern and Central Europe and favorable FX impact |
| Americas | Revenue | 31.1 | 34.9 | +12.2% | Revenue was higher despite the impact of market conditions, driven by market share gains resulting from new account acquisitions in the automotive business and favorable FX movements |
| | Adj OP | 3.0 | 3.2 | +8.5% | Profit was higher due to higher revenue and improved RMCC ratio |
| AOC | Revenue | 48.0 | 59.1 | +23.0% | Revenue increased significantly, despite continued challenging macro economic environment, driven primarily by favorable impact of foreign currency translation, higher pricing in response to higher input costs, and an increase in sales volume |
| | Adj OP | 17.1*3 | 21.5 | +26.0% | Operating profit increased due to revenue growth, improvement in RMCC ratio and favorable regional mix |

*1 Excludes adjustments for unrealized profit on inventory from intersegment transactions or similar items. The total for the NIPSEA segment does not equal the combined totals of NIPSEA China and NIPSEA Except China *2 Business transformation costs of ¥7.0 bn was recorded for the Cromology Group; not included in the calculation of adjusted operating profit
*3 Retrospective adjustments have been made following the finalization of PPA

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On page 9, I would like to briefly summarize the performance of our major segments. I will leave the details for the Q&A session, but let me first provide a brief overview of each segment.

1. Japan: Revenue increased by 17.9% year on year to JPY 61.6 billion, while adjusted operating profit rose by 65.0% to JPY 8.9 billion. In decorative paints, growth was driven by higher sales of high-durability products for architectural and structural applications, together with front-loaded demand. In industrial and automotive coatings, higher sales volumes also contributed to growth. On the profit side, in addition to the contribution from higher revenue, improvements in the raw material cost contribution ratio and SG&A expense ratio provided significant support.

2. NIPSEA China: Revenue increased by 9.7% year on year to JPY 129.1 billion, while adjusted operating profit remained broadly unchanged at JPY 18.7 billion. Although revenue increased on a yen basis, TUC revenue declined by 14% in local currency terms, reflecting weakness in the Chinese property market and subdued consumer sentiment. TUB revenue also decreased by 9% due to sluggish market conditions. Nevertheless, through disciplined channel management, careful inventory control, and improved cost efficiency, we were able to maintain our profit margins.

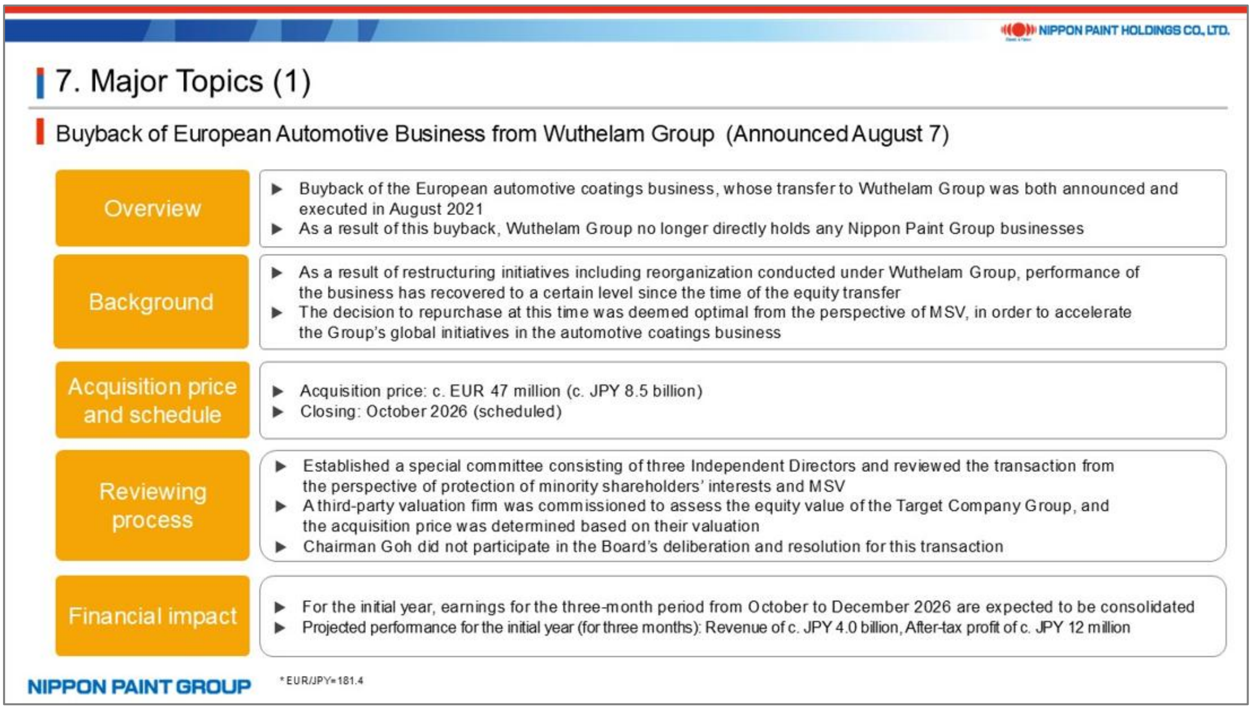
3. NIPSEA Except China: Revenue increased by 26.4% year on year to JPY 124.9 billion, while adjusted operating profit rose by 53.1% to JPY 27.4 billion, representing a very strong performance. Growth was broad-based across the Malaysia Group, Singapore Group, Thailand Group, Türkiye, Indonesia, and India. Higher revenue, an improved raw material cost contribution ratio, and streamlining initiatives all contributed to profit growth.

4. DGL (Pacific): Revenue increased by 29.2% year on year to JPY 73.7 billion, while adjusted operating profit rose by 42.9% to JPY 10.7 billion. Despite challenging market conditions, the segment benefited from market share gains in specialty coatings, contributions from small-scale acquisitions, and favorable foreign exchange movements. DGL (Europe): Revenue increased by 19.9% year on year to JPY 50.1 billion, while adjusted operating profit rose by 9.6% to JPY 5.0 billion. Performance in France remained broadly unchanged year on year,

while Southern and Central Europe recorded somewhat stronger growth. Nevertheless, we believe the European market as a whole remains in the process of recovery.

5. The Americas: Revenue increased by 12.2% year on year to JPY 34.9 billion, while adjusted operating profit rose by 8.5% to JPY 3.2 billion. In automotive coatings, new account wins contributed to market share gains, while in decorative paints, price increases and favorable foreign exchange movements supported performance. Nevertheless, market conditions remained challenging.

6. AOC: Revenue increased by 23.0% year on year to JPY 59.1 billion, while adjusted operating profit rose by 26.0% to JPY 21.5 billion. This represents a very strong performance, even excluding the 12% positive foreign exchange impact. Despite the challenging macroeconomic environment, AOC continued to make a significant profit contribution, supported by pricing actions in response to rising raw material costs, higher sales volumes, and a more favorable regional mix, with growth in the Americas and Europe outpacing that in Asia Pacific. Although the figures include a retrospective adjustment following the finalization of the PPA allocation, AOC's underlying earnings power and cash generation remained very strong.




Next, I would like to discuss our key topics.

First, let me explain the repurchase of the European automotive coatings business from the Wuthelam Group, which we announced today.

This transaction involves the repurchase of the European automotive coatings business that we announced would be transferred to the Wuthelam Group in August 2021. The purchase price is expected to be approximately EUR 47 million, or around JPY 8.5 billion, and the transaction is scheduled to close in October 2026.

Following this repurchase, together with the repurchase of the India business in 2024, the Wuthelam Group will no longer directly hold any Nippon Paint Group businesses.

The key point is not simply the repurchase itself, but our conclusion that bringing the business back into the Group at this time represents the best course of action from an MSV perspective. Under the Wuthelam Group's ownership, restructuring initiatives, including organizational reforms, have progressed, and the business has recovered significantly since the transfer. Looking ahead, as we accelerate our global automotive coatings initiatives, we believe that a more integrated operating structure, including closer capital alignment, will better serve the Group.

In addition, we established a special committee comprising three Independent Directors to review the transaction from the perspectives of protecting minority shareholders and achieving MSV. The acquisition price was determined based on a valuation conducted by an independent third-party firm, and Chairman Goh did not participate in the deliberations or resolution concerning the transaction.

The contribution in the first year will be limited to the three-month period from October through December 2026 and is therefore expected to be modest. From 2027 onward, however, we anticipate a meaningful recovery. Although the financial impact is limited in scale, we believe this transaction represents an important strategic step.

## 7. Major Topics (2)

### Integrated Report 2026 (Released June 30)

- The Report was planned, structured, and edited around the key questions most frequently raised by investors to present more clearly where the MSV Journey stands today and the key discussion points going forward
- Throughout each section, we set out our perspective on these questions together with their initiatives we are undertaking to address them
- On July 16, we held our fourth Integrated Report Briefing, highlighting key sections that we particularly encourage investors to read




Integrated Report 2026 (https://www.nipponpaint-holdings.com/en/ir/library/annual_report/)
Presentation Material for the Integrated Report 2026 Briefing (held on July 16) (https://www.nipponpaint-holdings.com/en/ir/library/materials/20260716_file/)





## 7. Major Topics (3)

### Reorganization of Japan Group consolidated subsidiaries (Announced July 23)

- Nippon Paint Surf Chemicals' (NPSU) operations will be split and integrated into Nippon Paint Automotive Coatings (NPAC) and Nippon Paint Industrial Coatings (NPIU)
- Transition to a structure that enables the Group to provide surface treatment and coating products through an integrated framework
- The aim is to strengthen the Group's product development and technical service capabilities while enhancing competitiveness and customer satisfaction

| Outline of the Reorganization | |
|---|---|
| (1) Effective date | January 1, 2027 |
| (2) Overview | NPSU will transfer its automotive surface treatment agent functions, excluding production, to NPAC, and merge its general industrial surface treatment agent business and all production functions into NPIU, after which NPSU will be dissolved |

### The Award for Distinguished Service/Encouragement at the 42nd Corporate Public Relations Awards (Announced July 30)

- Received the Award for Distinguished Service and Encouragement in Corporate Public Relations at the 42nd Corporate Public Relations Award, organized by the Japan Institute of Social and Economic Affairs (JISEA)
- This award honors PR professionals and teams that have made a significant contribution to the development of corporate public relations or have demonstrated originality in their corporate communications activities
- Through public relations activities, we will continue to strengthen trust with stakeholders, while fostering employees' understanding of and pride in the Company, and thereby further enhancing engagement

For further details, please refer to the press release (https://www.nipponpaint-holdings.com/en/news_release/20260730_01/)



Next, I would like to discuss our Integrated Report 2026, which was published at the end of June.

This year's report was planned, structured, and edited around key questions raised by investors to provide a clearer understanding of our progress on the MSV Journey and the key issues for discussion going forward.

Each section explains our views and the specific initiatives we are undertaking in response to these questions. The report also features a three-way discussion among Co-President Wee, Board Chair Nakamura, and me, together with a range of other substantive and insightful content. I encourage you to take the time to read the report.

On July 23, we announced a reorganization within the Japan Group. Under this reorganization, the operations of Nippon Paint Surf Chemicals will be divided and integrated into Nippon Paint Automotive Coatings and Nippon Paint Industrial Coatings, effective January 1, 2027. This will establish a structure that enables us to offer surface treatment and coating products—previously provided separately by individual subsidiaries—in an integrated manner across the Group. Through this reorganization, we aim to further strengthen product development and technical services while enhancing both our competitiveness and customer satisfaction.

I am also pleased to report that we received the Award for Distinguished Service/Encouragement at the 42nd Corporate Public Relations Awards. Through our corporate communications activities, we will continue to deepen trust with our stakeholders while fostering a greater sense of understanding and pride among our employees.

Thanks to the tireless efforts of our partner companies around the world across a wide range of areas, including raw material procurement, product supply, and customer service, we achieved record-high revenue and adjusted operating profit in the second quarter. At the same time, several factors continue to warrant caution, including raw material prices, foreign exchange movements, and geopolitical risks. Against this backdrop, all of our local management teams are approaching the second half with a strong sense of discipline and urgency.

We will continue to assess these risks calmly and prudently while steadily increasing adjusted profit, EPS, and cash generation and pursuing MSV as an Asset Assembler. We also remain committed to maintaining constructive dialogue with our investors.

Thank you for your attention.