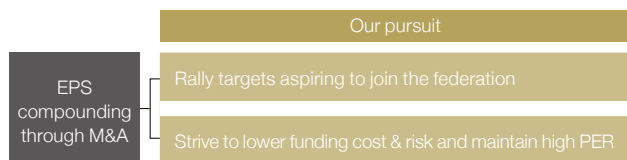


M&A Strategy

By leveraging the competitive advantage of our Asset Assembler model, we actively seek M&A opportunities to further accelerate the growth and compounding of EPS.

How Shareholder Value Is Maximized » See pages 3-4.



No limitations on M&A target areas, regions, or scale

We believe, by leveraging the competitive advantage of our Asset Assembler model, we should be able to compound EPS with limited risk, without setting limitations on the business areas, regions, or scale of our M&A targets. To date, our M&A activities have been primarily focused on acquiring decorative paints companies. However, our strategic considerations are not confined to the paints and adjacencies arena. We remain open to every opportunity that promises to contribute to MSV.

» P20 Asset Assembler Model

Rigorous acquisition criteria that minimize risk

When selecting M&A targets, our sole criterion is whether they contribute to MSV. We specifically focus on companies that: 1) present low-risk and good returns, 2) have an excellent management team, and 3) generate good cash flows.

Rigorous acquisition criteria

Acquisition targets

- Companies that present low-risk and good returns
- Companies led by excellent management teams
- EPS accretive from Year 1

Essentially, our acquisitions are centered around what we term "good companies." We place considerable emphasis on financial discipline, particularly ensuring that a newly acquired company contributes to EPS accretion from Year 1. This reflects our meticulous approach to pursuing low-risk M&A. Moreover, our Co-Presidents and Directors, who have extensive experience in M&A, leverage their discernment abilities to assess the appeal of acquisition targets and the competency of their CEOs. This approach allows us to unlock the growth potential in partner companies through our autonomous and decentralized management.

» For more information about our M&A process, please refer to the "M&A Strategy" section on our website.

Fostering high growth in acquired companies through autonomous and decentralized management

The decorative paints market is characterized as local production for local consumption, with diverse business models across different countries and market segments. To address this, we implement an autonomous and decentralized management approach. By delegating authority and accountability to excellent local management teams, we facilitate swift local decision-making.

The strength of our platform rests on the collaborative efforts of our colleagues, united by a shared goal of achieving

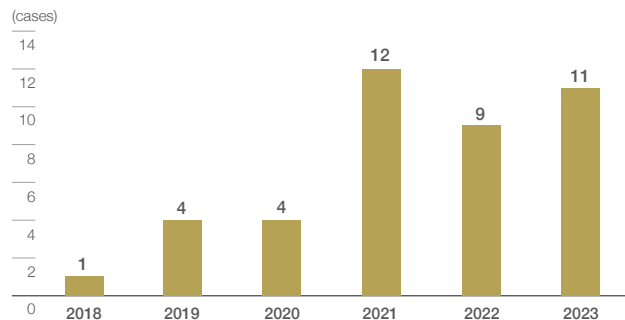
MSV. They assist each other across borders when needed and proactively share growth strategies for both mature and emerging markets. Additionally, they exchange expertise from existing and new businesses among partner companies. This approach is not imposed by the headquarters; instead, each partner company has the autonomy to choose its path. This collaborative and flexible approach fuels synergistic growth across our portfolio, benefiting both our existing businesses and the companies we acquire.

» P23 Our Platform That Underpins Autonomous and Decentralized Management

New M&A opportunities brought about by Asset Assembler model

Unlike the cost-cutting approach typically seen in Western companies, our approach has been generating new opportunities thanks to our proven track record and solid reputation. We have observed a growing interest from growth-focused local CEOs in joining our Group, as this allows them to fully demonstrate their management skills. Additionally, our commitment to respecting the legacy, brand, and leadership of target companies—especially private ones—appeals to asset owners who have a strong attachment to their companies and are seeking a seamless transition to the next generation.

M&A* transactions



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

Growth since joining our Group

	2019-2023		
	CAGR of revenue	CAGR of operating profit	Market share
DuluxGroup (Pacific)	+13.3%	+15.7%	48% → 50%
Betek Boya	+27.1%	+25.5%	27% → 35%
PT Nipsea*	+26.2%	+25.2%	17% → 19%

* The comparison of PT Nipsea covers the period from 2020 to 2023