



Asset Management Report

2024

Asset Management Report

The earnings comparison with the time of acquisition are estimates because some assumptions used to estimate market shares at the time of acquisition are different from present assumptions due to a change in the accounting policy.
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NIPSEA Group (Asia)

NIPSEA Group operates in 28 countries and regions mainly in Asia and is the driving engine of our Group's growth. This group has the leading market share in decorative paints in six countries.

Financial outcomes

FY2024 operating results

Revenue

In the automotive segment, revenue increased from the previous year, supported by higher automobile production in China, which more than offset a decrease in automobile production in Thailand. In the decorative segment, revenue rose, driven by higher sales volumes in China as well as in key markets such as Malaysia and Singapore. Including the impact of new consolidations, total revenue grew 18.5% year-on-year to JPY 914.4 billion.

Operating profit

Operating profit increased by 12.6% year-on-year to JPY 124.3 billion, driven by higher revenue, an improved raw material cost contribution ratio due to flow-through of price increases, and the impact of new consolidations.

Growth since the acquisition (FY2014)

Since becoming a consolidated subsidiary in 2014, NIPSEA Group has been a key driver of our Group's performance, achieving growth that has significantly outpaced both the market and competitors. This success is underpinned by its strengths: (1) exceptional brand strength, (2) top-notch talent cultivated through the "LFG (Lean For Growth)" corporate culture, (3) robust production and distribution networks, and (4) strong technological capabilities. Additionally, by sharing the broad expertise and technologies accumulated over the past 60 years with companies acquired by NPHD such as Betek Boya and PT Nipsea, the NIPSEA Group has helped them accelerate their growth post-acquisition. Furthermore, the NIPSEA Group has steadily expanded its adjacencies business by deploying the Selleys brand of DuluxGroup and acquiring Vital Technical and Alina.

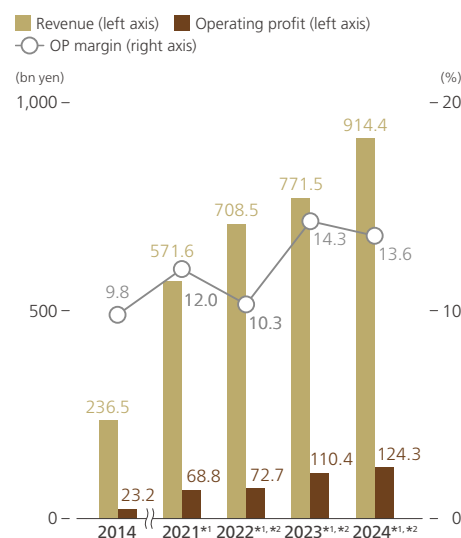
Consequently, compared to the time of acquisition, revenue has surged by 286.6% and operating profit has soared by 435.6%.

Revenue/Operating profit

(YoY/growth since acquisition)

JPY914.4 bn (+18.5%/+286.6%)/

JPY124.3 bn (+12.6%/+435.6%)



Non-financial outcomes

FY2024 results



Human resource/organizations

- ▶ Many initiatives to improve the gender balance
 - Ratio of female employees: 24.9%
 - Ratio of women in managerial positions: 23.7%
- ▶ Increase of employee engagement
 - Employee satisfaction (2024): 76.0%



Brands

- ▶ Increase the recognition and trust in the NIPPON PAINT brand
 - Listed on Brand Finance's Top 10 Most Valuable Paint Brands in the World for the fourth consecutive year



Nature/environment

- ▶ Water usage properly managed based on voluntary standards
 - Total water usage: -2.2% YoY

*1 Starting from FY2022 1Q, the business segmentation was changed. Figures from FY2021 onwards are based on the new segmentation and exclude the overseas marine business

*2 In accordance with IAS 29, hyperinflationary accounting has been applied to Turkish subsidiaries beginning from FY2022 2Q. Figures from FY2022 onwards reflect the application of hyperinflationary accounting

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NIPSEA China (China)

Since its founding in 1992, NIPSEA China has grown to become a respected leader in the paint and coatings industry. The company has steadily expanded its reach across China in tandem with the country's rapid economic growth.

Financial outcomes

FY2024 operating results

Revenue

In the automotive segment, revenue increased from the previous year, supported by higher automobile production and strong sales to Chinese OEMs. In the decorative segment, the TUC business recorded a 6% increase in revenue (in local currency terms), driven by higher sales volumes and robust demand in Tier 3-6 cities. Conversely, revenue in the TUB business declined by 15% (in local currency terms) due to continued weakness in the real estate market. In the industrial segment, revenue grew from the previous year, bolstered by strong sales in the coil coating and general industrial coating businesses. Consequently, total revenue rose by 12.9% year-on-year to JPY 545.2 billion.

Operating profit

Despite a rise in the raw material cost contribution ratio, operating profit increased by 0.7% year-on-year to JPY 60.6 billion, supported by higher revenue and controlled SG&A expenses.

Market share

In the TUC business, despite price reductions to respond to subdued consumer sentiment, higher sales volumes kept market share steady YoY. In the TUB business, market share also remained stable YoY, even as we streamlined and rationalized unprofitable customer accounts.

Growth since the acquisition (FY2014)

Since becoming a consolidated subsidiary in 2014, NIPSEA China has consistently achieved strong growth each year, led by an outstanding management team embodying the LFG spirit and leveraging the company's high credibility and comprehensive capabilities, including: (1) the LiBang brand with high Top of Mind recognition and reliability, (2) wide-ranging and continuously expanding business domains and product ranges to meet increasing customer needs, and (3) efficient production systems based on robust networks in manufacturing, sales, and stakeholder relationships. In the TUC segment, NIPSEA China has aggressively expanded into Tier 3-6 cities, while maintaining high market share in Tier 0 and Tier 1-2 cities. In the TUB segment, in addition to rationalizing unprofitable customers, the company is promoting the diversification of its customer base by expanding into non-residential and other sectors.

Consequently, revenue has increased by 182.4% and operating profit has surged by 200.5% compared to the time of acquisition.

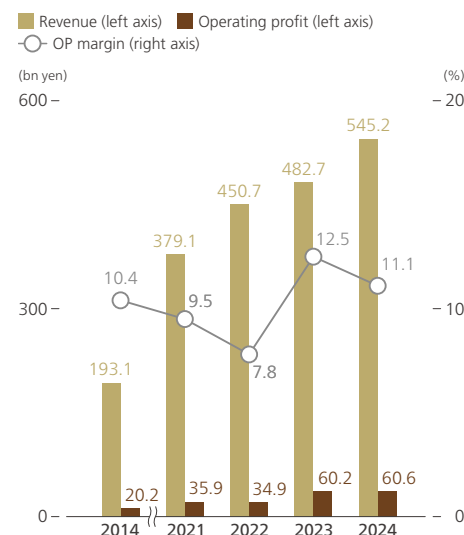
Revenue/Operating profit/ Market share* (YoY/growth since acquisition)

JPY545.2 bn (+12.9%/+182.4%)/

JPY60.6 bn (+0.7%/+200.5%)

TUC: 25% (+0bps/+600bps)

TUB: 9% (+0bps/+100bps)



* Starting in FY2023, the Chinese decorative paints segment was reclassified into TUC and TUB segments based on distribution channels. Following the reclassification, the market share was adjusted according to the definitions of the TUC and TUB segments. Figures shown as market share growth since acquisition for the TUC and TUB segments are comparison with 2020

Non-financial outcomes

FY2024 results



Customer base

- ▶ Comprehensive distribution network to support growth in the decorative paints business
 - Number of stores: c. 260,000
 - Number of CCMs: c. 20,000 units

* The number of distribution shops in 2024 declined from 2023 due to a detailed review of reporting criteria, such as the exclusion of dormant or non-active shops; If not for the review and under the previous criteria, the total number of distribution shops is estimated to have increased by approximately 5%

- ▶ Strategic partnerships with Chinese real estate developers
 - Selected as the No.1 paint brand by the top 500 Chinese real estate developers for 14 consecutive years



Brands

- ▶ Continuous investment in strengthening the brand's statuses
 - Achieve a 51% Top of Mind score among consumers



Nature/environment

- ▶ Introduced comprehensive lifecycle waste management systems to reduce waste, improving recycling efficiency

Medium- to long-term growth strategy

Revenue (in LCY)

	2020-2023 Results (CAGR)	2024 Results (YoY)	Medium-Term Growth Forecast (CAGR)
TUC	+23.5% *1	+6%	+10–15%
TUB	+0.5% *1	-15%	c.+5%

Market Growth Forecast*2

	Volume basis	Value basis
TUC	+3%	+1%
TUB	+1%	+2%

Market features and outlook

TUC

- ▶ The Chinese central government has set its 2025 GDP growth target between 5% to 6%, with a clear commitment to the principle of “steady progress”
- ▶ A slew of measures has been introduced by the Chinese government to stabilize growth and to lift confidence in the property sector and the larger economy
- ▶ Moderate market growth - continue to see stronger growth in the lower-tier and rural cities and demand in the renovation market from the refreshing of older apartments

TUB

- ▶ Property easing measures which include lowering of the downpayment ratios and the extension of deadlines for mortgage repayments are part of government efforts to lend support, stabilize and boost demand in a stagnant housing market
- ▶ The People's Bank of China (PBOC) provided 150 billion yuan worth of low-cost funds for lending to housing and infrastructure projects, further stepping up support for the economy
- ▶ To aid completion of stalled projects, city governments are recommending to banks residential projects suitable for financial support, and are coordinating with financial institutions to meet projects' needs under the Project Whitelist mechanism
- ▶ Both the Ministry of Housing and Urban - Rural Development (MOHURD) and the People's Bank of China (PBOC) have proposed support for the government or enterprises to purchase existing commercial housing for use as affordable housing. 15 cities have received the first batch of financial support to implement urban renewal initiatives and will get a fixed subsidy of 800 million to 1.2 billion yuan from the Central Government

Key strategies to deliver market +a growth

TUC

Enriching with new product line-up

- ▶ Striving and innovating products, providing solutions and services as a leading brand, bringing greater value to our customers
- ▶ Launching new products in the paint and non paint segment to meet different markets needs and demand

Continuous brand building

- ▶ Investing in branding, building the brand to champion the leading position on decoration effects through Magic Paint
- ▶ Continue color promotion and education by launching annual color trend and popular colors, investment in CCMs

Optimizing & expanding customers and channels

- ▶ Channel innovation: Developing customers based on different segment categories. Increasing number of exclusive distributors to better serve multi-brand stores and expand our competitive advantage in the distribution market
- ▶ Strengthening NP store operations, increasing the utilization rate of CCMs and boosting sales

TUB

Diversification of customer base

- ▶ Diversification and moving beyond the traditional new built residential segment into repainting, other non-residential segments and infrastructure projects
- ▶ Strengthening of business relationship with strategic construction, project service vendors, government enterprises, high quality, financially stable real estate enterprises and development and cooperation with the Top 200 industrial enterprises

Exclusive partners

- ▶ Support will be provided to NP exclusive partners in aspects such as credit and rebates, which will help increase the market share of TUB and jointly meet market challenges

Leveraging brand and extensive product and solution offering for building and energy saving solutions

- ▶ Expanding and promoting scenario based solutions, end to end coating systems, customizing design and solutions
- ▶ Capture opportunities for building & energy saving, dual-carbon reduction, green buildings and ultra-low-energy building policies with our wide range of paint offerings

Design institute promotion

- ▶ Leveraging design institute promotion as a strategic entry point. Business will focus on integrating products into design drawings and achieving sales conversion

Competitive advantages

Organizational optimization and transformation

- ▶ Streamlining and optimizing business groups and HQ functions based on the core structure of front, middle, and back office operations
- ▶ Enhanced product lifecycle management through the establishment of IPMT (integrated group management team) and PDT (product development team)

Cutting-edge production system

- ▶ The new factory was built incorporating the principles of “Smart Manufacturing” and “Industry 4.0” (the Fourth Industrial Revolution), with the goal of creating an environmentally friendly production facility leveraging advanced digital technologies
- ▶ Installed fully automated production lines for water-based paint
- ▶ Driving significant reductions in manual labor while enhancing production efficiency

Dominant distribution network (TUC)

- ▶ Expanding the distribution network, strengthening human resources, and maintaining strong partnerships with distributors and high-quality distribution store resources
- ▶ Ensuring consistent service quality by improving the standards of existing distribution stores

Strong brand power

- ▶ Consistently winning numerous brand awards every year
- ▶ Focusing on enhancing the recognition and reputation of the LiBang brand

*1 2020 figures are based on the former segmentation (DIY/Project)

*2 Market growth forecast is NPHD estimates. Value basis includes the impact of volume changes

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Betek Boya (Türkiye)

Betek Boya is a leading Turkish paint and ETICS (External Thermal Insulation Composite Systems) company.
The company has been leading in the Turkish market with its multi-brand portfolio covering premium brands to budget options.

Financial outcomes

FY2024 operating results

Revenue

Despite the impact of monetary tightening measures aimed at cooling down domestic demand and curbing inflation, revenue increased by 26.5% year-on-year to JPY 95.0 billion, driven by the success of sales campaigns and the flow-through of price increases.

Operating profit

Despite the impact of hyperinflationary accounting and higher SG&A expenses resulting from inflation, operating profit increased by 53.7% year-on-year to JPY 12.6 billion, driven by higher revenue and an improved raw material cost contribution ratio.

Market share

In the decorative segment, the company maintained its No.1 position with a market share of 35%, unchanged from the previous year, despite the impact of monetary tightening measures aimed at cooling down domestic demand. The company also continued to hold a dominant No.1 market share in ETICS.

Growth since the acquisition (FY2019)

By leveraging our Group's low-cost financing capability, Betek Boya fully repaid all high-interest-rate borrowings, enabling the company to allocate its generated cash to actively invest in marketing and other promotional activities. Additionally, by drawing on the NIPSEA Group's expertise in driving growth in emerging markets and leveraging the NIPPON PAINT brand to launch premium brands, Betek Boya has achieved significantly higher earnings growth and market share expansion compared with pre-acquisition levels, even amid inflationary pressures.

As a result, compared with the time of acquisition, revenue has surged by 230.0% and operating profit has soared by 280.7%.

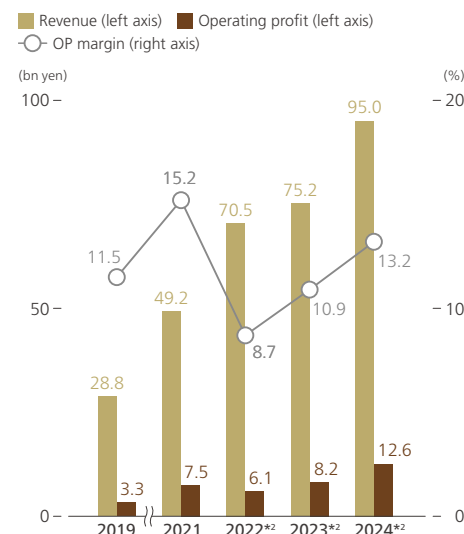
Revenue*1/Operating profit*1/ Market share

(decorative paints) (YoY/growth since acquisition)

JPY95.0 bn (+26.5%/+230.0%)/

JPY12.6 bn (+53.7%/+280.7%)/

35% (+0bps/+800bps)



*1 Segment basis (after elimination of inter-segment transactions and after PPA)

*2 In accordance with IAS 29, hyperinflationary accounting has been applied to Turkish subsidiaries beginning from FY2022 2Q. Figures from FY2022 onwards reflect the application of hyperinflationary accounting

Non-financial outcomes

FY2024 results



External partners

- ▶ "New Generation Dealer" program and loyalty program
 - Number of stores implementing these programs: c. 400
- ▶ Strengthened relationships with dealers and professional painters through the "Filli Ustam" loyalty program
 - Number of professional painters using this program: c. 2,600

* The decrease compared to 2023 is due to professional painters relocating outside Türkiye as a result of worsening economic conditions in the country



Brands

- ▶ Strengthened position as the market leader
 - Maintained the No.1 position in the decorative paints and ETICS markets for more than 20 years

Medium- to long-term growth strategy

Revenue (in LCY)

2020-2023 Result (CAGR)	2024 Result (YoY)	Medium-Term Growth Forecast (CAGR)
+87.3%	+34.9%	c.+10%

OP margin

2023 Result (Tanshin basis)	2024 Result (Tansin basis)	Medium-Term Forecast (vs2023)* ¹
10.9%	13.2%	(→)* ²

Market Growth Forecast (Decorative)*³

Volume basis	Value basis
+1%	+7%

Market features and outlook

- ▶ Market value growth continue to be driven by inflation albeit at a decreasing rate. Volume growth continues to be challenging amidst the higher inflationary environment
- ▶ The Turkish economy grew 3% in 2024, with impact from a year-long monetary tightening campaign aimed at controlling inflation and stabilizing the economy
- ▶ The Turkish government revised its economic strategy through the Mid-Term Program for 2025-2027. This program reflects a more cautious approach that underscores the government's fine balancing act between stimulating the economy and managing inflation. The Turkish Central Bank's inflation forecast for 2025 is 24%, considerably lower than the 44.3% inflation as at end 2024

Key strategies to deliver market +α growth

- ▶ Promoting solution based offering and driving sales of end to end paint and coating systems
- Building up decorative paint strength, leveraging on brand prestige & mass market appeal and marketing to entrench our position as clear top of mind leader
- Enhancing specialized segment dealers and expanding contribution from the non-core regions and beyond paint categories (ETICS)
- Expanding focus on public sector driving business growth opportunities

*1 ↑: ≥+2%, ↗: +1%—+2%, →: -1%—+1%, ↘: -1%—-2%, ↓: ≤-2%

*2 Subject to change due to the impact of hyperinflationary accounting

*3 Market growth forecast is NPHD estimates. Value basis includes the impact of volume changes

Competitive advantages

Leveraging our Group platform

- ▶ Reduced financial burdens through capital injections by NPHD, resulting in a significant improvement in cash flow
- ▶ Drove business growth by capitalizing on economies of scale across the Group's entire value chain, including marketing, procurement, technology, and production

Multi-brand strategy

- ▶ By implementing a multi-brand strategy, Betek Boya covers the full spectrum from economy to premium brands, enabling the company to meet the diverse needs of a wide range of markets and customer segments
- ▶ Strengthened its position in the premium market and achieved steady growth, even amid challenging economic conditions

A dominant leader in the Turkish decorative paints and ETICS markets

- ▶ Leading the Turkish market as a dominant leader, consistently expanding market share
 - ▶ Secured a highly advantageous position through continued investment in strategic marketing and consumer engagement
- Filli Boya was recognized as the only paint brand among the Top 10 Most Trusted Brands in Türkiye

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PT Nipsea (Indonesia)

PT Nipsea has a dominant position in the Automotive OEM coatings field in the rapidly growing Indonesian market. PT Nipsea is also a market leader in decorative paints. The company's profitability is one of the highest among our group partner companies.

Financial outcomes

FY2024 operating results

Revenue

Revenue increased by 6.7% year-on-year to JPY 65.0 billion, driven by higher sales volumes and the expansion of distribution networks.

Operating profit

Despite a higher raw material cost contribution ratio and increased advertising expenses, operating profit rose by 13.1% year-on-year to JPY 22.6 billion due to higher revenue.

Market share (decorative)

Market share remained steady at 19%, unchanged from the previous year, maintaining the No.2 position in the market.

Growth since the acquisition (FY2021)

Under the guidance of excellent management team practicing NIPSEA-style management, PT Nipsea has achieved higher earnings growth and market share expansion compared with pre-acquisition levels by leveraging the following strengths: (1) an extensive and growing network of production bases and distribution channels across Indonesia, (2) highly recognized decorative paint brands, (3) the largest CCM network in Indonesia, and (4) a strong support system cultivated through collaborations with global OEM manufacturers.

As a result, revenue surged by 114.4% and operating profit soared by 122.0% compared with pre-acquisition levels.

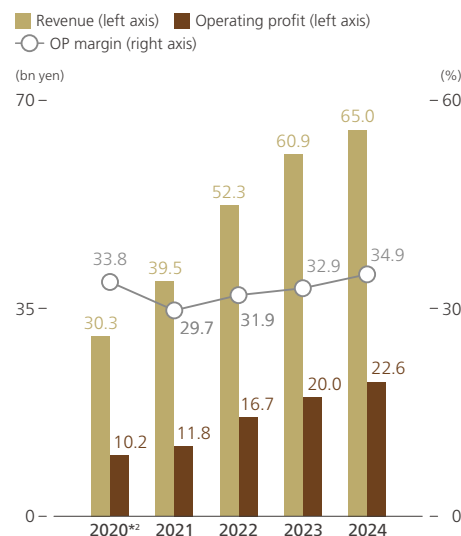
Revenue*1/Operating profit*1/ Market share

(YoY/growth since acquisition)

JPY65.0 bn (+6.7%/+114.4%)/

JPY22.6 bn (+13.1%/+122.0%)/

19% (+0bps/+200bps)



*1 Segment basis (after elimination of inter-segment transactions and after PPA)

*2 Pro-forma figures

Non-financial outcomes

FY2024 results



Customer base

- ▶ Enhanced customer services through the largest number of CCM machines deployed in Indonesia
- ▶ Strengthened relationships with fishing communities by providing samples of ship repair coatings



Brands

- ▶ Continuous investments in enhancing brand awareness and positioning
- Achieved a high credible Top of Mind score among consumers for decorative paints

Medium- to long-term growth strategy		
Revenue (in LCY)		
2020-2023 Result (CAGR)	2024 Result (YoY)	Medium-Term Growth Forecast (CAGR)
+12.6%	+3.4%	c.+10%
OP margin		
2023 Result (Tanshin basis)	2024 Result (Tansin basis)	Medium-Term Forecast (vs2023)* ¹
32.9%	34.9%	→
Market Growth Forecast (Decorative)* ²		
Volume basis	Value basis	
+3%	+6%	
Market features and outlook		
<ul style="list-style-type: none">▶ Indonesia's economy expanded by 5%, falling short of President Prabowo Subianto's 8% target. The slowdown can be attributed to a decline in the trade surplus amid weaker global demand▶ The new capital city in Nusantara, East Kalimantan is progressing well as efforts to attract foreign investment continues and have seen significant development		
Key strategies to deliver market +α growth		
<ul style="list-style-type: none">▶ Continue to drive the NIPPON PAINT brand in the Ultra Premium and Premium products by leveraging on product improvement and color leadership communication▶ Increase brand awareness and adding new waterproofing products to complete offering of professional water proofing solutions▶ Increased penetration of new shops, driving CCM distribution and expanding product offering▶ Expanding and focusing on SAFL (Sealants, Adhesives, Fillers and Lubricants) and dry-mix mortar range to complete our offering to customers, tapping on existing and new retail network, to increase sales contribution▶ Developing targeted strategies for different city tiers based on product mix, marketing strategies for stakeholders and distribution strategy▶ Identifying business partners to further improve our distribution channel▶ Driving productivity of CCM dealers, supported by with sales promoters and increasing depth of our full range of products offered by these dealers▶ Intensifying efforts on B2B (Decorative Projects, Marine, Protective Coatings, Flooring) segments		

*1 ↑: ≥+2%, ↗: +1%→+2%, →: -1%→+1%, ↘: -1%→-2%, ↓: ≤-2%
*2 Market growth forecast is NPHD estimates. Value basis includes the impact of volume changes

Competitive advantages
Dominant position and brand strength in decorative, automotive, and motorcycle markets <ul style="list-style-type: none">▶ A trusted brand with a long-standing history in Indonesia since 1969 and rooted in Japanese tradition▶ Maintains high market share in the automotive and motorcycle segments by leveraging strong customer relationships and exceptional cost management capabilities
Extensive distribution networks <ul style="list-style-type: none">▶ Three production sites and 64 sales offices covering the entire country▶ The largest domestic network for CCM in the decorative segment
Maintaining and strengthening the leading position across all price points in the decorative market <ul style="list-style-type: none">▶ In the economy segment, established a strong position leveraging high brand recognition and extensive distribution networks▶ In the premium segment, introduced ultra and top-quality products to differentiate from competitors. As a highly trusted and reputable Japanese brand, provides outstanding customer service

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Dunn-Edwards (USA)

Since its founding in 1925, Dunn-Edwards has been a leading paint supplier in the Southwestern U.S., providing extensive lines of products and services for professionals in the paint and coatings industry.

Financial outcomes

FY2024 operating results

Revenue

Despite the impact of a sluggish U.S. economy and housing market, revenue increased by 12.9% year-on-year to JPY 75.0 billion, supported by the flow-through of price increases, fewer days of unfavorable weather in California compared with the previous year, and the opening of new stores in locations vacated by a competitor.

Market share (decorative)

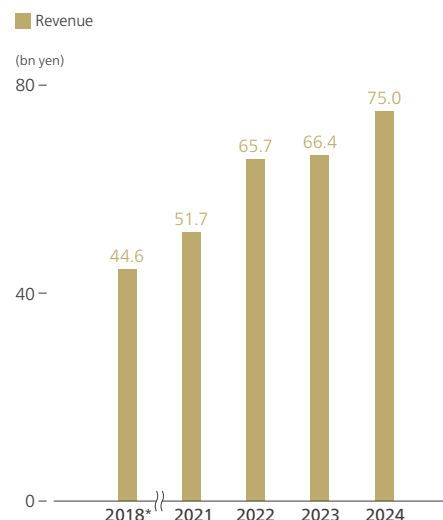
Maintained a market share of 2.5% in the overall U.S. market, unchanged from the previous year.

Growth since the acquisition (FY2018*)

Dunn-Edwards offers unique customer services that differentiate it from competitors, along with high-quality, wide-ranging products. By leveraging our Group's marketing know-how, Dunn-Edwards has promoted the supply of new products through both new stores and its existing distribution network. As a result, its revenue has successfully grown by 68.1% compared with 2018.

Revenue/ Market share (YoY/growth since acquisition*)

JPY75.0 bn (+12.9%/+68.1%)/
2.5% (+0bps/+10bps)



Non-financial outcomes

FY2024 results



Human resources/organizations

- ▶ Many Diversity & Inclusion initiatives
 - Ratio of female employees: 29.3%
 - Ratio of women in managerial positions: 34.1%



Customer base

- ▶ Opened 17 new stores in Northern California to expand our footprint in this region



Nature/environment

- ▶ Water recycling and reuse increased 10% from 2023 levels
- ▶ Participated in the Paint Care program for collecting and recycling surplus paint to reduce waste

* Dunn-Edwards' performance was compared using the 2018 figures because the 2017 figures, the first year post-acquisition, only covered 10 months following its acquisition in March 2017

Medium- to long-term growth strategy		
Revenue (in LCY)		
2020-2023 Result (CAGR)	2024 Result (YoY)	Medium-Term Growth Forecast (CAGR)
+2.5%	+4.8%	c.+5%
OP margin		
2023 Result (Tanshin basis)	2024 Result (Tansin basis)	Medium-Term Forecast (vs2023)*1
—	—	↑
Market Growth Forecast (U.S. decorative paints market)*2		
Volume basis	Value basis	
+2%	+5%	
Market features and outlook		
<ul style="list-style-type: none">▶ American Coatings Association (ACA) estimates steady volume growth for both the DIY and Professional customer segments▶ Elevated interest rates in the U.S. continue to constrain existing home sales and growth in the housing sector and related industries		
Key strategies to deliver market +α growth		
<ul style="list-style-type: none">▶ Expand store geographical coverage in underserved areas<ul style="list-style-type: none">- Primary focus on Northern California▶ Continue to grow alternate channel segments<ul style="list-style-type: none">- Domestic and international dealer network▶ Increase capabilities to win and better serve the commercial customer		

*1 ↑: ≥+2%, ↗: +1%→+2%, →: -1%→+1%, ↘: -1%→-2%, ↓: ≤-2%
*2 Market growth forecast is NPHD estimates. Value basis includes the impact of volume changes

Competitive advantages
Established position as a leading paint supplier in the Southwestern U.S. <ul style="list-style-type: none">▶ Holds an estimated 12% market share in California and a 10-20% share in adjacent regions
Diversified portfolio of high-quality and innovative products <ul style="list-style-type: none">▶ Delivers meaningful and measurable performance advantages over competitors

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Japan Group (Japan)

Japan Group leads the Japanese paint and coatings market, leveraging its strong technical expertise and brand strength.
The group operates in diverse range of businesses, including automotive coatings, decorative paints, industrial coatings, fine chemicals, and marine coatings.

Financial outcomes

FY2024 operating results

Revenue

Revenue from the automotive business declined year-on-year due to lower automobile production. In the decorative segment, revenue was steady compared with the previous year, as the impact of subdued consumer spending and increased demand for lower-priced products in response to inflationary pressures was offset by successful price increases and effective sales initiatives. Revenue in the industrial segment remained flat, as the positive effect of price increases offset sluggish market conditions. As a result, total revenue rose by 0.8% year-on-year to JPY 203.1 billion.

Operating profit

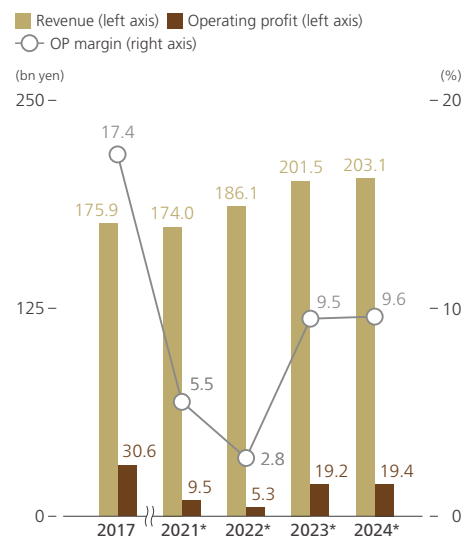
Operating profit increased by 1.5% year-on-year to JPY 19.4 billion, supported by an improvement in gross profit margin resulting from the flow-through of price increases.

Revenue/Operating profit

(YoY change)

JPY203.1 bn (+0.8%)/

JPY19.4 bn (+1.5%)



* The reportable segments were changed beginning in FY2022 1Q.
Figures from 2021 onwards are based on the new reportable segments and include the overseas marine business

Non-financial outcomes

FY2024 results



Technologies

- ▶ Our industry leading antifouling hull coating, FASTAR, won the Environmental Technology Award at Japan Chemical Industry Association's 56th annual technology awards
- ▶ Awarded the Grand Prix at the "Auto Color Awards 2024," organized by the Japan Fashion Color Association



External partners

- ▶ Promoting open innovation through industry-academia co-creation projects with the University of Tokyo
- Received the Ultrasonic Symposium Best Paper Award at USE2023 (The 44th Symposium on Ultra Sonic Electronics)
- ▶ Received the Special Excellence Award (Quality Management) from Toyota Housing Corporation for the 14th consecutive year



Nature/environment

- ▶ Promoted the use of renewable energy
- Renewable energy consumption (% of total): 15.9% (+570 bps YoY)

Medium- to long-term growth strategy		
Revenue (in LCY)		
2020-2023 Result (CAGR)	2024 Result (YoY)	Medium-Term Growth Forecast (CAGR)
+7.5%	+0.1%	+0-5%
OP margin		
2023 Result (Tanshin basis)	2024 Result (Tansin basis)	Medium-Term Forecast (vs2023)*1
9.5%	9.6%	↗
Market Growth Forecast (Decorative)*2		
Volume basis	Value basis	
-1%	+1%	

*1 ↑: ≥+2%, ↗: +1%-+2%, →: -1%-+1%, ↘: -1%- -2%, ↓: ≤-2%
*2 Market growth forecast is NPHD estimates. Value basis includes the impact of volume changes

Competitive advantages
<p>Leading Japan's paint and coatings market across all segments</p> <ul style="list-style-type: none">▶ Maintains the top market share in the decorative and industrial segments for many years▶ Ranked No.2 in market share in the automotive segment (2021) <p>Robust distribution networks supporting the No.1 market share</p> <ul style="list-style-type: none">▶ Extensive and robust distribution networks across all segments▶ Comprehensive customer support system leveraging these networks <p>Comprehensive technological capabilities cultivated across business segments</p> <ul style="list-style-type: none">▶ Maintains a broad product portfolio in each business segment, developed through advanced technological capabilities▶ Developing new products and tapping into new areas by leveraging technological expertise cultivated in each business segment

Asset Management Report

The earnings comparison with the time of acquisition are estimates because some assumptions used to estimate market shares at the time of acquisition are different from present assumptions due to a change in the accounting policy.
All market share data are based on NPHD estimates and are presented on a value basis unless otherwise indicated.



DuluxGroup (Consolidated) (Pacific/Europe)

DuluxGroup operates in 22 countries in the mature Pacific (Australia, New Zealand and Papua New Guinea) and European markets, holding the top market share in the decorative paints market in four countries, including Australia, and ranking in the top three in an additional six countries. DuluxGroup continues to drive the Group's performance through consistent annual growth.

Financial outcomes

FY2024 operating results

Revenue

In the decorative business, revenue increased year-on-year, despite sluggish sales volumes due to soft market conditions in the Pacific and Europe, partly driven by yen depreciation. In the adjacencies business, despite continued market weakness, revenue rose year-on-year, supported by business acquisitions in the Pacific region and the new consolidation of NPT. As a result, total revenue increased by 10.6% year-on-year to JPY 398.5 billion.

Operating profit

Despite higher SG&A expenses due to inflation, operating profit grew by 16.6% year-on-year to JPY 40.4 billion, supported by new consolidation, higher revenue, and an improved gross profit margin.

Growth since the acquisition (FY2019)

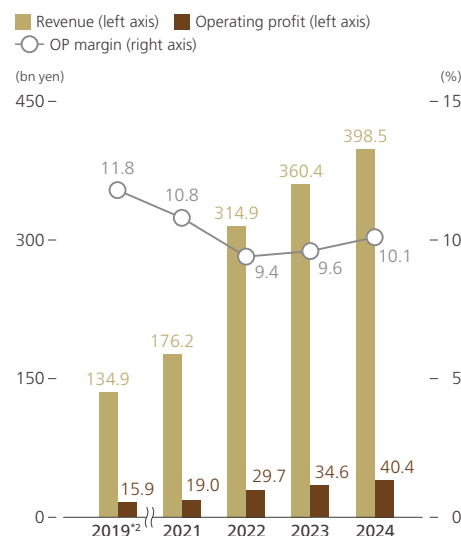
Under the guidance of its excellent management team, DuluxGroup has consistently achieved strong earnings growth through focus on organic and inorganic strategic growth initiatives across its three strategic pillars. DuluxGroup's focus on strategic M&A has played an important role in complementing its organic growth initiatives, with over 30 acquisitions (including a mixture of strategic and small bolt-on businesses) executed since it joined Nippon Paint Group in 2019.

As a result, since the acquisition, revenue increased by 195.4% and operating profit rose by 153.9%.

Revenue*¹/Operating profit*¹ (YoY/growth since acquisition)

JPY398.5 bn (+10.6%/+195.4%)/

JPY40.4 bn (+16.6%/+153.9%)



Non-financial outcomes

FY2024 results



Human resources/organizations

- Ratio of female employees: 34%
- Ratio of women in managerial positions: 30.1%



Nature/environment

- ▶ Controlled water usage through proper management following voluntary standards
- Water consumed: -12.2% YoY

*1 Segment basis (after elimination of inter-segment transactions and after PPA)

*2 Pro forma figures. Including one-off items such as M&A cost

Asset Management Report

The earnings comparison with the time of acquisition are estimates because some assumptions used to estimate market shares at the time of acquisition are different from present assumptions due to a change in the accounting policy.
All market share data are based on NPHD estimates and are presented on a value basis unless otherwise indicated.



DGL (Pacific) (Pacific)

DuluxGroup has the leading position in the mature Australian market and Dulux has about 80% unprompted brand awareness, which is almost double that of the next strongest brand, and is consistently voted Australia's most trusted paint brand.

Financial outcomes

FY2024 operating results

Revenue

Revenue from the decorative paints business increased from the previous year, despite the impact of soft market conditions, supported by price increases, an improvement in product mix, and yen depreciation. In the adjacencies business, revenue also rose, mainly driven by small-scale acquisitions of local businesses, which offset the impact of soft market conditions in existing businesses. As a result, total revenue grew by 11.8% year-on-year to JPY 248.8 billion.

Operating profit

Operating profit increased by 15.6% year-on-year to JPY 33.0 billion, driven by higher revenue despite higher SG&A expenses due to inflation.

Market share

DGL (Pacific) has maintained the No.1 market share in Australia for decorative paints, both in volume and value terms.

Growth since the acquisition (FY2019)

By relentlessly focusing on continuous investment in premium brand products, consumer insights, innovations, marketing, customer services catering to retail and trade-use customers, DuluxGroup has continued to outpace the market growth. Furthermore, the company has complemented its consistent organic growth with multiple strategic and bolt-on acquisitions.

As a result, since the acquisition, revenue has grown by 85.4% and operating profit rose by 107.5%.

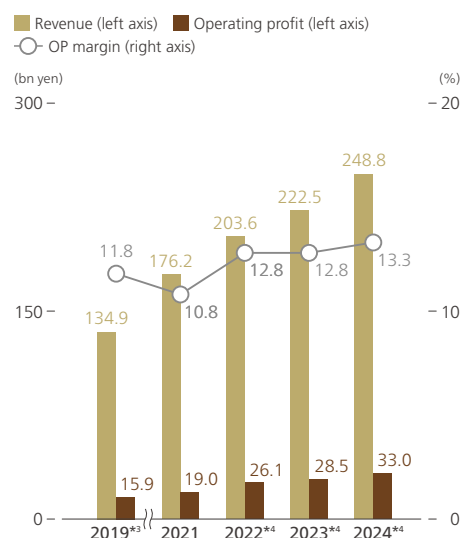
Revenue*1/Operating profit*1/ Market share*2

(YoY/growth since acquisition)

JPY248.8 bn (+11.8%/+84.5%)/

JPY33.0 bn (+15.6%/+107.5%)/

50% (+0bps/+200bps)



*1 Segment basis (after elimination of inter-segment transactions and after PPA)

*2 Volume basis

*3 Pro forma figures. Including one-off items such as M&A cost

*4 Due to a change in reporting segments within DuluxGroup, figures for 2022 onwards do not include Craig & Rose and Maison Deco

Non-financial outcomes

FY2024 results



Human resources/organizations

- ▶ Implements measures to increase the ratio of female employees in all job levels
 - Ratio of female employees: 37%
 - Ratio of women in managerial positions: 31%
 - More than doubled female representation at the Top 200 senior leaders conference, increasing to 39% from 15% in 2013
- ▶ Investments in improving employee engagement
 - Employee engagement (FY2021): 80% (+800 bps vs. FY2017)



Brands

- ▶ Improving the brand awareness
 - Several DuluxGroup brands have been voted by consumers as Australia's most trusted brand in their respective product category, while Dulux is consistently voted one of Australia's most trusted brands overall and has industry-high spontaneous brand recognition



Nature/environment

- ▶ Initiatives aimed at reducing energy consumption -Commenced solar install program at operating sites to achieve target of 50% renewable electricity consumption by 2030
 - Renewable energy consumption (% of total): 3.5% (+110 bps YoY)
 - Renewable electricity consumption (% of total): 6.9% (+240 bps YoY)

Medium- to long-term growth strategy

Revenue (in LCY)

2020-2023 Result (CAGR)	2024 Result (YoY)	Medium-Term Growth Forecast (CAGR)
+5.7%* ¹	+4.5%	c.+5%

OP margin

2023 Result (Tanshin basis)	2024 Result (Tansin basis)	Medium-Term Forecast (vs2023)* ²
12.8%	13.3%	→

Market Growth Forecast (Decorative)*³

Volume basis	Value basis
~+1%	+2-2.5%

Market features and outlook

- ▶ In Australia, the renovation and repair segment of the Decorative paint market is highly resilient whilst normalizing from its "COVID enhanced" abnormal 2020 peak
- ▶ In general, decorative paint market volumes are primarily correlated with GDP, interest rates and to a lesser extent new housing starts. Consumer confidence indicators remain subdued with the persistence of cost of living pressures i.e.. low GDP growth rate, relatively high inflation and increased interest rates following record lows. Interest rate cuts in the short to medium term will support gains in household spending, with the Australian economy expected to slowly improve in 2025

Key strategies to deliver market +a growth

- ▶ Continue strong track record of organic growth in DGL Pacific Dulux Paints and Coatings by maintaining a focus on the granularity of growth and core fundamentals, being consumer engagement, premium brands, innovation and customer service
- ▶ Drive growth in SAF Global markets leveraging our NPT joint venture in Europe, whilst accelerating Selleys ANZ (retail, trade and household cleaning) and enabling growth in Selleys Asia
- ▶ Deliver structural step-change growth in B&D and Yates Group and a strategic reset for Lincoln Sentry to drive growth
- ▶ Target acquisitions in the Pacific and Europe that enable key strategic growth opportunities

*1 2020 figures include Craig & Rose and Maison Deco

*2 ↑: ≥+2%, ↗: +1%~+2%, →: -1%~+1%, ↘: -1%~-2%, ↓: ≤-2%

*3 Market growth forecast is NPHD estimates. Value basis includes the impact of volume changes

Competitive advantages

Leading position and brand strength in the Pacific market

- ▶ Maintaining and expanding industry-leading brand recognition and exceptional market share through continuous investments in innovation and marketing
 - Dulux's unprompted brand recognition: c. 80% (almost double that of the second-ranked brand)
 - Various brands are consistently recognized as the most trusted in Australia

Growth capabilities leveraged by the Nippon Paint Group platform

- ▶ Executes bolt-on acquisitions to complement sustained organic growth, leveraging NPHD's strong financing capabilities

Creating growth opportunities through an autonomous and decentralized management approach

- ▶ Proactively explores new growth initiatives and markets by leveraging a global platform of assets

Asset Management Report

The earnings comparison with the time of acquisition are estimates because some assumptions used to estimate market shares at the time of acquisition are different from present assumptions due to a change in the accounting policy.
All market share data are based on NPFD estimates and are presented on a value basis unless otherwise indicated.

cromology



DGL (Europe) (Europe)

DGL (Europe) has Cromology, which is the fourth largest in the European decorative paints market, and JUB, which is the market leader in decorative paints for interiors and ETICS in the market, and is accelerating growth, leveraging the management know-how of DuluxGroup

Financial outcomes

FY2024 operating results

Revenue

Revenue from the decorative paints business increased year-on-year, despite sluggish sales volumes in France due to soft market conditions, supported by yen depreciation. In the adjacencies business, revenue also grew, as the impact of weak ETICS demand and a sluggish adjacencies market was offset by the new consolidation of NPT. As a result, total revenue rose by 8.6% year-on-year to JPY 149.8 billion.

Operating profit

Operating profit increased by 21.3% year-on-year to JPY 7.4 billion, supported by an improved gross profit margin and gains from the sale of the Craig & Rose factory, despite higher SG&A expenses due to inflation.

Market share

DGL (Europe) maintains a leading position in key European decorative paints markets, including Cromology's No. 1 market share in Italy and No. 2 positions in France and Portugal, as well as JUB's No. 1 ranking in interior decorative paints in Slovenia, Croatia, Bosnia and Herzegovina, and Kosovo.

Growth since the acquisition (FY2022)

DuluxGroup is leveraging its core growth capabilities, developed through years of consistent expansion in the Pacific market, to accelerate growth, primarily through Cromology, the fourth-largest player in the European decorative paints market, and JUB, a leader in Central European decorative paint markets. Additionally, DuluxGroup is broadening its foundation in adjacency business through the acquisition of NPT, an Italy-based adhesives manufacturer.

As a result, since the time of acquisition, revenue has risen by 37.3%, with the consolidation of NPT offsetting declines in sales volumes in France.

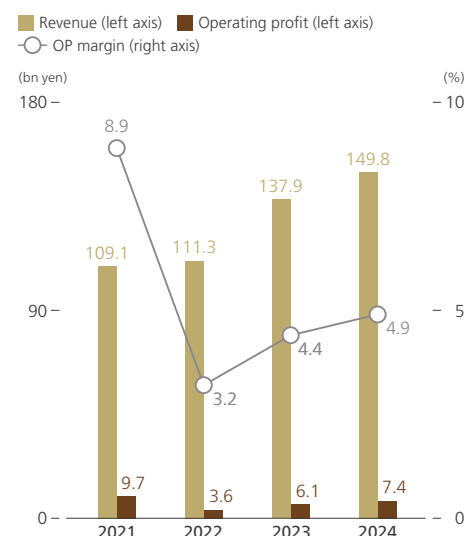
Operating profit declined by 23.8%, primarily due to soft market conditions in France, M&A related expenses associated with NPT, and higher SG&A expenses driven by inflation.

Revenue*/operating profit*

(YoY/growth since acquisition)

JPY149.8 bn (+8.6%/+37.3%)/

JPY7.4 bn (+21.3%/-23.8%)



Non-financial outcomes

FY2024 results



Human resources/organizations

- Ratio of female employees: 29%
- Ratio of women in managerial positions: 28%



Nature/environment

- ▶ Promoted the use of renewable energy
- Renewable energy consumption (% of total): 2% (-950 bps YoY)
- Renewable electricity consumption (% of total): 7.6% (-1,320 bps YoY)

* Continued solar use in JUB and renewable power purchase in Cromology, though at reduced rate versus 2022 due to market pricing changes

* The 2021 figures represent the simple sum of pro forma figures for Cromology and JUB.
JUB's earnings for FY2022 are pro forma figures for 12 months converted to JPY at the following exchange rate: EUR/JPY=138.5 yen.
Due to a change in reporting segments within DuluxGroup, figures for 2022 onwards include Cromology, JUB, NPT, Craig & Rose, and Maison Deco

Medium- to long-term growth strategy

Revenue (in LCY)

2020-2023 Result (CAGR)	2024 Result (YoY)	Medium-Term Growth Forecast (CAGR)
+12.4%* ¹	-2.3%* ²	+5-10%

OP margin

2023 Result (Tanshin basis)	2024 Result (Tansin basis)	Medium-Term Forecast (vs2023)* ³
4.4%	4.9%	↑

Market Growth Forecast (Decorative in France)*⁴

Volume basis	Value basis
~+1%	+1-3%

Market features and outlook

- ▶ In France, the decorative paint market has continued to contract post the "COVID enhanced" demand due to tighter credit conditions and subdued housing sector. The market is expected to stabilise towards the end of 2025 and gradually improve from 2026 with the easing of these conditions and gains in consumer confidence

Key strategies to deliver market +a growth

- ▶ Accelerate DGL Europe P&C growth including step changing Cromology France (leveraging Dulux Pacific capabilities) and enabling JUB's continued focus on fundamentals
- ▶ Drive growth in SAF Global markets leveraging our NPT joint venture in Europe
- ▶ Target acquisitions in the Pacific and Europe that enable key strategic growth opportunities

*1 Calculated using 2022-2023 figures

*2 Excluding six-month earnings of NPT

*3 ↑: ≥+2%, ↗: +1%~+2%, →: -1%~+1%, ↘: -1%~-2%, ↓: ≤-2%

*4 Market growth forecast is NPHD estimates. Value basis includes the impact of volume changes

Competitive advantages

Established a leading position in the European decorative market through M&A

- ▶ Cromology is ranked No.4 in the European decorative market and JUB holds the leading position in Central Europe

Leveraging market expertise from the Pacific for growth in Europe

- ▶ The European market shares similar consumer, customer, and competitive environment with the Pacific region, enabling DuluxGroup to drive growth by leveraging expertise developed in the Pacific market

Growth capabilities in the adjacencies market

- ▶ Leveraging ETICS expertise developed by JUB and Betek Boya
- ▶ Combining SAF expertise built through the Selleys brand with NPT's supply chain and technological capabilities in the European SAF market