



# Asset Management Report

# 2026

**Note:**

- 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.
- LSD: Low Single Digit, MSD: Mid Single Digit, HSD: High Single Digit, DD: Double Digit, LDD: Low Double Digit

# Asset Management Report



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

### FY2025 operating results

#### Revenue

Revenue from automotive coatings increased compared with the previous year, reflecting a recovery in automobile production. Revenue from industrial coatings also increased, as the impact of weak market conditions was more than offset by the pass-through of price increases. Revenue from decorative paints declined, despite initiatives to expand sales of high value-added products, including new products, due to a slowdown in renovation projects caused by inflation.

As a result, consolidated revenue increased by 1.1% year-on-year to JPY 205.4 billion.

#### Operating profit

Operating profit rose by 44.6% to JPY 28.1 billion, supported by higher revenue, improved raw material cost contribution ratio and SG&A ratio, and a gain on the transfer of non-current assets at the Tokyo Office.

### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

#### Revenue\*

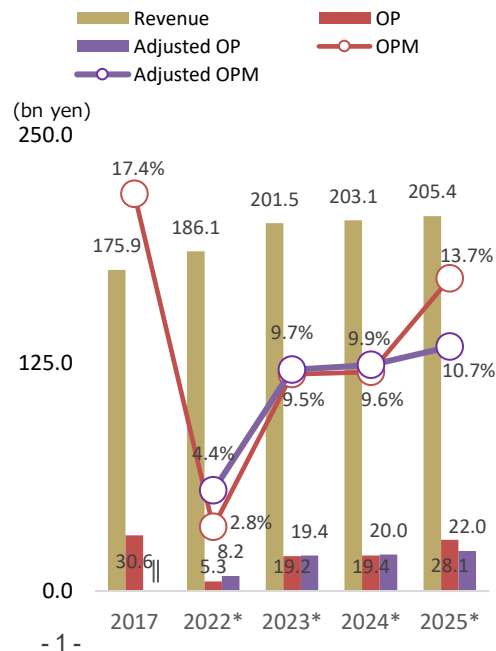
JPY 205.4 bn (+1.1%/ -)

#### Operating profit\*

JPY 28.1 bn (+44.6%/ -)

#### Adjusted operating profit\*

JPY 22.0 bn (+9.7%/ -)



## Non-financial outcomes

### FY2025 results



#### Technologies

- DANZIORA System, a heavy-duty anti-corrosion coating system, received its first Minister of Land, Infrastructure, Transport and Tourism Award at the 9th Infrastructure Maintenance Awards
- Received Encouragement Awards at both the inaugural Modal Shift Excellent Business Operator Awards and the 26th Logistics Environment Awards



#### External partners

- Industry-academia co-creation between the University of Tokyo and Nippon Paint Group — Following the conclusion of an industry-academia co-creation agreement in 2020 and the establishment of a five-year social collaboration program, the second phase commenced in October 2025 under the theme, "Initiatives to Address Social Challenges through the Creation of Innovative Coating Technologies"



#### Nature/environment

- Promoted the use of renewable energy — Renewable energy consumption (% of total): 19.8% (+390 bps YoY)

\* 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

**Our Medium-Term Growth**

**Revenue**

2023-2025 Results (CAGR)	2025 Result (YoY)	Forecast (in LCY)
+1.0%	+1.1%	+LSD

**Adjusted OP**

2023-2025 Result (CAGR)	2025 Result (YoY)	Forecast (in LCY)
+6.3%	+9.7%	+MSD

**Adjusted OP margin**

2025 Result	2025 Result (YoY)	Forecast (in LCY) (vs. 2025)
10.7%	+80 bps	↗*1

**Key strategies to deliver market +α growth**

Strengthen efforts to promote new construction and renovation projects, develop new customers, enhance sales proposals, and improve customer support. In particular, by actively launching high-performance and differentiated products that meet market needs in both the construction and structural sectors, we expect to achieve revenue growth that surpasses market trends

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

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

**Medium-Term Market Growth**

**Market growth (Decorative)\*2**

2023-2025 Actuals (CAGR)		Forecast (CAGR)	
Volume Base	Value Base	Volume Base	Value Base
-4%	0%	-2%	-1%

**Market features and outlook\***

**Architectural domain:**

Despite continued decline in new housing starts, renovation demand supported by extensive existing stock is expected to sustain the market. Recovery in retail is slow due to inflation, but demand for energy-saving paints such as heat-insulating and environmentally friendly products is projected to increase.

**Structural domain:**

With aging infrastructure, maintenance needs for bridges and industrial plants are expected to remain stable over the medium to long term. Demand for high-performance anti-corrosion coatings that enhance durability in harsh environments and high value-added products such as "thick-film coating with fewer steps" to address labor shortages are anticipated to grow. Similar to the architectural domain, a shift toward functional, quality-focused market growth is expected.

**Competitive advantages**

**Automotive:**

- ✓ Solid business foundation as a major global player in automotive coatings
- ✓ Comprehensive ability to provide the entire spectrum of automotive coatings from coatings for auto bodies to interior and exterior plastic components
- ✓ Customer support system with a global sales network expanding from Asia

**Decorative:**

- ✓ Top share in the domestic decorative paints market
- ✓ A strong sales network and history underpinning leading market position
- ✓ A wide variety of products offered as a comprehensive paint manufacturer (construction, heavy duty, auto refinishes, household use, etc.)

**Industry:**

- ✓ Top share in the domestic industrial coatings market
- ✓ Diverse business portfolio in various segments enabling quick response to market growth and opportunities

# Asset Management Report



## 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

#### FY2025 operating results

##### Revenue

In the automotive segment, revenue increased compared with the previous year, as higher automobile production in China and strong sales to Chinese local automakers more than offset flat automobile production in Thailand.

In the decorative segment, revenue decreased, as increased sales volumes in China and key markets such as Malaysia and Singapore were offset by weak consumer sentiment and other adverse market conditions in other parts of Asia.

As a result, total revenue decreased by 2.9% year-on-year to JPY 887.5 billion

##### Adjusted operating profit

Adjusted operating profit increased by 15.6% year-on-year to JPY 151.2 billion. Despite lower revenue, this higher profit was achieved due to an improved raw material cost contribution ratio and continued cost-cutting and streamlining efforts across the regions.

#### 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 275.2% and operating profit has soared by 520.8%

#### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

##### Revenue\*1,2

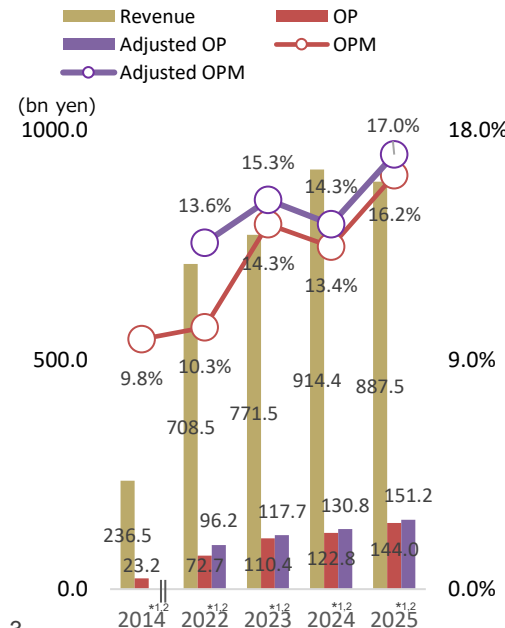
JPY 887.5 bn (-2.9%/+275.2%)

##### Operating profit\*1,2

JPY 144.0 bn (+17.3%/+520.8%)

##### Adjusted operating profit\*1,2

JPY 151.2 bn (+15.6%/+/-)



### Non-financial outcomes

#### FY2025 results



##### Human resource/organizations

- Many initiatives to improve the gender balance
  - Ratio of female employees: 24.8%
  - Ratio of women in managerial positions: 26.4%
- 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

- Waste management through recovery efforts
  - Total waste diverted for all recovery operations: 41.3%

\*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 Hyperinflationary accounting has been applied to Turkish subsidiaries since FY2022 2Q. Figures from FY2022 onward reflect this application.

# Asset Management Report



## NIPSEA 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

#### FY2025 operating results

##### Revenue

In the automotive segment, revenue increased due to stronger sales to Chinese automakers amid marginally higher automobile production in China.

In the decorative segment, the TUC business recorded a 2% decrease in revenue (in local currency terms), as growth in the non-paint business was more than offset by weakness in the paint segment due to challenging market conditions and subdued consumer sentiment. Revenue in the TUB business declined by 20% (in local currency terms) with the real estate market remaining very challenging.

In the industrial segment, lower revenue was recorded due to a weaker performance across all industrial coating business segments. Consequently, total revenue decreased by 13.7% year-on-year to JPY 470.7 billion.

##### Adjusted operating profit

Adjusted operating profit increased by 9.4% year-on-year to JPY 69.2 billion. This higher profit, despite lower revenue, was achieved due to an improved raw material cost contribution (RMCC) ratio and cost-cutting measures, with continued focus on innovation and service.

##### Market share

In the TUC business, market share remained at 25%, with share gains across all city tiers.

In the TUB business, market share was 8%, as we are diversifying and moving beyond the traditional new built residential segment into repainting, other non-residential segments, and infrastructure sectors.

#### 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 143.8% and operating profit has surged by 232.0% compared to the time of acquisition.

#### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

##### Revenue

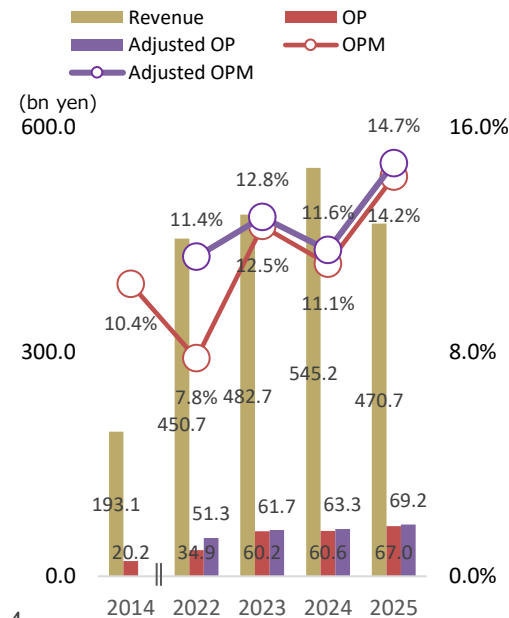
JPY 470.7 bn (-13.7%/+143.8%)

##### Operating profit

JPY 67.0 bn (+10.5%/+232.0%)

##### Adjusted operating profit

JPY 69.2 bn (+9.4%/+)



### Non-financial outcomes

#### FY2025 results



##### Customer base

- Comprehensive distribution network to support growth in the decorative paints business
  - Number of stores: c. 270,000
  - Number of CCMs: c. 22,000 units
- 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
  - Achieved a 50% Top of Mind score among consumers



##### Nature/environment

- Implemented a comprehensive lifecycle waste management system to reduce waste and enhance recycling efficiency, supported by streamlined departmental responsibilities, strengthened management processes, and targeted technical modifications at factories to minimize waste generation at source

**Our Medium-Term Growth**

**Revenue**

	2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
TUC	+1.2%	-2%	+MSD
TUB	-17.9%	-20%	+LSD

**Key strategies to deliver market +α growth**

**TUC**

**Enriching with new product line-up**

- ✓ Building a comprehensive paint and non-paint portfolio that addresses diverse customer needs across different market tiers, strengthening TUC's ability to compete on both breadth and value

**Strengthening brand leadership and consumer pull**

- ✓ Investing consistently in brand building, reinforcing TUC as the category leader through Magic Paint, superior decorative effects, and strong emotional brand cues

**Optimizing & expanding customers and channels**

- ✓ Strengthening NP store operations and expanding community stores which improves repainting conversion, deepen neighborhood penetration, and reinforce service-led differentiation
- ✓ Building an efficient, last-mile distribution system to improve reach and service quality nationwide

**TUB**

**Diversifying customer base beyond new-build residential**

- ✓ Diversifying and moving beyond the traditional new built residential segment into repainting, other non-residential segments and infrastructure sectors
- ✓ Strengthening cooperation with high-quality, financially stable real estate enterprises and deepen partnerships with the Top 200 industrial enterprises to secure multi-segment volume resilience

**Strengthening business with strategic & institutional partners**

- ✓ Building long-term collaboration with strategic construction companies, project service vendors, government enterprises, and state-linked development bodies, increasing TUB influence in national renewal and infrastructure programs

**Building market leadership in scenario-based solutions & energy-saving coating systems**

- ✓ Leveraging NP strong brand and wide paint/non-paint offering to create end-to-end coating systems for buildings, façades, refurbishment, waterproofing, insulation and thermal-efficiency solutions

**Expanding into MRO (Maintenance, Repair & Operations) — A new growth engine**

- ✓ Positioning TUB as an integrated supplier for industrial renovation & maintenance offering industrial coatings, lubricants, degreasers, cleaners for mechanical parts, surface treatment chemicals etc.

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

**Medium-Term Market Growth**

**Market growth (Decorative)\***

	2023-2025 Actuals (CAGR)		Forecast (CAGR)	
	Volume Base	Value Base	Volume Base	Value Base
TUC	-3%	-6%	+1%	-1%
TUB	-6%	-11%	-1%	-2%

**Market features and outlook**

**TUC**

- China's 2026 GDP target is expected at 4.5%-5%, signaling steady but slower growth under a focus on high-quality development
- Policies continue to support stability, including fiscal easing and measures to soften the prolonged property downturn and bolster confidence
- Market growth remains modest, with relatively stronger demand in lower tier/rural cities and ongoing renovation needs despite continued weakness in new property activity

**TUB**

- Property easing continues, with measures such as reduced down-payment ratios and flexible mortgage terms forming part of broader efforts to stabilize demand in the weak housing market
- Cities are actively pushing stalled projects through the strengthened Project Whitelist mechanism, nominating developments for expedited bank financing to ensure completion
- Authorities are expanding affordable-housing initiatives, encouraging government and SOEs to purchase existing commercial housing, with urban-renewal efforts supported by central subsidies and reinforced through the 2026–2030 Five-Year Plan priorities
- Policies promote a shift toward selling finished homes, improving transparency and reducing buyer risk

**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

# Asset Management Report



## 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

#### FY2025 operating results

##### Revenue

Revenue increased by 1.4% year-on-year to JPY 65.9 billion, driven by volume growth and the expansion of distribution networks, partially offset by weaker exchange rates.

##### Adjusted operating profit

Adjusted operating profit rose by 1.8% year-on-year to JPY 22.2 billion, supported by higher revenue and an improved raw material cost contribution ratio.

##### Market share (decorative)

Market share increased to 20% from 19% in 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.

To drive further sustainable growth, PT Nipsea is accelerating growth in Ultra-Premium and Premium decorative products, targeting under-served suburban markets, and leveraging a solutions-driven approach by integrating coating systems with waterproofing technologies.

As a result, revenue surged by 117.4% and operating profit soared by 115.7% compared with pre-acquisition levels.

#### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

##### Revenue\*1

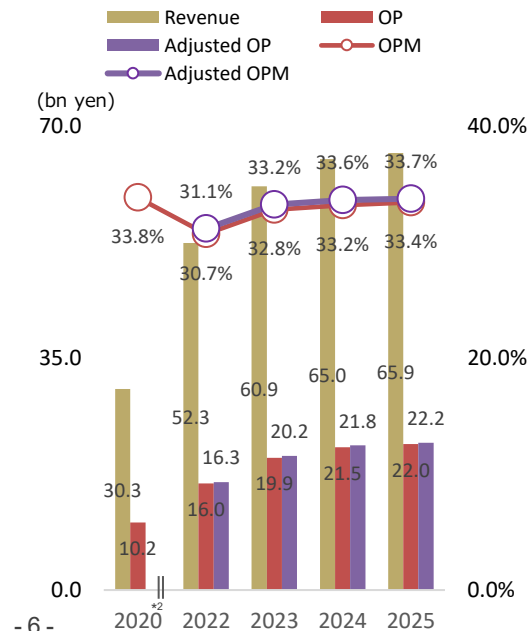
JPY 65.9 bn (+1.4%/+117.4%)

##### Operating profit\*1

JPY 22.0 bn (+2.1%/+115.7%)

##### Adjusted operating profit\*1

JPY 22.2 bn (+1.8%/+/-)



### Non-financial outcomes

#### FY2025 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

- Strengthened brand equity through sustained marketing investments and consumer-focused campaigns
  - Maintained strong consumer recognition and Top-of-Mind awareness in the decorative paint category

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

\*2 Pro-forma figures

## PT Nipsea (Indonesia)

### Our Medium-Term Growth

#### Revenue

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+4.0%	+1.4%	+HSD

#### Adjusted OP

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+4.8%	+1.8%	+HSD

#### Adjusted OP margin

2025 Results	2025 Results (YoY)	Forecast (in LCY) (vs. 2025)
33.7%	+10 bps	→*1

#### Key strategies to deliver market +α growth

- ✓ Driving the NP brand by sharpening the value proposition of Ultra-Premium and Premium ranges, emphasizing product improvements (durability, ease of application) and color leadership communication
- ✓ Expanding the professional waterproofing range with new SKUs to offer a full-system waterproofing solution, improving competitiveness in both retail and project environments
- ✓ Increasing penetration of new retail shops, targeting the under-served second-tier and fast-growing suburban markets
- ✓ Strengthening distribution quality through selective partner development & channel upgrading
- ✓ Increasing dealer productivity through CCM-equipped dealers by enhancing in-store tinting capability, increasing full-range depth and providing promoter support and digital tools

### Medium-Term Market Growth

#### Market growth (Decorative)\*2

2023-2025 Actuals (CAGR)		Forecast (CAGR)	
Volume Base	Value Base	Volume Base	Value Base
+1%	+2%	+2%	+3%

#### Market features and outlook

- ✓ World Bank projects Indonesia's growth to hover around 5.0% through 2026–2027, supported by investment and net exports
- ✓ Domestic consumption remains Indonesia's core growth engine, supported by low inflation, social assistance, and stable household spending

### Competitive advantages

#### Dominant position and brand strength in decorative, automotive, and motorcycle markets

- ✓ 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

- ✓ 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

- ✓ 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

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

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

# Asset Management Report



## 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

#### FY2025 operating results

##### Revenue

Revenue decreased by 0.2% year-on-year to JPY 94.8 billion. This was a result of weaker exchange rates, despite a successful sales campaign and pricing adjustment flow-through.

##### Adjusted operating profit

Adjusted operating profit rose by 14.7% year-on-year to JPY 16.2 billion. This higher profit was achieved despite lower revenue due to the weaker lira, lifted by an improved raw material cost contribution ratio.

##### Market share

In the decorative segment, market share increased to 36% from 35% in the previous year.

In the ETICS market, the company maintained its No.1 position, with market share growing to 50% from 47% in the previous year.

#### 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.

To drive further sustainable growth, the company is positioning Filli Boya – the flagship brand of the company as the Top-of-Mind brand across all decorative paint price tiers, expanding into high-potential emerging regions and international markets such as Central Asia, and leveraging the rapidly growing demand for ETICS.

As a result, compared with the time of acquisition, revenue has surged by 229.1% and operating profit has soared by 272.4%.

#### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

##### Revenue\*<sup>1,2</sup>

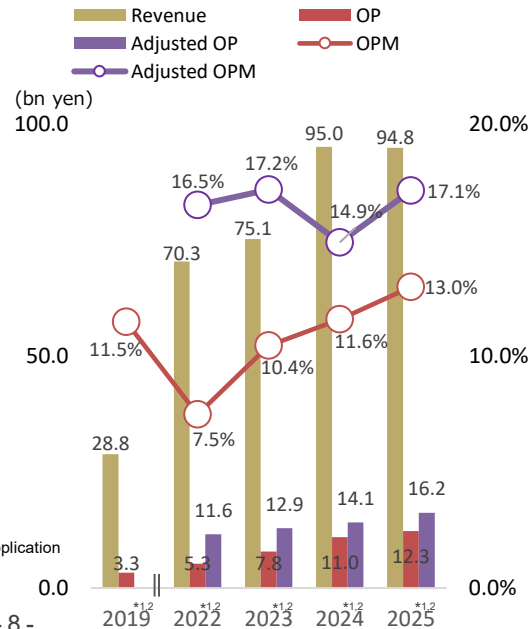
JPY 94.8 bn (-0.2%/+229.1%)

##### Operating profit\*<sup>1,2</sup>

JPY 12.3 bn (+11.9%/+272.4%)

##### Adjusted operating profit\*<sup>1,2</sup>

JPY 16.2 bn (+14.7%/ -)



### Non-financial outcomes

#### FY2025 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 Ustalar” loyalty program  
— Number of professional painters using this program: c. 25,000



##### Brands

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

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

\*2 Hyperinflationary accounting has been applied to Turkish subsidiaries since FY2022 2Q. Figures from FY2022 onward reflect this application

## Betek Boya (Türkiye)

### Our Medium-Term Growth

#### Revenue

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+12.3%	-0.2%	+DD

#### Adjusted OP

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+12.2%	+14.7%	+DD

#### Adjusted OP margin

2025 Results	2025 Results (YoY)	Forecast (in LCY) (vs. 2025)
17.1%	+220 bps	→*1

#### Key strategies to deliver market +α growth

- ✓ Expanding adoption of end-to-end coating systems and anchoring Betek as the preferred technical partner for contractors, applicators, and renovation programs
- ✓ Positioning Betek Boya as the Top-of-Mind brand across all decorative paint price tiers -Ultra Premium, Premium, and Mass - while emphasizing durability, sustainability, and superior finish quality
- ✓ Growing volume contribution by expanding into non-core regions, supported by targeted channel development, localized merchandising, and improved logistics coverage
- ✓ Leveraging the rapidly expanding demand for ETICS, where Betek Boya already commands a strong and fast-growing market position

### Medium-Term Market Growth

#### Market growth (Decorative)\*2

2023-2025 Actuals (CAGR)		Forecast (CAGR)	
Volume Base	Value Base	Volume Base	Value Base
+0%	+17%	+2%	+5%

#### Market features and outlook \*

- ✓ IMF projections place 2026 GDP growth at ~4.2%, with the Turkish Central Bank forecasting 13–19% inflation for 2026, showing a continued disinflation path
- ✓ With inflation moderating but still high, market value growth will continue to be inflated by price effects
- ✓ Monetary policy is expected to remain tight in 2026 to ensure conditions needed to bring inflation closer to the medium-term 5% target

### 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

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

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

# Asset Management Report



## DuluxGroup (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

#### FY2025 operating results

##### Revenue

Revenue from decorative paints increased compared with the previous fiscal year, reflecting modest market share gains and the pass-through of price increases in the Pacific region, while softer market conditions in Europe were offset by growth in other markets. Revenue from the adjacencies business was largely stable due to contributions from small-scale acquisitions and the pass-through of price increases, which more than offset the impact of sluggish market conditions in the Pacific and Europe. As a result, consolidated revenue increased by 1.7% year-on-year to JPY 405.2 billion.

##### Operating profit

Consolidated operating profit decreased by 13.5% to JPY 34.9 bn, primarily due to the recognition of a goodwill impairment loss, recorded following an impairment test conducted reflecting the latest business environment for Cromology Group amid deteriorating market conditions in Europe.

#### 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 200.4% and operating profit rose by 119.8%.

#### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

##### Revenue\*1

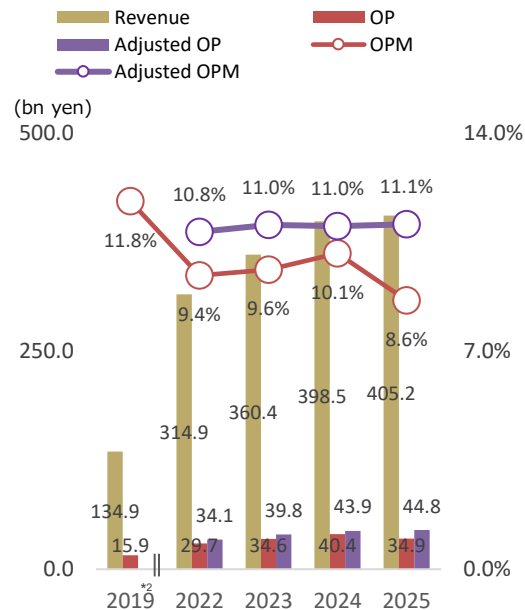
JPY 405.2 bn (+1.7%/+200.4%)

##### Operating profit\*\*1

JPY 34.9 bn (-13.5%/+119.8%)

##### Adjusted operating profit\*1

JPY 44.8 bn (+2.2%/+)



### Non-financial outcomes

#### FY2025 results



##### Human resources/organizations

- Ratio of female employees: 33%
- Ratio of women in managerial positions: 32%



##### Nature/environment

- Controlled water usage through proper management following voluntary standards
- Water consumed: -9.8% 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



## DGL (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

#### FY2025 operating results

##### Revenue

Revenue increased by 1.0% year-on-year to JPY 251.2 billion. In the decorative paints business, higher revenue was driven by small share gains and mix benefits in a flat to low single-digit negative market environment. In the adjacencies business, revenue growth came from small-scale acquisitions in the Selleys and Yates businesses, also in a largely flat to low single-digit negative market environment.

##### Adjusted operating profit

Adjusted operating profit rose by 1.7% year-on-year to JPY 35.4 billion. This higher profit was driven by higher revenue from mix benefits and small-scale acquisitions in the adjacencies business.

##### Market Share

In the decorative paints business, the company achieved small share gains and maintained its No.1 market share in Australia.

#### 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 86.3% and operating profit rose by 109.0%.

#### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

##### Revenue\*1

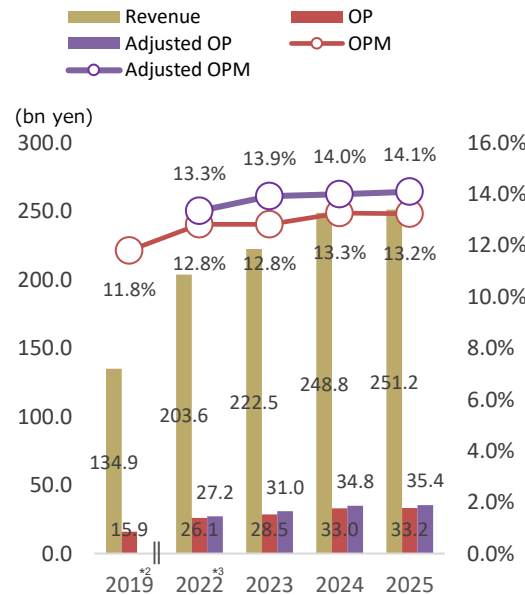
JPY 251.2 bn (+1.0%/+86.3%)

##### Operating profit\*\*1

JPY 33.2 bn (+0.8%/+109.0%)

##### Adjusted operating profit\*1

JPY 35.4 bn (+1.7%/+/-)



### Non-financial outcomes

#### FY2025 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: 32.6%
  - More than doubled female representation at the Top 200 senior leaders conference, increasing to 38% 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): 3.9% (+0.4 pp YoY)
  - Renewable electricity consumption (% of total): 8.2% (+1.3 pp 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  
 \*3 Due to a change in reporting segments within DuluxGroup, figures for 2022 onwards do not include Craig & Rose and Maison Deco

## DGL (Pacific)

### Our Medium-Term Growth

#### Revenue

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+6.3%	+1.0%	+MSD

#### Adjusted OP

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+6.9%	+1.7%	+MSD

#### Adjusted OP margin

2025 Results	2025 Results (YoY)	Forecast (in LCY) (vs. 2025)
14.1%	+10 bps	→*1

#### Key strategies to deliver market +α growth

- ✓ Continue strong track record of organic growth in DGL Pacific Paints and Coatings by maintaining a focus on the granularity of growth and core fundamentals, being consumer engagement, premium brands, innovation and customer service.
- ✓ Deliver growth via product innovation in B&D and minor 'bolt on' acquisitions in Yates garden care.
- ✓ Target acquisitions in the Pacific and Europe that enable key strategic growth opportunities

### Medium-Term Market Growth

#### Market growth (Decorative)\*2

2023-2025 Actuals (CAGR)		Forecast (CAGR)	
Volume Base	Value Base	Volume Base	Value Base
~-1%	~+1%	~+1%	+2~2.5%

#### Market features and outlook

- ✓ In Australia, the renovation and repair segment of the Decorative paint market is highly resilient and mature market which has flattened 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 ie. low GDP growth rate, high inflation and increased interest rates following record lows. A resilient jobs market will support gains in household spending, with the Australian economy expected to slowly improve in 2026

### 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, marketing and customer service**
  - ✓ Dulux's unprompted brand recognition: c. 80% (almost double that of the nearest competitor 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

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

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

# Asset Management Report

Cromology

## DGL (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

#### FY2025 operating results

##### Revenue

Revenue increased by 2.8% year-on-year to JPY 153.9 billion. In the decorative paints business, revenue was slightly higher, driven by Southern Europe and JUB, with flat markets in France, along with foreign exchange upside on the prior year. In the adjacencies business, revenue was largely flat despite softer ETICS markets in JUB, also due to foreign exchange upside on the prior year.

##### Operating profit/Adjusted operating profit

Operating profit decreased by 76.9% year-on-year to JPY 1.7 billion. This was primarily due to the recognition of a goodwill impairment loss for the Cromology Group amid deteriorating market conditions in Europe. Conversely, adjusted operating profit increased by 4.4% year-on-year to JPY 9.4 billion, driven by higher profits in Southern Europe and a foreign exchange gain on the prior year, despite slightly lower profits in France and JUB.

##### 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 41.1%. Operating profit declined by 82.4%, primarily due to the recognition of a goodwill impairment loss for the Cromology Group amid deteriorating market conditions in Europe.

\*1 The 2021 figures represent the simple sum of pro forma figures for Cromology and JUB  
 \*2 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.  
 \*3 Due to a change in reporting segments within DuluxGroup, figures for 2022 onwards include Cromology, JUB, NPT, Craig & Rose, and Maison Deco

#### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

##### Revenue

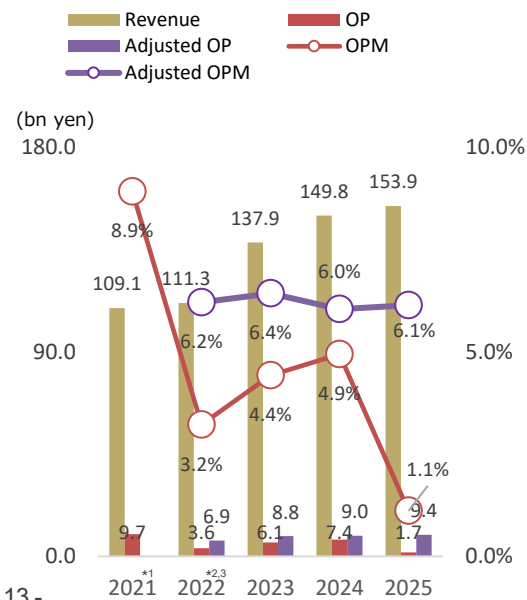
JPY 153.9 bn (+2.8%/+41.1%)

##### Operating profit

JPY 1.7 bn (-76.9%/-82.4%)

##### Adjusted operating profit

JPY 9.4 bn (+4.4%/+)



### Non-financial outcomes

#### FY2025 results



##### Human resources/organizations

- Ratio of female employees: 29%
- Ratio of women in managerial positions: 30%



##### Nature/environment

- Promoted the use of renewable energy.
  - Renewable energy consumption (% of total): 4.5% (+2.5 pp YoY)
  - Renewable electricity consumption (% of total): 10.8% (+3.2 pp YoY)
  - Continued solar use in JUB and renewable power purchase in NPT

## DGL (Europe)

### Our Medium-Term Growth

#### Revenue

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+5.7%	+2.8%	+MSD

#### Adjusted OP

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+3.2%	+4.4%	+DD

#### Adjusted OP margin

2025 Results	2025 Results (YoY)	Forecast (in LCY) (vs. 2025)
6.1%	+10 bps	↑*1

#### Key strategies to deliver market +α 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, whilst accelerating Selleys ANZ (retail, trade and household cleaning) and enabling growth in Selleys Asia

### Medium-Term Market Growth

#### Market growth (Decorative)\*2

2023-2025 Actuals (CAGR)		Forecast (CAGR)	
Volume Base	Value Base	Volume Base	Value Base
~-3%	~-4%	~+1%	+1~2%
(France)	(France)	(France)	(France)

#### 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. It is expected the market will gradually improve from 2026 with the easing of these conditions and gains in consumer confidence

### 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 characteristics with the 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

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

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

## Asset Management Report



# Dunn-Edwards (U.S.)

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

#### FY2025 operating results

##### Revenue

Revenue decreased by 3.7% year-on-year to JPY 72.3 billion. This decline was due to reduced demand stemming from economic uncertainty in the United States and continued softness in the housing market.

##### 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 (FY2017)

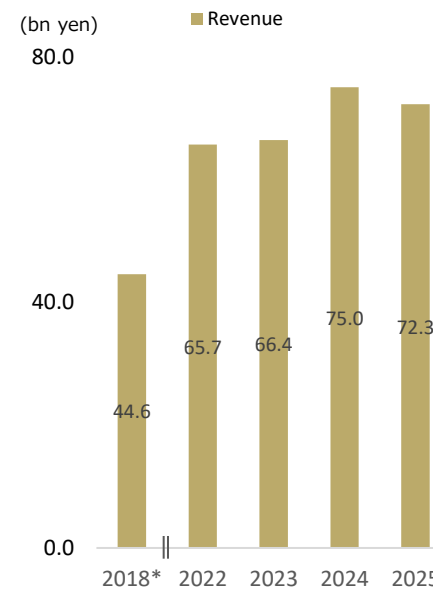
Dunn-Edwards offers unique customer services that differentiate it from competitors, along with high-quality, wide-ranging products.

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 62.0% compared with 2018.

#### Revenue (YoY/growth since acquisition)

Revenue\*  
JPY 72.3 bn (-3.7%/+62.0%)



### Non-financial outcomes

#### FY2025 results



##### Human resources/organizations

- Many Diversity & Inclusion initiatives
  - Ratio of female employees: 29.7%
  - Ratio of women in managerial positions: 34.6%



##### Customer base

- Continuing to develop market presence in Northern California, through 17 new store locations opened in 2024



##### Nature/environment

- Participated in the Paint Care program for collecting and recycling surplus paint to reduce waste
- Incorporated Carbon Capture Utilization (CCU) technology into select products, projecting to repurpose over 2 million pounds of captured CO2 annually
- Recycled and reused over half a million gallons of water during product manufacturing

\* 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

## Dunn-Edwards (U.S.)

### Our Medium-Term Growth

#### Revenue

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
+4.3%	-3.7%	+MSD

#### Adjusted OP margin

2025 Results	2025 Results (YoY)	Forecast (in LCY) (vs. 2025)
-	-	↑**1

#### Key strategies to deliver market +α growth

- ✓ Increased demand as the housing market recovers
- ✓ Expand store geographical coverage in underserved areas  
—Primary focus on Northern California
- ✓ Continue to grow alternate channel segments  
—Domestic and international dealer network
- ✓ Increase capabilities to win and better serve the commercial customer

### Medium-Term Market Growth

#### Market growth (Decorative)\*\*2

2023-2025 Actuals (CAGR)		Forecast (CAGR)	
Volume Base	Value Base	Volume Base	Value Base
-1%	+1%	+2%	+3%
(overall U.S.)	(overall U.S.)	(overall U.S.)	(overall U.S.)

#### Market features and outlook

- ✓ American Coatings Association (ACA) estimates steady volume growth for both the DIY and Professional customer segments
- ✓ Easing of interest rates in the U.S. is expected to contribute to growth in the housing sector and related industries

### Competitive advantages

#### Established position as a leading paint supplier in the Southwestern U.S.

- ✓ Holds an estimated 13% market share in California and a 10-20% share in adjacent regions

#### Diversified portfolio of high-quality and innovative products

- ✓ Delivers meaningful and measurable performance advantages over competitors

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

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

# Asset Management Report



AOC is a global specialty formulator based in the United States, with operations primarily in the U.S. and Europe and a leading commercial presence in the North American market and a strong position in the more fragmented European market.

## Financial outcomes

### FY2025 operating results

#### Revenue / Adjusted operating profit

From March 2025, AOC's income and expenses have been included in the Group's consolidated results. Revenue continued to be pressured by challenging macroeconomic conditions across regions and end markets.

As a result, consolidated revenue amounted to JPY 157.3 billion, and consolidated operating profit was JPY 48.6 billion. Adjusted operating profit was JPY 53.0 billion.

### Revenue/OP/Adjusted OP (YoY/growth since acquisition)

#### Revenue\*1

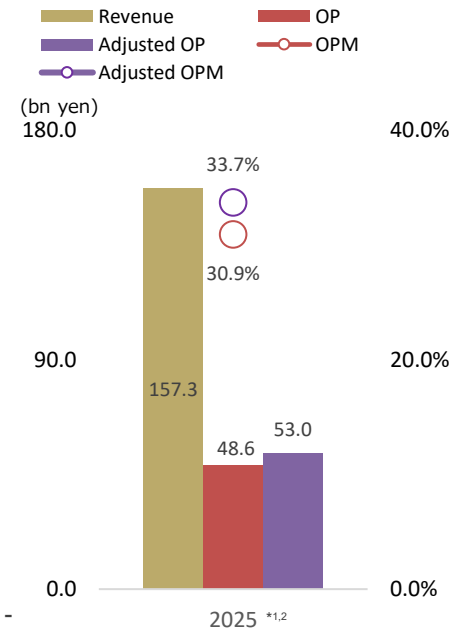
JPY 157.3 bn

#### Operating profit\*\*1

JPY 48.6 bn

#### Adjusted operating profit\*\*1,2

JPY 53.0 bn



## Non-financial outcomes

### FY2025 results



#### Customer base

- Diverse customer base and customized solutions
  - AOC serves over 1,000 customers with more than 3,000 SKUs, approximately 70% of which are customized products tailored to individual customer requirements.



#### Nature/environment

- Initiatives for chemicals of concern
  - Eliminated PFAS chemicals from AOC products
  - Monitoring continued evolution of discussions in the U.S. around TSCA prioritization of styrene

\*1 10-month earnings

\*2 Following the finalization of AOC's PPA, the 2025 figures have been restated retrospectively. The figures presented are pro forma

## AOC (U.S.)

### Our Medium-Term Growth

#### Revenue

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
-	-	+MSD

#### Adjusted OP

2023-2025 Results (CAGR)	2025 Results (YoY)	Forecast (in LCY)
-	-	+MSD

#### Adjusted OP margin<sup>\*1,2</sup>

2025 Results	2025 Results (YoY)	Forecast (in LCY) (vs. 2025)
33.7%	-	↗ <sup>*3</sup>

#### Key strategies to deliver market +α growth

- ✓ Strong innovation engine; AOC's pipeline remains strong, especially in areas where solutions can substitute other materials; we expect increased demand as the market recovers
- ✓ Continued implementation of business systems to drive value for AOC and its customers

### Medium-Term Market Growth

#### Market growth<sup>\*4</sup>

2023-2025 Actuals (CAGR)		Forecast (CAGR)	
Volume Base	Value Base	Volume Base	Value Base
-6%	-7%	+5%	+4%
(U.S.)	(U.S.)	(U.S.)	(U.S.)
-8%	-9%	+2%	+2%
(Europe)	(Europe)	(Europe)	(Europe)

#### Market features and outlook

- ✓ Market demand forecast reflects recovery consistent with macroeconomic factors across geographies and end markets between 2025-2028

### Competitive advantages

#### A leading formulator of CASE & colorants solutions

- ✓ Focus on attractive market segments with highly-customized products and a fragmented customer base, rather than commoditized markets

#### Unmatched technical service and formulation expertise

- ✓ Competitively positioned to supply industry-leading products with critical advantages in delivery and technical service, underpinned by a profound understanding of end-user applications and customer processes

#### "Hyper-Regional" capabilities and agile logistics

- ✓ Strategically located facilities enabling short lead times and flexible delivery (typically within a 1-day radius) to accommodate dynamic local demands and performance products with short shelf lives

#### Robust "Business System" generating sustainable competitiveness

- ✓ Driving value creation and repeatable performance across commercial excellence, new product development, lean manufacturing, and procurement through an integrated system of processes, people, and performance management

#### Sustainable and innovative product portfolio aligned with global megatrends

- ✓ Providing highly customized solutions that address global shifts such as lightweighting and emissions reduction, resource conservation, infrastructure rehabilitation (e.g., CIPP), and the energy transition

\*1 10-month earnings

\*2 Following the finalization of AOC's PPA, the 2025 figures have been restated retrospectively. The figures presented are pro forma

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

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