



Nippon Paint Holdings Co., Ltd.

# INVESTOR BOOK

**NIPPON PAINT GROUP**

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Glossary



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# Company Overview

Photo: DuluxGroup The Ivanhoe Grammar School Senior Years and Science Centre, Australia, by McBride Charles Ryan Architects, a finalist in the 2017 Dulux Colour Awards. Photographer: John Gollings



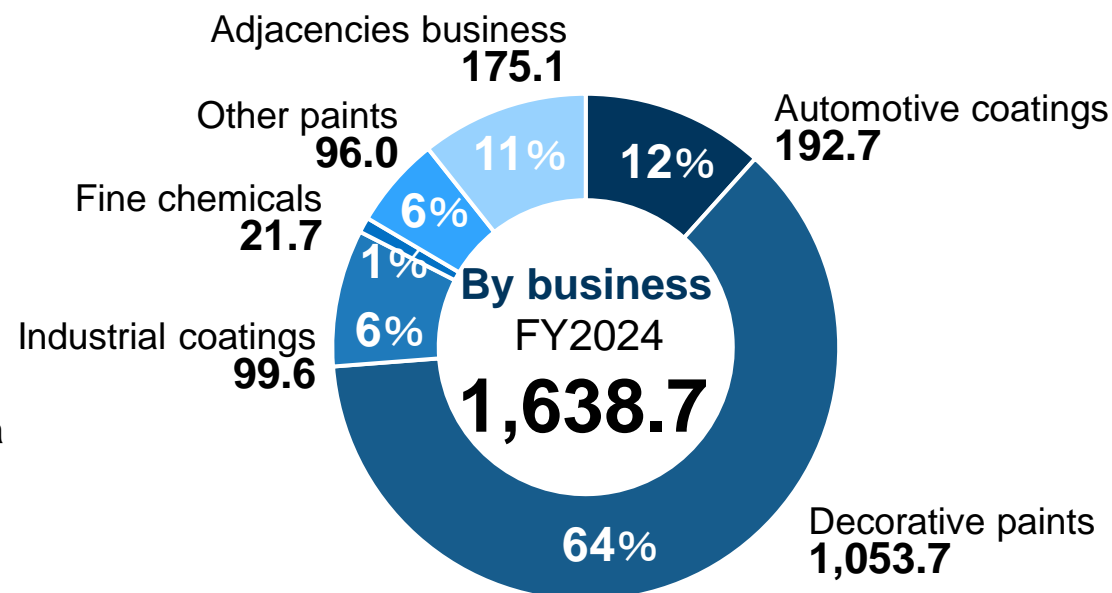
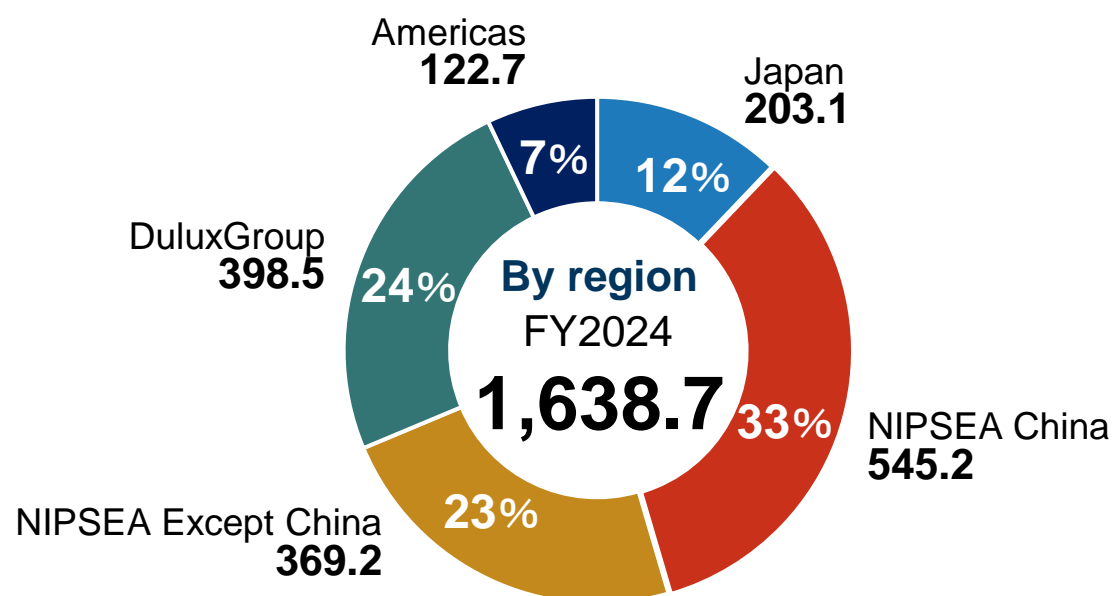
- Growing across boundaries of operating companies with focus on paint and coatings market
- Operating in 47 countries and regions around the world including China and other Asian countries

**Date founded**

March 14, 1881

**Market presence****Revenue**

¥1,638.7 bn (FY2024)

**Number of employees**34,393  
(consolidated)**48**countries/  
regions**Sales ranking** 4th globally / 1st in Asia**Revenue breakdown (billion yen)**

- The Board of Directors is comprised of Directors with experience and skills in corporate management, global business operations, M&A, and other areas
- 67% of the board members are Independent Directors (6 out of 9)

N Nominating Committee C Compensation Committee A Audit Committee



**Yuichiro Wakatsuki**

Director  
Representative Executive  
Officer & Co-President



**Wee Siew Kim**

Director  
Representative Executive  
Officer & Co-President



**Goh Hup Jin**

Chairman



**Hisashi Hara**

Independent Director



**Andrew Larke**

Independent Director



**Lim Hwee Hua**

Independent Director



**Masataka Mitsuhashi**

Independent Director



**Toshio Morohoshi**

Independent Director

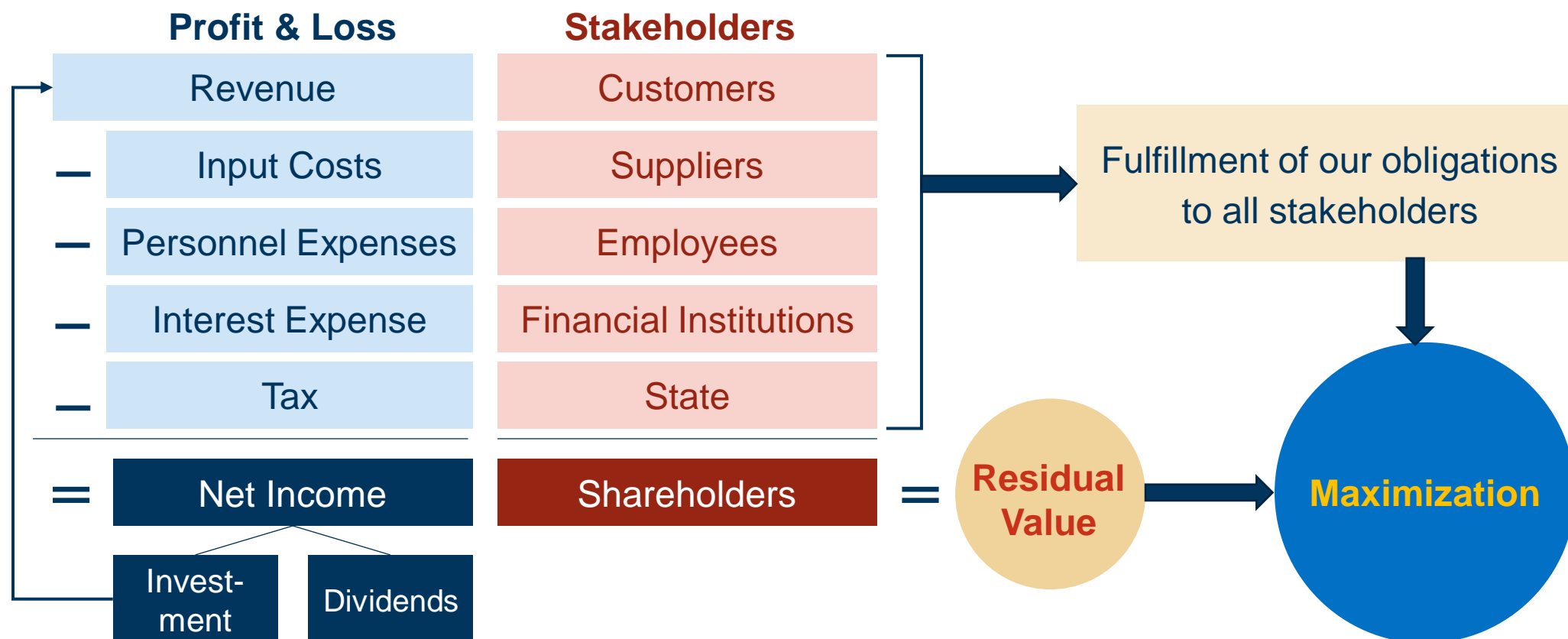


**Masayoshi Nakamura**

Lead Independent Director  
Board Chair



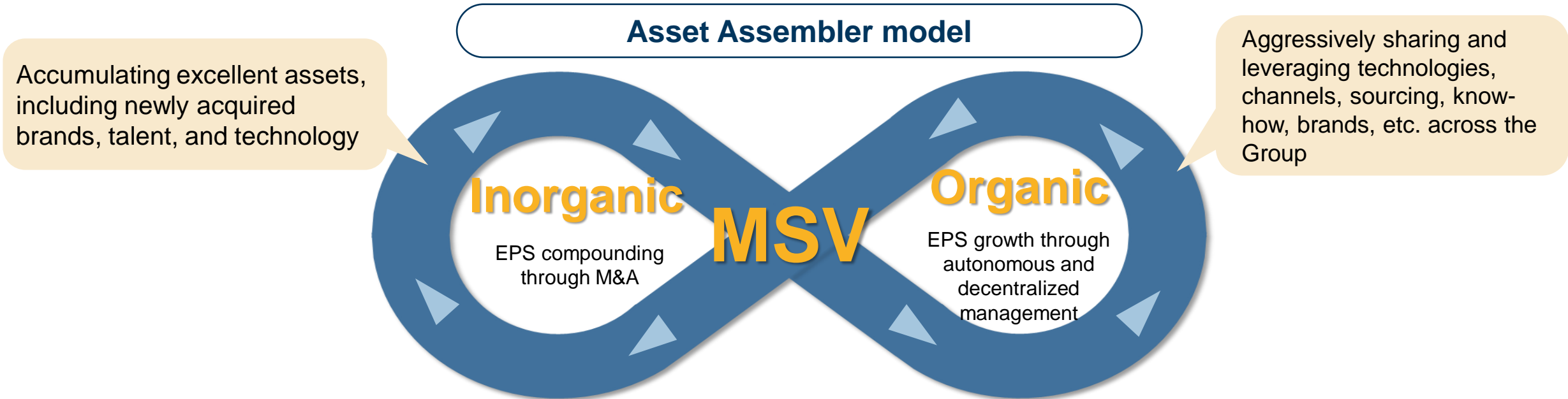
## Maximization of Shareholder Value (MSV) as a sole mission, creating wealth



Maximizing the residual shareholder value that remains after fulfilling our obligations to customers, suppliers, employees, society, and other stakeholders

# 1 (4) Asset Assembler Model 1

**Asset Assembler is about EPS compounding through organic and inorganic initiatives**



## Assumptions (Medium/ long-term outlook)

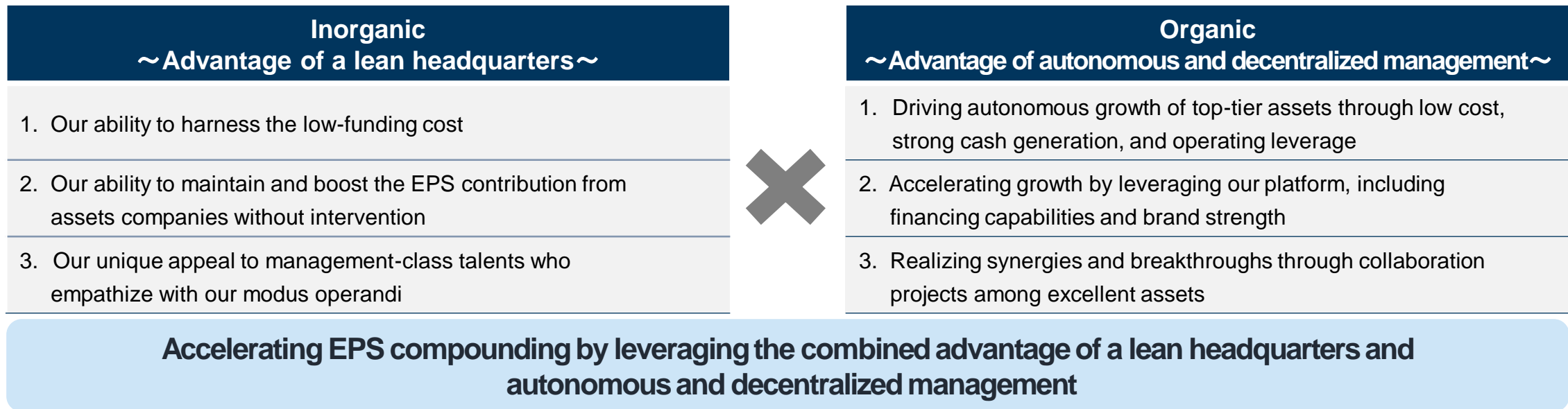
- Ever-present macroeconomic uncertainty
- Low-risk, good-return targets globally
- Japan-based advantage (Japan-US interest rate gap, consumer trust in Japanese brands, etc.) are likely to persist



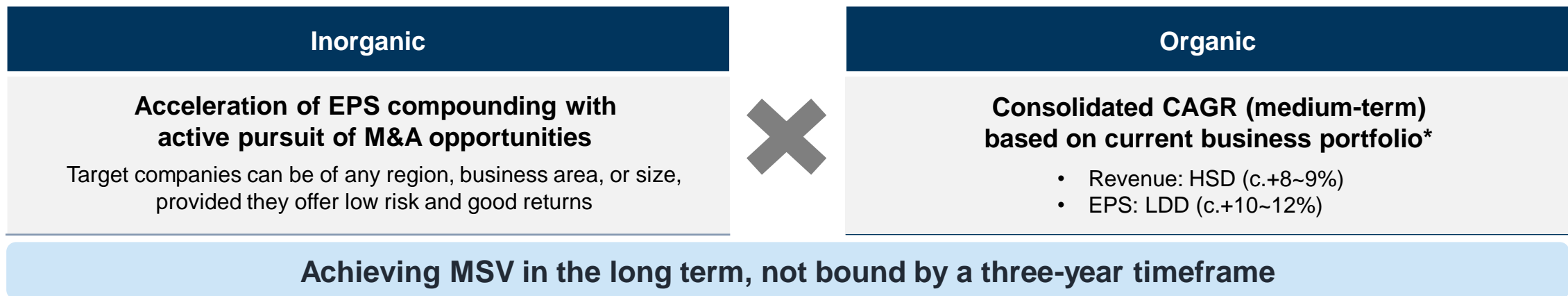
## Features

- A model focused on low-risk and steady EPS compounding via organic and inorganic initiatives
- Capital markets' conviction in Asset Assembler model will boost PER, enabling MSV
- Unlocks unlimited growth potential for us

## Competitive Advantage



## Financial and Non-Financial Targets



\*2023 portfolio including the two India businesses (NPI and BNPA) and Alina (Kazakhstan)



# 1 (5) Our Approach to Maximize PER

Elevate capital markets' expectations by effectively communicating our equity story as Asset Assembler

## PER Maximization

Conviction from capital markets of our sustainable EPS compounding

Effectively communicating our equity story as Asset Assembler

Enhanced engagement  
(700+ companies annually)

Enhanced disclosure  
(integrated report, etc.)

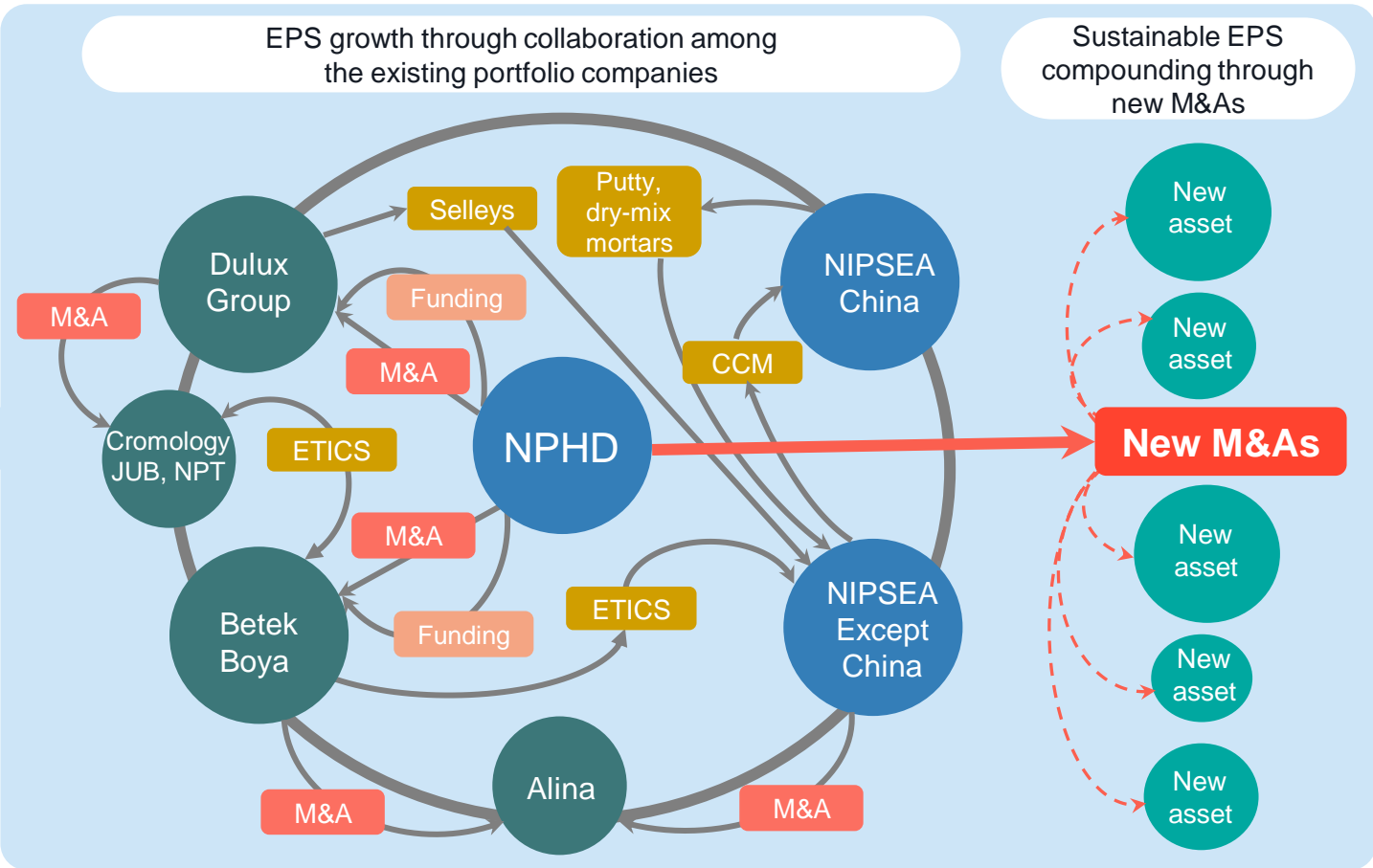
Showcase our safe M&A track record and potential for EPS compounding through M&A

Showcase the potential for future EPS growth within our current portfolio

Clearly present our business model and proven track record

Market concern for China

Underestimation of our growth prospects



### Transitions of PER (2021-2023)\*

NPHD: 48.3x→21.1x (-27.2pp), peer avg.: 37.8x→24.5x (-13.3pp), TOPIX chemical avg.: 32.8x→20.8x (-12.0pp)

\* Source: FactSet, Bloomberg. PER (for the next 12 months) is calculated by the stock price divided by EPS (for the next 12 months)  
Peers covered are Sherwin-Williams, BASF, Asian Paints, PPG Industries, AkzoNobel, Berger Paints India, Axalta, SKSHU Paint, Kansai Paint, TOA Paint, and Asia Cuanon

|                           |  | 2024 Results               |                           | Medium-Term Forecast (in LCY) |                          | Market Growth Forecast*2                         |   | Primary strategies to deliver market +α growth<br>→For details, please refer to the Appendix.  |
|---------------------------|--|----------------------------|---------------------------|-------------------------------|--------------------------|--|---|--|
|                           |  | Revenue (YoY)<br>(in LCY)  | OP margin<br>(Tanshin)    | Revenue<br>(CAGR)             | OP margin<br>(vs 2023)*1 | Volume basis                                     | Value basis                                   |  |
| Japan                     |  | +0.1%                      | 9.6%                      | +0~5%                         | ↗                        | -1%<br>(Decorative)                              | +1%<br>(Decorative)                           | Expansion of high-performance and sustainable products, agile pricing policies responsive to price fluctuations, and strengthening supply chains through digitalization  |
| NIPSEA<br>China           | Segment total                                    | +6.3%                      | 11.1%                     | c. +10%                       | →                        |  |   |  |
|                           | Decorative<br>(TUC)                              | +6%                        |                           | +10~15%                       |                          | +3%  | +1%   | Defend and grow market share, extending share especially in the Tier 3 to 6 cities   |
|                           | Decorative<br>(TUB)                              | -15%                       |                           | c. +5%                        |                          | +1%  | +2%   | Diversification and moving beyond the traditional new built residential segment into repainting, other non-residential segments and infrastructure   |
| NIPSEA<br>Except<br>China | Segment total                                    | +13.1%*3                   | 17.2%                     | +5~10%                        | →                        |  |   |  |
|                           | Malaysia Grp.<br>Singapore Grp.<br>Thailand Grp. |                            |                           | +5~10%                        | →                        | Singapore<br>+1%<br>Malaysia +3%<br>Thailand +2% | Singapore +1%<br>Malaysia +5%<br>Thailand +2% | <ul style="list-style-type: none"> <li>• Singapore: Invest in advertising and secure stronghold on dealer channel</li> <li>• Malaysia: Dominate Decorative brand Top of Mind, pushing exterior category to achieve category leadership with focus on Ultra Premium and Premium range of products</li> <li>• Thailand: Sales transformation toward technical &amp; value selling (The Coatings Expert), investing in advertising and transforming from a Push (colors, products) to Pull (quality, brand, innovation) approach</li> </ul> |
|                           | PT Nipsea<br>(Indonesia)                         | +3.4%                      | 34.9%                     | c. +10%                       | →                        | +3%  | +6%   | Driving Nippon Paint brand in the Ultra Premium and Premium products and adding new waterproofing products to complete offering of professional water proofing solutions   |
|                           | Betek Boya<br>(Türkiye)                          | +34.9%                     | 13.2%                     | c. +10%                       | (→)*4                    | +1%  | +7%   | Defending and growing market share by leveraging strong brand assets and a robust distribution network in paints while expanding contribution from ETICS in new market tiers   |
|                           | NPI/BNPA<br>(India)                              | (For reference)<br>+0.8%*5 | (For reference)<br>4.2%*5 | c. +10%                       | →                        | +5%<br>(Decorative)                              | -2%<br>(Decorative)                           | Focusing on brand building and advertising activities to expand channel networks   |
|                           | Alina<br>(Kazakhstan)                            | (For reference)<br>+8.1%*6 | 13.2%*7                   | c. +10%                       | →                        | +3%  | +4%   | Creating and realizing immediate synergies from leveraging the Nippon Paint playbook benefiting from scale and efficiencies on procurement, SAP integration, upgrade of Decorative production capabilities   |

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

\*2 Internal estimates and value basis include the impact of volume changes

\*3 Excluding India businesses (NPI/BNPA) and Alina

\*4 Subject to change due to the impact of hyperinflationary accounting

\*5 Pro-forma figures (unaudited). The 2024 results are annualized figures

\*6 The 2023 results are Pro-forma figures (unaudited)

\*7 Including inventory step-up costs (one-off expenses) associated with PPA

|                   |               | 2024 Results              |                          | Medium-Term Growth Forecast<br>(in LCY) |                                      | Market Growth Forecast <sup>*2</sup> |                                  | Primary strategies to achieve “Market +α” growth<br>→For details, please refer to the Appendix  |
|-------------------|---------------|---------------------------|--------------------------|---|--------------------------------------|--------------------------------------|----------------------------------|---|
|                   |               | Revenue (YoY)<br>(in LCY) | OP margin<br>(Tanshin)   | Revenue<br>(CAGR)                       | OP margin<br>(vs 2023) <sup>*1</sup> | Volume-basis                         | Value-basis                      |   |
| DuluxGroup        | DGL (Pacific) | +4.5%                     | 13.3%                    | c. +5%                                  | →                                    | ~+1%                                 | +2~2.5%                          | Defend and grow our leading market share in paints & coatings and sealants & adhesives, with further growth in other adjacent categories  |
|                   | DGL (Europe)  | -2.3% <sup>*3</sup>       | 4.9%                     | +5~10%                                  | ↑                                    | ~+1%<br>(France)                     | +1~3%<br>(France)                | Targeting share growth in paints & coatings and leveraging our sealants & adhesives position  |
| Dunn-Edwards      |               | +4.8%                     |                          | c. +5%                                  | ↑                                    | +2%<br>(overall U.S.)                | +5%<br>(overall U.S.)            | Growth driven by both volume and price increases while continuing to focus on existing product sales, bringing new products to market and gaining share in Northern California  |
| AOC <sup>*4</sup> |               | (For reference)<br>-8.9%  | (For reference)<br>30.7% | c. +5%                                  | →                                    | +3%<br>(U.S.)<br>+3%<br>(Europe)     | +5%<br>(U.S.)<br>+5%<br>(Europe) | 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 |

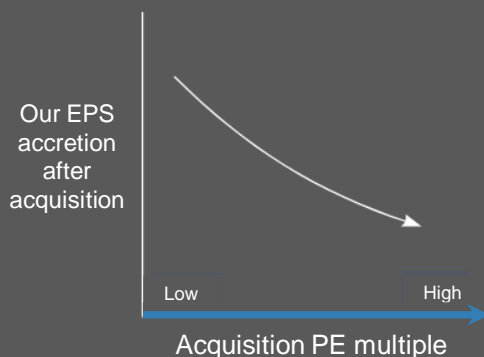
\*1 ↑ : ≥+2%, ↗ : +1%~2%, → : -1%~+1%, ↘ : -1%~-2%, ↓ : ≤-2%    \*2 Internal estimates and value basis includes the impact of volume changes    \*3 Excluding six-month earnings of NPT

\*4 FY2024 results are proforma, representative as if AOC operated as subsidiary for entire 2024. PPA reflects our current assumptions but excludes one-off costs such as inventory step-up. M&A expenses related to the AOC acquisition are excluded.  
To align with our post-acquisition profit and loss profile, expenses such as payments to India businesses in EMEA and affiliated companies of former shareholders are also excluded

# Our M&A model, premised on EPS accretion in Year 1 even with large scale acquisitions, allows for unlimited EPS accretion

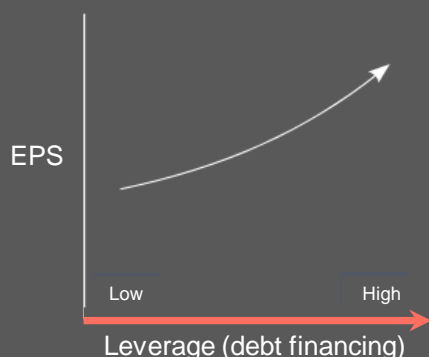
Demonstrating sustainable EPS growth through acquisitions of excellent low-PER assets

Valuation of acquisition targets

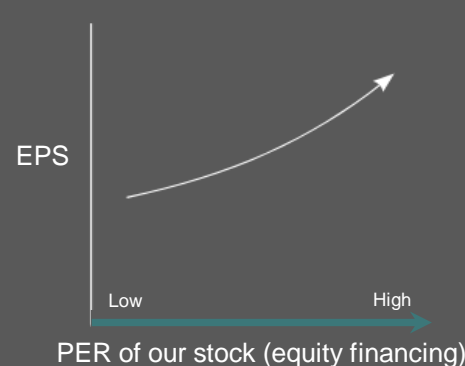


×

Our funding mix



and/or



(Example)

Target companies

- Net profit : ¥50 bn
- Acquisition PE Multiple : 10-15x (times)



Projection of our EPS growth\*

- EPS with full debt financing : +c. ¥20
- EPS with full equity financing : +c. ¥10
- EPS accretion with debt and equity mix : +c. ¥15-20

These figures are subject to change based on factors such as interest rates, debt level of the acquired company, amortization of intangible assets and valuation of our shares used

## Acquisition target

- Low-risk and good returns
- Cash generative
- Can be of any region, business area, or size
- Balance between risk and valuation

## Assumptions

- Sustainable EPS accretion from Year 1
- Profit generation capabilities not reliant on specific individuals (emphasis on the brand, talent, technology, etc.)

## Our strength







- Our ability to assess and identify suited targets
- Maintain and boost motivation of talent who join our Group
- Our platform balancing autonomy with accountability, proactively avoiding standardization
- Low cost funding/debt financing a priority but with possibility of equity financing premised on EPS accretion in Year 1

**Our M&A model allows for continuation of sustainable EPS compounding through our funding, asset identification and potential maximizing capabilities**



# 1 (7) Inorganic Growth 2

## Our track record of key acquisitions\*1

|  | NIPSEA Group  | Dunn-Edwards  | DGL<br>(Pacific)  | Betek Boya  | PT Nipsea   | Vital Technical   |
|--|---|---|---|---|---|---|
|  |  |  |  |  |  |  |
| Year   | 2014: Consolidation<br>2021: Full integration                                     | 2017  | 2019  | 2019  | 2021  | 2021  |
| Country/<br>Region   | Asian countries   | USA   | Pacific   | Türkiye   | Indonesia   | Malaysia  |
| Business<br>activities                                     | Decorative paints/<br>automotive coatings/<br>industrial coatings, etc.           | Decorative paints   | Decorative paints/<br>adjacencies business  | Decorative paints/<br>adjacencies business  | Decorative paints/<br>automotive coatings   | Adjacencies business  |
| Market share in<br>decorative paints<br>(NPHD's estimates) | <b>No. 1</b><br>China, Malaysia, Singapore,<br>Sri Lanka                          | -   | <b>No. 1</b><br>Australia,<br>Papua New Guinea                                      | <b>No. 1</b>  | <b>No. 2</b>  | -   |
| Growth since<br>acquisition<br>(revenue in JPY bn)         | 2014: 236.5<br>▼<br>2024: <b>914.4</b><br><b>+286.6%</b>                          | 2018: 44.6*2<br>▼<br>2024: <b>75.0</b><br><b>+68.1%*2</b>                         | 2019: 134.9*3<br>▼<br>2024: <b>248.8*3</b><br><b>+84.5%</b>                         | 2019: 28.8<br>▼<br>2024: <b>95.0</b><br><b>+230.0%</b>                              | 2020: 30.3<br>▼<br>2024: <b>65.0</b><br><b>+114.4%</b>                              | -   |








►Please refer to our website for press releases and presentation materials regarding M&As at the following link: <https://www.nipponpaint-holdings.com/en/ir/library/m-and-a/> (M&A Information)

\*1 Performance comparisons with the time of acquisition are estimates, as the assumptions used to calculate market share at the time of acquisition differ from current assumptions due to changes in accounting standards.

\*2 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

\*3 The 2019 figures are pro forma. The 2024 figures do not include Craig&Rose and Maison Deco due to a change in reporting segments within DuluxGroup

## Our track record of key acquisitions\*1

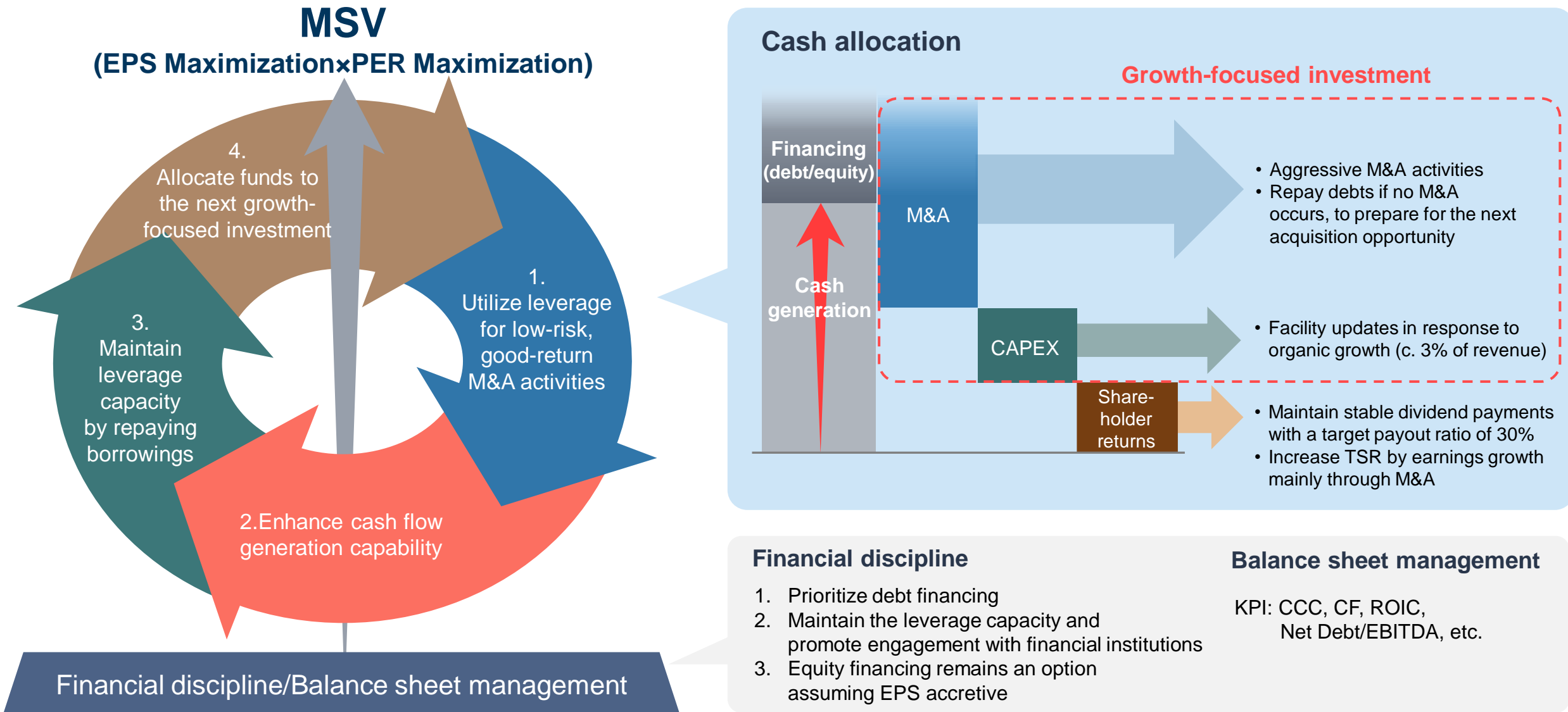
|  | Five Chinese automotive subsidiaries  | DGL (Europe)  |  |   | Alina   | NPI   | BNPA                                   | AOC  |
|--|---|---|--|---|---|---|--|--|
|  |   | Cromology   | JUB  | NPT   |   |   |  |  |
|  |  |  |      |  |  |  | -                                      |                           |
| Year   | 2022  | 2022  | 2022   | 2023  | 2024  | 2024  | 2024                                   | 2025   |
| Country/Region                                       | China   | Europe  | Europe   | Italy   | Kazakhstan  | India   | India                                  | Americas, Europe, and Asia   |
| Business activities                                  | Automotive coatings   | Decorative paints   | Decorative paints/adjacencies business   | Adjacencies business  | Decorative paints/adjacencies business  | Decorative, industrial, and auto refinish businesses                                | Automotive coatings                    | Specialty Formulator*3   |
| Market share in decorative paints (NPHD's estimates) | -   | <b>No. 1</b><br>Italy<br><b>No. 2</b><br>France, Portugal                         | <b>No. 1</b><br>in interior paint<br>Slovenia, Croatia, Bosnia and Herzegovina, Kosovo | -   | <b>No. 1</b><br>Dry-mix mortar and Paint market                                     | <b>No. 2</b><br>in decorative paint<br>Tamil Nadu, Karnataka                        | <b>No. 4</b><br>in automotive coatings | <b>The leader</b><br>in North America<br><b>A leading presence</b><br>in the more fragmented European market |
| Growth since acquisition (revenue in JPY bn)         | -   | 2021: 109.1*2<br>2024: <b>149.8*2</b><br><b>+37.3%</b>                            |  |   | -   | -   | -                                      | -  |

► Please refer to our website for press releases and presentation materials regarding M&As at the following link: <https://www.nipponpaint-holdings.com/en/ir/library/m-and-a/> (M&A Information)

\*1 Performance comparisons with the time of acquisition are estimates, as the assumptions used to calculate market share at the time of acquisition differ from current assumptions due to changes in accounting standards.

\*2 The 2021 figures are the simple sum of Cromology and JUB and converted to JPY at the following exchange rate: EUR/JPY=138.5 yen.  
Due to a change in reporting segments within DuluxGroup, figures for 2024 include Cromology, JUB, NPT, Craig & Rose, and Maison Deco

\*3 As a specialty formulator, the company is engaged in the formulation development, manufacturing, and distribution of unsaturated polyester (UP), vinyl ester (VE), and other solutions for CASE (Coatings, Adhesives, Sealants, and Elastomers), colorants, and composites. These products are used in construction, infrastructure, transportation, marine and other applications



Aim to achieve MSV by increasing the earnings and markets' expectations through sustainability activities

## MSV (EPS Maximization × PER Maximization)





## Contributing to MSV with a sustainability strategy that has stronger links to business activities

| Materiality<br>(Related SDGs)  | ESG Agenda  | ESG Action Examples   |
|--|---|---|
| <b>Climate change</b><br>     | <ul style="list-style-type: none"> <li>Reduction of greenhouse gas (GHG) emissions</li> <li>Identification of risks and Opportunities</li> </ul>  | <ul style="list-style-type: none"> <li>CO<sub>2</sub> reduction (Scope 1&amp;2)</li> <li>Scope 3 emissions calculation</li> <li>TCFD-based disclosures</li> <li>Renewable energy utilization</li> </ul>   |
| <b>Resources and environment</b><br>            | <ul style="list-style-type: none"> <li>Waste/water resource consumption/pollution management</li> </ul>   | <ul style="list-style-type: none"> <li>Formulate the global policy statements for waste materials and water</li> <li>Consider endorsement of the Task Force on Nature-related Financial Disclosures (TNFD)</li> </ul>   |
| <b>Safe people and operations</b><br>     | <ul style="list-style-type: none"> <li>Disaster (fire accident) prevention and process safety</li> <li>Fatality and injury prevention</li> </ul>  | <ul style="list-style-type: none"> <li>Prepare for the development of safety and other standards</li> <li>Promote the introduction of a reporting system for potential major accidents</li> </ul>   |
| <b>Diversity &amp; Inclusion</b><br>     | <ul style="list-style-type: none"> <li>Increase the percentage of women in management posts</li> <li>Improvement of employee engagement</li> </ul>  | <ul style="list-style-type: none"> <li>Promote gender diversification for directors/managers</li> <li>Initiate a D&amp;I working program at each partner company</li> <li>Human rights risk assessment</li> </ul>   |
| <b>Growth with communities</b><br>     | <ul style="list-style-type: none"> <li>Strategic implementation of social contribution activities</li> </ul>  | <ul style="list-style-type: none"> <li>Promote "Happy Paint Project" in Japan Group</li> <li>Implement 3E (Education/Empowerment/Engagement) action policy</li> </ul>   |
| <b>Innovation for a sustainable future</b><br>     | <ul style="list-style-type: none"> <li>Promotion of cross-industrial collaboration</li> <li>Development of products that benefit society</li> <li>Stricter management of chemical substances</li> </ul> | <ul style="list-style-type: none"> <li>Calculate the lifecycle assessment of selected products at each partner company</li> <li>Implement a phased-out plan for Chemicals of Concern (CoC)</li> <li>Socially beneficial and eco-friendly products</li> <li>Open innovation</li> </ul> |

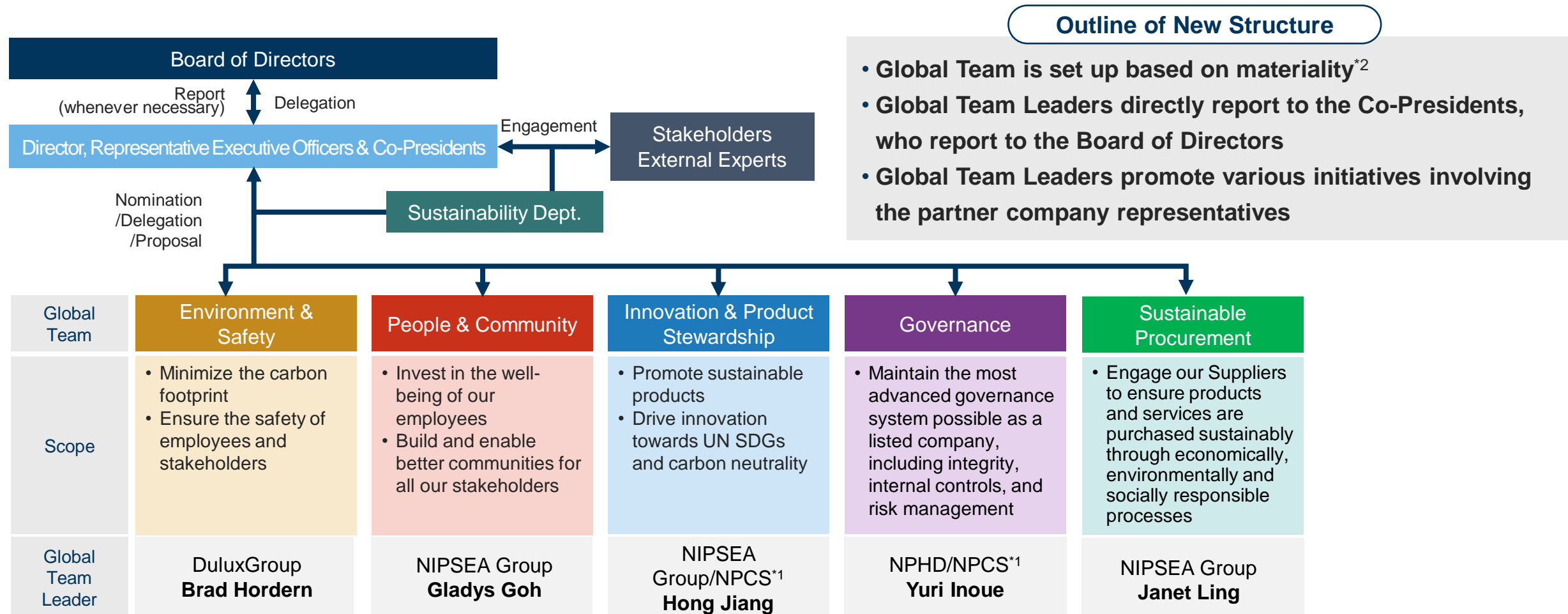
### Contribution to MSV

- Revenue/earnings expansion from low-carbon-footprint products
- Sustained growth through human capital investment
- Reinforce branding through community investment
- Risk reduction through safety education and technology
- Revenue growth through innovation

(Example)

- Initiated a women's mentorship program
- Host the AYDA Awards international competition
- Sales expansion of insulating powder coating for EV battery packages
- Accelerate innovation by combining Electronic Laboratory Notebook (ELN) with AI
- Sales expansion of FASTAR next-generation antifouling paint

## Autonomous sustainability structure



►For further details about the Basic Policy on Sustainability and sustainability frameworks, please refer to our website at the following link: [https://www.nipponpaint-holdings.com/en/sustainability/about/statement/#esg\\_statement\(Sustainability Management\)](https://www.nipponpaint-holdings.com/en/sustainability/about/statement/#esg_statement(Sustainability%20Management))

\*1 Nippon Paint Corporate Solutions    \*2 Governance team advances discussions on the best direction for enhancing our good governance and autonomy in line with each materiality

# 1 (10) Overview of Asset Companies

## Nippon Paint China

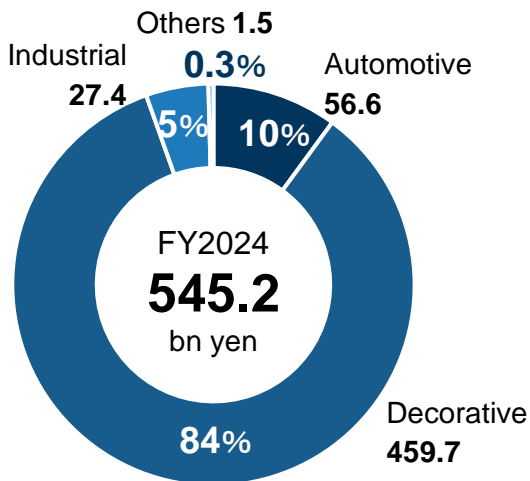
### Corporate Data

Location : Shanghai, China

Ownership Ratio: 100.0%

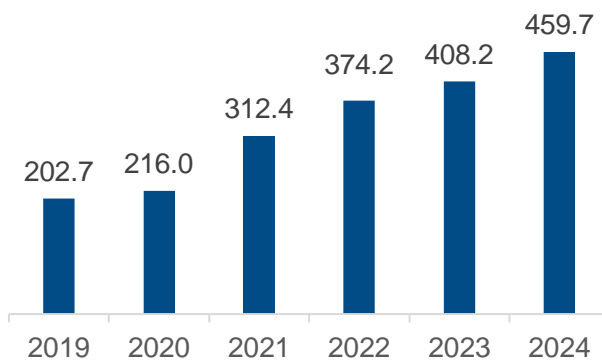
Company overview :  
Since its founding in 1992, Nippon Paint China has risen to the fore as a respected leader in the paint and coatings industry. The company has steadily expanded its reach across China in tandem with the country's rapid economic and social growth

### Revenue breakdown by business



### Performance (Decorative)

■ Revenue (billion yen)



\*NPHD's estimates

### Market share\*

| TUC  |      |      |      |      |
|------|------|------|------|------|
| 2020 | 2021 | 2022 | 2023 | 2024 |
| 19%  | 23%  | 24%  | 25%  | 25%  |

| TUB  |      |      |      |      |
|------|------|------|------|------|
| 2020 | 2021 | 2022 | 2023 | 2024 |
| 8%   | 9%   | 8%   | 9%   | 9%   |

### SWOT Analysis

#### Strengths

- Achieved organizational optimization and transformation through streamlined business groups and HQ functions
- Cutting-edge production systems, including fully automated production lines
- Established a dominant distribution network for TUC through strong distributor partnerships and high-quality distribution store resources
- Achieved a high market share, further strengthening brand power

#### Weaknesses

- Organizational structure and business model need to adapt to match the existing market and customer needs
- Boost operational efficiency with greater investment in technology
- Build a people management strategy that enhances performance incentives and rewards valuable talent

#### Opportunities

- Market concentration for Paints & Coatings is still relatively low, with much room for improvement
- Obtain in-depth market insights to scope out new opportunities in infrastructure, especially as investment in the next few years is set to scale up
- Leverage changes in consumer consumption patterns, especially a rise in online consumption
- Adopt digitalization to revolutionize operational efficiency, organizational structure and business model development

#### Threats

- Other manufacturers are developing products that could encroach on Nippon Paint's market share, e.g. coating manufacturers are producing waterproofing products, waterproofing manufacturers are producing coating products
- The real estate cycle is in a less than ideal phase, with a slowdown in growth rates of new housing developments and a drop in property speculation
- The COVID-19 pandemic has impacted supply chains, affecting both downstream and upstream processes

## Competitive Advantage of Nippon Paint China

### 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 systems

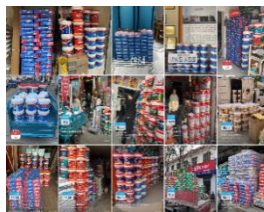
- The new factory was built incorporating the principles of “Smart Manufacturing” and “Industry 4.0” (the Fourth Industrial Revolution), with the goal of creating an environmentally friendly facility leveraging advanced digital technologies
- Installed fully automated production lines for water-based paints
- 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

- Number of distribution stores: c. 290,000 (2023)
- Number of CCM units installed: c. 19,000 (2023)



### Strong Brand Power

- Consistently winning numerous brand awards every year
- Focusing on enhancing the recognition and reputation of the LiBang brand
- Ranked No.1 for eight consecutive years in the “China Brand Power Index (C-BPI)” for wall paints and 12 consecutive years for wood coatings (2024)
- Top of Mind score: 51%/No.1 (2023)





## Realigned the China decorative business into TUC and TUB segments based on distribution channels

### TUC (Trade Use Consumer): B2C business

Business to consumers, DIY business, sales via dealers/distributors and e-commerce to end consumers, etc.



### TUB (Trade Use Business): B2B business

Business transactions direct to Project customers and main contractors, etc.

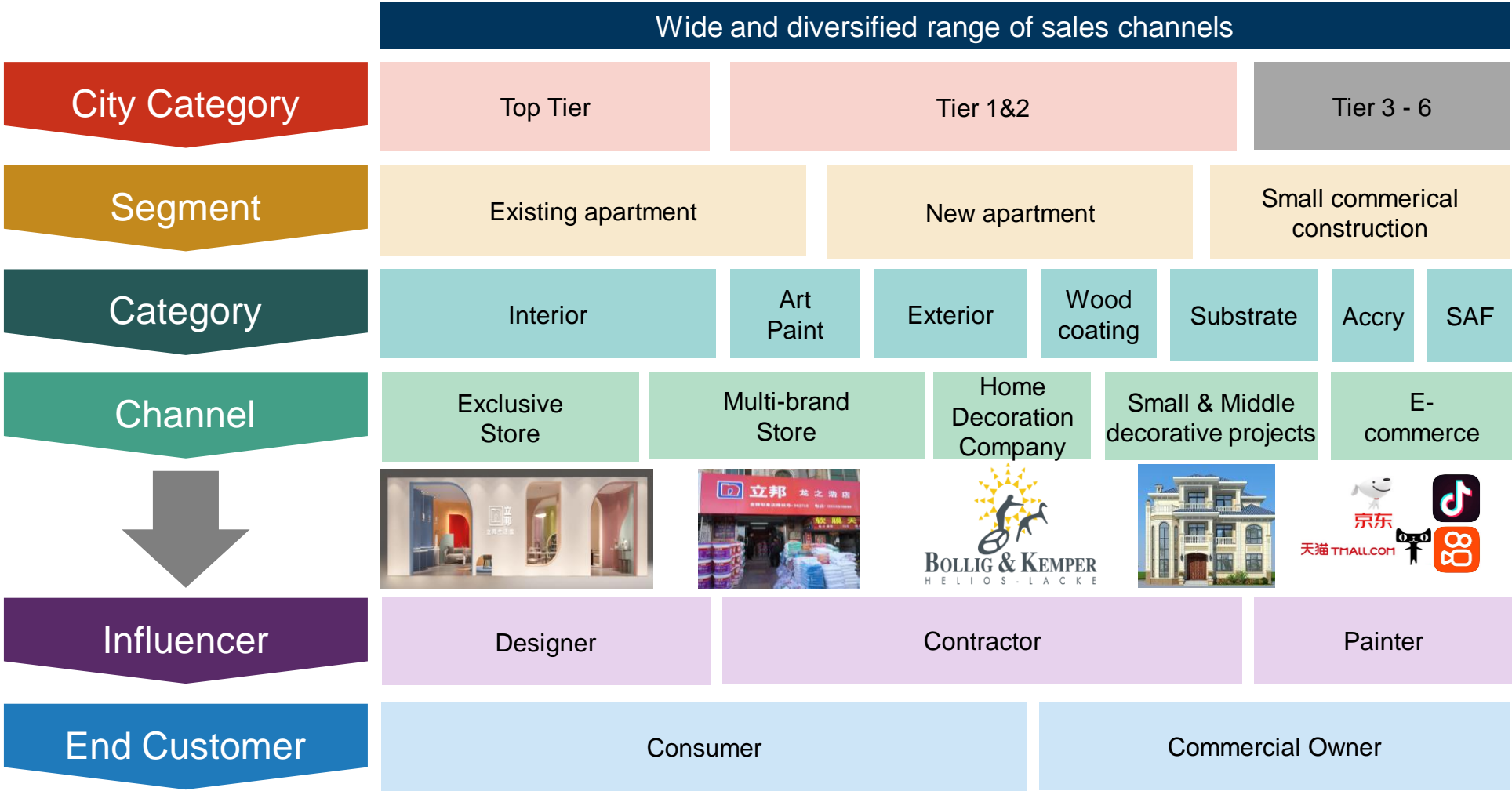


### YoY change (In LCY)

| (%)     | 2019      | 2020 |     |     |     |           | 2021 |     |     |     |           | 2022 |     |    |     |           |
|---------|-----------|------|-----|-----|-----|-----------|------|-----|-----|-----|-----------|------|-----|----|-----|-----------|
|         | Full year | 1Q   | 2Q  | 3Q  | 4Q  | Full year | 1Q   | 2Q  | 3Q  | 4Q  | Full year | 1Q   | 2Q  | 3Q | 4Q  | Full year |
| DIY     | +2        | -27  | -1  | +9  | +21 | 0         | +57  | +35 | +32 | +22 | +35       | +28  | +15 | +7 | -4  | +12       |
| Project | +35       | -22  | +32 | +33 | +34 | +26       | +110 | +24 | +26 | +16 | +29       | -5   | -5  | -6 | -22 | -10       |
|         | 2022      | 2023 |     |     |     |           | 2024 |     |     |     |           |      |     |    |     |           |
|         | Full year | 1Q   | 2Q  | 3Q  | 4Q  | Full year | 1Q   | 2Q  | 3Q  | 4Q  | Full year |      |     |    |     |           |
| TUC     | +10       | +19  | +15 | +10 | +8  | +13       | +15  | +5  | +1  | +2  | +6        |      |     |    |     |           |
| TUB     | -14       | +5   | -7  | -17 | -1  | -7        | -15  | -12 | -16 | -18 | -15       |      |     |    |     |           |

# 1 (10) Overview of Asset Companies

**TUC: Achieved No.1 market share (c.25%) through unparalleled sales network and proactive promotion**



## Proactive promotion



# 1 (10) Overview of Asset Companies

**TUB: Secured top market share (c.9%) through strategic alliances with TOP100 real estate developers**

|                  | Items                         |                        |  |   |        |
|------------------|-------------------------------|------------------------|--|---|--------|
| Channel          | Real Estate                   | Architectural renewal  | Social security housing                              | Industry  |        |
| Customer         | TOP 100 Developers in Country | TOP Developers in City | General Contractor                                   | Hospital  | School |
| Coating Solution | Wall Coating System           |                        | Floor Coating System                                 | Thermal Insulation System                       |        |
| Region           | National Center City          |                        | Sub-center City                                      | Outer City                                      |        |
| Partner          | Constructor                   | Designer               | Distributor  | Project Dealer                                  |        |
| Business Model   | Material Sales                |                        | Design + Product + Application Service (Partnership) | Design + Product + Application Service (Direct) |        |

# 1 (10) Overview of Asset Companies

## Nippon Paint Singapore



### Corporate Data

Location : Singapore

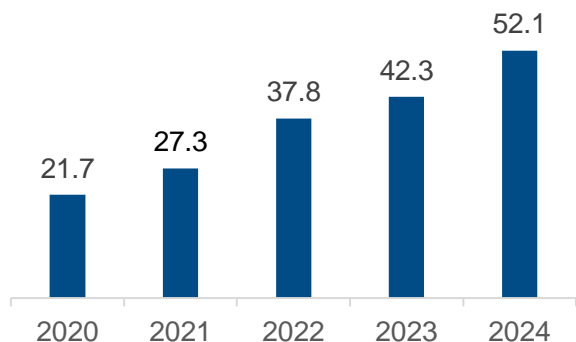
Ownership Ratio: 100.0%

#### Company overview :

Since its founding in 1962, Nippon Paint Singapore has developed a business portfolio that spans decorative paints, auto refinish paint, industrial coatings, and protective coatings in Singapore. The company expanded its business portfolio into the adjacencies area following its acquisition of the Selleys business in FY2020

### Performance (Singapore Group)

■ Revenue(billion yen)



\*NPHD's estimates

### Market share\* (TU-Consumer)

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 71%  | 73%  | 75%  | 75%  |
| 2023 | 2024 |      |      |
| 75%  | 75%  |      |      |

### SWOT Analysis

#### Strengths

- Leading market name with strong brand equity and 71% 'Top of Mind' brand recall
- Established and largest network of dealerships, strong partnerships with designers and contractors, and painter engagement programs have contributed to the growth of a large customer base in Singapore
- Market leader in the decorative paints segment with full range of products available
- Locally based manufacturing and operations facilities

#### Weaknesses

- Relatively new player in the protective coatings segment with lack of certifications to establish market credibility
- Business operations are subject to external factors such as global economy and the pandemic, like other players

#### Opportunities

- Drive market opportunities to broaden product portfolio into building materials, construction chemical and floor coatings
- Leverage Nippon Paint's integration with Selleys to expand into the Sealants, Adhesives, and Fillers (SAF) segment
- Expand customer base for innovative consumer products like anti-viral and anti-mosquito products
- Providing waterproofing, floor coating and sealants as part of total coating solutions to customers

#### Threats

- Competitive pricing from other established players in the project market
- Increased activity seen in competitors
- The shift to e-commerce in retail market lowers barriers for smaller entrants



# 1 (10) Overview of Asset Companies

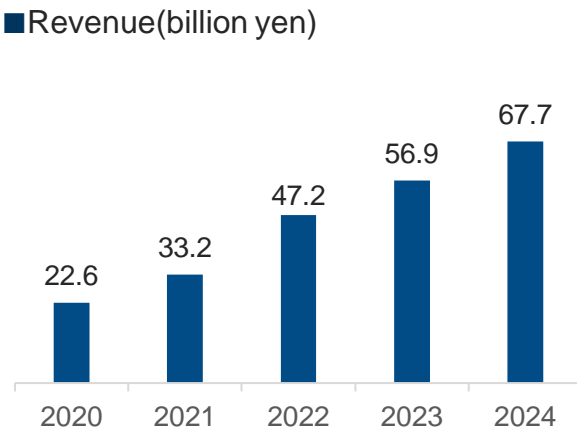
## Nippon Paint Malaysia

### Corporate Data

Location : Selangor, Malaysia  
Ownership Ratio: 100.0%

Company overview :  
Established in 1967, Nippon Paint Malaysia has grown in leaps and bounds and today, has emerged as a significant market leader with presence in Pakistan, Bangladesh, the Philippines, Thailand, and Indonesia. The company prides itself as a total coating & construction solution and service provider, serving several sectors including decorative paints, automotive coatings, industrial coatings, marine coatings, and refurbishment markets

### Performance (Malaysia Group)



\*NPHD's estimates

### Market share\* (Decorative)

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 35%  | 37%  | 44%  | 45%  |
| 2023 | 2024 |      |      |
| 48%  | 49%  |      |      |

### SWOT Analysis

#### Strengths

- Leading brand name in the paint and coatings industry with a strong brand awareness and a wide distribution network
- Wide range of solutions & only company that provides total compatible solutions from bare to finish; includes waterproofing, drymix, flooring, tools and accessories
- Strong focus on customer service, building further brand loyalty for Nippon Paint

#### Weaknesses

- Factors such as long production lead times, changing international market dynamics, and global economic conditions impact business. Steps are being taken to optimize processes and revisit strategies to drive growth.
- As a leader with significant market penetration, it is challenging to offer substantial preferential treatment (e.g., higher profit margins) to specific dealers, potentially affecting partner relationships. To mitigate this, we are focusing on providing consistent support, training, and marketing resources to all dealers, while also exploring alternative incentive programs for high-performing partners

#### Opportunities

- Positioned to cater to customers' increasing needs for holistic solution - total coatings and construction solution as a key communication
- Enhance market opportunities by creating customer centric awareness programs to differentiate Nippon Paint from other industry players
- Drive brand messaging via CSR campaigns to build strong corporate branding
- Provide end-to-end solutions to homeowners leveraging e-commerce platforms
- Drive efficiencies with CONNECT PLATFORM, internal digital app to better manage stakeholders and business
- To capture market share from smaller competitors with Nippon Paint's affordable Q Series range of products

#### Threats

- Current global conditions have led to changes in consumer behavior and buying habits, with preference for value for money products
- With changing customer preferences, there might be a need to relook pricing structure to suit current economic conditions

# 1 (10) Overview of Asset Companies

## PT Nipsea Paint and Chemicals



### Corporate Data

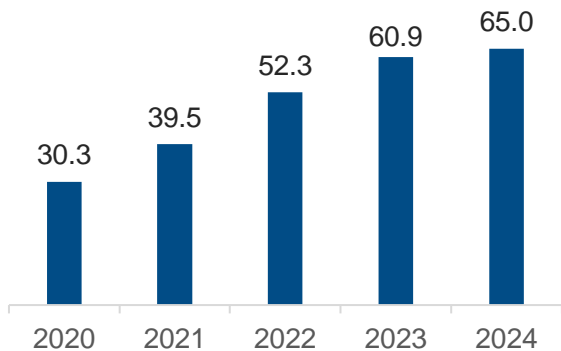
Location : Jakarta, Indonesia

Ownership Ratio: 100.0%

Company overview :  
Acquired by NPHD in 2021, PT Nipsea Paint and Chemicals has a dominant position in the Automotive OEM coatings field. In addition, the company is a market leader in decorative paints as consumer's preferred brand in Indonesia for over 50 years. With over 6,600 employees, the company has more than 64 distribution points across Indonesia

### Performance

■ Revenue (billion yen)



### Market share\*1 (Decorative)

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 14%  | 17%  | 17%  | 18%  |
| 2023 | 2024 |      |      |
| 19%  | 19%  |      |      |

### SWOT Analysis

#### Strengths

- Dominant market position in Decorative Retail, Automotive & Motorcycle coatings - backed by 3 production sites and a large distribution network of 64 locations
- Trusted brand with Japanese heritage and long operating history in Indonesia since 1969
- Market leading decorative paint brands with strong brand awareness and heritage with the largest distribution coverage of CCM\*2
- Strong support from established global customers in Automotive OEM segment

#### Weaknesses

- External shocks from increasing raw material price pressures though steps have been taken to mitigate this through relentless cost optimization and streamlining

#### Opportunities

- Growth potential of Indonesian market to drive demand for premium products
- Broaden the product and service spectrum to include painting accessories and tools, Sealants, Adhesives, and Fillers (SAF) as well as waterproofing segments
- Further entrench distribution reach into 2nd and 3rd tier cities by increasing the number of depots/sales offices and trading partners

#### Threats

- Increasing uncertainties due to escalating trade war pressures, negatively impacting all economic sectors, dampening foreign investment and delaying infrastructure projects
- Downward price pressure due to intense competition by other established players and new entrants into the Indonesian market

\*1 NPHD's estimates \*2 Computerized Colour Matching

# 1 (10) Overview of Asset Companies

Betek Boya



## Corporate Data

Location : Istanbul, Türkiye

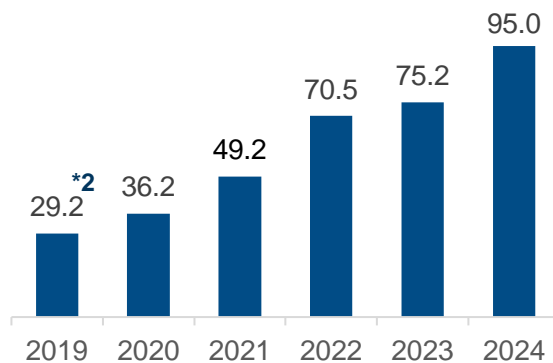
Ownership Ratio: 99.6%

### Company overview :

Acquired by NPHD in 2019, Betek Boya is a leading Turkish paint and ETICS company. Its multi-brand portfolio covers premium brands to budget options in the Turkish paint market. Betek Boya has been leading the Turkish decorative paint segment over years and listed as No.1 in the paint companies reputation index for more than 10 years. The company has expanded into industrial coatings segment in recent years

## Performance

■ Revenue(billion yen)



## Market share<sup>\*1</sup> (Decorative)

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 27%  | 30%  | 34%  | 34%  |
| 2023 | 2024 |      |      |
| 35%  | 35%  |      |      |

<sup>\*1</sup> NPHD's estimates <sup>\*2</sup> 2019 revenue is pro forma

## SWOT Analysis

### Strengths

- Leading company that is customer-centric and has an operations strategy to respond to varying customer needs
- Wide range of product portfolio, multi-brand strategy and extensive market collaborations that accelerate growth, business resilience and innovation
- Consistent investments in strategic marketing and consumer engagements that have built market leadership and top of mind recall for consumers

### Weaknesses

- Like other players, Betek Boya is subject to external factors such as economic conditions, fluctuating demand, volatility in raw material cost and uncertainty from the escalating trade war pressures
- However, with Betek Boya's operation strategies, the company has been able to mitigate these effects as much as possible and continues to drive resilient growth and innovation

### Opportunities

- Recently announced new regulation change of ETICS will create new market potential in 31 mild-hot southern climate cities in Türkiye by 2026
- Help to strengthen Betek Boya's position in Project business with recently launched breakthrough innovation products - leveraging on Betek Boya strength and leadership in traditional consumer channel to increase share in Project

### Threats

- Prevailing economic conditions and decreasing purchasing power have led to sharper demand contraction in the economy and mid-range segments
- Price pressure from competition has increased in the mid and premium segments, threatening profit margins
- Competition with strong established multinational companies

# 1 (10) Overview of Asset Companies



## Corporate Data

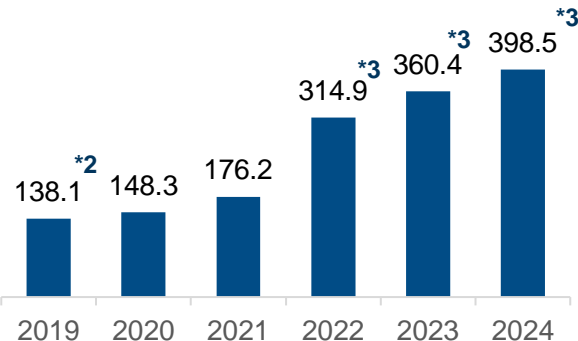
Location : Melbourne, Australia

Ownership Ratio : 100.0%

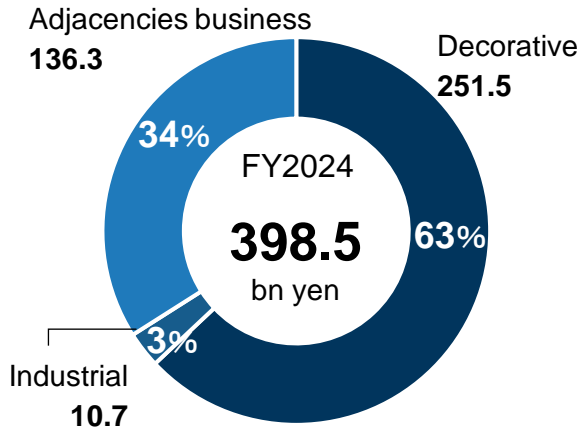
**Company overview:**  
Acquired by NPHD in 2019, DuluxGroup is Australia and New Zealand’s market leader in paint, coatings, sealants and adhesives, as well as other home improvement products. DuluxGroup also has a leading decorative paints position in Europe through its recent acquisitions of Cromology and JUB, and a growing presence in sealants and adhesives in Europe through its recent investment in NPT in Italy.

## Performance

■ Revenue (billion yen)



## Revenue breakdown by business



## Market share<sup>\*1</sup> (Australia Decorative)

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| ~48% | ~50% | ~50% | ~50% |
| 2023 | 2024 |      |      |
| ~50% | ~50% |      |      |

## SWOT Analysis

### Strengths

- Leading positions in well structured, resilient markets
- Market leading brands, underpinned by continuous focus and investment in marketing and innovation – driven by consumer insights
- Unrelenting focus on customer service, underpinned by sales, marketing and supply chain capability

### Weaknesses

- Like all businesses, DuluxGroup is subject to prevailing external economic and market conditions such as volatility in raw materials pricing. However, DuluxGroup has deliberately shaped its business, operations and end market focus to seek to mitigate such factors as much as possible, and it has a strong track record of resilient earnings growth

### Opportunities

- Continue to drive growth in the Pacific through relentless focus on brands, innovation and customer service in decorative paints and coatings, sealants and adhesives, and adjacent categories
- Leverage these capabilities to drive growth over time in Europe through the Cromology and JUB businesses, and through the recent NPT joint venture in sealants and adhesives
- Help to grow Nippon Paint Group’s position in Asia with Selleys’ sealants and adhesives capabilities

### Threats

- Core Pacific and Western European markets are relatively mature, traditionally low growth and, in the short term, may be constrained by cost-of-living impacts on consumers, increased energy costs and general economic uncertainty
- Compete against strong, established multi-national companies

<sup>\*1</sup> NPHD’s estimates of decorative paint market volume <sup>\*2</sup> 2019 revenue is pro forma <sup>\*3</sup> Including the earnings of Cromology and JUB

# 1 (10) Overview of Asset Companies



## Corporate Data

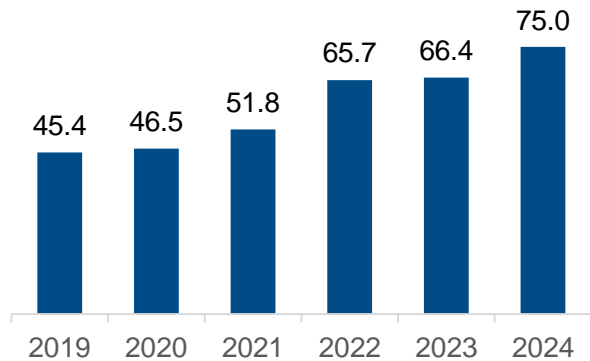
Location : California, USA

Ownership Ratio: 100.0%

Company overview:  
Acquired by NPHD in 2017, Dunn-Edwards has been a leading paint supplier in the Southwestern U.S. since 1925, providing a complete line of paint, sundries and equipment. Dunn-Edwards has an estimated 12% share in California markets, and 10% to 20% in other adjacent regions

## Performance

■ Revenue(billion yen)



\*NPHD's estimates

## Market share \* (Decorative)

| 2019 | 2020 | 2021 | 2022 |
|------|------|------|------|
| 2.4% | 2.4% | 2.5% | 2.5% |
| 2023 | 2024 |      |      |
| 2.5% | 2.5% |      |      |

## SWOT Analysis

### Strengths

- Strategically positioned retail store network and highly trained salesforce focused on providing superior customer service
- Diverse portfolio of high quality and innovative products provides meaningful, measurable performance advantages versus the competition

### Weaknesses

- For over 95 years, Dunn-Edwards has successfully focused on serving the professional painting industry. However, continued actions by national brands and changing demographics could impact preferences  
The company is taking proactive steps to influence customer behavior and drive new sales growth through channels and to new market segments

### Opportunities

- Furthering our relationships with professional painting contractors in the Southwest United States, especially in Northern California
- Develop omni-channel e-commerce solutions to drive sales growth to professionals and consumers alike
- Help to grow the Nippon Paint Group's position in the United States through channel and product growth initiatives

### Threats

- Large marketing and advertising investments by national brands continue to impact brand selection



# 1 (10) Overview of Asset Companies

## Nippon Paint Automotive Coatings Co., Ltd. (NPAC)



### Corporate Data

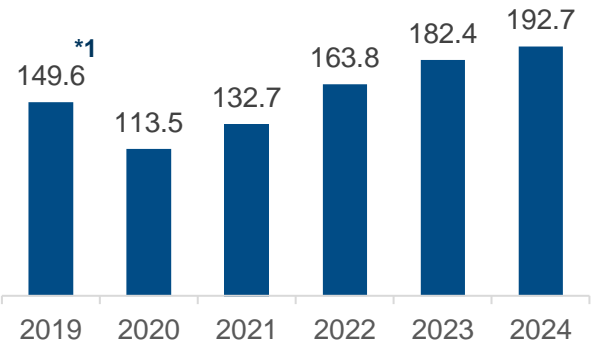
Location : Osaka, Japan

Ownership ratio: 100.0%

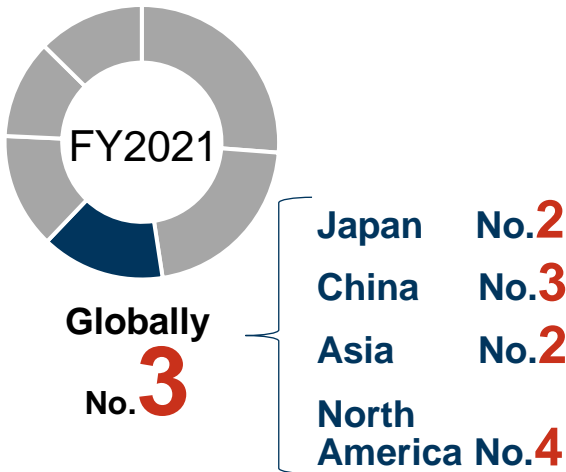
Company overview:  
NPAC is the world's leading automotive coatings manufacturer capable of seamlessly providing the entire spectrum of automotive coatings from pretreatment, electrodeposition coating, primer, base coat, and clear coat coatings for auto bodies to coatings for plastic bumpers and interior components. Additionally, the company has been focusing on decorative films, where demand has been increasing in recent years

### Performance

■ Revenue (billion yen)



### Market share <sup>\*2</sup>



<sup>\*1</sup> Including discontinued operations <sup>\*2</sup> NPHD's estimates

### SWOT Analysis

#### Strengths

- 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

#### Weaknesses

- Weak competitiveness in Europe and America (business restructuring in Europe and construction of a new production base in the U.S. are in process to become more competitive)

#### Opportunities

- The automotive industry continues to show significant growth potential, particularly in emerging markets
- Growing need for environmental products and alternative coating technologies due to tightening environmental regulations in many countries
- Numerous opportunities for business expansion from new technological innovations, such as CASE (Connected, Autonomous, Shared & Services, and Electric)

#### Threats

- Decreasing opportunities for existing business due to new alternative coating methods
- Impact on earnings from changes in raw material market conditions

# 1 (10) Overview of Asset Companies

## Nippon Paint Co., Ltd. (NPTU)



### Corporate Data

Location: Tokyo, Japan  
Ownership ratio: 100.0%

Company overview:  
NPTU manufactures and sells decorative paints for houses and office buildings, paints for large structures such as bridges and plants, and automotive refinish coatings. NPTU boasts the top share in the decorative paints market in Japan by supplying paints with excellent designability and coatings technologies using the largest sales network in Japan

### SWOT Analysis

#### Strengths

- 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.)

#### Opportunities

- Growing need for ultra-durable, process-saving paints due to population decline and labor shortage
- Growing need for DX (Digital Transformation) to address labor shortage
- Growing need for environmental products

#### Weaknesses

- Aging production and logistics facilities

#### Threats

- Slowing domestic market growth due to population decline, labor shortage
- Rising raw material and logistics costs

## Nippon Paint Industrial Coatings Co., Ltd. (NPIU)



### Corporate Data

Location: Tokyo, Japan  
Ownership ratio: 100.0%

Company overview:  
NPIU specializes in coatings for non-automotive, general industrial applications and manufacturers and sells paints and coatings for industrial products ranging from building and home exterior materials, home appliances, office furniture, to construction & agricultural machinery, and railroad cars. The company also manufactures and sells functional materials in the fine chemicals field and engages in the design of facilities and sales of equipment for paint application.

### SWOT Analysis

#### Strengths

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

#### Opportunities

- Development of high value-added products that address the demand for environmentally friendly solutions and improve productivity meeting needs for environmental and labor-saving products
- Creation of new market accompanied by social changes such as next-generation mobility services (MaaS) and electrification (EV)

#### Weaknesses

- Slower growth of existing businesses due to maturation of the domestic market

#### Threats

- Increases in raw material, freight, and labor costs
- A shift from exporting to local production

# 1 (10) Overview of Asset Companies

## Nippon Paint Surf Chemicals Co., Ltd. (NPSU)



### Corporate Data

Location: Tokyo, Japan  
Ownership ratio: 100.0%

Company overview :  
NPSU provides pretreatment agents for automobiles, general-use industrial products, steel, and aluminum cans, and functional agents which provides various functions in very thin film such as hydrophilic coatings. The company offers technologies created through its three-region R&D system in Japan, China, and South Korea and industry-academia collaborations to customers in Asia and worldwide

### SWOT Analysis

#### Strengths

- High customer responsiveness enabled by developing paint products and technologies together
- Differentiated technologies created in a three-region R&D structure in Japan, China, and South Korea and industry-academia collaborations
- Our capability supply solutions packaged with paint products to global customers

#### Weaknesses

- High purchase ratio of raw materials subject to local market conditions, making stabilizing raw material costs an issue

#### Opportunities

- Growing need for eco-friendly products and process transformation in automotive coatings and other business fields
- Growing demand for surface treatment driven by the expansion of overseas markets in Asia and other emerging markets

#### Threats

- Shrinking domestic market
- Decrease in demand driven by strengthened customer efforts to reduce costs

## Nippon Paint Marine Coatings Co., Ltd. (NPMC)



### Corporate Data

Location : Osaka, Japan  
Ownership ratio : 100.0%

Company overview :  
Nippon Paint Marine has been at the forefront of marine coatings innovation for over 140 years, serving customers in 40+ countries. Our antifouling and protective systems have been applied to 40,000+ vessels, from tankers to cruise ships. With cutting-edge R&D and deep maritime expertise, we help shipowners optimize operations, enhance efficiency, and reduce costs and emissions. Beyond coatings, we provide technical solutions and hull performance care to ensure lasting results.

### SWOT Analysis

#### Strengths

- Technical know how to develop safer and eco-friendly marine products
- Marine seafront research center that focus on conducting functionality and evaluation test to constantly improve antifouling and anticorrosion performance

#### Weaknesses

- Business structure with earnings exposure to market conditions due to high proportion of raw materials with high price volatility

#### Opportunities

- Ongoing long-term growth in global marine transportation volume
- Growing need for environmental paints with tightening environmental regulations and increasing ESG investment

#### Threats

- Changing market conditions and shipowner economic conditions
- Irregular operating schedules and docking delays

## Numerous strong brands in the paint and adjacencies areas are offered

Nippon  
Paint  
(Japan)

### Paint & Coatings

Nippon Paint



PROTECTON



Dunn-  
Edwards

### Paint & Coatings

Dunn-Edwards



NIPSEA

### Paint & Coatings

NIPPON PAINT



NIPSEA CHEMICAL



LiBang



CRF



OPEL



SUPE



臻捕材



雅士利漆



Acratex



### Paint & Coatings

BK&NP



Alina Group



Bollig & Kemper



SELLEYS



V-tech



### Adjacencies

Alina Group



CMI



Betek  
Boya

### Paint & Coatings

BETEK



NIPPON PAINT



TEMPO



FILLI BOYA



FAWORI



### ETICS

FAWORI



DALMACYALI



Dulux  
Group

### Paint & Coatings – Pacific

Dulux



### Paint & Coatings – Europe

Cromology



JUB Group



UK



### Sealants, Adhesives & Fillers and Construction Chemicals

SELLEYS



PARCHEM



※Licensed brand

### Other Home Improvement Businesses

YATES



B&D GROUP



LINCOLN SENTRY



※Distributed brand



# 2

## Business Environment

Photo: Singapore / REFLECTIONS AT KEPPEL BAY





# 2 (1) Roles of Paint and Coatings in Society

NIPPON PAINT GROUP

## Protecting the social infrastructure that underpins our daily lives

**Beautifying**

**Protecting**

**Adding  
functionality**



### Structures (buildings, stadiums)

Fire-proofing coatings prevent buildings from fire accidents and provide design flexibility



### Housing (interior paint)

Interior paint protects people's health with its anti-viral, anti-bacterial, and anti-mildew properties and provides innumerable color options for home interior design



### Automobiles

Automobile paint enables brilliant colors and high gloss finish with coated 0.1 mm film protecting against UV ray degradation, rust and scratches



### Vending machines

Powder paints applied to surfaces contain no volatile organic compounds (VOCs), which are a source of air pollution



### Ships

Marine coatings contribute to preventing global warming by reducing CO<sub>2</sub> emissions during ship operations

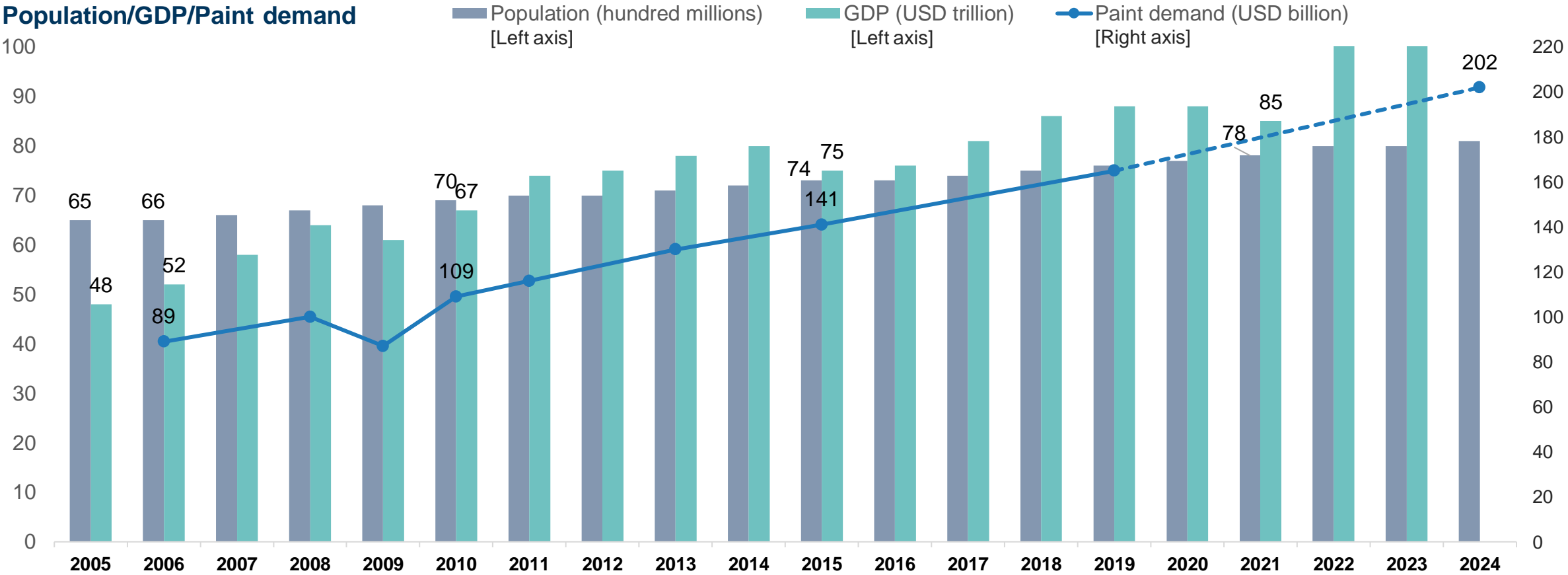


### Road

Heat shielding coatings for asphalt road surfaces help create pleasant urban environments by preventing heat accumulation

# 2 (2) The Global Paint and Coatings Market 1

The global paint and coatings market is growing proportionally to population and GDP growth

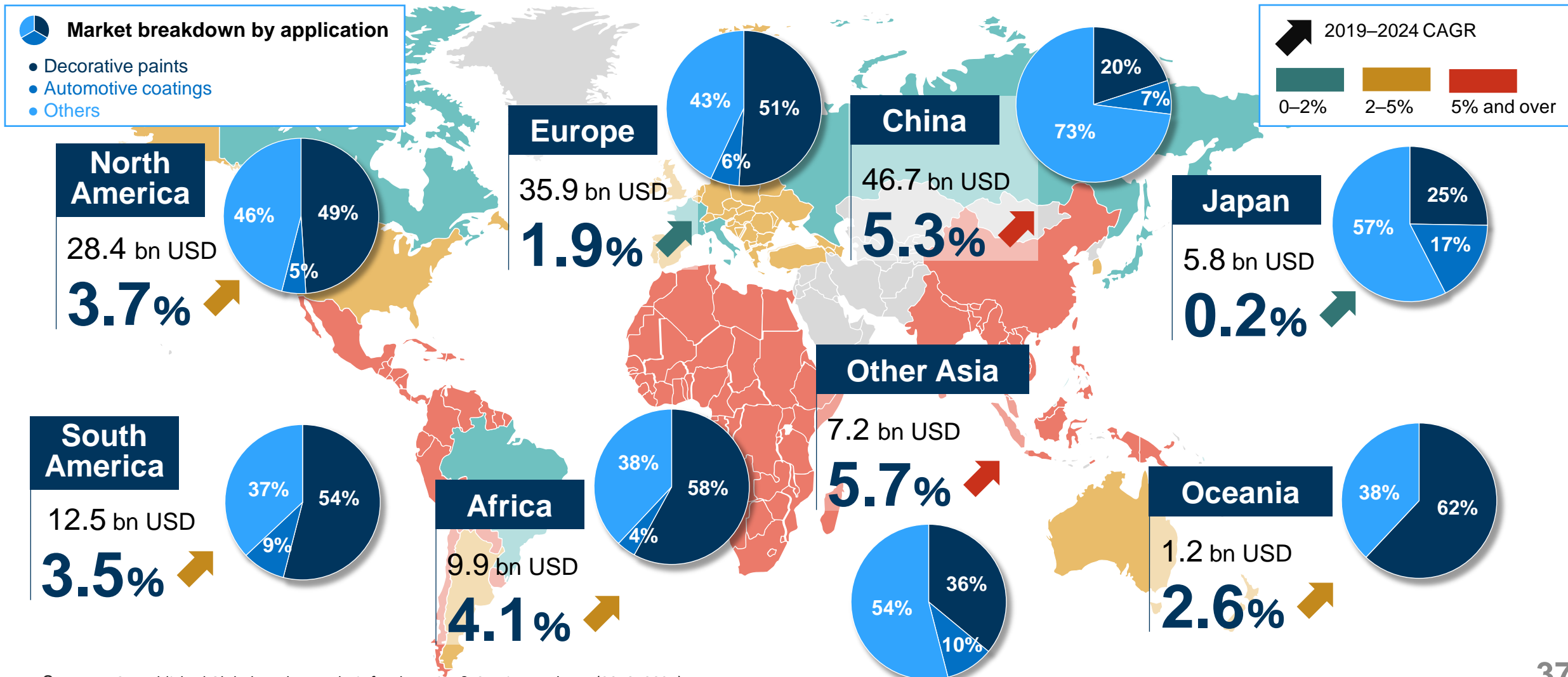


- The global paint and coatings market is a growth industry, with paint demand increasing proportionally to population and per-capita GDP growth
- The paint and coatings market has stable growth opportunities unlike the much more volatile general chemical industry

Source: Population: US Census Bureau / GDP: World Bank / Paint demand: ACA-published Global Market Analysis for the Paint & Coatings Industry (2019 –2024)

# 2 (2) The Global Paint and Coatings Market 2

The market offers sustainable growth opportunities in the medium and long term centered on the decorative paints segment in China and other Asia



Source: ACA-published Global Market Analysis for the Paint & Coatings Industry(2019–2024)



# 2 (3) The Global Adjacencies Market

A huge market with significant growth opportunities due to the expansion of construction demand, as with the paint and coatings market



Global market value  
**60.0** bn USD<sup>\*1</sup>

SAF(Sealants, Adhesives and Fillers)



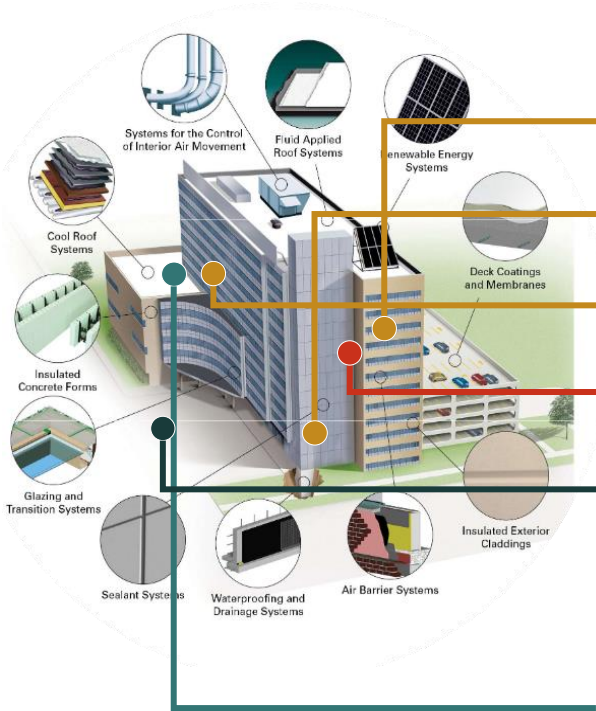
Global market value  
**71.5** bn USD<sup>\*2</sup>

CC (Construction Chemicals)



European market value  
**3,500** mmEUR<sup>\*3</sup>

ETICS (External Thermal Insulation Composite System)



|   |                    |
|---|--------------------|
| Concrete repair + Performance enhancement | Grinding aids      |
|   | Admixtures         |
|   | Surface treatments |
|   | Grouts & Repair    |
| Adhesives                                 | SAF                |
| Sealants                                  |                    |
| Fillers                                   |                    |
| Waterproofing Membranes                   |                    |
| Industrial floor coatings                 | Coatings           |
| Protective coatings for concrete          |                    |
| Decorative coatings                       |                    |

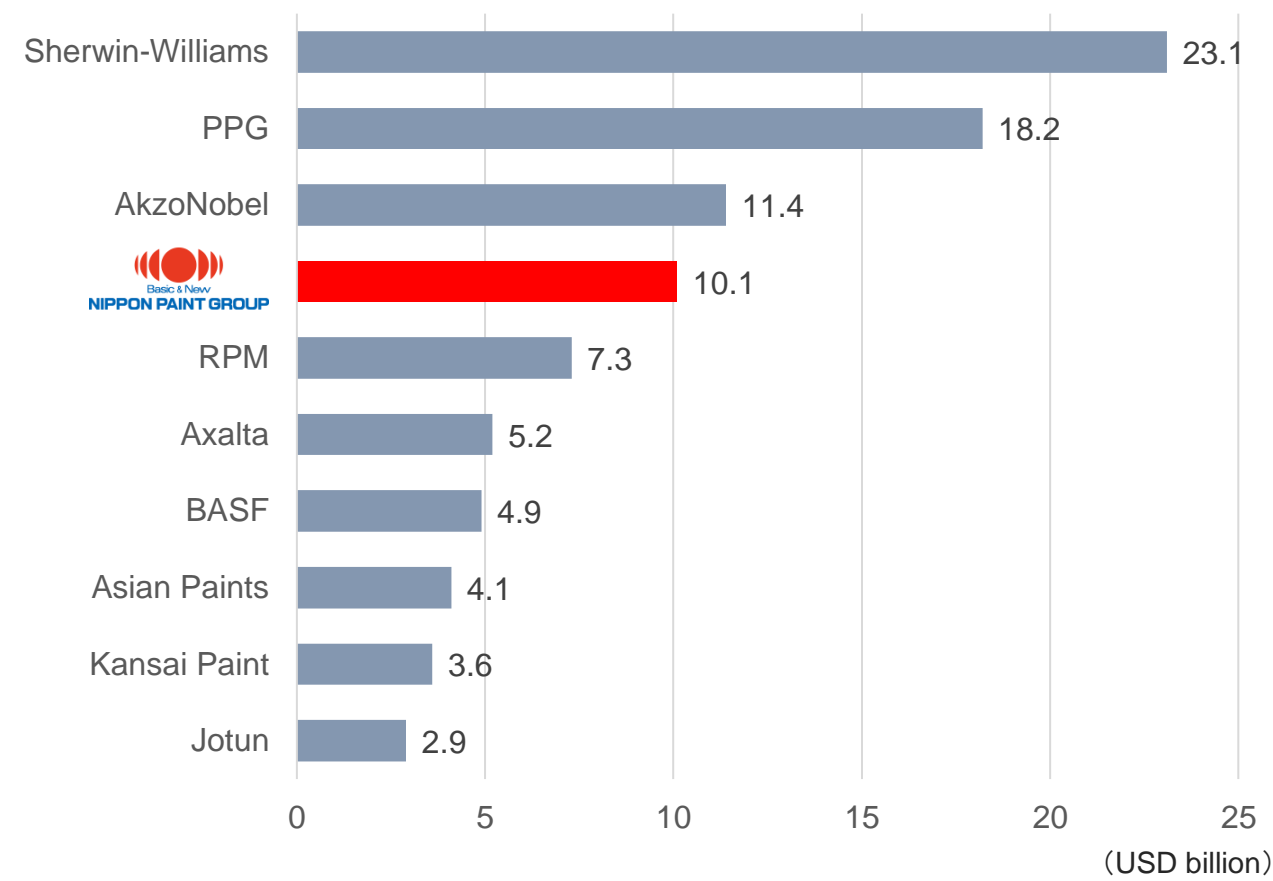


\*1 Source: Fortune Business Insights    \*2 Source: ReportLinker    \*3 Source: European Commission Paper

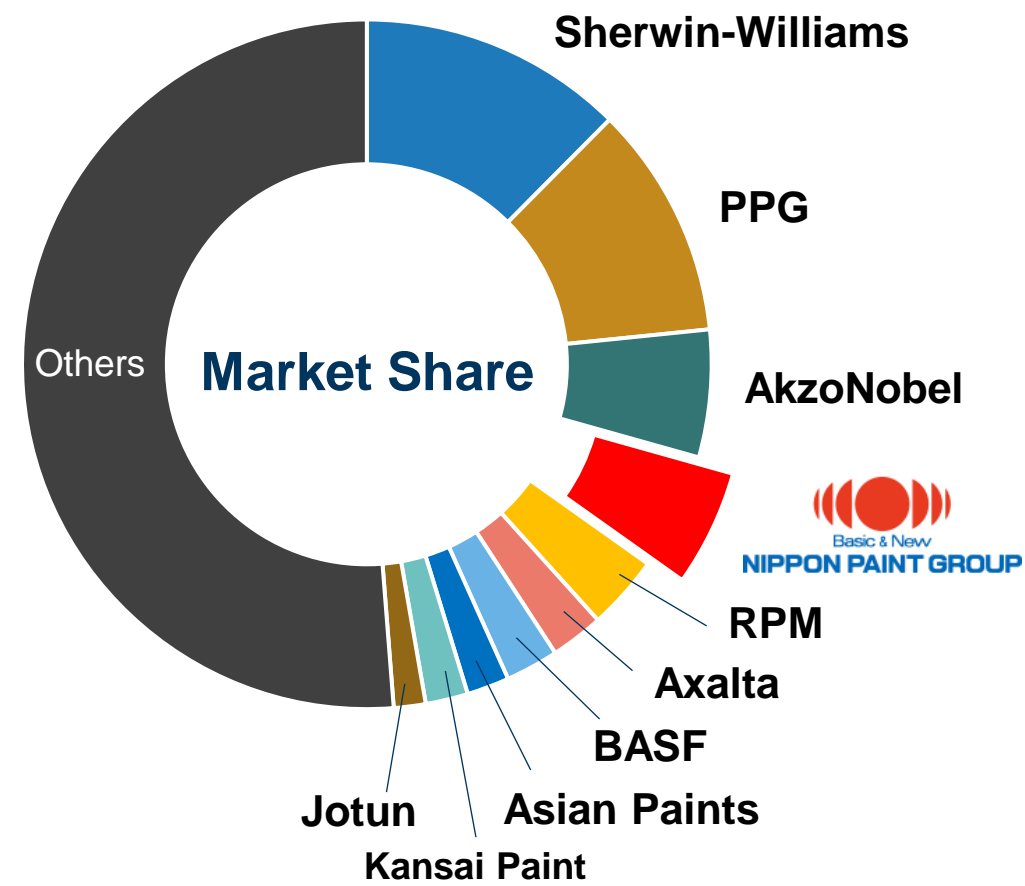
# 2 (4) The Global Competitive Landscape

The world's largest paint manufacturers have a combined market share of nearly 50%. The Nippon Paint Group is No.1 in Asia and No.4 in the world

Sales ranking of paint manufacturers



Source: NPHD's estimates. The data for BASF are derived solely from the Coatings Business within the Surface Technologies Segment  
Exchange rate assumptions: JPY/USD is 142.2; EUR/USD is 0.94; INR/USD is 83.57; NOK/USD is 10.92

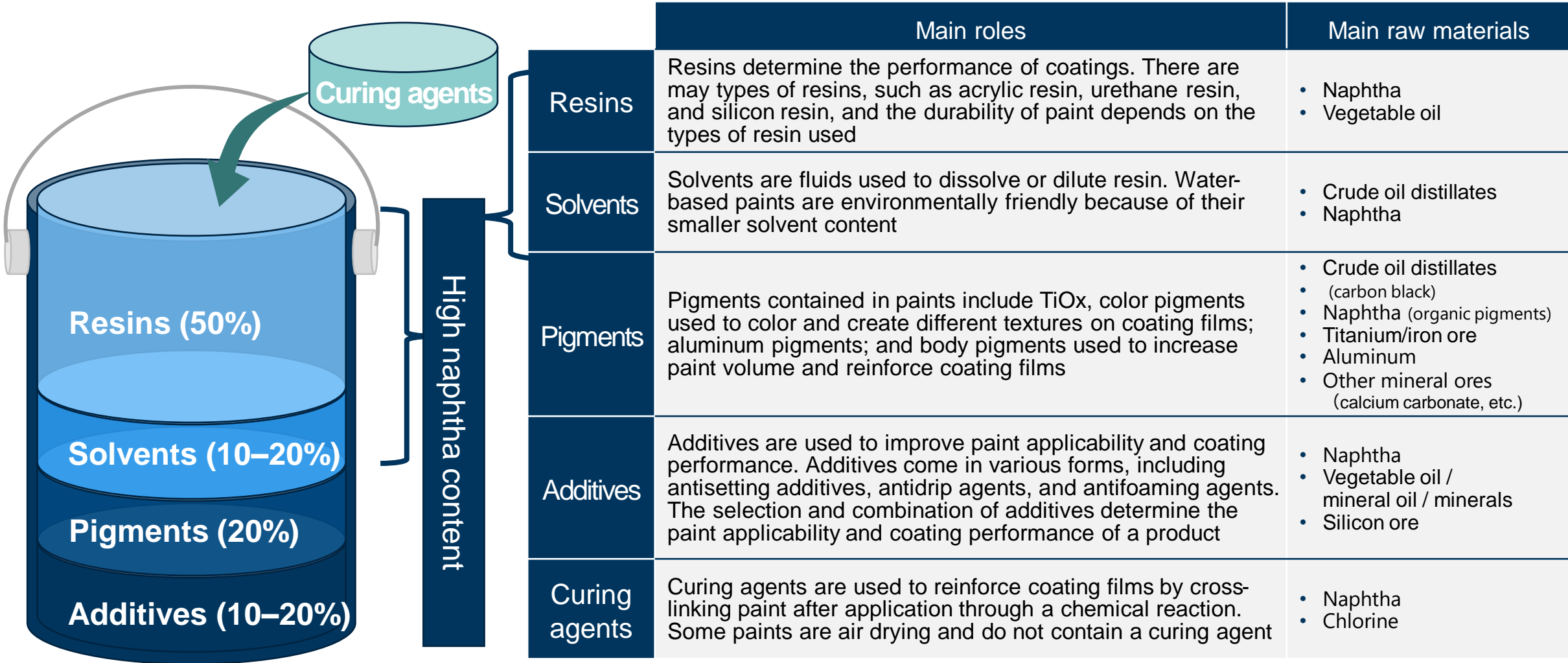


Source: NPHD's estimates



# 2 (5) Raw Materials for Paint and Coatings

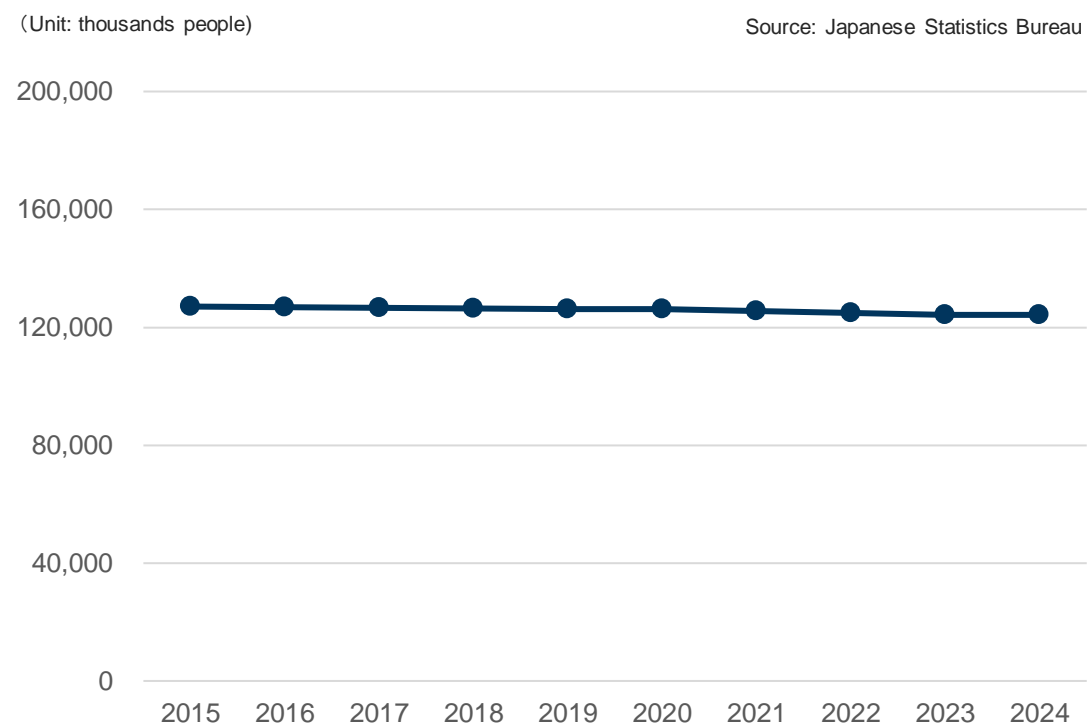
- Paint and coatings raw materials are organic chemicals derived from crude oil/naphtha as well as inorganic chemicals derived from minerals
- Many raw materials are naphtha based; Resins and solvents particularly have a high naphtha content



※Crude oil distillates: Components (naphtha, gasoline, kerosene oil, light diesel oil, etc.) obtained by fractional distillation of crude oil

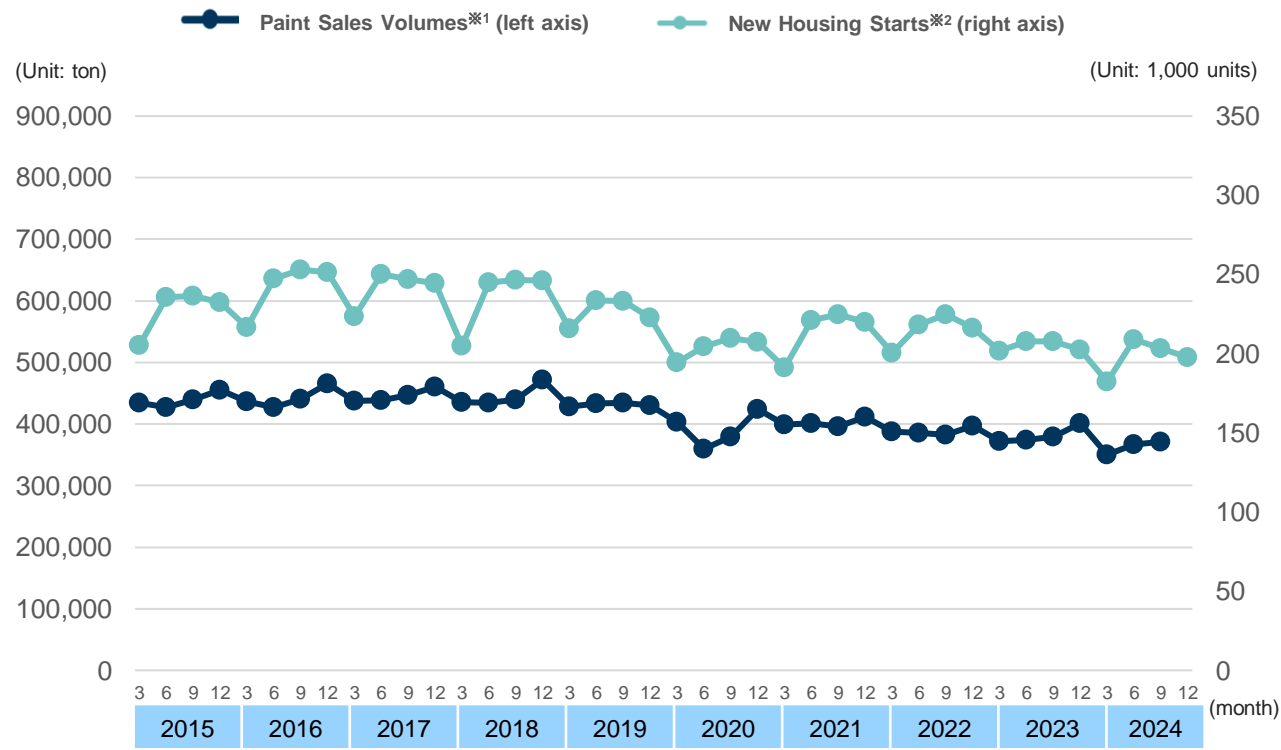
Japan Population Growth

Annual data (2015–2024)



Japan Paint Sales Volumes/  
New Housing Starts

Quarterly data (2015–December 2024)

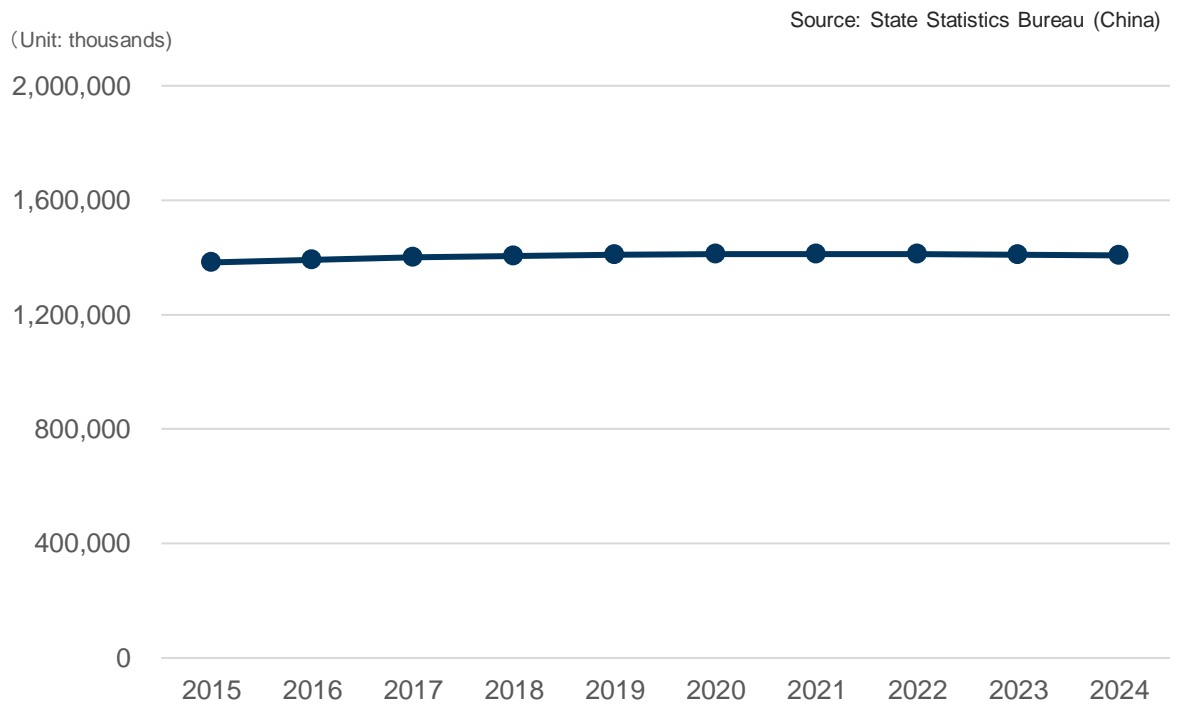


\*1 Source: Japan Paint Manufacturers Association \*2 Source: Ministry of Land, Infrastructure, Transport and Tourism

- Japan's population is declining slowly due to a low birthrate and aging population
- Paint sales volumes and new housing starts have been roughly stable

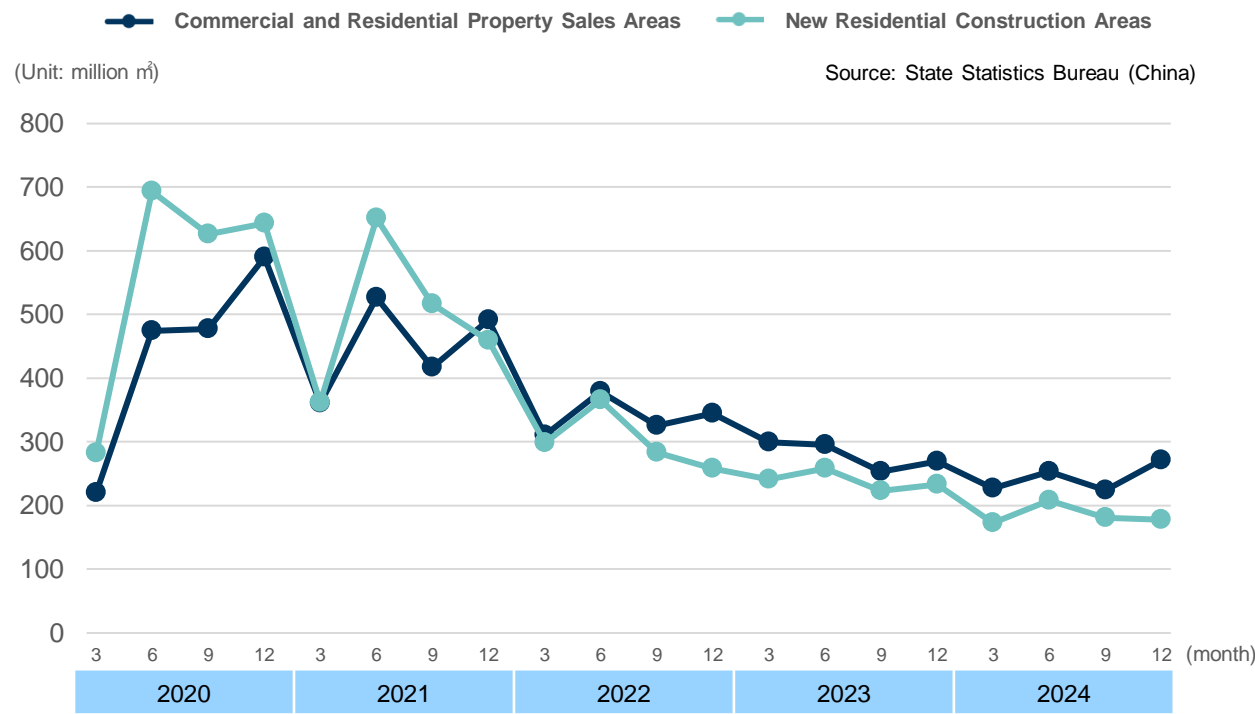
China Population Growth

Annual data (2015–2024)



China Commercial and Residential Property Sales Areas/  
New Residential Construction Areas

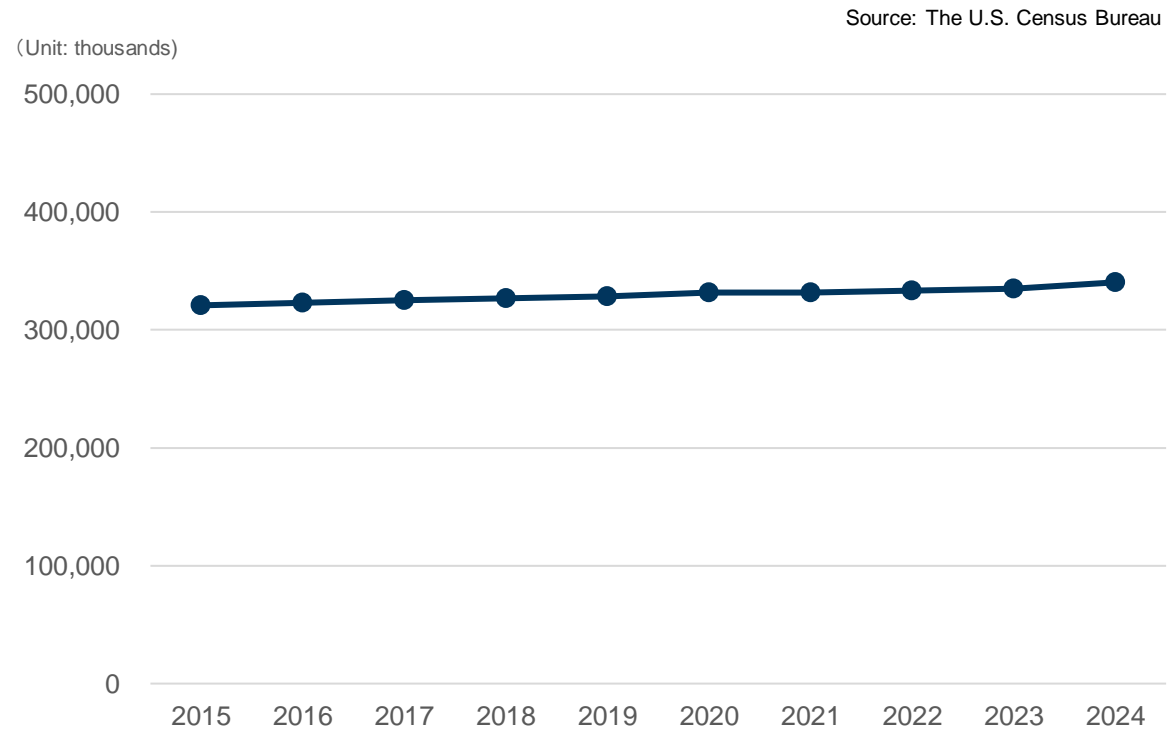
Quarterly data (2020–December 2024)



- Population growth in China has remained roughly stable
- Since 2022, the Chinese property market has experienced a prolonged downturn
- The Chinese government has introduced a variety of policy measures to stabilize market growth and build confidence in both the real estate sector and the broader economy

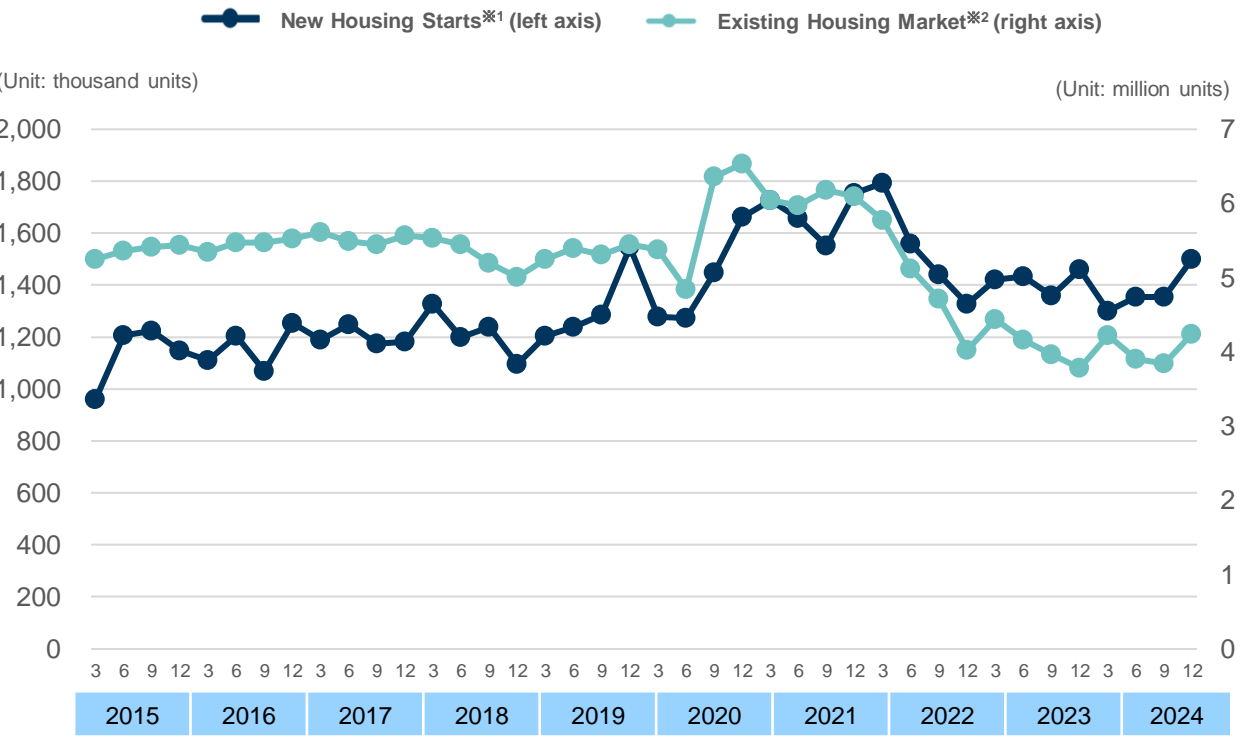
U.S. Population Growth

Annual data (2015–2024)



U.S. New Housing Starts/  
Existing Housing Market

Monthly data (2015–December 2024)

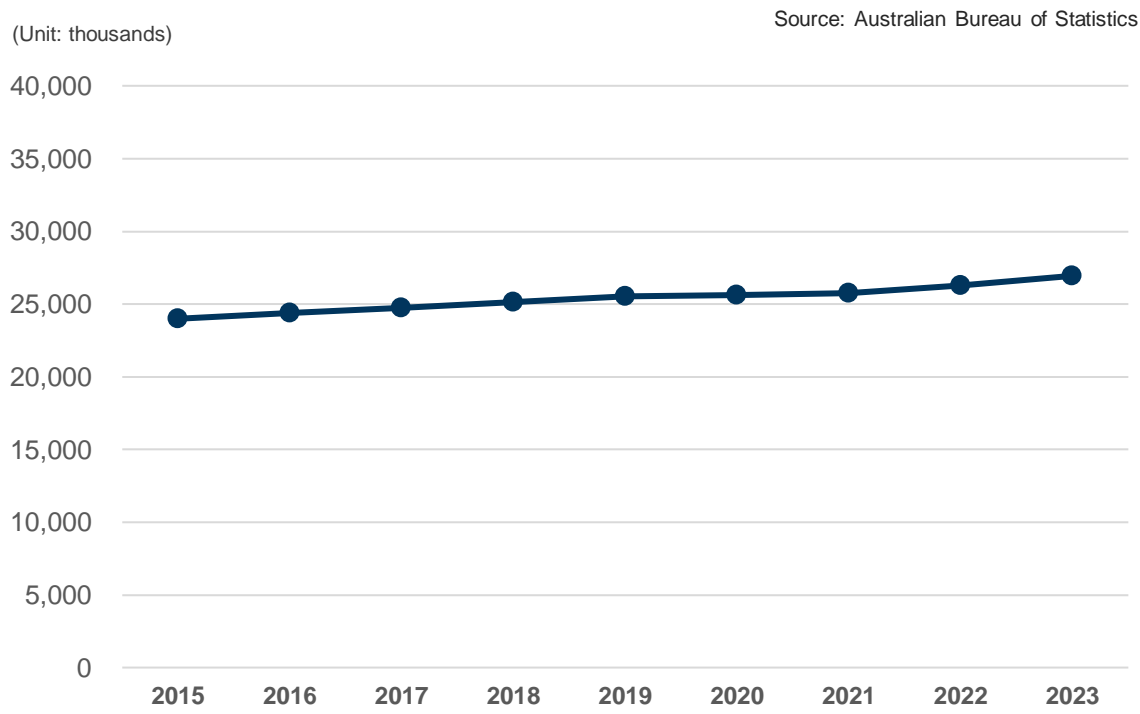


\*1 Source: The U.S. Census Bureau      \*2 Source: The National Association of Realtors

- The population has been growing steadily because of the government’s immigration policy
- Due to high interest rates, growth in the US housing and related sectors has been softening

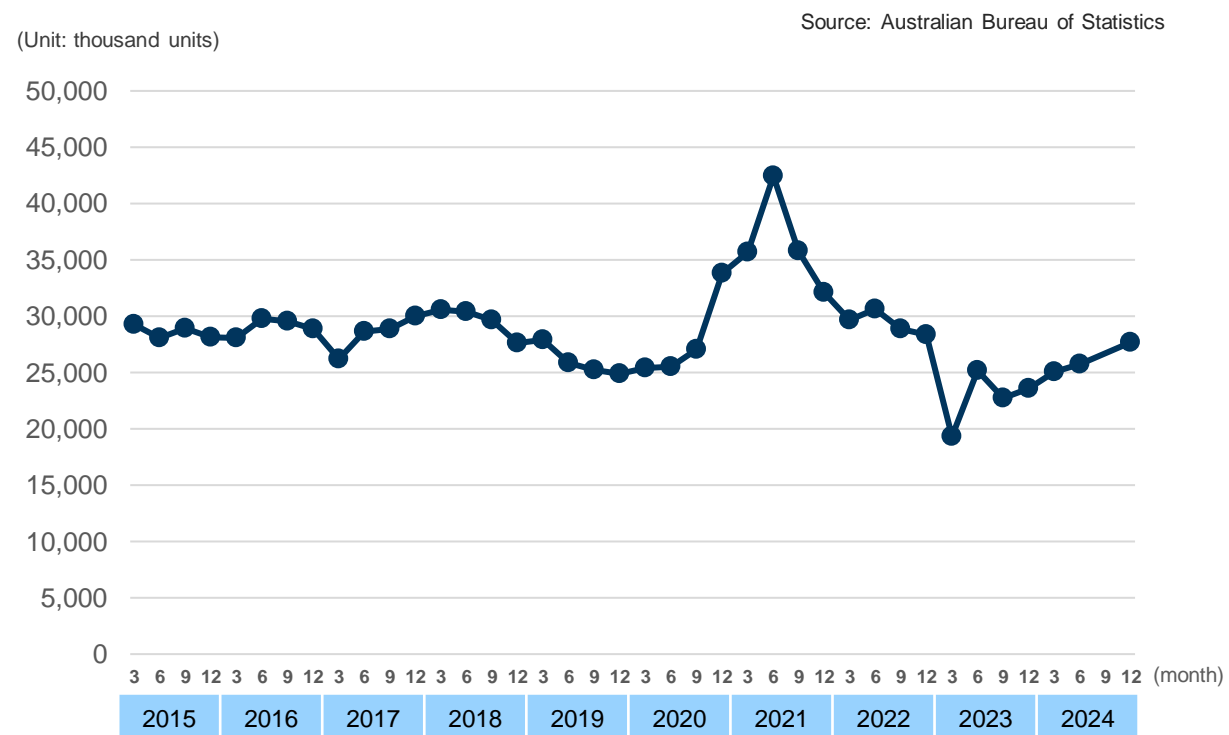
Australia Population Growth

Annual data (2015–2023)



Australia Private Dwellings Commenced (New Houses)

Quarterly data (2015–September 2024)



- Steady population growth expected to continue
- The new housing market has been softening lately primarily due to rising interest rates



## **Asset Assembler**

Asset Assembler is a business model adopted by Nippon Paint Holdings to pursue MSV. Based on this model, we will aim for accelerated growth over the medium and long term with limited risk by assembling strong brands and excellent talent through the expansion of existing businesses and aggressive M&A.

## **Wuthelam Group**

The Wuthelam Group, founded in 1949, operates investment business. Our partnership with Wuthelam dates back to 1962, when we jointly established Pan Malaysia Paint Industries (now Nippon Paint (Singapore) Company Private Limited) in Singapore.

## **Maximization of Shareholder Value (MSV)**

Maximization of Shareholder Value (MSV) is the sole mission of the Nippon Paint Group. We seek to create wealth by maximizing the residual shareholder value that remains after fulfilling our obligations to customers, suppliers, employees, and society.

## **Autonomous and decentralized management**

Autonomous and decentralized management is the management structure adopted by the Nippon Paint Group. Based on Trust of Group partner companies in Japan and around the world, the Nippon Paint Group will carry out management based on delegation of authority combined with accountability, allowing our partner companies in every region to collaborate with each other pursuing autonomous growth.

## **Paint and Coatings Business**

Our business comprises five business domains: automotive coatings, decorative paints, industrial coatings, fine chemicals, and other paints.

## **Adjacencies Business**

Adjacencies Business provides Adjacent products, such as sealants, adhesives & fillers (SAF) and construction chemicals (CC). Similar to the paint market, the paint related market is expected to growth with construction demand. In addition, this is a capex-light business and has distribution networks that share many common features with paint distribution networks.

## **NIPSEA Group**

NIPSEA Group is a partner company of the Nippon Paint Group and a leading paint manufacturer in Asia operating in 28 countries and regions with 118 manufacturing facilities. Established in 1962 as a joint venture between Wuthelam and NPHD in 1962, NIPSEA Group became a consolidated subsidiary of NPHD in 2014 and was fully integrated by NPHD in 2021.

## **Partner company**

The term that refers to consolidated subsidiaries of Nippon Paint Holdings

## **LiBang**

LiBang is the Nippon Paint Group's brand deployed in the paint market in China. This brand has been awarded the Outstanding Brand Award at the China Economic Summit for three years in a row, and has built a powerful presence backed by the Group's excellent technological and marketing capabilities, earning high levels of customer satisfaction.

# NIPPON PAINT GROUP

<https://www.nipponpaint-holdings.com/en>

## Contact

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