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Why Invest in Nippon Paint?



Why is Nippon Paint an attractive investment opportunity?

At Nippon Paint Group, we remain firmly committed to our sole mission, Maximization of Shareholder Value (MSV), [↗](#) by continually striving to unlock the unlimited upside of shareholder value. In 2024, the inaugural year of our Medium-Term Strategy, [↗](#) we achieved a major milestone with the acquisition of AOC, now positioned as a new pillar of growth alongside NIPSEA Group and DuluxGroup. This acquisition marks a pivotal chapter in our inorganic growth journey and exemplifies our Asset Assembler strategy. [↗](#) It also reflects our disciplined approach to M&A, meeting all of our core criteria, most notably, delivering significant EPS accretion from the very first year.

Why is Nippon Paint an attractive investment opportunity?

This Integrated Report was developed by asking ourselves this very question and focusing squarely on the perspective of investors. Our objective is to clearly convey the unique appeal of Nippon Paint as an investment. Drawing on the feedback and questions we receive through ongoing dialogue with shareholders, we have carefully curated and presented the most essential information that reflects our identity as an Asset Assembler. Prepared with sincerity and transparency, the report is the result of close collaboration across our global teams, including departments in Japan and overseas, and thoughtful discussions with senior leadership, including the Co-Presidents and Board Chair. We thank you for taking the time to engage with this report and invite your feedback and suggestions for further improvement.

We remain firmly committed to delivering a consistent track record of sustainable EPS compounding by fully harnessing the strengths of our unique Group platform. [↗](#) We concurrently place great importance on maintaining active, ongoing communication with investors. It is our sincere hope that this Integrated Report will deepen engagement with our shareholders and serve as a catalyst for enhanced valuation, contributing to a higher PER and advancing the realization of MSV.

June 30, 2025

Director,
Representative Executive
Officer & Co-President

Director,
Representative Executive
Officer & Co-President

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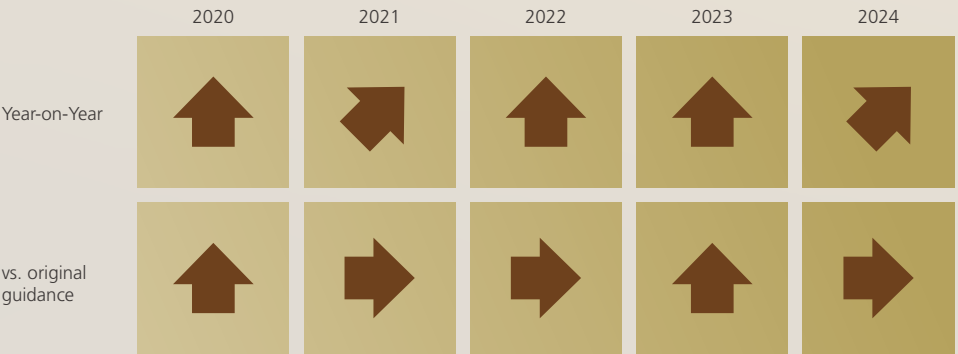
Why Invest in Nippon Paint?

3 Relentlessly pursuing unlimited growth while minimizing risk

Balancing growth and soundness at the core of our management approach, our Group has delivered solid growth even through the challenges of the COVID-19 pandemic and inflationary periods. On the inorganic side, we have consistently executed safe M&A, placing emphasis on sound valuation and autonomous post-acquisition growth. Looking ahead, we remain committed to pursuing unlimited growth potential while minimizing risk.

Balancing “growth” and “safety”

EPS track record



⌕ Performance Highlights P36

Investment appeal driven by operational excellence

Each partner company within our Group operates under an autonomous and decentralized management structure, leveraging competitive advantages such as strong market share, powerful brands, and extensive distribution channels to achieve sustainable EPS compounding.

1 Market share

14 countries

No.1 market share in decorative paints (global)

Our Group holds leading market shares, including 75% in the decorative paints market in Singapore, 50% in Australia, and 49% in Malaysia. This strong market presence serves as a barrier to new entrants and supports our sustained growth and profitability improvement.

⌕ Performance Highlights P38

2 Brands

51%

Top of Mind rating (NIPSEA China)

Our Group has built strong brands, particularly in decorative paints, earning high recognition and trust among consumers, especially in the Asia Pacific market. This brand strength sets us apart from competitors and underpins our ability to maintain and enhance price competitiveness.

⌕ Case Study 2: Leveraging Brand Power for Market Leadership (NIPSEA China Business Strategy) P43

3 Distribution channel

c. 260,000

Number of retail outlets (NIPSEA China)

Our Group has developed extensive and diverse distribution channels for the decorative paints market in each country and region, with a primary focus on B2C segments, such as retail stores, distributors, and e-commerce. By leveraging these robust distribution networks, we drive market penetration through strategies tailored to the unique characteristics of each local market.

⌕ Performance Highlights P38

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Integrated Report 2025 production process



Publication of the Integrated Report 2025 (June 30, 2025)

Participation and involvement of the management

The management is actively involved in the Plan and Create phases of the production processes. In particular, Directors, Representative Executive Officers & Co-Presidents Yuichiro Wakatsuki and Wee Siew Kim and Lead Independent Director Masayoshi Nakamura engaged in the Create phase by participating in the planning meeting several times to discuss the concept, contents, and design of the Report.

Period and scope

Period covered : January 1 to December 31, 2024 (Information on some activities after January 2025 is also included as necessary)
Scope of the Report : Nippon Paint Holdings (NPHD) and its consolidated subsidiaries around the world
Accounting standard: Unless stated otherwise, figures to FY2017 are based on JGAAP and figures from FY2018 onwards are based on IFRS.

Referenced reporting guidelines

- Integrated Reporting Framework developed by IFRS Foundation (former Value Reporting Foundation)
- Guidance for Collaborative Value Creation by the Ministry of Economy, Trade and Industry
- Intellectual Property and Intangible Assets Governance Guidelines by the Cabinet Office
- Sustainability Accounting Standards Board (SASB) standards, etc.



Publication date

June 2025 (published annually)

Notice concerning forward-looking statements

The forward-looking statements in this Report are based on information available at the time of preparation and involve inherent risks and uncertainties. The actual results and performance of Nippon Paint Holdings Co., Ltd. and Nippon Paint Group may differ significantly from these forward-looking statements. Please be advised that Nippon Paint Holdings Co., Ltd. and information providers shall not be responsible for any damage suffered by any person relying on any information or statements contained herein.

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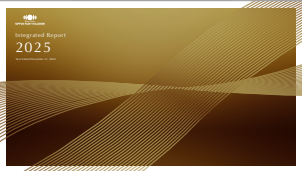
Information Disclosure Structure

Our Integrated Report presents our management approach and strategy as an Asset Assembler with an emphasis on storytelling. Supplementary case studies and basic information that complement the Integrated Report are available on our website and in our Investor Book.

- For information about each asset company's growth since acquisition and their recent performance, please refer to the "Asset Management Report" on our website.
- For financial and non-financial data from previous years, please refer to the "Financial and ESG Data" section on our website.
- For index inclusion and external evaluations, please refer to the "External Evaluation" section on our website.

Integrated Report

The Report explains our basic approaches, policies, and strategic stories to give investors a much clearer and deeper understanding of our Group.



Website

Our website provides detailed and comprehensive content including information and data, as well as case examples in each region/market needed for a deep understanding of our Group.



Investor Relations (IR)



Sustainability

Investor Book

Investor Book provides basic information and data useful for investors who are looking into our Group for the first time.



Learn more about our sustainability initiatives

Nippon Paint Automotive Coatings Achieves Up to 71% CO₂ Emissions Reduction at Takahama Plant Through Modal Shift

Discover our journey toward modal shift — one of our major initiatives for net zero — and see how it's benefiting the environment.

Voices of Women Thriving at DuluxGroup

Meet the women thriving at DuluxGroup who are playing a key role in creating a gender-balanced workplace.

Meet the people on the ground: voices and real stories

Human Resource Initiatives Aimed at MSV Feedback from J-LFG award winners

Comments from the winners of the J-LFG Awards, which recognize teams and individuals within the Japan Group who have contributed to business and organizational growth through the practice of the J-LFG spirit.

Behind the Scenes: Target Line Paint - An Innovative Solution for Autonomous Driving

Discover the story behind the development of Target Line Paint —a groundbreaking road paint that enables autonomous driving.

Behind the Scenes: In-Mold Coating Technology for Automotive Applications

Explore how our collaboration with an automotive parts manufacturer led to the development of in-mold coating technology that delivers both aesthetic excellence and environmental benefits.

Learn more about Nippon Paint's unique governance frameworks

Viewpoints of Independent Directors

Our Independent Directors, each bringing unique strengths and skills honed by diverse experiences, offer fresh perspectives as they analyze Nippon Paint's strengths and challenges, sharing their approaches to protecting minority shareholder interests and highlighting their commitment to MSV.

Q&A with Independent Director

Lead Independent Director Masayoshi Nakamura shares his perspectives and responds to feedback and questions on governance received through engagement with investors.

Learn more about Nippon Paint Group through our video content

Management Policy and Business Overview (only available in Japanese)



Introduction to Nippon Paint Group Factories



User Interview: "nax E-CUBE," Our Next-Generation Waterborne Automotive Refinish Coating (only available in Japanese)



Pick Up! Nippon Paint Group Awards Ceremony (held in January 2024, only available in Japanese)



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Our Value Creation Model

We aim to maximize both EPS and PER from a long-term perspective, while harnessing the advantage of our platform based on our Asset Assembler model, towards the achievement of MSV.

