Message from Co-President Wakatsuki

Evolving with Conviction: Asset Assembler Model in Action

— Unlocking the Unlimited Upside of Shareholder Value —

Yuichiro Wakatsuki

Director, Representative Executive Officer & Co-President

Executive Summary

1. Maximizing PER is synonymous with "stock-price conscious management," and we aim to build investor conviction by highlighting our three main investment appeals.
2. Medium-term growth forecasts for each partner company remain within historical performance, supporting strong confidence in achieving our Medium-Term Strategy targets.
3. The acquisition of AOC is aligned with our disciplined acquisition criteria and offers significant potential for long-term value creation.
4. By maintaining a well-balanced mix of equity and debt financing, we will continue to steadily acquire high-quality assets comparable to AOC.
5. Management philosophy grounded in a balance of autonomy and accountability drives sustainable growth across the entire Group.
6. We aim to integrate our sustainability initiatives to ultimately achieve MSV.

Highlighting our intrinsic investment appeal

At the heart of our management philosophy is the unwavering pursuit of MSV, our sole mission. To fulfill this, my primary responsibility is to drive maximization of our price-to-earnings ratio (PER) by enhancing conviction of our investors. This is not derived from any extraordinary measures but through initiatives aligned with so-called "stock-price conscious management." After all, stock price is a function of earnings per share (EPS) multiplied by PER. By focusing on PER, we simply aim to ensure that capital markets accurately recognize and evaluate our growth potential.

What are the latent investment appeals we want investors to recognize?

First is our identity as an "EPS Compounding Machine." Despite facing external headwinds in recent years such as the COVID-19 pandemic, supply chain disruptions, and rising raw material prices, our Group has delivered EPS growth for five consecutive years. At the same time, we have steadily built a solid track record in M&A. This performance reflects the strength of our Asset Assembler model, demonstrating success in both organic and inorganic growth initiatives. Our unwavering commitment to sustainable EPS compounding underscores the reliability of our business model and the credibility of our long-term, stable growth potential.

The second is our "ego-free management style." Our Board of Directors is well versed in our sole mission of MSV and is not swayed by the personal interests of any individual member of the management team, including Wee Siew Kim and myself. We take pride in being one of the few public companies that pursue MSV with such singular focus and integrity. The Board in the meantime has concluded that the Co-President structure, with Wee Siew Kim and myself, remains the most appropriate framework at this stage of our journey. By avoiding dependence on any single individual, we have built a sustainable management foundation, one that will continue to function effectively and resiliently into the future. This represents a clear and enduring strength of our Company.

The third is our ability to unlock unlimited growth potential while ensuring soundness through controlled risk. Even amid a challenging environment, our operations across regions and business segments have continued to deliver steady growth and remain well-positioned for continued growth. We are also achieving sustainable EPS compounding through a disciplined and risk-aware M&A strategy rooted in rational decision-making. A defining example is the acquisition of AOC, announced in October 2024, which exemplifies the strength and reliability of our Asset Assembler strategy.

It is indeed essential to mitigate capital market concerns, e.g., related to China risk, while steadily building a strong M&A track record. By consistently delivering results, we aim to strengthen confidence in our management and provide investors with greater clarity around our long-term growth vision.

2024: a defining year for our Asset Assembler model

The year 2024 marked a turning point for our Group, as we formulated a new Medium-Term Strategy designed to pursue MSV over the long term, unconstrained by a traditional three-year horizon. This Strategy places a strong emphasis on sustainable EPS compounding through both organic growth and disciplined M&A, while also recognizing the importance of delivering solid business performance year by year. As the first year of implementation, 2024 represented meaningful progress toward our MSV journey.

From an organic growth standpoint, we achieved solid performance despite the challenging global economic environment. By leveraging our strong brand equity and technological capabilities, we were able to maintain, or in many cases, expand market share across regions and business segments. As a result, both revenue and operating profit reached record highs, and EPS increased for the fifth consecutive year, supported by top-line growth and improved profitability. These outcomes serve as clear validation of the effectiveness of our Group's business model. For instance, while the operating environment in NIPSEA China remains tough with limited visibility of a near-term economic recovery, our business continues to deliver steady profit growth, reinforcing its status as an attractive and resilient asset within the Group. Even if global economic headwinds persist, the medium-term growth forecasts for each of our partner companies remain well within the bounds of their historical performance. This gives us strong confidence in our ability to meet the targets set forth in our Medium-Term Strategy.

From an inorganic growth perspective, the announcement of AOC acquisition stands out as our most significant achievement in 2024. Fully aligned with our disciplined acquisition criteria, AOC is expected to contribute meaningfully to EPS compounding from Year 1. This acquisition marks a major milestone for our Group, not only in terms of strategic expansion, but also in substantiating the inorganic growth component of our Asset Assembler strategy. It has enabled us to tangibly demonstrate to investors the value-creating potential of our model.

AOC acquisition: bringing our inorganic growth story to life

Guided by our Asset Assembler model, further evolved under the Medium-Term Strategy, we pursue MSV with a long-term view through acquisitions across all regions, business domains, and scales. Our approach is not confined to the paint and coatings sector or adjacencies areas such as Paint++ (including sealants, adhesives, and fillers [SAF], and construction chemicals [CC]), provided they present low risk and good returns. In our Board of Directors' discussions, we have also recognized the strategic risks of narrowing our M&A focus to the paint sector. As valuations in this space continue to rise, such limitations could lead to acquisition decisions driven by M&A turning to an objective, not a means to an end, resulting in overpaying for lower return targets.

Whilst we continue to deepen our experience in inorganic growth, the strengths of our platform have also become clearer. These strengths center on four key elements: 1) sharp risk awareness and assessment of good acquisition targets, 2) maintaining autonomy and accountability, 3) sustaining and enhancing the motivation of talents who joined our Group, and 4) proactively leveraging low funding costs. Guided by these four elements, our management approach focused on "preserving the strengths, brand, and culture of acquired companies" through "ego-free M&A" forms the foundation of our entire inorganic growth strategy.

The acquisition of AOC is well aligned with our inorganic growth strategy and our disciplined acquisition criteria. These criteria emphasize the selection of companies that 1) are expected to deliver a meaningful positive contribution to EPS from Year 1, with low business risk and strong profitability, 2) possess clear potential for independent, sustainable stand-alone growth, 3) are led by outstanding management teams committed to long-term value creation within our Group, and 4) generate sufficient cash flows that support continued financial discipline.

AOC holds a leading position in both the U.S. and European markets, supported by a highly efficient business model characterized by strong profitability and robust cash flow generation with low capital expenditure requirements. The company has delivered disciplined profit growth under successive private equity ownership, and now, as part of our Group, it is well positioned to pursue long-term value creation, free from the recurring pressure of short-term exit timelines.

Throughout the acquisition process, Wee Siew Kim, Goh Hup Jin, and I engaged in close dialogue with AOC's management team, including CEO Joe Salley. Our central focus was a single, guiding question: How can we become a "good shareholder" for AOC? To convey our philosophy of MSV and the principles of our Asset Assembler model, we conducted multiple face-to-face in-depth discussions, building mutual understanding and trust. Through this process, both our leadership and AOC's management came to recognize each other as exceptional long-term partners.

The acquisition was successfully completed with the mutual understanding that Joe Salley and his team would continue to lead AOC and drive its future growth.

For our Group, the AOC acquisition represents the addition of a new strategic pillar, our most significant since the acquisition of DuluxGroup in 2019, and stands as a clear demonstration of our Asset Assembler strategy in action.

Consistently building a portfolio of good assets like AOC

The AOC acquisition stands as a clear demonstration of our competitive edge in M&A. However, it is not our end goal. We remain firmly committed to pursuing future transactions that align with our MSV mission, focusing only on opportunities that offer strong returns with limited risk.

We recognize that some investors may raise a valid concern: "Isn't M&A inherently high risk?" While it's true that no acquisition is entirely without risk, we take pride in our disciplined approach, free from management ego, and in executing M&A through a rigorous, thoroughly evaluated process driven solely by the pursuit of MSV. This ensures that our M&A activities are guided by disciplined decision-making and a strong emphasis on risk management.

First, our Board of Directors, comprising a majority of Independent Directors, engages in rigorous, investor-focused discussions. This governance structure promotes balanced decision-making, effectively curbing excessive risk-taking by the executive team while maintaining an optimal equilibrium between prudent risk adoption and long-term value creation. As a unified Corporate Group grounded in integrity and guided by MSV as the central principle of decision-making, we are able to avoid unnecessary risks while executing high-level decisions with both speed and sound judgment. This thorough evaluation process is the foundation of the strength and safety that define our M&A activities.

Another core strength of our M&A strategy is our solid financial base. We maintain strong cash generation capabilities, and each partner company in our portfolio is fundamentally positioned for autonomous growth and stable cash flow. Even after the AOC acquisition, our leverage is projected to return to a Net Debt to EBITDA ratio of 2.2–2.4 times by end of 2026, comparable to year-end 2023 levels. We remain confident that our financial soundness is strong, even in comparison to the track records of our competitors.

While we prioritize safe and sound risk-taking, we remain firmly committed to pursuing significant upside as an "EPS Compounding Machine"—particularly in opportunities where substantial EPS accretion is expected. In such cases, equity financing is a considered option. By maintaining a balanced approach to both equity and debt financing, we aim to steadily build a portfolio of high-quality assets on par with AOC. We believe this will further highlight our commitment to safeguarding the interests of minority shareholders.

Harnessing a lean headquarters to foster autonomous growth and Group synergies

Under our autonomous and decentralized management approach, we entrust the exceptional management teams of our partner companies with both autonomy and accountability, enabling them to drive their autonomous growth. Instead of imposing uniform Nippon Paint practices, we respect their distinct strengths and focus on providing the support platform they need to thrive. This includes access to key management resources such as funding, technology, brand equity, distribution networks, and procurement capabilities. By creating this environment, we empower our partner companies to unlock greater value within the Group.

Given the highly localized nature of the paint and adjacencies industries, where local production serves local demand, entrusting operations to local management teams who possess deep insight into their respective markets drives greater value creation. For this reason, we have adopted a flexible, decentralized management structure instead of a centralized approach, supporting our partner companies through a lean and agile headquarters. This framework allows them to retain their independence while fully leveraging our platform to drive autonomous growth.

As a natural extension of our respect for the autonomy of management teams, partner companies within our Group

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collaborate freely and proactively through our shared platform. For instance, AOC's procurement team has already begun engaging with relevant departments across the Group to explore synergies. We also share a common vision with CEO Joe Salley to pursue mutual growth opportunities at the Group level. Moreover, AOC's outstanding business systems have inspired other partner companies, fostering a culture of shared learning and the integration of best practices across the Group.

A key strength of our Group is that collaboration is not directed by our headquarters, but instead arises proactively and autonomously from our partner companies. The role of the headquarters is to support these initiatives when needed, not to lead them. This management philosophy, grounded in the balance of autonomy and accountability, enhances the motivation of partner companies, attracts top talents, and ultimately drives the sustainable growth of the entire Group.

Pursuing MSV to ensure long-term sustainability

Our approach to sustainability is both consistent and purposeful: we do not view it as an end, but as a means to contribute to MSV. MSV is grounded in fulfilling our obligations to key stakeholders, including customers, business partners, employees, financial institutions, and governments, with sustainability representing one of these core commitments. This perspective is actively discussed at the Board level and deeply embedded as a shared understanding across the entire Group.

As societal standards for corporate sustainability continue to rise, any misstep may adversely affect both earnings performance and market valuation. To stay ahead of these external shifts, we proactively gather insights and implement targeted responses across the Group. As part of these efforts, we strengthened our response to climate change in 2024 by establishing a framework for reducing greenhouse gas (GHG) emissions, sharing best practices for carbon measurement, reduction, and performance improvement among partner companies. In 2025, we plan to operationalize this framework, focusing on reducing Scope 1 and 2 emissions, while enhancing data collection and analysis for Scope 3. The NIPSEA Group has already set a target to reduce Scope 1 and 2 emissions by 15% from 2021 levels. Through our autonomous and decentralized management model, we are driving meaningful climate action across the Group.

Our sustainability efforts are strategically linked to EPS and PER growth, reinforcing our commitment to achieving MSV.

MSV: our journey continues

The acquisition of AOC marks a pivotal first step in demonstrating the potential of our Asset Assembler strategy. Our commitment to MSV remains steadfast. On the organic growth front, we are focused on unlocking the untapped potential within our existing portfolio. In M&A, we remain disciplined in balancing risk and valuation to ensure both contribute meaningfully to EPS growth. Through these efforts, we are committed to delivering solid results, reinforcing confidence in our management, and shaping proper expectations for future performance, with the ultimate goal of maximizing PER.

Throughout our journey, strengthening communication with investors remains essential to achieving MSV. To this end, we are committed to providing greater clarity around our growth vision. While our obligations to stakeholders have their own limits, the potential upside in shareholder value is boundless. As a company firmly committed to this mission, we look forward to earning your continued trust and support on the road ahead.

Director, Representative Executive
Officer & Co-President

Message from Co-President Wee

Creating Enduring Shareholder Value Through Asset Assembler Excellence

Wee Siew Kim
Director, Representative Executive Officer & Co-President

Executive Summary

1. Speed is our decisive advantage — we stay agile to deliver results.
2. We will accelerate growth by integrating high-quality assets like AOC into our Group.
3. Our autonomous and decentralized management is tailored to our unique business structure and market environment, and reflects our deep commitment to valuing human capital.
4. Our Group promotes collaboration and synergy by leveraging our global platform while honoring the independence of each partner company.
5. We motivate and work with our people to inspire swift action and achieve ambitious goals.

The success of our Asset Assembler model is built on a unique combination of attributes

At the Nippon Paint Group, our unwavering mission is MSV. To achieve this, we are driving forward the Asset Assembler strategy with determination and focus. The success of this approach depends on speed, swift decision-making, strong execution, seamless collaboration and financial discipline. I am fortunate to work alongside Co-President Wakatsuki in close partnership with our Board of Directors, ensuring alignment and agility at every level. Above all, our team believes that earning the trust and confidence of our stakeholders for this strategy is key to unlocking long-term value for our shareholders.

I am deeply committed to this challenging journey and find immense purpose in leading my management teams toward success, which we define as the sustainable and safe compounding of EPS. To me, the Nippon Paint Group is dynamic, evolving and courageous, ready to embrace challenges and drive forward innovative, high-impact initiatives. I firmly believe that delivering results with speed is essential to our success. In today's intensely competitive and uncertain environment, speed is a decisive advantage. While thoughtful decision-making remains important, we must stay agile, because standing still means falling behind. Our notion of speed can be viewed simply as uncluttering complexity. This principle pervades our organizational design, management empowerment and focus on core talents.

Breathing life into the Asset Assembler strategy

To bring a decentralized organizational structure to life - where value-creating strengths and capabilities reside within our independent and autonomous partner companies - our management approach is grounded in trust and collaboration. While we take full accountability for outcomes, Co-President Wakatsuki and I approach our responsibilities with deep mutual respect for each other's capabilities and experience, thereby facilitating focus based on our respective areas of expertise. This strong foundation of trust and mutual understanding permeates through the levels of our organization, fostering seamless and responsive collaboration among management teams across regions and business segments.

Our Medium-Term Strategy, unveiled in April 2024, marks a decisive step in activating the Asset Assembler strategy. The acquisition of AOC in this first year stands as a milestone, demonstrating the full-scale implementation and strategic intent behind our Asset Assembler approach.

Over the past decade, our Group has enhanced its capabilities by acquiring key partner companies, Dunn-Edwards in the U.S., DuluxGroup in Australia, Betek Boya in Türkiye and PT Nipsea in Indonesia, primarily focused on integrating core paint and coatings businesses. In stark contrast, the acquisition of AOC represents a deliberate step beyond our traditional boundaries, stretching into business domains that could be further afield. While underscoring the inherent versatility of the Asset Assembler strategy and vividly bringing its adaptive potential to life through the smart use of our balance sheet strength, it is also an indication of what we mean by safe EPS compounding.

The acquisition of AOC was made possible by leveraging the Group's solid financial foundation. Among many acquisition opportunities, AOC stood out for its exceptional management team, robust financial health, strong cash generation, and impressive performance metrics. The company's ability to operate independently while preserving its autonomy is particularly noteworthy. With its continued business growth, AOC will contribute positively to our EPS. It embodies the key qualities we value in our partner companies, and I am genuinely pleased to welcome AOC to our Group.

While the acquisition of AOC represents a pivotal milestone in our Group's evolution and exemplifies the true value of the Asset Assembler strategy, it signals our commitment to accelerating growth by integrating high-quality assets like AOC into our Group.

In 2024, we showcased another dimension of the strategy's adaptability and scalability. Betek Boya, which joined us in 2019 and was previously part of the Malaysia Group under the NIPSEA umbrella, has now assumed a new enhanced role. Following the acquisition of Alina in Kazakhstan in 2024, Betek Boya has transitioned to operate independently as the Türkiye Group, reflecting the strategic agility and scalability of the bolt-on feature of the Asset Assembler approach. Alina has become a key gateway for our expansion into Central Asia, while the newly established Türkiye Group is sharpening its focus on growth opportunities in both North Africa and Central Asia. As a strategic hub for regional development, the Türkiye Group is laying the groundwork to expand its role within our Group and drive sustainable, long-term growth.

Empowering decentralized talented management through mutual trust

To effectively execute the Asset Assembler strategy in pursuit of MSV, our Group has embraced an autonomous and decentralized management approach. Tailored to our unique business structure and market environment, this model reflects our deep commitment to valuing human capital and serves as a cornerstone of our sustainable growth.

Unlike centralized management, where key decisions are concentrated at the head office, often at the expense of speed and agility at the regional level, our decentralized model empowers local management teams to make prompt, flexible decisions aligned with the specific needs of their markets. This approach not only enhances responsiveness but also enables us to fully leverage the capabilities of talented individuals across the Group, rather than concentrating expertise solely at the corporate center. In contrast, our autonomous and decentralized management model enables the strategic deployment of skilled personnel across regions and business segments, empowering them to lead with autonomy grounded in mutual trust. This approach unlocks the full potential of local leadership and strengthens our competitive edge in each market. The success of our decentralized model lies in a carefully built framework of trust and delegated authority, allowing our teams to act decisively and responsibly. This foundation has thus far enabled our Group to deliver sustainable results consistently.

Active balancing between trust and authority is essential to the effectiveness of our autonomous and decentralized management model. Disrupting this balance, by reverting to centralized decision-making, would undermine the independence of our partner companies and hinder agile execution. As such, we are often reminding ourselves that excessive impositions from the head office risk eroding the trust that underpins our partnerships. Recognizing these risks, our Group is deeply committed to continually demonstrating trust through our actions.

Trust is, without question, the most critical element of our management philosophy. It is a two-way relationship, delivering value only when we place confidence in the leadership of our partner companies, which, in turn, reciprocates the trust. In new acquisition transactions where trust has yet to be established, we prioritize understanding the character and values of the target company's leadership through a thorough due-diligence process. This involves personal engagement and ongoing dialogue, forming the initial foundation of trust. We spare no effort to ensure the new leaders fully understand our intentions and approach. True trust is not instantaneous, it is cultivated over time through mutual understanding, genuine respect, and deliberate effort.

The success of our approach lies not in granting unchecked autonomy, but in maintaining a disciplined framework of controlled autonomy. While we entrust our partner company management teams with significant authority rooted in mutual trust, we have also established robust governance mechanisms to ensure appropriate oversight and accountability. For example, our Group employs the "Audit on Audit" framework for internal audits across the organization, complemented by Control Self-Assessment (CSA) practices that promote proactive self-evaluation. These mechanisms support effective risk management while deliberately avoiding the pitfalls of overregulation. We are sometimes asked by investors, "Isn't autonomous management difficult to control?" or "How do you prevent partner companies from

operating independently of the Group's objectives?"
In practice, our autonomous and decentralized management functions as a form of "controlled chaos," driven by a constant self-inquiry: "How can we prevent over-control or misalignment?" This constant inquiry lies at the heart of our approach and defines the true essence of dynamic autonomy and decentralization.

Continuous demonstrations of the success in maintaining a fine balance of autonomy while benefitting from being part of a larger group attracts outstanding talents. This constant inflow of talents unleashing their full potential creates the fountain of sustainability of our success. Continued effort to buttress this solid foundation for securing and retaining top talents is central to driving our sustainable and stable EPS growth.

Validating the Asset Assembler model through deliberate execution by partner companies

Through the disciplined execution of the preceding Paint ++ approach, which later morphed into the Asset Assembler model, our Group has achieved sustainable organic growth. The partner companies, NIPSEA Group, DuluxGroup, Japan Group, Dunn-Edwards, and most recently, AOC, clearly recognize their responsibilities for delivering sustainable EPS compounding, which is a core performance metric of the Asset Assembler approach. These companies fully utilize the strengths of our Group's shared platform while maintaining their autonomy and independent operations. Even amid a challenging business environment, marked by the COVID-19 pandemic, post-pandemic supply-chain disruptions, and rising inflation, our Group has steadily delivered sustainable EPS growth. This consistent performance underpins our confidence that the basic tenets of the Asset Assembler model are effective in execution and deliver resilience in outcome.

For example, DuluxGroup has continued to drive EPS growth through the strong performance of its Pacific businesses, helping to offset slower recovery in its Europe operations. In France, Cromology is progressing with the integration of its flagship brands, Tollens and Zolpan, while enhancing distribution efficiency and streamlining supply chains. DuluxGroup is sharing its insights in trade-use and DIY paint markets, supporting Cromology in developing new strategies to excite the market place and gain market shares, while at the same time leveraging group purchasing power to optimize costs and enhance competitiveness. These initiatives are poised to drive EPS growth when the market rebounds.

Through agile strategy adjustments and targeted market initiatives, NIPSEA China continues to deliver sustainable EPS growth even as it grapples with a sluggish real-estate market and cautious consumer sentiment. As the developer-driven residential segment had dwindled, the company pivoted to strengthen its retail presence beyond the established Tier 0 and Tier 1–2 cities, with expansion into the Tier 3–6 regional markets. We are confident in our growth prospects as our brand strength and market insights allow us to offer products tailored to meet the distinct needs of local regional consumers. At the same time, we are leading the charge to promote "Colors" to spark consumer imagination and generate growth in repainting demand.

In addition, NIPSEA China has broadened our market coverage by building up a B2G pillar that serves the government and public sectors, such as schools, hospitals, factories and rejuvenation projects for aging districts. Backed by an established brand promise, providing comprehensive "total solutions" that include waterproofing agents, adhesives, putties, topcoats, primers, and other complementary products differentiate us as an attractive partner to many of our new larger customers.

Thus, each partner company remains committed to achieving sustainable EPS growth, taking in adverse market conditions in its stride. Only by consistently demonstrating that we deliver on our commitments with real, measurable outcomes, can we continue to reinforce the credibility and effectiveness of the Asset Assembler model, thereby increasing the probability of attracting future partner companies.

Diversity advances group synergy

Our Group promotes collaboration and synergy by leveraging our global platform while honoring the independence of each partner company. It requires constant active management, and the balance is easier struck when the chiefs of our partner companies not only fully realize the power of the Group but also accept that we depend on them to preserve and safeguard the inherent strengths unique to their individual partner companies. Although mentioned in previous years, Selleys continues to stand out as a prime example. The 2019 acquisition of DuluxGroup introduced the Selleys brand, revealing to us the tremendous expansion potential of the Sealants, Adhesives & Fillers (SAF) business segment for the Group. Leaders from DuluxGroup and NIPSEA Group joined forces to expand Selleys across Asia through NIPSEA's robust distribution network, creating significant new value. This led to the 2021 acquisition of Vital Technical, a leading Malaysian SAF manufacturer, further strengthening our position in the region. NIPSEA Group also expanded the Selleys brand into Singapore's home detergents and cleaning market, launching it in supermarkets and large hardware stores, building on the brand strength beyond the strict SAF ambit. We will continue to build on this momentum, enhancing brand value, boosting consumer awareness, and driving the growth of our SAF business. The journey goes on as we continue to adjust our approaches, while building the talent base.

Group-wide collaboration is not restricted to the realms of powerful brands, innovative products, emerging technologies or dominating scale. Active exchange of market insights and ideas continue to excite the imagination of our leaders. Japan's decorative paints market offers up a clear example where this is gaining momentum. In this sector in Japan, traditional practices largely prevail. Infusing fresh global talents and exposing our younger Japanese leaders to other market dynamics, we seek to transform both the practices, as well as the habits of market participants, stakeholders and consumers. For one of the transformational initiatives, in order to inject new energy into the conventional distributor-led structure in Japan, we draw upon the collective expertise and knowledge from across our Group led by Betek Boya's head of marketing. She is challenging the traditional mindsets and assumptions.

This notion of challenging the traditional mindsets and assumptions stem from the collective determination of our Japanese leadership that to win in Japan, we need to move away from the set of behavior typical of large Japanese corporations and embrace new ideas and mindsets, while anchoring on core Japanese attributes that we value. This is a work in progress, flying into the headwinds of convention, but if anyone in Japan could succeed, Nippon Paint can, as we have such varied and diverse experience from across the world to draw upon. Over the years, as we have evolved with a more international executive base in the country, we hope that the pace of change will accelerate and allow us to be attractive to other prospective partner companies in Japan as well.

Enabling sustainability through localized initiatives aligned with broad global pillars

Under the Asset Assembler model, our Group advances sustainability through a balanced approach, combining unified Group-wide guidelines with the autonomy of each partner company. This decentralized structure empowers local teams to design and implement initiatives that reflect the specific needs of their countries and regions. By aligning with local regulations and customer expectations, we drive both agility and relevance, while creating business value that supports our broader sustainability goals.

For instance, our People & Community team leads localized initiatives to tackle social challenges unique to each region. In India, they empower women by offering them training to become professional painters. In Indonesia, they support fishing communities through boat painting programs. In China, they partner with local schools to run student support initiatives. These efforts not only address regional needs but also contribute to creating business value. Meanwhile, our Sustainable Procurement team promotes both social responsibility and operational efficiency by utilizing audited, high-quality suppliers and sharing supplier information across the Group.

The team will deliver sustainable shareholder returns

What drives me personally is the opportunity to motivate and work with our people to inspire swift action and achieve ambitious goals. Achieving a broad-based shared sense of purpose in our people is not only going to be deeply fulfilling, over the longer term, it is going to be extremely rewarding and enriching. Resonating success across all levels will inevitably enhance job satisfaction and organizational pride, ensuring better lives for our employees and their families and satisfaction to our customers, thereby maximizing value for our shareholders.

Under the Asset Assembler model, outstanding management teams with proven success are driving sustainable progress through distinct, value-creating strategies to realize the tremendous potential of the Group. With the continued trust and support from our investors, I am confident we can take on new challenges and deliver our mission.

Director, Representative Executive Officer & Co-President