Our Commitment to MSV Journey

In 2025, the second year following the launch of the **Medium-Term Strategy** in April 2024, our Group achieved profit growth exceeding the global market average, notwithstanding a persistently challenging operating environment. Both revenue and operating profit reached record highs, and earnings per share surpassed our initial guidance. These results offer further testament to the effectiveness of our **Asset Assembler model**. At the same time, we do not believe that **our share price, as an expression of the capital markets' assessment**, yet fully reflects the strength of our Group or the scope of its future potential. In our view, a gap remains between our MSV Journey and the market's expectations of it. Closing this gap is now a clear and pressing priority.

We accept this difficult reality with open eyes and candor. Market valuations are not determined by the level to which a company aspires; rather, they represent the capital markets' integrated assessment of the quality of earnings built over time, the repeatability of those results, and expectations for the future. For this reason, we do not lament the market's judgment itself. Instead, we confront directly the factors underlying this clear and persistent gap, and we continue to ask what must be done to close it.

Maximization of Shareholder Value (MSV), the sole mission of our Group, is not a slogan; it is the governing principle that informs every decision we make. We do not assess opportunities by the scale of a business or by how they may appear. Rather, we ask a single, overriding question: will this truly create shareholder value? This discipline is paramount, and it leaves no room for management ego.

By its nature, MSV cannot be realized overnight. What matters is that we fully unlock the potential of each partner company, steadily build earnings through both organic and inorganic growth, and continue to demonstrate our ability to deliver through sustained performance. Our Asset Assembler model is the mechanism that makes this possible and the engine that propels our MSV Journey forward.

That said, the mere accumulation of a track record is not sufficient. The trust of the capital markets is earned through both consistent results and the candid, sincere dialogue that supports them. We will deliver steadily on the commitments we make to investors and continue to demonstrate those results through our track record. At the same time, we will deepen that dialogue by speaking with candor not only about what is going well, but also about the challenges and uncertainties we face.

The MSV Journey is not always a smooth one. Yet it is a deeply meaningful pursuit of the unlimited upside of shareholder value. For this reason, each step forward calls for steadfast management resolve. Without turning away from difficult realities, we will continue to build our track record and deepen our dialogue, thereby elevating the market's expectations and advancing steadily toward the realization of MSV.

We trust that this Integrated Report provides a clear and compelling account of that journey.

June 30, 2026

Director, Representative Executive Officer & Co-President

Director, Representative Executive Officer & Co-President

NIPPON PAINT HOLDINGS

Editorial Policy for the Publication of Integrated Report 2026

—Reassessing the Appeal of the MSV Journey Through Dialogue with Investors—

For the 2026 edition of our Integrated Report, we planned, structured, and edited the content around the key questions most frequently raised by investors to present more clearly where the MSV Journey stands today and the key discussion points going forward. Throughout each section, we set out our perspective on these questions together with the initiatives we are undertaking to address them.

● Please refer to the "Production Process" section.

Key questions raised by investors	Our perspective	Relevant sections
Q1 How do we view the current share price and market valuation?	▸ Despite record earnings in 2025, our share price did not fully reflect our growth and earnings quality, highlighting the need to address the disconnect between our business performance and market valuation. ▸ Our existing businesses continued to gain market share and improve profitability even in a challenging environment. This demonstrates the replicability and sustainability of our earnings. At the same time, we believe we need to communicate this strength more effectively to the capital markets. ▸ We will continue improving ROIC, while prioritizing compounded EPS growth as the key driver of MSV, requiring clearer communication on the role and interpretation of each metric. ▸ Limited share liquidity has affected share price formation, index inclusion, and the expansion of the investor base, making improvement through a review of investor targeting and related measures an important management issue. ▸ While our disclosures have been robust in quantity, our key strengths have not always been communicated with sufficient clarity. We therefore aim to strengthen investor dialogue by communicating more clearly our earnings quality, cash generation, and proven M&A track record. ▸ The most reliable way to strengthen investor conviction is through the consistent delivery of results and clear accountability. This, in turn, elevates expectations for the MSV Journey and supports sustained improvement in PER.	Confrontation P01
Q2 Why do we pursue MSV, and how are we committed to it as our sole mission?	▸ Our model—combining organic growth, disciplined M&A, strong cash generation, and decentralized management—supports sustained compounded EPS growth. ▸ A corporate culture grounded in Integrity is what enables MSV to serve as our sole basis for judgment. Management's responsibility is to ensure that the MSV Journey advances step by step in a deliberate and consistent manner. ▸ The essence of the Asset Assembler model lies in enabling strong partner companies to create value with greater autonomy and systematically redeploying the cash they generate into the next opportunity for growth. ▸ By engaging our partner companies in the spirit of "What can we do for you?", we reinforce their inherent strengths and translate those strengths into the realization of MSV. ▸ We have shifted more decisively toward acquisitions that place greater emphasis on capital efficiency, become more selective in the opportunities we pursue, and will make no compromise where risk and return are not appropriately aligned. This disciplined approach will further strengthen the certainty of the MSV Journey. ▸ We will demonstrate through our track record, rather than words, that the MSV journey is equally compelling to investors.	Commitment P19 Strategy in Action P35
Q3 What do we prioritize in regional and business management and M&A, and how will we drive growth?	▸ Our enduring strength lies in the combination of trust in people and systems that inspire trust. By empowering high-quality management teams with autonomy and resources under the shared purpose of MSV, we reinforce a resilient platform for safe and sustainable EPS growth. ▸ Growth potential is shaped not only by market conditions, but by the ambition and judgment of our people on the ground: their ability to identify opportunities and act decisively. ▸ NIPSEA China is well positioned to grow alongside its customers, supported by established relationships in China, technology capabilities spanning Japan, Europe, and China, and access to the Group's global operating footprint. ▸ Knowledge is shared across the Group not only in times of challenge, but also in the normal course of business, across areas such as raw material procurement, pricing strategy, cost management, digitalization, and the expansion of SAF. ▸ Looking ahead, we will steadily deliver safe and sustainable EPS growth through the twin drivers of organic and inorganic expansion, underpinned by outstanding people, robust systems, and a management system that strikes the right balance between decentralization with collaboration. ▸ While some investors favor a pure-play paint model, we will continue expanding selectively into adjacent chemical fields to broaden growth opportunities while preserving business quality and discipline. ▸ The true significance of the AOC acquisition lay in bringing into the Group an exceptional management team and well established business systems with a proven record of consistent performance.	Governance as the Backbone P53 Sustainable Platform P74

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How to use the navigation

To help readers navigate between pages and access external websites with ease, this Integrated Report includes navigation features.

Category tabs

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Navigation buttons

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Go to the next page
Go to the Table of Contents
Return to the previously viewed page

Link buttons

Go to the relevant page
Go to relevant pages on our website and other external sites

Terminology

- CCM : Computerized Color Matching
- CC : Construction Chemicals
- c. : circa (approximately)
- ETICS : External Thermal Insulation Composite System
- PC : Partner company (NPHD's consolidated subsidiary)
- PCG : Nippon Paint Group companies grouped by region or business
- SAF : Sealants, Adhesives & Fillers
- TUC : B2C business in NIPSEA China's decorative segment—business to consumers, DIY business, sales via dealers/distributors and e-commerce to end consumers, etc.
- TUB : B2B business in NIPSEA China's decorative segment—transactions direct to Project customers and main contractors, etc.
- LSD : Low Single Digits
- MSD : Mid Single Digits
- HSD : High Single Digits
- DD : Double Digits (10% or more)
- LDD : Low Double Digits (Low Teens)
- Flat : ±0%

Basic & New
NIPPON PAINT HOLDINGS

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.

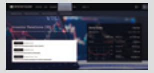
- For information about each asset company's growth since acquisition and their recent performance, please refer to the **"Asset Management Report"** on our website.
- For financial and non-financial data from previous years, please refer to the **"Financial and ESG Data"** section on our website.
-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

Integrated Report

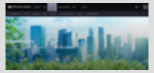
The Report explains our basic approaches, policies, and strategic stories to give investors a much clearer and deeper understanding of our Group.

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

- ✓ **Case Studies: Maximizing EPS and PER Through Community Engagement and Human Resource Strategies**
  Explore examples of our community engagement and talent development activities across the globe, highlighting how these initiatives are contributing to our sustainable business growth.
- ✓ **Case Studies: Maximizing EPS and PER Through Climate Action Initiatives—DuluxGroup**
  Explore how DuluxGroup's climate action initiatives contribute to the Group's sustainable business growth.
- ✓ **Successful Deployment of Thermal Insulation Coating in India: Advancing Both Industrial Growth and Environmental Stewardship**
  Explore Nippon Paint India's efforts to enhance quality of life and promote a more sustainable society through the development of cutting-edge green products, as well as its participation in India's annual Green Building Congress.
- ✓ **DuluxGroup's B&D Helps Young People Build Brighter Future Across Australia**
  Explore how B&D, a DuluxGroup company manufacturing and marketing garage doors and automatic openers for residential and commercial applications, supports a brighter future for young people through strong advocacy and impactful community partnerships.

Meet the people on the ground: voices and real stories

- ✓ **Real Voice from the Frontlines: Exploring the Cutting Edge of Innovation in FASTAR Antifouling Paint through Sales, Technical, and User Insights**
  Explore how FASTAR has successfully captured and addressed operational issues and needs on the ground, setting new benchmarks across the industry. Drawing on the authentic voices of a sales representative, technical engineers, and an experienced user, we offer a multifaceted look at how the insight, expertise, and dedication of professionals have fueled this innovation.
- ✓ **Creating the Future through Heritage and Innovation A "Red" Like No Other Forged Through 50+ Years of Co-Creation with Mazda**
  Discover the story behind the development of Soul Red Crystal Metallic, Mazda Motor Corporation's signature premium color, a co-creation that transcended corporate boundaries and broke through the conventional limits of automotive coatings to make a significant impact on the market.
- ✓ **Human Resource Development 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.

Learn more about Nippon Paint Group through our video content

Management Policy and Business Overview (only available in Japanese)

Introduction to Nippon Paint Group's Philosophy and History

Check out other development stories.

- ✓ Redefining Heat Control—THERMOEYE: The Heat-Reflective Coating That Challenged Market Norms
- ✓ Behind the Scenes: How Paint Technology Brings Kintetsu HINOTORI Limited Express to Life
- ✓ Behind the Scenes: The Making of Danziora —An Advanced Anti-Corrosion Coating to Protect Cultural Heritage for Future Generations
- ✓ Behind the Scenes: 30 Years as a Long-Seller —The Oil-Repellent Coating That Fights Grease Buildup on Kitchen Range Hoods

Nippon Paint Group celebrated the 145th anniversary of its founding in 1881 on March 14, 2026.

- 145th Anniversary Special Site

NIPPON PAINT 145th ANNIVERSARY

Basic & New NIPPON PAINT HOLDINGS

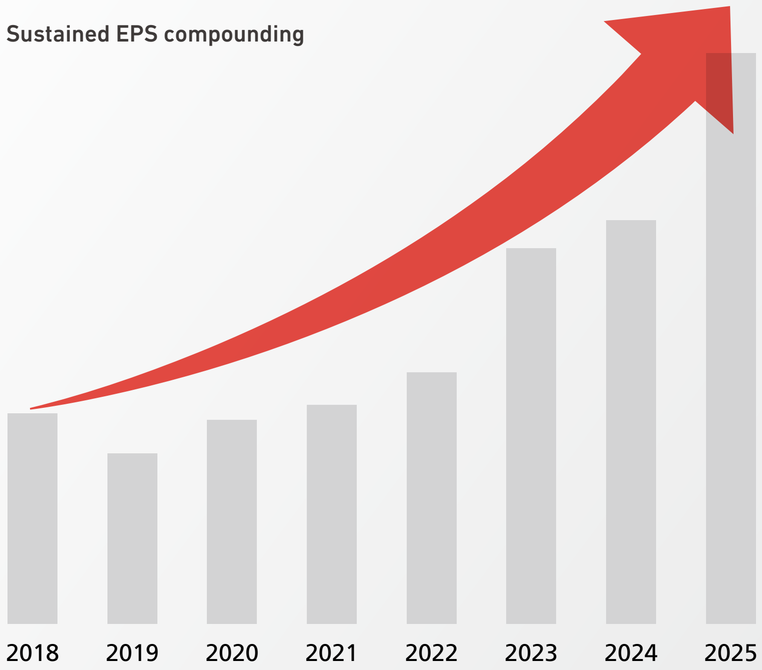
Why Invest in Nippon Paint?

1. Compounding

— A replicable growth model that delivers compounded EPS growth —

Through our Asset Assembler model, which delivers growth through both organic and inorganic avenues, Nippon Paint Group has consistently compounded EPS even in challenging market environments. By reinvesting cash generated by existing businesses into the next growth opportunities, we sustain high-quality EPS growth.

Sustained EPS compounding

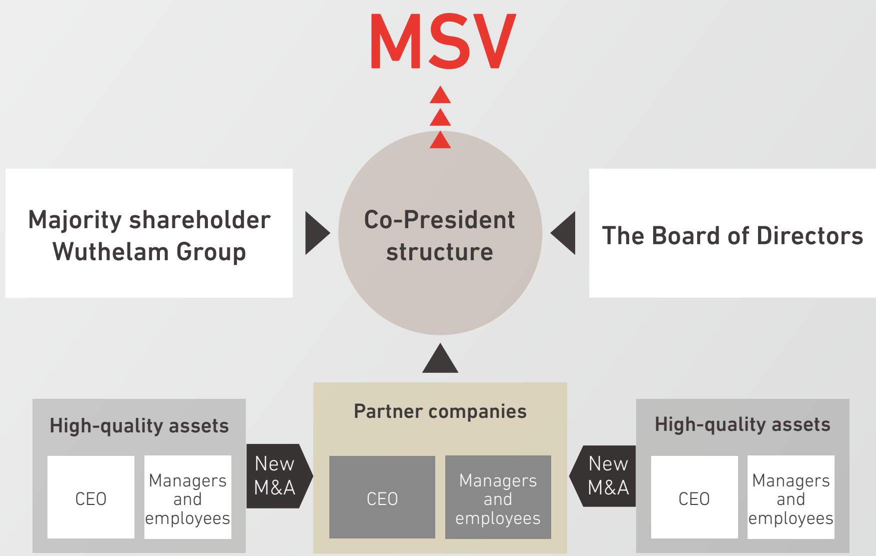


2. Proven Leadership

— An experienced management and execution team accelerating growth —

Our single-minded pursuit of MSV through "ego-free management" is made possible by a leadership team defined by Integrity. In inorganic growth, executives with extensive M&A experience apply their judgment and discernment to identifying strengths of potential acquisition targets and assessing the caliber of their CEOs. Combined with disciplined acquisition criteria and rigorous capital allocation, this has enabled us to repeatedly replicate successful M&A.

Management dedicated to the pursuit of MSV



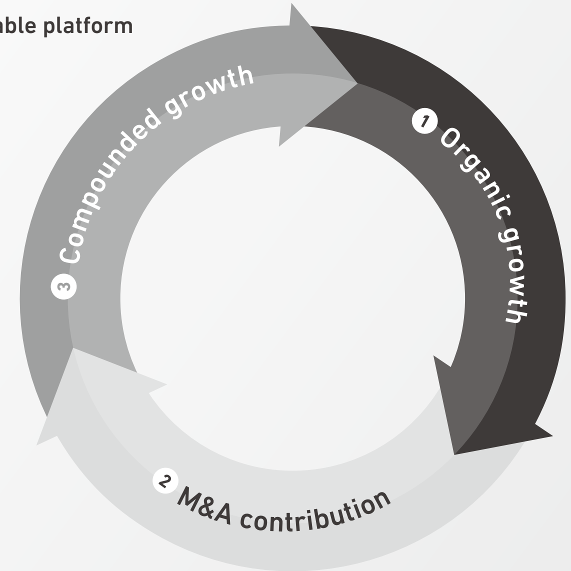
Why Invest in Nippon Paint?

3. Platform

— Strong execution and replicable growth enabled by autonomous and decentralized management —

We delegate authority to the management teams of our partner companies, as they are closest to local markets and customers, while headquarters supports growth across regions and businesses, maintaining discipline across the Group. This autonomous and decentralized management model functions as a highly replicable platform for growth, accelerating the expansion of not only existing businesses but also acquired companies through voluntary collaboration and the sharing of management resources among partner companies.

A highly replicable platform



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 drive sustained 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 43% in Malaysia. This strong market presence serves as a barrier to new entrants and supports our sustained growth and profitability improvement.

Performance Highlights P51

2. Brand

49%

Top-of-Mind rating (Betek Boya: Filli Boya)

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 1: Türkiye Group Business Strategy P47

3. Distribution channel

c. 270,000

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.

Leadership Dialogue: NIPSEA China P43

Leadership Roundtable

Advancing the MSV Journey: Management Priorities and the Path Forward

In 2025, strong earnings growth from our existing businesses, combined with contribution from the AOC acquisition, reaffirmed both the quality of our earnings - particularly their replicability and sustainability - and our ability to deliver long-term growth. At the same time, our share price has not fully reflected this performance. This mismatch has highlighted several areas that require greater market understanding and stronger communication, including building confidence in the sustainability of our existing businesses, a clearer appreciation of the Asset Assembler model, perspectives on ROIC and growth potential, share liquidity, and effectiveness of our disclosures.

This roundtable stems from our engagement with capital markets in 2025 and uses those perspectives to clarify key management priorities facing the Company and actions required to address them. We examine the changes and enhancements necessary to advance the MSV Journey to its next stage and further strengthen the Company's long-term value creation strategy.

Yuichiro Wakatsuki
Director, Representative Executive Officer & Co-President

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

Masayoshi Nakamura
Lead Independent Director and Board Chair

Executive Summary

1. **[Share price in 2025]** Despite record earnings in 2025, our share price did not fully reflect our growth and earnings quality, highlighting the need to address the disconnect between our business performance and market valuation.
2. **[Growth capability of existing businesses]** Our existing businesses continued to gain market share and improve profitability even in a challenging environment. This demonstrates the replicability and sustainability of our earnings. At the same time, we believe we need to communicate this strength more effectively to the capital markets.
3. **[Business model (Asset Assembler model vs. pure play)]** While some investors favor a pure-play paint model, we will continue expanding selectively into adjacent chemical fields to broaden growth opportunities while preserving business quality and discipline.
4. **[EPS Compounder]** Our model - combining organic growth, disciplined M&A, strong cash generation, and decentralized management - supports sustained compounded EPS growth.
5. **[Business model (growth rate vs. ROIC)]** We will continue improving ROIC, while prioritizing compounded EPS growth as the key driver of MSV, requiring clearer communication on the role and interpretation of each metric.
6. **[Share liquidity]** Limited liquidity has affected share-price formation, index inclusion, and investor base expansion, making further improvement an important priority.
7. **[IR disclosure/dialogue]** While our disclosures have been robust in quantity, our key strengths have not always been communicated with sufficient clarity. We therefore aim to strengthen investor dialogue by communicating more clearly our earnings quality, cash generation, and proven M&A track record.

Share price in 2025

Nakamura We delivered very strong results in 2025, with both revenue and operating profit reaching record highs. However, our share price did not perform as well as either the Nikkei Stock Average or the chemicals sector average. This shows that we still need to address the disconnect in how the equity market understands our business and growth potential.

Wee Even with weak global consumer sentiment, we achieved 10% growth in organic adjusted operating profit, improved margins, and increased market share in many regions through flexible management suited to local market conditions, including China. With the contribution from the AOC acquisition, consolidated adjusted operating profit rose 37% in 2025. We believe this clearly demonstrates the higher quality of our earnings.

Wakatsuki From early January to the end of December 2025, our share price rose 5%, underperforming both the Nikkei Stock Average at 28% and the chemicals sector average at 7%. Over the past three years or so, capital has increasingly concentrated in AI-related stocks. In this environment, investors have tended to focus their attention and capital on thematic sectors such as AI and semiconductors. Many investors perceive higher returns to be more readily achievable in these sectors than in the steady-growth paint and coatings industry.

Growth capability of existing businesses

Nakamura Valuation has been a regular topic at Board discussions over the past several years, and I believe concerns about China risk continue to weigh in on our share price. This is despite NIPSEA China continuing to gain market share and increase profits, even through COVID-19 and the sharp rise in raw material costs. The operating profit margin also improved to around 15% in 2025.

China's property market is clearly going through a difficult period. However, investors should not judge our China business only by daily news headlines. What is important is how NIPSEA China has responded to that environment and how the quality of its earnings has strengthened as a result.

Wee By "quality of earnings," I mean the consistent and replicable accumulation of profits generated through core business operations, rather than one-off gains. We have built this earnings base not simply by benefiting from market growth. We achieved it by expanding into new segments, launching higher-value-added products, and steadily increasing market share. As a result, the China business today is very different from what it was in 2010. This reflects management's ability to continue evolving ahead of the market, while also helping shape the market itself.

Our strength comes from both trust in people and the systems that support that trust. We give strong management teams the authority and resources they need, while growing together under the common objective of Maximization of Shareholder Value (MSV). This is what we mean by autonomous and decentralized management. It is not just a concept, but a management system built through long-term practice and proven results.

Nakamura Some investors have also questioned the sustainability of AOC, which we acquired in 2025, because it was previously owned by private equity and its recent revenue growth has been below the prior-year level. However, the Board's view has not changed. We acquired AOC at an attractive valuation, brought in an excellent management team, and have seen it maintain high profitability over the past year. We believe this shows that its business system is functioning effectively.

Wee What attracted us to AOC was the strength of its management team and the track record it built over the more than five years before the acquisition. We were especially impressed by its ability to build a strong business system and execute it with discipline. What impressed us was that this is a highly replicable system that works in practice and consistently drives growth. It has also become an advanced model that is setting the performance standard in adjacent industry sectors. While the construction market remains weak in the near term, we expect AOC to deliver mid-single-digit revenue growth over the medium term, supported by infrastructure demand and continued progress in expanding its business system in Europe.

Wakatsuki While some investors remain concerned about slower growth in our existing businesses, more attention is now being placed on the performance of NIPSEA Except China in Asia. This is natural, as the segment now exceeds NIPSEA China in revenue growth, profit growth, and contribution to consolidated earnings.

Wee The opportunity for organic growth through geographic expansion remains significant, not only for NIPSEA Except China but also across broader regions. We pursue this in two ways. One is expanding from existing countries into neighboring markets. We usually begin through exports, build sufficient sales volume, and then establish a local presence as our understanding of the market deepens. The other is expansion through bolt-on acquisitions. In both cases, the key is enabling strong local talent to capture more opportunities and accelerate growth. The Türkiye Group is a leading example of this approach in practice.

Business model (Asset Assembler model vs. pure play)

Nakamura Another topic frequently discussed with investors is the strength of our business model. While our Asset Assembler model has delivered an outstanding track record of EPS growth, some investors still prefer a pure-play paint and coatings company model.

Wakatsuki Part of the reason is that the strengths of the Asset Assembler model are not yet fully understood. More broadly, some investors may see it as becoming a conglomerate and therefore associate it with lower capital efficiency and profitability. In reality, our M&A activities are strictly focused on chemical fields where we have deep knowledge and expertise, and we apply disciplined acquisition criteria. We target businesses with high asset efficiency, reflected in measures such as RNOA (Return on Net Operating Assets), as well as strong cash generation, while maintaining overall business quality.

Wee Our decision to expand into adjacent areas reflects a long-term perspective. If we continue to succeed in paint and coatings, opportunities for bolt-on M&A may eventually become more limited due to competition law constraints. We also expect market growth to moderate as the industry matures. Against this backdrop, our goal is to sustain growth and profitability by building new growth engines. In doing so, we will leverage the brands, distribution networks, innovation capabilities, and strong management teams we have built through our paint and coatings business.

EPS Compounder

Nakamura In 2025, the Board held a dialogue session with overseas investors. Their evaluation of our Company focused on three strengths: the strong competitive position of our businesses, the quality of management teams across regions, and the Board's discipline in capital allocation. In particular, they focused on companies that can deliver long-term compounded EPS growth through high-quality M&A, so-called "EPS Compounders."

Wakatsuki In general, EPS Compounders share several common characteristics: (1) two highly profitable growth drivers, organic and inorganic growth, (2) strong cash generation and the ability to reinvest at high returns, (3) an autonomous and decentralized business model, (4) the capability to source and execute acquisitions at attractive valuations, (5) exposure to a broad portfolio of small and midsized private companies across multiple end markets, and (6) management teams with strong capital allocation discipline.

Nakamura In our Board discussions, we analyzed several EPS Compounders and found that many share an autonomous and decentralized organizational model. Customer relationships and day-to-day operational decisions are entrusted to subsidiary management, allowing acquired companies to maintain their entrepreneurial independence. Another common characteristic is a lean headquarters organization focused mainly on capital allocation and close performance monitoring.

Investor feedback from March 2026 non-deal roadshow in Europe

Why Nippon Paint appeals to investors	What investors want Nippon Paint to address
A steady paint business	Subdued top-line growth at AOC
EPS compounding model	Sustainability of AOC's margins
Proven track record of EPS growth	Potential synergies between existing businesses and AOC
A unique M&A-driven growth model	Higher dividends and greater shareholder returns
Impressive share gains in China OEMs	ROIC-focused management
Valuation is no longer expensive	China decorative paint market outlook

Wee I strongly relate to a comment made by the CEO of one EPS Compounder: "It's really difficult for some people to understand what decentralization is because they've never experienced that, so they ask about synergies all the time. And it's very difficult to tell them we don't care about synergies. If they come, they come, but it's not why we invest in the company. We buy good businesses." That said, **our approach** also has its own characteristics. In bolt-on M&A, synergies are an important consideration. In asset assembly transactions, however, we do not factor synergies into the acquisition price. We are highly selective and invest only in quality businesses that can generate sufficiently attractive returns on a standalone basis. At the same time, after an acquisition, we naturally pursue synergies actively by leveraging our platform.

Wakatsuki Recently, some overseas investors have commented that our business model has certain similarities to that of Danaher. The Danaher Business System (DBS), which is based on the Kaizen concept rooted in the Toyota Production System, is not simply a method for operational improvement. It also helps acquired companies quickly improve their operations and align with the Danaher model. By contrast, our Asset Assembler model is a decentralized platform where acquired companies can use the Group's management resources to accelerate growth, while receiving support from headquarters when needed. Although the approaches are different, I believe they share a common objective: making acquired companies better businesses.

Nakamura Yes, there are certainly similarities between Danaher and our Company. At the same time, our Board also discussed that Danaher is an outstanding example of an EPS Compounder, having created long-term value through M&A and business improvement. However, part of the reason for its high valuation was its eventual shift to a pure-play life sciences company. In that respect, it may not be a fully comparable benchmark for our Company, which continues to operate in chemicals and adjacencies fields as well.

Business model (growth rate vs. ROIC)

Nakamura A key topic in our Board discussions was whether investors place greater importance on **growth or on ROIC**, as views differ across the investor base. At our Company, EPS growth remains our highest-priority management metric. In pursuing growth, we will continue improving the profitability and capital efficiency of acquired businesses while generating returns above WACC. Our conclusion was that ROIC is not an objective in itself. Rather, by sustaining compounded EPS growth through the Asset Assembler model, we believe we can continue advancing MSV.

Wakatsuki In the **analyses** regularly used in our discussions, both revenue growth and ROIC show a relatively strong correlation with PER. More specifically, compared with peers, our Company appears undervalued when viewed against revenue growth, but appears highly valued when viewed against ROIC. One reason our Company appears to trade at a premium on a ROIC basis is that, compared with industry peers, we pursue M&A more actively, and the resulting goodwill affects ROIC. While we would argue that this is an apples-to-oranges comparison, the reality is that investors do not always examine the issue in such detail.

Nakamura Our dilemma is twofold. First, our ability to secure substantial funding at low cost is not fully recognized as a competitive advantage. Second, when we use that advantage to expand through acquisitions and achieve compounded EPS growth, capital efficiency can appear lower because of accounting treatment, particularly goodwill.

Wakatsuki As Mr. Nakamura mentioned earlier, we will continue to monitor ROIC closely as an important management indicator. At the same time, some investors view RNOA as a measure that better reflects the actual efficiency of the business, without being heavily affected by accounting factors. We therefore intend to further improve our communication so that investors can better understand the strong asset efficiency and cash-generating capabilities of both our existing businesses and acquired companies.

Share liquidity

Nakamura We believe the current weakness in our share price cannot be explained by business performance alone. One major factor is the instability of price formation caused by low daily trading value. The average daily trading value of our shares is approximately JPY 4.0 billion. Although this is an improvement from previous levels, it remains low for a large-cap stock like us. In our view, this lack of liquidity makes it difficult for large long-term institutional investors to build positions and also leaves the stock more vulnerable to short selling.

Wakatsuki Low liquidity is also making it more difficult for us to qualify for inclusion in indices such as the Nikkei Stock Average. Inclusion generally requires daily trading value of around JPY 9.0 billion to JPY 9.5 billion, and at current levels we do not meet that requirement. As a result, we are unable to benefit from the passive inflows associated with index inclusion. More importantly, this issue goes beyond lower trading activity in our shares. If low liquidity and a weak share price continue for an extended period, they could eventually affect our future M&A strategy itself.

Nakamura Broadening our investor base is also essential for improving liquidity. Historically, many of our shareholders have been investors focused primarily on the paint and chemicals sector, but we believe there are limitations to relying solely on that investor base.

Wakatsuki In our investor outreach efforts, we have shifted our focus from the traditional chemicals and paints investor base to investors focused on EPS Compounders. In fact, some European investors have told us that they agreed to meet with us specifically because Nippon Paint is viewed as an EPS Compounder. We therefore intend to continue strengthening our overseas IR activities. At the same time, we will increase our outreach to domestic retail investors, as well as technical and quantitative hedge funds. Through these efforts, we aim to broaden investor perception of our Company from that of a paint manufacturer to that of a company capable of delivering compounded EPS growth through superior capital allocation.

IR disclosure/dialogue

Nakamura What is important is that the liquidity issue does not exist independently. It is closely connected to our disclosures and to how investors perceive our Company. We therefore believe several areas of our disclosure need improvement. First, our disclosures are often so detailed that our key strengths are not always communicated clearly. Second, investor attention can become overly focused on specific figures, such as NIPSEA China or AOC revenue growth. Third, our ability to deliver compounded growth and strong cash generation through M&A is still not fully understood.

Wakatsuki We have upgraded our IR materials starting with our third-quarter 2025 results. To help investors better understand our underlying earnings power through historical trends, we updated the way we present our information. We sharpened our headlines and introduced adjusted operating profit and adjusted EPS to better highlight our cash-generating capability. We also presented our organic and inorganic growth track record in a single view. At IR DAY in November 2025, in addition to AOC, we provided the latest update on NIPSEA from Mr. Wee, together with an explanation of our M&A strategy. We also held an investor tour and CTO session at the Tokyo Innovation Center in October 2025, to demonstrate that our strengths extend beyond brand and distribution and also include strong technological capabilities.

Wee As part of our IR initiatives, we are also considering an investor tour in China in 2026. It is difficult for investors to fully understand the strength of NIPSEA China's brands and distribution network through verbal explanation alone. We therefore plan to provide opportunities for direct dialogue with the local management team and distributors, together with site visits, so that investors can experience firsthand the strength of our operations on the ground.

Wakatsuki After considering these factors, we also executed share repurchases starting in October 2025. The rationale was fourfold: first, to send a clear signal that we believed our share price was significantly undervalued; second, to increase actual buying interest in the market; third, to discourage short selling; and fourth, to demonstrate the strength of our cash-generating capability. Ultimately, we concluded that repurchasing our shares at this PER was justified as a financial decision based on our view of future EPS growth. While it did not lead to a sharp rise in the share price, we believe buying back our shares at undervalued levels was sound capital allocation. From a medium- to long-term perspective, we believe this contributes to MSV. At the same time, the primary focus of our capital allocation strategy remains M&A that contributes to MSV, and we will continue pursuing such opportunities.

Reflecting on the roundtable

Nakamura Today's discussion reinforced my view that the fundamental challenge facing our Company is that the market does not yet fully appreciate the strength of our businesses or the replicability of our growth. The quality of earnings in our existing businesses, compounded EPS growth under the Asset Assembler model, and disciplined capital allocation are all core foundations supporting MSV. At the same time, we believe there is still room for improvement in several areas. These include liquidity, how we present our disclosures, and the way we engage with investors. We must continue improving each of these areas steadily. As a Board, we will continue deepening our dialogue with management and fully carrying out our responsibilities in narrowing the gap between intrinsic value and market valuation as we work toward MSV.

Thank you for this valuable discussion.

Stock-Price Conscious Management

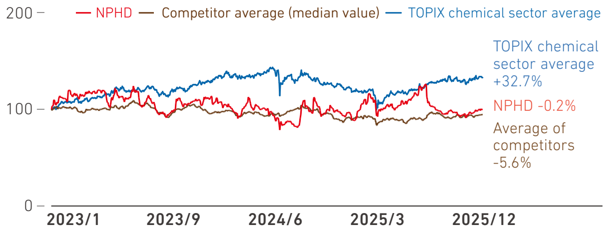
Nippon Paint as a defensive growth stock

We are pursuing **MSV**, our sole mission, through the **maximization of EPS and PER**. We practice management with a stock-price consciousness, which is the outcome of our MSV pursuit.

Over the past three years, our share price has remained broadly flat despite an 87.5% increase in our EPS. While this price performance has outpaced the average of our peers, it has trailed the average of the TOPIX chemical sector. The reason we have continued to deliver record-high earnings, even amid the recent uncertain macroeconomic environment, lies in our highly competitive business model in the paint and coatings market, where resilient demand broadly tracks GDP growth across countries.

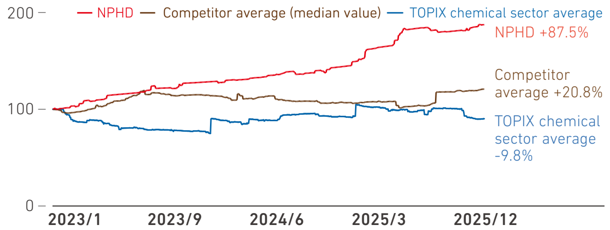
While our shares exhibit a defensive-growth profile, making them relatively resilient to changes in the external market, these attributes are not yet fully reflected in our share price. We therefore analyzed the underlying factors from both a sector and a company-specific perspective.

Stock price trends



*1 Source: FactSet, Bloomberg
*2 Indexed to 100 at the start of 2023
*3 Competitor average is based on the average of share prices of the following companies, each indexed to 100 at the start of 2023: Sherwin-Williams, BASF, Asian Paints, PPG, AkzoNobel, Berger Paints, Axalta Coating Systems, SKSHU Paint, Kansai Paint, TOA Paint, Asia Cuanon Technology

EPS trends



*1 Source: FactSet, Bloomberg
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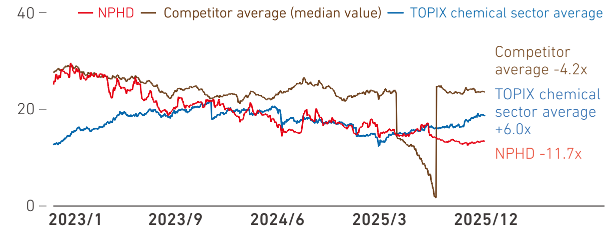
PER trends



*1 Source: FactSet, Bloomberg
*2 Competitor average is the average of the following companies: Sherwin-Williams, BASF, Asian Paints, PPG, AkzoNobel, Berger Paints, Axalta Coating Systems, SKSHU Paint, Kansai Paint, TOA Paint, Asia Cuanon Technology

Rate of change in share price, EPS, and PER

	1-year performance (2025)			3-year performance (2023-2025)			5-year performance (2021-2025)		
	Change in share price	Change in EPS	Change in PER	Change in share price	Change in EPS	Change in PER	Change in share price	Change in EPS	Change in PER
NPHD	+4.5%	+30.1%	-3.2x	-0.2%	+87.5%	-11.7x	-52.4%	+130.3%	-33.5x
Competitor average	+10.2%	+7.4%	+1.9x	-5.6%	+20.8%	-4.2x	-20.3%	+40.8%	-14.1x
TOPIX chemical sector average	+6.8%	-2.5%	+1.6x	+32.7%	-9.8%	+6.0x	+15.5%	+100.3%	-13.7x

Analysis of the paint sector (competitor average)

The average share price of the paint sector declined by 5.6% over the past three years. While sector EPS rose by 20.8%, the sector PER fell by 420 bps, which weighed on overall share-price performance. More specifically, earnings growth at major U.S. players has been constrained by a combination of housing market weakness, higher raw material costs resulting from tariffs, and China's property sector problems. More recently, capital has become increasingly concentrated in AI-related stocks. In this environment, investors have increasingly allocated both time and capital to thematic sectors where returns appear more readily attainable, rather than to the paint sector, which has relatively limited exposure to AI and semiconductors. We have analyzed that this shift in capital allocation is also one of the factors behind the paint sector's weak share-price performance.

Analysis of our share price

Our share price declined by 0.2% over the past three years. This was due to a 1,170 bps decline in PER, while EPS increased by 87.5%. Specifically, we attribute this to (1) the sector factors discussed in the left-hand column; (2) continued market concern over **China**-related risks since 2021; (3) an underappreciation of **our growth potential**; and (4) the market's views of **our proactive M&A stance** as high risk.

More recently, in relation to our share-price underperformance, the Board has also discussed topics such as EPS growth versus ROIC, focus on the paint business versus expansion into adjacent fields, and how we communicate with the capital markets. We will continue to translate these discussions into concrete actions.

Analysis of current situation and future direction

As discussed on the previous page, while our EPS has increased significantly over time, both the absolute level of our PER and its rate of change have trended downward relative to the TOPIX chemical sector average and the peer average.

The decline in PER reflects a combination of factors. To close this gap with the capital markets and dispel these perceptions, we are taking steps such as (1) **conducting interviews with analysts and investors in Japan and overseas**; (2) **analyzing the differences between our Company and both peers and companies with similar business models**; and (3) **cultivating new investors based on investor targeting**. Above all, we believe it is essential to accelerate the sustained compounding of EPS through both organic and inorganic growth and to extend our track record of high growth in pursuit of MSV.

Stock-price conscious management

Aiming to maximize both EPS and PER in pursuit of MSV

Share price = EPS × PER

Share price: Approx. JPY 1,000

EPS: JPY 85.3

PER: Approx. 12x = 1 / (Cost of shareholders' equity − Expected growth rate)

	EPS	PER
Future direction	Accelerating EPS compounding through organic and inorganic growth by harnessing the combined strengths of our autonomous and decentralized management model and lean headquarters	Enhancing trust in and expectations for the management capabilities of our top executives Enhancing trust in and expectations for our organic and inorganic growth capability and profitability
Key initiatives	For organic growth, fully leverage the Group platform to achieve adjusted EPS CAGR target of +HSD% (high-single digits) For inorganic growth, actively pursue M&A to build on our track record	Promote greater understanding of our business model, track record, and growth potential Promote greater understanding that the Group is a portfolio of low-risk businesses Expand opportunities for dialogue, including outreach to new investors, and reviewing our disclosure materials

For reference: Analytical perspectives presented by the Tokyo Stock Exchange

(1) Market valuation (PER and PBR)
(2) Capital efficiency (ROE and ROIC)

PER × ROE = PBR

PER: Approx. 12x
ROE: 11% ≒ ROIC 7.0% — Financial leverage: 2.2x
PBR: Approx. 1.3x

ROIC:
- Continuously improving ROIC at existing businesses
- Executing M&A based on rigorous acquisition criteria

↓

- Carefully selecting M&A opportunities involving businesses with a competitive advantage in resilient growth markets within the chemicals domain
- Ensuring EPS accretion from the first year and achieving ROIC above WACC within three years at each acquired company
- Balancing capital efficiency with earnings growth

Financial leverage:
- Pursuing an optimal capital structure while balancing both sound financial management and growth
- Earning the trust and confidence of financial institutions and rating agencies

↓

- Improving earnings growth and CCC to enhance cash generation
- Repaying debt when no M&A is executed
- Maintaining net debt/EBITDA below 4x and a debt-to-equity ratio below 1x as general guidelines

Financial Strategy Presented by Co-President Wakatsuki P38

* Share price is as of end-June 2026; P&L figures are based on the Company's forecast for FY2026/12; and B/S figures are based on actual results for FY2025/12
Calculation methodologies are as follows:
- PER = Share price (as of end-June 2026)/EPS (company forecast for FY2026/12)
- ROE = EPS (company forecast for FY2026/12)/Equity capital per share (actual FY2025/12)
- ROIC = After-tax operating profit (company forecast for FY2026/12)/(Invested capital (actual FY2025/12))
- After-tax operating profit = Operating profit (company forecast for FY2026/12) × (1-effective tax rate)
- Invested capital (actual FY2025/12) = Net debt+ Equity (including ownership of non-controlling shareholders) (actual FY2025/12)
- Net debt (actual FY2025/12) = Bonds and borrowings + Total other financial liabilities (current and non-current) - Cash and cash equivalents - Other financial assets (current) (actual FY2025/12)
- Financial leverage = Total assets (actual FY2025/12)/Equity (actual FY2025/12)

Correlation analysis

In light of the decline in our PER, we have analyzed its correlation with various indicators. Our analysis indicates that revenue growth and ROIC show a relatively high correlation with PER. Specifically, on a revenue growth versus PER basis, our Company appears to be valued at a discount relative to peers, whereas on a ROIC versus PER basis, we appear to be valued at a premium relative to peers. We believe the premium valuation implied by ROIC versus PER reflects the fact that, while our more proactive approach to M&A than that of our peers affects ROIC, there is also market expectation that companies acquired in line with our Asset Assembler model will continue to operate with high capital efficiency.

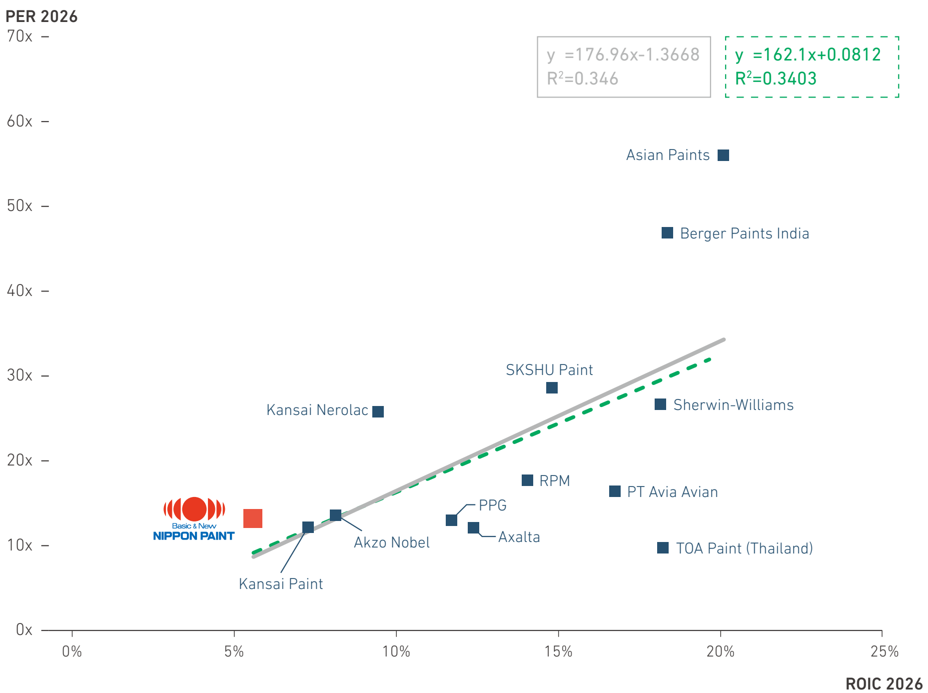
1 Revenue growth x PER

Historical data also suggest that revenue growth tends to have a relatively high correlation with PER. As our Company is positioned below the regression line, this suggests that we are valued at a discount relative to peers. The main reasons are that the market is not factoring in our inorganic growth potential (our forecast revenue CAGR based on analyst consensus is +5.2%, well below our actual CAGR of +16.0% over the past seven years), and that NIPSEA China, which has been a major contributor to our growth, is currently perceived as a risk. Our shares appear discounted relative to peers when viewed through the lens of revenue growth. At the same time, we believe there remains upside to our valuation if the market begins to reflect our inorganic growth potential.

2 ROIC x PER

Firms with higher revenue growth, including our Company, tend to be positioned above the regression line, suggesting that we are valued at a premium relative to peers. Investors differ in whether they place greater emphasis on capital efficiency or on growth in revenue or profits. In our case, however, there is a view that the increase in goodwill resulting from proactive M&A offsets improvements in ROIC generated organically, making our ROIC appear lower in peer comparisons. As a result, we believe our valuation is being assigned a premium. It can also be argued that one factor supporting this premium valuation is market expectations for our future capital efficiency, underpinned by the track record of companies acquired in line with our Asset Assembler model maintaining highly capital-efficient operations.

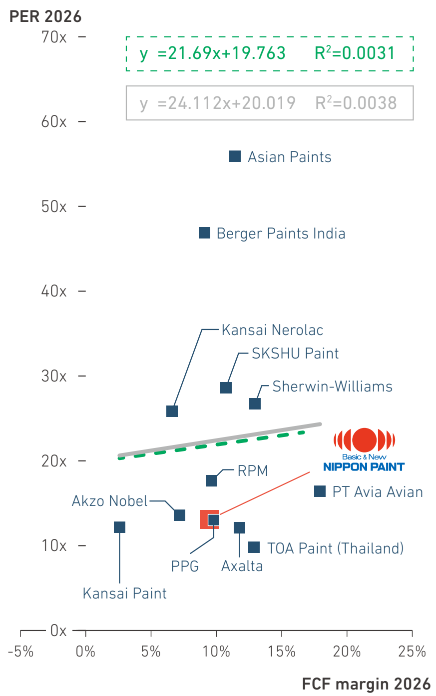
As of the beginning of January 2026



3 FCF margin x PER

A high FCF margin indicates strong future cash generation capability and is generally regarded as one factor that supports theoretical share value. In general, investors tend to place greater emphasis on cash flow indicators during periods of macroeconomic weakness. At present, however, equity markets remain firm, and the observed correlation is therefore low. We believe the low correlation reflects the influence of other factors, such as revenue growth, investment efficiency, and capital efficiency.

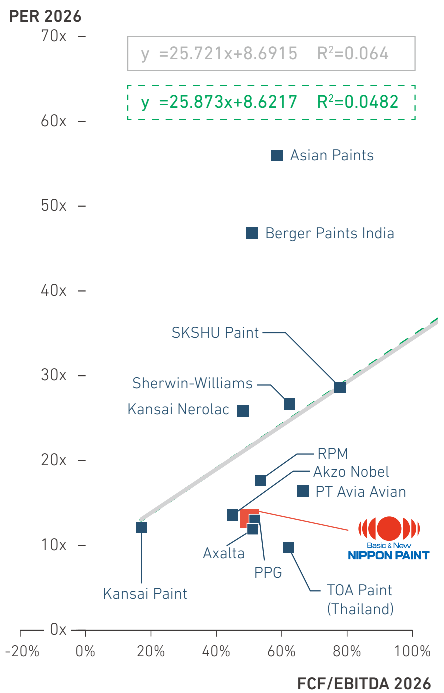
As of the beginning of January 2026



4 FCF/EBITDA x PER

A high FCF/EBITDA ratio indicates a strong ability to convert earnings into cash and is generally regarded as one factor that supports a higher PER. In general, investors tend to place greater emphasis on cash flow indicators during periods of macroeconomic weakness. At present, however, equity markets remain firm, and the observed correlation is therefore low. We believe the low correlation reflects the influence of other factors, such as earnings growth and capital efficiency.

As of the beginning of January 2026



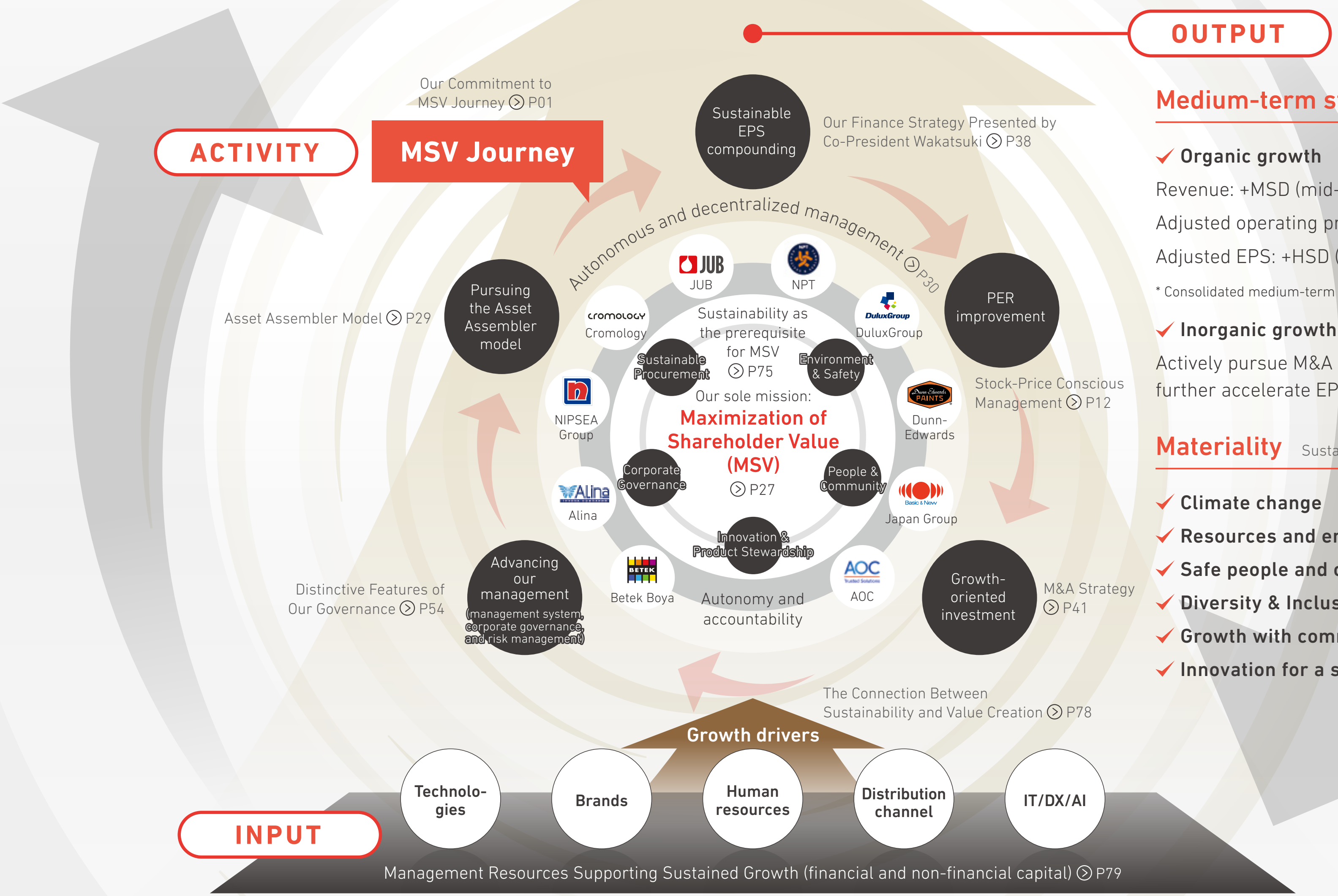
NPHD Competitors Regression line (excluding Chinese companies) Regression line (all companies)

Our Value Creation Process to Pursue MSV

With management basing decisions solely on MSV, we will pursue unlimited upside in shareholder value through the MSV Journey.

OUTCOME Unlocking unlimited upside in shareholder value

Fulfillment of obligations to stakeholders



Medium-term strategy

Medium-Term Strategy Updates (Released in February 2026) P36

✓ **Organic growth**

Revenue: +MSD (mid-single digits)

Adjusted operating profit: +HSD (high-single digits)

Adjusted EPS: +HSD (high-single digits)

* Consolidated medium-term CAGR assuming our 2025 portfolio

✓ **Inorganic growth**

Actively pursue M&A opportunities to further accelerate EPS compounding

Materiality

Sustainability as the Prerequisite for MSV P75

- ✓ Climate change
- ✓ Resources and environment
- ✓ Safe people and operations
- ✓ Diversity & Inclusion
- ✓ Growth with communities
- ✓ Innovation for a sustainable future

Leadership at the Forefront of the MSV Journey

Messages from our leaders on their aspirations for the MSV Journey and their commitment to lead it forward.

Delivering Sustainable EPS Growth and PER Expansion Through Disciplined Capital Allocation and Integrity

Message from Co-President Wakatsuki P20

Yuichiro Wakatsuki

Director, Representative Executive Officer & Co-President

After building his investment banking career at The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) and other reputable institutions, Yuichiro Wakatsuki joined Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.) in 2000. He led the company's M&A advisory services, including M&A strategy and fund procurement of clients, first as the Head of Japan Mergers and Acquisitions and later as the Director and Vice Chairman of Japan Investment Banking. In 2019, he joined Nippon Paint Holdings and served as Senior Managing Corporate Officer and CFO, and, since 2021, has been leading execution as Representative Executive Officer & Co-President.

Driving Sustainable EPS Growth by Enhancing Earnings Quality Through People and Systems

Message from Co-President Wee P23

Wee Siew Kim

Director, Representative Executive Officer & Co-President

Prior to his current position, Wee Siew Kim was Deputy CEO of Singapore Technologies Engineering Ltd., which is an aerospace and defense engineering company. He was a Member of Parliament in Singapore for around 10 years from 2001. Since his appointment as the Group Chief Executive Officer of NIPSEA Group in 2009, he has driven growth of the group to become the core business of Nippon Paint Group. Since 2021, he has been leading execution of Nippon Paint Group as Representative Executive Officer & Co-President of NPHD.

Leveraging Experience Built with Nippon Paint Since 1979 to Lead Expansion in Asia and Global Growth Strategy

Message from Chairman P26

Goh Hup Jin

Chairman

Goh Hup Jin is the Director of Nipsea International Limited (Wuthelam Group), the parent company of NPHD. Under his initiative, NIPSEA Group expanded operations into China in 1992 ahead of other major paint and coatings manufacturers, and has grown into the Group's core business. His excellent management skills have earned the "NIPPON PAINT" brand a high level of recognition mainly in the decorative paints area in other parts of Asia as well and deep market penetration across markets where the Group operates.

Leveraging Corporate Legal Perspective in Asset Assembler Model

Expected Roles of Independent Directors P59
Nominating Committee Report P65

Hisashi Hara

Independent Director

With a career of over 40 years as an attorney, Hisashi Hara has been involved in numerous cross-border M&A deals and has assisted in various corporate legal matters. In 2011, he received the Chambers Asia-Pacific Lifetime Achievement Award from Chambers Partners, which is just one of many commendations in recognition of his good reputation as an attorney involved in cross-border M&A deals.

Supporting Value-Creating Decisions Through M&A and Capital Markets Experience

Expected Roles of Independent Directors P59

Andrew Larke
Independent Director

Andrew Larke has been involved in mergers, acquisitions, and divestments, as well as corporate advisories for approximately 30 years, including head of acquisitions for Orica, the largest producer of mining explosives in the world. He has also held the position of Non-Executive Director of DuluxGroup, and has extensive insight into the global chemicals and coatings industry. Additionally, he also serves as Chairman of a leading Oceania-based chemicals company, and as Independent Chairman of long short fund on the Australian Stock Exchange.

Refining Management Decision-Making Through Foresight Shaped by Public- and Private-Sector Experience

Expected Roles of Independent Directors P60
Compensation Committee Report P67

Lim Hwee Hua
Independent Director

Following her election to the Parliament of Singapore, Lim Hwee Hua held several important positions and cabinet posts in the Singapore Government. Prior to joining the Singapore Cabinet, she served as Managing Director at an investment company owned by the Singapore Government, where she executed restructuring and strategic relations with foreign countries. She had been involved in private equity activity such as Kohlberg Kravis Roberts.

Strengthening Both Growth-Oriented and Risk-Conscious Governance Through CPA Expertise and International Business Experience

Expected Roles of Independent Directors P60
Audit Committee Report P69

Masataka Mitsuhashi
Independent Director

Masataka Mitsuhashi has many years of extensive experience as a certified public accountant at PwC Japan Group, where he was engaged in accounting audit and M&A-related activities. He also has specialized and global knowledge and experience in long-term value creation for companies from an ESG perspective as Representative Director of a consulting firm.

Enhancing Governance to Empower Executive Decision-Making from M&A Advisory Perspective

Message from Board Chair P55
Expected Roles of Independent Directors P60

Masayoshi Nakamura
Lead Independent Director
Board Chair

Masayoshi Nakamura has more than 30 years of experience as a specialized professional in M&A advisory and capital market financing at major US investment banks Lehman Brothers and Morgan Stanley, as well as at Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.). He has experience and a track record in successfully executing numerous large-scale cross-border M&A deals.