Nominating Committee Report

Hisashi Hara
Independent Director
Nominating Committee Chairperson

The Nominating Committee's Mission: Maintaining an Optimal Execution and Oversight Structure

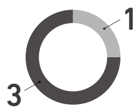
The Nominating Committee's mission is to establish and sustain an optimal and effective structure for execution and oversight in support of Maximization of Shareholder Value (MSV). Among its responsibilities, the appointment and succession of top executive leadership is regarded as the Committee's highest priority. Since transitioning to a Company with Three Committees in 2020, the Committee has continuously reviewed and enhanced the execution and oversight framework in response to the Company's evolving growth stage and management environment.

In succession planning, the Committee does not rely on uniform selection criteria or pre-defined development programs. Instead, greater emphasis is placed on identifying high-potential talent—both internally and externally—rather than solely on developing it. Through ongoing and close dialogue with the Co-Presidents, key members of management, and next-generation candidates, the Committee seeks to build a comprehensive understanding of leadership capabilities and character, while also clarifying the qualities required of future leaders. At the same time, the Committee prioritizes expanding the pipeline of next-generation candidates by leveraging both internal and external professional networks.

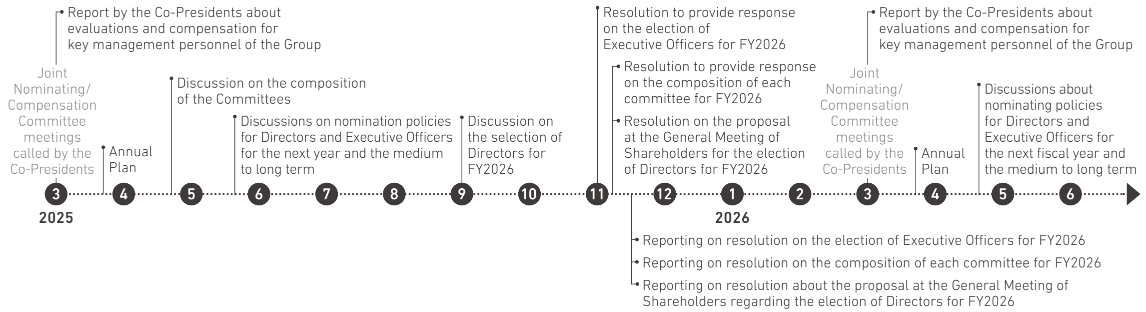
With respect to the composition of the Board of Directors, a key prerequisite for selecting an outstanding management team and entrusting it with execution is that the Board—responsible for oversight—shares a clear and common perspective on the principles and priorities that guide its judgments. In fall 2025, the Board had the opportunity to exchange views with AOC's management team during their visit to Japan. On that occasion, AOC provided a detailed explanation of its business model and management policies, and Board members engaged in active discussions on topics such as the pursuit of further earnings opportunities and the potential application of AOC's strengths across other Group companies. Through this engagement, I reaffirmed, in my capacity as Chairperson of the Nominating Committee, that the diversity of our current Board composition is functioning as intended; that all Board members share a common perspective on the values and priorities that underpin their decision-making from the standpoint of MSV; and that an effective structure is in place to support appropriate risk-taking by the execution side.

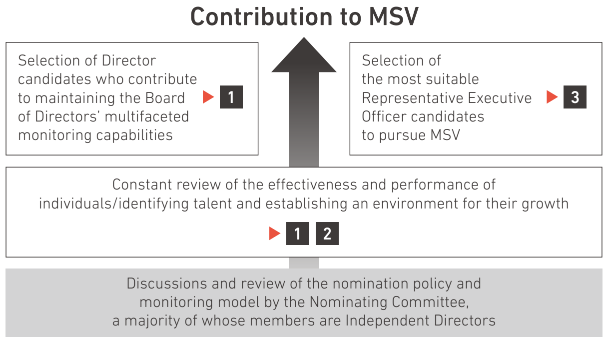
As Chairperson of the Nominating Committee, I will continue to ensure that the composition of the Board and the execution framework remain aligned with the Company's stage of growth, while working to build and sustain a robust governance structure that supports the realization of MSV.

Overview and main activities

Chairperson	Hisashi Hara (Independent Director)
Committee members	 1 Non-Executive Director; 3 Independent Director
Number of meetings	FY2025 ······ 7 (late March 2025 to mid-March 2026) FY2026 ······ 2 (late March 2026 to end-June 2026)
Roles of the Committee	Decisions on proposals regarding the election and dismissal of Directors to be submitted to the General Meeting of Shareholders, discussions about succession plans for Directors based on advice from the Board of Directors, appointment and dismissal of the Representative Executive Officer and President and other Executive Officers, and submission of opinions about the succession plan and other proposals
Main activities	The Nominating Committee passed a resolution regarding the election and dismissal of Directors for FY2026 to be submitted to the General Meeting of Shareholders, and deliberated and provided responses on the selection of Executive Officers for FY2026.

Main activities





1 Securing a highly effective Board of Directors with multifaceted monitoring capabilities for the achievement of MSV

The members of the Board of Directors and Nominating, Compensation and Audit Committees cover a suitable range of backgrounds for continuously performing the effective monitoring of NPHD in a business climate that is constantly changing. The Nominating Committee emphasizes seven categories of experience and skills required of Directors. NPHD pursues MSV under the Asset Assembler model. Consequently, the Nominating Committee places emphasis on selecting Director candidates who have corporate management experience along with experience involving global business operations and M&A.

The Nominating Committee continuously monitors the comprehensive performance of the Board of Directors as a team based on contributions of individual Directors and mutual trust among the Directors. Committee members also refer to results of the annual assessment of the Board effectiveness and other information. This process is used for constant examinations concerning the most suitable candidates and Board composition to pursue MSV. Since NPHD transitioned to a Company with Three Committees structure in the FY2020, Independent Directors have been a majority of the Board. To ensure a sustainable Board composition that enhances discussions on growth strategies, the Nominating Committee has actively engaged in nominating activities. By maintaining and strengthening a diverse Board composition that fosters a wide range of perspectives and robust discussions, the Company has built a highly effective Board of Directors with multifaceted monitoring capabilities to pursue MSV.

2 Identifying future management talent and an environment where people can upgrade their skills (reinforcement of human capital and appointment/dismissal of personnel)

We do not use a single approach for the recruitment and development of future management talent amid the globalization of operations and drastic changes in the business environment. Instead, we are focusing on identifying talent and establishing an environment for their growth by respecting the autonomy of each PCG based on mutual trust between the Co-Presidents and heads of the PCGs.

The Nominating Committee uses reports from the Co-Presidents to monitor on a regular basis the status and evaluations of the Group's human capital. Committee members also work closely with the other Committees and the meeting of Independent Directors, communicate with key management personnel, and strengthen the network of connections with external experts in various fields. The continuous use of these activities enables the Nominating Committee to play a role in strengthening the Group's human capital and making appropriate decisions about appointment and dismissal.

3 Our approach concerning the nomination of candidates for Representative Executive Officer

As stated in the Corporate Governance Policy, the standard for selections of Representative Executive Officers is a wealth of corporate management experience and achievement to play a key role in accomplishment of sustained growth of the Group and medium- to long-term MSV. Furthermore, these individuals must have the outstanding skills required to be a Representative Executive Officer. This standard applies to all individuals regardless of nationality, gender, and position at Group companies in Japan or another country. Based on these guidelines, the Nominating Committee focuses on making timely selections of the most suitable leaders for implementing strategies for MSV in a rapidly changing social and business environment. To accomplish this goal, we need to do more than simply use the one-size-fits-all succession plan and other guidelines for the planned recruitment and development of executives. This is why we work closely with other Committees and the meeting of Independent Directors for constant discussions and examinations. The results of this process are the basis for our input to the Board of Directors concerning the appointment and dismissal of Representative Executive Officers.

The Nominating Committee, which takes the lead in these activities, does not include the current Co-Presidents and consists of four Non-Executive Directors—three Independent Directors and the Chairman. This structure ensures the appointment and dismissal of the most suitable Director candidates from an objective perspective.

Items constantly discussed and examined concerning selections of Representative Executive Officer candidates

- Suitable individuals and frameworks for the implementation of medium- to long-term growth strategies for MSV
- Comprehensive evaluations of the performance of current Representative Executive Officers
- Constant monitoring of Group management talent
- Exchanges of information about talent outside the Group by using internal and external networks of personal connections

Changes in the Number of Directors

FY	Number of Directors	Changes from the previous year		Independent Directors	Non-Japanese	Female
		New appointment	Retirement			
2022	11	4	1	73%	22%	18%
2023	9	0	2	67%	45%	11%
2024	9	0	0	67%	56%	11%
2025	9	1	1	67%	56%	11%
2026	8	0	1	63%	50%	13%

* The numbers shown are as of the time of appointment at the General Meeting of Shareholders

Compensation Committee Report

Lim Hwee Hua

Independent Director

Compensation Committee Chairperson

Compensation Decisions That Support the Pursuit of MSV

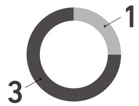
In determining the compensation of the Co-Presidents, the Compensation Committee places particular emphasis on ensuring that compensation serves as a source of motivation and incentive aligned with our Compensation Philosophy and supportive of the pursuit of Maximization of Shareholder Value (MSV). With MSV defined as the Company's sole mission, the foundation of our governance framework is that both the executive and monitoring functions fulfill their respective responsibilities with a clear focus on the medium- to long-term pursuit of MSV.

The Compensation Committee consists of three Independent Directors with extensive experience in evaluating management and determining executive compensation, together with one non-Executive Director who has been involved with the Company and the paint industry for nearly 50 years. As an Independent Director, I serve as Chairperson of the Committee. In assessing the performance of the Co-Presidents, the Compensation Committee takes a comprehensive and balanced view, considering prior-year results, medium- to long-term strategic execution, risk management to support sustainable growth, and share price performance, while also benchmarking these factors against peer companies. The Committee further incorporates deliberations of the Board, as well as ongoing dialogue with Independent Directors and key management. In determining compensation levels, the Committee rigorously evaluates appropriateness through comparisons with peer companies and broader market standards.

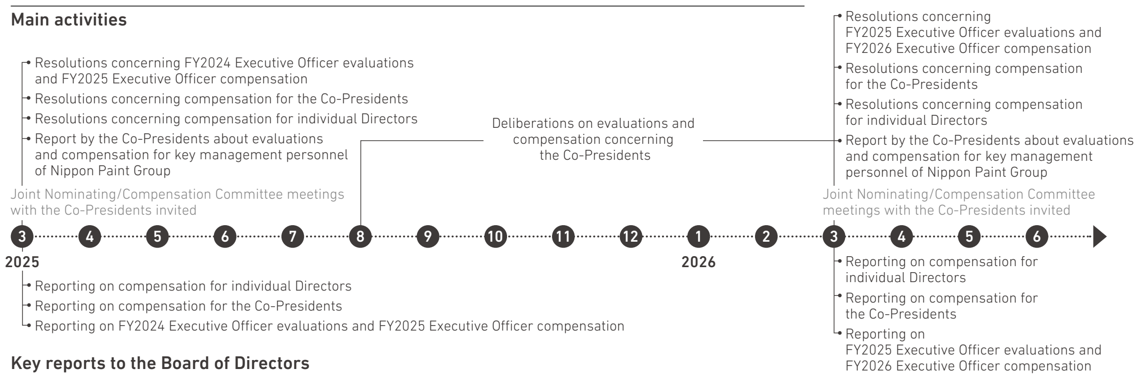
We believe that compensation decisions made through a transparent and objective process, designed to advance MSV, also foster meaningful alignment with the interests of shareholders. At the same time, we believe our foremost priority is to maximize the motivation of the Co-Presidents so that they can perform at the highest level in pursuing MSV, including by fostering an environment in which their entrepreneurial spirit can be fully manifested. From the perspective of the Compensation Committee, the most effective approach is a simple and transparent compensation structure that clearly communicates both our assessment and our expectations, while also taking into account continuity in compensation. Based on this determination, compensation for the Co-Presidents has consisted entirely of cash compensation since 2022.

Looking ahead, the Compensation Committee will continue to review and refine the optimal compensation framework to support the pursuit of MSV, taking into account changes in the Company's operating environment and the ongoing evolution of its business foundation, thereby continuing to fulfill its responsibilities.

Overview and main activities

Chairperson	Lim Hwee Hua (Independent Director)
Committee members	 ● Non-Executive Director ● Independent Director
Number of meetings	FY2025 ·········· 6 (late March 2025 to mid-March 2026) FY2026 ·········· 3 (late March 2026 to end-June 2026)

Roles of the Committee	Establishment of policies for determining the compensation of individual Directors and Executive Officers, and decisions on individual compensation and related matters
Main activities	The Compensation Committee approved resolutions regarding individual compensation for Directors and Executive Officers, based on the policy for determining the compensation of individual Directors and Executive Officers (Compensation Philosophy, Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents).



Contribution to MSV

Attract and retain outstanding talent | Maintain and enhance motivation

Determination of compensation based on rigorous evaluations centered on activities and contributions in pursuing MSV ▶ 2

Constant analysis and research based on the benchmarking of compensation of executives in Japan and other countries ▶ 2

Discussions based on the policy for determining compensation by the Compensation Committee, which consists mainly of Independent Directors (information is disclosed properly to ensure the objectivity and fairness of decisions) ▶ 1

1 Policy for determining compensation for Executives

Independent Directors are the majority of the Compensation Committee, and the committee is chaired by an Independent Director. In addition, all committee members are non-executive Directors. This composition ensures independence from the executive team for business operations.

The Compensation Committee makes decisions on the level and composition of compensation for Directors and Executive Officers. This committee also monitors decisions on the compensation of key management personnel of partner companies based on reports from Co-Presidents. To determine levels and composition of compensation, the committee collects and analyzes objective data such as social trends, compensation of executives at other companies, and compensation in the market for senior executives.
In accordance with the Compensation Philosophy and Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents, the Compensation Committee conducts fair and transparent deliberations and make decisions.

● For more information, please refer to the "**Compensation of Directors and Executive Officers**" section of our website.

2 Evaluation and compensation of the Representative Executive Officers & Co-Presidents

Based on the premise of protecting the interests of minority shareholders, the Compensation Committee performs rigorous evaluations of compensation for the Representative Executive Officers & Co-Presidents, with an emphasis on their activities and contributions in pursuing MSV. At the same time, the committee strives to design compensation that motivates the Representative Executive Officers & Co-Presidents to make further efforts to pursue MSV. Specifically, the committee comprehensively evaluates the Co-Presidents' performance in the previous year, including a comparison with our competitors, to determine the total compensation for the next year.

Key evaluation items for the comprehensive evaluation

- "Maximizing EPS and PER" in pursuit of MSV
- Improvement in profitability across the Nippon Paint Group
- Progress with the M&A strategy
- Improvement of position in the capital market
- Strengthening risk management in the Nippon Paint Group
- Transformation of the corporate culture
- Transformation of the management structure
- Strengthening the governance structure and the internal control system

Data and key consideration for ongoing reference in compensation determination

- The compensation of presidents at competing companies and other large companies in Japan
- Compensation and composition of compensation in the individual's home country and continuity with prior compensation
- Compensation and composition that maintain motivation to pursue MSV and provide effective incentives

Performance evaluation of the Co-Presidents

Compound annual growth rate*1

	2024 ▶ 2025		2020 ▶ 2025	
	Revenue	EPS	Revenue	EPS
NPHD	+8.3%	+43.0%	+18.1%	+22.9%
Competitors' median*2	+0.2%	+0.9%	+5.1%	+6.9%

PER*3

	Last twelve months	Next twelve months
NPHD	15.1x	13.2x
Competitors' median*2	19.6x	13.4x

*1 Compound annual growth rate calculated based on each company's reporting currency
*2 Median of the top six global paint companies by sales, excluding NPHD, which ranks fourth
*3 Source: FactSet (as of December 30, 2025)

Composition of executive compensation

Compensation for the Representative Executive Officers & Co-Presidents	**All Compensation is variable**	Compensation takes into account the level and composition of compensation in the individual's home country, continuity with prior compensation, benchmarking using other companies' compensation, and other considerations. Discussions with Co-Presidents, frequent communications with executives of partner companies, and other activities are used for a comprehensive evaluation of performance using financial and non-financial perspectives. Every year, the determination of the following year's compensation starts by resetting compensation to zero.
Compensation for Directors Directors who do not concurrently serve as Executive Officer (Independent Directors)	**Fixed Compensation**	◆ Job-based compensation (BS) Compensation is set at levels that can attract and retain management talent with the skills required to monitor the management of Nippon Paint Group, which has operations worldwide. Decisions about compensation take into account social circumstances, compensation of executives at other companies, and compensation in the market for senior executives. ◆ Allowances for committee memberships and other roles Allowances are paid for specific roles such as a member or Chairperson of the Nominating, Compensation, Audit and Special Committees, the Lead Independent Director, and other positions.

Audit Committee Report

Masataka Mitsuhashi
Independent Director
Audit Committee Chairperson

Enhancing the Effectiveness of the "Audit on Audit" and Strengthening Key Risks Monitoring

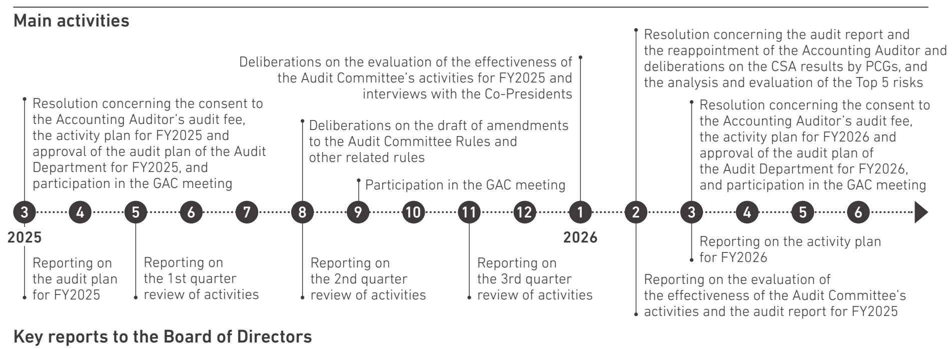
In the "Audit on Audit" framework, the Audit Committee plays a critical role in supporting sound risk-taking by execution aligned with the Asset Assembler strategy by ensuring that internal controls are appropriately designed and operating effectively. In fiscal 2025, the Committee identified key priority issues and rigorously monitored management's execution through regular meetings with the Co-Presidents, complemented by ongoing dialogue with Directors, Executive Officers, and senior management of major partner companies in Japan and overseas. Control Self-Assessment (CSA) serves as a core mechanism for evaluating key processes and material risks, enabling management to assess the effectiveness of controls and drive continuous improvement. It facilitates end-to-end monitoring across the improvement cycle, from analyzing root-causes and developing corrective actions to implementing follow-ups and confirming the embedded sustainable operations.

As part of its monitoring of PCGs, the Audit Department focused on the operational status of subsidiaries within DuluxGroup and the NIPSEA Group, the establishment of governance and management systems at AOC following its acquisition in 2025, and credit risk management in China. In addition, through regular trilateral meetings with the Accounting Auditor and other occasions, the Department reviewed key financial reporting matters, including the appropriateness of accounting estimates and related disclosures. The Audit Committee also conducted its annual effectiveness evaluation, using a self-assessment questionnaire and optional comments to assess the performance of its monitoring function. Based on the results, the Committee identified the need to further strengthen coordination and enhance timely information sharing among internal audit functions across the Group.

Overview and main activities

Chairperson	Masataka Mitsuhashi (Independent Director)
Committee members	3 ● Independent Director
Number of meetings	FY2025 (late March 2025 to mid-March 2026) ······ 8 FY2026 (late March 2026 to end of June 2026) ······ 2

Roles of the Committee	Conduct audits on the execution of duties by Executive Officers and Directors, prepare audit reports, and determine proposals regarding the election, dismissal and refusal of reelection of the Accounting Auditor to be submitted to the General Meeting of Shareholders
Main activities	▸ Prepared audit reports based on the results of audits on the status of the execution of duties by the Executive Officers and Directors and other items ▸ Resolved on proposals regarding the election, dismissal and refusal of reelection of Accounting Auditor to be submitted to the General Meeting of Shareholders ▸ Improved the effectiveness of the Group audit system ▸ Shared best practices and conducted theme-based discussions at GAC meetings ▸ Engaged in regular information sharing and opinion exchanges with the Accounting Auditor



Monitoring of Internal Control System by the Audit Committee and Audit Department

The Group's audit framework, based on the "Audit on Audit" approach, relies on PCG's internal audit that assures the effectiveness of autonomous internal control systems within each PCG. The Basic Policy on Internal Control System is underpinned by three core elements: the Nippon Paint Group Global Code of Conduct, the Global Risk Management Basic Policy, and the Global Basic Policy on the Whistleblowing Hotline.

By ensuring that each PCG appropriately manages its internal control system across governance, risk management, and compliance, the Group maintains robust and effective internal controls on a global basis.

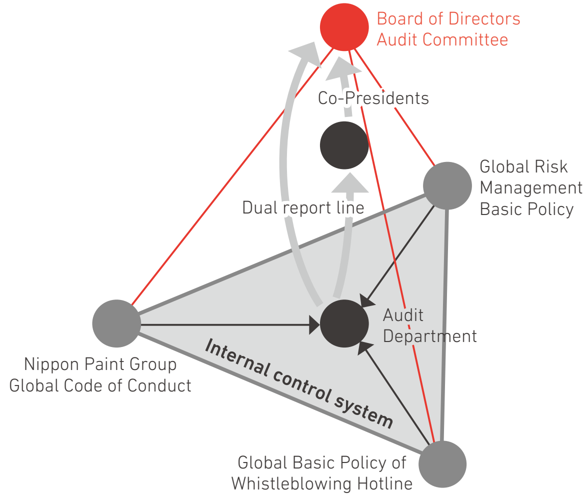
The Audit Committee, responsible for monitoring the proper operation and effectiveness of these frameworks, receives information from the Audit Department on the results of internal audits conducted across PCGs, as well as on key matters discussed at major PCG meetings. In addition, through the Group Audit Committee (GAC) meetings convened by the Audit Department, the Committee obtains direct input from representatives of internal audit units across major PCGs. These processes enable the Audit Committee to assess the effectiveness of the Group's governance structure and internal control systems on a consolidated basis. Furthermore, the Committee receives an annual report from the Co-Presidents at the Board of Directors meeting on the status of internal control system operations.

The Audit Department has a dual reporting line to the Audit Committee and Co-Presidents. At the same time, the Audit Committee has the authority to agree in advance on the personnel matters of the Audit Department's General Manager. In the event of any conflict between the instructions to the Audit department between the Audit Committee's and Co-Presidents', the Audit Committee's instructions shall prevail. These serve to maintain the independence of the Audit department from execution. In this structure, the Audit Department can conduct objective and impartial monitoring of internal control system operations and report its findings directly to the Audit Committee.

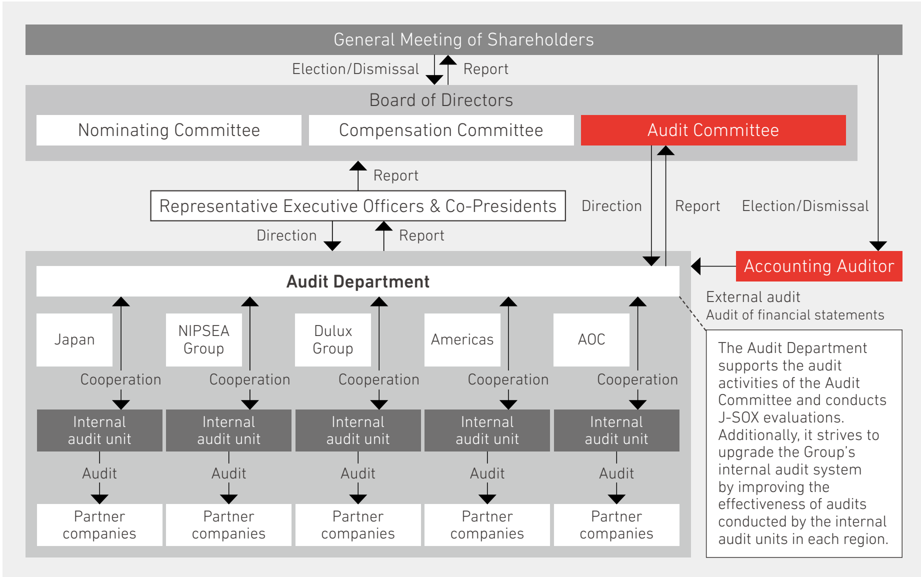
Strengthening the effectiveness of Group-level internal audits by the Audit Department

Serving as the secretariat to the Audit Committee, the Audit Department provides timely reporting on key Group-wide monitoring themes. In addition, as a part of its Audit Plan that incorporates the Committee's risk recognitions, through regular engagement with internal audit units across each PCG and the review of their audit reports, the Audit Department continuously monitors risk and control conditions across the Group.
In conducting these reviews, it assesses not only audit findings, but also the appropriateness of risk assessments, the adequacy of audit procedures, and the progress and operational status of corrective actions. Where necessary, the Department collaborates with each PCG to support early risk identification, timely remediation, and the prevention of recurrence.

In fiscal 2025, the Audit Department further strengthened the infrastructure supporting the Audit Committee's operations through the review of Audit Committee-related rules and furthered knowledge sharing within the Department. In addition, at the GAC meetings, it shared information on emerging risk events and improvement practices, and reviewed the items on the Control Self-Assessment checklist to enhance its effectiveness.



"Audit on Audit" Group audit system



Examples of internal audits at PCGs in 2025

- IT and Security
- Data Privacy and Protection
- Identity and Access Management
- Accounts Payable, Receivable, and Payroll
- Employee Travel and Expense Analytics
- Procurement
- Credit Management and Inventory
- Internal Delivery Services Analytics
- Other (19 general site audits)

Risk Management

Our risk management is based on the internal control system autonomously operated by each PCG, enabling a comprehensive understanding of risks across the entire Group.

Executive Summary

1. **Oversight of PCGs**
   Prior approval rule for important matters and timely reporting system of incidents with material impacts
2. **Election/Dismissal of the heads of PCGs**
   Evaluations and decisions that include financial and non-financial considerations such as responsibilities for internal controls
3. **Direct participations of the Co-Presidents in main partner company meetings**
   Participation of Co-Presidents and other executive officers in important meetings of important partner companies
4. **Group audits based on the "Audit on Audit" system**
   Oversight utilizing the close ties between the NPHD Audit Department and the internal audit unit of each PCG

Our approach to internal control

Sound risk management is the premise for the pursuit of MSV. We closely monitor changes in society and the needs of stakeholders to reexamine and update the internal control system in an appropriate and timely manner.

The paint and adjacencies businesses of every PCG have strong regional characteristics, which make these businesses ideally suited for the autonomous management of business operations along with local production for local consumption.

We essentially give each head of PCG the authority to conduct business operations and responsibility for operating the internal control system. The heads of PCGs identify and respond to risks specific to their businesses, and our Co-Presidents oversee the Group's operations through evaluation and appointment/dismissal of the heads of PCGs through various reports from these executives.

Our company defines its approach to internal control as an Asset Assembler in the Basic Policy on Internal Control System, which identifies the Nippon Paint Group Global Code of Conduct, Basic Policy of Global Risk Management, and Global Basic Policy of Whistleblowing Hotline as the three key components of governance on the execution side.

Through the implementation of these policies, the Co-Presidents effectively monitor and provide necessary guidance on governance, risk management, and compliance across the entire Group.

Risk management system

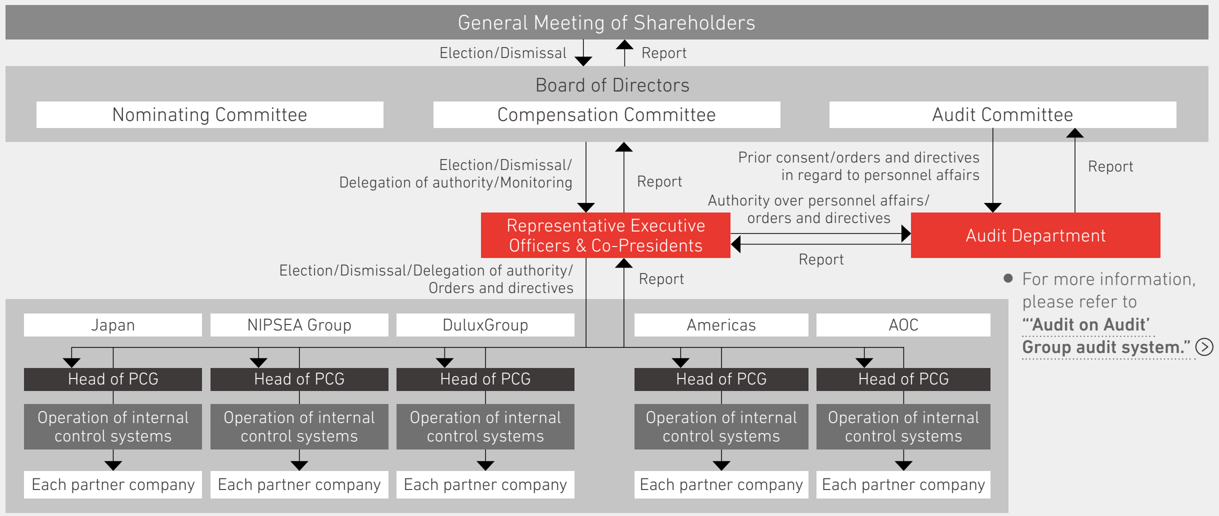
Our Global Risk Management Basic Policy states that Co-Presidents have overall responsibility for risk management in our Group. The policy also defines the roles of each head of PCG as a frontline. In this manner, autonomous risk management at each PCG is implemented appropriately by Co-Presidents and the head of each PCG based on their respective roles.

The head of each PCG conducts the control self-assessment (CSA), consisting of self-inspections and self-assessments based on a risk-based approach. They assess the residual risk for all items set out in the CSA, formulate management plans for items with high risk, and report the assessment results, together with such plans, to the Co-Presidents.

Results of CSA are reported to Co-Presidents, who, based on this information, grasp risk factors at our Group in individual regions and businesses and identify the risks that should be closely monitored in the Group. Then Co-Presidents perform effective monitoring by attending important management meetings of the PCGs and other activities and give the PCGs directions for responses against the identified risks.

Co-Presidents report the results of the risk analysis to the Audit Committee and the Board of Directors. In addition, the results are discussed at the Group Audit Committee (GAC), which brings together the personnel responsible for risk management and internal audit at each PCG. At the GAC meeting in March 2026, advanced initiatives within the Group concerning the use of AI and related risks were shared.

Internal control system



● For more information, please refer to "'Audit on Audit' Group audit system."

Separately, a framework is in place for sharing information with Co-Presidents, in a timely or prompt manner, about the occurrence of crises. This system enables Co-Presidents, when necessary, to give directions covering the entire Group. The table below summarizes the risk descriptions and principal countermeasures reported by each PCG for the four items assessed as high residual risks, based on the results reported by the PCGs and aggregated across our Group.

Whistleblowing Hotline

The Nippon Paint Group Global Code of Conduct and the Global Basic Policy of Whistleblowing Hotline stipulate confidentiality and prohibit unfair treatment of whistleblowers. Each PCG has autonomously established a whistleblowing hotline based on this policy. They have effectively communicated this system to their employees and are operating it appropriately.

The head of each PCG submits a whistleblowing hotline operations status report once every year to the Audit Committee and Board of Directors through the Audit Department and Co-Presidents.

In addition to these activities, Co-Presidents, in a prompt or timely manner, receive information about whistleblowing reports concerning serious violations of laws and regulations, scandals, violations of laws and regulations by the management teams of PCGs, other misconduct, or specific information about the possibility of this type of event. This reporting system enables Co-Presidents to quickly give orders for responding to these events as required.

In FY2025, internal investigations were conducted into a total of 95 whistleblowing reports across all Group companies. Depending on the nature of each report, the appropriate department within each PCG investigates, analyzes, and addresses the matter, while also taking corrective action and implementing measures to prevent recurrence. In normal times, the Group also works to prevent misconduct and violations before they occur by raising awareness of whistleblowing channels and providing compliance training to employees. There have been cases in multiple PCGs where whistleblowing reports served as an effective tool for detecting compliance violations, demonstrating the effectiveness of the whistleblowing system.

We also closely monitor fluctuations in the number of reports received. When a PCG shows a significant year-on-year increase or decrease in the number of reports, it is asked to explain the background, overall circumstances, and status of its response at forums such as GAC meetings, and this information is shared with relevant stakeholders across the Group. Through this regular process, opportunities are provided to objectively review the whistleblowing system, which helps improve the operation of the system across the Group.

Going forward, the relevant bodies within each PCG, together with the Co-Presidents and the Audit Committee, will continue to operate and oversee the system in an integrated manner, while working to further enhance its effectiveness across the Group.

High-risk categories

High-risk categories identified for FY2025	Change in risk sensitivity (vs FY2024)	Risk descriptions	Mitigation initiatives by PCGs
Supply chain	Unchanged	Risks such as supply disruptions and reduced profitability resulting from interruptions in raw material procurement, logistics delays, and deficiencies in quality control and product information management	‣ Multi-sourcing of raw materials, development of alternative raw materials and suppliers, and expansion of global procurement ‣ Strengthening supply continuity through more sophisticated demand forecasting, inventory optimization, and the reconfiguration of production and logistics systems ‣ Promoting overall optimization through supplier evaluation, quality and product information management, and process standardization and monitoring
IT use and IT systems	Lower	Risks such as business disruption and reputational damage resulting from improper management of information assets, cyberattacks, system failures, delays in system renewal, and similar factors	‣ Strengthening security tools and monitoring systems, including updates and vulnerability countermeasures ‣ Providing employee education and training, and establishing incident response and BCP frameworks ‣ Enhancing IT asset management, modernizing core systems, and promoting digital transformation
BCP	Higher	Business continuity risks related to safety and disaster preparedness, environmental and safety regulations, and quality and product information management	‣ Strengthening accident and disaster prevention by improving safety procedures and disaster preparedness systems, and by providing training ‣ Reducing the risk of labeling deficiencies and supply disruptions through rigorous product information management in line with applicable laws and quality requirements ‣ Strengthening systems to maintain supply in the event of a disaster or accident by reviewing production, logistics, and management structures
Human capital	Slightly higher	Risk of business continuity and growth slowdown due to delays in executive succession, talent development, recruitment, and retention	‣ Expanding the pool of potential successors through the selection of candidates and the development and following up of succession plans ‣ Strengthening the development of next-generation talent through training and the strategic placement of personnel based on their skills and aptitudes ‣ Promoting talent acquisition and retention through enhanced recruitment efforts and initiatives to improve engagement

Whistleblowing reports received in FY2025

Whistleblowing report categories	Number of reports
Working environment (industrial accidents, harassment, discrimination, etc.)	65
Loss of assets/Leakage of information (conflict of interest, embezzlement, illegal use of data, etc.)	15
Accounting fraud	0
Violations of laws and regulations (anti-trust law violations, insider trading, bribery, business laws violations, etc.)	7
Other	8
Total	95

● For past records, please refer to our "Whistleblowing reports" on our website.

IR Disclosure and Activities Initiatives to Enhance Shareholder Value Based on Dialogue with Investors

We are continuously enhancing our IR activities, including our disclosures and IR initiatives such as the Integrated Report, through regular investor interviews and other measures (Production Process). Drawing on the feedback and requests we receive through dialogue with investors, we work to further enhance our disclosures, expand opportunities for dialogue, and better communicate employees' voices and on-the-ground activities. Through these efforts, we aim to deepen understanding of our growth potential, profitability, and the replicability of our management approach, thereby supporting appropriate market valuation and enhancing shareholder value.

Enhancing disclosures

Investor feedback

- ✓ Clarifying the future vision and path to get there would support more informed investor assessment
- ✓ Showing a track record, rather than assurance alone, would strengthen investor understanding
- ✓ In highlighting PER, please also show how it relates to ROE and ROIC

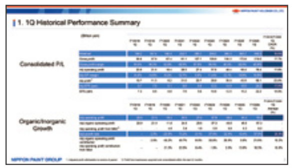
Our perspective

We recognize there is further scope to communicate more clearly to investors the sustainability of our competitive advantages and strengths, our underlying earnings power, and how we compound EPS through both organic and inorganic growth. We will provide a consistent explanation of our track record from the past to the present, together with a clear path to future EPS growth from both organic and inorganic perspectives.

Key initiatives

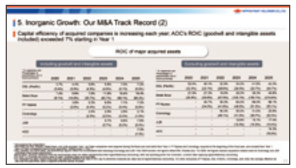
Quarterly financial results presentation

- Disclosure of adjusted earnings to show our underlying earnings power
- Disclosure of growth rates broken down into sales volume, price/mix, and foreign exchange impact
- Provision of long-term historical performance summary data
- Breakdown of earnings contributions from organic and inorganic growth



Medium-Term Strategy presentation

- Disclosure of our track record of EPS compounding through organic and inorganic growth
- Disclosure of ROIC for individual companies, both including and excluding goodwill and intangible assets
- Disclosure of the path to continued EPS compounding through organic growth and M&A



Expanding opportunities for dialogue

Investor feedback

- ✓ Interested in hearing from local management what drives the strength of each business, including brand power
- ✓ Interested in knowing what is happening on the ground and why each business is strong
- ✓ Interested in learning more about drivers of profitability and value creation at AOC and NIPSEA China

Our perspective

To deepen understanding of our competitive advantages and growth potential, we believe it is important not only to communicate clearly through earnings presentation materials, the Integrated Report, and other disclosures, but also to provide ongoing opportunities for two-way dialogue with investors. Through IR DAY and investor meetings, we will address investors' key interests and further enhance understanding of our strengths and the replicability of our growth.

Key initiatives

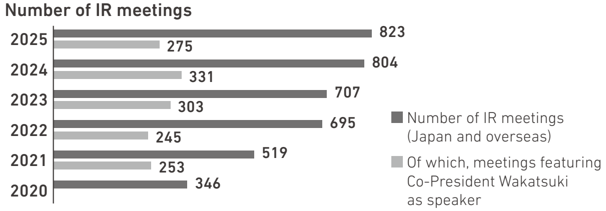
IR DAY

- Held annually since 2024, covering topics of strong interest to investors
- Addresses the business strategies of the NIPSEA Group and AOC, the brand strategies of DuluxGroup and the NIPSEA Group, M&A strategy, and governance
- Management responsible for each region and business present directly and participate in Q&A sessions

Investor meetings

- We have shifted our investor outreach priority from our traditional shareholder base in the chemicals and paint sector toward investors who focus on EPS Compounders
- In addition to the U.S. and Asia, we regularly visit global investors based in Europe and Canada
- Co-President Wakatsuki directly meets with approximately 300 investors each year

Number of IR meetings



Better communicating employees' voices and on-the-ground activities

Investor feedback

- ✓ Interested in gaining a real sense of the strengths of local operations and frontline teams, and of what enables each business to win in its market
- ✓ Greater visibility into corporate culture and depth of talent would reinforce confidence in the sustainability of growth
- ✓ In addition to the Integrated Report, business briefings and factory tours would also be valuable

Our perspective

Our sustained growth is driven not only by strategy and financial results, but also by the execution capabilities of our frontline operations, the depth of our talent, and our corporate culture that support them. We therefore believe it is important to communicate more clearly the strength of our frontline capabilities and of our people and organization, which are the source of our competitive advantage, by more fully highlighting the people, frontline operations, and organizational capabilities behind the numbers.

Key initiatives

Website

- Supplementary case studies and basic information that complement the Integrated Report are published and expanded on our website and in our Investor Book
- Our sustainability initiatives, along with our people on the ground—their voices, perspectives, and the realities they face firsthand—are clearly presented through images, videos, and other formats
- Articles from industry publications are published on our website to give investors a better understanding of frontline operations and the people on the ground (only available in Japanese)

Investor Tour

- Held the Investor Tour 2025 to help investors understand and experience firsthand our R&D activities, as well as the atmosphere and energy on the ground
- The CTO directly explained the advantages of our R&D and technological capabilities, and how LSI (Leveraging, Sharing, and Integration) will serve as a source of future EPS growth