Role of Co-President

Role
• Oversees global business operations of all business partners which includes:
  • Information technology & systems
  • Supply chain
  • Product safety & quality management
  • R&D and product development
• Aim of expanding revenue and maximizing operation profitability
• Jointly responsible for MSV
• Primarily responsible for maximizing EPS

Role
• Corporate management which includes:
  • Corporate planning
  • Finance and accounting
  • Investor relations & public relations
  • Legal affairs & auditing
  • General affairs & human resources
  • Promotion of ESG * SDGs
• Aims to achieve further growth through proactive IR activities, optimal financial strategies and M&A
• Jointly responsible for MSV
• Primarily responsible for maximizing PER

\[ \text{MSV} = \text{EPS} \times \text{PER} \]
Nippon Paint Group Global

Expanding global network across 30 geographical locations through M&As

Key Facts:
- Revenue (1H 2021): 498 billion yen
- Revenue (2021F): 1,010 billion yen
- Employees: 34,000 persons
- 30 countries/regions
- Factories: 131
- Founded 140 years ago in 1881

Revenue by Region (1H 2021)

- Japan 16%
- Asia 53%
- Oceania 17%
- Americas 8%
- Others 6%

1992: Entry into market
One of the highest brand recognition with No.1 market share in the DIY paint market in China

1962: Commencement of operation
95 manufacturing locations across 22 geographical locations

Mar. 2017: Acquisition
Platform to enter into the US decorative coating market

Jul. 2019: Acquisition
No.1 market share in the Turkish market, which has the 5th largest market by size in Europe

Aug. 2019: Acquisition
One of the strongest brands with No.1 market share in Oceania

China DIY Painting Market Share

Oceania Painting Market Share

NIPSEA Group
Our Growth

Aiming to achieve organically:
- **Revenue of 1,100 billion yen** &
- **Operating profit of 140 billion** in FY2023

Plus growth from M&A

- **Growth of Partner Companies**
- **Consolidation of Market**
- **Expansion on Total Coating Solutions & Beyond Coatings**

Organically

Participate in the consolidating global market space in Japan and overseas

Expanding into adjacencies such as substrate products, putty, sealants, adhesives, fillers, accessories and construction chemicals
Facts & Figures

Revenue (1H 2021): 295 billion yen

2009 – 2020 Growth:
• Revenue CAGR: 11%
• PAT CAGR: 11%

Revenue by Region (1H 2021)
- NIPSEA CHINA: 59%
- ASIA (EX NIPSEA CHINA): 35%
- OTHERS: 11%

Asia #1 Paint and Coatings Company

• Leading coatings provider across the architectural, automotive, industrial, marine and protective coatings segments
  • Decorative paint segment: 69% of Group revenue
• Lean For Growth (LFG) culture, continually seeking out growth opportunities for Maximization of Shareholder Value (MSV)
• Think global, act local
  • Autonomy to Group companies

Established in 1962
No of Employees 25,544
No of Factories 95
Countries/Regions 22
Our Footprint

Beginning of NIPSEA partnership
Wuthelam & Nippon Paint
What differentiates us?

- Strong Brand
  - Strong top of mind
  - Award-winning and accolades
  - Established programs: AYDA

- Technology & Innovation
  - Heavy investment in technical resources, state of the art upcoming Shanghai R&D campus

- People
  - Employees are our driving force
  - Bind by a powerful LFG culture

- Commitment to Sustainability
  - Sustainable growth with social responsibility, integrating SDGs and ESG initiatives into our corporate management

- Wide Distribution & Market Dominance
  - Unparalleled distribution reach within China
  - Decorative leadership position in China, Singapore, Malaysia, Indonesia, Turkey, and Sri Lanka

- Extensive Geographical Footprint
  - 95 factories across the Group
Our Strong Brand Assets globally

Nippon Paint is the most popular brand among homeowners in Asia

**BRAND AWARENESS**
- 34% Say Nippon Paint is their top-of-mind brand
- 62% Are aware of the brand spontaneously
- 87% Aided awareness

**MOST PREFERRED BRAND**
- Nippon Paint: 43%
- Dulux / AkzoNobel: 18%
- Sankeshu Paint: 6%
- Asian Paints: 5%
- TOA: 4%
- Jotun: 3%
- Boysen: 2%

**MOST RECOMMENDED BRAND**
- Nippon Paint: 49%
- Dulux / AkzoNobel: 21%
- Sankeshu Paint: 6%
- Asian Paints: 5%
- TOA: 4%
- Jotun: 3%
- Boysen: 2%

**Regional Wide marketing platforms**

**Iconic Projects Across the Globe**
- Raffles Hotel, Singapore
- Rama IX Bridge, Bangkok Thailand
- China-Zun, Beijing
- Shanghai Lujiazui, China
- Beijing Capital International Airport
- Landmark II, HCM City Vietnam
- Lotus Temple, New Delhi India

*Awards & Accolades*
- No. 1 in China Pacific Wood Coating Category in 2021 China’s Brand Power Index
- 2021 China’s Most Innovative Coatings Product Award
- 2021 Malaysia’s Most Popular: Digital Trusted Brand
- 2021 Capital Residential Enterprise Awards
- 2020 Turkey’s Most Reputation Management & Communication Award
- 2020 Young Designer Awards

Nippon Paint China has been honored as a Patent Demonstration Enterprise, a prestigious award which is issued by the Intellectual Property Office for enterprises with outstanding work on patent management and patent strategy.
NIPSEA CHINA Overview

Revenue (1H 2021): 175 billion yen

2009 – 2020 Growth:
• Revenue CAGR: 12%
• PAT CAGR: 10%

No. 1 in Wall Paint and Wood Coating Category in 2021 China Brand Power Index

Established in 1992
No of Employees 9,994
No of Factories 52
NIPSEA China – Growing from Strength to Strength

**STRONG BRAND**

- Number 1 for decorative segment in China
- Strong brand recognition*: 50% Top of Mind awareness based on 2020 survey comprising >4,000 respondents

**PROVEN TRACK RECORD**

- Established track record:
  - 12% Revenue CAGR
  - 10% PAT CAGR from 2009

- Competitive workforce: Lean for Growth Culture

**HEADROOM FOR GROWTH**

- Plenty of headroom for growth: 33% DIY market share, 9% Project market share
- Growth areas: Accessories, ancillaries, putty, ETICs, construction chemicals, sealants, adhesives and fillers, presenting huge market opportunity
- Innovation: Continuous innovation of products and technology
- Scaled operating position

**EXTENSION GEOGRAPHICAL FOOTPRINT**

- Extensive footprint: 52 factories across China, leading and advanced production facilities (11 new factories under construction)

**WIDE DISTRIBUTION & MARKET DOMINANCE**

- Unrivaled sales network: 58,000 sales locations

- Competitive workforce: Lean for Growth Culture

*Based on 2020 survey comprising >4,000 respondents
Advanced Production Facilities
NIPSEA China – Decorative Segment Growth Areas

- Leadership in “Refresh” repainting services: started since Year 2011 and now present in 88 cities
- Total coating solutions: meeting varied needs by consumers and industries (hospitality, residential, commercial, healthcare, education etc)
- Pushing environmental, health & functional offerings
- Leverage Digitalization to increase business efficiency: Pioneering BMD (Building Material Distribution) program, optimizing value chain and distribution. Expansion to 20 cities by year end since inception Q3 2020
- Widening portfolio of product range and product systems to meet broader customer demands
- Beyond coatings: providing substrate products, auxiliary materials and energy-saving insulation products
- Geographical penetration into 3rd and 4th tier cities, country areas
NIPSEA China - Addressing Potential Threats Head-on

Continued investment into:

- **DIY and Project** gaining more ground in 2021 (1H2021 China Decorative Revenue +56%)
- Growing **Premium and Mass market** DIY products – seeing stronger growth for Premium & Mass market vs Economy products
- Shifting away from cut-throat areas (little differentiation)
- Expanding coverage of **Building Material Distribution** to more cities, allowing for deeper entrenchments and partnership with individual paint shop
- Accelerating growth and **doubling** the number of computerized Colour Creations Machines (CCM) by year end
- Fostering **strong relationship & recognition** - #1 brand - Preferred Paint Vendor by Top 500 Chinese Real Estate Development Enterprises 2021
- Increased spend on **R&D differentiated products**
NIPSEA China - Automotive & Industrial Segment

- Key supplier to Auto OEMs

- Adopt **streamlined approach to market**: Strengthening our key position in Japan Auto OEMs, expanding share in non-Japanese Auto OEMs, tap our European connection to grow the European Auto OEM business in China

- **Industrial coatings**: Increasing share of value for environmentally friendly high solids products for Waterbased and Powder coatings

- **Technology & Innovation**: Strong local R&D capability, offering customized coating materials and solutions to meet the needs of customers and ensuring sustainable growth
2009 – 2020 Growth:
• Revenue CAGR: 10%
• PAT CAGR: 18%

Other NIPSEA markets - *Extending Penetration & Share*

- **Decorative leadership position:** Number 1 in Singapore, Malaysia, Indonesia, Turkey and Sri Lanka
- **Substantial headroom for inroads and growth:** Markets where we do not have leadership position and including Indonesia, Turkey and Sri Lanka, our decorative market share is less than 35%.
- **Strong brand recognition:** 34% Top of Mind awareness, 43% Most Preferred Brand, 49% Most Recommended Brand based on 2020 survey*
- **Vast footprint:** 43 factories across NIPSEA markets outside China (1 new factory under construction in Malaysia)
- **Competitive workforce:** Lean for Growth Culture
- **Growth areas leveraging on existing channels:** Accessories, ancillaries, putty, ETICs, construction chemicals, sealants, adhesives and fillers
Our VISION
Building a sustainable future through customer centric growth

Supporting Education
- Education Light, Vietnam
- Students Education Support Awards, China

Empowering Communities
- PROceed Painter Training, India
- Protégé, Thailand
- N’Shakti, India

Protection & Preservation
- Art+, Xichang Grace School, China
- Arts Build Communities, Vietnam

[Diagram showing NIPSEA's environmental focus with nodes for Materials, Energy, Emissions, and Water]
THANK YOU