



# Financial Results for the First Quarter of FY2025

Aug.8, 2025

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Forecasts of financial results stated in this document are forecasts based on currently available information that includes potential risks and uncertain elements. Therefore, actual financial results may differ from the forecast figures.

# Key Points for Financial Results of 1Q FY2025

- **Dividends doubled**

- Increase the annual dividend forecast for the current FY from 56 yen to 110 yen
- Focus on improving profitability and no large-scale M&A in the 18MTP

- **1Q results started as expected**

- Inline with the plan
- Sales of India, Europe and Africa increased in local currency  
(FX effects ▲4.4 billion JPY)
- Implement recovery measures to confront future downside risks

- **New initiatives in 18MTP are all off to a good start**

- Leadership reshuffle (India•Europe)
- ONE AFRICA
- Profit creation project (Japan)

# 1. Shareholder Return

# Shareholder Return

**Maintain the shareholder return policy and raise the dividend payout ratio from 30% to over 50%**

Policy : Progressive dividends and 100% return of FCF (Excluding M&A)

- Based on discussions with shareholders and individual investors, we have decided that dividends should be prioritized in light of concerns about social uncertainty
- Optimizing the balance between share buybacks and dividends (share buybacks will be also continued)
- No large-scale M&A will be conducted during the 18MTP

**FY2024**

Annual dividend per share

**50.00** JPY

Interim 22.00JPY

Year-end 28.00JPY

Payout ratio  
(Excluding One-off)

**30.2%**

**FY2025 (Forecast)**

Annual dividend per share

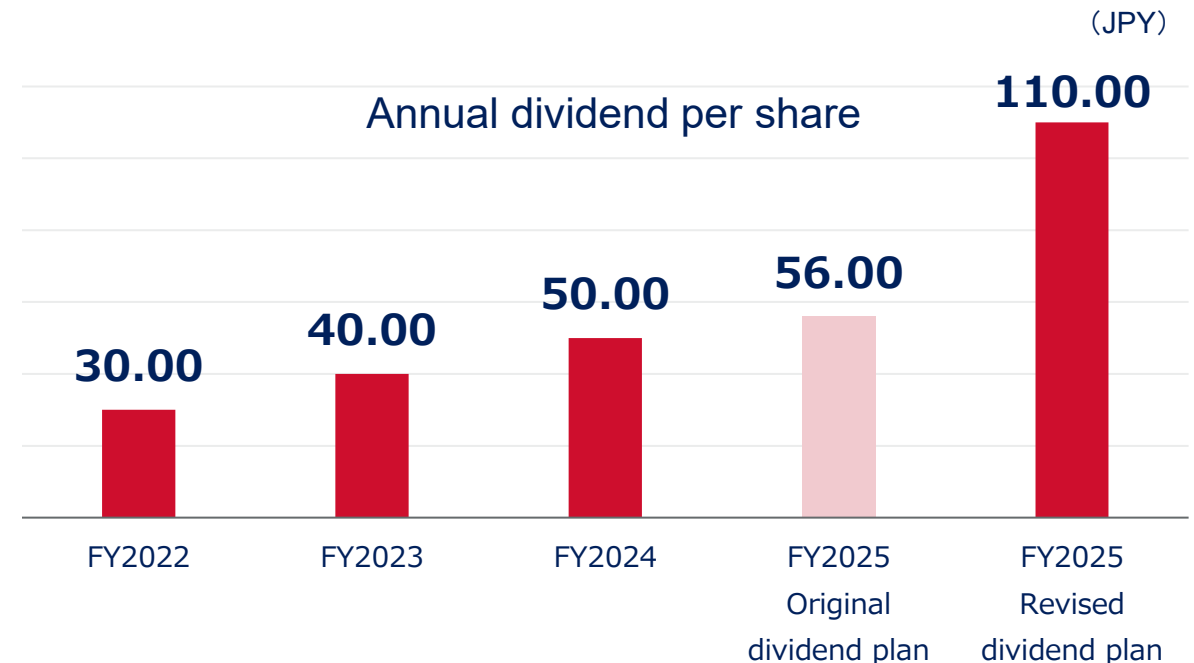
**110.00** JPY

Interim 55.00 JPY

Year-end 55.00JPY

Payout ratio  
(Excluding One-off)

**59.6%**



## 2. Summary of Financial Results for 1Q FY2025

# Consolidated Results (Progress against announced figures)

(JPY billion)

	FY2025 1Q	Forecast vs FY2025 1Q	FY2025 Forecast	FY2024 Results
Net Sales	144.7	24%	600	588.8
Operating Income	12.2	23%	54	52.1
Segment Income <sup>※1</sup>	13.7	24%	58	53.9
Ordinary Income	14.4	25%	58	49.1
EBITDA <sup>※2</sup>	20.2	24%	86	81.2
EBITDA margin	14.0%	-0.3pt	14.3%	13.8%
Net income	8.5	24%	36	38.3

※1 Operating Income + Equity Method Income

※2 Operating Income + Equity Method Income  
+ Depreciation + Goodwill amortization

✓ Progressing as planned

# Consolidated results of 1Q FY2025(YoY)

(JPY billion)

	FY2024 1Q	FY2025 1Q	YoY(%)	FY2025 Forecast	FY2024 Results
Net Sales	145.4	<b>144.7</b>	-0.5%	600	588.8
Operating Income	15.1	<b>12.2</b>	-19.0%	54	52.1
Segment Income <sup>※1</sup>	17.1	<b>13.7</b>	-19.8%	58	53.9
Segment Income margin	11.8%	<b>9.5%</b>	-	9.7%	9.2%
Ordinary Income	19.9	<b>14.4</b>	-27.8%	58	49.1
EBITDA <sup>※2</sup>	23.1	<b>20.2</b>	-12.3%	86	81.2
EBITDA margin	15.9%	<b>14.0%</b>	-	14.3%	13.8%
Net income	11.9	<b>8.5</b>	-28.6%	36	38.3
Adjusted ROE	17.2%	<b>14.8%</b>	-		
EPS(JPY)	57.45	<b>48.13</b>	-16.2%		

※1 Operating Income + Equity Method Income

※2 Operating Income + Equity Method Income  
+ Depreciation + Goodwill amortization

✓ Sales and income declined YoY, but excluding currency exchange impacts, Sales increased.

Currency exchange impacts : Sales ▲4.4billion JPY , Operating Income ▲0.3billion JPY , Ordinary Income ▲0.1billion JPY



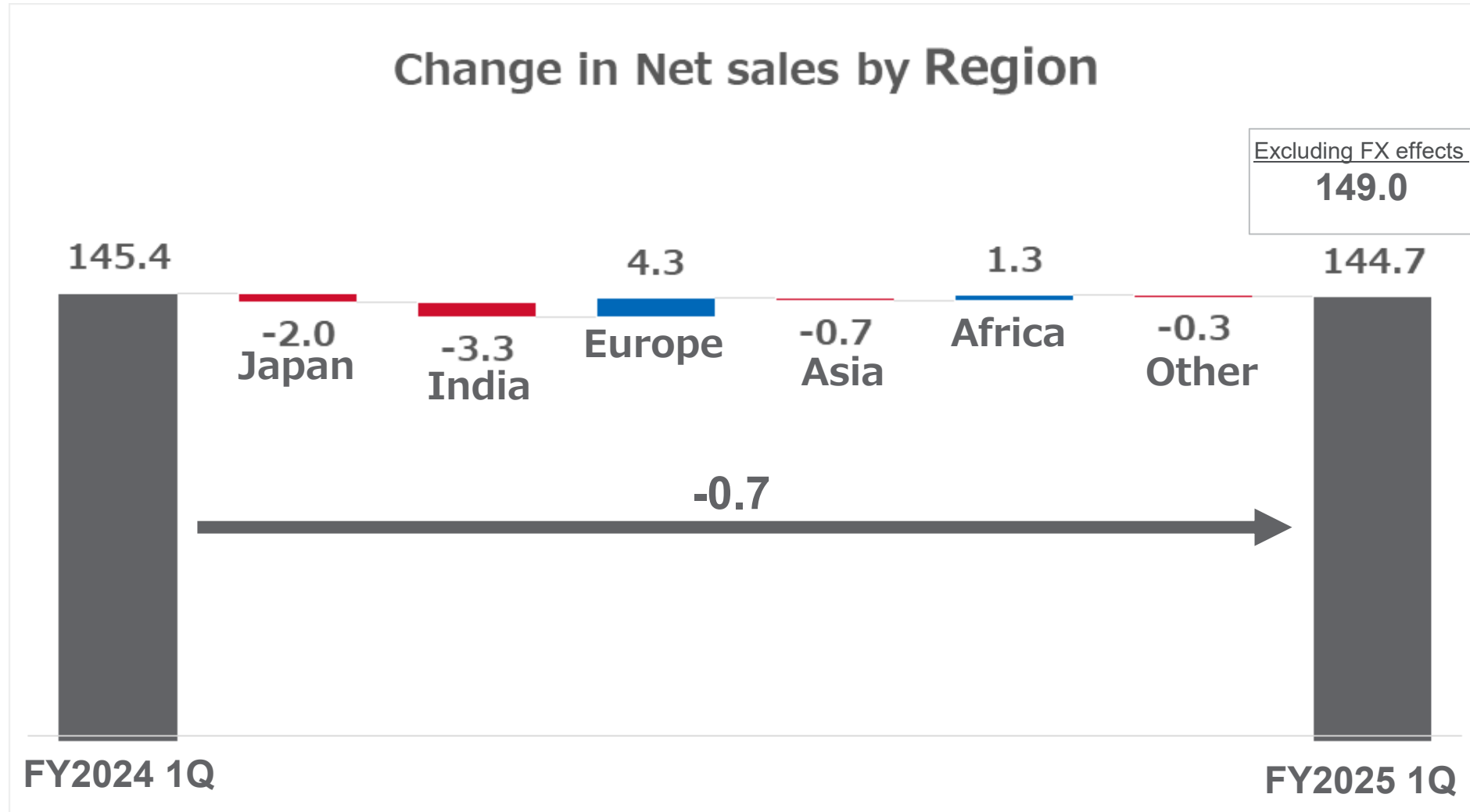
# Main figures related to the consolidated balance sheets

(JPY billion)

	FY2024		FY 2025	Difference
	End of 1Q	End of 4Q	End of 1Q	YoY
Total assets	782.7	<b>750.7</b>	<b>744.9</b>	-6
Cash & Deposit	90.6	<b>76.7</b>	<b>71.0</b>	-6
Trade notes and A/C receivables	136.1	<b>120.9</b>	<b>127.4</b>	7
Inventory	112.0	<b>111.9</b>	<b>111.1</b>	-1
Non-current assets	398.5	<b>395.2</b>	<b>388.4</b>	-7
Goodwill	38.4	<b>35.7</b>	<b>33.6</b>	-2
Interest-bearing debts	187.4	<b>222.1</b>	<b>230.0</b>	8
Shareholders' equity	312.3	<b>269.2</b>	<b>260.2</b>	-9
Treasury stock	▲ 19.6	▲ 2.1	▲ 2.1	0
Shareholders' equity ratio (%)	39.9%	<b>35.9%</b>	<b>34.9%</b>	-1.0pt
NetDebt/EBITDA(times)		<b>1.4times</b>	<b>1.6times</b>	-
NetDebt/Equity(%)		<b>42.0%</b>	<b>49.1%</b>	+7.1pt

# Change in Net sales by region (YoY)

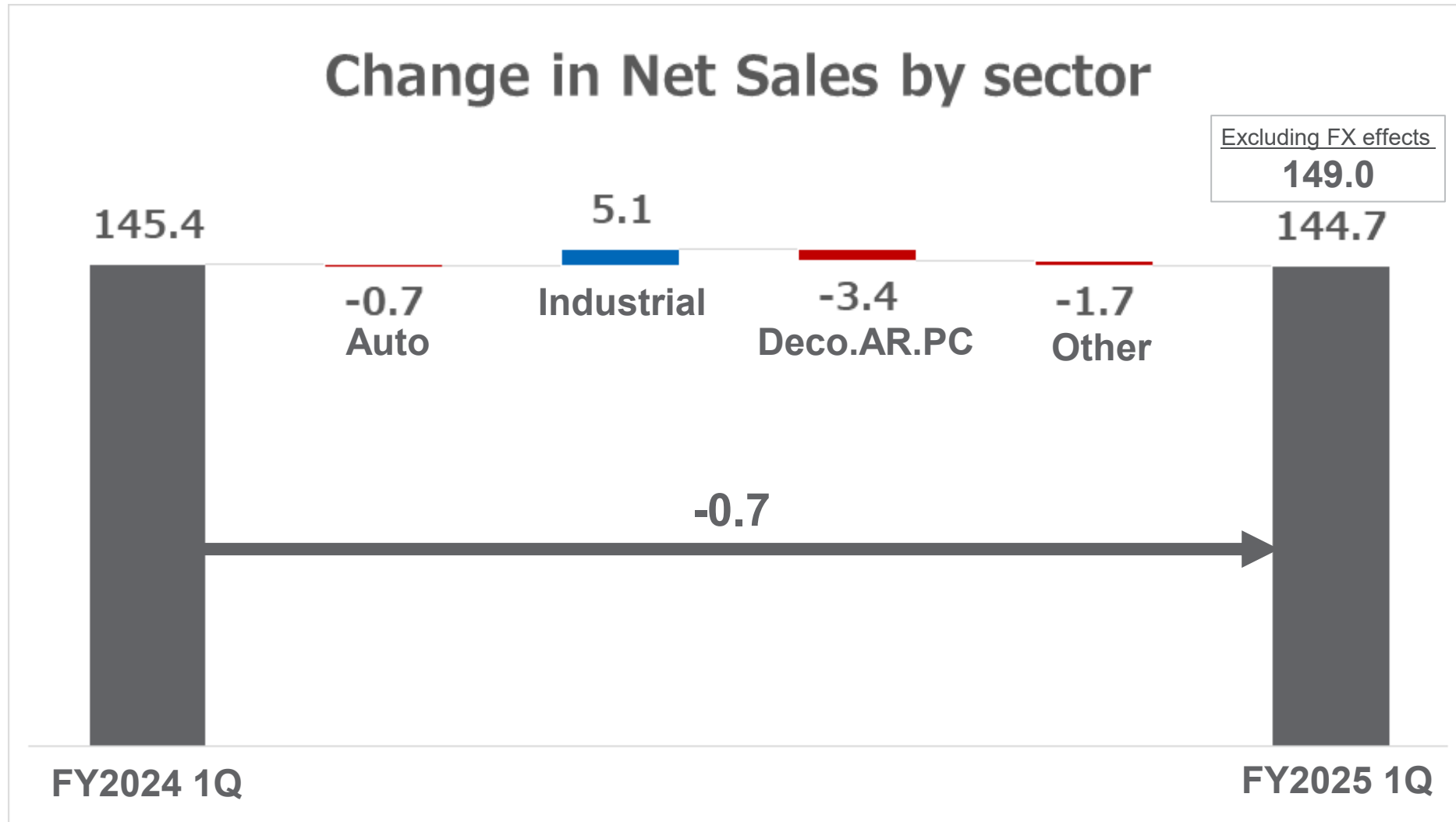
(JPY billion)



✓ Sales of India, Europe and Africa increased in local currency (FX effects ▲4.4 billion JPY)

# Change in Net Sales by sector (YoY)

(JPY billion)

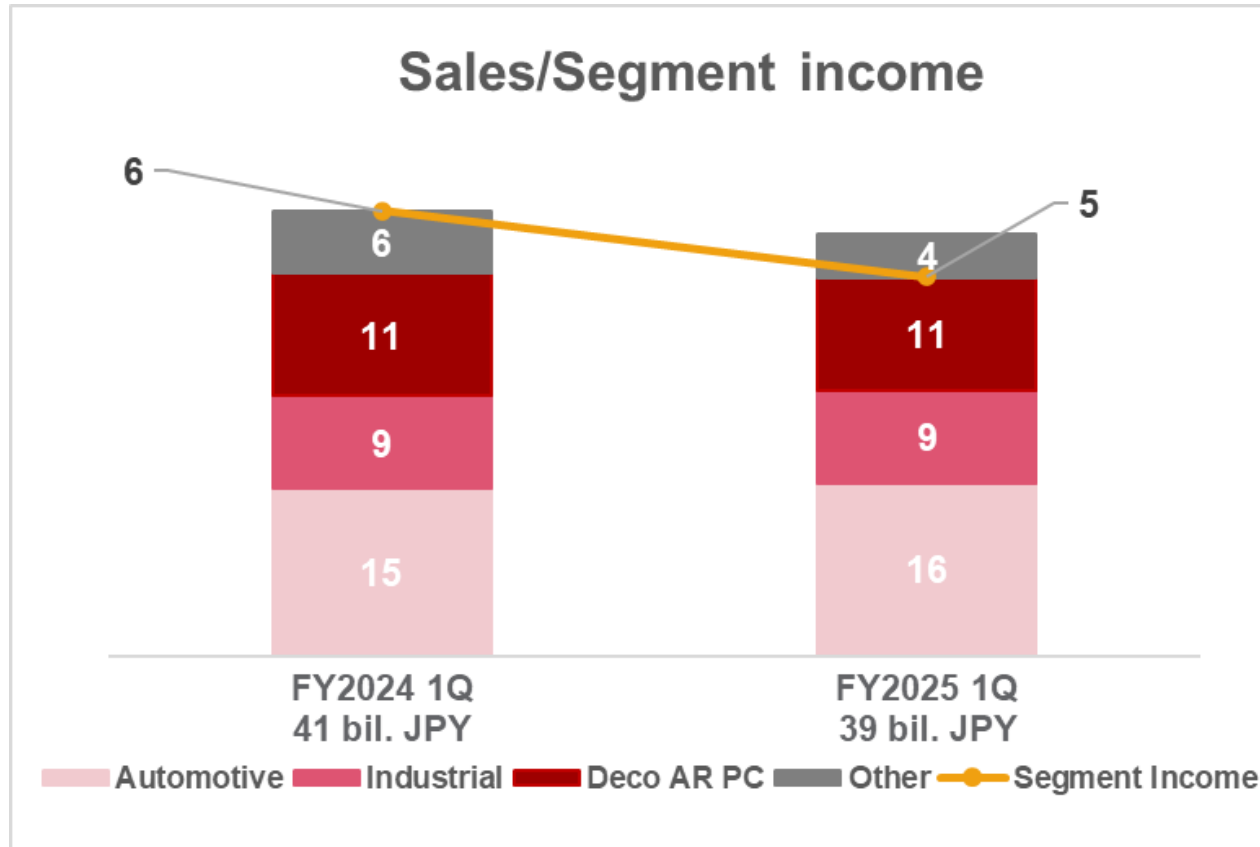


✓ The industrial sector, a focus area, led the growth (FX effects ▲4.4 billion JPY)

### 3. Summary of Financial Results by Segment

# Results by Region 【Japan】

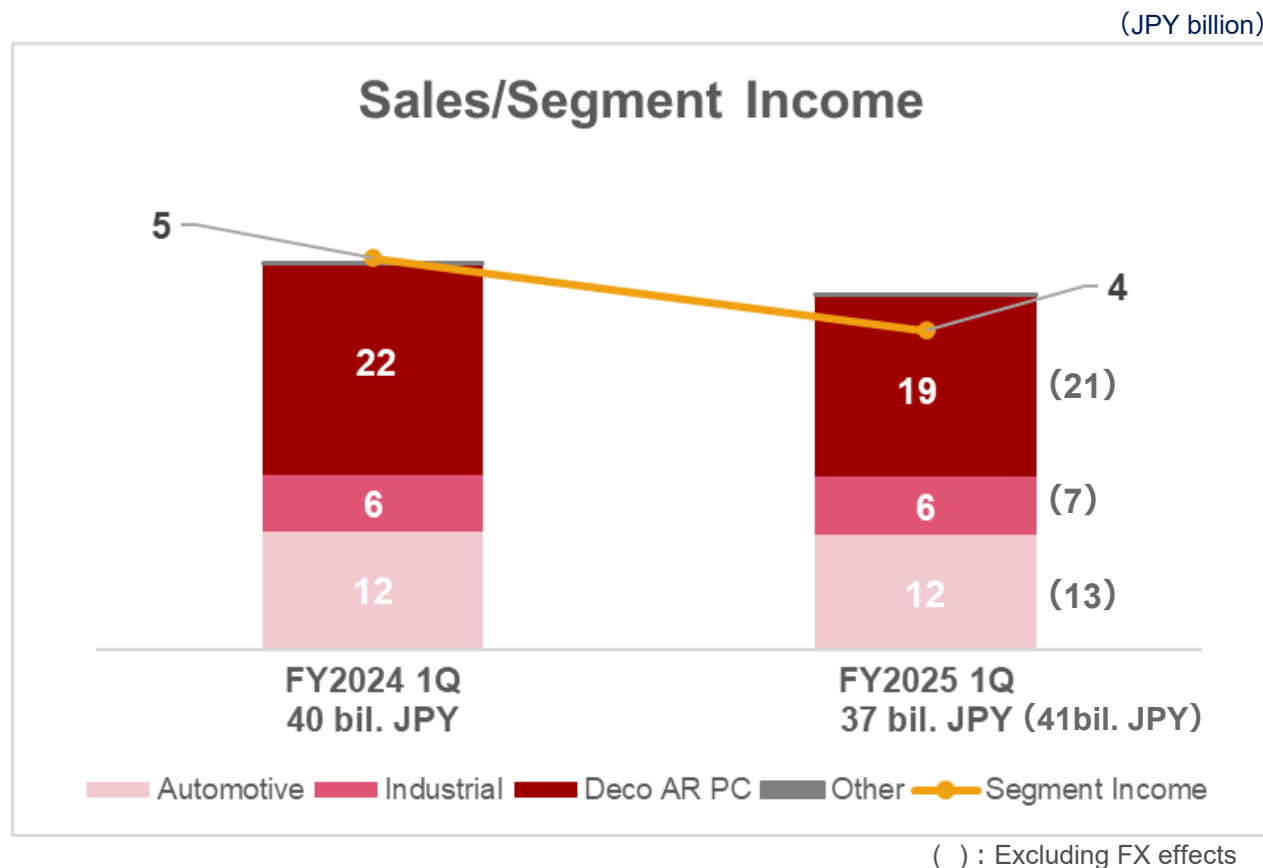
(JPY billion)



## Steady growth in the automotive sector, but softening demand in other sectors

- Tariff impact on automotive sector is as estimated
- The industrial market remained sluggish, but sales remained almost flat as higher unit prices offset lower volumes
- Sales of Deco and PC sector declined, while sales of AR increased
- Sales of marine sector declined but remained within the expected range. Trends remained steady
- Segment income decreased due to increases in raw material costs and fixed costs
- Activities of Profit creation project, DLA100, New Business Development Dept. as initiatives in 18 MTP have started

# Results by Region 【India】



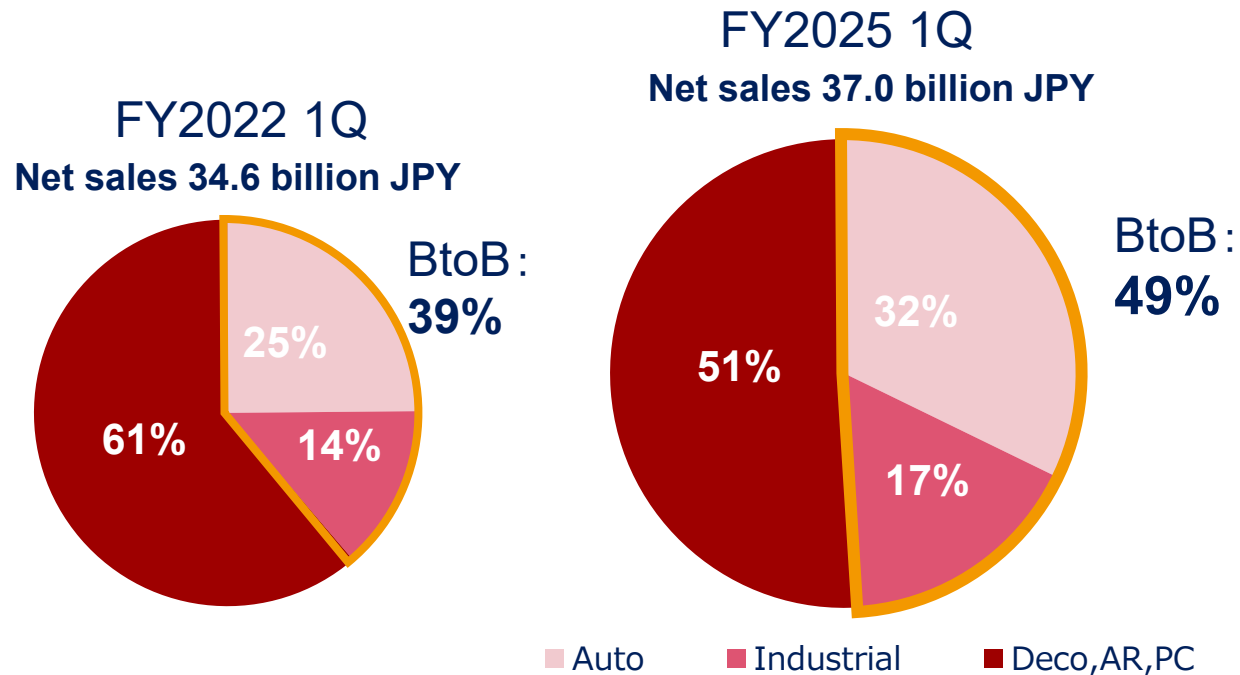
**Under the new management , decorative sector remains robust, while automotive and industrial sectors continue to perform strong.**

- Sales increased by 7% in the automotive sector, with a high market share (In local currency)
- Sales in the industrial sector increased by 12%, mainly in infrastructure-related areas (In local currency)
- Sales of decorative sector declined due to the conflict between India and Pakistan
- Segment income declined due to the impact of lower sales in the decorative sector
- The impact of US tariffs is minimal, but we will focus on strengthening our earning power as there is a risk of rising prices for imported raw materials.

# (Supplement) Progress of the India Strategy

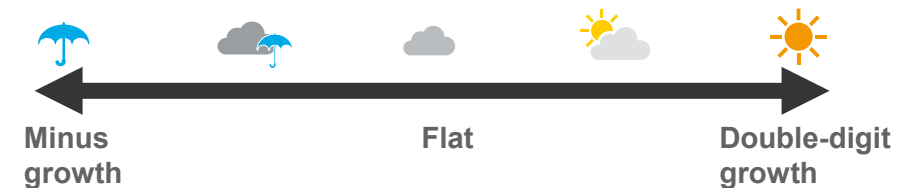
## ◆ Portfolio Improvement

- ✓ Well-balanced between business expansion and reducing dependence on decorative sector
- ✓ Industrial sector as the third pillar



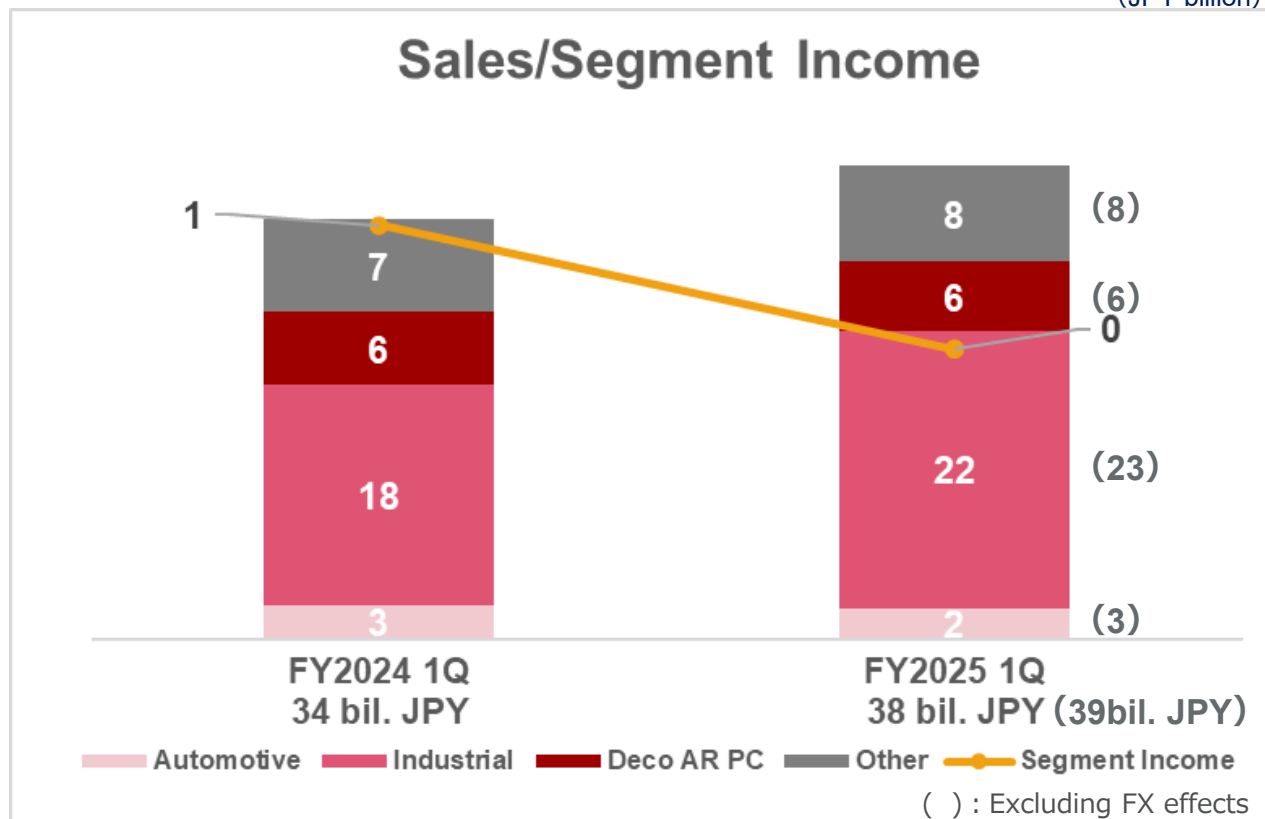
## ◆ Market trend v.s. Our growth (In-house research)

	Market trend		Our growth
Automotive		<	
Industrial		<	
Decorative		>	
Total		<	



# Results by Region 【Europe】

(JPY billion)



**Significant increase in sales, mainly in the industrial sector**  
**Taking on the challenge of improving profitability under a new management team**

- In the industrial sector, Weilburger, which was acquired through M&A, contributed fully to the increase in sales
- Slight increase in sales for automotive sector (In local currency)
- Despite improvements at Kansai Helios, segment income were offset by losses in Turkey
- PMI in Kansai Helios progressing as planned  
 On June 30, Kansai Helios reorganized and fundamentally improving profitability under the new organization

(100 million JPY)

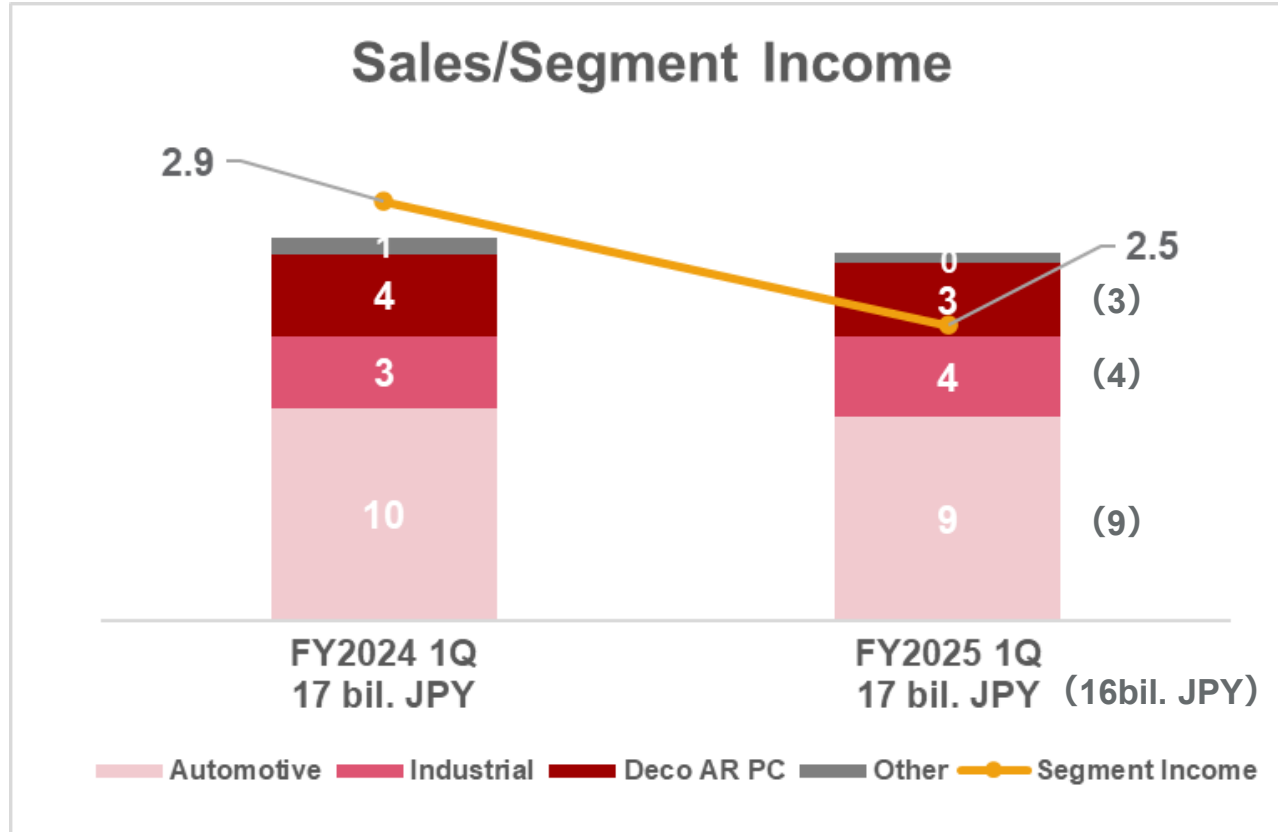
		FY2024 1Q	FY2024 4Q	FY2025 1Q
Europe (excl. Turkey)	Segment Income	6	-7	6
Turkey	Segment Income	3	-4	-6
	(HI impact on Segment Income)	-1	8	-4
	Segment Income excl. HI impact	3	-11	-2

HI: Hyper Inflation



# Results by Region 【Asia】

(JPY billion)

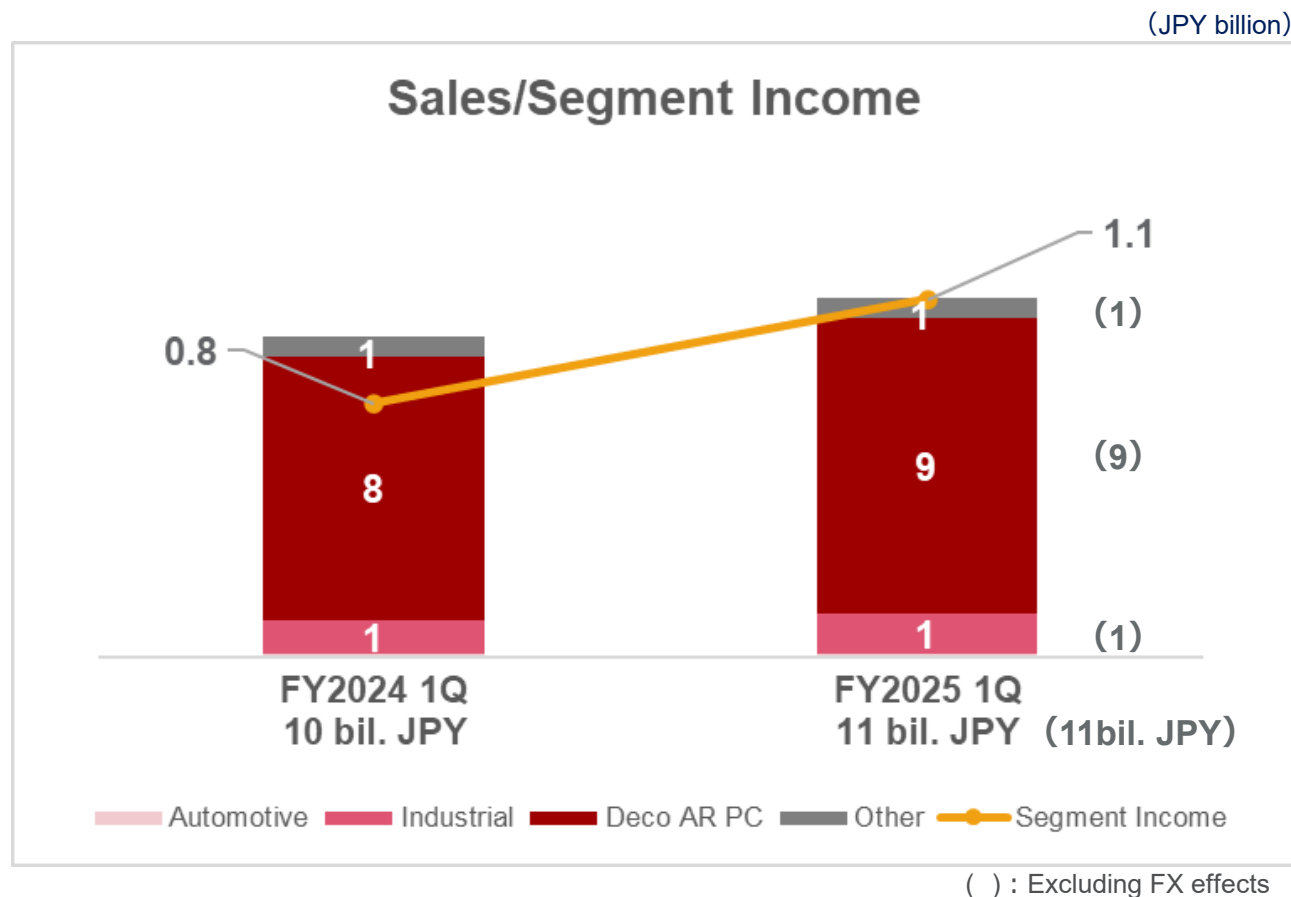


( ) : Excluding FX effects

## Asia remains sluggish, while China continues to perform well

- Sales of automotive sector declined due to low production volume in Southeast Asia
- Sales of industrial sector increased due to expanded sales of pre-coated metal
- Sales of decorative sector declined, but sales of Auto refinish sector remained strong
- Although segment income declined, the recovery trend in the automotive sector of Chinese equity-method affiliate is a positive factor

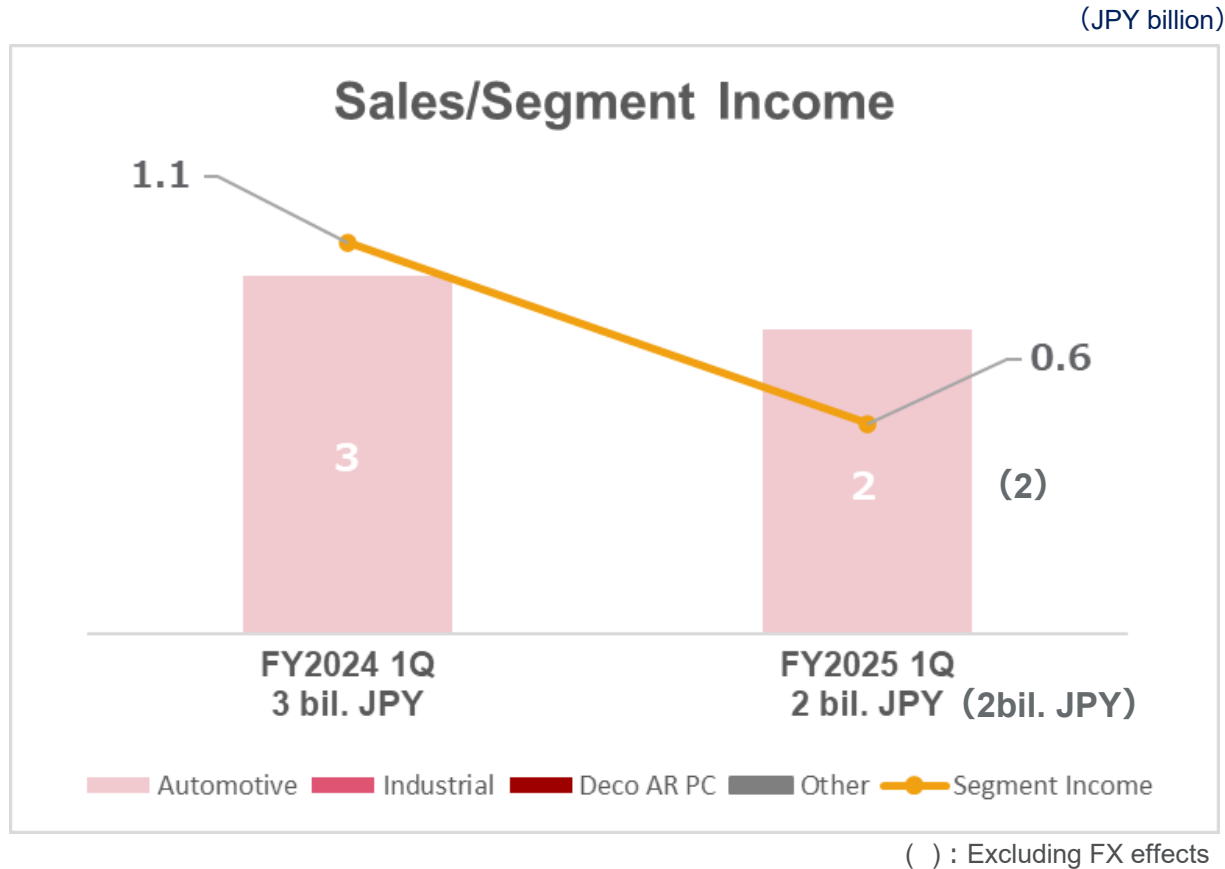
# Results by Region 【Africa】



## Steadily growing and increasing sales and profit

- South Africa: New business of OEM in big box is performing well. Closely monitoring the effects of inflation in Malawi, riots in Zimbabwe, etc.
- East Africa: Continued to perform well, with increased sales
- Significant increase in profit, led by East Africa in particular
- The closure process for the large factory in South Africa is progressing smoothly
- Exports to Ghana and Angola about to begin
- South Africa and East Africa collaborate closely to promote the ONE AFRICA Initiative

# Results by Region 【North America】



## Decline in both sales and profit due to significant decline in power sports

- Concerns over an economic slowdown due to tariff policies have led to a significant decline in the production of power sports vehicles
- Automobile production declined YoY, resulting in a decrease in sales
- Drive profit improvement through cost reduction
- Additional improvement measures are being considered in preparation for a decline in the automotive industry and economic downturn due to the impact of tariffs

# Plans for engagement

## 【Major events in FY2025】

- 26~27, September : Nikkei-TSE IR Fair 2025
  
- 7, November : FY2025 2Q Results
- 12, November : Strategy Briefings
  
- 9, February : FY2025 3Q Results
- January – March : Segment Strategy Briefings(Under Planning)



# Enrich **Lives** with Happiness

Coating Lives Worldwide

# FY2025 First Quarter Reference Material for Financial Results

# Consolidated Financial Results

(JPY billion, %)

	FY2024					FY2025				
	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q	Full year (outlook)
	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)
Net sales	145.4	148.7	150.7	144.1	588.8	144.7				600.0
	+6.6%	+8.1%	+1.6%	+2.9%	+4.7%	-0.5%				+1.9%
Segment income	17.1	11.8	13.3	11.6	53.9	13.7				58.0
	+25.8%	-21.1%	-26.0%	-8.0%	-9.0%	-19.8%				+7.6%
Operating income	15.1	11.2	12.9	12.8	52.1	12.2				54.0
	+24.9%	-17.7%	-17.5%	+25.5%	+0.9%	-19.0%				+7.6%
Ordinary income	19.9	6.1	15.8	7.3	49.1	14.4				58.0
	+17.4%	-59.8%	+30.5%	-45.8%	-14.9%	-27.8%				+3.7%
EBITDA	23.1	18.5	20.1	19.6	81.2	20.2				86.0
	+22.1%	-10.2%	-16.5%	+4.9%	-1.2%	-12.3%				+18.1%
EBITDA margin	15.9%	12.4%	13.3%	13.6%	13.8%	14.0%				14.3%
	+2.0pt	-2.5pt	-2.9pt	+0.3pt	-0.8pt	-1.9pt				+0.5pt
Net income	11.9	3.8	17.2	5.4	38.3	8.5				36.0
	-68.4%	-56.9%	+130.1%	-59.1%	-42.9%	-28.6%				-6.0%
EPS(JPY)	57.45	19.78	95.14	30.45	202.02	48.13				204.29
	-65.1%	-49.4%	+187.3%	-49.6%	-32.5%	-16.2%				+1.1%

## Net sales by regional segment

(JPY billion, %)

	Net sales									
	FY2024					FY2025				
	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q	Full year (outlook)
	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	
Japan	41.3	40.6	42.5	39.5	163.9	39.3				165.0
	+6.3%	-1.7%	-0.9%	-6.5%	-0.9%	-4.9%				+0.7%
India	40.3	35.0	34.6	32.4	142.3	37.0				145.0
	+10.1%	+1.7%	+1.1%	+3.2%	+4.2%	-8.2%				+1.9%
Europe	33.6	42.7	41.9	38.3	156.5	37.9				165.0
	+8.8%	+26.4%	+9.9%	+15.7%	+15.1%	+12.8%				+5.5%
Asia	17.3	16.2	17.4	17.8	68.7	16.6				65.0
	-4.5%	-3.6%	-6.0%	-3.6%	-4.5%	-3.9%				-5.3%
Africa	10.2	11.3	12.0	13.9	47.4	11.5				50.0
	+3.0%	+26.6%	-1.3%	+12.7%	+9.4%	+12.4%				+5.4%
North America	2.7	2.8	2.4	2.2	10.0	2.4				10.0
	+29.4%	+24.7%	-3.8%	-10.1%	+8.9%	-9.4%				-0.3%
Total	145.4	148.7	150.7	144.1	588.8	144.7				600.0
	+6.6%	+8.1%	+1.6%	+2.9%	+4.7%	-0.5%				+1.9%



## Segment Income by regional segment

(JPY billion, %)

	Segment Income									
	FY 2024					FY 2025				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy
Japan	6	5	7	7	24	5				24
	+54.4%	-20.7%	+2.2%	+29.7%	+11.5%	-14.7%				+0.3%
India	5	3	3	3	14	4				15
	+11.1%	-26.6%	-9.1%	+10.6%	-4.1%	-18.4%				+2.2%
Europe	1	0	-1	-1	-1	0				3
	+62.5%	-	-	-	-	-				-
Asia	3	2	2	2	9	3				9
	-10.1%	-5.1%	-24.0%	-8.3%	-12.9%	-14.4%				-7.5%
Africa	1	1	1	2	4	1				6
	+14.9%	+9.0%	-17.4%	+26.6%	+6.7%	+35.8%				+26.4%
North America	1	1	1	0	3	1				3
	+202.9%	+16.4%	-25.0%	-65.1%	-2.8%	-46.2%				-22.0%
Total	17	12	13	12	54	14				58
	+25.8%	-21.1%	-26.0%	-8.0%	-9.0%	-19.8%				+7.6%

## Analysis of YoY Sales Increase/Decrease (FY2025 1Q)

	FX impact	Volume	Price fluctuations and others	total
Japan	0%	-4%	-1%	-5%
India	-10%	0%	2%	-8%
Europe	-5%	3%	14%	13%
Asia	3%	-12%	5%	-4%
Africa	4%	8%	0%	12%
North America	3%	-17%	5%	-9%
Total	-3%	-1%	4%	-1%

## Equity in earnings of unconsolidated subsidiaries and affiliates

(JPY billion, %)

	FY2024					FY2025
	1 Q	2 Q	3 Q	4Q	Full year	1 Q
Japan	0.4	0.3	0.4	0.2	1.3	0.5
India	-0	-0	-0	-0	-0.2	-0
Europe	-0.0	-1.2	-1.1	-2.1	-4.5	-0.3
Asia	1.0	1.0	0.7	0.5	3.2	0.9
Africa	0	0	0.0	0	0.2	0
North America	0.6	0.5	0.5	0.2	1.7	0.3
Total	2.0	0.6	0.4	-1.2	1.8	1.5

## Key numbers related to Balance Sheet(B/S)

(JPY billion, %)

		FY2024				FY2025
		The end of 1Q	The end of 2Q	The end of 3Q	The end of 4Q	The end of 1Q
Total assets		782.7	752.4	751.3	750.7	744.9
	Cash & deposits	90.6	67.4	66.1	76.7	71.0
	Trade notes and A/C receivables	136.1	134.0	133.1	120.9	127.4
	Inventory	112.0	115.6	113.9	111.9	111.1
	Non-current assets	398.5	400.9	393.3	395.2	388.4
	Goodwill	38.4	40.4	35.9	35.7	33.6
Interest-bearing debts		187.4	212.7	227.2	222.1	230.0
Net assets per share (JPY)		-	-	-	1,527.55	-
Shareholders' equity ratio (%)		39.9	36.9	34.7	35.9	34.9

Japanese naphtha price (own estimation)

(JPY/KL)

	FY2024		FY2025
	1H	2H	1Q
Japanese naphtha price	78,000	72,600	66,300

Japanese car production

(million)

	FY2024			FY2025 (Forecast)
	1H	2H	Full year	Full year
Car production	4.10	4.37	8.47	8.40

## Car production

(million)

	FY2024					FY2025
	1 Q	2 Q	3Q	4 Q	Full year	1 Q
Japan	1.99	2.11	2.24	2.14	8.47	2.03
India	1.45	1.51	1.42	1.71	6.09	1.50
China	6.60	7.29	7.58	9.82	31.28	7.56
Thailand	0.41	0.35	0.37	0.34	1.47	0.35
Indonesia	0.30	0.27	0.32	0.31	1.20	0.29
Malaysia	0.21	0.18	0.20	0.20	0.79	0.18
Turkey	0.28	0.26	0.24	0.27	1.04	0.27

Japan and India: 1Q (April to June), 2Q (July to Sept.), 3Q (Oct. to Dec.), 4Q (Jan. to March) Others: 1Q (Jan. to March), 2Q (April to June), 3Q (July to Sept.), 4Q (Oct. to Dec.) Source: Japan car association, MarkLines, 1Q FY2025 car data for Japan is our estimation

## Currency translation rates

(JPY/Local currency)

	2024				2025	
	Jan.-Mar.	April-Jun.	July-Sep.	Oct.-Dec.	Jan.-Mar.	April-Jun.
U.S.Dollar	148.00	156.91	149.96	151.14	153.38	145.33
Euro	160.27	168.68	164.07	162.27	160.10	164.28
Indian Rupee	1.79	1.89	1.80	1.80	1.79	1.71
Chinese Yuan	20.54	21.58	20.97	21.06	20.96	20.10
Thai Baht	4.16	4.26	4.33	4.49	4.48	4.38
Malaysian Ringgit	31.48	33.18	33.90	34.85	34.59	33.82
Indonesian Rupiah	0.0095	0.0097	0.0095	0.0097	0.0094	0.0089
Turkish Lira	4.68	4.90	4.18	4.48	3.95	3.63
South African Rand	7.85	8.39	8.42	8.43	8.20	8.00

