18th Medium Term Plan

November 13th, 2024
Kansai Paint Co., Ltd

CONTENTS

17th MTP Review

17th MTP Goals and Progress

Financial Goals

	17thMTP Goal	Plan
Net Sales	550 Billion JPY	610 Billion JPY
EBITDA	85 Billion JPY	89 Billion JPY
Adjusted ROE※	13%	13%

※Excluding one-off items

Sustainability Goals (FY2023 Results)

Item	FY2023 Result	KPI2030
GHG(scope1,2)	-3.7% (Coverage 98.6%)	−30% (vs FY2021)
Renewable Energy Ratio	11.2%	15% or higher
Energy Consumption	+0.1% (Coverage 98.6%)	−20% (vs FY2021)
Sustainability-Related Products	Setting Definition	30% or Higher
Sustainability Related Themes	Setting Definition	80%
Frequency of Occupational Accidents (ILO standard)	2.1	Below 1.5
Social Contributions−CFP※1	Num. of Activities Over 180	Over 1,000
Water Usage	+0.4% (Coverage 95.4%)	−20% (vs FY2021)
Waste Disposal	Setting Definition	−30% (vs FY2021)
Recycled Containers	55.5%	50% or Higher
Female Directors/Managers Ratio	Female Director※2 15.3%, Female Managers 14.3%	Female Director 30%, Female Manager 30%
KP Way Education	Partial Deployment has started	100%
Engagement Surveys	Coverage 46%	100% Implementation
Health Management	Initiatives focusing on physical and mental health, satisfaction and safety	100% Implementation

※1 Connecting to the Future Program

※2 As a percentage in Directors and Auditors in FY2023

Robust Progress in Various Fields

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3year Progress of 17MTP

(Billion JPY)

	FY2021 (Actual) ①	FY2022 (Actual) ②	FY2023 (Actual) ③	17MTP FY2024 Goal ④	FY2024 Plan ⑤	Growth During 17MTP ⑤－①
Net Sales	419.2	509.1	562.3	550.0	610	**+190.8**
Segment Income	35.5	37.8	59.2	-	61	**+25.5**
EBITDA	53.7	57.8	82.2	85.0	89	**+35.3**
Net Income	26.5	25.2	67.1		40	**+13.5**
Adjusted ROE(%) ※	8.8	8.8	12.9	13.0	13.0	**+4.2pt**
EBITDA Margin(%)	12.8	11.3	14.6	-	14.6	**+1.8pt**
EPS（JPY）※	89.20	94.69	150.44	-	158.02	**+68.82**
PER（x）※	22.1	18.9	14.5	-	-	-

※Excluding one-off items

Significant Growth of EPS by Drive in Profit Growth and Capital Efficiency Improvement

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Balance Sheet

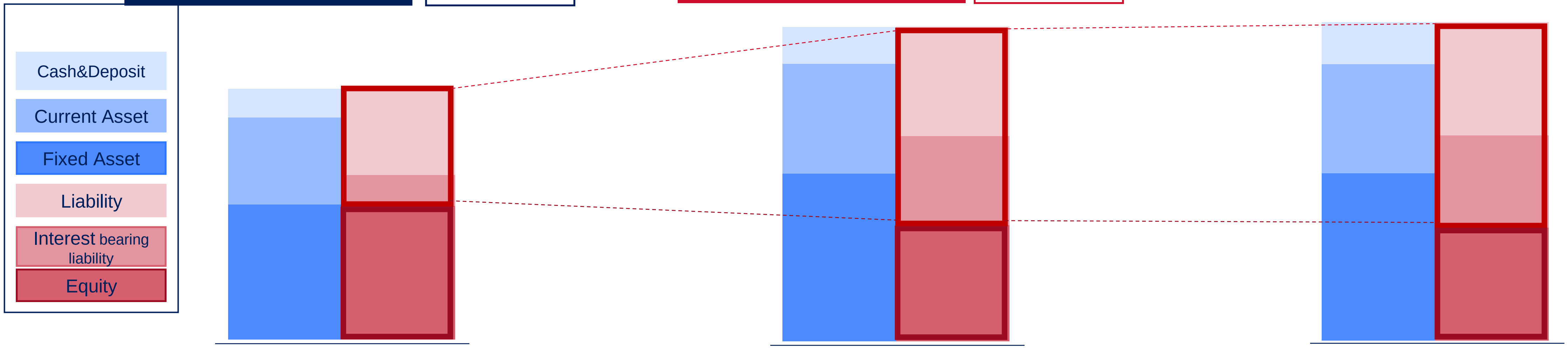
Start of 17MTP (End of March 2022)

Total Assets	600 Billion JPY
Equity Ratio	53.3%

End of Sept 2024

Total Assets	752 Billion JPY
Equity Ratio	36.9%

Target



Start of 17MTP		End of Sept 2024		Target	
Net Debt/EBITDA	0.17x	Net Debt/EBITDA ※	1.50x	Net Debt/EBITDA	1.0-1.5x
Net Debt/Equity	2.8%	Net Debt/Equity	44.8%	Net Debt/Equity	30-50%

※EBITDA is using FY2024 Plan.

Reached Ideal Capital Structure

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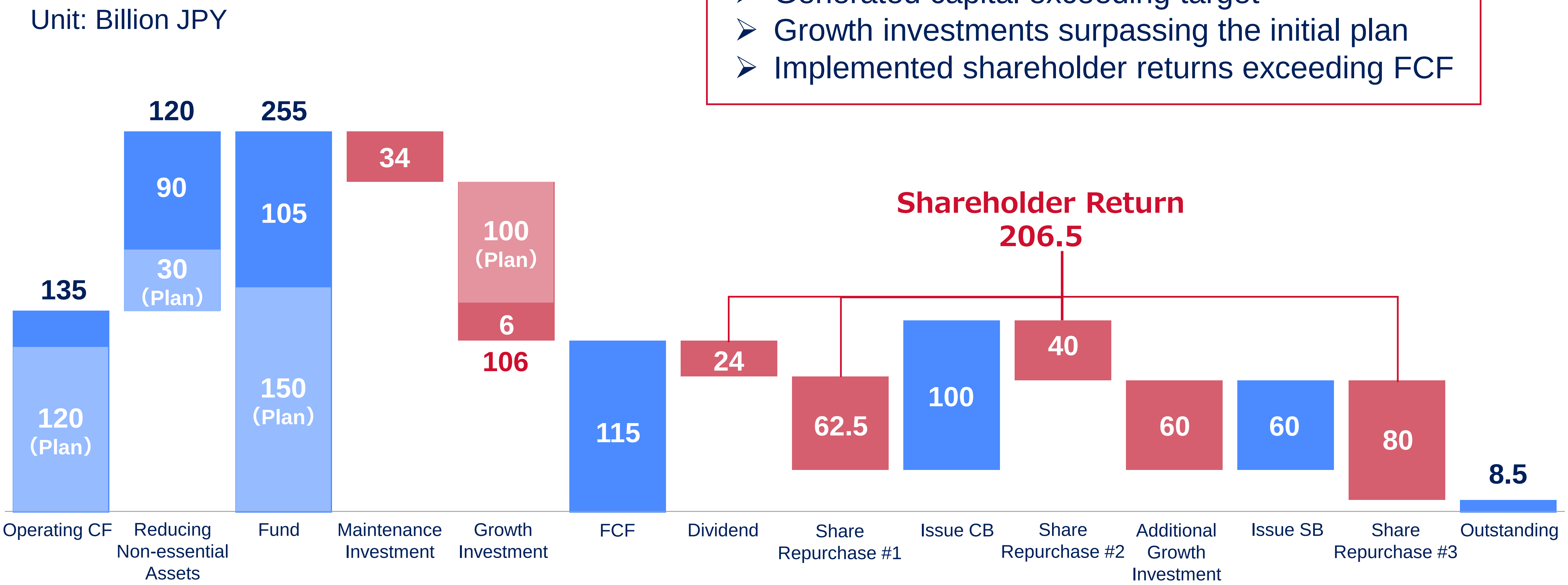
Capital Allocation (FY2022～2024)

- Generated capital exceeding target
- Growth investments surpassing the initial plan
- Implemented shareholder returns exceeding FCF

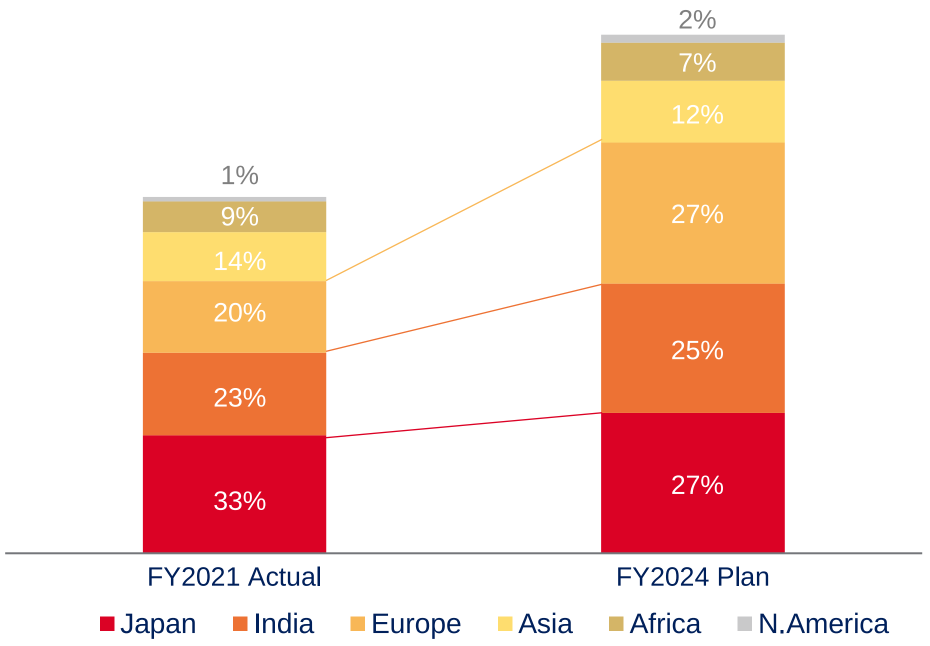


206.5 Billion Yen Returned to Shareholders

Portfolio

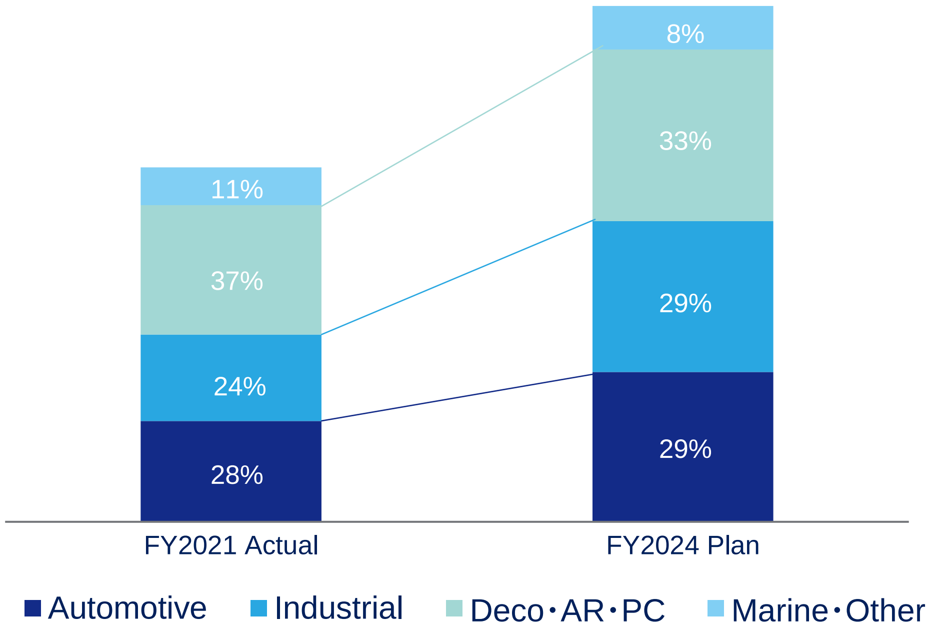
Sales by Region

- Europe outgrew rapid expanding India
- Japan, India and Europe as 3 Main Pillars



Sales by Segment

- Automotive delivering robust sales and profit
- Improved Portfolio Balance



Achieved Optimized Portfolio, Next Driving Business for Growth

17MTP Regional Sales and Profit

(Billion JPY)

Region	Item	FY2021 (Actual) ①	FY2024 (Plan) ②	Difference ②−①
Japan	Net Sales	138.6	165	+26.4
	Segment Income	11.6	22	+10.4
India	Net Sales	97.1	152	+54.9
	Segment Income	7.4	15.5	+8.1
Europe	Net Sales	84.3	166	+81.7
	Segment Income	5.7	5	-0.7
Asia	Net Sales	57.6	72.5	+14.9
	Segment Income	6.8	10.5	+3.7
Africa	Net Sales	36.1	45	+8.9
	Segment Income	2.4	4.5	+2.1
North America	Net Sales	5.4	9.5	+4.1
	Segment Income	1.5	3.5	+2
Total	Net Sales	419.2	610	+190.8
	Segment Income	35.5	61	+25.5

Major Factors by Region

【Japan】
- Recovery of Automotive production
- Growth in sales and profit due to improvement of product mix and targeted price increases

【India】
- Growth in size and profitability in Automotive
- Strengthen market position in Industrial coatings
- Rapid growth in Decorative midst fierce competition

【Europe】
- Expansions through Bolt-on M&A
- High Cost Pressure
- Hyper Inflation in Turkey

【Asia】
- Closure of low profitable business

【Africa】
- East Africa: Steady growth in Decorative coating
- South Africa: Improving margins by business restructure

【North America】
- Growth in Auto-parts

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17MTP Review of Initiatives

	Cash Generation by Increasing Profitability	Bold Investment into Growing Markets	Strengthening the management infrastructure
Progressed	■ Improving Profitability ■ Sale of cross-shareholdings ■ Sale of real estate assets ■ Restructuring of South African business ■ Improving CCC	■ Optimizing portfolio ■ Bolt-on M&A at Europe -Wefa -CWS -Weilburger ■ Focus on India Industrial segment ■ Steady growth in East Africa ■ Launched EC Channel ■ Capital-tie ups with Spiber Inc.	■ Operating organization according to the business structure ■ Enhancing Governance -Reducing cross-shareholdings -Transit to company with an audit and supervisory committee ■ Promotion of Global management personnels ■ Japan HR system renewal ■ Revamp of IT ■ Focus on Sustainability
Next Targets	■ Global top tier profitability ■ Global top tier capital efficiency ■ Restructuring Japan Segment ■ Reforming supply chain	■ Establish winning strategy for India Deco ■ Expanding into global Industrial customers ■ Approaching the China EV industry ■ PMI ■ Transition to data driven model	■ Global talent development ■ Globally optimized human resource allocation ■ BCP ■ Engagement Level ■ Globalization of Management Infrastructure

Solid Developments with Clear Targets up Ahead

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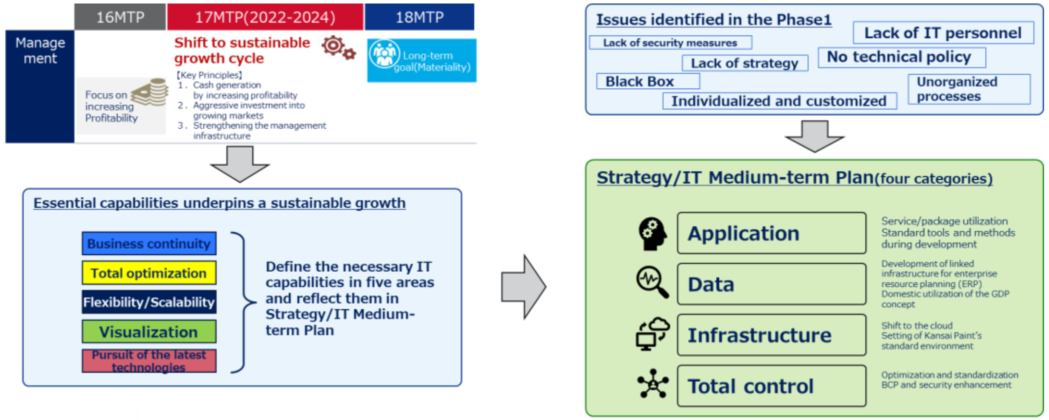
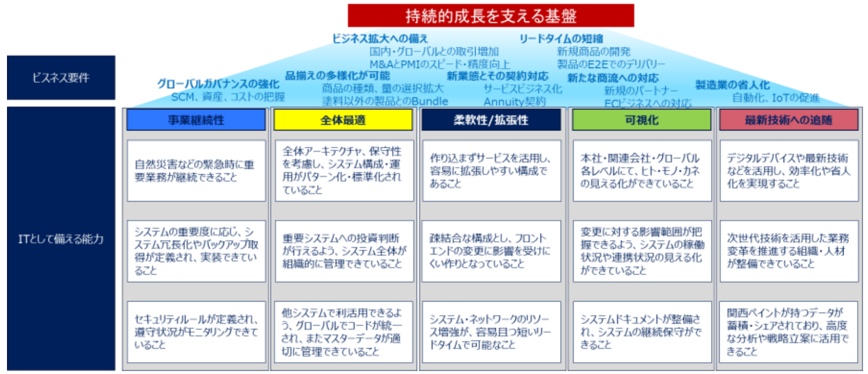
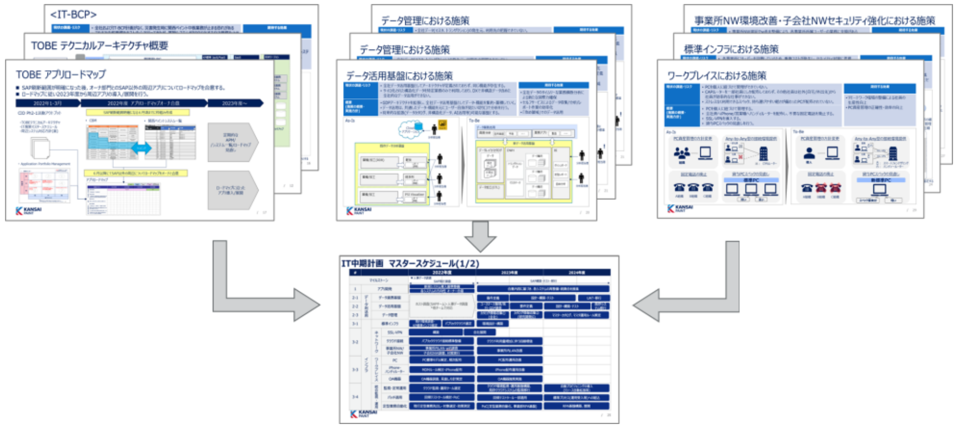
Example of Progress-Revamp of IT-

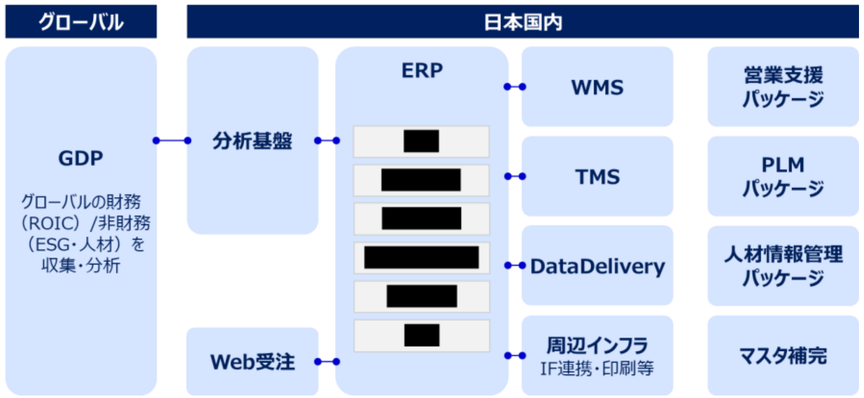
16MTP:Comprehensive Situation Analysis
17MTP:Planned Revamp and Reinforcement





During 17MTP: Fully Revamped the IT Systems
ERP&GDP as 2 main Pillars of IT Investment





IT to Become Competitive Edge from 18MTP

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17MTP Summary and Upcoming Priorities

Summary

- ○ Achieved record numbers in volatile environment
- ○ Surpassed targets for Capital Restructure, Portfolio Balance, Reinforcing Management Infrastructure and Return to Shareholders.
- ○ Promoted Global Management Personnel
- ○ Set policy for Capital Structure and Returns, Created Structure where Growth in Business Generates Returns to Shareholders
- △ Profitability did not meet expectations, changed target from percentage to amount during MTP
- △ CCC has improved but has more room to change compared to global peers
- △ Need more efficient communication to fill the gaps regarding valuations of our business

Upcoming Priorities

- ➢ To Further Increase Profitability and Capital Efficiency
- ➢ To Fully Utilize Solid Financial & Management Foundation to Enhance Business
- ➢ To Accelerate Promotion of Global Personnel and Optimize Global Talent Allocation
- ➢ To Indicate Mid-Long term Vision

With the Right Changes, We will Unlock Our Significant Growth Potential

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Vision

ー What Kansai Paint aims to be ー

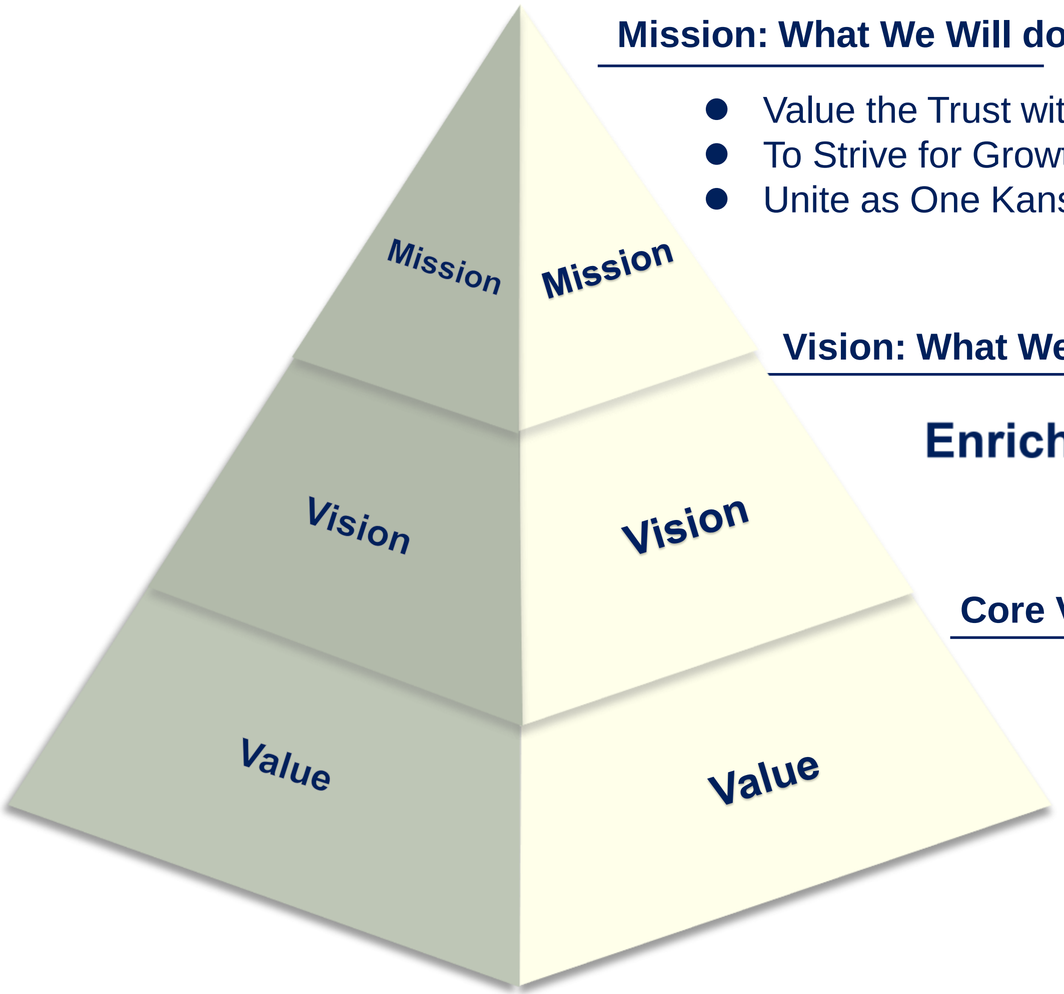
Our Vision

Enrich Lives with Happiness

Coating Lives Worldwide

Business Expansion is just a Method to deliver to Happiness to More Lives

MVV for 2030



Mission: What We Will do

- Value the Trust with Customer, Develop Products that Satisfies Social Needs
- To Strive for Growth with Innovation
- Unite as One Kansai

Vision: What We Aim to be

Enrich Lives with Happiness
Coating Lives Worldwide

Core Values

Profession and Integrity（利益と公正）
By doing right things, we generate cash for future investments.
These right investments will bring us more cash hence creating the cycle where, by expanding our business we contribute positively to the society.

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What Enrich Lives with Happiness means

Vision

Enrich Lives with Happiness

People Involved to Kansai Paint

【Stakeholder Centric Approach】

- Customer
- Employee
- Shareholder
- Supplier
- Business Partner
- Local Community
- Family

Fulfilling Lives

【Transforming Value into Legacies】

- Psychological Value
  - ・Proud to be involved with Kansai Paint
  - ・Satisfy with Beautiful Design
- Material Value
  - ・Extending Lifespan of Material
  - ・Better Feature
  - ・Enhance Economic Well-Being

Providing Solutions

【Solving Social Issues】

- Climate Change
- Energy
- Human Rights
- Water
- Waste
- Hazardous Substance

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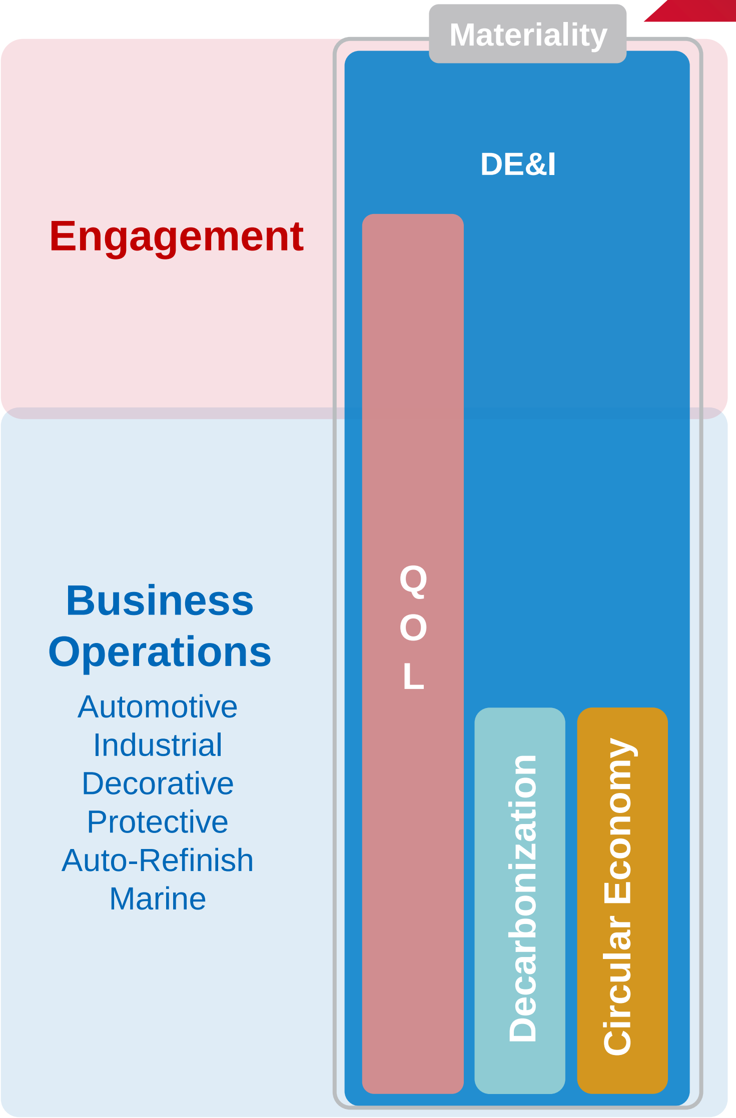
Overview of the Vision

- **Enrich Lives with Happiness**
  - Lives — People Involved to Kansai Paint
    - Customer
    - Employee
    - Shareholder
    - Supplier
    - Business Partner
    - Local Community
    - Family
  - Happiness
    - Fulfilling Lives — Transforming Value into Legacies
      - Psychological Value
        - Proud to be involved with Kansai Paint
        - Beautiful Design
      - Material Value
        - Extending Lifespan
        - Better Feature
        - Enhance Economic Well-Being
    - Providing Solutions — Solving Social Issues
      - Climate Change
      - Energy
      - Human Rights
      - Water
      - Waste
      - Hazardous Material



Strengthening Engagement and Driving Business

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Business Fields

Automotive

Metallic Coating for Automotive

Brand New Beautiful Colors

Reduction CO2 by process optimization

Industrial

Powder Coating for ACE

Powder Coatings as recyclable paint

ACE that constructs sustainable society

Decorative

Highly Designed Decorative Coatings

Joyful atmosphere by decorating the city

Protecting Heritage and history

Protective

Coating for Infrastructure

Shortening construction periods

Extending Lifespan and Reduce Environmental Impact

Auto-refinish

All Waterborne Auto-refinish Coatings

Making Automotive vehicles more lasting

User-friendly water-based coatings

Marine

Antifouling Coatings for Hull

Increasing Durability

Improving fuel efficiency of vessels

Enriching Lives and Providing Solutions through Coatings

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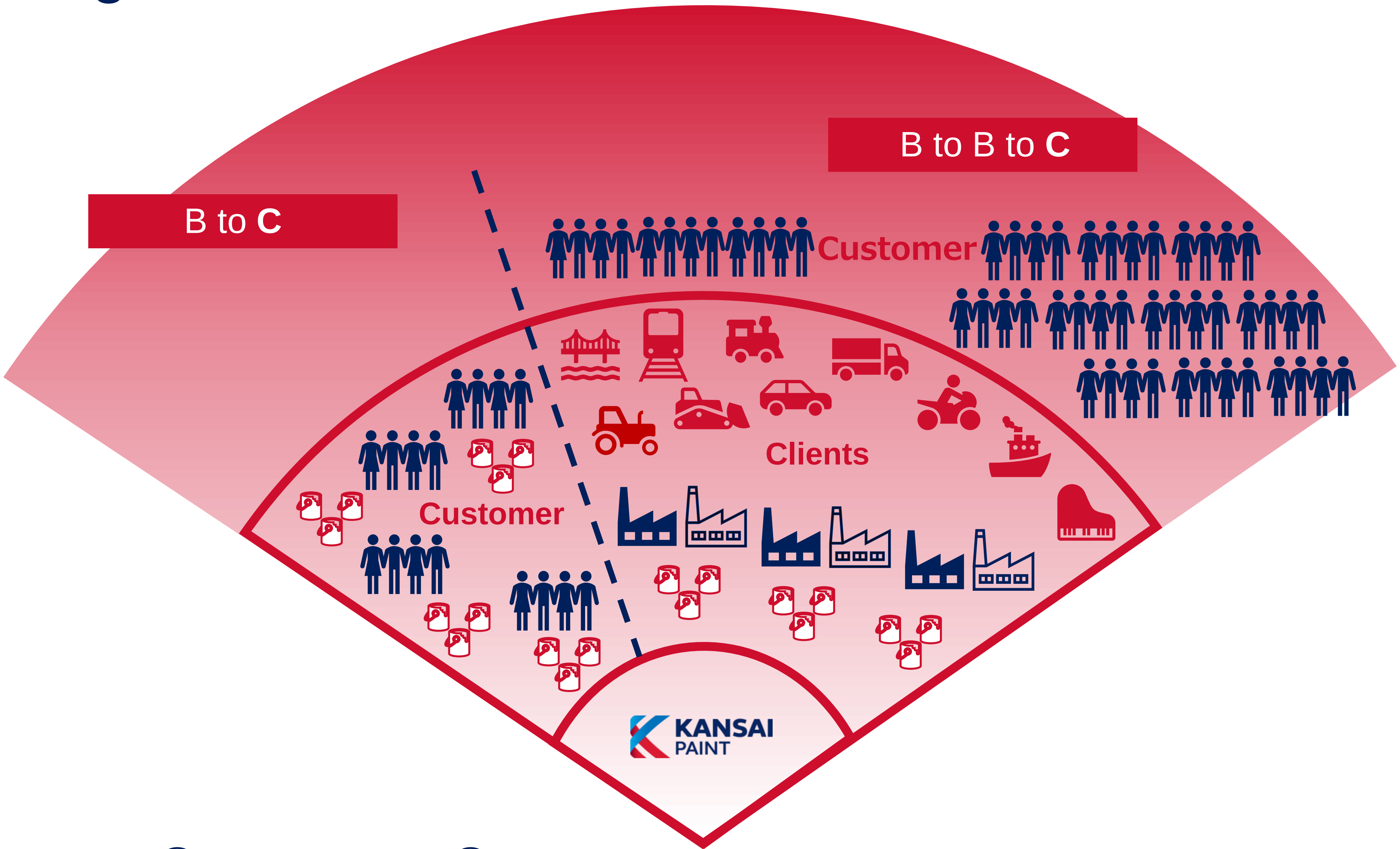
Spreading Kansai Paint Value



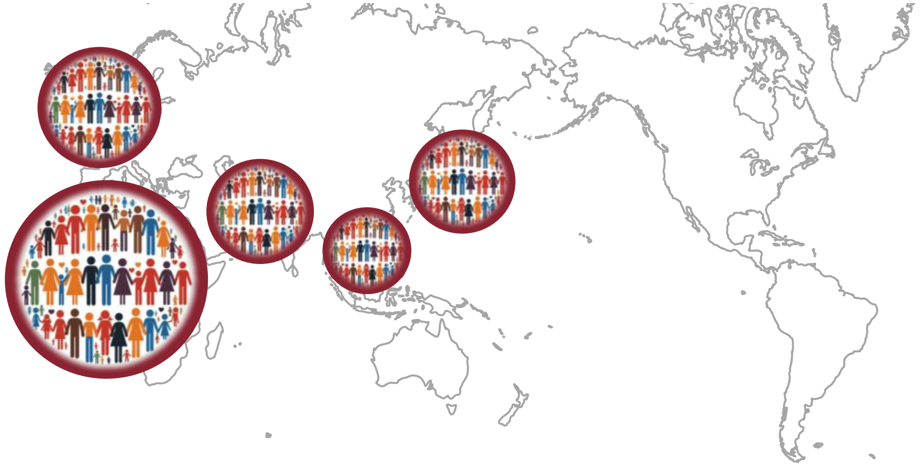
Through ①Direct and ② BtoB customers, We deliver our Value to **Customer**

①Delivering Value Directly to Customers（BtoC)

By Focusing on Well Positioned Regions, We Directly Deliver Value to More People

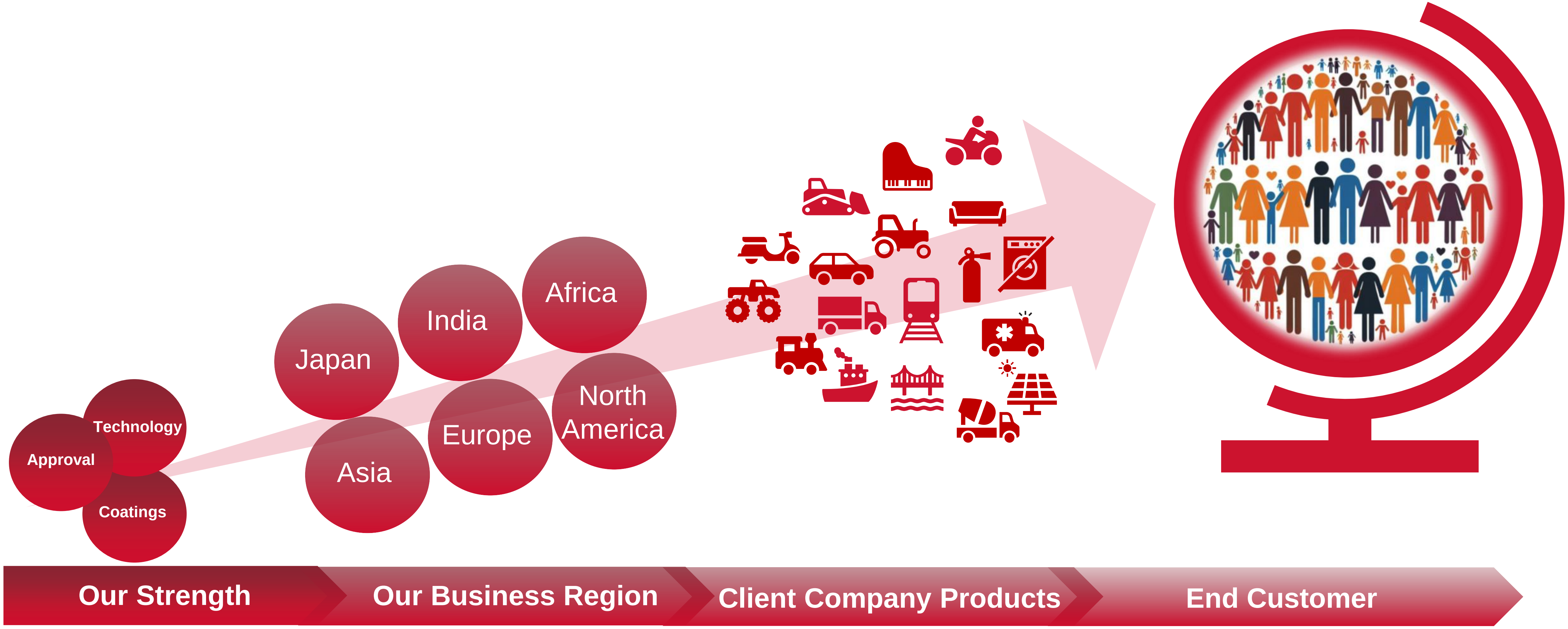
# of People Reachable

Not Well Positioned Regions < **Well Positioned Regions**



②Delivering Value through BtoB Customers

BtoB Business Goal is to Deliver its Value to the End Customer Through our Client Business



Through Client Business , we can Further Expand our Reach to Deliver our Value

Enhancing Engagement

Type of People Involved	Initiatives to Enhance Engagement
Customer	・New Product/Segment Development that provides solution to customers needs
Employee	・Expand the stage of growth and challenge Globally ・HR, Evaluation system that Rewards employees for their challenges and achievements
Shareholder	・Global top tier Profitability and Efficiency ・Promising Growth and Appropriate Returns based on Disciplined Shareholder Return Policy
Supplier	・Commitment to Fair Business and Human Rights Due Diligence ・Collaboration towards Decarbonization and Circular Economy
Business Partner	・Creating New Business Opportunity
Local Community	・Reduction of Energy consumption, Green House Gas, and increased usage of renewable energy ・Reduce Waste, Utilization of Water and Recycle promotion
Family	・Transparency and Disclosure

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Our 2030 Vision

Decarbonization

Improvement of Quality of Life(QOL)

Enhancement of Achieving Resource and Economic Circulation

Transformation into a Group where Diverse People play Active Roles

Achieving KPI2030

Enrich Lives with Happiness

Coating Lives Worldwide

Expanding our Reach

EBITDA Margin **18%**

Adjusted ROE **16%**

vs FY2024 EPS **1.6x**

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18th Mid Term Plan
-Business, Talent, Engagement-

18MTP Financial and Sustainability Goals(FY2027)

	FY2024 Plan	FY2027
Net Sales	610 Billion JPY	700 Billion JPY
EBITDA Margin	89 Billion JPY 14.6%	17%
Adjusted ROE	13%	15%

Decarbonization

Item	2023Actual	FY2027	KPI2030
GHG(scope1,2)	-3.7% Coverage98.6%	-20%	-30% (vs FY2021)
Renewable Energy Ratio	11.2%	15%	15% or Higher
Energy Consumption	+0.1% Coverage 98.6%	-10%	-20% (vs FY2021)

Improvement of Quality of Life(QOL)

Item	2023Actual	FY2027	KPI2030
Sustainability Related Products	Setting Definition	20%	30% or Higher
Sustainability Related Themes	Setting Definition	60%	80%
Frequency of Occupational Accidents (ILO Standard)	2.1	1.7	Below 1.5
Social Contributions−CFP※¹	Over 180	Num of Activities More than 500	More than 1,000

Enhancement of Achieving Resource and Economic Circulation

Item	2023Actual	FY2027	KPI2030
Water Usage	+0.4% Coverage95.4%	-15%	-20% (vs FY2021)
Waste Disposal	Setting Definition	-15%	-30% (vs FY2021)
Recycled Containers	55.5%	60% (Upward Revision)	Over 50%

Transformation into a Group where Diverse People play Active Roles

Item	2023Actual	FY2027	KPI2030
Female Directors/Managers Ratio	Female Directors※15.3% Female Manager14.3%	30% 25%	Female Director 30% Female Manager 30%
KP Way Education	Partial Deployment Start	75%	100%
Engagement Survey	Coverage 46%	75%	100% Implementation
Health Management	Initiatives focusing on physical and mental health, satisfaction and safety	Coverage 85%	100% Implementation

※¹ : Connecting to the Future Program

※² : As a percentage in Directors and Auditors in FY2023

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The World Ahead (～2030)

Environment

High Expectations for circular society and regulations will be created along with the trend. Certain technology will evolve at an accelerating pace

Innovation

- **Electrification, Automation and AI** will be further involved in various industries causing players, cost structure and existing business to be restructured
- MNCs will implement new technology and business models, bringing discontinuous changes to people's lives. In some areas regulations will not catch up to the changes and the corporate and authorities will clash and find a good equilibrium.
- **Digitalization** will become the basics of every company and those who can not utilize will fall from the race. Especially cyber security will be the key factor to gain trust from customers, government and the investors

Politics

Corporate activities will continue to be restrained and influenced by geopolitical issues. Investments, RM Procurement and supply chain will be affected.

Society

Corporate reputation and brands are determined by how the company influence the society. While conflicts, fakes, defamation develop, the community will demand a society that values people more.

Coating Industry

Fragmented market structure will continue with polarization between companies focusing on specific niche segments or areas, and companies that pursue scale and profit at a global level.

Structural Change Deeper than 17 MTP is required

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What Deeper Change Indicate

Current Position	Required Changes	Goal
EBITDA Margin **Approx. 15%**	**Talent Development**	EBITDA Margin **18%**
	Business Growth	
	Organization Restructure	
Adjusted ROE **Approx. 13%**	**Roles and Responsibility**	Adjusted ROE **16%**

Talent Development

- **Strategic Promotion and Development** for Future Core Members
- **Provide Diverse Career Options** and Set **Clear and Fair HR system** Recognizing the **Output** and **Achievements**

	-FY 2024	18MTP	19MTP
HQ (Japan)	➢ Assess all Management ➢ Create Talent Management System ➢ Start Training of Next Generation Female Leaders	➢ **Reallocate all Management** ➢ Expanding Talent Management System ➢ Formulate Global HR System	➢ **Deploy Global HR System** ➢ **Optimal allocation of talent based on performance, not age, gender, nationality etc.**
Global	➢ Promote International Talent to Executive Officers ➢ Promote Emerging Leaders to Overseas Management	➢ Start international personnel rotations for young and mid-career employees ➢ **International Resource Exchange across functions (Finance, HR, IT, R&D etc..)**	

Develop World-class Talent to Shape Successful Future

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Roles and Responsibility within the Group

Japan

Formulating Group Future as Global HQ

- Establish supply chain accomplishing both circularity and profitability
- Developing Best-in-class Global HR System
- Enhance R&D comprehensively and open up new customers and new markets
- Train DX Talent and accelerate DX

India

Unique Growth as Overall Coating Supplier

- Protect #1 share at Auto-OEM coating
- Grow industrial segment as 3rd Pillar
- Establish unique growth model in Decorative market

Europe

High Profitability as BtoB Global Lead

- Drastic improvements by restructuring
- Establish successful and profitable BtoB business model
- Lead the group with its BtoB Business

Asia

Strengthen Position as #1 Player for Auto

- Maintain #1 share as hub for Auto-OEM
- Expand into Non-Japanese OEMs, EVs and Auto-parts
- Optimize operation within the region (China and SE Asia)

Africa

One Africa Management

- Establish One Africa Management
- Draw strategy to win the African continent
- Be poised for future growth and conduct strategic groundwork

N. America

Steady Growth while Keeping Profitability

- Enhance profitable business
- Expand business segments(Auto OEM→Auto parts→Industrial)
- Investigate and evaluate future N.A Market Entrance

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Journey of 18MTP

Improving Profitability and Governance	Creating New Growth Method	Sharpening Business and Talent	Achieving our Vision

1918 … 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2050 …

16MTP → 17MTP → 18MTP → 19MTP →

Enrich Lives with Happiness
Coating Lives Worldwide

- Transform into a Group where diverse people play active roles
- Improvement of Quality of Life (QOL)
- Realizing decarbonization
- Enhancement of achieving resource and economic circulation

Enhancing Business, Talent and Engagement

Next Priorities

- Increase Profitability and Capital Efficiency
- Strengthen Business
- Global talent expansion
- Optimize allocation of talent

Back casting from Vision

- Development of Sustainability Products
- Accelerate Diversity
- Expand BtoB Business and Improve Profitability
- Strengthen Stakeholder Engagement

17MTP

Shift to Sustainable Growth Cycle

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18MTP Key Initiatives

① **Enhance Profitability and Efficiency through Structural Reforming**

② **Grow Business through New Product Development and DX**

③ **Optimize Talent Allocation and Development**

④ **Bold Investments and Returns Based on Robust Capital Structure**

Maximizing Corporate Value

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18MTP Key Initiatives

①

Enhance Profitability and Efficiency through Structural Reforming

- Japan：Execute BPR with supply chain renewal and Implementation of ERP
  Streamlining with BPO and prepare for the mass labor force reaching retirement age
- India： Accomplish growth and profit at Industrial as 2nd pillar of business
  Improve margins and Solidify Uniqueness in the Decorative Market
- Europe：Business Optimization for Industrial Segment
  Consolidate Sites/Functions and Commit to Improve Profitability
- Africa：Promote One Africa Management
  Operate South, CSA and East Africa as One
- Overall：Improve CCC

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18MTP Key Initiatives

②

Grow Business through New Product Development and DX

- Product Development：Accelerate utilization of MI･AI to R&D
  Optimize Allocation of Talent and Location of R&D within the group
  （Japan） Development Function to be set within the Business Unit to
  Drive New Product Development and Expand to new Customer and Markets
  （Europe） Lead the Group as Global Head of Industrial Coatings

- DX：Further Expansion of Global Digital Platform(GDP)
  Global IT team and Collaborate Globally
  Establish IT Architecture of R&D
  Promote Smart Factory and Smart Supply chain

- Talent：As Next Generation Leaders, Develop DX Talent in Various Fields such as Business･IT･R&D･
  Production･Supply-chain etc.

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18MTP Key Initiatives

③

Optimize Talent Allocation and Development

- Develop Global HR System
- Increase Engagement and Create Vibrant Culture
- Organize Global Talent Pool
- Promote Multi-National Talent Exchange
- Evaluate Correlation of Human Capital and Corporate Value and Prioritize Development of Human Capital
- Train Future Leaders, who Pursues Kansai Mission, Vision and Value

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18MTP　Key Initiatives

④

Bold Investments and Returns Based on Robust Capital Structure

- Gain More Cash from Successful Robust Business
- Use Earned Cash to Growth Investments and Returns
- Create a Sustainable Growth Cycle with Optimized Capital Structure as Base
- Enable Clear and Promising Return by Disciplined BS Management and Growth
- Continue to Polish Capital Structure through Various Environments

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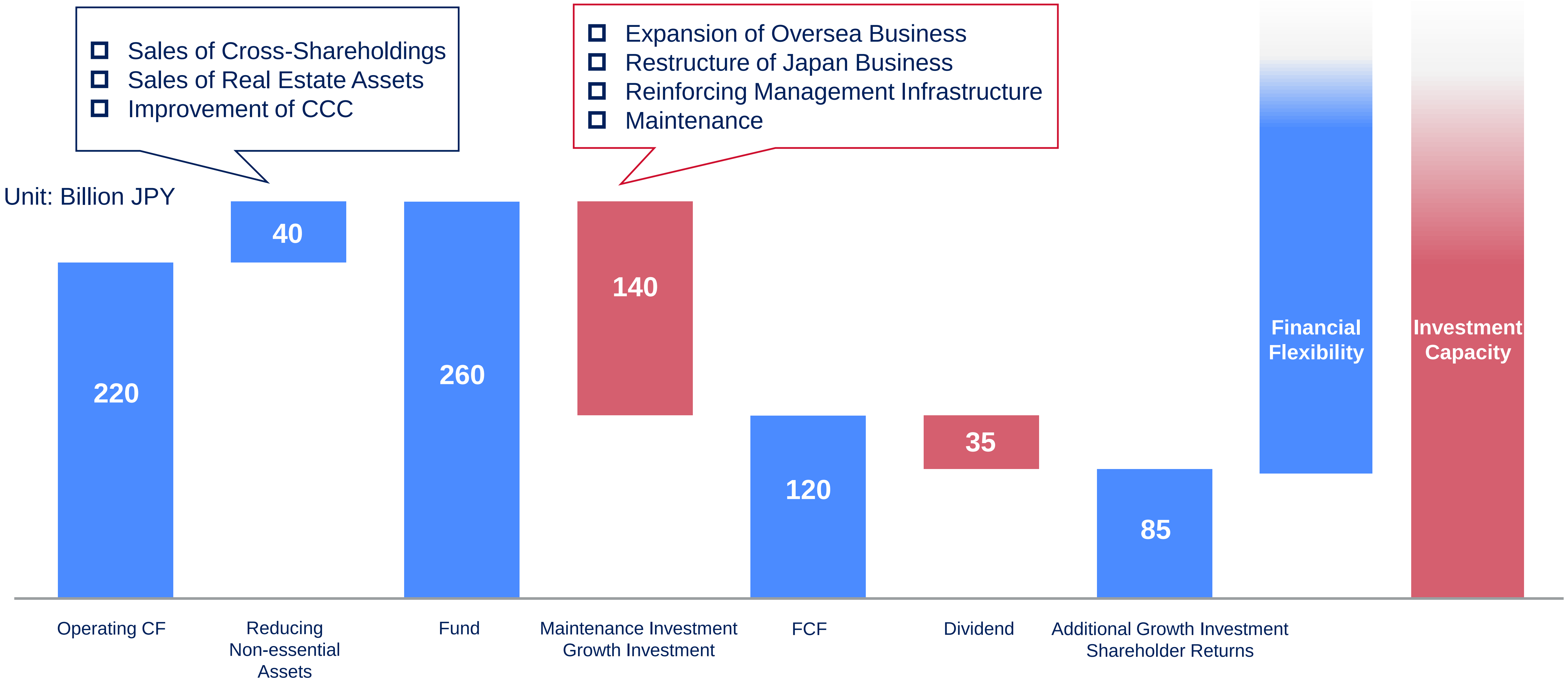
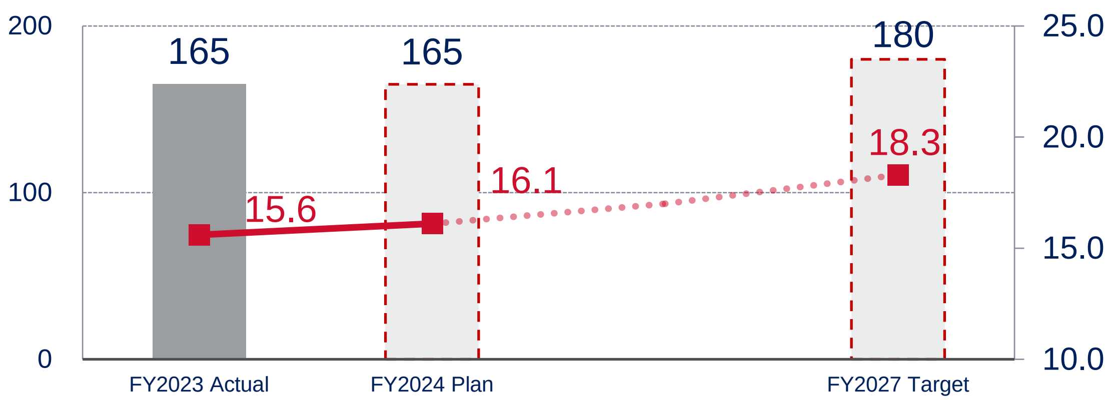
Capital Allocation(FY2025～2027)



Bold Investments towards each Segment, with M&A Constantly on Radar

Japan Targets and Initiatives

＜Japan＞ Net Sales（Billion JPY） EBITDA Margin(%)



Market・Competition※

<Overall>
- 2024-2030 Coating Market CAGR：LSD
- Rising raw material and logistic cost
- Increase in demand for SDG development in various industries
- Production efficiency is key with the declining labor population

<Market>
Auto ▶Production is flat or slight drop
Deco ▶Weak demand in housings and repaint
Prot. ▶Growing demand with aging and maintenance needs for infrastructures

※Based on Kansai Paint Internal and Orr & Boss Consulting Incorporated Estimates

Main Initiatives

- Restructure and BPR Spearheaded with Implementation of ERP
- DX Talent Development-100 DX Talents in 3years
- Construct Smart Factory and Supply-chain Renewal
- Develop and Launch Sustainable Produces
- Increase Shares with Expansion of Dealers (Deco, Auto-refinish and Protective)
- Further Penetration into Auto-parts Market
- Expand lineup for high valued Auto-OEM coating
- Drive E-commerce Business(Kansai Burano)

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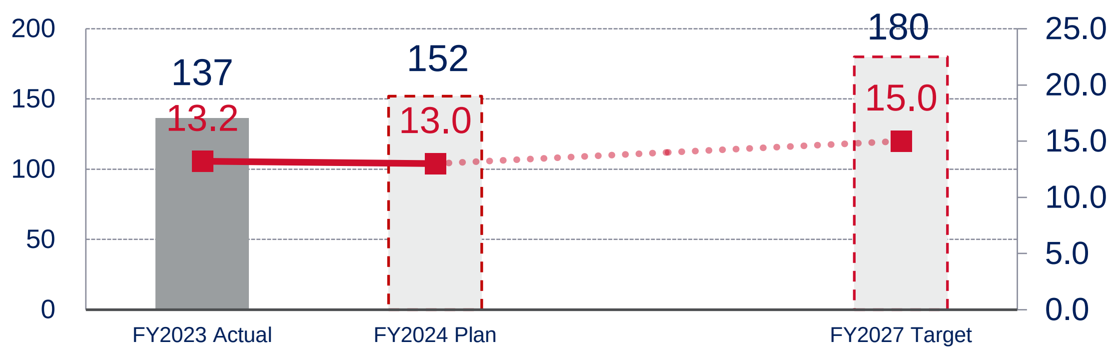
India Targets and Initiatives

<India> Net Sales（Billion JPY） EBITDA Margin(%)



Market･Competition※

<Overall>
- 2024-2030 CAGR of coating market：HSD
- Some up-downs in short-term but steady growth long-term

<Market>
Auto ▶Growth due to expansion of factories and production lines
Deco ▶Intense competition with new entrants
Prot. ▶Infrastructure market continues to grow
Inds ▶Higher demand due to growth of net income

※Based on Kansai Paint Internal and Orr & Boss Consulting Incorporated Estimates

Main Initiatives

- Unique Growth as Overall Coating Player
- Identify Winning Strategy utilizing Diverse Portfolio of Retail, Project, and AID
- Increase Share in Local OEMs and Maintain Share in Japanese OEMs
- Expand into Protective Coating Market
- Increase Shares in Powder Coating
- Capture growth of 2wheeler and 3wheeler Market (Including EV and Exports)
- Increase shares in ACE and Railway
- Improve position in Auto-refinish

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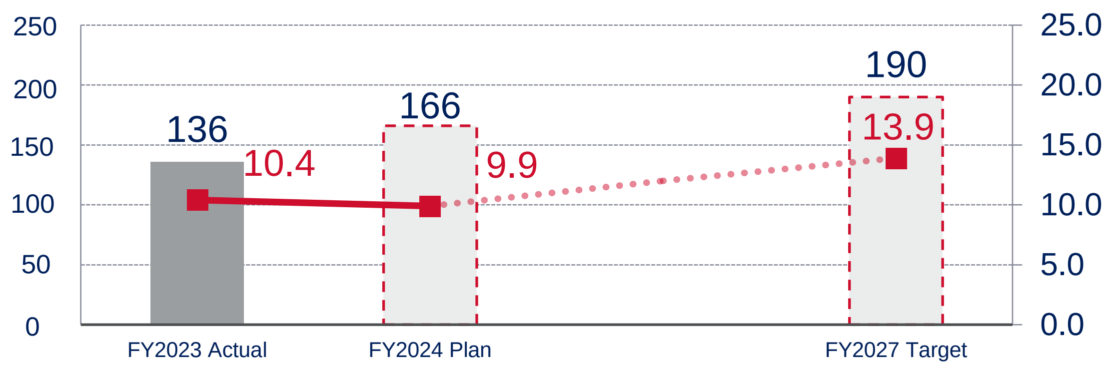
Europe Targets and Initiatives

<Europe> Net Sales (BillionJPY) EBITDA Margin(%)



Market・Competition※

<Overall>

- 2024-2030 Coating Market CAGR：LSD
- Protectionism and environmental regulations intensify
- Overall economy will slowly recover
- Hyper-inflation in Turkey will continue

<Market>

Industrial▶Fluctuating demand due to policies around environment and energy.
Decline in demand due to the Ukraine-Russia Conflict

※Based on Kansai Paint Internal and Orr & Boss Consulting Incorporated Estimates

Main Initiatives

- Improve Profitability and Generate Synergies through Disciplined PMI
- Exit from Low Profit/Loss making Business
- Lead Industrial Coatings Globally and Collaborate within Group
- Enhance Development and Launch of Sustainable Products
- Globally Expand Railway Coating Business
- Increase Shares in Non-Japanese OEMs
- Gain Shares with Waterborne Technology in Auto Refinish

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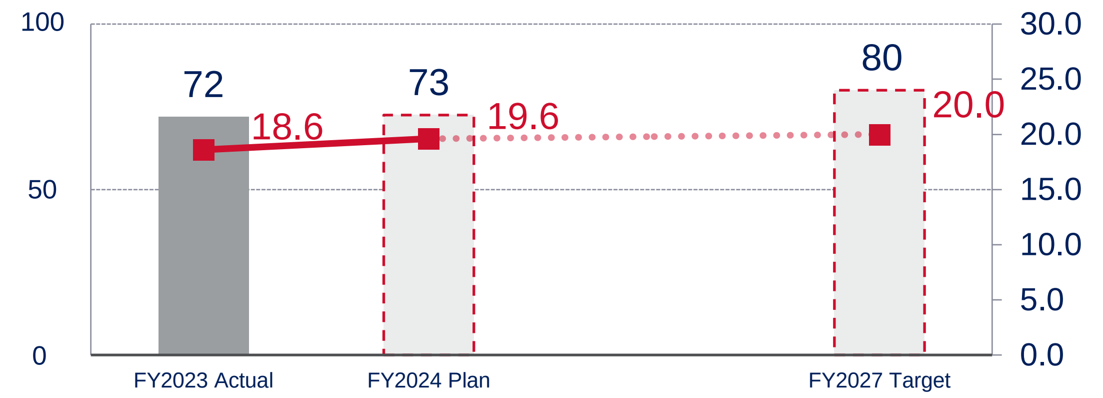
Asia Targets and Initiatives

<Asia> Net Sales (Billion JPY) EBITDA Margin(%)



Market・Competition※

<Overall>

- 2024-2030 Coating Market CAGR：MSD
- Long slow down of Chinese economy
- SE Asia steady growth with mix of developing and advanced countries

<Market>

Auto ▶Chinese EV Penetrating the Asian Market

Deco ▶Steady Growth

Prot. ▶Solid Demand for Infrastructure

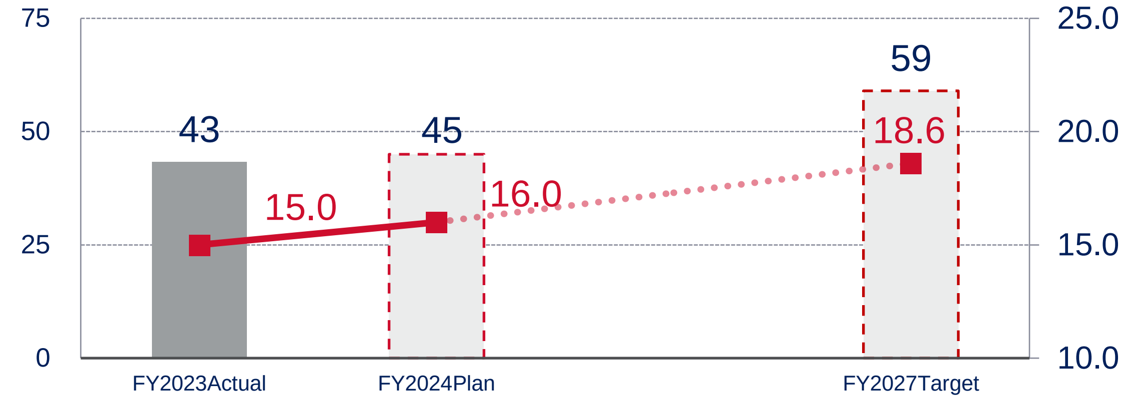
Main Initiatives

- Optimize China Business (Evaluate the Risk and Chances)
- Approach to Non-Japanese OEM Customers
- Utilize India 2 Wheeler Business Know-how and Expand Business within the Region
- Revisit Decorative Business per Country (Continue or Exit)
- Increase Share and Area for Industrial and Protective

※Based on Kansai Paint Internal and Orr & Boss Consulting Incorporated Estimates

Africa Targets and Initiatives

<Africa> Net Sales (Billion JPY) 、EBITDA Margin(%)



Market・Competition※

<Overall>
- 2024-2030 Coating Market CAGR：MSD
- South Africa keeps to have stagnant economy
- East Africa: Strikes, Demos, Natural Disasters as risk factors

<Market>
Deco ▶South Africa: 70% of the market is Deco. With the stagnant economy, shift to mid-tier and price sensitivity is accelerating
East Africa: Steady growth due to strong economic growth

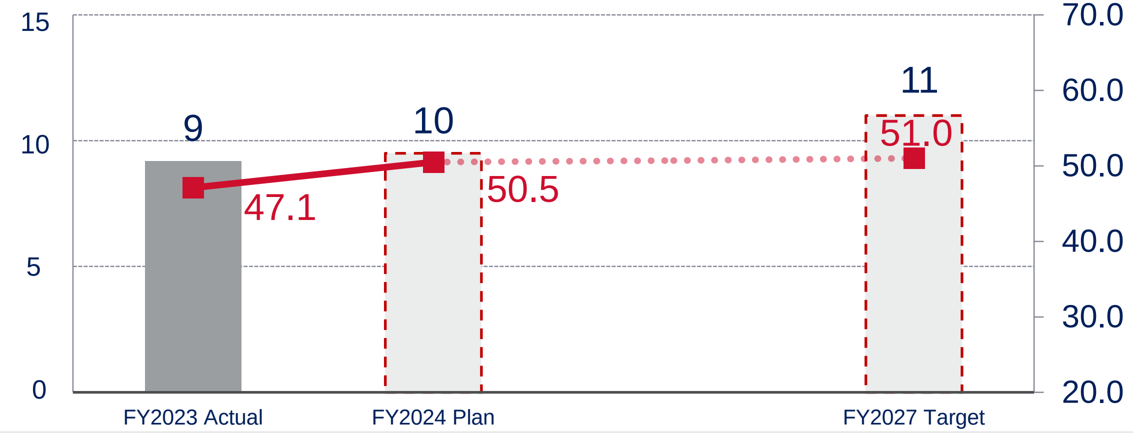
※Based on Kansai Paint Internal and Orr & Boss Consulting Incorporated Estimates

Main Initiatives

- Create One Africa Management
  Improve Operation Efficiency and Gain Synergy
- Enter New Region or Segment
- South Africa: Improve Profitability by Keeping Shares in Premium and Grow in Mid-tier
- Absolute #1 in Uganda
- Keep Top Position in Tanzania and Capture Growth
- Improve Market Position and aim for Over the Market Growth in Kenya

North America Targets and Initiatives

<N. America> Net Sales (Billion JPY) EBITDA Margin(%)



Market・Competition ※

<Overall>

- 2024-2030 Coating Market CAGR：LSD
- Unclear but generally solid growing economy

<Market>

Auto ▶Production is Stable or Slight Increase
For Japanese-OEM, Situation is unclear

Industrial ▶Powersports market shows firm growth

※Based on Kansai Paint Internal and Orr & Boss Consulting Incorporated Estimates

Main Initiatives

- Increase Shares in Japanese-OEMs
- Improve Market Position in Auto-parts Business
- Expand into Industrial Coatings
- Active Development of Environmentally Friendly Products
- Utilize CWS North America Site to Expand Industrial Coatings
- Investigate and Evaluate Entrance into the North America Business

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Detailed Plans for Engagement

□ January	Europe Strategy Session
□ February	FY2024 3QResults
□ March	Africa Strategy Session
□ April	Publish Integrated Report India Strategy Session
□ May	FY2024 Full Year Results
□ June	Annual Shareholder Meeting

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Coating Lives Worldwide

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Thank you

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