



Financial Results for the Third Quarter of FY2024

February 7, 2025

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1. Summary of Financial Results for 3Q FY2024

Key Points for Financial Results of 3Q(Apr.-Dec.) FY2024

- **Although the environment remains challenging, self-help efforts are paying off and improvement is progressing in 3Q**
 - **Record performance despite revised forecast**
 - **Strongly promote core measures to strengthen business performance in major areas**
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- ✓ Stopped deteriorating business performance in 2Q, and increased sales and income in 3Q (QonQ)
 - ✓ Contribution by strong Japan Marine sector, Auto and Industrial sector in India, and profit improvement measures
 - ✓ In Europe, sales increased due to Improvement in Kansai Helios and new consolidation of Weilburger, but profit decreased significantly due to hyperinflation in Turkey
 - ✓ In Asia, sales and income decreased YoY through 1Q-3Q(9 months) due partly to struggling Japanese OEMs, but in 3Q (Oct.-Dec.), sales and income turned around to increased (QonQ)

Core measures for major areas at the start of the New MTP

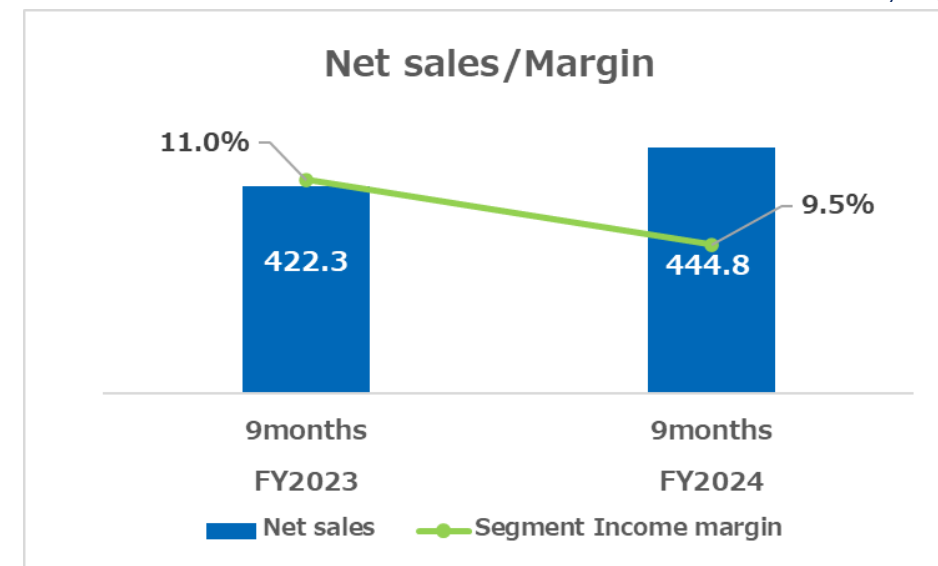
- ◆ Japan : Implemented an early retirement incentive program for managers, and 71 employees applied for the program.
Launching a project dedicated to structural reform in April 2025
- ◆ India : Reinforcement of Auto and Industrial and rebuilding of Deco
In April 2025 Mr. Pravin Chaudhari will be appointed as the new CEO
- ◆ Europe : PMI is progressing well. Phased effects starting in 2025
Commenced of full-scale structural reforms with a view to 2030
- ◆ Africa : KPAL (South Africa) became a wholly owned subsidiary
as one of the steps towards “One Africa”
Proposed closure of Durban Plant (South Africa)

Consolidated results 3Q FY2024

(JPY billion)

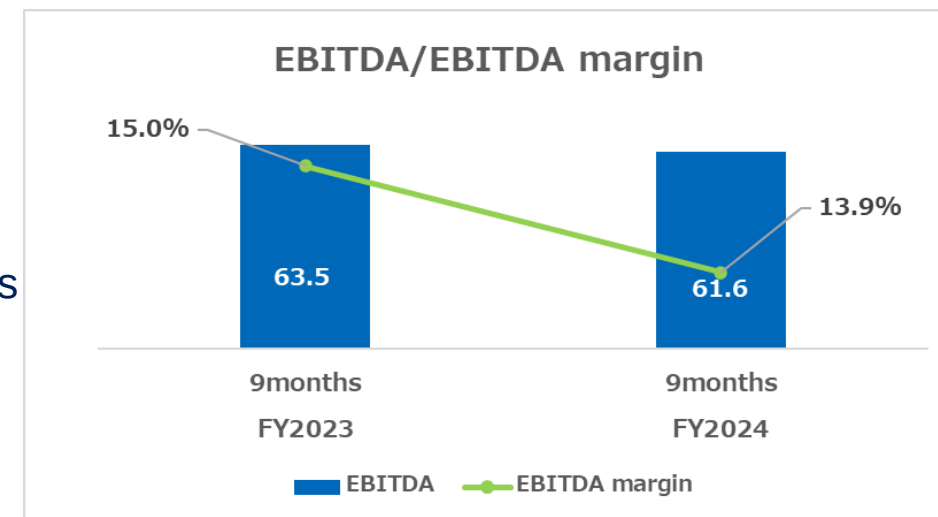
	9months FY2023	9months FY2024	YOY	YOY(%)
Net sales	422.3	444.8	22.5	5.3%
Operating income	41.4	39.2	-2.1	-5.2%
Segment Income	46.6	42.3	-4.3	-9.3%
Ordinary income	44.2	41.8	-2.4	-5.4%
EBITDA	63.5	61.6	-1.9	-3.0%
EBITDA margin	15.0%	13.9%	-1.1pt	-
Net income	53.9	32.9	-21.0	-39.0%

(JPY billion, %)



- ✓ Increased sales driven by marine in Japan, Auto in India and Industrial in Europe
- ✓ Decrease in Income due to higher fixed costs in Europe, despite lower raw material prices and cost reduction efforts
- ✓ Ordinary Income decreased due to decrease in equity in earnings of affiliates offset by currency exchange gains
- ✓ Net income increased significantly from 2Q due to sale of land in India and cross-share holdings

※ Decreased YoY due to large one-time gains in the previous year



Revised forecast on a consolidated basis

(JPY billion, %)

	FY2023 results	FY2024 Forecast as of May. 2024	FY2024 Revised Forecast as as of Feb. 2025	Revised Forecast vs FY2023
Net sales	562	610	580	103%
Operating income	52	56	52	101%
Segment Income	59	61	57	96%
Ordinary income	58	60	58	101%
EBITDA	82	89	85	103%
EBITDA margin (%)	14.6%	14.6%	14.7%	+0.1pt
Net income	67	40	40	60%

- ✓ Revised forecast in light of the external environment in Europe
- However, record sales and operating income will be achieved

Main figures related to the consolidated balance sheets

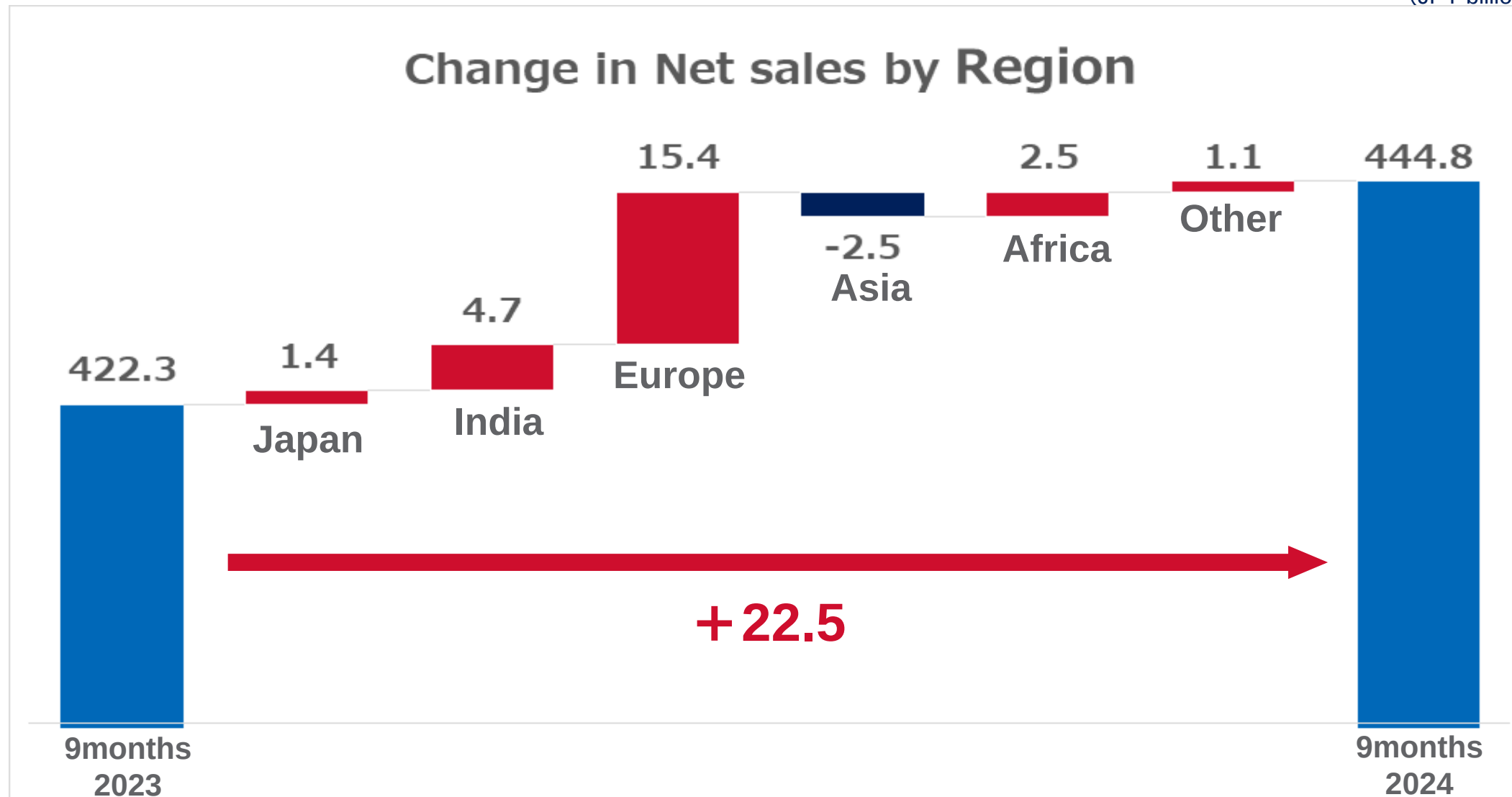
(JPY billion)

	FY 2023		FY 2024	Difference
	End of 3Q	End of 4Q	End of 3Q	YoY
Total assets	683.3	689.7	751.3	62
Cash & Deposit	70.2	76.6	66.1	-10
Trade notes and A/C receivables	129.0	113.2	133.1	20
Inventory	106.8	104.3	113.9	10
Non-current assets	346.1	361.0	393.3	32
Goodwill	35.7	34.1	35.9	2
Interest-bearing debts	102.7	126.2	227.5	101
Shareholders' equity	328.4	310.0	260.5	-49
Treasury stock	▲ 22.9	▲ 2.1	▲ 18.9	+ 168
Shareholders' equity ratio (%)	48.1%	44.9%	34.7%	-10.2pt
NetDebt/EBITDA(times) ※Annualized figures		0.3times	1.6times	-
NetDebt/Equity(%)		8.2%	49.7%	+41.5pt

- ✓ Optimize leverage level through debt financing
- ✓ Execute acquisition of treasury stock continuously. Treasury stock acquired will be cancelled

Change in Net sales by region (YoY)

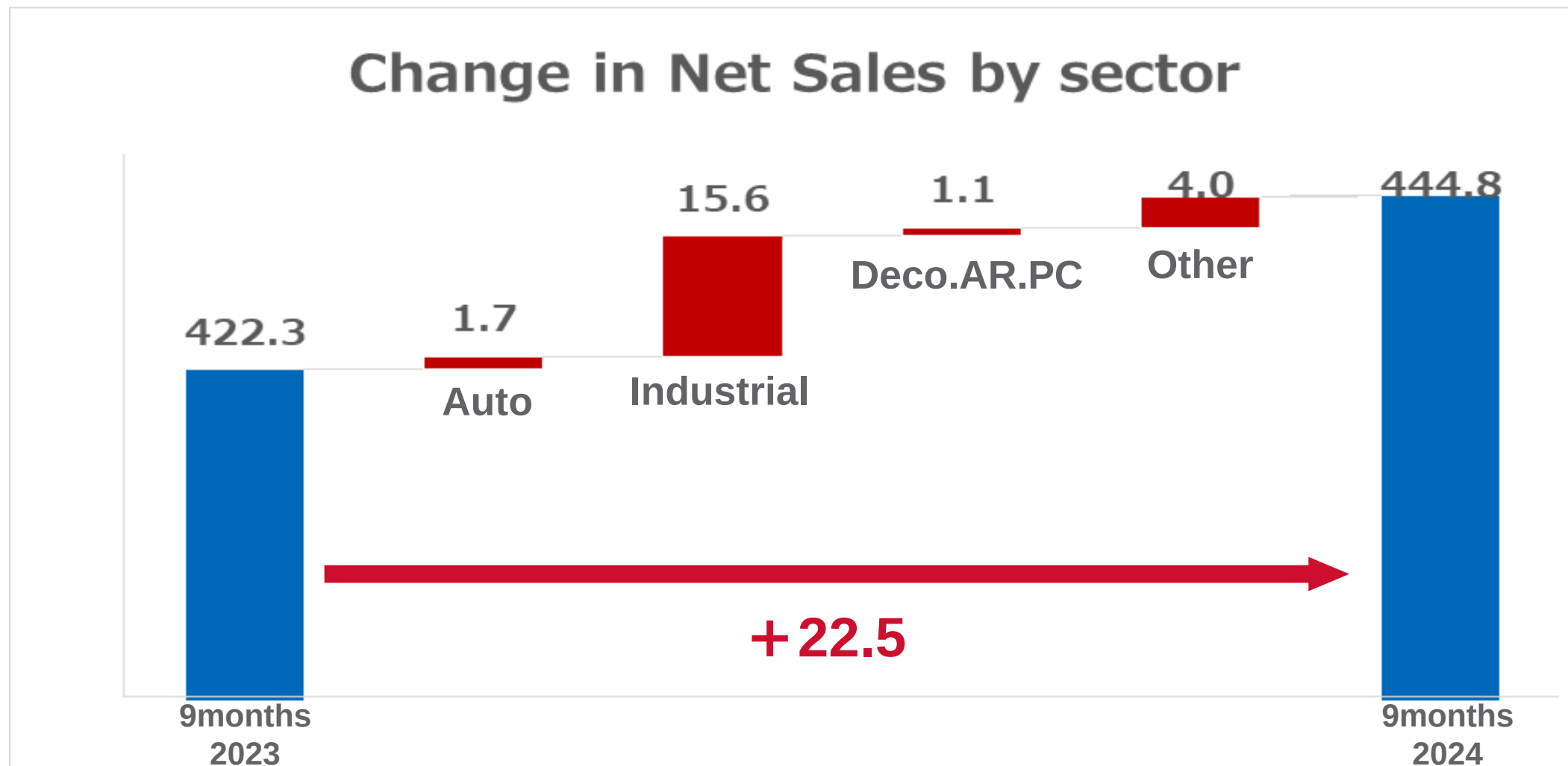
(JPY billion)



- ✓ Sales increased except in Asia. (Weilburger new consolidation effect of 10.6 billion yen in increased Sales in Europe.)

Change in Net Sales by sector (YoY)

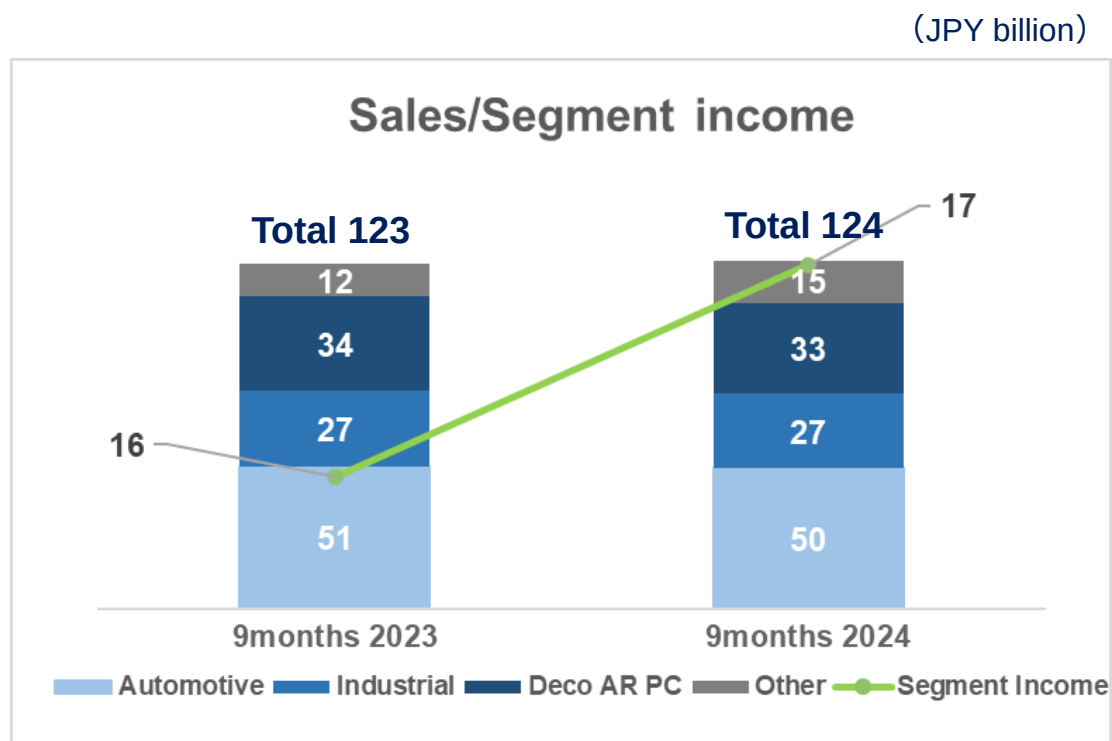
(JPY billion)



- ✓ Increase in sales of all businesses, including consolidation of Weilburger(10.6 billion yen) in the industrial sector

2 . Summary of Financial Results by Segment

Results by Region 【Japan】



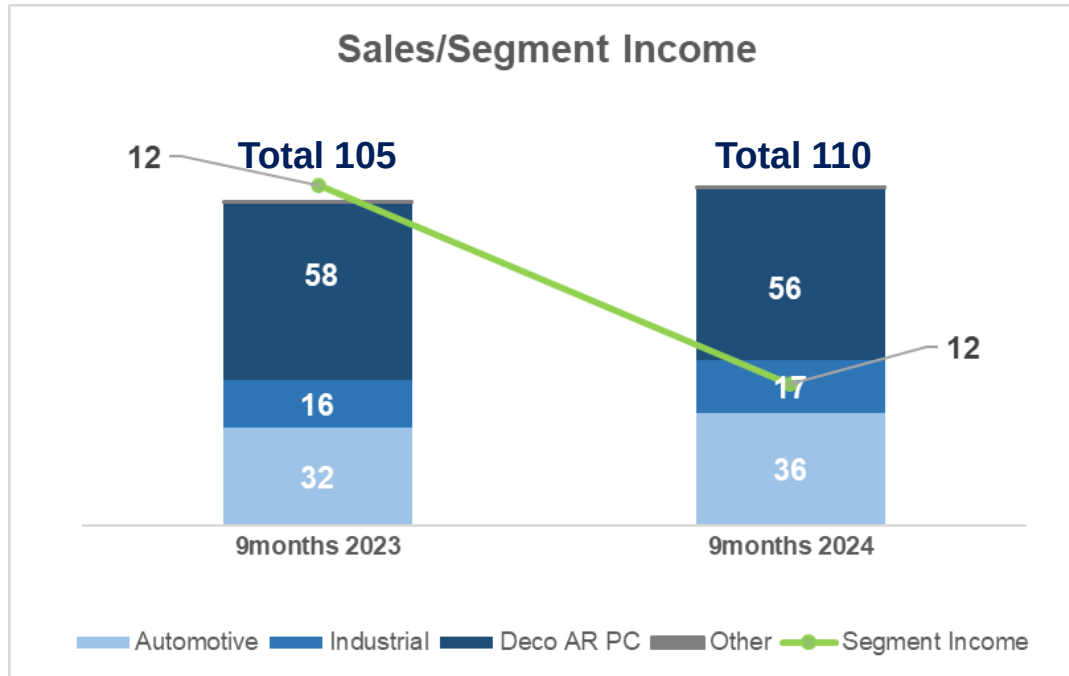
Segment summary

- **Achieved an increase in sales and income**
- **Segment income margin increased from 13.3% to 14%**
- **Sales 101% , Segment Income 106% YoY**

- Sales in Auto decreased due to the impact of production decrease caused by the suspension of production in some customers, but the impact minimized by keeping the record-high share
- Industrial sector remained flat YoY due to continuous price increase and product mix improvement despite volume decrease affected by slow market.
- Despite stable growth in AR with major Waterborne products, overall sales of Deco, AR and PC decreased slightly due to sales decrease in Deco and PC with slow market conditions
- Marine saw a significant increase due to continued strong demand for ocean-going repairs and the effect of price increases
- Segment income increased due to cost reduction effort, price improvement and Increase in Marine sales

Results by Region 【India】

(JPY billion)



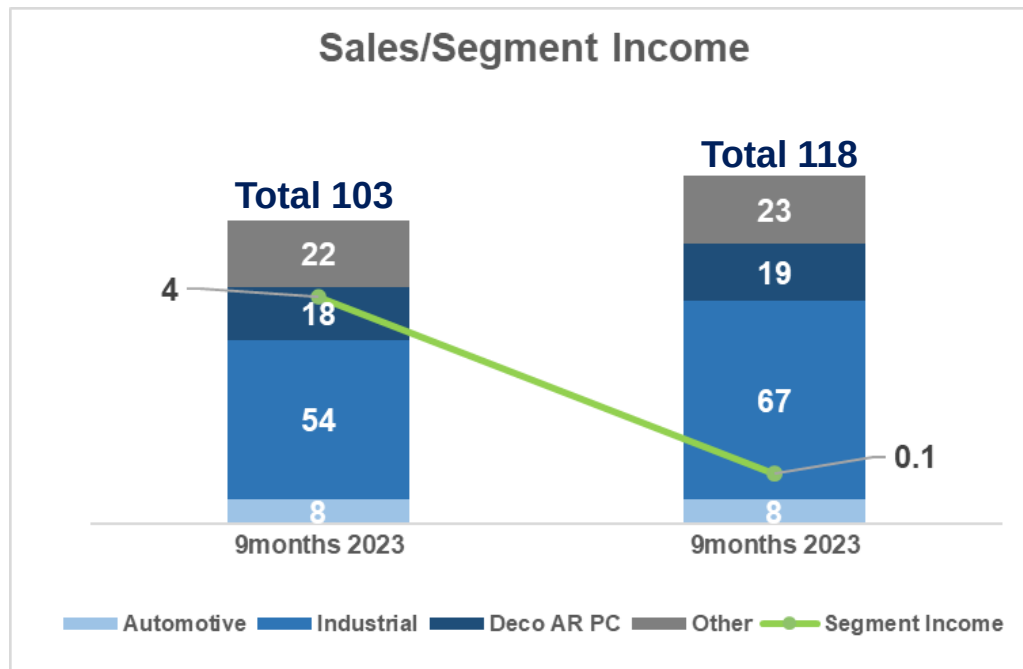
Segment summary

- **Strong sales growth in Auto and industrial sector**
- **Competition in the Deco sector is intensifying, and market condition is slow**
- **Sales 105% , Segment Income 93% YoY**

- Sales of auto increased significantly due to stable automobile production volume.
- Sales of Industrial increased by more than 10% due to increased demand for PC and Powder coatings.
- Retail business in Deco struggling with market slow down, intensification of competition and shift of demand to lower price products
- Growth in Project, Construction Chemicals, Wood above the market average
- Despite positive factors such as income increase in the automotive sector and lower cost, segment income decreased due shift of demand to lower price products in Deco

Results by Region 【Europe】

(JPY billion)



Impact of Hyperinflation

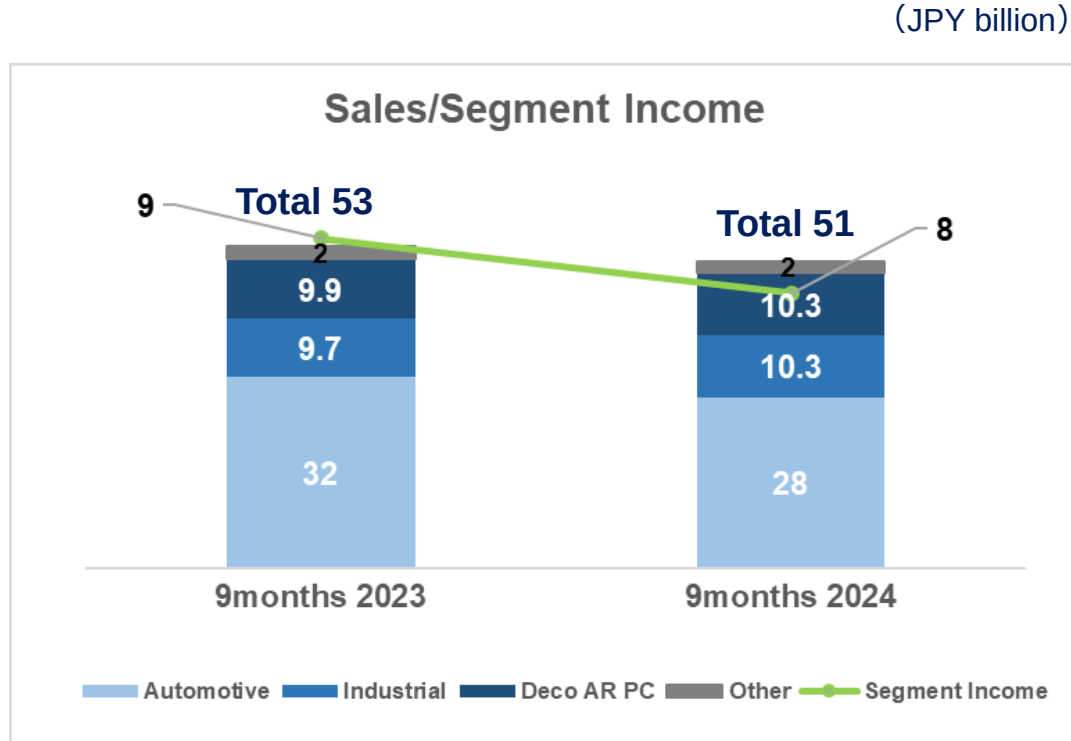
	FY2023 9months	FY2024 9months
Segment Income	4	0
Impact of Hyperinflation	0	-2
Segment income (real basis)	4	2

Segment summary

- Sales increased and income decreased YoY
- Although segment Income was 2.1 billion JPY, hyperinflation in Turkey affected ▲2 billion

- Industrial sales increased excluding Weilburger new consolidation effect
- Automotive sales increased despite lower production
- PMI in Kansai Helios is proceeding as planned
- Income increased YoY excluding Turkey
- Full-scale structural reforms to begin in 2025

Results by Region 【Asia】



Segment summary

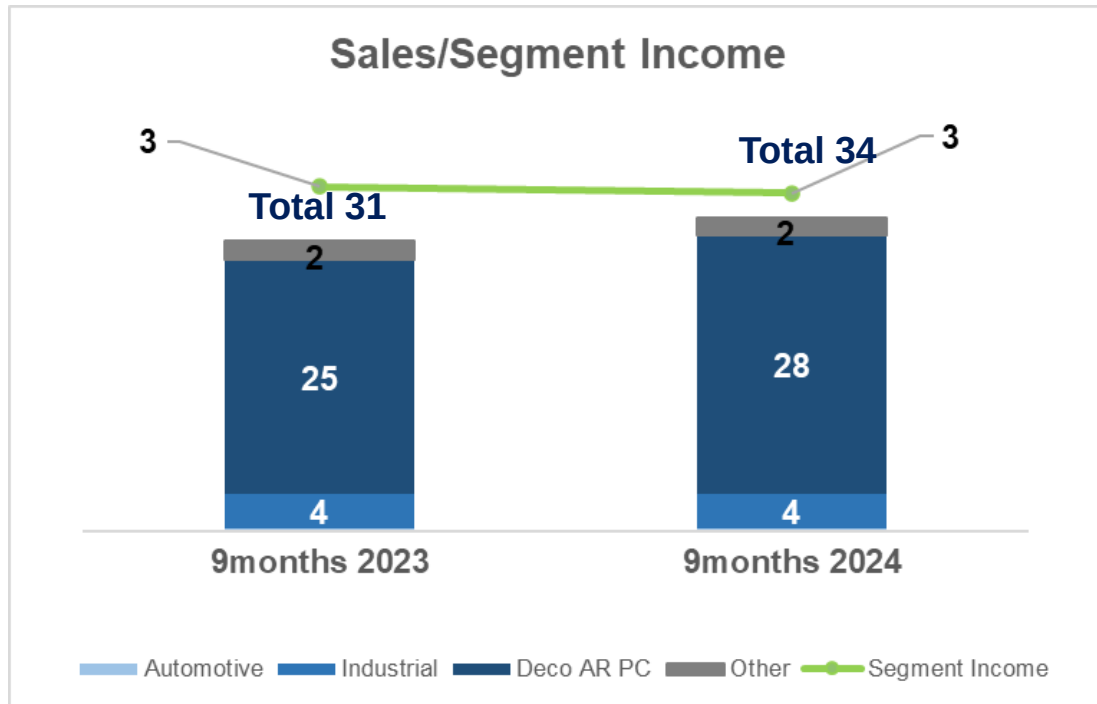
■ **Decrease in sales and income due to lower automobile production in Thailand and Indonesia despite a contribution of Malaysia and the equity-method affiliate in China**

■ **Sales 98% , Segment Income 86% YoY**

- Despite steady volume growth in Malaysia, sales decreased due to significant decrease in automobile production in Thailand and Indonesia
- Automobile production in China increased and performance of the equity-method affiliate in China is steady, but production of major Japanese OEMs customers is weak
- Sales of industrial and Deco increased mainly in Indonesia and Malaysia.
- 3Q sales volume increased compared to 2Q in China and ASEAN.

Results by Region [Africa]

(JPY billion)



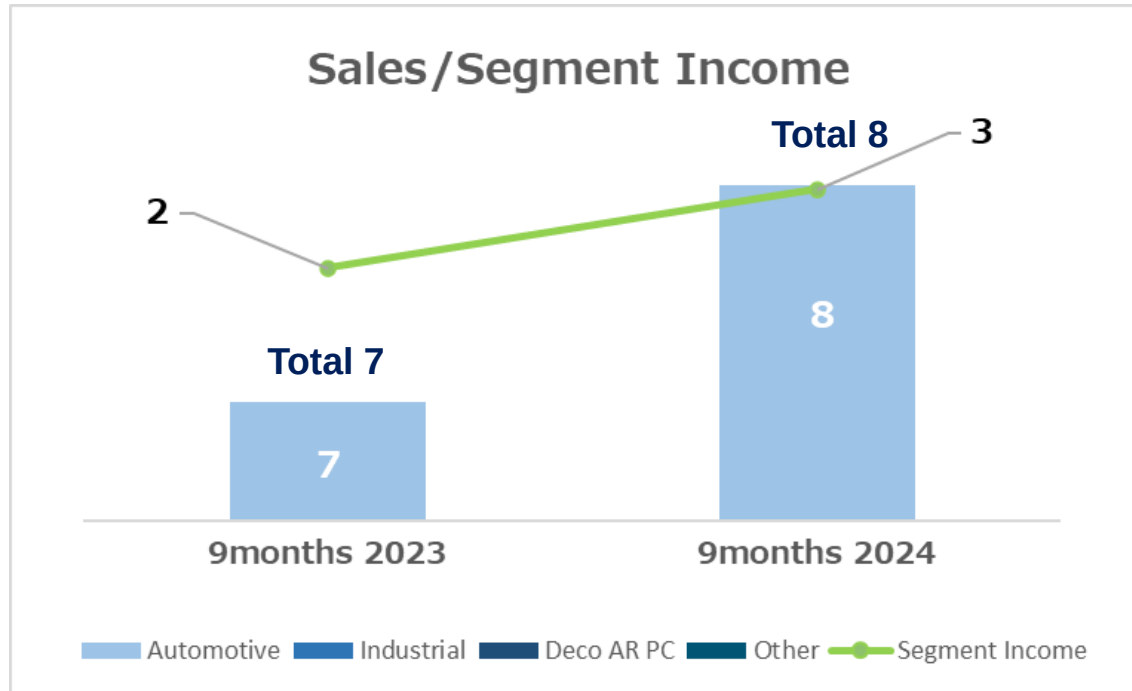
Segment summary

- **Despite the sluggish consumption caused by individual situations in each African country, sales increased thanks to good performance in East Africa.**
- **Sales 108% , Segment Income 98% YoY**

- South Africa: Started new business of house brand products in big box(Build It)
- East Africa: Sales increased due to improved product mix despite higher raw material costs due to the situation in the Middle East and the Red Sea
- Segment income slightly decreased due to the impact of inflation in Zimbabwe and Malawi
- Proposed closure of Durban Plant (South Africa) to improve efficiency and competitiveness in the African Operations

Results by Region 【North America】

(JPY billion)



Segment summary

- Achieved increase in sales and income due to stable automobile production and steady demand in power sports with high market share
- Sales 116% , Segment Income 130% YoY

- Sales and income increased for automotive parts due to strong automobile production
- Strong automobile production contributed to increased income at the equity method affiliate
- High market share and steady production in Powersports contributed to sales and income increase

3. Progress in Capital Efficiency Improvement and Shareholder Return

Progress in Capital Efficiency Improvement and Shareholder Return

■ Establish an optimal capital structure

Net Debt/EBITDA	1.6times ※Annualized figures
Net Debt/Equity	49.7%

■ Execution of progressive dividend

	FY 2020	FY 2021	FY2022	FY2023	FY2024 (forecast)
Annual dividend per share	30	30	30	40	44

(JPY)

✓ Started progressive dividend and continue

■ Execute acquisition of treasury stock intermittently Status of acquisitions by Oct. 31

Items	Contents
Total number of shares acquired	30,985,200 shares
Acquisition amount	Approx. 77billion yen
Percentage of treasury stock held	4.95%

✓ All 60 billion yen worth of treasury stock acquired has been cancelled in Sept. 2024(23,482,500 shares)

4. Detailed Plan for IR Dialogue

<Strategy Briefings for major areas>

January 7 : Strategy Briefings of Kansai Helios(Europe) (Finished)

March 27 : Strategy Briefings of Africa Business

April 18 : Strategy Briefings of India Business

May 16 : Strategy Briefings of Kansai Paint Group



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

FY2024 Third Quarter Reference Material for Financial Results

Consolidated results

(JPY billion, %)

	FY2023					FY2024				
	1 Q	2 Q	3Q	4Q	Full year	1 Q	2 Q	3Q	4Q (outlook)	Full year (outlook)
	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)
Net sales	136.4	137.6	148.3	140.0	562.3	145.4	148.7	150.7	135.2	580.0
	+13.3%	+5.6%	+12.1%	+11.0%	+10.5%	+6.6%	+8.1%	+1.6%	-3.4%	+3.2%
Operating income	13.6	12.1	13.6	15.7	10.2	51.6	15.1	11.2	14.8	52.0
	+42.6%	+87.3%	+86.3%	+29.0%	+60.8%	+24.9%	-17.7%	-17.5%	+17.5%	+0.8%
Ordinary income	17.0	15.1	12.1	13.5	57.7	19.9	6.1	15.8	12.8	58.0
	+28.6%	+92.7%	+55.9%	+18.3%	+43.4%	+17.4%	-59.8%	+30.5%	+25.5%	+0.5%
EBITDA	18.9	20.6	24.0	18.7	82.2	23.1	18.5	20.1	16.2	85.0
	+29.3%	+61.8%	+61.2%	+20.3%	+42.3%	+22.1%	-10.2%	-16.5%	+20.0%	+3.4%
EBITDA margin	13.8%	14.9%	16.2%	13.4%	14.6%	15.9%	12.4%	13.3%	17.2%	14.7%
	+1.7pt	+5.2pt	+4.9pt	+1.0pt	+3.3pt	+2.0pt	-2.5pt	-2.9pt	+3.8pt	+0.0pt
Net income	37.6	8.8	7.5	13.2	67.1	11.9	3.8	17.2	7.1	40.0
	+483.1%	+49.4%	+69.6%	+56.6%	+166.4%	-68.4%	-56.9%	+130.1%	-46.2%	-40.4%
EPS(JPY)	164.67	39.10	33.12	60.40	299.15	57.45	19.78	95.14	38.33	210.70
	+554.0%	+59.8%	+74.3%	+66.6%	+186.0%	-65.1%	-49.4%	+187.3%	-36.5%	-29.6%

Net sales by regional segment

(JPY billion, %)

	Net sales									
	FY2023					FY2024				
	1 Q	2 Q	3 Q	4 Q	Full year	1 Q	2 Q	3 Q	4 Q (outlook)	Full year (outlook)
	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)
Japan	38.8	41.3	42.9	42.3	165.3	41.3	40.6	42.5	40.6	165.0
	+9.8%	+8.3%	+8.1%	+7.6%	+8.4%	+6.3%	-1.7%	-0.9%	-4.0%	-0.2%
India	36.6	34.5	34.2	31.4	136.6	40.3	35.0	34.6	30.1	140.0
	+5.7%	+2.8%	+8.5%	+12.7%	+7.1%	+10.1%	+1.7%	+1.1%	-4.1%	+2.5%
Europe	30.9	33.8	38.1	33.1	135.9	33.6	42.7	41.9	31.8	150.0
	+31.2%	+9.3%	+28.6%	+18.4%	+21.3%	+8.8%	+26.4%	+9.9%	-3.9%	+10.4%
Asia	18.1	16.9	18.4	18.5	71.9	17.3	16.2	17.4	17.1	68.0
	+12.7%	+4.7%	+1.3%	+4.4%	+5.6%	-4.5%	-3.6%	-6.0%	-7.6%	-5.4%
Africa	9.9	8.9	12.2	12.3	43.3	10.2	11.3	12.0	13.5	47.0
	+7.4%	-9.2%	+7.0%	+8.3%	+3.6%	+3.0%	+26.6%	-1.3%	+9.8%	+8.4%
North America	2.1	2.2	2.5	2.4	9.2	2.7	2.8	2.4	2.1	10.0
	+31.7%	+31.0%	+31.7%	+28.7%	+30.7%	+29.4%	+24.7%	-3.8%	-12.5%	+8.6%
Total	136.4	137.6	148.3	140.0	562.3	145.4	148.7	150.7	135.2	580.0
	+13.3%	+5.6%	+12.1%	+11.0%	+10.5%	+6.6%	+8.1%	+1.6%	-3.4%	+3.2%

Segment Income by regional segment

(JPY billion, %)

	Segment Income									
	FY 2023					FY 2024				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q (outlook)	Full year (outlook)
	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy
Japan	4	6	6	5	22	6	5	7	7	24
	+68.4%	+150.9%	+83.7%	-0.2%	+61.5%	+54.4%	-20.7%	+2.2%	+32.0%	+11.9%
India	5	4	4	2	15	5	3	3	3	15
	+33.7%	+45.4%	+34.6%	+21.5%	+34.8%	+11.1%	-26.6%	-9.1%	+47.8%	+1.3%
Europe	1	1	3	1	5	1	-0.2	-1	1	2
	-54.5%	+82.3%	+1,769.0%	+399.1%	+154.5%	+62.5%	-	-	-	-70.4%
Asia	3	2	3	2	11	3	2	2	2	10
	+49.8%	+142.6%	+46.5%	-13.6%	+43.6%	-10.1%	-5.1%	-24.0%	+11.1%	-9.9%
Africa	1	1	1	1	4	1	1	1	1	4
	+41.0%	+34.6%	+27.0%	+116.0%	+49.7%	+14.9%	+9.0%	-17.4%	+0.0%	-1.9%
North America	0	1	1	1	3	1	1	1	0	3
	+138.1%	+154.1%	+125.5%	+143.9%	+139.9%	+202.9%	+16.4%	-25.0%	-81.8%	-9.0%
Total	14	15	18	13	59	17	12	13	15	57
	+36.4%	+96.7%	+80.4%	+23.0%	+56.6%	+25.8%	-21.1%	-26.0%	+17.5%	-3.8%

Analysis of YoY Sales Increase/Decrease (Apr-Dec 2024)

	FX impact	Volume	Price fluctuations and others	total
Japan	0%	-4%	5%	1%
India	5%	2%	-3%	4%
Europe	-3%	4%	14%	15%
Asia	6%	-9%	-2%	-5%
Africa	5%	2%	1%	8%
North America	3%	3%	10%	16%
Total	2%	-3%	5%	5%

※Corrected on February 12, 2025.

Equity in earnings of unconsolidated subsidiaries and affiliates

(JPY billion, %)

	FY2023					FY2024		
	1 Q	2 Q	3 Q	4Q	Full year	1 Q	2 Q	3 Q
Japan	0.5	0.3	0.4	0.3	1.4	0.4	0.3	0.4
India	-0	-0	-0	-0	-0	-0	-0	-0
Europe	-0.3	-0.2	0.1	1.3	0.8	-0.0	-1	-1.1
Asia	1.0	0.8	1.2	0.2	3.3	1.0	1.0	0.7
Africa	-0	0.0	0	-0	0	0	0	0
North America	0.3	1	0.6	0.7	2.1	0.6	0.5	0.5
Total	1.5	1.4	2.4	2.4	7.6	2.0	0.6	0.4

Key numbers related to Balance Sheet(B/S)

(JPY billion, %)

		FY2023				FY2024		
		The end of 1Q	The end of 2Q	The end of 3Q	The end of 4Q	The end of 1Q	The end of 2Q	The end of 3Q
Total assets		647.3	673.5	683.3	689.7	782.7	752.4	751.3
	Cash & deposits	61.1	64.5	70.2	76.6	90.6	67.4	66.1
	Trade notes and A/C receivables	119.8	128.3	129.0	113.2	136.1	134.0	133.1
	Inventory	106.9	108.9	106.8	104.3	112.0	115.6	113.9
	Non-current assets	329.7	342.0	346.1	361.0	398.5	400.9	393.3
	Goodwill	34.7	36.6	35.7	34.1	38.4	40.4	35.9
Interest-bearing debts		98.3	99.1	102.7	126.2	187.4	212.7	227.5
Net assets per share (JPY)		-	-	-	1,485.52	-	-	-
Shareholders' equity ratio (%)		46.5	47.8	48.1	44.9	39.9	36.9	34.7

Japanese naphtha price (own estimation)

(JPY/KL)

	FY2023		FY2024	
	1H	2H	1H	2H
Japanese naphtha price	65,500	72,600	78,000	73,100

Japanese car production

(million)

	FY2023			FY2024 (Forecast)		
	1H	2H	Full year	1H	2H	Full year
Car production	4.36	4.32	8.68	4.10	4.44	8.54

Car production

(million)

	FY2023					FY2024		
	1 Q	2 Q	3Q	4 Q	Full year	1 Q	2 Q	3 Q
Japan	2.10	2.26	2.42	1.91	8.68	1.99	2.11	2.24
India	1.39	1.55	1.39	1.63	5.97	1.63	1.45	1.51
China	6.21	7.03	7.83	9.10	30.16	6.60	7.29	7.58
Thailand	0.51	0.41	0.46	0.45	1.83	0.41	0.35	0.37
Indonesia	0.39	0.31	0.36	0.33	1.40	0.30	0.27	0.32
Malaysia	0.20	0.16	0.20	0.21	0.77	0.21	0.18	0.20
Turkey	0.30	0.32	0.26	0.27	1.14	0.28	0.26	0.24

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, 3Q FY2024 car data for Japan is our estimation

Currency translation rates

(JPY／Local currency)

	2023				2024			
	Jan.-Mar.	April-Jun.	July-Sep.	Oct.-Dec.	Jan.-Mar.	April-Jun.	July-Sep.	Oct.-Dec.
U.S.Dollar	132.71	138.54	145.57	147.74	148.00	156.91	149.96	151.14
Euro	142.32	150.18	157.49	159.19	160.27	168.68	164.07	162.27
Indian Rupee	1.62	1.70	1.77	1.79	1.79	1.89	1.80	1.80
Chinese Yuan	19.30	19.63	20.07	20.44	20.54	21.58	20.97	21.06
Thai Baht	3.89	3.99	4.13	4.15	4.16	4.26	4.33	4.49
Malaysian Ringgit	30.28	30.56	31.37	31.60	31.48	33.18	33.90	34.85
Indonesian Rupiah	0.0088	0.0093	0.0096	0.0095	0.0095	0.0097	0.0095	0.0097
Turkish Lira	6.97	5.58	5.47	4.82	4.68	4.90	4.18	4.48
South African Rand	7.53	7.43	7.81	7.88	7.85	8.39	8.42	8.43



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.