Strategy Briefings

May 16, 2025

CONTENTS

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.

1. Key points for today

Based on the results and challenges of the 17th MTP, we have launched the 18th MTP to achieve our long-term vision.

- Achieved record-high net sales and operating income for the second consecutive year
- The 17th MTP met sales and ROE targets, but profitability remained a challenge
- The 18th MTP focuses on enhancing core businesses, improving profitability, and investing for future growth
- Creating a cycle of corporate value expansion through business growth, structural reforms, shareholder returns, and market engagement

2. Summary of Financial Results

Consolidated results of FY2024

Reposted from May 12, 2025 Financial Results FY2024

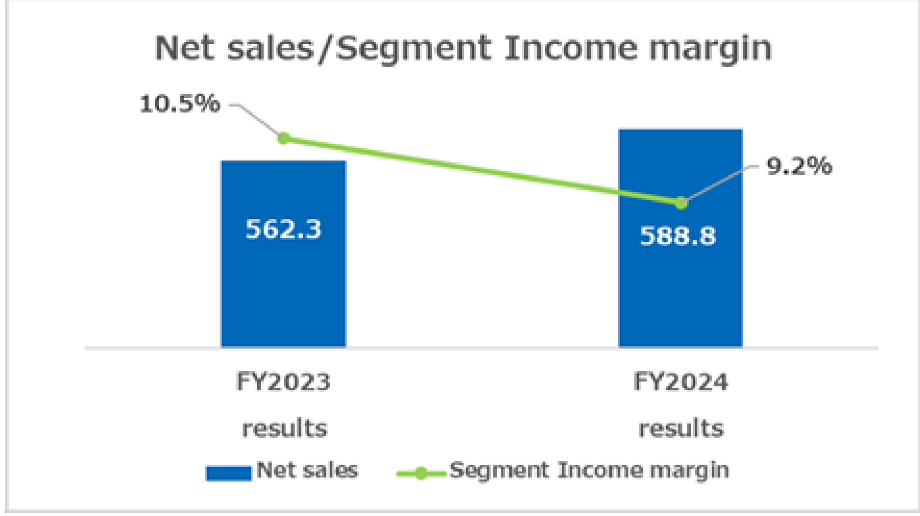
(JPY billion)

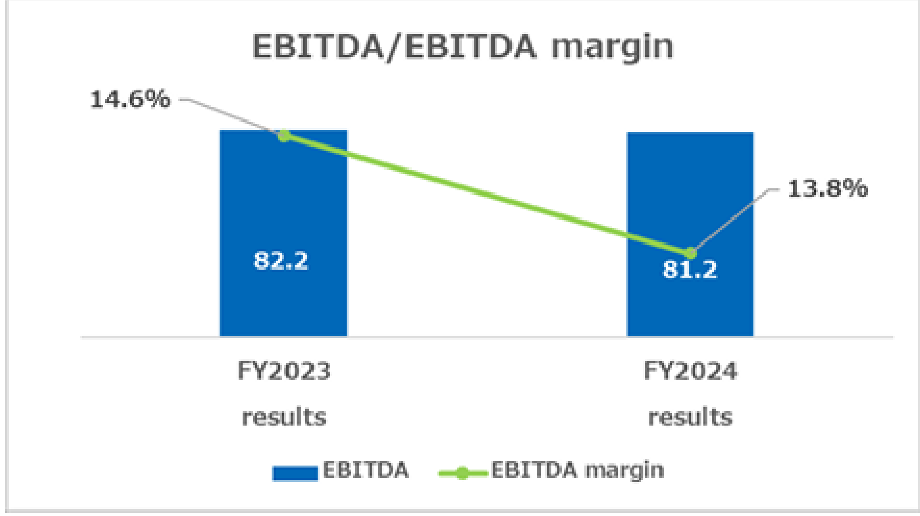
	FY2023 results	FY2024 results	YOY	YOY (%)
Net sales	562.3	**588.8**	26.5	4.7%
Operating income	51.6	**52.1**	0.5	0.9%
Segment Income	59.2	**53.9**	-5.4	-9.0%
Ordinary income	57.7	**49.1**	-8.6	-14.9%
EBITDA	82.2	**81.2**	-1.0	-1.2%
EBITDA margin	14.6%	**13.8%**	-0.8pt	-
Net income	67.1	**38.3**	-28.8	-42.9%
Adjusted ROE ※Excluding One-off	12.9%	**13.1%**	+0.2pt	-
EPS(JPY) ※Excluding One-off	150.44	**165.61**	15.17	10.1%

Record High

- ✓ Sales growth was driven by India with robust Auto sales, Europe with benefit from new consolidation, and Africa with markable growth.
- ✓ Operating income increased with significant contribution from Japan
- ✓ Ordinary income decreased due to currency exchange losses and hyperinflation, as well as impairment losses in Turkey
- ✓ Net income decreased due to the impact of one-off gains in the previous fiscal year and loss on withdrawal from business of overseas subsidiaries
- ✓ Sales and adjusted ROE excluding one-off items met targets, but EBITDA did not

(JPY billion, %)





Consolidated results of FY2025

Reposted from May 12, 2025 Financial Results FY2024

(JPY billion)

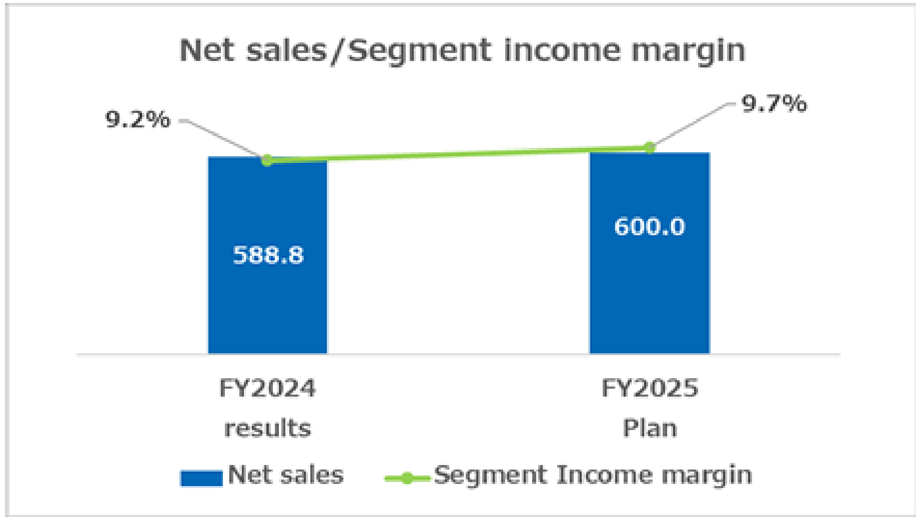
	FY2024 results	FY2025 Plan	YOY	YOY(%)
Net sales	588.8	**600.0**	11	1.9%
Operating income	52.1	**54.0**	2	3.7%
Segment Income	53.9	**58.0**	4	7.6%
Ordinary income	49.1	**58.0**	9	18.1%
EBITDA	81.2	**86.0**	5	5.9%
EBITDA margin	13.8%	**14.3%**	+0.5pt	-
Net income	38.3	**36.0**	-2	-6.0%

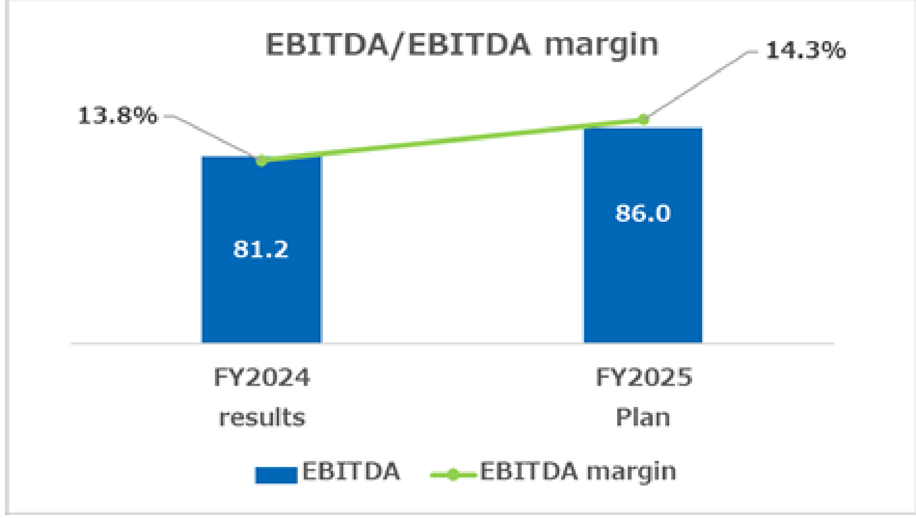
Record High

- ✓ Plan to achieve record-high sales and operating income for the 3rd consecutive year
- ✓ Focus on improving profitability centered on operating income in uncertain external environment
- ✓ Continued aggressive investment in human resources, production, DX, and other areas for the future
- ✓ Start working on structural reforms, particularly in Japan and Europe
- ✓ Strengthening global collaboration to realize ONE KANSAI vision

*Includes tariff impacts known as of now

(JPY billion, %)





Consolidated Financial guidance (FY 2025) by Region

Reposted from May 12, 2025 Financial Results FY2024

（JPY billion, %）

	Net sales				Segment income			
	FY2024	FY2025 Plan	Difference	FY2025 Plan VS. FY2024	FY2024	FY2025 Plan	Difference	FY2025 Plan VS. FY2024
Japan	163.9	165.0	1.1	1%	23.9	24.0	0.1	0%
India	142.3	145.0	2.7	2%	14.2	14.5	0.3	2%
Europe	156.5	165.0	8.5	5%	-1.0	3.0	4.0	-
Asia	68.7	65.0	-3.7	-5%	9.2	8.5	-0.7	-7%
Africa	47.4	50.0	2.6	5%	4.4	5.5	1.1	26%
North America	10.0	10.0	0.0	0%	3.2	2.5	-0.7	-22%
Total	588.8	600.0	11.2	2%	53.9	58.0	4.1	8%

- ✓ Net sales to increase in Japan, India, Europe, and Africa, but decrease in Asia based on current assumptions
- ✓ 8% increase in Segment income driven by improvement of Europe and structural reforms in Japan, despite softn qess in Asia and North America

KANSAI PAINT

Enrich Lives with Happiness

3. 17th MTP Review

Evaluation of the Initial 17th MTP

➢ 17th MTP: Initial Targets (November 2021)

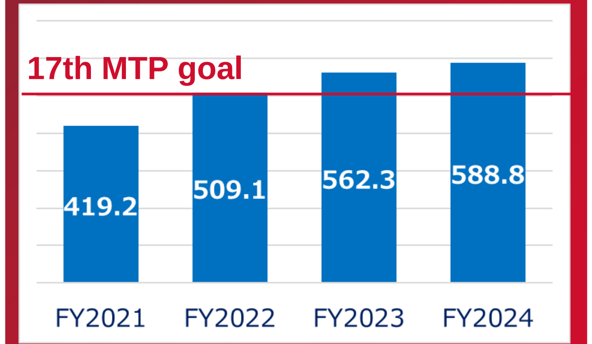
Net Sales	EBITDA	Adjusted ROE
500 billion JPY	17% →85 billion JPY※	13%

※Shifted the performance indicator from margin to absolute value.

➢ 17th MTP: FY2024 Final Results

Met — Net Sales

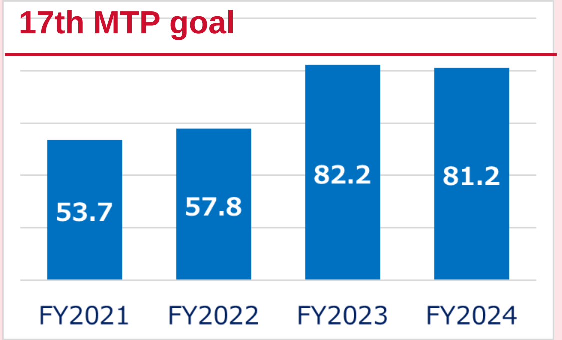
588.8 billion JPY



Not achieved — EBITDA

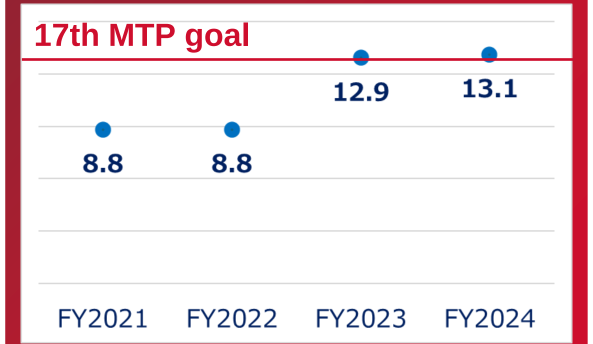
81.2 billion JPY

13.8%



Met — Adjusted ROE

13.1%



Sales and ROE targets were achieved, but profitability fell short

Evaluation of Progress Toward the 17th MTP Targets

Reposted from November 17, 2021 Strategy Briefings

	16th MTP	17th MTP	
Overseas	**Structural Reform/ Increase profitability** ☑ Disposition of unprofitable assets ☑ Structural Reform in Africa ☑ Increase profitability in Europe ☑ Review Business portfolio ☑ Improvement of compliance/governance	**Keep & Increase profitability/Expansion** ☑ Europe: to be the 3rd Pillar, next to Japan and India ☑ India : Grow along with Market growth ☑ Africa : Complete structural Reform ☑ Area/Business portfolio Adjustment ☑ Bolt-on M&A (Mainly in Europe/India)	←Overseas business is essentially risky, but has high profitability and growth potential, and is therefore a growth driver for the 17th MTP Strengthen global risk management
Japan	**Regain Global HQ function** ☑ Strengthen Strategic function ☑ Review in Global communication ☑ Financial structural reform ☑ Reorganization ☑ Re-establish M&A structure	**Structural Reform/ Improve profitability** ☑ Strengthen Global HQ function ☑ Structural Reform which will increase EBITDA by 10 Billion JPY in FY2025 (Compared with FY2020)	←Japan business will be a cash cow, and structural reforms will be implemented to thoroughly increase profitability

Achieved 7.2 billion JPY as of FY2024

Planned initiatives were steadily implemented

KANSAI PAINT

Enrich Lives with Happiness

3years Progress of 17th MTP

※1：excluding one-off items
※2：As of the end of March

	FY2021 (Actual) ①	FY2022 (Actual) ②	FY2023 (Actual) ③	FY2024 (Actual) ④	Growth During 17th MTP ④－①
Net Sales（billion JPY）	419.2	509.1	562.3	588.8	+169.6
Operating Income（billion JPY）	30.1	32.1	51.6	52.1	+22.0
Segment Income（billion JPY）	35.5	37.8	59.2	53.9	+18.4
EBITDA（billion JPY）	53.7	57.8	82.2	81.2	+27.5
Net Income（billion JPY）	26.5	25.2	67.1	38.3	+11.8
Adjusted ROE（%）※1	8.8	8.8	12.9	13.1	+4.3pt
EBITDA Margin（%）	12.8	11.3	14.6	13.8	+1.0pt
EPS（JPY）※1	89.20	94.69	150.44	165.61	+76.41
PER（x）※1	22.1	18.9	14.5	12.9	-9.2
Shareholders’ equity ratio（%）※2	53.3	43.8	44.9	35.9	-17.4pt
NetDebt/EBITDA（x）※2	0.2	0.6	0.3	1.4	－
NetDebt/Equity（%）※2	2.8	11.8	8.2	42.0	+39.2pt

Business and financial performance have improved significantly, yet the PER has declined

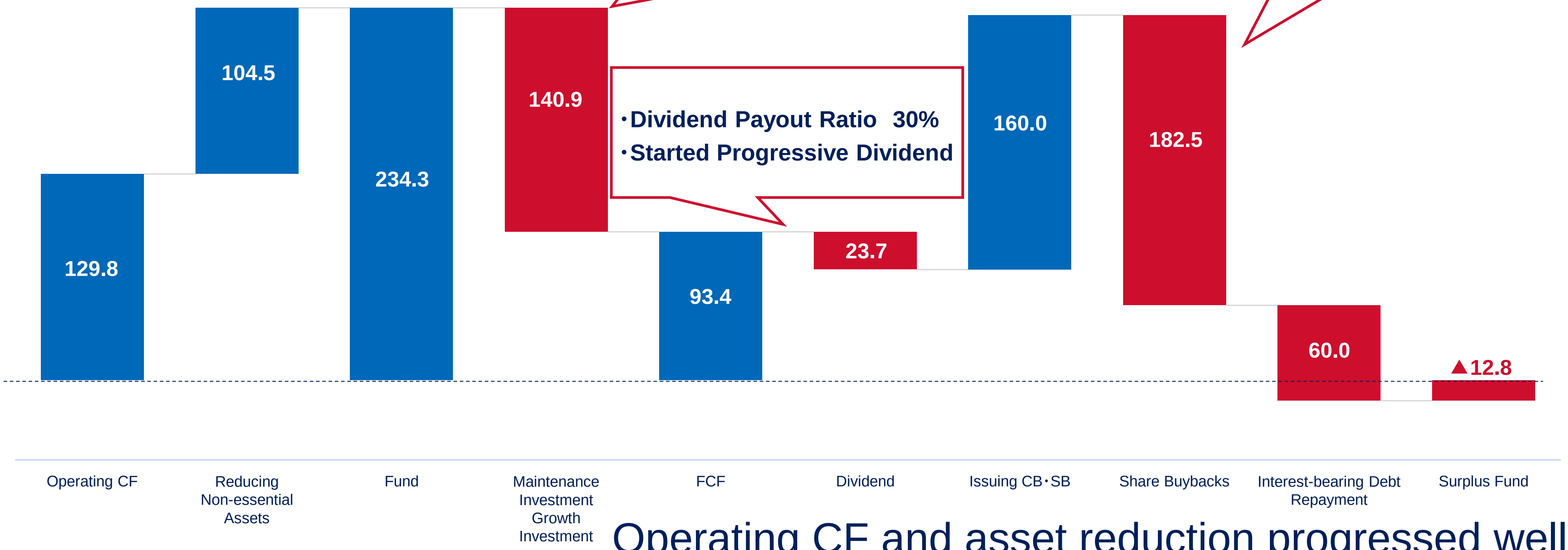
Capital Allocation （April 2022～ March 2025）

・Sales of Cross-Shareholdings：49 billion JPY
・Sales of Real Estate Assets：33 billion JPY
・Improvement of CCC：22.5 billion JPY

Main Investments
・Bolt-on M&A：38 billion JPY
・Reinforcing Management Infrastructure：11 billion JPY
・Restructure of Japan Business：9 billion JPY
・Maintenance：30 billion JPY

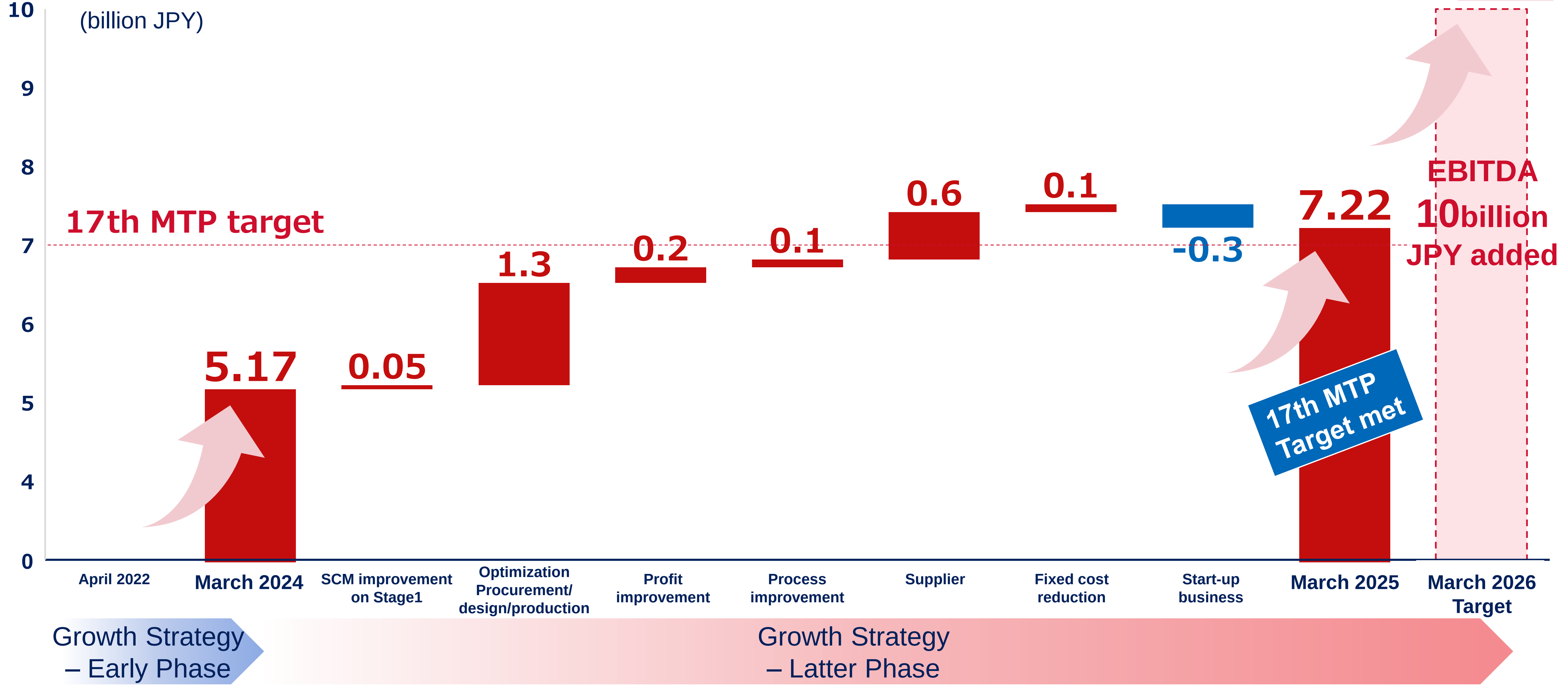
・Share Buybacks
Total 182.5 billion JPY

・Dividend Payout Ratio 30%
・Started Progressive Dividend



Operating CF and asset reduction progressed well beyond plan, and investment for growth expanded

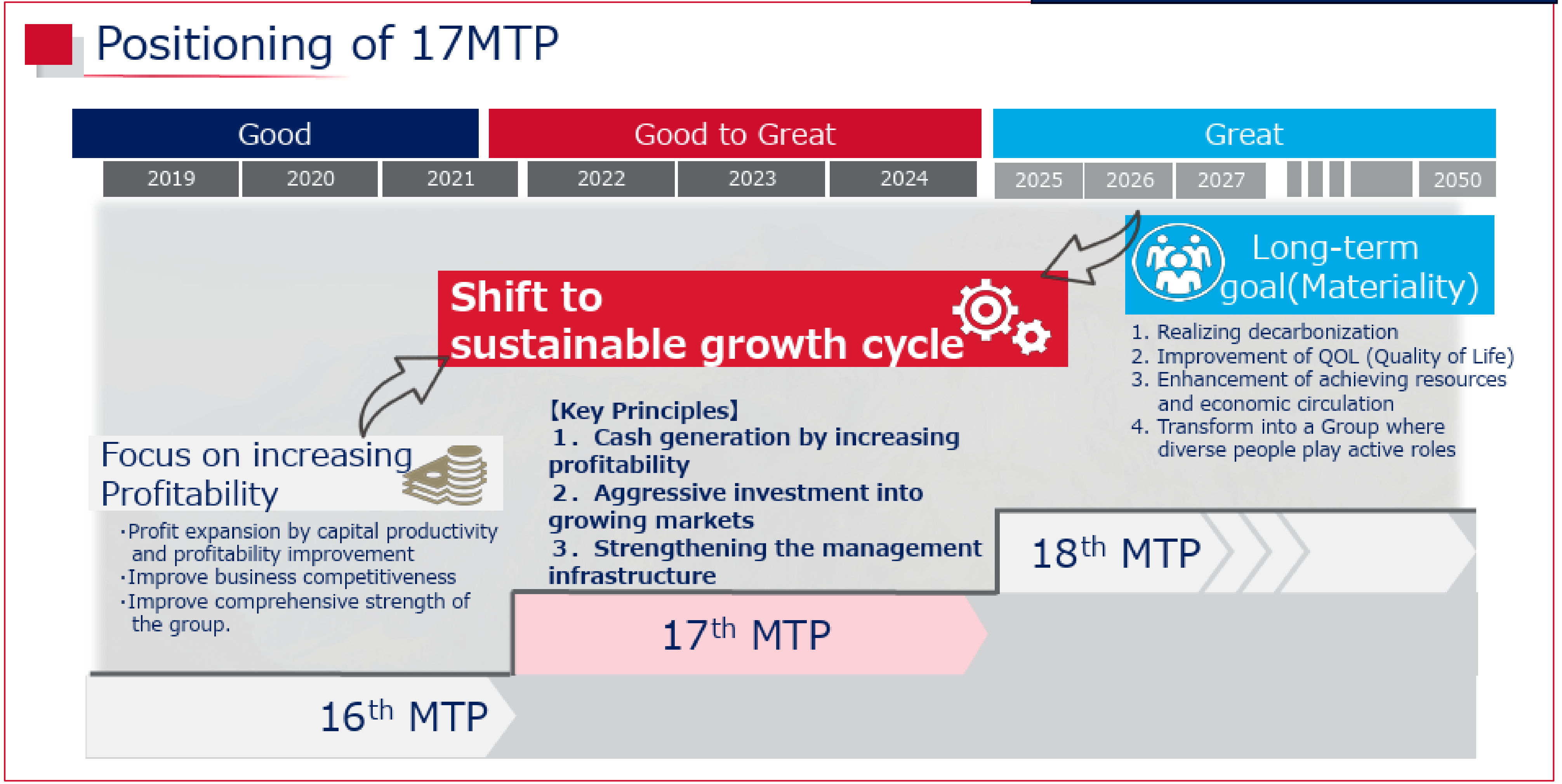
Cost Reduction Update: Progress of Initiatives in Japan



Key drivers of profitability improvement in the Japan segment

Review of the 17th MTP: Three-Year Progress

Reposted from November 17, 2021 Strategy Briefings



17th MTP: Significant results achieved and challenges for future growth identified

4. Strategy Briefing:
Progress on the 18th MTP

18th MTP: Financial/Non-financial Goals (FY2027)

Net Sales
FY2024: 588.8 Billion JPY → **700 Billion JPY**

EBITDA Margin
FY2024: 81.2 Billion JPY, 13.8% → **17%**

Adjusted ROE
FY2024: 13.1% → **15%**

Decarbonization

GHG(scope1,2)
2023Actual -3.7% Coverage98.6% | **-20%** | KPI2030 -30% (vs FY2021)

Renewable Energy Ratio
2023Actual 11.2% | **15%** | KPI2030 15% or Higher

Energy Consumption
2023Actual +0.1% Coverage 98.6% | **-10%** | KPI2030 -20% (vs FY2021)

Improvement of Quality of Life(QOL)

Sustainability Related Products
2023Actual Setting Definition | **20%** | KPI2030 30% or Higher

Sustainability Related Themes
2023Actual Setting Definition | **60%** | KPI2030 80%

Occupational accident frequency rate (ILO Standard)
2023Actual 2.1 | **1.7** | KPI2030 Below 1.5

Social Contributions−CFP※¹
2023Actual Over 180 | Num of Activities **More than 500** | KPI2030 More than 1,000

Enhancement of Achieving Resource and Economic Circulation

Water Usage
2023Actual +0.4% Coverage95.4% | **-15%** | KPI2030 -20% (vs FY2021)

Waste Disposal
2023Actual Setting Definition | **-15%** | KPI2030 -30% (vs FY2021)

Recycled Containers
2023Actual 55.5% | **60% (Upward Revision)** | KPI2030 Over 50%

Transformation into a Group where Diverse People play Active Roles

Female Directors/Managers Ratio
2023Actual Female Directors※²15.3% Female Manager14.3% | **30%** (To move forward) **25%** | KPI2030 Female Director 30% Female Manager 30%

KP Way Education
2023Actual Partial Deployment Start | **75%** | KPI2030 100%

Engagement Survey
2023Actual Coverage 46% | **75%** | KPI2030 100% Implementation

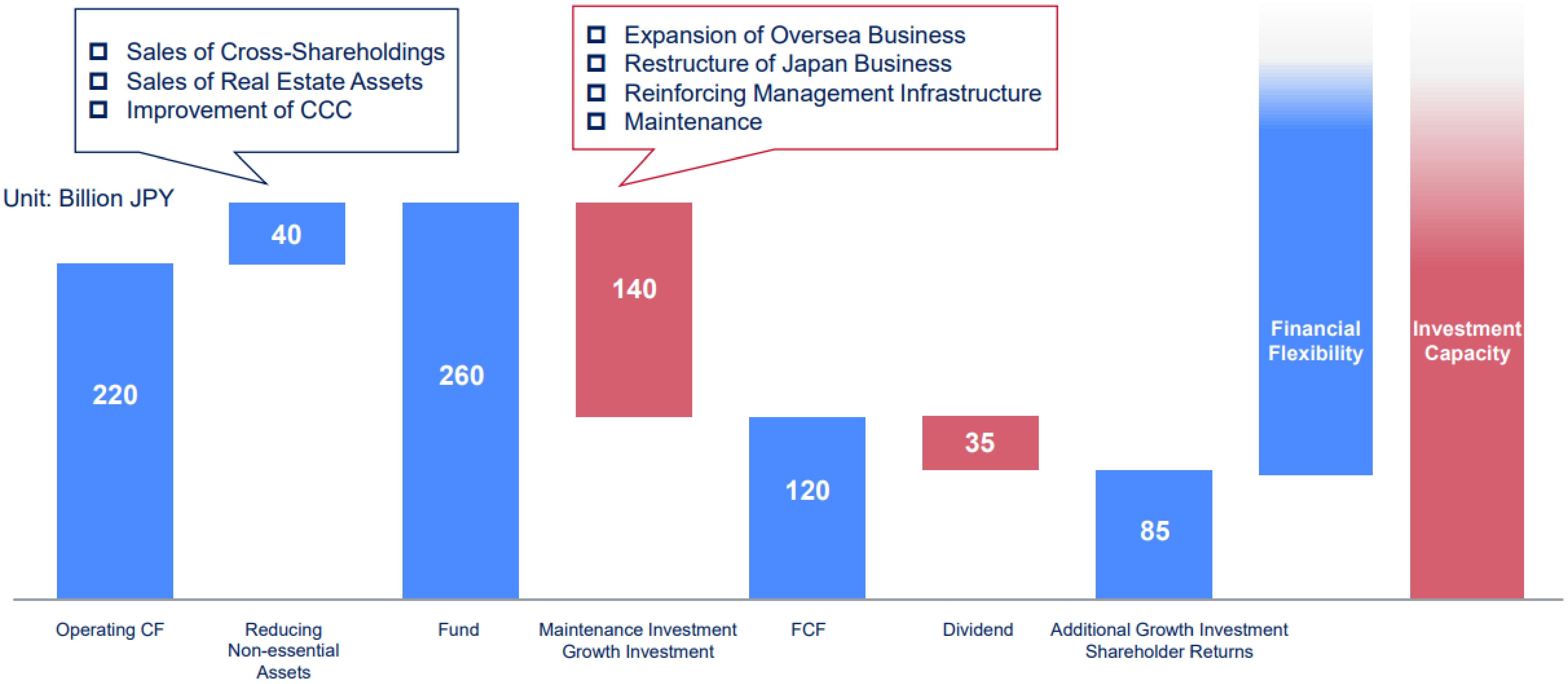
Health Management
2023Actual Initiatives focusing on physical and mental health, satisfaction and safety | **Coverage 85%** | KPI2030 100% Implementation

※¹ : Connecting to the Future Program

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

18th MTP: Capital Allocation Plan

Reposted from November 13, 2024 18th MTP



Bold Investments towards each Segment, with M&A constantly on radar

Reform of the organizational structure

Representative Director of the Board, President
MORI Kunishi

Head of Business Unit
TOMIOKA Takashi

Head of Head Office
TAKATA Yoichi

Business Unit:

- **Head of Automotive and Industrial Business Segment** TOKU Kiyohide
- **Head of Rail/ACE Business Segment** TBD
- **Head of Nonstick Business Segment** TBD
- **Head of Japan Business Segment** MAEKAWA Katsuhiko
- **Head of India Business Segment** Pravin D. Chaudhari
- **Head of Europe Business Segment** TOMIOKA Takashi (concurrent)
- **Head of Africa Business Segment** Prejay R. Lalla

Head Office:

- **General Manager of Global Finance Div.** YAMAMOTO Hideshi
- **General Manager of Global IT Div.** KASAMATSU Hiroshi
- **General Manager of Global R&D / Procurement Div.** YOKOTA Gen
- **General Manager of Global Human Resources Div.** SANADA Hirotaka
- **General Manager of Global Supply Chain Div.** TANAKA Takeshi
- **General Manager of Corporate Planning Div.** OZAWA Makoto

Reformed organizational structure to focus on growing business

4. Strategy Briefing: Business unit

Roles and Responsibility within the Group

Reposted from November 13, 2024 18th MTP

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**

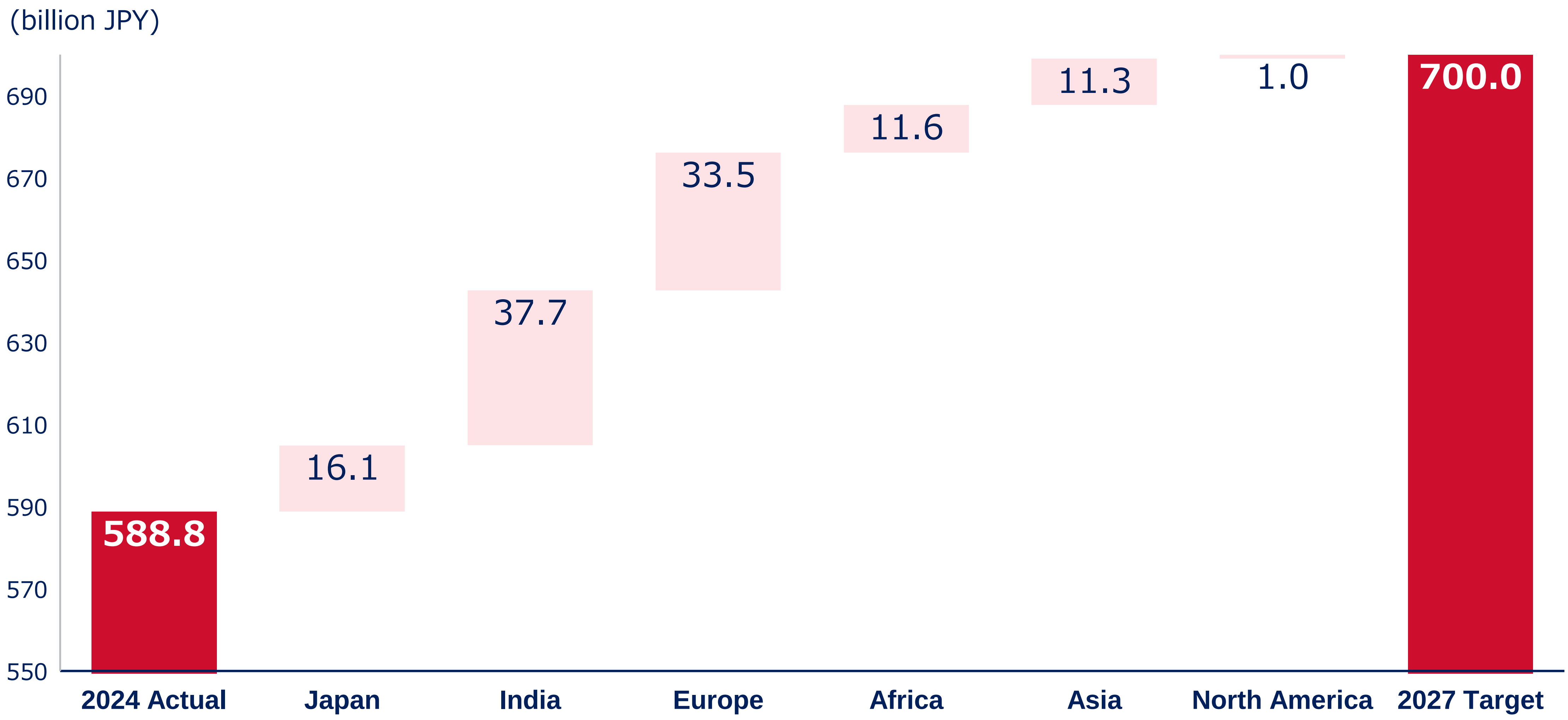
- Establish One Africa Management
- Draw strategy to win the African continent
- Be poised for future growth and conduct strategic groundwork

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

Each segment is accountable for driving its own growth

18th MTP: Sales growth targets by segment

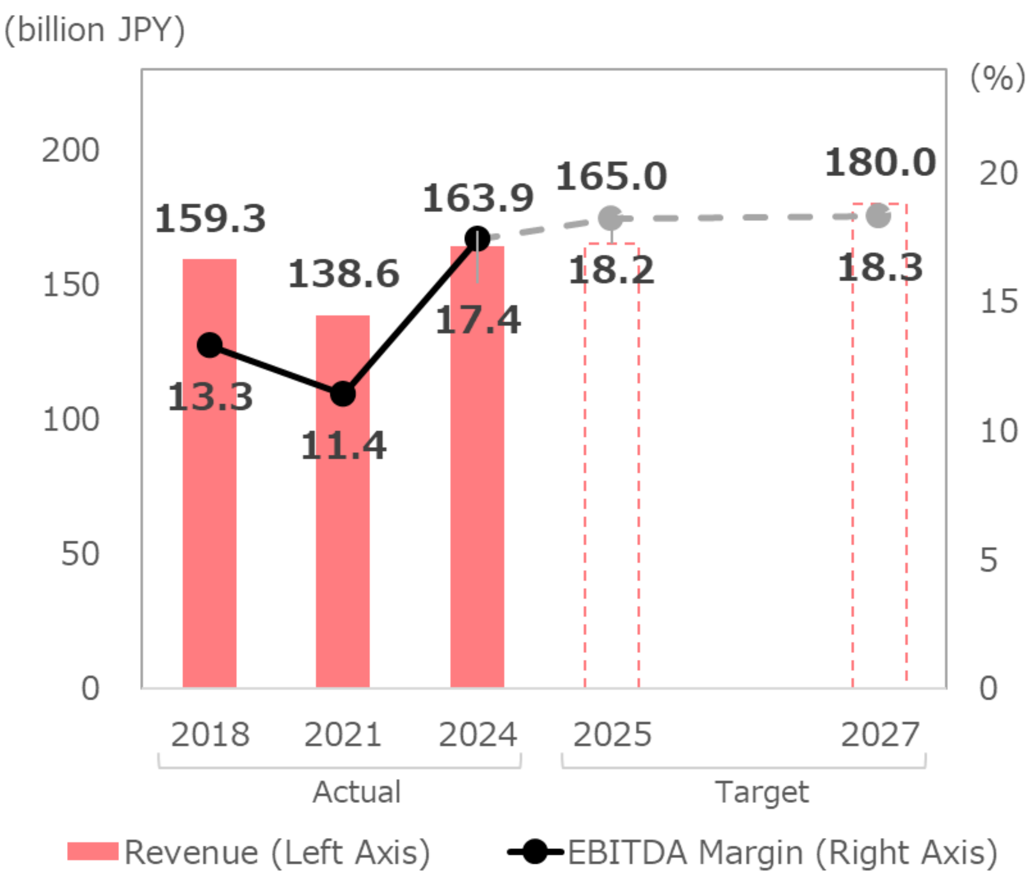


Growth Target: CAGR 5.94%

Enrich Lives with Happiness

Japan Segment Strategy

Net Sales/EBITDA margin



*Global Economic Prospects Jan.2025, IMF

Environment and Actions to be taken

- Japan's GDP growth remains modest at 0-1%*, and the coating market has reached maturity
- Demographic challenges such as a declining and aging population are increasingly apparent

Establish solution models that address emerging social issues

Strategy for the Japan Segment

- FY2025: Profitability & Foundation Building
  - ✓ Profitability Enhanced through Structural Reforms ☞ P.23
  - ✓ Driving DX
  - ✓ Faster Development Enabled by the New Structure
- Building a Global Management Foundation ☞ P.30
- Promoting Initiatives to Achieve Non-Financial Targets ☞ P.32

Enhancing our position as a key growth engine for the entire group

KANSAI PAINT

Enrich Lives with Happiness

Driving Structural Reforms through Profit-Generating Projects

Leading group-wide transformation through bold reforms and enhanced manufacturing excellence for global competitiveness

Generating over 10 billion JPY in profit during the 18th MTP period

Product Portfolio Redefinition

- Market-aligned product lineup
- Clear brand positioning
- Correction of overlapping functions and grades

Optimized Supply Chain

- Manufacturing excellence optimized for each coating segment (speed, quality)
- Improving operational efficiency through improved utilization rates and production site consolidation
- Inventory optimization aligned with business models

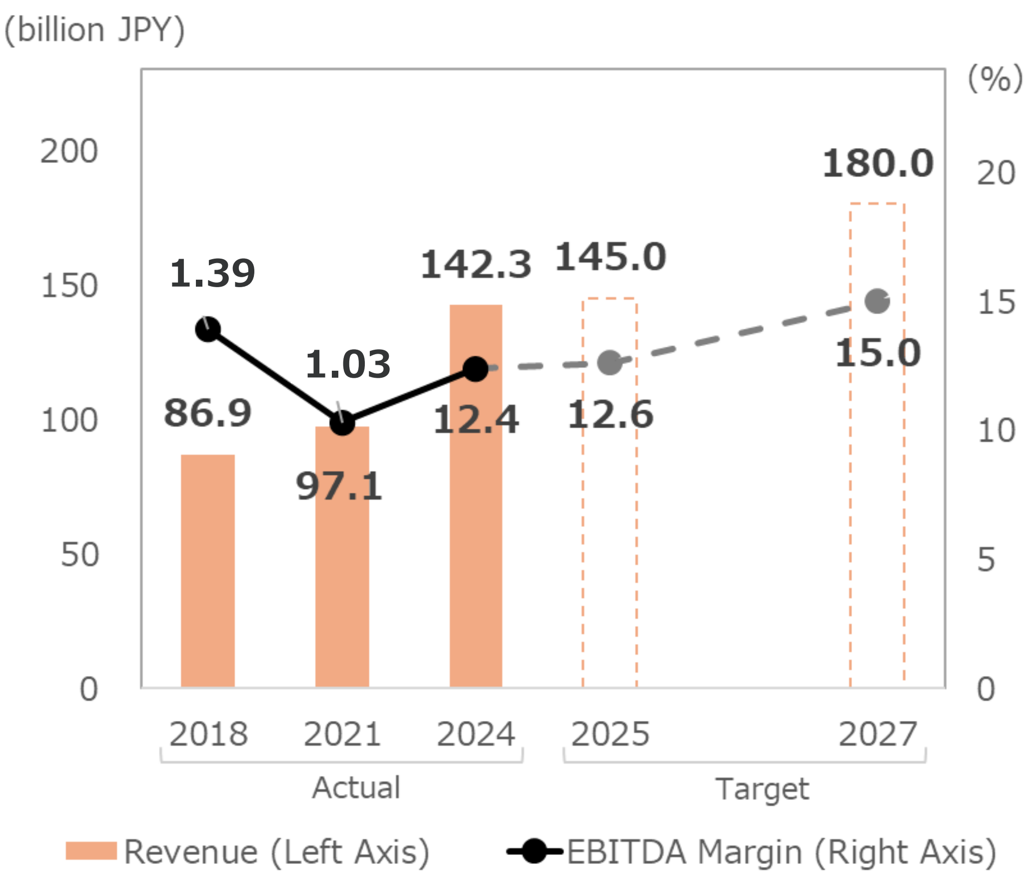
Innovative Cost Efficiency

- Accelerating Global Procurement and reduce cost
- Paint design that maintains quality and reduces costs through collaboration with R&D
- Raw material optimization for low-margin, high-volume products
- Shortening manufacturing lead time

India Segment Strategy

*1 Global Economic Prospects Jan.2025, IMF
*2 Global Coating Market Apr.2025, Orr & Boss

Net Sales/EBITDA margin



Environment and Actions to be taken

- India's GDP growth remains strong at 6–7% *1, and the coating market continues to expand with a CAGR of over 7%*2
- Rising consumption driven by population growth and income gains, fueling the development of a domestic demand-led economy

Strategic focus on high-growth Industrial sectors

Strategy for the India Segment

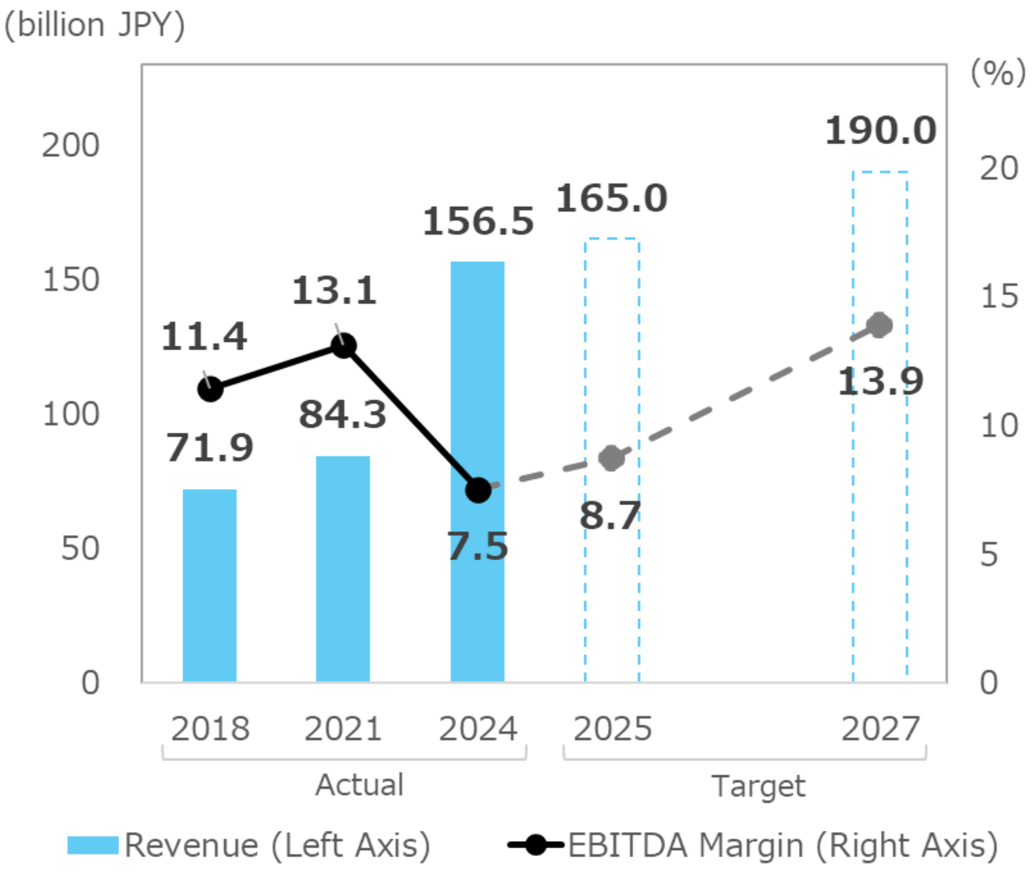
- Establishing a three-pillar business structure: Industrial, Automotive, and Decorative
- Industrial: Focus on high-growth industrial sectors with expanding market demand
- Automotive: Maintain high market share while capturing growth of the automotive coatings market
- Decorative: Build a comprehensive growth model including high-growth segments such as projects, construction chemicals, and wood coatings, beyond the competitive market

※New organizational structure has started in April. (Pravin MD)

Unique high growth in a growing market

Europe Segment Strategy

Net Sales/EBITDA margin



* Global Economic Prospects Jan.2025, IMF

Environment and Actions to be taken

- Europe's GDP growth remains modest at 1-1.2%*, and the coating market is slowing down
- Economic uncertainty due to geopolitical risks and trends in environmental regulations

Strengthening profitability through structural reforms including PMI

Strategy for the Europe Segment

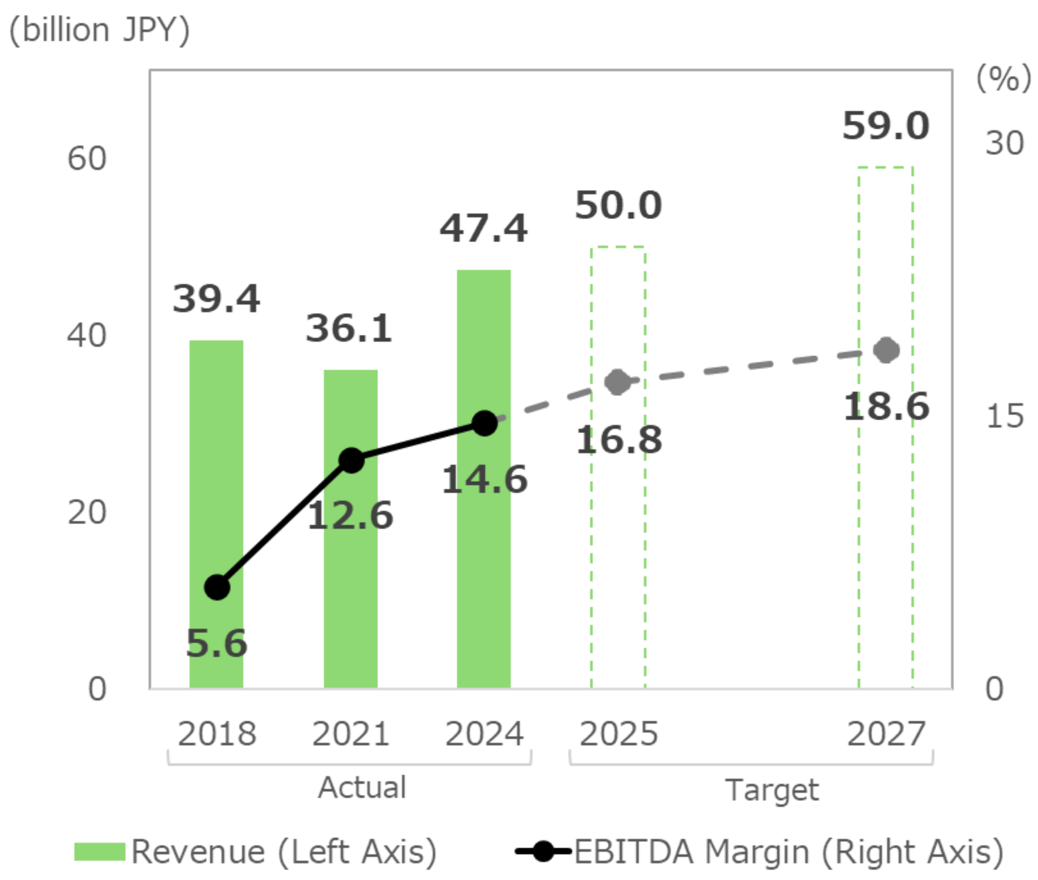
- The effects of KANSAI HELIOS PMI will be maximized from FY2025
  - * Closing factories in Germany and Slovenia by FY2025
  - * Beginning full-scale consideration of structural reforms utilizing African experience
- Lead development as a global leader in the Industrial coating sector for the entire group and collaborate to expand business globally
- Improve profitability in Turkish business
- Drive growth through sustainability management as an advanced region

Leading the Group as a KP global leader in the industrial coatings sector

Africa Segment Strategy

*Global Economic Prospects Jan.2025, IMF

Net Sales/EBITDA margin



Environment and Actions to be taken

- Africa's GDP growth 4-4.5% *1due to population growth
- Urbanization is progressing at a rate of 24 million people per year, increasing demand for infrastructure and decorative coatings.

A good opportunity to establish a foothold ahead of future growth

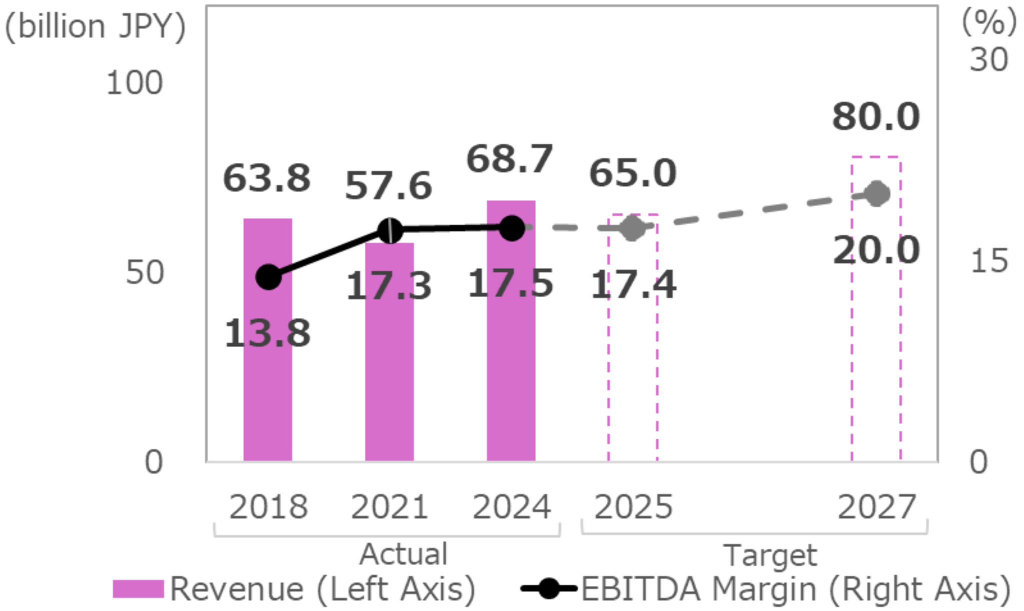
Strategy for the Africa Segment

- Promote the One Africa management that integrates South and East Africa. It realizes the integrated synergy effect of material purchasing and product lineup
- Expand business in South and East Africa with No.1 share for decorative coatings
- Advance into candidate neighboring regions and aim to become No.1 on the African continent (Ghana, Angola, Rwanda, Mozambique)
  ※Started exporting to Rwanda and Mozambique.
  (Other regions will start from this summer)

To be a No.1 position in the African paint market through the One Africa concept

Asia Segment Strategy

Net Sales/EBITDA margin

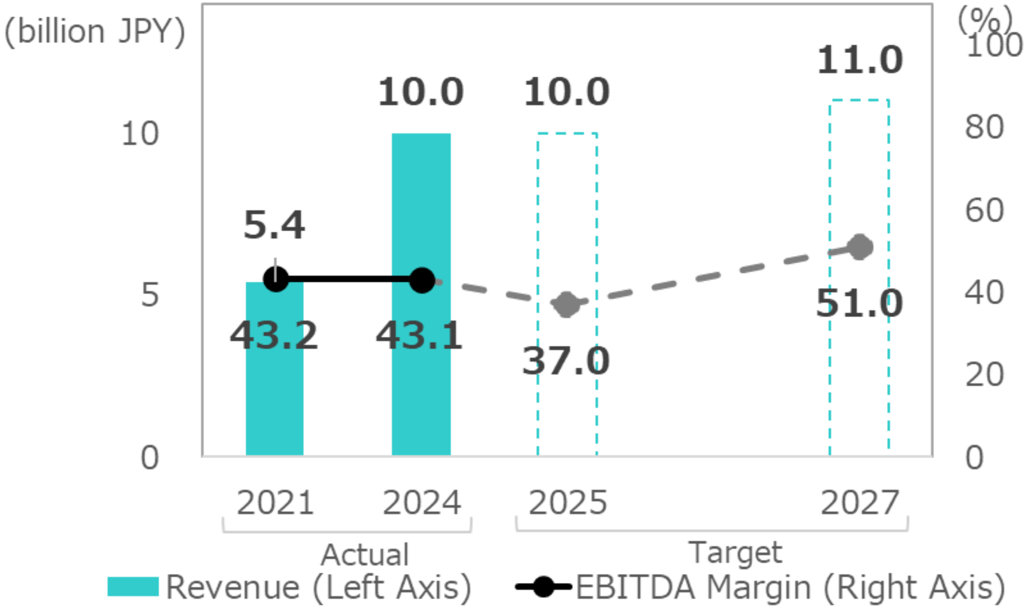


Strategy for the Asia Segment

- As Chinese OEMs advance into neighboring countries, we aim to expand our market share by strengthening cooperation with each base, with Hunan Kansai at the core
- Expanding business within Asia by utilizing business know-how gained from India's top share in two-wheelers business

North America Segment Strategy

Net Sales/EBITDA margin



Strategy for the North America Segment

- For the expansion of domestic automobile production in the U.S., strengthen alliances with PPG to maintain and grow our market share among Japanese automobile manufacturers
- Collaboration between KANSAI HELIOS and U.S. Paint, expansion of industrial paints using CWS's North American base

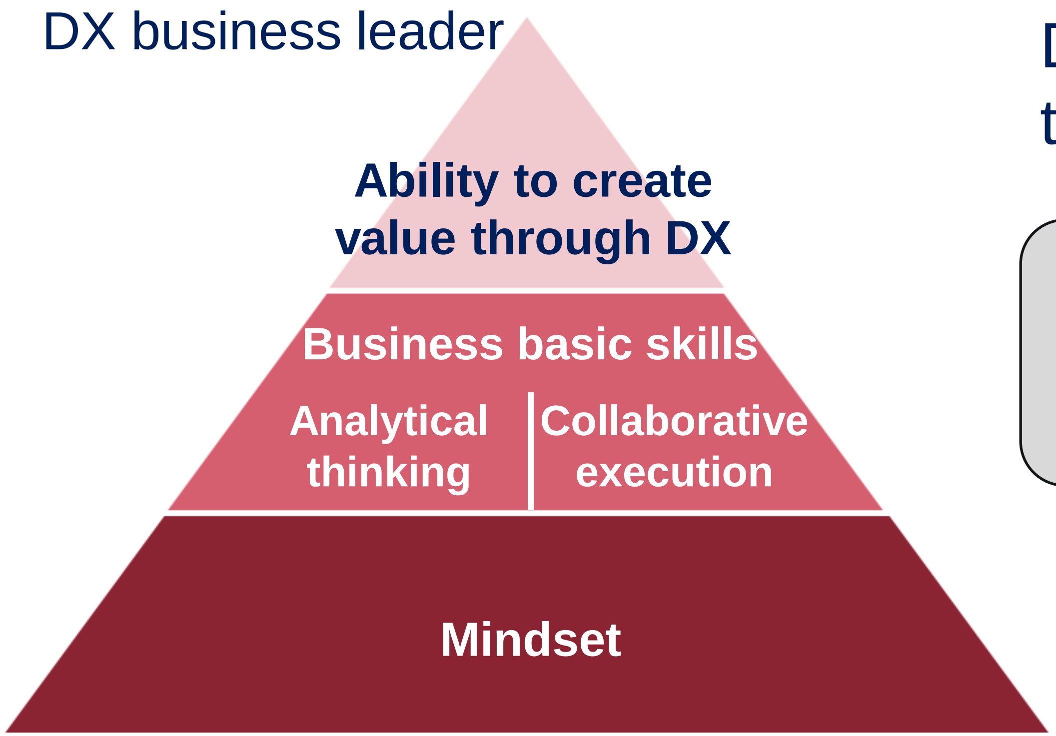
Proactively identifying and capturing growth opportunities

4. Strategy Briefing: Head Office

Building the Foundation for DX

Launched DX business leader development program to drive company-wide DX from FY2027

DLA100：**D**igital **L**eadership **A**cademy **100**



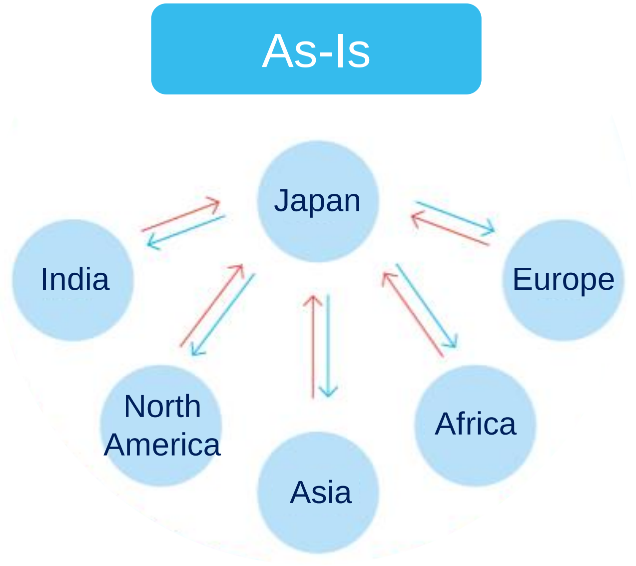
Digitally fluent business leaders drive transformation across all business domains

High-potential talent from various departments × 1year of specialized training
- Digital technologies
- Business skills

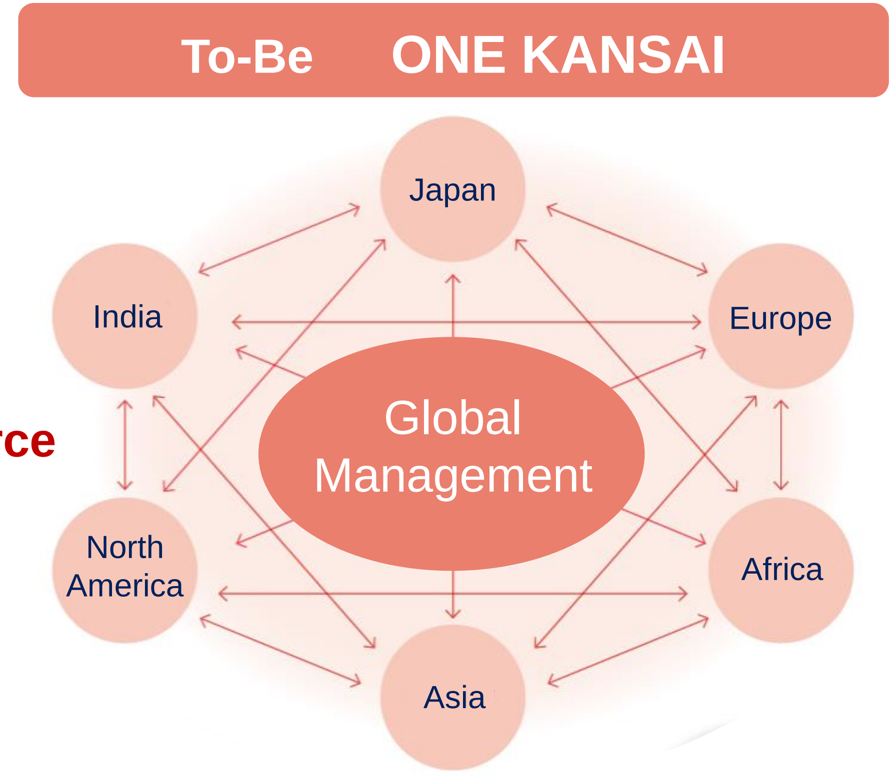
Develop 100 advanced DX professionals internally over 3years

Global Management Platform for Business Growth

Establishing a framework for shared and optimized use of management resources to maximize business unit performance



Maximizing management resource use to expand the business



- Leveraging regional and group strengths has yielded modest results
- Management resources has been utilized mainly between Japan and each regional entity

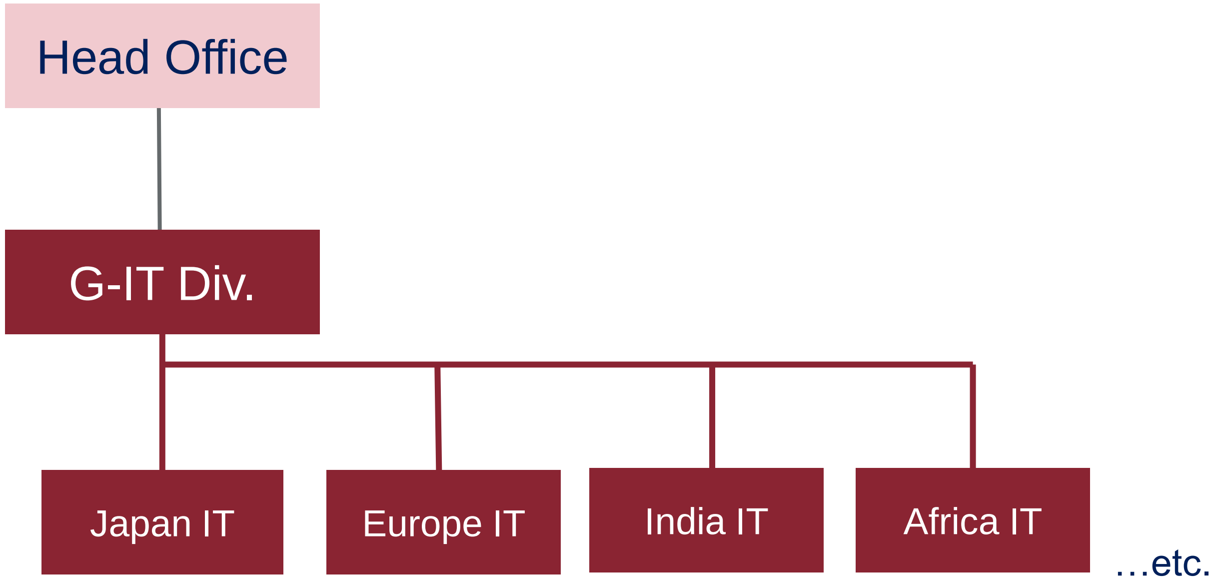
Enhancing group-wide collaboration in R&D, talent, finance, and IT
Advancing each function to world-class quality

※Management resources： talent, physical assets, financial resources, and information

Reference：Global IT division starts Aiming to Become an Advanced DX Company

Aiming to become an industry-leading advanced DX company by 2030, we will promote the improvement of the bottom line in 5 areas throughout the Group

Global IT structure with cross-group collaboration



- Started surveying the current situation in order to make improvements in 5 areas
  - ☐ DX Utilization
  - ☐ Investment Optimization
  - ☐ Global Governance
  - ☐ Standard IT/Security
  - ☐ Human Resource
- Start a meeting and review system with CIOs of overseas companies and formulate a global IT action plan by the end of FY2025

Support business growth by sequentially executing in other areas

Establishing and Embedding the KP way to Achieve Non-Financial Goals

Driving Non-Financial Goal achievement through the group-wide “KP way”

Achievement of Non-Financial Goals

KP way

A Unifying Guideline for Achieving KPIs

- **Decarbonization**
- **Improvement of Quality of Life(QOL)**
- **Enhancement of Achieving Resource and Economic Circulation**
- **Transformation into a Group where Diverse People play Active Roles**

➢ Based on our MVV, we have formulated the KP way as a group-wide guiding principle to foster unity across the organization and enable faster decision-making

➢ Non-financial metrics are being refined, and a common operational framework is being developed for disclosure

5. Shareholder Returns and Strengthen Engagement

Shareholder Return Policy

Policy : Return 100% of FCF to shareholders, except in the case of M&A execution

- To be executed over a 2–3 year period
- Returns will be delivered through share buybacks and dividends.
- Target dividend payout ratio: 30%, with a progressive dividend policy.

① Execute progressive dividend

- Starting from the FY2023 dividend of 40 yen per share, we aim to maintain or increase dividends going forward

	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Annual Dividend Per share	30	30	40	**50**	56

(JPY)

Dividend Payout Ratio: 30%

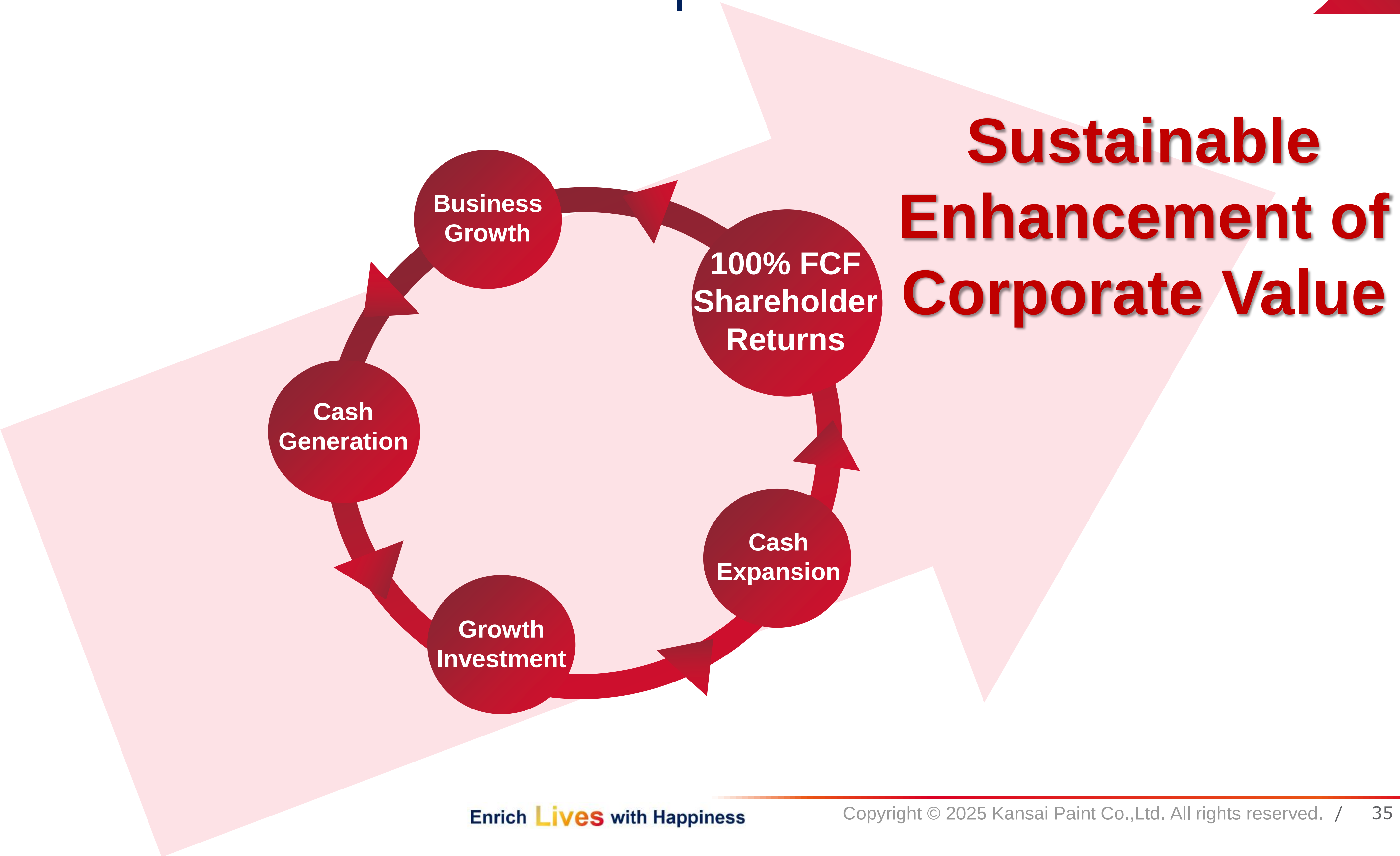
②Continued share buybacks

- Surplus capital will be returned to shareholders primarily through share buybacks
- Not satisfied with current share price(valuation); buybacks to be executed flexibly when the share price declines
- All repurchased shares will be retired to eliminate concerns about dilution after the buyback

	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Share Buybacks	–	53.4 billion JPY	49.1 billion JPY	**80** billion JPY	TBD

Maximize strong cash generation to fully invest in growth and shareholder returns with purposeful capital allocation

Sustainable Enhancement of Corporate Value



KANSAI PAINT

Enrich Lives with Happiness

Plan to Strengthen Engagement

Plan announced in Nov. 2024 is being implemented as planned

- ✓ **Jan. : Europe Business Strategy Briefing →Jan. 8 Held**
- ✓ **Feb. : FY2024 3Q Results →Feb. 7 Held**
- ✓ **Mar. : Africa Business Strategy Briefing →Mar. 27 Held**
- ✓ **Apr. : Published Integrated Report →Apr. 1 Issued**
- ✓ **Apr. : India Business Strategy Briefing →Apr. 18 Held**
- ✓ **May : FY2024 Full Year Results →May 12 Held**
- ✓ **May : Strategy Briefings →Today**
- ☐ **June : Annual Shareholder Meeting**

Reposted from November 13, 2024
18th MTP

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

Planned Activities

- Enhance investor communication by conducting strategy briefings tailored to each region.
- Continue to hold regional strategy briefings and are planning to introduce new business-segment-specific sessions.

Enrich Lives with Happiness

Coating Lives Worldwide