KANSAI PAINT

Strategy Briefings

November 12, 2025

CONTENTS

Key Points for today

18MTP initiatives progressing on schedule under a strong execution framework

- Group company leaders driving execution of 18MTP initiatives
- Expanded collaboration across the group (global management challenges, technical know-how, talent appointments, etc.)
- Innovative progress in product development and talent development

2. Summary of Financial Results

Enrich Lives with Happiness
Coating Lives Worldwide

Consolidated Results (Progress against announced figures)

Reposted from November 7, 2025
Financial Results for Second Quarter of FY2025

(JPY billion)

	FY2024 1H	FY2025 1H	( ): Excluding FX effects	YOY(%)	
Net Sales	294.1	**289.2**	**(300.8)**	-1.6%	(＋2.3%)
Operating Profit	26.3	**24.3**	**(24.9)**	-7.6%	(-5.2%)
Segment Profit ※1	28.9	**26.9**		-7.1%	
Segment Profit Margin	9.8%	**9.5%**		-	
Ordinary Profit	26.0	**28.6**	**(28.8)**	＋10.0%	(＋10.8%)
EBITDA	41.5	**40.0**		-3.7%	
EBITDA margin ※2	14.1%	**13.8%**		-	
Profit	15.7	**16.2**	**(16.1)**	＋3.2%	(＋2.7%)

※1 Operating profit＋Equity Method Profit
※2 Operating Profit＋Equity Method Profit＋Depreciation＋Goodwill amortization

✓Sales increased on a local currency basis

Consolidated Results (Revised earnings forecast)

Reposted from November 7, 2025
Financial Results for Second Quarter of FY2025

(JPY billion)

※Figures in red denote record highs	**FY2025 Revised Plan** (as of November 2025)	**FY2025 Initial Plan** (as of May 2025)	**FY2024 result**
Net Sales	**590.0**	600.0	588.8
Operating profit	**51.0**	54.0	52.1
Segment Profit ※1	**56.0**	58.0	53.9
Ordinary profit	**55.0**	58.0	49.1
EBITDA ※2	**84.5**	86.0	81.2
EBITDA margin	**14.3%**	14.3%	13.8%
Profit	**34.0**	36.0	38.3

※1 Operating Profit＋Equity Method Profit

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

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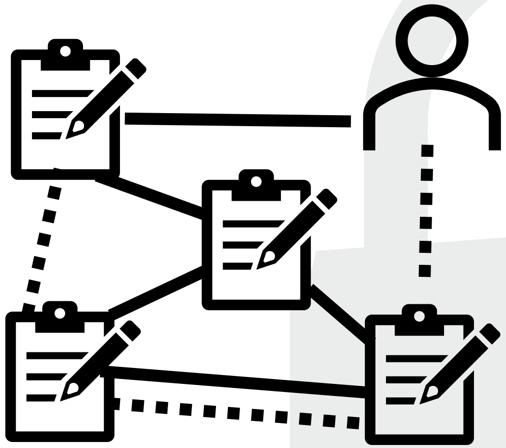
Enrich Lives with Happiness
Coating Lives Worldwide

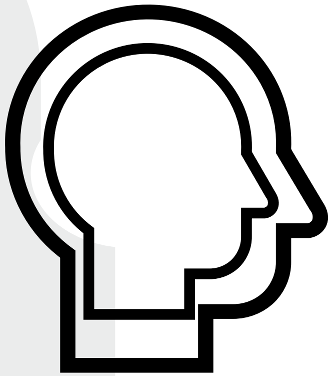
Focus measures in the second half

Legacy operations



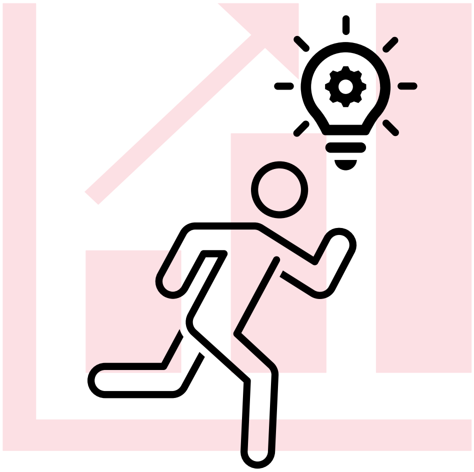
Formalistic rules
Personalized procedure

Mind set



Hesitation toward challenges
Habituation to stability

Transformation



- ✓ **Operation DX**
- ✓ **Process transparency**
- ✓ **Strengthening a growth mindset**

Overcoming issues and ensuring sustainable growth in the future

3. Progress of the 18MTP

Enrich Lives with Happiness
Coating Lives Worldwide

Financial/Non-Financial Goals(FY 2027)

Reposted from May 16, 2025
Strategy Briefings

Net Sales
700
Billion JPY

FY2024
588.8 Billion JPY

EBITDA Margin
17%

FY2024
81.2 Billion JPY
13.8%

Adjusted ROE
15%

FY2024
13.1%

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

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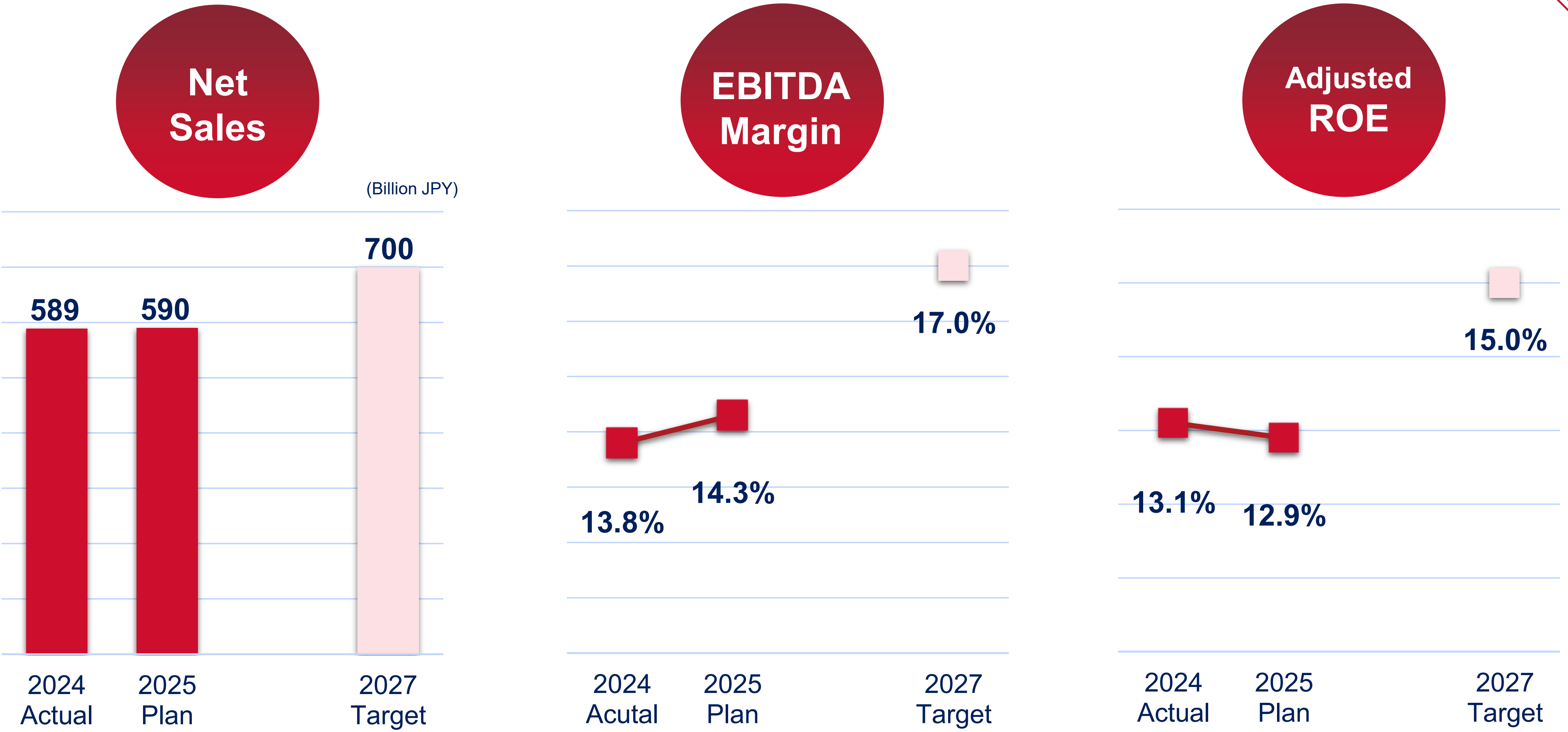
Enrich Lives with Happiness
Coating Lives Worldwide

Progress toward Financial Targets



Current Status on Non-Financial Targets

Progress Status ：（On Track） ● ＞● ＞● （Needs Improvement）

Decarbonization

GHG(scope1,2)
2023Actual
-3.7%
Coverage98.6%

-20%

KPI2030
-30%

-4.8% ●

Renewable Energy Ratio
2023Actual
11.2%

15%

KPI2030
15%or higher

13.8% ●

Energy Consumption
2023Actual
+0.1%
Coverage98.6%

-10%

KPI2030
-20%

+4.5% ●

Example

KABS※3(Turkey); Achieved 100% renewable energy

Improvement of Quality of Life（QOL）

Sustainability Related Products
2023Actual
Setting Definition

20%

KPI2030
30% or higher

Setting Definition

Sustainability Related Themes
2023Actual
Setting Definition

60%

KPI2030
80%

Setting Definition

Frequency of Occupational Accidents (ILO Standard)
2023Actual
2.1

1.7

KPI2030
Below 1.5

2.1 ●

Social Contributions-CFP
2023Actual
Over 180

Num. of Activities
More than 500

KPI2030
More than 1000

224 ●

※¹：Connecting to the Future Program

Enhancement of Achieving Resource and Economic Circulation

Water Usage
2023Actual
+0.4%
Coverage95.4%

-15%

KPI2030
-20%

-4.3% ●

Waste Disposal
2023Actual
Setting Definition

-15%

KPI2030
-30%

+14% ●

Recycled Containers
2023Actual
55.5%

60%

KPI2030
Over 50%

60.3% ●

Example

Provision of anti-midge coating for Expo 2025

Transformation into a Group where Diverse People play Active Roles

Female Directors/Managers Ratio
2023Actual
Female Directors※²15.3%
Female Manager14.3%

30%·25%

KPI2030
Female Directors 30%
Female Manager 30%

Director **30%·14%** Manager ●

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

KP Way Education
2023Actual
Partial Deployment Start

75%

KPI2030
100%

In progress

Engagement Survey
2023Actual
Coverage 46 %

75%

KPI2030
100%

66% ●

Health Management
2023Actual
Initiatives focusing on physical and mental health, satisfaction and safety

Coverage
85%

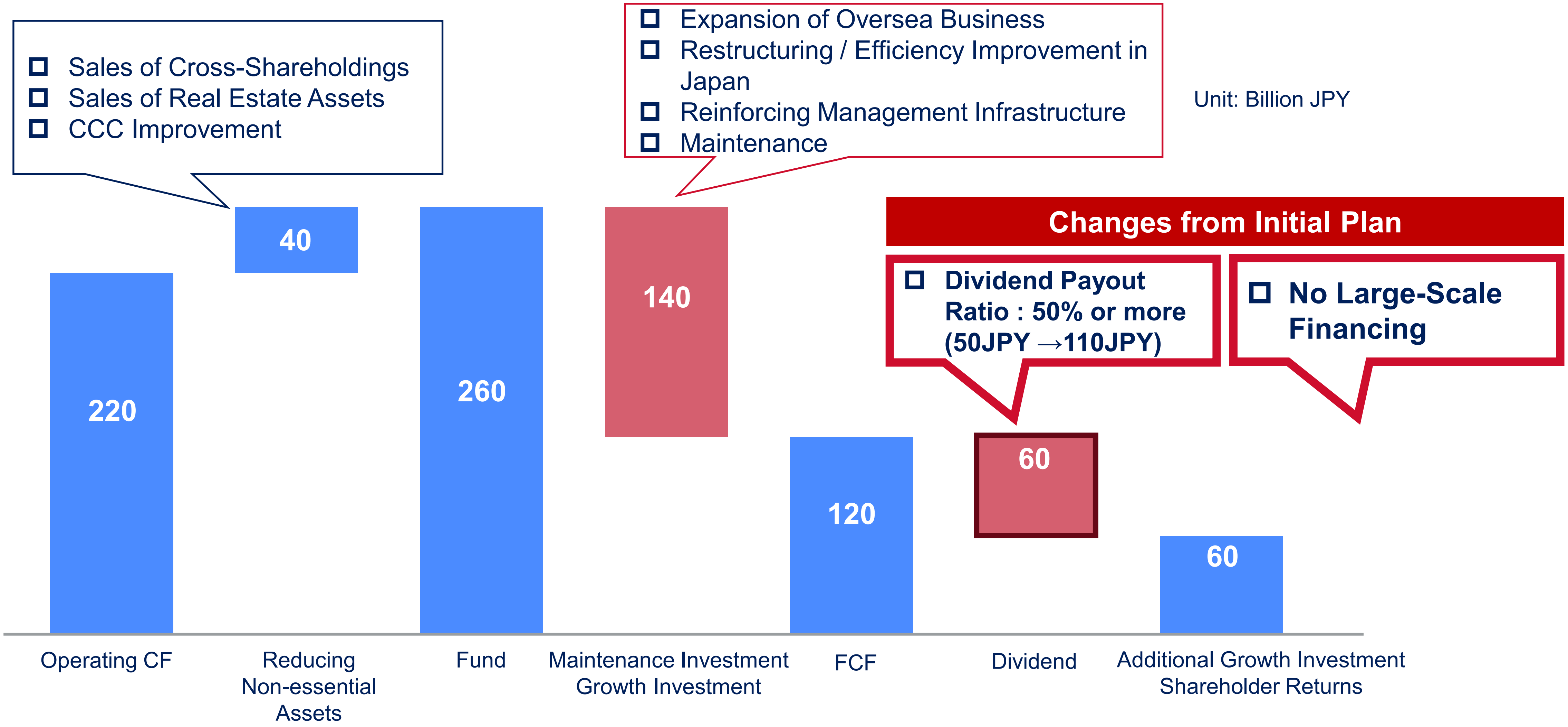
KPI2030
100% Implementation

60% ●

※3 Kansai Altan Boya Sanayi ve Ticaret A.Ş.

Cash Allocation Update

Unit: Billion JPY



- ☐ Sales of Cross-Shareholdings
- ☐ Sales of Real Estate Assets
- ☐ CCC Improvement

- ☐ Expansion of Oversea Business
- ☐ Restructuring / Efficiency Improvement in Japan
- ☐ Reinforcing Management Infrastructure
- ☐ Maintenance

Changes from Initial Plan

- ☐ **Dividend Payout Ratio : 50% or more (50JPY →110JPY)**

- ☐ **No Large-Scale Financing**

3. Strategy Progress

Enrich Lives with Happiness
Coating Lives Worldwide

Organizations that implement the strategy

Excerpt from May 16, 2025
Strategy Briefing

Representative Director of the Board, President
MORI Kunishi

Head of Business Unit
TOMIOKA Takashi

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

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

Africa
One Africa Management

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

Head of Head Office
TAKATA Yoichi

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

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)

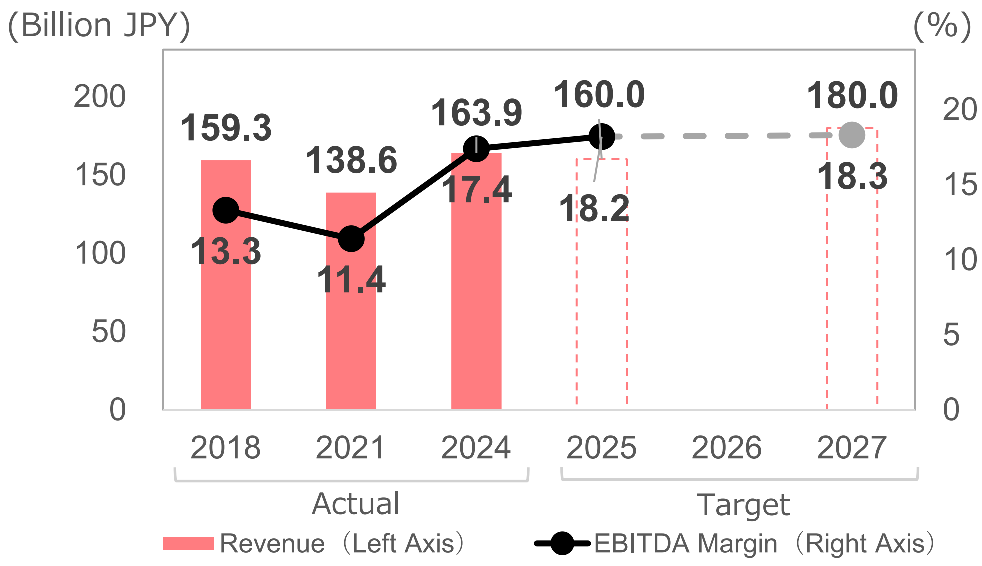
N. America
Steady Growth while Keeping Profitability

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

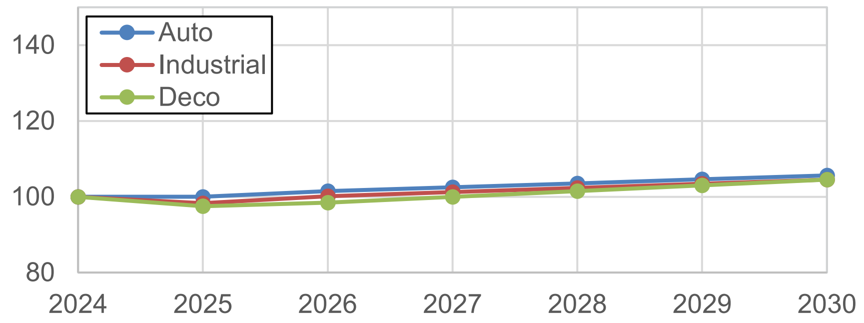
Organizational structure to expand the business

Japan Segment Strategy

Net Sales/EBITDA margin



Japan Segment Market Outlook※



※Orr & Boss (based on monetary value, with 2024 coatings market size set as index 100)

Progress on Japan Segment Strategy

☐ Promotion of profitability improvement and foundation building for FY2025

- ✓ Progress in integration and consolidation of domestic entities
  (Oct 2025: Kanpe Hapio Co., Ltd. becomes a wholly owned subsidiary;
  Apr 2026: Kuboko Paint Co., Ltd. integrated into Kansai Paint Sales Co., Ltd.)
- ✓ Cost reduction through structural reforms in Japan ☞**P.16**
- ✓ ERP rollout from Jan 2026: final phase of process alignment
- ✓ Talent development for structural reforms ☞**P.30**
- ✓ Establishment of innovative environmental technologies (in-mold coating) ☞**P.29**

☐ Building a global management platform

- ✓ Promote collaboration across HQ and group companies ☞**P.26**

☐ Promoting initiatives toward Non-Financial Targets

- ✓ Enhance disclosure of non-financial targets under group leadership ☞**P.11**

Identifying challenges for continuous growth through advancement of key initiatives

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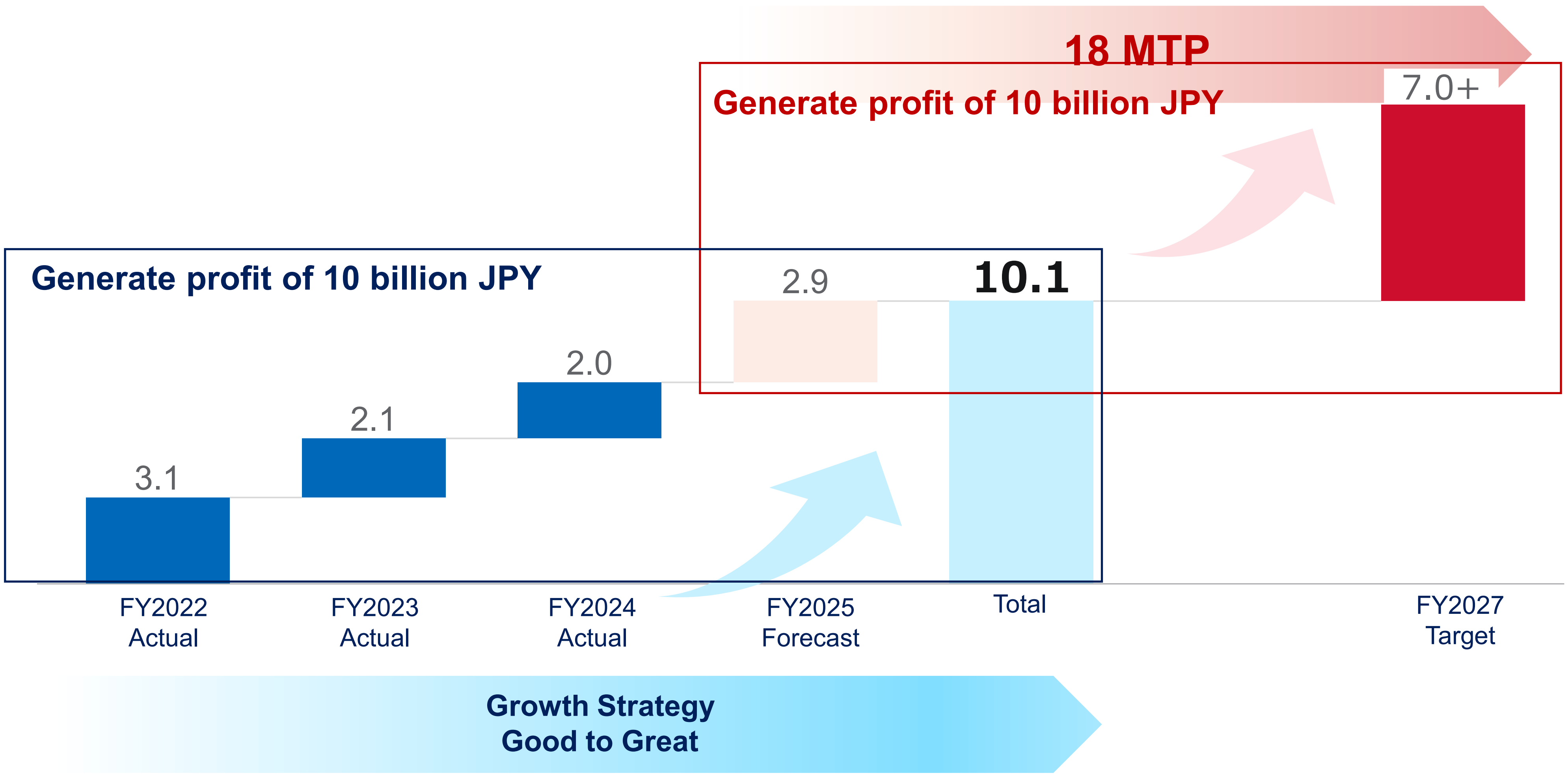
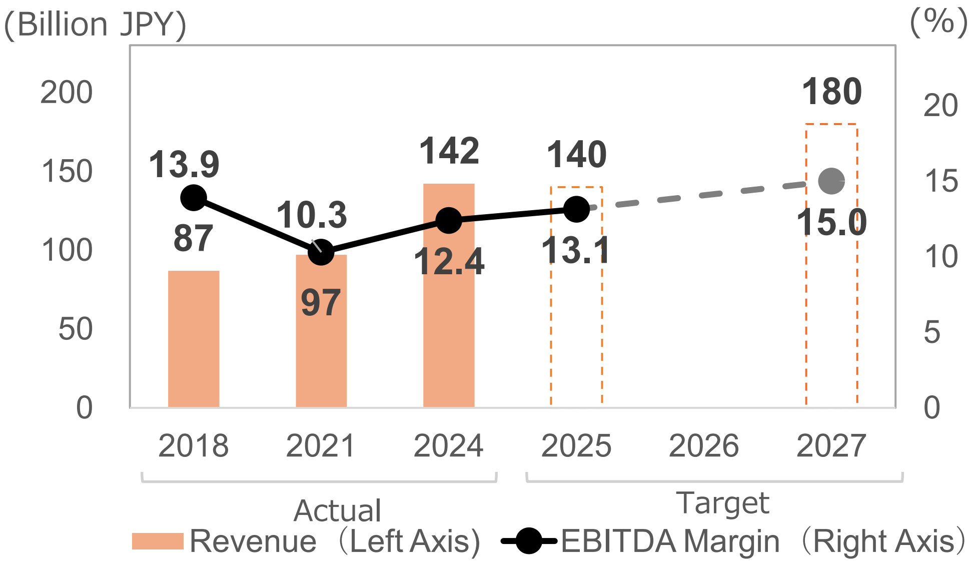
Cost reduction Update : Progress in structural reforms in Japan



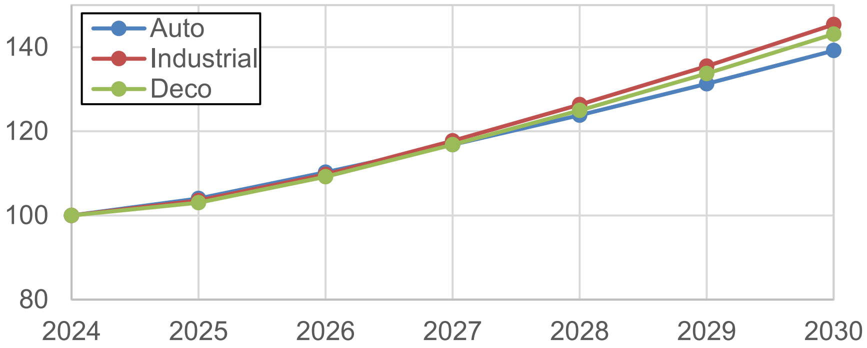
To generate 17 billion JPY profit over six years from FY2022

India Segment Strategy

Net Sales /EBITDA margin



India Segment Market Outlook※



※Orr & Boss (based on monetary value, with 2024 coatings market size set as index 100)

Progress on India Segment Strategy

☐ **Three-pillar strategy progressed**
- ✓ **Automotive**: Expanding share and boosting production as a regional hub
- ✓ **Industrial:** Above-market growth focused on infrastructure-related business
- ✓ **Decorative:** Strategic focus on premium product mix and niche product reinforcement, away from price competition

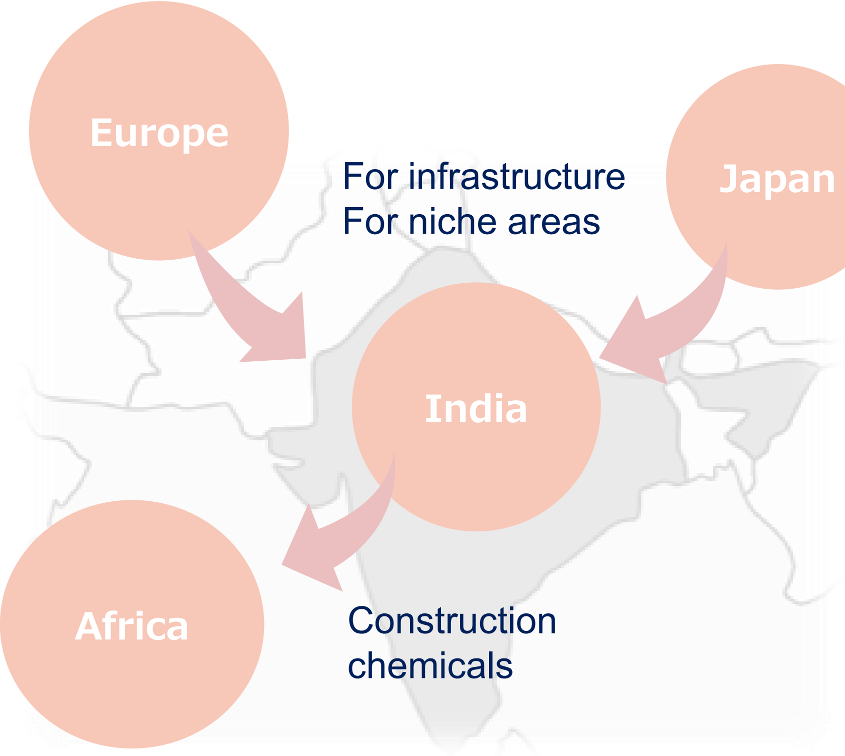
☐ **Leveraging positive external drivers**
- ✓ Capturing benefits from GST reduction 2.0 (light vehicles and industrial sector)
- ✓ Leveraging pent-up demand following extended rain

☐ **Expansion of group products in India**
- ✓ Expansion of market-optimized European, Japanese, and Asian products ☞**P.18**

Establishing a unique position in the Indian market

Strengthen competitiveness through cross-selling

Industrial・Decorative



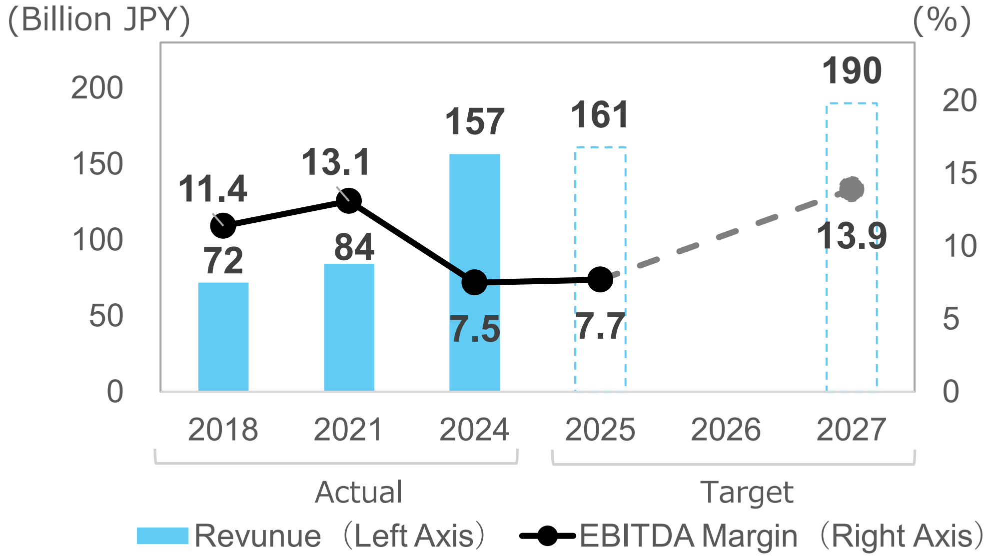
Expand into industrial and decorative through technological collaboration

- ☐ Based on collaboration in major countries, the system of technology transfer was reconstructed and technological collaboration was accelerated
- ☐ Integrated technologies from Japan, Europe and other countries to strengthen competitiveness
- ☐ Developing untapped markets by expanding construction chemicals technologies in India to the African Market

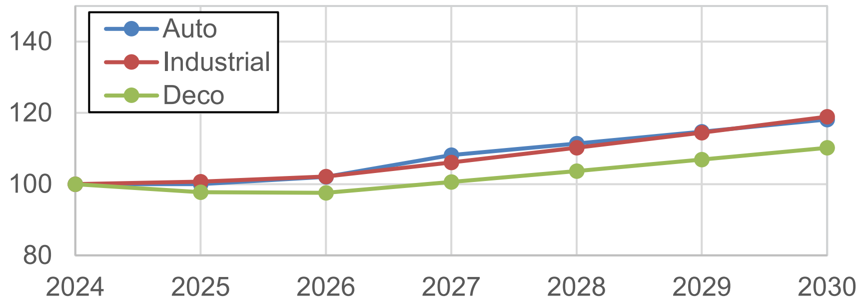
Entry into untapped segments through technology alliances among group companies

Europe Segment Strategy

Net Sales/EBITDA margin



Europe Segment Market Outlook※



※Orr & Boss (based on monetary value, with 2024 coatings market size set as index 100)

Progress on Europe Segment Strategy

☐ **Weak market conditions and limited profit recovery despite PMI progress at KANSAI HELIOS**

- ✓ German plant closed; expanded internal raw material sharing
- ✓ New management structure and structural reform launched ☞ **P.20**

☐ **Global leader in industrial coatings**

- ✓ Leading Rail & ACE business globally
- ✓ Promoting the expansion of industrial technologies and products to Japan, India, and other regions ☞ **P.18**

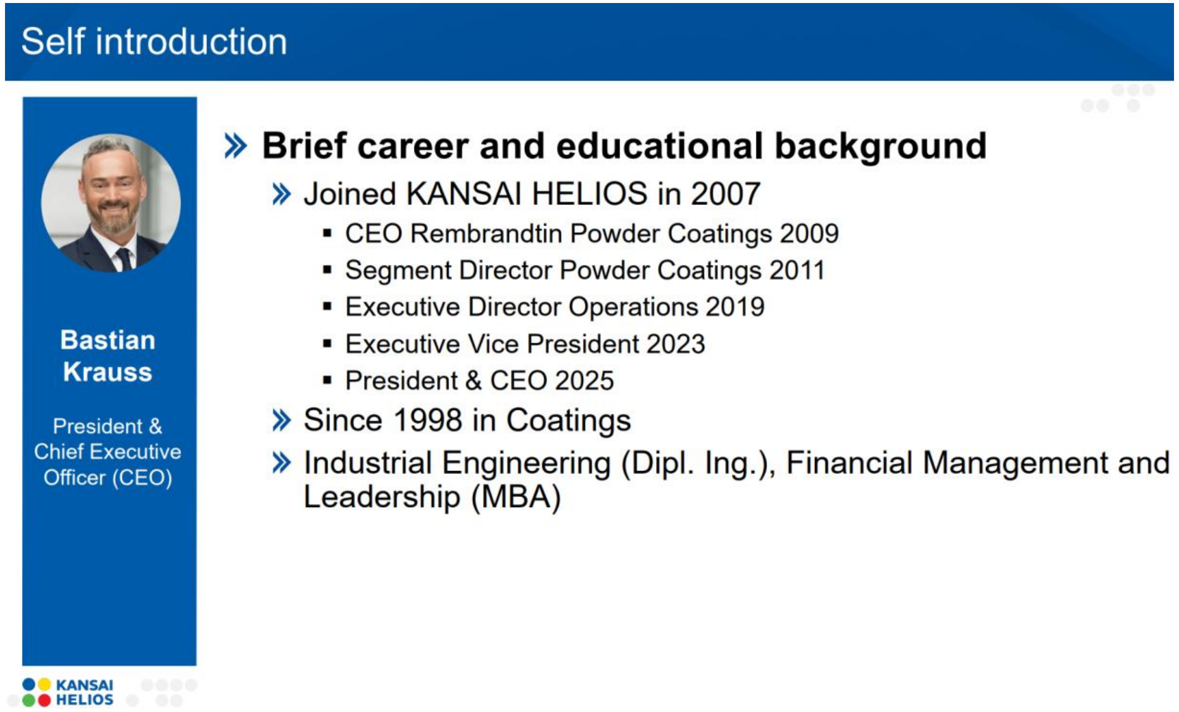
☐ **Profitability improvement in Turkey business**

- ✓ Exploring optimal scheme

Amid slow market recovery, new management drives structural reforms and PMI

KHEC’s New CEO

Bastian Krauss



Self introduction

Bastian Krauss

President & Chief Executive Officer (CEO)

Brief career and educational background

- Joined KANSAI HELIOS in 2007
  - CEO Rembrandtin Powder Coatings 2009
  - Segment Director Powder Coatings 2011
  - Executive Director Operations 2019
  - Executive Vice President 2023
  - President & CEO 2025
- Since 1998 in Coatings
- Industrial Engineering (Dipl. Ing.), Financial Management and Leadership (MBA)

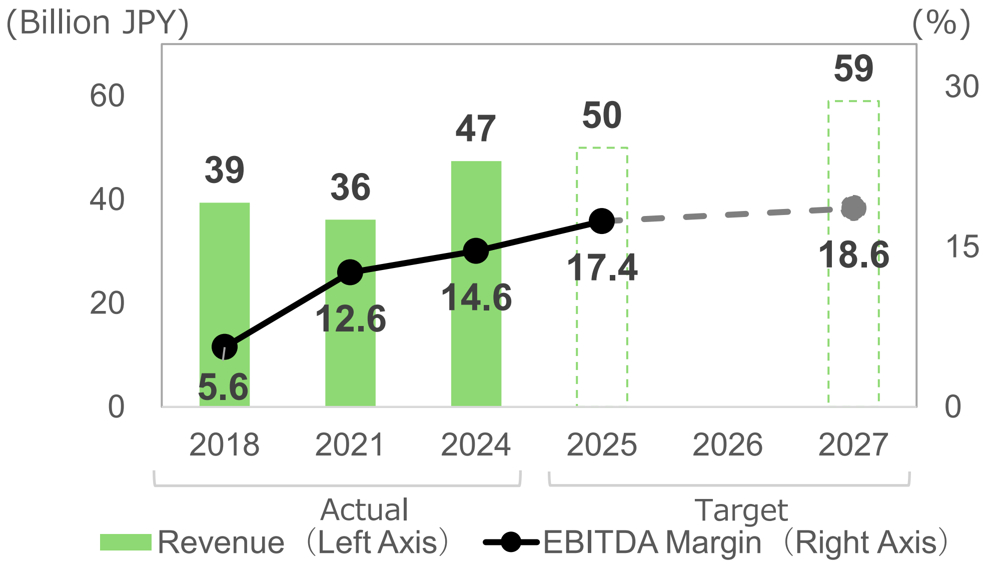
KANSAI HELIOS

Establishing a New Management Structure at KHEC

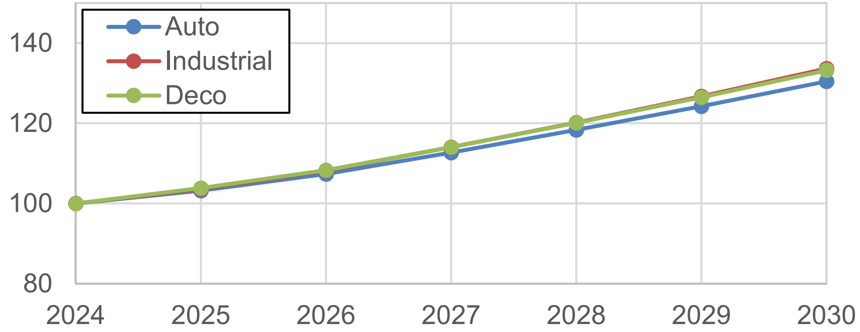
☐ **Jun 2025**	**Management Change**
☐ **Sep 2025**	**Launch of New Structure**
☐ **Oct 2025**	**Outline of New Strategy Outline**
☐ **Dec 2025**	**Announcement of New Strategy**
☐ **Jan 2026**	**Start Implementation of New Strategy**
☐ **Early 2026**	**Plan to Dispatch Promising Young Talent from Japan as No.2**

Africa Segment Strategy

Net Sales /EBITDA margin



Africa Segment Market Outlook※



※Orr & Boss (based on monetary value, with 2024 coatings market size set as index 100)

Progress on Africa Segment Strategy

☐ **Advancing the ONE Africa concept**

✓ East Africa management renewal driving ONE Africa forward

✓ Consistently outperforming market growth

☐ **Initiatives to become Africa's No.1 ☞ P.22**

✓ Started exports to four new countries (incl. Mozambique) this year

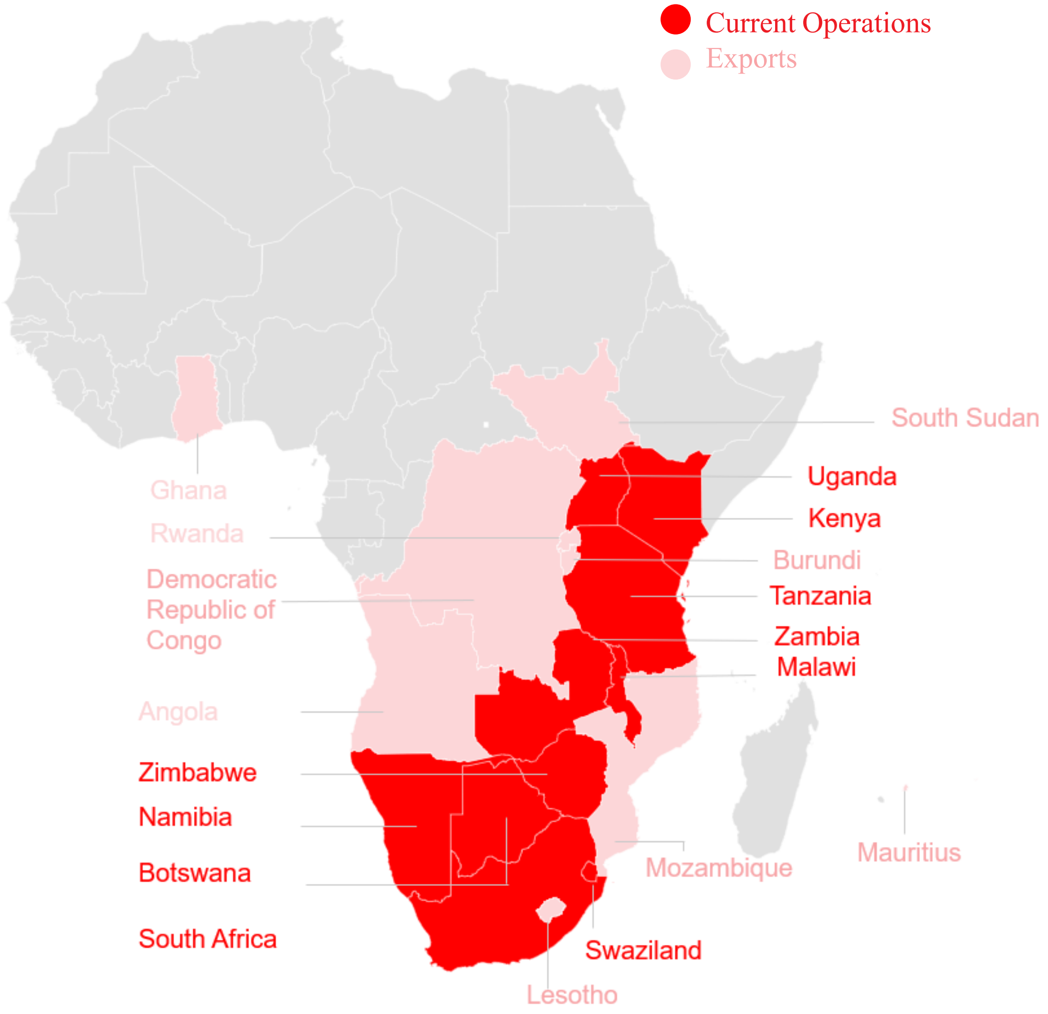
✓ Planning future regional expansion

☐ **Enhancing our presence in Africa**

✓ Participated in TICAD Business Expo & Conference Japan Fair, including local team members

Achieving Africa's No.1 position by outperforming market growth

Operational Status in Africa

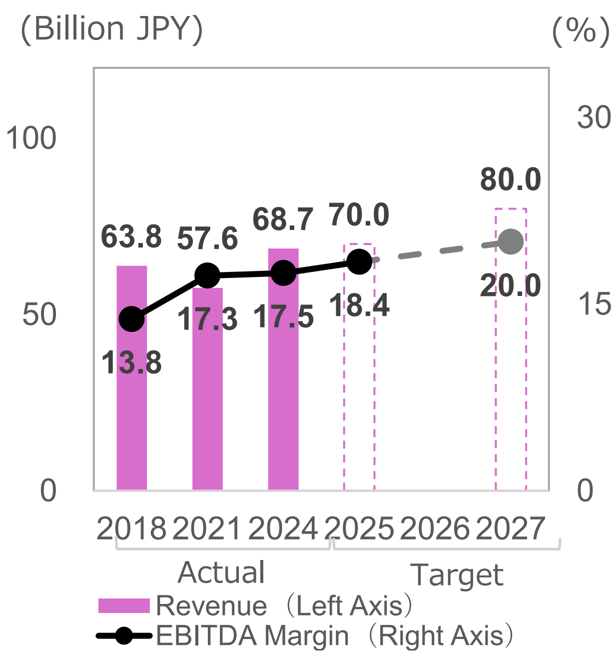


Towards expansion of Africa

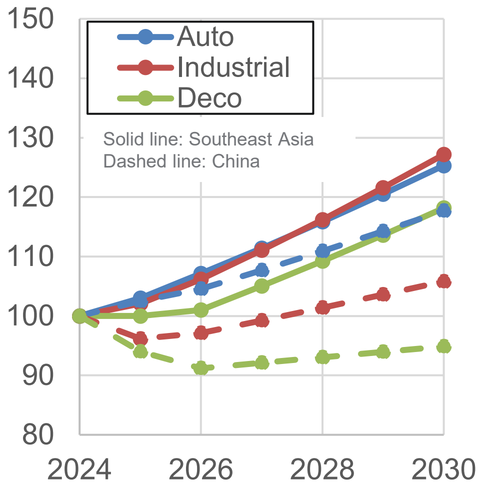
- ☐ **Currently deployed in a total of 10 countries in East and South Africa**
- ☐ **Based on past challenges, including Nigeria withdrawal, expansion decisions to follow thorough evaluation of candidate countries**
- ☐ **Assess the country from all aspects—such as business practices, potential partners, and security—through export activities**
- ☐ **Started exports to four new countries this fiscal year**
- ☐ **A young, promising talent dispatched from Japan was appointed as Managing Director in Kenya**

Asia Segment Strategy

Net Sales /EBITDA margin



Asia Segment Market Outlook ※

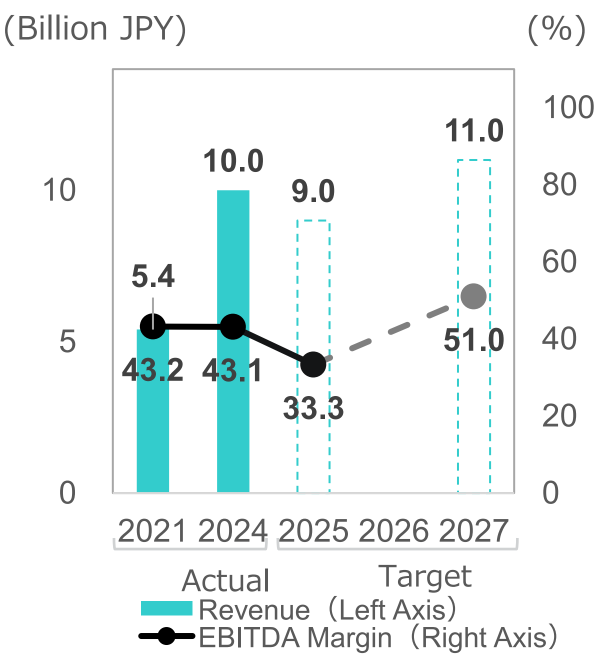


Progress on Asia Segment Strategy

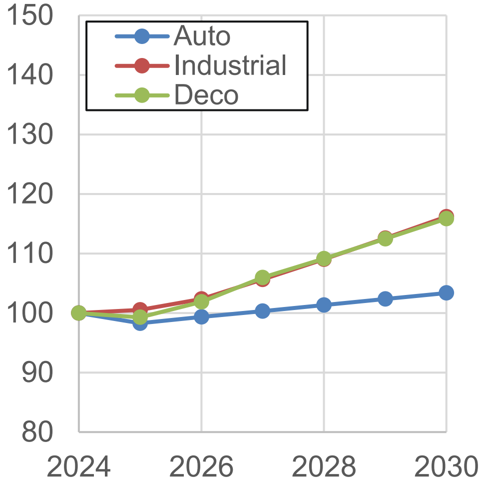
- ☐ Progress in capturing business in neighboring markets where Chinese OEMs are expanding
- ☐ Profitability improvement in Southeast Asia, with Thailand at the core, advanced ahead of plan

North America Segment Strategy

Net Sales /EBITDA margin



North America Segment Market Outlook ※



Progress on North America Segment Strategy

- ☐ Improving profitability by deploying Japanese expert project teams to address declining earnings in weak markets
- ☐ Started investigating the powder coating business using a new CWS powder plant

※Orr & Boss (based on monetary value, with 2024 coatings market size set as index 100)

Reviving strong Asia & North America business through profitability improvement

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Head Office

Head of
Head Office
TAKATA Yoichi

General Manager
Global Finance
YAMAMOTO Hideshi

General Manager
Global IT
KASAMATSU Hiroshi

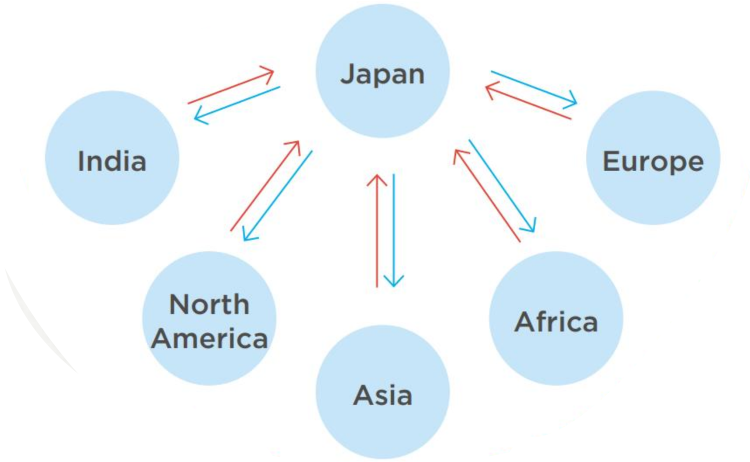
General Manager
Global R&D/Procurement
YOKOTA Gen

General Manager
Global Human Resources
SANADA Hirotaka

General Manager
Global Supply Chain
TANAKA Takeshi

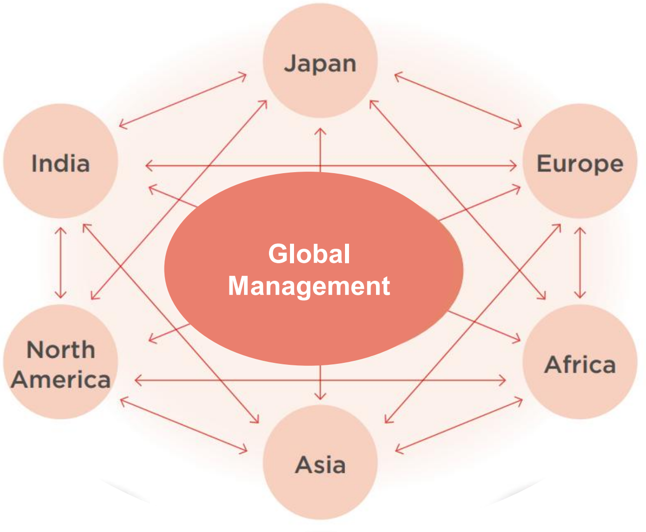
General Manager
Corporate Planning
OZAWA Makoto

Now



Building the System

ONE KANSAI



Strengthen the platform for expanding the business

Vulnerability Analysis

Summary of Results from External Assessment

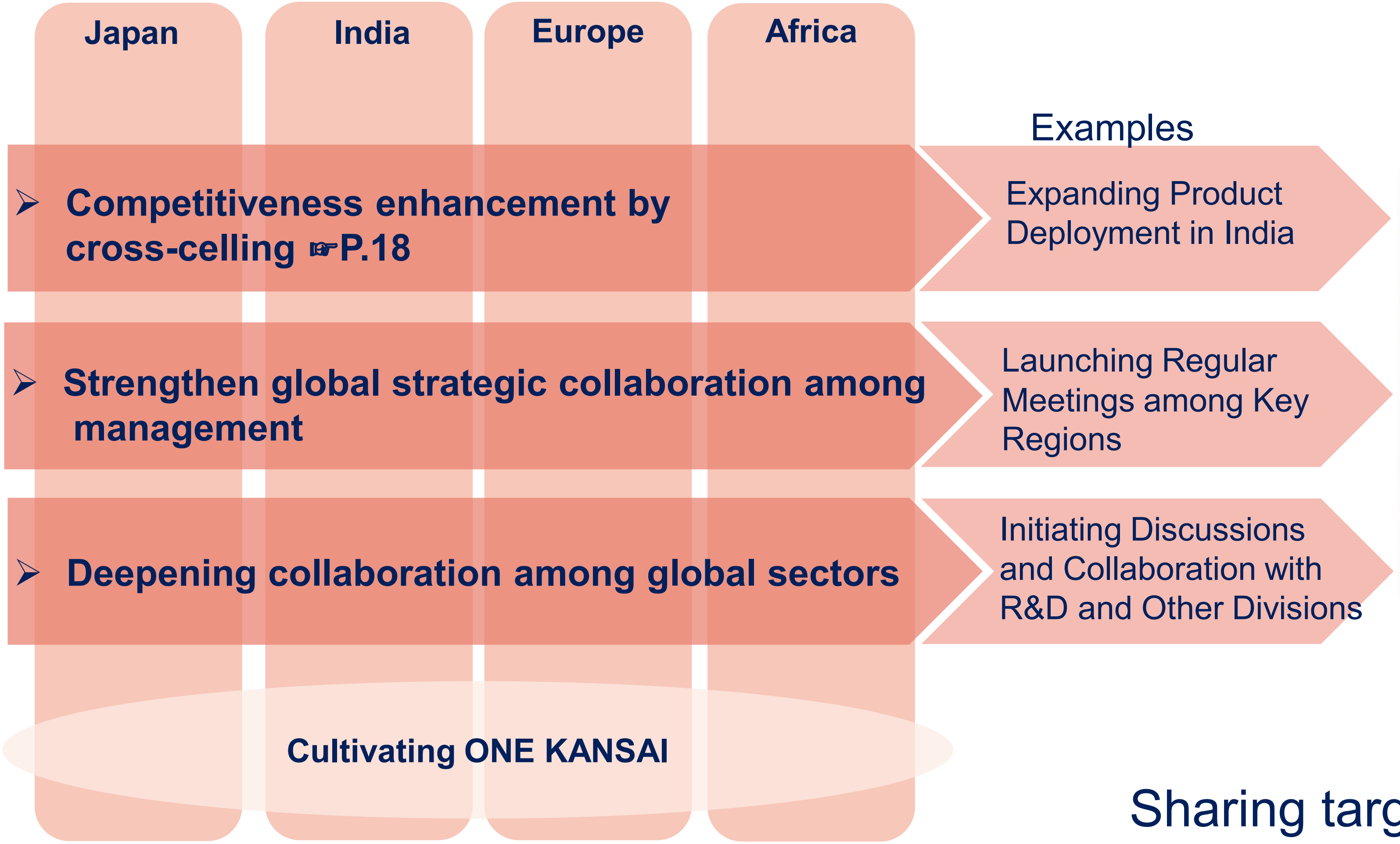
Stock price・Valuation	• Stock prices have been in the range of 2000 JPY to 3000 JPY for a long time and underperformed TOPIX since 2022 • PBR also peaked at three times higher than in the second half of 2020 and remained at around 1-2 times higher in recent years. ROE is rising steadily, while the downward trend in PER is a factor behind the sluggish PBR growth • Improvements in the performance and capital efficiency under the 17MTP have not been fully reflected in share price or valuation
Business strategy	• FY Ending March 2025: Record highs in sales and operating profit. Japan and Africa made significant contributions to achieving the highest operating profit • MTP (FY25-27) Goals: Net Sales of 700 billion JPY, ROE15% or more, and EBITDA margins of 17% (advocating ROE16%, EBITDA margins of 18% in 2030). Along with targets that contribute to improved ROE (in particular, increased R)
Capital・Financial Strategy	• Actively controlling B/S in the 17MTP to acquire treasury shares and actively utilize interest-bearing debt, greatly improving capital-efficiency • In 1Q of FY ending March 2026, the Company announced that it would raise the dividend payout ratio from 30% to 50% or more and maintain the following forward-looking policy of "Progressive dividends and return to FCF100% (excluding M&A)." It also disclosed its policy of actively expanding dividends. At the same time, the Company will not conduct large-scale M&A during the 18MTP • Following the large-scale share buyback in the 17MTP, clarified the stance of emphasizing shareholder returns
Non-financial Governance	• Under the governance structure of the Company with an Audit and Supervisory Committee, the Board of Directors consists of 10 members, including 5 outside directors and 3 female directors • Redesign a systematic committee with ERM Committee and the Sustainability Committee as the top-level organizations, and consider the introduction of integrated risk-management

Improving profitability and future growth expectations

Driving the Development of Global Management Platform

Group-Wide Deployment Accelerating

Strengthening collaboration in key regions (Japan, India, Europe, Africa) and enhancing dialogue and cooperation across all areas—from strategy formulation to execution



Japan | India | Europe | Africa

Examples

- **Competitiveness enhancement by cross-celling ☞P.18** → Expanding Product Deployment in India
- **Strengthen global strategic collaboration among management** → Launching Regular Meetings among Key Regions
- **Deepening collaboration among global sectors** → Initiating Discussions and Collaboration with R&D and Other Divisions

Cultivating ONE KANSAI

Global IT Meeting to Promote DX

Consultation is ongoing with the participation of top management to solve problems and embody IT strategies.

Sharing targets and issues, steady progress is being made in efforts to build a platform

4. Innovation

【R&D】Innovative Coating Materials for Achieving a Circular Economy

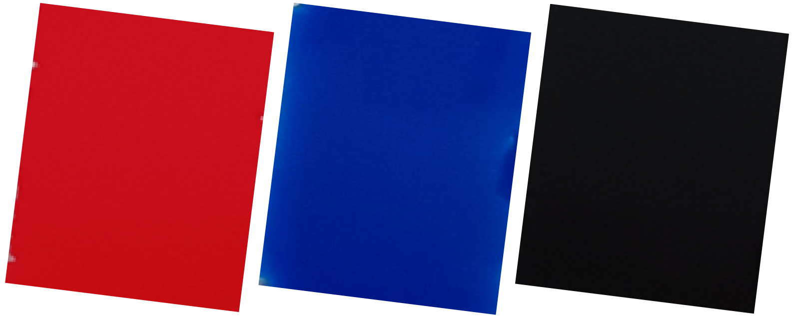
Collaborating with Spiber : Addressing Petrochemical and Microplastic Issues

Spiber

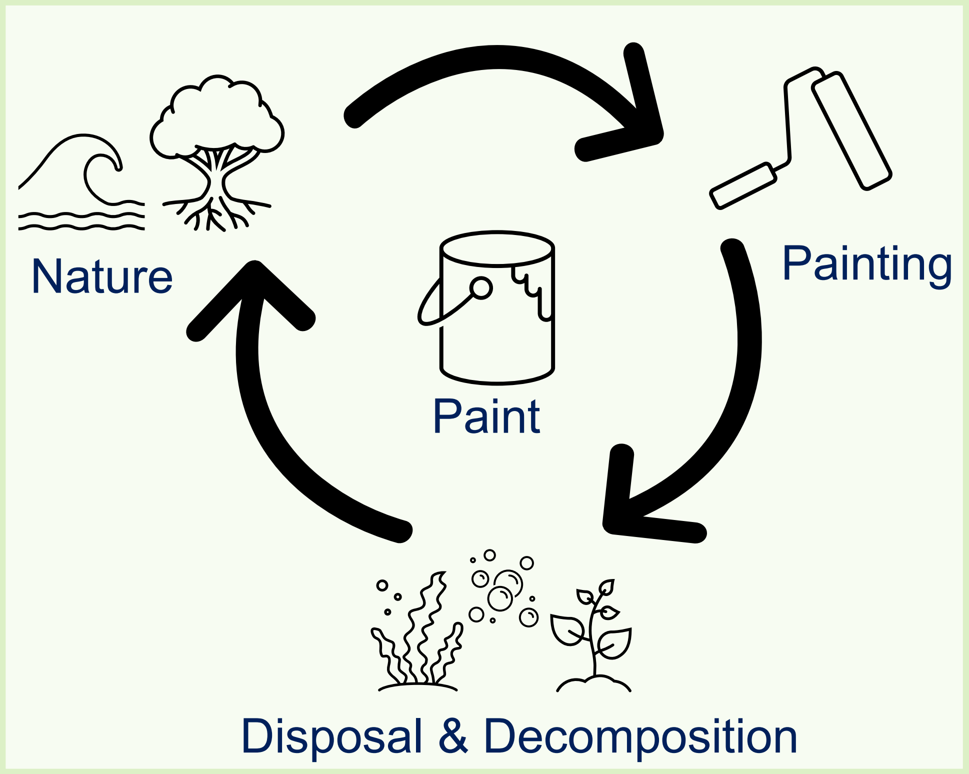
Brewed Protein™
Bio-based
Biodegradable

KANSAI PAINT

Synthetic Resin and
Pigment Dispersion
Technology



Successfully formulated a paint composed of protein-based resin (approx. 40% protein)



Consistently create innovative solutions to address societal issues

【Automotive and Industrial Business segment】In-mold Coatings

Developed in-mold coating technology applicable to large parts

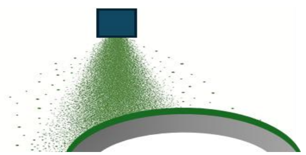
Toyoda Gosei
Mold technology for large parts

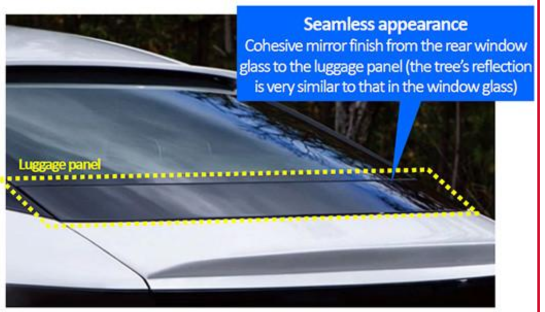
Kansai Paint
Material design technology for coatings

Leveraging Both Companies’ Strengths

Challenges in Applying In-Mold Coating to Large Parts

- Precise control of large molding machines
- Slow, inefficient cooling process
- Uneven coating film

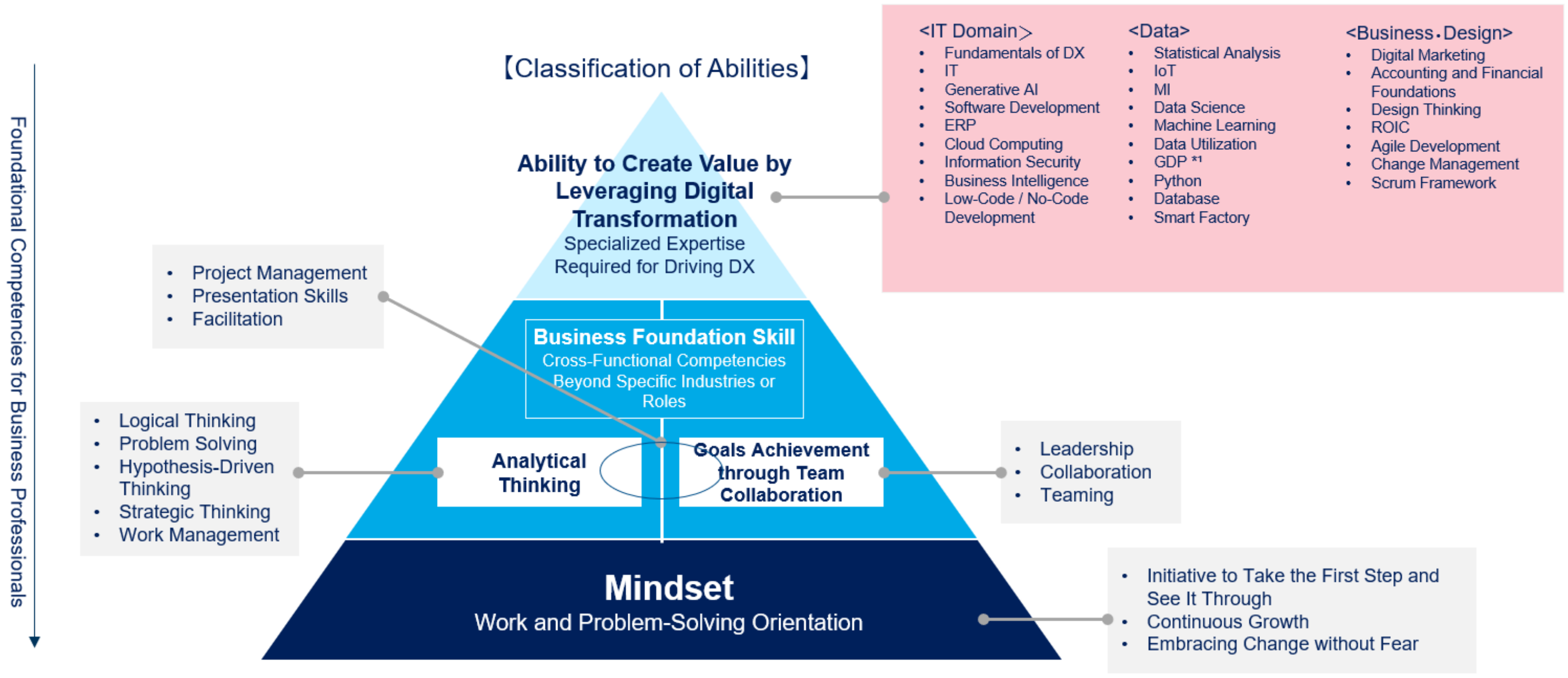
	Spray Coatings	In-mold Coatings
Coating Image	 Coating overspray	 Coating and curing inside the mold
Paint Waste	20-40%	0%
Process	Long	Short
CO2 Emissions	-	▲60%



Seamless appearance
Cohesive mirror finish from the rear window glass to the luggage panel (the tree’s reflection is very similar to that in the window glass)

【Human Resource Development】DLA100 (**D**igital **L**eadership **A**cademy **100**)

Project to develop 100 leaders in DX promotion and implementation in three years



Foundational Competencies for Business Professionals

【Classification of Abilities】

Ability to Create Value by Leveraging Digital Transformation
Specialized Expertise Required for Driving DX

<IT Domain>
- Fundamentals of DX
- IT
- Generative AI
- Software Development
- ERP
- Cloud Computing
- Information Security
- Business Intelligence
- Low-Code / No-Code Development

<Data>
- Statistical Analysis
- IoT
- MI
- Data Science
- Machine Learning
- Data Utilization
- GDP [*1]
- Python
- Database
- Smart Factory

<Business・Design>
- Digital Marketing
- Accounting and Financial Foundations
- Design Thinking
- ROIC
- Agile Development
- Change Management
- Scrum Framework

Business Foundation Skill
Cross-Functional Competencies Beyond Specific Industries or Roles

- Project Management
- Presentation Skills
- Facilitation

Analytical Thinking

- Logical Thinking
- Problem Solving
- Hypothesis-Driven Thinking
- Strategic Thinking
- Work Management

Goals Achievement through Team Collaboration

- Leadership
- Collaboration
- Teaming

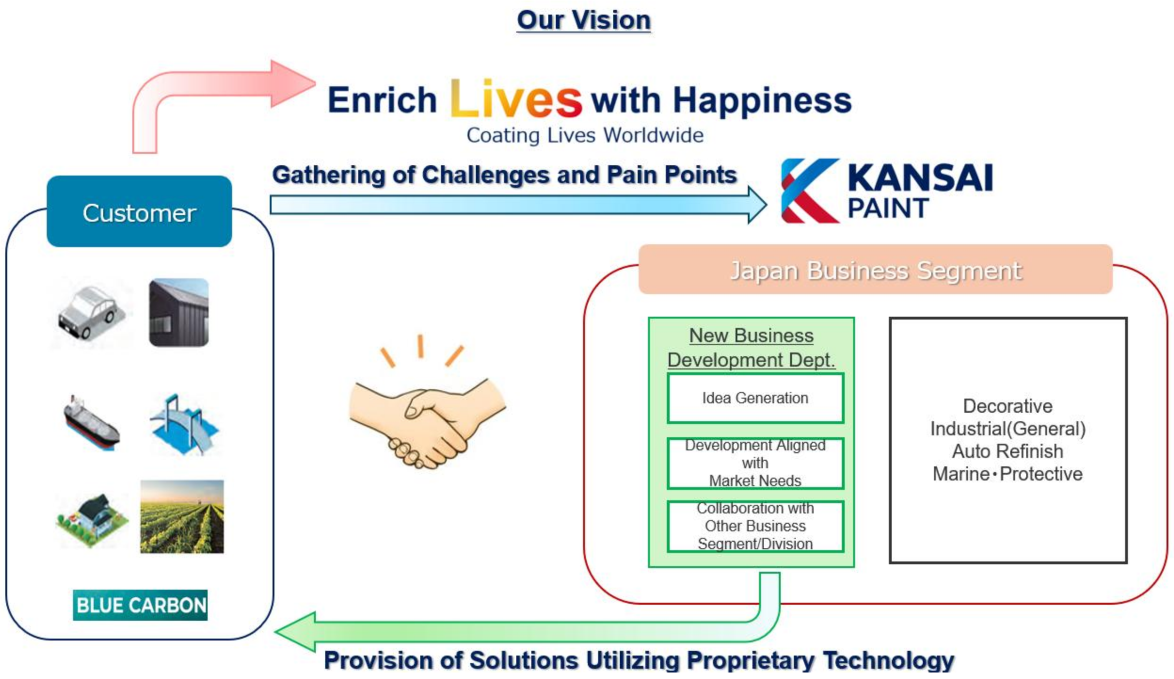
Mindset
Work and Problem-Solving Orientation

- Initiative to Take the First Step and See It Through
- Continuous Growth
- Embracing Change without Fear

[*1] GDP: Global Digital Platform

Learn a curriculum that usually corresponds to three years in a year

【Japan Business Segment】New Business Development Department



Our Vision

Enrich Lives with Happiness
Coating Lives Worldwide

Customer

BLUE CARBON

Gathering of Challenges and Pain Points

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Japan Business Segment

New Business Development Dept.
- Idea Generation
- Development Aligned with Market Needs
- Collaboration with Other Business Segment/Division

Decorative
Industrial(General)
Auto Refinish
Marine・Protective

Provision of Solutions Utilizing Proprietary Technology

Features of the New Business Development Dept.

- ☐ Composition with different generation, gender and expertise (Total of 13 persons)
- ☐ Members possess expertise across diverse domains, including sales, development, engineering, and manufacturing
- ☐ Director is a young leader selected through core position assessments and internal evaluation
- ☐ Members include candidates for internal recruitment
- ☐ Short-term theme: Bringing existing products to new customers
- ☐ Medium-to long-term themes
  - ◇Blue carbon, agriculture and other bio-related
  - ◇Aerospace, aviation, and renewable energy
  - ◇Co-creation with other companies

Leveraging BtoB customer support capabilities to drive new customer acquisition and business development

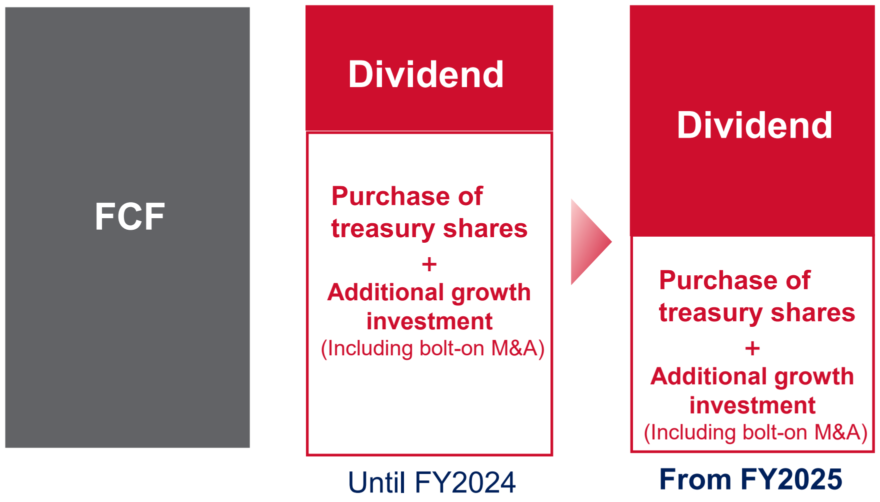
5. Shareholder Returns and Upcoming IR Schedule

Shareholder Return

■ Shareholder return policy

- ✓ 100% return of FCF (Excluding M&A)
- ✓ Progressive dividends
- ✓ Dividend payout ratio of 50% or more
- ✓ No large-scale M&A will be conducted during the 18MTP

< FCF Allocation Concept >



Until FY2024

From FY2025

Optimizing the balance between purchase of treasury shares and dividends

■ About dividends

- ✓ Planned dividend of 110 JPY per share in FY2025
- ✓ No change from the previous outlook

<Annual dividend per share>

	FY2022	FY2023	FY2024	FY2025 (forecast)
Annual dividend	30 JPY	40 JPY	50 JPY	**110 JPY**
Dividend payout ratio **(excluding one-off factors)**	31.7%	26.6%	30.2%	**61.9%**

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IR Schedule

【Main Events in FY2025】

☑ November 7 : FY2025 2nd Quarter Financial Results

☑ Today : Strategy Briefing

☐ November 21 : Africa Strategy Briefing

☐ Mid-December : Europe Strategy Briefing

☐ February 9 : FY2025 3rd Quarter Financial Results

☐ Late-February : India Strategy Briefing

☐ Mid-March : Japan Strategy Briefing

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