Financial Results for the Second Quarter of FY2025

Nov. 7, 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.

Key Points for Financial Results of 2Q FY2025

- **Deliberate downward revision to secure sustainable long-term growth**
  - Identifying priority challenges for sustainable growth while advancing new initiatives under the 18MTP
  - Accelerating investments in talent and digital transformation in Japan, with a strong focus on breaking away from outdated practices and embedding a growth mindset
  - Driving structural transformation in India to leverage core strengths. Placing strong emphasis on talent development

- **Performance significantly impacted by severe market downturn in Europe and North America**
  - Strong performance in Africa and gradual recovery in Asia, yet below initial plan
  - In India, under the strong leadership of the new MD Pravin, the decorative segment has shown resilience, while growth automotive and industrial segments continues to accelerate

- **Progress on mid- to long-term growth themes**
  - The transformation initiated by new CEO Bastian commenced in Europe, while the Japanese team implemented fundamental profit improvement initiatives in North America
  - Expanding business with Chinese automakers as they accelerate global expansion

1. Summary of Financial Results for 2Q FY2025

Enrich Lives with Happiness
Coating Lives Worldwide

Consolidated Results (Progress against announced figures)

(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）

（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

✓Sales and EBITDA reached record highs

Segment Plan by Business

(JPY billion)

	Net Sales		Segment Profit	
	FY2025 Revised Plan (as of November 2025)	FY2025 Initial Plan (as of May 2025)	FY2025 Revised Plan (as of November 2025)	FY2025 Initial Plan (as of May 2025)
Japan	**160.0**	165.0	**23.5**	24.0
India	**140.0**	145.0	**14.5**	14.5
Europe	**161.0**	165.0	**0.5**	3.0
Asia	**70.0**	65.0	**10.0**	8.5
Africa	**50.0**	50.0	**5.5**	5.5
North America	**9.0**	10.0	**2.0**	2.5
Total	**590.0**	600.0	**56.0**	58.0

Main figures related to the consolidated balance sheets

(JPY billion)

	FY2024 End of 2Q	FY2024 End of 4Q	FY2025 End of 2Q	Difference (Compared to the previous fiscal year-end)
Total asset	7.524	**750.7**	**750.9**	0.2
Cash & Deposit	67.4	**76.7**	**68.9**	-7.8
Notes and accounts receivable - trade, and contract assets	134.0	**120.9**	**132.4**	11.6
Merchandise and finished goods	115.6	**111.9**	**109.4**	-2.6
Non-current assets	400.9	**395.2**	**397.4**	2.2
Goodwill	40.4	**35.7**	**33.6**	-2.1
Interest-bearing debts	212.7	**222.1**	**220.4**	-1.7
Shareholders' equity	278.0	**269.2**	**271.1**	1.9
Treasury shares	▲ 2.1	**▲ 2.1**	**▲ 2.5**	＋4
Shareholders' equity ratio (%)	36.9%	**35.9%**	**36.1%**	+0.2pt
NetDebt/EBITDA(times)	1.5times	**1.4times**	**1.5times**	-
NetDebt/Equity(%)	44.8%	**42.0%**	**45.1%**	+3.1pt

✓ Maintain an optimal capital structure

KANSAI PAINT

Enrich Lives with Happiness
Coating Lives Worldwide

Change in Net sales by region (YoY)

(JPY billion)

	FY2024 1H	FY2025 1H		YOY(%)	
Japan	81.9	79.9		-2.4%	
India	75.3	70.2	(76.0)	-6.9%	(+0.9%)
Europe	76.3	79.2	(84.7)	+3.8%	(+11.0%)
Asia	33.5	32.8	(32.7)	-2.2%	(-2.3%)
Africa	21.5	22.6	(22.8)	+4.8%	(+5.9%)
North America	5.5	4.5	(4.6)	-16.9%	(-15.4%)
Total	294.1	289.2	**(300.8)**	-1.6%	**(+2.3%)**

( ): Excluding FX effects

✓ Sales in India, Europe, and Africa increased on a local currency basis

Change in Net Sales by sector (YoY)

(JPY billion)

	FY2024 1H	FY2025 1H		YOY(%)	
Auto	86.8	84.9	(88.1)	-2.2%	(+1.5%)
Industrial	80.2	85.5	(89.6)	+6.7%	(+11.7%)
Deco AR PC	97.8	92.2	(96.2)	-5.8%	(-1.7%)
Other	29.2	26.6	(26.9)	-8.8%	(-7.8%)
Total	294.1	289.2	(**300.8**)	-1.6%	**(+2.3%)**

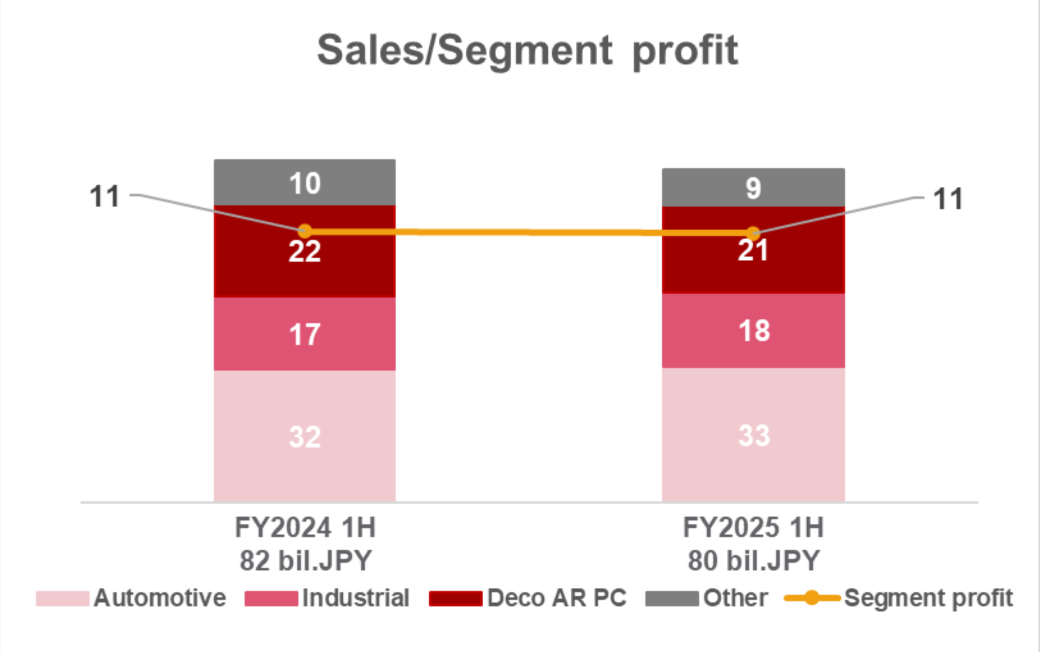
( ): Excluding FX effects

✓ Sales increased on a local currency basis, driven by contributions from Automotive and Industrial

2. Summary of Financial Results by Segment

Results by Region （YOY） 【Japan】

（billion JPY）



（billion JPY）

	FY2024		FY2025	
	1Q	2Q	1Q	2Q
Net Sales	41	41	39	41
Segment profit	6	5	5	6
Segment Profit Margin	14.5%	12.0%	13.0%	14.0%

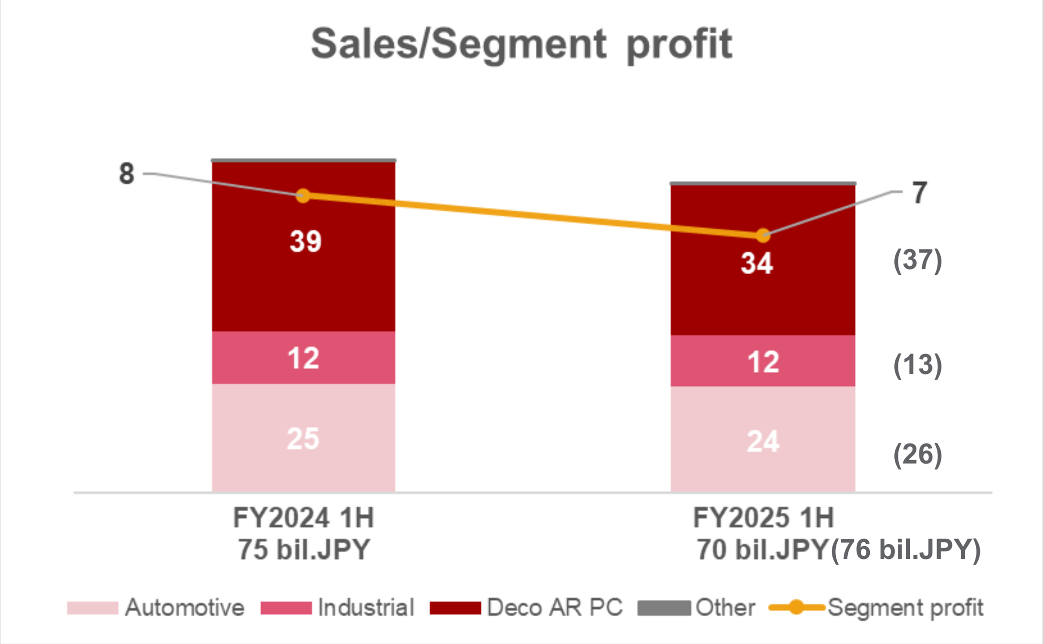
Ongoing cost reduction activities contributing to margin improvement

- Sales increased, driven by higher market share and price improvements in Automotive and Industrial
- Sales declined for Deco, AR, and PC due to sluggish market conditions
- Marine sector recovered to last year’s level in Q2
- Profitability improved and segment margins rebounded amid sustained high raw material costs
- Conducted an operational review under the new structure of head office and business units

【Future Focus Area】
- Select additional measures to improve group performance and allocate resources to ERP implementation and Operation DX
- Execute initiatives to strengthen a growth mindset
  - Special training for managers on the DLA100 (Digital Leadership Academy 100) curriculum
  - Dialogue through on-site visits by executives for general employees

Results by Region【India】

(billion JPY)



( ): Excluding FX effects

(billion JPY)

	FY2024		FY2025	
	1Q	2Q	1Q	2Q
Net Sales	40	35	37	33
Segment profit	5	3	4	3
Segment Profit Margin	13.5%	8.5%	12.0%	8.6%

Automotive and industrial segments remain solid; Deco declined but performed resiliently

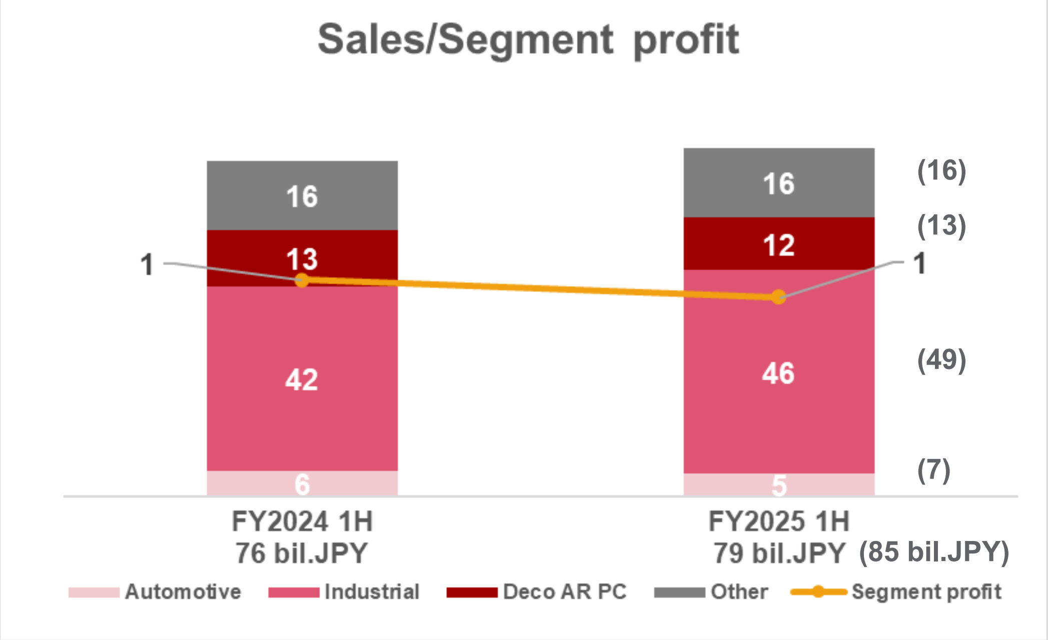
- Sales increased in automotive, supported by strong exports, market share gains, and solid domestic demand
- Sales increased in Industrial, driven by robust demand, particularly in the infrastructure sector
- Sales softened in Deco before the festival season due to prolonged monsoon
- Segment profit declined due to currency impact and higher advertising expenses ahead of the festive season

【 Future Focus Area 】
- Strengthen Automotive and Industrial sectors to achieve growth above market levels
- Focus on core strengths in Deco sector (regions, businesses, products) to establish a unique market position

※The comments on the above sales figures are stated in local currency basis.

Results by Region【Europe】

(billion JPY)



( ): Excluding FX effects

(billion JPY)

	FY2024		FY2025	
	1Q	2Q	1Q	2Q
Net Sales	34	43	38	41
Segment profit	1	-0	0	1
Segment Profit Margin	2.7%	-	0.1%	1.2%

Achieved steady improvement in Q2 despite weak market conditions

- Sales in the industrial sector increased in Q2 compared to last year, driven by contributions from M&A
- Sales in the automotive sector increased as production volumes showed signs of recovery
- Sales for Deco, AR, and PC slightly increased, driven by growth in AR.
- Segment profit continues to be significantly impacted by hyperinflation and high interest rates in Turkey

【Future Focus Area】
- Promoting KANSAI HELIOS's new strategy

(to be explained at the European strategy briefing in December)

(billion JPY)

		FY2024 1H	FY2025 1H
Europe (excluding Turkey)	Segment Income	2.1	2.0
Turkey	Segment Income	-1.4	-1.4
	(Impact of HI on Segment Income)	-1.1	-1.3
HI: Hyper Inflation	Segment income excluding HI impact	-0	-0

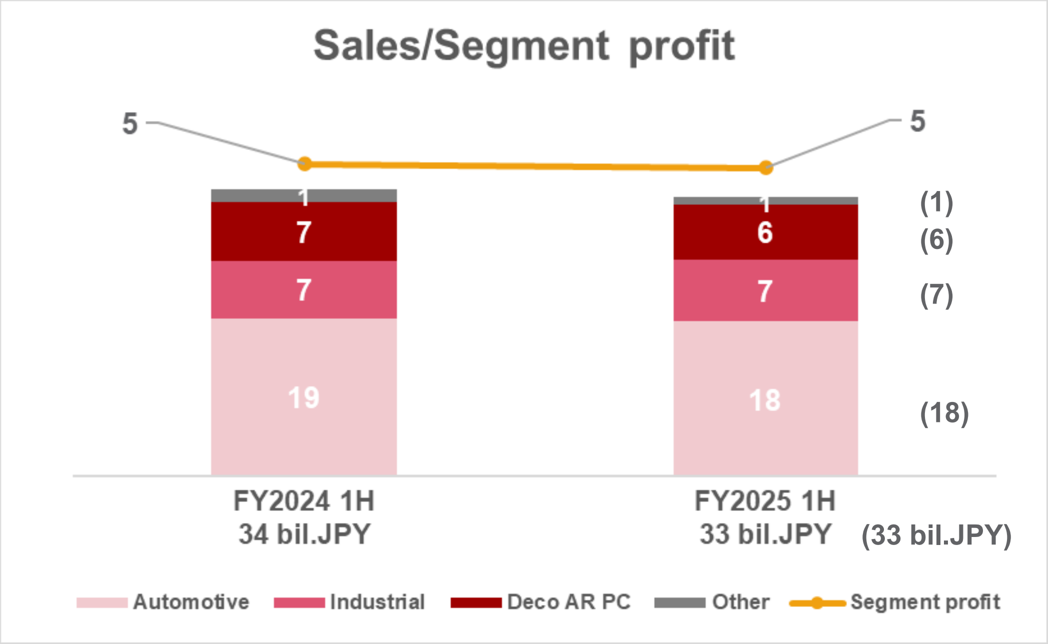
※The comments on the above sales figures are stated in local currency basis.

KANSAI PAINT

Enrich Lives with Happiness
Coating Lives Worldwide

Results by Region【Asia】

(billion JPY)



( ): Excluding FX effects

(billion JPY)

	FY2024		FY2025	
	1Q	2Q	1Q	2Q
Net Sales	17	16	17	16
Segment profit	3	2	3	3
Segment Profit Margin	16.9%	13.8%	15.0%	16.2%

Profit improvement ahead of schedule in Southeast Asia
Steady Growth in China's automotive sector

- Sales decline slightly in Southeast Asia as automotive sector remains sluggish
- In addition to one Chinese OEM business already secured in Indonesia, new business acquired in Thailand and Malaysia, while expansion in China continuing.
- Industrial sector posted higher sales, driven by demand for coil coating in Taiwan and construction machinery in Indonesia and China
- Segment profit supported by cost improvements mainly in Thailand and steady performance in Hunan Kansai.

【 Future Focus Area 】

- Chinese OEM business expansion in China and countries where they are expanding operations.

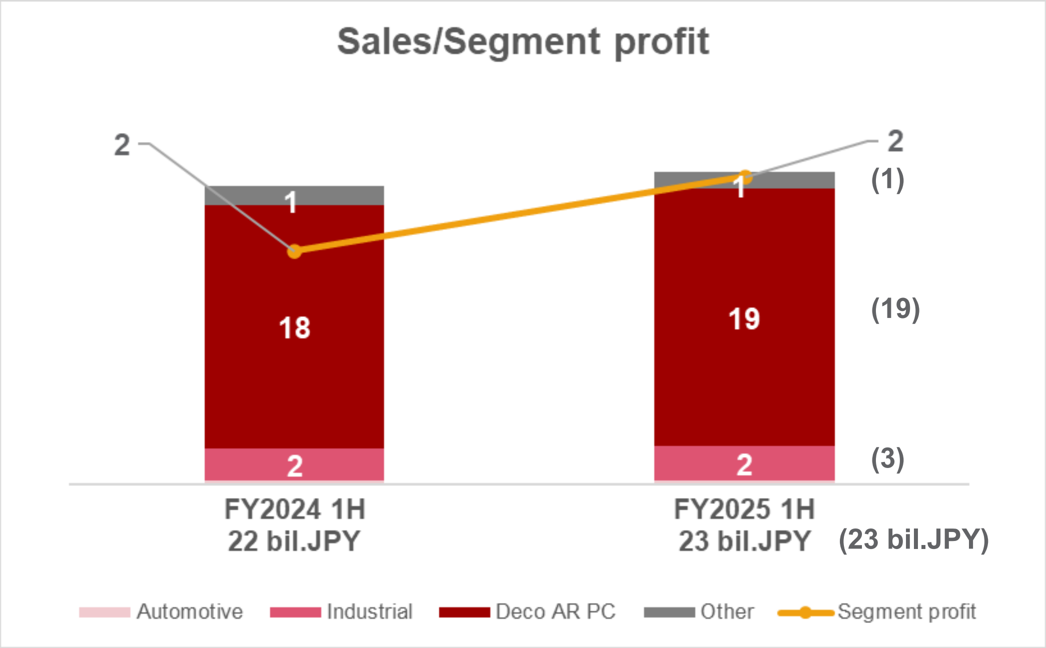
※The comments on the above sales figures are stated in local currency basis.

KANSAI PAINT

Enrich Lives with Happiness
Coating Lives Worldwide

Results by Region【Africa】

(billion JPY)



( ): Excluding FX effects

(billion JPY)

	FY2024		FY2025	
	1Q	2Q	1Q	2Q
Net Sales	10	11	12	11
Segment profit	1	1	1	1
Segment Profit Margin	7.8%	8.2%	9.4%	10.4%

Driving growth through scale and profit Toward ONE AFRICA

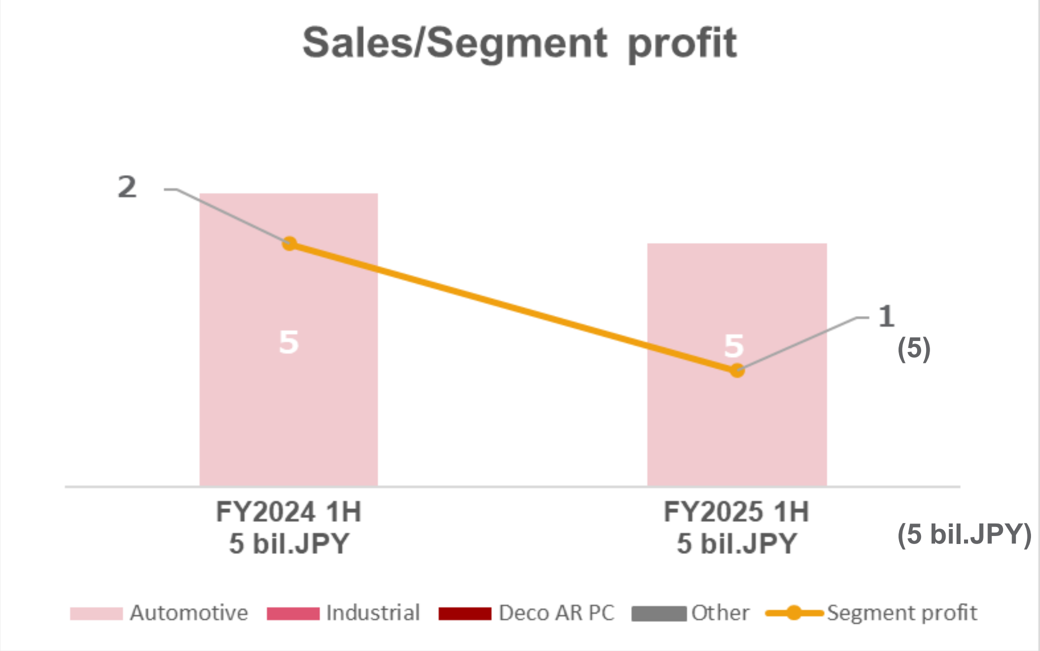
- South Africa: Stable performance in the home center business started last year
- East Africa: Thriving market, driving increased sales and profit
- Exports to Ghana and Angola have commenced as planned and market development is underway to expand our regional footprint

【 Future Focus Area 】
- Revamp the management structure of Kansai Plascon East Africa (Pty) Ltd. and accelerate efforts toward realizing the ONE AFRICA vision (To be explained at the Africa Strategy Briefing in November)

※The comments on the above sales figures are stated in local currency basis.

Results by Region【North America】

(billion JPY)



( ): Excluding FX effects

(billion JPY)

	FY2024		FY2025	
	1Q	2Q	1Q	2Q
Net Sales	3	3	2	2
Segment profit	1	1	1	0
Segment Profit Margin	41.4%	35.1%	24.5%	18.8%

Strengthening profitability amid soft demand in the power sports market

- Continued revenue decline due to sluggish demand in the power sports business
- Profit decrease driven by lower volumes and higher fixed costs
- Segment profit also declined, partly due to the impact of equity-method income

【 Future Focus Area 】
- Performance Improvement Project led by the Japan Support Team (CFT)
  - Sales：Price adjustments to offset tariffs and expansion of new business
  - R&D：Value Engineering initiatives
  - Production: Productivity enhancement
  - Procurement: Support for raw material sourcing
  - Finance: Comprehensive financial support

※The comments on the above sales figures are stated in local currency basis.

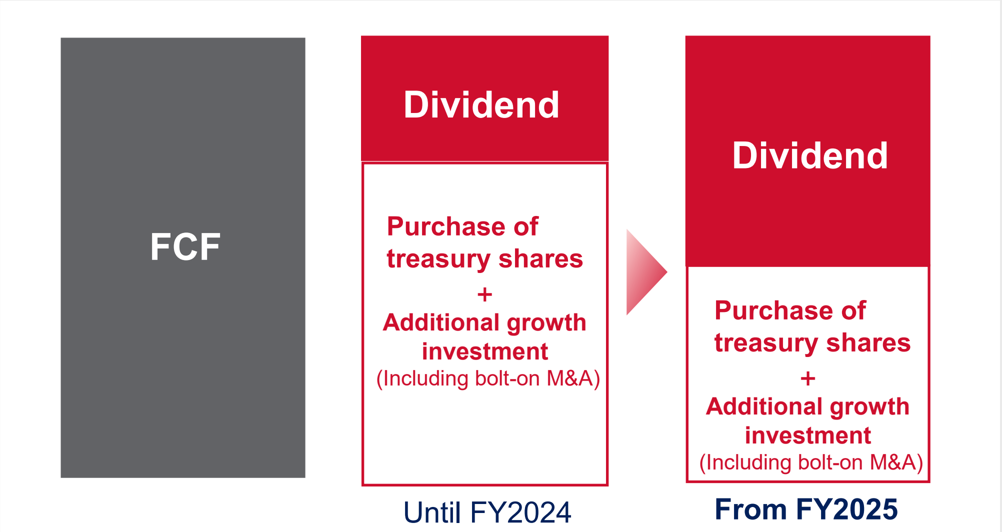
3. Shareholder Returns and Future Plans

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 >



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>

(JPY)

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

Dialogue Plan with Investors

【 Main Events in FY2025 】

□ Today	：FY2025 2nd Quarter Financial Results
□ November 12	：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

Enrich Lives with Happiness

Coating Lives Worldwide

FY2025 Second Quarter
Reference Material for Financial Results

Consolidated Financial Results

(JPY billion, %)

	FY2024					FY2025				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year (outlook)
	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)
Net sales	145.4	148.7	150.7	144.1	588.8	144.7	144.5			590.0
	+6.6%	+8.1%	+1.6%	+2.9%	+4.7%	-0.5%	-2.8%			+0.2%
Segment profit	17.1	11.8	13.3	11.6	53.9	13.7	13.2			56.0
	+25.8%	-21.1%	-26.0%	-8.0%	-9.0%	-19.8%	+11.4%			+3.9%
Operating profit	15.1	11.2	12.9	12.8	52.1	12.2	12.1			51.0
	+24.9%	-17.7%	-17.5%	+25.5%	+0.9%	-19.0%	+7.7%			+3.9%
Ordinary profit	19.9	6.1	15.8	7.3	49.1	14.4	14.2			55.0
	+17.4%	-59.8%	+30.5%	-45.8%	-14.9%	-27.8%	+134.3%			-2.0%
EBITDA	23.1	18.5	20.1	19.6	81.2	20.2	19.8			84.5
	+22.1%	-10.2%	-16.5%	+4.9%	-1.2%	-12.3%	+7.1%			+12.0%
EBITDA margin	15.9%	12.4%	13.3%	13.6%	13.8%	14.0%	13.7%			14.3%
	+2.0pt	-2.5pt	-2.9pt	+0.3pt	-0.8pt	-1.9pt	+1.3pt			+52.9%
Profit	11.9	3.8	17.2	5.4	38.3	8.5	7.7			34.0
	-68.4%	-56.9%	+130.1%	-59.1%	-42.9%	-28.6%	+102.2%			-11.2%
EPS(JPY)	57.45	19.78	95.14	30.45	202.02	48.13	43.75			193.04
	-65.1%	-49.4%	+187.3%	-49.6%	-32.5%	-16.2%	+121.2%			-4.4%

Net sales by regional segment

(JPY billion, %)

	Net sales									
	FY2024					FY2025				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year (outlook)
	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	
Japan	41.3	40.6	42.5	39.5	163.9	39.3	40.7			160.0
	+6.3%	-1.7%	-0.9%	-6.5%	-0.9%	-4.9%	+0.2%			-2.4%
India	40.3	35.0	34.6	32.4	142.3	37.0	33.2			140.0
	+10.1%	+1.7%	+1.1%	+3.2%	+4.2%	-8.2%	-5.3%			-1.6%
Europe	33.6	42.7	41.9	38.3	156.5	37.9	41.3			161.0
	+8.8%	+26.4%	+9.9%	+15.7%	+15.1%	+12.8%	-3.2%			+2.9%
Asia	17.3	16.2	17.4	17.8	68.7	16.6	16.2			70.0
	-4.5%	-3.6%	-6.0%	-3.6%	-4.5%	-3.9%	-0.5%			+1.9%
Africa	10.2	11.3	12.0	13.9	47.4	11.5	11.1			50.0
	+3.0%	+26.6%	-1.3%	+12.7%	+9.4%	+12.4%	-2.1%			+5.4%
North America	2.7	2.8	2.4	2.2	10.0	2.4	2.1			9.0
	+29.4%	+24.7%	-3.8%	-10.1%	+8.9%	-9.4%	-24.2%			-10.3%
Total	145.4	148.7	150.7	144.1	588.8	144.7	144.5			590.0
	+6.6%	+8.1%	+1.6%	+2.9%	+4.7%	-0.5%	-2.8%			+0.2%

Segment Income by regional segment

(JPY billion, %)

	Segment profit									
	FY 2024					FY 2025				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy	yoy
Japan	6	5	7	7	24	5	6			24
	+54.4%	-20.7%	+2.2%	+29.7%	+11.5%	-14.7%	+16.9%			-1.8%
India	5	3	3	3	14	4	3			15
	+11.1%	-26.6%	-9.1%	+10.6%	-4.1%	-18.4%	-4.9%			+2.2%
Europe	1	0	-1	-1	-1	0	1			1
	+62.5%	-	-	-	-	-	-			-
Asia	3	2	2	2	9	3	3			10
	-10.1%	-5.1%	-24.0%	-8.3%	-12.9%	-14.4%	+16.8%			+8.8%
Africa	1	1	1	2	4	1	1			6
	+14.9%	+9.0%	-17.4%	+26.6%	+6.7%	+35.8%	+24.6%			+26.4%
North America	1	1	1	0	3	1	0			2
	+202.9%	+16.4%	-25.0%	-65.1%	-2.8%	-46.2%	-59.5%			-37.6%
Total	17	12	13	12	54	14	13			56
	+25.8%	-21.1%	-26.0%	-8.0%	-9.0%	-19.8%	+11.4%			+3.9%

Analysis of YoY Sales Increase/Decrease (FY2025 2Q)

	FX impact	Volume	Price fluctuations and others	total
Japan	0%	-4%	1%	-2%
India	-8%	0%	1%	-7%
Europe	-7%	2%	9%	4%
Asia	0%	-6%	3%	-2%
Africa	-1%	5%	1%	5%
North America	-2%	-17%	1%	-17%
Total	-4%	-1%	3%	-2%

Equity in earnings of unconsolidated subsidiaries and affiliates

(JPY billion)

	FY2024					FY2025	
	1Q	2Q	3Q	4Q	Full year	1Q	2Q
Japan	0.4	0.3	0.4	0.2	1.3	0.5	0.2
India	-0	-0	-0.1	-0	-0.2	-0	-0
Europe	-0.0	-1.2	-1.1	-2.1	-4.5	-0.3	-0.5
Asia	1.0	1.0	0.7	0.5	3.2	0.9	1.0
Africa	0	0	0.0	0	0.2	0	0
North America	0.6	0.5	0.5	0.2	1.7	0.3	0.3
Total	2.0	0.6	0.4	-1.2	1.8	1.5	1.1

Key numbers related to Balance Sheet(B/S)

(JPY billion, %)

		FY2024				FY2025	
		The end of 1Q	The end of 2Q	The end of 3Q	The end of 4Q	The end of 1Q	The end of 2Q
Total assets		782.7	752.4	751.3	750.7	744.9	750.9
	Cash & deposits	90.6	67.4	66.1	76.7	71.0	68.9
	Notes and accounts receivable - trade, and contract assets	136.1	134.0	133.1	120.9	127.4	132.4
	Merchandise and finished goods	112.0	115.6	113.9	111.9	111.1	109.4
	Non-current assets	398.5	400.9	393.3	395.2	388.4	397.4
	Goodwill	38.4	40.4	35.9	35.7	33.6	33.6
Interest-bearing debts		187.4	212.7	227.2	222.1	230.0	220.4
Net assets per share (JPY)		-	-	-	1,527.55	-	-
Shareholders' equity ratio (%)		39.9	36.9	34.7	35.9	34.9	36.1

Operating cash flows and other indicators

(JPY billion, %)

	FY2024		FY2025
	1H	Full Year	1H
Operating cash flows	3.4	35	15.3
Depreciation	9.6	20.7	10.5
Goodwill amortization	2.5	5.1	2.6
Capital expenditures	10.6	26	17.2
R&D expenses	5.6	10	5.4

Japanese naphtha price (own estimation)

（JPY/KL）

	FY2024		FY2025
	1H	2H	1H
Japanese naphtha price	78,000	72,600	64,800

Japanese car production

（million）

	FY2024			FY2025 (Forecast)		
	1H	2H	Full year	1H	2H	Full year
Car production	4.10	4.37	8.47	4.08	4.34	8.41

Reference material

Car production

(million)

	FY2024					FY2025	
	1Q	2Q	3Q	4Q	Full year	1Q	2Q
Japan	1.99	2.11	2.24	2.14	8.47	2.03	2.05
India	1.45	1.51	1.42	1.71	6.09	1.50	1.59
China	6.60	7.29	7.58	9.80	31.28	7.56	8.06
Thailand	0.41	0.35	0.37	0.34	1.47	0.35	0.37
Indonesia	0.30	0.27	0.32	0.31	1.20	0.29	0.26
Malaysia	0.21	0.18	0.20	0.20	0.79	0.18	0.18
Turkey	0.28	0.25	0.24	0.27	1.04	0.29	0.32

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, 2Q FY2025 car data for Japan is our estimation

Currency translation rates

(JPY／Local currency)

	2024				2025		
	Jan.-Mar.	April-Jun.	July-Sep.	Oct.-Dec.	Jan.-Mar.	April-Jun.	July-Sep.
U.S.Dollar	148.00	156.91	149.96	151.14	153.38	145.33	147.66
Euro	160.27	168.68	164.07	162.27	160.10	164.28	172.09
Indian Rupee	1.79	1.89	1.80	1.80	1.79	1.71	1.70
Chinese Yuan	20.54	21.58	20.97	21.06	20.96	20.10	20.64
Thai Baht	4.16	4.26	4.33	4.49	4.48	4.38	4.55
Malaysian Ringgit	31.48	33.18	33.90	34.85	34.59	33.82	35.08
Indonesian Rupiah	0.0095	0.0097	0.0095	0.0097	0.0094	0.0089	0.0090
Turkish Lira	4.68	4.90	4.18	4.48	3.95	3.63	3.58
South African Rand	7.85	8.39	8.42	8.43	8.20	8.00	8.34

KANSAI
PAINT