



# BUSINESS STRATEGY BRIEFING KANSAI HELIOS

December 17, 2025

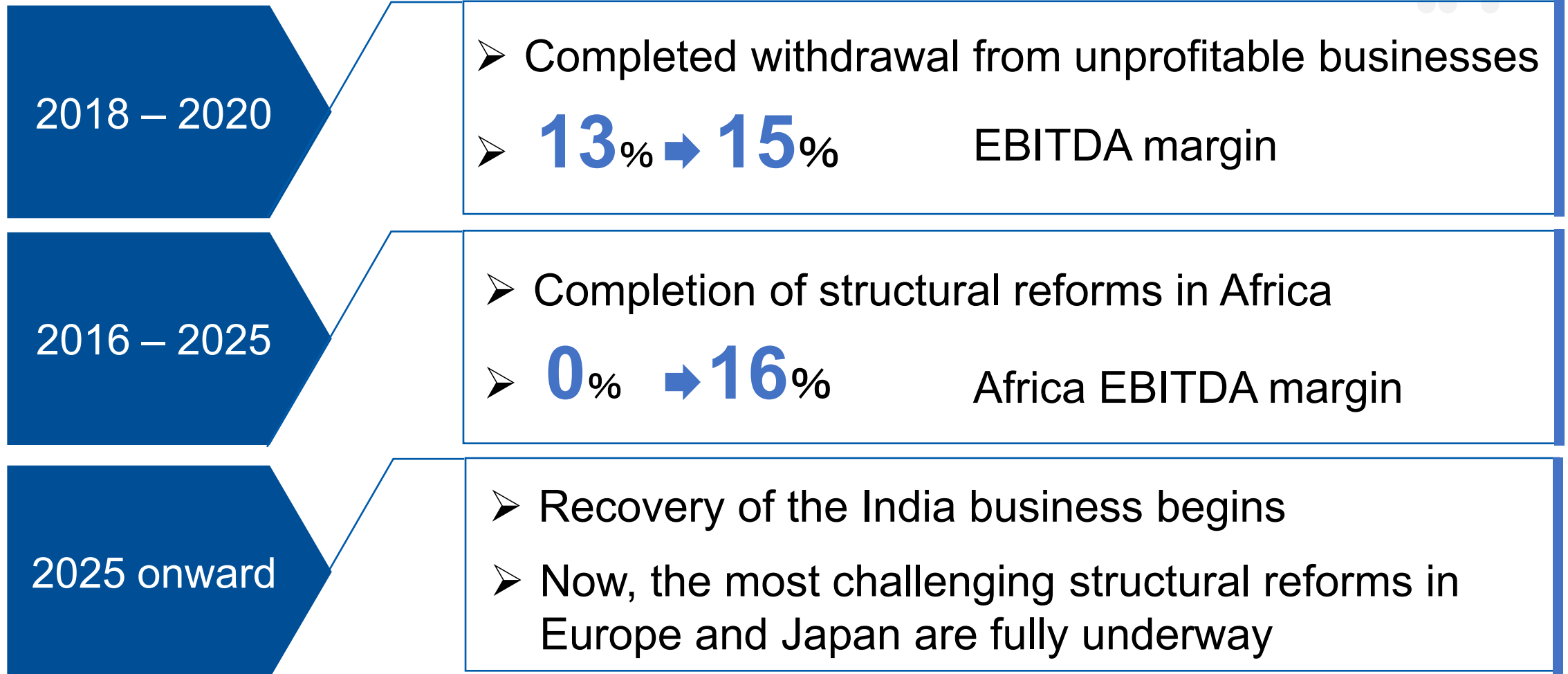
# AGENDA

- 1 Value of Europe for Kansai Paint
- 2 Market environment Kansai Helios
- 3 Transformation plan “True Colors”
- 4 Q&A

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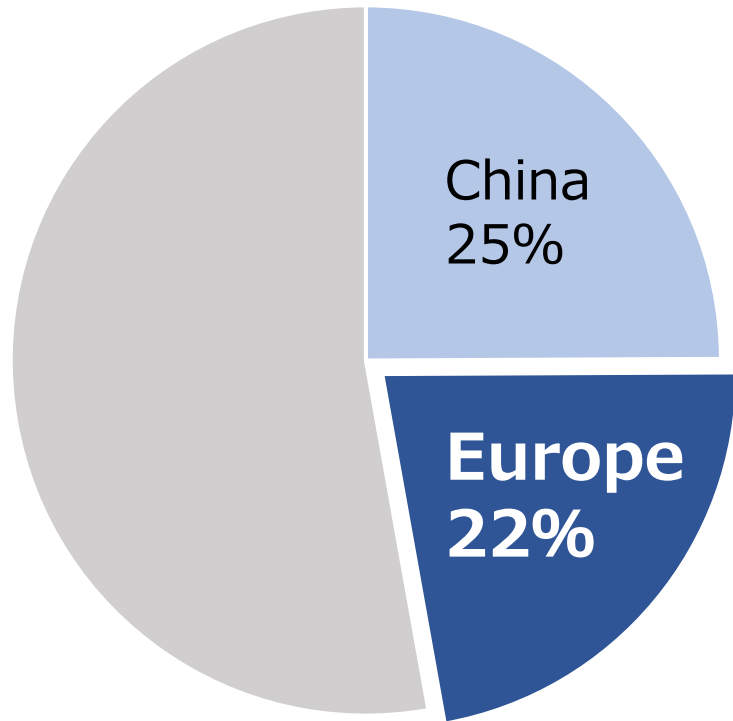
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# Progress in Improving Profitability



**This represents the final stage of preparing our Group for sustainable growth**

2024 Global Coatings market  
(region, size in USD billion, share %)



Source: ORR & BOSS, company analysis

## Europe is one of the world's largest coatings markets

- Europe accounts for one-fifth of the global coatings market
- The CAGR is +2% for Europe (compared to +1% for China)  
※CAGR2024–2030
- Technological innovation advances under regulations and consumer insight

# Drives Cutting-Edge Technology Development

## Legal regulations



**200+**

Europe has over 200 regulations on emissions, energy, chemicals, and climate -far more than Japan (20) or North America (30). Social trends favor compliant, sustainable companies.

## Consumer awareness



**72%**

72 % of Europeans say they consider the chemical safety of products when making purchases.

## Hub for New Technology



Kansai Helios leads in high-tech waterborne and bio-based coatings, with innovations ready for global and emerging markets.

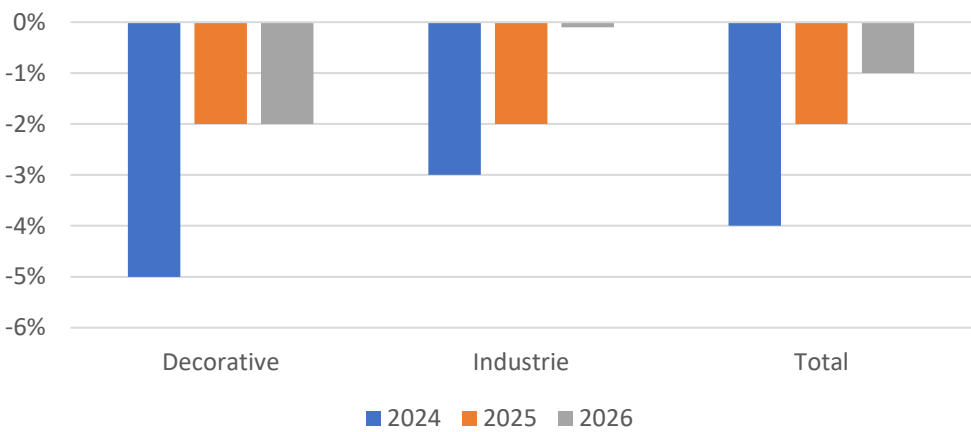
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# European market update

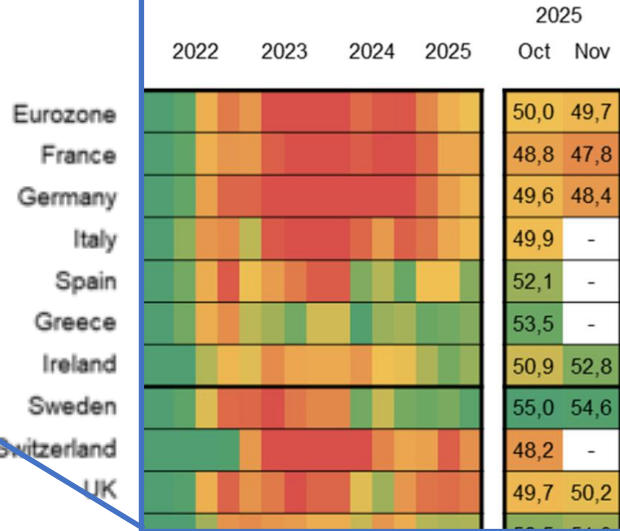
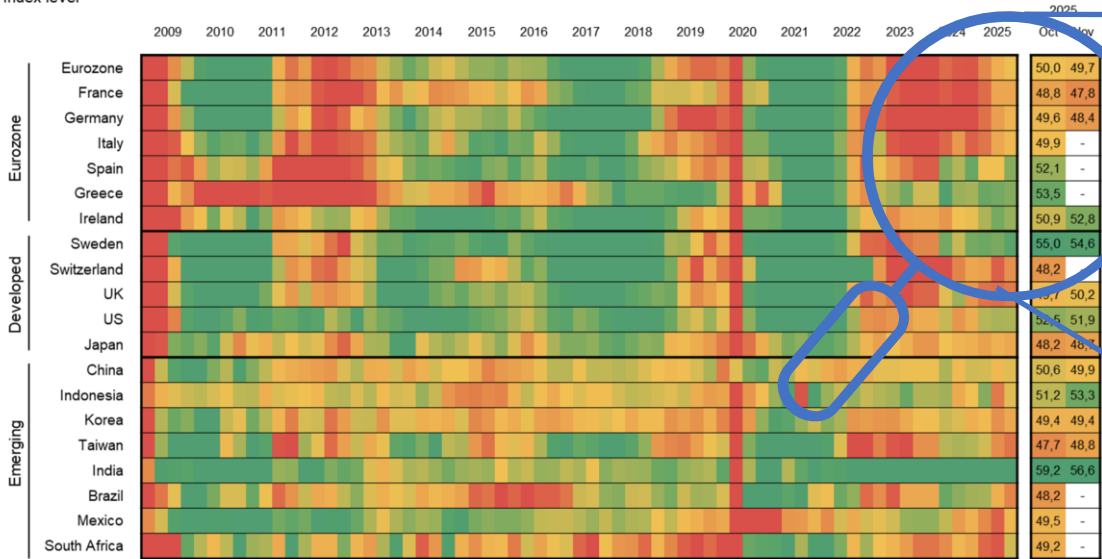
- » Europe stays low in manufacturing
- » Especially German Coating industry under pressure
- » No signs of catch up visible
- » Long markets and severe price battles

local demand Germany coatings and varnishes  
2024-2026



## Global Purchasing Managers' Index (PMI) for manufacturing

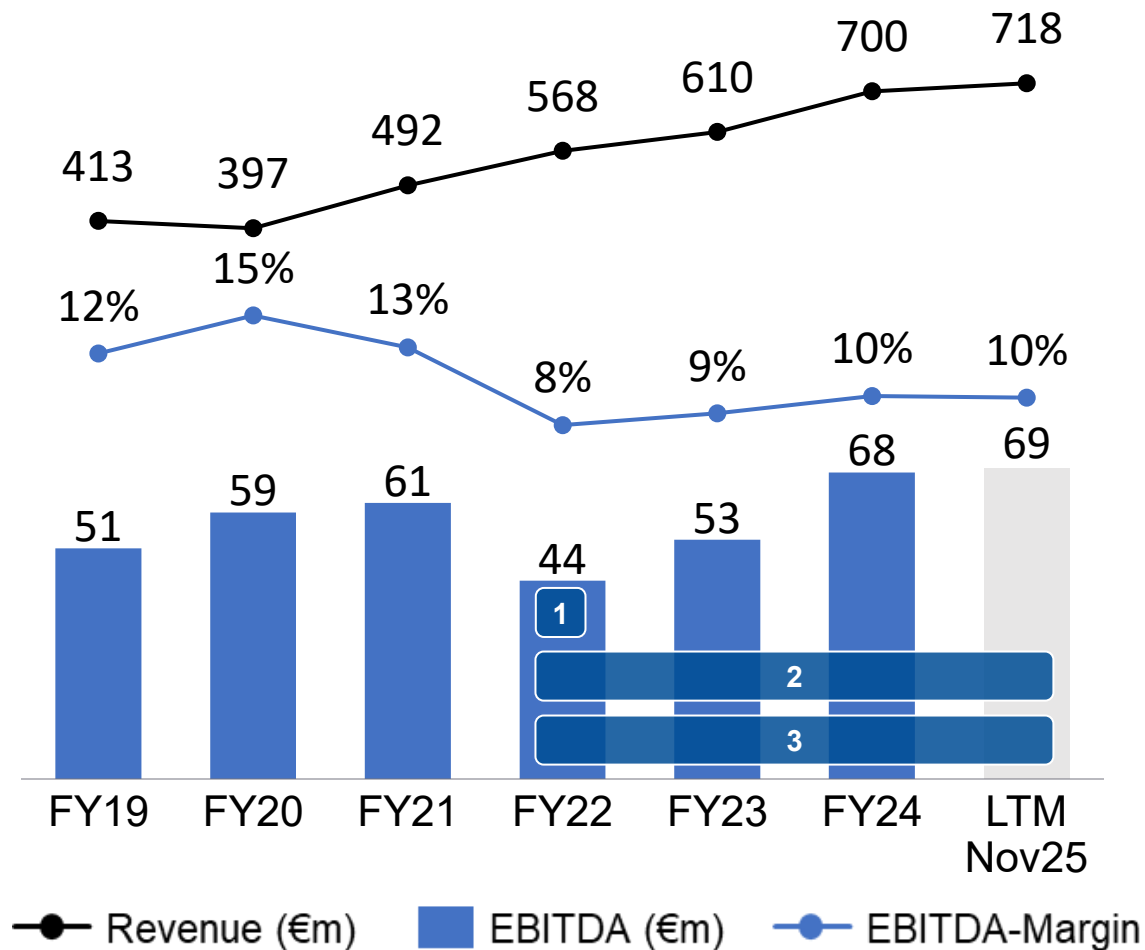
Index level



Source: Bloomberg, S&P Global, J.P. Morgan Asset Management. A score of 50 indicates that economic activity is neither expanding nor contracting, above 50 indicates expansion. The heatmap colours range from red to yellow to green, where red is below 50, yellow is at 50 and green is above 50. Quarterly averages are shown, except the two most recent monthly data points.



# Current Kansai Helios situation and target



## External factors

- 1 Loss of profitable markets due to **sanctions (Russia)**  
[€35m revenue at 20-22% EBITDA Margin]
- 2 Inability to pass **inflation** (mainly raw material) to the market [17% CAGR COGS vs. 15% CAGR revenue]
- » Intense **competition** in core markets

## Strategic factors

- 3 Entry into **new non-core segments and markets** with low profitability
- » Attempted to **offset inflation** with **higher volumes**
- » **High OPEX, CAPEX and inventory**

**Kansai Helios target is to achieve 18% EBITDA margin by 2030**



## Areas of Integration activities

### Governance

- Adaptation of rule of procedures and control in the group
- Integration and standardization of group policies and rules
- Alignment of organizational structures

### Purchasing Synergy

- Integration into group purchasing organization
- Unification of purchasing price and payment term
- Integration into KANSAI PAINT Global Purchasing Committee

### Cost Synergy

- Integration into Group cash pooling and treasury system
- Integration into Group Credit and other insurance system
- Leverage cost and technical capability of captive resin
- Integration of R&D facilities and organization

### Supply Chain Consolidation

- Closure of the existing production sites (2 completed, 1 in progress)
- Integration of warehouse and logistics in Europe
- Working Capital and Cash Conversion Cycle management

### Sales Synergy

- Unified sales strategies, targets and organization
- Seeking cross-selling opportunities
- Expansion of US Operation and further development, cooperation of Other Kansai Group Companies outside of Europe



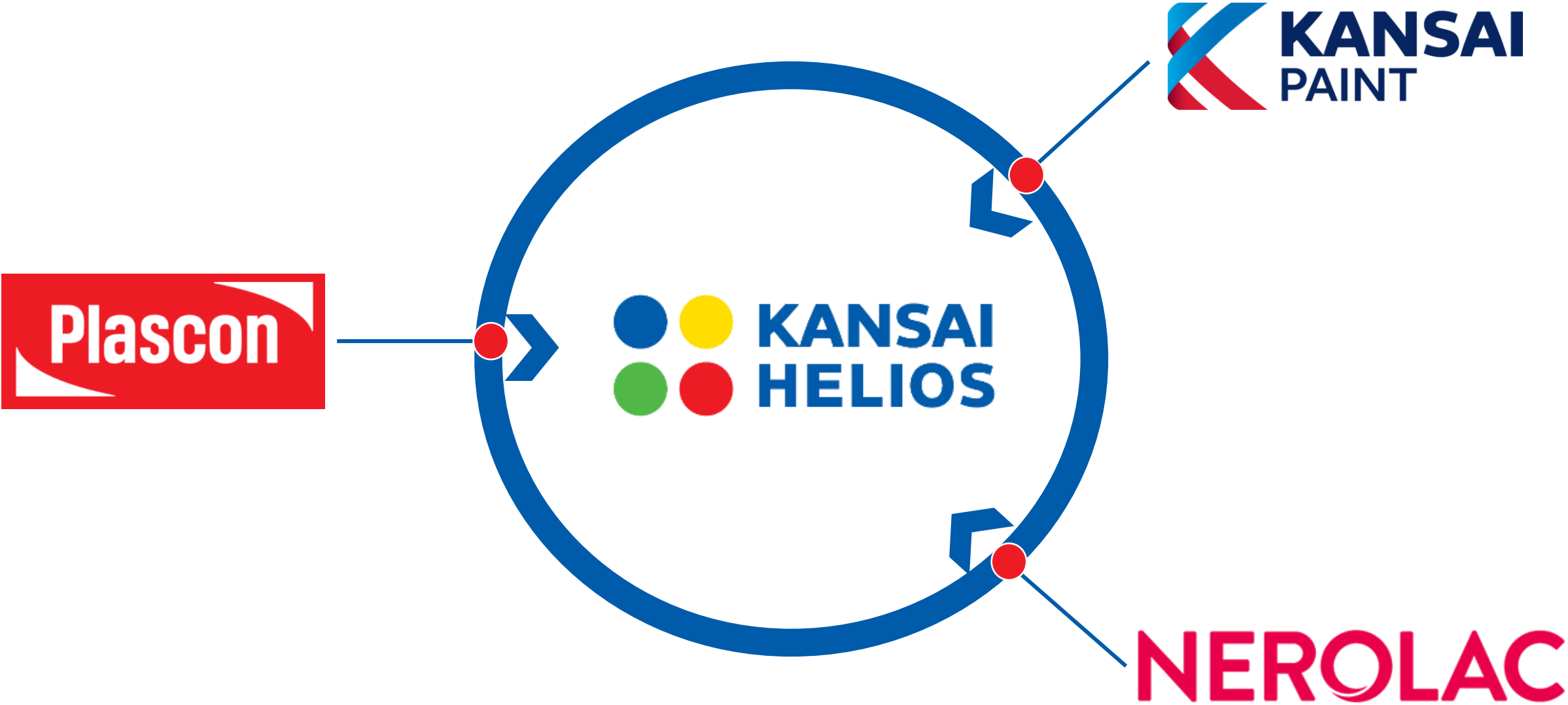
## Achievements and Progress

- Contributing to > €6M recurring EBITDA and +1% EBITDA margin in 2025.
- Ongoing integration in purchasing, IT/ERP, R&D, and sales.
- Focus now shifts to Project **True Colors**, engaging the entire KANSAI HELIOS Group.

# AGENDA

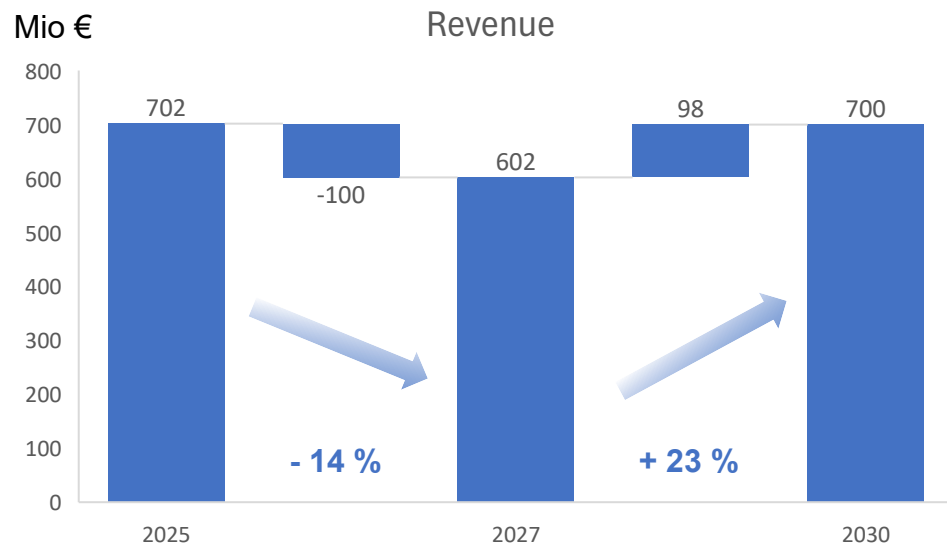
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# Provide group-wide support for execution



# Target 2030 18% EBITDA

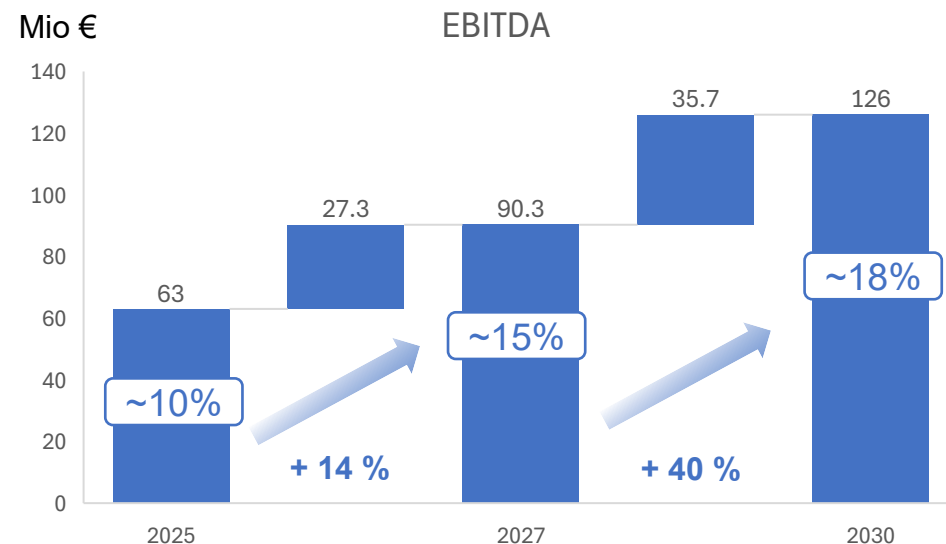
Focus on improving profitability rather than chasing top-line growth



Structural efficiency



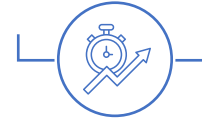
Growth areas



Structural efficiency



Structural efficiency



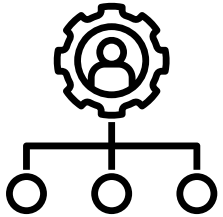
Growth areas





## Four Strategic Initiatives to Deliver 15% EBITDA by 2027 and 18% by 2030

Segment  
optimization

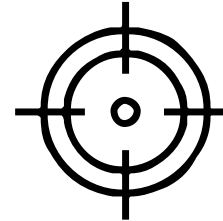


Production  
footprint

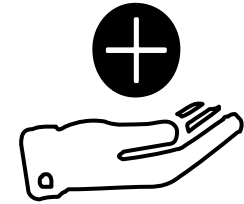


Growth areas

Legal entities /  
way to market



Digitalization

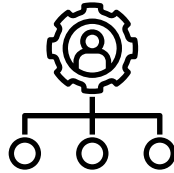


**Execute the key initiatives within 2 years**



## Overview of Key Initiatives

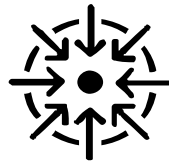
### Segment optimization



From **15** to **10**

- » Define core segments
- » Optimize, Divest or close noncore segments
- » Redirect Capex to main core segments
- » Define clear strategy and deliverables per segment

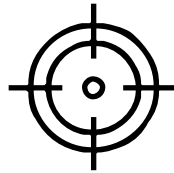
### Production footprint



From **20** to **13**

- » Centralize product groups
- » Close underutilized productions
- » Close non core production units

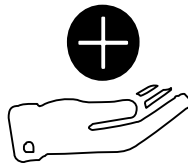
### Legal entities / way to market



From **46** to **28**

- » Define clear way to markets and unify approach
- » Close non core sales and distribution entities
- » Wind down non profitable sales organization

### Digitalization



**2** SAP rollouts  
and various  
smaller projects

- » Implement SAP as main ERP to lay ground for centralization
- » Use IT to streamline processes and data collection
- » Digitalize repetitive workloads



## Strengthen our strengths and grow the top line



Rail



€1,097m



4-5%



Move towards public transportation

High technology and homologations

New entries with lower technologies



CPV



€150m



7-8%



Electrification need CPV

Technology and sustainable leader

Few competitors with lower technology level

10 Car Refinish



€2,018m



4-5%

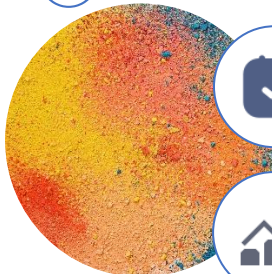


Trend to waterborne materials

Leading B brand

Competitors in B brand offer less range and technology

10 Powder



€13,537m



4-5%



Change to environmental coatings will boost CAGR

High technology products, full fledged supplier

Merger of giants will create room to grow





## Portfolio matrix

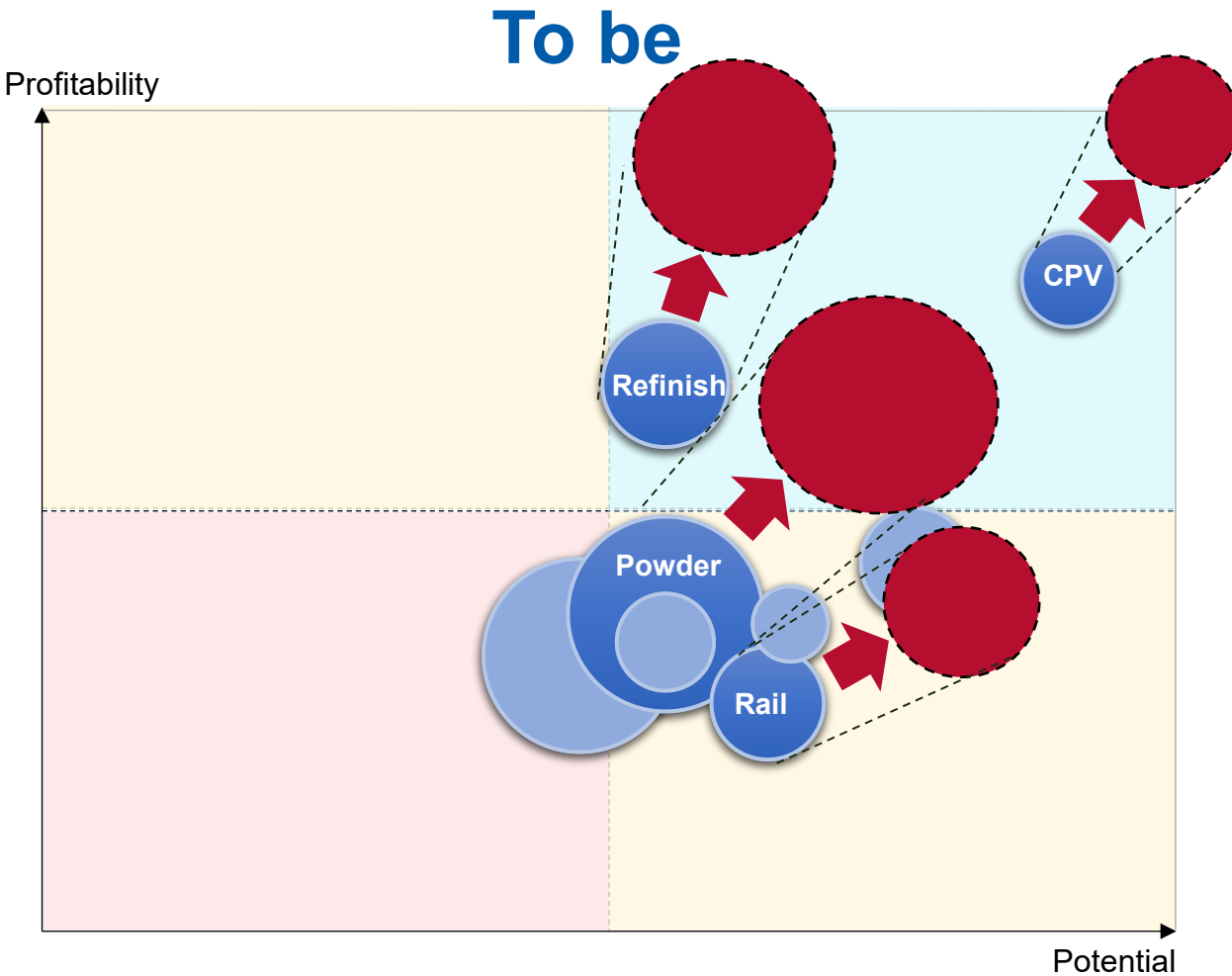
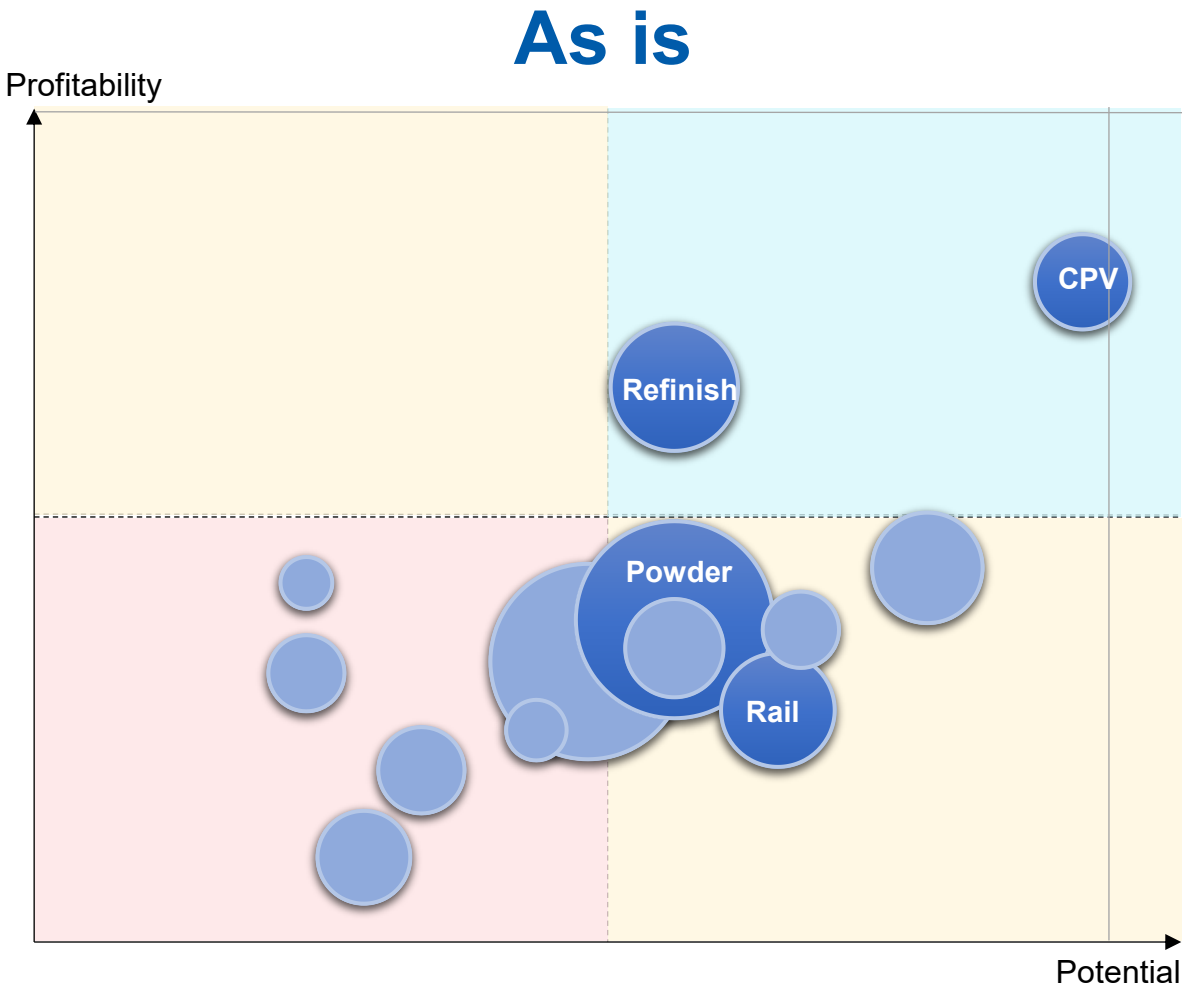


Net sales in 2024 (€m)

Core business

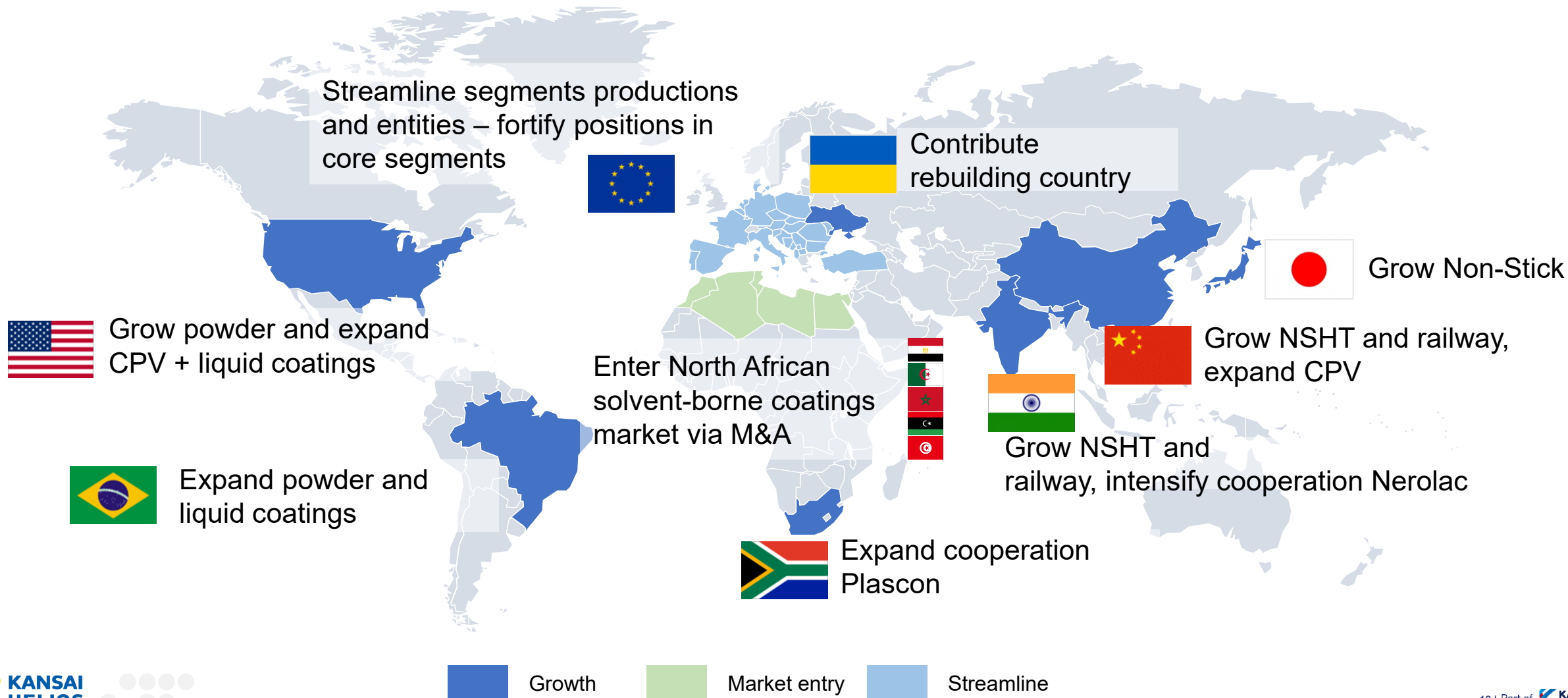
Grow

Improve



# Business boosters

A globally competitive, sustainable, and resilient coatings leader – driven by innovation, efficiency, and adaptability



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