



# Japan Business Strategy Briefing

Mar. 30, 2026

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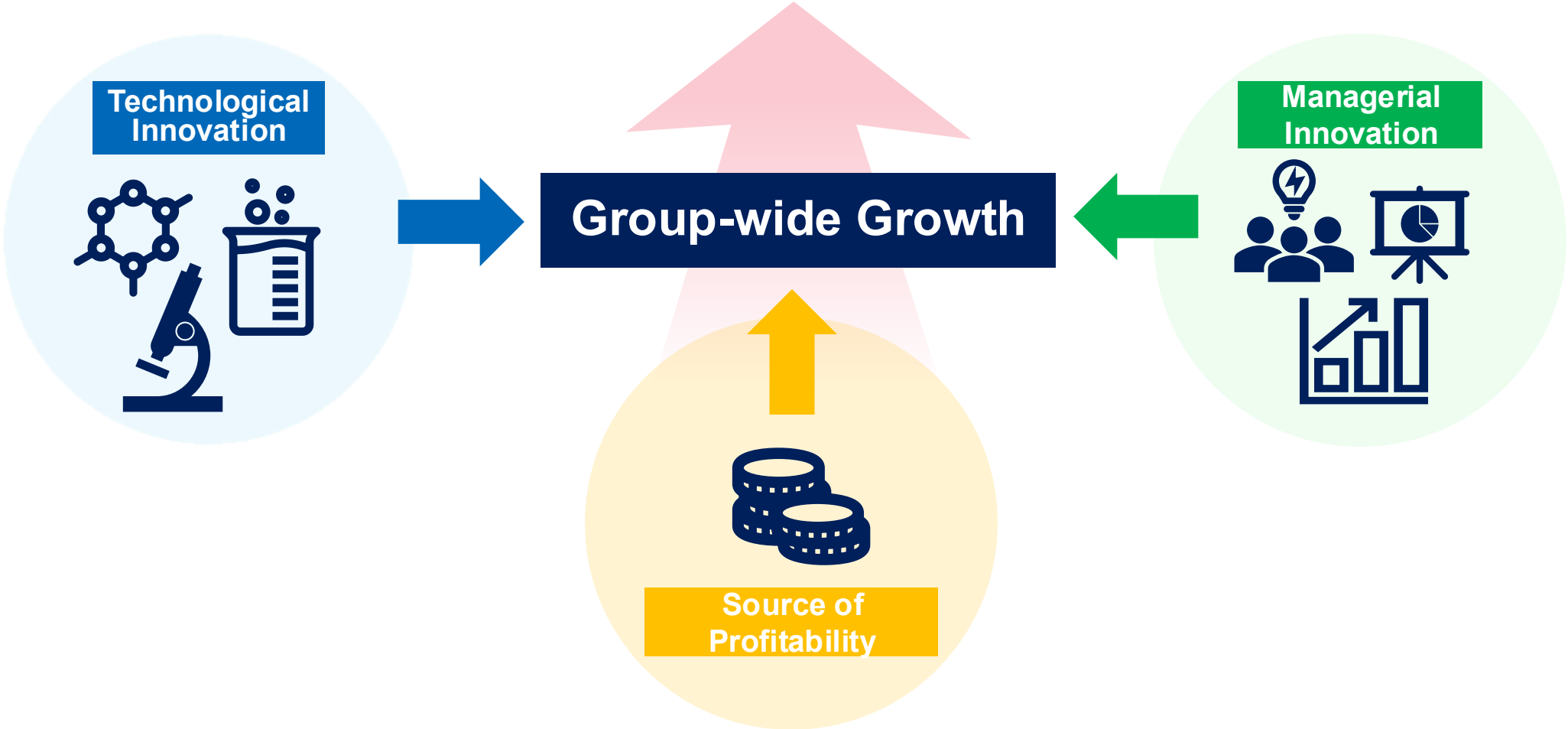
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1. Role of the Japan Segment
2. Japan-Driven Technological Innovation
3. Business Overview
4. Japan-Originated Management Innovation

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. Role of the Japan Segment

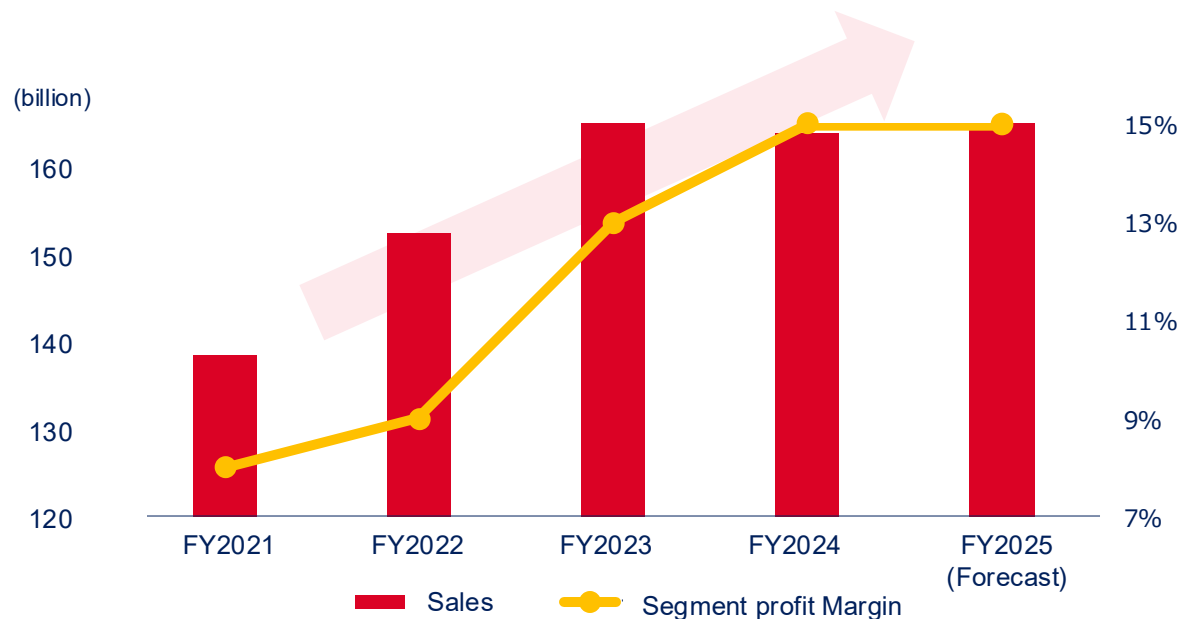
# Role of the Japan Segment



By refining our technologies and enhancing the quality of management, we drive the growth of the entire Group

# Value of India for Kansai Paint

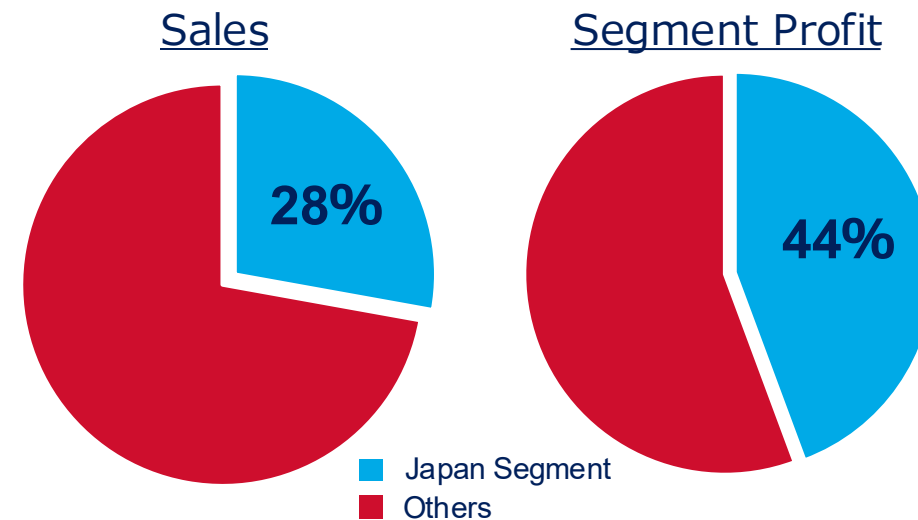
## Sales and Profit Margin Trends of the Japan Segment



### <Measures to improve profitability>

- Reduction of raw material costs
- Improvement of product mix
- Streamlining low-profit assets
- Reduction of fixed costs

## Regional Composition Ratio



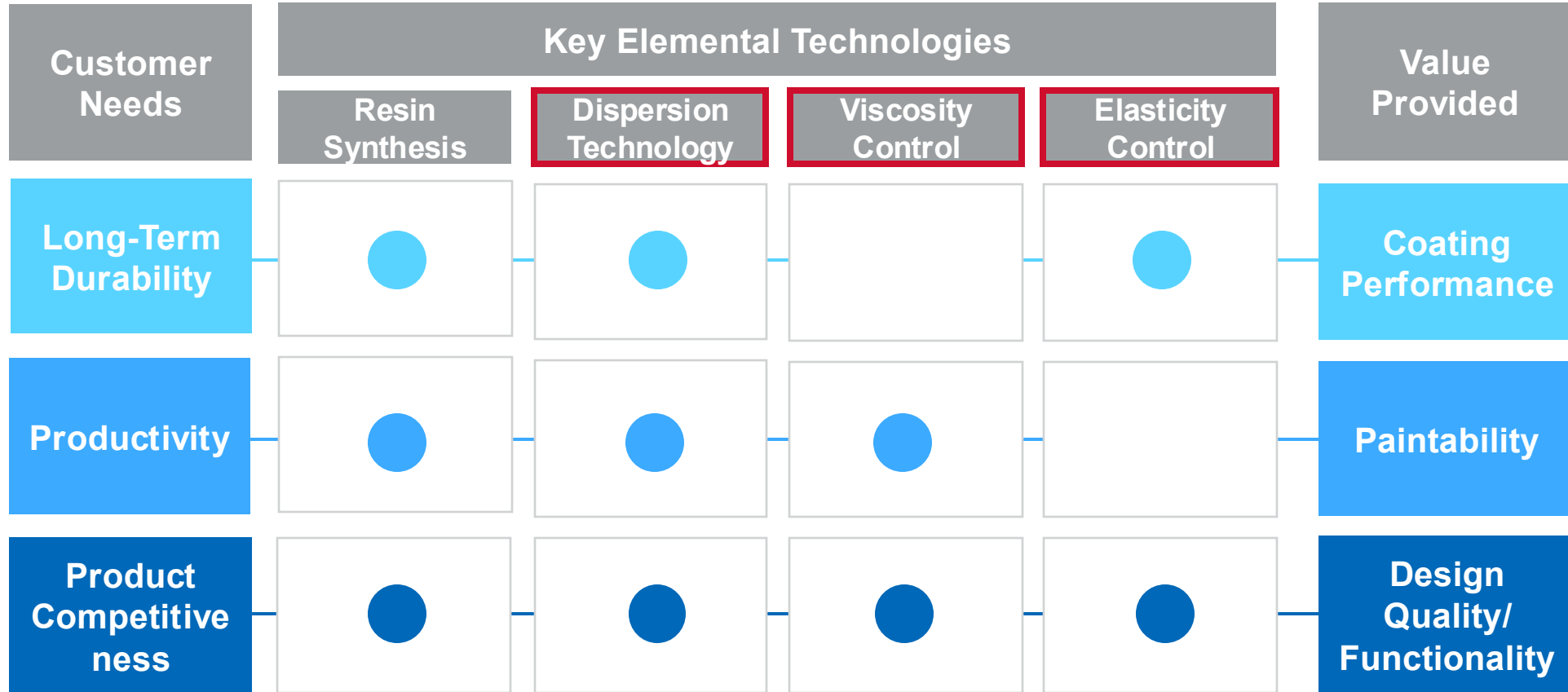
## CCC(FY2024 Results)

Japan Segment	Our Group
<b>58</b> days	<b>98</b> days

Establishing a strong profit structure through self-driven efforts

## 2. Japan-Driven Technological Innovation

# World-leading technologies



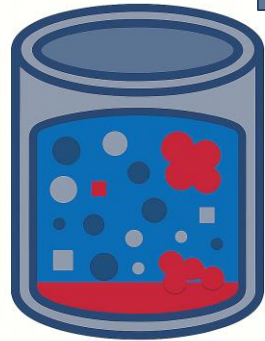
Using our advanced technical expertise,  
we transform our customers' challenges into value

# Technical Case Study 1

## Elemental Technology : Dispersion Technology

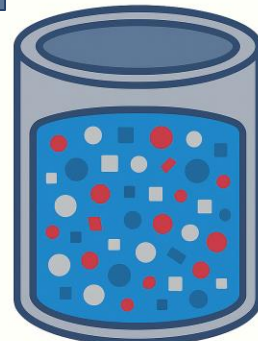
### Inferior dispersion technology

Pigment particles aggregate, forming agglomerates



### Effective dispersion technology

Uniformly dispersed without forming agglomerates



Condition of the coating inside the container

### [Typical composition and density of coatings]

Resin = 1, Pigment = 1~7, Solvent = 0.8~0.9, Additives = 1

**Achieving uniform distribution of components with varying specific gravities**

## Product applying this technology

### ➤ “RUBIGOL”

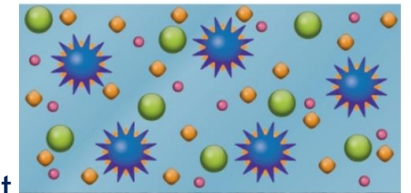
Can be applied directly over rust, reducing painting steps

(An industry-first technology that allows anti-corrosion agents to penetrate the rust layer and suppress corrosion currents.)

< Key Dispersion Technology >

A technology that stabilizes materials with significantly different specific gravities in coatings

※Internal structure of the paint



- 超微粒浸透性防錆成分
- 溶出不動態皮膜形成型防錆顔料
- 超高分子エポキシ樹脂
- (官能基+特殊官能基X)硬化剤

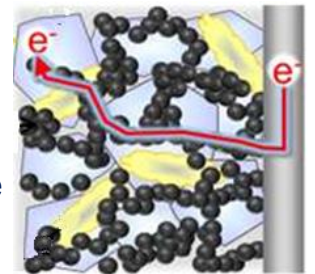
### ➤ Materials for lithium-ion batteries

Contributes to improved battery performance

< Key Dispersion Technology >

A technology for gently loosening conductive materials

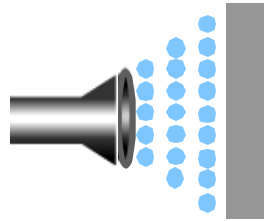
※Internal structure of the battery



# Technical Case Study 2

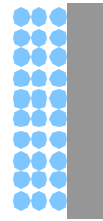
## Elemental Technology : Viscosity Control

<When coating>



**Smooth Flow = Low** Viscosity  
**Feature :**  
Micro-atomizes under spray pressure

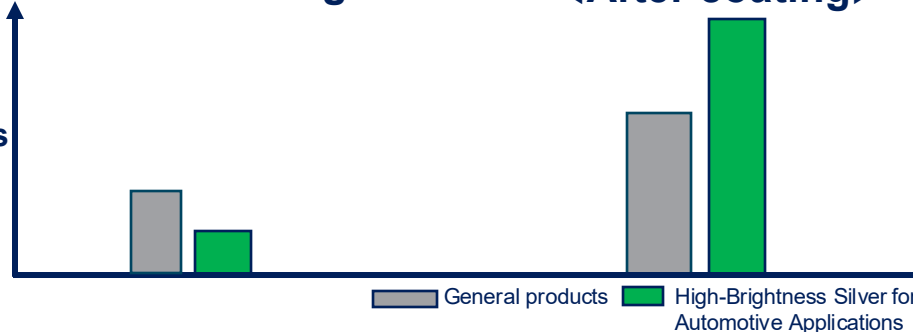
<After coating>



**Tight Hold = High** Viscosity  
**Feature :**  
Forms a uniform coating film without sagging

<When coating>

High  
Viscosity  
Low



**Achieving two opposing viscosities within a single coating material**

## Product applying this technology

### ➤ I-system

Successful mass production at an approximately 1  $\mu\text{m}$  film thickness using a world-first viscosity control technology

<Key Viscosity Control Technology>

A proprietary technology that enables coatings with an extremely high-water content to remain in place immediately upon application

### Ex) Metallic-look Silver

[Conventional]

Film thickness: 15–20  $\mu\text{m}$



[New]

Film thickness: 1  $\mu\text{m}$

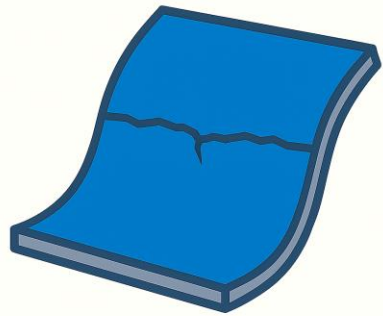


# Technical Case Study 3

## Elemental Technology : Elasticity Control

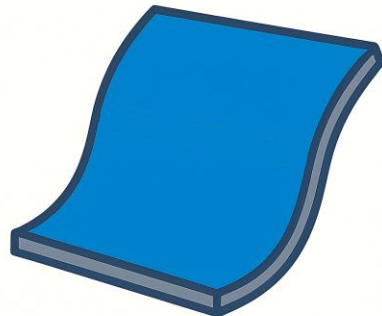
<General image of a paint film>

= Plate



<Our technology>

= Leather



Technology that enables coating films to stretch and contract freely

## Product applying this technology

### ➤ Next-generation protection for flexible solar panels

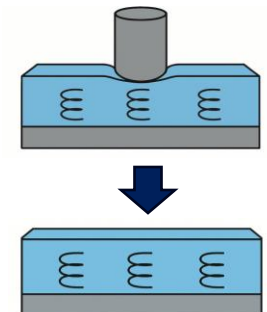
Achieves both flexibility and high moisture-barrier performance, contributing to next-generation technologies



<Key Elasticity Control Technology>  
Technology that enables coatings to stretch and conform to the substrate

### ➤ Self-healing clear coating

Flexibly absorbs scratches, maintaining aesthetics and extending product lifespan



<Key Elasticity Control Technology>  
Technology that provides softness with spring-like resilience

# Delivering Japanese technology to people around the world

Future potential for global expansion

Successful global expansion of Japan-originated technologies



## Points of differentiation

### Technological capabilities

- Ability to meet stringent quality requirements

### Quality control

- Stable supply of high-quality products

Industrial

Protective

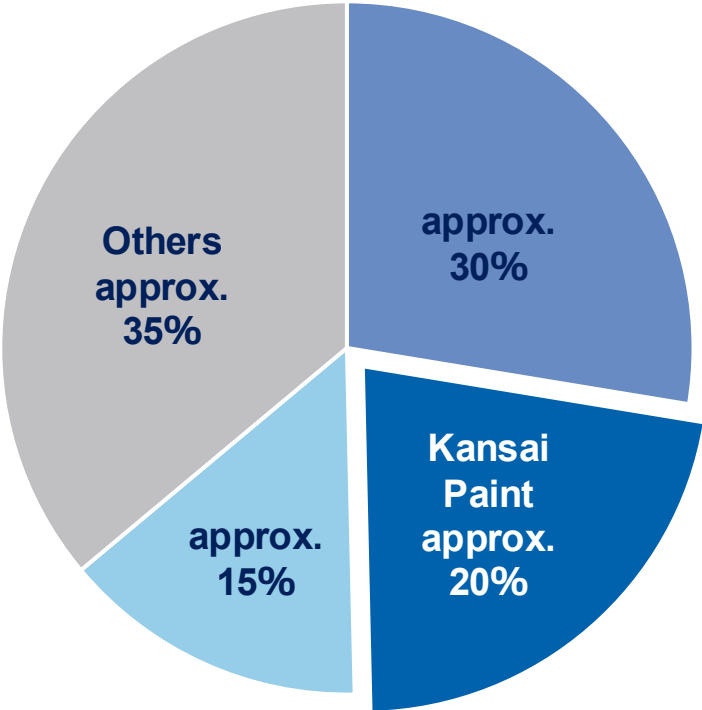
Auto-refinish



# 3. Business Overview

# Our position in the Japanese paint market

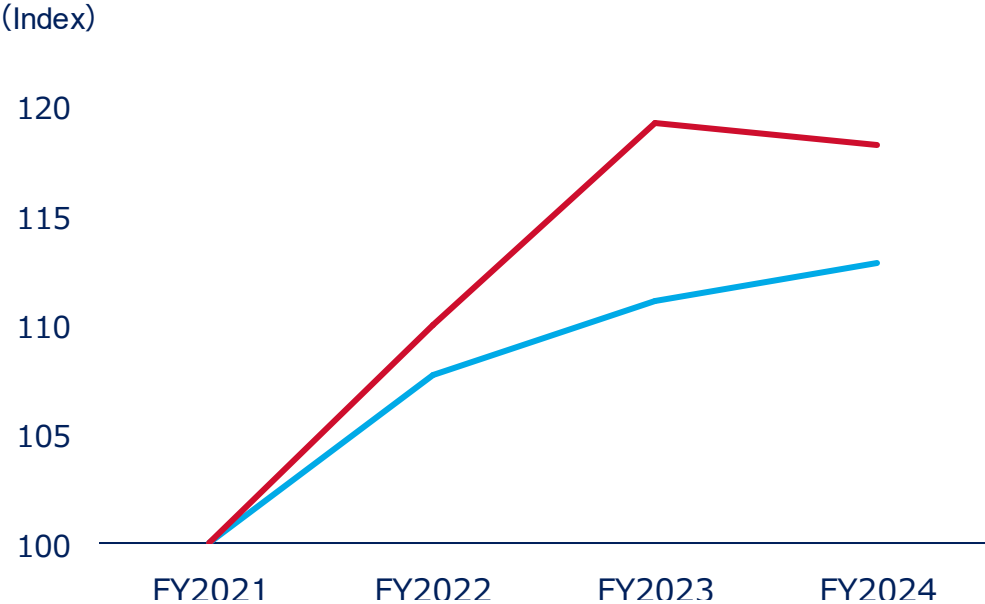
## Market share in the Japanese paint market



Source: Company research (based on each company’s sales for FY2024; total market figures are based on the Ministry of Economy, Trade and Industry (METI) “Paint Shipment Value” statistics for FY2024)

## Growth of the Japanese market vs. our growth

— Growth of our Japan segment (2021 = 100)  
 — Growth of the Japanese paint market (2021 = 100)

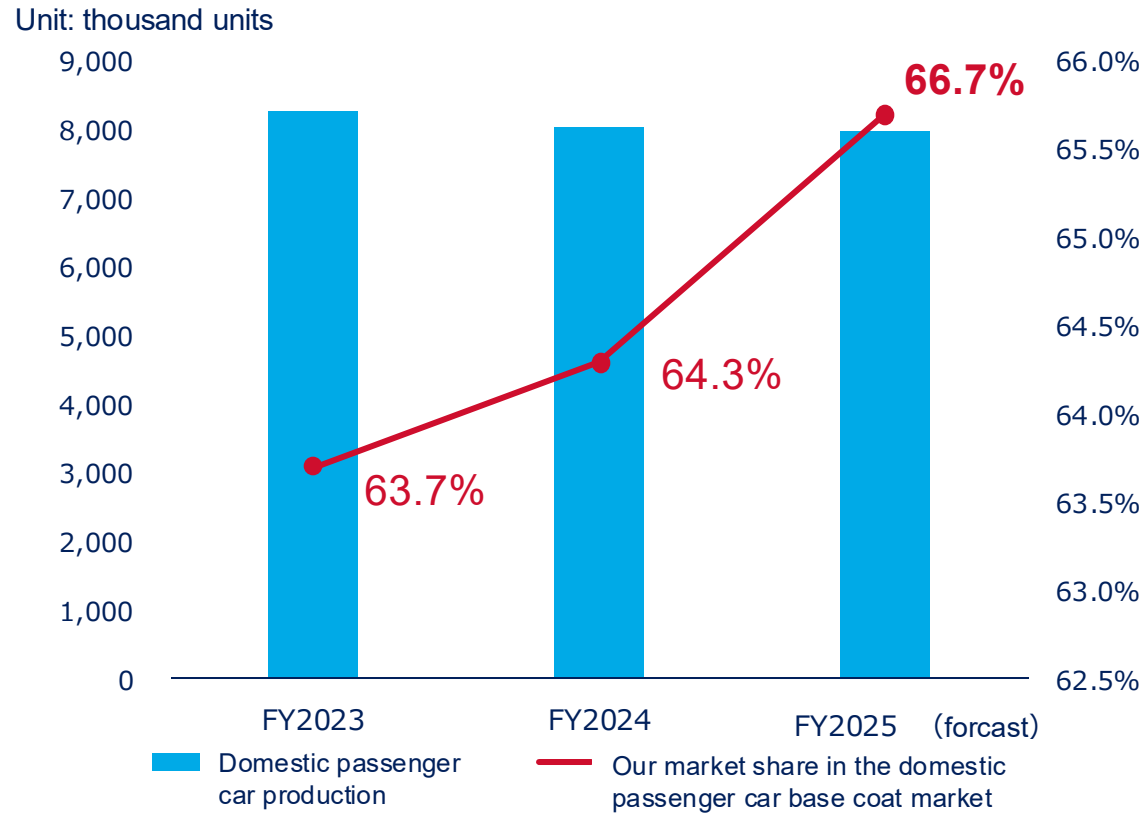


※Our data is based on sales of the Japan segment, while market data is based on “Paint Shipment Value” statistics published by the Ministry of Economy, Trade and Industry (METI).

Source: “Paint Shipment Value” statistics, Ministry of Economy, Trade and Industry (METI)

# Automotive

## Domestic passenger car production and our market share



## From Japan to the global market

### Share # 1

- **Japan**
- **India**
- **Southeast Asia**  
(Malaysia, Indonesia, Thailand)

### Sales of equity-method affiliates

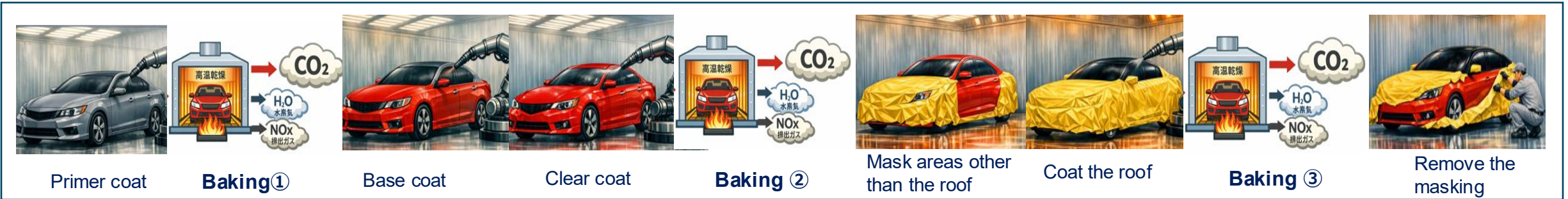
- **Hunan Xiangjiang Kansai Paint Co., Ltd. (China)**  
Sales : approx. **60billion**
  - **PPG Kansai Automotive Finishes U.S., LLC.**  
(Europe and North America)  
Sales : approx. **35billion**
- \*FY2024 results

Maintaining a #1 market share in Japan

Leading competitiveness enhancement together with each JV as the mother country

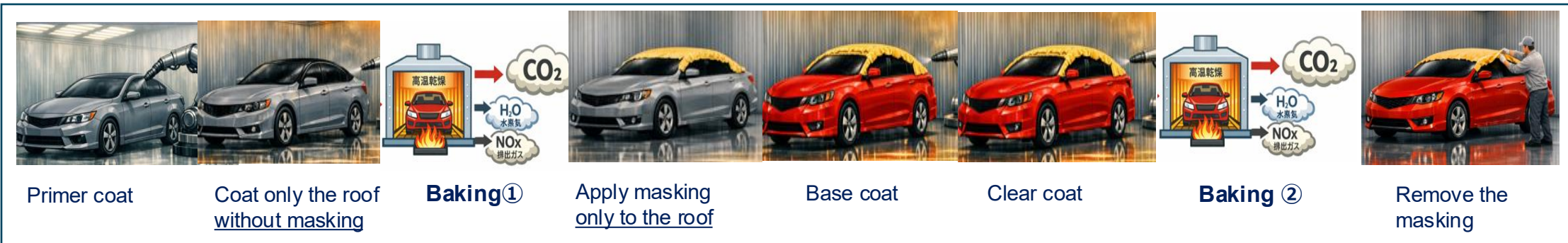
# World-first two-tone coating process without baking between layers

< In the case of the current roof black process >



➤ Multi-tone designs are popular in automakers' vehicle design strategies, but conventional processes face productivity and environmental challenges.

< In the case of the newly developed process >



Note: Illustration for explanation only; actual process may differ.

Benefits of the newly developed process (Resolved through collaboration between process and paint technologies)

- **Reduction in baking steps from three to two** (Reduced CO<sub>2</sub> emissions and lower energy costs)
- **Reduced masking area** (Reduced labor, lower costs, and less waste generation)

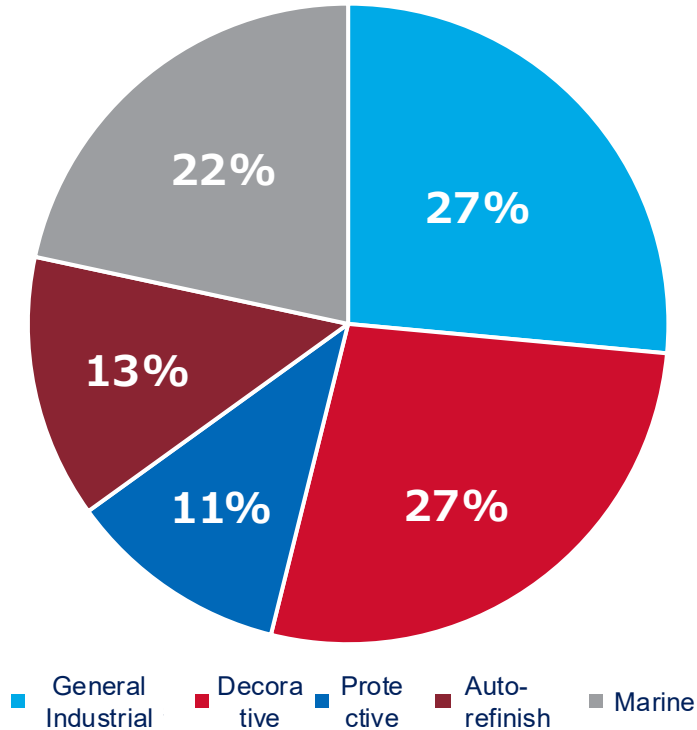
# Co-Creation Technology Center (CTC)



A strategic hub leveraging a showroom to drive DX-enabled development efficiency and new business creation, targeting global market share expansion (2027 completion planned)

# Japan Business Segment

Sales composition by field (FY2024)



\*Share within our Japan business segment

Market share

General Industrial	#2
Decorative	#3
Protective	#3
Auto-refinish	#1
Marine	#2

Market share: # 2 position across the overall Japan business

# General Product Overview

## Decorative

“RAGUZE MUKI” Series



## Protective

“ULTIMO”



## Auto-refinish

All-water-based system



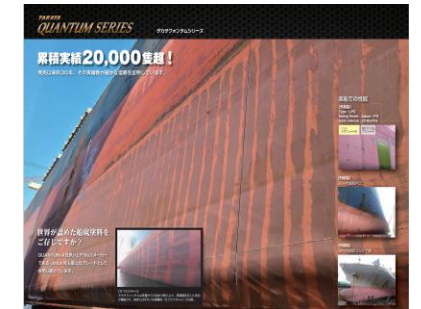
## General Industrial

Powder coatings



## Marine

“TAKATA Quantum” Series



### For buildings

Enhanced durability  
Reduced repainting frequency  
Extended building lifespan  
Lower maintenance costs

### For plants

Anti-corrosion coatings applicable to wet surfaces  
Reduced processes / shorter construction periods  
Extended equipment lifespan

### For Auto-refinish

Industry-first organic-solvent-free system for a safer workplace

### For distribution boards / machine tools / steel furniture, etc.

New powder coating plant in operation “Kubo Kogyo Paint” merged into “Kansai Paint Sales Co., Ltd”.

### For ship hulls

Self-polishing coating film suppresses marine organism fouling  
Reduced seawater resistance, improving fuel efficiency

Enhancing business competitiveness by addressing market-driven social challenges

# Aichi Station



- **Location:** Kasugai City, Aichi Prefecture
- **Scale :** 13,600m<sup>2</sup>
- **Schedule :** Completion ceremony on April 3, 2026  
Full-scale operation scheduled to begin in August 2026
- **Company:** Kansai Paint Sales Co., Ltd.  
Kansai Paint Trading Co., Ltd.  
Color Center  
Warehouse Service

Enhancing business competitiveness by addressing social challenges required by the market

# 4. Japan-originated management innovation

Management innovation that continuously enhances corporate value

Property built over more than 100 years × Leverage



Fully deploy through proactive investment  
and shareholder returns

# Pursuing capital efficiency to enhance management quality

## ROE (Excluding one-time factors)

FY2021 → FY2024  
8.8% → 13.1%

## Strategic shareholdings (As a percentage of consolidated net assets)

FY2021 → FY2024  
approx. 16% → approx. 4%

## Real estate sales

FY2021~FY2025total  
approx. 43 billion yen

## Operating cash flow

17 Mid-term plan → 18 Mid-term plan (forecast)  
150 billion yen → 220 billion yen

## Total share buybacks

FY2021~FY2024total  
approx. 180 billion yen

## Annual dividend (Per share)

FY2021 → FY2025 (forecast)  
30JPY → 110JPY

## Growth investment

16 Mid-term plan → 18 Mid-term plan (forecast)  
40 billion → 140 billion

## ROIC-WACC spread

FY2021 → FY2024  
0.2% → 4.4%

## Trend in wage levels

(Index with wage levels in 2021 set at 100)  
FY2021~FY2026  
approx. +27%

# Publication of the Integrated Report



Please look forward to it



# Enrich **Lives** with Happiness

Coating Lives Worldwide