



Japan Business Strategy Briefing

Mar. 30, 2026

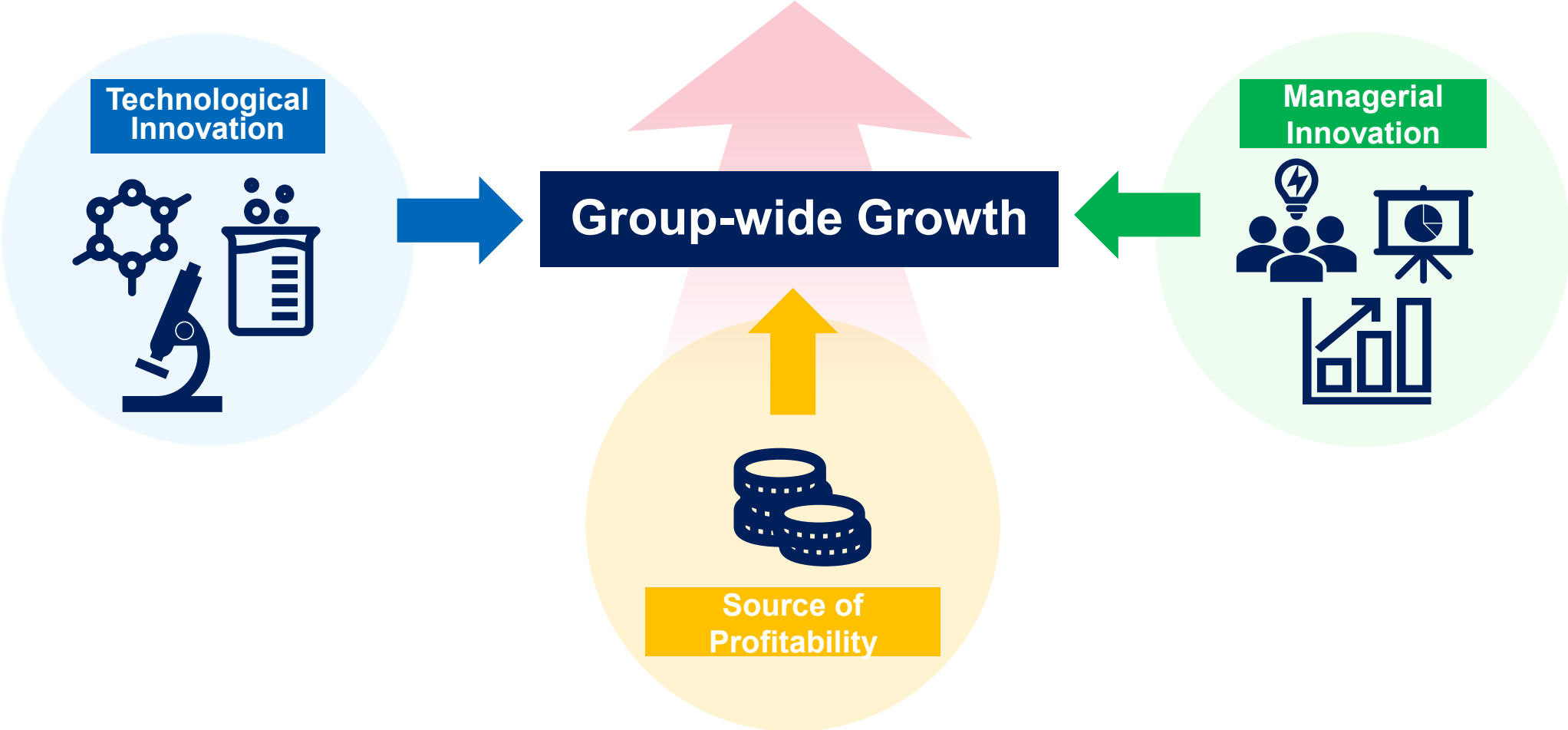
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Forecasts of financial results stated in this document are forecasts based on currently available information that includes potential risks and uncertain elements. Therefore, actual financial results may differ from the forecast figures.

1. Role of the Japan Segment

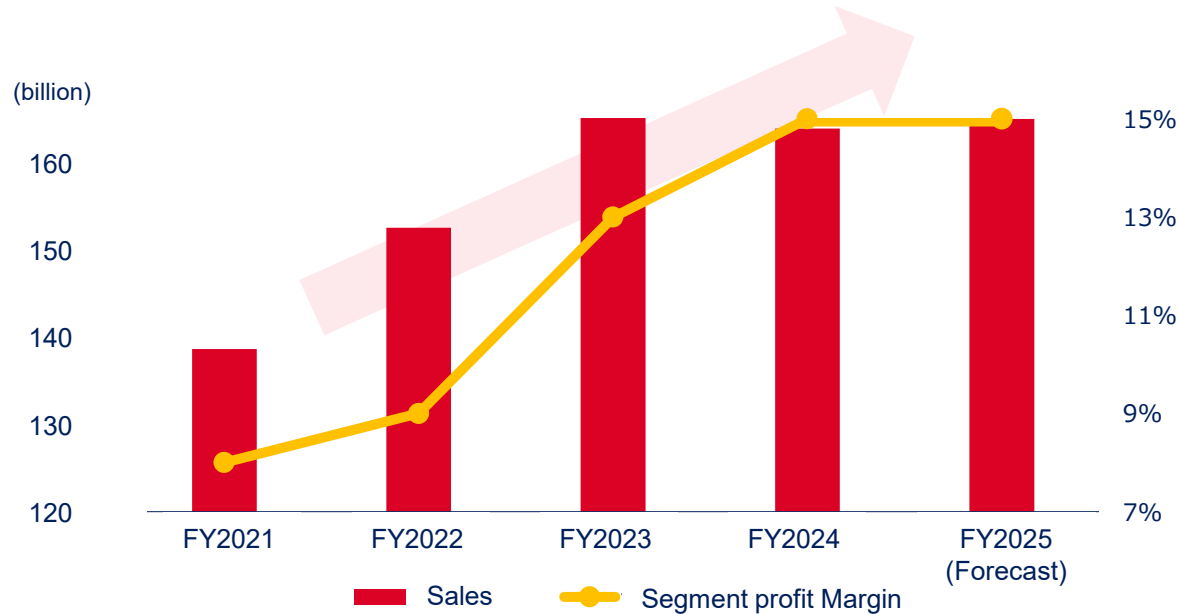
Role of the Japan Segment



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

Value of Japan for Kansai Paint

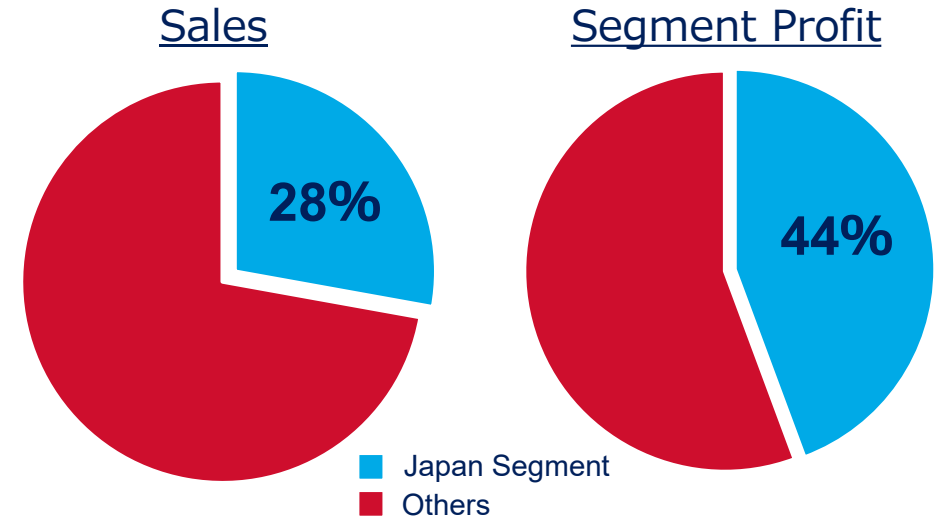
Sales and Profit Margin Trends of the Japan Segment



<Measures to improve profitability>

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

Regional Composition Ratio



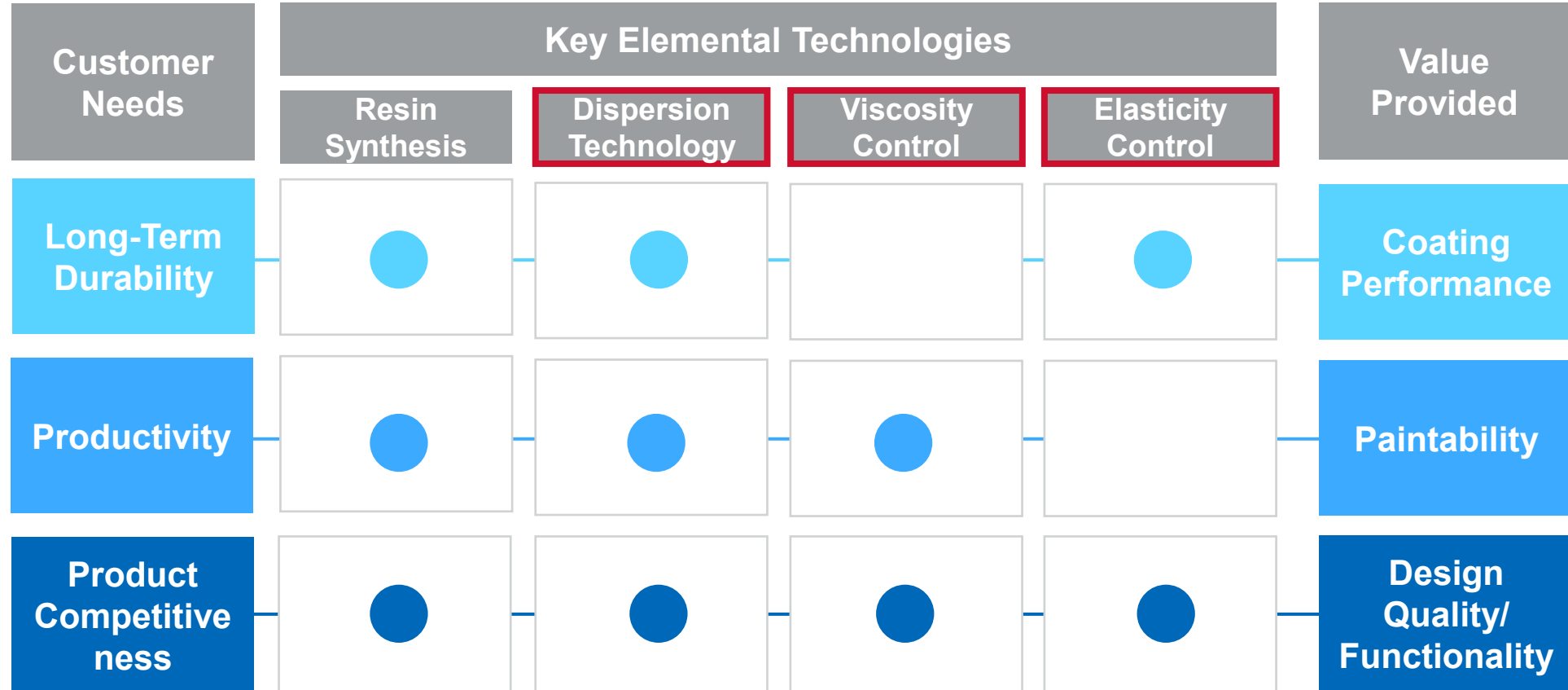
CCC(FY2024 Results)

Japan Segment	Our Group
58 days	98 days

Establishing a strong profit structure through self-driven efforts

2. Japan-Driven Technological Innovation

World-leading technologies



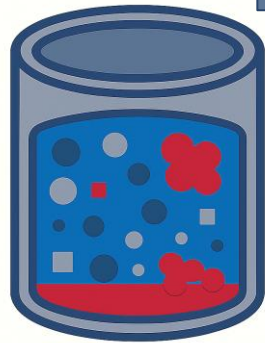
Using our advanced technical expertise,
we transform our customers' challenges into value

Technical Case Study 1

Elemental Technology : Dispersion Technology

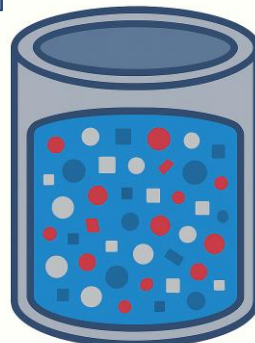
Inferior dispersion technology

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”

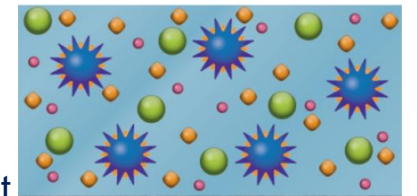
Can be applied directly over rust, reducing painting steps

(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

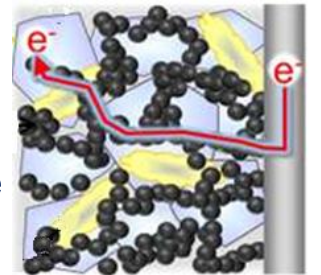
➤ Materials for lithium-ion batteries

Contributes to improved battery performance

< Key Dispersion Technology >

A technology for gently loosening conductive materials

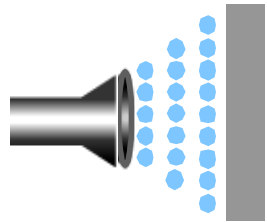
※Internal structure of the battery



Technical Case Study 2

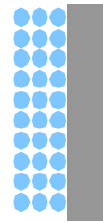
Elemental Technology : Viscosity Control

<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 μm 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 μm



[New]

Film thickness: 1 μm

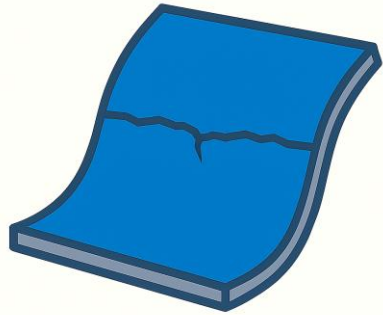


Technical Case Study 3

Elemental Technology : Elasticity Control

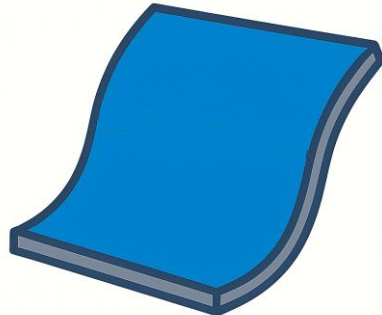
<General image of a paint film>

= 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

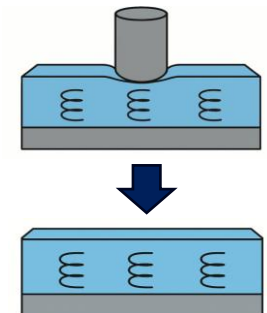
Achieves both flexibility and high moisture-barrier performance, contributing to next-generation technologies



<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

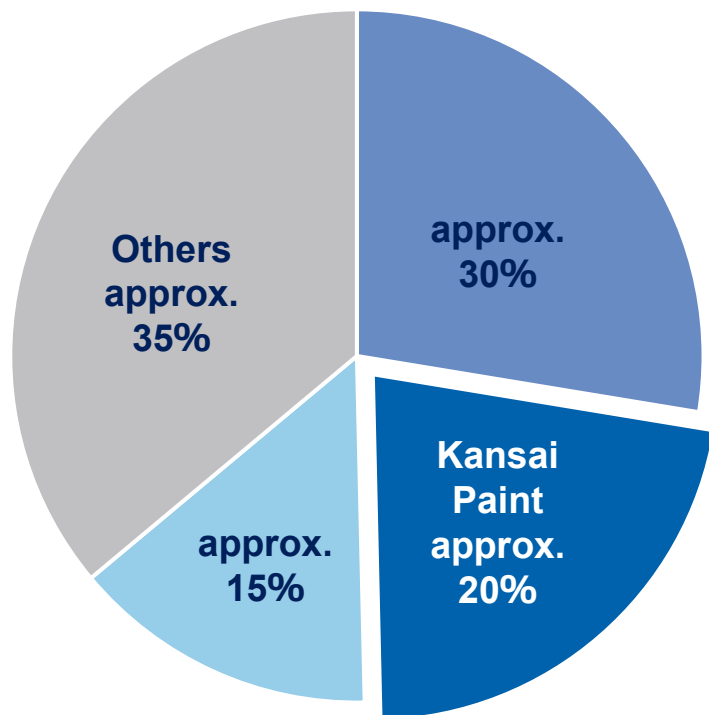
Auto-refinish



3. Business Overview

Our position in the Japanese paint market

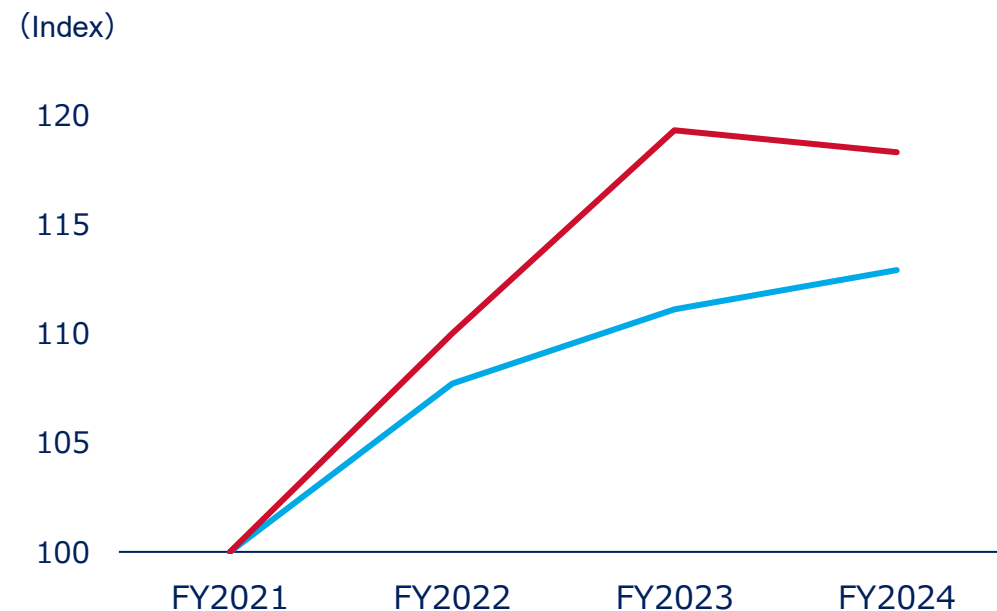
Market share in the Japanese paint market



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)

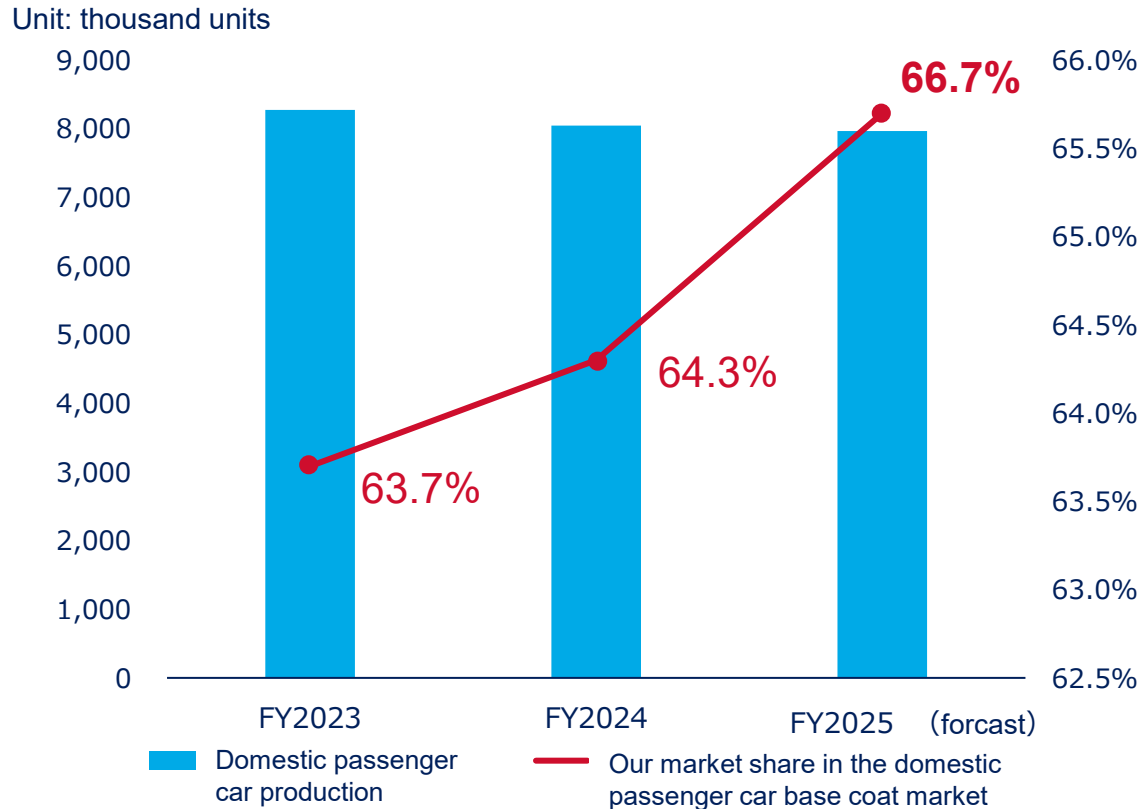


※Our data is based on sales of the Japan segment, while market data is based on "Paint Shipment Value" statistics published by the Ministry of Economy, Trade and Industry (METI).

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

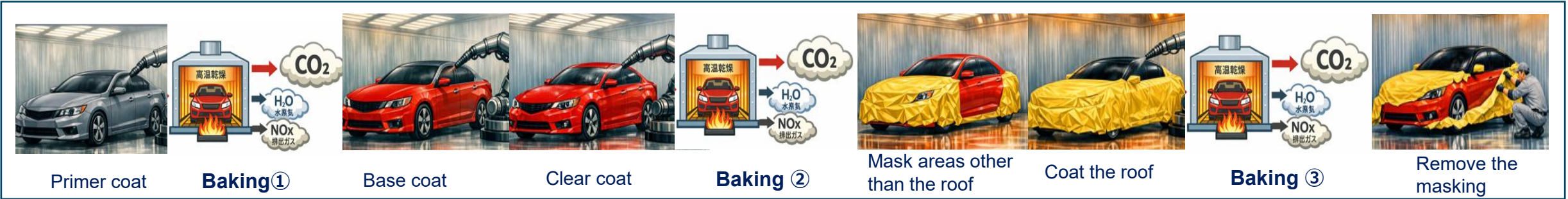
- **Hunan Xiangjiang Kansai Paint Co., Ltd. (China)**
Sales : approx. **60billion**
 - **PPG Kansai Automotive Finishes U.S., LLC.**
(Europe and North America)
Sales : approx. **35billion**
- *FY2024 results

Maintaining a #1 market share in Japan

Leading competitiveness enhancement together with each JV as the mother country

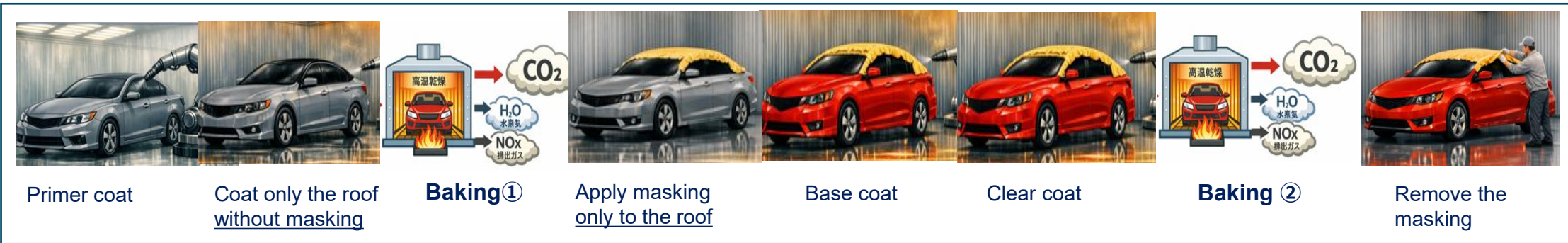
World-first two-tone coating process without baking between layers

< 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 >



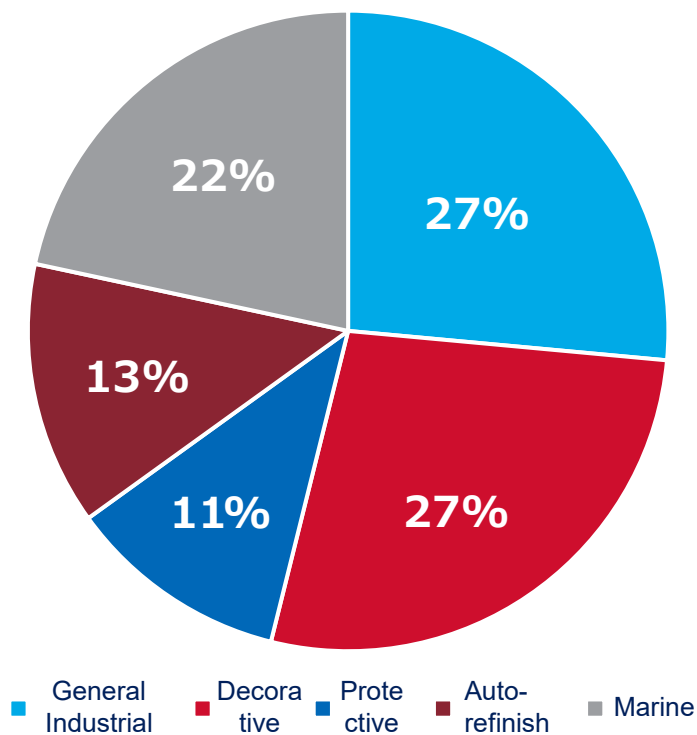
Note: Illustration for explanation only; actual process may differ.

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

- Reduction in baking steps from three to two (Reduced CO₂ emissions and lower energy costs)
- Reduced masking area (Reduced labor, lower costs, and less waste generation)

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



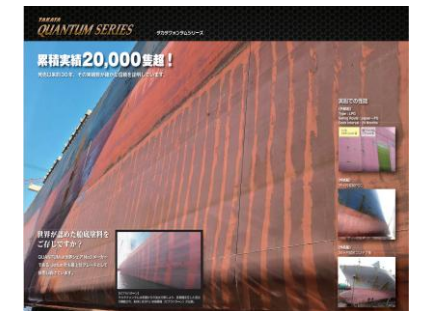
General Industrial

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 :** 13,600m²
- **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