Financial Results for the First Quarter of FY2026

Aug. 7, 2026

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 1Q FY2026

- Full-year forecast revised upward

  Net sales increased but profits decreased only in Japan; All other regions achieved Net sales and profit growth

  Price revisions progressed in Japan from Q2, and a recovery is expected going forward

- Annual dividend increased by 6 yen per share following upward earnings forecast revision

- Executed investments and returns in accordance with the cash allocation plan

  Growth Investment: Acquisition of full ownership of the Turkish equity-method affiliate

  Shareholder Returns: Share buyback (Up to ¥10 Billion) and consecutive dividend Increases

1. Summary of Financial Results for 1Q FY2026

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Consolidated results （Revised earnings forecast）

(JPY billion)

	FY2026 Revised Plan (as of August 2026)	FY2026 Initial Plan (as of May 2026)	FY2025 Result
Net Sales	**630.0**	610.0	589.8
Operating Profit	**55.0**	53.0	49.7
Segment Profit ※1	**60.0**	57.0	53.9
Ordinary Profit	**57.0**	55.0	54.7
EBITDA ※2	**94.0**	92.0	82.5
EBITDA Margin	**14.9%**	15.1%	14.0%
Profit	**28.0**	27.0	31.6

※1 Operating Profit＋Equity Method Profit

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

※Figures in red indicate record highs

✓ Earnings forecast revised upward across all levels
✓ The impact of consolidating the Turkish equity-method affiliate is not included in this plan.

Segment Plan by Business

(JPY billion)

	Net Sales		Segment Profit	
	FY2026 Revised Plan (as of August 2026)	FY2026 Initial Plan (as of May 2026)	FY2026 Revised Plan (as of August 2026)	FY2026 Initial Plan (as of May 2026)
Japan	**165.0**	160.0	**21.5**	22.5
India	**150.0**	145.0	**14.0**	14.0
Europe	**175.0**	170.0	**4.0**	1.5
Asia	**70.0**	70.0	**10.5**	9.5
Africa	**60.0**	55.0	**7.5**	7.0
North America	**10.0**	10.0	**2.5**	2.5
Total	**630.0**	610.0	**60.0**	57.0

✓ Price pass-through in Japan was the slowest, but is now catching up

Consolidated results of 1Q FY2026(YoY)

（JPY billion）

	FY2025 1Q	FY2026 1Q	YoY(%)	FY2026 Forecast	FY2025 Results
Net Sales	144.7	**157.9**	+9.1%	630.0	589.8
Operating Profit	12.2	**10.5**	-14.3%	55.0	49.7
Segment Profit ※1	13.7	**13.4**	-2.1%	60.0	53.9
Segment Profit Margin	9.5%	**8.5%**	-	9.5%	9.1%
Ordinary Profit	14.4	**13.6**	-5.1%	57.0	54.7
EBITDA ※2	20.2	**21.3**	+5.1%	94.0	82.5
EBITDA Margin	14.0%	**13.5%**	-	14.9%	14.0%
Net Profit	8.5	**6.5**	-23.6%	28.0	31.6

※1 Operating Profit＋Equity Method Profit

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

✓ Net sales increased across all regions, all five overseas regions increased profits

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Main figures related to the consolidated balance sheets

(JPY billion)

	End of FY2025 1Q	End of FY2025 4Q	End of FY2026 1Q	Difference (Compared to the previous fiscal year-end)
Total asset	744.9	801.7	845.4	43.7
Cash & Deposit	71.0	78.7	90.2	11.5
Notes and accounts receivable - trade, and contract assets	127.4	129.6	141.2	11.7
Merchandise and finished goods	111.1	114.0	124.3	10.3
Non-current assets	388.4	425.5	426.8	1.3
Goodwill	33.6	34.0	32.5	-1.6
Interest-bearing debts	230.0	222.9	260.6	37.7
Shareholders' equity	260.2	299.8	298.3	-1.6
Treasury shares	▲ 2.1	▲ 2.6	▲2.6	0
Shareholders' equity ratio (%)	34.9%	37.4%	35.3%	-2.1pt
NetDebt/EBITDA(times)	1.6times	1.3times	1.5times	-
NetDebt/Equity(%)	49.1%	34.6%	42.5%	+7.9pt

✓Financial leverage is within an appropriate range

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Change in Net sales by Region (YoY)

(JPY billion)

	FY2025 1QResults	FY2026 1QResults	YoY(%)	Excluding FX Effects	YoY(%)
Japan	39.3	41.8	+6.4%		
India	37.0	40.3	+9.0%	40.5	+9.5%
Europe	37.9	42.6	+12.6%	39.4	+3.9%
Asia	16.6	16.8	+1.3%	15.7	-5.5%
Africa	11.5	13.8	+19.7%	12.5	+9.2%
North America	2.4	2.5	+4.0%	2.5	+1.4%
Total	144.7	157.9	+9.1%	152.4	+5.3%

✓ Net sales increased across all regions, strong growth in India and Africa excluding FX effect

Change in Net sales by Sector (YoY)

(JPY billion)

	FY2025 1QResults	FY2026 1QResults	YoY(%)	Excluding FX Effects	YoY(%)
Auto	42.2	45.9	+8.8%	45.6	+8.0%
Industrial	41.7	46.9	+12.5%	44.5	+6.8%
Deco AR PC	47.8	50.9	+6.6%	49.3	+3.2%
Other	13.0	14.1	+8.1%	13.0	-0.4%
Total	144.7	157.9	+9.1%	152.4	+5.3%

✓ Growth in all business sectors, driven by automotive and industrial

2. Summary of Financial Results by Segment

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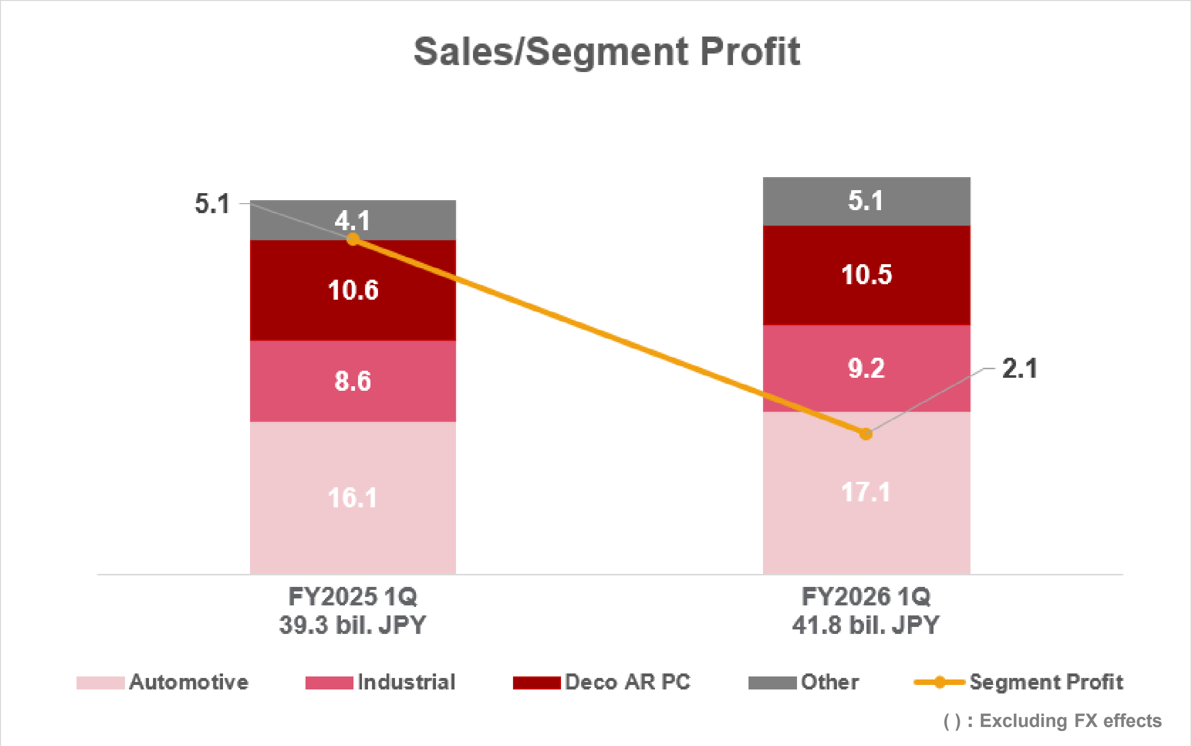
Results by Region (YoY)【Japan】

(JPY billion)



(JPY billion)

	FY2025				FY2026
	1Q	2Q	3Q	4Q	1Q
Net Sales	39.3	40.7	41.9	38.0	41.8
Segment Profit	5.1	5.7	6.4	4.8	2.1
Segment Profit Margin	13.0%	14.0%	15.3%	12.5%	5.1%

Significant profit decline due to upfront costs, with recovery expected from 2Q onward

- Steady net sales growth in automotive and industrial sector
- Deco AR PC, led by automotive refinish, while demand in Decorative sector remains weak
- Net sales from the marine sector rose significantly as efforts to optimize sales prices progressed
- Lower segment profit primarily due to delayed price pass-through
  Higher depreciation, outsourcing, and logistics costs
- Price pass-through implemented, with benefits expected from Q2 onward

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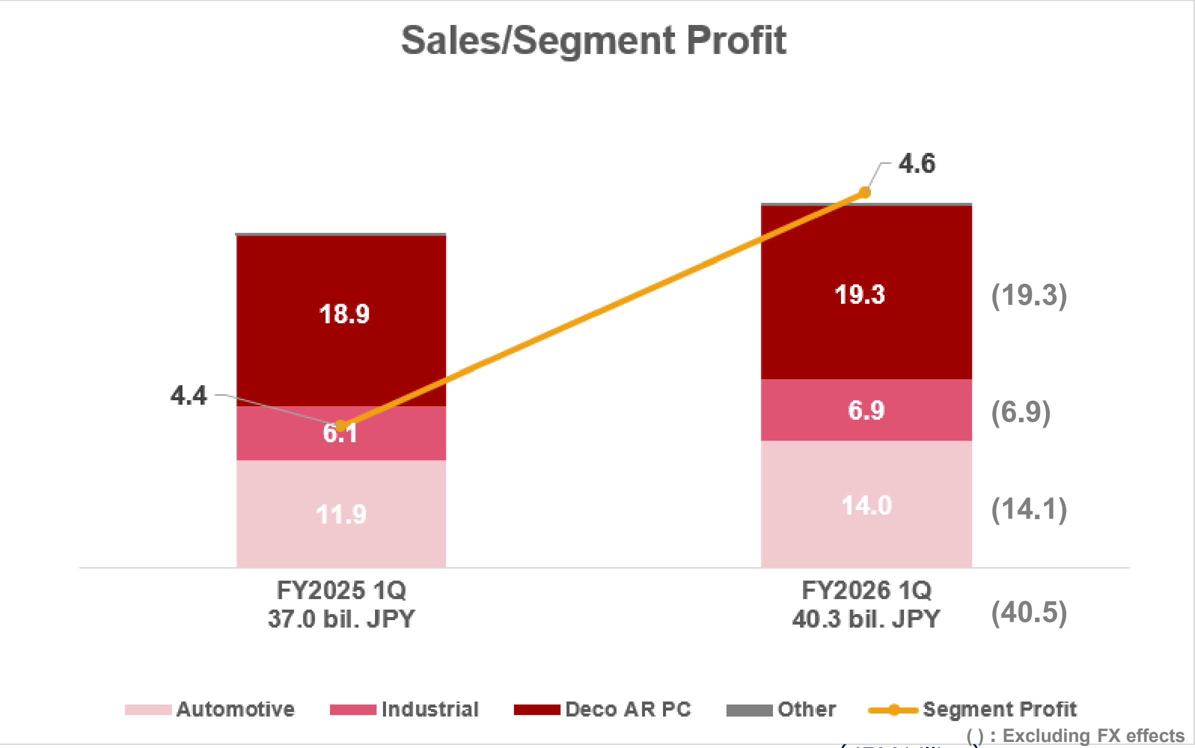
Results by Region (YoY)【India】

(JPY billion)



(JPY billion)

	FY2025				FY2026
	1Q	2Q	3Q	4Q	1Q
Net Sales	37.0	33.2	34.5	33.7	40.3
Segment Profit	4.4	2.8	3.5	2.8	4.6
Segment Profit Margin	12.0%	8.6%	10.1%	8.4%	11.5%

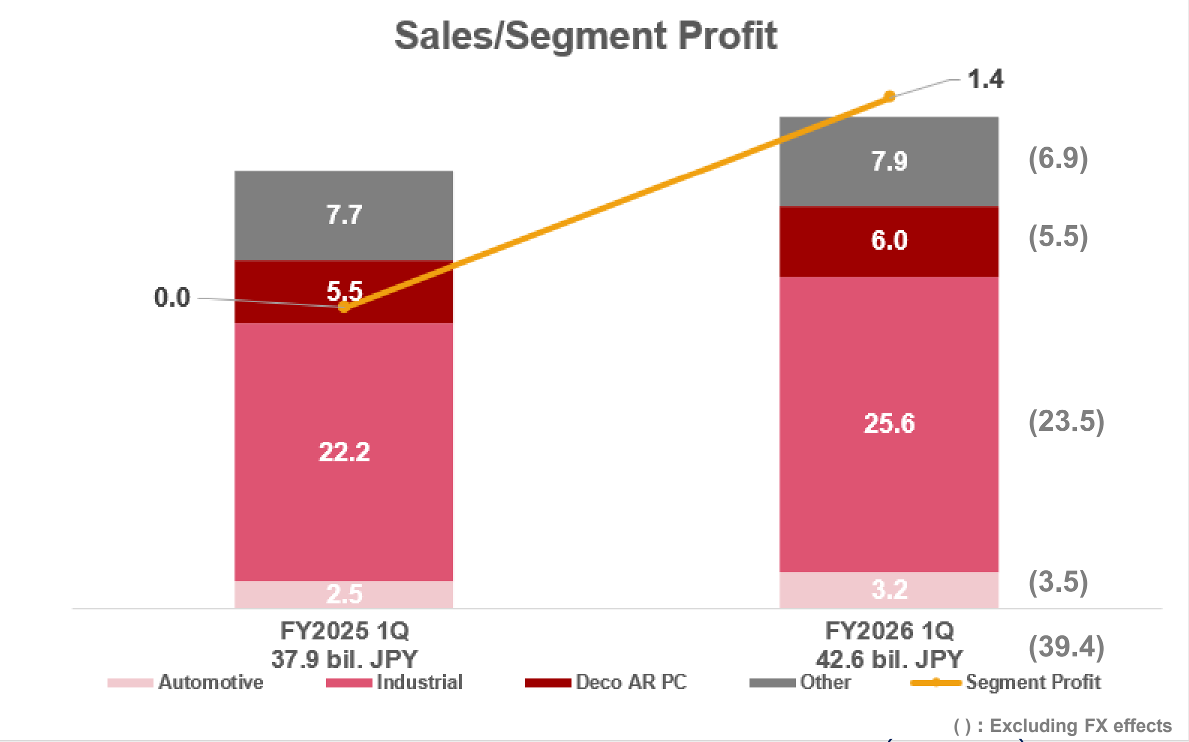
All three business sectors achieved growth, driving higher net sales and profit

- Net sales increased in the automotive sector due to a solid market share and rising production volumes
- Net sales in the industrial sector increased as it captured infrastructure-related demand
- The decorative sector was driven by waterproofing materials and projects, and the product mix improved
- Segment profit increased as net sales growth more than offset higher raw material costs
- Secured new railway business, with contributions expected from FY2027 onward

※ The comments on the above sales figures are presented in local currency terms.

Results by Region (YoY)【Europe】

（JPY billion）



（JPY billion）

	FY2025				FY2026
	1Q	2Q	3Q	4Q	1Q
Net Sales	37.9	41.3	43.2	40.4	42.6
Segment Profit	0	0.5	0.8	-0.4	1.4
Segment Profit Margin	0.1%	1.2%	1.9%	-	3.4%

Turkey returned to profitability, structural reforms progressing at Kansai Helios

- Industrial and automotive sales increased, driven by price increase and an improved product mix in Turkey
- Segment profit improved significantly as both consolidated and equity-method affiliates in Turkey returned to profitability
- True Color：Started consolidating production sites for decorative sector
- Decided to acquire full ownership of the Turkish equity-method affiliate, with closing targeted for this autumn

（100 million JPY）

HI： Hyper inflation

		FY2025 1Q	FY2026 1Q
Europe (excl.Turkey)	Segment Profit	6	5
Turkey	Segment Profit	-6	9
	(HI impact on Segment Profit)	-4	1
	Segment Profit excl. HI impact	-2	8

※ The comments on the above sales figures are presented in local currency terms.

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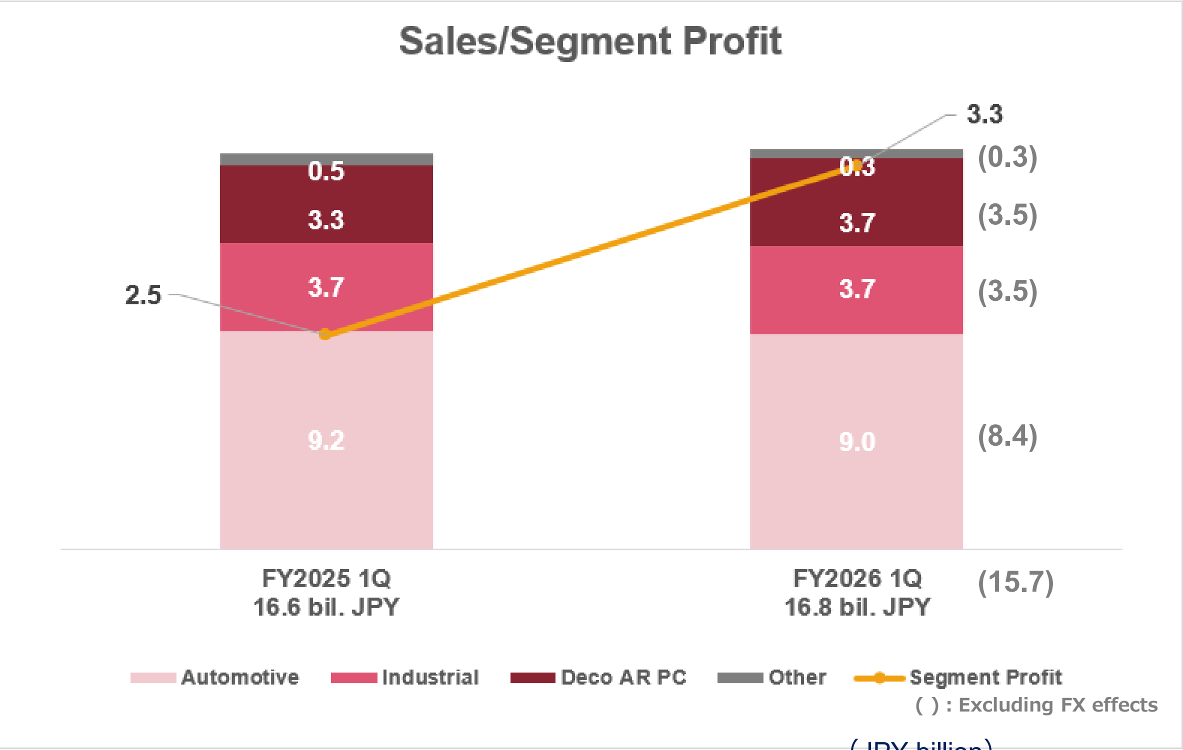
Results by Region (YoY)【Asia】

(JPY billion)



(JPY billion)

	FY2025				FY2026
	1Q	2Q	3Q	4Q	1Q
Net Sales	16.6	16.2	17.6	17.7	16.8
Segment Profit	2.5	2.6	3.0	1.0	3.3
Segment Profit Margin	15.0%	16.2%	17.2%	5.4%	19.6%

Significant improvement in profitability driven by structural reforms

- Automotive sales declined due to production consolidation in China
- Industrial sales remained flat, as growth in China offset weaker demand in Southeast Asia
- Deco AR PC sales increased driven by the decorative sector in the Southeast Asia
- Segment profit increased significantly due to price increases, cost reductions, and higher equity-method profit
- Completed production closure at Guangzhou Kansai and initiated integration of the operations in Malaysia

※ The comments on the above sales figures are presented in local currency terms.

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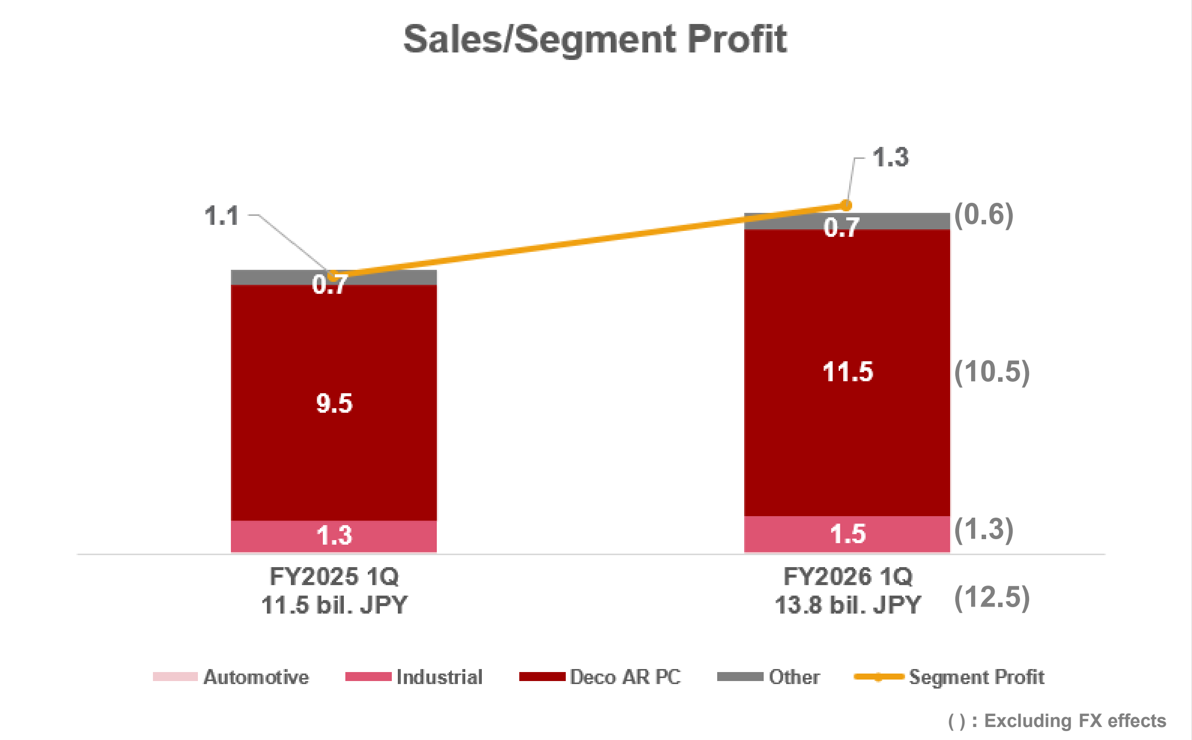
Results by Region (YoY)【Africa】

(JPY billion)



(JPY billion)

	FY2025				FY2026
	1Q	2Q	3Q	4Q	1Q
Net Sales	11.5	11.1	13.8	15.4	13.8
Segment Profit	1.1	1.2	1.8	2.3	1.3
Segment Profit Margin	9.4%	10.4%	13.2%	14.9%	9.7%

High growth driven by both the South and the East

- South Africa achieved sales growth through strengthened sales promotion efforts despite weak market conditions
- Growth in East Africa driven by premium product expansion in Tanzania and Uganda
- Segment profit increased due to higher volumes and a shift toward higher-priced products
- Versus Paint closing completed; production site consolidation finalized

※ The comments on the above sales figures are presented in local currency terms.

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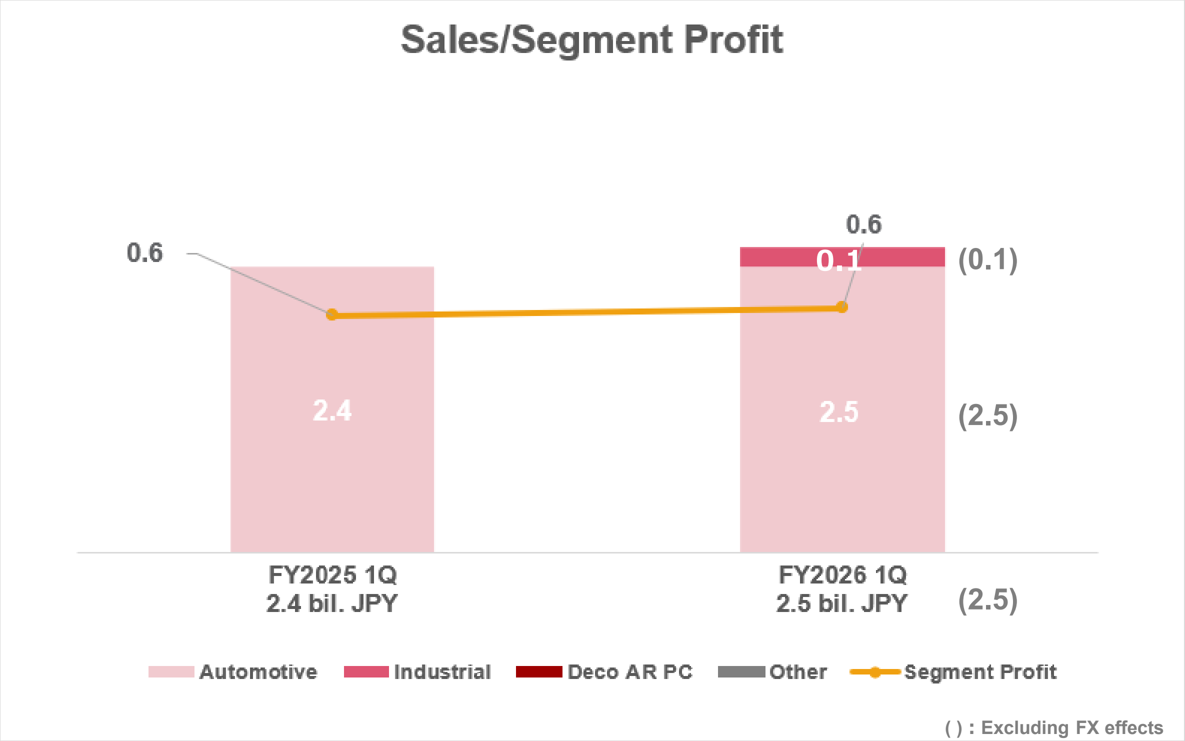
Results by Region (YoY)【North America】

(JPY billion)



(JPY billion)

	FY2025				FY2026
	1Q	2Q	3Q	4Q	1Q
Net Sales	2.4	2.1	2.3	2.2	2.5
Segment Profit	0.6	0.4	0.5	0.5	0.6
Segment Profit Margin	24.5%	18.8%	22.0%	22.5%	24.3%

Steady progress in profitability improvement at U.S. Paint

- Demand in the core powersports business remained sluggish
- Higher operating profit driven by fixed cost reductions
- Equity-method profit decreased due to deteriorating market conditions
- Continue collaboration with Japan, focusing on expanding the powder coatings business for construction and agricultural machinery

※ The comments on the above sales figures are presented in local currency terms.

3. Shareholder Returns and Growth Investment

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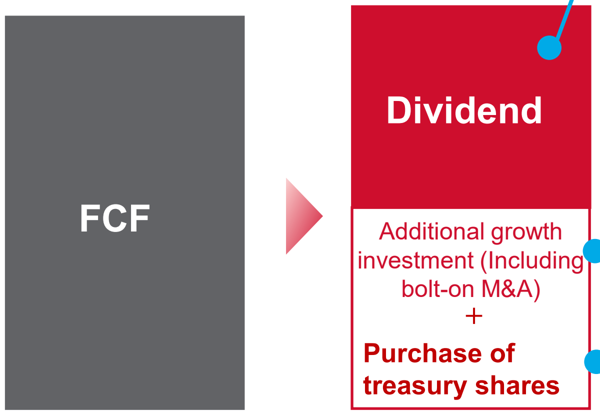
Shareholder Returns and Growth Investments

Shareholder return policy

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

< FCF Allocation Concept >



■ Dividend

✓ Annual dividend forecast raised from ¥110 to ¥116 per share following upward earnings forecast revision

<Dividends per Share Trend>

（JPY）

	FY2023	FY2024	FY2025	FY2026 (Initial Plan）	FY2026 (Revised Plan）
Annual dividend	40	50	110	110	**116**

■ Additional growth investment

- ✓ Acquisition of full ownership of the Turkish equity-method affiliate
- ✓ Acquisition price: 93 million U.S. dollars (approximately 15 billion yen)

■ Purchase of treasury shares

✓ Decided on June 26, 2026, to repurchase its own shares up to ¥10 billion.
（Acquisition Period ： August 3, 2026, through August 2, 2027 ）

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FY2026 First Quarter
Reference Material for Financial Results

Introduction of Polisan Kansai Boya (PKB)

July. 29, 2026

Company Overview

A leading decorative paint manufacturer with a 40-year history and a strong business foundation in Türkiye

Founded in
1985

Net Sales
Approx. **23** billion JPY
*FY2025 results
(excluding the impact of hyperinflation accounting)

Operating Profit Margin
14.6%
*FY2025 results
(excluding the impact of hyperinflation accounting)

Market Position
Türkiye Decorative Paint Market
 # 2

塗料 Polisan HOME COSMETICS

Maximum Production Capacity
540,000 tons

Employees
473

Sales offices
13

Dealers
4500+

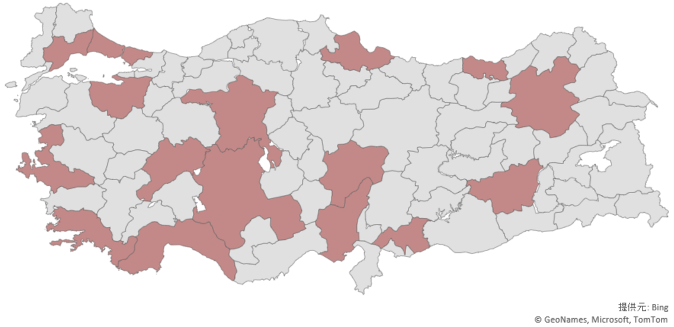
Key Strengths of PKB

Four key strengths supporting PKB's strong brand equity and profitability

Efficient production and supply network supported by state-of-the-art facilities

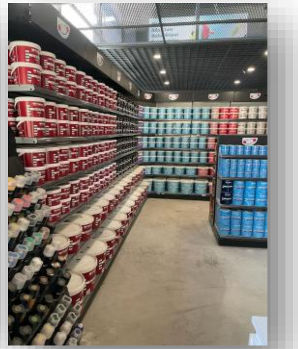
Türkiye's first LEED Gold-certified paint manufacturing facility

Strong nationwide distribution network covering all of Türkiye



Extensive market reach through 34 warehouses

Trusted relationships with dealers



A well-established dealer network built through long-term relationships

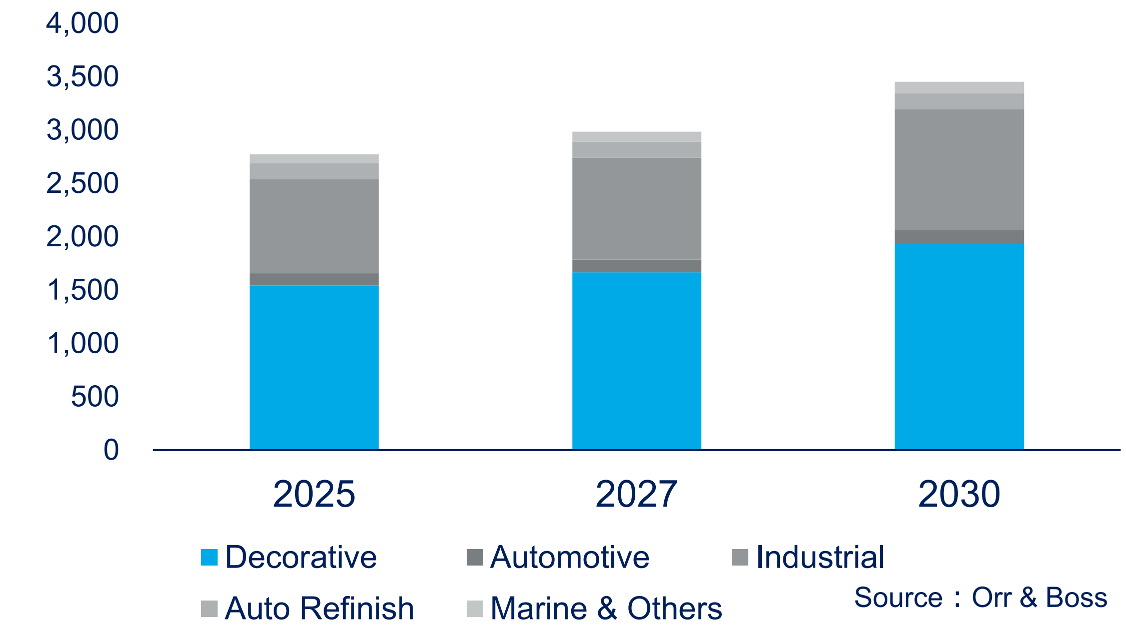
Market-Leading product quality and performance

Customer loyalty driven by superior product quality

Overview of the Türkiye Paint Market and PKB's Position

Expanding market share by capturing growth in the Türkiye decorative paint market

Türkiye Decorative Paint Market Size

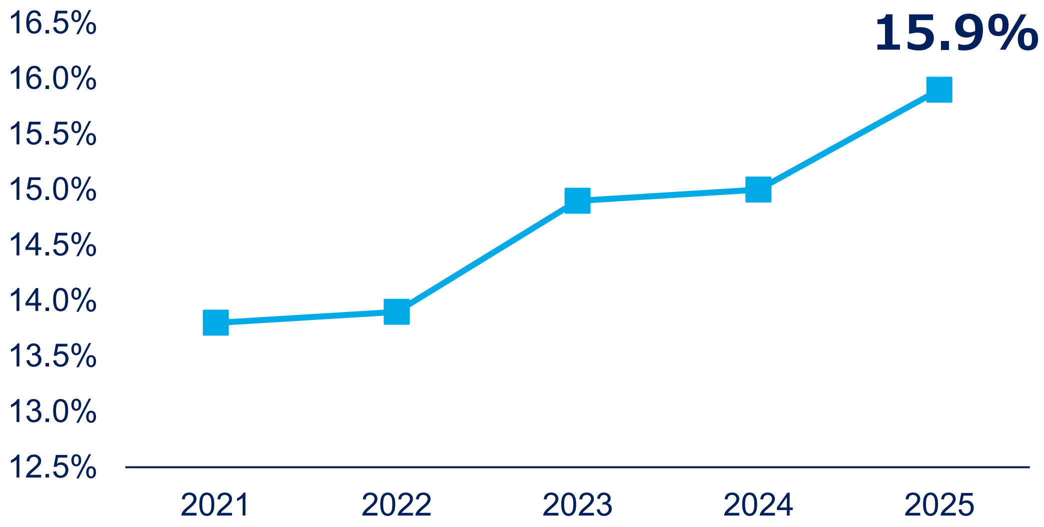


Source：Orr & Boss

CAGR approx.4.5% (2025–30)

Decorative paints account for approximately 60% of the market

PKB's Market Share Trend



Company Analysis

13.8%→15.9%

#2 in the Türkiye Decorative Paint Market

Consolidated Financial Results

(JPY billion, %)

	FY2025					FY2026				
	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	144.7	144.5	153.2	147.4	589.8	157.9				630.0
	-0.5%	-2.8%	+1.7%	+2.3%	+0.2%	+9.1%				+6.8%
Segment Profit	13.7	13.2	16.0	10.9	53.9	13.4				60.0
	-19.8%	+11.4%	+20.2%	-5.5%	+0.0%	-2.1%				+11.3%
Operating Profit	12.2	12.1	14.7	10.7	49.7	10.5				55.0
	-19.0%	+7.7%	+13.8%	-16.4%	-4.5%	-14.3%				+10.6%
Ordinary Profit	14.4	14.2	16.8	9.3	54.7	13.6				57.0
	-27.8%	+134.3%	+6.2%	+27.6%	+11.4%	-5.1%				+4.2%
EBITDA	20.2	19.8	23.4	19.1	82.5	21.3				94.0
	-12.3%	+7.1%	+16.6%	-2.5%	+1.6%	+5.1%				+13.9%
EBITDA Margin	14.0%	13.7%	15.3%	13.0%	14.0%	13.5%				14.9%
	-1.9pt	+1.3pt	+2.0pt	-0.6pt	+0.2pt	-0.5pt				+0.9pt
Profit	8.5	7.7	13.8	1.7	31.6	6.5				28.0
	-28.6%	+102.2%	-19.9%	-69.2%	-17.4%	-23.6%				-11.5%
EPS(JPY)	48.13	43.75	78.35	9.42	179.65	36.82				159.05
	-16.2%	+121.2%	-17.6%	-69.1%	-11.1%	-23.5%				-11.5%

Net sales by regional segment

(JPY billion, %)

	Net Sales									
	FY2025					FY2026				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year (outlook)
	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)
Japan	39.3	40.7	41.9	38.0	159.9	41.8				165.0
	-4.9%	+0.2%	-1.3%	-3.9%	-2.4%	+6.4%				+3.2%
India	37.0	33.2	34.5	33.7	138.4	40.3				150.0
	-8.2%	-5.3%	-0.2%	+3.9%	-2.8%	+9.0%				+8.4%
Europe	37.9	41.3	43.2	40.4	162.7	42.6				175.0
	+12.8%	-3.2%	+3.0%	+5.5%	+4.0%	+12.6%				+7.5%
Asia	16.6	16.2	17.6	17.7	68.1	16.8				70.0
	-3.9%	-0.5%	+1.2%	-0.4%	-0.9%	+1.3%				+2.8%
Africa	11.5	11.1	13.8	15.4	51.7	13.8				60.0
	+12.4%	-2.1%	+14.6%	+11.1%	+9.1%	+19.7%				+15.9%
North America	2.4	2.1	2.3	2.2	9.0	2.5				10.0
	-9.4%	-24.2%	-4.7%	-0.1%	-10.3%	+4.0%				+11.2%
Total	144.7	144.5	153.2	147.4	589.8	157.9				630.0
	-0.5%	-2.8%	+1.7%	+2.3%	+0.2%	+9.1%				+6.8%

Segment Profit by regional segment

(JPY billion, %)

	Segment Profit									
	FY2025					FY2026				
	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year (outlook)
	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)	YoY(%)
Japan	5	6	6	5	22	2				22
	-14.7%	+16.9%	-1.7%	-27.3%	-8.2%	-57.9%				-2.1%
India	4	3	4	3	14	5				14
	-18.4%	-4.9%	+8.7%	+9.3%	-4.4%	+4.6%				+3.2%
Europe	0	1	1	0	1	1				4
	-97.0%	-	-	-	-	-				+322.8%
Asia	3	3	3	1	9	3				11
	-14.4%	+16.8%	+24.2%	-40.5%	-1.2%	+31.7%				+15.6%
Africa	1	1	2	2	6	1				8
	+35.8%	+24.6%	+66.3%	+48.8%	+45.7%	+23.0%				+18.3%
North America	1	0	1	1	2	1				3
	-46.2%	-59.5%	-31.0%	+24.1%	-38.1%	+3.1%				+26.1%
Total	14	13	16	11	54	13				60
	-19.8%	+11.4%	+20.2%	-5.5%	+0.0%	-2.1%				+11.3%

Reference material

Analysis of YoY Sales Increase/Decrease (FY2026 1Q)

	FX impact	Volume	Price fluctuations and others	total
Japan	0%	3%	4%	6%
India	-1%	4%	5%	9%
Europe	9%	-4%	8%	13%
Asia	7%	1%	-6%	1%
Africa	11%	8%	1%	20%
North America	3%	0%	-3%	0%
Total	4%	3%	3%	9%

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Equity in earnings of unconsolidated subsidiaries and affiliates

(JPY billion)

	FY2025					FY2026
	1Q	2Q	3Q	4Q	Full year	1Q
Japan	0.5	0.2	0.5	0.1	1.3	0.7
India	-0	-0	-0	-	-0.1	-
Europe	-0.3	-0.5	-0.4	-0.4	-1.6	0.7
Asia	0.9	1.0	0.9	0.2	3.1	1.3
Africa	0	0	0	0.1	0.2	0
North America	0.3	0.3	0.3	0.3	1.2	0.2
Total	1.5	1.1	1.3	0.2	4.2	3.0

Key numbers related to Balance Sheet(B/S)

(JPY billion, %)

		FY2025				FY2026
		The end of 1Q	The end of 2Q	The end of 3Q	The end of 4Q	The end of 1Q
Total assets		744.9	750.9	786.3	801.7	845.4
	Cash & deposits	71.0	68.9	70.5	78.7	90.2
	Notes and accounts receivable - trade, and contract assets	127.4	132.4	143.7	129.5	141.2
	Merchandise and finished goods	111.1	109.4	110.0	114.0	124.3
	Non-current assets	388.4	397.4	409.9	425.5	426.8
	Goodwill	33.6	33.6	33.2	34.0	32.5
Interest-bearing debts		230.0	220.4	227.0	222.9	260.6
Net assets per share（JPY）		-	-	-	1,703.16	-
Shareholders' equity ratio（%）		34.9	36.1	36.4	37.4	35.3

Japanese naphtha price

（JPY/KL）

	FY2025		FY2026
	1H	2H	1Q
Japanese naphtha price	64,800	65,700	118,900

Japanese car production

（million）

	FY2025			FY2026 (Forecast)
	1H	2H	Full year	Full year
Car production	4.08	4.40	8.48	8.54

Car production

(million)

	FY2025					FY2026
	1Q	2Q	3Q	4Q	Full year	1Q
Japan	2.03	2.05	2.19	2.21	8.48	2.09
India	1.50	1.59	1.69	1.93	6.71	1.75
China	7.56	8.06	8.68	10.23	34.53	7.04
Thailand	0.35	0.37	0.35	0.38	1.46	0.37
Indonesia	0.29	0.26	0.30	0.29	1.15	0.29
Malaysia	0.18	0.18	0.20	0.20	0.75	0.16
Turkey	0.29	0.32	0.31	0.33	1.26	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, 1Q FY2026 car data for Japan is our estimation

Currency translation rates

(JPY／Local currency)

	2025				2026	
	Jan.-Mar.	April-Jun.	July-Sep.	Oct.-Dec.	Jan.-Mar.	April-Jun.
U.S.Dollar	153.38	145.33	147.66	153.75	157.25	159.47
Euro	160.10	164.28	172.09	179.18	183.97	184.78
Indian Rupee	1.79	1.71	1.70	1.74	1.73	1.70
Chinese Yuan	20.96	20.10	20.64	21.71	22.69	23.38
Thai Baht	4.48	4.38	4.55	4.78	4.95	4.87
Malaysian Ringgit	34.59	33.82	35.08	37.11	39.55	39.81
Indonesian Rupiah	0.0094	0.0089	0.0090	0.0093	0.0094	0.0092
Turkish Lira	3.95	3.63	3.58	3.65	3.60	3.48
South African Rand	8.20	8.00	8.34	8.99	9.55	9.63

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