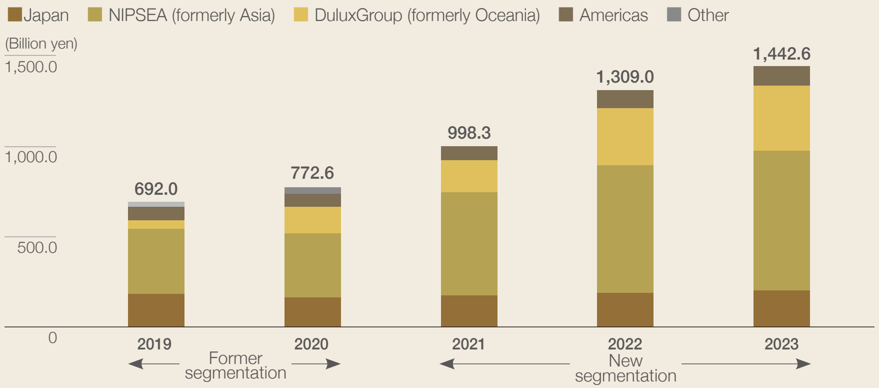
Financial and Non-Financial Highlights

For financial and non-financial data from 2018 and earlier, as well as other financial and non-financial data, please refer to the "Financial and ESG Data" section on our website.

Financial base

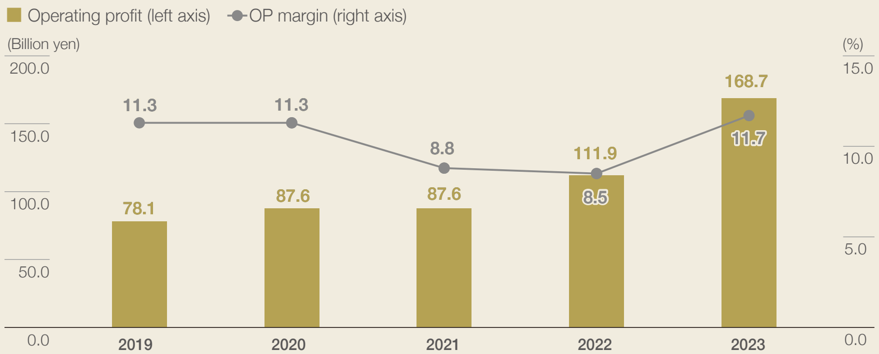
Revenue*



Our revenue growth has accelerated due to the accumulation of assets through multiple M&A executed since 2017, as well as the substantial growth of our decorative paints business in Asia, particularly in China. In 2023, we achieved seven consecutive years of revenue growth and record-high revenue, due to the increased sales volumes and the flow-through of price increases, primarily in the decorative paints business, along with new consolidation of NPT and the yen's depreciation.

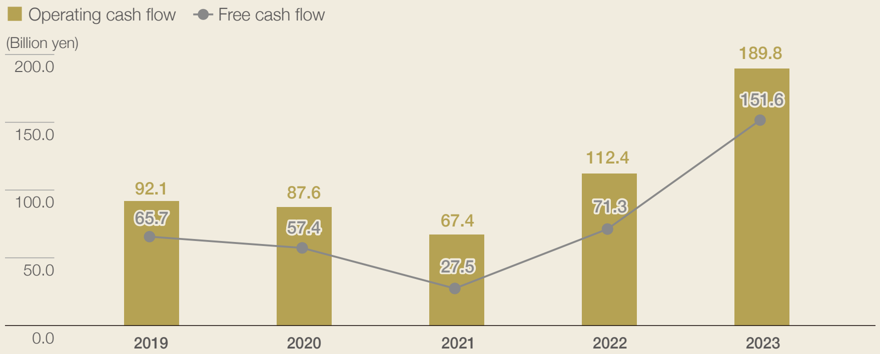
* The primary changes resulting from the reclassification of reportable segments are as follows:
(1) Japan Group now includes the overseas marine business, previously included in the Asia segment
(2) NIPSEA Group now includes Betek Boya and Nippon Paint Turkey, previously included in Other

Operating profit/OP margin



【Operating profit】Since 2020, our operating profit has seen growth for four consecutive years, keeping pace with our revenue growth. Despite the influence of hyperinflationary accounting in Türkiye, our operating profit reached a record high in 2023, thanks to the growth in revenue and improvement in gross profit margin.
【Operating profit margin】The operating profit margin hovered in the 8% range in 2021-2022, due to factors such as the increased raw material cost contribution (RMCC) ratio. However, in 2023, it rebounded to the 11% range thanks in part to a decrease in the RMCC ratio.

Cash flow*

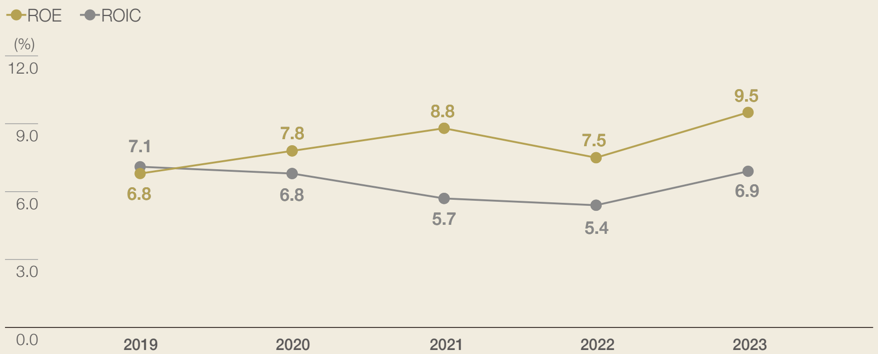


The paint and adjacencies businesses are characterized by relatively low capex requirements, which aids in cash flow generation, further boosted by stable market growth. As a result, free cash flow has been positive every year. In 2023, it significantly increased, partly due to major improvements made in the Cash Conversion Cycle (CCC) in various regions.

P44 Our Finance Strategy Presented by Co-President Wakatsuki

* Free cash flow (IFRS): Operating cash flow ± expenditures related to acquisition of tangible fixed assets ± expenditures related to acquisition of intangible assets

Return on equity (ROE)/Return on invested capital (ROIC)*



【ROE】ROE hovered around 8% from 2020 to 2022; however, it increased to 9.5% in 2023, due to an increase in net profit and margin improvement.
【ROIC】ROIC declined in 2021 and 2022 due to a decrease in capital turnover ratio, resulting from increased interest-bearing debt and shareholders' equity associated with M&A activities. This decline was compounded by reduced margins due to a higher RMCC ratio and other factors. In 2023, ROIC increased because of the negligible amount of goodwill recorded due to the absence of large-scale M&As, combined with an increase in net profit and improvement in margins.

P44 Our Finance Strategy Presented by Co-President Wakatsuki

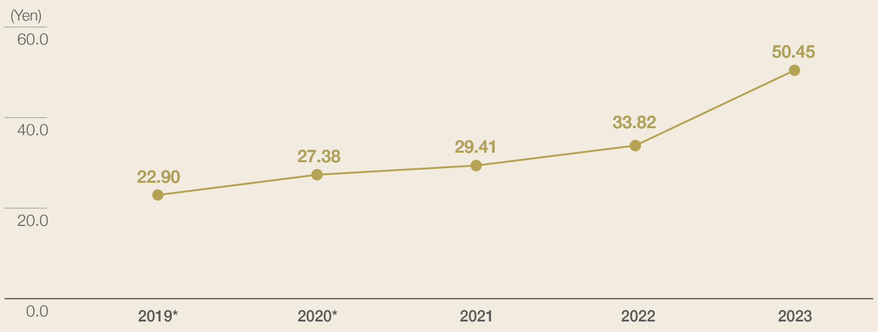
* ROIC (IFRS): Operating profit after tax / (net debt + total equity)

Financial and Non-Financial Highlights

For financial and non-financial data from 2018 and earlier, as well as other financial and non-financial data, please refer to the "Financial and ESG Data" section on our website.

Financial base

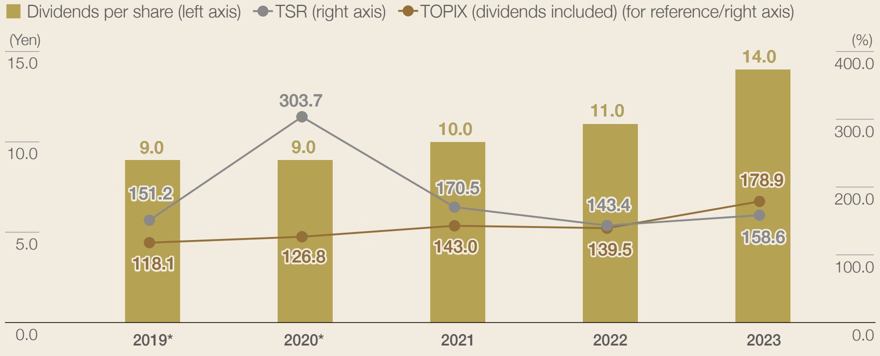
Earnings per share (EPS)



EPS generally follows the trends in profit items such as operating profit. Since 2020, EPS has increased for four consecutive years, driven by the rise in operating profit resulting from increased sales.

* Calculated assuming that the five-for-one stock split on April 1, 2021 was conducted in January 2019

Dividends per share/Total shareholder return (TSR)

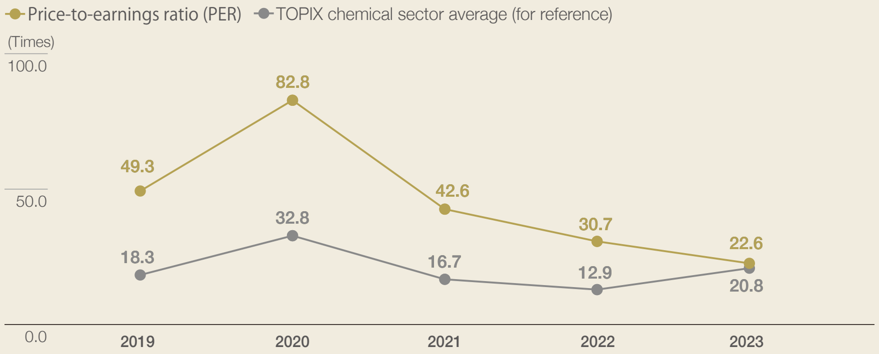


【Dividends】Our basic policy is to provide stable and consistent dividends while aiming for a dividend payout ratio of 30%. Starting in 2021, which included a commemorative dividend marking our 140th anniversary, our dividends have seen an increase for three consecutive years.

【TSR】Up until 2022, our TSR outperformed TOPIX (dividends included), our benchmark for comparison, buoyed by increases in stock price and dividends. In 2023, our TSR fell below the TOPIX (dividends included) due to market anxieties over risks in China and other factors.

* Calculated assuming that the five-for-one stock split on April 1, 2021 was conducted in January 2019

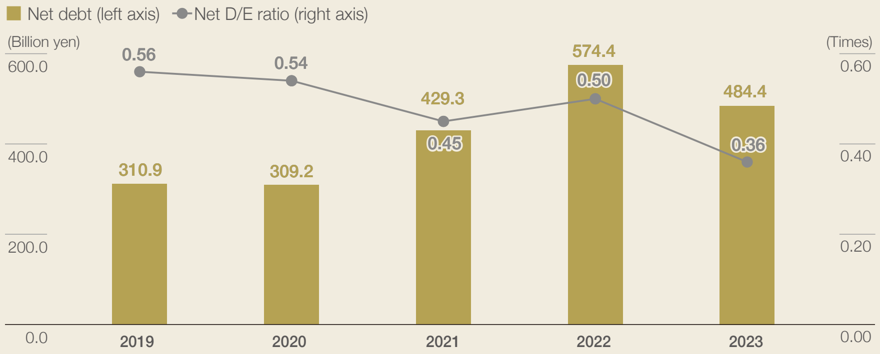
Price-to-earnings ratio (PER)



PER has consistently outperformed the average for the TOPIX chemical sector, reflecting the future growth expectations of our Company. In 2020, PER increased significantly reflecting multiple factors, such as investors' preference for growth stocks in the stock market and our M&A activities. Since 2021, however, PER has been on a downward trend due to market anxieties over risks in China and other factors.

P29 Our Strategy for Maximizing PER

Net debt*/Net D/E ratio



【Net debt】The paint and adjacencies businesses are characterized by relatively low capex requirements, which aid in cash generation and typically lead to a negative net debt. However, net debt has been positive since 2019 due to loans from financial institutions to finance M&A.

【Net D/E ratio】Net D/E ratio decreased in 2023 due to a decrease in net debt resulting from the absence of large-scale M&A.

* Net debt: Interest-bearing debt (bonds and borrowings (current/non-current) + other financial liabilities (current/non-current)) – liquidity on hand (cash and cash equivalents + other financial assets (current))

Financial and Non-Financial Highlights

»» For financial and non-financial data from 2018 and earlier, as well as other financial and non-financial data, please refer to the "Financial and ESG Data" section on our website.

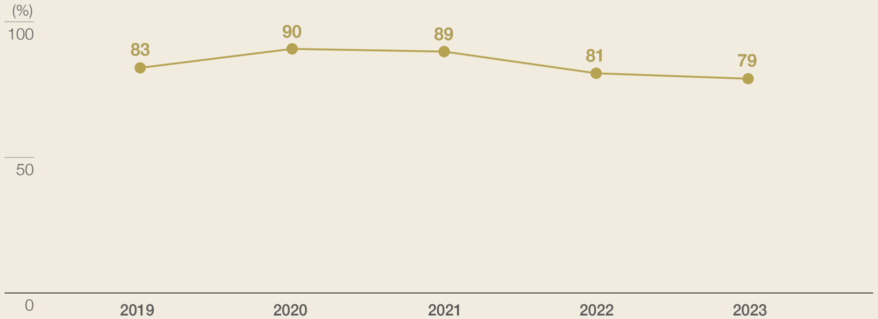
Human resources/ organizations

Employees/Ratio of overseas employees (Global)

With our active M&A overseas, both the number of employees and the ratio of overseas employees have been rising. We continue to focus on strengthening and expanding our workforce for further growth, particularly in our overseas operations. In 2023, the ratio of overseas employees increased to 89.9%, partly due to the acquisition of NPT.

»» For trends in employee numbers by segment, please refer to the "Data by Segment" section on our website.

Employee satisfaction level (Japan Group)*

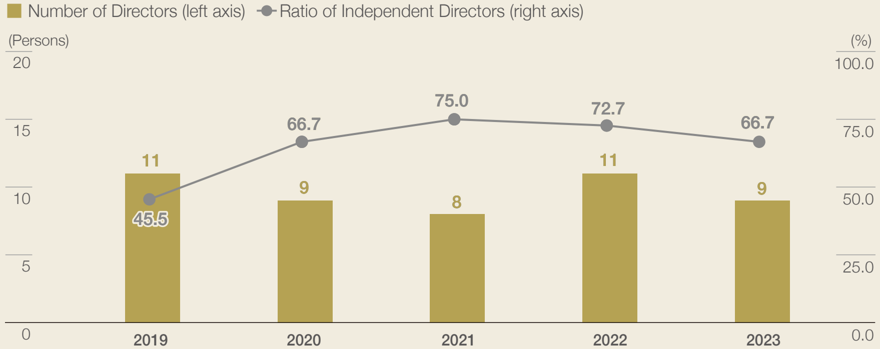


The employee satisfaction level within Japan Group has seen a decline for three consecutive years since reaching an all-time high in 2020. Amid ongoing reforms aimed at improving profitability, employee satisfaction improved in 2023 in areas such as "trust and reassurance in their company" and "annual leave utilization," compared to 2022. However, satisfaction decreased in areas such as "job satisfaction, growth opportunities, and challenges," "ambition towards managerial positions," "culture of challenge," "operation of the human resource system."

»» P59 Japan Group: Striving for Greater Profitability by Unifying Efforts and Overcoming Organizational Barriers and Boundaries

* Surveys by Nippon Paint Labor Union. For information about employee satisfaction at other partner companies, please refer to "Human Resource Strategy" on page 65.

Number of Directors of the Board*/Ratio of Independent Directors of the Board*

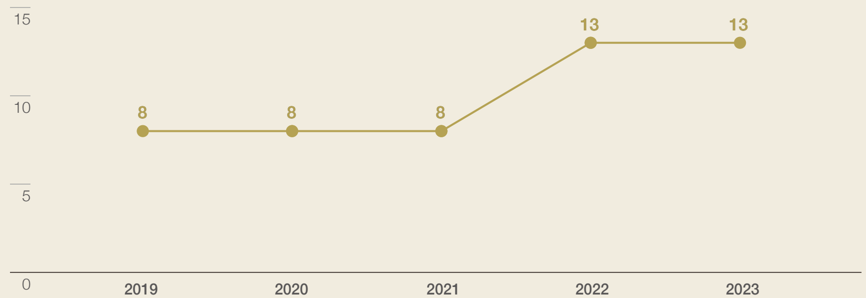


Operating under our Asset Assembler model, we are committed to building an advanced corporate governance structure, aiming for medium- to long-term growth and protection of minority shareholders' interests. In March 2020, we transitioned to a Company with Three Committees structure. Since 2021, the Lead Independent Director has been serving as Board Chair. As of 2023, six out of the nine Directors are Independent Directors.

* Number of the Directors who were elected at the Ordinary General Meeting of Shareholders held during the period. The 2021 figure is the number of the Directors in office on or after April 28, 2021.

Customer base

Number of countries where Nippon Paint Group has the No. 1 market share in decorative paints



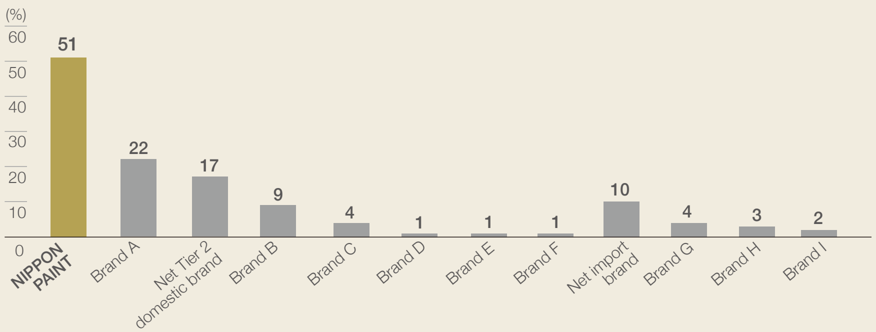
We have maintained our top market position in Japan for many years. Additionally, our aggressive expansion of the ASEAN business since 1967 has gradually increased the number of countries where we hold the No.1 market share. The acquisitions of Cromology and JUB in 2022 further expanded our reach, adding five European countries, including Italy and Croatia, to the list of markets where we hold the leading position. As of 2023, we hold the No.1 position in 13 countries.

Financial and Non-Financial Highlights

»» For financial and non-financial data from 2018 and earlier, as well as other financial and non-financial data, please refer to the "Financial and ESG Data" section on our website.

Brands/ know-how

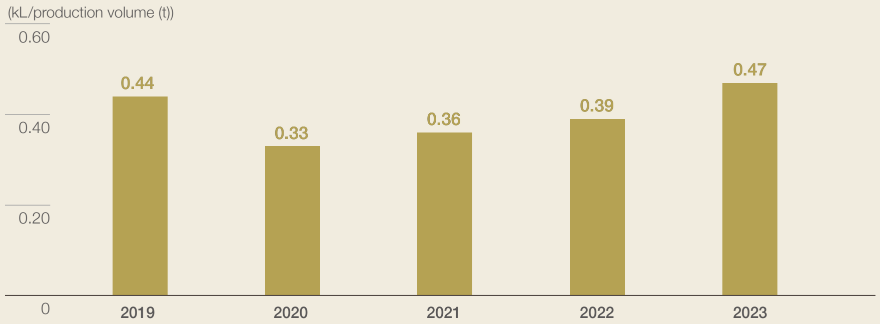
Top of Mind rating (NIPSEA China)



Since our entry into China in 1992, we have focused on promoting our high-quality LiBang brand products. As a result, LiBang has been established as the leading brand in China, with a Top of Mind score reaching 51% in 2023. The LiBang brand has been ranked first in the wall paint category of the C-BPI (China Brand Strength Index) for eight consecutive years.

»» P54 China Business Strategy

Water consumption (Global)*

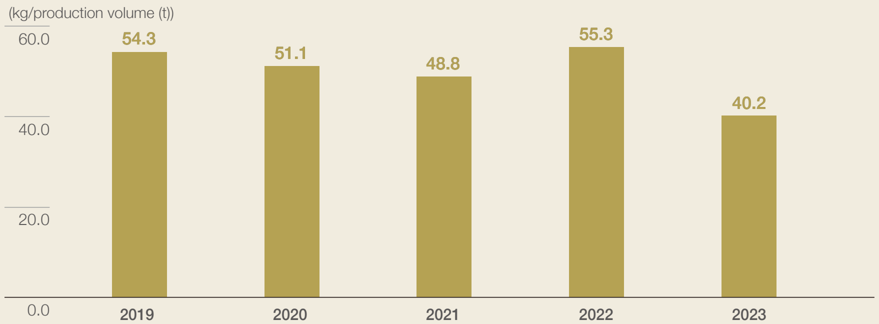


Our Group has identified the efficient use of water as an element of Materiality under the category of Resources and Environment, and is implementing measures such as efficient use of water for raw materials, reduction of water use, and use of recycled water in our manufacturing processes. Since 2021, water consumption has increased due to the expansion of the scope of the data aggregation and changes in production mix in multiple business segments.

* The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology and JUB beginning in 2022), Dunn-Edwards (beginning in 2020)

Nature/ environment

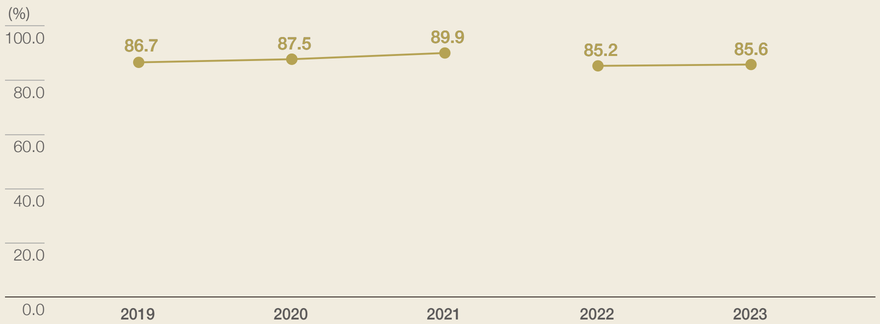
GHG emissions (Scope 1 and 2) (Global)*



Our Group has established a global target to reduce our greenhouse gas emissions (Scope 1 and 2) by 37% by 2030, compared to 2020 levels. To meet this target, we are progressively implementing measures, including intensifying energy-saving activities and adopting renewable energy sources. In 2023, our greenhouse gas emissions were reduced, partly due to the installation of additional solar power generation facilities and improvements in energy efficiency at our factories in China.

* The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology and JUB beginning in 2022)

Ratio of water-based paints in the decorative paints business (Global)*



As global environment awareness grows and environmental regulations tighten, the demand for water-based paints is expanding. Leveraging its strength in technological capabilities, our Group is actively developing highly competitive water-based paint products globally. This has led to an annually increasing ratio of water-based paints in our decorative paints business. While the recorded ratio appears to have started declining from 2022 compared to 2021, this is due to a change in data compilation definitions, and does not indicate a shift from our trend of increasing the ratio of water-based paints.

* Calculations for the years 2019 to 2021 are based on the ratio of water-based paint shipments to total paint shipments, both in units of 10,000 tons. From 2022 onwards, the calculations are based on the ratio of water-based paint sales to total sales volume, both in units of tons. The Scope of coverage: Nippon Paint (NPTU), NIPSEA Group, Dunn-Edwards, DuluxGroup (including Cromology and JUB beginning in 2022)