



STRATEGY BRIEFING

JANUARY 8, 2025

AGENDA

1

Importance of Europe for
KANSAI PAINT Group

2

KANSAI HELIOS overview

3

18th MTP & profitability improvement

4

Q&A

AGENDA

1

Importance of Europe for
KANSAI PAINT Group

2

KANSAI HELIOS overview

3

18th MTP & profitability improvement

4

Q&A

IMPORTANCE OF EUROPE

The KANSAI PAINT Group's mission is to develop paint that contribute to sustainability and spread them all over the world. To achieve this mission, Europe, a leader in sustainability, is the most important region.

Our vision 2030:



The role of each region:

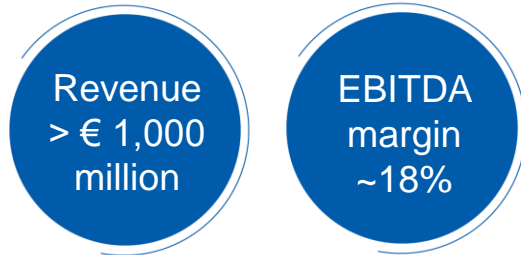
- » **Europe:** develop innovative technology for Industrial Coatings
- » **Japan:** develop innovative technology for Automotive Coatings
- » **India, Asia, Africa:** maximize group resources to expand business beyond market growth

GOAL OF KANSAI HELIOS

Long-term – by 2030

» top-class performance in KANSAI PAINT Group both financial and non-financial

Financial KPI



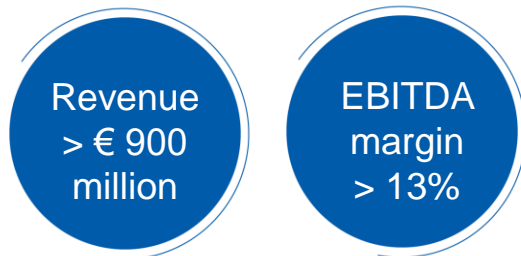
Non-financial KPI



Short-term – next 2-3 years

» important period towards a long-term goal

Financial KPI

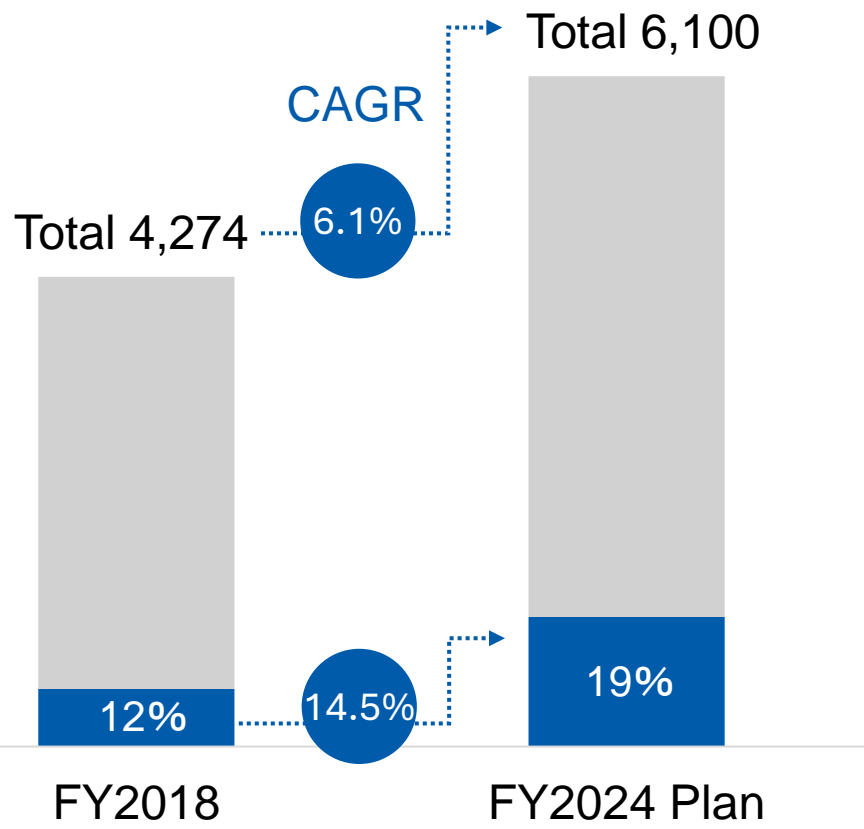


Expectations for KANSAI HELIOS:

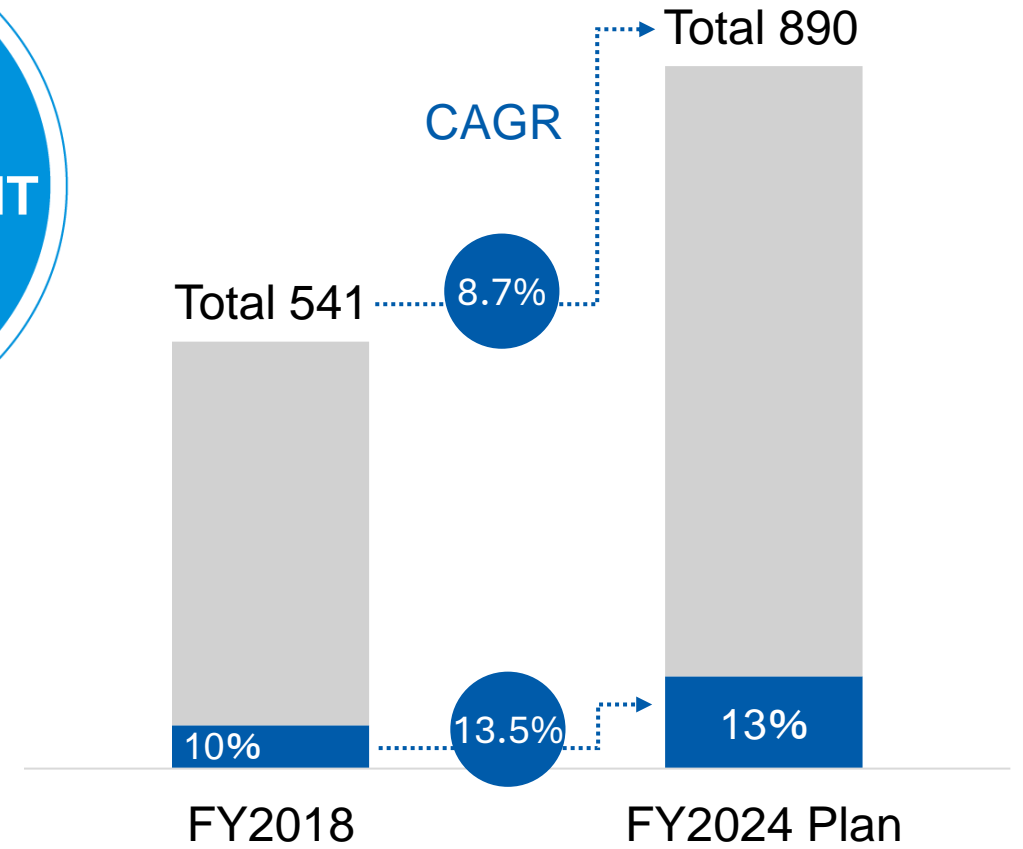
- » To be a global leader in Industrial Coatings
- » Successful PMI and recovering profitability
- » Strengthening sustainability and innovation
- » Embarking on structural reforms to achieve long-term goals

POSITION OF KANSAI HELIOS

KANSAI PAINT consolidated revenue (JPY 100 million)



KANSAI PAINT consolidated EBITDA (JPY 100 million)



**No. 3
in KANSAI PAINT
Group**

■ KANSAI HELIOS ■ Others

*CAGR: Compounds Annual Growth Rate

MISSION OF KANSAI HELIOS

Significant improvement of profit: be 3rd pillar besides Japan & India

Leader of global Industrial Coatings business



Frontrunner of innovation and sustainability

Be a role model regarding PMI & synergy capturing

AGENDA

1

Importance of Europe for
KANSAI PAINT Group

2

KANSAI HELIOS overview

3

18th MTP & profitability improvement

4

Q&A

INTRODUCTION



Dietmar Jost
President,
Executive Director

Sales, Marketing



Mitsuru Masunaga
Executive
Vice President,
Executive Director

Finance, Governance



Bastian Krauss
Executive
Vice President,
Executive Director

Production, HSE, IT
SCM, Sustainability



Yoshihiro Tanaka
Executive Director

R&D

AT A GLANCE



member of
KANSAI PAINT
since **2017**



#3
business unit in
KANSAI PAINT



€ 737 mil
Revenue*



+180
years of history
& tradition



3,100
FTE



Top 10
coating company in
Europe



production
sites in
13
countries



40 group companies

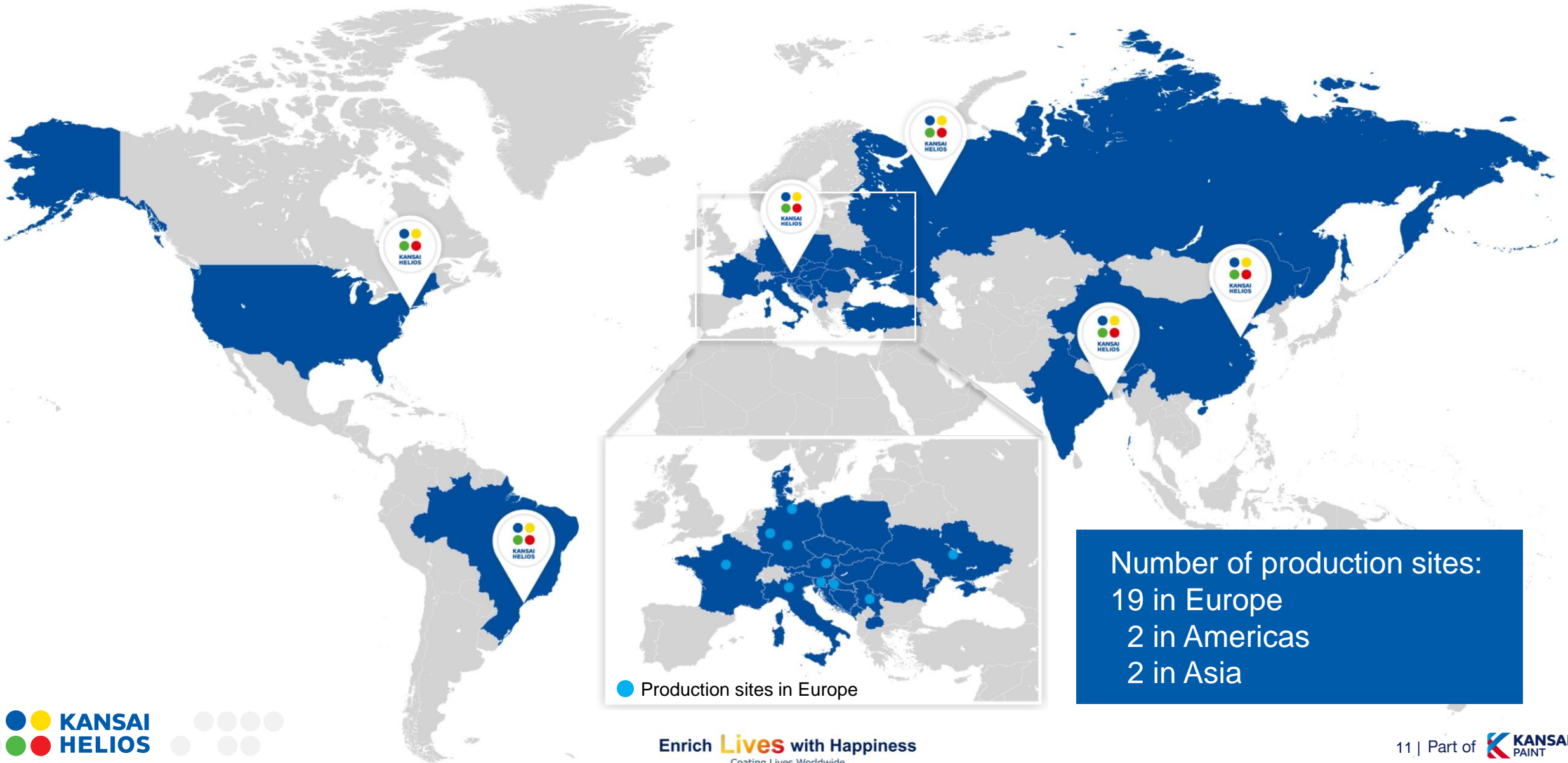


4% of revenue
spent on R&D

*KANSAI HELIOS financial figures shown in EUR in this presentation are based on IFRS.

*2024 figures are our plan disclosed as part of KANSAI PAINT consolidated financials unless otherwise is stated in this presentation.

KANSAI HELIOS GLOBAL FOOTPRINT



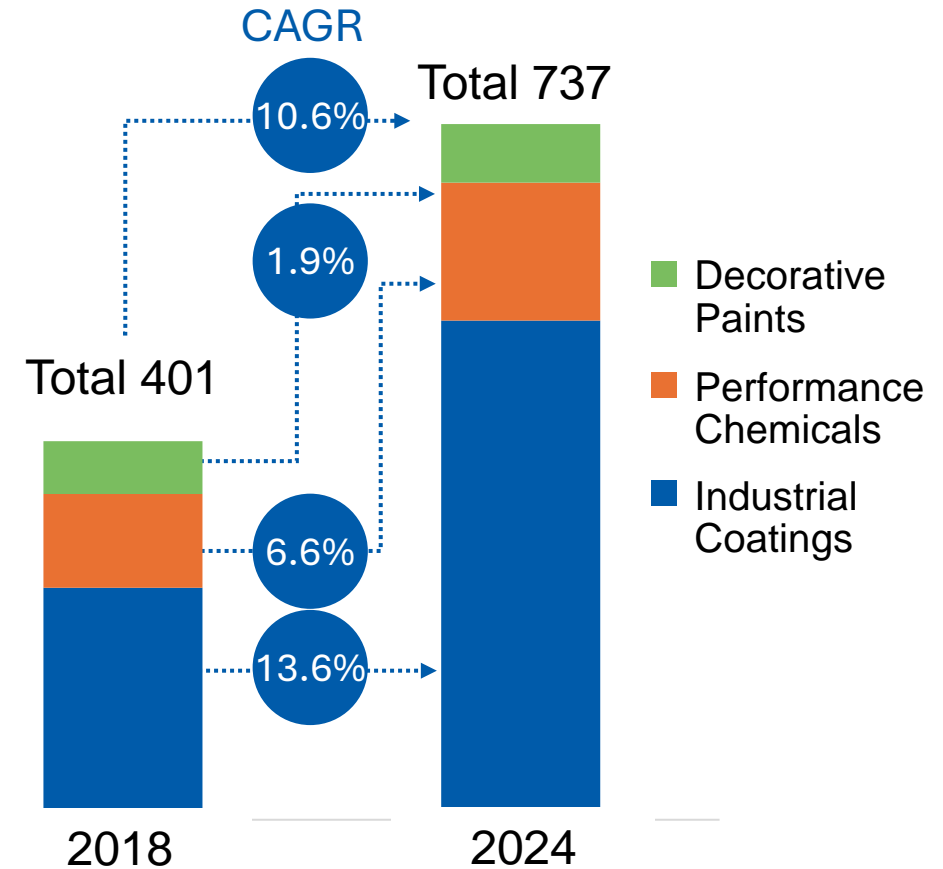
Number of production sites:
19 in Europe
2 in Americas
2 in Asia



BUSINESS FIELDS



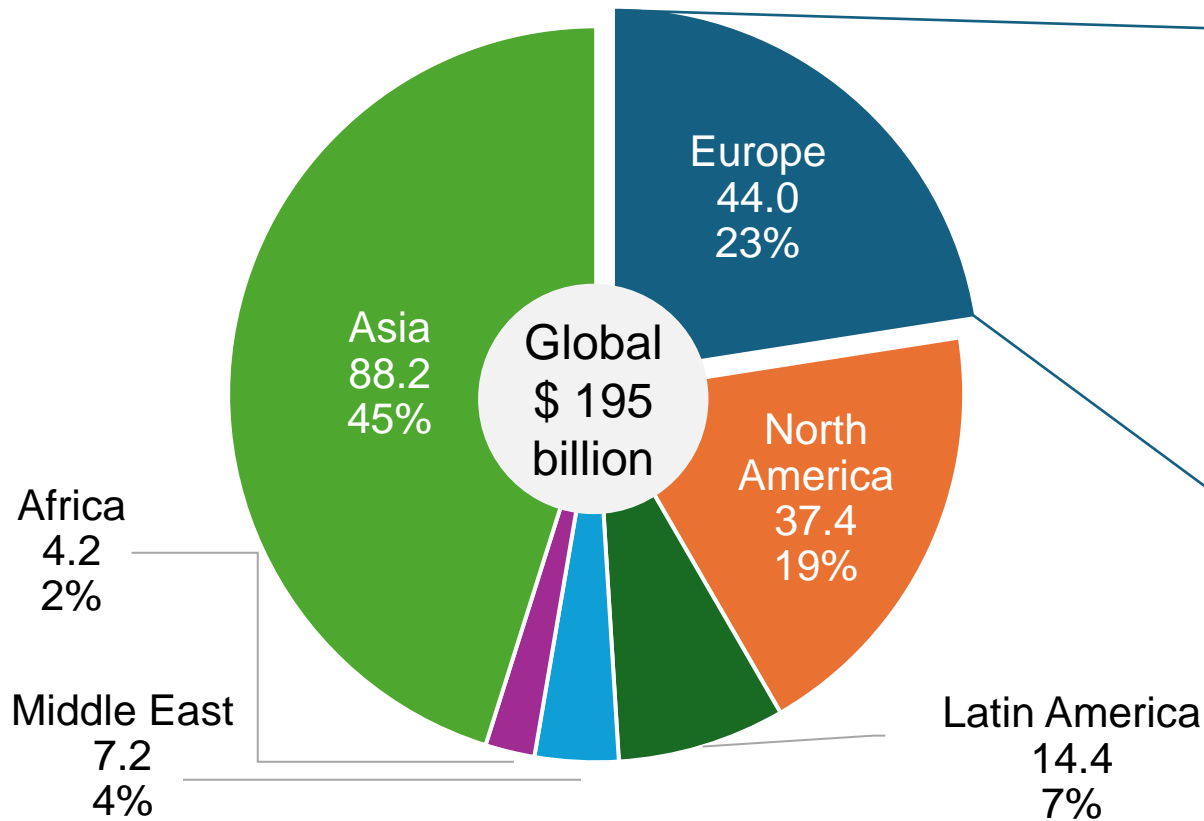
KANSAI HELIOS consolidated revenue (EUR million)



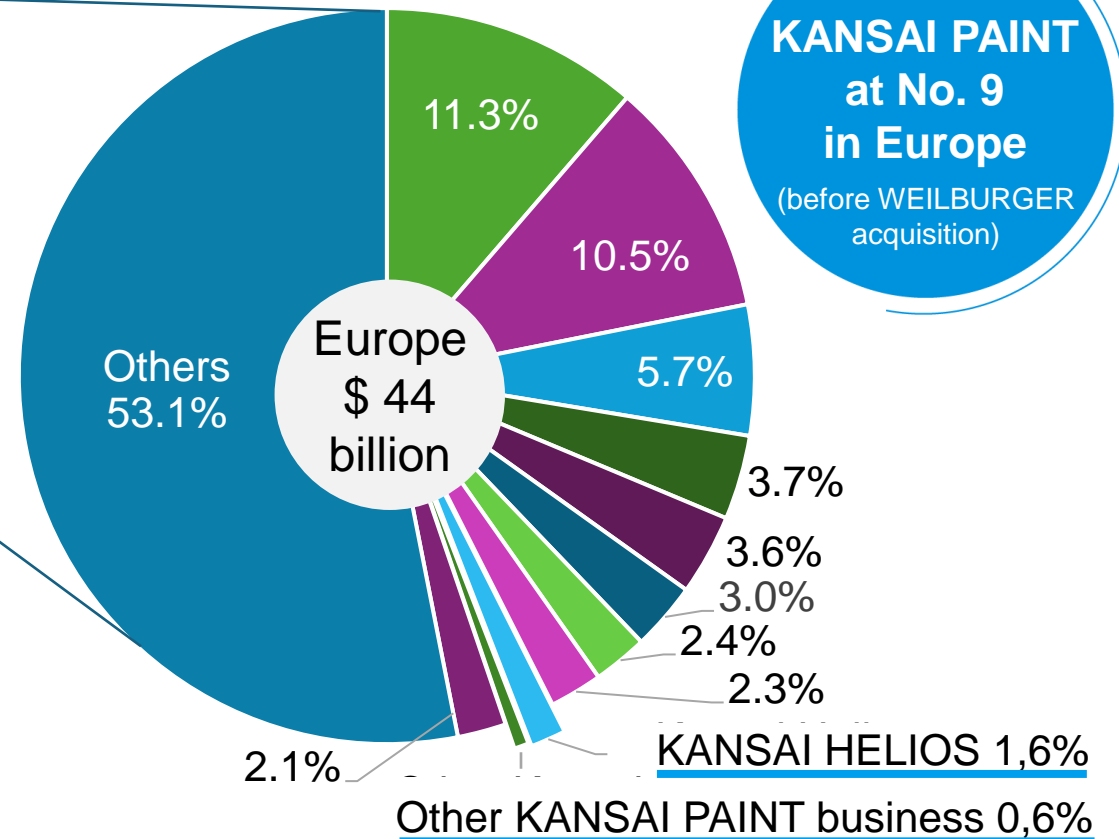
*KANSAI HELIOS doesn't have business in Automotive OEM and Marine segments.

EUROPEAN COATINGS MARKET

2023 **Global market**
(region, size in USD billion, share %)



2023 **European market**
(company, share %)

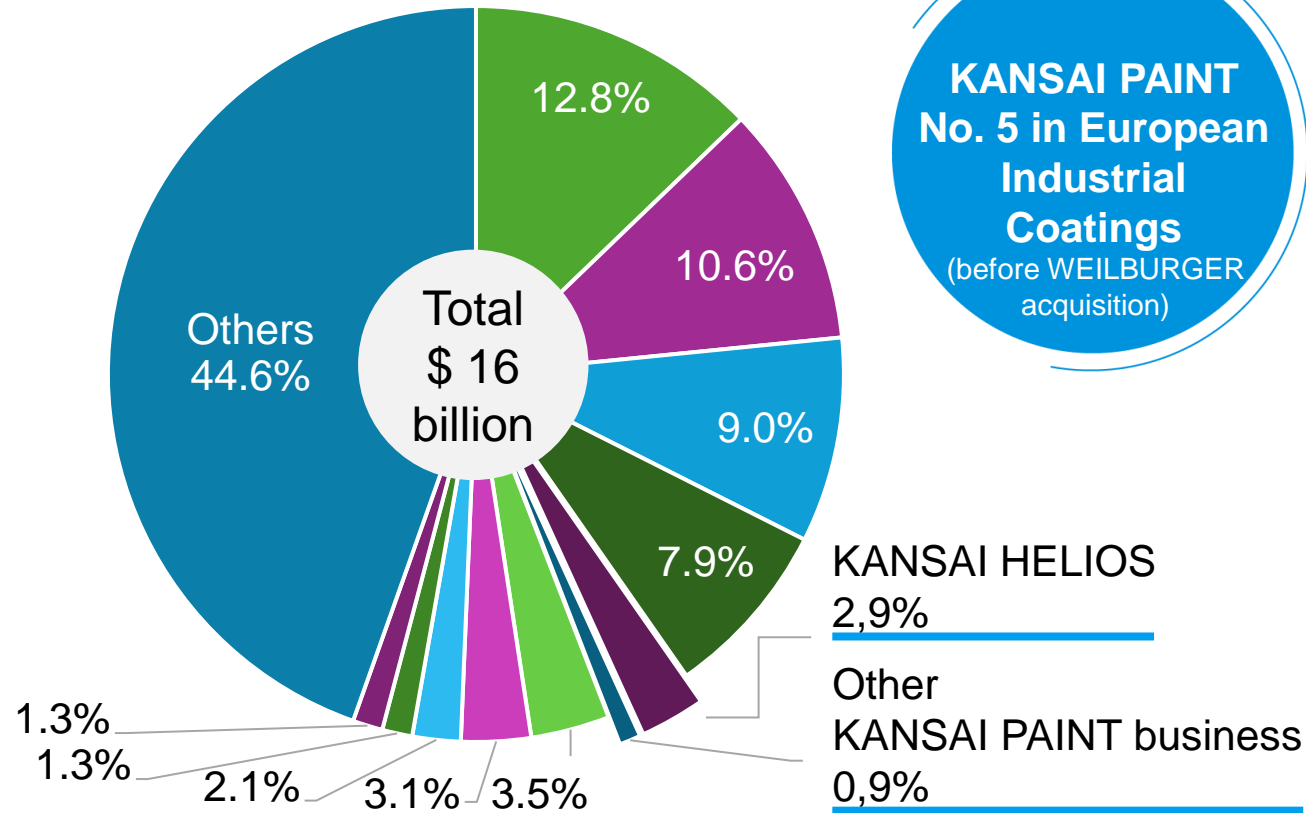


Source: ORR & BOSS, company analysis



EUROPEAN INDUSTRIAL COATINGS MARKET

2023 European Industrial Coatings market (company, share %)



Market overview:

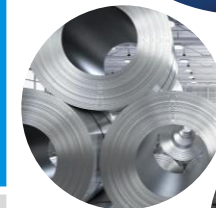
- » Limitedly concentrated by global players
- » Diverse participants including a variety of mid to small players, most of which are private businesses
- » Relatively active M&A, primarily driven by large global companies aiming for consolidation
- » Fragmented demand across diverse end-markets and customers, including some global industrial clients with their global headquarters in Europe
- » Stable and reliable supply with close customer proximity is crucial

Source: ORR & BOSS, company analysis



GROWTH POTENTIAL

Industrial Segments	Total global addressable market in million EUR	Total European addressable market in million EUR	KANSAI HELIOS market share in Europe in %	KANSAI HELIOS market position in Europe
Railway Coatings	1,097	260	20	#1
Core Plate Varnish	150	45	40	#1
High Temp. Coatings	140	40	50	#1
Non-Stick Coatings	1,242	265	13	#3
Powder Coatings	13,537	2,413	5	#5
ACE Coatings	2,219	592	4	#5



Sources: ORR & BOSS report, QYR research, own data

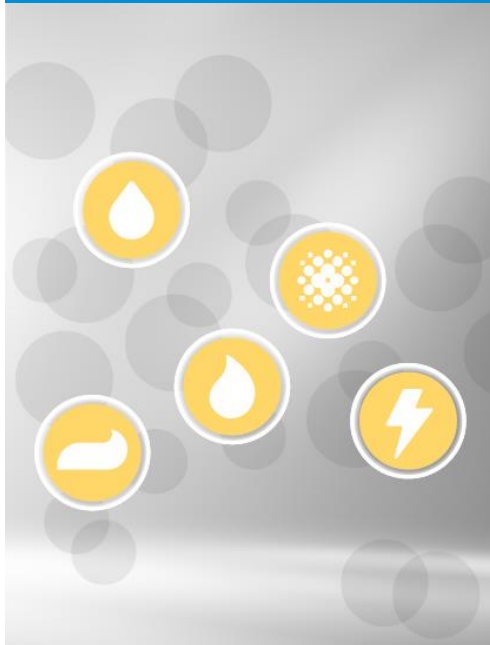
KANSAI HELIOS DNA

RESINS
BACKWARDS
INTEGRATION



Internal Resins
Production

ALL COATINGS
FROM ONE
SOURCE



System Supplier for
Industrial Coatings

INTERNATIONAL
KNOW-HOW



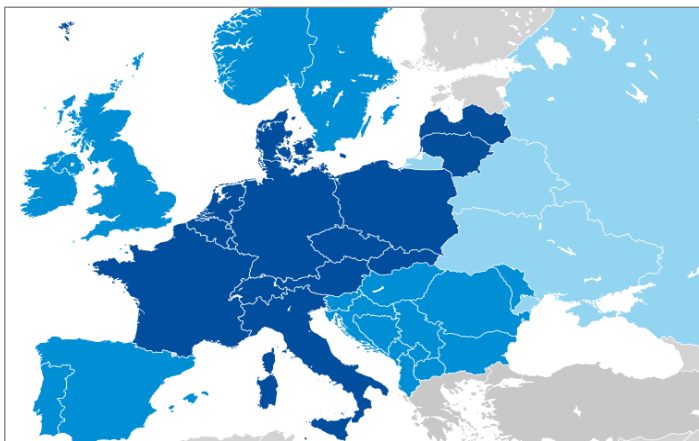
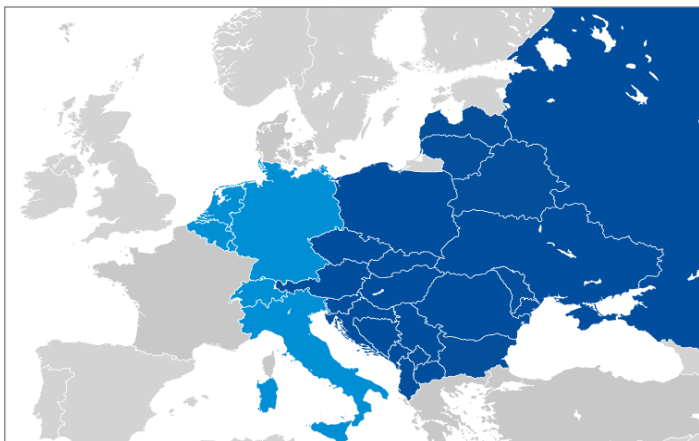
Part of a Strong
Global Group

AGILE &
CUSTOMER
CENTERED

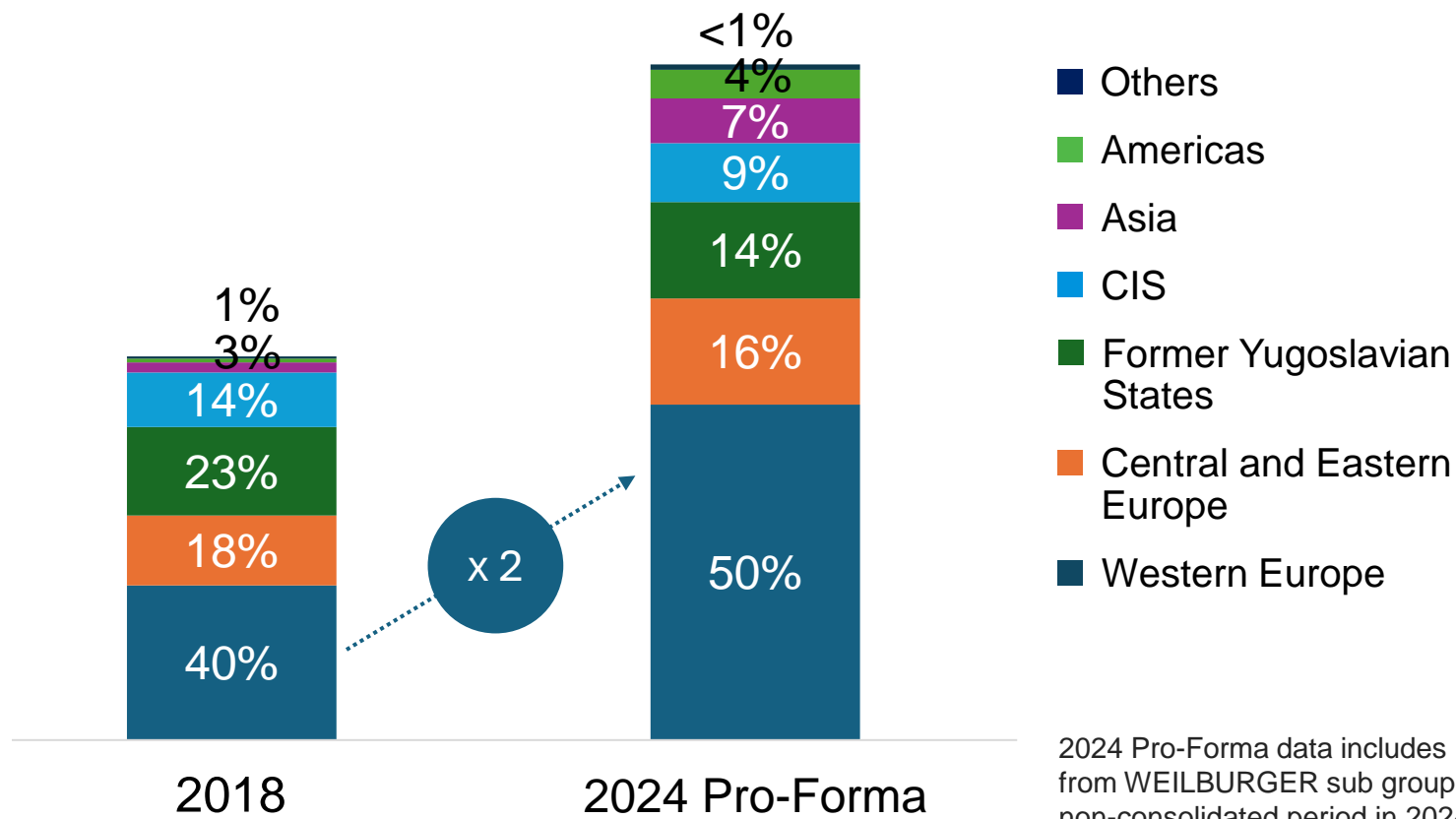


Lean Structures and
close Cooperations

FROM EAST TO WEST – FROM HELIOS TO KANSAI HELIOS



KANSAI HELIOS revenue by region



2024 Pro-Forma data includes revenue from WEILBURGER sub group during non-consolidated period in 2024.

ESG – THE ENGINE OF GROWTH

Diversity and inclusion

- >30% females in leadership positions
- >25% female employees
- High employee satisfaction



Sustainable operations

- Reduction CO₂ >30%
- 30% less water usage
- 30% less waste creation



Safety and Health

- Set highest standards
- <1.5 accident frequency



Recognition

- Platinum rating Eco Vadis
- ICC + certified products



Green technology

- more than 30% of sustainable products by 2030
- 100% renewable energy used
- >10% own green energy production



Circular economy

- Systemized re-use of waste powder coatings
- Reprocessing of waste coatings



Baseline for targets is 2021

INNOVATIVE COATINGS TECHNOLOGIES



Core Plate Varnishes and Energy Solutions

- Chromate free core plate varnishes
- Bonding core plate varnish for electric vehicles



ACE, Truck and Trailer

- Ultra-highsolid direct to metal
- Polyaspartic top coat



Powder Coatings

- Low temperature polyester
- Powder in powder solutions



Railway

- Polyaspartic clear coat



Wood Coatings

- Wood foil electron beam curing



High Temperature Coatings

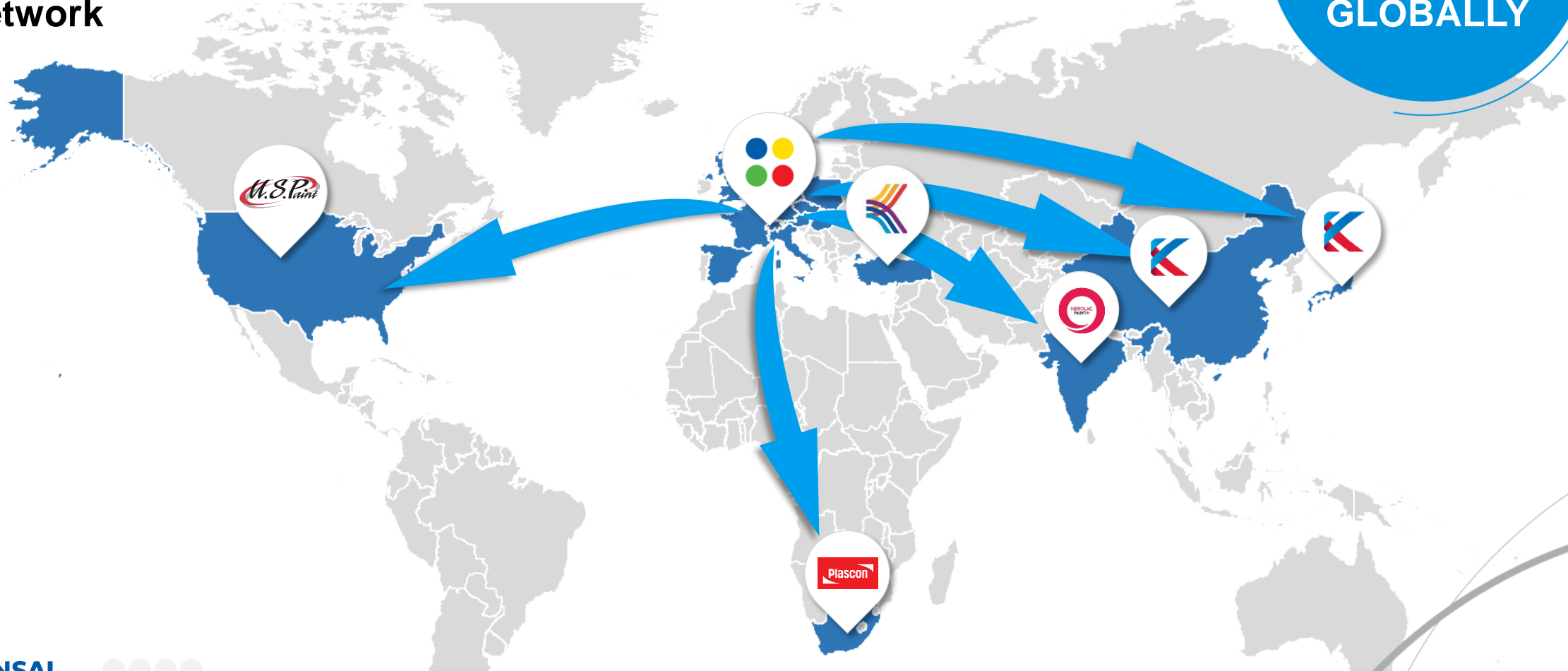
- Polysiloxane

All our innovations minimize resource use, reduce energy consumption and streamline the application process for greater efficiency – all in line with our sustainability goals.

BUSINESS BOOSTERS

1. Growth within KANSAI HELIOS reach
2. Further expansion to global key account through group network

APPROVAL IN
EUROPE,
SUPPLY
GLOBALLY



AGENDA

1

Importance of Europe for
KANSAI PAINT Group

2

KANSAI HELIOS overview

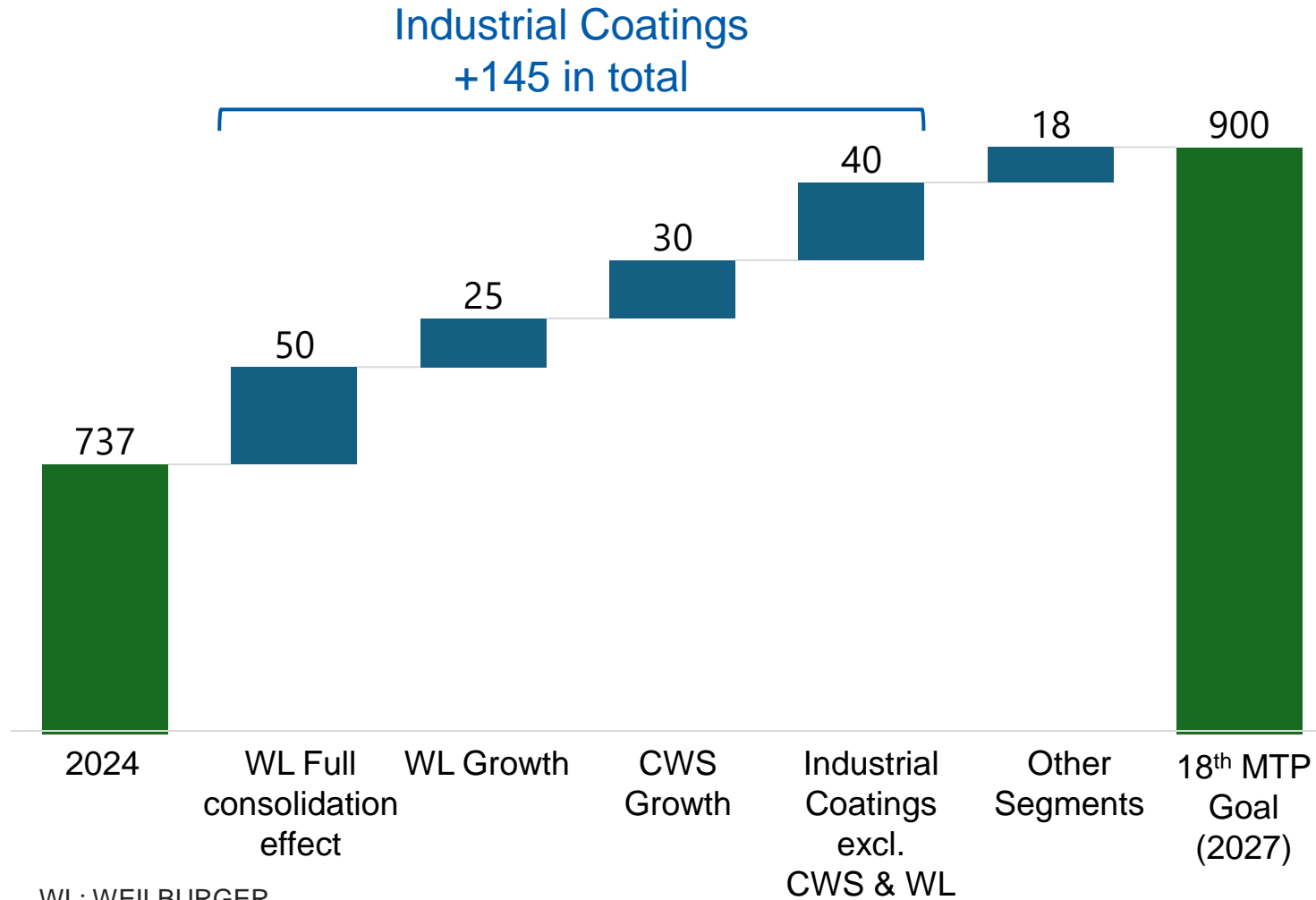
3

18th MTP & profitability improvement

4

Q&A

GROWTH ROADMAP REACHING € 900 MILLION REVENUE



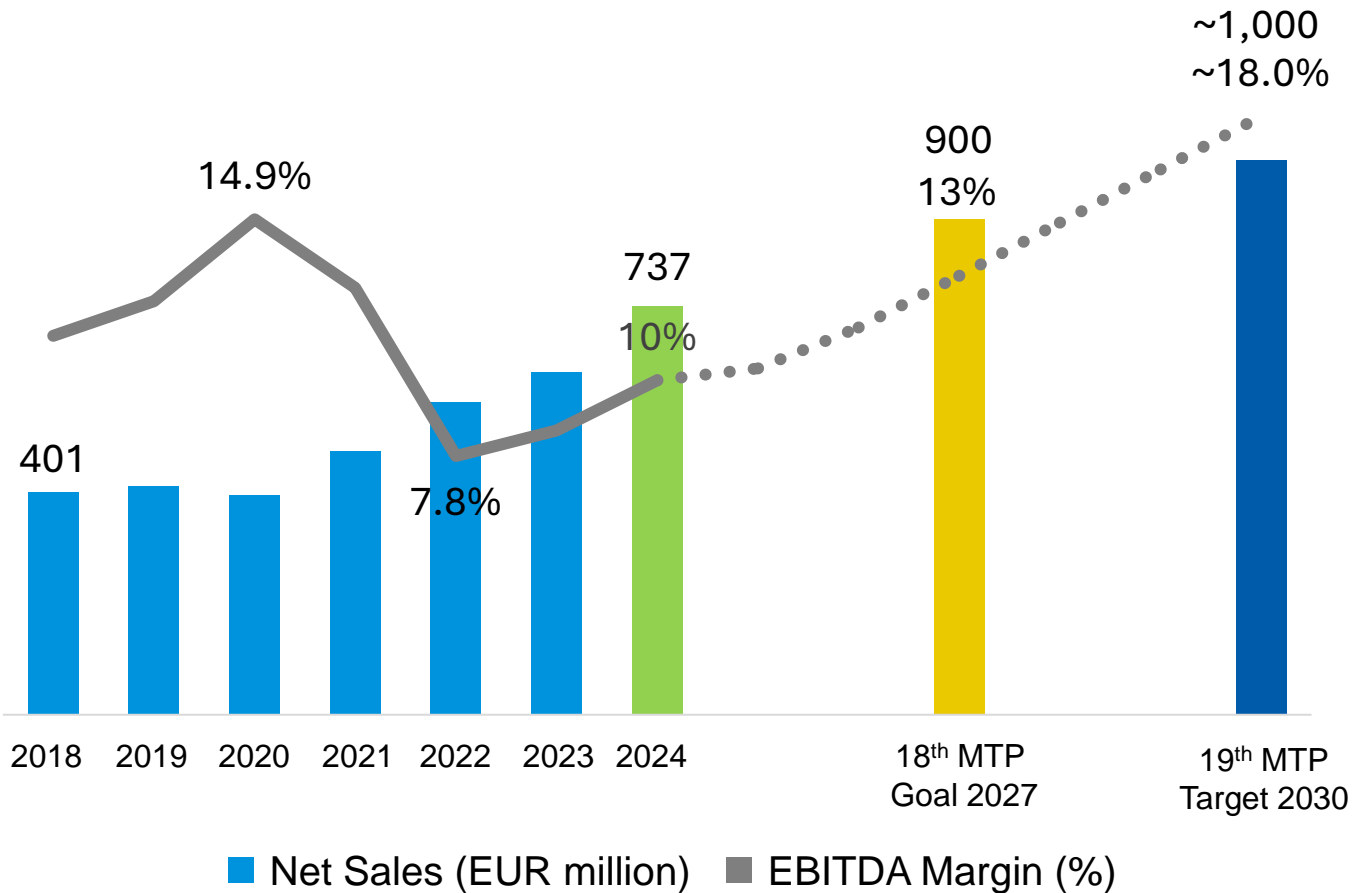
WL: WEILBURGER

Planned Growth in 18th MTP:

- » Main growth drivers in Industrial Coatings
 - Railway Coatings
 - Core Plate Varnish
 - Powder Coatings
 - ACE
 - Non-Stick Coatings
- » Recently joined group companies, CWS and WEILBURGER Sub-Groups, strongly boosted KANSAI HELIOS Group growth, coupled with sales synergies materialized in various countries

Source: Orr & Boss

KANSAI HELIOS 18TH MTP GOAL AND BEYOND



Challenges:

- » **Raw material prices:** favorable in 2018–2020 and significant disadvantages in 2021–2022
- » **Ukraine crisis** and economic sanctions toward **Russia and Belarus:** since 2022
- » **Energy price surge:** 2022
- » **Persistent high inflation**

Opportunities:

- » **COVID-19 Pandemic:** 2020 and 2021
- » Constant effort to **maintain and improve margins** through added value offerings to customers
- » **Technical innovation:** continuous advancements
- » **Series of acquisitions** including CWS (2023) and WEILBURGER (2024) and ongoing post-merger integration
- » **Further structural changes** in plan

PMI TO IMPROVE EBITDA MARGIN BY 1.5%

Areas of Integration activities and each progress level:



Governance	<ul style="list-style-type: none"> • Adaptation of rule of procedures and control in the group • Integration and standardization of group policies and rules • Alignment of organizational structures 	✓ ✓ ✓	✓ ✓
Purchasing Synergy	<ul style="list-style-type: none"> • Integration into group purchasing organization • Unification of purchasing price and payment term • Integration into KANSAI PAINT Global Purchasing Committee 	✓ ✓ ✓	✓
Cost Synergy	<ul style="list-style-type: none"> • Admin functions integration in Europe • Leverage cost and technical capability of captive resin • Integration of R&D facilities and organization • Cooperation from KANSAI PAINT global network 	✓ ✓	✓
Supply Chain Consolidation	<ul style="list-style-type: none"> • Closure of existing production sites in Europe • Integration of warehouse and logistics in Europe • Working Capital and Cash Conversion Cycle management 	✓ ✓ ✓	✓ ✓
Sales Synergy	<ul style="list-style-type: none"> • Unified sales strategies, targets and organization • Seeking cross-selling opportunities • Expansion of customer base and markets in and outside Europe 	✓ ✓	✓

FURTHER STRUCTURAL CHANGES DURING 18TH MTP

Segment group	Structural Changes
Industrial Coatings	<ul style="list-style-type: none"> • Constant portfolio review to continuous profitability and growth potential improvements • Strengthen our global reach with collaboration with KANSAI PAINT Group • Cultivate bolt-on acquisition strategies and potential mid to large targets.
Performance Chemicals	<ul style="list-style-type: none"> • Optimize cost position and margin structure continuously
Decorative Paints	<ul style="list-style-type: none"> • Analyze all strategic options to meet profitability targets



- Target to improve EBITDA margin % by ~2%
- Optimize business portfolio focused on our competitive edges
- Capturing market growth in non-European regions in collaboration with KANSAI PAINT Group

SUMMARY

KANSAI HELIOS
is becoming
the 3rd pillar for
KANSAI PAINT Group.

- Targeting € 900 million revenue with 13% EBITDA margin by 2027.
- Targeting € 1 billion revenue with 18% EBITDA margin by 2030.

KANSAI HELIOS
is the fastest growing
industrial paint
company in Europe
and will leverage this
growth
on global level into the
KANSAI PAINT Group.

- CAGR of 13.6% from 2018–2024 in industrial segment.

KANSAI HELIOS
is globally leading
sustainability and
innovation for
industrial coatings
within the **KANSAI**
PAINT Group.

AGENDA

1

Importance of Europe for
KANSAI PAINT Group

2

KANSAI HELIOS overview

3

18th MTP & profitability improvement

4

Q&A



QUESTION & ANSWER SESSION.



DISCLAIMER: 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.