

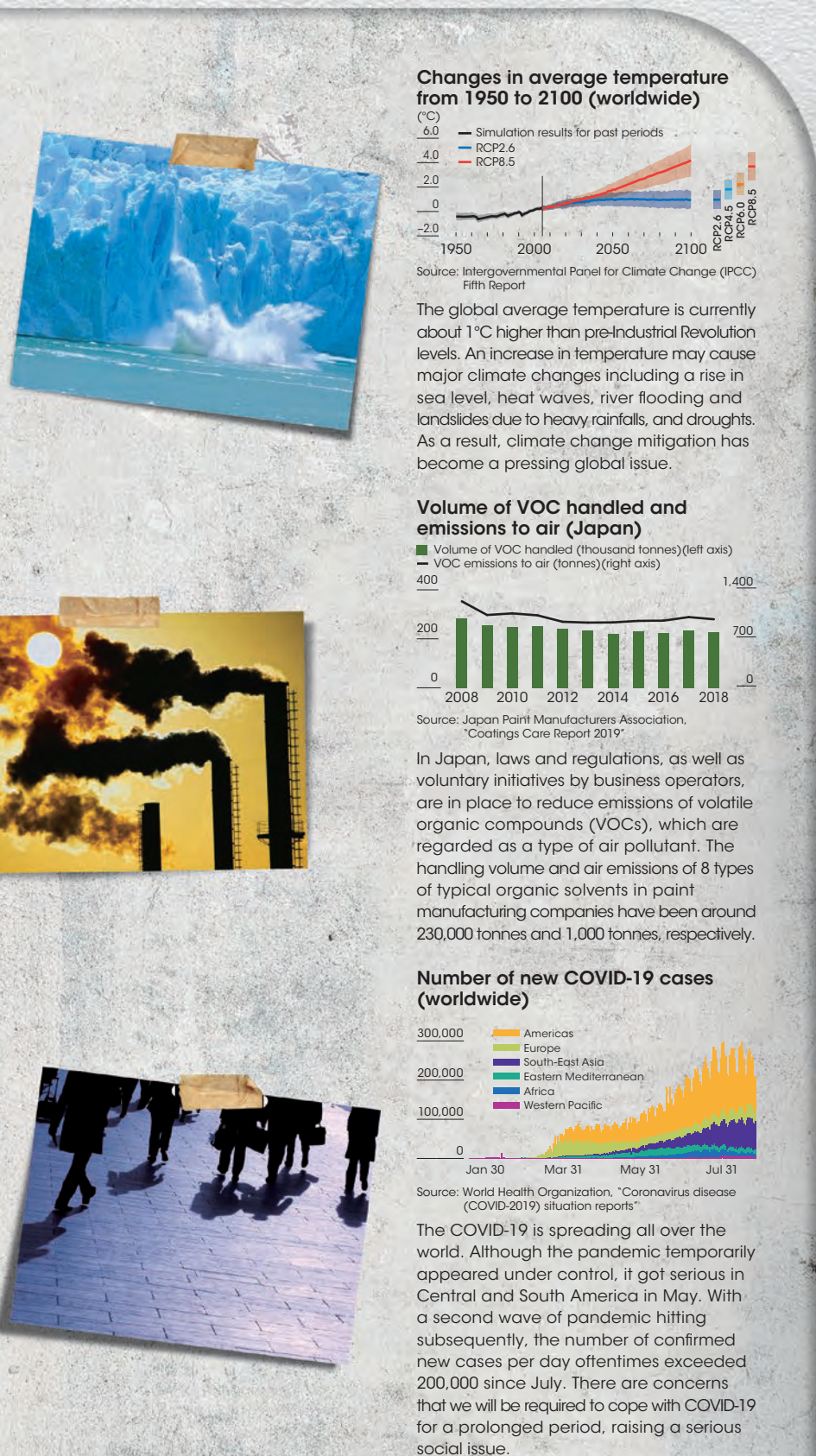
Value Creation Model

Practice value creation through management focused on SDGs and ESG



Value Creation Model

Social issues around paint industry



Nippon Paint Holdings' Maximization of Shareholder Value (MSV) model



Output

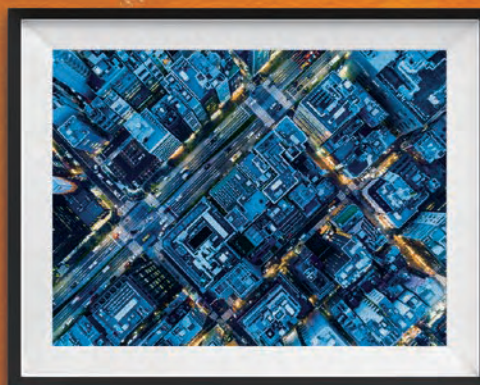


Innovating new eco-friendly technologies

NPHD engages in the development and provision of many products and technologies that can contribute to protecting the global environment and creating enriched lifestyles for people, including water-based coatings that decompose airborne chemical substances, tin-free paints for ship bottoms, and anti-viral coating products.

Providing products that support urban development

Infrastructure and buildings that support urban functions have become dilapidated through exposure to the natural environment, such as UV rays, rain, wind and snow. NPHD contributes to the development and maintenance of urban facilities by providing paints and coatings that prevent corrosion and enhance durability.



Provision of powerful brand products

NPHD has established a powerful brand in the paint markets in China and other countries. We work to further enhance this brand power by increasing the added value of products, providing solutions through products, and building trusting relationships with customers.

Outcome



Expansion of customer base

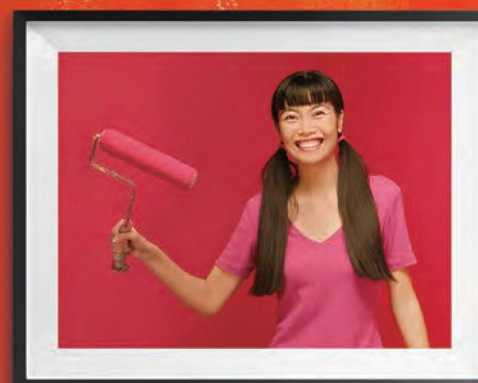


In FY2019, our consolidated revenue increased YoY by 10.3% to ¥692.0 billion due to the growth of our Chinese business and expansion of our customer base following the acquisition of two overseas paint manufacturers.

Degree of confidence in the management



NPHD positions its employees as an important management asset for value creation, and is working on employment maintenance, skill development, and helping the personal growth of employees. Our efforts have steadily translated into an increase in employees' confidence in management.



Confidence from customers

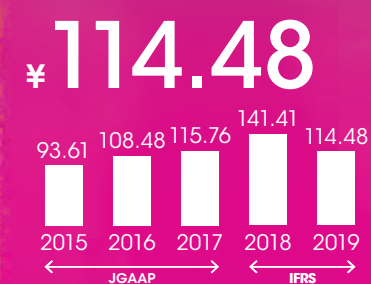
Awarded Outstanding Brand at the China Economic Summit



The LiBang brand, which the Group deploys in the paint market in China, has been awarded the Outstanding Brand Award at the China Economic Summit for 3 years in a row. In this manner, we have built a powerful brand backed by excellent technological and marketing capabilities, and earned high levels of customer satisfaction.



Earnings per share (EPS) *



* Earnings per share (EPS) as reported under JGAAP and basic earnings per share (EPS) as reported under IFRS

We believe that our management mission is to maximize the shareholder value which remains after fulfilling our duties to stakeholders, thus repaying those shareholders who took risks to invest in our shares. We will strive to deliver EPS accretion through the creation of value with the perspectives of SDGs and ESG at the core of management.

