

Message from the CEO



Masaaki Tanaka
Chairman, President & CEO

PROFILE

After graduating from the University of Tokyo's Faculty of Law, he joined The Mitsubishi Bank, Ltd. (current MUFG Bank, Ltd.). After holding positions such as President & CEO at Union Bank (current MUFG Union Bank, N.A.), Deputy President at Mitsubishi UFJ Financial Group, Inc., and President & CEO at Japan Investment Corporation, he was appointed Executive Chairman of the Board, Representative Director of the Company in 2019, Chairman of the Board, Representative Director of the Board, President & CEO in January 2020, and then Chairman of the Board, Representative Executive Officer, President & CEO of the Company in March 2020. He endeavors to maximize shareholder value by reinforcing the Group's foundation of business operations and corporate governance, reforming business structures in Japan and overseas, leveraging his expertise in financing and M&A, and utilizing his network of human connections based on his experience in managing global financial institutions.

Accelerating initiatives to contribute to solving social issues based on our technologies in paints and coatings toward maximization of shareholder value

Greetings

My name is Masaaki Tanaka and I was appointed Chairman of the Board, Representative Director of the Board, President & CEO in January 2020, and then Chairman of the Board, Representative Executive Officer, President & CEO of the Company in March 2020. Before then, I had opportunities of managing various domestic and international companies and providing guidance and advice about management. I believe Nippon Paint Holdings Group has earned high trust from customers over many years, and has the technological capability to address new social issues. It also has an extremely diverse corporate culture with the potential for significant future growth both in Japan and overseas. My mission is to bring out the full growth potential of the Group.

For instance, we have implemented numerous projects to combat the COVID-19 pandemic, which has become a serious global issue, by leveraging the comprehensive capabilities of the Group's engineering teams. The Group has operations in 29 geographical locations around the globe, and we promote "spider web management" for facilitating autonomous collaboration and cooperation between our Group companies around the globe to maximize synergies within the Group.

The Group will further accelerate such initiatives to strengthen its business foundations in the "new normal" society and deliver 'Maximization of Shareholder Value' (MSV).

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Message from the CEO

01 “Management by Walking Around”

Applying issues and insights identified “on site” to improve management

My management philosophy originates from my previous experience as the CEO of a US bank, one of the various companies I have managed. In 2007, the US bank, a listed company with over 10,000 employees, had serious compliance issues which I was assigned to resolve as the new CEO.

The first thing I did after taking position was visit work sites, calling it “Management by Walking Around,” where I would visit each branch office to communicate with employees, while also conversing with a number of independent directors. By gathering information through this practice, I was able to clarify and solve the problem. Right thereafter, we were hit by the global financial crisis in late 2008. But we managed to overcome this challenge without laying off any employees. Every time I made my rounds to the branch offices, employees would somberly mention that they were the only ones in their family that still had a job, which is what drove me to act upon the situation and help them as the CEO of the company. In the following year, the bank achieved a remarkable recovery in performance owing to their efforts. The key to success was to adopt an approach that was different from “Shareholder Primacy” that only pursues short-term profits.

This experience made me strongly aware of the importance of visiting work sites and to listen to the voices of our employees directly. Critical management issues can never be solved by sitting at a desk all day and just “receiving reports”. After being appointed Chairman of the Company in March 2019, I focused on learning more by visiting our work sites. I visited the Group’s domestic plants and business offices, as well as overseas partner companies (the term the Company uses to refer to group companies) in various locations including China, the U.S., Singapore, Australia, and Malaysia, taking local plant tours and speaking with their local management. All the initiatives I am pursuing now as CEO are based on what I learned from communicating with managers and employees of the local partner companies then. For instance, hearing that competitiveness was being undermined due to the aging of facilities and equipment in domestic plants translated into our ongoing Work Style Environment Reform project and Supply Chain



Reform project. ➡For details see p.79 “Human Resources” Upon launching the Supply Chain Reform project, we adopted the best practices and findings from similar reform initiatives that were previously undertaken by our partner companies in China and Australia. ➡For details see p.28 “Promoting DX investment in domestic production bases”

Some may think that management styles must be different between financial institutions and manufacturing companies; however, CEOs back in the days oftentimes ran a number of different businesses. In simple terms, corporate management is the act of maximizing the accumulation of people’s efforts, whereas corporate culture determines how people are motivated and mobilized. Although our activities are still impacted by the COVID-19, I would continue obtaining vital and fresh information for management by conversing with people through frequent global work site visitations and digital communication. ➡For details see p.33 “Our Response to COVID-19 Pandemic”

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02 Our culture and characteristics

Addressing social issues by leveraging our diversity and technology

Corporate culture featuring global diversity

Nippon Paint Holdings Group has more than 3,000 employees in Japan and over 25,000 employees worldwide, with each partner company in Japan and abroad having a different corporate culture.

For instance, NPHD’s Tokyo and Osaka Head Offices have an amicable corporate culture of caring for others. Every employee I run into when I visit business offices and plants in various locations says hello to me. This is certainly not the result of the “Hello Campaign” or anything else, but rather the second nature of the employees which they absorbed as part of the corporate culture. I think it’s wonderful that such corporate culture has taken root. The Company is now recruiting diverse talent from outside, and I hear that every such new employee feels the same way. Just one conversation makes people get closer to each other. The fusion between the existing employees who have been with us from the start of their career and the employees who have joined mid-career is well in progress. I want this new team to strive to overcome competition and address new social issues in an increasingly challenging environment. To do this, the team must focus on the “Power of Teamwork” as their driving force.

Unlike Japan, NIPSEA China is full of drive that reminds me of Japanese companies during the rapid economic growth period in the 1960s and 70s. NIPSEA China’s people take on all cases with an extremely positive attitude and come out with and challenge a seemingly impossible goal. ➡For details see p.37 On the other hand, DuluxGroup, an Australian company that joined the Group in 2019, has a very different corporate culture. With an overwhelming share in the local market, the company has an established position in the Australian business community and has built a solid organizational structure. ➡For details see p.49 Dunn-Edwards in the U.S. and Betek Boya in Turkey, both of which are our partner companies, also have their own excellent corporate cultures that match the national culture of each country. ➡For details see p.51, p.53 These partner companies have many wonderful things that they can learn about from each other.

I believe cultural diversity is the Group’s unique strength.

We will strive to build a stronger corporate group by fostering mutual understanding and sharing of strong points among partner companies, while respecting individuality of each company. The key to that end is to conduct “spider web” type activities that will expand the scope of synergies, while respecting the corporate culture of individual companies.

Providing the Group’s 1,000-plus engineers with fields to stimulate their full potential

What most makes manufacturing companies different from financial institutions is “technology and manufacturing.” You might say that technological capabilities are the greatest asset for a manufacturing company. The Group has more than 1,000 engineers in Japan, and my important mission is to make the company a place where engineers can truly demonstrate their fullest potential.

Many of the CEOs who have succeeded in the global manufacturing industry are highly versatile managers with excellent management practices, which they have established through perfecting their engineering knowledge. Ideally, our company will have such a person as a CEO candidate in the future. One role model is Mr. Goh Hup Jin, who is the Director of NPHD and head of Wuthelam Group, the largest shareholder of NPHD. Mr. Goh is an entrepreneur, starting out as a chemical engineer after graduating from the University of Tokyo’s Faculty of Engineering with a degree in chemical engineering, subsequently earning an MBA degree from UCLA in the U.S., and establishing the NPHD Group’s Asian operations, including NIPSEA China. To me, Mr. Goh is a wonderful partner and a great advisor.

Back to our founding philosophy

In order to be a company where engineers can demonstrate their full potential, the Company must be able to evolve its businesses in accordance with changing social needs. Market demand and the competitive environment change over time, which also change the growth potential and profitability of each business. Management’s responsibility is to determine an optimal allocation of resources based

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on such change and reform the business portfolio. Therefore, I would support the idea of applying drastic modifications to the current business portfolio, as long as those changes will further develop the company’s technologies to create promising businesses that are required by society.

Looking back on our history, the Group was founded by Jujiro Moteki who devoted himself to developing non-toxic zinc white to help women suffering from poisoning by the

white lead pigment that was contained in their face powder at the time. That is to say, the founding purpose of the Group was to solve a social challenge by developing new technology. In order for the Company to truly achieve sustainable growth with technological capabilities as its core competency and become a place where engineers can demonstrate their full potential, I think we should take another close look at our founding philosophy.

03 Management mission

Fulfilling our duties to stakeholders and maximizing shareholder value

Promoting Maximization of Shareholder Value (“MSV”)

The Group places Maximization of Shareholder Value (“MSV”) as its paramount management mission. This concept is totally different from so-called “Shareholder Primacy.” MSV is predicated on fulfilling our duties to all stakeholders, and this sets us apart from “Shareholder Primacy” and its pursuit of short-term profits by, for instance, implementing large-scale job cuts when faced with difficult financial conditions.

Shareholder value is the residual value delivered to shareholders after a company fulfills its duties required by society and other stakeholders, such as investing in operating bases for sustainable growth, ensuring coexistence and co-prosperity with our partners and vendors, compensation and other treatment for employees, supplying products to customers that meet their needs, and reducing its environmental impact. The essence of MSV is to maximize such residual value which is the management’s core mission.

Pursuing MSV to increase the wealth of society

Of all the stakeholders to whom the Group owes its duties, I place particular importance on our customers and employees.

While it is obvious that customers are important as the source of corporate earnings, a company with a B2B business model such as NPHID needs to see beyond direct customers. For example, in the automotive coatings business, there are users and consumers who purchase automobiles from the automakers who are our direct customers. By focusing on such end users as customers and understanding their needs, we can become a company that does more than just reactive work and is capable of making proactive proposals by leveraging our technologies. As Society 5.0 advances, people may start purchasing automobiles differently where they select their car model first, then choose and order their ideal coating via smartphone. The order information will then be sent to the factory through the Internet of Things (IoT) to be produced. Similarly, in the decorative

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paints business field, the users’ perspective of buildings, who come after construction companies, is necessary for productive and creative product development. Our antibacterial and antiviral products such as “Perfect Interior Air Clean,” the first and only product in the paint industry certified by the Photocatalysis Industry Association of Japan, was developed based on the perspective of “seeing beyond customers.” Under the COVID-19 related restrictions, I expect that antivirus properties will become a de-facto requirement for decorative paints within the next few years.

It is needless to say that employees are also the foundation of corporations. Whether they are regular or non-regular employees, be it at parent, subsidiaries or sub-subsidiaries, the Group values all employees who are crucial in conducting business activities as a corporate group. As I mentioned earlier, the United States was under heavy pressure from the global recession during my time at the US bank. Although layoffs were becoming rampant in the country, I promised my employees that I would protect their positions in the company, believing that such assurance needed to be prioritized for a sustainable existence and future growth. Our initial response, as well as basic policy, toward the COVID-19 pandemic was to protect our employees and their families. Based on this policy, the Company conducted PCR testing of all employees at its expense. I know from experience that employees will gain confidence to such a management policy and corporate culture that prioritizes workers, and positively react and

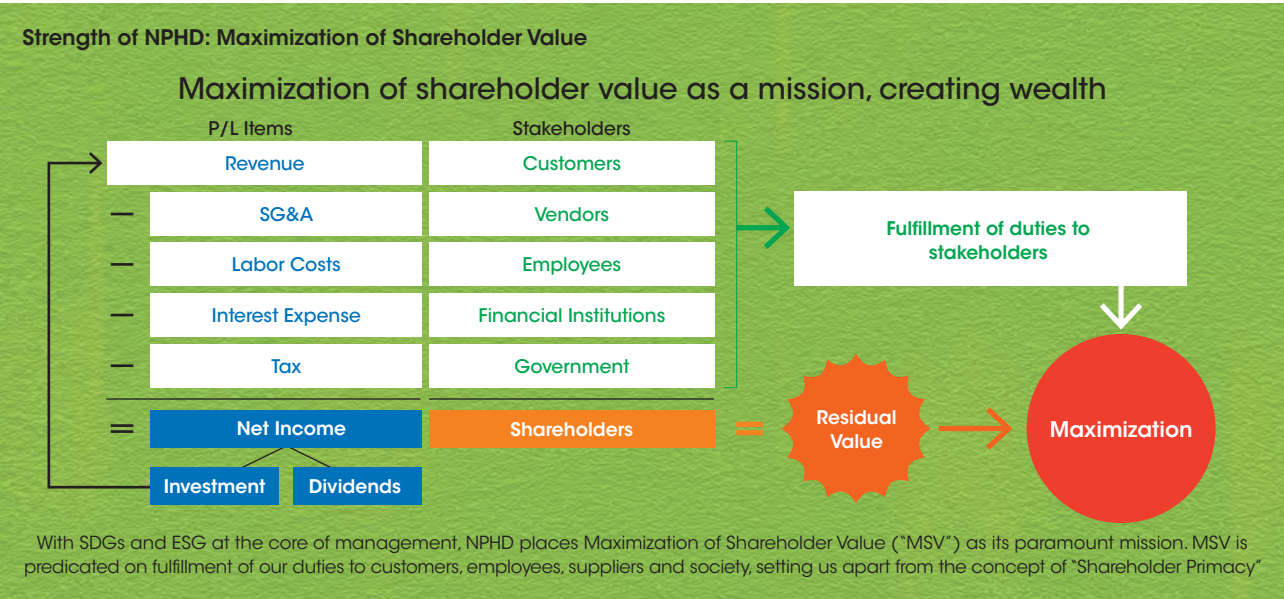
show great performance.

MSV is predicated on the idea that one of the important roles of a private company is to ‘create wealth’ in society. For instance, if we can enhance shareholder value by getting pension funds around the globe to invest in our company’s shares, we should be able to eventually enrich the lives of pension recipients through investment chains. That is to say, maximization of shareholder value leads to increasing the wealth of society as a whole, which I believe is the core of management’s mission. ➡For details see p.63 “Discussion by the Board of Directors”

Perfect Interior Air Clean



Launched in October 2017



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04 Management strategy

The importance of future vision and purpose (raison d'être)

Global strategic moves proven effective under COVID-19 pandemic

The paint and coating business is a very stable business with relatively low risk. The decorative paints market, which accounts for the majority of the Group's revenue, in particular, will grow proportionally with the increase in population and personal income. In that sense, the market environment for this business is very favorable from a global perspective.

As of September 2020, demand for paints is on a gradual recovery path after plummeting temporarily due to the COVID-19 pandemic, and the Group has indeed been impacted by such market fluctuations. Despite the challenging environment, the Group announced its full-year earnings forecast for FY2020 on August 14: revenue of ¥730 billion; operating profit of ¥66.0 billion; and an operating profit margin of 9.0%. This is due to the steady outcome of our strategic actions based on the 'N-20' medium-term management plan, which the group kicked off in 2018. The deployment of global strategies, such as deepening collaboration with NIPSEA companies and the large-scale acquisitions of DuluxGroup in Australia and Betek Boya in Turkey, have certainly borne fruits of establishing a resilient corporate structure.

Future strategy and management direction

1

SDGs/ESG as the core of management for value creation

2

Investment in domestic manufacturing sites to enhance productivity

3

Growth through M&A

4

Investing in R&D to address social issues

5

Further improvement of global governance

Formulation of next medium-term management plan

Approach to the next medium-term management plan

Regarding the next medium-term management plan starting from FY2021, we intend to drastically change the approach and idea of the medium-term management plan itself. Previously, the Group had imposed a top-down approach in implementing medium-term management plans whereby plans formulated in Japan would be executed by each partner company around the world. For the next medium-term management plan, each partner company is currently drawing up their own plans. All management teams of our partner companies will assemble to discuss what we will aim to achieve as a group and kick off the planning process from the autumn of 2020.

Additionally, we will change our ideas and attitude toward the concept of our new mid-term goals by referencing the procedures of leading global competitors. This comes from my belief that a company should clarify its future vision, mission and purpose (raison d'être), both internally and externally in its mid-term plan, instead of merely reporting numerical targets that are subject to market conditions and exchange rate fluctuations. As the indicator of MSV, we will continue to place importance on basic earnings per share (EPS). However, I have no intention of running our company focusing only on e.g. achieving ROE in excess of cost of equity.

In light of the increasing importance of responding to global social issues set by the United Nations' Sustainable Development Goals (SDGs), as well as implementing initiatives from non-financial aspects (ESG), the Group will further communicate with our shareholders and investors and create a medium-term management plan after carefully assessing the interest and focus of the capital market participants.

Growth and synergy creation through M&A

The Group's growth strategy will continue to center on M&A strategies domestically and abroad. Although it is important to pursue organic growth, including the creation of new businesses and products, we will aggressively pursue M&A strategies, both domestically and abroad, to achieve growth

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that is more dynamic. We will benchmark companies that are positioned above the Group in the global ranking of market share, and implement M&A strategy with an eye to catching up and overtaking such competitors.

Despite Post-Merger Integration (PMI) being an important element for a successful M&A, we will not adopt the Western-style PMI strategy in which the previous management team is completely replaced and the acquired company forced to follow their management style. Instead, we intend to keep the management team of the acquired company as-is and have them join our Group. The whole idea behind this is to make the acquired company feel like they have gained an opportunity to enhance growth and to fully exploit additional business opportunities created through joining our Group.

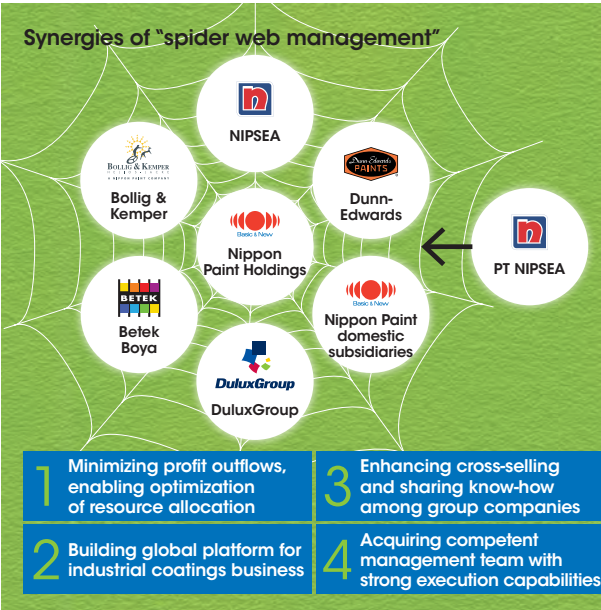
➡For details see p.87 "Message from the CFO"

Creating autonomous synergies through "spider web management"

The decorative paints business, our mainstay business, features local production for local consumption. For this reason, taking cross-functional control from the holding company, NPHD, over the businesses would be meaningless.

Instead, we must encourage our partner companies to learn from each other to create synergies. Based on this idea, NPHD devised the 'spider web management' style, designed to foster organic collaboration and cooperation among partner companies in each region rather than implementing centralized control by NPHD, to pursue autonomous growth. I, as the CEO of NPHD, will be in charge of appointing and dismissing the CEO and the financial strategy of each partner company from a governance perspective. But, for other matters, each partner company will take responsibility of executing autonomous initiatives to generate various synergies. To that end, a Corporate Officer in charge of international businesses will be assigned to each region to serve as a link between NPHD and that region, and to encourage the sharing of information and the exploration of synergies.

For instance, the DuluxGroup has a building materials business such as adhesives that was derived from its decorative paints business. Considering that the building materials business has prospects for demand growth in the Chinese market, where NIPSEA China operates, the DuluxGroup has launched a collaborative project with NIPSEA China. The Group looks forward to creating more autonomous synergies, such as the example between the DuluxGroup and NIPSEA China, by having each management team carry out in-depth opinion exchanges through the use of the latest digital technologies. ➡For details see p.9 "Value Creation Model"

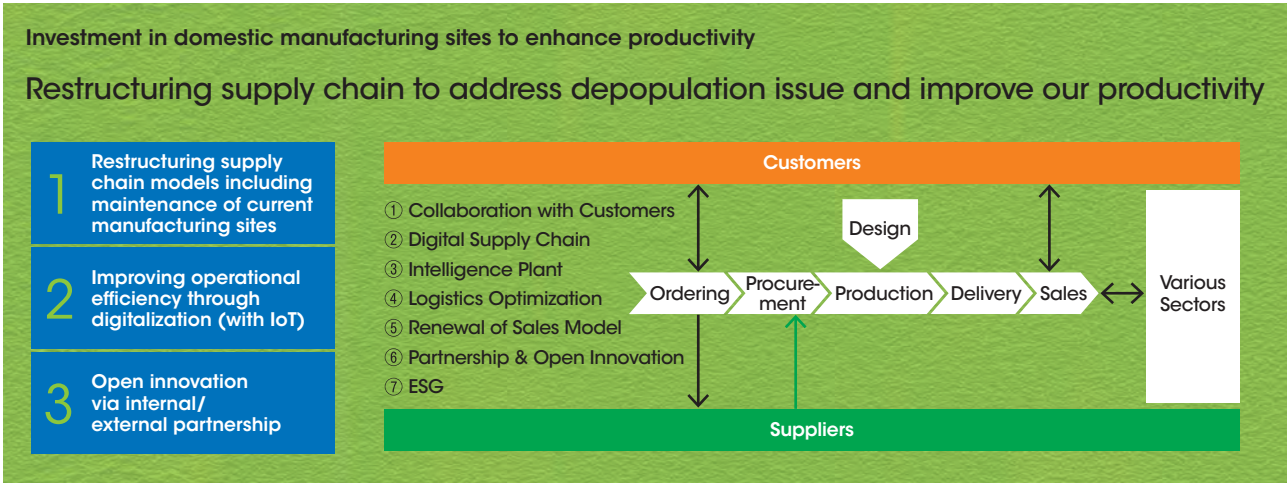


Promoting DX investment in domestic production bases

The Group has been stepping up capital investments, including investments for automation and energy saving, in its domestic production bases since FY2019. I believe that now is a pivotal moment to drastically advance digital transformation (DX) in terms of promoting sustainability as a corporation in the face of aging human resources and a declining working population. At the same time, we plan on reviewing not only our production sites but also the entire supply chain, including optimal allocation of plants and logistics systems. Such reviews are underway in several phases, led by the Supply Chain Planning Department, which was newly established as a department directly reporting to the President & CEO.

We are also intensifying investments in ICT communications to reform work styles in offices. The COVID-19 pandemic has prompted the acceleration of remote working which has shown quite a few benefits in eliminating waste. Therefore, we will continue to take advantage of and further expand the benefits of remote working going forward. On the other hand, operations involving human work are deemed to pose a risk from the aspect of business continuity and also are a subject for productivity improvement. For that reason, we will automate and streamline all-encompassing and standardized operations as much as possible using ICT. To this end, we have and will recruit ICT experts from outside and develop a worksite environment that will allow employees to concentrate on more sophisticated operations.

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05

ESG management

Ensuring sustainable growth

Reinforcement of global governance

NPHD is a listed company with a major shareholder (Wuthelam Group) holding 39% of the outstanding shares. As a result, we need to address concerns toward working for the sole interest of such major shareholder, as it undermines the interests of the minority shareholders who comprise the remaining 61%. Our main goal in transitioning to a Company with a Three Committees Structure (Nomination, Audit and Remuneration), based on the approval of the general meeting of shareholders in March 2020, was to respond to such concerns. Wuthelam Group, our major shareholder, also has a deep understanding of our commitment to practice MSV together with minority shareholders. There may be cases in which management decisions come into conflict with the interests of minority shareholders. In order to avoid such circumstances, the Group will maintain a structure in which the majority of the Board of Directors is comprised of independent directors. ➡For details see p.67 "Corporate Governance Structure and Initiatives"

Moreover, the risk of misconduct at overseas subsidiaries could increase with the global expansion of business

operations. It is thus very important to reinforce the global audit system. To address this issue, we invited an expert to chair the Audit Committee, strengthening the rigorous global audit system as a company-wide system. In terms of reinforcing the global audit system, we set up a reporting line that allows reports to be made from the Audit Department to both the executive department (President & CEO) and the Board of Directors (Audit Committee). This enables the Audit Committee to detect misconduct should I myself, as the President, ever commit any. Looking at examples from other companies, there were many cases of misconduct that involved top management and which were undetected for a long time because information did not reach the Board of Directors. By establishing a double reporting line, we set up a system that definitely forestalls such cases from occurring.

One of the issues from the governance aspect is the promotion of diversity. In this respect, we welcomed a female outside director—our first ever since the foundation of the Company—in March 2020, and appointed two female corporate officers in 2019 as we intend to further enhance diversity going forward. ➡For details see p.65 "Directors and Executive Officers"

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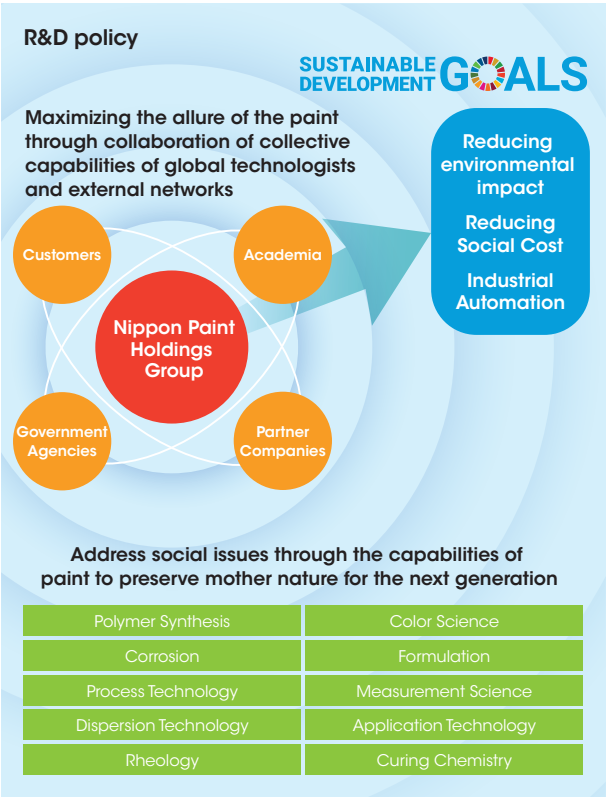
Sustainable growth through resolution of social issues

The perspectives of SDGs and ESG are very important in today's corporate management. Working toward resolving social issues is our founding point, and we need to make efforts in creating value focusing more on this perspective. We will not take a passive stance in responding to external needs but endeavor to create new products and businesses with a proactive attitude, imagining ways we can apply our technologies to solve social challenges.

Regarding the Group's response to urgent social issues, we are working on developing antivirus coatings that help combat the COVID-19 pandemic. These products will certainly turn into a promising new business if they can truly contribute to providing safety and security to people's lives. The industry-academia co-creation agreement concluded with the University of Tokyo in May 2020 is part of such initiatives. Under this agreement, we will conduct joint research and development activities with an eye on 'post-COVID-19 society' for a period of five years through to 2025. I have high expectations for this collaboration with the University of Tokyo, which boasts an outstanding track record in a wide range of research fields.

In step with establishing this collaboration, we set up Advanced Product Development as an R&D unit that directly reports to the President & CEO. The primary mission of Advanced Product Development is to develop a group of paint, coating and surface treatment products with antiviral features. In addition, I expect this unit to integrate all the Group's technologies with the latest technologies and networks owned by the University of Tokyo to create products and businesses that will help solve many other social challenges. I'm hoping that this will serve as a kind of shock therapy. I want engineers to re-acknowledge that creating a new business is tackling the social issues we face, and I encourage them to show their "engineering spirit". ➡For details see p.57 "Research and Development"

There should be a number of new research themes that come to mind by fully understanding social issues. For instance, I think white lane markings that assist self-driving is one of the promising themes for the future. If we can use white lines that accurately react to sensors even when the road is covered with snow, it will significantly contribute to the penetration of self-driving. It will be an example of solving social issues through the evolution of our technologies. If we find any promising themes that can be identified through the process of technology development, we will lavishly spend our management resources on such innovation in the hopes of commercializing it.



Ingraining our founding spirit into the Group's DNA

We established the ESG Promotion Department to foster the penetration of management with SDGs and ESG at the core across the Group's organization globally. The Group, led by this department, recently formulated the ESG Statement. This ESG Statement, developed while sharing the formulation process with each partner company around the globe, was announced upon approval from all 25,000 of the Group's employees. It is meaningless to create and release a statement just as a formality if it does not reach all of our 25,000 employees. My idea was to carefully undertake the process of creating the ESG Statement to diffuse the founding spirit of the Company globally and to ingrain the concept in each partner company as DNA. ➡For details see p.61 "ESG Management"

By getting employees all over the world to squarely face social issues and work toward resolving them by applying all the Group's technologies, I am confident that the Group will continue to demonstrate sustainable growth.

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06 Evolving our strategic partnership

Adopting a new framework for accelerating further growth

Boosting net profit by 60% and EPS by more than 10%

Achieving 100% ownership of Asian JVs is something that has grasped the attention of investors and the media for many years. On August 21, 2020, NPHD reached an agreement with Wuthelam Group to acquire a 100% stake in Asian JVs, as well as Indonesia business that has both growth potential and profitability. I would like to elaborate on the significance and benefits of these transactions.

NPHD has evolved its partnership with Wuthelam Group through joint ventures over nearly 60 years. With our acquisition of 100% stake in Asian JVs following their consolidation in 2014, we can bring our partnership with Wuthelam Group to fruition, allowing us to reinforce the management bases of two companies that are integrated in both name and reality. Based on this new management structure, we will further accelerate growth of the Group going forward.

According to a simulation based on certain assumptions, this acquisition will increase profit attributable to the parent company by approx. 60% and EPS by more than 10%, making it also sufficiently attractive from the perspective of protecting the interests of minority shareholders.

In addition, increasing capital through a third-party allotment will allow us to strengthen the financial base to accelerate M&A activities in the future. This structure is also an ideal one from this perspective. In light of all this, I believe the acquisition will contribute to the Maximization of Shareholder Value.

Transforming and simplifying our ownership structure

Prior to this transaction, Wuthelam Group held 39.6% of NPHD's shares, a 49% stake in Asian JVs, and a 100% stake in Indonesia business. This ownership structure has been pointed out to be complex with outflows of minority interests from Asian JVs, which are the engine of the Group's growth, and a possibility of interest conflicts in terms of governance.

After the implementation of this transaction, Wuthelam Group will own 58.7% of NPHD shares and NPHD will hold a 100% stake in Asian JVs, so that the ownership structure will be simplified and easy to understand.

As a result, the interests of major and minority shareholders will be perfectly aligned, and Maximization of Shareholder Value ("MSV") will be a shared objective for both Wuthelam Group and minority shareholders.

For minority shareholders, while the ratio of voting rights per share will decrease, earnings per share (EPS) will increase, which is an important point of the transaction.

Increase in Wuthelam Group's shareholding is a result of our financing

After this transaction, Wuthelam Group will become a shareholder with 58.7% shares of NPHD. To elaborate a little on this matter, this is not a transaction in which the purpose of Wuthelam Group was to acquire Nippon Paint Holdings or make it a controlling subsidiary, nor did we receive a takeover bid (TOB) for our shares from Wuthelam Group. The increase in Wuthelam Group's shareholding in NPHD is merely the result of our negotiations to obtain financing from Wuthelam Group to achieve further growth.

Transaction summary

1

NPHD agreed with Wuthelam to increase its stake in Asian JVs to 100% and acquire its Indonesia business

2

This agreement will bring our 60-year-long partnership to perfection and build a strong foundation for accelerated growth

3

Profit attributable to shareholders to increase by c. 60% and EPS by 10% or more

4

Structure to strengthen balance sheet allowing for future growth

Transaction enables full capture of growing Asian businesses, realizing substantial profit increase, minority shareholder protection, and maximization of shareholder value (MSV)

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Accordingly, there is the possibility that Wuthelam Group's ownership in NPHD could decline if we decide to carry out public offerings, etc. in the future. Mr. Goh Hup Jin says he will accept it. Regardless of this transaction, NPHD has already established a corporate governance structure that allows us to protect the interests of minority shareholders. That is, we have shifted to a Company with Three Committees Structure with the approval of the general meeting of shareholders held in March 2020, nominating independent directors to two-thirds, or six of the nine positions available on the board.

From the Company's management perspective, Asian JVs, which will become our wholly-owned subsidiaries as a result of this transaction, have a total of 16,000 employees. Following the acquisition of Indonesia business, more than 6,000 employees will join our Group.

Our working hand-in-hand with Mr. Goh Hup Jin is necessary to firmly support the employees who engage in our Asian operations in various parts of the region, as well as working together with them toward further growth of the Group. We will strive to ensure the growth of Nippon Paint Holdings Group while obtaining advice from Mr. Goh Hup Jin, who will continue to be our important partner.

There will be no changes to our management structure as a result of the increase in Wuthelam Group's shareholding in NPHD, and we will maintain our listing.


Chairman, President & CEO

Maintaining a great partnership with MSV as a shared objective



Goh Hup Jin
Wuthelam Holdings
Managing Director

On August 21 this year, Nippon Paint Holdings announced the acquisition of Asian JVs and Indonesia business currently owned by Wuthelam Group. Upon this announcement, President & CEO Masaaki Tanaka of Nippon Paint Holdings held a press conference and explained the details and our intention behind this transaction.

I fully support what Mr. Tanaka said at the press conference. In particular, I would like to stress that the increase in Wuthelam Group's shareholding in Nippon Paint Holdings is merely the result of our financial arrangements associated with the sales of Asian JVs and Indonesia business.

This transaction will cause an improvement in the financial base and drive further growth of Nippon Paint Holdings Group, including the NIPSEA Group, in the future, as well as bringing about a significant boost in profit and EPS accretion.

I have no intention of making changes in the partnership between these two companies that is working so well. I have high expectations for Maximization of Shareholder Value (MSV) that will be delivered following this transaction.