

## Key Non-Financial Data

Non-financial indicators	2018/12	2019/12	2020/12	2021/12	2022/12
<b>Human resources/organizations (Human capital)</b>					
Number of Directors of the Board (persons) <sup>1</sup>	10	11	9	8	11
Ratio of Independent Directors of the Board (%) <sup>1</sup>	50.0	45.5	66.7	75.0	72.7
Number of employees (persons)	20,402	25,970	27,318	30,247	33,763
Ratio of overseas employees (%)	84.2	87.0	87.2	87.8	89.2
Ratio of female employees (Global) (%)	—	—	24.0	25.9	26.6
Ratio of women in managerial positions (Global) (%) <sup>2</sup>	—	—	23.8	23.0	24.8
Ratio of women in managerial positions in Group companies (Japan Group) (%)	4.1	4.3	4.9	6.2	5.4
Percentage of male employees who used parental leave (Japan Group) (%)	—	—	6.8	16.0	51.4
Lost workday case rate (Global) (per 200,000 hrs) <sup>3</sup>	—	0.51	0.39	0.38	0.50
Recordable case rate (Global) (per 200,000 hrs) <sup>3</sup>	—	1.29	1.08	0.91	0.90
Number of fatalities (Global) <sup>3</sup>	0	0	0	2	0
Employee satisfaction levels (Japan Group) (%)	82	83	90	89	81
<b>Technologies (Manufactured capital)</b>					
New Product Sales Index (NPSI) (Japan Group and NIPSEA Group) (%)	—	—	—	21.1	20.0
Technical staff (Global) (persons)	3,085	3,545	3,873	3,421	3,895
Granted patents (Global) (cases)	—	—	—	1,000	1,508
<b>Customer base (Social and relationship capital)</b>					
Number of countries/regions where Nippon Paint Group has the No.1 market share in decorative paints	5	8	8	8	13
<b>Brands (Intellectual capital)</b>					
Expenses for investment in social contributions (USD million)	—	—	14.60	7.08	7.75
<b>Nature/environment (Natural capital)</b>					
Greenhouse gas emissions (Scope 1 and 2) (Global) (kg/t) <sup>4</sup>	—	54.3	51.1	48.8	55.6
Renewable energy consumption (%) <sup>5</sup>	—	0.1	0.2	0.5	4.6
Renewable electricity consumption (%) <sup>5</sup>	—	0.3	0.4	1.0	10.3
Greenhouse gas emissions (Scope 1 and 2) (Japan Group) (kg/t)	36,430	45,714	42,374	43,016	41,513
Greenhouse gas emissions (Scope 3) (Japan group) (million t-CO <sub>2</sub> )	—	—	1.0	1.3	1.2
Greenhouse gas emissions (Scope 3) (DuluxGroup (Pacific)) (million t-CO <sub>2</sub> )	—	1.0	1.0	1.0	1.0
Energy consumption (Global) (GJ/t) <sup>3</sup>	—	0.47	0.45	0.40	0.51
Waste generated (Global) (kg/t) <sup>6</sup>	—	11.3	10.1	11.1	15.9
Waste recovered (Global) (kg/t) <sup>7</sup>	—	6.0	4.5	4.5	6.3
Waste recovered (Global) (%) <sup>7</sup>	—	53	45	41	42
Hazardous waste generated (Global) (%) <sup>6</sup>	—	45	42	37	33
Water withdrawal (Global) (kL/t) <sup>3</sup>	—	0.69	0.56	0.54	0.58
Water consumed (Global) (kL/t) <sup>6</sup>	—	0.44	0.33	0.36	0.39
Ratio of water-based paints in decorative paints business (Global) <sup>8</sup> (%)	83.8	86.7	87.5	89.9	82.2

<sup>1</sup> Number of Directors who assumed office after the conclusion of the Ordinary General Meeting of Shareholders held during the current fiscal year. The FY2021 figure is the number of Directors in office on or after April 28, 2021

<sup>2</sup> Including Nippon Paint Holdings (NPHD)

<sup>3</sup> The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology and JUB beginning in FY2022), Dunn-Edwards

<sup>4</sup> The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology beginning in FY2022 and excluding JUB)

<sup>5</sup> The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology and JUB beginning in FY2022)

<sup>6</sup> The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology and JUB beginning in FY2022), Dunn-Edwards (beginning in FY2020)

<sup>7</sup> The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (excluding Cromology and including JUB beginning in FY2022), Dunn-Edwards (beginning in FY2020)

<sup>8</sup> From FY2019 to FY2022, calculated based on shipment volume; starting in FY2022, based on sales volume

The scope of coverage: NPTU, NIPSEA, Dunn-Edwards, DuluxGroup (beginning in FY2019), Cromology and JUB (beginning in FY2022)

## Status of Inclusion in Indexes/External Evaluation



General

Selected for the second consecutive year as a constituent of the MSCI Japan ESG Select Leaders Index (June 2023)

### 2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Selected for the second consecutive year as a constituent of the FTSE Blossom Japan Sector Relative Index (June 2023)

Selected for the second consecutive year as a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index (June 2023)



FTSE4Good



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

Selected for the 12th consecutive year as a constituent of the SOMPO Sustainability Index (June 2023)



Human resources/organizations

Selected for the first time as a constituent stock of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (June 2023)



Selected for the fourth consecutive year as a constituent of the MSCI Japan Empowering Women Index (WIN) (June 2023)

### 2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



Technologies

Received the Special Prize in the renovation category and the interior wall paint category of the 25th Good Painting Color (GPC) Environment Color Competition (January 2023)

Received the Environmental Technology Award 2020 for technology to develop high-durability heat shield coating for road surfaces (May 2021)

Received the GREEN4SEA Technology Award for AQUATERRAS antifouling paint (April 2021)



External partners

Received the Special Excellence Award (Quality Management) from Toyota Housing Corporation for the 12th consecutive year (May 2023)



Customer base

Selected for the 12th consecutive year as the No. 1 paint brand by the top 500 Chinese real estate developers (March 2023)

Selected as influential brand among the nation/consumers in 2022 (December 2022)



Brands

Nippon Paint China was selected for the second consecutive year among Brand Finance's Top 10 Most Valuable Paint Brands in the World (June 2023)

Selected as No. 1 wall paint brand for the seventh consecutive year and as No. 1 wood paint brand for the 11th consecutive year in the China Brand Index (C-BPI) (April 2023)

Several DuluxGroup brands recognized as Australia's Most Trusted Brands (April 2023)

Awarded the 1st place in the wall paint category and the wood paint category of China Net Promote Score (C-NPS) (January 2023)



Financial base

Selected for the ninth consecutive year as a constituent of the JPX-Nikkei Index 400 (August 2023)



Selected as a constituent stock of JPX Prime 150 Index (May 2023)



Nature/environment

Selected for the sixth consecutive year as a constituent of the S&P/JPX Carbon Efficient Index (June 2023)



Corporate, Stock, Ratings and Stock Price Information (as of December 31, 2022)

Corporate Profile

<b>Trade name</b>	Nippon Paint Holdings Co., Ltd.	<b>Founded</b>	March 14, 1881
<b>Head Office</b>	Tokyo Head Office MUSEUM TOWER KYOBASHI, 14th floor, 1-7-2 Kyobashi, Chuo-ku, Tokyo, Japan Tel: (+81) 3-6433-0711	<b>Capital</b>	671,432 million yen
	Osaka Head Office 2-1-2 Oyodo Kita, Kita-ku, Osaka-shi, Osaka, Japan Tel: (+81) 6-6458-1111	<b>Number of employees</b>	33,763 (consolidated)
		<b>Fiscal year</b>	January 1 to December 31

Stock Information (as of December 31, 2022)

<b>Total number of authorized shares</b>	5,000,000,000
<b>Total number of issued shares</b>	2,370,512,215
<b>Number of shareholders</b>	16,109

Distribution by type of shareholders (ratio of the shares owned)

Foreign investors	79.69%
Financial institutions	12.91%
Individual and other investor	3.79%
Other Japanese corporations	2.91%
Financial instruments business operators	0.70%



\*1 The treasury stock of 22,036,217 shares is included in "Individuals and other investors."

Name	Number of shares (thousands)	Shareholding ratio (%)
Nipsea International Limited	1,293,030	55.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	134,787	5.73
Fraser (HK) Limited	85,000	3.61
CLEARSTREAM BANKING S. A.	84,478	3.59
HSBC BANK PLC A/C CLIENTS 3	76,244	3.24
Nippon Life Insurance Company	51,381	2.18
Custody Bank of Japan, Ltd. (Trust Account)	43,827	1.86
GIC PRIVATE LIMITED - C	41,942	1.78
The Master Trust Bank of Japan, Ltd. (Toyota Motor Account)	25,547	1.08
GOLDMAN SACHS INTERNATIONAL	20,973	0.89

\*1 The shareholding ratio is calculated exclusive of treasury stock (22,036,217 shares).  
 \*2 Nipsea International Limited is a wholly owned subsidiary of Wuthelam Holdings Ltd., of which Mr. Goh Hup Jin, the Director of the Board of Nippon Paint Holdings (NPHD), serves as Managing Director.  
 \*3 Fraser (HK) Limited is a subsidiary of a company, W (BVI) Holdings Limited, whose majority voting rights are held by Mr. Goh Hup Jin, the Director of the Board of NPHD, on its own account, and falls under related parties of NPHD.

Ratings Information (as of June 30, 2023)

Institution	Rating	Rating Outlook
R&I Rating	A	Stable

Stock Price Information



Stock price and volume chart

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Stock price at December 31 (yen)	350	704	592	637	713	752	1,128	2,266	1,254	1,039
Year-to-date high (yen)	353	764	972	745	904	1,046	1,270	2,796	2,292	1,314
Year-to-date low (yen)	150	260	407	402	619	668	687	906	1,078	843
Annual trading volume (shares)	1,569,575,000	1,430,850,000	1,094,497,000	1,066,649,000	774,400,000	701,485,000	493,972,000	604,362,500	601,920,600	1,040,218,600

\* NPHD implemented a 5-for-1 stock split on April 1, 2021. The stock price and trading volume are calculated assuming that the stock split was carried out in January 2011.

**Pick up!**  
**Introducing our website**

**Q & A with Independent Director**

**Our Governance Issues and Challenges**

**What do you as the Board Chair regard as the biggest governance issue and challenge at Nippon Paint Group?**

I believe the biggest governance issue and challenge at Nippon Paint Group is whether the management team can continue to boldly take risks in a timely and appropriate manner for achieving Maximization of Shareholder Value (MSV).

Our Asset Assembler model upheld by Co-Presidents pursues MSV based on autonomous and decentralized management built on mutual trust, which is a refinement of our previous business model called the Spider Web Management. Based on this model, we are aiming for more growth of existing businesses and making acquisitions to create additional opportunities for growth in the future by adding to our Group more high-quality businesses led by talented management teams.

Under leadership of Co-Presidents, the management of our partner companies, which are our existing assets, manage their operations with agility in the current very challenging business climate. Directors must fully understand the intent of proposals submitted by management and properly perform their supervision and support roles in order to avoid hindering the speed of decision making. In addition, Directors must constantly share their views and goals regarding the acquisition strategy with the management team so as not to miss an opportunity to add a new asset. The right path to pursue MSV is to aim for increasing the value of existing assets and adding new assets with strict adherence to financial discipline while making efforts to further deepen understanding of our Group by the capital markets.

Mutual trust between the parties performing the supervisory function in the Board of Directors and the management team, which conducts business operations, is essential for accomplishing this process. As a Company with Three Committees (Nominating, Compensation and Audit), Nippon Paint Holdings (NPHD) delegates significant authority to the management team. Naturally, the delegation of authority is premised on the Board's confidence in the management team. Without this confidence, Directors would be required to closely analyze and manage risks associated with every proposal, resulting in excessive involvement in business decisions. This would slow down decision making, which could cause us to miss opportunities for growth.



For more information, see the "Q&A with Independent Director" on our corporate website.



<https://www.nipponpaint-holdings.com/en/sustainability/governance/q-and-a/>

Key themes	Contents
Asset Assembler Model	· You have explained that the holding company has sound check and balance and monitoring functions for partner companies based on Asset Assembler model. What do you think is necessary for the soundness of checks and balances? Are there any risks that have been overlooked in your existing risk management framework?
The Co-President Structure	· What do you think are the background and reasons for adopting the Co-President structure and the strengths and superiorities of the current management structure? Has the management team been able to make decisions quickly following the shift to the Co-President structure?
The Roles and Contributions of Independent Directors	· Independent Directors cannot serve as representatives of shareholders without understanding shareholders' views and thoughts. How do you constantly obtain shareholders' opinions and reflect them in the activities of Independent Directors? · The executives who conduct business operations have the goal of speeding up business activities by using the shift to an autonomous management framework to strengthen Nippon Paint Group's centrifugal forces. As an Independent Director, how do you perform your management checking role for every Group partner company while sharing information about strategies and other subjects with these companies?