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For immediate release

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**Notice of Commencement of Consideration of Company Split**  
**(Simplified Absorption-type Company Split)**

The Board of Directors of Nippon Paint Holdings Co., Ltd. (NPHD) approved a resolution today to start considering a company split with January 2022 as the target date involving the transfer of the functions that have been performed by NPHD, other than functions of a listed company and a pure holding company, to a wholly owned subsidiary of NPHD that will be established.

1. Purposes of considering the company split

Since the transition to a holding company structure on October 1, 2014, NPHD has taken actions to enhance its functions for managing Nippon Paint Group operations on a global scale.

The Nippon Paint Group's business fields and operating regions have been expanding steadily due to the aggressive implementation of growth strategies and M&A around the world in recent years. We have been reviewing the ideal form of the group management functions performed by NPHD. This review is based on the judgment that we need to further increase the autonomy of our partner companies in Japan and other regions and improve their profitability, particularly in Japan, in order to achieve sustainable medium and long-term growth.

We have decided to consider a company split involving the transfer of NPHD's functions, other than the functions of a listed company and a pure holding company, to a split preparation company that will perform the functional management roles (functions for the management of group operating companies). This functional management company will serve as the center of excellence, performing highly specialized functions for the Nippon Paint Group's partner companies in Japan. We will also examine if the efficient provision of these functions by the split preparation company can boost the profitability of our businesses in Japan. Our goal is to accelerate the generation of synergies by giving greater autonomy to partner companies for their operations. NPHD will focus on the Nippon Paint Group's sustainable growth through M&A and fund procurement activities.

2. Method of company split

After establishing the split preparation company as a wholly owned subsidiary of NPHD, a company split will take place in which NPHD will be a splitting company and the split preparation company a succeeding company. Since this company split qualifies as a simplified absorption-type company split provided under Paragraph 2, Article 796 of the Companies Act, there is no need to obtain the approval of shareholders. Details are to be determined.

3. Business to be transferred

Functions other than the functions of a listed company and a pure holding company. Details are to

be determined.

4. Impact on results of operations

The impact of the split on consolidated earnings will be negligible because NPHD and its wholly owned subsidiary will be the parties involved.

5. Schedule

Establishment of the split preparation company	Early October 2021 (planned)
Resolution of the Board of Directors regarding the absorption-type company split and conclusion of the agreement	End of October 2021 (planned)
Date of the split	January 2022 (planned)

End