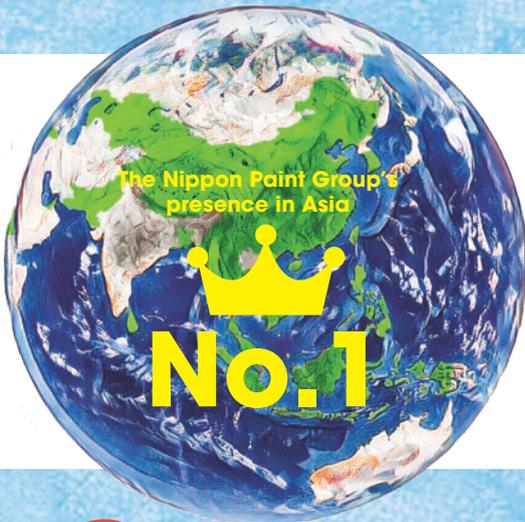
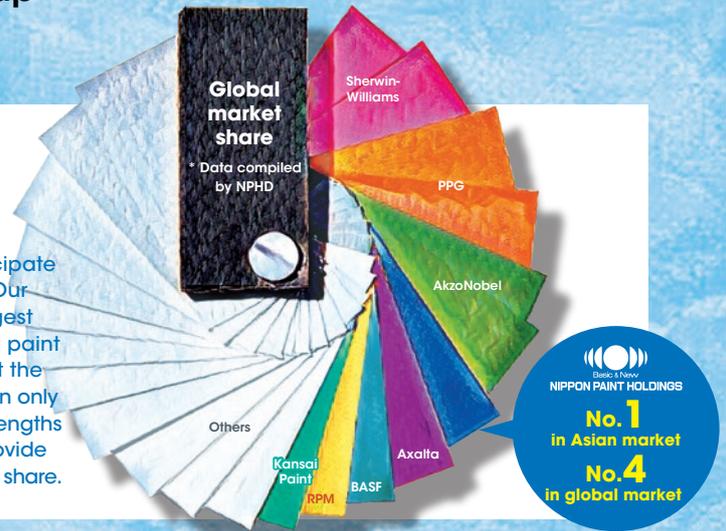


Four Strengths of the Nippon Paint Group

1 Leading player in the growing paint industry

The paint industry is growing around the world, and we anticipate steadily rising demand as the global population increases. Our Group has the top market share in Asia and is the fourth largest paint manufacturer in the world, but small and medium-sized paint manufacturers represent roughly half of the global market. At the same time, the paint industry is facing increasing issues that can only be addressed by environmental technologies and financial strengths held by large companies. We believe these circumstances provide significant room for the Nippon Paint Group to increase its market share.



2 Unparalleled market position in Asia and China

Our Group's growth is being driven by our businesses in China and other Asian regions, which account for 46% of consolidated revenue. The Chinese paint market is the world's largest and is expected to continue rapidly growing with an average CAGR of 5.3% from 2019 to 2024. We have been leveraging the strengths of the LiBang brand and our extensive distribution network to generate high growth and establish a dominant market position in this growing market.

3 Powerful Partnerships supporting aggressive M&A

Our Group has established a solid structure to support acquired companies and their management teams and employees to bring out their best performance in local operations, taking into account the characteristics of the paint market. We will continue aggressively pursuing further synergies by taking actions including identifying new growth opportunities generated through the collaboration between the acquired companies and the existing Group companies, reducing costs by sharing raw material procurement sources, acquiring competent human resources, and sharing best practices. → See "M&A Strategy" on page 79.

Effects of the acquisitions of DuluxGroup and Betek Boya (in FY2019)

| Revenue | FY2019 | FY2020 | YoY |
|------------|--------------------|--------|-------|
| DuluxGroup | 1,805 [*] | 2,015 | 11.6% |
| BETEK | 1,518 | 2,383 | 56.2% |

(million AUD)
(million TRY)

* DuluxGroup's revenue for FY2019 is adjusted assuming its fiscal year ended on December 31, 2019.



4 Advanced governance

The Nippon Paint Group is building an advanced corporate governance structure to solidify its sustainable growth as a global company. We shifted to a Company with Three Committees structure following approval at the General Meeting of Shareholders in March 2020. Six of the eight Board of Directors members are now independent directors. We will continue working to ensure the transparency, objectiveness, and fairness of the Board of Directors to protect the interests of minority shareholders.

→ See "Corporate Governance Structure and Initiatives" on page 93.

Ratio of independent directors

