Maintenance and Improvement of Product Quality

Nippon Paint Holdings Co., Ltd. seeks quality assurance and productivity improvement in the actual production sites involved in manufacturing.

Group Quality Assurance System

Nippon Paint Holdings strives to promote quality assurance activities of the Group companies based on the policy in its internal rules to "maintain and improve the quality of products in a steady and continuous manner with an aim to enhance customer satisfaction with the products of the Group." Group companies in Japan pay attention to safety and environmentally friendly products at the product design stage and take measures to ensure the functions of the products. In addition to strict design audits, as well as examinations before the transition to the production stage, quality checks at different stages including inspections of raw materials used, manufacturing processes, inspections, and final inspections of products are conducted to sort out good items. We also make efforts to maintain and improve the Group's quality assurance system, including process management to reduce quality variations in the manufacturing process and logistics management to deliver the products of our Group to customers safely by the deadline.

Organization of a Global Quality Conference (GGC)

Nippon Paint Holdings Group held a Global Quality Conference (GGC) to provide a forum for reporting on team activities to improve quality assurance and productivity in actual production sites in September 2017. The 12th conference gathered about 50 interested parties at our head office and was also transmitted via a video conferencing system. The conference is used to share the attitude towards manufacturing in various countries, new discoveries in the production field, and efficient management methods.

Promotion of Quality Assurance Activities in Nippon Paint Automotive Coatings (NPAU)

In addition to conventional quality assurance, NPAU has set up a design audit system with a gate at six stages from the theme setting stage to the mass production stage in order to incorporate the concept of the reduction of environmental impact in the lifestyles and the development of vehicles. Its unique quality assurance rules are in place to audit the status of product development from various perspectives with the involvement of relevant departments including sales, production, procurement, IP product safety, and quality assurance along with development and engineering departments. The company is also promoting the active introduction of ISO 14001 and ISO 9001 management systems and the development of original rules on chemical management.

NPAU received FY2017 Overseas Contribution Award for Excellent Supplier from Suzuki Motor Corporation

In January 2018, Suzuki Motor Corporation presented FY2017 Overseas Contribution Award for Excellent Supplier to NPAU at a New Year's gathering. This award was granted for the recognition of the contribution of Berger Nippon Paint Automotive Coatings Private Limited (BNP) in India to cost reduction, quality improvement, stable procurement, etc., in Suzuki Motor Gurgaon Private Limited.

Supply Chain Management

Raw materials, equipment, and various other items and services supplied by suppliers are essential for the businesses of the Nippon Paint Holdings Group. Our Group strives to conduct fair and sincere procurement activities based on mutual trust with our suppliers.

Approach to Procurement of Raw Materials

The businesses of the Nippon Paint Holdings Group depend on raw materials, equipment, and various items supplied by our suppliers. Cooperation of suppliers is indispensable for the sustainable growth of the businesses of our Group. To further strengthen our cooperative relationships with the suppliers, we are committed to open, fair, and sincere procurement activities based on mutual trust with them. In addition, in response to the global expansion of our businesses, we have formulated common rules for the approach and commitment of all Group companies to procurement activities, as well as Group Procurement Policy to ensure that procurement activities are developed in a controlled manner, and work to disseminate them. We would like our suppliers to agree to the policy and promote the establishment of mutually healthy partnerships together.

Initiatives in Line with the Procurement Policy

Since paints are composed of various chemical substances, information on the chemical substances used as their raw materials is important. We group necessary material information on all raw materials we purchase, as well as their conformance to domestic and international regulations, through cooperation with the suppliers. Based on the information, we provide product safety information to customers and properly respond to applicable regulations in the destinations of the exports. Nippon Paint Holdings also participates in an initiative of Japan Chemical Industry Association to promote the development of a mechanism to share relevant information on risk assessment of chemical substances in the supply chain and supplies information at the request of customers. In addition, we strive for quick response to any change in regulations through the identification of the latest trends in domestic and international laws and regulations as well as sharing of information on voluntary regulations with suppliers. We survey conflict minerals, as well as raw materials involving abuse of human rights such as child labor, while also covering the upstream of the supply chain, to prohibit the purchase of such materials.

When selecting suppliers, we make rational judgments based on compliance with human rights, laws, and social norms, commitment to business continuity planning (BCP), commitment to environmental conservation and resource protection, commitment to health and safety, soundness of business management, technical capabilities, and other issues, in addition to quality and prices. We plan to survey and evaluate the status of such efforts of suppliers and set it as an indicator for procurement activities.

For fair transactions with suppliers, we organize workshops on the Act against Discrimination by Payment of Subcontract Proceeds, etc. to Subcontractors ("Subcontracting Act") for our employees engaged with subcontractors to help them understand the act. We also develop an initiative to deploy persons in charge of the Subcontracting Act in the operating companies to monitor their transactions with subcontractors and ensure legal compliance. We conduct initiatives for BCP at the procurement stage, such as the integration of raw materials purchase from multiple companies, and the evaluation of alternative products, and also ask suppliers to work for BCP to reduce risks.

To understand the impact on the supply chain in case of severe natural disasters and accidents and take responsive actions promptly when necessary, we have in place and operate a system to make simultaneous inquiries to suppliers to survey their situation. In 2017, the system was used for the first response to four earthquakes including Kumamoto Earthquakes, flood in Texas, and other natural disasters, as well as three accidents in suppliers.
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Social
Living with Society

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Employee Engagement (Engagement)
To become a global paint major, Nippon Paint Holdings Group strives to create a work environment where each and every employee can work vividly.

Basic approach to employees
- We will value the trust relationship between management and employees and develop an energetic corporate culture.
- We will achieve job satisfaction and improve performance through teamwork.
- We will operate our business based on human abilities by ensuring that employees can perform at their full potential.
- We will focus on individual responsibility in human resource development because a willingness to grow and self-reliant efforts are essential for people’s growth.

Diversity & Inclusion

System to promote diversity
We continuously develop activities to promote diversity at the initiative of the Diversity Promotion Unit and the Diversity Promotion Committee. The committee deliberates and makes decisions on measures to promote the creation of a culture and organization that can leverage diversity in the whole Group.

Diversity promotion policy
We will develop a corporate culture that takes advantage of the diversity of the employees and create an environment where knowledge of individuals, including experience, abilities, and ideas, is diversified and all employees can feel rewarded for the job regardless of gender, age, nationality, or other attributes to ensure that everyone can perform to the best of their ability.

To see the diversity as a source of the competitive advantage of our Group, we work to establish the states we should be as “common practices” and promote diversity through four key initiatives.

<table>
<thead>
<tr>
<th>Key initiatives to promote diversity</th>
<th>Change in the mindset and development of a culture</th>
<th>Systems to leverage diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sates that the Group should be</td>
<td></td>
<td></td>
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<tr>
<td>It is common to recruit diverse human resources.</td>
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<td></td>
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<tr>
<td>The positions and missions are clarified and the right people are placed in the right jobs.</td>
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<td>It is common that human resources are self-reliant.</td>
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<tr>
<td>All employees around the world act independently and produce results in their respective positions based on a globally shared vision.</td>
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<td>It is common to create innovation.</td>
<td></td>
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<tr>
<td>The power of the organization is developed in a way to accept differences and leverage them as a strength.</td>
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</tbody>
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Change in the mindset and development of a culture

Change in the mindset of management - Diversity Management Workshop
In fiscal 2017, we held Diversity Management Workshop for all management personnel under the theme of “team reform” 1.2 times. We worked to disseminate the understanding of the objective and necessity of promoting diversity and help take specific measures for diversity management that leverage the potential of individuals in each organization. As a result, voluntary activities on a team basis at the initiative of management personnel are also ongoing in various areas. Acceptance and effective use of differences between diverse employees help improve the performance of teams and organizations, which also lead to the cultivation of a diversity culture throughout the company.

Raising of awareness of diversity among all employees - Forum to create the “work” of the future
We constantly hold a lecture to raise awareness of diversity among all employees of our Group companies in Japan from fiscal 2016. In fiscal 2017, the lectures were organized under the themes of “different cultures and globalization,” “work style reforms,” “team development to generate innovation,” and “career design.” Through the lectures, we continuously give employees an opportunity to think about the jobs of themselves and their team, job satisfaction, future career, etc. in a self-motivated manner so that the company becomes full of self-reliant workers.

Expansion of the Field Where Women Can Work Actively

Participation in an international women’s conference
Women are working actively in increasingly diverse fields. For example, our employees were invited to the Global Summit of Women (CSW), an international women’s conference to discuss global issues, such as the economic challenges in different countries and the acceleration of the involvement of women in market opportunities, with the participation of more than 1,300 world-class female leaders including business leaders and ministers from 62 countries.

Cross-industrial exchange meeting (organized by J-Win®, an NPO)
As an initiative to encourage women to work actively, our candidates for key positions attend cross-industrial exchange meetings with participants from other companies every year. This initiative aims to establish a network through interactions with business women from different industries and business categories and also encourage the participants to grow independently through self-development. We strive to develop human resources through active participation in such activities and establish an environment where diverse individuals can display their abilities and play active roles.

* Japan Women’s Innovative Network, a specified nonprofit corporation

\[\text{\(\text{Ratio of women in key positions (in Japan)}\)}\]

<table>
<thead>
<tr>
<th>Year</th>
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<tr>
<td>2015</td>
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</tr>
<tr>
<td>2016</td>
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<tr>
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Creation of a Fulfilling Work Environment

With an aim to establish an organization with diverse human resources who can respond to changes, we actively seek to create workplaces where employees from various backgrounds can work comfortably. Nippon Paint Holdings Group works to provide stable employment and an environment where employees can work with a sense of security not only to give benefit to employees but also to contribute widely to society.

Our childcare leave and nursing care leave systems are used increasingly more frequently and have been firmly established as options for employees. Our Group has also introduced a one-week holiday system to allow employees to take five consecutive days off as a measure to create an environment where employees can take holidays in a planned manner with teamwork to cover for each other. We also regard harassment in the workplace as a crucial challenge and take measures to prevent it, such as workshops for all employees including management staff and instructions to superiors. In addition, we endeavor to prevent mental illness by understanding the workplace conditions through stress check and to monitor the awareness and satisfaction level of employees to motivate them and ensure that they can perform to the best of their abilities.

To address the problems identified through our diversity promotion activities, we also work to develop a work environment where employees with various values can feel welcomed. To this end, we have expanded the scope of application of the flex system, conducted interviews on career during childcare or nursing care leave, and implemented the teleworking system and a program to allow employees to take paid holidays by the hour on a trial basis. Work style reforms are essential to make diversity one of the competitive advantages of our Group. We will continuously strive to create a corporate culture and system/mechanism that ensure that all employees are responsible for their own growth and can independently select their own work style to carry out their duties and will establish a virtuous circle in which the growth of our employees leads to the growth of the company.

Recruitment

When hiring new graduates, we promote recruitment of candidates for management staff of the next generation who can lead the market regardless of nationality. We try to secure human resources with great abilities from the perspectives of "experience in leadership" and "challenge in the global environment" based on the requirements for human resources linked to management and business demand. In addition, we proactively hire mid-career employees and gain knowledge from external sources to diversify our knowledge.

Training

Training system

To accelerate our progress towards becoming a global paint major, we have enhanced human resource development with focus on the cultivation of management personnel and pipeline management of the successors.

With "global" and "leadership" as the keywords, we have developed position-based leadership programs to improve our leadership training. The programs for upper positions, in which employees of our overseas Group companies also participate, aim at friendly competition within the Group and Group-wide collaboration and strengthening of ties for human resource development in Japan and overseas. In addition to the leadership programs, we have prepared internal programs to supplement the abilities and skills required in each generation. We also plan to establish a mechanism to develop management personnel for the next term early by giving the candidates opportunities to build their career in a challenging environment and thereby accelerate their growth. Through these initiatives, we will constantly produce human resources that can contribute to the company.

Generous support for those who aim to grow with self-responsibility

Nippon Paint Holdings Group seeks to strengthen human resources based on the following policy:

- Provision of human resources that keep growing
- Improvement of expertise and market value
- Continuous achievement of performance in each site
- OJT (On-the-job training) for the individual
- QR (Human Resources Headquarters) for each workplace
- Willingness to grow (self-development)

Approach to human resource development (cultivation policy)

People cannot grow without an underlying willingness to grow and self-help efforts. Therefore, we set self-responsibility as the basis of human resource development.

Training policy

- The basis of training and cultivation is on-the-job training (OJT) in the workplace.
- We provide off-the-job training (OJT) to supplement the OJT.
- The training is classified into an equal opportunity type and a selection-based type to clarify the objective of the cultivation.

Acceptance of long-term trainees from overseas (training in the mobility program)

We accept employees from overseas affiliates as long-term trainees and provide them with training in Japan. In addition to human resource development, the program aims to promote globalization of our Group in Japan and strengthen the ties with the companies that dispatch the trainees. The culture of a company that can address globalization has almost been completed in Japan. We have enhanced readiness for diversity through initiatives such as the installation of prayer space in the accepting companies out of consideration for the religion of the trainees. In fiscal 2017, we invited personnel who will support our future production from overseas affiliates and provided them with training on subjects including quality control and process management of parts in the production held in Japan for about six months. After the completion of the training, the trainees who received long-term training in Japan returned home to play a pivotal role in the horizontal development of production held improvement and other activities in the overseas affiliates. The performance of the trainees who had returned home was also checked to take follow-up actions. We strive to promote the improvement of safety, quality assurance system, and quality control in the whole Group in cooperation with overseas affiliates.

Human Resources Forum

A human resources forum is held once a year to gather the human resource managers of overseas Group companies. In this forum, the personnel issues of the companies are mutually presented to design plans to implement solutions and develop follow-up actions, and the status of achievement is shared to seek best practices. The forum offers significant opportunities to solve personnel issues on a local, regional, or global level. In fiscal 2017, in addition to the introduction of cases in various countries, active discussions were made to consider subjects including specific cooperative measures for the next fiscal year.

Female leader development training

We promote the establishment of a talent pipeline to enhance diversity in the decision-making process. As part of it, we provide female leader development training to female candidates for management positions. This program aims to encourage them to have a desire to move up, as well as the way of thinking as a leader, and develop their career while setting their goal.

Accomplishment of trainees in China

Female leader development training
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To address the problems identified through our diversity promotion activities, we also work to develop a work environment where employees with various values can feel rewarded. To this end, we have expanded the scope of application of the flex system, conducted interviews on career during childcare or nursing care leave, and implemented the teleworking system and a program to allow employees to take paid holidays by the hour on a trial basis. Work style reforms are essential to make diversity one of the competitive advantages of our Group. We will continuously strive to create a corporate culture and system/mechanism that ensure that all employees are responsible for their own growth and can independently select their own work style to carry out their duties and will establish a virtuous circle in which the growth of our employees leads to the growth of the company.

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- Improvement of expertise and market value
- Continuous achievement of performance in each site
- QUT (growth through job) Supervisors and seniors
- QUT+ (Human Resources Headquarters) Each workplace
- Willingness to grow (self-development)

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Social Living with Society
Contributions to Local Communities and International Society

Social Contributions through Sports Activities

**Nippon Paint Holdings Women’s Table Tennis Club**

- **Contributions to local communities through table tennis classes**
  
  Nippon Paint Holdings founded a women’s table tennis club in 2017. Since then, we have promoted interactions with local communities through table tennis.

  In June 2017, we participated in a table tennis class of the children’s association of Osaka Municipal Osaka Elementary School in Kita-ku, Osaka, in which the training base for our women’s table tennis club is located. The club also coached children of Osaka Municipal Nakayakyo Kindergarten, which is located next to Osaka Municipal Nakayakyo Kindergarten, in a table tennis class in March 2018.

  Our activities are not limited to the area around the club’s training base. Nippon Paint Holdings and Nippon Paint Marine Coatings, Co., Ltd., one of the Group companies based in Osaka City, Hiroshima, co-sponsored a table tennis class organized by Osaka Municipal Board of Education in January 2018. We also participated in a table tennis event organized by JapSport Club Yoto, which develops community-based activities in Utsunomiya City, Tochigi in June 2018.

  Each of the events gained a good reputation from the participants who enjoyed meaningful interactions with the members of our women’s table tennis club while receiving coaching from them. Table tennis is a lifelong sport that can be played by a wide range of age groups from small children to elderly people. It has become more popular recently and the number of players appears to keep increasing. In this context, the demand for table tennis classes will also grow. To meet the expectation, our table tennis club continues to actively interact with those who enjoy playing table tennis.

![Participating in the table tennis class of the children’s association of Osaka Municipal Osaka Elementary School.](image)

![Table tennis event held in Kashiwa Gymnasium, Utsunomiya City.](image)

**Presentation of a table-tennis table in a table-tennis class in Osaka City. From left, Junichi Suzuki, Manager of Osaka Sales Office of Nippon Paint Marine Coatings; Naoko Sato, President of Sports Development Department of Nippon Paint Holdings; Mr. Murakami, former head coach of the Japanese women’s national team; Mr. Katsui, Mayor of Osaka City; and Ms. Yamazaki, Director of Nakayakyo Kindergarten.**

**Social Contributions through Business Activities**

**Activities through ROOMBLOOM, Our Brand of Paints for House Interior**

We have created ROOMBLOOM, a brand of paints for house interior, out of a wish to make people’s houses richer with paints. Using this brand, we make social contributions through business activities while also working to raise the awareness of our interior paint business.

- **Support for an “unoccupied house project” to revitalize a local community**

  Kanto Gakuin University (KGU) has implemented a project to repair unoccupied houses and make effective use of them with the participation of student volunteers in Yokosuka City, Kanagawa, in which the problem of unoccupied houses due to depopulation has come to the surface. With the largest exodus of out-migrants among all municipalities in Japan according to a survey in 2013, Yokosuka City faces a serious challenge of depopulation, and the problem of unoccupied houses is also a major issue across the local community.

  Agreeing to the purpose of the KGU unoccupied house project, which works to revitalize local communities through interactions with neighboring people, Nippon Paint Holdings proposed collaboration between it and the Happy Wall Project, which has been developed by ROOMBLOOM. Then, we supported the repair of local community facilities and the construction of shared houses for students together with the members of the KGU unoccupied house project twice on May 31 and July 2, 2017. Nippon Paint Holdings Group will continue to make unique contributions to local communities that can be offered only by a paint manufacturer.

**Volunteer Cleanup and Paint Activities in Various Areas**

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<thead>
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<th>Area</th>
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<th>Description</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>Yoyogi National Stadium</td>
<td>Neighborhood clean-up</td>
<td>26</td>
</tr>
<tr>
<td>Nagoya</td>
<td>Nagoya City Hall</td>
<td>Neighborhood clean-up</td>
<td>27</td>
</tr>
<tr>
<td>Osaka</td>
<td>Osaka Castle Park</td>
<td>Neighborhood clean-up</td>
<td>34</td>
</tr>
</tbody>
</table>

**Paint activities in FY2017**

<table>
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<th>Description</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>Tokyo Tower</td>
<td>Neighborhood clean-up</td>
<td>35</td>
</tr>
<tr>
<td>Nagoya</td>
<td>Nagoya Station</td>
<td>Neighborhood clean-up</td>
<td>33</td>
</tr>
<tr>
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**Cleanup activities in FY2017**

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<td>35</td>
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**Mr. Nihara, Head Coach (right) and Mr. Amanakawa, a member of our table tennis club (left), coaching children of Nakayakyo Kindergarten.**

**Mr. Ishikawa, Head Coach (left) and Mrs. Amanakawa, a member of our table tennis club (right), coaching children of Nakayakyo Kindergarten.**
Social Contributions to Local Communities and International Society

### Nippon Paint Holdings Women’s Table Tennis Club

- **Contributions to local communities through table tennis classes**
  
  Nippon Paint Holdings founded a women’s table tennis club in 2017. Since then, the foundation has promoted interactions with local communities through table tennis. In June 2017, the club participated in a table tennis class of the children’s association of Osaka Municipal Ogaya Elementary School in Kita-ku, Osaka, in which the training base for women’s table tennis club is located. The club also coached children of Osaka Municipal Nakayashiki Kindergarten, which is located next to Ogoya Elementary School, in a table tennis class in March 2018. Our activities are not limited to the area around the club’s training base. Nippon Paint Holdings and Nippon Paint Marine Coatings, Co., Ltd., one of the Group companies based in Osaka City, Hiroshima, co-sponsored a table tennis class organized by Osaka Municipal Board of Education in January 2018. We also participated in a table tennis event organized by Sugasports Club Yotto, which develops community-based activities in Utsunomiya City, Tochigi in June 2018.

Each of the events gained a good reputation from the participants who enjoyed meaningful interactions with the members of our women’s table tennis club while receiving coaching from them. Table tennis is a lifelong sport that can be played by a wide range of age groups from small children to elderly people. It has become more popular recently and the number of players is expected to keep increasing. In this context, the demand for table tennis classes will also grow. To meet the expectation, our table tennis club continues to actively have interactions with those who enjoy playing table tennis.

![Participating in the table tennis class of the children’s association of Osaka Municipal Ogoya Elementary School](image1)

![Table tennis event held in Kusakari Gymnasium, Utsunomiya City](image2)

- **Support for activities to promote the widespread use of table-tennis tables for children**
  
  The social contribution activities of Nippon Paint Holdings through table tennis are not limited to coaching. Endorsing the activities of Table Tennis Junior Support Japan, the social contribution activities of Nippon Paint Holdings through table tennis are specially produced for children and thereby familiarize many children with table tennis at early childhood. We have donated a table-tennis table set for children each to Onomichi Municipal Mukaishigehi Kindergarten and Osaka Municipal Nakayashiki Kindergarten. The ceremony to present the set to Mukaishigehi Kindergarten was held before the table tennis class was organized in Onomichi City as mentioned above. Mr. Yuke Hisakata, Mayor of Onomichi City, and Ms. Yamazaki, the principal of the kindergarten, attended the ceremony to receive the table.

In Nakayashiki Kindergarten, Akira Fukushima, General Manager of CSR Development Department of Nippon Paint Holdings who also serves as the manager of the table tennis club, presented the table to Mr. Junichi Takahashi, the principal, in front of 68 cheerful kindergarten children. After the presentation, Ms. Saki Tsukino and Ms. Shiko Matsuda, who are members of the table tennis club, along with Mr. Takeshi Minase, Head Coach, gave a table tennis lesson and most of the children got excited and enjoyed their first experience of the sport.

The table-tennis table specially produced for children was designed by Mr. Yusuke Morishita, the representative of Table Tennis Junior Support Japan and the former head coach of the Japanese women’s national table tennis team, with particular consideration to safety. To help many children grow up healthy while enjoying playing table tennis, we will continue to sponsor the activities to promote the widespread use of the specially produced table-tennis tables.

![Presentation of a table-tennis table in a table-tennis class in Onomichi City](image3)

![Mr. Minakata, Head Coach (right) and Mr. Morishita, a member of our Table Tennis Club (left), coaching children of Nakayashiki Kindergarten](image4)

### Social Contributions through Sports Activities

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#### Clean-up activities in FY2017

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<th>Place</th>
<th>Description</th>
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</tr>
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<tbody>
<tr>
<td>Osaka</td>
<td>Boardwalk of Fuku River (participation in cleanup on the Fuku River Waterways Festival)</td>
<td>1 11</td>
<td></td>
</tr>
<tr>
<td>Tokyo</td>
<td>Area around the branch</td>
<td>8 773</td>
<td></td>
</tr>
<tr>
<td>Aichi</td>
<td>Oga River Clean-up by Yoshihata Town (Clean-up)</td>
<td>2 104</td>
<td></td>
</tr>
<tr>
<td>Shizuoka</td>
<td>Aichi in the industrial waste removal in the neighborhood</td>
<td>1 68</td>
<td></td>
</tr>
<tr>
<td>Hiroshima</td>
<td>Roads around the plant</td>
<td>1 70</td>
<td></td>
</tr>
</tbody>
</table>

#### Paint activities in FY2017

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</tr>
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<tr>
<td>Tokyo</td>
<td>Tokyo Olympic Library in Shinagawa Ward (Painting equipment, gift)</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Yokohama</td>
<td>Nippon Paint Marine Coatings</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Chiba</td>
<td>Frygane Atlantica Park (Painting equipment, gift)</td>
<td>55</td>
<td></td>
</tr>
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Social Living with Society

In the Asia region, the NIPSEA Group conducts various activities effectively using its technologies and features to energize local communities of the countries in which the Group operates its business. The NIPSEA Group designs those activities in a way to ensure that they see seeds for the Group’s future business.

With focus on the improvement of people’s lives, the NIPSEA Group currently develops CSR activities to achieve sustainable development goals from the four aspects of education, employment, economy, and the environment. The initiatives of the Group in various parts of Asia are introduced below.

Initiatives in Asia (Malaysia)

Art Venture Camp 2017 Regional Volunteer Program

Outline of the camp
A two-day camp was organized in Miri, Sarawak, Malaysia for 100 children going to schools in the village. The program was designed with an aim to help the children have confidence by knowing that each of them is one and only, accept differences, and learn various values including the meaning of teamwork and love. Sentiment education using drawing, group singing, games, etc., was developed in the program to make the art camp vibrant.

Features of the camp
The camp was not only for those children. Our Group employees who participated in the camp, and cooperated with colleagues away from their daily duties were also reminded of the strength of Nippon Paint Holdings as well as the values created in our business. We also anticipate that such special experience of contributing to the local community in a unique environment will generate a new driving force for our Group employees to operate businesses.

Impact on Children
1. Development of resilience and positive thinking.
   - We encouraged children to have resilience and persistence in difficult situations and hardships, which are necessary for success.
2. Awareness and expression of strengths.
   - The program was designed to allow children to express their hidden emotions through play and art. We tried to elicit the feelings of children and encouraged them to actively participate and make comments.

Impact on employees
1. Improvement of the sense of unity and enhancement of diversity
2. Promotion of teamwork between employees in each region
3. Encouragement of employees to be aware of their own capacity and growth to become more confident
4. Creation of a corporate culture in which employees acknowledge the strengths of each other and help each other

Financial Education Program for Employees

Many developing countries face a reality that people have a low income and many of them cannot manage their money properly. Nippon Paint Holdings Group gives advice to employees to enable them to manage their income properly and build assets for their children and other family members. We also help them make effective use of their assets for the future.

This program has achieved a good reputation since the first time and we continuously receive requests from employees to maintain it because it is very useful.

Advantages to our business
- Employees can concentrate on duties without being disturbed by mental burdens related to their family’s debt problem.
- The concern over support of family members can be solved.
- Alternatives to debts and other financial problems are available.

Social effects
- People acquire abilities to make proper financial judgments.
- Low-income employees are protected from abuse by crime organizations and vicious moneylenders.
- People can save money for a rainy day.

Initiatives in Asia (China)

Receipt of Four Awards

In fiscal 2017, Nippon Paint China received multiple awards related to CSR.

- For the “Color, Way of Love” project, the company received “CSR Campaign of the Year” and “Media Relations Campaign of the Year” in Ragan Awards.
- The activities of Nippon Paint China were also commended as excellent philanthropy in China Marketing Awards 2016-2017, jointly organized by Economic Observer, an economic paper in China, and the Hong Kong Management Association, an NPO.
- The CSR report of Nippon Paint China for fiscal 2016 was selected as an excellent CSR report in Ragan Awards.

"Color, Way of Love" Project

Nippon Paint China develops the “Color, Way of Love” project, which offers repent and recovery in school buildings for free in China. On December 12, 2017, a school in Pingjiang County, Henan, China held a ceremony to appreciate Guangzhou SUPE Chemical Coating and Nippon Paint China for repairing its building in the project. SUPE and Nippon Paint China are jointly involved in a charitable program again, in which the jobs of Nippon Paint China include waterproofing of roofs and repainting of interior and exterior walls.
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Diagram 1: Unique and organized methodology applied through volunteer training for more depth and understanding the purpose of why we do what we do

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Employees of Nippon Paint Malaysia studying how to manage family finances and control debts.