



October 28, 2021

For immediate release

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 Representative: Yuichiro Wakatsuki
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Notice of Conclusion of Company Split Agreement
(Simplified Absorption-type Company Split and Short-form Absorption-type Company Split)

Nippon Paint Holdings Co., Ltd. (NPHD) is announcing that its Board of Directors approved a resolution today to transfer all businesses that have been performed by NPHD, other than the businesses related to the functions of a listed company and as a pure holding company, to Nippon Paint Corporate Solutions Co., Ltd. (NPCS) (the “Company Split”), a wholly-owned subsidiary of NPHD, effective January 1, 2022, as announced on September 21, 2021 in the press release titled “Notice of Commencement of Consideration of Company Split (Simplified Absorption-type Company Split..” NPHD has concluded a company split agreement (the “Company Split Agreement”) with NPCS.

Certain information has been omitted from this announcement since the Company Split is a simplified absorption-type company split in which NPHD will transfer the businesses to its wholly-owned subsidiary.

1. Purpose of the Company Split

As announced in the press release titled “Notice of Commencement of Consideration of Company Split (Simplified Absorption-type Company Split)” on September 21, 2021, NPHD established NPCS on October 14, 2021 in order to transfer all its businesses to NPCS, other than businesses related to the functions of a listed company and as a pure holding company. NPCS will provide highly specialized functions for the Nippon Paint Group’s partner companies in Japan to increase their profitability.

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. Summary of the Company Split

(1) Schedule

Resolution of the Board of Directors regarding the absorption-type company split	October 28, 2021
Conclusion of the absorption-type company split agreement	October 28, 2021
Date of the split	January 1, 2022 (planned)

Note: The Company Split qualifies as a simplified absorption-type company split under Article 784, Paragraph 2 of the Companies Act for NPHD, and as a short-form absorption-type company split under Article 796, Paragraph 1 of the Companies Act for NPCS. Accordingly, the Company Split will be carried out without the approval of a general meeting of shareholders of NPHD and NPCS.

(2) Method

The Company Split is an absorption-type company split in which NPHD will be the splitting company and NPCS the succeeding company.

- (3) Allotment relating to the Company Split
Since NPHD owns all the shares of NPCS, no delivery of shares or other monetary considerations will be carried out in relation to the Company Split.
- (4) Handling of share acquisition rights and bonds with share acquisition rights
Not applicable
- (5) Increase or decrease in capital stock due to the Company Split
There will be no increase or decrease in our capital stock due to the Company Split.
- (6) Rights and obligations transferred to NPCS
NPCS will receive assets, liabilities, contracts, and other rights and obligations involving the businesses to be transferred as of the effective date of the Company Split, unless otherwise set forth in the Company Split Agreement.
- (7) Prospects for fulfillment of obligations
NPHD believes that NPCS will not have any problem fulfilling obligations relating to the liabilities it will have following the effective date of the Company Split.

3. Outline of the parties to the Company Split

	Splitting company	Succeeding company
(1) Name	Nippon Paint Holdings Co., Ltd.	Nippon Paint Corporate Solutions Co., Ltd.
(2) Address	2-1-2 Oyodo Kita, Kita-ku, Osaka, Japan	2-1-2 Oyodo Kita, Kita-ku, Osaka, Japan
(3) Name and title of the representative	Yuichiro Wakatsuki Representative Executive Officer & Co-President Wee Siew Kim Representative Executive Officer & Co-President	Yuichiro Wakatsuki President, Representative Director of the Board Yoshiaki Kuroda Executive Vice President, Representative Director of the Board
(4) Business activities	Establishment of group strategies and management of group partner companies	The company conducted no business before the Company Split.
(5) Capital stock	671,432 million yen	10 million yen
(6) Date established	March 14, 1881	October 14, 2021
(7) Number of shares issued	2,370,512,215 shares	1,000 shares
(8) Fiscal year-end	December 31	December 31
(9) Major shareholders and their shareholding ratios	(As of June 30, 2021) NIPSEA :55.06% INTERNATIONAL LIMITED FRASER(HK) :3.61% LIMITED CLEARSTREAM :3.55% BANKING S.A.	Nippon Paint Holdings Co., Ltd. :100%

	HSBC BANK PLC :3.21% A/C CLIENTS 3	
(10) Financial position and operating results for the most recent fiscal year		
Fiscal year	Fiscal year ended December 31, 2020 Consolidated results (IFRS)	Not applicable because it is a new company established on October 14, 2021
Total equity	699,805 million yen	
Total assets	1,615,384 million yen	
Profit attributable to owners of parent per share	1,771.49 yen	
Revenue	781,146 million yen	
Operating profit	86,933 million yen	
Profit before tax	88,715 million yen	
Profit attributable to owners of parent	44,648 million yen	
Earnings per share	139.17 yen	

4. Outline of the business divisions to be transferred

(1) Businesses to be transferred

All functions of NPHD, other than the functions of a listed company and a pure holding company

(2) Operating results of the businesses to be transferred (FY2020E)

Revenue: 7.0 billion yen

(3) Assets and liabilities to be transferred and their carrying amounts

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	3.2 billion yen	Current liabilities	2.4 billion yen
Non-current assets	19.5 billion yen	Non-current liabilities	4.4 billion yen
Total	22.8 billion yen	Total	6.8 billion yen

Note: Carrying amounts are calculated based on the statement of financial position as of August 31, 2021. The amounts actually transferred will be adjusted for changes up to the effective date.

5. Status of the companies involved after the Company Split

There will be no change to the name, address, name/title of representative, business activities, capital stock, and fiscal year-end of the companies involved as a result of the Company Split.

6. Outlook

The impact of the Company Split on NPHD's consolidated earnings is expected to be insignificant because this is a transaction between NPHD and its wholly-owned subsidiary.

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