



November 2, 2021

For immediate release

Company: Nippon Paint Holdings Co., Ltd.
Representative: Yuichiro Wakatsuki, Representative Executive Officer & Co-President
Wee Siew Kim, Representative Executive Officer & Co-President
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Notice of Additional Acquisition of Shares of Consolidated Subsidiaries to Make Them Wholly-Owned Subsidiaries

Nippon Paint Holdings Co., Ltd. is announcing that its consolidated subsidiary, Nippon Paint Automotive Coatings Co., Ltd. (NPAC), entered into a share transfer agreement with Tong Yang Holding Corporation today for the additional acquisition of shares of five automotive coatings companies (the “Five Target Companies”), which are consolidated subsidiaries of NPAC, making them wholly-owned subsidiaries of NPAC.

The Board of Directors of NPHD decided during its meeting held on October 28, 2021 to entrust the decision-making on the signing of the Share Transfer Agreement to Wee Siew Kim, Representative Executive Officer and Co-President of NPHD. Since all conditions have been met, we have decided to formally conclude the Share Transfer Agreement on November 2, 2021.

1. Reason for the additional acquisition of shares

The Nippon Paint Group and NPAC are operating the automotive coatings business globally. We are ranked third in the world, offering one-stop capabilities ranging from coatings for automotive bodies, bumpers to plastic components. We are expanding operations in each operating region, with a focus particularly on the Chinese market, which has been growing rapidly in recent years.

We have decided to acquire additional shares of the Five Target Companies that are engaged in manufacturing and sale of coatings for automotive plastic components in China, making them wholly-owned subsidiaries of NPAC. Through this transaction, we will consolidate and integrate the automotive coatings business in China toward increasing our market share.

(Reference: List of companies that will be converted into wholly owned subsidiaries through the share acquisition)

Company	Country	Ownership ratio of NPHD at present (post acquisition ownership ratio)
NANJING NBC CO., LTD.	Nanjing, China	60%(100%)
GUANGZHOU NBC CO., LTD.	Guangzhou, China	60%(100%)
CHANGCHUN NBC CO., LTD.	Changchun, China	60%(100%)
TIANJIN NBC CO., LTD.	Tianjin, China	60%(100%)
WUHAN NBC CO., LTD.	Wuhan, China	60%(100%)

2. Overview of NPHD's subsidiary acquiring shares

(1)	Name	Nippon Paint Automotive Coatings Co., Ltd.
(2)	Address	2-14-1 Shodai Otani, Hirakata-City, Osaka
(3)	Names and positions of representatives	President and Representative Director of the Board Shinji Takedagawa
(4)	Description of business	Manufacturing and sale of automotive coatings
(5)	Stated capital	360 million yen

3. Overview of the wholly-owned subsidiaries

(1) NANJING NBC CO., LTD.

(1)	Name	NANJING NBC CO., LTD.	
(2)	Address	177 Puqiao Road, Nanjing Chemical Industry Park, Nanjing, Jiangsu Province, P.R.China	
(3)	Names and positions of representatives	Akihiro Tsukuda / Chairman	
(4)	Description of business	Manufacturing and sale of coatings for automotive plastic components	
(5)	Stated capital	24,202,488 RMB (JPY 410 million)	
(6)	Major shareholders and ownership ratio	Nippon Paint Automotive Coatings Co., Ltd.	60%
		Tong Yang Holding Corporation	40%

(2) GUANGZHOU NBC CO., LTD.

(1)	Name	GUANGZHOU NBC CO., LTD.	
(2)	Address	No.9, Huangge Yiheng Road, Huangge Town, Nansha District, Guangzhou, P.R.China	
(3)	Names and positions of representatives	Akihiro Tsukuda / Chairman	
(4)	Description of business	Manufacturing and sale of coatings for automotive plastic components	
(5)	Stated capital	42,527,094 RMB (JPY 710 million)	
(6)	Major shareholders and ownership ratio	Nippon Paint Automotive Coatings Co., Ltd.	60%
		Tong Yang Holding Corporation	40%

(3) CHANGCHUN NBC CO., LTD.

(1)	Name	CHANGCHUN NBC CO., LTD.	
(2)	Address	Room516, No.1468, Xiantai Street, Economic & Technical Development Zone, Changchun, P.R.China	
(3)	Names and positions of representatives	Akihiro Tsukuda / Chairman	
(4)	Description of business	Manufacturing and sale of coatings for automotive plastic components	
(5)	Stated capital	12,000,000 RMB (JPY 200 million)	
(6)	Major shareholders and ownership ratio	Nippon Paint Automotive Coatings Co., Ltd.	60%
		Tong Yang Holding Corporation	40%

(4) TIANJIN NBC CO., LTD.

(1)	Name	TIANJIN NBC CO., LTD.	
(2)	Address	No.2 Taixing Road, Xinkou Industrial Park, Xiqing Economic Development Area, Tianjin, P.R.China	
(3)	Names and positions of representatives	Akihiro Tsukuda / Chairman	
(4)	Description of business	Manufacturing and sale of coatings for automotive plastic components	
(5)	Stated capital	35,289,160 RMB (JPY 590 million)	
(6)	Major shareholders and ownership ratio	Nippon Paint Automotive Coatings Co., Ltd.	60%
		Tong Yang Holding Corporation	40%

(5) WUHAN NBC CO., LTD.

(1)	Name	WUHAN NBC CO., LTD.	
(2)	Address	No.18, XiBeiHu Third Road, ZhuShanHu Avenue, WuHan Economic Technical Development Zone, P.R.China	
(3)	Names and positions of representatives	Akihiro Tsukuda / Chairman	
(4)	Description of business	Manufacturing and sale of coatings for automotive plastic components	
(5)	Stated capital	12,411,857 RMB (JPY 210 million)	
(6)	Major shareholders and ownership ratio	Nippon Paint Automotive Coatings Co., Ltd.	60%
		Tong Yang Holding Corporation	40%

4. Overview of the seller of the shares

(1)	Name	Tong Yang Holding Corporation
(2)	Address	P.O.Box 31119 Grand Pavilion ,Hibiscus Way,802 West Bay Road, Grand Cayman,KY1-1205 Cayman Islands
(3)	Names and positions of representatives	WU,YEONG-MAW(Also known as RAYMOND WU)

(4)	Description of business	Investment Holdings Ltd.		
(5)	Stated capital	75,466,906 USD (JPY 8,226mn)		
(6)	Date of establishment	12 August 2003		
(7)	Major shareholders and ownership ratio	TONG YANG INDUSTRY CO., LTD 100%		
(8)	Relationship with the listed company	Capital relationship	There are no capital relationships to be stated.	
		Personnel relationship	There are no personal relationships to be stated.	
		Transactional relationship	Sells coatings for automotive parts and components through Nippon Paint Automotive Coatings	
(9)	Management results and financial situation over the last three years			
	Fiscal year ended	Fiscal Year Ended December 31, 2018	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2020
	Total equity	193,207,689 USD (JPY 21,060mn)	186,329,295 USD (JPY 20,310mn)	189,264,517 USD (JPY 20,630mn)
	Total assets	341,729,716 USD (JPY 37,249mn)	343,395,246 USD (JPY 37,430mn)	348,222,545 USD (JPY 37,956mn)
	Net sales	191,636,736 USD (JPY 20,888mn)	115,886,917 USD (JPY 12,632mn)	103,428,809 USD (JPY 11,274mn)
	Operating profit	-5,339,221 USD (JPY -582mn)	-15,419,231 USD (JPY -1,681mn)	-15,738,220 USD (JPY -1,715mn)
	Profit before tax	7,612,976 USD (JPY 830mn)	-7,591,324 USD (JPY -827mn)	-7,033,081 USD (JPY -767mn)
	Profit	7,116,796 USD (JPY 776mn)	-7,704,859 USD (JPY -840mn)	-6,947,876 USD (JPY -757mn)
	Dividends per share	0.015 USD (JPY 1.6)	0.015 USD (JPY 1.6)	0.066 USD (JPY 7.2)

5. Acquisition Considerations

The total acquisition price of the Five Target Companies is JPY 5.9 billion.

6. Schedule

(1)	Date of resolution	November 2, 2021
(2)	Date of execution of the Agreement	November 2, 2021
(3)	Closing date of the Share Transfer	Scheduled for 1Q FY2022

7. Future Outlook

The Five Target Companies have been our consolidated subsidiaries. As a result, the impact of the transaction on our consolidated earnings for the fiscal year ending December 31, 2021 will be insignificant.

※The exchange rates used to prepare this document are RMB 1.0 = JPY 16.8 and USD 1.0 = JPY 109.0, which are the same exchange rates used to calculate the revision of the consolidated earnings forecast for the fiscal year ending December 31, 2021 released on October 12, 2021.

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