

The 198th Annual General Meeting of Shareholders

Q&A Summary

March 28, 2023

Q1	What are your key focus areas and strategies for the automotive coatings business?
A1	Customer needs are shifting to decarbonization and energy conservation not only in the area of automotive coatings but in other areas also. In the automotive industry, there is a growing need to shift from organic solvent-based paints to water-based paints, in addition to the need for reducing CO2 emissions. The paint application process consumes huge amounts of energy as it accounts for a large part of the assembly process. In order to reduce environmental impacts of its paints, the Nippon Paint Group is developing low-temperature curing paints and water-based paints that can shorten the drying time in the repainting process while promoting the shift to water-based paints. We intend to launch these products as soon as possible. In addition, we see the reduction of CO2 emissions as a new business opportunity and not an end in itself, and conduct technology development and marketing to spur earnings growth.
Q2	Please tell us about your outlook for the decorative paints and marine coatings markets in Japan.
A2	The Nippon Paint Group is in a virtually dominant position in the automotive coatings market together with one other company and in the decorative paints market together with two other companies. We also have a high market share in industrial coatings (coil coatings and coatings for construction machinery, agricultural machinery, and rail cars, etc.). The paint market in Japan does not offer significant growth opportunities. However, this does not mean that our Group has no growth potential. Together with Co-President Wee, I will spearhead the Group's efforts to further increase our already high market share by developing technologies that will lead to solving customer problems.
Q3	Please explain your initiatives in research and development, and technology development over the next 10 to 20 years under the holding company structure.
A3	Technological capabilities are critical for our Group's business continuity for maintaining competitive advantages. Nippon Paint Holdings is a holding company. We delegate various authorities

<p>to the management teams of our group partner companies based on the Asset Assembler model. This model is designed to eliminate bureaucratic systems and speed up decision making. In relation to technology development, we have consolidated our research and development operations at Nippon Paint Corporate Solutions (NPCS) and the Chief Technology Officer (CTO) of NIPSEA Group serves concurrently as the CTO of the Japan Group. Based on this structure, we will consolidate the research and development resources of our group partner companies and conduct basic research and research for product commercialization with an eye on the next 10 to 20 years. We are committed to meeting your expectations.</p>

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