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For immediate release

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**Notice Regarding Acquisition of Shares of India-Based Paint Manufacturers
Nippon Paint (India) Private Limited and Berger Nippon Paint Automotive Coatings
Private Limited as Subsidiaries**

Nippon Paint Holdings Co., Ltd. (“NPHD”) is announcing that the Board of Directors meeting approved today the acquisition of shares of Nippon Paint (India) Private Limited (“NPI”) and Berger Nippon Paint Automotive Coatings Private Limited (“BNPA,” and collectively with NPI, the “Target Companies”)(the “Acquisition”), which are Indian-based paint manufacturers. We have entered into a Master Agreement and a Share Purchase Agreement (the “Share Transfer Agreement”) involving the Acquisition today. Pursuant to the Acquisition, the shares of NPI will be acquired by NPHD and shares of BNPA by Nippon Paint Automotive Coatings Co., Ltd. (“NPAC”), a subsidiary of NPHD.

The Acquisition was carried out through the execution of call options which give NPHD the rights to buy back the Target Companies based on the Master Agreement that was signed with Isaac Newton Corporation (“INC”), which is a member of the Wuthelam Group (“Wuthelam Group” means collectively NPHD’s parent company Wuthelam Holdings Limited (“Wuthelam”), its parent company and Mr. Goh Hup Jin, persons substantively controlled by Wuthelam, its parent company, and Mr. Goh Hup Jin, and subsidiaries of Wuthelam but excludes NPHD and its subsidiaries; the same shall apply hereinafter), as stated in “Notice Regarding Transfer of Shares Accompanying Change in Consolidated Subsidiary” dated August 10, 2021 (the “August 10, 2021 Announcement”).

1. Reasons for the acquisition of shares

NPHD is pursuing Maximization of Shareholder Value (MSV) as its sole mission, and are aiming for sustained growth based on Asset Assembler model for achieving MSV.

As stated in the August 10, 2021 Announcement, we decided to transfer the shares of three companies, namely, NPI, an India-based paint manufacturer engaged in the decorative paints, industrial coatings and

automotive refinish coatings businesses, BNPA, which is an India-based automotive coatings manufacturer, and Nippon Paint Automotive Europe GmbH (“NPAE”), which is a European-based automotive coatings manufacturer, to INC (the transfer of NPI and BNPA shall be referred hereinafter as the “Share Transfer (2021)”) as we had determined that fundamental restructuring of the businesses in India and Europe was necessary from a strategic perspective for improving the corporate value in the medium and long term. This transaction has allowed us to mitigate risks by having Wuthelam Group bear additional investments and expenses required for the restructuring plan of these companies in the short term and the uncertainty of the restructuring plan.

While mitigating risks through the share transfer of the three companies, NPHD has continually provided administrative and other management support services through its Group even after the share transfer without changing names of these companies based on the agreements with INC. The Group has seconded management teams to the three companies and monitored business operations by keeping track of financial position and other operating status.

As a result, NPI has achieved stronger growth faster than anticipated at the time of share transfer to INC, driven by the recovery of the Indian market from the pandemic, market share gains due to drastic strategic marketing investments in the decorative paints business, notably in the Tamil Nadu state and the Karnataka state in southern India, customer wins in the industrial coatings business, as well as the market recovery and additional acquisitions in the auto refinish business. In addition, BNPA returned to a positive operating profit in FY2022, which is earlier than anticipated at the time of share transfer to INC, due to a change of management structure, unified operations with NPI including system integration, profitability improvements by reviewing raw material procurement and manufacturing costs, corrections in selling price in response to escalating raw material price and the recovery of the automotive market in India. BNPA is expected to continue to achieve strong growth in FY2023 and afterwards.

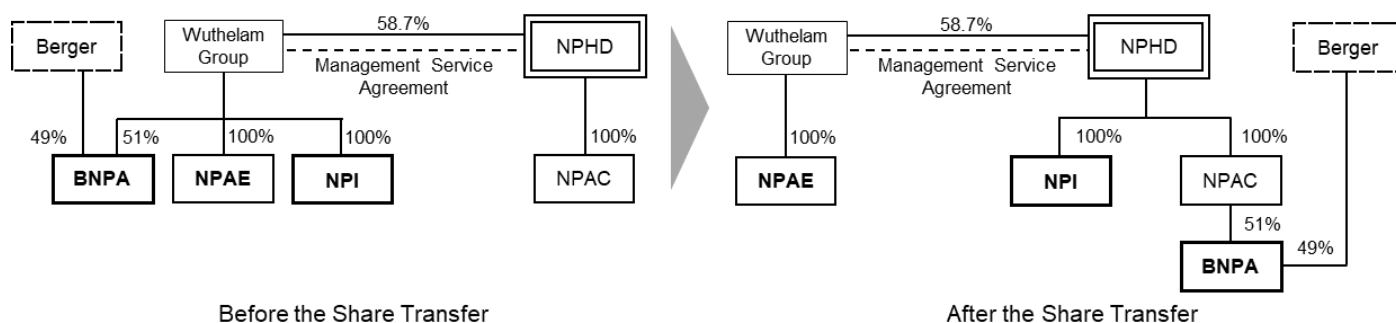
Considering these, we have determined that NPI and BNPA will be able to achieve sustainable revenue growth and profitability without significant investments in the future. As a result, we have concluded that exercising the call options at this time would be the optimal decision from the perspective of MSV.

NPAE will continue to pursue restructuring and turnaround under the Wuthelam Group.

For exercising the call options, NPHD has newly obtained a stock valuation report by a third-party valuator independent from NPHD, Wuthelam Group and the Target Companies, with the aim of ensuring the fairness of transaction. The acquisition price of the Target Companies has been determined based on the stock valuation thus obtained.

<For reference>

【Change in the capital relationship due to the Acquisition】



Note: NPHD : Nippon Paint Holdings Co., Ltd.

Note: Berger : Berger Paints India Limited

Note: NPHD's ownership ratio in NPI is 99.99% due to a local regulation that requires a minimum number of shareholders. The remaining 0.01% stake will be acquired by our subsidiary, Nippon Paint Holdings SG Pte. Ltd.

2. Overview of subsidiary that will acquire shares of BNPA (NPAC)

(1)	Name	Nippon Paint Automotive Coatings Co., Ltd.
(2)	Address	2-14-1 Shodai Otani, Hirakata-City, Osaka, Japan
(3)	Names and positions of representatives	President, Representative Director of the Board Satoshi Nishimura
(4)	Description of business	Manufacturing and sale of automotive coatings
(5)	Share capital	JPY 360 million
(6)	Date of establishment	February 1, 1971
(7)	Major shareholders and ownership ratio	Nippon Paint Holdings Co., Ltd. 100%

3. Overview of subsidiary subject to share transfer

(1) NPI

(1)	Name	Nippon Paint (India) Private Limited
(2)	Address	Plot No. K-8(I), Phase-II, SIPCOT Industrial Park, Mambakkam Village, Sunguvarchatiram, Kancheepuram, Tamil Nadu - 602 106, India
(3)	Names and positions of representatives	Ng Soon Leng, Director
(4)	Description of	Purchase, manufacturing, and sale of paint and provision of related

	business	services		
(5)	Share capital	INR 5,628 million (JPY 9,793million)		
(6)	Date of establishment	January 19, 2006		
(7)	Major shareholders and ownership ratio	Isaac Newton Corporation	99.99%	
(8)	Relationship with the listed company	Capital relationship	The company is an other affiliated company of NPHD and INC, which is a related party, holds 99.99% of the voting rights of this company.	
		Personnel relationship	NPHD has dispatched one Director to this company.	
		Transactional relationship	Subsidiaries of NPHD sell products, raw materials, etc. to this company.	
(9)	Management results and financial situation over the last three years			
	Fiscal year ended	December 2020	December 2021	December 2022
	Total equity	INR 5,353 million (JPY 9,314 million)	INR 5,619 million (JPY 9,777 million)	INR 5,614 million (JPY 9,768 million)
	Total assets	INR 10,019 million (JPY 17,433 million)	INR 11,461 million (JPY 19,942 million)	INR 12,429 million (JPY 21,626 million)
	Net sales	INR 10,898 million (JPY 18,963 million)	INR 15,821 million (JPY 27,529 million)	INR 21,287 million (JPY 37,039 million)
	Income before taxes	INR 91 million (JPY 158 million)	INR -451 million (JPY -785 million)	INR 67 million (JPY 117 million)
	Profit	INR 57 million (JPY 99 million)	INR -447 million (JPY -778 million)	INR -0.1 million (JPY -0.2 million)
	Dividend per share	-	-	-

(2) BNPA

(1)	Name	Berger Nippon Paint Automotive Coatings Private Limited	
(2)	Address	A-99/3, Okhla Industrial Estate, Phase-II, New Delhi 110020, INDIA	
(3)	Names and positions of representatives	Mark Webb, Managing Director	
(4)	Description of business	Manufacture and sale of automotive paints	
(5)	Share capital	INR 3,160 million (JPY 5,498 million)	
(6)	Date of establishment	June 21, 2007	
(7)	Major shareholders and ownership ratio	Isaac Newton Corporation	51%
		Berger Paints India Limited	49%

(8) Relationship with the listed company	Capital relationship	This company is an other interested party of NPHD and INC, which is a related party, holds 51% of the voting rights of this company.	
	Personnel relationship	Three Directors and employees of NPHD's subsidiaries serve concurrently as Directors of this company. In addition, three employees of NPHD have been seconded to this company.	
	Transactional relationship	Subsidiaries of NPHD sell products, raw materials, etc. to this company.	
(9) Management results and financial situation over the last three years			
Fiscal year ended	December 2020	December 2021	December 2022
Total equity	INR 2,550 million (JPY 4,437 million)	INR 2,335 million (JPY 4,063 million)	INR 2,406 million (JPY 4,186 million)
Total assets	INR 3,069 million (JPY 5,340 million)	INR 2,824 million (JPY 4,914 million)	INR 3,373 million (JPY 5,869 million)
Net sales	INR 1,317 million (JPY 2,292 million)	INR 1,677 million (JPY 2,918 million)	INR 2,584 million (JPY 4,496 million)
Income before taxes	INR -297 million (JPY -517 million)	INR -207 million (JPY -360 million)	INR 71 million (JPY 124 million)
Profit	INR -297 million (JPY -517 million)	INR -207 million (JPY -360 million)	INR 71 million (JPY 124 million)
Dividend per share	-	-	-

4. Overview of the counterparties in the share acquisition (INC)

(1) Name	Isaac Newton Corporation	
(2) Address	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	
(3) Names and positions of representatives	Goh Hup Jin (sole director)	
(4) Description of business	Investment holding company	
(5) Share capital	USD 4	
(6) Date of establishment	March 20, 2002	
(7) Net assets	USD 17 million (as of May 2023)	
(8) Total assets	USD 280 million (as of May 2023)	
(9) Major shareholders and ownership ratio	Rainbow Light Limited	75%
	Thurloe Limited	25%

(10)	Relationship with the listed company	Capital relationship	Not applicable
		Personnel relationship	One director of the Company also serves as a director of this company.
		Transactional relationship	Not applicable
		Status as a related party	This company is an other affiliated company of NPHD and therefore constitutes a related party.

5. Number of shares transferred, and status of shareholdings before and after the transfer

(1) NPI

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0 voting rights) (Ownership ratio of voting rights: 0%)
(2)	Number of shares to be transferred	562,800,000 shares (Number of voting rights: 562,800,000 voting rights)
(3)	Acquisition price	INR 6,967 million (JPY 12,178 million)
(4)	Number of shares held after the change	562,800,000 shares (Number of voting rights: 562,800,000 voting rights) (Ownership ratio of voting rights: 100%)

(2) BNPA

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0 voting rights) (Ownership ratio of voting rights: 0%)
(2)	Number of shares to be transferred	1,611,597 shares (Number of voting rights: 1,611,597 voting rights)
(3)	Acquisition price	INR 1,313 million (JPY 2,294 million)
(4)	Number of shares held after the change	1,611,597 shares (Number of voting rights: 1,611,597 voting rights) (Ownership ratio of voting rights: 51%)

6. Schedule

(1)	Date of resolution by the board of directors	August 29, 2023 (today)
(2)	Date of execution of the Share Purchase Agreements	August 29, 2023 (today)

(3) Closing date of the Share Transfer	1H FY2024 (scheduled) Closing is subject to the approval of the Indian authorities.
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7. Future outlook

The impact of the Acquisition on our consolidated earnings for FY2023 is expected to be negligible.

8. Matters concerning a transaction, etc., with a controlling shareholder

Because the Share Acquisition constitutes a transaction with INC, which is a member of the Wuthelam Group, it constitutes a transaction, etc., with a controlling shareholder.

(1) Whether the Share Acquisition is a transaction, etc., with a controlling shareholder, and status of compliance with the guidelines regarding the policy for protection of minority shareholders

In the Corporate Governance Report disclosed on April 6, 2023, the Company provides, as guidelines for measures to protect minority shareholders in conducting transactions with the controlling shareholder, that in order to protect minority shareholders, when the company intends to conduct a transaction with its parent company, the Independent Directors appropriately conduct engagement and supervision, such as obtaining approval at the Board of Directors with the majority of the Independent Directors, etc.

As described in “(2) Matters concerning measures to ensure fairness and avoid conflicts of interest” below, because the Company established a special committee consisting of outside independent directors and obtained a report from the special committee, the Company believes the Share Acquisition complies with the above guidelines.

(2) Matters concerning measures to ensure fairness and avoid conflicts of interest

The Company has taken the following measures to ensure the fairness of the Share Acquisition and avoid conflicts of interest:

(i) Procurement by the Company of a valuation report from an independent third-party valuator

In determining the acquisition price, the Company engaged DURV and Associates LLP (“DURV”) and K.S.Rao & Co (“KSR”), which are both third-party valuers independent from the Company, the Wuthelam Group, and the Target Companies, to perform a valuation of the Target Companies in order to ensure the fairness of the acquisition price in the Share Acquisition, and received a valuation report for each Target Company, dated July 25, 2023 from DURV, and KSR.

(ii) Establishment by the Company of an independent special committee and receipt of the Committee Report

For the purpose of eliminating arbitrary decision-making and ensuring a fair, transparent, and objective decision-making process with respect to the Share Acquisition, the Company adopted a resolution to establish a special committee (the “Special Committee”) consisting of Hisashi Hara, Masataka Mitsuhashi, and Masayoshi Nakamura, each of whom is an outside independent director of the Company, and to request that the Special Committee consider whether a decision of the board of directors of the Company to conduct the Share Acquisition (the “Transactions”) would be disadvantageous to minority shareholders (the “Matters for Consideration”). In making that request, the board of directors of the Company has also resolved that it will respect the determination of the Special Committee to the maximum extent when conducting decision-making and will not decide to conduct the Transactions if the Special Committee determines that the Transactions are inappropriate.

The Special Committee conducted careful and comprehensive deliberations based on the materials and information provided to the Special Committee by the Company and its advisors, with a focus on the Matters for Consideration. Based on those deliberations, the Special Committee submitted a report to the board of directors of the Company on August 23, 2023 to the effect that the decision to conduct the Transaction would not be disadvantageous to minority shareholders based on grounds including those set out below (the “Report”).

- (a) The Special Committee has determined that the Transactions are reasonable from the standpoint of maximization of shareholder value based on the following grounds, among others: the background and the purpose of the Transactions are reasonable on the basis of the business environment surrounding the Target Companies and India, as well as the earnings of the Target Companies following the Share Transfer (2021) and future growth prospects of the Target Companies; and the Transactions will allow NPHD to benefit from further growth of the India market by buying back the shares of the Target Companies that have succeeded in restructuring.
- (b) The Special Committee has determined that the procedures for the Transactions are fair from the standpoint of protecting minority shareholders of the Company based on the following grounds, among others: the Company has obtained valuation reports from independent third-party valuers; the Company has established the Special Committee independent from the Company, the Wuthelam Group, and the Target Companies; the Company has obtained legal advice from Mori Hamada & Matsumoto, an independent legal advisor; the Company has not allowed Mr. Goh Hup Jin, who is a director of the Company and concurrently serves as the representative of the Wuthelam Group, to participate in any deliberations or resolutions with respect to the Transactions or to participate in any discussions or negotiations regarding the Transactions on behalf of the Company; appropriate disclosure is planned; and there are no other circumstances that give rise to any question regarding the fairness of the Transactions.

(c) The Special Committee has determined that the appropriateness of transaction terms for the Transactions has been secured from the standpoint of protecting minority shareholders of the Company in light of the following points, among others: the consideration for the Share Acquisition has been determined to be appropriate in light of the calculation results of the valuation reports prepared by the independent third-party valuers DURV and KSR; and reasonable provisions are stipulated in each agreement regarding the Transactions.

(iii) Procurement by the Company of advice from an independent law firm

In order to ensure the transparency and objectivity of the decision-making process of the board of directors with respect to the Share Acquisition, the Company appointed Mori Hamada & Matsumoto, a law firm independent of the Company, the Wuthelam Group, and the Target Companies, as its legal advisor and received necessary legal advice from that firm concerning the method and process of decision-making with respect to the Share Acquisition and other matters to be noted.

(iv) Unanimous approval of all disinterested directors of the Company

Mr. Goh Hup Jin is a director of the Company and concurrently serves as the director of INC, the counterparty in the Share Acquisition. From the standpoint of increasing the fairness and objectivity of decision-making by the Company's board of directors with respect to the Share Acquisition and avoiding any suspicion of a conflict of interest, Mr. Goh Hup Jin did not participate in any deliberations or resolutions with respect to the Share Acquisition, and did not participate in the negotiations with the Wuthelam Group on behalf of the Company. At the meeting of the Company's board of directors held on August 29, 2023, attended by all of the disinterested directors other than Mr. Goh Hup Jin, a resolution was adopted to enter into the Share Purchase Agreements with the unanimous approval of all directors in attendance.

(3) Summary of the opinion from a person who has no conflict of interest with the controlling shareholder stating that the transaction, etc. is not disadvantageous to the minority shareholders

The Company obtained a Report from the Special Committee stating that a decision to conduct the Transactions would not be disadvantageous to minority shareholders on August 23, 2023. For a summary of the Report, please refer to "(ii) Establishment by the Company of an independent special committee and receipt of the Committee Report" in "(2) Matters concerning measures to ensure fairness and avoid conflicts of interest" above.

Note: The exchange rate used to prepare this document is INR/JPY = 1.74.

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