



November 13, 2023

For immediate release

Company: Nippon Paint Holdings Co., Ltd.  
Representative: Yuichiro Wakatsuki  
Director, Representative Executive Officer & Co-President  
Wee Siew Kim  
Director, Representative Executive Officer & Co-President  
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**Notice Regarding Acquisition of Shares of Kazakhstani Paint and Adjacencies  
Product Manufacturer Alina Group LLP by Our Subsidiary**

Nippon Paint Holdings Co., Ltd. (“NPHD”) is announcing that we have decided to acquire 75 percent of the share capital of Alina Group LLP (“Alina”), a Kazakhstan-based manufacturer and seller of dry-mix mortars, paint and coatings, etc., through our consolidated subsidiary Nippon Paint Holdings SG Pte. Ltd. (“NPHDSG”) (the “Acquisition”). We have entered into a share purchase agreement (the “Share Purchase Agreement”).

Concurrently with the signing of the Share Purchase Agreement, we have entered into a put and call option agreement that entitles NPHDSG to purchase the remaining 25% of the share capital of Alina in three years, or earlier upon agreement with the seller.

The Board of Directors of NPHD decided during its meeting held on August 10, 2023, to entrust the decision-making on the signing of the Share Purchase Agreement to the Representative Executive Officers & Co-Presidents. Since all conditions have been met, we have decided to formerly conclude the Share Purchase Agreement on November 11, 2023.

1. Reasons for the acquisition of shares

In our quest for Maximization of Shareholder Value (MSV) as its sole mission, Nippon Paint Group executes good and low-risk M&As through our Asset Assembler model for pursuing MSV, thereby boosting our performance and building up newly acquired brands and human resources, which can be further leveraged within the Group. Moreover, we are promoting the strategy of expanding our business areas, going beyond the paint and coatings area, to the adjacencies area over the medium to long term. In construction chemicals (CC), an adjacencies market segment with a global market estimated at USD72 billion\*<sup>1</sup>, we are building a solid foothold in each region in order to increase market share.

Central Asia including Kazakhstan has the potential for sustained strong growth driven by GDP growth and urbanization. Alina operates in four countries in Central Asia, centered on Kazakhstan, and has the

leading position in the dry-mix mortar market, which is the CC market segment in Kazakhstan, as well as the paint and coatings market, with brands enjoying high visibility, well-established production bases, and extensive distribution networks.

The share acquisition will allow Nippon Paint Group to leverage the expertise accumulated by Alina. In addition, we will aim at expanding our business in the adjacencies area and increasing our market share in the Central Asia market by creating synergies with our Group companies, such as supplying in the Kazakhstan market the brands with wide-ranging price points offered by our Turkish consolidated subsidiary Betek Boya to enhance product offerings.

The Acquisition is expected to contribute to EPS accretion from the very first year. The Acquisition will be entirely funded through borrowings from financial institutions. NPHD is not proposing to raise equity funding.

\*1 Source: ReportLinker

## 2. Overview of NPHDSG

(1)	Name	Nippon Paint Holdings SG Pte. Ltd.
(2)	Address	16 Raffles Quay, #17-03 Hong Leong Building, Singapore 048581
(3)	Names and positions of representatives	Wee Siew Kim, Director
(4)	Description of business	An investment holding company
(5)	Share capital	SGD4 million (JPY376 million)
(6)	Date of establishment	June 1, 1991
(7)	Major shareholders and ownership ratio	NPHD 100%

## 3. Overview of Alina Group LLP

(1)	Name	Alina Group LLP
(2)	Address	Almaty, Republic of Kazakhstan
(3)	Names and positions of representatives	BALFANBAYEV YERLIK KURMAN-ALIEVICH, President
(4)	Description of business	Manufacturing and sale of dry-mix mortars, paint and coatings, etc.
(5)	Share capital	KZT91.756 million (JPY28 million)
(6)	Date of establishment	October 10, 2000
(7)	Major shareholders and ownership ratio	BALFANBAYEV YERLIK KURMAN-ALIEVICH 91%

(8) Relationship with the listed company	Capital relationship	There are no capital relationships to be stated.	
	Personnel relationship	There are no personnel relationships to be stated.	
	Transactional relationship	There are no transactional relationships to be stated.	
(9) Management results and financial situation over the last three years			
Fiscal year ended	December 2020	December 2021	December 2022
Total equity	USD39.3 million (JPY5,364 million)	USD45.5 million (JPY6,211 million)	USD13.4 million (JPY1,829 million)
Total assets	USD83.5 million (JPY11,398 million)	USD92.5 million (JPY12,626 million)	USD98.9 million (JPY13,500 million)
Net sales	USD95.6 million (JPY13,049 million)	USD121.0 million (JPY16,517 million)	USD130.0 million (JPY17,745 million)
EBITDA	USD20.6 million (JPY2,812 million)	USD26.7 million (JPY3,645 million)	USD34.4 million (JPY4,696 million)
Profit	USD16.5 million (JPY2,252 million)	USD19.9 million (JPY2,716 million)	USD27.1 million (JPY3,699 million)
Dividend per share	-	-	-

4. Overview of the counterparties in the share acquisition

(1) Name	BALFANBAYEV YERLIK KURMAN-ALIEVICH
(2) Relationship with the listed company	Representative of the company subject to share acquisition

5. Number of shares to be acquired, and status of shareholdings before and after the share acquisition

(1) Shareholding ratio before the change	0%
(2) Share capital to be acquired	75%
(3) Shareholding ratio after the change	75%

Note: The acquisition price will not be disclosed due to confidentiality agreement with the Seller.

The acquisition price was determined based on an arms-length negotiation, an internal valuation methodology consistent with general market practice, and by reference to relevant market transaction multiples, and the Board is satisfied that the price is fair and reasonable.

6. Schedule

(1)	Date of decision-making	November 11, 2023
(2)	Date of execution of the Share Purchase Agreements	November 11, 2023
(3)	Closing date	FY2024 1H (scheduled) The acquisition is subject to the approval by regulatory authorities.

7. Future outlook

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

Note: The exchange rate used to prepare this document is USD/JPY = 136.5, KZT/JPY = 0.31.

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