

To Our Shareholders

We would like to express our appreciation for your continued support and patronage. We offer our condolences to the victims of the Noto Peninsula earthquake which struck on January 1, and our sincere best wishes for everyone who was affected. We are praying for the fastest possible recovery in the affected regions.

We hereby would like to inform you that Nippon Paint Holdings Co., Ltd. (the “Company”) will hold the 199th Annual General Meeting of Shareholders on Wednesday, March 27, 2024. This convocation notice includes the report on the updated status of Nippon Paint Group’s business operations for the fiscal year under review (from January 1, 2023 to December 31, 2023) for your review.

Looking back on 2023, the Nippon Paint Group applied every effort to achieve Maximization of Shareholder Value (MSV) by accelerating growth both through expanding existing businesses and through active M&A while responding flexibly to changes. In the domestic business, we optimized sales prices to combat the high costs of raw materials that have continued since 2022, and also increased efficiency through improvements to our business processes, and saw a major improvement in profitability. In our overseas businesses, we increased our market share by optimizing sales prices and increasing sales quantities, particularly in decorative paints for the Asian market, and achieved steady growth in a difficult business environment. As a result, revenue increased by 10.2% from the previous period to 1,442,574 million yen, and operating profit increased by 50.8% from the previous period to 168,745 million yen. Both revenue and profit were higher than the previous period. Based on these results, as announced on November 14, 2023, Proposal 1 aims to increase the amount of the year-end dividend by 1 yen over the initial prediction to 8 yen.

Based on our autonomous and decentralized management model and strong paint demand in all parts of the world, in 2024 we will continue to help accelerate the autonomous growth of our Partner Companies and carry out an active M&A strategy in order to overcome changes in market conditions and pursue further growth in global markets.

We deeply appreciate your support for the Nippon Paint Group in the past and for our future endeavors.

March 2024

Yuichiro Wakatsuki

Director, Representative Executive Officer & Co-President

Wee Siew Kim

Director, Representative Executive Officer & Co-President

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code 4612)

Sent Date: March 11, 2024

Electronic Provision Measures Commencement Date: March 4, 2024

To Shareholders with Voting Rights:

Yuichiro Wakatsuki
Director, Representative Executive
Officer & Co-President
Nippon Paint Holdings Co., Ltd.
2-1-2 Oyodokita, Kita-ku, Osaka, Japan

**NOTICE OF
THE 199TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to announce the 199th Annual General Meeting of Shareholders of Nippon Paint Holdings Co., Ltd. (the “Company”), which will be held for the purposes as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content such as reference documents for the general meeting of shareholders and other matters (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information online as “Notice of the 199th Annual General Meeting of Shareholders.” Please access either of the following websites to review the information.

<https://www.nipponpaint-holdings.com/en/ir/stock/meeting/>

<https://d.sokai.jp/4612/teiji> (in Japanese only)

In addition to posting matters for which measures for providing information in electronic format are to be taken on each of the websites listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE) shown below. To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address given below, enter the issue name (company name) or securities code, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you can exercise your voting rights via electronic method such as the Internet or other method) or in writing. Please review the attached “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by 5 p.m. on Tuesday, March 26, 2024, Japan time.

1. Date and Time: Wednesday, March 27, 2024, at 10 a.m. Japan time

2. Place: 4th Floor Hall, Osaka Head Office of the Company,
2-1-2 Oyodokita, Kita-ku, Osaka, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 198th Fiscal Year (January 1, 2023 – December 31, 2023)
 2. The Results of audits by the Accounting Auditor and the Audit Committee of the Consolidated Financial Statements for the Company’s 198th Fiscal Year (January 1, 2023 – December 31, 2023)

Proposals to be resolved:

- Proposal 1: Appropriation of Surplus**
Proposal 2: Election of 9 Directors of the Board

(Note 1)

If it is necessary to revise the matters for which measures for providing information in electronic format are to be taken, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's aforementioned websites on which the matters for which measures for providing information in electronic format are to be taken have been posted.

(Note 2)

In accordance with laws and regulations and Article 16, paragraph 2 of the Company's Articles of Incorporation, among matters for which measures for providing information in electronic format are to be taken, "Systems for Ensuring Appropriate Operations and Operating Status of the Systems" of the Business Report, "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements, and "Statement of Changes in Shareholders' Equity" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements will not be included in the documents that are delivered to shareholders who request document delivery (for this general meeting of shareholders, the deliverable documents will also be sent to shareholders who have not requested such document delivery). Note that these matters will be posted under "Electronic format materials not included in the documents delivered to shareholders through document delivery requests pursuant to laws and regulations and the Company's Articles of Incorporation" in the "Notice of the 199th Annual General Meeting of Shareholders."

The Consolidated Financial Statements and Non-consolidated Financial Statements in the documents to be delivered to shareholders who request the delivery thereof are portions of those documents audited by the Accounting Auditor and the Audit Committee.

Note 2 applies to only Japanese documents.

Reference Documents for the General Meeting of Shareholders Proposals and Reference Information

Proposal 1: Appropriation of Surplus

The Company places Maximization of Shareholder Value, as its sole mission, that remains after fulfilling its obligations to its stakeholders including customers, suppliers, employees, society and other stakeholders.

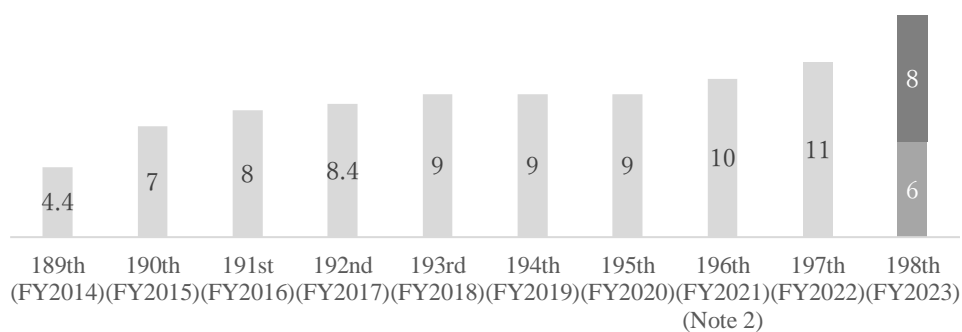
While maintaining financial discipline, the Company places higher priority to investments for future growth thus focusing on providing higher Total Shareholder Return (TSR) through EPS accretion. Our dividend policy, which constitutes part of TSR, is to maintain stability and continuity with a payout ratio of approximately 30% while also taking into account various factors including, but not limited to, business performance trends and investment needs, and the following is the proposed dividends for the fiscal year ended December 31, 2023 under such policy.

Since the consolidated financial results for the full year are expected to exceed the forecast announced on August 10, 2023, the Company has announced an increase in the year-end dividend from the initial forecast of 7 yen to 8 yen on November 14, 2023.

Matters concerning year-end dividends

- (1) **Matters concerning the allotment of dividend property to shareholders and the total amount**
8 yen in cash per share of common stock, for a total of 18,789,059,184 yen
- (2) **Effective date of distribution of surplus**
March 28, 2024

Annual dividends trends (JPY) (Note 1)



- (Note 1) The Company conducted a 5-for-1 stock split of common stock with an effective date of April 1, 2021. Figures for annual dividend per share of common stock are stated, taking the stock split into consideration.
- (Note 2) Includes a commemorative dividend of 1 yen for the 140th anniversary of the Company's founding.

Proposal 2: Election of 9 Directors of the Board

At the conclusion of this General Meeting of Shareholders, the terms of office of all 9 Directors will expire. Accordingly, the Company requests the election of the following 9 candidates for the Directors (including 6 Outside Directors), based on the determination of the Nominating Committee.

The candidates for the Directors are as follows. They are listed in alphabetical order by last name.

No.	Name		Current positions and responsibilities in the Company	Attendance at the Board of Directors meetings
1	Goh Hup Jin	Re-Appointment	Director, Chairman Nominating Committee Member Compensation Committee Member	100% (9/9)
2	Hisashi Hara	Re-Appointment Outside Independent	Independent Director Nominating Committee Chairperson	100% (9/9)
3	Peter M Kirby	Re-Appointment Outside Independent	Independent Director Audit Committee Member	100% (9/9)
4	Lim Hwee Hua	Re-Appointment Outside Independent	Independent Director Compensation Committee Chairperson	100% (9/9)
5	Masataka Mitsuhashi	Re-Appointment Outside Independent	Independent Director Audit Committee Chairperson	100% (9/9)
6	Toshio Morohoshi	Re-Appointment Outside Independent	Independent Director Nominating Committee Member Audit Committee Member	100% (9/9)
7	Masayoshi Nakamura	Re-Appointment Outside Independent	Lead Independent Director, Board Chair Nominating Committee Member Compensation Committee Member	100% (9/9)
8	Yuichiro Wakatsuki	Re-Appointment	Director Representative Executive Officer & Co-President	100% (9/9)
9	Wee Siew Kim	Re-Appointment	Director Representative Executive Officer & Co-President	100% (9/9)

Re-Appointment Candidate for re-appointment as Director

Outside Candidate for Outside Director

Independent Candidate for Independent Director

No.1 Goh Hup Jin

(Re-Appointment)

Date of birth	April 6, 1953
Number of shares of the Company held	0
Number of years in office	9 years and 3 months (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings Nominating Committee meeting: 6 of 6 meetings Compensation Committee meeting: 7 of 7 meetings (One of the meetings of the Compensation Committee is not included because it was a meeting with only agenda in which this candidate had a special interest.)

Past experience and positions

June 1984	Managing Director, Wuthelam Holdings Ltd. (current)
September 1987	Director, Nipsea Holdings International Ltd. (current)
December 1993	Director, Nipsea Pte. Ltd. (currently Nippon Paint Holdings SG Pte. Ltd.) (current)
January 2011	Director, Epimetheus Limited (current)
August 2012	Director, Nipsea International Limited (current)
December 2013	Director, Rainbow Light Limited (current)
December 2014	Director, the Company
March 2018	Chairman, the Company
March 2019	Director, the Company
April 2021	Chairman, the Company (current)
May 2021	Director, DuluxGroup Limited (current)

Significant concurrent positions outside the Company

Director, Nipsea International Limited
 Director, Nipsea Holdings International Ltd.
 Managing Director, Wuthelam Holdings Ltd.
 Director, Rainbow Light Limited
 Director, Epimetheus Limited
 Director, Nippon Paint Holdings SG Pte. Ltd.
 Director, DuluxGroup Limited

Reason for selection as a candidate for Director

Goh Hup Jin is the Managing Director of Wuthelam Holdings, the Company's parent company. Under his management since 1979, Nippon Paint brand was able to achieve deep market penetration in various Asian countries.

After his appointment as Director of the Company in 2014, he served as Chairman and Board Chair of the Company. From 2020, he served as a member of the Nominating Committee and the Compensation Committee. Based on his insight and experience relating to various industries and the capital market, he has provided expert opinions and advice on various agenda items and projects, and through close communications with management team, he has contributed to strengthening the decision making of the Board of Directors.

The Nominating Committee of the Company has again nominated him as a candidate for Director in light of his contributions to the Company.

No.2 Hisashi Hara

(Re-Appointment / Outside / Independent)

Date of birth	July 3, 1947
Number of shares of the Company held	102,119
Number of years in office	6 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings Nominating Committee meeting: 6 of 6 meetings

Past experience and positions

April 1975	Registered as an attorney Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
January 2000	Managing Partner, Nagashima Ohno & Tsunematsu
January 2006	Chairman, Nagashima Ohno & Tsunematsu
March 2012	Outside Audit & Supervisory Board Member, Chugai Pharmaceutical Co., Ltd.
January 2013	Head of the Asia Operation, Nagashima Ohno & Tsunematsu
January 2018	Advisor, Nagashima Ohno & Tsunematsu
March 2018	Outside Director, the Company (current)
January 2022	Senior Counsel, T&K Partners (current)

Significant concurrent positions outside the Company

None

Reason for selection as a candidate for Outside Director and his expected roles

With a career of over 40 years as an attorney, Hisashi Hara has been involved in numerous cross-border M&A deals and has assisted in various corporate legal matters. In 2011, he received the Chambers Asia-Pacific Lifetime Achievement Award from Chambers and Partners, which is just one of many commendations in recognition of his good reputation as an attorney involved in cross-border M&A deals.

From a wide range of perspectives as an attorney, he offered appropriate and objective opinions and advice to management team in various discussions at the Board of Directors regarding M&A deals, corporate governance, and other matters, aiming for the realization of the management strategy. In addition, from 2020, he has led the nominating process for the composition of the Board of Directors and the executive structure as Nominating Committee Chairperson.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.3 Peter M Kirby

(Re-Appointment / Outside / Independent)

Date of birth	August 2, 1947
Number of shares of the Company held	36,800
Number of years in office	2 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings Audit Committee meeting: 5 of 5 meetings (after assuming audit committee member on March 28, 2023)

Past experience and positions

September 1989	CEO, Dulux Australia Limited
February 1992	ICI Paints Asia Pacific CEO, Imperial Chemical Industries PLC (currently Akzo Nobel N.V.)
September 1995	ICI Paints Worldwide Chairman and CEO, Imperial Chemical Industries PLC
March 1997	Member of Executive Board, Imperial Chemical Industries PLC
March 1998	CEO and Managing Director, CSR Limited
July 2003	Independent Director, Board Chairman, Medibank Private Limited Independent Director, Macquarie Bank Limited (currently Macquarie Group Limited) Independent Director, Orica Limited
June 2008	Independent Director, Board Chairman, DuluxGroup Limited
March 2022	Outside Director, the Company (current)

Significant concurrent positions outside the Company

None

Reason for selection as a candidate for Outside Director and his expected roles

Peter M Kirby has 40 years senior management experience in the international coatings industry including as Chairman and CEO of ICI Paints Worldwide, and as Board Chairman of DuluxGroup (then an independent Australian-listed public company and now a subsidiary of Nippon Paint Holdings). He has served as Chairman of Medibank Private Ltd, the largest private health insurer in Australia and an Independent Director of Macquarie Bank & Group, and Orica Ltd.

Since his appointment to the Board of the Company, he has actively contributed to group strategy, international growth, operational improvement and the development of human resources. In addition, he has served as a member of the Audit Committee from 2023 providing advice on risk reduction, governance and operational control.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.4 Lim Hwee Hua

(Re-Appointment / Outside / Independent)

Date of birth	February 26, 1959
Number of shares of the Company held	36,800
Number of years in office	2 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings Compensation Committee meeting: 5 of 5 meetings (after assuming compensation committee member on March 28, 2023)

Past experience and positions

August 1989	Joined Swiss Bank Corporation (currently UBS Group AG)
December 1996	Parliament of Singapore
August 2000	Managing Director, Temasek Holdings (Private) Limited
April 2002	Deputy Speaker, Parliament of Singapore Chairman, Public Accounts Committee
August 2004	Minister of State for Finance Minister of State for Transport
April 2008	Senior Minister of State for Finance Senior Minister of State for Transport
April 2009	Minister in the Prime Minister's Office Second Minister for Finance Second Minister for Transport
July 2011	Independent Director, Jardine Cycle & Carriage Limited (current)
October 2011	Senior Advisor, Kohlberg Kravis Roberts & Co. L.P.
July 2014	Independent Director, United Overseas Bank Limited
March 2022	Outside Director, the Company (current)
April 2023	Non-Executive Independent Chairman, Japfa Ltd. (current)
June 2023	Independent Outside Director, JERA Co., Inc. (current)

Significant concurrent positions outside the Company

Independent Director, Jardine Cycle & Carriage Limited
Non-Executive Independent Chairman, Japfa Ltd.
Independent Outside Director, JERA Co., Inc.

Reason for selection as a candidate for Outside Director and her expected roles

Lim Hwee Hua held several important positions of the Parliament and ministerial positions after being elected to the Parliament of Singapore. Prior to joining the Singapore Cabinet, she served as Managing Director at Temasek Holdings, an investment company owned by the Singapore Government, where she conducted restructuring and sat on the boards of key investee companies, and established strategic relations with key foreign counterparts. She has engaged in private equity and investment activity for firms such as Kohlberg Kravis Roberts.

Based on her broad network and her abundant insight and experience in investment and stewardship, she has fulfilled her responsibilities by providing pertinent advice on business strategy and execution relating to investment projects while bringing up investment themes at the Board of Directors meetings. Moreover, serving as Compensation Committee Chairperson from 2023, she has led the executive compensation decision process that contributed to Maximization of Shareholder Value.

The Nominating Committee of the Company has again nominated her as a candidate for Outside Director since she is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.5 Masataka Mitsuhashi

(Re-Appointment / Outside / Independent)

Date of birth	September 30, 1957
Number of shares of the Company held	63,089
Number of years in office	4 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings Audit Committee meeting: 8 of 8 meetings

Past experience and positions

November 1979	Joined Pricewaterhouse
March 1983	Registered as Certified Public Accountant
July 2004	Representative Director, ChuoAoyama PwC Transaction Services Corporation (currently PwC Advisory LLC)
April 2008	Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC)
July 2012	Representative Director and President, PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd. (currently PricewaterhouseCoopers Sustainability LLC)
July 2018	Executive Advisor, PricewaterhouseCoopers Aarata LLC (currently PricewaterhouseCoopers Japan LLC)
May 2019	Representative, Masataka Mitsuhashi CPA Office (current) Representative Director, Sustainable Value Advisory Co., Ltd. (current)
June 2019	Audit & Supervisory Board Member (Outside), FUJIFILM Holdings Corporation (current) Advisor, Governance Advisory Committee, the Company
February 2020	External Director, Skymark Airlines Inc. (current)
March 2020	Outside Director, the Company (current)
September 2021	Auditor, Integral Corporation (current)

Significant concurrent positions outside the Company

Audit & Supervisory Board Member (Outside), FUJIFILM Holdings Corporation
 External Director, Skymark Airlines Inc.
 Auditor, Integral Corporation

Reason for selection as a candidate for Outside Director and his expected roles

Masataka Mitsuhashi has many years of experience as a certified public accountant at PwC Japan Group, where he was engaged in accounting audit and M&A-related activities. He also has extensive experience in long-term value creation for companies from ESG and sustainability perspectives as Representative Director of a consulting firm. Using his expert and global insight and experience concerning finance and accounting, ESG, sustainability and risk management, he provided opinions and appropriate advice to management team. Moreover, serving as Audit Committee Chairperson from 2020, he has led discussions with the Accounting Auditor and the local accounting auditors in charge of the financial auditing of overseas Partner Companies, while establishing the framework of "Audit on Audit," and he made proposals to management team on strengthening group governance and other matters. The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.6 Toshio Morohoshi

(Re-Appointment / Outside / Independent)

Date of birth	August 24, 1953
Number of shares of the Company held	83,089
Number of years in office	6 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings Nominating Committee meeting: 6 of 6 meetings Audit Committee meeting: 8 of 8 meetings

Past experience and positions

April 1976	Joined Fujitsu Limited
October 2005	Managing Executive Officer, Fujitsu Limited
July 2007	President & CEO, EMC Japan K.K. (currently Dell Technologies Japan Inc.)
January 2012	President & CEO, NCR Japan, Ltd.
June 2015	President & CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation)
March 2018	Outside Director, the Company (current)
May 2018	Advisor, YE DIGITAL Corporation
August 2018	Outside Director, WingArc1st Inc.
June 2020	Outside Director, T-Gaia Corporation (current)

Significant concurrent positions outside the Company

Outside Director, T-Gaia Corporation

Reason for selection as a candidate for Outside Director and his expected roles

Toshio Morohoshi was formerly involved in the executive management of Fujitsu Limited, a global electronics company. He served as Japan CEO for multiple global IT enterprises and CEO of a public company in Japan. Using his corporate management experience at global companies, he provided pertinent advice regarding the establishment of IT strategies while instigating and supervising the execution of post-merger integration. In addition, serving as a member of the Nominating Committee and the Audit Committee from 2020, he has successfully performed his role by advising the composition of the Board of Directors, the executive structure design as well as specifying risk factors related to global business among others.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.7 Masayoshi Nakamura

(Re-Appointment / Outside / Independent)

Date of birth	November 10, 1954
Number of shares of the Company held	96,305
Number of years in office	6 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings Nominating Committee meeting: 6 of 6 meetings Compensation Committee meeting: 7 of 7 meetings (One of the meetings of the Compensation Committee is not included because it was a meeting with only agenda in which this candidate had a special interest.)

Past experience and positions

April 1977	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
September 1996	Managing Director, Lehman Brothers Inc.
March 1999	Managing Director, Morgan Stanley Limited
June 2006	Director and Senior Executive Officer, Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) Executive Officer, Mitsubishi UFJ Financial Group, Inc.
February 2011	Representative Director, Nakamura Arai Partners Inc. (currently OCTAHEDRON Inc.) (current)
March 2018	Outside Director, the Company (current)

Significant concurrent positions outside the Company

None

Reason for selection as a candidate for Outside Director and his expected roles

Masayoshi Nakamura has built up over 30 years of hands-on experience as a specialist in M&A advisory and capital market financing, at investment banks including major US investment banks Lehman Brothers and Morgan Stanley, as well as at Mitsubishi UFJ Securities (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.). During this time, he has led numerous major cross-border M&A deals to success.

As the Board Chair since 2021, he has contributed to improving the effectiveness of the Board of Directors, being instrumental in deepening discussions through effective facilitation. Since 2020, he has played a comprehensive role in keeping the Board of Directors connected with the respective committees in addition to compiling the views of the Independent Directors as the Lead Independent Director and providing advice to management team. In addition, he fulfilled his role as a member of the Nominating Committee and the Compensation Committee, by designing the composition of the Board of Directors, as well as the executive structure and the compensation thereof, among other matters.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.8 Yuichiro Wakatsuki

(Re-Appointment)

Date of birth	August 28, 1966
Number of shares of the Company held	180,110
Number of years in office	2 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings

Past experience and positions

April 1989	Joined The Industrial Bank of Japan, Limited. (currently Mizuho Bank, Ltd.)
March 2000	Joined Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.)
January 2016	Director, Merrill Lynch Japan Securities Co., Ltd.
June 2016	Vice Chairman, Investment Banking Division, Merrill Lynch Japan Securities Co., Ltd.
November 2019	Senior Managing Corporate Officer, the Company
January 2020	Senior Managing Corporate Officer and CFO, the Company
March 2020	Senior Managing Executive Officer and CFO, the Company
April 2021	Representative Executive Officer & Co-President, the Company (current)
May 2021	Director, Nippon Paint Holdings SG Pte. Ltd. (current) Director, DuluxGroup Limited (current)
October 2021	President, Representative Director, Nippon Paint Corporate Solutions Co., Ltd. (current)
March 2022	Director, the Company (current)

Significant concurrent positions outside the Company

Director, Nippon Paint Holdings SG Pte. Ltd.

Director, DuluxGroup Limited

President, Representative Director, Nippon Paint Corporate Solutions Co., Ltd.

Reason for selection as a candidate for Director

Yuichiro Wakatsuki has long been involved in realizing growth strategies for companies involved in capital markets at Merrill Lynch, a global investment bank.

Since joining the Company in 2019, as Senior Managing Executive Officer and CFO, and as Representative Executive Officer & Co-President since 2021, he has led the execution of operations.

In addition to strengthening governance functions and making the Company more financially resilient, he has played a central role in strengthening the management foundation and realizing growth strategies for the Company through such efforts as establishing a stance regarding the stock market, promoting M&A, and reforming the management structure. Moreover, while performing bold and active business execution, since his appointment as Director, he has deepened discussions on growth strategy by strengthening the sharing of information between execution and supervision of the Company, and by utilizing his abundant experience and achievements, he contributed to strengthening the decision making function of the Board of Directors.

The Nominating Committee of the Company has again nominated him as a candidate for Director in light of his contributions to the Company.

No.9 Wee Siew Kim

(Re-Appointment)

Date of birth	August 19, 1960
Number of shares of the Company held	100,000
Number of years in office	2 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2023	Board of Directors meeting: 9 of 9 meetings

Past experience and positions

May 2002	Deputy CEO, Singapore Technologies Engineering Ltd.
August 2009	Group CEO, Nipsea Management Company Pte. Ltd.
April 2013	Independent Director, Mapletree Logistics Trust Management Ltd.
May 2017	Independent Director, SIA Engineering Company Limited (current)
August 2019	Director, DuluxGroup Limited (current)
January 2020	Deputy President and Executive Corporate Officer, the Company
October 2020	Independent Director, Singapore Telecommunications Limited (current)
April 2021	Representative Executive Officer & Co-President, the Company (current)
March 2022	Director, the Company (current)
April 2022	Director, Nippon Paint Holdings SG Pte. Ltd. (current)

Significant concurrent positions outside the Company

Group CEO, NIPSEA Group
 Director, Nippon Paint Holdings SG Pte. Ltd.
 Director, DuluxGroup Limited
 Independent Director, SIA Engineering Company Limited
 Independent Director, Singapore Telecommunications Limited

Reason for selection as a candidate for Director

Wee Siew Kim held the position of Deputy CEO at Singapore Technologies Engineering, an aerospace and defense engineering company, where he engaged in corporate management. In 2009, he joined the Nippon Paint Group, where he has contributed to the growth of the Asia business into a core business of the Company. Since 2021, he has led the execution of operations as Representative Executive Officer & Co-President of the Company.

He has led efforts in not only strengthening governance functions and the financial base, but also in the strengthening of the corporate management foundation and global business operations, which includes improving the profitability of business in Japan and overseas, promoting M&A, and reforming the corporate management structure. Moreover, in conjunction with his efforts to engage in aggressive and bold business execution, since holding the position of Director, he has deepened discussions on growth strategies by strengthening the sharing of information to promote a bridge between execution and supervision while using his abundant experience and achievements to contribute to strengthening the decision making function of the Board of Directors.

The Nominating Committee of the Company has again nominated him as a candidate for Director in light of his contributions to the Company.

Notes:

1. There are no special interests between the Company and Hisashi Hara, Peter M Kirby, Lim Hwee Hua, Masataka Mitsuhashi, Toshio Morohoshi, Masayoshi Nakamura, Yuichiro Wakatsuki or Wee Siew Kim.
2. Within the past ten years, Goh Hup Jin has served as Director at Nipsea International Limited, Nipsea Holdings International Ltd., Rainbow Light Limited and Epimetheus Limited, and Managing Director at Wuthelam Holdings Ltd. These are the parent company of the Company.
3. The Company concluded an agreement with Hisashi Hara, Peter M Kirby, Lim Hwee Hua, Masataka Mitsuhashi, Toshio Morohoshi and Masayoshi Nakamura to limit their liabilities for damages under Article 423, paragraph (1) of the Companies Act, and if their re-appointment is approved, the Company plans to continue the liability limitation agreement. Furthermore, the limit of liability for damages under this agreement is the minimum amount stipulated by laws and regulations.
4. The Company has entered into a contract of Directors and Officers Liability Insurance with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages and expenses arising from shareholder derivative suits, corporate suits and third-party suits borne by the insured persons. If candidates' appointments are approved, they will be included as insured persons in the insurance policy. Furthermore, the Company plans to renew the insurance policy with the same details at the time of the next renewal.
5. Hisashi Hara, Peter M Kirby, Lim Hwee Hua, Masataka Mitsuhashi, Toshio Morohoshi and Masayoshi Nakamura satisfy the "Independence Criteria for Outside Directors" of the Company and the requirements of Independent Directors as stipulated by the Tokyo Stock Exchange. The Company registered them as Independent Directors as stipulated by the said Exchange. If this proposal is approved, the Company will designate them as Independent Directors.
6. Skymark Airlines Inc., where Masataka Mitsuhashi has served as External Director since February 2020, received a business improvement order and warning to the general safety manager's duty (administrative guidance) from the Ministry of Land, Infrastructure, Transport and Tourism (the "MLIT") on February 7, 2023 in relation to an incident on December 25, 2022, which was during Mr. Mitsuhashi's term of office, involving a maintenance employee, untested for alcohol, who conducted operations and other work related to maintenance in an intoxicated state. This company also received an administrative warning (administrative guidance) from the MLIT on September 5, 2023 in relation to the incident on June 19, 2023 in which another maintenance employee conducted operations related to maintenance without tested for alcohol. He was not aware of these facts until they came to light, but offered recommendations on a routine basis from the standpoint of compliance. After these facts came to light, he has continued to offer advice and recommendations for thorough implementation of investigations, for strengthening internal controls to prevent recurrence, and for thorough compliance.

(Reference) Experience and skills of each Director

No.	Name	Experience and skills						
		Experience in corporate management	Experience in global business operations	Experience in M&A	Finance	Legal Affairs	IT / Digital	Manufacturing /Technology /R&D
1	Goh Hup Jin	⊙	⊙	○	○	○	○	⊙
2	Hisashi Hara	⊙	⊙	⊙		⊙		
3	Peter M Kirby	⊙	⊙	⊙	○	○	○	○
4	Lim Hwee Hua	○	⊙	⊙	⊙		○	
5	Masataka Mitsuhashi	○	⊙	⊙	⊙			
6	Toshio Morohoshi	⊙	⊙	○			⊙	○
7	Masayoshi Nakamura	○	⊙	⊙	⊙			
8	Yuichiro Wakatsuki	○	⊙	⊙	⊙	○		
9	Wee Siew Kim	⊙	⊙	⊙	○			○

< Independence Criteria for Outside Director >

1. The Company will determine that Outside Directors or candidates for Outside Directors are sufficiently independent from the Company if they are found to satisfy all the requirements prescribed in the following items as a result of a reasonable investigation by the Company.
 - (1) The person in question is not a controlling shareholder (Note 1) of the Company.
 - (2) The person in question is not an executive (Note 3), a director or an ex-member (Note 4) of the parent company of the Company (Note 2).
 - (3) The person in question is not an executive or an ex-executive (Note 5) of the Company or any of the subsidiaries of the Company (hereinafter “the Group”).
 - (4) The person in question is not an executive or an ex-executive of a sister company of the Company (Note 6).
 - (5) The person in question does not fall under any of the following persons either currently or anytime during the past three years:
 - 1) A major shareholder of the Company (Note 7) or an executive of such a shareholder
 - 2) A person whose major business partner is the Group (Note 8) or an executive of such a person
 - 3) A major business partner of the Group (Note 9) or an executive of such a business partner
 - 4) A person belonging to an audit corporation that conducts statutory audits of the Group
 - 5) A person who receives a significant amount (Note 10) of money, etc. from the Group, in addition to remuneration of Officers
 - 6) An executive of an organization that receives a significant amount (Note 10) of donation or aid from the Group
 - (6) The person in question is not a spouse or a relative within the second degree of kinship of a person falling under any items from (1) to (5) above.
2. Independent Directors shall strive to maintain the independence prescribed by these Independence Criteria until the resignation from office. If an Independent Director no longer satisfies these Independence Criteria, he/she shall promptly notify the Company of the fact.

Notes:

1. A controlling shareholder means an individual among the controlling shareholders set forth in the “Securities Listing Regulations (Tokyo Stock Exchange)” (Listing Regulations) Article 2, item (42)-2, Article 3-2 of the Enforcement Regulations of the same.
2. Parent company means the parent company set forth in the “Regulations on Terminology, Forms and Methods of Preparation of Financial Statements” (Financial Statement Regulations) Article 8, paragraph (3).
3. An executive means an Executive Director, an Executive Officer, a Corporate Officer, and a person holding a similar position at a corporation or other organization.
4. An ex-member means a person who was an executive or a director during the past 10 years.
5. An ex-executive means a person who has been an executive anytime during the past 10 years.
6. A sister company means another company who has the same parent company as the Company.
7. A major shareholder means a person who directly or indirectly holds 10% or more of the total voting rights.
8. A person whose major business partner is the Group means a person who has received from the Group a payment equivalent to 2% or more of the annual consolidate sales revenue or annual consolidated net sales for the latest fiscal year of that person.
9. A major business partner of the Group means a person who has paid to the Group an amount equivalent to 2% or more of the annual consolidated sales revenue for the latest fiscal year of the Company or a person who has an outstanding balance of loans to the Company that is equivalent to 2% or more of the consolidated total assets of the Company as of the end of the latest fiscal year of the Company.
10. A significant amount means an amount exceeding an annual amount of 10 million yen on average over the past three fiscal years of the Company.

Business Report (January 1, 2023 – December 31, 2023)

1. Matters Concerning Current Status of Corporate Group

(1) Business activities and results

During the fiscal year ended December 31, 2023, Nippon Paint Group saw a 10.2% rise in consolidated revenue from the previous year to 1,442,574 million yen. This increase primarily resulted from the normalization of economic activities in the decorative paints business in China, a principal area of business for Nippon Paint Group, subsequent to the lifting of lockdowns and pandemic-related limitations. Additionally, consolidated operating profit surged by 50.8% to 168,745 million yen. This increase was mainly due to the enhanced gross profit margin, propelled by the positive effects of the flow-through of price increases and the absence of credit loss provision in China, which was recorded in the previous year. Consolidated profit before tax saw a 54.6% increase to 161,500 million yen. Furthermore, profit attributable to owners of parent surged by 49.2% to 118,476 million yen.

*DuluxGroup Limited is an Australian company that owns the Dulux® trademark only in Australia, New Zealand, Papua New Guinea, Samoa and Fiji. DuluxGroup Limited is not associated with, and has no connection to, the owners of the Dulux® trademark in any other countries, nor does it sell Dulux® products in any other countries.

Segment results

Japan

Revenue for automotive coatings increased from the previous year, mainly attributed to the continued recovery in automobile production. Revenue for industrial coatings remained steady despite the flow-through of price increases, owing to softer market conditions compared to a year ago. Revenue for decorative paints increased from the previous year due to the flow-through of price increases. This growth occurred despite the impact of consumer spending restraint and the shift in demand to economy products in reaction to inflation.

Consequently, there was an 8.3% increase in consolidated revenue from the previous year to 201,493 million yen, while consolidated operating profit increased by 261.9% to 19,165 million yen.

NIPSEA

Revenue for automotive coatings increased from the previous year, attributed partly to the market share gains at automobile manufacturers and automotive parts manufacturers, which partially offset the sluggish automobile production, particularly among Japanese automobile manufacturers amid the expanding electric vehicle market. Decorative paints revenue saw an increase driven by the normalization of economic activities in China post-lockdowns, sustained demand for repainting interiors of existing homes in China, and the flow-through of price increases in key markets such as Singapore, Malaysia, and Indonesia.

Consequently, consolidated revenue increased by 8.9% from the previous year to 771,518 million yen, and consolidated operating profit rose by 51.8% to 110,385 million yen.

DuluxGroup

The earnings of DP JUB delniška družba pooblaščenka d.d. have begun contributing to the full-year results. The increase in revenue from decorative paints was driven by the flow-through of price increases in the Pacific and Europe, overcoming weaker consumer demand influenced by interest rate hikes. Moreover, revenue in the adjacencies business exceeded last year's figures, propelled by the flow-through of price hikes in the Pacific region, even amid slow ETICS (External Thermal Insulation Composite Systems) sales due to decreased government incentives in Europe.

Consequently, consolidated revenue saw a 14.4% rise from the previous year, reaching 360,398 million yen, while consolidated operating profit climbed by 16.7% to 34,619 million yen.

Americas

Automotive coatings revenue saw a rise over the last year, fueled by a rebound in car manufacturing in the United States, a key area for the automotive coatings industry, particularly among Japanese automobile manufacturers and the flow-through of price increases. Revenue for decorative paints remained unchanged, attributed to the economic slowdown and housing market deceleration in the United States, as well as adverse weather conditions in California.

As a result, consolidated revenue increased by 9.7% from the previous year to 109,164 million yen. Consolidated operating profit decreased by 11.5% to 7,149 million yen, primarily due to the absence of a gain on the sale of fixed assets recorded in the previous year.

(2) Capital investments

Total capital investments made during the fiscal year ended December 31, 2023 amounted to 49.8 billion yen, mainly for the reinforcement of production facilities. The amount of capital investments by segment are as follows:

Segment	Amount (Million yen)
Japan	6,657
NIPSEA	20,184
DuluxGroup	18,881
Americas	4,129

(Note) The capital investment for the holdings company is 11 million yen.

(3) Financing

In addition to funding for the acquisitions of Nippon Paint (India) Private Limited and Berger Nippon Paint Automotive Coatings Private Limited, which are Indian-based paint manufacturers, and Alina Group, which is a Kazakhstan-based manufacturer and seller of dry-mix mortars, paint and coatings, etc., the Company borrowed 113 billion yen, including funds to secure short-term liquidity for the current period.

(4) Important reorganization

At the Company's Board of Directors meeting held on August 29, 2023, the Company has approved the acquisition of shares of Nippon Paint (India) Private Limited and Berger Nippon Paint Automotive Coatings Private Limited as subsidiaries, which are Indian-based paint manufacturers. The Company has entered into a Master Agreement and a Share Purchase Agreement involving the Acquisition on the same day.

(5) Parent companies

Company name	Attribute	Percentage of voting rights held (%)		
		Direct	Indirect	Total
Nipsea International Limited	Parent company	55.07	0	55.07
Nipsea Holdings International Ltd.	Parent company	0	55.07	55.07
Wuthelam Holdings Ltd.	Parent company	0	55.07	55.07
Rainbow Light Limited	Parent company	0	55.07	55.07
Epimetheus Limited	Parent company	0	55.07	55.07

- (Note) 1. Percentage of voting rights held is calculated exclusive of 21,879,817 treasury shares.
2. Fraser (HK) Limited, a subsidiary of a company (W (BVI) Holdings Limited) whose majority voting rights are held by the Company's Director Mr. Goh Hup Jin on his own account, holds 3.62% of the Company's shares (percentage of voting rights held; calculated exclusive of 21,879,817 treasury shares), and said company therefore constitutes an affiliated party.

(6) Principal locations and significant subsidiary companies

1) Principal locations

Tokyo Head Office	Chuo-ku, Tokyo
Osaka Head Office	Osaka-shi, Osaka

2) Significant subsidiary companies

Company name	Location	Equity ownership (%) (Note)	Principal lines of business
Japan			
Nippon Paint Automotive Coatings Co., Ltd.	Hirakata-shi, Osaka	100.0	Manufacture and sale of paint
Nippon Paint Industrial Coatings Co., Ltd.	Shinagawa-ku, Tokyo	100.0	Manufacture and sale of paint
Nippon Paint Co., Ltd.	Shinagawa-ku, Tokyo	100.0	Manufacture and sale of paint
Nippon Paint Surf Chemicals Co., Ltd.	Shinagawa-ku, Tokyo	100.0	Manufacture and sale of surface treatment agents
Nippon Paint Marine Coatings Co., Ltd.	Osaka-shi, Osaka	100.0	Manufacture and sale of paint
Nippon Paint Materials Co., Ltd.	Osaka-shi, Osaka	100.0	Sale of paint and raw materials
Nippon Paint Corporate Solutions Co., Ltd.	Osaka-shi, Osaka	100.0	Business support for domestic group companies

Overseas			
Nippon Paint (China) Co., Ltd.	China	100.0	Manufacture and sale of paint
Guangzhou Nippon Paint Co., Ltd.	China	100.0	Manufacture and sale of paint
Nippon Paint (Chengdu) Co., Ltd.	China	100.0	Manufacture and sale of paint
Nippon Paint (H.K.) Company Limited	Hong Kong, China	100.0	Sale of paint and supervision of business in the China region
Neave Limited	Hong Kong, China	100.0	Management and operation of subsidiary companies, and sale of paint
Nippon Paint (Malaysia) Sdn. Bhd.	Malaysia	100.0	Manufacture and sale of paint
PT Nipsea Paint and Chemicals	Indonesia	99.9	Manufacture and sale of paint
Betek Boya ve Kimya Sanayi Anonim Şirketi	Turkey	99.6	Manufacture and sale of paint and paint-related products
Nippon Paint (Singapore) Co., Pte. Ltd.	Singapore	100.0	Manufacture and sale of paint
Nippon Paint Holdings SG Pte. Ltd.	Singapore	100.0	Supervision of business in the Asia region
Nippon Paint (Thailand) Company Limited	Thailand	100.0	Manufacture and sale of paint
Nipsea Chemical Co., Ltd.	South Korea	100.0	Manufacture and sale of surface treatment agents
DuluxGroup Limited	Australia	100.0	Manufacture and sale of paint and paint-related products
Cromology Holding SAS	France	100.0	Manufacture and sale of paint and paint-related products
DP JUB delniška družba pooblaščenka d.d.	Slovenia	100.0	Manufacture and sale of paint and paint-related products
Nippon Paint Automotive Americas, Inc.	U.S.	100.0	Manufacture and sale of paint
Dunn-Edwards Corporation	U.S.	100.0	Manufacture and sale of paint

(Note) The equity ownership includes indirect holdings through subsidiary companies.

(7) Principal business

Nippon Paint Group's principal businesses are the paint and coatings business which manufactures and sells automotive coatings, decorative paints, industrial coatings, fine chemicals, and other paints, and the paint related business which manufactures and sells paint-related products such as adhesives. As of December 31, 2023, the Company had 237 consolidated subsidiary companies and 8 equity-method affiliates.

(8) Employees

Segment	Number of employees	Increase (Decrease) from the end of the previous period
Japan	3,433	-179
NIPSEA	20,444	+625
DuluxGroup	8,066	+215
Americas	2,396	-34
the Company	54	+3
Total	34,393	+630

(Note) The number of employees is the number of full-time employees (excluding those transferred from the Group to outside the Group and including those transferred from outside the Group to the Group).

(9) Major creditors

Creditors	Balance of borrowings(Million yen)
MUFG Bank, Ltd.	268,375
Sumitomo Mitsui Banking Corporation	240,018

(10) Issues to be addressed

(Medium- and long-term issues)

The Company is in the process of formulating a Medium- and long-term management plan with this fiscal year (ending December 31, 2024) as the first year and the target year ending December 31, 2026, which will be announced on the Company's website (<https://www.nipponpaint-holdings.com/>) in April 2024. The Group's future management policy, including medium- and long-term issues, will be included in the Medium-Term Plan.

(Current period issues)

In the fiscal year ending December 31, 2024, the global automotive market is expected to stay relatively stable, showing no significant variation from the previous year. Meanwhile, a notable expansion is forecasted for the decorative paints market supported by solid demand.

Nippon Paint Group will aim to reinforce the growth base of our existing operations while enhancing profitability. This will be achieved by acquiring excellent talent and powerful brands through strategic M&A activities, ultimately cementing our path towards sustainable growth. To realize these objectives, we plan to intensify our marketing efforts across various regions to sustain growth in the decorative paints business and bolster the adjacencies business including adhesives. Additionally, we will strive for further market share gains in every region and business area by promoting autonomous management at our Group Partner Companies around the world.

Based on this outlook, we forecast consolidated revenue of 1,600,000 million yen, operating profit of 184,000 million yen, profit before tax of 174,000 million yen and profit attributable to owners of the parent of 124,000 million yen.

(11) Changes in assets and profit/loss

International Financial Reporting Standards (IFRS)

Item	195th (FY2020)	196th (FY2021)	197th (FY2022)	198th (Current period; FY2023)
Revenue (Million yen)	772,560	998,276	1,309,021	1,442,574
Operating profit (Million yen)	87,594	87,615	111,882	168,745
Profit before tax (Million yen)	89,443	86,467	104,495	161,500
Profit attributable to owners of parent (Million yen)	43,921	67,569	79,418	118,476
Basic earnings per share (Yen)	27.38	29.41	33.82	50.45
Return on equity attributable to owners of parent	7.8%	8.8%	7.5%	9.5%
Total assets (Million yen)	1,614,580	1,955,083	2,442,340	2,713,341
Total equity (Million yen)	699,002	968,694	1,155,358	1,368,104
Equity attributable to owners of parent per share (Yen)	353.80	408.61	489.19	578.35

- (Notes)
- The Company has adopted the International Financial Reporting Standards (IFRS) starting from the fiscal year ended December 31, 2018.
 - Basic earnings per share is calculated by dividing profit attributable to owners of parent by the weighted average number of common shares issued after adjustment to treasury shares during each fiscal year.
 - The Company conducted a 5-for-1 share split of common stock with an effective date of April 1, 2021. Basic earnings per share and equity attributable to owners of parent per share are calculated as if the stock split had taken place at the beginning of the 195th fiscal year (FY2020).
 - The Group approved a resolution at the Board of Directors meeting on August 10, 2021 to dissolve and liquidate Nippon Paint (Europe) Ltd. (“NPE”), a consolidated subsidiary company of the Company. In addition, the Group transferred to Isaac Newton Corporation, which is a member of the Wuthelam Group, the shares in Nippon Paint (India) Private Limited (“NPI”) held by the Company, the shares in Nippon Paint Automotive Europe GmbH held by NPE, and the shares in Berger Nippon Paint Automotive Coatings Private Limited held by the Company’s consolidated subsidiary company Nippon Paint Automotive Coatings Co., Ltd. on August 27, 2021. As a result, these businesses have been classified as discontinued operations. Due to this, the amounts presented for revenue, operating profit, and profit before tax for the 196th fiscal year (FY2021) are the amounts from continuing operations, excluding discontinued operations. Accordingly, revenue, operating profit, and profit before tax for the 195th fiscal year (FY2020) have been reclassified to the amounts for continuing operations excluding the amounts for discontinued operations.

2. Matters concerning shares of the Company (As of December 31, 2023)

- (1) Total number of authorized shares 5,000,000,000 shares
(2) Total number of issued shares 2,370,512,215 shares
(3) Number of shareholders 16,833
(4) Major shareholders

Name	Number of shares	Shareholding ratio (%)
Nipsea International Limited	1,293,030,000	55.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	157,863,100	6.72
Fraser (HK) Limited	85,000,000	3.61
UBS AGLB SEG AC UNTRADABLE SHARES	84,521,800	3.59
Nippon Life Insurance Company	51,381,365	2.18
Custody Bank of Japan, Ltd. (Trust Account)	43,569,200	1.85
GOVERNMENT OF NORWAY	28,477,295	1.21
HSBC OVERSEAS NOMINEE (UK) LIMITED A/C PSJP	27,124,300	1.15
HSBC - FUND SERVICES CLIENTS A/C 500	23,566,900	1.00
BNYM TREATY DTT 15	21,007,468	0.89

- (Notes) 1. The Company holds 21,879,817 shares of treasury stock and is excluded from the above list of major shareholders.
2. The shareholding ratio is calculated exclusive of treasury shares.
3. Nipsea International Limited is a wholly owned subsidiary company of Wuthelam Holdings Limited, of which Goh Hup Jin, Director of the Company, serves as Managing Director.
4. Fraser (HK) Limited is a subsidiary company of a company (W (BVI) Holdings Limited) whose majority voting rights are held by Goh Hup Jin, Director of the Company, on his own account, and falls under affiliated parties of the Company.

(5) Shares granted to the Company's officers as compensation for execution of their duties during FY2023

	Number of shares	Number of grantees
Directors (excluding Outside Directors) and Executive Officers	-	-
Outside Directors	100,800	6

3. Matters concerning company officers

(1) Names and other information regarding Directors (As of December 31, 2023)

Position and responsibilities in the Company	Name	Significant concurrent positions outside the Company
Director, Chairman Nominating Committee Member Compensation Committee Member	Goh Hup Jin	Director, Nipsea International Limited Director, Nipsea Holdings International Ltd. Managing Director, Wuthelam Holdings Ltd. Director, Rainbow Light Limited Director, Epimetheus Limited Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited
Outside Director Nominating Committee Chairperson	Hisashi Hara	Attorney
Outside Director Audit Committee Member	Peter M Kirby	
Outside Director Compensation Committee Chairperson	Lim Hwee Hua	Independent Director, Jardine Cycle & Carriage Limited Non-Executive Independent Chairman, Japfa Ltd. Independent Outside Director, JERA Co., Inc.
Outside Director Audit Committee Chairperson	Masataka Mitsuhashi	Certified Public Accountant Audit & Supervisory Board Member (Outside), FUJIFILM Holdings Corporation External Director, Skymark Airlines Inc. Auditor, Integral Corporation
Outside Director Nominating Committee Member Audit Committee Member	Toshio Morohoshi	Outside Director, T-Gaia Corporation
Outside Director, Board Chair Nominating Committee Member Compensation Committee Member	Masayoshi Nakamura	
Director Representative Executive Officer & Co-President	Yuichiro Wakatsuki	Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited President, Representative Director, Nippon Paint Corporate Solutions Co., Ltd.
Director Representative Executive Officer & Co-President	Wee Siew Kim	Group CEO, NIPSEA Group Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited Independent Director, SIA Engineering Company Limited Independent Director, Singapore Telecommunications Limited

- (Notes)
- The Company has submitted notification to the Tokyo Stock Exchange that all Outside Directors have been designated as Independent Directors.
 - Director Masataka Mitsuhashi is a certified public accountant and has considerable knowledge of finance and accounting.
 - There are no special interests between the Company and any of Outside Directors.
 - There is no special relationship between other corporations where the Company's Outside Directors hold concurrent positions and the Company.
 - The Company does not appoint a full-time Audit Committee Member because the Audit Committee takes the lead in conducting systematic audits in collaboration with the Audit Department, the internal audit units and Audit & Supervisory Board Members of subsidiary companies, and the Accounting Auditor. The Company has established the Audit Department as an organization to assist the duties of the Audit Committee. The Audit Department serves as the secretariat of the Audit Committee, and conducts investigation, analysis, and reports on matters subject to audits to assist the Audit Committee's audit activities under the Audit Committee's direction.

(2) Names and other information regarding Executive Officers (As of December 31, 2023)

Positions	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Representative Executive Officer & Co-President	Yuichiro Wakatsuki	Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited President, Representative Director, Nippon Paint Corporate Solutions Co., Ltd.
Representative Executive Officer & Co-President	Wee Siew Kim	Group CEO, NIPSEA Group Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited Independent Director, SIA Engineering Company Limited Independent Director, Singapore Telecommunications Limited
Managing Executive Officer and GC	Yuri Inoue	General Manager of Legal Department, and in charge of Corporate Governance Department

(Note) The information as of January 1, 2024 regarding Executive Officers remain from the above.

(3) Outline of the details of the Directors and Officers liability insurance contract

The Company has entered into a contract of Directors and Officers liability insurance with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. The contract insures Directors, Executive Officers, and Corporate Officers of the Company, as well as Directors, Audit & Supervisory Board Members, and Executive Officers of the Company's subsidiary companies. This insurance contract covers damages and expenses arising from shareholder derivative suits, corporate suits and third-party suits borne by the insured persons.

However, in order to ensure that the appropriateness of the execution of duties by the insured is not impaired, certain damages are excluded from coverage, such as compensation for illegal acquisition of private gains or benefits, and damages resulting from other criminal acts.

(4) Total amount of Directors' and Executive Officers' executive compensation and other benefits

1) Total amount of Directors' and Executive Officers' compensation for FY2023

Category	Total amount of compensation (million yen)	Amount paid by type (million yen)				Number of persons
		Job-based compensation	Short-term incentives (STI)	Long-term incentives (LTI)		
			Performance-linked compensation	Cash compensation	Restricted stock compensation	
Directors (excluding Outside Directors)	–	–	–	–	–	–
Executive Officers	1,295 (506)	1,267 (478)	16 (16)	11 (11)	–	3
Outside Directors	295	159	–	–	135	8
Total	1,591 (801)	1,427 (637)	16 (16)	11 (11)	135	11

(Notes)

- Directors, who concurrently serve as Executive Officers, are not included in the number of Directors because they are not paid compensation as Directors.
- The number of Directors excludes Director Goh Hup Jin who does not receive compensation.
- S\$7.5 million (789 million yen, by the average rate during FY2023) of Job-based compensation for Representative Executive Officer & Co-President Wee Siew Kim was paid from the consolidated subsidiary company, Nippon Paint Holdings SG Pte. Ltd. The figures in the total amount of compensation for Executive Officers and Total categories indicate consolidated compensation (total amount of compensation paid by Nippon Paint Holdings Co., Ltd. and its subsidiaries), and the amount in parentheses is the total amount of compensation paid by Nippon Paint Holdings Co., Ltd.
- Job-based compensation includes allowances for committee memberships and other roles paid to Directors.
- The amount of Performance-linked compensation is the total amount expended in FY2023.
- The amount of Long-term incentives is the total amount expended in FY2023.

2) Main activities of the Compensation Committee in FY2023

The Compensation Committee, chaired by an Independent Director, held 8 meetings during the period (from January to December 2023).

Chairperson	Lim Hwee Hua	(Independent Director)	Attendance: 100% (5/5)
Chairperson	Takashi Tsutsui	(Independent Director)	Attendance: 100% (3/3)
Member	Goh Hup Jin		Attendance: 100% (7/7)
Member	Masayoshi Nakamura	(Independent Director)	Attendance: 100% (7/7)

Notes:

- Lim Hwee Hua was elected and appointed as a member of the Compensation Committee at the Board of Directors meeting held on March 28, 2023. Her attendance at the Compensation Committee meetings following her appointment is documented herein. Furthermore, Takashi Tsutsui resigned from his position as a Director upon the conclusion of the 198th Annual General Meeting of Shareholders held on March 28, 2023. His attendance at the Compensation Committee meetings prior to his resignation as a Director is also documented herein.
- One of the eight meetings of the Compensation Committee held during the period was solely for agenda items in which Mr. Goh Hup Jin and Masayoshi Nakamura had a special interest; therefore, they didn't attend at this one meeting.

The main activities carried out in FY2023 were:

- Determination of the FY2023 compensation plan for Directors, excluding those who concurrently serve as Executive Officers
- Deliberation of the FY2023 performance evaluation and the FY2024 compensation plan for the Representative Executive Officers & Co-Presidents
- Confirmation of the evaluation and determination of compensation for the key management teams of partner companies, by the Representative Executive Officers & Co-Presidents.

These were considered and determined by the Compensation Committee based on the [Compensation Philosophy] and [Design Policies for Compensation of Representative Executive Officers & Co-Presidents] as the policy for determining Directors' and Executive officers' compensation, under the mission of [Maximization of Shareholder Value (MSV)] as described below.

[Maximization of Shareholder Value (MSV)]

The Nippon Paint Group is a unique Japan-based global company with MSV as its sole mission. Based on the Asset Assembler model, we seek to create wealth by maximizing the residual shareholder value that remains after fulfilling our obligations to customers, suppliers, employees, society, and other stakeholders.

Fulfilling our obligations to each stakeholder group is the primary premise for MSV. Fulfillment of obligations includes not only legal contracts but also social and ethical obligations, as well as the concept of sustainability. MSV entails maximizing the residual value that remains after fulfilling obligations to all stakeholders as a way of rewarding shareholders that make an investment with an awareness of the associated risks. A prerequisite is to fulfil those obligations to stakeholders that have upper limits, and shareholder value will be the residual value that remains after fulfilling those obligations. MSV strictly pursues the maximization of medium- and long-term shareholder value, rather than short-term maximization.

[Compensation Philosophy]

(Overarching Principle)

- In order to implement MSV, to build a compensation plan that is transparent and satisfactory and to continue to provide appropriate motivation and incentives to key executives by implementing individual treatment based on the plan.

(Guiding Principles)

- To be able to attract and keep management talent that excels at practicing MSV.
- To be able to continuously provide motivation so that maximum potential can be encouraged even under changing environments.
- To function effectively and in harmony with the current state of business development, level of maturity of organizational systems, organizational values, and the community.

[Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents]

- Compensation that contributes to MSV
- Total compensation is commensurate with the performance of the Representative Executive Officers & Co-Presidents
- A compensation structure that promotes appropriate and decisive risk-taking

In addition, the Compensation Committee conducts the following activities to ensure objectivity, rationality, and fairness in the process of evaluating the performance and determining the compensation plans for Executive Officers, including the Representative Executive Officers & Co-Presidents.

- Timely invitation of the Representative Executive Officers & Co-Presidents to committee meetings for their views on the performance evaluations and succession plans for Executive Officers and the key management personnel of partner companies
- Joint committee meetings with the Nominating Committee to share evaluations of the Executive Officers
- Ongoing communication with the Representative Executive Officers & Co-Presidents and the key management personnel of partner companies outside of committee meetings
- Sharing the results of interviews with management team including Executive Officers, at the meeting of the Independent Directors and Audit Committee meetings
- Consolidation of the Independent Directors' opinions on the performance of the Executive Officers and their expectations at the meeting of the Independent Directors.
- Benchmarking on competitors and Japanese and overseas executive compensation trends
- Appropriate disclosure of the policy for determining compensation and details of compensation decided by the Compensation Committee

The individual compensation schemes of Executive Officers, including Representative Executive Officers & Co-Presidents, for FY2023 were determined by the Compensation Committee after a series of deliberations based on the Compensation Philosophy through the aforementioned activities. The Compensation Committee considers that the details of such decisions are appropriate and in accordance with the policies for determining compensation.

In the same manner, the individual compensation of Directors for FY2023 were determined after much deliberation based on the Compensation Philosophy, and the Compensation Committee considers that the details of such decisions are appropriate and in accordance with the policies for determining compensation.

3) Composition and calculation method of Directors' and Executive Officers' compensation for FY2023

(a) Directors' Compensation

Directors' Compensation is composed of "Job-based compensation," "Allowances for committee memberships and other roles," and "Long-term incentives."

Directors who concurrently serve as Executive Officers do not receive compensation as Directors.

Fixed compensation

○ Job-based compensation: Base Salary (BS)

- Cash salaries are paid as fixed salaries to attract and retain excellent personnel suitable for supervising the management of our globally expanding Group, taking into account social conditions, comparisons with competitors, market standards, and other factors.

○ Allowances for committee memberships and other roles

- Cash benefits are paid for the roles of the chairperson and members of the Nominating, Compensation and Audit Committees and special committees, as well as for the role of the Lead Independent Director and other positions

Variable compensation

○ Long-term incentives (LTI)

- The Company's Directors are involved not only in management supervision but also in important decision-making, including corporate acquisitions, bearing responsibilities from a long-term perspective, and with the aim of compensation based on these, Directors are granted restricted stock to provide incentives to promote the Company's MSV mission and to further promote value sharing with shareholders.
- The Company's shares equivalent to an amount determined by the ratio established relative to job-based compensation
- The basic ratio of the base amount of "job-based compensation" to "long-term incentives" is 1:1.
- Selling restricted stock during the term of office is not permitted.
- From the perspective of medium- to long-term soundness, from FY2021, Malus and Clawback clauses regarding the lifting of transfer restrictions were established.

(b) Representative Executive Officers & Co-Presidents' Compensation

In order to encourage suitable and decisive risk-taking in realizing MSV, compensation for Representative Executive Officers & Co-Presidents' Compensation has been based on a comprehensive evaluation of the previous fiscal year's performance from financial and non-financial perspectives, and after the total amount of compensation for the current fiscal year is determined from the ground up, the optimal mix of cash and stock compensation is determined each fiscal year.

Specifically, both financial aspects, such as revenue, current profit growth rate, and superiority of MSV indicators (EPS, PER) compared to competitors, and non-financial aspects, such as system development and initiatives aimed at further realizing MSV, are evaluated in a cross-sectional manner. After determining the total amount of compensation, taking into account the actual state of president's compensation in competitors and major domestic corporations, the level and composition of compensation in the country of origin, and the continuity with existing compensation, the optimal ratio of cash and stock compensation is determined to create a compensation level and composition that maintain motivation and incentivize the Representative Executive Officers & Co-Presidents responsible for the realization of MSV.

As a result of much deliberation by the Compensation Committee based on the aforementioned comprehensive evaluation, the total amount of FY2023 compensation for Representative Executive Officer and Co-President Wee Siew Kim was the same as the previous fiscal year based on the assessment that his motivation had been optimally maintained for realizing MSV. And it was determined the total compensation was cash compensation. (The compensation for Representative Executive Officer & Co-President Wee Siew Kim is paid from Nippon Paint Holdings SG Pte. Ltd.)

In light of the balance of compensation under the Co-President structure, as an incentive for further leaps, it was determined that total FY2023 compensation for Representative Executive Officer and Co-President Yuichiro Wakatsuki was increased from the previous year's total compensation and all cash compensation.

Entire amounts of compensations are variable

Total compensations for the current fiscal year are determined by linking them to the comprehensive performance evaluation for the previous fiscal year

Total compensations for the following fiscal year are redefined each fiscal year from the ground up after a comprehensive evaluation of the previous performance from financial and non-financial perspectives, and the composition of cash and stock compensation is also reviewed each time.

Key evaluation items for the comprehensive evaluation

- Maximizing EPS and PER toward achieving MSV
 - Improving earnings in the Japanese and overseas businesses
 - Progress with the M&A strategy
 - Establishing a sound stance in the stock market
 - Risk management in the Nippon Paint Group
 - Transformation of our corporate culture
 - Transformation of management structure
 - Strengthening the governance structure and the internal control system, including the Board of Directors
-

(c) Executive Officers' Compensation

Executive Officers' Compensation, excluding the Representative Executive Officers & Co-Presidents, is composed of "Job-based compensation," "Performance-linked compensation," and "Long-term incentives."

Based on the proposal from the Representative Executive Officers & Co-Presidents regarding the level and composition of compensation, the Compensation Committee has deliberated and determined the appropriateness of the proposal in accordance with the "Compensation Philosophy."

Fixed compensation

○Job-based compensation: Base Salary (BS)

- Fixed salaries are paid in cash to retain and acquire management talent, taking into consideration social conditions, comparisons with competitors, market standards, and other factors.
-

Variable compensation

○Performance-linked compensation: Short-Term Incentives (STI)

- Based on the comprehensive evaluation proposal from the Representative Executive Officers & Co-Presidents in the key evaluation items for each individual responsibilities, the Compensation Committee determines the amount to be paid within a range of 0% to 200% of the standard amount for each position and responsibilities, after deliberating on the appropriateness of the proposal.

○Long-term incentives (LTI)

- Based on an evaluation of the contribution to improving Nippon Paint Group's sustainability, the Compensation Committee determines the amount to be paid within a range of 50% to 150% of the standard amount based on position and responsibility, after deliberating on the appropriateness of the proposal from the Representative Executive Officers & Co-Presidents.
 - Cash compensation to be paid in thirds over three years for each fiscal year
-

(d) Calculation of Performance-linked compensation and Long-term incentives in Executive Officers' compensation

○Performance-linked compensation

The individual Performance-linked compensation for FY2023 performance of Executive Officers, excluding the Representative Executive Officers & Co-Presidents, will be decided at the Compensation Committee meeting to be held after the financial results for the fiscal year ended December 31, 2023 are finalized, based on the comprehensive evaluation of key evaluation items for the individual responsibility by the Representative Executive Officers & Co-Presidents.

Key evaluation items and criteria for achievements	Evaluation factor range
<ul style="list-style-type: none"> • Advancement of the global governance structure • Strengthening risk management and internal controls, including compliance • Promoting sustainability strategies • Promoting human resource development and D&I (Diversity & Inclusion) activities 	0% - 200%

○Long-term incentives

The individual Long-term incentive compensation for FY2023 for Executive Officers, excluding the Representative Executive Officers & Co-Presidents, will be decided at the Compensation Committee meeting to be held after the financial results for the fiscal year ended December 31, 2023 are finalized, based on a comprehensive evaluation by the Representative Executive Officers & Co-Presidents regarding the contribution to Nippon Paint Group's sustainability and total optimization according to individual responsibilities.

(5) Method of determination and details of the policy for determining Directors' and Executive Officers' compensation

1) Policy for determining Directors' and Executive Officers' compensation for FY2024

Compensation for the Representative Executive Officers & Co-Presidents and the Executive Officers will be decided at the Compensation Committee meeting to be held after the financial results for the fiscal year ended December 31, 2023 and compensation for the Directors will be decided at the Compensation Committee meeting to be held after the Annual General Meeting of Shareholders on March 27, 2024.

In making these decisions, as stated in the "Compensation Philosophy" and "Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents", compensation must encourage and continuously motivate each executive to maximize his or her ability to realize MSV. At the same time, it must be globally competitive and in line with the current status and direction of the Company, while taking objective and professional information into consideration. The Compensation Committee is continually conducting research and studies on these matters and discussing fair and reasonable compensation that is accountable to all stakeholders.

2) Composition and calculation method of Directors' and Executive Officers' compensation for FY2024

(a) Directors' Compensation

Directors' Compensation will be decided at a meeting of the Compensation Committee following the Annual General Meeting of Shareholders on March 27, 2024.

(b) Representative Executive Officers & Co-Presidents' Compensation

Representative Executive Officers & Co-Presidents' Compensation will be decided at a meeting of the Compensation Committee to be held after the financial results for the fiscal year ended December 31, 2023 are finalized.

(c) Executive Officers' Compensation

Compensation for Executive Officers excluding Representative Executive Officers & Co-Presidents will be decided at a meeting of the Compensation Committee to be held after the financial results for the fiscal year ended December 31, 2023 are finalized.

(6) Matters concerning outside officers

1) Summary of details of limited liability agreement

Pursuant to Article 427, paragraph (1) of the Companies Act and Article 24, paragraph 2 of the Company's Articles of Incorporation, the Company has entered into agreements with Outside Directors of the Company, to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for under laws and regulations.

2) Number of Outside Directors' attendance at Board of Directors meetings, Committee and other meetings, and status of activities

Name	Attendance		Activities and duties performed by Outside Directors regarding their expected role
Hisashi Hara	Board of Directors Nominating Committee	9 of 9 meetings 6 of 6 meetings	From a wide range of perspectives as an attorney, he offered appropriate and objective opinions and advice to management team in various discussions on the Board of Directors regarding M&A deals, corporate governance, and other matters, aiming for the realization of the management strategy. In addition, he has led the nominating process for the composition of the Board of Directors and the executive structure as Nominating Committee Chairperson.
Peter M Kirby	Board of Directors Audit Committee	9 of 9 meetings 5 of 5 meetings	He has actively contributed to group strategy, international growth, operational improvement and the development of human resources on the Board of Directors. In addition, as a member of the Audit Committee, he has provided advice on risk reduction, governance and operational control.
Lim Hwee Hua	Board of Directors Compensation Committee	9 of 9 meetings 5 of 5 meetings	Based on her broad network and her abundant insight and experience in investment and stewardship, she has fulfilled her responsibilities by providing pertinent advice on business strategy and execution relating to investment projects while bringing up new propositions on the Board of Directors. Moreover, as Compensation Committee Chairperson, she has led the executive compensation decision process that contributed to Maximizing Shareholder Value.
Masataka Mitsuhashi	Board of Directors Audit Committee	9 of 9 meetings 8 of 8 meetings	Using his expert and global insight and experience concerning finance and accounting, ESG, sustainability and risk management, he provided opinions and appropriate advice to management team on the Board of Directors. Moreover, as Audit Committee Chairperson, he has led discussions with the Accounting Auditor and the local accounting auditors in charge of the financial auditing of overseas partner companies, while establishing the framework of “Audit on Audit,” and he made proposals to management team on strengthening group governance and other matters.
Toshio Morohoshi	Board of Directors Nominating Committee Audit Committee	9 of 9 meetings 6 of 6 meetings 8 of 8 meetings	Using his corporate management experience at global companies, he provided pertinent advice regarding the establishment of IT strategies while instigating and supervising the execution of post-merger integration on the Board of Directors. In addition, as a member of the Nominating Committee and the Audit Committee, he has successfully performed his role by advising the composition of the Board of Directors, the executive structure design as well as specifying risk factors related to global business among others.

Name	Attendance		Activities and duties performed by Outside Directors regarding their expected role
Masayoshi Nakamura	Board of Directors	9 of 9 meetings	As the Board Chair, he has contributed to improving the effectiveness of the Board of Directors, being instrumental in deepening discussions through effective facilitation. Also, he has played a comprehensive role in keeping the Board of Directors connected with the respective committees in addition to compiling the views of the Independent Directors as the Lead Independent Director and providing advice to management team. In addition, he fulfilled his role as a member of the Nominating Committee and the Compensation Committee, by designing the composition of the Board of Directors, as well as the executive structure and the compensation thereof, among other matters.
Nominating Committee	6 of 6 meetings		
Compensation Committee	7 of 7 meetings		

- (Note) 1. Peter M Kirby and Lim Hwee Hua were elected and appointed as members of the Audit Committee and the Compensation Committee, respectively, at the Board of Directors meeting held on March 28, 2023. The table above shows their attendance at the meetings of the Audit Committee and Compensation Committee held after their appointment, respectively.
2. One of the eight meetings of the Compensation Committee held during the period was solely for agenda items in which Masayoshi Nakamura had a special interest; therefore, he didn't attend at this one meeting.

4. Accounting Auditor

(1) Name

KPMG AZSA LLC

Names of certified public accountants and their number of continuous audit years are as follows.

Names of certified public accountants who implemented auditing services for the Company	Number of continuous audit years related to the Company
Kenta Tsujii, Designated Engagement Partner	1 accounting period
Shimpei Takeshita, Designated Engagement Partner	6 accounting periods
Hiroshi Kubota, Designated Engagement Partner	2 accounting periods

(2) Amount of remuneration

(Million yen)

Item	Amount
1) Amount to be paid by the Company	108
2) Total of money and other economic benefits to be paid by the Company and its subsidiary companies	171

- (Notes)
1. The Audit Committee confirmed the performance of duties by the Accounting Auditor in the past fiscal years and the appropriateness of the content of the audit plan, audit procedures and auditing framework, the number of audit days, and the calculation basis for the estimated amount of remuneration. As a result, the Audit Committee has determined that the remuneration and others of the Accounting Auditor is appropriate and has given its consent as provided for in Article 399, paragraph (1) of the Companies Act.
 2. The audit engagement agreement entered into by the Accounting Auditor and the Company does not make a distinction between remuneration and others for audit under the Companies Act and for audit under the Financial Instruments and Exchange Act, and both are also substantially indistinguishable. Accordingly, the total amount is stated in the amount 1) above to be paid for these services.
 3. In addition to the remuneration for the audit for the current period, the Company paid an additional remuneration of 6 million yen to the Accounting Auditor for the audit of the previous period.

(3) Non-auditing services

There is no relevant information.

(4) Status of audits of financial statements of the Company's subsidiary companies by certified public accountants or audit corporations other than the Company's Accounting Auditor

Among the Company's significant subsidiary companies, some overseas subsidiary companies are audited by certified public accountants or auditing corporations (including those with equivalent qualifications in the respective country) other than the Company's Accounting Auditor.

(5) Policy on decisions of dismissal or non-reappointment of accounting auditor

If the Accounting Auditor is recognized to have fallen under any of the items in Article 340, paragraph (1) of the Companies Act, the Audit Committee shall dismiss the Accounting Auditor by the unanimous consent of all Audit Committee Members.

In addition, if the Audit Committee finds that there are issues preventing the Accounting Auditor from executing its proper duties, or if it recognizes that it is necessary to change the Accounting Auditor in order

to further enhance the appropriateness of the audit, then it shall determine the content of a proposal related to the dismissal or non-reappointment of the Accounting Auditor to be submitted at the General Meeting of Shareholders.

5. Corporate governance

(1) Basic approach to corporate governance

The Company has adopted a Company with Three Committees (Nominating, Compensation and Audit) as its governance structure. This structure aims to improve the transparency, objectivity and fairness of management, as well as to separate and strengthen the supervision of functions of business execution and supervision of management.

In addition, the Company, based on its “Purpose,” which defines shared identity of Nippon Paint Group, and its “Business Philosophy,” which sets the Group’s guidelines, shall promote its business and engage in ongoing efforts to enhance and strengthen its corporate governance, and thereby will realize Maximization of Shareholder Value as its sole mission.

(2) Board of Directors

Number of the Board of Directors meetings in FY2023: 9 meetings

The Board of Directors has advanced delegating a substantial authority to make important business execution decisions to Executive Officers, while working to separate and strengthen the supervision of management and business execution functions in order to improve the transparency, objectivity and fairness of management.

In addition, when conducting transactions with the Wuthelam Group, a controlling shareholder of the Company, the Company ensures appropriate involvement and supervision by the Independent Directors, such as obtaining approval at the Board of Directors with a majority of Independent Directors from the viewpoint of protecting interests of minority shareholders. In addition, the Company has a structure in which the Lead Independent Director, who is independent of controlling shareholders and other affiliated parties, serves as Board Chair to ensure that the opinions of stakeholders such as minority shareholders are appropriately reflected in the Board of Directors and to further strengthen the function to supervise business execution.

(3) Overview of the Committees

<Nominating Committee>

Role of the Committee	Decisions on proposals regarding the election and dismissal of Directors to be submitted to the General Meeting of Shareholders, discussions about succession plans for Directors based on advice from the Board of Directors, appointments and dismissals of the Representative Executive Officer and President and other Executive Officers, and submission of opinions about the succession plan and other proposals.
Chairperson	Independent Directors
Committee Members	4 persons (majority of Independent Directors)
Number of Meetings	6 meetings

<Compensation Committee>

Role of the Committee	Establishment of policies for determining the compensation of individual Directors and Executive Officers, and decisions about compensation for individuals and other matters
Chairperson	Independent Directors
Committee Members	3 persons (majority of Independent Directors)
Number of Meetings	8 meetings

<Audit Committee>

Role of the Committee	Conduct audits on the execution of duties by Directors and Executive Officers, prepare audit reports, and determine proposals regarding the election, dismissal and non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders
Chairperson	Independent Directors
Committee Members	3 persons (majority of Independent Directors)
Number of Meetings	8 meetings

(4) Overview of Board Effectiveness Evaluation

For FY2023, led by the Board Chair of the Board of Directors and the Chairperson of the Nominating Committee, we evaluated the effectiveness through extensive discussions at the Board of Directors meetings, based on the results of a questionnaire targeting all Directors and Executive Officers.

Using the questionnaire, each Director evaluated the composition of the Board of Directors, pre-meeting preparations, operations, quality of deliberations, Director's contributions, the monitoring structure for the management team, the composition of each committee, and other matters. We then held discussions at the Board of Directors meetings based on these results.

Based on the evaluation results, it was evaluated that the effectiveness of our Board of Directors is generally maintained.

In specifics, we addressed the three issues identified through FY2022 Board Effectiveness Evaluation, namely (1) Upgrading operation of the Board of Directors, (2) Contributions of Independent Directors, and

(3) Engagement in succession planning. It was worth noting that, regarding the sophistication of the operation of the Board of Directors, we narrowed down the agenda items and strategically set them throughout the year. As a result, the proportion of deliberation on medium to long-term management strategies and others matters has increased, enhancing the quality of the Board’s discussion.

Meanwhile, we have identified the following 4 issues requiring stronger initiatives for FY2024: (1) Enrichment of discussion on growth strategy, (2) Improvement of the operational efficiency of the Board of Directors meetings, (3) Thorough engagement in succession planning and (4) Further fine-tuning of the “Audit on Audit” framework.

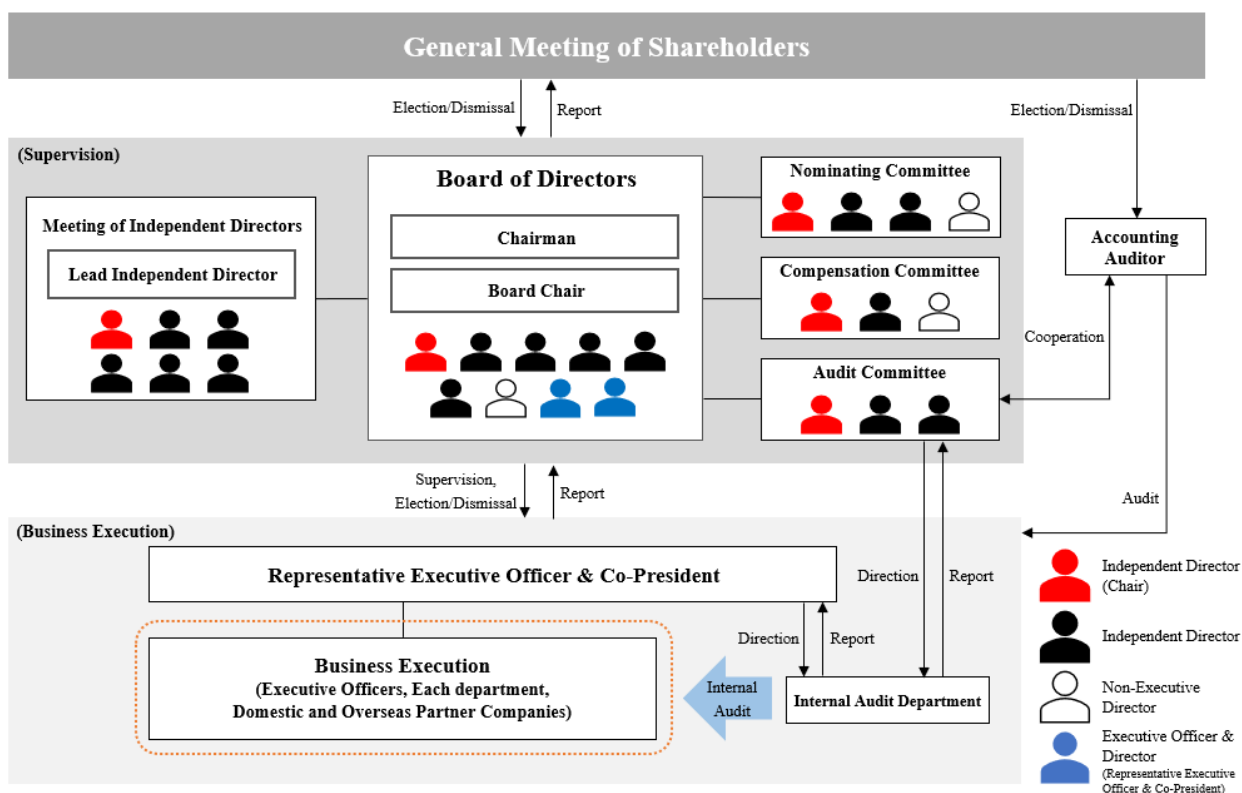
Given such results, our Board of Directors is continuing to strive to improve its effectiveness in order to achieve sustainable “Maximization of Shareholder Value”.

Furthermore, we will consider evaluations by a third party as necessary going forward.

(5) Corporate Governance Structure

An overview of the Company’s corporate governance and details of the system are available on the Company’s website below.

<https://www.nipponpaint-holdings.com/en/sustainability/governance/cg/>



(Note) In principle, amounts, numbers of shares, and percentage shown in this Business Report are rounded down to the nearest whole unit.

Consolidated Financial Statements

Consolidated Statement of Financial Position (As of December 31, 2023)

		(Million yen)	
Item	Amount	Item	Amount
Assets		Liabilities and equity	
Current assets		Liabilities	
Cash and cash equivalents	289,647	Current liabilities	
Inventories	175,617	Trade and other payables	262,152
Trade and other receivables	317,940	Bonds and borrowings	55,995
Other financial assets	84,146	Other financial liabilities	21,908
Other current assets	22,005	Income taxes payable	14,770
Subtotal	889,357	Provisions	4,310
Assets held for sale	199	Other current liabilities	78,564
Total current assets	889,557	Total current liabilities	437,701
Non-current assets		Non-current liabilities	
Property, plant and equipment	409,984	Bonds and borrowings	683,771
Goodwill	897,751	Other financial liabilities	96,480
Other intangible assets	430,763	Retirement benefit liability	17,130
Investments accounted for using equity method	28,198	Provisions	1,366
Other financial assets	35,161	Other non-current liabilities	6,073
Other non-current assets	14,381	Deferred tax liabilities	102,714
Deferred tax assets	7,543	Total non-current liabilities	907,536
Total non-current assets	1,823,784	Total liabilities	1,345,237
		Equity	
		Share capital	671,432
		Treasury shares	(6,049)
		Retained earnings	351,205
		Other components of equity	341,721
		Total equity attributable to owners of parent	1,358,310
		Non-controlling interests	9,793
		Total equity	1,368,104
Total assets	2,713,341	Total liabilities and equity	2,713,341

Consolidated Statements of Profit or Loss (From January 1, 2023 to December 31, 2023)

(Million yen)

Item	Amount
Revenue	1,442,574
Cost of sales	(866,449)
Gross profit	576,124
Selling, general and administrative expenses	(420,247)
Other income	16,668
Other expenses	(3,800)
Operating profit	168,745
Finance income	6,950
Finance costs	(14,397)
Share of profit (loss) of investments accounted for using equity method	201
Profit before tax	161,500
Income taxes	(42,502)
Profit	118,997
Profit attributable to	
Owners of parent	118,476
Non-controlling interests	521
Profit	118,997

Non-consolidated Financial Statements

Non-consolidated Balance Sheet (As of December 31, 2023)

(Million yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	103,798	Current liabilities	69,236
Cash and deposits	85,919	Deposits received from subsidiaries and associates	13,313
Accounts receivable - other	10,574	Current portion of long-term borrowings	55,000
Other	7,125	Other	922
Non-current assets	2,137,994	Non-current liabilities	683,699
Property, plant and equipment	290	Long-term borrowings	683,000
Buildings	218	Deferred assets and liabilities	682
Other	71	Other	17
Intangible assets	14	Total liabilities	752,935
Other	14		
Investments and other assets	2,137,689	Net assets	
Investment securities	8,137	Shareholders' equity	1,486,378
Shares of subsidiaries and associates	2,129,226	Share capital	671,432
Other	325	Capital surplus	671,159
		Legal capital surplus	670,904
		Other capital surplus	254
		Retained earnings	149,754
		Legal retained earnings	3,995
		Other retained earnings	145,758
		Retained earnings brought forward	145,758
		Treasury shares	(5,967)
		Valuation and translation adjustments	2,404
		Valuation difference on available-for-sale securities	2,404
		Share acquisition rights	73
		Total net assets	1,488,857
Total assets	2,241,792	Total liabilities and net assets	2,241,792

Non-consolidated Statement of Income (From January 1, 2023 to December 31, 2023)

(Million yen)

Item	Amount	
Operating revenue		
Dividends from subsidiaries and associates	20,945	
Outsourcing Revenue	30	20,975
Operating expenses		2,987
Operating profit		17,987
Non-operating income		
Dividend income	238	
Foreign exchange gains	153	
Gains on derivative investments	86	
Settlement income	281	
Other	13	774
Non-operating expenses		
Interest expenses	2,689	
Other	8	2,698
Ordinary profit		16,063
Profit before income taxes		16,063
Income taxes - current	(3,431)	
Income taxes-deferred	3,100	(330)
Profit		16,394