

Director of the Board (as of March 28, 2018)



Hup Jin Goh
Chairman of the Board

As the representative of the joint venture partner in Asia, Goh helped Nippon Paint achieve the largest share in Asia. He became a director of Nippon Paint Holdings in December 2014 and contributed to the revitalization of Board activities. Goh became the chairman in March 2018.



Tetsushi Tado
President, Representative Director of the Board

Tado is the first president of Nippon Paint Holdings who is from a Group company. After becoming the president in April 2015, he realized the expansion of our overseas business through the acquisition of a US construction paint company as a subsidiary and other initiatives. Tado is leading the promotion of the medium-term management plan.



Manabu Minami
Vice President, Representative Director of the Board

Since he joined the company, Minami has consistently worked in the finance/accounting area. He has also been in charge of IT, procurement, administration, engineering, and other areas in recent years to promote the improvement of management efficiency from a comprehensive perspective. Minami is leading the transition to IFRS, which is scheduled in 2019.



Seiichiro Shirahata
Vice President, Director of the Board

Shirahata was originally an engineer and spearheaded the domestic business restructuring project completed in April 2015. Having served as the president of two affiliates, he also has broad experience as a manager.



Atsushi Nagasaka
Senior Executive Officer, Director of the Board

Nagasaka reformed the Group's cost structure for raw materials as the responsible person for raw material procurement and also strengthened the Europe business while working for a German affiliate. He now promotes initiatives for "work style reforms and CSR management" as Division Director of Human Resources & Corporate Administration.



Hisashi Hara
Independent Director of the Board

With a career of more than 40 years as a lawyer, Hara has dealt with many corporate legal cases. He has also been involved in a large number of cross-border M&As and enjoys high reputation in foreign countries as well.



Takashi Tsutsui
Independent Director of the Board

Tsutsui has served as a director, president, vice president, etc. in Nomura Securities, JASDAQ Securities Exchange, and LIXIL Group. With broad experience as a manager, he also has a profound knowledge of M&A and IR.



Toshio Morohoshi
Independent Director of the Board

Morohoshi is an IT specialist with a career of more than 40 years. Having served as the president of IT companies such as NCR Japan and Yaskawa Information Systems, he is also experienced as a manager.



Yasunori Kaneko
Independent Director of the Board

Kaneko has worked actively in life science and various other fields and served as a director, etc. of companies in Japan and overseas. He also served as a member of the advisory committee of Stanford Graduate School of Business in the United States.



Masayoshi Nakamura
Independent Director of the Board

Nakamura has held executive positions including a director in financial institutions, such as banks and securities firms, in Japan and overseas. He has over 30 years of work experience as an M&A adviser and financing expert.

Audit & Supervisory Board Member (as of March 28, 2018)



Toya Kawabe
Audit & Supervisory Board Member

Kawabe has mostly worked in the sales field. As an executive officer of Nippon Paint Holdings and General Manager of the Corporate Planning Department, he was involved in the transition to a holding company system and consolidation of joint ventures in the Asia region to contribute to the establishment of the current Group structure.



Hiroshi Miwa
Audit & Supervisory Board Member

Miwa was originally an engineer in the industrial coatings field and became the president of a company related to industrial coatings. He has also been engaged in the transition to a holding company system and consolidation of joint ventures in the Asia region as a director of Nippon Paint Holdings.



Toshihiko Oinuma
Independent Audit & Supervisory Board Member

Oinuma is a lawyer and patent attorney and also admitted to practice in New York State, the US. He also served as a visiting professor of a graduate school as an expert of intellectual property laws and is familiar with engineering fields as well.



Ichiro Wakita
Independent Audit & Supervisory Board Member

As a certified public accountant working for a major auditing corporation, Wakita has audited financial statements and internal control of listed companies and also been engaged in human resource development. He also has work experience in a car manufacturer.



Yu Okazawa
Independent Audit & Supervisory Board Member

Okazawa has mostly worked in the international field in Shiseido and served as General Manager of the China Business Department and General Manager of the International Sales Department. He is also engaged in corporate management as a director and executive officer.

Executive Officer (as of March 28, 2018)

Mitsuo Yamada Senior Vice President
(President, Representative Director of the Board of Nippon Paint Automotive Coatings Co., Ltd.)

Shingo Aida Vice President
(Representative Director and President of Nippon Paint Co., Ltd.)

Tetsuro Fujita Senior Executive Officer
(CEO of Nippon Paint (USA) Inc.)

Yasuyuki Matsumoto Senior Executive Officer
(General Manager of Corporate Planning & Development, in charge of management strategy)

Takeshi Shiotani Senior Executive Officer
(Representative Director and President of Nippon Paint Industrial Coatings Co., Ltd.)

Masakazu Wada Executive Officer
(General Manager of Human Resources)

Satoshi Nishimura Executive Officer
(Representative Director and President of Nippon Paint Surf Chemicals Co., Ltd.)

Yusaku Kobata Executive Officer
(General Manager of the R&D)

Basic Approach to Corporate Governance

Nippon Paint Holdings is continuously committed to improving and enhancing corporate governance for the establishment of a management mechanism that can respond to changes in the business environment in a prompt and proper manner, as well as for the implementation of transparent management, in order to achieve the sustainable growth of the Nippon Paint Holdings Group and medium- and long-term increases in its corporate value through the practice of the management philosophy. Our basic approach to corporate governance, its framework, and the administrative guidelines are outlined as the "Corporate Governance Policy" in the following page of our website.

<http://www.nipponpaint-holdings.com/company/cg/>

Corporate Governance Structure

Nippon Paint Holdings has adopted a "Company with Audit & Supervisory Board" system and introduced an "Executive Officer" system. The corporate governance structure is illustrated in the Corporate Governance Organizational Chart below.

Board of Directors

The Articles of Incorporation stipulate that the Company shall have no more than 10 directors. Our Board of Directors is composed of executive directors, independent directors, and non-executive directors, who are selected from among people from both Japan and overseas and from both inside and outside the Group. The current Board of Directors comprises 10 members in total, five of which are independent directors.

The Board of Directors oversees business execution by directors and meets once a month, in principle, to deliberate and make decisions

on matters prescribed in the Companies Act, as well as other important management issues, chaired by the Chairman of the Board, who is a non-executive director.

As advisory bodies to the President, a Group Top Management Committee and an Executive Management Committee have been set up to deliberate on the matters to be submitted to the Board of Directors for decisions on business execution in advance.

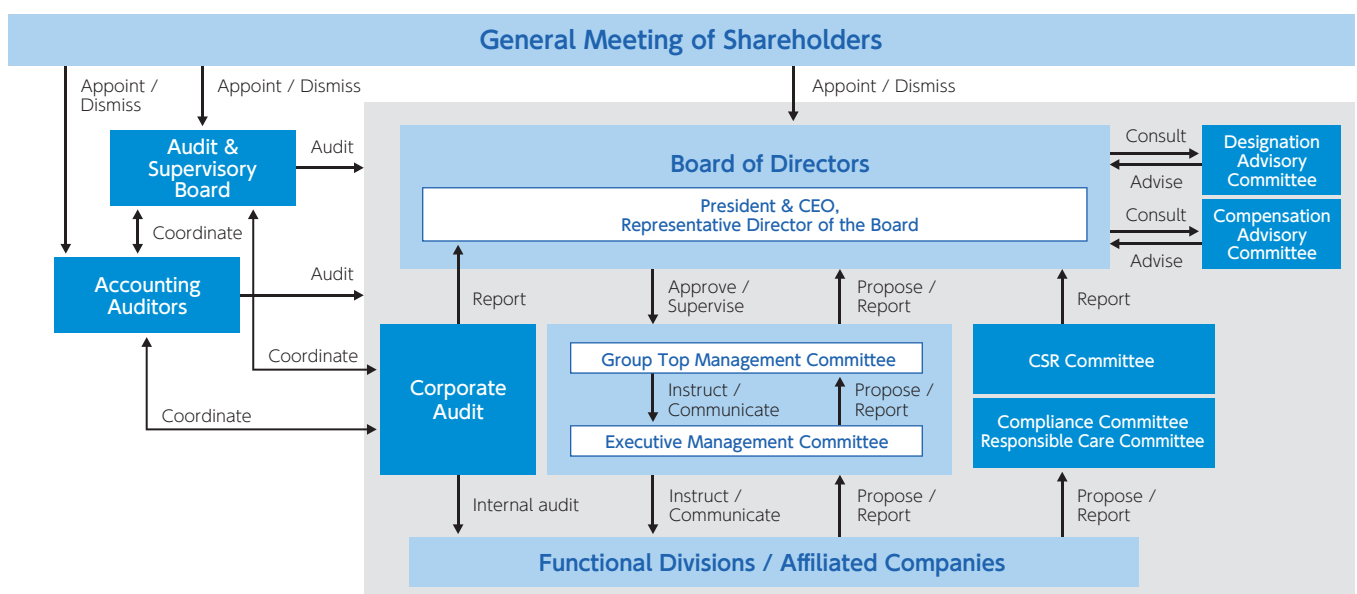
Directors or executive officers or other persons equivalent thereto of Nippon Paint Holdings are sent to key affiliates in Japan and overseas as directors to ensure compliance with our management policy.

Policy and Procedures for the Designation of Directors and Audit & Supervisory Board Members

In our policy, the Board of Directors will designate candidates for directors and audit & supervisory board members from among those who can contribute to the sustainable growth of the Nippon Paint Holdings Group and the medium- and long-term increases in its corporate value and have diverse experience, deep insight, advanced expertise, and other features that are suitable to serve as a director/audit & supervisory board member. The candidates are selected from among people from both Japan and overseas and from both inside and outside the Group.

Furthermore, to strengthen the supervisory function of the Board of Directors and enhance the deliberations at the Board meetings from professional and diversified perspectives, more than one independent director who satisfies the Independence Criteria for Qualifications of Independent Directors of the Board stipulated by our Board of Directors will be designated.

▼ Corporate Governance Organizational Chart



According to the policy above, at a Board of Directors meeting attended by independent directors and independent audit & supervisory board members, deliberations to select directors and audit & supervisory board members are made based on advice from the Designation Advisory Committee.

The Designation Advisory Committee is chaired by an independent director. At least half of the members are independent directors to make the deliberations fairer and clearer in our policy. (The "Criteria for Judging Independence of Independent Officers" are published in "Notice of Convocation of Annual General Meeting" and "Corporate Governance Policy "on our website.)

Notice of Convocation of Annual General Meeting
<http://www.nipponpaint-holdings.com/ir/library/soukai/>

Corporate Governance Policy
<http://www.nipponpaint-holdings.com/company/cg/>

(The composition of the Designation Advisory Committee and the Compensation Advisory Committee is as shown below.)

▼ **Composition of the Designation Advisory Committee and the Compensation Advisory Committee** (persons)

	Designation Advisory Committee	Compensation Advisory Committee
All members	3	4
Directors	3	4
Of which, independent directors	2	3
Chairperson	Independent directors	Independent directors

Method of Determining the Remuneration of Directors and Audit & Supervisory Board Members

The remuneration of our directors (excluding independent directors) is composed of job-based salary, performance-based salary, and long-term incentive salary. Fixed job-based salary is paid for each position based on the role and responsibility. The base amount of the performance-based salary is set to be 45% to 50% of the total remuneration according to the position, and the actual amount of the performance-based salary annually varies from 0% to 200% of the base amount depending on the consolidated performance and the performance of the department concerned of the operating company. Long-term incentive salary is granted as a share remuneration-type stock option based on the value set for each position.

The composition of the remuneration, etc. of directors and executive officers and the level of the annual amount of remuneration used as

the basis are determined by the Board of Directors based on advice given by the Compensation Advisory Committee through the deliberations made in advance in consideration of social conditions, remuneration level in other companies, market situations, and other factors.

The Compensation Advisory Committee is chaired by an independent director. At least half of the members are independent directors to make the deliberations fairer and clearer in our policy.

The remuneration of independent directors, as well as that of audit & supervisory board members including independent audit & supervisory board members, is composed of job-based salary only in consideration of their job content. No performance-based salary or long-term incentive salary is introduced for those positions.

Audit & Supervisory Board Members' Audits and Accounting Audits

Audit & supervisory board members attend the Board of Directors and other important meetings to fulfill their functions to audit the legality of business execution by directors, the effectiveness of the established internal control system, the soundness of the process to prepare financial information, etc. and also meet the Representative Director of the Board in a regular manner to confirm the management policy and exchange opinions on the issues to be addressed by the company, risks involving the company, important matters on audits, and other subjects.

The Audit & Supervisory Board currently consists of five members, including three independent audit & supervisory board members with no special interest in Nippon Paint Holdings. Specifically, a lawyer and a certified public accountant who can conduct audits from a professional viewpoint, as well as a person with broad international experience and administrative experience, have been designated as the independent audit & supervisory board members. The independent audit & supervisory board members attend the Board of Directors meetings to fulfill their functions to audit the legality of business execution by directors while conducting business audits on an as-needed basis. They also receive reports on the implementation of audits of departments and affiliates in the Audit & Supervisory Board meetings and give opinions on the reports. To ensure smooth execution of the audit & supervisory board members' audits, more than one person is deployed as dedicated staff.

▼ **Remuneration of officers** The remuneration of directors and audit & supervisory board members of Nippon Paint Holdings for fiscal 2017 is as shown below.

Category of officers	Total amount of remuneration (million yen)	Total amount for each component of the remuneration (million yen)			Number of the applicable officers (persons)
		Job-based salary	Performance-based salary	Stock option	
Directors (excluding independent directors)	330	162	132	35	5
Audit & supervisory board members (excluding independent audit & supervisory board members)	72	72	—	—	2
Independent officers	57	57	—	—	6
Total	460	291	132	35	13

(Note) 1. The data (number of officers and remuneration) shown above include those for an audit & supervisory board member who retired at the closing of the 192nd General Meeting of Shareholders held on March 29, 2017.

2. The annual amount of the remuneration of directors for this fiscal year is set to be no more than 1 billion yen (including the annual amount of the remuneration of independent directors of no more than 60 million yen).

3. The annual amount of the remuneration of audit & supervisory board members for this fiscal year is set to be no more than 120 million yen.

Name	Total amount of the remuneration (million yen)	Category of officers	Total amount for each component of the remuneration (million yen)		
			Job-based salary	Performance-based salary	Stock option
Tetsushi Tado	139	Director	48	78	12

(Note) Persons are listed only when the total amount of their remuneration is 100 million yen or more.

Promotion of Global Governance

Nippon Paint Holdings started to review the authority and responsibility for governance and management on regional and business bases in 2017. Based on the review, we designed a new regional headquarters system (RHQ system) with Nippon Paint Holdings serving as the global headquarters (GHQ) and launched a project to establish the Americas RHQ system first in February 2018.

The Americas RHQ system aims to enhance the financial, risk management, and business planning functions that now cover the Americas as a whole. With this initiative, we seek to enhance proper governance based on local laws, business customs, etc. and achieve the prompt and accurate identification of growth opportunities and risks in each region, the acceleration of the decision-making process, and the streamlining and concentration of resources from the perspective of overall optimization in the region.

We are continuously considering the introduction of the restructuring of the RHQ system, as currently promoted in the Americas, into other regions in sequence.

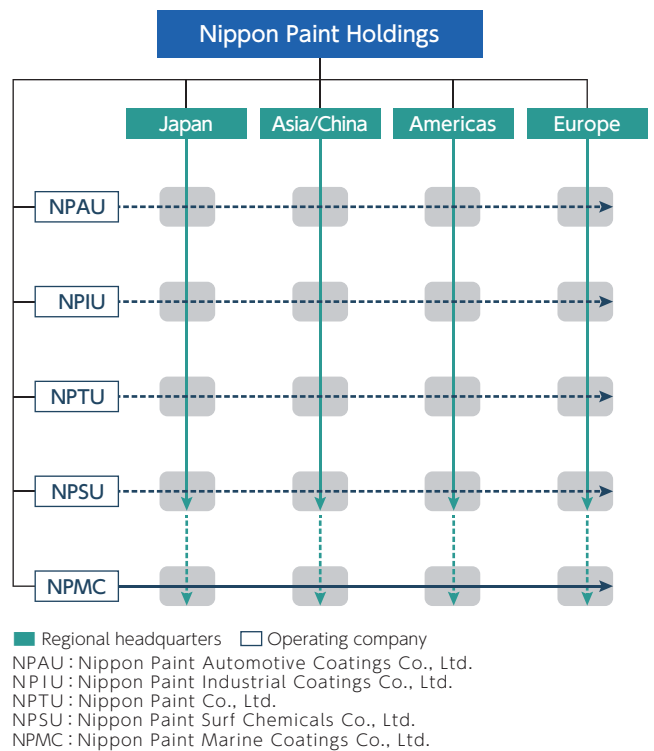
We also recognize that the collaboration system with Singapore's Wuthelam Group, which has been developed in Asia for more than 50 years, drives the growth of our Group as a whole and represents our unique business model. To further improve the cooperative management model as "NN model" (cooperative model between Nippon Paint and NIPSEA), we set up the NN Model Promotion Supervisory Department to initiate activities to deepen it as a flagship model of Nippon Paint Holdings in January 2018.

In the regions other than Asia as well, we aim to ensure that the "region x business matrix management" with focus on regional management based on the NN model is achieved in a healthy and autonomous manner in each region. We believe that the realization of this global NN model will build a strong collaboration system and

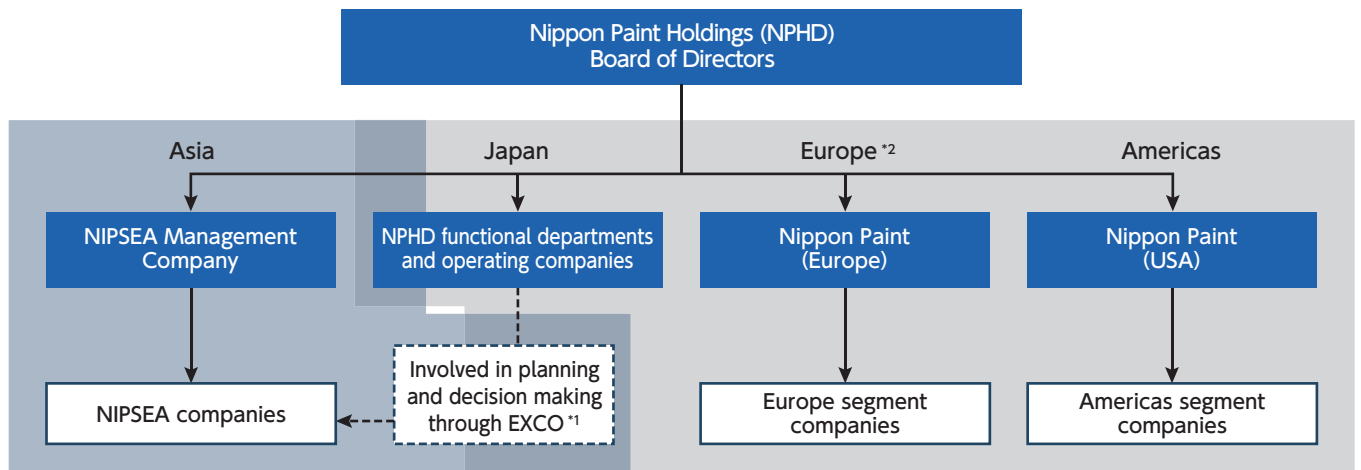
enable optimal distribution of management resources on a global scale, which will realize global governance with prompt judgments for regional management and flexible business operations.

We will continue to develop global governance and strive to improve the transparency and efficiency of business activities as measures that underlie our sustainable growth on a global scale.

▼ Global governance system in the future



▼ Global Governance Organizational Chart



■ Scope developed based on the Business Management Control Policy

■ Scope where the channels for advice and reports had been already developed

*1 EXCO: Executive Committee, a decision-making meeting in NIPSEA

*2 Disclosed segments are included in "Others."

Establishment of an Internal Audit Department

We have set up the Corporate Audit Department in charge of internal audits, which reports directly to the President, with 16 members (who also serve in other positions). The Corporate Audit Department conducts internal audits to improve and enhance the internal control of Nippon Paint Holdings and Group companies and reports the results to the President, officers in charge of

management, heads of the audited departments and audit & supervisory board members. In case of any problem in the results of an internal audit, the department seeks to solve it in consultation with the head of the department in charge through follow-up actions for the relevant department.

Promotion of Global Audits

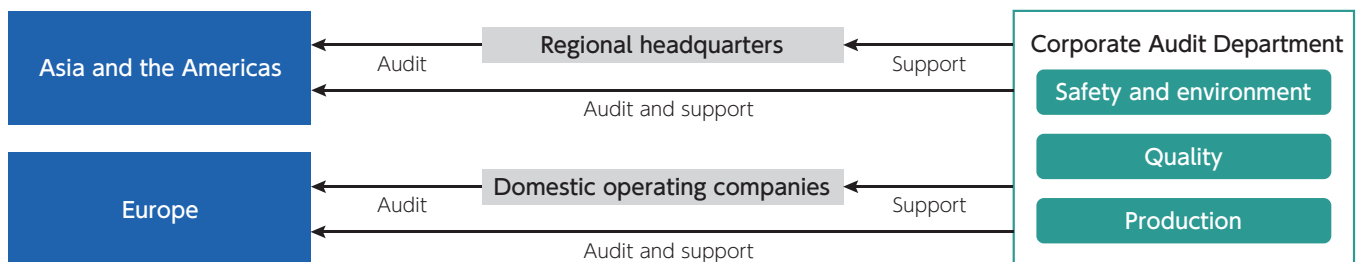
Nippon Paint Holdings Group has grown to be a corporate body with many Group companies in Japan and overseas. While the Corporate Audit Department is responsible for internal audits in our Group, it is not realistic for the department to have all necessary skills for global audits alone. Such audits also require a full understanding of laws, regulations, business practices, and languages in the respective regions. Accordingly, we consider that coordination with regional headquarters and domestic operating companies is indispensable and conduct audits with an auditing system established based on the global governance system.

More specifically, the Corporate Audit Department supports the audits conducted by regional headquarters in Asia and the Americas, as well as the audits conducted by domestic operating companies in Europe. In either region, the department directly conducts audits in key sites (companies).

In the meantime, our Group companies and regional headquarters in Asia and the Corporate Audit Department actively share information via video conferences and other means, as well as various data and visualized materials related to safety and other issues on the network, and have thereby established a mechanism that enables timely information exchanges. In addition, with a channel to report accidents and disasters in a speedy manner, as well as mutual communications, effective management reports can be prepared to realize horizontal development and prevent recurrence.

Furthermore, the results of the audits conducted by the Corporate Audit Department are shared with regional headquarters and domestic operating companies to facilitate continuous improvement activities in the targeted sites as well as subsequent support activities.

▼ Global Audit System



TOPICS

Internal reporting

Nippon Paint Holdings has established internal contacts and external contacts (law firms and specialist companies) for internal reporting that guarantee anonymity, as well as a system to allow direct reporting to audit & supervisory board members, to have in place a system that enables officers and employees of the Nippon Paint Holdings Group to report any non-compliance, including violation of anti-corruption laws, or its possibility within the Group without suffering any disadvantage.

We also make it a rule to report the status of operation of the contacts for internal reporting to the Board of Directors on an as-needed basis.

In fiscal 2017, we also issued a compliance guidebook that explains the appropriate acts for the employees of the Nippon Paint Holdings Group, along with the use of the internal reporting system and the prevention of bribery, in Japanese and English versions and conducted a test to determine the level of understanding of the guidebook among Group employees.