

Aiming to Establish a Vibrant Culture

To promote the growth of the whole company, Nippon Paint Holdings Group aims to develop a culture that fits with the times and helps keep creating newer values than the conventional working environment. To establish a "vibrant culture where passionate and determined people gather," we will work to reform the culture.

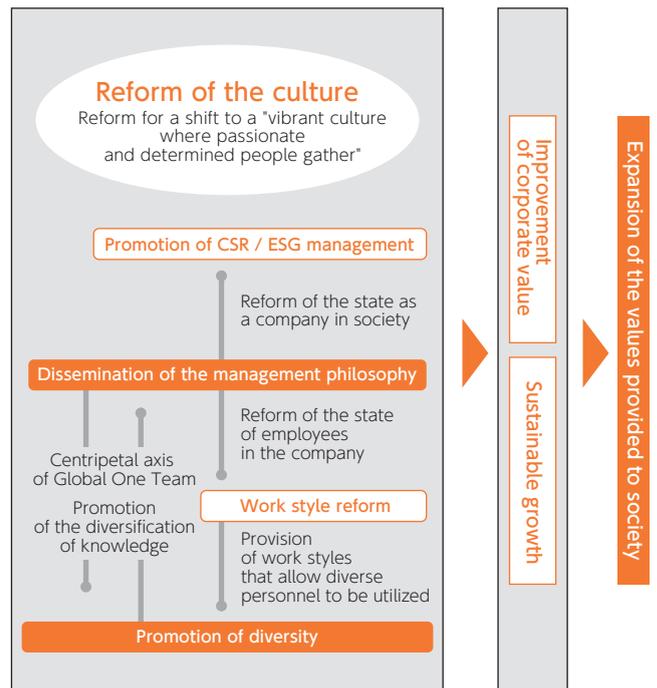
Background and targets of our commitment to reforming the culture

To achieve the sustainable growth of our Group, we consider that continuous creation of new values for all of our stakeholders is essential. Our Group is committed to the reform of the conventional culture with an aim to realize a "vibrant culture where passionate and determined people gather." Under the Corporate Reforming Steering Committee (hereinafter "Corporate Reforming SC") set up in January 2018, we have developed the activities of three working groups respectively aimed at the dissemination of the management philosophy, the promotion of CSR/ESG management, and work style reform and the improvement of labor productivity.

Each of the working groups is composed of the members selected from among Nippon Paint Holdings and the operating companies. In fiscal 2018, their activities began with a series of discussions through working groups to align the direction of the state we should be, understand the current situation, and identify challenges.

The activities of the Corporate Reforming SC are reported as one of the initiatives for the medium-term management plan "N-20" to the Board of Directors regularly.

Since such activities cannot make fruits over a short period, we will also continue them in 2019.



Promotion structure of the Corporate Reforming SC



Management Philosophy Dissemination Working Group

Mission

The new management philosophy established in January 2018 provides centripetal force and can be shared by all Group employees working around the world as a compass that guides them. The philosophy is thus significant for Nippon Paint Holdings Group to grow globally with a sense of unity. Our Group considers that the dissemination of the management policy to be one of the most important management tasks. Through the activities of the Management Philosophy Dissemination Working Group, we aim to encourage Group employees to understand the philosophy more deeply and feel sympathy with it.

Main themes

- Implementation of activities to disseminate the philosophy among Group employees in Japan
- Establishment of the management philosophy in the overseas version and dissemination of it

▶ See P31 for the progress of the initiatives.



CSR/ESG Management Promotion Working Group

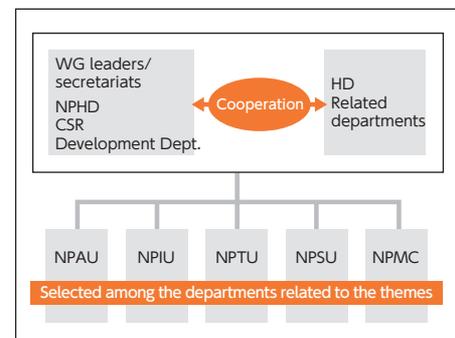
Mission

Aiming to integrate CSR activities with business activities, the CSR/ESG Working Group is working with the "mitigation of environmental impact with products" as the central theme. We consider that products are the main contact point to society for a manufacturer like us and that we can naturally achieve a culture to fulfill CSR through business activities when employees and all other stakeholders recognize the contribution of our Group's businesses to the solution of social issues by considering environmental contribution through products and the product strategy in an integrated manner.

Main themes

- Clarification of the definition of the products that mitigate environmental impact (eco-friendly products)
- Positioning of the above-mentioned eco-friendly products in the product strategy
- Setting of targets on the mitigation of environmental impact through products

▶ See P17 to P20 for the progress of the initiatives.



Working group promotion structure

Work Style Reform and Labor Productivity Improvement Working Group

Mission

Having conducted a questionnaire survey to all Group employees in Japan and identified eight aspects based on the answers, the working group is working for the themes set in line with the eight aspects. Through such activities, it aims to develop a comfortable and rewarding working environment, create values, and realize a cycle that enhances productivity.

Main themes

- Improvement of the efficiency of meetings and material preparation
- Communication
- Use of IT
- Improvement of operations and reduction of work volume
- Support of management by persons in key positions
- Evaluation system and a mechanism to respect each other
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▶ See P34 for the progress of the initiatives.

