

To Our Shareholders

We would like to express our appreciation for your continued support and patronage. We hereby would like to inform you that Nippon Paint Holdings Co., Ltd. (the “Company”) will hold the 195th Annual General Meeting of Shareholders on Thursday, March 26, 2020. This convocation notice includes the report on the updated status of the Group’s business operation for the fiscal year under review (from January 1, 2019 to December 31, 2019) for your review.

The Group has expanded its business globally since its shift to the holding company structure in October 2014. In this shareholders’ meeting, we propose “Partial Amendments to the Articles of Incorporation” as the second proposal to be resolved, and subject to your approval of this proposal, the Company will shift to a Company with Three Committees (Nomination, Audit and Remuneration) structure. With this transition, we will aim to realize “enhancement of management transparency, objectivity, and fairness,” “separation and enhancement of monitoring and executive functions” and “strengthening of global auditing framework” and to establish a framework to address various business issues which may arise resulting from business expansion in a prompt and accurate manner.

We thank you for your continued support and cooperation.

March 2020

A handwritten signature in black ink, appearing to read "M. Ando", with a stylized flourish at the end.

Chairman of the Board
Representative Director of the Board, President & CEO

Management Philosophy

Mission	The leading brand bringing colors & joy to everyday life through innovative coating solutions	
Vision	To be the industry leader driven by passionate people using our strong business foundations to create value & inspire all stakeholders	
Value	Mutual prosperity	To achieve long-term growth and mutual prosperity with all of our stakeholders through unmatched performance and constant improvement
	A pioneering spirit	To sustain the pioneering spirit that led us to become a leader in the global paint industry and constantly pursue innovation and excellence
	Perseverance	To achieve our mission with unwavering perseverance, dynamism and initiative
Way	<ul style="list-style-type: none">● We will endeavor to develop strong bonds of trust with our customers, work with them as partners, and inspire them with our products and services.● We will prioritize the health and safety of group employees while pursuing a dynamic corporate culture.● We will value individuality and diversity while pursuing ever closer teamwork.● We will commit to tackling environmental and energy issues and will work proactively to address them.● We will persistently engage in activities that contribute to society, fulfilling our responsibilities to local communities as a trusted corporate citizen.● We will act honestly and in good faith as a member of society and in accordance with all national and international laws, rules, and regulations.● We will recognize the importance of communicating with all stakeholders and will disclose corporate information in an impartial, timely, and appropriate manner in order to ensure corporate transparency and to fulfill our social responsibilities.● We will pursue the development of major technological innovations, while also improving our technology every day.● We will always focus on cost and efficiency, and seek to appropriately invest profits to create new value, help improve the quality of life of our employees, and provide maximize returns to shareholders.	

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.

(Stock Exchange Code 4612)

March 9, 2020

To Shareholders with Voting Rights:

Masaaki Tanaka
Chairman of the Board
Representative Director of the Board,
President & CEO
Nippon Paint Holdings Co., Ltd.
2-1-2 Oyodokita, Kita-ku, Osaka, Japan

**NOTICE OF
THE 195TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 195th Annual General Meeting of Shareholders of Nippon Paint Holdings Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via electronic method (the Internet, etc.). Please review the attached “Reference Documents for the General Meeting of Shareholders” and submit the attached Voting Rights Exercise Form so that the Documents are received by 5 p.m. on Wednesday, March 25, 2020, Japan time.

1. Date and Time: Thursday, March 26, 2020, at 10 a.m. Japan time

2. Place: HINOKI, 2F, InterContinental Osaka, North Building C,
GRAND FRONT OSAKA, 3-60 Ofuka-cho, 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 194th Fiscal Year (January 1, 2019 – December 31, 2019)
 2. The Results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements for the Company’s 194th Fiscal Year (January 1, 2019 – December 31, 2019)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of 9 Directors of the Board

<Notes to Exercise of Your Voting Rights>

If attending the meeting

Please bring the attached Voting Rights Exercise Form and submit it to the reception desk at the venue.

If not attending the meeting

Exercising your rights in writing

Please complete the attached Voting Rights Exercise Form with your vote and submit such that it is received by 5 p.m. on Wednesday, March 25, 2020.

Exercising your voting rights via the Internet

Please access the voting rights website (<https://evote.tr.mufg.jp/>) and register your vote for or against the proposals by 5 p.m. on Wednesday, March 25, 2020.

Handling of votes if a voting right is exercised multiple times

(1) Please be advised that if a voting right is exercised in duplicate both by mail and via the Internet, the vote registered via the Internet will be considered valid.

(2) If a voting right is exercised multiple times via the Internet, the last vote registered will be considered valid.

In accordance with legal requirements and Article 16 of the Company's Articles of Incorporation, "Matters Relating to the Company's Stock Acquisition Rights, etc." 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 are displayed on the Company's website, and are not included with this notice.

The Consolidated Financial Statements and Non-consolidated Financial Statements attached to this document are portions of those documents audited by the Accounting Auditor and the Audit & Supervisory Board.

Company Website <https://www.nipponpaint-holdings.com/>

- ◎ Should the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements, or the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.nipponpaint-holdings.com/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company places maximization of shareholder value as its paramount mission which is predicated on the fulfillment of our duties to our customers, employees, partners and businesses, under SDGs and ESG as the core of our sustainability efforts.

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 while also taking into account various factors including, but not limited to, business trends, investment needs and dividend payout ratios, and the following is the proposed dividends for fiscal year ended December 31, 2019 under such policy.

Matters concerning year-end dividends

- (1) Matters concerning the allotment of dividend property to shareholders and the total amount 23 yen in cash per share of common stock, for a total of 7,378,105,807 yen
- (2) Effective date of distribution of surplus
March 27, 2020

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendments

- (1) The Company has decided to shift its corporate governance structure to a Company with Three Committees (Nomination, Audit and Remuneration) structure in order to enhance the transparency, objectivity and fairness of its management as well as to establish the separation and enhancement of monitoring and executive functions. Accordingly, the Articles of Incorporation of the Company shall be amended as needed, including addition of provisions relating to each Committee and Executive Officers and deletion of provisions relating to the Audit & Supervisory Board and its Members.
- (2) Article 25, Paragraph 1 and Article 33 of the Articles of Incorporation of the Company shall be newly established which may exempt Directors of the Board and Executive Officers from liabilities by a resolution of the Board of Directors to the extent as stipulated by laws and regulations so that Directors of the Board and Executive Officers can fully play their expected roles after the transition to a Company with Three Committees (Nomination, Audit and Remuneration).
The establishment of Article 25, Paragraph 1 and Article 33 has been approved in advance by each Audit & Supervisory Board Member.

2. Details of Amendments

Details of amendments are as follows.

The Partial Amendments to the Articles of Incorporation under this proposal shall become effective at the conclusion of this Annual General Meeting of Shareholders.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 - General Provisions Articles 1 to 3 (Omitted)	Chapter 1 - General Provisions Articles 1 to 3 (No change)
(Organizations) Article 4 - The Company shall include a General Meeting of Shareholders, Directors, and the following organizations. (1) Board of Directors (2) <u>Audit & Supervisory Board Members</u> (3) <u>Audit & Supervisory Board</u> (4) Accounting Auditors	(Organizations) Article 4 - The Company shall include a General Meeting of Shareholders, Directors, and the following organizations. (1) Board of Directors (2) <u>Nomination Committee, Remuneration Committee and Audit Committee</u> (3) <u>Executive Officers</u> (4) Accounting Auditors
Article 5 (Omitted)	Article 5 (No change)
Chapter 2 - Shares Articles 6 to 9 (Omitted)	Chapter 2 - Shares Articles 6 to 9 (No change)
(Request to Increase Purchase of Shares Constituting Less than One Unit) Article 10 - 1. (Omitted) 2. The timing at which Fractional Share Purchase Requests may be made and the method for making such requests, etc., shall be in accordance with the Share Handling Rules prescribed <u>by</u> the Board of Directors.	(Request to Increase Purchase of Shares Constituting Less than One Unit) Article 10 - 1. (No change) 2. The timing at which Fractional Share Purchase Requests may be made and the method for making such requests, etc., shall be in accordance with the Share Handling Rules prescribed by the Board of Directors <u>or by Executive Officers delegated by resolution of the Board of Directors.</u>

Current Articles of Incorporation	Proposed Amendments
(Shareholder Registry Administrator) Article 11 - The Company shall appoint a Shareholder Registry Administrator. The Shareholder Registry Administrator and location of handling office shall be selected by resolution of the Board of Directors, and publicly noticed.	(Shareholder Registry Administrator) Article 11 - The Company shall appoint a Shareholder Registry Administrator. The Shareholder Registry Administrator and location of handling office shall be selected by the Board of Directors <u>or by Executive Officers delegated</u> by resolution of <u>the Board of Directors</u> , and publicly noticed.
(Share Handling Rules) Article 12 - With regard to the handling of shares of the Company and the procedures for the exercising of shareholder rights, etc., this shall be handled in accordance with the laws, ordinances, these Articles of Incorporation, and the Share Handling Rules prescribed by the Board of Directors.	(Share Handling Rules) Article 12 - With regard to the handling of shares of the Company and the procedures for the exercising of shareholder rights, etc., this shall be handled in accordance with the laws, ordinances, these Articles of Incorporation, and the Share Handling Rules prescribed by the Board of Directors <u>or by Executive Officers delegated by the Board of Directors</u> .
Chapter 3 - General Meeting of Shareholders Articles 13 to 14 (Omitted)	Chapter 3 - General Meeting of Shareholders Articles 13 to 14 (No change)
(Chair of General Meetings of Shareholders) Article 15 - 1. <u>The President-director shall be the chair of General Meetings of Shareholders.</u> 2. <u>In the event of the President-director being unavailable, another Director shall act on behalf of the President-director, in accordance with the order prescribed in advance by the Board of Directors.</u>	<u>(Convener and Chair)</u> Article 15 - 1. <u>The General Meeting of Shareholders shall be convened by the Chairman of the Board. In the event of the Chairman of the Board being absent or unavailable, another Director of the Board shall convene the General Meeting of Shareholders on behalf of the Chairman of the Board, in accordance with the order prescribed in advance by the Board of Directors.</u> 2. <u>The Chairman of the Board shall be the chair of General Meetings of Shareholders. In the event of the Chairman of the Board being absent or unavailable, another Director of the Board shall act on behalf of the Chairman of the Board, in accordance with the order prescribed in advance by the Board of Directors.</u>
Articles 16 to 19 (Omitted)	Articles 16 to 19 (No change)
Chapter 4 - Directors and Board of Directors Articles 20 to 21 (Omitted)	Chapter 4 - Directors of the Board and Board of Directors Articles 20 to 21 (No change)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Representative Director of the Board and Directors with Titles)</u> Article 22 - <u>1. By resolution of the Board of Director, Representative Directors shall be appointed.</u> <u>2. The Board of Directors may appoint, by its resolution, a Chairman of the Board, and a President-director.</u></p>	<p><u>(Chairman of the Board)</u> Article 22 By resolution of the Board of Directors, <u>a Chairman of the Board shall be appointed.</u> (Deleted)</p>
<p><u>(Division of Duties for Directors with Titles)</u> Article 23 - <u>1. The Chairman of the Board shall chair the Board of Directors.</u> <u>2. The President-director shall execute the decisions of the Board of Directors, shall oversee the business of the Company, and in the event of the Chairman of the Board being absent or unavailable, the President-director shall chair the Board of Directors.</u> <u>3. In the event of the President-director being unavailable, another Director shall fulfill the role in accordance with the order determined in advance by the Board of Directors.</u></p>	<p><u>(Convener and Chair of the Board of Directors)</u> Article 23 - <u>1. Unless otherwise stipulated by laws or ordinances, the Chairman of the Board shall convene and chair the meetings of the Board of Directors.</u> (Deleted) <u>2. In the event of the Chairman of the Board being absent or unavailable, another Director of the Board shall convene and chair the meetings of the Board of Directors in accordance with the order determined in advance by the Board of Directors.</u></p>
<p>Article 24 (Omitted)</p>	<p>Article 24 (No change)</p>
<p><u>(Remuneration, etc.)</u> Article 25 - <u>Remuneration, etc., for Directors shall be prescribed by resolution of a General Meeting of Shareholders.</u></p>	<p>(Deleted)</p>
<p><u>(Liability Limitation Agreement for Outside Directors)</u> Article <u>26</u> - (Newly established)</p> <p>The Company, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, may execute an agreement with Outside Directors that limits liability as prescribed in Article 423, Paragraph 1 of said Act. However, the maximum amount of liability under such an agreement shall be the minimum amount prescribed by laws or ordinances.</p>	<p><u>(Exemption from Liability of Directors of the Board)</u> Article <u>25</u> - <u>1. The Company may exempt Directors of the Board (including former Directors of the Board) as provided in Article 423, Paragraph 1 of the Companies Act by a resolution of the Board of Directors from liability to the extent of the amount obtained by subtracting the minimum liability amount prescribed by laws or ordinances from the amount for which they are liable if statutory requirements are satisfied.</u> <u>2. The Company, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, may execute an agreement with Outside Directors of the Board that limits liability as prescribed in Article 423, Paragraph 1 of said Act. However, the maximum amount of liability under such an agreement shall be the minimum amount prescribed by laws or ordinances.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Notice to Convene Meetings of the Board of Directors) Article <u>27</u> - Notice to Convene meetings of the Board of Directors shall be issued to each Director <u>and Audit & Supervisory Board Member</u> by no later than three (3) days prior to the meeting date. However, this period may be shortened in cases of emergency.</p>	<p>(Notice to Convene Meetings of the Board of Directors) Article <u>26</u> - Notice to Convene meetings of the Board of Directors shall be issued to each Director of the Board by no later than three (3) days prior to the meeting date. However, this period may be shortened in cases of emergency.</p>
<p>(Omission of Resolution of the Board of Directors) Article <u>28</u> - The Company, in the event of a matter to be determined at a meeting of the Board of Directors being agreed to by all Directors either in writing or by electromagnetic record, shall deem a resolution of the Board of Directors to have been made for the approval of said matter for resolution. <u>However, this shall not apply in cases where an objection is raised by an Audit & Supervisory Board Member.</u></p>	<p>(Omission of Resolution of the Board of Directors) Article <u>27</u> - The Company, in the event of a matter to be determined at a meeting of the Board of Directors being agreed to by all Directors of the Board either in writing or by electromagnetic record, shall deem a resolution of the Board of Directors to have been made for the approval of said matter for resolution.</p>
<p>Article <u>29</u> (Omitted)</p>	<p>Article <u>28</u> (No change)</p>
<p><u>Chapter 5 - Audit & Supervisory Board Members and Audit & Supervisory Board</u></p> <p>(Number of Members) Article <u>30</u> - The Company shall have up to five (5) <u>Audit & Supervisory Board Members.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p>
<p>(Election Method) Article <u>31</u> - 1. <u>Audit & Supervisory Board Members shall be elected at a General Meeting of Shareholders.</u> 2. <u>The election of Audit & Supervisory Board Members shall be performed where shareholders with one-third (1/3) or more of the voting rights of shareholders that may exercise voting rights are in attendance, by the majority decision of said voting rights.</u></p>	<p>(Deleted)</p>
<p>(Full-time Audit & Supervisory Board Members) Article <u>32</u> - <u>Full-time Audit & Supervisory Board Members shall be appointed by resolution of the Audit & Supervisory Board.</u></p>	<p>(Deleted)</p>
<p>(Term of Office) Article <u>33</u> - 1. <u>The term of office of Audit & Supervisory Board Members shall be until the conclusion of the final Ordinary General Meeting of Shareholders for the business year that ends within four (4) years after their election.</u> 2. <u>The term of office of Audit & Supervisory Board Members that are elected to fill a vacancy shall be the remaining term of office of their predecessor.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Remuneration, etc.)</u> <u>Article 34 - Remuneration, etc., of Audit & Supervisory Board Members shall be determined by resolution of a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Limited Liability Agreement for Outside Audit & Supervisory Board Members)</u> <u>Article 35 - The Company, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, may execute an agreement with Outside Audit & Supervisory Board Members that limits liability as prescribed in Article 423, Paragraph 1 of said Act. However, the maximum amount of liability under such an agreement shall be the minimum amount prescribed by laws or ordinances.</u></p>	(Deleted)
<p><u>(Notice to Convene Audit & Supervisory Board Meetings)</u> <u>Article 36 - Notice to convene Audit & Supervisory Board Meetings shall be issued to each Audit & Supervisory Board Member by no later than three (3) days prior to the meeting date. However, this period may be shortened in cases of emergency.</u></p>	(Deleted)
<p><u>(Audit & Supervisory Board Rules)</u> <u>Article 37 - With regard to matters relating to the Audit & Supervisory Board, in addition to the laws, ordinances and where prescribed elsewhere in these Article of Incorporation, these shall be handled in accordance with the Audit & Supervisory Board Rules prescribed by the Audit & Supervisory Board.</u></p>	(Deleted)
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Chapter 5 - Nomination Committee, Remuneration Committee and Audit Committee</u></p> <p><u>(Method of Electing Committee Members)</u> <u>Article 29 - The Members of the Nomination Committee, Remuneration Committee and Audit Committee shall be elected from among the Directors of the Board by resolution of the Board of Directors.</u></p>
<p>(Newly established)</p>	<p><u>(Committee Rules)</u> <u>Article 30 - In addition to the laws, ordinances and these Articles of Incorporation, the authorities of the Committees and other matters relating to the Committees shall be handled in accordance with the Committee Rules prescribed by the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Chapter 6 - Executive Officers</u></p> <p><u>(Executive Officers, Representative Executive Officers and Executive Officers with Titles)</u></p> <p><u>Article 31 - 1. The Board of Directors shall elect Executive Officers by its resolution.</u></p> <p><u>2. The Board of Directors shall elect a Representative Executive Officer by its resolution.</u></p> <p><u>3. The Board of Directors may appoint an Executive Officer & President, Executive Officer & Deputy President, Senior Managing Executive Officer and Managing Executive Officer by its resolution.</u></p>
<p>(Newly established)</p>	<p><u>(Term of Office of Executive Officers)</u></p> <p><u>Article 32 - The term of office of Executive Officers shall be until the last day of the final business year that ends within one (1) year after their election.</u></p>
<p>(Newly established)</p>	<p><u>(Exemption from Liability of Executive Officers)</u></p> <p><u>Article 33 - The Company may exempt Executive Officers (including former Executive Officers) as provided in Article 423, Paragraph 1 of the Companies Act by a resolution of the Board of Directors from liability to the extent of the amount obtained by subtracting the minimum liability amount prescribed by laws or ordinances from the amount for which they are liable if statutory requirements are satisfied.</u></p>
<p>Chapter <u>6</u> - Accounts</p> <p>Articles <u>38</u> to <u>41</u> (Omitted)</p>	<p>Chapter <u>7</u> - Accounts</p> <p>Articles <u>34</u> to <u>37</u> (No change)</p>
<p>(Newly established)</p> <p>(Newly established)</p>	<p><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures for Liability Limitation Agreements for Outside Audit & Supervisory Board Members)</u></p> <p><u>The agreement to limit liability as prescribed in Article 423, Paragraph 1 of the Companies Act executed with Outside Audit & Supervisory Board Members before the conclusion of the 195th Ordinary Meeting of Shareholders shall be handled in accordance with the provisions of Article 35 of these Articles of Incorporation before amendment by resolution of said Ordinary General Meeting of Shareholders.</u></p>

Reference: Purpose of Shift to Company with Three Committees Structure

1. Background of Shift

In the Company management philosophy, we state that our corporate mission is to be “the leading brand bringing colors & joy to everyday life through innovative coating solutions.” Meanwhile, in our current Medium-term Management Plan “N-20,” we aim to maximize “Shareholder Value.”

In order to realize this management philosophy and Medium-term Management Plan, we have pushed forward with our growth strategy, both in Japan and overseas, by strengthening our existing business while accelerating the expansion and enhancement of our regional portfolio through M&A activity and other initiatives. During the fiscal year under review we acquired two paint manufacturers, in Australia and Turkey, both of which hold number one shares in their respective markets. In doing so, we are looking to establish a dominant position not only in Asia but in markets around the world.

In order to establish the optimum corporate governance framework for our Group as we look ahead to further expansion of our global business going forward, we have decided to shift to a Company with Three Committees (Nomination, Audit and Remuneration) structure.

2. Purpose of Shift

(1) Enhancement of management transparency, objectivity, and fairness

With 73% of our sales, 87% of our employees, and 58% of ownership by our investors outside Japan for the fiscal year under review, we believe it is necessary to establish a governance framework that is recognized and easily understood from a global perspective.

In conjunction with this shift, we will establish, nomination and remuneration committees comprised of a majority of independent directors and chaired by an independent director. By establishing a system in which the nomination committee determines director candidates and the remuneration committee determines the compensation, etc. provided to directors and executive officers, we will work to enhance the transparency, objectivity, and fairness of our management. Additionally, we will take into account the interests of our minority shareholders, and will strive to promote the understanding of our stakeholders in Japan and overseas, such as overseas institutional investors.

(2) Separation and enhancement of monitoring and executive functions

Since 2015, we have worked to enhance the monitoring function of our Board of Directors and the performance of our executive functions by delegating authority through the spin-off of our business entities and increasing the number of independent directors on our Board. However, in order to respond swiftly to rapid changes in the business environment, we believe that further delegation of authority and enhancement of our executive functions are required.

The shift to a Company with Three Committees structure will not only accelerate decision-making by our executive functions, but also serve to increase our competitiveness as a global company by allowing our Board of Directors to focus on strategic issues.

(3) Strengthening of global auditing framework

In light of the expansion of our global business and increased delegation of authority described above, from a risk management perspective it is essential that we also strengthen our global auditing framework.

As part of the shift to a Company with Three Committees governance structure, we will establish an audit committee comprised of a majority of independent directors and chaired by an independent director. Additionally, in order to enhance the effectiveness of our auditing we will use the shift as an opportunity to strengthen the function of our internal audit division. Conjunction between the audit committee and internal audit division to audit not only compliance with laws and regulations, as conducted in the past, but also the appropriateness of our operations, will enable us to conduct broad-ranging auditing of our global business management. Through this framework, we will strive to reduce business risk.

Proposal 3: Election of 9 Directors of the Board

The Company will shift from a Company with an Audit & Supervisory Board to a Company with Three Committees at the conclusion of this General Meeting of Shareholders subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.” In conjunction with this, the terms of office of all 11 Directors of the Board and 5 Audit & Supervisory Board Members will expire. Accordingly, subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation,” the election of the following 9 candidates for the Directors of Board (including 6 candidates for Outside Directors of the Board) is proposed.

No.	Name		Positions and significant concurrent positions
1	Masaaki Tanaka	Re-Appointment	Chairman of the Board, Representative Director of the Board, President & CEO External Director, Money Forward, Inc. Director, Nipsea Management Company Pte. Ltd. Director, DuluxGroup Limited
2	Hup Jin Goh	Re-Appointment	Director of the Board Director, Nipsea Holdings International Ltd. Managing Director, Wuthelam Holdings, Ltd. Managing Director, Nipsea Pte. Ltd Director, Nipsea Management Company Pte. Ltd. Director, Nipsea International Limited
3	Manabu Minami	Re-Appointment	Director of the Board Director, Nipsea Management Company Pte. Ltd.
4	Hisashi Hara	Outside Re-Appointment Independent	Outside Director of the Board Attorney Outside Audit & Supervisory Board Member, Chugai Pharmaceutical Co., Ltd.
5	Takashi Tsutsui	Outside Re-Appointment Independent	Outside Director of the Board
6	Toshio Morohoshi	Outside Re-Appointment Independent	Outside Director of the Board Outside Director, WingArc1st Inc.
7	Masayoshi Nakamura	Outside Re-Appointment Independent	Outside Director of the Board
8	Masataka Mitsuhashi	Outside New Appointment Independent	Certified Public Accountant Audit & Supervisory Board Member (Outside), FUJIFILM Holdings Corporation External Director, Skymark Airlines Inc.
9	Miharu Koezuka	Outside New Appointment Independent	Outside Director, Japan Post Holdings Co., Ltd. Outside Director, Nankai Electric Railway Co., Ltd.

Note: The planned composition of the Nomination, Audit and Remuneration Committees will be as follows if Proposal 2 “Partial Amendments to the Articles of Incorporation” and this proposal are approved:

Nomination Committee: Hisashi Hara (Chair), Hup Jin Goh, Toshio Morohoshi, Masayoshi Nakamura

Remuneration Committee: Takashi Tsutsui (Chair), Hup Jin Goh, Masayoshi Nakamura

Audit Committee: Masataka Mitsuhashi (Chair), Manabu Minami, Toshio Morohoshi, Miharu Koezuka

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of stocks of the Company held
1	Masaaki Tanaka (April 1, 1953) Re-Appointment	<p>April 1977 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>May 2007 Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) President & CEO, Union Bank of California, N.A. (currently MUFG Union Bank, N.A.)</p> <p>June 2010 Managing Executive Officer COO for the Americas, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2011 Senior Managing Executive Officer COO for the Americas, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Director, Morgan Stanley</p> <p>June 2012 Representative Director and Deputy President, Mitsubishi UFJ Financial Group, Inc.</p> <p>February 2017 Advisor, Financial Services Agency (current)</p> <p>February 2018 External Director, Money Forward, Inc. (current)</p> <p>September 2018 President and Chief Executive Officer, Japan Investment Corporation (JIC)</p> <p>March 2019 Executive Chairman of the Board, Representative Director of the Board of the Company</p> <p>August 2019 Director, DuluxGroup Limited (current)</p> <p>November 2019 Director, Nipsea Management Company Pte. Ltd. (current)</p> <p>January 2020 Chairman of the Board, Representative Director of the Board, President & CEO (current)</p> <p>[Significant concurrent positions] External Director, Money Forward, Inc. Director, Nipsea Management Company Pte. Ltd. Director, DuluxGroup Limited</p>	10,000
<p>[Reason for selection as a candidate for Director of the Board]</p> <p>Masaaki Tanaka has been engaged in the management of Mitsubishi UFJ Financial Group, Inc. for many years. He has also served as President and Director and in other positions at a U.S. financial institution, and has abundant international experience as a business manager.</p> <p>He assumed the office of Executive Chairman of the Board, Representative Director of the Board of the Company on March 27, 2019 and contributed to activate discussions at the meetings of the Board of Directors as its Chairman and also exercised leadership in the Company's commitment to the shift to a Company with Three Committees as presented to our shareholders in Proposal 2 "Partial Amendments to the Articles of Incorporation."</p> <p>He was also appointed as Chairman of the Board, Representative Director of the Board, President & CEO as of January 1, 2020, following discussions at the meetings of the Designation Advisory Committee and the Board of Directors and is striving to strengthen the Group's operating foundations by utilizing his global business experience to date in the financial and other industries.</p> <p>The Company judges that his expertise and experience are indispensable for promoting the Group's globalization and acceleration of the growth strategy and realizing "Maximization of Shareholder Value" on which we focus as the key element of our sustainable growth and nominates him again as a candidate for Director of the Board.</p>			

Notes:

1. There are no special interests between the Company and Masaaki Tanaka.
2. Masaaki Tanaka was elected as and assumed the position of Director of the Board at the 194th Annual General Meeting of Shareholders held on March 27, 2019. He attended all 15 meetings of the Board of Directors held on and after that date during the fiscal year under review.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of stocks of the Company held
2	Hup Jin Goh (April 6, 1953) Re-Appointment	January 1985 Director, Nipsea Holdings International Ltd. (current) January 1988 Managing Director, Wuthelam Holdings, Ltd. (current) December 1993 Managing Director, Nipsea Pte. Ltd. (current) September 2009 Director, Nipsea Management Company Pte. Ltd. (current) August 2012 Director, Nipsea International Limited (current) December 2014 Director of the Board, the Company March 2018 Chairman of the Board March 2019 Director of the Board (current) [Significant concurrent positions] Director, Nipsea Holdings International Ltd. Managing Director, Wuthelam Holdings, Ltd. Managing Director, Nipsea Pte. Ltd. Director, Nipsea Management Company Pte. Ltd. Director, Nipsea International Limited	0
[Reason for selection as a candidate for Director of the Board] Hup Jin Goh is the Managing Director of Wuthelam Holdings, Ltd., the Company's joint venture partner in the Asian region. Under his leadership, the Company's joint venture, which entered the Chinese market ahead of other major paint manufacturers in 1992 have grown to become the Group's core business. His excellent management skills have earned the Nippon Paint brand a high level of recognition in the trade-use paints industry in other parts of Asia as well, contributing to the Company's deep market penetration in the Asian countries it operates in. In addition, he served as Chairman of the Board and Chairman of the Board of Directors' meetings of the Company from March 2018 to March 2019, and contributed to vitalizing discussions based on his abundant experience as a business manager. The Company deems his deep insight and continuous commitment to the paint business to be essential for establishing the corporate governance to pursue "Maximization of Shareholder Value" from a medium- to long-term perspective after fully fulfilling responsibilities to all the stakeholders surrounding the Company, and nominates him again as a candidate for Director of the Board.			

Notes:

1. Hup Jin Goh is a Managing Director of Wuthelam Holdings, Ltd., the Company's joint venture partner in the Asia region, and is a Director of Nipsea International Limited, a major shareholder of the Company.
2. Hup Jin Goh attended 20 out of 21 meetings of the Board of Directors held during the fiscal year under review.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of stocks of the Company held
	Manabu Minami (August 11, 1958) Re-Appointment	April 1982 Joined the Company April 2012 Executive Officer April 2013 Senior Executive Officer June 2013 Senior Executive Officer, Director of the Board January 2017 Vice President, Representative Director of the Board February 2017 Director, Nipsea Management Company Pte. Ltd. (current) January 2020 Director of the Board, the Company (current) [Responsibilities and significant concurrent positions] Director, Nipsea Management Company Pte. Ltd. (scheduled to retire in March 2020)	19,129
3	<p>[Reason for selection as a candidate for Director of the Board]</p> <p>Manabu Minami has been engaged in the fields of finance and accounting since joining the Company, and in June 2013 he was appointed as Director of the Board, where he has continued to drive the Group's financial and accounting activities. He also served adequately as the Chief Financial Officer overseeing the creation of the Group's financial strategy for the 2014 acquisitions of joint venture companies in Asia. Additionally, in January 2017, he was appointed as Vice President, Representative Director of the Board, and has played a core role in the Group's management. Also, he exercised leadership in the adoption of the International Financial Reporting Standards (IFRS) starting from the annual securities report for the fiscal year ended December 31, 2018, which was disclosed in March 2019, to facilitate a smooth transition.</p> <p>The Company deems such knowledge and experience in the finance and accounting fields and as a manager to be essential for establishing the corporate governance to pursue "Maximization of Shareholder Value" from a medium- to long-term perspective after fully fulfilling responsibilities to all the stakeholders surrounding the Company, and nominates him again as a candidate for Director of the Board.</p>		

Notes:

1. There are no special interests between the Company and Manabu Minami.
2. Manabu Minami attended all 21 meetings of the Board of Directors held during the fiscal year under review.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions		Number of stocks of the Company held	
4	Hisashi Hara (July 3, 1947) Outside Re-Appointment Independent	April	1975	Registered as an attorney Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)	5,457
		January	2000	Managing Partner, Nagashima Ohno & Tsunematsu	
		January	2006	Chairman, Nagashima Ohno & Tsunematsu	
		March	2012	Outside Audit & Supervisory Board Member, Chugai Pharmaceutical Co., Ltd. (current)	
		January	2013	Head of the Asia Operation, Nagashima Ohno & Tsunematsu	
		January	2018	Advisor, Nagashima Ohno & Tsunematsu (current)	
		March	2018	Outside Director of the Board, the Company (current)	
		[Significant concurrent positions] Outside Audit & Supervisory Board Member, Chugai Pharmaceutical Co., Ltd.			
<p>[Reason for selection as a candidate for Outside Director of the Board]</p> <p>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 Partners, which is just one of many commendations in recognition of his good reputation as an attorney involved in cross-border M&A deals. He also played an important role in the election of the next CEO and candidates for Directors of the Board from an objective standpoint as the Chairman of the Company's Designation Advisory Committee. In light of this impressive track record, he is expected to contribute to establishing globally-orientated corporate governance, a prerequisite for the future business growth of the Company. The Company deems such knowledge to be essential for establishing the corporate governance to pursue "Maximization of Shareholder Value" from a medium- to long-term perspective after fully fulfilling responsibilities to all the stakeholders surrounding the Company, and nominates him again as a candidate for Outside Director of the Board.</p>					

Notes:

1. There are no special interests between the Company and Hisashi Hara.
2. Hisashi Hara attended all 21 meetings of the Board of Directors held during the fiscal year under review.
3. Hisashi Hara will have served for two years as Outside Director of the Board of the Company upon the conclusion of this General Meeting of Shareholders.
4. The Company concluded an agreement with Hisashi Hara to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act, and if his re-appointment is approved, the Company plans to continue the aforementioned liability limitation agreement. Furthermore, the limit of liability for damages under this agreement is the minimum amount stipulated by laws and regulations.
5. Hisashi Hara satisfies the "Independence Criteria for Outside Directors/Outside Audit & Supervisory Board Members" of the Company and the requirements of an Independent Director as stipulated by the Tokyo Stock Exchange. The Company registered him as an Independent Director as stipulated by the said Exchange. If his re-appointment is approved, the Company will continue to appoint him as an Independent Director.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions		Number of stocks of the Company held	
5	Takashi Tsutsui (July 3, 1950) Outside Re-Appointment Independent	April	1974	Joined Nomura Securities Co., Ltd. (currently Nomura Holdings, Inc.)	4,585
		June	2002	Director, Nomura Holdings, Inc.	
		June	2003	Senior Executive Officer, Nomura Securities Co., Ltd. (established as a subsidiary of Nomura Holdings, Inc. by means of Company Split)	
		June	2005	President and Representative Director, Jasdac Securities Exchange, Inc. (currently Japan Exchange Group, Inc.)	
		April	2011	Director and Vice President Executive Officer, LIXIL Group Corporation	
		April	2014	Director, Vice President Executive Officer and Chief External Relations Officer, LIXIL Corporation	
		January	2017	Representative, Ryuju Consulting (current)	
		March	2018	Outside Director of the Board, the Company (current)	
<p>[Reason for selection as a candidate for Outside Director of the Board]</p> <p>As an employee for many years at Nomura Securities Co., Ltd., and having served as Representative Director of Jasdac Securities Exchange, Inc. and Vice President Executive Officer responsible for M&A, investor relations, etc. at LIXIL Group Corporation, Takashi Tsutsui has ample experience in global business operations. He also has keen insight into the need to safeguard the rights of minority shareholders and other aspects of corporate governance. Also, as the Chairman of the Compensation Advisory Committee of the Company, he committed himself to the review of the compensation plan for directors, including the introduction of a restricted stock compensation plan.</p> <p>The Company deems such knowledge to be essential for establishing the corporate governance to pursue “Maximization of Shareholder Value” from a medium- to long-term perspective after fully fulfilling responsibilities to all the stakeholders surrounding the Company, and nominates him again as a candidate for Outside Director of the Board.</p>					

Notes:

1. There are no special interests between the Company and Takashi Tsutsui.
2. Takashi Tsutsui attended all 21 meetings of the Board of Directors held during the fiscal year under review.
3. Takashi Tsutsui will have served for two years as Outside Director of the Board of the Company upon the conclusion of this General Meeting of Shareholders.
4. The Company concluded an agreement with Takashi Tsutsui to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act, and if his re-appointment is approved, the Company plans to continue the aforementioned liability limitation agreement. Furthermore, the limit of liability for damages under this agreement is the minimum amount stipulated by laws and regulations.
5. Takashi Tsutsui satisfies the “Independence Criteria for Outside Directors/Outside Audit & Supervisory Board Members” of the Company and the requirements of an Independent Director as stipulated by the Tokyo Stock Exchange. The Company registered him as an Independent Director as stipulated by the said Exchange. If his re-appointment is approved, the Company will continue to appoint him as an Independent Director.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions		Number of stocks of the Company held
6	Toshio Morohoshi (August 24, 1953) Outside Re-Appointment Independent	April 1976	Joined Fujitsu Limited	4,100
		October 2005	Managing Executive Officer, Fujitsu Limited	
		July 2007	President & CEO, EMC Japan K.K.	
		January 2012	President & CEO, NCR Japan, Ltd.	
		June 2015	President & CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation)	
		March 2018	Outside Director of the Board, the Company (current)	
		May 2018	Advisor, YE DIGITAL Corporation	
		August 2018	Outside Director, WingArclst Inc. (current)	
		[Significant concurrent positions] Outside Director, WingArclst Inc.		
[Reason for selection as a candidate for Outside Director of the Board] With a career of over 40 years as an IT specialist, Toshio Morohoshi was formerly involved in the management of Fujitsu, Japan's leading global electronics company. After serving as Japan representative for multiple global enterprises, he had managed Yaskawa Information Systems Corporation as its President & CEO until May 2018. Appointing Morohoshi, with his specialist IT background, as an Outside Director of the Board will add diversity to the composition of the Board of Directors' meeting, as emphasized in the corporate governance code, and is expected to inject vitality to discussions by the Board. The Company deems his knowledge to be essential for establishing the corporate governance to pursue "Maximization of Shareholder Value" from a medium- to long-term perspective after fully fulfilling responsibilities to all the stakeholders surrounding the Company, and nominates him again as a candidate for Outside Director of the Board.				

Notes:

1. There are no special interests between the Company and Toshio Morohoshi.
2. Toshio Morohoshi attended all 21 meetings of the Board of Directors held during the fiscal year under review.
3. Toshio Morohoshi will have served for two years as Outside Director of the Board of the Company upon the conclusion of this General Meeting of Shareholders.
4. The Company concluded an agreement with Toshio Morohoshi to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act, and if his re-appointment is approved, the Company plans to continue the aforementioned liability limitation agreement. Furthermore, the limit of liability for damages under this agreement is the minimum amount stipulated by laws and regulations.
5. Toshio Morohoshi satisfies the "Independence Criteria for Outside Directors/Outside Audit & Supervisory Board Members" of the Company and the requirements of an Independent Director as stipulated by the Tokyo Stock Exchange. The Company registered him as an Independent Director as stipulated by the said Exchange. If his re-appointment is approved, the Company will continue to appoint him as an Independent Director.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions		Number of stocks of the Company held
7	Masayoshi Nakamura (November 10, 1954) Outside Re-Appointment Independent	April 1977	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)	6,423
		September 1996	Managing Director, Lehman Brothers	
		March 1999	Managing Director, Morgan Stanley	
		June 2006	Director and Senior Executive Officer, Mitsubishi UFJ Securities Co. ,Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)	
		February 2011	Executive Officer, Mitsubishi UFJ Financial Group, Inc.	
		March 2018	Representative Director, Nakamura Arai Partners Inc. (currently OCTAHEDRON Inc.) (current) Outside Director of the Board, the Company (current)	
<p>[Reason for selection as a candidate for Outside Director of the Board]</p> <p>Since 1984, Masayoshi Nakamura has built up over 30 years of hands-on experience as a specialist in M&A advisory and capital market financing, at major US investment banks Lehman Brothers and Morgan Stanley, as well as at Mitsubishi UFJ Securities Co. ,Ltd., a core member of Mitsubishi UFJ Financial Group. During this time, he took a lead role in multiple major cross-border M&A deals as financial advisor, and also helped globalize Japanese companies and their businesses through involvement in their M&A deals. He is expected to contribute greatly to the development of the Company's business by drawing on his long experience in M&A deals to provide accurate advice on risk control and other aspects of M&A deals in Japan and overseas. The Company deems his knowledge to be essential for establishing the corporate governance to pursue "Maximization of Shareholder Value" from a medium- to long-term perspective after fully fulfilling responsibilities to all the stakeholders surrounding the Company, and nominates him again as a candidate for Outside Director of the Board.</p>				

Notes:

1. There are no special interests between the Company and Masayoshi Nakamura.
2. Masayoshi Nakamura attended all 21 meetings of the Board of Directors held during the fiscal year under review.
3. Masayoshi Nakamura will have served for two years as Outside Director of the Board of the Company upon the conclusion of this General Meeting of Shareholders.
4. The Company concluded an agreement with Masayoshi Nakamura to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act, and if his re-appointment is approved, the Company plans to continue the aforementioned liability limitation agreement. Furthermore, the limit of liability for damages under this agreement is the minimum amount stipulated by laws and regulations.
5. Masayoshi Nakamura satisfies the "Independence Criteria for Outside Directors/Outside Audit & Supervisory Board Members" of the Company and the requirements of an Independent Director as stipulated by the Tokyo Stock Exchange. The Company registered him as an Independent Director as stipulated by the said Exchange. If his re-appointment is approved, the Company will continue to appoint him as an Independent Director.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of stocks of the Company held
8	Masataka Mitsuhashi (September 30, 1957) Outside New Appointment Independent	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 Arata (currently PricewaterhouseCoopers Arata LLC) July 2012 Representative Director and President, PricewaterhouseCoopers Arata Sustainability Certification Co., Ltd. (currently PricewaterhouseCoopers Sustainability LLC) July 2018 Executive Advisor, PricewaterhouseCoopers Arata LLC May 2019 Leader, 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 (current) February 2020 External Director, Skymark Airlines Inc. (current) [Responsibilities and significant concurrent positions] Audit & Supervisory Board Member (Outside), FUJIFILM Holdings Corporation External Director, Skymark Airlines Inc.	0
[Reason for selection as a candidate for Outside Director of the Board] Masataka Mitsuhashi has a wide variety of experience, having engaged in accounting audit and M&A-related activities for many years as a certified public accountant at auditing firms, and has served as Representative Director of a consulting firm. Also possessing expertise in the sustainability domain, by electing a person of such experience as Outside Director of the Board, the Company expects not only to further strengthen the monitoring function of its Board of Directors' meeting, but also to receive appropriate advice on management. In addition, he assumed the position of Advisor for the Company's Governance Advisory Committee in June 2019 and offered helpful advice to the Company's Board of Directors' meeting in relation to the structural reform for the shift to a Company with Three Committees. From such standpoint, the Company deems such knowledge and experience to be essential for establishing the corporate governance to pursue "Maximization of Shareholder Value" from a medium- to long-term perspective after fully fulfilling responsibilities to all the stakeholders surrounding the Company, and nominates him as a candidate for Outside Director of the Board.			

Notes:

1. There are no special interests between the Company and Masataka Mitsuhashi.
2. The Company plans to conclude an agreement with Masataka Mitsuhashi to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act. Furthermore, the limit of liability for damages under this agreement is the minimum amount stipulated by laws and regulations.
3. Masataka Mitsuhashi satisfies the "Independence Criteria for Outside Directors/Outside Audit & Supervisory Board Members" of the Company and the requirements of an Independent Director as stipulated by the Tokyo Stock Exchange. If his appointment is approved, the Company will appoint him as an Independent Director as stipulated by the said Exchange.

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of stocks of the Company held
9	Miharu Koezuka (September 2, 1955) Outside New Appointment Independent	<p>April 1979 Joined Takashimaya Company, Limited</p> <p>February 2010 President (Representative Director), Okayama Takashimaya Co., Ltd.</p> <p>May 2013 Director, Takashimaya Company, Limited</p> <p>September 2013 Representative Senior Managing Director, Takashimaya Company, Limited</p> <p>Director, Okayama Takashimaya Co., Ltd. (current)</p> <p>March 2016 Director, Takashimaya Company, Limited</p> <p>May 2016 Advisor, Takashimaya Company, Limited</p> <p>June 2018 Outside Director, Japan Post Holdings Co., Ltd. (current)</p> <p>June 2019 Outside Director, Nankai Electric Railway Co., Ltd. (current)</p> <p>[Significant concurrent positions]</p> <p>Outside Director, Japan Post Holdings Co., Ltd.</p> <p>Outside Director, Nankai Electric Railway Co., Ltd.</p>	0
<p>[Reason for selection as a candidate for Outside Director of the Board]</p> <p>Miharu Koezuka was involved in Takashimaya Company, Limited's business management as part of its management team for many years and currently serves as Outside Director of both Japan Post Holdings Co., Ltd. and Nankai Electric Railway Co., Ltd. She therefore has abundant experience in various industries and possesses qualities required of an Outside Director as the Company accelerates its global business expansion. As the Company's first female Director of the Board, she is expected to provide accurate advice on the Company's business management from a diversity standpoint.</p> <p>From such standpoint, the Company deems her knowledge and experience to be essential for establishing the corporate governance to pursue "Maximization of Shareholder Value" from a medium- to long-term perspective after fully fulfilling responsibilities to all the stakeholders surrounding the Company, and nominates her as a candidate for Outside Director of the Board.</p>			

Notes:

1. There are no special interests between the Company and Miharu Koezuka.
2. The Company plans to conclude an agreement with Miharu Koezuka to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act. Furthermore, the limit of liability for damages under this agreement is the minimum amount stipulated by laws and regulations.
3. Miharu Koezuka satisfies the "Independence Criteria for Outside Directors/Outside Audit & Supervisory Board Members" of the Company and the requirements of an Independent Director as stipulated by the Tokyo Stock Exchange. If her appointment is approved, the Company will appoint her as Independent Director as stipulated by the said Exchange.
4. Takashimaya Company, Limited, where Miharu Koezuka served as Director, received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission in July and October 2018 for acts in violation of Article 3 of the Antimonopoly Act (Prohibition of Unreasonable Restraint of Trade) regarding orders received for uniforms during the period up to FY2018, which includes her term of office as Director. She was not aware of the fact until it came to light, but offered recommendations on a routine basis from the standpoint of compliance. After the fact came to light, she has continued to offer advice and recommendations for thorough implementation of investigations, for strengthening internal controls to prevent recurrence, and for thorough compliance.
5. Japan Post Holdings Co., Ltd., where Miharu Koezuka serves as Outside Director of the Board since June 2018 received administrative dispositions (business improvement orders) from the Minister of Internal Affairs and Communications and the Financial Services Agency in December 2019 for the group's lack of the governance function and inadequate compliance in relation to a number of cases of improper solicitation of insurance products by the company's subsidiary, JAPAN POST INSURANCE Co., Ltd. She was not aware of the fact until it came to light, but offered recommendations on a routine basis from the standpoint of compliance. After the fact came to light, she has continued to offer advice and recommendations for thorough implementation of investigations, for strengthening internal controls to prevent recurrence, and for thorough compliance.

Reference: <Independence Criteria for Outside Officers>

1. Nippon Paint Holdings will determine that Outside Directors of the Board and Outside Audit & Supervisory Board Members (hereinafter collectively referred to as “Outside Officers”) or candidates for Outside Officers are sufficiently independent from Nippon Paint Holdings if they are found to satisfy all the requirements prescribed in the following items as a result of a reasonable investigation by Nippon Paint Holdings.
 - (1) The person in question is not an executive (See Note 1) or an ex-executive (See Note 2) of Nippon Paint Holdings or any of its subsidiaries (hereinafter “Nippon Paint Group”).
 - (2) 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 Nippon Paint Holdings (See Note 3) or an executive of such a shareholder
 - 2) A person whose major business partner is the Nippon Paint Group (See Note 4) or an executive of such a person
 - 3) A major business partner of the Nippon Paint Group (Note 5) or an executive of such a business partner
 - 4) A person belonging to an audit corporation that conducts statutory audits of the Nippon Paint Group
 - 5) A person who receives a significant amount (Note 6) of money, etc. from the Nippon Paint Group, in addition to remuneration of Directors of the Board or Audit & Supervisory Board Member
 - 6) An executive of an organization that receives a significant amount (Note 6) of donation or aid from the Nippon Paint Group
 - (3) The person in question is not a spouse or a relative within the second degree of kinship of a person falling under any items of (1) or (2) above.
2. Independent Directors of the Board/Audit & Supervisory Board Member shall strive to maintain the independence prescribed by these Independence Criteria until the resignation from office. If an Independent Director of the Board/Audit and Supervisory Board Member no longer satisfies these Independence Criteria, he/she shall promptly notify Nippon Paint Holdings of the fact.

Notes:

1. An executive means an executive director, an executive officer, a corporate officer, or a person holding a similar position at a corporation or other organization.
2. An ex-executive means a person who has been an executive anytime during the past 10 years.
3. A major shareholder means a person who directly or indirectly holds 10% or more of the total voting rights.
4. A person whose major business partner is the Nippon Paint Group means a person who has received from Nippon Paint Holdings a payment equivalent to 2% or more of the annual consolidated revenue or the annual consolidated net sales for the latest fiscal year of that person.
5. A major business partner of the Nippon Paint Group means a person who has paid to the Nippon Paint Group an amount equivalent to 2% or more of the annual consolidated revenue for the latest fiscal year of Nippon Paint Holdings or a person who has an outstanding balance of loans to Nippon Paint Holdings that is equivalent to 2% or more of the consolidated total assets of Nippon Paint Holdings as of the end of the latest fiscal year of Nippon Paint Holdings.
6. A significant amount means an amount exceeding an annual amount of 10 million yen on average over the past three fiscal years of Nippon Paint Holdings.