

# Management with Attention Paid to Our Stock Price

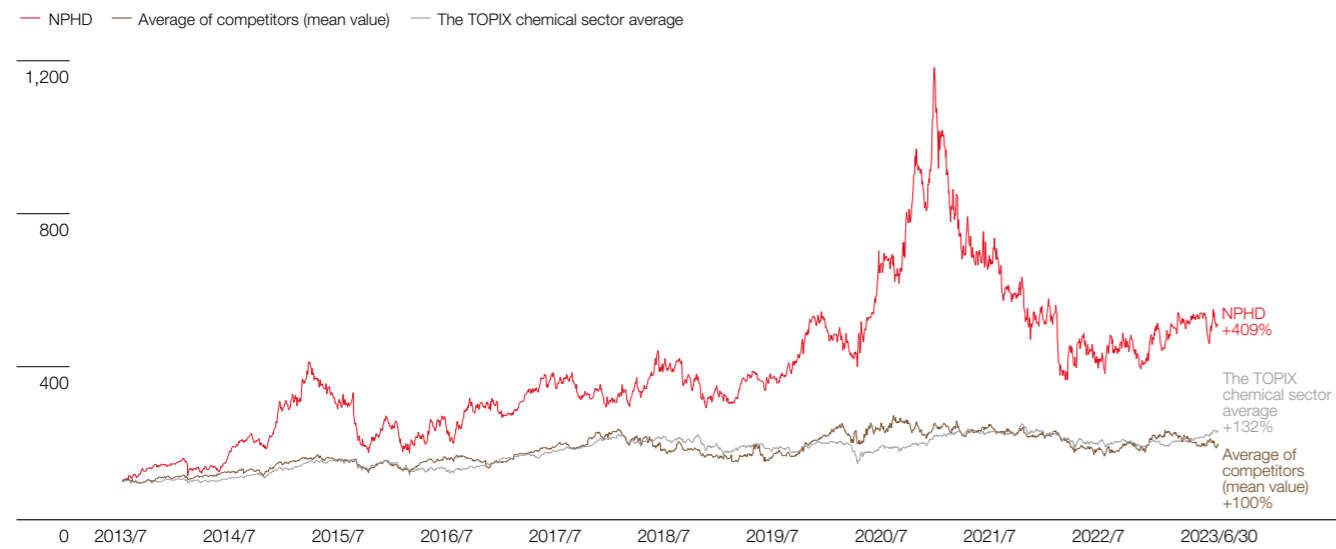
## Turning the maximization of EPS and PER into stock price appreciation

Nippon Paint Group is pursuing our sole mission of MSV through the maximization of EPS and PER. We practice management with attention paid to our stock price, which is the outcome of the pursuit of MSV.

Our historical stock price, EPS, and PER over the past 10 years have exceeded the TOPIX chemical sector average and the average of competitors (mean value) (see the graph below.) We will continue to pursue the achievement of MSV by posting sustained EPS growth and raising expectations from capital markets.

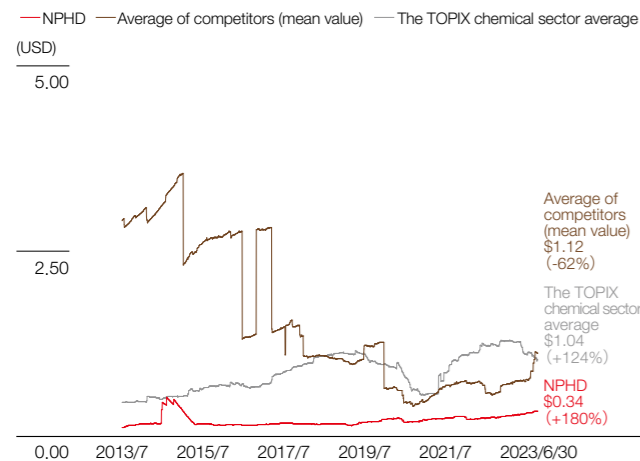
► For management with attention paid to our capital cost, see "Our Finance and M&A Strategies to Achieve MSV Presented by Co-President Wakatsuki" on page 55.

### Historical stock price of NPHD



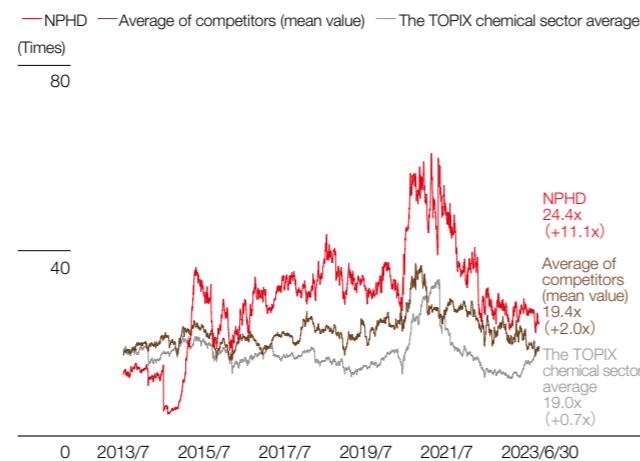
\*1 Source: FactSet (as of June 30, 2023), Bloomberg  
 \*2 The stock prices were indexed with the closing price on July 1, 2013, as 100  
 \*3 Competitors covered are Sherwin-Williams, BASF, Asian Paints, PPG Industries, AkzoNobel, Berger Paints India, Axalta, SKSHU Paint, Kansai Paint, TOA Paint, Asia Cuanon  
 \*4 Stock prices of Axalta, SKSHU Paint, TOA Paint, and Asia Cuanon were indexed using the indexed stock price of Sherwin-Williams on the listing dates of these stocks

### Historical EPS of NPHD



\*1 Source: FactSet (as of June 30, 2023), Bloomberg  
 \*2 Competitors covered are Sherwin-Williams, BASF, Asian Paints, PPG Industries, AkzoNobel, Berger Paints India, Axalta, SKSHU Paint, Kansai Paint, TOA Paint, and Asia Cuanon  
 \*3 The exchange rates used for the calculation of EPS (for the next 12 months) were the following rates as of June 30, 2023: USD/EUR=1.091000, USD/INR=0.012190, USD/CNY=0.137664, USD/JPY=0.006919, USD/THB=0.028205

### Historical PER of NPHD



\*1 Source: FactSet (as of June 30, 2023), Bloomberg  
 \*2 PER (for the next 12 months) is calculated by the stock price on each day divided by EPS (for the next 12 months) on each day  
 \*3 Competitors covered are Sherwin-Williams, BASF, Asian Paints, PPG Industries, AkzoNobel, Berger Paints India, Axalta, SKSHU Paint, Kansai Paint, TOA Paint, and Asia Cuanon

## Investor engagement

We strive to build a relationship of trust with its shareholders and investors around the world through communications with capital markets, including thorough and fair information disclosure and continuous engagement with investors aimed at reducing information asymmetries and holding down the cost of capital, thereby maximizing the PER towards the achievement of MSV.

In FY2022, we further enhanced investor engagement and held IR meetings with 695 companies (an increase of 33.9% from the previous year). In addition, we held IR events including Medium-Term Plan (FY2021-2023) Progress Report Meeting, the Investor Briefing on the NIPSEA Business presented by our two Co-Presidents, the Small Governance Meeting with Independent Director hosted by the Board Chair and Lead Independent Director Nakamura. Besides the above, we conducted many investor meetings for individual investors. These IR activities were aimed at appealing to a broad base of investors. Moreover, we enhanced and upgraded our Integrated Report and IR website in our continued focus on strengthening and expanding information disclosure.

### Number of IR meetings held (companies)

	2020	2021	2022
Meeting with domestic investors	136	232	311
Meeting with overseas investors	210	287	384
Of which, meeting with ESG investors (in Japan and overseas)	9	30	49
<b>Total</b>	<b>346</b>	<b>519</b>	<b>695</b>

### IR events held (times)

	2020	2021	2022
Financial results conference call	4	4	4
Briefing for institutional investors	1	4	4
Briefing on M&A	1	2	0
Briefing for individual investors	1	5	6
<b>Total</b>	<b>7</b>	<b>15</b>	<b>14</b>

## Fulfilling obligations to stakeholders

The major premise of MSV, before everything else, is the fulfillment of our obligations to customers, suppliers, employees, society, and other stakeholders. The relationship of trust with stakeholders through engagement is an asset integral to our Asset Assembler model. We will continue to strive for the maximization of shareholder value that remains after fulfilling our obligations to all stakeholders.

Key stakeholders	Examples of fulfillment of obligations
<b>Customers</b>	<ol style="list-style-type: none"> <li>Joint development activities aimed for solving social issues (new-generation technologies such as decorative films and target line paint for assisting automated driving)</li> <li>Periodic factory tour events and customer satisfaction surveys (technology and sales areas, etc.)</li> <li>Provision of high-quality products with considerations to health and safety                      ► For more information, see "R&amp;D Strategy" on page 77.</li> <li>Exhibit and participate at events aimed for obtaining industry trends and information sharing (lectures at SURCAR (automotive), International Auto Aftermarket EXPO (auto refinsh), High Performance Paint Exhibition and other industry events, and writing professional articles)</li> <li>Respond to questionnaire surveys such as CDP (an international NGO) by request from customers</li> </ol>
<b>Suppliers</b>	<ol style="list-style-type: none"> <li>Conduct questionnaires aimed for sustainable procurement of materials and services</li> <li>Eliminate organizations involved in human rights abuses and the use of raw materials made through human rights abuses                      ► For more information, see "Sustainable Procurement" on page 83.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>Keep tabs on employee satisfaction levels using questionnaires by the Labor Union and external surveys and conduct employee engagement activities</li> <li>Design and implement training programs to gain knowledge and skills about products, businesses, etc.</li> <li>Establish an internal reporting system that enables employees to speak up and report violations without experiencing unfair treatment                      ► For more information, see "Human Resource Strategy" on page 71 and "Risk Management" on page 121.</li> </ol>