

Key Financial Data Over 11 Years

Nippon Paint Holdings Co., Ltd. and consolidated subsidiaries

NPHD changed its fiscal year-end from March 31 to December 31 beginning with the fiscal year ended December 31, 2016. Accordingly, the consolidated period for the fiscal year ended December 31, 2016 was the nine months that started on April 1, 2016 and ended on December 31, 2016.

NPHD adopted the International Financial Reporting Standards (IFRS) starting with the fiscal year ended December 31, 2018. The figures for FY2018 onwards are IFRS based.

For more information, see "Overview and Updates on Medium-Term Plan (FY2021-2023)" on page 51.

Financial indicators	JGAAP						
	2012/3	2013/3	2014/3	2015/3	2016/3	2016/12	2017/12
Fiscal year (Million yen)							
Net sales	222,256	233,380	260,578	260,590	535,746	470,161	605,252
Gross profit	73,329	82,038	93,640	92,550	223,343	204,875	245,196
Operating income	16,323	25,860	33,387	33,751	71,352	72,489	74,957
Profit attributable to owners of parent	12,312	20,018	32,156	181,477	30,020	34,788	37,123
EBITDA ^{*3}	24,626	33,093	40,438	40,722	97,885	95,382	104,405
Capital expenditures	3,553	5,107	5,980	5,130	19,034	21,019	24,814
Depreciation and amortization	8,302	7,233	7,051	6,970	26,533	22,892	29,447
R&D expenses	6,573	6,018	5,915	5,987	15,177	12,037	14,814
Cash flow (Million yen)							
Cash flow from operating activities	22,483	31,848	26,920	34,419	63,101	77,916	79,265
Cash flow from investing activities	(3,713)	(6,918)	(7,173)	(86,966)	(5,308)	(42,697)	(100,680)
Cash flow from financing activities	(11,942)	(18,744)	(21,034)	85,298	(24,699)	(8,583)	(11,434)
Free cash flow	18,769	24,929	19,746	(52,547)	57,793	35,218	(21,414)
Fiscal year end (Million yen)							
Total assets	274,105	287,992	324,028	810,727	791,459	827,996	920,591
Total liabilities	128,723	115,967	116,312	220,804	223,710	242,238	291,182
Shareholders' equity	149,784	166,881	188,782	465,513	474,989	496,944	521,040
Total net assets	145,382	172,024	207,715	589,923	567,748	585,757	629,408
Net debt ^{*4}	4,898	(18,582)	(30,844)	(105,959)	(102,442)	(140,895)	(72,866)
Per share information (Yen)							
Earnings per share (EPS) ^{*6}	46.51	75.62	122.47	650.04	93.61	108.48	115.76
Book-value per share (BPS)	514.45	609.20	746.25	1,496.16	1,464.06	1,475.93	1,572.60
Annual dividends per share	9.00	14.00	20.00	22.00	35.00	40.00	42.00
Financial indicators							
Operating income margin (%)	7.3	11.1	12.8	13.0	13.3	15.4	12.4
EBITDA margin (%)	11.1	14.2	15.5	15.6	18.3	20.3	17.2
Return on equity (ROE) (%)	9.3	13.5	18.1	53.8	6.3	7.4	7.6
Return on assets (ROA) (%)	4.6	7.1	10.5	32.0	3.8	4.3	4.3
Return on invested capital (ROIC) (%) ^{*7}	6.9	11.3	15.2	9.5	10.3	11.7	11.5
D/E ratio (times)	0.30	0.16	0.09	0.06	0.09	0.10	0.14
Net D/E ratio (times)	0.04	(0.12)	(0.16)	(0.22)	(0.22)	(0.30)	(0.14)
Dividend payout ratio (%) ^{*8}	—	—	—	—	27.8	29.1	27.6
Total shareholder return (TSR) (%)	—	—	—	—	—	—	113.2
Price-earnings ratio (PER) (times)	13.5	12.4	12.8	6.8	26.7	29.4	30.8
Price book-value ratio (PBR) (times) ^{*9}	1.2	1.5	2.1	2.9	1.7	2.2	2.3
Net debt/EBITDA	0.2	(0.6)	(0.8)	(2.6)	(1.1)	(1.5)	(0.7)

*1 The earnings for FY2020 and FY2021 have been adjusted retrospectively following the classification of the European automotive coatings business and the India businesses as discontinued operations after they were transferred to Wuthelam Group (announced on August 10, 2021) and a change in accounting policy regarding cloud computing agreements beginning with FY2021 4Q.

*2 Hyperinflationary accounting has been applied for Turkish subsidiaries in accordance with IAS 29 beginning with FY2022 2Q, and the earnings for FY2022 reflect the application of this accounting policy.

*3 EBITDA: Operating profit + depreciation and amortization + impairment loss + gain on negative goodwill

*4 Net debt: Interest-bearing debt (bonds and borrowings (current/non-current) + other financial liabilities (current/non-current) - liquidity on hand (cash and cash equivalents + other financial assets (current))

Financial indicators	IFRS				
	2018/12	2019/12	2020/12	2021/12	2022/12
Fiscal year (Million yen)					
Revenue	627,670	692,009	772,560	998,276	1,309,021
Gross profit	242,164	275,649	321,224	378,323	487,534
Operating profit	86,542	78,060	87,594	87,615	111,882
Profit attributable to owners of parent	45,351	36,717	43,921	67,569	79,418
EBITDA ^{*3}	104,965	115,145	117,312	120,421	159,863
Capital expenditures	22,453	35,263	36,767	49,513	49,820
Depreciation and amortization	18,390	25,769	29,446	33,889	47,116
R&D expenses	16,997	17,416	17,462	24,251	28,106
Cash flow (Million yen)					
Cash flow from operating activities	61,533	92,076	87,633	67,428	112,351
Cash flow from investing activities	(37,439)	(352,769)	(35,440)	(102,355)	(165,107)
Cash flow from financing activities	6,228	254,018	60,869	(62,309)	145,767
Free cash flow	24,093	(260,693)	52,192	(34,927)	(52,756)
Fiscal year end (Million yen)					
Total assets	953,988	1,478,646	1,614,580	1,955,083	2,442,340
Total liabilities	306,370	790,667	915,578	986,388	1,286,982
Total equity attributable to owners of parent	520,047	552,922	567,594	959,518	1,148,824
Total equity	647,618	687,979	699,002	968,694	1,155,358
Net debt ^{*4}	(89,335)	310,890	309,162	429,287	574,386
Per share information (Yen) ^{*5}					
Basic earnings per share (EPS) ^{*6}	28.28	22.90	27.38	29.41	33.82
Book-value per share (BPS)	324.31	344.75	353.80	408.61	489.19
Annual dividends per share	9.00	9.00	9.00	10.00	11.00
Financial indicators					
Operating profit margin (%)	13.8	11.3	11.3	8.8	8.5
EBITDA margin (%)	16.7	16.6	15.2	12.1	12.2
Return on equity (ROE) (%)	8.8	6.8	7.8	8.8	7.5
Return on assets (ROA) (%)	4.8	3.0	2.8	3.8	3.6
Return on invested capital (ROIC) (%) ^{*7}	11.5	7.1	6.8	5.7	5.4
D/E ratio (times)	0.19	0.90	1.07	0.63	0.73
Net D/E ratio (times)	(0.17)	0.56	0.54	0.45	0.50
Dividend payout ratio (%) ^{*8}	31.8	39.3	32.9	34.0	32.5
Total shareholder return (TSR) (%)	106.7	160.7	321.6	181.1	152.5
Price-earnings ratio (PER) (times)	26.6	49.3	82.8	42.6	30.7
Price book-value ratio (PBR) (times) ^{*9}	2.3	3.3	6.4	3.1	2.1
Net debt/EBITDA	(0.9)	2.7	2.6	3.6	3.6

*5 A five-for-one stock split of shares of common stock of NPHD was conducted with March 31, 2021 as the record date and April 1, 2021 as the effective date.

Per share information (EPS, BPS) is calculated assuming that the stock split was carried out at the beginning of FY2018. Annual dividends per share in FY2020 is the actual amount of dividend paid before the stock split.

*6 Profit attributable to shareholders per share (EPS) and profit attributable to owners of parent per share (EPS) are calculated by subtracting the number of treasury stock from the total number of issued shares.

*7 ROIC (JGAAP): Operating profit after tax / (net debt + total net assets); ROIC (IFRS): Operating profit after tax / (net debt + total equity)

*8 Dividend payout ratio for FY2017 is JGAAP-based figures calculated after adjusting for amortization of goodwill.

*9 PBR: Share price / book-value per share (BPS)

11-year Data by Segment

Nippon Paint Holdings Co., Ltd. and consolidated subsidiaries

NPHD changed its fiscal year-end from March 31 to December 31 beginning with the fiscal year ended December 31, 2016. Accordingly, the consolidated period for the fiscal year ended December 31, 2016 was the nine months that started on April 1, 2016 and ended on December 31, 2016.

The former reportable segments

By region	JGAAP						
	2012/3	2013/3	2014/3	2015/3	2016/3	2016/12	2017/12
Japan							
Net sales (Billion yen)	172.3	174.5	187.5	187.2	174.3	127.9	175.9
Operating income (Billion yen)	15.3	22.4	27.0	26.4	29.2	24.3	30.6
Number of employees (persons)	3,139	3,074	2,983	2,886	2,935	3,005	3,013
Asia							
Net sales (Billion yen)	32.4	37.1	45.7	43.9	317.4	297.5	347.0
Operating income (Billion yen)	1.4	2.4	4.3	4.5	37.7	43.3	40.8
Number of employees (persons)	2,057	2,173	2,214	12,282	12,617	12,793	14,449
NIPSEA China							
Net sales (Billion yen)	—	—	—	—	—	—	—
Operating income (Billion yen)	—	—	—	—	—	—	—
Asia Excepting NIPSEA China							
Net sales (Billion yen)	—	—	—	—	—	—	—
Operating income (Billion yen)	—	—	—	—	—	—	—
Oceania							
Net sales (Billion yen)	—	—	—	—	—	—	—
Operating income (Billion yen)	—	—	—	—	—	—	—
Number of employees (persons)	—	—	—	—	—	—	—
Americas							
Net sales (Billion yen)	15.1	19.1	23.6	25.8	33.2	32.2	68.2
Operating income (Billion yen)	(0.3)	0.9	2.0	2.7	5.2	5.1	3.2
Number of employees (persons)	510	585	502	525	536	627	2,407
Other							
Net sales (Billion yen)	2.5	2.7	3.8	3.7	10.9	12.6	14.1
Operating income (Billion yen)	(0.0)	(0.1)	0.1	0.1	(0.9)	(0.4)	0.2
Number of employees (persons)	56	56	56	87	410	447	388

By business	2012/3	2013/3	2014/3	2015/3	2016/3	2016/12	2017/12
Net sales (Billion yen)							
Automotive coatings business	72.4	81.3	92.5	93.4	138.8	129.0	148.4
Decorative paints (including heavy duty) business	39.8	43.8	50.1	45.8	253.4	226.2	308.8
Industrial coatings business	42.1	43.6	47.6	46.4	68.3	58.4	73.0
Fine chemicals business	13.4	13.0	14.6	15.5	17.4	15.6	18.9
Others (marine & auto refinishes, etc.) business	54.5	51.7	55.8	59.5	58.0	40.9	56.0

*1 Operating profit in the Japan segment excludes the dividends received from overseas Group partner companies.

*2 The earnings for FY2020 and FY2021 have been adjusted retrospectively following the classification of the European automotive coatings business and the India businesses as discontinued operations after they were transferred to Wuthelam Group (announced on August 10, 2021) and a change in accounting policy regarding cloud computing agreements beginning with FY2021 4Q.

*3 The Japan segment under the new reportable segments include the overseas marine business.

NPHD adopted the International Financial Reporting Standards (IFRS) starting with the fiscal year ended December 31, 2018. The figures for FY2018 onwards are IFRS based. NPHD changed its reportable segments to segments divided by management unit or region with a manufacturing and sales structure as a base beginning with the fiscal year ended December 31, 2022.

The former reportable segments

IFRS				
	*1 2018/12	*1 2019/12	*2 2020/12	*2 2021/12
Japan				
Revenue (Billion yen)	182.8	182.6	162.0	164.6
Operating profit (Billion yen)	29.6	23.4	16.1	10.3
Number of employees (persons)	3,223	3,373	3,510	3,294
Asia				
Revenue (Billion yen)	355.7	359.2	354.5	530.2
Operating profit (Billion yen)	52.4	50.8	55.3	60.9
Number of employees (persons)	14,287	14,303	15,354	18,253
NIPSEA China				
Revenue (Billion yen)	251.7	257.5	268.1	379.1
Operating profit (Billion yen)	38.4	40.1	43.9	35.9
Asia Excepting NIPSEA China				
Revenue (Billion yen)	104.1	101.7	86.4	151.1
Operating profit (Billion yen)	14.0	10.7	11.4	25.0
Oceania				
Revenue (Billion yen)	—	47.6	148.3	176.2
Operating profit (Billion yen)	—	5.9	15.4	19.0
Number of employees (persons)	—	3,735	3,826	3,927
Americas				
Revenue (Billion yen)	75.2	74.6	70.1	76.4
Operating profit (Billion yen)	5.0	5.0	4.5	3.6
Number of employees (persons)	2,492	2,640	2,581	2,576
Other				
Revenue (Billion yen)	13.9	28.0	37.6	50.8
Operating profit (Billion yen)	(0.5)	(7.0)	(5.4)	(7.1)
Number of employees (persons)	400	1,919	2,047	1,793
Consolidated total (Common)¹⁵				
Number of employees (persons)	—	—	—	404

Revenue (Billion yen)				
	*2 2018/12	*2 2019/12	*2 2020/12	*2 2021/12
Paint and coatings business	627.7	666.5	695.9	899.3
Automotive coatings business	160.2	149.6	113.5	132.7
Decorative paints (including heavy duty) business	322.5	370.7	440.9	607.1
Industrial coatings business	68.8	70.2	69.1	84.8
Fine chemicals business	19.4	18.9	15.6	16.4
Others (marine & auto refinishes, etc.) business	56.8	57.0	56.7	58.3
Adjacencies business	—	25.5	76.7	99.0

*4 Hyperinflationary accounting has been applied for Turkish subsidiaries in accordance with IAS 29 beginning with FY2022 4Q, and the earnings for FY2022 reflect the application of this accounting policy.

*5 The number of employees of NPHD, which was previously included in the Japan segment, has been included in the consolidated total (common) since FY2021.

Following the company split into NPHD, the holding company, and Nippon Paint Corporate Solutions Co., Ltd. (NPCS), the Japan-focused functional company, NPHD's employees were transferred to NPCS. The number of employees of NPCS is included in Japan segment.

For more information, see "Overview and Updates on Medium-Term Plan (FY2021-2023)" on page 51.

The new reportable segments

IFRS		
	*2 2021/12	*2 2022/12
Japan³		
Revenue (Billion yen)	174.0	186.1
Operating profit (Billion yen)	0.95	0.53
Number of employees (persons)	—	3,612
NIPSEA⁴		
Revenue (Billion yen)	571.6	708.5
Operating profit (Billion yen)	68.8	72.7
Number of employees (persons)	—	19,819
NIPSEA China		
Revenue (Billion yen)	379.1	450.7
Operating profit (Billion yen)	35.9	34.9
NIPSEA (NIPSEA Except China)⁴		
Revenue (Billion yen)	192.5	257.8
Operating profit (Billion yen)	33.0	37.8
DuluxGroup		
Revenue (Billion yen)	176.2	314.9
Operating profit (Billion yen)	19.0	29.7
Number of employees (persons)	—	7,851
Americas		
Revenue (Billion yen)	76.4	99.5
Operating profit (Billion yen)	3.6	8.1
Number of employees (persons)	—	2,430
Consolidated total (Common)¹⁵		
Number of employees (persons)	—	51

Revenue (Billion yen)		
	*2 2021/12	*2 2022/12
Paint and coatings business	899.3	1,174.0
Automotive coatings business	132.7	163.8
Decorative paints (including heavy duty) business	607.1	827.5
Industrial coatings business	84.8	95.4
Fine chemicals business	16.4	18.9
Others (marine & auto refinishes, etc.) business	58.3	68.2
Adjacencies business	99.0	135.1

Key Non-Financial Data

Non-financial indicators	2018/12	2019/12	2020/12	2021/12	2022/12
Human resources/organizations (Human capital)					
Number of Directors of the Board (persons) ¹	10	11	9	8	11
Ratio of Independent Directors of the Board (%) ¹	50.0	45.5	66.7	75.0	72.7
Number of employees (persons)	20,402	25,970	27,318	30,247	33,763
Ratio of overseas employees (%)	84.2	87.0	87.2	87.8	89.2
Ratio of female employees (Global) (%)	—	—	24.0	25.9	26.6
Ratio of women in managerial positions (Global) (%) ²	—	—	23.8	23.0	24.8
Ratio of women in managerial positions in Group companies (Japan Group) (%)	4.1	4.3	4.9	6.2	5.4
Percentage of male employees who used parental leave (Japan Group) (%)	—	—	6.8	16.0	51.4
Lost workday case rate (Global) (per 200,000 hrs) ³	—	0.51	0.39	0.38	0.50
Recordable case rate (Global) (per 200,000 hrs) ³	—	1.29	1.08	0.91	0.90
Number of fatalities (Global) ³	0	0	0	2	0
Employee satisfaction levels (Japan Group) (%)	82	83	90	89	81
Technologies (Manufactured capital)					
New Product Sales Index (NPSI) (Japan Group and NIPSEA Group) (%)	—	—	—	21.1	20.0
Technical staff (Global) (persons)	3,085	3,545	3,873	3,421	3,895
Granted patents (Global) (cases)	—	—	—	1,000	1,508
Customer base (Social and relationship capital)					
Number of countries/regions where Nippon Paint Group has the No.1 market share in decorative paints	5	8	8	8	13
Brands (Intellectual capital)					
Expenses for investment in social contributions (USD million)	—	—	14.60	7.08	7.75
Nature/environment (Natural capital)					
Greenhouse gas emissions (Scope 1 and 2) (Global) (kg/t) ⁴	—	54.3	51.1	48.8	55.6
Renewable energy consumption (%) ⁵	—	0.1	0.2	0.5	4.6
Renewable electricity consumption (%) ⁵	—	0.3	0.4	1.0	10.3
Greenhouse gas emissions (Scope 1 and 2) (Japan Group) (kg/t)	36,430	45,714	42,374	43,016	41,513
Greenhouse gas emissions (Scope 3) (Japan group) (million t-CO ₂)	—	—	1.0	1.3	1.2
Greenhouse gas emissions (Scope 3) (DuluxGroup (Pacific)) (million t-CO ₂)	—	1.0	1.0	1.0	1.0
Energy consumption (Global) (GJ/t) ³	—	0.47	0.45	0.40	0.51
Waste generated (Global) (kg/t) ⁶	—	11.3	10.1	11.1	15.9
Waste recovered (Global) (kg/t) ⁷	—	6.0	4.5	4.5	6.3
Waste recovered (Global) (%) ⁷	—	53	45	41	42
Hazardous waste generated (Global) (%) ⁶	—	45	42	37	33
Water withdrawal (Global) (kL/t) ³	—	0.69	0.56	0.54	0.58
Water consumed (Global) (kL/t) ⁶	—	0.44	0.33	0.36	0.39
Ratio of water-based paints in decorative paints business (Global) ⁸ (%)	83.8	86.7	87.5	89.9	82.2

¹ Number of Directors who assumed office after the conclusion of the Ordinary General Meeting of Shareholders held during the current fiscal year. The FY2021 figure is the number of Directors in office on or after April 28, 2021

² Including Nippon Paint Holdings (NPHD)

³ The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology and JUB beginning in FY2022), Dunn-Edwards

⁴ The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology beginning in FY2022 and excluding JUB)

⁵ The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology and JUB beginning in FY2022)

⁶ The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (including Cromology and JUB beginning in FY2022), Dunn-Edwards (beginning in FY2020)

⁷ The scope of coverage: Japan Group, NIPSEA Group, DuluxGroup (excluding Cromology and including JUB beginning in FY2022), Dunn-Edwards (beginning in FY2020)

⁸ From FY2019 to FY2022, calculated based on shipment volume; starting in FY2022, based on sales volume

The scope of coverage: NPTU, NIPSEA, Dunn-Edwards, DuluxGroup (beginning in FY2019), Cromology and JUB (beginning in FY2022)

Status of Inclusion in Indexes/External Evaluation



Selected for the second consecutive year as a constituent of the MSCI Japan ESG Select Leaders Index (June 2023)

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Selected for the second consecutive year as a constituent of the FTSE Blossom Japan Sector Relative Index (June 2023)
Selected for the second consecutive year as a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index (June 2023)



FTSE4Good



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index

Selected for the 12th consecutive year as a constituent of the SOMPO Sustainability Index (June 2023)



Human resources/organizations

Selected for the first time as a constituent stock of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (June 2023)



Selected for the fourth consecutive year as a constituent of the MSCI Japan Empowering Women Index (WIN) (June 2023)

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



Technologies

Received the Special Prize in the renovation category and the interior wall paint category of the 25th Good Painting Color (GPC) Environment Color Competition (January 2023)

Received the Environmental Technology Award 2020 for technology to develop high-durability heat shield coating for road surfaces (May 2021)

Received the GREEN4SEA Technology Award for AQUATERRAS antifouling paint (April 2021)



External partners

Received the Special Excellence Award (Quality Management) from Toyota Housing Corporation for the 12th consecutive year (May 2023)



Customer base

Selected for the 12th consecutive year as the No. 1 paint brand by the top 500 Chinese real estate developers (March 2023)

Selected as influential brand among the nation/consumers in 2022 (December 2022)



Brands

Nippon Paint China was selected for the second consecutive year among Brand Finance's Top 10 Most Valuable Paint Brands in the World (June 2023)

Selected as No. 1 wall paint brand for the seventh consecutive year and as No. 1 wood paint brand for the 11th consecutive year in the China Brand Index (C-BPI) (April 2023)

Several DuluxGroup brands recognized as Australia's Most Trusted Brands (April 2023)

Awarded the 1st place in the wall paint category and the wood paint category of China Net Promote Score (C-NPS) (January 2023)



Financial base

Selected for the ninth consecutive year as a constituent of the JPX-Nikkei Index 400 (August 2023)



Selected as a constituent stock of JPX Prime 150 Index (May 2023)



Nature/environment

Selected for the sixth consecutive year as a constituent of the S&P/JPX Carbon Efficient Index (June 2023)



Corporate, Stock, Ratings and Stock Price Information (as of December 31, 2022)

Corporate Profile

Trade name	Nippon Paint Holdings Co., Ltd.	Founded	March 14, 1881
Head Office	Tokyo Head Office MUSEUM TOWER KYOBASHI, 14th floor, 1-7-2 Kyobashi, Chuo-ku, Tokyo, Japan Tel: (+81) 3-6433-0711	Capital	671,432 million yen
	Osaka Head Office 2-1-2 Oyodo Kita, Kita-ku, Osaka-shi, Osaka, Japan Tel: (+81) 6-6458-1111	Number of employees	33,763 (consolidated)
		Fiscal year	January 1 to December 31

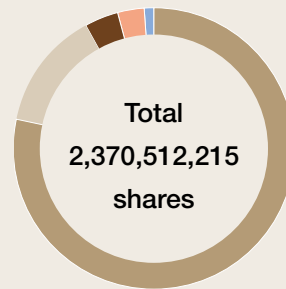
Stock Information (as of December 31, 2022)

Total number of authorized shares	5,000,000,000
Total number of issued shares	2,370,512,215
Number of shareholders	16,109

Major shareholders		
Name	Number of shares (thousands)	Shareholding ratio (%)
Nipsea International Limited	1,293,030	55.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	134,787	5.73
Fraser (HK) Limited	85,000	3.61
CLEARSTREAM BANKING S. A.	84,478	3.59
HSBC BANK PLC A/C CLIENTS 3	76,244	3.24
Nippon Life Insurance Company	51,381	2.18
Custody Bank of Japan, Ltd. (Trust Account)	43,827	1.86
GIC PRIVATE LIMITED - C	41,942	1.78
The Master Trust Bank of Japan, Ltd. (Toyota Motor Account)	25,547	1.08
GOLDMAN SACHS INTERNATIONAL	20,973	0.89

Distribution by type of shareholders (ratio of the shares owned)

Foreign investors	79.69%
Financial institutions	12.91%
Individual and other investor	3.79%
Other Japanese corporations	2.91%
Financial instruments business operators	0.70%



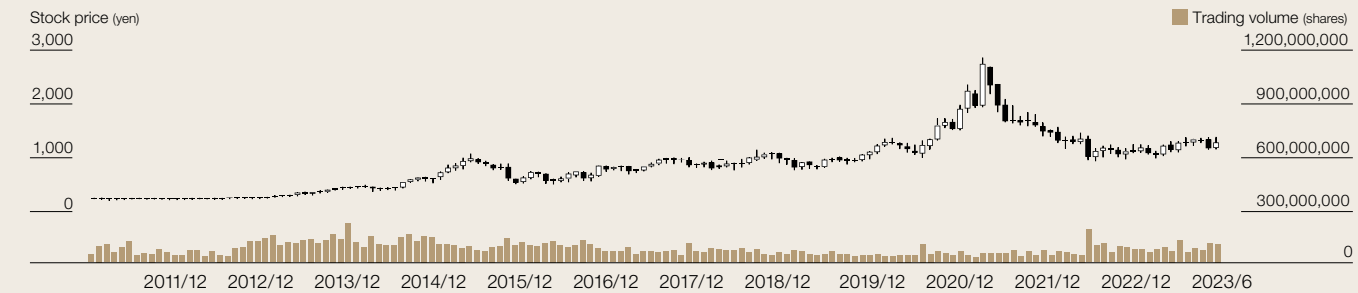
*1 The treasury stock of 22,036,217 shares is included in "Individuals and other investors."

*1 The shareholding ratio is calculated exclusive of treasury stock (22,036,217 shares).
*2 Nipsea International Limited is a wholly owned subsidiary of Wuthelam Holdings Ltd., of which Mr. Goh Hup Jin, the Director of the Board of Nippon Paint Holdings (NPHD), serves as Managing Director.
*3 Fraser (HK) Limited is a subsidiary of a company, W (BVI) Holdings Limited, whose majority voting rights are held by Mr. Goh Hup Jin, the Director of the Board of NPHD, on its own account, and falls under related parties of NPHD.

Ratings Information (as of June 30, 2023)

Institution	Rating	Rating Outlook
R&I Rating	A	Stable

Stock Price Information



Stock price and volume chart

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Stock price at December 31 (yen)	350	704	592	637	713	752	1,128	2,266	1,254	1,039
Year-to-date high (yen)	353	764	972	745	904	1,046	1,270	2,796	2,292	1,314
Year-to-date low (yen)	150	260	407	402	619	668	687	906	1,078	843
Annual trading volume (shares)	1,569,575,000	1,430,850,000	1,094,497,000	1,066,649,000	774,400,000	701,485,000	493,972,000	604,362,500	601,920,600	1,040,218,600

* NPHD implemented a 5-for-1 stock split on April 1, 2021. The stock price and trading volume are calculated assuming that the stock split was carried out in January 2011.

Pick up! Introducing our website

Q & A with Independent Director

Our Governance Issues and Challenges

What do you as the Board Chair regard as the biggest governance issue and challenge at Nippon Paint Group?



I believe the biggest governance issue and challenge at Nippon Paint Group is whether the management team can continue to boldly take risks in a timely and appropriate manner for achieving Maximization of Shareholder Value (MSV).

Our Asset Assembler model upheld by Co-Presidents pursues MSV based on autonomous and decentralized management built on mutual trust, which is a refinement of our previous business model called the Spider Web Management. Based on this model, we are aiming for more growth of existing businesses and making acquisitions to create additional opportunities for growth in the future by adding to our Group more high-quality businesses led by talented management teams.

Under leadership of Co-Presidents, the management of our partner companies, which are our existing assets, manage their operations with agility in the current very challenging business climate. Directors must fully understand the intent of proposals submitted by management and properly perform their supervision and support roles in order to avoid hindering the speed of decision making. In addition, Directors must constantly share their views and goals regarding the acquisition strategy with the management team so as not to miss an opportunity to add a new asset. The right path to pursue MSV is to aim for increasing the value of existing assets and adding new assets with strict adherence to financial discipline while making efforts to further deepen understanding of our Group by the capital markets.

Mutual trust between the parties performing the supervisory function in the Board of Directors and the management team, which conducts business operations, is essential for accomplishing this process. As a Company with Three Committees (Nominating, Compensation and Audit), Nippon Paint Holdings (NPHD) delegates significant authority to the management team. Naturally, the delegation of authority is premised on the Board's confidence in the management team. Without this confidence, Directors would be required to closely analyze and manage risks associated with every proposal, resulting in excessive involvement in business decisions. This would slow down decision making, which could cause us to miss opportunities for growth.



For more information, see the "Q&A with Independent Director" on our corporate website.



<https://www.nipponpaint-holdings.com/en/sustainability/governance/q-and-a/>

Key themes	Contents
Asset Assembler Model	· You have explained that the holding company has sound check and balance and monitoring functions for partner companies based on Asset Assembler model. What do you think is necessary for the soundness of checks and balances? Are there any risks that have been overlooked in your existing risk management framework?
The Co-President Structure	· What do you think are the background and reasons for adopting the Co-President structure and the strengths and superiorities of the current management structure? Has the management team been able to make decisions quickly following the shift to the Co-President structure?
The Roles and Contributions of Independent Directors	· Independent Directors cannot serve as representatives of shareholders without understanding shareholders' views and thoughts. How do you constantly obtain shareholders' opinions and reflect them in the activities of Independent Directors? · The executives who conduct business operations have the goal of speeding up business activities by using the shift to an autonomous management framework to strengthen Nippon Paint Group's centrifugal forces. As an Independent Director, how do you perform your management checking role for every Group partner company while sharing information about strategies and other subjects with these companies?