



April 26, 2019

To whom it may concern,

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Representative: Tetsushi Tado, President & CEO
(Securities Code: 4612, TSE 1st Section)
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**Notice regarding Acquisition of Shares (Acquisition of Ownership) of Turkish Paint
Manufacturer Betek Boya ve Kimya Sanayi Anonim Şirketi**

The Company hereby announces that, based on a resolution of the board of directors, it has decided today to acquire the outstanding shares (hereinafter referred to as the “Share Acquisition”) of Betek Boya ve Kimya Sanayi A.Ş. (hereinafter referred to as “Betek”) and 9 group companies of Betek (hereinafter referred to as “Betek Group”)

1. Reason for the Share Acquisition

Under the three-year medium-term management plan, which started in fiscal year 2018, the Company aims to become a leading company that continues to create new value by advocating the goal of “establishing an leading position in Asia and accelerating global growth.” Through focusing on reinforcement of existing segments, acceleration of expansion of existing portfolios, improvement of profitability, and reinforcement of the “Global One Team” management, the Company has worked hard to implement these goals.

The decorative paint market in Turkey is an appealing market for which high growth is expected. Betek Group, which is the group of companies the Company is acquiring shares, was founded in 1988 and handles ETICS (External Thermal Insulation Composite System: insulation materials), etc. in addition to decorative paint and industrial coatings for construction. Betek group is a leading company that has the top share in the decorative paint market in Turkey. Its major brands Filli Boya and Fawori have a large market share and a high brand-recognition level.

In addition to the regions in Asia and China, where the Company has had a strong presence in, the Company will position itself as a leading player in the Turkish markets with strong expected growth, capturing the high growth potential of the Turkish markets.

Furthermore, by contributing know-how and business resources the Company has accumulated through its Asian paint and coatings business into Betek Group, it will be possible to further accelerate the speed at which Betek Group will expand its business.

The Company firmly believes that this transaction will greatly contribute to the achievement of the Company’s medium-term management plans and the realization of our medium/long-term management policies.

The Company will be the acquisition entity for the Share Acquisition of Betek shares. The Company expects to raise the funds for the Share Acquisition from borrowings from financial institutions. The Company is not planning to raise funds through the issuance of new shares.

2. Overview of subsidiary to be transferred

(1)	Name	Betek Boya ve Kimya Sanayi Anonim Şirketi		
(2)	Address	Istanbul, Turkey		
(3)	Name and title of representative	Tayfun Küçüköğlü, General Manager, Co-Founder		
(4)	Description of business	Manufacture and sale of decorative paint and construction materials		
(5)	Share capital	Turkish Lira (hereinafter referred to as "TL") 100 million		
(6)	Date of incorporation	March 11, 1988		
(7)	Major Shareholders and their shareholding	Gözde Akpınar 57.4% DAW SE 26.4% Other individual shareholders 16.2%		
(8)	Relationship between the listed company and the said company	Capital relationship	There are no capital relationships to be stated.	
		HR relationship	There are no HR relationships to be stated.	
		Business relationship	There are no business relationships to be stated.	
(9)	Consolidated business results and financial condition of the Company in the past 3 years			
	Fiscal year	Fiscal Year Ended December 31, 2016	Fiscal Year Ended December 31, 2017	Fiscal Year Ended December 31, 2018
	Revenue	TL 1,129mn	TL 1,496mn	TL 1,750mn
	Operating profit	TL 159mn	TL 132 mn	TL 76mn

(Note) As the Company is a private company, and the Company is required to keep financial data undisclosed, with the exception of consolidated revenue and consolidated operating profit.

3. Overview of the Sellers

(1) Individual Seller

(1)	Name	Gözde Akpınar
(2)	Address	Turkey
(3)	Relationship between the listed company and the seller	There are no relationships to be stated.

(2) Corporate Seller

(1)	Name	DAW SE	
(2)	Address	Germany	
(3)	Description of business	Manufacture and sale of building coating and construction materials	
(4)	Date of incorporation	1895	
(5)	Relationship between the listed company and the seller	Capital relationship	There are no capital relationships to be stated.
		HR relationship	There are no HR relationships to be stated.
		Business relationship	There are no business relationships to be stated.
		Applicable circumstances to the parties	There are no applicable circumstances to be stated.

4. Number of shares to be acquired, acquisition price, and shares held before and after the acquisition

(1)	Shares owned prior to the transaction	0 shares (Percentage of share: 0.0%)
(2)	Shares acquired	95,915,400 shares
(3)	Acquisition price	Not finalized
(4)	Shares owned after the transaction	95,915,400 shares (Percentage of share: 95.915%)

(Note 1) The acquisition price is currently still not fully finalized. The company plans to disclose the information immediately upon the completion of the transaction.

(Note 2) Betek owns treasury shares with no voting rights (number of shares: 4,040,000 shares; percentage of share owned: 4.04%).

5. Schedule

(1)	Date of resolution of the Board of Directors	April 26, 2019
(2)	Execution date	April 26, 2019
(3)	Acquisition date	By the end of June, 2019 (estimated)

6. Future Outlook

The Company anticipates that the impact of this transaction on the Company's consolidated performance will be minor, but the Company will conduct a thorough investigation moving forward. In the event that any revisions, etc. of the earnings forecast or any matters to be disclosed arise, the Company will promptly disclose them to you whenever necessary.

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