

# The path toward sustainable growth – development of Asset Assembler model and evolution of our growth strategy

Medium- and long-term management strategy

See "Q&A with Co-President Wakatsuki on Our Medium- and Long-Term Management Strategy" on page 47.

Corporate actions

## Reforms of cost structure implemented in Japan

**April 2009**

Kenji Sakai appointed President & CEO  
Survival Challenge Program launched

**February 2014**

Consolidation of the Asian JVs announced

**October 2014**

Transition to the holding company structure

## Capturing demand in the high growth Asian markets

**April 2015**

Domestic business restructuring, separation of operating companies by lines of business

Tetsushi Tado appointed President & CEO

**December 2016**

Acquisition of U.S. Dunn-Edwards announced

## Solid regional and business portfolio established

**January 2018**

Increase of Outside Directors based on a shareholder proposal submitted by Wuthelam Group

**February 2019**

Appointment of Masaaki Tanaka as Executive Chairman of the Board, Representative Director of the Board announced

**April 2019**

Acquisition of Australian DuluxGroup and Turkish Betek Boya announced

**September 2019**

Appointment of Masaaki Tanaka as President & CEO announced

**March 2020**

Transition to a Company with a Nominating Committee, etc.

## Relentlessly pursuing growth based on Asset Assembler model

**January 2021**

Completed the full integration of the Asian JVs and acquisition of the Indonesia business

**April 2021**

Yuichiro Wakatsuki and Wee Siew Kim appointed as Representative Executive Officers & Co-Presidents

**October 2021**

Acquisition of Europe-based Cromology and JUB announced

A company split into NPHD (holding company) and NPCS (Japan-focused functional company) announced

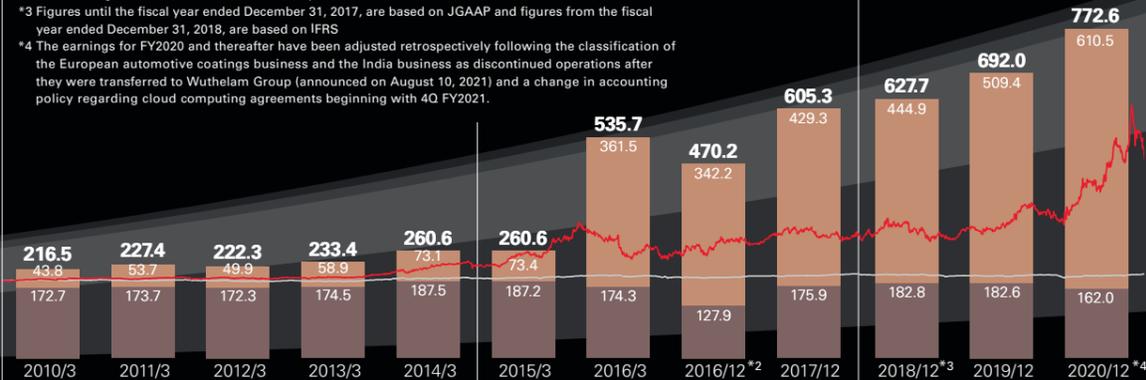
**November 2021**

Full integration of the Chinese automotive coatings JVs announced

For more information about our corporate actions from 2021 onward, see "Speedy Corporate Actions" on page 31.

Revenue (Billion yen) ■ Japan ■ Overseas  
Stock price\*1 — NPHD — TOPIX

\*1 NPHD stock prices and TOPIX were indexed with the closing price on April 1, 2009, as 100  
\*2 The fiscal year-end was changed to December 31 from the fiscal year ended December 31, 2016. Net sales figures are for nine months from April to December 2016.  
\*3 Figures until the fiscal year ended December 31, 2017, are based on JGAAP and figures from the fiscal year ended December 31, 2018, are based on IFRS  
\*4 The earnings for FY2020 and thereafter have been adjusted retrospectively following the classification of the European automotive coatings business and the India business 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 4Q FY2021.



## 2009–2014

### Survival Challenge Program I & II

(Released in May 2009)

#### Basic strategy

- Reform the cost structure / expand sales and profit of existing businesses / create new markets
- Reinforce sustainable growth and the profitable business structure in Asia / reinforce the earnings base in North America

## 2015–2017

### Survival Challenge Program III

(Released in May 2015)

#### Basic strategy

- Build a foundation to become "dominant" in China, the most important market
- Significantly change the business structure to develop business based on Asia and increase the ratio of decorative paints, which have high growth potential and profitability

## 2018–2020

### N-20

(Released in May 2018)

#### Basic strategy

- Strengthen the businesses in existing segments
- Accelerate expansion of the portfolio
- Improve earning capacity
- Enhance the structure of "Global One Team"

## 2021–2023

### Medium-Term Plan (FY2021-2023)

(Released in March 2021)

#### A three-year milestone towards our long-term goals

##### Regional and business strategy

Further solidify our strong growth platform and proactively address new challenges

##### Sustainability strategy

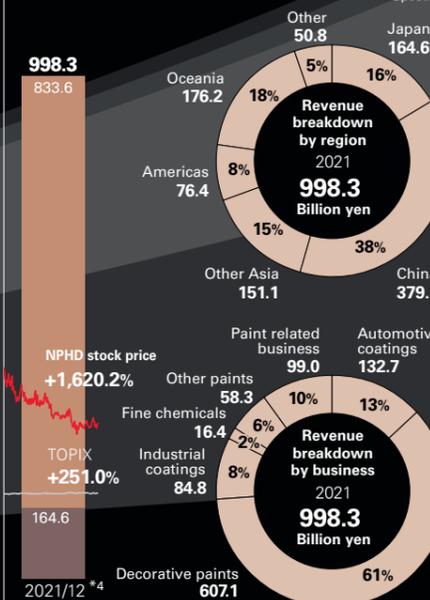
Expand business opportunities through ESG initiatives for sustainable growth

##### M&A strategy

Aggressively pursue new partners to join our Group, taking advantage of the growth potential of the paint market and stability of cash flows

##### Financial strategy

Use our strong cash generating capacity to strengthen our financial base and secure funds for growth with M&A and business investment



#### The five strengths we have built up

- 1 Focused on paint and adjacencies with significant market opportunities
- 2 Attractive risk-return profile of paint and adjacency arena
- 3 An assembly of talented management and strong brands
- 4 Japan domicile enhanced competitive strengths
- 5 Advanced governance

See "Strengths Underpinning Our Business Model" on page 37.

#### Our Long-Term Vision

### Ensuring sustainable growth

- Revenue CAGR in the high single digits
- Profit growth exceeding revenue growth

## Inorganic Growth

Eyeing the potential for non-continuous growth including through M&A

## Organic Growth

Further solidify our strong growth platform

## 2024–

See "Progress of the Medium-Term Plan (FY2021-2023)" on page 51.