## Our sole mission Maximization of Shareholder Value (MSV)

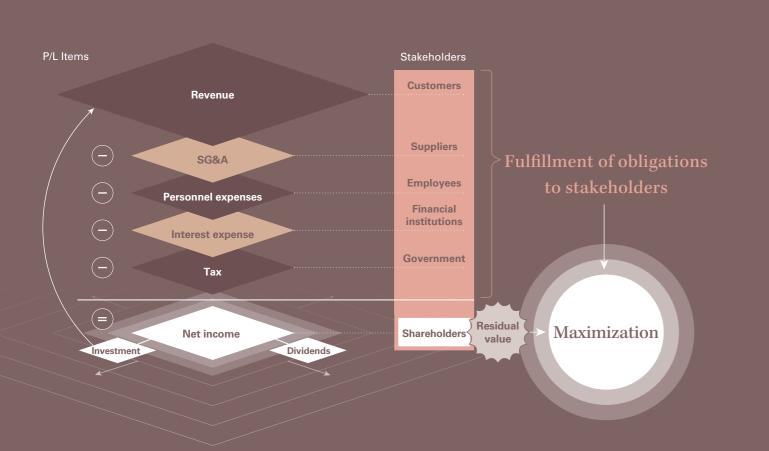
Nippon Paint Group is pursuing MSV as its sole mission.

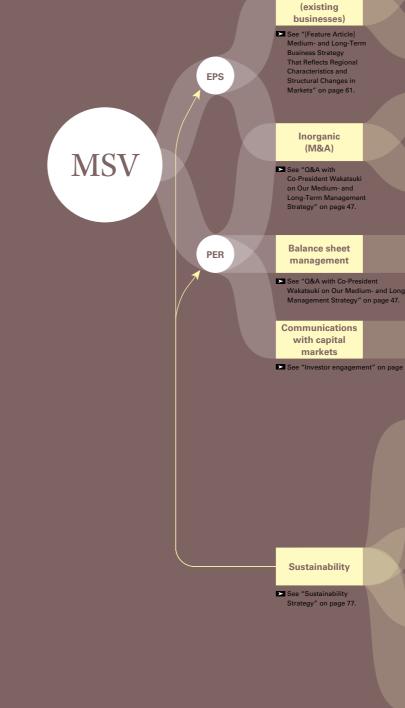
We will aim to create wealth by maximizing the residual shareholder value that remains after fulfilling our obligations to customers, suppliers, employees, society, and other stakeholders.

## MSV logic tree: Actions for achieving MSV

Earnings per Share (EPS) and price-to-earnings ratio (PER) are important benchmarks for achieving MSV. Nippon Paint Group is taking various actions that will contribute to maximizing EPS and PER in order to achieve MSV over the medium and long term.

Organic





The diagram above shows the stakeholder relationship for profit and loss statement items: customers for revenue, suppliers for operating expenses, employees for personnel expenses, financial institutions for interest expenses, and governments for taxes. Fulfilling our obligations to each stakeholder group is the primary premise for MSV. Fulfillment of obligations includes not only legal contracts but also social and ethical obligations, as well as the concept of sustainability.

MSV entails maximizing the residual value that remains after fulfilling obligations to all stakeholders as a way of rewarding shareholders that make an investment with an awareness of the associated risks. A prerequisite is to fulfill those obligations to stakeholders that have upper limits, and shareholder value will be the residual value that remains after fulfilling those obligations. MSV strictly pursues the maximization of medium- and long-term shareholder value, rather than short-term maximization.

## Message from Management

Our Business Model Our Medium- and Long-Term Management Strategy Corporate Governance Financial and Corporate Information

			1. Volume/unit price
	Revenue growth		2. Market share 3. New business/product
	Profitability		1. Variable costs
	improvement		(raw materials cost, logistics cost, etc.) 2. Fixed costs (overhead cost)
			1. Contributing to EPS
	M&A strategy		in Year 1 after acquisition
			2. Leveraging the Group's strengths
	Fostering understanding		1. Continuous M&A
	and expectations		2. Building up successful M&A cases
			1 Prioritizing debt financing
			<ol> <li>Prioritizing debt financing</li> <li>Maintaining sufficient leverage capacity</li> </ol>
	Financial discipline		and enhancing engagement with financial institutions and rating agencies
			3. Equity-based capital raising remains
an option premised on EPS accretion			
	Reducing recognition gap		<ol> <li>Propagating success stories</li> <li>Increasing engagement</li> </ol>
	(capital cost)		3. Enhancing disclosure materials
p 109.			
			Climate change
	Environment & Safety		Resources and environment
	See page 79.		
			Safety and operations
			Diversity & Inclusion
	People &		
	Community		Growth with communities
	See page 87.		
	Innovation & Product		Innovation for a sustainable future
	Stewardship		
	See page 91.		
			Oversight on execution
	0		
	Governance		Internal control
	See page 97.		
			Risk management