

The five strengths underpinning our Asset Assembler model

Using Asset Assembler model and drawing on our five strengths, which are the enablers of medium- and long-term growth, we will pursue continuous earnings growth with limited risk with the goal of achieving MSV.

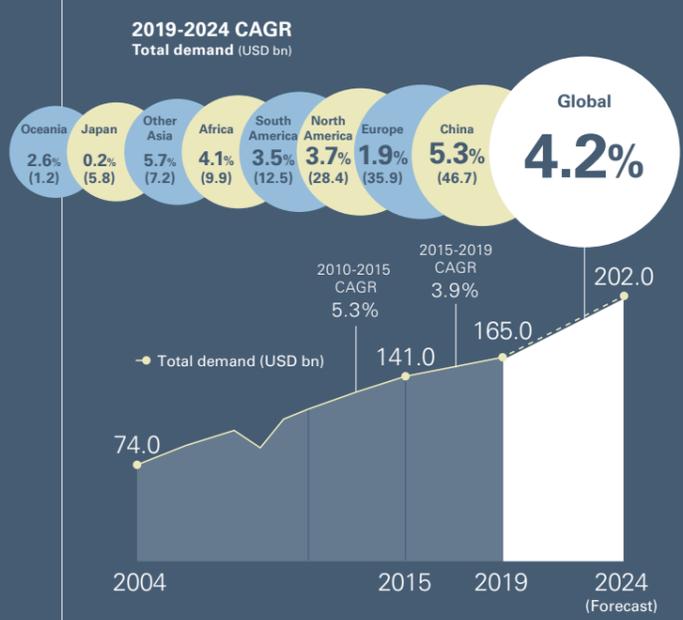
- Message from Management
- Our Business Model
- Our Medium- and Long-Term Management Strategy
- Corporate Governance
- Financial and Corporate Information



1 Focused on paint and adjacencies with significant market opportunities

We are focusing on paint and adjacencies that have significant market size and growth opportunities driven by population growth, per-capita GDP growth, and urbanization. We have considerable expertise and knowledge in these areas. The adjacencies market, represented by the sealants, adhesives & fillers (SAF) and construction chemicals (CC) also boasts an attractive market size, and we have established a one-stop platform to supply adjacencies products, in addition to paint products.

Global paint demand*1,*2



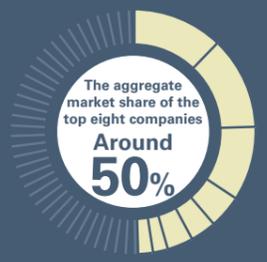
*1 Country/region total figures are market growth forecasts in 2019. *2 Source: ACA-published Global Market Analysis for the Paint & Coatings Industry (2019-2024) https://paint.org/market *3 Source: Fortune Business Insights *4 Source: ReportLinker *5 External Thermal Insulation Composite System *6 Source: European Commission Paper

2 Attractive risk-return profile of paint and adjacencies arena

Our powerful brands and high market share in the paint and adjacencies markets have raised entry barriers and enabled us to establish a solid leading market position. The paint and adjacencies markets are highly localized, characterized by local production for local consumption with strong local features, allowing us to minimize PMI risk through autonomous and decentralized management. These markets are also characterized by attractive returns with limited risk, where we can expect profit and cash flow generation with some degree of certainty. These characteristics make the paint and adjacencies markets well suited to M&A.

Characteristics of the paint and adjacencies businesses

Businesses characterized by local production for local consumption
Customer needs differ across countries and regions



High entry barriers
A small number of top-ranking brands dominate the markets

Adjacencies have several areas of attractive markets

We supply both paint products and adjacency products in a one-stop fashion



3 An assembly of talented management and strong brands

Our focus on paint and adjacencies allows us to create greater-than-expected synergies from strengths brought by an assembly of talented management and strong brands. Management of partner companies have a deep understanding of market features in their operating regions and are well versed in MSV, and with our autonomous and decentralized management, they can fully

utilize their abilities. Unlike Western models featuring standardization and cost-cutting synergies, this model can leverage the strengths of our partner companies in this industry, which is highly localized. We believe this model makes joining Nippon Paint Group more attractive to potential partners as well.

4 Japan domicile enhanced competitive strengths

In Japan, which has a stable currency and safe market, we can finance at low interest rates based on long-term relationships with and strong support from financial institutions. This gives us a unique strength unmatched by our global competitors.

JGB 10-year yield Status of debt (FY2021)



Source: Bloomberg

5 Advanced governance

We have established an advanced and substantively effective governance structure with Independent Directors comprising the majority of the Board of Directors. The Board of Directors shares with our major shareholder the achievement of MSV as the top decision criteria, ensuring the protection of the interests of minority shareholders. This constitutes a unique strength in our governance.

Ratio of Independent Directors

