Distinctive Features of Our Governance

MSV logic tree

• For more information, please refer to the **"How Shareholder Value Is Maximized"** section.

Our pursuit

Corporate Governance — Monitor management + Encourage risk-taking

NPHD has adopted a Company with Three Committees (Nominating, Compensation and Audit) governance structure to enhance transparency, objectivity, and fairness in management. This structure aims to effectively separate business execution from management oversight while strengthening both functions. We consistently strive to reinforce corporate governance and pursue **Maximization of Shareholder Value (MSV)** that remains after fulfilling our obligations to customers, suppliers, employees, society, and other stakeholders, as well as our sustainability obligations.

As a company committed to pursuing MSV, our basic approach is **autonomous and decentralized management**, respecting the autonomy of partner companies underpinned by the relationship of mutual trust they forge with the Co-Presidents. We strive to strengthen governance aligned with our **Asset Assembler model**, under which we pursue sustained growth by empowering our partner companies to realize their full potential. The Board of Directors, which plays the monitoring role, encourages risk-taking by the management in a timely and appropriate manner without slowing down the speed of decision-making on management proposals.

Furthermore, we have established an internal control framework based on the Nippon Paint Group Global Code of Conduct, which serves as our paramount guiding principle. This code outlines essential standards of compliance, ethics, and sustainability that must be shared and observed by all individuals across the Group.

• For more information, please refer to the **"Corporate Governance Policies" (with the "Independence Criteria for Outside Directors" attached) and the "Corporate Governance Report"** on our website.

Five features of our corporate governance structure

1. Thorough protection of the interests of minority shareholders while sharing the common objective of MSV with the majority shareholder
2. Enhanced Board effectiveness under the leadership of Independent Directors
3. Succession planning with a focus on substance rather than formalism
4. Compensation structure that effectively contributes to achieving MSV
5. Audit structures that respond to the increasing globalization of operations

Our relationship with the majority shareholder and protection of minority interests

With a business partnership spanning over 60 years, NPHD and Wuthelam Group, our majority shareholder, unite under the shared mission of MSV, and are dedicated to strengthening governance to protect the interests of minority shareholders. The full integration of the Asian JVs and the acquisition of the Indonesia business in January 2021 simplified our capital relationship, aligning the interests of the majority shareholder and minority shareholders. This created a management structure dedicated to pursuing MSV while ensuring the protection of minority interests.

Our Board of Directors is structured with the Lead Independent Director serving as Board Chair and Independent Directors constituting a majority of the Board. To protect the interests of minority shareholders, any transactions with our majority shareholder are first reviewed by a special committee composed entirely of Independent Directors, followed by approval at the Board of Directors meeting. Through these measures, we ensure proper involvement and oversight by Independent Directors.

We adhere to a strict policy regarding significant related-party transactions, including those between the Company and the majority shareholder, competing transactions involving Directors and/or Executive Officers, self-dealing, and conflict of interest transactions. Any such transactions surpassing a predetermined threshold are promptly reported to the Board of Directors. Moreover, these transactions are disclosed in the Notice of the Annual General Meeting of Shareholders and the Annual Securities Report to ensure transparency and accountability.

Furthermore, when we conduct related-party transactions, we exercise comprehensive judgment regarding the reasonableness of the transaction, taking into consideration its terms and conditions, profit and cost levels and other relevant factors. The objective is to ensure that the transaction will not harm the interests of NPHD or of its minority shareholders. As part of this process, we require the approval of relevant individuals with appropriate decision-making authority.

Related content

Message from Board Chair P55
• Website (1) **Viewpoints of Independent Directors**
• Website (2) **Partnership with the Wuthelam Group, Our Majority Shareholder**

Message from Board Chair

Masayoshi Nakamura
Lead Independent Director and Board Chair

Enhancing Risk Tolerance for Further Challenges

With **Maximization of Shareholder Value (MSV)** as our sole mission, we pursue our **Asset Assembler model**, in which we, with M&A as a key strategy, continuously accumulate high-quality assets led by exceptional management teams. Our Board of Directors, while respecting management's decision-making authority, plays the role of examining, from multiple and objective perspectives, the potential risks of actions proposed by the management team and, with a clear view of our risk tolerance, boldly supporting the management team.

With a majority shareholder holding approximately 59% of our shares, the Board of Directors also bears the responsibility of prioritizing the protection of minority shareholders' interests. In other words, the Board must ensure that there is no conflict of interest between the majority shareholder and minority shareholders, and that the common interest of all shareholders is sought through MSV.

As a Company with Three Committees, our Board of Directors operates under a unique framework designed to enhance its effectiveness.

Decision-making of the Nominating Committee and the Compensation Committee for appointment and compensation is limited to three individuals: the two Co-Presidents and one Executive Officer serving as General Counsel. As we operate globally and continue to pursue further M&As, this approach is intended to ensure that these two committees conduct effective evaluations within the scope of the Committees' visibility of their performance.

On the other hand, decisions on the appointment and compensation of management teams at each Partner Company Group (PCG) are entrusted to the Co-Presidents. The Board receives annual reports and confirms how the Co-Presidents have identified and evaluated talent. In other words, under the Asset Assembler model, in which the Co-Presidents entrust management to each PCG, whether appropriate talent management is being carried out is positioned as one of the key elements in evaluating the Co-Presidents.

Appropriate operation of internal control and risk management across the Group is the premise for respecting the autonomy of each PCG and holding them accountable for operations under a high degree of delegated authority. In addition to frameworks such as our "Global Code of Conduct," global risk management centered on **Control Self-Assessment (CSA)**, and whistleblowing systems, our "Audit on Audit" model has been on track and operational. In this model, the Audit Committee oversees whether the internal control system is functioning appropriately through internal audits at each PCG. These frameworks, when they properly function, give the Co-Presidents greater confidence to take further risks and serve as a fundamental prerequisite for the Board in supporting the management team's challenges.

Our relatively small Board, consisting of eight members in total, which includes only the two Co-Presidents from the management team, enables smooth communication, and we work to minimize the information gap not only between the management team and Directors, but also among Directors. Matters that do not require discussion are shared through the Board's digital platform, allowing greater hours at Board meetings for deliberations on the most important growth strategies and major investments. Flexibly using the Meeting of Independent Directors also serves to streamline issues, scenarios, and possible risks ahead of the Board meetings. As a result, our Board meetings can discuss, with a bigger picture in mind, what should be prioritized, where management resources should be allocated, and whether such decisions contribute to MSV. Through these efforts, I believe the quality of the Board's discussions has improved further, and our shared understanding of pursuing MSV has been refined.

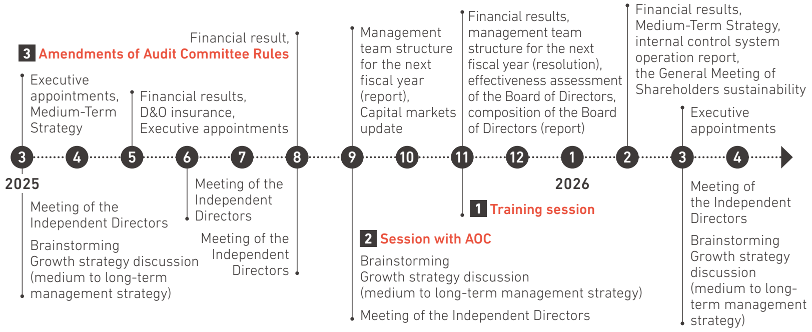
Needless to say, our challenges will continue. We as Directors will continue to examine the appropriate level of risks that the management team should assume and further enhance the Board's risk tolerance. I also would like to emphasize that the value of the existing assets accumulated by the management team needs to steadily increase, which should further strengthen our management and expand the options available for the next investment. By accurately assessing these outcomes, we will continue to support bold challenges aimed at accumulating high-quality assets and fulfill our responsibility for contributing to MSV.

Governance Highlights

In 2025, we focused in particular on the areas that had been identified in the Board of Directors' effectiveness evaluation and **required stronger initiatives in FY2025**. At the same time, in response to changing circumstances, we proactively carried out initiatives to continuously refine our management system. Below, we highlight three governance-enhancing initiatives as specific examples of how our Board of Directors exercises its monitoring function in support of management decision making.

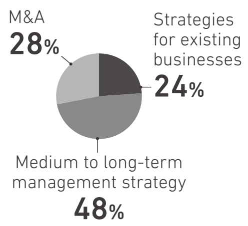
Main activities of the Board of Directors

(in addition to the activities below, the Board reviews reports from the Nominating, Compensation, and Audit Committees, deliberates on M&A transactions, and discusses other strategic matters.)

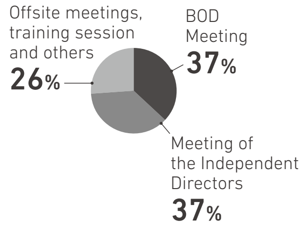


Main activities outside the Board meetings

Types of growth strategies discussed at Board of Directors meetings (percentage of deliberation time)



Percentage of meetings, including Board of Directors meetings, meetings of the Independent Directors, and offsite meetings (Based on the number of meetings held)



- For the evolution of our growth strategy discussions, please refer to the **"Transition of growth strategy discussions"** section on our website.

1 Dialogue with investors on market perceptions of our Group

In November 2025, the Board of Directors invited an overseas investor who already held our shares to our training session. Given the gap in the stock price between the Board's expectation and the market's assessment, the purpose of the session was to re-examine, through the lens of an external party, the issues the Board itself should address in monitoring the direction of execution—including acquisition strategy, capital allocation, and the appropriate level of risk-taking—rather than attributing the gap merely to the effectiveness of external communication or to external conditions. At this training session, the investors provided their views on our management policies and strategy. In addition, the market's concerns about our company, including those of other investors, were also shared. This provided a valuable opportunity for the Board to objectively examine the issues it should recognize. It also served as a highly insightful dialogue for improving the accuracy of our monitoring of management and for clarifying how we should engage with the market going forward.

Stock-Price Conscious Management P12

2 Dialogue with AOC management

In September, the management team of AOC, which we acquired in March 2025, visited Japan and discussed their management policy not only with our executive management but also with members of the Board of Directors, including all Independent Directors. In line with our Asset Assembler model, which respects the autonomous management of each partner company, the Board had in-person discussions with AOC's management team and deepened its understanding of their management policies and of what they intend to achieve, as a new member in our Group. The Board also gained an understanding of how it should effectively support AOC in both pursuing growth and managing risk. Through this dialogue and discussion, the Board reaffirmed the Group's shared direction that, based on relationships with partner companies founded on trust and accountability, AOC will pursue autonomous management to contribute to the Group's MSV.

Case Study 2: AOC's Business Strategy P49

M&A Strategy P41

3 Revision of the Audit Committee Rules to support rational decision-making

The Audit Committee made a major revision of its main internal rules and regulations, including the Audit Committee Rules, as part of the ongoing development of the "Audit on Audit" framework, with a view to clarifying the role of the Audit Committee and the division of responsibilities between the Audit Committee and the internal audit units. While the Audit Committee, as part of the Board of Directors, is expected to oversee the execution of duties by the Co-Presidents and the management teams of partner companies, while the internal audit function is responsible for monitoring in support of the Audit Committee's effective oversight. The audits conducted by the internal audit units of each partner company are the most important foundation of this framework, and the revised rules explicitly stipulate that the Audit Committee's audits rely on them. While "Audit on Audit" had previously focused on operational aspects, 2025 marked a year of significant progress in strengthening its infrastructure.

Audit Committee Report P69

NIPPON PAINT HOLDINGS

Major Board Discussions on Key Strategies

	Major discussions in 2025	Relevant execution-related pages
M&A strategy	At the Board of Directors meetings, under the Asset Assembler model, we engage in active discussions on the creation of growth opportunities through M&A in global markets from multiple perspectives, including the quality of the management teams of acquisition targets, business synergies, and risk tolerance. In particular, in executing large-scale transactions, including AOC, we place emphasis on deliberations on their contribution to MSV, namely the expected contribution to EPS from Year 1, optimization of the Group portfolio, and the strengthening of the risk management framework. In addition, by drawing on the diverse perspectives of the Independent Directors, we exchange objective and constructive views on proposals from the management team and support decision-making that contributes to the Group's sustainable growth and shareholder value enhancement.	Medium-Term Strategy Updates (Released in February 2026) P36 M&A Strategy P41
Stock price and valuation	At the Board of Directors meetings, we are monitoring whether our stock price and valuation appropriately reflect our growth strategy and financial performance, and discuss how we should address capital market assessments and investor expectations based on indicators such as EPS, PER, and ROIC. We closely review how M&A and growth investments contribute to shareholder value enhancement over the medium to long term and whether returns in excess of the cost of capital are being achieved, and encourage the management team to improve capital efficiency and execute appropriate capital policies. In addition, to better understand market feedback, we have also held a training session by inviting an overseas investor, thereby deepening our understanding of the global capital markets. Through dialogue with investors and enhanced disclosure, the Board aims to achieve sustainable enhancement of shareholder value.	Leadership Roundtable P07 Stock-Price Conscious Management P12
Sustainability	The Board of Directors monitors whether the management team is appropriately addressing sustainability, taking into account investor expectations and the latest developments in international disclosure standards. Specifically, we invited experts from DuluxGroup with deep expertise in sustainability, and they provided us with their insights from their on-the-ground knowledge and practical case examples. We discussed upgrading the Group's overall sustainability capabilities as well as future issues and responses. In addition, in light of requests from investors and rating agencies, the Board has received reports from the management team on the overall picture of sustainability-related statutory disclosures and the actions that will be required across the Group to comply with the SSBJ standards going forward. We will continue to examine future sustainability strategies and necessary framework.	Sustainability as the Prerequisite for MSV P75 Discussions by the Board of Directors P58
Risk Management	In February each year, the Board of Directors receives a report from management, delivered by the Co-Presidents as the executives with ultimate responsibility for risk management across the Group, on the operation status of the internal control system. The report focuses on risk recognition and responses at both the Group-wide and each PCG level, including global risk management items, such as **CSA and high-risk categories**, as well as the results of the operation of the whistleblowing hotlines. At the same time, **the Group Audit Committee (GAC)** shares the status of risks across PCGs, thereby raising the level of risk recognition and enhancing the effectiveness of risk management. Through these processes, the Board of Directors works to enhance risk tolerance by ensuring the effectiveness of internal control and strengthening the risk management framework.	Risk Management P71

Discussions by the Board of Directors

Theme Sustainability Initiatives

The Company is preparing for non-financial disclosure on a consolidated basis. This section introduces selected discussions from the Board of Directors meeting in February 2026 on sustainability disclosure in the Asset Assembler model.

Q1 In the Asset Assembler model, how is the Group addressing mandatory requirements for non-financial disclosure in each region? What is our position for the inefficiencies of entity-by-entity responses?

A While the mandatory disclosure requirements vary across regions and therefore require individual responses in the local regions, the underlying principles are broadly aligned with the ISSB Standards. The Sustainability Team spanning partner companies is working to identify common issues, share know-how, and strengthen information coordination. This enables the Group to balance region-specific compliance with overall efficiency.
For example, the Team shares relevant knowledge and practices across the Group, including the level of GHG data required for third-party assurance in Australia, which is ahead of other markets in implementing mandatory disclosure requirements in the environmental and climate change field, NIPSEA's process for developing a sustainability product portfolio, and the path Japan Group went through to formulate its Scope 3 emissions reduction targets.

Q2 How is the Company assessing the human resources and talents required to prepare for non-financial disclosure under Japanese regulations and the related third-party assurance? Does it have sufficient expertise, and are preparations for the required disclosures progressing appropriately?

A We have currently allocated minimum manpower, and will need to assess the necessary resources by examining the practical workload involved, for example, for data collection and verification. In terms of expertise, the Company is drawing on knowledge within the Group through collaboration with Australia and other Asian regions, where prompt actions have been required, while also incorporating the know-how of external professionals to ensure readiness for the required disclosures. We also expect to take advantage of the networks of such external advisors, and will determine its own resource allocation in light of these factors.

Q3 What are the principal challenges for NPHD in addressing disclosure and assurance?

A We recognize the lack of full standardization in data definitions and calculation processes across Group companies as a principle challenge. While each company has adopted definitions suited to its regional and business environment, and operations have progressed to a certain extent, disclosure and assurance will require these data to be organized and standardized so that the information be objective and verifiable. In addition, we will need to identify and develop system infrastructure appropriate for the Group as a whole to enable efficient and continuous information collection.

SSBJ disclosure schedule

	2026	2027	2028	2029
Market cap of JPY 3 tn or more	Voluntary application of SSBJ standards	From FYE12/2027 Mandatory disclosure commences	From FYE12/2028 Mandatory assurance commences	
Market cap of JPY 1 tn or more	Voluntary application of SSBJ standards		From FYE12/2028 Mandatory disclosure commences	From FYE12/2029 Mandatory assurance commences

Expected Roles of Independent Directors

Governance That Sustains Challenges — Independent Directors Supporting MSV

Our Independent Directors play an important role in supporting the management team's bold challenges, while enhancing the quality of decision-making and the effectiveness of governance. Drawing on deep experience in management, global business, and M&A, as well as specialized expertise in areas such as legal affairs and finance, they engage in dialogue with the management team from their respective perspectives and encourage disciplined, appropriate risk-taking.

In this section, each Independent Director shares, in their own words, how they will contribute to the Company's growth and to MSV.

Website

Viewpoints of Independent Directors

Our Independent Directors, each bringing unique strengths and skills honed by diverse experiences, offer fresh perspectives as they analyze Nippon Paint's strengths and challenges, sharing their approaches to protecting minority shareholder interests and highlighting their commitment to MSV.

Leveraging Corporate Legal Perspective in Asset Assembler Model

Our Asset Assembler model, which respects the autonomous management of overseas partner companies we acquire, assumes deep trust between our company and the overseas management teams. Therefore, when evaluating a potential acquisition, we place importance not only on the target company's financial performance, but also on whether the target company has a management team that can be entrusted with the business, and whether that team is trustworthy as individuals. In the course of reviewing matters discussed at our Board meetings, I offer advice to the management team by drawing on my experience as a lawyer who has engaged in negotiations from a variety of standpoints, in Japan and overseas, and on both the buyer side and the seller side. While objectively organizing the key points necessary to assess the personality and skills of the other party's management team, I strive to clarify both the non-negotiable lines that our Company must protect and the essential points for reaching agreement. At the Board meeting where we discussed the acquisition of AOC last year, in addition to discussions on the acquisition terms and risks, we also confirmed the management team's way of thinking and personality. Going forward, I am dedicated to continuing my contribution towards strengthening human capital, a major pillar supporting governance as an Asset Assembler.

Hisashi Hara

Independent Director
Nominating Committee Chairperson

Supporting Value-Creating Decisions Through M&A and Capital Markets Experience

My main strengths lie in the fields of M&A, value creation, capital markets and corporate governance. These strengths have been developed over 30 years of my professional experience, during which I have been deeply involved in M&A, divestments, and corporate advisory work.

Particularly in the global paints, coatings and chemicals sectors, I have led and overseen significant earnings growth for shareholders through a mix of organic growth, M&A growth and capital management initiatives.

I also bring financial discipline and legal skills to the boardroom and am a member of the Audit Committee. Through numerous board roles in both executive and non-executive capacities, including experience with not only leading chemical manufacturing companies but also investment funds, I have combined deep management expertise with strong boardroom experience.

Based on this background, I believe I can ensure robust governance and provide sound oversight, supporting effective strategic decision-making at the Board level.

Andrew Larke

Independent Director

Refining Management Decision-Making Through Foresight Shaped by Public- and Private-Sector Experience

Since my appointment as an Independent Director of Nippon Paint Holdings Co., Ltd. in March 2022, I have contributed actively to Board discussions, especially on strategy, financial and regulatory matters, and the China and Southeast Asian markets, drawing on my experience in leadership positions in both the public and private sectors.

With China's real estate market having been unstable in recent years, I provide advice, based on this knowledge, to ensure that our responses to the challenges facing the China market are robust and financially manageable.

My experience with multinational operations and the constant transformation of businesses has also been helpful in governance oversight and consistency in quality of operations, all with the aim of MSV.

For the overall strategy of assembling high quality and promising assets to be successful, the various businesses must continue to be led by capable management teams. This would necessitate succession planning, talent identification and the provision of career path training/experience, elements of which I had contributed substantially in previous and current roles, so I believe I can provide truly effective advice.

Lim Hwee Hua

Independent Director
Compensation Committee Chairperson

Strengthening Both Growth-Oriented and Risk-Conscious Governance Through CPA Expertise and International Business Experience

My strengths, firstly, include many years of experience in conducting accounting audits as a CPA at the audit firm, PwC Japan. I am also well versed in key elements of risk management based on my involvement with due diligence for M&A transactions.

Secondly, as an active expert in ESG and sustainability, I can provide advice on global trends and stakeholders' concerns.

Thirdly, I draw on my management experience at PwC as a partner, where business is conducted based on mutual trust, in the discussions of our Board of Directors.

I believe my important roles are to continue driving governance reform at NPHD by leveraging my strengths, to contribute to the decision-making process of the Board of Directors, and to support the Co-Presidents in their business execution.

In particular, I will point out issues and provide advice from the viewpoints of accounting, risk management, ESG and sustainability, which are my areas of specialty. In addition, I would like to improve the level of risk management through the **"Audit on Audit"** framework, which includes individual partner companies.

Masataka Mitsuhashi

Independent Director
Audit Committee Chairperson

Enhancing Governance to Empower Executive Decision-Making from M&A Advisory Perspective

In my role on the Board, I bring extensive M&A advisory and capital market financing expertise, which I gained through my work at major US investment banks, as well as management experience in building global investment banking operations at Mitsubishi UFJ Financial Group (MUFG).

The fundamental role of an M&A advisor, a profession that forms the foundation of my career, is to guide the clients' management teams in ultimately arriving at the proper decisions.

The same holds true for my role as NPHD's Board Chair. In leading the Board meetings, I place importance on conveying the necessary perspectives and advice of the Independent Directors to the Co-Presidents and ensuring that sufficient discussions are being conducted while ultimately respecting the Co-Presidents' own judgments.

With respect to our M&A endeavors for further asset accumulation, I lead the Board to utilize the expertise of each Director in assessing the potential risks and returns and guide the management team toward better decision makings.

As Board Chair, I factor in the output from these discussions and seek to fully utilize the knowledge and insights of each Director in the deliberations and decision-making processes of our Board meetings, while also maintaining the independence of the Independent Directors. By fulfilling these functions, I hope to live up to the trust of our shareholders.

Masayoshi Nakamura

Lead Independent Director
and Board Chair

Analysis and Assessment of the Effectiveness of the Board of Directors

P Plan

Areas that required stronger initiatives in FY2025

1 Enrichment of discussion on growth strategy

Further increase opportunities for and enrich the discussion on future strategy to facilitate the executive team's realization of the growth strategy.

2 Thorough engagement in succession planning

Establish a more sustainable management foundation, review and draw up plans to identify and develop talents.

3 Further upgrading of the "Audit on Audit" framework

Fine-tune the audit framework to be better aligned with our Asset Assembler model.

D Do

Main initiatives in FY2025

1 Enrichment of discussion on growth strategy

We held in-person brainstorming sessions at the beginning of the fiscal year and in September to deepen discussions. In addition, we leveraged forums such as the Meeting of the Independent Directors and training session with overseas investors to broaden perspectives and enhance the quality of discussions on growth strategy.

2 Thorough engagement in succession planning

In addition to understanding the status of human capital across the Group, we discussed enhancing succession planning through ongoing communication with key members of management.

3 Further upgrading of the "Audit on Audit" framework

Further developed the "Audit on Audit" framework suited to the Asset Assembler model, which included updating the internal rules around the Audit Committee.

C Check

Guidelines for conducting FY2025 evaluation

Evaluation subjects

All Directors for FY2025: 9 persons
Managing Executive Officer, General Counsel (GC): 1 person

Methodology

Led by the Board Chair and the Chairperson of the Nominating Committee, we conducted the evaluation survey using a questionnaire while we appointed Towers Watson K.K. (WTW) as an independent third-party evaluator. Based on WTW's analysis and evaluation of the survey results, the Board of Directors discussed the effectiveness of the Board.

Questionnaire items

The questionnaire covered topics such as the composition of the Board of Directors, preparation and operation of meetings, quality of deliberations, contributions by Directors, monitoring of execution, and the composition and operation of each committee.

Evaluation process

Step 1: Distributed the questionnaire to each Director and Executive Officer, and received responses
Step 2: WTW analyzed and evaluated the survey results
Step 3: Reported on and discussed the effectiveness evaluation at the Board of Directors meeting

Overview of the FY2025 evaluation results

Based on the analysis and evaluation of the survey by WTW, the Board of Directors concluded that the Board was generally effective in FY2025.

Summary of evaluation

- It was confirmed that understanding of MSV and the Asset Assembler model has been firmly established as a shared foundation for deliberations at the Board of Directors.
- Regarding discussions on growth strategy, in addition to securing sufficient opportunities for discussion, deliberations were enhanced by incorporating multifaceted perspectives.
- From the perspective of supporting a sustainable management structure, the need for continued consideration of succession planning was shared, and discussions were made.
- Progress was made in developing an audit framework suited to the Asset Assembler model, leading to clearer definition of the framework supporting "Audit on Audit."

A Action

Areas that require stronger initiatives in FY2026

1 Further enrichment of discussion on growth strategy

Contribute to the execution of strategies by the executive team and to the enhancement of the market confidence.

2 Thorough engagement in succession planning

Reinforce talent identification and development for a management structure suitable for the next stage of growth.

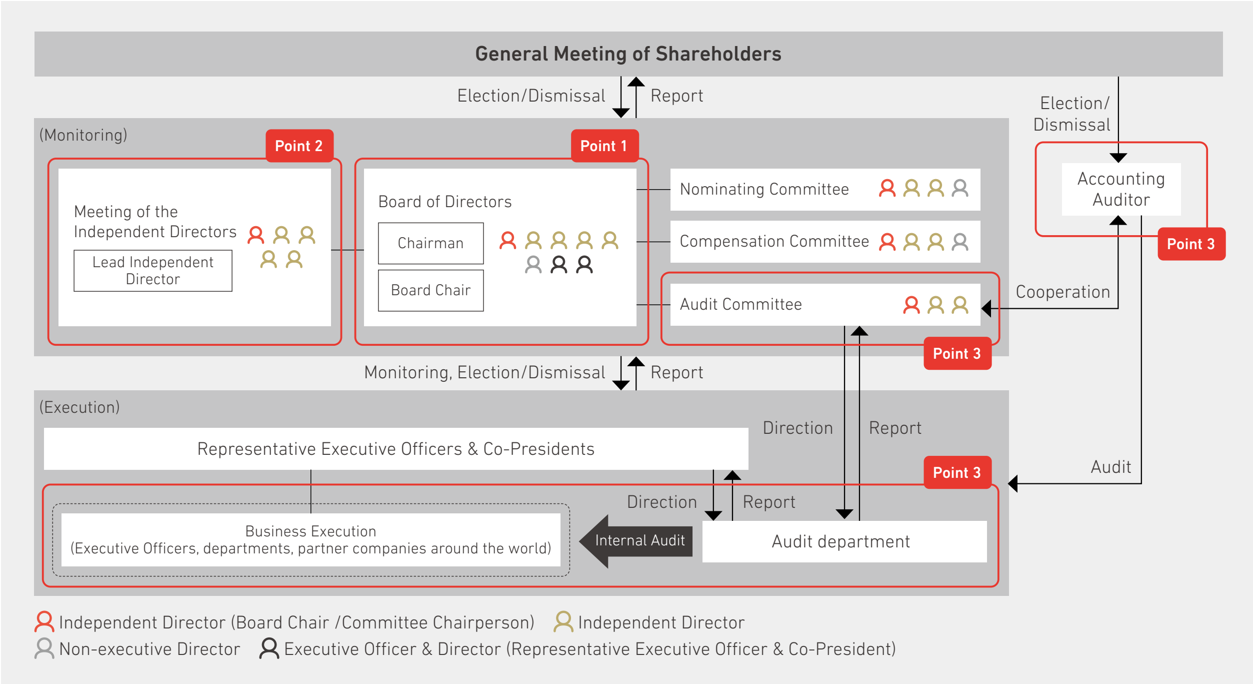
3 Further upgrading of the "Audit on Audit" framework

Operate "Audit on Audit" aligning with and effective in the Asset Assembler model.

Feedback from the Directors on the evaluation results

- Authority has been appropriately delegated to the executive team, and MSV and the Asset Assembler model are shared among Directors and serve as a consistent guiding principle in Board deliberations.
- Under the appropriate leadership of the Board Chair, substantial and sufficient discussions are conducted from an essential perspective on matters of importance to the Group as a whole.
- To support sustainable growth and medium- to long-term enhancement of Shareholder Value, further deepening of discussions on growth strategy, PER improvement, and M&A is necessary. Further improvement in the quality of discussions is expected through the use of external expertise and more extensive prior explanations.

Corporate Governance Structure



Approach to governance reform (roadmap)

● For the "History of Governance Reform" section, please refer to our website.

	2025	2026	2027
Board of Directors governance	‣ Enrichment of discussion on growth strategy ‣ Thorough engagement in succession planning ‣ Further upgrading of the "Audit on Audit" framework	‣ Further enrichment of discussion on growth strategy ‣ Thorough engagement in succession planning ‣ More effective "Audit on Audit"	‣ Further strengthen governance to provide active support for the Executive team's pursuit of MSV
Execution governance	‣ Effectively leveraged the CSA list as a self-assessment tool and promoted the establishment within each PCG of an autonomous, comprehensive framework covering the full process from risk identification to countermeasure implementation ‣ Shared best practices among PCGs for the Whistleblowing Hotline to improve its effectiveness and efficiency ‣ Extended and brushed up various measures and initiatives for AOC, the latest company to join our Group, to maintain and enhance governance and internal controls across the Group	‣ Respond to the upcoming revision of the Corporate Governance Code ‣ Maintain the effectiveness of the CSA list through continuous review ‣ Further promote the use of the whistleblowing hotline based on reported cases ‣ Support the development of organizational structures at new PCGs, including AOC ‣ Continue monitoring developments in economic sanctions laws and regulations amid an unstable international environment	‣ Continue leveraging CSA as a key tool for global risk management ‣ Promote the effective use of the whistleblowing system based on reported cases ‣ Monitor emerging compliance issues, including business and human rights, and continuously maintain our governance framework

Point 1 Diverse Board composition that contributes to multifaceted monitoring capabilities

Our Board of Directors maintains a diverse composition that enables advice and discussions from a wide range of perspectives, with Independent Directors constituting a majority of the Board. This structure provides a monitoring framework that supports our pursuit of MSV, our sole mission. In an environment of rapid and constant change, we constantly review and consider the most appropriate monitoring framework. The Board members with different expertise and experience express their views and join discussions from their individual perspectives on our key issues—global business management, capital markets, M&A, and **sustainability** —, which enhances the quality of our decision-making.

Directors P63

Point 2 Independent directors meetings enabling agile decision-making by the Board

To respond swiftly to matters that require prompt decision-making, such as M&A transactions, we make use of meetings composed exclusively of Independent Directors, enabling the early identification of key issues, pre-examination of risks, and improved judgments. At these meetings, Independent Directors openly exchange their views without formalities, which allows them to fine-tune the issues from a monitoring perspective and to hold efficient and effective discussions at the Board of Directors, where decisions are made. In addition, through discussions at Board meetings, the Independent Directors draw fully on one another's expertise. This, in turn, enhances the effectiveness of the Board and serves as one of the key mechanisms for maintaining the independence of the Independent Directors.

Point 3 Monitoring based on the "Audit on Audit" framework

Based on the "Audit on Audit" framework that aligns with the Asset Assembler model, the internal audit units of each Partner Company Group (PCG) assess the effectiveness of their internal control systems within their own groups. The Audit Committee monitors whether the internal control framework is being appropriately operated and effectively functioning, based on information provided by the Audit Department and others, including internal audit results from PCGs. On the other hand, for areas that we recognize as relatively high-risk across the Group, the Audit Committee and the Audit Department proactively gather information to confirm that risks are being appropriately controlled. This "Audit on Audit," relying on such monitoring, is designed to enhance the effectiveness of governance based on "trust" and "accountability" at the Group level without undermining autonomy of the PCGs.

Audit Committee Report P69

Directors

Our Board of Directors recognizes the importance of ensuring that each Director has experience in corporate management and M&A in global markets and fields to support timely, appropriate, and strategic risk-taking by the executive team. The current skill matrix is composed by adding the specific skills Directors have acquired through these experiences, such as “Finance,” “Legal affairs,” “IT/Digital” and “Manufacturing/Technology/R&D.” In other words, this skill matrix represents the culmination of the Board’s efforts, primarily by the Nominating Committee, to identify and appoint Director candidates qualified to monitor Nippon Paint Holdings as it implements the Asset Assembler model.

Amid a rapidly changing business environment, to foster the Group’s ongoing growth and evolution toward the achievement of MSV, the Board of Directors remains committed to pursuing the optimal qualities and skills to uphold its effectiveness and contribute to serving the interests of minority shareholders.

Name	Yuichiro Wakatsuki	Wee Siew Kim	Goh Hup Jin	Hisashi Hara	Andrew Larke
Title	Director, Representative Executive Officer & Co-President	Director, Representative Executive Officer & Co-President	Chairman	Independent Director	Independent Director
Committee membership	—	—	■ ■	■ (Chairperson) ■	■
Number of years in office	4	4	11 years and 3 months	8	1
Attendance at Board of Directors meeting*1	6/6	6/6	6/6	6/6	6/6
Attendance at Nominating Committee meeting*1	—	—	7/7	7/7	—
Attendance at Compensation Committee meeting*1	—	—	6/6	—	—
Attendance at Audit Committee meeting*1	—	—	—	—	5/5*3
Number of shares of the Company held*2	225,110	145,000	—	134,289	13,900
Date of birth	August 28, 1966	August 19, 1960	April 6, 1953	July 3, 1947	December 3, 1968
Experience/Expertise: Corporate management	○	◎	◎	◎	◎
Global business	◎	◎	◎	◎	◎
M&A	◎	◎	○	◎	◎
Finance	◎	○	○		○
Legal affairs	○		○	◎	○
IT/Digital			○		○
Manufacturing/Technology/R&D		○	◎		○
	Possessing skills in building up strong corporate governance, enhancing company’s financial resilience, securing a position in the stock market, promoting M&A, and transforming management systems, he plays a central role in strengthening the management foundation and realizing growth strategies.	Possessing skills in building up strong corporate governance, enhancing company’s financial resilience, improving the profitability of domestic and international operations, promoting M&A, and transforming management systems, he plays a central role in strengthening the management foundation and expanding business globally.	Possessing knowledge and experience in various industries and capital markets, he can provide professional advice on various agenda items and projects.	With a multifaceted perspective as an attorney, he can provide appropriate and objective advice on execution in various discussions regarding M&A deals, corporate governance and other matters.	With industry experience and knowledge in chemicals and coatings, as well as extensive experience in M&A and capital market, he is expected to effectively enhance the decision-making and Monitoring functions of the Board of Directors.

■ Nominating Committee ■ Compensation Committee ■ Audit Committee

Required experience/Skills

1	Experience in corporate management	The ability to provide oversight and give advice concerning a broad range of matters involving management, extending from determining business strategies to their implementation
2	Experience in global business operations	The ability to provide oversight and give advice concerning the businesses of Nippon Paint Group, which operates worldwide, taking into consideration the diversity of business climates and the different economic conditions and cultures of regions and countries
3	Experience in M&A	The ability to provide oversight and give advice concerning the suitability of M&A deals that Nippon Paint is pursuing and progress during the post-merger integration process
4	Finance	The ability to provide oversight and give advice concerning capital allocations and other financial activities of NPHD
5	Legal affairs	The ability to provide oversight and give advice concerning regulations involving operations, GRC (governance, risk management, compliance), and internal controls
6	IT/Digital	The ability to provide oversight and give advice concerning the use of IT and the digital transformation for the improvement of operations and creation of new business models
7	Manufacturing/ Technology/R&D	The ability to provide oversight and give advice concerning creation of new technologies through R&D by making use of knowledge of technology related to manufacturing operations and the businesses of Nippon Paint Group

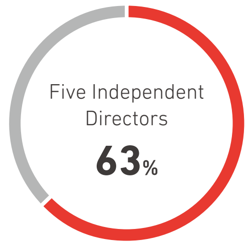
Name	Lim Hwee Hua	Masataka Mitsuhashi	Masayoshi Nakamura
Title	Independent Director	Independent Director	Lead Independent Director Board Chair
Committee membership	Nominating Committee, Compensation Committee (Chairperson)	Audit Committee (Chairperson)	Nominating Committee, Compensation Committee, Audit Committee
Number of years in office	4	6	8
Attendance at Board of Directors meeting*1	6/6	6/6	6/6
Attendance at Nominating Committee meeting*1	—	—	7/7
Attendance at Compensation Committee meeting*1	6/6	—	6/6
Attendance at Audit Committee meeting*1	—	8/8	8/8
Number of shares of the Company held*2	64,300	90,589	123,789
Date of birth	February 26, 1959	September 30, 1957	November 10, 1954
Experience/Expertise: Corporate management	○	○	○
Experience/Expertise: Global business	◎	◎	◎
Experience/Expertise: M&A	◎	◎	◎
Experience/Expertise: Finance	◎	◎	◎
Experience/Expertise: Legal affairs			
Experience/Expertise: IT/Digital	◎		
Experience/Expertise: Manufacturing/Technology/R&D			
	With a broad network and knowledge and experience in investment funds and stewardship, she can provide accurate advice on investment projects and business strategies.	Possessing specialized and international knowledge and experience in financial accounting, ESG, sustainability, and risk management, he can provide advice aimed at strengthening group governance structure and other matters.	With knowledge and experience in M&A, capital market and investment banking management, as the Lead Independent Director, he has the ability to coordinate opinions of Independent Directors and provide advice to the management team, and comprehensively organizes the Board and the Three Committees.

*1 Attendance at the Board of Directors/committee meetings is for FY2025 (late March 2025 to mid-March 2026)
*2 The number of shares is as of December 31, 2025
*3 After assuming Audit Committee member on May 14, 2025

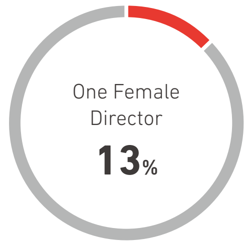
■ Nominating Committee ■ Compensation Committee ■ Audit Committee

Features of the Board's composition

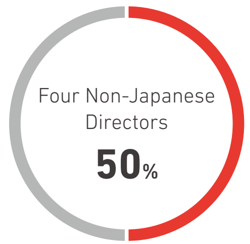
Percentage of Independent Directors



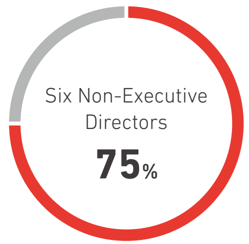
Percentage of female Directors



Percentage of non-Japanese Directors



Percentage of Non-Executive Directors



- For brief profiles of Directors see **" Management Team"** on our corporate website.
- **"Reason for Selection as Independent Directors"** is also available on our corporate website.
- For our governance-related achievements from previous years, please refer to the **"ESG Data (Governance)"** section on our website.