

March 1, 2018

To All Concerned:



Company Name: Nippon Paint Holdings Co., Ltd.

Representative Name: Tetsushi Tado, Representative Director and President

(Company Code: 4612, TSE 1st Section)

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Notice Relating to the Candidates on the Director Election Proposal for the Annual General Shareholders Meeting

The Company's Board of Directors had been continuously reviewing the optimal managerial structure of the Company and, on January 19 of this year, the Board received a shareholder proposal ("Shareholder Proposal") relating to director election at the annual general shareholders meeting scheduled for March 28, 2018 (the "General Shareholders Meeting"). Further, through timely disclosure on January 22, the Company's Board of Directors announced that if any matters arose that require disclosure after careful deliberation on the handling of the Shareholder Proposal, the Company would promptly disclose such matters.

Subsequently, the Board of Directors engaged in intensive deliberation relating to the director election resolution for the General Shareholders Meeting.

In the process of such review, in order to confirm whether the five outside director candidates proposed under the Shareholder Proposal possess the expertise and knowledge etc. required of outside directors of the Company, and whether they can be expected to contribute sufficiently as outside directors of the Company in terms of decision-making with respect to the medium-to-long-term direction and growth strategy of the Company, risk management, and ensuring compliance with laws and regulations, the Board requested each of the candidates to respond to questions sent to them and interviewed each of the candidates, and in light of the results thereof, engaged in thorough and repeated consideration while also obtaining proposals and reports from the Nomination and Compensation committees.

As a result of these deliberations, the Board came to the consensus that making the pursuit of "Maximization of Shareholder Value", which is the purpose of the Shareholder Proposal, a mission of the Company, and establishing an appropriate corporate governance structure built from such perspective were the challenges that the Company should address proactively. At the Company's Board of Directors meeting held today, it was resolved that, in addition to the five internal directors, the five outside director candidates in the Shareholder Proposal would be put before the General Shareholders Meeting scheduled for March 28, 2018, as the director candidates for the agenda item of director election proposed by the Company. In making this resolution, the Board confirmed that if such outside director candidates are elected as the Company's independent outside directors, they would fulfill their duty to work for the shared interests of all shareholders, including the Company's minority shareholders, and that, as a prerequisite for this, the independence and autonomy of each of

such outside directors should be respected to the maximum extent.

Nipsea International Limited, which proposed the Shareholder Proposal, has manifested its intent to support the Company's proposal, and the Company received from Nipsea International Limited a request for withdrawal of the Shareholder Proposal, which the Company approved today. The Company will send a convocation notice for the General Shareholders Meeting that includes an agenda item on the election of directors as the Company's proposal above and the Shareholder Proposal will not be submitted to the General Shareholders Meeting.

If the Company's proposed agenda item concerning the election of directors is approved by the General Shareholders Meeting, the current composition of the Board of Directors, consisting of five internal directors and two outside directors, will see an increase of three outside directors, meaning that outside directors will occupy half the seats on the Board. The Board of Directors will become one in which outside directors supervise the management from an independent and objective position on behalf of all shareholders, and the separation of the operations and supervision of the management will be further enhanced and contribute to the continued improvement of the corporate governance of the Company. The Company believes that, with these director candidates uniting together in the management and supervision of the Company group, and with each maximizing his knowledge, experience and strengths, from a medium-to-long-term perspective, the responsibilities owed to all Company stakeholders will be satisfied, and thus it will be possible to pursue "Maximization of Shareholder Value"

<Director Candidates>

Chairman of the Board	Goh Hup Jin (Re-Appointment)
President & CEO, Representative Director of the Board	Tetsushi Tado (Re-Appointment)
Vice President, Representative Director of the Board	Manabu Minami (Re-Appointment)
Vice President, Director of the Board	Seiichiro Shirahata (New Appointment)
Senior Executive Officer, Director of the Board	Atsushi Nagasaka (Re-Appointment)
Outside Director of the Board	Hisashi Hara (New Appointment)
Outside Director of the Board	Takashi Tsutsui (New Appointment)
Outside Director of the Board	Toshio Morohoshi (New Appointment)
Outside Director of the Board	Yasunori Kaneko (New Appointment)
Outside Director of the Board	Masayoshi Nakamura (New Appointment)

(The titles will be approved at the Board of Directors Meeting after the close of the General Shareholders Meeting)

At the close of the General Shareholders Meeting, Kenji Sakai, a Chairman, Director of the Board, Gaku Matsumoto, an Outside Director of the Board and Kazuhiro Mishina, an Outside Director of the Board, will leave their respective offices due to the expiration of their terms. Kenji Sakai will assume the office of advisor to the Company following his retirement.

<Career of the Newly Appointed Director Candidates>

1. Seiichiro Shirahata (Born on March 3rd, 1961)

1983 Joined Nippon Paint Co., Ltd.

2009 Division Director of Surface Treatment

2013 Executive Officer

2015 Senior, Executive Officer

President, Representative Director of the Board of Nippon Paint Surf Chemicals Co., Ltd.

2018 Vice President

President, Representative Director of the Board of Nippon Paint Marine Coatings Co., Ltd.

2. Hisashi Hara (Born on July 3rd, 1947)

1975: Registered as an attorney and Joined Nagashima & Ohno
(currently, Nagashima, Ohno & Tsunematsu)

2000: Managing Partner of Nagashima, Ohno & Tsunematsu

2004: Member of the External Evaluation Committee of Sophia Law School (current position)

2006: Chairman of Nagashima, Ohno & Tsunematsu

2012: Outside Audit & Supervisory Board Member of Chugai Pharmaceutical Co., Ltd.
(current position)

2013: Head of the Asia Operation of Nagashima, Ohno & Tsunematsu

2018: Advisor to Nagashima, Ohno & Tsunematsu (current position)

3. Takashi Tsutsui (Born on July 3rd, 1950)

1974: Joined Nomura Securities Co., Ltd. (currently Nomura Holdings, Inc.)

2002: Director of Nomura Holdings, Inc.

2003: Senior Executive Officer of Nomura Securities Co., Ltd.
(established as a subsidiary of Nomura Holdings, Inc. by means of Company Split)

2005: President and Representative Director of Jasdax Securities Exchange, Inc.
(currently Japan Exchange Group, Inc.)

2009: Director of LIXIL Group Corporation

- 2011: Director and Vice President Executive Officer of LIXIL Group Corporation
- 2014: Director, Vice President Executive Officer and Chief External Relations Officer of LIXIL Corporation
- 2017: Representative of Ryuju Consulting (current position)
4. Toshio Morohoshi (Born on August 24th, 1953)
- 1976: Joined Fujitsu Limited
- 2005: Managing Executive Officer of Fujitsu Limited
- 2007: President & CEO of EMC Japan K.K.
- 2012: President & CEO of NCR Japan, Ltd.
- 2015: President & CEO of Yaskawa Information Systems Corporation (current position)
5. Yasunori Kaneko (Born on August 25th, 1953)
- 1981: Joined Genentech, Inc.
- 1991: Vice President and CFO of Ionis Pharmaceuticals
- 1992: Vice President of Tularik Inc.
- 1999: Managing Director of Skyline Ventures (current position)
- 2005: Member of Advisory Committee of Stanford University Graduate School of Business
- 2006: Outside Director of Miraca Holdings Inc.
- 2015: Independent Director of Arcus Biosciences, Inc. (current position)
6. Masayoshi Nakamura (Born on November 10th, 1954)
- 1977: Joined The Mitsubishi Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
- 1996: Managing Director of Lehman Brothers
- 1999: Managing Director of Morgan Stanley
- 2006: Director and Senior Executive Officer of Mitsubishi UFJ Securities Co., Ltd.,
Executive Officer of Mitsubishi UFJ Financial Group, Inc.
- 2011: Representative Director of Nakamura Arai Partners Inc. (current position)