

Nippon Paint Holdings Co., Ltd.  
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## **Investment by Subsidiary of the Nippon Paint Holdings to Expand Production of Powder Coatings**

On October 31, 2018, Nippon Paint Holdings Co., Ltd. (Headquarters: Osaka, Japan; President: Tetsushi Tado) decided to invest in the Chiba Plant, a powder coating plant located in Chiba, Japan—of Nippon Paint Industrial Coatings Co., Ltd. (Headquarters: Tokyo, Japan; President: Takeshi Shiotani) (hereinafter, “NPIU”), a wholly owned subsidiary of Nippon Paint Holdings Co., Ltd. engaged in the industrial coatings business.

Powder coatings are characterized by not requiring the use of diluting solvents and allowing automation without resorting to skilled labor. These advantages have been increasingly recognized in the industrial coatings market, which has recently faced stricter environmental regulations on solvent use and tighter labor shortages. As a result, the market has seen a shift in demand from conventional wet coatings to powder coatings.

In view of these market conditions, NPIU will focus on its powder coatings activities as an important and growing area and continue to further reinforce the powder coatings business both in technological development and expansion of its product lineup.

This investment will enable NPIU to develop and introduce an innovative production process, thereby making it possible to double the plant’s production capacity while maintaining the current number of workers. Through the investment, we will also strengthen our efforts in the realm of ESG (environment, social, and governance) by further improving occupational health and safety as well as the work environment, both of which will lead to reforming work practices, and implementing measures to establish a symbiotic relationship with the local community.

NPIU expects sales of its powder coatings business to increase by 35% in fiscal year 2023 compared to fiscal year 2018. NPIU also seeks to further increase its market share in the powder coatings market and realize the Nippon Paint Holdings Group’s 2030 vision of becoming a “leading company that continues to create new value.”

## ■ Overview of Investment in Production Expansion

- Investment destination:  
Chiba Plant (Plant No. 1) of Nippon Paint Industrial Coatings Co., Ltd.  
630 Sekishita, Togane City, Chiba Prefecture 283-0038, Japan
- Amount invested: Approximately 900 million yen
- Total floor area: 3000 m<sup>2</sup>
- Investment plan:
  - 1st phase: Construction is scheduled to begin in November 2018;  
Commencement of operation is scheduled for October 2019.
  - 2nd phase: Construction is scheduled to begin in April 2020;  
Commencement of operation is scheduled for January 2021.
- Production item: Powder coatings

## ■ Profile of Nippon Paint Industrial Coatings Co., Ltd.

- Head Office: 4-1-15 Minami Shinagawa, Shinagawa-ku, Tokyo, 140-8675, Japan
- Representative: Takeshi Shiotani (President and Representative Director of the Board)
- Business description: Manufacture and sales of industrial coating materials, etc.