

[Translation]

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For immediate release

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CEO
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Notice Regarding Acquisition of Additional Equity Interests in the Company's Joint Ventures with the Wuthelam Group in the Asia Region, Acquisition of an Equity Interest in the Indonesia Business (Conversion to Subsidiary), Issuance of New Shares Through a Third-Party Allotment, and Change in Parent Company

Nippon Paint Holdings Co., Ltd. (the "Company") began collaborating with Wuthelam Holdings Limited ("Wuthelam") and its representative Mr. Goh Hup Jin (Wuthelam and Mr. Goh Hup Jin collectively, "Wuthelam and Mr. Goh"; Wuthelam and Mr. Goh, Wuthelam's subsidiaries, and companies substantively controlled by Wuthelam and Mr. Goh collectively, the "Wuthelam Group") by appointing Wuthelam Group as the Company's Asian sales agent in 1962 and establishing a joint venture in Singapore with the aim of expanding its paint business in the Asia region. This was later followed by joint ventures with the Wuthelam Group in Thailand, Malaysia, China, and other Asian countries (collectively, the "Target JVs"), securing one of the largest market shares in the region. In 2014, the Company further strengthened this partnership by acquiring majority interests in the Target JVs, with the aim of further expanding its Asia business. As illustrated above, the Company and the Wuthelam Group have collaborated closely in construction paint in the Asian market and in a wide range of other business areas including industrial paint and automobile paint for almost sixty years. However, going forward, in order to make more ambitious moves toward the management mission of maximizing shareholder value, it will be necessary for the Company to construct a growth base through the unification of its Asian businesses and enhance its financial base for future growth.

Under these circumstances, the Company adopted a resolution at its board of directors meeting held today to enter into a Transaction Agreement (the "Target Business Transfer Agreement") with the Wuthelam Group regarding the Company's acquisition of the equity interests held by the Wuthelam Group in the Target JVs and the Indonesia business, which is operated by the Wuthelam Group and in which the Wuthelam Group owns 99.9% of the equity interests (the "Indonesia Business"; collectively with the Target JVs, the "Target Businesses"; the companies included in the Target Businesses, the "Target Companies"), through which the Company will become the owner of almost 100% of the Target Businesses (the "Acquisition"), and executed the Target Business Transfer Agreement as of today.

At the same board of directors meeting, the Company adopted a resolution to issue new shares through a third-party allotment to NIPSEA INTERNATIONAL LIMITED ("NIL") and Fraser (HK) Limited ("Fraser"), both members of the Wuthelam Group (the "Third-Party Allotment"). The subscribers were determined by agreement through consultation between the Company and the Wuthelam Group, based on the Wuthelam Group's opinion and other factors.

Note that the Acquisition is anticipated to cause a change in the Company's subsidiaries, and the Third-Party Allotment is anticipated to cause a change in the Company's parent company.

I. Acquisition and change in subsidiaries

1. Reasons for and scheme of the Acquisition

Under its new management structure adopted in FY 2020, the Company is working toward maximization of shareholder value through M&A, enhancement of global governance, and other measures while placing SDGs and ESG at the core of its management policy. Recently, the overseas paint company acquired by the Company in the previous fiscal year has begun to make significant contributions to the results of business of the Company, showing the advantages of the Company's "spider-web" management structure. In addition, the Company has been taking steps to increase the transparency, objectivity, and fairness of its management and enhance protections for minority shareholders, including becoming a company with nominating committee, etc. in March of this year, and nominating independent outside directors to six of the nine positions on its board of directors.

The many applications of paint include residential and commercial construction, transport applications such as cars and trains, and infrastructure such as bridges and roads, meaning that demand for paint grows in step with population growth and urbanization. Therefore, Asia is becoming a key region for the Company's sustainable growth in terms of both market size and growth rate due to its projected demographic and economic growth leading to increasing demand, and it is for this reason that the Company plans to acquire approximately 100% ownership of the Target JVs. Additionally, by bringing onboard the Indonesia Business—which operates in the growing Indonesian market and boasts a large market share of the construction paint sector, which shows particular growth potential due to its correspondence to population and per-capita GDP growth—the Company will establish a dominant No. 1 position with its "Asia x Construction" business model. Furthermore, increasing its capital and enhancing its financial base through the Third-Party Allotment will enable the Company to engage more proactively in M&A which will contribute to the maximization of shareholder value and is anticipated to further accelerate the Company's growth going forward.

The Acquisition will also enable the Company to capture in its consolidated accounts, the profits of the Target JVs that were previously belonging to the Wuthelam Group as the non-controlling interest, and the profits of the new businesses which will fall within the scope of the Company's accounting consolidation including the Indonesia Business. This is expected to increase earnings per share (EPS) and enable the Company to optimize resource allocation by reducing the outflow of profits to other entities. Furthermore, this will allow the Company to shift its commercial paint business from a regional focus to a business focus and construct a unified global system, which will enable faster decision-making and business execution and is expected to increase operating profit. Therefore, the Acquisition will contribute to the maximization of the Company's shareholder value.

The Company will acquire the shares or equity of the Target Companies as part of the Acquisition. As stated in the note to "5. Number of shares acquired, acquisition price, and status of shareholdings before and after the acquisition" below, the Target Business Transfer Agreement provides that: the total amount of the consideration for the Acquisition (the "Consideration") is to be JPY 1,285,139 million; of the consideration for acquisition of the Indonesia Business, JPY 100,000 million is to be paid in cash, and the remaining JPY 1,185,139 million is to be settled by the issuance of new shares of the Company through the Third-Party Allotment in exchange for a contribution in kind from NIL and Fraser consisting of the claim for payment of that remaining amount (the "Claim for Payment of Consideration").

2. Reason for the change in subsidiaries

A change in the subsidiaries of the Company is anticipated as a result of the Acquisition.

The list of companies that will newly become subsidiaries is as follows.

Company	Country	Share to be acquired (post-acquisition ownership ratio)
NIPSEA PTE. LTD. (Major subsidiaries and affiliated companies, for reference)	Singapore	100% (100%)
NIPPON PAINT (CHINA) COMPANY LIMITED	China	49% (100%)
GUANGZHOU NIPPON PAINT CO., LTD.	China	49% (100%)
NIPPON PAINT (CHENGDU) CO., LTD.	China	49% (100%)
NIPPON PAINT (H.K.) COMPANY	Hong Kong,	

LIMITED	China	49% (100%)
NIPPON PAINT MARINE CO., LTD.	Japan	40% (100%)
NIPPE TRADING CO., LTD.	Japan	40% (100%)
NIPSEA MANAGEMENT COMPANY PTE. LTD.	Singapore	50% (100%)
NIPPON PAINT (INDIA) PRIVATE LIMITED	India	49.9% (99.9%) (see Note)
Neave Limited (Major subsidiaries and affiliated companies, for reference)	Hong Kong	100% (100%)
PT Nipsea Paint And Chemicals	Indonesia	99.9% (99.9%)

Note: Due to restrictions on the number of shareholders under local law, the Company's ownership of NIPPON PAINT (INDIA) PRIVATE LIMITED is limited to 99.9%.

Reference: Existing subsidiaries of the Company that will become wholly owned subsidiaries through the Acquisition

Company	Country	Share to be acquired (post-acquisition ownership ratio)
NIPPON PAINT COATINGS (TAIWAN) CO., LTD.	Tawian	49% (100%)
NIPSEA CHEMICAL CO., LTD.	South Korea	49% (100%)
NIPPON PAINT (Malaysia) SDN. BHD.	Malaysia	49% (100%)
PAINT MARKETING CO. (M) SDN. BHD.	Malaysia	49% (100%)
NIPPON PAINT (SINGAPORE) COMPANY PRIVATE LIMITED	Singapore	49% (100%)
NIPSEA TECHNOLOGIES PTE. LTD.	Singapore	49% (100%)

Reference: Existing subsidiaries and equity-method affiliates of the Company where the Company's equity interest will increase through the Acquisition

Company	Country	Share to be acquired (post-acquisition ownership ratio)
NIPPON PAINT (THAILAND) COMPANY LIMITED	Thailand	48.9% (99.9%) (see Note)
NIPPON PAINT (SABAH) SDN. BHD.	Malaysia	37% (49%)

Note: Due to restrictions on the number of shareholders under local law, the Company's ownership of NIPPON PAINT (THAILAND) COMPANY is limited to 99.9%.

3. Outline of the relevant subsidiaries

(1) NIPSEA PTE. LTD.

(1)	Name	NIPSEA PTE. LTD.
(2)	Address	1 Sophia Road #05-03 Peace Centre Singapore 228149
(3)	Names and positions of representatives	Goh Hup Jin, Managing Director
(4)	Description of business	Investment Holding Company

(5)	Stated capital	SGD 4 million (JPY 376 million)		
(6)	Date of establishment	June 1, 1991		
(7)	Major shareholders and ownership ratio	Wuthelam Holdings Ltd. : 100%		
(8)	Relationship with the listed company	Capital relationship	Not applicable.	
		Personnel relationship	One director of the Company also serves as a director of this company.	
		Transactional relationship	Not applicable.	
(9)	Management results and financial situation over the last three years			
	Fiscal year ended	December 2017	December 2018	December 2019
	Total equity	SGD 992 million (JPY 76,766 million)	SGD 1,047 million (JPY 81,060 million)	SGD 1,125 million (JPY 87,073 million)
	Total assets	SGD 993 million (JPY 76,833 million)	SGD 1,048 million (JPY 81,104 million)	SGD 1,127 million (JPY 87,186 million)
	Net sales	SGD 129 million (JPY 10,034 million)	SGD 118 million (JPY 9,150 million)	SGD 111 million (JPY 8,604 million)
	Operating profit	SGD 112 million (JPY 8,688 million)	SGD 114 million (JPY 8,883million)	SGD 103 million (JPY 7,998 million)
	Income before taxes	SGD 208 million (JPY 16,138 million)	SGD 211 million (JPY 16,386 million)	SGD 218 million (JPY 16,871 million)
	Profit	SGD 201 million (JPY 15,587 million)	SGD 205 million (JPY 15,927 million)	SGD 211 million (JPY 16,333 million)
	Dividend per share	SGD 28.58 (JPY 2,221.36)	SGD 23.90 (JPY 1,849.29)	SGD 23.71 (JPY 1,834.60)

(2) NIPSEA MANAGEMENT COMPANY PTE. LTD.

(1)	Name	NIPSEA MANAGEMENT COMPANY PTE. LTD.		
(2)	Address	1 Sophia Road, #05-03, Peace Centre, Singapore 228149		
(3)	Names and positions of representatives	Group CEO Wee Siew Kim		
(4)	Description of business	Provision of business administration services		
(5)	Stated capital	SGD 2,000 (JPY 154,000)		
(6)	Date of establishment	October 1, 2009		
(7)	Major shareholders and ownership ratio	NIPPON PAINT HOLDINGS CO., LTD. : 50% NIPSEA PTE LTD. : 50%		
(8)	Relationship with the listed company	Capital relationship	The Company holds 50% of the voting rights of this company.	
		Personnel relationship	The Company has three personnel on dispatch to this company as directors.	
		Transactional relationship	Not applicable.	
(9)	Management results and financial situation over the last three years			

Fiscal year ended	December 2017	December 2018	December 2019
Total equity	SGD 3,614 thousands (JPY 279,634 thousands)	SGD 4,879 thousands (JPY 377,433 thousands)	SGD 6,556 thousands (JPY 507,225 thousands)
Total assets	SGD 12,081 thousands (JPY 934,600 thousands)	SGD 19,335 thousands (JPY 1,495,718 thousands)	SGD 72,115 thousands (JPY 5,578,632 thousands)
Net sales	SGD 24,934 thousands (JPY 1,928,890 thousands)	SGD 28,224 thousands (JPY 2,183,347 thousands)	SGD 29,531 thousands (JPY 2,284,494 thousands)
Income before taxes	SGD (228 thousands) (JPY (17,684 thousands))	SGD 1,461 thousands (JPY 113,050 thousands)	SGD 1,921 thousands (JPY 148,671 thousands)
Profit	SGD (410 thousands) (JPY (31,734 thousands))	SGD 1,264 thousands (JPY 97,798 thousands)	SGD 1,677 thousands (JPY 129,791 thousands)
Dividend per share	-	-	-

(3) NIPPON PAINT (INDIA) PRIVATE LIMITED

(1)	Name	NIPPON PAINT (INDIA) PRIVATE LIMITED	
(2)	Address	Plot No. K-8(1), Phase-II, SIPCOT Industrial Park, Mambakkam Village, Sunguvarchatiram, Kancheepuram, Tamil Nadu - 602 106, India	
(3)	Names and positions of representatives	Shae Toch Hock, Managing Director	
(4)	Description of business	Purchase, manufacturing, and sale of paint and provision of related services	
(5)	Stated capital	INR 5,628 million (JPY 7,946 million)	
(6)	Date of establishment	January 19, 2006	
(7)	Major shareholders and ownership ratio	NIPPON PAINT HOLDINGS CO., LTD. : 50% NIPSEA HOLDINGS INTERNATIONAL LIMITED : 50%	
(8)	Relationship with the listed company	Capital relationship	The Company holds 50% of the voting rights of this company.
		Personnel relationship	The Company has one personnel on dispatch to this company as a director.
		Transactional relationship	Not applicable.
(9)	Consolidated management results and consolidated financial situation over the last three years		
Fiscal year ended	March 2018	March 2019	March 2020
Total equity	INR 5,570 million (JPY 7,864 million)	INR 5,878 million (JPY 8,299 million)	INR 5,309 million (JPY 7,497 million)
Total assets	INR 8,226 million (JPY 11,614 million)	INR 9,244 million (JPY 13,052 million)	INR 9,576 million (JPY 13,521 million)
Net sales	INR 9,544 million (JPY 13,476 million)	INR 12,350 million (JPY 17,437 million)	INR 12,409 million (JPY 17,520 million)

Income before taxes	INR 335 million (JPY 474 million)	INR 469 million (JPY 662 million)	INR 251 million (JPY 354 million)
Profit	INR 215 million (JPY 303 million)	INR 307 million (JPY 433 million)	INR 173 million (JPY 245 million)
Profit attributable to owners of the parent company	INR 215 million (JPY 303 million)	INR 307 million (JPY 433 million)	INR 173 million (JPY 245 million)
Dividend per share	-	-	-

Note: Figures for the fiscal year ending March 2020 are pending audit.

(4) Neave Limited

(1) Name	Neave Limited		
(2) Address	Suites 3203 and 3204, 32nd Floor, Tower 2, Nina Tower, No.8 Yeung UK Road, Tsuen Wan, New Territories, Hong Kong		
(3) Names and positions of representatives	Managing Director Lavoo Martin Yuen-An		
(4) Description of business	Management and operation of subsidiaries and paint trading		
(5) Stated capital	HKD 388 million (JPY 5,289 million)		
(6) Date of establishment	November 17, 1992		
(7) Major shareholders and ownership ratio	TSI GROUP MANAGEMENT LIMITED : 100%		
(8) Relationship with the listed company	Capital relationship	Not applicable.	
	Personnel relationship	One director of the company also serves as a director of this company.	
	Transactional relationship	Not applicable.	
(9) Consolidated management results and consolidated financial situation over the last three years			
Fiscal year ended	December 2017	December 2018	December 2019
Total equity	HKD 1,812 million (JPY 24,712 million)	HKD 1,935 million (JPY 26,386 million)	HKD 2,086 million (JPY 28,449 million)
Total assets	HKD 2,212 million (JPY 30,154 million)	HKD 2,284 million (JPY 31,140 million)	HKD 2,432 million (JPY 33,153 million)
Net sales	HKD 2,442 million (JPY 33,289 million)	HKD 2,580 million (JPY 35,173 million)	HKD 2,544 million (JPY 34,687 million)
Operating profit	HKD 776 million (JPY 10,589 million)	HKD 749 million (JPY 10,211 million)	HKD 772 million (JPY 10,533 million)
Income before taxes	HKD 777 million (JPY 10,601 million)	HKD 750 million (JPY 10,231 million)	HKD 769 million (JPY 10,492 million)
Profit	HKD 521 million (JPY 7,110 million)	HKD 524 million (JPY 7,152 million)	HKD 538 million (JPY 7,335 million)
Profit attributable to owners of the parent company	HKD 516 million (JPY 7,037 million)	HKD 519 million (JPY 7,076 million)	HKD 532 million (JPY 7,258 million)
Dividend per share	HKD 0.97 (JPY 13.35)	HKD 0.77 (JPY 10.54)	HKD 1.15 (JPY 15.73)

Note: Figures for the fiscal year ending December 2019 are pending audit.

(5) Subsidiaries of Neave Limited

(1)	Name	PT Nipsea Paint And Chemicals		
(2)	Address	JI. Ancol Barat I/A5/C No.12, Jakarta, Indonesia		
(3)	Names and positions of representatives	President Director, Drs. Budi Fianto Buna		
(4)	Description of business	Manufacturing and sale of paint		
(5)	Stated capital	IDR 51,000 million (JPY 364 million)		
(6)	Date of establishment	19 September 1969		
(7)	Major shareholders and ownership ratio	Neave Limited : 99.9% Drs. Budi Fianto Buna : 0.1%		
(8)	Relationship with the listed company	Capital relationship	Not applicable.	
		Personnel relationship	The Company has three personnel on dispatch to this company as employees.	
		Transactional relationship	The Company provides licenses to manufacture, use and sell automotive paints, plastic paints, and similar products to this company.	
(9)	Management results and financial situation over the last three years			
	Fiscal year ended	December 2017	December 2018	December 2019
	Total equity	IDR 2,406,966 million (JPY 17,215 million)	IDR 2,758,874 million (JPY 19,732 million)	IDR 2,760,644 million (JPY 19,745 million)
	Total assets	IDR 3,083,273 million (JPY 22,053 million)	IDR 3,398,858 million (JPY 24,310 million)	IDR 3,372,847 million (JPY 24,124 million)
	Net sales	IDR 4,191,046 million (JPY 29,976 million)	IDR 4,669,105 million (JPY 33,395 million)	IDR 4,578,119 million (JPY 32,745 million)
	Operating profit	IDR 1,320,150 million (JPY 9,442 million)	IDR 1,380,374 million (JPY 9,873 million)	IDR 1,386,718 million (JPY 9,918 million)
	Income before taxes	IDR 1,342,951 million (JPY 9,605 million)	IDR 1,407,942 million (JPY 10,070 million)	IDR 1,404,645 million (JPY 10,046 million)
	Profit	IDR 928,404 million (JPY 6,640 million)	IDR 1,032,315 million (JPY 7,383 million)	IDR 1,038,833 million (JPY 7,430 million)
	Dividend per share	IDR 10.01 million (JPY 71,653.47)	IDR 13.72 million (JPY 98,171.96)	IDR 20.19 million (JPY 144,453.03)

4. Summary of the counterparties in the Acquisition

(1) Wuthelam

(1)	Name	Wuthelam Holdings Limited
(2)	Address	Suites 3203 and 3204, 32nd Floor, Tower 2, Nina Tower, No.8 Yeung UK Road, Tsuen Wan, New Territories, Hong Kong
(3)	Names and positions of representatives	Goh Hup Jin, Managing Director
(4)	Description of business	Investment

(5)	Stated capital	HKD 30 million (JPY 408 million)	
(6)	Date of establishment	October 2, 1974	
(7)	Net assets	HKD 10,510 million (JPY 143,282 million)	
(8)	Total assets	HKD 13,806 million (JPY 188,211 million)	
(9)	Major shareholders and ownership ratio	Rainbow Light Limited : 75% Thurloe Limited : 25%	
(10)	Relationship with the listed company	Capital relationship	As of June 30, 2020, Wuthelam indirectly holds 126,906,000 shares, equivalent to 39.6% of the voting rights of the Company.
		Personnel relationship	One director of the Company also serves as a director of this company.
		Transactional relationship	Not applicable.
		Status as a related party	This company is an other affiliated company of the Company, and therefore constitutes a related party.

(2) NIPSEA HOLDINGS INTERNATIONAL LIMITED

(1)	Name	NIPSEA HOLDINGS INTERNATIONAL LIMITED	
(2)	Address	SUITES 3203-4, 32/F, TOWER 2, NINA TOWER, 8 YEUNG UK ROAD, TSUEN WAN, HONG KONG.	
(3)	Names and positions of representatives	Goh Hup Jin, Director	
(4)	Description of business	Investment Holdings	
(5)	Stated capital	HKD 13million (JPY 187 million)	
(6)	Date of establishment	January 15, 1974	
(7)	Net assets	HKD 2,618 million (JPY 35,691 million)	
(8)	Total assets	HKD 2,821million (JPY 38,465 million)	
(9)	Major shareholders and ownership ratio	Wuthelam : 100%	
(10)	Relationship with the listed company	Capital relationship	As of June 30, 2020, NIPSEA HOLDINGS INTERNATIONAL LIMITED indirectly holds 126,906,000 shares, equivalent to 39.6% of the voting rights of the Company.
		Personnel relationship	One director of the Company also serves as a director of this company.
		Transactional relationship	Not applicable.
		Status as a related party	This company is an other affiliated company of the Company, and therefore constitutes a related party.

(3) Hua Joo Seng Enterprise Sdn Bhd.

(1)	Name	Hua Joo Seng Enterprise Sdn Bhd.
(2)	Address	Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Malaysia

(3)	Names and positions of representatives	Goh Hup Jin, Director	
(4)	Description of business	Investment holding company	
(5)	Stated capital	MYR 30 million (JPY 759 million)	
(6)	Date of establishment	December 7, 1970	
(7)	Consolidated net assets	MYR 914 million (JPY 23,154 million) (see Note)	
(8)	Consolidated total assets	MYR 914 million (JPY 23,156 million) (see Note)	
(9)	Major shareholders and ownership ratio	NIPSEA HOLDINGS INTERNATIONAL : 100% LIMITED	
(10)	Relationship with the listed company	Capital relationship	Not applicable.
		Personnel relationship	One director of the Company also serves as a director of this company.
		Transactional relationship	Not applicable.
		Status as a related party	This company is a subsidiary of an other affiliated company of the Company (NIPSEA HOLDINGS INTERNATIONAL LIMITED), and therefore constitutes a related party.

Note: Figures for Net assets and Total assets are pending audit.

(4) Wuthelam Holdings Pte. Ltd.

(1)	Name	Wuthelam Holdings Pte Ltd	
(2)	Address	1 Sophia Road #05-03 Peace Centre Singapore 228149	
(3)	Names and positions of representatives	Goh Hup Jin, Managing Director	
(4)	Description of business	Investment Holding Company	
(5)	Stated capital	SGD 48million (JPY 3,713 million)	
(6)	Date of establishment	27 October 1977	
(7)	Consolidated net assets	SGD 61million (JPY 4,773 million)	
(8)	Consolidated total assets	SGD 62million (JPY 4,819 million)	
(9)	Major shareholders and ownership ratio	Wuthelam : 100%	
(10)	Relationship with the listed company	Capital relationship	Not applicable.
		Personnel relationship	One director of the Company also serves as a director of this company
		Transactional relationship	Not applicable.
		Status as a related party	This company is a subsidiary of an other affiliated company of the Company (Wuthelam Holdings Limited), and therefore constitutes a related party.

(5) TSI GROUP MANAGEMENT LIMITED

(1)	Name	TSI GROUP MANAGEMENT LIMITED	
(2)	Address	Pasea Estate, Road Town, Tortola, British Virgin Islands	
(3)	Names and positions of representatives	Goh Hup Jin, Director Goh Chiat Jin, Director	
(4)	Description of business	Investment Holdings	
(5)	Stated capital	USD 50,000 (JPY 5,282,000)	
(6)	Date of establishment	November 30, 1994	
(7)	Net assets	USD 59 million (JPY 6,320 million)	
(8)	Total assets	USD 59 million (JPY 6,320 million)	
(9)	Major shareholders and ownership ratio	W (BVI) Holdings Limited : 100%	
(10)	Relationship with the listed company	Capital relationship	Not applicable.
		Personnel relationship	One director of the Company also serves as a director of this company
		Transactional relationship	Not applicable.
		Status as a related party	This company is a subsidiary of a company of which a director of the Company (Goh Hup Jin) owns the majority of the voting rights on his own account (W (BVI) Holdings Limited), and therefore constitutes a related party.

5. Number of shares acquired, acquisition price, and status of shareholdings before and after the acquisition

	Number of equity interests held before the change (Number of voting rights) (Ownership ratio of voting rights)	Number of equity interests acquired (Number of voting rights)	Acquisition price	Number of equity interests held after the change (Number of voting rights) (Ownership ratio of voting rights)
NIPSEA PTE. LTD.	0 (0) (0%)	4,861,000 (4,861,000)	See Note 1	4,861,000 (4,861,000) (100%)
NIPSEA MANAGEMENT COMPANY PTE. LTD.	1 (1) (50%)	1 (1)	See Note 1	2 (2) (100%)
NIPPON PAINT (INDIA) PRIVATE LIMITED	281,400,000 (281,400,000) (50%)	281,399,999 (281,399,999)	See Note 1	562,799,999 (562,799,999) (99.9%) (see Note 2)
Neave Limited	0 (0) (0%)	388,000,000 (388,000,000)	See Note 1	388,000,000 (388,000,000) (100%)

Reference: Existing subsidiaries of the Company that will become wholly owned subsidiaries through the Acquisition

	Number of equity interests held before the change (Number of voting rights) (Ownership ratio of voting rights)	Number of equity interests acquired (Number of voting rights)	Acquisition price	Number of equity interests held after the change (Number of voting rights) (Ownership ratio of voting rights)
NIPPON PAINT COATING (TAIWAN) CO., LTD.	65,408 (65,408) (51%)	62,842 (62,842)	See Note 1	128,250 (128,250) (100%)
NIPSEA CHEMICAL CO., LTD.	32,640 (32,640) (51%)	31,360 (31,360)	See Note 1	64,000 (64,000) (100%)
NIPPON PAINT (Malaysia) SDN. BHD.	4,590,000 (4,590,000) (51%)	4,410,000 (4,410,000)	See Note 1	9,000,000 (9,000,000) (100%)
PAINT MARKETING CO. (M) SDN. BHD.	2,550 (2,550) (51%)	2,450 (2,450)	See Note 1	5,000 (5,000) (100%)

NIPPON PAINT (SINGAPORE) COMPANY PRIVATE LIMITED	2,295,000 (2,295,000) (51%)	2,205,000 (2,205,000)	See Note 1	4,500,000 (4,500,000) (100%)
NIPSEA TECHNOLOGIES PTE. LTD.	510,000 (510,000) (51%)	490,000 (490,000)	See Note 1	1,000,000 (1,000,000) (100%)

Reference: Existing equity-method subsidiaries of the Company where the Company's equity interest will increase through the Acquisition

	Number of equity interests held before the change (Number of voting rights) (Ownership ratio of voting rights)	Number of equity interests acquired (Number of voting rights)	Acquisition price	Number of equity interests held after the change (Number of voting rights) (Ownership ratio of voting rights)
NIPPON PAINT (THAILAND) COMPANY LIMITED	1,570,800 (1,570,800) (51%)	1,509,197 (1,509,197)	See Note 1	3,079,997 (3,079,997) (99.9%)
NIPPON PAINT (SABAH) SDN. BHD.	180,000 (180,000) (12%)	555,002 (555,002)	See Note 1	735,002 (735,002) (49%)

Note 1: The Target Business Transfer Agreement provides that the total amount of the Consideration is to be JPY 1,285,139 million, of which JPY 1,049,649 million is to be consideration for the acquisition of the Target JVs, and JPY 235,490 million is to be consideration for the acquisition of the Indonesia Business. Of the JPY 235,490 million to be paid as consideration for acquisition of the Indonesia Business, JPY 100,000 million is to be paid in cash, and the Claim for Payment of Consideration equivalent to JPY 1,185,139 million remaining after deduction of that JPY 100,000 million from the total Consideration is to be settled by the issuance of new shares of the Company through the Third-Party Allotment in exchange for a contribution in kind from NIL and Fraser consisting of the Claim for Payment of Consideration. The Claim for Payment of Consideration will be extinguished through that contribution in kind. The amount and payment method of the consideration have been determined through consultation and agreement between the Company and the Wuthelam Group, based on consideration of the Company's financial balance after the Acquisition and the Third-Party Allotment, and the Wuthelam Group's opinions with respect to the consideration.

The Company is in principle obligated to have the value of the property contributed in kind investigated by an inspector pursuant to the provisions of the Companies Act (Article 207, paragraph 1 of the Companies Act), but one of the exceptions to the requirement for investigation by an inspector is where the property contributed in kind is a money claim (limited to claims that have already fallen due) to the stock company, and the value with respect to such money claim does not exceed the book value of the debt representing such monetary claim (Article 207, paragraph 9, item (v)). This transaction meets those criteria, and therefore investigation by an inspector is not required.

In entering into the Target Business Transfer Agreement, the Company requested that Nomura Securities Co., Ltd. ("Nomura Securities"), its financial advisor and a third-party valuator independent from the Company, the Wuthelam Group, and the Target Businesses, calculate the value of the shares with respect to the Acquisition.

The Company obtained a share valuation report from Nomura Securities dated August 20, 2020. After considering the equity valuation methods available for the Target Businesses, Nomura Securities

conducted a valuation of the total share value of the Target Businesses using comparable company analysis, given that there are listed companies comparable to the Target Businesses and analogical inference of the share value of the Target Businesses is possible through this approach, and discounted cash flow analysis (“DCF Analysis”), in order to reflect the Target Businesses’ future business activities in the price.

The results of the valuation by Nomura Securities of the total equity value of the Target Businesses are as follows.

Comparable Company Analysis:	JPY 1,331 billion to 1,759 billion
DCF Analysis:	JPY 995 billion to 1,770 billion

For the comparable company analysis, the total equity value of the Target Businesses was calculated by comparing the market share prices and financial indicators showing the profitability, etc., of listed companies engaged in business similar to that of the Target Businesses, which indicated a total equity value of the Target Businesses in the range of JPY 1,331 billion to 1,759 billion.

For the DCF analysis, the corporate value and the equity value of the Target Businesses were calculated by first estimating the amount of the free cash flow that the Target Businesses are expected to generate in and after the fiscal year ending March 2020, or the fiscal year ending December 2020, based on various factors, such as earnings estimates and investment plans in the business plan for the six fiscal years from the fiscal year ending March 2020 through the fiscal year ending March 2025 or from the fiscal year ending December 2020 through the fiscal year ending December 2025 and publicly disclosed information, and then deriving the present value of that amount using a certain discount rate, which indicated a total equity value of the Target Businesses in the range of JPY 995 billion to 1,770 billion. The business plans used by Nomura Securities as the basis of calculation for the DCF Analysis did not forecast any major increases or reductions in profit.

The Company also received a fairness opinion from Nomura Securities dated August 20, 2020, which stated to the effect that the total equity value of the Target Businesses agreed to be paid by the Company is fair to the Company from a financial standpoint, based on certain assumptions. Nomura Securities is not a related party of the Company or the Target Businesses, and does not have any material interest in the Acquisition. The fairness opinion does not cover the fairness of the conditions of issuance of the Third-Party Allotment. For the key assumptions and other conditions of the fairness opinion received from Nomura Securities, see Appendix 1.

Note 2: Due to restrictions on the number of shareholders under local law, the Company’s ownership of NIPPON PAINT (THAILAND) COMPANY and NIPPON PAINT (INDIA) PRIVATE LIMITED is limited to 99.9%.

6. Schedule

(1)	Date of resolution by the board of directors	August 21, 2020 (today)
(2)	Date of execution of the Target Business Transfer Agreement	August 21, 2020 (today)
(3)	Execution date of the Acquisition	January 1, 2021

Note: While the execution date of the Acquisition is scheduled to be January 1, 2021, that date is subject to change because the conditions precedent of the Acquisition include the receipt of consent from the Overseas Investment Office of Land Information New Zealand, the completion of prior notification procedures with respect to foreign direct investment under the Foreign Exchange and Foreign Trade Act of Japan, the receipt of foreign investment permission from the Investment Commission of the Ministry of Economic Affairs (MOEAIC) of Taiwan, and other conditions precedent provided for in the Target Business Transfer Agreement.

7. Future outlook

The Acquisition will enable the Company to capture in its consolidated accounts, the profits of the Target JVs that were previously belonging to the Wuthelam Group as the non-controlling interest, and the profits of

the new businesses which will fall within the scope of the Company's accounting consolidation including the Indonesia Business, which is expected to increase the Company's earnings per share (EPS) and enable the Company to optimize resource allocation by reducing the outflow of profits to other entities. Furthermore, this will allow the Company to shift its commercial paint business from a regional focus to a business focus and construct a unified global system, which will enable faster decision-making and business execution and is expected to increase operating profit.

The Company will promptly disclose the effects of the Acquisition on its consolidated business results as they become clear.

8. Measures to ensure the fairness of the Acquisition and avoid conflicts of interest

While the Acquisition does not constitute a transaction, etc., with a controlling shareholder, the Company has determined that it is necessary to ensure the fairness of the Acquisition and avoid conflicts of interest in light of the fact that (i) NIL, the counterparty in the Acquisition, is the Company's largest shareholder holding 39.6% of the voting rights of the Company, (ii) Mr. Goh Hup Jin, the representative of the Wuthelam Group, has served as the Company's representative director in the past, and remains a director of the Company, and (iii) the Wuthelam Group is expected to hold the majority of the voting rights of the Company after the Third-Party Allotment. Therefore, the Company has taken the following measures to ensure the fairness of the Acquisition and avoid conflicts of interest:

(i) Procurement by the Company of a valuation report and fairness opinion from an independent third-party valuator

As stated above, in determining the total equity value of the Target Businesses, the Company requested that Nomura Securities, its financial advisor and a third-party valuator independent from the Company and the Wuthelam Group and the Target Companies, calculate the total value of the equity interests with respect to the Acquisition, and received a share valuation report dated August 20, 2020. In addition to the above share valuation report, the Company also received a fairness opinion from Nomura Securities dated August 20, 2020, stating to the effect that the agreed price is appropriate from the Company's perspective from a financial standpoint, based on certain assumptions. The fairness opinion does not cover the fairness of the conditions of issuance of the Third-Party Allotment. For the key assumptions and other conditions of the fairness opinion received from Nomura Securities, see Appendix 1.

(ii) Establishment by the Company of an independent special committee and receipt of the Committee Report

For the purpose of eliminating arbitrary decision-making and ensuring a fair, transparent, and objective decision-making process with respect to the Acquisition, the Company adopted a resolution on March 26 to establish a special committee (the "Special Committee") consisting of Hisashi Hara (Advisor of Nagashima Ohno & Tsunematsu and attorney-at-law), Masayoshi Nakamura (former managing director of Morgan Stanley), and Masataka Mitsuhashi (former partner of PwC Arata LLC, currently representative of Mitsuhashi Sogo Jimusho and certified public accountant), each of whom is an outside independent director of the Company, and to request that the Special Committee consider whether the decisions of the board of directors with respect to the Acquisition are disadvantageous to the minority shareholders of the Company, consider the necessity and appropriateness of an allotment of the Company's shares in the case that the shares of the Company are used as consideration for the Acquisition, and report its opinions to the Company's board of directors, and in doing so, to also consider and make a judgment with respect to (i) whether the Acquisition can be said to be reasonable from the standpoint of contributing to the maximization of the Company's shareholder value and (ii) the appropriateness of the transaction terms and the fairness of the procedures from the standpoint of promoting the interests of the Company's minority shareholders (including the fairness ensuring measures taken with respect to the Acquisition) (the "Matters for Consideration"). The board of directors of the Company has also granted the Special Committee the authority to (a) with respect to the negotiation of the transaction terms between the Company and the Wuthelam Group, confirm in advance the Company's plans, receive timely status reports, state its opinion regarding material matters, give instructions and make requests, and otherwise be involved in the negotiation process in order to ensure that those negotiations are conducted fairly, (b) consider the level of fairness ensuring measures that should be taken with respect to the Acquisition, and give opinions or advice as necessary, (c) appoint its own outside financial and legal experts, at the Company's cost, as necessary to prepare its report on the above matters referred to it, or receive advices

from the outside financial and legal experts engaged by the Company, and (d) receive information from officers and employees of the Company as necessary for its consideration and judgment regarding the Acquisition. Outside Director Hisashi Hara was formerly a partner (until December 2012) and General Representative, Asia (from January 2013 until December 2017) of Nagashima Ohno & Tsunematsu, the Wuthelam Group's legal advisor in connection with this transaction, but is currently associated with that firm only as an advisor, and the Company has thus confirmed, based on advice from its own legal advisor, that there is no problem with Hisashi Hara being a member of the Special Committee from an independence standpoint.

The Special Committee met a total of eight times between June 1, 2020 and August 20, 2020, and conducted careful and comprehensive deliberations based on the materials and information provided to the Special Committee by the Company and its advisors, with a focus on the Matters for Consideration. Based on those deliberations, the Special Committee submitted a report to the board of directors of the Company on August 20, 2020, a summary of which is provided below..

As stated in “9. Matters concerning procedures under the Code of Corporate Conduct” in “II. Issuance of new shares by third-party allotment” below, because the Third-Party Allotment entails a significant dilution and a change in controlling shareholder, the Special Committee also considered the Third-Party Allotment, and included in its report an opinion to the effect that the Third-Party Allotment is necessary and appropriate.

Summary of the Special Committee report

1. Opinion

The decision of the board of directors with respect to the Acquisition is not disadvantageous to the minority shareholders.

2. Reasoning

2.1 Reasonableness of the Acquisition from the perspective of maximizing shareholder value

The description of the Company's awareness of the current state of the business environment and the effects of the Acquisition provided in “1. Reasons for and scheme of the Acquisition” above is specific and grounded in the business environment and management challenges that the Company faces, and presents realistic measures to increase the Company's future competitiveness; therefore, it can be considered reasonable.

The Acquisition will resolve the existing complex ownership structure (under which part of the profits of the Target JVs is belonging to the Wuthelam Group, and approximately 39.6% of the profits of the Company is also belonging to the Wuthelam Group) and allow the Company to capture the profits of the Target JVs.

Therefore, the Acquisition is reasonable from the perspective of contributing to the maximization of the Company's shareholder value.

2.2 Fairness of the procedures with respect to the Acquisition from the perspective of securing the interests of minority shareholders

The Special Committee determined that the procedures with respect to the Acquisition are fair from the perspective of promoting the interests of minority shareholders, in light of the fact that (i) the Company obtained a share valuation report and fairness opinion from Nomura Securities, an independent financial advisor and third-party valuator, (ii) the Company established a special committee independent from itself and the Wuthelam Group, (iii) the special committee was involved in the Company's negotiation of the transaction terms with the Wuthelam Group, including approving the Company's negotiation strategy, (iv) the Company received legal advice from Mori Hamada & Matsumoto, an independent legal advisor, (v) Mr. Goh Hup Jin, a director of the Company who also serves as the representative of Wuthelam, was not allowed to participate in the deliberations or resolutions of the board of directors with respect to the Acquisition, and did not participate in the discussions and negotiations with respect to the Acquisition on behalf of the Company, and (vi) officers and employees of the Company with potential conflicts of interest were not allowed to be involved in the deliberation, negotiation or decision-making with respect to the Acquisition, and a measure was adopted to prevent information regarding

the status of the Company's deliberation of the Acquisition being shared with those persons.

2.3 Appropriateness of the transaction terms from the perspective of securing the interests of minority shareholders

(a) Transaction scheme

The Special Committee determined that the transaction scheme described in "1. Reasons for and scheme of the Acquisition" is reasonable from the perspective of securing the interests of minority shareholders, considering among other factors that (i) the Company considered in detail a number of schemes, based on the advice of outside experts, and this scheme was agreed upon as a result of negotiations with the Wuthelam Group following substantial discussion by the Special Committee on multiple occasions, (ii) assuming an increase in the Company's earnings per share (EPS), by issuing the shares of the Company in exchange for contribution in kind of the Claim for Payment of Consideration with respect to the price of the Acquisition, the Company can maintain its credit rating and its ability to procure debt financing, enhancing its financial base and contributing to its future growth strategy including M&A, (iii) the Company's debt procurement costs will be minimized, and (iv) the conflict of interest between the Company and the Wuthelam Group in the Asia region will be resolved as a result of the Acquisition, with a unifying effect on governance.

(b) Transaction terms

The Special Committee determined that the terms of the transaction are appropriate from the perspective of promoting the interests of minority shareholders of the Company, considering among other factors that (i) the Consideration is appropriate in light of the results presented in the share valuation report prepared by Nomura Securities, an independent third-party valuator, (ii) the allocation of cash and the Company's shares as the method of payment of the consideration is anticipated to increase the Company's earnings per share (EPS) and there are no unreasonable aspect in relation thereto, (iii) the negotiations with the Wuthelam Group were conducted based on a strategy approved by the Special Committee, under the circumstances which can be deemed equivalent to negotiations of an arm's-length transaction, (iv) the determination that the Third-Party Allotment is not an issuance of new shares on terms particularly favorable to the subscriber is reasonable, and (v) necessary measures have been implemented in the Target Business Transfer Agreement following discussion by the Special Committee regarding the results of due diligence with respect to the Target Businesses.

2.4 Conclusion

In light of the above, the Special Committee has determined that the decision of the board of directors with respect to the Acquisition is not disadvantageous to the minority shareholders.

(iii) Procurement by the Company of advice from an independent law firm

In order to ensure the transparency and objectivity of the decision-making process of the board of directors with respect to the Acquisition, the Company appointed Mori Hamada & Matsumoto, a law firm independent of both the Company, the Wuthelam Group, and the Target Companies, as its legal advisor and received necessary legal advice from that firm concerning the method and process of decision-making with respect to the Acquisition and other matters to be noted.

(iv) Unanimous approval of all disinterested directors of the Company

Mr. Goh Hup Jin is a director of the Company and concurrently serves as the representative of the Wuthelam Group, the counterparty in the Acquisition. From the standpoint of increasing the fairness and objectivity of decision-making by the Company's board of directors with respect to the Acquisition and avoiding any suspicion of a conflict of interest, Mr. Goh Hup Jin did not participate in any deliberations or resolutions with respect to the Acquisition, and did not participate in the negotiations with the Wuthelam Group on behalf of the Company. At the meeting of the Company's board of directors held on August 21, 2020, attended by all of the disinterested directors other than Mr. Goh Hup Jin, a resolution was adopted to enter into the Target Business Transfer Agreement with the unanimous approval of all

directors in attendance.

As stated in the presentation materials for institutional investors entitled “Nippon Paint Holdings ~Japan Origin, Japan-Singapore Partnership, a Global Company~,” disclosed by the Company on February 21, 2020, the Company has worked to construct governance structures to increase the independence and objectivity of its board of directors, including becoming a company with nominating committee, etc. in March 2020, and appointing outside directors (all of whom are independent officers) to six of the nine positions on its board of directors, in order to ensure the protection of minority shareholders. The Company considers that those governance structures have functioned appropriately and effectively in the process of deliberating and negotiating the Acquisition.

II. Issuance of new shares by third-party allotment

1. Outline of the offering

(1)	Payment period	From January 1, 2021 through March 31, 2021 (see Note 1)
(2)	Number of new shares to be issued	148,700,000
(3)	Issue price	JPY 7,970 per share
(4)	Capital to be raised	JPY 1,185,139 (see Note 2)
(5)	Method of offering or allotment (Scheduled subscribers)	Third-party allotment (NIL: 131,700,000 shares; Fraser: 17,000,000 shares)
(6)	Other matters	The above items are subject to the following conditions: that a securities registration statement is validly issued pursuant to the Financial Instruments and Exchange Act; that consent for the acquisition of shares of the Company by the scheduled subscribers is obtained from the Overseas Investment Office of Land Information New Zealand; that prior notification procedures are completed with respect to foreign direct investment under the Foreign Exchange and Foreign Trade Act of Japan; that foreign investment permission is obtained from the Investment Commission of the Ministry of Economic Affairs (MOEAIC) of Taiwan; and that the conditions precedent specified in the Target Business Transfer Agreement (including the condition that the Acquisition has been executed) are met or waived. The Third-Party Allotment will be conducted immediately after the Acquisition.

Note 1: The reason for the payment period being set to January 1, 2021 through March 31, 2021 is that the conditions precedent to the execution of the Third-Party Allotment include the receipt by the scheduled subscribers of consent from the Overseas Investment Office of Land Information New Zealand, the completion of prior notification procedures with respect to foreign direct investment under the Foreign Exchange and Foreign Trade Act of Japan, and the receipt of foreign investment permission from the Investment Commission of the Ministry of Economic Affairs (MOEAIC) of Taiwan, and the pay-in for the Third-Party Allotment will take place after that condition is met, but as of today it is not certain when those procedures will be completed.

Note 2: Because the Third-Party Allotment will be conducted by contribution in kind of the Claim for Payment of Consideration under the Target Business Transfer Agreement, no money is to be paid in.

2. Purpose of and reasons for the offering

Demand for paint is expected to grow in step with population growth and urbanization. Therefore, Asia is becoming a key region for the Company’s sustainable growth in terms of both market size and growth rate due to its projected demographic and economic growth leading to increasing demand for paint. By bringing onboard through the Acquisition the income of the Target Businesses, which have high growth potential, the Company will establish a dominant No. 1 position with its “Asia x Construction” business model. In addition, the Third-

Party Allotment will increase the Company’s capital and strengthen its business base, enabling the Company to engage more proactively in M&A, which will contribute to the maximization of shareholder value, and thereby significantly accelerate its growth going forward. The Acquisition will enable the Company to capture in its consolidated accounts, the profits of the Target JVs that were previously belonging to the Wuthelam Group as the non-controlling interest, and the profits of the new businesses which will fall within the scope of the Company’s accounting consolidation including the Indonesia Business. As a result, it is expected to increase the Company’s earnings per share (EPS) and therefore contribute to promoting the interests of the minority shareholders of the Company.

If the scheduled subscriber NIL receives an allotment of shares through the Third-Party Allotment, NIL will come to hold 2,586,060 voting rights, in which case NIL’s ownership ratio will be 55.1% of the voting rights of the Company, making NIL a special subscriber under Article 206-2, paragraph 1 of the Companies Act.

With respect to this point, the Company’s audit committee has expressed the following general opinion regarding the purpose of the Third-Party Allotment, the conditions of issuance, the number of shares to be issued, and other terms and conditions of the Third-Party Allotment.

Summary of the opinion of the audit committee

The third-party allotment to the scheduled subscriber NIPSEA INTERNATIONAL LIMITED, which constitutes a special subscriber under Article 206-2, paragraph 1 of the Companies Act, is lawful and appropriate, considering among other factors that (i) while the third-party allotment is to be conducted for the purpose of paying the consideration for the Acquisition, the Acquisition will contribute to maximizing shareholder value, and by issuing the shares of the Company in exchange for contribution in kind of the Claim for Payment of Consideration with respect to the price of the Acquisition, the Company can maintain its credit rating and its ability to procure debt financing, enhancing its financial base and contributing to its future growth strategy including M&A, while increasing earnings per share (EPS), (ii) the amount to be paid in for the shares is in line with the Japan Securities Dealers' Association’s “Guidance Concerning Handling of Allotment of New Shares to Third Party, Etc.” and is not particularly advantageous to the subscribers, and can thus be considered lawful, and (iii) the number of shares to be issued and the scale of dilution are reasonable in light of the purpose of the Third-Party Allotment.

Note that no outside director has expressed an opinion contrary to the decision of the board of directors.

3. Amount of capital to be raised and purpose and timing of use

(1) Amount of capital to be raised

(1)	Total amount to be paid in	JPY 1,185,139 million
(2)	Estimated costs of issuance	JPY 5,932 million (see Notes 1 & 2)
(3)	Estimated net financing to be received	-

Note 1: The above estimated costs of issuance do not include consumption tax.

Note 2: The estimated costs of issuance include registration and license tax, new share issuance fees, new share listing fees, and advisors’ fees associated with the Acquisition and the Third-Party Allotment.

(2) Specific purpose of the financing

Because the Third-Party Allotment will be conducted by contribution in kind of the Claim for Payment of Consideration under the Target Business Transfer Agreement, no money is to be paid in.

4. Rationale regarding the purpose of use

The Third-Party Allotment is a transaction to enhance the Company’s financial base while conducting the Acquisition, and its purpose is not to raise financing. However, the Third-Party Allotment will enable the Company to conduct the Acquisition while maintaining the stability of its financial base. In addition, it will not only allow the Company to establish a dominant No. 1 position with its “Asia x Construction” business model, but also enable the Company to engage more proactively in M&A, which will contribute to the

maximization of shareholder value, by increasing its capital and strengthening its financial base, and thereby significantly accelerate its growth, resulting in the maximization of shareholder value and by extension promoting the interests of the minority shareholders of the Company.

5. Rationale regarding the conditions of issuance, etc.

(1) Basis for calculation of the payment amount and specific details

The amount to be paid in is JPY 7,970, which is based on the closing price of the common shares of the Company on the Tokyo Stock Exchange Co., Ltd. (the “Tokyo Stock Exchange”) on the business day immediately preceding the date of the board of directors resolution with respect to the Third-Party Allotment.

The amount to be paid in represents a premium of 3.0% (rounded to one decimal place; the same applies hereinafter to premium or discount percentages) on the simple average closing price of the common stock of the Company on the Tokyo Stock Exchange during the one-month period immediately preceding the above board of directors resolution (JPY 7,741), a premium of 2.5% on the simple average closing price over the three-month period immediately preceding that date (JPY 7,778), and a premium of 17.4% on the simple average closing price over the six-month period immediately preceding that date (JPY 6,789).

The reason for basing the payment amount on the closing price as of the business day immediately preceding the board of directors resolution is that the Company determined that to base the payment amount on the share price to the extent possible, taking into account the Company’s publication of its “Consolidated Financial Results for the Three Months Ended June 30, 2020 [IFRS],” which included a notice of the revision of its consolidated performance forecast, on August 14, 2020 and the recent share price movements following those announcements, would appropriately reflect the Company’s share value in the payment amount and increase the objectivity of the method of determining the payment amount. The payment amount represents a discount of 2.4% on the simple average closing price of the common stock of the Company on the Tokyo Stock Exchange during the 4 business days from August 17, 2020 to the day immediately preceding the above board of directors resolution (JPY 8,163).

Given that the issue price is based on the closing price of the Company’s common stock as of the business day immediately preceding the board of directors resolution as stated above, which is in line with the Japan Securities Dealers’ Association’s “Guidance Concerning Handling of Allotment of New Shares to Third Party, Etc.”, and that the consideration for the Acquisition has been determined by agreement after obtaining a share valuation report and a fairness opinion from an independent third party valuator and taking the measures to ensure the fairness of the Acquisition and avoid conflicts of interest described in “8. Measures to ensure the fairness of the Acquisition and avoid conflicts of interest” in “I. Acquisition and change in subsidiaries,” the Company considers the amount to be paid in for the new share issuance through the Third-Party Allotment to be reasonable, and that the Third-Party Allotment is not particularly advantageous to the subscribers.

(2) Basis for determining that the number of shares to be issued and the scale of dilution are reasonable

The number of shares of the common stock of the Company to be allotted to the scheduled subscribers (NIL and Fraser) in the Third-Party Allotment is 148,700,000 shares (1,487,000 voting rights), representing 45.7% (rounded to one decimal place) of the total issued common stock (325,402,443 shares) and 46.4% of the total voting rights (3,206,398 voting rights) of the Company as of June 30, 2020; therefore, a certain degree of dilution will occur. However, as stated in “2. Purpose of and reasons for the offering” in “II. Issuance of new shares by third-party allotment” above, the Third-Party Allotment will enable the Company to conduct the Acquisition while maintaining the stability of its financial base. In addition, it will not only allow the Company to establish a dominant No. 1 position with its “Asia x Construction” business model, but also enable the Company to engage more proactively in M&A, which will contribute to the maximization of shareholder value, by increasing its capital and strengthening its financial base. The Acquisition will enable the Company to capture in its consolidated accounts, the profits of the Target JVs that were previously belonging to the Wuthelam Group as the non-controlling interest, and the profits of the new businesses which will fall within the scope of the Company’s accounting consolidation including the Indonesia Business. As a result, it is expected to increase the Company’s earnings per share (EPS) and therefore contribute to promoting the interests of the minority shareholders of the Company. In consideration of these facts, the Company has determined that the number of shares to be issued and the scale of dilution in the Third-Party Allotment are reasonable.

6. Reasons for the selection of the scheduled subscribers, etc.

(1) Outline of the scheduled subscribers

(i) NIL

(1)	Name	NIPSEA INTERNATIONAL LIMITED		
(2)	Address	SUITES 3203-4, 32/F, TOWER 2, NINA TOWER, 8 YEUNG UK ROAD, TSUEN WAN, HONG KONG.		
(3)	Names and positions of representatives	Goh Hup Jin, Director Lavoo Martin Yuen-An, Director		
(4)	Description of business	Investment		
(5)	Stated capital	HKD 1,450 million (JPY 19,766 million)		
(6)	Date of establishment	August 6, 2012		
(7)	Number of issued shares	1,450,000,000 shares		
(8)	Fiscal year end	December 31		
(9)	Number of employees	5		
(10)	Major trading partners	Not applicable		
(11)	Main financing banks	LGT Bank (Hong Kong) DBS Bank (Hong Kong) Ltd. Credit Suisse AG, Hong Kong Credit Suisse AG, Zurich Sumitomo Mitsui Banking Corporation Hong Kong Branch UBS AG, Hong Kong Branch		
(12)	Major shareholders and ownership ratio	NIPSEA HOLDINGS INTERNATIONAL : 100% LIMITED		
(13)	Relationship between the listed company and the scheduled subscriber	Capital relationship	As of June 30, 2020, NIL holds 126,906,000 shares, equivalent to 39.6% of the voting rights of the Company.	
		Personnel relationship	One director of the Company also serves as a director of this company.	
		Transactional relationship	Not applicable.	
		Status as a related party	This company is a subsidiary of an other affiliated company of the Company, and therefore constitutes a related party.	
(14)	Management results and financial situation over the last three years			
	Fiscal year ended	December 2017	December 2018	December 2019
	Total equity	HKD 17,556 million (JPY 239,333 million)	HKD 20,590 million (JPY 280,689 million)	HKD 38,250 million (JPY 521,431 million)
	Total assets	HKD 31,493 million (JPY 429,325 million)	HKD 34,211 million (JPY 466,373 million)	HKD 51,530 million (JPY 702,461 million)
	Net sales	HKD 176 million (JPY 2,402 million)	HKD 398 million (JPY 5,431 million)	HKD 409 million (JPY 5,577 million)

Operating profit	HKD 178 million (JPY 2,434 million)	HKD 355 million (JPY 4,840 million)	HKD 409million (JPY 5,510 million)
Income before taxes	HKD 4,746 million (JPY 64,704million)	HKD 3,053 million (JPY 41,629 million)	HKD 17,680 million (JPY 241,021 million)
Profit	HKD 4,737 million (JPY 64,584 million)	HKD 3,033 million (JPY 41,355 million)	HKD 17,659 million (JPY 240,742 million)
Profit attributable to owners of the parent company	HKD 4,737 million (JPY 64,584 million)	HKD 3,033million (JPY 41,355 million)	HKD 17,659 million (JPY 240,742 million)
Dividend per share	-	-	-

(ii) Fraser

(1)	Name	Fraser (HK) Limited	
(2)	Address	Suites 3203-3204, 32/F., Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong.	
(3)	Names and positions of representatives	Cheung Man Cheo, Director	
(4)	Description of business	Investment Holding	
(5)	Stated capital	HKD 10,000 (JPY 136,000)	
(6)	Date of establishment	June 16, 2020	
(7)	Number of issued shares	10 shares	
(8)	Fiscal year end	December 31	
(9)	Number of employees	None at present	
(10)	Major trading partners	None at present	
(11)	Main financing banks	Sumitomo Mitsui Banking Corporation Hong Kong Branch	
(12)	Major shareholders and ownership ratio	TSI GROUP MANAGEMENT LIMITED : 100%	
(13)	Relationship between the listed company and the scheduled subscriber	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Transactional relationship	Not applicable.
		Status as a related party	This company is a subsidiary of a company of which a director of the Company (Goh Hup Jin) owns the majority of the voting rights on his own account (W (BVI) Holdings Limited), and therefore constitutes a related party.

Note 1: Fraser has explained that its first fiscal year after establishment is from June 2020 through December 31, 2020, and therefore its financial statements have not been completed as of today and figures for its management results and financial situation are not available..

Note 2: NIL and Fraser are members of the Wuthelam Group, of which Mr. Goh Hup Jin, a director of the Company, is the representative, and NIL is already the Company's largest shareholder, holding the equivalent of 39.6% of the voting rights of the Company. The Company has determined that this is not a problem because the Company has never been aware of any situation to suggest that the Wuthelam Group has any connection

to antisocial forces, and the Target Business Transfer Agreement contains representations and warranties to the effect that the Wuthelam Group and its officers have no connection to antisocial forces. The Company has submitted a written confirmation to the Tokyo Stock Exchange to the effect that the subscribers of the allotment have no connection to antisocial forces.

(2) Reasons for the selection of the scheduled subscribers

Please see “2. Purpose of and reasons for the offering” in “II. Issuance of new shares by third-party allotment” above.

(3) Shareholding policy of the scheduled subscribers

The Company has confirmed that NIL and Fraser intend to hold the shares of the Company for a long period.

The Company intends to receive a written covenant from NIL and Fraser to the effect that if NIL or Fraser transfers all or part of the common stock of the Company acquired through the Third-Party Allotment within two years after the payment date, NIL and Fraser shall immediately report to the Company the name and address of the recipient, the number of shares transferred, and the date, price, reason, method and other details of the transfer in writing, and that NIL and Fraser consent to the Company making a report to the Tokyo Stock Exchange based on that report and making the content of that report available for public inspection.

(4) Confirmation of the scheduled subscribers’ possession of the assets necessary to pay in

Because the Third-Party Allotment will be conducted by contribution in kind of the Claim for Payment of Consideration with respect to the price of the Acquisition, no money is to be paid in. The Company has confirmed that the Wuthelam Group holds the shares of the Target Companies by viewing the shareholder registers and other documents of the Target Companies.

7. Major shareholders and shareholding ratio after the offering

Before offering (as at June 30, 2020)	After offering
NIPSEA INTERNATIONAL LIMITED 39.54% (Standing proxy: Citibank, N.A. Tokyo Branch)	NIPSEA INTERNATIONAL LIMITED 55.07% (Standing proxy: Citibank, N.A. Tokyo Branch)
HSBC BANK PLC A/C 792827 4.51% (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	Fraser (HK) Limited 3.62%
NATIXIS 3.85% (Standing proxy: MUFG Bank, Ltd.)	HSBC BANK PLC A/C 792827 3.08% (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)
The Master Trust Bank of Japan, Ltd. (trust account) 3.40%	NATIXIS 2.63% (Standing proxy: MUFG Bank, Ltd.)
Nippon Life Insurance Company 3.37% (Standing proxy: The Master Trust Bank of Japan, Ltd.)	The Master Trust Bank of Japan, Ltd. (trust account) 2.32%

Sumitomo Life Insurance Company (Standing proxy: Japan Trustee Services Bank, Ltd.)	3.35%	Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	2.30%
Sumitomo Mitsui Banking Corporation	3.11%	Sumitomo Life Insurance Company (Standing proxy: Japan Trustee Services Bank, Ltd.)	2.28%
MUFG Bank, Ltd.	2.22%	Sumitomo Mitsui Banking Corporation	2.12%
Sumitomo Mitsui Trust Bank, Limited (Standing proxy: Japan Trustee Services Bank, Ltd.)	2.19%	MUFG Bank, Ltd.	1.51%
Japan Trustee Services Bank, Ltd. (trust account)	1.65%	Sumitomo Mitsui Trust Bank, Limited (Standing proxy: Japan Trustee Services Bank, Ltd.)	1.50%

Note: The shareholding ratios after the offering are based on the shareholder register as of June 30, and reflect the changes that will result from the Third-Party Allotment.

8. Future outlook

Please see “7. Future outlook” in “I. Acquisition and change in subsidiaries” above.

9. Matters concerning procedures under the Code of Corporate Conduct

Because the Third-Party Allotment will result in a dilution of 25% or above and a change in controlling shareholder, the Company is required to obtain the opinion of an independent third party or conduct procedures to confirm the opinions of the shareholders, pursuant to Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange. Therefore, the Company established an independent special committee as an independent third party independent of the management of the Company and the scheduled subscribers, NIL and Fraser, as stated in “(ii) Establishment by the Company of an independent special committee and receipt of the Committee Report” in “8 Measures to ensure the fairness of the Acquisition and avoid conflicts of interest” in “I. Acquisition and change in subsidiaries” above.

The summary of the opinion obtained from the special committee in its report dated August 20, 2020 with respect to the Third-Party Allotment is as follows.

Summary of the Special Committee report

1. Opinion

The Third-Party Allotment is necessary and appropriate.

2. Reasoning

2.1 Necessity of the Third-Party Allotment

The purpose of the Third-Party Allotment is the payment of the consideration for the Acquisition, which is itself reasonable in that it is anticipated to maximize shareholder value as stated in “8. Measures to ensure the fairness of the Acquisition and avoid conflicts of interest” in “I. Acquisition and change in subsidiaries”. Furthermore, assuming an increase in the Company’s earnings per share (EPS), by issuing the shares of the Company in exchange for contribution in kind of the Claim for Payment of Consideration with respect to the price of the Acquisition, the Third-Party Allotment will allow the

Company to maintain its credit rating and its ability to procure debt financing, enhancing its financial base and contributing to its future growth strategy including M&A; therefore, the Special Committee considers the Third-Party Allotment to be necessary.

2.2 Appropriateness of the Third-Party Allotment

Although the Third-Party Allotment will entail a certain degree of dilution, the Special Committee considers it to be appropriate, considering among other factors that (i) the Acquisition is anticipated to increase the Company's earnings per share (EPS), (ii) it can be considered reasonable to conduct the Acquisition with shares as consideration in order to contribute to the maximization of shareholder value, (iii) it is reasonable to select the third-party allotment in comparison to other available methods of financing, (iv) there are no circumstances that reduce the reasonableness of the terms of issue of the Third-Party Allotment, and (v) reasonable measures have been taken to avoid conflicts of interest.

The Company thus obtained an opinion from the Special Committee to the effect that the Third-Party Allotment is necessary and appropriate, and the Company determined that the Third-Party Allotment is reasonable following sufficient deliberation and discussion, with reference to the opinion received from the Special Committee, at the board of directors meeting of the Company held on August 21, 2020.

10. Results and equity financing in the last three years

(1) Results for the last three fiscal years (consolidated) (units: millions of JPY, unless otherwise specified)

Fiscal year ended	December 2017	December 2018	December 2019
Consolidated net sales	610,178	627,670	692,009
Consolidated operating profit	85,430	86,542	78,060
Consolidated pre-tax profit	87,790	89,075	79,518
Profit attributable to owners of the parent company	49,312	45,351	36,717
Parent company owners' equity per share (JPY)	1,594.60	1,621.54	1,723.75
Dividend per share (JPY)	42.00	45.00	45.00
Consolidated net assets per share (JPY)	1,594.60	1,621.54	1,723.75

Note: The figures given for "Consolidated net assets per share" are those for "Profit attributable to owners of the parent company".

(2) Current number of issued shares and status of potential shares (as of June 30, 2020)

	Number of shares	As a ratio of the number of issued shares
Number of issued shares	325,402,443	100%
Number of potential shares at current conversion price (exercise price)	126,170	0.03%
Number of potential shares at lowest conversion price (exercise price)	-	-

Number of potential shares at highest conversion price (exercise price)	-	-
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(3) Recent share price information

(i) Share price information for the last three years

	YE December 2017	YE December 2018	YE December 2019
Opening price	JPY 3,200	JPY 3,650	JPY 3,650
Highest price	JPY 4,520	JPY 5,230	JPY 6,350
Lowest price	JPY 3,095	JPY 3,340	JPY 3,435
Closing price	JPY 3,565	JPY 3,760	JPY 5,640

Note: The share price information is as traded on the First Section of the Tokyo Stock Exchange.

(ii) Share price information for the last six months

	March	April	May	June	July	August
Opening price	JPY 4,855	JPY 5,570	JPY 6,200	JPY 7,500	JPY 7,860	JPY 7,200
Highest price	JPY 6,110	JPY 6,280	JPY 8,200	JPY 8,220	JPY 8,140	JPY 8,570
Lowest price	JPY 4,530	JPY 5,320	JPY 6,180	JPY 7,360	JPY 7,180	JPY 7,140
Closing price	JPY 5,660	JPY 6,210	JPY 7,510	JPY 7,840	JPY 7,180	JPY 7,970

Note 1: The share price information is as traded on the First Section of the Tokyo Stock Exchange.

Note 2: The share price information for August is current as of August 20.

(iii) Share price information as of the last trading day before the date of the resolution to issue shares

	August 20, 2020
Opening price	JPY 8,150
Highest price	JPY 8,240
Lowest price	JPY 7,960
Closing price	JPY 7,970

(4) Equity financing in the last three years

Not applicable.

11. Terms of issue

(1)	Number of shares for subscription	148,700,000
(2)	Amount to be paid in	JPY 7,970 per share
(3)	Total amount to be paid in	JPY 1,185,139 million
(4)	Amount of capital increase	JPY 592,569 million

(5)	Amount of capital surplus increase	JPY 592,569 million
(6)	Method of allotment or offering (scheduled subscribers and number of shares to be allotted)	Third-party allotment (NIPSEA INTERNATIONAL LIMITED: 131,700,000 shares) (Fraser Limited: 17,000,000 shares)
(7)	Payment period	January 1, 2021 through March 31, 2021
(8)	Other matters	The above items are subject to the following conditions: that a securities registration statement is validly issued pursuant to the Financial Instruments and Exchange Act; that the scheduled subscribers obtain consent to acquire the shares of the Company through the Third-Party Allotment from the Overseas Investment Office of Land Information New Zealand; that prior notification procedures are completed with respect to foreign direct investment under the Foreign Exchange and Foreign Trade Act of Japan; that foreign investment permission is obtained from the Investment Commission of the Ministry of Economic Affairs (MOEAIC) of Taiwan; and that the conditions precedent specified in the Target Business Transfer Agreement are met or waived. The Third-Party Allotment will be conducted immediately after the Acquisition.

III. Notice of change in parent company

1. Background to the change

As described below, the Third-Party Allotment is expected to result in a change in the Company's parent company.

2. Outline of the relevant shareholders

(1) NIL

Name: NIPSEA INTERNATIONAL LIMITED

Please refer to "(1) Outline of the scheduled subscribers" in "6. Reasons for the selection of the scheduled subscribers, etc." in "II. Issuance of new shares by third-party allotment" above for a summary of the address and other details of this shareholder.

(2) Wuthelam

Name: Wuthelam Holdings Limited

Please refer to in "4. Summary of the counterparties in the Acquisition" in "I. Acquisition and change in subsidiaries" above for a summary of the address and other details of this shareholder.

(3) NIPSEA HOLDINGS INTERNATIONAL LIMITED

Name: NIPSEA HOLDINGS INTERNATIONAL LIMITED

Please refer to in "4. Summary of the counterparties in the Acquisition" in "I. Acquisition and change in subsidiaries" above for a summary of the address and other details of the relevant shareholder.

(4) RAINBOW LIGHT LIMITED

(1)	Name	RAINBOW LIGHT LIMITED
(2)	Name and position of representative	Goh Hup Jin, Director

(3)	Relationship between the listed company and this company	Capital relationship	As of June 30, 2020, RAINBOW LIGHT LIMITED indirectly holds 126,906,000 shares, equivalent to 39.6% of the voting rights of the Company.
		Personnel relationship	One director of the Company also serves as a director of this company.
		Transactional relationship	Not applicable.

Note: This company is a private company, and the counterparty has requested that no information be disclosed about it other than what is provided in the table above.

3. Number of voting rights (number of shares) to be held by the relevant shareholder after the change, and ratio of the total voting rights of the Company

(1) NIL

	Relationship	Number of voting rights (Voting rights ownership ratio)		
		Direct ownership	Indirect ownership	Total
Before change (as of August 21, 2020)	Other affiliated company	1,269,060 (39.6%)	0 (0%)	1,269,060 (39.6%)
After change	Parent company	2,586,060 (55.1%)	0 (0%)	2,586,060 (55.1%)

(2) Wuthelam

	Relationship	Number of voting rights (Voting rights ownership ratio)		
		Direct ownership	Indirect ownership	Total
Before change (as of August 21, 2020)	Other affiliated company	0 (0%)	1,269,060 (39.6%)	1,269,060 (39.6%)
After change	Parent company	0 (0%)	2,586,060 (55.1%)	2,586,060 (55.1%)

(3) NIPSEA HOLDINGS INTERNATIONAL LIMITED

	Relationship	Number of voting rights (Voting rights ownership ratio)		
		Direct ownership	Indirect ownership	Total
Before change (as of August 21, 2020)	Other affiliated company	0 (0%)	1,269,060 (39.6%)	1,269,060 (39.6%)
After change	Parent company	0 (0%)	2,586,060 (55.1%)	2,586,060 (55.1%)

(4) RAINBOW LIGHT LIMITED

	Relationship	Number of voting rights (Voting rights ownership ratio)		
		Direct ownership	Indirect ownership	Total
Before change (as of August 21, 2020)	Other affiliated company	0 (0%)	1,269,060 (39.6%)	1,269,060 (39.6%)
After change	Parent	0	2,586,060	2,586,060

	company	(0%)	(55.1%)	(55.1%)
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Note:

The total number of issued shares as of June 30, 2020 is 325,402,443 shares (representing 3,206,398 voting rights)

4. Schedule

Please see “6. Schedule” in “I. Acquisition and change in subsidiaries” above for the execution date of the Third-Party Allotment.

5. Future outlook

Please see “7. Future outlook” in “I. Acquisition and change in subsidiaries” above.

Reference: Consolidated financial forecasts for the current fiscal year (as of August 14, 2020) and consolidated financial results for previous fiscal year (units: million JPY)

	Net sales	Operating profit	Pre-tax profit	Profit attributable to owners of the parent company
Forecast as of last announcement (A)	720,000	63,000	60,000	25,000
Current forecast (B)	730,000	66,000	65,000	28,000
Change (B) - (A)	10,000	3,000	5,000	3,000
Percent change (%)	1.4	4.8	8.3	12.0
Reference: Financial results for previous fiscal year (Year ended December 2019)	692,009	78,060	79,518	36,717

Note: The exchange rates applied herein are based on the following rates as of August 19, 2020.

SGD 1 = JPY 77.35

INR 1 = JPY 1.41

HKD 1 = JPY 13.63

IDR 1,000 = JPY 7.15

MYR 1 = JPY 25.32

USD 1 = JPY 105.65

End

Appendix 1: Assumptions of Nomura Securities Fairness Opinion and Disclaimer

Nomura Securities has assumed and relied upon the accuracy and completeness of all public information reviewed by Nomura Securities and all financial, legal, regulatory, tax, accounting and other information provided to Nomura Securities for the purpose of rendering the fairness opinion (the “Fairness Opinion”). Nomura Securities did not independently verify the accuracy and completeness of such information, nor does Nomura Securities assume any responsibility for doing so. Nomura Securities has not made any independent valuation, appraisal or assessment of any of the assets or liabilities (including derivatives, off-balance sheet assets and liabilities, and other contingent liabilities) of the Target Companies, including analyses or valuations of individual assets or liabilities. Moreover, Nomura Securities has not made any request to a third party for such valuation, appraisal or assessment. With respect to the financial projections and other forward-looking information concerning the Target Companies provided to Nomura Securities, Nomura Securities has assumed that such information was reasonably prepared or reviewed by the management of the Company based on the best and bona fide estimates and judgments currently available, and that the future financial condition of the Target Companies will be consistent with such projections. In preparing the Fairness Opinion, Nomura Securities has relied upon such projections and other forward-looking information without independent verification. Nomura Securities provides no assurance whatsoever concerning the achievability of such financial projections. Nomura Securities has assumed, without independent verification and assumption of any responsibility thereof, that the Acquisition will be carried out lawfully and validly in accordance with the terms set forth in the Target Business Transfer Agreement and that the Acquisition will not have any tax consequences different from the assumed consequences provided to Nomura Securities. In addition, Nomura Securities has assumed, without independent verification and assumption of any responsibility thereof, that all governmental, regulatory or other consents and approvals necessary for the consummation of the Acquisition will be obtained without any adverse effect on the contemplated benefits of the Acquisition and that the Acquisition will be consummated in accordance with the terms of the Target Business Transfer Agreement, without waiver, modification or amendment of any material term or agreement therein. Nomura Securities was not asked by the Company to provide, and has not provided, any opinion on any transaction other than the Acquisition or on the relative merits of the Acquisition as compared to any other transaction. Nomura Securities is under no obligation to the Company or its board of directors to solicit indications of interest from any third party in connection with the Acquisition, nor did Nomura Securities make any such solicitations.

Nomura Securities has acted as the financial advisor to the Company in connection with the Acquisition, and has been involved in part in the negotiation of the Acquisition. Nomura Securities expects to receive from the Company fees for such services, including a fee contingent on the success of the Acquisition. In addition, Nomura Securities expects to receive from the Company reimbursement of certain expenses incurred by Nomura Securities and its affiliates. The waiver and indemnity clauses specified in the agreement between Nomura Securities and the Company are applicable in connection with the rendering of the Fairness Opinion. Nomura Securities and its affiliates may have provided in the past and may in the future provide investment banking, other financial instruments and financing services or other similar services to the Company, the Wuthelam Group, or their affiliates, for which Nomura Securities and its affiliates would expect to receive compensation. In the ordinary course of business, Nomura Securities and its affiliates may from time to time acquire, hold or sell certain equity, debt and other securities and various types of financial instruments, including derivatives, of the Company, the Wuthelam Group, or their affiliates for Nomura Securities’ own account or Nomura Securities’ clients’ accounts.

Nomura Securities’ opinion expressed in the Fairness Opinion (“Nomura Securities’ Opinion”) is provided for the information and assistance of the board of directors of the Company in connection with its consideration of the Consideration. Nomura Securities’ Opinion addresses only the fairness of the Consideration, from a financial point of view, under the conditions and assumptions set out in the Fairness Opinion; Nomura Securities was not asked to provide, and does not provide in the Fairness Opinion, any opinion on any of the premises or assumptions upon which the determination of the Consideration was based, the underlying business decision of the Company to proceed with the Acquisition. Nomura Securities’ Opinion does not constitute a recommendation as to how any holder of the shares of the Company common stock should vote or act on any matter relating to the Acquisition. Furthermore, the Fairness Opinion does not purport to provide any opinion on the past, current and future market prices of the common stock of the Company. Nomura Securities does not provide independent advice related to legal, regulatory, tax, accounting or environmental matters in connection with the Acquisition, and has relied upon the judgment of the Company or its third-party advisors concerning such matters.

Except as otherwise specially permitted under the agreement between the Company and Nomura Securities, the Fairness Opinion may not be disclosed to any other person or used for any purpose other than as originally intended. The Company may not disclose, refer to, transmit or use the Fairness Opinion, in whole or in part, without Nomura Securities’ prior consent in writing.

Nomura Securities' Opinion is based on financial, economic, market, business and other conditions as they exist on the date of the Fairness Opinion, and relies upon information that Nomura Securities possesses as of the date of the Fairness Opinion. Although Nomura Securities' Opinion may be affected by future changes in conditions, Nomura Securities does not assume any responsibility to modify, change or supplement this opinion in the future.