



October 22, 2020

For immediate release

Company: Nippon Paint Holdings Co., Ltd.
Representative: Masaaki Tanaka, Chairman of the Board,
Representative Executive Officer,
President & CEO
(Code No.: 4612; TSE 1st Section)
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Notice Regarding Termination of Shareholder Benefit Program

Nippon Paint Holdings Co., Ltd. (“NPHD”), at its Board of Directors meeting held today, resolved to terminate its shareholder benefit program.

1. Reasons for terminating the program

We introduced the shareholder benefit program in 2017 to deepen understanding of NPHD among investors and encourage medium to long-term investment in NPHD shares, thereby establishing a stable shareholder base.

With SDGs and ESG as the core management themes, NPHD has defined Maximization of Shareholder Value (“MSV”) as its principal mission. MSV is based on the fulfillment of our duties to customers, employees, suppliers and society. We are committed to exercising financial discipline to ensure optimal capital structure with balanced leverage. This allows us to temporarily raise leverage when an opportunity for a strategically important M&A arises. NPHD places high priority to investments for future growth, thus focusing on providing higher Total Shareholder Return (TSR) through the growth of basic earnings per share (ESP).

It has been four years since the Shareholder Benefit Program was introduced. We believe that shareholders and investors now have a better understanding of the Company. Moreover, our efforts in recent years to strengthen information dissemination and enhance information disclosure through our investor relations and public relations activities have also contributed to achieving this goal. In addition, we have increased shareholder returns measured by the TSR performance metric. Taking the above comprehensively into account we have determined that the shareholder benefit program has mostly achieved its original objectives and delivered significant results. Consequently, our Board of Directors has decided to

terminate the program. We will continue to improve our business performance to live up to shareholder expectations.

2. Schedule for terminating the program

We have terminated the shareholder benefit program after providing shareholder benefits to shareholders registered on the Shareholder Registry as of December 31, 2019 who hold at least one trading unit (100 shares) of NPHD stock.