

To Our Shareholders

We would like to express our appreciation for your continued support and patronage. As the influences of the novel coronavirus disease (COVID-19) continue, we would like to extend our sincere respect and gratitude to the professionals who are supporting our social activities, as well as our deepest sympathies to those who have been infected and whose lives have been affected.

We hereby would like to inform you that Nippon Paint Holdings Co., Ltd. (the “Company”) will hold the 198th Annual General Meeting of Shareholders on Tuesday, March 28, 2023. This convocation notice includes the report on the updated status of Nippon Paint Group’s business operations for the fiscal year under review (from January 1, 2022 to December 31, 2022) for your review.

We, Yuichiro Wakatsuki and Wee Siew Kim, in our roles as Co-Presidents, have worked closely together and taken numerous corporate actions without delay throughout the period. Wee Siew Kim has focused mainly on maximization of EPS (earnings per share) through revenue growth and earnings expansion. Yuichiro Wakatsuki has concentrated on PER (price-to-earnings ratio) maximization by properly raising expectations of capital markets. As a result, revenue increased by 31.1% from the previous period to 1,309,021 million yen, and operating profit increased by 27.7% from the previous period to 111,882 million yen. Both revenue and profit were higher than the previous period.

For this year, the Company adopted a two-pronged strategy of expanding existing businesses while aggressively pursuing M&A, and by building up assets with strong brands and excellent management teams, we have advanced our management strategies through our Asset Assembler model that accelerates growth over the medium to long term under limited risk. Based on this model, we aim to continue Maximization of Shareholder Value through autonomous and decentralized management based on relationships of trust with our partner companies in Japan and overseas.

We deeply appreciate your support for the Nippon Paint Group in the past and for our future endeavors.

March 2023

Yuichiro Wakatsuki

Director, Representative Executive Officer & Co-President

Wee Siew Kim

Director, Representative Executive Officer & Co-President

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code 4612)

Sent Date: March 10, 2023

Electronic Provision Measures Commencement Date: March 1, 2023

To Shareholders with Voting Rights:

Yuichiro Wakatsuki
Director, Representative Executive
Officer & Co-President
Nippon Paint Holdings Co., Ltd.
2-1-2 Oyodokita, Kita-ku, Osaka, Japan

**NOTICE OF
THE 198TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We are pleased to announce the 198th Annual General Meeting of Shareholders of Nippon Paint Holdings Co., Ltd. (the “Company”), which will be held for the purposes as described below.

When convening this general meeting of shareholders, the Company takes measures for providing information that constitutes the content such as reference documents for the general meeting of shareholders and other matters (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information online as “Notice of the 198th Annual General Meeting of Shareholders.” Please access either of the following websites to review the information.

<https://www.nipponpaint-holdings.com/en/ir/stock/meeting/>

<https://d.sokai.jp/4612/teiji> (in Japanese only)

In addition to posting matters for which measures for providing information in electronic format are to be taken on each of the websites listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE) shown below. To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address given below, enter the issue name (company name) or securities code, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you can exercise your voting rights via electronic method such as the Internet or other method) or in writing. Please review the attached “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by 5 p.m. on Monday, March 27, 2023, Japan time.

- 1. Date and Time:** Tuesday, March 28, 2023, at 10 a.m. Japan time
- 2. Place:** 4th Floor Hall, Osaka Head Office of the Company,
2-1-2 Oyodokita, Kita-ku, Osaka, Japan
(Please note that the venue has changed from last time.)
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company’s 197th Fiscal Year (January 1, 2022 – December 31, 2022)
 2. The Results of audits by the Accounting Auditor and the Audit Committee of the Consolidated Financial Statements for the Company’s 197th Fiscal Year (January 1, 2022 – December 31, 2022)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of 9 Directors

(Note 1)

If it is necessary to revise the matters for which measures for providing information in electronic format are to be taken, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's aforementioned websites on which the matters for which measures for providing information in electronic format are to be taken have been posted.

(Note 2)

In accordance with laws and regulations and Article 16, paragraph 2 of the Company's Articles of Incorporation, among matters for which measures for providing information in electronic format are to be taken, "Systems to Ensure Properness of Operations of the Company and Operation Status of the Systems" of the Business Report, "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements, and "Statement of Changes in Shareholders' Equity" and "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial Statements will not be included in the documents that are delivered to shareholders who request document delivery (for this general meeting of shareholders, the deliverable documents will also be sent to shareholders who have not requested such document delivery). Note that these matters will be posted under "Electronic format materials not included in the documents delivered to shareholders through document delivery requests pursuant to laws and regulations and the Company's Articles of Incorporation" in the "Notice of the 198th Annual General Meeting of Shareholders."

The Consolidated Financial Statements and Non-consolidated Financial Statements in the documents to be delivered to shareholders who request the delivery thereof are portions of those documents audited by the Accounting Auditor and the Audit Committee.

Note 2 applies to only Japanese documents.

Reference Documents for the General Meeting of Shareholders Proposals and Reference Information

Proposal 1: Appropriation of Surplus

The Company places Maximization of Shareholder Value, as its sole mission, that remains after fulfilling its obligations to its stakeholders including customers, employees, suppliers and society.

While maintaining financial discipline, the Company places higher priority to investments for future growth thus focusing on providing higher Total Shareholder Return (TSR) through EPS accretion. Our dividend policy, which constitutes part of TSR, is to maintain stability and continuity while also taking into account various factors including, but not limited to, business performance trends, investment needs and dividend payout ratios, and the following is the proposed dividends for the fiscal year ended December 31, 2022 under such policy.

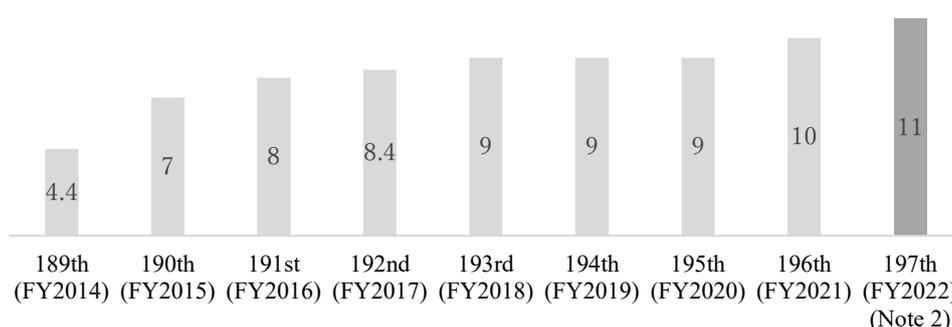
In order to respond to future changes in the business environment and to enable the realization of a stable and continuous dividend policy, including shareholder returns, the Company proposes to reverse general reserve and transfer it to retained earnings brought forward.

1. Matters concerning year-end dividends

(1) **Matters concerning the allotment of dividend property to shareholders and the total amount**
6 yen in cash per share of common stock, for a total of 14,090,855,988 yen

(2) **Effective date of distribution of surplus**
March 29, 2023

Annual dividends trends (Yen) (Note 1)



(Note 1) The Company conducted a 5-for-1 stock split of common stock with an effective date of April 1, 2021. Figures for annual dividend per share of common stock are stated, taking the stock split into consideration.

(Note 2) Includes a commemorative dividend of 1 yen for the 140th anniversary of the Company's founding.

2. Other appropriation of surplus

(1) **Item of surplus to be decreased and amount of decrease**
General reserve 140,065,000,000 yen

(2) **Item of surplus to be increased and amount of increase**
Retained earnings brought forward 140,065,000,000 yen

Proposal 2: Election of 9 Directors

At the conclusion of this General Meeting of Shareholders, the terms of office of all 11 Directors will expire. Accordingly, the Company requests the election of the following 9 candidates for the Directors (including 6 Outside Directors), based on the determination of the Nominating Committee.

The candidates for the Directors are as follows. They are listed in alphabetical order by last name.

No.	Name		Current positions and responsibilities in the Company	Attendance at the Board of Directors meetings
1	Goh Hup Jin	Re-Appointment	Director, Chairman Nominating Committee Member Compensation Committee Member	100% (16/16)
2	Hisashi Hara	Re-Appointment Outside Independent	Independent Director Nominating Committee Chairperson	100% (16/16)
3	Peter M Kirby	Re-Appointment Outside Independent	Independent Director	100% (11/11)
4	Lim Hwee Hua	Re-Appointment Outside Independent	Independent Director	100% (11/11)
5	Masataka Mitsuhashi	Re-Appointment Outside Independent	Independent Director Audit Committee Chairperson	100% (16/16)
6	Toshio Morohoshi	Re-Appointment Outside Independent	Independent Director Nominating Committee Member Audit Committee Member	100% (16/16)
7	Masayoshi Nakamura	Re-Appointment Outside Independent	Lead Independent Director, Board Chair Nominating Committee Member Compensation Committee Member	100% (16/16)
8	Yuichiro Wakatsuki	Re-Appointment	Director Representative Executive Officer & Co-President	100% (11/11)
9	Wee Siew Kim	Re-Appointment	Director Representative Executive Officer & Co-President	100% (11/11)

(Note) Mr. Peter M Kirby, Ms. Lim Hwee Hua, Mr. Yuichiro Wakatsuki and Mr. Wee Siew Kim were newly elected Director at the 197th Annual General Meeting of Shareholders that was held on March 29, 2022 and assumed office. Accordingly, the stated attendance of meetings for them considers only the Board of Directors meetings held on and after the same day.

Re-Appointment Candidate for re-appointment as Director
 Outside Candidate for Outside Director
 Independent Candidate for Independent Director

No.1 Goh Hup Jin

(Re-Appointment)

Date of birth	April 6, 1953
Number of shares of the Company held	0
Number of years in office	8 years and 3 months (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 16 of 16 meetings Nominating Committee meeting: 12 of 12 meetings Compensation Committee meeting: 12 of 12 meetings

Past experience and positions

June 1984	Managing Director, Wuthelam Holdings Ltd. (current)
September 1987	Director, Nipsea Holdings International Ltd. (current)
December 1993	Managing Director, Nipsea Pte. Ltd. (currently Nippon Paint Holdings SG Pte. Ltd.) (current)
January 2011	Director, Epimetheus Limited (current)
August 2012	Director, Nipsea International Limited (current)
December 2013	Director, Rainbow Light Limited (current)
December 2014	Director, the Company
March 2018	Chairman, the Company
March 2019	Director, the Company
April 2021	Chairman, the Company (current)
May 2021	Director, DuluxGroup Limited (current)

Significant concurrent positions outside the Company

Director, Nipsea International Limited
 Director, Nipsea Holdings International Ltd.
 Managing Director, Wuthelam Holdings Ltd.
 Director, Rainbow Light Limited
 Director, Epimetheus Limited
 Managing Director, Nippon Paint Holdings SG Pte. Ltd.
 Director, DuluxGroup Limited

Reason for selection as a candidate for Director

Goh Hup Jin is the Managing Director of Wuthelam Holdings, the Company's parent company. Under his management since 1979, Nippon Paint brand was able to achieve deep market penetration in various Asian countries. After his appointment as Director of the Company in 2014, he served as Chairman and Board Chair of the Company. From 2020, he served as a member of the Nominating Committee and the Compensation Committee. Based on his insight and experience relating to various industries and the capital market, he has provided expert opinions and advice on various agenda items and projects, and through close communications with management team, he has contributed to strengthening the decision making of the Board of Directors. The Nominating Committee of the Company has again nominated him as a candidate for Director in light of his contributions to the Company.

No.2 Hisashi Hara

(Re-Appointment / Outside / Independent)

Date of birth	July 3, 1947
Number of shares of the Company held	82,089
Number of years in office	5 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 16 of 16 meetings Nominating Committee meeting: 12 of 12 meetings

Past experience and positions

April 1975	Registered as an attorney Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
January 2000	Managing Partner, Nagashima Ohno & Tsunematsu
January 2006	Chairman, Nagashima Ohno & Tsunematsu
March 2012	Outside Audit & Supervisory Board Member, Chugai Pharmaceutical Co., Ltd.
January 2013	Head of the Asia Operation, Nagashima Ohno & Tsunematsu
January 2018	Advisor, Nagashima Ohno & Tsunematsu
March 2018	Outside Director, the Company (current)
January 2022	Senior Counsel, T&K Partners (current)

Significant concurrent positions outside the Company

None

Reason for selection as a candidate for Outside Director and his expected roles

With a career of over 40 years as an attorney, Hisashi Hara has been involved in numerous cross-border M&A deals and has assisted in various corporate legal matters. In 2011, he received the Chambers Asia-Pacific Lifetime Achievement Award from Chambers and Partners, which is just one of many commendations in recognition of his good reputation as an attorney involved in cross-border M&A deals.

From a wide range of perspectives as an attorney, he offered appropriate and objective opinions and advice to management team in various discussions at the Board of Directors regarding M&A deals, corporate governance, and other matters, aiming for the realization of the management strategy. In addition, from 2020, he has led the nominating process for the composition of the Board of Directors and the executive structure as Nominating Committee Chairperson.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.3 Peter M Kirby

(Re-Appointment / Outside / Independent)

Date of birth	August 2, 1947
Number of shares of the Company held	20,000
Number of years in office	1 year (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 11 of 11 meetings (after assuming office on March 29, 2022)

Past experience and positions

September 1989	CEO, Dulux Australia Limited
February 1992	ICI Paints Asia Pacific CEO, Imperial Chemical Industries PLC (currently Akzo Nobel N.V.)
September 1995	ICI Paints Worldwide Chairman and CEO, Imperial Chemical Industries PLC
March 1997	Member of Executive Board, Imperial Chemical Industries PLC
March 1998	CEO and Managing Director, CSR Limited
July 2003	Independent Director, Board Chairman, Medibank Private Limited Independent Director, Macquarie Bank Limited (currently Macquarie Group Limited) Independent Director, Orica Limited
June 2008	Independent Director, Board Chairman, DuluxGroup Limited
March 2022	Outside Director, the Company (current)

Significant concurrent positions outside the Company

None

Reason for selection as a candidate for Outside Director and his expected roles

Peter M Kirby's experience includes working in top corporate management positions at global paint companies, including serving as Chairman and CEO at ICI Paints Worldwide, and supporting the corporate management team of DuluxGroup (then a subsidiary of Orica and currently a subsidiary of Nippon Paint Holdings) as Independent Director, Board Chairman. He also served as Independent Director at other business operating companies and an investment bank in the US and Australia.

He has supported decision making and fulfilled his responsibilities by making proactive suggestions and providing advice on business execution, based on his broad insight relating to market trends and industry information of the global paint and coatings industry and abundant management experience as a business manager.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.4 Lim Hwee Hua

(Re-Appointment / Outside / Independent)

Date of birth	February 26, 1959
Number of shares of the Company held	20,000
Number of years in office	1 year (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 11 of 11 meetings (after assuming office on March 29, 2022)

Past experience and positions

August 1989	Joined Swiss Bank Corporation (currently UBS Group AG)
December 1996	Parliament of Singapore
August 2000	Managing Director, Temasek Holdings (Private) Limited
April 2002	Deputy Speaker, Parliament of Singapore Chairman, Public Accounts Committee
August 2004	Minister of State for Finance Minister of State for Transport
April 2008	Senior Minister of State for Finance Senior Minister of State for Transport
April 2009	Minister in the Prime Minister's Office Second Minister for Finance Second Minister for Transport
July 2011	Independent Director, Jardine Cycle & Carriage Limited (current)
October 2011	Senior Advisor, Kohlberg Kravis Roberts & Co. L.P. (current)
July 2014	Independent Director, United Overseas Bank Limited
March 2022	Outside Director, the Company (current)

Significant concurrent positions outside the Company

Independent Director, Jardine Cycle & Carriage Limited
Senior Advisor, Kohlberg Kravis Roberts & Co. L.P.

Reason for selection as a candidate for Outside Director and her expected roles

Lim Hwee Hua held several important positions of the Parliament and ministerial positions after being elected to the Parliament of Singapore. Prior to joining the Singapore Cabinet, she served as Managing Director at Temasek Holdings, an investment company owned by the Singapore Government, where she conducted restructuring and sat on the boards of key investee companies, and established strategic relations with key foreign counterparts. She currently engages in private equity and financial activity for firms such as Kohlberg Kravis Roberts.

Based on her broad network and her abundant insight and experience in investment and stewardship, she has fulfilled her responsibilities by providing pertinent advice on business strategy and execution relating to investment projects while bringing up new propositions at the Board of Directors meetings.

The Nominating Committee of the Company has again nominated her as a candidate for Outside Director since she is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.5 Masataka Mitsuhashi

(Re-Appointment / Outside / Independent)

Date of birth	September 30, 1957
Number of shares of the Company held	46,289
Number of years in office	3 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 16 of 16 meetings Audit Committee meeting: 14 of 14 meetings

Past experience and positions

November 1979	Joined Pricewaterhouse
March 1983	Registered as Certified Public Accountant
July 2004	Representative Director, ChuoAoyama PwC Transaction Services Corporation (currently PwC Advisory LLC)
April 2008	Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Aarata LLC)
July 2012	Representative Director and President, PricewaterhouseCoopers Aarata Sustainability Certification Co., Ltd. (currently PricewaterhouseCoopers Sustainability LLC)
July 2018	Executive Advisor, PricewaterhouseCoopers Aarata LLC
May 2019	Representative, Masataka Mitsuhashi CPA Office (current) Representative Director, Sustainable Value Advisory Co., Ltd. (current)
June 2019	Audit & Supervisory Board Member (Outside), FUJIFILM Holdings Corporation (current) Advisor, Governance Advisory Committee, the Company
February 2020	External Director, Skymark Airlines Inc. (current)
March 2020	Outside Director, the Company (current)
September 2021	Auditor, Integral Corporation (current)

Significant concurrent positions outside the Company

Audit & Supervisory Board Member (Outside), FUJIFILM Holdings Corporation
External Director, Skymark Airlines Inc.

Reason for selection as a candidate for Outside Director and his expected roles

Masataka Mitsuhashi has many years of experience as a certified public accountant at PwC Japan Group, where he was engaged in accounting audit and M&A-related activities. He also has extensive experience in long-term value creation for companies from ESG and sustainability perspectives as Representative Director of a consulting firm.

Using his expert and global insight and experience concerning finance and accounting, ESG, sustainability and risk management, he provided opinions and appropriate advice to management team. Moreover, serving as Audit Committee Chairperson from 2020, he has led discussions with the Accounting Auditor and the local accounting auditors in charge of the financial auditing of overseas partner companies, while establishing the framework of "Audit on Audit," and he made proposals to management team on strengthening group governance and other matters.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.6 Toshio Morohoshi

(Re-Appointment / Outside / Independent)

Date of birth	August 24, 1953
Number of shares of the Company held	66,289
Number of years in office	5 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 16 of 16 meetings Nominating Committee meeting: 12 of 12 meetings Audit Committee meeting: 14 of 14 meetings

Past experience and positions

April 1976	Joined Fujitsu Limited
October 2005	Managing Executive Officer, Fujitsu Limited
July 2007	President & CEO, EMC Japan K.K. (currently Dell Technologies Japan Inc.)
January 2012	President & CEO, NCR Japan, Ltd.
June 2015	President & CEO, Yaskawa Information Systems Corporation (currently YE DIGITAL Corporation)
March 2018	Outside Director, the Company (current)
May 2018	Advisor, YE DIGITAL Corporation
August 2018	Outside Director, WingArc1st Inc.
June 2020	Outside Director, T-Gaia Corporation (current)

Significant concurrent positions outside the Company

Outside Director, T-Gaia Corporation

Reason for selection as a candidate for Outside Director and his expected roles

Toshio Morohoshi was formerly involved in the executive management of Fujitsu Limited, a global electronics company. He served as Japan CEO for multiple global IT enterprises and CEO of a public company in Japan. Using his corporate management experience at global companies, he provided pertinent advice regarding the establishment of IT strategies while instigating and supervising the execution of post-merger integration. In addition, serving as a member of the Nominating Committee and the Audit Committee from 2020, he has successfully performed his role by advising the composition of the Board of Directors, the executive structure design as well as specifying risk factors related to global business among others.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.7 Masayoshi Nakamura

(Re-Appointment / Outside / Independent)

Date of birth	November 10, 1954
Number of shares of the Company held	79,488
Number of years in office	5 years (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 16 of 16 meetings Nominating Committee meeting: 12 of 12 meetings Compensation Committee meeting: 12 of 12 meetings

Past experience and positions

April 1977	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
September 1996	Managing Director, Lehman Brothers Inc.
March 1999	Managing Director, Morgan Stanley Limited
June 2006	Director and Senior Executive Officer, Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) Executive Officer, Mitsubishi UFJ Financial Group, Inc.
February 2011	Representative Director, Nakamura Arai Partners Inc. (currently OCTAHEDRON Inc.) (current)
March 2018	Outside Director, the Company (current)

Significant concurrent positions outside the Company

None

Reason for selection as a candidate for Outside Director and his expected roles

Masayoshi Nakamura has built up over 30 years of hands-on experience as a specialist in M&A advisory and capital market financing, at investment banks including major US investment banks Lehman Brothers and Morgan Stanley, as well as at Mitsubishi UFJ Securities (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.). During this time, he has led numerous major cross-border M&A deals to success.

As the Board Chair since 2021, he has contributed to improving the effectiveness of the Board of Directors, being instrumental in deepening discussions through effective facilitation. Since 2020, he has played a comprehensive role in keeping the Board of Directors connected with the respective committees in addition to compiling the views of the Independent Directors as the Lead Independent Director and providing advice to management team. In addition, he fulfilled his role as a member of the Nominating Committee and the Compensation Committee, by designing the composition of the Board of Directors, as well as the executive structure and the compensation thereof, among other matters.

The Nominating Committee of the Company has again nominated him as a candidate for Outside Director since he is expected to continue to effectively strengthen the decision making and the supervisory function of the Board of Directors.

No.8 Yuichiro Wakatsuki

(Re-Appointment)

Date of birth	August 28, 1966
Number of shares of the Company held	133,110
Number of years in office	1 year (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 11 of 11 meetings (after assuming office on March 29, 2022)

Past experience and positions

April 1989	Joined The Industrial Bank of Japan, Limited. (currently Mizuho Bank, Ltd.)
March 2000	Joined Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.)
January 2016	Director, Merrill Lynch Japan Securities Co., Ltd.
June 2016	Vice Chairman, Investment Banking Division, Merrill Lynch Japan Securities Co., Ltd.
November 2019	Senior Managing Corporate Officer, the Company
January 2020	Senior Managing Corporate Officer and CFO, the Company
March 2020	Senior Managing Executive Officer and CFO, the Company
April 2021	Representative Executive Officer & Co-President, the Company (current)
May 2021	Director, Nippon Paint Holdings SG Pte. Ltd. (current) Director, DuluxGroup Limited (current)
October 2021	President, Representative Director, Nippon Paint Corporate Solutions Co., Ltd. (current)
March 2022	Director, the Company (current)

Significant concurrent positions outside the Company

Director, Nippon Paint Holdings SG Pte. Ltd.

Director, DuluxGroup Limited

President, Representative Director, Nippon Paint Corporate Solutions Co., Ltd.

Reason for selection as a candidate for Director

Yuichiro Wakatsuki has long been involved in realizing growth strategies for companies involved in capital markets at Merrill Lynch, a global investment bank.

Since joining the Company in 2019, as Senior Managing Executive Officer and CFO, and as Representative Executive Officer & Co-President since 2021, he has led the execution of operations.

In addition to strengthening governance functions and making the Company more financially resilient, he has played a central role in strengthening the management foundation and realizing growth strategies for the Company through such efforts as establishing a stance regarding the stock market, promoting M&A, and reforming the management structure. Moreover, while performing bold and active business execution, since his appointment as Director, he has deepened discussions on growth strategy by strengthening the sharing of information between execution and supervision of the Company, and by utilizing his abundant experience and achievements, he contributed to strengthening the decision making function of the Board of Directors.

The Nominating Committee of the Company has again nominated him as a candidate for Director in light of his contributions to the Company.

No.9 Wee Siew Kim

(Re-Appointment)

Date of birth	August 19, 1960
Number of shares of the Company held	100,000
Number of years in office	1 year (at the conclusion of this General Meeting of Shareholders)
Attendance in fiscal 2022	Board of Directors meeting: 11 of 11 meetings (after assuming office on March 29, 2022)

Past experience and positions

May 2002	Deputy CEO, Singapore Technologies Engineering Ltd.
August 2009	Group CEO, Nipsea Management Company Pte. Ltd.
April 2013	Independent Director, Mapletree Logistics Trust Management Ltd.
May 2017	Independent Director, SIA Engineering Company Limited (current)
August 2019	Director, DuluxGroup Limited (current)
January 2020	Deputy President and Executive Corporate Officer, the Company
October 2020	Independent Director, Singapore Telecommunications Limited (current)
April 2021	Representative Executive Officer & Co-President, the Company (current)
March 2022	Director, the Company (current)
April 2022	Director, Nippon Paint Holdings SG Pte. Ltd. (current)

Significant concurrent positions outside the Company

Group CEO, NIPSEA Group
 Director, Nippon Paint Holdings SG Pte. Ltd.
 Director, DuluxGroup Limited
 Independent Director, SIA Engineering Company Limited
 Independent Director, Singapore Telecommunications Limited

Reason for selection as a candidate for Director

Wee Siew Kim held the position of Deputy CEO at Singapore Technologies Engineering, an aerospace and defense engineering company, where he engaged in corporate management. In 2009, he joined the Nippon Paint Group, where he has contributed to the growth of the Asia business into a core business of the Company. Since 2021, he has led the execution of operations as Representative Executive Officer & Co-President of Nippon Paint Holdings.

He has led efforts in not only strengthening governance functions and the financial base, but also in the strengthening of the corporate management foundation and global business operations, which includes improving the profitability of business in Japan and overseas, promoting M&A, and reforming the corporate management structure. Moreover, in conjunction with his efforts to engage in aggressive and bold business execution, since holding the position of Director, he has deepened discussions on growth strategies by strengthening the sharing of information to promote a bridge between execution and supervision while using his abundant experience and achievements to contribute to strengthening the decision making function of the Board of Directors.

The Nominating Committee of the Company has again nominated him as a candidate for Director in light of his contributions to the Company.

Notes:

1. There are no special interests between the Company and Hisashi Hara, Peter M Kirby, Lim Hwee Hua, Masataka Mitsuhashi, Toshio Morohoshi, Masayoshi Nakamura, Yuichiro Wakatsuki or Wee Siew Kim.
2. Within the past ten years, Goh Hup Jin has served as Director at Nipsea International Limited, Nipsea Holdings International Ltd., Rainbow Light Limited and Epimetheus Limited, and Managing Director at Wuthelam Holdings Ltd. These are the parent company of the Company.
3. The Company concluded an agreement with Hisashi Hara, Peter M Kirby, Lim Hwee Hua, Masataka Mitsuhashi, Toshio Morohoshi and Masayoshi Nakamura to limit their liabilities for damages under Article 423, paragraph (1) of the Companies Act, and if their re-appointment is approved, the Company plans to continue the liability limitation agreement. Furthermore, the limit of liability for damages under this agreement is the minimum amount stipulated by laws and regulations.
4. The Company has entered into a contract of Directors and Officers Liability Insurance with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. This insurance policy covers damages and expenses arising from shareholder derivative suits, corporate suits and third-party suits borne by the insured persons. If candidates' appointments are approved, they will be included as insured persons in the insurance policy. Furthermore, the Company plans to renew the insurance policy with the same details at the time of the next renewal.
5. Hisashi Hara, Peter M Kirby, Lim Hwee Hua, Masataka Mitsuhashi, Toshio Morohoshi and Masayoshi Nakamura satisfy the "Independence Criteria for Outside Directors" of the Company and the requirements of Independent Directors as stipulated by the Tokyo Stock Exchange. The Company registered them as Independent Directors as stipulated by the said Exchange. If this proposal is approved, the Company will designate them as Independent Directors.
6. Skymark Airlines Inc., where Masataka Mitsuhashi has served as External Director since February 2020, received a business improvement order and warning to the general safety manager's duty (administrative guidance) from the Ministry of Land, Infrastructure, Transport and Tourism on February 7, 2023 in relation to an incident on December 25, 2022, which was during Mr. Mitsuhashi's term of office, involving a maintenance employee, untested for alcohol, who conducted operations and other work related to maintenance in an intoxicated state. He was not aware of the fact until it came to light, but offered recommendations on a routine basis from the standpoint of compliance. After the fact came to light, he has continued to offer advice and recommendations for thorough implementation of investigations, for strengthening internal controls to prevent recurrence, and for thorough compliance.
7. Although the number of times that Hisashi Hara, Toshio Morohoshi and Masayoshi Nakamura can be nominated as candidates for Outside Director as stipulated in the Board of Directors rules of the Company (for a total of four fiscal years) has been exceeded, the Nominating Committee has obtained the prior consent of a majority of Directors to nominate them as candidates for Outside Director in accordance with the Board of Directors rules because the Company expects that they will continue to effectively strengthen the decision making function and the supervisory function of the Board of Directors.

(Reference) Composition of committee members after approval of this proposal and experience and skills of each Director

No.	Name	Committee members to assume office			Experience and skills						
		Nominating Committee	Compensation Committee	Audit Committee	Experience in corporate management	Experience in global business operations	Experience in M&A	Finance	Legal Affairs	IT /Digital	Manufacturing /Technology /R&D
1	Goh Hup Jin	○	○		◎	◎	○	○	○	○	◎
2	Hisashi Hara	○ (Chair)			◎	◎	◎		◎		
3	Peter M Kirby			○	◎	◎	◎	○	○	○	○
4	Lim Hwee Hua		○ (Chair)		○	◎	◎	◎		○	
5	Masataka Mitsuhashi			○ (Chair)	○	◎	◎	◎			
6	Toshio Morohoshi	○		○	◎	◎	○			◎	○
7	Masayoshi Nakamura	○	○		○	◎	◎	◎			
8	Yuichiro Wakatsuki				○	◎	◎	◎	○		
9	Wee Siew Kim				◎	◎	◎	○			○

< Independence Criteria for Outside Director >

1. The Company will determine that Outside Directors of the Board or candidates for Outside Directors are sufficiently independent from the Company if they are found to satisfy all the requirements prescribed in the following items as a result of a reasonable investigation by the Company.
 - (1) The person in question is not a controlling shareholder (Note 1) of the Company.
 - (2) The person in question is not an executive (Note 3), a director or an ex-member (Note 4) of the parent company of the Company (Note 2).
 - (3) The person in question is not an executive or an ex-executive (Note 5) of the Company or any of the subsidiaries of the Company (hereinafter “the Group”).
 - (4) The person in question is not an executive or an ex-executive of a sister company of the Company (Note 6).
 - (5) The person in question does not fall under any of the following persons either currently or anytime during the past three years:
 - 1) A major shareholder of the Company (Note 7) or an executive of such a shareholder
 - 2) A person whose major business partner is the Group (Note 8) or an executive of such a person
 - 3) A major business partner of the Group (Note 9) or an executive of such a business partner
 - 4) A person belonging to an audit corporation that conducts statutory audits of the Group
 - 5) A person who receives a significant amount (Note 10) of money, etc. from the Group, in addition to remuneration of Officers
 - 6) An executive of an organization that receives a significant amount (Note 10) of donation or aid from the Group
 - (6) The person in question is not a spouse or a relative within the second degree of kinship of a person falling under any items from (1) to (5) above.
2. Independent Directors shall strive to maintain the independence prescribed by these Independence Criteria until the resignation from office. If an Independent Director no longer satisfies these Independence Criteria, he/she shall promptly notify the Company of the fact.

Notes:

1. A controlling shareholder means an individual among the controlling shareholders set forth in the “Securities Listing Regulations (Tokyo Stock Exchange)” (Listing Regulations) Article 2, item (42)-2, Article 3-2 of the Enforcement Regulations of the same.
2. Parent company means the parent company set forth in the “Regulations on Terminology, Forms and Methods of Preparation of Financial Statements” (Financial Statement Regulations) Article 8, paragraph (3).
3. An executive means an Executive Director, an Executive Officer, a Corporate Officer, and a person holding a similar position at a corporation or other organization.
4. An ex-member means a person who was an executive or a director during the past 10 years.
5. An ex-executive means a person who has been an executive anytime during the past 10 years.
6. A sister company means another company who has the same parent company as the Company.
7. A major shareholder means a person who directly or indirectly holds 10% or more of the total voting rights.
8. A person whose major business partner is the Group means a person who has received from the Group a payment equivalent to 2% or more of the annual consolidate sales revenue or annual consolidated net sales for the latest fiscal year of that person.
9. A major business partner of the Group means a person who has paid to the Group an amount equivalent to 2% or more of the annual consolidated sales revenue for the latest fiscal year of the Company or a person who has an outstanding balance of loans to the Company that is equivalent to 2% or more of the consolidated total assets of the Company as of the end of the latest fiscal year of the Company.
10. A significant amount means an amount exceeding an annual amount of 10 million yen on average over the past three fiscal years of the Company.

Business Report (January 1, 2022 – December 31, 2022)

1. Matters Concerning Current Status of Corporate Group

(1) Business activities and results

In the fiscal year ended December 31, 2022, consolidated revenue of the Nippon Paint Group increased by 31.1% from the previous year (same hereafter) to 1,309,021 million yen. This is primarily due to the acquisition on January 20, 2022 of European paint manufacturer Cromology Holdings SAS (Cromology) and the acquisition on May 31, 2022 of European paint manufacturer DP JUB delniška družba pooblaščenka d.d. (JUB) as subsidiaries and the depreciation of the Japanese yen, combined with the strong performance underpinned by continuous selling price increases in the decorative paints business in China, which is a key business of the Nippon Paint Group. Consolidated operating profit increased by 27.7% to 111,882 million yen due to the flow through of selling price increases, despite raw material price increases in every region and an additional provision for potential credit loss in China.

Consolidated profit before tax increased by 20.9% to 104,495 million yen, and profit attributable to owners of parent increased by 17.5% to 79,418 million yen.

Segment results

Japan

Revenue from sales of automotive coatings was about the same as previous year because the number of automobiles manufactured during the year was flat due to the semiconductor chip shortage and other factors. Industrial coatings revenue increased because of flow through of selling price increases, although market conditions such as new housing starts remained unchanged from the previous year. Decorative paints revenue increased due to selling price increases, although market conditions remained unchanged from the previous year.

As a result, consolidated revenue increased by 6.9% to 186,062 million yen. Consolidated operating profit decreased by 44.5% to 5,296 million yen because of raw material price increases and other factors. Beginning with the current year, all businesses other than businesses related to functions as a listed company and a pure holding company whose expenses were previously included in “Adjustments” were spun off and moved to the Japan segment. The aim of this change is to more appropriately reflect the operating results of each reportable segment.

Nipsea

Revenue from sales of automotive coatings increased due primarily to an increase in the number of automobiles manufactured in China and Thailand, despite the semiconductor chip shortage and other factors. Revenue from decorative paints was higher owing to consistently firm paint demand for repainting interiors of existing homes in China, despite the impact of lockdowns and other factors, combined with aggressive selling price increases in major markets including China, Malaysia, Indonesia, and Turkey.

As a result, consolidated revenue increased by 24.0% to 708,515 million yen. Consolidated operating profit increased by 5.6% to 72,695 million yen.

DuluxGroup

The earnings of Cromology are included in the Nippon Paint Group's consolidated financial statements beginning in January 2022 and those of JUB beginning in June 2022. Revenue from sales of decorative paints increased due to progress with selling price increases in Oceania and Europe. Revenue in the paint related business was higher than the previous year due to selling price increases of every brand in Oceania, and strong sales of External Thermal Insulation Composite Systems (ETICS) in Europe.

As a result, consolidated revenue increased by 78.7% from the previous year to 314,902 million yen, and consolidated operating profit increased by 55.8% to 29,673 million yen.

Americas

Revenue from sales of automotive coatings increased, driven by higher production of automobiles in the United States, a core region, despite the continuing semiconductor chip shortage and other factors. Decorative paints revenue increased, driven primarily by solid housing demand and favorable weather through the first six months of the current year, despite the impact of interest rate hikes in the second half of the year.

As a result, consolidated revenue increased by 30.3% from the previous year to 99,540 million yen. Consolidated operating profit increased by 124.3% to 8,077 million yen.

(2) Capital investments

Total capital investments made during the fiscal year ended December 31, 2022 amounted to 49.82 billion yen. Major investments included 29.55 billion yen for enhancement and streamlining of production facilities, 9.21 billion yen for logistics function enhancement, 3.66 billion yen for research equipment and facilities, and 1.73 billion yen for software investment for information technology development, among others.

The above capital investments were funded mainly by own funds.

(3) Financing

In addition to funding for the acquisitions of European paint manufacturers Cromology Holding SAS and DP JUB delniška družba pooblaščenka d.d., the Company borrowed 270 billion yen, including funds to secure short-term liquidity for the current period.

(4) Important reorganization

- 1) The Company, at its Board of Directors meeting held on October 28, 2021, approved a resolution to transfer all businesses that have been performed by the Company, other than the businesses related to the functions of a listed company and as a pure holding company, to Nippon Paint Corporate Solutions Co., Ltd., a wholly-owned subsidiary of the Company, and effective January 1, 2022, the Company executed the company split.

- 2) On October 20, 2021, the Company announced that it would acquire the share capital of Cromology Holding SAS, a company engaged in manufacturing and sale of decorative paints and other paint-related products in Europe, and its subsidiary companies to make them indirectly owned subsidiary companies of the Company through DGL International (UK) Ltd. (“DGUK”), a UK-based subsidiary company of DuluxGroup Limited (“DuluxGroup”), a consolidated subsidiary company of the Company. However, the Company, at its Board of Directors meeting held on December 29, 2021, approved a resolution to change the structure of the above acquisition. Under the revised structure, the Company carries out the acquisition and subsequently transfers the acquired share capital to DGUK. The acquisition and payment procedures were completed on January 20, 2022. In accordance with the revised structure resolved by the Board of Directors on December 29, 2021, the Company provided in-kind and monetary contributions to DuluxGroup, DuluxGroup (Investment) Pty Ltd. (“DGI”), a consolidated subsidiary company of DuluxGroup, and DGUK, a subsidiary company of DGI, in January 2022. Now the amounts of capital stock of these three companies account for 10% or more of that of the Company, making them its specified subsidiary companies.

(5) Parent companies

Company name	Attribute	Percentage of voting rights held (%) (Note 1)		
		Direct	Indirect	Total
Nipsea International Limited	Parent company	55.06	0	55.06
Nipsea Holdings International Ltd.	Parent company	0	55.06	55.06
Wuthelam Holdings Ltd.	Parent company	0	55.06	55.06
Rainbow Light Limited	Parent company	0	55.06	55.06
Epimetheus Limited	Parent company	0	55.06	55.06

- (Notes) 1. Percentage of voting rights held is calculated exclusive of 22,036,217 treasury shares.
2. Fraser (HK) Limited, a subsidiary of a company (W (BVI) Holdings Limited) whose majority voting rights are held by the Company’s Director Mr. Goh Hup Jin on his own account, holds 3.62% of the Company’s shares (percentage of voting rights held; calculated exclusive of 22,036,217 treasury shares), and said company therefore constitutes an affiliated party.

(6) Principal locations and significant subsidiary companies

1) Principal locations

Tokyo Head Office	Chuo-ku, Tokyo
Osaka Head Office	Osaka-shi, Osaka

2) Significant subsidiary companies

Company name	Location	Equity ownership (%) (Note 1)	Principal lines of business
Japan			
Nippon Paint Automotive Coatings Co., Ltd.	Hirakata-shi, Osaka	100.0	Manufacture and sale of paint
Nippon Paint Industrial Coatings Co., Ltd.	Shinagawa-ku, Tokyo	100.0	Manufacture and sale of paint
Nippon Paint Co., Ltd.	Shinagawa-ku, Tokyo	100.0	Manufacture and sale of paint
Nippon Paint Surf Chemicals Co., Ltd.	Shinagawa-ku, Tokyo	100.0	Manufacture and sale of surface treatment agents
Nippon Paint Materials Co., Ltd.	Osaka-shi, Osaka	100.0	Sale of paint and raw materials
Nippon Paint Marine Coatings Co., Ltd.	Osaka-shi, Osaka	100.0	Manufacture and sale of paint
Nippon Paint Corporate Solutions Co., Ltd.	Osaka-shi, Osaka	100.0	Business support for domestic group companies
Overseas			
Nippon Paint (China) Co., Ltd.	China	100.0	Manufacture and sale of paint
Guangzhou Nippon Paint Co., Ltd.	China	100.0	Manufacture and sale of paint
Nippon Paint (Chengdu) Co., Ltd.	China	100.0	Manufacture and sale of paint
Nippon Paint (H.K.) Company Limited	Hong Kong, China	100.0	Sale of paint and supervision of business in the China region
Neave Limited	Hong Kong, China	100.0	Management and operation of subsidiary companies, and sale of paint
Nippon Paint (Malaysia) Sdn. Bhd.	Malaysia	100.0	Manufacture and sale of paint
PT Nipsea Paint and Chemicals	Indonesia	99.9	Manufacture and sale of paint
Betek Boya ve Kimya Sanayi Anonim Şirketi	Turkey	99.6	Manufacture and sale of paint and paint-related products
Nippon Paint (Singapore) Co., Pte. Ltd.	Singapore	100.0	Manufacture and sale of paint
Nippon Paint Holdings SG Pte. Ltd.	Singapore	100.0	Supervision of business in the Asia region
Nippon Paint (Thailand) Company Limited	Thailand	100.0	Manufacture and sale of paint
Nipsea Chemical Co., Ltd.	South Korea	100.0	Manufacture and sale of surface treatment agents
DuluxGroup Limited	Australia	100.0	Manufacture and sale of paint and paint-related products
Cromology Holding SAS (Note 2)	France	100.0	Manufacture and sale of paint and paint-related products
DP JUB delniška družba pooblaščenka d.d. (Note 2)	Slovenia	100.0	Manufacture and sale of paint and paint-related products
Nippon Paint Automotive Americas, Inc.	U.S.	100.0	Manufacture and sale of paint
Dunn-Edwards Corporation	U.S.	100.0	Manufacture and sale of paint

(Note 1) The equity ownership includes indirect holdings through subsidiary companies.

(Note 2) The Company acquired 100% of the shares of this company during the current period through its subsidiary.

(7) Principal business

Nippon Paint Group's principal businesses are the paint and coatings business which manufactures and sells automotive coatings, decorative paints, industrial coatings, fine chemicals, and other paints, and the paint related business which manufactures and sells paint-related products such as adhesives. As of December 31, 2022, the Company had 243 consolidated subsidiary companies and 9 equity-method affiliates.

(8) Employees

Number of employees	Year-on-year change
33,763	Increase of 3,516

Note: There was a significant increase in the number of employees during the fiscal year ended December 31, 2022 due to the acquisition of shares in Cromology Holding SAS in January 2022 and DP JUB delniška družba pooblaščenka d.d. in May 2022 through the Company's subsidiaries, making them second-tier subsidiaries of the Company. The number of employees is the number of full-time employees (excluding those transferred from the Nippon Paint Group to outside the Nippon Paint Group and including those transferred from outside the Nippon Paint Group to the Nippon Paint Group).

(9) Major creditors

Creditors	Balance of borrowings
Sumitomo Mitsui Banking Corporation	250,019
MUFG Bank, Ltd.	240,353

(Million yen)

(10) Issues to be addressed

(Medium- and long-term issues)

Nippon Paint Group is a unique Japan-based global company with Maximization of Shareholder Value (MSV) as our sole mission. Based on Asset Assembler model, we seek to create wealth by maximizing the residual shareholder value that remains after fulfilling our obligations to customers, suppliers, employees, society, and other stakeholders.

In accordance with this business model based on Trust in our partner companies around the world, we will implement autonomous and decentralized management that combines the delegation of authority and accountability, while advancing our strategy to accelerate growth under limited risk by building up assets (earnings, brands, talent, and other assets) using a two-pronged approach of expanding our existing businesses and aggressively engaging in M&A. By following this medium- to long-term strategy, the Group will further expand its business areas by building up its assets, not only in its existing area of paint and coatings, but also into the adjacencies area (Paint++).

Based on Asset Assembler model, the Group pursues continuous earnings growth while keeping risk to a minimum, and aims to achieve MSV by facilitating business growth over the medium- to long-term using our five strengths: namely, (1) focused on paint and adjacencies with significant market opportunities, (2) attractive risk-return profile of paint and adjacencies area, (3) an assembly of talented management and strong brands, (4) Japan domicile enhanced competitive strengths, and (5) advanced governance.

Details of the Group's management policies and strategies as well as the Medium-Term Plan are available on the Company's website below.

- Management Policy/ Management Strategy

https://www.nipponpaint-holdings.com/en/ir/management_policy/strategy/

- Medium-Term Plan

https://www.nipponpaint-holdings.com/en/ir/management_policy/management_plan/

(Current period issues)

In the fiscal year ending December 31, 2023, developed countries are expected to see a slowdown in economic activities and sluggish market growth caused by inflation. China and other Asian countries are expected to recover from the pandemic and supply chains are likely to be restored in the automobile industry. The Nippon Paint Group is implementing a three-year New Medium-Term Plan (FY2021-2023), which ends in the fiscal year ending December 31, 2023. In accordance with this plan, we will further strengthen the foundation for growth in existing businesses and use M&A to add highly skilled people and powerful brands. Our actions include initiatives for more growth in the decorative paints business backed by the flow through of selling price increases in every region and for strengthening the paint related business, including ETICS and adhesives. The goals are to generate additional earnings and achieve sustained growth. We will continue activities to increase our market share in every region and business field by actively promoting the autonomous management of our group companies around the world.

Based on this outlook, we forecast consolidated revenue of 1,400,000 million yen, operating profit of 140,000 million yen, profit before tax of 134,000 million yen and profit attributable to owners of parent of 98,000 million yen.

(11) Changes in assets and profit/loss

International Financial Reporting Standards (IFRS)

Item	194th (FY2019)	195th (FY2020)	196th (FY2021)	197th (Current period; FY2022)
Revenue (Million yen)	692,009	772,560	998,276	1,309,021
Operating profit (Million yen)	78,060	87,594	87,615	111,882
Profit before tax (Million yen)	79,518	89,443	86,467	104,495
Profit attributable to owners of parent (Million yen)	36,717	43,921	67,569	79,418
Basic earnings per share (Yen)	22.90	27.38	29.41	33.82
Return on equity attributable to owners of parent	6.8%	7.8%	8.8%	7.5%
Total assets (Million yen)	1,478,646	1,614,580	1,955,083	2,442,340
Total equity (Million yen)	687,979	699,002	968,694	1,155,358
Equity attributable to owners of parent per share (Yen)	344.75	353.80	408.61	489.19

- Notes:
1. The Company has adopted the International Financial Reporting Standards (IFRS) starting from the fiscal year ended December 31, 2018.
 2. Basic earnings per share is calculated by dividing profit attributable to owners of parent by the weighted average number of common shares issued after adjustment to treasury shares during each fiscal year.
 3. The Company conducted a 5-for-1 share split of common stock with an effective date of April 1, 2021. Basic earnings per share and equity attributable to owners of parent per share are calculated as if the stock split had taken place at the beginning of the 194th fiscal year (FY2019).
 4. The Nippon Paint Group approved a resolution at the Board of Directors meeting on August 10, 2021 to dissolve and liquidate Nippon Paint (Europe) Ltd. ("NPE"), a consolidated subsidiary company of the Company. In addition, the Nippon Paint Group transferred to Isaac Newton Corporation, which is a member of the Wuthelam Group, the shares in Nippon Paint (India) Private Limited ("NPI") held by the Company, the shares in Nippon Paint Automotive Europe GmbH held by NPE, and the shares in Berger Nippon Paint Automotive Coatings Private Limited held by the Company's consolidated subsidiary company Nippon Paint Automotive Coatings Co., Ltd. on August 27, 2021. As a result, these businesses have been classified as discontinued operations. Due to this, the amounts presented for revenue, operating profit, and profit before tax for the 196th fiscal year (FY2021) are the amounts from continuing operations, excluding discontinued operations. Accordingly, revenue, operating profit, and profit before tax for the 195th fiscal year (FY2020) have been reclassified to the amounts for continuing operations excluding the amounts for discontinued operations.

2. Matters concerning shares of the Company (As of December 31, 2022)

(1) Total number of authorized shares	5,000,000,000 shares
(2) Total number of issued shares	2,370,512,215 shares
(3) Number of shareholders	16,109
(4) Major shareholders	

Name	Number of shares	Shareholding ratio (%)
Nipsea International Limited	1,293,030,000	55.06
The Master Trust Bank of Japan, Ltd. (Trust Account)	134,787,100	5.74
Fraser (HK) Limited	85,000,000	3.62
Clearstream Banking S.A.	84,478,328	3.60
HSBC Bank Plc A/C Client 3	76,244,385	3.25
Nippon Life Insurance Company	51,381,365	2.19
Custody Bank of Japan, Ltd. (Trust Account)	43,827,000	1.87
GIC Private Limited – C	41,942,040	1.79
The Master Trust Bank of Japan, Ltd. (Toyota Motor Account)	25,547,760	1.09
Goldman Sachs International	20,973,200	0.89

- (Notes)
1. The Company holds 22,036,217 shares of treasury stock and is excluded from the above list of major shareholders.
 2. The shareholding ratio is calculated exclusive of treasury shares.
 3. Nipsea International Limited is a wholly owned subsidiary company of Wuthelam Holdings Limited, of which Goh Hup Jin, Director of the Company, serves as Managing Director.
 4. Fraser (HK) Limited is a subsidiary company of a company (W (BVI) Holdings Limited) whose majority voting rights are held by Goh Hup Jin, Director of the Company, on his own account, and falls under affiliated parties of the Company.
 5. Since the Company was able to confirm the intention of the financial institutions to sell the shares of the Company's common stock held by them, the Company resolved at the Board of Directors meeting held on January 7, 2022 to conduct a secondary offering of shares in overseas markets, in order to provide such sellers with a smooth opportunity to sell their shares and to resolve the issue of the low market liquidity of the Company's stock relative to its market capitalization. In accordance with the resolution, the Company implemented the offering as shown on the next page. This secondary offering of shares in overseas markets was conducted with the goal of improving the liquidity of the Company's stock, building a global base of investors that show an understanding of the Company's growth strategies from a long-term perspective, and alleviating concerns surrounding the potential sale of the Company's common stock held as strategic holdings. This secondary offering will also contribute to the improvement of the tradable share ratio required to maintain listing on the "Prime Market," a new market segment of the Tokyo Stock Exchange.

1) Outline of the overseas secondary offering of shares of common stock of the Company

(1) Selling shareholders and number of shares offered	Sumitomo Mitsui Banking Corporation	49,998,300
	MUFG Bank, Ltd.	35,667,400
	Mitsubishi UFJ Trust and Banking Corporation	19,030,000
	Sumitomo Mitsui Trust Bank, Limited	17,632,500
	Aioi Nissay Dowa Insurance Co., Ltd.	10,819,600
	Sompo Japan Insurance Inc.	6,986,000
	Total	140,133,800
(2) Method of offering	Overseas offering	
(3) Offer price	922 yen per share (calculation date: January 17, 2022)	
(4) Settlement date for underwriters	January 19, 2022	

2) Outline of the overseas secondary offering of shares of common stock of the Company by way of over-allotment

(1) Seller and number of shares offered	Nomura International plc	17,632,500
(2) Method of offering	Overseas offering	
(3) Offer price	922 yen per share (calculation date: January 17, 2022)	
(4) Settlement date	January 19, 2022	

(5) Shares granted to the Company's officers as compensation for execution of their duties during FY2022

	Number of shares	Number of grantees
Directors (excluding Outside Directors) and Executive Officers	-	-
Outside Directors	160,000	8

3. Matters concerning company officers

(1) Names and other information regarding Directors (As of December 31, 2022)

Position and responsibilities in the Company	Name	Significant concurrent positions outside the Company
Director, Chairman Nominating Committee Member Compensation Committee Member	Goh Hup Jin	Director, Nipsea International Limited Director, Nipsea Holdings International Ltd. Managing Director, Wuthelam Holdings Ltd. Director, Rainbow Light Limited Director, Epimetheus Limited Managing Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited
Outside Director Nominating Committee Chairperson	Hisashi Hara	Attorney
Outside Director	Peter M Kirby	
Outside Director Audit Committee Member	Miharu Koezuka	Outside Director, Japan Post Holdings Co., Ltd. Outside Director, Nankai Electric Railway Co., Ltd. Outside Director, Sekisui Chemical Co., Ltd.
Outside Director	Lim Hwee Hua	Independent Director, Jardine Cycle & Carriage Limited Senior Advisor, Kohlberg Kravis Roberts & Co. L.P.
Outside Director Audit Committee Chairperson	Masataka Mitsuhashi	Certified Public Accountant Audit & Supervisory Board Member (Outside), FUJIFILM Holdings Corporation External Director, Skymark Airlines Inc.
Outside Director Nominating Committee Member Audit Committee Member	Toshio Morohoshi	Outside Director, T-Gaia Corporation
Outside Director, Board Chair Nominating Committee Member Compensation Committee Member	Masayoshi Nakamura	
Outside Director Compensation Committee Chairperson	Takashi Tsutsui	Outside Director, MetaReal Corp.
Director Representative Executive Officer & Co-President	Yuichiro Wakatsuki	Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited President, Representative Director, Nippon Paint Corporate Solutions Co., Ltd.
Director Representative Executive Officer & Co-President	Wee Siew Kim	Group CEO, NIPSEA Group Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited Independent Director, SIA Engineering Company Limited Independent Director, Singapore Telecommunications Limited

- (Notes)
1. The Company has submitted notification to the Tokyo Stock Exchange that all Outside Directors have been designated as Independent Directors.
 2. Director Masataka Mitsuhashi is a certified public accountant and has considerable knowledge of finance and accounting.
 3. There are no special interests between the Company and any of Outside Directors.
 4. There is no special relationship between other corporations where the Company's Outside Directors hold concurrent positions and the Company.

5. The Company does not appoint a full-time Audit Committee Member because the Audit Committee takes the lead in conducting systematic audits in collaboration with the Audit Department, the internal audit units and Audit & Supervisory Board Members of subsidiary companies, and the Accounting Auditor. The Company has established the Audit Department as an organization to assist the duties of the Audit Committee. The Audit Department serves as the secretariat of the Audit Committee, and conducts investigation, analysis, and reports on matters subject to audits to assist the Audit Committee's audit activities under the Audit Committee's direction.

(2) Names and other information regarding Executive Officers (As of December 31, 2022)

Positions	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Representative Executive Officer & Co-President	Yuichiro Wakatsuki	Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited President, Representative Director, Nippon Paint Corporate Solutions Co., Ltd.
Representative Executive Officer & Co-President	Wee Siew Kim	Group CEO, NIPSEA Group Director, Nippon Paint Holdings SG Pte. Ltd. Director, DuluxGroup Limited Independent Director, SIA Engineering Company Limited Independent Director, Singapore Telecommunications Limited
Managing Executive Officer and GC	Yuri Inoue	General Manager of Legal Department, and in charge of Corporate Governance Department

Note: The information as of January 1, 2023 regarding Executive Officers remain from the above.

(3) Outline of the details of the Directors and Officers liability insurance contract

The Company has entered into a contract of Directors and Officers liability insurance with an insurance agency, as provided for in Article 430-3, paragraph (1) of the Companies Act. The contract insures Directors, Executive Officers, and Corporate Officers of the Company, as well as Directors, Audit & Supervisory Board Members, and Executive Officers of the Company's subsidiary companies. This insurance contract covers damages and expenses arising from shareholder derivative suits, corporate suits and third-party suits borne by the insured persons.

However, in order to ensure that the appropriateness of the execution of duties by the insured is not impaired, certain damages are excluded from coverage, such as compensation for illegal acquisition of private gains or benefits, and damages resulting from other criminal acts.

(4) Total amount of Directors' and Executive Officers' executive compensation and other benefits

1) Total amount of Directors' and Executive Officers' compensation for FY2022

Category	Total amount of compensation (million yen)	Amount paid by type (million yen)				Number of persons
		Job-based compensation	Short-term incentives (STI)	Long-term incentives (LTI)		
			Performance-linked compensation	Cash compensation	Restricted stock compensation	
Directors (excluding Outside Directors)	11	6	–	–	5	1
Executive Officers	1,174 (456)	1,145 (427)	17	11	–	3
Outside Directors	329	178	–	–	151	8
Total	1,516 (798)	1,329 (612)	17	11	157	12

Notes:

- Directors, who concurrently serve as Executive Officers, are not included in the number of Directors because they are not paid compensation as Directors.
- The number of Directors excludes Director Goh Hup Jin who does not receive compensation.
- S\$7.5 million (717 million yen, by the average rate during FY2022) of Job-based compensation for Representative Executive Officer & Co-President Wee Siew Kim was paid from the consolidated subsidiary company, Nippon Paint Holdings SG Pte. Ltd. The figures in the total amount of compensation for Executive Officers and Total categories indicate consolidated compensation (total amount of compensation paid by Nippon Paint Holdings Co., Ltd. and its subsidiaries), and the amount in parentheses is the total amount of compensation paid by Nippon Paint Holdings Co., Ltd.
- Job-based compensation includes allowances for committee memberships and other roles paid to Directors and allowances related to the bar association paid to an Executive Officer.
- Performance-linked compensation is the total amounts expensed in FY2022 and includes the individual Performance-linked compensation paid in February 2023, as determined by the Compensation Committee on December 12, 2022.
- The amount of Long-term incentives is the total amount expensed in FY2022.

2) Main activities of the Compensation Committee in FY2022

The Compensation Committee, chaired by an Independent Director, held 12 meetings during the period (from January to December 2022).

Chairperson	Takashi Tsutsui	(Independent Director)	Attendance: 100% (12/12)
Member	Goh Hup Jin		Attendance: 100% (12/12)
Member	Masayoshi Nakamura	(Independent Director)	Attendance: 100% (12/12)

The main activities carried out in FY2022 were:

- Determination of the FY2022 compensation plan for Directors, excluding those who concurrently serve as Executive Officers (including the consideration of stock compensation for newly-appointed Directors with foreign citizenship)
- Consideration of the FY2022 performance evaluation and the FY2023 compensation plan for the Representative Executive Officers & Co-Presidents

- Determination of the FY2022 evaluation of Performance-linked compensation and the FY2023 compensation plan for Executive Officers, excluding the Representative Executive Officers & Co-Presidents
- Confirmation of the evaluation and determination of compensation for Global Key Persons (GKPs), who are the key management teams of partner companies, by the Representative Executive Officers & Co-Presidents.

These were considered and determined by the Compensation Committee based on the [Compensation Philosophy] and [Design Policies for Compensation of Representative Executive Officers & Co-Presidents] as the policy for determining Directors' and Executive officers' compensation, under the mission of [Maximization of Shareholder Value (MSV)] as described below.

[Maximization of Shareholder Value (MSV)]

The Nippon Paint Group is a unique Japan-based global company with MSV as its sole mission. Based on Asset Assembler model, we seek to create wealth by maximizing the residual shareholder value that remains after fulfilling our obligations to customers, suppliers, employees, society, and other stakeholders.

Fulfilling our obligations to each stakeholder group is the primary premise for MSV. Fulfillment of obligations includes not only legal contracts but also social and ethical obligations, as well as the concept of sustainability. MSV entails maximizing the residual value that remains after fulfilling obligations to all stakeholders as a way of rewarding shareholders that make an investment with an awareness of the associated risks. A prerequisite is to fulfill those obligations to stakeholders that have upper limits, and shareholder value will be the residual value that remains after fulfilling those obligations. MSV strictly pursues the maximization of medium- and long-term shareholder value, rather than short-term maximization.

[Compensation Philosophy]

(Overarching Principle)

- In order to implement MSV, to build a compensation plan that is transparent and satisfactory and to continue to provide appropriate motivation and incentives to key executives by implementing individual treatment based on the plan.

(Guiding Principles)

- To be able to attract and keep management talent that excels at practicing MSV.
- To be able to continuously provide motivation so that maximum potential can be encouraged even under changing environments.
- To function effectively and in harmony with the current state of business development, level of maturity of organizational systems, organizational values, and the community.

[Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents]

- Compensation that contributes to MSV

- Total compensation is commensurate with the performance of the Representative Executive Officers & Co-Presidents
- A compensation structure that promotes appropriate and decisive risk-taking

In addition, the Compensation Committee conducts the following activities to ensure objectivity, rationality, and fairness in the process of evaluating the performance and determining the compensation plans for Executive Officers, including the Representative Executive Officers & Co-Presidents.

- Timely invitation of the Representative Executive Officers & Co-Presidents to committee meetings and listening to their views on the performance evaluations and succession plans for Executive Officers and GKPs
- Hold joint committee meetings with the Nominating Committee (twice a year) to share evaluations of the Executive Officers
- Ongoing communication with the Representative Executive Officers & Co-Presidents and GKPs outside of committee meetings
- Sharing the results of interviews with management team including Executive Officers, at Audit Committee meetings
- Consolidation of the Independent Directors' opinions on the performance of the Executive Officers and their expectations at the meeting of the Independent Directors.
- Benchmarking on competitors and Japanese and overseas executive compensation trends
- Appropriate disclosure of the policy for determining compensation and details of compensation decided by the Compensation Committee

The individual compensation of Executive Officers, including Representative Executive Officers & Co-Presidents, for FY2022 were determined by the Compensation Committee after a series of deliberations based on the Compensation Philosophy through the aforementioned activities, and the Compensation Committee considers that the details of such decisions are appropriate and in accordance with the policies for determining compensation

In the same manner, the individual compensation of Directors for FY2022 were determined after much deliberation based on the Compensation Philosophy, and the Compensation Committee considers that the details of such decisions are appropriate and in accordance with the policies for determining compensation.

3) Composition and calculation method of Directors' and Executive Officers' compensation for FY2022

(a) Directors' Compensation

Directors' Compensation is composed of "Job-based compensation," "Allowances for committee memberships and other roles," and "Long-term incentives."

Directors who concurrently serve as Executive Officers do not receive compensation as Directors.

Fixed compensation

○ Job-based compensation: Base Salary (BS)

• Cash salaries are paid as fixed salaries to attract and retain excellent personnel suitable for supervising the management of our globally expanding Group, taking into account social conditions, comparisons with competitors, market standards, and other factors.

○ Allowances for committee memberships and other roles

• Cash benefits are paid for the roles of the chairperson and members of the Nominating, Compensation and Audit Committees and special committees, as well as for the role of the Lead Independent Director and other positions

Variable compensation

○ Long-term incentives (LTI)

• The Company's Directors are involved not only in management supervision but also in important decision-making, including corporate acquisitions, bearing responsibilities from a long-term perspective, and with the aim of compensation based on these, Directors are granted restricted stock to provide incentives to promote the Company's MSV mission and to further promote value sharing with shareholders.

• The Company's shares equivalent to an amount determined by the ratio established relative to job-based compensation

• The basic ratio of the base amount of "job-based compensation" to "long-term incentives" is 1:1.

• Selling restricted stock during the term of office is not permitted.

• From the perspective of medium- to long-term soundness, from FY2021, Malus and Clawback clauses regarding the lifting of transfer restrictions were established.

(b) Representative Executive Officers & Co-Presidents' Compensation

Representative Executive Officers & Co-Presidents' Compensation is based on a comprehensive evaluation of the previous fiscal year's performance from financial and non-financial perspectives, and after the total amount of compensation for the current fiscal year is determined from the ground up, the optimal mix of cash and stock compensation is determined each fiscal year.

In the comprehensive evaluation, to encourage appropriate and decisive risk-taking toward the realization of MSV, an evaluation formula calculated relative to initial plan is not used. Rather, based on the premise of ensuring the sustainability of the Group, the Compensation Committee evaluates the status of group management toward the realization of MSV by maximizing EPS and PER.

Specifically, items such as improving the profitability of Japan and overseas businesses, establishing a stance in the stock market, Nippon Paint Group's risk management, promoting M&A, changing corporate culture, reforming management structure, and strengthening governance and internal control systems, including the Board of Directors, are evaluated in a cross-sectional manner. After determining the total amount of compensation, taking into account the results of benchmarking with competitors, the level and composition of compensation in the country of origin, and the continuity with existing compensation, the optimal ratio of cash and

stock compensation is determined to create a compensation level and composition that maintain motivation and incentivize the Representative Executive Officers & Co-Presidents responsible for the realization of MSV.

As a result of much deliberation by the Compensation Committee based on the aforementioned comprehensive evaluation, the total amount of FY2022 compensation for Representative Executive Officer and Co-President Wee Siew Kim was the same as the previous fiscal year based on the assessment that his motivation had been sufficiently maintained and improved. And it was determined that replacing existing cash compensation with stock compensation would not enhance the incentive to realize MSV, so total compensation was cash compensation. (The compensation for Representative Executive Officer & Co-President Wee Siew Kim is paid from Nippon Paint Holdings SG Pte. Ltd.)

In light of the previous fiscal year's achievement and comprehensive performance, as well as the balance of compensation under the Co-President structure, it was determined that total FY2022 compensation for Representative Executive Officer and Co-President Yuichiro Wakatsuki was increased from the previous year's total compensation and all cash compensation.

Entire amounts of compensations are variable

Total compensations for the current fiscal year are determined by linking them to the comprehensive performance evaluation for the previous fiscal year

Total compensations for the following fiscal year are redefined each fiscal year from the ground up after a comprehensive evaluation of the previous performance from financial and non-financial perspectives, and the composition of cash and stock compensation is also reviewed each time.

Key evaluation items for the comprehensive evaluation

- Maximizing EPS and PER toward achieving MSV
 - Improving earnings in the Japanese and overseas businesses
 - Progress with the M&A strategy
 - Establishing a sound stance in the stock market
 - Risk management in the Nippon Paint Group
 - Transformation of our corporate culture
 - Transformation of management structure
 - Strengthening the governance structure and the internal control system, including the Board of Directors
-

(c) Executive Officers' Compensation

Executive Officers' Compensation, excluding the Representative Executive Officers & Co-Presidents, is composed of "Job-based compensation," "Performance-linked compensation," and "Long-term incentives."

Based on the proposal from the Representative Executive Officers & Co-Presidents regarding the level and composition of compensation, the Compensation Committee has deliberated and determined the appropriateness of the proposal in accordance with the "Compensation Philosophy."

Fixed compensation

○ Job-based compensation: Base Salary (BS)

- Fixed salaries are paid in cash to retain and acquire management talent, taking into consideration social conditions, comparisons with competitors, market standards, and other factors.
-

Variable compensation

○ Performance-linked compensation: Short-Term Incentives (STI)

- Based on the comprehensive evaluation proposal from the Representative Executive Officers & Co-Presidents in the key evaluation items for each individual responsibilities, the Compensation Committee determines the amount to be paid within a range of 0% to 200% of the standard amount for each position and responsibilities, after deliberating on the appropriateness of the proposal.

○ Long-term incentives (LTI)

- Based on an evaluation of the contribution to improving Nippon Paint Group's sustainability, the Compensation Committee determines the amount to be paid within a range of 50% to 150% of the standard amount based on position and responsibility, after deliberating on the appropriateness of the proposal from the Representative Executive Officers & Co-Presidents.
 - Cash compensation to be paid in thirds over three years for each fiscal year
-

(d) Calculation of Performance-linked compensation and Long-term incentives in Executive Officers' compensation

○ Performance-linked compensation

The individual Performance-linked compensation for FY2022 performance of Executive Officers, excluding the Representative Executive Officers & Co-Presidents, was deliberated and determined by the Compensation Committee on December 12, 2022, based on the comprehensive evaluation of key evaluation items for the individual responsibility by the Representative Executive Officers & Co-Presidents, and was paid in February 2023.

As for specific key evaluation items for FY2022, since the only Executive Officer other than the Representative Executive Officers & Co-Presidents was primarily responsible for legal affairs and corporate governance, the Performance-linked compensation was 110% of the standard amount, based on a comprehensive evaluation and determination focusing on the advancement of the global governance, strengthening of risk management and internal controls in Nippon Paint Group, and contribution to sustainable growth.

Key evaluation items and criteria for achievements	Evaluation factor range
<ul style="list-style-type: none"> • Advancement of the global governance structure • Strengthening risk management • Strengthening internal controls, including information security and compliance • Promoting sustainability strategies • Promoting human resource development and D&I (Diversity & Inclusion) activities 	0% - 200%

○ Long-term incentives

The individual Long-term incentive compensation for FY2022 for Executive Officers, excluding the Representative Executive Officers & Co-Presidents, was deliberated and determined by the

Compensation Committee on December 12, 2022, based on a comprehensive evaluation by the Representative Executive Officers & Co-Presidents regarding the contribution to Nippon Paint Group's sustainability and total optimization according to individual responsibilities, as well as future expectations and one-third of the determined amount was paid in February 2023 in accordance with the plan.

Specifically, contributions from a medium- to long-term perspective that contribute to MSV, such as strengthening the Group's sustainability, establishing the Group's governance, and responding to risks by upgrading its functionality are comprehensively evaluated, and FY2022 Long-term incentive compensation for the Executive Officer, excluding the Representative Executive Officers & Co-Presidents, was 110% of the standard amount.

(5) Method of determination and details of the policy for determining Directors' and Executive Officers' compensation

1) Policy for determining Directors' and Executive Officers' compensation for FY2023

Compensation for Executive Officers, excluding the Representative Executive Officers & Co-Presidents, was deliberated and determined fairly and transparently in accordance with the "Compensation Philosophy" which is the policy for determining the Directors' and Executive Officers' compensation as described in "Main activities of the Compensation Committee in FY2022" on page 29.

Compensation for the Representative Executive Officers & Co-Presidents will be decided at the Compensation Committee meeting to be held after the financial results for the fiscal year ended December 31, 2022 are finalized, and compensation for the Directors will be decided at the Compensation Committee meeting to be held after the Annual General Meeting of Shareholders on March 28, 2023.

In making these decisions, as stated in the "Compensation Philosophy" and "Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents", compensation must encourage and continuously motivate each executive to maximize his or her ability to realize MSV. At the same time, it must be globally competitive and in line with the current status and direction of the Company, while taking objective and professional information into consideration. The Compensation Committee is continually conducting research and studies on these matters and discussing fair and reasonable compensation that is accountable to all stakeholders.

2) Composition and calculation method of Directors' and Executive Officers' compensation for FY2023

(a) Directors' Compensation

Directors' Compensation will be decided at a meeting of the Compensation Committee following the Annual General Meeting of Shareholders on March 28, 2023.

(b) Representative Executive Officers & Co-Presidents' Compensation

Representative Executive Officers & Co-Presidents' Compensation will be decided at a meeting of the Compensation Committee to be held after the financial results for the fiscal year ended December 31, 2022 are finalized.

(c) Executive Officers' Compensation

Compensation for Executive Officers excluding Representative Executive Officers & Co-Presidents is composed of “Job-based compensation,” “Performance-linked compensation,” and “Long-term incentives,” as same as FY2022.

Based on the proposal from the Representative Executive Officers & Co-Presidents regarding the level and composition of compensation, the Compensation Committee has deliberated and determined the appropriateness of the proposal in accordance with the “Compensation Philosophy”.

(6) Matters concerning outside officers

1) Summary of details of limited liability agreement

Pursuant to Article 427, paragraph (1) of the Companies Act and Article 24, paragraph 2 of the Company’s Articles of Incorporation, the Company has entered into agreements with Outside Directors of the Company, to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for under laws and regulations.

2) Number of Outside Directors’ attendance at Board of Directors meetings, Committee and other meetings, and status of activities

Name	Attendance	Activities and duties performed by Outside Directors regarding their expected role	
Hisashi Hara	Board of Directors	16 of 16 meetings	From a wide range of perspectives as an attorney, he offered appropriate and objective opinions and advice to management team in various discussions at the Board of Directors regarding M&A deals, corporate governance, and other matters, aiming for the realization of the management strategy. In addition, from 2020, he has led the nominating process for the composition of the Board of Directors and the executive structure as Nominating Committee Chairperson.
	Nominating Committee	12 of 12 meetings	
Peter M Kirby	Board of Directors	11 of 11 meetings*	He has supported decision making and fulfilled his responsibilities by making proactive suggestions and providing advice to management team, based on his broad insight relating to market trends and industry information of the global paint and coatings industry and abundant management experience as a business manager.
Miharu Koezuka	Board of Directors	16 of 16 meetings	She has provided multifaceted and pertinent advice to management team based on her experience in building marketing strategies in local markets and improving employee engagement, which she gained through management of a retail business. In addition, she has fulfilled her responsibilities as an Audit Committee Member by providing advice to management on Nippon Paint Group’s risk assessment and reforming corporate culture.
	Audit Committee	14 of 14 meetings	

Lim Hwee Hua	Board of Directors	11 of 11 meetings*	Based on her broad network and her abundant insight and experience in investment and stewardship, she has fulfilled her responsibilities by providing pertinent advice on business strategy and execution relating to investment projects while bringing up new propositions at the Board of Directors meetings.
Masataka Mitsuhashi	Board of Directors Audit Committee	16 of 16 meetings 14 of 14 meetings	Using his expert and global insight and experience concerning finance and accounting, ESG, sustainability and risk management, he provided opinions and appropriate advice to management team. Moreover, serving as Audit Committee Chairperson from 2020, he has led discussions with the Accounting Auditor and the local accounting auditors in charge of the financial auditing of overseas partner companies, while establishing the framework of “Audit on Audit,” and he made proposals to management team on strengthening group governance and other matters.
Toshio Morohoshi	Board of Directors Nominating Committee Audit Committee	16 of 16 meetings 12 of 12 meetings 14 of 14 meetings	Using his corporate management experience at global companies, he provided pertinent advice regarding the establishment of IT strategies while instigating and supervising the execution of post-merger integration. In addition, serving as a member of the Nominating Committee and the Audit Committee from 2020, he has successfully performed his role by advising the composition of the Board of Directors, the executive structure design as well as specifying risk factors related to global business among others.
Masayoshi Nakamura	Board of Directors Nominating Committee Compensation Committee	16 of 16 meetings 12 of 12 meetings 12 of 12 meetings	As the Board Chair since 2021, he has contributed to improving the effectiveness of the Board of Directors, being instrumental in deepening discussions through effective facilitation. Since 2020, he has played a comprehensive role in keeping the Board of Directors connected with the respective committees in addition to compiling the views of the Independent Directors as the Lead Independent Director and providing advice to management team. In addition, he fulfilled his role as a member of the Nominating Committee and the Compensation Committee, by designing the composition of the Board of Directors, as well as the executive structure and the compensation thereof, among other matters.
Takashi Tsutsui	Board of Directors Compensation Committee	16 of 16 meetings 12 of 12 meetings	He provided opinions and appropriate advice to management based on his corporate management experience at a global business operating company and his high level of insight on corporate governance. In addition, as Chairperson of the Compensation Committee, he has developed an Executive Compensation Plan for Directors and Executive Officers that contributes to the realization of MSV based on the Compensation Philosophy, and he has led the evaluation and determination process of compensation.

* Peter M Kirby and Lim Hwee Hua were elected and appointed as Outside Directors at the 197th Annual General Meeting of Shareholders held on March 29, 2022. The table above shows the attendance at the Board of Directors meetings held after the appointment of both directors.

4. Accounting Auditor

(1) Name

KPMG AZSA LLC

Names of certified public accountants and their number of continuous audit years are as follows.

Names of certified public accountants who implemented auditing services for the Company	Number of continuous audit years related to the Company
Motohiro Tanaka, Designated Engagement Partner	5 accounting periods
Shimpei Takeshita, Designated Engagement Partner	5 accounting periods
Hiroshi Kubota, Designated Engagement Partner	1 accounting period

(2) Amount of remuneration

(Million yen)

Item	Amount
1) Amount to be paid by the Company	101
2) Total of money and other economic benefits to be paid by the Company and its subsidiary companies	169

- Notes:
1. The Audit Committee confirmed the performance of duties by the Accounting Auditor in the past fiscal years and the appropriateness of the content of the audit plan, audit procedures and auditing framework, the number of audit days, and the calculation basis for the estimated amount of remuneration. As a result, the Audit Committee has determined that the remuneration and others of the Accounting Auditor is appropriate and has given its consent as provided for in Article 399, paragraph (1) of the Companies Act.
 2. The audit engagement agreement entered into by the Accounting Auditor and the Company does not make a distinction between remuneration and others for audit under the Companies Act and for audit under the Financial Instruments and Exchange Act, and both are also substantially indistinguishable. Accordingly, the total amount is stated in the amount 1) above to be paid for these services.
 3. In addition to the remuneration for the audit for the current period, the Company paid an additional remuneration of 4 million yen to the Accounting Auditor for the audit of the previous period.

(3) Non-auditing services

The Company and its consolidated subsidiary companies pay remuneration to the Accounting Auditor for preparation of comfort letters, which is a service other than services stipulated in Article 2, paragraph (1) of the Certified Public Accountants Act (non-auditing services).

(4) Status of audits of financial statements of the Company's subsidiary companies by certified public accountants or audit corporations other than the Company's Accounting Auditor

Among the Company's significant subsidiary companies, some overseas subsidiary companies are audited by certified public accountants or auditing corporations (including those with equivalent qualifications in the respective country) other than the Company's Accounting Auditor.

(5) Policy on decisions of dismissal or non-reappointment of accounting auditor

If the Accounting Auditor is recognized to have fallen under any of the items in Article 340, paragraph (1) of the Companies Act, the Audit Committee shall dismiss the Accounting Auditor by the unanimous consent of all Audit Committee Members.

In addition, if the Audit Committee finds that there are issues preventing the Accounting Auditor from executing its proper duties, or if it recognizes that it is necessary to change the Accounting Auditor in order to further enhance the appropriateness of the audit, then it shall determine the content of a proposal related to the dismissal or non-reappointment of the Accounting Auditor to be submitted at the General Meeting of Shareholders.

5. Corporate governance

(1) Basic approach to corporate governance

The Company has adopted a Company with Three Committees (Nominating, Compensation and Audit) as its governance structure. This structure aims to improve the transparency, objectivity and fairness of management, as well as to separate and strengthen the supervision of management and business execution functions.

In addition, the Company, based on its “Purpose,” which defines shared identity of Nippon Paint Group, and its “Business Philosophy,” which sets the Group’s guidelines, shall promote its business and engage in ongoing efforts to enhance and strengthen its corporate governance, and thereby will realize Maximization of Shareholder Value (MSV) as its sole mission.

(2) Board of Directors

Number of the Board of Directors meetings in FY2022: 16

The Board of Directors has advanced delegating a substantial authority to make important business execution decisions to Executive Officers, while working to separate and strengthen the supervision of management and business execution functions in order to improve the transparency, objectivity and fairness of management.

In addition, when conducting transactions with the Wuthelam Group, a controlling shareholder of the Company, the Company ensures appropriate involvement and supervision by the Independent Directors, such as obtaining approval at the Board of Directors with a majority of Independent Directors from the viewpoint of protecting interests of minority shareholders. In addition, the Company has a structure in which the Lead Independent Director, who is independent of controlling shareholders and other affiliated parties, serves as Board Chair to ensure that the opinions of stakeholders such as minority shareholders are appropriately reflected in the Board of Directors and to further strengthen the function to supervise business execution.

During the current period, the Board of Directors addressed the four issues identified in the effectiveness assessment for fiscal 2022: (1) enhancing discussion of growth strategies, (2) improving the efficiency of the Board of Directors operations, (3) further contributions by Independent Directors, and (4) strengthening the Board of Directors secretariat functions. In particular, in the discussion of growth strategies, based on Asset Assembler model of autonomous and decentralized Group management promoted by the Representative Executive Officers & Co-Presidents, the roadmap to MSV was further developed through repeated deliberations with a view to expanding into “Paint++,” which is the adjacencies area of paint and coatings.

(3) Nominating Committee, Compensation Committee and Audit Committee and the meeting of the Independent Directors

Number of committee meetings and other meetings held in FY2022

Nominating Committee: 12

Compensation Committee: 12

Audit Committee: 14

Meeting of the Independent Directors: 12

The Nominating Committee pursued the ideal composition of the Board of Directors in the future and appointed candidates, as well as held discussions with Representative Executive Officers & Co-Presidents regarding the identification of future management personnel and the creation of an environment for growth in order to strengthen the human capital of Nippon Paint Group.

The Compensation Committee deliberated on the establishment of executive compensation that truly contributes to the realization of MSV in response to an increasingly diverse executive composition in terms of experience, performance, insight, and expertise, and it also evaluated the performance and determined the compensation of Representative Executive Officers & Co-Presidents and Executive Officers, and determined the compensation of Directors.

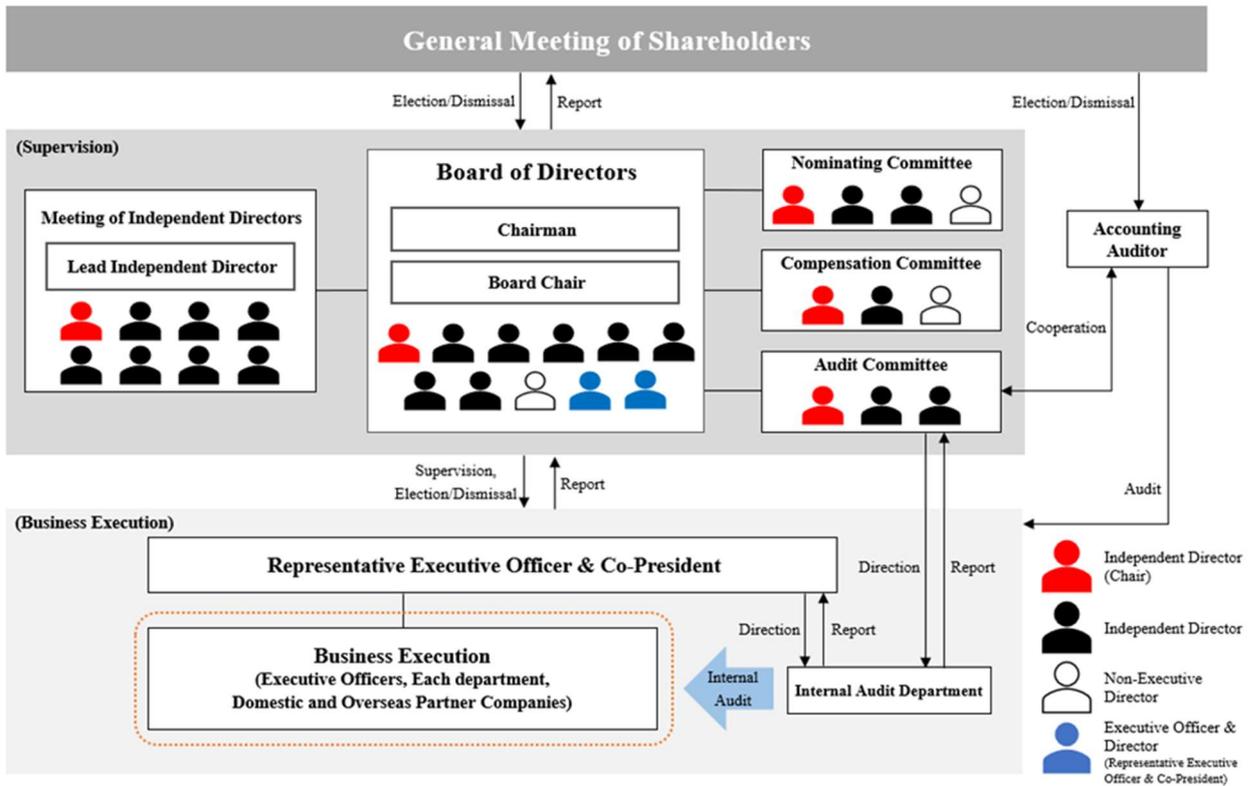
The Audit Committee established a risk-based global audit system under the “Audit on Audit” framework, which relies on internal audits of each partner company, in addition to its own audits of the execution of duties of Directors and Executive Officers.

Furthermore, the meeting of the Independent Directors chaired by the Lead Independent Director followed up on important agenda items and communicated its findings with the business execution side, thereby improving the effectiveness of deliberations at the Board of Directors and ensuring efficient business execution by Executive Officers.

As a result of these activities, the Board of Directors, the Nominating Committee, the Compensation Committee and the Audit Committee, and the meeting of the Independent Directors conducted monitoring to ensure efficient business execution, and further, provided appropriate motivation and incentives for Executive Officers to achieve their maximum potential under the Co-President structure, and created an execution environment that encouraged appropriate and decisive risk-taking.

An overview of the Company’s corporate governance and details of the system are available on the Company’s website below.

<https://www.nipponpaint-holdings.com/en/sustainability/governance/cg/>



(Note) In principle, amounts, numbers of shares, and percentage shown in this Business Report are rounded down to the nearest whole unit.

Consolidated Financial Statements

Consolidated Statements of Profit or Loss (From January 1, 2022 to December 31, 2022)

(Million yen)

Item	Amount
Revenue	1,309,021
Cost of sales	(821,487)
Gross profit	487,534
Selling, general and administrative expenses	(383,367)
Other income	12,875
Other expenses	(5,159)
Operating profit	111,882
Finance income	4,997
Finance costs	(11,806)
Share of profit (loss) of investments accounted for using equity method	(577)
Profit before tax	104,495
Income taxes	(25,042)
Profit	79,452
Profit attributable to	
Owners of parent	79,418
Non-controlling interests	33
Profit	79,452

Consolidated Statement of Financial Position (As of December 31, 2022)

(Million yen)

Item	Amount	Item	Amount
Assets		Liabilities and equity	
Current assets		Liabilities	
Cash and cash equivalents	242,598	Current liabilities	
Inventories	176,049	Trade and other payables	256,835
Trade and other receivables	311,305	Bonds and borrowings	95,970
Other financial assets	17,254	Other financial liabilities	34,153
Other current assets	18,125	Income taxes payable	8,192
Subtotal	765,333	Provisions	3,436
Assets held for sale	301	Other current liabilities	69,622
Total current assets	765,634	Total current liabilities	468,211
Non-current assets		Non-current liabilities	
Property, plant and equipment	376,835	Bonds and borrowings	626,087
Goodwill	825,525	Other financial liabilities	78,027
Other intangible assets	400,052	Retirement benefit liability	16,355
Investments accounted for using equity method	31,390	Provisions	1,164
Other financial assets	26,063	Other non-current liabilities	5,555
Other non-current assets	9,558	Deferred tax liabilities	91,580
Deferred tax assets	7,279	Total non-current liabilities	818,770
Total non-current assets	1,676,706	Total liabilities	1,286,982
		Equity	
		Share capital	671,432
		Treasury shares	(6,096)
		Retained earnings	272,527
		Other components of equity	210,961
		Total equity attributable to owners of parent	1,148,824
		Non-controlling interests	6,533
		Total equity	1,155,358
Total assets	2,442,340	Total liabilities and equity	2,442,340

Non-consolidated Financial Statements

Non-consolidated Balance Sheet (As of December 31, 2022)

(Million yen)

Assets		Liabilities	
Item	Amount	Item	Amount
Current assets	94,911	Current liabilities	101,903
Cash and deposits	75,048	Deposits received from subsidiaries and associates	13,893
Accounts receivable - other	7,512	Current portion of long-term borrowings	85,000
Other	12,350	Other	3,009
Non-current assets	2,130,937	Non-current liabilities	625,015
Property, plant and equipment	223	Long-term borrowings	625,000
Buildings	125	Other	15
Other	98	Total liabilities	726,918
Intangible assets	25		
Software	25	Net assets	
Investments and other assets	2,130,687	Shareholders' equity	1,498,008
Investment securities	5,843	Share capital	671,432
Shares of subsidiaries and associates	2,121,478	Capital surplus	671,042
Deferred tax assets	3,119	Legal capital surplus	670,904
Other	246	Other capital surplus	137
		Retained earnings	161,543
		Legal retained earnings	3,995
		Other retained earnings	157,547
		General reserve	140,065
		Retained earnings brought forward	17,482
		Treasury shares	(6,009)
		Valuation and translation adjustments	812
		Valuation difference on available-for-sale securities	812
		Share acquisition rights	109
		Total net assets	1,498,930
Total assets	2,225,848	Total liabilities and net assets	2,225,848

Non-consolidated Statement of Income (From January 1, 2022 to December 31, 2022)

(Million yen)

Item	Amount	
Operating revenue		
Dividends from subsidiaries and associates	29,131	29,131
Operating expenses		3,712
Operating profit		25,418
Non-operating income		
Dividend income	537	
Foreign exchange gains	2,322	
Other	89	2,949
Non-operating expenses		
Interest expenses	2,284	
Other	114	2,399
Ordinary profit		25,968
Extraordinary income		
Gain on sale of investment securities	13,899	13,899
Extraordinary losses		
Loss on sale of shares of subsidiaries and associates	4,805	4,805
Profit before income taxes		35,063
Income taxes - current	3,515	
Income taxes-deferred	1,666	5,181
Profit		29,881