

**Nippon Paint Group Medium-Term Plan (FY2021-2023)
Update Report Presentation Summary
April 7, 2023**



Good afternoon, everyone. I'm Yuichiro Wakatsuki, Co-President of Nippon Paint Holdings.

Thank you very much for taking the time today to participate in this update meeting on our Medium-Term Plan for FY2021-2023.

3-1. Reinforcing Autonomous Sustainability Structure (1)

Established Basic Policy on Sustainability aimed to achieve MSV based on Asset Assembler model

Basic Policy on Sustainability

Nippon Paint Group recognizes an opportunity for sustainable growth from taking actions such as protecting natural capital including the environment, enhancing human resources by embracing diversity, and creating innovation with social benefits. Our group partner companies autonomously develop sustainability strategies and conduct business activities. Furthermore, we identify risks and opportunities related to Materiality based on sound group governance with the sole mission of Maximization of Shareholder Value (MSV) after adequately fulfilling our legal, social and ethical obligations to customers, suppliers, employees, society and other stakeholders.

Key points of update

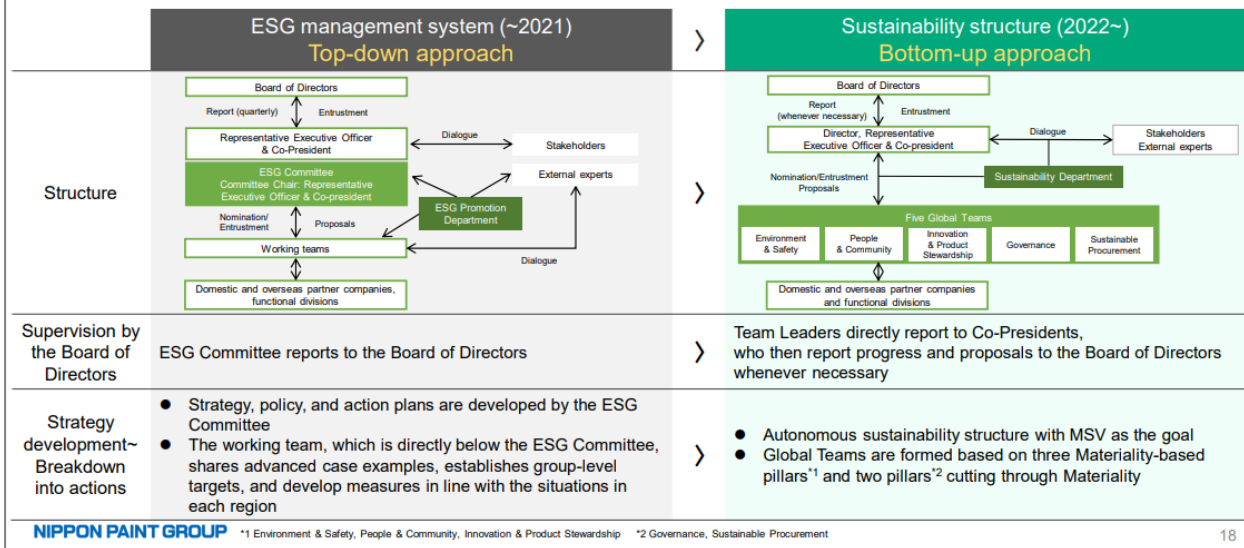
	ESG Statement	>	Basic Policy on Sustainability
Position of MSV	Stated that the delivery of sustainability improvement plans will lead to the creation of new business opportunities and MSV	>	Clearly state that MSV is the goal of our sustainability initiatives
Business model	Premised on Nippon Paint being a paint and coatings manufacturer. Mainly focused on actions to achieve sustainable development	>	Basic Policy on Sustainability based on Asset Assembler model
Procedures	Mainly discussed at the then ESG Committee meeting and reported to the Board meeting in August 2020	>	Discussed and resolved at the Board meeting in March 2023

The updates on our sustainability strategy start on page 17.

Firstly, the Basic Policy on Sustainability was approved by the Board of Directors to replace the existing ESG Statement. This policy clarified MSV as the goal of our sustainability initiatives. In addition, our sustainability initiatives are based on Asset Assembler model and are not based on a centralized, HQ-driven structure as I have stated in prior occasions. This basic policy embodies our approach to sustainability.

3-1. Reinforcing Autonomous Sustainability Structure (2)

Evolved into a business-driven, autonomous sustainability structure with MSV as the goal









We have revised our sustainability structure as I have stated before. Specifically, we adopted a structure where initiatives are taken by management teams and business leaders of partner companies starting with FY2022. This is a change from the top-down, NPFD-led approach used in FY2021 and prior years. Sustainability Team Leaders, who were appointed from business leaders, coordinate agendas from a global perspective and report progress and proposals to the Co-Presidents roughly on a quarterly basis.

Page 19 shows the actions and initiatives of each Sustainability Team. Our sustainability goal is to fulfill our obligations to stakeholders, which is the premise for MSV and is directly linked to MSV. We will properly identify social trends to meet the requirements of society that change from time to time in terms of content and the extent of disclosure. I will not go into the details.

3-4. Sustainability Strategy Updates: ESG Index/Rating Evaluations

Due to our progress in our sustainability initiatives and disclosure enhancement, we have been included in ESG indexes adopted by GPIF and showed improvement in ESG rating scores

ESG index		~2019	2020	2021	2022
	S&P/JPX Carbon Efficient Index	Sep. 2018~			
	MSCI Japan Stock Index (WIN)	June~			
	MSCI Japan ESG Select Leaders Index	June~			
	FTSE Blossom Japan Index	June~			
	FTSE Blossom Japan Sector Relative Index	March~			
ESG rating		2019	2020	2021	2022
	Climate Change	D	C	B	B
	Water Security	D	B-	A-	A-
MSCI	ESG Rating	BBB	A	A	A
FTSE	ESG Score	2.1	2.3	2.5	3.5

Page 25 shows that we have been included in all ESG indexes adopted by GPIF with an improvement in ESG rating scores owing to the progress of our sustainability initiatives and increased sustainability disclosures.