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The corporate governance of Nippon Paint Holdings Co., Ltd. (the "Company") is described below.

Ⅰ. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

■ The Company, based on its "Purpose", which shows the significance of existence common to the Group, and its "Business Philosophy", which is its policy, shall promotes its business and engage in ongoing efforts to enhance and strengthen its corporate governance, and thereby, will "maximize the financial value remaining after the performance of obligations to customers, suppliers, employees, and society, and other stakeholders." (hereinafter referred to as "MSV" or "Maximization of Shareholder Value".), including obligations relating to sustainability, as its ultimate objective.

■ "Purpose"
Enriching our living world through the power of Science + Imagination

■ "Business Philosophy"
Prosper Together
We prosper with absolute integrity and fairness by fulfilling our obligations and maximizing our commitments to all stakeholders (consumers, customers, communities, employees, suppliers, governments).

Powerful Partnership
Our unique approach between our partner companies is based on respect, trust, empowerment, and accountability. These partnerships form a powerful catalyst for innovation and growth.

Science + Imagination
The unlimited power of science and imagination, leading to ground-breaking technology and useful innovation that preserve, enhance and enrich the world.

■ The Company discloses its "Corporate Governance Policies", which presents the basic concepts and initiatives concerning corporate governance, on the Company's website.
https://www.nipponpaint-holdings.com/en/sustainability/governance/cg/

■ The Company discloses its "Nippon Paint Group Global Code of Conduct", which is to be observed by all Directors, Executive Officers, and employees of the Group with respect to compliance, ethics and sustainability, on the Company's website.
https://www.nipponpaint-holdings.com/en/sustainability/governance/gcoc/

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company has implemented the principles of the Corporate Governance Code.

[Disclosure Based on each Principle of the Corporate Governance Code]

The following statements are based on the Corporate Governance Code (including content for the prime market) revised in June 2021.

[General Principle 1-4]
■ Policy on cross shareholdings

・The Company makes a decision every year on the continued holding of cross-shareholders at the Board of Directors based on the policy described below and disposes of or reduces holdings of shares for which the rationality of their holding can't be recognized.
Company Policy: The Company holds shares of other listed companies as Cross-Shareholdings, limited to where it can be determined to be reasonable in consideration of, among others, the necessity of it for business activities (e.g., to maintain and strengthen the relationship with the business partner), the status of the issuer, and the return on the capital cost.

■ Standards for the exercising of voting rights of cross-shareholdings
・ The Company, based on the policy of the preceding paragraph and internal standards, exercises voting rights upon making comprehensive judgment, from the perspectives of maximization of corporate value in the medium to long term of the other company to the Cross-Shareholding, the effect on the Group, etc.

[General Principle 1-7]
■ Mechanism for checks on transactions between related parties
・ The Company reports to the Board of Directors and discloses significant related party transactions exceeding a certain monetary threshold (such as transactions between the Company and a major shareholder, competing transactions between the Company and Directors or the Executive Officers, transactions for itself, and conflict of interest transactions, etc.) in Notice of convocation of the Annual General Meeting of Shareholders and Securities report.
・ When the Company intends to carry out a related party transaction, the Company will make a comprehensive judgment regarding the reasonableness of the transaction taking into consideration its terms and condition, profit and cost levels, etc., to ensure that the transaction will not harm the interests of the Company or the interests of its minority shareholders and obtain the approval of the appropriate decision-maker.
・ In particular, when conducting transactions with the Controlling Company of the Company, the Company shall ensure appropriate involvement and supervision by the Independent Outside Directors, such as obtaining approval at the Board of Directors with the majority of the Independent Directors, etc.
・ The Company has prescribed the "monitoring for conflicts of interests between the Company and its Directors, Executive Officers, and controlling shareholders, etc." as one of the "Roles of Independent Directors" in Article 22 (Role of Independent Directors) of the Company's "Corporate Governance Policies".
・ Notice of convocation of the Annual General Meeting of Shareholders
(https://www.nipponpaint-holdings.com/en/ir/stock/meeting/)
・ Securities report(https://www.nipponpaint-holdings.com/en/ir/library/statements/)

[Supplementary General Principle 2-4-1] Updated
■ Ensuring diversity in promotions to core human resources
・ The Company has designated "Diversity and Inclusion" as a materiality related to sustainability, and as a strategy to address this issue, the Company has formed a global team, "People and Community," which reports directly to the Co-Presidents. The pillars of the team's activities are (1) Increasing the ratio of women in managerial positions (top and middle management), (2) Embracing diversity, and (3) Building and enabling local communities. Each partner company (referring to a consolidated subsidiary of the Company) is proactively and autonomously taking initiatives based on the specific circumstances of each country and region. The results of these efforts are reflected in indicators such as "the ratio of women in managerial positions" as well as in "employee satisfaction. "
・ The overall circumstances of the Group
The human resources of the Group consist of a diverse range of people of different nationalities, genders, and backgrounds. Of its consolidated employees, 89.9% are foreign nationals who belong to our overseas partner companies. In addition, each partner company autonomously hires mid-career professionals and promotes diverse personnel to managerial positions.
In terms of the utilization of female employees, the ratio of women in managerial positions across the entire group (main partner company groups) stands at 26.5%. In Japan, the ratio is 5.3%, 26.6% in NIPSEA Group, 30.5% in DuluxGroup, and 35.0% in Dunn-Edwards in the Americas, and the Company is making progress in improving the gender balance. (as of the end of FY2023)
・ The circumstance of Japan Group
<Promotion of female employees to management positions>
Consistent with its overseas partner company groups, the Japan Group regards the development of diverse managerial positions, including female employees, as a key management issue, and has established the "D&I Committee" in 2022 to strengthen and promote efforts toward this goal. As part of the committee's efforts, the Company is implementing various initiatives, including support for developing next-generation female leadership candidates and their career visioning, as well as fostering mindset reform among employees to facilitate their promotion to managerial positions. In order to realize D&I that contributes to business growth, the committee, chaired by the Representative Executive Officer & Co-President from 2024, is actively exchanging opinions with female leaders across partner companies. The committee is focused on promoting the development of human

resources across the entire group and reforming the organizational climate to be more inclusive of diverse human resources.
The percentage of female employees in middle management positions, based on Act on the Promotion of Women's Active Engagement in Professional Life, is 4.9% (at the end of FY2023, with a target of 10% by 2025 based on the action plan developed in 2016.) in Japan Group (following main partner companies). The data of each partner company in Japan Group is as follows. (as of the end of FY2023)

Nippon Paint Holdings Co., Ltd.	: 7.1%
Nippon Paint Marine Coatings Co., Ltd.	: 6.5%
Nippon Paint Automotive Coatings Co., Ltd.	: 6.9%
Nippon Paint Industrial Coatings Co., Ltd.	: 1.6%
Nippon Paint Co., Ltd.	: 4.0%
Nippon Paint Surf Chemicals Co., Ltd.	: 6.7%
Nippon Paint Marine Coatings Co., Ltd.	: 5.9%
Nippon Paint Materials Co., Ltd.	: 11.1%

<Promotion of Mid-career hires to management positions>
The percentage of mid-career hires in key management positions in the Japan Group is currently about 31%. The active utilization of mid-career hires is a relatively well-established aspect of our culture. By introducing and facilitating a job-based employment, the Company is working to diversify its human resources through the appointment of suitable external personnel.
<Promotion of foreign nationals to management positions>
The percentage of non-Japanese employees in key management positions in the Japan Group is currently about 2%. Since the establishment of the Co-President structure with foreign and Japanese nationals, opportunities for collaboration with foreign employees have increased. The Company is further diversifying its human resources by facilitating the hiring of foreign employees and personnel exchanges between domestic and overseas group companies.
Through these efforts, the Company will continue to work diligently to ensure diversity in its workforce.
・ As of March 28, 2024, the Company has one female Director (11%), one female Executive Officer (33%), and one female Corporate Officer (100%).
Management Team (https://www.nipponpaint-holdings.com/en/company/officer/)
Group Executive Profiles (https://www.nipponpaint-holdings.com/en/ir/management_policy/top_management/)
・ The Company discloses its "Nippon Paint Group Statement regarding Employee Development" and "D&I Statement" on the Company's website.
https://www.nipponpaint-holdings.com/en/sustainability/social/hrmanagement/
https://www.nipponpaint-holdings.com/en/sustainability/social/diversity/

[General Principle 2-6]
■ Demonstration of function as a corporate pension asset owner
<Defined Benefit Corporate Pension Fund>
・ The Company, in the management and operation of the "Nippon Paint Corporate Pension Fund (hereinafter the "Fund")," in order to be able to demonstrate the function expected as the asset owner of the Fund, systematically secures personnel with the qualities required for the management and operation of the Fund from both within and outside the Group, and deploys such personnel as representatives of the corporate pension fund, and to the Asset Management Committee and Corporate Pension Fund Secretary's Office. In addition, in partnerships with investment consultants, efforts are made to promote the understanding of the operation status and individual strategies of the pension assets in general, and to further improve the level of expertise.
・ In the operation of the Fund, decisions are made by the representative committee, based on the activities status report for the investment period, as well as the opinions of the Asset Management Committee, and investment consultants, with the objective of the maximization of the interest of the beneficiaries.
・ The selection of investment institution shall be determined in accordance with the standards prescribed in the Basic Policy on Asset Management, upon the performance of a comprehensive assessment of both quantitative aspects, such as investment performance, and qualitative aspects, such as investment policy and compliance.
・ In addition, in the exercising of voting rights in companies receiving investment, etc., the Company is appropriately managing any conflicts of interest that arise between the beneficiaries and the Company.
・ As part of corporate governance reforms, in December 2020, the Fund declared that it had received a Stewardship Code. Toward the resolution of social issues relating to global sustainability, through the Stewardship Code, the Company is promoting the improvement of the corporate value of investee companies and their sustainable growth and making efforts to increase the interests of final beneficiaries.
Nippon Paint Corporate Pension Plan "Regarding the Receiving of a Stewardship Code（https://www.nipponpaint-kikin.jp/stewardship/）
<Defined Contribution Corporate Pension>
Members of the "Nippon Paint Group Defined Contribution Pension" plan are provided with education on asset management, such as through training, as well as support for the stable asset formation of members.

[General Principle 3-1]
■ General Principle 3-1 (i) What the Company is aiming for (Management philosophy, etc.), management strategy, and management plan of the Company.
・The Company discloses its “Purpose” and “Business Philosophy”. The Company has also published its “Purpose” and “Medium-Term Strategy” on the Company’s website.
・ https://www.nipponpaint-holdings.com/en/company/purpose/
・ Medium-term Strategy (https://www.nipponpaint-holdings.com/en/ir/library/materials_01/)

■ [General Principle 3-1] (ii) The basic concepts and basic policies in relation to corporate governance, based on each of the principles in this code
Stated in “1. Basic concepts” of this Report.

■ General Principle 3-1(iii) Policy and procedures when the Board of Directors determines the compensation of Directors and management executives
・Stated in Article 26 (The Compensation Committee) and Article 27 (Decision Making Policies for Compensation, etc., of Directors and Executive Officers) of the “Corporate Governance Policies”

■ General Principle 3-1(iv) Policies and procedures for the appointment and dismissal of management executives and the nomination of candidate Directors and Audit and Supervisory Board Members
・Stated in Article 19 (Composition of the Board of Directors), Article 20 (Director Appointment and Qualification Standards), Article 25 (The Nominating Committee), Article 31 (Policies and Procedures for the Election and Dismissal of Executive Officers), and Article 32(Successor Plan for the Representative Executive Officers, etc.).

■ General Principle 3-1 (v) When the Board of Directors selects management executives or nominates Directors or Audit and Supervisory Board Members based on (iv) above, they will explain each selection and nomination
・Stated in “Notice of Annual General Meeting of Shareholders” published in the website of the Company

[Supplementary General Principle3-1-3]
■ Sustainability Initiatives
・ Stated in the "Implementation of environmental protection activities, CSR activities, etc." section of "3. Measures to ensure due respect for the position of stakeholders" in "III Implementation status of measures concerning shareholders and other stakeholders" of this Report.

[Supplementary General Principle 4-1-1]
■ Overview of scope of delegation from the Board of Directors to management personnel
・ Stated in Article 18 (Role of the Board of Directors) of the “Corporate Governance Policies” of the Company.

[General Principle 4-8]
■ Effective use of Independent Directors
・ The principle of a majority of the Directors being Independent Directors is stated in Article 19 (Composition of the Board of Directors) of the “Corporate Governance Policies” of the Company.

[General Principle 4-9]
■ Independence Criteria for Outside Director
・ Stated in “II.1 [Independent Officers] Other matters relating to Independent Officers” of this Report.

[Supplementary General Principle 4-11-1]
■ Concepts on the balancing of knowledge, experience, and abilities, as well as the diversity and size of the Board of Directors overall
・ Stated in Article 19 (Composition of the Board of Directors) and Article 20 (Director Appointment and Qualification Standards) of the “Corporate Governance Policies” of the Company.

[Supplementary General Principle 4-11-2]
■ Situation of concurrent service of Directors
・ Stated in the “Notice of Convocation of the 199th Annual General Meeting of Shareholders”
・ Furthermore, Board of Directors Rule of the Company stipulate that Outside Directors must obtain the prior approval of the Board of Directors of the Company before assuming new positions as Directors at other companies and/or organizations outside the Group that may have potential conflicts of interest against the Group.

[Supplementary General Principle 4-11-3]
■ Overview of analysis and assessments on the effectiveness of the Board of Directors

For FY2023,led by the Board Chair of the Board of Directors and the Chairperson of the Nominating Committee, we evaluated the effectiveness through extensive discussions at the Board of Directors meetings, based on the results of a questionnaire targeting all Directors and Executive Officers.
Using the questionnaire, each Director evaluated the composition of the Board of Directors, pre-meeting preparations, operations, quality of deliberations, Director's contributions, the monitoring structure for the management team, the composition of each committee, and other matters. We then held discussions at the Board of Directors meetings based on these results.
Based on the evaluation results, it was evaluated that the effectiveness of our Board of Directors is generally maintained.
In specifics, we addressed the three issues identified through FY2022 Board Effectiveness Evaluation, namely (1) Upgrading operation of the Board of Directors, (2) Contributions of Independent Directors, and (3) Engagement in succession planning. It was worth noting that, regarding the sophistication of the operation of the Board of Directors, we narrowed down the agenda items and strategically set them throughout the year. As a result, the proportion of deliberation on medium to long-term management strategies and others matters has increased, enhancing the quality of the Board's discussion.
Meanwhile, we have identified the following 4 issues requiring stronger initiatives for FY2024: (1) Enrichment of discussion on growth strategy, (2) Improvement of the operational efficiency of Board Meetings, (3) Thorough engagement in succession planning and (4) Further fine-tuning of the "Audit on Audit" framework.
Given such results, our Board of Directors is continuing to strive to improve its effectiveness in order to achieve sustainable "Maximization of Shareholder Value".
Furthermore, we will consider evaluations by a third party as necessary going forward.

[Supplementary General Principle 4-14-2]
■ Policy on training for Directors
・ Stated in Article 34 (Policy on Training for Directors) of the "Corporate Governance Policies" of the Company.

[General Principle 5-1]
■ Policies on the establishment of a system and initiatives for the promotion of constructive dialog with shareholders.
・ Stated in Article 15 (Disclosure of Information), Article 36 (Basic Policy on Dialogue with Shareholders), and Article 37 (System for Dialogue with Shareholders). In addition, the "Basic Policy on Dialogue with Shareholders and Investors", the structure and achievements of the dialogue are disclosed on the Company's website.
https://www.nipponpaint-holdings.com/en/ir/dialogue/

■ Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Updated on September 24, 2024)
・ Nippon Paint Group is pursuing our sole mission of MSV through the maximization of EPS and PER. The Group practices management with attention paid to our stock price, which is the outcome of the pursuit of MSV.
・ While maximizing EPS and PER, the Company also maintains its policy to have ROIC (return on invested capital) surpassing WACC (weighted average cost of capital: approximately 6%) eventually for M&A. Capital efficiency is on a slight decline as a result of recognizing goodwill linked to our M&A activities. With EPS accretion Year 1 of acquisition, the acquired company is also expected to attain an ROIC surpassing the WACC (on a consolidated basis) within 3 to 4 years. This will be accomplished through post-acquisition profit growth and a shortened cash conversion cycle (CCC), leading to improved capital efficiency.
https://www.nipponpaint-holdings.com/en/ir/management_policy/strategy/
https://www.nipponpaint-holdings.com/en/ir/management_policy/cfo_interview/

2. Capital Structure

Foreign shareholding ratio	Above 30%

[Status of Major Shareholders]

Name or Company Name	Number of Shares Owned	Percentage (%)
Nipsea International Limited	1,293,030,000	55.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	148,845,200	6.33
Fraser (HK) Limited	85,000,000	3.61
UBS AGLB SEG AC UNTRADABLE SHARES	84,899,400	3.61
Nippon Life Insurance Company	45,625,565	1.94
Custody Bank of Japan, Ltd. (Trust Account)	43,413,600	1.84
BNYM AS AGT/CLTS NON TREATY JASDEC	37,077,340	1.57
HSBC OVERSEAS NOMINEE (UK) LIMITED A/C PSJP	24,855,000	1.05
HSBC - FUND SERVICES CLIENTS A/C 500	23,581,600	1.00
GOLDMAN SACHS INTERNATIONAL	22,456,713	0.95

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	———
Name of Parent Company, if applicable	Nipsea International Limited (Unlisted)

Supplementary Explanation

1. The total number of issued shares written are as of June 30, 2024.
2. The ratio of the number of shares owned to the total number of issued shares is calculated excluding treasury stock of 21,766,232 shares.
3. Nipsea International Limited is a wholly owned subsidiary of Wuthelam Holdings Ltd. where Goh Hup Jin, a 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.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime
Fiscal Year-end	December
Business Sector	Chemical
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1000
Net Sales (Consolidated) for the Previous Fiscal Year	More than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Not less than 100, but less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

・ In Article 22 (3) and (4) of the Company's "Corporate Governance Policies," for the purpose of protecting minority shareholders, the Company stipulates the roles of Independent Directors as "To supervise conflicts of interest between the Company and Directors, Executive Officers, and controlling shareholders, etc." and "To ensure that the opinion of stakeholders such as minority shareholders is appropriate reflected at the Board of Directors".
・ In Article 7 (3) of the Company's "Corporate Governance Policies," from the viewpoint of protecting minority shareholders, the Company stipulates that when conducting transactions with the Controlling Company of the Company, the Company shall ensure appropriate involvement and supervision by the Independent Directors, such as obtaining approval at the Board of Directors with the majority of the Independent Directors, etc.
・ When conducting transactions with the Controlling Company of the Company, the Company establishes a non-permanent Special Committee consisting solely of Independent Directors for the purpose of protecting minority shareholders, and the committee deliberates on the transaction. Furthermore, based on the deliberations of the Special Committee, a report is submitted to the Board of Directors, and the Board of Directors with the majority of the Independent Directors, deliberates the report and pass the resolution.
・ In FY2023, there was a transaction to acquire shares of Nippon Paint (India) Private Limited and Berger Nippon Paint Automotive Coatings Private Limited, two Indian paint manufacturers, from Isaac Newton Corporation, which belongs to the controlling company, the Wuthelam Group. In this regard, after consultation with a special committee consisting of Independent Directors, Board of Directors, at a meeting held on August 29, 2023, resolved to enter into this share transfer agreement with the approval of all directors who have no interest in the Wuthelam Group. The Company has newly obtained a stock valuation report by a third-party valuator independent from the Company, the Wuthelam Group and the target companies, with the aim of ensuring the fairness of transaction. The acquisition price of the target companies has been determined based on the stock valuation thus obtained. The Acquisition was carried out through the execution of call options which give NPHD the rights to buy back the Target Companies based on the Master Agreement that was signed with Isaac Newton Corporation, which is a member of the Wuthelam Group as stated in “Notice Regarding Transfer of Shares Accompanying Change in Consolidated Subsidiary” dated August 10, 2021 (the “August 10, FY 2021 Announcement”.)
・ Independent Directors who serves as members of the above Special Committee attended all four meetings of the committee.
・ There are no agreements between the Company and the Wuthelam Group regarding the holding or sale of the Company's shares held by the Wuthelam Group, the exercise of voting rights, or any other agreements that would restrict the management of the Company.

5. Other Special Circumstances which may have a Material Impact on Corporate Governance

The Company's parent company is Nipsea International Limited, which belongs to the Wuthelam Group, but the Company believes that it has secured a certain degree of independence from the Wuthelam Group because it has taken the measures described in the above "4. Guidelines for measures to protect minority shareholders in conducting transactions with the controlling shareholder".

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Organizational form	Company with a Nominating Committee, etc.

[Directors]

Number of Directors Stipulated in Articles of Incorporation	11 people
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	9

[Outside Directors]

Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company (*)									
		a	b	c	d	e	f	g	h	i	j	k
Hisashi Hara	Attorney											
Peter M Kirby	Formerly a member of another company											
Lim Hwee Hua	Formerly a member of another company											
Masataka Mitsuhashi	Certified public accountant								△			
Toshio Morohoshi	Formerly a member of another company											
Masayoshi Nakamura	Formerly a member of another company								△			

*** Selections regarding the relationship with the company**
*** "○" if the person falls under each item in "current / recent," "△" if the person falls under "past"**
*** "●" if a close relative falls under each item in "current / recent," "▲" if they fall under "past"**

a Executive of a listed or its subsidiary
b Executive or Non-Executive Director of the parent company of a listed company
c Executive of a brother company of a listed company
d Person whose major client or supplier is a listed company or an executive thereof
e Major client or supplier of a listed company or an executive thereof
f Consultant, accounting expert or legal expert who receives a large amount of monetary consideration or other property from a listed company besides executive compensation
g Major shareholder of a listed company (or an executive of the said major shareholder if it is a corporation)
h Executive of a client or supplier company of a listed company (which does not fall under any of d, e, or f) (the executive himself/herself only)
i The previous executive in a relationship where there is a mutual appointment of outside officers (the executive himself/herself only)
j Executive of a company or organization that receives a donation from the Company (the Outside Audit & Supervisory Board Member himself/herself only)
k Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nominating	Compensation	Audit			
Hisashi Hara	○			○	(Concurrent Position) Senior Counsel at T&K Partners	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. In addition, he was elected as a director at the General Meeting of Shareholder and satisfies the requirements for independent directors set forth by the Tokyo Stock Exchange and the Company's "Independence Criteria for Outside Director". Since the Company judged that there is no risk of conflict of interest with general shareholders, the Company designated him as an independent director.
Peter M Kirby			○	○		Peter M Kirby has 40 years senior management experience in the international coatings industry including as Chairman and CEO of ICI Paints Worldwide, and as Board Chairman of DuluxGroup (then an independent Australian-listed public company and now a subsidiary of Nippon Paint Holdings). He has served as Chairman of Medibank Private Ltd, the largest private health insurer in Australia and an

						Independent Director of Macquarie Bank & Group, and Orica Ltd. Since his appointment to the Board of the Company, he has actively contributed to group strategy, international growth, operational improvement and the development of human resources. In addition, he has served as a member of the Audit Committee from 2023 providing advice on risk reduction, governance and operational control. 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. In addition, he was elected as a director at the General Meeting of Shareholder and satisfies the requirements for independent directors set forth by the Tokyo Stock Exchange and the Company's "Independence Criteria for Outside Director". Since the Company judged that there is no risk of conflict of interest with general shareholders, the Company designated him as an independent director.
Lim Hwee Hua		○		○	(Concurrent Position) Independent Chairman of Japfa Ltd. Independent Outside Director of JERA Co., Inc.	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 has engaged 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. Moreover, serving as Compensation Committee Chairperson from 2023, she has led the executive compensation

						decision process that contributed to Maximizing Shareholder Value. 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. In addition, she was elected as a director at the General Meeting of Shareholder and satisfies the requirements for independent directors set forth by the Tokyo Stock Exchange and the Company's "Independence Criteria for Outside Director". Since the Company judged that there is no risk of conflict of interest with general shareholders, the Company designated her as an independent director.
Masataka Mitsuhashi			○	○	(Concurrent Position) Outside Audit & Supervisory Board Member of Fujifilm Holdings Corporation Outside Director (Audit and Supervisory Committee Member) of Integral Corporation The Company has business relations involving the receipt of tax consultation and other services with the PwC Japan Group, which includes PwC Advisory LLC and PricewaterhouseCoopers Aarata LLC (currently PricewaterhouseCoopers Japan LLC), where Masataka Mitsuhashi previously served as a business executive. In addition, he served as an advisor to the Governance Advisory Committee established as an advisory committee for the Board of Directors of the Company until December 31, 2019. However, as the amount of such transactions was less than the amount	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. In addition, he was elected as a director at the General Meeting of Shareholder and satisfies the requirements for independent directors set forth by the Tokyo Stock Exchange and the

					prescribed in the “Independent Criteria for Outside Director” of the Company, the Company has determined that there is no concern of a conflict of interest with general shareholders.	Company’s “Independence Criteria for Outside Director”. Since the Company judged that there is no risk of conflict of interest with general shareholders, the Company designated him as an independent director.
Toshio Morohoshi	○		○	○	(Concurrent Position) Outside Director of T-Gaia Corporation	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. In addition, he was elected as a director at the General Meeting of Shareholder and satisfies the requirements for independent directors set forth by the Tokyo Stock Exchange and the Company’s “Independence Criteria for Outside Director”. Since the Company judged that there is no risk of conflict of interest with general shareholders, the Company designated him as an independent director.
Masayoshi Nakamura	○	○		○	The Company has business relations involving the financing and other services with Mitsubishi UFJ Financial Group and Mitsubishi UFJ Securities Co., Ltd. (currently Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.),	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

					where Masayoshi Nakamura previously served as a business executive, along with its sister company, MUFG Bank, Ltd. However, since he retired from all positions at Mitsubishi UFJ Financial Group more than 10 years ago, the Company has determined that there is no concern of a conflict of interest with general shareholders.	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. In addition, he was elected as a director at the General Meeting of Shareholder and satisfies the requirements for independent directors set forth by the Tokyo Stock Exchange and the Company's "Independence Criteria for Outside Director". Since the Company judged that there is no risk of conflict of interest with general shareholders, the Company designated him as an independent director.

[Supervisory Committees]

Composition of Supervisory Committee and Attributes of the Chairperson

	All committee members	Full-Time Members	Inside Directors	Outside Directors	Committee Chair
Nominating Committee	4	0	1	3	Outside Director
Compensation Committee	3	0	1	2	Outside Director
Audit Committee	3	0	0	3	Outside Director

[Executive Officers]

Number of Executive Officers	3

Status of Concurrent Duties

Name	Presence or absence of representation rights	Presence or absence of concurrent service as director			Presence or absence of concurrent service as employee
			Nominating Committee Member	Compensation Committee Member	
Yuichiro Wakatsuki	Yes	Adopted	×	×	Not adopted
Wee Siew Kim	Yes	Adopted	×	×	Not adopted
Yuri Inoue	Not adopted	Not adopted	×	×	Not adopted

[Audit Structure]

Appointment of Directors and/or staff to Support the Audit Committee	Yes

Matters Related to the Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

・ The Audit Department is in charge of assisting the Audit Committee in its duties. The Audit Department serves as the secretariat of the Audit Committee and also assists the Audit Committee in its audit activities by investigating, analyzing, and reporting on matters subject to audit under the direction of the Audit Committee.

・ Furthermore, in order to ensure independence from the Executive Officers of the Audit Department, the Company's Audit Committee rules stipulate that matters related to the personnel rights of the General Manager of the Audit Department, basic policy of the Audit Department, the Audit Committee's authority to consent to audit plan and budget, and the Audit Committee's instructions concerning audits take precedence over those of the Representative Executive Officer & Co-President.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Department

・ The Audit Committee is working to establish the framework of “Audit on Audit” system that relies on the results of internal audits conducted by each location, while holding the Group Audit Committee, which brings together internal audit personnel of the Audit Department and domestic and overseas partner companies to share best practices and exchange opinions on internal audits, thereby developing and strengthening the internal audit system for the entire Group and enhancing the internal audit system implemented by each site.

・ In addition, the Audit Committee is making efforts to improve the effectiveness of audits through various activities, such includes the quarterly holding of three-way audit meetings attended by the Accounting Auditor and the Audit Department, to share information and exchange opinions mutually on audit plans, the status of audits during the period, audit concerns, and responses to risks to ensure efficient and effective audit coordination, and regular meetings with Audit & Supervisory Board Members of domestic partner companies, and interviews with local audit firms of overseas subsidiaries, and sharing information and exchanging opinions on issues identified through audits.

[Matters Concerning Independent Directors]

Number of Independent Directors	6

Other matters concerning independent officers

The Company has specified all Outside Directors who meet the qualifications for to be independent officers as independent officers.

Independence Criteria for Outside Director prescribed by the Company are as set forth below.

<Independence Criteria for Outside Director>

1. The Company will determine that Outside Directors 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).

(2) The person in question is not an executive (Note 3) or director or former executive or director (Note 4) of a parent company (Note 2) of the Company.

(3) The person in question is not an executive or ex-executive (Note 5) of the Company or a subsidiary of the Company (hereinafter referred to as “the Group”).

(4) The person in question is not an executive or ex-executive of a fellow subsidiary 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:

(i) A major shareholder (Note 7) of the Company, or an executive of such a major shareholder

(ii) A person whose major business partner is the Group (Note 8) or an executive of such a person

(iii) A major trading partner (Note 9) of the Group or an executive of such a trading partner

(iv) A person belonging to an audit corporation that conducts statutory audits of the Group

(v) A person who receives a significant amount (Note 10) of money, etc. from the Group aside from officer remuneration

(vi) 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 the spouse or a relative within the second degree of a person who falls applicable under any of the items of (1) and (5) above.

2. Independent Directors shall strive to maintain the independence prescribed by these Independence Criteria until their 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 who is a controlling shareholder a defined by the “Securities Listing Rules (Tokyo Stock Exchange)” (Listing Rules) Article 3, No. 42-2 and the Enforcement Rules thereof Article 3-2

2. A parent company means parent company as define in the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements” (Financial Statement Rules), Article 8, Paragraph 3.

3. An executive means an Executive Director, an Executive Officer, a Corporate Officer, or a person holding a similar position at a corporation or other organization.

4. A former executive or director means a person who has been an executive or director anytime 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 fellow subsidiary means another company that 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.

[Incentives]

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers	Introduction of a performance-linked remuneration plan, stock option plans, and others

Supplementary Explanation of the Applicable Items

The performance-linked remuneration system is disclosed in the "Composition and Calculation Method of Directors' Remuneration, etc." in Securities Report. The stock option plan is disclosed in "Details of Stock Option Plan" in Securities Report.

・ Securities Report for the 198th Fiscal Year (https://www.nipponpaint-holdings.com/ir/library/securities_report/)

Persons Eligible for Stock Options	Inside Directors, employees

Supplementary Explanation of the Applicable Items

With regard to share remuneration as a part of “long-term incentive remuneration,” stock options are converted to Restricted Stock in FY 2019. In addition, there were no new grants of stock options in the period ending December 2023.

・ Securities Report for the 198th Fiscal Year (https://www.nipponpaint-holdings.com/ir/library/securities_report/)

[Remuneration for Directors and Executive Officers]

Status of Disclosure of Individual Director’s Remuneration	Compensation of only some of the Directors is disclosed
Status of Disclosure of Individual Executive Officers’ Remuneration	Compensation of only some of the Directors is disclosed

Supplementary Explanation of the Applicable Items

・ In Securities Report, the “total amount of compensation, etc., for each officer category, total amount of compensation, etc., by type, and number of target officers” are disclosed and, with regard to officers whose total amount of consolidated compensation, etc., is 100 million JPY or more, the “total amount, etc., of consolidated compensation by officer” is disclosed.

・ Securities Report for the 198th Fiscal Year (https://www.nipponpaint-holdings.com/ir/library/securities_report/)

Policy on Determining Remuniration amounts and Calculation Methods	Yes

Disclosure of policy for determining the amount of compensation or its calculation method

・ With regard to the determination policies for the compensation of Directors and Executive Officers, the Compensation Committee has stipulated the following compensation philosophy and Design Policies for compensation of Representative Executive Officers and Co-Presidents. The FY2024 compensation system has been determined after fair and transparent deliberations in accordance with such determined policies.

[Compensation Philosophy]

Overarching Principle

・ In order to implement ”Maximization of Shareholder Value” (MSV), to build a compensation system that is transparent and satisfactory and to continue to provide appropriate motivation, incentives, etc., to key executives by implementing individual treatment based on the system.

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 environment.

・To function effectively and in harmony with the current state of business development, level of maturity of organizational systems, organizational values, and the community.

In accordance with this compensation philosophy, the design policies for the compensation of the Representative Executive Officer and President has been determined to be the below.

[Design Policies for Compensation of Representative Executive Officers & Co-Presidents]
・Compensation that contributes to MSV
・A total amount of compensation that is commensurate with the performance of the Representative Executive Officer and Co-President
・A compensation structure that promotes appropriate and decisive risk taking

The "Composition and Calculation Method of Directors' Compensation, etc." determined in accordance with the above decision-making policy is disclosed in Securities Report.
Securities Report for the 198th Fiscal Year (https://www.nipponpaint-holdings.com/ir/library/securities_report/)

[Support System for Outside Directors]

・The Company will strive to put in place an environment that encourages lively discussion to ensure that discussions at the board meetings are rewarding. For example, the Company will notify board meeting agenda and deliver materials related to them to Directors in advance in addition to the provision of prior explanation to Outside Directors as necessary.
・The Board of Directors, Nominating Committee, Compensation Committee, Audit Committee, and Independent Director Committee may appoint attorneys, chartered public accountants, tax accountants, consultants, and other external specialists at the cost of the Company as necessary, and may receive advice therefrom.
・The Company, in order to ensure the effectiveness of the Board of Directors, the Nominating Committee, the Compensation Committee, the Audit Committee, as well as meetings of the Independent Directors, shall establish a secretary's office for each meeting body that has been assigned an appropriate budget and personnel.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

1. An overview of the corporate governance system of the Company is set forth below.

(1) Board of Directors and Directors
・The Board of Directors supervises the general management of the Group. The Board of Directors delegates decision-making authority for the execution of business to executive officers, with the exception of matters requiring the resolution of the Board of Directors pursuant to laws and ordinances and the Articles of Incorporation, matters delegated to the Board of Directors by resolution of a shareholders' meeting, and important matters relating to the management of the Group.
・The Board of Directors consists of Directors who concurrently serve as Executive Officers and Directors who do not concurrently serve as Executive Officers, and a majority of the Directors are Independent Directors. The Board Chair of the Board is Masayoshi Nakamura, who is the Lead Independent Director.
・The number of meetings of the Board of Directors and the attendance of each Director during FY2023 are as follows.

		Attendance
Yuichiro Waktsuki	(Director, Representative Executive Officer & Co-President)	9 / 9 (100%)
Wee Siew Kim	(Director, Representative Executive Officer & Co-President)	9 / 9 (100%)
Goh Hup Jin	(Director, Chairman)	9 / 9 (100%)
Hisashi Hara	(Independent Director)	9 / 9 (100%)
Peter M Kirby	(Independent Director)	9 / 9 (100%)
Miharu Koezuka	(Independent Director)	1 /1 (100%)
Lim Hwee Hua	(Independent Director)	9 / 9 (100%)
Masataka Mitsuhashi	(Independent Director)	9 / 9 (100%)
Toshio Morohoshi	(Independent Director)	9 / 9 (100%)
Masayoshi Nakamura	(Lead Independent Director, Board Chair)	9 / 9 (100%)
Takashi Tsutsui	(Independent Director)	1 /1 (100%)

(Note)
1. Based on the tenure of each Director in FY 2023.
2. Miharu Koezuka and Mr. Takashi Tsutsui resigned as of March 28, in FY 2023.

Detailed information on each Director, including a skills matrix, is disclosed on the Company's website.
https://www.nipponpaint-holdings.com/en/sustainability/governance/board/

・The Company, through a mutual election by Independent Directors, has appointed Masayoshi Nakamura as the Lead Independent Director. The Lead Independent Director, upon collecting the opinions of the other

Independent Directors as necessary, conveys the opinion of the Independent Directors to the Chairman, Representative Executive Officers & Co-Presidents and other Executive Officers, and discusses responses as necessary.
・The Lead Independent Director convenes meetings of the independent directors, consisting of all Independent Directors, before and after board meetings and as needed.
・In FY2023, the Board of Directors' meetings are held to decide proposals to be submitted to the General Meeting of Shareholders, to decide important M&A and capital investment projects, to appoint Executive Officers, to confirm the progress of the medium-term plan, confirm the operation of internal control systems, to confirm sustainability activities, and to monitor the execution of duties by Executive Officers, etc. based on reports from Executive Officers and committees. The Board of Directors also evaluated the effectiveness of the Board of Directors.

(2) Committees
The following committees prescribed by the Companies Act have been established.
(i) Nominating Committee
The Nominating Committee determine proposals regarding the election and dismissal of Directors to be submitted to the General Meeting of Shareholders, as well as deliberates and reports to the Board of Directors on the succession plans for Directors, the appointments and dismissals of the Representative Executive Officer & President and other Executive Officers, and submission of opinions about the succession plan and other proposals, based on consultations from the Board of Directors. In FY2023, the Nominating Committee deliberated on the policy for nominating Directors and Executive Officers for the next fiscal year and for the medium to long term, and also passed a resolution on the proposal on the election of Directors for FY2024 to be submitted to the General Meeting of Shareholders, and deliberated and reported the Executive Officer structure for FY2024 in response to the consultation from the Board of Directors.
(Attendance)
The number of meetings of the Nominating Committee and the attendance of each Director during the FY2023 are as follows

Committee Chairperson	Hisashi Hara (Independent Director)	Attendance rate: 100%(6/6)
Committee Member	Goh Hup Jin	Attendance rate: 100%(6/6)
Committee Member	Toshio Morohoshi(Independent Director)	Attendance rate: 100%(6/6)
Committee Member	Masayoshi Nakamura (Independent Director)	Attendance rate: 100%(6/6)

(Notes)
1. Based on the tenure of each committee member in FY 2023.

(ii) Compensation committee
The Compensation Committee determines the policies for determining the compensation of individual Directors and Executive Officers and the compensation for individuals and other matters. In addition, the Compensation Committee confirms the status of evaluation and determination of the amount of compensation in the key management positions of partner companies through reports from the Representative Executive Officers and Co-Presidents.
In FY2023, the Compensation Committee deliberates and determines the details of individual compensation for Directors and Executive Officers based on the "Compensation Philosophy" and the "Design Policies for the Compensation of the Representative Executive Officers & Co-Presidents" established by the Compensation Committee, in light of objective information collection and analysis of social conditions, comparison with other companies, market levels, and other factors.
(Attendance)
The number of meetings of the Compensation Committee and the attendance of each director during the FY2023 are as follows

Committee Chairperson	Lim Hwee Hua (Independent Director)	Attendance rate: 100%(5/5)
Committee Chairperson	Takashi Tsutsui (Independent Director)	Attendance rate: 100%(3/3)
Committee Member	Goh Hup Jin	Attendance rate: 100%(7/7)
Committee Member	Masayoshi Nakamura (Independent Director)	Attendance rate: 100%(7/7)

(Notes)
1. Based on the tenure of each committee member in FY 2023.
2. Lim Hwee Hua assumed office on March 28, in FY 2023.
3. Takashi Tsutsui resigned as of March 28, in FY 2023.
4. One of the eight meetings of the Compensation Committee held during the period was solely for agenda items in which Mr. Goh Hup Jin and Masayoshi Nakamura had a special interest; therefore, they didn’t attend at this one meeting.

(iii) Audit Committee
The Audit Committee audits the execution of duties by Executive Officers and Directors, prepares audit reports,

and determines the content of proposals to be submitted to the General Meeting of Shareholders regarding the election, dismissal, and non-reappointment of Accounting Auditors.
(Attendance)
The number of meetings of the Audit Committee and the attendance of each director during the FY2023 are as follows

Committee Chairperson	Masataka Mitsuhashi (Independent Director)	Attendance rate: 100%(8/8)
Committee Member	Peter M Kirby (Independent Director)	Attendance rate: 100%(5/5)
Committee Member	Toshio Morohoshi (Independent Director)	Attendance rate: 100%(8/8)
Committee Member	Miharu Koezuka (Independent Director)	Attendance rate: 100%(3/3)

(Notes)
1. Based on the tenure of each committee member in FY 2023.
2. Peter M Kirby assumed office on March 28, in FY 2023.
3. Miharu Koezuka resigned as of March 28, in FY 2023.

(3) Executive Officers
As of March 28, 2024, there are 3 Executive Officers, and the Executive Officers make decisions on the execution of business of the Company that they have been delegated by resolution of the Board of Directors, and execute such business (2 males, 1 female).
The company has established a Co-President system with the aim to further accelerate global business growth to pursue Maximization of Shareholder Value on April 28, 2021. Yuichiro Wakatsuki and Wee Siew Kim Representative Executive Officers & Co-Presidents are responsible for global business operations and corporate functions including M&A promotion, financial policy, and fundraising. In addition, Managing Executive Officer GC Yuri Inoue is responsible for supporting the governance (including internal controls) of the group management under the Co-President structure.

(4) Corporate Officers
The Company has introduced a Corporate Officer system, and as of March 28, 2024, there are 1 Corporate Officers (1 female) engaged in the execution of the specified businesses.

2. The situation of audits is as set forth below.

(1) Situation of Audit Committee audits
・As of March 28, 2024 the Audit Committee is composed of three Audit Committee Members, of which three are Independent Directors. They include a person holding a CPA qualification who is able to perform audits from a specialized perspective, a person with extensive international experience and management experience, and a person with knowledge, expertise and management experience in the global paint industry.
・The Audit Committee mainly deliberates on the following specific matters: formulation of audit policies and plans, preparation of audit reports, confirmation of the execution of duties by Directors and Executive Officers, confirmation of the establishment and operation of internal control systems, evaluation of the effectiveness of the Audit Committee, confirmation of the appropriateness of audit methods and audit results by the accounting auditors, evaluation of the accounting auditors and decision on their reappointment or non-reappointment, agreement on compensation, and consideration of the appropriateness of Key Audit Matters (KAM). In particular, in FY2023, the Audit Committee has been closely monitoring and reviewing the further strengthening of the Group's auditing system, the strengthening of the internal control system, investigation of the impact of increased geopolitical risks on our business, the project business and related investments in China, the adequacy of the allowance for doubtful accounts, the impact of the application of super-inflation accounting in Turkey, related party transactions, and new M&A, among others.
・Aside from the deliberation of the above agenda, the Audit Committee exchanges opinions with the Executive Officers and the managements of major partner companies in Japan and overseas to confirm the status of execution of duties and management risks. The Audit Committee also discusses audit findings and financial and tax risks with the local audit firms of our overseas partner companies, and confirms the status of the local audit firms' performance of their duties and communication with local management and accounting auditors of the Company.
・The Audit Committee has been conducting an effectiveness evaluation since its establishment in FY2020 in order to improve audit quality by reviewing annual audit activities, identifying issues, and reflecting them in the audit plan for the following year. In FY2023, The Audit Committee conducted the effectiveness evaluation of the audit activities and reflects the results in the audit plan for FY2024 which is based on the evaluation results and the business environment and risks surrounding the Group.

(2) Situation of Internal Audits
・ The Company has established an Audit Department, which is in charge of internal audits. The Audit Department supports the audit activities of the Audit Committee, conducts J-SOX assessments, and oversees

the audit activities conducted by the regional internal audit departments, thereby establishing a global internal audit system.
・The Audit Department also analyzes the results of self-inspections and material risk assessments conducted by the partner company group regarding the internal control system, and reports the results to the Audit Committee and the Representative Executive Officers & Co-Presidents. The Audit Committee also shares the results of its analysis with the internal audit personnel of major partner companies and reflects them in the internal audit plans of each region, thereby improving the effectiveness of the Group's risk management system. In addition to these activities, the Group promotes collaboration among internal audit departments by sharing local internal audit results and best practices through the Group Audit Committee, thereby enhancing the effectiveness of the Group's overall internal audits leading to MSV.

(3) Situation of Accounting Auditors
・Audit duties are performed by 3 companies (all of which are designated limited liability employees and business execution employees): Certified Public Accountant Kenta Tujii, Certified Public Accountant Shimpei Takeshita, and Certified Public Accountant Hiroshi Kubota, who are affiliated with KPMG AZSA LLC.
・These audit firms have taken measures with regard to their executive employees such that such employees are not involved in the accounting audits of the Company for longer than a certain period.
・The assistants for the audit duties are comprised of 23 certified public accountants and 32 others.

3. Liability limitation agreements are as described below.

・The Articles of Incorporation of the Company contain provisions relating to the agreements prescribed in Article 427 Paragraph 1 of the Companies Act (liability limitation agreements) with Outside Directors (Article 24 of the Articles of Incorporation).
・An overview of the liability limitation agreements executed by the Company with Outside Directors based on the Articles of Incorporation is provided below.
(Liability Limitation Agreements with Non-Executive Directors)
・If a Non-Executive Director, after the execution of this agreement, has performed their duty in regard to the liability to compensate of Article 423 Paragraph 1 of the Companies Act in good faith and there is no gross negligence, such liability shall be limited to the minimum amount of liability prescribed in Article 425 Paragraph 1 of the Companies Act, and the Company will exempt the Non-Executive Director from liability for the portion in excess of this as a matter of course.

3. Reasons for Adopting of Current Corporate Governance System

The Company transitioned to a Company with Three Committees in order to improve the transparency, objectivity, and fairness of management, as well as to separate and strengthen functions of business execution and supervision of management.

Ⅲ Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company sends notice of general meeting of shareholders by mail before the legal cut-off time to ensure that shareholders can attend the meeting after giving sufficient consideration to the proposals and can also exercise their voting rights in advance, etc. The Company also publishes the same information on TDnet and the website of the Company before sending notice of general meeting of shareholders by mail.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company's policy is to set the schedule related to the general meeting of shareholders appropriately to ensure, among others, that shareholders can attend the meeting after giving sufficient consideration to the proposals and can also exercise their voting rights in advance.
Electronic Exercise of Voting Rights	Exercise of voting rights through the Internet is available.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	Convocation notices (the full text excluding the audit report) are translated to English and published on the website of the Company and in an electronic voting platform for institutional investors.
Other	The Company's first priority concerting the general meeting of shareholders is to operate it in an appropriate and legal manner. The Company's policy is to strive to provide explanations that are easy to understand in a manner friendly to shareholders and to answer any questions from them conscientiously.

2. Status of IR-related Activities

	Supplementary explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company discloses its Disclosure Policy on the Company's website. https://www.nipponpaint-holdings.com/en/ir/info/	
Regular Investor Briefings held for Individual Investors	Briefings for individual investors are held regularly. In FY2023, briefings were conducted online and in securities companies 5 times. The status of briefings,	Not adopted

	briefings materials, etc., are disclosed on the Company's website. https://www.nipponpaint-holdings.com/ir/personal/presentation/	
Regular Investor Briefings held for Analysts and Institutional Investors	A briefing is held of analysts and institutional investors by conference call on each quarterly results announcement date. Further, a briefing, etc., for analysts and institutional investors will be held after the announcement of these financial statements. In FY2023,the Company has held a briefing on the repurchase of the "India Business" from the Wuthelam Group, a small meeting with an Independent Director, and a small meeting with the Representative Executive Officer & Co-President. In addition, interviews, etc., with analysts and individual investors are held quarterly to give explanations with regard to the Company's financial status, future strategy, etc. The status of briefings, briefings materials, etc., are disclosed on the Company's website. https://www.nipponpaint-holdings.com/en/ir/library/materials/	Yes
Regular Investor Briefings held for Overseas Investors	Individual interviews are conducted for overseas investors. The Company participates in conferences held by securities companies.	Yes
Online Disclosure of IR Information	Various IR materials are published on the Company's website. https://www.nipponpaint-holdings.com/en/ir/ (Published materials) ・News releases, including timely disclosures ・Short-form financial results ・Financial results briefing materials ・Briefing summaries and QA overviews from financial results briefings ・Integrated Reports ・Investor Book ・Corporate Governance Policies ・Corporate Governance Report ・Notices of General Meeting of Shareholders ・Securities Reports and Quarterly Reports, etc.	
Establishment of Department and/or Placement of a Manager in Charge of IR	・Responsible in charge: Investor Relations ・Person in charge: Yuichiro Wakatsuki, Representative Executive Officer & Co-President	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company, in Article 9 (Relationship with Stakeholders) of the "Corporate Governance Policies," has prescribed the following: "The Company fulfills its social responsibility as a corporate citizen to its stakeholders including customers, business partners, employees, local communities, and shareholders both in Japan and overseas, and will provide appropriate opportunities to have dialogue with these stakeholders to promote their understanding of the business of the Company."
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company has established its ESG Statement as its " Basic Policy on Sustainability ". " 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, the Company identifies risks and opportunities related to Materiality based on sound group governance with the sole mission of Maximization of Shareholder Value (MSV) after adequately fulfilling its legal, social and ethical obligations to customers, suppliers, employees, society and other stakeholders. The Company has formed three materiality-based teams: Environment & Safety, People & Community, and Innovation, as well as further two cross-functional global teams: Governance and Procurement. (Sustainability strategy linked to materiality) ・Climate Change ・Resources and Environment ・Safe People and Operations ・Diversity and Inclusion ・Growth with Communities ・Innovation for a Sustainable Future Regarding climate change, which is one of the materialities related to environmental protection, the Companies has endorsed the recommendations of the TCFD (Task Force on Climate Change-related Financial Disclosure), the Company has endorsed the recommendations (final report) of the TCFD and are striving to enhance its climate change-related measures and information disclosure. https://www.nipponpaint-holdings.com/en/sustainability/about/statement/ https://www.nipponpaint-holdings.com/en/sustainability/about/materiality/ Details of this and other sustainability initiatives are disclosed in the Integrated Report and on the Company's website. (Integrated Report) https://www.nipponpaint-holdings.com/en/ir/library/annual_report/ (Company's website) https://www.nipponpaint-holdings.com/en/sustainability/
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company will strive to provide information promptly, such as its Group's management strategies, business activities, financial standing, governance, sustainability, risks, etc., to all stakeholders including shareholders and investors so that they can properly understand and evaluate the Company, while ensuring the transparency, fairness, and continuity.

(Company's website)
https://www.nipponpaint-holdings.com/en/ir/info/

Ⅳ Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

<Basic Policy on Internal Control System>

1. Basic Approach to the Development of Internal Control Systems

The Company, as a listed holding company, respect the independence and autonomy of its subsidiaries and, in order to ensure the sound and lawful business operations of the entire corporate group consisting of the Company and its subsidiaries (hereinafter referred to as the "Group"), based on these basic policies, establish an internal control system of the Group, continually assess the contents of the system and its operation, and take necessary improvement measures. The Company shall, by making ongoing reviews on these basic policies in accordance with changes in the management environment, endeavor to maintain and operate more effective internal control system.

2. Matters concerning execution of duties by Executive Officers

(1) Ensuring efficiency

(a) The Board of Directors of the Company shall delegate the authority to make decisions on business execution to the Representative Executive Officers & Co-Presidents, except for matters stipulated by laws and regulations, the Articles of Incorporation, matters delegated by the General Meeting of Shareholders, and important strategic matters concerning the management of the Group. The core of the allocation of businesses and areas of responsibility among the Representative Executive Officers & Co-Presidents shall be determined by the Board of Directors of the Company, and the detailed design and operation shall be left to the Representative Executive Officers & Co-Presidents to ensure the efficiency of execution.

(b) The Representative Executive Officers & Co-Presidents make certain subsidiary groups in light of region or business nature (hereinafter referred to as the "Partner Company Group") and entrust heads of Partner Company Groups the authorities to decide and execute their businesses and make them accountable for operation of their internal control system, in order to allow them to concentrate on their own business management.

(c) The Board of Directors of the Company develops a Medium-Term Plan covering the entire Group, and the Representative Executive Officers & Co-Presidents closely communicate with the Head of the Partner Company Group and report to the Board of Directors of the Company on the achievement of the goals of the plan and the use of the budget.

(2) Storage and management of related information

In accordance with laws, public regulations, and company regulations, the Company shall appropriately store and manage various information concerning the execution of duties by Executive Officers and related officers and employees in consideration of the importance thereof, and shall also provide an environment in which Directors can access such information as needed.

3. Matters relating to ensuring the appropriateness of business operations of the corporate group

(1) Group management system

(a) The Company shall ensure independence from the Controlling Company, and when conducting transactions with the Controlling Company, the Company shall ensure the fairness and appropriateness of the relationship with the Controlling Company by taking appropriate procedures, such as obtaining approval from the Board of Directors of the Company, of which the majority are Independent Directors.

(b) As a pure holding company, the Company, while respecting the autonomy and self-reliance of its subsidiaries, shall ensure the appropriateness of the business operations of the entire Group by conducting the necessary business management through the prior approval system for important matters and timely reporting system of incidents with material impacts.

(c) In addition to the preceding paragraph, with respect to important subsidiaries, the Company shall supervise their execution of businesses by having the Representative Executive Officers & Co-Presidents and other Executive Officers participate in their important meetings such as the Board of Directors and the Executive Committee.

(d) In evaluating the head of the Partner Company Group, the Company shall consider not only financial factors but also non-financial factors such as fulfilment of its responsibilities related to internal control and exercise its right to elect or dismiss accordingly.

(e) The Company will establish an Internal Audit Department to oversee the effectiveness of the internal control system of the Group in cooperation with the Internal Audit Department of each Partner Company Group.

(2) Risk Management System

(a) The Company shall designate the Representative Executive Officers & Co-Presidents as the person with the highest level of responsibility for risk management, who shall oversee the entire risk management based on autonomous operation, including self-inspection by the head of each Partner Company Group, and shall also report to the Board of Directors of the Company on the status regarding controls on material risks associated with the management and business execution of the Group.

(b) The Company shall have a system in which the Representative Executive Officers & Co-Presidents shall receive reports from each Partner Company Group in a timely manner, when incidents with certain degree of influence occurs within the Group.
(c) The Company shall convene the Global Risk Management Committee, chaired by the Representative Executive Officers & Co-Presidents, to deliberate on the management of the Group's material risks and the ongoing review and development of internal control systems for risk management, including governance and compliance.
(3) Compliance System
(a) The Company establishes the Global Code of Conduct to be observed by all officers and employees of the Group (including Directors, Executive Officers, Audit & Supervisory Board Member and other employees, hereinafter referred to as the "Officers and Employees of the Group") regarding compliance, ethics and sustainability. The Company requires the Officers and Employees of the Group to honor such Code of Conduct when they conduct their businesses, and monitors their compliance status through self-inspection and other means.
(b) In accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations, the Company shall establish a system that enables implementation of appropriate financial reporting, etc..
(c) The Company shall properly operate its whistleblowing hotline established by the Group whereby the Officers and Employees of the Group, whether in Japan or overseas, can report to or consult with internal or external focal points, without any disadvantage, if they discover or suspect any violation of laws and rules within the Group. In addition, the status of the operation of the whistleblowing hotline shall be reported periodically to the Board of Directors and the Audit Committee of the Company.

4. Matters concerning the execution of duties by the Audit Committee
(1) Establishment of Assisting Department and securing Independence
(a) The Company shall designate the Audit Department as a department in charge of assisting the duties of the Audit Committee, which shall be in charge of the secretariat of the Audit Committee and shall conduct audits based on the instructions of the Audit Committee.
(b) The Audit Committee shall have an authority to agree in advance on the appointment, evaluation, transfer, and disciplinary action of General Manager of the Audit Department. The Audit Committee shall also have an authority to give prior consent to the formulation of the Audit Department's basic policies, the content of the audit plan, and the budget, and may give specific instructions to the Audit Department as necessary. In the event of any conflict between the Audit Committee's instructions to the Audit Department and those of the Representative Executive Officers & Co-Presidents, the Audit Committee's instructions shall prevail.
(2) Reporting system to the Audit Committee
(a) The Audit Committee shall receive reports from the Officers and Employees of the Group regarding the status of their execution of businesses regularly.
(b) The Company shall establish a system whereby the Officers and Employees of the Group who become aware of any situation (including violation of laws and regulations and serious accidents) that may cause serious damage to the business or property of the Group shall report such situation to the Audit Committee and the Audit Department, without delay. In addition, the report system shall be established to promptly report other matters upon request from the Audit Committee and the Audit Department.
(c) The Audit Committee shall request the Accounting Auditor to report periodically or without delay on the status of accounting audits and other important accounting matters.
(d) The Company shall establish regulations that prohibit disadvantageous treatment of those who report to the Audit Committee or the Audit Department, or those who report through the whistleblowing hotline, and ensure that such regulations are complied with.
(3) Ensuring the effectiveness of the audits by the Audit Committee
(a) The Audit Committee shall hold regular meetings with the Representative Executive Officers & Co-Presidents of the Company to exchange opinions on important audit matters and enhance the effectiveness of audits. In addition, the Representative Executive Officers & Co-Presidents of the Company shall, at the request of the Audit Committee, develop various systems and environments related to auditing.
(b) The Audit Committee shall establish a group audit system centered on the Company in cooperation with the Audit Department, the Audit & Supervisory Board Member, the Internal Audit Department, and other relevant departments of the Group.
(c) Audit Committee members selected by the Audit Committee and the General Manager of the Audit Department shall attend meetings that the Audit Committee members deem important, and shall review and audit the materials and minutes of such meetings, as well as important decision-making records.
(d) The Company shall bear all expenses necessary for the execution of duties by the Audit Committee.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The Company has established the following "Nippon Paint Group Global Code of Conduct" to be observed by all Directors, Executive Officers, and employees of the Group with respect to compliance, ethics and sustainability into practice.
https://www.nipponpaint-holdings.com/en/sustainability/governance/gcoc/

Based on this, domestic partner companies have established a "Japan Region Code of Conduct" that stipulates more details regarding the matters to be observed by officers and employees, and promotes their understanding of the Code on an ongoing and regular basis through compliance training and other programs. In addition, specific preventive and responsive measures are in place to prevent any relationship with antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted

Supplementary Explanation for Applicable Items

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2. Other Matters Cocerning the Corporate Governance System

[Outline of the timely disclosure structure]

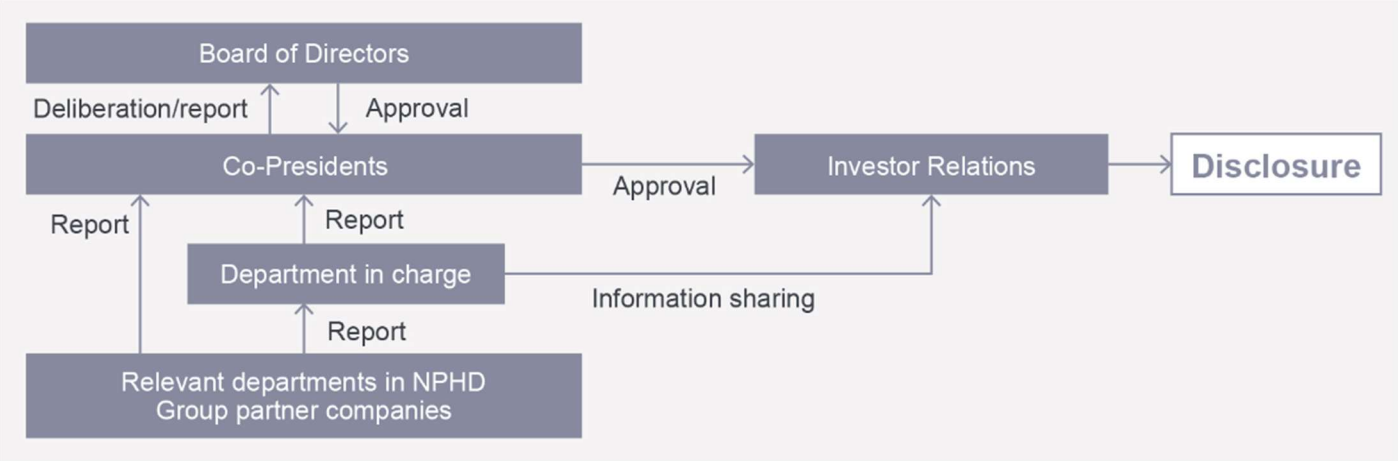
1 The Company is committed to enhancing and strengthening corporate governance in order to realize fair and transparent management. In particular, in terms of timely disclosure, The Company recognizes that it is an important management role to promptly and accurately disclose corporate information to investors in accordance with the Financial Instruments and Exchange Law and other laws and regulations, as well as the timely disclosure rules stipulated by the financial instruments exchanges.

2 Information related to financial results shall be reported to the Board of Directors as a summary of financial results after the Financial & Accounting Department has finalized the financial results and after they have been audited by the accounting auditor, and shall be disclosed as a summary of financial results on the day it is approved by the Board of Directors.

3 Information requiring timely disclosure shall be consolidated by each group company and organization and reported to the Representative Executive Officers and Co-Presidents in accordance with the relevant regulations, and shall be disclosed promptly by the Representative Executive Officers and Co-Presidents in organic cooperation with the relevant departments of the Company (Finance & Accounting Department, Investor Relations Department, Corporate Governance Department, Legal Department, etc.) and upon approval by the Board of Directors, as necessary. The Company will disclose information in a timely manner.

4 Timely disclosure is handled by the Investor Relations Department.

[Timely disclosure structure]



[Corporate Governance Structure Chart]

