

August 10, 2021

Nippon Paint Automotive Coatings Co., Ltd.
President and Representative
Director of the Board / Shinji Takedagawa

Notice Regarding Transfer of Shares Accompanying Change in Consolidated Subsidiary

Nippon Paint Automotive Coatings Co., Ltd. (Headquarters: Hirakata-City, Osaka), a group company of Nippon Paint Holdings Co., Ltd. (Headquarters: Chuo-ku, Tokyo; Representative Executive Officer & Co-President: Yuichiro Wakatsuki/ Wee Siew Kim; “NPHD”), which produces automotive coatings, announces that it has executed a Share Purchase Agreement with Isaac Newton Corporation (“INC”), which is a member of the Wuthelam Group (“Wuthelam Group” means collectively the Company’s major shareholder Wuthelam Holdings Limited (“Wuthelam”), and transfer the shares in Berger Nippon Paint Automotive Coatings Private Limited (“BNPA”).

Also, the shares in NIPPON PAINT (INDIA) PRIVATE LIMITED (“NPI”), which produces two-wheeled vehicle coatings, held by NPHD and the shares in Nippon Paint Automotive Europe GmbH (“NPAE”), which is in charge of the automotive coat business in Europe, held by NIPPON PAINT (EUROPE) LTD. (“NPE”), a consolidated subsidiary of NPHD, have been transferred to INC.

While Europe and India remain important regions from a strategic perspective, there have been significant changes in the business climate, with market stagnation due to the impact of COVID-19 and recent shortages in semiconductors and rising raw material prices, among other factors. As a result of revising our strategy, we have determined that in order to improve our corporate value in the medium and long term, we need to take significant measures for fundamental business restructuring and enhancement. However, in order to proceed with such fundamental business restructuring and enhancement, we bear extensive financial burdens as a result of recording significant additional investments and cost in our accounts in the short term. In addition, there is a risk of uncertainty regarding the success of the reorganization of the companies through these restructuring measures and the duration required to complete such restructuring measures. We have examined all possible options in light of these issues, and decided to execute the Share Purchase Agreements that include call options for us to buy back the shares at a future point in time following consultation and negotiation with the Wuthelam Group. Based on the above, we will secure sustainable growth in the medium and long term and will diversify risk by having the Wuthelam Group bear additional investments and costs for restructuring in the short term and any uncertainty in the restructuring plan.

Furthermore, there will be no changes in operations caused by this share transfer.

1. Related release

Nippon Paint Holdings Co., Ltd. Release

https://www.nipponpaint-holdings.com/news_release/20210810ir02/

<Contact Information>

Nippon Paint Automotive Coatings Co., Ltd.

2-14-1 Shodai Otani, Hirakata-City, Osaka 573-1153 Japan

E-mail: info.npau@nipponpaint.jp

Contact person: Mari Kurokawa