



April 21, 2025

To whom it may concern

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## **Notice of Disposal of Treasury Shares as Restricted Stock Compensation**

Nippon Paint Holdings Co., Ltd. (the “Company”) has decided to conduct a disposal of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”). The details are as follows.

### 1. Overview of the Disposal

(1) Disposal date	May 16, 2025
(2) Class and number of shares to be disposed	Common shares of the Company: 83,400 shares
(3) Disposal price	1,055.0 yen per share
(4) Total value of shares to be disposed	87,987,000 yen
(5) Recipients and the number thereof; and the number of shares to be disposed	Directors of the Board of the Company: 6 persons / 83,400 shares
(6) Other	The Disposal falls under the solicitation of securities that does not require a notification of solicitation of sale as stipulated in Article 2-12, Paragraph 1 of the Financial Instruments and Exchange Act Enforcement Order. Hence, we have not submitted the Securities Notice related to the Disposal.

### 2. Purpose of and Reason for the Disposal

The Board of Directors of the Company approved a resolution on February 27, 2019 to establish a restricted stock compensation plan as a new remuneration program for the Directors of the Board and Corporate Officers of the Company. The plan serves as a medium to long-term incentive for the Directors of the Board of the Company and enables these individuals to more greatly share the benefit from the growth of corporate value along with shareholders. The Company

also decided to introduce a restricted stock compensation plan for the Executive Officers of the Company and the Directors of the Board of its subsidiaries on March 26, 2020. For more information about this plan, please refer to the press release titled "Notice regarding Introduction of a Restricted Stock Compensation Plan" dated February 27, 2019 and "Notice regarding the Introduction of a Restricted Stock Compensation Plan for Subsidiaries" dated March 26, 2020.

At its meeting on April 21, 2025, the Compensation Committee reviewed the restricted stock compensation plan, making adjustments to align the remuneration of the Company's Directors of the Board (the "Qualified Persons") with their respective roles and responsibilities. The Committee also determined the number of shares of the Company's common stock to be granted to each Qualified Person. Based on this decision, at today's Compensation Committee meeting and through the decision made by the Representative Executive Officers & Co-Presidents, the Company has decided to grant monetary compensation claims of 87,987,000 yen (the "Monetary Compensation Claim") and 83,400 shares of common stock of the Company to the Qualified Persons.

For the Disposal of Treasury Shares, 6 Qualified Persons, who are the planned recipients, will make in-kind contributions of all the Monetary Compensation Claims to the Company according to the restricted stock compensation plan. In return, the Qualified Persons will receive shares of the Company's common stock (the "Allocated Shares") that will be disposed of by the Company. For the Disposal of Treasury Shares, the Company and each Qualified Person will enter into a restricted stock allocation agreement. For the summary of the stock allocation agreement, please see 3 as described below.

### 3. Summary of the Stock Allocation Agreement

(1) Transfer restriction period: From May 16, 2025 to May 15, 2055

(2) Conditions for the cancellation of transfer restrictions

The Company will cancel the transfer restriction on all the Allocated Shares held by a Qualified Person upon the expiration of the transfer restriction period, provided that he or she has continuously retained his or her position as a Director, Executive Officer, Corporate Officer not concurrently serving as a Director, Audit & Supervisory Board Member, employee, or any equivalent position at the Company or the Company's subsidiaries during the transfer restriction period.

(3) Treatment in the event that a Qualified Person leaves his or her position during the transfer restriction period due to death or any other legitimate reason

(i) Timing of the cancellation of transfer restrictions

In the event that a Qualified Person resigns from his or her position as a Director, Executive Officer, Corporate Officer not concurrently serving as a Director, Audit & Supervisory Board Member, employee, or any equivalent position at the Company or the Company's subsidiaries due to a legitimate reason (including expiration of his or her term of office and mandatory retirement), the transfer restriction will be cancelled immediately after the retirement or resignation of the Qualified Person. In the event of death, the transfer restriction will be cancelled at a time decided separately by the Compensation Committee of the Company or by the Representative Executive Officers & Co-Presidents after the death of the Qualified Person.

(ii) Number of shares subject to the cancellation of transfer restrictions

The number of shares obtained by dividing the number of months from the month in which the decision regarding the Disposal was made to the month in which the Qualified Person retired or resigned from his or her position (the "tenure of service") by 12 (if that number exceeds one, it will be rounded down to one) and multiplying it by the number of the Allocated Shares held at the time of retirement or resignation as defined in (i). (However, any fractional shares of less than one unit of stock resulting from the calculation are omitted.)

(4) Acquisition of Allocated Shares by the Company without consideration

When the transfer restriction period expires or is cancelled in the case defined in (3) above, the Company will rightfully acquire without consideration the Allocated Shares whose transfer restrictions are not cancelled.

(5) Management of shares

During the transfer restriction period, the Allocated Shares are held in dedicated accounts at Nomura Securities Co., Ltd. that are opened by the Qualified Persons so that no transfer, establishment of security rights, or other methods of disposal can be performed. In order to ensure the effectiveness of transfer restrictions, etc. with respect to the Allocated Shares, the Company has signed an agreement with Nomura Securities Co., Ltd. in relation to the management of accounts for the Allocated Shares held by each Qualified Person. The Qualified Persons consent to the terms regarding the management of these accounts.

(6) Treatment in the event of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement in which the Company will be the dissolved company, a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or any other matter related to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or the Board of Directors of the Company in cases where the approval of the General Meeting of Shareholders is not required for the organizational restructuring, etc.), the Company will, by resolution of the Board of Directors, cancel the transfer restriction, with respect to the number of shares determined by multiplying the number of the Allocated Shares held at that time by the number obtained by dividing the tenure of service by 12 (if that number exceeds one, it will be rounded down to one; however, any fractional shares of less than one unit of stock resulting from the calculation are omitted), on the business day preceding the effective date of the organizational restructuring, etc. Additionally, the Company will rightfully acquire without consideration the Allocated Shares whose transfer restrictions have not been cancelled immediately after the transfer restrictions are cancelled.

4. Basis for calculating the payment amount and specific details

The Disposal of Treasury Shares for the planned recipients of allocations will be performed by using the monetary compensation claims granted as the restricted stock compensation to these recipients as assets contributed in kind, in accordance with the restricted stock compensation plan. To ensure the disposal price is free from arbitrariness, this price has been set at 1,055.0 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on April 18, 2025, the business day immediately preceding the decision by the Compensation Committee meeting and the decision by the Representative Executive Officers & Co-Presidents. The Company considers this price to be reasonable and not particularly advantageous, as it reflects the market share price on the day immediately preceding these decisions.

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