

Securities Code: 4613
June 8, 2021

To Shareholders with Voting Rights:

33-1 Kanzaki-cho, Amagasaki, Hyogo
(Head office: 6-14 Imabashi 2-chome, Chuo-ku, Osaka)
MORI Kunishi
Representative Director of the Board, President

Kansai Paint Co., Ltd.

NOTICE OF CONVOCATION OF THE 157TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 157th Ordinary General Meeting of Shareholders of Kansai Paint Co., Ltd. (“the Company”). The Meeting will be held as described below.

In holding the Meeting this year, you are highly encouraged to refrain from turning out at the venue and exercise your voting rights in writing or via the Internet. This recommendation is only intended to give primary consideration to your health and prevent the spread of the new coronavirus (COVID-19) infection. Please cast your vote by either method so that your vote arrives by 5 p.m. on Monday, June 28, 2021.

1. **Date and Time:** 10 a.m., Tuesday, June 29, 2021 (reception desk opens at 9 a.m.)
2. **Venue:** Kansai Paint Head Office
6- 14 Imabashi 2-chome, Chuo-ku, Osaka
3. **Agenda:**
 - Matters to Be Reported:**
 1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 157th Fiscal Term (from April 1, 2020 to March 31, 2021)
 2. Reports of Audit on the Consolidated Financial Statements for the 157th Fiscal Term by the Independent Auditor and the Audit & Supervisory Board
 - Proposals of Resolution:**
 - First Item of Proposal** : Appropriation of Surpluses of the 157th Fiscal Term
 - Second Item of Proposal** : Election of Eight (8) Directors of the Board
 - Third Item of Proposal** : Election of Two (2) Audit & Supervisory Board Members
 - Fourth Item of Proposal** : Election of One (1) Alternate Audit & Supervisory Board Member

To our shareholders:

We would like to express our sincere gratitude to our shareholders for their continued support.

Also, I pray for the souls of those who have passed away due to the COVID-19 infection and express my heartfelt sympathy to all those who have been affected, their families, and all those concerned.

During the past year, we have been working hard on our business operations to ensure the health and safety of our employees and their families under the difficult circumstances of the global spread of infectious diseases and to avoid causing inconvenience to our shareholders and all other stakeholders, including business partners.

Against this backdrop, we announced the Growth Strategy – “Good to Great” on November 16, 2020.

We named the growth strategy “Good to Great” to express our desire to accomplish two things: to remember the founding spirit and pioneer the future and to change ourselves into a “Truly Global Company” as paint professionals.

Our founder, IWAI Katsujiro, taught us the following: “the necessity of pursuing both profit and the economic development of society.”

This is a concept that describes ESG management itself, which companies are now required to do globally. We believe that what we need to do to become a great company is to remember the founding spirit and to take on the challenge of solving the world’s problems as paint professionals.

This year, the final year of the 16th Medium-Term Management Plan, we will take a close look at the plan, and in the new 17th Medium-Term Management Plan, we will actively develop ESG management based on the spirit of the plan and move forward as a company that makes a sustainable contribution to society.

MORI Kunishi
Representative Director of the Board, President

[Our readiness to receive those coming to the venue on the day of the Meeting]

In holding the Meeting, you are highly encouraged to refrain from turning out at the venue and exercise your voting rights in writing or via the Internet. This recommendation is only intended to give primary consideration to your health and prevent the spread of the COVID-19 infection. If you choose to turn out at the venue on the day of the Meeting, we shall be ready to receive you in the following manner.

- Disinfectant alcohol spray will be made available around the reception desk at the venue, so please cooperate in disinfecting your hands and fingers.
- All of the operations staff members will wear a face mask.
(In like manner, those attending are requested to wear a face mask at the venue.)
- As a part of precautionary measures, those attending will be seated at the venue with an increased distance between them.
(We have a limited number of available seats due to seating layout constraints, which could lead to denial of your entry; if this is the case, your understanding would be appreciated.)
- The proceedings at the Meeting will be conducted faster than usual. Your understanding would be appreciated.
- We will not give souvenirs to shareholders who attend the General Meeting of Shareholders. Your understanding would be appreciated.
- Should the spread of the COVID-19 infection compel us to change the schedule and/or proceedings of the Meeting, the changes will be published on the Company's website (<https://www.kansai.co.jp/>).

- ◎ For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on your arrival at the Meeting.
- ◎ Regarding the documents that should be attached to this notice, "Major Business," "Major Offices and Plants," "Situation of Employees," "Matters Related to the Company's Stock Acquisition Rights," "Matters Related to Independent Auditors," and "System and Policy of the Company" of the Business Report, the Statement of Changes in Net Assets (consolidated), the Notes to the Consolidated Financial Statements, the Statement of Changes in Net Assets (non-consolidated), and the Notes to the Non-Consolidated Financial Statements are published on the Company's website (<https://www.kansai.co.jp/ir/meeting/>), and they are not included in the attachments to this notice. The Business Report audited by the Audit & Supervisory Board Members and the Consolidated Financial Statements and the Non-Consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Independent Auditor are published on the Company's website shown above, in addition to the documents included in the attachments to this notice.
- ◎ Whenever it is necessary to make amendments to matters that should be stated in the Business Report, the Consolidated Financial Statements, the Non-Consolidated Financial Statements or the Reference Documents for the General Meeting of Shareholders, such matters as amended will be published on the Company's website shown above.

Reference Documents for the General Meeting of Shareholders

Proposals and Information

First Item of Proposal: Appropriation of Surpluses of the 157th Fiscal Term

The Company has a basic policy of distributing profits according to business results while taking into account the need to provide consistent and stable dividends to shareholders and to strengthen earning power through the enhancement of the business structure. We intend to use our internal reserves to establish a long-term stable business platform, as well as to invest in research and development and the improvement of our production and distribution systems both in Japan and abroad, to achieve further growth.

Based on this policy, we propose to appropriate surpluses of the 157th Fiscal Term as follows:

Payment of year-end dividends

(1) Amount of dividend:

¥15.00 per share of the Company's common stock.

Total dividends: ¥3,873,072,855

(2) Effective date of appropriation of surpluses:

June 30, 2021

Second Item of Proposal: Election of Eight (8) Directors of the Board

The term of office of all eight (8) Directors of the Board will expire upon the close of this Meeting. We, therefore, propose the continued election of the current seven (7) Directors of the Board and the election of one (1) new Director of the Board, which would increase the ratio of independent outside Directors of the Board to the total Board Members to more than one-third (1/3).

The nominees for Directors of the Board are as follows:

No.	Name	Current position	Number of Board of Directors' meetings attended/ number held, attendance rate	
1	MORI Kunishi	Representative Director of the Board, President Reappointment	18/18	100%
2	FURUKAWA Hidenori	Representative Director of the Board, Senior Managing Executive Officer Reappointment	18/18	100%
3	TAKAHARA Shigeki	Senior Managing Executive Officer New Appointment	—	—
4	TERAOKA Naoto	Director of the Board, Managing Executive Officer Reappointment	18/18	100%
5	NISHIBAYASHI Hitoshi	Director of the Board, Managing Executive Officer Reappointment	13/13	100%
6	YOSHIKAWA Keiji	Outside Director of the Board Outside Reappointment Independent Officer	18/18	100%
7	ANDO Tomoko	Outside Director of the Board Outside Reappointment Independent Officer	18/18	100%
8	John P. Durkin	Outside Director of the Board Outside Reappointment Independent Officer	17/18	94%

Note: Since Mr. NISHIBAYASHI Hitoshi assumed the post of Director of the Board on June 26, 2020, the number of meetings held for him is different from that for other nominees for Directors of the Board.

<Policy of nomination>

Upon electing Internal Directors of the Board of Kansai Paint, candidates are nominated based on comprehensive evaluation of their balance, experience and abilities in each of their capacities, such as production, sales, procurement, technology and administration. Upon electing Outside Directors of the Board, candidates are nominated from among those with management experience and lawyers, accountants, etc. with deep knowledge, a high level of expertise and abundant experience, in accordance with Kansai Paint's independence standards.

<Procedures of election>

Kansai Paint held a meeting of the Nominating Committee, which consists of three (3) Outside Directors of the Board and two (2) Outside Audit & Supervisory Board Members, where the details that were submitted by the Representative Director of the Board were discussed and agreed upon unanimously. It was decided to submit the details of the nomination to this Meeting in a subsequent meeting of the Board of Directors.

Nominee No. 1	MORI Kunishi	(Born on March 28, 1958)	Number of Company Shares Held: 12,400	Reappointment
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Brief Personal History and Positions/Responsibilities Held (Significant Positions Concurrently Held)

April	1981	Joined Kansai Paint
June	2010	Director of the Board, Deputy General Manager of Coatings Business Div.
June	2015	Representative Director of the Board; Managing Executive Officer in charge of Sales and International; Senior Director of Sales Management of Automotive Refinish, Decorative and Protective Coatings Business Div.; and General Manager of Automotive Refinish, Decorative and Protective Coatings Business Div. (Significant positions concurrently held) Representative Director of the Board, President of Kansai Paint Sales Co., Ltd.
April	2018	Representative Director of the Board; Senior Managing Executive Officer and COO in charge of Sales; and General Manager of Coatings Business Div., General Manager of Automotive Refinish, Decorative and Protective Coatings Business Div. (Significant positions concurrently held) Representative Director of the Board, President, Kansai Paint Sales Co., Ltd.
March	2019	Retired as Representative Director of the Board, President of Kansai Paint Sales Co., Ltd.
April	2019	Representative Director of the Board, President of Kansai Paint Co., Ltd. (current)

Reason for nomination

Mr. MORI Kunishi has mainly been in charge of sales-related operations since he joined the Company. Until March 2019, he served as Representative Director of the Board, Senior Managing Executive Officer, overseeing the execution of business operations, and as Representative Director of the Board, President of Kansai Paint Sales Co., Ltd., the Company's group company, promoting aggressive business development and strengthening our competitiveness. In April 2019, he assumed the post of Representative Director of the Board, President. Since then, he has been in the vanguard of the implementation of the 16th Medium-term Management Plan. In view of his knowledge and track record, Mr. MORI was nominated as a Director of the Board since he is deemed most appropriate to promote the further development of the Company's business and thereby improve the value of the firm for the entire Kansai Paint Group in his role as Representative Director of the Board, President.

Note: There are no special conflicts of interest between Mr. MORI Kunishi as a nominee and the Company.

Nominee No. 2	FURUKAWA Hidenori	(Born on September 4, 1958)	Number of Company Shares Held: 17,500	Reappointment
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Brief Personal History and Positions/Responsibilities Held (Significant Positions Concurrently Held)

April	1983	Joined Kansai Paint
June	2011	Executive Officer, Deputy General Manager of Production Div.
June	2013	Director of the Board, Managing Executive Officer, and General Manager of Production Div.
April	2018	Director of the Board, Managing Executive Officer in charge of Technology, Quality & Environment, Deputy General Manager of Coatings Business Div.
June	2019	Representative Director of the Board, Senior Managing Executive Officer in charge of Production, Technology and Procurement
April	2021	Representative Director of the Board, Senior Managing Executive Officer, Head of Corporate Production, Supply Chain Management (SCM), and Procurement (current)

Reason for nomination

Mr. FURUKAWA Hidenori has mainly been engaged in technical, production and manufacturing operations since he joined the Company, and he has a wealth of experience in and broad knowledge of the Company's product design, production technologies, and products to address the needs of the market. Since Mr. FURUKAWA took up the post of Representative Director of the Board, Senior Managing Executive Officer in June 2019, he has been taking command of the overall execution of operations in production, technology and procurement. Mr. FURUKAWA was nominated as a Director of the Board since he is deemed most appropriate to further boost the Company's business by continuously meeting market needs and optimizing costs and quality, hence increasing the Company's earning power.

Note: There are no special conflicts of interest between Mr. FURUKAWA Hidenori as a nominee and the Company.

Nominee No. 3	TAKAHARA Shigeki	(Born on November 12, 1958)	Number of Company Shares Held: N/A	New	Appointment
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Brief Personal History and Positions/Responsibilities Held (Significant Positions Concurrently Held)

April	1981	Joined NEC Corporation
June	2007	CFO and Corporate Officer of MISUMI Group Inc.
February	2011	Member of the Board and Operating Officer, CFO, Sr. Director, Accounting & Finance of Pfizer Japan Inc. (retired February 2020)
April	2020	Joined Kansai Paint, Managing Executive Officer, and General Manager of Corporate Planning & Finance Div.
April	2021	Senior Managing Executive Officer, Head of Corporate Planning & Finance (current) (Significant positions concurrently held) Director of the Board of Kansai Nerolac Paints Limited Director of the Board of Kansai Paint Sales Co., Ltd. (Scheduled to take office in June 2021)

Reason for nomination

Mr. TAKAHARA Shigeki has been engaged in both accounting and finance operations of leading global companies in both Japan and the U.S. and has professional knowledge and abilities of corporate management gained through his abundant experience as a CFO. In 2020, he assumed the post of Managing Executive Officer of the Company. Since then, he has been in charge of the Company's accounting and finance areas, executing his duties. In view of his knowledge and track record, Mr. TAKAHARA was nominated as a Director of the Board since he is deemed most appropriate to ensure further sustainable business continuity management and thereby lead the Company's Corporate Planning & Finance with a focus on the growth strategy "Good to Great."

Note: There are no special conflicts of interest between Mr. TAKAHARA Shigeki as a nominee and the Company.

Nominee No. 4	TERAOKA Naoto	(Born on September 21, 1961)	Number of Company Shares Held: 8,200	Reappointment
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Brief Personal History and Positions/Responsibilities Held (Significant Positions Concurrently Held)

April	1985	Joined Kansai Paint
April	2012	Executive Officer and General Manager of Automotive Refinish, Decorative and Protective Coatings Business Div.
April	2016	Senior Executive Officer and General Manager of Automotive Refinish, Decorative and Protective Coatings Business Div.
April	2019	Managing Executive Officer in charge of Sales and General Manager of Coatings Business Div.
June	2019	Director of the Board, Managing Executive Officer in charge of Sales and General Manager of Coatings Business Div.
April	2021	Director of the Board, Managing Executive Officer, and Head of Japan Business Unit (current) (Significant positions concurrently held) Representative Director of the Board, President of Kansai Paint Sales Co., Ltd.

Reason for nomination

Mr. TERAOKA Naoto has mainly been engaged in sales of automotive coatings since he joined the Company, and he has a wealth of experience in and knowledge of products and the market of the Company's automotive coatings business. Since June 2019, he has led the coatings business as Director of the Board, Managing Executive Officer in charge of Sales and as General Manager of the Coatings Business Div. and has achieved success in the enhancement of the Company's performance based on a firm grasp of market needs. In view of his knowledge and track record, Mr. TERAOKA was nominated as a Director of the Board since he is deemed most appropriate to continue to take charge of sales and to enhance the overall operational efficiency and earning power of the coatings business as a whole.

Note: There are no special conflicts of interest between Mr. TERAOKA Naoto as a nominee and the Company.

Nominee No. 5 **NISHIBAYASHI Hitoshi** (Born on May 31, 1963) Number of Company Shares Held: 900 **Reappointment**

Brief Personal History and Positions/Responsibilities Held (Significant Positions Concurrently Held)

1987	April	Joined Kansai Paint
2019	April	Executive Officer, Deputy General Manager of Corporate Business Development Div. and Regional Senior Director of Corporate Business Development Div.
2020	April	Managing Executive Officer, Head of International Business Unit, and Planning Senior Manager of International Business Unit.
2020	June	Director of the Board, Managing Executive Officer, Head of International Business Unit, and Planning Manager of International Business Unit
2020	July	Director of the Board, Managing Executive Officer in charge of Corporate Planning & Finance
2021	April	Director of the Board, Managing Executive Officer, and Head of International Business Unit (current)

(Significant positions concurrently held)
Director of the Board of Kansai Helios Coatings GmbH
Director of the Board of Kansai Nerolac Paints Ltd.
Director of the Board of Kansai Plascon East Africa (Pty) Ltd.
President Komisararis (Commissioner), PT Kansai Prakarsa Coatings

Reason for nomination

Mr. NISHIBAYASHI Hitoshi has been engaged in international sales, the automotive paint business, etc. since he joined the Company, and he has great familiarity with overall operations that form the basis of the Company's business, as well as a wealth of experience in and knowledge of these categories of business. Since assuming the post of Director of the Board, he has been in charge of Corporate Planning & Finance areas, including international business, and has been successful in responding to rapid and diverse global strategies. In view of his knowledge and track record, Mr. NISHIBAYASHI was nominated as a Director of the Board since he is deemed most appropriate to further accelerate the globalization and expansion of our business.

Note: PT Kansai Prakarsa Coatings, for which Mr. NISHIBAYASHI Hitoshi, the candidate, serves as President Komisararis, conducts the same type of business as the Company, and the Company continuously sells paint to PT Kansai Prakarsa Coatings.

Brief Personal History and Positions/Responsibilities Held (Significant Positions Concurrently Held)

1973	April	Joined Nippon Sheet Glass Co., Ltd.
2004	June	Corporate Officer, Head of Information Electronics Company Information Communications Device SBU and Sagami-hara Plant Manager of Nippon Sheet Glass Co., Ltd.
2008	June	Executive Officer and Head of Functional Glass SBU of Nippon Sheet Glass Co., Ltd.
2012	February	Representative Executive Officer, Executive Vice President and CPMO (Chief Project Management Officer) of Nippon Sheet Glass Co., Ltd.
2012	April	Representative Executive Officer, President and CEO of Nippon Sheet Glass Co., Ltd.
2015	June	Advisor, Nippon Sheet Glass Co., Ltd. (retired June 2017)
2018	June	Outside Director of the Board of Kansai Paint (current)
2021	January	Outside Director of LAUREL BANK MACHINES CO., LTD. (current) (Significant positions concurrently held) Outside Director of LAUREL BANK MACHINES CO., LTD.

Reasons for nomination as Outside Director of the Board, outline of his/her expected role, and his/her term of office

Mr. YOSHIKAWA Keiji has vast experience in the manufacturing industry and deep insight as a manager, as well as a wealth of experience in and knowledge of corporate governance in foreign countries. Mr. YOSHIKAWA was nominated as an Outside Director of the Board since it is deemed beneficial to the Company if he continues to reflect his insight in the management of the Company and monitor the Company's management from a fair and neutral position. Mr. YOSHIKAWA is expected to contribute to the establishment of the Board of Directors by offering opinions on the Company's overall management, supervising the execution of operations, providing advice on management strategies, and leading the proceedings of the Nomination Committee and the Evaluation Committee as the Chairman of these committees based on his abundant experience and diverse viewpoints.

It should be noted that Mr. YOSHIKAWA will have served as Outside Director of the Board for three (3) years as of the close of this Meeting.

Independence as Outside Director of the Board nominee

Mr. YOSHIKAWA Keiji previously served as Advisor for Nippon Sheet Glass Co., Ltd., a client of the Company, and a former officer of the Company was appointed as an Outside Director of Nippon Sheet Glass Co., Ltd. However, since the amount of business with said client during the last fiscal year was less than 0.05% of the Company's consolidated net sales and less than 0.05% of said client's consolidated net sales, there is no risk of conflict of interest with general shareholders, and his independence will not be affected as there is no business relationship between the Company and two companies (LAUREL BANK MACHINES CO., LTD. and AEON DELIGHT CO., LTD.) , for which he currently serves as an Outside Director. Furthermore, Mr. YOSHIKAWA fulfills the "Standards concerning the Independence of Outside Directors of the Board and Outside Audit & Supervisory Board Members" established by the Company, which are included as Reference on page 17.

It should be noted that the Company has designated Mr. YOSHIKAWA as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and has him registered as such with the institution.

Limited liability agreement with the Outside Director of the Board nominee

The Company has concluded a limited liability agreement with Mr. YOSHIKAWA Keiji. In the event that Mr. YOSHIKAWA is elected and appointed, the Company will retain the agreement with him.

Note: Mr. YOSHIKAWA Keiji is a nominee for Outside Director of the Board. There are no special conflicts of interest between him and the Company.

Brief Personal History and Positions/Responsibilities Held (Significant Positions Concurrently Held)

1996	December	Joined Master Foods Ltd. (currently Mars Japan Limited)
2006	January	People Pipeline Manager of Master Foods Ltd. (retired July 2008)
2008	August	Joined NIHON L'ORÉAL K.K.
2011	March	Vice President and Head of Human Resources of NIHON L'ORÉAL K.K. (retired May 2016)
2018	June	Outside Director of PRESS KOGYO CO., LTD. (Audit and Supervisory Committee Member) (current)
2019	June	Outside Director of the Board of Kansai Paint (current) (Significant positions concurrently held) Outside Director of PRESS KOGYO CO., LTD. (Audit and Supervisory Committee Member)

Reasons for nomination as Outside Director of the Board, outline of his/her expected role, and his/her term of office

Ms. ANDO Tomoko has vast experience in the consumer products market and deep insight as a manager, as well as a wealth of experience in and knowledge of brand marketing, marketing and sales promotion, and personnel strategy. In view of her knowledge and track record, Ms. ANDO was nominated as an Outside Director of the Board since it would be beneficial to the Company if she continues to reflect her insight in the management of the Company and monitor the Company's management from a fair and neutral position. Ms. ANDO is expected to provide suggestions on the Medium-long term strategy of the Company based on her abundant experience and professional viewpoints, especially in the areas of human resource strategy and its policy, and to provide active opinions as a member of the Nomination Committee and the Evaluation Committee.

It should be noted that Ms. ANDO will have served as Outside Director of the Board for two (2) years as of the close of this Meeting.

Independence as Outside Director of the Board nominee

Although Ms. ANDO Tomoko previously served Mars Japan Limited and NIHON L'ORÉAL K.K. as outside director, the Company has no business relationship with these companies. She also currently serves PRESS KOGYO CO., LTD., a client of the Company's group company, as outside director (Audit & Supervisory Board Member). However, the amount of business with the said client during the last fiscal year was less than 0.05% of the Company's consolidated net sales and less than 0.1% of said client's consolidated net sales, so there is no risk of conflict of interest with general shareholders, and her independence will not be affected. Furthermore, the Company holds 83,799 shares of the client's stock, which only accounts for less than 0.1% of the number of shares authorized by the client. Therefore, there is no risk of conflict of interest with general shareholders, and her independence will not be affected. Furthermore, Ms. ANDO fulfills the "Standards concerning the Independence of Outside Directors of the Board and Outside Audit & Supervisory Board Members" established by the Company, which are included as Reference on page 17.

It should be noted that the Company has designated Ms. ANDO as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and has her registered as such with the institution.

Limited liability agreement with the Outside Director of the Board nominee

The Company has concluded a limited liability agreement with Ms. ANDO Tomoko. In the event that Ms. ANDO is elected and appointed, the Company will retain the agreement with her.

Note: Ms. ANDO Tomoko is a nominee for Outside Director of the Board. There are no special conflicts of interest between her and the Company.

Nominee No. 8 **John P. Durkin** (Born on April 18, 1960)

Number of Company Shares
Held: N/A

**Outside; Reappointment
Independent Officer**

Brief Personal History and Positions/Responsibilities Held (Significant Positions Concurrently Held)

2010	April	Joined BELLSYSTEM24, Inc. as CFO (retired May 2012)
2013	February	Joined Sushiro Global Holdings Ltd. as Board Director and CFO (retired December 2017)
2018	January	Joined John Masters Organics Group, Inc. as Board Director (current)
2019	June	Outside Director of the Board of Kansai Paint (current)

(Significant positions concurrently held) Board Director of John Masters Organics Group, Inc.

Reasons for nomination as Outside Director of the Board, outline of his/her expected role, and his/her term of office

Mr. John P. Durkin has vast experience in business management as CFO and a wealth of knowledge of general management, administration and corporate finance. In view of his knowledge and track record, Mr. Durkin was nominated as an Outside Director of the Board since it is deemed to be beneficial to the Company if he continues to reflect his insight in the management of the Company and monitor the Company's management from a fair and neutral position. Mr. Durkin is expected to offer opinions on various measures related to the Company's Corporate Planning & Finance, supervise the execution of operations, and provide advice based on his abundant experience, especially from a financial strategic perspective, and to provide active opinions as a member of the Nomination Committee and the Evaluation Committee.

It should be noted that Mr. Durkin will have served as Outside Director of the Board for two (2) years as of the close of this Meeting.

Independence as Outside Director of the Board nominee

Mr. John P. Durkin had served as CFO for BELLSYSTEM24, Inc. and Sushiro Global Holdings Ltd., and he currently serves as Board Director for John Masters Organics Group, Inc., but his independence will not be affected since the Company has no business relationship with any of these companies. Furthermore, Mr. Durkin fulfills the "Standards concerning the Independence of Outside Directors of the Board and Outside Audit & Supervisory Board Members" established by the Company, which are included as Reference on page 17.

It should be noted that the Company has designated Mr. Durkin as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and has him registered as such with the institution.

Limited liability agreement with the Outside Director of the Board nominee

The Company has concluded a limited liability agreement with Mr. John P. Durkin. In the event that Mr. Durkin is elected and appointed, the Company will retain the agreement with him.

Note: Mr. John P. Durkin is a nominee for Outside Director of the Board. There are no special conflicts of interest between him and the Company.

Third Item of Proposal: Election of Two (2) Audit & Supervisory Board Members

The term of office of Mr. AZUMA Seiichiro, Audit & Supervisory Board Member, will expire upon the close of this Meeting, and Mr. AOYAGI Akira, Audit & Supervisory Board Member, will resign from office due to his retirement. We, therefore, propose the election of two (2) Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its prior accord to this Third Item of Proposal.

The nominees for Audit & Supervisory Board Members are as follows:

Nominee No. 1	YOSHIDA Kazuhiro	(Born on October 4, 1960)	Number of Company Shares Held: 11,400	New Appointment
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Brief Personal History and Positions Held (Significant Positions Concurrently Held)

1983	April	Joined Kansai Paint
2011	June	Executive Officer and General Manager of Global Procurement Div.
2016	April	Senior Executive Officer and Senior Manager of Human Resources Planning Dept., Corporate Planning Div.
2019	June	Director of the Board, Senior Executive Officer in charge of Management Administration, General Manager of Administrative Div., General Manager of President's Office and General Manager of Human Resources Planning Office
2019	October	Director of the Board, Managing Executive Officer in charge of Management Administration, General Manager of Administration Div. and General Manager of Human Resources Planning Office
2020	April	Director of the Board, Managing Executive Officer in charge of Corporate Planning & Finance and Management Administration
2020	July	Director of the Board, Managing Executive Officer in charge of Management Administration
2021	April	Director of the Board (current)

Reason for nomination

Mr. YOSHIDA Kazuhiro has mainly been engaged in sales of industrial paint since he joined the Company. After assuming the post of Executive Officer, he headed the procurement business and then was in charge of administration as Director of the Board, Managing Executive Officer, until March 2021. In view of his broad experience and track record, Mr. YOSHIDA was nominated since he is deemed the most appropriate person to conduct effective audits from the perspective of sustainable management and strengthening corporate governance of the Company.

Note: There are no special conflicts of interest between Mr. YOSHIDA Kazuhiro as a nominee and the Company.

**Outside; New
Appointment
Independent Officer**

Nominee No. 2 **YAMAMOTO Tokuo** (Born on February 24, 1958) Number of Company Shares Held: N/A

Brief Personal History and Positions Held (Significant Positions Concurrently Held)

1981	April	Joined NEC Corporation
1995	May	Seconded to NEC de Mexico SA de CV, Accounting and Finance Manager
2007	June	General Manager of Affiliated Companies of NEC de Mexico SA de CV (retired January 2014)
2014	February	Associate Senior Vice President of NEC Networks & System Integration Corporation
2017	June	Full-time Corporate Auditor of NEC Networks & System Integration Corporation (retired June 2019)
2019	June	Standing Auditor of JAPAN PURE CHEMICAL CO., LTD. (current)

Reasons for nomination as an Outside Audit & Supervisory Board Member

Mr. YAMAMOTO Tokuo has a wealth of experience in and knowledge in corporate governance, having served in a variety of positions overseeing the policies of affiliated companies, including those overseas, based on his accounting and finance skills. Mr. YAMAMOTO was nominated since he is deemed the most appropriate person to conduct appropriate audits in an objective and professional manner from the perspective of strengthening corporate governance of the Company. Mr. YAMAMOTO is expected to play an appropriate role in monitoring and auditing the Company's group governance based on his abundant experience, especially from the perspective of accounting and finance.

Independence as an Outside Audit & Supervisory Board Member nominee

Mr. YAMAMOTO Tokuo had served at NEC Corporation and NEC Networks & System Integration Corporation, and he currently serves as Standing Auditor for JAPAN PURE CHEMICAL CO., LTD., but his independence will not be affected since the Company has no business relationship with any of these companies. Furthermore, Mr. YAMAMOTO fulfills the "Standards concerning the Independence of Outside Directors of the Board and Outside Audit & Supervisory Board Members" established by the Company, which are included as Reference on page 17.

In the event that the election of Mr. YAMAMOTO Tokuo is approved, we will designate him as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and notify the institution of his appointment.

Limited liability agreement with the Outside Audit & Supervisory Board Member nominee

In the event that the election of Mr. YAMAMOTO Tokuo is approved, the Company will conclude a limited liability agreement with Mr. YAMAMOTO that sets out his liability for failure to perform his duties in the amount prescribed by laws and ordinances, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

Note: Mr. YAMAMOTO Tokuo is a nominee for Outside Audit & Supervisory Board Member. There are no special conflicts of interest between him and the Company.

Fourth Item of Proposal: Election of One (1) Alternate Audit & Supervisory Board Member

The term of office of the Alternate Audit & Supervisory Board Member Ms. NAKAI Hiroe, who was elected at the 156th Ordinary General Meeting of Shareholders held on June 26, 2020, will expire upon the opening of this Meeting. We therefore propose the election of one (1) Alternate Audit & Supervisory Board Member.

The Audit & Supervisory Board has given its prior accord to this Fourth Item of Proposal.

The nominee for Alternate Audit & Supervisory Board Member is as follows:

NAKAI Hiroe	(Born on May 20, 1961)	Number of Company Shares Held: N/A	Outside
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Brief Personal History and Positions Held (Significant Positions Concurrently Held)

1988	April	Registered as a lawyer (Osaka Bar Association)
2016	August	Outside Audit & Supervisory Board Member of Kansai Paint (retired in June 2017)
2019	June	Outside Director of GUNZE LIMITED (current)

(Significant positions concurrently held) Lawyer and Outside Director of GUNZE LIMITED

Reason for nomination as an Alternate Outside Audit & Supervisory Board Member

Ms. NAKAI Hiroe monitored our business as an Outside Audit & Supervisory Board Member of the Company from a legal perspective based on the advanced knowledge and experience she had gained as a lawyer in order to secure sound management and enhance corporate governance, as well as monitored the Company's management from a fair and neutral position, from August 2016 to June 2017. In view of her knowledge and track record, Ms. NAKAI was nominated as an Alternate Outside Audit & Supervisory Board Member since she is deemed most appropriate to enhance the corporate governance of the Company. Ms. NAKAI is expected to play an appropriate role in monitoring and auditing the Company's management based on her knowledge from the perspective of legal and compliance if she is appointed as an Outside Audit & Supervisory Board Member.

The reason for determining that the nominee can properly execute her duties as an Outside Audit & Supervisory Board Member

Ms. NAKAI Hiroe does not have experience dealing directly with corporate management by means other than serving as an Outside Officer, but it is believed that her professional knowledge and experience as a lawyer and adequate insights into guiding corporate management will enable her to fulfill the duties of an Outside Audit & Supervisory Board Member.

Independence as an Outside Audit & Supervisory Board Member nominee

The Company does not do business with the law firm which Ms. NAKAI Hiroe belongs to. The Company has no business relationship with GUNZE LIMITED, for whom she currently serves as Outside Director. Therefore, there are no special conflicts of interest between the said companies and the Company that would affect her independence. Furthermore, Ms. NAKAI fulfills the "Standards concerning the Independence of Outside Directors of the Board and Outside Audit & Supervisory Board Members" established by the Company, which are included as Reference on page 17.

In the event that Ms. NAKAI is appointed as an Outside Audit & Supervisory Board Member, we will designate her as an independent officer pursuant to the provisions of the Tokyo Stock Exchange and notify the institution of her appointment.

Limited liability agreement with the Outside Audit & Supervisory Board Member nominee

In the event that Ms. NAKAI Hiroe is appointed as an Outside Audit & Supervisory Board Member, the Company will conclude a limited liability agreement with Ms. NAKAI that sets out her liability for failure to perform her duties in the amount prescribed by laws and ordinances, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

Notes: 1. Ms. NAKAI Hiroe's name on her family register is ASAMI Hiroe.

2. Ms. NAKAI Hiroe is a nominee for an Alternate Outside Audit & Supervisory Board Member. There are no special conflicts of interest between her and the Company.

<Matters for Judging Second Item to Fourth Item of Proposal>

1. Directors' and officers' liability insurance (D&O)

The Company has entered into a Directors' and Officers' Liability Insurance agreement with an insurance company for Directors of the Board, Audit & Supervisory Board Members and Executive Officers of the Company, as well as Directors of the Board and Audit & Supervisory Board Members of major domestic consolidated subsidiaries, as the insured pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance policy is designed to cover damages that may arise due to the said insured assuming responsibility for his/her duties or receiving claims related to the pursuit of such responsibility. In the event that the candidates for the Second Item, Third Item, and Fourth Item of the Proposal are appointed, they will be included in the insured of the insurance policy. We also plan to renew at the time of renewal with the same content.

2. Member composition of the Board of Directors and the Audit & Supervisory Board in the event that the Second Item and Third Item of the Proposal are approved and the expertise that the Company requires and that each candidate for Officer executes are as follows:

Position	Name	Affiliation	Business management	Marketing Business strategy	Development Product Management SCM	Financial accounting M & A	Global	Human resources Human resource training	Compliance Governance
Representative Director of the Board, President	MORI Kunishi	Internal Male	●	●					
Representative Director of the Board, Senior Managing Executive Officer	FURUKAWA Hidenori	Internal Male	●		●				
Director of the Board, Senior Managing Executive Officer	TAKAHARA Shigeki	Internal Male	●			●	●		●
Director of the Board, Managing Executive Officer	TERAOKA Naoto	Internal Male	●	●					
Director of the Board, Managing Executive Officer	NISHIBAYASHI Hitoshi	Internal Male	●	●			●		
Outside Director of the Board	YOSHIKAWA Keiji	Outside Independent Male	●	●	●				
Outside Director of the Board	ANDO Tomoko	Outside Independent Female	●	●				●	
Outside Director of the Board	John P. Durkin	Outside Independent Foreign Male	●			●	●		
Audit & Supervisory Board Member (Full time)	YOSHIDA Kazuhiro	Internal Male	●	●				●	●
Audit & Supervisory Board Member (Full time)	HASEBE Hideshi	Internal Male				●			
Outside Audit & Supervisory Board Member	Colin P. A. Jones	Outside Independent Foreign Male					●		●
Outside Audit & Supervisory Board Member	YAMAMOTO Tokuo	Outside Independent Male				●	●		●

3. Approach to cross-shareholdings and current status

In the Growth Strategy – “Good to Great” announced in November 2020, the Company has set “Generating Funds for Investment in Growth by Reducing Total Assets” as a part of strengthening infrastructure to support the implementation of the strategy. As one of its measures, we are promoting the reduction of cross-shareholdings while examining the economics of such holdings, and the current status as of the end of the current fiscal year is as follows:

	As of March 31, 2021		As of March 31, 2020	
	Number of stocks	The carrying amount on the balance sheets (millions of yen)	Number of stocks	The carrying amount on the balance sheets (millions of yen)
Unlisted shares	44	2,402	45	2,402
Shares other than unlisted shares	60	51,581	73	44,118

<Sales amount of the 157th Fiscal Term>

	Number of stocks	Sales amount (millions of yen)
Unlisted shares	1	0
Shares other than unlisted shares	19	8,609

4. Standards concerning the Independence of Outside Directors of the Board and Outside Audit & Supervisory Board Members

Article 1 These regulations set out the standards concerning independence for appointing Outside Directors of the Board and Outside Audit & Supervisory Board Members (hereinafter collectively referred to as “Outside Officers”) at the Company.

Article 2 Outside Officers of the Company must not fall under any of the following descriptions:

- (1) A director of the board (excluding outside directors of the board of the Company or its consolidated subsidiaries), executive director of the board, audit & supervisory board member (excluding outside audit & supervisory board members of the Company or its consolidated subsidiaries), executive officer, accounting corporate advisor (in the case where said accounting corporate advisor is a corporation, including corporate employees required to perform work for the corporation), manager or other employee of the Company or its consolidated subsidiary
- (2) An individual for whom the Company or its consolidated subsidiary is a major business partner or who serves as an executive at an entity for which the Company is a major business partner
- (3) An individual who is a major business partner of the Company or its consolidated subsidiary or who serves as an executive at an entity that is a major business partner of the Company
- (4) A major shareholder of the Company (in the case where said major shareholder is a corporation, an individual who serves as an executive at said corporation)
- (5) An individual who receives a large amount of donations from the Company or its consolidated subsidiary (in the case where said individual who receives a large amount of donations is a corporation, or an individual who serves as an executive at said corporation)
- (6) A consultant, accounting expert or law expert who receives a large amount of cash or other assets from the Company or its consolidated subsidiary in addition to the executive compensation (in the case where the individual who receives said assets is an entity, such as a corporation or a union, or an individual who belongs to said entity)
- (7) An individual to whom any of the items numbered (1) to (5) above has applied in the past
- (8) An individual to whom item (6) above has applied within the last three years
- (9) A relative within the second degree of kinship or spouse of an individual described in any of the items numbered (1) to (8) above (applies only to important individuals)

Article 3 Outside Officers of the Company shall not be subject to any circumstances in addition to those stipulated in the previous Article that might potentially cause a substantial conflict of interest with general shareholders of the Company.

Article 4 Outside Officers of the Company shall endeavor to maintain their independence as prescribed in these regulations. Outside Officers shall notify the Company immediately if these regulations have been violated and there is a risk that they no longer qualify as independent.

Notes:

Article 1 The contents of these standards are pursuant to the Companies Act and the Enforcement Rules for Securities Listing Regulations of the Tokyo Stock Exchange.

Article 2

- (2) “Individual for whom the Company or its consolidated subsidiary is a major business partner” denotes a business partner whose sales as a consolidated group to the Company’s consolidated group exceed 2% of the consolidated net sales of the business partner for the most recent fiscal year.
- (3) “Major business partner” denotes a business partner for whom the sales of the Company’s consolidated group to the relevant business partner’s consolidated group exceed 2% of the Company's consolidated sales for the most recent fiscal year.
- (4) “Major shareholder” denotes an individual who directly or indirectly owns 10% or more of the total voting rights.
- (5) “Large amount” denotes the receiving of assets that exceed the larger of ¥10 million or 2% of sales of the individual for the most recent fiscal year.
- (6) “Large amount” denotes the receiving of assets that exceed the larger of ¥10 million or 2% of sales of the individual for the most recent fiscal year.
- (9) “Important” denotes the officer class or equivalent of each business partner.