



Nov. 30, 2022.

To whom it may concern,

Company name: Kansai Paint Co., Ltd
Representative: MORI Kunishi,
Representative Director of the Board, President
(Tokyo Stock Exchange Prime Market, Code No.4613)
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Representative Director of the Board, Vice President
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Notice about acquisition of shares of a powder coating business company in Europe (to make it a consolidated subsidiary)

Kansai Paint Co., Ltd. ("Kansai Paint") and Kansai Helios Coatings GmbH ("Helios"), a consolidated subsidiary in Europe, have decided to acquire all shares of CWS Lackfabrik GmbH ("CWS Group"), which is based in Düren, Federal Republic of Germany and operates powder coating business and synthetic resin business in Europe and USA.

1 . Reason for Share Acquisition

As a key principle of the 17th Mid-Term Management Plan, Kansai Paint aims to strengthen its business portfolio by "aggressively investing in growth areas".

In the field of powder coatings, which is expected to grow significantly worldwide from the perspective of improving the environment and quality of life (QOL), Helios, a consolidated subsidiary in Europe, will acquire shares of the CWS Group, which operates a powder coatings business and synthetic resin business in Europe and USA, and will strengthen its coatings business for the industrial field with the aim of "shifting to B to B business".

CWS (founded in Germany in 1864) is already a well-established paint manufacturer with over 150 years of business experience and a solid position in the manufacture and sale of industrial powder coatings and paint resins, mainly in Germany.

By welcoming CWS Group consisting of 13 entities into our group, we will increase business synergies with our existing European subsidiary Helios, expand our sales share through cross-selling, improving productivity, and enhancing our portfolio. In order to achieve the goals of the 17th Mid-

Term Management Plan, we will continue to shift to B to B business in other area of the world.

2. Summary of the subsidiary to acquire shares

(1) Company name	Kansai Helios Coatings GmbH
(2) Location	Ignaz-Köck-Strasse 15 1210 Vienna, Austria
(3) Name of representative	KAJIMA Junichi
(4) Description of business	Holding company of paint manufacturing and sales companies
(5) Share capital	7,500 thousand euros (1,102 million yen)
(6) Date of incorporation	Jan. 19, 2005
(7) Major Shareholders and holding ratio	Kansai Paint Co., Ltd. 80%

※ 1 € =147 yen (Internal rate as of November,2022)

3. Summary of the subsidiary to be acquired (CWS Group)

(1) Company name	CWS Lackfabrik GmbH		
(2) Location	Katharinenstrasse 61, 52353 Düren-Merken, Germany		
(3) Name of representative	Mr. Hans-Helmuth Schmidt, Mr. Achim Kenn		
(4) Description of business	Manufacture and sale of powder coatings and coating resins		
(5) Share capital	5,000 thousand euros (735 million yen) (as of December 31, 2021)		
(6) Date of incorporation	Aug. 7, 2017 (founded on Oct.1,1864)		
(7) Major Shareholders and holding ratio	CWS-Lackfabrik Conrad W. Schmidt GmbH & Co. KG 100%		
(8) Relationship with Kansai Paint	Capital relationship	Not Applicable (N/A)	
	Personnel relationship	Not Applicable (N/A)	
	Business relationship	Not Applicable (N/A)	
(9) Operating results and financial condition of the target company for the three most recent fiscal years.			
Fiscal Year	FY 2019	FY 2020	FY 2021
Consolidated net assets	18,564 thousand euros (2,728 million yen)	20,284 thousand euros (2,981 million yen)	22,828 thousand euros (3,355 million yen)
Consolidated total assets	35,710 thousand euros	37,991 thousand euros	50,402 thousand euros

	(5,249 million yen)	(5,584 million yen)	(7,409 million yen)
Consolidated net sales	78,647 thousand euros (11,561 million yen)	76,994 thousand euros (11,318 million yen)	96,007 thousand euros (14,113 million yen)
Consolidated Income before income taxes and non-controlling interests	6,294 thousand euros (925 million yen)	6,673 thousand euros (980 million yen)	8,228 thousand euros (1,209 million yen)
Consolidated net income attributable to owners of the parent	5,277 thousand euros (775 million yen)	5,606 thousand euros (824 million yen)	5,919 thousand euros (870 million yen)

※ 1 € =147 yen (Internal rate as of November,2022)

4. Summary of the counterparty to the acquisition of shares

(1) Company name	CWS-Lackfabrik Conrad W. Schmidt GmbH & Co. KG	
(2) Location	Katharinenstrasse 61, 52353 Düren-Merken, Germany	
(3) Name of representative	Mr. Hans-Helmuth Schmidt	
(4) Relationship with Kansai Paint	Capital relationship	Not Applicable (N/A)
	Personnel relationship	Not Applicable (N/A)
	Business relationship	Not Applicable (N/A)
	Related party relationship	Not Applicable (N/A)

5. Number of shares to be acquired, acquisition price, and ownership of the shares before and after the acquisition

(1) Number of shares owned before the acquisition	0 share (Ownership ratio: 0%)
(2) Number of shares to be acquired	2 Common Shares (Acquisition company: Kansai Helios Coatings GmbH)
(3) Acquisition price	The acquisition price is not disclosed due to confidentiality obligations under the share transfer agreement with the counterparty. Sufficient procedures have been taken to verify the appropriateness of the price by conducting appropriate due diligence by a third party.

(4) Number of shares owned after acquisition	2 Common Shares (shareholding ratio: 100%) (Acquisition company :Kansai Helios Coatings GmbH)
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6 . Schedule

- (1) Date of execution of the Sale and Purchase Agreement : Nov. 28, 2022
- (2) Closing date for the transactions : Feb. 28, 2023 (expected)

7 . Outlook

The impact of this matter on our consolidated earnings forecast for the fiscal year ending March 31, 2023 will be announced as soon as the details are finalized.