



(This document is a summary English translation of the original Japanese document. If there are any discrepancies between this document and the original Japanese document, the original Japanese document prevails.)

21 February 2024

To Whom It May Concern,

Company Name: Kansai Paint Co., Ltd.  
Representative: MORI Kunishi,  
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(Code number: 4613, Tokyo Stock Exchange Prime Market)  
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## **Announcement Regarding Issuance of Zero Coupon Convertible Bonds due 2029 and Zero Coupon Convertible Bonds due 2031**

Kansai Paint Co., Ltd. (the "Company") hereby announces that, at its meeting of the Board of Directors held on 21 February 2024, the Company resolved to issue Zero Coupon Convertible Bonds due 2029 (the "2029 Bonds") and Zero Coupon Convertible Bonds due 2031 (the "2031 Bonds", together with the 2029 Bonds, the "Bonds") (each being bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*).

### **Funding Needs/Cash Requirement of the Issuance of the Bonds**

The Company expects to have significant funding needs going forward for the execution of its growth strategies and its pursuit of management efficiency, with the aim of further strengthening its corporate value. As the funding environment including future interest rate movements remains uncertain, the Company determined to issue the Bonds in order to secure funds for investment in growth while controlling funding costs, and to continue to carry out its growth strategies flexibly and resolutely over the medium- to long- term.

### **Use of Proceeds**

The Company intends to apply the net proceeds of approximately ¥100 billion as follows:

- (a) Approximately ¥40 billion towards bolt-on M&As in Europe, India and other regions, including the acquisition of WEILBURGER Coatings GmbH and WEILBURGER Asia Ltd. (Hong Kong) through Kansai Helios Coatings GmbH announced on 8 February 2024, by around March 2029 when the 2029 Bonds become due;
- (b) Approximately ¥20 billion for partially funding proactive research and development and capital investment to promote ESG, further strengthening of the Group's management base through renewal of supply chain, IT innovation, DX strategy and investments in human resources, as well as repayment of loans, by around the end of March 2025; and
- (c) Approximately ¥40 billion towards the repurchase of Shares to improve capital efficiency and

Note: This press release is intended as general information regarding Kansai Paint Co., Ltd.'s issuance of the Bonds. This press release does not constitute an offer of, or the solicitation of an offer to buy or subscribe for the Bonds or the shares of common stock of the Company in the United States or in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the shares of common stock of the Company issuable upon exercise of, or upon acquisition by the Company of, the stock acquisition rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any relevant securities laws of any state, and may not be offered or sold within the United States, absent registration or an applicable exemption from registration requirements. No public offering of the Securities will be made in the United States.

increase value per Share through a reduction in the number of outstanding Shares.

In connection with the repurchase of its own shares, the Company has resolved today, in concurrence with the resolution of the issuance of the Bonds, to establish a share repurchase program at a maximum cost of ¥40 billion and the period of repurchase starting on 22 February 2024 and ending on 21 February 2025. The Company is considering cancelling the repurchased shares.

#### **Issuance of the 2029 Bonds**

1. Securities Offered	¥60,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2029 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i> )
2. Issue Price	101.0%
3. Closing Date	8 March 2024
4. Coupon	0%
5. Redemption at Maturity	100.0%

#### **Issuance of the 2031 Bonds**

1. Securities Offered	¥40,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2031 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i> )
2. Issue Price	100.0%
3. Closing Date	8 March 2024
4. Coupon	0%
5. Redemption at Maturity	100.0%

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