



October 31, 2016

To Whom It May Concern:

Company name: Kansai Paint Co., Ltd.  
Representative: Hiroshi Ishino, President  
(Securities code: 4613, First Section, TSE)  
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## **Notice Concerning Stock Acquisition and Subscription to Third Party Allotment of Shares of Turkish Paint Company**

With regard to the “Notice of Start of Discussions Concerning the Stock Acquisition of a Paint Company in Turkey” disclosed on May 25, 2016, Kansai Paint Co., Ltd. (the “Company”) announces that it has passed a resolution to acquire stock of and subscribe to third party allotment of shares by Polisan Boya Sanayi ve Ticaret A.S. (“PB”) and make it an affiliate under the equity method as described below.

### **1. Reason for the stock acquisition and subscription to third party allotment of shares**

The Kansai Paint Group (the “Group”), which has continuously promoted globalization, believes that the Turkish market offers potential for significant growth that contributes to the business expansion of the Group.

The Group already operates automobile and industrial paints businesses in Turkey.

By making PB, a leading paint manufacturers in Turkey and with a large presence in decorative paints in particular, an affiliate under the equity method, the Group aims to enter the Turkish decorative paints market and achieve further business expansion, which we believe would lead to an increase in the Group’s business results in the medium to long term, as well as contributing to the improvement of shareholder value.

### **2. Details of the stock acquisition and subscription to third party allotment of shares**

The Company will acquire the shares of PB from its existing shareholder, Polisan Holding A.S., and subscribe to a third party allotment of shares, thus acquiring shares equivalent to 50.0% of PB’s shares issued and outstanding. Accordingly, PB is scheduled to become an equity-method affiliate of the Company.

(1) Ownership ratio before the change in ownership: The Company 0%; Polisan Holding A.S. 100%)

(2) Acquisition ratio: 50% of PB’s shares issued and outstanding

(3) Acquisition price: Approx. 11.5 billion yen

(Stock acquisition: 68.5 million U.S. dollars; subscription to third party allotment: 45 million U.S. dollars)

(4) Ownership ratio after change in ownership: The Company 50%; Polisan Holding A.S. 50%

### 3. Outline of PB

- (1) Company name: Polisan Boya Sanayi ve Ticaret A.S.
- (2) Location: Gebze, Kocaeli, Republic of Turkey
- (3) Description of business: Manufacture and sale of decorative paints, adhesives, thinners, and related products
- (4) Capital: 90,294,000 Turkish lira (approx. 3,051 million yen)
- (5) Latest business results: The actual performance in FY2015 was as follows:
  - Net sales: 472 million Turkish lira (approx. 16.0 billion yen)
  - Operating income: 54 million Turkish lira (approx. 1.8 billion yen)

### 4. Schedule

- (1) Stock transfer contract date: October 31, 2016 (local time)
- (2) Stock transfer and third party allotment subscription date: Late December, 2016 (plan)

### 5. Impact on business results

The impact of this stock acquisition and subscription to the third party allotment of shares on the Group's consolidated business results is minor.