NIPPON PAINT HOLDINGS CO.,LTD.





February 10, 2021

FY2020 4Q Financial Results Presentation Material

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Disclosure policy for this document:

- Both reported base ('Tanshin') and adjusted base ('Non-GAAP') financials are disclosed
- Non-GAAP adjusts for effects of new consolidation through M&A and one-time gains/losses in order to clarify continuing operation trends year on year
- Qualitative comments in this presentation primarily refers to Non-GAAP unless stated otherwise
- Non-GAAP incorporates adjustments mainly for the following items. (F/X constant, subsidies, insurance payments received, etc. (subsidy income, insurance income, gains on sales of fixed assets), M&A related costs, suspension of amortization of intangible fixed asses, asset impairment losses, newly consolidated subsidiaries) Please see appendix pages (Page. 44 onwards) for more information

1-1. Summary of Today's Presentation (1) FY2020

FY2020 YoY Growth Rate

('Tanshin')
Revenue: +12.9%
Operating profit: +11.4%

('Non-GAAP')
Revenue: -0.1%
Operating profit: -18.5%

◆Our earnings were impacted by COVID; but we achieved record earnings (revenue of ¥781.1 bn and operating profit of ¥86.9 bn) on a Tanshin basis due to full-year contribution※ of DuluxGroup and Betek Boya and recovery that started in 3Q, mainly in China

<Primary reasons>
◆NIPSEA China returned to YoY revenue growth in 2Q due to better overall consumer sentiment
◆Betek Boya reported higher revenue due to consistently strong market conditions since 1Q and sales promotion activities
◆DuluxGroup reported higher revenue as home improvement demand remained high throughout the year
◆In Japan, lower revenue and operating profit due to slow recovery from COVID, higher personnel expenses and other reasons

FY2020 Results (vs. November forecast)

('Tanshin')
Revenue: +2.8%
Operating profit: +14.4%

<Primary reasons>
↑Recovery of automobile production in Japan and overseas
↑Higher demand at NIPSEA China due to continuing expansion of new construction project market
↑Higher than expected demand at Betek Boya fueled by increased sales promotion and incentives driving higher sales

◆ Revenue and operating profit surpassed our previous forecast, despite higher SG&A expenses including advertising expenses at group companies in line with our November 2020 assumptions

※DuluxGroup: Revenue of ¥148.3 bn, Operating profit of ¥16.1 bn
Betek Boya: Revenue of ¥36.2 bn, Operating profit of ¥4.9 bn

1-1. Summary of Today's Presentation (2) FY2020 4Q

FY2020 4Q YoY Growth Rate



('Tanshin')

Revenue: +11.2%

Operating profit: +102.0%

('Non-GAAP')

Revenue: +13.6%

Operating profit: -5.4%

◆NIPSEA China (YoY Growth):
Revenue: +22.7%, Operating profit: +13.1%
(1) Project revenue: +34% due to continued recovery of new construction projects and higher share in key and strategic customers
(2) DIY revenue: +21% due to demand recovery

◆Overall automotive business revenue returned to growth due to recovery of automobile production to prior-year levels in Japan and overseas

◆Steady contribution from Betek Boya due to higher demand and sales from increased sales promotion and incentives and from DuluxGroup with ongoing DIY demand, influenced by COVID enhanced home improvement activity

◆Betek Boya and DuluxGroup were acquired more than one year ago, and our 'Non-GAAP' results include their 12 months results beginning from 4Q

◆Lower profit in Japan due to lower revenue resulting from COVID resurgence and higher personnel and advertising expenses

◆Lower procurement cost of raw materials in all regions contributed to higher operating profit, although raw materials costs are gradually increasing

1-1. Summary of Today's Presentation (3) FY2021 Forecast

FY2021 Consolidated Earnings Forecast

('Tanshin')

Revenue: ¥890 bn

Operating profit※1: ¥92 bn

Operating Profit※2: ¥87 bn

Profit: ¥67 bn



◆For FY2021, we forecast record results in terms of revenue, operating profit, and profit due to stable growth in all regions and businesses and effects of full capture of profits of Asian JVs and new consolidation

(Sales)

◆Around 7% YoY growth in consolidated revenue expected for existing businesses

◆Assume continuing faster growth in Asia centered on China, recovery of automotive market globally and of decorative market in Japan, and growth of Betek Boya in Europe expected. DuluxGroup expecting modest YoY revenue growth (relative to abnormal COVID-19 enhanced demand that began in March 2020), with some operating margin expansion

(Expenses)

◆Raw materials cost ratio is expected to increase slightly from prior-year levels in view of current market conditions

◆Make substantial investments centered on Japan aimed for sustainable growth in the medium to long term

◆Assume one-time expenses of around ¥5.0 bn, centered on expenses associated with integration of Asian operations, such as stamp tax

FY2021 EPS Forecast

¥29.17



◆EPS forecast is ¥29.17 (after stock split)

◆Annual dividend forecast is ¥10 per share (after stock split; including commemorative dividend of ¥1 per share)

※Annual dividend forecast of ¥45 and a commemorative dividend of ¥5 per share before adjusting for the stock split

※1 Before one-time expenses accompanying acquisition of Asian JVs, etc.
※2 After one-time expenses accompanying acquisition of Asian JVs, etc.

1-2. FY2021 Forecast (Indonesia and India Businesses)

Indonesia (For reference)

(Billion yen)	FY2019 Results	FY2020 Results	FY2021 Forecast
Revenue	33.9	30.3	+10～15%
Operating profit	10.3	10.2	
OP margin	30.3%	33.8%	30～35%

India (For reference)

(Billion yen)	FY2019 Results	FY2020 Results	FY2021 Forecast
Revenue	19.6	17.1	+15～20%
Operating profit	0.2	0.0	
OP margin	1.1%	0.3%	0～5%

※ FY2019 and FY2020 results are pro-forma management figures
※ Assumptions for exchange rates
・IND/JPY=¥1.58
・IDR/JPY=¥0.0074

FY2020 results (For reference)

- In Indonesia, lower revenue and profit due to decline in household consumption, a driver of economic growth, due to COVID, but market share increased in both decorative paints and industrial coatings
- In India, lower revenue and profit due to escalating COVID impact mainly in southern India

FY2021 forecast

- In Indonesia, higher revenue and profit expected due to recovery from COVID and increased penetration of CCM (Computerized Colour Matching) systems
- In India, higher revenue and profit expected due to recovery from COVID and stepped up sales promotion activities

1-3. Summary of Market and Business Conditions in Major Regions (1)

Market and business conditions in major regions

Japan	Decorative: Slow 4Q sales growth due to resurgence of COVID that started in late November. In FY2021, around 10% revenue growth expected due to focus on marketing and sales promotion and reinforced development of new functional products and high profitability products Industrial: 4Q market remained weak, despite gradual recovery from COVID in all sectors. In FY2021, around 15% sales growth expected due to recovery of all businesses, notably in coatings for agricultural and construction machinery sectors, as well as market share gains resulting from expansion of powder coatings business
NIPSEA China	Decorative: (DIY) 4Q sales grew 21% YoY due to recovery in demand for repainting existing houses and improved consumer confidence that are continuing from 3Q. Projected revenue growth around 10% in FY2021 through supply of higher value-added products and expansion of sales channels Decorative: (PRJ) 4Q sales grew 34% YoY due to more new construction projects obtained and increase of share in key customers. Continued to focus and strengthen partnership with key and strategic customers. Projected revenue growth around 20% in FY2021 through expansion of product range, building on business initiatives that were rolled out in FY2020
Asia Excepting NIPSEA China	Malaysia Group posted higher 4Q revenue due to the recovery from COVID that started in 3Q Thailand Group posted modest 4Q revenue growth driven by recovery from COVID and low demand from 1Q to 3Q 2020 Revenue growth projected for FY2021 due to inclusion of earnings of Indonesia and India business, coupled with continued product range expansion and improvement of overall business conditions

1-3. Summary of Market and Business Conditions in Major Regions (2)

Market and business conditions in major regions

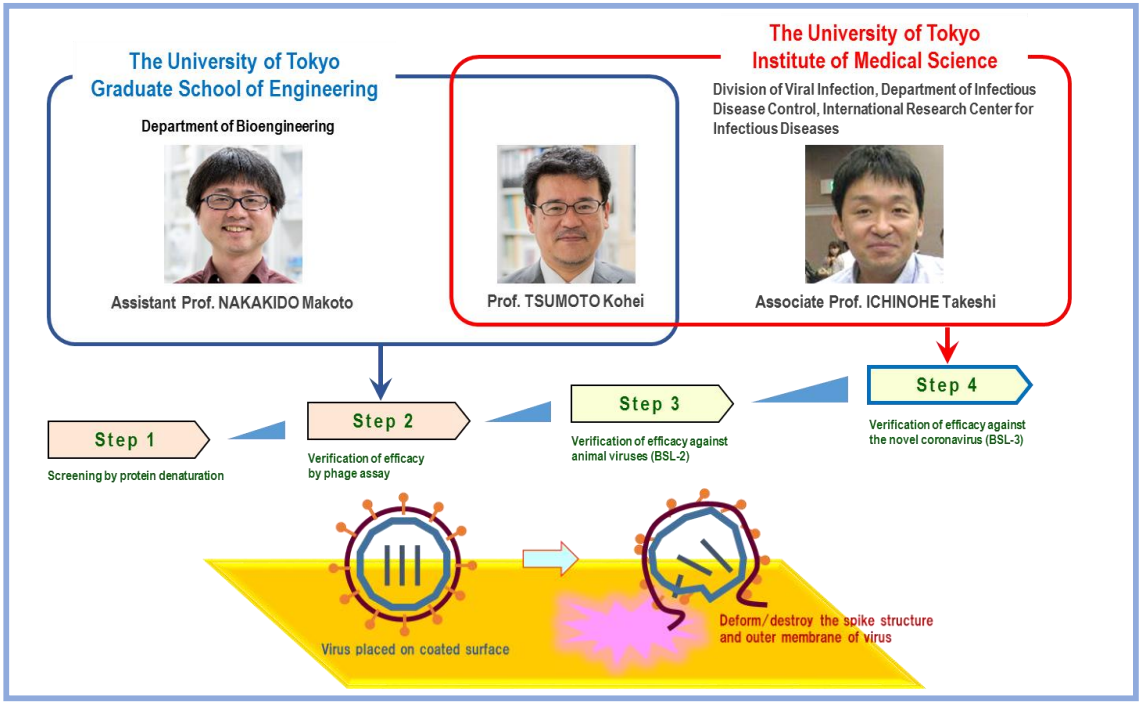
Oceania	Higher YoY sales across all businesses, with higher home improvement activity driven by economic stimulus, low interest rates and some ongoing COVID enhanced demand. We anticipate COVID-enhanced DIY demand in 2020 to progressively normalize in 2021
Americas (Dunn-Edwards)	4Q revenue grew 10.8% YoY, driven by strength in the new and existing housing markets fueled by US government's low interest rate policy and favorable weather. In FY2021, higher YoY sales expected due to consistently brisk housing demand, coupled with promotion of the digital transformation (DX) and store network expansion
Europe (Betek Boya)	4Q revenue increased (+80%) resulting from new product launch, increased sales promotion activities and incentives driving sales and resulting in higher decorative market share. In FY2021, we project revenue to continue to grow by extending and opening up more new dealers and increasing our existing share in current dealers
Automotive coatings	Japan: In 4Q, earnings recovered to prior-year levels due to increase in automobile production. In FY2021, earnings are expected to be on prior-year levels by factoring in COVID impact, despite continuing recovery of automotive market NIPSEA: 4Q automotive coatings sales increased 10.6% YoY mainly due to contribution from Japan OEMs, 9% growth in automobile production and various government programs to offset the impact of COVID Americas: In 4Q, automobile production recovered to prior-year levels as automakers continued to increase production to maintain inventories. In FY2021, higher YoY sales expected due to a sharp rebound projected for automobile production after the significant cuts due to COVID Europe: In 4Q, higher sales due to recovery of automobile production. In FY2021, higher sales expected due to recovery from COVID as with the Americas

1-4. Major Topics After Announcement of 3Q Results ①

Started initiatives for reducing infection risk based on industry-academia co-creation agreement (announced on Nov. 24)

- Water-based paint with photocatalytic properties proven effective in suppressing SARS-CoV-2 virus (COVID-19) based on joint test with the Noguchi Memorial Institute for Medical Research at University of Ghana
- Began joint testing with the University of Tokyo to verify the efficacy of products under actual conditions of use in suppressing SARS-CoV-2 (including variant strains)
- Commenced development of new technology to visualize anti-viral properties





1-4. Major Topics After Announcement of 3Q Results ②

Started selling PROTECTON Interior Wall VK-200 for DIY (announced on Dec. 18)

- An affordable indoor-use anti-viral and anti-bacterial water-based paint using a visible light-responsive photocatalyst, featuring improved workability and ease of application. This product is available in small volumes for home use
- The second anti-viral paint for DIY following the PROTECTON Interior Paint Premium released on Sep. 4
- Launched PROTECTON Interior Wall VK-200 paint for commercial use on Oct. 28



PROTECTON Interior Wall VK-200 for DIY



【Online shop site】
NIPPE HOME ONLINE
https://www.nippehome-online.jp/
(only in Japanese)

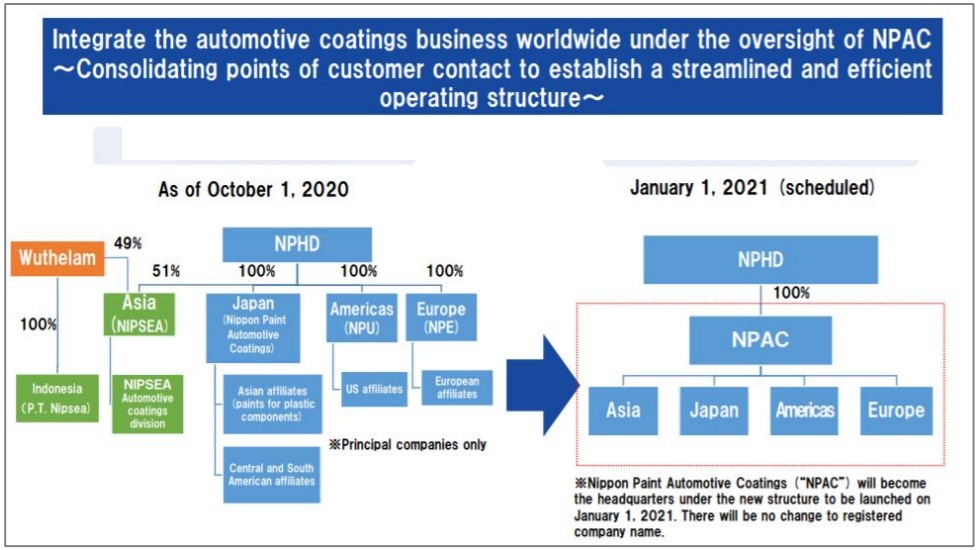
1-4. Major Topics After Announcement of 3Q Results ③

Completed reorganization of automotive operations in the Americas (announced on Jan. 18)

- Nippon Paint Automotive Coatings Co., Ltd. (NPAC) completed reorganization of its automotive coatings business in the Americas on Jan. 1, 2021
- The automotive coatings business in Europe to commence operations under the new organization from early July 2021
- The reorganization will significantly enhance our quality assurance system worldwide
- Aim to become the leading company in automotive coatings by providing products and one-stop integrated services that more accurately meet customer needs through the reorganization in Europe and the Americas



Presentation material released on October 1, 2020



NPAC's new organizational structure

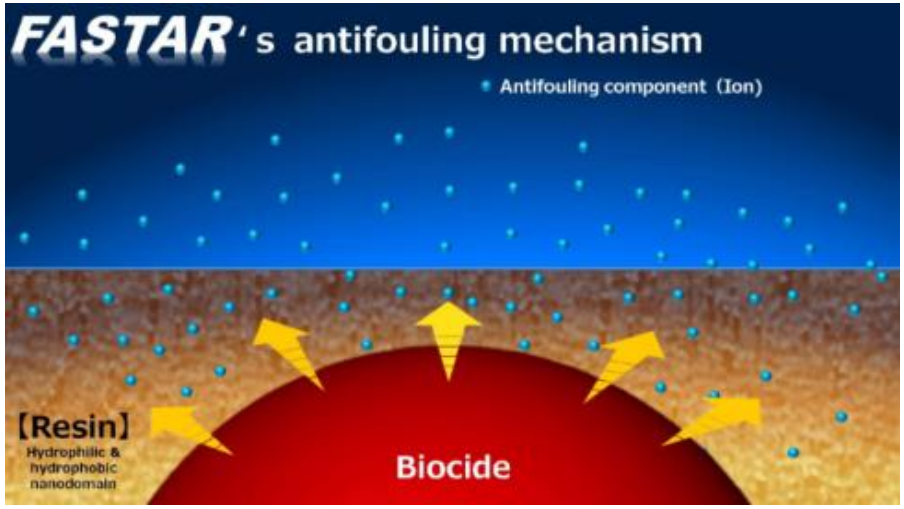
1-4. Major Topics After Announcement of 3Q Results ④

Started selling FASTAR next-generation industry-first nanotechnology-based hydrolysis antifouling paint in January (announced on Jan. 22)

- A marine-environment-friendly product that reduces elution of antifouling agents by up to 50% compared with conventional products
- Reduces vessel fuel consumption by around 8% by incorporating our unique water trap technology, contributing to reduction of CO2 emissions and costs
- Reduces paint application man-hours by up to 37%, which reduces time needed for renovation projects
- FASTAR supports ESG-driven management at customers around the world



FASTAR Hydrolysis Antifouling Paint

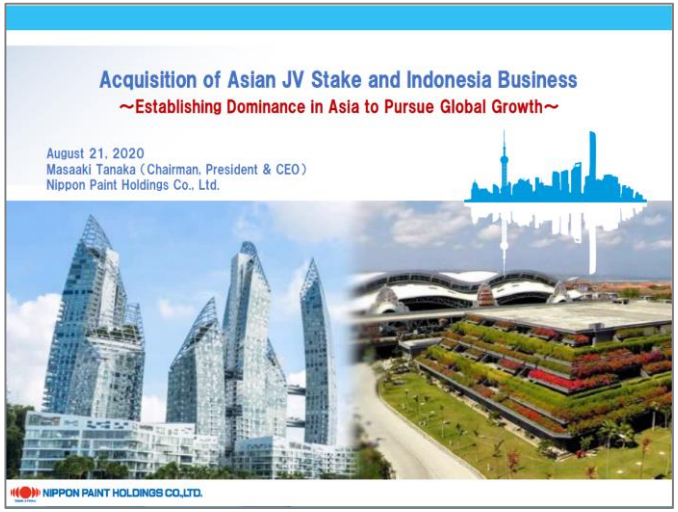


FASTAR's antifouling mechanism

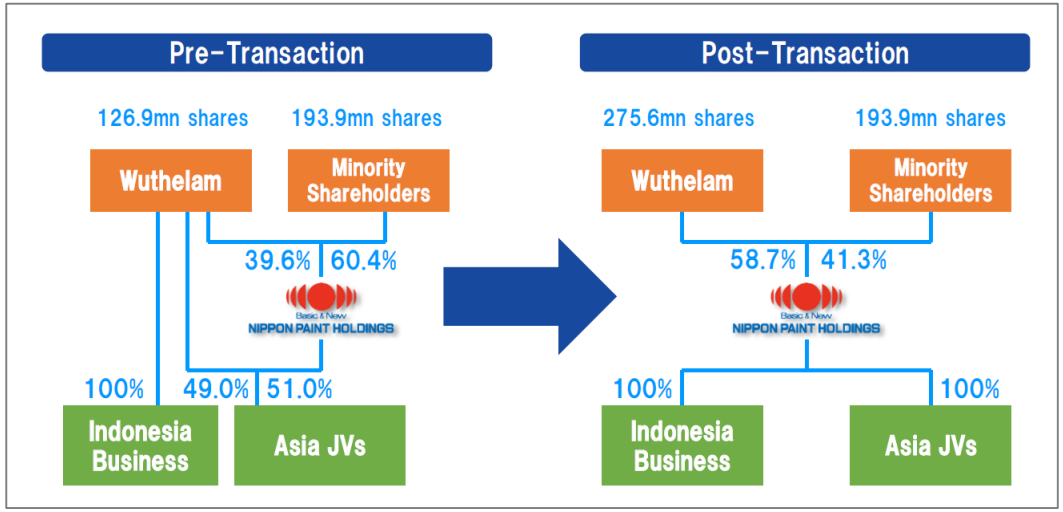
1-4. Major Topics After Announcement of 3Q Results ⑤

Completed acquisition of Asian JV stake and Indonesia business (announced on Jan. 25)

- Transactions closed on January 25, 2021
- Realizing substantial earnings growth as well as minority protection and Maximization of Shareholder Value (MSV) by aiming to capture the growing demand in Asian markets



Presentation material dated Aug. 21, 2020

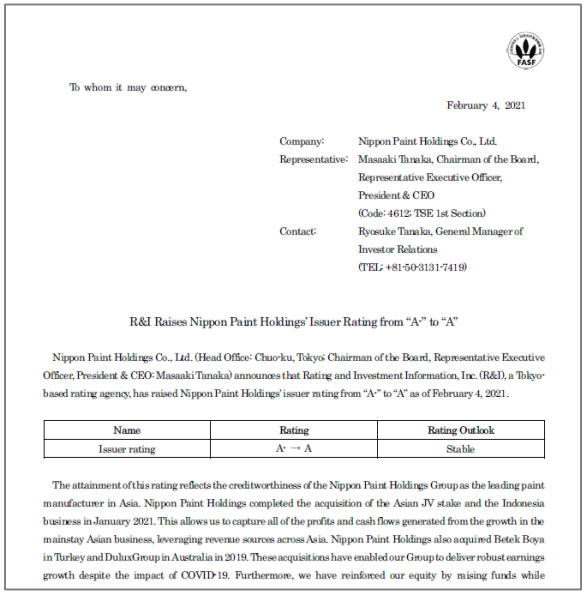


Capital ownership structure

1-4. Major Topics After Announcement of 3Q Results ⑥

Issuer credit rating from R&I upgraded from "A-" to "A" (announced on Feb. 4)

- The upgrade reflects the NPHD Group's creditworthiness as the leading paint manufacturer in Asia
- The acquisition of Betek Boya and DuluxGroup has resulted in robust earnings growth despite the impact of COVID
- Our Group implemented large strategic investments including acquisitions of Betek Boya and DuluxGroup, as well as acquisitions of Asian JV stake and Indonesia business, while enhancing financial soundness at the same time. This led to the upgrade of our issuer rating to "A."



To whom it may concern,

February 4, 2021

Company: Nippon Paint Holdings Co., Ltd.
Representative: Masaaki Tanaka, Chairman of the Board, Representative Executive Officer, President & CEO
(Code: 4612; TSE 1st Section)
Contact: Ryosuke Tanaka, General Manager of Investor Relations
(TEL: +81-50-3131-7419)

R&I Raises Nippon Paint Holdings' Issuer Rating from "A-" to "A"

Nippon Paint Holdings Co., Ltd. (Head Office: Chuo-ku, Tokyo; Chairman of the Board, Representative Executive Officer, President & CEO: Masaaki Tanaka) announces that Rating and Investment Information, Inc. (R&I), a Tokyo-based rating agency, has raised Nippon Paint Holdings' issuer rating from "A-" to "A" as of February 4, 2021.

Name	Rating	Rating Outlook
Issuer rating	A- → A	Stable

The attainment of this rating reflects the creditworthiness of the Nippon Paint Holdings Group as the leading paint manufacturer in Asia. Nippon Paint Holdings completed the acquisition of the Asian JV stake and the Indonesia business in January 2021. This allows us to capture all of the profits and cash flows generated from the growth in the mainstay Asian business, leveraging revenue sources across Asia. Nippon Paint Holdings also acquired Betek Boya in Turkey and DuluxGroup in Australia in 2019. These acquisitions have enabled our Group to deliver robust earnings growth despite the impact of COVID-19. Furthermore, we have reinforced our equity by raising funds while

Press release dated Feb. 4, 2021

1-4. Major Topics After Announcement of 3Q Results ⑦

Notice Regarding Stock Split and Associated Amendment to the Articles of Incorporation (announced on Feb. 10)

- Aimed to improve the liquidity of our stock and make the stock more accessible to a broader base of investors as well as our employees and others by reducing the price per investment unit
- Each share held by shareholders as of the record date of March 31, 2021 will be split into five shares
- There is no change to the year-end dividend forecast for the fiscal year ended December 31, 2020 of 23 yen per share

(2) Outline of the stock split

① Method of the stock split

Each share of common stock owned by shareholders listed or recorded in the final register of shareholders as of the record date of Wednesday, March 31, 2021 will be split into five shares.

② Number of shares to be increased by the stock split

Total number of shares prior to the stock split	474,102,443 shares
Number of shares to be increased by the stock split	1,896,409,772 shares
Total number of issued shares following the stock split	2,370,512,215 shares
Total number of authorized shares following the stock split	5,000,000,000 shares

(3) Schedule of the stock split

Public notice of record date	Friday, March 12, 2021
Record date	Wednesday, March 31, 2021
Effective date	Thursday, April 1, 2021

Press release dated February 10, 2021



2. FY2020 4Q Highlights

Photo image: NIPSEA/Florentia Village (Guangzhou-Foshan)

2-1. FY2020 4Q Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2019 4Q	FY2020 4Q	YoY (%)	FY2019 4Q	FY2020 4Q	YoY (Amount)	YoY (%)
Revenue	196.9	218.9	11.2%	196.8	223.6	26.8	13.6%
Operating profit	11.7	23.6	102.0%	23.1	21.9	-1.3	-5.4%
OP margin	5.9%	10.8%	4.9pt	11.7%	9.8%	-	-2.0pt
Profit before tax	13.7	25.1	83.5%	25.1	23.5	-1.6	-6.4%
Profit※	4.1	13.0	217.3%	13.4	12.8	-0.6	-4.5%

※Profit attributable to owners of parent

Revenue

- Revenue (Tanshin) : +11.2% YoY; Revenue (Non-GAAP) : +13.6% YoY
- Higher revenue mainly contributed by China Decorative Project growth, driven by increased new construction projects secured and increase in share of key customers; ongoing high home improvement demand in Oceania; and Betek Boya revenue increase from sales promotion and incentives driving higher sales
- Automotive coatings returned to YoY revenue growth to a recovery in all regions

Operating profit

- Operating profit (Tanshin) : +102.0%; Operating profit (Non-GAAP) : -5.4% YoY
- Lower profit due to lower revenue in Japan due to COVID and increased investments for growth in Oceania, despite higher decorative coatings revenue at NIPSEA China and Betek Boya, higher automotive coatings revenue, and the lower procurement cost of raw materials

2-2. FY2020 4Q Highlights (Revenue & Operating Profit by Region)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 4Q	FY2020 4Q	YoY (%)	FY2019 4Q	FY2020 4Q	YoY (Amount)	YoY (%)
Japan	Revenue	46.1	44.0	-4.5%	46.1	44.0	-2.1	-4.5%
	OP profit※	4.2	2.3	-45.7%	5.2	2.4	-2.8	-53.4%
Asia	Revenue	88.1	102.9	16.7%	88.0	103.2	15.2	17.3%
	OP profit	10.7	16.5	53.9%	13.3	14.1	0.8	6.1%
Oceania	Revenue	34.4	41.2	19.6%	34.4	40.7	6.3	18.3%
	OP profit	3.1	2.4	-21.3%	3.1	2.3	-0.7	-24.4%
Americas	Revenue	17.7	17.9	1.2%	17.7	18.9	1.2	6.6%
	OP profit	1.0	1.1	10.0%	1.0	1.2	0.2	15.3%
Other	Revenue	10.5	12.9	22.6%	10.5	16.7	6.2	59.2%
	OP profit	-7.3	1.3	-	0.5	1.9	1.4	266.0%
Total	Revenue	196.9	218.9	11.2%	196.8	223.6	26.8	13.6%
	OP profit	11.7	23.6	102.0%	23.1	21.9	-1.3	-5.4%

※Excluding dividends from overseas group companies (FY2020 4Q: ¥23.5 bn; FY2019 4Q: ¥- bn)

Major reasons for changes

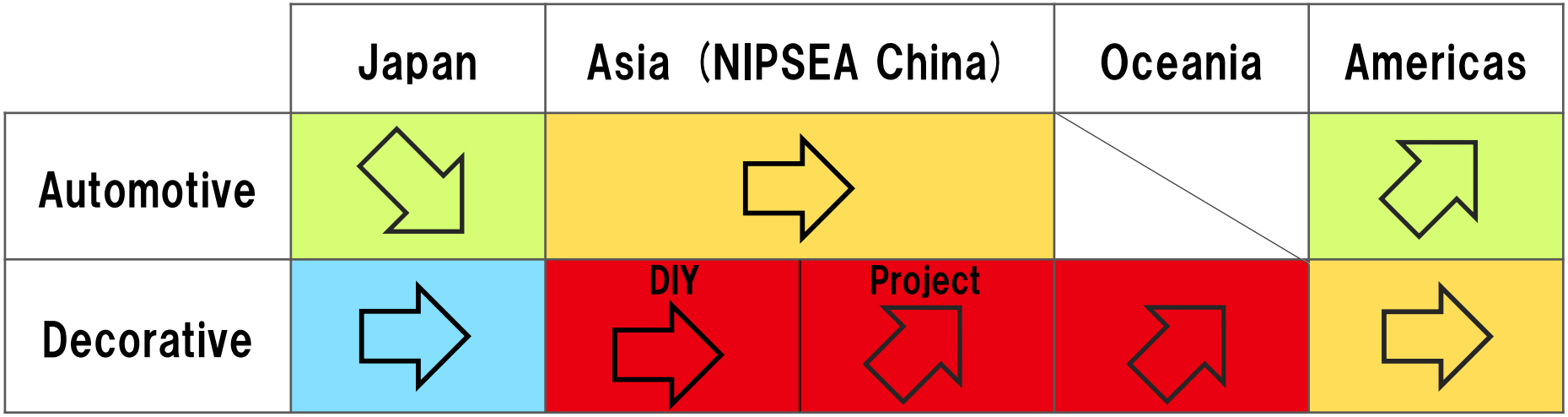
- Japan :Lower revenue and profit due to the impact of COVID on decorative paints and industrial coatings sales and to higher personnel and advertising expenses, although automotive coatings sales recovered to prior-year levels in step with market recovery
- Asia :Higher sales due to automotive market recovery that started in 3Q and decorative paints recovery that started in 2Q
- Oceania :Lower profit due to increased expenses for future growth, despite ongoing home improvement DIY demand
- Other (Betek Boya) :Higher revenue at Betek Boya resulting from sales promotions and incentives to drive sales



3. FY2020 4Q Results (by Region)

Photo image: DuluxGroup
The Ivanhoe Grammar School Senior Years and Science Centre, Australia, by McBride Charles Ryan Architects, a finalist in the 2017 Dulux Colour Awards. Photographer: John Gollings.

3-1. Market & Business Environment (4Q)



■ Market (YoY)

Strong — Weak

■Business (vs. Market) ※

Outperform / Inline / Underperform

※Own estimation

Market analysis

✓Automotive: Automobile production continued to recover in all regions, with 4Q market conditions improving vs 2019

✓Decorative: In Japan, market remained weak due to resurgence of COVID that started in late November
In China, both DIY and Project markets were strong due to steady demand for repainting existing houses following lifting of entry restrictions to repainting sites for DIY and continued recovery of new construction projects for Project
In Oceania, 4Q market remained favorable due to continuation of some COVID enhanced demand fueled by economic stimulus programs and low interest rates
In the Americas, better market conditions than in 4Q of 2019 for new and existing houses because of low interest rates and favorable weather

3-2. Growing Potential of Chinese Paint Market (Market Share Reexamination)

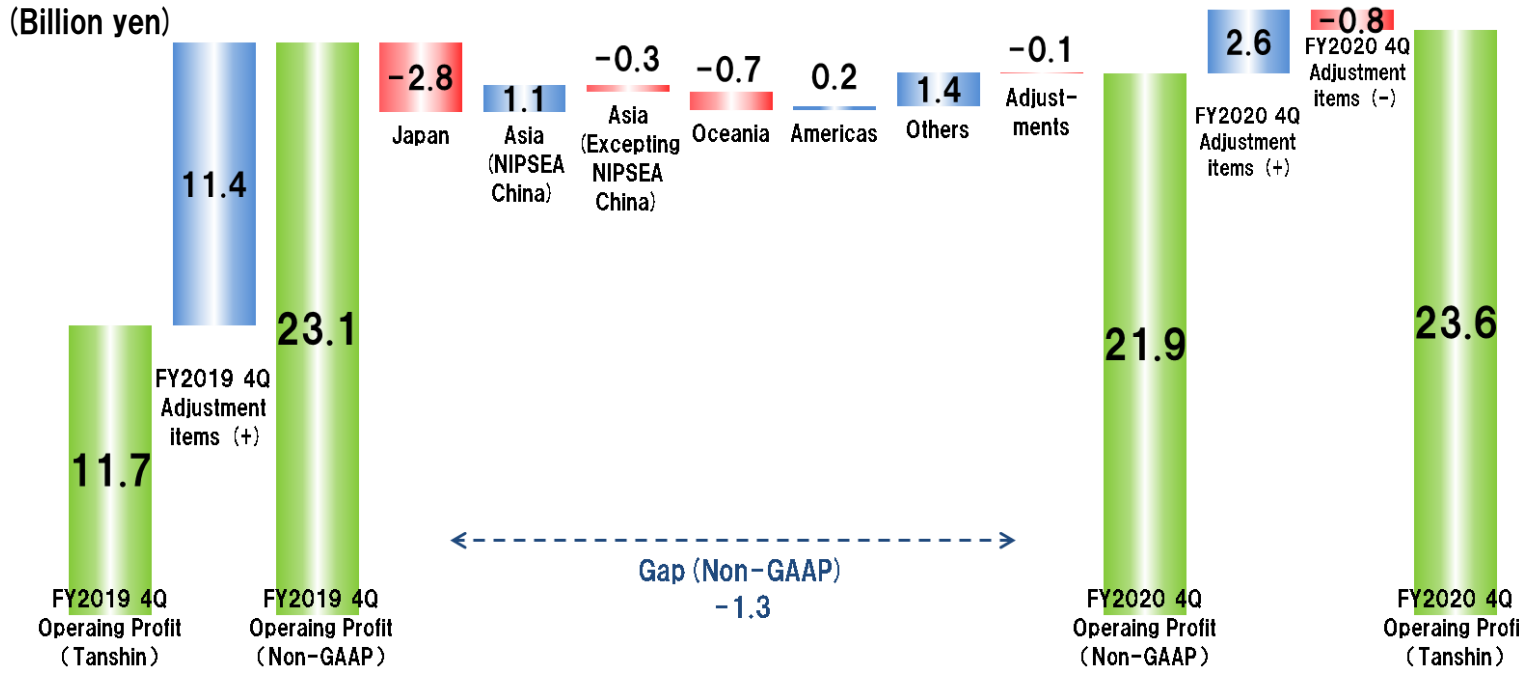




Changes in DIY/Project markets

- In the Chinese paint market, demand previously was mainly for new houses. However, demand for renovating existing houses has recently grown rapidly
- Home renovation demand is expected to make the Project market very large. In addition, DIY market is expected to grow significantly
- We will respond to changes in the market with flexibility and focus efforts on increasing our share in the redefined market
- Based on this outlook, we need to reexamine our market share based on the conventional definition of market categories. Accordingly, we withdrew our market share figures published last year (DIY share: 36%, Project share: 17%.) Instead, we will disclose qualitative information highlighting market developments for the time being

3-3. Operating Profit Gap Analysis for 4Q



Major reasons for changes

- ✓Japan: Lower profit due to slow recovery from COVID in industrial coatings and higher personnel and advertising expenses in all businesses
- ✓China: Higher profit due to higher DIY revenue on continued demand for repainting existing houses and higher Project revenue growth from new construction projects, lower procurement cost of raw materials
- ✓Oceania: Lower profit despite higher revenue, with higher planned SG&A expenditure on marketing and innovation for future growth
- ✓Europe: Higher profit as higher earnings at Betek Boya driven by strong demand, more than offset lower earnings in automotive coatings business

3-4. Analysis of Regional Performance (Japan)

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 4Q	FY2020 4Q	YoY (%)	FY2019 4Q	FY2020 4Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	10.2	10.1	-1.0%	10.2	10.1	-0.1	-1.0%
	Decorative paints	11.8	11.7	-0.7%	11.8	11.7	-0.1	-0.7%
	Industrial coatings	10.4	9.4	-9.7%	10.4	9.4	-1.0	-9.7%
	Fine chemicals	2.1	2.2	6.0%	2.1	2.2	0.1	6.0%
	Others※1	11.6	10.5	-8.9%	11.6	10.5	-1.0	-8.9%
	Total	46.1	44.0	-4.5%	46.1	44.0	-2.1	-4.5%
Operating profit		4.2	2.3	-45.7%	5.2	2.4	-2.8	-53.4%
OP margin		9.1%	5.2%	-3.9pt	11.4%	5.5%	-	-5.8pt

※1 The "Others" business includes marine, auto refinish business and etc.

Major reasons for changes

■ Automotive : Automobile production returned to growth (+3%※2 YoY), recovering to prior-year levels due to market recovery from COVID

■ Decorative : Revenue on par with prior-year levels due to COVID resurgence that started in late November

■ Industrial : Lower revenue due to continued market weakness, despite recovery from COVID in the coil and other sectors

□ Operating profit : Lower profit due to higher personnel and advertising expenses as well as the reasons for the decrease in revenue

※2 Compiled by NPHD using figures released by domestic automakers

3-5. Analysis of Regional Performance (NIPSEA China)

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 4Q	FY2020 4Q	YoY (%)	FY2019 4Q	FY2020 4Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	9.1	10.2	13.0%	9.2	10.2	1.0	10.6%
	Decorative paints	47.7	59.5	24.8%	46.8	59.0	12.2	26.1%
	Industrial coatings	4.0	5.1	27.0%	4.4	5.0	0.6	13.5%
	Others※1	0.5	0.7	46.5%	0.6	0.7	0.1	12.1%
	Total	61.2	75.5	23.4%	61.1	74.9	13.9	22.7%
Operating profit		8.3	11.8	41.6%	8.2	9.3	1.1	13.1%
OP margin		13.6%	15.6%	2.0pt	13.5%	12.4%	-	-1.1pt

※1 The "Others" business includes marine, auto refinish business and etc.

Major reasons for changes

■ Automotive : Higher 4Q revenue (+10.6% YoY) on automobile production recovery continuing from 2Q (+9%※2 YoY)

■ Decorative : Higher 4Q revenue (+21% YoY) for DIY, mainly from continued demand recovery for repainting existing houses following lifting of restrictions on entry to repainting sites from 3Q
Higher 4Q revenue (+34% YoY) for Project, mainly from continued focus on partnership and increased share in key and strategic customers and recovery of new construction projects

■ Industrial : Higher 4Q revenue (+13.5% YoY) on higher demand for agricultural and construction equipment, coil coating and protection coatings due to market recovery from COVID with lesser overseas import

□ Operating profit : Higher profit on revenue growth and lower procurement cost of key raw materials

※2 China Association of Automobile Manufacturers

3-6. Analysis of Regional Performance (Asia Excepting NIPSEA China)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2019 4Q	FY2020 4Q	YoY (%)	FY2019 4Q	FY2020 4Q	YoY (Amount)	YoY (%)
Revenue	27.0	27.4	1.5%	27.0	28.3	1.3	4.9%
Operating profit	2.4	4.7	96.3%	5.0	4.8	-0.3	-5.3%
OP margin	9.0%	17.3%	8.4pt	18.7%	16.9%	-	-1.8pt

Major reasons for changes

- ■ Malaysia Group : Higher 4Q revenue driven by higher demand following restart of economic activities in 3Q, notably in Malaysia, Bangladesh and Pakistan
- ■ Singapore Group : Lower overall 4Q revenue as slower recovery from COVID impact in Vietnam more than offset stronger revenue growth in Sri Lanka
- ■ Thailand Group : 4Q revenue remained flat compared to prior-year levels due to slower recovery of overall market conditions
- □ Operating profit : Lower profit due to lower sales at Singapore Group

3-7. Analysis of Regional Performance (Oceania)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 4Q	FY2020 4Q	YoY (%)	FY2019 4Q	FY2020 4Q	YoY (Amount)	YoY (%)
Revenue	Decorative paints	18.0	21.1	17.4%	18.0	20.9	2.9	16.0%
	Industrial coatings	1.5	1.5	1.5%	1.5	1.5	0.0	0.3%
	Paint related business	14.9	18.5	24.0%	14.9	18.3	3.4	22.8%
	Total	34.4	41.2	19.6%	34.4	40.7	6.3	18.3%
Operating profit		3.1	2.4	-21.3%	3.1	2.3	-0.7	-24.4%
OP margin		8.9%	5.8%	-3.0pt	8.9%	5.7%	-	-3.2pt
OP margin (Before PPA depriciation)		9.7%	6.5%	-3.1pt	9.7%	6.4%	-	-3.3pt

Major reasons for changes

- ■ Decorative paints : Higher revenue in 4Q due to consistently high home improvement activity driven by economic stimulus measures, low interest rates and some ongoing COVID enhanced demand
- ■ Paint related business : Other businesses sales were also above prior-year levels due to higher home improvement activity
- ■ Revenue (overall) : Higher YoY revenue across all businesses
- □ Operating profit : Lower profit despite higher revenue, with higher planned SG&A expenditures for marketing and innovation for future growth

3-8. Analysis of Regional Performance (Americas)

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 4Q	FY2020 4Q	YoY (%)	FY2019 4Q	FY2020 4Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	6.2	6.2	0.8%	6.2	6.6	0.4	6.5%
	Decorative paints	10.7	11.3	5.4%	10.7	11.8	1.2	10.8%
	Fine chemicals	0.8	0.4	-48.1%	0.8	0.5	-0.4	-44.9%
	Others※1	0.0	0.0	-4.6%	0.0	0.0	0.0	1.4%
	Total	17.7	17.9	1.2%	17.7	18.9	1.2	6.6%
Operating profit		1.0	1.1	10.0%	1.0	1.2	0.2	15.3%
OP margin		5.9%	6.4%	0.5pt	5.9%	6.3%	-	0.5pt

※ The "Others" business includes marine, auto refinish business and etc.

Major reasons for changes

■ Automotive : Higher revenue due to recovery of automobile production to prior-year levels as automakers continued to increase production to build up inventories

■ Decorative : Higher revenue because the new and existing housing market remained strong because of low interest rates and favorable weather

□ Operating profit : Higher profit due to recovery of automotive coatings sales, along with higher revenue due to price increases for decorative paints implemented in Dec. 2019 and declines in the procurement cost of key raw materials and SG&A expenses

3-9. Analysis of Regional Performance (Other)

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 4Q	FY2020 4Q	YoY (%)	FY2019 4Q	FY2020 4Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	3.0	2.9	-2.1%	3.0	3.1	0.2	6.0%
	Decorative paints	4.2	4.8	16.5%	4.2	6.8	2.6	63.6%
	Industrial coatings	0.9	1.1	26.0%	0.9	1.5	0.6	69.8%
	Fine chemicals	0.3	0.5	72.4%	0.3	0.5	0.2	76.8%
	Others※	0.0	0.1	-	0.0	0.2	0.2	-
	Paint related business	2.2	3.4	54.0%	2.2	4.6	2.4	108.5%
	Total	10.5	12.9	22.6%	10.5	16.7	6.2	59.2%
Operating profit		-7.3	1.3	-	0.5	1.9	1.4	266.0%
OP margin		-69.4%	10.4%	79.8pt	4.9%	11.3%	-	6.4pt

※ The "Others" business includes marine, auto refinish business and etc.

Major reasons for changes

■ Automotive : Returned to revenue growth due to recovery of automobile production

■ Betek Boya : Higher revenue due to higher paint demand driven by strong sales of new and existing houses fueled by low interest rates (For reference (Tanshin) :
3Q: Revenue of ¥11.3 bn, Operating profit of ¥2.0 bn
4Q: Revenue of ¥9.5 bn, Operating profit of ¥1.3 bn)

□ Operating profit : Higher profit due to revenue growth at Betek Boya



4. FY2021 Forecast

Photo image: Vessel coated with Nippon Paint Marine Coatings' low friction coating

4-1. FY2021 Forecast

(Billion yen)	Tanshin			
	FY2020 Results	FY2021 Forecast	YoY (%)	YoY (Amount)
Revenue	781.1	890.0	13.9%	108.9
Operating profit (before Asian JV acquisition costs, etc.)	86.9	92.0	5.8%	5.1
OP margin (before Asian JV acquisition costs, etc.)	11.1%	10.3%	-	-0.8pt
Asian JV costs, etc.	-	-5.0	-	-
Operating profit	86.9	87.0	0.1%	0.1
OP margin	11.1%	9.8%	-	-1.4pt
Profit※	44.6	67.0	50.1%	22.4

※Profit attributable to owners of parent

Overview

- FY2021 forecast projects record earnings in revenue, operating profit, and profit due to stable growth in all regions and businesses and effects of new consolidation

<Exchange rate for P/L (average rate)>

	FY2020	FY2021
JPY/USD	106.4	105.0
JPY/RMB	15.4	15.7
JPY/AUD	73.7	75.0

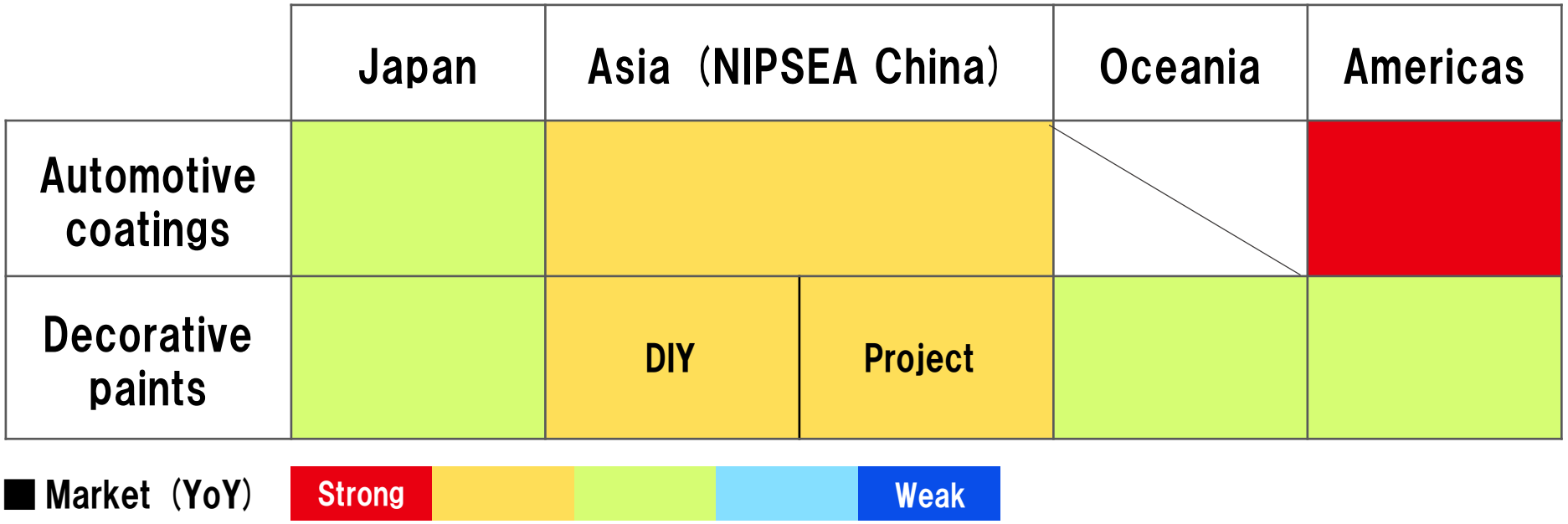
Revenue

- Around 7% YoY growth in consolidated revenue expected in existing businesses
- Strong growth expected to continue in China and other regions of Asia and forecast a recovery of the global automotive market and the Japanese decorative market, and growth of Betek Boya in Europe

Expenses

- The raw materials cost ratio is expected to increase based on current market conditions
- Substantial investments and expenses will be allocated primarily to Japan for sustainable growth in the medium to long term. Main investments are: ① Promotion of DX, ② Strengthen human resources and audit functions, ③ Strengthen R&D, ④ Marketing expenses, aimed to boost anti-viral brand sales
- Assume one-time expenses of around ¥5.0 bn, centered on expenses associated with integration of Asian operations, such as stamp tax

4-2. Market & Business Environment (FY2021)



Market analysis

✓Automotive: In Japan, recovery of automobile production to continue from 4Q of FY2020
In China, market projected to recover to the FY2019 level due to continuing recovery of automobile production
In the Americas, automobile production to rebound sharply after substantial production cuts in FY2020 due to COVID

✓Decorative: In Japan, the overall market is expected to recover from the COVID downturn
In China, both DIY and Project markets are expected to grow with favorable economic and market conditions continuing
In Oceania, we expect the abnormal positive COVID impact on DIY home improvement demand in FY2020 to progressively normalize from March FY2021
In the Americas, housing market is expected to remain strong due to continuing low interest rates

4-3. Assumptions for FY2021 Forecast (1)

Japan

	FY2021 Forecast	Qualitative Information
Revenue	c. +5%	
Automotive	±0%	Revenue expected to be on prior-year levels due to uncertainty of COVID impact, despite continuing recovery of automotive market
Decorative	c. +10%	Higher revenue expected due to overall recovery of the market, although DIY demand due to COVID-enhanced home improvement activity expected to normalize. Focus on marketing and sales promotion activities and development of new functional and high profitability products
Industrial	c. +15%	Market recovery expected in coil sector from 2Q and agricultural and construction machinery sectors from 1Q. Higher revenue expected due to market share gains resulting from sales promotion activities in the powder coatings business

NIPSEA China

	FY2021 Forecast	Qualitative Information
Revenue	c. +10%	
Decorative (DIY)	c. +10%	Full-year revenue expected to increase, assuming that market growth continues, with measures such as supplying value-added products, expanding sales channels, and making brands more powerful
Decorative (PRJ)	c. +20%	Full-year revenue expected to grow steadily assuming that brisk construction demand continues amid favorable economic and market conditions, with measures such as continuing to focus on partnerships and increasing share in key and strategic customers and expanding product line
Automotive	+5～10%	Full-year revenue expected to increase due to recovery of automobile production

※Figures are in local currencies

4-3. Assumptions for FY2021 Forecast (2)

Asia Excepting NIPSEA China

	FY2021 Forecast	Qualitative Information
Asia Excepting NIPSEA China	+5～10%	In automotive coatings, strengthen partnerships with customers by supplying high quality paints and strengthening technical support. A slow market recovery expected. In decorative paints, higher revenue expected as the market recovers by expanding anti-viral and Selleys product lines and reinforcing the Project business
Asia (Indonesia)	For reference +10～15%	Higher revenue and profit due to recovery from COVID, higher penetration of CCM, and store network expansion FY2020 (for reference) : Revenue: ¥30.3 bn, Operating profit: ¥10.2 bn
Asia (India)	For reference +15～20%	Significant revenue and profit growth expected due to market recovery and strengthened sales promotion activities FY2020 (for reference) : Revenue: ¥17.1 bn, Operating profit: ¥0.0 bn

Oceania

Revenue	+0～5%	Modest revenue growth expected following very strong FY2020

※Figures are in local currencies

4-3. Assumptions for FY2021 Forecast (3)

Americas

	FY2021 Forecast	Qualitative Information
Revenue	c. +5%	
Automotive	+5～10%	Higher revenue expected as production expected to rebound sharply after significant cuts due to COVID in FY2020
Decorative	c. +5%	Higher revenue expected due to the outlook for strong housing demand fueled by low interest rates as in FY2020, as well as promotion of DX and store network expansion

Other

Automotive	c. +30%	Sharp revenue growth expected due to rebound from COVID-influenced weak production as with the Americas
Betek Boya	c. +10%	Market growth expected to continue due to ongoing economic recovery, coupled with government's stimulus programs, and higher revenue expected due to expansion of brand and product lines

Cost of raw materials

Cost of raw materials	Higher raw materials costs in all regions compared with prior-year levels. We will take actions to absorb the impact of recent rise in crude oil/naphtha prices, such as by increasing productivity and tightening and pugrading procurement policies

※Figures are in local currencies

4-3. Assumptions for FY2021 Forecast (4)

		FY2021 Forecast	FY2020 Results (billion yen)
Japan	Revenue	c. +5%	159.6
	Automotive	±0%	34.7
	Decorative	c. +10%	43.7
	Industrial	c. +15%	35.3
NIPSEA China	Revenue	c. +10%	268.1
	Decorative (DIY)	c. +10%	216.0
	Decorative (PRJ)	c. +20%	
	Automotive	+5～10%	31.8
Asia Excepting NIPSEA China	Revenue	+5～10%	88.5
Asia (Indonesia)	Revenue	(For reference) +10～15%	30.3
Asia (India)	Revenue	(For reference) +15～20%	17.1
Oceania	Revenue	+0～5%	148.3
Americas	Revenue	c. +5%	70.1
	Automotive	+5～10%	21.0
	Decorative	c. +5%	46.5
Other	Automotive	c. +30%	8.7
	Betek Boya	c. +10%	36.2

※ Figures are in local currencies

5-(1)

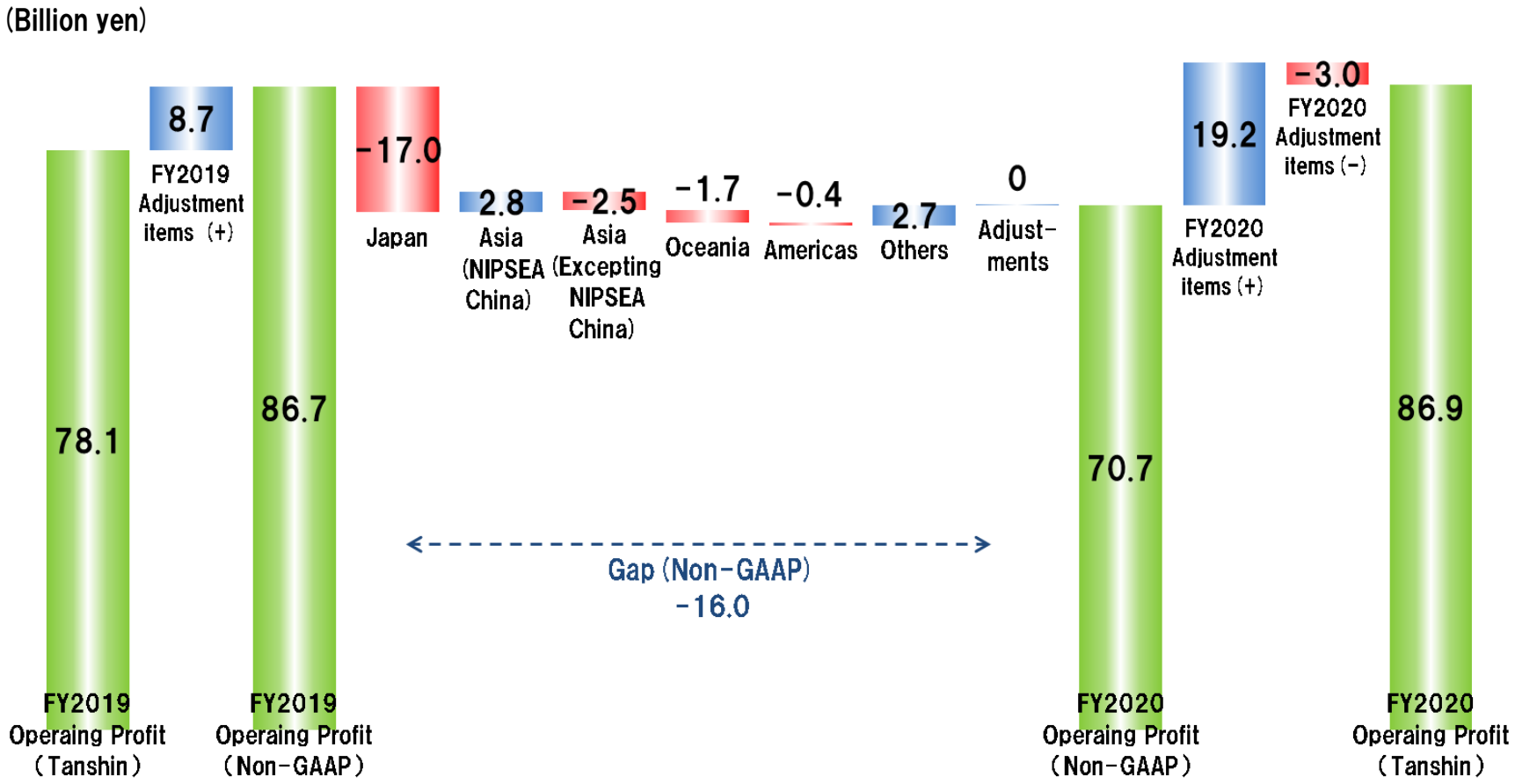
Reference:
FY2020 Highlights

5-(1)-1. FY2020 Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2019	FY2020	YoY (%)	FY2019	FY2020	YoY (Amount)	YoY (%)
Revenue	692.0	781.1	12.9%	692.0	691.2	-0.7	-0.1%
Operating profit	78.1	86.9	11.4%	86.7	70.7	-16.0	-18.5%
OP margin	11.3%	11.1%	-0.2pt	12.5%	10.2%	-	-2.3pt
Profit before tax	79.5	88.7	11.6%	88.2	73.5	-14.7	-16.7%
Profit※	36.7	44.6	21.6%	45.5	35.9	-9.5	-21.0%

※Profit attributable to owners of parent

5-(1)-2. Operating Profit Gap Analysis (FY2020)



5-(1)-3. FY2020 Highlights (Revenue & Operating Profit by Region)

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019	FY2020	YoY (%)	FY2019	FY2020	YoY (Amount)	YoY (%)
Japan	Revenue	182.6	159.6	-12.6%	182.6	159.6	-23.0	-12.6%
	OP profit※	23.4	7.2	-69.4%	24.4	7.4	-17.0	-69.6%
Asia	Revenue	359.2	356.6	-0.7%	359.2	366.5	7.4	2.1%
	OP profit	50.8	55.0	8.2%	50.6	50.9	0.3	0.7%
Oceania	Revenue	47.6	148.3	211.7%	47.6	54.5	6.9	14.5%
	OP profit	5.9	16.1	175.0%	5.9	4.2	-1.7	-28.2%
Americas	Revenue	74.6	70.1	-6.1%	74.6	72.2	-2.4	-3.2%
	OP profit	5.0	4.5	-10.0%	5.0	4.6	-0.4	-7.9%
Other	Revenue	28.0	46.6	66.2%	28.0	38.4	10.4	37.1%
	OP profit	-7.0	4.2	-	0.8	3.5	2.7	317.8%
Total	Revenue	692.0	781.1	12.9%	692.0	691.2	-0.7	-0.1%
	OP profit	78.1	86.9	11.4%	86.7	70.7	-16.0	-18.5%

※Excluding dividends from overseas group companies (FY2020: ¥26.1 bn; FY2019: ¥13.6 bn)

5-(2)

Reference: FY2020 Results (by Region)

5-(2)-1. Analysis of Regional Performance / Japan & NIPSEA China

Japan

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019	FY2020	YoY (%)	FY2019	FY2020	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	44.9	34.7	-22.7%	44.9	34.7	-10.2	-22.7%
	Decorative paints	48.2	43.7	-9.4%	48.2	43.7	-4.6	-9.4%
	Industrial coatings	40.7	35.3	-13.2%	40.7	35.3	-5.4	-13.2%
	Fine chemicals	8.7	7.7	-11.3%	8.7	7.7	-1.0	-11.3%
	Others※	40.1	38.2	-4.6%	40.1	38.2	-1.9	-4.6%
	Total	182.6	159.6	-12.6%	182.6	159.6	-23.0	-12.6%
Operating profit		23.4	7.2	-69.4%	24.4	7.4	-17.0	-69.6%
OP margin		12.8%	4.5%	-8.3pt	13.4%	4.7%	-	-8.7pt

NIPSEA China

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019	FY2020	YoY (%)	FY2019	FY2020	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	33.8	31.8	-6.0%	33.8	32.6	-1.3	-3.7%
	Decorative paints	202.7	216.0	6.6%	202.5	221.4	18.9	9.3%
	Industrial coatings	18.4	18.1	-1.7%	18.5	18.6	0.1	0.6%
	Others※	2.6	2.3	-11.5%	2.6	2.4	-0.2	-9.1%
	Total	257.5	268.1	4.1%	257.4	274.9	17.5	6.8%
Operating profit		40.1	43.9	9.5%	37.3	40.1	2.8	7.6%
OP margin		15.6%	16.4%	0.8pt	14.5%	14.6%	-	0.1pt

※The "Others" business includes marine, auto refinish business and etc.

5-(2)-2. Analysis of Regional Performance / Asia Excepting NIPSEA China & Oceania

Asia Excepting NIPSEA China

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2019	FY2020	YoY (%)	FY2019	FY2020	YoY (Amount)	YoY (%)
Revenue	101.7	88.5	-13.0%	101.7	91.6	-10.1	-10.0%
Operating profit	10.7	11.1	3.4%	13.3	10.8	-2.5	-18.8%
OP margin	10.5%	12.5%	2.0pt	13.1%	11.8%	-	-1.3pt

Oceania

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019	FY2020	YoY (%)	FY2019	FY2020	YoY (Amount)	YoY (%)
Revenue	Decorative paints	24.6	77.1	213.8%	24.6	27.8	3.2	13.1%
	Industrial coatings	2.0	5.7	183.4%	2.0	2.0	0.0	2.2%
	Paint related business	21.0	65.5	211.9%	21.0	24.6	3.6	17.2%
	Total	47.6	148.3	211.7%	47.6	54.5	6.9	14.5%
Operating profit		5.9	16.1	175.0%	5.9	4.2	-1.7	-28.2%
OP margin		12.3%	10.9%	-1.4pt	12.3%	7.7%	-	-4.6pt
OP margin (Before PPA depriciation)		13.1%	11.6%	-1.5pt	13.1%	8.4%	-	-4.7pt

5-(2)-3. Analysis of Regional Performance / Americas & Other

Americas

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019	FY2020	YoY (%)	FY2019	FY2020	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	25.9	21.0	-18.8%	25.9	21.9	-4.0	-15.5%
	Decorative paints	45.4	46.5	2.4%	45.4	47.7	2.3	5.1%
	Fine chemicals	3.1	2.4	-24.2%	3.1	2.4	-0.7	-22.2%
	Others※	0.2	0.2	-7.2%	0.2	0.2	-0.0	-4.7%
	Total	74.6	70.1	-6.1%	74.6	72.2	-2.4	-3.2%
Operating profit		5.0	4.5	-10.0%	5.0	4.6	-0.4	-7.9%
OP margin		6.7%	6.4%	-0.3pt	6.7%	6.4%	-	-0.3pt

Other

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2019	FY2020	YoY (%)	FY2019	FY2020	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	11.8	8.7	-25.7%	11.8	9.3	-2.5	-21.3%
	Decorative paints	8.8	21.0	138.3%	8.8	15.5	6.7	75.9%
	Industrial coatings	1.8	3.7	103.7%	1.8	2.9	1.1	57.8%
	Fine chemicals	1.0	1.5	41.9%	1.0	1.5	0.5	44.6%
	Others※	0.0	0.4	-	0.0	0.4	0.4	-
	Paint related business	4.6	11.2	146.3%	4.6	8.9	4.3	94.5%
	Total	28.0	46.6	66.2%	28.0	38.4	10.4	37.1%
Operating profit		-7.0	4.2	-	0.8	3.5	2.7	317.8%
OP margin		-24.9%	9.0%	33.9pt	3.0%	9.2%	-	6.2pt

※ The "Others" business includes marine, auto refinish business and etc.

5-(3)

Reference:
Breakdown of Adjustments

5-(3)-1. Breakdown of Adjustments (FY2019 4Q vs. FY2020 4Q)

(Billion yen)

		FY2019 4Q							FY2020 4Q					
		FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA※2	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA※2	New acquisitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others※1	-	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-0.2	-	-0.8	-	-1.1	-	0.0	-0.2	-	-	-0.2
Oceania	Decorative	-	-	-	-	-	-	-	0.2	-	-	-	-	0.2
	Industrial	-	-	-	-	-	-	-	0.0	-	-	-	-	0.0
	Paint related business	-	-	-	-	-	-	-	0.2	-	-	-	-	0.2
	Revenue	-	-	-	-	-	-	-	0.4	-	-	-	-	0.4
	Operating profit	-	-	-	-	-	-	-	0.1	-	-	-	-	0.1
Americas	Automotive	-	-	-	-	-	-	-	-0.4	-	-	-	-	-0.4
	Decorative	-	-	-	-	-	-	-	-0.6	-	-	-	-	-0.6
	Fine chemicals	-	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others※1	-	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Revenue	-	-	-	-	-	-	-	-1.0	-	-	-	-	-1.0
	Operating profit	-	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
Other	Automotive	-	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Decorative	-	-	-	-	-	-	-	-2.0	-	-	-	-	-2.0
	Industrial	-	-	-	-	-	-	-	-0.4	-	-	-	-	-0.4
	Fine chemicals	-	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others※1	-	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Paint related business	-	-	-	-	-	-	-	-1.2	-	-	-	-	-1.2
	Revenue	-	-	-	-	-	-	-	-3.9	-	-	-	-	-3.9
	Operating profit	-	-	-	-	-7.8	-	-7.8	-0.5	0.0	-	-	-	-0.5

※1 The "Others" business includes marine, auto refinish business and etc.
※2 Suspension of amortization of intangible assets

5-(3)-2. Breakdown of Adjustments (FY2019 4Q vs. FY2020 4Q)

(Billion yen)

		FY2019 4Q							FY2020 4Q						
		FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA※2	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA※2※3	New acquisitions	Total
Asia	Automotive	-0.2	-	-	-	-	-	-0.2	-0.3	-	-	-	-	-0.3
	Decorative	0.9	-	-	-	-	-	0.9	0.1	-	-	-	-	0.1
	Industrial	-0.4	-	-	-	-	-	-0.4	-0.0	-	-	-	-	-0.0
	Fine Chemicals	-	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others※1	-0.1	-	-	-	-	-	-0.1	-0.1	-	-	-	-	-0.1
	Revenue	0.1	-	-	-	-	-	0.1	-0.4	-	-	-	-	-0.4
	Operating profit	-	0.1	-	-	-2.6	-	-2.5	-0.1	2.0	-	0.6	-	2.4
■Breakdown of Asia														
NEPSEA China	Automotive	-0.2	-	-	-	-	-	-0.2	0.0	-	-	-	-	0.0
	Decorative	0.9	-	-	-	-	-	0.9	0.5	-	-	-	-	0.5
	Industrial	-0.4	-	-	-	-	-	-0.4	0.0	-	-	-	-	0.0
	Others※1	-0.1	-	-	-	-	-	-0.1	0.0	-	-	-	-	0.0
	Revenue	0.1	-	-	-	-	-	0.1	0.5	-	-	-	-	0.5
	Operating profit	-	0.1	-	-	-	-	0.1	0.1	1.9	-	0.5	-	2.5
Excepting NEPSEA China	Revenue	-	-	-	-	-	-	-	-0.9	-	-	-	-	-0.9
	Operating profit	-	-	-	-	-2.6	-	-2.6	-0.2	0.1	-	0.1	-	-0.0
Total	Revenue	0.1	-	-	-	-	-	0.1	-4.7	-	-	-	-	-4.7
	Operating profit	-	0.1	-0.2	-	-11.3	-	-11.4	-0.6	2.0	-0.2	0.6	-	1.8

※1 The "Others" business includes marine, auto refinish business and etc.
※2 Suspension of amortization of intangible assets
※3 Depreciation of amortization ('Tanshin' base) declined around 0.6 bn yen (NIPSEA China: around ¥0.5 bn, Asia Excepting NIPSEA China: around ¥0.1 bn due to change in the useful life of trademark rights

5-(3)-3. Breakdown of Adjustments (FY2019 vs. FY2020)

(Billion yen)

		FY2019							FY2020					
		FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA※2	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA※2	New acquisitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others※1	-	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	2.0	-2.2	-	-0.8	-	-1.0	-	0.2	-0.5	-	-	-0.3
Oceania	Decorative	-	-	-	-	-	-	-	0.2	-	-	-	49.1	49.3
	Industrial	-	-	-	-	-	-	-	0.0	-	-	-	3.6	3.6
	Paint related business	-	-	-	-	-	-	-	0.2	-	-	-	40.7	40.9
	Revenue	-	-	-	-	-	-	-	0.4	-	-	-	93.4	93.8
	Operating profit	-	-	-	-	-	-	-	0.1	-	-	-	11.8	11.9
Americas	Automotive	-	-	-	-	-	-	-	-0.8	-	-	-	-	-0.8
	Decorative	-	-	-	-	-	-	-	-1.2	-	-	-	-	-1.2
	Fine chemicals	-	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others※1	-	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Revenue	-	-	-	-	-	-	-	-2.1	-	-	-	-	-2.1
	Operating profit	-	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
Other	Automotive	-	-	-	-	-	-	-	-0.5	-	-	-	-	-0.5
	Decorative	-	-	-	-	-	-	-	-3.8	-	-	-	9.3	5.5
	Industrial	-	-	-	-	-	-	-	-0.7	-	-	-	1.5	0.8
	Fine chemicals	-	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others※1	-	-	-	-	-	-	-	-0.1	-	-	-	0.1	0.0
	Paint related business	-	-	-	-	-	-	-	-2.1	-	-	-	4.5	2.4
	Revenue	-	-	-	-	-	-	-	-7.2	-	-	-	15.4	8.2
	Operating profit	-	-	-	-	-7.8	-	-7.8	-1.1	0.2	-	-	1.6	0.7

※1 The "Others" business includes marine, auto refinish and etc.
※2 Suspension of amortization of intangible assets

5-(3)-4. Breakdown of Adjustments (FY2019 vs. FY2020)

(Billion yen)

		FY2019							FY2020					
		FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA※2	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA※2※3	New acquisitions	Total
Asia	Automotive	-0.0	-	-	-	-	-	-0.0	-1.7	-	-	-	-	-1.7
	Decorative	0.1	-	-	-	-	-	0.1	-6.9	-	-	-	-	-6.9
	Industrial	-0.0	-	-	-	-	-	-0.0	-0.6	-	-	-	-	-0.6
	Fine chemicals	-	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Others※1	0.0	-	-	-	-	-	0.0	-0.5	-	-	-	-	-0.5
	Revenue	0.1	-	-	-	-	-	0.1	-9.9	-	-	-	-	-9.9
	Operating profit	-	2.8	-	-	-2.6	-	0.2	-1.5	3.2	-	2.3	-	4.0
■Breakdown of Asia														
NIPSEA China	Automotive	-0.0	-	-	-	-	-	-0.0	-0.8	-	-	-	-	-0.8
	Decorative	0.1	-	-	-	-	-	0.1	-5.5	-	-	-	-	-5.5
	Industrial	-0.0	-	-	-	-	-	-0.0	-0.5	-	-	-	-	-0.5
	Others※1	0.0	-	-	-	-	-	0.0	-0.1	-	-	-	-	-0.1
	Revenue	0.1	-	-	-	-	-	0.1	-6.8	-	-	-	-	-6.8
	Operating profit	-	2.8	-	-	-	-	2.8	-1.1	2.9	-	2.1	-	3.8
Excepting NIPSEA China	Revenue	-	-	-	-	-	-	-	-3.1	-	-	-	-	-3.1
	Operating profit	-	-	-	-	-2.6	-	-2.6	-0.3	0.3	-	0.3	-	0.2
Total	Revenue	0.1	-	-	-	-	-	0.1	-18.9	-	-	-	108.8	89.9
	Operating profit	-	4.8	-2.2	-	-11.3	-	-8.7	-2.5	3.6	-0.5	2.3	13.4	16.2

※1 The "Others" business includes marine, auto refinish business and etc.
※2 Suspension of amortization of intangible assets
※3 Depreciation of amortization ('Tanshin' base) declined around ¥2.3 bn (NIPSEA China: around ¥2.1 bn, Asia Excepting NIPSEA China: around ¥0.3 bn) due to change in the useful life of trademark rights

5-(4)

Reference:
Performance Indicators

5-(4)-1. Revenue & Operating Profit Transition by Region ①

(Billion yen)

		FY2018 (IFRS)				FY2019 (IFRS)				FY2020 (IFRS)			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan	Automotive	11.5	11.1	10.6	12.1	11.9	11.4	11.3	10.2	10.3	5.5	8.8	10.1
	Decorative	10.6	12.0	11.2	13.0	11.0	12.8	12.6	11.8	10.3	11.1	10.6	11.7
	Industrial	9.5	10.0	10.0	11.2	10.0	10.2	10.1	10.4	9.1	8.4	8.5	9.4
	Fine chemicals	2.2	2.2	2.1	2.4	2.2	2.2	2.2	2.1	2.0	1.7	1.8	2.2
	Others※	9.1	10.6	10.7	10.7	8.8	9.6	10.1	11.6	8.5	9.0	10.2	10.5
	Revenue	43.0	45.9	44.7	49.3	43.8	46.3	46.4	46.1	40.1	35.7	39.9	44.0
	Operating profit	8.7	7.3	5.9	7.6	8.1	6.0	5.2	4.2	3.1	-0.2	2.0	2.3
	OP margin	20.3%	15.9%	13.3%	15.5%	18.4%	12.9%	11.3%	9.1%	7.7%	-0.5%	4.9%	5.2%
Oceania	Decorative	-	-	-	-	-	-	6.6	18.0	17.0	18.9	20.0	21.1
	Industrial	-	-	-	-	-	-	0.5	1.5	1.3	1.2	1.6	1.5
	Paint related business	-	-	-	-	-	-	6.1	14.9	13.5	14.9	18.6	18.5
	Revenue	-	-	-	-	-	-	13.1	34.4	31.8	35.0	40.3	41.2
	Operating profit	-	-	-	-	-	-	2.8	3.1	3.5	4.8	5.4	2.4
	OP margin	-	-	-	-	-	-	21.4%	8.9%	11.0%	13.7%	13.4%	5.8%
Americas	Automotive	7.2	7.0	6.5	6.7	6.7	6.7	6.3	6.2	6.0	2.5	6.4	6.2
	Decorative	10.0	12.0	11.7	10.9	9.9	12.7	12.1	10.7	10.9	12.0	12.4	11.3
	Fine chemicals	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.6	0.6	0.4
	Others※	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0
	Revenue	17.9	19.8	19.0	18.5	17.5	20.3	19.1	17.7	17.6	15.1	19.4	17.9
	Operating profit	0.9	2.0	1.3	0.7	0.6	2.1	1.3	1.0	0.8	0.4	2.2	1.1
	OP margin	5.2%	10.2%	7.1%	3.8%	3.6%	10.2%	6.7%	5.9%	4.7%	2.4%	11.2%	6.4%
Other	Automotive	3.6	3.2	2.8	3.3	3.2	3.0	2.6	3.0	2.6	0.9	2.3	2.9
	Decorative	-	-	-	-	-	-	4.7	4.2	5.2	4.1	6.8	4.8
	Industrial	0.1	0.1	0.0	0.1	0.1	0.0	0.8	0.9	0.8	0.7	1.0	1.1
	Fine chemicals	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.3	0.5
	Others※	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1
	Paint related business	-	-	-	-	-	-	2.3	2.2	2.0	2.5	3.3	3.4
	Revenue	3.9	3.4	3.0	3.6	3.5	3.3	10.7	10.5	11.0	8.6	14.0	12.9
	Operating profit	0.1	0.1	-0.2	-0.6	-0.1	-0.3	0.8	-7.3	0.8	0.1	1.9	1.3
	OP margin	3.4%	2.3%	-6.0%	-15.5%	-2.6%	-10.4%	7.1%	-69.4%	7.3%	1.3%	13.9%	10.4%

※The "Others" business includes marine, auto refinish business and etc.

5-(4)-2. Revenue & Operating Profit Transition by Region ②

(Billion yen)

		FY2018 (IFRS)				FY2019 (IFRS)				FY2020 (IFRS)			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Asia	Automotive	18.5	19.6	17.6	18.5	16.5	17.2	15.9	17.5	12.4	11.4	15.7	19.0
	Decorative	54.6	62.2	64.0	50.2	54.3	65.6	65.3	58.5	40.5	66.0	75.3	70.8
	Industrial	6.4	7.6	7.5	6.3	6.5	6.8	6.6	5.7	5.1	5.8	6.7	6.8
	Fine chemicals	1.6	1.8	1.7	1.5	1.5	1.6	1.5	1.6	1.2	1.1	1.4	1.7
	Others※	3.3	3.7	3.8	5.3	3.7	3.9	4.2	4.9	3.2	3.7	4.2	4.6
	Revenue	84.4	94.9	94.7	81.8	82.5	95.2	93.4	88.1	62.4	88.1	103.3	102.9
	Operating profit	12.1	13.6	14.8	11.9	11.5	14.2	14.4	10.7	7.0	14.3	17.1	16.5
	OP margin	14.3%	14.3%	15.7%	14.6%	13.9%	14.9%	15.4%	12.2%	11.2%	16.2%	16.6%	16.1%

■Breakdown of Asia

NIPSEA China	Automotive	10.2	11.0	8.8	9.4	8.2	9.0	7.5	9.1	5.5	7.5	8.5	10.2
	Decorative	43.4	52.2	53.2	40.3	44.3	55.4	55.3	47.7	31.5	59.8	65.2	59.5
	Industrial	4.6	5.8	5.8	4.6	4.6	5.0	4.8	4.0	3.3	4.7	5.1	5.1
	Others※	0.4	0.4	0.5	1.0	0.8	0.7	0.7	0.5	0.4	0.6	0.7	0.7
	Revenue	58.6	69.4	68.3	55.4	57.9	70.2	68.3	61.2	40.6	72.5	79.5	75.5
	Operating profit	8.7	10.6	11.3	7.8	9.1	11.4	11.3	8.3	4.7	13.9	13.5	11.8
	OP margin	14.9%	15.2%	16.6%	14.1%	15.7%	16.2%	16.6%	13.6%	11.5%	19.2%	17.0%	15.6%
Excepting NIPSEA China	Revenue	25.9	25.5	26.3	26.4	24.6	25.1	25.1	27.0	21.7	15.6	23.8	27.4
	Operating profit	3.3	3.0	3.5	4.1	2.4	2.8	3.0	2.4	2.3	0.4	3.6	4.7
	OP margin	13.0%	11.8%	13.4%	15.7%	9.8%	11.3%	12.2%	9.0%	10.7%	2.5%	15.2%	17.3%
Total	Revenue	149.2	164.0	161.3	153.2	147.4	165.1	182.7	196.9	162.9	182.5	216.9	218.9
	Operating profit	21.9	23.0	21.9	19.7	20.1	21.8	24.4	11.7	15.2	19.4	28.6	23.6
	OP margin	14.7%	14.0%	13.6%	12.9%	13.6%	13.2%	13.4%	5.9%	9.4%	10.6%	13.2%	10.8%

※The "Others" business includes marine, auto refinish business and etc.

5-(4)-3. Statement of Financial Position

(Billion yen)

Assets	As of Dec. 31, 2019	As of Dec. 31, 2020	Increase / Decrease
Total current assets	507.2	643.5	136.3
Cash and cash equivalents	123.3	232.1	108.8
Inventory	92.9	94.1	1.2
Trade and other receivables	212.8	232.0	19.2
Others	78.2	85.3	7.1
Total non-current assets	971.4	971.9	0.5
Property, plant and equipment	240.3	248.3	8.0
Goodwill	427.1	424.2	-2.9
Other intangible assets	231.0	230.1	-0.9
Other financial assets	54.4	49.9	-4.4
Others	18.7	19.4	0.7
Total assets	1,478.6	1,615.4	136.7

Liabilities and equity	As of Dec. 31, 2019	As of Dec. 31, 2020	Increase / Decrease
Total liabilities	790.7	915.6	124.9
Total current liabilities	598.1	315.5	-282.6
Trade and other payables	153.3	161.5	8.2
Bonds and borrowings	384.0	68.1	-315.9
Others	60.8	85.9	25.1
Total non-current liabilities	192.5	600.0	407.5
Bonds and borrowings	58.1	467.6	409.5
Retirement benefit liability	24.4	20.8	-3.6
Others	110.0	111.6	1.7
Total equity	688.0	699.8	11.8
Total equity attributable to owners of parent	552.9	568.4	15.5
Retained earnings	411.9	444.6	32.7
Others	141.0	123.8	-17.2
Non-controlling interests	135.1	131.4	-3.6
Total liabilities and equity	1,478.6	1,615.4	136.7

✓Current assets: Cash and cash equivalents increased because of the loans of ¥100 bn at the end of December 2020 to finance the acquisition of 100% ownership of the Asian JVs and Indonesia business

✓Liabilities: Current liabilities decreased and non-current liabilities increased because the June 2019 loans were refinanced with a longer-term loan in March 2020

5-(4)-4. Capital Expenditure, Depreciation, R&D Expenses, etc.

<Capital Expenditure, Depreciation, R&D Expenses, etc.>

(Billion yen)

		As of Dec. 31, 2019	As of Dec. 31, 2020
Capital expenditure	Property, plant and equipment	32.6	35.3
	Intangible assets	2.7	3.6
	Total	35.3	38.9
Depreciation	Property, plant and equipment	18.3	23.2
	Intangible assets	7.5	6.3
	Total	25.8	29.5
R&D expenses		17.4	18.4

<Major indicator>

	As of Dec. 31, 2019	As of Dec. 31, 2020
Equity attributable to owners of parent to total assets (%)	37.4	35.2
Bonds and borrowings (billion yen)	442.2	535.8
Cash and cash equivalents (billion yen)	123.3	232.1
EPS (yen)	114.5	139.2

5-(4)-5. FX Rates & Market Conditions

<Exchange rate for P/L (average rate)>

	FY2019	FY2020	FY2021
JPY/USD	109.2	106.4	105.0
JPY/RMB	15.8	15.4	15.7
JPY/AUD	74.7	73.7	75.0
JPY/TRY	18.9	15.2	

※Average rate

<Exchange rate for F/P (closing rate)>

	As of Dec. 31, 2019	As of Dec. 31, 2020
JPY/USD	109.5	103.5
JPY/RMB	15.7	15.9
JPY/AUD	76.5	78.9
JPY/TRY	18.4	14.0

※Closing rate

(10,000 t)

<Paint shipment>

	FY2018					FY2019					FY2020				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Japan※1	44	43	44	47	178	43	43	43	43	172	40	36	38	29	143

※1 Source: Japan Paint Manufacturers Association; FY2020 4Q covers October and November and FY2020 Full Year covers January to November

(10,000 unit)

<Automobile production※2>

		FY2018					FY2019					FY2020				
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Japan		241	220	218	244	924	243	230	229	220	922	225	119	200	227	771
China		702	703	640	732	2,777	634	579	602	757	2,572	347	664	687	824	2,522
North America	USA	288	282	259	274	1,103	287	285	266	255	1,093	253	96	274	257	880
	Mexico	97	100	100	96	393	99	99	95	82	375	91	26	90	91	298
	Canada	53	54	44	49	200	48	51	46	47	192	38	17	41	41	138
	Total	438	436	403	419	1,696	435	435	407	384	1,660	382	140	405	389	1,316

※2 Source: Japan: MarkLines for 2018 and 2019; compiled by NPHD using data released by domestic automakers; China: Association of Autmobile Manufacturers; North America: IHS Markit

(10,000 unit)

<Others (Japan market)>

	FY2018					FY2019					FY2020				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Housing starts※3	20.5	24.5	24.6	24.6	94.2	21.6	23.4	23.3	22.3	90.5	19.4	20.4	21.0	20.7	81.5
Construction machinery productions※4	9.7	9.9	10.0	11.1	40.7	10.5	10.5	10.1	8.1	39.2	9.6	8.4	8.4	6.6	33.0
Machine tool production※5	2.7	2.0	1.9	1.8	8.5	1.8	1.6	1.5	1.3	6.2	1.2	1.0	1.1	0.8	4.1

※3 Source: Ministry of land, infrastructure, transport and tourism,
※4 Source: Japan Construction Equipment Manufacturers Association; FY2020 4Q covers October and November and FY2020 Full Year covers January to November
※5 Source: Japan Machine Tool Builders' Association; FY2020 4Q covers October and November and FY2020 Full Year covers January to November

(JPY/KL)

<Naphtha price> (own estimation)

	FY2018					FY2019					FY2020				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Japan produced naphtha price	47,900	48,700	53,500	54,200	51,200	41,200	45,400	40,200	41,300	42,000	44,800	25,000	30,200	31,300	32,900



NIPPON PAINT HOLDINGS CO.,LTD.

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