

# 1Q 2017 Financial Result <Supplement>

May 12, 2017



## Period covered

	1Q 2017	1Q 2016 (Adjusted) ※2
Domestic	Jan, 2017 - Mar, 2017	Jan, 2016 - Mar, 2016
Overseas	Jan, 2017 - Mar, 2017	Jan, 2016 - Mar, 2016

※1 The company changed its fiscal year-end from March 31 to December 31 from 2016.

※2 Financial result are provided as a reference for comparison and have not been audited by the audit corporation.

- ✓ “Revenue Growth” due to Growth of China and the acquisition of DUNN-EDWARDS CORPORATION
- ✓ “Profit Decrease” due to the allocation of acquisition-related costs

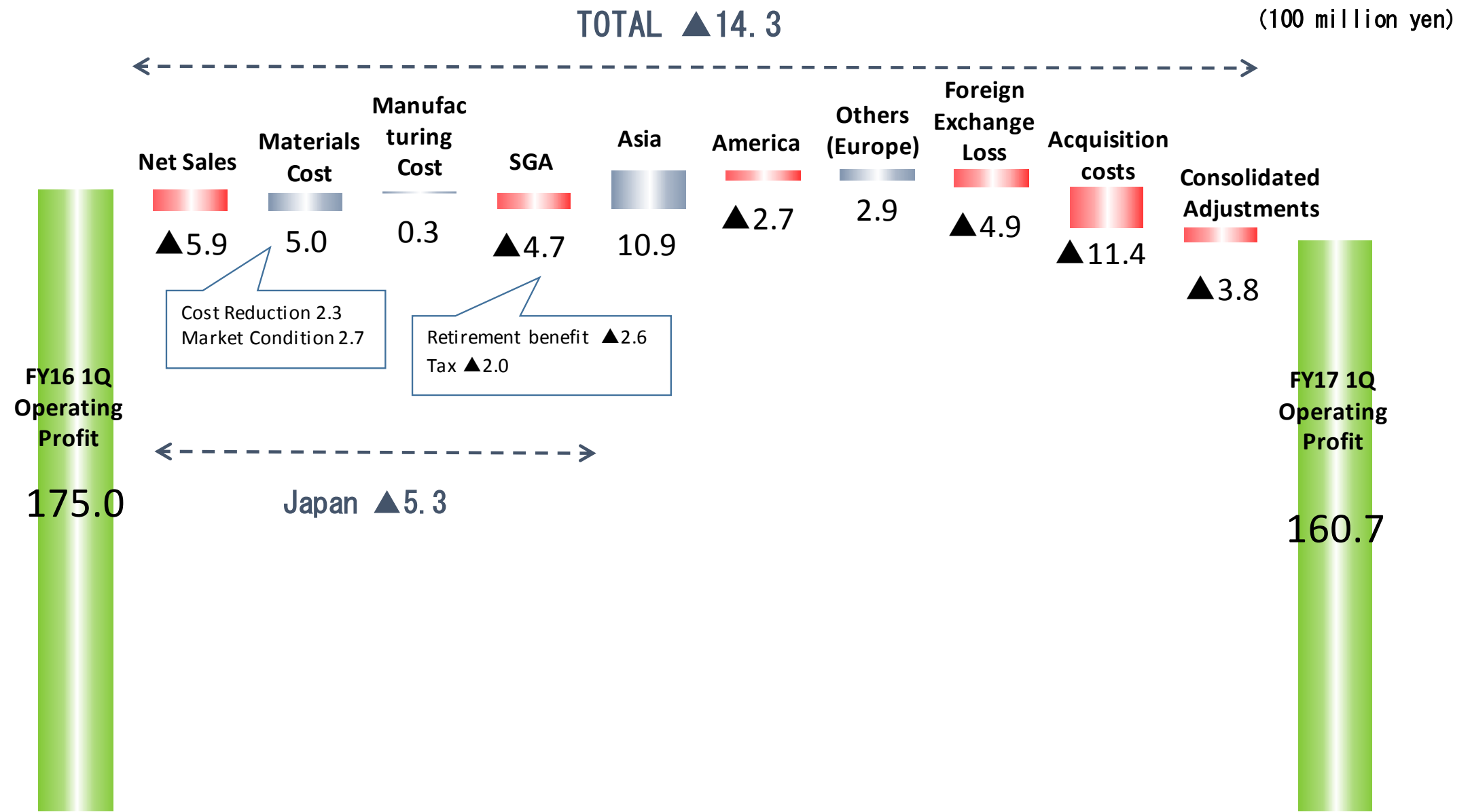
round off to the first decimal place (The same shall apply hereafter)

(100 million Yen)

	1Q 2017	1Q 2016	GAP		Gap Breakdown		Actual GAP
			Amount	%	Impact of FX	Impact of acquisition	
Net Sales	1,357.8	1,239.3	118.5	9.6%	-49.6	39.1	<b>129.0</b>
Operating Profit	160.7	175.0	-14.3	-8.1%	-4.9	-11.4	<b>2.0</b>
Operating Profit margin	11.8%	14.1%	-	-	-	-	-
Ordinary Income	156.7	160.9	-4.2	-2.7%			
Net Income ※1	58.6	48.6	10.0	20.6%			

※1 Net Income attributable to owners of parent

# Operating Profit Gap analysis



# Net Sales & Operating Profit by Region

(100 million Yen)

		1Q 2017	1Q 2016	GAP		Gap Breakdown		
				Amount	%	Impact of FX	Impact of acquisition	Actual GAP
Japan	Net Sales	412.9	436.9	-23.9	-5.5%	-	-	<b>-23.9</b>
	Operating Profit ※	72.7	78.0	-5.3	-6.8%	-	-	<b>-5.3</b>
Asia	Net Sales	788.7	681.8	106.9	15.7%	-40.8	-	<b>147.7</b>
	Operating Profit	85.2	79.6	5.6	7.0%	-5.3	-	<b>10.9</b>
Americas	Net Sales	120.5	87.2	33.3	38.2%	-2.4	39.1	<b>-3.4</b>
	Operating Profit	0.7	15.2	-14.5	-95.4%	-0.5	-11.4	<b>-2.7</b>
Others (Mainly Europe)	Net Sales	35.7	33.4	2.3	6.7%	-6.5	-	<b>8.7</b>
	Operating Profit	2.2	-0.2	2.4	-	-0.5	-	<b>2.9</b>
TOTAL	Net Sales	1,357.8	1,239.3	118.5	9.6%	-49.6	39.1	<b>129.0</b>
	Operating Profit	160.7	175.0	-14.3	-8.1%	-4.9	-11.4	<b>2.0</b>

※ Exclude dividends from oversea's group companies

(1Q 2016(Adjusted) : 11.7 billion yen, 1Q 2017 : 1.8 billion yen)

# Net Sales by Business Segment

(100 million Yen)

	1Q 2017	1Q 2016	GAP		Gap Breakdown		
			Amount	%	Impact of FX	Impact of acquisition	Actual GAP
Automotive coatings	369.4	357.6	11.7	3.3%	-14.4	-	<b>26.2</b>
Decorative paints (Including heavy duty)	645.5	539.5	106.0	19.6%	-30.1	39.1	<b>97.0</b>
Industrial coatings	175.5	166.6	8.9	5.3%	-3.5	-	<b>12.4</b>
Others(Marine & Auto refinishes,etc)	121.8	132.7	-10.8	-8.1%	-1.2	-	<b>-9.6</b>
Sub-total	1,312.2	1,196.5	115.7	9.7%	-49.3	39.1	<b>125.9</b>
Fine Chemicals	45.6	42.7	2.9	6.8%	-0.3	-	<b>3.2</b>
Total	1,357.8	1,239.3	118.5	9.6%	-49.6	39.1	<b>129.0</b>

# Net Sales by Region & Business Segment

(100 million Yen)

		1Q 2017	1Q 2016	GAP	Actual GAP
Japan	Automotive coatings	107.7	105.3	2.4	<b>2.4</b>
	Decorative paints (Including heavy duty)	94.5	107.2	-12.8	<b>-12.8</b>
	Industrial coatings	100.0	98.1	2.0	<b>2.0</b>
	Others (Marine & Auto refinishes, etc)	89.1	105.6	-16.5	<b>-16.5</b>
	Fine Chemicals	21.6	20.6	1.0	<b>1.0</b>
Asia	Automotive coatings	157.0	144.4	12.6	<b>19.0</b>
	Decorative paints (Including heavy duty)	512.0	432.3	79.7	<b>109.8</b>
	Industrial coatings	74.3	67.3	7.0	<b>10.4</b>
	Others (Marine & Auto refinishes, etc)	31.9	25.4	6.6	<b>7.7</b>
	Fine Chemicals	13.5	12.4	1.1	<b>0.9</b>
Americas	Automotive coatings	72.5	78.6	-6.1	<b>-3.9</b>
	Decorative paints ※	39.1	-	39.1	-
	Fine Chemicals	8.7	8.0	0.7	<b>1.0</b>
Others (Mainly Europe)	Automotive coatings	32.2	29.3	2.9	<b>8.7</b>
	Fine Chemicals	1.8	1.8	0.0	<b>0.3</b>

※ Result of DUNN-EDWARDS CORPORATION that consolidated from Q1 2017

## &lt;Assets&gt;

( 100 million Yen)

	As of 31, Mar,2017	As of 31, Dec,2016
Current assets	3,706.0	4,129.2
Property, plant and equipment	1,262.8	1,076.7
Intangible assets	3,107.4	2,577.0
Investment and Other assets	488.0	497.1
<b>Total</b>	<b>8,564.2</b>	<b>8,280.0</b>

## &lt;Liability and net assets&gt;

( 100 million Yen)

	As of 31, Mar,2017	As of 31, Dec,2016
Current liabilities	2,089.8	1,879.3
Non-current liabilities	712.1	543.1
<b>Total liabilities</b>	<b>2,802.0</b>	<b>2,422.4</b>
Shareholder's equity	4,963.7	4,969.4
Accumulated other comprehensive income	-332.8	-236.1
Subscription rights to shares	1.0	0.9
Non-controlling interests	1,130.4	1,123.3
<b>Total net assets</b>	<b>5,762.2</b>	<b>5,857.6</b>
<b>Total liabilities and net assets</b>	<b>8,564.2</b>	<b>8,280.0</b>



## Capital expenditures, Depreciation, R&D expenses, and Interest-bearing debts

		( 100 million Yen )	
		1Q 2017	1Q 2016
Capital expenditures	Property, plant and equipment	72.2	36.2
	Intangible assets	11.0	11.3
	Total	83.2	47.6
Depreciation	Property, plant and equipment	23.9	23.0
	Intangible assets	16.3	16.1
	Total <sup>※1</sup>	40.3	39.2
R&D expenses		33.1	47.8

< Long-term loans payable >

		( 100 million Yen )	
		As of 31, Mar, 2017	As of 31, Dec, 2016
Short-term loans payable		431.9	295.5
Long-term debt due within one year		76.9	9.5
Current portion of long-term loans payable		186.1	34.6
Bonds payable within one year		1.4	-
Bonds payable		23.9	-
Long-term loans payable		720.2	339.5

## Key Indicators

	As of 31, Mar,2017	As of 31, Dec,2016
ROE (%)	—	—
Capital equity ratio (%)	54.1%	57.2%
Ratio of ordinary income to total assets (%)	—	—
Net assets (100 milion yen)	5,762.2	5,857.6
Total assets (100 million yen)	8,564.2	8,280.0
Cash and cash equivalents at end of term(100 million yen)	—	—
Net aseets per share(yen)	1,443.97	1,475.93
Earnings per share(yen) <sup>*1</sup>	27.04	22.82
Price earnings ratio (times)	—	—

※1 (Net income + Goodwill amortization) ÷ Average number of shares during the period

# Foreign Exchange rates and market conditions

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

	1Q 2017	1Q 2016
USD	112.8	115.7
RMB	16.4	17.7

## <Paint shipment and Production>

(10,000t)

	1Q 2017	1Q 2016
Shipment in Japan <sup>※1</sup>	28.8	43.4
Production in China <sup>※2</sup>	289	365

※1 Source : Japan paint manufacturers association

Covering period of 1Q FY 2017 : from January to February

※2 Source : National bureau of statistics of China

Covering period of 1Q FY 2017 : from January to February

## <Automobile production>

(10,000 unit)

	1Q 2017	1Q 2016
Japan <sup>※3</sup>	255	239
China <sup>※3</sup>	713	658
North America (US, Canada, Mexico) <sup>※3</sup>	456	451
Thailand <sup>※3</sup>	49	51

※3 Source Japan, China, North America : Japan automobile manufactures association

Source Thailand : Federation of Thai industries

## < Exchange rate for B/S >

	31, Mar, 2017	31, Mar, 2016
USD	112.2	116.5
RMB	16.3	16.8

## <Ohters(Japan market)>

	1Q 2017	1Q 2016
Housing starts <sup>※4</sup>	223.3	216.4
Construction machinery productions <sup>※5</sup>	※7 5.6	8.8
Machine tool production <sup>※6</sup>	※7 1.0	1.9

※4 Source : Ministry of land,infrastructure,transport and tourism

※5 Source : Japan construction equipment manufactures association

※6 Source : Japan machine tool builders' association

※7 Source : Covering : from January to February

## < Naptha price >

(Ten thousand)

	1Q 2017	1Q 2016
Japan produced naptha price	41,800	34,300

## Revised forecast for 2017

(100 million Yen)

	Revised Forecast		Previous Forecast (as of 14, Feb)		GAP			
	1H	Full year	1H	Full year	1H Amount	%	Full year Amount	%
Net Sales	2,800	5,770	2,650	5,400	150	5.7%	370	6.9%
Operating Profit	375	810	375	810	-	-	-	-
Ordinary Income	390	840	390	840	-	-	-	-
Net Income ※	155	370	155	370	-	-	-	-

※ Net Income attributable to owners of parent

## IR Schedule

Date&Time		Contents	Place
From Jul 06, 2017	-	Silent Period	-
Aug 08, 2017	15:30	Q2 2017 financial results Announcement	-
	18:00 (tentative)	Q2 2017 financial results Telephone Conference	-
Aug 28, 2017	15:30	Business Briefing for institutional investors	Marunouchi,Tokyo
From Oct 24, 2017	-	Silent Period	-
Nov 14, 2017	15:30	Q3 2017 financial results Announcement	-
	18:00 (tentative)	Q3 2017 financial results Telephone Conference	-
From Jan 24, 2018	-	Silent Period	-
Feb 14, 2018	15:30	2017 financial results Announcement	-
	18:00 (tentative)	2017 financial results Telephone Conference	-
Feb 26, 2018	15:30	Business Briefing for institutional investors	Otemachi,Tokyo



The forward-looking statements in this document are based on information available at the time of preparation and involve inherent risks and uncertainties.

Accordingly, the actual results and performance of Nippon Paint Holdings Co., Ltd. and the Nippon Paint Holdings Group may differ significantly from the forward-looking statements.

Please be advised that Nippon Paint Holdings Co., Ltd. and information providers shall not be responsible for any damage suffered by any person relying on any information or statements contained herein.