

2019 1Q Financial Result <Supplement>

May 15, 2019
Nippon Paint Holdings Co., Ltd.
NIPPON PAINT HOLDINGS GROUP

Notes :

1. This is an English translation from the original presentation in Japanese.
2. In this presentation, “three months” refers to the period from January to March 2019.
3. Round off to the first decimal place (the same shall apply hereafter).

Summary

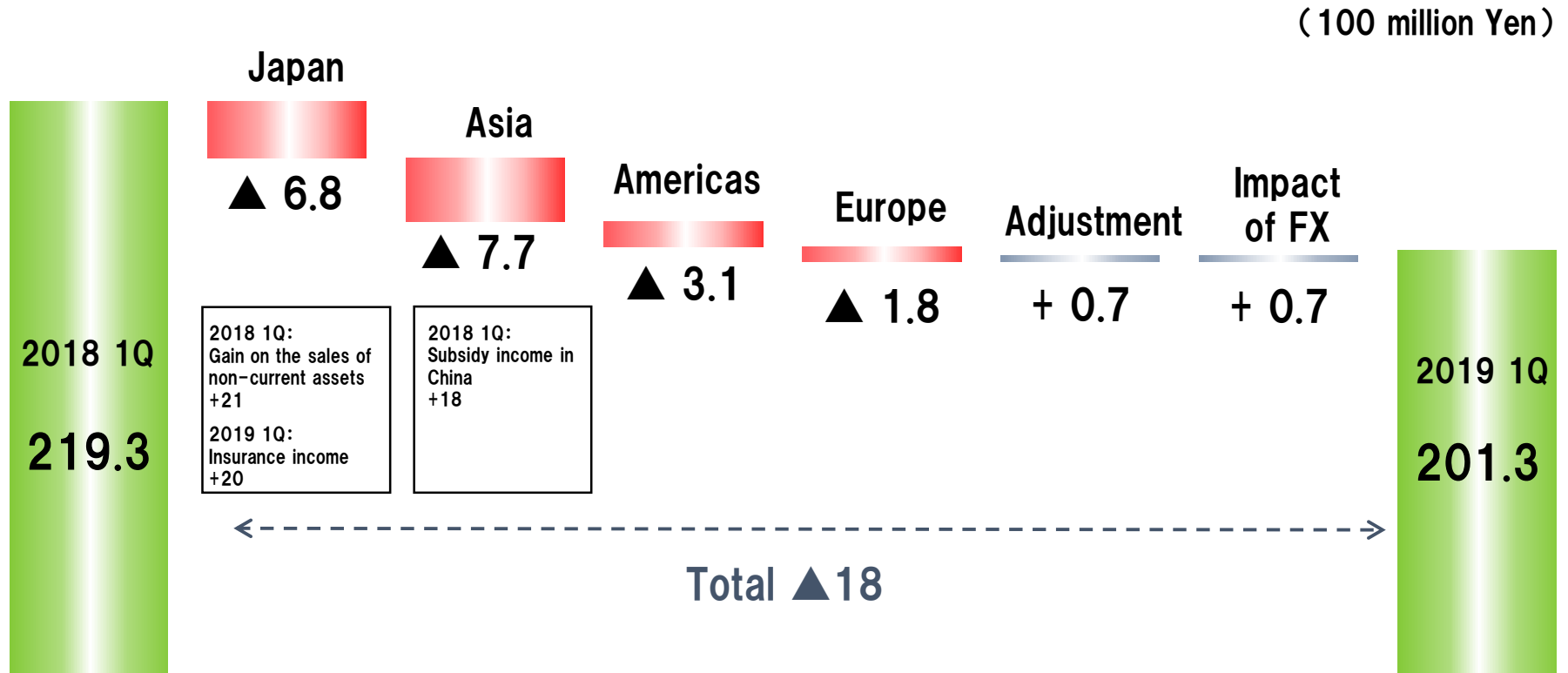
- ✓ Revenue : Excluding foreign exchange rate, same level as previous year.
- ✓ Operating profit : Decreased due to one-time gain on the sales of non-current assets & subsidy income in previous year, and to impact of rising raw material prices in Japan, Americas and Europe.

(100 million Yen)

	2018 1Q	2019 1Q	Gap		Gap Breakdown	
			Amount	%	Impact of FX	Actual Gap
Revenue	1,491.7	1,473.6	-18.1	-1.2%	-15.5	-2.6
Operating profit	219.3	201.3	-18.0	-8.2%	0.7	-18.7
OP margin	14.7%	13.7%	-	-		
Profit before tax	218.5	203.8	-14.7	-6.8%		
Profit*	116.8	106.5	-10.3	-8.8%		

※ Profit attributable to owners of parent

Operating profit gap analysis



※ Part of Non-operating profit/loss & Extraordinary profit/loss in J-GAAP are included in Operating profit in IFRS.

Revenue by business segment

(100 million Yen)

	2018 1Q	2019 1Q	Gap		Gap Breakdown	
			Amount	%	Impact of FX	Actual Gap
Automotive coatings	407.3	384.1	-23.2	-5.7%	-3.1	-20.1
Decorative paints (Including heavy duty)	751.8	752.0	0.1	0.0%	-10.5	10.6
Industrial coatings	160.5	166.0	5.5	3.4%	-1.3	6.9
Others (Marine & Auto refinishes, etc.)	124.5	125.6	1.1	0.9%	-0.6	1.7
Coatings total	1,444.2	1,427.7	-16.5	-1.1%	-15.5	-1.0
Fine chemicals	47.5	45.9	-1.6	-3.4%	0.0	-1.6
Total	1,491.7	1,473.6	-18.1	-1.2%	-15.5	-2.6

Revenue & operating profit by region

(100 million Yen)

		2018 1Q	2019 1Q	Gap		Gap Breakdown	
				Amount	%	Impact of FX	Actual Gap
Japan	Revenue	429.5	438.4	8.9	2.1%	-	8.9
	Operating profit	87.4	80.6	-6.8	-7.8%	-	-6.8
Asia	Revenue	844.1	824.8	-19.2	-2.3%	-17.1	-2.2
	Operating profit	120.8	114.9	-5.8	-4.8%	1.9	-7.7
Americas	Revenue	179.3	175.1	-4.2	-2.3%	4.3	-8.4
	Operating profit	9.3	6.3	-3.0	-32.3%	0.1	-3.1
Europe	Revenue	38.7	35.2	-3.6	-9.2%	-2.7	-0.8
	Operating profit	1.3	-0.9	-2.3	-	-0.5	-1.8
Total	Revenue	1,491.7	1,473.6	-18.1	-1.2%	-15.5	-2.6
	Operating profit	219.3	201.3	-18.0	-8.2%	0.7	-18.7

※ Excluding dividends from overseas group companies (2019 1Q : 1,560 million yen, 2018 1Q : 3,390 million yen)

Revenue by region & business segment

(100 million Yen)

		2018 1Q	2019 1Q	Gap		Gap Breakdown	
				Amount	%	Impact of FX	Actual Gap
Japan	Automotive coatings	115.3	119.3	4.0	3.5%	-	4.0
	Decorative paints (Including heavy duty)	105.6	109.7	4.1	3.9%	-	4.1
	Industrial coatings	95.2	99.9	4.7	4.9%	-	4.7
	Others (Marine & Auto refinishes, etc.)	91.4	87.9	-3.5	-3.9%	-	-3.5
	Fine chemicals	22.0	21.6	-0.4	-1.6%	-	-0.4
Asia	Automotive coatings	184.9	164.9	-20.0	-10.8%	-1.9	-18.1
	Decorative paints (Including heavy duty)	546.1	542.9	-3.2	-0.6%	-13.1	9.8
	Industrial coatings	64.5	65.1	0.6	0.9%	-1.3	1.9
	Others (Marine & Auto refinishes, etc.)	32.7	37.3	4.6	14.0%	-0.6	5.2
	Fine chemicals	15.9	14.7	-1.2	-7.7%	-0.2	-1.0
Americas	Automotive coatings	71.5	67.4	-4.1	-5.7%	1.5	-5.6
	Decorative paints	100.2	99.4	-0.7	-0.7%	2.6	-3.3
	Fine chemicals	7.3	7.9	0.6	8.7%	0.2	0.4
Europe	Automotive coatings	35.6	32.5	-3.1	-8.8%	-2.6	-0.5
	Fine chemicals	2.3	1.6	-0.7	-29.9%	-0.1	-0.6
Total		1,491.7	1,473.6	-18.1	-1.2%	-15.5	-2.6

Consolidated statement of financial position

<u>Assets</u>	(100 million Yen)	
	As of Dec. 31, 2018	As of Mar. 31, 2019
Current assets	4,442	4,520
Non-current assets	5,098	5,399
Total assets	9,540	9,919

<u>Liabilities and equity</u>	(100 million Yen)	
	As of Dec. 31, 2018	As of Mar. 31, 2019
Total current liabilities	2,158	2,282
Total non-current liabilities	906	1,014
Total liabilities	3,064	3,296
Total equity	6,476	6,623
Total liabilities and equity	9,540	9,919

Capital expenditures, depreciation, R&D expenses etc.

(100 million Yen)

		2018 1Q	2019 1Q
Capital expenditures	Property, plant and equipment	40.1	79.8
	Intangible assets	8.8	4.3
	Total	48.9	84.1
Depreciation	Property, plant and equipment	30.3	39.0
	Intangible assets	17.8	17.4
	Total	48.1	56.4
R&D expenses		38.7	41.3

< Major indicator >

	As of Dec. 31, 2018	As of Mar. 31, 2019
Equity attributable to owners of parent to total assets	54.5%	53.1%
Total debts (100 million Yen)	894	884
EPS (Yen) Covering period : Jan. – Mar.	36.4	33.2

Foreign exchange rates and market conditions

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

	2018 1Q	2019 1Q
JPY/USD	107.4	110.3
JPY/RMB	17.0	16.5

<Sales volume of paint> (10,000 t)

	2018 1Q	2019 1Q
Japan ^{※1}	27	28
China ^{※2}	387	391

※1 Source : Japan paint manufacturers association

Period : Jan. - Feb.

※2 Source : National bureau of statistics of China

<Automobile production^{※3}> (10,000 unit)

	2018 1Q	2019 1Q
Japan	241	243
China	701	633
North America total	295	287
USA	53	48
Canada	96	99
Mexico	444	434
Thailand	54	56

※3 Source Japan : Various public materials by automakers

China, North America : JAMA

Thailand : Federation of Thai industries

< Exchange rate for F/P >

	As of Dec. 31, 2018	As of Mar. 31, 2019
JPY/USD	111.0	111.0
JPY/RMB	16.2	16.5

< Others (Japan market) > (10,000 unit)

	2018 1Q	2019 1Q
Housing starts ^{※4}	20.5	21.6
Construction machinery production ^{※5}	6.2	6.9
Machine tool production ^{※6}	1.7	1.2

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

※5 Source : Japan construction equipment manufacturers association

Period : Jan. - Feb.

※6 Source : Japan machine tool builders' association

Period : Jan. - Feb.

< Naphtha price (own estimation) >

	(JPY/KL)	
	2018 1Q	2019 1Q
Japan produced naphtha price	47,900	41,200

IR calendar

Date & time (JST)		Event
From July 18, 2019		Silent period starts
Aug. 8, 2019	15:30	2019 2Q Financial result announcement
	18:00 (tentative)	2019 2Q Financial result telephone conference
Aug. 23, 2019	15:30	Business briefing for institutional investors (planned)
From Oct. 24, 2019		Silent period starts
Nov. 14, 2019	15:30	2019 3Q Financial result announcement
	18:00 (tentative)	2019 3Q Financial result telephone conference



Investor Relations Office, Department of Corporate Communications

E-mail : ir_kouhou@nipponpaint.jp

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.