

August 10, 2021  
FY2021 2Q  
Financial Results  
Presentation Material



ウイルスに、備えをON 抗ウイルス 抗菌  
新世代ペイントテクノロジー [プロテクトン]

**PROTECTON**



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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 operating 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: FX, subsidy, M&A related cost, new acquisitions
- Please see the appendix for more information

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

## FY2021 2Q YoY Growth Rate



( 'Tanshin' )

Revenue: +45.9%

Operating profit: +15.2%

( 'Non-GAAP' )

Revenue: +27.6%

Operating profit: +5.4%

- Record-high revenue and operating profit achieved on a Tanshin basis in FY2021 2Q, driven by continuous growth of our existing businesses and effects of operational integration through aggressive M&A and cross-functional PMI
- Revenue also grew sharply YoY on a Non-GAAP basis. Operating profit increased YoY as a result of cost reduction actions, despite the impact of raw material cost increases
- NIPSEA China reported 26.3% revenue growth and 35.4% operating profit decline due to continuing strong market conditions amidst high raw material prices. DIY revenue and Project revenue grew 35% YoY and 24% YoY respectively due to combination of factors including continued market growth & momentum, price increase and gradual pullback on discount
- Other operating regions also reported revenue growth due to a rebound from the COVID downturn in 2Q 2020
- The newly consolidated Indonesia business reported revenue of ¥9.7 bn and operating profit of ¥3.2 bn<sup>※1</sup>, achieving higher revenue and operating profit YoY due to increased demand prior to price increase, the expanding distribution reach and increasing our extensive network of dealers and CCM<sup>※2</sup> (For reference: +57% revenue growth YoY)
- Raw material price increases have already been reflected in purchase prices in almost all regions. Price hikes are being implemented in Japan, Asia, Americas and Turkey, but have not absorbed the entire impact of raw material cost increases due to a difference in the timing of price increases. As a result, the gross profit margin declined

# 1-1. Summary of Today's Presentation (2)

## FY2021 Consolidated Earnings Forecast

(Tanshin basis)

Revenue: ¥1,010.0 bn  
 Operating profit: ¥102.0 bn  
 Profit\*1: ¥78.0 bn

(Constant FX basis)

Revenue: ¥970.0 bn  
 Operating profit\*2: ¥97.0 bn

- The FY2021 forecast is revised upward from our Feb. 10 forecast due to greater-than-expected business growth and cost reduction. Both revenue and operating profit are forecast to reach record high

- ◆Revenue: ¥1,010.0 bn (+29.3% vs. FY2020; +13.5% vs. Feb.10 forecast)
- ◆Operating profit: ¥102.0 bn (+17.3% vs. FY2020; +17.2% vs. Feb.10 forecast)

- Primary reasons for the forecast revision:

- ↑ Higher decorative revenue at NIPSEA China and Betek Boya due to continuing market strength and price increases
- ↑ Robust demand in Asia, Oceania, and Americas
- ↑ Review of SG&A expenses and reduction of Headquarters expenses
- ↑ Weaker yen compared to the assumed FX rates
- ↓ Weaker demand in Japan than forecast due to resurgence of COVID
- ↓ Impact of raw material shortage and raw material price inflation worldwide

- The transfer of shares accompanying the change in consolidated subsidiary and dissolution and liquidation of consolidated subsidiary announced today will have a positive impact on earnings

## FY2021 EPS Forecast

¥33.95

- EPS forecast is ¥33.95 (+¥6.12 vs. FY2020; +¥4.79 vs. Feb. 10 forecast)
- Annual dividend forecast is ¥10 (including commemorative dividend of ¥1; unchanged from Feb. 10 forecast)

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

### Raw material market conditions and impact on our operations in FY2021 2Q

- Prolonged impact of the cold wave in North America and disruptions in marine transportation continued to affect raw material supply and prices
- The impact of raw material price increases is varying across regions and businesses according to inventory levels, timing of price revisions with suppliers and other factors. Raw material inflation started affecting China and Americas first, followed by Japan, Asia excepting China, and Turkey, which have all been affected starting in 2Q
- Price hikes are being implemented sequentially in all operating regions including Japan, Americas, Asia, and Turkey
- The gross profit margin declined YoY and QoQ. The RMCC\* ratio increased, especially in China and Turkey

	FY2020 2Q	FY2021 1Q	FY2021 2Q	YoY	QoQ
Gross profit margin	40.8%	41.4%	36.9%	-3.9pt	-4.5pt

### Raw material market conditions and our responses beginning in FY2021 3Q

- Our assumptions for the price of naphtha made in Japan was changed to ¥49,000 (Feb. 10 assumption: ¥34,000)
- In China, we expect market prices to continue rising due to factors such as demand growth for raw materials but to reach their peak and stabilize in 3Q
- In Oceania, we expect purchase prices to increase from 3Q onwards
- We will continue to take various actions including price increases in all regions and businesses to mitigate the impact of raw material price increases

# 1-2. Major Topics After Announcement of FY2021 1Q Results ①②

## Launch of film business in automotive coatings business (announced on July 1)

- Decorative films for automotive interiors provide protection of car informatics, anti-glare screen protection, and anti-viral function, and have design flexibility. Demand for decorative films is expected to grow further due to lower CO<sub>2</sub> emissions during the paint application process
- We are considering the application of decorative films for automotive exteriors and non-automotive applications, in addition to its conventional use for automotive interior parts. We plan to expand the product range from film coating agents to start selling coated films in 2022

▶ See more information at: [https://www.nipponpaint-holdings.com/en/news\\_release/2021070101/](https://www.nipponpaint-holdings.com/en/news_release/2021070101/)



Test panel of decorative film:

Decorative films have color and design flexibility and can add functions to even complex, three-dimensional parts upon the completion of the molding process

## Compliance with the listing requirements for the new market segment (Prime Market) (announced on July 12)

- Received a notification from Tokyo Stock Exchange, Inc. for compliance with the listing standards for TSE's Prime Market based on their initial assessment

▶ See more information at: [https://www.nipponpaint-holdings.com/en/news\\_release/20210712ir01/](https://www.nipponpaint-holdings.com/en/news_release/20210712ir01/)

# 1-2. Major Topics After Announcement of FY2021 1Q Results ③

## Five PROTECTON brand products proven effective in suppressing the novel coronavirus and Alpha variant through joint research with the University of Tokyo (announced on July 15)

- PROTECTON brand\* anti-viral and anti-bacterial paint products developed by utilizing visible light responsive photocatalyst technology have been proven to be effective in suppressing the novel coronavirus (SARS-CoV-2) and Alpha variant (UK variant including N501 mutation) on coated surfaces
- Effectiveness of anti-viral and anti-bacterial products in suppressing the Novel coronavirus and Alpha variant proven for the first time in Japan

▶ See more information at: [https://www.nipponpaint-holdings.com/en/news\\_release/2021071501/](https://www.nipponpaint-holdings.com/en/news_release/2021071501/)



The FIVE PROTECTON brand products proven to be effective in suppressing Novel coronavirus and Alpha variant

※Our products used in testing: PROTECTON INTERIOR WALL VK-500, PROTECTON INTERIO PAINT PREMIUM, PROTECTON INTERIOR WALL VK-200, PROTECTON INTERIOR WALL VK-200 (for DIY use), PROTECTON BARRIERX™ SPRAY

※These products are not intended for medical use as a medical product or medical device. The test results do not indicate the effectiveness of these products in preventing infections

※The test results do not guarantee that these products are effective in protecting against all or any specific viruses and bacteria. In addition, the test results do not indicate the effectiveness of these products in suppressing viruses and bacteria in areas surrounding the coated surfaces

※The data and figures provided in this document are not guaranteed values and may be altered and updated without prior notice due to improvements in products

※These products do not suppress indoor airborne viruses

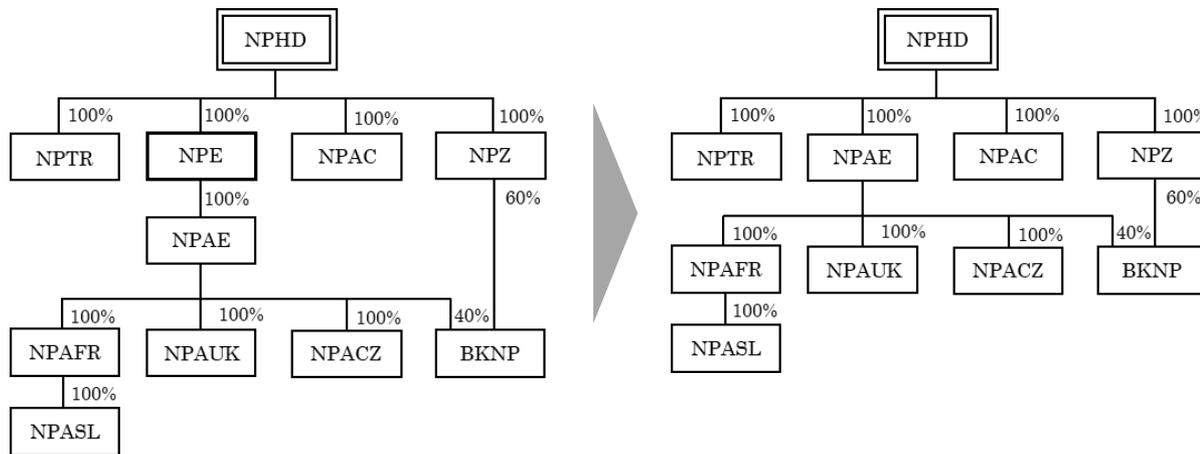
# 1-2. Major Topics After Announcement of FY2021 1Q Results ④

## Dissolution and liquidation of the former European Headquarters

(announced on August 10)

- As announced on April 1, 2021, we implemented business restructuring to make our automotive coatings business in Europe more competitive and adopted a resolution to dissolve and liquidate Nippon Paint (Europe) Ltd. (NPE), an NPHD's consolidated subsidiary
- Under the new operating structure, NPAE, a wholly-owned subsidiary of NPE, has started operating as the European headquarters. As a result, NPE has finished its role as the European headquarters
- Following the transfer, we will recognize deferred tax assets after application of deferred tax accounting. As a result, income taxes will decrease by c. ¥3.6 bn and profit attributable to owners of parent will increase by the same amount

▶ See more information at: [https://www.nipponpaint-holdings.com/en/news\\_release/20210810ir01/](https://www.nipponpaint-holdings.com/en/news_release/20210810ir01/)



- ※ NPTR: Nippon Paint Turkey Boya San. Ve Tic. Anonim.Sti
- ※ NPZ: Nippon Paint (China) Company Limited
- ※ NPAE: Nippon Paint Automotive Europe GmbH
- ※ NPAFR: Nippon Paint Automotive (France) SAS
- ※ NPAUK: Nippon Paint Automotive (UK) Ltd.
- ※ NPACZ: Nippon Paint Automotive Coatings (Czech) s.r.o.
- ※ BKNP: BK&NP Automotive Coatings (Shanghai) Co., Ltd.
- ※ NPASL: Nippon Paint Automotive (Slovakia) s.r.o.

(Before dissolution/liquidation of NPE)

(After dissolution/liquidation of NPE)

Change in capital relationship due to dissolution/liquidation of NPE

# 1-2. Major Topics After Announcement of FY2021 1Q Results ⑤- (1)

## Share transfer of European automotive business and India businesses to the Wuthelam Group (announced on August 10)

### ■ Summary

Share transfer of NPAE\*<sup>1</sup>, BNPA\*<sup>2</sup>, and NPI\*<sup>3</sup> to the Wuthelam Group

### ■ Background

- The automotive coatings business in Europe and India remains significant from the strategic perspective under our policy to strengthen the integrated automotive coatings operations. However, the business environment in the automotive coatings business has changed significantly due to factors such as COVID, the semiconductor shortage, and raw material price inflation
- After reviewing our strategy, we have decided that the automotive coatings business needs large investments for restructuring and reinforcement for medium- to long-term growth
- The decorative and automotive refinish businesses in India are also in a challenging environment. Further structural reinforcement and bold promotion activities are necessary to increase our presence in the Indian market, which has medium- to long-term growth potential
- Various restructuring measures that are needed would place significant short-term financial burdens on us and may not contribute to Maximization of Shareholder Value (MSV) considering our strategy to aggressively use M&A. After exploring various options, we have decided that selling these businesses to a third-party would impair the strategic significance of these businesses and eliminate future options for our Group's businesses

※1 NPAE(Nippon Paint Automotive Europe GmbH) : Company engaged in the automotive coatings business in Europe

※2 BNPA(Berger Nippon Paint Automotive Coatings Private Limited) : Company engaged in the automotive coatings business in India

※3 NPI(NIPPON PAINT (INDIA) PRIVATE LIMITED) : Company engaged in decorative paints and automotive refinish businesses in India

# 1-2. Major Topics After Announcement of FY2021 1Q Results ⑤ - (2)

## Share transfer of European automotive business and India businesses to the Wuthelam Group (announced on August 10)

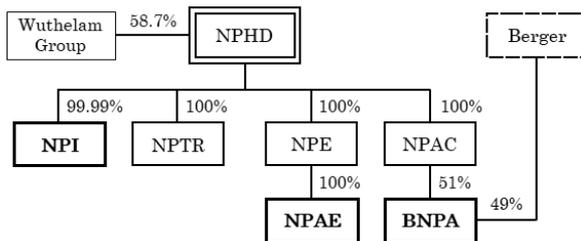
### Objectives

- This share transfer to the Wuthelam Group will enable these businesses to ensure continuous medium- and long-term growth
- Short-term additional investments and expenses for restructuring will be incurred by the Wuthelam Group. This will diversify the risk for NPHD
- The share transfer will contribute to our EPS and give us a call option (an option to buy back these companies). As a result, this share transfer is believed to be reasonable from the perspective of the protection of minority shareholders and MSV
- We have agreed with the Wuthelam Group for our continuing support for management of these businesses. Our Group will send management teams to the three businesses for monitoring business operations

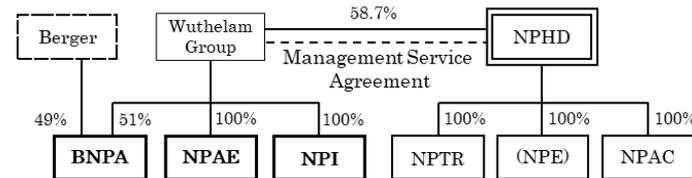
### Impact on consolidated earnings (¥ bn) ※1

Revenue	Operating profit	Profit before tax	Profit ※2
-14.4	+2.9	+2.9	+2.9

※1 The impact will be reflected in the consolidated earnings From August 1, 2021  
 ※2 Profit attributable to owners of parent



(Before the share transfer to Wuthelam)



(After the share transfer to Wuthelam)

Change in the capital relationship due to the share transfer to the Wuthelam Group



## 2. FY2021 2Q Highlights

## 2-1. FY2021 2Q Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
Revenue	182.5	266.2	45.9%	182.4	232.7	50.3	27.6%
Operating profit	19.4	22.4	15.2%	18.5	19.5	1.0	5.4%
OP margin	10.6%	8.4%	-2.2pt	10.1%	8.4%	-	-1.8pt
EBITDA	26.7	31.0	16.3%	-	-	-	-
EBITDA margin	14.6%	11.7%	-3.0pt	-	-	-	-
Profit before tax	20.0	22.4	12.2%	19.0	19.4	0.4	2.0%
Profit <sup>※</sup>	9.4	16.0	70.3%	8.9	8.8	-0.1	-1.6%

### Revenue

- Revenue increased 45.9% YoY (Tanshin basis) and 27.6% YoY (Non-GAAP basis)
- Tanshin and Non-GAAP revenue difference was mainly attributable to new consolidation of Indonesia business and exchange rate changes
- Automotive market continued to recover from the prior-year COVID downturn. NIPSEA China, Indonesia and Betek Boya continued to post strong decorative paints revenue

### Operating profit

- Operating profit increased 15.2% YoY (Tanshin basis) and 5.4% YoY (Non-GAAP basis)
- Operating profit grew YoY on higher revenue due to cost optimization and reduction actions across regions, although operating profit margin declined compared to 2Q 2020 due to higher RMCC ratio

## 2-2. FY2021 2Q Highlights (Revenue & Operating Profit by Region)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
Japan	Revenue	35.7	40.3	12.9%	35.7	40.3	4.6	12.9%
	OP profit <sup>※1</sup>	1.8	3.0	65.5%	1.8	3.0	1.2	65.5%
Asia	Revenue	88.1	145.7	65.4%	88.0	116.4	28.4	32.3%
	OP profit	14.3	14.4	0.9%	13.5	11.4	-2.1	-15.8%
Oceania	Revenue	35.0	42.7	21.8%	35.0	36.3	1.3	3.8%
	OP profit	4.8	5.4	12.2%	4.8	4.6	-0.2	-4.4%
Americas	Revenue	15.1	20.7	37.3%	15.1	20.2	5.1	34.0%
	OP profit	0.4	1.8	399.1%	0.4	1.8	1.4	391.9%
Other	Revenue	8.6	16.8	95.0%	8.6	19.5	10.8	125.4%
	OP profit	0.1	1.0	743.0%	-0.0	1.3	1.3	-
Adjustments <sup>※2</sup>	Revenue	-	-	-	-	-	-	-
	OP profit	-1.9	-3.2	-	-1.9	-2.5	-0.6	-
Total	Revenue	182.5	266.2	45.9%	182.4	232.7	50.3	27.6%
	OP profit	19.4	22.4	15.2%	18.5	19.5	1.0	5.4%

※1 Excluding dividends from overseas group companies (2Q 2020: ¥0.5 bn; 2Q 2021: ¥1.2 bn) and Headquarters expenses previously charged to the Japan segment

※2 New disclosure item added from 1Q 2021 that includes Headquarters expenses incurred in the Group's overall operations



CHINA ELLE

×  立邦

CHINA ELLE ×  立邦

### 3. FY2021 2Q Results (by Region)

Photo image: NIPSEA/2021 Colour Life Festival  
– Collaboration between Nippon Paint & Elle

# 3-1. Market & Business Environment (2Q)

	Japan	Asia (NIPSEA China)		Oceania	Americas
Automotive					
Decorative		DIY	Project		

■ Market (YoY)



■ Business (vs. Market) \*

※Own estimation

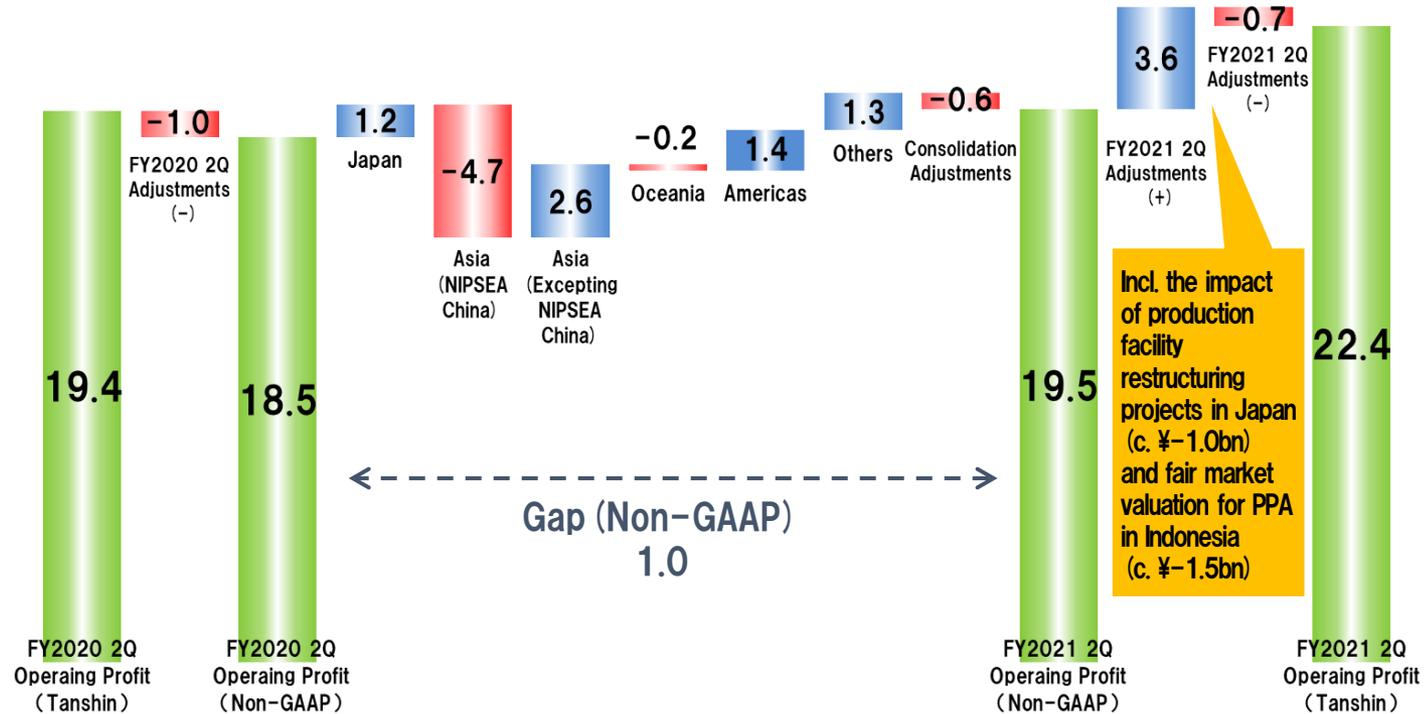


## Market analysis

- ✓Automotive: In Japan and Americas, market conditions improved significantly compared to the COVID downturn in 2Q 2020, despite the lower number of automobiles manufactured due to the semiconductor shortage in 2Q 2021  
In China, weaker market conditions due to the semiconductor shortage compared to 2Q 2020, where market was starting to recover
- ✓Decorative: In Japan, the market was impacted by continuing COVID-related restrictions and the earlier than normal start of the rainy season in western Japan  
In China, DIY and Project market remained robust due to the continued improving market conditions and increased demand before price hike  
In Oceania, COVID-enhanced demand was abnormally strong in 2Q 2020. Demand has been higher than pre-COVID levels  
In Americas, the market was stronger than the prior-year level due to continuing strength in new construction and existing housing markets driven by the U.S. government's low interest rate policy

## 3-2. Operating Profit Gap Analysis for FY2021 2Q

(Billion yen)



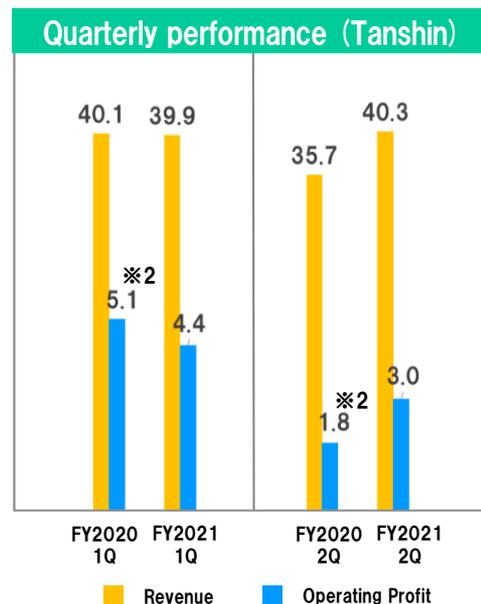
### Major reasons for changes

- ✓ NIPSEA China: Lower profit due to higher RMCC ratio from increased raw material prices
- ✓ Asia Excepting NIPSEA China: Higher profit due to severe situation during 2Q 2020 compared to 2Q 2021 amid some resurgence of COVID-19, especially in Malaysia, and rising raw material prices
- ✓ Japan/Americas/Other: Higher profit in these regions on rebound from the slump in automobile production due to COVID in 2Q 2020
- ✓ Cost of Asian JV acquisition, etc. Recognized one-time expenses of c. ¥2.5 bn (c. ¥-1.0 bn related to production facility restructuring projects in Japan ; c.¥-1.5 bn associated with fair market valuation for PPA in Indonesia) . Combined with the one-time expenses recognized in 1Q, c.¥5.0 bn was posted as planned

## 3-3. Analysis of Regional Performance (Japan)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
Revenue							
Automotive coatings	5.5	8.5	54.3%	5.5	8.5	3.0	54.3%
Decorative paints	11.1	11.9	6.8%	11.1	11.9	0.8	6.8%
Industrial coatings	8.4	9.6	14.7%	8.4	9.6	1.2	14.7%
Fine chemicals	1.7	2.0	20.0%	1.7	2.0	0.3	20.0%
Others <sup>※1</sup>	9.0	8.3	-7.8%	9.0	8.3	-0.7	-7.8%
<b>Total</b>	<b>35.7</b>	<b>40.3</b>	<b>12.9%</b>	<b>35.7</b>	<b>40.3</b>	<b>4.6</b>	<b>12.9%</b>
Operating profit	1.8	3.0	65.5%	1.8	3.0	1.2	65.5%
OP margin	5.0%	7.4%	2.3pt	5.0%	7.4%	-	2.3pt



### Major reasons for changes

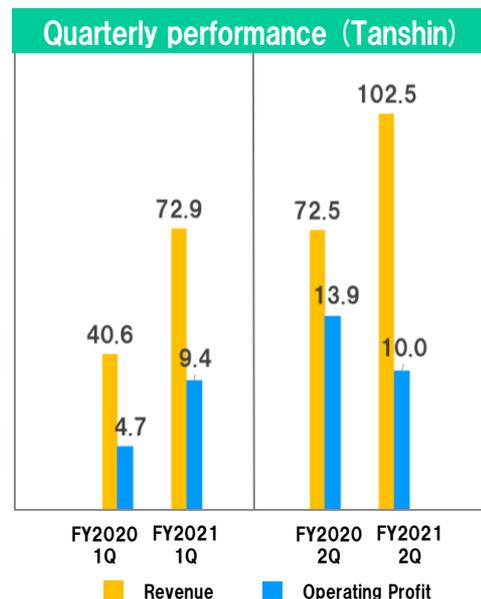
- Automotive: Higher revenue (+55%<sup>※3</sup> YoY) driven by an increase in automobile production from the prior-year level, despite the impact of the semiconductor shortage
- Decorative: Higher revenue due to progress of paint projects that were postponed from 2020, despite continuing COVID-related restrictions and the earlier than normal start of the rainy season in western Japan
- Industrial: Higher revenue because the coil and construction machinery markets are recovering from COVID
- Operating profit: Higher profit on higher revenue across businesses, especially in automotive coatings, driven by the recovery from COVID downturns
- ◇ vs. 1Q 2021: Lower profit despite flat revenue, due to factors including higher cost of raw materials

※1 The "Others" business includes marine, auto refinish business and etc.  
 ※2 Figures after reclassification of Headquarters expenses to Adjustments  
 ※3 Compiled by NPHD using figures released by domestic automakers

## 3-4. Analysis of Regional Performance (NIPSEA China)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
Automotive coatings	7.5	9.8	30.1%	7.5	8.7	1.1	15.3%
Decorative paints	59.8	85.0	42.1%	59.7	75.9	16.2	27.1%
Industrial coatings	4.7	7.1	51.6%	4.7	6.3	1.6	34.9%
Others <sup>※1</sup>	0.6	0.7	26.3%	0.6	0.6	0.1	15.4%
<b>Total</b>	<b>72.5</b>	<b>102.5</b>	<b>41.3%</b>	<b>72.5</b>	<b>91.5</b>	<b>19.0</b>	<b>26.3%</b>
Operating profit	13.9	10.0	-27.9%	13.2	8.5	-4.7	-35.4%
OP margin	19.2%	9.8%	-9.4pt	18.3%	9.3%	-	-8.9pt



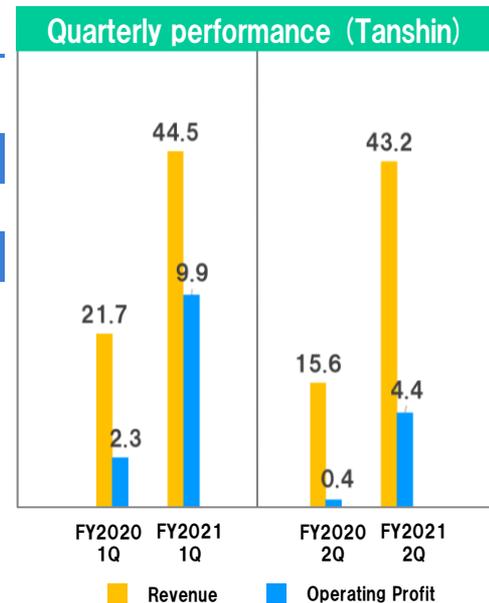
### Major reasons for changes

- Automotive: Higher revenue largely due to price increase effect to partially pass on the high raw material prices which offset impact from weaker automobile production (-6%<sup>※2</sup> YoY) and many automotive car makers only resumed production late June 2020
- Decorative: Higher DIY revenue (+35% YoY) and higher Project revenue (+24% YoY) due to continued strong market growth, price increase and gradual pullback on discount as compared to a much weaker period back in 2020 that was greatly affected by the start of COVID
- Industrial: Higher revenue driven by robust coatings demand and continuing strong sales of paints for construction materials and home electronics as compared to a weaker period back in 2020 that was greatly affected by the start of COVID
- Operating profit: Lower profit largely due to rising RMCC ratio from higher raw material prices
- ◇ vs. 1Q 2021: Higher revenue, due to seasonal factors (close for Chinese New Year holidays in Feb. during 1Q)

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

(Billion yen)

	Results (Tanshin) *			Results (Non-GAAP)			
	FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
Revenue	15.6	43.2	177.6%	15.6	25.0	9.4	60.2%
Operating profit	0.4	4.4	-	0.2	2.8	2.6	-
OP margin	2.5%	10.2%	7.7pt	1.6%	11.3%	-	9.7pt



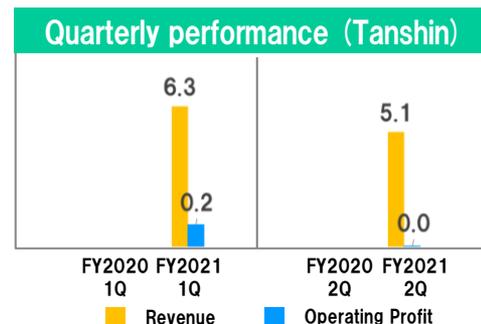
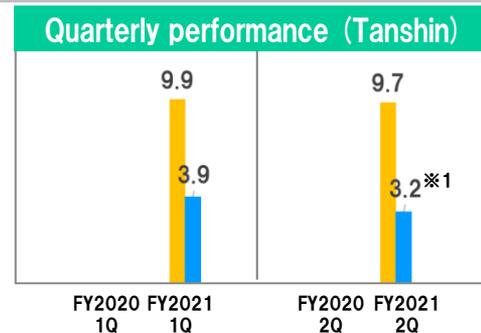
### Major reasons for changes

- **Malaysia Group:** Higher revenue due to price increase despite continued disruption to economic activities suffering from lockdowns in Malaysia and other areas. However, last year lockdown situation was more severe resulting in a higher growth from a smaller base
- **Singapore Group:** Higher revenue due to price increase and smaller base from more severe impact and lockdown due to COVID in 2Q 2020
- **Thailand Group:** Higher revenue because automobile production increased significantly from prior-year level due to severe situation during 2Q 2020
- **Operating profit:** Higher profit due to higher sales, better product mix and smaller base from the severe COVID situation last year where many countries in Asia, which were on full lockdown
- ◇ **vs. 1Q 2021:** Lower revenue contribution from Malaysia, Thailand and Vietnam due to impact from worsening COVID situation and lockdown in 2Q

※Including earnings of the newly consolidated Indonesia and India businesses (See the next page for details.)

## 3-6. Analysis of Regional Performance (Asia: Indonesia and India)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
<b>Indonesia</b>							
(Billion yen)							
Revenue	-	9.7	-	-	-	-	-
Operating profit	-	1.7	-	-	-	-	-
Operating profit (Before fair market valuation for PPA)	-	3.2	-	-	-	-	-
OP margin (Before fair market valuation for PPA)	-	33.1%	-	-	-	-	-
<b>India<sup>※2</sup></b>							
(Billion yen)							
Revenue	-	5.1	-	-	-	-	-
Operating profit	-	0.0	-	-	-	-	-
OP margin	-	0.1%	-	-	-	-	-



※1 Before fair market valuation for PPA

※2 Excluding Berger Nippon Paint Automotive Coatings, an automotive coatings joint venture in India

### Indonesia (For reference: Revenue: +57% YoY/rough estimates in local currency)

- Revenue: As compared to 2Q 2020, revenue is higher due to increased demand prior to price increase implementation, the expanding distribution reach and increasing our extensive network of dealers and CCM machines. Additionally, the base was smaller in 2Q 2020 due to the more severe COVID situation
- Operating profit: Higher profit largely due to higher sales and product mix improvement
- ◇ vs. 1Q 2021: Lower revenue due to seasonal factors and Hari Raya Idul Fitri (New year holidays) in May during Q2

### India (For reference: Revenue: +94% YoY/rough estimates in local currency)

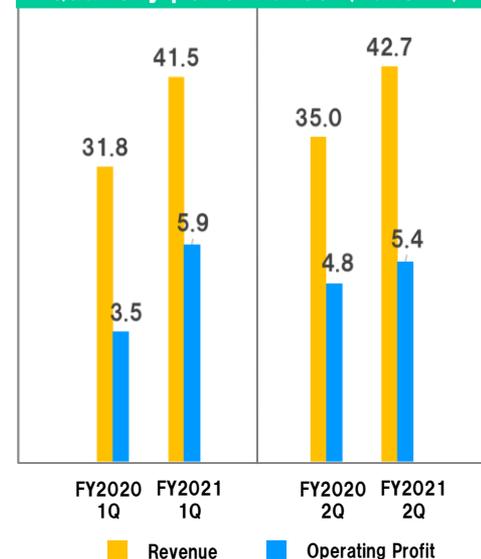
- Revenue: Higher growth in revenue due to smaller revenue base from lockdown during 2Q 2020, strong sales across all segments in industrial coil coatings, decorative paints, automotive coatings and auto refinish businesses
- Operating profit: Lesser loss due to higher revenue growth and less severe COVID situation as compared to 2Q 2020
- ◇ vs. 1Q 2021: Lower revenue due to impact from worsening COVID situation in 2Q

## 3-7. Analysis of Regional Performance (Oceania)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
Revenue							
Decorative paints	18.9	21.6	14.1%	18.9	18.4	-0.5	-2.8%
Industrial coatings	1.2	1.9	54.2%	1.2	1.6	0.4	31.4%
Paint related business	14.9	19.2	28.8%	14.9	16.3	1.5	9.8%
Total	35.0	42.7	21.8%	35.0	36.3	1.3	3.8%
Operating profit	4.8	5.4	12.2%	4.8	4.6	-0.2	-4.4%
OP margin	13.7%	12.6%	-1.1pt	13.7%	12.6%	-	-1.1pt
OP margin (Before PPA depreciation)	14.5%	13.4%	-1.1pt	14.5%	13.4%	-	-1.1pt

Quarterly performance (Tanshin)



### Major reasons for changes

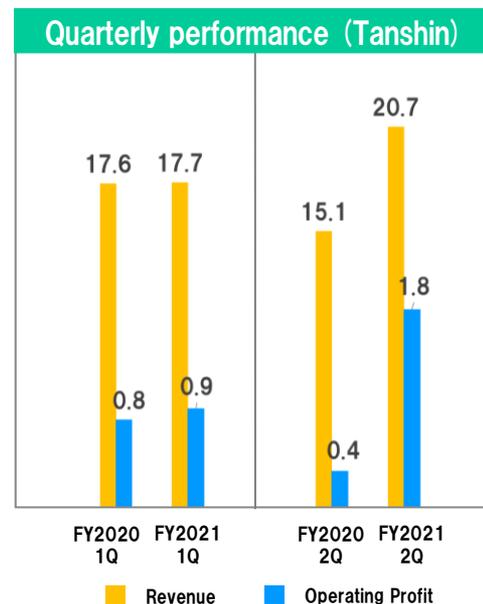
- Decorative: Slight decrease in revenue, with strong growth in trade DIFM<sup>※</sup> businesses offsetting lower retail DIY revenue, given 'comping' last years abnormal COVID peak in 2Q 2020
- Paint related business: Higher revenue due to strong growth in trade-facing businesses, which were impacted by COVID restrictions and closures in 2Q 2020
- Operating profit: Lower profit despite higher revenue, more than offset by higher volume related supply chain costs and normalization of fixed cost base, following constrained spend in 1H 2020
- ◇ vs. 1Q 2021: Slight decrease in operating profit compared with 1Q despite relatively flat revenue, mainly due to mix (higher trade sales in 2Q)

※DIFM (Do It For Me) : Painting by professional painters

## 3-8. Analysis of Regional Performance (Americas)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
Automotive coatings	2.5	6.1	147.9%	2.5	5.9	3.4	138.5%
Decorative paints	12.0	14.3	19.4%	12.0	14.0	2.1	17.2%
Revenue	0.6	0.3	-46.1%	0.6	0.3	-0.3	-47.3%
Fine chemicals	0.1	0.0	-90.3%	0.1	0.0	-0.1	-90.3%
Others*	0.1	0.0	-90.3%	0.1	0.0	-0.1	-90.3%
Total	15.1	20.7	37.3%	15.1	20.2	5.1	34.0%
Operating profit	0.4	1.8	399.1%	0.4	1.8	1.4	391.9%
OP margin	2.4%	8.8%	6.4pt	2.4%	8.8%	-	6.4pt



### Major reasons for changes

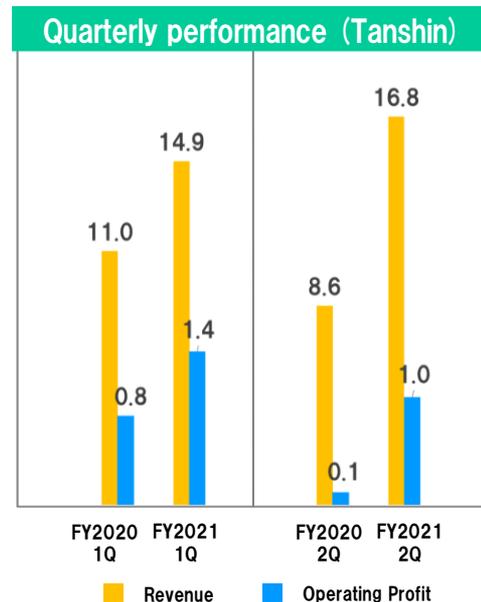
- Automotive: Higher revenue due to a sharp recovery in automobile production compared to 2Q 2020, when customers suspended production due to COVID, despite the impact of production adjustments due to the semiconductor shortage
- Decorative: Higher revenue due to robust demand for repainting homes across the region mainly in California and Arizona
- Operating profit: Higher profit on higher revenue, in addition to decorative paints price increases and reduction of fixed costs
- ◇ vs. 1Q 2021: Higher revenue due to favorable seasonal factors in decorative business (weather conditions are more stable and suitable for painting work in 2Q than in 1Q)

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

## 3-9. Analysis of Regional Performance (Other)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 2Q	FY2021 2Q	YoY (%)	FY2020 2Q	FY2021 2Q	YoY (Amount)	YoY (%)
Automotive coatings	0.9	2.4	165.8%	0.9	2.2	1.3	141.7%
Decorative paints	4.1	7.5	82.4%	4.1	9.1	5.0	121.2%
Industrial coatings	0.7	1.3	75.2%	0.7	1.5	0.8	111.1%
Revenue							
Fine chemicals	0.4	0.6	82.8%	0.4	0.6	0.2	57.9%
Others <sup>※</sup>	0.1	0.0	-17.1%	0.1	0.0	-0.0	-25.4%
Paint related business	2.5	5.0	100.2%	2.5	6.1	3.6	143.4%
Total	8.6	16.8	95.0%	8.6	19.5	10.8	125.4%
Operating profit	0.1	1.0	743.0%	-0.0	1.3	1.3	-
OP margin	1.3%	5.8%	4.5pt	-0.2%	6.7%	-	6.9pt



### Major reasons for changes

- Automotive: Higher revenue due to a sharp recovery in automobile production compared to 2Q 2020, when customers temporarily suspended production due to COVID, despite production adjustments due to the semiconductor shortage
- Betek Boya: Higher revenue due to continuing strong market conditions coupled with price increase in contrast to the COVID downturn in 2Q 2020 (For reference: Revenue: ¥13.7 bn, Operating profit: ¥1.2 bn in 2Q 2021 (Tanshin basis))
- Operating profit: Higher profit due to higher revenue at Betek Boya, automotive coatings, etc. more than offsetting the increase in the RMCC ratio
- ◇ vs. 1Q 2021: Higher revenue due mainly to successful marketing and promotion activities with seasonal factors at Betek Boya

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

ウイルスに、備えをON  
新世代ペイントテクノロジー [プロテクトン]

抗ウイルス  
抗菌

PROTECTON



## 4. FY2021 Forecast

Photo image: PROTECTON series  
INTERIOR WALL VK-200 (for DIY use)  
INTERIOR PAINT PREMIUM  
BARRIERX™ SPRAY

## 4-1. FY2021 Forecast

(Billion yen)	Tanshin					Constant FX Basis				
	FY2020	FY2021			YoY (%)	vs. Previous Forecast (%) (Feb.vs Aug.)	FY2021		YoY (%)	vs. Previous Forecast (%) (Feb.vs Aug.)
	Results	Feb. Forecast	Aug. Forecast (Revised)	Feb. Forecast			Aug. Forecast (Revised)			
Revenue	781.1	890.0	1,010.0	29.3%	13.5%	890.0	970.0	24.2%	9.0%	
Operating profit (before Asian JV acquisition costs, etc.)	86.9	92.0	107.0	23.1%	16.3%	92.0	102.0	17.3%	10.9%	
OP margin (before Asian JV acquisition costs, etc.)	11.1%	10.3%	10.6%	-0.5pt	0.3pt	10.3%	10.5%	-0.6pt	0.2pt	
Asian JV costs, etc.	-	-5.0	-5.0	-	-	-5.0	-5.0	-	-	
Operating profit	86.9	87.0	102.0	17.3%	17.2%	87.0	97.0	11.6%	11.5%	
OP margin	11.1%	9.8%	10.1%	-1.0pt	0.3pt	9.8%	10.0%	-1.1pt	0.2pt	
Profit <sup>※</sup>	44.6	67.0	78.0	74.7%	16.4%	67.0	75.0	68.0%	11.9%	

### Revised forecast (Analysis vs. Feb. 10 forecast)

- Increased revenue and all profit forecasts
- Higher decorative earnings at NIPSEA China and Betek Boya due to continuing strong market conditions and price increases
- Weak performance in Japan segment due to resurgence of COVID
- Shortage of raw materials and raw material price inflation significantly affected our Group's earnings worldwide. However, we achieved revenue growth, and reviewed SG&A expenses and reduced Headquarters expenses
- Changed our exchange rate assumptions for 2021 due to the yen's depreciation against major currencies: JPY/USD: ¥109.0 (Feb. 10 assumption: ¥105.0), JPY/AUD: ¥82.0 (¥75.0), and JPY/RMB: ¥16.8 (¥15.7). For Turkish lira, we assume the yen's appreciation: JPY/TRY: ¥13.2 (¥14.0)
- Five months of earnings of the automotive coatings business in Europe and the India business will be excluded from consolidated earnings following the transfers of these businesses to the Wuthelam Group
- The liquidation of the former European Headquarters (NPE) will contribute to an upward revision of the profit<sup>※</sup> forecast by ¥3.6 bn

## 4-2. Market & Business Environment (FY2021 3Q)

	Japan	Asia (NIPSEA China)		Oceania	Americas
Automotive					
Decorative		DIY	Project		



### Market analysis

- ✓ Automotive: Market conditions are expected to be stronger compared to the slump in automobile production due to COVID in 3Q 2020, although the market recovery is slow due to the shortage of semiconductors across regions  
 In China, market conditions are expected to remain unchanged from prior-year levels because the market had already started recovering in 3Q 2020
- ✓ Decorative: In Japan, the market is expected to be on a par with 3Q 2020 due to a slow recovery from COVID  
 In China, solid market growth is expected to continue into 3Q, as we expect growth momentum to continue from 1H 2021 from the improving market conditions  
 In Oceania, market conditions are expected to be largely in line with the prior year, with growth in trade DIFM offsetting lower retail DIY demand (given last years abnormal COVID demand)  
 In Americas, market is expected to be stronger than 3Q 2020 based on the continuing strong economic conditions and demand for housing renovations

## 4-3. Market & Business Environment (FY2021)

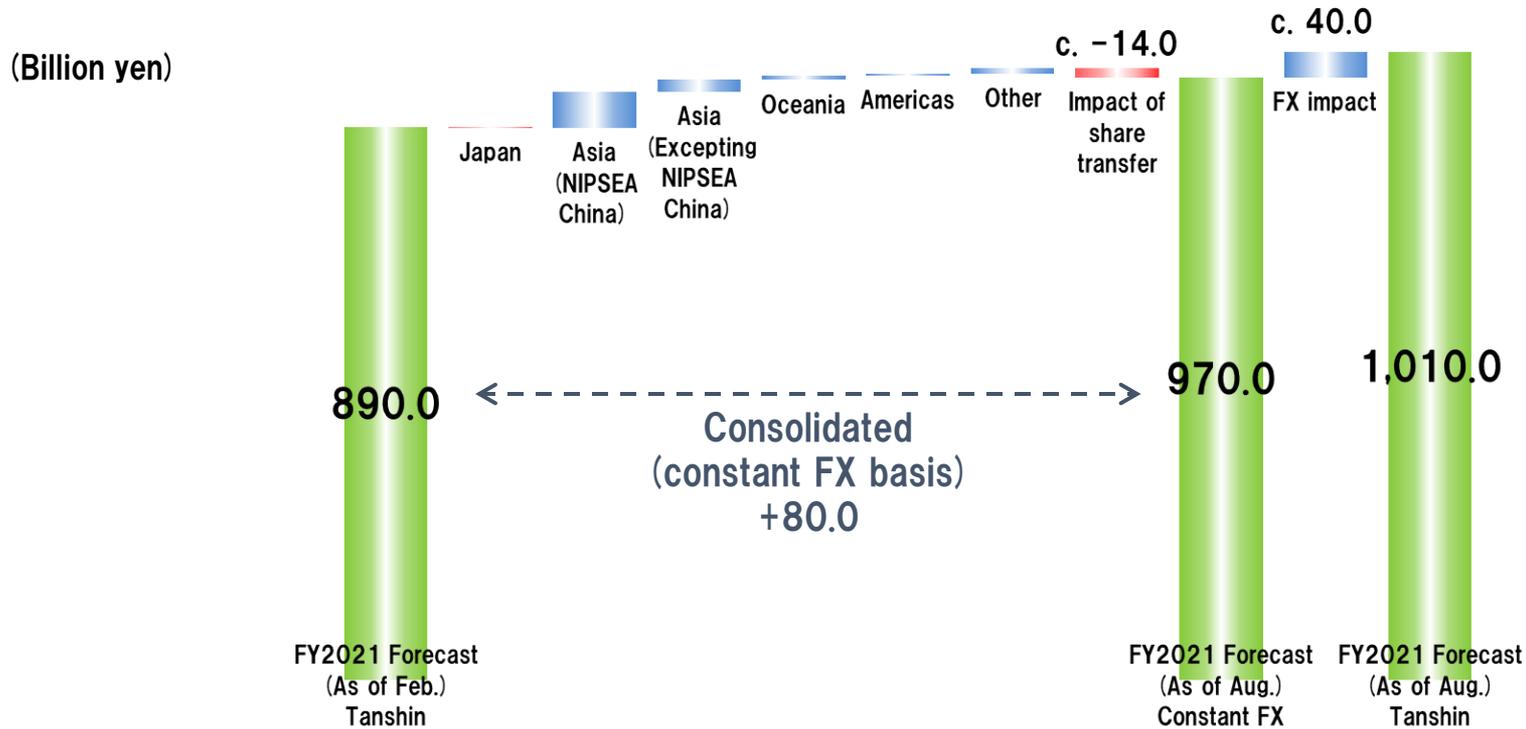
	Japan	Asia (NIPSEA China)		Oceania	Americas
Automotive					
Decorative		DIY	Project		



### Market analysis

- ✓ **Automotive:** In Japan, the market is on a par with prior-year levels because the recovery of automobile production from COVID will be offset by the impact of semiconductor shortage  
 In China and the Americas, markets are expected to recover compared to production cutbacks in 2020, despite the impact of the semiconductor shortage
- ✓ **Decorative:** In Japan, the market is expected to be on a par with 2020 due to a slow recovery from COVID  
 In China, both DIY and Project market conditions are expected to be stronger than prior-year levels driven by the steady recovery of economic conditions  
 In Oceania, market conditions are expected to be largely in line with the prior year, with growth in trade DIFM offsetting lower retail DIY demand (given last years abnormal COVID demand)  
 In Americas, the market is expected to be stronger in full-year 2021 than in 2020 because the strong momentum we saw in 1H is expected to continue in 2H

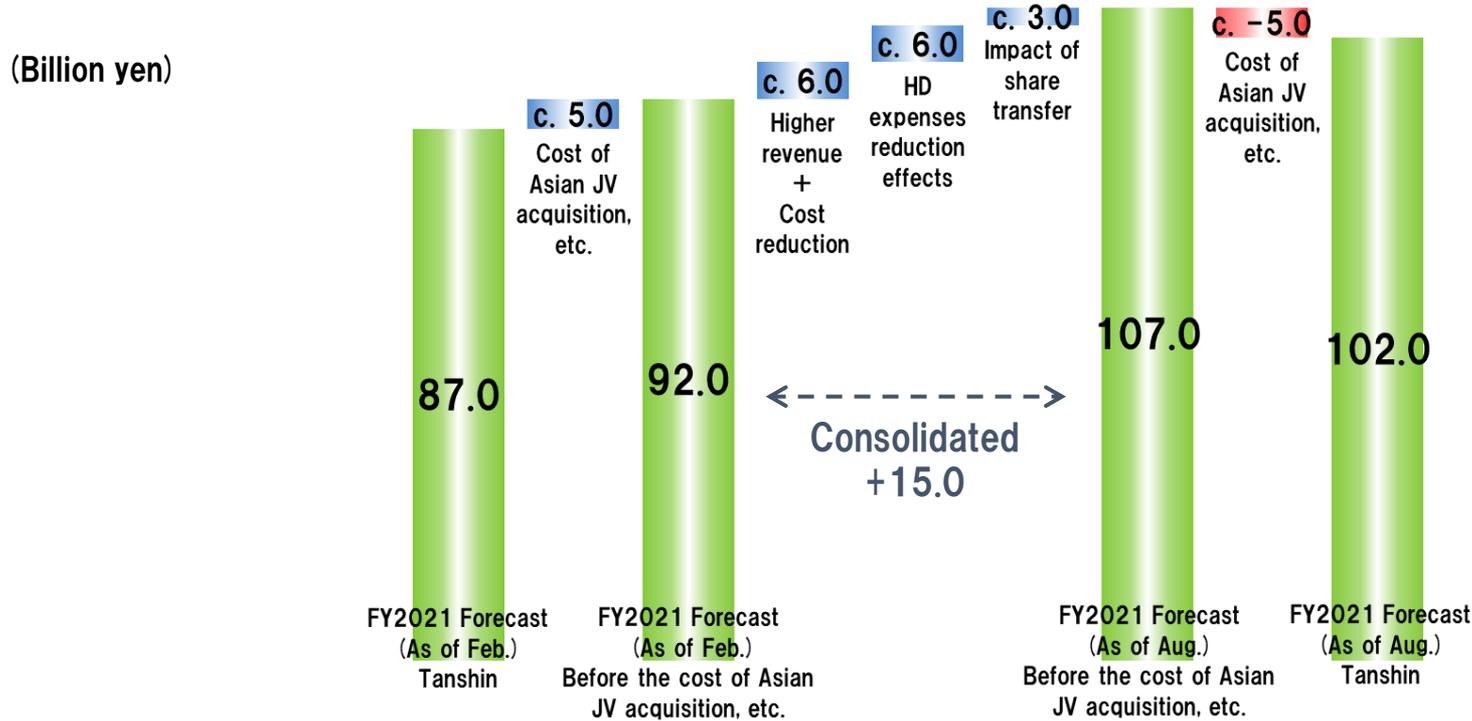
## 4-4. FY2021 Forecast (Revenue Gap Analysis)



### Major reasons for changes

- ✓ NIPSEA China: Higher decorative revenue due to continuing strong market conditions and price increases
- ✓ Other regions: Higher revenue mainly in decorative paints also at other regions including Asia (Excepting NIPSEA China), Betek Boya and DuluxGroup driven by strong market conditions, price increases, and various marketing activities
- ✓ Impact of share transfer: 5 months of earnings of the European automotive business (NPAE) and India business (NPI/BNPA) will be excluded from our consolidated earnings
- ✓ FX impact: Weaker yen against USD, RMB, and AUD, except TRY, contributed to higher revenue

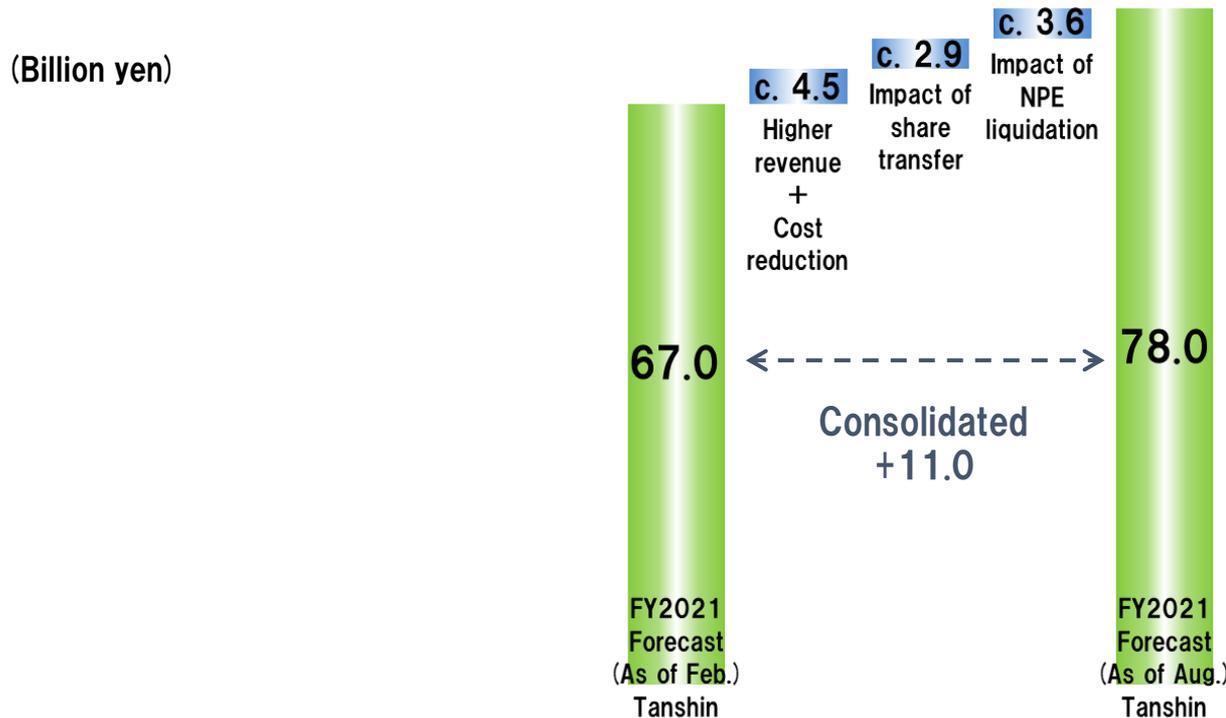
# 4-5. FY2021 Forecast (Operating Profit Gap Analysis)



## Major reasons for changes

- ✓ Higher revenue across regions + cost reduction impact:
  - Higher revenue than our Feb. 10 forecast, mainly at NIPSEA China, and price increases across our operating regions and businesses mitigated the impact of the higher RMCC ratio
  - Reviewed the necessity and timing of costs including Headquarters expenses and SG&A expenses in our operating regions and reduced these costs where appropriate
- ✓ Impact of share transfer:
  - Exclusion of five months of earnings (operating loss) of European automotive business (NPAE) and India businesses (NPI/BNPA) from our consolidated earnings will contribute to an upward revision of earnings forecast
- ✓ Cost of Asian JV acquisition, etc.:
  - The entire cost associated with Asian JV acquisition such as stamp tax (c. ¥5.0 bn) was posted in 1Q and 2Q

## 4-6. FY2021 Forecast (Profit Gap Analysis)



### Major reasons for changes

- ✓ Impact of share transfer: The exclusion of five months of earnings (net loss) at NPAE (automotive coatings business in Europe) and NPI/BNPA (India businesses) from consolidated earnings contributed to the upward revision
- ✓ Impact of NPE liquidation: Recognition of deferred tax assets after applying deferred tax accounting. As a result, income taxes-deferred will decrease by ¥3.6 bn and profit attributable to owners of parent will increase by the same amount

# 4-7. Assumptions for FY2021 Forecast (4) - ①

		FY2020 Results (Tanshin)		FY2021 Forecast (As of Feb.) *		FY2021 Forecast (As of Aug.) *	
		Revenue	OP margin	YoY (Revenue)	YoY (OP margin)	YoY (Revenue)	YoY (OP margin)
Japan	Revenue	159.6	10.1% (exc HD expenses)	c. +5%	→	No change	↘
	Automotive	34.7		±0%		c. +10%	
	Decorative	43.7		c. +10%		c. +5%	
	Industrial	35.3		c. +15%		c. +10%	
NIPSEA China	Revenue	268.1	16.4%	c. +10%	→	c. +30%	↘
	Decorative (DIY)	216.0		c. +10%		c. +30%	
	Decorative (PRJ)			c. +20%		c. +30%	
	Automotive	31.8		+5~10%		c. +10%	
Asia Excepting NIPSEA China	Revenue	88.5	12.5%	+5~10%	→	+20~25%	→

## 4-7. Assumptions for FY2021 Forecast (4) - ②

		FY2020 Results (Tanshin)		FY2021 Forecast (As of Feb.) *		FY2021 Forecast (As of Aug.) *	
		Revenue	OP margin	YoY (Revenue)	YoY (OP margin)	YoY (Revenue)	YoY (OP margin)
Indonesia	Revenue	30.3	33.8%	(For reference) +10~15%	→	(For reference) +25~30%	→
India	Revenue	17.1		(For reference) +15~20%		Exclusion from consolidation**2	
Oceania	Revenue	148.3	11.6% (before PPA)	+0~5%	↗	c. +5%	→
Americas	Revenue	70.1	6.4%	c. +5%	→	No change	→
	Automotive	21.0		+5~10%		c. +5%	
	Decorative	46.5		c. +5%		+5~10%	
Other	Automotive	8.7		c. +30%		Exclusion from consolidation**2	
	Betek Boya	36.2	13.8% (before PPA)	c. +10%	→	c. +40%	↘

※1 Forecasts are in local currencies

※2 Five months' earnings will be excluded from the consolidated earnings for FY2021 due to share transfer

## **5. FY2021 1H Results**

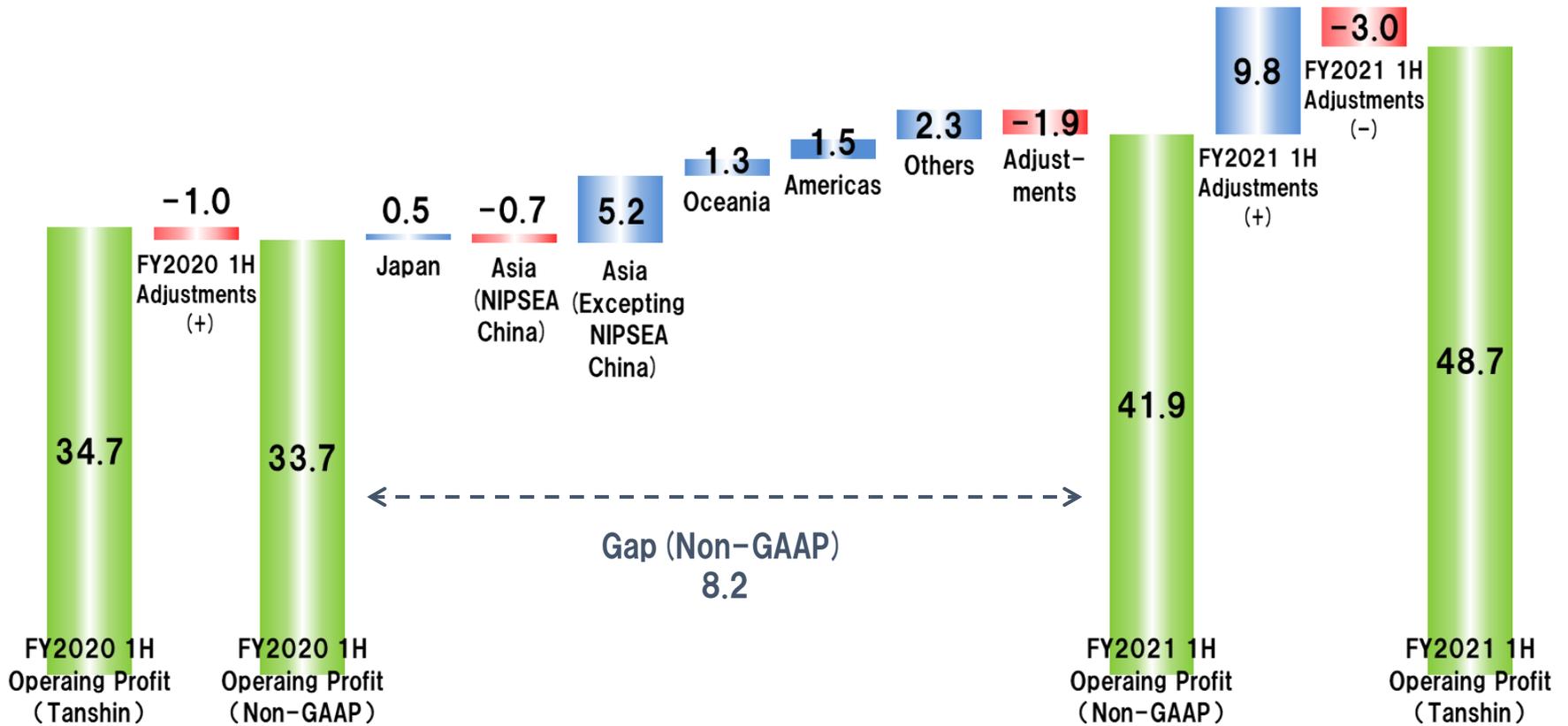
## 5-1. FY2021 1H Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 1H	FY2021 1H	YoY (%)	FY2020 1H	FY2021 1H	YoY (Amount)	YoY (%)
Revenue	345.4	497.7	44.1%	345.2	440.0	94.8	27.5%
Operating profit	34.7	48.7	40.3%	33.7	41.9	8.2	24.4%
OP margin	10.0%	9.8%	-0.3pt	9.7%	9.5%	-	-0.2pt
EBITDA	49.0	64.2	30.8%	-	-	-	-
EBITDA margin	14.2%	12.9%	-1.3pt	-	-	-	-
Profit before tax	34.0	48.2	41.8%	33.0	42.9	9.9	30.1%
Profit <sup>※</sup>	16.9	33.7	99.7%	16.4	20.1	3.7	22.6%

※ Profit attributable to owners of parent

# 5-2. Operating Profit Gap Analysis for FY2021 1H

(Billion yen)



## 5-3. FY2021 1H Highlights (Revenue & Operating Profit by Region)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 1H	FY2021 1H	YoY (%)	FY2020 1H	FY2021 1H	YoY (Amount)	YoY (%)
Japan	Revenue	75.8	80.2	5.9%	75.8	80.2	4.4	5.9%
	OP profit <sup>※1</sup>	6.9	7.3	6.9%	6.9	7.3	0.5	6.9%
Asia	Revenue	150.5	263.1	74.9%	150.3	212.7	62.4	41.5%
	OP profit	21.3	33.7	58.2%	20.4	24.9	4.5	22.0%
Oceania	Revenue	66.8	84.2	25.9%	66.8	71.8	4.9	7.4%
	OP profit	8.3	11.2	35.4%	8.3	9.6	1.3	15.4%
Americas	Revenue	32.7	38.4	17.4%	32.7	38.2	5.5	16.9%
	OP profit	1.2	2.7	131.0%	1.2	2.7	1.5	130.5%
Other	Revenue	19.6	31.7	61.6%	19.6	37.2	17.5	89.2%
	OP profit	0.9	2.4	156.3%	0.8	3.1	2.3	289.3%
Adjustments <sup>※2</sup>	Revenue	-	-	-	-	-	-	-
	OP profit	-3.9	-8.7	-	-3.9	-5.8	-1.9	-
Total	Revenue	345.4	497.7	44.1%	345.2	440.0	94.8	27.5%
	OP profit	34.7	48.7	40.3%	33.7	41.9	8.2	24.4%

※1 Excluding dividends from overseas group companies (1H 2020: ¥2.4 bn; 1H 2021: ¥1.5 bn) and Headquarters expenses previously charged to the Japan segment

※2 New disclosure item added from 1Q 2021 that includes Headquarters expenses incurred in the Group's overall operations

## 5-4. Analysis of Regional Performance (Japan & NIPSEA China)

### Japan

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020	FY2021	YoY	FY2020	FY2021	YoY	YoY
		1H	1H	(%)	1H	1H	(Amount)	(%)
Revenue	Automotive coatings	15.8	18.7	18.5%	15.8	18.7	2.9	18.5%
	Decorative paints	21.4	21.8	2.0%	21.4	21.8	0.4	2.0%
	Industrial coatings	17.4	18.6	6.6%	17.4	18.6	1.2	6.6%
	Fine chemicals	3.7	4.0	7.0%	3.7	4.0	0.3	7.0%
	Others <sup>※</sup>	17.5	17.1	-1.9%	17.5	17.1	-0.3	-1.9%
	<b>Total</b>	<b>75.8</b>	<b>80.2</b>	<b>5.9%</b>	<b>75.8</b>	<b>80.2</b>	<b>4.4</b>	<b>5.9%</b>
	Operating profit	6.9	7.3	6.9%	6.9	7.3	0.5	6.9%
	OP margin	9.1%	9.2%	0.1pt	9.1%	9.2%	-	0.1pt

### NIPSEA China

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020	FY2021	YoY	FY2020	FY2021	YoY	YoY
		1H	1H	(%)	1H	1H	(Amount)	(%)
Revenue	Automotive coatings	13.0	19.1	46.8%	13.0	17.4	4.4	34.1%
	Decorative paints	91.3	142.2	55.9%	91.1	129.7	38.6	42.4%
	Industrial coatings	8.0	12.8	60.5%	7.9	11.6	3.7	46.7%
	Others <sup>※</sup>	1.0	1.4	42.7%	0.9	1.2	0.3	32.6%
	<b>Total</b>	<b>113.2</b>	<b>175.4</b>	<b>55.0%</b>	<b>113.0</b>	<b>160.0</b>	<b>47.1</b>	<b>41.7%</b>
	Operating profit	18.6	19.4	4.4%	17.8	17.2	-0.7	-3.7%
	OP margin	16.4%	11.1%	-5.4pt	15.8%	10.7%	-	-5.1pt

## 5-5. Analysis of Regional Performance (Asia Excepting NIPSEA China & Indonesia & India)

### Asia Excepting NIPSEA China

(Billion yen)	Results (Tanshin) ※1			Results (Non-GAAP)			
	FY2020	FY2021	YoY	FY2020	FY2021	YoY	YoY
	1H	1H	(%)	1H	1H	(Amount)	(%)
Revenue	37.3	87.7	135.1%	37.3	52.6	15.3	41.0%
Operating profit	2.7	14.3	426.5%	2.6	7.7	5.2	200.5%
OP margin	7.3%	16.3%	9.0pt	6.9%	14.7%	-	7.8pt

### Indonesia

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020	FY2021	YoY	FY2020	FY2021	YoY	YoY
	1H	1H	(%)	1H	1H	(Amount)	(%)
Revenue	-	19.6	-	-	-	-	-
Operating profit	-	5.6	-	-	-	-	-
Operating profit (Before fair market valuation for PPA)	-	7.1	-	-	-	-	-
OP margin (Before fair market valuation for PPA)	-	36.4%	-	-	-	-	-

### India ※2

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020	FY2021	YoY	FY2020	FY2021	YoY	YoY
	1H	1H	(%)	1H	1H	(Amount)	(%)
Revenue	-	11.4	-	-	-	-	-
Operating profit	-	0.2	-	-	-	-	-
OP margin	-	2.0%	-	-	-	-	-

## 5-6. Analysis of Regional Performance (Oceania & Americas)

### Oceania

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 1H	FY2021 1H	YoY (%)	FY2020 1H	FY2021 1H	YoY (Amount)	YoY (%)
Revenue	Decorative paints	35.9	43.1	19.9%	35.9	36.8	0.8	2.3%
	Industrial coatings	2.5	3.5	37.9%	2.5	3.0	0.4	17.6%
	Paint related business	28.4	37.6	32.5%	28.4	32.1	3.7	13.0%
	<b>Total</b>	<b>66.8</b>	<b>84.2</b>	<b>25.9%</b>	<b>66.8</b>	<b>71.8</b>	<b>4.9</b>	<b>7.4%</b>
Operating profit		8.3	11.2	35.4%	8.3	9.6	1.3	15.4%
OP margin		12.4%	13.4%	0.9pt	12.4%	13.4%	-	0.9pt
OP margin (Before PPA depreciation)		13.2%	14.1%	0.9pt	13.2%	14.1%	-	0.9pt

### Americas

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 1H	FY2021 1H	YoY (%)	FY2020 1H	FY2021 1H	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	8.5	12.2	44.6%	8.5	12.1	3.7	43.4%
	Decorative paints	22.8	25.5	11.7%	22.8	25.5	2.6	11.4%
	Fine chemicals	1.3	0.6	-51.8%	1.3	0.6	-0.7	-51.9%
	Others <sup>※</sup>	0.1	0.0	-93.5%	0.1	0.0	-0.1	-93.5%
	<b>Total</b>	<b>32.7</b>	<b>38.4</b>	<b>17.4%</b>	<b>32.7</b>	<b>38.2</b>	<b>5.5</b>	<b>16.9%</b>
Operating profit		1.2	2.7	131.0%	1.2	2.7	1.5	130.5%
OP margin		3.6%	7.1%	3.5pt	3.6%	7.1%	-	3.5pt

## 5-7. Analysis of Regional Performance (Other)

### Other

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020	FY2021	YoY	FY2020	FY2021	YoY	YoY
	1H	1H	(%)	1H	1H	(Amount)	(%)
Automotive coatings	3.5	5.3	50.0%	3.5	5.0	1.5	43.0%
Decorative paints	9.3	14.2	52.9%	9.3	17.5	8.2	88.2%
Industrial coatings	1.6	2.3	49.3%	1.6	2.9	1.3	83.0%
Revenue Fine chemicals	0.7	1.3	80.1%	0.7	1.1	0.4	62.3%
Others <sup>※</sup>	0.1	0.0	-51.3%	0.1	0.0	-0.1	-56.1%
Paint related business	4.5	8.6	92.9%	4.5	10.6	6.1	137.3%
<b>Total</b>	<b>19.6</b>	<b>31.7</b>	<b>61.6%</b>	<b>19.6</b>	<b>37.2</b>	<b>17.5</b>	<b>89.2%</b>
Operating profit	0.9	2.4	156.3%	0.8	3.1	2.3	289.3%
OP margin	4.7%	7.4%	2.7pt	4.0%	8.3%	-	4.2pt



**NIPPON PAINT HOLDINGS CO., LTD.**

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