

Revision of FY2021 Forecast Presentation Material

October 12, 2021

Nippon Paint Holdings Co., Ltd.

NIPPON PAINT GROUP

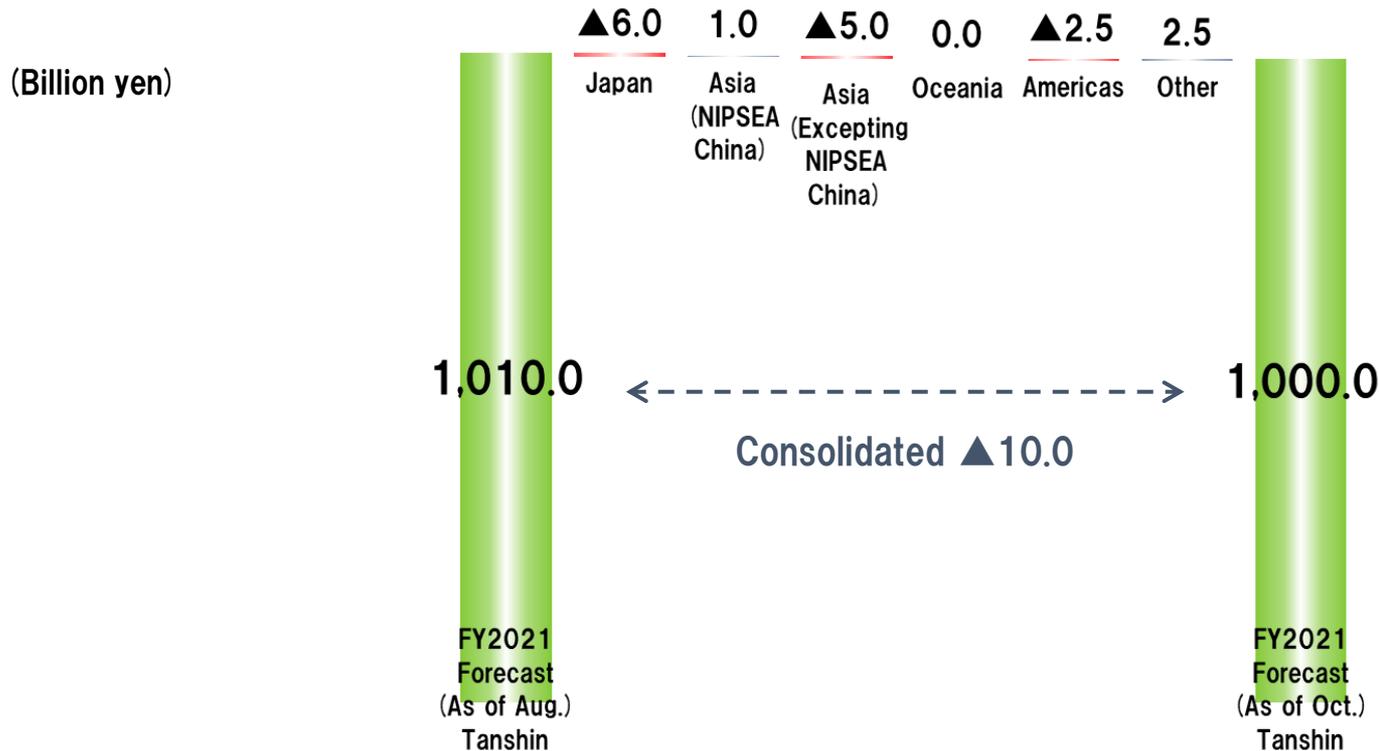
1-1. Summary of Today's Presentation

(Billion yen)	Tanshin					
	FY2020 Results	Feb. Forecast	FY2021 Aug. Forecast	Oct. Forecast (Revised)	FY2020 Results vs. Oct. Forecast	Aug. Forecast vs. Oct. Forecast
Revenue	781.1	890.0	1,010.0	1,000.0	28.0%	-1.0%
Operating profit (before Asian JV acquisition costs, etc.)	86.9	92.0	107.0	85.0	-2.2%	-20.6%
OP margin (before Asian JV acquisition costs, etc.)	11.1%	10.3%	10.6%	8.5%	-2.6pt	-2.1pt
Asian JV costs, etc.	-	-5.0	-5.0	-5.0	-	-
Operating profit	86.9	87.0	102.0	80.0	-8.0%	-21.6%
OP margin	11.1%	9.8%	10.1%	8.0%	-3.1pt	-2.1pt
Profit[※]	44.6	67.0	78.0	60.0	34.4%	-23.1%

Analysis vs. Aug. forecast

- Revenue is expected to be roughly in line with the forecast due to the following reasons:
 - Decorative revenue steadily grew in our operating regions except for some regions
 - Lower car production due to global chip shortage and COVID across Japan AU, PT NIPSEA, and the Americas, etc. As a result, automotive revenue is projected to fall below the forecast
- Operating profit is expected to fall below the forecast due to the following reasons:
 - Prolonged and worsening raw material inflation and other factors impacting China Decorative segment profitability, sales decline impact in auto segment, Covid and raw material impact in other regions
 - Taking counter measures such as increase in selling price, procuring substitutes, reviewing SG&A expenses which are work in progress

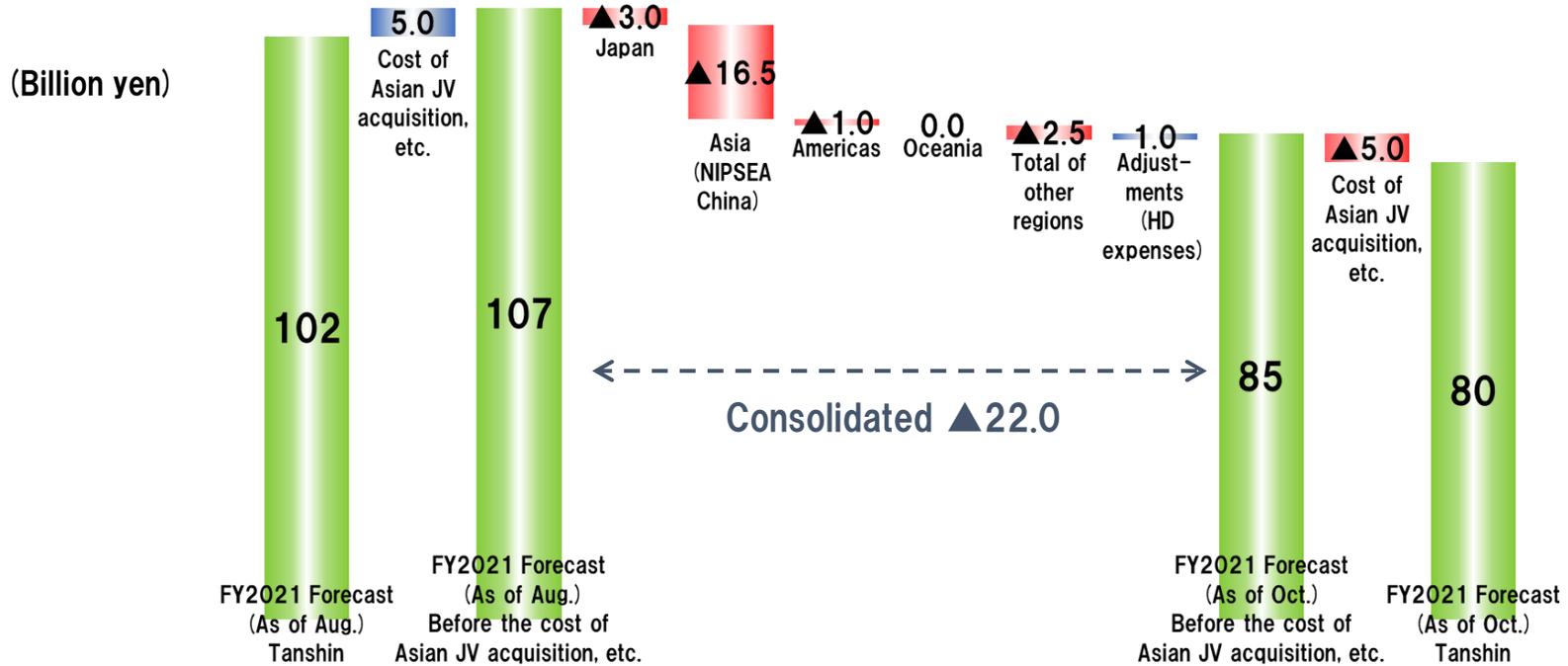
1-2. Revenue Gap Analysis (As of Aug. vs. Oct.)



Major reasons for changes (Analysis Aug. forecast vs. Oct. forecast)

- ✓ Japan/ Americas : Lower automobile production due to semiconductor chip shortage and the COVID pandemic
- ✓ NIPSEA China : Higher decorative revenue in both DIY/Project segments. Automotive revenue downward revised due to lower automobile production
- ✓ Asia Excepting NIPSEA China : Revised the forecast due to the impact of lockdowns affecting Singapore Group and Indonesia and lower automobile production in Indonesia

1-3. Operating Profit Analysis (As of Aug. vs Oct.)



Major reasons for changes (Analysis Aug. forecast vs. Oct. forecast)

- ✓ Japan/Americas : Mainly in automobile production decline impacting sales and profit, coupled with raw material Inflation
- ✓ NIPSEA China : Prolonged and worsening raw material inflation and other factors impacting China Decorative segment profitability, sales decline impact in auto segment
- ✓ Total of other regions : Impact by raw material inflation and also stagnant sales due to Covid 19 in Asia
- ✓ Adjustments (HD Cost) : Continued review of overhead leading to cost reduction

1-4. Assumptions for FY2021 Forecast (1)

		FY2020 Results (Tanshin)		FY2021 Forecast (As of Feb.) *		FY2021 Forecast (As of Aug.) *		FY2021 Forecast (As of Oct.) *	
		Revenue	OP margin	YoY (Revenue)	YoY (OP margin)	YoY (Revenue)	YoY (OP margin)	YoY (Revenue)	vs. As of Aug. (OP margin)
Japan	Revenue	159.6	10.1% (exc HD expenses)	c. +5%	→	c. +5%	↘	±0%	Slightly Below
	Automotive	34.7		±0%		c. +10%		±0%	
	Decorative	43.7		c. +10%		c. +5%		c. +5%	
	Industrial	35.3		c. +15%		c. +10%		c. +10%	
NIPSEA China	Revenue	268.1	16.4%	c. +10%	→	c. +30%	↘	c. +30%	Below
	Decorative (DIY)	216.0		c. +10%		c. +30%		c. +30%	
	Decorative (PRJ)			c. +20%		c. +30%		c. +30%	
	Automotive		31.8	+5~10%		c. +10%		c. +5~10%	
Asia Excepting NIPSEA China	Revenue	88.5	12.5%	+5~10%	→	+20~25%	→	+20~25%	Below

※Forecasts are in local currencies

1-4. Assumptions for FY2021 Forecast (2)

		FY2020 Results (Tanshin)		FY2021 Forecast (As of Feb.)*		FY2021 Forecast (As of Aug.)*		FY2021 Forecast (As of Oct.)*	
		Revenue	OP margin	YoY (Revenue)	YoY (OP margin)	YoY (Revenue)	YoY (OP margin)	YoY (Revenue)	vs. As of Aug. (OP margin)
Indonesia	Revenue	30.3	33.8%	(For reference) +10~15%	→	(For reference) +25~30%	→	(For reference) +15~20%	Slightly Above
Oceania	Revenue	148.3	11.6% (before PPA)	+0~5%	↗	c. +5%	→	c. +5%	Inline
Americas	Revenue	70.1	6.4%	c. +5%	→	c. +5%	→	c. +5%	Slightly Below
	Automotive	21.0		+5~10%		c. +5%		±0%	
	Decorative	46.5		c. +5%		+5~10%		c. +5%	
Other	Betek Boya	36.2	13.8% (before PPA)	c. +10%	→	c. +40%	↘	c. +45%	Slightly Below

*Forecasts are in local currencies

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

	FY2020	FY2021		
	Full Year	Full Year (Feb. Forecast)	Full Year (Aug. Forecast)	Full Year (Oct. Forecast)
JPY/USD	106.4	105.0	109.0	109.0
JPY/RMB	15.4	15.7	16.8	16.8
JPY/AUD	73.7	75.0	82.0	82.0
JPY/TRY	15.2	14.0	13.2	13.2



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