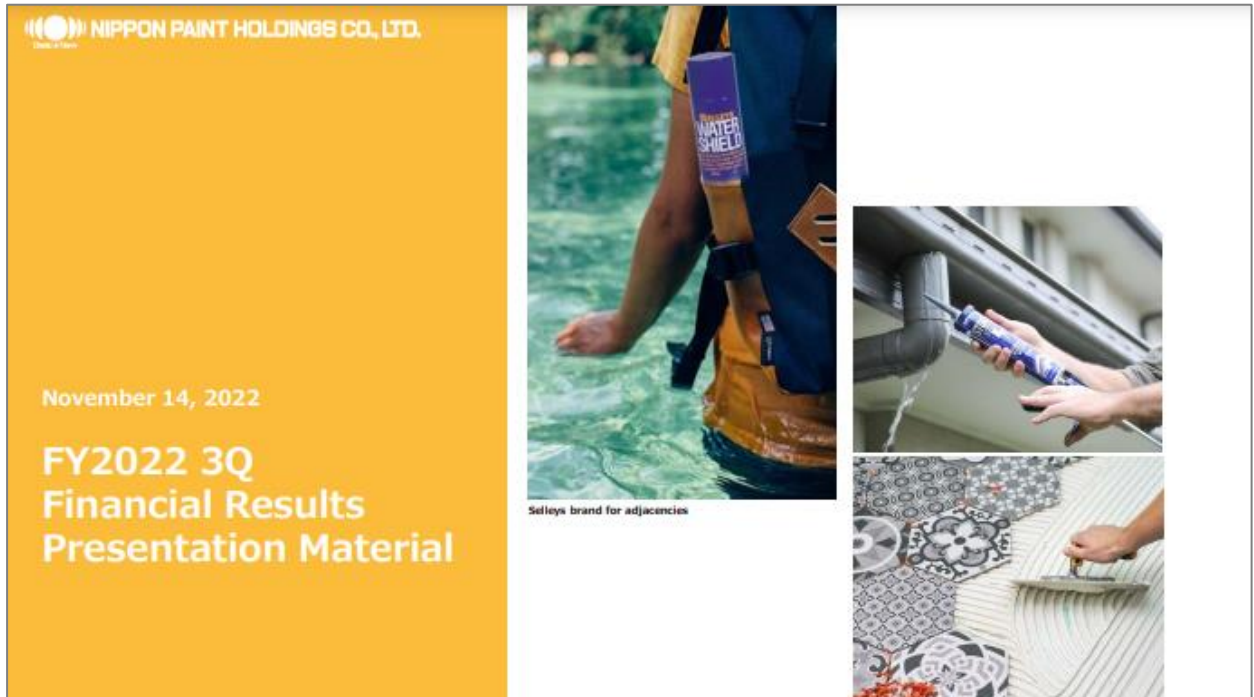


FY2022 3Q Financial Results Conference Call Presentation Summary

November 14, 2022




Good afternoon, everyone. I'm Yuichiro Wakatsuki, Co-President of Nippon Paint Holdings.

Thank you very much for taking the time today to participate in our conference call regarding financial results for the 3Q of FY2022.

1. Summary: FY2022 3Q Operating Results

FY2022 3Q^{*1}



(Tanshin)

(Billion yen)	Results	YoY(%)
Revenue	357.9	40.6%
OP	38.2	123.2%
OP margin	10.7%	+4.0pt

(Non-GAAP)

(Billion yen)	Results	YoY(%)
Revenue	304.4	19.6%
OP	29.1	44.4%
OP margin	9.6%	+1.6pt

- ◆ **Tanshin basis**
 - Higher revenue driven by continued pricing actions mainly in decorative business, new consolidation of Cromology and JUB, and FX
 - Higher operating profit on higher revenue driven by strong pricing, despite application of hyperinflation accounting for Turkish subsidiaries
 - Gross profit margin improved YoY and QoQ because RMCC^{*2} ratio started decreasing in China and other Asian countries
 - Following progress of PPA adjustments on Cromology for Jan.-Sep. period in 3Q, recorded following PPA-related expenses
 - > PPA amortization: c.^{*3}¥1.1 bn (for Jan.-Sep.); one-off inventory step-up from PPA: c.¥1.2 bn
- ◆ **Non-GAAP basis**
 - In Chinese decorative business, DIY revenue up 7% YoY due to volume growth driven by marketing activities, despite sporadic lockdowns across various cities. Project revenue down 6% YoY due to the continuing soft real estate market environment
 - Decorative revenue increased in all regions due to flow through of price increases
 - Automotive revenue increased in all regions due partly to automobile production recovery from slump a year earlier
- ◆ **Others**
 - Recorded gain on sale of cross-shareholding of eight stocks of c. ¥25.4 bn (3Q cumulative total)

Revenue YoY analysis	Paint and Coatings Business			Paint Related Business	FX	New consolidation
	Volumes	Price/Mix	Paint (others) ^{*4}			
	c. +2%	c. +10%	c. +3%	c. +4%	c. +10%	c. +11%

^{*1} The earnings for 3Q 2022 have been adjusted retrospectively following ①Change in accounting policies involving cloud computing agreements beginning with 4Q 2021 and ②Change in reportable segments from 1Q 2022. The same adjustments are made throughout this presentation. ^{*2} Raw Material Cost Contribution ^{*3} circa: approximately ^{*4} Products included in the Paint and Coatings Business with unit prices and volumes significantly different from paint products, such as semi-finished products and fine chemicals, are disclosed separately from volumes and price/mix in the above graph to provide more reasonable data.

I would like to begin by summarizing the financial results for the 3Q of FY2022.

Revenue increased by 40% YoY on Tanshin basis to 357.9 bn yen, staying on a strong growth path continuing from the 2Q. Operating profit surged by 123% YoY to 38.2 billion yen. Both revenue and operating profit hit a record high for quarterly results.

This revenue growth was attributable to a positive contribution from all factors shown in the bottom of page 3, including volumes, price/mix, the paint related business, FX and two new consolidated subsidiaries. Operating profit increased significantly from a year earlier because the gross profit margin started to improve as a result of the flow through of selling price increases and mitigation of the impact of the rapid raw material price increases that started in the 3Q of FY2021. In addition, there was a provision for potential credit loss in China in the 3Q of FY2021 and subsidy income in the 3Q of FY2022. I will touch on Purchase Price Allocation (PPA) related to Cromology later on.

On Non-GAAP basis that excludes the new consolidated subsidiaries, FX, and one-off expenses, revenue increased by 19.6% and operating profit by 44.4%. Our results showed another quarter of improved performance in every operating region. Both the decorative business and industrial business achieved improvement and growth. The Chinese DIY business achieved decent local

currency revenue growth of 7%. As I will explain later, however, it is too early to be pleased with this performance because of the challenging environment in the 4Q of FY2022.

Let me add that we recorded proceeds of 25.4 billion yen from the sale of cross-shareholdings of eight stocks during the first nine months of this year, although this is not a P/L item.

2. Raw Material Market Conditions and Our Responses

Flow through of price increases continues to drive margin recovery

3Q 2022

- Crude oil prices dropped to USD80-range from USD100-range due to concerns over economic slowdown caused by China's Zero-COVID policy and global stagnation triggered by interest rate hikes in Europe and US. Naphtha prices fell 20% from the peak
- Higher energy cost as suppliers passed on higher natural gas and coal prices caused by Ukraine issue. Other factors for price increases such as higher logistics costs, investments to upgrade aging facilities, margin improvement, steel price increases, and weaker yen have surfaced at once
- RMCC ratio started decreasing in China and other Asian countries, and gross profit margin improved YoY and QoQ

◆Gross profit margin

3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	YoY	QoQ
36.4%	37.2%	38.5%	36.1%	36.8%	+0.4pt	+0.7pt

4Q 2022 and beyond

- Japan naphtha price fell to ¥70,000-range due to change in supply/demand balance vs. ¥80,000-range expected in 2Q. Price expected to remain at ¥70,000-level in near future with an eye on USD80 OPEC break-even price and rapid yen depreciation
- Price increases (see left) unrelated to crude oil and naphtha show no signs of moderation for the time being
- Expect gross profit margin to improve YoY driven by strong pricing
- Medium- to long-term margin recovery sufficiently within reach through pricing actions and RMCC ratio reduction

Regarding raw material market conditions, the price of crude oil started decreasing and the pace of raw material price inflation in China and Asia slowed down. However, energy prices have remained elevated and logistics disruptions have continued. All in all, the gross profit margin improved both QoQ and YoY because of the progress with price pass-through measures.

4. Summary of Operating Results in Major Segments

(Billion yen)		Tanshin		Non-GAAP		Overview
		3Q 2022	YoY	3Q 2022	YoY	
Japan	Revenue	47.2	11.7%	46.6	10.1%	►Decorative Higher revenue driven by pricing actions to respond to raw material inflation and higher sales of products for architectural applications
	OP	1.8	50.8%	1.7	32.3%	►Automotive Higher revenue driven by automobile production recovery from slump a year earlier, despite parts supply disruptions caused by semiconductor chip shortage *Expenses related to the Japan-focused functional company (NPCS ^{*1}) are allocated to the Japan segment beginning with 1Q 2022 (The amount of these expenses for 2021 is included in Adjustments)
Nipsea China	Revenue	130.7	21.4%	111.1	3.3%	►Decorative (DIY) Revenue grew 7% due to stronger sales volumes driven by marketing activities and higher growth contribution from Tier 3 to 6 cities, despite sporadic lockdowns across various cities
	OP	19.0	163.4%	13.1	35.6%	►Decorative (Project) Revenue is lower by 6%, impacted by the continuing soft real estate market environment and weak demand for new homes ►Automotive Higher revenue attributed by several factors: Automobile production recovery, improving supply chain conditions (chip shortage) and business growth from Auto Part business
Nipsea Except China	Revenue	68.2	63.4%	77.2	85.0%	►Nipsea Except China Revenue grew 85% YoY overall. Higher revenue at Malaysia Grp. and Singapore Grp. driven by growth and flow through of price increases from earlier periods. Higher revenue at Thailand Grp., benefitting from automobile production recovery and share gains in both automotive OEM and parts manufacturers
	OP	8.7	77.9%	8.3	70.3%	►PT Nipsea Higher revenue due to selling price increases and flow through, expansion of distribution network, increase of distributors, more CCM ^{*2} installed, and sales growth of the industrial business ►Betek Boya Revenue growth resulting from the flow through in selling price increases and successful implementation of brand strategy continuing from previous year
Dulux Group	Revenue	84.5	93.7%	47.8	9.7%	►Dulux Group (Decorative) Higher revenue due to pricing actions to respond to raw material inflation, with volumes lower compared to COVID-enhanced DIY demand in 3Q 2021
	OP	7.7	51.4%	5.6	0.2%	►Cromology Revenue flat with pricing actions to respond to raw material inflation offsetting lower volumes in France business, reflecting softening market conditions ►JUB Higher revenue with pricing actions to respond to raw material inflation more than offsetting lower volumes driven by softening market conditions
Americas	Revenue	27.3	41.9%	21.7	12.7%	►Decorative Higher revenue due to flow through of price increases and easing of COVID-related restrictions, despite slowing consumer demand in the US
	OP	2.2	81.5%	1.5	27.4%	►Automotive Higher revenue due to automobile production recovery from slump a year earlier, despite semiconductor shortage
Adjustments	Revenue	-	-	-	-	*Only HQ Expenses related to functions as a listed company and a pure holding company are included in Adjustments beginning with 1Q 2022
	OP	-1.2	-	-1.2	-	

NIPPON PAINT GROUP *1 Nippon Paint Corporate Solutions *2 Computerized Colour Matching

Page 6 is a summary of operating results in our major segments. Please see the supplemental material that starts on page 13 for more information.

Operating profit in the Japan segment of 1.8 bn yen is after deducting expenses related to Nippon Paint Corporate Solutions (NPCS) and would be around 3.1 bn yen after reversing the expenses allocated in the 3Q of FY2022 using the same conditions as in the 3Q of FY2021.

When compared with operating profit in the previous year under the same conditions, operating profit in the 3Q of FY2022 increased by more than 150% from 1.2 bn yen in the 3Q of FY2021. However, our operating profit has still not fully recovered and decreased slightly from the 2Q of FY2022 due primarily to the typhoons that hit Japan in September and delays in the recovery of production at automobile manufacturers.

Nipsea China revenue increased by 3.3% YoY on Non-GAAP basis. Revenue in the decorative business, which accounts for 80% of total Nipsea China revenue, grew by 3.3%. Automotive revenue increased by 17.8% and industrial revenue decreased by 16.9% YoY. Please see page 19 for more information.

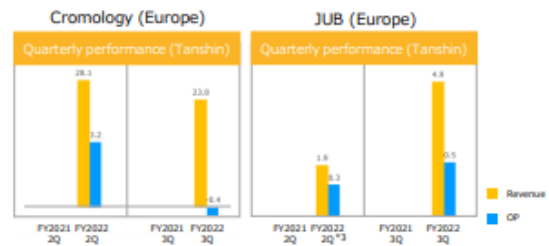
Turning to Nipsea Except China, we achieved a strong performance in every region including Indonesia and Türkiye. Please note that Tanshin-base revenue was smaller than Non-GAAP revenue only in Türkiye because the Turkish lira depreciated against yen. Revenue in Indonesia

increased significantly by 37.7% on Non-GAAP basis. However, taking into consideration the demand surge in the 3Q ahead of selling price increases and existing market sentiment, we expect that the 4Q will be challenging.

The very steady performance of DuluxGroup in Oceania continued as its revenue growth was mostly driven by selling price increases. Revenue at Cromology was roughly the same as in the previous year with higher selling prices offsetting lower volumes. JUB achieved 5% revenue growth with higher selling prices more than offsetting volume decreases. This is just for your reference because neither of these companies was included in our consolidated results in the previous year.

2-7. New Consolidation: Cromology (Europe) & JUB (Europe)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)		
		FY2021 3Q	FY2022 3Q	YoY (%)	FY2021 3Q	FY2022 3Q	YoY (%)
Cromology (Europe)	Revenue	-	23.8	-	-	-	-
	Operating profit	-	-0.4	-	-	-	-
	OP margin	-	-1.5%	-	-	-	-
	OP margin ¹⁾	-	8.1%	-	-	-	-
JUB (Europe)	Revenue	-	4.9	-	-	-	-
	Operating profit	-	0.5	-	-	-	-
	OP margin	-	9.5%	-	-	-	-
	OP margin ²⁾	-	-	-	-	-	-



Cromology (For reference: Revenue $\pm 0\%$ YoY; rough estimates in local currency)

- Revenue : Revenue flat with pricing actions to respond to raw material inflation offsetting lower volumes in France business reflecting softening market conditions
- OP : Lower operating profit due to raw material inflation impact and unfavorable sales mix impact. Tanshin operating loss due to YTD PPA adjustments
- ◇ vs. 2Q 2022 : Lower volumes due to seasonality (with summer holidays occurring in 3Q), COVID demand normalized and softer market conditions

JUB (For reference: Revenue +5% YoY; rough estimates in local currency)

- Revenue : Higher revenue with pricing actions to respond to raw material inflation more than offsetting lower volumes driven by softening market conditions
- OP : Lower profit due to lower volumes driven by softening market conditions and raw material inflation impact
- ◇ vs. 2Q 2022 : Higher revenue due to pricing actions in response to input cost inflation

NIPPON PAINT GROUP *1 Excluding YTD PPA adjustments (for Jan.-Sep.) of c.¥1.1 bn and one-off inventory step-up from PPA of c.¥1.2 bn
 *2 PPA is not finalized. *3 One-month earnings of JUB

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Let me move on to page 23 of the presentation. Here, I will explain the operating loss of 0.4 bn yen at Cromology in the 3Q of FY2022 on a Tanshin basis. We have performed PPA after the completion of the acquisition of Cromology. We recorded PPA adjustments in the 3Q because we obtained an overview of expenses although we do not have all expenses worked out yet.

The PPA adjustments in the 3Q were: (1) one-off inventory step-up (reevaluation) from PPA of around 1.2 bn yen and (2) PPA amortization of intangible assets of around 1.1 bn yen for January to September. The PPA amortization expenses will continue to accrue through the amortization period, but this lump sum amortization expense was recorded in the 3Q as we did not take any write downs in the 1Q and 2Q. Of the 1.1 bn yen, one-third was recurring expenses and the remaining two-thirds were one-off expenses for the 3Q of around 0.73 billion yen. Therefore, one-off expenses recorded in the 3Q were around 1.93 billion yen, which is the total of the expenses in (1) and (2). Adding back the one-off expenses of 1.93 billion yen to the operating loss of 0.4 billion yen on a Tanshin basis results in around 1.53 billion yen, which is Cromology's true earning capability. The operating profit of Cromology before PPA amortization on intangible assets was around 1.9 bn yen, which can be compared under same conditions with 3.2 bn yen in the 2Q and 1.4 bn yen in the 1Q. PPA will be finalized by the end of this year. So, we expect some adjustments to be made in the 4Q, but this is the current number based on information available at this time.

DuluxGroup reversed its obligation to pay a contingent consideration related to Maison Deco, which DuluxGroup acquired before joining the Nippon Paint Group. This increased operating profit at DuluxGroup by around 1 bn yen, which is included in Adjustments.

In the Americas, growth in automotive revenue was due to a rebound from the slump a year earlier and growth in decorative revenue at Dunn-Edwards was mostly driven by higher selling prices with flat volume.

5. FY2022 Forecast (For Reference)

(Billion yen)

	Tanshin base	Tanshin base (For reference)				<Exchange rate for P/L (average rate)>		
	FY2022 Forecast as of Aug. 10	FY2021 4Q Results	FY2022 4Q Forecast (Calculated backward from FY2022 Forecast)	YoY (Amount)	YoY (%)	FY2021 Full Year	FY2022 Full Year Forecast (as of Aug.)	
Revenue	1,320.0	262.0	340.1	78.1	29.8%	110.4	127.3	
Operating profit	105.0	21.5	22.6	1.0	4.8%	17.1	19.3	
OP margin	8.0%	8.2%	6.6%	-1.6pt	-	82.7	90.4	
Profit before tax	100.0	21.1	19.8	-1.4	-6.4%	130.4	137.2	
Profit	72.0	17.9	16.8	-1.1	-6.1%	12.5	7.5 ^{*)}	
						JPY/USD	0.0077	0.0089
						JPY/RMB		
						JPY/AUD		
						JPY/EUR		
						JPY/TRY		
						JPY/IDR		

Future outlook

- Guidance as of Aug. 10, 2022 unchanged. The 4Q FY2022 forecast is for reference only, calculated backward based on 1Q-3Q FY2022 figures
- There is a possibility that revenue will fall slightly below the FY2022 forecast depending on how things will develop including the large impact of Zero-COVID policy in China since October and demand slump in Indonesia in following the surge in 3Q before price increases. Nevertheless, we expect operating profit to remain in line with the FY2022 forecast
- Expect Japan naphtha price to remain at ¥70,000-level. Prices of some resources may rise

Page 7 is provided for reference in order to meet the requests from some investors. With the FY2022 guidance announced in August unchanged, the 4Q forecast was obtained by subtracting the 3Q cumulative figures from the FY2022 forecast.

Although we did not change the FY2022 guidance, there is a possibility that our full-year revenue will be below the guidance because the preliminary sales figures from October onward, in particular in China and Indonesia, are below our August forecast. Revenue was impacted greatly by disruptions in logistics in China caused by lockdowns. In fact, there are many areas where we are unable to deliver products to customers. Also, there were effects of the National People's Congress held in October. The Chinese government has announced the overall direction, such as the relaxation of the Zero-COVID policy. However, the local management assumes that it will take some time before the easing of COVID restrictions will produce a positive outcome. In addition, we assume that the 4Q, which includes December when demand is normally very soft, will be a fairly challenging environment. We will tightly control costs in order to deal with this situation.

6. Assumptions for FY2022 Forecast (For Reference)

(Billion yen)		FY2021 Results (Tanshin basis)*1				FY2022 Outlook (In Local Currency)			
		Full Year		4Q		Full Year		4Q (Calculated backward from FY2022 Forecast)	
		Revenue	OP margin	Revenue	OP margin	YoY (Revenue)	YoY ² (OP margin)	YoY (Revenue)	YoY ² (OP margin)
Japan	Segment total	174.0	5.5%	45.1	2.9%	c. +10%	→	+15~20%	→
	Automotive	35.3		8.9		c. +5%		c. +10%	
	Decorative	45.4		12.1		c. +10%		c. +20%	
	Industrial	38.1		10.0		c. +10%		c. +10%	
Nipsea China	Segment total	379.1	9.5%	96.0	9.6%	c. +0%	↘	c. -20%	→
	Decorative (DIY)	312.4		78.1		+5~10%		c. -20%	
	Decorative (Project)					c. -15%		c. -45%	
	Automotive	38.4		10.7		+5~10%		c. +20%	
Nipsea Except China	Segment total	192.5	17.1%	53.6	19.3%	+15~20%	↓	+15~20%	↓
	PT Nipsea (Indonesia)	39.5	29.7%	11.7	35.4%	+10~15%	↓	-10~15%	→
	Betek Boya (Türkiye)	49.2	15.2%	12.3	23.7%	c. +90%	↓	c. +55%	↓
DuluxGroup	DuluxGroup (Oceania)	176.2	10.8%	48.5	6.0%	+5~10%	→	c. +5%	↑
	Cromology (Europe)	(For reference) 91.9	(For reference) 8.9%	(For reference) 20.9 ³	(For reference) -12.7%	+0~5%	↓	+0~5%	↑
	JUB (Europe)	(For reference) 11.3	(For reference) 8.6%	(For reference) 3.8 ³	(For reference) -5.8%	-	-	-	-
	Segment total	76.4	4.7%	18.8	-1.8%	c. +10%	↑	c. +10%	↑
Americas	Automotive	23.3		5.5		c. +10%		+15~20%	
	Decorative	51.8		12.9		+5~10%		+0~5%	

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*1 Pro forma figures *2 ↑: ≥+2%, ↗: +1~2%, →: -1~+1%, ↘: -1~-2%, ↓: ≤-2% *3 1 EUR=139.2 JPY

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Page 8 of the presentation provides more details of our assumptions at this time for the FY2022 forecast. The FY2022 outlook on the right half of the page are in local currencies without the effects of FX.

The FY2022 revenue forecast for Nipsea China overall was decreased to zero percent from the growth forecast of 15-20% as of August, along with downward revisions of forecasts for the DIY and Project businesses. Based on rough estimates that were calculated backward by deducting the 3Q cumulative results from the FY2022 forecast, our 4Q revenue forecast is -20% in the DIY business and -45% in the Project business.

The situation changes day to day and the same goes for our sales figures. My intention is to give you an idea of the challenging market environment in the 4Q.

7. Major Topics ①

Integrated Report 2022 (launched on Aug. 31)

- Explains our medium- and long-term value creation story as we pursue Maximization of Shareholder Value (MSV) based on Asset Assembler model for accelerating growth by leveraging existing businesses and M&A
- Explains our initiatives for pursuing autonomous growth through mutual collaboration among Nippon Paint Group partner companies based on authority and accountability (autonomous and decentralized management) based on Trust
- Serves as communication tool for sound engagement with investors and analysts

▶ Integrated Report 2022: https://www.nipponpaint-holdings.com/en/ir/library/annual_report/



Integrated Report 2022 nominated for Best Practice Awards (announced on Oct. 14)

- Shortlisted for the Best Annual Report (Large Cap) category in the 2022 Best Practice Awards of the UK Investor Relations Society
- First nomination for a company in Japan or any other Asian country*

◆ Best Practice Awards

Established in 2000 with the objective of recognizing companies committed to clear and consistent investor engagement, the Awards are in their 22nd year. We are among the six shortlisted companies in the Best Annual Report category (Large Cap). The judging panel has 16 members including experts in the field of investor relations, investment banking, asset management, accounting and other professionals

▶ Link to the Shortlist of the 2022 Best Annual Report category: <https://irsocietyawards.org.uk/awards/category/annual-report/>



Major topics are provided starting on page 9.

The first topic is our Integrated Report, which has undergone a major improvement including in terms of design. I appreciate your taking a moment to review this report and welcome your feedback and suggestions for improvements.

Last year's report received several awards, and this year's report was among the six on the Shortlist (Large Cap) of the Best Practice Awards of UK IR Society. The nomination was the first for an Asian company.

7. Major Topics ②

Results of “Next Career Plan” voluntary early retirement program (announced on Oct. 11)

- Drive transformation into a resilient organization that tackles new challenges and delivers on results speedily for recovering profitability in Japan

◆ Outline of the “Next Career Plan”

Target companies	8 Group companies in Japan and their subsidiaries and indirectly-owned subsidiaries in Japan
Eligible applicants	Permanent employees, employees rehired after reaching retirement age, and contract employees (excluding part-time employees) who are aged 50 and over and have worked at the target companies for one year or more as of December 31, 2022
Target number of applicants	Not specified
Application period	September 2022
Date of retirement	December 31, 2022 (scheduled)
Support program	Provision of special retirement benefits and job-placement assistance

◆ Results

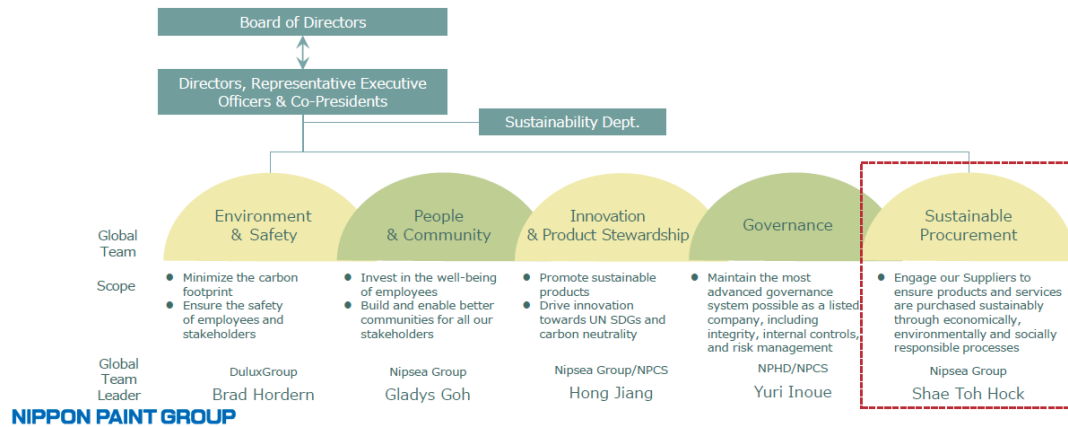
Number of applicants	271
Future outlook	<ul style="list-style-type: none"> • Special retirement benefits and other expenses: c.¥2.2 bn • To be recorded as other expenses in the fiscal year ending December 31, 2022 • Expect c.¥2 bn/year cost reduction starting in FY2023

The results of applications for the Next Career Plan (NPC) voluntary retirement program were announced on October 11. We expect to record around 2.2 bn yen as expenses associated with NPC, such as special retirement benefits, and the implementation of NPC will reduce costs by around 2 bn yen annually starting next year. This impact is entirely related to the Japan segment.

7. Major Topics ③

Established Sustainable Procurement Team to reinforce our sustainability structure

- In 2022, established four Global Teams based on Materiality, working directly under Co-Presidents under Asset Assembler model, to establish an autonomous sustainability structure not controlled by NPHD
- Established a Sustainable Procurement team to strengthen group actions to meet ethical procurement requirements as a material issue for our sustainability strategy amid growing social concerns about human rights issues



The final topic is about the update of our sustainability framework.

I have mentioned on prior occasions that we changed the sustainability structure to an autonomous structure that is linked with businesses but not controlled by NPHD. This sustainability structure has four pillars, each with a Global Team and Global Team Leader. Ethical procurement including protection of human rights has become a growing concern among customers. This is why we established Sustainable Procurement as the fifth pillar and appointed the Head of Procurement of Nipsea Group to serve as Team Leader. Some areas of sustainable procurement overlap with actions in the existing four pillars but other areas do not. In this manner, we have strengthened sustainability actions in Nippon Paint Group.

This concludes the summary of our results for the 3Q of FY2022.