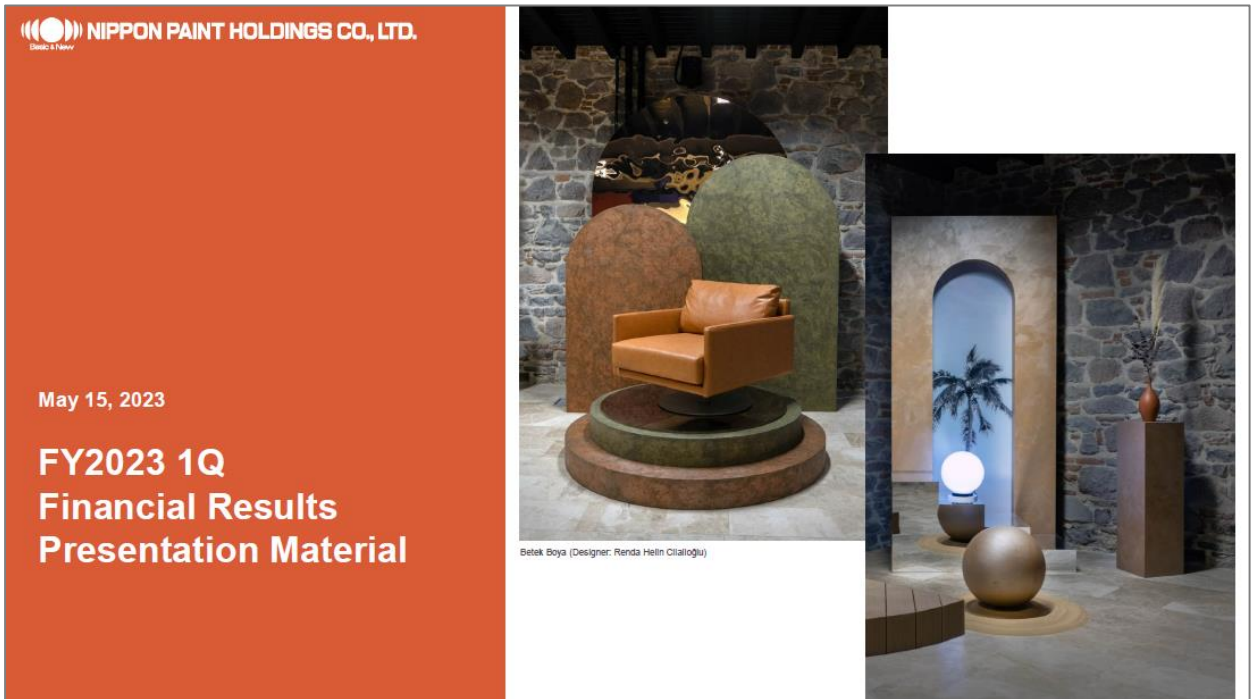


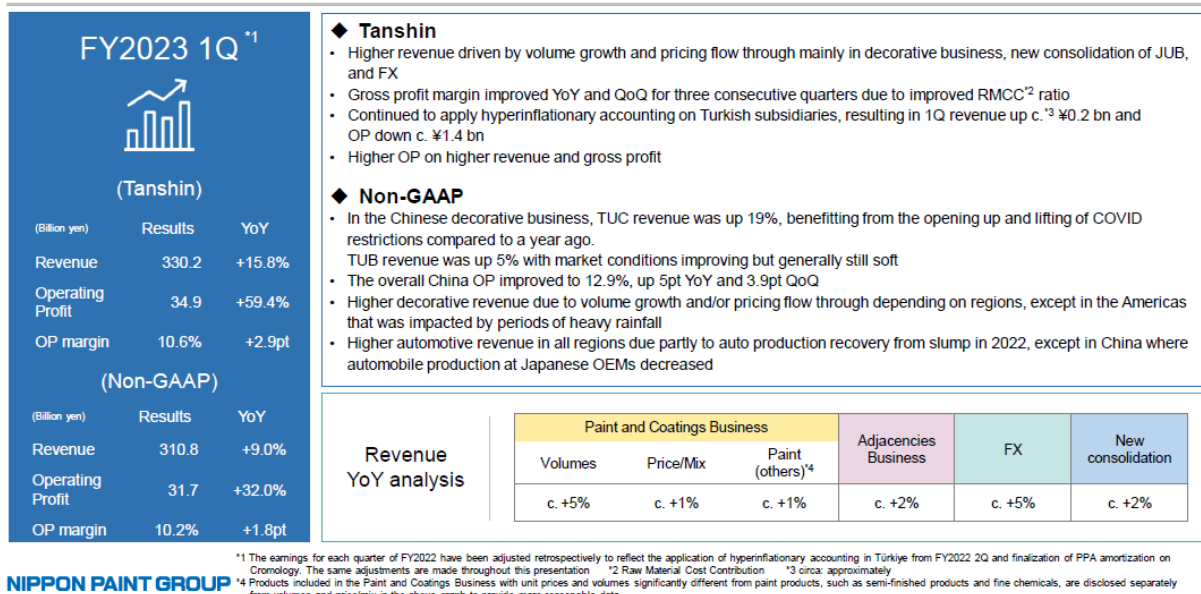
FY2023 1Q Financial Results Conference Call Presentation Summary May 15, 2023



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

Thank you very much for taking the time to participate in our conference call regarding financial results for the 1Q of FY2023.

1. Summary: FY2023 1Q Operating Results



I would like to begin by summarizing the financial results for the 1Q of FY2023.

Revenue increased by 15.8% YoY on a Tanshin basis to 330.2 bn yen and operating profit increased by 54.9% YoY to 34.9 bn yen, which is significant growth in both revenue and operating profit. The breakdown of revenue growth is shown on the bottom of page 3 of the presentation. Volumes and price/mix in the decorative business, the adjacencies business, FX, and new consolidations all made positive revenue contributions.

Operating profit steadily improved due to price increases with the impact of raw material inflation continuing to ease, and the gross profit margin steadily improved. We recorded a one-off inventory step-up from Purchase Price Allocation (PPA) associated with the acquisition of Cromology in the 3Q of FY2022. However, we retrospectively adjusted the Tanshin base earnings for FY2022 and recorded the one-off inventory step-up from PPA in the 1Q of FY2022 when the acquisition was completed. Please note this change in PPA adjustments when making a year-on-year operating profit comparison.

On a Non-GAAP basis that excludes new consolidations, FX, and one-off expenses, revenue increased by 9% and operating profit improved by 32%. The operating profit margin continued to recover, increasing by 1.8 point to 10.2%.

We released a preliminary sales report of the Chinese decorative paints business for the 1Q of FY2023 at the Medium-Term Plan (FY2021-2023) update meeting in April. I'm pleased to confirm that the 1Q results of the Chinese decorative paints business significantly improved from a year ago. Specifically, TUC revenue increased by 19% and TUB revenue increased by 5%, and the operating profit margin in the overall Chinese business improved by around 5 points.

2. Raw Material Market Conditions and Our Responses

Continue to pursue margin improvement through pricing flow through and lowering of RMCC ratio

FY2023 1Q

- Economic activities remained stagnant globally due to interest rate hikes to combat inflation and financial instability in US and Europe as well as delay in China's recovery from Zero-COVID policy
- Crude oil prices down 6% QoQ and Japan naphtha price down 4% QoQ
- Crude oil and naphtha price decreases not translating into lower costs because raw material suppliers continued to pass on higher costs of non-crude oil and naphtha raw materials (fuels, logistics costs, capex to upgrade aging facilities, etc.)
- Gross profit margin improved YoY and QoQ for three consecutive quarters owing to decreasing RMCC ratios in most regions

◆ Gross profit margin*

FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2022
37.6%	36.1%	37.0%	38.4%	37.2%

FY2023 1Q	YoY	QoQ
39.3%	+1.8pt	+0.9pt

FY2023 2Q and beyond

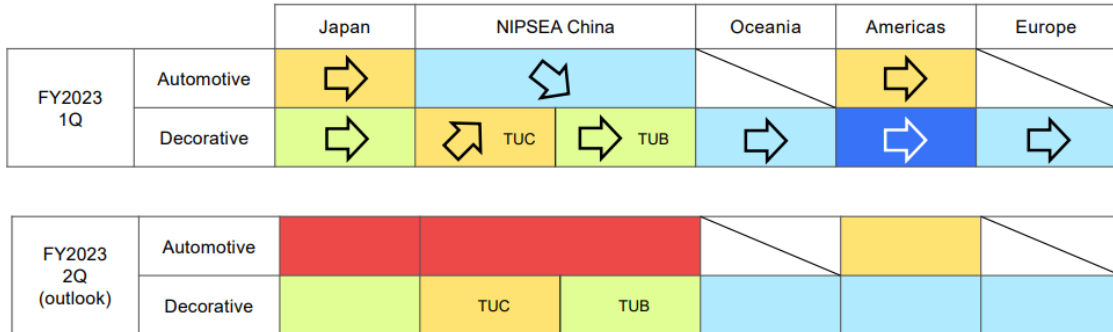
- Crude oil prices declined to US\$72 in mid-March due to concerns about economic slowdown and financial instability; Japan naphtha price at ¥60,000-70,000 range. OPEC's April announcement of additional output cuts triggered rebound in crude oil prices; need close attention to repercussions
- Gross profit margin expected to improve YoY driven by pricing flow through and lowering of RMCC ratio

The raw material market conditions are as explained on page 4. We believe that the impact of raw material price inflation is considerably easing due partly to a decrease in demand as a result of the global economic slowdown.

As you would expect, the decrease in raw material prices can affect selling prices, but we will continuously pursue margin improvements.

3. Market & Business Environment

NIPSEA China affected by lower automobile production by Japanese OEMs and the Americas impacted by softness in decorative market due to period of heavy rainfall



■ Market (YoY) Strong ■ ■ ■ ■ Weak
■ Business (vs. Market)* ⇧ Outperform ⇒ Inline ⇩ Underperform *NPHD's estimates

The heatmap on page 5 shows the market and business environment.

We believe there was a small decrease in our market share in the NIPSEA China automotive coatings business. This is because our sales to Japanese OEM manufacturers are higher than competitors. Production at these automakers decreased amid the overall sluggish market environment in the 1Q of FY2023, while the market shares of Chinese EV manufacturers increased relative to Japanese OEM manufacturers.

In the NIPSEA China decorative paints business, we believe our market share increased in the TUC market and remained flat in the TUB market.

The decorative paints business in the Americas faced a very challenging environment. Our group is focused on the U.S. West Coast, and we believe the bad weather in this region affected competitors too. As a result, we maintained our market share.

4. Summary of Operating Results in Major Segments

(Billion yen)		Tanshin		Non-GAAP		Overview	
		2023 1Q	YoY	2023 1Q	YoY		
Japan	Revenue	47.0	+12.4%	46.7	+11.8%	▶Decorative	Higher revenue due partly to pricing actions, despite impact of cold weather and snowfall that started in mid-January
	OP	2.6	+810.5%	2.6	+223.4%	▶Automotive	Higher revenue driven by auto production rebound from 2022, although parts supply disruptions caused by chip shortage remains a concern
NIPSEA China	Revenue	108.5	+12.7%	103.5	+7.5%	▶Decorative (TUC)	TUC revenue increased by 19%, benefiting from continued strong growth from Tier 3 to 6 cities and the opening up of the general economy following the lifting of COVID restrictions
	OP	14.2	+78.5%	13.3	+75.2%	▶Decorative (TUB)	TUB weaker growth compared to TUC with revenue up 5%. TUB segment continues to improve with the larger real estate market environment still soft
NIPSEA Except China	Revenue	69.5	+21.2%	68.4	+19.3%	▶Automotive	Lower revenue due to overall lower automobile production with a larger decrease from the Japanese Auto OEMs which has a slower traction in the EV segment
	OP	10.3	+21.1%	9.4	+10.5%	▶NIPSEA Except China	Higher revenue overall (+19.3% YoY). Higher revenue at Malaysia Gr driven by pricing flow-through; Flat revenue in Singapore Gr from weaker performance in Vietnam and Sri Lanka (currency devaluation) and higher revenue at Thailand Gr due to automobile production recovery and market share gains in both automotive OEM and parts manufacturers
Dulux Group	Revenue	81.7	+20.2%	71.6	+5.3%	▶PT Nipsea	Higher revenue due to flow through of selling price increases, expansion of distribution network, increase of distributors, more CCM ¹ installed, and sales growth of industrial business
	OP	7.3	+38.2%	6.4	-12.7%	▶Betek Boya	Higher revenue from selling price increases and continued roll-out of brand strategy implementation, despite the deterioration in supply and demand due to the impact of earthquake
Americas	Revenue	23.4	+8.3%	20.6	-4.8%	▶DuluxGroup (Decorative)	Higher revenue from pricing actions to respond to raw material inflation, with volumes lower due to market conditions (ongoing correction from COVID enhanced peak) and economic pressures (ie. increasing interest rates on consumer demand)
	OP	0.7	-13.7%	0.7	-24.6%	▶Cromology	Revenue higher with pricing actions to respond to raw material inflation offsetting lower volumes due to economic conditions
						▶JUB	Revenue lower due to FY2022 1Q containing one-off project activity which was not repeated in FY2023 1Q, together with lower ETICS ² volumes (market driven)
						▶Decorative	Lower revenue driven by the current downturn in the US economy and housing market as well as periods of heavy rainfall in California during FY2023 1Q
						▶Automotive	Higher revenue driven by rebound from slump in auto production in previous year

NIPPON PAINT GROUP

¹ Computerized Color Matching ² External Thermal Insulation Composite System

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This page summarizes operating results in the 1Q of FY2023 in major segments. I will answer questions about this subject in the Q&A session. Please also see our segment results that start on page 15 of the presentation.

1. In the Japan segment, our performance significantly improved from the 1Q of FY2022. However, the Tanshin base operating profit margin was only 5.6%, still leaving room for further improvement. Our performance in the automotive coatings and marine coatings businesses improved significantly. On the other hand, the industrial coatings business continued to be affected by market conditions that remained stagnant, and the decorative paints business was impacted slightly by bad weather. The Japan segment includes expenses related to Nippon Paint Corporate Solutions (NPCS) both in FY2022 and FY2023. Therefore, a YoY comparison under the same conditions can be made beginning in FY2023.
2. I have already explained key points regarding NIPSEA China, and I will answer questions about this subject in the Q&A session.
3. NIPSEA Except China continued to achieve robust growth and sufficient earnings. Notably, the Indonesia business achieved YoY growth both in revenue and the operating profit margin. In Türkiye, although we achieved revenue growth, the growth was driven mainly by price increases with only negligible volume growth due to the impact of the earthquake. After applying hyperinflationary accounting, operating profit decreased from a year ago. Our performance is not bad when we reverse the impact of application of hyperinflationary accounting on operating profit of around 1.4 billion yen. However, the operating profit margin decreased slightly

even before the application of hyperinflationary accounting due to a temporary increase in SG&A expenses mainly for brand investments.

4. In the DuluxGroup segment, both revenue and operating profit increased from a year ago due to price increases. Volumes were lower due to soft market conditions in the core Pacific market. In Europe, Cromology achieved revenue growth through price increases but operating profit decreased due to challenging market conditions and cost increases. Cromology was included in our Non-GAAP earnings beginning with the 1Q of FY2023. As a result, the difference between our Tanshin base earnings and Non-GAAP base earnings is whether JUB is included or not. Our Tanshin base earnings in FY2022 have been adjusted retrospectively and posted PPA adjustments including inventory step-up from PPA in the 1Q of FY2022 when the acquisition was completed. Keep this in mind when making a year-on-year earnings comparison.
5. In the Americas, there was a recovery in the automotive coatings business. On the other hand, our performance in the decorative paints business decreased from a year ago due to a slowdown of the residential market caused by interest rate hikes, coupled with periods of heavy rainfall on the U.S. West Coast. For example, the number of days of rainfall from January to March in Los Angeles was 35 in 2023 compared with six in 2022. In addition, rainfall during this period was 22.6 inches in 2023 compared with 1.7 inches in 2022.

5. Major Topics (1)

Two Independent Directors who were appointed in 2022 have become committee members

- The Board of Directors and each Committee in new composition will assist our pursuit of Maximization of Shareholder Value (MSV)

Name	Committee			Experience/Skills							
	Nominating	Compensation	Audit	Corporate management	Global business operations	M&A	Finance	Legal affairs	IT/digital	Manufacture / technology/ R&D	
Inside	Goh Hup Jin	○	○		⊗	⊗	○	○	○	○	⊗
Outside	Hisashi Hara	○ (Chairperson)			⊗	⊗	⊗		⊗		
Outside	Peter M Kirby		○		⊗	⊗	⊗	○	○	○	○
Outside	Lim Hwee Hua		○ (Chairperson)		○	⊗	⊗	⊗		○	
Outside	Masataka Mitsuhashi			○ (Chairperson)	○	⊗	⊗	⊗			
Outside	Toshio Morohoshi	○		○	⊗	⊗	○			⊗	○
Outside	Masayoshi Nakamura	○	○		○	⊗	⊗	⊗			
Inside	Yuichiro Wakatsuki				○	⊗	⊗	⊗	○		
Inside	Wee Siew Kim				⊗	⊗	⊗	○			○

Major topics are provided starting on page 7. There are not many updates because I talked about updates at the Medium-Term Plan update meeting in April.

The new Board of Director composition is shown on page 7. Lim Hwee Hua and Peter M Kirby, who were elected Directors in FY2022, have become committee members. Lim Hwee Hua is the Chairperson of the Compensation Committee and Peter M Kirby is an Audit Committee member.

5. Major Topics (2)

Updated corporate governance website content “Viewpoints of Independent Directors”

- Posted a new article featuring Independent Director Lim Hwee Hua (in April 2023)
- Articles featuring other Independent Directors scheduled for release in the future (updated from time to time)

▶ Viewpoints of Independent Directors: <https://www.nipponpaint-holdings.com/en/sustainability/governance/directors/>



Updated monthly internet distribution of a series of governance articles: “Q&A with Independent Director”

- Posted following three articles:
February: “The Board’s Size and Skills Matrix”
March: “The Roles and Contributions of Board of Directors”
April: “The Co-President Structure”
- New articles will be posted monthly

▶ Q&A with Independent Director: <https://www.nipponpaint-holdings.com/en/sustainability/governance/q-and-a/>



Page 8 has articles about our expansion of the disclosure of information regarding governance. Please take a moment to read these articles because they have useful information for understanding the approaches of Nippon Paint Holdings and the Board of Directors.

Thank you for your attention.