

August 10, 2023

FY2023 2Q Financial Results Presentation Material



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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, etc., M&A related expenses, new consolidation, etc.
- Please see the Reference Data for more information
- Quarterly earnings trends of DuluxGroup, Betek Boya, PT Nipsea, Cromology and JUB are provided in Reference Data

1. Summary: FY2023 2Q Operating Results

FY2023 2Q^{*1}



(Tanshin)

(Billion yen)	Results	YoY
Revenue	362.7	+7.6%
Operating Profit	48.8	+141.6%
OP margin	13.5%	+7.5pt

(Non-GAAP)

(Billion yen)	Results	YoY
Revenue	365.4	+8.5%
Operating Profit	42.6	+42.4%
OP margin	11.7%	+2.8pt

◆ Tanshin

- Higher revenue driven by volume growth and pricing flow through mainly in decorative business, new consolidation of JUB, etc.
- Higher gross profit margin QoQ for four consecutive quarters due to improved RMCC^{*2} ratio
- Continued hyperinflationary accounting in Türkiye (2Q impact: revenue c.^{*3} -¥5.2 bn, operating profit c. -¥1.5 bn)
- C. -2% YoY FX impact mainly with weaker Turkish lira
- Higher operating profit due to higher revenue and improved margin, along with absence of credit loss provision in China last Q2
- OP margin improved significantly due partly to one-off items, e.g. subsidy, etc. in China and insurance proceeds (net of costs) from the FY2022 flood in DuluxGroup
- Margin in Japan Group also improved significantly due to recovery of automobile production and pricing actions among others

◆ Non-GAAP

- China TUC revenue grew 15%, due partly to rebound from downturn in Q2 last year caused by COVID restrictions
- TUB revenue was down 7% due to weaker sales in May and June than expected with soft real estate market conditions
- China OP margin improved to 9.4%, up 1.7pt YoY but down 3.5pt QoQ
- Decorative revenue grew except in Japan and the Americas, with volume growth and pricing flow through mainly in Asia
- Higher automotive revenue in Japan, China, and the Americas due partly to auto production recovery from the slump Q2 last year

Revenue
YoY analysis

Paint and Coatings Business			Adjacencies Business	FX	New consolidation
Volumes	Price/Mix	Paint (others) ^{*4}			
c. +5%	c. +2%	c. -0%	c. +1%	c. -2%	c. +1%

^{*1} The earnings for each quarter of FY2022 have been adjusted retrospectively due to the finalization of PPA amortization on Cromology and JUB. 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

2. Summary: Revision of FY2023 Guidance

FY2023 Guidance

(Tanshin)

(Billion yen)	Feb. guidance	Aug. guidance (revised)	vs. Feb. guidance
Revenue	1,400	1,450	+3.6%
Operating Profit	140	158	+12.9%
OP margin	10.0%	10.9%	+0.9pt
Profit before tax	134	151	+12.7%
Profit*	98	110	+12.2%

- Increased revenue guidance by 3.6%, up 10.8% from the previous year, due to higher revenue driven by volume growth and market share gains in each business, FX and new consolidation
- Furthermore, increased operating profit guidance by 12.9%, up 41.2% from the previous year, driven by higher revenue, lower RMCC ratio, and a boost from the weaker yen
- Major factors for revisions are the following (all figures are rough estimates)
 - ↑Volume growth and lower RMCC ratio:
Revenue c. +¥17 bn, Operating profit c. +¥9 bn
 - ↑Weaker yen vs. Feb. 2023 FX rate:
Revenue c. +¥28 bn, Operating profit c. +¥9 bn
 - ↑New consolidation of NPT:
Revenue c. +¥5 bn
A neutral operating profit in Year 1 is expected, with initial costs (e.g. M&A expenses) offsetting trading income
- The revised guidance is subject to further revision with following variables
 - Global economic conditions
 - FX trends
 - Effects of adoption of hyperinflationary accounting in Türkiye, etc.

FY2023 EPS
guidance
¥46.84

- EPS guidance: ¥46.84 (+¥13.02 vs. FY2022/+¥5.11 vs. Feb. guidance)
- Annual dividend guidance unchanged from Feb. guidance at ¥13 (+¥2 vs. FY2022)

3. Raw Material Market Conditions and Our Responses

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

FY2023 2Q

- China's economy did not experience a significant recovery after the Zero-COVID policy was lifted. The US and Europe continued with policy rate hikes to address inflation concerns. We do not observe any external factors that are poised to enhance the economic environment, and notably, the European economy has experienced a further decline.
- Naphtha spot price was down 13% QoQ, in a further weakening of demand for petrochemical products (crude oil price was down 3% QoQ)
- Raw material suppliers in Japan continued to pass on higher costs of non-crude oil and naphtha (fuel and logistics costs, capex to upgrade aging facilities, etc.)
- The RMCC ratio decreased in China, Türkiye, and other parts of Asia, and gross profit margin improved QoQ for four consecutive quarters

FY2023 3Q and beyond










- While utility costs for TiO₂ have begun to decrease, the price of titanium ore price remains high despite a decrease in demand, primarily due to upward pricing pressures from titanium ore manufacturers
- Despite recent renewed momentum for the yen's depreciation, expectations are for Japan's naphtha price to stay below ¥60,000 due to concerns regarding a global economic slowdown
- Anticipate a YoY improvement in the gross profit margin, driven by pricing flow through and an improved RMCC ratio

◆ Gross profit margin

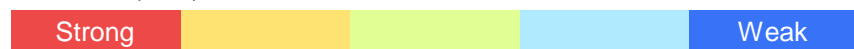
FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2022
37.6%	36.1%	37.0%	38.4%	37.2%
FY2023 1Q	FY2023 2Q	YoY	QoQ	
39.3%	40.0%	+3.9pt	+0.7pt	

4. Market & Business Environment

Recovery in global automobile production expected in FY2023

		Japan	NIPSEA China		Oceania	Americas	Europe
FY2023 2Q	Automotive						
	Decorative		 TUC	 TUB			
FY2023 3Q (outlook)	Automotive						
	Decorative		TUC	TUB			
FY2023 (outlook)	Automotive						
	Decorative		TUC	TUB			

■ Market (YoY)



■ Business (vs. Market)*



*NPHD's estimates



5. Summary of Operating Results in Major Segments

(Billion yen)		Tanshin		Non-GAAP		Overview	
		2023 2Q	YoY	2023 2Q	YoY		
Japan	Revenue	50.3	+10.2%	50.2	+9.8%	▶ Decorative	Flat revenue as price increases offset the effects of early onset of rainy season and heavy rain due to linear rain band
	OP	5.3	+137.1%	5.3	+135.9%	▶ Automotive	Higher revenue driven by auto production rebound from the slump in the same period a year ago, although parts supply disruptions remains a concern
NIPSEA China	Revenue	128.7	+5.8%	128.2	+5.6%	▶ Decorative (TUC)	TUC revenue increased by 15%, supported by stronger growth from Tier 3 to 6 cities
	OP	17.6	-	12.0	+29.5%	▶ Decorative (TUB)	Revenue for TUB segment is down 7% with property market still very soft
						▶ Automotive	Higher revenue due to overall higher automobile production driven by production recovery
NIPSEA Except China	Revenue	66.2	+2.1%	77.3	+19.3%	▶ NIPSEA Except China	Higher revenue overall (+19.3% YoY). Higher revenue at Malaysia Gr and Singapore Gr driven by pricing flow through; Higher revenue at Thailand Gr due to recovery in automobile production and share gains in both automotive OEM and parts manufacturers
	OP	12.7	+66.5%	14.2	+86.7%	▶ PT Nipsea	Higher revenue due to volume growth, expansion of distribution network, increase of distributors, more CCM ^{*1} installed, and sales growth in both the decorative and industrial business
						▶ Betek Boya	Higher revenue due to the successful roll-out of brand strategy implementation and selling price increases in part due to inflation
Dulux Group	Revenue	89.0	+12.5%	83.1	+5.1%	▶ 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	11.2	+28.2%	9.3	+3.0%	▶ Cromology	Revenue roughly flat, despite lower market volumes, due to pricing actions
						▶ JUB	Revenue lower due to lower ETICS ^{*2} volumes (market driven)
Americas	Revenue	28.5	+10.8%	26.6	+3.2%	▶ Decorative	Lower revenue driven by the current downturn in the US economy and housing market
	OP	2.7	-35.6%	2.5	-3.9%	▶ Automotive	Higher revenue driven by rebound from the slump in auto production in previous year with demand remaining strong despite interest rate hikes *Tanshin OP in FY2022 2Q includes a gain on sale of Dunn-Edwards' HQ building and other assets

6. Major Topics (1)

Completed acquisition of shares of European sealants and adhesives manufacturer NPT (announced on July 6)

- Completed acquisition of 51% shares of NPT, with the remaining 49% available for DuluxGroup to acquire over time or to purchase from the Seller
- Starting to capture growth opportunities by leveraging synergies

Our Integrated Report received the Best Practice Award for two consecutive years (announced on June 28)

- For the second consecutive year, our Integrated Report 2022 has been chosen as the recipient of the Best Practice Award at the Integrated Report Award 2022, hosted by Nikko Research Center Inc. (NRC), recognizing it as the top report aligning with investor requirements
- Main reasons for selection
 - Achieved a strong rating across all evaluation criteria
 - Provides a clear explanation of the robust efficiency of our corporate governance framework. Furthermore, the report illustrate the Board's comprehensive recognition of its duty to optimize corporate value
 - Conveys throughout the report that our Group's strengths are rooted in the influence of our brand and our adept marketing capabilities
- We are committed to further enhancing our Integrated Report and strengthening our engagement with shareholders, investors, and other stakeholders

6. Major Topics (2)

Chosen as a component stock in all six ESG indexes adopted by GPIF (announced on June 23)

- Became a constituent stock of the Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J), newly adopted by Japan's GPIF*
- With the inclusion in GenDi J, NPHD is now a component stock in all six ESG indexes for Japanese stocks adopted by GPIF
 - FTSE Blossom Japan Index
 - FTSE Blossom Japan Sector Relative Index
 - MSCI Japan ESG Select Leaders Index
 - MSCI Japan Empowering Women (WIN) Select Index
 - S&P/JPX Carbon Efficient Index
 - Morningstar Japan ex-REIT Gender Diversity Tilt Index

◇ Morningstar Japan ex-REIT Gender Diversity Tilt Index

GenDi J is an index designed to emphasize the stocks of companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender. NPHD was categorized as "Group 1," the highest rating on a five-star scale, signifying the highest Gender Equality Scores

Selected as a constituent stock of JPX Prime 150 index (announced on May 30)

- Became a constituent of the JPX Prime 150 Index, a new index launched by JPX Market Innovation & Research, Inc. Selection of NPHD stock for inclusion was based on the PBR criteria

◇ JPX Prime 150 Index

This index was developed as a new stock index that will be composed of stocks selected to represent Japanese companies well positioned to create value from among the top-ranked stocks listed on TSE Prime Market by market capitalization based on two measures of value creation: 1) equity spread (the difference between return on equity (ROE) and cost of equity and 2) PBR criteria (a market valuation that factors in future information and non-financial information).

Supplemental Material

- | | |
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1. FY2023 2Q Results: Highlights

1-1. Highlights (Consolidated)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2022 2Q *1	FY2023 2Q	YoY (%)	FY2022 2Q *1	FY2023 2Q	YoY (Amount)	YoY (%)
Revenue	337.0	362.7	7.6%	336.8	365.4	28.6	8.5%
Operating profit	20.2	48.8	141.6%	29.9	42.6	12.7	42.4%
OP margin	6.0%	13.5%	7.5pt	8.9%	11.7%	-	2.8pt
EBITDA	31.4	61.6	96.6%	-	-	-	-
EBITDA margin	9.3%	17.0%	7.7pt	-	-	-	-
Profit before tax	18.5	48.5	161.8%	28.3	41.0	12.7	45.1%
Profit*2	13.7	35.6	158.7%	22.1	29.3	7.2	32.5%

Revenue

- Revenue up 7.6% YoY on Tanshin and 8.5% on Non-GAAP
- Difference between Tanshin and Non-GAAP revenue primarily results from the new consolidation of JUB and FX impact
- Higher overall revenue due to higher decorative revenue driven by volume growth and higher automotive revenue due to recovery in auto production

Operating profit

- Operating profit up 141.6% YoY on Tanshin and up 42.4% on Non-GAAP
- Difference between Tanshin and Non-GAAP operating profit is primarily due to subsidy, etc. in China, income and insurance proceeds (net of costs) from the FY2022 flood in DuluxGroup, new consolidation of JUB and FX impact
- Higher profit on higher revenue driven by volume growth and pricing flow through, notably in Asia

1-2. Highlights (by Segment)

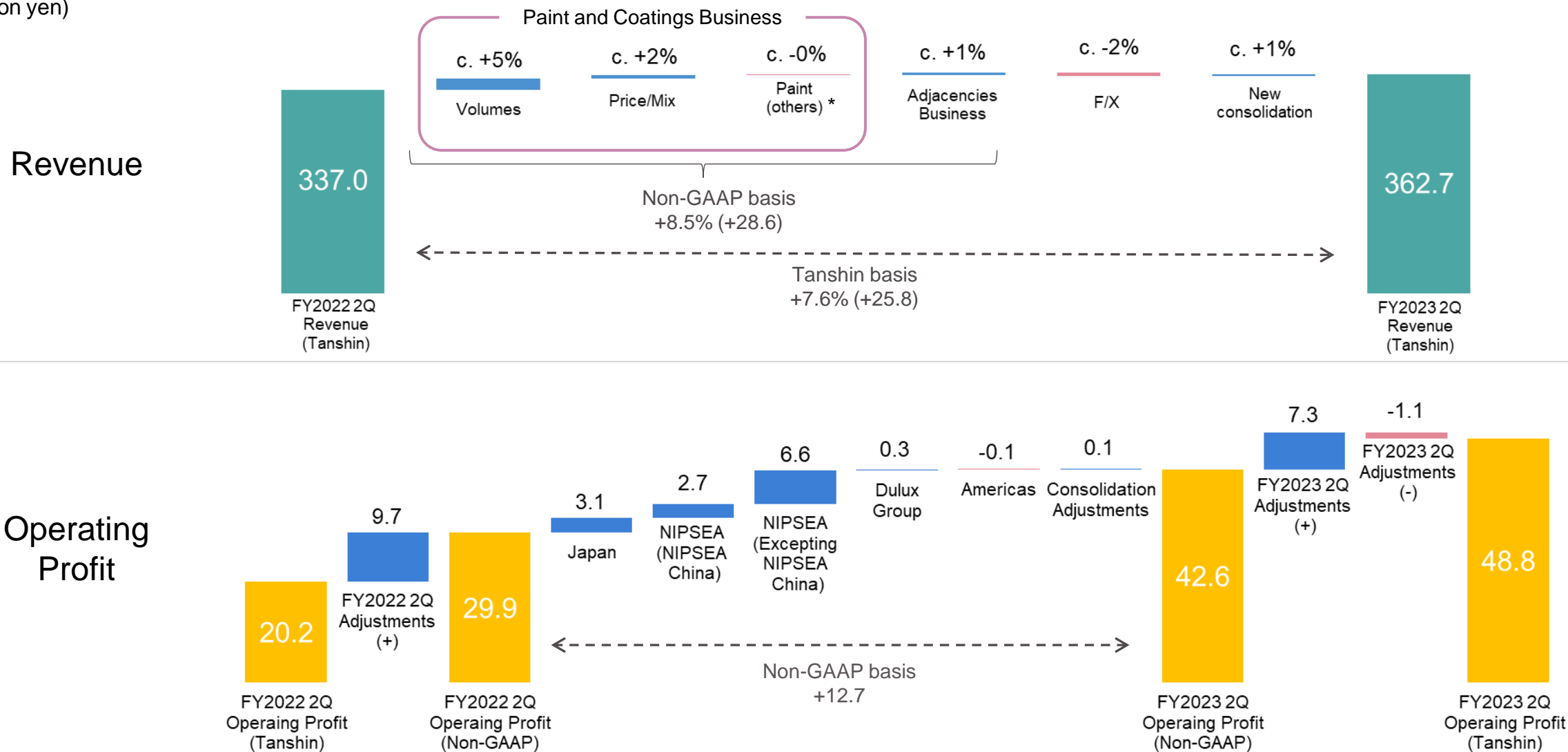
(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2022 2Q *	FY2023 2Q	YoY (%)	FY2022 2Q*	FY2023 2Q	YoY (Amount)	YoY (%)
Japan	Revenue	45.7	50.3	10.2%	45.7	50.2	4.5	9.8%
	Operating profit	2.2	5.3	137.1%	2.2	5.3	3.1	135.9%
NIPSEA	Revenue	186.5	194.9	4.5%	186.3	205.5	19.2	10.3%
	Operating profit	5.9	30.3	416.3%	16.9	26.3	9.4	55.3%
DuluxGroup	Revenue	79.1	89.0	12.5%	79.1	83.1	4.0	5.1%
	Operating profit	8.7	11.2	28.2%	9.0	9.3	0.3	3.0%
Americas	Revenue	25.7	28.5	10.8%	25.7	26.6	0.8	3.2%
	Operating profit	4.2	2.7	-35.6%	2.6	2.5	-0.1	-3.9%
Adjustments	Revenue	-	-	-	-	-	-	-
	Operating profit	-0.8	-0.7	-	-0.8	-0.7	0.1	-
Total	Revenue	337.0	362.7	7.6%	336.8	365.4	28.6	8.5%
	Operating profit	20.2	48.8	141.6%	29.9	42.6	12.7	42.4%

2. FY2023 2Q Results: By Segment

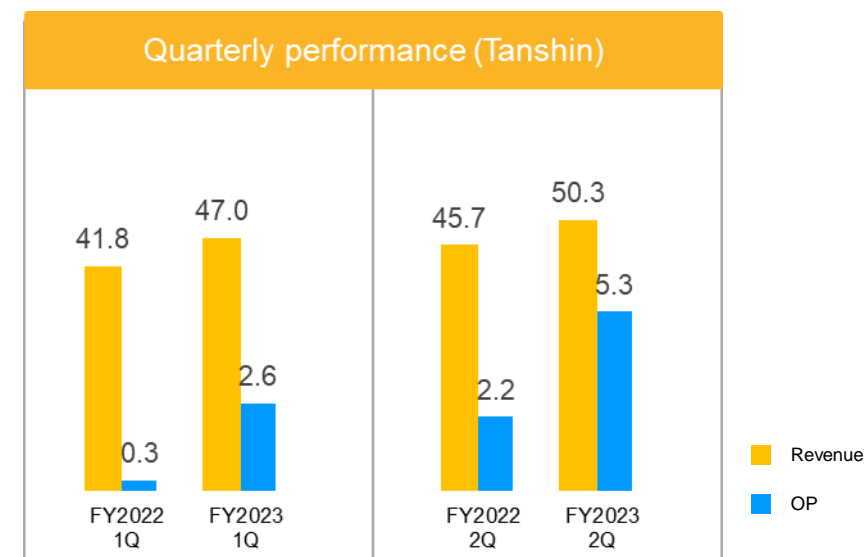
2-1. Revenue and Operating Profit Analysis

(Billion yen)



2-2. Japan

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2022	FY2023	YoY	FY2022	FY2023	YoY	YoY
	2Q	2Q	(%)	2Q	2Q	(Amount)	(%)
Revenue							
Automotive coatings	7.4	10.0	35.2%	7.4	10.0	2.6	35.2%
Decorative paints	12.8	12.7	-0.6%	12.8	12.7	-0.1	-0.6%
Industrial coatings	10.2	9.8	-3.8%	10.2	9.8	-0.4	-3.8%
Fine chemicals	2.3	2.2	-3.3%	2.3	2.2	-0.1	-3.3%
Others ^{*1}	13.0	15.6	20.0%	13.0	15.5	2.4	18.7%
Total	45.7	50.3	10.2%	45.7	50.2	4.5	9.8%
Operating profit	2.2	5.3	137.1%	2.2	5.3	3.1	135.9%
OP margin	4.9%	10.6%	5.7pt	4.9%	10.6%	-	5.6pt

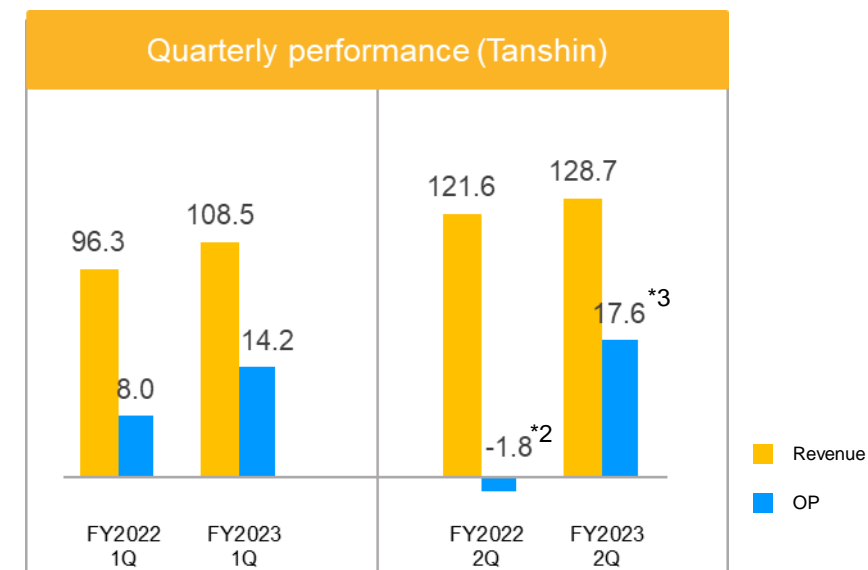


Major reasons for changes

- Automotive : Higher revenue driven by auto production rebound (+30%^{*2} YoY) from the slump in the same period a year ago, although parts supply disruptions remain a concern
- Decorative : Flat revenue from the same period a year ago as price increases offset the impact of early onset of rainy season and heavy rain due to linear rain band
- Industrial : Revenue slightly lower despite pricing flow through, due to consistent softness in market conditions
- OP : Higher profit due to improved RMCC ratio and lower SG&A expenses
- ◇ vs. FY2023 1Q : Higher profit due to improved RMCC ratio and lower SG&A expenses (Tanshin)

2-3. NIPSEA (NIPSEA China)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2022	FY2023	YoY	FY2022	FY2023	YoY	YoY
		2Q	2Q	(%)	2Q	2Q	(Amount)	(%)
Revenue	Automotive coatings	10.0	12.8	28.8%	9.9	12.8	2.8	28.2%
	Decorative paints	104.9	109.5	4.4%	104.8	109.1	4.3	4.1%
	Industrial coatings	6.2	5.8	-6.2%	6.2	5.8	-0.4	-6.3%
	Others ^{*1}	0.5	0.6	3.5%	0.5	0.6	0.0	3.3%
	Total	121.6	128.7	5.8%	121.5	128.2	6.8	5.6%
Operating profit		-1.8 ^{*2}	17.6 ^{*3}	-	9.3	12.0	2.7	29.5%
OP margin		-1.4%	13.7%	15.1pt	7.6%	9.4%	-	1.7pt

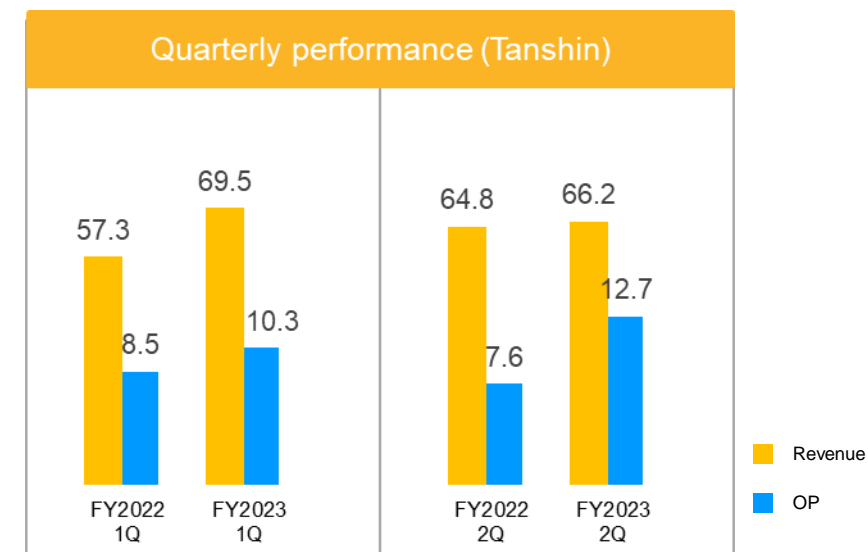


Major reasons for changes

- Automotive : Higher revenue due to overall higher automobile production (+18%^{*4} YoY) driven by production recovery
- Decorative : TUC revenue increased by 15%, supported by stronger growth from Tier 3 to 6 cities
Revenue for TUB segment is down 7% with property market still very soft
- Industrial : Revenue is down due to the weaker performance in the Coil and Powder business
- OP : Higher profit due to improved RMCC ratio across a higher overall revenue base
- ◇ vs. FY2023 1Q : Higher revenue and profit due mainly to seasonal factors (Chinese New Year holidays in Q1)
(Tanshin)

2-4. NIPSEA (Except NIPSEA China*¹)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2022	FY2023	YoY	FY2022	FY2023	YoY	YoY
	2Q* ²	2Q* ²	(%)	2Q* ²	2Q* ²	(Amount)	(%)
Revenue	64.8	66.2	2.1%	64.8	77.3	12.5	19.3%
Operating profit	7.6	12.7	66.5%	7.6	14.2	6.6	86.7%
OP margin	11.8%	19.2%	7.4pt	11.8%	18.4%	-	6.7pt

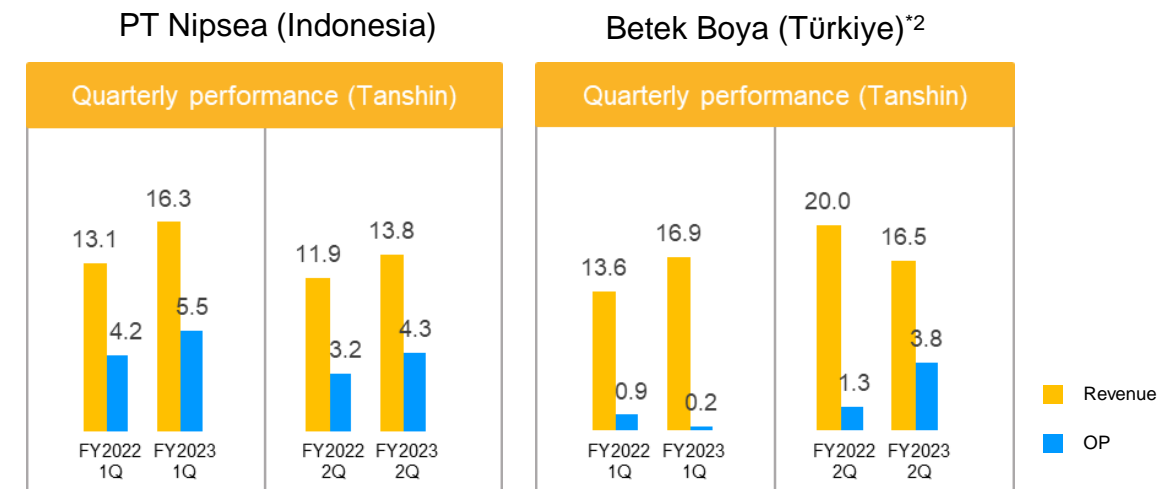


Major reasons for changes

- Malaysia Group : Higher revenue due to growth and flow through of pricing across countries in Malaysia, Philippines, Thailand (Decorative) and CMI
- Singapore Group : Revenue is up with better performance in Singapore, Sri Lanka despite a weaker Vietnam
- Thailand Group : Higher revenue due to recovery in automobile production (+9% YoY*³) and share gains in both automotive OEM and parts manufacturers
- OP : Higher profit on higher revenue and better RMCC ratio from flow through of price increases from last year
- ◇ vs. FY2023 1Q (Tanshin) : Higher profit due primarily to improved RMCC ratio

2-5. PT Nipsea (Indonesia) & Betek Boya (Türkiye)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2022 2Q	FY2023 2Q	YoY (%)	FY2022 2Q	FY2023 2Q	YoY (Amount)	YoY (%)
PT Nipsea (Indonesia)	Revenue	11.9	13.8	15.6%	11.9	13.4	1.5	12.5%
	Operating profit	3.2	4.3	36.3%	3.2	4.2	1.0	33.0%
	OP margin	26.5%	31.3%	4.8pt	26.5%	31.4%	-	4.8pt
	OP margin* ¹	27.1%	31.8%	4.7pt	27.1%	31.9%	-	4.8pt
		Results(Tanshin)			Results(Non-GAAP)			
		FY2022 2Q	FY2023 2Q	YoY (%)	FY2022 2Q	FY2023 2Q	YoY (Amount)	YoY (%)
Betek Boya* ² (Türkiye)	Revenue	20.0	16.5	-17.2%	20.0	29.3	9.4	46.8%
	Operating profit	1.3	3.8	186.9%	1.3	5.6	4.3	325.4%
	OP margin	6.6%	22.8%	16.2pt	6.6%	19.1%	-	12.5pt



PT Nipsea (Indonesia)

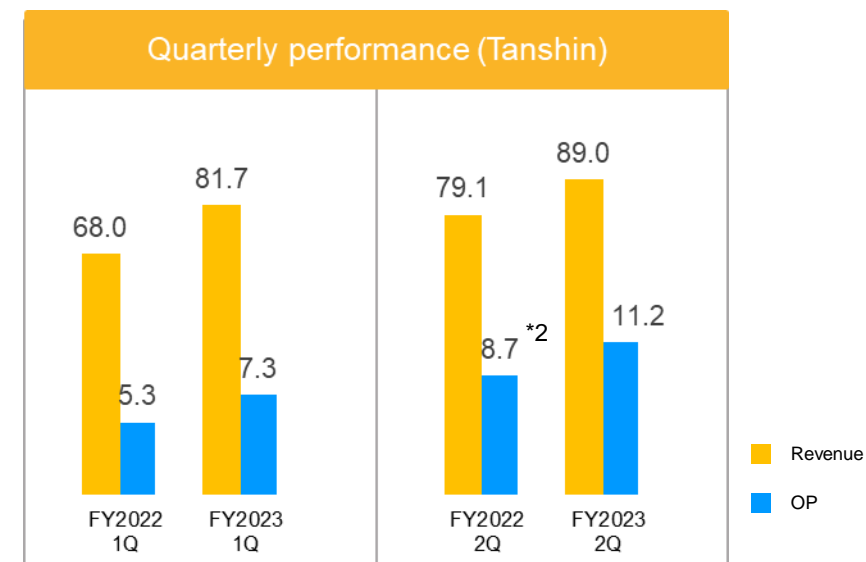
- Revenue : Higher revenue due to volume growth, expansion of distribution network, increase of distributors, more CCM installed, and sales growth in both the decorative and industrial businesses
- OP : Higher profit as a result of higher revenue and improved RMCC ratio
- ◇ vs. FY2023 1Q (Tanshin) : Lower profit due mainly to seasonal factors (Hari Raya Idul Fitri (New year holidays) in May) albeit an improved RMCC ratio

Betek Boya (Türkiye)

- Revenue : Higher revenue due to the successful roll-out of brand strategy implementation and selling price increases in part due to inflation
- OP : Higher profit due to a much improved RMCC ratio
- ◇ vs. FY2023 1Q (Tanshin) : Higher profit due to seasonal factors and an improved RMCC ratio

2-6. DuluxGroup*1

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2022 2Q	FY2023 2Q	YoY (%)	FY2022 2Q	FY2023 2Q	YoY (Amount)	YoY (%)
Revenue	Decorative paints	51.7	57.4	11.0%	51.7	52.9	1.2	2.3%
	Industrial coatings	2.3	2.4	3.8%	2.3	2.4	0.1	3.9%
	Adjacencies business	25.1	29.2	16.5%	25.1	27.8	2.7	10.8%
	Total	79.1	89.0	12.5%	79.1	83.1	4.0	5.1%
Operating profit		8.7 *2	11.2	28.2%	9.0 *2	9.3	0.3	3.0%
OP margin		11.0%	12.6%	1.5pt	11.4%	11.2%	-	-0.2pt
OP margin*3		12.2%	13.6%	1.3pt	12.4%	12.2%	-	-0.3pt

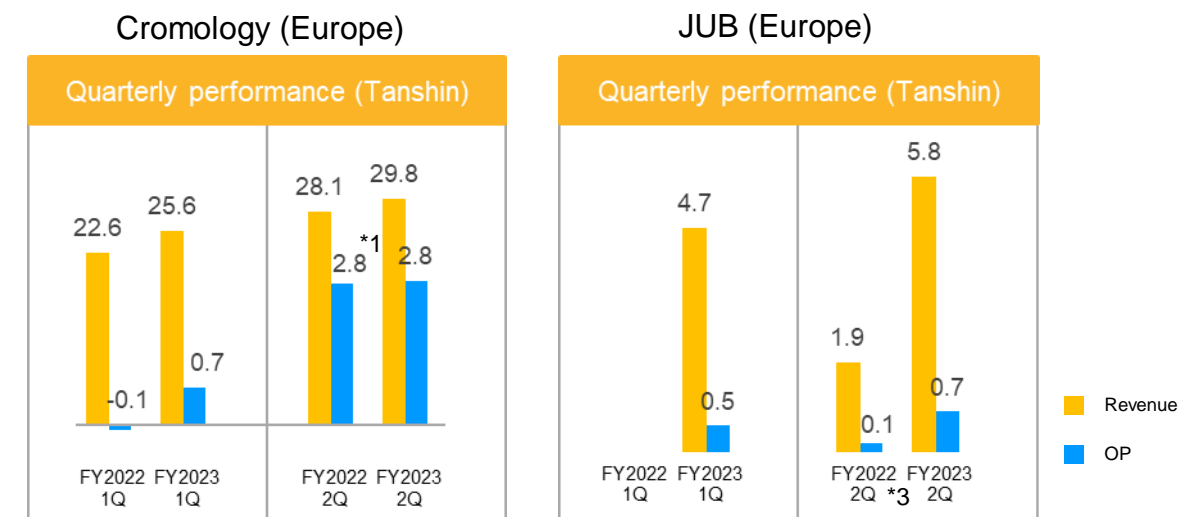


Major reasons for changes

- 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)
- Adjacencies business : Higher revenue from pricing actions to respond to raw material inflation, with volumes lower mainly due to economic pressures (ie. increasing interest rates)
- OP : Profit higher due to higher revenue, partially offset by a lower GM% (higher input costs) and higher SG&A from inflation
- ◇ vs. FY2023 1Q (Tanshin) : Profit higher due to an improved GM% (as input cost increases normalize and pricing actions hold) and lower SG&A

2-7. Cromology (Europe) & JUB (Europe)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
Cromology (Europe)	Revenue	FY2022 2Q	FY2023 2Q	YoY (%)	FY2022 2Q	FY2023 2Q	YoY (Amount)	YoY (%)
	Operating profit	2.8 * ¹	2.8	1.8%	2.8 * ¹	2.6	-0.2	-5.9%
	OP margin	9.9%	9.5%	-0.4pt	9.9%	9.5%	-	-0.4pt
	OP margin * ²	11.4%	11.0%	-0.4pt	11.4%	10.9%	-	-0.4pt
		Results(Tanshin)			Results(Non-GAAP)			
JUB (Europe)	Revenue	FY2022 2Q * ³	FY2023 2Q	YoY (%)	FY2022 2Q * ³	FY2023 2Q * ³	YoY (Amount)	YoY (%)
	Operating profit	0.1	0.7	390.2%	0.3	0.3	0.0	17.2%
	OP margin	7.9%	12.5%	4.6pt	14.5%	17.3%	-	2.8pt
	OP margin * ²	15.2%	13.3%	-2.0pt	15.2%	18.0%	-	2.8pt
		Results(Tanshin)			Results(Non-GAAP)			



Cromology (Europe)

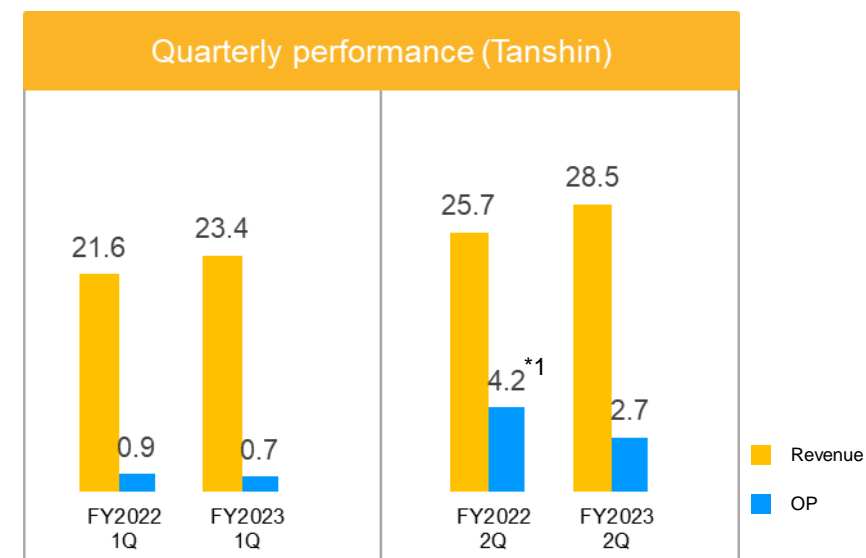
- Revenue : Revenue roughly flat, despite lower market volumes, due to pricing actions
- OP : Profit lower due to lower revenue, with high energy prices offsetting GM% improvement (as raw material prices normalize)
- ◇ vs. FY2023 1Q : Higher profit due to higher volumes (seasonality, Spring/Summer trading) and an improved GM%, as raw material prices normalize (Tanshin)

JUB (Europe) (For reference: Revenue -8.7% YoY; rough estimates in LCY)

- Revenue (In LCY) : Revenue lower due to lower ETICS volumes (market driven)
- OP (In LCY) : Profit higher from GM% improvement (as raw material prices normalize), partially offset by high energy and labor costs
- ◇ vs. FY2023 1Q : Higher profit due to higher volumes (seasonality, Spring/Summer trading) and an improved GM%, as raw material prices normalize (Tanshin)

2-8. Americas

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2022 2Q	FY2023 2Q	YoY (%)	FY2022 2Q	FY2023 2Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	7.6	9.9	30.0%	7.6	9.1	1.5	20.2%
	Decorative paints	17.8	18.2	2.2%	17.8	17.0	-0.8	-4.5%
	Fine chemicals	0.3	0.4	38.6%	0.3	0.4	0.1	30.0%
	Total	25.7	28.5	10.8%	25.7	26.6	0.8	3.2%
Operating profit		4.2 ^{*1}	2.7	-35.6%	2.6	2.5	-0.1	-3.9%
OP margin		16.3%	9.5%	-6.8pt	10.1%	9.4%	-	-0.7pt



Major reasons for changes

- Automotive : Higher revenue driven by rebound (+14%^{*2} YoY) from the slump in auto production in previous year with demand remaining strong despite interest rate hikes
- Decorative : Lower revenue driven by sluggish economy and housing market negatively impacted by high interest rates
- OP : Lower profit due to lower decorative revenue
- ◇ vs. FY2023 1Q : Higher profit driven by seasonality/favorable weather.
(Tanshin)

3. FY2023 Guidance

3-1. FY2023 Guidance

(Billion yen)	Tanshin					Tanshin (For reference)						
	FY2022	FY2023		FY2022 Results	Feb. Guidance	FY2022	FY2023	YoY (%)				
	Results	Feb. Guidance	Aug. Guidance (Revised)	vs. Aug. Guidance	vs. Aug. Guidance	2H Results	2H Guidance (Calculated backward from Aug. Guidance)		FY2022 Results	FY2023 Guidance (as of Feb.)	FY2023 Guidance (as of Aug.)	
Revenue	1,309.0	1,400.0	1,450.0	10.8%	3.6%	687.0	757.1	10.2%				
Operating profit	111.9	140.0	158.0	41.2%	12.9%	69.8	74.3	6.4%				
OP margin	8.5%	10.0%	10.9%	2.3pt	0.9pt	10.2%	9.8%	-0.3pt	JPY/USD	132.1	125.0	137.8
Profit before tax	104.5	134.0	151.0	44.5%	12.7%	64.6	69.0	6.9%	JPY/RMB	19.5	19.0	19.4
									JPY/AUD	91.2	90.0	93.3
									JPY/EUR	138.5	140.7	152.3
									JPY/TRY*2	7.1	6.6	5.2
Profit*1	79.4	98.0	110.0	38.5%	12.2%	52.4	49.1	-6.4%	JPY/IDR	0.0088	0.0083	0.0092

August Guidance (vs. February Guidance)

- Revenue : Higher revenue due to volume growth and market share gains in each business, contributing to revenue growth of c. +¥17 bn
When coupled with the effects of FX and new consolidation, we are revising our FY2023 revenue guidance upwardly by +¥50 bn
- OP : Higher revenue and improved RMCC ratio will lift operating profit growth of c. +¥9 bn
In conjunction with the FX impact, we are revising our FY2023 operating profit guidance upwardly by +¥18 bn
Additionally, expect further one-off costs (c. -¥1.5 bn) to fully offset the insurance proceeds associated with flooding at DuluxGroup in the 2H of FY2023
- ◆ FX impact : Higher overseas earnings due to weaker yen vs. Feb. 2023 assumptions: Revenue c. +¥28 bn, Operating profit c. +¥9 bn
- ◆ New consolidation : Contribution from NPT's new consolidation: Revenue c. +¥5 bn; Expect NPT to make a neutral operating profit in Year 1, with initial costs (e.g. M&A expenses) offsetting trading profit

3-2. Assumptions for FY2023 Guidance (1)

(Billion yen)		FY2022 Results (Tanshin basis)		FY2023 Guidance (In Local Currency)				
				Feb. Guidance		Aug. Guidance		
		Revenue	OP margin	YoY (Revenue)	YoY *1 (OP margin)	YoY (Revenue)	YoY *1 (OP margin)	YoY (OP margin) vs Feb. Guidance
Japan	Segment total	186.1	2.8%	c. +5%	↑	c. +5%	↑	Above
	Automotive	35.1		+0~5%		▲ +5~10%		
	Decorative	47.8		+5~10%		+5~10%		
	Industrial	40.0		+5~10%		▼ c. ±0%		
NIPSEA China	Segment total	450.7	7.8%	+5~10%	↑	+5~10%	↑	Inline
	Decorative (TUC)	374.2*2		+10~15%		▲ +20~25%		
	Decorative (TUB)			+0~5%		▼ c. ±0%		
	Automotive	50.1		+10~15%		▼ c. ±0%		
NIPSEA Except China	Segment total	257.8	14.6%	c. +10%	→	▲ +10~15%	↗	Above
	Malaysia Grp. Singapore Grp. Thailand Grp.			+0~5%	→	▲ +5~10%	↑	Above
	PT Nipsea (Indonesia)	52.3	31.9%	c. +15%	↘	c. +15%	↗	Above
	Betek Boya (Türkiye)	70.5	8.7%	c. +30%	→	▲ +40~45%	→	Inline

3-2. Assumptions for FY2023 Guidance (2)

(Billion yen)		FY2022 Results (Tanshin basis)		FY2023 Guidance (In Local Currency)				
				Feb. Guidance		Aug. Guidance		
		Revenue	OP margin	YoY (Revenue)	YoY *1 (OP margin)	YoY (Revenue)	YoY *1 (OP margin)	YoY (OP margin) vs Feb. Guidance
DuluxGroup	Segment total	314.9	9.4%	+5~10%	→	+5~10%	→	Inline
	DuluxGroup (Oceania)	206.6	12.3%	+5~10%	→	+5~10%	→	Inline
	Cromology (Europe)	97.5	4.2%	+5~10%	↗	▼ +0~5%	→	Slightly below
	JUB (Europe)	(For reference) 19.9*2	(For reference) 4.9%*2	+5~10%	↗	▼ c. -5%	↑	Slightly above
Americas	Segment total	99.5	8.1%	+0~5%	→	+0~5%	→	Inline
	Automotive	32.3		+5~10%		▲ +10~15%		
	Decorative	65.7		c. ±0%		▼ -5~-0%		

4. FY2023 1H Results

4-1. Highlights (Consolidated)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2022 1H ^{*1}	FY2023 1H	YoY (%)	FY2022 1H ^{*1}	FY2023 1H	YoY (Amount)	YoY (%)
Revenue	622.0	692.9	11.4%	621.9	676.2	54.3	8.7%
Operating profit	42.1	83.7	98.9%	54.0	74.4	20.4	37.8%
OP margin	6.8%	12.1%	5.3pt	8.7%	11.0%	-	2.3pt
EBITDA	64.0	108.6	69.8%	-	-	-	-
EBITDA margin	10.3%	15.7%	5.4pt	-	-	-	-
Profit before tax	39.9	82.0	105.4%	51.8	71.0	19.2	37.0%
Profit ^{*2}	27.0	60.9	125.8%	37.1	51.8	14.7	39.8%

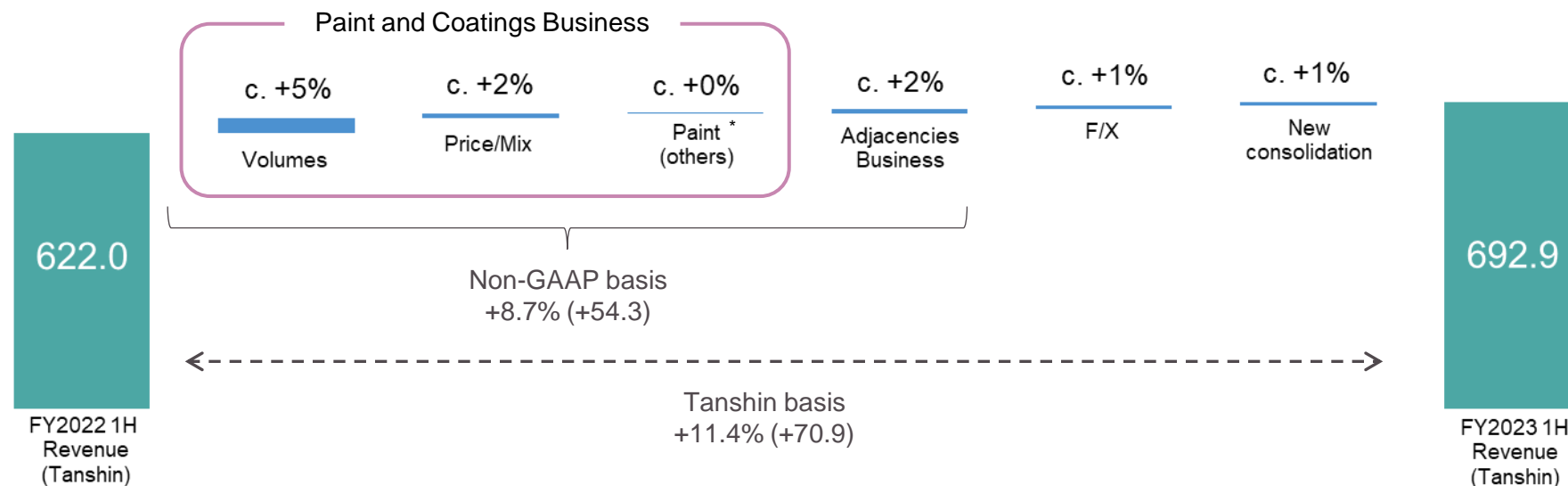
4-2. Highlights (by Segment)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2022 1H *	FY2023 1H	YoY (%)	FY2022 1H *	FY2023 1H	YoY (Amount)	YoY (%)
Japan	Revenue	87.5	97.3	11.3%	87.5	96.9	9.4	10.8%
	Operating profit	2.5	8.0	214.0%	3.0	7.9	4.8	158.8%
NIPSEA	Revenue	340.1	372.9	9.6%	339.9	377.4	37.5	11.0%
	Operating profit	22.4	54.9	145.3%	33.1	49.0	16.0	48.3%
DuluxGroup	Revenue	147.1	170.7	16.1%	147.1	154.7	7.6	5.2%
	Operating profit	14.0	18.5	32.0%	16.3	15.7	-0.7	-4.0%
Americas	Revenue	47.4	52.0	9.7%	47.4	47.2	-0.2	-0.5%
	Operating profit	5.1	3.4	-31.9%	3.5	3.1	-0.3	-9.0%
Adjustments	Revenue	-	-	-	-	-	-	-
	Operating profit	-1.9	-1.0	-	-1.9	-1.3	0.6	-
Total	Revenue	622.0	692.9	11.4%	621.9	676.2	54.3	8.7%
	Operating profit	42.1	83.7	98.9%	54.0	74.4	20.4	37.8%

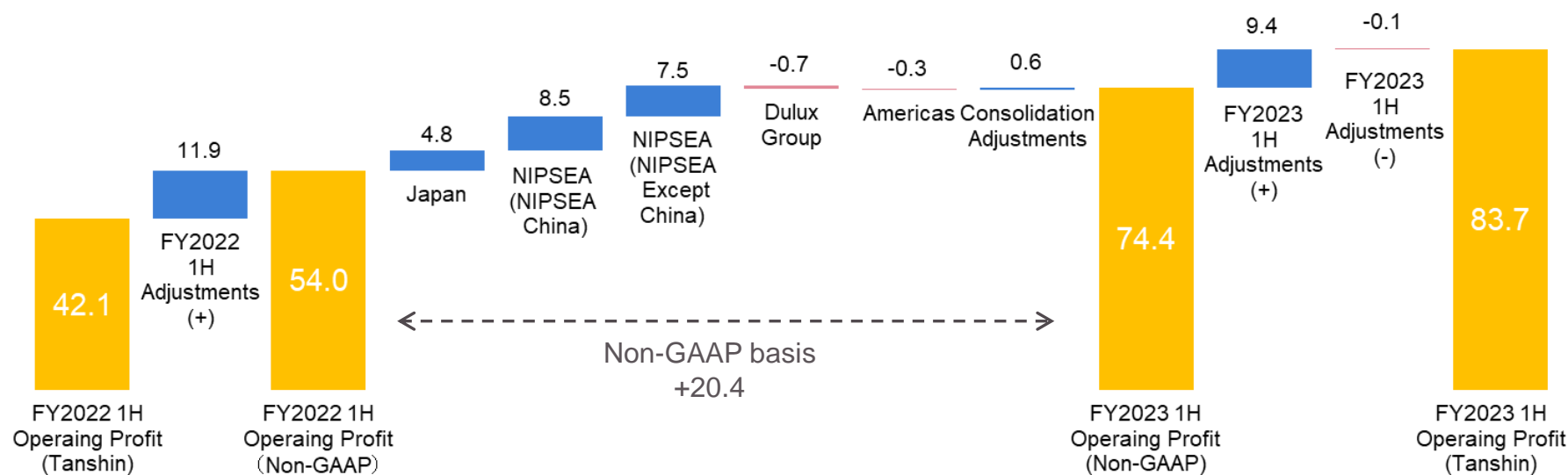
4-3. Revenue and Operating Profit Analysis

(Billion yen)

Revenue



Operating Profit



4-4. Japan & NIPSEA China

Japan

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2022 1H	FY2023 1H	YoY (%)	FY2022 1H	FY2023 1H	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	16.0	20.4	27.3%	16.0	20.4	4.4	27.3%
	Decorative paints	23.2	23.8	2.9%	23.2	23.8	0.7	2.9%
	Industrial coatings	19.3	19.1	-1.0%	19.3	19.1	-0.2	-1.0%
	Fine chemicals	4.2	4.2	-0.5%	4.2	4.2	-0.0	-0.5%
	Others ^{*1}	24.7	29.8	20.4%	24.7	29.3	4.6	18.6%
	Total	87.5	97.3	11.3%	87.5	96.9	9.4	10.8%
Operating profit		2.5	8.0	214.0%	3.0	7.9	4.8	158.8%
OP margin		2.9%	8.2%	5.3pt	3.5%	8.1%	-	4.6pt

NIPSEA China

		Results (Tanshin)			Results (Non-GAAP)			
		FY2022 1H	FY2023 1H	YoY (%)	FY2022 1H	FY2023 1H	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	21.0	22.4	6.9%	21.0	21.9	1.0	4.5%
	Decorative paints	184.2	202.7	10.1%	184.0	198.0	14.0	7.6%
	Industrial coatings	11.6	11.0	-4.7%	11.5	10.8	-0.8	-6.9%
	Others ^{*2}	1.2	1.0	-11.2%	1.2	1.0	-0.2	-13.2%
	Total	217.9	237.2	8.9%	217.7	231.7	14.0	6.4%
Operating profit		6.2	31.9	412.6%	16.9	25.4	8.5	50.1%
OP margin		2.9%	13.4%	10.6pt	7.8%	10.9%	-	3.2pt

4-5. NIPSEA Except China & PT Nipsea (Indonesia) & Betek Boya (Türkiye)

(Billion yen)

NIPSEA Except China^{*1}

^{*1}Including earnings of PT Nipsea (Indonesia) and Betek Boya (Türkiye)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2022 1H	FY2023 1H	YoY (%)	FY2022 1H	FY2023 1H	YoY (Amount)	YoY (%)
Revenue	122.2	135.7	11.1%	122.2	145.7	23.5	19.3%
Operating profit	16.2	23.0	42.5%	16.2	23.7	7.5	46.5%
OP margin	13.2%	17.0%	3.7pt	13.2%	16.3%	-	3.0pt

PT Nipsea (Indonesia)

	Results(Tanshin)			Results(Non-GAAP)			
	FY2022 1H	FY2023 1H	YoY (%)	FY2022 1H	FY2023 1H	YoY (Amount)	YoY (%)
Revenue	25.1	30.1	20.1%	25.1	28.4	3.4	13.5%
Operating profit	7.4	9.8	33.7%	7.4	9.3	1.9	26.4%
OP margin	29.4%	32.7%	3.3pt	29.4%	32.7%	-	3.3pt
OP margin ^{*2}	29.9%	33.2%	3.3pt	29.9%	33.2%	-	3.3pt

Betek Boya^{*1} (Türkiye)

	Results(Tanshin)			Results(Non-GAAP)			
	FY2022 1H	FY2023 1H	YoY (%)	FY2022 1H	FY2023 1H	YoY (Amount)	YoY (%)
Revenue	33.5	33.5	-0.3%	33.5	49.6	16.1	48.0%
Operating profit	2.2	4.0	84.0%	2.2	5.9	3.7	168.8%
OP margin	6.5%	12.0%	5.5pt	6.5%	11.8%	-	5.3pt

4-6. DuluxGroup & Cromology (Europe) & JUB (Europe)

DuluxGroup

*Including earnings of Cromology and JUB

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)		
		FY2022 1H	FY2023 1H	YoY (%)	FY2022 1H	FY2023 1H	YoY (Amount) (%)
Revenue	Decorative paints	96.0	110.5	15.1%	96.0	99.0	3.1
	Industrial coatings	4.2	4.4	4.3%	4.2	4.3	0.1
	Paint related business	46.9	55.8	19.0%	46.9	51.4	4.5
	Total	147.1	170.7	16.1%	147.1	154.7	7.6
Operating profit		14.0 ^{*1}	18.5	32.0%	16.3 ^{*1}	15.7	-0.7
OP margin		9.5%	10.8%	1.3pt	11.1%	10.1%	-
OP margin ^{*2}		11.4%	11.8%	0.5pt	12.1%	11.1%	-

Cromology (Europe)

		Results(Tanshin)			Results(Non-GAAP)		
		FY2022 1H	FY2023 1H	YoY (%)	FY2022 1H	FY2023 1H	YoY (Amount) (%)
Revenue		50.8	55.4	9.1%	50.8	51.2	0.4
Operating profit		2.7 ^{*1}	3.6	31.1%	3.9 ^{*1}	3.3	-0.6
OP margin		5.4%	6.5%	1.1pt	7.6%	6.5%	-
OP margin ^{*2}		9.1%	8.0%	-1.2pt	9.1%	8.0%	-

JUB (Europe)

		Results(Tanshin)			Results(Non-GAAP)		
		FY2022 1H ^{*3}	FY2023 1H	YoY (%)	FY2022 1H ^{*3}	FY2023 1H ^{*3}	YoY (Amount) (%)
Revenue		1.9	10.6	459.7%	1.9	1.9	-0.0
Operating profit		0.1 ^{*1}	1.2	708.2%	0.3 ^{*1}	0.3	0.0
OP margin		7.9%	11.3%	3.5pt	14.5%	17.3%	-
OP margin ^{*2}		15.2%	12.2%	-3.0pt	15.2%	18.0%	-

*1 After retrospective adjustments following finalization of PPA amortization on Cromology and JUB

(Cromology: amortization of intangible assets from PPA c. ¥0.8 bn, PPA step-up from inventory c. ¥1.1 bn JUB: amortization of intangible assets from PPA c. ¥0 bn, PPA step-up from inventory c. ¥0.1 bn)

*2 Before PPA amortization on intangible assets and one-off inventory step-up from PPA *3 Reflect one-month earnings

4-7. Americas

Americas

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2022 1H	FY2023 1H	YoY (%)	FY2022 1H	FY2023 1H	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	14.6	19.1	31.0%	14.6	17.2	2.6	17.8%
	Decorative paints	32.1	32.1	-0.2%	32.1	29.2	-2.9	-9.0%
	Fine chemicals	0.7	0.8	20.8%	0.7	0.8	0.1	10.2%
	Total	47.4	52.0	9.7%	47.4	47.2	-0.2	-0.5%
Operating profit		5.1	3.4	-31.9%	3.5	3.1	-0.3	-9.0%
OP margin		10.7%	6.6%	-4.1pt	7.3%	6.7%	-	-0.6pt

NIPPON PAINT HOLDINGS CO., LTD. Investor Relations

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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.

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FY2023 2Q Financial Results Presentation Material Reference Data

August 10, 2023
Nippon Paint Holdings Co., Ltd.

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1. Revenue & Operating Profit Transition by Segment (Former Reportable Segment)

(Billion yen)

		FY2018					FY2019					FY2020 ^{*1}					FY2021 ^{*1}				
		1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y
Japan	Automotive	11.5	11.1	10.6	12.1	45.3	11.9	11.4	11.3	10.2	44.9	10.2	5.5	8.9	10.1	34.7	10.2	8.5	7.6	8.9	35.3
	Decorative	10.6	12.0	11.2	13.0	46.8	11.0	12.8	12.6	11.8	48.2	10.3	11.1	10.6	11.7	43.7	9.9	11.9	11.4	12.1	45.4
	Industrial	9.5	10.0	10.0	11.2	40.6	10.0	10.2	10.1	10.4	40.7	9.1	8.4	8.5	9.4	35.3	9.0	9.6	9.6	10.0	38.1
	Fine chemicals	2.2	2.2	2.1	2.4	8.9	2.2	2.2	2.2	2.1	8.7	2.0	1.7	1.8	2.4	7.9	2.3	2.4	2.0	1.8	8.4
	Others ^{*2}	9.1	10.6	10.7	10.7	41.2	8.8	9.6	10.1	11.6	40.1	9.2	9.5	10.7	11.1	40.5	9.6	9.1	9.4	9.3	37.4
	Revenue	43.0	45.9	44.7	49.3	182.8	43.8	46.3	46.4	46.1	182.6	40.8	36.2	40.3	44.7	162.0	41.0	41.5	40.0	42.1	164.6
	Operating profit ^{*3}	8.7	7.3	5.9	7.6	29.6	8.1	6.0	5.2	4.2	23.4	5.1	1.8	4.1	5.2	16.1	4.4	3.0	1.4	1.6	10.3
Oceania	Decorative	-	-	-	-	-	-	-	6.6	18.0	24.6	17.0	18.9	20.0	21.1	77.1	21.5	21.6	22.0	25.3	90.4
	Industrial	-	-	-	-	-	-	-	0.5	1.5	2.0	1.3	1.2	1.6	1.5	5.7	1.6	1.9	1.9	2.0	7.4
	Adjacencies business	-	-	-	-	-	-	-	6.1	14.9	21.0	13.5	14.9	18.6	18.5	65.5	18.4	19.2	19.7	21.2	78.4
	Revenue	-	-	-	-	-	-	-	13.1	34.4	47.6	31.8	35.0	40.3	41.2	148.3	41.5	42.7	43.6	48.5	176.2
	Operating profit	-	-	-	-	-	-	-	2.8	3.1	5.9	3.3	4.6	5.2	2.2	15.4	5.7	5.3	5.1	2.9	19.0
	OP margin	-	-	-	-	-	-	-	21.4%	8.9%	12.3%	10.5%	13.2%	13.0%	5.4%	10.4%	13.8%	12.4%	11.7%	6.0%	10.8%
	One-time factor ^{*4}	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.4	-0.4	-0.8
Americas	Automotive	7.2	7.0	6.5	6.7	27.3	6.7	6.7	6.3	6.2	25.9	6.0	2.5	6.4	6.2	21.1	6.2	6.1	5.5	5.5	23.3
	Decorative	10.0	12.0	11.7	10.9	44.6	9.9	12.7	12.1	10.7	45.4	10.9	12.0	12.4	11.3	46.5	11.2	14.3	13.4	12.9	51.8
	Fine chemicals	0.7	0.8	0.8	0.8	3.1	0.8	0.8	0.7	0.8	3.1	0.7	0.6	0.6	0.4	2.4	0.3	0.3	0.2	0.4	1.3
	Others ^{*2}	0.0	0.1	0.0	0.0	0.2	0.0	0.1	0.1	0.0	0.2	0.0	0.1	0.0	0.0	0.2	-	-	-	-	-
	Revenue	17.9	19.8	19.0	18.5	75.2	17.5	20.3	19.1	17.7	74.6	17.7	15.1	19.4	17.9	70.1	17.7	20.7	19.2	18.8	76.4
	Operating profit	0.9	2.0	1.3	0.7	5.0	0.6	2.1	1.3	1.0	5.0	0.8	0.4	2.2	1.1	4.5	0.9	1.8	1.2	-0.3	3.6
	OP margin	5.2%	10.2%	7.1%	3.8%	6.6%	3.6%	10.2%	6.7%	5.9%	6.7%	4.7%	2.4%	11.2%	6.4%	6.4%	5.2%	8.8%	6.2%	-1.8%	4.7%
Other	Automotive ^{*5}	3.6	3.2	2.8	3.3	12.8	3.2	3.0	2.6	3.0	11.8	0.4	0.1	0.4	0.5	1.4	0.5	0.4	0.3	0.5	1.6
	Decorative	-	-	-	-	-	-	-	4.7	4.2	8.8	5.2	4.1	6.8	4.8	21.0	6.7	7.5	6.6	6.2	27.1
	Industrial	0.1	0.1	0.0	0.1	0.3	0.1	0.0	0.8	0.9	1.8	0.8	0.7	1.0	1.1	3.7	1.1	1.2	1.4	1.4	5.0
	Fine chemicals	0.2	0.1	0.2	0.2	0.8	0.2	0.3	0.3	0.3	1.0	-	-	-	-	-	-	-	-	-	-
	Others ^{*2}	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.3	-	-	-	-	-
	Adjacencies business	-	-	-	-	-	-	-	2.3	2.2	4.6	2.0	2.5	3.3	3.4	11.2	3.6	5.0	3.7	4.7	17.1
	Revenue	3.9	3.4	3.0	3.6	13.9	3.5	3.3	10.7	10.5	28.0	8.4	7.5	11.7	10.0	37.6	11.9	14.1	12.0	12.8	50.8
Other	Operating profit	0.1	0.1	-0.2	-0.6	-0.5	-0.1	-0.3	0.8	-7.3	-7.0	1.1	0.7	2.2	1.5	5.4	1.5	1.4	1.3	3.0	7.1
	OP margin	3.4%	2.3%	-6.0%	-15.5%	-3.8%	-2.6%	-10.4%	7.1%	-69.4%	-24.9%	13.3%	8.7%	18.6%	14.9%	14.4%	12.4%	9.8%	10.7%	23.4%	14.1%
	One-time factor ^{*4}	-	-	-	-	-	-	-	-	-7.8	-7.8	-	-	-	-	-	-	-	-	-	-

*1 The earnings for FY2020 and thereafter have been adjusted retrospectively following the classification of the European automotive coatings business and the India business after they were transferred to the Wuthelam Group (announced on August 10, 2021) and a change in accounting policy regarding cloud computing agreement beginning with FY2021 4Q. Figures for FY2020 1Q, 2Q, 3Q and FY2021 1Q, 2Q, 3Q are pro forma figures

*2 The "Others" business includes marine, auto refinishing, etc.

*3 The earnings figures for FY2019 are before the classification of NPHD's expenses which were previously charged to the Japan segment to Adjustments and Figures from FY2020 are after the application of this classification

*4 One-time factor is the total amount of subsidy/insurance, etc. (subsidy income, insurance income, gain on sale of non-current assets, expenses for production facility restructuring projects in Japan), M&A related expenses, one-off PPA adjustments, impairment loss and credit loss provision which are items included in Adjustments in the reference data of the financial results presentation material in prior periods

*5 Automotive coatings business of Nippon Paint Turkey

1. Revenue & Operating Profit Transition by Segment (Former Reportable Segment)

(Billion yen)

		FY2018					FY2019					FY2020 ^{*1}					FY2021 ^{*1}				
		1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y
Asia	Automotive	18.5	19.6	17.6	18.5	74.2	16.5	17.2	15.9	17.5	67.1	11.7	11.3	15.0	18.2	56.3	18.2	18.0	15.8	20.5	72.5
	Decorative	54.6	62.2	64.0	50.2	231.1	54.3	65.6	65.3	58.5	243.7	40.5	66.0	75.3	70.8	252.6	78.8	104.7	107.8	101.2	392.4
	Industrial	6.4	7.6	7.5	6.3	27.9	6.5	6.8	6.6	5.7	25.6	5.1	5.8	6.7	6.8	24.4	7.8	9.2	8.5	8.7	34.2
	Fine chemicals	1.6	1.8	1.7	1.5	6.6	1.5	1.6	1.5	1.6	6.0	1.2	1.1	1.4	1.7	5.4	1.6	1.7	1.6	1.9	6.8
	Others ^{*2}	3.3	3.7	3.8	5.3	16.0	3.7	3.9	4.2	4.9	16.8	3.2	3.7	4.2	4.6	15.7	4.2	5.2	5.0	6.4	20.8
	Adjacencies business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.3	1.1	1.1	3.4
	Revenue	84.4	94.9	94.7	81.8	355.7	82.5	95.2	93.4	88.1	359.2	61.7	88.0	102.7	102.1	354.5	110.6	140.1	139.7	139.9	530.2
	Operating profit	12.1	13.6	14.8	11.9	52.4	11.5	14.2	14.4	10.7	50.8	7.1	14.5	17.2	16.6	55.3	17.8	16.1	10.6	16.3	60.9
	OP margin	14.3%	14.3%	15.7%	14.6%	14.7%	13.9%	14.9%	15.4%	12.2%	14.1%	11.5%	16.4%	16.7%	16.2%	15.6%	16.1%	11.5%	7.6%	11.6%	11.5%
	One-time factor ^{*3}	1.9	1.0	2.5	1.8	7.1	0.1	0.7	1.9	-2.5	0.2	0.1	0.8	0.3	2.0	3.2	-1.1	0.4	-2.5	1.3	-2.0

■ Breakdown of Asia

NIPSEA China	Automotive	10.2	11.0	8.8	9.4	39.4	8.2	9.0	7.5	9.1	33.8	5.5	7.5	8.5	10.2	31.8	9.3	9.8	8.6	10.7	38.4
	Decorative	43.4	52.2	53.2	40.3	189.2	44.3	55.4	55.3	47.7	202.7	31.5	59.8	65.2	59.5	216.0	57.3	85.0	92.1	78.1	312.4
	Industrial	4.6	5.8	5.8	4.6	20.9	4.6	5.0	4.8	4.0	18.4	3.3	4.7	5.1	5.1	18.1	5.7	7.1	6.4	6.5	25.7
	Others ^{*2}	0.4	0.4	0.5	1.0	2.3	0.8	0.7	0.7	0.5	2.6	0.4	0.6	0.7	0.7	2.3	0.6	0.7	0.5	0.7	2.6
	Revenue	58.6	69.4	68.3	55.4	251.7	57.9	70.2	68.3	61.2	257.5	40.6	72.5	79.5	75.5	268.1	72.9	102.5	107.6	96.0	379.1
	Operating profit	8.7	10.6	11.3	7.8	38.4	9.1	11.4	11.3	8.3	40.1	4.7	13.9	13.5	11.8	43.9	9.4	10.0	7.2	9.2	35.9
Excepting NIPSEA China	OP margin	14.9%	15.2%	16.6%	14.1%	15.3%	15.7%	16.2%	16.6%	13.6%	15.6%	11.5%	19.2%	17.0%	15.6%	16.4%	12.8%	9.8%	6.7%	9.6%	9.5%
	One-time factor ^{*3}	1.9	1.0	2.5	1.8	7.1	0.1	0.7	1.9	0.1	2.8	0.1	0.7	0.3	1.9	2.9	0.2	0.4	-2.5	1.3	-0.6
	Revenue	25.9	25.5	26.3	26.4	104.1	24.6	25.1	25.1	27.0	101.7	21.1	15.5	23.2	26.6	86.4	37.6	37.6	32.0	43.8	151.1
	Operating profit	3.3	3.0	3.5	4.1	14.0	2.4	2.8	3.0	2.4	10.7	2.4	0.6	3.7	4.8	11.4	8.5	6.1	3.4	7.0	25.0
Adjustments	OP margin	13.0%	11.8%	13.4%	15.7%	13.5%	9.8%	11.3%	12.2%	9.0%	10.5%	11.4%	3.6%	15.8%	17.9%	13.2%	22.5%	16.2%	10.6%	16.1%	16.5%
	One-time factor ^{*3}	-	-	-	-	-	-	-	-	-2.6	-2.6	-	0.1	0.1	0.1	0.3	-1.4	-	-	-	-1.4
	Revenue	Not disclosed					Not disclosed					-	-	-	-	-	-	-	-	-	-
Total	Operating profit	Not disclosed					Not disclosed					-2.0	-1.9	-2.2	-3.1	-9.2	-5.6	-3.3	-2.5	-1.9	-13.3
	OP margin	Not disclosed					Not disclosed					-	-	-0.3	-0.2	-0.5	-2.6	-1.0	-	-0.2	-3.9
	One-time factor ^{*3}	Not disclosed					Not disclosed					-	-	-	-	-	-	-	-	-	-
Total	Revenue	149.2	164.0	161.3	153.2	627.7	147.4	165.1	182.7	196.9	692.0	160.4	181.8	214.4	216.0	772.6	222.7	259.1	254.5	262.0	998.3
	Operating profit	21.9	23.0	21.9	19.7	86.5	20.1	21.8	24.4	11.7	78.1	15.4	20.0	28.6	23.5	87.6	24.7	24.3	17.1	21.5	87.6
	OP margin	14.7%	14.0%	13.6%	12.9%	13.8%	13.6%	13.2%	13.4%	5.9%	11.3%	9.6%	11.0%	13.4%	10.9%	11.3%	11.1%	9.4%	6.7%	8.2%	8.8%
	One-time factor ^{*3}	4.2	1.0	2.5	1.8	9.4	2.1	-0.2	0.8	-11.4	-8.7	0.1	0.8	0.2	1.8	2.9	-3.7	-0.7	-3.0	0.6	-6.8

*1 The earnings for FY2020 and thereafter have been adjusted retrospectively following the classification of the European automotive coatings business and the India business after they were transferred to the Wuthelam Group (announced on August 10, 2021) and a change in accounting policy regarding cloud computing agreement beginning with FY2021 4Q. Figures for FY2020 1Q, 2Q, 3Q and FY2021 1Q, 2Q, 3Q are pro forma figures

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

*3 One-time factor is the total amount of subsidy/insurance, etc. (subsidy income, insurance income, gain on sale of non-current assets, expenses for production facility restructuring projects in Japan), M&A related expenses, one-off PPA adjustments, impairment loss and credit loss provision which are items included in Adjustments in the reference data of the financial results presentation material in prior periods

2. Revenue & Operating Profit Transition by Segment (New Reportable Segment)

(Billion yen)

		FY2021 ^{*1}					FY2022 ^{*2}					FY2023	
		1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q
Japan	Automotive	10.2	8.5	7.6	8.9	35.3	8.7	7.4	9.1	10.0	35.1	10.4	10.0
	Decorative	9.9	11.9	11.4	12.1	45.4	10.4	12.8	11.9	12.7	47.8	11.1	12.7
	Industrial	9.0	9.6	9.6	10.0	38.1	9.1	10.2	10.2	10.5	40.0	9.3	9.8
	Fine chemicals	2.3	2.4	2.0	1.8	8.4	2.0	2.3	2.3	2.1	8.6	2.0	2.2
	Others ^{*3}	11.2	11.5	11.7	12.3	46.8	11.7	13.0	13.7	16.0	54.5	14.1	15.6
	Revenue	42.6	43.9	42.3	45.1	174.0	41.8	45.7	47.2	51.3	186.1	47.0	50.3
	Operating profit	4.3	2.8	1.2	1.3	9.5	0.3	2.2	1.8	1.0	5.3	2.6	5.3
	OP margin	10.0%	6.4%	2.8%	2.9%	5.5%	0.7%	4.9%	3.8%	1.9%	2.8%	5.6%	10.6%
One-time factor ^{*4}		-	-	-0.1	-0.0	-0.1	-0.5	-	-	-2.2	-2.7	0.0	-
DuluxGroup (Consolidated)	Decorative	21.5	21.6	22.0	25.3	90.4	44.3	51.7	51.4	52.6	199.9	53.1	57.4
	Industrial	1.6	1.9	1.9	2.0	7.4	1.9	2.3	2.5	2.4	9.1	2.0	2.4
	Adjacencies business	18.4	19.2	19.7	21.2	78.4	21.8	25.1	30.6	28.3	105.8	26.6	29.2
	Revenue	41.5	42.7	43.6	48.5	176.2	68.0	79.1	84.5	83.3	314.9	81.7	89.0
	Operating profit	5.7	5.3	5.1	2.9	19.0	5.3	8.7	9.2	6.4	29.7	7.3	11.2
	OP margin	13.8%	12.4%	11.7%	6.0%	10.8%	7.8%	11.0%	10.9%	7.7%	9.4%	8.9%	12.6%
	One-time factor ^{*4}	-	-	-0.4	-0.4	-0.8	-2.0	-0.3	0.7	-0.1	-1.7	-0.0	1.3

■ Breakdown of DuluxGroup

DuluxGroup	Decorative	21.5	21.6	22.0	25.3	90.4	23.7	24.5	27.3	29.1	104.6	26.7	26.6
	Industrial	1.6	1.9	1.9	2.0	7.4	1.9	2.3	2.5	2.4	9.1	2.0	2.4
	Adjacencies business	18.4	19.2	19.7	21.2	78.4	19.8	22.2	26.0	24.8	92.8	22.7	24.4
	Revenue	41.5	42.7	43.6	48.5	176.2	45.4	49.1	55.8	56.3	206.6	51.4	53.3
	Operating profit	5.7	5.3	5.1	2.9	19.0	5.3	5.8	7.6	6.8	25.5	6.1	7.6
	OP margin	13.8%	12.4%	11.7%	6.0%	10.8%	11.7%	11.8%	13.7%	12.0%	12.3%	11.8%	14.3%
	One-time factor ^{*4}	-	-	-0.4	-0.4	-0.8	-0.9	-0.2	1.0	-0.1	-0.2	-0.0	1.3
Cromology	Revenue	-	-	-	-	-	22.6	28.1	23.8	22.9	97.5	25.6	29.8
	Operating profit	-	-	-	-	-	-0.1	2.8	1.5	-0.1	4.1	0.7	2.8
	OP margin	-	-	-	-	-	-0.2%	9.9%	6.3%	-0.6%	4.2%	2.9%	9.5%
	One-time factor ^{*4}	-	-	-	-	-	-1.1	-	-	-	-1.1	-	-
JUB	Revenue	-	-	-	-	-	-	1.9	4.9	4.1	10.9	4.7	5.8
	Operating profit	-	-	-	-	-	-	0.1	0.1	-0.2	0.1	0.5	0.7
	OP margin	-	-	-	-	-	-	7.9%	2.4%	-4.9%	0.6%	9.9%	12.5%
	One-time factor ^{*4}	-	-	-	-	-	-	-0.1	-0.3	-	-0.4	-	-

*1 The earnings for FY2021 1Q and 2Q have been adjusted retrospectively following ①Reclassification of the European automotive coatings business and the India business as discontinued operations following their transfer to the Wuthelam Group (announced on August 10, 2021), ②Change in accounting policies involving cloud computing agreements beginning with FY2021 4Q, ③Finalization of PPA for PT Nipsea (Indonesia business), and ④Change in reportable segment from FY2022 1Q. Following ② and ④ above, the earnings for FY2021 3Q have been adjusted retrospectively. The earnings for FY2021 4Q and full year FY2021 have been adjusted retrospectively following ④ above. Figures for FY2021 4Q are pro forma figures

*2 Following the finalization of PPA on Cromology and JUB, the earnings in each quarter of FY2022 have been adjusted retrospectively. The earnings for the FY2022 3Q and 4Q are pro forma figures

*3 Includes marine business (including overseas business), auto refinish business, etc.

*4 One-time factor is the total amount of subsidy/insurance, etc. (subsidy income, insurance income, gain on sale of non-current assets, expenses for production facility restructuring projects in Japan, settlement income), M&A related expenses, one-off PPA adjustments, impairment loss, credit loss provision and change in fair value of contingent consideration which are items included in Adjustments in the reference data of the financial results presentation material in prior periods

2. Revenue & Operating Profit Transition by Segment (New Reportable Segment)

(Billion yen)

		FY2021 ^{*1}					FY2022 ^{*2}					FY2023	
		1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q
NIPSEA ^{*5}	Automotive	18.6	18.4	16.0	21.0	74.1	21.2	20.3	24.5	30.5	96.5	21.8	24.0
	Decorative	85.5	112.2	114.4	107.4	419.5	111.8	140.2	149.7	112.3	514.0	132.3	146.4
	Industrial	8.9	10.4	9.9	10.1	39.3	9.4	11.5	10.8	14.6	46.3	9.7	10.1
	Fine chemicals	1.6	1.7	1.6	1.9	6.8	2.1	2.0	2.2	2.4	8.7	2.1	2.3
	Others ^{*3}	2.6	2.8	2.6	3.4	11.5	2.9	3.5	3.7	3.8	13.8	3.7	5.1
	Adjacencies business	3.6	6.3	4.8	5.8	20.5	6.3	8.9	8.0	6.0	29.2	8.4	6.9
	Revenue	120.8	151.8	149.3	149.6	571.6	153.6	186.5	198.9	169.6	708.5	178.0	194.9
	Operating profit	19.5	17.7	12.1	19.6	68.8	16.5	5.9	27.7	22.6	72.7	24.6	30.3
	OP margin	16.1%	11.6%	8.1%	13.1%	12.0%	10.7%	3.2%	13.9%	13.3%	10.3%	13.8%	15.6%
	One-time factor ^{*4}	-1.1	0.4	-2.5	1.3	-2.0	0.4	-11.0	3.3	0.4	-7.0	0.3	5.6

■ Breakdown of NIPSEA

NIPSEA China	Automotive	9.3	9.8	8.6	10.7	38.4	11.0	10.0	11.9	17.3	50.1	9.6	12.8
	Decorative	57.3	85.0	92.1	78.1	312.4	79.3	104.9	111.9	78.1	374.2	93.2	109.5
	Industrial	5.7	7.1	6.4	6.5	25.7	5.4	6.2	6.3	6.3	24.1	5.2	5.8
	Others ^{*3}	0.6	0.7	0.5	0.7	2.6	0.6	0.5	0.6	0.6	2.4	0.5	0.6
	Revenue	72.9	102.5	107.6	96.0	379.1	96.3	121.6	130.7	102.2	450.7	108.5	128.7
	Operating profit	9.4	10.0	7.2	9.2	35.9	8.0	-1.8	19.0	9.7	34.9	14.2	17.6
NIPSEA Except China ^{*5}	OP margin	12.8%	9.8%	6.7%	9.6%	9.5%	8.3%	-1.4%	14.6%	9.5%	7.8%	13.1%	13.7%
	One-time factor ^{*4}	0.2	0.4	-2.5	1.3	-0.6	0.4	-11.0	3.3	0.4	-7.0	0.3	5.6
	Revenue	47.9	49.3	41.7	53.6	192.5	57.3	64.8	68.2	67.4	257.8	69.5	66.2
	Operating profit	10.1	7.6	4.9	10.3	33.0	8.5	7.6	8.7	12.9	37.8	10.3	12.7
Americas	OP margin	21.1%	15.5%	11.7%	19.3%	17.1%	14.9%	11.8%	12.8%	19.1%	14.6%	14.9%	19.2%
	One-time factor ^{*4}	-1.4	-	-	-	-1.4	-	-	-	-	-	-	-
	Automotive	6.2	6.1	5.5	5.5	23.3	7.0	7.6	9.1	8.6	32.3	9.2	9.9
	Decorative	11.2	14.3	13.4	12.9	51.8	14.3	17.8	17.8	15.8	65.7	13.8	18.2
	Fine chemicals	0.3	0.3	0.2	0.4	1.3	0.4	0.3	0.4	0.5	1.5	0.4	0.4
	Revenue	17.7	20.7	19.2	18.8	76.4	21.6	25.7	27.3	24.9	99.5	23.4	28.5
Adjustments	Operating profit	0.9	1.8	1.2	-0.3	3.6	0.9	4.2	2.2	0.8	8.1	0.7	2.7
	OP margin	5.2%	8.8%	6.2%	-1.8%	4.7%	4.0%	16.3%	8.0%	3.3%	8.1%	3.2%	9.5%
	One-time factor ^{*4}	-	-	-	-	-	-	1.6	0.2	0.0	1.8	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total	Operating profit	-5.7	-3.3	-2.5	-1.9	-13.4	-1.0	-0.8	-1.2	-0.8	-3.9	-0.3	-0.7
	OP margin	-2.6	-1.0	-	-0.2	-3.9	-	-	-	-0.0	-0.0	0.3	-
	One-time factor ^{*4}	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	222.7	259.1	254.5	262.0	998.3	285.1	337.0	357.9	329.1	1,309.0	330.2	362.7
Total	Operating profit	24.7	24.3	17.1	21.5	87.6	21.9	20.2	39.7	30.1	111.9	34.9	48.8
	OP margin	11.1%	9.4%	6.7%	8.2%	8.8%	7.7%	6.0%	11.1%	9.1%	8.5%	10.6%	13.5%
	One-time factor ^{*4}	-3.7	-0.7	-3.0	0.6	-6.8	-2.2	-9.7	4.2	-2.0	-9.7	0.6	6.8

*1 The earnings for FY2021 1Q and 2Q have been adjusted retrospectively following ①Reclassification of the European automotive coatings business and the India business as discontinued operations following their transfer to the Wuthelam Group (announced on August 10, 2021), ②Change in accounting policies involving cloud computing agreements beginning with FY2021 4Q, ③Finalization of PPA for PT Nipsea (Indonesia business), and ④Change in reportable segment from FY2022 1Q. Following ② and ④ above, the earnings for FY2021 3Q have been adjusted retrospectively. The earnings for FY2021 4Q and full year FY2021 have been adjusted retrospectively following ④ above. Figures for FY2021 4Q are pro forma figures

*2 Following the finalization of PPA on Cromology and JUB, the earnings in each quarter of FY2022 have been adjusted retrospectively. The earnings for the FY2022 3Q and 4Q are pro forma figures

*3 Includes auto refinish business, etc.

*4 One-time factor is the total amount of subsidy/insurance, etc. (subsidy income, insurance income, gain on sale of non-current assets, expenses for production facility restructuring projects in Japan, settlement income), M&A related expenses, one-off PPA adjustments, impairment loss, credit loss provision and change in fair value of contingent consideration which are items included in Adjustments in the reference data of the financial results presentation material in prior periods

*5 Applied hyperinflation accounting for Turkish subsidiaries beginning with FY2022 2Q. FY2022 and FY2023 1Q and 2Q figures reflect the application of this accounting policy

3. Revenue & Operating Profit Contribution from DuluxGroup, Cromology, JUB, Betek Boya and PT Nipsea

(Billion yen)

		FY2020 ^{*1}					FY2021 ^{*1}					FY2022 ^{*1}					FY2023 ^{*1}	
		1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	F/Y	4Q	F/Y	1Q	2Q
DuluxGroup (Consolidated)	Revenue	31.8	35.0	40.3	41.2	148.3	41.5	42.7	43.6	48.5	176.2	68.0	79.1	84.5	83.3	314.9	81.7	89.0
	Operating profit	3.3	4.6	5.2	2.2	15.4	5.7	5.3	5.1	2.9	19.0	5.3	8.7	9.2	6.4	29.7	7.3	11.2
	OP margin	10.5%	13.2%	13.0%	5.4%	10.4%	13.8%	12.4%	11.7%	6.0%	10.8%	7.8%	11.0%	10.9%	7.7%	9.4%	8.9%	12.6%
DuluxGroup (Oceania)	Revenue	31.8	35.0	40.3	41.2	148.3	41.5	42.7	43.6	48.5	176.2	45.4	49.1	55.8	56.3	206.6	51.4	53.3
	Operating profit	3.3	4.6	5.2	2.2	15.4	5.7	5.3	5.1	2.9	19.0	5.3	5.8	7.6	6.8	25.5	6.1	7.6
	OP margin	10.5%	13.2%	13.0%	5.4%	10.4%	13.8%	12.4%	11.7%	6.0%	10.8%	11.7%	11.8%	13.7%	12.0%	12.3%	11.8%	14.3%
Cromology (Europe)	Revenue	Before consolidation					Before consolidation					22.6	28.1	23.8	22.9	97.5	25.6	29.8
	Operating profit											-0.1	2.8	1.5	-0.1	4.1	0.7	2.8
	OP margin											-0.2%	9.9%	6.3%	-0.6%	4.2%	2.9%	9.5%
JUB (Europe)	Revenue	Before consolidation					Before consolidation						1.9	4.9	4.1	10.9	4.7	5.8
	Operating profit												0.1	0.1	-0.2	0.1	0.5	0.7
	OP margin												7.9%	2.4%	-4.9%	0.6%	9.9%	12.5%
Betek Boya (Türkiye) ^{*2}	Revenue	8.0	7.4	11.3	9.5	36.2	11.4	13.7	11.7	12.3	49.2	13.6	20.0	20.1	16.8	70.5	16.9	16.5
	Operating profit	1.0	0.6	2.0	1.3	4.9	1.5	1.5	1.5	2.9	7.5	0.9	1.3	1.1	2.8	6.1	0.2	3.8
	OP margin	12.4%	8.3%	18.0%	13.6%	13.6%	13.1%	11.0%	13.2%	23.7%	15.2%	6.4%	6.6%	5.5%	16.8%	8.7%	1.4%	22.8%
PT Nipsea (Indonesia)	Revenue	Before consolidation					9.9	9.7	8.1	11.7	39.5	13.1	11.9	13.6	13.7	52.3	16.3	13.8
	Operating profit						2.5	3.2	2.0	4.1	11.8	4.2	3.2	3.9	5.4	16.7	5.5	4.3
	OP margin						25.2%	32.3%	24.1%	35.4%	29.7%	31.9%	26.5%	29.0%	39.5%	31.9%	33.9%	31.3%
Exchange rate (average rate)		1Q	2Q	3Q		F/Y	1Q	2Q	3Q		F/Y	1Q	2Q	3Q		F/Y	1Q	2Q
	JPY/USD	109.1	108.2	107.2		106.4	107.1	108.5	109.1		110.4	117.8	124.5	129.5		132.1	133.4	136.5
	JPY/RMB	15.5	15.3	15.3		15.4	16.5	16.8	16.9		17.1	18.6	19.1	19.5		19.5	19.4	19.6
	JPY/AUD	70.5	71.1	72.8		73.7	82.6	83.4	82.4		82.7	85.2	88.9	90.7		91.2	91.2	91.6
	JPY/EUR	-	-	-		-	-	-	-		-	131.6	135.2	136.6		138.5	144.0	147.9
	JPY/TRY ^{*3}	17.5	16.6	15.8		15.2	14.0	13.5	13.3		12.5	8.4	8.3	7.8		7.1	7.0	5.6
	JPY/IDR	-	-	-		-	0.0075	0.0076	0.0076		0.0077	0.0082	0.0086	0.0088		0.0088	0.0089	0.0091

*1 The earnings of the above companies are on a segment basis (after elimination of intersegment transactions and after PPA) except Cromology and JUB.

The earnings of Cromology are before elimination of intersegment transactions and after PPA (for FY2022 and FY2023 1Q and 2Q only; the FY2022 3Q and 4Q earnings are pro-forma);

the earnings of JUB are before elimination of intersegment transactions and after PPA (for FY2022 and FY2023 1Q and 2Q only; the FY2022 3Q and 4Q earnings are pro-forma).

DuluxGroup was included in our consolidated earnings from September 2019, Betek Boya from July 2019, PT Nipsea from January 2021, Cromology from January 2022 and JUB from June 2022

*2 Retrospective adjustment has been made to figures beginning with FY2021 1Q following a change in accounting treatment from intersegment transactions to intrasegment transactions due to the change in reportable segments.

Applied hyperinflation accounting for Turkish subsidiaries beginning with FY2022 2Q. FY2022 and FY2023 1Q, 2Q figures reflect the applicaiton of this accounting policy

*3 The closing exchange rates have been used from FY2022 as a result of the application of hyperinflationary accounting in Türkiye

4. Breakdown of Adjustments (FY2022 2Q vs. FY2023 2Q)

(Billion yen)		FY2022 2Q						FY2023 2Q					
		FX	Subsidy, etc.* ¹	M&A related expenses	Credit loss provision	New acqui- sitions	Total	FX	Subsidy, etc.* ¹	M&A related expenses	Credit loss provision	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others* ²	-	-	-	-	-	-	0.2	-	-	-	-	0.2
	Revenue	-	-	-	-	-	-	0.2	-	-	-	-	0.2
Dulux Group (Consolidated)	Operating profit	-	-	-	-	-	-	0.0	-	-	-	-	0.0
	Decorative	-	-	-	-	-	-	1.9	-	-	-	2.6	4.5
	Industrial	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Adjacencies business	-	-	-	-	-	-	0.2	-	-	-	1.3	1.4
	Revenue	-	-	-	-	-	-	2.1	-	-	-	3.8	5.9
	Operating profit	-	-0.0	-0.2	-	-0.1	-0.3	0.2	1.3	-0.1	-	0.4	1.9

■ Breakdown of DuluxGroup

Dulux Group	Decorative	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Industrial	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Adjacencies business	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Revenue	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Operating profit	-	-0.0	-0.2	-	-	-0.2	0.0	1.3	-0.1	-	-	1.3
Cromology	Revenue	-	-	-	-	-	-	2.2	-	-	-	-	2.2
	Operating profit	-	-	-	-	-	-	0.2	-	-	-	-	0.2
JUB	Revenue	-	-	-	-	-	-	0.2	-	-	-	3.8	4.0
	Operating profit	-	-	-	-	-0.1	-0.1	0.0	-	-	-	0.4	0.4

*1 Subsidy, etc. includes subsidy income, insurance income and gain on sale of non-current assets

*2 Includes marine business (including overseas business), auto refinish business, etc.

4. Breakdown of Adjustments (FY2022 2Q vs. FY2023 2Q)

(Billion yen)		FY2022 2Q						FY2023 2Q					
		FX	Subsidy, etc.* ¹	M&A related expenses	Credit loss provision	New acqui- sitions	Total	FX	Subsidy, etc.* ¹	M&A related expenses	Credit loss provision	New acqui- sitions	Total
NIPSEA	Automotive	0.0	-	-	-	-	0.0	0.3	-	-	-	-	0.3
	Decorative	0.1	-	-	-	-	0.1	-5.8	-	-	-	-	-5.8
	Industrial	0.0	-	-	-	-	0.0	-1.1	-	-	-	-	-1.1
	Fine chemicals	-	-	-	-	-	-	0.1	-	-	-	-	0.1
	Others* ²	0.0	-	-	-	-	0.0	0.2	-	-	-	-	0.2
	Adjacencies business	-	-	-	-	-	-	-4.4	-	-	-	-	-4.4
	Revenue	0.1	-	-	-	-	0.1	-10.7	-	-	-	-	-10.7
	Operating profit	-	0.3	-	-11.3	-	-11.0	-1.5	5.6	-	-	-	4.1

■ Breakdown of NIPSEA

NIPSEA China	Automotive	0.0	-	-	-	-	0.0	0.1	-	-	-	-	0.1
	Decorative	0.1	-	-	-	-	0.1	0.4	-	-	-	-	0.4
	Industrial	0.0	-	-	-	-	0.0	0.0	-	-	-	-	0.0
	Others* ²	0.0	-	-	-	-	0.0	0.0	-	-	-	-	0.0
	Revenue	0.1	-	-	-	-	0.1	0.5	-	-	-	-	0.5
	Operating profit	-	0.3	-	-11.3	-	-11.0	0.0	5.6	-	-	-	5.6
NIPSEA Except China	Revenue	-	-	-	-	-	-	-11.1	-	-	-	-	-11.1
	Operating profit	-	-	-	-	-	-	-1.5	-	-	-	-	-1.5
Americas	Automotive	-	-	-	-	-	-	0.7	-	-	-	-	0.7
	Decorative	-	-	-	-	-	-	1.2	-	-	-	-	1.2
	Fine chemicals	-	-	-	-	-	-	0.0	-	-	-	-	0.0
	Revenue	-	-	-	-	-	-	2.0	-	-	-	-	2.0
Adjustments	Operating profit	-	1.6	-	-	-	1.6	0.2	-	-	-	-	0.2
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
Total	Revenue	0.1	-	-	-	-	0.1	-6.5	-	-	-	3.8	-2.7
	Operating profit	-	1.9	-0.2	-11.3	-0.1	-9.7	-1.0	6.9	-0.1	-	0.4	6.2

*1 Subsidy, etc. includes subsidy income, insurance income and gain on sale of non-current assets

*2 Includes auto refinish business, etc.

5. Breakdown of Adjustments (FY2022 1H vs. FY2023 1H)

(Billion yen)		FY2022 1H						FY2023 1H					
		FX	Subsidy, etc.* ¹	M&A related expenses	Credit loss provision	New acqui- sitions	Total	FX	Subsidy, etc.* ¹	M&A related expenses	Credit loss provision	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others* ²	-	-	-	-	-	-	0.4	-	-	-	-	0.4
	Revenue	-	-	-	-	-	-	0.4	-	-	-	-	0.4
Dulux Group (Consolidated)	Operating profit	-	-0.5	-	-	-	-0.5	0.0	0.0	-	-	-	0.1
	Decorative	-	-	-	-	-	-	5.5	-	-	-	6.0	11.5
	Industrial	-	-	-	-	-	-	0.1	-	-	-	-	0.1
	Paint related business	-	-	-	-	-	-	1.9	-	-	-	2.6	4.4
	Revenue	-	-	-	-	-	-	7.5	-	-	-	8.6	16.0
	Operating profit	-	-0.2	-0.9	-	-1.3	-2.3	0.7	1.3	-0.1	-	0.9	2.8

■ Breakdown of DuluxGroup

Dulux Group	Decorative	-	-	-	-	-	-	1.6	-	-	-	-	1.6
	Industrial	-	-	-	-	-	-	0.1	-	-	-	-	0.1
	Paint related business	-	-	-	-	-	-	1.4	-	-	-	-	1.4
	Revenue	-	-	-	-	-	-	3.1	-	-	-	-	3.1
	Operating profit	-	-0.2	-0.9	-	-	-1.1	0.4	1.3	-0.1	-	-	1.7
Cromology	Revenue	-	-	-	-	-	-	4.2	-	-	-	-	4.2
	Operating profit	-	-	-	-	-1.1	-1.1	0.3	-	-	-	-	0.3
JUB	Revenue	-	-	-	-	-	-	0.2	-	-	-	8.6	8.7
	Operating profit	-	-	-	-	-0.1	-0.1	0.0	-	-	-	0.9	0.9

*1 Subsidy, etc. includes subsidy income, insurance income, gain on sale of non-current assets, registration and license tax associated with the establishment of NPCS, and settlement income

*2 Includes marine business (including overseas business), auto refinish business, etc.

5. Breakdown of Adjustments (FY2022 1H vs. FY2023 1H)

(Billion yen)		FY2022 1H						FY2023 1H					
		FX	Subsidy, etc.* ¹	M&A related expenses	Credit loss provision	New acqui- sitions	Total	FX	Subsidy, etc.* ¹	M&A related expenses	Credit loss provision	New acqui- sitions	Total
NIPSEA	Automotive	0.0	-	-	-	-	0.0	1.6	-	-	-	-	1.6
	Decorative	0.2	-	-	-	-	0.2	-0.3	-	-	-	-	-0.3
	Industrial	0.0	-	-	-	-	0.0	-1.0	-	-	-	-	-1.0
	Fine chemicals	-	-	-	-	-	-	0.2	-	-	-	-	0.2
	Others* ²	0.0	-	-	-	-	0.0	0.6	-	-	-	-	0.6
	Paint related business	-	-	-	-	-	-	-5.6	-	-	-	-	-5.6
	Revenue	0.2	-	-	-	-	0.2	-4.5	-	-	-	-	-4.5
	Operating profit	-	0.7	-	-11.3	-	-10.7	0.0	5.8	-	-	-	5.9

■ Breakdown of NIPSEA

NIPSEA China	Automotive	0.0	-	-	-	-	0.0	0.5	-	-	-	-	0.5
	Decorative	0.2	-	-	-	-	0.2	4.7	-	-	-	-	4.7
	Industrial	0.0	-	-	-	-	0.0	0.3	-	-	-	-	0.3
	Others* ²	0.0	-	-	-	-	0.0	0.0	-	-	-	-	0.0
	Revenue	0.2	-	-	-	-	0.2	5.5	-	-	-	-	5.5
	Operating profit	-	0.7	-	-11.3	-	-10.7	0.7	5.8	-	-	-	6.5
NIPSEA Except China	Revenue	-	-	-	-	-	-	-10.0	-	-	-	-	-10.0
	Operating profit	-	-	-	-	-	-	-0.6	-	-	-	-	-0.6
Americas	Automotive	-	-	-	-	-	-	1.9	-	-	-	-	1.9
	Decorative	-	-	-	-	-	-	2.8	-	-	-	-	2.8
	Fine chemicals	-	-	-	-	-	-	0.1	-	-	-	-	0.1
	Revenue	-	-	-	-	-	-	4.8	-	-	-	-	4.8
	Operating profit	-	1.6	-	-	-	1.6	0.3	-	-	-	-	0.3
Adjustments	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-	-	-	-	-0.0	0.3	-	-	-	0.3
Total	Revenue	0.2	-	-	-	-	0.2	8.2	-	-	-	8.6	16.7
	Operating profit	-	1.6	-0.9	-11.3	-1.3	-11.9	1.1	7.5	-0.1	-	0.9	9.3

*1 Subsidy, etc. includes subsidy income, insurance income, gain on sale of non-current assets, registration and license tax associated with the establishment of NPCCS, and settlement income

*2 Includes auto refinish business, etc.

6. Key Financial Data

<Capital Expenditure, Depreciation, R&D Expenses>

(Billion yen)		FY2022 2Q	FY2023 2Q
Capital expenditure	Property, plant and equipment	11.3	11.4
	Intangible assets	0.3	0.2
	Total	11.6	11.5
Depreciation	Property, plant and equipment	8.5	9.9
	Intangible assets	2.6	2.8
	Total	11.1	12.7
R&D expenses		7.2	7.3

<Other Major indicators>

	As of Dec. 31, 2022	As of June 30, 2023
Equity attributable to owners of parent to total assets (%)	47.0	50.1
Net debt* ¹ (billion yen)	574.4	549.1
EPS (yen)	33.82	25.93

*1 Net debt = Bonds and borrowings (current and non-current) + Other financial liabilities (current and non-current)
- Cash and cash equivalents - Other financial assets (current)

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

	FY2021	FY2022	FY2023 2Q	FY2023 Guidance (as of Feb.)	FY2023 Guidance (as of Aug.)
JPY/USD	110.4	132.1	136.5	125.0	137.8
JPY/RMB	17.1	19.5	19.6	19.0	19.4
JPY/AUD	82.7	91.2	91.6	90.0	93.3
JPY/EUR	130.4	138.5	147.9	140.7	152.3
JPY/TRY* ²	12.5	7.1	5.6	6.6	5.2
JPY/IDR	0.0077	0.0088	0.0091	0.0083	0.0092

*2 The closing exchange rates have been applied for FY2022 and FY2023 2Q as a result of the application of hyperinflationary accounting

<Exchange rate for F/P (closing rate)>

	As of Dec. 31, 2022	As of June 30, 2023
JPY/USD	132.7	145.0
JPY/RMB	19.0	20.0
JPY/AUD	89.6	95.8
JPY/EUR	141.4	157.6
JPY/TRY	7.1	5.6
JPY/IDR	0.0085	0.0096

7. Key Market Data

<Paint sales volume>

	FY2020					FY2021					FY2022					FY2023	
	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q
Japan ^{*1} (10,000t)	40	36	38	42	156	40	40	40	41	161	39	39	38	40	155	37	24

*1 Source: Japan Paint Manufacturers Association; FY2023 2Q covers April and May

<Automobile production^{*2}>

		FY2020					FY2021					FY2022					FY2023	
		1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q
(10,000unit)																		
Japan		225	120	201	228	774	215	186	155	188	744	186	158	192	207	743	209	205
China		321	603	638	774	2,335	579	572	545	671	2,368	617	546	732	720	2,615	588	644
North America	U.S.	247	93	270	253	862	247	215	204	222	888	238	241	251	246	976	259	270
	Mexico	93	28	91	91	304	82	78	69	72	301	85	81	85	80	331	93	96
	Canada	38	17	41	41	136	32	25	22	26	105	32	32	29	30	123	37	38
	Total	378	138	402	385	1,302	361	318	295	320	1,294	355	355	365	355	1,430	389	403

*2 Source: Japan: MarkLines until FY2019 and IHS Markit from FY2020; China: Association of Automobile Manufacturers until FY2019 and IHS Markit from FY2020; North America: IHS Markit

<Others (Japan market)>

		FY2020					FY2021					FY2022					FY2023	
		1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q
(10,000unit)																		
Housing starts ^{*3}		19.4	20.5	21.0	20.7	81.5	19.1	22.1	22.5	22.0	85.6	20.0	21.8	22.5	21.6	86.0	20.2	20.8
Construction machinery productions ^{*4}		9.6	8.4	8.4	9.9	36.3	10.3	11.2	10.6	11.4	43.6	11.9	10.7	11.7	11.9	46.3	11.1	7.3
Machine tool production ^{*5}		1.2	1.0	1.1	1.3	4.6	1.7	1.9	1.5	1.6	6.8	1.9	1.7	1.7	1.6	7.0	1.7	1.0

*3 Source: Ministry of land, infrastructure, transport and tourism

*4 Source: Japan Construction Equipment Manufacturers Association; FY2023 2Q covers April and May

*5 Source: Japan Machine Tool Builders' Association; FY2023 2Q covers April and May

<Naphtha price (own estimation)>

		FY2020					FY2021					FY2022					FY2023	
		1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q	3Q	4Q	F/Y	1Q	2Q
(JPY/KL)																		
Japan produced naphtha price		44,800	25,000	30,200	31,300	32,900	38,800	47,700	53,500	62,800	50,100	64,600	86,000	81,400	72,400	76,000	66,400	67,400