

NOTICE: For the convenience of capital market participants, NIPPON PAINT HOLDINGS CO., LTD. makes efforts to provide English translations of the information disclosed in Japanese, provided that the original Japanese version prevails over its English translation version in the case of any discrepancy found between the original and translation.

Consolidated Financial Results for the Six Months Ended September 30, 2016 [Japanese GAAP]



November 9, 2016

Company name: NIPPON PAINT HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4612
 URL: <http://www.nipponpaint-holdings.com/>
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 Scheduled date of filing quarterly securities report: November 14, 2016
 Scheduled date of commencing dividend payments: December 7, 2016
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2016 (April 1, 2016 to September 30, 2016)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2016	254,444	(3.4)	37,959	18.4	35,611	5.7	16,607	25.1
September 30, 2015	263,270	106.9	32,053	104.3	33,689	47.6	13,279	(14.9)

Note: Comprehensive income: Six months ended September 30, 2016: ¥(36,637) million [-%]

Six months ended September 30, 2015: ¥25,103 million [62.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2016	Yen 51.79	Yen 51.78
September 30, 2015	41.41	41.41

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2016	735,720	525,558	58.8
As of March 31, 2016	791,459	567,748	59.3

Reference: Equity: As of September 30, 2016: ¥432,268 million

As of March 31, 2016: ¥469,533 million

2. Dividends

	Annual dividends				
	1st quarter -end	2nd quarter -end	3rd quarter -end	Year-end	Total
Fiscal year ended March 31, 2016	Yen -	Yen 15.00	Yen -	Yen 20.00	Yen 35.00
Fiscal year ending December 31, 2016	-	20.00			
Fiscal year ending December 31, 2016 (Forecast)			-	20.00	40.00

Note: Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2016 (April 1, 2016 to December 31, 2016)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
	467,000	-	70,000	-	69,000	-	30,000	93.54

Note: Revision to the financial results forecast announced most recently: Yes

The Company has changed its fiscal year-end from March 31 to December 31 from the fiscal year ending December 31, 2016, receiving approval of Partial Amendments of the Articles of Incorporation at the 191st Annual General Meeting of Shareholders held on June 28, 2016. Accordingly, for the Company and its subsidiaries with the fiscal year-end of March 31, the consolidation period for the fiscal year ending December 31, 2016, which will be the transition period, will be the nine months starting on April 1, 2016 and ending on December 31, 2016. For subsidiaries with fiscal year ending December 31, the consolidation period is the 12 months starting on January 1, 2016 and ending on December 31, 2016, as before.

As a result, full-year changes from the previous corresponding period have not been provided.

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: No
- (2) Accounting treatments adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: Yes
 - 3) Changes in accounting estimates: Yes
 - 4) Restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - September 30, 2016: 325,402,443 shares
 - March 31, 2016: 325,402,443 shares
 - 2) Total number of treasury shares at the end of the period:
 - September 30, 2016: 4,697,534 shares
 - March 31, 2016: 4,696,460 shares
 - 3) Average number of shares during the period:
 - Six months ended September 30, 2016: 320,705,506 shares
 - Six months ended September 30, 2015: 320,707,337 shares

***Presentation regarding the implementation status of the quarterly review procedures**

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act, and quarterly review procedures for the quarterly consolidated financial statements are performed separately.

***Explanation of the proper use of financial results forecast and other notes**

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that are judged to be reasonable. Actual results, etc. may differ greatly from the forecast figures depending on various factors. For the assumptions underlying the forecasts and precautions when using the forecasts, please refer to "Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information" on page 4 of the Attachment.

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

During the six months ended September 30, 2016, consolidated net sales of NIPPON PAINT HOLDINGS CO., LTD. (the “Company”) and its group companies (collectively, the “Group”) decreased by 3.4% from the corresponding period of the previous year (the “previous year”) to ¥254,444 million due to the effects of changes in foreign exchange levels. On the other hand, consolidated operating income increased by 18.4% from the previous year to ¥37,959 million as a result of the continued activities to reduce costs and other factors that absorbed the effects of a strong yen. Consolidated ordinary income increased by 5.7% from the previous year to ¥35,611 million, despite the recording of foreign exchange losses due to the effect of a strong yen on foreign currency denominated assets. Profit attributable to owners of parent increased by 25.1% from the previous year to ¥16,607 million.

The Company has changed its fiscal year-end from March 31 to December 31, given a resolution on Partial Amendments of the Articles of Incorporation at the 191st Annual General Meeting of Shareholders held on June 28, 2016.

As a result of this change, the fiscal year under review will be the nine months starting on April 1, 2016 and ending on December 31, 2016.

The period of consolidation for the six months ended September 30, 2016 is the six months from April to September 2016 for the Company and consolidated subsidiaries that had a fiscal year-end in March, and the six months from January to June 2016 for overseas consolidated subsidiaries with a fiscal year-end in December.

Results by business segment are as follows.

Japan

In this region, net sales of automotive coatings were higher compared to the previous year as a result of the efforts to expand market share, while the number of automobiles manufactured decreased due to factors such as the Kumamoto Earthquake. As for industrial coatings, net sales were higher than the previous year due to increased sales of coatings for construction materials and other factors in line with a recovery in market conditions. With respect to trade-use paints, while the market remained sluggish, net sales were on par with the previous year owing to efforts in sales promotion activities. Meanwhile, net sales for other coatings, centered on marine coatings that were affected by a downturn in market conditions, were significantly lower compared to the previous year.

As a result of these factors, consolidated net sales for the Japan segment decreased by 2.4% from the previous year to ¥84,201 million. Consolidated operating income decreased by 45.6% from the previous year to ¥16,185 million, due to the recording of extraordinary dividends from overseas group companies of ¥15,896 million in the previous year.

All of this dividend income is eliminated as an internal transaction under “Inter-segment transaction eliminations and other adjustments.”

Asia

In this region, an increase in the number of automobiles manufactured in China, the core region of the Asia segment, led to higher net sales of automotive coatings compared to the previous year. With respect to trade-use paints, net sales were lower compared to the previous year due to the effects of foreign exchanges, whereas sales were robust for paints for housing interiors primarily in China. Additionally, net sales of automotive coatings in Thailand were higher compared to the previous year as a result of the efforts to expand market share.

Although consolidated net sales for the Asia segment decreased by 6.3% from the previous year to ¥146,661 million, consolidated operating income increased by 19.8% from the previous year to ¥19,227 million partly due to continued activities to reduce costs.

Americas

In this region, net sales increased compared to the previous year due to factors such as an increase in the number of automobiles manufactured in North America and a ramping up of operations in Latin America. Additionally, continued activities to reduce costs led to a significant improvement in profitability.

As a result, consolidated net sales for the Americas segment increased by 3.4% from the previous year to ¥16,864 million, and consolidated operating income increased by 20.9% from the previous year to ¥3,016 million.

Other

Consolidated net sales for this geographic segment increased by 58.8% from the previous year to ¥6,716 million due to the consolidation of a German paint manufacturer, and consolidated operating loss was ¥129 million (consolidated operating income of ¥41 million in the previous year) partly due to amortization of goodwill.

(2) Explanation of Financial Position

Total assets at the end of the second quarter of the fiscal year under review decreased by ¥55.74 billion from the end of the previous fiscal year to ¥735,720 million. Current assets decreased by ¥6.66 billion from the end of the previous fiscal year, mainly due to increases in cash and deposits and notes and accounts receivable – trade, offset by a decrease in inventories and securities. Non-current assets decreased by ¥49.08 billion from the end of the previous fiscal year, primarily caused by factors such as amortization which led to a decrease in goodwill.

Liabilities decreased by ¥13.55 billion from the end of the previous year to ¥210,161 million. The decrease was mainly attributable to decreases in notes and accounts payable – trade, interest-bearing debt and deferred tax liabilities.

Net assets decreased by ¥42.19 billion from the end of the previous fiscal year to ¥525,558 million. This was mainly attributable to a decrease in foreign currency translation adjustment due to a stronger yen, while retained earnings increased due to the recording of profit attributable to owners of parent.

As a result, equity ratio fell from 59.3% at the end of the previous fiscal year to 58.8%.

(Status of Cash Flows)

During the six months ended September 30, 2016, operating activities resulted in an inflow of ¥35,166 million, investing activities resulted in an outflow of ¥3,692 million, and financing activities resulted in an outflow of ¥6,526 million, resulting in cash and cash equivalents (hereinafter “cash”) of ¥122,555 million, an increase of ¥14.28 billion compared to the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities for the six months ended September 30, 2016 was ¥35,166 million (an increase of ¥21.45 billion compared to the previous fiscal year). Primary factors include a recording of a cash inflow (excluding increases and decreases in operating capital) of ¥58,081 million, reflecting mainly the non-cash expenses, such as depreciation and amortization, to profit before income taxes, while cash decreased by ¥12,830 million owing to an increase in operating capital due to a significant increase in notes and accounts receivable – trade at the end of the six months ended September 30, 2016 compared to notes and accounts receivable – trade as of the end of the fiscal year ended March 31, 2016 that were collected earlier than usual at a consolidated subsidiary in China, and income taxes paid of ¥10,084 million.

(Cash flows from investing activities)

Net cash used in investing activities for the six months ended September 30, 2016 was ¥3,692 million (a decrease of ¥3.57 billion compared to previous fiscal year). This was mainly attributable to an inflow of ¥10,914

million due to purchase of property, plant and equipment and payment for the transfer of a business in India, despite an inflow of ¥9,888 million as a result of the decrease of securities.

(Cash flows from financing activities)

Net cash used in financing activities for the six months ended September 30, 2016 was ¥6,526 million (an increase of ¥2.13 billion compared to the previous fiscal year). Primary factors include cash dividends paid of ¥7,371 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

Concerning the financial results forecast for the full year, both net sales and profits are expected to be lower than the full-year financial results forecast announced on May 12, 2016, significantly affected by the strong yen.

Regarding net sales, substantive net sales that exclude foreign exchange effects are projected to slip below the forecast partly due to sales incentives aimed at expanding market share, although the Chinese business has maintained higher growth compared to the previous year as planned.

Profits are projected to drop below the forecast affected by factors such as foreign exchange losses on foreign currency denominated assets, whereas profitability has improved substantially due to continued cost reductions.

In light of the above, the previously announced financial results forecast has been revised as follows.

The Company has changed its fiscal year-end from the fiscal year under review. For the Company and its subsidiaries with the fiscal year-end of March 31, the accounting period will be nine months, but operating income adjusted to a twelve-month basis is projected to exceed the previous forecast.

Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2016 (April 1, 2016 to December 31, 2016)

(Million yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Previous forecast (A)	500,000	71,000	74,000	34,000
Revised forecast (B)	467,000	70,000	69,000	30,000
Difference (B-A)	(33,000)	(1,000)	(5,000)	(4,000)
Rate of change (%)	(6.6)	(1.4)	(6.8)	(11.8)

2. Matters Concerning Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Six Months ended September 30, 2016

There is no relevant information.

(2) Accounting Treatments Adopted Specially for the Preparation of Quarterly Consolidated Financial Statements

(Special Accounting Treatment)

Calculation of tax expenses

Tax expenses have been calculated by multiplying profit before income taxes by an effective tax rate, which is reasonably estimated after the application of tax effect accounting to profit before income taxes for the consolidated fiscal year including the second quarter of the fiscal year under review.

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Restatement

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

(Change in depreciation method)

The Company and its Japanese subsidiaries had adopted the declining balance method for property, plant and equipment (excluding leased assets), except for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, which are depreciated using the straight-line method. The Company and its Japanese subsidiaries changed the depreciation method to the straight-line method used by overseas consolidated subsidiaries from the first quarter of the fiscal year under review.

The Group developed a new medium-term management plan “Survival Challenges Stage III” during the previous fiscal year in line with our recent active efforts on business expansion in overseas market (e.g., acquisition of some joint venture companies in Asia at the end of 2014). In the process of its development, the Company reviewed its depreciation method for non-current assets.

In order to capture domestic demand for coatings that was previously on an increasing trend, the Company and domestic consolidated subsidiaries had been making capital investment in response to higher production volume, but after the financial crisis, domestic demand for coatings has tended to be relatively stable while maintaining a certain level of growth, and it is projected that existing domestic production facilities will continue to hold stable utilization. As a result, investment regarding new domestic production facilities has been limited to highly versatile facilities that can be utilized with stability over the long term, and it was determined that utilizing the method of depreciation with the straight-line method is the expense distribution method that more appropriately reflects economic substance.

Due to this change, operating income, ordinary income, profit before income taxes for the six months ended September 30, 2016 increased by ¥224 million, ¥220 million, and ¥220 million, respectively.

(4) Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

Implementation Guidance on Recoverability of Deferred Tax Assets (Accounting Standards Board of Japan Guidance No. 26, March 28, 2016) has been applied from the first quarter of the fiscal year under review.

3. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	112,941	127,200
Notes and accounts receivable - trade	140,748	143,734
Securities	31,783	17,835
Inventories	53,119	48,327
Deferred tax assets	6,247	6,217
Other	18,089	13,010
Allowance for doubtful accounts	(3,283)	(3,341)
Total current assets	359,646	352,984
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	43,711	40,139
Other, net	60,589	59,216
Total property, plant and equipment	104,300	99,356
Intangible assets		
Goodwill	183,750	155,030
Trademark right	49,578	41,335
Other	49,902	42,395
Total intangible assets	283,231	238,762
Investments and other assets		
Investment securities	39,260	38,471
Deferred tax assets	1,816	2,943
Other	3,380	3,374
Allowance for doubtful accounts	(176)	(172)
Total investments and other assets	44,280	44,617
Total non-current assets	431,812	382,735
Total assets	791,459	735,720

(Million yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	70,769	66,485
Electronically recorded obligations - operating	12,187	14,315
Short-term loans payable	20,548	15,463
Income taxes payable	10,020	9,661
Other	60,043	57,026
Total current liabilities	173,568	162,952
Non-current liabilities		
Long-term loans payable	1,684	3,602
Deferred tax liabilities	23,836	20,106
Provision for directors' retirement benefits	126	130
Provision for environmental measures	328	292
Net defined benefit liability	16,343	15,373
Other	7,822	7,703
Total non-current liabilities	50,141	47,209
Total liabilities	223,710	210,161
Net assets		
Shareholders' equity		
Capital stock	78,862	78,862
Capital surplus	63,451	63,451
Retained earnings	339,113	349,307
Treasury shares	(6,439)	(6,442)
Total shareholders' equity	474,989	485,179
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,078	6,358
Deferred gains or losses on hedges	(0)	1
Foreign currency translation adjustment	(9,533)	(56,770)
Remeasurements of defined benefit plans	(3,000)	(2,500)
Total accumulated other comprehensive income	(5,455)	(52,910)
Subscription rights to shares	39	70
Non-controlling interests	98,176	93,219
Total net assets	567,748	525,558
Total liabilities and net assets	791,459	735,720

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30, 2016

(Million yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Net sales	263,270	254,444
Cost of sales	155,896	144,075
Gross profit	107,374	110,368
Selling, general and administrative expenses	75,320	72,409
Operating income	32,053	37,959
Non-operating income		
Interest income	463	503
Dividend income	461	441
Share of profit of entities accounted for using equity method	431	823
Other	1,898	1,551
Total non-operating income	3,256	3,320
Non-operating expenses		
Interest expenses	153	241
Foreign exchange losses	487	4,994
Other	978	432
Total non-operating expenses	1,619	5,668
Ordinary income	33,689	35,611
Extraordinary income		
Gain on sales of non-current assets	8	124
Gain on sales of investment securities	0	54
Total extraordinary income	8	178
Extraordinary losses		
Loss on sales and retirement of non-current assets	154	159
Other	9	15
Total extraordinary losses	164	175
Profit before income taxes	33,533	35,615
Income taxes	11,106	9,462
Profit	22,426	26,152
Profit attributable to non-controlling interests	9,147	9,545
Profit attributable to owners of parent	13,279	16,607

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30, 2016

(Million yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Profit	22,426	26,152
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,938)	(680)
Deferred gains or losses on hedges	(9)	3
Foreign currency translation adjustment	5,280	(61,250)
Remeasurements of defined benefit plans, net of tax	123	510
Share of other comprehensive income of entities accounted for using equity method	219	(1,373)
Total other comprehensive income	2,676	(62,790)
Comprehensive income	25,103	(36,637)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,539	(30,847)
Comprehensive income attributable to non-controlling interests	10,563	(5,790)

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	33,533	35,615
Depreciation	7,913	7,198
Amortization of goodwill	5,110	4,794
Interest and dividend income	(925)	(945)
Interest expenses	153	241
Share of (profit) loss of entities accounted for using equity method	(431)	(823)
Loss (gain) on sales and retirement of property, plant and equipment	146	34
Decrease (increase) in notes and accounts receivable - trade	(19,395)	(19,103)
Decrease (increase) in inventories	(834)	(906)
Increase (decrease) in notes and accounts payable - trade	(372)	7,179
Increase (decrease) in net defined benefit liability	(724)	(177)
Other, net	1,544	10,815
Subtotal	25,717	43,923
Interest and dividend income received	991	1,580
Interest expenses paid	(152)	(252)
Income taxes paid	(14,989)	(14,650)
Income taxes refund	2,145	4,565
Net cash provided by (used in) operating activities	13,711	35,166
Cash flows from investing activities		
Net decrease (increase) in short-term investment securities	2,782	9,888
Purchase of property, plant and equipment	(9,133)	(7,818)
Proceeds from sales of property, plant and equipment	116	448
Purchase of investment securities	(189)	(599)
Payments for transfer of business	—	(3,096)
Other, net	(840)	(2,516)
Net cash provided by (used in) investing activities	(7,264)	(3,692)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	10,561	(3,154)
Proceeds from long-term loans payable	308	3,116
Repayments of long-term loans payable	(3,833)	(433)
Repayments of lease obligations	(230)	(206)
Cash dividends paid	(3,848)	(6,414)
Dividends paid to non-controlling interests	(7,338)	(957)
Proceeds from share issuance to non-controlling shareholders	—	1,514
Other, net	(11)	9
Net cash provided by (used in) financing activities	(4,393)	(6,526)
Effect of exchange rate change on cash and cash equivalents	200	(10,663)
Net increase (decrease) in cash and cash equivalents	2,253	14,283
Cash and cash equivalents at beginning of period	78,702	108,271
Cash and cash equivalents at end of period	80,955	122,555

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the case of significant changes in shareholders' equity)

I. For the six months ended September 30, 2015

Effective from the first quarter of the fiscal year ended March 31, 2016, the Company has applied the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and related implementation guidance.

As a result of these changes, the amount of goodwill and capital surplus decreased by ¥11,753 million and ¥14,886 million, respectively, and retained earnings increased by ¥3,008 million at the beginning of the first quarter of the fiscal year ended March 31, 2016.

II. For the six months ended September 30, 2016

There is no relevant information.

(Segment information, etc.)

[Segment information]

I. For the six months ended September 30, 2015

1. Information on net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment				Other (Note)	Total
	Japan	Asia	Americas	Subtotal		
Net sales						
Net sales to outside customers	86,265	156,461	16,313	259,040	4,230	263,270
Inter-segment net sales or transfers	26,812	2,797	87	29,697	533	30,230
Total	113,078	159,258	16,400	288,737	4,763	293,501
Segment income (loss)	29,732	16,048	2,495	48,276	41	48,317

Note: "Other" represents business segments that are not included in the reportable segments, and contains business activities by overseas subsidiaries in Europe, etc.

2. Difference between total reportable segment income (loss) and the amount recorded in the quarterly consolidated statements of income, and major details of said difference (matters related to adjustments of differences)

(Million yen)

Income	Amount
Total reportable segment income	48,276
Segment income from "Other"	41
Inter-segment transaction eliminations and other adjustments	(16,264)
Operating income recorded in the quarterly consolidated statements of income	32,053

Note: "Inter-segment transaction eliminations and other adjustments" for the six months ended September 30, 2015 includes inter-segment dividend income.

3. Information regarding impairment loss on non-current assets or goodwill, etc. by reportable segment
(Significant changes in the amount of goodwill)

Applying the Business Combination Accounting Standard, Consolidated Financial Statement Accounting Standard, Business Divestiture Accounting Standard, and related implementation guidance from the first quarter of the fiscal year ended March 31, 2015 resulted in a decrease in goodwill. As a result of these changes, the amount of goodwill at the beginning of the first quarter of the fiscal year ended March 31, 2015 decreased by ¥10,475 million in the Japan segment and decreased by ¥1,277 million in the Asia segment.

4. Information on products and services

(Million yen)

Nets sales to outside customers	Amount	Change from the previous year (%)
Paints	254,418	112.6
Automotive	65,753	45.8
Trade-use	125,727	432.8
Industrial	33,905	46.0
Other paints	29,031	4.6
Fine chemicals	8,852	16.9
Total	263,270	106.9

Note: Consumption taxes are not included in these amounts.

II. For the six months ended September 30, 2016

1. Information on net sales and income (loss) by reportable segment

(Million yen)

	Reportable segment				Other (Note)	Total
	Japan	Asia	Americas	Subtotal		
Net sales						
Net sales to outside customers	84,201	146,661	16,864	247,727	6,716	254,444
Inter-segment net sales or transfers	10,245	1,892	120	12,258	486	12,745
Total	94,447	148,554	16,985	259,986	7,203	267,189
Segment income (loss)	16,185	19,227	3,016	38,429	(129)	38,300

Note: "Other" represents business segments that are not included in the reportable segments, and contains business activities by overseas subsidiaries in Europe, etc.

2. Difference between total reportable segment income (loss) and the amount recorded in the quarterly consolidated statements of income, and major details of said difference (matters related to adjustments of differences)

(Million yen)

Income	Amount
Total reportable segment income	38,429
Segment loss from "Other"	(129)
Inter-segment transaction eliminations and other adjustments	(340)
Operating income recorded in the quarterly consolidated statements of income	37,959

Note: "Inter-segment transaction eliminations and other adjustments" for the six months ended September 30, 2016 includes inter-segment dividend income.

3. Information regarding impairment loss on non-current assets or goodwill, etc. by reportable segment (Change in depreciation method)

As described in "(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)", the Company and its Japanese subsidiaries have changed the depreciation method of property, plant and equipment from the first quarter of the fiscal year under review.

As a result of these changes, segment income for the six months ended September 30, 2016 has increased by ¥224 million in the Japan segment compared to the depreciation method previously used.

4. Information on products and services

(Million yen)

Nets sales to outside customers	Amount	Change from the previous year (%)
Paints	245,530	(3.5)
Automotive	70,099	6.6
Trade-use	116,673	(7.2)
Industrial	33,747	(0.5)
Other paints	25,010	(13.9)
Fine chemicals	8,914	0.7
Total	254,444	(3.4)

Note: Consumption taxes are not included in these amounts.