

FY2015

2Q Financial Results (Supplement)

6 November, 2015



FY2015 2Q Consolidated PL

(100 Million Yen)

	FY2015 2Q	Variance vs FY2014 2Q	Variance Breakdown			Actual Variance of Existing Consolidated Companies
			Newly Consolidated Companies In Asia	Consolidated Adjustments	Existing Consolidated Companies	
Net sales	2,632.7	+1,360.2	1,359.8	▲ 4.6	+5.0	+6.1
Operating income	320.5 ^{※1}	+163.6	206.1	▲ 37.6	▲ 4.9	12.8
Equity in earnings of affiliates	4.3	▲ 58.4 ^{※2}	-	▲ 57.7	▲ 0.7	▲ 0.7
Ordinary income	336.9	+108.6	218.2	▲ 94.9	▲ 14.8	2.9
Net income ^{※3}	132.8	▲ 23.2	-	-	-	-

※1 After amortization of goodwill and intangible assets

※2 Decreased due to Asia JV consolidation

※3 Net income attributable to owners of parent

(Yen)

	FY2015 2Q	FY2014 2Q
EPS	41.4	59.9
EPS(IFRS base)	57.3	-
EPS(Cash base)	65.5	-

(Yen per share)

	Interim dividend	Year-end dividend
FY2014	10	12
FY2015	15	15

FY2015 2Q Performance overview by region

【Japan】

- Net sales decreased due to continuous low demand
- Operating income increased thanks to raw material price down and material cost reduction activities

【Asia】

(China)

- Net sales increased by double-digit despite economic slowdown
- Operating income increased by steady material cost reduction activities

(Other area)

- Singapore and Malaysia : Net sales increased by double-digit
- Thailand : Operating income increased thanks to raw material price down, material cost reduction activities and SGA expenses cutting

【North America】

- Net sales and operating income increased drastically thanks to automobile production hike and raw material price down imported from Japan

(All comments are comparison with FY2014)

FY2015 2Q Net sales and Operating income by region

(100 Million Yen)

		FY2015 2Q	Variance vs FY2014 2Q	Actual Variance	Newly Consolidated Companies In Asia	Currency	Other Factors	Consolidated Adjustments
Japan	Net sales	862.7	▲ 53.7	▲ 13.4	-	-	▲ 40.3	-
	Operating income	297.3 ^{※1}	+175.2	+7.1	-	-	+5.8	+162.3
Asia	Net sales	1,564.6	+1,348.2	+2.0	+1,355.2	+28.1	▲ 37.2	-
	Operating income	160.5	+139.3	+2.8	+206.1 ^{※2}	+3.7	▲ 73.2	▲ 0.1
	Equity in earnings of affiliates	5.8	▲ 57.0	▲ 0.5	▲ 56.5	-	-	-
North America	Net sales	163.1	+42.9	+19.0	-	+23.9	-	-
	Operating income	25.0	+13.1	+10.9	-	+2.2	-	-
Others	Net sales	42.3	+22.9	▲ 1.5	-	+2.6	+21.8	-
	Operating income	0.4	▲ 0.5	+0.1	-	+0.2	▲ 0.8	-
Consolidated Adjustments	Net sales	-	-	-	-	-	-	-
	Operating income	▲ 162.6	▲ 163.5	▲ 8.1	-	+5.7	-	▲ 161.1
Total	Net sales	2,632.7	+1,360.2	+6.1	+1,355.2	+54.6	▲ 55.7	-
	Operating income	320.5	+163.6	+12.8	+206.1	+11.8	▲ 68.3	+1.2

※1 Include dividends from overseas group companies

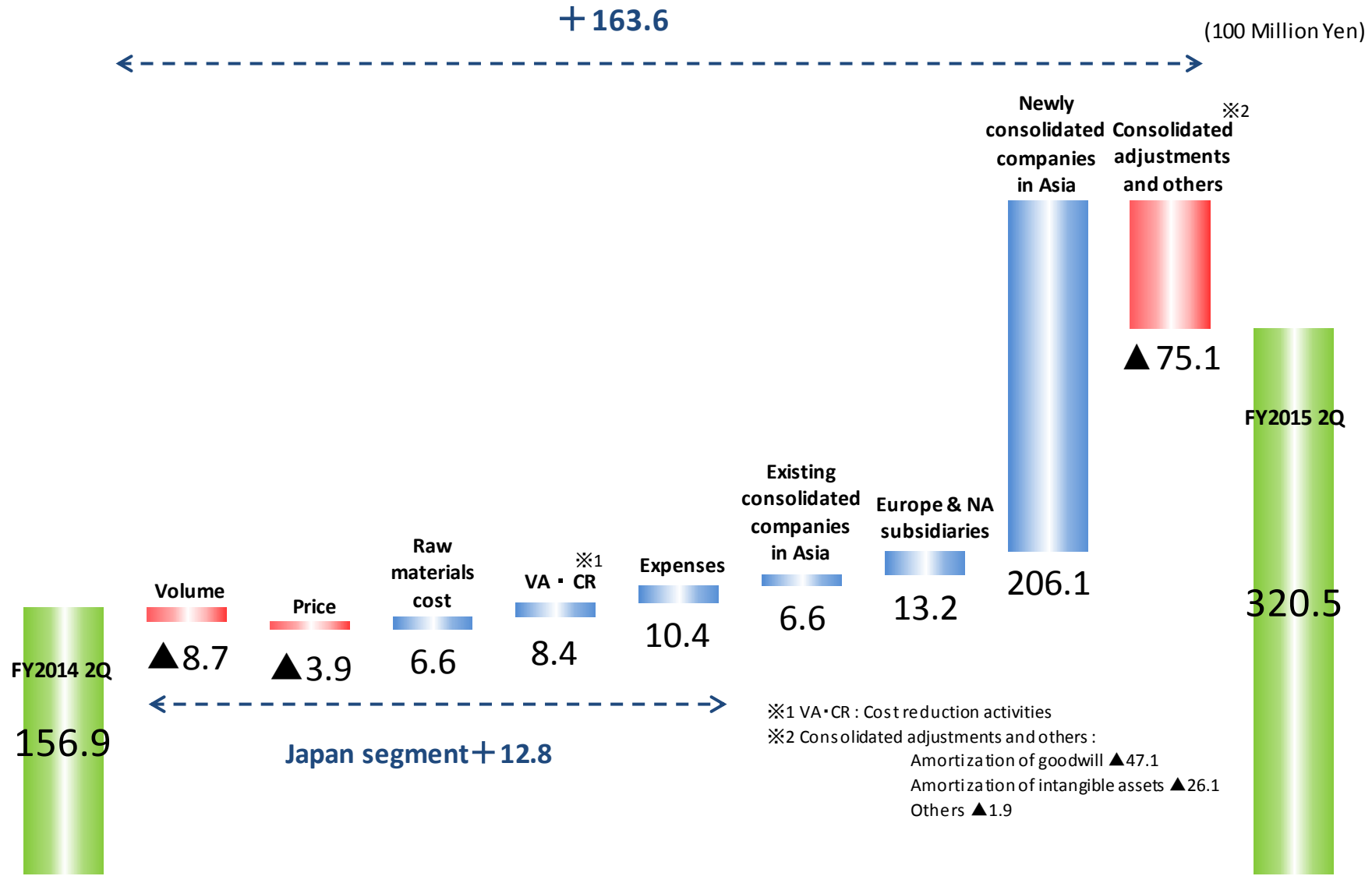
※2 After amortization (Goodwill : 4.71 billion yen, Intangible assets : 2.61 billion yen)

FY2015 2Q Net sales by business segment

(100 Million Yen)

	FY2015 2Q	Variance vs FY2014 2Q	Actual Variance	Newly Consolidated Companies in Asia	Currency	Other Factors
Automotive coatings	657.5	+206.6	+4.7	+173.1	+39.1	▲ 10.3
Decorative paints (including Heavy duty)	1,257.3	+1,021.3	+5.2	+1,043.7	+0.0	▲ 27.6
Paint business Industrial coatings	339.1	+106.8	▲ 13.5	+119.2	+4.5	▲ 3.3
Other paints and coatings	290.3	+12.8	+7.7	+19.2	+5.6	▲ 19.8
Sub-total	2,544.2	+1,347.5	+4.1	+1,355.2	+49.2	▲ 61.0
Fine chemical business	88.5	+12.8	+2.0	-	+5.4	+5.4
Total	2,632.7	+1,360.2	+6.1	+1,355.2	+54.6	▲ 55.7

FY2015 2Q Operating income variance analysis vs FY2014 2Q



※1 VA·CR : Cost reduction activities
 ※2 Consolidated adjustments and others :
 Amortization of goodwill ▲47.1
 Amortization of intangible assets ▲26.1
 Others ▲1.9

FY2015 2Q Consolidated BS & CF

【Asset】	(100 Million Yen)	
	As of 30 Sep, 2015	As of 31 Mar, 2015
Current assets	3,678	3,417
Property, plant and equipment	1,072	1,009
Intangible assets	3,029	3,181
Investments and other assets	450	500
Total Asset	8,228	8,107

【Liability and Net assets】	(100 Million Yen)	
	As of 30 Sep, 2015	As of 31 Mar, 2015
Current Liabilities	1,868	1,670
Non-current liabilities	517	538
Total liabilities	2,385	2,208
Shareholder's equity	4,631	4,655
Accumulated other comprehensive income	156	143
Non-controlling interests	1,057	1,101
Total net assets	5,843	5,899
Total liabilities and net assets	8,228	8,107

	(100 Million Yen)	
	FY2015 2Q	FY2014 2Q
Cash flow from operating activities	+137.1	+145.8
Cash flow from investing activities	▲ 72.6	▲ 20.7
Cash flow from financing activities	▲ 43.9	▲ 112.4

Revised outlook of consolidated PL for FY2015

(100 Million Yen)

	Revised outlook	Original outlook (12 May)	Variance	Variance (%)
Net sales	5,300	5,600	▲ 300	▲ 5.4%
Operating income	700	740	▲ 40	▲ 5.4%
Ordinary income	730	765	▲ 35	▲ 4.6%
Net income [※]	320	330	▲ 10	▲ 3.0%

※ Net income attributable to owners of parent

FY2015 2Q Exchange rates and Market conditions

【Exchange rates for PL】

	Exchange rates for the period	Exchange rates for same period of prior year
USD	120.5	102.2
RMB	19.4	16.6

【Exchange rates for BS】

	End of the period	End of the prior period
USD	122.4	120.6
RMB	19.7	19.4

【Automobile production volume in Key Markets】 (Ten thousand units)

	FY2015 2Q	FY2014 2Q
Japan	445	478
China	1210	1179
North America (USA, Canada, Mexico)	895	874
Thailand	93	95

【Others】

	FY2015 2Q	FY2014 2Q
Japanese naphtha price (Yen)	48,000	70,500
Housing starts in Japan (Ten thousand)	47.2	44.1

※Source : Federation of Thai Industries and Japan Automotive Manufacturers Association

15:30	24 November, 2015	Group Business Meeting for institutional investors [held in Otemachi, Tokyo]
	16 January to 4 February, 2016	Silent period
15:30 18:00	5 February, 2016	3Q Financial Results announcement Telephone conference for institutional investors
	15 March to Mid of May 2016	Silent period



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