

FY2015

3Q Financial Results (Supplement)

5 February, 2016



[Period]
Japan:Apr-Dec,2015
Overseas:Jan-Sep,2015



Consolidated PL

(100 Million Yen)

	FY2015 1-3Q	FY2014 1-3Q	Variance	Variance Breakdown			Actual ^{※5}
				Newly Consolidated Companies in Asia	Consolidated Adjustments	Existing Consolidated Companies	Variance of Existing Consolidated Companies
Net sales	4,051.0	1,912.5	+2,138.5	2,103.6	▲ 6.5	+41.4	+34.7
Operating income ^{※1}	526.0	239.9	+286.1	337.3	▲ 52.2	+0.9	+44.3
Equity in earnings of affiliates	6.5	99.7	▲ 93.2 ^{※2}	-	▲ 92.0	▲ 1.2	▲ 1.9
Ordinary income	554.5	356.5	+198.0	360.5	▲ 144.2	▲ 18.2	+25.0
Net income ^{※3}	237.5	242.9 ^{※4}	▲ 5.4	-	-	-	-

- ※1 After amortization of goodwill and intangible assets(including 10.9 billion yen)
- ※2 Decrease due to Asia JV consolidation
- ※3 Net income attributable to owners of parent
- ※4 Exclude gain on step acquisition(148.0 billion yen)
- ※5 Exclude currency effect and other factors

(Yen)

	FY2015 1-3Q	FY2014 1-3Q
EPS	74.1	649.0
EPS(IFRS base)	98.0	651.7
EPS(CASH base)	107.9	651.7

(Yen per share)

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

(Announced on 6 November, 2015)

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

※Asia and North America are based on local currency

Net sales and Operating income by region

(100 Million Yen)

		FY2015 1-3Q	FY2014 1-3Q	Variance	Variance Breakdown				
					Actual Variance	Newly Consolidated Companies in Asia	Currency	Other Factors	Consolidated Adjustments
Japan	Net sales	1,305.9	1,378.7	▲ 72.8	▲ 5.2	-	-	▲ 67.6	-
	Operating income	212.9 ^{※1}	187.3 ^{※2}	+25.6	+18.1	-	-	+7.5	-
Asia	Net sales	2,423.5	322.3	+2,101.2	+9.6	+2,097.1	+35.7	▲ 41.2	-
	Operating income	385.4 ^{※3}	32.6	+352.8	+9.3	+337.3 ^{※3}	+5.5	+0.8	▲ 0.1
	Equity in earnings of affiliates	7.9	100.4	▲ 92.5	▲ 1.1	▲ 92.0	+0.6	-	-
North America	Net sales	245.6	183.9	+61.7	+27.4	-	+34.3	-	-
	Operating income	37.9	18.5	+19.4	+14.3	-	+5.1	-	-
Others	Net sales	76.0	27.6	+48.4	+2.9	-	+1.3	+44.2	-
	Operating income	▲ 1.5	0.7	▲ 2.2	+0.5	-	+0.0	▲ 2.7	-
Consolidated adjustments	Net sales	-	-	-	-	-	-	-	-
	Operating income	▲ 108.7	0.8	▲ 109.5	+2.0	-	▲ 2.3	▲ 57.2	▲ 52.0
Total	Net sales	4,051.0	1,912.5	+2,138.5	+34.7	+2,097.1	+71.3	▲ 64.6	-
	Operating income	526.0	239.9	+286.1	+44.3	+337.3	+8.3	▲ 51.6	▲ 52.2

※1 Exclude dividends from overseas group companies(164.4 billion yen)

※2 Exclude dividends from overseas group companies(0.7 billion yen)

※3 Before amortization (Goodwill : 70.6 billion yen, Intangible assets : 39.1 billion yen)

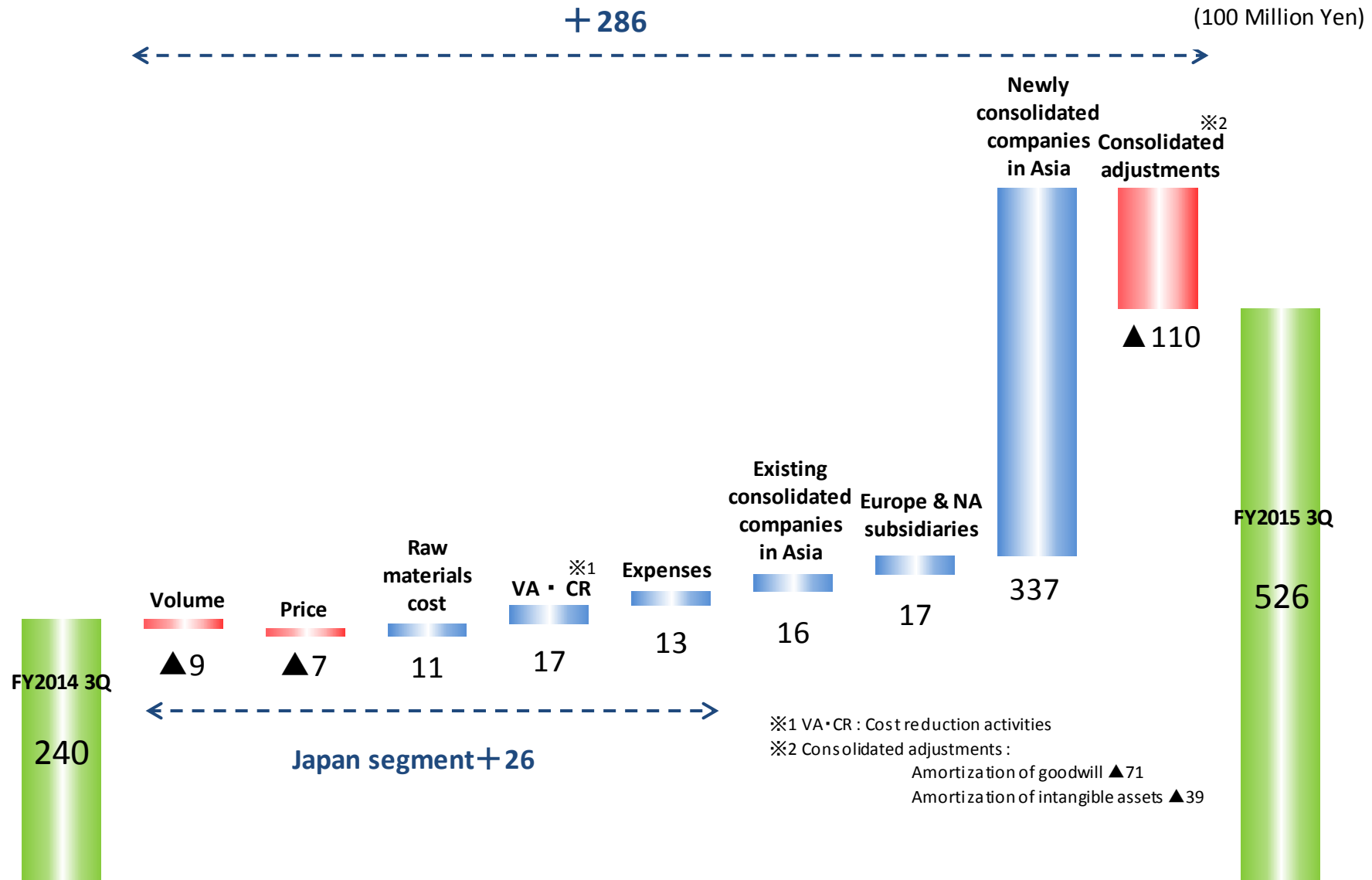
Net sales by business segment

(100 Million Yen)

		FY2015 1-3Q	FY2014 [※] 1-3Q	Variance	Actual Variance	Variance Breakdown		
						Newly consolidated companies in Asia	Currency	Other Factors
Paint business	Automotive coatings	1,012.9	631.0	+381.8	+30.2	+255.8	+51.6	+44.2
	Decorative paints (including Heavy duty)	1,965.2	352.6	+1,612.6	+5.0	+1,634.1	+0.1	▲ 26.6
	Industrial coatings	514.8	345.2	+169.5	▲ 17.4	+181.1	+5.8	-
	Others	430.6	457.7	▲ 27.1	+18.2	+26.0	+7.3	▲ 78.6
	Sub-total	3,923.4	1,786.6	+2,136.8	+36.0	+2,097.1	+64.8	▲ 61.1
Fine chemical business		127.6	125.9	+1.8	▲ 1.3	-	+6.5	▲ 3.4
Total		4,051.0	1,912.5	+2,138.5	+34.7	+2,097.1	+71.3	▲ 64.6

※Adjust for comparison

Operating income variance analysis



Consolidated BS & CF

(100 Million Yen)

【Asset】	As of 31 Dec, 2015	As of 31 Mar, 2015
Current assets	3,632	3,417
Property, plant and equipment	1,041	1,009
Intangible assets	2,873	3,181
Investments and other assets	479	500
Total Asset	8,026	8,107

	FY2015 1-3Q	FY2014 1-3Q
Cash flow from operating activities	+297.2	+210.0
Cash flow from investing activities	▲ 19.3	▲ 1,124.3
Cash flow from financing activities	▲ 256.8	+874.2

【Liability and Equity】	As of 31 Dec, 2015	As of 31 Mar, 2015
Current Liabilities	1,746	1,670
Non-current liabilities	516	538
Total liabilities	2,262	2,208
Shareholder's equity	4,687	4,655
Accumulated other comprehensive income	25	143
Non-controlling interests	1,051	1,101
Total net assets	5,764	5,899
Total liabilities and net assets	8,026	8,107

	FY2015 1-3Q	FY2014 1-3Q
Capex	140.3	35.0
Depreciation	119.2	44.0
R&D expenses	101.0	42.8

Exchange rates and Market conditions

【Exchange rates for PL】

	Average rate from Jan to Sep, FY2015	Average rate from Jan to Sep, FY2014
USD	120.9	103.3
RMB	19.3	16.7

【Exchange rates for BS】

	As of 30 Sep, 2015	As of 31 Dec, 2014
USD	119.9	120.6
RMB	18.9	19.4

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

	FY2015 1-3Q	FY2014 1-3Q
Japan [※]	680	711
China	1708	1723
North America (USA, Canada, Mexico)	1338	1296
Thailand	143	141

【Housing starts】

	FY2015 1-3Q	FY2014 1-3Q
Japan	70.4	67.5

Source : Ministry of Land, Infrastructure, Transport and Tourism

【Others】

	FY2015 3Q	FY2014 3Q
Japanese naphtha price	40,900	66,000

Source : Japan Automotive Manufacturers Association and Federation of Thai Industries The company estimates

※1Q starts from April



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