

FY2017 Financial Results <Supplement>

February 14th, 2018

NIPPON PAINT HOLDINGS GROUP

Periods in the Supplement

| | FY 2017 ^{※1} | FY 2016 (Adjusted) ^{※2} |
|----------|-----------------------|----------------------------------|
| Domestic | Jan, 2017 – Dec, 2017 | Jan, 2016 – Dec, 2016 |
| Overseas | Jan, 2017 – Dec, 2017 | Jan, 2016 – Dec, 2016 |

※1 The company changed its fiscal year-end from March 31 to December 31 since 2016.

※2 Financial result are provided as a reference for comparison and have not been audited by the audit

Summary of FY2017

- ✓ Sales : Steady expansion of existing business in mainly in Asia
- ✓ Profit : Acceleration of rising raw material prices

Round off to the first decimal place
(the same shall apply hereafter)

(100 million Yen)

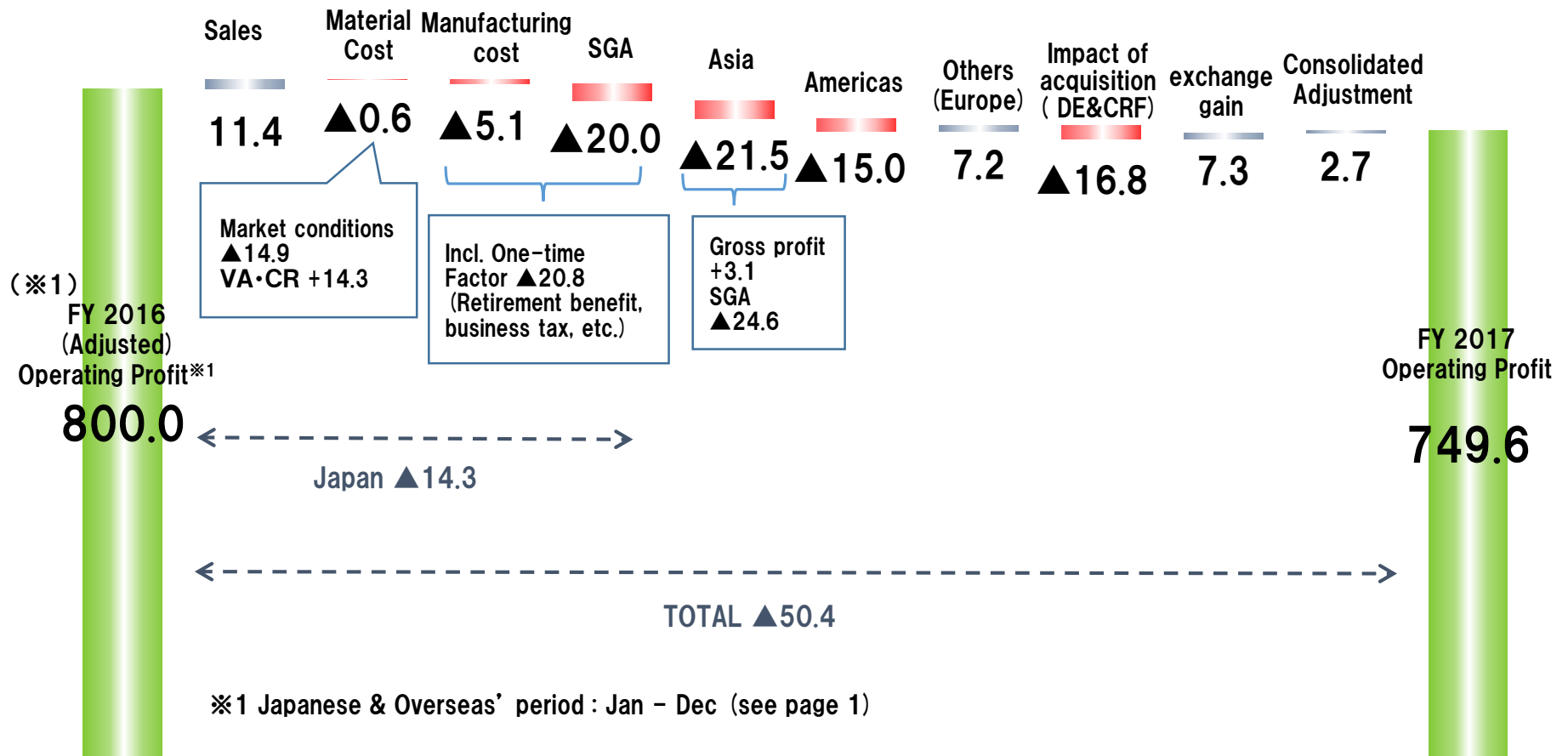
| | FY 2017 | FY 2016 (Adjusted) | GAP | | Impact of FX | Gap Breakdown | |
|-------------------------|---------|-----------------------|--------|-------|-----------------|----------------------------|------------|
| | | | Amount | % | | Impact of acquisition※2 | Actual GAP |
| Net Sales | 6,052.5 | 5,140.8 | 911.7 | 17.7% | 68.5 | 509.5 | 333.8 |
| Operating Profit | 749.6 | 800.0 | -50.4 | -6.3% | 7.3 | -16.8 | -40.9 |
| Operating Profit Margin | 12.4% | 15.6% | - | - | | | |
| Ordinary Income | 768.2 | 827.8 | -59.6 | -7.2% | | | |
| Net Income※1 | 371.2 | 360.1 | 11.1 | 3.1% | | | |

※1 Net Income attributable to owners of parent

※2 Including acquisition of CRF (Chinese decorative, the same shall apply hereafter)

Operating Profit Gap analysis

(100 million yen)



Net sales & Operating profit by region

(100 million Yen)

| | | FY 2017 | FY 2016 (Adjusted) | GAP | | Impact of FX | Gap Breakdown | |
|---------------------------|--------------------------------|---------|-----------------------|--------|--------|-----------------|--------------------------|------------|
| | | | | Amount | % | | Impact of acquisition | Actual GAP |
| Japan | Net Sales | 1,759.1 | 1,716.1 | 43.0 | 2.5% | - | - | 43.0 |
| | Operating Profit ^{※1} | 306.3 | 320.6 | -14.3 | -4.5% | - | - | -14.3 |
| Asia | Net Sales | 3,470.3 | 2,977.5 | 492.9 | 16.6% | 65.8 | 135.4 | 291.6 |
| | Operating Profit | 408.3 | 433.4 | -25.2 | -5.8% | 7.9 | -11.6 | -21.5 |
| Americas | Net Sales | 682.3 | 321.7 | 360.6 | 112.1% | 7.3 | 374.1 | -20.8 |
| | Operating Profit | 31.7 | 51.5 | -19.8 | -38.4% | 0.4 | -5.2 | -15.0 |
| Others (Mainly Europe) | Net Sales | 140.8 | 125.5 | 15.3 | 12.2% | -4.7 | - | 20.0 |
| | Operating Profit | 2.5 | -3.7 | 6.2 | - | -1.1 | - | 7.2 |
| TOTAL | Net Sales | 6,052.5 | 5,140.8 | 911.7 | 17.7% | 68.5 | 509.5 | 333.8 |
| | Operating Profit | 749.6 | 800.0 | -50.4 | -6.3% | 7.3 | -16.8 | -40.9 |

※1 Exclude dividends from oversea's group companies (FY2017 12.54 billion yen, FY2016 13.98 billion yen)

Net sales by business segment

(100 million Yen)

| | FY 2017 | FY 2016 (Adjusted) | GAP | | Gap Breakdown | | Actual GAP |
|--|----------------|-----------------------|--------------|--------------|-----------------|--------------------------|--------------|
| | | | Amount | % | Impact of FX | Impact of acquisition | |
| Automotive coatings | 1,484.4 | 1,388.0 | 96.4 | 6.9% | 20.8 | – | 75.5 |
| Decorative paints (Including heavy duty) | 3,088.5 | 2,364.2 | 724.3 | 30.6% | 31.7 | 509.5 | 183.1 |
| Industrial coatings | 730.5 | 685.2 | 45.2 | 6.6% | 7.6 | – | 37.6 |
| Others (Marine & Auto refinishes, etc) | 560.4 | 528.3 | 32.1 | 6.1% | 4.2 | – | 27.9 |
| Sub-total | 5,863.7 | 4,965.8 | 897.9 | 18.1% | 64.4 | 509.5 | 324.1 |
| Fine Chemicals | 188.8 | 175.0 | 13.8 | 7.9% | 4.1 | – | 9.7 |
| Total | 6,052.5 | 5,140.8 | 911.7 | 17.7% | 68.5 | 509.5 | 333.8 |

Net Sales by Region & Business Segment

(100 million Yen)

| | | FY 2017 | FY 2016 (Adjusted) | Gap Breakdown | | |
|---------------------------|--|---------|-----------------------|-----------------|--------------------------|------------|
| | | | | Impact of FX | Impact of acquisition | Actual GAP |
| Japan | Automotive coatings | 434.3 | 404.2 | 30.1 | 7.4% | 30.1 |
| | Decorative paints (Including heavy duty) | 415.2 | 423.7 | -8.5 | -2.0% | -8.5 |
| | Industrial coatings | 397.0 | 393.4 | 3.6 | 0.9% | 3.6 |
| | Others (Marine & Auto refinishes,etc) | 422.3 | 408.5 | 13.8 | 3.4% | 13.8 |
| | Fine Chemicals | 90.3 | 86.2 | 4.1 | 4.8% | 4.1 |
| Asia | Automotive coatings | 646.8 | 584.2 | 62.6 | 10.7% | 43.8 |
| | Decorative paints (Including heavy duty) | 2,299.2 | 1,940.5 | 358.7 | 18.5% | 191.6 |
| | Industrial coatings | 328.4 | 286.9 | 41.5 | 14.5% | 33.9 |
| | Others (Marine & Auto refinishes,etc) | 136.2 | 113.4 | 22.8 | 20.1% | 18.6 |
| | Fine Chemicals | 59.8 | 52.6 | 7.2 | 13.7% | 3.7 |
| Americas | Automotive coatings | 275.8 | 289.5 | -13.7 | -4.7% | -20.3 |
| | Decorative paints | 374.1 | - | 374.1 | - | - |
| | Fine Chemicals | 31.1 | 30.4 | 0.7 | 2.3% | -0.0 |
| Others (Mainly Europe) | Automotive coatings | 127.5 | 110.1 | 17.4 | 15.8% | 22.0 |
| | Fine Chemicals | 7.7 | 5.8 | 1.8 | 32.8% | 1.9 |

B/S

< B/S >

<Assets>

(100 million Yen)

| | As of 30, Dec,2017 | As of 31, Dec,2016 |
|-------------------------------|-----------------------|-----------------------|
| Current assets | 4,019.0 | 4,129.2 |
| Property, plant and equipment | 1,428.8 | 1,076.7 |
| Intangible assets | 3,132.2 | 2,577.0 |
| Investment and Other assets | 625.9 | 497.1 |
| Total assets | 9,205.9 | 8,280.0 |

<Liabilities and net assets>

(100 million Yen)

| | As of 30, Dec,2017 | As of 31, Dec,2016 |
|---|-----------------------|-----------------------|
| Current liabilities | 1,992.1 | 1,879.3 |
| Non-current liabilities | 919.7 | 543.1 |
| Total liabilities | 2,911.8 | 2,422.4 |
| Shareholder's equity | 5,210.4 | 4,969.4 |
| Accumulated other comprehensive income | -167.0 | -236.1 |
| Subscription rights to shares | 1.4 | 0.9 |
| Non-controlling interests | 1,249.3 | 1,123.3 |
| Total net assets | 6,294.1 | 5,857.6 |
| Total liabilities and net assets | 9,205.9 | 8,280.0 |

Capital expenditures, Depreciation, R&D expenses, and Debts

(100 million Yen)

| | | FY 2017 | FY 2016 (Adjusted) |
|----------------------|-------------------------------|--------------|-----------------------|
| Capital expenditures | Property, plant and equipment | 211.5 | 180.0 |
| | Intangible assets | 36.6 | 41.5 |
| | Total | 248.1 | 221.5 |
| Depreciation | Property, plant and equipment | 105.1 | 83.0 |
| | Intangible assets | 73.2 | 61.8 |
| | Total | 178.3 | 144.8 |
| R&D expenses | | 148.1 | 147.7 |

(100 million Yen)

| | | As of 30, Dec,2017 | As of 31, Dec,2016 |
|---|--|-----------------------|-----------------------|
| Short-term loans payable | | 182.7 | 295.5 |
| Current portion of long-term loans payable | | 70.8 | 9.5 |
| Long-term loans payable | | 317.4 | 34.6 |
| Total debts | | 570.9 | 339.5 |

Key Indicators

| | As of 30, Dec,2017 | As of 31, Dec,2016 |
|---------------------------------|-----------------------|-----------------------|
| Capital equity ratio (%) | 54.8% | 57.2% |
| Net assets (100 milion yen) | 6,294.1 | 5,857.6 |
| Total assets (100 million yen) | 9,205.9 | 8,280.0 |
| Net assets per share (yen) | 1,572.60 | 1,475.93 |
| Earnings per share (yen)*1 | 151.98 | 141.42 |

※1 (Net income + Goodwill amortization) ÷ Average number of shares during the period

Foreign Exchange rates and market conditions

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

| | FY 2017 | FY 2016 (Adjusted) |
|-------|---------|-----------------------|
| ¥/USD | 112.0 | 109.4 |
| ¥/RMB | 16.6 | 16.4 |

<Paint shipment>

| | (10,000t) | |
|---------------------|-----------|-------|
| | 2017 | 2016 |
| Japan ^{※1} | 164 | 162 |
| China ^{※2} | 1,929 | 1,860 |

※1 Source : Japan paint manufacturers association
Period : Jan. - Nov.

※2 Source : National bureau of statistics of China
Period : Jan. - Dec.

<Automobile production^{※3}>

| | (10,000 unit) | |
|---------------------------------------|---------------|-------|
| | 2017 | 2016 |
| Japan | 968 | 920 |
| China | 2,907 | 2,801 |
| North America (US, Canada, Mexico) | 1,717 | 1,806 |
| Thailand | 199 | 194 |

※3 Source Japan, China, North America : JAMA
Source Thailand : Federation of Thai industries

< Exchange rate for B/S >

| | As of 30, Dec,2017 | As of 31, Dec,2016 |
|-------|-----------------------|-----------------------|
| ¥/USD | 113.0 | 116.5 |
| ¥/RMB | 17.3 | 16.8 |

<Others (Japan market) >

| | (10,000 units) | |
|---|----------------|------|
| | 2017 | 2016 |
| Housing starts ^{※4} | 97.1 | 96.7 |
| Construction machinery productions ^{※5} | 35.0 | 32.8 |
| Machine tool production ^{※6} | 8.0 | 6.3 |

※4 Source : Ministry of land,infrastructure,transport and tourism
Period : Jan. - Dec.

※5 Source : Japan construction equipment manufacturers association
Period : Jan. - Dec.

※6 Source : Japan machine tool builders' association
Period : Jan. - Dec.

< Naptha price (Our estimates) >

| | (¥/KL) | |
|-----------------------------|--------|--------|
| | 2017 | 2016 |
| Japan produced naptha price | 40,400 | 32,800 |

Sales and profit plan of FY2018

< P/L >

| | (100 million Yen) | |
|------------------|---------------------|---------|
| | FY 2018 (Plan) | FY 2017 |
| Net Sales | 6,500 | 6,053 |
| Operating Profit | 780 | 750 |
| Ordinary Income | 820 | 768 |
| Net Income | 355 | 371 |

<Net sales by business segment> (100 million Yen)

| | FY 2018 (Plan) | FY 2017 |
|---|-------------------|---------|
| Automotive coatings | 1,553 | 1,484 |
| Decorative paints (Including heavy duty) | 3,465 | 3,089 |
| Industrial coatings | 716 | 731 |
| Others (Marine & Auto refinishes, etc) | 566 | 560 |
| Sub-total | 6,300 | 5,864 |
| Fine Chemicals | 200 | 189 |
| Tota Total | 6,500 | 6,053 |

< Net sales & Operating profit by region >

| | | (100 million Yen) | |
|---------------------------|--------------------------------|---------------------|---------|
| | | FY 2018 (Plan) | FY 2017 |
| Japan | Net Sales | 1,775 | 1,759 |
| | Operating Profit ^{※1} | 294 | 306 |
| Asia | Net Sales | 3,800 | 3,470 |
| | Operating Profit | 458 | 408 |
| Americas | Net Sales | 780 | 682 |
| | Operating Profit | 62 | 32 |
| Others (Mainly Europe) | Net Sales | 145 | 141 |
| | Operating Profit | 4 | 3 |
| TOTAL | Net Sales | 6,500 | 6,053 |
| | Operating Profit | 780 | 750 |

※1 Exclude dividends from oversea's group companies
(FY2018 12.98 billion yen, FY2017 12.54 billion yen)

Other indicators plan of FY2018

<Capital expenditures e. t. c. >

(100 million Yen)

| | FY 2018 (Plan) | FY 2017 |
|----------------------|-------------------|---------|
| Capital expenditures | 220.0 | 248.1 |
| Depreciation | 180.0 | 178.3 |
| R&D expenses | 160.0 | 148.1 |

< Exchange average rate >

< Naptha price (Our estimates) >

| | FY 2018 (Plan) | FY 2017 |
|-----------------------------|-------------------|---------|
| ¥/USD | 110.0 | 112.0 |
| ¥/RMB | 16.0 | 16.6 |
| Japan produced naptha price | 47,000 | 40,400 |

<Dividends>

| | FY 2018 (Plan) | | FY 2017 | |
|-----------------------|----------------|-----------|---------|-----------|
| | 1H | Full year | 1H | Full year |
| Dividends (yen/share) | 22 | 45 | 20 | 42 |
| Payout ratio (%) ※ | – | 30.4 | – | 27.6 |

※ IFRS basis



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. Please be advised that Nippon Paint Holdings Co., Ltd. and information providers shall not be responsible for any damage suffered by any person relying on any information or statements contained herein.