
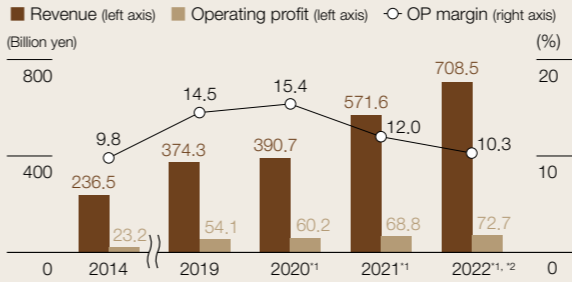
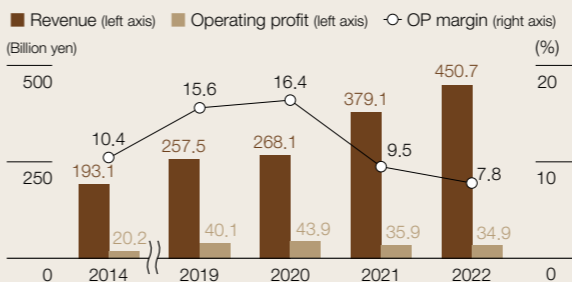



Asset Management Report

The earnings for FY2020 and FY2021 have been adjusted retrospectively following the classification of the European automotive coatings business and the India businesses as discontinued operations after they were transferred to Wuthelam Group (announced on August 10, 2021) and a change in accounting policy regarding cloud computing agreements beginning with FY2021 4Q.

The earnings comparison with the time of acquisition are estimates because some assumptions used to estimate market shares at the time of acquisition are different from present assumptions due to a change in the accounting policy. Market shares are NPHD's estimates.

Assets	Financial outcomes		Non-financial outcomes
<p>NIPSEA Group (Asia)</p>  <p>NIPSEA Group operates in 22 countries and regions mainly in Asia and is the driving engine of our Group's growth. This group has the leading market share in decorative paints in five countries.</p>	<p>FY2022 operating results</p> <p>Automotive coatings revenue increased from the previous year despite the shortage of semiconductor chips and other factors due mainly to higher automobile production. Decorative paints revenue increased from the previous year despite lockdowns in China due to the sustained demand for interior painting of existing housing as well as aggressive selling price increases in the key regions of China, Indonesia, and Türkiye. As a result, revenue increased by 24.0% to JPY708.5 bn.</p> <p>Operating profit increased by 5.6% to JPY72.7 bn despite raw material price inflation and credit loss provisions in China due to revenue growth and the flow-through of price increases.</p>	<p>Growth since the acquisition (FY2014)</p> <p>Since becoming a consolidated subsidiary in FY2014, NIPSEA Group has achieved growth that significantly outperformed the market and competitors by leveraging the following strengths: (1) Outstanding brand power, (2) Competitive workforce due to a Lean for Growth (LFG) culture, (3) Extensive base of production locations and distribution network, and (4) Competitive technologies. This strong growth at NIPSEA Group has driven the earnings growth of Nippon Paint Group.</p> <p>In addition, NIPSEA Group has supported the operations and management of Betek Boya and PT Nipsea by sharing the group's broad expertise and technologies built up in emerging markets over the last 60 years. Due to this support, these two companies have grown faster than before their acquisition by NPHD. NIPSEA Group has steadily grown the adjacencies business as well through the deployment of the Selveys brand of DuluxGroup and the acquisition of Vital Technical.</p> <p>As a result, revenue has increased by 199.6% and operating profit by 213.5% since joining our Group.</p>	<p>Revenue/Operating profit (YoY/growth since acquisition)</p> <p>JPY708.5 bn (+24.0%/+199.6%) / JPY72.7 bn (+5.6%/+213.5%)</p>  <p>FY2022 results</p> <ul style="list-style-type: none"> Human resources/organizations <ul style="list-style-type: none"> Many initiatives to improve the gender balance <ul style="list-style-type: none"> Ratio of female employees: 25.0% (+0.1 pp vs. FY2021) Ratio of women in managerial positions: 25.2% (+0.1 pp vs. FY2021) Increase of employee engagement <ul style="list-style-type: none"> Employee satisfaction: 75.0% Brands <ul style="list-style-type: none"> Increase the recognition and trust in the NIPPON PAINT brand <ul style="list-style-type: none"> Listed on Brand Finance's Top 10 Most Valuable Paint Brands in the World for the second consecutive year Nature/environment <ul style="list-style-type: none"> Water use through proper management based on voluntary standards <ul style="list-style-type: none"> Water usage: -6.4%
<p>NIPSEA China (China)</p>  <p>Since its founding in 1992, NIPSEA China has grown to become a respected leader in the paint and coatings industry. The company has steadily expanded its reach across China in tandem with the country's rapid economic growth.</p>	<p>FY2022 operating results</p> <p>Automotive coatings revenue increased from the previous year despite the supply shortage of semiconductor chips and other factors due mainly to a rebound in automobile production and the flow-through of price increases. In the decorative paints business, revenue in the TUC business increased by 10% (in local currency) driven by the flow-through of price increases and strong sales in Tier 3-6 cities. Revenue in the TUB business decreased by 14% (in local currency) due to soft demand in the real estate market. Industrial coatings revenue decreased due to weak sales in all business segments including coil coatings due to the pandemic. Consequently, revenue increased by 18.9% to JPY450.7 bn.</p> <p>Operating profit decreased by 2.5% to JPY34.9 bn despite revenue growth and the flow-through of price increases due to credit loss provisions.</p> <p>Our market share in the TUC business increased 1 pp from the previous year but our market share in the TUB business decreased 1 pp due to actions such as reducing business with customers with financial difficulties.</p>	<p>Growth since the acquisition (FY2014)</p> <p>Since becoming a consolidated subsidiary of NPHD in FY2014, NIPSEA China, led by an excellent management team dedicated to the Lean for Growth (LFG) spirit, has consistently achieved strong growth every year based on high reliability and comprehensive capabilities backed by the following strengths: (1) High recognition and reputation for reliability of the LiBang brand, (2) Continuous expansion of already broad business areas and product lineups in order to promptly respond to increasingly demanding customer needs, and (3) Efficient production systems based on strong networks with manufacturing units, sales units, and stakeholders. In the TUC business, NIPSEA China is aggressively expanding business in Tier 3-6 cities, on top of Tier 0 as well as Tier 1-2 cities where the company already has strong market shares. In the TUB business, NIPSEA China is diversifying its customer base.</p> <p>As a result, revenue has increased by 133.5% and operating profit by 73.3% since joining Nippon Paint Group.</p>	<p>Revenue/Operating profit/ Market share (YoY/growth since acquisition³⁾)</p> <p>JPY450.7 bn (+18.9%/+133.5%) / JPY34.9 bn (-2.5%/+73.3%) / TUC: 24% (+1 pp/+5 pp) TUB: 8% (-1 pp/+0 pp)</p>  <p>FY2022 results</p> <ul style="list-style-type: none"> Customer base <ul style="list-style-type: none"> Established an outstanding distribution network to support growth in the decorative paints business <ul style="list-style-type: none"> Number of stores: c. 104,000 (+80% YoY), Number of stores with CCM machines: c. 11,000 (+65% YoY) Strategic partnerships with Chinese real estate developers <ul style="list-style-type: none"> Selected as the No. 1 paint brand by the top 500 Chinese real estate developers for 12 consecutive years Technologies <ul style="list-style-type: none"> One of the world's most advanced production systems due to automation systems and other technologies <ul style="list-style-type: none"> Number of automated factories: 15 (+36% YoY) Nature/environment <ul style="list-style-type: none"> Expanding the use of renewable energy <ul style="list-style-type: none"> Number of factories with solar panels installed: 8 (+300% YoY)
<p>Betek Boya (Türkiye)</p>  <p>Betek Boya is a leading Turkish paint and ETICS (External Thermal Insulation Composite Systems) company. The company has been leading the rapidly changing Turkish market with its multi-brand portfolio covering premium brands to budget options.</p>	<p>FY2022 operating results</p> <p>Revenue increased by 43.3% from the previous year to JPY70.5 bn despite the impact of the weak Turkish lira and inflation, due to the flow-through of price increases, expansion of dealer coverage, an increase in the market share with dealers, and successful implementation of brand strategies.</p> <p>Operating profit decreased by 18.3% to JPY6.1 bn despite revenue growth, due to the application of hyperinflationary accounting, the weak Turkish lira, and the deterioration of the raw material cost ratio. Operating profit in local currency, excluding the effects of foreign exchange, remained strong at 33.1%.</p> <p>Betek Boya maintained its market share of 34% and retained its No.1 market position despite limited volume growth due to inflation.</p>	<p>Growth since the acquisition (FY2019)</p> <p>Betek Boya has achieved revenue growth and market share gains that are significantly greater than before the acquisition. This is because the acquisition has allowed the company to benefit from NIPSEA Group's know-how for growth in emerging markets and the Nippon Paint brands. In addition, Betek Boya repaid all of its loans with high interest rates by utilizing Nippon Paint Group's low-cost financing capability. Repaying loans allowed Betek Boya to allocate cash generated to large expenditures for marketing and other activities.</p> <p>As a result, revenue has increased by 144.7% and operating profit by 85.1% compared with the time of acquisition.</p>	<p>Revenue⁴/Operating profit⁴/ Market share (decorative paints) (YoY/growth since acquisition)</p> <p>JPY70.5 bn (+43.3%/+144.7%) / JPY6.1 bn (-18.3%/+85.1%)/34% (+0 pp/+7 pp)</p>  <p>FY2022 results</p> <ul style="list-style-type: none"> External partners <ul style="list-style-type: none"> Strengthened relationships with dealers and professional painters through the "next-generation dealer" program and the "Filli Ustam" loyalty program. <ul style="list-style-type: none"> Stores in the "next-generation dealer" program: c. 350 Professional painters who use the "Filli Ustam" program: c. 2,500 Brands <ul style="list-style-type: none"> Strengthen position as the market leader <ul style="list-style-type: none"> Maintained the No. 1 position in the decorative paints market for about 20 years

¹ Changed reportable segments beginning with FY2022 1Q. The earnings for FY2021 and FY2022 are based on new segments and exclude the overseas marine coatings business.

² In accordance with IAS No. 29, applied hyperinflationary accounting for the Turkish subsidiaries beginning with FY2022 2Q. The earnings for FY2022 reflect the application of this accounting policy.


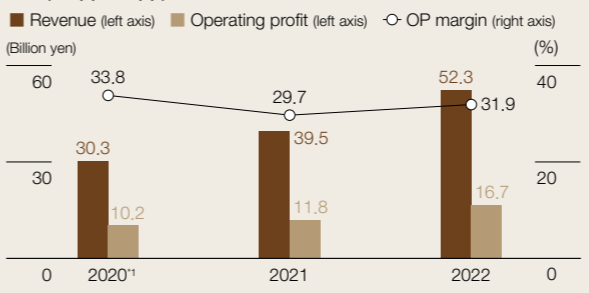

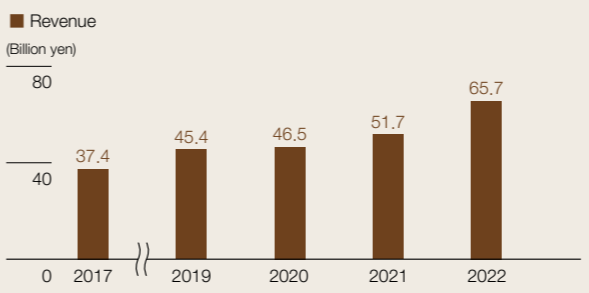

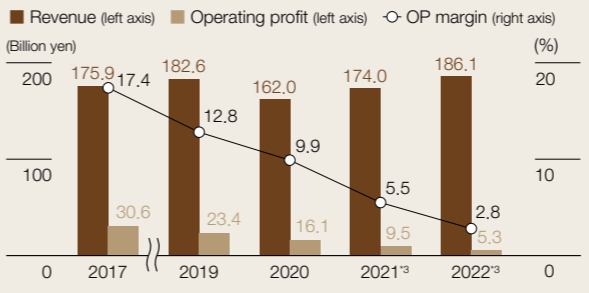
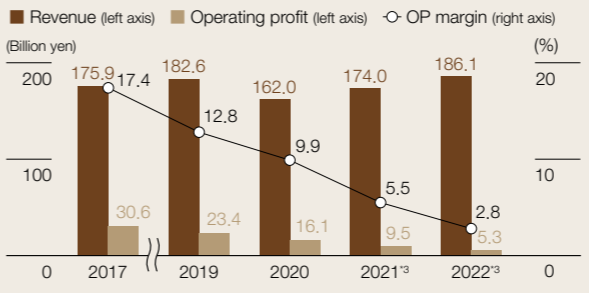
³ The changes in the market shares in the TUC and TUB businesses are comparisons with FY2020.

⁴ Segment basis (after elimination of internal transactions and after PPA)

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Assets	Financial outcomes		Non-financial outcomes	
<p>PT Nipsea (Indonesia)</p>  <p>PT Nipsea has a dominant position in the Automotive OEM coatings field in the rapidly growing Indonesian market. PT Nipsea is also a market leader in decorative paints. The company's profitability is the highest among our group partner companies.</p>	<p>FY2022 operating results</p> <p>Revenue increased by 32.5% from the previous year to JPY52.3 bn due to strong growth driven by pricing actions, expansion of the distribution network, a larger number of distributors, and more CCM (computerized color matching) machines.</p> <p>Operating profit increased by 42.1% YoY to JPY16.7 bn despite higher raw material prices, due to pricing actions, lower advertising expenditures, and higher business efficiency to reduce manufacturing and SG&A expenses.</p> <p>PT Nipsea increased its market share by 1 pp from the previous year to 18% and retained its No. 2 position.</p>	<p>Growth since the acquisition (FY2021)</p> <p>PT Nipsea, led by an excellent management team that uses NIPSEA-style management, has achieved earnings growth and market share gains that are considerably higher than before the acquisition by leveraging the following strengths: (1) Production sites and distribution networks that cover all regions of Indonesia and continue to expand, (2) Decorative paints brands with high brand recognition, (3) The largest supply system for CCM machines in Indonesia, and (4) Strong support systems developed through collaboration with global automobile industry OEM manufacturers.</p> <p>As a result, revenue increased by 72.7% and operating profit by 63.7% compared with the time of acquisition.</p>	<p>Revenue¹/Operating profit¹/Market share (YoY/growth since acquisition)</p> <p>JPY52.3 bn (+32.5%/+72.7%) / JPY16.7 bn (+42.1%/+63.7%) / 18% (+1 pp/+1 pp)</p> 	<p>FY2022 results</p> <ul style="list-style-type: none"> Customer base <ul style="list-style-type: none"> The largest number of computerized color matching (CCM) machines in Indonesia for even better customer service Strengthened relationships with fishing communities by providing samples of ship repair coatings. Brands <ul style="list-style-type: none"> Continuous investments in activities to increase brand awareness and position Maintained a strong reputation among customers as "Top of Mind" brand in decorative paints
<p>Dunn-Edwards (USA)</p>  <p>Since its founding in 1925, Dunn-Edwards has been a leading paint supplier in the Southwestern U.S., providing extensive lines of products and services for professionals in the paint and coatings industry.</p>	<p>FY2022 operating results</p> <p>Revenue increased by 26.8% from the previous year to JPY65.7 bn despite weak volume growth due mainly to the slowdown of the U.S. economy, interest rate hikes, and inflation. Growth was driven by the successful implementation of several price increases in response to raw material price increases as well as solid housing demand and favorable weather during the first half of the fiscal year.</p> <p>Dunn-Edwards' market share remained about the same as in the previous year at 2.5%.</p>	<p>Growth since the acquisition (FY2017)</p> <p>Dunn-Edwards has unique customer services that differentiate it from competitors and high-quality products. The company increased sales utilizing its existing distribution network in the Southwestern U.S., by opening new stores, and launching new products all while leveraging the know-how of Nippon Paint Group. As a result, revenue has increased by 47.2% compared with the amount in FY2018.</p>	<p>Revenue/ Market share (YoY/growth since acquisition²)</p> <p>JPY65.7 bn (+26.8%/+47.2%) 2.5% (+0.0 pp/+0.1 pp)</p> 	<p>FY2022 results</p> <ul style="list-style-type: none"> Human resources/organizations <ul style="list-style-type: none"> Many Diversity & Inclusion initiatives Ratio of female employees: 30.0% (+0.4 pp vs. FY2021) Ratio of women in managerial positions: 34.5% (+4.4 pp vs. FY2021) Nature/environment <ul style="list-style-type: none"> Started using renewable energy in every state Ratio of renewable energy use in California: 34% or higher Participated in the Paint Care program for collecting and recycling surplus paint to reduce waste
<p>Japan Group (Japan)</p>  <p>Japan Group operates in areas such as automotive coatings, decorative paints, industrial coatings, fine chemicals, and marine coatings by leveraging its strong technical capabilities and brands. Japan Group is the leader in the paint and coatings market in Japan.</p>	<p>FY2022 operating results</p> <p>Automotive coatings revenue was around the same as in the previous year due to flat automobile production because of the shortage of semiconductor chips. Decorative paints revenue increased despite the resurgence of the pandemic and raw material price increases, due to pricing actions and successful sales and promotion activities. Industrial coatings revenue increased despite the pandemic and slow market recovery, due to price increases to pass on the higher cost of raw materials. As a result, revenue increased by 6.9% from the previous year to JPY186.1 bn.</p> <p>Operating profit decreased by 44.5% to JPY5.3 bn despite selling price increases and SG&A controls, due to expenses at Nippon Paint Corporate Solutions, a Japan-focused functional company, and special retirement payments.</p>	<p>Revenue/Operating profit (YoY change)</p> <p>JPY186.1 bn (+6.9%)/ JPY5.3 bn (-44.5%)</p> 	<p>Revenue/Operating profit (YoY change)</p> <p>JPY186.1 bn (+6.9%)/ JPY5.3 bn (-44.5%)</p> 	<p>FY2022 results</p> <ul style="list-style-type: none"> Technologies <ul style="list-style-type: none"> Becoming even more competitive by developing sustainable products High-durability heat shield coatings for road surfaces: Received the 2020 Environmental Technology Award Next-generation environmentally friendly antifouling paint: AQUATERRAS received the GREEN4SEA Technology Award External partners <ul style="list-style-type: none"> Open innovation through industry-academia co-creation projects with the University of Tokyo and other external partners Joint development activities with Toyota Motor Corporation and others by applying automotive paint technology Nature/environment <ul style="list-style-type: none"> Increased the use of renewable energy Increased the use of renewable energy to around 7% of all electricity consumption

¹ Segment basis (after elimination of internal transactions and after PPA)



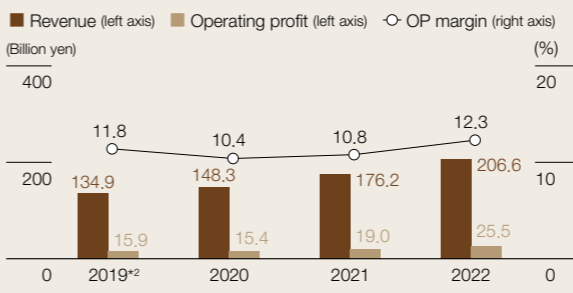
² FY2017 earnings of Dunn-Edwards are for 10 months from March 2017, when the acquisition closed, to December 2017. Earnings changes since the acquisition are calculated using FY2018 earnings.

³ NPHD changed its reportable segments beginning with FY2022 1Q. The earnings for FY2021 and FY2022 are based on the new reportable segments and include the overseas marine coatings business.

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Assets	Financial outcomes		Non-financial outcomes
<p>DuluxGroup (Consolidated) (Pacific/Europe)</p>  <p>DuluxGroup operates in 22 countries in the mature Pacific (Australia, New Zealand and Papua New Guinea) and European markets with the top market share in the decorative paints market in four countries (including Australia) and is in the top three in terms of market share in a further six countries. DuluxGroup is driving growth of the Group with its consistent growth every year.</p>	<p>FY2022 operating results</p> <p>Decorative paints revenue increased from the previous year due to selling price increases in Pacific, combined with the new consolidation of Cromology and JUB. Revenue in adjacent businesses also increased, due to selling price increases in all businesses, as well as strong sales of ETICS in Europe. As a result, revenue increased by 78.7% from the previous year to JPY314.9 bn.</p> <p>Operating profit increased by 55.8% to JPY29.7 bn due to the new consolidations and higher revenue, as well as rigorous margin and cost controls in response to raw material price increases.</p>	<p>Growth since the acquisition (FY2019)</p> <p>Led by its capable management team, DuluxGroup has achieved strong earnings growth by focusing on three strategic growth pillars: (1) Building on its market leading positions in the Pacific, (2) Leveraging the capability for growth in the mature European paints market, and (3) Leveraging the capability for growth in the global SAF (Sealants, Adhesives & Fillers) market.</p> <p>Revenue increased by 133.4% and operating profit by 87.0% compared to the time of the acquisition. In addition to organic growth, DuluxGroup completed more than 20 M&A transactions in the Pacific and European markets since joining the Group in 2019.</p>	<p>FY2022 results</p> <ul style="list-style-type: none"> Human resources/organizations <ul style="list-style-type: none"> Ratio of female employees: 32.7% Ratio of women in managerial positions: 31.5%
<p>DuluxGroup (Pacific)</p>  <p>DuluxGroup has the leading position in the mature Australian market and Dulux has about 80% unprompted brand awareness, which is almost double that of the next strongest brand, and is consistently voted Australia's most trusted paint brand.</p>	<p>FY2022 operating results</p> <p>Decorative paints revenue increased from the previous year, with the decrease in volume more than offset by selling price increases in response to rising raw material prices. Revenue in the adjacent businesses increased due to higher volume, mainly in the trade-use market, and higher selling prices. As a result, revenue increased by 17.2% to JPY206.6 bn.</p> <p>Operating profit increased by 33.9% to JPY25.5 bn due to higher revenue driven by strong sales of trade-use products in the adjacent businesses as well as rigorous margin and cost controls in response to raw material price increases.</p> <p>DuluxGroup has maintained the No. 1 market share (volume and value basis) in decorative paints in Australia.</p>	<p>Growth since the acquisition (FY2019)</p> <p>DuluxGroup has consistently grown faster than the market due to many factors including relentless focus on continuous investment in premium brands, consumer insights, innovation, marketing, and customer service for retailers and professional painters. DuluxGroup has also carried out multiple bolt-on acquisitions (those aimed at complementing and strengthening existing businesses) that have complemented its consistent organic growth.</p> <p>As a result, revenue has increased by 53.2% and operating profit by 60.6% since joining our Group.</p>	<p>FY2022 results</p> <ul style="list-style-type: none"> Human resources/organizations <ul style="list-style-type: none"> Implemented measures to increase the ratio of female employees in all job levels <ul style="list-style-type: none"> Ratio of female employees: 35.9% (+0.5 pp YoY) Ratio of women in managerial positions: 33.3% (+1.1 pp YoY) Investments in improving employee engagement <ul style="list-style-type: none"> Employee engagement (FY2021): 80% (+8 pp vs. FY2017) Brands <ul style="list-style-type: none"> Improving the brand awareness <ul style="list-style-type: none"> Several DuluxGroup brands were recognized as the most trusted brands in a brand award in Australia Nature/environment <ul style="list-style-type: none"> Initiatives aimed at reducing energy consumption <ul style="list-style-type: none"> Renewable electricity (% of total electricity consumption): 3.0% (+1.6 pp YoY)
<p>DuluxGroup (Europe)</p>  <p>DuluxGroup (Europe) has Cromology, which is the fourth largest in the European decorative paints market, and JUB, which is the market leader in decorative paints for interiors and ETICS in the market, and is accelerating growth, leveraging the management know-how of DuluxGroup.</p>	<p>FY2022 operating results (acquired in FY2022)</p> <p>Revenue increased by 7.6% from the previous year to JPY117.3 bn due to selling price increases in response to raw material price increases. This is despite flat volume growth because of consistent softness of market conditions, mainly in France.</p> <p>The operating profit of Cromology decreased from the previous year despite selling price increases and cost controls, due to external market headwinds driving lower consumption, mainly in France, and raw material price increases. The operating profit of JUB increased as the increases in raw material prices, personnel expenses, and energy costs were offset by the product mix improvement, pricing disciplines and rigorous cost controls. The operating profit of DuluxGroup (Europe) decreased by 46.9% to JPY5.1 bn, inclusive of one-off amortization from acquisition accounting.</p>	<p>Revenue¹/Operating profit¹/Market share³ (YoY/growth since acquisition)</p> <p>JPY206.6 bn (+17.2%/+53.2%)/ JPY25.5 bn (+33.9%/+60.6%) 50% (+0 pp/+2 pp)</p> 	<p>FY2022 results</p> <ul style="list-style-type: none"> Human resources/organizations <ul style="list-style-type: none"> Ratio of female employees: 29.1% Ratio of women in managerial positions: 29.2% Nature/environment <ul style="list-style-type: none"> Promoted the use of renewable energy <ul style="list-style-type: none"> Renewable energy consumption (% of total): 31.6% Renewable electricity consumption (% of total): 66.2%

¹ Segment basis (after elimination of inter-segment transactions and after PPA)

² Including one-off items such as M&A cost

³ Volume basis

⁴ FY2021 results are pro forma figures. JUB's earnings for FY2022 are pro forma figures for 12 months and converted to JPY at the following exchange rate: EUR/JPY=138.5 yen