

Consolidated Financial Results
for the Fiscal Year Ended December 31, 2024
[IFRS]



February 14, 2025

Company name: Nippon Paint Holdings Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 4612

URL: <https://www.nipponpaint-holdings.com/en/>

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Scheduled date of annual general meeting of shareholders: March 27, 2025

Scheduled date of commencing dividend payments: March 28, 2025

Scheduled date of filing the securities report: March 28, 2025

Availability of supplementary briefing material on consolidated financial results: Yes

Schedule of consolidated financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (January 1, 2024 to December 31, 2024)

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

	Revenue		Operating profit		Profit before tax		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
December 31, 2024	1,638,720	13.6	187,647	11.2	181,522	12.4	128,674	8.1
December 31, 2023	1,442,574	10.2	168,745	50.8	161,500	54.6	118,997	49.8

	Profit attributable to owners of parent		Comprehensive income	
	Million yen	%	Million yen	%
Fiscal year ended				
December 31, 2024	127,337	7.5	281,174	12.5
December 31, 2023	118,476	49.2	250,001	6.7

	Basic earnings per share	Diluted earnings per share	Return on equity	Profit before tax to total assets	Operating profit to revenue
	Yen	Yen	%	%	%
Fiscal year ended					
December 31, 2024	54.22	54.21	8.6	6.3	11.5
December 31, 2023	50.45	50.44	9.5	6.3	11.7

Reference: Share of profit of investments accounted for using equity method:

Fiscal year ended December 31, 2024: ¥2,569 million

Fiscal year ended December 31, 2023: ¥201 million

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets	Equity per share attributable to owners of parent
	Million yen	Million yen	Million yen	%	Yen
As of December 31, 2024	3,071,378	1,610,227	1,590,982	51.8	677.38
As of December 31, 2023	2,713,341	1,368,104	1,358,310	50.1	578.35

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2024	167,401	(148,106)	(37,377)	288,301
December 31, 2023	189,755	(115,975)	(38,664)	289,647

2. Dividends

	Annual dividends					Total dividends paid	Consolidated dividend payout ratio	Consolidated dividend on equity attributable to owners of parent
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2023	—	6.00	—	8.00	14.00	32,880	27.8	2.6
December 31, 2024	—	7.00	—	8.00	15.00	35,231	27.7	2.4
December 31, 2025 (forecast)	—	8.00	—	8.00	16.00		28.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025

(January 1, 2025 to December 31, 2025)

(% indicates changes from the previous corresponding period)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	1,740,000	6.2	198,000	5.5	188,000	3.6	134,000	5.2	57.05

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: No
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)

Newly consolidated	-	Excluded	-
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- (2) Changes in accounting policies and changes in accounting estimates

- 1) Changes in accounting policies required by IFRS: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No

- (3) Total number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2024: 2,370,512,215 shares

December 31, 2023: 2,370,512,215 shares

- 2) Total number of treasury shares at the end of the period:

December 31, 2024: 21,780,807 shares

December 31, 2023: 21,905,017 shares

- 3) Average number of shares during the period:

Fiscal year ended December 31, 2024: 2,348,681,630 shares

Fiscal year ended December 31, 2023: 2,348,531,692 shares

*These consolidated financial results are outside the scope of audit by Certified Public Accountants or auditing corporations.

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

(Caution concerning forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that are deemed rational and contain risks and uncertainties. Actual results, etc. may differ greatly from the forecast figures depending on various factors.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Period under Review

During the fiscal year ended December 31, 2024, Nippon Paint Group recorded a 13.6% increase in consolidated revenue from the previous year to ¥1,638,720 million. This growth was primarily driven by higher sales volumes in NIPSEA Group's key markets, especially in China, along with the depreciation of the yen. Consolidated operating profit rose by 11.2% to ¥187,647 million, supported by revenue expansion and an improved gross profit margin resulting from the pass-through of price increases. Consolidated profit before tax increased by 12.4% to ¥181,522 million, while profit attributable to owners of parent grew 7.5% to ¥127,337 million.

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Results by business segment are as follows.

Japan

Revenue from automotive coatings declined from the previous year due to a reduction in automobile production. Industrial coatings revenue remained stable, as the impact of weak market conditions was offset by the pass-through of price increases. Decorative paints revenue was unchanged, with consumer spending restraint and a shift toward economy products in response to inflation being counterbalanced by pass-through of price increases and effective sales initiatives.

As a result, consolidated revenue grew by 0.8% from the previous year to ¥203,112 million. Consolidated operating profit increased by 1.5% to ¥19,446 million, driven by an improved gross profit margin resulting from the pass-through of price increases.

NIPSEA

Revenue from automotive coatings in the NIPSEA segment increased from the previous year, as higher automobile production in China more than compensated for the decline in Thailand. Decorative paints revenue also grew, driven by increased sales volumes in China and key markets such as Malaysia and Singapore.

As a result, consolidated revenue rose by 18.5% from the previous year to ¥914,370 million, while consolidated operating profit increased by 12.6% to ¥124,255 million.

DuluxGroup

Revenue from decorative paints increased from the previous year, supported by the depreciation of the yen, despite sluggish sales volume growth amid softer market conditions in the Pacific and Europe. Revenue from the adjacencies business also grew, as contributions from business acquisitions in the Pacific and earnings from N.P.T.s.r.l.—a European adjacencies product manufacturer acquired in July 2023—offset the impact of weak market conditions.

As a result, consolidated revenue increased by 10.6% from the previous year to ¥398,534 million, while consolidated operating profit grew by 16.6% to ¥40,374 million.

Americas

Revenue from automotive coatings increased from the previous year, driven by a recovery in U.S. automobile production—particularly among key Japanese automakers—and the pass-through of price increases. Decorative paints revenue also increased, supported by pass-through of price increases, reduced impact from adverse weather in California, and new store openings, which offset the challenges posed by a weak U.S. economy and housing market.

As a result, consolidated revenue rose by 12.4% from the previous year to ¥122,702 million, while consolidated operating profit grew by 8.8% to ¥7,778 million.

(2) Overview of Financial Position for the Period under Review

As of December 31, 2024, total assets increased by ¥358,036 million from the end of the previous fiscal year to ¥3,071,378 million.

Current assets grew by ¥165,651 million, primarily driven by an increase in other financial assets. Non-current assets also rose by ¥192,384 million, mainly due to an increase in goodwill.

Liabilities increased by ¥115,913 million to ¥1,461,151 million, largely due to a rise in other financial liabilities.

Equity expanded by ¥242,123 million to ¥1,610,227 million, primarily reflecting an increase in foreign currency translation adjustments.

As a result, the equity attributable to owners of parent as a percentage of total assets rose from 50.1% at the end of the previous fiscal year to 51.8%.

(3) Overview of Cash Flows for the Period under Review

For the fiscal year ended December 31, 2024, cash flows from operating activities generated a cash inflow of ¥167,401 million, while investing activities resulted in an outflow of ¥148,106 million. Financing activities also recorded an outflow of ¥37,377 million. As a result, cash and cash equivalents balance (“funds”) decreased by ¥1,346 million from the previous year-end, bringing the total balance to ¥288,301 million.

(Cash flows from operating activities)

Net cash provided by operating activities declined by ¥22,353 million from the previous year to ¥167,401 million. Key contributing factors included a cash inflow of ¥237,858 million (excluding changes in operating capital), primarily driven by non-cash expenses such as depreciation and amortization on profit before tax. This was offset by a ¥23,101 million decrease in funds due to an increase in operating capital, and income taxes paid totaling ¥47,356 million.

(Cash flows from investing activities)

Net cash used in investing activities rose by ¥32,131 million from the previous year, to ¥148,106 million. This increase was primarily driven by several key factors, including cash outflow of ¥46,955 million due to an increase in marketable securities, ¥48,997 million resulting from the purchase of property, plant and equipment, and ¥35,892 million due to the purchase of shares of subsidiaries.

(Cash flows from financing activities)

Net cash used in financing activities declined by ¥1,286 million to ¥37,377 million. This was primarily influenced by an inflow of ¥15,550 million from increased borrowings and an outflow of ¥35,801 million for dividends payments and ¥16,850 million for lease liability repayments.

(4) Future Outlook

For the fiscal year ending December 31, 2025, both the decorative paints market and the global automotive market are expected to remain relatively stable.

Against this backdrop, Nippon Paint Group will continue leveraging its Asset Assembler model to strengthen the growth foundation of its existing businesses and enhance profitability. This will be achieved by acquiring top-tier talent and brands through proactive M&A initiatives, thereby solidifying our commitment to sustainable growth. Specifically, in the decorative paints business, we aim to drive expansion by broadening its distribution networks and enhancing brand strength in key regions. At the same time, we will accelerate growth in adjacencies business, such as adhesive. Additionally, by promoting autonomous management at our Group partner companies worldwide, Nippon Paint Group seeks to expand its market share across all regions and business domains.

Based on this outlook, we project consolidated revenue of ¥1,740,000 million, operating profit of ¥198,000 million, profit before tax of ¥188,000 million and profit attributable to owners of the parent of ¥134,000 million for the fiscal year ending December 31, 2025.

Aligned with this earnings forecast, we plan to distribute dividends of ¥16 per share for the fiscal year ending December 31, 2025.

2. Basic Approach to Selection of Accounting Standards

In order to further strengthen global management, improve the comparability of financial information, and enhance disclosure by standardizing accounting procedures among group companies, the Nippon Paint Group has been voluntarily using International Financial Reporting Standards (IFRS) for consolidated financial statements in its annual securities reports since the fiscal year ended December 31, 2018.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statements of Profit or Loss and Comprehensive Income

Consolidated Statement of Profit or Loss

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Revenue	1,442,574	1,638,720
Cost of sales	(866,449)	(981,275)
Gross profit	576,124	657,444
Selling, general and administrative expenses	(420,247)	(481,358)
Other income	16,668	15,275
Other expenses	(3,800)	(3,713)
Operating profit	168,745	187,647
Finance income	6,950	11,092
Finance costs	(14,397)	(19,786)
Share of profit (loss) of investments accounted for using equity method	201	2,569
Profit before tax	161,500	181,522
Income taxes	(42,502)	(52,848)
Profit	118,997	128,674
Profit attributable to		
Owners of parent	118,476	127,337
Non-controlling interests	521	1,337
Profit	118,997	128,674
Earnings per share		
Basic earnings (loss) per share (yen)	50.45	54.22
Diluted earnings (loss) per share (yen)	50.44	54.21

Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	118,997	128,674
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,810	(732)
Remeasurements of defined benefit plans	(122)	3,274
Share of other comprehensive income of investments accounted for using the equity methods	(84)	(41)
Total of items that will not be reclassified to profit or loss	1,603	2,499
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	129,522	141,707
Cash flow hedges	(48)	8,870
Share of other comprehensive income of investments accounted for using equity method	(74)	(577)
Total of items that may be reclassified to profit or loss	129,399	150,000
Total other comprehensive income	131,003	152,500
Comprehensive income	250,001	281,174
Comprehensive income attributable to		
Owners of parent	249,078	278,833
Non-controlling interests	922	2,341
Comprehensive income	250,001	281,174

(2) Consolidated Statement of Financial Position

(Million yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	289,647	288,301
Inventories	175,617	202,484
Trade and other receivables	317,940	376,976
Other financial assets	84,146	153,584
Other current assets	22,005	25,731
Subtotal	889,357	1,047,077
Assets held for sale	199	8,131
Total current assets	889,557	1,055,208
Non-current assets		
Property, plant and equipment	409,984	478,759
Goodwill	897,751	970,745
Other intangible assets	430,763	457,429
Investments accounted for using equity method	28,198	30,240
Other financial assets	35,161	51,595
Other non-current assets	14,381	22,811
Deferred tax assets	7,543	4,589
Total non-current assets	1,823,784	2,016,169
Total assets	2,713,341	3,071,378

(Million yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	262,152	292,513
Bonds and borrowings	55,995	146,473
Other financial liabilities	21,908	27,244
Income taxes payable	14,770	18,207
Provisions	4,310	3,923
Other current liabilities	78,564	93,709
Total current liabilities	437,701	582,072
Non-current liabilities		
Bonds and borrowings	683,771	613,540
Other financial liabilities	96,480	125,600
Retirement benefit liability	17,130	17,725
Provisions	1,366	2,044
Other non-current liabilities	6,073	5,856
Deferred tax liabilities	102,714	114,311
Total non-current liabilities	907,536	879,078
Total liabilities	1,345,237	1,461,151
Equity		
Share capital	671,432	671,432
Treasury shares	(6,049)	(6,015)
Retained earnings	351,205	435,671
Other components of equity	341,721	489,895
Total equity attributable to owners of parent	1,358,310	1,590,982
Non-controlling interests	9,793	19,244
Total equity	1,368,104	1,610,227
Total liabilities and equity	2,713,341	3,071,378

(3) Consolidated Statement of Changes in Equity

(Million yen)

	Equity attributable to owners of parent					Total	Non-controlling interests	Total
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity			
Balance as of January 1, 2023	671,432	—	(6,096)	272,527	210,961	1,148,824	6,533	1,155,358
Profit	—	—	—	118,476	—	118,476	521	118,997
Other comprehensive income	—	—	—	—	130,601	130,601	401	131,003
Comprehensive income	—	—	—	118,476	130,601	249,078	922	250,001
Purchase of treasury shares	—	—	(0)	—	—	(0)	—	(0)
Disposal of treasury shares	—	124	48	—	(35)	137	—	137
Dividends	—	—	—	(28,182)	—	(28,182)	(305)	(28,488)
Changes in ownership interest in subsidiaries	—	27	—	—	—	27	(63)	(36)
Transfer from retained earnings to capital surplus	—	11,421	—	(11,421)	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	2,688	2,688
Transfer from other components of equity to retained earnings	—	—	—	(194)	194	—	—	—
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	48	48
Put option liabilities over non-controlling interests	—	(11,574)	—	—	—	(11,574)	—	(11,574)
Other	—	—	—	—	—	—	(29)	(29)
Total transactions with owners	—	—	47	(39,798)	158	(39,593)	(2,337)	(37,255)
Balance as of December 31, 2023	671,432	—	(6,049)	351,205	341,721	1,358,310	9,793	1,368,104
Profit	—	—	—	127,337	—	127,337	1,337	128,674
Other comprehensive income	—	—	—	—	151,496	151,496	1,003	152,500
Comprehensive income	—	—	—	127,337	151,496	278,833	2,341	281,174
Purchase of treasury shares	—	—	(1)	—	—	(1)	—	(1)
Disposal of treasury shares	—	89	34	—	(26)	97	—	97
Dividends	—	—	—	(35,230)	—	(35,230)	(579)	(35,809)
Changes in ownership interest in subsidiaries	—	(123)	—	—	—	(123)	(151)	(274)
Transfer from retained earnings to capital surplus	—	10,937	—	(10,937)	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	7,500	7,500
Transfer from other components of equity to retained earnings	—	—	—	3,296	(3,296)	—	—	—
Capital increase of consolidated subsidiaries	—	—	—	—	—	—	15	15
Put option liabilities over non-controlling interests	—	(10,903)	—	—	—	(10,903)	—	(10,903)
Other	—	—	—	—	—	—	323	323
Total transactions with owners	—	—	33	(42,871)	(3,322)	(46,160)	7,109	(39,051)
Balance as of December 31, 2024	671,432	—	(6,015)	435,671	489,895	1,590,982	19,244	1,610,227

(4) Consolidated Statement of Cash Flows

(Million yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before tax	161,500	181,522
Depreciation and amortization	52,275	63,693
Gain on bargain purchase	—	(1,469)
Interest and dividend income	(6,142)	(9,974)
Interest expenses	8,838	13,398
Share of loss (profit) of investments accounted for using equity method	(201)	(2,569)
Decrease (increase) in inventories	15,855	733
Decrease (increase) in trade and other receivables	8,858	(18,843)
Increase (decrease) in trade and other payables	(14,611)	(4,991)
Increase (decrease) in allowance for doubtful accounts	4,908	(306)
Increase (decrease) in other current liabilities	3,957	2,149
Other	(7,153)	(6,502)
Subtotal	228,084	216,840
Interest received	5,221	8,425
Dividends received	1,825	2,844
Interest paid	(8,846)	(13,353)
Income taxes paid	(36,529)	(47,356)
Net cash provided by (used in) operating activities	189,755	167,401
Cash flows from investing activities		
Net decrease (increase) in time deposits	(13,042)	(17,272)
Net decrease (increase) in short-term investment securities	(55,331)	(46,955)
Purchase of property, plant and equipment	(35,652)	(48,997)
Proceeds from sales of property, plant and equipment	4,043	2,670
Purchase of intangible assets	(2,458)	(2,756)
Purchase of shares of subsidiaries	(7,063)	(35,892)
Proceeds from redemption of shares in investment accounted for using the equity method	3,587	—
Payments for acquisition of businesses	(8,921)	(404)
Other	(1,136)	1,501
Net cash provided by (used in) investing activities	(115,975)	(148,106)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(10,526)	(1,400)
Proceeds from long-term borrowings	113,002	73,003
Repayments of long-term borrowings	(86,237)	(56,052)
Repayments of lease obligations	(14,275)	(16,850)
Dividends paid	(28,177)	(35,222)
Dividends paid to former shareholders of newly consolidated subsidiaries	(12,106)	—
Other	(342)	(855)
Net cash provided by (used in) financing activities	(38,664)	(37,377)
Effect of exchange rate changes on cash and cash equivalents	11,453	14,771
Adjustments for hyperinflation	479	1,965
Net increase (decrease) in cash and cash equivalents	47,048	(1,346)
Cash and cash equivalents at beginning of period	242,598	289,647
Cash and cash equivalents at end of period	289,647	288,301

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Changes in Presentation)

(Consolidated statements of cash flows)

Beginning from the fiscal year that ended on December 31, 2024, proceeds from sales of investment securities, payments for loans receivable, and collection of loans receivable, which were presented separately under “Cash Flows from Investing Activities” in the previous year, have now been restated under “Other” due to their decreased materiality. The consolidated financial statements for the previous fiscal year have been restated to reflect this change. As a result, ¥85 million recorded under proceeds from sales of investment securities, -¥2,140 million recorded under payments for loans receivable, and ¥2,179 million recorded under collection of loans receivable in “Cash Flows from Investing Activities” in the Consolidated Statements of Cash Flows in the previous year, have been included in “Other” with a total of -¥1,136 million.

Beginning from the fiscal year ended December 31, 2024, payments for additional investments in subsidiaries, which was presented separately under “Cash Flows from Financing Activities” in the previous year, has been included in “Other” due to its decreased materiality. The consolidated financial statements for the previous year have been restated to reflect this change. As a result, -¥36 million recorded under payments for additional investments in subsidiaries in the Cash Flows from Financing Activities in the Consolidated Statements of Cash Flows in the previous year, has been included in “Other” with a total of -¥342 million.

(Segment information)

(1) Summary of reportable segments

Nippon Paint Group’s operations are classified into reportable segments for which separate financial information is available and are subject to periodic evaluations by the Board of Directors, which is the highest decision-making body, in order to make decisions regarding management resource allocation and performance assessments. The Nippon Paint Group’s primary businesses are the paint and coatings business, which manufactures and sells automotive coatings, decorative paints, industrial coatings, fine chemicals, and other paints, and the adjacencies business which manufactures and sells adjacencies products, such as adhesives. An independent company in Japan and companies overseen by this company are responsible for business activities in Japan, and independent companies, led by NIPSEA and DuluxGroup, are responsible for the Asia, Oceania, and other overseas regions. Other independent companies are responsible for Americas. Each company constitutes an individual management unit which makes decisions about products to manufacture and sell and comprehensive regional strategies for business growth.

As a result, the Nippon Paint Group consists of four reportable segments divided by management unit or region with a manufacturing and sales structure as a base: Japan, NIPSEA, DuluxGroup, and Americas. The Japan segment includes the overseas marine coatings business.

(2) Information on reportable segments

For the fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable segment					Adjustments (Note 1)	Amounts in consolidated financial statements
	Japan	NIPSEA	DuluxGroup	Americas	Total		
Revenue							
Revenue from external customers	201,493	771,518	360,398	109,164	1,442,574	—	1,442,574
Intersegment revenue	17,345	5,614	498	28	23,487	(23,487)	—
Total	218,839	777,133	360,896	109,193	1,466,062	(23,487)	1,442,574
Segment profit (loss)	19,165	110,385	34,619	7,149	171,319	(2,574)	168,745
Finance income							6,950
Finance costs							(14,397)
Share of profit of investments accounted for using equity method							201
Profit before tax							161,500
Other items							
Depreciation and amortization	5,037	20,874	19,782	6,315	52,010	265	52,275
Impairment loss	140	245	600	—	987	—	987
Capital expenditures (Note 2)	6,657	20,184	18,881	4,129	49,852	11	49,864

Note 1: Adjustments for segment profit are headquarters expenses that do not belong to any reportable segment and intersegment eliminations.

Note 2: These mainly consist of expenditures for property, plant and equipment and intangible assets.

For the fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment					Adjustments (Note 1)	Amounts in consolidated financial statements
	Japan	NIPSEA	DuluxGroup	Americas	Total		
Revenue							
Revenue from external customers	203,112	914,370	398,534	122,702	1,638,720	—	1,638,720
Intersegment revenue	19,871	8,738	376	48	29,034	(29,034)	—
Total	222,983	923,109	398,911	122,751	1,667,755	(29,034)	1,638,720
Segment profit (loss)	19,446	124,255	40,374	7,778	191,854	(4,206)	187,647
Finance income							11,092
Finance costs							(19,786)
Share of profit of investments accounted for using equity method							2,569
Profit before tax							181,522
Other items							
Depreciation and amortization	5,212	27,485	23,330	7,206	63,234	458	63,693
Impairment loss	6	605	—	—	611	—	611
Capital expenditures (Note 2)	9,395	33,413	17,470	15,034	75,313	472	75,786

Note 1: Adjustments for segment profit are headquarters expenses that do not belong to any reportable segment and intersegment eliminations.

Note 2: These mainly consist of expenditures for property, plant and equipment and intangible assets.

(3) Information on products and services

For the fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)

(Million yen)

	Japan	NIPSEA	DuluxGroup	Americas	Total
Paint and coatings business					
Automotive coatings	42,149	99,335	—	40,926	182,411
Decorative paints	48,545	568,375	226,323	66,433	909,678
Industrial coatings	39,688	40,909	9,598	—	90,196
Fine chemicals	8,942	9,505	—	1,803	20,251
Other paints	62,168	18,796	—	—	80,964
	201,493	736,922	235,922	109,164	1,283,502
Adjacencies business	—	34,596	124,475	—	159,072
Total	201,493	771,518	360,398	109,164	1,442,574

For the fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Million yen)

	Japan	NIPSEA	DuluxGroup	Americas	Total
Paint and coatings business					
Automotive coatings	39,202	108,039	—	45,462	192,705
Decorative paints	48,366	678,741	251,531	75,033	1,053,673
Industrial coatings	39,536	49,345	10,725	—	99,607
Fine chemicals	9,111	10,345	—	2,206	21,663
Other paints	66,894	29,062	—	—	95,957
	203,112	875,535	262,256	122,702	1,463,607
Adjacencies business	—	38,835	136,278	—	175,113
Total	203,112	914,370	398,534	122,702	1,638,720

(Per-share information)

The basis of calculation of basic earnings per share and diluted earnings per share is as below.

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit attributable to owners of parent (million yen)	118,476	127,337
Adjustment to profit used in the calculation of diluted earnings per share (million yen)	—	—
Diluted earnings (million yen)	118,476	127,337
Weighted-average number of common shares issued (thousand shares)	2,348,531	2,348,681
Increase in the number of common shares used in the calculation of diluted earnings per share (thousand shares)		
Increase due to exercise of stock options (thousand shares)	138	94
Increase due to restricted share compensation plan (thousand shares)	112	73
Increase due to restricted share compensation plan (thousand shares)	25	20
Weighted-average number of common shares used in the calculation of diluted earnings per share (thousand shares)	2,348,669	2,348,775
Basic earnings (loss) per share (yen)	50.45	54.22
Diluted earnings (loss) per share (yen)	50.44	54.21

(Additional Information)

NPHD decided and entered into a purchase agreement on October 28, 2024 under which it has agreed to acquire all of the equity interests of LFS11 A5 TopCo LLC and its subsidiaries (hereinafter referred to as “AOC”), which is a specialty formulator* operating chiefly in the United States and Europe, to make it a subsidiary of NPHD.

*As a specialty formulator, the company is engaged in the formulation development, manufacturing, and distribution of unsaturated polyester (UP), vinyl ester (VE), and other solutions for CASE (Coatings, Adhesives, Sealants, and Elastomers), colorants, and composites. These products are used in construction, infrastructure, transportation, marine and other applications.

(1) Overview of the company to become NPHD’s subsidiary

Name	LSF11 A5 TopCo LLC
Description of business	Formulation development, manufacturing, and distribution of unsaturated polyester, vinyl ester, etc. for composites and related products
Total assets	USD2,979 million (as of December 31, 2023)
Revenue	USD1,495 million (Fiscal Year Ended December 31, 2023)
Net profit	USD130 million (Fiscal Year Ended December 31, 2023)

(2) Reasons for the Acquisition

Nippon Paint Group (hereinafter the “Group”) pursues Maximization of Shareholder Value (MSV) as our sole mission by leveraging our Asset Assembler model. We will achieve this goal by compounding EPS (earnings per share) through both organic growth, driven by the expansion of existing businesses, and inorganic growth, achieved via good and low-risk mergers and acquisitions without limitations on regions, business areas, and scales. Additionally, we aim to maximize PER (price-to-earnings ratio) by enhancing capital market understanding and evaluations.

Backed by its broad customer base, including areas with significant growth potential, advanced technological capabilities that allow for high-level product customization tailored to customer needs, and flexible logistics network, AOC has secured a leading position in the US and European markets as a specialty formulator for CASE, colorants, and composite solutions. Additionally, the company features excellent cash generation capabilities, driven by excellent profitability and low capital expenditure requirements.

By joining the Group, AOC is expected to contribute to the sustainable compounding of EPS (earning per share) and aid in the growth of existing businesses through collaboration with group companies.

(3) Closing of the Share Acquisition

FY2025 1H (scheduled)

(4) Acquisition price, membership interest to be acquired, and membership interest holding ratio after the transaction

Acquisition price	JPY334,089 million (USD2,304 million)(scheduled)
Membership interest to be acquired	100%
Membership interest holding ratio after the transaction	100%

(5) Financing method and payment method

Financing method	Borrowing from financial institutions (scheduled)
Payment method	Cash

(Significant subsequent events)

There was no applicable item.