



**NIPPON PAINT HOLDINGS CO.,LTD.  
FY2016 Financial Results  
Fiscal Year Ended  
<Supplement>**

**February 14<sup>th</sup>, 2017**

# Periods in the Supplement

		FY2015	FY2016*	FY2017
The Supplement	Japan	Apr-Mar	Jan-Dec	Jan-Dec
	Overseas	Jan-Dec	Jan-Dec	
Timely Disclosure	Japan	Apr-Mar	Apr-Dec(9 month)	
	Overseas	Jan-Dec	Jan-Dec	

\* “Not” audited performance <for reference>

# Summary

✓ Absorbed currency effects and achieved “profit increase(YOY)”

✓ Operating profit margin achieved 15.6%

Achieved medium-term target, a year ahead of schedule by mean of cost reduction initiatives.

✓ Net income achieved “record high” (net income margin : 7.0%)

✓ Dividend of FY2017 is going to be increased(42 yen per year)

(100 million yen)

	FY2015 full year Apr-Mar	FY2016 full year Jan-Dec	FY2017 (Plan)	
			1H	Full year
Net sales	5,357.5	5,140.8	2,650	5,400
Operating profit	713.5	800.0	375	810
Operating profit margin	13.3%	15.6%	14.2%	15.0%
Ordinary income	746.1	827.8	390	840
Net income <sup>※</sup>	300.2	360.1	155	370

※ Net income attributable to owners of parent

Round off less than numbers(the same shall apply hereafter)

# Net sales & Operating profit by region

(100 million yen)

		FY2014		FY2015		FY2016 Jan-Dec		FY2017(Plan)	
		1H	Full year	1H	Full year	1H	Full year	1H	Full year
Japan	Sales	916.3	1,872.0	862.7	1,742.8	848.6	1,716.1	895	1,810
	Operating Profit <sup>※1</sup>	122.1	264.1	134.8	291.6	152.1	321.6	155	328
Asia	Sales	216.4	438.7	1,564.6	3,174.0	1,464.5	2,977.5	1,508	3,111
	Operating Profit <sup>※2</sup>	21.2	45.3	233.9	523.1	259.4	562.0	279	577
Americas	Sales	120.2	257.9	163.1	331.6	168.6	321.7	177	344
	Operating Profit	11.8	26.9	25.0	51.8	30.2	51.5	31	59
Others (Mainly Europe)	Sales	19.4	37.2	42.3	109.1	67.2	125.5	70	135
	Operating Profit	0.9	0.7	0.4	-9.0	-1.3	-3.7	1	2

※1 Exclude dividends from oversea's group companies

※2 Before intangible assets amortization of newly consolidated asian companies from FY2015 1H  
(FY2016 1H :6,610 million yen, full year 12,860 million yen, 2017 full year plan 12,130 million yen)

# Net sales by business segment

	(100 million yen)			
	FY2015 Full year	FY2016 Full year(Jan-Dec)	FY2017 Plan	
			1H	Full year
Automotive coatings	1,387.6	1,393.8	747	1,491
Decorative paints (Including heavy duty)	2,533.5	2,368.8	1,183	2,481
Industrial coatings	682.8	682.9	344	695
Others(Marine & Auto refinishes,etc)	579.7	514.9	280	541
Sub-total	5,183.6	4,960.4	2,554	5,208
Fine Chemicals	173.8	180.4	96	192
Total	5,357.5	5,140.8	2,650	5,400

(100 million yen)

## &lt;Assets&gt;

	As of 31, Mar,2015	As of 31, Mar,2016	As of 31, Dec,2016
Current assets	3,417	3,596	4,129
Property, plant and equipment	1,009	1,043	1,077
Intangible assets	3,181	2,832	2,577
Investment and Other assets	500	443	497
Total	8,107	7,915	8,280

## &lt;Liability and equity&gt;

	As of 31, Mar,2015	As of 31, Mar,2016	As of 31, Dec,2016
Current liabilities	1,670	1,736	1,879
Non-current liabilities	538	501	543
Total liabilities	2,208	2,237	2,422
Shareholder's equity	4,655	4,750	4,969
Accumulated other comprehensive income	143	-55	-236
Subscription rights to shares	-	0	1
Non-controlling interests	1,101	982	1,123
Total net assets	5,899	5,677	5,858
Total liabilities and net assets	8,107	7,915	8,280

(100 million yen)

	FY2014		FY2015		FY2016 <sup>※</sup>	
	1H	Full year	1H	Full year	1H	Full year
Cash flows from operating activities	145.8	344.2	137.1	631.0	351.7	779.2
Cash flows from investing activities	-20.7	-869.7	-72.6	-53.1	-36.9	-427.0
Free cash flow	125.1	-525.5	64.5	577.9	314.8	352.2
Cash flows from financing activities	-112.4	853.0	-43.9	-247.0	-65.3	-85.8

※ Covering period of Japan : from April to December, Overseas : from January to December

# Capital expenditures, Depreciation, R&D expenses, and Interest-bearing debts

(100 million yen)

		FY2014		FY2015		FY2016 <sup>※2</sup>		FY2017 (Plan)
		1H	Full year	1H	Full year	1H	Full year	Full Year
Capital expenditures	Property, plant and equipment	21.7	46.4	89.5	169.8	91.1	172.9	–
	Intangible assets	1.6	4.9	8.2	20.5	14.4	37.3	–
	Total	23.3	51.3	97.7	190.3	105.6	210.2	165
Depreciation	Property, plant and equipment	25.2	51.5	46.1	94.4	40.7	74.9	–
	Intangible assets	4.1	7.5	33.0	67.4	31.3	60.6	–
	Total <sup>※1</sup>	29.3	59.0	79.1	161.8	72.0	135.5	150
R&D expenses		28.5	59.9	67.6	151.8	65.6	130.2	125

※1 Total depreciation including goodwill amortization : FY2015 full year : 26,530 million yen

FY2016 full year : 22,890 million yen, FY2017 full year plan : 24,000 million yen

※2 Covering period of Japan : from April to December, Overseas : from January to December

	As of 31, Mar,2015	As of 31, Mar,2016	As of 31, Dec,2016
Short-term loans payable	108.7	195.8	295.5
Current portion of long-term loans payable	2.4	9.6	9.5
Long-term loans payable	26.1	16.8	34.6



## Key Indicators

	FY2014		FY2015		FY2016 <sup>※2</sup>	
	1H	Full year	1H	Full year	1H	Full year
ROE (%)	–	※1 9.7	–	6.3	–	7.4
Capital equity ratio (%)	63.3	59.2	58.2	59.3	58.8	57.2
Ratio of ordinary income to total assets(%)	–	8.7	–	9.3	–	9.5
Comprehensive income (100 million yen)	154.6	※1 449.7	251.0	242.8	–366.4	315.2
Net assets (100 million yen)	2,184.5	5,899.2	5,843.4	5,677.5	5,255.6	5,857.6
Total assets (100 million yen)	3,238.1	8,107.3	8,228.1	7,914.6	7,357.2	8,280.0
Cash and cash equivalents at end of term(100 million yen)	452.2	787.0	809.6	1,082.7	1,225.6	1,345.2
Net assets per share(yen)	786.0	1,496.2	1,492.4	1,464.1	1,347.9	1,475.9
Income per share(yen)	59.9	※1 117.0	41.4	93.6	51.8	108.5
Price earnings ratio (times)	–	6.77	–	26.68	–	29.36

※1 Exclude gain on step acquisition(148.8 billion yen)

※2 Covering period of Japan : From April to December, Overseas : From January to December

# Key Indicators for shareholders' return

## <Dividends & Payout ratio>

	FY2014		FY2015		FY2016 <sup>※3</sup>		FY2017 plan	
	1H	Full year	1H	Full year	1H	Full year	1H	Full year
Dividends(yen/share) <sup>※1</sup>	10	22	15	35	20	40	20	42
Payout ratio (%)	-	※2 18.8	-	27.8	-	29.1	-	29.2

※1 Dividends is calculated using net income on IFRS basis(after FY2015 1H /Interim dividends)

※2 Calculated by excluding gain on step acquisition(148.8 billion yen)

※3 Covering period of Japan : From April to December, Overseas : From January to December

## <EPS>

	FY2014		FY2015		FY2016 <sup>※3</sup>	
	1H	Full year <sup>※2</sup>	1H	Full year	1H	Full year
JGAAP	59.9	117.0	41.4	93.6	51.8	108.5
IFRS <sup>※4</sup>	-	120.9	57.3	125.9	66.7	137.6

※4 (Net income + Goodwil amortization) ÷ Average number of shares during the period

# Foreign Exchange rate and Japan-produced naphtha price

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

	FY2014		FY2015		FY2016		FY2017 (premise)
	1H	Full year	1H	Full year	1H	Full year	Full year
Yen-US dollar rate	102.2	106.4	120.5	121.0	111.8	109.4	110.0
Yen-RMB rate	16.6	17.2	19.4	19.2	17.0	16.4	15.5

## <Exchange rate for B/S>

	As of 31, December 2014	As of 31, December 2015	As of 31, December 2016
Yen-US dollar rate	120.6	120.5	116.5
Yen-RMB rate	19.4	18.3	16.8

## <Market environment of raw materials>

	FY2014		FY2015		FY2016		(yen/KL) FY2017 (premise)
	1H	Full year	1H	Full year	1H <sup>※2</sup>	Full year <sup>※3</sup>	Full year
Japan produced naphtha price <sup>※1</sup>	70,400	63,100	48,000	42,800	31,400	32,300	35,000

※1 Our estimate ※2 Covering period : From April to September

※3 Covering period : From January to December(The weighted average price of January to December was 32,800 yen/KL)

# Market Environments

## <Paint shipment and Production>

(10,000t)

	FY2014		FY2015		FY2016 (Jan-Dec)	
	1H	Full year	1H	Full year	1H	Full year
Shipment in Japan <sup>※1</sup>	84.6	171.4	86.6	175.6	86.2	※3 148.6
Production in China <sup>※2</sup>	771	1,648	779	1,710	836	※3 1,684

※1 Source : Japan paint manufacturers association ※2 Source : National bureau of statistics of China

※3 Covering period of FY2016 full year : from January to November

## <Automobile production>

(10,000 units)

	FY2014		FY2015		FY2016 (Jan-Dec)	
	1H	Full year	1H	Full year	1H	Full year
Japan <sup>※4</sup>	478	958	445	919	449	920
China <sup>※4</sup>	1,179	2,373	1,210	2,457	1,287	2,812
North America (US, Canada, Mexico) <sup>※4</sup>	874	1,723	895	1,777	922	1,808
Thailand <sup>※4</sup>	95	188	93	191	99	194

※4 Source Japan, China, North America : Japan automobile manufactures association

Source Thailand : Federation of Thai industries

## <Ohters(Japan market)>

(10,000 units)

	FY2014		FY2015		FY2016 (Jan-Dec)	
	1H	Full year	1H	Full year	1H	Full year
Housing starts <sup>※5</sup>	44.1	88.1	47.2	92.1	46.3	96.7
Construction machinery productions <sup>※6</sup>	21.0	41.9	18.8	36.8	17.8	※3 32.8
Machine tool production <sup>※7</sup>	5.3	11.0	5.2	10.3	3.6	※3 6.3

※5 Source : Ministry of land, infrastructure, transport and tourism ※6 Source : Japan construction equipment manufactures association

※7 Source : Japan machine tool builders' association

## &lt;Reference&gt; IR Schedule of FY2017

Date & Time		Contents	Place
February 27th, 2017	15:30	Business Briefing for Investors	Marunouchi, Tokyo
April 21th, 2017	-	Silent Period starts	-
May 12th, 2017	15:30	1st 's Financial Result Announcement	The company's website
	18:00	1st quarter's Financial Result Telephone conference	-
July 18th, 2017	-	Silent Period starts	-
August 8th, 2017	15:30	2nd quarter's Financial Result Announcement	The company's website & Osaka Exchange, Inc
	18:00	2nd quarter's Financial Result Telephone conference	-
August 28th, 2017	15:30	Business Briefing for Investors	Marunouchi, Tokyo
October 24th, 2017	-	Silent Period starts	-
November 14th, 2017	15:30	3rd quarter's Financial Result Announcement	The company's website
	18:00	3rd quarter's Financial Result Telephone conference	-
January 24th, 2018	-	Silent Period starts	-
February 14th, 2018	15:30	Year-ended Financial Result Announcement	The company's website
	18:00	Year-ended Financial Result Telephone conference	-



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.

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