

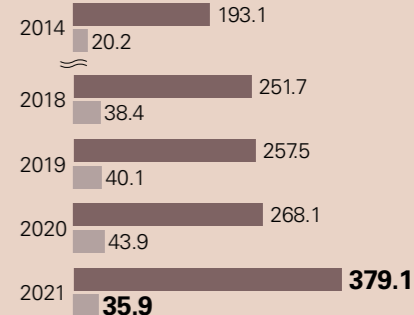

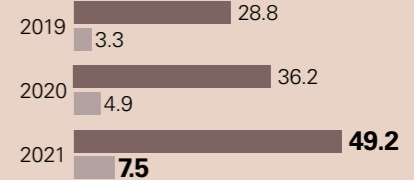






# Status of assets (partner companies) continuing on an autonomous

# growth trajectory

Assets	Overview	Financial indicators	FY2021 <sup>*1</sup>	YoY comparison <sup>*1</sup>	Growth since the acquisition <sup>*2</sup>	Revenue / Operating profit (Billion yen)
<b>NIPSEA Group</b> (Asia) 	<p><b>FY2021 operating results</b>                      Revenue increased from the previous year as a result of the new consolidation of the Indonesia business, coupled with strong market growth and selling price increases in the decorative paints business at NIPSEA China. Revenue also increased from the previous year in Asia Excepting NIPSEA China due to the progress with selling price increases in every region, despite the impact of the pandemic in some regions. As a result, revenue in NIPSEA Group increased by 48.3% to ¥579.4 billion.</p> <p>Operating profit increased by 12.1% to ¥67.5 billion on higher revenue, including revenue growth from the new consolidation and the impact of exchange rate changes, despite the significant negative effect of the higher prices of raw materials.</p>	<p><b>Growth since the acquisition (FY2014)</b>                      Since becoming our consolidated subsidiary in FY2014, NIPSEA Group has achieved growth that significantly outperformed the market and competitors by leveraging the following strengths: ① Strong brand recognition, ② Competitive workforce due to a Lean for Growth (LFG) culture, ③ Strong base of supply chains and production locations, and ④ Competitive technologies.</p> <p>This strong growth at NIPSEA Group has driven earnings growth of Nippon Paint Group. 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 acquisitions by NPHD. As a result, revenue has increased 145.0% following the acquisition and operating profit has increased 191.1%.</p>	<b>Revenue</b> ¥579.4 billion	<b>+48.3%</b>	<b>+145.0%</b>	
<b>NIPSEA China</b> (China) 	<p><b>FY2021 operating results</b>                      Automotive coatings revenue increased from the previous year due to flow-through of selling price increases implemented to respond to raw material price increases, although automobile production remained unchanged from the previous year due to shortage of semiconductor chips and disruptions of parts supply due to the pandemic. The decorative paints business achieved high revenue growth in the first half of the year following the pandemic downturn in the previous year and strong market growth continued in the second half. In addition, selling prices were increased during the year. As a result, our DIY revenue increased by 35% and Project revenue increased by 29% from the previous year. The industrial coatings business achieved revenue growth due to solid demand for coatings, coupled with strong demand for general industrial coatings and powder coatings. Consequently, revenue increased by 41.4% to 379.1 billion yen.</p> <p>Operating profit decreased by 18.3% to 35.9 billion yen despite higher revenue, due to the deterioration of the raw material cost contribution ratio and recording a provision for potential credit loss.</p>	<p>NIPSEA China remained the market leader in both the DIY and Project businesses as the market shares increased to 27% and 9%, respectively.</p> <p><b>Growth since the acquisition (FY2014)</b>                      Since becoming a consolidated subsidiary of NPHD in FY2014, NIPSEA China has consistently achieved strong growth and steadily increased its market share every year, led by an excellent management team dedicated to the Lean for Growth (LFG) spirit and based on the following strengths: ① High recognition of the LiBang brand, ② extensive distribution network that provides nationwide coverage, ③ world's leading and most advanced production systems, ④ strong relationships with the top 100 real estate developers, and ⑤ extensive support provided to customers based on its comprehensive capabilities such as capital strength and broad product lineups. As a result, revenue increased by 96.4% and operating profit by 77.8% compared to the amounts when NIPSEA China was acquired.</p>	<b>Revenue</b> ¥379.1 billion	<b>+41.4%</b>	<b>+96.4%</b>	
<b>Operating profit</b> ¥35.9 billion	<b>-18.3%</b>	<b>+77.8%</b>				
<b>OP margin</b> 9.5%	<b>-6.9pt</b>	<b>-1.0pt</b>				
<b>Market share<sup>*3</sup></b>	<b>DIY</b> 27%	<b>+3pt</b>	<b>+5pt</b>			
	<b>Project</b> 9%	<b>+1pt</b>	<b>+6pt</b>			
<b>Betek Boya</b> (Türkiye) 	<p><b>FY2021 operating results</b>                      Revenue increased by 35.9% from the previous year to 49.2 billion yen despite the impact of the weak Turkish lira against major currencies. This growth was the result of the expansion of dealer coverage, an increase in the market share with dealers as a result of aggressive sales and marketing activities, and selling price increases. On a local currency basis, which excludes the effects of exchange rate fluctuations, revenue was up 65.3% from the previous year.</p> <p>Operating profit increased by 53.1% to 7.5 billion yen despite higher raw material prices because the strong revenue growth absorbed the higher cost of raw materials and negative effects of exchange rate movements.</p> <p>Betek Boya's market share increased to 34% as this company retained its No. 1 market position. This accomplishment was attributable to successful activities such as the multi-brand strategy and aggressive marketing activities.</p>	<p><b>Growth since the acquisition (FY2019)</b>                      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. As a result, revenue increased by 70.6% and operating profit by 124.1% compared with the amounts at the time of the acquisition two years ago.</p>	<b>Revenue<sup>*4</sup></b> ¥49.2 billion	<b>+35.9%</b>	<b>+70.6%</b>	
<b>Operating profit<sup>*4</sup></b> ¥7.5 billion	<b>+53.1%</b>	<b>+124.1%</b>				
<b>OP margin<sup>*4</sup></b> 15.2%	<b>+1.6pt</b>	<b>+3.6pt</b>				
<b>Market share (decorative)<sup>*3</sup></b> 34%	<b>+4pt</b>	<b>+7pt</b>				

\*1 The earnings for FY2020 and thereafter have been adjusted retrospectively following the classification of the European automotive coatings business and the India business 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 4Q FY2021.  
 \*2 Earnings comparison with the amounts at the time of acquisition are estimates because there are cases where accounting policies applied or assumptions used to estimate the market are different.  
 \*3 NPHD's estimates  
 \*4 Segment basis (after elimination of internal transactions and after PPA)

Assets	Overview	Financial indicators	FY2021 <sup>*1</sup>	YoY comparison <sup>*1</sup>	Growth since the acquisition <sup>*2</sup>	Revenue / Operating profit (Billion yen)
<b>PT Nipsea</b> (Indonesia) 	<p><b>FY2021 operating results (acquired in FY2021)</b>                      Revenue increased by 30.4% from the previous year to 39.5 billion yen driven by selling price increases, the extension of distribution networks, the addition of more distributors, and the increase in the use of Computerized Colour Matching (CCM) machines despite the temporary slowdown of economic activities due to COVID restrictions and lockdowns.                      Operating profit increased by 15.7% to 11.8 billion yen due to higher revenue and the product/mix improvement, despite higher raw material prices and sales promotion expenses.                      PT Nipsea's market share was about the same as in the previous year at 17% but the company retained its No. 2 position.</p>	<p>Revenue<sup>*3</sup></p> <p>Operating profit<sup>*3</sup></p> <p>OP margin<sup>*3</sup></p> <p>Market share<sup>*4</sup></p>	<p>¥39.5 billion</p> <p>¥ 11.8 billion</p> <p>29.7%</p> <p>17%</p>	<p>+30.4%</p> <p>+15.7%</p> <p>-4.1pt</p> <p>+0pt</p>	<p>+30.4%</p> <p>+15.7%</p> <p>-4.1pt</p> <p>+0pt</p>	<p>2020: 30.3</p> <p>2021: 39.5</p> <p>10.2</p> <p>11.8</p>
<b>Dunn-Edwards</b> (USA) 	<p><b>FY2021 operating results</b>                      Revenue increased by 11.2% from the previous year to 51.7 billion yen due to solid repainting demand in every operating region centered on California and Arizona as well as multiple selling price increases to reflect higher raw material prices.                      Dunn-Edwards' market share remained about the same as in the previous year at 2.5%.</p> <p><b>Growth since the acquisition (FY2017)</b>                      After joining Nippon Paint Group, Dunn-Edwards provided its unique customer services that differentiate it from competitors combined with high quality products. This company also increased sales of new products by opening new stores and using its existing distribution network mainly in the Southwestern U.S. by leveraging the know-how accumulated within Nippon Paint Group. As a result, revenue has increased steadily by 15.8% compared with the amount in FY2018.</p>	<p>Revenue</p> <p>Market share<sup>*4</sup></p>	<p>¥51.7 billion</p> <p>2.5%</p>	<p>+11.2%</p> <p>+0.1pt</p>	<p>+15.8%<sup>*5</sup></p> <p>+0.1pt</p>	<p>2017: 37.4<sup>*5</sup></p> <p>2018: 44.6</p> <p>2019: 46.5</p> <p>2020: 46.5</p> <p>2021: 51.7</p>
<b>DuluxGroup</b> (Australia, Europe) 	<p><b>FY2021 operating results</b>                      Revenue in the decorative paints and paint related businesses increased from the previous year due to the recovery of the trade DIFM<sup>*6</sup> markets following the easing of COVID restrictions and lockdowns and due to the proactive management of selling prices. However, demand in the consumer DIY markets was weaker than in the previous year when consumer demand escalated temporarily due to the COVID pandemic. As a result, revenue increased by 18.8% from the previous year to 176.2 billion yen.                      Operating profit increased by 23.7% to 19.0 billion yen due to strong trade sales and strong discipline in managing costs to offset the impact of higher raw material prices.                      DuluxGroup has maintained the No. 1 market share (volume basis) in decorative paints in Australia, at approximately 50%.</p> <p><b>Growth since the acquisition (FY2019)</b>                      In the mature Australia and New Zealand markets, DuluxGroup has grown faster than the market through its continued focus on the fundamentals of consumer insights, strategic brand marketing, innovation and customer service; complemented by a number of strategic bolt-on acquisitions. In addition, DuluxGroup is sharing its core capabilities to help drive Nippon Paint Group's growth in the SAF (Sealants, Adhesives &amp; Fillers) business in Asia, and is delivering on its targeted and strategic M&amp;A agenda as demonstrated by the acquisitions of Cromology in France and JUB in Slovenia in FY2022. These acquisitions provide a platform for future growth in mature western and central European markets. As a result, revenue increased by 30.7% and operating profit by 57.0% compared to the time of acquisition two years ago.</p>	<p>Revenue<sup>*3</sup></p> <p>Operating profit<sup>*3</sup></p> <p>OP margin<sup>*3</sup></p> <p>Market share (Australia)<sup>*4*7</sup></p>	<p>¥176.2 billion</p> <p>¥19.0 billion</p> <p>10.8%</p> <p>50%</p>	<p>+18.8%</p> <p>+23.7%</p> <p>+0.4pt</p> <p>+0pt</p>	<p>+30.7%</p> <p>+57.0%</p> <p>+1.8pt</p> <p>+2pt</p>	<p>2019: 134.9</p> <p>2020: 148.3</p> <p>2021: 176.2</p> <p>12.1</p> <p>15.4</p> <p>19.0</p>
<b>Japan Group</b> (Japan) 	<p><b>FY2021 operating results</b>                      Revenue in the automotive coatings business increased from the previous year due to selling price increases to respond to higher raw material prices, despite lower automobile production compared to the previous year because of the shortage of semiconductor chips and disruptions of parts supplies due to the pandemic. Revenue in the decorative paints business increased in all business segments, primarily architectural paints, due to our unique sales promotion activities by leveraging our paint distribution network and aggressive new ideas for products. Revenue in the industrial coatings business increased due to the recovery in the housing, construction machinery, and agricultural machinery sectors from the previous year when demand was impacted by the pandemic. As a result, revenue increased by 1.6% from the previous year to 164.6 billion yen.                      Operating profit declined by 36.2% to 10.3 billion yen due to higher raw material prices in the 2H of FY2021, despite higher revenue in the 1H of FY2021 due to recovery from the pandemic.</p>	<p>Revenue</p> <p>Operating profit</p> <p>OP margin</p>	<p>¥164.6 billion</p> <p>¥10.3 billion</p> <p>6.3%</p>	<p>+1.6%</p> <p>-36.2%</p> <p>-3.7pt</p>	<p>—</p> <p>—</p> <p>—</p>	<p>2017: 175.9</p> <p>2018: 182.8</p> <p>2019: 182.6</p> <p>2020: 162.0</p> <p>2021: 164.6</p> <p>30.6</p> <p>29.6</p> <p>23.4</p> <p>16.1</p> <p>10.3</p>

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 \*3 Segment basis (after elimination of internal transactions and after PPA)  
 \*4 NPHD's estimates

\*5 FY2017 earnings of Dunn-Edwards are for 10 months from March, when the acquisition closed, to December 2017. Earnings changes since the acquisition are calculated using FY2018 earnings.  
 \*6 Do It For Me  
 \*7 Volume basis