

# FY2015 Financial Results (Supplement)

12 May, 2016



# Consolidated PL

	(100 Million Yen)						
	FY2015	FY2014	Variance	Variance Breakdown			Actual <sup>※4</sup> Variance of Existing Consolidated Companies
				Newly Consolidated Companies in Asia	Consolidated Adjustments	Existing Consolidated Companies	
Net sales	5,357.5	2,605.9	+2,751.6	+2,731.7	▲ 8.9	+28.8	+39.5
Operating income	<sup>※1</sup> 713.5	337.5	+376.0	+456.6	▲ 69.4	▲ 11.1	+56.0
Equity in earnings of affiliates	11.2	141.0	▲ <sup>※2</sup> 129.9	–	▲ 130.7	+0.8	▲ 0.5
Ordinary income	746.1	492.7	+253.4	+497.8	▲ 200.2	▲ 44.3	+22.1
Net income attributable to owners of parent	300.2	<sup>※3</sup> 326.8	▲ 26.6	–	–	–	–

※1 After amortization intangible assets (Goodwill : 10.4 billion yen, Intangible assets : 5.2 billion yen)

※2 Decrease due to Asia JV consolidation

※3 Exclude gain on step acquisitions (148.0 billion yen)

※4 Exclude currency effects and other factors

	(Yen)	
	FY2015	FY2014
EPS	93.6	650.0
EPS(based on IFRS)	125.9	653.9
EPS(CASH base)	139.3	653.9

# Performance overview by region

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## 【Japan】

- Net sales decreased due to continuous low demand
- Operating income increased by double-digit due to raw material price down and material cost reduction activities

## 【Asia】

(China)

- Net sales increased by high single-digit despite economic slowdown
- Operating income increased by double-digit due to steady material cost reduction activities

(Other areas)

- Singapore : Net sales increased by double-digit keeping
- Thailand : Operating income increased due to raw material price down and material cost reduction activities

## 【Americas】

- Net sales and operating income increased drastically thanks to automobile production hike and raw material price down imported from Japan

※All comments are comparison with FY2014  
※Asia and Americas are based on local currency

# Net sales and Operating income by region

(100 Million Yen)

		FY2015	FY2014	Variance	Variance Breakdown				
					Actual Variance	Newly Consolidated Companies in Asia	Currency	Other Factors	Consolidated Adjustments
Japan	Net sales	1,742.8	1,872.0	▲ 129.2	▲ 26.2	-	-	▲ 103.1	-
	Operating income	291.6 <sup>※1</sup>	264.1 <sup>※2</sup>	+27.5	+20.7	-	-	+6.8	-
Asia	Net sales	3,174.0	438.7	+2,735.3	+24.8	+2,722.8	+34.9	▲ 47.3	-
	Operating income	523.1 <sup>※3</sup>	45.4	+477.7	+14.1	+456.6 <sup>※3</sup>	+5.5	+0.8	+0.7
	Equity in earnings of affiliates	12.0	141.8	▲ 129.8	+0.3	▲ 130.7	+0.6	-	-
Americas	Net sales	331.6	257.9	+73.7	+36.1	-	+37.5	-	-
	Operating income	51.8	26.9	+24.9	+19.1	-	+5.9	-	-
Others	Net sales	109.1	37.2	+71.9	+4.7	-	+1.0	+66.2	-
	Operating income	▲ 9.0	0.7	▲ 9.7	▲ 0.2	-	▲ 0.2	▲ 9.3	-
Consolidated adjustments	Net sales	-	-	-	-	-	-	-	-
	Operating income	▲ 144.0	0.4	▲ 144.4	+2.3	-	▲ 1.8	▲ 74.7	▲ 70.2
Total	Net sales	5,357.5	2,605.9	+2,751.6	+39.5	+2,722.8	+73.4	▲ 84.1	-
	Operating income	713.5	337.5	+376.0	+56.0	+456.6	+9.3	▲ 76.4	▲ 69.5

※1 Exclude dividends from overseas group companies(28.1 billion yen)

※2 Exclude dividends from overseas group companies(7.8 billion yen)

※3 Before amortization intangible assets (Goodwill : 9.7 billion yen, Intangible assets : 5.2 billion yen)

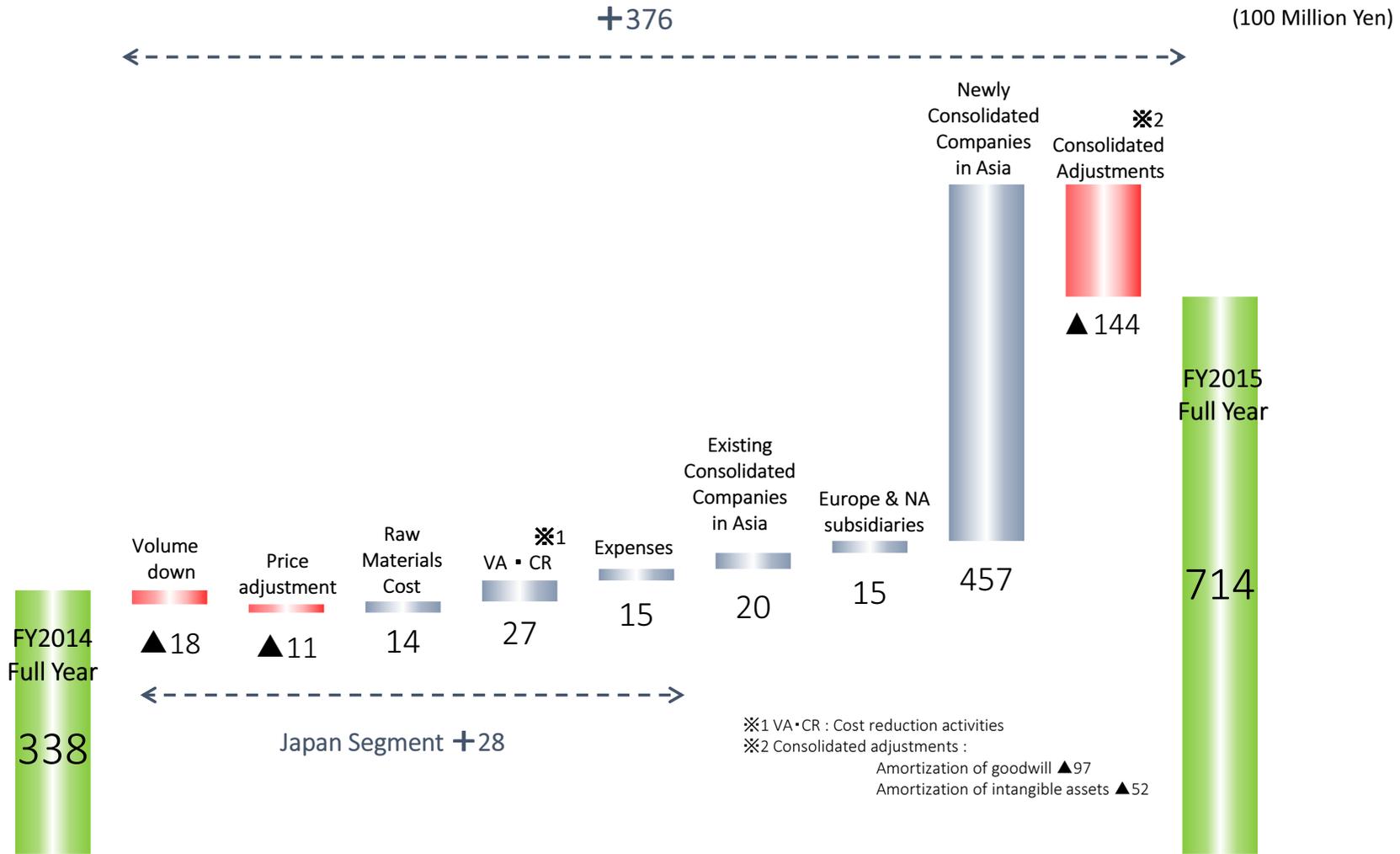
# Net sales by business segment

(100 Million Yen)

		FY2015	FY2014 ※	Variance	Actual Variance	Variance Breakdown		
						Newly consolidated companies in Asia	Currency	Other Factors
Paint business	Automotive coatings	1,387.6	864.0	+523.5	+49.1	+354.6	+53.7	+66.2
	Decorative paints (including Heavy duty)	2,533.5	457.4	+2,076.2	+9.5	+2,095.1	+0.1	▲ 28.5
	Industrial coatings	682.8	458.6	+224.2	▲ 20.0	+239.4	+4.8	-
	Others (Marine, Auto Refinish. etc.)	579.7	656.3	▲ 76.6	▲ 0.9	+33.7	+8.0	▲ 117.4
	Sub-total	5,183.6	2,436.3	+2,747.3	+37.6	+2,722.8	+66.6	▲ 79.7
Fine chemical business		173.8	169.6	+4.2	+1.9	-	+6.8	▲ 4.4
Total		5,357.5	2,605.9	+2,751.6	+39.5	+2,722.8	+73.4	▲ 84.1

※Adjust for comparison

# Operating income variance analysis



## Consolidated BS &amp; CF

【Asset】	(100 Million Yen)	
	As of 31 Mar, 2016	As of 31 Mar, 2015
Current assets	3,596	3,417
Property, plant and equipment	1,043	1,009
Intangible assets	2,832	3,181
Investments and other assets	443	500
<b>Total Assets</b>	<b>7,915</b>	<b>8,107</b>

	FY2015	FY2014
Cash flow from operating activities	+631.0	+344.2
Cash flow from investing activities	▲ 53.1	▲ 869.7
Cash flow from financing activities	▲ 247.0	+853.0

【Liability and Equity】	(100 Million Yen)	
	As of 31 Mar, 2016	As of 31 Mar, 2015
Current Liabilities	1,736	1,670
Non-current liabilities	502	538
<b>Total liabilities</b>	<b>2,237</b>	<b>2,208</b>
Shareholders' equity	4,750	4,655
Accumulated other comprehensive income	▲ 55	143
Non-controlling interests	982	1,101
<b>Total net assets</b>	<b>5,677</b>	<b>5,899</b>
<b>Total liabilities and net assets</b>	<b>7,915</b>	<b>8,107</b>

	FY2015	FY2014
Capex	190.3	51.3
Depreciation	161.8	59.0
R&D expenses	151.8	59.9

# Exchange rates and Market conditions

## 【Exchange rates for PL】

	Average rate from Jan to Dec, FY2015	Average rate from Jan to Dec, FY2014
Yen / USD	121.0	106.4
Yen / RMB	19.2	17.2

## 【Exchange rates for BS】

	As of 31 Dec, 2015	As of 31 Dec, 2014
Yen / USD	120.5	120.6
Yen / RMB	18.3	19.4

## 【Others】

	(Yen)	
	FY2015	FY2014
Japanese naphtha price	42,800	63,450

## 【Automobile production volume in key markets】 (Ten thousand units)

	FY2015	FY2014
Japan <sup>※</sup>	919	958
China	2,447	2,373
North America (USA, Canada, Mexico)	1,777	1,723
Thailand	191	188

## 【New Housing starts】

	(Ten thousand)	
	FY2015	FY2014
Japan	92.1	88.1

# Change in accounting period (FY2016)

Plan to change accounting period of domestic business from 31 Mar to 31 Dec

- Domestic subsidiaries : 9 months (1 Apr, 2016 to 31 Dec, 2016)
- Overseas subsidiaries : 12 months (1 Jan, 2016 to 31 Dec, 2016)

	2015				2016				2017			
	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12	1-3	4-6	7-9	10-12
Domestic		12 months			9 months				12 months			
Overseas	12 months				12 months				12 months			

FY2017 starts

※Necessary to be approved by 191th Annual General Meeting of Shareholders held on June, 2016

## Forecast for the Fiscal Year 2016

## 【Consolidated PL】

	FY2016 (12 months)	FY2015 ended Mar
Net sales	5,500	5,357
Operating income	770	714
Ordinary profit	800	746
Net income attributable to owners of parent	360	300

## 【Net sales by business segment】

		FY2016 (12 months)	FY2015 ended Mar
Paint Business	Automotive coatings	1,490	1,388
	Decorative paints (incl Heavy Duty)	2,509	2,534
	Industrial coatings	720	683
	Others(Marine, Auto Refinish. etc.)	614	580
	Sub-total	5,333	5,184
Fine chemical business		167	174
Total		5,500	5,357

## 【Net sales and Operating income by region】

(100 million yen)

		FY2016 (12 months)	FY2015 ended Mar	Variance
Japan	Net sales	1,845	1,743	+103
	Operating income ※ <sup>1</sup>	308	292	+16
Asia	Net sales	3,178	3,174	+4
	Operating income ※ <sup>2</sup>	540	523	+17
Americas	Net sales	342	332	+10
	Operating income	58	52	+6
Others	Net sales	134	109	+25
	Operating income	▲3.0	▲9.0	+6
Consolidated adjustments	Net sales	-	-	-
	Operating income	▲133.0	▲144.0	+11
Total	Net sales	5,500	5,357	+143
	Operating income	770	714	+56

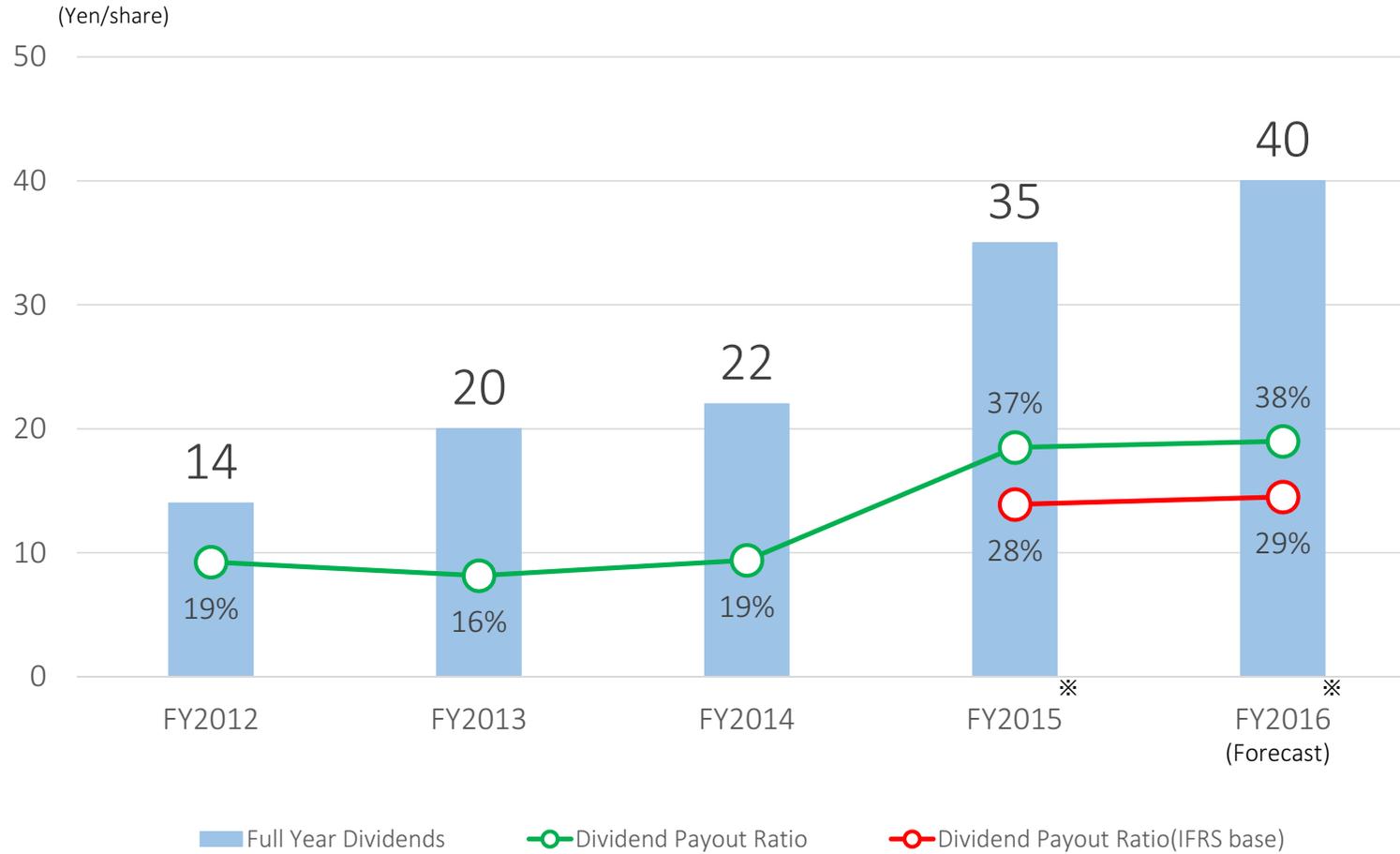
※<sup>1</sup> Exclude dividends from overseas group companies※<sup>2</sup> Before amortization

## 【Average exchange rate for PL】

	FY2016 (12 months)	FY2015 ended Mar
Yen / USD	117.0	121.0
Yen / RMB	17.5	19.2
Japanese naphtha price	31,000	42,800

FY2015 Financial Results

# Dividends records





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 be significantly different from the forward-looking statements.

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