

FY2016 2Q Financial Result <Supplement>

[Period]

Japan : Apr-Sep,2016

Overseas : Jan-Jun,2016

9th November, 2016



Overview(YoY)

【Overall】

- Net Sales –** : Due to adverse currency effects while net sales in local currencies in Asia & Americas, etc. were up
- Operating Profit +** : Thanks to raw materials cost reduction initiatives in each region

【Japan】

- Net Sales –** : Due to decline in Marine coatings & Equipment sales while net sales in Automotive and Industrial coatings were up
- Operating Profit +** ※1 : Thanks to raw materials cost reduction initiatives
- ※1 Exclude dividends from overseas group companies
(FY15 1Q 16.2 billion yen , FY16 1Q 430 million yen)

【Asia】

- Net Sales –** : Due to adverse currency effects while net sales in local currencies were up
- Operating Profit +** : Thanks to raw materials cost reduction initiatives in each countries
- (China) Steady growth in Automotive & Decorative
- (Ex. China) Significant growth in Automotive & Decorative in local currencies

【Americas】

- Net Sales +** : Thanks to strong automobile production, growth in plastic coatings, operation start in Mexico
- Operating Profit +** : Thanks to raw materials cost reduction initiatives

【Others】

- Net Sales +** ※2 : Thanks to consolidation of B&K and business expansion for European OEM makers
- Operating Profit –** : Due to SGA increase including amortization of goodwill related to consolidation of B&K
- ※2 Bollig & Kemper(German paint manufacturer)

Consolidated P/L

Consolidated P/L

round off to the first decimal place(The same shall apply hereafter)

(100 million Yen)

	FY16 2Q	FY15 2Q	GAP	Gap Breakdown		
				Impact of Exchange Rate	※2 Other Factors	Actual GAP
Net Sales	2,544.4	2,632.7	-88.3	-210.4	25.5	96.6
Operating Profit	379.6	320.5	59.1	-26.6	-3.7	89.4
Operating Profit margin	14.9%	12.2%	2.7pp	—	—	—
Ordinary Income	356.1	336.9	19.2	-28.6	-2.2	50.0
Net Income ※1	166.1	132.8	33.3			

※1 Net Income attributable to owners of parent ※2 Due to the consolidation of B&K

<Referense> D&A expenses

(100 million yen)

	FY16 2Q	FY15 2Q
D&A ※3 (fixed & Intangible assets)	72.0	79.1
Amortization (good will)	47.9	51.1
Total	119.9	130.2

※3 Including intangible assets amortization of newly consolidated Asian companies(FY15 2Q 1.29billion yen , FY16 2Q 1.22 billion yen)

<Referense> EPS

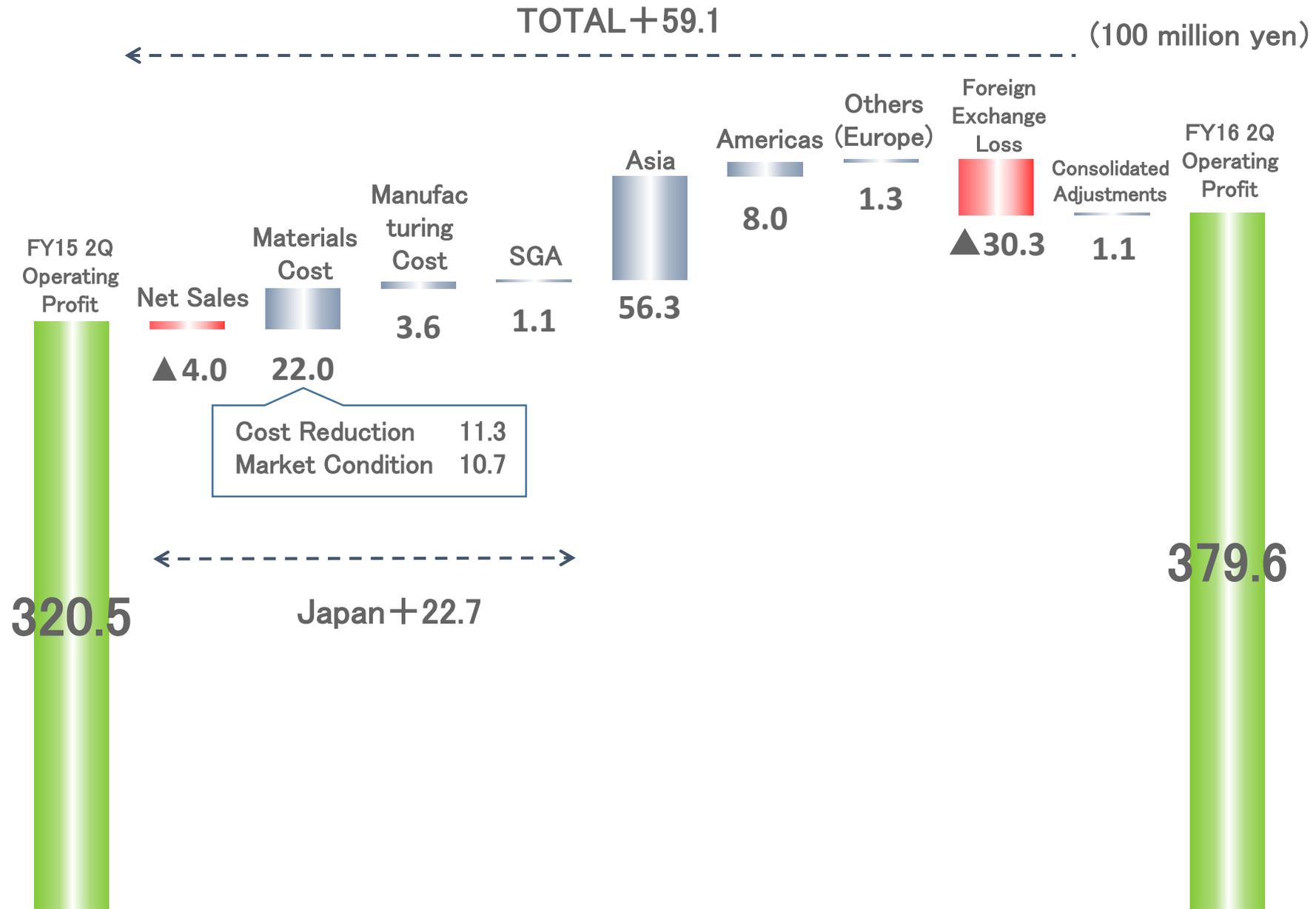
(yen)

	FY16 2Q	FY15 2Q	Notes
Standard	51.8	41.4	—
Based on IFRS	66.7	57.3	(Net Income + Goodwill Amortization) ÷ Shares ※4
Based on Cash	72.8	64.0	(Net Income + Goodwill & Intangible assets amortization ※5) ÷ Shares ※4

※4 Average number of shares during the period

※5 Intangible assets amortization of newly consolidated Asian companies

Operating Profit Gap analysis(Y o Y)



Net Sales & Operating Profit by Region

(100 million yen)

		FY16 2Q	FY15 2Q	Gap	Gap Breakdown		
					Impact of Exchange Rate	Other※2 Factors	Actual Gap
Japan	Net Sales	842.0	862.7	-20.7	-	-	-20.7
	Operating Profit※1	157.6	134.9	22.7	-	-	22.7
Asia	Net Sales	1,466.6	1,564.6	-98.0	-184.9	-	86.9
	Operating Profit	192.3	160.5	31.8	-24.5	-	56.3
Americas	Net Sales	168.6	163.7	5.0	-14.6	-	19.6
	Operating Profit	30.2	24.8	5.4	-2.7	-	8.0
Others	Net Sales	67.2	41.8	25.4	-11.0	25.5	10.9
	Operating Profit	-1.3	0.6	-1.9	0.1	-3.3	1.3
Consolidated Adjustment	Net Sales	-	-	-	-	-	-
	Operating Profit	0.9	-0.2	1.1	0.4	-0.5	1.1
TOTAL	Net Sales	2,544.4	2,632.7	-88.3	-210.4	25.5	96.6
	Operating Profit	379.6	320.5	59.1	-26.6	-3.7	89.4

※1 Exclude dividends from overseas group companies (FY15 2Q 16.2 billion yen , FY16 2Q 0.4 billion yen)

※2 Due to the consolidation of B&K

Net Sales by Business Segment

(100 million yen)

		FY16 2Q	FY15 2Q	Gap	Gap Breakdown		
					Impact of Exchange Rate	Other [※] Factors	Actual Gap
P a i n t s	Automotive Coatings	701.0	657.5	43.5	-60.7	23.9	80.2
	Decorative Paints (Including Heavy Duty)	1,166.7	1,257.3	-90.5	-118.5	-	28.0
	Industrial Coatings	337.5	339.1	-1.6	-18.0	1.4	15.0
	Others (Marine & Auto Refinishes, etc)	250.1	290.3	-40.2	-7.5	0.2	-32.9
	Sub-total	2,455.3	2,544.2	-88.9	-204.7	25.5	90.3
Fine Chemicals		89.1	88.5	0.6	-5.7	-	6.3
Total		2,544.4	2,632.7	-88.3	-210.4	25.5	96.6

※ Due to the consolidation of B&K

Net Sales by Business Segment & Region

		(100 million yen)			
		FY16 2Q	FY15 2Q	Gap	Actual Gap
Japan	Automotive Coatings	198.7	191.4	7.3	-
	Decorative Paints(Including Heavy Duty)	211.2	213.5	-2.3	-
	Industrial Coatings	193.2	187.9	5.3	-
	Others(Marine & Auto Refinishes, etc)	194.4	225.1	-30.7	-
	Fine Chemicals	44.6	44.8	-0.2	-
Asia	Automotive Coatings	291.8	286.3	5.5	43.3
	Decorative Paints(Including Heavy Duty)	955.6	1,043.8	-88.2	30.3
	Industrial Coatings	141.8	151.1	-9.4	8.2
	Others(Marine & Auto Refinishes, etc)	51.8	60.1	-8.3	-1.4
	Fine Chemicals	25.7	23.2	2.4	6.4
Americas	Automotive Coatings	151.7	145.9	5.7	19.0
	Fine Chemicals	15.9	16.3	-0.4	0.8
Others	Automotive Coatings	58.8	33.9	25.0	10.7
	Fine Chemicals	2.9	4.1	-1.2	-0.7

Consolidated B/S·C/F

Assets

	(100 million yen)	
	As of 30 Sep, 2016	As of 31 Mar, 2016
Current Assets	3,529.8	3,596.5
Property, Plant and Equipment	993.6	1,043.0
Intangible Assets	2,387.6	2,832.3
Investment and other assets	446.2	442.8
TOTAL	7,357.2	7,914.6

	FY16 2Q	FY15 2Q
Cash Flow from operating activities	351.7	137.1
Cash Flow from investing activities	-36.9	-72.6
Cash Flow from financing activities	-65.3	-43.9

Liability and Equity

	(100 million yen)	
	As of 30 Sep, 2016	As of 31 Mar, 2016
Current Liabilities	1,629.5	1,735.7
Non-current liabilities	472.1	501.4
TOTAL Liabilities	2,101.6	2,237.1
Shareholder's Equity	4,851.8	4,749.9
Accumulated other comprehensive income	- 529.1	- 54.6
Non-controlling interests	932.2	981.8
Subscription rights to shares	0.7	0.4
Total Net Assets	5,255.6	5,677.5
TOTAL	7,357.2	7,914.6

	FY16 2Q	FY15 2Q
CAPEX	105.6	97.7
R&D expenses	65.6	67.6

Currency Rates & Market Conditions(Y o Y)

Currency rate for Consolidated P/L

	FY16 2Q (Average)	FY15 2Q (Average)
USD	111.8	120.5
RMB	17.0	19.4

Currency rate for Consolidated B/S

	As of 30 Sep, 2016	As of 31 Mar, 2016
USD	103.0	120.5
RMB	15.5	18.3

Naptha Price

	(Yen/KL)	
	FY16 2Q	FY15 2Q
Domestic price (estimation)	31,400	48,000

Automobile Productions

(Ten thousand units)

	FY16 2Q	FY15 2Q
Japan	441.2	444.6
China	1,286.8	1,209.7
North America (US, Canada, Mexico)	924.0	894.6
Thailand	99.3	93.4

Source : Japan Automotive Manufactures Association and Federation of Thai Industries

Housing Starts

(Ten thousand)

	FY16 2Q	FY15 2Q
Japan	50.0	47.2

Source : Ministry of Land, Infrastructure, Transport and Tourism

Revised outlook of consolidated PL for FY2016

(100 million yen)

	Revised Outlook	Original Outlook (12 May)	GAP	GAP (%)	Impact of Exchange Rate
Net Sales	4,670	5,000	-330	-6.6%	-224
Operating Profit	700	710	-10	-1.4%	-37
Ordinary Income	690	740	-50	-6.8%	
Net Income ※	300	340	-40	-11.8%	

※ Net Income attributable to owners of parent

IR Schedule

Date&Time		Contents	Place
17th November	15:30	Business Briefing for Investors	Marunouchi,Tokyo
From 24th January,2017	-	Silent Period	-
14th February	15:30	FY16 Financial Result Announcement	-
	18:00	FY16 Financial Result Telephone Conference	-
27th February	15:30	Business Briefing for Investors	Marunouchi,Tokyo



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.

Please be advised that Nippon Paint Holdings Co., Ltd. and information providers shall not be responsible for any damage suffered by any person relying on any information or statements contained herein.