

3Q 2017 Financial Result <Supplement>

November 14, 2017



Rounding off to the first decimal place



Period covered

	3Q 2017 ^{※1}	3Q 2016(Adjusted) ^{※2}
Domestic	Jan, 2017 - Sep, 2017	Jan, 2016 - Sep, 2016
Overseas	Jan, 2017 - Sep, 2017	Jan, 2016 - Sep, 2016

※1 The company changed its fiscal year-end from March 31 to December 31 since 2016.

※2 Financial result are provided as a reference for comparison and have not been audited by the audit corporation.

3Q Summary

- ✓ Increased net sales and net income
- ✓ Steady expansion of existing business
- ✓ Acceleration of rising raw material prices mainly in Asia

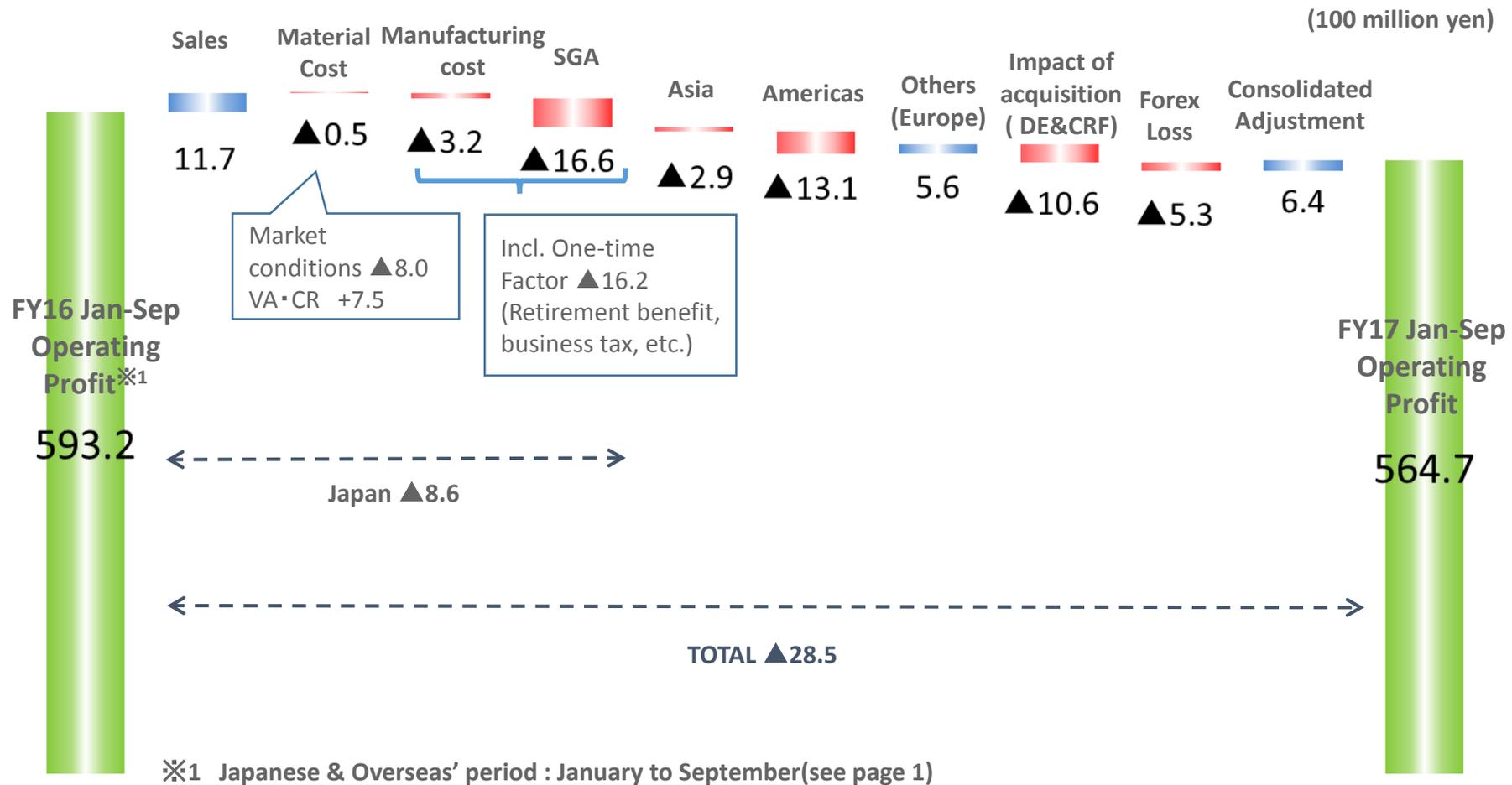
(100 million Yen)

	2017 Jan-Sep	2016 Jan-Sep	GAP		Impact of FX	Gap Breakdown		Actual GAP
			Amount	%		Impact of acquisition ^{※2}		
Net Sales	4,527.7	3,849.8	677.9	17.6%	27.2	366.4	284.3	
Operating Profit	564.7	593.2	-28.5	-4.8%	-5.3	-10.6	-12.6	
Operating Profit Margin	12.5%	15.4%	-	-				
Ordinary Income	587.3	564.4	22.9	4.1%				
Net Income ^{※1}	252.4	236.6	15.8	6.7%				

※1 Net Income attributable to owners of parent

※2 Including acquisition of CRF(Chinese decorative,the same shall apply hereafter)

Operating Profit Gap analysis



Net Sales by Business Segment

(100 million Yen)

		2017 Jan-Sep	2016 Jan-Sep	GAP		Gap Breakdown		Actual GAP
				Amount	%	Impact of FX	Impact of acquisition	
Japan	Net Sales	1,308.3	1,278.9	29.4	2.3%	-	-	29.4
	Operating Profit ^{※1}	227.3	235.9	-8.6	-3.6%	-	-	-8.6
Asia	Net Sales	2,613.3	2,231.4	381.9	17.1%	27.9	97.7	256.3
	Operating Profit	305.8	314.5	-8.7	-2.8%	2.1	-7.9	-2.9
Americas	Net Sales	502.2	243.5	258.7	106.2%	6.2	268.7	-16.1
	Operating Profit	27.7	43.0	-15.4	-35.8%	0.4	-2.7	-13.1
Others (Mainly Europe)	Net Sales	103.9	96.0	7.9	8.2%	-6.9	-	14.8
	Operating Profit	3.2	-1.5	4.7	-	-0.8	-	5.6
TOTAL	Net Sales	4,527.7	3,849.8	677.9	17.6%	27.2	366.4	284.3
	Operating Profit	564.7	593.2	-28.5	-4.8%	-5.3	-10.6	-19.0

※1 Exclude dividends from oversea's group companies(3Q 2016 : 12.1 billion yen, 3Q 2017 : 12.5 billion yen)

Net Sales by Business Segment

(100 million Yen)

	2017 Jan-Sep	2016 Jan-Sep	GAP		Gap Breakdown		Actual GAP
			Amount	%	Impact of FX	Impact of acquisition	
Automotive coatings	1,092.2	1,027.6	64.6	6.3%	9.0	-	55.6
Decorative paints (Including heavy duty)	2,330.8	1,791.0	539.8	30.1%	10.0	366.4	163.4
Industrial coatings	552.3	507.6	44.7	8.8%	3.9	-	40.8
Others(Marine & Auto refinishes,etc)	411.6	392.3	19.4	4.9%	1.9	-	17.4
Sub-total	4,386.9	3,718.4	668.5	18.0%	24.8	366.4	277.3
Fine Chemicals	140.8	131.4	9.5	7.2%	2.4	-	7.1
Total	4,527.7	3,849.8	677.9	17.6%	27.2	366.4	284.3

Net Sales by Region & Business Segment

(100 million Yen)

		2017 Jan-Sep	2016 Jan-Sep	GAP	Actual GAP
Japan	Automotive coatings	319.6	297.1	22.4	22.4
	Decorative paints (Including heavy duty)	306.4	318.4	-12.0	-12.0
	Industrial coatings	301.0	292.7	8.2	8.2
	Others(Marine & Auto refinishes,etc)	313.7	304.8	8.9	8.9
	Fine Chemicals	67.7	65.8	1.8	1.8
Asia	Automotive coatings	469.7	427.5	42.1	32.3
	Decorative paints (Including heavy duty)	1,755.7	1,472.6	283.1	175.4
	Industrial coatings	248.1	210.7	37.4	33.4
	Others(Marine & Auto refinishes,etc)	96.2	82.1	14.1	12.2
	Fine Chemicals	43.6	38.5	5.0	3.0
Americas	Automotive coatings	209.3	219.8	-10.5	-16.1
	Decorative paints	268.7	-	268.7	-
	Fine Chemicals	23.4	22.4	1.0	0.4
Others (Mainly Europe)	Automotive coatings	93.7	83.1	10.6	16.9
	Fine Chemicals	6.2	4.6	1.5	1.8

<Assets>	(100 million Yen)	
	As of 30, Sep,2017	As of 31, Dec,2016
Current assets	4,009.4	4,129.2
Property, plant and equipment	1,410.5	1,076.7
Intangible assets	3,107.3	2,577.0
Investment and Other assets	597.4	497.1
Total assets	9,124.6	8,280.0

<Liabilities and net assets>	(100 million Yen)	
	As of 30, Sep,2017	As of 31, Dec,2016
Current liabilities	2,144.2	1,879.3
Non-current liabilities	946.0	543.1
Total liabilities	3,090.2	2,422.4
Shareholder's equity	5,093.2	4,969.4
Accumulated other comprehensive income	-232.7	-236.1
Subscription rights to shares	1.3	0.9
Non-controlling interests	1,172.6	1,123.3
Total net assets	6,034.4	5,857.6
Total liabilities and net assets	9,124.6	8,280.0

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

		(100 million Yen)	
		2017 Jan-Sep	2016 Jan-Sep
Capital expenditures	Property, plant and equipment	160.6	124.1
	Intangible assets	18.3	21.5
	Total	178.9	145.6
Depreciation	Property, plant and equipment	77.8	62.6
	Intangible assets	53.3	47.3
	Total	131.1	110.0
R&D expenses		108.4	114.5

		(100 million Yen)	
		As of 30, Sep,2017	As of 31, Dec,2016
Short-term loans payable		188.1	295.5
Current portion of long-term loans payable		71.0	9.5
Long-term loans payable		317.2	34.6
Total interest-bearing debts		576.3	339.5

Key Indicators

	As of 30, Sep,2017	As of 31, Dec,2016
Capital equity ratio (%)	53.3%	57.2%
Net assets (100 milion yen)	6,034.4	5,857.6
Total assets (100 million yen)	9,124.6	8,280.0
Net assets per share(yen)	1,515.61	1,475.93
Earnings per share(yen) ^{*1}	105.49	95.27

※1 (Net income + Goodwill amortization) ÷ Average number of shares during the period

Each Value is calculated by the results from January to September

Foreign Exchange rates and market conditions

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

	2017 Jan-Sep	2016 Jan-Sep
¥/USD	111.8	108.8
¥/RMB	16.5	16.5

<Paint shipment>

	(10,000t)	
	2017	2016
Japan ^{※1}	117	115
China ^{※2}	1,494	1,303

※1 Source : Japan paint manufacturers association

Period : January-**August**

※2 Source : National bureau of statistics of China

Period : January-September

<Automobile production^{※3}>

	(10,000 unit)	
	2017 Jan-Sep	2016 Jan-Sep
Japan	721	680
China	2,035	1,935
North America (US, Canada, Mexico)	1,301	1,366
Thailand	148	148

※3 Source Japan, China, North America : Japan automobile manufacturers association

Source Thailand : Federation of Thai industries

< Exchange rate for B/S >

	As of 30, Sep, 2017	As of 31, Dec, 2016
¥/USD	112.7	116.5
¥/RMB	17.0	16.8

<Others(Japan market)>

	(10,000 units)	
	2017	2016
Housing starts ^{※4}	72.0	71.7
Construction machinery productions ^{※5}	28.5	26.8
Machine tool production ^{※6}	5.7	4.6

※4 Source : Ministry of land, infrastructure, transport and tourism

Period : January-September

※5 Source : Japan construction equipment manufacturers association

Period : January-September

※6 Source : Japan machine tool builders' association

Period : January-**August**

< Naptha price(Our estimates)>

	(¥/KL)	
	2017 Jan-Sep	2016 Jan-Sep
Japan produced naptha price	39,100	32,500

Revised full year forecast

(100 million Yen)

	Full year forecast		GAP	
	Revised	Previous	Amount	%
Net Sales	6,050	5,770	+280	4.9%
Operating Profit	750	810	-60	-7.4%
Ordinary Income	780	840	-60	-7.1%
Net Income	340	370	-30	-8.1%

※ Net Income attributable to owners of parent

IR Schedule

Date&Time		Contents	Place
From Jan 24, 2018	-	Silent Period	-
Feb 14, 2018	15:30	2017 financial results Announcement	-
	18:00 (tentative)	2017 financial results Telephone Conference	-
Feb 26, 2018	15:30	Business Briefing for institutional investors	Otemachi, 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 differ significantly from the forward-looking statements.

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