

Nippon Paint Holdings @Morgan Stanley Chemical Conference

Tetsushi Tado, President & CEO
19 December, 2017

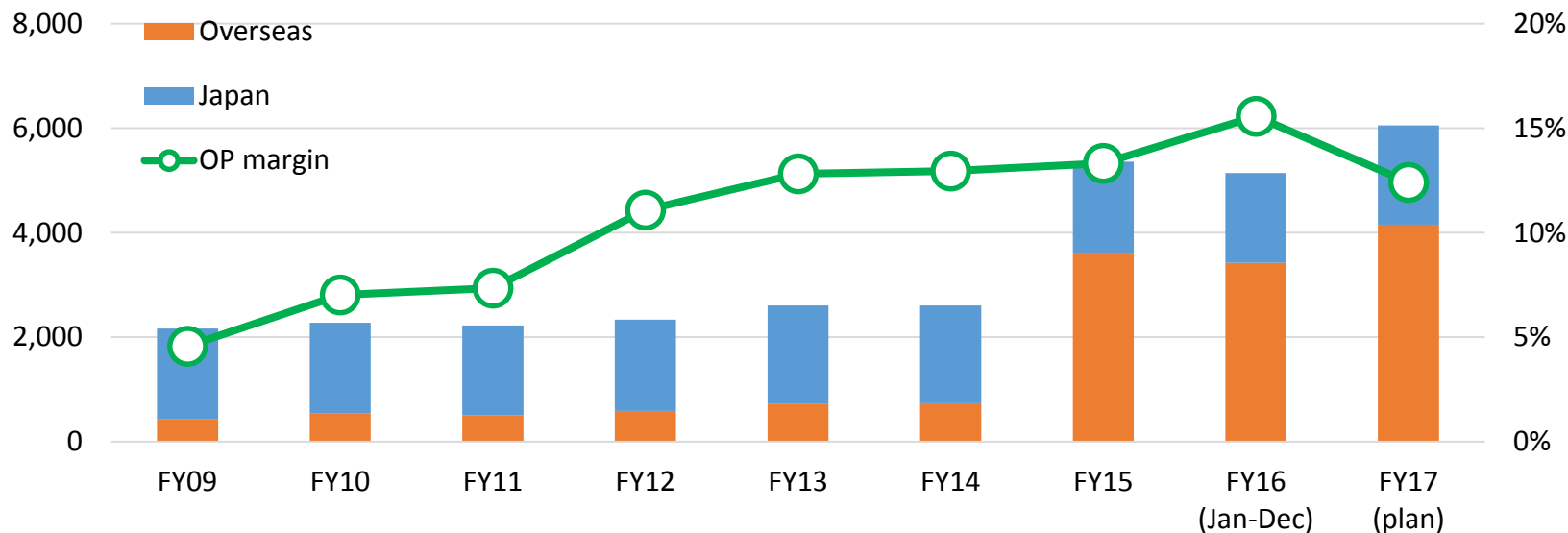


NIPPON PAINT HOLDINGS CO.,LTD.

• **No.1 in Asia & No.4 in the world**

• **Establish rapid growth and stable profitability** due to the consolidated Asian JV

(100 million yen)



SC I : FY09-FY11

Began Survival Challenge in FY09.

- Transform into a profitable company
- Become an “Ordinary” company

SC II : FY12-FY14

- Establish a solid profitable structure
- Transform into a growth company

SCⅢ-1 : FY15-FY17

- Expand sales & Profit
- Create the foundation for a leading position

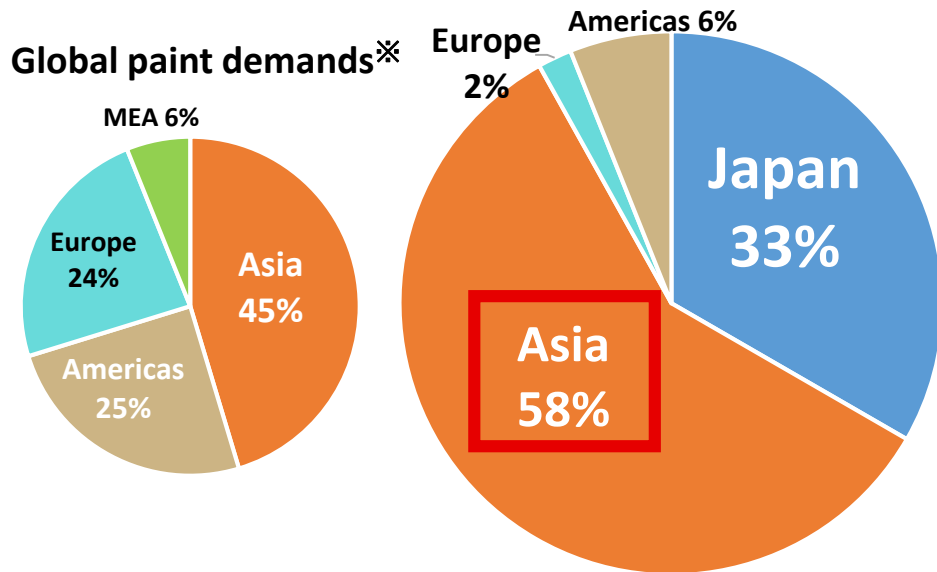
SCⅢ-2 : FY18-

- **New mid-term plan from FY18 to FY20**
- **Aiming for the global leading position**

Focusing on Asia, focusing on decorative paints

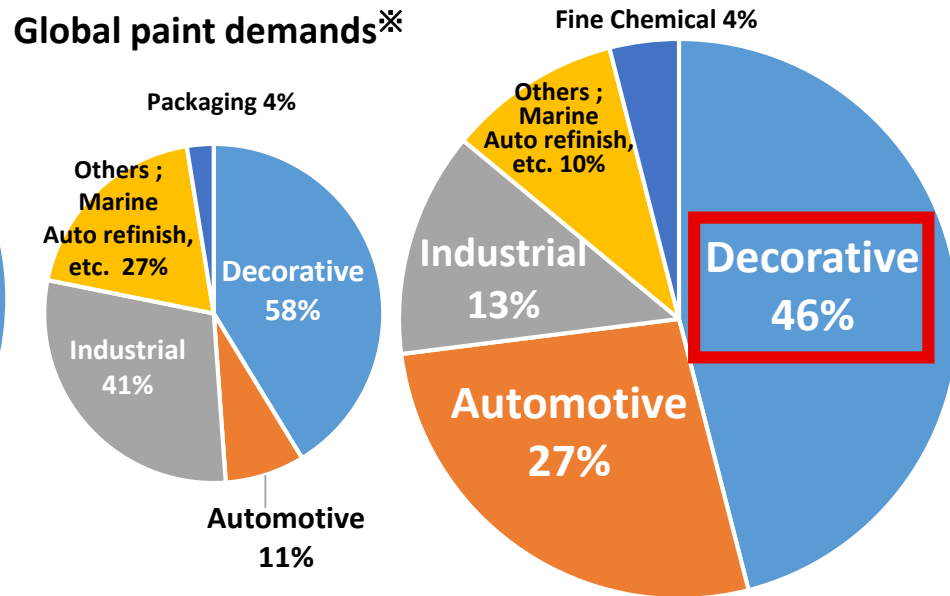
By Region

Nippon's revenue (FY16)



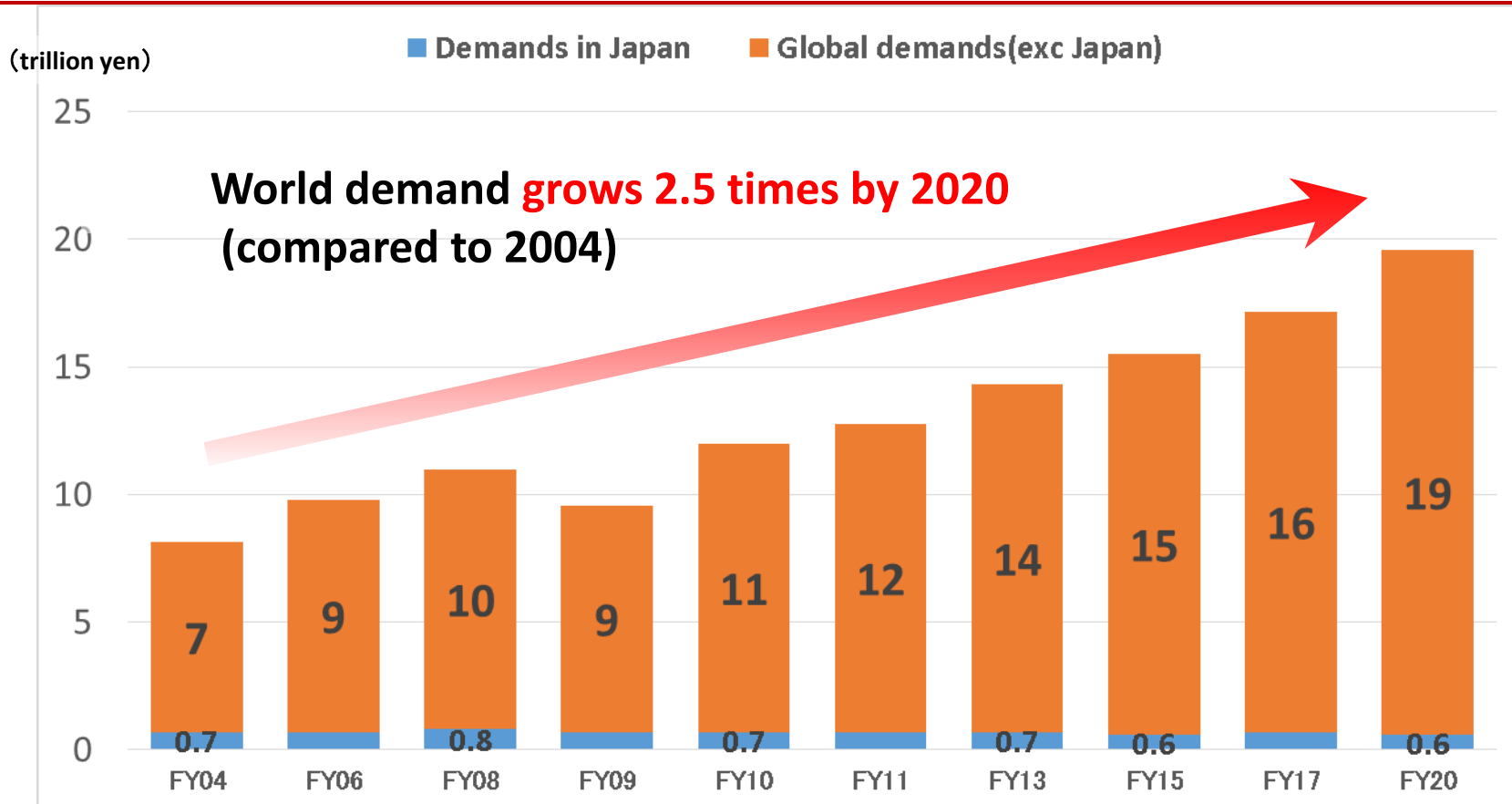
By Business segment

Nippon's revenue (FY16)



Global paint demands

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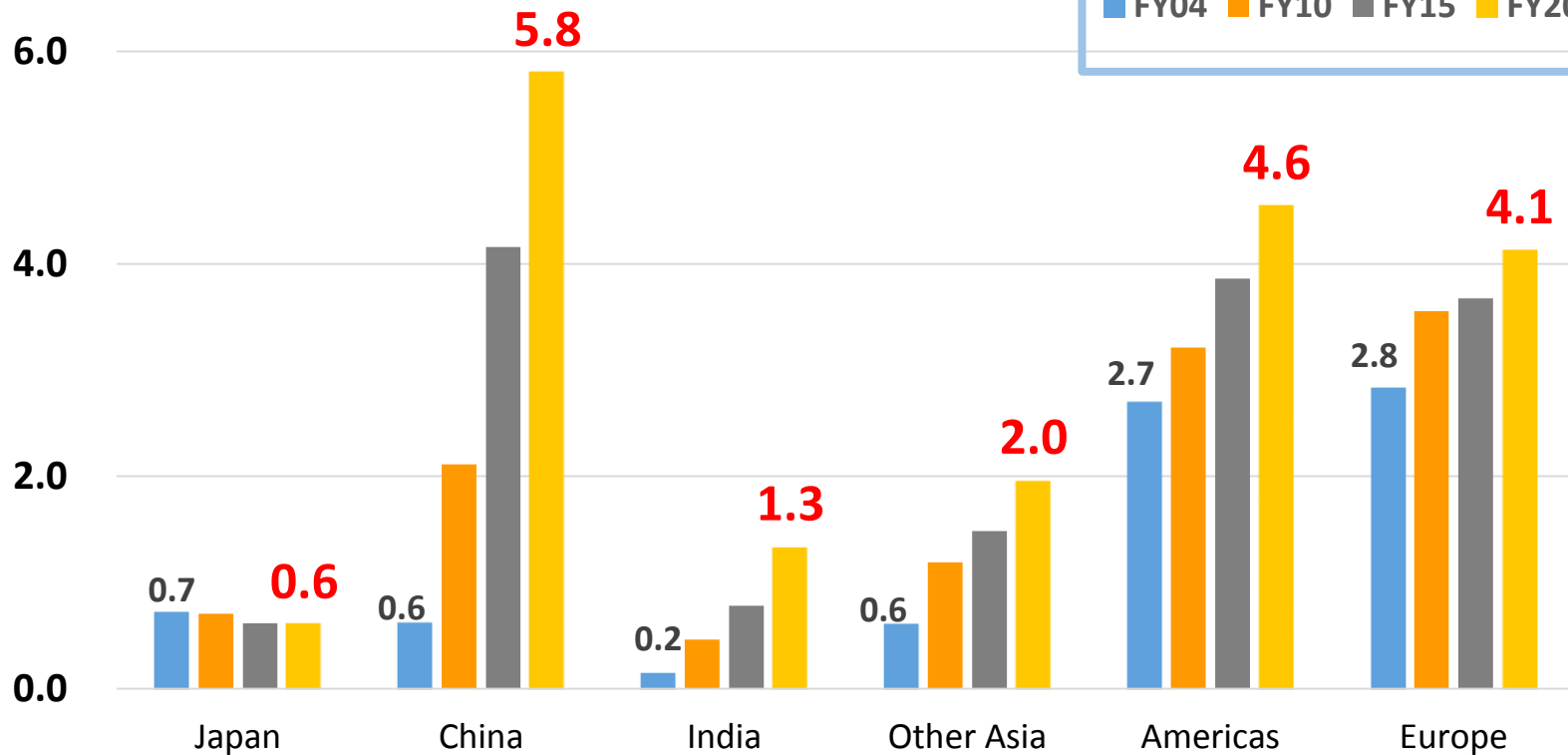


Source : IPPIC, Our estimate
USD=JPY110

Global paint demands by region

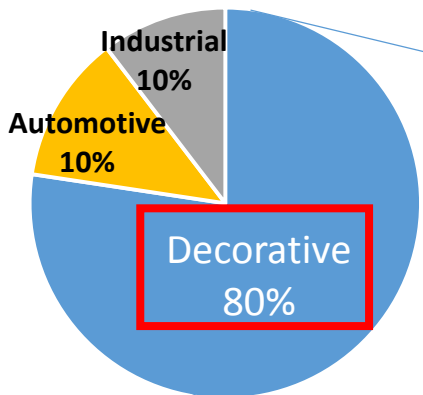
China, the largest demand & fastest growth

(trillion yen)

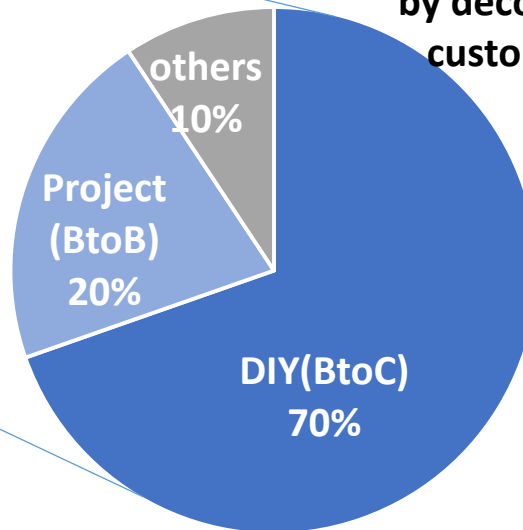


80% of net sales from decorative, of which 70% from DIY

**Net Sales composition
by business segment**



**Net sales composition
by decorative
customers**



China :Further focus on “DIY” #1

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Steady presence of DIY, Decorative

Selected as “one of **favorite 6 major brands** (5 consecutive years)



SUPER
BRANDS
CHINA



Our Brand
“Li-bang(立邦)”

PHILIPS

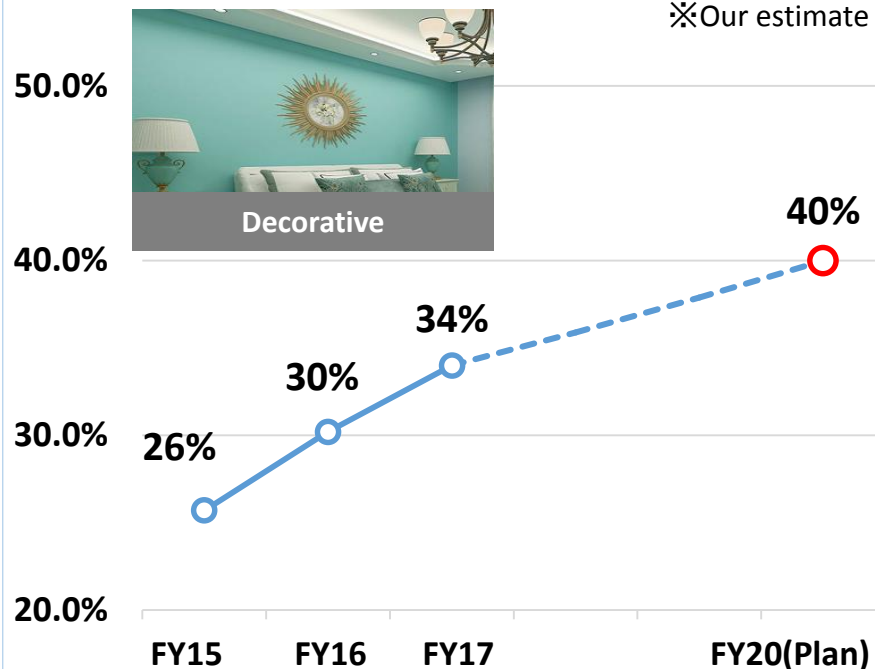


绿源电动车

SUPOR 苏泊尔

Top Share of “DIY”

※Our estimate



China :Further focus on "DIY" #2

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Expanding market share by strengthening advertisement, sales network and customer satisfaction



Brand value enhancement



Promotion through TV programs (sponsored by only Li-bang "立邦")



Expansion of sales outlets

1 免费检测

2 制定方案

3 搬移保护

4 专业打磨

5 清洁归位

6 一年质保

服务内容

✓ 解决墙面问题
✓ 焕新墙面颜色
✓ 艺术墙面效果
✓ 翻新木质家居

立邦 刷新服务 不用你动手

400 821 5757

登录立邦刷新服务小程序，查看商家 立即刷新服务

立邦
为你刷新生活

Provide all repainting service with just one call
"Total Service Provider"

China :Raw material price trend

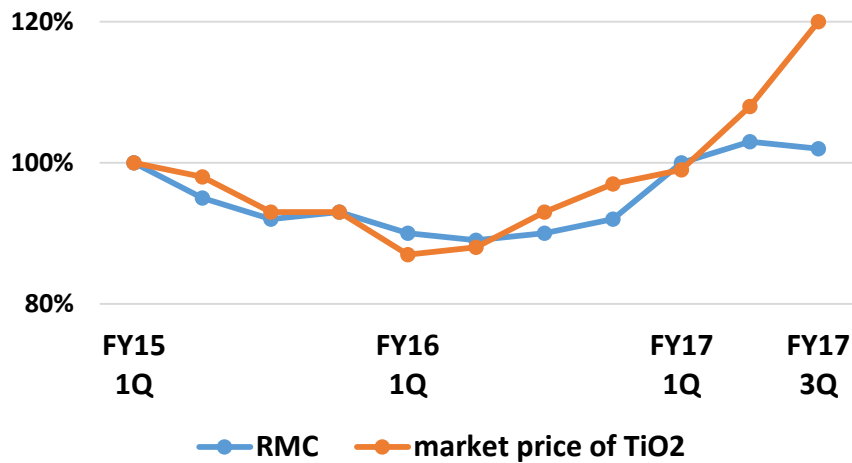
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Expanding SOM & PBT despite of raw material price hiking

Rising RMC^{※1} ratio despite of raw materials price hiking (especially TiO₂)

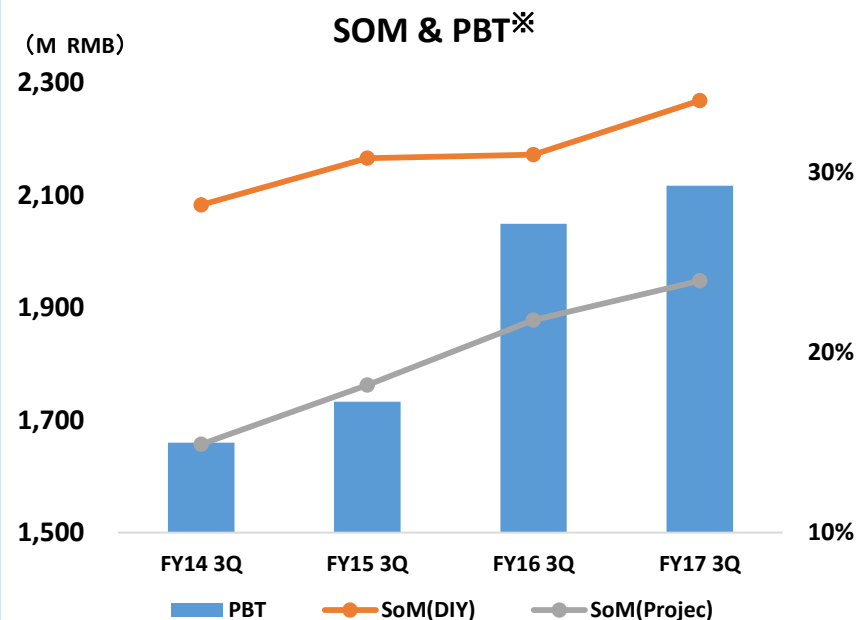
Trend of TiO₂ market^{※2} & RMC vs Sales



※1 Raw Material Cost

※2 Our estimate, standardizing FY15 1Q as 100%

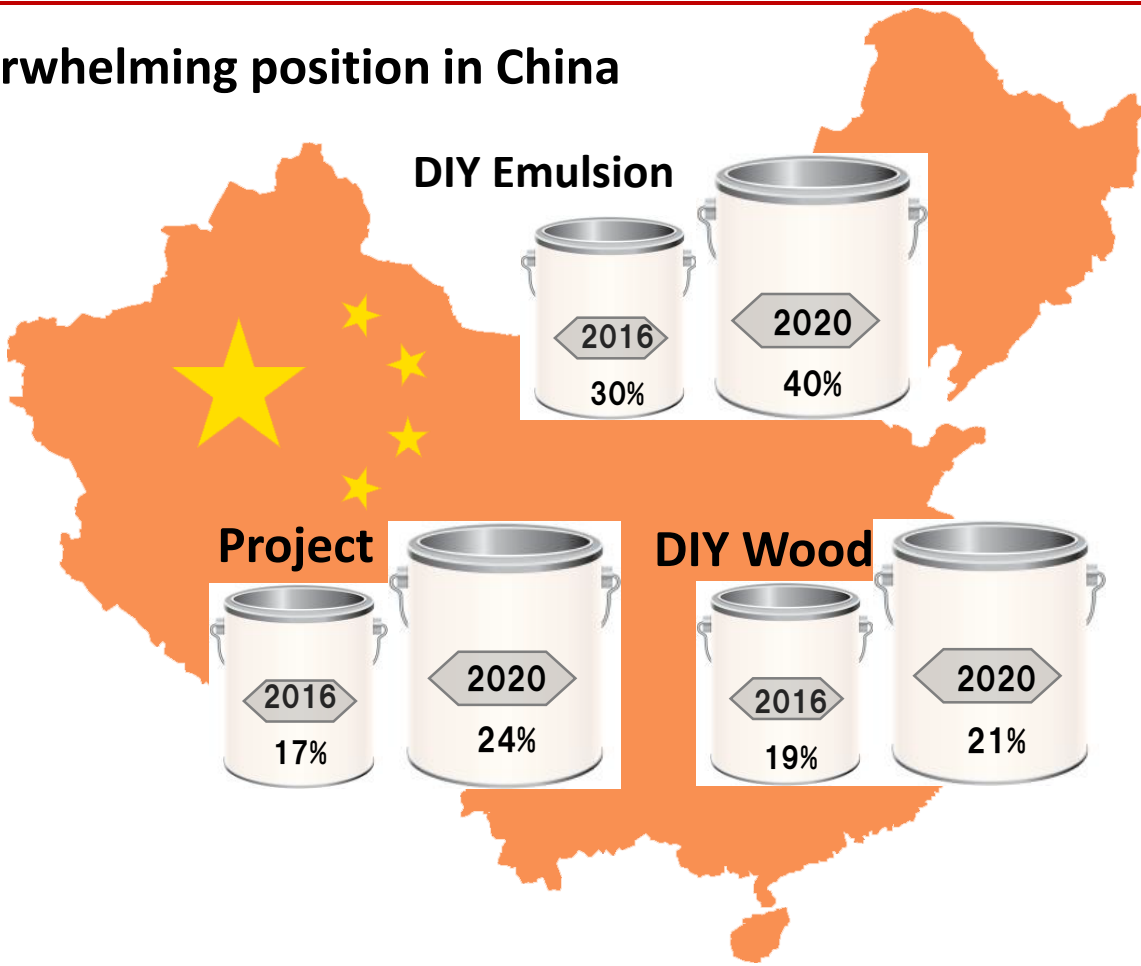
Keeping growth of SOM(%) & PBT(absolute value)



※3Q TOTAL

China :SOM target of Decorative






Overwhelming position in China



Asia :SOM target of Decorative

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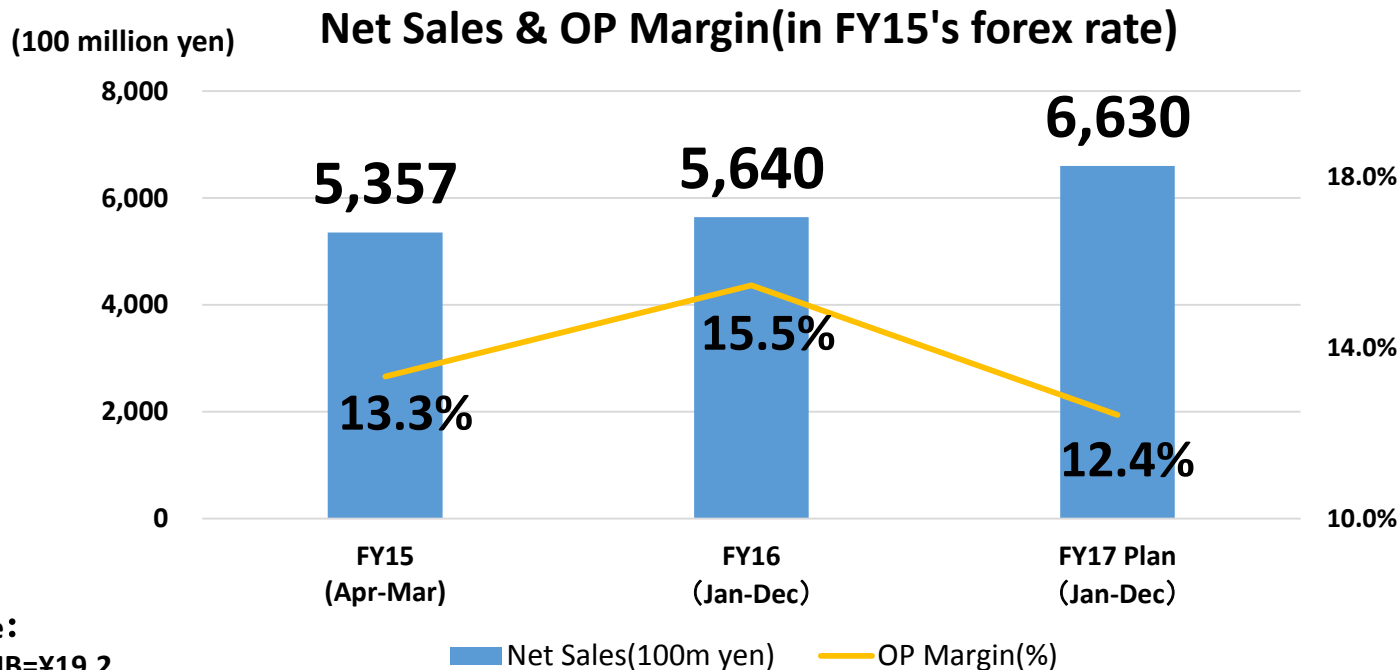
Aiming for overwhelming position in each asian countries

Dominant	Country	SOM FY16	SOM #2 FY16	Target FY20
		45.3%	AkzoNobel 23.5%	51.3%
		57.6%	AkzoNobel 13.6%	65.2%
No2 Group	Country	SOM FY16	SOM #1 FY16	Target FY20
		11.6 % (#3)	4 oranges 38.0%	15.0%
		24.3% (#2)	AkzoNobel 28.0%	25.4%
		5.9% (#4)	TOA 46.1%	8.4%

Looking back current mid-term plan

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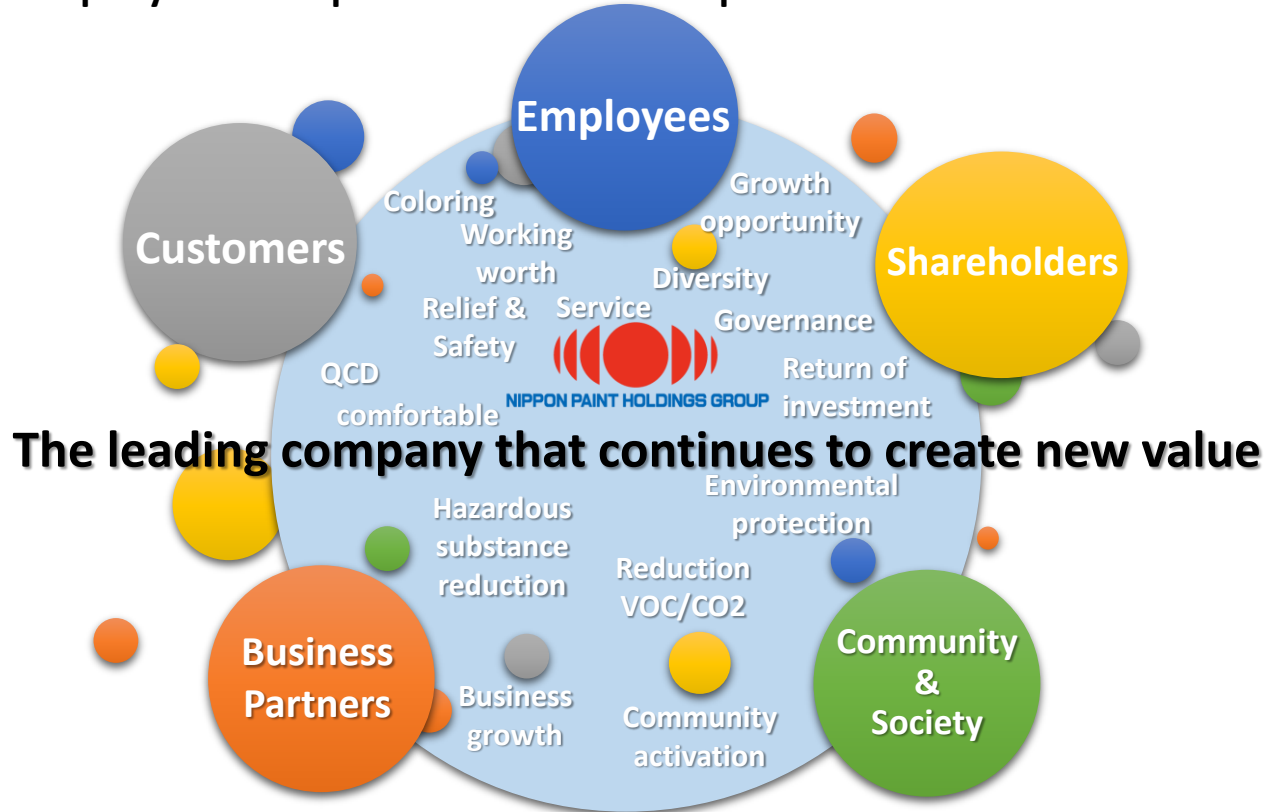
- Net Sale target : 700 billion yen ⇒ Excluding currency effects, prospects to be nearly achieved in FY17
- OP margin: over 15% ⇒ 15.5% in FY16, 12.4% in FY17



Desirable position in long-term perspective

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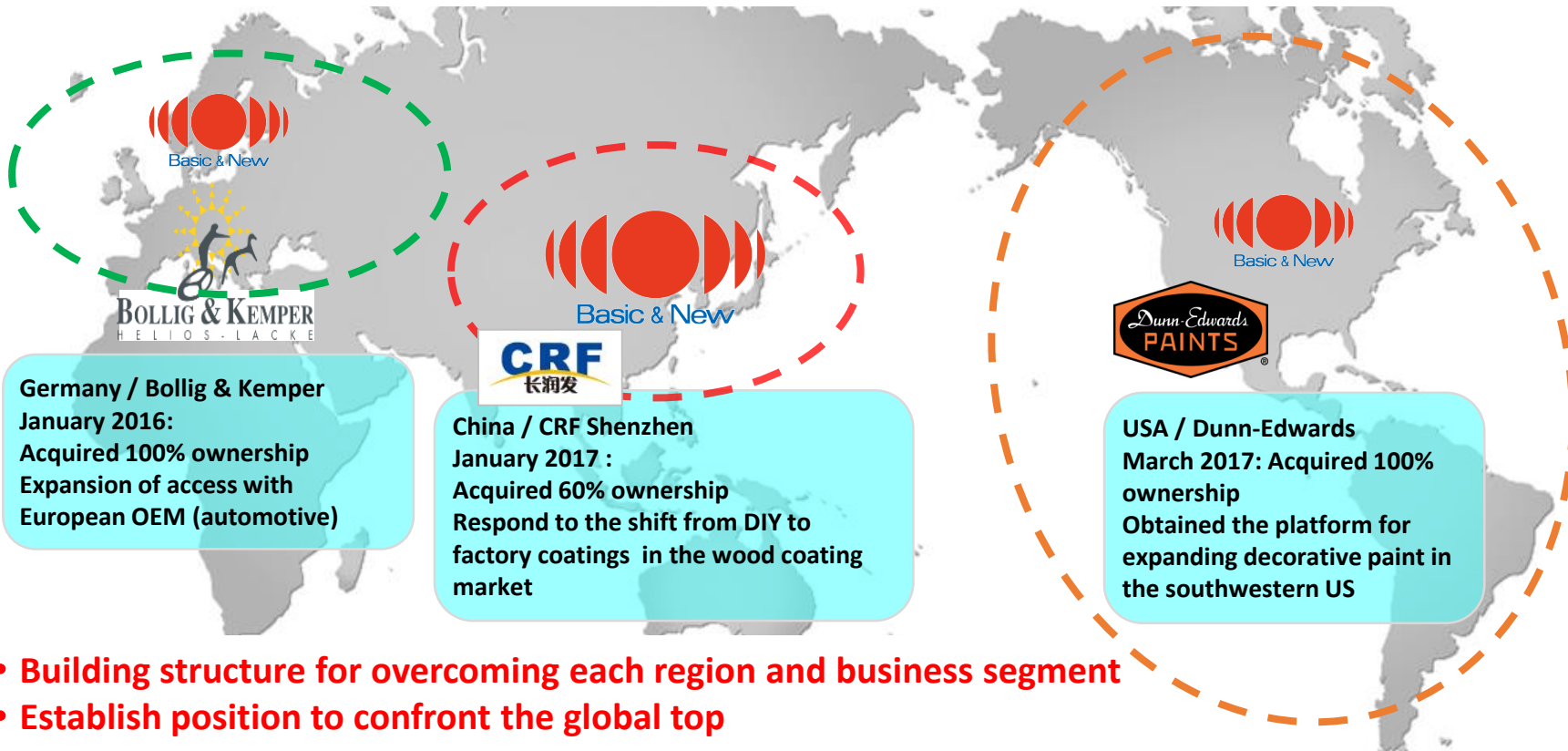
- Practice of "working together for the mutual prosperity and benefit" for stakeholders not only to expand business.
- The company that can provide maximum corporate value to stakeholders.



Growth strategy in global

NIPPON PAINT HOLDINGS CO.,LTD.

- Aiming for net sales of 750 billion yen by 2020, by thoroughly strengthening existing business
- Exploring M&A for expanding business portfolio

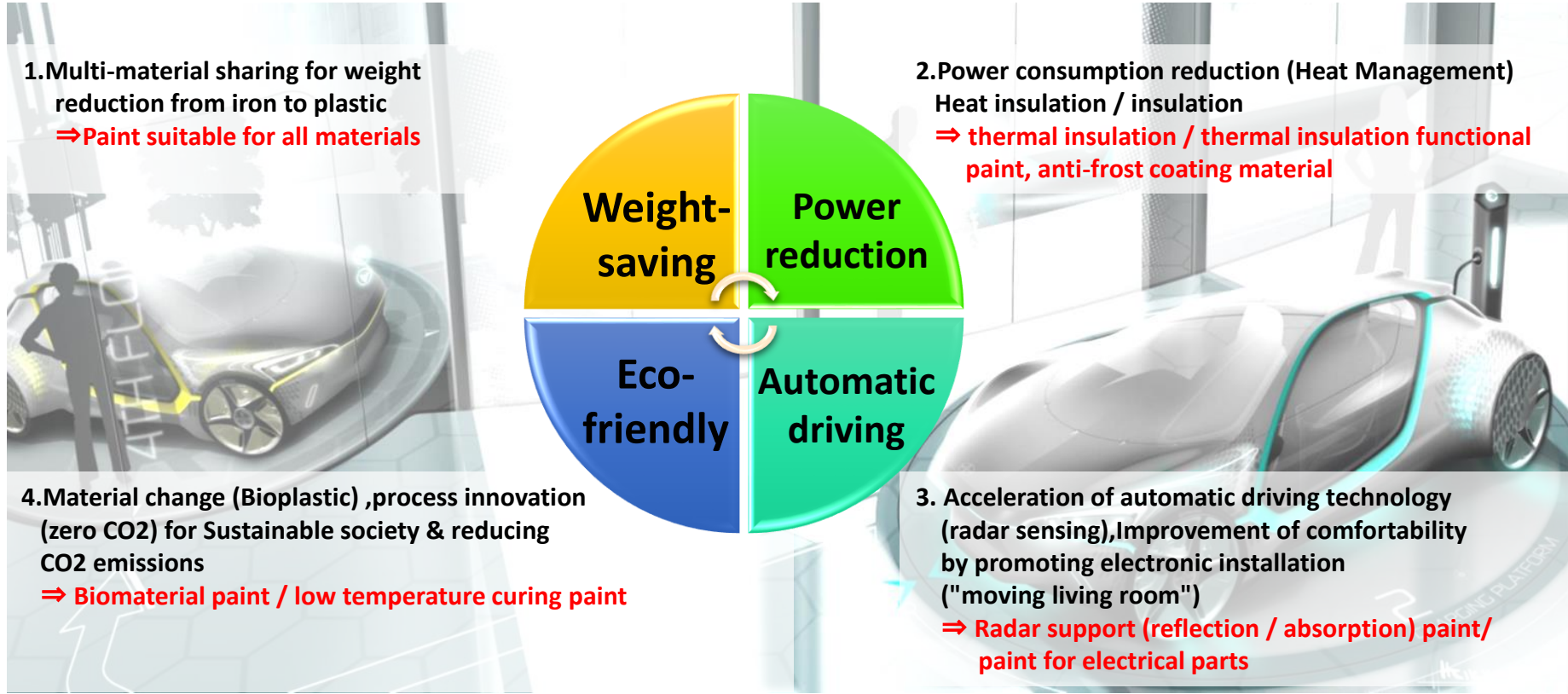


- Building structure for overcoming each region and business segment
- Establish position to confront the global top

Paint technology corresponding to "next generation car creation"

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The necessity of paint and coatings **"remains unchanged"**,
although **new functions are required** in the evolutionally age of the automobile industry





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Accordingly, the actual results and performance of Nippon Paint Holdings Co., Ltd. and Nippon Paint Holdings Group may be significantly different from the forward-looking statements.

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