

NOTICE: For the convenience of capital market participants, NIPPON PAINT HOLDINGS CO., LTD. makes efforts to provide English translations of information disclosed in Japanese, provided that the original Japanese version prevails over its English translation version in case of any discrepancy between the original and translation.

January 24, 2020

To whom it may concern,

Name of company: Nippon Paint Holdings Co., Ltd
Representative: Masaaki Tanaka, Chairman of the Board,
Representative Director of the Board, President & CEO
(Securities Code: 4612, TSE 1st Section)
Contact: Ryosuke Tanaka, General Manager of Investor Relations
(TEL +81-6-6455-9140)

Notice regarding the Revision of Consolidated Performance Forecast (IFRS)

Based on recent performance trends, Nippon Paint Holdings Co., Ltd. hereby announces that its Board of Directors resolved to revise its consolidated performance forecast for the fiscal year ending December 31, 2019 (January 1, 2019 - December 31, 2019), which was previously announced on February 13, 2019.

1. Revision of the Consolidated Performance Forecast for the Fiscal Year Ending December 31, 2019 (January 1, 2019 - December 31, 2019)

(billion yen)

| | Revenue | [Reference] Operating profit (Before deduction of impairment loss) | Operating profit | Profit before tax | Profit attributable to owners of parent |
|--------------------------------------|---------|--|---------------------|----------------------|--|
| Previously announced forecast (A) | 640.0 | 77.0 | 77.0 | 78.0 | 39.0 |
| Revised forecast (B) | 694.0 | 88.0 | 77.0 | 78.0 | 35.5 |
| Amount of change (B - A) | 54.0 | 11.0 | - | - | (3.5) |
| Percentage change (%) | 8.4% | 14.3% | - | - | (9.0%) |
| [Reference] Results for FY2018 | 627.7 | 86.5 | 86.5 | 89.1 | 45.4 |

2. Reasons for Revisions

The forecast has been revised because the FY2019 full-year outlook for the paint manufacturers in Australia and Turkey acquired in 2019 has been mostly finalized and the purchase price allocation (categorization of the purchase prices into the assets and liabilities acquired) for these two companies is expected to be recorded at the end of FY2019.

As a result of the consolidation of these two newly acquired companies, coupled with the strong performance of China decorative paint business, and despite the negative effect of the decision to cancel the planned purchase of the stock of an industrial coating manufacturer in China, the FY2019 revenue forecast has been increased to 694.0 billion yen.

The earnings forecast revision reflects the benefits of the increase in the sales forecast and the lower than expected cost of raw materials. The revision also includes the negative impact of the expected c. 11.0 billion yen impairment loss for the amortization of goodwill, retirement of non-current assets and other items. This is a result of examination of the amount that can be recovered in association with the operations of the Europe automotive business group and Berger Nippon Paint Automotive Coatings Private Limited in India by using a conservative business plan based on the outlook for challenging market conditions. As a result, there are no changes to the operating profit and profit before tax forecasts and the forecast for profit attributable to owners of parent has been lowered to 35.5 billion yen.

End