

FY2020 1Q Financial Result Presentation Material

May 15, 2020

NIPPON PAINT HOLDINGS GROUP

Image: Global headquarters (Kyobashi)

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

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Disclosure Policy for This Document:

- Both reported base (“Tanshin”) and adjusted base (“Non-GAAP”) financials are disclosed
- Non-GAAP adjusts for additional M&A effects and one time gains/losses in order to clarify continuing operation trends year on year
- Qualitative comments in this presentation primarily refers to Non-GAAP unless stated otherwise
- Non-GAAP incorporates adjustments mainly for the following items. Please see section in appendix (Page 29) for more information
(F/X constant, subsidies, insurance payments received, etc. (subsidy income, insurance income, gains on sales of fixed assets), expenses for mergers and acquisitions, asset impairment losses, newly consolidated subsidiaries)

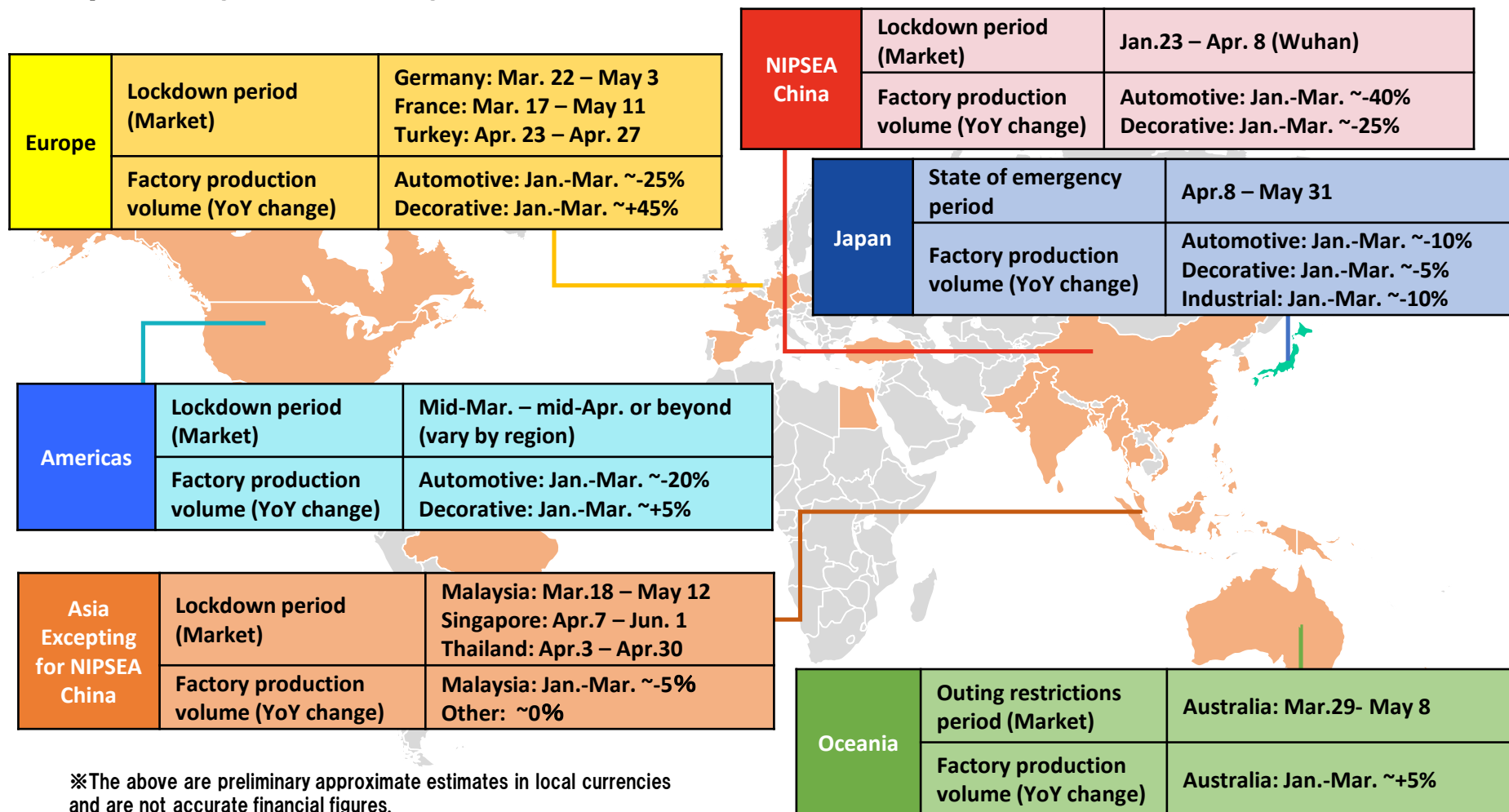
Today's Summary

- FY2020 1Q (YOY):**
 - 'Tanshin' /Revenue: +11%; operating profit: -24%
 - 'Non-GAAP' results/Revenue: -14%; operating profit: -42%
- NIPSEA China impacted significantly by the novel coronavirus outbreak ("coronavirus impact"), notably from February to March, resulting in both revenue and operating profit decreases YOY. Almost all its factory operations resumed in March and operations back on a gradual recovery path**
- Challenging environment in automobile sector: each region posting a decrease in both revenue and operating profit with sluggish market conditions globally from last year, and with further decrease in automobile production due to coronavirus impact**
- Steady contribution from DuluxGroup and Betek Boya, acquired last year ("Tanshin" base). Significant earnings growth YOY for Betek Boya (for reference) but withdrawal of 2020 forecast announced in February due to significant impact of coronavirus in Turkey from April. Maintain February guidance for DuluxGroup despite changes in operating environment**
- Remains difficult to collectively quantify the impact of coronavirus and provide FY2020 forecast in a reasonable manner. FY2020 forecast prepared based on certain assumptions at this time with JPY720 bn revenue and JPY 63bn operating profit. May revise forecast depending on the future development of the economic impact of coronavirus. Dividends are to be determined**

* DuluxGroup Limited is an Australian company that owns the Dulux® trade mark in Australia, New Zealand, Papua New Guinea, Samoa and Fiji only. DuluxGroup Limited is not associated with, and has no connection to, the owners of the Dulux® trade mark in any other countries, nor does it sell Dulux® products in any other countries.

Coronavirus Impact (1) Coronavirus Situation around the Globe

NPHD Group's factory production volume increase/decrease (YOY) depending on the region and business



Coronavirus Impact (2) NPHD's Response Policy and NIPSEA China's Situation

Three priority policies

- ① To protect employees and their families from coronavirus infection
- ② To secure funds to protect the Group's businesses around the world
- ③ To have business continuity plan (BCP) firmly in place

Situation in NIPSEA China

① Production system

- NIPSEA China's all 49 factories resumed operations on March 8.
- Factory production volume (overall; YoY change):
Jan.-Feb. ~-30%; Mar. ~20% (1Q ~-25%); Apr. ~+15%

② Supply chain

- No issue in raw material procurement and improvement in logistics
- Impact of crude oil price fall from March on raw material procurement cost to be realized with 2-4 month lag (3Q or thereafter)
- RMC※ ratio improved 1.3 pt. in 1Q from the previous year due to our cost reduction efforts

③ Sales trend

- Decorative business recovery to the prior-year level expected from 2Q (Project segment recovery expected before DIY segment)
- Loss of business in peak period of March to adversely impact the full-year results
- Industrial segment expected to take longer to recover due to overall weak demand
- Proactively support customers and promptly meet demand post-coronavirus by leveraging the high capital liquidity

※ Raw Material Cost

Coronavirus Impact (3) Market Conditions/Business in Major Operating Regions

Market conditions and business in the major operating regions

Asia Excepting for NIPSEA China	Both Malaysia Group and Singapore Group saw negative impact on 1Q and 2Q financials due to lockdown impact, etc. from late March. Earnings recovery to the prior-year level expected from 2H.
Japan	Decorative: 1Q impacted by demand decline following the last-minute demand surge before the consumption tax hike and coronavirus impact becoming apparent from March. The end of coronavirus outbreak and recovery expected in 2H Industrial: Production adjustment implemented in 1Q by manufacturing industries affected by economic slowdown and stagnation of parts import and products export Further production adjustment by manufacturing industry expected due to coronavirus impact in 2Q and beyond.
Oceania	Despite the impact of bushfires followed by extensive rain & floods and the lockdown in New Zealand (sales composition: approx. 10%) in 1Q, higher demand for decorative paints to drive 2Q growth with demand returning to normal in 2H.
Americas (DE)	Coronavirus impact became apparent from March. 143 stores operating as an essential business, but sales expected to slow down in 2Q and beyond due to containment regulations, etc.
Europe (Betek)	Achieved strong growth of +41% YoY (for reference) in 1Q. Growth in 2Q and beyond likely underachieve the assumptions due to lockdown impact from April, etc., but positive full-year YoY growth expected.
Automotive coatings business	Japan: Lower production volume in 1Q due to the impact of economic slowdown and coronavirus (-7% YoY). Production volume decline to continue through 2Q, but modest recovery expected from 2H. China: 1Q production volume declined sharply (-45% YoY) due to lockdown impact. Rapid recovery expected from 2Q. Americas: 1Q production volume declined (-12% YoY) due to coronavirus impact. No significant recovery expected in 2Q and 2H. Europe: Production volume decreased in 1Q with downturn continuing in 2Q, but recovery expected from 2H.

Coronavirus Impact (3) Business in the Major Operating Regions

Market conditions and business (monthly figures in April/for reference)

	Production volume (YoY change)	Revenue (YoY change)
NIPASE China	Decorative: ~+20%	Decorative: ~+10%
Asia Excepting for NIPSEA China	Malaysia: ~-95% Other: ~-35%	Malaysia: ~-85% Other: ~-50%
Japan	Decorative: ~0% Industrial: ~-25%	Decorative: ~-15% Industrial: ~-15%
Oceania	Australia: ~+15%	~+15%
Americas (DE)	~-50%	~-20%
Europe (Betek)	~-40%	~+10%
Automotive coatings business	n/a	Japan: ~-40% NIPSEA China: ~-25% Europe and America: ~-95%

※The above are preliminary approximate estimates in local currencies and are not accurate financial figures.

Coronavirus Impact (4) Liquidity Status

Liquidity secured (¥142.8 billion* (cash and deposits, etc.) + ¥230 billion

① Secured sufficient liquidity preparing for a prolonged impact of coronavirus

- Commitment line agreements (contracted on April 10)

Lender	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.
Maximum borrowing	¥180 billion (contract period: 1 year)

- Borrowing① (Executed on April 15)

Lender	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.
Total borrowing amount	¥20.0 billion (borrowing period: 1 year)

- Borrowing② (Executed on April 28)

Lender	Development Bank of Japan Inc.
Total borrowing amount	¥30.0 billion (borrowing period: 2 years)

② Bridge loan refinance for acquisitions (executed from March 16 to 23)

Lender	Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc., Mizuho Bank, Ltd.
Total borrowing amount	¥320 billion (average borrowing period: 6.8 years)

* As of the end of March 2020

Coronavirus Impact (5) Stay Home Campaign

For customers who spend more time at home to prevent the spread of coronavirus infection, we have ideas available on our website to enjoy their time at home not as “home nesting, but rather “home decorating” with “STAY HOME & ENJOY PAINTING” as a theme.



* For more information, please visit [the special page \(https://www.nippehome-online.jp/stayhome/\)](https://www.nippehome-online.jp/stayhome/) on our website (Japanese only).

Coronavirus Impact (6) Others

Strengthening R&D/product supply system for resolving social issues

- Proactively developing antibacterial/antivirus coatings
 - Broadly pursuing development through industry-academia collaboration
 - Bringing together technologies and know-how of domestic and overseas group companies
- Proactively providing “Perfect Interior Air Clean”, etc. to hospitals, schools, and special nursing facilities, etc.



Donation of medical masks, etc.

- Donated about 40,000 medical masks to over 50 medical institutions across Japan
- Donated about 4,300 masks for children to Kita-ku, Osaka City



Donation to the Red Cross Society

- Donated a total of 4 million RMB (approx. 64 million JPY) to three Red Cross Societies in China.



1. FY2020 1Q Highlights

1-1. FY2020 1Q Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
	FY2019 1Q	FY2020 1Q	YoY (%)	FY2019 1Q	FY2020 1Q	YoY (Amount)	YoY (%)
Revenue	147.4	162.9	10.6%	147.6	126.8	-20.8	-14.1%
Operating profit	20.1	15.2	-24.3%	18.1	10.5	-7.6	-42.1%
OP margin	13.7%	9.4%	-4.3pt	12.2%	8.3%	-	-4.0pt
Profit before tax	20.4	14.0	-31.3%	18.3	9.2	-9.1	-49.8%
Profit [※]	10.6	7.5	-29.9%	9.2	4.3	-5.0	-53.9%

※Profit attributable to owners of parent

- ✓ **Revenue:** Revenue decreased as coronavirus impact became serious, centered in China
Global automotive market weakness negatively affected automotive coatings business in all regions
Decorative paints sales in Japan fell below the prior-year level due to the effects of consumption tax hike, etc.
- ✓ **OP profit:** Lower operating profit, despite an improvement in sales cost ratio, due to operating profit margin decline by 4 pt resulting from higher SG&A ratio and lower revenue

1-2. Revenue & Operating Profit by Region



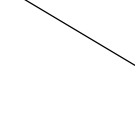






(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2019 1Q	FY2020 1Q	YoY (%)	FY2019 1Q	FY2020 1Q	YoY (Amount)	YoY (%)
Japan	Revenue	43.8	40.1	-8.6%	43.8	40.1	-3.8	-8.6%
	Operating profit*	8.1	3.1	-61.5%	6.1	3.1	-3.0	-49.0%
Asia	Revenue	82.5	62.4	-24.4%	82.7	65.6	-17.1	-20.6%
	Operating profit	11.5	7.0	-39.2%	11.4	6.7	-4.7	-41.3%
Oceania	Revenue	-	31.8	-	-	-	-	-
	Operating profit	-	3.5	-	-	-	-	-
Americas	Revenue	17.5	17.6	0.7%	17.5	17.9	0.4	2.1%
	Operating profit	0.6	0.8	30.6%	0.6	0.8	0.2	29.9%
Others	Revenue	3.5	11.0	212.8%	3.5	3.2	-0.3	-9.9%
	Operating profit	-0.1	0.8	-	-0.1	-0.2	-0.1	-
Total	Revenue	147.4	162.9	10.6%	147.6	126.8	-20.8	-14.1%
	Operating profit	20.1	15.2	-24.3%	18.1	10.5	-7.6	-42.1%

*Excluding dividends from overseas group companies (FY2020 1Q: 1.9 bn yen, FY2019 1Q: 1.6 bn yen)

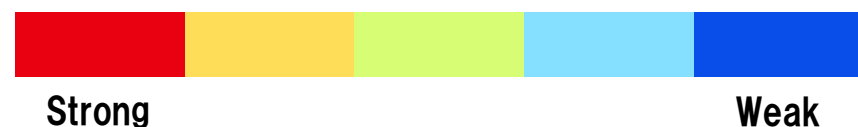
- ✓ **Japan:** Revenue decreased due to lower automobile production, combined with the effects of consumption tax hike and construction work delays due to coronavirus impact, etc. on decorative coatings. Earnings decreased due to lower revenue and higher SG&A expenses including headquarters expenses.
- ✓ **Asia:** Decrease in revenue from the decorative paints business of NIPSEA China because of temporary sales decrease due to coronavirus impact. Earnings decreased due to lower revenue despite activities to reduce prices of raw materials

2. FY2020 1Q Results (by Region)

2-1. Market & Business Environment (1Q)

	Japan	Asia (NIPSEA China)		Oceania	Americas
Automotive coatings					
Decorative coatings		DIY 	Project 		

■ Market (YoY)



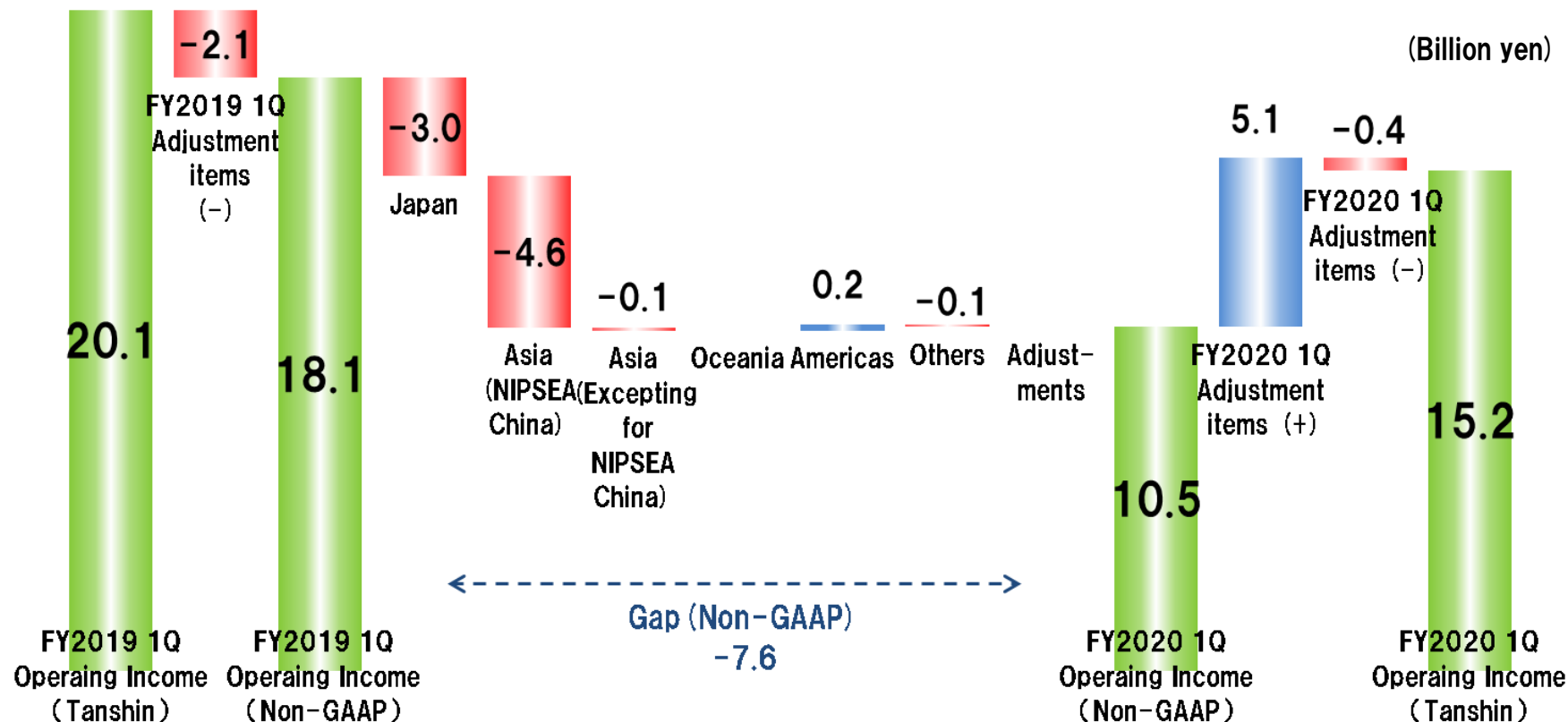
■ Business (vs. Market)*

※Own estimation



- ✓ Automotive: Automobile production volume declined due to coronavirus impact on global production activities
- ✓ Decorative: Slow sales in Japan due to the effects of consumption tax hike and coronavirus
Strong market conditions in the U.S. due to high housing demand continuing from last December and favorable weather from January to February
In China, sales declined due to demand decrease following store operations suspension and travel restrictions due to coronavirus impact
In Australia, DIY paints demand increased due to outing restrictions, while sales affected by weak housing starts and bushfires

2-2. Operating Profit Gap Analysis (Based on Non-GAAP Results)



- ✓ Japan: Lower earnings because of weakness in the automotive, decorative and industrial market sectors, higher SG&A expenses including headquarters expenses
- ✓ Adjustment items (+) : Operating profit increased by 5.1 bn yen due to profit contribution from DuluxGroup and Betek Boya and others

2-3. Result Analysis by Region (Japan)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2019 1Q	FY2020 1Q	YoY (%)	FY2019 1Q	FY2020 1Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	11.9	10.3	-14.1%	11.9	10.3	-1.7	-14.1%
	Decorative paints	11.0	10.3	-6.4%	11.0	10.3	-0.7	-6.4%
	Industrial coatings	10.0	9.1	-9.0%	10.0	9.1	-0.9	-9.0%
	Fine chemicals	2.2	2.0	-7.3%	2.2	2.0	-0.2	-7.3%
	Others ^{※1}	8.8	8.5	-3.6%	8.8	8.5	-0.3	-3.6%
	Total	43.8	40.1	-8.6%	43.8	40.1	-3.8	-8.6%
Operating profit		8.1	3.1	-61.5%	6.1	3.1	-3.0	-49.0%
OP margin		18.4%	7.7%	-10.6pt	13.9%	7.7%	-	-6.1pt

※1 The "Others" business includes marine, auto refinish business and etc.

【Major reasons for changes】

- Automotive: Lower revenue due to lower automobile production volume (-7.4% YoY^{※2}), lower exports to overseas markets and royalty income
- Decorative: Lower revenue in construction, steel and other sectors due to consumption tax hike and construction work delays due to coronavirus impact
- Industrial: Lower revenue due to reactionary demand fall in the coil coating business after the last-minute demand before steel price increase in 4Q FY2019 and slow recovery from production cutbacks in construction machinery market (parts supply suspension for two months) due to damage from typhoon last fall.
- OP profit: Down due to lower revenue and higher SG&A expenses including headquarters expenses.

※2 MarkLines

2-4. Result Analysis by Region (NIPSEA China)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2019 1Q	FY2020 1Q	YoY (%)	FY2019 1Q	FY2020 1Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	8.2	5.5	-33.1%	8.2	5.8	-2.4	-29.5%
	Decorative paints	44.3	31.5	-28.9%	44.6	33.3	-11.4	-25.5%
	Industrial coatings	4.6	3.3	-27.9%	4.4	3.5	-0.9	-21.4%
	Others ^{※1}	0.8	0.4	-52.5%	0.8	0.4	-0.4	-47.9%
	Total	57.9	40.6	-29.8%	58.1	42.9	-15.1	-26.1%
Operating profit		9.1	4.7	-48.6%	9.0	4.4	-4.6	-51.3%
OP margin		15.7%	11.5%	-4.2pt	15.5%	10.2%	-	-5.3pt

※1 The "Others" business includes marine, auto refinish business and etc.

【Major reasons for changes】

- Automotive : Automobile production declined (-45.1% YoY) : Operation suspension and production cuts at major customers -Sharp revenue decline
- Decorative : Weak DIY segment sales due to demand decline following operation suspension of exclusive distributors, etc. and travel restrictions to painting work sites - Lower revenue (-27% YoY)
Project segment sales declined slightly more than 20% YoY both in housing sales and housing starts. Weak business performance mainly due to construction work delays at strategic customers - Lower revenue (-22% YoY)
- Industrial : Sales decreased due to production suspension and cuts at major customers in construction machinery, light machinery, and household electrical appliances sectors - Lower revenue
- OP profit : Decreased despite lower costs and advertising expenses due to greater sales decrease than reduction of personnel and other SG&A expenses. - Lower earnings

2-5. Result Analytics by Region (Asia Excepting for NIPSEA China)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
	FY2019 1Q	FY2020 1Q	YoY (%)	FY2019 1Q	FY2020 1Q	YoY (Amount)	YoY (%)
Revenue	24.6	21.7	-11.7%	24.6	22.7	-1.9	-7.8%
Operating profit	2.4	2.3	-3.7%	2.4	2.3	-0.1	-4.2%
OP margin	9.8%	10.7%	0.9pt	9.8%	10.2%	-	0.4pt

【Major reasons for changes】

- Malaysia Group: Sales fell sharply in March due to imposition of lockdown in Malaysia and Philippines in mid-March – Lower revenue
- Singapore Group: Sales decreased because of low decorative paints demand in Vietnam and lockdown in Sri Lanka due to coronavirus impact – Lower revenue
- Thailand Group: Sales decreased due to production cuts at major customers in the automotive sector because of weak demand continuing from last year and factory operations halt due to coronavirus impact – lower revenue
- OP profit: Decreased due to lower revenue in Singapore Group and Thailand Group

2-6. Result Analysis by Region (Oceania)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2019 1Q	FY2020 1Q	YoY (%)	FY2019 1Q	FY2020 1Q	YoY (Amount)	YoY (%)
Revenue	Decorative paints	-	17.0	-	-	-	-	-
	Industrial coatings	-	1.3	-	-	-	-	-
	Paint related business	-	13.5	-	-	-	-	-
	Total	-	31.8	-	-	-	-	-
Operating profit		-	3.5	-	-	-	-	-
OP margin		-	11.0%	-	-	-	-	-
OP margin (Before PPA depreciation)		-	11.8%	-	-	-	-	-

【Major reasons for changes】※For reference* (rough estimates in local currencies/Revenue: +1.2% YoY)

■ Decorative: Higher revenue due to acquisition of “Paint Spot” Australian paint retailer and because of higher housing refurbishment demand in March after outings restrictions imposed.

■ Paint related business: Lower revenue due to weaker construction and new housing markets and impact of bushfires and unfavorable weather

■ Revenue (overall): Higher revenue overall because higher revenue in decorative paints offset revenue decline in the paint related business

□ OP profit: Down as 1Q FY2019 operating profit was high due to one-time impacts in that quarter

* The above qualitative information provides the comparative analysis of DuluxGroup's financials for Jan.-Mar. 2019 before acquisition by NPHD with those for Jan.-Mar. 2020 using figures in local currencies.

2-7. Result Analysis by Region (Americas)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2019 1Q	FY2020 1Q	YoY (%)	FY2019 1Q	FY2020 1Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	6.7	6.0	-10.8%	6.7	6.1	-0.6	-9.1%
	Decorative paints	9.9	10.9	9.4%	9.9	11.0	1.1	10.6%
	Fine chemicals	0.8	0.7	-9.2%	0.8	0.7	-0.1	-8.2%
	Others ^{※1}	0.0	0.0	-7.3%	0.0	0.0	-0.0	-6.3%
	Total	17.5	17.6	0.7%	17.5	17.9	0.4	2.1%
Operating profit		0.6	0.8	30.6%	0.6	0.8	0.2	29.9%
OP margin		3.6%	4.7%	1.1pt	3.7%	4.7%	-	1.0pt

※1 The "Others" business includes marine, auto refinish business and etc.

【Major reasons for changes】

- Automotive: Lower revenue because of automobile production volume decline (-12.0%^{※2}) due to coronavirus impact
- Decorative: No change in revenue because impact of coronavirus containment measures and extensive rains in March offset by strong housing demand continuing from last December and favorable weather in January and February
- OP profit: Down overall because of lower revenue in automotive coatings although profit in decorative paints was higher owing to price increase last December

※2 Japan Automobile Manufacturers Association

2-8. Result Analysis by Region (Others)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2019 1Q	FY2020 1Q	YoY (%)	FY2019 1Q	FY2020 1Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	3.2	2.6	-19.5%	3.2	2.8	-0.5	-14.4%
	Decorative paints	-	5.2	-	-	-	-	-
	Industrial coatings	0.1	0.8	731.5%	0.1	0.0	-0.1	-72.3%
	Fine chemicals	0.2	0.3	112.4%	0.2	0.4	0.2	121.8%
	Others ^{※1}	0.0	0.0	831.3%	0.0	0.0	-0.0	-83.3%
	Paint related business	-	2.0	-	-	-	-	-
	Total	3.5	11.0	212.8%	3.5	3.2	-0.3	-9.9%
Operating profit		-0.1	0.8	-	-0.1	-0.2	-0.1	-
OP margin		-2.6%	7.3%	10.0pt	-2.6%	-5.6%	-	-3.0pt

※1 The "Others" business includes marine, auto refinish business and etc.

【Major reasons for changes】

- Automotive: Lower revenue due to automobile production volume decline in Europe because customers suspended production due to coronavirus impact
- Betek Boya: ※For reference^{※2} (rough estimates in local currencies/revenue: +41% YoY)
Higher revenue because strong revenue in decorative paints driven by brisk market demand offset weak revenue in the paint related business (mainly insulating materials)
Higher operating profit reflecting raw material cost improvement this year after raw material cost increase last year resulting from Turkish lira's depreciation and due to lower advertising expenses.
- OP profit: Higher operating loss due to lower automotive coatings revenue

3. FY2020 Forecast

3-1. FY2020 Forecast

(Billion yen)	Results (Tanshin)			
	FY2019 Actual	FY2020 Forecast	YoY (Amount)	YoY (%)
Revenue	692.0	720.0	28.0	4.0%
Operating profit	78.1	63.0	-15.1	-19.3%
OP margin	11.3%	8.8%	-	-2.5pt
Profit before tax	79.5	60.0	-19.5	-24.5%
Profit [※]	36.7	25.0	-11.7	-31.9%

※Profit attributable to owners of parent

<Exchange rate>

	FY2019 Full Year	FY2020 Full Year
JPY/USD	109.2	107.0
JPY/RMB	15.8	15.5
JPY/AUD	74.7	75.0

Assumptions for earnings forecast:

The above consolidated earnings forecasts were prepared using certain assumptions based on information currently available at this time although it is difficult to rationally estimate the ending time of the coronavirus outbreak and ensuing recovery of final demand, etc. as the impact of the novel coronavirus outbreak varies from region to region, industry to industry at this time. The forecast may be changed depending on the development of the global economic impact of the novel coronavirus outbreak. The dividends forecast for the fiscal year ending December 31, 2020 is to be determined. The Company will disclose the forecast as soon as it becomes available in consideration of the future earnings trends based on our dividend policy.

3-2. Market & Business Environment (2Q)

	Japan	Asia (NIPSEA China)		Oceania	Americas
Automotive coatings					
Decorative paints		DIY	Project		



- ✓ Automotive: For automobile production, slow recovery expected in China due to economic uncertainty. Uncertain situations expected to continue in other regions globally
- ✓ Decorative: Weak market conditions expected in Japan due to coronavirus impact continuing from 1Q
Reactionary demand rise expected in China after demand fall in 1Q
In Australia, housing refurbishment demand is expected to continue from 1Q
In Americas, weak market conditions expected to continue with coronavirus impact becoming evident in 2Q and beyond.

3-3. Market & Business Environment (2H)

	Japan	Asia (NIPSEA China)		Oceania	Americas
Automotive coatings					
Decorative paints		DIY	Project		

■ Market (YoY)



- ✓ Automotive: Projected the demand in China stable in automobile segment, especially for Japanese car makers. Uncertain situations expected to continue in other regions globally
- ✓ Decorative: In Japan, construction work resumption expected following postponement of Olympic Games and end of coronavirus outbreak
In China, resumption of economic activities will continue from 2Q and recovery at prior year level expected to continue
In Australia, demand expected to normalize in 2H
In Americas, market conditions expected to continue deteriorating from 2Q due to coronavirus impact

3-4. Various Assumptions for FY2020 Forecast (1)

NIPSEA China (-5%~-10% YoY)

- Decorative (DIY) : -5%~-10% YoY: Moderate market recovery expected due to resumption of economic activities. Promotion campaigns planned based on expectation for market recovery from 2Q, especially repaint demand, but revenue increase not sufficient to offset revenue decline in 1Q. - Full-year revenue projected to fall below the prior-year level
- Decorative (PRJ) : 0%~-5% YoY: Market conditions recovery expected from 2Q due to early resumption of construction works by real estate developers. However, revenue projected to fall below the prior-year level due to China's economic slowdown. Strengthen relationships with strategic customers to minimize revenue decline
- Automotive: -15%~-20% YoY: Automobile production volume recovery expected from 2Q, but outlook is severe at this time. Full-year revenue projected to fall from the prior-year level

Asia Excepting for NIPSEA China (-5%~-10% YoY)

- Automotive: -10%~-15% YoY: Full-year revenue projected to decrease YoY due to slow automobile production recovery continuing in 2H.
- Decorative: : -5%~-10% YoY: Full-year revenue projected to fall below the prior-year level despite efforts to strengthen advertising and sales promotion activities in 2H and beyond.

Japan (-5%~10% YoY)

- Automotive: -25%~-35% YoY: Full-year revenue projected to decrease YOY due to lower automobile production volume because of economic slowdown and coronavirus impact
- Decorative: 0%~-10% YoY: Full-year revenue projected to decrease despite promotion of measures to boost market share subject to the end of coronavirus outbreak and resumption of construction works.
- Industrial: -5%~-15% YoY: Full-year revenue projected to decrease YoY because deterioration in market conditions expected to continue in 2Q and beyond

※Figures are in local currencies

3-5. Various Assumptions for FY2020 Forecast (2)

Oceania (for reference: Around +5% YoY)

- Higher revenue projected, driven by the BtoC business including decorative paints, although coronavirus impact remains to be seen

Americas (-15%~-25% YoY)

- Automotive: -30%~-40% YoY; Lower revenue due to weak automobile production volume in 2Q and beyond
- Decorative: 0%~10% YoY; Prevent operating profit decrease by reducing cost through cost-cutting measures and reducing investment, etc.

Others

- Automotive: -20%~-30% YoY; Lower revenue projected due to production suspension expected to continue in 2Q and beyond because of lockdown
- Decorative (for reference: 0%~+10% YoY) Higher full-year revenue projected due to strong revenue in 1Q, despite weak sales in April and beyond due to lockdown

Capital expenditure and SG&A expenses

- Cost of raw materials: Partially factored in the crude price fall
- SG&A expenses: Lower advertising expenses, etc. following revenue decline from initial forecast
- Capital expenditure: Postponed some investment projects in view of market conditions

※Figures are in local currencies

4-(1). Reference: Breakdown of the Adjustment Items

4-(1)-1. Breakdown of the Adjustment Items (FY2019 1Q vs. FY2020 1Q)

(Billion yen)		FY2019 1Q						FY2020 1Q					
		FX	Subsidy, Insurance , etc.	M&A related cost	Suspension of amortiza- tion of IA ^{※2}	New acqui- sitions	Total	FX	Subsidy, Insurance , etc.	M&A related cost	Suspension of amortiza- tion of IA ^{※2}	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others ^{※1}	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	2.0	-	-	-	2.0	-	-	-	-	-	-
Oceania	Decorative	-	-	-	-	-	-	-	-	-	-	17.0	17.0
	Industrial	-	-	-	-	-	-	-	-	-	-	1.3	1.3
	Paint related business	-	-	-	-	-	-	-	-	-	-	13.5	13.5
	Revenue	-	-	-	-	-	-	-	-	-	-	31.8	31.8
	Operating profit	-	-	-	-	-	-	-	-	-	-	3.5	3.5
Americas	Automotive	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Decorative	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others ^{※1}	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Revenue	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Operating profit	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
Others	Automotive	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Decorative	-	-	-	-	-	-	-	-	-	-	5.2	5.2
	Industrial	-	-	-	-	-	-	-0.0	-	-	-	0.8	0.8
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others ^{※1}	-	-	-	-	-	-	-0.0	-	-	-	0.0	0.0
	Paint related business	-	-	-	-	-	-	-	-	-	-	2.0	2.0
	Revenue	-	-	-	-	-	-	-0.2	-	-	-	8.0	7.8
	Operating profit	-	-	-	-	-	-	-0.0	-	-	-	1.0	1.0

※1 The "Others" business includes marine, auto refinish business and etc.

※2 Suspension of amortization of intangible assets

4-(1)-2. Breakdown of the Adjustment Items (FY2019 1Q vs. FY2020 1Q)

(Billion yen)		FY2019 1Q						FY2020 1Q					
		FX	Subsidy, Insurance , etc.	M&A related cost	Suspension of amortiza- tion of IA ^{※2}	New acqui- sitions	Total	FX	Subsidy, Insurance , etc.	M&A related cost	Suspension of amortiza- tion of IA ^{※2※3}	New acqui- sitions	Total
Asia	Automotive	-0.0	-	-	-	-	-0.0	-0.6	-	-	-	-	-0.6
	Decorative	-0.3	-	-	-	-	-0.3	-2.3	-	-	-	-	-2.3
	Industrial	0.1	-	-	-	-	0.1	-0.2	-	-	-	-	-0.2
	Fine chemicals	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others ^{※1}	0.0	-	-	-	-	0.0	-0.1	-	-	-	-	-0.1
	Revenue	-0.2	-	-	-	-	-0.2	-3.3	-	-	-	-	-3.3
	Operating profit	-	0.1	-	-	-	0.1	-0.4	0.1	-	0.6	-	0.3

■ Breakdown of Asia

NIPSEA China	Automotive	-0.0	-	-	-	-	-0.0	-0.3	-	-	-	-	-0.3
	Decorative	-0.3	-	-	-	-	-0.3	-1.8	-	-	-	-	-1.8
	Industrial	0.1	-	-	-	-	0.1	-0.2	-	-	-	-	-0.2
	Others ^{※1}	0.0	-	-	-	-	0.0	-0.0	-	-	-	-	-0.0
	Revenue	-0.2	-	-	-	-	-0.2	-2.3	-	-	-	-	-2.3
	Operating profit	-	0.1	-	-	-	0.1	-0.3	0.1	-	0.5	-	0.3

Excepting for NIPSEA China	Revenue	-	-	-	-	-	-	-1.0	-	-	-	-	-1.0
	Operating profit	-	-	-	-	-	-	-0.1	-	-	0.1	-	0.0

Total	Revenue	-0.2	-	-	-	-	-0.2	-3.7	-	-	-	39.8	36.1
	Operating profit	-	2.1	-	-	-	2.1	-0.4	0.1	-	0.6	4.5	4.8

※1 The "Others" business includes marine, auto refinish business and etc.

※2 Suspension of amortization of intangible assets

※3 Depreciation and amortization ("Tanshin" base) declined approx. 0.6 bn yen (NIPSEA China: 0.5 bn yen, Asia Excepting for NIPSEA China: 0.1 bn yen) due to revision of useful life of trademark rights.

4-(1)-3. Breakdown of the Adjustment Items (FY2018 1Q vs. FY2019 1Q)

(Billion yen)		FY2018 1Q						FY2019 1Q					
		FX	Subsidy, Insurance, etc.	M&A related cost	Impair- ment loss	New acqui- sitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impair- ment loss	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others※	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	2.3	-	-	-	2.3	-	2.0	-	-	-	2.0
Oceania	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Paint related business	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-	-	-	-	-	-	-	-	-	-
Americas	Automotive	-	-	-	-	-	-	0.1	-	-	-	-	0.1
	Decorative	-	-	-	-	-	-	0.3	-	-	-	-	0.3
	Fine chemicals	-	-	-	-	-	-	0.0	-	-	-	-	0.0
	Others※	-	-	-	-	-	-	0.0	-	-	-	-	0.0
	Revenue	-	-	-	-	-	-	0.4	-	-	-	-	0.4
	Operating profit	-	-	-	-	-	-	0.0	-	-	-	-	0.0
Others	Automotive	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others※	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Paint related business	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Operating profit	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1

※ The "Others" business includes marine, auto refinish business and etc.

4-(1)-4. Breakdown of the Adjustment Items (FY2018 1Q vs. FY2019 1Q)

(Billion yen)		FY2018 1Q						FY2019 1Q					
		FX	Subsidy, Insurance, etc.	M&A related cost	Impair- ment loss	New acqui- sitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impair- ment loss	New acqui- sitions	Total
Asia	Automotive	-0.0	-	-	-	-	-0.0	-0.4	-	-	-	-	-0.4
	Decorative	-0.3	-	-	-	-	-0.3	-1.7	-	-	-	-	-1.7
	Industrial	0.1	-	-	-	-	0.1	-0.2	-	-	-	-	-0.2
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others※	0.0	-	-	-	-	0.0	-0.0	-	-	-	-	-0.0
	Revenue	-0.2	-	-	-	-	-0.2	-2.3	-	-	-	-	-2.3
	Operating profit	-	1.9	-	-	-	1.9	-0.4	0.1	-	-	-	-0.3

■ Breakdown of Asia

NIPSEA China	Automotive	-0.0	-	-	-	-	-0.0	-0.3	-	-	-	-	-0.3
	Decorative	-0.3	-	-	-	-	-0.3	-1.9	-	-	-	-	-1.9
	Industrial	0.1	-	-	-	-	0.1	-0.0	-	-	-	-	-0.0
	Others※	0.0	-	-	-	-	0.0	0.0	-	-	-	-	0.0
	Revenue	-0.2	-	-	-	-	-0.2	-2.3	-	-	-	-	-2.3
	Operating profit	-	1.9	-	-	-	1.9	-0.4	0.1	-	-	-	-0.3

Excepting for NIPSEA China	Revenue	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Operating profit	-	-	-	-	-	-	0.0	-	-	-	-	0.0

Total	Revenue	-0.2	-	-	-	-	-0.2	-2.1	-	-	-	-	-2.1
	Operating profit	-	4.2	-	-	-	4.2	-0.4	2.1	-	-	-	1.7

※ The "Others" business includes marine, auto refinish business and etc.

4-(2). Reference: Financial Index

4-(2)-1. Revenue & Operating Profit Transition by Region①

(Billion yen)		FY2017 (J-GAAP)				FY2018 (IFRS)				FY2019 (IFRS)				FY2020
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Japan	Automotive	10.8	10.3	10.9	11.5	11.5	11.1	10.6	12.1	11.9	11.4	11.3	10.2	10.3
	Decorative	9.4	11.0	10.1	10.9	10.6	12.0	11.2	13.0	11.0	12.8	12.6	11.8	10.3
	Industrial	10.0	10.1	10.0	9.6	9.5	10.0	10.0	11.2	10.0	10.2	10.1	10.4	9.1
	Fine chemicals	2.2	2.3	2.3	2.3	2.2	2.2	2.1	2.4	2.2	2.2	2.2	2.1	2.0
	Others*	8.9	12.1	10.4	10.9	9.1	10.6	10.7	10.7	8.8	9.6	10.1	11.6	8.5
	Revenue	41.3	45.8	43.7	45.1	43.0	45.9	44.7	49.3	43.8	46.3	46.4	46.1	40.1
	Operating profit	7.3	8.2	7.3	7.9	8.7	7.3	5.9	7.6	8.1	6.0	5.2	4.2	3.1
OP margin		17.6%	17.9%	16.6%	17.5%	20.3%	15.9%	13.3%	15.5%	18.4%	12.9%	11.3%	9.1%	7.7%
Oceania	Decorative	-	-	-	-	-	-	-	-	-	-	6.6	18.0	17.0
	Industrial	-	-	-	-	-	-	-	-	-	-	0.5	1.5	1.3
	Paint related business	-	-	-	-	-	-	-	-	-	-	6.1	14.9	13.5
	Revenue	-	-	-	-	-	-	-	-	-	-	13.1	34.4	31.8
	Operating profit	-	-	-	-	-	-	-	-	-	-	2.9	3.0	3.5
OP margin		-	-	-	-	-	-	-	-	-	-	22.1%	8.6%	11.0%
Americas	Automotive	7.3	7.0	6.6	6.7	7.2	7.0	6.5	6.7	6.7	6.7	6.3	6.2	6.0
	Decorative	3.9	11.7	11.3	10.5	10.0	12.0	11.7	10.9	9.9	12.7	12.1	10.7	10.9
	Fine chemicals	0.9	0.8	0.7	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7
	Others*	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0
	Revenue	12.1	19.6	18.6	18.0	17.9	19.8	19.0	18.5	17.5	20.3	19.1	17.7	17.6
	Operating profit	0.1	1.9	0.9	0.4	0.9	2.0	1.3	0.7	0.6	2.1	1.3	1.0	0.8
OP margin		0.6%	9.4%	4.6%	2.2%	5.2%	10.2%	7.1%	3.8%	3.6%	10.2%	6.7%	5.9%	4.7%
Others	Automotive	3.2	3.3	2.9	3.4	3.6	3.2	2.8	3.3	3.2	3.0	2.6	3.0	2.6
	Decorative	-	-	-	-	-	-	-	-	-	-	4.7	4.2	5.2
	Industrial	0.1	0.1	0.1	0.2	0.1	0.1	0.0	0.1	0.1	0.0	0.8	0.9	0.8
	Fine chemicals	0.2	0.2	0.3	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3
	Paint related business	-	-	-	-	-	-	-	-	-	-	2.3	2.2	2.0
	Revenue	3.6	3.6	3.2	3.7	3.9	3.4	3.0	3.6	3.5	3.3	10.7	10.5	11.0
	Operating profit	0.2	0.2	-0.1	-0.1	0.1	0.1	-0.2	-0.6	-0.1	-0.3	0.8	-7.3	0.8
OP margin		6.2%	6.6%	-4.4%	-1.9%	3.4%	2.3%	-6.0%	-15.5%	-2.6%	-10.4%	7.3%	-69.6%	7.3%

※ The "Others" business includes marine, auto refinish business and etc.

4-(2)-2. Revenue & Operating Profit Transition by Region②

(Billion yen)		FY2017 (J-GAAP)				FY2018 (IFRS)				FY2019 (IFRS)				FY2020
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Asia	Automotive	15.7	15.5	15.8	17.7	18.5	19.6	17.6	18.5	16.5	17.2	15.9	17.5	12.4
	Decorative	51.2	58.2	66.1	54.4	54.6	62.2	64.0	50.2	54.3	65.6	65.3	58.5	40.5
	Industrial	7.4	8.7	8.7	8.0	6.4	7.6	7.5	6.3	6.5	6.8	6.6	5.7	5.1
	Fine chemicals	1.4	1.5	1.5	1.6	1.6	1.8	1.7	1.5	1.5	1.6	1.5	1.6	1.2
	Others*	3.2	3.1	3.4	4.0	3.3	3.7	3.8	5.3	3.7	3.9	4.2	4.9	3.2
	Revenue	78.9	86.9	95.5	85.7	84.4	94.9	94.7	81.8	82.5	95.2	93.4	88.1	62.4
	Operating profit	8.5	9.1	13.0	10.3	12.1	13.6	14.8	11.9	11.5	14.2	14.4	10.7	7.0
	OP margin	10.8%	10.4%	13.6%	12.0%	14.3%	14.3%	15.7%	14.6%	13.9%	14.9%	15.4%	12.2%	11.2%

■ Breakdown of Asia

NIPSEA China	Automotive	8.5	7.9	7.5	9.1	10.2	11.0	8.8	9.4	8.2	9.0	7.5	9.1	5.5
	Decorative	41.0	48.6	56.9	42.5	43.4	52.2	53.2	40.3	44.3	55.4	55.3	47.7	31.5
	Industrial	5.7	7.0	7.0	6.4	4.6	5.8	5.8	4.6	4.6	5.0	4.8	4.0	3.3
	Others*	0.4	0.3	0.4	0.4	0.4	0.4	0.5	1.0	0.8	0.7	0.7	0.5	0.4
	Revenue	55.5	63.8	71.8	58.4	58.6	69.4	68.3	55.4	57.9	70.2	68.3	61.2	40.6
	Operating profit	6.2	6.9	10.5	6.3	8.7	10.6	11.3	7.8	9.1	11.4	11.3	8.3	4.7
	OP margin	11.2%	10.8%	14.6%	10.8%	14.9%	15.2%	16.6%	14.1%	15.7%	16.2%	16.6%	13.6%	11.5%

Excepting for NIPSEA China	Revenue	23.4	23.1	23.7	27.3	25.9	25.5	26.3	26.4	24.6	25.1	25.1	27.0	21.7
	Operating profit	2.3	2.2	2.5	3.9	3.3	3.0	3.5	4.1	2.4	2.8	3.0	2.4	2.3
	OP margin	10.0%	9.4%	10.5%	14.4%	13.0%	11.8%	13.4%	15.7%	9.8%	11.3%	12.2%	9.0%	10.7%

Total	Revenue	135.8	156.0	161.0	152.5	149.2	164.0	161.3	153.2	147.4	165.1	182.7	196.9	162.9
	Operating profit	16.1	19.4	21.0	18.5	21.9	23.0	21.9	19.7	20.1	21.9	24.5	11.6	15.2
	OP margin	11.8%	12.4%	13.0%	12.1%	14.7%	14.0%	13.6%	12.9%	13.6%	13.2%	13.4%	5.9%	9.4%

※1 The "Others" business includes marine, auto refinish business and etc.

4-(2)-3. Statement of Financial Position

(Billion yen)

Assets	FY2019 As of Dec. 31	FY2020 As of Mar. 31	Increase / Decrease	Liabilities and equity	FY2019 As of Dec. 31	FY2020 As of Mar. 31	Increase / Decrease
Total current assets	507.2	458.1	-49.1	Total liabilities	790.7	738.5	-52.2
Cash and cash equivalents	123.3	88.9	-34.4	Total current liabilities	598.1	242.1	-356.0
Inventory	92.9	91.6	-1.2	Trade and other payables	153.3	129.3	-24.0
Trade and other receivables	212.8	209.9	-3.0	Bonds and borrowings	384.0	52.4	-331.7
Others	78.2	67.7	-10.5	Others	60.8	60.5	-0.3
Total non-current assets	971.4	908.6	-62.8	Total non-current liabilities	192.5	496.3	303.8
Property, plant and equipment	240.3	232.2	-8.2	Bonds and borrowings	58.1	371.9	313.8
Goodwill	427.1	400.2	-26.9	Retirement benefit liability	24.4	23.3	-1.1
Other intangible assets	231.0	209.9	-21.1	Others	110.0	101.1	-8.9
Other financial assets	54.4	48.3	-6.1	Total equity	688.0	628.2	-59.8
Others	18.7	18.1	-0.5	Total equity attributable to owners of parent	552.9	496.8	-56.1
Total assets	1,478.6	1,366.7	-111.9	Retained earnings	411.9	412.0	0.0
				Others	141.0	84.8	-56.2
				Non-controlling interests	135.1	131.4	-3.6
				Total liabilities and equity	1,478.6	1,366.7	-111.9

- ✓ **Equity:** Foreign currency translation adjustment declined because of decrease in the value of assets owned by overseas local subsidiaries due to yen's appreciation. Total equity attributable to owners of parent declined.
- ✓ **Liabilities:** Current liabilities declined as the bank borrowing implemented in June 2019 was refinanced to a longer-term borrowing. Non-current liabilities increased.

4-(2)-4. Capital Expenditure, Depreciation, R&D Expenses, etc.

<Capital Expenditure, Depreciation, R&D Expenses, etc.>

(Billion Yen)		FY2019 1Q	FY2020 1Q
Capital expenditure	Property, plant and equipment	8.0	9.4
	Intangible assets	0.4	0.5
	Total	8.4	9.9
Depreciation	Property, plant and equipment	3.9	5.6
	Intangible assets	1.7	1.6
	Total	5.6	7.1
R&D expenses		4.1	4.0

<Major Indicator>

	FY2019 As of Dec. 31	FY2020 As of Mar. 31
Total equity attributable to owners of parent (%)	37.4	36.4
Bonds and borrowings (billion yen)	442.2	424.3
Cash and cash equivalents (billion yen)	123.3	88.9
EPS (yen)	114.5	23.3

4-(2)-5. FX Rates & Market Conditions

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

	FY2019 1Q	FY2019 Full year	FY2020 1Q	FY2020 Full year
JPY/USD	110.3	109.2	109.1	107.0
JPY/RMB	16.5	15.8	15.5	15.5
JPY/AUD	-	74.7	70.5	75.0

<Exchange rate for F/P>

	FY2019 As of Dis. 31	FY2020 As of Mar. 31
JPY/USD	109.5	108.8
JPY/RMB	15.7	15.3
JPY/AUD	76.5	66.2

<Paint shipment>

	FY2018				Full Year	FY2019				Full Year	FY2020
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		1Q
Japan ^{※1}	44	43	44	47	178	43	43	43	30	159	26

※1 Source: Japan paint manufacturers association

<Automobile production^{※2}>

	FY2018				Full Year	FY2019				Full Year	FY2020
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		1Q
Japan	241	220	218	244	924	243	230	229	220	922	225
China	701	703	640	732	2,776	633	619	600	757	2,609	347
USA	279	289	268	281	1,117	287	285	266	255	1,094	253
Mexico	96	100	99	95	391	99	99	95	82	375	91
Canada	53	55	45	49	202	48	51	46	47	192	38
North America total	429	443	411	426	1,709	435	436	407	384	1,661	382
Thailand	54	52	55	56	217	56	50	51	44	201	45

※2 Source: Japan: MarkLines, China, North America: Japan Automotive Manufactures Association,
Thailand: Federation of Thai industries

<Others (Japan market) >

	FY2018				Full Year	FY2019				Full Year	FY2020
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		1Q
Housing starts ^{※3}	20.5	24.5	24.6	24.6	94.2	21.6	23.4	23.3	22.3	90.5	19.4
Construction machinery productions ^{※4}	9.7	9.9	10.0	11.1	40.7	10.5	10.5	10.1	8.1	39.2	6.3
Machine tool production ^{※5}	2.7	2.0	1.9	1.8	8.5	1.8	1.6	1.5	1.3	6.2	0.8

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

※4 Source: Japan construction equipment manufacturers association

※5 Source: Japan machine tool builders' association

<Naphtha price >
(own estimation)

	FY2018				Full Year	FY2019				Full Year	FY2020
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		1Q
Japan produced naphtha price	47,900	48,700	53,500	54,200	51,200	41,200	45,400	40,200	41,300	42,000	44,800



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