

November 13, 2020  
**FY2020 3Q**  
**Financial Results**  
**Presentation Material**



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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 consolidation of new subsidiaries 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 appendix pages (Page 42 onwards) for more information (F/X constant, subsidies, insurance payments received, etc. (subsidy income, insurance income, gains on sales of fixed assets), M&A related costs, suspension of amortization of intangible fixed assets, asset impairment losses, newly consolidated subsidiaries)

# 1-1. Summary of Today's Presentation (1)

## FY2020 3Q YoY Growth Rate



( 'Tanshin' )

Revenue: +18.7%

Operating profit: +17.3%

( 'Non-GAAP' )

Revenue: +6.8%

Operating profit: +6.7%

### •FY2020 3Q Results (YoY) :

'Tanshin' /Revenue: +18.7%, operating profit: +17.3%

'Non-GAAP' /Revenue: +6.8%, operating profit: +6.7%

•China economy has grown 4.9%. NIPSEA China business has achieved higher revenue 18% and profit 38% comparing with last year. Project has increased 33% from new construction project from Northern and Western region. DIY gradually recovered from 2Q and grew 9%. Auto has grown 17%

•Automobile coatings business revenue declined as global automobile production recovered faster than expected but automobile production in Japan remained below prior-year levels

•3Q 'Non-GAAP' results include 1 month (September) for Dulux Group and 3 months (July-September) for Betek Boya, which are group companies acquired in 2019

•Steady contribution from Betek Boya due to higher demand resulting from restart of economic activities and sales promotion activities and from DuluxGroup with higher demand continuing, influenced by COVID enhanced home improvement activity

•Lower cost of raw materials contributed to earnings in all regions, primarily Japan and Asia

# 1-1. Summary of Today's Presentation (2)

## FY2020 Consolidated Earnings Forecast

Revenue: ¥760 bn  
Operating profit: ¥76 bn



- COVID impact easing globally but the risk of market deterioration remains in some regions due to the resurgence of new cases. Still difficult to reasonably estimate final demand but updated FY2020 guidance to reflect strong 3Q earnings
- FY2020 forecast revised upward from the August 14 forecast (Revenue: +4.1%; Operating profit: +15.2% vs. previous forecast)
- Major assumption differences between August 14 and now:
  - ↑ Improvement in decorative paints business (Project/DIY) at NIPSEA China
  - ↑ Earnings improvement at Betek Boya (Europe)
  - ↑ Earlier than expected recovery in automotive coatings
  - ↓ Higher expenses for sales promotion measures at overseas Group companies
- Increased full-year forecast for Betek Boya:  
Current forecast (Revenue: c. ¥32.0 bn, Operating profit: c. ¥4.0 bn<sup>※1</sup>)  
Previous forecast (Revenue: ¥31.0 bn, Operating profit: c. ¥2.6 bn<sup>※2</sup>)

## FY2020 EPS Forecast

109 yen



- EPS forecast is 109 yen (−5 yen YoY/+22 yen from previous forecast)
- Annual dividend forecast is 45 yen (same as FY2019)

# 1-2. Summary of Market Conditions in Major Regions (1)

## Market and business conditions in major regions

Japan	<p><b>Decorative:</b> 3Q demand remained weak due to COVID and to a long rainy season and typhoons. Demand to recover from weakness in 2019 following the consumption tax hike. However, slow recovery seen, notably for house renovation projects. Overall, 4Q market expected to be unchanged from 2019</p> <p><b>Industrial:</b> Market remained weak in all sectors due to COVID. Gradual recovery expected but recovery to prior-year levels unlikely in 4Q</p>
NIPSEA China	<p><b>Decorative: (DIY)</b> 3Q sales YoY growth 9%, due to improved consumer confidence after COVID. Demand recovery for repainting of existing houses following lifting of restrictions on entry to repainting sites. We expect momentum continue and extend to 4Q</p> <p><b>Decorative: (PRJ)</b> 3Q sales YoY growth 33%. Mainly from new construction project in Northern and Western region. Focus and strengthen partnership with key and strategic customers. 4Q Project to be lower compared to a very high market growth in 4Q of 2019</p> <p><b>Industrial:</b> Industrial coatings improved 9% from GIU such as agricultural construction equipment and Protection Coating thanks to market recovery from COVID with less import from overseas</p>
Asia Excepting for NIPSEA China	<p>In 3Q, Malaysia Group showed a lower single digit growth, recovering gradually from COVID albeit showing lower growth. Thailand Group continued to suffer from COVID, border closed and political instability, and declined 28% in 3Q with the weakness may likely extend into 4Q. Overall, lower revenue for this region. In 4Q, Thailand likely to see lower earnings growth, and Malaysia requires attention with lockdowns back in place in October</p>



# 1-2. Summary of Market Conditions in Major Regions (2)

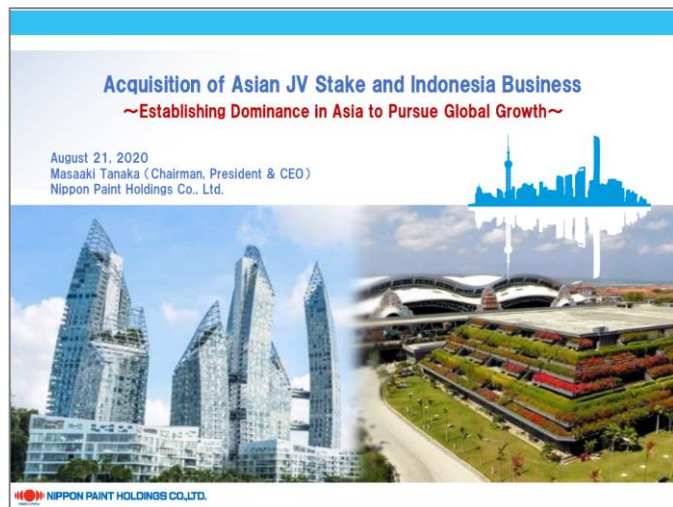
## Market conditions in major regions

Oceania	Higher YoY sales across all business (+9%/reference value) with COVID enhanced home improvement activity continuing, regardless of stay-at-home restrictions. While DIY activity remained very strong in 3Q, trade DIFM* activity was also positive. We anticipate the COVID positive influence on demand to progressively normalize in 4Q and 1Q of FY2021
Americas (Dunn-Edwards)	Revenue grew 5% YoY driven by the strong construction market due to easing of COVID restrictions and low interest rates. Firm market tone expected to continue in 4Q but the possibility of an economic slowdown due to a COVID resurgence a cause for concern
Europe (Betek Boya)	3Q revenue surged by 84% YoY driven by strong market due to easing of lockdowns and restart of economic activities, coupled with sales promotion activities. 4Q revenue to decrease due to backlash to higher revenue in 3Q resulting from sales promotion actions, etc.
Automotive coatings	<p>Japan: Market gradually recovered during 3Q but quarterly automobile production continued on decline (-13% YoY). 4Q automobile production to remain below prior-year levels despite stronger recovery expected than the August assumptions</p> <p>NIPSEA China: 3Q automobile sales YoY growth 17% due to 14% growth in automobile production mainly from Japanese and Korean car makers, driven by support from various government stimulus programs to help cope with COVID impact. In 4Q, market growth likely to be slow compared to high market growth in 4Q of 2019</p> <p>Americas: 3Q automobile production recovered to prior-year levels as automakers increased production to maintain inventories. Concerns remain about a possible slowdown in production after the inventory build-up is completed</p> <p>Europe: Automobile production is slow recovering but remains below prior-year levels. The COVID resurgence a cause for concern for 4Q</p>

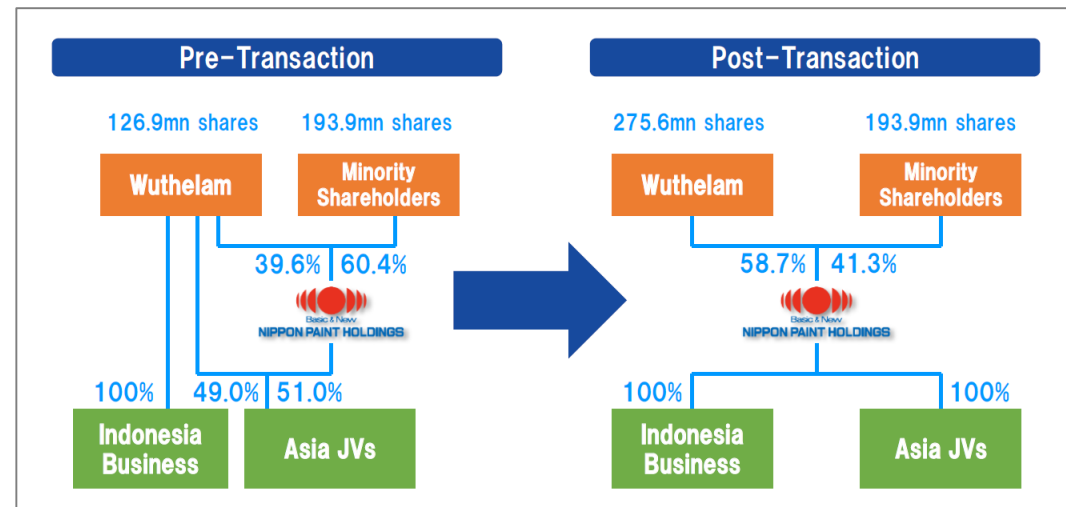
# 1-3. Major Topics After the 2Q Results Announcement ①

## Acquisition of Asian JV Stake and Indonesia Business (announced on August 21)

- Decided to acquire 100% ownership of Asian JVs and Indonesia Business
- Transaction will enable full capture of growing Asian businesses, realizing substantial profit growth, minority shareholder protection, and maximization of shareholder value
- Closing scheduled for January 1, 2021



Presentation material released on August 21



Ownership structure

## 1-3. Major Topics After the 2Q Results Announcement ②

Developed “PROTECTON,” a new brand specialized in anti-viral and anti-bacterial products (announced on September 4)

- Anti-viral and anti-bacterial products, not limited to paint, are to be developed using this new brand, with applications ranging from home-use paint to industrial paint and other products
- The first product is PTOTECTON Interior Paint Premium, Japan’s first water-based paint with anti-viral and anti-bacterial properties derived from photocatalysis for DIY and home use (launched on September 4)
- The second product is PROTECTON Interior Wall VK-200, paint using a visible light-responsive photocatalyst and offering better workability than conventional products with ultra-low VOC at an affordable price (launched on October 28)



The logo of PROTECTON series products



PROTECTON Interior Paint Premium



## 1-3. Major Topics After the 2Q Results Announcement ③

### Launched a new company commercial in Japan from October 3 featuring the excitement and fascination of paint (announced on September 28)

- Actress Mikako Tabe is the brand ambassador to promote PAINT.WONDER, a world of paint and coatings technology with exciting possibilities for the entire world
- Miniature objects coated with our paint convey the excitement and fascination of paint and its functions, which go beyond simply adding color and provide our daily life with protection and a rich variety of vivid colors



Graphical image



A scene from the commercial

※The commercial and the making of this commercial are on [Nippon Paint's official YouTube channel](#) (only in Japanese)

# 1-3. Major Topics After the 2Q Results Announcement ④

## Published Integrated Report 2020 (released on September 30)

- New content and design from the previous year's report
- The report explains the strategic story of aiming for the Maximization of Shareholder Value (MSV), which is our paramount mission, by pursuing a global business strategy that incorporates ESG and the SDGs
- To serve as an effective tool for sound communication with investors and analysts



Integrated Report 2020



Message from CEO



Message from NIPSEA Group CEO



Special Feature: Growth Opportunities in China Business at NIPSEA Group



DuluxGroup



Betek Boya

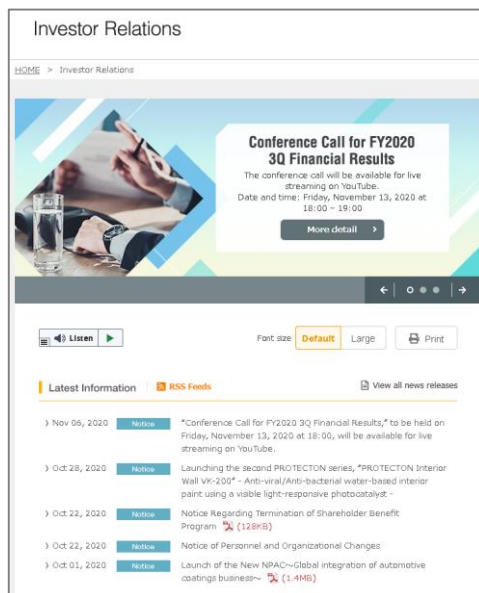


Dunn-Edwards

# 1-3. Major Topics After the 2Q Results Announcement ⑤

## Improving information disclosure through the IR website (contents launched successively by September 30)

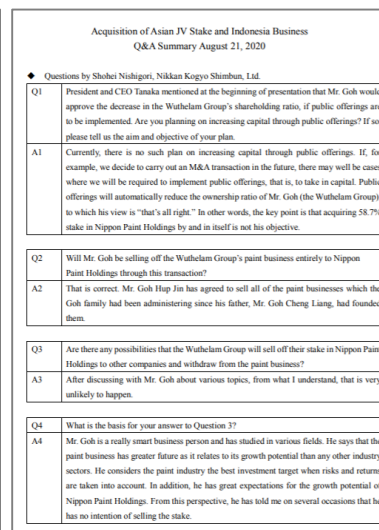
- Enhanced the content of our IR website to provide information necessary for communications with Japanese and international investors and analysts in a timely and equitable manner
- Content includes English translations of presentation texts and Q&A summary, disclosure documents, live streaming of financial results conference calls (Japanese/English), analyst ratings and analyst consensus



IR website



Presentation script



Q&A summary



Analyst ratings



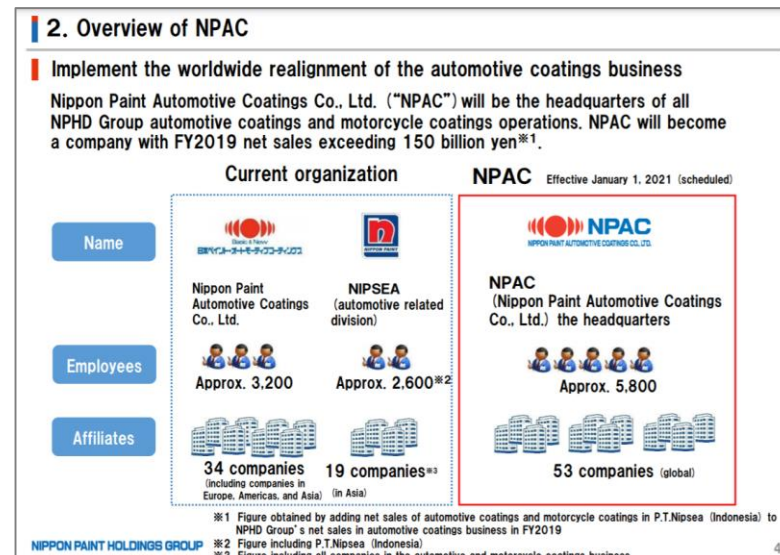
# 1-3. Major Topics After the 2Q Results Announcement ⑥

## Global integration of automotive coatings business (announced on October 1)

- Realign automotive coatings and motorcycle coatings operations in Japan, China and other Asian countries, Europe and the Americas on January 1, 2021, with Nippon Paint Automotive Coatings Co., Ltd. (NPAC) as the global headquarters (NPAC will have net sales exceeding 150 bn yen based on simple sum of FY2019 results)
- Appoint customer account managers who operate multinationally and establish global sales and R&D structures to function as a one-stop source of information and services for customers



Presentation material published on October 1



Overview of NPAC

# 1-3. Major Topics After the 2Q Results Announcement ⑦

## Established an ESG Statement and Identified Materiality (released on October 30)

- The ESG Statement, which sets forth our basic policy on ESG management, was established with the participation and input of our overseas partner companies
- Materiality critical to sustainability of businesses was identified based on the ESG Statement through discussions with the ESG Committee members, overseas partner companies and external stakeholders
- We will set KPIs for each identified materiality and implement materiality initiatives

### — ESG Statement (established in August 2020) —

At Nippon Paint Holdings Group we aim to conduct our business activities to support and enable sustainable development everywhere we operate. We aim to include the three elements – economic, social and environmental – in a balanced and integrated manner.

Creating paints and coatings to add color, comfort, and safety to people everywhere has been our mission since the company was founded.

Finding solutions to global sustainability challenges is our responsibility to future generations and is a driving force for our continued growth and success. To achieve this, we will:

- Pursue technologies across the value chain to create sustainability benefits through innovative products and services, and new business opportunities.
- Engage and work with our stakeholders to meet their expectations and together deliver on our shared sustainability commitments, responsibilities, and challenges.
- Establish effective governance frameworks to ensure the transparency, objectivity, and fairness of the management of our company and earn society's trust everywhere we operate.
- Respect, support, and enable our diverse employees and company associates to achieve their full potential and create innovative, sustainable value for all.
- Support the 2030 Agenda for Sustainable Development (SDGs) through delivery of sustainability improvement plans that create new business opportunities and maximize shareholder value. (MSV\*)

\* MSV is predicated on fulfillment of our duties to customers, employees, suppliers and society, setting us apart from the concept of "shareholder primacy."

### ESG Statement

### Materiality

- ① Climate change
- ② Resources and environment
- ③ Diversity & Inclusion
- ④ Safe people and operations
- ⑤ Growth with communities
- ⑥ Innovation for a sustainable future





## 2. FY2020 3Q Highlights

## 2-1. FY2020 3Q Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2019 3Q	FY2020 3Q	YoY (%)	FY2019 3Q	FY2020 3Q	YoY (Amount)	YoY (%)
Revenue	182.7	216.9	18.7%	182.7	195.1	12.5	6.8%
Operating profit	24.4	28.6	17.3%	23.6	25.2	1.6	6.7%
OP margin	13.4%	13.2%	-0.2pt	12.9%	12.9%	-	-0.0pt
Profit before tax	23.4	29.6	26.4%	22.6	26.6	4.0	17.9%
Profit <sup>※</sup>	11.7	14.7	26.3%	11.9	12.9	1.0	8.4%

※ Profit attributable to owners of parent

### Revenue

- Higher revenue both on 'Tanshin' basis (+18.7%) and 'Non-GAAP' basis (+6.8%) due to acquisitions and market recoveries
- Regarding decorative paints, Project and DIY in China recovered and Australia and Turkey remained strong, but the recovery was slow in Japan because of COVID
- Automotive coatings are recovering slowly in every region but remained below prior-year levels

### Operating profit

- Higher operating profit both on 'Tanshin' basis (+17.3%) and 'Non-GAAP' basis (+6.7%)
- Higher profit at NIPSEA China due to sales growth, driven by post-COVID market recovery
- OP margin remained flat from 2019 due to actions to reduce raw material costs and fixed cost reduction

## 2-2. FY2020 3Q Highlights (Revenue & Operating Profit by Region)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 3Q	FY2020 3Q	YoY (%)	FY2019 3Q	FY2020 3Q	YoY (Amount)	YoY (%)
Japan	Revenue	46.4	39.9	-14.0%	46.4	39.9	-6.5	-14.0%
	OP profit*	5.2	2.0	-62.5%	6.3	2.1	-4.2	-67.4%
Asia	Revenue	93.4	103.3	10.6%	93.3	104.5	11.1	11.9%
	OP profit	14.4	17.1	19.4%	12.4	16.5	4.0	32.3%
Oceania	Revenue	13.1	40.3	206.3%	13.1	13.7	0.6	4.5%
	OP profit	2.8	5.4	92.6%	2.8	1.9	-0.9	-32.2%
Americas	Revenue	19.1	19.4	1.6%	19.1	20.0	0.8	4.3%
	OP profit	1.3	2.2	69.4%	1.3	2.2	0.9	72.6%
Other	Revenue	10.7	14.0	31.0%	10.7	17.1	6.4	60.0%
	OP profit	0.8	1.9	155.7%	0.8	2.5	1.7	224.5%
Total	Revenue	182.7	216.9	18.7%	182.7	195.1	12.5	6.8%
	OP profit	24.4	28.6	17.3%	23.6	25.2	1.6	6.7%

\* Excluding dividends from overseas group companies (FY2020 3Q: ¥0.2bn, FY2019 3Q: ¥0.2bn)

### Major reasons for changes

- **Japan** : Lower revenue and profit due to slow recovery from impact of a long rainy season, typhoons and COVID, combined with automotive coatings market still not fully recovered
- **Asia** : Higher sales due to strong growth in decorative paints and automotive coatings in China. However, this was offset by weaker earnings in other part of Asia, e.g. Thailand
- **Other** : Higher revenue on strong construction market conditions in Turkey due to restart of economic activities, coupled with sales promotion activities  
(Betek Boya)


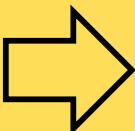
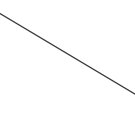
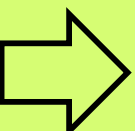








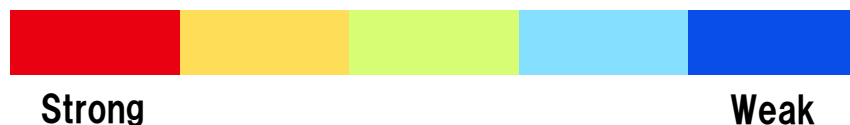
### **3. FY2020 3Q Results (by Region)**

Photo image: Dunn-Edwards

## 3-1. Market & Business Environment (3Q)

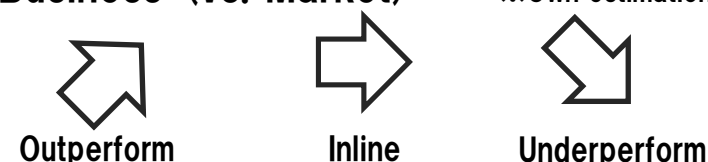
	Japan	Asia (NIPSEA China)	Oceania	Americas
Automotive				
Decorative		DIY 	Project 	

■ Market (YoY)



■ Business (vs. Market) ※

※Own estimation

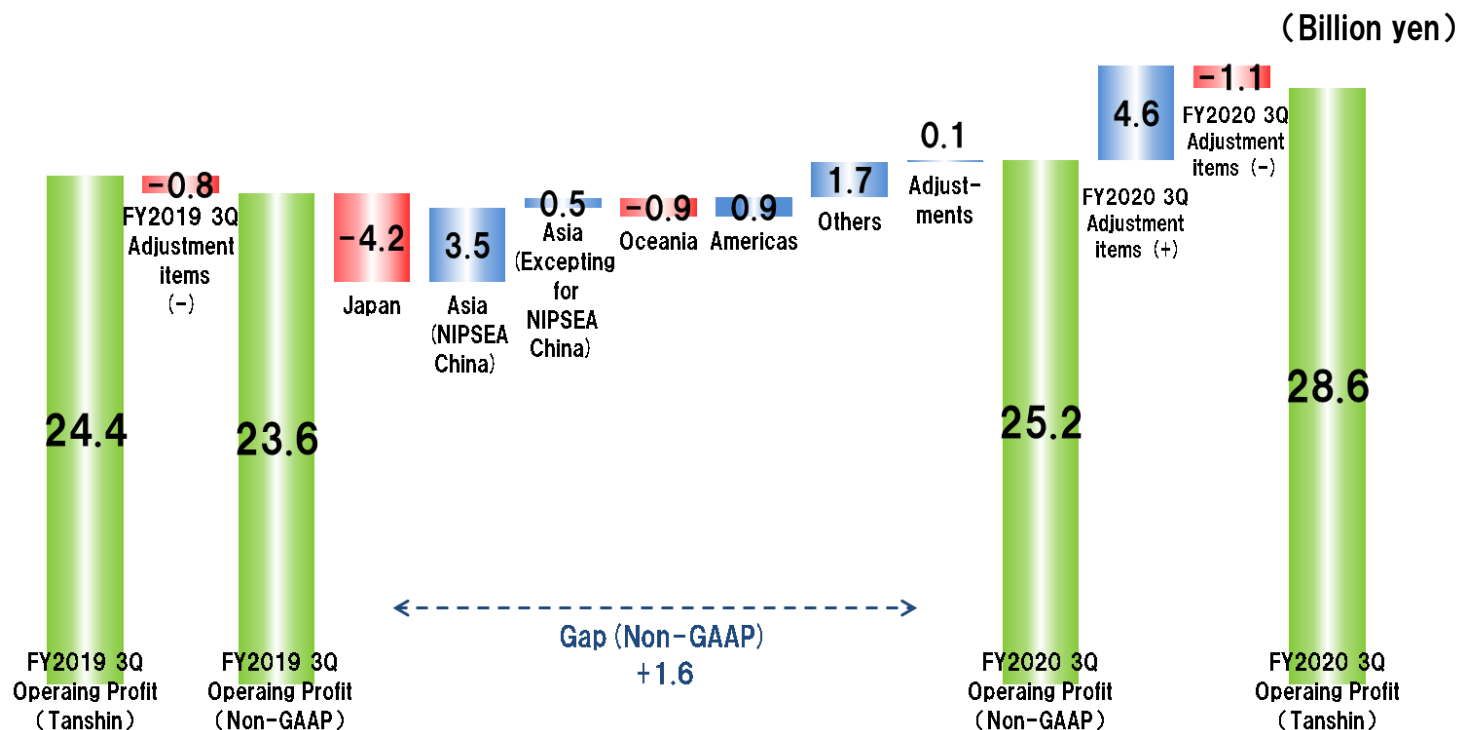


### Market analysis

- ✓ Automotive: Automobile production is recovering in most regions, although the pace of the recovery varies
- ✓ Decorative: In Japan, the market remained weak due to the 2019 consumption tax hike and a long rainy season and typhoons this year  
In China, both DIY and Project markets were strong as entry restrictions to repainting sites were lifted and continued recovery of housing market boosted Project demand  
In Australia, market conditions remained favorable due to continued high home improvement activity, particularly from COVID enhanced DIY demand  
In the Americas, the market was stronger than in 2019 as the housing market remained relatively firm due to easing of COVID restrictions



## 3-2. Operating Profit Gap Analysis for 3Q



### Major reasons for changes

- ✓ Japan: Lower profit due to slow recovery from the COVID impact in all businesses
- ✓ China: Higher profit on higher revenue due to DIY recovery from COVID impact and strong growth for project construction segment
- ✓ Europe: Higher profit with Betek Boya achieving YOY profit growth as the positive impact of restarting economic activities and sales promotion activities more than offset the weak automotive coatings business
- ✓ Adjustment items (+): Inclusion of two months of DuluxGroup performance (July and August) before the acquisition

## 3-3. Analysis of Regional Performance (Japan)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 3Q	FY2020 3Q	YoY (%)	FY2019 3Q	FY2020 3Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	11.3	8.8	-22.1%	11.3	8.8	-2.5	-22.1%
	Decorative paints	12.6	10.6	-16.2%	12.6	10.6	-2.0	-16.2%
	Industrial coatings	10.1	8.5	-16.0%	10.1	8.5	-1.6	-16.0%
	Fine chemicals	2.2	1.8	-19.4%	2.2	1.8	-0.4	-19.4%
	Others <sup>※1</sup>	10.1	10.2	0.8%	10.1	10.2	0.1	0.8%
	Total	46.4	39.9	-14.0%	46.4	39.9	-6.5	-14.0%
Operating profit		5.2	2.0	-62.5%	6.3	2.1	-4.2	-67.4%
OP margin		11.3%	4.9%	-6.3pt	13.6%	5.1%	-	-8.4pt

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

### Major reasons for changes

- Automotive : Lower revenue as the downturn in automobile production continued (-13%<sup>※2</sup> YOY), despite gradual recovery from COVID impact
- Decorative : Lower revenue because of construction delays due to a long rainy season and typhoons in 3Q. Also, demand surged in 3Q 2019 prior to the October 2019 consumption tax hike
- Industrial : Lower revenue due to production cuts at customers in the steel coil and construction machinery and agricultural machinery sectors
- Operating profit : Lower profit due to the above reasons for revenue decrease

※2 Compiled by NPHD using figures released by domestic automakers

## 3-4. Analysis of Regional Performance (NIPSEA China)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 3Q	FY2020 3Q	YoY (%)	FY2019 3Q	FY2020 3Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	7.5	8.5	13.6%	7.3	8.6	1.3	17.1%
	Decorative paints	55.3	65.2	17.9%	55.6	65.8	10.3	18.5%
	Industrial coatings	4.8	5.1	5.6%	4.7	5.1	0.4	8.5%
	Others <sup>※1</sup>	0.7	0.7	3.8%	0.6	0.7	0.1	13.4%
	Total	68.3	79.5	16.4%	68.2	80.3	12.0	17.6%
Operating profit		11.3	13.5	19.6%	9.4	12.9	3.5	37.5%
OP margin		16.6%	17.0%	0.5pt	13.8%	16.1%	-	2.3pt

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

### Major reasons for changes

- **Automotive** : Higher revenue (+17% YOY) on continuing automobile production recovery (+14%<sup>※2</sup> YOY) from 2Q
- **Decorative** : Higher revenue (+9% YoY) for DIY mainly due to improved Chinese consumer confidence post COVID. Demand recovery for repainting existing houses following lifting of restrictions on entry to repainting sites  
Higher revenue (+33% YoY) for Project, mainly from new construction project from Northern and Western region. Focus and strengthen partnership in key and strategic customers
- **Industrial** : Industrial coatings improved 9% from GIU such as agricultural construction equipment and Protection Coating thanks to market recovery from COVID with less import from overseas
- **Operating profit** : Higher profit on revenue growth, lower procurement cost of key raw materials, and lower fixed costs, etc.

※2 China Association of Automobile Manufacturers

## 3-5. Analysis of Regional Performance (Asia Excepting for NIPSEA China)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2019 3Q	FY2020 3Q	YoY (%)	FY2019 3Q	FY2020 3Q	YoY (Amount)	YoY (%)
Revenue	25.1	23.8	-5.2%	25.1	24.2	-0.9	-3.5%
Operating profit	3.0	3.6	18.5%	3.0	3.5	0.5	16.3%
OP margin	12.2%	15.2%	3.0pt	12.2%	14.7%	-	2.5pt

### Major reasons for changes

- Malaysia Group : Sales recovered and higher by 6% as compare to 3Q of 2019, mainly from Malaysia & Bangladesh
- Singapore Group : Sales remain same as prior-year levels. Sri Lanka achieved higher sales as compared with last year, offset by lower sales in Singapore and Vietnam decorative segment
- Thailand Group : Thailand continued to suffer from COVID, border closed and political instability. Decline 28% in 3Q
- Operating profit : Higher profit mainly from higher sales in Malaysia Group (Sri Lanka)

## 3-6. Analysis of Regional Performance (Oceania)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 3Q	FY2020 3Q	YoY (%)	FY2019 3Q	FY2020 3Q	YoY (Amount)	YoY (%)
Revenue	Decorative paints	6.6	20.0	204.5%	6.6	6.9	0.3	5.1%
	Industrial coatings	0.5	1.6	229.6%	0.5	0.5	0.0	8.0%
	Paint related business	6.1	18.6	206.3%	6.1	6.3	0.2	3.5%
	Total	13.1	40.3	206.3%	13.1	13.7	0.6	4.5%
Operating profit		2.8	5.4	92.6%	2.8	1.9	-0.9	-32.2%
OP margin		21.4%	13.4%	-7.9pt	21.4%	13.9%	-	-7.5pt
OP margin (Before PPA depreciation)		22.0%	14.1%	-7.9pt	22.0%	14.5%	-	-7.5pt

**Major reasons for changes** (For reference: Revenue: +9% YoY based on rough estimates in local currencies) ※

- **Decorative paints** : Higher sales in 3Q due to continued high home improvement activity, particularly from COVID enhanced DIY demand
- **Paint related business** : Other businesses were above prior-year levels with higher home improvement activity. While DIY activity remained very strong in 3Q, trade DIFM (Do It For Me) activity was also positive
- **Revenue (overall)** : Higher revenue achieved despite operation suspensions at major retail outlets following imposition of COVID stay-at-home restrictions in Melbourne
- **Operating profit** : Lower profit despite higher revenue, due to absence of one-time gains from reversal of provisions, etc. posted in previous year

※Oceania's Non-GAAP include only September earnings at DuluxGroup's

※The above qualitative information is a comparative analysis of DuluxGroup's earnings for Jul.-Sep. 2019 and Jul.-Sep. 2020 using figures in local currencies



## 3-7. Analysis of Regional Performance (Americas)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 3Q	FY2020 3Q	YoY (%)	FY2019 3Q	FY2020 3Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	6.3	6.4	1.5%	6.3	6.6	0.3	5.2%
	Decorative paints	12.1	12.4	2.5%	12.1	12.7	0.6	4.8%
	Fine chemicals	0.7	0.6	-10.0%	0.7	0.7	-0.1	-8.0%
	Others*	0.1	0.0	-44.1%	0.1	0.0	-0.0	-42.7%
	Total	19.1	19.4	1.6%	19.1	20.0	0.8	4.3%
Operating profit		1.3	2.2	69.4%	1.3	2.2	0.9	72.6%
OP margin		6.7%	11.2%	4.5pt	6.7%	11.1%	-	4.4pt

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

### Major reasons for changes

- Automotive : Real demand recovered due to higher demand for private cars amid COVID pandemic. Revenue grew YoY due to recovery of 3Q automobile production to prior-year level as automakers increased output to build up inventories
- Decorative : Higher revenue due to easing of COVID restrictions in Arizona and California, where most of stores are located, and strong housing market fueled by government's low interest rate policy
- Operating profit : Higher profit due to recovery of automotive coatings sales, higher revenue on price increases for decorative paints since December, and lower cost of key raw materials and SG&A expenses

## 3-8. Analysis of Regional Performance (Other)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 3Q	FY2020 3Q	YoY (%)	FY2019 3Q	FY2020 3Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	2.6	2.3	-9.8%	2.6	2.4	-0.2	-8.3%
	Decorative paints	4.7	6.8	47.0%	4.7	8.7	4.0	86.9%
	Industrial coatings	0.8	1.0	20.7%	0.8	1.3	0.5	53.8%
	Fine chemicals	0.3	0.3	10.9%	0.3	0.3	0.0	4.6%
	Others <sup>※</sup>	0.0	0.2	-	0.0	0.2	0.2	-
	Paint related business	2.3	3.3	42.7%	2.3	4.2	1.9	81.2%
	Total	10.7	14.0	31.0%	10.7	17.1	6.4	60.0%
Operating profit		0.8	1.9	155.7%	0.8	2.5	1.7	224.5%
OP margin		7.1%	13.9%	6.8pt	7.1%	14.4%	-	7.3pt

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

### Major reasons for changes

- Automotive : Lower revenue with automobile production remaining below prior-year levels, despite gradual recovery from COVID impact
- Betek Boya : Higher revenue due to recovery in demand in the decorative paints, industrial coatings and paint-related business sectors due to restart of economic activities, successful launch of new brand strategies in 1Q and sales promotion activities
- Operating profit : Higher profit on higher revenue at Betek Boya



## 4. FY2020 Forecast

The logo of PROTECTON: a new brand  
specialized in anti-viral and anti-bacterial products

# 4-1. FY2020 Forecast

(Billion yen)	Results (Tanshin)					Constant Exchange Rate Basis <sup>※1</sup>				
	FY2020 Forecast					FY2020 Forecast				
	As of May	As of Aug.	As of Nov. (current)	vs. Previous Forecast (%) (May vs. Nov.)	vs. Previous Forecast (%) (Aug. vs. Nov.)	As of May	As of Aug.	As of Nov. (current)	vs. Previous Forecast (%) (May vs. Nov.)	vs. Previous Forecast (%) (Aug. vs. Nov.)
Revenue	720.0	730.0	760.0	5.6%	4.1%	720.0	740.0	770.0	6.9%	4.1%
Operating profit	63.0	66.0	76.0	20.6%	15.2%	63.0	67.0	78.0	23.8%	16.4%
OP margin	8.8%	9.0%	10.0%	1.2pt	1.0pt	8.8%	9.1%	10.1%	1.3pt	1.0pt
Profit before tax	60.0	65.0	76.0	26.7%	16.9%	60.0	66.0	78.0	30.0%	18.2%
Profit <sup>※2</sup>	25.0	28.0	35.0	40.0%	25.0%	25.0	29.0	36.0	44.0%	24.1%

※1 Constant exchange rate figures are rough estimates calculated by applying exchange rate as at our earnings forecast announcement in May 2020.

※2 Profit attributable to owners of parent

## Current forecast (vs. forecast as of August)

- Higher 3Q growth than assumed due to growth in China decorative paints (Project/DIY), COVID enhanced home improvement activity continuing in Oceania, brisk demand and sales promotion activities in Turkey
- Automotive coatings to benefit from further global automobile production recovery compared to August assumptions, contributing to upward revision of full-year forecast
- Step up in sales promotions to further drive sales at NIPSEA China and DuluxGroup, etc. beginning in 4Q

## Assumptions for exchange rates and raw materials costs underlying current forecast

- Higher yen-denominated raw materials costs expected in 4Q ('Tanshin' basis) due to stronger yen against Turkish lira compared to August assumptions
- Assumptions for naphtha price in Japan unchanged from August at ¥34,000 for 4Q

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

	FY2019	FY2020 (as of May)	FY2020 2H (as of Aug.)	FY2020 4Q (Current forecast)
JPY/USD	109.2	107.0	107.7	105.8
JPY/RMB	15.8	15.5	15.2	15.5
JPY/AUD	74.7	75.0	73.9	75.5
JPY/TRY	18.9	18.2	15.8	13.6

※Average rate

## 4-2. FY2020 4Q Forecast

(Billion yen)	Results (Tanshin)			
	FY2019 4Q Results	FY2020 4Q Forecast (as of Nov.)	YoY (Amount)	YoY (%)
Revenue	196.9	197.7	0.8	0.4%
Operating profit (excl. impairment loss in FY2019)	22.9	12.7	-10.2	-44.5%
Operating profit	11.6	12.7	1.1	9.5%
OP margin	5.9%	6.4%	-	0.5pt
Profit before tax	13.6	12.4	-1.2	-8.8%
Profit <sup>※</sup>	4.0	3.4	-0.6	-15.0%

※Profit attributable to owners of parent

### Revenue

- Overall revenue to grow slightly YoY with market conditions varying across regions and businesses
- Growth of decorative paints at NIPSEA China and DuluxGroup is a positive revenue factor, but the strong 3Q at Betek Boya and slow automotive coatings recovery from COVID are negative 4Q revenue factors

### Operating profit (excluding impairment loss in FY2019)

- Lower profit projected mainly because of lower revenue in the automotive coatings business and Betek Boya
- Headquarters expenses projected to increase from 2019, especially in advertising and personnel expenses
- NIPSEA China expects higher decorative paints revenue. Higher advertising and sales promotion expenses planned for future growth
- DuluxGroup projected to remain on growth path and plans to increase marketing and innovation expenses for future growth



## 4-3. Market & Business Environment (4Q)

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

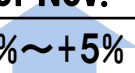





### Market analysis

- ✓ **Automotive:** In Japan, car production recovery to continue from 3Q but remain below prior-year level  
In China, market growth likely to be slow compared to high market growth in 4Q of 2019  
In the Americas, a possible market slowdown a cause for concern after the 3Q production increase for inventory build-up
- ✓ **Decorative:** In Japan, 4Q market to remain flat due to slow recovery from COVID even after taking into consideration weak market following the October 2019 consumption tax hike  
In China, 3Q market conditions in DIY to largely continue into 4Q. Project market expected to be firm in 4Q  
In Australia, we expect the abnormal positive COVID impact on home improvement demand to progressively normalize in 4Q and FY2021 1Q  
In the Americas, strong market tone in 3Q to continue but COVID resurgence may impact market conditions

## 4-4. Various Assumptions for the FY2020 Forecast (1)

### NIPSEA China

Revenue	YoY (Forecast as of Nov.※)	YoY (Forecast as of Aug.※)	Qualitative Information
NIPSEA China	0%~+5% 	0%~-5%	
Decorative (DIY)	0%~+5% 	-5%~-10%	Improved Chinese consumer post COVID. Demand recovery for repainting existing houses following lifting of restrictions on entry to repainting sites. The momentum will extend to Q4. Expected full-year revenue to register single digit growth
Decorative (PRJ)	+15%~+25% 	+5%~+10%	New construction project from Northern and Western region. Focus and strengthen partnership in key and strategic customers and wider product range in project. Steady growth to continue into 4Q due to sales driven activities, although sharper growth seen in 2Q and 3Q unlikely. Full-year revenue to exceed August assumptions
Automotive	-5%~-10% 	-10%~-15%	1H decrease to be offset by car production recovery from 3Q onwards. Full-year revenue to recover to prior-year level

### Asia Excepting for NIPSEA China

Asia	No change	-10%~-15%	
Automotive	No change	-25%~-30%	4Q gradually recover, but given large COVID impact up till 3Q, forecast for decrease in full-year revenue remained unchanged
Decorative	No change	-5%~-10%	Recovery to progress in 2H at a pace varying from country to country but in line with August assumptions. Full-year growth forecast unchanged. Note that Malaysia requires attention with lockdowns back in place in some areas in October

※Figures are in local currencies ※   indicate revisions from August forecast

## 4-4. Various Assumptions for the FY2020 Forecast (2)

### Japan

Revenue	YoY (Forecast as of Nov.※)	YoY (Forecast as of Aug.※)	Qualitative Information
Japan	No change	-10%~-20%	
Automotive	-20%~-30%	-25%~-35%	A smaller revenue decline due to slightly stronger recovery of auto market compared to August assumptions
Decorative	No change	-5%~-10%	Lower revenue projected despite measures aimed at market share gains, due to slow recovery from COVID, a long rainy season and typhoons in 3Q
Industrial	No change	-10%~-20%	Market deterioration projected due to expanded and prolonged COVID impact in line with August assumptions. Partial market recovery expected but forecast unchanged


### Oceania

Oceania	For reference c. +10%	For reference c. +5%	Full-year forecast upwardly revised based on high COVID enhanced home improvement activity continuing longer than assumed in August. Investment in marketing and growth initiatives planned in 4Q
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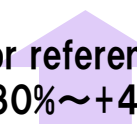
※Figures are in local currencies ※   indicate revisions from August forecast

## 4-4. Various Assumptions for the FY2020 Forecast (3)

### Americas

Revenue	YoY (Forecast as of Nov.*1)	YoY (Forecast as of Aug.*1)	Qualitative Information
Americas	No change	-5%~-10%	
Automotive	-20%~-25% 	-25%~-30%	3Q production increased as assumed in 2Q due to low inventory at customers, but the market slowdown remains a cause for concern after the inventory build-up ends in 4Q. The full-year forecast revised
Decorative	No change	0%~+10%	Favorable market to continue, with housing market underpinned by easing of COVID restrictions and government's stimulus measures. But with concerns about resurgence of COVID infections in 4Q, August assumptions are unchanged

### Other

Automotive	No change	-20%~-30%	Modest recovery to continue in 4Q in line with August assumptions, but YoY revenue decrease forecast is unchanged due to soft market
Betek Boya	For reference +30%~+40% 	For reference +20%~+30%	Previous full-year forecast: Revenue: ¥31.0 bn; Operating profit: ¥2.6 bn*2 Current forecast: Revenue: ¥32.0 bn; Operating profit: ¥4.0 bn*3 Higher demand in every business compared to August assumptions, combined with effects of sales promotion activities. A slight downturn expected in 4Q but the August forecast was increased

### Raw materials costs

Raw material costs	Assumption for naphtha price in Japan kept unchanged from August assumptions at ¥34,000 for 4Q
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\*1 Figures are in local currencies

\*  indicate revisions from August forecast

\*2 Calculated by applying exchange rate as of financial results announcement in August/Before PPA depreciation

\*3 Calculated by applying exchange rate as of financial results announcement in November/Before PPA depreciation

## 4-4. Various Assumptions for the FY2020 Forecast (4)

	Current FY2020 Forecast (YoY Growth Rates*1)		FY2019 Results (¥ bn)	
Revenue	Full-year	4Q	Full-year	4Q
<b>NIPSEA China</b>	0%~+5%	0%~+5%	257.5	61.2
Decorative (DIY)	0%~+5%	+5%~+10%	202.7	47.7
Decorative (PRJ)	+15%~+25%	+10%~+20%		
Automotive	-5%~-10%	-5%~-10%	33.8	9.1
<b>Asia Excepting for NIPSEA China</b>	-10%~-15%	±0%	101.7	27.0
Automotive	-25%~-30%	-10%~-15%	—	—
Decorative	-5%~-10%	+5%~+10%	—	—
<b>Japan</b>	-10%~-20%	-5%~-15%	182.6	46.1
Automotive	-20%~-30%	-10%~-20%	44.9	10.2
Decorative	-5%~-10%	±0%	48.2	11.8
Industrial	-10%~-20%	-10%~-20%	40.7	10.4
<b>Oceania</b>	c. +10%	c. +10%	138.1*2	34.4
<b>Americas</b>	-5%~-10%	0%~-5%	74.6	17.7
Automotive	-20%~-25%	-10%~-15%	25.9	6.2
Decorative	0%~+10%	0%~+5%	45.4	10.7
<b>Other: Automotive</b>	-20%~-30%	0%~-5%	11.8	3.0
<b>Other: Betek Boya</b>	+30%~+40%	-5%~-10%	29.2*2	7.3

\*1 Growth rates are based on figures in local currencies

\*2 Pro forma (unaudited) figures

**5– (1)**

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**Reference:**

**FY2020 9 Month Highlights**

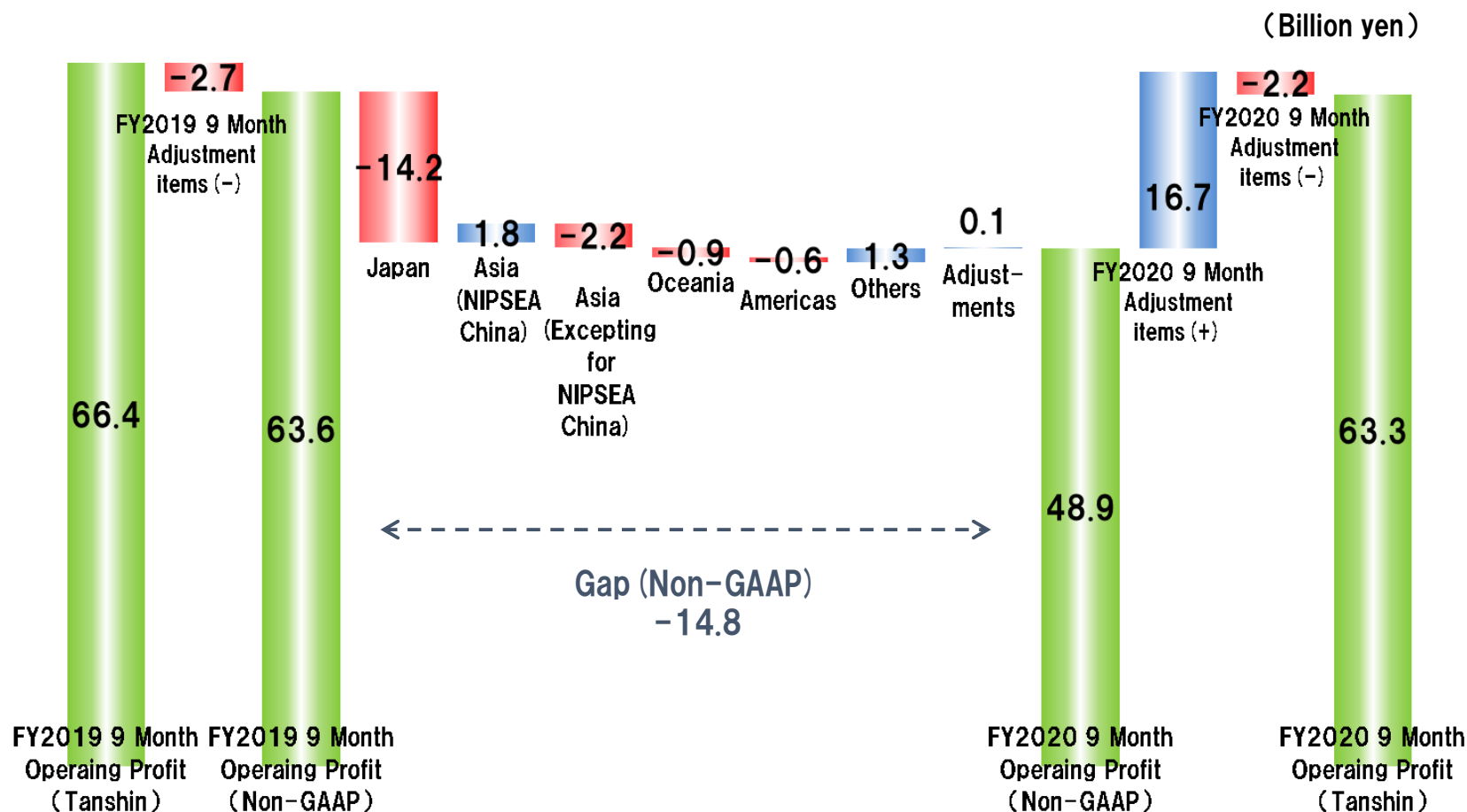


## 5- (1) -1. FY2020 9 Month Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2019 9 month	FY2020 9 month	YoY (%)	FY2019 9 month	FY2020 9 month	YoY (Amount)	YoY (%)
Revenue	495.1	562.3	13.6%	495.2	467.7	-27.5	-5.6%
Operating profit	66.4	63.3	-4.6%	63.6	48.9	-14.8	-23.2%
OP margin	13.4%	11.3%	-2.1pt	12.8%	10.4%	-	-2.4pt
Profit before tax	65.8	63.6	-3.4%	63.1	50.0	-13.1	-20.7%
Profit <sup>※</sup>	32.6	31.6	-3.0%	32.0	23.1	-8.9	-27.9%

※ Profit attributable to owners of parent

## 5- (1) -2. Operating Profit Gap Analysis (Based on Non-GAAP Results)



# 5- (1) -3. FY2020 9 Month Highlights (Revenue & Operating Profit by Region)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 9 month	FY2020 9 month	YoY (%)	FY2019 9 month	FY2020 9 month	YoY (Amount)	YoY (%)
Japan	Revenue	136.5	115.6	-15.3%	136.5	115.6	-20.9	-15.3%
	OP profit*	19.2	4.9	-74.5%	19.2	5.0	-14.2	-74.0%
Asia	Revenue	271.1	253.7	-6.4%	271.1	263.3	-7.8	-2.9%
	OP profit	40.0	38.4	-4.0%	37.3	36.8	-0.5	-1.3%
Oceania	Revenue	13.1	107.1	714.7%	13.1	13.7	0.6	4.5%
	OP profit	2.8	13.7	388.4%	2.8	1.9	-0.9	-32.2%
Americas	Revenue	56.9	52.1	-8.4%	56.9	53.3	-3.6	-6.3%
	OP profit	4.0	3.4	-15.3%	4.0	3.4	-0.6	-14.0%
Other	Revenue	17.5	33.7	92.4%	17.5	21.6	4.2	23.7%
	OP profit	0.3	2.9	770.1%	0.3	1.6	1.3	399.0%
Total	Revenue	495.1	562.3	13.6%	495.2	467.7	-27.5	-5.6%
	OP profit	66.4	63.3	-4.6%	63.6	48.9	-14.8	-23.2%

※ Excluding dividends from overseas group companies (FY2020 9 months: ¥2.6 bn, FY2019 9 months: ¥13.6 bn)

**5– (2)**

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**Reference:**

**FY2020 9 Month Results  
(by Region)**

## 5- (2) -1. Analysis of Regional Performance / Japan & NIPSEA China

### Japan

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)		
		FY2019 9 month	FY2020 9 month	YoY (%)	FY2019 9 month	FY2020 9 month	YoY (Amount) (%)
Revenue	Automotive coatings	34.7	24.6	-29.1%	34.7	24.6	-10.1
	Decorative paints	36.4	32.0	-12.3%	36.4	32.0	-4.5
	Industrial coatings	30.3	25.9	-14.4%	30.3	25.9	-4.4
	Fine chemicals	6.6	5.5	-16.8%	6.6	5.5	-1.1
	Others <sup>※</sup>	28.5	27.7	-2.9%	28.5	27.7	-0.8
	Total	136.5	115.6	-15.3%	136.5	115.6	-20.9
Operating profit		19.2	4.9	-74.5%	19.2	5.0	-14.2
OP margin		14.1%	4.2%	-9.8pt	14.1%	4.3%	-

### NIPSEA China

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)		
		FY2019 9 month	FY2020 9 month	YoY (%)	FY2019 9 month	FY2020 9 month	YoY (Amount) (%)
Revenue	Automotive coatings	24.7	21.5	-13.0%	24.6	22.3	-2.2
	Decorative paints	155.0	156.4	1.0%	155.7	162.4	6.7
	Industrial coatings	14.4	13.1	-9.6%	14.0	13.6	-0.5
	Others <sup>※</sup>	2.1	1.6	-23.9%	2.0	1.7	-0.3
	Total	196.3	192.6	-1.9%	196.4	200.0	3.6
Operating profit		31.7	32.1	1.1%	29.0	30.8	1.8
OP margin		16.2%	16.7%	0.5pt	14.8%	15.4%	-

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



## 5- (2) -2. Analysis of Regional Performance/Asia Excepting for NIPSEA China & Oceania

### Asia Excepting for NIPSEA China

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2019 9 month	FY2020 9 month	YoY (%)	FY2019 9 month	FY2020 9 month	YoY (Amount)	YoY (%)
Revenue	74.8	61.1	-18.3%	74.8	63.3	-11.4	-15.3%
Operating profit	8.3	6.3	-23.7%	8.3	6.1	-2.2	-27.0%
OP margin	11.1%	10.4%	-0.7pt	11.1%	9.6%	-	-1.5pt

### Oceania

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2019 9 month	FY2020 9 month	YoY (%)	FY2019 9 month	FY2020 9 month	YoY (Amount)	YoY (%)
Revenue	Decorative paints	6.6	56.0	750.7%	6.6	6.9	0.3	5.1%
	Industrial coatings	0.5	4.1	740.8%	0.5	0.5	0.0	8.0%
	Paint related business	6.1	47.0	673.6%	6.1	6.3	0.2	3.5%
	Total	13.1	107.1	714.7%	13.1	13.7	0.6	4.5%
	Operating profit	2.8	13.7	388.4%	2.8	1.9	-0.9	-32.2%
	OP margin	21.4%	12.8%	-8.6pt	21.4%	13.9%	-	-7.5pt
	OP margin (Before PPA depreciation)	22.0%	13.6%	-8.5pt	22.0%	14.5%	-	-7.5pt

## 5- (2) -3. Analysis of Regional Performance / Americas & Other

### Americas

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)		
		FY2019 9 month	FY2020 9 month	YoY (%)	FY2019 9 month	FY2020 9 month	YoY (Amount) (%)
Revenue	Automotive coatings	19.8	14.8	-24.9%	19.8	15.3	-4.4
	Decorative paints	34.7	35.2	1.5%	34.7	35.9	1.2
	Fine chemicals	2.3	1.9	-15.5%	2.3	2.0	-0.3
	Others <sup>※</sup>	0.1	0.1	-7.7%	0.1	0.1	-0.0
	Total	56.9	52.1	-8.4%	56.9	53.3	-3.6
Operating profit		4.0	3.4	-15.3%	4.0	3.4	-0.6
OP margin		7.0%	6.5%	-0.5pt	7.0%	6.4%	-

### Other

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)		
		FY2019 9 month	FY2020 9 month	YoY (%)	FY2019 9 month	FY2020 9 month	YoY (Amount) (%)
Revenue	Automotive coatings	8.8	5.8	-33.7%	8.8	6.1	-2.7
	Decorative paints	4.7	16.1	247.0%	4.7	8.7	4.0
	Industrial coatings	0.9	2.6	180.4%	0.9	1.3	0.4
	Fine chemicals	0.8	1.0	31.0%	0.8	1.0	0.3
	Others <sup>※</sup>	0.0	0.3	-	0.0	0.2	0.2
	Paint related business	2.3	7.8	233.4%	2.3	4.2	1.9
	Total	17.5	33.7	92.4%	17.5	21.6	4.2
Operating profit		0.3	2.9	770.1%	0.3	1.6	1.3
OP margin		1.9%	8.5%	6.6pt	1.9%	7.6%	-

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

**5– (3)**

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**Reference:**

**Breakdown of Adjustments**

# 5- (3) -1. Breakdown of Adjustments (FY2019 3Q vs. FY2020 3Q)

(Billion yen)

		FY2019 3Q						FY2020 3Q					
		FX	Subsidy, Insurance	M&A related cost	Suspension of amortiza- tion of IA <sup>※2</sup>	New acqui- sitions	Total	FX	Subsidy, Insurance	M&A related cost	Suspension of amortiza- tion of IA <sup>※2</sup>	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others <sup>※1</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Oceania	Operating profit	-	0.0	-1.1	-	-	-1.1	-	0.2	-0.3	-	-	-0.1
	Decorative	-	-	-	-	-	-	-0.0	-	-	-	13.1	13.1
	Industrial	-	-	-	-	-	-	-0.0	-	-	-	1.1	1.1
	Paint related business	-	-	-	-	-	-	-0.0	-	-	-	12.3	12.3
Americas	Revenue	-	-	-	-	-	-	-0.0	-	-	-	26.6	26.5
	Operating profit	-	-	-	-	-	-	-0.0	-	-	-	3.5	3.5
	Automotive	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Decorative	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others <sup>※1</sup>	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
Other	Revenue	-	-	-	-	-	-	-0.5	-	-	-	-	-0.5
	Operating profit	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Automotive	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Decorative	-	-	-	-	-	-	-1.9	-	-	-	-	-1.9
	Industrial	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Fine chemicals	-	-	-	-	-	-	0.0	-	-	-	-	0.0
Other	Others <sup>※1</sup>	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Paint related business	-	-	-	-	-	-	-0.9	-	-	-	-	-0.9
	Revenue	-	-	-	-	-	-	-3.1	-	-	-	-	-3.1
	Operating profit	-	-	-	-	-	-	-0.5	0.0	-	-	-	-0.5

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

※2 Suspension of amortization of intangible assets

## 5- (3) -2. Breakdown of Adjustments (FY2019 3Q vs. FY2020 3Q)

(Billion yen)		FY2019 3Q						FY2020 3Q					
		FX	Subsidy, Insurance	M&A related cost	Suspension of amortiza- tion of IA <sup>※2</sup>	New acqui- sitions	Total	FX	Subsidy, Insurance	M&A related cost	Suspension of amortiza- tion of IA <sup>※2※3</sup>	New acqui- sitions	Total
Asia	Automotive	0.2	-	-	-	-	0.2	-0.2	-	-	-	-	-0.2
	Decorative	-0.3	-	-	-	-	-0.3	-0.8	-	-	-	-	-0.8
	Industrial	0.1	-	-	-	-	0.1	-0.1	-	-	-	-	-0.1
	Fine Chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others <sup>※1</sup>	0.0	-	-	-	-	0.0	-0.1	-	-	-	-	-0.1
	Revenue	0.0	-	-	-	-	0.0	-1.2	-	-	-	-	-1.2
	Operating profit	-	1.9	-	-	-	1.9	-0.2	0.3	-	0.6	-	0.7
■ Breakdown of Asia													
NIPSEA China	Automotive	0.2	-	-	-	-	0.2	-0.1	-	-	-	-	-0.1
	Decorative	-0.3	-	-	-	-	-0.3	-0.7	-	-	-	-	-0.7
	Industrial	0.1	-	-	-	-	0.1	-0.0	-	-	-	-	-0.0
	Others <sup>※1</sup>	0.0	-	-	-	-	0.0	-0.0	-	-	-	-	-0.0
	Revenue	0.0	-	-	-	-	0.0	-0.8	-	-	-	-	-0.8
	Operating profit	-	1.9	-	-	-	1.9	-0.2	0.3	-	0.5	-	0.6
Excepting for NIPSEA China		-	-	-	-	-	-	-0.4	-	-	-	-	-0.4
	Operating profit	-	-	-	-	-	-	-0.1	0.1	-	0.1	-	0.1
Total		0.0	-	-	-	-	0.0	-4.8	-	-	-	26.6	21.7
	Operating profit	-	1.9	-1.1	-	-	0.8	-0.8	0.6	-0.3	0.6	3.5	3.5

※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: approx.0.5 bn yen, Asia Excepting for NIPSEA China: approx. 0.1 bn yen) due to change in the useful life of trademark rights



# 5- (3) -3. Breakdown of Adjustments (FY2019 9 Month vs. FY2020 9 Month)

(Billion yen)		FY2019 9 month						FY2020 9 month					
		FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA <sup>※2</sup>	New acquisitions	Total	FX	Subsidy, Insurance	M&A related cost	Suspension of amortization of IA <sup>※2</sup>	New acquisitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others <sup>※1</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	2.0	-2.0	-	-	0.0	-	0.2	-0.3	-	-	-0.1
Oceania	Decorative	-	-	-	-	-	-	-0.0	-	-	-	49.1	49.1
	Industrial	-	-	-	-	-	-	-0.0	-	-	-	3.6	3.6
	Paint related business	-	-	-	-	-	-	-0.0	-	-	-	40.7	40.7
	Revenue	-	-	-	-	-	-	-0.0	-	-	-	93.4	93.4
	Operating profit	-	-	-	-	-	-	-0.0	-	-	-	11.8	11.8
Americas	Automotive	-	-	-	-	-	-	-0.5	-	-	-	-	-0.5
	Decorative	-	-	-	-	-	-	-0.7	-	-	-	-	-0.7
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others <sup>※1</sup>	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Revenue	-	-	-	-	-	-	-1.2	-	-	-	-	-1.2
	Operating profit	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
Other	Automotive	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Decorative	-	-	-	-	-	-	-1.9	-	-	-	9.3	7.4
	Industrial	-	-	-	-	-	-	-0.3	-	-	-	1.5	1.2
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others <sup>※1</sup>	-	-	-	-	-	-	-0.0	-	-	-	0.1	0.1
	Paint related business	-	-	-	-	-	-	-0.9	-	-	-	4.5	3.6
	Revenue	-	-	-	-	-	-	-3.4	-	-	-	15.4	12.0
	Operating profit	-	-	-	-	-	-	-0.5	0.2	-	-	1.6	1.2

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

※2 Suspension of amortization of intangible assets

# 5- (3) -4. Breakdown of Adjustments (FY2019 9 Month vs. FY2020 9 Month)

(Billion yen)

		FY2019 9 month						FY2020 9 month					
		FX	Subsidy, Insurance	M&A related cost	Suspension of amortiza- tion of IA <sup>※2</sup>	New acqui- sitions	Total	FX	Subsidy, Insurance	M&A related cost	Suspension of amortiza- tion of IA <sup>※2※3</sup>	New acqui- sitions	Total
Asia	Automotive	0.1	-	-	-	-	0.1	-1.4	-	-	-	-	-1.4
	Decorative	-0.8	-	-	-	-	-0.8	-7.0	-	-	-	-	-7.0
	Industrial	0.4	-	-	-	-	0.4	-0.6	-	-	-	-	-0.6
	Fine chemicals	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Others <sup>※1</sup>	0.1	-	-	-	-	0.1	-0.4	-	-	-	-	-0.4
	Revenue	-0.1	-	-	-	-	-0.1	-9.6	-	-	-	-	-9.6
	Operating profit	-	2.7	-	-	-	2.7	-1.4	1.2	-	1.7	-	1.6
■ Breakdown of Asia													
NIPSEA China	Automotive	0.1	-	-	-	-	0.1	-0.8	-	-	-	-	-0.8
	Decorative	-0.8	-	-	-	-	-0.8	-6.0	-	-	-	-	-6.0
	Industrial	0.4	-	-	-	-	0.4	-0.5	-	-	-	-	-0.5
	Others <sup>※1</sup>	0.1	-	-	-	-	0.1	-0.1	-	-	-	-	-0.1
	Revenue	-0.1	-	-	-	-	-0.1	-7.3	-	-	-	-	-7.3
	Operating profit	-	2.7	-	-	-	2.7	-1.2	1.0	-	1.5	-	1.3
Excepting for NIPSEA China		-	-	-	-	-	-	-2.2	-	-	-	-	-2.2
Operating profit		-	-	-	-	-	-	-0.1	0.2	-	0.2	-	0.3
Total		-0.1	-	-	-	-	-0.1	-14.1	-	-	-	108.8	94.6
Operating profit		-	4.7	-2.0	-	-	2.7	-1.9	1.6	-0.3	1.7	13.4	14.5

※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. 1.7 bn yen (NIPSEA China: approx. 1.5 bn yen, Asia Excepting for NIPSEA China: approx. 0.2 bn yen) due to change in the useful life of trademark rights

**5– (4)**

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**Reference:**

**Partial Revision of Adjustments  
for Prior Periods**

# 5- (4) . Partial Revision of Adjustments for Prior Periods ①

- 'Non-GAAP' adjustment figures shown in Breakdown of Adjustment Items in FY2020 2Q Financial Results Presentation Material, dated August 14, 2020, were partially revised to conform to figures disclosed for prior periods
  - No change was made to figures shown in the financial statements and other disclosure documents
  - For details, see the revised presentation materials on our website
- ✓ P.42 4- (3) -6 Breakdown of the Adjustment Items (FY2018 2Q vs. FY2019 2Q)

# 4- (3) -6. Breakdown of the Adjustment Items (FY2018 2Q vs. FY2019 2Q)

(Billion yen)

		FY2018 2Q					FY2019 2Q						
		FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total
Asia	Automotive	0.2	-	-	-	-	0.2	-0.6	-	-	-	-	-0.6
	Decorative	-0.4	-	-	-	-	-0.4	-0.4	-	-	-	-	-0.8
	Industrial	0.2	-	-	-	-	0.2	-0.3	-	-	-	-	-0.1
	Fine chemicals	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others*	0.1	-	-	-	-	0.1	-0.1	-	-	-	-	-0.1
	Revenue	0.0	-	-	-	-	0.0	-0.5	-	-	-	-	-0.5
	Operating profit	-	-	-	-	-	-	-0.5	-0.7	-	-	-	-1.2
■ Breakdown of Asia													
NIPSEA China	Automotive	0.2	-	-	-	-	0.2	-0.5	-	-	-	-	-0.3
	Decorative	-0.4	-	-	-	-	-0.4	-0.3	-	-	-	-	-0.7
	Industrial	0.2	-	-	-	-	0.2	-0.1	-	-	-	-	0.1
	Others*	0.1	-	-	-	-	0.1	0.0	-	-	-	-	0.1
	Revenue	0.0	-	-	-	-	0.0	-0.9	-	-	-	-	-0.9
	Operating profit	-	-	-	-	-	-	-0.6	-0.7	-	-	-	-1.3
	Revenue	-	-	-	-	-	-	-0.5	-	-	-	-	-0.5
	Operating profit	-	-	-	-	-	-	-0.5	-	-	-	-	-1.0
■ Excepting for NIPSEA China													
Total	Revenue	0.0	-	-	-	-	0.0	-0.7	-	-	-	-	-0.7
	Operating profit	-	-	-	-	-	-	-0.6	-0.7	-0.9	-	-	-1.5

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

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Before revision

# 4- (3) -6. Breakdown of the Adjustment Items (FY2018 2Q vs. FY2019 2Q)

(Billion yen)

		FY2018 2Q						FY2019 2Q					
		FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total
Asia	Automotive	0.2	-	-	-	-	0.2	-0.6	-	-	-	-	-0.6
	Decorative	-0.4	-	-	-	-	-0.4	-0.4	-	-	-	-	-0.8
	Industrial	0.2	-	-	-	-	0.2	-0.3	-	-	-	-	-0.3
	Fine chemicals	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others**	0.1	-	-	-	-	0.1	-0.1	-	-	-	-	-0.1
	Revenue	0.0	-	-	-	-	0.0	-4.5	-	-	-	-	-4.5
Operating profit		-	1.0	-	-	-	-	-0.5	0.7	-	-	-	0.2
■ Breakdown of Asia													
NIPSEA China	Automotive	0.2	-	-	-	-	0.2	-0.5	-	-	-	-	-0.5
	Decorative	-0.4	-	-	-	-	-0.4	-3.3	-	-	-	-	-3.3
	Industrial	0.2	-	-	-	-	0.2	-0.1	-	-	-	-	-0.1
	Fine chemicals	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others**	0.1	-	-	-	-	0.1	0.0	-	-	-	-	0.0
	Revenue	0.0	-	-	-	-	0.0	-3.9	-	-	-	-	-3.9
Operating profit		-	1.0	-	-	-	1.0	-0.6	0.7	-	-	-	0.1
■ Excepting for NIPSEA China													
Revenue		-	-	-	-	-	-	-0.5	-	-	-	-	-0.5
Operating profit		-	-	-	-	-	-	2.0	-	-	-	-	2.0
■ Total													
Revenue		0.0	-	-	-	-	0.0	-4.7	-	-	-	-	-4.7
Operating profit		-	1.0	-	-	-	-	-0.5	0.7	-0.9	-	-	0.2

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

After revision

※Revised figures are shown in red

# 5- (4) . Partial Revision of Adjustments for Prior Periods ②

## ✓ P.43 4- (3) -7 Breakdown of the Adjustment Items (FY2018 3Q vs. FY2019 3Q)

## 4- (3) -7. Breakdown of the Adjustment Items (FY2018 3Q vs. FY2019 3Q)

(Billion yen)

		FY2018 3Q					FY2019 3Q						
		FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others*	-	-	-	-	-	-	-	-	-	-	-	-
Revenue		-	-	-	-	-	-	-	-	-	-	-	-
Operating profit		-	-	-	-	-	-	0.0	-1.3	-	-	-	-1.3
Oceania	Decorative	-	-	-	-	-	-	-	-	-	-	6.6	6.6
	Industrial	-	-	-	-	-	-	-	-	-	-	0.5	0.5
	Paint related business	-	-	-	-	-	-	-	-	-	-	6.1	6.1
	Revenue	-	-	-	-	-	-	-	-	-	-	13.1	13.1
	Operating profit	-	-	-	-	-	-	-	-	-	-	2.9	2.9
Americas	Automotive	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Decorative	-	-	-	-	-	-	-0.4	-	-	-	-	-0.4
	Industrial	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others*	-	-	-	-	-	-	-0.7	-	-	-	-	-0.7
Revenue		-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
Operating profit		-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
Others	Automotive	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Decorative	-	-	-	-	-	-	-	-	-	-	4.7	4.7
	Industrial	-	-	-	-	-	-	-0.0	-	-	-	0.8	0.8
	Fine chemicals	-	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Others*	-	-	-	-	-	-	-0.0	-	-	-	0.5	0.5
Revenue		-	-	-	-	-	-	-0.3	-	-	-	7.0	7.0
Operating profit		-	-	-	-	-	-	0.0	-	-	-	1.0	1.0

\*The "Others" business includes marine, auto refinishing business and etc.

Before revision

4/4

Before revision

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# 4- (3) -7. Breakdown of the Adjustment Items (FY2018 3Q vs. FY2019 3Q)

(Billion yen)		FY2018 3Q					FY2019 3Q						
		FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others <sup>*)</sup>	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-	-	-	-	0.0	-1.1	-	-	-	-1.1
Oceania	Decorative	-	-	-	-	-	-	-	-	-	-	6.6	6.6
	Industrial	-	-	-	-	-	-	-	-	-	-	0.5	0.5
	Paint related business	-	-	-	-	-	-	-	-	-	-	6.1	6.1
	Revenue	-	-	-	-	-	-	-	-	-	-	13.1	13.1
	Operating profit	-	-	-	-	-	-	-	-	-	-	3.8	3.8
Americas	Automotive	-	-	-	-	-	-	-	-0.3	-	-	-	-0.3
	Decorative	-	-	-	-	-	-	-	-0.4	-	-	-	-0.4
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others <sup>*)</sup>	-	-	-	-	-	-	-	-0.0	-	-	-	-0.0
	Revenue	-	-	-	-	-	-	-	-0.7	-	-	-	-0.7
	Operating profit	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
Others	Automotive	-	-	-	-	-	-	-	-0.3	-	-	-	-0.3
	Decorative	-	-	-	-	-	-	-	-	-	-	0.8	0.8
	Industrial	-	-	-	-	-	-	-	-0.0	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-0.0	-	-	-	-
	Others <sup>*)</sup>	-	-	-	-	-	-	-	-0.0	-	-	2.0	2.0
	Paint related business	-	-	-	-	-	-	-	-	-	-	3.0	3.0
	Revenue	-	-	-	-	-	-	-	-0.3	-	-	7.3	7.3
	Operating profit	-	-	-	-	-	-	0.0	-	-	-	1.0	1.1

\*The "Others" business includes marine, auto refinishing business and etc.

## After revision

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After revision

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## ✓ P.44 4- (3) -8 Breakdown of the Adjustment Items (FY2018 3Q vs. FY2019 3Q)

SHIMADZU CORPORATION  
NONPARENT HOLDINGS CO., LTD.

# 4- (3) -8. Breakdown of the Adjustment Items (FY2018 3Q vs. FY2019 3Q)

(Billion yen)

		FY2018 3Q					FY2019 3Q						
		FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total
Asia	Automotive	0.2	-	-	-	-	0.2	-0.7	-	-	-	-	-0.7
	Decorative	-0.0	-	-	-	-	-0.0	-4.5	-	-	-	-	-4.5
	Industrial	0.2	-	-	-	-	0.2	-0.3	-	-	-	-	-0.3
	Fine chemicals	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others*	-0.1	-	-	-	-	-0.1	-0.0	-	-	-	-	-0.0
	Revenue	0.2	-	-	-	-	0.2	-1.7	-	-	-	-	-1.7
Operating profit		-	-	-	-	-	-0.1	-1.7	0.1	-	-	-	-1.5
■ Breakdown of Asia													
NIPSEA China	Automotive	0.2	-	-	-	-	0.2	-0.3	-	-	-	-	-0.3
	Decorative	-0.0	-	-	-	-	-0.0	-3.9	-	-	-	-	-3.9
	Industrial	0.2	-	-	-	-	0.2	-0.2	-	-	-	-	-0.2
	Others*	-0.1	-	-	-	-	-0.1	0.0	-	-	-	-	0.0
	Revenue	0.2	-	-	-	-	0.2	-4.4	-	-	-	-	-4.4
	Operating profit	-	-	-	-	-	-0.1	-3.9	0.1	-	-	-	-3.7
Excepting for NIPSEA China		-	-	-	-	-	-	-1.3	-	-	-	-	-1.3
Operating profit		-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
Total		0.2	-	-	-	-	0.2	-6.8	-	-	-	21.0	14.2
Operating profit		-	-	-	-	-	-0.6	-1.2	0.3	-1.1	-	3.8	2.1

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

PAINTW NDER

Before revision

Before revision

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NIPPON PAINT HOLDINGS CO., LTD.

# 4- (3) -8. Breakdown of the Adjustment Items (FY2018 3Q vs. FY2019 3Q)

(Billion yen)

FY2018 3Q

FY2019 3Q

		FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total
Asia	Automotive	0.2	-	-	-	-	0.2	-0.8	-	-	-	-	-0.8
	Decorative	-0.0	-	-	-	-	-0.0	-4.4	-	-	-	-	-4.4
	Industrial	0.2	-	-	-	-	0.2	-0.3	-	-	-	-	-0.3
	Fine chemicals	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others**	-0.1	-	-	-	-	-0.1	-0.0	-	-	-	-	-0.0
	Revenue	0.2	-	-	-	-	0.2	-5.7	-	-	-	-	-5.7
Operating profit	-	-	-	-	-	-	-5.7	-	-	-	-	-5.7	
Breakdown of Asia	Automotive	0.2	-	-	-	-	0.2	-0.3	-	-	-	-	-0.3
	Decorative	-0.0	-	-	-	-	-0.0	-3.9	-	-	-	-	-3.9
	Industrial	0.2	-	-	-	-	0.2	-0.2	-	-	-	-	-0.2
	Fine chemicals	-	-	-	-	-	-	0.0	-	-	-	-	0.0
	Others**	-0.1	-	-	-	-	-0.1	-0.9	-	-	-	-	-0.9
	Revenue	0.2	-	-	-	-	0.2	-4.4	-	-	-	-	-4.4
Operating profit	-	-	-	-	-	-	-4.4	-	-	-	-	-4.4	
Excepting for NIPSEA China	Revenue	0.0	0.0	0.0	0.0	0.0	0.0	-1.3	0.0	0.0	0.0	0.0	-1.3
	Operating profit	-	-	-	-	-	-	-1.3	-	-	-	-	-1.3
Total	Revenue	0.2	0.0	0.0	0.0	0.0	0.2	-6.8	0.0	0.0	0.0	21.0	14.2
	Operating profit	-	-	-	-	-	-	-6.8	0.0	-1.1	-	3.8	3.7

\*The "Others" business includes marine, auto refinishing business and etc.

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After revision

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**Reference:**

**Performance Indicators**

# 5- (5) -1. Revenue & Operating Profit Transition by Region ①

(Billion yen)		FY2018 (IFRS)				FY2019 (IFRS)				FY2020 (IFRS)		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Japan	Automotive	11.5	11.1	10.6	12.1	11.9	11.4	11.3	10.2	10.3	5.5	8.8
	Decorative	10.6	12.0	11.2	13.0	11.0	12.8	12.6	11.8	10.3	11.1	10.6
	Industrial	9.5	10.0	10.0	11.2	10.0	10.2	10.1	10.4	9.1	8.4	8.5
	Fine chemicals	2.2	2.2	2.1	2.4	2.2	2.2	2.2	2.1	2.0	1.7	1.8
	Others <sup>※</sup>	9.1	10.6	10.7	10.7	8.8	9.6	10.1	11.6	8.5	9.0	10.2
	Revenue	43.0	45.9	44.7	49.3	43.8	46.3	46.4	46.1	40.1	35.7	39.9
	Operating profit	8.7	7.3	5.9	7.6	8.1	6.0	5.2	4.2	3.1	-0.2	2.0
	OP margin	20.3%	15.9%	13.3%	15.5%	18.4%	12.9%	11.3%	9.1%	7.7%	-0.5%	4.9%
Oceania	Decorative	-	-	-	-	-	-	6.6	18.0	17.0	18.9	20.0
	Industrial	-	-	-	-	-	-	0.5	1.5	1.3	1.2	1.6
	Paint related business	-	-	-	-	-	-	6.1	14.9	13.5	14.9	18.6
	Revenue	-	-	-	-	-	-	13.1	34.4	31.8	35.0	40.3
	Operating profit	-	-	-	-	-	-	2.8	3.1	3.5	4.8	5.4
	OP margin	-	-	-	-	-	-	21.4%	8.9%	11.0%	13.7%	13.4%
Americas	Automotive	7.2	7.0	6.5	6.7	6.7	6.7	6.3	6.2	6.0	2.5	6.4
	Decorative	10.0	12.0	11.7	10.9	9.9	12.7	12.1	10.7	10.9	12.0	12.4
	Fine chemicals	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.6	0.6
	Others <sup>※</sup>	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.0
	Revenue	17.9	19.8	19.0	18.5	17.5	20.3	19.1	17.7	17.6	15.1	19.4
	Operating profit	0.9	2.0	1.3	0.7	0.6	2.1	1.3	1.0	0.8	0.4	2.2
	OP margin	5.2%	10.2%	7.1%	3.8%	3.6%	10.2%	6.7%	5.9%	4.7%	2.4%	11.2%
Other	Automotive	3.6	3.2	2.8	3.3	3.2	3.0	2.6	3.0	2.6	0.9	2.3
	Decorative	-	-	-	-	-	-	4.7	4.2	5.2	4.1	6.8
	Industrial	0.1	0.1	0.0	0.1	0.1	0.0	0.8	0.9	0.8	0.7	1.0
	Fine chemicals	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.3
	Others <sup>※</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2
	Paint related business	-	-	-	-	-	-	2.3	2.2	2.0	2.5	3.3
	Revenue	3.9	3.4	3.0	3.6	3.5	3.3	10.7	10.5	11.0	8.6	14.0
	Operating profit	0.1	0.1	-0.2	-0.6	-0.1	-0.3	0.8	-7.3	0.8	0.1	1.9
	OP margin	3.4%	2.3%	-6.0%	-15.5%	-2.6%	-10.4%	7.1%	-69.4%	7.3%	1.3%	13.9%

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

## 5- (5) -2. Revenue & Operating Profit Transition by Region ②

(Billion yen)		FY2018 (IFRS)				FY2019 (IFRS)				FY2020 (IFRS)		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Asia	Automotive	18.5	19.6	17.6	18.5	16.5	17.2	15.9	17.5	12.4	11.4	15.7
	Decorative	54.6	62.2	64.0	50.2	54.3	65.6	65.3	58.5	40.5	66.0	75.3
	Industrial	6.4	7.6	7.5	6.3	6.5	6.8	6.6	5.7	5.1	5.8	6.7
	Fine chemicals	1.6	1.8	1.7	1.5	1.5	1.6	1.5	1.6	1.2	1.1	1.4
	Others*	3.3	3.7	3.8	5.3	3.7	3.9	4.2	4.9	3.2	3.7	4.2
	Revenue	84.4	94.9	94.7	81.8	82.5	95.2	93.4	88.1	62.4	88.1	103.3
	Operating profit	12.1	13.6	14.8	11.9	11.5	14.2	14.4	10.7	7.0	14.3	17.1
	OP margin	14.3%	14.3%	15.7%	14.6%	13.9%	14.9%	15.4%	12.2%	11.2%	16.2%	16.6%

### Breakdown of Asia

NIPSEA China	Automotive	10.2	11.0	8.8	9.4	8.2	9.0	7.5	9.1	5.5	7.5	8.5
	Decorative	43.4	52.2	53.2	40.3	44.3	55.4	55.3	47.7	31.5	59.8	65.2
	Industrial	4.6	5.8	5.8	4.6	4.6	5.0	4.8	4.0	3.3	4.7	5.1
	Others*	0.4	0.4	0.5	1.0	0.8	0.7	0.7	0.5	0.4	0.6	0.7
	Revenue	58.6	69.4	68.3	55.4	57.9	70.2	68.3	61.2	40.6	72.5	79.5
	Operating profit	8.7	10.6	11.3	7.8	9.1	11.4	11.3	8.3	4.7	13.9	13.5
	OP margin	14.9%	15.2%	16.6%	14.1%	15.7%	16.2%	16.6%	13.6%	11.5%	19.2%	17.0%
Excepting for NIPSEA China	Revenue	25.9	25.5	26.3	26.4	24.6	25.1	25.1	27.0	21.7	15.6	23.8
	Operating profit	3.3	3.0	3.5	4.1	2.4	2.8	3.0	2.4	2.3	0.4	3.6
	OP margin	13.0%	11.8%	13.4%	15.7%	9.8%	11.3%	12.2%	9.0%	10.7%	2.5%	15.2%

Total	Revenue	149.2	164.0	161.3	153.2	147.4	165.1	182.7	196.9	162.9	182.5	216.9
	Operating profit	21.9	23.0	21.9	19.7	20.1	21.8	24.4	11.7	15.2	19.4	28.6
	OP margin	14.7%	14.0%	13.6%	12.9%	13.6%	13.2%	13.4%	5.9%	9.4%	10.6%	13.2%

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

## 5- (5) -3. Statement of Financial Position

(Billion yen)

Assets	As of Dec. 31, 2019	As of Sep. 30, 2020	Increase / Decrease	Liabilities and equity	As of Dec. 31, 2019	As of Sep. 30, 2020	Increase / Decrease
<b>Total current assets</b>	<b>507.2</b>	<b>550.2</b>	<b>43.0</b>	<b>Total liabilities</b>	<b>790.7</b>	<b>820.7</b>	<b>30.1</b>
Cash and cash equivalents	123.3	141.2	17.9	<b>Total current liabilities</b>	<b>598.1</b>	<b>304.0</b>	<b>-294.1</b>
Inventory	92.9	91.2	-1.7	Trade and other payables	153.3	152.5	-0.8
Trade and other receivables	212.8	245.0	32.2	Bonds and borrowings	384.0	73.6	-310.4
Others	78.2	72.8	-5.4	Others	60.8	77.9	17.1
				<b>Total non-current liabilities</b>	<b>192.5</b>	<b>516.7</b>	<b>324.2</b>
<b>Total non-current assets</b>	<b>971.4</b>	<b>952.7</b>	<b>-18.7</b>	Bonds and borrowings	58.1	383.5	325.4
Property, plant and equipment	240.3	243.8	3.5	Retirement benefit liability	24.4	23.4	-1.0
Goodwill	427.1	418.7	-8.4	Others	110.0	109.8	-0.2
Other intangible assets	231.0	222.2	-8.8	<b>Total equity</b>	<b>688.0</b>	<b>682.2</b>	<b>-5.8</b>
Other financial assets	54.4	49.2	-5.2	<b>Total equity attributable to owners of parent</b>	<b>552.9</b>	<b>537.0</b>	<b>-15.9</b>
Others	18.7	18.8	0.2	Retained earnings	411.9	429.1	17.2
				Others	141.0	107.9	-33.1
				<b>Non-controlling interests</b>	<b>135.1</b>	<b>145.2</b>	<b>10.1</b>
<b>Total assets</b>	<b>1,478.6</b>	<b>1,502.9</b>	<b>24.3</b>	<b>Total liabilities and equity</b>	<b>1,478.6</b>	<b>1,502.9</b>	<b>24.3</b>

✓ Liabilities: Current liabilities declined because the bank borrowing implemented in June 2019 was refinanced with a longer-term borrowing in March 2020. Non-current liabilities increased

✓ Equity: There will be changes in equity items following the acquisition of ownership of the Asian JV stake and the Indonesia business to be closed on January 1, 2021

## 5- (5) -4. Capital Expenditure, Depreciation, R&D Expenses, etc.

<Capital Expenditure, Depreciation, R&D Expenses, etc.> (Billion yen)

		FY2019 9 months	FY2020 9 months
Capital expenditure	Property, plant and equipment	22.1	27.7
	Intangible assets	1.6	2.3
	Total	23.7	30.0
Depreciation	Property, plant and equipment	12.4	16.9
	Intangible assets	5.3	4.6
	Total	17.7	21.6
R&D expenses		13.1	13.2

<Major Indicator>	As of Dec. 31, 2019	As of Sep. 30, 2020
Equity attributable to owners of parent to total assets (%)	37.4	35.7
Bonds and borrowings (billion yen)	442.2	457.2
Cash and cash equivalents (billion yen)	123.3	141.2
EPS (yen)	114.5	98.6

# 5- (5) -5. FX Rates & Market Conditions

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

	FY2019 3Q	FY2019	FY2020 3Q	FY2020 (as of May)	FY2020 2H (as of Aug.)	FY2020 4Q (Current forecast)
JPY/USD	109.2	109.2	107.2	107.0	107.7	105.8
JPY/RMB	15.9	15.8	15.3	15.5	15.2	15.5
JPY/AUD	72.9	74.7	72.8	75.0	73.9	75.5
JPY/TRY	19.0	18.9	15.8	18.2	15.8	13.6

※Average rate

<Paint shipment>

	FY2018					FY2019					FY2020			
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Jan.-Aug.
Japan <sup>※1</sup>	44	43	44	47	178	43	43	43	30	159	40	36	24	100

※1 Source: Japan Paint Manufacturers Association: FY2020 3Q covers July and August

<Automobile production<sup>※2</sup>>

<Automobile production※2>		FY2018					FY2019					FY2020			
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Jan.–Sep.
Japan		241	220	218	244	924	243	230	229	220	922	225	119	200	544
China		702	703	640	732	2,777	634	579	602	757	2,572	347	664	687	1,698
North America	USA	288	282	259	274	1,103	288	285	265	254	1,092	252	95	273	621
	Mexico	97	100	100	96	393	99	99	95	82	375	91	26	89	206
	Canada	53	54	44	49	200	48	51	46	47	192	38	17	41	97
	Total	438	436	403	419	1,696	435	435	406	383	1,660	382	139	403	924

※2 Source: Japan: MarkLines for 2018 and 2019: compiled by NPHD using data released by domestic automakers: China: Association of Automobile Manufacturers: North America: IHS Markit

<Others (Japan market) >

	FY2018					FY2019					FY2020			
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Jan.-Sep.
Housing starts <sup>※3</sup>	20.5	24.5	24.6	24.6	94.2	21.6	23.4	23.3	22.3	90.5	19.4	20.4	21.0	60.8
Construction machinery productions <sup>※4</sup>	9.7	9.9	10.0	11.1	40.7	10.5	10.5	10.1	8.1	39.2	9.6	8.4	5.2	23.2
Machine tool production <sup>※5</sup>	2.7	2.0	1.9	1.8	8.5	1.8	1.6	1.5	1.3	6.2	1.2	1.0	0.7	2.9

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

※4 Source: Japan Construction Equipment Manufacturers Association: FY2020 3Q covers July and August and FY2020 Jan.-Sep. covers January to August

※5 Source: Japan Machine Tool Builders' Association: FY2020 3Q covers July and August and FY2020 Jan.-Sep. covers January to August

<Naphtha price >  
(own estimation)

	FY2018					FY2019					FY2020		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
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	25,000	30,200





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