



November 12, 2021

FY2021 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 effects of new consolidation through M&A and one-time gains/losses in order to clarify continuing operating 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:
FX, subsidy, M&A related cost, new acquisitions, etc.
- Please see the appendix for more information

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

FY2021 3Q YoY Growth Rate



('Tanshin')

Revenue: +18.7%

Operating profit: -40.1%

('Non-GAAP')

Revenue: +7.6%

Operating profit: -39.4%

- Revenue increased on a Tanshin basis due to the strong growth of decorative and the new consolidation of the Indonesia business. Operating profit decreased due to the cost of raw materials and a provision at NIPSEA China (The analysis below is based on Non-GAAP figures.)
- The market remained strong at NIPSEA China, while raw material prices increased further. Revenue grew 21.4%, but operating profit declined 32.9%. DIY revenue grew 32% and Project revenue grew 26% due to a strong market environment and further rounds of price increases
- The decorative business other than in China also delivered a robust performance and achieved revenue growth in all operating regions
- Lower automotive revenue because of lower automobile production in all regions due to semiconductor chip shortages and disruptions in the supply of parts worldwide due to COVID impact
- Higher prices of raw materials impacted all operating regions. Actions taken to mitigate this impact, including selling price increases, the procurement of alternative raw materials, and a review of SG&A expenses, did not fully offset the high cost of raw materials
- The automotive business in Europe and the India business were classified as discontinued operations due to their transfer to the Wuthelam Group (announced on Aug. 10) . As a result, our earnings from 1Q 2020 through 2Q 2021 have been adjusted retrospectively in accordance with IFRS (figures in this presentation are after the retrospective adjustment) . The full-year earnings forecast is unchanged because the impact of this accounting treatment is insignificant

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

Prior year adjustments following the classification of discontinued operations

- Classified the European automotive business, which was reported under the Other segment and two India businesses, which were reported under Asia Excepting NIPSEA China, as discontinued operations (7 months of the earnings of these businesses in FY2021) following the announcement on August 10, 2021 of the transfer of these businesses to the Wuthelam Group
- The earnings of these three businesses from 1Q 2020 to 2Q 2021 have been adjusted retrospectively in accordance with IFRS. The figures in the Revenue & Operating Profit Transition by Region in the appendix of this presentation are after the adjustment (※Some data are unaudited.)
- These businesses posted an operating loss after one-off factors in 2021 (January to July 2021). As a result, the classification of these businesses as discontinued operations has reduced consolidated revenue but increased consolidated earnings from operating profit down to the bottom line

(Billion yen)

FY2020※1	12 months of earnings of the businesses classified as discontinued operations	Continuing operations (disclosure base from 3Q 2021)	Continuing and discontinued operations (disclosure base from 1Q 2020 to 2Q 2021)
Revenue	8.5	772.6	781.1
Operating profit	-1.6	88.5	86.9

(Billion yen)

Jan.-Jul. 2021	7 months of earnings of the businesses classified as discontinued operations
Revenue	18.6
Operating profit (before one-off factors)	-1.1
Operating profit (after one-off factors)	-0.3
Profit※2	1.0

1-1. Summary of Today's Presentation (3)

Raw material market conditions and impact on our operations in 3Q 2021

- The supply and prices of raw materials were impacted in all regions due to continuing disruptions in international logistics and problems at some factories
- Prices of raw materials remained high, and the supply instability has caused suppliers to further drive price increases. The prices of titanium oxide and other raw materials, which had temporarily declined, have started rising again after the downturn ended in August
- Increased selling prices of decorative paints in all operating regions
- Gross profit margin fell both YoY and QoQ. RMCC※ ratio increased, in particular in China and Turkey

	3Q 2020	1Q 2021	2Q 2021	3Q 2021	YoY	QoQ
Gross profit margin	41.9%	41.5%	37.0%	36.4%	-5.5pt	-0.6pt

Raw material market conditions and our responses beginning in 4Q 2021

- Our assumptions for the price of naphtha made in Japan is around ¥60,000 through 1H 2022 (August 2021 assumption was around ¥50,000)
- We assume prices of raw materials will continue increasing through 1H 2022
- We will continue to take various actions in 4Q including selling price increases, the procurement of alternative materials and reviewing SG&A expenses in all regions

1-2. Major Topics After Announcement of FY2021 2Q Results ①②

Published the Integrated Report 2021 (released on September 30)

- New content and design from the previous year's report to convey the growth potential of the paint industry and appeal of the Nippon Paint Group
- The report has messages of the Co-Presidents about our growth strategy and management policies and the medium-term strategies of our partner companies in Japan and other countries. The governance section includes the board's discussions regarding the acquisition of 100% ownership of the Asian JVs and the process behind the nomination of the Co-Presidents. Our responses to sustainability issues based on the Materiality are also explained
- To serve as an effective tool for sound communication with investors and analysts

► See more information at: https://www.nipponpaint-holdings.com/en/ir/library/annual_report/



Agreed to support the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations (announced on September 30)

- Endorsed the recommendations (final report) of the TCFD
- Continue efforts to expand climate change related measures and information disclosure to achieve Maximization of Shareholder Value (MSV)

► See more information at: https://www.nipponpaint-holdings.com/en/news_release/20210930esg01/

1-2. Major Topics After Announcement of FY2021 2Q Results ③

Acquisition of Cromology by DuluxGroup (announced on October 20)

- Decided to acquire the shares of Cromology Holding SAS, a European company manufacturing and selling decorative paints and paint-related products, and its subsidiaries
- A strong European decorative paint company with net sales of around ¥90.0 bn and a market presence in 8 countries
- A large distribution network including 386 owned stores in Europe and a broad product portfolio including paints and coatings, accessories and ETICS※
- Potential for substantial revenue synergies by leveraging the Nippon Paint Group's scale and DuluxGroup's trade & retail channel capabilities and also adjacent product portfolio
- Transaction value of EUR 1,152 mn (c. ¥151.0 bn) implies 2021E EBITDA (pre IFRS-16) multiple of 14.4x, to be funded through existing cash and new debt
- The transaction, which is scheduled to close in 1H 2022, is expected to be EPS accretive from the first year

►See more information at: https://www.nipponpaint-holdings.com/en/news_release/20211020ir01/



Business location in Champagne

1-2. Major Topics After Announcement of FY2021 2Q Results ④

Acquisition of DP JUB by DuluxGroup (announced on October 29)

- Decided to acquire shares of DP JUB and its subsidiaries, etc., which are engaged in the manufacture and sale of decorative and ETICS in Europe
- With net sales of around ¥15.0 bn, this company has a market-leading position in decorative in Central and Eastern Europe, mainly in Slovenia and Serbia
- The acquisition will allow the Group to create synergies by leveraging JUB's extensive distribution network and recognized brands, combined with the benefits from the acquisition of Cromology with the goal of building a bridgehead for the expansion of the decorative business in Europe
- Transaction value is EUR 194.5 mn (c. ¥25.5 bn), to be funded through existing cash and new debt facilities
- The transaction, which is scheduled for closing in 1H 2022, is expected to be EPS accretive from the first year

►See more information at: https://www.nipponpaint-holdings.com/en/news_release/20211029ir01/



DP JUB's office buildings and plants

1-2. Major Topics After Announcement of FY2021 2Q Results ⑤

Acquisition of full ownership of Chinese consolidated automotive coatings subsidiaries (announced on November 2)

- We are continuing to integrate the automotive businesses in Asia following the acquisition of 100% ownership of the Asian JVs and the Indonesia business on August 21, 2020
- We have acquired additional shares in five companies which were joint ventures with Tong Yang Holding Corporation and consolidated subsidiaries of Nippon Paint Automotive Coatings to make them wholly-owned subsidiaries. These companies manufacture and sell coatings for automotive plastic components. Through the integration of businesses and functions with the NIPSEA Group, which also is also operating the automotive business, we will consolidate the automotive business in China in order to further increase our market share
- In China, which has strict environmental regulations, these five companies have manufacturing sites in Tianjin, Shanghai and other major cities. This infrastructure will enable these companies to provide a reliable supply of high quality products throughout China and achieve cost optimization
- The transaction will allow the Nippon Paint Group to consolidate customer support functions, reduce costs through the efficient operation of manufacturing sites, and provide better services such as swifter responses to customers' requests
- The total acquisition price is RMB 347 mn (c. ¥5.9 bn), and the closing is scheduled for 1Q 2022

► See more information at: https://www.nipponpaint-holdings.com/en/news_release/20211102ir01/

【 Overview of the wholly-owned subsidiaries 】

Name	Location	Ownership ratio of NPHD at present (Post acquisition ownership ratio)
NANJING NBC CO., LTD.	Nanjing, China	60% (100%)
GUANGZHOU NBC CO., LTD.	Guangzhou, China	60% (100%)
CHANGCHUN NBC CO., LTD.	Changchun, China	60% (100%)
TIANJIN NBC CO., LTD.	Tianjin, China	60% (100%)
WUHAN NBC CO., LTD.	Wuhan, China	60% (100%)

1-2. Major Topics After Announcement of FY2021 2Q Results ⑥

Organizational structure from January 2022 (announced on October 28)

① Establish Nippon Paint Corporate Solutions (NPCS) (January 2022)

1. NPCS will provide support at a higher level and with greater efficiency to partner companies in Japan
 - Clarify accountability for the profitability of businesses in Japan
 - Encourage autonomous initiatives at businesses in Japan
2. Clarify NPHD's role as a holding company
 - Perform the functions of a listed company and the oversight of the Nippon Paint Group's governance
 - Focus on the Nippon Paint Group's growth through M&A and fund procurement activities
 - More autonomous initiatives by partner companies in Japan and other countries

② Senior Executives Structure (from January 2022)

NPHD	2021 (as of Oct. 28, 2021)	2022
Executive Officer	9	3
Corporate Officer	8	2

NPCS	2022
Representative Director	2 (of which 1 will concurrently serve as Representative Director of NPHD)
Corporate Officer	7 (of which 2 will concurrently serve as Senior Executives of NPHD)



- ✓ Simplify the organizational structure in order to achieve MSV in the Nippon Paint Group
- ✓ Give local management more decision-making autonomy because the paint and paint related businesses are based on local production for local consumption
- ✓ Further clarify the autonomy of each partner company to provide a platform for adding more partner companies in the Nippon Paint Group

ペイントワンダー

この地球をオドロキで彩ろう



2. FY2021 3Q Highlights

2-1. FY2021 3Q Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 3Q ^{※1}	FY2021 3Q	YoY (%)	FY2020 3Q ^{※1}	FY2021 3Q	YoY (Amount)	YoY (%)
Revenue	214.4	254.5	18.7%	214.3	230.5	16.2	7.6%
Operating profit	28.9	17.3	-40.1%	28.7	17.4	-11.3	-39.4%
OP margin	13.5%	6.8%	-6.7pt	13.4%	7.5%	-	-5.8pt
EBITDA	36.2	26.1	-28.0%	-	-	-	-
EBITDA margin	16.9%	10.2%	-6.7pt	-	-	-	-
Profit before tax	29.8	17.2	-42.5%	29.6	17.0	-12.6	-42.4%
Profit ^{※2}	15.0	15.0	-0.1%	15.0	12.3	-2.7	-18.1%

Revenue

- Revenue increased 18.7% YoY (Tanshin basis) and 7.6% YoY (Non-GAAP basis)
- Tanshin and Non-GAAP revenue difference was mainly attributable to the new consolidation of the Indonesia business and exchange rate changes
- Higher revenue due to steady price increases in decorative business in all regions

Operating profit

- Operating profit declined 40.1% YoY (Tanshin basis) and 39.4% YoY (Non-GAAP basis)
- Operating profit margin declined despite higher revenue and actions taken to optimize and reduce costs in all regions, due to higher RMCC ratio and a provision (only impacting margin on a Tanshin basis)

※1 Figures for 3Q 2020 have been adjusted retrospectively following the classification of some businesses as discontinued operations from 3Q 2021; the same applies hereinafter

※2 Profit from continuing operations attributable to owners of parent

2-2. FY2021 3Q Highlights (Revenue & Operating Profit by Region)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 3Q	FY2021 3Q	YoY (%)	FY2020 3Q	FY2021 3Q	YoY (Amount)	YoY (%)
Japan	Revenue	40.3	40.0	-0.8%	40.3	40.0	-0.3	-0.8%
	OP profit ^{※1}	4.1	1.4	-66.1%	3.9	1.5	-2.4	-61.2%
Asia	Revenue	102.7	139.7	36.0%	102.6	117.9	15.4	15.0%
	OP profit	17.2	10.6	-38.2%	16.8	10.7	-6.2	-36.5%
Oceania	Revenue	40.3	43.6	8.3%	40.3	41.1	0.8	1.9%
	OP profit	5.4	5.2	-4.0%	5.4	5.4	-0.0	-0.8%
Americas	Revenue	19.4	19.2	-1.0%	19.4	18.3	-1.2	-6.0%
	OP profit	2.2	1.2	-44.9%	2.2	1.1	-1.0	-47.9%
Other	Revenue	11.7	12.0	2.5%	11.7	13.3	1.6	13.7%
	OP profit	2.2	1.3	-41.0%	2.2	1.4	-0.8	-34.6%
Adjustments ^{※2}	Revenue	-	-	-	-	-	-	-
	OP profit	-2.1	-2.4	-	-1.8	-2.7	-0.9	-
Total	Revenue	214.4	254.5	18.7%	214.3	230.5	16.2	7.6%
	OP profit	28.9	17.3	-40.1%	28.7	17.4	-11.3	-39.4%

※1 Excluding dividends from overseas group companies (3Q 2020: ¥0.2 bn; 3Q 2021: ¥0.2 bn) and HD expenses previously charged to the Japan segment

※2 New disclosure item added from 1Q 2021 that includes HD expenses incurred in the Group's overall operations



3. FY2021 3Q Results (by Region)

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

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

■ Market (YoY)



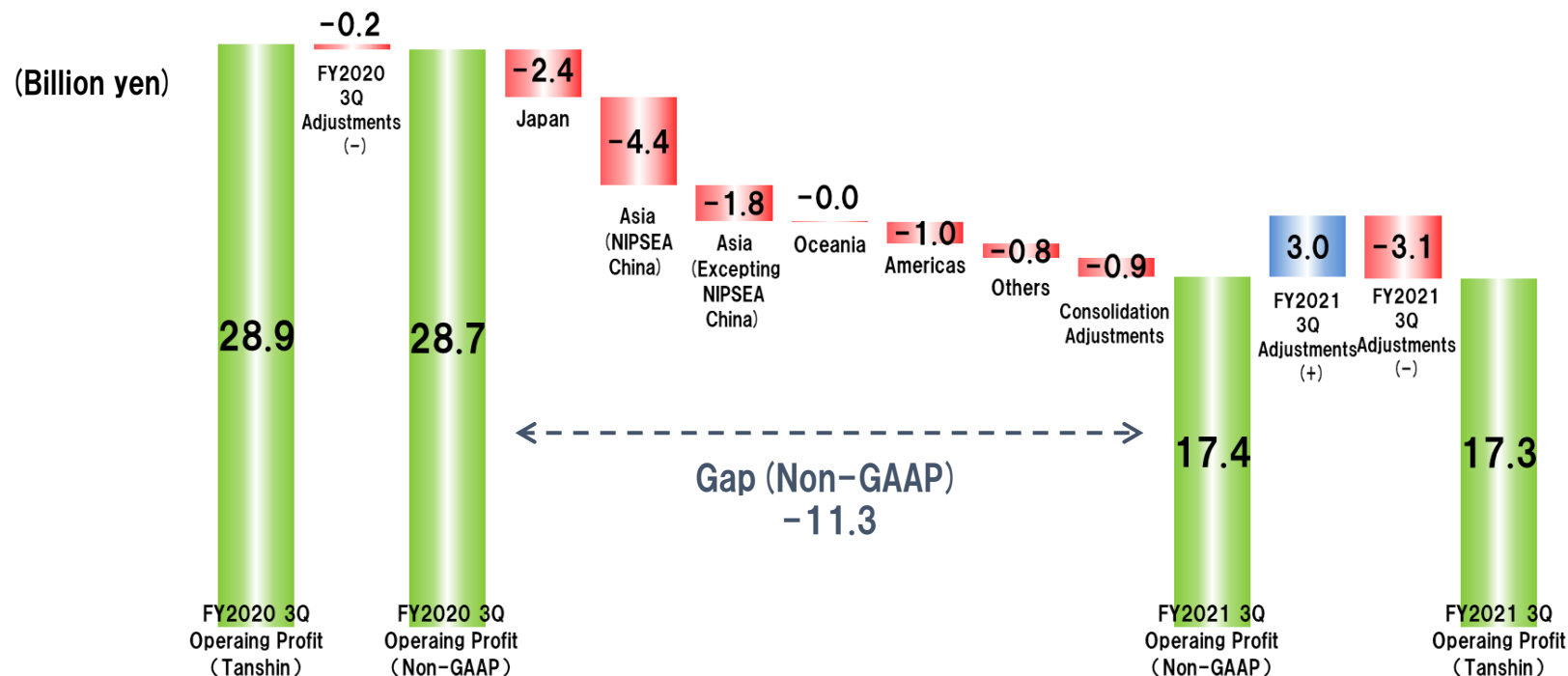
■ Business (vs. Market) ※



Market analysis

- ✓ Automotive: In Japan and Americas, weaker market conditions due to the impact of production cutbacks because of semiconductor shortages and disruptions in the supply of parts caused by COVID impact, compared to 3Q 2020, when the market was recovering from COVID impact
In China, automotive manufacturers continued to be affected by semiconductor chip shortages
- ✓ Decorative: In Japan, the market was brisk due to progress at renovation projects that were postponed in 2020, despite the adverse impact of the sustained state of emergency and heavy rain in mid-August
In China, DIY market conditions remained firm contributed by stronger growth from Tier 2 to 4 cities, push into substrate products and accessories and Project market conditions remained firm due to healthy demand, increased share into strategic customers and some price increases
In Oceania, overall demand was flat, with strong retail DIY market conditions (slightly above the COVID-enhanced 3Q 2020), offset by slightly lower trade DIFM* demand due to COVID-restrictions on accessing worksites
In the Americas, the strength of the new construction and existing housing markets continued with the support of the U.S. government's low interest rate policy

3-2. Operating Profit Gap Analysis for FY2021 3Q

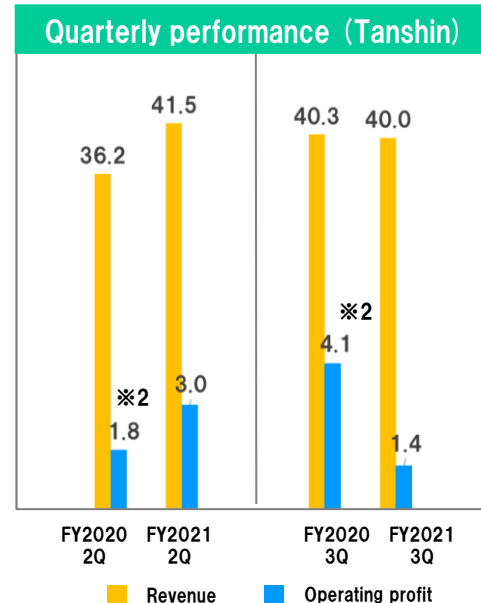


Major reasons for changes

- ✓ NIPSEA China : Lower profit due to a significant increase in the RMCC ratio driven mainly by higher prices of raw materials
- ✓ Asia Excepting NIPSEA China : Lower profit due to an overall increase in the RMCC ratio, although the degree of COVID impact differs from country to country
- ✓ Japan/Americas /Other : Lower profit in automotive business in every operating region because of lower automobile production caused by semiconductor shortages and disruptions in the supply of parts due to COVID impact
- ✓ FY2021 3Q Adjustments (+) (-) : (+) Impact of new consolidation of the Indonesia business and a weaker exchange rate for the yen
 (-) Impact of a provision in the Chinese business

3-3. Analysis of Regional Performance (Japan)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 3Q	FY2021 3Q	YoY (%)	FY2020 3Q	FY2021 3Q	YoY (Amount)	YoY (%)
Revenue							
Automotive coatings	8.9	7.6	-13.9%	8.9	7.6	-1.2	-13.9%
Decorative paints	10.6	11.4	8.1%	10.6	11.4	0.9	8.1%
Industrial coatings	8.5	9.6	12.9%	8.5	9.6	1.1	12.9%
Fine chemicals	1.8	2.0	12.0%	1.8	2.0	0.2	12.0%
Others ^{※1}	10.7	9.4	-11.8%	10.7	9.4	-1.3	-11.8%
Total	40.3	40.0	-0.8%	40.3	40.0	-0.3	-0.8%
Operating profit	4.1	1.4	-66.1%	3.9	1.5	-2.4	-61.2%
OP margin	10.1%	3.4%	-6.6pt	9.6%	3.8%	-	-5.8pt

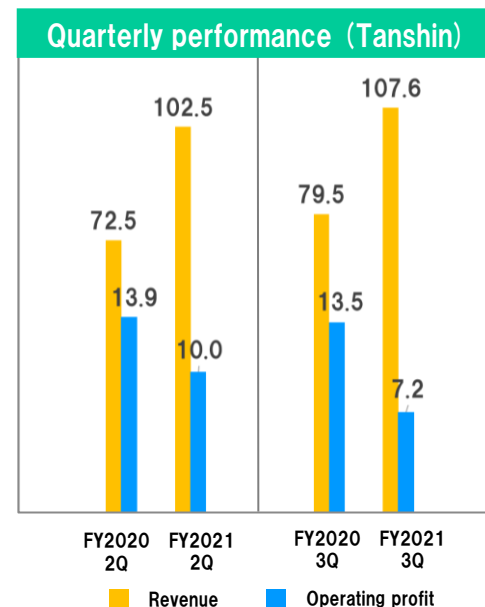


Major reasons for changes

- Automotive : Lower revenue due to a decrease in automobile production from the prior-year level (-23%^{※3} YoY) because of semiconductor shortages and disruptions in the supply of parts due to COVID
- Decorative : Higher revenue due to progress at projects that were postponed from 2020
- Industrial : Higher revenue because the coil and other markets are recovering from COVID impact, coupled with higher production of construction machinery mainly for export
- Operating profit: Lower profit, despite higher decorative and industrial revenue, due to lower automotive revenue and the higher cost of raw materials
- ◇ vs. 2Q 2021 : Revenue was unchanged from 2Q 2021, but profit declined due to lower automotive revenue and higher prices of raw materials

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

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 3Q	FY2021 3Q	YoY (%)	FY2020 3Q	FY2021 3Q	YoY (Amount)	YoY (%)
Automotive coatings	8.5	8.6	0.3%	8.5	7.6	-0.9	-10.4%
Decorative paints	65.2	92.1	41.3%	65.1	82.6	17.5	26.9%
Industrial coatings	5.1	6.4	25.8%	5.1	5.7	0.6	12.6%
Others ^{※1}	0.7	0.5	-20.3%	0.7	0.5	-0.2	-30.6%
Total	79.5	107.6	35.4%	79.4	96.4	17.0	21.4%
Operating profit	13.5	7.2	-46.6%	13.2	8.9	-4.4	-32.9%
OP margin	17.0%	6.7%	-10.3pt	16.7%	9.2%	-	-7.5pt

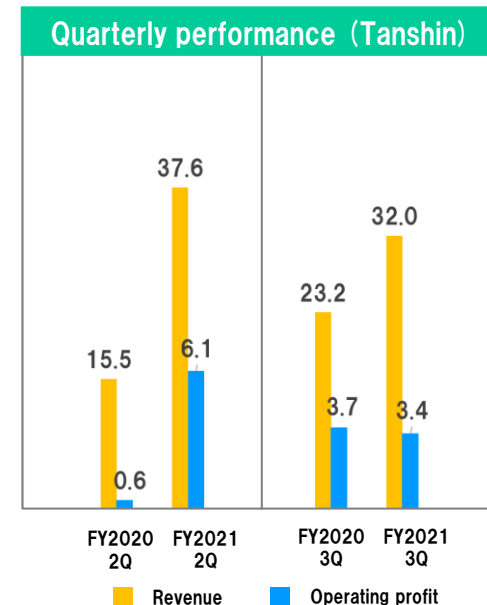


Major reasons for changes

- Automotive : Lower revenue due to lower automobile production (-17%^{※2} YoY) as a result of semiconductor chip shortages and disruptions in the supply of parts due to COVID impact
- Decorative : Higher DIY revenue (+32% YoY) and higher Project revenue (+26% YoY) due to a combination of strong market growth and selling price increases
- Industrial : Higher revenue due to stronger demand in general industrial and powder coatings
- Operating profit : Lower profit on higher revenue, due to a higher RMCC ratio
 ※Operating profit (Tanshin basis) is after a provision of ¥2.7 bn
- ◇ vs. 2Q 2021 : Lower profit due to a provision and the impact of higher prices of raw materials, despite higher revenue driven by seasonal factors

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

(Billion yen)	Results (Tanshin) ※			Results (Non-GAAP)			
	FY2020	FY2021	YoY	FY2020	FY2021	YoY	YoY
	3Q	3Q	(%)	3Q	3Q	(Amount)	(%)
Revenue	23.2	32.0	38.3%	23.2	21.5	-1.7	-7.2%
Operating profit	3.7	3.4	-7.1%	3.6	1.8	-1.8	-49.9%
OP margin	15.8%	10.6%	-5.2pt	15.5%	8.4%	-	-7.1pt

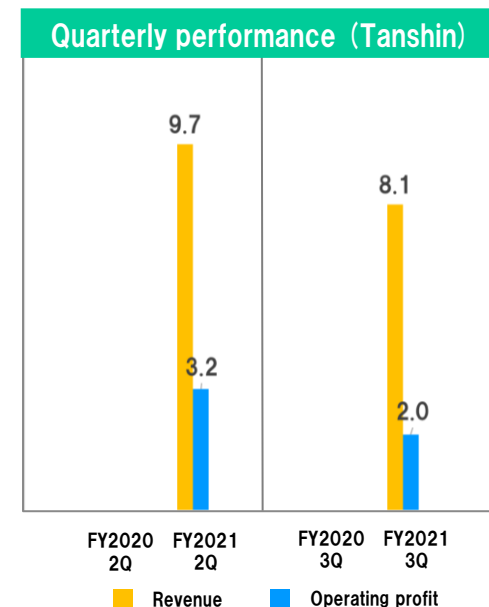


Major reasons for changes

- Malaysia Group : Higher revenue due to stronger growth in Bangladesh, Pakistan and selling price increases in Malaysia and other areas
- Singapore Group : Lower revenue due to significant COVID impact affecting Vietnam despite the stronger sales in decorative (DIY) segment and construction materials in Singapore
- Thailand Group : Lower revenue on higher revenue from growth in General industrial and Auto refinish segments, due to lower growth in automotive because of chip shortage and disruptions in supply of parts due to COVID impact
- Operating profit : Lower profit mainly due to the higher RMCC ratio
- ◇ vs. 2Q 2021 : Lower revenue due to the COVID impact in Vietnam, and semiconductor shortage and disruptions in the supply of parts in automotive business in Thailand. Lower profit on lower revenue, coupled with the impact of generally higher prices of raw materials

3-6. Analysis of Regional Performance (Asia: Indonesia)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 3Q	FY2021 3Q	YoY (%)	FY2020 3Q	FY2021 3Q	YoY (Amount)	YoY (%)
Revenue	-	8.1	-	-	-	-	-
Operating profit	-	2.0	-	-	-	-	-
OP margin	-	24.1%	-	-	-	-	-
OP margin ^{※1}	-	24.8%	-	-	-	-	-

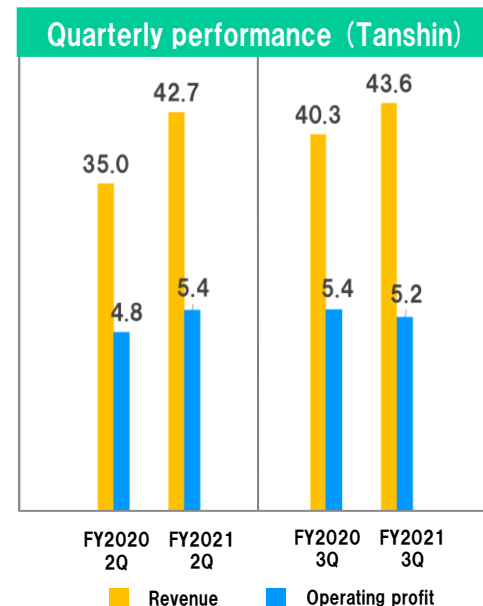


Main reasons for changes (For reference: Revenue +6% YoY/rough estimates in local currency)

- Revenue : Higher revenue despite the lockdown restrictions in 3Q 2021. Higher revenue is contributed by selling price increases, expansion of distribution channel, increase of distributors, more CCM^{※2} systems installed, growth in Industrial segment
- Operating profit : Lower profit on higher sales, mainly due to higher raw material prices and increased sales promotion and related cost
- ◇ vs. 2Q 2021 : Lower revenue due to the impact of COVID-related restrictions and lockdowns

3-7. Analysis of Regional Performance (Oceania)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 3Q	FY2021 3Q	YoY (%)	FY2020 3Q	FY2021 3Q	YoY (Amount)	YoY (%)
Revenue	Decorative paints	20.0	22.0	9.9%	20.0	20.8	0.7	3.5%
	Industrial coatings	1.6	1.9	17.6%	1.6	1.8	0.2	10.3%
	Paint related business	18.6	19.7	5.7%	18.6	18.5	-0.1	-0.5%
	Total	40.3	43.6	8.3%	40.3	41.1	0.8	1.9%
Operating profit		5.4	5.2	-4.0%	5.4	5.4	-0.0	-0.8%
OP margin		13.4%	11.9%	-1.5pt	13.4%	13.1%	-	-0.4pt
OP margin [※]		14.1%	12.6%	-1.5pt	14.1%	13.8%	-	-0.4pt

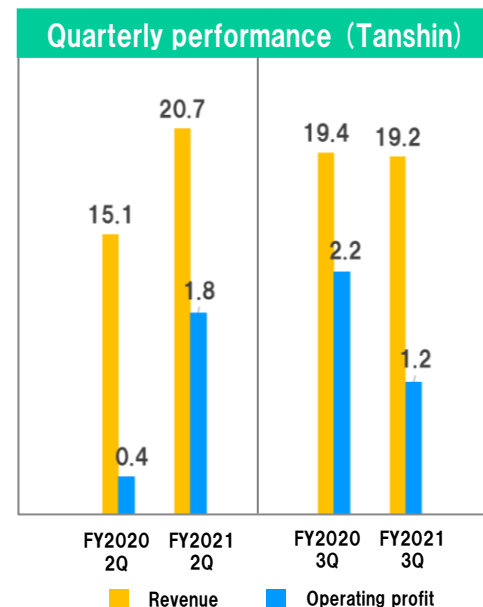


Major reasons for changes

- Decorative : Higher revenue due to strong DIY market conditions, offset by slightly lower trade DIFM demand due to COVID-lockdowns/restrictions on accessing worksites
- Paint related business : Revenue remained flat, due to the impact of COVID-lockdowns/restrictions on accessing worksites and supply constraints
- Operating profit : Profit remained flat from the prior-year level as the impact of higher raw materials costs was offset by prices increases (Posted one-off M&A expenses on a Tanshin basis.)
- ◇ vs. 2Q 2021 : Lower profit on higher revenue due to recording one-off M&A expenses.

3-8. Analysis of Regional Performance (Americas)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 3Q	FY2021 3Q	YoY (%)	FY2020 3Q	FY2021 3Q	YoY (Amount)	YoY (%)
Revenue							
Automotive coatings	6.4	5.5	-13.1%	6.4	5.2	-1.2	-18.4%
Decorative paints	12.4	13.4	8.6%	12.4	12.8	0.4	3.6%
Fine chemicals	0.6	0.2	-61.2%	0.6	0.2	-0.4	-63.4%
Others*	0.0	-	-	0.0	-	-0.0	-
Total	19.4	19.2	-1.0%	19.4	18.3	-1.2	-6.0%
Operating profit	2.2	1.2	-44.9%	2.2	1.1	-1.0	-47.9%
OP margin	11.2%	6.2%	-5.0pt	11.2%	6.2%	-	-5.0pt

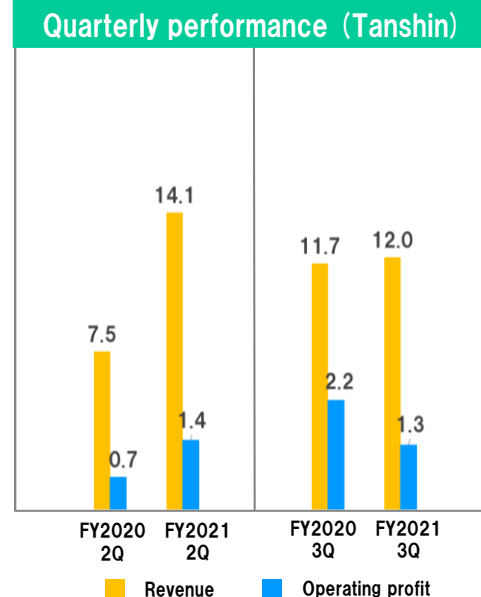


Major reasons for changes

- Automotive : Lower revenue due to the impact of lower automobile production because automakers adjusted production due to semiconductor shortages and disruptions in the supply of parts due to COVID
- Decorative : Higher revenue, despite the impact of supply chain constraints, due to successful actions involving competitors and selling price increases, coupled with favorable weather
- Operating profit : Lower profit on lower automotive revenue and higher prices of raw materials, despite actions in decorative business such as reducing advertising expenses and suspending new store openings
- ◇ vs. 2Q 2021 : Lower profit on lower decorative revenue due to supply chain constraints and lower automotive revenue caused by production adjustments

3-9. Analysis of Regional Performance (Other)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 3Q	FY2021 3Q	YoY (%)	FY2020 3Q	FY2021 3Q	YoY (Amount)	YoY (%)
Revenue							
Automotive coatings ^{※1}	0.4	0.3	-26.3%	0.4	0.3	-0.1	-21.1%
Decorative paints	6.8	6.6	-2.9%	6.8	7.4	0.5	7.9%
Industrial coatings	1.0	1.4	35.2%	1.0	1.5	0.5	52.6%
Others ^{※2}	0.1	-	-	0.1	-	-0.1	-
Paint related business	3.3	3.7	11.3%	3.3	4.1	0.8	22.9%
Total	11.7	12.0	2.5%	11.7	13.3	1.6	13.7%
Operating profit	2.2	1.3	-41.0%	2.2	1.4	-0.8	-34.6%
OP margin	18.6%	10.7%	-7.9pt	18.6%	10.7%	-	-7.9pt



Major reasons for changes

- Betek Boya : Higher revenue due to continuing strong market conditions for decorative, industrial and ETICS, coupled with selling price increases
(For reference: Revenue: ¥11.7 bn, Operating profit: ¥1.2 bn in 3Q 2021 (Tanshin basis))
- Operating profit : Lower profit due largely to higher raw material prices
- ◇ vs. 2Q 2021 : Lower revenue due to the aggressive sales and marketing efforts at beginning of year benefitting 1H 2021 more



4. FY2021 Forecast

4-1. FY2021 Forecast

	Tanshin		Tanshin			
(Billion yen)	FY2021 Forecast (as of Oct. 12)		FY2020 4Q Results	FY2021 4Q Forecast ^{※1}	YoY (Amount)	YoY (%)
Revenue	1,000.0	Revenue	216.0	263.7	47.8	22.1%
Operating profit (before Asian JV acquisition costs, etc.)	85.0	Operating profit	23.8	13.3	-10.5	-44.3%
OP margin (before Asian JV acquisition costs, etc.)	8.5%	OP margin	11.0%	5.0%	-6.0pt	-
Asian JV costs, etc.	-5.0	Profit before tax	25.3	13.0	-12.3	-48.7%
Operating profit	80.0	Profit ^{※2}	13.5	10.7	-2.8	-21.0%
OP margin	8.0%					
Profit before tax	79.0					
Profit ^{※2}	60.0					

Future outlook

- The earnings forecast announced on October 12, 2021 is unchanged. The 4Q 2021 forecast, which is calculated by subtracting FY2021 1Q-3Q results from the FY2021 forecast, is provided for reference purposes only
- The market environment has not changed much from the information we announced on October 12
- We continue to assume that raw material prices will increase through 1H 2022 and expect the power supply restrictions in China and the supply chain disruptions to continue
- In the decorative business, we will strengthen activities to increase market share and improve profitability in this year and next year, such as increasing selling prices in every operating region and continuing aggressive marketing activities and cost reduction activities

4-2. Market Environment (FY2021 4Q)

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



Market analysis

- ✓Automotive : Market conditions are expected to be weaker compared to 4Q 2020 in every operating region due to the continuing impact of the semiconductor and parts shortages caused by COVID impact in Southeast Asia
- ✓Decorative : In Japan, the market is expected to be stronger compared to the slump in 4Q 2020 as the market continues to recover from COVID impact
 In China, the DIY market is expected to be strong, driven by robust demand while we expect the Project market growth to be moderate in light of the tightening in policy to prevent overheating of the property sector
 In Oceania, demand is gradually subsiding from the COVID-enhanced DIY demand in 4Q 2020. The overall market is expected to be flat from the prior-year level
 In the Americas, the market is expected to remain firm with no change from the prior-year level due to strength in the new construction and existing housing markets driven by the U.S. government's low interest rate policy

4-3. Assumptions for FY2021 Forecast

	FY2021 Forecast		FY2020 Results※1	
Revenue	Full Year Growth Rate (YoY) ※2	4Q Growth Rate (YoY) ※2	Full Year (Billion yen)	4Q (Billion yen)
Japan	±0%	-15~-10%	162.0	44.7
Automotive	±0%	c. -20%	34.9	10.1
Decorative	c. +5%	+0~5%	43.7	11.7
Industrial	c. +10%	c. +5%	35.3	9.4
NIPSEA China	c. +30%	c. +20%	268.1	75.5
Decorative (DIY)	c. +30%	c. +25%	216.0	59.5
Decorative (PRJ)	c. +30%	+20~25%		
Automotive	+5~10%	c. -10%	31.8	10.2
Asia Excepting NIPSEA China	+20~25%	+10~15%	86.4	26.6
Indonesia	(For reference) +15~20%	c. +5%	29.9	8.2
Oceania	c. +5%	+0~5%	148.3	41.2
Americas	c. +5%	-10~-5%	70.1	17.9
Automotive	±0%	c. -20%	21.1	6.2
Decorative	c. +5%	±0%	46.5	11.3
Other: Betek Boya	c. +45%	+5%~10%	36.2	9.5



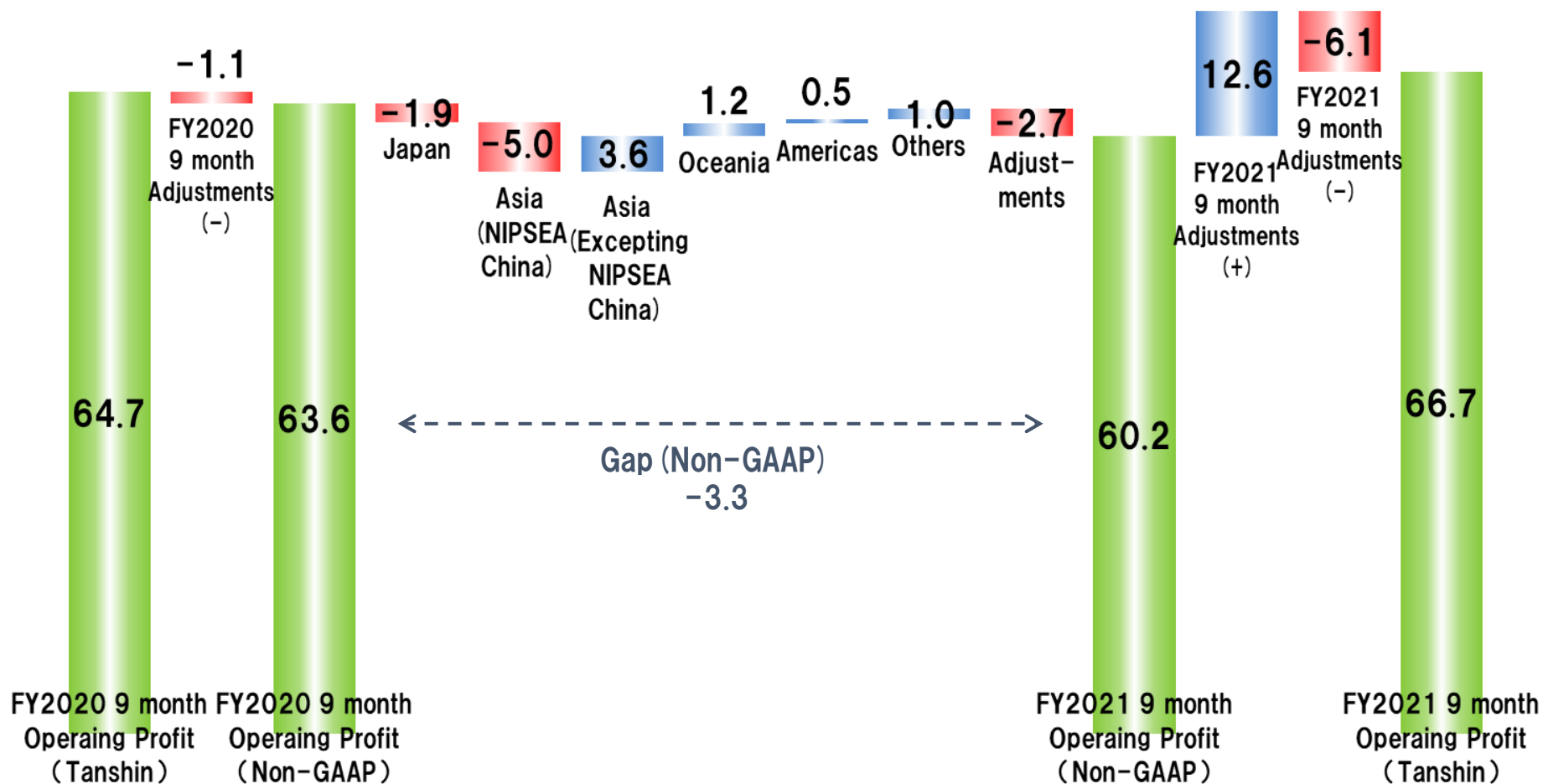
5. FY2021 9 Month Results

5-1. FY2021 9 Month Highlights

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount)	YoY (%)
Revenue	556.6	736.3	32.3%	556.3	666.7	110.4	19.8%
Operating profit	64.7	66.7	3.2%	63.6	60.2	-3.3	-5.2%
OP margin	11.6%	9.1%	-2.6pt	11.4%	9.0%	-	-2.4pt
EBITDA	86.3	90.8	5.2%	-	-	-	-
EBITDA margin	15.5%	12.3%	-3.2pt	-	-	-	-
Profit before tax	65.0	66.0	1.5%	63.9	60.9	-2.9	-4.6%
Profit [※]	32.9	49.3	49.8%	32.5	33.3	0.7	2.3%

5-2. Operating Profit Gap Analysis for FY2021 9 Month

(Billion yen)



5-3. FY2021 9 Month Highlights (Revenue & Operating Profit by Region)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount)	YoY (%)
Japan	Revenue	117.3	122.5	4.5%	117.3	122.5	5.2	4.5%
	OP profit ^{※1}	10.9	8.7	-20.2%	10.7	8.8	-1.9	-17.6%
Asia	Revenue	252.4	390.3	54.6%	252.1	329.5	77.4	30.7%
	OP profit	38.7	44.6	15.1%	37.5	36.1	-1.4	-3.8%
Oceania	Revenue	107.1	127.8	19.3%	107.1	112.8	5.7	5.3%
	OP profit	13.7	16.4	19.8%	13.7	15.0	1.2	9.0%
Americas	Revenue	52.2	57.6	10.5%	52.2	56.5	4.3	8.3%
	OP profit	3.4	3.9	17.0%	3.4	3.9	0.5	14.9%
Other	Revenue	27.6	38.0	37.5%	27.6	45.3	17.7	64.0%
	OP profit	3.9	4.1	5.1%	3.9	4.9	1.0	25.3%
Adjustments ^{※2}	Revenue	-	-	-	-	-	-	-
	OP profit	-6.0	-11.1	-	-5.7	-8.5	-2.7	-
Total	Revenue	556.6	736.3	32.3%	556.3	666.7	110.4	19.8%
	OP profit	64.7	66.7	3.2%	63.6	60.2	-3.3	-5.2%

※1 Excluding dividends from overseas group companies (9 Months 2020: ¥2.6 bn; 9 Months 2021: ¥1.7 bn) and HD expenses previously charged to the Japan segment

※2 New disclosure item added from 1Q 2021 that includes HD expenses incurred in the Group's overall operations

5-4. Analysis of Regional Performance (Japan & NIPSEA China)

Japan

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	24.6	26.4	7.2%	24.6	26.4	1.8	7.2%
	Decorative paints	32.0	33.2	4.0%	32.0	33.2	1.3	4.0%
	Industrial coatings	25.9	28.2	8.7%	25.9	28.2	2.3	8.7%
	Fine chemicals	5.5	6.6	21.2%	5.5	6.6	1.2	21.2%
	Others [※]	29.4	28.1	-4.3%	29.4	28.1	-1.2	-4.3%
	Total	117.3	122.5	4.5%	117.3	122.5	5.2	4.5%
	Operating profit	10.9	8.7	-20.2%	10.7	8.8	-1.9	-17.6%
OP margin		9.3%	7.1%	-2.2pt	9.2%	7.2%	-	-1.9pt

NIPSEA China

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	21.5	27.6	28.4%	21.5	25.0	3.5	16.5%
	Decorative paints	156.4	234.3	49.8%	156.2	212.3	56.1	35.9%
	Industrial coatings	13.1	19.2	46.9%	13.0	17.4	4.3	33.4%
	Others [※]	1.6	1.9	16.6%	1.6	1.7	0.1	5.8%
	Total	192.6	283.1	46.9%	192.4	256.5	64.1	33.3%
Operating profit		32.1	26.6	-17.1%	31.1	26.1	-5.0	-16.1%
OP margin		16.7%	9.4%	-7.3pt	16.2%	10.2%	-	-6.0pt

5-5. Analysis of Regional Performance (Asia Excepting NIPSEA China & Indonesia)

Asia Excepting NIPSEA China

(Billion yen)

	Results (Tanshin) ※1			Results (Non-GAAP)			
	FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount)	YoY (%)
Revenue	59.8	107.3	79.5%	59.8	73.1	13.3	22.3%
Operating profit	6.6	18.0	170.9%	6.4	10.0	3.6	56.1%
OP margin	11.1%	16.7%	5.6pt	10.7%	13.7%	-	3.0pt

Indonesia

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount)	YoY (%)
Revenue	-	27.8	-	-	-	-	-
Operating profit	-	7.6	-	-	-	-	-
OP margin	-	27.4%	-	-	-	-	-
OP margin ※2	-	33.0%	-	-	-	-	-

5-6. Analysis of Regional Performance (Oceania & Americas)

Oceania

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)		
		FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount) YoY (%)
Revenue	Decorative paints	56.0	65.1	16.3%	56.0	57.5	1.5 2.7%
	Industrial coatings	4.1	5.4	29.9%	4.1	4.8	0.6 14.8%
	Paint related business	47.0	57.3	21.9%	47.0	50.6	3.6 7.6%
	Total	107.1	127.8	19.3%	107.1	112.8	5.7 5.3%
Operating profit		13.7	16.4	19.8%	13.7	15.0	1.2 9.0%
OP margin		12.8%	12.9%	0.1pt	12.8%	13.3%	- 0.4pt
OP margin ^{※1}		13.6%	13.6%	0.0pt	13.6%	14.0%	- 0.4pt

Americas

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)		
		FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount) YoY (%)
Revenue	Automotive coatings	14.9	17.8	19.8%	14.9	17.4	2.5 16.9%
	Decorative paints	35.2	39.0	10.6%	35.2	38.3	3.1 8.7%
	Fine chemicals	1.9	0.9	-54.9%	1.9	0.9	-1.1 -55.7%
	Others ^{※2}	0.1	-	-	0.1	-	-0.1 -
	Total	52.2	57.6	10.5%	52.2	56.5	4.3 8.3%
Operating profit		3.4	3.9	17.0%	3.4	3.9	0.5 14.9%
OP margin		6.5%	6.8%	0.4pt	6.5%	6.8%	- 0.4pt

5-7. Analysis of Regional Performance (Other)

Other

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2020 9 month	FY2021 9 month	YoY (%)	FY2020 9 month	FY2021 9 month	YoY (Amount)	YoY (%)
Revenue							
Automotive coatings ^{※1}	0.9	1.1	25.8%	0.9	1.3	0.4	50.0%
Decorative paints	16.1	20.9	29.2%	16.1	24.9	8.7	54.1%
Industrial coatings	2.5	3.7	44.8%	2.5	4.4	1.8	72.6%
Others ^{※2}	0.2	–	–	0.2	–	–0.2	–
Paint related business	7.8	12.3	58.0%	7.8	14.7	6.9	88.4%
Total	27.6	38.0	37.5%	27.6	45.3	17.7	64.0%
Operating profit	3.9	4.1	5.1%	3.9	4.9	1.0	25.3%
OP margin	14.3%	10.9%	–3.4pt	14.3%	10.9%	–	–3.4pt



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FY2021 3Q Financial Results Presentation Material Reference

November 12, 2021
Nippon Paint Holdings Co. Ltd.

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1. Revenue & Operating Profit Transition by Region

(Billion yen)

		FY2018					FY2019					FY2020 ^{*1}					FY2021 ^{*1}		
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
Japan	Automotive	11.5	11.1	10.6	12.1	45.3	11.9	11.4	11.3	10.2	44.9	10.2	5.5	8.9	10.1	34.7	10.2	8.5	7.6
	Decorative	10.6	12.0	11.2	13.0	46.8	11.0	12.8	12.6	11.8	48.2	10.3	11.1	10.6	11.7	43.7	9.9	11.9	11.4
	Industrial	9.5	10.0	10.0	11.2	40.6	10.0	10.2	10.1	10.4	40.7	9.1	8.4	8.5	9.4	35.3	9.0	9.6	9.6
	Fine chemicals	2.2	2.2	2.1	2.4	8.9	2.2	2.2	2.2	2.1	8.7	2.0	1.7	1.8	2.4	7.9	2.3	2.4	2.0
	Others ^{*2}	9.1	10.6	10.7	10.7	41.2	8.8	9.6	10.1	11.6	40.1	9.2	9.5	10.7	11.1	40.5	9.6	9.1	9.4
	Revenue	43.0	45.9	44.7	49.3	182.8	43.8	46.3	46.4	46.1	182.6	40.8	36.2	40.3	44.7	162.0	41.0	41.5	40.0
	Operating profit ^{*3}	8.7	7.3	5.9	7.6	29.6	8.1	6.0	5.2	4.2	23.4	5.1	1.8	4.1	5.2	16.1	4.4	3.0	1.4
Oceania	Decorative	-	-	-	-	-	-	-	6.6	18.0	24.6	17.0	18.9	20.0	21.1	77.1	21.5	21.6	22.0
	Industrial	-	-	-	-	-	-	-	0.5	1.5	2.0	1.3	1.2	1.6	1.5	5.7	1.6	1.9	1.9
	Paint related business	-	-	-	-	-	-	-	6.1	14.9	21.0	13.5	14.9	18.6	18.5	65.5	18.4	19.2	19.7
	Revenue	-	-	-	-	-	-	-	13.1	34.4	47.6	31.8	35.0	40.3	41.2	148.3	41.5	42.7	43.6
	Operating profit	-	-	-	-	-	-	-	2.8	3.1	5.9	3.5	4.8	5.4	2.4	16.1	5.9	5.4	5.2
	OP margin	-	-	-	-	-	-	-	21.4%	8.9%	12.3%	11.0%	13.7%	13.4%	5.8%	10.9%	14.1%	12.6%	11.9%
	One-time factor ^{*4}	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.4
Americas	Automotive	7.2	7.0	6.5	6.7	27.3	6.7	6.7	6.3	6.2	25.9	6.0	2.5	6.4	6.2	21.1	6.2	6.1	5.5
	Decorative	10.0	12.0	11.7	10.9	44.6	9.9	12.7	12.1	10.7	45.4	10.9	12.0	12.4	11.3	46.5	11.2	14.3	13.4
	Fine chemicals	0.7	0.8	0.8	0.8	3.1	0.8	0.8	0.7	0.8	3.1	0.7	0.6	0.6	0.4	2.4	0.3	0.3	0.2
	Others ^{*2}	0.0	0.1	0.0	0.0	0.2	0.0	0.1	0.1	0.0	0.2	0.0	0.1	0.0	0.0	0.2	-	-	-
	Revenue	17.9	19.8	19.0	18.5	75.2	17.5	20.3	19.1	17.7	74.6	17.7	15.1	19.4	17.9	70.1	17.7	20.7	19.2
	Operating profit	0.9	2.0	1.3	0.7	5.0	0.6	2.1	1.3	1.0	5.0	0.8	0.4	2.2	1.1	4.5	0.9	1.8	1.2
	OP margin	5.2%	10.2%	7.1%	3.8%	6.6%	3.6%	10.2%	6.7%	5.9%	6.7%	4.7%	2.4%	11.2%	6.4%	6.4%	5.2%	8.8%	6.2%
Other	Automotive	3.6	3.2	2.8	3.3	12.8	3.2	3.0	2.6	3.0	11.8	0.4	0.1	0.4	0.5	1.4	0.5	0.4	0.3
	Decorative	-	-	-	-	-	-	-	4.7	4.2	8.8	5.2	4.1	6.8	4.8	21.0	6.7	7.5	6.6
	Industrial	0.1	0.1	0.0	0.1	0.3	0.1	0.0	0.8	0.9	1.8	0.8	0.7	1.0	1.1	3.7	1.1	1.2	1.4
	Fine chemicals	0.2	0.1	0.2	0.2	0.8	0.2	0.3	0.3	0.3	1.0	-	-	-	-	-	-	-	-
	Others ^{*2}	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.3	-	-	-
	Paint related business	-	-	-	-	-	-	-	2.3	2.2	4.6	2.0	2.5	3.3	3.4	11.2	3.6	5.0	3.7
	Revenue	3.9	3.4	3.0	3.6	13.9	3.5	3.3	10.7	10.5	28.0	8.4	7.5	11.7	10.0	37.6	11.9	14.1	12.0
Other	Operating profit	0.1	0.1	-0.2	-0.6	-0.5	-0.1	-0.3	0.8	-7.3	-7.0	1.1	0.7	2.2	1.5	5.4	1.5	1.4	1.3
	OP margin	3.4%	2.3%	-6.0%	-15.5%	-3.8%	-2.6%	-10.4%	7.1%	-69.4%	-24.9%	13.3%	8.7%	18.6%	14.9%	14.4%	12.4%	9.8%	10.7%
	One-time factor ^{*4}	-	-	-	-	-	-	-	-	-7.8	-7.8	-	-	-	-	-	-	-	-

^{*1} Following the classification of the European automotive business and the India businesses as discontinued operations in 3Q 2021, the earnings figures of Japan, Other, Asia, Excepting NIPSEA China, Adjustments, and Total from 1Q 2020 to 2Q 2021 have been adjusted retrospectively. Figures for 1Q, 2Q and 4Q 2020 and 1Q and 2Q 2021 are unaudited pro forma figures

^{*2} The "Others" business includes marine, auto refinish business and etc.

^{*3} Operating profit in FY2019 is before reclassification of Headquarters expenses to adjustments and operating profit from FY2020 onwards is after reclassification:

Figures for FY2020 4Q are pro forma (unaudited) figures

^{*4} One-time factor is the total amount of subsidy/insurance (subsidy income, insurance income, gain on sale of non-current assets), M&A related cost, and impairment loss included in adjustments, which have been disclosed in the reference page of the financial results presentation material

1. Revenue & Operating Profit Transition by Region

(Billion yen)

		FY2018					FY2019					FY2020 ^{*1}					FY2021 ^{*1}		
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
Asia	Automotive	18.5	19.6	17.6	18.5	74.2	16.5	17.2	15.9	17.5	67.1	11.7	11.3	15.0	18.2	56.3	18.2	18.0	15.8
	Decorative	54.6	62.2	64.0	50.2	231.1	54.3	65.6	65.3	58.5	243.7	40.5	66.0	75.3	70.8	252.6	78.8	104.7	107.8
	Industrial	6.4	7.6	7.5	6.3	27.9	6.5	6.8	6.6	5.7	25.6	5.1	5.8	6.7	6.8	24.4	7.8	9.2	8.5
	Fine chemicals	1.6	1.8	1.7	1.5	6.6	1.5	1.6	1.5	1.6	6.0	1.2	1.1	1.4	1.7	5.4	1.6	1.7	1.6
	Others ^{*2}	3.3	3.7	3.8	5.3	16.0	3.7	3.9	4.2	4.9	16.8	3.2	3.7	4.2	4.6	15.7	4.2	5.2	5.0
	Paint related business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.3	1.1
	Revenue	84.4	94.9	94.7	81.8	355.7	82.5	95.2	93.4	88.1	359.2	61.7	88.0	102.7	102.1	354.5	110.6	140.1	139.7
	Operating profit	12.1	13.6	14.8	11.9	52.4	11.5	14.2	14.4	10.7	50.8	7.1	14.5	17.2	16.6	55.3	17.8	16.1	10.6
	OP margin	14.3%	14.3%	15.7%	14.6%	14.7%	13.9%	14.9%	15.4%	12.2%	14.1%	11.5%	16.4%	16.7%	16.2%	15.6%	16.1%	11.5%	7.6%
	One-time factor ^{*4}	1.9	1.0	2.5	1.8	7.1	0.1	0.7	1.9	-2.5	0.2	0.1	0.8	0.3	2.0	3.2	0.2	0.4	-2.5

Breakdown of Asia

NIPSEA China	Automotive	10.2	11.0	8.8	9.4	39.4	8.2	9.0	7.5	9.1	33.8	5.5	7.5	8.5	10.2	31.8	9.3	9.8	8.6
	Decorative	43.4	52.2	53.2	40.3	189.2	44.3	55.4	55.3	47.7	202.7	31.5	59.8	65.2	59.5	216.0	57.3	85.0	92.1
	Industrial	4.6	5.8	5.8	4.6	20.9	4.6	5.0	4.8	4.0	18.4	3.3	4.7	5.1	5.1	18.1	5.7	7.1	6.4
	Others ^{*2}	0.4	0.4	0.5	1.0	2.3	0.8	0.7	0.7	0.5	2.6	0.4	0.6	0.7	0.7	2.3	0.6	0.7	0.5
	Revenue	58.6	69.4	68.3	55.4	251.7	57.9	70.2	68.3	61.2	257.5	40.6	72.5	79.5	75.5	268.1	72.9	102.5	107.6
	Operating profit	8.7	10.6	11.3	7.8	38.4	9.1	11.4	11.3	8.3	40.1	4.7	13.9	13.5	11.8	43.9	9.4	10.0	7.2
	OP margin	14.9%	15.2%	16.6%	14.1%	15.3%	15.7%	16.2%	16.6%	13.6%	15.6%	11.5%	19.2%	17.0%	15.6%	16.4%	12.8%	9.8%	6.7%
	One-time factor ^{*4}	1.9	1.0	2.5	1.8	7.1	0.1	0.7	1.9	0.1	2.8	0.1	0.7	0.3	1.9	2.9	0.2	0.4	-2.5
Excepting NIPSEA China	Revenue	25.9	25.5	26.3	26.4	104.1	24.6	25.1	25.1	27.0	101.7	21.1	15.5	23.2	26.6	86.4	37.6	37.6	32.0
	Operating profit	3.3	3.0	3.5	4.1	14.0	2.4	2.8	3.0	2.4	10.7	2.4	0.6	3.7	4.8	11.4	8.5	6.1	3.4
	OP margin	13.0%	11.8%	13.4%	15.7%	13.5%	9.8%	11.3%	12.2%	9.0%	10.5%	11.4%	3.6%	15.8%	17.9%	13.2%	22.5%	16.2%	10.6%
	One-time factor ^{*4}	-	-	-	-	-	-	-	-	-2.6	-2.6	-	0.1	0.1	0.1	0.3	-	-	-
Adjustments ^{*3}	Revenue	Not disclosed					Not disclosed					-	-	-	-	-	-	-	-
	Operating profit	Not disclosed					Not disclosed					-2.0	-1.9	-2.1	-3.0	-9.0	-5.5	-3.2	-2.4
	One-time factor ^{*4}	Not disclosed					Not disclosed					-	-	-0.3	-0.2	-0.5	-2.6	-1.0	-
Total	Revenue	149.2	164.0	161.3	153.2	627.7	147.4	165.1	182.7	196.9	692.0	160.4	181.8	214.4	216.0	772.6	222.7	259.1	254.5
	Operating profit	21.9	23.0	21.9	19.7	86.5	20.1	21.8	24.4	11.7	78.1	15.6	20.2	28.9	23.8	88.5	24.9	24.5	17.3
	OP margin	14.7%	14.0%	13.6%	12.9%	13.8%	13.6%	13.2%	13.4%	5.9%	11.3%	9.7%	11.1%	13.5%	11.0%	11.5%	11.2%	9.5%	6.8%
	One-time factor ^{*4}	4.2	1.0	2.5	1.8	9.4	2.1	-0.2	0.8	-11.4	-8.7	0.1	0.8	0.2	1.8	2.9	-2.3	-0.7	-3.0

※1 Following the classification of the European automotive business and the India businesses as discontinued operations in 3Q 2021, the earnings figures of Japan, Other, Asia, Excepting NIPSEA China, Adjustments, and Total from 1Q 2020 to 2Q 2021 have been adjusted retrospectively. Figures for 1Q, 2Q and 4Q 2020 and 1Q and 2Q 2021 are unaudited pro forma figures

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

※3 Figures for 4Q of FY2020 are pro forma (unaudited) figures

※4 One-time factor is the total amount of subsidy/insurance (subsidy income, insurance income, gain on sale of non-current assets), M&A related cost, and impairment loss included in adjustments, which have been disclosed in the reference page of the financial results presentation material

2. Breakdown of Adjustments (FY2020 3Q vs. FY2021 3Q)

(Billion yen)

		FY2020 3Q					FY2021 3Q					
		FX	Subsidy	M&A related cost	New acquisitions	Total	FX	Subsidy	M&A related cost	Provision for bad debt	New acquisitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-
	Others*	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	0.2	-	-	0.2	-	-0.1	-	-	-	-0.1
Oceania	Decorative	-	-	-	-	-	1.3	-	-	-	-	1.3
	Industrial	-	-	-	-	-	0.1	-	-	-	-	0.1
	Paint related business	-	-	-	-	-	1.2	-	-	-	-	1.2
	Revenue	-	-	-	-	-	2.6	-	-	-	-	2.6
	Operating profit	-	-	-	-	-	0.3	-	-0.4	-	-	-0.2
Americas	Automotive	-	-	-	-	-	0.3	-	-	-	-	0.3
	Decorative	-	-	-	-	-	0.6	-	-	-	-	0.6
	Fine chemicals	-	-	-	-	-	0.0	-	-	-	-	0.0
	Others*	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	1.0	-	-	-	-	1.0
	Operating profit	-	-	-	-	-	0.1	-	-	-	-	0.1
Other	Automotive	-	-	-	-	-	-0.0	-	-	-	-	-0.0
	Decorative	-	-	-	-	-	-0.7	-	-	-	-	-0.7
	Industrial	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-
	Others*	-	-	-	-	-	-	-	-	-	-	-
	Paint related business	-	-	-	-	-	-0.4	-	-	-	-	-0.4
	Revenue	-	-	-	-	-	-1.3	-	-	-	-	-1.3
	Operating profit	-	-	-	-	-	-0.1	-	-	-	-	-0.1

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

2. Breakdown of Adjustments (FY2020 3Q vs. FY2021 3Q)

(Billion yen)

		FY2020 3Q					FY2021 3Q					
		FX	Subsidy	M&A related cost	New acquisitions	Total	FX	Subsidy	M&A related cost	Provision for bad debt	New acquisitions	Total
Asia	Automotive	0.0	-	-	-	0.0	1.2	-	-	-	1.3	2.6
	Decorative	0.1	-	-	-	0.1	10.0	-	-	-	6.5	16.5
	Industrial	0.0	-	-	-	0.0	0.7	-	-	-	0.2	0.9
	Fine Chemicals	-	-	-	-	-	0.1	-	-	-	0.0	0.1
	Others*	-0.0	-	-	-	-0.0	0.3	-	-	-	0.3	0.5
	Paint related business	-	-	-	-	-	-	-	-	-	1.1	1.1
	Revenue	0.1	-	-	-	0.1	12.3	-	-	-	9.4	21.7
	Operating profit	-	0.3	-	-	0.3	0.8	0.2	-	-2.7	1.6	-0.1

■ Breakdown of Asia

NIPSEA China	Automotive	0.0	-	-	-	0.0	0.9	-	-	-	-	0.9
	Decorative	0.1	-	-	-	0.1	9.5	-	-	-	-	9.5
	Industrial	0.0	-	-	-	0.0	0.7	-	-	-	-	0.7
	Others*	-0.0	-	-	-	-0.0	0.1	-	-	-	-	0.1
	Revenue	0.1	-	-	-	0.1	11.2	-	-	-	-	11.2
	Operating profit	-	0.3	-	-	0.3	0.8	0.2	-	-2.7	-	-1.7
Excepting NIPSEA China	Revenue	-	-	-	-	-	1.1	-	-	-	9.4	10.5
	Operating profit	-	0.1	-	-	0.1	-0.0	-	-	-	1.6	1.6
Adjustments	Revenue	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-0.3	-	-0.3	0.0	-	-	-	0.3	0.4
Total	Revenue	0.1	-	-	-	0.1	14.5	-	-	-	9.4	23.9
	Operating profit	-	0.5	-0.3	-	0.2	1.0	0.1	-0.4	-2.7	2.0	-0.0

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

3. Breakdown of Adjustments (FY2020 9 month vs. FY2021 9 month)

(Billion yen)

		FY2020 9 month					FY2021 9 month					
		FX	Subsidy	M&A related cost	New acquisitions	Total	FX	Subsidy	M&A related cost	Provision for bad debt	New acquisitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-
	Others*	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	0.2	-	-	0.2	-	-0.1	-	-	-	-0.1
Oceania	Decorative	-	-	-	-	-	7.6	-	-	-	-	7.6
	Industrial	-	-	-	-	-	0.6	-	-	-	-	0.6
	Paint related business	-	-	-	-	-	6.7	-	-	-	-	6.7
	Revenue	-	-	-	-	-	14.9	-	-	-	-	14.9
	Operating profit	-	-	-	-	-	1.9	-	-0.4	-	-	1.5
Americas	Automotive	-	-	-	-	-	0.4	-	-	-	-	0.4
	Decorative	-	-	-	-	-	0.7	-	-	-	-	0.7
	Fine chemicals	-	-	-	-	-	0.0	-	-	-	-	0.0
	Others*	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	1.1	-	-	-	-	1.1
	Operating profit	-	-	-	-	-	0.1	-	-	-	-	0.1
Other	Automotive	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Decorative	-	-	-	-	-	-4.0	-	-	-	-	-4.0
	Industrial	-	-	-	-	-	-0.7	-	-	-	-	-0.7
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-
	Others*	-	-	-	-	-	-	-	-	-	-	-
	Paint related business	-	-	-	-	-	-2.4	-	-	-	-	-2.4
	Revenue	-	-	-	-	-	-7.3	-	-	-	-	-7.3
	Operating profit	-	-	-	-	-	-0.8	-	-	-	-	-0.8

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

3. Breakdown of Adjustments (FY2020 9 month vs. FY2021 9 month)

(Billion yen)

		FY2020 9 month					FY2021 9 month					
		FX	Subsidy	M&A related cost	New acquisitions	Total	FX	Subsidy	M&A related cost	Provision for bad debt	New acquisitions	Total
Asia	Automotive	0.0	-	-	-	0.0	3.7	-	-	-	3.9	7.5
	Decorative	0.2	-	-	-	0.2	23.5	-	-	-	23.2	46.7
	Industrial	0.0	-	-	-	0.0	2.0	-	-	-	0.6	2.6
	Fine Chemicals	-	-	-	-	-	0.3	-	-	-	0.0	0.3
	Others ^{※1}	0.0	-	-	-	0.0	0.8	-	-	-	0.5	1.3
	Paint related business	-	-	-	-	-	-	-	-	-	2.3	2.3
	Revenue	0.3	-	-	-	0.3	30.3	-	-	-	30.5	60.8
	Operating profit	-	1.2	-	-	1.2	2.5	0.8	-	-2.7	7.8	8.5

■ Breakdown of Asia

NIPSEA China	Automotive	0.0	-	-	-	0.0	2.6	-	-	-	-	2.6
	Decorative	0.2	-	-	-	0.2	22.0	-	-	-	-	22.0
	Industrial	0.0	-	-	-	0.0	1.8	-	-	-	-	1.8
	Others ^{※1}	0.0	-	-	-	0.0	0.2	-	-	-	-	0.2
	Revenue	0.3	-	-	-	0.3	26.6	-	-	-	-	26.6
	Operating profit	-	1.0	-	-	1.0	2.4	0.8	-	-2.7	-	0.5

Excepting NIPSEA China	Revenue	-	-	-	-	-	3.7	-	-	-	30.5	34.2
	Operating profit	-	0.2	-	-	0.2	0.1	-	-	-	7.8	8.0

Adjustments	Revenue	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-0.3	-	-0.3	0.1	-1.0 ^{※2}	-2.6	-	0.9	-2.6

Total	Revenue	0.3	-	-	-	0.3	39.0	-	-	-	30.5	69.6
	Operating profit	-	1.4	-0.3	-	1.1	3.8	-0.4	-3.0	-2.7	8.7	6.5

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

※2 Production facility restructuring projects in Japan

4. Statement of Financial Position

(Billion yen)

Assets	As of Dec. 31, 2020	As of Sep. 30, 2021	Increase / Decrease	Liabilities and equity	As of Dec. 31, 2020	As of Sep. 30, 2021	Increase / Decrease
Total current assets	643.5	605.4	-38.1	Total liabilities	915.6	984.8	69.3
Cash and cash equivalents	232.1	129.5	-102.6	Total current liabilities	315.5	379.6	64.1
Others	411.4	475.9	64.5	Total non-current liabilities	600.0	605.2	5.2
Total non-current assets	971.9	1,310.4	338.6	Total equity	699.8	931.0	231.2
Goodwill	424.2	638.1	213.9	Total equity attributable to owners of parent	568.4	923.0	354.6
Others	547.7	672.3	124.6	Share capital	78.9	671.4	592.6
				Capital surplus	63.3	-	-63.3
				Retained earnings	444.6	216.8	-227.8
				Others	-18.4	34.8	53.2
				Non-controlling interests	131.4	8.0	-123.4
Total assets	1,615.4	1,915.9	300.5	Total liabilities and equity	1,615.4	1,915.9	300.5

【Major reasons for changes】

■ The acquisition of 100% ownership of the Asia JVs and the Indonesia business by the Company that closed on January 25, 2021 has allowed the Group to increase its capital and enhance its financial base through a third-party allotment without impairing equity capital

✓ Goodwill: Increased following the new consolidation of the Indonesia business

✓ Share capital: Increased through a third-party allotment for acquisition

✓ Capital surplus & Retained earnings: Both capital surplus and retained earnings decreased after deducting the difference between additionally acquired equity interests and additional investments from capital surplus with any excess deducted from retained earnings, despite the increase in capital surplus through the third-party allotment of shares

✓ Non-controlling interests: Decreased following the acquisition of 100% ownership of the Asian JVs, which previously accounted for most of the non-controlling interests held by the Company

5. Key Financial Data

<Capital Expenditure, Depreciation, R&D Expenses>

(Billion yen)		FY2020 3Q	FY2021 3Q
Capital expenditure	Property, plant and equipment	27.7	31.7
	Intangible assets	2.3	2.8
	Total	30.0	34.4
Depreciation	Property, plant and equipment	16.9	20.3
	Intangible assets	4.6	5.1
	Total	21.6	25.4
R&D expenses		13.2	17.1

<Major indicator>

	As of Dec. 31, 2020	As of Sep. 30, 2021
Equity attributable to owners of parent to total assets (%)	35.2	48.2
Net debt ^{※1} (billion yen)	309.2	437.7
EPS (yen)	139.2	22.1
EPS ^{※2} (yen)	27.8	

※1 Net debt = Bonds and borrowings (current and non-current) + Other financial liabilities (current and non-current) - Cash and cash equivalents - Other financial assets (current)

※2 Reference value assuming that the 5-for-1 stock split was implemented at the beginning of the fiscal year ended December 31, 2020

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

	FY2020		FY2021	
	3Q	Full Year	3Q	Full Year (Oct. Forecast)
JPY/USD	107.2	106.4	109.1	109.0
JPY/RMB	15.3	15.4	16.9	16.8
JPY/AUD	72.8	73.7	82.4	82.0
JPY/TRY	15.8	15.2	13.3	13.2

<Exchange rate for F/P (closing rate) >

	As of Dec. 31, 2020	As of Sep. 30, 2021
JPY/USD	103.5	112.0
JPY/RMB	15.9	17.3
JPY/AUD	78.9	80.5
JPY/TRY	14.0	12.5

6. Market Conditions

<Paint shipment>

FY2018						FY2019					FY2020					FY2021		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
Japan ^{※1} (10,000t)	44	43	44	47	178	43	43	43	43	172	40	36	38	42	157	40	40	26

※1 Source: Japan Paint Manufacturers Association: FY2021 3Q covers July and August

<Automobile production^{※2}>

<Automobile production※2> (10,000unit)		FY2018					FY2019					FY2020					FY2021		
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
Japan		241	220	218	244	924	243	230	229	220	922	225	119	200	227	771	215	185	154
China		702	703	640	732	2,777	634	579	602	757	2,572	347	664	687	824	2,522	635	622	567
North America	USA	288	282	259	274	1,103	287	285	266	255	1,093	253	96	274	257	880	247	215	213
	Mexico	97	100	100	96	393	99	99	95	82	375	91	26	90	91	298	82	78	69
	Canada	53	54	44	49	200	48	51	46	47	192	38	17	41	41	138	32	25	26
	Total	438	436	403	419	1,696	435	435	407	384	1,660	382	140	405	389	1,316	361	318	308

※2 Source: Japan: MarkLines until FY2019: compiled by NPHD using data released by domestic automakers from FY2020: China: Association of Automobile Manufacturers: North America: IHS Markit

<Others (Japan market) >

(10,000unit)	FY2018					FY2019					FY2020					FY2021		
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
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	20.5	21.0	20.7	81.5	19.1	22.1	22.5
Construction machinery productions ^{※4}	9.7	9.9	10.0	11.1	40.7	10.5	10.5	10.1	8.1	39.2	9.6	8.4	8.4	9.9	36.3	10.3	11.2	7.0
Machine tool production ^{※5}	2.7	2.0	1.9	1.8	8.5	1.8	1.6	1.5	1.3	6.2	1.2	1.0	1.1	1.3	4.6	1.6	1.9	1.0

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

※4 Source: Japan Construction Equipment Manufacturers Association: FY2021 3Q covers July and August

※5 Source: Japan Machine Tool Builders' Association: FY2021 3Q covers July and August

<Naphtha price (own estimation) >

(JPY/KL)	FY2018					FY2019					FY2020					FY2021		
	1Q	2Q	3Q	4Q	Full Year	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	31,300	32,900	38,800	47,700	53,500