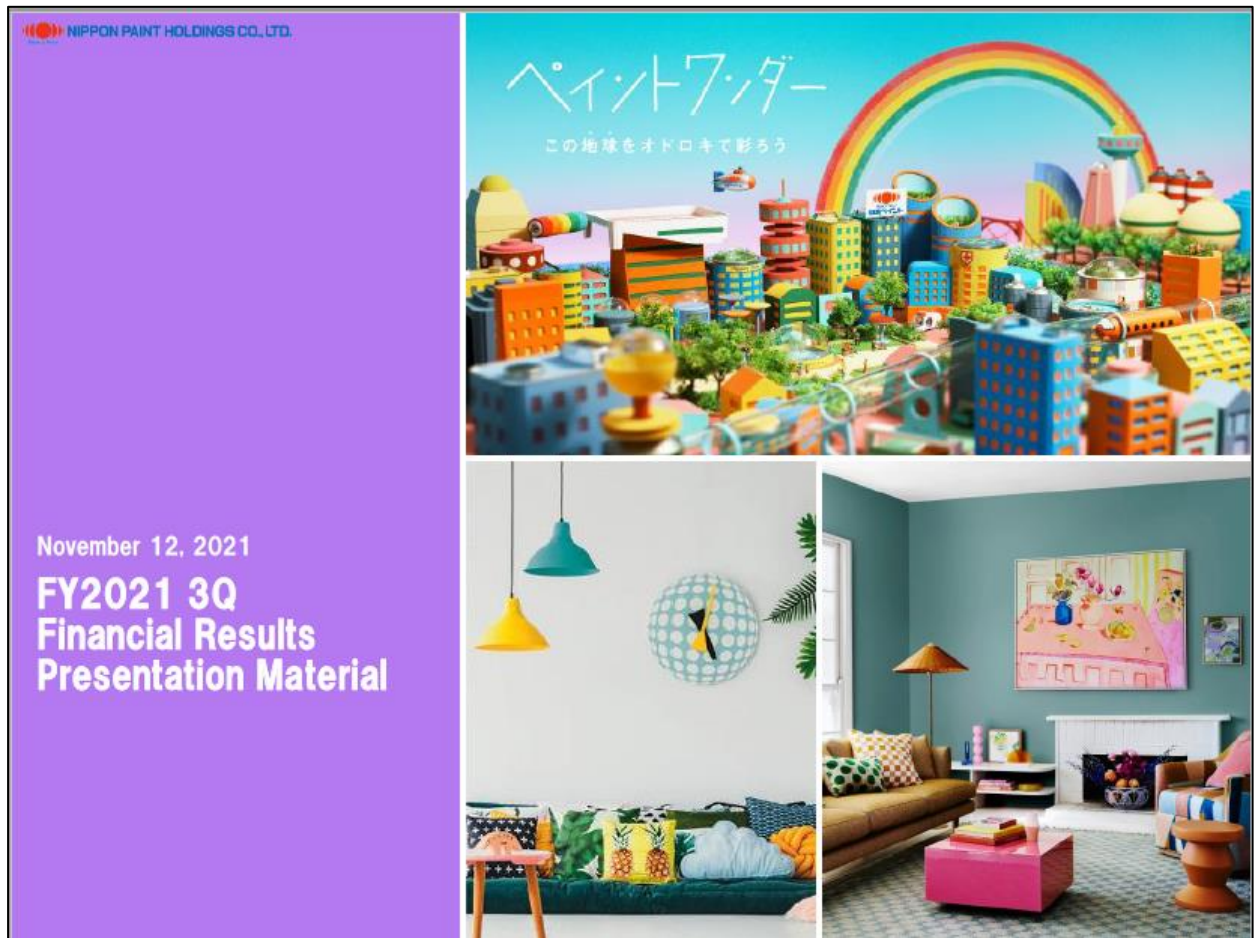


FY2021 3Q Financial Results Conference Call Presentation Summary
November 12, 2021



Good afternoon, everyone. I'm Yuichiro Wakatsuki, Co-President of Nippon Paint Holdings. Thank you very much for taking the time today to participate in our conference call regarding financial results for the 3Q of FY2021.

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

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I would like to begin by summarizing the financial results for the 3Q of FY2021.

Revenue increased and operating profit declined in the 3Q both on a Tanshin and Non-GAAP basis. Our operating environment has not changed much from when we announced a revision of the consolidated earnings forecast in October. Our decorative revenue increased in China and other regions. On the other hand, our operating profit was impacted by the high cost of raw materials in all regions, and actions we have taken such as selling price increases have not fully offset this impact.

The Tanshin and Non-GAAP difference is mainly attributable to the new consolidation and exchange rate changes.

Please note that the Tanshin earnings include a provision of around 2.7 billion yen—an amount slightly smaller than assumed in October—that was recorded in the Chinese business, while the Non-GAAP earnings exclude this provision.

Please see the next page for the accounting treatment for the transfer of the European and India businesses.

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

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※1 Earnings in FY2020 do not include part of the India businesses
 ※2 Profit from discontinued operations attributable to owners of parent

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Following the transfer of the European and Indian businesses we announced on August 10, 2021, we have categorized those businesses as discontinued operations in accordance with IFRS. As a result, the earnings of the discontinued operations from the 1Q of 2020 to the 2Q of 2021 have been adjusted retrospectively. The important point is that the bottom line has not changed but revenue and operating profit have been adjusted to exclude the discontinued operations.

The table on the bottom of page 4 shows the summary of 7 months of the earnings of the three businesses in 2021. These businesses collectively recorded an operating loss. As a result, excluding the earnings of these businesses reduced consolidated revenue but increased consolidated operating profit. One-off factors in operating profit include a gain on sale of shares. The businesses classified as discontinued operations collectively recorded an operating loss even after the one-off factors. Discontinued operations recorded a net profit of 1.0 bn yen that includes foreign exchange gains as non-operating income.

The table in the middle of this page shows the retroactive adjustments to the 2020 earnings. Nippon Paint (India) Private Limited (NPI), our decorative paints business in India, was not included in consolidated revenue and operating profit in 2020 because it was a 50:50 joint venture at that time. The amounts retrospectively adjusted in 2020 are the total of the earnings from the automotive coatings businesses in Europe and India. Please note again that there is no change to net profit because both earnings from continuing and discontinued operations are included in the consolidated earnings.

The update of the consolidated earnings guidance was announced on the same day in August as the announcement of this transaction. In addition, we had not completed the check of figures when we announced the revision of the consolidated earnings forecast in October. As a result, our consolidated earnings included 7 months of earnings from the discontinued operations. We have decided that the impact of the classification of discontinued operations on our consolidated earnings is insignificant. Taking into account other factors as well, we did not update the guidance this time from the one released in October.

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

We are dealing with raw material availability issues such as higher prices of raw materials due to rising crude oil prices and tightening of the supply and demand balance caused by supply chain disruptions by taking actions such as increasing selling prices and reducing costs. However, we have not been able to fully offset the impact. Our urgent short-term goal is to offset and more than offset the impact as soon as possible.

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/annualreport/>



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/

Major topics after the announcement of financial results for the 2Q of FY2021 are provided starting on page 6.

There are significant changes from last year's integrated report in terms of content, design, quality and volume, but it still has much room for improvement. I appreciate your taking a moment to review this report, and welcome your feedback and suggestions for improvements.

We announced our decision to support the Task Force on Climate-Related Financial Disclosures (TCFD) at the end of September.

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

NIPPON PAINT GROUP [※]External Thermal Insulation Composite System

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We held a conference call the other day to explain the acquisition of Cromology, so I will leave questions regarding this transaction to the Q&A session. For your information, the signing and closing procedures are proceeding as planned.

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

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DP JUB is a long established company with an extensive footprint in the former Yugoslavia countries and a high market share. JUB has a highly capable management team and these managers have given their full approval to joining the Nippon Paint Group.

The acquisition price is around 14 times the FY2021 EBITDA of JUB. The closing is scheduled for the 1H of 2022 subject to the approval of regulatory authorities. We do not see any obstacles to receiving approval.

This transaction was led by the DuluxGroup team, which was also the acquisition entity. As with the acquisition of Cromology, we will support the acceleration of JUB's autonomous growth by fully leveraging its existing brands, market presence, and management. Cromology will also benefit from its access to the large operating platform of the Nippon Paint Group.

JUB is located closer to Betek Boya in Turkey than Cromology. This is why the management team of Betek Boya was involved with the consideration of this acquisition.

We hope that the two companies will work together to generate synergies after the acquisition is completed. This is something DuluxGroup and Betek Boya, the two partner companies that joined the Nippon Paint Group in 2019, could not have done by themselves but were able to accomplish by leveraging the Nippon Paint Group's resources. We expect that the acquisition of JUB will further accelerate the growth of the Nippon Paint Group.

The acquisitions of Cromology and JUB need not to be taken together to evaluate synergies of acquisition. Each company can fully contribute on its own to MSV in the Nippon Paint Group through EPS accretion. It was only a coincidence that the two acquisitions were announced so close together. We will continue to consider acquisitions like these in any region where we see great opportunities.

After we announced these acquisitions, credit rating agencies announced that they would retain NPHD's A rating. As we have already announced, we do not plan to use equity financing for these acquisitions.

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%)

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Page 9 explains the realignment of the Chinese automotive coatings business.

In China, auto body paint was supplied by the NIPSEA Group and paint for automotive plastic parts and components was supplied by Chinese subsidiaries of Nippon Bee Chemical (NBC). In addition, the NIPSEA Group was our 51:49 joint venture with the Wuthelam Group (the Nippon Paint Group holding a 51% stake and the Wuthelam Group 49%) and NBC's Chinese subsidiaries were our 60:40 joint ventures with the Tong Yang Group (TYG) in Taiwan (the Nippon Paint Group holding a 60% stake and the TYG 40%). Following the completion of the acquisition of 100% of the Asian JVs in January 2021, we reached an agreement with the TYG to dissolve the joint venture agreement in order to integrate the Chinese operations to improve efficiency. There will be no change to our Taiwanese joint venture with the TYG, and we will maintain a sound relationship with this group.

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

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►See more information at: https://www.nipponpaint-holdings.com/en/news_release/20211028ir01/

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I will briefly explain the final topic, our organizational structure beginning in January 2022, which we announced on October 28.

We announced in September that we started considering the establishment of Nippon Paint Corporate Solutions (NPCS). We have subsequently announced the approval of a resolution for a company split on January 1, 2022 and the accompanying new organizational structure. The transaction has two key objectives.

The first is to separate the functions performed by NPHD into functions related to the Nippon Paint Group's businesses in Japan, functions related to global group operations, and functions as a publicly listed company. The objective is to clarify the accountability for the profitability of each business and prevent the expansion of our bureaucratic organization, while improving efficiency and the specialization of functional departments.

The second objective is to minimize the functions performed by NPHD and give autonomy to partner companies to make management decisions on their own as much as possible.

The goal is to fully utilize the capabilities of our outstanding partner companies rather than using a centralized approach by overseeing our global group operations from the headquarters in Japan. We will clarify our policy for minimizing the involvement of headquarters in management decisions based on the recognition that the Nippon Paint Group is a group of companies with outstanding capabilities.

These initiatives reflect our commitment to thoroughly eliminating waste and bureaucratic thinking that are often seen at large companies and pursuing Lean For Growth with the goal of achieving MSV.

This concludes the summary of our results for the 3Q of FY2021.