

May 13, 2022

FY2022 1Q 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 expenses, new acquisitions, etc.
- Please see the Appendix Reference for more information
- Quarterly earnings trends of DuluxGroup, Betek Boya, PT Nipsea, and Cromology are provided in Appendix Reference

1. Summary: FY2022 1Q Operating Results

FY2022 1Q^{*1}



(Tanshin)

(Billion yen)	Results	YoY(%)
Revenue	284.1	27.6%
OP	24.7	-0.0%
OP margin	8.7%	-2.4pt

(Non-GAAP)

(Billion yen)	Results	YoY(%)
Revenue	251.1	12.9%
OP	23.5	-12.7%
OP margin	9.3%	-2.7pt

◆ Tanshin basis

- Revenue increased due to selling price increases in decorative business, new consolidation of Cromology and changes in exchange rates. Operating profit declined due to higher raw material prices and logistics costs
- Operating profit margin improved QoQ for two consecutive quarters due mainly to progress with selling price increases

◆ Non-GAAP basis

- In Chinese decorative business, the Chinese New Year impact was lower than expected and solid market growth continued nationwide. DIY revenue grew 28% due to higher sales volumes driven by marketing activities and progress with selling price increases. Project revenue decreased by 5% despite selling price increases due to generally weak market conditions as exemplified by tight liquidity faced by real estate developers
- Decorative revenue increased in all regions, driven by robust demand
- Automotive revenue declined in Japan due to lower automobile production resulting from global semiconductor chip shortage and pandemic-induced parts supply disruptions
- Prices of raw materials increased further due to Ukraine crisis and other factors, impacting all regions. Taking many actions to mitigate the impact, such as further selling price increases, purchasing alternative raw materials, and reducing SG&A expenses

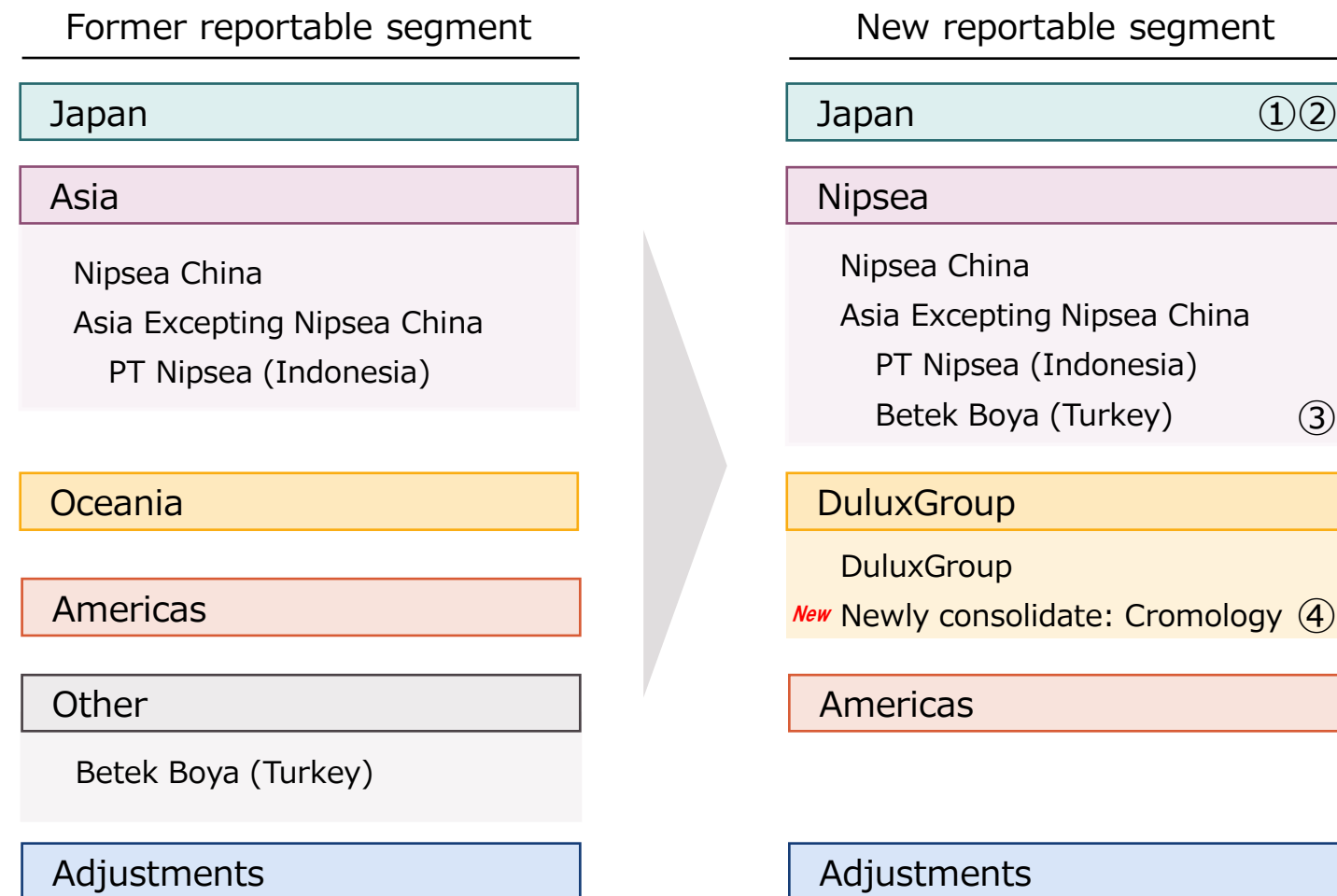
Revenue YoY analysis

Paint and Coatings Business			Paint Related Business	F/X	New consolidation
Volumes	Price/Mix	Paint (others) ^{*2}			
c. +1%	c. +7%	c. +4%	c. +1%	c. +4%	c. +11%

^{*1} The earnings for 1Q 2021 have been adjusted retrospectively following ①Reclassification of the European automotive coatings business and the India business after they were transferred to the Wuthelam Group (announced on August 10, 2021), ②Change in accounting policies involving cloud computing agreements beginning with 4Q 2021, ③Finalization of PPA for PT Nipsea (Indonesia), and ④Change in reportable segments from 1Q 2022. The same adjustments are made throughout this presentation
^{*2} Products included in the Paint and Coatings Business with unit prices and volumes significantly different from paint products, such as semi-finished products and fine chemicals, are disclosed separately from volumes and price/mix in the above graph to provide more reasonable data

2. Change in Reportable Segment

Reclassified reportable segments by management unit or region from 1Q 2022



Key points

- ① Overseas business of marine coatings is in Japan segment (previously included in Asia segment)
- ② Spun off divisions other than functions as a listed company and a pure holding company to establish NPCCS*, and NPCCS expenses are included in Japan segment (previously included in Adjustments)
- ③ Betek Boya and Nippon Paint Turkey are in Nipsea segment (previously included in Other)
- ④ Newly consolidated Cromology in DuluxGroup segment. Plan to allocate JUB, whose acquisition is scheduled for completion end May 2022, also to DuluxGroup segment

3. Raw Material Market Conditions and Business Impact

Strategic pricing actions expected to drive gradual OP margin improvement beginning in 2Q 2022

1Q 2022

- Prices of crude oil and naphtha increased further, with prices unlikely to decline within a short period, due to continuing unstable supply caused by disruptions of international logistics, intermittent manufacturing outages, and US and UK bans on Russian oil imports
- In China, lockdown, movement restrictions and zero COVID strategy, coupled with supply chain restrictions, continued to impact raw material production and logistics networks. Difficult to estimate the impact of zero COVID strategy because the situation is in flux
- Prices increased further due to continued increases in ore prices, higher utility and logistics costs, and supply and demand imbalances. Unlikely for supply to improve and prices to decline anytime soon
- Raised selling prices of decorative paints in Chinese DIY, Asia Excepting Nipsea China, and Japan
- Gross profit margin declined YoY but improved QoQ for two consecutive quarters after bottoming out in 3Q 2021

Gross profit margin

1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	YoY	QoQ
40.9%	37.6%	36.4%	37.2%	38.5%	-2.4pt	+1.3pt

2Q 2022 and beyond

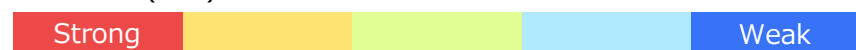
- FY2022 guidance announced in February assumed Japan naphtha price would remain above 60,000 yen during 1H 2022. The price has risen to the 80,000-yen range due to higher crude oil and naphtha prices resulting from US and UK bans on Russian oil imports and the yen's depreciation
- Continuing to increase selling prices to keep up with raw material price increases
- Assumed operating profit margin would start improving gradually in 2Q due to progress with selling price increases. However, expect margin improvement to be delayed due to current crude oil and naphtha price trends
- Good prospects over medium and longer horizons for margin recovery through selling price increases

4. Market & Business Environment

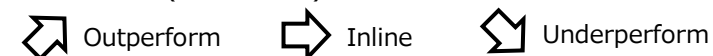
Decorative markets expected to remain relatively robust in Americas and Japan

		Japan	Asia (Nipsea China)		Oceania	Americas	Europe
1Q	Automotive	➡	➡			➡	
	Decorative	➡	↗ DIY	➡ Project	↗	➡	➡
2Q (outlook)	Automotive						
	Decorative		DIY	Project			

■ Market (YoY)



■ Business (vs. Market)*



*NPHD's estimates

5. Summary of Operating Results in Major Segments (1Q FY2022)

(Billion yen)		Tanshin		Non-GAAP		Overview
		1Q 2022	YoY	1Q 2022	YoY	
Japan	Revenue	41.8	-1.9%	41.5	-2.5%	▶Decorative ▶Automotive Higher revenue due to progress at delayed construction projects, despite impact of resurgence of pandemic Revenue decreased due to lower automobile production vs. 1Q 2021 resulting from semiconductor chip shortage and pandemic-induced parts supply disruptions *Expenses related to NPCS (functional company in Japan) are included in Japan segment from 1Q 2022 (The amount corresponding to these expenses for 1Q 2021 is included in Adjustments)
	OP	0.3	-93.2%	0.3	-93.0%	
Nipsea China	Revenue	96.3	32.0%	85.4	17.4%	▶Decorative (DIY) ▶Decorative (Project) Revenue up 28% due to strong sales, mainly from increased volume, positive impact from price increase, and lower-than-expected impact of Chinese New Year Revenue down 5% due to continuing tight liquidity and challenging market condition for real estate developers, cautious buyer sentiment
	OP	8.0	-14.9%	6.9	-24.2%	▶Automotive Higher revenue due to higher automobile production, despite pandemic-induced parts supply disruptions and semiconductor chip shortage
Asia Excepting Nipsea China	Revenue	56.3	17.6%	60.6	26.5%	▶Asia Excepting Nipsea China ▶PT Nipsea ▶Betek Boya Revenue up 27% overall. Higher revenue in Malaysia Gr. and Singapore Gr., driven by price increase and higher volume. Higher automotive revenue in Thailand Gr., despite lower automobile production vs. 1Q 2021, due to share gain in Auto OEM and Parts Higher revenue due to selling price increases, wider coverage of distribution network, expansion of distributors, more CCM* ¹ systems installed, and higher industrial coatings revenue Higher revenue due to success in brand strategy continuing from 2021, coupled with continuing strength in paint demand and selling price increases
	OP	9.8	-2.7%	10.5	6.0%	
Dulux Group	Revenue	68.0	63.8%	44.0	5.9%	▶DuluxGroup (Decorative) ▶Cromology Higher revenue due to price rises (in response to higher raw material costs). Volume slightly down due to floods impacts in Feb/Mar and 1Q 2021 impact of COVID enhanced "DIY" demand Higher revenue due to price rises (in response to higher raw material costs) and increased Southern European ETICS* ² sales. Offset by reduced volumes from softer French market conditions
	OP	6.8	18.1%	6.0	5.4%	
Americas	Revenue	21.6	22.2%	19.7	11.1%	▶Decorative ▶Automotive Higher revenue due to selling price increases, robust demand, favorable weather, and easing of pandemic-related restrictions Flat revenue due to lower automobile production because of production adjustments caused by semiconductor chip shortage and pandemic-induced parts supply disruptions
	OP	0.9	-6.8%	0.8	-15.1%	
Adjustments	Revenue	-	-	-	-	*Only HQ Expenses related to functions as a listed company and a pure holding company are included in Adjustments beginning with 1Q 2022
	OP	-1.0	-	-1.1	-	

6. Major Topics①

Possibility of an additional allowance for potential credit loss on receivables relating to Chinese business (announced on May 13)

- Examining and reassessing financial positions of ~15 major Chinese real estate developers, focusing on receivables, due to weak real estate market and cautious buyer sentiment caused by the pandemic in China and taking into consideration the present situation of real estate developers and competitors
- Based on one estimate, an additional allowance for potential credit loss on receivables in China of c. 10.0 bn -15.0 bn yen may be recorded in 2022 if credit risk increases considerably

◆ Financial impact

- No change at this time to earnings forecast for full year 2022 announced on February 14, 2022
- Amount of allowance for potential credit loss will be determined going forward. We must consider our solid earnings due to progress with selling price increases globally, revenue boost from the weaker yen, top-line growth contribution from completion of JUB acquisition, and assessment of raw material price trends. An announcement will be made promptly if a revision to the earnings forecast is necessary

◆ Allowance for potential credit loss on receivables in China

FY2021 (Results)	FY2022 (possibly recording additional allowance)
¥3.6 bn	¥10.0 bn – 15.0 bn (based on one estimate)

6. Major Topics②

M&A updates

- ◆ Cromology (acquisition closed on January 20, 2022)
 - Cromology welcomed as a partner company within DuluxGroup
 - Collaboration on future growth opportunities underway
- ◆ JUB (acquisition announced on October 29, 2021)
 - Final regulatory approval granted
 - Closing scheduled for completion end May 2022
- ◆ Five Chinese automotive consolidated subsidiaries (acquisition announced on November 2, 2021)
 - Approval obtained by competition authorities and undergoing formalities for change of registration at registration offices of individual companies in China. Closing is scheduled in June 2022

cromology



Business location in Champagné



JUB Group


JUB's office buildings and plants

6. Major Topics③


Selected for FTSE Blossom Japan Sector Relative Index (Announced by NPHD on April 4)

- This index is used by Japan's Government Pension Investment Fund (GPIF) as a benchmark for passive ESG investment management
- Remain committed to materiality related to sustainability identified from a global perspective based on a structure that strengthens the link between sustainability initiatives and businesses

Selected as constituent of following sustainability indices



**FTSE Blossom
Japan Sector
Relative Index**




**S&P/JPX
Carbon
Efficient
Index**

**2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

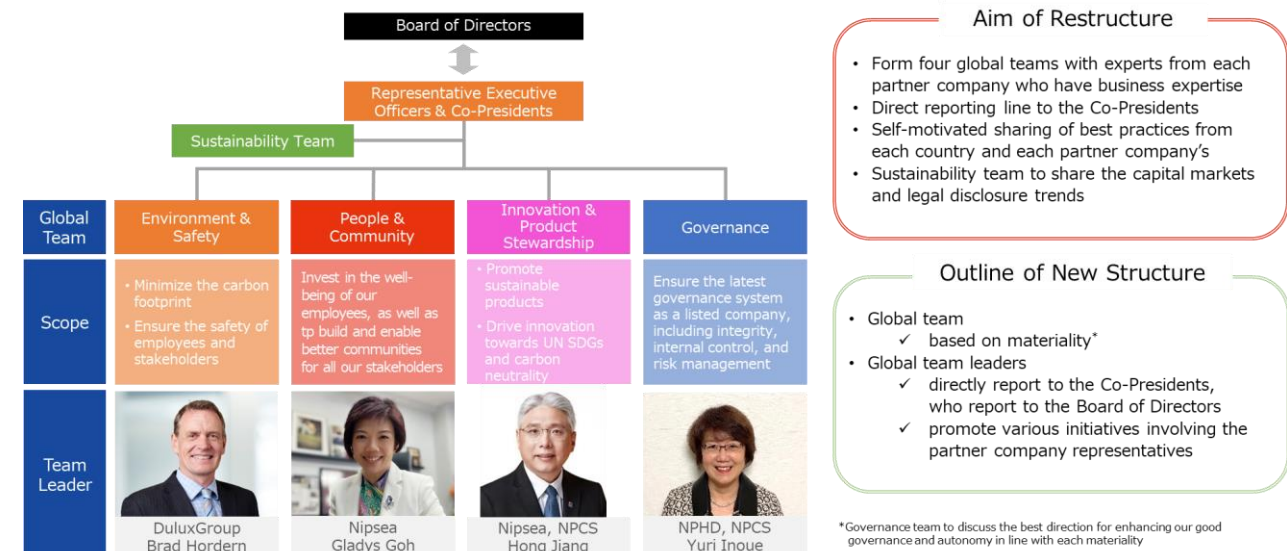
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2021



Sompo Sustainability Index

Sustainability structure launched in 2022



*From presentation for Medium-Term Management Plan Progress Briefing on March 16

6. Major Topics④

Nipsea China's LiBang brand granted various awards

- Continuous award-winning is proof of trust of customers and consumers. Continue to improve products and services as brand providing value

Announced on March 1
Home Furniture Association
/Hadoop Big Data/Housing World

"2022 Survey of China Home Living & Renovation Consumption Trend and Survey of Industry Representative Companies"



Selected as a representative company of paint industry/paint applicator industry
Selected as consumers' most preferred paint brand/paint applicator brand

Announced on March 14
China Building Material Association Floor Coating Sub-Council (CFA)

"China Floor Coating Industry Top 20 Brand Annual Award"



Selected as among top 20 brands for 2 consecutive years

Announced on March 29
China Real Estate Association Sponsored Summit

"Paint Brand Selected by Top 500 Chinese Real Estate Developers"



No.1 Preferred paint brand for 11 consecutive years
(also selected No.1 in multiple sub-categories)

Announced on April 20
Chnbrand

2022 C-BPI
(China Brand Power Index)



Wall Paint
No.1 brand for 6 consecutive years
Wood Paint
No.1 brand for 10 consecutive years

Supplemental Material

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- (Appendix) Reference Data

1. FY2022 1Q Results: Highlights

1-1. Highlights (Consolidated)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 1Q ^{*1}	FY2022 1Q	YoY (%)	FY2021 1Q ^{*1}	FY2022 1Q	YoY (Amount)	YoY (%)
Revenue	222.7	284.1	27.6%	222.5	251.1	28.7	12.9%
Operating profit	24.7	24.7	-0.0%	26.9	23.5	-3.4	-12.7%
OP margin	11.1%	8.7%	-2.4pt	12.1%	9.3%	-	-2.7pt
EBITDA	31.5	34.9	10.6%	-	-	-	-
EBITDA margin	14.2%	12.3%	-1.9pt	-	-	-	-
Profit before tax	24.1	25.3	4.7%	27.9	24.1	-3.8	-13.6%
Profit ^{*2}	16.4	18.4	12.6%	19.9	17.9	-2.0	-10.2%

Revenue

- Revenue up 27.6% YoY on Tanshin basis and 12.9% on Non-GAAP basis
- Difference between Tanshin and Non-GAAP revenue is due to new consolidation of Cromology and changes in exchange rates
- Higher decorative revenue due to contribution from selling price increases and volume growth in major regions

Operating profit

- Operating profit declined 0.0% YoY on Tanshin basis and 12.7% on Non-GAAP basis
- Lower OP margin on higher revenue due to higher RMCC^{*3} ratio, despite cost optimization and reduction activities in all regions

*1 As annotated on page 3, 1Q 2021 figures were adjusted retrospectively *2 Profit attributable to owners of parent from continuing operations *3 Raw Material Cost Contribution

1-2. Highlights (by Segment)

Expenses related to NPCS are included in Japan segment from 1Q 2022

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 1Q ^{*1}	FY2022 1Q	YoY (%)	FY2021 1Q ^{*1}	FY2022 1Q	YoY (Amount)	YoY (%)
Japan	Revenue	42.6	41.8	-1.9%	42.6	41.5	-1.1	-2.5%
	OP profit ^{*2}	4.3	0.3	-93.2%	4.3	0.3	-4.0	-93.0%
Nipsea	Revenue	120.8	152.6	26.3%	120.6	146.0	25.4	21.0%
	OP profit	19.5	17.8	-8.5%	19.1	17.5	-1.6	-8.5%
DuluxGroup	Revenue	41.5	68.0	63.8%	41.5	44.0	2.4	5.9%
	OP profit	5.7	6.8	18.1%	5.7	6.0	0.3	5.4%
Americas	Revenue	17.7	21.6	22.2%	17.7	19.7	2.0	11.1%
	OP profit	0.9	0.9	-6.8%	0.9	0.8	-0.1	-15.1%
Adjustments ^{*3}	Revenue	-	-	-	-	-	-	-
	OP profit	-5.7	-1.0	-	-3.1	-1.1	2.0	-
Total	Revenue	222.7	284.1	27.6%	222.5	251.1	28.7	12.9%
	OP profit	24.7	24.7	-0.0%	26.9	23.5	-3.4	-12.7%

*1 As annotated on page 3, the earnings for 1Q 2021 have been adjusted

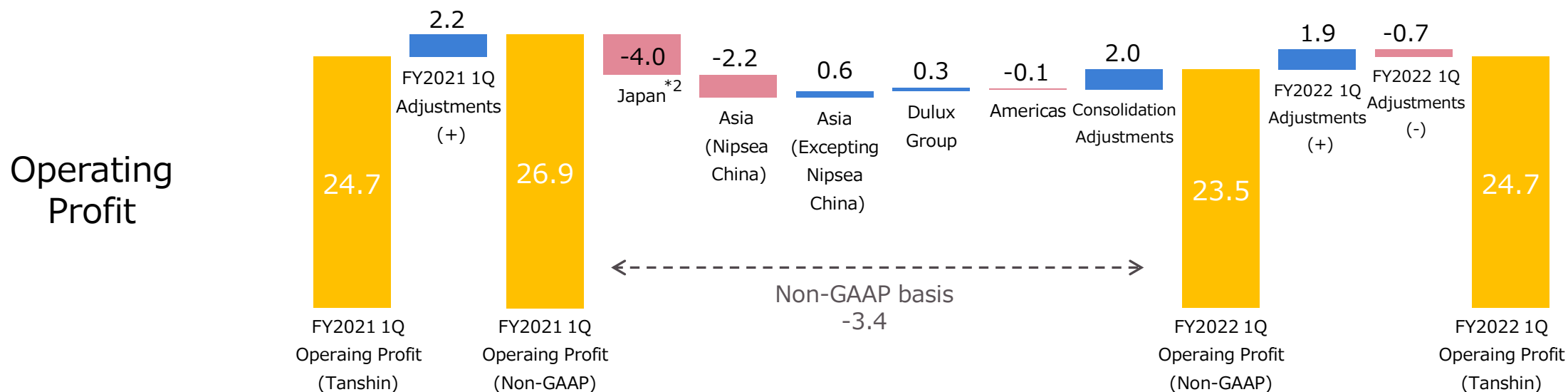
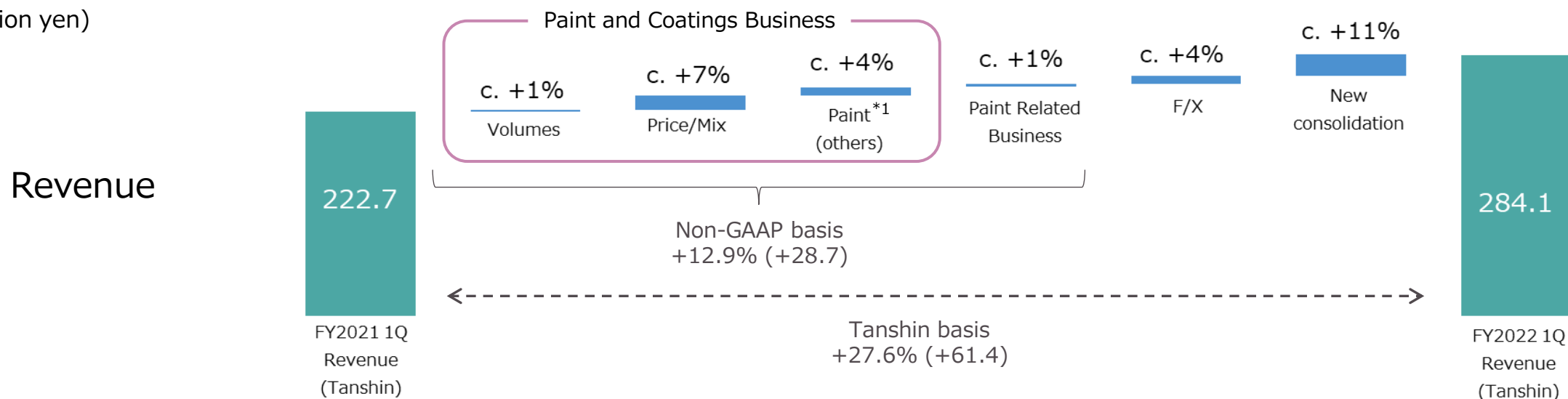
*2 Expenses related to NPCS (functional company in Japan) are included in Japan segment beginning with 1Q 2022 (The amount corresponding to these expenses for 1Q 2021 is included in Adjustments)

*3 Only HQ expenses related to functions as a listed company and a pure holding company are included in Adjustments beginning with 1Q 2022

2. FY2022 1Q Results: By Segment

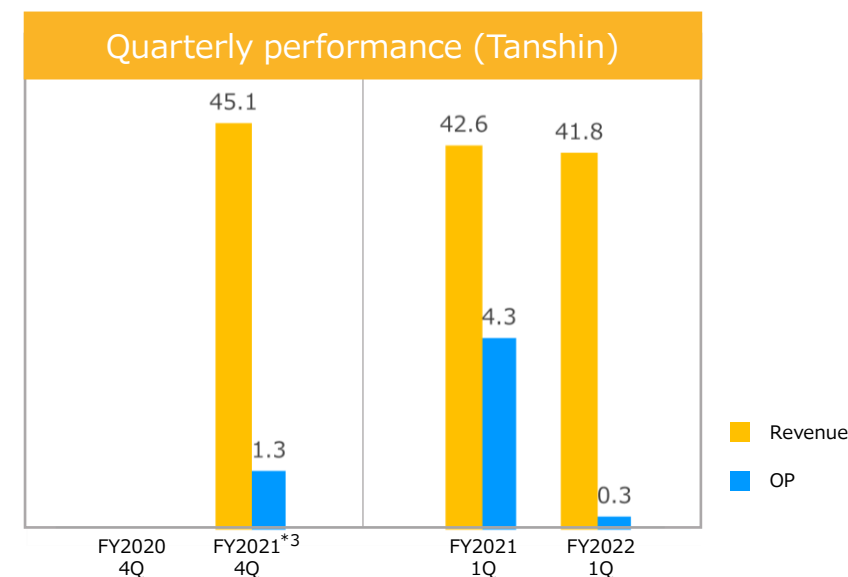
2-1. Revenue and Operating Profit Analysis

(Billion yen)



2-2. Japan

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 1Q	FY2022 1Q	YoY (%)	FY2021 1Q	FY2022 1Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	10.2	8.7	-15.2%	10.2	8.7	-1.6	-15.2%
	Decorative paints	9.9	10.4	4.8%	9.9	10.4	0.5	4.8%
	Industrial coatings	9.0	9.1	0.7%	9.0	9.1	0.1	0.7%
	Fine chemicals	2.3	2.0	-13.3%	2.3	2.0	-0.3	-13.3%
	Others ^{*1}	11.2	11.7	4.3%	11.2	11.4	0.2	2.0%
	Total	42.6	41.8	-1.9%	42.6	41.5	-1.1	-2.5%
Operating profit ^{*2}		4.3	0.3	-93.2%	4.3	0.3	-4.0	-93.0%
OP margin		10.0%	0.7%	-9.3pt	10.0%	0.7%	-	-9.3pt



Major reasons for changes

- Automotive : Lower revenue due to lower automobile production (-9%^{*4} YoY) caused by semiconductor chip shortage and pandemic-induced parts supply disruptions
- Decorative : Higher revenue due to progress at delayed construction projects, despite resurgence of the pandemic
- Industrial : Revenue flat from previous year due to lower selling volumes of coil coating, etc. due to the pandemic
- OP : Lower profit due to higher raw material prices and revised allocation of expenses related to NPCCS (previously included in Adjustments)

^{*1} The "Others" business includes marine business (including overseas business), auto refinish business, etc.

^{*2} Expenses related to NPCCS (functional company in Japan) are included in Japan segment from 1Q 2022 (The amount corresponding to these expenses for 1Q 2021 is included in Adjustments)

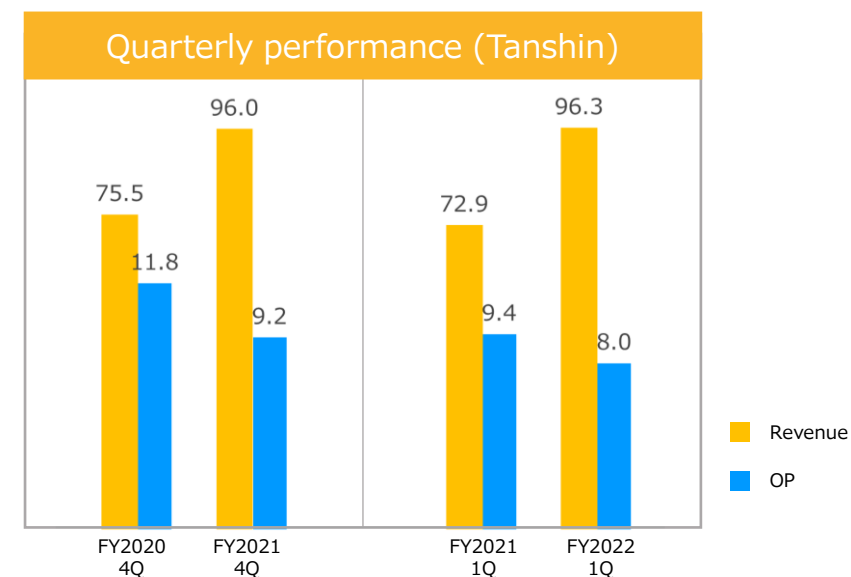
^{*3} Figures for 4Q 2021 are pro forma figures

^{*4} IHS Markit

2-3. Nipsea (Nipsea China)

(Billion yen)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 1Q	FY2022 1Q	YoY (%)	FY2021 1Q	FY2022 1Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	9.3	11.0	18.7%	9.3	9.8	0.5	5.5%
	Decorative paints	57.3	79.3	38.4%	57.1	70.3	13.2	23.0%
	Industrial coatings	5.7	5.4	-6.1%	5.7	4.7	-0.9	-16.5%
	Others* ¹	0.6	0.6	-2.2%	0.6	0.6	-0.1	-13.0%
	Total	72.9	96.3	32.0%	72.7	85.4	12.6	17.4%
Operating profit		9.4	8.0	-14.9%	9.1	6.9	-2.2	-24.2%
OP margin		12.8%	8.3%	-4.6pt	12.6%	8.1%	-	-4.5pt



Major reasons for changes

- Automotive : Higher revenue due to higher automobile production vs. 1Q 2021 (+3%*²), despite impact of semiconductor shortage and pandemic-induced parts supply disruptions
- Decorative : DIY revenue up 28% with lower-than-expected impact of Chinese New Year and robust market growth continuing in each region and Project revenue down 5% due to challenging market conditions and many projects cannot restart due to the COVID situation
- Industrial : Lower revenue across due to weaker performance particularly coil coating
- OP : Lower profit as a result of higher decorative revenue and higher RMCC ratio

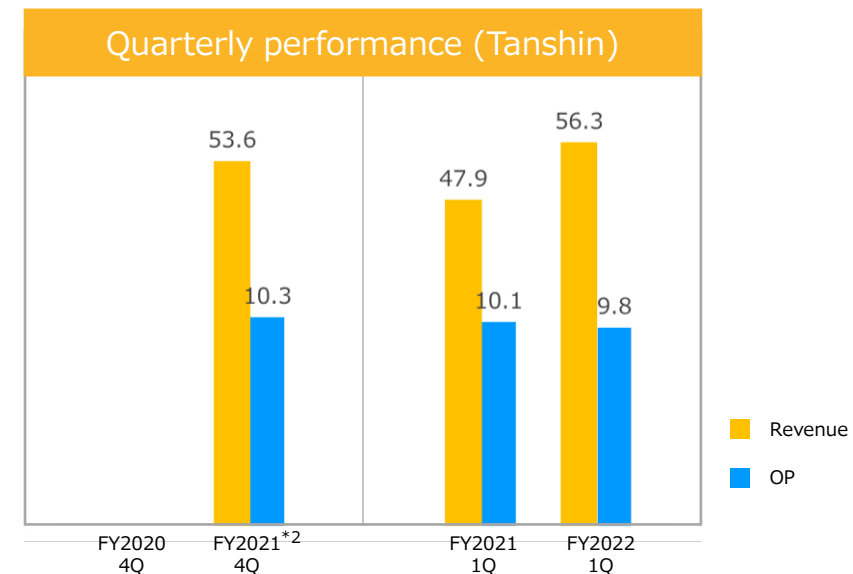
*1 The "Others" business includes auto refinish business, etc. *2 IHS Markit

2-4. Nipsea (Asia Excepting Nipsea China*1)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 1Q	FY2022 1Q	YoY (%)	FY2021 1Q	FY2022 1Q	YoY (Amount)	YoY (%)
Revenue	47.9	56.3	17.6%	47.9	60.6	12.7	26.5%
Operating profit	10.1	9.8	-2.7%	9.9	10.5	0.6	6.0%
OP margin	21.1%	17.5%	-3.6pt	20.8%	17.4%	-	-3.4pt

*1 Including earnings of PT Nipsea (Indonesia) and Betek Boya (Turkey)
(Please see the next page for more information)



Major reasons for changes

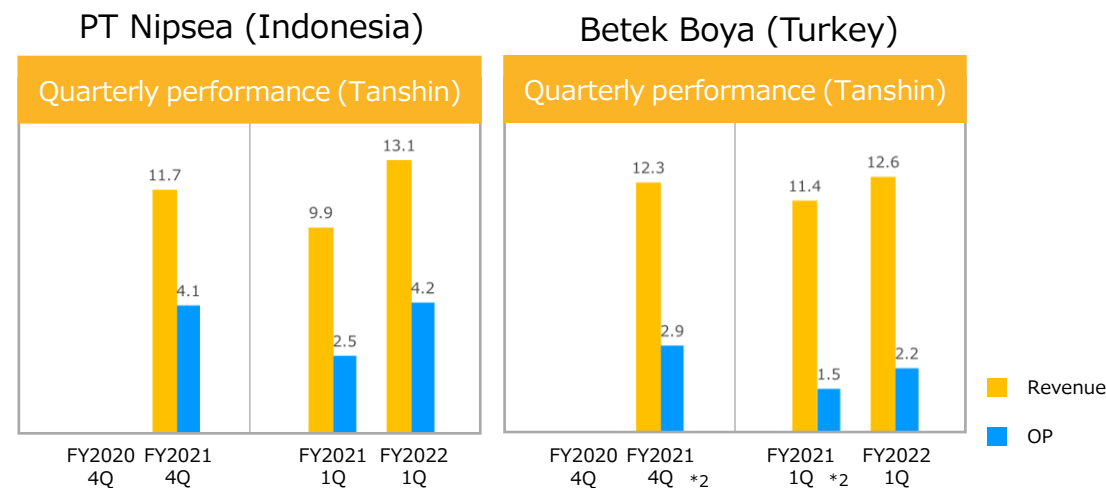
- Malaysia Group : Higher revenue due to strong growth in Pakistan and Bangladesh and successful selling price increases in Malaysia and other areas
- Singapore Group : Higher revenue due to successful selling price increases, coupled with strong sales in Singapore, Vietnam, and Sri Lanka
- Thailand Group : Higher revenue in Thailand Group as a whole, even though automotive business was impacted by semiconductor chip shortage and pandemic-induced parts supply disruptions, due to share gain in Auto OEM and Parts
- OP : Higher profit on higher revenue, despite the higher RMCC ratio

*2 Figures for 4Q 2021 are pro forma figures

2-5. PT Nipsea (Indonesia) and Betek Boya (Turkey)

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 1Q	FY2022 1Q	YoY (%)	FY2021 1Q	FY2022 1Q	YoY (Amount)	YoY (%)
PT Nipsea (Indonesia)	Revenue	9.9	13.1	32.6%	9.9	12.0	2.1	21.3%
	Operating profit	2.5	4.2	68.2%	3.9	3.8	-0.0	-0.5%
	OP margin	25.2%	31.9%	6.8pt	39.0%	32.0%	-	-7.0pt
	OP margin ^{*1}	39.5%	32.4%	-7.1pt	39.5%	32.4%	-	-7.1pt
		Results(Tanshin)			Results(Non-GAAP)			
		FY2021 1Q ^{*2}	FY2022 1Q	YoY (%)	FY2021 1Q ^{*2}	FY2022 1Q	YoY (Amount)	YoY (%)
Betek Boya (Turkey)	Revenue	11.4	12.6	10.3%	11.4	20.9	9.5	83.7%
	Operating profit	1.5	2.2	44.7%	1.5	3.4	1.9	129.4%
	OP margin	13.1%	17.2%	4.1pt	13.1%	16.4%	-	3.3pt



PT Nipsea (Indonesia)

- Revenue : Higher revenue due to higher selling prices, wider coverage of distribution network, expansion of distributors, more CCM systems installed, and higher industrial revenue
- OP : Flat profit on higher revenue, due to increases in raw material prices and sales promotion expenses

Betek Boya (Turkey)

- Revenue : Higher revenue due to selling price increases, coupled with successful brand strategy continuing from 2021
- OP : Higher profit on higher revenue, coupled with improvement in product mix and RMCC ratio due to less discounts

^{*1} Before fair value adjustments of inventories from PPA (c. 1.5 bn yen) and before amortization of intangible assets from PPA

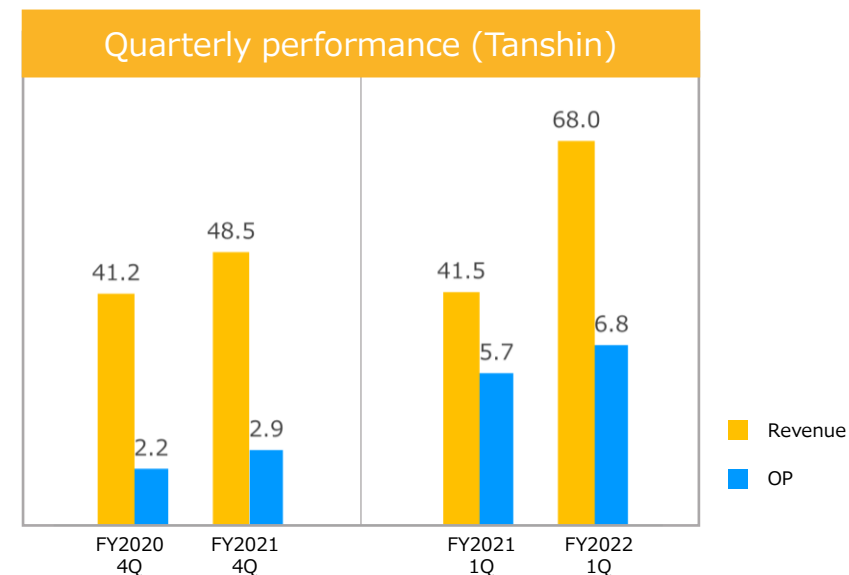
^{*2} Retrospective adjustment has been made following a change in accounting treatment from intersegment transactions to intrasegment transactions due to the change in reportable segments

2-6. DuluxGroup^{*1}

(Billion yen)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 1Q	FY2022 1Q	YoY (%)	FY2021 1Q	FY2022 1Q	YoY (Amount)	YoY (%)
Revenue	Decorative paints	21.5	44.3	105.6%	21.5	22.9	1.4	6.4%
	Industrial coatings	1.6	1.9	23.2%	1.6	1.9	0.3	19.3%
	Paint related business	18.4	21.8	18.5%	18.4	19.2	0.8	4.1%
	Total	41.5	68.0	63.8%	41.5	44.0	2.4	5.9%
Operating profit		5.7	6.8	18.1%	5.7	6.0	0.3	5.4%
OP margin		13.8%	10.0%	-3.9pt	13.8%	13.8%	-	-0.1pt
OP margin ^{*2}		14.5%	10.4%	-4.1pt	14.5%	14.4%	-	-0.1pt

^{*1} Including earnings of the newly consolidated Cromology
(Please see the next page for more information)



Major reasons for changes

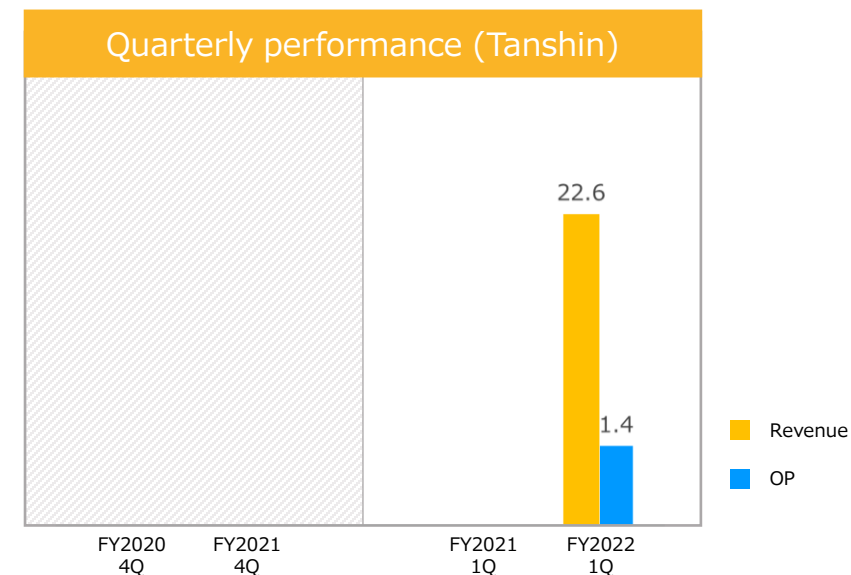
- Decorative : Higher revenue due to price rises (in response to higher raw material costs). Volumes were slightly down due to flood impacts in New South Wales/Queensland and 1Q 2021 impact of COVID enhanced “DIY” demand
- Paint related : Higher revenue on strong consumer DIY and trade DIFM^{*3} sales, coupled with selling price increases business
- OP : Higher profit despite higher raw material prices, due to successful implementation of selling price increases

^{*2} Before amortization of intangible assets from PPA ^{*3} Do It For Me

2-7. New Consolidation: Cromology

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2021	FY2022	YoY	FY2021	FY2022	YoY	YoY
		1Q	1Q	(%)	1Q	1Q	(Amount)	(%)
Cromology	Revenue	-	22.6	-	-	-	-	-
	Operating profit	-	1.4	-	-	-	-	-
	OP margin*	-	6.4%	-	-	-	-	-



Major reasons for changes (For reference: Revenue +3.4% in local currency)

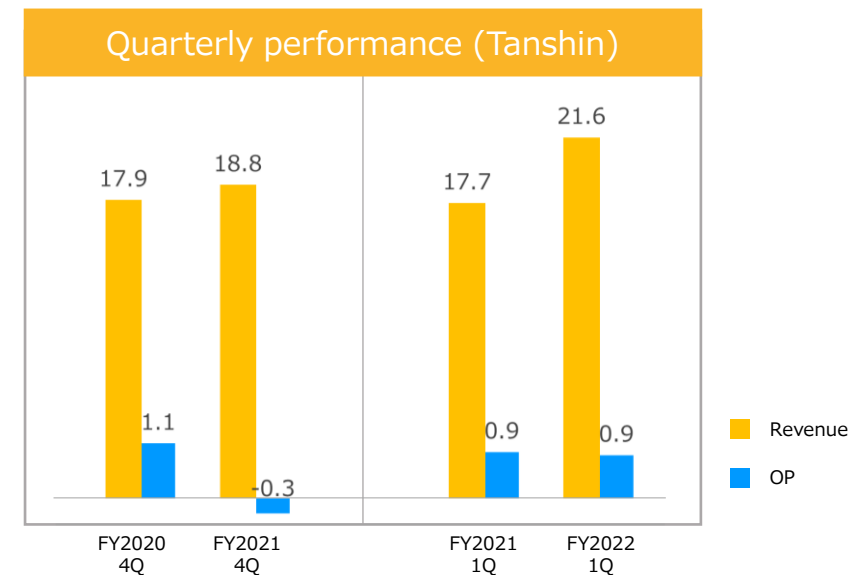
- Revenue : Higher revenue due to price rises (in response to higher raw material costs) and increased Southern European ETICS sales. Offset by reduced volumes due to softer French market conditions
- OP : Flat profit, with margin compression (from rising input costs) offset by reduced SG&A spend

*PPA is not finalized

2-8. Americas

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 1Q	FY2022 1Q	YoY (%)	FY2021 1Q	FY2022 1Q	YoY (Amount)	YoY (%)
Revenue							
Automotive coatings	6.2	7.0	13.0%	6.2	6.3	0.2	2.6%
Decorative paints	11.2	14.3	27.4%	11.2	13.0	1.8	15.9%
Fine chemicals	0.3	0.4	16.8%	0.3	0.3	0.0	6.2%
Total	17.7	21.6	22.2%	17.7	19.7	2.0	11.1%
Operating profit	0.9	0.9	-6.8%	0.9	0.8	-0.1	-15.1%
OP margin	5.2%	4.0%	-1.2pt	5.2%	4.0%	-	-1.2pt



Major reasons for changes

- Automotive : Flat revenue due to lower automobile production (-3%* YoY) because of production adjustments caused by semiconductor chip shortage and pandemic-induced parts supply disruptions
- Decorative : Higher revenue driven by robust demand, favorable weather, easing of pandemic-related restrictions, and contribution of selling price increases
- OP : Lower profit due to lower automotive revenue, higher logistics costs due to staffing shortage in the U.S., and higher raw material prices, despite higher decorative revenue and selling price increases

*IHS Markit

NIPPON PAINT HOLDINGS CO., LTD. Investor Relations

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The forward-looking statements in this document are based on information available at the time of preparation and involve inherent risks and uncertainties. Accordingly, the actual results and performance of Nippon Paint Holdings Co., Ltd. and the Nippon Paint Holdings Group may differ significantly from the forward-looking statements. Please be advised that Nippon Paint Holdings Co., Ltd. and information providers shall not be responsible for any damage suffered by any person relying on any information of statements contained herein.

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FY2022 1Q Financial Results Presentation Material Reference Data

May 13, 2022
Nippon Paint Holdings Co., Ltd.

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1. Revenue & Operating Profit Transition by Segment (Former Reportable Segment)

(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	4Q	Full Year
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	8.9	35.3
	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	12.1	45.4
	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	10.0	38.1
	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	1.8	8.4
	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	9.3	37.4
	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	42.1	164.6
	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	1.6	10.3
Oceania	Decorative	-	-	-	-	-	-	-	6.6	18.0	24.6	17.0	18.9	20.0	21.1	77.1	21.5	21.6	22.0	25.3	90.4
	Industrial	-	-	-	-	-	-	-	0.5	1.5	2.0	1.3	1.2	1.6	1.5	5.7	1.6	1.9	1.9	2.0	7.4
	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	21.2	78.4
	Revenue	-	-	-	-	-	-	-	13.1	34.4	47.6	31.8	35.0	40.3	41.2	148.3	41.5	42.7	43.6	48.5	176.2
	Operating profit	-	-	-	-	-	-	-	2.8	3.1	5.9	3.3	4.6	5.2	2.2	15.4	5.7	5.3	5.1	2.9	19.0
	OP margin	-	-	-	-	-	-	-	21.4%	8.9%	12.3%	10.5%	13.2%	13.0%	5.4%	10.4%	13.8%	12.4%	11.7%	6.0%	10.8%
	One-time factor ^{※4}	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.4	-0.4	-0.8
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	5.5	23.3
	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	12.9	51.8
	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	0.4	1.3
	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	18.8	76.4
	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	-0.3	3.6
	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%	-1.8%	4.7%
Other	Automotive ^{※5}	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	0.5	1.6
	Decorative	-	-	-	-	-	-	-	4.7	4.2	8.8	5.2	4.1	6.8	4.8	21.0	6.7	7.5	6.6	6.2	27.1
	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	1.4	5.0
	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	4.7	17.1
	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	12.8	50.8
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	3.0	7.1
	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%	23.4%	14.1%
	One-time factor ^{※4}	-	-	-	-	-	-	-	-	-7.8	-7.8	-	-	-	-	-	-	-	-	-	-

※1 The earnings for FY2020 and thereafter have been adjusted retrospectively following the classification of the European automotive coatings business and the India business after they were transferred to the Wuthelam Group (announced on August 10, 2021) and a change in accounting policy regarding cloud computing agreement beginning with 4Q FY2021. Figures for 1Q, 2Q, 3Q FY2020 and 1Q, 2Q, 3Q FY2021 are pro forma figures

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

※3 The earnings figures for FY2019 are before the classification of NPHD's expenses which were previously charged to the Japan segment to Adjustments and Figures from FY2020 are after the application of this classification

※4 One-time factor is the total amount of subsidy/insurance (subsidy income, insurance income, gain on sale of non-current assets, expenses for production facility restructuring projects in Japan), M&A related expenses, impairment loss and provision for bad debt included in Adjustments, which have been disclosed in the reference data of the financial results presentation material Excluding PPA step-up from inventory related to the acquisition of the PT Nipsea (Indonesia)(c. ¥ 1.5 bn)

※5 Automotive coatings business of Nippon Paint Turkey

1. Revenue & Operating Profit Transition by Segment (Former Reportable Segment)

(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	4Q	Full Year
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	20.5	72.5
	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	101.2	392.4
	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	8.7	34.2
	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	1.9	6.8
	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	6.4	20.8
	Paint related business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.3	1.1	1.1	3.4
	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	139.9	530.2
	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	16.3	60.9
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%	11.6%	11.5%
One-time factor ^{※3}		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	1.3	-0.6

■ 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	10.7	38.4
	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	78.1	312.4
	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	6.5	25.7
	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	0.7	2.6
	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	96.0	379.1
	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	9.2	35.9
	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%	9.6%	9.5%
One-time factor ^{※3}		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	1.3	-0.6
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	43.8	151.1
	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	7.0	25.0
	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%	16.1%	16.5%
	One-time factor ^{※3}	-	-	-	-	-	-	-	-	-2.6	-2.6	-	0.1	0.1	0.1	0.3	-	-	-	-	-
Adjustments	Revenue	Not disclosed					Not disclosed					-	-	-	-	-	-	-	-	-	-
	Operating profit	Not disclosed					Not disclosed					-2.0	-1.9	-2.2	-3.1	-9.2	-5.6	-3.3	-2.5	-1.9	-13.3
	One-time factor ^{※3}	Not disclosed					Not disclosed					-	-	-0.3	-0.2	-0.5	-2.6	-1.0	-	-0.2	-3.9
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	262.0	998.3
	Operating profit	21.9	23.0	21.9	19.7	86.5	20.1	21.8	24.4	11.7	78.1	15.4	20.0	28.6	23.5	87.6	24.7	24.3	17.1	21.5	87.6
	OP margin	14.7%	14.0%	13.6%	12.9%	13.8%	13.6%	13.2%	13.4%	5.9%	11.3%	9.6%	11.0%	13.4%	10.9%	11.3%	11.1%	9.4%	6.7%	8.2%	8.8%
	One-time factor ^{※3}	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	0.6	-5.4

※1 The earnings for FY2020 and thereafter have been adjusted retrospectively following the classification of the European automotive coatings business and the India business after they were transferred to the Wuthelam Group (announced on August 10, 2021) and a change in accounting policy regarding cloud computing agreement beginning with 4Q FY2021. Figures for 1Q, 2Q, 3Q FY2020 and 1Q, 2Q, 3Q FY2021 are pro forma figures

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

※3 One-time factor is the total amount of subsidy/insurance (subsidy income, insurance income, gain on sale of non-current assets, expenses for production facility restructuring projects in Japan), M&A related expenses, impairment loss and provision for bad debt included in Adjustments, which have been disclosed in the reference data of the financial results presentation material Excluding PPA step-up from inventory related to the acquisition of the PT Nipsea (Indonesia)(c. ¥ 1.5 bn)

2. Revenue & Operating Profit Transition by Segment (New Reportable Segment)

(Billion yen)

		FY2021 ^{※1}					FY2022
		1Q	2Q	3Q	4Q	Full Year	1Q
Japan	Automotive	10.2	8.5	7.6	8.9	35.3	8.7
	Decorative	9.9	11.9	11.4	12.1	45.4	10.4
	Industrial	9.0	9.6	9.6	10.0	38.1	9.1
	Fine chemicals	2.3	2.4	2.0	1.8	8.4	2.0
	Others ^{※2}	11.2	11.5	11.7	12.3	46.8	11.7
	Revenue	42.6	43.9	42.3	45.1	174.0	41.8
	Operating profit	4.3	2.8	1.2	1.3	9.5	0.3
DuluxGroup	OP margin	10.0%	6.4%	2.8%	2.9%	5.5%	0.7%
	One-time factor ^{※3}	-	-	-0.1	-0.0	-0.1	-
	Decorative	21.5	21.6	22.0	25.3	90.4	44.3
	Industrial	1.6	1.9	1.9	2.0	7.4	1.9
DuluxGroup	Paint related business	18.4	19.2	19.7	21.2	78.4	21.8
	Revenue	41.5	42.7	43.6	48.5	176.2	68.0
	Operating profit	5.7	5.3	5.1	2.9	19.0	6.8
	OP margin	13.8%	12.4%	11.7%	6.0%	10.8%	10.0%
	One-time factor ^{※3}	-	-	-0.4	-0.4	-0.8	-0.9

■ Breakdown of DuluxGroup

DuluxGroup	Decorative	21.5	21.6	22.0	25.3	90.4	23.7
	Industrial	1.6	1.9	1.9	2.0	7.4	1.9
	Paint related business	18.4	19.2	19.7	21.2	78.4	19.8
	Revenue	41.5	42.7	43.6	48.5	176.2	45.4
	Operating profit	5.7	5.3	5.1	2.9	19.0	5.3
Cromology	OP margin	13.8%	12.4%	11.7%	6.0%	10.8%	11.7%
	One-time factor ^{※3}	-	-	-0.4	-0.4	-0.8	-0.9
	Revenue	-	-	-	-	-	22.6
Cromology	Operating profit	-	-	-	-	-	1.4
	OP margin	-	-	-	-	-	6.4%
	One-time factor ^{※3}	-	-	-	-	-	-

※1 The earnings for 1Q 2021 have been adjusted retrospectively following ①Reclassification of the European automotive coatings business and the India business after they were transferred to the Wuthelam Group (announced on August 10, 2021), ②Change in accounting policies involving cloud computing agreements beginning with 4Q 2021, ③Finalization of PPA for PT Nipsea (Indonesia business), and ④Change in reportable segment from 1Q 2022. The same adjustments are made throughout this presentation. Figures for 2Q, 3Q, 4Q, full year 2021 are pro forma figures

※2 Includes marine business (including overseas business), auto refinish business, etc.

※3 One-time factor is the total amount of subsidy/insurance (subsidy income, insurance income, gain on sale of non-current assets, expenses for production facility restructuring projects in Japan), M&A related expenses, impairment loss and provision for bad debt included in Adjustments, which have been disclosed in the reference page of the financial results presentation material.
Excluding PPA step-up from inventory related to the acquisition of the PT Nipsea (Indonesia)(c. ¥ 1.5 bn)

2. Revenue & Operating Profit Transition by Segment (New Reportable Segment)

(Billion yen)

		FY2021 ^{※1}					FY2022
		1Q	2Q	3Q	4Q	Full Year	1Q
Nipsea	Automotive	18.6	18.4	16.0	21.0	74.1	21.2
	Decorative	85.5	112.2	114.4	107.4	419.5	111.3
	Industrial	8.9	10.4	9.9	10.1	39.3	9.3
	Fine chemicals	1.6	1.7	1.6	1.9	6.8	2.1
	Others ^{※2}	2.6	2.8	2.6	3.4	11.5	2.9
	Paint related business	3.6	6.3	4.8	5.8	20.5	6.0
	Revenue	120.8	151.8	149.3	149.6	571.6	152.6
	Operating profit	19.5	17.7	12.1	19.6	68.8	17.8
	OP margin	16.1%	11.6%	8.1%	13.1%	12.0%	11.7%
One-time factor ^{※3}		0.2	0.4	-2.5	1.3	-0.6	0.4

■ Breakdown of Nipsea

Nipsea China	Automotive	9.3	9.8	8.6	10.7	38.4	11.0
	Decorative	57.3	85.0	92.1	78.1	312.4	79.3
	Industrial	5.7	7.1	6.4	6.5	25.7	5.4
	Others ^{※2}	0.6	0.7	0.5	0.7	2.6	0.6
	Revenue	72.9	102.5	107.6	96.0	379.1	96.3
	Operating profit	9.4	10.0	7.2	9.2	35.9	8.0
	OP margin	12.8%	9.8%	6.7%	9.6%	9.5%	8.3%
One-time factor ^{※3}		0.2	0.4	-2.5	1.3	-0.6	0.4
Excepting Nipsea China	Revenue	47.9	49.3	41.7	53.6	192.5	56.3
	Operating profit	10.1	7.6	4.9	10.3	33.0	9.8
	OP margin	21.1%	15.5%	11.7%	19.3%	17.1%	17.5%
	One-time factor ^{※3}	-	-	-	-	-	-
Americas	Automotive	6.2	6.1	5.6	5.5	23.3	7.0
	Decorative	11.2	14.3	13.4	12.9	51.8	14.3
	Fine chemicals	0.3	0.3	0.2	0.4	1.3	0.4
	Revenue	17.7	20.7	19.2	18.8	76.4	21.6
	Operating profit	0.9	1.8	1.2	-0.3	3.6	0.9
	OP margin	5.2%	8.8%	6.2%	-1.8%	4.7%	4.0%
	One-time factor ^{※3}	-	-	-	-	-	-
Adjustments	Revenue	-	-	-	-	-	-
	Operating profit	-5.7	-3.3	-2.5	-1.9	-13.4	-1.0
	One-time factor ^{※3}	-2.6	-1.0	-	-0.2	-3.9	-
Total	Revenue	222.7	259.1	254.5	262.0	998.3	284.1
	Operating profit	24.7	24.3	17.1	21.5	87.6	24.7
	OP margin	11.1%	9.4%	6.7%	8.2%	8.8%	8.7%
	One-time factor ^{※3}	-2.3	-0.7	-3.0	0.6	-5.4	-0.5

※1 The earnings for 1Q 2021 have been adjusted retrospectively following ①Reclassification of the European automotive coatings business and the India business after they were transferred to the Wuthelam Group (announced on August 10, 2021), ②Change in accounting policies involving cloud computing agreements beginning with 4Q 2021, ③Finalization of PPA for PT Nipsea (Indonesia business), and ④Change in reportable segment from 1Q 2022. The same adjustments are made throughout this presentation. Figures for 2Q, 3Q, 4Q, full year 2021 are pro forma figures

※2 Includes auto refinish business, etc.

※3 One-time factor is the total amount of subsidy/insurance (subsidy income, insurance income, gain on sale of non-current assets, expenses for production facility restructuring projects in Japan), M&A related expenses, impairment loss and provision for bad debt included in adjustments, which have been disclosed in the reference page of the financial results presentation material. Excluding PPA step-up from inventory related to the acquisition of the PT Nipsea (Indonesia)(c.¥ 1.5 bn)

3. Revenue & Operating Profit Contribution from DuluxGroup, Betek Boya, PT Nipsea and Cromology

(Billion yen)

		FY2019 ^{※1}					FY2020 ^{※1}					FY2021 ^{※1}					FY2022 ^{※1}
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q
DuluxGroup (Consolidated)	Revenue	Before consolidation		13.1	34.4	47.6	31.8	35.0	40.3	41.2	148.3	41.5	42.7	43.6	48.5	176.2	68.0
	Operating profit			2.8	3.1	5.9	3.3	4.6	5.2	2.2	15.4	5.7	5.3	5.1	2.9	19.0	6.8
	OP margin			21.4%	8.9%	12.3%	10.5%	13.2%	13.0%	5.4%	10.4%	13.8%	12.4%	11.7%	6.0%	10.8%	10.0%
DuluxGroup	Revenue	Before consolidation		13.1	34.4	47.6	31.8	35.0	40.3	41.2	148.3	41.5	42.7	43.6	48.5	176.2	45.4
	Operating profit			2.8	3.1	5.9	3.3	4.6	5.2	2.2	15.4	5.7	5.3	5.1	2.9	19.0	5.3
	OP margin			21.4%	8.9%	12.3%	10.5%	13.2%	13.0%	5.4%	10.4%	13.8%	12.4%	11.7%	6.0%	10.8%	11.7%
Cromology	Revenue	Before consolidation					Before consolidation					Before consolidation					22.6
	Operating profit																1.4
	OP margin																6.4%
Betek Boya (Turkey) ^{※2}	Revenue	Before consolidation		7.8	7.3	15.1	8.0	7.4	11.3	9.5	36.2	11.4	13.7	11.7	12.3	49.2	12.6
	Operating profit			1.0	1.2	2.2	1.0	0.6	2.0	1.3	4.9	1.5	1.5	1.5	2.9	7.5	2.2
	OP margin			13.1%	16.1%	14.6%	12.4%	8.3%	18.0%	13.6%	13.6%	13.1%	11.0%	13.2%	23.7%	15.2%	17.2%
PT Nipsea (Indonesia)	Revenue	Before consolidation					Before consolidation					9.9	9.7	8.1	11.7	39.5	13.1
	Operating profit											2.5	3.2	2.0	4.1	11.8	4.2
	OP margin											25.2%	32.3%	24.1%	35.4%	29.7%	31.9%
Exchange rate (average rate)		1Q	1H	9		Full Year	1Q	1H	9		Full Year	1Q	1H	9 month		Full Year	1Q
	JPY/USD	110.3	110.0	109.2		109.2	109.1	108.2	107.2		106.4	107.1	108.5	109.1		110.4	117.8
	JPY/RMB	16.5	16.2	15.9		15.8	15.5	15.3	15.3		15.4	16.5	16.8	16.9		17.1	18.6
	JPY/AUD	-	-	72.9		74.7	70.5	71.1	72.8		73.7	82.6	83.4	82.4		82.7	85.2
	JPY/TRY	-	-	19.0		18.9	17.5	16.6	15.8		15.2	14.0	13.5	13.3		12.5	8.4
	JPY/IDR	-	-	-		-	-	-	-		-	0.0075	0.0076	0.0076		0.0077	0.0082

※1 The earnings figures for the above companies excepting for Cromology are after the elimination of internal transactions and after PPA

DuluxGroup was consolidated to the Group's earnings from September 2019, Betek Boya from July 2019, PT Nipsea from January 2021 and Cromology from January 2022

※2 Retrospective adjustment has been made to figures beginning with 1Q 2021 following a change in accounting treatment from intersegment transactions to intrasegment transactions due to the change in reportable segments

4. Breakdown of Adjustments (FY2021 1Q vs. FY2022 1Q)

(Billion yen)		FY2021 1Q					FY2022 1Q				
		FX	Subsidy, etc. ※1	M&A related expense	New acqui- sitions	Total	FX	Subsidy, etc. ※1	M&A related expense	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-
	Others ※2	-	-	-	-	-	0.3	-	-	-	0.3
	Revenue	-	-	-	-	-	0.3	-	-	-	0.3
Dulux Group	Operating profit	-	-	-	-	-	-0.0	-	-	-	-0.0
	Decorative	-	-	-	-	-	0.7	-	-	20.6	21.4
	Industrial	-	-	-	-	-	0.1	-	-	-	0.1
	Paint related business	-	-	-	-	-	0.6	-	-	2.0	2.6
	Revenue	-	-	-	-	-	1.4	-	-	22.6	24.1
	Operating profit	-	-	-	-	-	0.2	-0.2	-0.7	1.4	0.7
■ Breakdown of DuluxGroup											
Dulux Group	Decorative	-	-	-	-	-	0.7	-	-	-	0.7
	Industrial	-	-	-	-	-	0.1	-	-	-	0.1
	Paint related business	-	-	-	-	-	0.6	-	-	-	0.6
	Revenue	-	-	-	-	-	1.4	-	-	-	1.4
	Operating profit	-	-	-	-	-	0.2	-0.2	-0.7	-	-0.7
Cromology	Revenue	-	-	-	-	-	-	-	-	22.6	22.6
	Operating profit	-	-	-	-	-	-	-	-	1.4	1.4

※1 Subsidy, etc. includes subsidy income and expenses for production facility restructuring projects in Japan

※2 Includes marine business (including overseas business), auto refinish business, etc.

4. Breakdown of Adjustments (FY2021 1Q vs. FY2022 1Q)

(Billion yen)		FY2021 1Q					FY2022 1Q				
		FX	Subsidy, etc.※1	M&A related expense	New acqui- sitions	Total	FX	Subsidy, etc.※1	M&A related expense	New acqui- sitions	Total
Nipsea	Automotive	0.0	-	-	-	0.0	1.6	-	-	-	1.6
	Decorative	0.2	-	-	-	0.2	6.5	-	-	-	6.5
	Industrial	0.0	-	-	-	0.0	-0.2	-	-	-	-0.2
	Fine chemicals	-	-	-	-	-	0.0	-	-	-	0.0
	Others※2	0.0	-	-	-	0.0	0.2	-	-	-	0.2
	Paint related business	-	-	-	-	-	-3.0	-	-	1.5	-1.5
	Revenue	0.2	-	-	-	0.2	5.1	-	-	1.5	6.7
	Operating profit	-	0.2	-	0.2	0.4	-0.2	0.4	-	0.2	0.3
■ Breakdown of Nipsea											
Nipsea China	Automotive	0.0	-	-	-	0.0	1.3	-	-	-	1.3
	Decorative	0.2	-	-	-	0.2	9.0	-	-	-	9.0
	Industrial	0.0	-	-	-	0.0	0.6	-	-	-	0.6
	Others※2	0.0	-	-	-	0.0	0.1	-	-	-	0.1
	Revenue	0.2	-	-	-	0.2	10.9	-	-	-	10.9
	Operating profit	-	0.2	-	-	0.2	0.7	0.4	-	-	1.0
Excepting Nipsea China	Revenue	-	-	-	-	-	-5.8	-	-	1.5	-4.3
	Operating profit	-	-	-	0.2	0.2	-0.9	-	-	0.2	-0.7
Amricas	Automotive	-	-	-	-	-	0.6	-	-	-	0.6
	Decorative	-	-	-	-	-	1.3	-	-	-	1.3
	Fine chemicals	-	-	-	-	-	0.0	-	-	-	0.0
	Revenue	-	-	-	-	-	2.0	-	-	-	2.0
	Operating profit	-	-	-	-	-	0.1	-	-	-	0.1
Adjustments	Revenue	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-2.6	-	-2.6	0.1	-	-	-	0.1
Total	Revenue	0.2	-	-	-	0.2	8.8	-	-	24.2	33.0
	Operating profit	-	0.2	-2.6	0.2	-2.2	0.1	0.2	-0.7	1.6	1.2

※1 Subsidy, etc. includes subsidy income and expenses for production facility restructuring projects in Japan

※2 Includes auto refinish business, etc.

5. Key Financial Data

<Capital Expenditure, Depreciation, R&D Expenses>

		FY2021	FY2022
(Billion yen)		1Q	1Q
Capital expenditure	Property, plant and	8.8	11.3
	Intangible assets	0.9	1.2
	Total	9.7	12.6
Depreciation	Property, plant and	6.7	8.0
	Intangible assets	1.7	2.2
	Total	8.4	10.2
R&D		5.6	6.2

<Other Major indicators>

	As of Dec. 31, 2021	As of March 31, 2022
Equity attributable to owners of parent to total assets(%)	49.1	45.5
Net debt [※] (billion yen)	429.3	631.7
EPS (yen)	29.41	7.70

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

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

	FY2020	FY2021	FY2022	FY2022
	Full Year	Full Year	1Q	Full Year Forecast
JPY/USD	106.4	110.4	117.8	114.0
JPY/RMB	15.4	17.1	18.6	17.8
JPY/AUD	73.7	82.7	85.2	84.0
JPY/TRY	15.2	12.5	8.4	8.1
JPY/IDR	-	0.0077	0.0082	0.0080

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

	As of Dec. 31, 2021	As of March 31, 2022
JPY/USD	115.0	122.4
JPY/RMB	18.1	19.3
JPY/AUD	83.4	91.9
JPY/TRY	9.1	8.4

6. Key Market Data

<Paint sales volume>

	FY2018					FY2019					FY2020					FY2021					FY2022
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q
Japan ^{※1} (10,000t)	44	43	44	47	178	43	43	43	43	172	40	36	38	42	156	40	40	40	41	161	24

※1 Source: Japan Paint Manufacturers Association; FY2022 1Q covers January and February

<Automobile production^{※2}>

	FY2018					FY2019					FY2020					FY2021					FY2022
(10,000unit)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q
Japan	241	220	218	244	924	243	230	229	220	922	225	120	201	228	774	215	186	155	188	744	195
China	702	703	640	732	2,777	634	579	602	757	2,572	321	603	638	774	2,335	579	572	545	671	2,368	595
North America	USA	288	282	259	274	1,103	287	285	266	255	1,093	247	93	270	862	247	215	204	222	888	237
	Mexico	97	100	100	96	393	99	99	95	82	375	93	28	91	304	82	78	69	72	301	83
	Canada	53	54	44	49	200	48	51	46	47	192	38	17	41	136	32	25	22	26	105	31
	Total	438	436	403	419	1,696	435	435	407	384	1,660	378	138	402	1,302	361	318	295	320	1,294	351

※2 Source : Japan: MarkLines until FY2019 and IHS Markit from FY2020; China: Association of Automobile Manufacturers until FY2019 and IHS Markit from FY2020; North America: IHS Markit

<Others(Japan market)>

	FY2018					FY2019					FY2020					FY2021					FY2022
(10,000unit)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q
Housing starts ^{※3}	20.5	24.5	24.6	24.6	94.2	21.6	23.4	23.3	22.3	90.5	19.4	20.5	21.0	20.7	81.5	19.1	22.1	22.5	22.0	85.6	20.0
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	10.6	11.4	43.6	7.6
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	1.6	1.6	6.8	1.2

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

※4 Source: Japan Construction Equipment Manufacturers Association; FY2022 1Q covers January and February

※5 Source: Japan Machine Tool Builders' Association; FY2022 1Q covers January and February

<Naphtha price(own estimation)>

	FY2018					FY2019					FY2020					FY2021					FY2022
(JPY/KL)	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q
Japan produced naphtha price	47,900	48,700	53,500	54,200	51,200	41,200	45,400	40,200	41,300	42,000	44,800	25,000	30,200	31,300	32,900	38,800	47,700	53,500	62,800	50,100	64,600