

August 10, 2022

# FY2022 2Q 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 Data for more information
- Quarterly earnings trends of DuluxGroup, Betek Boya, PT Nipsea, Cromology and JUB are provided in Appendix Data

# 1. Summary: FY2022 2Q Operating Results

FY2022 2Q<sup>\*1</sup>



(Tanshin)

(Billion yen)	Results	YoY(%)
Revenue	337.0	30.0%
OP	20.8	-14.2%
OP margin	6.2%	-3.2pt

(Non-GAAP)

(Billion yen)	Results	YoY(%)
Revenue	288.3	11.3%
OP	25.6	2.7%
OP margin	8.9%	-0.7pt

## ◆ Tanshin basis

- Revenue increased due to selling price increases mainly in decorative business, new consolidation of Cromology and F/X changes
- Operating profit declined, despite progress with selling price increases, due to higher raw material prices and logistics costs, as well as a potential credit loss provision in China, and application of hyperinflation accounting for Turkish operations
- Recorded a provision for potential credit loss of 13.0 bn yen for accounts receivable in China in the 2Q, following a review of the financial positions mainly of accounts receivable primarily from real estate developers
- Following the rapid acceleration of inflation in Turkey, hyperinflation accounting was applied on the financial statements of Turkish subsidiaries in accordance with requirements of IAS 29

## ◆ Non-GAAP basis

- Chinese decorative business was impacted by lockdowns in major cities. DIY revenue grew 15% due to stronger sales volumes driven by marketing activities with flow through of selling price increases. Project revenue decreased by 5% despite selling price increases due to generally softer real estate market conditions
- Decorative revenue increased in all regions, driven by selling price increases
- Prices of raw materials increased further due to the Ukraine crisis and other factors, impacting all regions. We will continue to increase selling prices where possible, purchase cheaper alternative raw materials, and streamline processes to control and lower SG&A expenses, and will continue this multi-pronged approach to mitigate the impact of inflation

Revenue  
YoY analysis

Paint and Coatings Business			Paint Related Business	F/X	New consolidation
Volumes	Price/Mix	Paint (others) <sup>*2</sup>			
c. <sup>*3</sup> -4%	c. +9%	c. +3%	c. +4%	c. +7%	c. +12%

<sup>\*1</sup> The earnings for 2Q 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

<sup>\*2</sup> 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

<sup>\*3</sup> circa: approximately

## 2. Summary: FY2022 Forecast

### FY2022 Consolidated Earnings Forecast

(Tanshin)

(Billion yen)	Revised forecast	vs. Feb. 2022 forecast
Revenue	1,320.0	+10.0%
OP	105.0	-8.7%
Profit*1	72.0	-11.1%

- Revised the Feb. 2022 guidance upwards: Revenue forecast revision due to selling price increases, positive F/X contributions and new consolidation. Operating profit forecast was reduced due to a provision for potential credit loss in China, and application of hyperinflation accounting for Turkish subsidiaries, although continuous selling price increases are expected to offset the impact of higher-than-expected raw material prices, coupled with a boost from the weaker yen
- Primary reasons for earnings revision:(all figures below are estimates)
  - ↑ A weaker yen vs. Feb. 2022 assumptions and other factors boosted revenue by c. 91.0 bn yen and operating profit by c. 9.0 bn yen
  - ↑ Continuous selling price increases centered on decorative business contributed to higher revenue (c. +13.0 bn yen on Non-GAAP basis)
  - ↑ New consolidation of JUB increased revenue by c. 11.0 bn yen and operating profit by c. 1.0 bn yen
  - Continuous selling price increases, control of SG&A expenses and other actions offset higher-than-expected cost of raw materials on Non-GAAP basis as well
  - ↓ Expect the possibility of recording an additional provision for potential credit loss in China of c. 2.0 bn yen in 2H, in addition to the provision recorded in 2Q
  - ↓ Application of hyperinflation accounting for Turkish subsidiaries is expected to reduce full-year operating profit by c. 5.0 bn yen
- In addition to the provision for potential credit loss in China of 13.0 bn yen recorded in 2Q, we expect an additional provision for potential credit loss in China in 2H
- This forecast may change depending on factors including changes in raw material prices, F/X movements, the pandemic in China, and automobile production

FY2022  
EPS Forecast  
¥30.66

- EPS forecast is ¥30.66 (+¥1.25 vs. FY2021/-¥3.83 vs. Feb. 2022 guidance)
- Annual dividend forecast is unchanged from Feb. 2022 guidance at ¥11 (+¥2 vs. FY2021\*2)

## 3. Raw Material Market Conditions and Our Responses

### Strategic pricing actions will continue for improving OP margin from 2H

#### 2Q 2022

- Crude oil prices have remained above USD100 due to bans on Russian oil imports because of the Ukraine crisis and production capacity restrictions at oil producers. The high price of oil, combined with the weaker yen, have driven naphtha prices up by 30% vs. the 1Q level. Raw material suppliers are raising selling prices frequently
- Supply and demand is unlikely to ease with the peak summer demand period approaching
- Logistics uncertainties are continuing due to factors such as labor-management negotiations in North America and container logistics disruptions worldwide
- Increased selling prices of decorative paints mainly in China DIY, Asia except China, and Japan
- Gross profit margin improved QoQ in 3Q and 4Q 2021 but declined QoQ in 2Q 2022 due to further increase in raw material prices

#### 3Q 2022 and beyond



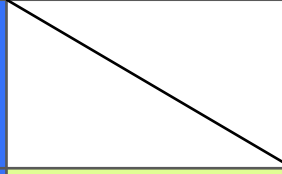

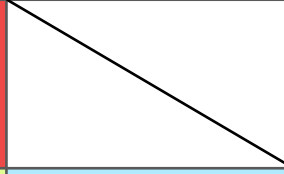







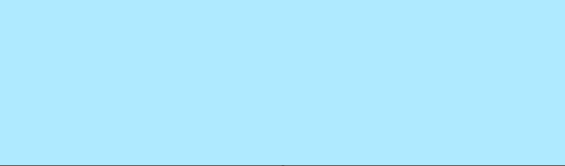
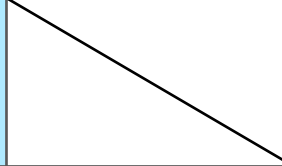

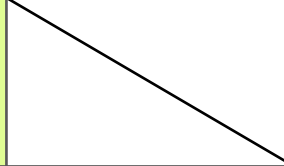




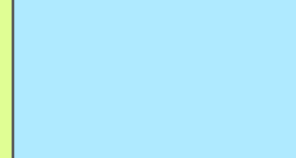
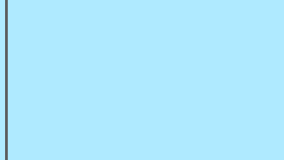
- FY2022 guidance announced in February assumed Japan naphtha price would remain above 60,000 yen during 1H 2022. The price has risen to the 80,000-yen range due to higher crude oil and naphtha prices resulting from US and UK bans on Russian oil imports and the yen's depreciation
- Continuing to increase selling prices to keep up with raw material price increases
- Expect raw material prices to decline in 2H from the 1H levels. Combined with selling price increases, we expect gross profit margin will improve in 3Q
- Good medium to long-term prospects for margin recovery through selling price increases

#### ◆ Gross profit margin

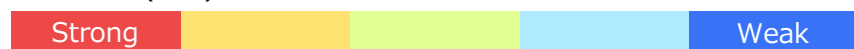
2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	YoY	QoQ
37.6%	36.4%	37.2%	38.5%	36.1%	-1.5pt	-2.4pt

## 4. Market & Business Environment

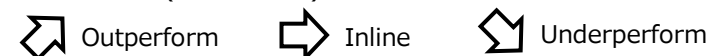
Expect decorative market to remain relatively robust and automotive market to recover in Japan

		Japan	Asia (Nipsea China)		Oceania	Americas	Europe
2Q	Automotive						
	Decorative		 DIY	 Project			
3Q (outlook)	Automotive						
	Decorative		 DIY	 Project			

■ Market (YoY)



■ Business (vs. Market)\*



\*NPHD's estimates



## 5. Summary of Operating Results in Major Segments (2Q FY2022)

(Billion yen)		Tanshin		Non-GAAP		Overview
		2Q 2022	YoY	2Q 2022	YoY	
Japan	Revenue	45.7	4.0%	45.2	2.9%	<p>►Decorative Higher revenue due to stronger market conditions compared to 2Q 2021, coupled with higher unit prices due to pricing actions</p> <p>►Automotive Lower revenue due to continued YoY decrease in automobile production because of semiconductor chip shortage and parts supply disruptions due to the pandemic</p>
	OP	2.2	-19.9%	2.2	-21.3%	<p>*Expenses related to the functional company in Japan (NPCS*2) are allocated to the Japan segment beginning with 1Q 2022 (The amount corresponding to these expenses for 2021 is included in Adjustments)</p>
Nipsea China	Revenue	121.6	18.6%	105.4	2.8%	<p>►Decorative (DIY) DIY revenue up 15% YoY despite COVID lockdowns in Shanghai and other metropolitan areas, due to stronger sales driven by higher volumes, flow through of selling price increases and expansion of distribution points</p>
	OP	-1.8*1	-	9.3	-4.1%	<p>►Decorative (Project) Project revenue down by 5% YoY due to softer real estate market conditions and weaker buyer sentiments for new homes</p> <p>►Automotive Lower revenue due to lower automobile production because of semiconductor chip shortage, parts supply disruptions, and COVID lockdowns</p>
Asia Excepting Nipsea China	Revenue	64.8	31.5%	71.5	45.0%	<p>►Asia Excepting Nipsea China Revenue grew 45.0% YoY overall. Higher revenue at Malaysia Gr. and Singapore Gr. due to continued growth and selling price increases. Higher revenue at Thailand Gr. due to increased share mainly with parts manufacturers, despite lower automobile production caused by semiconductor chip shortage</p>
	OP	7.6	-0.0%	7.5	-1.9%	<p>►PT Nipsea Higher revenue due to selling price increases, expansion of distribution network, increase of distributors, more CCM*3 installed, and sales growth of industrial business</p> <p>►Betek Boya Higher revenue due to selling price increases and successful implementation of brand strategy continuing from previous year, despite the rapid pace of inflation in Turkey</p>
Dulux Group	Revenue	79.1	85.4%	44.7	4.7%	<p>►DuluxGroup (Decorative) 2Q revenue higher, primarily due to price rises (in response to higher raw material costs). 2Q volumes were slightly up due to share growth in a flat market</p>
	OP	9.3	76.8%	5.4	3.2%	<p>►Cromology Sales volumes declined due to soft market conditions mainly in the French business. However, higher revenue driven by selling price increases (in response to higher raw material costs) and higher ETICS*4 sales</p> <p>►JUB Revenue increase driven by selling price increases (in response to higher raw material costs) and higher ETICS sales</p>
Americas	Revenue	25.7	24.3%	21.6	4.3%	<p>►Decorative Higher revenue primarily driven by the cumulation of past price increases despite lower demand and an unfavorable US economic environment</p>
	OP	4.2	131.8%	2.0	11.4%	<p>►Automotive Higher revenue, despite semiconductor chip shortage, due to higher automobile production driven by very strong demand</p> <p>*Including a gain on sale of Dunn-Edwards' headquarters building and other assets on Tanshin basis</p>
Adjustments	Revenue	-	-	-	-	<p>*Only HQ Expenses related to functions as a listed company and a pure holding company are included in Adjustments beginning with 1Q 2022</p>
	OP	-0.8	-	-0.8	-	

## 6. Major Topics ①

### Application of hyperinflation accounting for Turkish subsidiaries

#### ◆ Outline and background

- IAS 29 of IFRS requires the financial statements of a company with a functional currency that is hyperinflationary to be restated for changes in the general pricing power of the functional currency
- This accounting policy has been in place under IFRS, but the Turkish subsidiaries were the first Nippon Paint Group companies to use this accounting policy
- Hyperinflation accounting was applied because the cumulative inflation rate in Turkey over three years has exceeded 100%

#### ◆ Impact on our earnings

Application period	Start of application: 2Q FY2022 End of application: Will continue until hyperinflation ends in Turkey
Impact on financial statements	<ul style="list-style-type: none"> <li>◆ Betek Boya's statement of financial position (B/S) <ul style="list-style-type: none"> <li>• Non-monetary items (inventories, non-current assets, share capital, etc.) will be restated to the price level at year-end</li> <li>• Monetary items (cash and deposits, accounts receivable, accounts payable, borrowings, etc.) are stated at fair value and will not be restated, but effective declines in value will be included in financial cost/income in P/L</li> </ul> </li> <li>◆ Betek Boya's statement of profit or loss (P/L) <ul style="list-style-type: none"> <li>• All account items will be restated from the price level during the period to the price level at year-end</li> </ul> </li> <li>◆ Consolidated statement of profit or loss (P/L), consolidated statement of cash flows (C/F) <ul style="list-style-type: none"> <li>• All account items will be converted by using the year-end exchange rate</li> </ul> </li> </ul>
Monetary impact	Revenue is estimated to increase by c. 5.0 bn yen, and operating profit is expected to decrease by c. 5.0 bn yen compared to FY2022 forecast announced in February 2022



## 6. Major Topics ②

### “Next Career Plan” voluntary early retirement program (announced on June 17)

- Implement a Next Career Plan early retirement program targeting employees within certain age groups from Group companies in Japan. The aim is to transform our organizational structure for high growth potential, efficiency, and productivity. We are focusing on earnings improvement of operations in Japan by becoming a resilient organization that can tackle new challenges and deliver results quickly



- The program also enables placing the right people in the right posts to achieve rapid growth; drive a transformation; and revitalize the organization; another goal is to give every employee an opportunity to pursue new career paths and to fully exploit their abilities
- The financial impact of this early retirement program will be disclosed around early October

#### ◆Outline of the “Next Career Plan”

Target companies	8 Group companies in Japan and their subsidiaries and indirectly-owned subsidiaries in Japan
Target number of applicants	Not specified
Application period	September 2022 (scheduled)
Date of retirement	December 31, 2022 (scheduled)
Support program	Provision of special retirement benefits and job-placement assistance

## 6. Major Topics ③

### M&A updates

#### ◆ JUB (acquisition closed on May 31, 2022)

- Started the shift to a new management structure as a partner company of DuluxGroup
- JUB started contributing to consolidated earnings from June 2022

#### ◆ Five Chinese consolidated automotive coatings subsidiaries (acquisition closed on May 31, 2022)

- Integrated our Chinese automotive business entities to transition integrated operations
- Aiming to increase market share in the growing Chinese market



JUB's office buildings and plants

### Best Practice Award in Integrated Report Award 2021 of Nikko Research Center, Inc. (NRC) (announced on June 13)

- Our Integrated Report 2021 was selected from among all the integrated reports evaluated by NRC as the best report for meeting the needs of investors
- The main reasons are: "the report received high scores overall in NRC's seven evaluation items", "the management message clearly conveyed management philosophies and personalities of the management team", and "the report provides much information not found in the Annual Securities Report, such as the Board of Directors' discussions on the selection process for the President and concerning the protection of minority shareholders"
- We will continue activities to improve our Integrated Report and strengthen engagement with shareholders, investors, and stakeholders around the world

## 6. Major Topics ④

Selected for the first time as a constituent of FTSE4Good Index Series and FTSE Blossom Japan Index (announced on June 20)

Selected for the first time as a constituent of MSCI Japan ESG Select Leaders Index (announced on July 4)

- NPHD has been selected as a constituent of all the following five ESG investment indexes for Japanese stocks adopted by the Government Pension Investment Fund (GPIF)

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

MSCI Japan ESG Select Leaders Index

MSCI Japan Empowering Women Index (WIN)

S&P/JPX Carbon Efficient Index

- We will continue to proactively address material issues for sustainability identified from a global perspective based on a framework that strengthened the link between sustainability initiatives and business operations



**FTSE Blossom  
Japan Index**



**FTSE Blossom  
Japan Sector  
Relative Index**

**2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX**

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

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## 6. Major Topics ⑤

### Expect to meet the listing maintenance criteria for the TSE's Prime Market as a result of increase in our stock free float ratio

- Non-tradable shares held by some shareholders have been confirmed to be for pure investment purposes and traded within the past five years. If TSE's escape clause on free float ratio is applied, we have met the listing maintenance criteria with a free float ratio of more than 35% based on our estimate using the shareholder registry as of June 30, 2022

### Revised some figures in FY2022 1Q results presentation material

- Consolidated earnings and DuluxGroup's earnings in "FY2022 1Q Financial Results Presentation Material", released on May 13, 2022, have been partially revised as follows

#### ◆Consolidated earnings for FY2022 1Q (figures in red are corrected)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 1Q	FY2022 1Q	YoY (%)	FY2021 1Q	FY2022 1Q	YoY (Amount)	YoY (%)
Revenue	222.7	284.1	27.6%	222.5	251.1	28.7	12.9%
Operating profit	24.7	24.3	-1.5%	26.9	22.8	-4.1	-15.2%
OP margin	11.1%	8.6%	-2.5pt	12.1%	9.1%	-	-3.0pt
EBITDA	31.5	34.5	9.4%	-	-	-	-
EBITDA margin	14.2%	12.1%	-2.0pt	-	-	-	-
Profit before tax	24.1	24.9	3.2%	27.9	23.4	-4.5	-16.0%
Profit <sup>*1</sup>	16.4	18.1	10.4%	19.9	17.3	-2.6	-13.1%



	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 1Q	FY2022 1Q*2	YoY (%)	FY2021 1Q	FY2022 1Q*2	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 <sup>*1</sup>	16.4	18.4	12.6%	19.9	17.9	-2.0	-10.2%

# Supplemental Material

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- |                                  |        |
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# **1. FY2022 2Q Results: Highlights**



## 1-1. Highlights (Consolidated)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 2Q <sup>*1</sup>	FY2022 2Q	YoY (%)	FY2021 2Q <sup>*1</sup>	FY2022 2Q	YoY (Amount)	YoY (%)
Revenue	259.1	337.0	30.0%	259.1	288.3	29.2	11.3%
Operating profit	24.3	20.8	-14.2%	25.0	25.6	0.7	2.7%
OP margin	9.4%	6.2%	-3.2pt	9.6%	8.9%	-	-0.7pt
Profit before tax	24.2	19.1	-21.1%	24.9	22.9	-2.0	-8.2%
Profit <sup>*2</sup>	17.5	14.2	-18.8%	17.9	17.9	-0.1	-0.3%

### Revenue

- Revenue up 30.0% YoY on Tanshin basis and 11.3% on Non-GAAP basis
- Difference between Tanshin and Non-GAAP revenue is mainly due to new consolidation of Cromology and JUB, and F/X movements
- Higher decorative revenue due to mainly to selling price increases in major regions

### Operating profit

- Operating profit decreased 14.2% YoY on Tanshin basis and increased 2.7% on Non-GAAP basis
- Difference between Tanshin and Non-GAAP operating profit is mainly due to new consolidations, F/X movements, and provision for potential credit loss in China
- Lower OP margin despite higher revenue, due to impact of higher raw material cost

## 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 2Q <sup>*1</sup>	FY2022 2Q	YoY (%)	FY2021 2Q <sup>*1</sup>	FY2022 2Q	YoY (Amount)	YoY (%)
Japan	Revenue	43.9	45.7	4.0%	43.9	45.2	1.3	2.9%
	OP profit <sup>*2</sup>	2.8	2.2	-19.9%	2.8	2.2	-0.6	-21.3%
Nipsea	Revenue	151.8	186.5	22.8%	151.8	176.9	25.1	16.5%
	OP profit	17.7	5.9	-66.7%	17.3	16.8	-0.5	-3.1%
DuluxGroup	Revenue	42.7	79.1	85.4%	42.7	44.7	2.0	4.7%
	OP profit	5.3	9.3	76.8%	5.3	5.4	0.2	3.2%
Americas	Revenue	20.7	25.7	24.3%	20.7	21.6	0.9	4.3%
	OP profit	1.8	4.2 <sup>*3</sup>	131.8%	1.8	2.0	0.2	11.4%
Adjustments <sup>*4</sup>	Revenue	-	-	-	-	-	-	-
	OP profit	-3.3	-0.8	-	-2.3	-0.8	1.4	-
Total	Revenue	259.1	337.0	30.0%	259.1	288.3	29.2	11.3%
	OP profit	24.3	20.8	-14.2%	25.0	25.6	0.7	2.7%

\*1 As annotated on page 3, 2Q 2021 figures were adjusted retrospectively

\*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 2021 is included in Adjustments)

\*3 Including a gain on sale of Dunn-Edwards' headquarters building and other assets

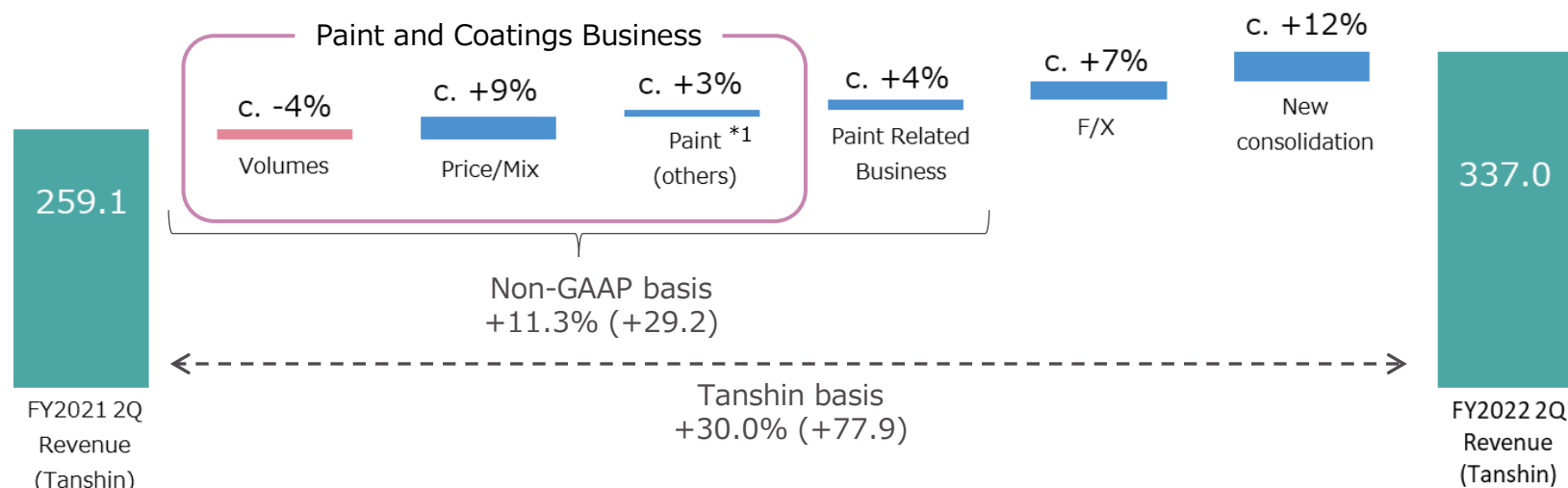
\*4 Only HQ expenses related to functions as a listed company and a pure holding company are included in Adjustments beginning with 1Q 2022

## **2. FY2022 2Q Results: By Segment**

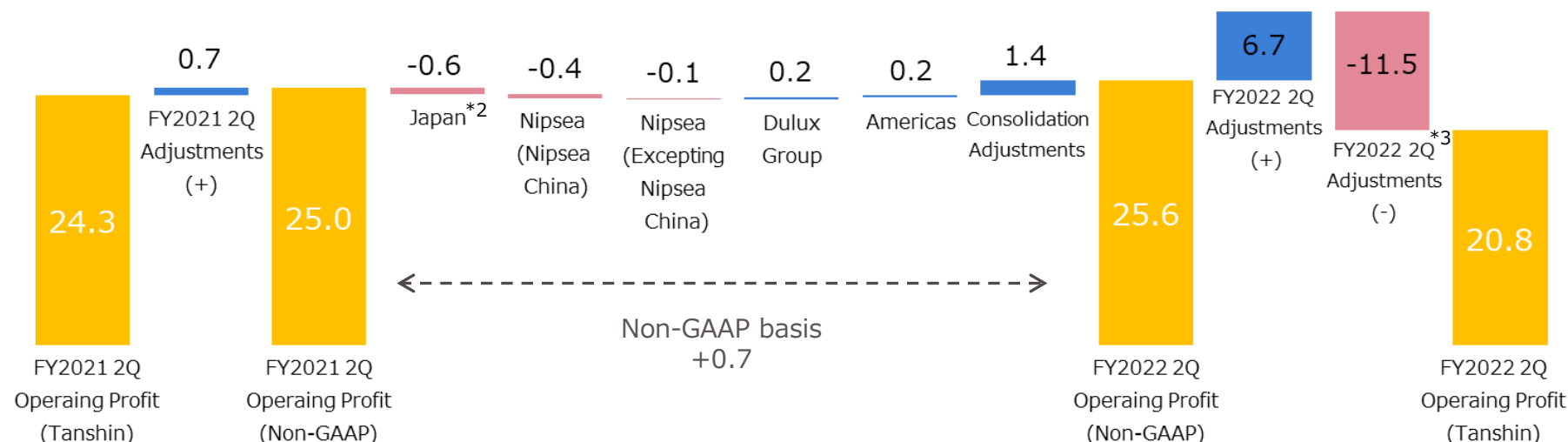
## 2-1. Revenue and Operating Profit Analysis (FY2022 2Q)

(Billion yen)

### Revenue



### Operating Profit



\*1 Products included in the Paint and Coatings Business such as semi-finished products and fine chemicals with unit price and volume significantly different from paint products.

Disclosed separately from volumes and price/mix in the above graph to provide more reasonable data

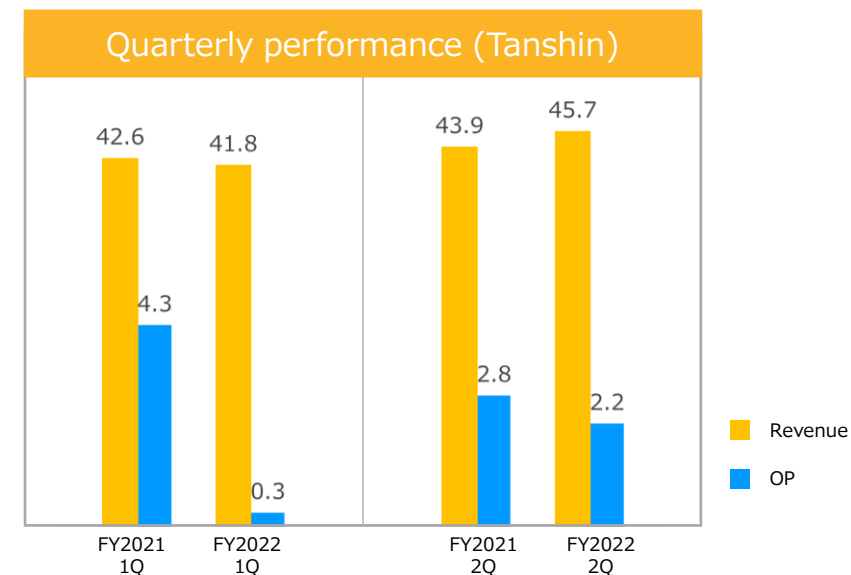
\*2 Expenses related to NPC (functional company in Japan) are included in Japan segment from 1Q 2022 (The amount corresponding to these expenses for 2021 is included in Adjustments)

\*3 Of 11.5 bn yen recorded under Adjustments, the amount of provision for potential credit loss in China, after deducting F/X impact of 1.7 bn yen from 13.0 bn yen recorded as provision, was 11.3 bn yen

## 2-2. Japan

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 2Q	FY2022 2Q	YoY (%)	FY2021 2Q	FY2022 2Q	YoY (Amount)	YoY (%)
Revenue							
Automotive coatings	8.5	7.4	-13.7%	8.5	7.4	-1.2	-13.7%
Decorative paints	11.9	12.8	7.4%	11.9	12.8	0.9	7.4%
Industrial coatings	9.6	10.2	6.9%	9.6	10.2	0.7	6.9%
Fine chemicals	2.4	2.3	-5.2%	2.4	2.3	-0.1	-5.2%
Others <sup>*1</sup>	11.5	13.0	13.0%	11.5	12.6	1.0	9.0%
Total	43.9	45.7	4.0%	43.9	45.2	1.3	2.9%
Operating profit <sup>*2</sup>	2.8	2.2	-19.9%	2.8	2.2	-0.6	-21.3%
OP margin	6.4%	4.9%	-1.5pt	6.4%	4.9%	-	-1.5pt



### Major reasons for changes

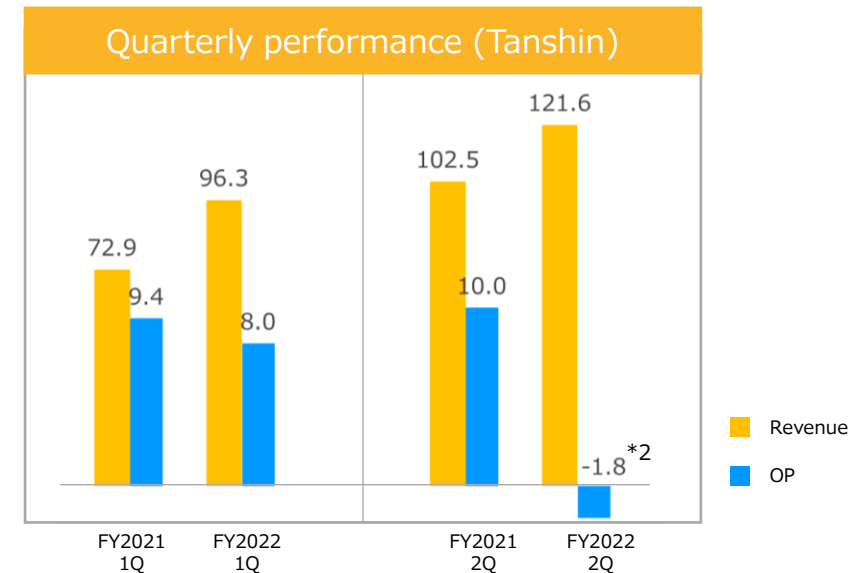
- Automotive : Lower revenue due to continuation of lower automobile production (-12%<sup>\*3</sup> YoY) caused by semiconductor chip shortage and parts supply disruptions caused by the pandemic
- Decorative : Higher revenue due to improved market conditions and higher unit prices due to selling price increases
- Industrial : Higher revenue due to strong sales in paints for ceramic building materials and powder coatings driven by market recovery
- OP : Effectively higher profit, excluding expenses related to NPCCS, owing to progress with selling price increases and control of SG&A expenses
- ◇ vs. 1Q 2022 : Higher profit due to higher revenue driven by improved market conditions and higher selling prices in decorative business

## 2-3. Nipsea (Nipsea China)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021	FY2022	YoY	FY2021	FY2022	YoY	YoY
	2Q	2Q	(%)	2Q	2Q	(Amount)	(%)
Revenue							
Automotive coatings	9.8	10.0	1.8%	9.8	8.6	-1.2	-12.1%
Decorative paints	85.0	104.9	23.5%	84.9	91.0	6.1	7.1%
Industrial coatings	7.1	6.2	-12.2%	7.1	5.4	-1.7	-23.9%
Others* <sup>1</sup>	0.7	0.5	-26.1%	0.7	0.5	-0.3	-36.3%
Total	102.5	121.6	18.6%	102.5	105.4	2.9	2.8%
Operating profit	10.0	-1.8* <sup>2</sup>	-	9.7	9.3	-0.4	-4.1%
OP margin	9.8%	-1.4%	-11.2pt	9.4%	8.8%	-	-0.6pt

\*2 Including provision for potential credit loss in China of -13.0 bn yen



### Major reasons for changes

- Automotive : Lower revenue due to lower automobile production (-16% YoY\*<sup>3</sup>) because of semiconductor chip shortage, parts supply disruptions, and COVID lockdowns
- Decorative : DIY revenue up 15% YoY despite COVID lockdowns in Shanghai and other metropolitan areas, due to stronger sales driven by higher volumes, flow through of selling price increases and expansion of distribution points  
Project revenue down by -5% YoY due to softer real estate market conditions and weaker buyer sentiment for new homes
- Industrial : Lower revenue due to sluggish sales of coatings for Coil and General Industrial Use (GIU) due to lower production at customers, in part affected by the COVID lockdowns
- OP : Lower profit despite higher decorative revenue, due to deterioration of RMCC\*<sup>4</sup> ratio
- ◇ vs. 1Q 2022 : Higher revenue, due to seasonal factors (close for Chinese New Year holidays in Feb. during 1Q) despite the COVID lockdown in 2Q

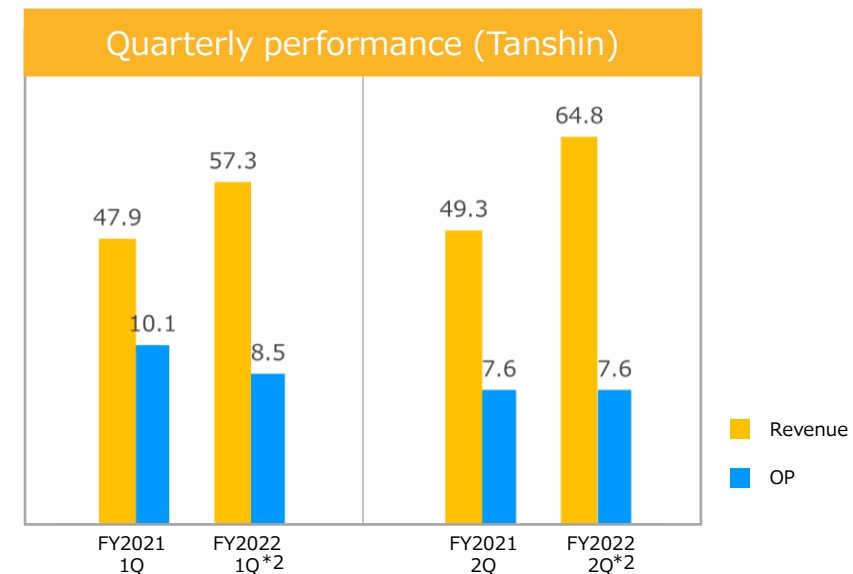


## 2-4. Nipsea (Asia Excepting Nipsea China\*1)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 2Q	FY2022 2Q*2	YoY (%)	FY2021 2Q	FY2022 2Q*2	YoY (Amount)	YoY (%)
Revenue	49.3	64.8	31.5%	49.3	71.5	22.2	45.0%
Operating profit	7.6	7.6	-0.0%	7.6	7.5	-0.1	-1.9%
OP margin	15.5%	11.8%	-3.7pt	15.5%	10.5%	-	-5.0pt

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



### Major reasons for changes

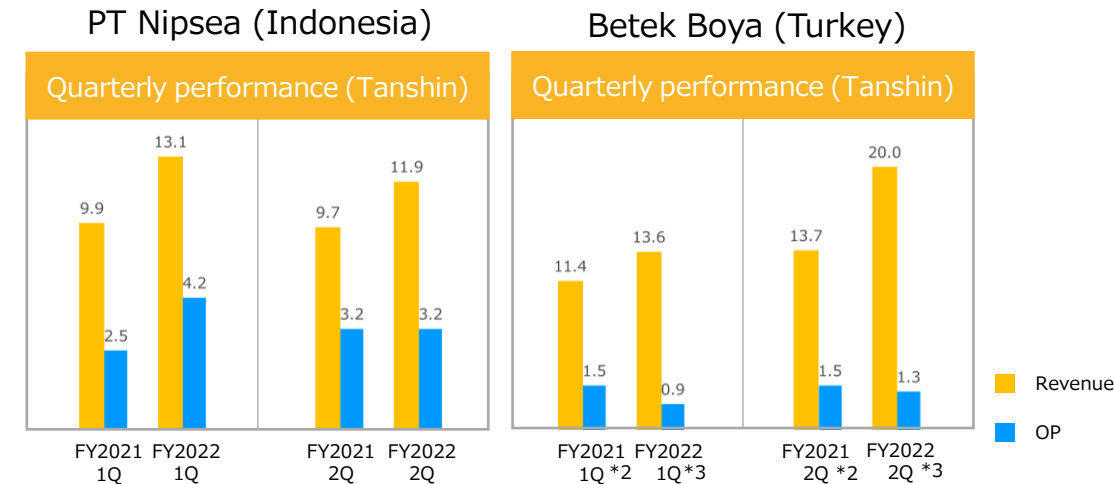
- Malaysia Group : Higher revenue due to strong growth and flow through of selling price increases in Malaysia and Bangladesh
- Singapore Group : Higher revenue due to strong growth and flow through of selling price across Singapore, Vietnam decorative and Myanmar
- Thailand Group : Higher revenue overall due to higher share mainly with automotive parts manufacturers, although Thailand Group was impacted by lower automobile production (-12% YoY\*3) due to semiconductor chip shortage and other factors
- OP : Lower profit, despite higher revenue, due to the impact of higher RMCC ratio
- ◇ vs. 1Q 2022 : Higher revenue contribution from Malaysia, Thailand, Philippines, Singapore and Vietnam due to stronger growth and flow through of selling price increases

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

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 2Q	FY2022 2Q	YoY (%)	FY2021 2Q	FY2022 2Q	YoY (Amount)	YoY (%)
PT Nipsea (Indonesia)	Revenue	9.7	11.9	22.5%	9.7	10.1	0.4	4.1%
	Operating profit	3.2	3.2	0.5%	3.2	2.7	-0.5	-15.2%
	OP margin	32.3%	26.5%	-5.8pt	32.3%	26.3%	-	-6.0pt
	OP margin* <sup>1</sup>	33.1%	27.1%	-6.0pt	32.9%	26.9%	-	-6.0pt
		Results(Tanshin)			Results(Non-GAAP)			
		FY2021 2Q* <sup>2</sup>	FY2022 2Q* <sup>3</sup>	YoY (%)	FY2021 2Q* <sup>2</sup>	FY2022 2Q* <sup>3</sup>	YoY (Amount)	YoY (%)
Betek Boya (Turkey)	Revenue	13.7	20.0	45.5%	13.7	31.8	18.1	131.8%
	Operating profit	1.5	1.3	-13.1%	1.5	1.8	0.3	20.1%
	OP margin	11.0%	6.6%	-4.4pt	11.0%	5.7%	-	-5.3pt

\*3 Figures adjusted for hyperinflation accounting



### PT Nipsea (Indonesia)

- Revenue : Higher revenue due to selling price increases, expansion of distribution network, increase of distributors, more CCM installed, and sales growth of industrial business
- OP : Lower profit as a result the higher RMCC ratio and selling expenses
- ◇ vs. 1Q 2022 : Lower revenue due to seasonal factors and Hari Raya Idul Fitri (New year holidays) in May

### Betek Boya (Turkey)

- Revenue : Higher revenue due to selling price increases and successful implementation of brand strategy continuing from previous year, despite the market concern caused by the rapid rise in inflation in Turkey
- OP : Higher profit, despite the impact of application of hyperinflation accounting, due to flow through of selling price that resulted in lower RMCC ratio
- ◇ vs. 1Q 2022 : Higher revenue due to stronger growth and flow through of selling price increases

## 2-6. DuluxGroup\*1

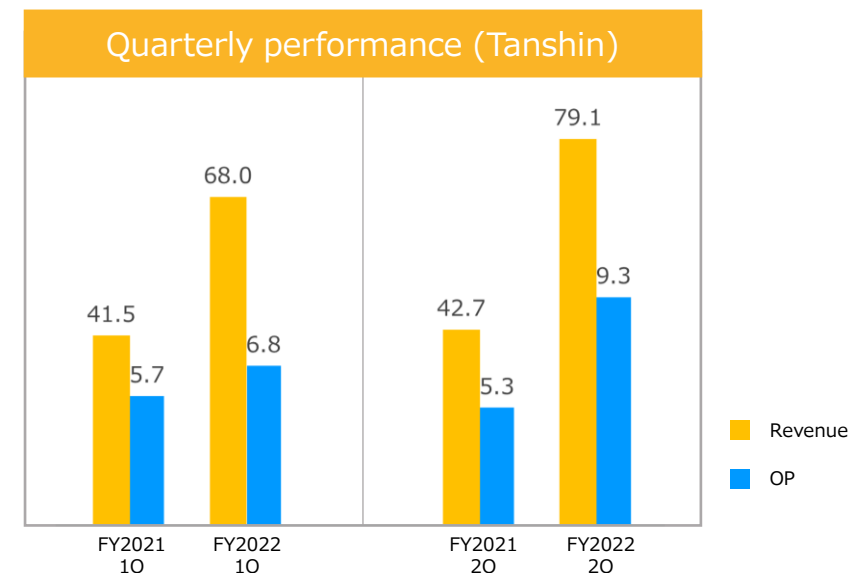
(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 2Q	FY2022 2Q	YoY (%)	FY2021 2Q	FY2022 2Q	YoY (Amount)	YoY (%)
Revenue							
Decorative paints	21.6	51.7	139.7%	21.6	22.3	0.7	3.4%
Industrial coatings	1.9	2.3	19.6%	1.9	2.1	0.2	9.2%
Paint related business	19.2	25.1	31.0%	19.2	20.2	1.1	5.7%
Total	42.7	79.1	85.4%	42.7	44.7	2.0	4.7%
Operating profit	5.3	9.3	76.8%	5.3	5.4	0.2	3.2%
OP margin	12.4%	11.8%	-0.6pt	12.4%	12.2%	-	-0.2pt
OP margin*2	13.1%	12.2%	-0.9pt	13.1%	12.9%	-	-0.3pt

\*1 Including earnings of the newly consolidated Cromology and JUB  
(Please see the next page for more information)

### Major reasons for changes

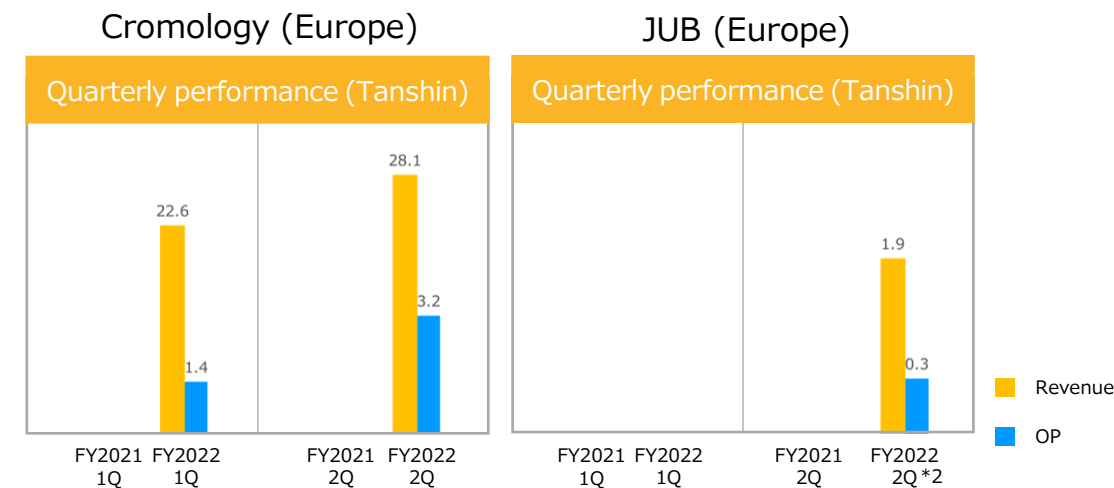
- Decorative : 2Q revenue higher, primarily due to price rises (in response to higher raw material costs). 2Q volumes were slightly up due to share growth in a flat market
- Paint related : Higher 2Q revenue primarily due to price rises (in response to higher raw material costs)  
business
- OP : Slightly higher profit, with price rises mostly mitigating the impact of higher raw material costs, together with lower SG&A spending. Tanshin results include the earnings of the recently acquired Cromology and JUB businesses
- ◇ vs. 1Q 2022 : On Non-GAAP basis, revenue in line; slightly lower profit due to timing of promotional spend



## 2-7. New Consolidation: Cromology (Europe) and JUB (Europe)

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 2Q	FY2022 2Q	YoY (%)	FY2021 2Q	FY2022 2Q	YoY (Amount)	YoY (%)
Cromology (Europe)	Revenue	-	28.1	-	-	-	-	-
	Operating profit	-	3.2	-	-	-	-	-
	OP margin <sup>*1</sup>	-	11.6%	-	-	-	-	-
		Results(Tanshin)			Results(Non-GAAP)			
		FY2021 2Q	FY2022 2Q	YoY (%)	FY2021 2Q	FY2022 2Q	YoY (Amount)	YoY (%)
JUB (Europe)	Revenue	-	1.9	-	-	-	-	-
	Operating profit	-	0.3	-	-	-	-	-
	OP margin <sup>*1</sup>	-	15.2%	-	-	-	-	-



### Cromology (For reference: Revenue +0.1% YoY; rough estimates in local currency)

- Revenue : Sales volumes declined due to soft market conditions mainly in the French business. However, higher revenue driven by selling price increases (in response to higher raw material costs) and higher ETICS sales
- OP : Lower profit due to margin compression from higher raw material prices (including negative mix impact)
- ◇ vs. 1Q 2022 : Increased revenue due to increased volumes (seasonal) and increase selling price (in response to higher raw material costs)

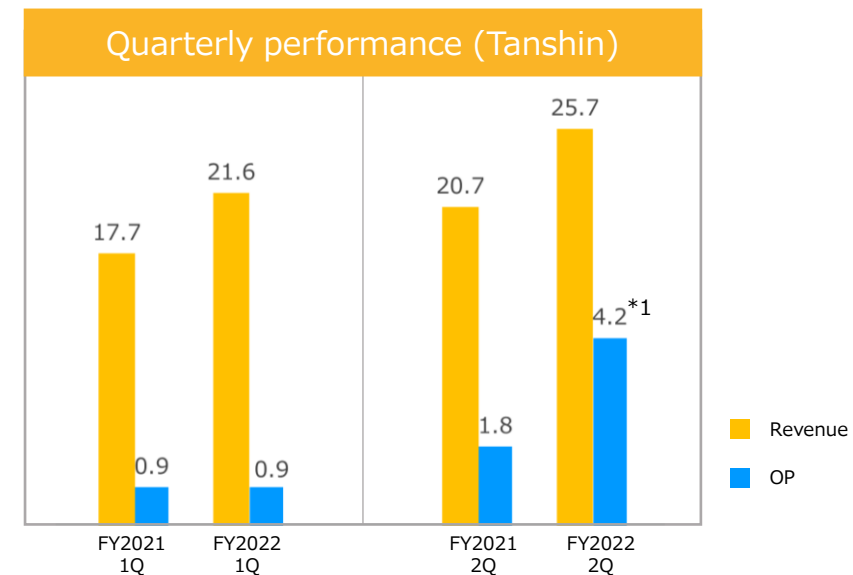
### JUB (For reference: FY2021 Revenue ¥11.3 bn<sup>\*3</sup>/Operating profit: ¥1.0 bn<sup>\*3</sup>)

- Revenue : Revenue increase driven by selling price increases (in response to higher raw material costs) and higher ETICS sales
- OP : Higher profit on higher revenue
- ◇ vs. 1Q 2022 : Increased revenue due to increased volumes (seasonal) and increase selling price (in response to higher raw material costs)

## 2-8. Americas

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 2Q	FY2022 2Q	YoY (%)	FY2021 2Q	FY2022 2Q	YoY (Amount)	YoY (%)
Revenue							
Automotive coatings	6.1	7.6	24.9%	6.1	6.4	0.3	4.4%
Decorative paints	14.3	17.8	24.6%	14.3	15.0	0.7	4.7%
Fine chemicals	0.3	0.3	0.2%	0.3	0.3	-0.1	-17.2%
Total	20.7	25.7	24.3%	20.7	21.6	0.9	4.3%
Operating profit	1.8	4.2 <sup>*1</sup>	131.8%	1.8	2.0	0.2	11.4%
OP margin	8.8%	16.3%	7.6pt	8.8%	9.4%	-	0.6pt



### Major reasons for changes

- Automotive : Higher revenue due to higher automobile production (+11%<sup>\*2</sup> YoY) driven by brisk demand despite the continuing impact of semiconductor chip shortage
- Decorative : Higher revenue primarily driven by the cumulation of past price increases despite lower demand and an unfavorable US economic environment
- OP : Higher profit on higher revenue driven by selling price increases, despite higher logistics costs and continuing raw material price inflation
- ◇ vs. 1Q 2022 : Higher revenue and profit in 2Q 2022 compared to 1Q 2022 primarily driven by the cumulation of past price increases to offset cost inflation

## **3. FY2022 Forecast**



## 3-1. FY2022 Forecast

(Billion yen)

	Tanshin				
	FY2021 <sup>*1</sup>		FY2022		FY2021 Results vs. Aug. Forecast
	Results	Feb. Forecast	Aug. Forecast (Revised)	Feb. Forecast vs. Aug. Forecast	
Revenue	998.3	1,200.0	1,320.0	32.2%	10.0%
Operating profit	87.6	115.0	105.0	19.8%	-8.7%
OP margin	8.8%	9.6%	8.0%	-0.8pt	-1.6pt
Profit before tax	86.5	113.0	100.0	15.7%	-11.5%
Profit <sup>*2</sup>	66.6	81.0	72.0	8.1% <sup>*3</sup>	-11.1%

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

	FY2021	FY2022	FY2022
	Full Year	Full Year Forecast (as of Feb.)	Full Year Forecast (as of Aug.)
JPY/USD	110.4	114.0	127.3
JPY/RMB	17.1	17.8	19.3
JPY/AUD	82.7	84.0	90.4
JPY/TRY	12.5	8.1	7.5 <sup>*4</sup>
JPY/IDR	0.0077	0.0080	0.0089

### August 2022 Forecast (vs. February 2022 Forecast)

- Revenue : Higher revenue, despite lower automotive revenue, due to contribution from continuous selling price increases mainly in decorative business, F/X movements, and new consolidations
- OP : Higher costs, including greater-than-expected raw material price increases, were offset on a full year basis by continuous selling price increases and control of SG&A expenses  
Recorded a provision for potential credit loss in China totaling c. -15.0 bn yen on a full year basis  
Application of hyperinflation accounting for Turkish subsidiaries is expected to have c. -5.0 bn yen impact on a full year basis
- ◆ New consolidation : New consolidation of JUB contributed to revenue by c. +11.0 bn yen and operating profit by c. +1.0 bn yen
- ◆ F/X impact : The weaker yen vs. Feb. 2022 assumptions raised revenue by c. +91.0 bn yen and operating profit by c. +9.0 bn yen

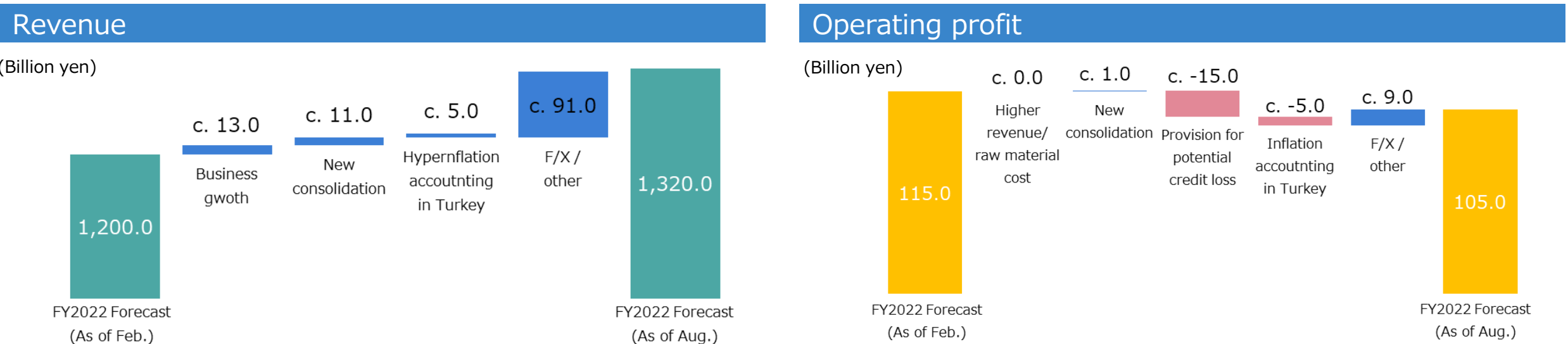
<sup>\*1</sup> As annotated on page 3, 2021 figures were adjusted retrospectively

<sup>\*2</sup> Profit attributable to owners of parent from continuing operations for FY2021 (results). Profit attributable to owners of parent for FY2022 (forecast)

<sup>\*3</sup> Calculated using profit attributable to owners of parent from continued operations for FY2021 (results)

<sup>\*4</sup> Exchange rate at the end of the period

## 3-2. Revenue and Operating Profit Analysis (Full Year Outlook)



### August 2022 forecast (vs. February 2022 forecast)

- Japan : Reduced revenue forecast despite customers' acceptance of selling price increases in every business, due to lower automobile production than initially assumed in February 2022
- China : Increased DIY revenue forecast due to the flow through of selling price increases and successful sales promotion activities. The Project revenue forecast has been reduced by taking into consideration the softer real estate market and weaker buyer sentiment for new homes. Regarding operating profit in overall Chinese business, impact of higher cost due to raw material price increases is expected to be offset by higher revenue and lower SG&A expenses, excluding the provision for potential credit loss
- DuluxGroup : In Australia, pricing actions to respond to higher raw material prices are progressing in line with the initial forecast. Revenue at Cromology is expected to be slightly lower than the Feb. forecast although lower sales volumes due to softness of French market were almost offset by selling price increases
- Americas : Earnings are in line with the Feb. 2022 forecast primarily due to the continued realization of past selling price increases in decorative business, despite the impact of lower-than-expected automobile production
- Betek Boya : Application of hyperinflation accounting is expected to increase revenue by c. +5.0 bn yen and reduce operating profit by c. -5.0 bn yen

### 3-3. Assumptions for FY2022 Forecast (New Business Segment Basis)

(Billion yen)		FY2021 Results*1 (Tanshin basis)		FY2022 Outlook (In Local Currency)				
				Feb. 2022 Forecast		Aug. 2022 Forecast		
		Revenue	OP margin	YoY (Revenue)	YoY *2 (OP margin)	YoY (Revenue)	YoY *2 (OP margin)	YoY (OP margin) vs As of Feb.
Japan	Segment total	174.0	5.5%	+10~15%	→	▼ c. +10%	→	Inline
	Automotive	35.3		+10~15%		▼ c. +5%		
	Decorative	45.4		c. +10%		c. +10%		
	Industrial	38.1		+10~15%		▼ c. +10%		
Nipsea China	Segment total	379.1	9.5%	+10~15%	→	▲ +15~20%	↓	Below
	Decorative (DIY)	312.4		+10~15%		▲ +15~20%		
	Decorative (Project)			+10~15%		▼ +0~5%		
	Automotive	38.4		+5~10%		+5~10%		
Asia Excepting Nipsea China	Segment total	192.5	17.1%	+5~10%	→	▲ +15~20%	↓	Below
	PT Nipsea (Indonesia)	39.5	29.7%	+5~10%	↑	▲ +10~15%	↓	Below
	Betek Boya (Turkey)	49.2	15.2%	+10~15%	↘	▲ c. +90%	↓	Below
DuluxGroup	DuluxGroup (Oceania)	176.2	10.8%	c. +5%	↗	▲ +5~10%	→	Inline
	Cromology (Europe)	(For reference) 91.9	(For reference) 8.9%	+0~5%	↓	+0~5%	↓	Below
	JUB (Europe)	(For reference) 11.3	(For reference) 8.6%	—	—	—	—	—
Americas	Segment total	76.4	4.7%	c. +10%	↑	c. +10%	↑	Slightly Below
	Automotive	23.3		+15~20%		▼ c. +10%		
	Decorative	51.8		c. +5%		▲ +5~10%		

## **4. FY2022 1H Results**

## 4-1. Highlights (Consolidated)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 1H <sup>*1</sup>	FY2022 1H	YoY (%)	FY2021 1H <sup>*1</sup>	FY2022 1H	YoY (Amount)	YoY (%)
Revenue	481.8	622.0	29.1%	481.6	541.2	59.7	12.4%
Operating profit	49.0	44.2	-9.7%	51.8	46.9	-4.9	-9.5%
OP margin	10.2%	7.1%	-3.1pt	10.8%	8.7%	-	-2.1pt
EBITDA	64.2	65.3	1.6%	-	-	-	-
EBITDA margin	13.3%	10.5%	-2.8pt	-	-	-	-
Profit before tax	48.4	42.0	-13.2%	52.8	43.0	-9.8	-18.6%
Profit <sup>※2</sup>	33.9	28.6	-15.7%	37.8	28.9	-8.9	-23.6%

\*1 As annotated on page 3, 1H 2021 figures were adjusted retrospectively    \*2 Profit attributable to owners of parent from continuing operations

## 4-2. Highlights (by Segment)

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

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 1H <sup>*1</sup>	FY2022 1H	YoY (%)	FY2021 1H <sup>*1</sup>	FY2022 1H	YoY (Amount)	YoY (%)
Japan	Revenue	86.6	87.5	1.0%	86.6	86.8	0.2	0.2%
	OP profit <sup>*2</sup>	7.1	2.5	-64.1%	7.1	2.5	-4.6	-64.5%
Nipsea	Revenue	272.6	340.1	24.7%	272.4	324.6	52.2	19.2%
	OP profit	37.1	22.4	-39.7%	36.4	32.1	-4.3	-11.9%
DuluxGroup	Revenue	84.2	147.1	74.8%	84.2	88.6	4.4	5.3%
	OP profit	11.0	16.1	46.2%	11.0	11.5	0.5	4.3%
Americas	Revenue	38.4	47.4	23.3%	38.4	41.3	2.8	7.4%
	OP profit	2.7	5.1	85.0%	2.7	2.8	0.1	2.5%
Adjustments <sup>*3</sup>	Revenue	-	-	-	-	-	-	-
	OP profit	-9.0	-1.9	-	-5.4	-1.9	3.4	-
Total	Revenue	481.8	622.0	29.1%	481.6	541.2	59.7	12.4%
	OP profit	49.0	44.2	-9.7%	51.8	46.9	-4.9	-9.5%

\*1 As annotated on page 3, the earnings for 1H 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 2021 is included in Adjustments)

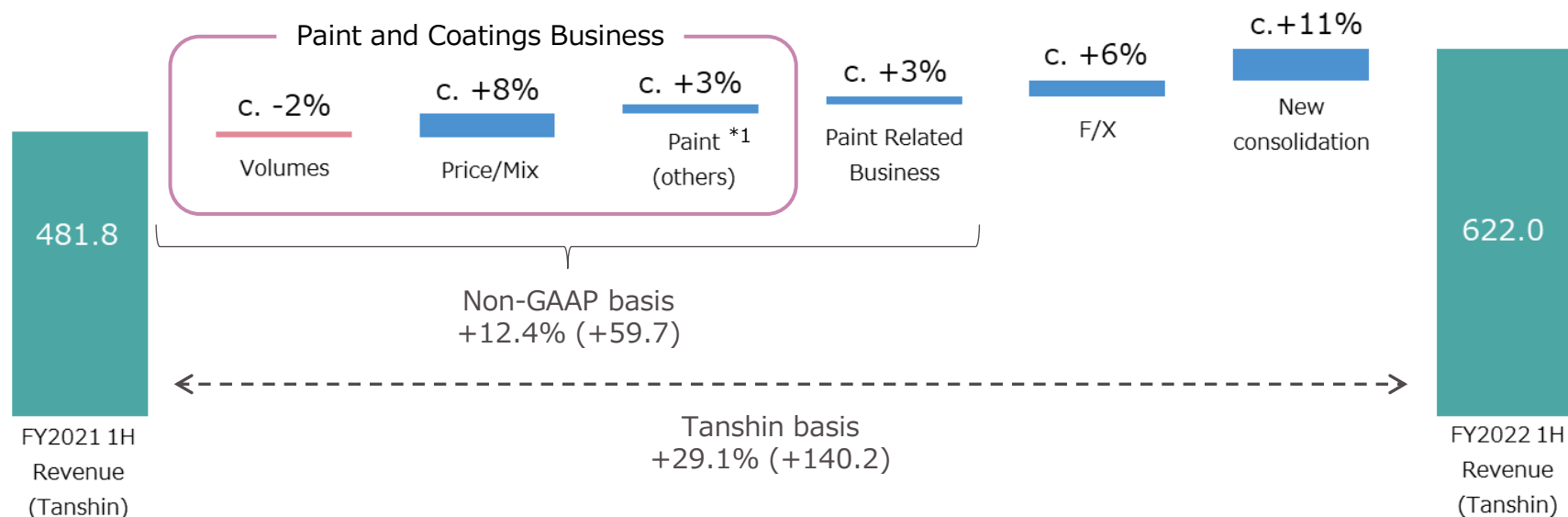
\*3 Only HQ expenses related to functions as a listed company and a pure holding company are included in Adjustments beginning with 1Q 2022



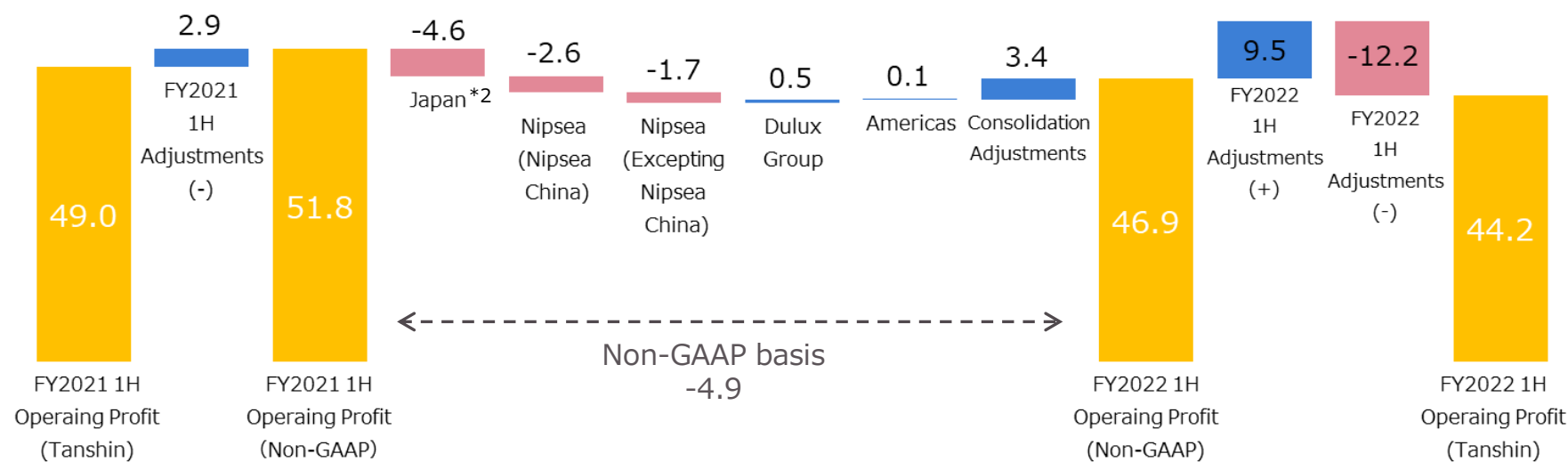
## 4-3. Revenue and Operating Profit Analysis (FY2022 1H)

(Billion yen)

### Revenue



### Operating Profit



\*1 Products included in the Paint and Coatings Business such as semi-finished products and fine chemicals with unit price and volume significantly different from paint products.

Disclosed separately from volumes and price/mix in the above graph to provide more reasonable data

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

## 4-4. Japan & Nipsea China

### Japan

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2021	FY2022	YoY	FY2021	FY2022	YoY	YoY
		1H	1H	(%)	1H	1H	(Amount)	(%)
Revenue	Automotive coatings	18.7	16.0	-14.5%	18.7	16.0	-2.7	-14.5%
	Decorative paints	21.8	23.2	6.2%	21.8	23.2	1.4	6.2%
	Industrial coatings	18.6	19.3	3.9%	18.6	19.3	0.7	3.9%
	Fine chemicals	4.7	4.2	-9.1%	4.7	4.2	-0.4	-9.1%
	Others <sup>*1</sup>	22.7	24.7	8.7%	22.7	24.0	1.3	5.6%
	Total	86.6	87.5	1.0%	86.6	86.8	0.2	0.2%
Operating profit <sup>*2</sup>		7.1	2.5	-64.1%	7.1	2.5	-4.6	-64.5%
OP margin		8.2%	2.9%	-5.3pt	8.2%	2.9%	-	-5.3pt

### Nipsea China

		Results (Tanshin)			Results (Non-GAAP)			
		FY2021	FY2022	YoY	FY2021	FY2022	YoY	YoY
		1H	1H	(%)	1H	1H	(Amount)	(%)
Revenue	Automotive coatings	19.1	21.0	10.0%	19.1	18.4	-0.7	-3.6%
	Decorative paints	142.2	184.2	29.5%	142.0	161.3	19.2	13.5%
	Industrial coatings	12.8	11.6	-9.4%	12.7	10.1	-2.6	-20.6%
	Others <sup>*3</sup>	1.4	1.2	-14.8%	1.4	1.0	-0.3	-25.3%
	Total	175.4	217.9	24.2%	175.2	190.8	15.6	8.9%
Operating profit		19.4	6.2	-68.0%	18.8	16.2	-2.6	-13.9%
OP margin		11.1%	2.9%	-8.2pt	10.7%	8.5%	-	-2.2pt

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

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

\*3 The "Others" business includes auto refinish business, etc.

## 4-5. Asia Excepting Nipsea China & PT Nipsea (Indonesia) & Betek Boya (Turkey)

### Asia Excepting Nipsea China

\*Including earnings of PT Nipsea (Indonesia) and Betek Boya (Turkey)

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP)			
	FY2021 1H	FY2022 1H	YoY (%)	FY2021 1H	FY2022 1H	YoY (Amount)	YoY (%)
Revenue	97.2	122.2	25.7%	97.2	133.8	36.6	37.7%
Operating profit	17.7	16.2	-8.9%	17.6	15.9	-1.7	-9.7%
OP margin	18.2%	13.2%	-5.0pt	18.1%	11.9%	-	-6.2pt

### PT Nipsea (Indonesia)

	Results(Tanshin)			Results(Non-GAAP)			
	FY2021 1H	FY2022 1H	YoY (%)	FY2021 1H	FY2022 1H	YoY (Amount)	YoY (%)
Revenue	19.6	25.1	27.6%	19.6	22.1	2.5	12.7%
Operating profit	5.6	7.4	30.4%	7.0	6.5	-0.5	-7.1%
OP margin	28.7%	29.4%	0.6pt	35.7%	29.4%	-	-6.3pt
OP margin* <sup>1</sup>	36.4%	29.9%	-6.5pt	36.3%	29.9%	-	-6.4pt

### Betek Boya (Turkey)

	Results(Tanshin)			Results(Non-GAAP)			
	FY2021 1H* <sup>2</sup>	FY2022 1H* <sup>3</sup>	YoY (%)	FY2021 1H* <sup>2</sup>	FY2022 1H	YoY (Amount)	YoY (%)
Revenue	25.1	33.5	33.5%	25.1	54.5	29.4	117.0%
Operating profit	3.0	2.2	-27.6%	3.0	3.1	0.1	2.6%
OP margin	12.0%	6.5%	-5.5pt	12.0%	5.7%	-	-6.3pt

\*<sup>1</sup> Before fair value adjustments of inventories from PPA (c. 1.5 bn yen) and before amortization of intangible assets from PPA

\*<sup>2</sup> Retrospective adjustment has been made to 1H FY2021 figures following a change in accounting treatment from intersegment transactions to intrasegment transactions due to the change in reportable segments

\*<sup>3</sup> The application of IAS 29 caused revenue (Tanshin basis) to increase by 3.0 bn yen and decrease operating profit by 3.3 bn yen

## 4-6. DuluxGroup & New Consolidation: Cromology (Europe) & JUB (Europe)

### DuluxGroup

\*Including earnings of the newly consolidated Cromology and JUB

(Billion yen)		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 1H	FY2022 1H	YoY (%)	FY2021 1H	FY2022 1H	YoY (Amount)	YoY (%)
Revenue	Decorative paints	43.1	96.0	122.6%	43.1	45.2	2.1	4.9%
	Industrial coatings	3.5	4.2	21.2%	3.5	4.0	0.5	13.7%
	Paint related business	37.6	46.9	24.9%	37.6	39.4	1.9	4.9%
	Total	84.2	147.1	74.8%	84.2	88.6	4.4	5.3%
Operating profit		11.0	16.1	46.2%	11.0	11.5	0.5	4.3%
OP margin		13.1%	10.9%	-2.1pt	13.1%	13.0%	-	-0.1pt
OP margin <sup>*1</sup>		13.8%	11.4%	-2.4pt	13.8%	13.6%	-	-0.2pt

### Cromology (Europe)

	Results(Tanshin)			Results(Non-GAAP)			
	FY2021 1H	FY2022 1H	YoY (%)	FY2021 1H	FY2022 1H	YoY (Amount)	YoY (%)
Revenue	-	50.8	-	-	-	-	-
Operating profit	-	4.7	-	-	-	-	-
OP margin <sup>*2</sup>	-	9.2%	-	-	-	-	-

### JUB (Europe)

	Results(Tanshin)			Results(Non-GAAP)			
	FY2021 1H	FY2022 1H <sup>*3</sup>	YoY (%)	FY2021 1H	FY2022 1H	YoY (Amount)	YoY (%)
Revenue	-	1.9	-	-	-	-	-
Operating profit	-	0.3	-	-	-	-	-
OP margin <sup>*2</sup>	-	15.2%	-	-	-	-	-

## 4-7. Americas

### Americas

(Billion yen)

		Results (Tanshin)			Results (Non-GAAP)			
		FY2021 1H	FY2022 1H	YoY (%)	FY2021 1H	FY2022 1H	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	12.3	14.6	18.9%	12.3	12.7	0.4	3.5%
	Decorative paints	25.5	32.1	25.9%	25.5	28.0	2.5	9.6%
	Fine chemicals	0.6	0.7	8.5%	0.6	0.6	-0.0	-5.5%
	Total	38.4	47.4	23.3%	38.4	41.3	2.8	7.4%
Operating profit		2.7	5.1	85.0%	2.7	2.8	0.1	2.5%
OP margin		7.1%	10.7%	3.6pt	7.1%	6.8%	-	-0.3pt

NIPPON PAINT HOLDINGS CO., LTD. Investor Relations

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# FY2022 2Q Financial Results Presentation Material Reference Data

August 10, 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 <sup>※1</sup>					FY2021 <sup>※1</sup>				
		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 <sup>※2</sup>	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
Oceania	Operating profit <sup>※3</sup>	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
	OP margin <sup>※3</sup>	20.3%	15.9%	13.3%	15.5%	16.2%	18.4%	12.9%	11.3%	9.1%	12.8%	12.5%	4.9%	10.1%	11.6%	9.9%	10.7%	7.1%	3.4%	3.7%	6.3%
	One-time factor <sup>※4</sup>	2.3	-	-	-	2.3	2.0	-0.9	-1.1	-1.1	-1.0	-	-	0.2	0.0	0.2	-	-	-0.1	-0.0	-0.1
Americas	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%
Other	One-time factor <sup>※4</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.4	-0.4	-0.8
	Automotive <sup>※5</sup>	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 <sup>※2</sup>	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	-	-	-	-	-
Other	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%
	Automotive <sup>※5</sup>	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
Other	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 <sup>※2</sup>	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
	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
Other	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 <sup>※4</sup>	-	-	-	-	-	-	-	-	-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 refinish, 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)

(Billion yen)		FY2018					FY2019					FY2020 <sup>※1</sup>					FY2021 <sup>※1</sup>				
		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 <sup>※2</sup>	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 <sup>※3</sup>	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 <sup>※2</sup>	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 <sup>※3</sup>	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 <sup>※3</sup>	-	-	-	-	-	-	-	-	-2.6	-2.6	-	0.1	0.1	0.1	0.3	-	-	-	-	-
Adjustments	Revenue	Not disclosed					Not disclosed					-	-	-	-	-	-	-	-	-	-
	Operating profit											-2.0	-1.9	-2.2	-3.1	-9.2	-5.6	-3.3	-2.5	-1.9	-13.3
	One-time factor <sup>※3</sup>											-	-	-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 <sup>※3</sup>	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 <sup>※1</sup>					FY2022	
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Japan	Automotive	10.2	8.5	7.6	8.9	35.3	8.7	7.4
	Decorative	9.9	11.9	11.4	12.1	45.4	10.4	12.8
	Industrial	9.0	9.6	9.6	10.0	38.1	9.1	10.2
	Fine chemicals	2.3	2.4	2.0	1.8	8.4	2.0	2.3
	Others <sup>※2</sup>	11.2	11.5	11.7	12.3	46.8	11.7	13.0
	Revenue	42.6	43.9	42.3	45.1	174.0	41.8	45.7
	Operating profit	4.3	2.8	1.2	1.3	9.5	0.3	2.2
DuluxGroup	OP margin	10.0%	6.4%	2.8%	2.9%	5.5%	0.7%	4.9%
	One-time factor <sup>※3</sup>	-	-	-0.1	-0.0	-0.1	-	-
	Decorative	21.5	21.6	22.0	25.3	90.4	44.3	51.7
	Industrial	1.6	1.9	1.9	2.0	7.4	1.9	2.3
DuluxGroup	Paint related business	18.4	19.2	19.7	21.2	78.4	21.8	25.1
	Revenue	41.5	42.7	43.6	48.5	176.2	68.0	79.1
	Operating profit	5.7	5.3	5.1	2.9	19.0	6.8	9.3
	OP margin	13.8%	12.4%	11.7%	6.0%	10.8%	10.0%	11.8%
	One-time factor <sup>※3</sup>	-	-	-0.4	-0.4	-0.8	-0.9	-0.2

### ■ Breakdown of DuluxGroup

DuluxGroup	Decorative	21.5	21.6	22.0	25.3	90.4	23.7	24.5
	Industrial	1.6	1.9	1.9	2.0	7.4	1.9	2.3
	Paint related business	18.4	19.2	19.7	21.2	78.4	19.8	22.2
	Revenue	41.5	42.7	43.6	48.5	176.2	45.4	49.1
	Operating profit	5.7	5.3	5.1	2.9	19.0	5.3	5.8
Cromology	OP margin	13.8%	12.4%	11.7%	6.0%	10.8%	11.7%	11.8%
	One-time factor <sup>※3</sup>	-	-	-0.4	-0.4	-0.8	-0.9	-0.2
JUB	Revenue	-	-	-	-	-	22.6	28.1
	Operating profit	-	-	-	-	-	1.4	3.2
	OP margin	-	-	-	-	-	6.4%	11.6%
	One-time factor <sup>※3</sup>	-	-	-	-	-	-	-
JUB	Revenue	-	-	-	-	-	-	1.9
	Operating profit	-	-	-	-	-	-	0.3
	OP margin	-	-	-	-	-	-	15.2%
	One-time factor <sup>※3</sup>	-	-	-	-	-	-	-

※1 The earnings for 1Q and 2Q 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 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 <sup>※1</sup>					FY2022	
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q
Nipsea <sup>※4</sup>	Automotive	18.6	18.4	16.0	21.0	74.1	21.2	20.3
	Decorative	85.5	112.2	114.4	107.4	419.5	111.8	140.2
	Industrial	8.9	10.4	9.9	10.1	39.3	9.4	11.5
	Fine chemicals	1.6	1.7	1.6	1.9	6.8	2.1	2.0
	Others <sup>※2</sup>	2.6	2.8	2.6	3.4	11.5	2.9	3.5
	Paint related business	3.6	6.3	4.8	5.8	20.5	6.3	8.9
	Revenue	120.8	151.8	149.3	149.6	571.6	153.6	186.5
	Operating profit	19.5	17.7	12.1	19.6	68.8	16.5	5.9
	OP margin	16.1%	11.6%	8.1%	13.1%	12.0%	10.7%	3.2%
	One-time factor <sup>※3</sup>	0.2	0.4	-2.5	1.3	-0.6	0.4	-11.0

### ■ Breakdown of Nipsea

Nipsea China	Automotive	9.3	9.8	8.6	10.7	38.4	11.0	10.0
	Decorative	57.3	85.0	92.1	78.1	312.4	79.3	104.9
	Industrial	5.7	7.1	6.4	6.5	25.7	5.4	6.2
	Others <sup>※2</sup>	0.6	0.7	0.5	0.7	2.6	0.6	0.5
	Revenue	72.9	102.5	107.6	96.0	379.1	96.3	121.6
	Operating profit	9.4	10.0	7.2	9.2	35.9	8.0	-1.8
	OP margin	12.8%	9.8%	6.7%	9.6%	9.5%	8.3%	-1.4%
	One-time factor <sup>※3</sup>	0.2	0.4	-2.5	1.3	-0.6	0.4	-11.0
Excepting Nipsea China <sup>※4</sup>	Revenue	47.9	49.3	41.7	53.6	192.5	57.3	64.8
	Operating profit	10.1	7.6	4.9	10.3	33.0	8.5	7.6
	OP margin	21.1%	15.5%	11.7%	19.3%	17.1%	14.9%	11.8%
	One-time factor <sup>※3</sup>	-	-	-	-	-	-	-
Americas	Automotive	6.2	6.1	5.6	5.5	23.3	7.0	7.6
	Decorative	11.2	14.3	13.4	12.9	51.8	14.3	17.8
	Fine chemicals	0.3	0.3	0.2	0.4	1.3	0.4	0.3
	Revenue	17.7	20.7	19.2	18.8	76.4	21.6	25.7
	Operating profit	0.9	1.8	1.2	-0.3	3.6	0.9	4.2
	OP margin	5.2%	8.8%	6.2%	-1.8%	4.7%	4.0%	16.3%
	One-time factor <sup>※3</sup>	-	-	-	-	-	-	1.6
Adjustments	Revenue	-	-	-	-	-	-	-
	Operating profit	-5.7	-3.3	-2.5	-1.9	-13.4	-1.0	-0.8
	One-time factor <sup>※3</sup>	-2.6	-1.0	-	-0.2	-3.9	-	-
Total	Revenue	222.7	259.1	254.5	262.0	998.3	285.1	337.0
	Operating profit	24.7	24.3	17.1	21.5	87.6	23.4	20.8
	OP margin	11.1%	9.4%	6.7%	8.2%	8.8%	8.2%	6.2%
	One-time factor <sup>※3</sup>	-2.3	-0.7	-3.0	0.6	-5.4	-0.5	-11.2

※1 The earnings for 1Q and 2Q 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 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,

※4 Applied hyperinflation accounting for Turkish subsidiary beginning with FY2022 2Q. FY2022 1Q and 2Q figures reflect the applicaiton of this accounting policy

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

(Billion yen)

		FY2019 <sup>※1</sup>					FY2020 <sup>※1</sup>					FY2021 <sup>※1</sup>					FY2022 <sup>※1</sup>	
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q
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	79.1
	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	9.3
	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%	10.0%	11.8%
DuluxGroup (Oceania)	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	49.1
	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	5.8
	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%	11.7%	11.8%
Cromology (Europe)	Revenue	Before consolidation					Before consolidation					Before consolidation					22.6	28.1
	Operating profit																1.4	3.2
	OP margin																6.4%	11.6%
JUB (Europe)	Revenue	Before consolidation					Before consolidation					Before consolidation						1.9
	Operating profit																	0.3
	OP margin																	15.2%
Betek Boya (Turkey) <sup>※2</sup>	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	13.6	20.0
	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	0.9	1.3
	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%	6.4%	6.6%
PT Nipsea (Indonesia)	Revenue	Before consolidation					Before consolidation					9.9	9.7	8.1	11.7	39.5	13.1	11.9
	Operating profit											2.5	3.2	2.0	4.1	11.8	4.2	3.2
	OP margin											25.2%	32.3%	24.1%	35.4%	29.7%	31.9%	26.5%
Exchange rate (average rate)		1Q	1H	9 month		Full Year	1Q	1H	9 month		Full Year	1Q	1H	9 month		Full Year	1Q	1H
	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	124.5
	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	19.1
	JPY/AUD	-	-	72.9		74.7	70.5	71.1	72.8		73.7	82.6	83.4	82.4		82.7	85.2	88.9
	JPY/TRY	-	-	19.0		18.9	17.5	16.6	15.8		15.2	14.0	13.5	13.3		12.5	8.4	8.3 <sup>※3</sup>
	JPY/IDR	-	-	-		-	-	-	-		-	0.0075	0.0076	0.0076		0.0077	0.0082	0.0086

※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, Cromology from January 2022 and JUB from June 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

Applied hyperinflation accounting for Turkish subsidiary beginning with FY2022 2Q. FY2022 1Q and 2Q figures reflect the applicaiton of this accounting policy

※3 Exchange rate as of June 30

#### 4. Breakdown of Adjustments (FY2021 2Q vs. FY2022 2Q)

(Billion yen)		FY2021 2Q						FY2022 2Q					
		FX	Subsidy, etc.※1	M&A related expense	Provison for bad debt	New acqui- sitions	Total	FX	Subsidy, etc.※1	M&A related expense	Provison for bad debt	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others※2	-	-	-	-	-	-	0.5	-	-	-	-	0.5
	Revenue	-	-	-	-	-	-	0.5	-	-	-	-	0.5
Dulux Group (Consolidated)	Operating profit	-	-	-	-	-	-	0.0	-	-	-	-	0.0
	Decorative	-	-	-	-	-	-	2.2	-	-	-	27.1	29.4
	Industrial	-	-	-	-	-	-	0.2	-	-	-	-	0.2
	Paint related business	-	-	-	-	-	-	2.0	-	-	-	2.9	4.9
	Revenue	-	-	-	-	-	-	4.4	-	-	-	30.0	34.4
	Operating profit	-	-	-	-	-	-	0.5	-0.0	-0.2	-	3.5	3.9

##### ■ Breakdown of DuluxGroup

Dulux Group	Decorative	-	-	-	-	-	-	2.2	-	-	-	-	2.2
	Industrial	-	-	-	-	-	-	0.2	-	-	-	-	0.2
	Paint related business	-	-	-	-	-	-	2.0	-	-	-	-	2.0
	Revenue	-	-	-	-	-	-	4.4	-	-	-	-	4.4
	Operating profit	-	-	-	-	-	-	0.5	-0.0	-0.2	-	-	0.3
Cromology	Revenue	-	-	-	-	-	-	-	-	-	-	28.1	28.1
	Operating profit	-	-	-	-	-	-	-	-	-	-	3.2	3.2
JUB	Revenue	-	-	-	-	-	-	-	-	-	-	1.9	1.9
	Operating profit	-	-	-	-	-	-	-	-	-	-	0.3	0.3

※1 Subsidy, etc. includes subsidy income, gain on sale of non-current assets, 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 2Q vs. FY2022 2Q)

(Billion yen)		FY2021 2Q						FY2022 2Q					
		FX	Subsidy, etc.*1	M&A related expense	Provison for bad debt	New acqui- sitions	Total	FX	Subsidy, etc.*1	M&A related expense	Provison for bad debt	New acqui- sitions	Total
Nipsea	Automotive	-0.0	-	-	-	-	-0.0	2.3	-	-	-	-	2.3
	Decorative	0.0	-	-	-	-	0.0	11.2	-	-	-	-	11.2
	Industrial	-0.0	-	-	-	-	-0.0	-0.4	-	-	-	-	-0.4
	Fine chemicals	-	-	-	-	-	-	0.1	-	-	-	-	0.1
	Others*2	-0.0	-	-	-	-	-0.0	0.4	-	-	-	-	0.4
	Paint related business	-	-	-	-	-	-	-4.1	-	-	-	-	-4.1
	Revenue	0.0	-	-	-	-	0.0	9.6	-	-	-	-	9.6
	Operating profit	-	0.4	-	-	-	0.4	0.1	0.3	-	-11.3	-	-10.9

##### ■ Breakdown of Nipsea

Nipsea China	Automotive	-0.0	-	-	-	-	-0.0	1.4	-	-	-	-	1.4
	Decorative	0.0	-	-	-	-	0.0	13.9	-	-	-	-	13.9
	Industrial	-0.0	-	-	-	-	-0.0	0.8	-	-	-	-	0.8
	Others*2	-0.0	-	-	-	-	-0.0	0.1	-	-	-	-	0.1
	Revenue	0.0	-	-	-	-	0.0	16.2	-	-	-	-	16.2
	Operating profit	-	0.4	-	-	-	0.4	0.0	0.3	-	-11.3	-	-11.0
Excepting Nipsea China	Revenue	-	-	-	-	-	-	-6.6	-	-	-	-	-6.6
	Operating profit	-	-	-	-	-	-	0.1	-	-	-	-	0.1
Americas	Automotive	-	-	-	-	-	-	1.2	-	-	-	-	1.2
	Decorative	-	-	-	-	-	-	2.8	-	-	-	-	2.8
	Fine chemicals	-	-	-	-	-	-	0.1	-	-	-	-	0.1
	Revenue	-	-	-	-	-	-	4.1	-	-	-	-	4.1
	Operating profit	-	-	-	-	-	-	0.6	1.6	-	-	-	2.2
Adjustments	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-1.0	-0.0	-	-	-1.0	-0.0	-	-	-	-	-0.0
Total	Revenue	0.0	-	-	-	-	0.0	18.6	-	-	-	30.0	48.6
	Operating profit	-	-0.7	-0.0	-	-	-0.7	1.3	1.9	-0.2	-11.3	3.5	-4.8

\*1 Subsidy, etc. includes subsidy income, gain on sale of non-current assets, and expenses for production facility restructuring projects in Japan

\*2 Includes auto refinish business, etc.

## 5. Breakdown of Adjustments (FY2021 1H vs. FY2022 1H)

(Billion yen)		FY2021 1H						FY2022 1H					
		FX	Subsidy, etc.※1	M&A related expense	Provison for bad debt	New acqui- sitions	Total	FX	Subsidy, etc.※1	M&A related expense	Provison for bad debt	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others※2	-	-	-	-	-	-	0.7	-	-	-	-	0.7
	Revenue	-	-	-	-	-	-	0.7	-	-	-	-	0.7
Dulux Group (Consolidated)	Operating profit	-	-	-	-	-	-	0.0	-	-	-	-	0.0
	Decorative	-	-	-	-	-	-	3.0	-	-	-	47.8	50.8
	Industrial	-	-	-	-	-	-	0.3	-	-	-	-	0.3
	Paint related business	-	-	-	-	-	-	2.6	-	-	-	4.9	7.5
	Revenue	-	-	-	-	-	-	5.8	-	-	-	52.7	58.5
	Operating profit	-	-	-	-	-	-	0.7	-0.2	-0.9	-	5.0	4.6

### ■ Breakdown of DuluxGroup

Dulux Group	Decorative	-	-	-	-	-	-	3.0	-	-	-	-	3.0
	Industrial	-	-	-	-	-	-	0.3	-	-	-	-	0.3
	Paint related business	-	-	-	-	-	-	2.6	-	-	-	-	2.6
	Revenue	-	-	-	-	-	-	5.8	-	-	-	-	5.8
	Operating profit	-	-	-	-	-	-	0.7	-0.2	-0.9	-	-	-0.4
Cromology	Revenue	-	-	-	-	-	-	-	-	-	-	50.8	50.8
	Operating profit	-	-	-	-	-	-	-	-	-	-	4.7	4.7
JUB	Revenue	-	-	-	-	-	-	-	-	-	-	1.9	1.9
	Operating profit	-	-	-	-	-	-	-	-	-	-	0.3	0.3

※1 Subsidy, etc. includes subsidy income, gain on sale of non-current assets, and expenses for production facility restructuring projects in Japan

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



## 5. Breakdown of Adjustments (FY2021 1H vs. FY2022 1H)

(Billion yen)		FY2021 1H						FY2022 1H					
		FX	Subsidy, etc.*1	M&A related expense	Provison for bad debt	New acqui- sitions	Total	FX	Subsidy, etc.*1	M&A related expense	Provison for bad debt	New acqui- sitions	Total
Nipsea	Automotive	0.0	-	-	-	-	0.0	3.9	-	-	-	-	3.9
	Decorative	0.2	-	-	-	-	0.2	17.3	-	-	-	-	17.3
	Industrial	0.0	-	-	-	-	0.0	-0.7	-	-	-	-	-0.7
	Fine chemicals	-	-	-	-	-	-	0.2	-	-	-	-	0.2
	Others**2	0.0	-	-	-	-	0.0	0.6	-	-	-	-	0.6
	Paint related business	-	-	-	-	-	-	-7.3	-	-	-	1.5	-5.8
	Revenue	0.2	-	-	-	-	0.2	14.0	-	-	-	1.5	15.5
	Operating profit	-	0.6	-	-	0.2	0.7	0.8	0.7	-	-11.3	0.2	-9.7

### ■ Breakdown of Nipsea

Nipsea China	Automotive	0.0	-	-	-	-	0.0	2.6	-	-	-	-	2.6
	Decorative	0.2	-	-	-	-	0.2	22.9	-	-	-	-	22.9
	Industrial	0.0	-	-	-	-	0.0	1.4	-	-	-	-	1.4
	Others**2	0.0	-	-	-	-	0.0	0.1	-	-	-	-	0.1
	Revenue	0.2	-	-	-	-	0.2	27.1	-	-	-	-	27.1
	Operating profit	-	0.6	-	-	-	0.6	0.7	0.7	-	-11.3	-	-10.0
Excepting Nipsea China	Revenue	-	-	-	-	-	-	-13.2	-	-	-	1.5	-11.7
	Operating profit	-	-	-	-	0.2	0.2	0.1	-	-	-	0.2	0.3
Americas	Automotive	-	-	-	-	-	-	1.9	-	-	-	-	1.9
	Decorative	-	-	-	-	-	-	4.1	-	-	-	-	4.1
	Fine chemicals	-	-	-	-	-	-	0.1	-	-	-	-	0.1
	Revenue	-	-	-	-	-	-	6.1	-	-	-	-	6.1
	Operating profit	-	-	-	-	-	-	0.7	1.6	-	-	-	2.3
Adjustments	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-1.0	-2.6	-	-	-3.6	0.1	-	-	-	-	0.1
Total	Revenue	0.2	-	-	-	-	0.2	26.6	-	-	-	54.2	80.8
	Operating profit	-	-0.5	-2.6	-	0.2	-2.9	2.2	2.1	-0.9	-11.3	5.2	-2.7

\*1 Subsidy, etc. includes subsidy income, gain on sale of non-current assets, and expenses for production facility restructuring projects in Japan

\*2 Includes auto refinish business, etc.



## 6. Key Financial Data

<Capital Expenditure, Depreciation, R&D Expenses>

		FY2021	FY2021	FY2022	FY2022
(Billion yen)		1Q	2Q	1Q	2Q
Capital expenditure	Property, plant and	8.8	10.5	11.3	11.3
	Intangible assets	0.9	1.2	1.2	0.3
	Total	9.7	11.7	12.6	11.6
Depreciation	Property, plant and	6.7	6.8	8.0	8.7
	Intangible assets	1.7	1.8	2.2	2.2
	Total	8.4	8.6	10.2	10.9
R&D		5.6	5.6	6.2	7.2

<Other Major indicators>

	As of Dec. 31, 2021	As of June 30, 2022
Equity attributable to owners of parent to total assets(%)	49.1	46.7
Net debt <sup>※1</sup> (billion yen)	429.3	643.3
EPS (yen)	29.41	12.16

※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)

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

	FY2020	FY2021	FY2022	FY2022	FY2022
	Full Year	Full Year	2Q	Full Year Forecast (as of Feb.)	Full Year Forecast (as of Aug.)
JPY/USD	106.4	110.4	124.5	114.0	127.3
JPY/RMB	15.4	17.1	19.1	17.8	19.3
JPY/AUD	73.7	82.7	88.9	84.0	90.4
JPY/TRY	15.2	12.5	8.3 <sup>※2</sup>	8.1	7.5 <sup>※3</sup>
JPY/IDR	-	0.0077	0.0086	0.0080	0.0089

※2 Exchange rate as of June 30    ※3 Exchange rate at the end of the period

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

	As of Dec. 31, 2021	As of June 30, 2022
JPY/USD	115.0	136.6
JPY/RMB	18.1	20.4
JPY/AUD	83.4	93.9
JPY/TRY	9.1	8.3

## 7. 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	2Q
Japan <sup>※1</sup> (10,000t)	44	43	44	47	178	43	43	43	43	172	40	36	38	42	156	40	40	40	41	161	39	25

※1 Source: Japan Paint Manufacturers Association; FY2022 2Q covers April and May

<Automobile production<sup>※2</sup>>

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	2Q
Japan	241	220	218	244	924	243	230	229	220	922	225	120	201	228	774	215	186	155	188	744	187	164
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	620	480
North America	USA	288	282	259	274	1,103	287	285	266	255	1,093	247	93	270	862	247	215	204	222	888	239	243
	Mexico	97	100	100	96	393	99	99	95	82	375	93	28	91	304	82	78	69	72	301	85	82
	Canada	53	54	44	49	200	48	51	46	47	192	38	17	41	136	32	25	22	26	105	32	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	356	356

※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)>

(10,000unit)	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	2Q
Housing starts <sup>※3</sup>	20.5	24.5	24.6	24.6	94.2	21.6	23.4	23.3	22.3	90.5	19.4	20.5	21.0	20.7	81.5	19.1	22.1	22.5	22.0	85.6	20.0	21.8
Construction machinery productions <sup>※4</sup>	9.7	9.9	10.0	11.1	40.7	10.5	10.5	10.1	8.1	39.2	9.6	8.4	8.4	9.9	36.3	10.3	11.2	10.6	11.4	43.6	11.9	6.8
Machine tool production <sup>※5</sup>	2.7	2.0	1.9	1.8	8.5	1.8	1.6	1.5	1.3	6.2	1.2	1.0	1.1	1.3	4.6	1.6	1.9	1.5	1.6	6.8	1.9	1.2

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

※4 Source: Japan Construction Equipment Manufacturers Association; FY2022 2Q covers April and May

※5 Source: Japan Machine Tool Builders' Association; FY2022 2Q covers April and May

<Naphtha price(own estimation)>

(JPY/KL)	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	2Q
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	86,000