



**NIPPON  
PAINT**

*Inspired  
by you*

Investor Relations Deck

# Role of Co-President

## Role

- Oversees global business operations of all business partners which includes:
  - Information technology & systems
  - Supply chain
  - Product safety & quality management
  - R&D and product development
- Aim of expanding revenue and maximizing operation profitability
- Jointly responsible for MSV
- **Primarily responsible for maximizing EPS**



Wee Siew Kim

Yuichiro Wakatsuki

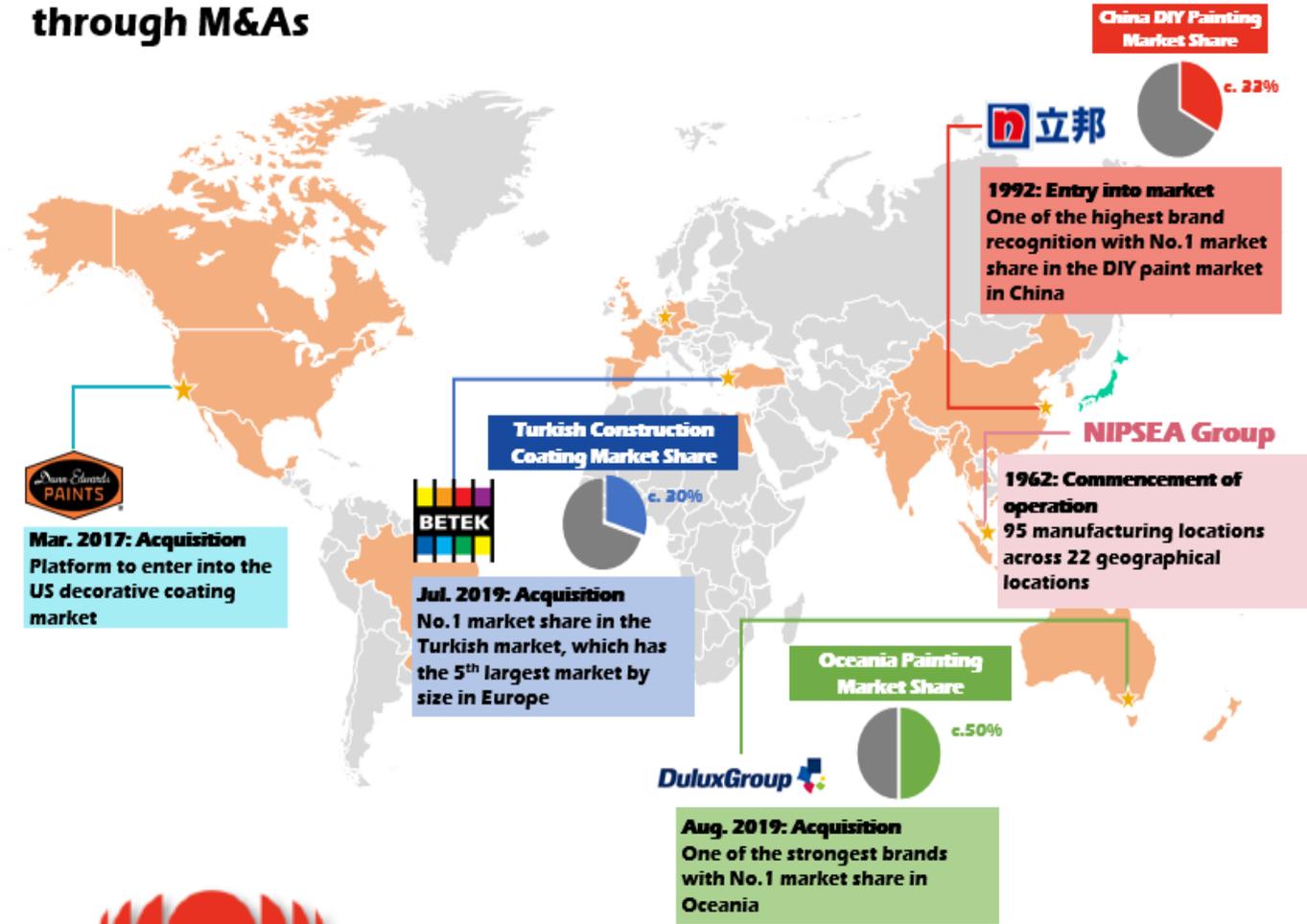
## Role

- Corporate management which includes:
  - Corporate planning
  - Finance and accounting
  - Investor relations & public relations
  - Legal affairs & auditing
  - General affairs & human resources
  - Promotion of ESG \* SDGs
- Aims to achieve further growth through proactive IR activities, optimal financial strategies and M&A
- Jointly responsible for MSV
- **Primarily responsible for maximizing PER**

$$\text{MSV} = \text{EPS} \times \text{PER}$$

# Nippon Paint Group Global

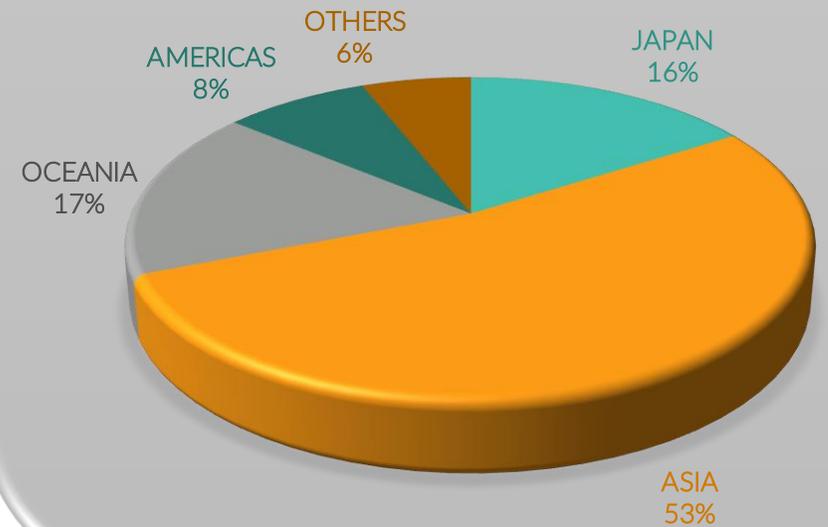
**Expanding global network across 30 geographical locations through M&As**



## Key Facts:

- Revenue (1H 2021): 498 billion yen
- Revenue (2021F): 1,010 billion yen
- Employees: 34,000 persons
- 30 countries/regions
- Factories: 131
- Founded 140 years ago in 1881

**Revenue by Region (1H 2021)**

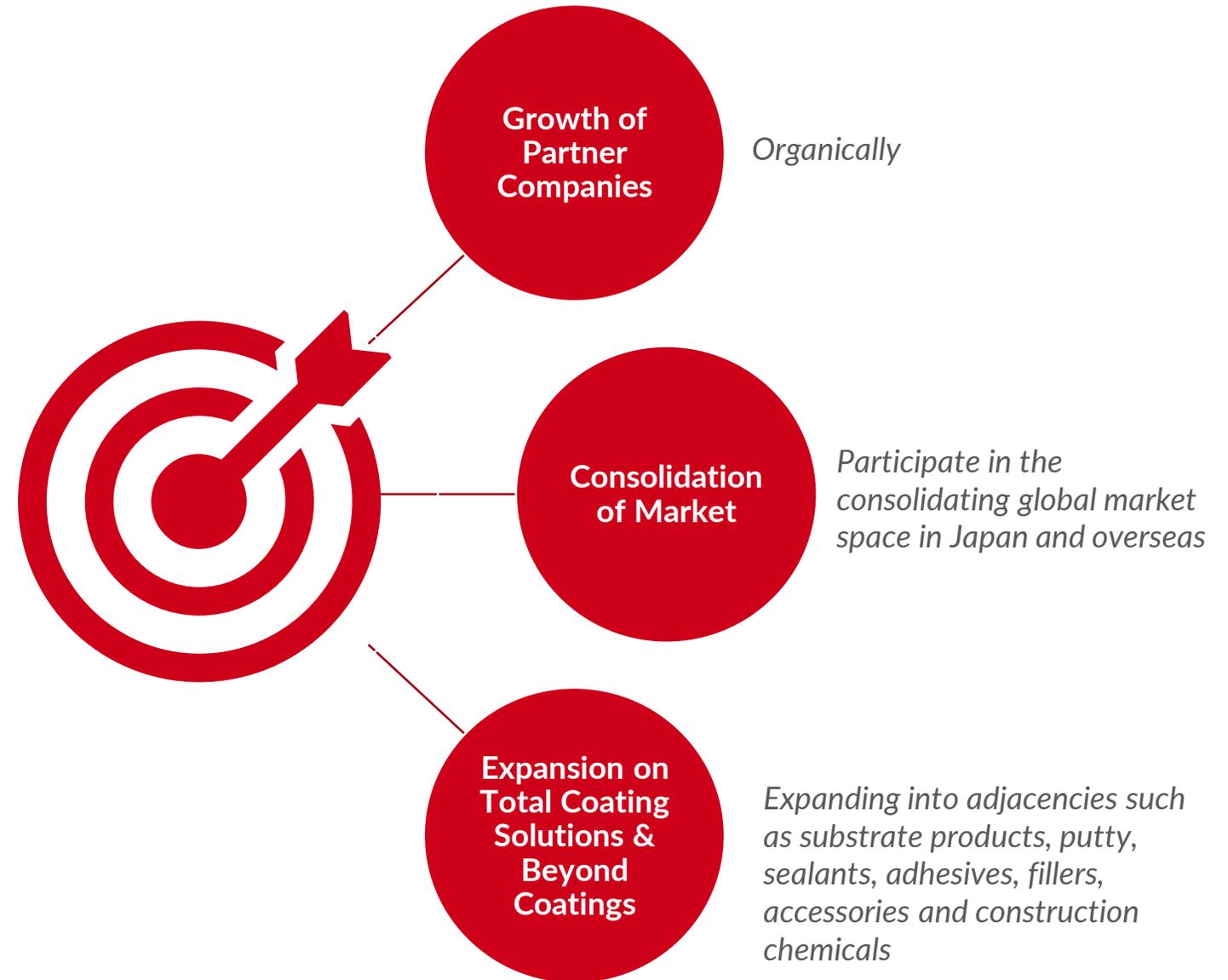


# Our Growth

Aiming to achieve organically:

- **Revenue of 1,100 billion yen &**
- **Operating profit of 140 billion**  
in FY2023

**Plus growth from M&A**



Basic & New  
**NIPPON PAINT HOLDINGS**



# ***NIPSEA GROUP***



*Inspired  
by you*

# Facts & Figures

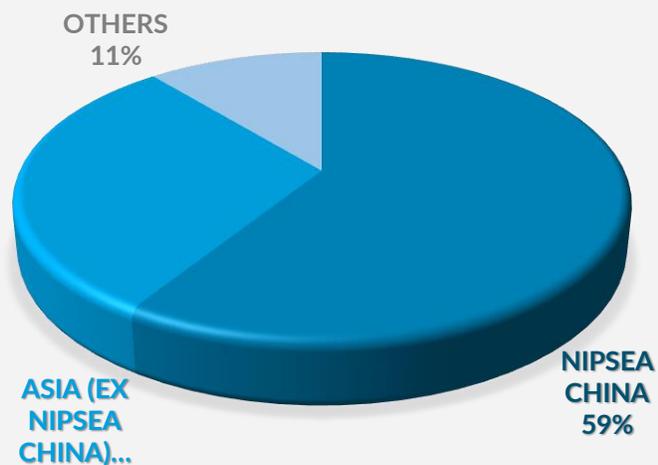


Revenue (1H 2021):  
**295 billion yen**

2009 – 2020 Growth:

- Revenue CAGR: 11%
- PAT CAGR: 11%

Revenue by Region (1H 2021)



## Asia #1 Paint and Coatings Company

- Leading coatings provider across the architectural, automotive, industrial, marine and protective coatings segments
  - Decorative paint segment: 69% of Group revenue
- Lean For Growth (LFG) culture, continually seeking out growth opportunities for Maximization of Shareholder Value (MSV)
- Think global, act local
  - Autonomy to Group companies



Established in  
**1962**



No of Employees  
**25,544**

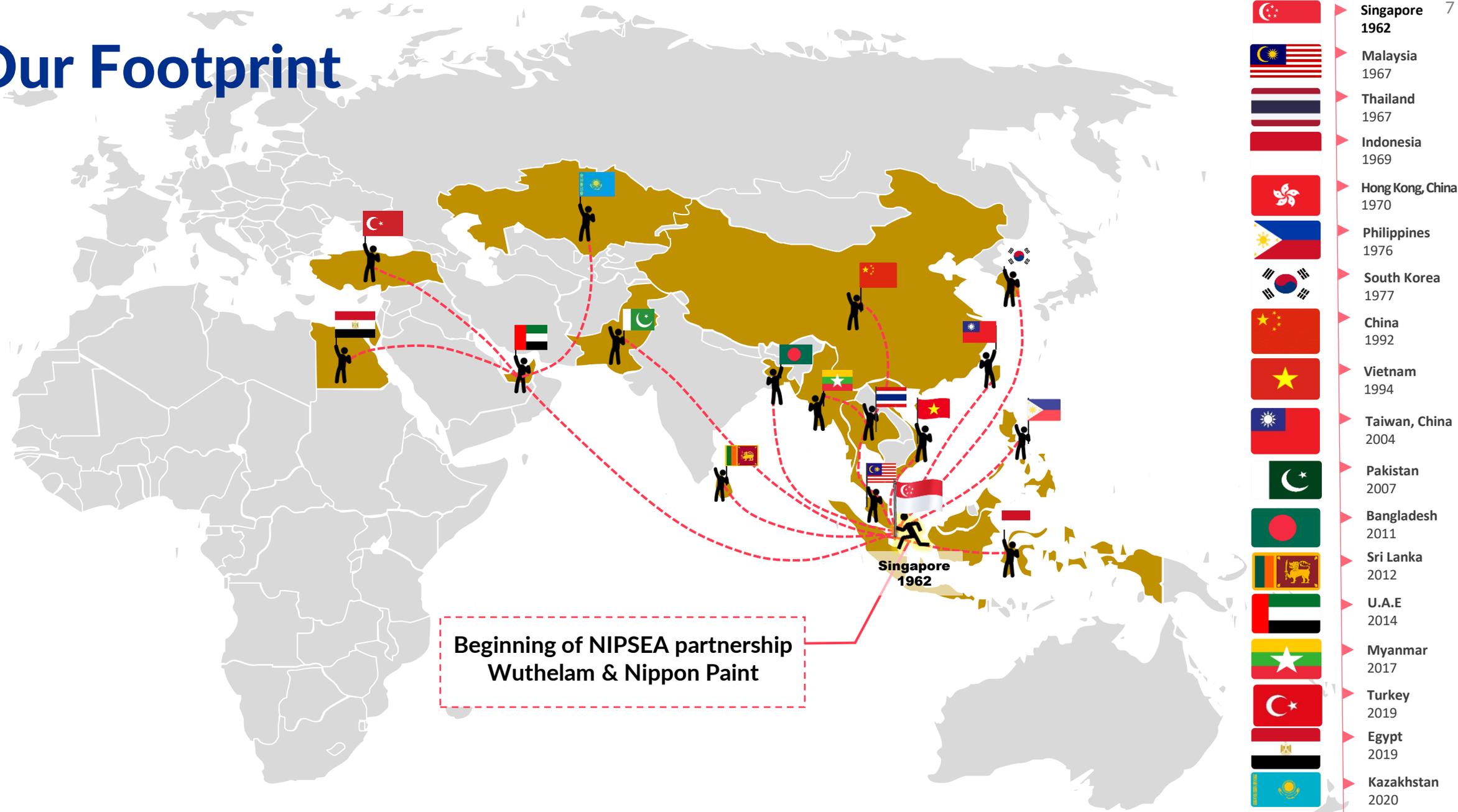


No of Factories  
**95**



Countries/Regions  
**22**

# Our Footprint



# What differentiates us?



# Our Strong Brand Assets globally

Nippon Paint is the most popular brand among homeowners in Asia

Base: n=2,534

\*Source: Survey by Intuit Research in 2020

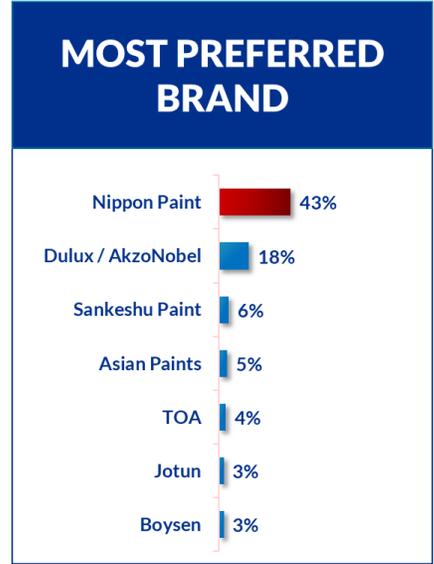
### BRAND AWARENESS



**34%** Say Nippon Paint is their top-of-mind brand

**62%** Are aware of the brand spontaneously

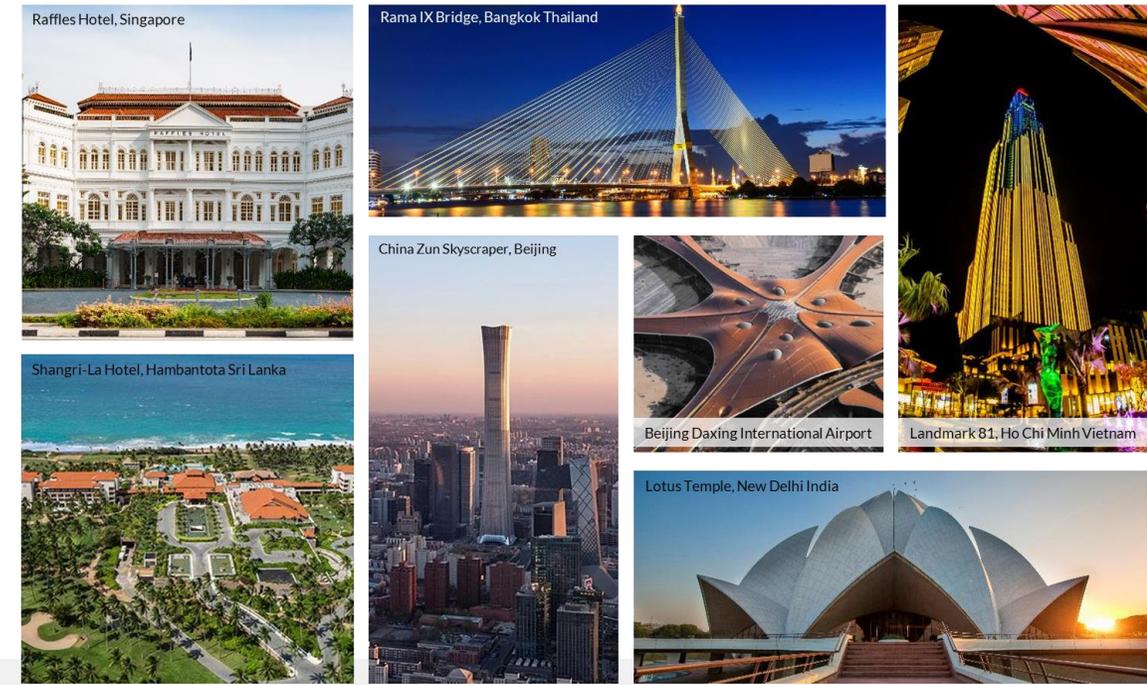
**87%** Aided awareness



Regional Wide marketing platforms



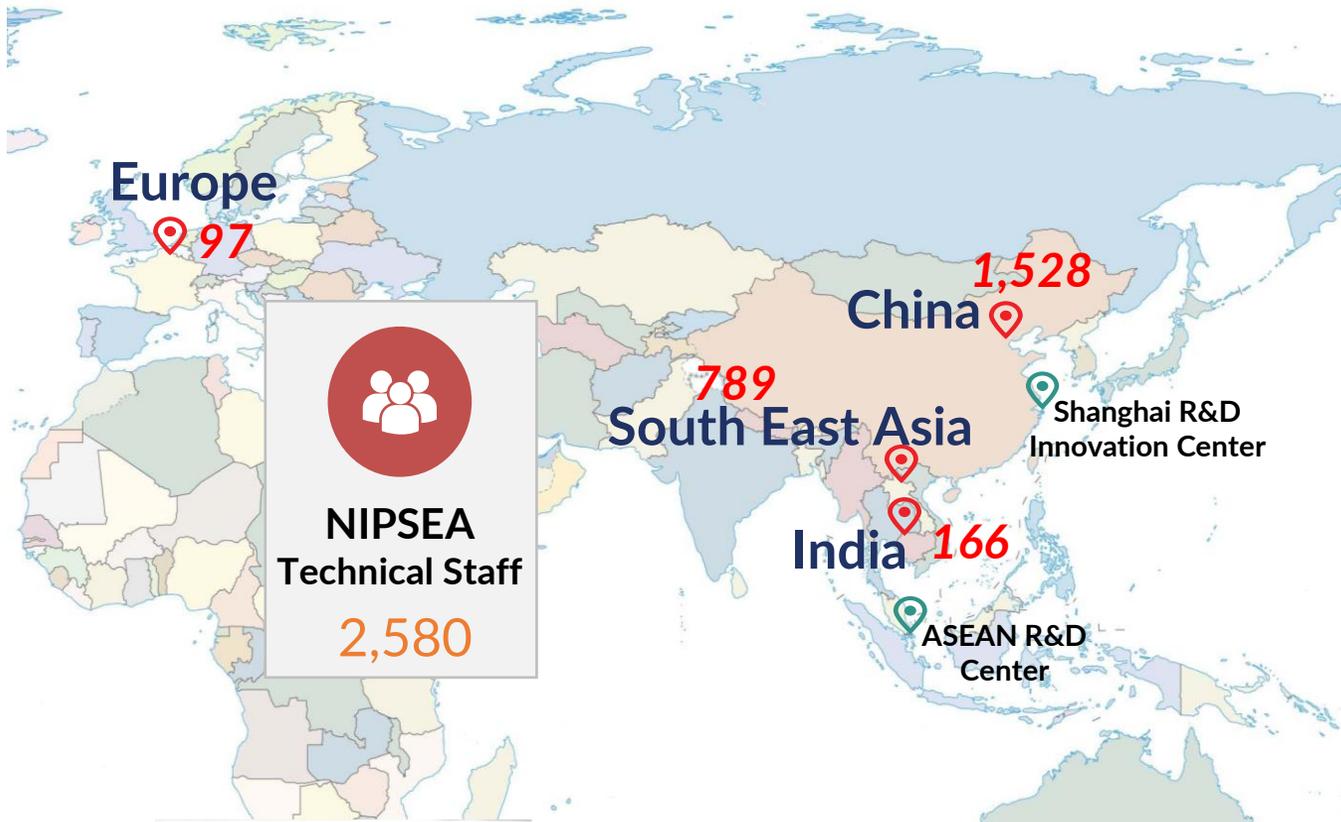
Iconic Projects Across the Globe



## Awards & Accolades



# NIPSEA Technology Hub



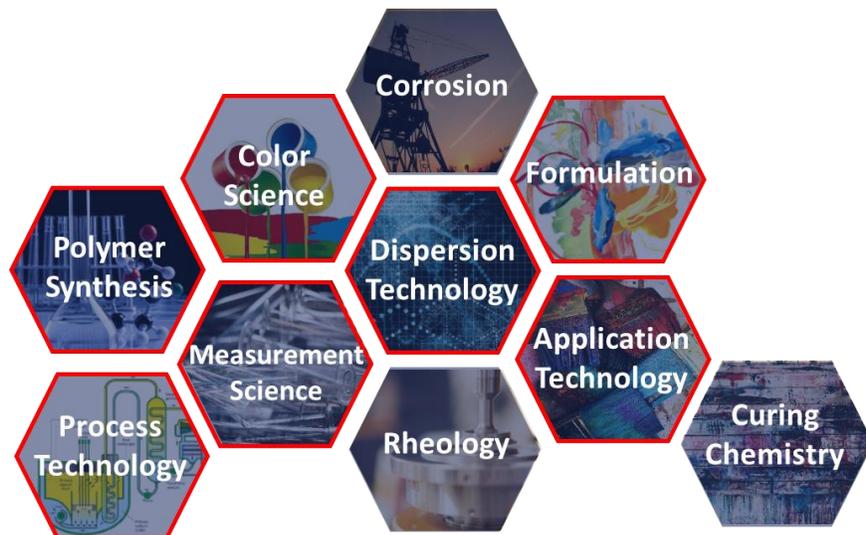
**NIPSEA  
Technical Staff**  
2,580



Nippon Paint China has been honored as a Patent Demonstration Enterprise, a prestigious award which is issued by the Intellectual Property Office for enterprises with outstanding work on patent management and patent strategy

## Core Technologies for the Paint and Coatings Industry

Continue New Competency Building





# NIPSEA CHINA Overview



Revenue (1H 2021):  
**175 billion yen**

2009 – 2020 Growth:

- Revenue CAGR: 12%
- PAT CAGR: 10%



Established in  
**1992**



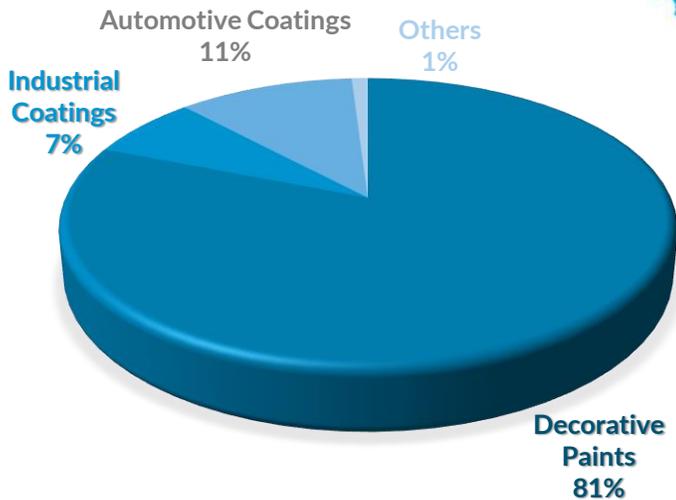
No of Employees  
**9,994**



No of Factories  
**52**



Revenue by Business Segments



No.1 in Wall Paint and Wood Coating Category in 2021 China Brand Power Index

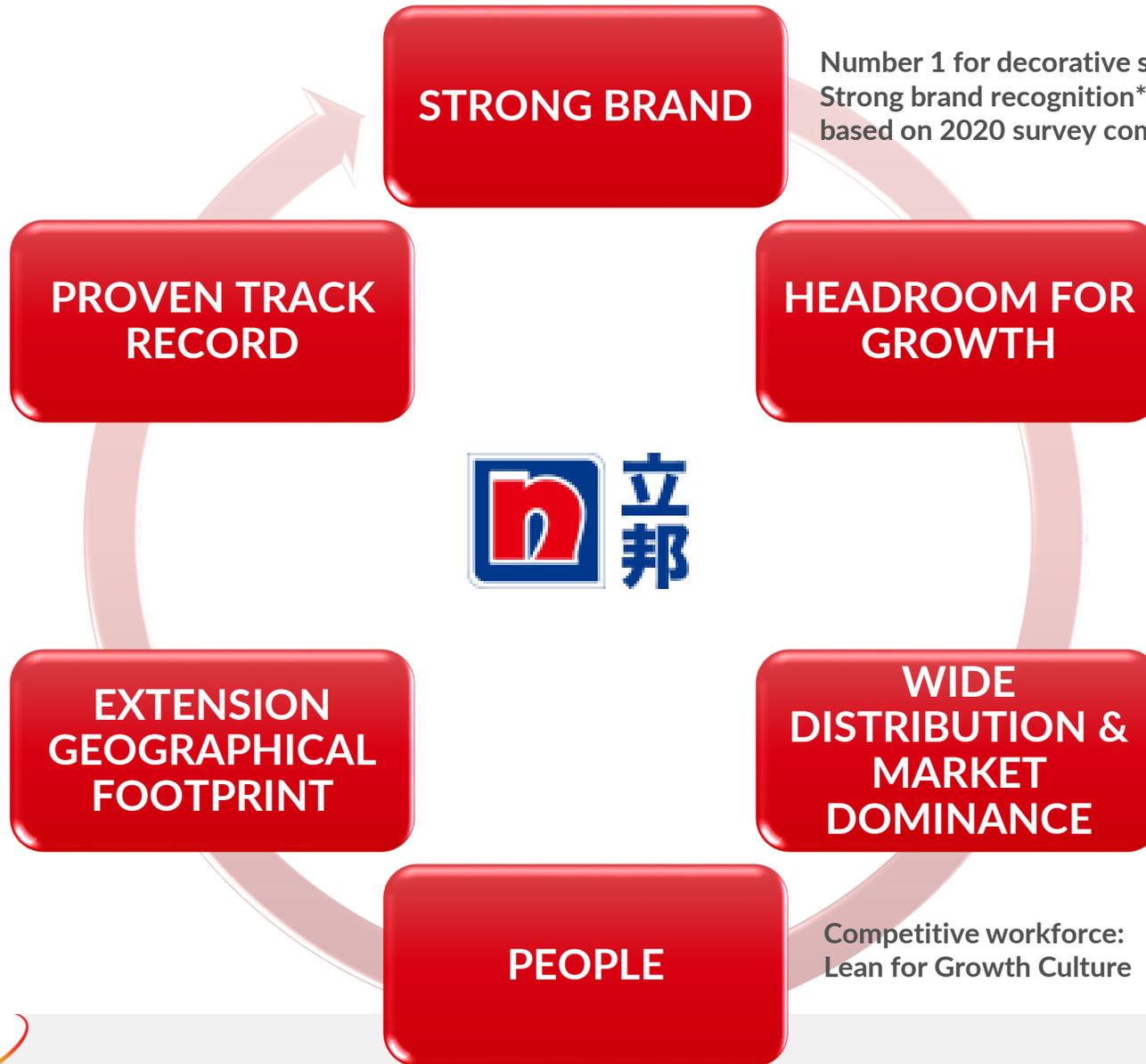


# NIPSEA China – Growing from Strength to Strength



Established track record:  
12% Revenue CAGR  
10% PAT CAGR from 2009

Extensive footprint: 52 factories  
across China, leading and advanced  
production facilities (11 new  
factories under construction)



**STRONG BRAND**

Number 1 for decorative segment in China  
Strong brand recognition\*: 50% Top of Mind awareness  
based on 2020 survey comprising >4,000 respondents

**PROVEN TRACK RECORD**

**HEADROOM FOR GROWTH**

Plenty of headroom for growth:  
33% DIY market share, 9% Project  
market share

**Growth areas:** Accessories,  
ancillaries, putty, ETICs,  
construction chemicals, sealants,  
adhesives and fillers, presenting  
huge market opportunity

**Innovation:** Continuous innovation  
of products and technology

Scaled operating position

**EXTENSION  
GEOGRAPHICAL  
FOOTPRINT**

**WIDE  
DISTRIBUTION &  
MARKET  
DOMINANCE**

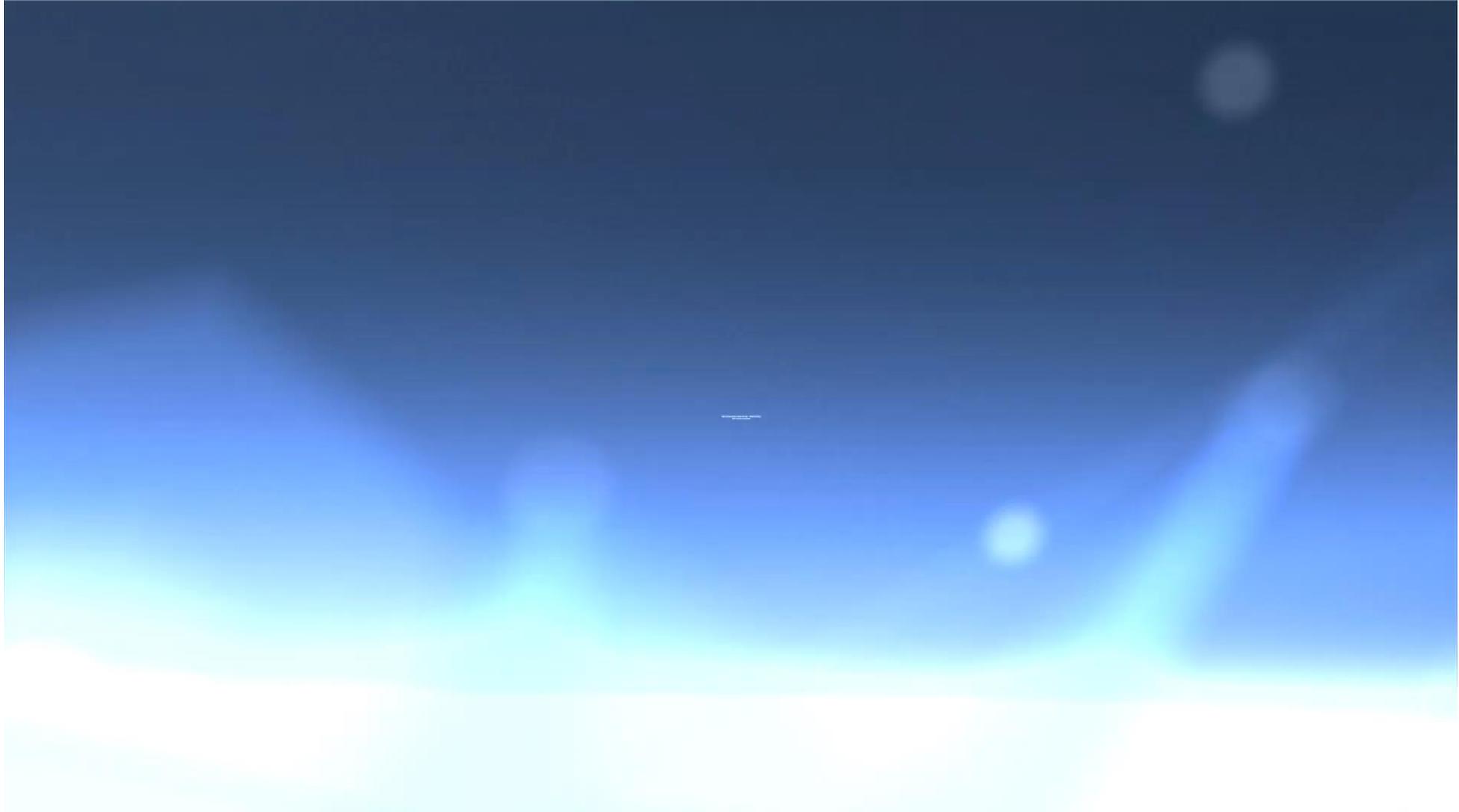
Unrivalled sales network: 58,000  
sales locations

**PEOPLE**

Competitive workforce:  
Lean for Growth Culture



# Advanced Production Facilities



# NIPSEA China – Decorative Segment Growth Areas



Leadership in “Refresh” repainting services: started since Year 2011 and now present in 88 cities



Total coating solutions: meeting varied needs by consumers and industries (hospitality, residential, commercial, healthcare, education etc)



Pushing environmental, health & functional offerings



Leveraging Digitalization to increase business efficiency: Pioneering BMD (Building Material Distribution) program, optimizing value chain and distribution. Expansion to 20 cities by year end since inception Q3 2020



Widening portfolio of product range and product systems to meet broader customer demands



Beyond coatings: providing substrate products, auxiliary materials and energy-saving insulation products



Geographical penetration into 3rd and 4th tier cities, country areas



# NIPSEA China - Addressing Potential Threats Head-on

Continued investment into:

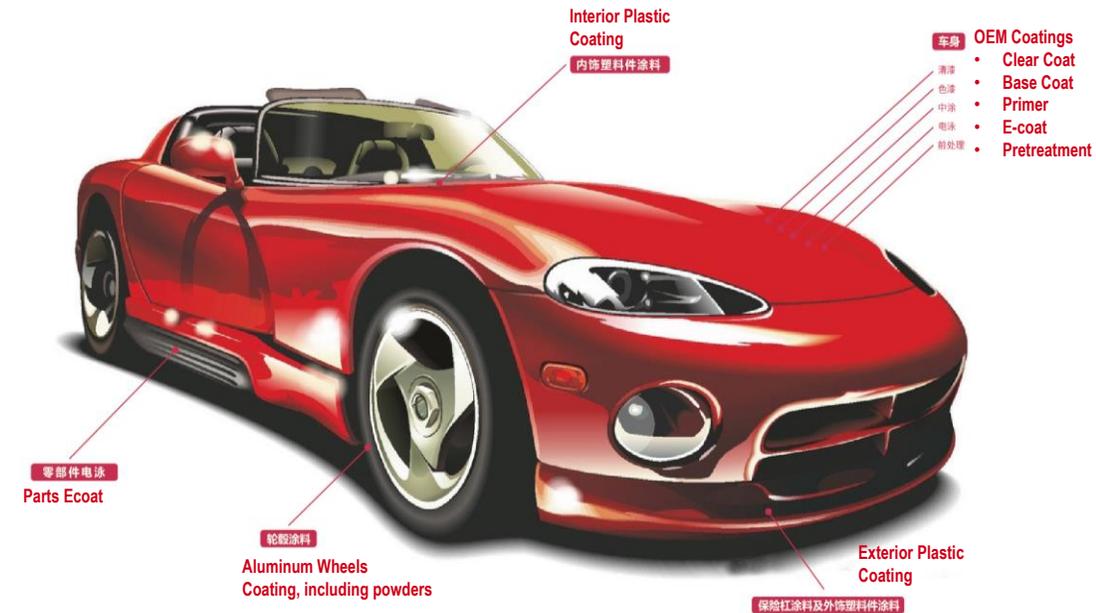


- **DIY and Project** gaining more ground in 2021 (1H2021 China Decorative Revenue +56%)
- Growing **Premium and Mass market** DIY products – seeing stronger growth for Premium & Mass market vs Economy products
- Shifting away from cut-throat areas (little differentiation)
- Expanding coverage of **Building Material Distribution** to more cities, allowing for **deeper entrenchments** and partnership with individual paint shop
- Accelerating growth and **doubling** the number of **computerized Colour Creations Machines (CCM)** by year end
- Fostering **strong relationship & recognition** - #1 brand - Preferred Paint Vendor by Top 500 Chinese Real Estate Development Enterprises 2021
- Increased spend on **R&D differentiated products**

# NIPSEA China - Automotive & Industrial Segment

- **Key supplier to Auto OEMs**
- **Adopt streamlined approach to market:** Strengthening our key position in Japan Auto OEMs, expanding share in non-Japanese Auto OEMs, tap our European connection to grow the European Auto OEM business in China
- **Industrial coatings:** Increasing share of value for environmentally friendly high solids products for Waterbased and Powder coatings
- **Technology & Innovation:** Strong local R&D capability, offering customized coating materials and solutions to meet the needs of customers and ensuring sustainable growth

Our Automotive coating offering



# Other NIPSEA markets - *Extending Penetration & Share*



Decorative leadership position: Number 1 in Singapore, Malaysia, Indonesia, Turkey and Sri Lanka



Substantial headroom for inroads and growth: Markets where we do not have leadership position and including Indonesia, Turkey and Sri Lanka, our decorative market share is less than 35%.



2009 – 2020 Growth:

- **Revenue CAGR: 10%**
- **PAT CAGR: 18%**



Strong brand recognition: 34% Top of Mind awareness, 43% Most Preferred Brand, 49% Most Recommended Brand based on 2020 survey\*



Vast footprint: 43 factories across NIPSEA markets outside China (1 new factory under construction in Malaysia)



Competitive workforce: Lean for Growth Culture

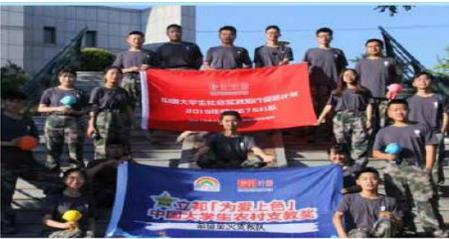


Growth areas leveraging on existing channels: Accessories, ancillaries, putty, ETICs, construction chemicals, sealants, adhesives and fillers

# Our VISION

## Building a sustainable future through customer centric growth

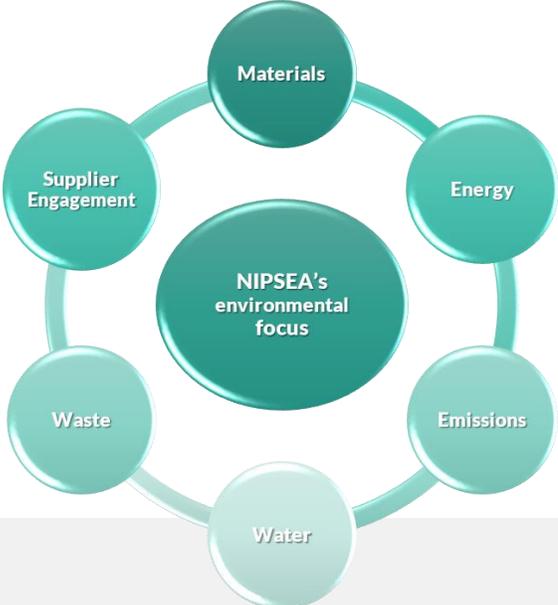
### Supporting Education



### Empowering Communities



### Protection & Preservation



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# THANK YOU