

FY2019 4Q Financial Result Presentation Material

February 13, 2020

NIPPON PAINT HOLDINGS GROUP

Round off to the first decimal place (the same shall apply hereafter)

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Major Changes regarding Disclosure Policy

- ① **Quarterly financials to be disclosed. Accrual basis also disclosed for reference**
- ② **NIPSEA China* financial information to be separately disclosed within Asia segment**
*Only refers to China operations within NIPSEA and does not include non-NIPSEA China
- ③ **Both Reported Base (“Tanshin”) and Adjusted Base (“Non-GAAP”) financials are disclosed**
 - **Non-GAAP adjusts for F/X, additional M&A effects and one time gains/losses in order to clarify continuing operation 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. Please see section in appendix (Page 31-) for more information**
 - F/X constant
 - Subsidies, insurance payments received, gains on sales of fixed assets
 - Expenses for mergers and acquisitions
 - Asset impairment losses
 - Newly consolidated subsidiaries

Today's Summary

- Revenue increased 3.5% and operating profit increased 7.0% YoY
- Strong growth in revenue (+15.1% YoY) and operating profit (+40.6% YoY) at NIPSEA China as the decorative paints business continued to perform well
 - Strong growth from project segment with 42% YoY
- Decline in raw material cost also contributing
- Challenging environment in automobile sector; China automotive coatings revenue was unchanged YoY. As previously announced, impairment losses posted for automotive coatings operations in Europe and India
- Recently acquired DuluxGroup and Betek Boya contributed to results of operations as expected (based on “Tanshin”)
 - 4Q revenue 41.7 bn yen, operating profit 4.6 bn yen (Before 0.5 bn yen of PPA depreciation※ adjustment)
- We will withhold the announcement of FY2020 forecast given the continued evolvement of novel coronavirus outbreak whereby the effect at this point is not quantifiable in a reasonable manner
 - No employee within NPHD Group affected by virus to date. We place highest priority in our employee safety when considering resumption of operations
 - Novel Coronavirus Emergency Headquarters established and BCP monitored on a daily basis. Limited effects outside of China operations to date
 - We plan to announce FY2020 forecast as soon as practical, post peak out

1. FY2019 4Q Highlights

1-2. FY2019 4Q Highlights

(Billion yen)

	Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
	FY2018 4Q	FY2019 4Q	YoY (%)	FY2018 4Q	FY2019 4Q	YoY (Amount)	YoY (%)
Revenue	153.2	196.9	28.5%	153.1	158.5	5.4	3.5%
Operating profit	19.7	11.6	-41.3%	17.9	19.2	1.3	7.0%
OP margin	12.9%	5.9%	-7.0pt	11.7%	12.1%	-	0.4pt
Profit before tax	20.5	13.6	-33.9%	18.7	21.5	2.8	14.7%
Profit [※]	10.3	4.0	-61.1%	9.6	11.3	1.8	18.6%

※ Profit attributable to owners of parent

- ✓ Revenue: China decorative paints business continued to perform well
Global automotive market weakness negatively affected automotive coatings business in Japan and all other regions
Decorative paints sales in Japan fell below the prior-year level because of unfavorable weather and other reasons
- ✓ OP profit: Higher as revenue growth in China and the lower cost of raw materials

1-3. Revenue & Operating Profit by Region (4Q)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018 4Q	FY2019 4Q	YoY (%)	2018年 4Q	2019年 4Q	YoY (Amount)	YoY (%)
Japan	Revenue	49.3	46.1	-6.5%	49.3	46.1	-3.2	-6.5%
	Operating profit [※]	7.6	4.2	-45.4%	7.6	5.2	-2.4	-31.6%
Asia	Revenue	81.8	88.1	7.8%	81.7	90.8	9.1	11.2%
	Operating profit	11.9	10.7	-10.0%	10.1	13.6	3.4	34.0%
Oceania	Revenue	-	34.4	-	-	-	-	-
	Operating profit	-	3.0	-	-	-	-	-
Americas	Revenue	18.5	17.7	-4.4%	18.5	18.2	-0.3	-1.5%
	Operating profit	0.7	1.0	48.0%	0.7	1.1	0.4	53.5%
Others	Revenue	3.6	10.5	191.3%	3.6	3.3	-0.3	-7.4%
	Operating profit	-0.6	-7.3	-	-0.6	-0.7	-0.1	-
Total	Revenue	153.2	196.9	28.5%	153.1	158.5	5.4	3.5%
	Operating profit	19.7	11.6	-41.3%	17.9	19.2	1.3	7.0%

※Excluding dividends from overseas group companies (FY2018 4Q:- , FY2019 4Q:-)

✓ Japan: Revenue decreased because of lower automobile production and the negative effects of natural disasters and the October 2019 consumption tax hike

Earnings decreased due to lower revenue and higher personnel and other SG&A expenses

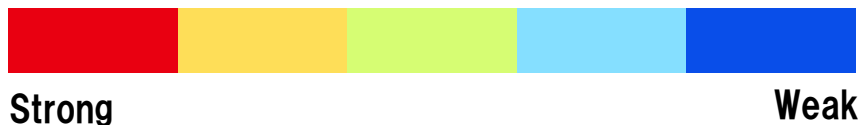
✓ Asia: Increase in earnings due to higher revenue contributed by the strong performance of the decorative paints business of NIPSEA China and lower prices of raw materials than in FY2018

2. FY2019 4Q Results (by Region)

2-1. Market & Business Environment (4Q)

	Japan	Asia (China)		Oceania	Americas
Automotive coatings	➡	➡		/	➡
Decorative paints	➡	DIY ➡	Project ➡	➡	➡

■ Market (YoY)



■ Business (vs. Market*)

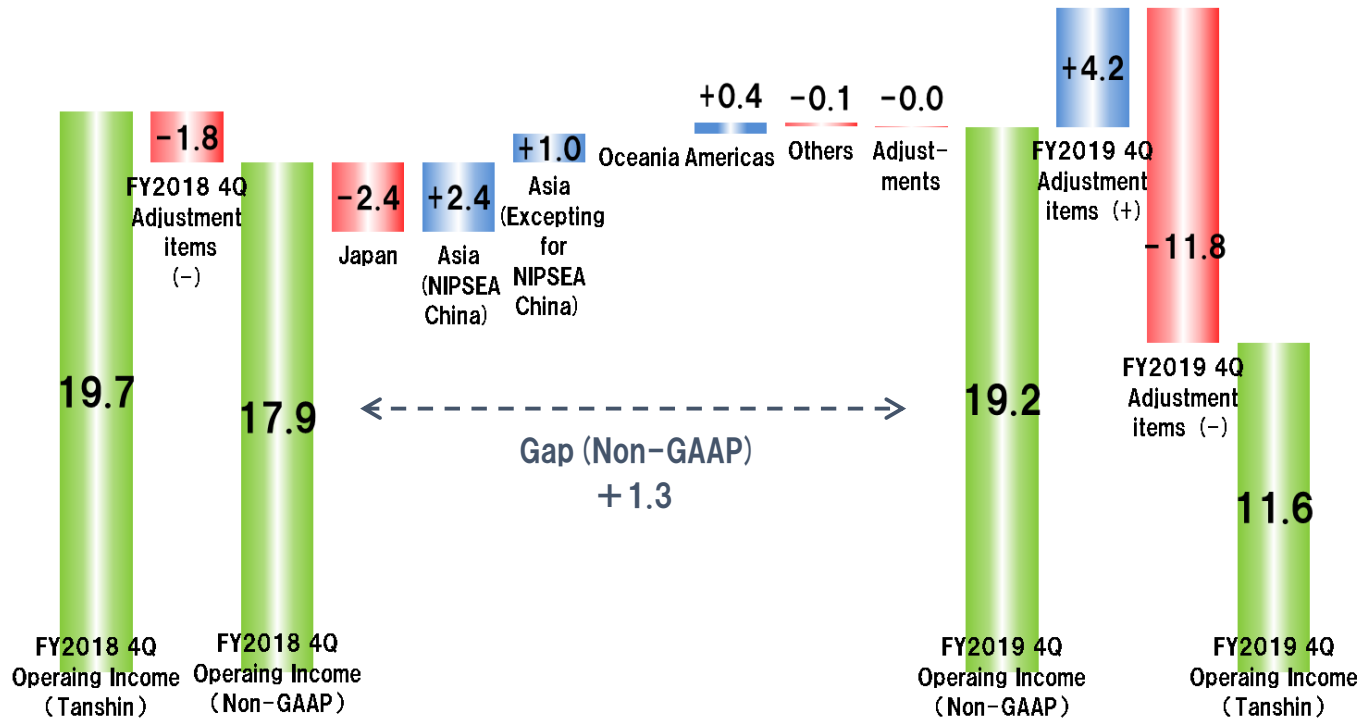
※Own estimation



- ✓Automotive: Automobile production volume in Japan fell below the prior-year level in 4Q FY2019, signs of a recovery are emerging in China, and sales remained weak in the Americas
- ✓Decorative: Slow sales in Japan due to natural disasters and the consumption tax hike and in the Americas due to unfavorable weather and other reasons
 In China, a double-digit increase from FY2018 in real estate market indicators (Development investments and other statistics)
 Difficult market conditions in Australia due to the uncertain outlook for housing starts

2-2. Operating Profit Gap Analysis (Based on Non-GAAP Results)

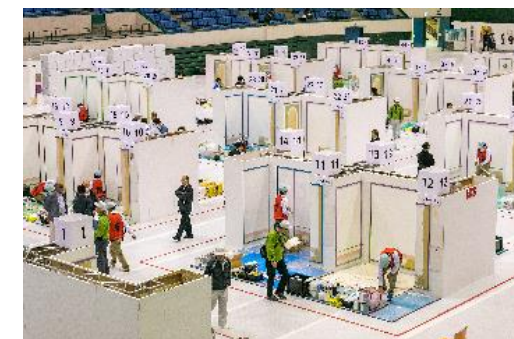
(Billion yen)



- ✓ Japan: Lower earnings because of weakness in the automotive, decorative and industrial market sectors, higher personnel expenses and other reasons
- ✓ Asia: Increase in earnings due to the strong performance of the NIPSEA China decorative paints business and lower cost of raw materials than in FY2018

2-3. Result Analysis by Region (Japan)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018 4Q	FY2019 4Q	YoY (%)	FY2018 4Q	FY2019 4Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	12.1	10.2	-15.5%	12.1	10.2	-1.9	-15.5%
	Decorative paints	13.0	11.8	-9.1%	13.0	11.8	-1.2	-9.1%
	Industrial coatings	11.2	10.4	-6.6%	11.2	10.4	-0.7	-6.6%
	Fine chemicals	2.4	2.1	-10.1%	2.4	2.1	-0.2	-10.1%
	Others※1	10.7	11.6	7.9%	10.7	11.6	0.8	7.9%
	Total	49.3	46.1	-6.5%	49.3	46.1	-3.2	-6.5%
Operating profit		7.6	4.2	-45.4%	7.6	5.2	-2.4	-31.6%
OP margin		15.5%	9.1%	-6.5pt	15.5%	11.3%	-	-4.2pt



The Company product was used in the 26th National Architectural Painting Skills Competition

【Major reasons for changes】

- Automotive: Lower revenue due to decline in automobile production volume (-9.8% YoY※2)
- Decorative: Lower revenue due to construction sector downturn caused by natural disasters and the October 2019 consumption tax hike in Japan
- Industrial: Lower revenue due to construction machinery sector downturn caused by a typhoon (2-month interruption in supply of parts) and slow sales of steel furniture caused by the consumption tax hike
- OP profit: Down due to factors affecting revenue and to higher personnel and other SG&A expenses

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

※2 MarkLines

2-4. Result Analysis by Region (NIPSEA China)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018 4Q	FY2019 4Q	YoY (%)	FY2018 4Q	FY2019 4Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	9.4	9.1	-4.1%	9.4	9.7	0.3	2.9%
	Decorative paints	40.3	47.7	18.3%	40.7	48.8	8.1	19.9%
	Industrial coatings	4.6	4.0	-14.2%	4.4	4.6	0.2	4.7%
	Others※1	1.0	0.5	-55.5%	0.8	0.6	-0.2	-24.5%
	Total	55.4	61.2	10.4%	55.3	63.7	8.4	15.1%
Operating profit		7.8	8.3	6.7%	6.0	8.4	2.4	40.6%
OP margin		14.1%	13.6%	-0.5pt	10.8%	13.2%	-	2.4pt



The new product “投影漆” for home projection scene launched on Nov. 2019

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

【Major reasons for changes】

- Automotive: Automobile production remained low but increased in the 4Q (+3.4% YoY※2); Production increased at Japanese and Chinese automakers – Higher revenue
- Decorative: DIY segment premium and economy product sales up due to continued success of promotions – Higher revenue (+5% YoY)
Project segment sales increased due to increase in construction projects – Higher revenue (+42% YoY)
- Industrial: Sales in the heavy machinery/construction machinery sectors remained weak but higher sales for building materials and home appliances in the coil coating business – Higher revenue
- OP profit: Increased due to revenue growth and improvement in the RMC※3 ratio from 60% to 56% – Higher earnings

※2 Japan Automobile Manufacturers Association

※3 Row Material Cost

2-5. Result Analysis by Region (Asia Excepting for NIPSEA China)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
	FY2018 4Q	FY2019 4Q	YoY (%)	FY2018 4Q	FY2019 4Q	YoY (Amount)	YoY (%)
Revenue	26.4	27.0	2.3%	26.4	27.1	0.8	2.9%
Operating profit	4.1	2.4	-41.6%	4.1	5.2	1.0	24.5%
OP margin	15.7%	9.0%	-6.7pt	15.7%	19.0%	-	3.3pt

【Major reasons for changes】

- Malaysia Group: Strong sales of decorative paints in Malaysia – Higher revenue
- Singapore Group: Sales remained low because of slow in Vietnam decorative and automotive segment and offset with higher sale in Singapore building material sales in Q4 – Higher revenue
- Thailand Group: Lower automobile production (-21.4% YoY*) brought down sales – Lower revenue
- OP profit: Increased due to revenue growth and decline in cost of raw material in Malaysia and Thailand

※ The Federation of Thai Industries

2-6. Result Analysis by Region (Oceania)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018 4Q	FY2019 4Q	YoY (%)	FY2018 4Q	FY2019 4Q	YoY (Amount)	YoY (%)
Revenue	Decorative paints	-	18.0	-	-	-	-	-
	Industrial coatings	-	1.5	-	-	-	-	-
	Paint related business	-	14.9	-	-	-	-	-
	Total	-	34.4	-	-	-	-	-
Operating profit		-	3.0	-	-	-	-	-
OP margin		-	8.6%	-	-	-	-	-
OP margin (Before PPA depreciation)		-	9.7%	-	-	-	-	-



Dulux Color Forecast 2020

【Major reasons for changes】 ※YoY changes using “Tanshin” and local currencies

- Decorative: Higher revenue as strong sales at major retailers offset negative effect of partial inventory adjustments
- Paint related business: Lower revenue due to low levels of infrastructure expenditures and construction starts
- OP profit: No change as positive and negative factors offset each other

2-7. Result Analysis by Region (Americas)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018 4Q	FY2019 4Q	YoY (%)	FY2018 4Q	FY2019 4Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	6.7	6.2	-8.3%	6.7	6.3	-0.4	-5.7%
	Decorative paints	10.9	10.7	-2.4%	10.9	11.0	0.1	0.7%
	Fine chemicals	0.8	0.8	2.2%	0.8	0.9	0.0	5.1%
	Others※1	0.0	0.0	-33.1%	0.0	0.0	0.0	-30.3%
	Total	18.5	17.7	-4.4%	18.5	18.2	-0.3	-1.5%
Operating profit		0.7	1.0	48.0%	0.7	1.1	0.4	53.5%
OP margin		3.8%	5.9%	2.1pt	3.8%	5.9%	-	2.1pt

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



Opened in 2018, Agoura Hills, CA



Dunn-Edwards Highly-Functional Paint

【Major reasons for changes】

- Automotive: Lower revenue due to decline in automobile production volume (-9.9% YoY※2)
- Decorative: No change in revenue despite record-setting rain (16 days) as sales in non-coastal regions increased
- OP profit: Increased despite lower automotive coatings revenue because of decorative paints price revisions and the contribution of RMC reduction activity

※2 Japan Automobile Manufacturers Association

2-8. Result Analysis by Region (Others)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018 4Q	FY2019 4Q	YoY (%)	FY2018 4Q	FY2019 4Q	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	3.3	3.0	-10.2%	3.3	3.1	-0.3	-7.7%
	Decorative paints	-	4.2	-	-	-	-	-
	Industrial coatings	0.1	0.9	1,189.0%	0.1	0.0	-0.1	-78.7%
	Fine chemicals	0.2	0.3	29.5%	0.2	0.3	0.1	30.9%
	Others※	0.0	0.0	-97.1%	0.0	0.0	0.0	-100.1%
	Paint related business	-	2.2	-	-	-	-	-
	Total	3.6	10.5	191.3%	3.6	3.3	-0.3	-7.4%
	Operating profit	-0.6	-7.3	-	-0.6	-0.7	-0.1	-
OP margin	-15.6%	-69.6%	-	-15.6%	-20.6%	-	-	



Betek Boya's product
Color matching device "Renxmatik"

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

【Major reasons for changes】

- Automotive: Lower revenue due to decline in automobile production volume in Europe
- Betek Boya: ※YoY changes using "Tanshin" and local currencies, second half
No change in revenue and increase in operating profit due to holding down advertising expenses and the lower cost of raw materials resulting from the appreciation of the Turkish lira
- OP profit: Increase operating loss because of decline in automotive coatings revenue

3. FY2020 Forecast

3. FY2020 Forecast (1)

We will withhold the announcement of FY2020 forecast given the continued evolvement of novel coronavirus outbreak whereby the effect at this point is not quantifiable in a reasonable manner

- No employee within NPHD Group affected by virus to date. We place highest priority in our employee safety when considering resumption of operations
- Novel Coronavirus Emergency Headquarters established and BCP monitored on a daily basis. Limited effects outside of China operations to date
- We plan to announce FY2020 forecast as soon as practical, post peak out

Resumption of factory operations in China

- Decision will be based on employee safety first and close coordination with government authorities
- Delayed return of factory personnel could affect certain locations with a large number of employees from other regions

Impact on raw material procurement

- Limited impact on the supply of raw materials in China. Possible delays in the supply of certain imported materials. Also considering alternative materials/sources
- Limited impact on supply of raw materials in Japan or other Asian countries
- Continue to monitor the situation while also monitoring inventories, logistics and other items

3. FY2020 Forecast (2)

Current view regarding novel coronavirus impact on FY2020 financials

- Close correlation with timing of peak out. Effect on 1Q inevitable but possible to recover within fiscal year
- For China decorative paints business, DIY segment may be more affected
- For China automotive and industrial coatings business, closely coordinating with our customers
- Sufficient liquidity secured regarding financing
- We are confident of Nipsea Group's ability to quickly recover once soothing takes place. NPHD Group fully supporting the recovery

Other assumptions regarding FY2020 outlook

- Plan to invest more in Japan in order to build a sound base for sustainable growth
- Cautious automobile industry outlook, in Japan and other parts of the world
- Constant raw material cost
- Full year contributions from DuluxGroup and Betek Boya (based on "Tanshin")
 - FY2020 plan: DuluxGroup revenue 143.0 bn yen, OP profit 17.0 bn yen*
 - Betek Boya revenue 34.0 bn yen, OP profit 3.1 bn yen*

※Before PPA depreciation

4- (1) . Reference: FY2019 Highlights

4- (1) -1. FY2019 Highlights

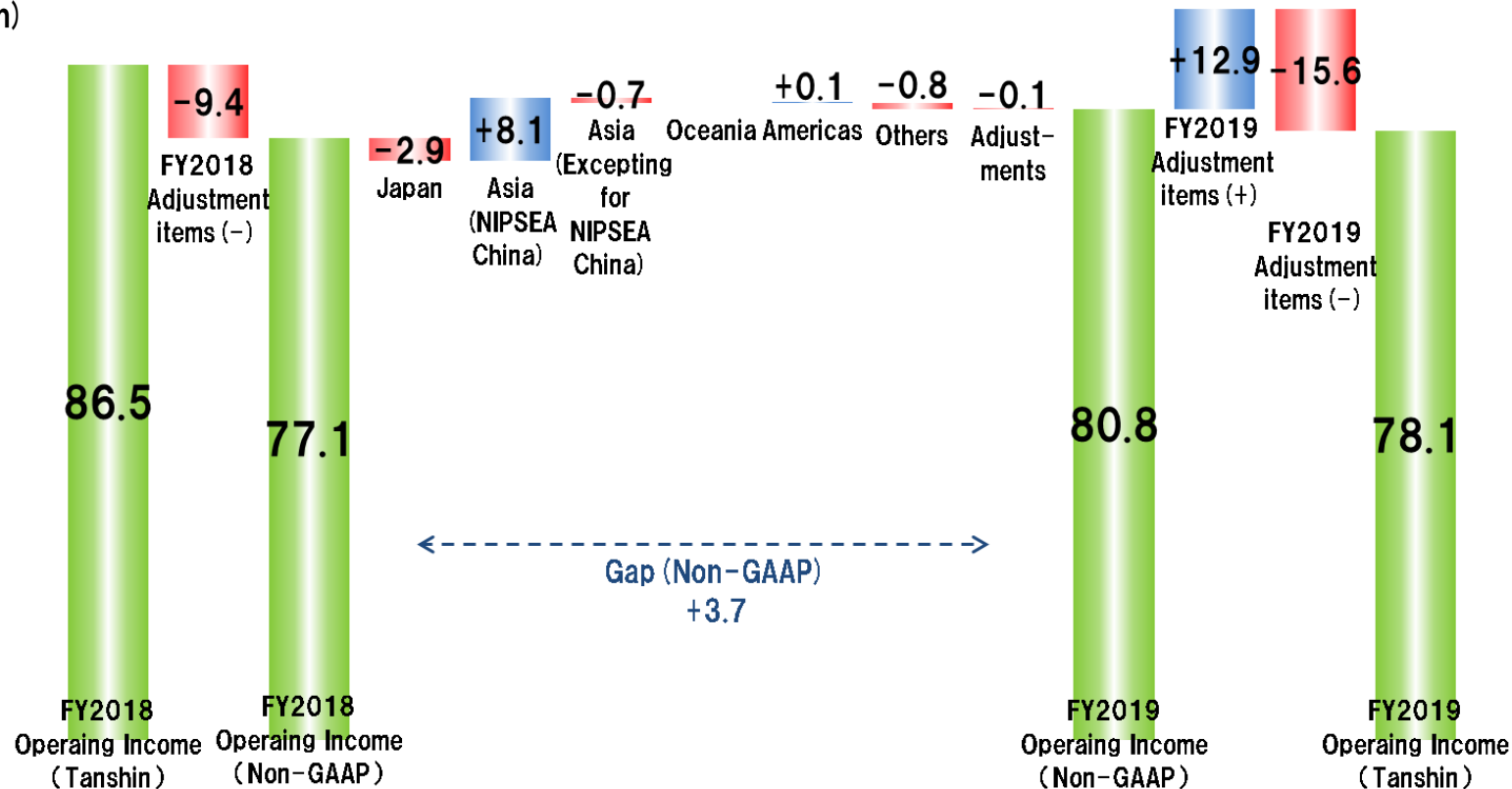
(Billion yen)	Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
	FY2018	FY2019	YoY (%)	FY2018	FY2019	YoY (Amount)	YoY (%)
Revenue	627.7	692.0	10.3%	627.6	646.2	18.6	3.0%
Operating profit	86.5	78.1	-9.8%	77.1	80.8	3.7	4.8%
OP margin	13.8%	11.3%	-2.5pt	12.3%	12.5%	-	0.2pt
Profit before tax	89.1	79.5	-10.7%	79.7	82.6	3.0	3.7%
Profit [※]	45.4	36.7	-19.0%	40.7	41.0	0.3	0.8%

※ Profit attributable to owners of parent

- ✓ Revenue: Increased as strong China decorative paints business revenue and steady decorative paints sales in Japan and the Americas outweighed the negative impact of challenging global automotive market conditions
- ✓ OP profit: Higher as revenue growth and lower cost of raw materials offset increase in personnel and other SG&A expenses

4- (1) -2. Operating Profit Gap Analysis (Based on Non-GAAP Results)

(Billion yen)



- ✓ Japan: Earnings decreased mainly because of higher personnel expenses and other reasons; earnings in the decorative paints and industrial coatings businesses remained steady
- ✓ Asia: Earnings were much higher due to the strong performance of the China decorative paints business and the consistently low cost of raw materials

4- (1) -3. Revenue & Operating Profit by Region

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018	FY2019	YoY (%)	2018年	2019年	YoY (Amount)	YoY (%)
Japan	Revenue	182.8	182.6	-0.1%	182.8	182.6	-0.2	-0.1%
	Operating profit ^{※1}	29.6	23.4	-21.0%	27.4	24.4	-2.9	-10.7%
Asia	Revenue	355.7	359.2	1.0%	355.6	374.4	18.7	5.3%
	Operating profit	52.4	50.8	-3.1%	45.3	52.7	7.4	16.3%
Oceania ^{※2}	Revenue	-	47.6	-	-	-	-	-
	Operating profit	-	5.9	-	-	-	-	-
Americas	Revenue	75.2	74.6	-0.8%	75.2	75.4	0.2	0.3%
	Operating profit	5.0	5.0	0.4%	5.0	5.1	0.1	1.4%
Others	Revenue	13.9	28.0	101.5%	13.9	13.9	0.0	-0.3%
	Operating profit	-0.5	-7.0	-	-0.5	-1.4	-0.8	-
Total	Revenue	627.7	692.0	10.3%	627.6	646.2	18.6	3.0%
	Operating profit	86.5	78.1	-9.8%	77.1	80.8	3.7	4.8%

※1 Excluding dividends from overseas group companies (FY2018: 14.0 bn yen, FY2019: 13.6 bn yen)

※2 FY2019 figures for Oceania include DuluxGroup in the last four months of the year

- ✓ **Japan:** The Decorative paints and industrial coatings businesses performed steadily and revenue was level with FY2018. Earnings decreased due to higher personnel expenses and other reasons
- ✓ **Asia:** Revenue increased mainly because of the China decorative paints business. Revenue growth and the low cost of raw materials resulted in higher earnings

4- (2) . Reference: FY2019 Results (by Region)

4- (2) - 1. Result Analysis by Region (Japan)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018	FY2019	YoY (%)	FY2018	FY2019	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	45.3	44.9	-0.8%	45.3	44.9	-0.4	-0.8%
	Decorative paints	46.8	48.2	3.0%	46.8	48.2	1.4	3.0%
	Industrial coatings	40.6	40.7	0.2%	40.6	40.7	0.1	0.2%
	Fine chemicals	8.9	8.7	-2.4%	8.9	8.7	-0.2	-2.4%
	Others※1	41.2	40.1	-2.7%	41.2	40.1	-1.1	-2.7%
	Total	182.8	182.6	-0.1%	182.8	182.6	-0.2	-0.1%
Operating profit		29.6	23.4	-21.0%	27.4	24.4	-2.9	-10.7%
OP margin		16.2%	12.8%	-3.4pt	15.0%	13.4%	-	-1.6pt



TENNOZ ART FESTIVAL 2019 Artwork, the Company provided artists with the paints (Author: ARIZ; Photo: Shin Hamada)

【Major reasons for changes】

- Automotive: No change due to flat automobile production volume (-0.2% YoY※2), the consumption tax hike and lower coating exports
- Decorative: Higher revenue because of a steady market for decorative paints and retail sales growth in the building construction sector
- Industrial: No change in revenue; higher sales in the steel coil sector due to a temporary upturn in disaster recovery and prevention projects, downturn in the building construction market because of the 4Q typhoon, negative effect of consumption tax hike on the steel furniture market
- OP profit: Down because of higher personnel and other SG&A expenses

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

4- (2) -2. Result Analysis by Region (NIPSEA China)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018	FY2019	YoY (%)	FY2018	FY2019	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	39.4	33.8	-14.2%	39.0	35.6	-3.4	-8.7%
	Decorative paints	189.2	202.7	7.1%	190.3	212.9	22.5	11.8%
	Industrial coatings	20.9	18.4	-11.7%	20.2	19.4	-0.8	-3.9%
	Others※1	2.3	2.6	14.7%	2.1	2.7	0.7	32.3%
	Total	251.7	257.5	2.3%	251.6	270.6	19.0	7.6%
Operating profit		38.4	40.1	4.4%	31.2	39.3	8.1	25.8%
OP margin		15.3%	15.6%	0.3pt	12.4%	14.5%	-	2.1pt



The products series collaborating with the novel "The Little Prince" are additive-free and purify chemicals

【Major reasons for changes】

- Automotive: Challenging automotive market (-6.0%※2 YoY) brought down production, mainly at Chinese automakers - Lower revenue
- Decorative: DIY segment premium and economy paint sales up due to continued success of promotions
- Higher revenue (+2% YoY)
Project segment sales increased due to increase in construction project
- Higher revenue (+35% YoY)
- Industrial: Production volume in the coil coating business was strong but production remained low in the agricultural machinery and construction machinery industries - Lower revenue
- OP profit: Increased as revenue growth in the decorative paints business and an improvement in the RMC ratio from 56% to 55% outweighed the impact of lower automotive coatings and industrial coatings sales - Higher earnings

4- (2) -3. Result Analysis by Region (Asia Excepting for NIPSEA China)

(Billion yen)	Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
	FY2018	FY2019	YoY (%)	FY2018	FY2019	YoY (Amount)	YoY (%)
Revenue	104.1	101.7	-2.2%	104.1	103.8	-0.3	-0.3%
Operating profit	14.0	10.7	-23.7%	14.0	13.4	-0.7	-4.8%
OP margin	13.5%	10.5%	-3.0pt	13.5%	12.9%	-	-0.6pt

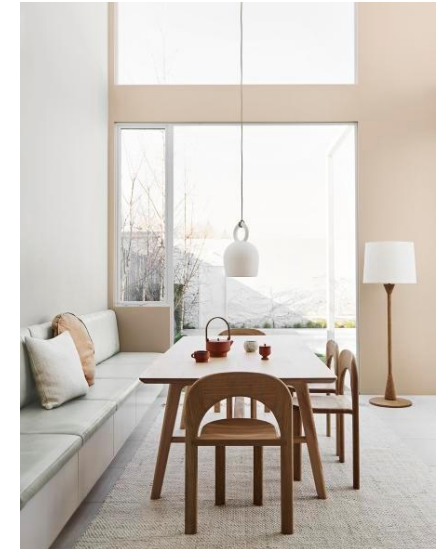
【Major reasons for changes】

- **Malaysia Group:** Strong sales of decorative paints in Malaysia since 2Q FY2019 – Higher revenue
- **Singapore Group:** The decline in construction projects is affecting the performance of the core Singapore Group – Lower revenue
- **Thailand Group:** Lower automobile production (-7.4% YoY[※]) is impacting performance – Lower revenue
- **OP profit:** Lower revenue in Singapore outweighed the revenue growth in Malaysia and an improvement in the raw material cost – Lower earnings

※ The Federation of Thai Industries

4- (2) -4. Result Analysis by Region (Oceania)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018	FY2019	YoY (%)	FY2018	FY2019	YoY (Amount)	YoY (%)
Revenue	Decorative paints	-	24.6	-	-	-	-	-
	Industrial coatings	-	2.0	-	-	-	-	-
	Paint related business	-	21.0	-	-	-	-	-
	Total	-	47.6	-	-	-	-	-
Operating profit		-	5.9	-	-	-	-	-
OP margin		-	12.3%	-	-	-	-	-
OP margin (Before PPA depreciation)		-	13.1%	-	-	-	-	-



The Interior design based on Dulux Color Forecast 2020

【Major reasons for changes】

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4- (2) -5. Result Analysis by Region (Americas)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018	FY2019	YoY (%)	FY2018	FY2019	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	27.3	25.9	-5.1%	27.3	26.2	-1.1	-4.0%
	Decorative paints	44.6	45.4	1.7%	44.6	45.8	1.2	2.7%
	Fine chemicals	3.1	3.1	1.3%	3.1	3.2	0.1	2.3%
	Others※1	0.2	0.2	4.3%	0.2	0.2	0.0	5.4%
	Total	75.2	74.6	-0.8%	75.2	75.4	0.2	0.3%
Operating profit		5.0	5.0	0.4%	5.0	5.1	0.1	1.4%
OP margin		6.6%	6.7%	0.1pt	6.6%	6.7%	-	0.1pt

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



The consulting service by professional color advisors in each stores



Opened in 2019, Merced, CA

【Major reasons for changes】

- Automotive: Lower revenue due to decline in automobile production volume (-2.8% YoY※2)
- Decorative: Higher revenue as strong residential sector sales offset the negative effects of record-setting 1Q and 4Q rain
- OP profit: Increased as price revisions and a product mix improvement for decorative paints offset lower automotive coatings earnings

※2 Japan Automobile Manufacturers Association

4- (2) -6. Result Analysis by Region (Others)

(Billion yen)		Results (Tanshin)			Results (Non-GAAP) (excluding the adjustment items' effect)			
		FY2018	FY2019	YoY (%)	FY2018	FY2019	YoY (Amount)	YoY (%)
Revenue	Automotive coatings	12.8	11.8	-8.3%	12.8	12.7	-0.2	-1.5%
	Decorative paints	-	8.8	-	-	-	-	-
	Industrial coatings	0.3	1.8	600.6%	0.3	0.1	-0.2	-57.6%
	Fine chemicals	0.8	1.0	37.3%	0.8	1.1	0.3	44.5%
	Others※	0.0	0.0	-86.1%	0.0	0.0	0.0	-99.3%
	Paint related business	-	4.6	-	-	-	-	-
	Total	13.9	28.0	101.5%	13.9	13.9	0.0	-0.3%
Operating profit		-0.5	-7.0	-	-0.5	-1.4	-0.8	-
OP margin		-3.8%	-24.9%	-	-3.8%	-9.8%	-	-

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

【Major reasons for changes】

■Automotive: Lower revenue because of the decline in automobile production volume in Europe

□OP profit: Increase operating loss because of the decline in automotive coatings revenue

4-(3). Reference: Breakdown of the Adjustment Items

4- (3) - 1. Breakdown of the Adjustment Items (4Q)

(Billion yen)		FY2018 4Q						FY2019 4Q					
		FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others※	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	-	-	-	-	-	-	-	-0.2	-0.8	-	-1.1
Oceania	Decorative	-	-	-	-	-	-	-	-	-	-	18.0	18.0
	Industrial	-	-	-	-	-	-	-	-	-	-	1.5	1.5
	Paint related business	-	-	-	-	-	-	-	-	-	-	14.9	14.9
	Revenue	-	-	-	-	-	-	-	-	-	-	34.4	34.4
	Operating profit	-	-	-	-	-	-	-	-	-	-	3.0	3.0
Americas	Automotive	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Decorative	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Fine chemicals	-	-	-	-	-	-	0	-	-	-	-	0
	Others※	-	-	-	-	-	-	0	-	-	-	-	0
	Revenue	-	-	-	-	-	-	-0.5	-	-	-	-	-0.5
	Operating profit	-	-	-	-	-	-	0	-	-	-	-	0
Others	Automotive	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Decorative	-	-	-	-	-	-	-	-	-	-	4.2	4.2
	Industrial	-	-	-	-	-	-	-	-	-	-	0.9	0.9
	Fine chemicals	-	-	-	-	-	-	0	-	-	-	-	0
	Others※	-	-	-	-	-	-	-	-	-	-	-	-
	Paint related business	-	-	-	-	-	-	-	-	-	-	2.2	2.2
	Revenue	-	-	-	-	-	-	-0.1	-	-	-	7.3	7.2
	Operating profit	-	-	-	-	-	-	0	-	-	-7.8	1.1	-6.6

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

4- (3) -2. Breakdown of the Adjustment Items (4Q)

(Billion yen)		FY2018 4Q						FY2019 4Q					
		FX	Subsidy, Insurance, etc.	M&A related cost	Impair- ment loss	New acqui- sitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impair- ment loss	New acqui- sitions	Total
Asia	Automotive	0.1	-	-	-	-	0.1	-0.3	-	-	-	-	-0.3
	Decorative	-0.4	-	-	-	-	-0.4	-1.2	-	-	-	-	-1.2
	Industrial	0.2	-	-	-	-	0.2	-0.7	-	-	-	-	-0.7
	Fine chemicals	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others※	0.2	-	-	-	-	0.2	-0.4	-	-	-	-	-0.4
	Revenue	0.1	-	-	-	-	0.1	-2.7	-	-	-	-	-2.7
	Operating profit	-	1.8	-	-	-	1.8	-0.3	0.1	-	-2.6	-	-2.8

■ Breakdown of Asia

NIPSEA China	Automotive	0.1	-	-	-	-	0.1	-0.6	-	-	-	-	-0.6
	Decorative	-0.4	-	-	-	-	-0.4	-1.1	-	-	-	-	-1.1
	Industrial	0.2	-	-	-	-	0.2	-0.6	-	-	-	-	-0.6
	Others※	0.2	-	-	-	-	0.2	-0.2	-	-	-	-	-0.2
	Revenue	0.1	-	-	-	-	0.1	-2.5	-	-	-	-	-2.5
	Operating profit	-	1.8	-	-	-	1.8	-0.2	0.1	-	-	-	-0.1

Excepting for NIPSEA China	Revenue	-	-	-	-	-	-	-0.2	-	-	-	-	-0.2
	Operating profit	-	-	-	-	-	-	-0.1	-	-	-2.6	-	-2.7

Total	Revenue	0.1	-	-	-	-	0.1	-3.3	-	-	-	41.7	38.4
	Operating profit	-	1.8	-	-	-	1.8	-0.3	0.1	-0.2	-11.3	4.1	-7.6

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

4- (3) -3. Breakdown of the Adjustment Items (Full Year)

		FY2018						FY2019					
		FX	Subsidy, Insurance, etc.	M&A related cost	Impair- ment loss	New acqui- sitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impair- ment loss	New acqui- sitions	Total
Japan	Automotive	-	-	-	-	-	-	-	-	-	-	-	-
	Decorative	-	-	-	-	-	-	-	-	-	-	-	-
	Industrial	-	-	-	-	-	-	-	-	-	-	-	-
	Fine chemicals	-	-	-	-	-	-	-	-	-	-	-	-
	Others※	-	-	-	-	-	-	-	-	-	-	-	-
	Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	Operating profit	-	2.3	-	-	-	2.3	-	2.0	-2.2	-0.8	-	-1.0
Oceania	Decorative	-	-	-	-	-	-	-	-	-	-	24.6	24.6
	Industrial	-	-	-	-	-	-	-	-	-	-	2.0	2.0
	Paint related business	-	-	-	-	-	-	-	-	-	-	21.0	21.0
	Revenue	-	-	-	-	-	-	-	-	-	-	47.6	47.6
	Operating profit	-	-	-	-	-	-	-	-	-	-	5.9	5.9
Americas	Automotive	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Decorative	-	-	-	-	-	-	-0.5	-	-	-	-	-0.5
	Fine chemicals	-	-	-	-	-	-	0	-	-	-	-	0
	Others※	-	-	-	-	-	-	0	-	-	-	-	0
	Revenue	-	-	-	-	-	-	-0.8	-	-	-	-	-0.8
	Operating profit	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
Others	Automotive	-	-	-	-	-	-	-0.9	-	-	-	-	-0.9
	Decorative	-	-	-	-	-	-	-	-	-	-	8.8	8.8
	Industrial	-	-	-	-	-	-	0	-	-	-	1.7	1.7
	Fine chemicals	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1
	Others※	-	-	-	-	-	-	0	-	-	-	0	0
	Paint related business	-	-	-	-	-	-	-	-	-	-	4.6	4.6
	Revenue	-	-	-	-	-	-	-0.9	-	-	-	15.1	14.2
Operating profit	-	-	-	-	-	-	0	-	-	-7.8	2.2	-5.6	

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

4- (3) -4. Breakdown of the Adjustment Items (Full Year)

		FY2018					FY2019						
		FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total	FX	Subsidy, Insurance, etc.	M&A related cost	Impairment loss	New acquisitions	Total
Asia	Automotive	0.4	-	-	-	-	0.4	-2.2	-	-	-	-	-2.2
	Decorative	-1.2	-	-	-	-	-1.2	-10.5	-	-	-	-	-10.5
	Industrial	0.7	-	-	-	-	0.7	-1.6	-	-	-	-	-1.6
	Fine chemicals	-	-	-	-	-	-	-0.3	-	-	-	-	-0.3
	Others※	0.2	-	-	-	-	0.2	-0.6	-	-	-	-	-0.6
	Revenue	0.1	-	-	-	-	0.1	-15.1	-	-	-	-	-15.1
	Operating profit	-	7.1	-	-	-	7.1	-2.1	2.8	-	-2.6	-	-1.9

■ Breakdown of Asia

NIPSEA China	Automotive	0.4	-	-	-	-	0.4	-1.8	-	-	-	-	-1.8
	Decorative	-1.2	-	-	-	-	-1.2	-10.2	-	-	-	-	-10.2
	Industrial	0.7	-	-	-	-	0.7	-1.0	-	-	-	-	-1.0
	Others※	0.2	-	-	-	-	0.2	-0.1	-	-	-	-	-0.1
	Revenue	0.1	-	-	-	-	0.1	-13.1	-	-	-	-	-13.1
	Operating profit	-	7.1	-	-	-	7.1	-2.1	2.8	-	-	-	0.8

Excepting for NIPSEA China	Revenue	-	-	-	-	-	-2.1	-	-	-	-	-	-2.1
	Operating profit	-	-	-	-	-	0.0	-	-	-	-2.6	-	-2.7

Total	Revenue	0.1	-	-	-	-	0.1	-16.9	-	-	-	62.7	45.8
	Operating profit	-	9.4	-	-	-	9.4	-2.1	4.8	-2.2	-11.3	8.0	-2.7

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

4-(4). Reference: Financial Index

4- (4) - 1. Revenue & Operating Profit Transition by Region①

		FY2017 (J-GAAP)				FY2018 (IFRS)				FY2019 (IFRS)			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan	Automotive	10.8	10.3	10.9	11.5	11.5	11.1	10.6	12.1	11.9	11.4	11.3	10.2
	Decorative	9.4	11.0	10.1	10.9	10.6	12.0	11.2	13.0	11.0	12.8	12.6	11.8
	Industrial	10.0	10.1	10.0	9.6	9.5	10.0	10.0	11.2	10.0	10.2	10.1	10.4
	Fine chemicals	2.2	2.3	2.3	2.3	2.2	2.2	2.1	2.4	2.2	2.2	2.2	2.1
	Others※	8.9	12.1	10.4	10.9	9.1	10.6	10.7	10.7	8.8	9.6	10.1	11.6
	Revenue	41.3	45.8	43.7	45.1	43.0	45.9	44.7	49.3	43.8	46.3	46.4	46.1
	Operating profit	7.3	8.2	7.3	7.9	8.7	7.3	5.9	7.6	8.1	6.0	5.2	4.2
OP margin	17.6%	17.9%	16.6%	17.5%	20.3%	15.9%	13.3%	15.5%	18.4%	12.9%	11.3%	9.1%	
Oceania	Decorative	-	-	-	-	-	-	-	-	-	-	6.6	18.0
	Industrial	-	-	-	-	-	-	-	-	-	-	0.5	1.5
	Paint related business	-	-	-	-	-	-	-	-	-	-	6.1	14.9
	Revenue	-	-	-	-	-	-	-	-	-	-	13.1	34.4
	Operating profit	-	-	-	-	-	-	-	-	-	-	2.9	3.0
	OP margin	-	-	-	-	-	-	-	-	-	-	22.1%	8.6%
Americas	Automotive	7.3	7.0	6.6	6.7	7.2	7.0	6.5	6.7	6.7	6.7	6.3	6.2
	Decorative	3.9	11.7	11.3	10.5	10.0	12.0	11.7	10.9	9.9	12.7	12.1	10.7
	Fine chemicals	0.9	0.8	0.7	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.8
	Others※	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0
	Revenue	12.1	19.6	18.6	18.0	17.9	19.8	19.0	18.5	17.5	20.3	19.1	17.7
	Operating profit	0.1	1.9	0.9	0.4	0.9	2.0	1.3	0.7	0.6	2.1	1.3	1.0
	OP margin	0.6%	9.4%	4.6%	2.2%	5.2%	10.2%	7.1%	3.8%	3.6%	10.2%	6.7%	5.9%
Others	Automotive	3.2	3.3	2.9	3.4	3.6	3.2	2.8	3.3	3.2	3.0	2.6	3.0
	Decorative	-	-	-	-	-	-	-	-	-	-	4.7	4.2
	Industrial	0.1	0.1	0.1	0.2	0.1	0.1	0.0	0.1	0.1	0.0	0.8	0.9
	Fine chemicals	0.2	0.2	0.3	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.3	0.3
	Others※	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Paint related business	-	-	-	-	-	-	-	-	-	-	2.3	2.2
	Revenue	3.6	3.6	3.2	3.7	3.9	3.4	3.0	3.6	3.5	3.3	10.7	10.5
	Operating profit	0.2	0.2	-0.1	-0.1	0.1	0.1	-0.2	-0.6	-0.1	-0.3	0.8	-7.3
OP margin	6.2%	6.6%	-4.4%	-1.9%	3.4%	2.3%	-6.0%	-15.6%	-2.6%	-10.4%	7.3%	-69.6%	

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

4- (4) -2. Revenue & Operating Profit Transition by Region②

(Billion yen)		FY2017 (J-GAAP)				FY2018 (IFRS)				FY2019 (IFRS)			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Asia	Automotive	15.7	15.5	15.8	17.7	18.5	19.6	17.6	18.5	16.5	17.2	15.9	17.5
	Decorative	51.2	58.2	66.1	54.4	54.6	62.2	64.0	50.2	54.3	65.6	65.3	58.5
	Industrial	7.4	8.7	8.7	8.0	6.4	7.6	7.5	6.3	6.5	6.8	6.6	5.7
	Fine chemicals	1.4	1.5	1.5	1.6	1.6	1.8	1.7	1.5	1.5	1.6	1.5	1.6
	Others※	3.2	3.1	3.4	4.0	3.3	3.7	3.8	5.3	3.7	3.9	4.2	4.9
	Revenue	78.9	86.9	95.5	85.7	84.4	94.9	94.7	81.8	82.5	95.2	93.4	88.1
	Operating profit	8.5	9.1	13.0	10.3	12.1	13.6	14.8	11.9	11.5	14.2	14.4	10.7
	OP margin	10.8%	10.4%	13.6%	12.0%	14.3%	14.3%	15.7%	14.6%	13.9%	14.9%	15.4%	12.2%

■ Breakdown of Asia

NIPSEA China	Automotive	8.5	7.9	7.5	9.1	10.2	11.0	8.8	9.4	8.2	9.0	7.5	9.1
	Decorative	41.0	48.6	56.9	42.5	43.4	52.2	53.2	40.3	44.3	55.4	55.3	47.7
	Industrial	5.7	7.0	7.0	6.4	4.6	5.8	5.8	4.6	4.6	5.0	4.8	4.0
	Others※	0.4	0.3	0.4	0.4	0.4	0.4	0.5	1.0	0.8	0.7	0.7	0.5
	Revenue	55.5	63.8	71.8	58.4	58.6	69.4	68.3	55.4	57.9	70.2	68.3	61.2
	Operating profit	6.2	6.9	10.5	6.3	8.7	10.6	11.3	7.8	9.1	11.4	11.3	8.3
	OP margin	11.2%	10.8%	14.6%	10.8%	14.9%	15.2%	16.6%	14.1%	15.7%	16.2%	16.6%	13.6%

Excepting for NIPSEA China	Revenue	23.4	23.1	23.7	27.3	25.9	25.5	26.3	26.4	24.6	25.1	25.1	27.0
	Operating profit	2.3	2.2	2.5	3.9	3.3	3.0	3.5	4.1	2.4	2.8	3.0	2.4
	OP margin	10.0%	9.4%	10.5%	14.4%	13.0%	11.8%	13.4%	15.7%	9.8%	11.3%	12.2%	9.0%

Total	Revenue	135.8	156.0	161.0	152.5	149.2	164.0	161.3	153.2	147.4	165.1	182.7	196.9
	Operating profit	16.1	19.4	21.0	18.5	21.9	23.0	21.9	19.7	20.1	21.9	24.5	11.6
	OP margin	11.8%	12.4%	13.0%	12.1%	14.7%	14.0%	13.6%	12.9%	13.6%	13.2%	13.4%	5.9%

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

4- (4) -3. Statement of Financial Position

(Billion yen)

Assets	FY2018 As of Dis. 31	FY2019 As of Dis. 31	Increase / Decrease	Liabilities and equity	FY2018 As of Dis. 31	FY2019 As of Dis. 31	Increase / Decrease
Total current assets	444.2	507.2	63.0	Total liabilities	306.4	790.7	484.3
Cash and cash equivalents	129.6	123.3	-6.3	Total current liabilities	215.8	598.1	382.4
Inventory	65.8	92.9	27.1	Trade and other payables	122.0	153.3	31.3
Trade and other receivables	179.3	212.8	33.6	Bonds and borrowings	51.6	384.0	332.5
Others	69.5	78.2	8.7	Others	42.2	60.8	18.6
				Total non-current liabilities	90.6	192.5	101.9
Total non-current assets	509.8	971.4	461.7	Bonds and borrowings	37.9	58.1	20.3
Property, plant and equipment	140.6	240.3	99.8	Retirement benefit liability	19.6	24.4	4.8
Goodwill	203.7	427.1	223.4	Others	33.1	110.0	76.8
Other intangible assets	95.5	231.0	135.5	Total equity	647.6	688.0	40.4
Other financial assets	40.9	54.4	13.4	Total equity attributable to owners of parent	520.0	552.9	32.9
Others	29.1	18.7	-10.4	Retained earnings	390.3	411.9	21.7
				Others	129.8	141.0	11.2
				Non-controlling interests	127.6	135.1	7.5
Total assets	954.0	1,478.6	524.7	Total liabilities and equity	954.0	1,478.6	524.7

- ✓ Non-current assets: Big increase because of goodwill, other intangible assets and other items resulting from the consolidation of DuluxGroup and Betek Boya
- ✓ Non-current liabilities: Big increase because of the consolidation of DuluxGroup and Betek Boya

4- (4) -4. Capital Expenditure, Depreciation, R&D Expenses, etc.

<Capital Expenditure, Depreciation, R&D Expenses, etc>

(Billion Yen)		FY2018 Result	FY2019 Result
Capital expenditure	Property, plant and equipment	19.8	32.6
	Intangible assets	2.6	2.7
	Total	22.5	35.3
Depreciation	Property, plant and equipment	11.4	18.3
	Intangible assets	7.0	7.5
	Total	18.4	25.8
R&D expenses		17.0	17.4

<Major Indicator>

	FY2018 As of Dis. 31	FY2019 As of Dis. 31
Total equity attributable to owners of parent (%)	54.5	37.4
Bonds and borrowings (billion yen)	89.4	442.2
Cash and cash equivalents (billion yen)	129.6	123.3
EPS (yen)	141.4	114.5

4- (4) -5. FX Rates & Market Conditions

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

	FY2018	FY2019
JPY/USD	110.3	109.2
JPY/RMB	16.6	15.8
JPY/AUD	-	74.7
JPY/TRY	-	18.9

<Exchange rate for F/P>

	As of Dec. 31, 2018	As of Dec. 31, 2019
JPY/USD	111.0	109.5
JPY/RMB	16.2	15.7
JPY/AUD	-	76.5
JPY/TRY	-	18.4

<Paint shipment>

	FY2018				Full Year	FY2019				Full Year
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Japan ^{※1}	44	43	44	47	178	43	43	43	30	159

※1 Source: Japan paint manufacturers association, FY2019 Period: Jan.-Nov.

<Automobile production^{※2}>

	FY2018				Full Year	FY2019				Full Year
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Japan	241	220	218	244	924	243	230	229	220	922
China	701	703	640	732	2,776	633	619	600	757	2,609
USA	279	289	268	281	1,117	287	285	266	255	1,094
Mexico	96	100	99	95	391	99	99	95	82	375
Canada	53	55	45	49	202	48	51	46	47	192
North America total	429	443	411	426	1,709	435	436	407	384	1,661
Thailand	54	52	55	56	217	56	50	51	44	201

※2 Source: Japan: MarkLines, China, North America: Japan Automotive Manufactures Association, Thailand: Federation of Thai industries

<Others (Japan market) >

	FY2018				Full Year	FY2019				Full Year
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Housing starts ^{※3}	20.5	24.5	24.6	24.6	94.2	21.6	23.4	23.3	22.3	90.5
Construction machinery productions ^{※4}	9.7	9.9	6.6	11.1	37.4	10.5	10.5	10.1	5.3	36.5
Machine tool production ^{※5}	2.7	2.0	1.9	1.8	8.5	1.8	1.6	1.5	0.9	5.8

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

※4 Source: Japan construction equipment manufacturers association, FY2019 Period: Jan.-Nov.

※5 Source: Japan machine tool builders' association, FY2019 Period: Jan.-Nov.

<Naphtha price >
(own estimation)

	FY2018				Full Year	FY2019				Full Year
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q	
Japan produced naphtha price	47,900	48,700	53,500	54,200	51,200	41,200	45,400	40,200	41,300	42,000



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