



# Kansai Paint Co., Ltd. India strategy briefing (Kansai Nerolac Paints Ltd.)

18<sup>th</sup> April, 2025

## Today's Agenda

1. Value of India for Kansai Paint

2. Top management and MTP (Mid Term Plan)

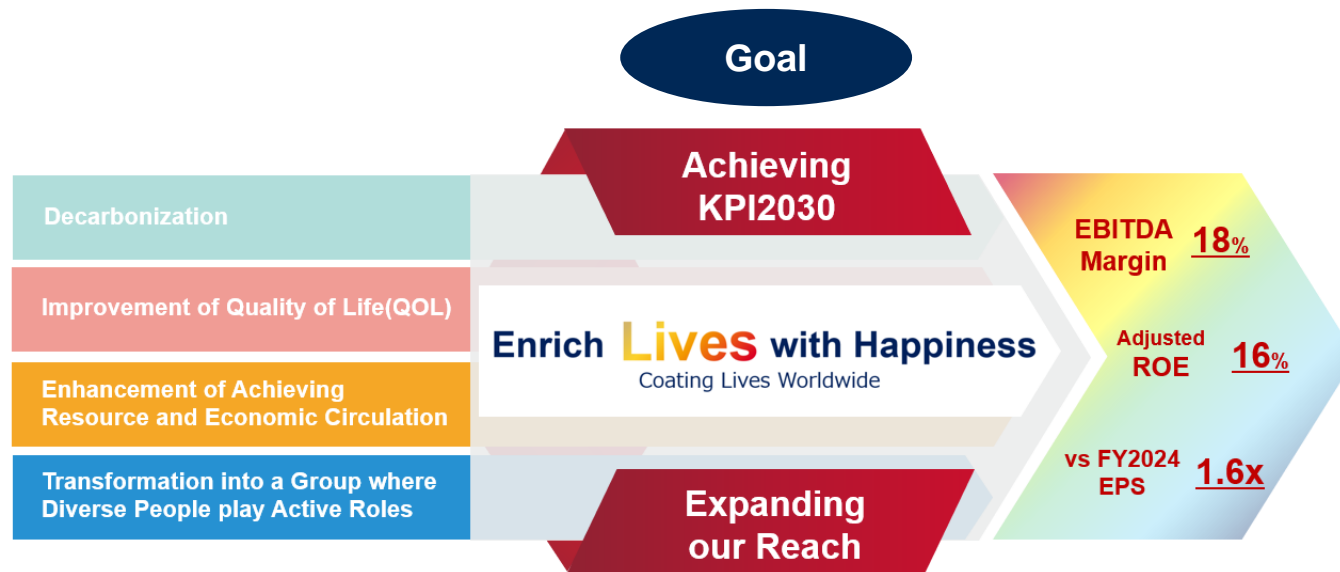
3. Industrial and Auto strategy

4. Deco strategy

5. Q&A

The KANSAI PAINT Group's mission is to develop paint that contribute to sustainability and spread them all over the world.

To achieve this mission, our India business has an ambition to be No.2 in the India Coating market.



### The role of each segments:

**India, Africa, Asia**

- Maximize group resources to expand business beyond market growth

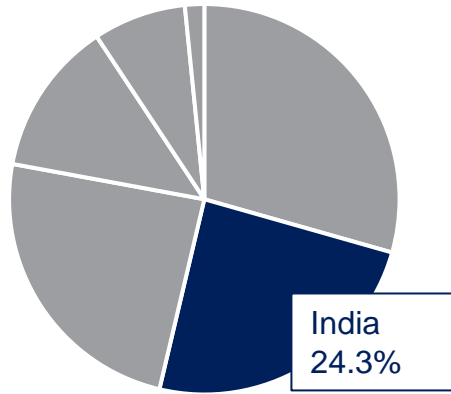
**Japan, Europe**

- Develop innovative technology

## India business at a glance

### ① Percentage of India sales in Kansai Paint

FY2023 Percentage of Sales by Region



1/4 revenue of the Kansai Paint group consolidated revenue

### ③ Outgrown the growing market

【2019-2023 Revenue CAGR】

KP India 10.6%

India Coating Market 10.4%

Global Coating Market 3.7%

【2025-2027 Revenue CAGR】

Aspire to grow more than Market growth

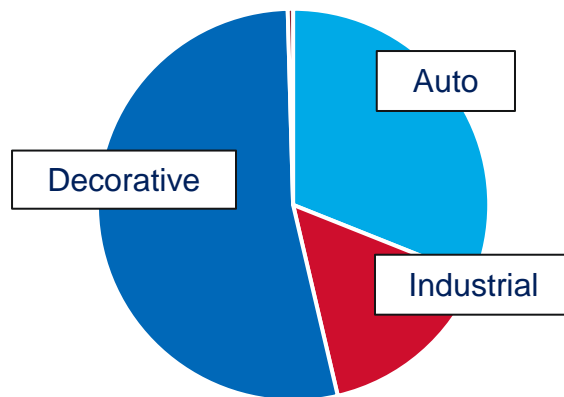
India Coating Market 7.4%

Global coating market 3.9%

Source: Orr & Boss

### ② India segment Breakdown

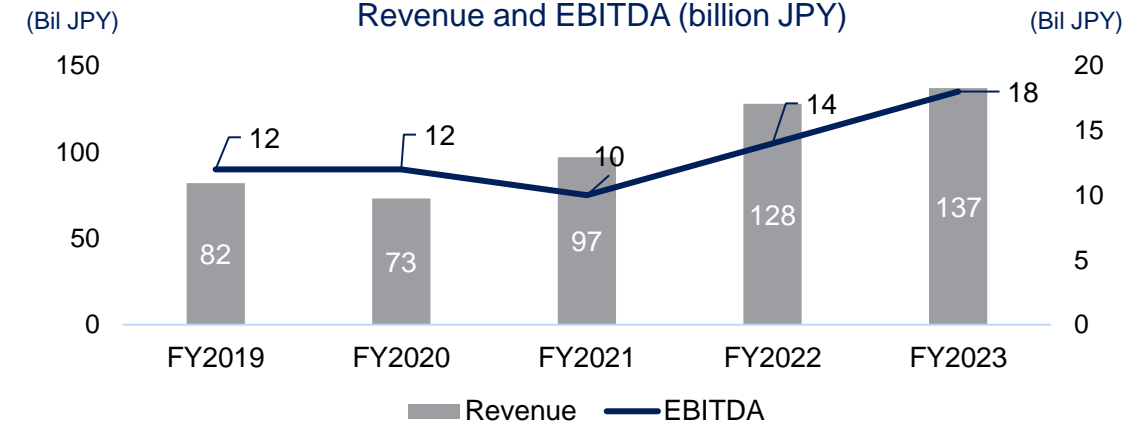
FY2023 Kansai Paint India Segment Breakdown



Unique, balanced and resilient portfolio in India

### ④ Healthy growth with steady EBITDA

Kansai Paint India Segment Revenue and EBITDA (billion JPY)



# India will drive the growth of the entire group

### Long-term – by 2030

- Aspire to be the largest segment in the Kansai Paint group

#### Financial KPI

Revenue to  
grow at  
CAGR ~10%

EBITDA  
margin  
~18%

#### Non-Financial KPI

Decarbonization

Improvement of Quality of Life(QOL)

Enhancement of Achieving Resource  
and Economic Circulation

Transformation into a Group where  
Diverse People play Active Roles

### Short-term Aspiration – next 3 years

- Establish the three core business pillars

#### Financial KPI

Revenue to  
grow at  
CAGR  
~ 9%

EBITDA  
margin  
~14-15%

### Expectations for India segment

- To be a leader of Kansai Paints group with the new CEO
- To maintain No.1 in Auto
- To be No.1 in industrial coatings
- Establish unique growth model to achieve both profitability improvement and growth in Decorative coatings

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# Attendees



Pravin Chaudhari  
Managing director



Prashant Pai  
Chief Financial Officer



Rohit Malkani  
Chief Strategy & Customer  
Officer



Hirokazu Kotera  
Executive director



Amrit Rekhi  
Chief Business Officer, Industrial

# Under the new leadership, we will begin 18<sup>th</sup> MTP<sup>(\*)</sup>



Pravin Chaudhari

### 【Profile】

Pravin Chaudhari is a seasoned business leader with over 30 years of experience in the paints and pigments industry. He has held senior leadership roles at Kansai Nerolac and Pidilite, driving growth through strategy, operations, and transformation

### 【Policy】

People first: Empower and trust the team to drive results  
Customer-centricity: Always deliver value from the customer's point of view  
Transparency: Communicate openly, clearly, and consistently  
Agility with accountability: Act fast, but take ownership  
Sustainable growth: Focus on long-term value over short-term gains

### 【Pillar of strategy】

- ① Drive profitable growth
- ② Our competitiveness lies in accessibility to global resources and diverse portfolio e.g. To utilize global resources and diverse portfolio fully in order to strengthen our competitiveness
- ③ Establish strong “3-pillars” portfolio

\*Abbreviation  
MTP... Mid Term Plan

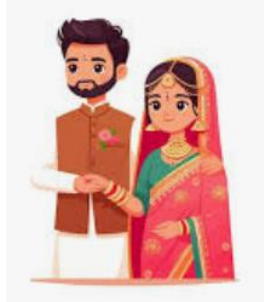


## Big potential with clear growth drivers

### Indian economy features



**5th largest GDP**  
Constant growth of  
6-7%



**Young population**  
Median age: 28yrs



**Domestic demand-led  
economy**



**World's 4<sup>th</sup> largest  
automotive powerhouse**

### Future Growth Drivers



**Favorable  
Demographics**



**Rapid  
Urbanization**



**Make in India**



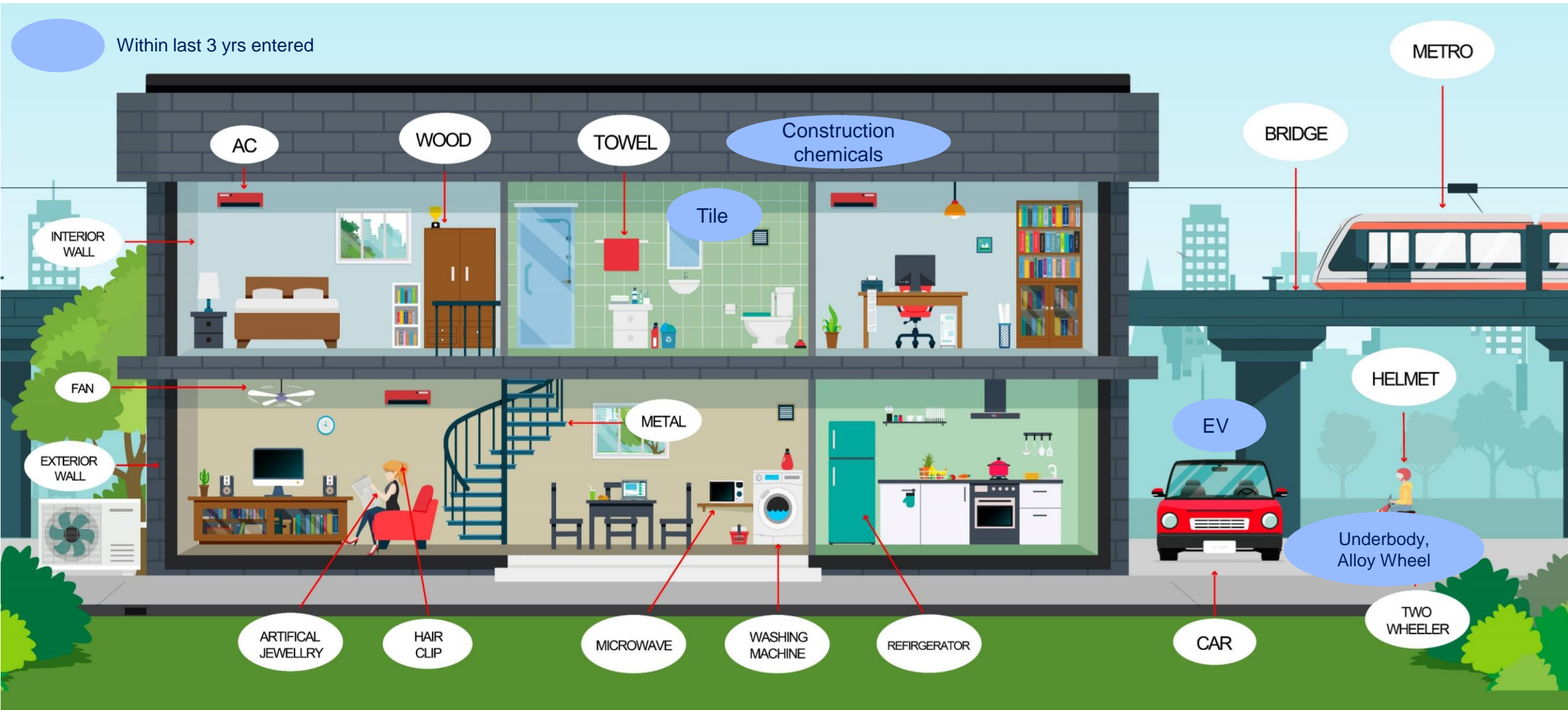
**Infrastructure  
Growth**



**Construction  
Growth**

# Enrich Lives with Happiness

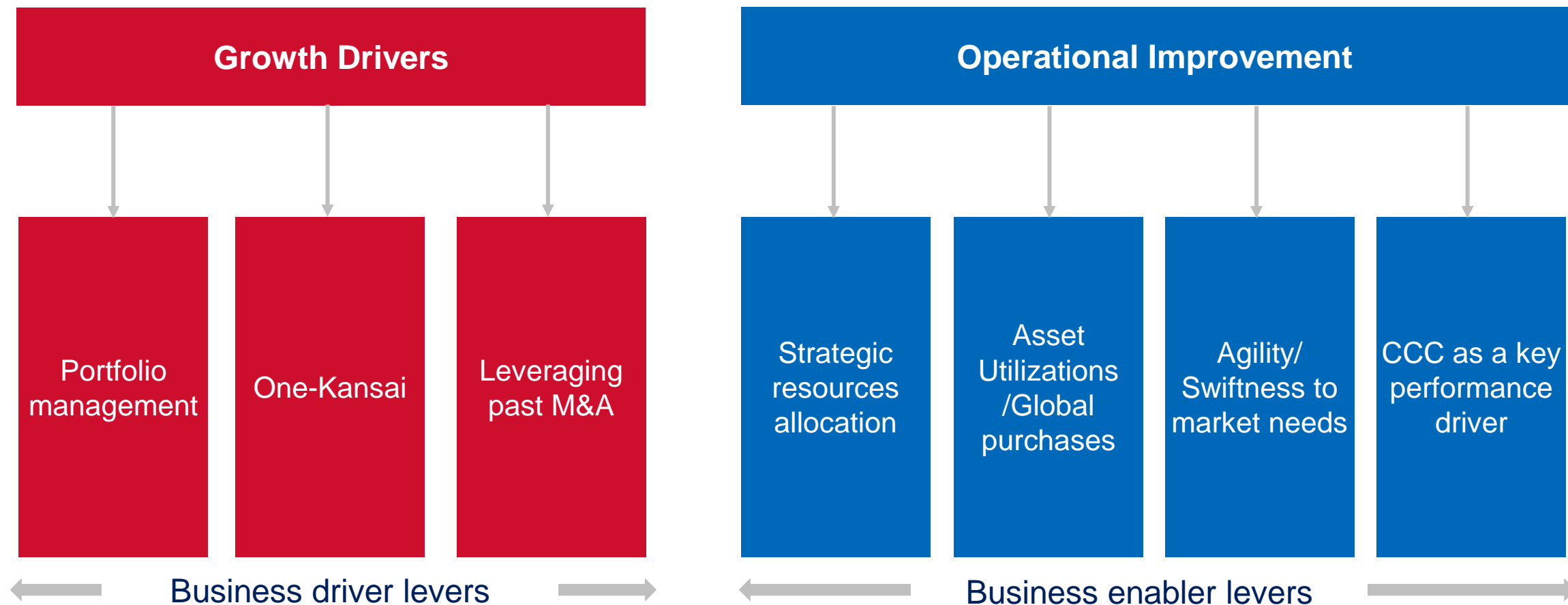
Within last 3 yrs entered



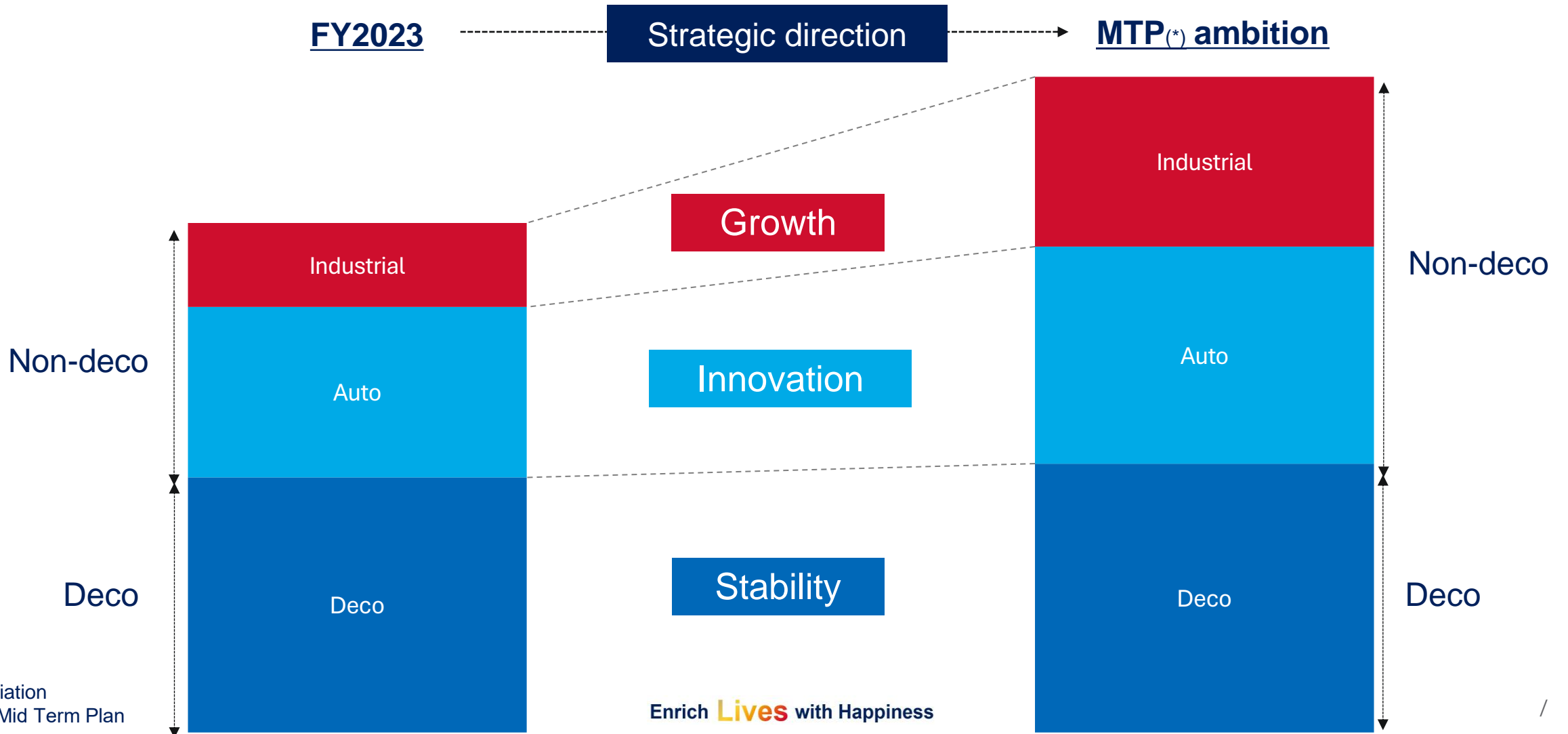
# Segment-wide penetration driven by In-House innovation and market share leadership

	Kansai Nerolac	Comp-A	Comp-B	Comp-C	Comp-D	Comp-E	Comp-F	Comp-G
Deco	✓ #3	✓	✓	✓	✓	✓	✓	✓
General Industrial	✓ #3	✓	✓	✓			✓	✓
Auto	✓ #1	△ *Joint venture	△ *Joint venture				△ *Joint venture	△ *Joint venture
High performance coating	✓ #3	✓	✓	✓			✓	
Auto refinish	✓ #4	△ *Joint venture		✓				✓
Powder	✓ #1	✓	✓	✓				

## Strategy vision: Not a “brand-new” strategy, it’s a “Business Transformation”



# Building a resilient business model by balancing stability, growth, and innovation across our 3 strategic pillars



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No.1 position in Auto and Powder,  
still more room to grow in GI+HPC<sup>(\*)</sup> and ARF<sup>(\*)</sup>

Auto

No.1 share



Powder

No.1 share



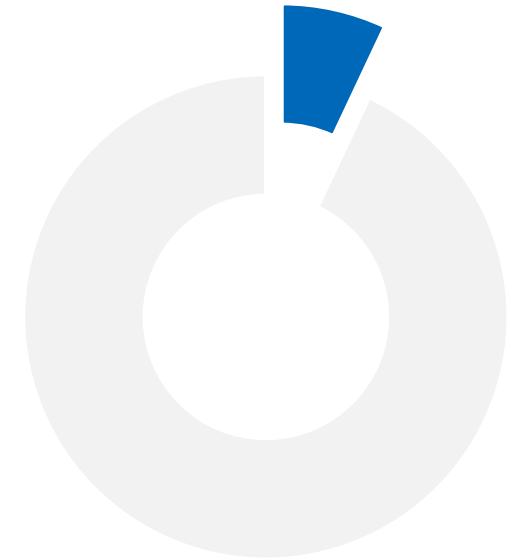
GI+HPC<sup>(\*)</sup>

More room to grow



ARF<sup>(\*)</sup>

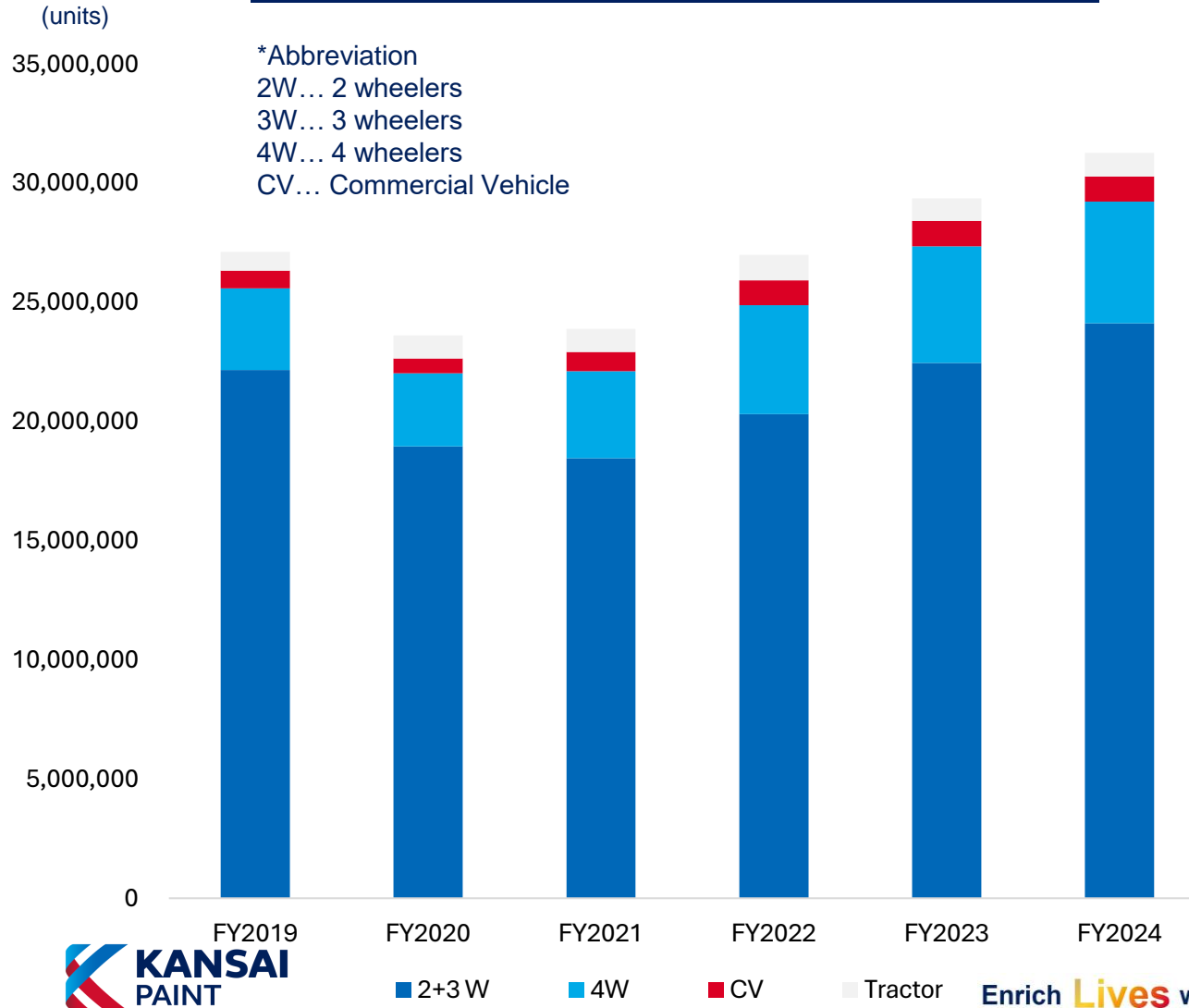
More room to grow



\*Abbreviation  
GI... General Industrial  
HPC... High Performance Coatings  
ARF... Auto Refinish

## Positive outlook for Automotive Sector

### Production units by category



### Future Outlook

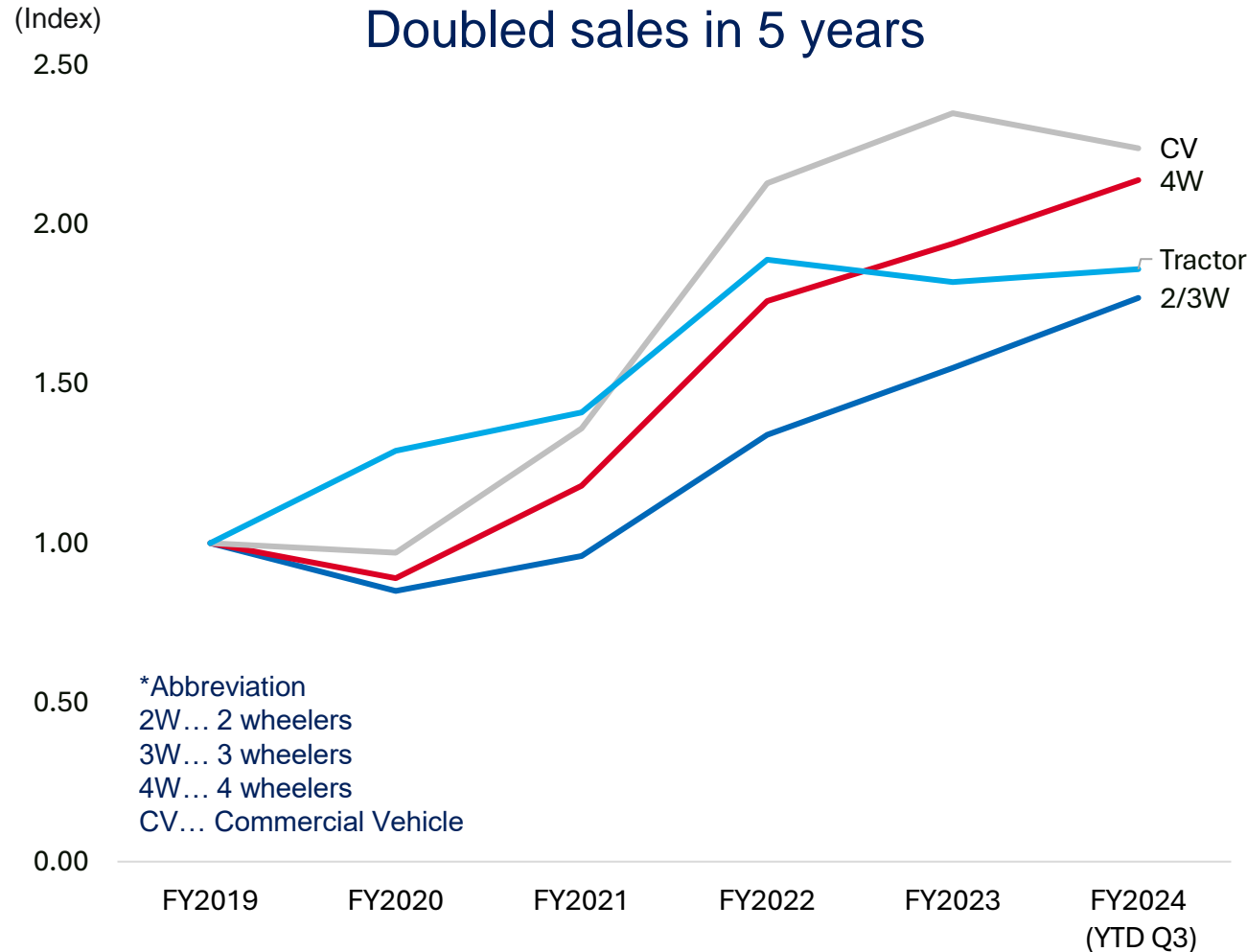
- Healthy growth prospects of production volume
- Mix of Auto is changing from Sedan to SUV, which means surface area is getting larger
- Shift towards premiumization
- High market share maintained in EV as well
- Export is also expected to growth further (it accounts for 18~20% of total production)



## Our market presence has been expanding

### Kansai Nerolac Category-wise sale trend INDEX

Doubled sales in 5 years



### Kansai Nerolac Auto market share

Continuously improving our market share  
by outpacing market growth



# Being a category leader, we continue to expand business further through new business/segments

### Our strengths/ uniqueness

1) We are accessible to the global latest technology through the tie-up with Japan and other countries

2) In addition to our very strong presence in Japanese OEMs, we are also increasing our presence in Indian OEMs

3) Extremely strong R&D setup in India

These strengths/uniqueness will help us to...

- Catch up with the demands from the customers constantly
- Enter into new segments like, seam sealers & underbody blacks, alloy wheels, zinc flake coatings and Pre Treatment and Paint booth chemicals
- Increase presence in identified accounts and thrust EVs (we already have 60% market share in EVs, too)

## Diverse applications, diverse business opportunities

### Powder



White goods



Kitchen



Alloy wheels



Helmet



Coil coating



Agricultural equipment



Air conditioner



Washing machine



Rebar



Floor coating



Can coating



Construction equipment



Plant



Bridges

# Continue to expand the business

## Sales revenue Growth path

\*Abbreviation  
GI... General industrial  
HPC... High Performance Coatings  
ARF... Auto Refinish

Powder

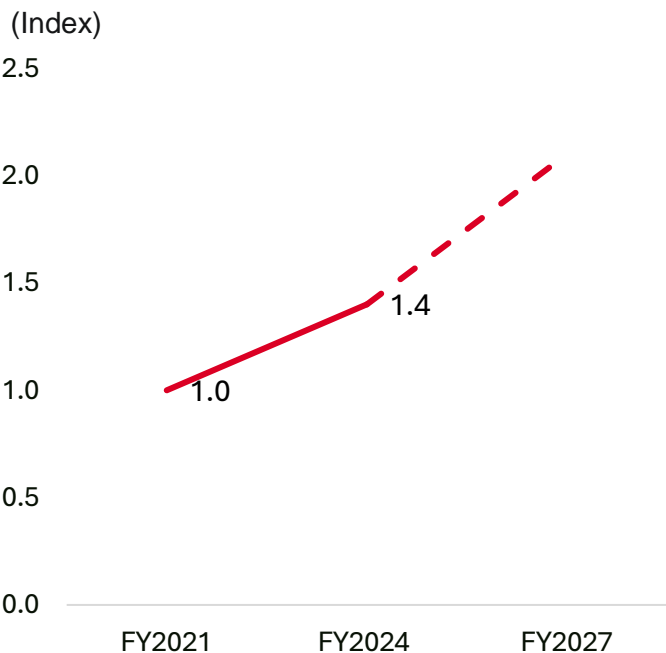
GI+HPC(\*)

ARF(\*)

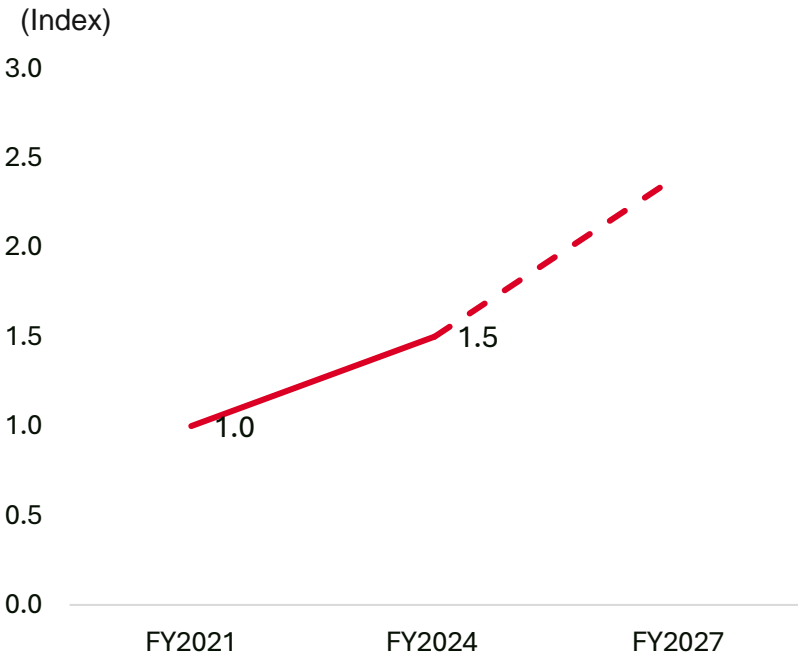
Strategy

Premiumization, Network expansion, New technologies, New approvals are the common key strategies

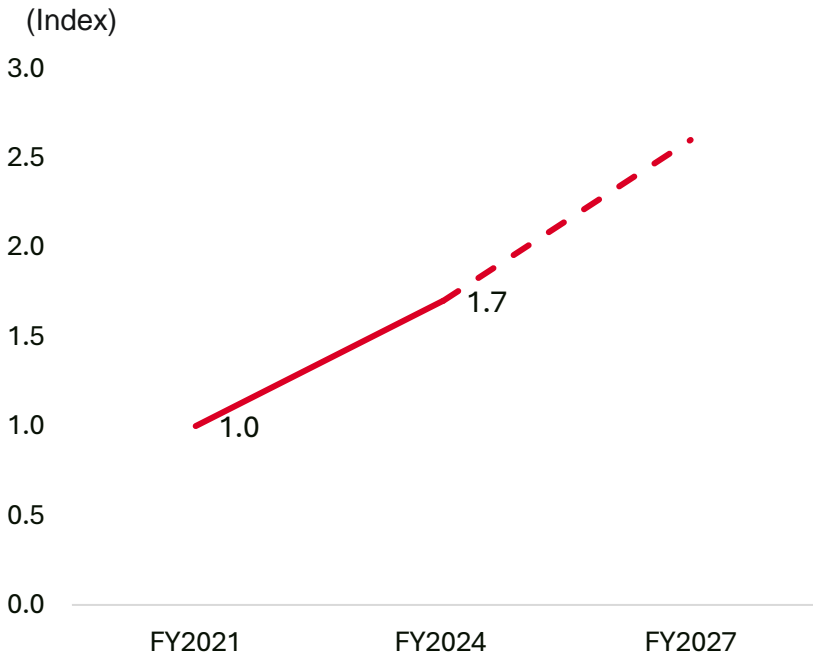
- Approx. 40% growth was achieved in last 3 years
- Outpacing market growth constantly



- Approx. 50% growth was achieved in last 3 years
- Outpacing market growth constantly



- Approx. 70% growth was achieved in last 3 years
- Outpacing market growth constantly



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## Diverse applications, diverse business opportunities

### Paint (retail/project)



Interior paints



Exterior paints



Enamel paints



Texture wall paints



Paint ancillary

### Construction chemicals



Water-proofing



Tile adhesives



Admixture

### Wood finish premium



Waterborne coating



Pigmented Wood system

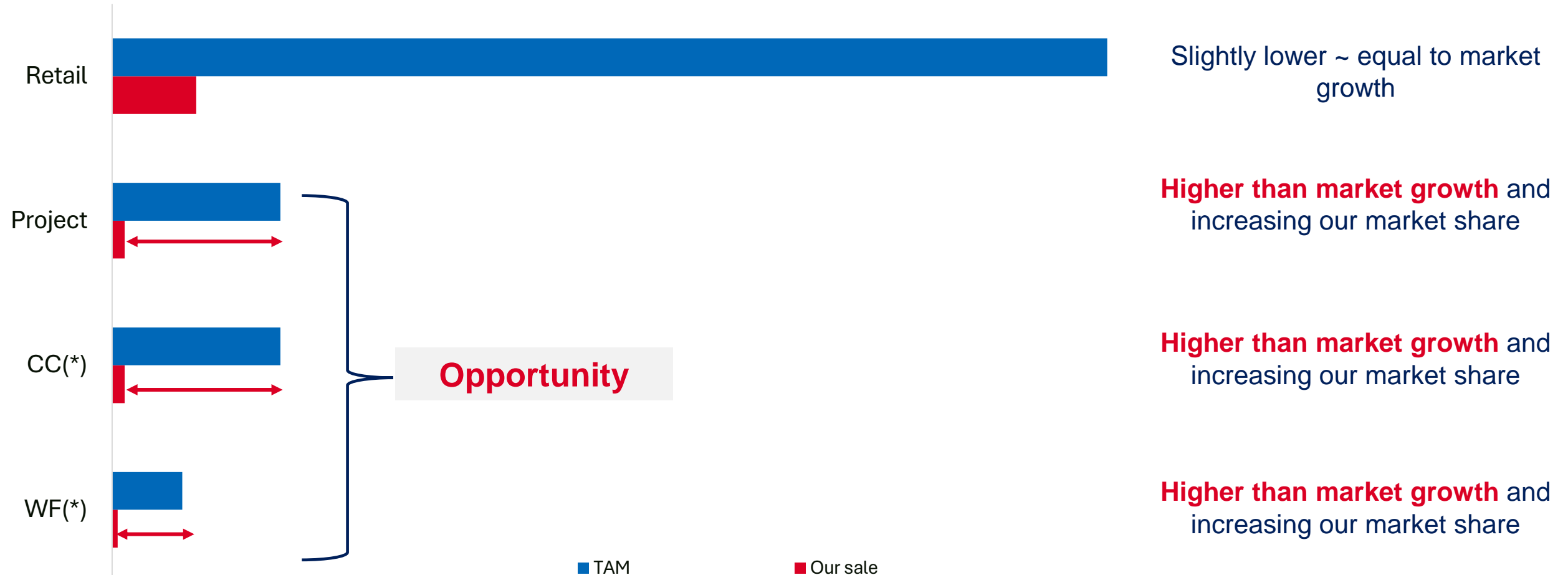


Wood flooring

We see our growth potential in project, CC(\*) and WF(\*)

Total Addressable Market (TAM) and our sale by segment

Our CAGR in last 3 years



Slightly lower ~ equal to market growth

**Higher than market growth** and increasing our market share

**Higher than market growth** and increasing our market share

**Higher than market growth** and increasing our market share

**Opportunity**

■ TAM

■ Our sale

\*Abbreviation  
CC... Construction chemicals  
WF... Wood finish premium

# Along with portfolio expansion, engage directly with consumer and influencer to drive secondary sale

## Challenges

- Organized players are more competitive in high volume and low ASP (Average Sale Price) products
- Across the industry, a decline in profit margins is inevitable
- Rather than focusing on today's profits, we must prioritize our strength and secure tomorrow's growth

## Key strategies

### Key Growth Drivers

#### 【Retail】

- Product superiority based on Paint+, Japanese technology
- Influencer program, painter loyalty program
- Distribution expansion

#### 【Project Segment】

- Increase Geographical Reach
- Build pipeline of Project Sites
- Separate range of Products

#### 【Construction Chemicals】

- Complete Product Portfolio range
- Distribution expansion
- Architect & Interior Designer program

#### 【Wood finish premium】

- Complete Product Portfolio range
- Distribution expansion
- Architect & Interior Designer program



# Retail Growth Drivers:

## Strengthening the core and expanding the edge

	Drivers	Key levers
<b>Extraction</b> from existing network	Expand Painting Service	Scale PaaS (Paint as a Service) to drive premiumization and conversion with more dealers through Demand generation team
	Strengthen offering at Point of Sale	Retail store models to assist in product / shade selection to drive preference for Kansai Nerolac in store
	Influencers engagement	Increase outreach of AID (Architects & Interior Designer) team
	New Products	Continue to drive ~10% salience from new products (last 3 years) with focus on premiumization
<b>Expansion</b> across geographies & channels	Direct dealer expansion	Focus on quality of reach and continue growing direct network
	Distribution channel	Fill white spaces in smaller towns and districts. Increase numeric reach.
<b>Brand NEROLAC:</b> Invest in building a stronger brand with focus on key markets		

# Strong brand equity will help us to be in a better position for premiumization

Very much familiar **Jingle**



**2<sup>nd</sup> strongest** paint brand in India



Ranked in No.2 among paint brand  
(Top of mind awareness & Brand equity index)

**Japanese** technology



**JAPANESE  
TECHNOLOGY**

Leveraging the "Japanese Technology," a synonym for high quality built by great predecessors

“Paint+”, the newly launched premium product line that embodies our brand. Now it accounts for appx. 10% of total deco

# NEROLAC PAINT+

High Performance

Differentiated range

Quality assurance & Warranty

## KEY PRODUCTS:



**WOW RANGE:**  
Whitest of White  
in Industry



**IMPRESSION  
SHEEN:**  
Luxury Sheen Finish



**NODAMP+:**  
14 years of Waterproofing  
Warranty



**CRYSTAL SEAL:**  
Waterproofing with  
Crystalline  
Technology



**EXCEL NODUST:**  
Highest Dust  
Resistance property  
in the category



**EXCEL EVERLAST 12:**  
India's 1<sup>st</sup> Self Cleaning  
Paint



**Impressions Kashmir:**  
India's 1<sup>st</sup> No Smell Paint



**Icro Water based PU Range:**  
Transforming wood coatings with  
Less VOC & Minimal Odour

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# THANK YOU

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