

17th April, 2025

- | | |
|---|--|
| 1. Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001. | 2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051. |
|---|--|

Sub.: Presentation - Analyst / Institutional investors meet by Kansai Paint Co., Ltd., Japan, Promoter of our Company

- Ref.: 1. Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**
2. BSE Scrip Code- 500165, NSE Symbol- KANSAINER

Dear Sirs,

Further to the intimation done by the Company on 15th April, 2025 with respect to the conference call to be hosted by Kansai Paint Co., Ltd., Japan, Promoter of our Company on Friday, 18th April, 2025 at 4 p.m. (Japan Standard Time) i.e. 12.30 p.m. (Indian Standard Time) to discuss business strategy briefing on India operations, we are enclosing herewith an Investor Presentation.

For **KANSAI NEROLAC PAINTS LIMITED**

G. T. GOVINDARAJAN
COMPANY SECRETARY



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

18th April, 2025

Today's Agenda

1. Value of India for Kansai Paint

2. Top management and MTP (Mid Term Plan)

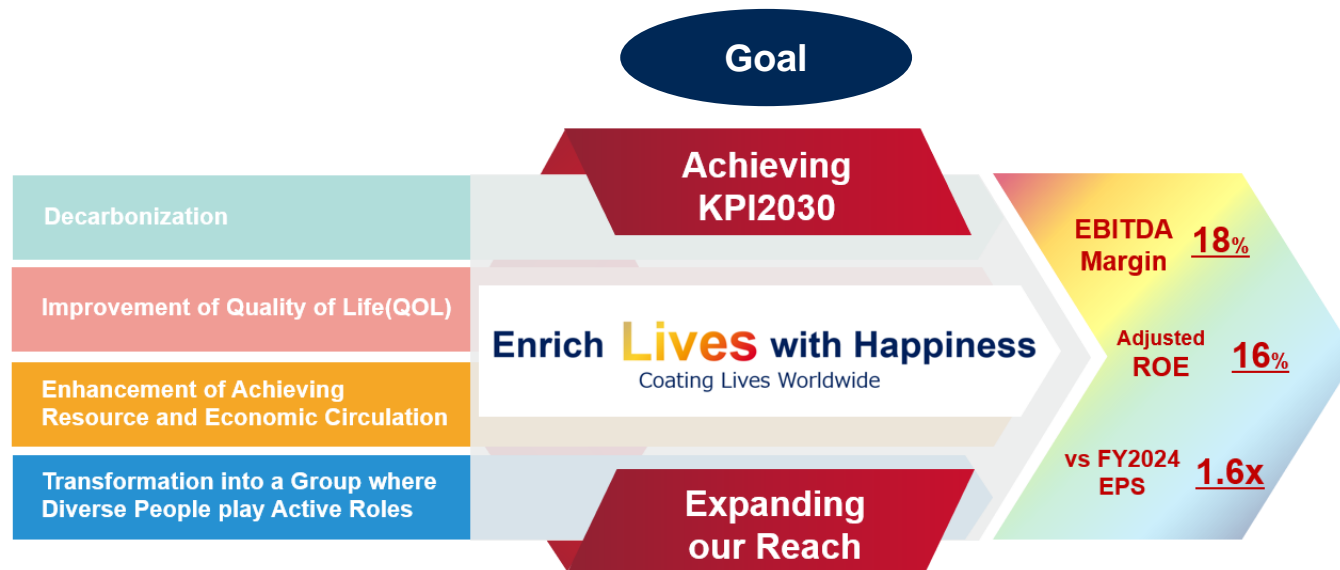
3. Industrial and Auto strategy

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

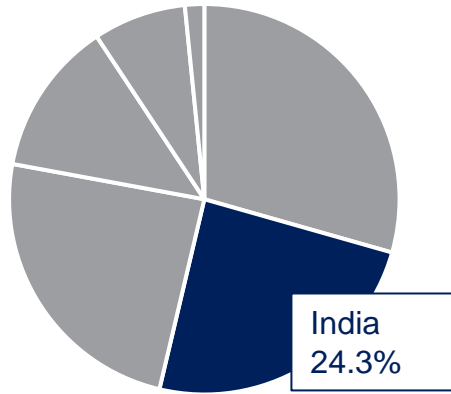
Japan, Europe

- 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

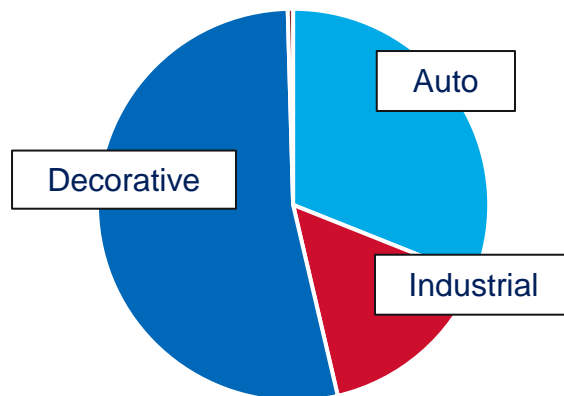
India Coating Market 7.4%

Global coating market 3.9%

Source: Orr & Boss

② India segment Breakdown

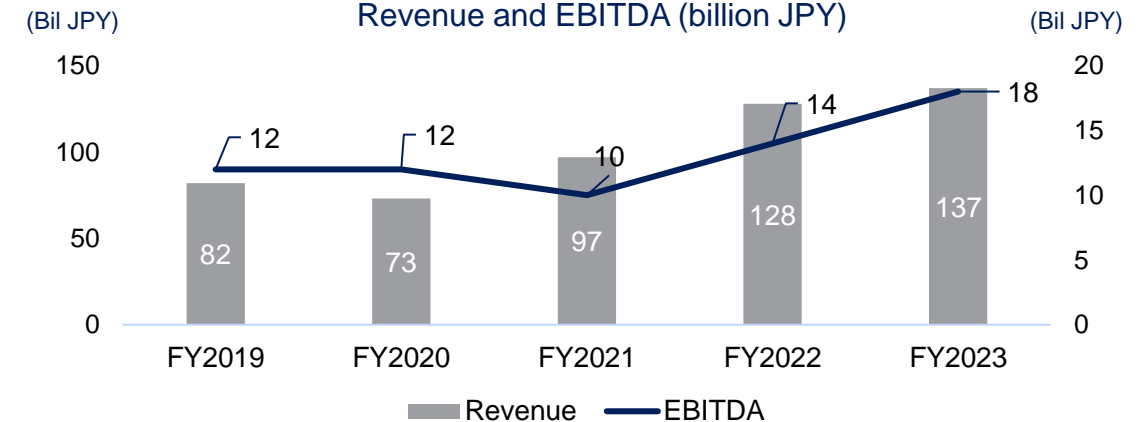
FY2023 Kansai Paint India Segment Breakdown



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

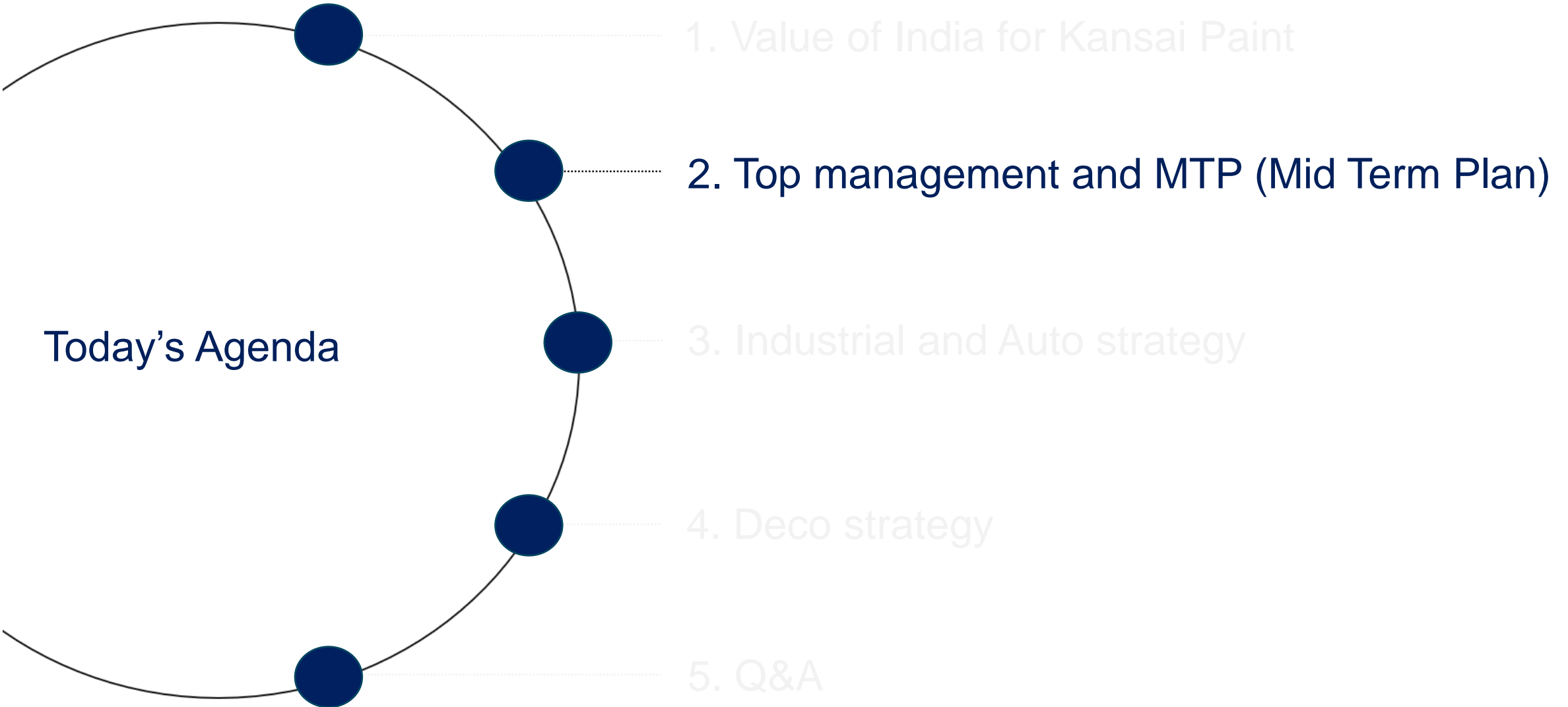
Revenue to
grow at
CAGR
~ 9%

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

Today's Agenda





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 18th MTP^(*)

【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



Pravin Chaudhari

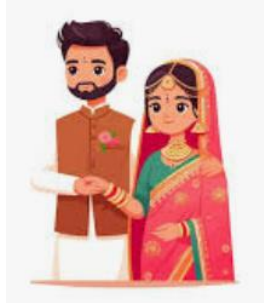
*Abbreviation
MTP... Mid Term Plan

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 4th largest
automotive powerhouse**

Future Growth Drivers



**Favorable
Demographics**



**Rapid
Urbanization**



Make in India



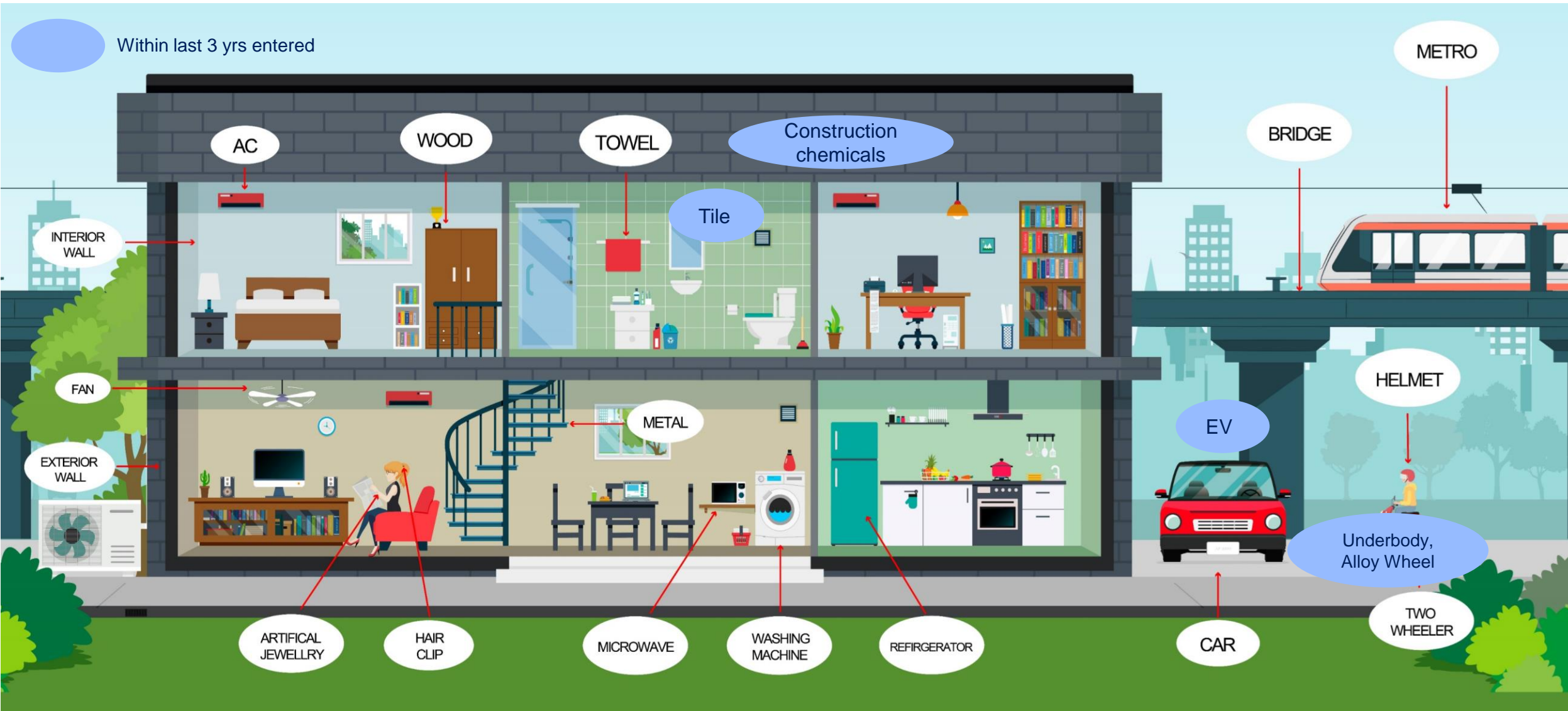
**Infrastructure
Growth**



**Construction
Growth**

Enrich Lives with Happiness

Within last 3 yrs entered

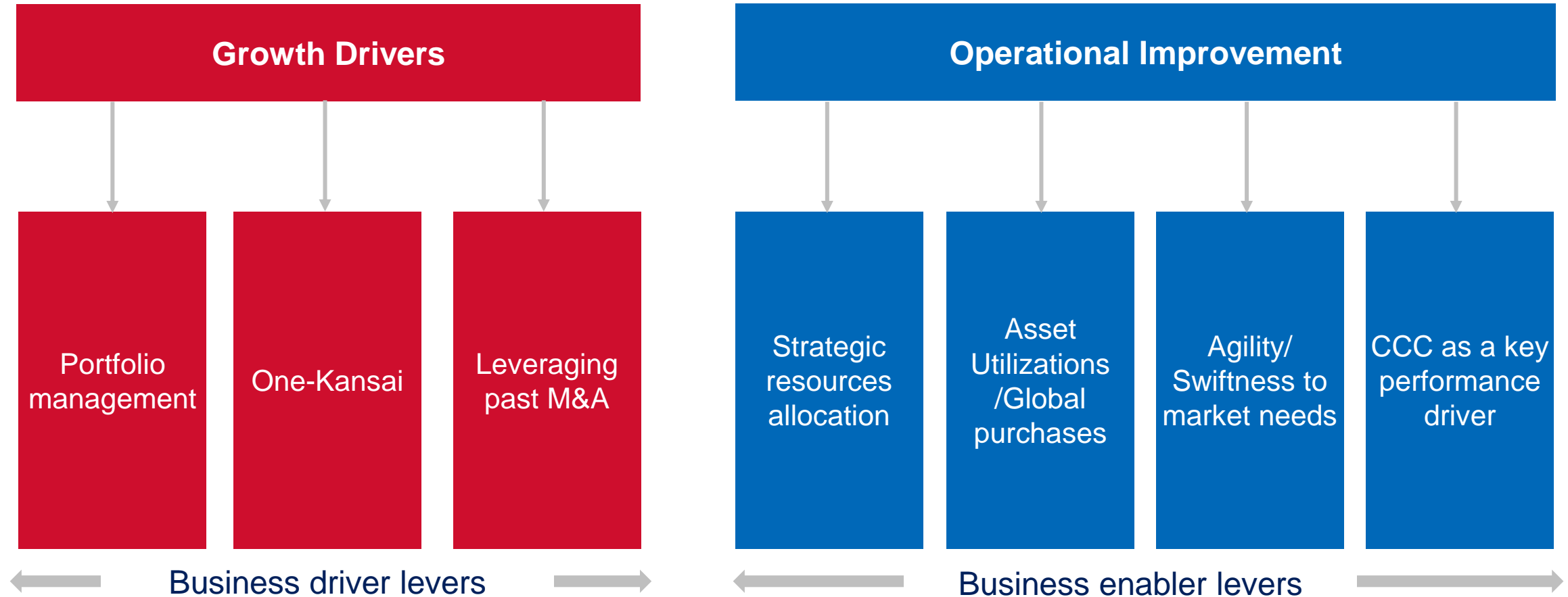


Segment-wide penetration driven by In-House innovation and market share leadership

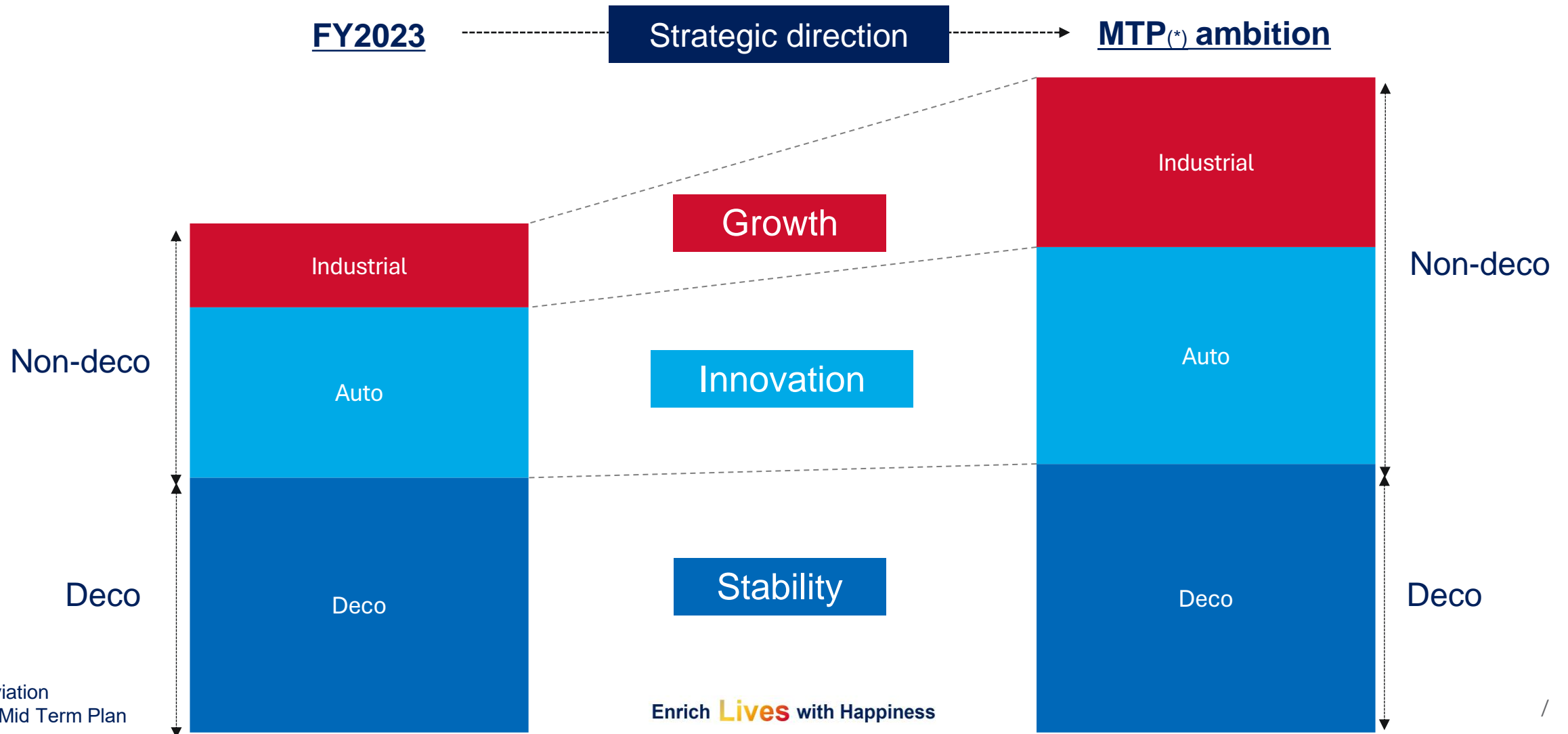
	Kansai Nerolac	Comp-A	Comp-B	Comp-C	Comp-D	Comp-E	Comp-F	Comp-G
Deco	✓ #3	✓	✓	✓	✓	✓	✓	✓
General Industrial	✓ #3	✓	✓	✓			✓	✓
Auto	✓ #1	△ *Joint venture	△ *Joint venture				△ *Joint venture	△ *Joint venture
High performance coating	✓ #3	✓	✓	✓			✓	
Auto refinish	✓ #4	△ *Joint venture		✓				✓
Powder	✓ #1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

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



Today's Agenda

1. Value of India for Kansai Paint

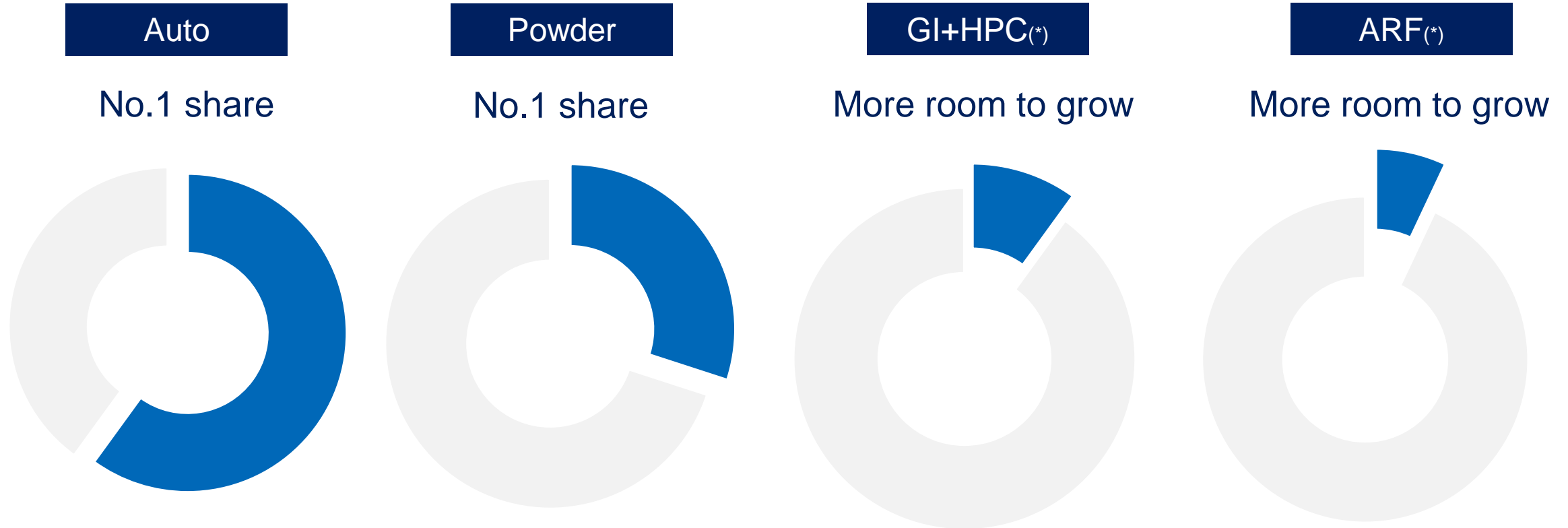
2. Top management and MTP (Mid Term Plan)

3. Industrial and Auto strategy

4. Deco strategy

5. Q&A

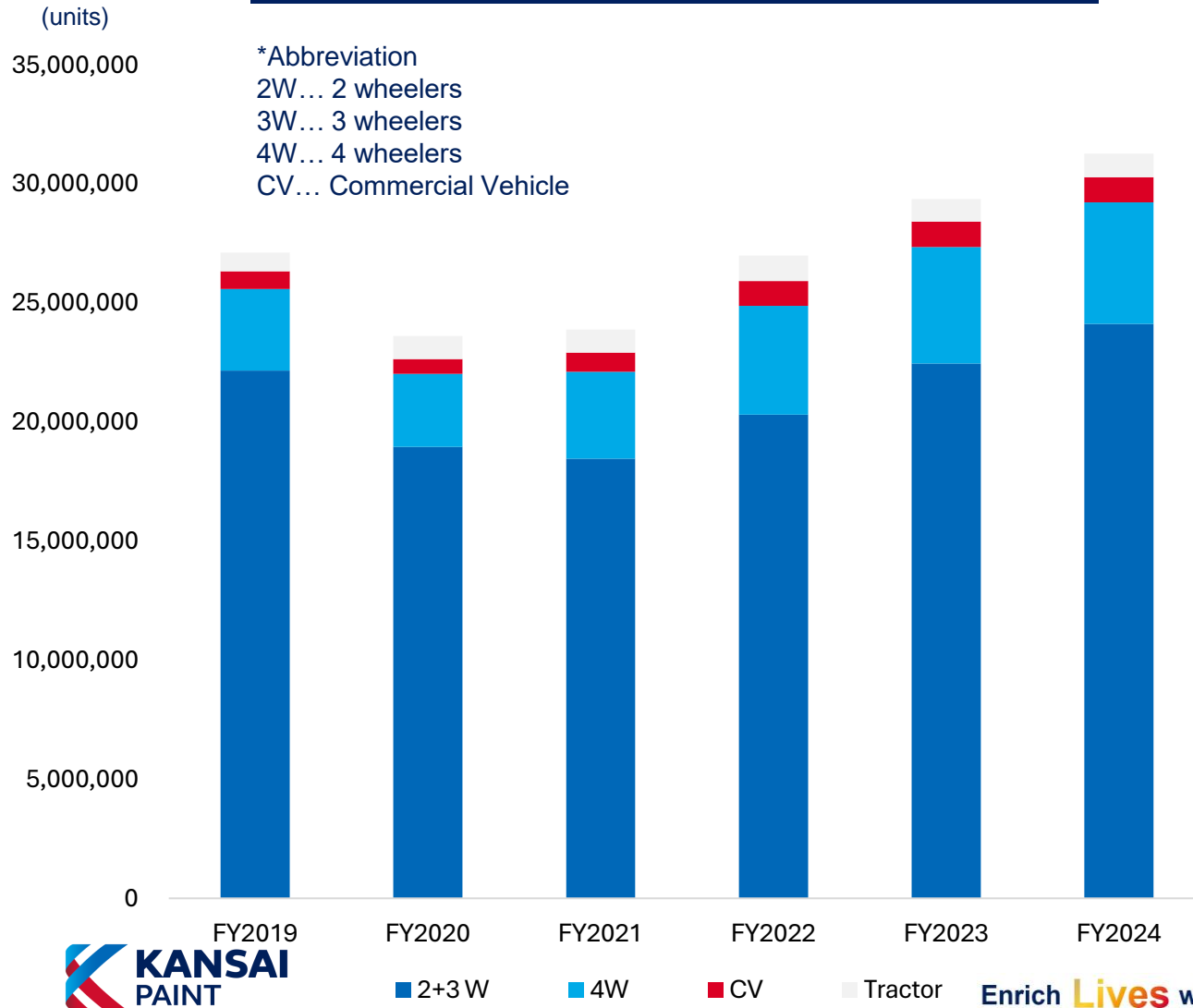
No.1 position in Auto and Powder, still more room to grow in GI+HPC^(*) and ARF^(*)



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

Positive outlook for Automotive Sector

Production units by category



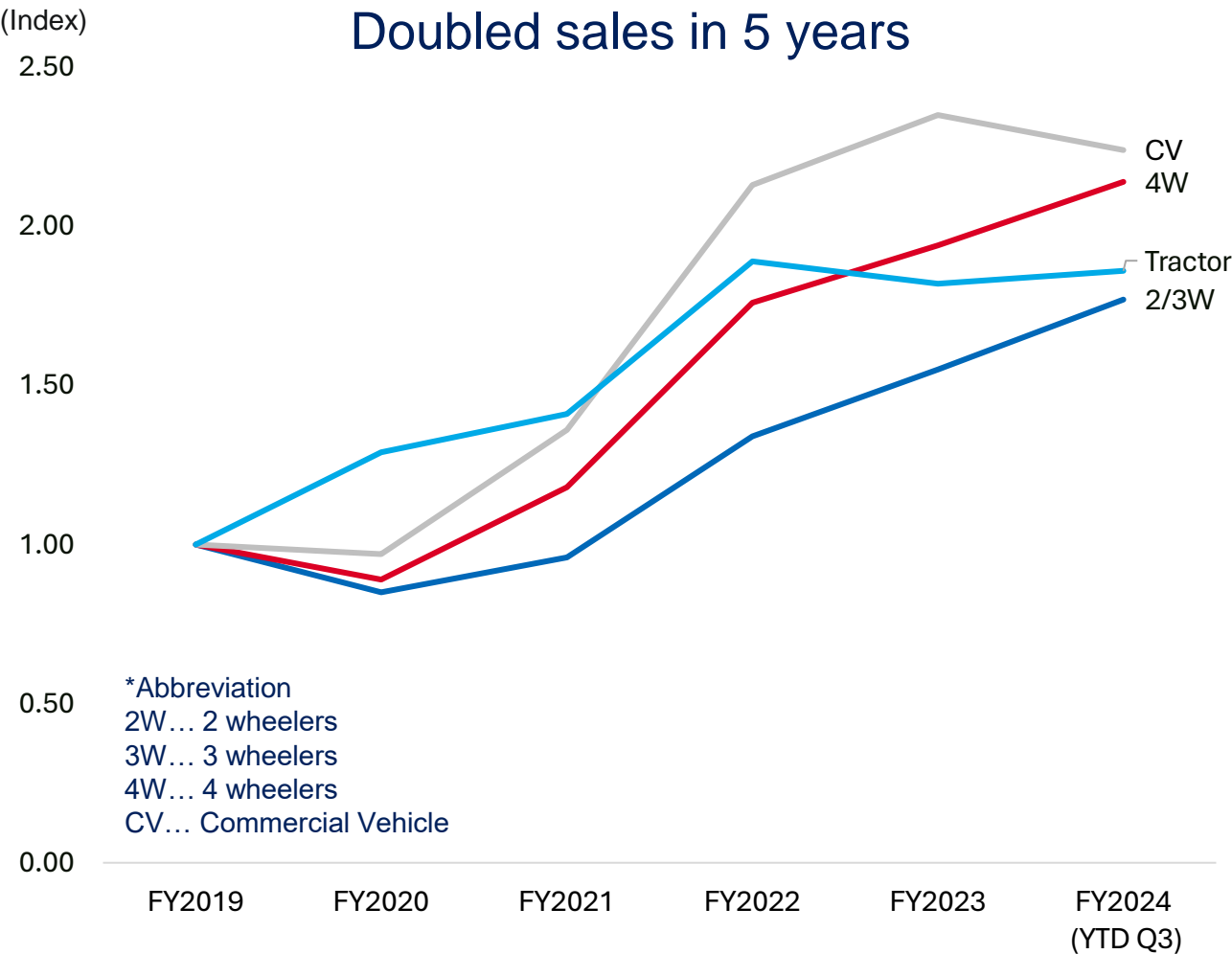
Future Outlook

- 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

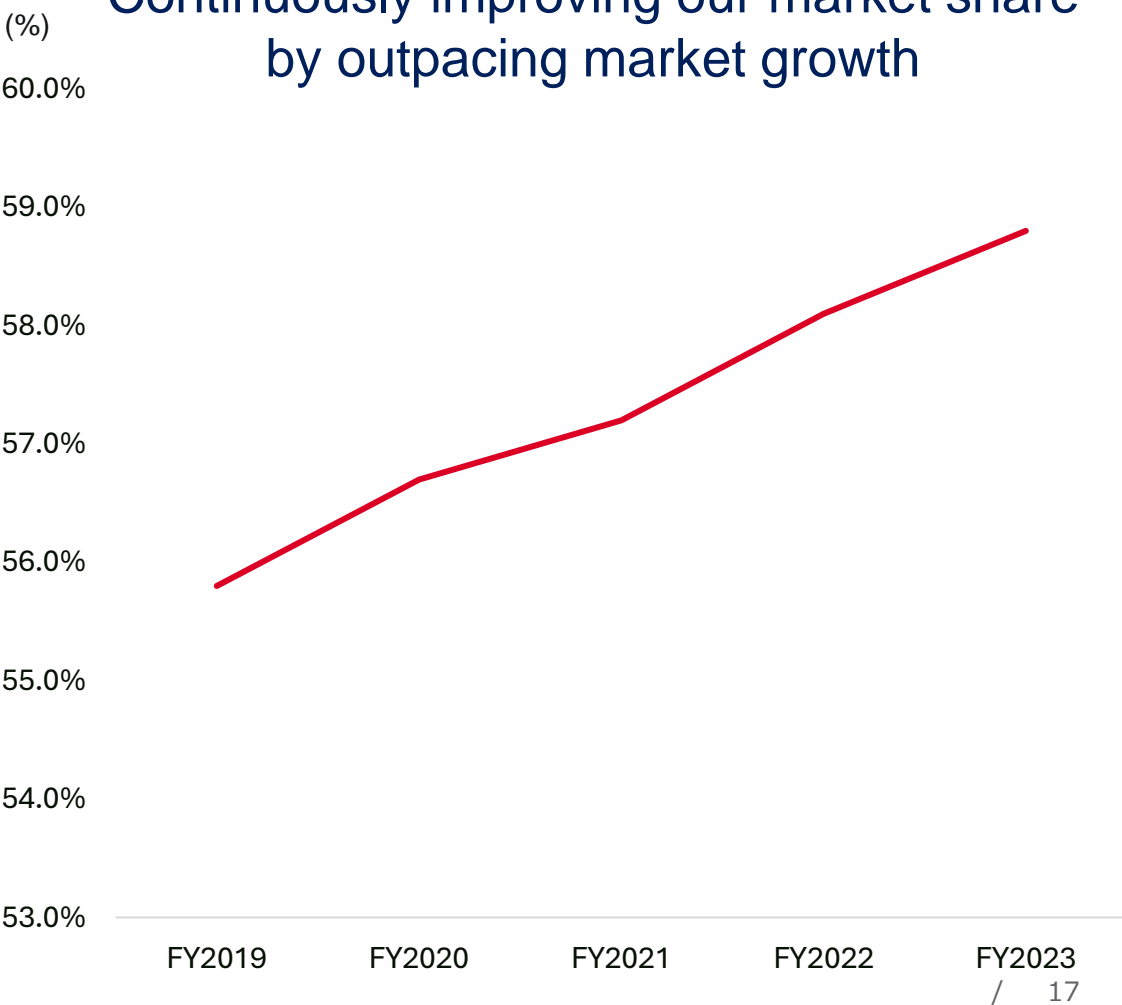
Kansai Nerolac
Category-wise sale trend INDEX

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

Powder

GI+HPC(*)

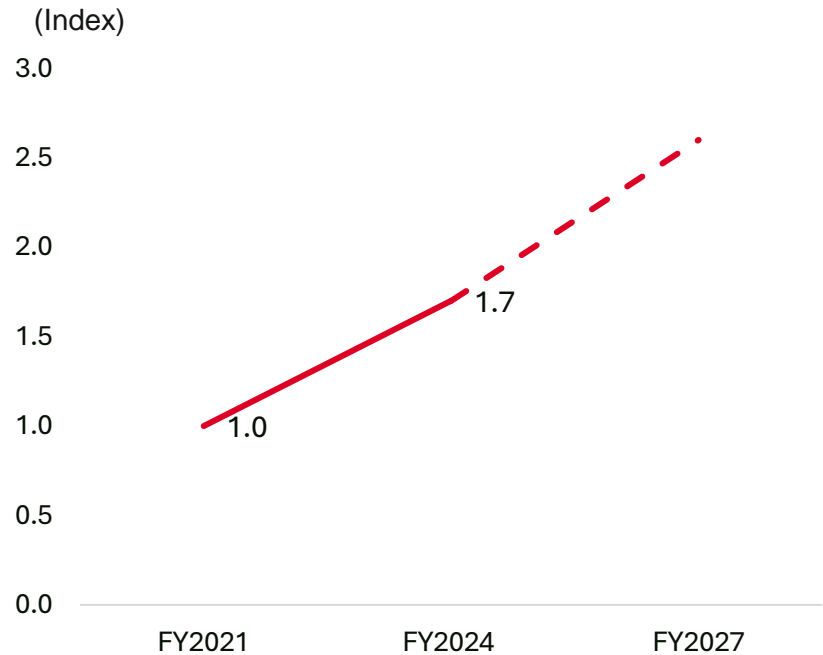
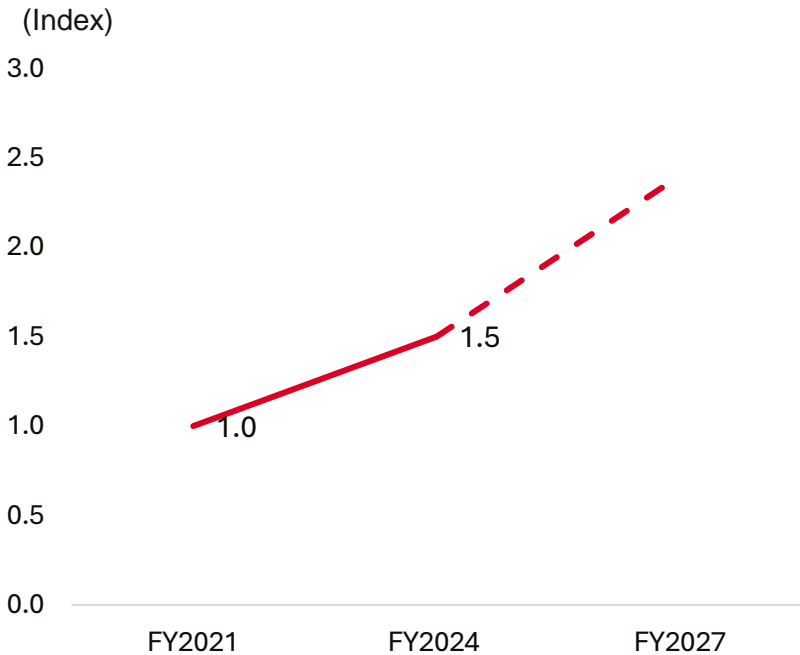
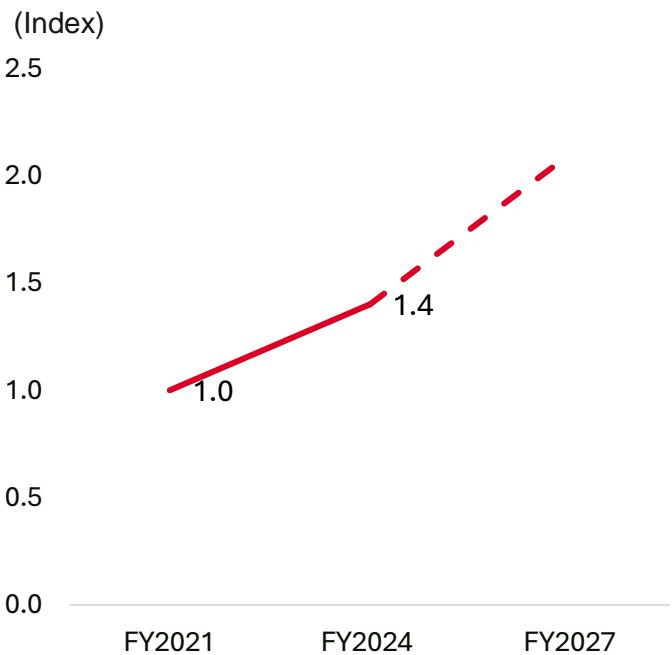
ARF(*)

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

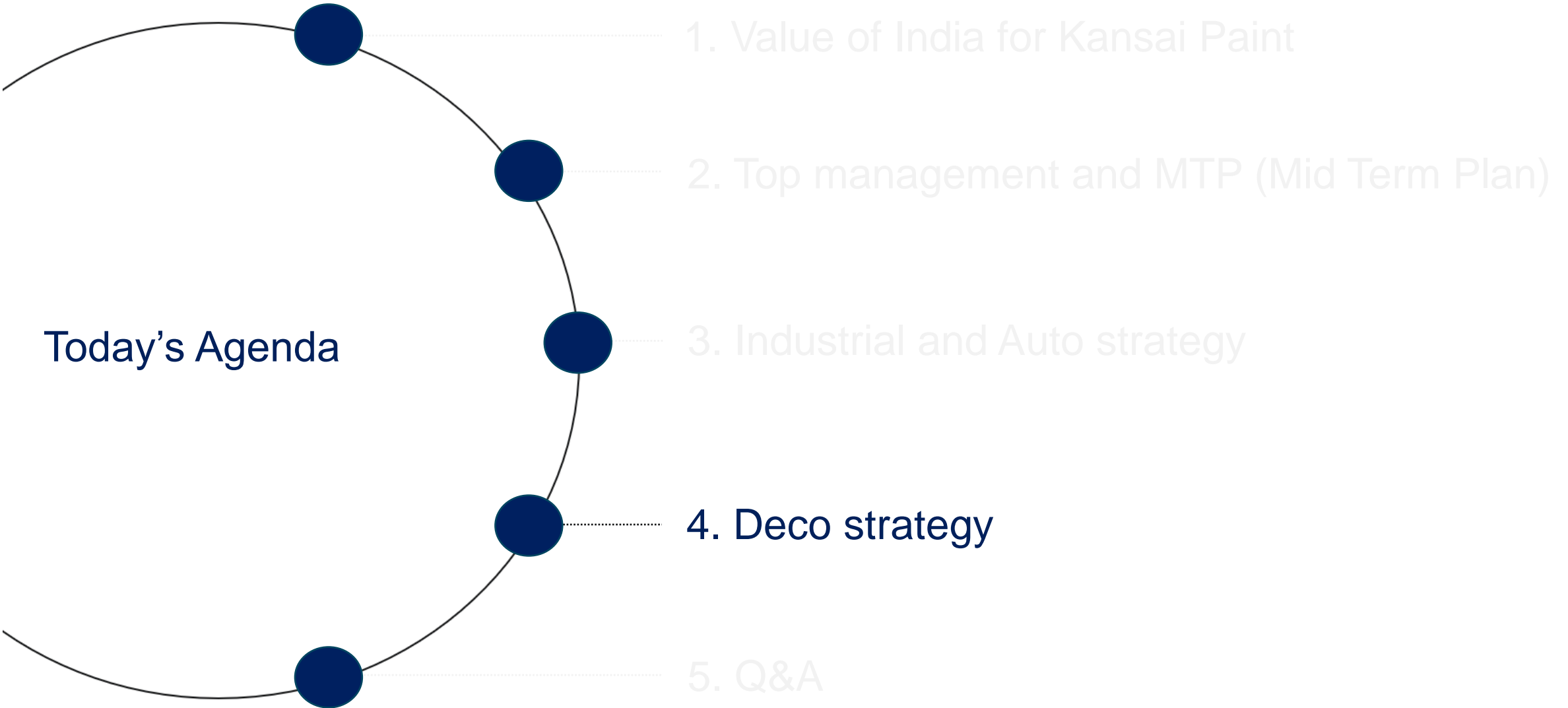
Strategy

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



Today's Agenda



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

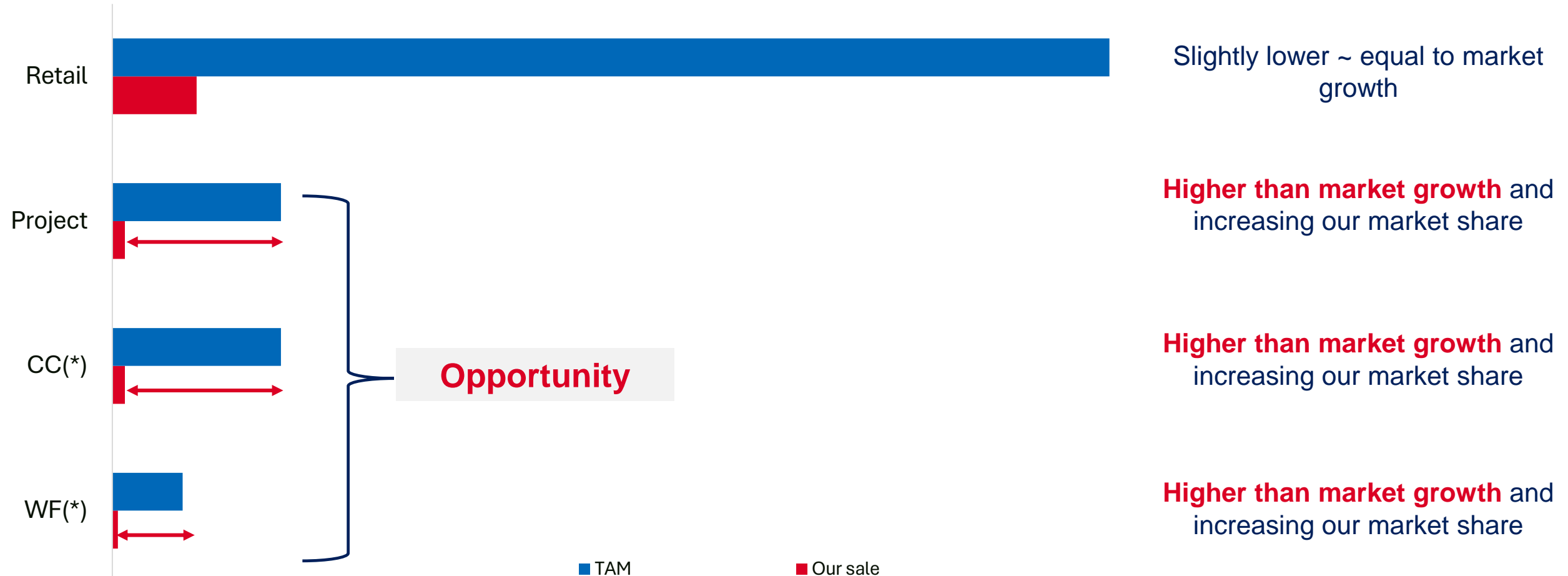


Wood flooring

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



Opportunity

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

■ 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
Extraction 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
Expansion 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.
Brand NEROLAC: 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**



2nd 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 1st Self Cleaning
Paint

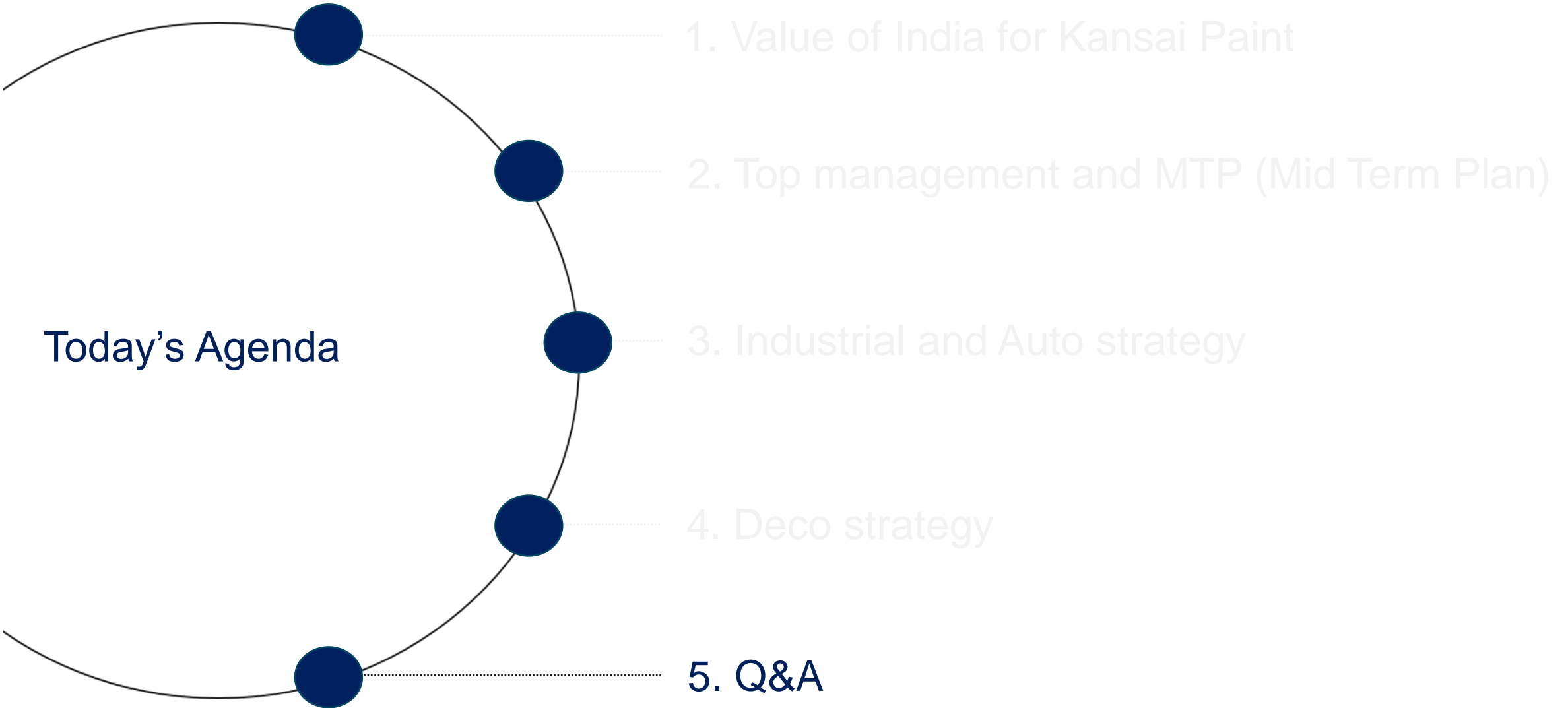


Impressions Kashmir:
India's 1st No Smell Paint



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

Today's Agenda



THANK YOU

&



This presentation may contain statements which reflect management's current views and estimates and could be construed as forward making statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments