

Consolidated Financial Results [Japanese GAAP]

for the Fiscal Year Ended March 31, 2024

(April 1, 2023 — March 31, 2024)



May 10, 2024

Company name: Kansai Paint Co., Ltd.
 Stock listing: Tokyo Stock Exchange
 Code number: 4613
 URL: <https://www.kansai.co.jp/>
 Representative: MORI Kunishi, Representative Director of the Board, President
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 Finance, HR and Administration
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 Scheduled date of the annual shareholders' meeting: June 27, 2024
 Scheduled date of the filing of Securities Report: June 28, 2024
 Scheduled date of dividend payment: June 28, 2024
 Supplemental information: Yes
 Financial results briefing: Yes

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 — March 31, 2024)

(1) Consolidated operating results

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year ended March 31, 2024	562,277	10.5	51,595	60.8	57,685	43.4	67,109	166.4
Fiscal Year ended March 31, 2023	509,070	21.4	32,077	6.6	40,216	6.9	25,195	(5.0)

(Note) Comprehensive income:

Fiscal Year ended March 31, 2024: 85,185 million yen 113.2%
 Fiscal Year ended March 31, 2023: 39,947 million yen (18.2)%

	Net income per share	Diluted net income per share	Return on equity	Ordinary income – total assets ratio	Operating income – sales ratio
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2024	299.15	291.90	22.3	8.5	9.2
Fiscal Year ended March 31, 2023	104.61	102.72	8.2	6.3	6.3

(Reference) Equity in earnings (losses) of unconsolidated subsidiaries and affiliates:

Fiscal Year ended March 31, 2024: 7,643 million yen
 Fiscal Year ended March 31, 2023: 5,762 million yen

(2) Consolidated financial positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	689,703	380,248	44.9	1,485.52
As of March 31, 2023	671,954	353,020	43.6	1,270.72

(Reference) Shareholders' equity:

As of March 31, 2024: 309,956 million yen
 As of March 31, 2023: 292,910 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year ended March 31, 2024	67,084	(9,043)	(72,856)	70,952
Fiscal Year ended March 31, 2023	50,231	(10,643)	(18,296)	83,263

2. Dividends

	Dividends per share					Total amounts of dividends	Payout ratio (Consolidated)	Net asset payout ratio (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal Year ended March 31, 2023	—	15.00	—	15.00	30.00	6,993	28.7	2.4
Fiscal Year ended March 31, 2024	—	18.00	—	22.00	40.00	8,731	13.4	2.9
Fiscal Year ending March 31, 2025 (Forecast)	—	22.00	—	22.00	44.00		23.0	

3. Consolidated financial forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 — March 31, 2025)

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
Full Year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	610,000	8.5	56,000	8.5	60,000	4.0	40,000	(40.4)	191.71

*Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries due to changes in scope of consolidation):

None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1. Changes in accounting policies in accordance with revision of accounting standards:

None

2. Changes in accounting policies other than 1. above:

None

3. Changes in accounting estimates:

None

4. Retrospective restatement:

None

(3) Number of shares of common stock issued

1. Number of shares of common stock issued at period-end (including treasury stock):

As of March 31, 2024: 210,421,470 shares

As of March 31, 2023: 272,623,270 shares

2. Number of shares of treasury stock at period-end:

As of March 31, 2024: 1,769,631 shares

As of March 31, 2023: 42,115,208 shares

3. Average number of shares during the period:

Fiscal Year ended March 31, 2024: 224,335,588 shares

Fiscal Year ended March 31, 2023: 240,854,570 shares

(Reference) Overview of Non-Consolidated Financial Results for the Year Ended March 31, 2024 (April 1, 2023 — March 31, 2024)

(1) Non-Consolidated operating results

(The percentages represent the rates of increase (decrease) compared to the corresponding prior period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year ended March 31, 2024	147,148	6.9	15,097	60.6	28,187	34.5	49,485	159.6
Fiscal Year ended March 31, 2023	137,690	11.0	9,401	22.6	20,960	(32.4)	19,064	(38.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year ended March 31, 2024	219.19	213.91
Fiscal Year ended March 31, 2023	78.72	77.30

(2) Non-Consolidated financial positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	367,621	150,157	40.8	714.60
As of March 31, 2023	383,130	180,525	47.1	778.35

(Reference) Shareholders' equity:

As of March 31, 2024: 150,157 million yen

As of March 31, 2023: 180,525 million yen

*Status of the implementation of audit procedures

These financial statements are not subject to the audit procedure of certified public accountant or audit firm.

*Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this document are based on information currently available to the Company and certain assumptions which are regarded as legitimate. However, it does not mean that we guarantee its achievement. Actual results may differ from such forward-looking statements for a variety of reasons.

Overview of financial results

In the fiscal year under review, the global economy continued to tighten its monetary policy, particularly in Europe and the United States, and the pace of recovery slowed, as geopolitical risks remained elevated and underlying upward pressure on prices persisted, despite signs of an elimination of supply constraints and a slowdown in inflation. Under such circumstances, the economic recovery in China has remained at a slow pace after the termination of the zero-corona policy, partly due to the impact of the stagnant real estate market. In Europe, the economy continues to be depressed by monetary tightening due to price hikes and interest rate hikes. In other regions, the economy showed signs of recovery, or a pick-up supported by robust domestic demand. The economy has been picking up moderately, mainly in domestic demand, reflecting the normalization of economic activity, while being affected by factors such as a sustained rise in prices and a slowdown in the pace of recovery in overseas economies.

The Group's net sales for the fiscal year under review were 562,277 million yen (up 10.5% year on year). Operating income was 51,595 million yen (up 60.8% year on year) as a result of efforts to reduce costs and improve selling prices, despite an increase in fixed costs such as personnel expenses. Ordinary income was 57,685 million yen (up 43.4% year on year), mainly due to an increase in equity in earnings of unconsolidated subsidiaries and affiliates and foreign currency exchange gain, despite the recording of loss on net monetary position due to the hyperinflation accounting standard. Profit attributable to owners of parent was 67,109 million yen (up 166.4% year on year) This was mainly due to gains on sales of investment securities associated with the reduction in strategic shareholdings and gains on sales of fixed assets associated with the sale of land in India and the sale of the head office in Japan.

Segment overviews are as follows.

From this consolidated fiscal year, the main business management indicators used in evaluating the performance of our group have been changed from ordinary income to operating income and equity in earnings of affiliates. Accordingly, segment income has also been changed from ordinary income to operating income and equity in earnings of affiliates. As a result of this change, segment income for the previous fiscal year is also compared after changing to operating income and equity in earnings of affiliates.

<Japan>

In the automotive coatings sector, the number of automobiles manufactured increased from the previous year, and net sales increased from the previous year. In the industrial coatings, decorative coatings, automotive coatings (for refinishing) and the protective coatings sector, although market conditions were sluggish, efforts to improve selling prices led to a year-on-year increase in total sales. In the marine sector, sales increased from the previous year due to an increase in the volume of ocean-going ship repairs and the impact of a change in the fiscal year-end of a subsidiary that sells marine paints. Profits increased year on year due to lower prices for some raw materials, as well as efforts to improve selling prices.

As a result of those factors, the segment's net sales and segment income were 165,301 million yen (up 8.4% year on year) and 21,451 million yen (up 61.5% year on year), respectively.

<India>

In the decorative coatings sector, sales promotion activities were promoted, but intensified market competition and inflation led to a shift to low-priced products. As a result, sales were on a par with the previous year. On the other hand, automobile production was stable, and improvements in selling prices also contributed to an increase in overall sales in India over the previous year. Profits increased from the previous year due to a decline in the prices of some raw materials, as well as continued efforts to

improve selling prices.

As a result of those factors, the segment's net sales and segment income were 136,648 million yen (up 7.1% year on year) and 14,807 million yen (up 34.8% year on year), respectively.

<Europe>

In Turkey, the number of automobiles manufactured exceeded the previous year's level, and we worked to improve selling prices. As a result, net sales increased from the previous year. In other European countries, sales in the mainstay industrial coatings sector were firm, and sales of the newly consolidated CWS Group also contributed. As a result, net sales increased year on year, and sales in Europe as a whole increased year on year. Profits increased from the previous year due to improved selling prices as well as lower prices for certain raw materials and energy costs, despite an increase in personnel and other costs due to the impact of inflation.

As a result of those factors, the segment's net sales and segment income were 135,902 million yen (up 21.3% year on year) and 5,068 million yen (up 154.5% year on year), respectively.

<Asia>

In China, automobile production volume increased from the previous year, but demand from major customers was sluggish, resulting in a year-on-year decline in net sales. In Thailand and Indonesia, net sales increased from the previous year due to efforts to improve selling prices, despite a decline in automobile production. In Malaysia, automobile production was firm, and net sales increased from the previous year. Profits increased from the previous year due to lower prices of certain raw materials and an increase in equity in earnings of affiliates.

As a result of those factors, the segment's net sales and segment income were 71,876 million yen (up 5.6% year on year) and 10,548 million yen (up 43.6% year on year), respectively.

<Africa>

The economies of South Africa and neighboring countries were slow to recover due to the effects of chronic power shortages and high prices, and demand was sluggish. Against this backdrop, we focused on efforts to improve selling prices in the mainstay decorative coatings sector and capture demand in the industrial coatings sector. However, net sales were on a par with the previous year. In East Africa, we focused on expanding sales in the decorative coatings sector and efforts to improve selling prices resulted in higher sales than in the previous year, resulting in higher overall sales in Africa compared with the previous year. Profits increased from the previous year due to cost-cutting measures such as the replacement of raw materials with cheaper products.

As a result of those factors, the segment's net sales and segment income were 43,338 million yen (up 3.6% year on year) and 4,077 million yen (up 49.7% year on year), respectively.

<Others>

In North America, the number of automobiles manufactured increased from the previous year, and net sales increased from the previous year. Profits increased from the previous fiscal year, mainly due to an improvement in operating income accompanying the increase in net sales and an improvement in selling prices, as well as an increase in equity in earnings of affiliates.

As a result of those factors, the segment's net sales and segment income were 9,210 million yen (up 30.7% year on year) and 3,297 million yen (up 139.9% year on year), respectively.

Consolidated financial statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	86,973	76,587
Trade notes and accounts receivable, and contract assets	106,785	113,202
Securities	8,169	24,209
Finished goods	54,673	56,765
Work-in-process	7,994	8,917
Raw materials and supplies	42,942	38,641
Other	16,819	15,234
Allowance for doubtful receivables	(4,526)	(4,838)
Total current assets	319,832	328,720
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,465	68,517
Machinery, equipment and vehicles, net	36,976	41,688
Tools, furniture and fixtures, net	8,614	9,883
Land	27,836	27,759
Construction in progress	7,417	11,111
Total property, plant and equipment	146,309	158,961
Intangible assets		
Leasehold right	3,101	3,206
Software	2,673	3,221
Software in progress	1,116	3,712
Goodwill	34,905	34,051
Other	21,952	21,969
Total intangible assets	63,747	66,160
Investments and other assets		
Investment securities	89,098	70,937
Investments in capital	23,750	26,939
Loans receivable	2,452	2,781
Net defined benefit asset	17,824	25,081
Deferred tax assets	5,202	5,784
Other	8,831	9,914
Allowance for doubtful receivables	(5,094)	(5,579)
Total investments and other assets	142,065	135,860
Total non-current assets	352,122	360,982
Total assets	671,954	689,703

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	80,999	86,707
Short-term borrowings	73,432	9,653
Short-term borrowings from unconsolidated subsidiaries and affiliates	20	20
Current portion of long-term debt	400	258
Short-term bonds payable	44,999	—
Lease obligations	1,146	1,511
Accrued expenses	10,142	11,901
Income and enterprise taxes payable	7,760	17,571
Provision for bonuses	4,930	5,854
Other	41,500	19,370
Total current liabilities	265,332	152,849
Non-current liabilities		
Convertible bonds with stock acquisition rights	—	100,592
Long-term debt	2,466	6,108
Lease obligations	3,760	4,418
Deferred tax liabilities	37,889	35,589
Net defined benefit liability	7,818	7,759
Retirement benefits for directors and corporate auditors	445	477
Provision for management board incentive plan trust	234	278
Other	986	1,381
Total non-current liabilities	53,602	156,605
Total liabilities	318,934	309,455
Net assets		
Shareholders' equity		
Common stock	25,658	25,658
Capital surplus	21,056	19,953
Retained earnings	299,019	234,131
Treasury stock, at cost	(79,971)	(2,128)
Total shareholders' equity	265,762	277,614
Accumulated other comprehensive income		
Net unrealized holding gains on securities	32,744	22,141
Deferred gains (losses) on derivatives under hedge accounting	(2,045)	3
Foreign currency translation adjustments	(7,937)	1,537
Remeasurements of defined benefit plans	4,385	8,659
Total accumulated other comprehensive income	27,147	32,341
Non-controlling interests	60,110	70,291
Total net assets	353,020	380,248
Total liabilities and net assets	671,954	689,703

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	509,070	562,277
Cost of sales	372,018	388,917
Gross profit	137,052	173,359
Selling, general and administrative expenses	104,975	121,764
Operating income	32,077	51,595
Non-operating income		
Interest income	469	991
Dividend income	1,667	1,226
Equity in earnings of unconsolidated subsidiaries and affiliates	5,762	7,643
Foreign currency exchange gain	771	1,837
Miscellaneous income	2,128	1,936
Total non-operating income	10,800	13,636
Non-operating expenses		
Interest expense	1,328	2,091
Loss on disposal of inventories	365	391
Loss on net monetary position	—	3,718
Miscellaneous expenses	966	1,345
Total non-operating expenses	2,661	7,547
Ordinary income	40,216	57,685
Extraordinary income		
Gain on sale of property, plant and equipment	360	17,355
Gain on sale of investment securities	3,566	33,863
Gain on sale of shares of subsidiaries and affiliates	—	41
Gain on sale of investments in capital of subsidiaries and affiliates	242	—
Gain on liquidation of subsidiaries and affiliates	—	31
Total extraordinary income	4,169	51,291
Extraordinary losses		
Loss on sale or disposal of property, plant and equipment	148	369
Impairment loss	385	69
Loss on sale of investment securities	2	41
Write-down of securities and investment securities	0	9
Loss on sale of shares of subsidiaries and affiliates	20	—
Loss on liquidation of subsidiaries	—	101
Early extra retirement payments	358	8
Total extraordinary losses	915	600
Income before income taxes and non-controlling interests	43,469	108,376
Income taxes - current	13,604	30,946
Income taxes - deferred	351	1,083
Total income taxes	13,955	32,029
Net income	29,513	76,347
Net income attributable to non-controlling interests	4,318	9,237
Net income attributable to owners of the parent	25,195	67,109

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	29,513	76,347
Other comprehensive income		
Net unrealized holding losses on securities	(5,824)	(17,998)
Deferred gains (losses) on derivatives under hedge accounting	(229)	2,025
Foreign currency translation adjustments	12,562	10,709
Remeasurements of defined benefit plans	(126)	4,274
Shares in other comprehensive income of equity method affiliates	4,051	9,827
Total other comprehensive income	10,433	8,838
Comprehensive income	39,947	85,185
Comprehensive income attributable to:		
Owners of the parent	32,622	72,303
Non-controlling interests	7,324	12,881

(4) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,658	21,277	279,551	(26,187)	300,299
Effect of hyperinflation			1,655		1,655
Restated balance	25,658	21,277	281,206	(26,187)	301,954
Changes during the period					
Cash dividends paid			(7,382)		(7,382)
Net income attributable to owners of the parent			25,195		25,195
Purchase of treasury stock				(53,788)	(53,788)
Disposal of treasury stock				5	5
Purchase of shares of consolidated subsidiaries		(220)			(220)
Net changes in items other than shareholders' equity					
Total changes during the period	—	(220)	17,812	(53,783)	(36,191)
Balance at the end of the year	25,658	21,056	299,019	(79,971)	265,762

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Deferred gains on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	40,070	(1,790)	(23,071)	4,512	19,719	55,095	375,114
Effect of hyperinflation						2,350	4,006
Restated balance	40,070	(1,790)	(23,071)	4,512	19,719	57,446	379,120
Changes during the period							
Cash dividends paid							(7,382)
Net income attributable to owners of the parent							25,195
Purchase of treasury stock							(53,788)
Disposal of treasury stock							5
Purchase of shares of consolidated subsidiaries							(220)
Net changes in items other than shareholders' equity	(7,325)	(255)	15,134	(126)	7,427	2,664	10,091
Total changes during the period	(7,325)	(255)	15,134	(126)	7,427	2,664	(26,100)
Balance at the end of the year	32,744	(2,045)	(7,937)	4,385	27,147	60,110	353,020

Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	25,658	21,056	299,019	(79,971)	265,762
Effect of hyperinflation			2,397		2,397
Restated balance	25,658	21,056	301,416	(79,971)	268,160
Changes during the period					
Cash dividends paid			(7,585)		(7,585)
Net income attributable to owners of the parent			67,109		67,109
Purchase of treasury stock				(49,139)	(49,139)
Disposal of treasury stock		0		59	59
Cancellation of treasury stock		(0)	(126,921)	126,922	—
Purchase of shares of consolidated subsidiaries		(1,102)			(1,102)
Increase due to decrease in affiliates			28		28
Change of functional currency of consolidated subsidiaries			84		84
Net changes in items other than shareholders' equity					
Total changes during the period	—	(1,103)	(67,285)	77,842	9,454
Balance at the end of the year	25,658	19,953	234,131	(2,128)	277,614

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Deferred gains on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the year	32,744	(2,045)	(7,937)	4,385	27,147	60,110	353,020
Effect of hyperinflation						2,062	4,460
Restated balance	32,744	(2,045)	(7,937)	4,385	27,147	62,173	357,480
Changes during the period							
Cash dividends paid							(7,585)
Net income attributable to owners of the parent							67,109
Purchase of treasury stock							(49,139)
Disposal of treasury stock							59
Cancellation of treasury stock							—
Purchase of shares of consolidated subsidiaries							(1,102)
Increase due to decrease in affiliates							28
Change of functional currency of consolidated subsidiaries							84
Net changes in items other than shareholders' equity	(10,603)	2,048	9,475	4,274	5,194	8,118	13,313
Total changes during the period	(10,603)	2,048	9,475	4,274	5,194	8,118	22,767
Balance at the end of the year	22,141	3	1,537	8,659	32,341	70,291	380,248

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Income before income taxes and non-controlling interests	43,469	108,376
Depreciation and amortization	15,771	17,962
Impairment loss	385	69
Amortization of goodwill	3,844	4,573
Increase in allowance for doubtful receivables	937	418
Decrease in net defined benefit liability	(2,134)	(1,329)
Interest and dividend income	(2,137)	(2,218)
Interest expense	1,328	2,091
Equity in earnings of unconsolidated subsidiaries and affiliates	(5,762)	(7,643)
Gain on sale of investment securities	(3,563)	(33,821)
Write-down of investment securities	0	9
Loss (gain) on sale of shares of subsidiaries and affiliates	20	(41)
Gain on sale of investments in capital of subsidiaries and affiliates	(242)	—
Gain on sale or disposal of property, plant and equipment, net	(212)	(16,985)
Decrease (increase) in trade notes and accounts receivable	7,060	(1,915)
Decrease (increase) in inventories	(4,061)	10,856
Increase in trade notes and accounts payable	6,403	3,176
Other, net	(7,177)	757
Subtotal	53,930	84,336
Interest and dividends received	5,041	6,047
Interest paid	(1,283)	(1,451)
Income taxes paid	(7,457)	(21,847)
Net cash provided by operating activities	50,231	67,084
Cash flows from investing activities		
Payments into time deposits	(3,711)	(5,925)
Proceeds from withdrawal of time deposits	5,350	4,226
Net increase in securities	(4,477)	(13,203)
Purchase of property, plant and equipment	(9,347)	(15,965)
Proceeds from sale of property, plant and equipment	487	19,738
Purchase of intangible assets	(1,765)	(4,101)
Purchase of investment securities	(185)	(1,017)
Proceeds from sale of investment securities	5,175	37,534
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(16,734)
Payments of loans receivable	(88)	(83)
Collection of loans receivable	66	2,068
Payments for settlement of derivative, net	—	(14,593)
Payments for acquisition of businesses	(1,316)	(429)
Other, net	(831)	(557)
Net cash used in investing activities	(10,643)	(9,043)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	65,166	(67,589)
Proceeds from long-term debt	486	4,043
Repayments of long-term debt	(1,788)	(453)
Proceeds from issuance of bonds	169,999	195,000
Redemption of bonds	(124,999)	(239,999)
Proceeds from issuance of convertible bonds with stock acquisition rights	—	100,600
Redemption of convertible bonds with stock acquisition rights	(60,000)	—
Purchase of treasury stock	(53,443)	(49,027)
Cash dividends paid	(7,382)	(7,585)
Cash dividends paid to non-controlling interests	(3,161)	(3,367)
Proceeds from share issuance to non-controlling shareholders	173	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(2,267)	(2,900)
Other, net	(1,078)	(1,574)
Net cash used in financing activities	(18,296)	(72,856)
Effect of exchange rate changes on cash and cash equivalents	2,262	2,503
Increase (decrease) in cash and cash equivalents	23,554	(12,311)
Cash and cash equivalents at beginning of period	59,709	83,263
Cash and cash equivalents at end of period	83,263	70,952

Segment information

(1) General information for reportable segments

The reportable segments of the Kansai Paint Group are defined as components of the Group for which separate financial information is available and reviewed regularly by the Board of Directors in determining how to allocate management resources and evaluate operating performance. The Company and its consolidated subsidiaries and affiliates are primarily engaged in the manufacturing and sale of paints and coatings. The Company is mainly in charge of business activities in Japan while locally incorporated overseas subsidiaries are in charge in each region. Locally incorporated overseas subsidiaries are independent business units that develop their own business activities and establish their own comprehensive strategies in each region. Accordingly, the Kansai Paint Group, being composed of regional segments based on manufacturing and selling systems, has the following five reportable segments: Japan, India, Europe, Asia and Africa.

(2) Information about sales, profit and loss, assets and other material items by reportable segment

Fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

(Millions of yen)

	Reportable segments						Other *1	Total	Adjustment *2	Consolidated *3
	Japan	India	Europe	Asia	Africa	Total				
Net sales										
(1) Sales to customers	152,508	127,544	112,070	68,070	41,831	502,024	7,045	509,070	—	509,070
(2) Intersegment sales and transfers	15,398	47	247	3,552	279	19,524	—	19,524	(19,524)	—
Total sales	167,906	127,591	112,318	71,622	42,110	521,549	7,045	528,595	(19,524)	509,070
Operating income (loss)	12,275	11,026	1,503	4,560	2,618	31,984	(40)	31,944	132	32,077
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	1,009	(39)	487	2,783	106	4,348	1,414	5,762	—	5,762
Segment income	13,285	10,987	1,991	7,344	2,724	36,333	1,374	37,707	132	37,840
Segment assets	276,202	101,895	169,678	103,358	40,921	692,055	18,215	710,271	(40,807)	669,464
Other items										
Depreciation and amortization	4,173	2,905	4,034	2,754	1,280	15,147	623	15,771	—	15,771
Amortization of goodwill	—	93	2,100	189	1,125	3,510	333	3,844	—	3,844
Interest income	612	48	39	275	76	1,052	1	1,054	(584)	469
Interest expense	33	449	809	35	326	1,653	0	1,654	(325)	1,328
Investments in unconsolidated subsidiaries and affiliates	17,939	330	9,496	25,938	1,822	55,528	4,672	60,200	—	60,200
Increase in property, plant and equipment and intangible assets	4,358	1,980	3,491	1,443	770	12,044	159	12,204	—	12,204

Notes:

*1 The "Other" category includes business activities of subsidiaries and affiliates in the U.S., Mexico and other locations.

*2 Adjustments for segment income, segment assets and other items represent the elimination of intersegment transactions.

*3 Segment income is adjusted to reflect operating income (loss) recorded in the Consolidated Statements of Income which is adjusted by equity in earnings (losses) of unconsolidated subsidiaries and affiliates.

*4 Reportable segments other than Japan include the following countries:

India: India, Bangladesh, Nepal and other locations.

Europe: Slovenia, Turkey, Austria and other locations.

Asia: Indonesia, Thailand, China and other locations.

Africa: South Africa, Uganda, Zimbabwe and other locations.

Fiscal year ended March 31, 2024 (April 1, 2023 - March 31, 2024)

(Millions of yen)

	Reportable segments						Other *1	Total	Adjustment *2	Consolidated *3
	Japan	India	Europe	Asia	Africa	Total				
Net sales										
(1) Sales to customers	165,301	136,648	135,902	71,876	43,338	553,066	9,210	562,277	—	562,277
(2) Intersegment sales and transfers	16,219	85	111	3,415	231	20,063	—	20,063	(20,063)	—
Total sales	181,521	136,733	136,013	75,291	43,569	573,129	9,210	582,340	(20,063)	562,277
Operating income	20,035	14,873	4,256	7,285	3,971	50,422	1,184	51,607	(11)	51,595
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	1,416	(66)	811	3,262	106	5,530	2,112	7,643	—	7,643
Segment income	21,451	14,807	5,068	10,548	4,077	55,953	3,297	59,250	(11)	59,239
Segment assets	258,744	133,424	163,261	112,960	41,812	710,203	20,621	730,825	(41,121)	689,703
Other items										
Depreciation and amortization	4,360	3,204	5,777	2,733	1,204	17,281	681	17,962	—	17,962
Amortization of goodwill	1	21	2,919	62	1,209	4,214	358	4,573	—	4,573
Interest income	2,074	78	112	435	170	2,871	27	2,898	(1,907)	991
Interest expense	50	474	2,170	24	1,134	3,853	0	3,854	(1,762)	2,091
Investments in unconsolidated subsidiaries and affiliates	26,027	294	11,109	29,177	1,889	68,497	5,441	73,938	—	73,938
Increase in property, plant and equipment and intangible assets	8,954	4,494	5,646	1,217	856	21,169	174	21,344	—	21,344

Notes:

*1 The "Other" category includes business activities of subsidiaries and affiliates in the U.S., Mexico and other locations.

*2 Adjustments for segment income, segment assets and other items represent the elimination of intersegment transactions.

*3 Segment income is adjusted to reflect operating income recorded in the Consolidated Statements of Income which is adjusted by equity in earnings (losses) of unconsolidated subsidiaries and affiliates.

*4 Reportable segments other than Japan include the following countries:

India: India, Bangladesh, Nepal and other locations.

Europe: Slovenia, Turkey, Austria and other locations.

Asia: Indonesia, Thailand, China and other locations.

Africa: South Africa, Uganda, Zimbabwe and other locations.

*5 From this consolidated fiscal year, the main business management indicators used in evaluating the performance of our group have been changed from ordinary income to operating income and equity in earnings of unconsolidated subsidiaries and affiliates.

Accordingly, segment income has also been changed from ordinary income to operating income and equity in earnings of unconsolidated subsidiaries and affiliates. As a result of this change, segment income for the same quarter of the previous consolidated fiscal year is also compared after changing to operating income and equity in earnings of unconsolidated subsidiaries and affiliates.