

Consolidated Financial Results [Japanese GAAP]

for the Fiscal Year Ended March 31, 2021 (April 1, 2020 — March 31, 2021)



May 12, 2021

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
 Contact: TAKAHARA Shigeki, Senior Managing Executive Officer,
 Chief of Corporate Planning, Finance, HR & Administration
 Telephone: +81-6-6203-5531
 Scheduled date of the annual shareholders' meeting: June 29, 2021
 Scheduled date of the filing of Securities Report: June 30, 2021
 Scheduled date of dividend payment: June 30, 2021
 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, 2021 (April 1, 2020 — March 31, 2021)

(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, 2021	364,620	(10.4)	31,228	(0.9)	35,880	2.9	20,027	8.4
Fiscal Year ended March 31, 2020	406,886	(4.8)	31,510	(2.5)	34,874	0.1	18,477	6.2

(Note) Comprehensive income:

Fiscal Year ended March 31, 2021: 29,550 million yen 189.7%
 Fiscal Year ended March 31, 2020: 10,199 million yen —%

	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, 2021	77.91	72.47	7.2	6.2	8.6
Fiscal Year ended March 31, 2020	71.87	65.71	6.9	6.2	7.7

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

Fiscal Year ended March 31, 2021: 4,802 million yen
 Fiscal Year ended March 31, 2020: 3,990 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, 2021	606,580	338,859	47.3	1,115.87
As of March 31, 2020	544,123	320,697	49.4	1,045.99

(Reference) Shareholders' equity:

As of March 31, 2021: 286,799 million yen
 As of March 31, 2020: 268,877 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, 2021	42,647	(507)	16,828	108,377
Fiscal Year ended March 31, 2020	40,324	(22,045)	(37,403)	50,594

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, 2020	—	15.00	—	15.00	30.00	7,746	41.7	2.9
Fiscal Year ended March 31, 2021	—	15.00	—	15.00	30.00	7,746	38.5	2.8
Fiscal Year ending March 31, 2022 (Forecast)	—	15.00	—	15.00	30.00		29.7	

3. Consolidated financial forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 — March 31, 2022)

(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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	400,000	9.7	38,000	21.7	44,000	22.6	26,000	29.8	101.16

*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

- Changes in accounting policies in accordance with revision of accounting standards: None
- Changes in accounting policies other than 1. above: None
- Changes in accounting estimates: None
- 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, 2021: 272,623,270 shares

As of March 31, 2020: 272,623,270 shares

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

As of March 31, 2021: 15,603,530 shares

As of March 31, 2020: 15,567,211 shares

3. Average number of shares during the period:

Fiscal Year ended March 31, 2021: 257,051,346 shares

Fiscal Year ended March 31, 2020: 257,104,459 shares

(Reference) Overview of Non-Consolidated Financial Results for the Year Ended March 31, 2021 (April 1, 2020 — March 31, 2021)

(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, 2021	133,807	(10.0)	10,580	(22.8)	22,834	22.6	18,877	-
Fiscal Year ended March 31, 2020	148,678	(4.4)	13,702	(7.7)	18,623	(19.3)	(6,694)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year ended March 31, 2021	73.14	68.04
Fiscal Year ended March 31, 2020	(25.93)	-

(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, 2021	386,319	203,554	52.7	788.66
As of March 31, 2020	334,706	189,140	56.5	732.83

(Reference) Shareholders' equity:

As of March 31, 2021: 203,554 million yen

As of March 31, 2020: 189,140 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

During the fiscal year under review, the global economy observed a recovery of consumption as a result of the resumption of economic activities despite a temporary slowdown affected by the COVID-19 pandemic from the beginning of the year in addition to concerns over geopolitical risks. Under such circumstances, the Chinese economy recovered quickly from the spread of the COVID-19. The United States, Europe, other Asian emerging countries, and Africa continued to face severe economic conditions while signs of recovery were observed in most of those countries. The Japanese economy saw signs of recovery in capital investment and production, it remained in a difficult condition due to voluntary restraint of economic activities and the deterioration of overseas economies caused by the spread of COVID-19.

The Group's net sales for the fiscal year under review were 364,620 million yen (down 10.4% year on year). Operating income was 31,228 million yen (down 0.9% year on year), impacted by the decreased net sales despite a decline in raw material prices and an internal effort to reduce selling, general and administrative expenses. Ordinary income ended at 35,880 million yen (up 2.9% year on year) due to an increase in equity in earnings of affiliates. While gain on sale of investment securities increased due to the reduction of cross-held shares, there was a loss on disaster in Indonesia and impairment loss of Tangible and Intangible fixed asset in China and Malaysia. As a result, Net income attributable to owners of parent ended at 20,027 million yen (up 8.4% year on year).

Segment overviews are as follows.

<Japan>

In the new car area of the automotive coatings sector, sales decreased year on year, although signs of recovery in automobile production were observed. Sales in the industrial coatings sector decreased year on year as paints for automotive components and construction machinery were negatively affected by production adjustments. The decorative coatings sector saw a year on year increase in sales, reflecting growth in demand for DIY paints. Sales in the marine sector posted a year on year decrease due to the impact of postponement of ship repair works. In the automotive coatings (for refinishing) and the protective coating sectors, sales decreased year on year due to sluggish market conditions.

As a result of those factors, net sales and ordinary income in the segment were 142,999 million yen (down 7.8% year on year) and 15,532 million yen (down 14.4% year on year).

<India>

While the automotive coatings sector showed a sign of recovery in the second half of the year, sales fell on a year-on-year basis due to a significant decrease in automobile production in the April-June period. The decorative coatings sector saw a year-on-year decrease in sales due to the impact of lockdowns associated with the spread of COVID-19 at the beginning of the year, although the sector observed a sign of recovery mainly in the suburban market in the second half of the year. Sales in India as a whole decreased year on year. Under these circumstances, profits fell just slightly, reflecting an internal effort to reduce selling, general and administrative expenses in addition to a decline in raw material prices.

As a result of those factors, net sales and ordinary income in the segment were 73,084 million yen (down 10.5% year on year) and 10,198 million yen (down 0.7% year on year).

<Europe>

In Turkey, the industrial coatings and automotive coatings sectors recorded an increase in sales in a local currency, and profits also grew, reflecting a decline in raw material prices. However, the translated result in the Japanese yen was negatively affected by currency conversion. On the other hand, the decorative coatings sector saw an increase in equity in earnings of affiliates supported by the decrease in corporate tax due to privilege measures for capital expenditure in addition to robust demand. In other European countries, while the automotive coatings (for refinishing), the decorative coatings and the protective coating sectors recorded a year-on-year increase in sales on the back of robust demand, sales in the industrial coatings sector faced a year-on-year decrease. As a result, sales in Europe as a whole decreased year on year. Under these circumstances, profits increased, reflecting stable raw material prices, cost reduction efforts and various support by governments.

As a result of those factors, net sales of the segment were 66,002 million yen (down 3.2 % year on year) while ordinary income including the amortization of goodwill ended at 5,220 million yen (up 91.9 % year on year).

<Asia>

Having quickly recovered from a stagnant economy caused by the spread of COVID-19 from the beginning of the year, China saw just a slight decrease in sales compared with the previous year. In Indonesia, Thailand and Malaysia, automobile production decreased year on year due to the spread of COVID-19, resulting in a year on year decrease in net sales despite a sign of recovery in the second half of the year.

As a result of those factors, net sales of the segment were 49,504 million yen (down 17.7% year on year). Ordinary income ended at 4,638 million yen (down 15.0% year on year).

<Africa>

Amid the sluggish economy in South Africa and neighboring countries, net sales of the companies in the South African region significantly decreased year on year additionally due to an economic stagnation caused by the implementation of lockdowns associated with the spread of COVID-19. In the companies in the East African region, the decorative coatings sector recorded growth of sales, reflecting robust demand. However, sales in Africa as a whole fell year on year. Reorganization of unprofitable businesses and internal effort to reduce fixed costs in addition to a decline in raw material prices contributed to limiting losses despite a significant decrease in net sales.

As a result of those factors, net sales of the segment were 27,917 million yen (down 21.9% year on year) while ordinary loss including the amortization of goodwill ended at 858 million yen.

<Others>

In North America, sales in the industrial coatings sector fell year on year due to stagnant economic activity affected by the spread of COVID-19.

As a result of those factors, net sales of the segment were 5,112 million yen (down 15.1% year on year). Ordinary income ended at 1,149 million yen (down 7.6% year on year).

Consolidated financial statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	58,618	114,292
Trade notes and accounts receivables	101,512	105,129
Securities	4,705	10,154
Finished goods	35,095	35,782
Work-in-process	5,696	5,538
Raw materials and supplies	23,530	24,346
Other	14,932	8,498
Allowance for doubtful receivables	(3,152)	(3,269)
Total current assets	240,938	300,471
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	58,222	58,119
Machinery, equipment and vehicles, net	31,067	30,024
Tools, furniture and fixtures, net	8,355	6,940
Land	25,041	25,292
Construction in progress	6,732	6,844
Total property, plant and equipment	129,419	127,220
Intangible assets		
Leasehold right	3,306	3,011
Software	2,320	2,105
Software in progress	227	302
Goodwill	33,551	29,882
Other	19,000	16,033
Total intangible assets	58,406	51,335
Investments and other assets		
Investment securities	76,183	86,942
Investments in capital	17,414	17,611
Loans receivable	2,292	2,255
Net defined benefit asset	9,012	14,588
Deferred tax assets	7,470	3,637
Other	7,626	7,120
Allowance for doubtful receivables	(4,641)	(4,602)
Total investments and other assets	115,358	127,552
Total non-current assets	303,185	306,108
Total assets	544,123	606,580

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Trade notes and accounts payables	58,694	63,808
Short-term borrowings	18,467	6,013
Short-term borrowings from unconsolidated subsidiaries and affiliates	140	110
Current portion of long-term debt	2,070	46,643
Lease obligations	1,353	669
Accrued expenses	9,631	9,601
Income and enterprise taxes payable	2,242	7,471
Provision for bonuses	5,431	4,749
Other	14,082	17,288
Total current liabilities	112,113	156,357
Non-current liabilities		
Convertible bonds with stock acquisition rights	60,110	60,060
Long-term debt	12,354	7,751
Lease obligations	1,795	1,679
Deferred tax liabilities	25,040	29,994
Net defined benefit liability	9,497	8,598
Retirement benefits for directors and corporate auditors	116	102
Provision for management board incentive plan trust	102	137
Other	2,296	3,038
Total non-current liabilities	111,313	111,363
Total liabilities	223,426	267,720
Net assets		
Shareholders' equity		
Common stock	25,658	25,658
Capital surplus	22,438	21,081
Retained earnings	248,511	260,799
Treasury stock, at cost	(25,711)	(25,844)
Total shareholders' equity	270,897	281,695
Accumulated other comprehensive income		
Net unrealized holding gains on securities	23,322	33,400
Deferred gains (losses) on derivatives under hedge accounting	1,224	(1,003)
Foreign currency translation adjustments	(25,936)	(31,130)
Remeasurements of defined benefit plans	(631)	3,838
Total accumulated other comprehensive income	(2,020)	5,104
Non-controlling interests	51,819	52,059
Total net assets	320,697	338,859
Total liabilities and net assets	544,123	606,580

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	406,886	364,620
Cost of sales	277,359	243,938
Gross profit	129,527	120,682
Selling, general and administrative expenses	98,016	89,454
Operating income	31,510	31,228
Non-operating income		
Interest income	653	595
Dividend income	1,687	1,559
Equity in earnings of unconsolidated subsidiaries and affiliates	3,990	4,802
Miscellaneous income	1,831	1,703
Total non-operating income	8,162	8,661
Non-operating expenses		
Interest expense	1,749	1,585
Loss on disposal of inventories	329	407
Foreign currency exchange loss	1,466	560
Miscellaneous expenses	1,253	1,455
Total non-operating expenses	4,798	4,008
Ordinary income	34,874	35,880
Extraordinary income		
Gain on sale of property, plant and equipment	49	97
Gain on sale of investment securities	152	6,298
Gain on sale of shares of subsidiaries and affiliates	1,708	374
Gain on sale of investments in capital of subsidiaries and affiliates	-	1,634
Gain on liquidation of subsidiaries	8	18
Total extraordinary income	1,919	8,423
Extraordinary losses		
Loss on sale or disposal of property, plant and equipment	1,019	419
Loss on sale of investments in capital of subsidiaries and affiliates	39	-
Impairment loss	-	755
Loss on sale of investment securities	-	36
Write-down of securities and investment securities	16	4
Loss on sale of shares of subsidiaries and affiliates	-	80
Loss on disaster	60	1,457
Loss on withdrawal from business	37	517
Early extra retirement payments	-	206
Amortization of goodwill	1,129	-
Total extraordinary losses	2,303	3,477
Income before income taxes and non-controlling interests	34,490	40,826
Income taxes - current	9,360	14,116
Income taxes - deferred	1,949	3,142
Total income taxes	11,310	17,259
Net income	23,179	23,566
Net income attributable to non-controlling interests	4,702	3,539
Net income attributable to owners of the parent	18,477	20,027

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net income	23,179	23,566
Other comprehensive income		
Net unrealized holding gains (losses) on securities	(5,482)	7,221
Deferred gains (losses) on derivatives under hedge accounting	601	(2,216)
Foreign currency translation adjustments	(4,497)	(4,826)
Remeasurements of defined benefit plans	(1,401)	4,469
Shares in other comprehensive income of equity method affiliates	(2,200)	1,335
Total other comprehensive income	(12,980)	5,984
Comprehensive income	10,199	29,550
Comprehensive income attributable to:		
Owners of the parent	6,625	27,152
Non-controlling interests	3,573	2,398

(4) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2020 (April 1, 2019 - March 31, 2020)

(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	22,342	237,721	(25,537)	260,185
Cumulative effects of changes in accounting policies			(198)		(198)
Restated balance	25,658	22,342	237,523	(25,537)	259,986
Changes during the period					
Cash dividends paid			(7,488)		(7,488)
Net income attributable to owners of the parent			18,477		18,477
Purchase of treasury stock				(221)	(221)
Disposal of treasury stock		0		47	47
Purchase of shares of consolidated subsidiaries		95	(0)		95
Net changes in items other than shareholders' equity					
Total changes during the period	-	95	10,988	(173)	10,910
Balance at the end of the year	25,658	22,438	248,511	(25,711)	270,897

	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	29,876	622	(21,439)	770	9,831	50,644	320,661
Cumulative effects of changes in accounting policies						(39)	(238)
Restated balance	29,876	622	(21,439)	770	9,831	50,604	320,423
Changes during the period							
Cash dividends paid							(7,488)
Net income attributable to owners of the parent							18,477
Purchase of treasury stock							(221)
Disposal of treasury stock							47
Purchase of shares of consolidated subsidiaries							95
Net changes in items other than shareholders' equity	(6,554)	601	(4,497)	(1,401)	(11,851)	1,214	(10,636)
Total changes during the period	(6,554)	601	(4,497)	(1,401)	(11,851)	1,214	274
Balance at the end of the year	23,322	1,224	(25,936)	(631)	(2,020)	51,819	320,697

Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(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	22,438	248,511	(25,711)	270,897
Effect of hyperinflation			(2)		(2)
Restated balance	25,658	22,438	248,509	(25,711)	270,895
Changes during the period					
Cash dividends paid			(7,746)		(7,746)
Net income attributable to owners of the parent			20,027		20,027
Purchase of treasury stock				(157)	(157)
Disposal of treasury stock		0		22	22
Purchase of shares of consolidated subsidiaries		(21)	8		(13)
Change in transactions with non-controlling shareholders		(1,334)			(1,334)
Change in treasury stock arising from change in equity in entities accounted for using equity method				1	1
Net changes in items other than shareholders' equity					
Total changes during the period	-	(1,356)	12,289	(133)	10,799
Balance at the end of the year	25,658	21,081	260,799	(25,844)	281,695

	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	23,322	1,224	(25,936)	(631)	(2,020)	51,819	320,697
Effect of hyperinflation						0	(2)
Restated balance	23,322	1,224	(25,936)	(631)	(2,020)	51,819	320,694
Changes during the period							
Cash dividends paid							(7,746)
Net income attributable to owners of the parent							20,027
Purchase of treasury stock							(157)
Disposal of treasury stock							22
Purchase of shares of consolidated subsidiaries							(13)
Change in transactions with non-controlling shareholders							(1,334)
Change in treasury stock arising from change in equity in entities accounted for using equity method							1
Net changes in items other than shareholders' equity	10,077	(2,228)	(5,194)	4,469	7,124	240	7,365
Total changes during the period	10,077	(2,228)	(5,194)	4,469	7,124	240	18,164
Balance at the end of the year	33,400	(1,003)	(31,130)	3,838	5,104	52,059	338,859

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Income before income taxes and non-controlling interests	34,490	40,826
Depreciation and amortization	14,482	14,319
Impairment loss	-	755
Loss on withdrawal from business	-	517
Amortization of goodwill	5,796	3,501
Decrease in allowance for doubtful receivables	(2,784)	(169)
Increase in net defined benefit liability	273	108
Interest and dividend income	(2,340)	(2,155)
Interest expense	1,749	1,585
Equity in earnings of unconsolidated subsidiaries and affiliates	(3,990)	(4,802)
Gain on sale of investment securities	(152)	(6,261)
Write-down of investment securities	16	4
Gain on sale of shares of subsidiaries and affiliates	(1,708)	(294)
Loss (gain) on sale of investments in capital of subsidiaries and affiliates	39	(1,634)
Loss on sale or disposal of property, plant and equipment, net	970	322
Decrease (increase) in trade notes and accounts receivables	10,840	(5,006)
Decrease (increase) in inventories	2,887	(2,972)
Increase (decrease) in trade notes and accounts payables	(11,445)	5,943
Other, net	1,987	2,504
Subtotal	51,111	47,091
Interest and dividends received	3,474	4,726
Interest paid	(1,699)	(1,596)
Income taxes paid	(12,561)	(7,574)
Net cash provided by operating activities	40,324	42,647
Cash flows from investing activities		
Payments into time deposits	(5,417)	(3,386)
Proceeds from withdrawal of time deposits	2,078	5,055
Net increase in securities	(1,624)	(4,759)
Purchase of property, plant and equipment	(12,803)	(10,592)
Proceeds from sale of property, plant and equipment	231	124
Purchase of intangible assets	(944)	(724)
Purchase of investment securities	(41)	(202)
Proceeds from sale of investment securities	37	8,774
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,247)	-
Payments of loans receivable	(2,450)	(235)
Collection of loans receivable	399	1,101
Proceeds from settlement of derivative, net	351	2,842
Other, net	(614)	1,492
Net cash used in investing activities	(22,045)	(507)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,579	(12,116)
Proceeds from long-term debt	6,779	43,575
Repayments of long-term debt	(821)	(2,586)
Redemption of convertible bonds with stock acquisition rights	(40,000)	-
Purchase of treasury stock	(157)	(14)
Cash dividends paid	(7,488)	(7,746)
Cash dividends paid to non-controlling interests	(1,890)	(3,575)
Proceeds from share issuance to non-controlling shareholders	123	165
Other, net	(527)	(871)
Net cash provided by (used in) financing activities	(37,403)	16,828
Effect of exchange rate changes on cash and cash equivalents	(488)	(1,185)
Increase (decrease) in cash and cash equivalents	(19,612)	57,782
Cash and cash equivalents at beginning of period	70,207	50,594
Cash and cash equivalents at end of period	50,594	108,377

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, 2020 (April 1, 2019 - March 31, 2020)

(Millions of yen)

	Reportable segments						Other *1	Total	Adjustment *2	Consolidated *3
	Japan	India	Europe	Asia	Africa	Total				
Net sales										
(1) Sales to customers	155,078	81,697	68,168	60,176	35,742	400,865	6,021	406,886	-	406,886
(2) Intersegment sales and transfers	13,031	62	135	2,932	297	16,459	0	16,459	(16,459)	-
Total sales	168,110	81,759	68,304	63,109	36,039	417,324	6,021	423,346	(16,459)	406,886
Segment income (loss)	18,153	10,268	2,719	5,456	(2,967)	33,630	1,243	34,874	-	34,874
Segment assets	231,508	69,668	100,933	98,168	42,914	543,193	14,804	557,998	(13,874)	544,123
Other items										
Depreciation and amortization	3,860	2,036	2,866	2,979	2,235	13,979	503	14,482	-	14,482
Amortization of goodwill *5	-	90	1,900	414	3,114	5,519	276	5,796	-	5,796
Interest income	377	39	18	313	22	771	0	771	(118)	653
Interest expense	34	276	443	81	1,040	1,876	0	1,877	(128)	1,749
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	1,103	(67)	349	1,493	133	3,012	978	3,990	-	3,990
Investments in unconsolidated subsidiaries and affiliates	13,852	150	7,840	19,234	1,733	42,811	3,418	46,229	-	46,229
Increase in property, plant and equipment and intangible assets	4,952	3,927	2,162	1,857	971	13,872	77	13,949	-	13,949

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 (loss), segment assets and other items represent the elimination of intersegment transactions.

*3 Segment income (loss) is reconciled with the ordinary income in the Consolidated Statements of Income.

*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 Amortization of goodwill includes "amortization of goodwill" of extraordinary loss.

Fiscal year ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Millions of yen)

	Reportable segments						Other *1	Total	Adjustment *2	Consolidated *3
	Japan	India	Europe	Asia	Africa	Total				
Net sales										
(1) Sales to customers	142,999	73,084	66,002	49,504	27,917	359,508	5,112	364,620	-	364,620
(2) Intersegment sales and transfers	11,764	33	91	2,131	194	14,215	-	14,215	(14,215)	-
Total sales	154,764	73,117	66,093	51,636	28,112	373,724	5,112	378,836	(14,215)	364,620
Segment income (loss)	15,532	10,198	5,220	4,638	(858)	34,730	1,149	35,880	-	35,880
Segment assets	297,676	82,483	100,638	91,096	34,070	605,965	14,445	620,410	(13,829)	606,580
Other items										
Depreciation and amortization	3,842	2,213	3,039	2,854	1,872	13,822	496	14,319	-	14,319
Amortization of goodwill	-	84	1,839	392	914	3,230	271	3,501	-	3,501
Interest income	248	89	52	278	41	710	0	710	(114)	595
Interest expense	72	307	509	82	723	1,695	2	1,697	(111)	1,585
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	1,035	(46)	969	1,951	(18)	3,890	911	4,802	-	4,802
Investments in unconsolidated subsidiaries and affiliates	17,321	268	6,869	19,621	1,682	45,761	3,647	49,409	-	49,409
Increase in property, plant and equipment and intangible assets	5,685	1,513	2,885	885	348	11,317	229	11,547	-	11,547

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 (loss), segment assets and other items represent the elimination of intersegment transactions.

*3 Segment income (loss) is reconciled with the ordinary income in the Consolidated Statements of Income.

*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.