

Consolidated Financial Results [Japanese GAAP]

for the Fiscal Year Ended March 31, 2022

(April 1, 2021 — March 31, 2022)



May 11, 2022

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, Representative Director of the Board, Vice President Executive Officer,
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 Scheduled date of the annual shareholders' meeting: June 29, 2022
 Scheduled date of the filing of Securities Report: June 30, 2022
 Scheduled date of dividend payment: June 30, 2022
 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, 2022 (April 1, 2021 — March 31, 2022)

(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, 2022	419,190	15.0	30,096	(3.6)	37,611	4.8	26,525	32.4
Fiscal Year ended March 31, 2021	364,620	(10.4)	31,228	(0.9)	35,880	2.9	20,027	8.4

(Note) Comprehensive income:

Fiscal Year ended March 31, 2022: 48,835 million yen 65.3%
 Fiscal Year ended March 31, 2021: 29,550 million yen 189.7%

	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, 2022	103.23	96.04	8.7	6.2	7.2
Fiscal Year ended March 31, 2021	77.91	72.47	7.2	6.2	8.6

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

Fiscal Year ended March 31, 2022: 5,411 million yen
 Fiscal Year ended March 31, 2021: 4,802 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, 2022	600,057	375,114	53.3	1,245.73
As of March 31, 2021	606,580	338,859	47.3	1,115.87

(Reference) Shareholders' equity:

As of March 31, 2022: 320,019 million yen
 As of March 31, 2021: 286,799 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, 2022	15,524	(2,087)	(64,100)	59,709
Fiscal Year ended March 31, 2021	42,647	(507)	16,828	108,377

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, 2021	—	15.00	—	15.00	30.00	7,746	38.5	2.8
Fiscal Year ended March 31, 2022	—	15.00	—	15.00	30.00	7,746	29.1	2.5
Fiscal Year ending March 31, 2023 (Forecast)	—	15.00	—	15.00	30.00		36.7	

3. Consolidated financial forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 — March 31, 2023)

(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
	460,000	9.7	29,000	(3.6)	36,000	(4.3)	21,000	(20.8)	81.75

*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:

Yes

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, 2022: 272,623,270 shares

As of March 31, 2021: 272,623,270 shares

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

As of March 31, 2022: 15,729,917 shares

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

3. Average number of shares during the period:

Fiscal Year ended March 31, 2022: 256,959,917 shares

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

(Reference) Overview of Non-Consolidated Financial Results for the Year Ended March 31, 2022 (April 1, 2021 — March 31, 2022)

(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, 2022	124,045	(7.3)	7,668	(27.5)	31,017	35.8	31,077	64.6
Fiscal Year ended March 31, 2021	133,807	(10.0)	10,580	(22.8)	22,834	22.6	18,877	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year ended March 31, 2022	120.40	112.07
Fiscal Year ended March 31, 2021	73.14	68.04

(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, 2022	364,499	230,607	63.3	893.42
As of March 31, 2021	386,319	203,554	52.7	788.66

(Reference) Shareholders' equity:

As of March 31, 2022: 230,607 million yen

As of March 31, 2021: 203,554 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 current fiscal period under review, the world economy observed a recovery trend in general, although it varied depending on the country and region. However, we are facing uncertainties for the future outlook due to continued limited supplies and soaring prices of raw materials on the back of the emerging geopolitical risks. Under these circumstances, the economy saw upturns following the resumption of economic activity in Europe, the United States, China and other Asian emerging countries despite some impacts of the re-spread of infectious diseases and limited supplies. In Africa, the economy showed a sign of recovery except for some regions where the infectious diseases began to spread again. The Japanese economy has been recovering as of the end of fiscal year as a general trend amid gradually improving corporate earnings and business sentiment despite the continued impact of limited supplies, although some weakening effects of infectious diseases are observed.

The Group's net sales for the period under review were 419,190 million yen (up 15.0% year on year). Operating income was 30,096 million yen (down 3.6% year on year) due to significant rises in prices of raw materials and selling, general and administrative expenses. Ordinary income was 37,611 million yen (up 4.8% year on year) due to an increase in equity in earnings of affiliates and foreign currency exchange gains. And net income attributable to owners of the parent was 26,525 million yen (up 32.4% year on year) due to gain on sale of property, plant and equipment as there was a sale of a part of land in Tokyo office.

Segment overviews are as follows.

<Japan>

In the automotive coatings sector, sales in the new car area and paints for automotive components remained unchanged year on year due to an increase in exports and a decline in domestic sales, reflecting a decrease in car production from the previous year. Sales in the industrial coatings sector recorded a year-on-year increase due to robust sales of paints for industrial machinery and other products. Sales in the decorative coatings sector decreased slightly on a year-on-year basis due to a decline in demand for DIY paints. In the automotive coatings (for refinishing) and the protective coatings sectors, sales increased year on year, although the domestic market failed to show a full-fledged recovery. The marine sector saw slightly higher sales than the previous year. Profits decreased year on year due to the impact of higher prices of raw materials despite an increase in foreign exchange gains.

As a result of those factors, net sales and ordinary income in the segment were 138,620 million yen (down 3.1% year on year) and 14,391 million yen (down 7.3% year on year), respectively.

<India>

The automotive coatings and decorative coatings sectors faced the impact of the stagnant economy amid the second wave of the spread of COVID-19. However, sales in the period under review increased in contrast to the previous year, in which the economy had been under the serious impact of lockdowns to prevent the spread of COVID-19 imposed at the beginning of the year. Profits decreased year on year due to the impact of higher prices of raw materials.

As a result of those factors, net sales and ordinary income in the segment were 97,133 million yen (up 32.9% year on year) and 7,240 million yen (down 29.0% year on year), respectively.

<Europe>

In Turkey, while sales increased on a local currency basis, the impact of the depreciation of the currency on raw material prices put pressure on profits. In addition, equity in earnings of affiliates decreased due to the reaction to the reduction in tax burden applied to the preferential treatment for capital investment received in the previous year for equity method affiliated companies.

Also in other European countries, mainly the industrial coatings and the automotive coatings (for refinishing) sectors saw a year-on-year increase in sales due to strong demand, resulting in year-on-year growth in net sales in Europe as a whole.

As a result of those factors, net sales and ordinary income in the segment were 84,320 million yen (up 27.8% year on year) and 5,608 million yen (up 7.4% year on year), respectively.

<Asia>

In China, sales in the automotive coatings sector increased year on year, reflecting a recovery of car production. Sales in the industrial coatings sector increased year on year on the back of robust sales of paints for industrial machinery. As a result of those factors, sales in China as a whole recorded a year on year increase. In Indonesia and Thailand, sales recorded a year on year increase on the back of a recovery of car production. Profits increased due partly to growth in equity in earnings of affiliates in China in addition to the increase in sales.

As a result of those factors, net sales and ordinary income in the segment were 57,631 million yen (up 16.4% year on year) and 7,259 million yen (up 56.5% year on year), respectively.

<Africa>

While South Africa and neighboring countries continued to face a sluggish economy due to the rebound of COVID-19, the decorative coatings sector succeeded in absorbing demand, which led to growth of sales in the South African region. Also in the East African region, sales grew in the decorative coatings sector by absorbing strong demand, resulting in year on year sales growth in Africa as a whole. Furthermore, profitability improved due to our efforts to liquidate unprofitable businesses and reduce fixed costs since the previous fiscal year.

As a result of those factors, net sales and ordinary income in the segment were 36,131 million yen (up 29.4% year on year) and 1,354 million yen, respectively.

<Others>

In North America, sales of paints for automotive components grew year on year, although automobile production remained flat compared with the previous fiscal period, and equity in earnings of affiliates also increased.

As a result of those factors, net sales and ordinary income in the segment were 5,352 million yen (up 4.7% year on year) and 1,756 million yen (up 52.8% year on year), respectively.

Please note that paints for automotive components categorized in the industrial coatings sector up to the previous fiscal year have been included in the automotive coatings sector from the current fiscal year.

Consolidated financial statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	114,292	64,677
Trade notes and accounts receivable	105,129	-
Trade notes and accounts receivable, and contract assets	-	110,085
Securities	10,154	3,414
Finished goods	35,782	46,317
Work-in-process	5,538	7,318
Raw materials and supplies	24,346	35,583
Other	8,498	12,960
Allowance for doubtful receivables	(3,269)	(3,706)
Total current assets	300,471	276,650
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	58,119	61,484
Machinery, equipment and vehicles, net	30,024	32,022
Tools, furniture and fixtures, net	6,940	6,653
Land	25,292	25,666
Construction in progress	6,844	7,607
Total property, plant and equipment	127,220	133,434
Intangible assets		
Leasehold right	3,011	3,152
Software	2,105	2,115
Software in progress	302	909
Goodwill	29,882	27,573
Other	16,033	15,197
Total intangible assets	51,335	48,948
Investments and other assets		
Investment securities	86,942	94,192
Investments in capital	17,611	20,966
Loans receivable	2,255	2,259
Net defined benefit asset	14,588	15,811
Deferred tax assets	3,637	4,668
Other	7,120	7,763
Allowance for doubtful receivables	(4,602)	(4,636)
Total investments and other assets	127,552	141,024
Total non-current assets	306,108	323,407
Total assets	606,580	600,057

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	63,808	72,896
Short-term borrowings	6,013	7,646
Short-term borrowings from unconsolidated subsidiaries and affiliates	110	20
Current portion of long-term debt	46,643	1,788
Current portion of convertible bonds with stock acquisition rights	-	60,010
Lease obligations	669	820
Accrued expenses	9,601	9,862
Income and enterprise taxes payable	7,471	2,451
Provision for bonuses	4,749	4,601
Other	17,288	12,984
Total current liabilities	156,357	173,083
Non-current liabilities		
Convertible bonds with stock acquisition rights	60,060	-
Long-term debt	7,751	1,294
Lease obligations	1,679	2,087
Deferred tax liabilities	29,994	35,271
Net defined benefit liability	8,598	7,486
Retirement benefits for directors and corporate auditors	102	500
Provision for management board incentive plan trust	137	143
Other	3,038	5,075
Total non-current liabilities	111,363	51,859
Total liabilities	267,720	224,942
Net assets		
Shareholders' equity		
Common stock	25,658	25,658
Capital surplus	21,081	21,277
Retained earnings	260,799	279,551
Treasury stock, at cost	(25,844)	(26,187)
Total shareholders' equity	281,695	300,299
Accumulated other comprehensive income		
Net unrealized holding gains on securities	33,400	40,070
Deferred losses on derivatives under hedge accounting	(1,003)	(1,790)
Foreign currency translation adjustments	(31,130)	(23,071)
Remeasurements of defined benefit plans	3,838	4,512
Total accumulated other comprehensive income	5,104	19,719
Non-controlling interests	52,059	55,095
Total net assets	338,859	375,114
Total liabilities and net assets	606,580	600,057

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	364,620	419,190
Cost of sales	243,938	294,182
Gross profit	120,682	125,007
Selling, general and administrative expenses	89,454	94,910
Operating income	31,228	30,096
Non-operating income		
Interest income	595	403
Dividend income	1,559	1,565
Equity in earnings of unconsolidated subsidiaries and affiliates	4,802	5,411
Foreign currency exchange gain	-	1,447
Miscellaneous income	1,703	1,621
Total non-operating income	8,661	10,449
Non-operating expenses		
Interest expense	1,585	1,533
Loss on disposal of inventories	407	536
Foreign currency exchange loss	560	-
Miscellaneous expenses	1,455	864
Total non-operating expenses	4,008	2,934
Ordinary income	35,880	37,611
Extraordinary income		
Gain on sale of property, plant and equipment	97	4,519
Gain on sale of investment securities	6,298	1,075
Gain on sale of shares of subsidiaries and affiliates	374	24
Gain on sale of investments in capital of subsidiaries and affiliates	1,634	-
Gain on liquidation of subsidiaries	18	14
Insurance claim income	-	953
Total extraordinary income	8,423	6,587
Extraordinary losses		
Loss on sale or disposal of property, plant and equipment	419	187
Impairment loss	755	-
Loss on sale of investment securities	36	4
Write-down of securities and investment securities	4	-
Loss on sale of shares of subsidiaries and affiliates	80	-
Loss on disaster	1,457	-
Loss on withdrawal from business	517	-
Early extra retirement payments	206	170
Total extraordinary losses	3,477	363
Income before income taxes and non-controlling interests	40,826	43,836
Income taxes - current	14,116	10,460
Income taxes - deferred	3,142	1,130
Total income taxes	17,259	11,591
Net income	23,566	32,245
Net income attributable to non-controlling interests	3,539	5,719
Net income attributable to owners of the parent	20,027	26,525

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income	23,566	32,245
Other comprehensive income		
Net unrealized holding gains on securities	7,221	5,505
Deferred losses on derivatives under hedge accounting	(2,216)	(798)
Foreign currency translation adjustments	(4,826)	8,932
Remeasurements of defined benefit plans	4,469	673
Shares in other comprehensive income of equity method affiliates	1,335	2,277
Total other comprehensive income	5,984	16,590
Comprehensive income	29,550	48,835
Comprehensive income attributable to:		
Owners of the parent	27,152	41,141
Non-controlling interests	2,398	7,694

(4) Consolidated Statements of Changes in Net Assets

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

Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(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	21,081	260,799	(25,844)	281,695
Effect of hyperinflation			(27)		(27)
Restated balance	25,658	21,081	260,771	(25,844)	281,667
Changes during the period					
Cash dividends paid			(7,746)		(7,746)
Net income attributable to owners of the parent			26,525		26,525
Purchase of treasury stock				(390)	(390)
Disposal of treasury stock		0		46	46
Change in transactions with non-controlling shareholders		195			195
Net changes in items other than shareholders' equity					
Total changes during the period	-	195	18,779	(343)	18,632
Balance at the end of the year	25,658	21,277	279,551	(26,187)	300,299

	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	33,400	(1,003)	(31,130)	3,838	5,104	52,059	338,859
Effect of hyperinflation						(5)	(33)
Restated balance	33,400	(1,003)	(31,130)	3,838	5,104	52,054	338,826
Changes during the period							
Cash dividends paid							(7,746)
Net income attributable to owners of the parent							26,525
Purchase of treasury stock							(390)
Disposal of treasury stock							46
Change in transactions with non-controlling shareholders							195
Net changes in items other than shareholders' equity	6,669	(786)	8,059	673	14,615	3,041	17,656
Total changes during the period	6,669	(786)	8,059	673	14,615	3,041	36,288
Balance at the end of the year	40,070	(1,790)	(23,071)	4,512	19,719	55,095	375,114

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Income before income taxes and non-controlling interests	40,826	43,836
Depreciation and amortization	14,319	14,291
Impairment loss	755	-
Loss on withdrawal from business	517	-
Insurance claim income	-	(953)
Amortization of goodwill	3,501	3,724
Increase (decrease) in allowance for doubtful receivables	(169)	227
Increase (decrease) in net defined benefit liability	108	(1,409)
Interest and dividend income	(2,155)	(1,969)
Interest expense	1,585	1,533
Equity in earnings of unconsolidated subsidiaries and affiliates	(4,802)	(5,411)
Gain on sale of investment securities	(6,261)	(1,070)
Write-down of investment securities	4	-
Gain on sale of shares of subsidiaries and affiliates	(294)	(24)
Gain on sale of investments in capital of subsidiaries and affiliates	(1,634)	-
Loss (gain) on sale or disposal of property, plant and equipment, net	322	(4,332)
Increase in trade notes and accounts receivable	(5,006)	(3,039)
Increase in inventories	(2,972)	(17,340)
Increase in trade notes and accounts payable	5,943	8,056
Other, net	2,504	(8,377)
Subtotal	47,091	27,740
Interest and dividends received	4,726	5,440
Interest paid	(1,596)	(1,547)
Income taxes paid	(7,574)	(17,061)
Proceeds from insurance income	-	953
Net cash provided by operating activities	42,647	15,524
Cash flows from investing activities		
Payments into time deposits	(3,386)	(3,296)
Proceeds from withdrawal of time deposits	5,055	4,367
Net decrease (increase) in securities	(4,759)	7,222
Purchase of property, plant and equipment	(10,592)	(14,569)
Proceeds from sale of property, plant and equipment	124	4,573
Purchase of intangible assets	(724)	(1,268)
Purchase of investment securities	(202)	(48)
Proceeds from sale of investment securities	8,774	1,901
Payments of loans receivable	(235)	(99)
Collection of loans receivable	1,101	257
Proceeds from settlement of derivative, net	2,842	-
Other, net	1,492	(1,128)
Net cash used in investing activities	(507)	(2,087)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(12,116)	1,849
Proceeds from long-term debt	43,575	135
Repayments of long-term debt	(2,586)	(51,173)
Purchase of treasury stock	(14)	(10)
Cash dividends paid	(7,746)	(7,746)
Cash dividends paid to non-controlling interests	(3,575)	(4,826)
Proceeds from share issuance to non-controlling shareholders	165	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(19)	(1,419)
Other, net	(851)	(907)
Net cash provided by (used in) financing activities	16,828	(64,100)
Effect of exchange rate changes on cash and cash equivalents	(1,185)	1,994
Increase (decrease) in cash and cash equivalents	57,782	(48,667)
Cash and cash equivalents at beginning of period	50,594	108,377
Cash and cash equivalents at end of period	108,377	59,709

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, 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 *5	-	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.

Fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Reportable segments						Other *1	Total	Adjustment *2	Consolidated *3
	Japan	India	Europe	Asia	Africa	Total				
Net sales										
(1) Sales to customers	138,620	97,133	84,320	57,631	36,131	413,837	5,352	419,190	-	419,190
(2) Intersegment sales and transfers	13,224	61	161	2,861	220	16,529	-	16,529	△16,529	-
Total sales	151,845	97,194	84,482	60,493	36,351	430,367	5,352	435,719	△16,529	419,190
Segment income	14,391	7,240	5,608	7,259	1,354	35,855	1,756	37,611	-	37,611
Segment assets	275,726	91,482	103,072	96,959	36,099	603,340	15,411	618,751	△18,694	600,057
Other items										
Depreciation and amortization	4,134	2,486	3,217	2,708	1,232	13,778	513	14,291	-	14,291
Amortization of goodwill	-	89	1,999	413	943	3,444	279	3,724	-	3,724
Interest income	182	39	44	210	55	532	0	532	△129	403
Interest expense	34	401	462	44	686	1,630	1	1,631	△97	1,533
Equity in earnings (losses) of unconsolidated subsidiaries and affiliates	1,185	△72	436	2,637	37	4,225	1,185	5,411	-	5,411
Investments in unconsolidated subsidiaries and affiliates	18,846	179	5,185	22,759	1,719	48,690	4,266	52,956	-	52,956
Increase in property, plant and equipment and intangible assets	4,966	3,490	3,618	1,867	439	14,382	153	14,536	-	14,536

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 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.