

KANSAI PAINT CONFIDENT OF BOOSTING REVENUE WITH SANCORA PAINT ACQUISITION

Kansai Paint to Capitalise on Sancora Paint's Product and Distribution Expertise

Shah Alam, 14 October 2016 – Kansai Paint Asia Pacific Sdn Bhd (Kansai Paint Asia Pacific), a subsidiary of Kansai Paint Co. Ltd., one of Japan's leading coatings manufacturers, is confident its Financial Year 2016 revenue from the Malaysian coatings market will grow by 10% from last year's RM 455 million.

The improved revenue is attributed to an expansion of both its product portfolio and distribution network, as well as through the acquisition of home-grown paint maker, Sancora Paints Industries Sdn Bhd (Sancora Paint). Kansai Paint Asia Pacific recently acquired 100% stake in Sancora Paint, including Sancora Paint's trademark, assets, product expertise and dealer network.

Specialising in both solvent and water-based decorative paints, Sancora Paint Malaysia has been in the market for more than 40 years old, with a workforce of 220 skilled workers and independent sales offices throughout East and West Malaysia.

Commenting on the acquisition, Kansai Paint Asia Pacific CEO, Yoshikazu Takahashi, said, "The acquisition supports Kansai Paint's commitment to grow its presence in Malaysia. The combined resources will make Kansai Paint one of the most comprehensive coatings manufacturers in Malaysia, covering decorative, protective, industrial and automotive coatings."

"Sancora Paint is a solid home-grown brand with a unique market position, great technical expertise and a strong sales network with over 1,000 direct dealers nationwide. The acquisition will increase Kansai Paint's footprint in the mid-range decorative coatings segment, and widen our dealer network particularly in the northern region," Takahashi said.

“Kansai Paint has been consistently pushing the boundaries for new innovations in decorative and industrial coatings. By integrating with Sancora’s innovative products, we are able to give our customers more options to meet their needs for creating a beautiful, hygienic, and safe living environment. For example, Sancora Paint’s textured decorative paint, *Italia*, will help us to increase our appeal to the younger demographic,” Takahashi explained.

Sancora Paint Managing Director, Wong Chee Leong said, “We view the acquisition as a long-term positive move for Sancora Paint. We are considered a relatively a ‘young’ company as compared to Kansai Paint which has been around for over 98 years. We believe Kansai Paint will be the right strategic ‘home’ for Sancora Paint as both companies share the same values and more importantly, our products complement each other perfectly.”

Kansai Paint began operating in Malaysia in the 1980’s by selling automotive coatings. The company has expanded into selling decorative and other protective coatings. The company has two manufacturing facility in Klang which manufactures industrial, automotive and decorative coatings per year.

In 2015, the company selected Malaysia, among nine operational countries within the Southeast Asia market, as the company’s regional hub. The company also rebranded from Kansai Coatings Malaysia to Kansai Paint Asia Pacific to reflect the company’s regional expansion, using Malaysia as its base.

About Kansai Paint Asia Pacific

Kansai Paint Asia Pacific Sdn Bhd (Kansai Paint) was founded when Kansai Paint Co., Ltd. successfully acquired PAR, the renowned brand for decorative paints and industrial coatings in Malaysia, in 2006.

Kansai Paint has a manufacturing facility in Bukit Raja Industrial Park dedicated to develop high quality, high performance coatings products through Kansai Paint's leading-edge coatings expertise. Kansai Paint is determined to bring its brands to a new dimension of technical, health and environmental distinction to serve the progressive needs of Malaysian consumers and businesses.

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