



**Yaw Seng Heng**  
Group Managing Director

**PROFILE**

Yaw Seng Heng has been a part of the Nippon Paint Group for close to three decades and is known for being a visionary leader who embodies the company's spirit of entrepreneurship and innovation. He has led Nippon Paint Malaysia Group to achieve multiple successes from overseas expansion to moving into new locations including Pakistan, Bangladesh and Turkey and managing the operations of the Decorative Segments for Thailand and Indonesia. Under his astute leadership, Nippon Paint Malaysia Group was also able to expand beyond paint & coatings segment such as SAF through integration with Selleys and the latest acquisition of Vital Technical.

**SWOT analysis**

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Leading brand name in the paint and coatings industry with a strong brand awareness and a wide distribution network</li> <li>Wide range of solutions covering all needs from waterproofing, painting tools and accessories, protection for different surfaces, etc.</li> <li>Strong focus on customer service, building further brand loyalty for Nippon Paint</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Factors such as long production lead time, changing dynamics with international markets, global economic conditions and the pandemic have an impact on business</li> <li>However, steps are already being taken to optimize processes and revisit strategies to drive business growth</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Enhance market opportunities by creating customer centric awareness programs to differentiate Nippon Paint from other industry players</li> <li>Drive brand messaging via CSR campaigns to build strong corporate branding</li> <li>Provide end-to-end solutions to homeowners leveraging e-commerce platforms</li> <li>Broaden product portfolio and service offerings to tap into wider customer networks</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Current global conditions have led to changes in consumer behavior and buying habits, with preference for value for money products</li> <li>With changing customer preferences, there might be a need to relook pricing structure to suit current economic conditions</li> </ul>

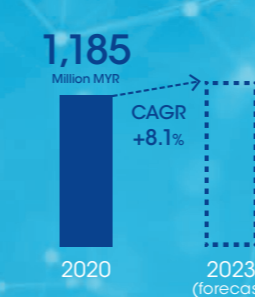
**Market features and outlook**

- Malaysia's economy is expected to rebound in the latter half of 2021, and stabilize by 2022
- As infrastructure, construction and affordable housing projects are expected to revive post pandemic control, demand for products in the IU segment and decorative paint will showcase a positive trajectory
- With environment, health and sustainability becoming key areas of focus, customer needs for environment friendly and wellness products are expected to rise
- Rapid digitalization efforts and strong growth of e-commerce channels enables Nippon Paint to expand product penetration direct to customers

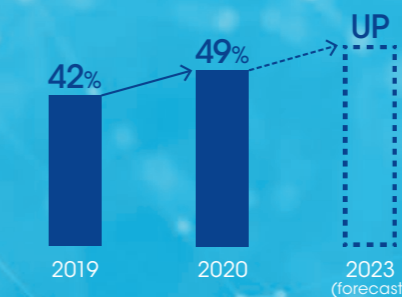
**Growth strategy for FY2021-2023**

- Continued investments in brand building initiatives
- Strengthen Nippon Paint's position as a market leader in the decorative paint segment while continuing to expand beyond paint & coatings segment such as water-proofing, painting tools and accessories and Sealants, Adhesives, and Fillers (SAF)
- Establish a leadership position in Auto-Refinish and Protective Coatings segment while growing market share in the Industrial Use segment
- Continue to expand customer base into wellness segment with anti-viral and environment friendly products
- Develop the e-commerce business to drive profitability via online platforms

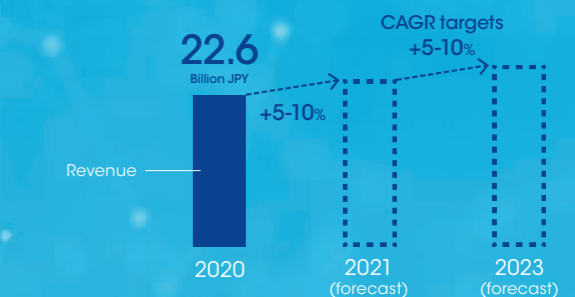
**Market growth rate (decorative: Malaysia)<sup>1</sup>**



**Market share (DIY/value: Malaysia)<sup>1</sup>**



**Performance (Malaysia Group overall)<sup>2 \*3</sup>**



<sup>1</sup> NPHD's estimates  
<sup>2</sup> FY2020 figures are in JPY; FY2021 figures and CAGR figures for FY2021-2023 are in local currency  
<sup>3</sup> Excluding the contributions from Betek Boya and PT Nipsea

# Nippon Paint Malaysia



Established in 1976, Nippon Paint Malaysia has grown in leaps and bounds and today, has emerged as a significant market leader within the paint & coatings industry with presence in Pakistan, Bangladesh, Philippines, Thailand and Indonesia. As a global leader in paint & coatings technologies, Nippon Paint Malaysia prides itself as being a total coatings solution provider with a multi-segment product portfolio serving several sectors including architectural, automotive, industrial, marine and home repair solutions.

**Corporate data**

Employees: 1,057  
Headquarters: Selangor, Malaysia  
Ownership Ratio: 100.0%

**Market features and outlook**

The paint and coatings industry in Malaysia is one of the most advanced in terms of product offerings in Southeast Asia.

While the industry faced setback due to disruptions in supply chain and temporary halting of construction projects in light of COVID-19, with revival of infrastructure and housing projects post pandemic control, we expect this sector to move towards a steady recovery.

With Malaysia's renewed focus on environment and health, products that are environment friendly and promote wellness will be prioritized by customers. This gives Nippon Paint an opportunity to promote innovative products like anti-viral paint offerings and establish market leadership within this segment.

The global pandemic has also

seen an unprecedented uptake of digital channels amongst customers in Malaysia. Customers are spending more time online, resonating with brands who are able to provide one-stop solutions for their needs. This presents an opportunity for Nippon Paint to drive traffic to e-commerce platforms as the leading market player that houses a range of paints and coatings solutions under roof.

With our customer centric approach, continuous need for innovation and rapid expansion into e-commerce, we believe our business will continue to thrive in the coming year.

**Growth strategy for FY2021-2023**

Moving forward, we remain focused on driving consistent growth for Nippon Paint in Malaysia while ensuring that we are able to successfully meet the changing preferences of our customers.

Key pillars that outline our business strategy include:

- Driving market dominance in the decorative paints business segment
- Expanding offerings and services to provide customers with complete solutions
- Making steady investments in enhancing brand awareness for innovative products via new channels

Nippon Paint has always been a leading market player in the decorative paint and consumer product segment, underpinned by our innovative and high-quality products. As housing projects come to revival and customers make investment in home renovations, we will continue to drive awareness

for our paints and coatings solutions. Through our commercial initiatives we hope to achieve at least 50% top of mind awareness for our brand amongst homeowners by the end of 2023.

Taking into consideration the rise in demand for wellness and sustainable products, Nippon Paint has unveiled several innovative products that have gained a positive reputation amongst our customers. This includes our anti-viral offerings like Nippon VirusGuard, that provides protection against the novel coronavirus as well as our environment friendly products like Green Choice and Child Wellness Range. With customer preferences shifting to sustainable choice, we anticipate our innovative product range to deliver positive revenue outcomes.

Along with strengthening business on the customer front, we will continue to deliver new technologies and solutions for our business partners. This includes driving distribution of our computerized Colour Creations Machines (CCM) from 63% to 70% by the end of 2023 and

increased product penetration across all segments.

As we work to become a complete solution provider for customers, we will continue to diversify our portfolio and expand into new business segments to include waterproofing and construction materials for our project customers. We will simultaneously also improve our offerings in the adjacent SAF segments to provide end-to-end home solutions for our customers, made possible through our acquisitions of Selleys and Vital Technical. With expansions as such, we expect to see a higher brand penetration into new segments in the near future.

While expanding our business offerings, we continue to remain invested in driving revenue and profitability via our e-commerce platforms and online initiatives. As popularity for online service providers continues to increase, we hope to extend our online offerings to include other value-added services like painting services, etc. into this platform.