Nippon Paint Group has outlined objectives that seek to realize a medium- to long-term vision for continuous growth as a global company. We have taken up the challenge of becoming a “Global Paint Major” that stands shoulder-to-shoulder with the world’s leading manufacturers. We are particularly focused on China, where we expect further business growth. Nippon Paint Group has strong brand recognition and a sales network across the entire country.

Types of business

Trade-use (mainly construction paints)

Trade-use paint products occupy roughly 40% of the global paint market. They are highly profitable and the scale of the market in China—our most important market—is significant. It is also expected to further expand. LiBang has a large market share, particularly for Trade-use paint products (29% share of DIY interior paints for consumers in 2015) and should continue to grow going forward.

Sales composition plan by region

Sales composition plan by business

Aim to be the global market leader

From 2020 (Long-term)
Will have attained a leading position in strategic businesses and regions, and built a foundation for growth

Global Paint Major

Our coating and related businesses will have attained a leading position in each global region, and built a foundation for growth.

Management philosophy and vision

Paint Major

Strengths in trade-use paints in China
We have had a business partnership in Asia with Singapore-based Wuthelam Group (hereafter “Wuthelam”) since 1962. Stemming from the relationship of trust we have enjoyed with Wuthelam over several long years, we have been developing our businesses in China and Asian countries by taking advantage of our respective strengths: Nippon Paint is in charge of product technology and Wuthelam is in charge of developing a sales network.

Our strengths in China are supported first and foremost by our brand value. We established our business in China prior to the spread of interior paints. LiBang gained significant recognition and built a reputation for reliability in China using aggressive advertising and high quality products. In a brand reputation survey conducted by a British marketing company every year, LiBang’s Net Promoter Score (the ratio of buyers who recommend LiBang service to a third party minus the people who do not recommend its services) improved from 65% in 2014 to 98% in 2015.

As 75% of LiBang’s trade-use paints are B2C (business to consumer), strong brand value with consumers is very important to expand sales.

To further enhance brand value going forward, we will strive to further strengthen our eco-friendly technologies and improve reliability as a company such as CSR activities.

Our second strength is our sales network. We have been working to create sales channels since LiBang’s inception, and now have more than 40,000 exclusive stores and multi-brand stores, and plan to further expand our sales network.

Major initiatives—Investment and M&A
To further strengthen our position in the Chinese market, Nippon Paint Group will continue to aggressively pursue capital investment in China. Over the next three years, we will invest roughly ¥30 billion of the ¥50 billion that we have planned for capital investment. This capital investment is meant to increase production capacity. We will establish nine new production sites for construction paints, starting with two large-scale plants, and will make capital investments in response to greater demand for eco-friendly products and environmental regulations.

Our M&A strategy covers businesses in all areas related to paints, and aims to complement and generate synergy with our existing businesses. We are particularly interested in M&A opportunities in China. In China, we plan to implement a “complementary M&A” strategy, whereby we seek collaborations with manufacturers that possess the ability to project their strengths in certain fields. At the same time, Nippon Paint Group remains committed to establishing a second pillar, and is examining M&A opportunities while evaluating the balance between regions and businesses.