

A Statement of Accounts

**For the Three Months Ended June 30, 2010
1st Quarter Fiscal Year 2010
(1Q-FY2010)**

<http://www.sanyo-chemical.co.jp/>

Code:4471



<Notice>

Yen amounts described in this presentation material are rounded down.
Ratios described in this presentation material are rounded off.

<Cautionary Statement with Respect to Forward-Looking Statement>

This presentation material contains projections based on the assumptions, forward-looking statements and plans about the future of Sanyo Chemical Industries, Ltd. as of July 29, 2010. Actual performance results may vary significantly due to a variety of factors affecting the sphere of business that include but are not limited to: the world economy, competitive position, and fluctuations in the exchange rate, raw material costs, and others.

Please Contact

Public Relations Dept.

Sanyo Chemical Industries, Ltd.

TEL +81-75-541-4312

FAX +81-75-551-2557

E-mail pr-group@sanyo-chemical.com

Corporate Data

Date of Establishment : November 1, 1949

Head Office : Higashiyama-ku, Kyoto

Capital : ¥13,051 million

**Major Shareholders : Toyota Tsusho Corporation(19.4%),
Toray Industries, Inc.(17.3%)
Nippon Shokubai Co., Ltd.(5.0%)
JX Holdings, Inc.(4.8%)**

Domestic Sales & Marketing Offices

**: Tokyo, Osaka, Nagoya,
Hiroshima, Fukuoka, Toyama**

**Domestic Factories : Nagoya, Kinuura, Kashima, Kyoto,
Kawasaki (San Chemical)**

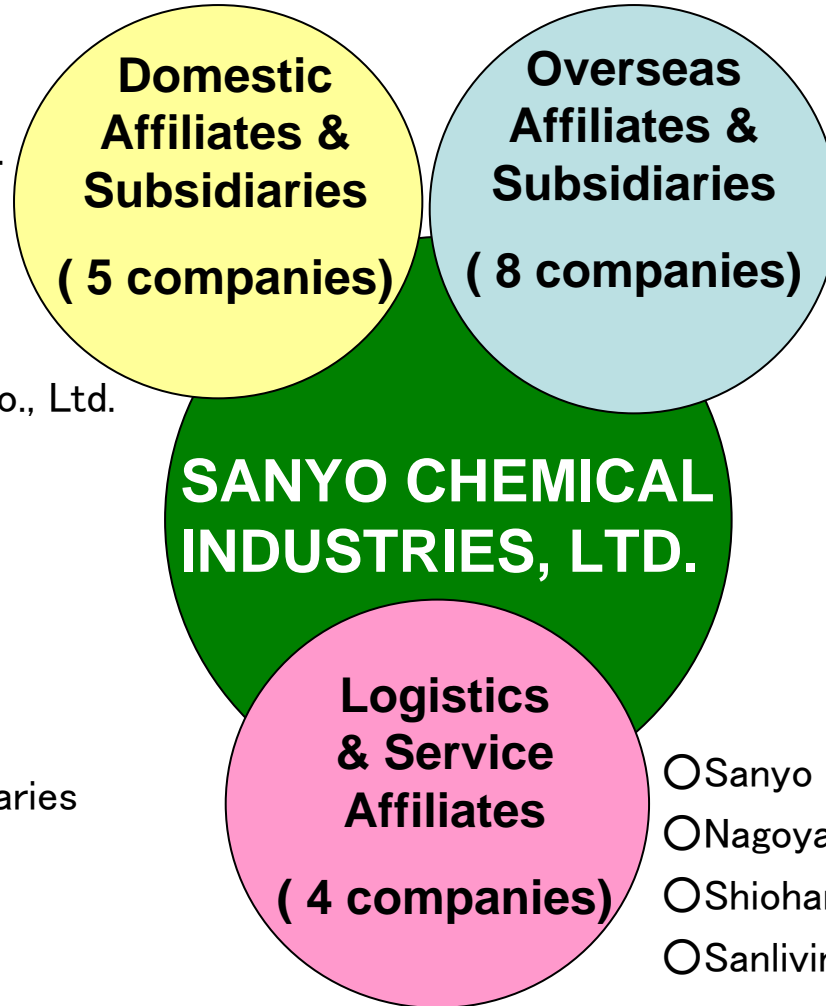
Consolidated Number of Employees : 1,748 at March 31, 2010

**Line of Business : Manufacture & sales of approx. 3,000
types of performance chemicals**

Principal Products

Class.	Sub-category	Principal products
Toiletries & Health Care	Toiletries	Surfactants for Detergents, Surfactants for Hair Care Products, Antibacterial Agents
	Health Care	Superabsorbent Polymers, Base Material for Pharmaceuticals, EIA Diagnostic Reagents, Potting Resins for Artificial Kidneys
Machinery & Automotives		Polyurethane Beads for Interior Parts of Automobiles (TUB), Raw Materials for Polyurethane Foams, Lubricating Oil Additives, Additives for Fuel Oils, Water-Soluble Cutting Fluids, CFC-Free Cleaning Agents, Base materials for Synthetic Lubricants
Plastics & Textiles	Plastics	Permanent Antistatic Agents, Pigment Dispersants, Resin Modifiers, Base Materials for Polyurethane Elastomers, Paint Resins, Chemical Boards for Models
	Textiles	Agents for Textile Manufacturing, Agents for Fiberglass, Polyurethane Resins for Synthetic Leather
Information & Electrics /Electronics	Information	Polyester Beads (PEB) Used as a Core Component of Polymerization Toners, Toner Resins
	Electrics /Electronics	UV/EB Curing Resins, Electrolytes for Aluminum Electrolytic Capacitors, Electrolytes for Electric Double-Layer Capacitors, Processing Agents for Semiconductors
Environmental Protection, Construction & Others		Polymer Flocculants, Polyurethane for Heat-Insulating Materials, Water-Swellable Sealants, Slurry Agents, Reactive Hot-Melt Adhesives

Sanyo Chemical Group



- Sanyo Kasei (Nantong) Co., Ltd. (China)
- San-Dia Polymers (Nantong) Co., Ltd. (China)
- Sanyo Chemical (Shanghai) Trading Co., Ltd. (China)
- Sanyo Kasei (Thailand) Ltd.
- SANAM Corporation (USA)
- Sanyo Chemical & Resins, LLC (USA)
- Sanyo Chemical Texas Industries, LLC (USA)
- Sunrise Chemical LLC (USA)
- Sanyo Transport Co., Ltd.
- Nagoya Sanyo Warehouse Co., Ltd.
- Shiohama Chemical Warehouse Co., Ltd.
- Sanliving Ltd.

- San-Dia Polymers, Ltd.
- San Nopco, Ltd.
- San-Apro, Ltd.
- San Chemical Co., Ltd
- San-Petrochemicals Co., Ltd.

- Consolidated Subsidiaries (11 companies)
- Affiliates (6 companies)

Domestic Consolidated Subsidiaries (4 companies)

Company name	Abbr.	Equity ownership	Line of business
San-Dia Polymers, Ltd.	SDP	Sanyo Chemical 60% Mitsubishi Chemical 40%	Manufacture & sales of superabsorbent polymers
San Nopco, Ltd.	SNL	Sanyo Chemical 100%	Manufacture & sales of specialty chemicals
San Chemical Co., Ltd.	SCC	Sanyo Chemical 50% JX Nippon Oil & Energy Corporation 50%	Manufacture of polyether polyols & polyethylene glycols
San-Apro, Ltd.	SA	Sanyo Chemical 50% Air-Products 50%	Manufacture & sales of curing accelerators for epoxy resins, and catalysts for polyurethane foam

Overseas Consolidated Subsidiaries (7 companies)

Company name	Abbr.	Equity ownership	Line of business
Sanyo Kasei (Nantong) Co., Ltd. [China]	SKN	Sanyo Chemical 100%	Manufacture & sales of surfactants, polyurethane resins
San-Dia Polymers (Nantong) Co., Ltd. [China]	SDN	San-Dia Polymers, Ltd. 100%	Manufacture & sales of superabsorbent polymers
Sanyo Chemical (Shanghai) Trading Co., Ltd. [China]	SCST	Sanyo Chemical 100%	Trading of chemicals, Sales & Marketing in China
Sanyo Kasei (Thailand) Ltd. [Thailand]	SKT	Sanyo Chemical Toyota Tsusho Corp. & others 89% 11%	Manufacture & sales of surfactants, polyurethane resins
SANAM Corporation [USA]	SANAM	Sanyo Chemical 100%	Supervising of subsidiaries and an affiliate in USA
Sanyo Chemical & Resins, LLC [USA]	SCR	SANAM Corp. 100%	Manufacture of toner resins
Sanyo Chemical Texas Industries, LLC [USA]	SCTI	SANAM Corp. 100%	Manufacture of polyurethane beads

Affiliates (6 companies)

Company name	Abbr.	Equity ownership		Line of business
San-Petrochemicals Co., Ltd.	SPCC	Sanyo Chemical JX Nippon Oil & Energy	50% 50%	Manufacture & sales of raw materials for synthetic rubbers
Sunrise Chemical LLC [USA]	SRC	SANAM Corp. NISSEKI Chemical Texas	50% 50%	Manufacture & sales of raw materials for synthetic rubbers
Sanyo Transport Co., Ltd.	—	Sanyo Chemical	100%	General trucking
Nagoya Sanyo Warehouse Co., Ltd.	—	Sanyo Chemical	100%	Warehousing
Shiohama Chemical Warehouse Co., Ltd.	—	Sanyo Chemical JX Nippon Oil & Energy	50% 50%	Warehousing
Sanliving Ltd.	SL	Sanyo Chemical	100%	Real estate, insurance, and travel agency

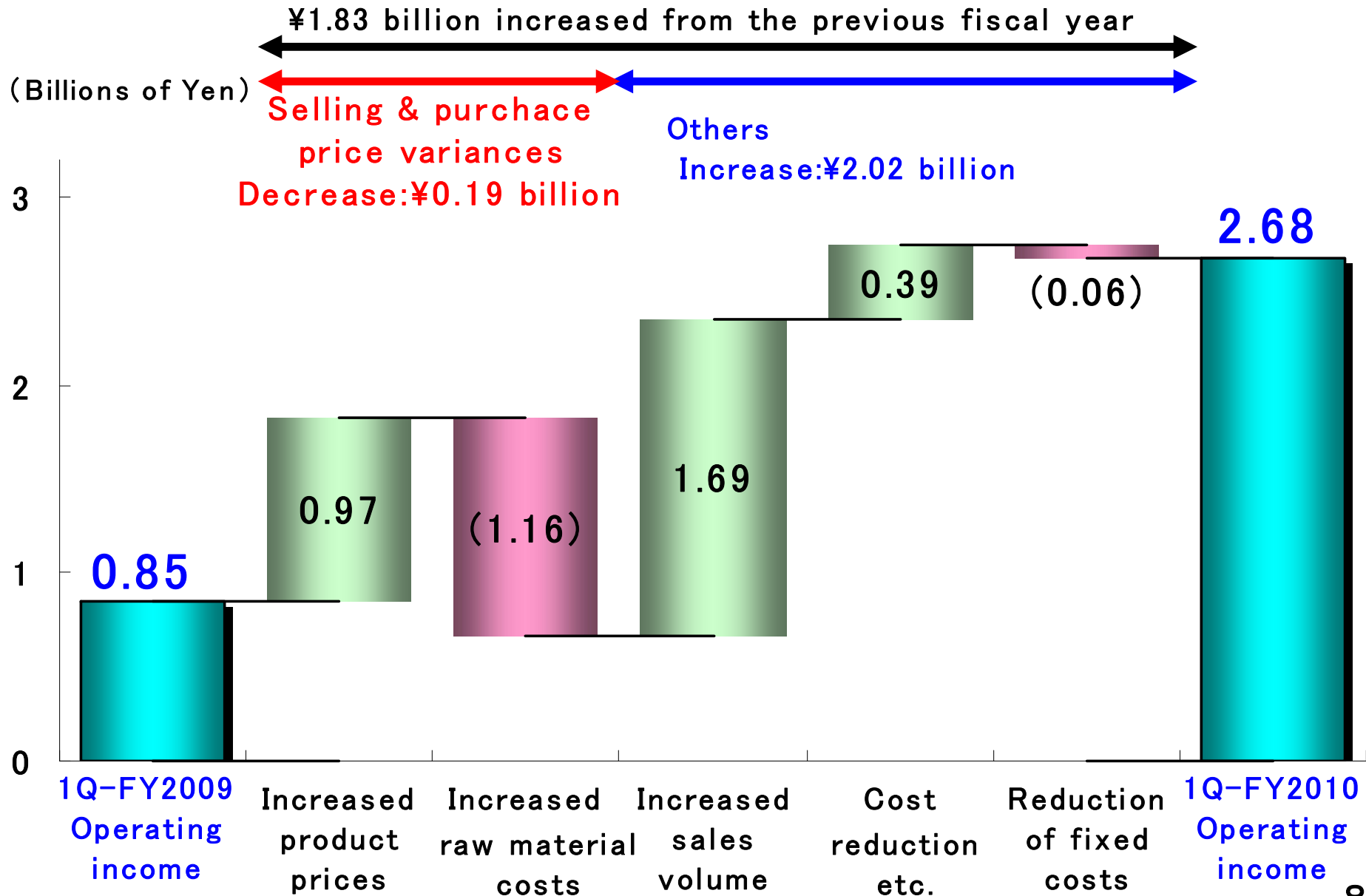
Consolidated Results of Operations for 1Q-FY2010

Yen amounts are rounded down. Ratios are rounded off .

(Billions of Yen)

	1 Q FY2010	4 Q FY2009	Quarter on quarter change		1 Q FY2009	Year on year change	
			Amount	Ratio(%)		Amount	Ratio(%)
Net sales	33.81	31.96	1.85	6	26.54	7.27	27
Operating income	2.68	1.53	1.14	75	0.85	1.83	214
Ordinary income	3.00	1.37	1.62	118	1.03	1.96	189
Net income	1.75	0.59	1.16	194	0.39	1.36	347

Analysis of Changed Consolidated Operating Income



Analysis of Changed Consolidated Net Income

(Billions of Yen)

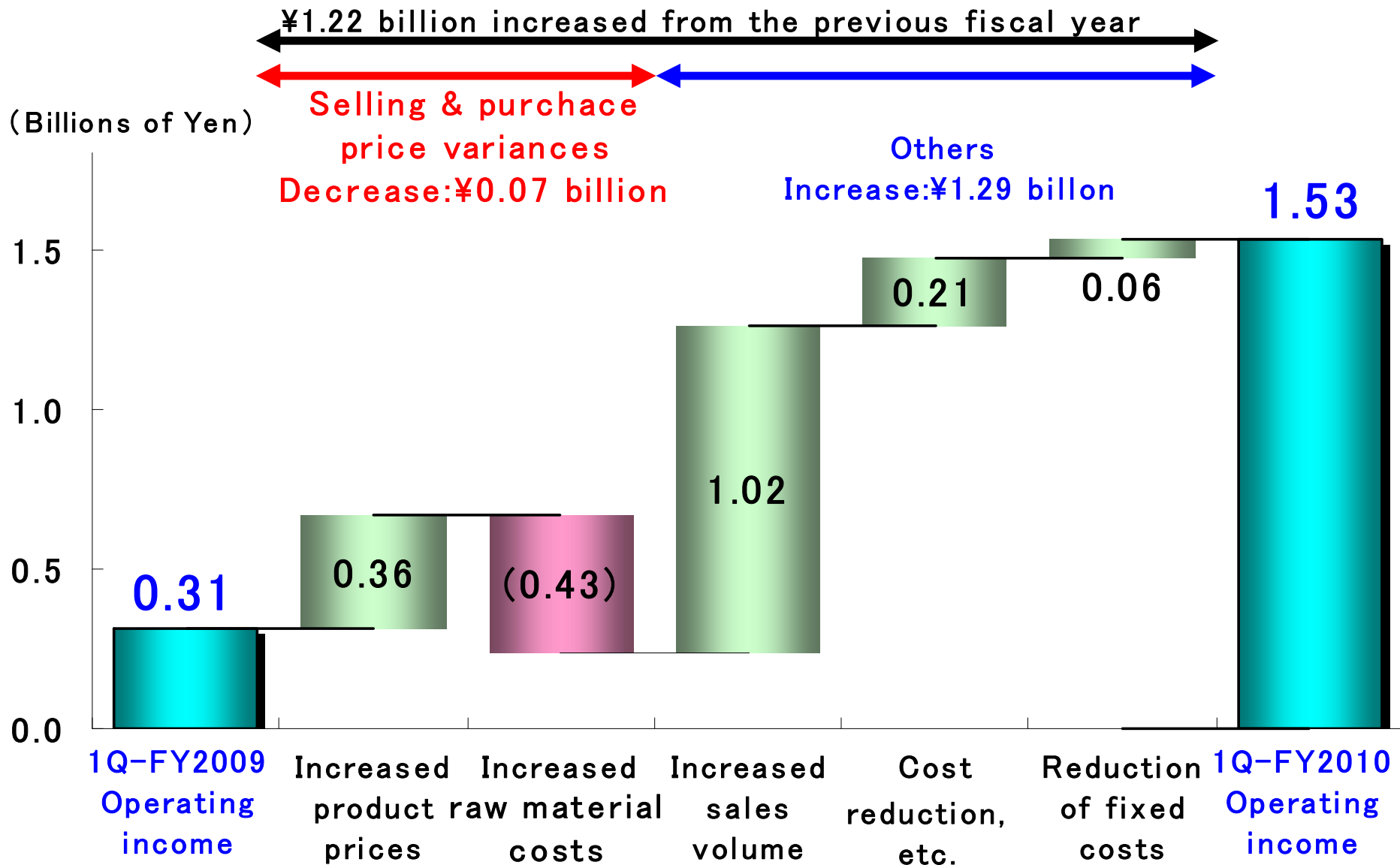
	1Q:April-June		Year on year change
	FY2010	FY2009	
Operating income	2.68	0.85	1.83
Equity in earnings of unconsolidated affiliates	0.11	(0.13)	0.24
Exchange gain and loss	(0.02)	0.17	(0.19)
Other non-operating expenses	0.22	0.13	0.08
Ordinary income	3.00	1.03	1.96
Loss on valuation of investments in securities	—	0.01	(0.01)
Other extraordinary income (expenses)	(0.01)	(0.02)	0.01
Income before income taxes & minority interests	2.99	1.02	1.96
Income taxes, etc.	(0.98)	(0.38)	(0.60)
Minority interests	(0.24)	(0.24)	0.00
Net income	1.75	0.39	1.36

Non-Consolidated Results of Operations for 1Q-FY2009

(Billions of Yen)

	1Q FY2010	4Q FY2009	Quarter on quarter change		1Q FY2009	Year on year change	
			Amount	Ratio(%)		Amount	Ratio(%)
Net sales	23.33	22.48	0.85	4	18.81	4.52	24
Operating income	1.53	0.85	0.68	80	0.31	1.22	394
Ordinary income	2.06	1.16	0.89	77	0.73	1.33	182
Net income	1.41	0.81	0.60	74	0.50	0.90	178

Analysis of Changed Non-Consolidated Operating Income



Analysis of Changed Non-Consolidated Net Income

(Billions of Yen)

	1Q:April-June		Year on year change
	FY2010	FY2009	
Operating income	1.53	0.31	1.22
Dividends income	0.38	0.30	0.08
Exchange gain and loss	(0.05)	(0.03)	(0.01)
Other non-operating expenses	0.19	0.14	0.04
Ordinary income	2.06	0.73	1.33
Loss on disposal of fixed assets	(0.05)	(0.02)	(0.03)
Other extraordinary income (expenses)	(0.01)	0.00	(0.01)
Income before income taxes & minority interests	1.99	0.71	1.27
Income taxes, etc.	(0.57)	(0.20)	(0.36)
Net income	1.41	0.50	0.90

Consolidated Balance Sheet as of June 30, 2010

(Billions of Yen)

	June 30 2010	Mar. 31 2010	Changed amount	Notes: Change amount
Current assets	65.6	64.8	0.7	Decrease of cash & deposits: (2.2), Increase of accounts receivable: 2.0, Increase of inventories: 0.5
Fixed assets	71.2	72.1	(0.9)	Loss on valuation of investments securities: (1.0)
Assets	136.8	136.9	(0.1)	
Current liabilities	45.6	45.2	0.4	Increase of accounts payable: 1.1 Income taxes payable: (0.8)
Long-term liabilities	7.1	8.0	(0.8)	Decrease of long-term debt: (0.4), Provision for retirement benefits: (0.3)
Liabilities	52.8	53.2	(0.3)	
Shareholder's equity	79.5	78.5	0.9	Increase of retained earnings: 0.9
Valuation & translation adjustments	1.8	2.5	(0.7)	Unrealized loss by decreased stock prices: (0.8)
Minority interests	2.6	2.5	0.1	
Net assets	84.0	83.7	0.2	
Liabilities & net assets	136.8	136.9	(0.1)	

Consolidated Cash Flows for 1Q-FY2010

(Billions of Yen)

	1 Q:April-June		Changed amount	Notes: Change amount
	FY2010	FY2009		
Operating activities	0.7	6.0	(5.3)	
Income before income taxes and minority interests	2.9	1.0	1.9	Improved profit
Depreciation and amortization	1.7	1.9	(0.1)	
Loss on valuation of investments in securities	(0.1)	0.1	(0.2)	
(Increase) decrease in operating capital	(1.3)	3.3	(4.6)	Increase of business performance
Income tax paid	(1.8)	(0.1)	(1.6)	
Others	(0.6)	(0.1)	(0.5)	
Investing activities	(1.9)	(1.8)	(0.1)	Purchases property, plant & equipment: (0.1)
Free cash flows	(1.1)	4.2	(5.4)	
Financing activities	(1.1)	1.4	(2.5)	Loans: (2.2) Increase of dividends: (0.2)
Net increase in cash & cash equivalents	(2.2)	5.7	(8.0)	
Cash & cash equivalents at end of period	13.2	12.8	0.4	

Subsidiaries Results of Operations for 1Q-FY2010

Internal sales among Sanyo Chemical Group are not eliminated.

11 Consolidated Subsidiaries

(Billions of Yen)

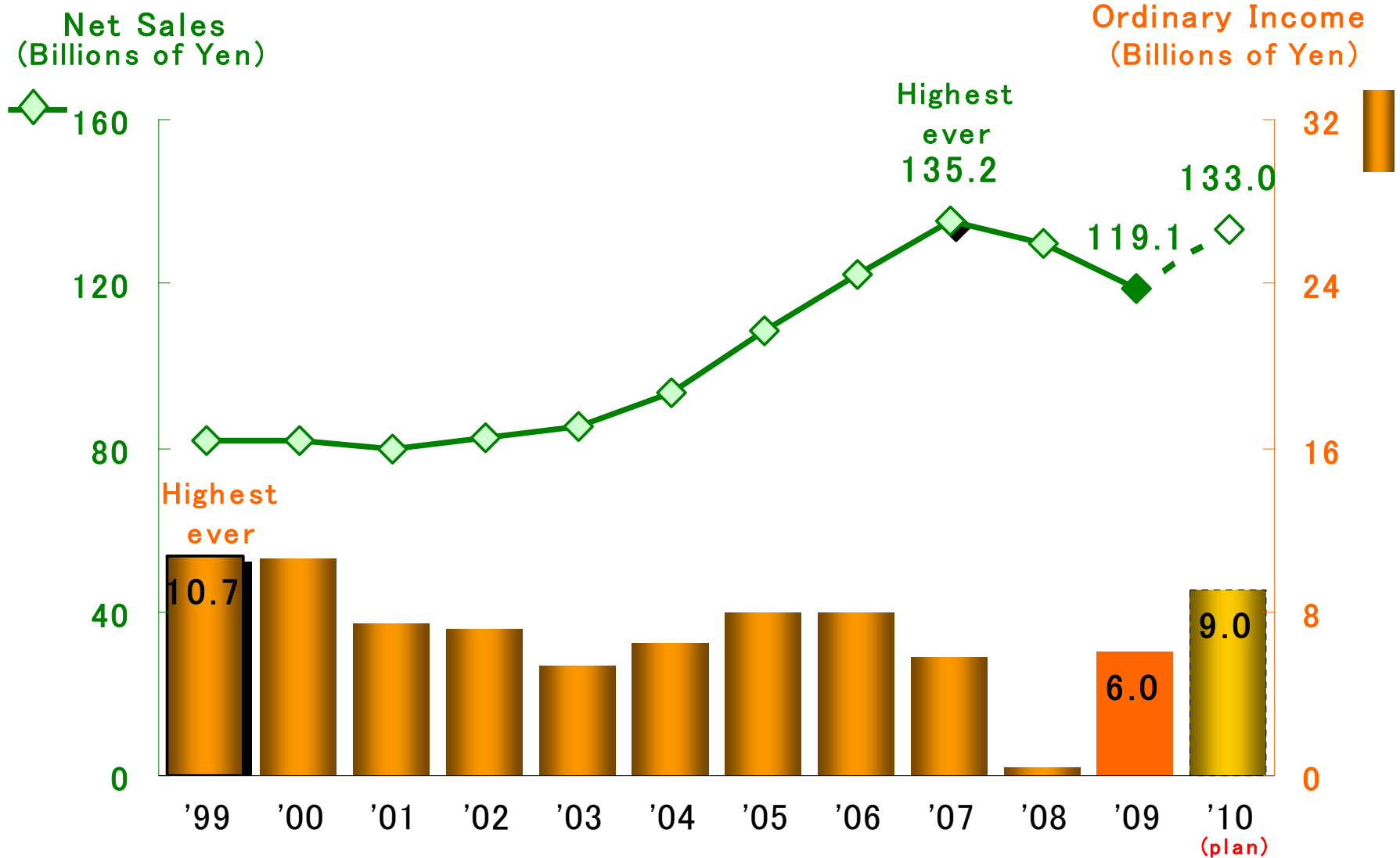
	1 Q FY2010	4 Q FY2009	Quarter on quarter change		1 Q FY2009	Year on year change	
			Amount	Ratio(%)		Amount	Ratio(%)
Net sales	17.10	15.90	1.20	8	12.37	4.72	38
Operating income	1.09	0.61	0.48	78	0.51	0.57	111
Ordinary income	1.17	0.44	0.73	167	0.58	0.58	101

SDP Group (SDP & SDN)

(Billions of Yen)

	1 Q FY2010	4 Q FY2009	Quarter on quarter change		1 Q FY2009	Year on year change	
			Amount	Ratio(%)		Amount	Ratio(%)
Net sales	7.95	7.35	0.60	8	6.27	1.68	27
Operating income	0.69	0.35	0.34	95	0.53	0.16	31
Ordinary income	0.69	0.40	0.28	70	0.68	0.01	2

Consolidated Business Result Trend



Progress to Plan of FY 2010

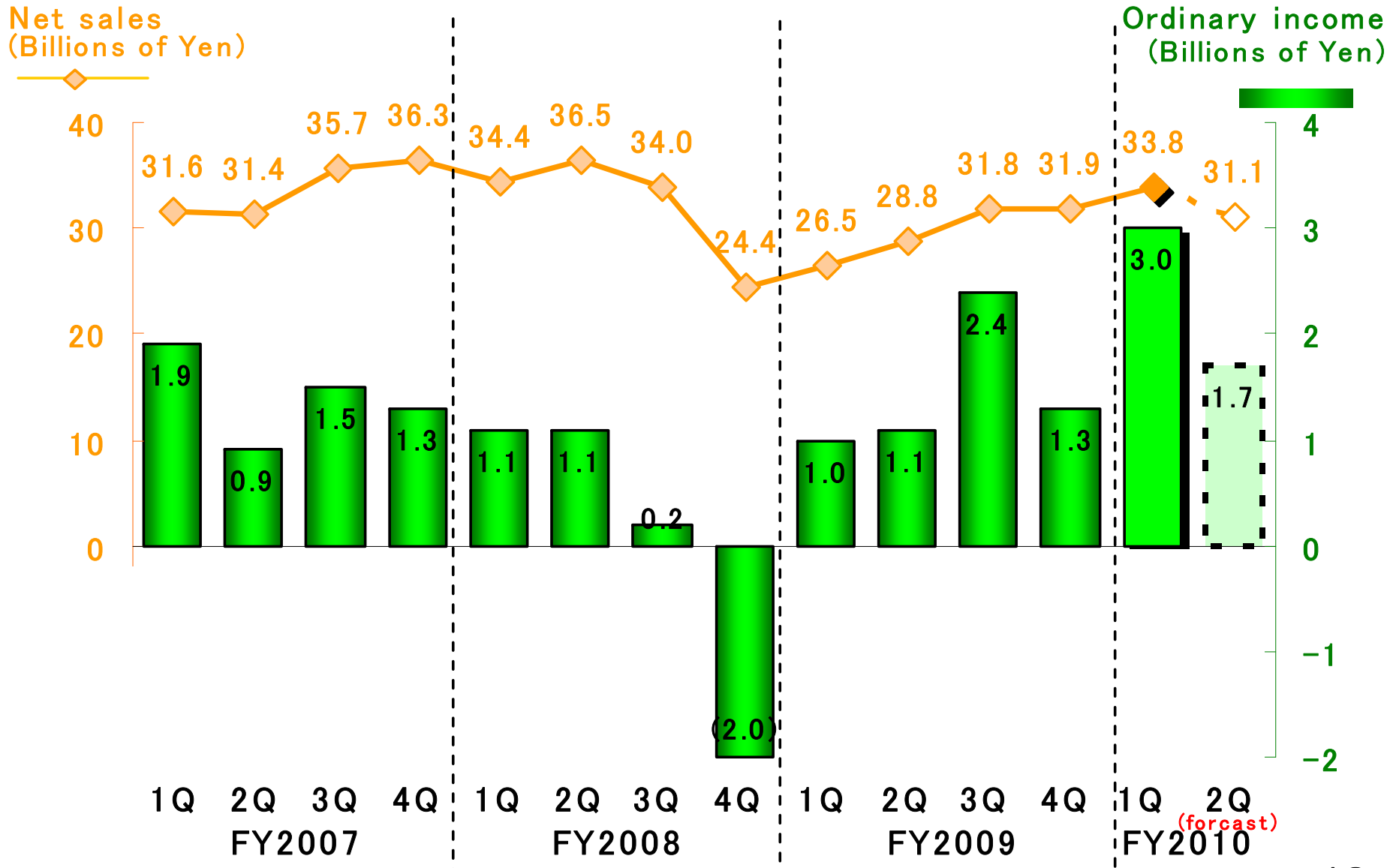
(Billions of Yen)

Consolidated	1Q FY2010 result	1st Half FY2010 plan*	Ratio of progress to plan (%)	FY2010 Annual plan*	Ratio of progress to plan (%)
Net Sales	33.81	65.00	52	133.00	25
Operating Income	2.68	4.50	60	8.60	31
Ordinary Income	3.00	4.80	63	9.00	33
Net Income	1.75	2.65	66	5.10	34

Non-Consolidated	1Q FY2010 result	1st Half FY2010 plan*	Ratio of progress to plan (%)	FY2010 Annual plan*	Ratio of progress to plan (%)
Net Sales	23.33	45.00	52	92.00	25
Operating Income	1.53	2.50	61	4.60	33
Ordinary Income	2.06	3.60	57	6.60	31
Net Income	1.41	2.40	59	4.50	32

* : We disclosed the amount on July 26, 2010

Recent Consolidated Business Results



Consolidated Net Sales by Product Group

(Billions of Yen)

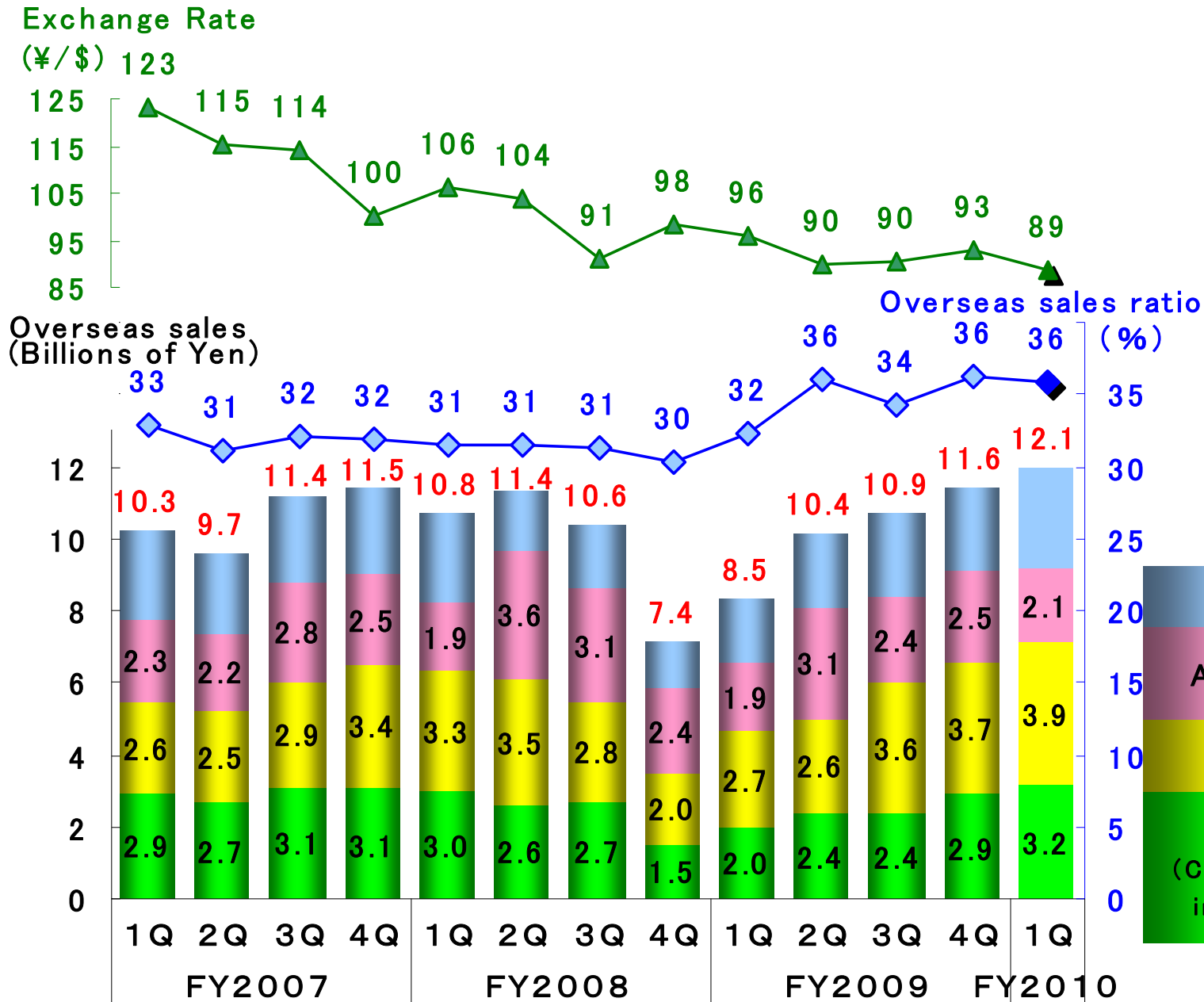
Product group	April-June		Year on year change	
	FY2010	FY2009	Amount	Ratio(%)
Toiletries & Health Care	12.09	10.12	1.96	19
Toiletries	3.33	3.14	0.18	6
Health Care	8.76	6.98	1.78	26
Machinery & Automotives	7.63	5.28	2.35	45
Plastics & Textiles	4.55	3.49	1.06	30
Plastics	2.69	2.16	0.52	24
Textiles	1.86	1.32	0.53	40
Information & Electrics/Electronics	5.72	4.38	1.34	31
Information	3.92	3.24	0.68	21
Electrics/Electronics	1.80	1.14	0.66	58
Environmental Protection, Construction & Others	3.80	3.25	0.55	17
Total	33.81	26.54	7.27	27

Consolidated Operating Income by Product Group

(Billions of Yen)

Product group	April-June		Year on year change	
	FY2010	FY2009	Amount	Ratio(%)
Toiletries & Health Care	1.16	0.71	0.44	62
Machinery & Automotives	0.23	(0.12)	0.36	got into the black
Plastics & Textiles	0.54	0.12	0.42	330
Information & Electrics/Electronics	0.69	0.30	0.39	128
Environmental Protection, Construction & Others	0.04	(0.16)	0.21	got into the black
Total	2.68	0.85	1.83	214

Consolidated Overseas Sales Quarterly Trend



Strategic Product Quarterly Trend (Consolidated)

Strategic products, which are set in FY2003 refers to the products developed as a priority to improve profitability and expand business areas. There are 15 items.

Net sales
(Billions of Yen)

