

**A Statement of Accounts**  
**For the Nine Months Ended December 31, 2011**  
**3rd Quarter in Fiscal Year 2011**  
**(3Q-FY2011)**

**SANYO CHEMICAL INDUSTRIES, LTD.**

<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 January 31, 2012. 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	<a href="mailto:pr-group@sanyo-chemical.com">pr-group@sanyo-chemical.com</a>

## Corporate Data

Date of Establishment: November 1, 1949

Head Office: Higashiyama-ku, Kyoto

Capital: ¥13,051 million

Domestic Sales & Marketing Offices:

Tokyo, Osaka, Nagoya, Hiroshima, Fukuoka, Toyama

Domestic Factories:

Nagoya, Kinuura, Kashima, Kyoto, Kawasaki (San Chemical)

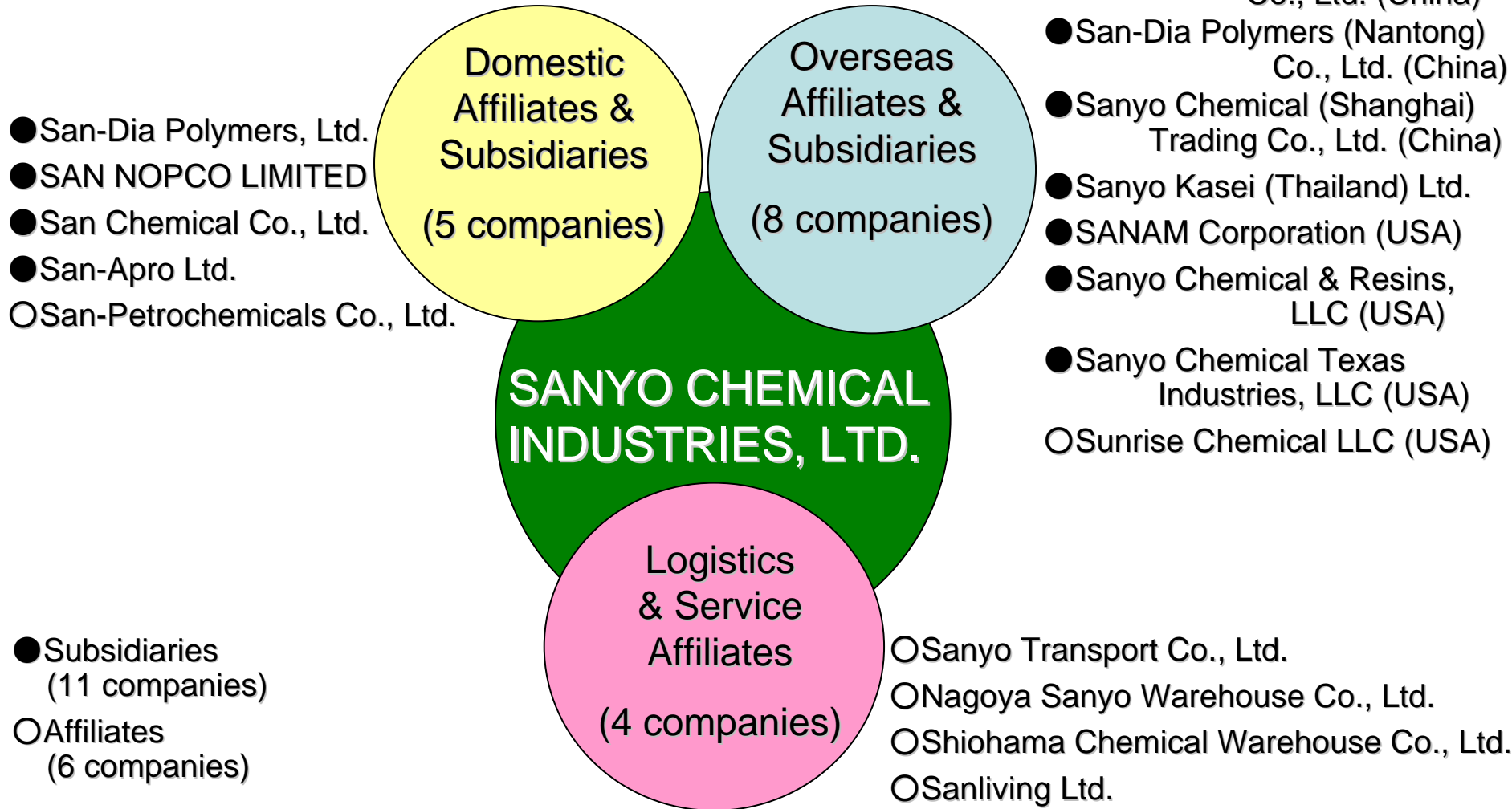
Consolidated Number of Employees:

1,787 (as of December 31, 2011)

Line of Business:

Manufacture & sales of approx. 3,000 types of performance chemicals

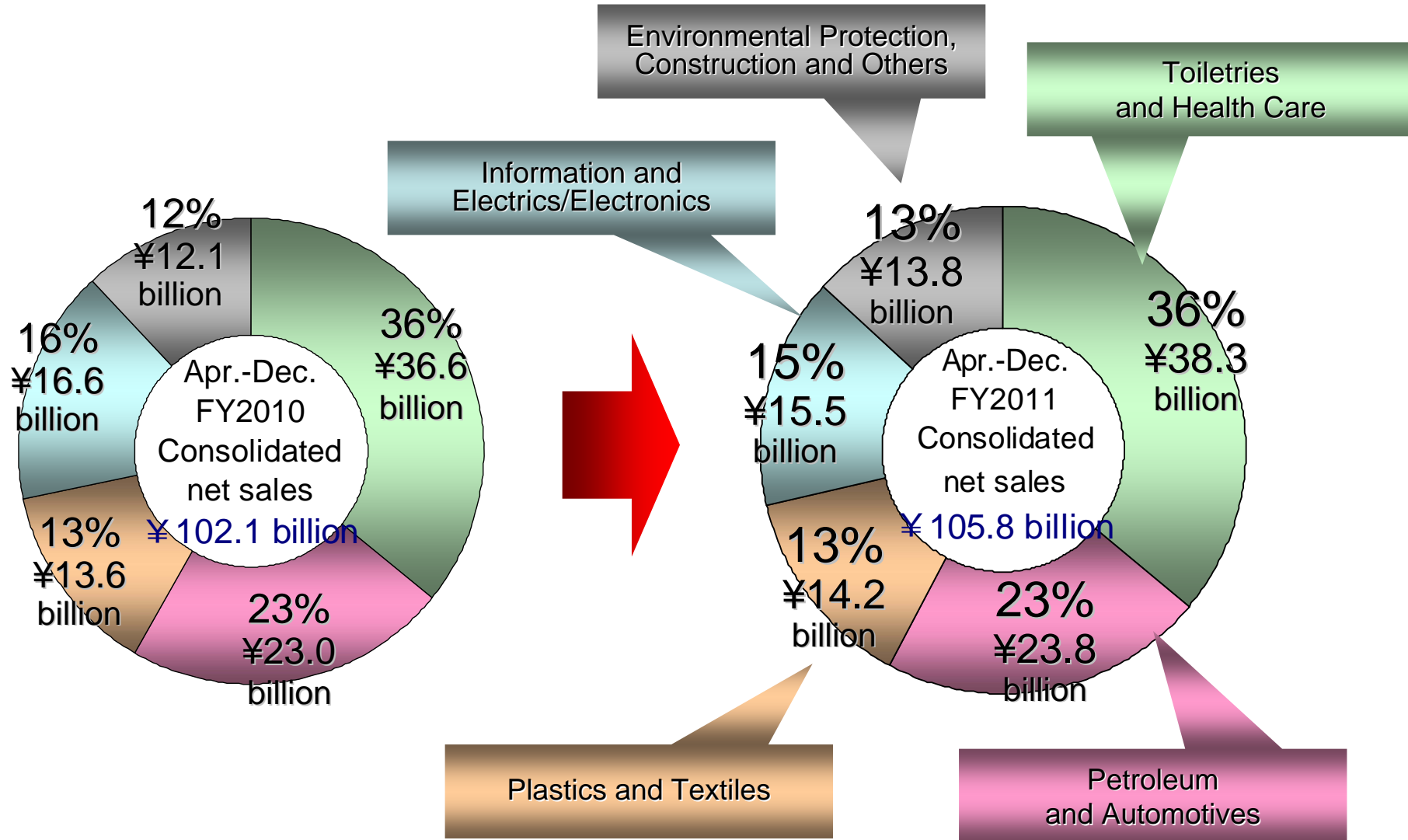
# Sanyo Chemical Group



# Principal Products by Product Group

Class.	Sub-Category	Principal Products
Toiletries and Health Care	Toiletries	Surfactants for Detergents, Surfactants for Hair Care Products, Agents for Papermaking
	Health Care	Superabsorbent Polymers (SAPs), Base Materials for Pharmaceuticals, Germicides/Disinfectants, EIA Diagnostic Reagents, Potting Resins for Artificial Kidneys
Petroleum and Automotives		Thermoplastic Polyurethane Beads for the Interior Parts of Automobiles (TUBs), Raw Materials for Polyurethane Foams (PPG), Lubricating Oil Additives, Additives for Fuel Oils, Water-Soluble Cutting Fluids, Halogen-Free Cleaning Agents, Base Materials for Synthetic Lubricants, Paste Resins for Design Models, Resins for Automobile Paints
Plastics and 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, Chemicals for Carbon Fibers, Agents for Fiberglass, Polyurethane Resins for Synthetic Leather
Information and Electrics /Electronics	Information	Polyester Beads (PEBs) Used as a Core Component of Polymerization Toners, Toner Resins
	Electrics /Electronics	Electrolytes for Aluminum Electrolytic Capacitors, Electrolytes for Electric Double-Layer Capacitors, Processing Agents for Semiconductors, Agents for Use in Hard Disk Manufacturing, UV/EB Curing Resins
Environmental Protection, Construction and Others		Polymer Flocculants for Wastewater Treatment, Polyurethane for Heat Insulating Materials (PPG), Slurry Agents, Reactive Hot-Melt Adhesives

# Net Sales by Product Group (1-3Q in FY2011)



# Results of Operations for 1-3Q in FY2011

(Billions of yen)

Consolidated	April-December		Year on Year Change	
	FY2011	FY2010	Amount	Ratio (%)
Net sales	105.88	102.15	3.72	4
Operating income	4.80	7.80	(3.00)	(38)
Ordinary income	6.05	8.48	(2.43)	(29)
Net income	3.52	4.75	(1.23)	(26)
Comprehensive income	2.37	4.93	(2.55)	(52)

(Billions of yen)

Non-Consolidated	April-December		Year on Year Change	
	FY2011	FY2010	Amount	Ratio (%)
Net sales	73.71	70.68	3.02	4
Operating income	1.93	3.80	(1.86)	(49)
Ordinary income	4.07	5.30	(1.23)	(23)
Net income	2.73	3.69	(0.96)	(26)

# Subsidiary Results of Operations for 1-3Q in FY2011

Internal sales among Sanyo Chemical Group are not eliminated.

## Subsidiaries (11 companies)

(Billions of yen)

	April-December		Year on Year Change	
	FY2011	FY2010	Amount	Ratio (%)
Net sales	53.74	51.00	2.73	5
Operating income	2.48	3.80	(1.31)	(35)
Ordinary income	3.10	3.96	(0.86)	(22)

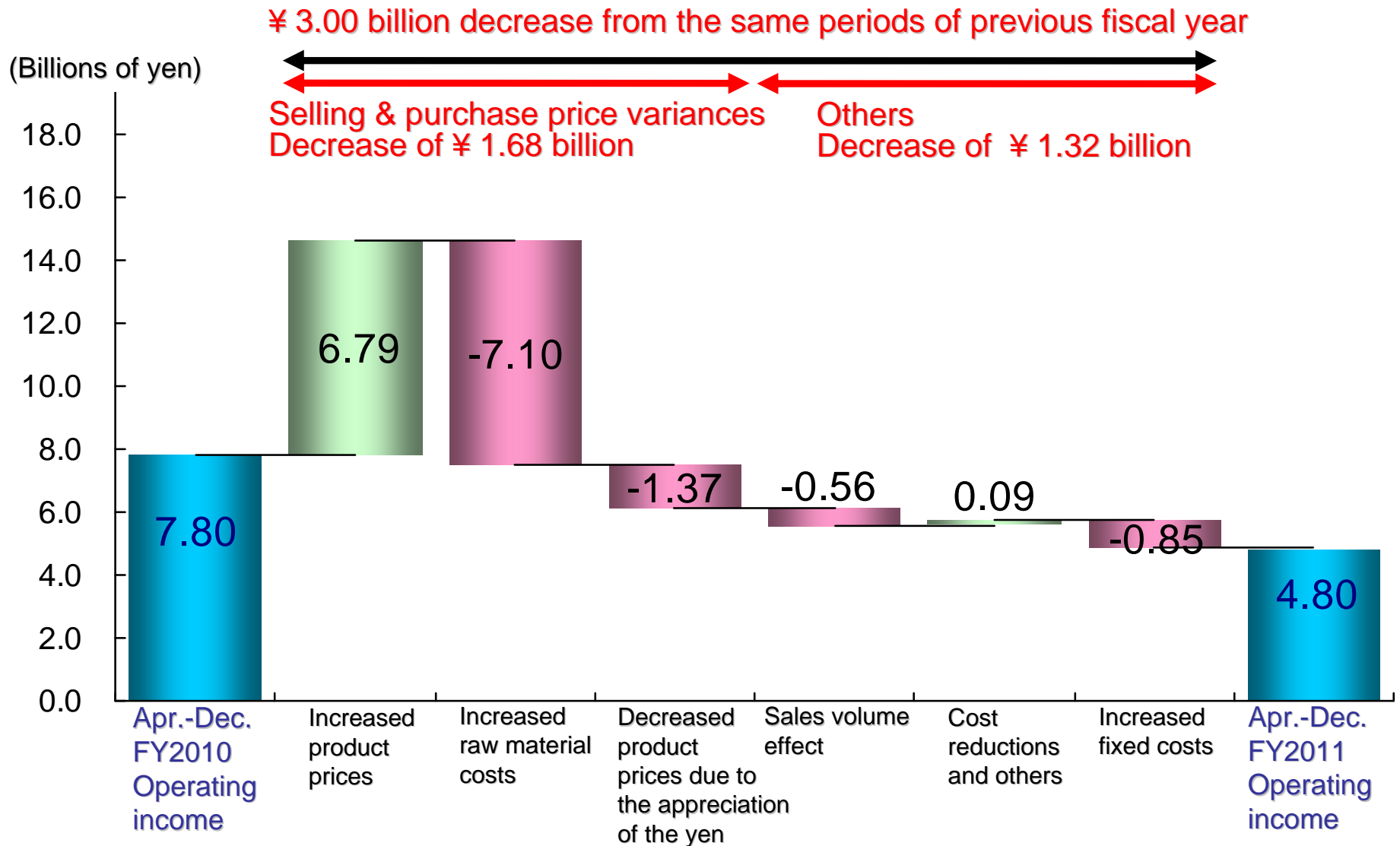
## Of which, SDP Group (SDP and SDN)

(Billions of yen)

	April-December		Year on Year Change	
	FY2011	FY2010	Amount	Ratio (%)
Net sales	25.24	24.15	1.09	5
Operating income	1.15	2.54	(1.38)	(54)
Ordinary income	1.09	2.44	(1.34)	(55)



# Change in Consolidated Operating Income



# Change in Consolidated Net Income

(Billions of yen)

	April-December		Year on Year Change
	FY2011	FY2010	
Operating income	4.80	7.80	(3.00)
Equity in earnings of non-consolidated affiliates	0.95	0.45	0.49
Gain or loss on foreign exchange	(0.16)	(0.28)	0.11
Other non-operating expenses	0.46	0.50	(0.03)
Ordinary income	6.05	8.48	(2.43)
Gain and Loss on disposal/sales of property, plant and equipment	(0.24)	(0.02)	(0.21)
Subsidy	0.15	—	0.15
Other extraordinary income or loss	0.05	0.00	0.04
Income before income taxes and minority interests	6.01	8.45	(2.44)
Income taxes paid, etc.	(1.89)	(2.87)	0.97
Minority interests	(0.59)	(0.82)	0.23
Net income	3.52	4.75	(1.23)

# Consolidated Balance Sheet

(Billions of yen)

	Dec. 31 2011	Mar. 31 2011	Changed Amount	Main Change Factor*
Current assets	71.8	65.3	6.4	Decrease of cash and deposits: (3.2), Increase of inventories: 2.9, Increase of notes and accounts receivable-trade: 6.5 (of which, the effect of bank holidays: 3.2)
Fixed assets	75.3	75.4	(0.1)	Investment in plant & equipment: 8.1, Depreciation and amortization: (6.6) Investment securities: (1.8)
<b>Assets</b>	<b>147.1</b>	<b>140.8</b>	<b>6.3</b>	
Current liabilities	48.8	40.2	8.5	Notes and accounts payable-trade: 6.2 (of which, the effect of bank holidays: 4.6), Short-term loans: 3.5
Long-term liabilities	9.7	12.1	(2.3)	Long-term debt: (1.5)
<b>Liabilities</b>	<b>58.5</b>	<b>52.4</b>	<b>6.1</b>	
Shareholder's equity	83.9	82.1	1.8	Net income: 3.5, Cash dividends paid: (1.6)
Other comprehensive income	1.4	3.1	(1.6)	Unrealized gains on other securities: (1.2)
Minority interests	3.0	3.1	(0.0)	
<b>Net assets</b>	<b>88.5</b>	<b>88.3</b>	<b>0.1</b>	
<b>Total Liabilities and net assets</b>	<b>147.1</b>	<b>140.8</b>	<b>6.3</b>	

\* Each figure indicates the changed amount.

# Consolidated Cash Flows

(Billions of yen)

	April-December		Changed amount	Main Change Factor*
	FY2011	FY2010		
Operating activities	4.7	7.1	(2.3)	
Income before income taxes and minority interests	6.0	8.4	(2.4)	
Depreciation and amortization	6.8	5.8	1.0	Kinuura Factory operating in October, 2010: 0.5 Production facility for lubricating oil additives operating: 0.3
Equity in earning of non-consolidated affiliates	(0.9)	(0.4)	(0.4)	
(Increase) decrease in operating capital	(3.4)	(3.0)	(0.3)	Inventories: (1.9), Notes and accounts payable: 1.3
Income taxes	(3.1)	(2.9)	(0.1)	
Others	(0.6)	(0.7)	0.1	
Investing activities	(7.9)	(6.6)	(1.3)	Cash outlays for property, plant and equipment: (1.4)
Free cash flows	(3.2)	0.4	(3.6)	
Financing activities	0.1	(2.1)	2.3	Long-term debt: (0.3), Short-term loans: 2.8
Increase (decrease) in cash and cash equivalents	(3.2)	(1.9)	(1.3)	
Cash and cash equivalents at beginning of period	12.0	15.5	(3.5)	
Cash and cash equivalents at end of period	8.7	13.6	(4.8)	

\* Each figure indicates the changed amount.

# Progress to Forecast of FY2011

(Billions of yen)

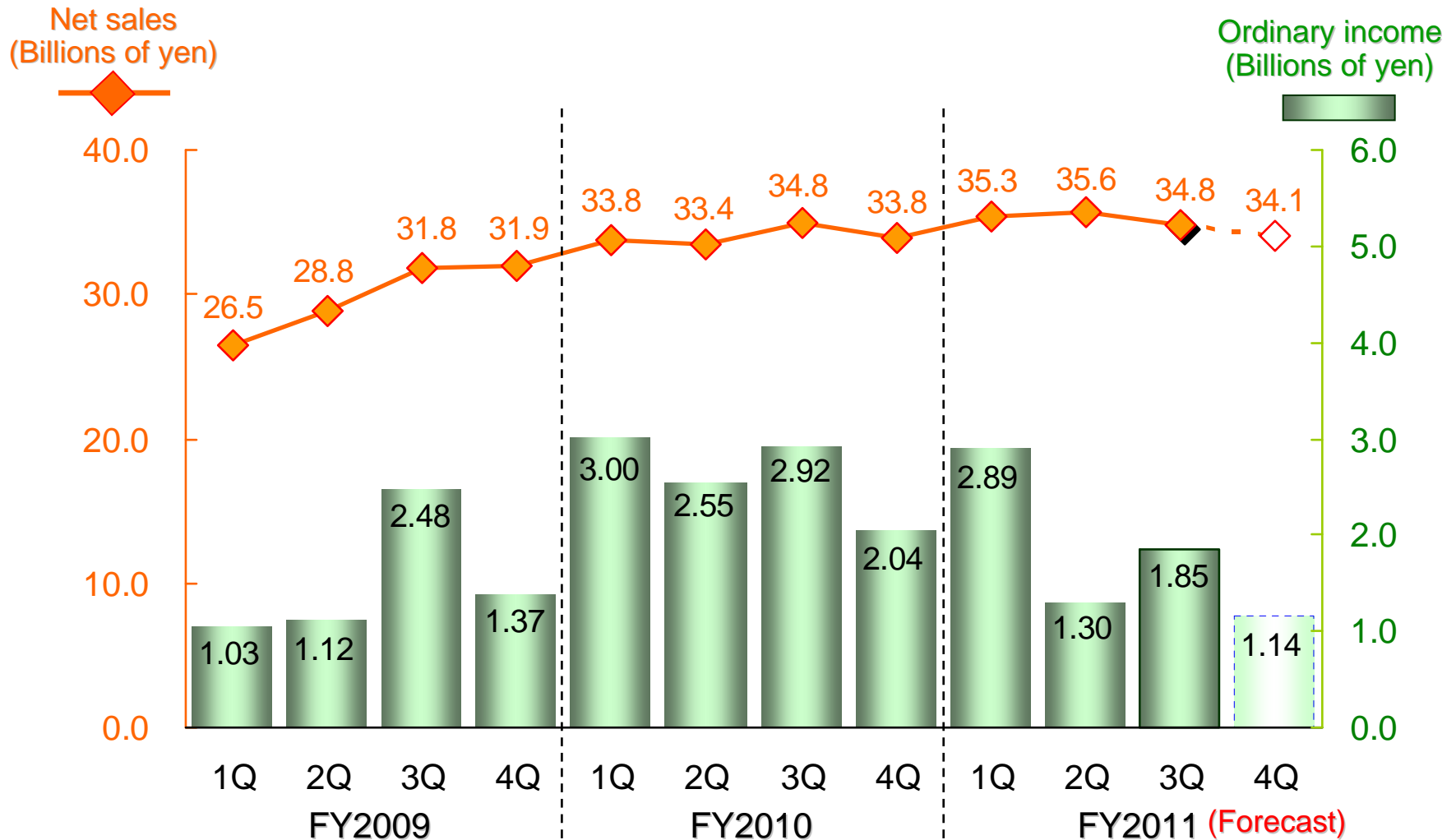
Consolidated	FY2011 Annual		1-3Q FY2011		FY2010 Annual
	Forecast*	Year on Year Change (%)	Result	Progress to Forecast (%)	Result
Net sales	140.00	3	105.88	75.6	136.02
Operating income	6.00	(38)	4.80	80.0	9.61
Ordinary income	7.20	(32)	6.05	84.0	10.52
Net income	3.80	(27)	3.52	92.7	5.20

(Billions of yen)

Non-Consolidated	FY2011 Annual		1-3Q FY2011		FY2010 Annual
	Forecast*	Year on Year Change (%)	Result	Progress to Forecast (%)	Result
Net sales	98.00	5	73.71	75.2	93.65
Operating income	2.30	(44)	1.93	84.2	4.13
Ordinary income	5.20	(16)	4.07	78.3	6.19
Net income	3.70	(9)	2.73	73.9	4.06

\* We disclosed the forecast on January 26, 2012.

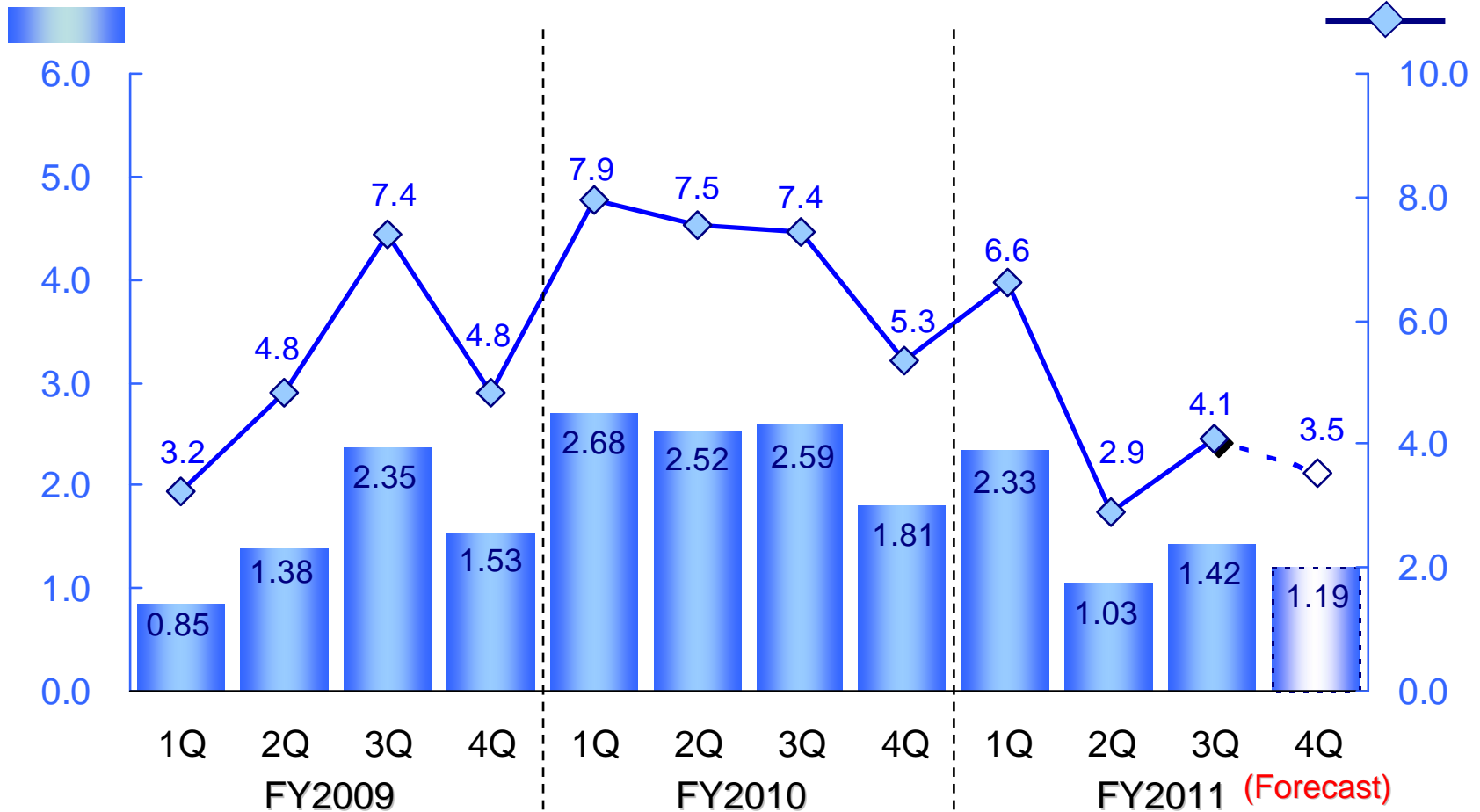
# Consolidated Business Result Trend



# Consolidated Operating Income Trend

Operating income  
(Billions of yen)

Operating income  
ratio (%)



# Consolidated Net Sales by Product Group

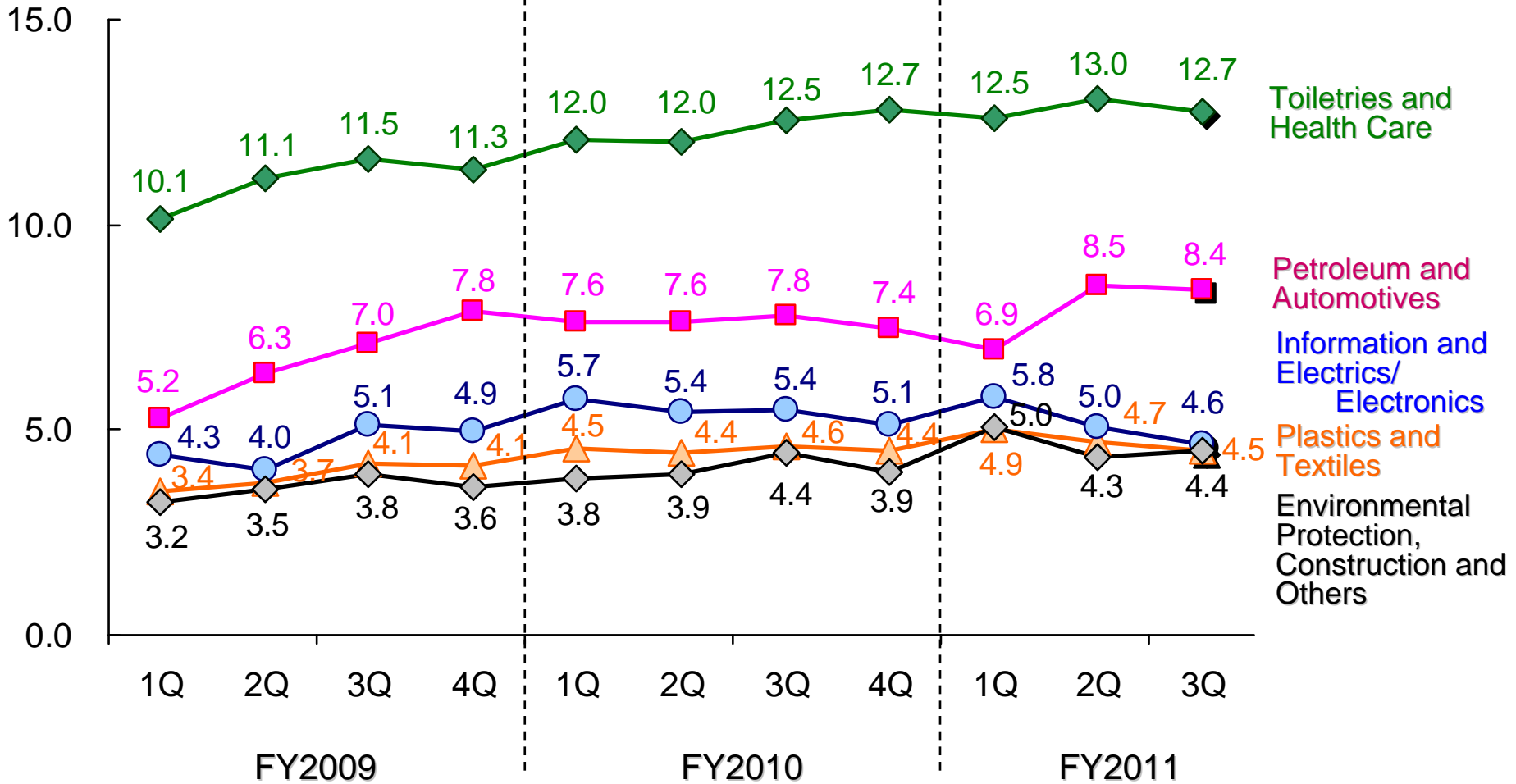
(Billions of yen)

Product Group	April-December		Year on Year Change	
	FY2011	FY2010	Amount	Ratio (%)
<b>Toiletries and Health Care</b>	<b>38.38</b>	<b>36.67</b>	<b>1.71</b>	<b>5</b>
Toiletries	10.84	10.15	0.68	7
Health Care	27.54	26.52	1.02	4
<b>Petroleum and Automotives</b>	<b>23.88</b>	<b>23.04</b>	<b>0.83</b>	<b>4</b>
<b>Plastics and Textiles</b>	<b>14.22</b>	<b>13.62</b>	<b>0.59</b>	<b>4</b>
Plastics	8.19	8.08	0.11	1
Textiles	6.02	5.53	0.48	9
<b>Information and Electrics/Electronics</b>	<b>15.51</b>	<b>16.64</b>	<b>(1.12)</b>	<b>(7)</b>
Information	10.76	11.28	(0.51)	(5)
Electrics/Electronics	4.75	5.36	(0.61)	(11)
<b>Environmental Protection, Construction and Others</b>	<b>13.87</b>	<b>12.16</b>	<b>1.70</b>	<b>14</b>
<b>Total</b>	<b>105.88</b>	<b>102.15</b>	<b>3.72</b>	<b>4</b>



# Consolidated Net Sales Trend by Product Group

(Billions of yen)



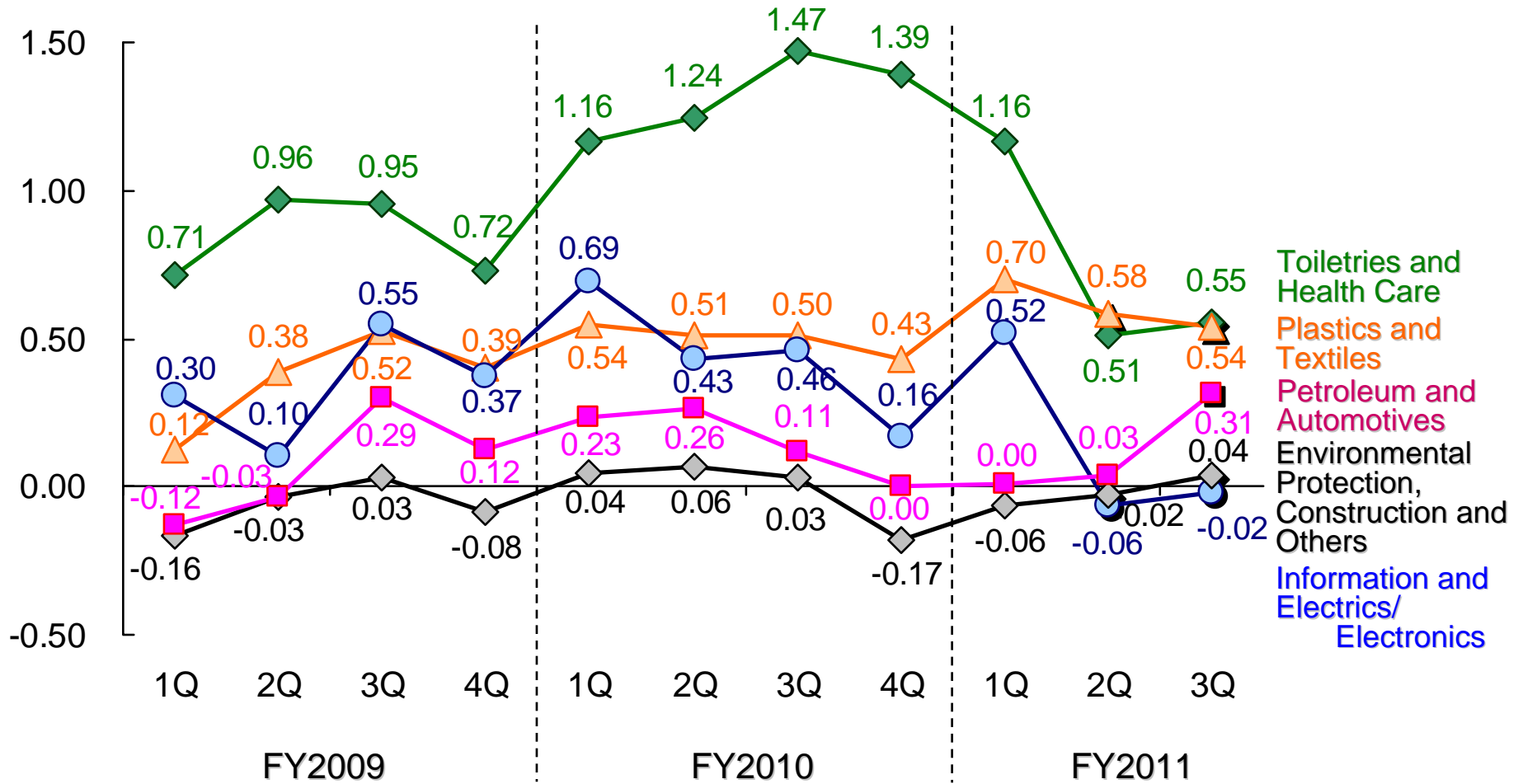
# Consolidated Operating Income by Product Group

(Billions of yen)

Product Group	April-September		Year on Year Change	
	FY2011	FY2010	Amount	Ratio (%)
Toiletries and Health Care	2.22	3.88	(1.65)	(43)
Petroleum and Automotives	0.35	0.61	(0.26)	(42)
Plastics and Textiles	1.82	1.56	0.26	17
Information and Electrics/Electronics	0.43	1.58	(1.15)	(73)
Environmental Protection, Construction and Others	(0.04)	0.14	(0.19)	—
Total	4.80	7.80	(3.00)	(38)

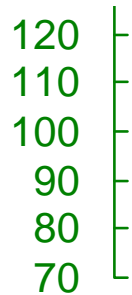
# Consolidated Operating Income Trend by Product Group

(Billions of yen)

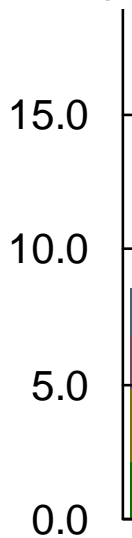


# Consolidated Overseas Sales Trend

Average foreign exchange rate  
(Yen/US\$)



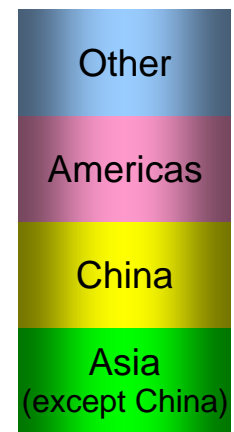
Overseas sales  
(Billions of yen)



Overseas sales ratio  
(%)

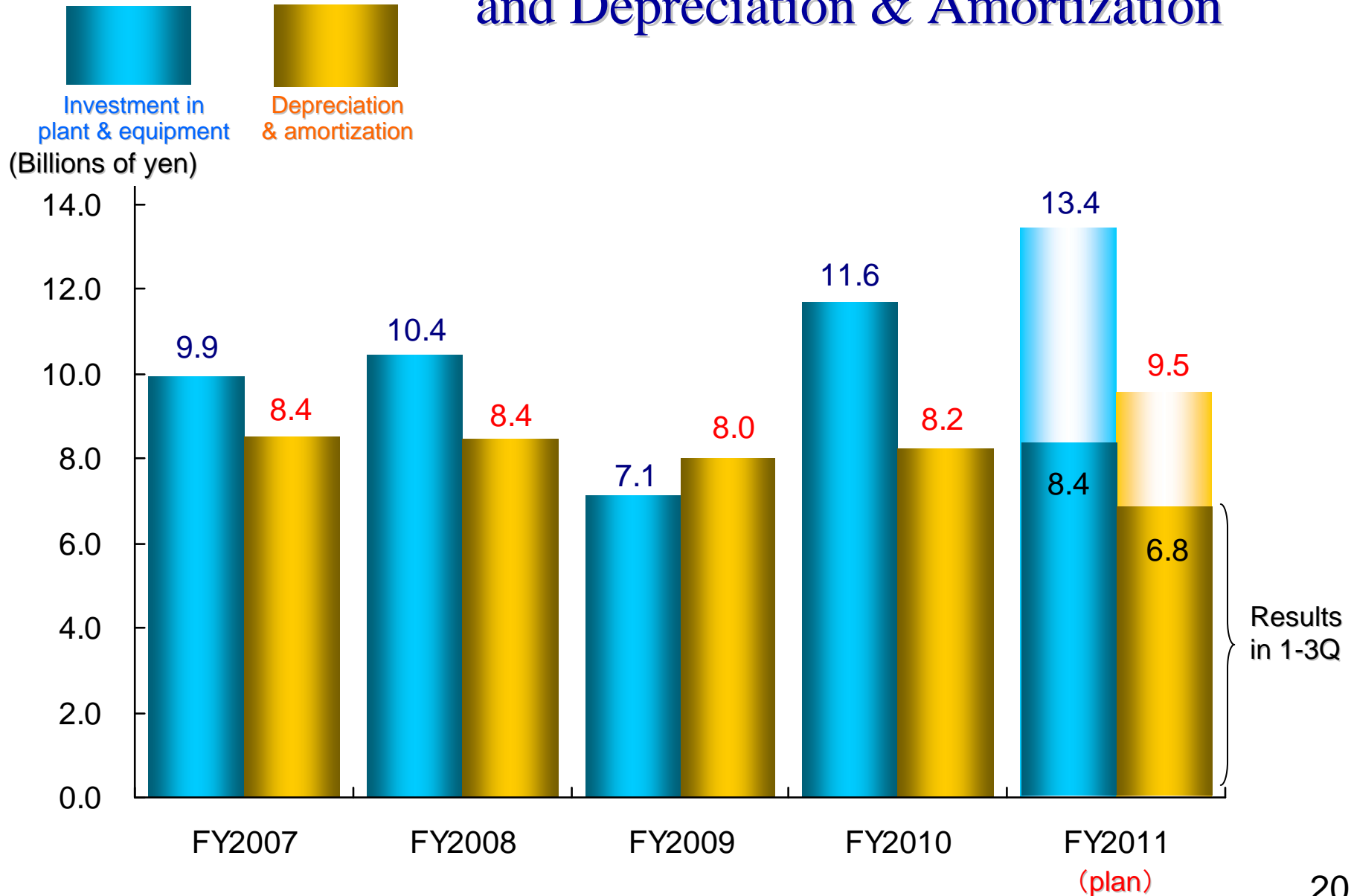


Total



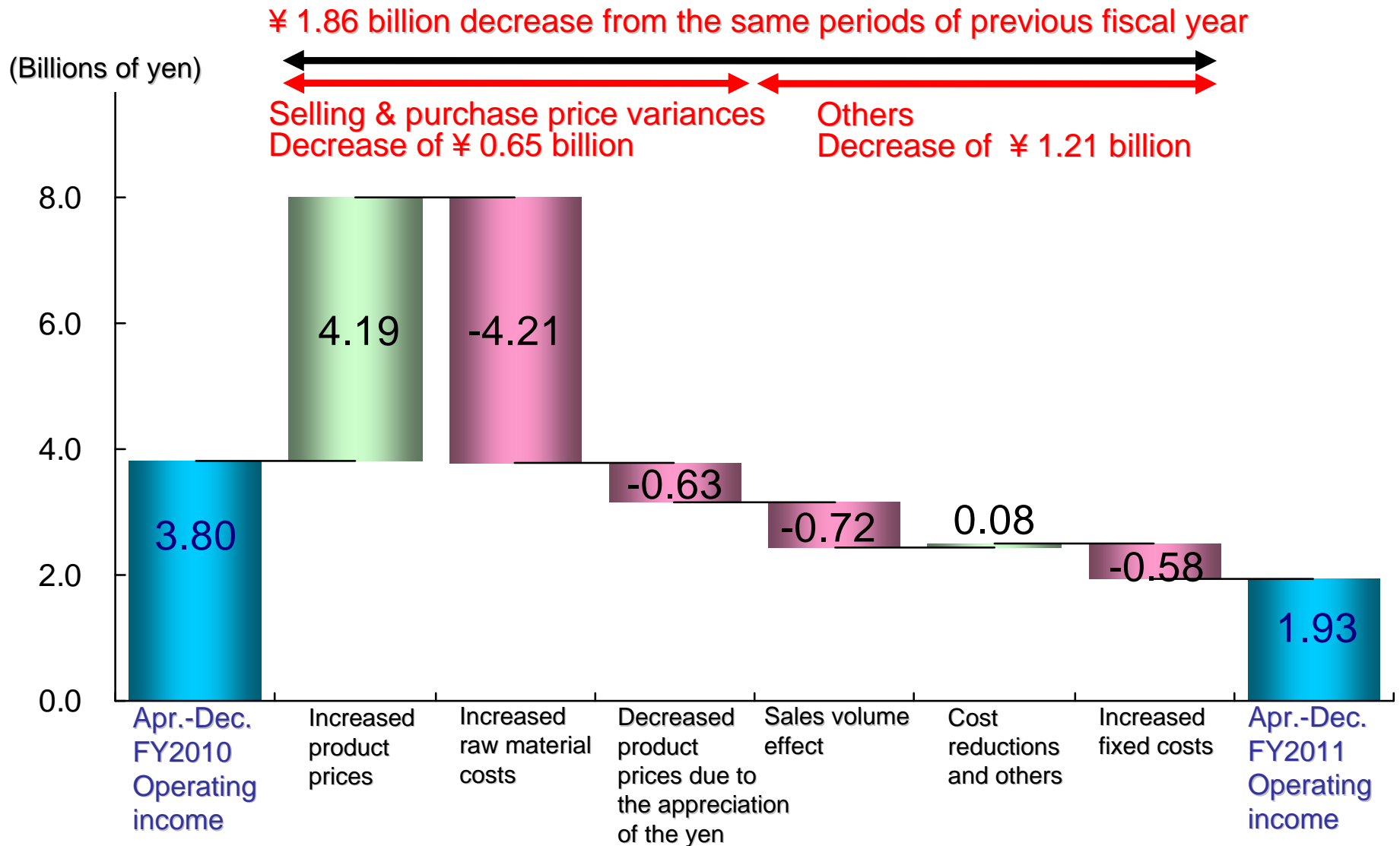
1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q  
 FY2009 FY2010 FY2011

# Consolidated Investment in Plant & Equipment, and Depreciation & Amortization



# Reference

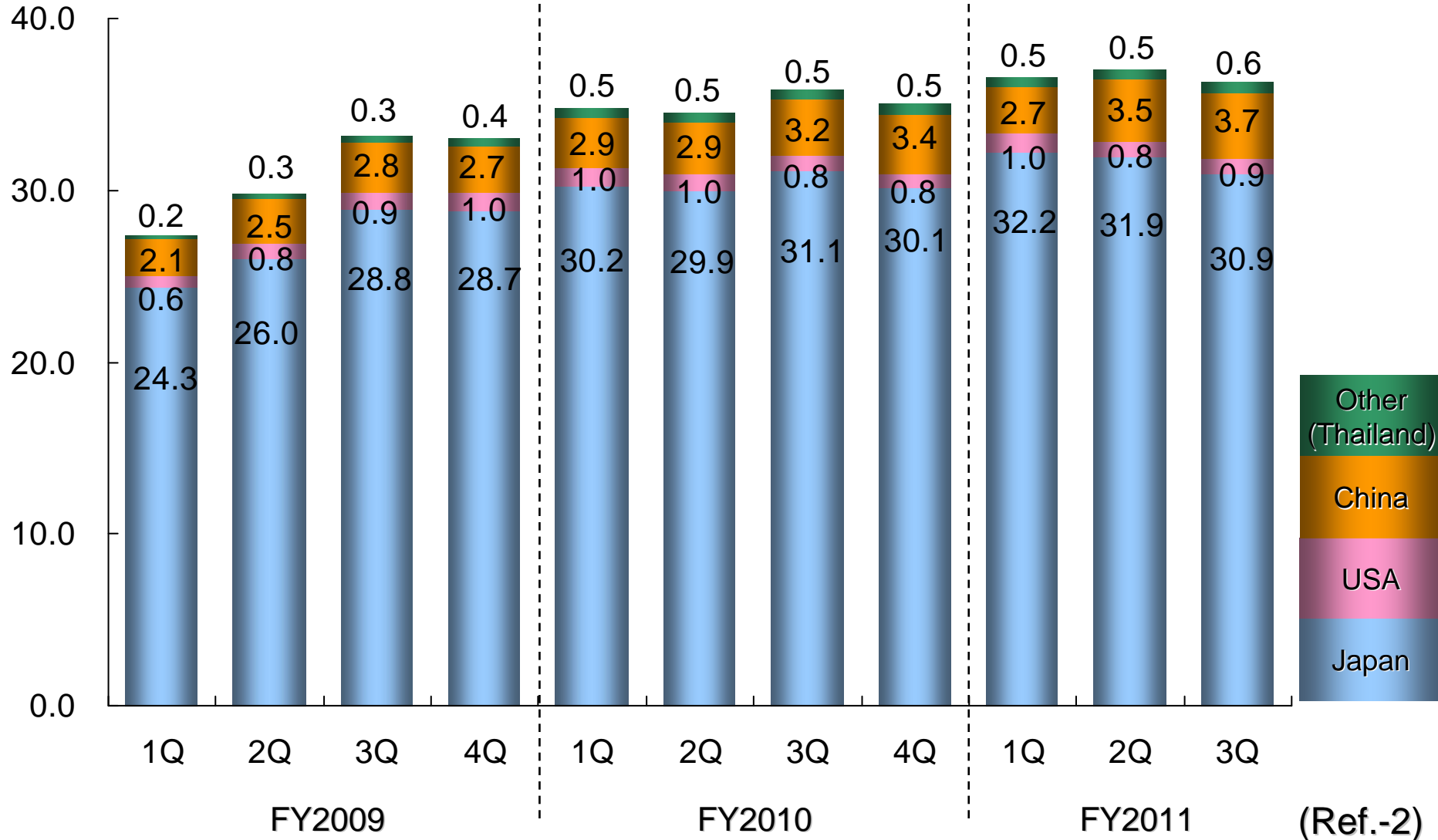
# Change in Non-Consolidated Operating Income



# Geographic Segments (Net Sales)

Internal sales among Sanyo Chemical Group are not eliminated.

(Billions of yen)



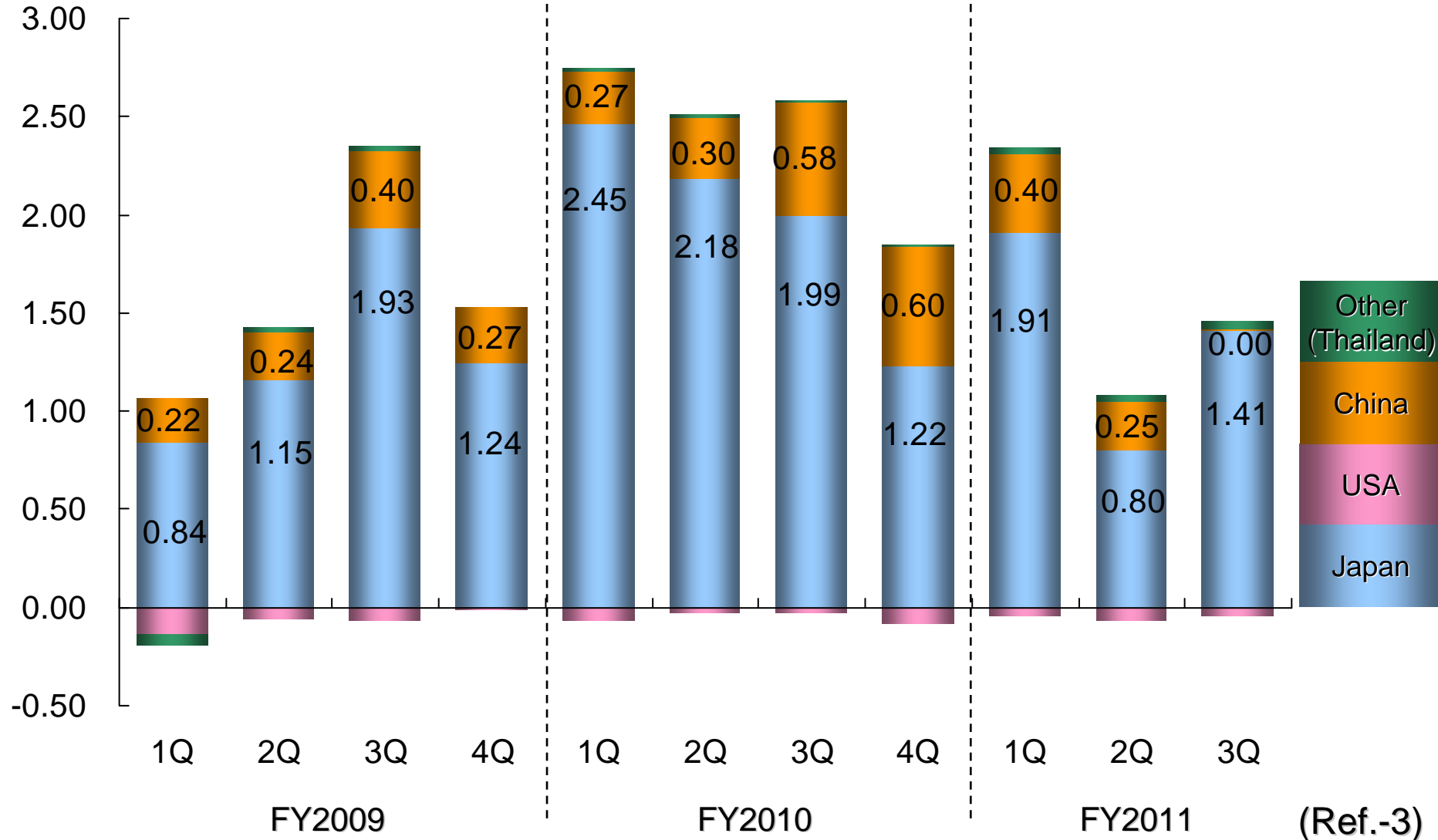
(Ref.-2)



# Geographic Segments (Operating Income)

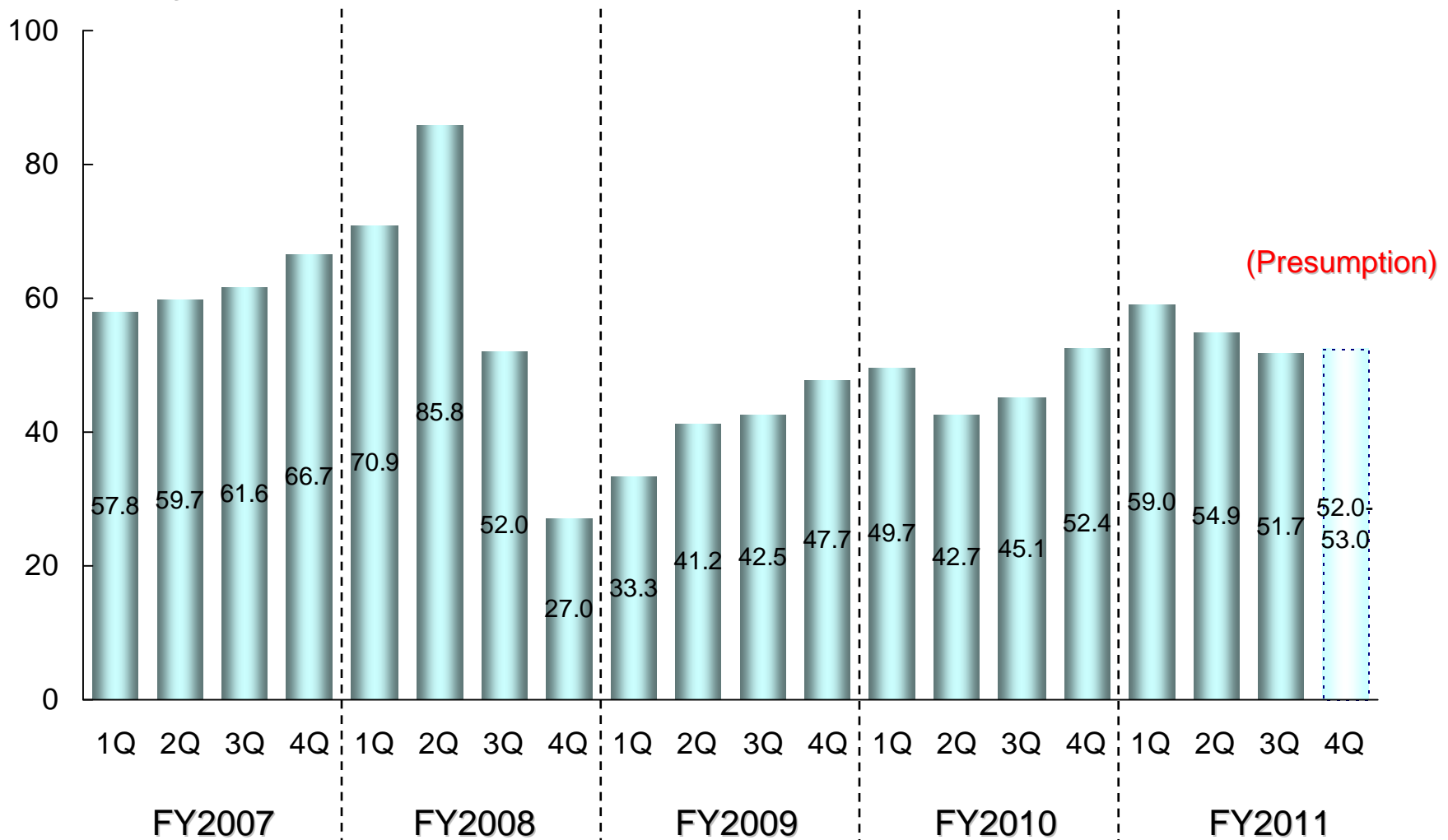
Internal sales among Sanyo Chemical Group are not eliminated.

(Billions of yen)



# Transition of Price of Domestically Produced Naphtha

Domestic naphtha price  
(Thousands of yen/kl)



## Domestic Subsidiaries (4 companies)

Company Name	Abbr.	Equity Ownership	Line of Business
San-Dia Polymers, Ltd.	SDP	Sanyo Chemical Mitsubishi Chemical	60% 40% Manufacture and sales of superabsorbent polymers
SAN NOPCO LIMITED	SNL	Sanyo Chemical	100% Manufacture and sales of surfactants, etc.
San Chemical Co., Ltd.	SCC	Sanyo Chemical JX Nippon Oil & Energy	50% 50% Manufacture of raw materials for polyurethane foams, etc.
San-Apro Ltd.	SA	Sanyo Chemical Air-Products	50% 50% Manufacture and sales of curing accelerators for epoxy resins, urethane catalysts, etc.

## Overseas Subsidiaries (7 companies)

Company Name	Abbr.	Equity Ownership		Line of Business
Sanyo Kasei (Nantong) Co., Ltd. [China]	SKN	Sanyo Chemical	100%	Manufacture of surfactants, polyurethane resins, etc.
San-Dia Polymers (Nantong) Co., Ltd. [China]	SDN	San-Dia Polymers	100%	Manufacture and sales of superabsorbent polymers
Sanyo Chemical (Shanghai) Trading Co., Ltd. [China]	SCST	Sanyo Chemical	100%	Import and export of chemicals, market surveys in China, and sales-related activities
Sanyo Kasei (Thailand) Ltd. [Thailand]	SKT	Sanyo Chemical Toyota Tsusho and others	89% 11%	Manufacture and sales of surfactants, polyurethane resins, etc.
SANAM Corporation [USA]	SANAM	Sanyo Chemical	100%	Supervising of subsidiaries and an affiliate in the USA
Sanyo Chemical & Resins, LLC [USA]	SCR	SANAM	100%	Manufacture of toner resins, etc.
Sanyo Chemical Texas Industries, LLC [USA]	SCTI	SANAM	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 of raw materials for synthetic rubbers
Sunrise Chemical LLC [USA]	SRC	SANAM JX Nippon Chemical Texas	50% 50%	Manufacture 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 Chemicals Warehouse Co., Ltd.	—	Sanyo Chemical JX Nippon Oil & Energy	50% 50%	Warehousing
Sanliving Ltd.	SL	Sanyo Chemical	100%	Real estate, insurance, travel agency, etc.