

March 14, 2011

## Effects of the Tohoku-Kanto Earthquake in Japan (Second Report)

SANYO CHEMICAL INDUSTRIES, LTD.  
(Japan securities code: 4471)

As we reported on March 12, the Kashima Factory in Kamisu city, Ibaraki prefecture, Japan, has stopped operations because parts of the Kashima facility were damaged and local power supply has been stopped.

It is expected to take about one week to inspect and repair the Kashima facility, while it may take some time longer for utilities (electricity, industrial water, steam) to be resumed. In response, on March 14, we established a Business Continuity Task Force and decided to promote our BCP (Business Continuity Plan). Mr. Yoshino (Managing Executive Officer and general manager of Environment & Safety Headquarters) will be the task force general manager.

Our other factories continue to operate as usual. However, future operations may have some difficulties, depending on the supply of raw materials.

Under the leadership of the Business Continuity Task Force, we are making a concerted effort to restore all operations. We will report operational progress, including the supply of raw materials, as soon as we have more information.