

A Statement of Accounts
For the Nine Months Ended December 31, 2010
3rd Quarter in Fiscal Year 2010
(3Q-FY2010)

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 28, 2011. 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.

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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:

1,774 as of December 31, 2010

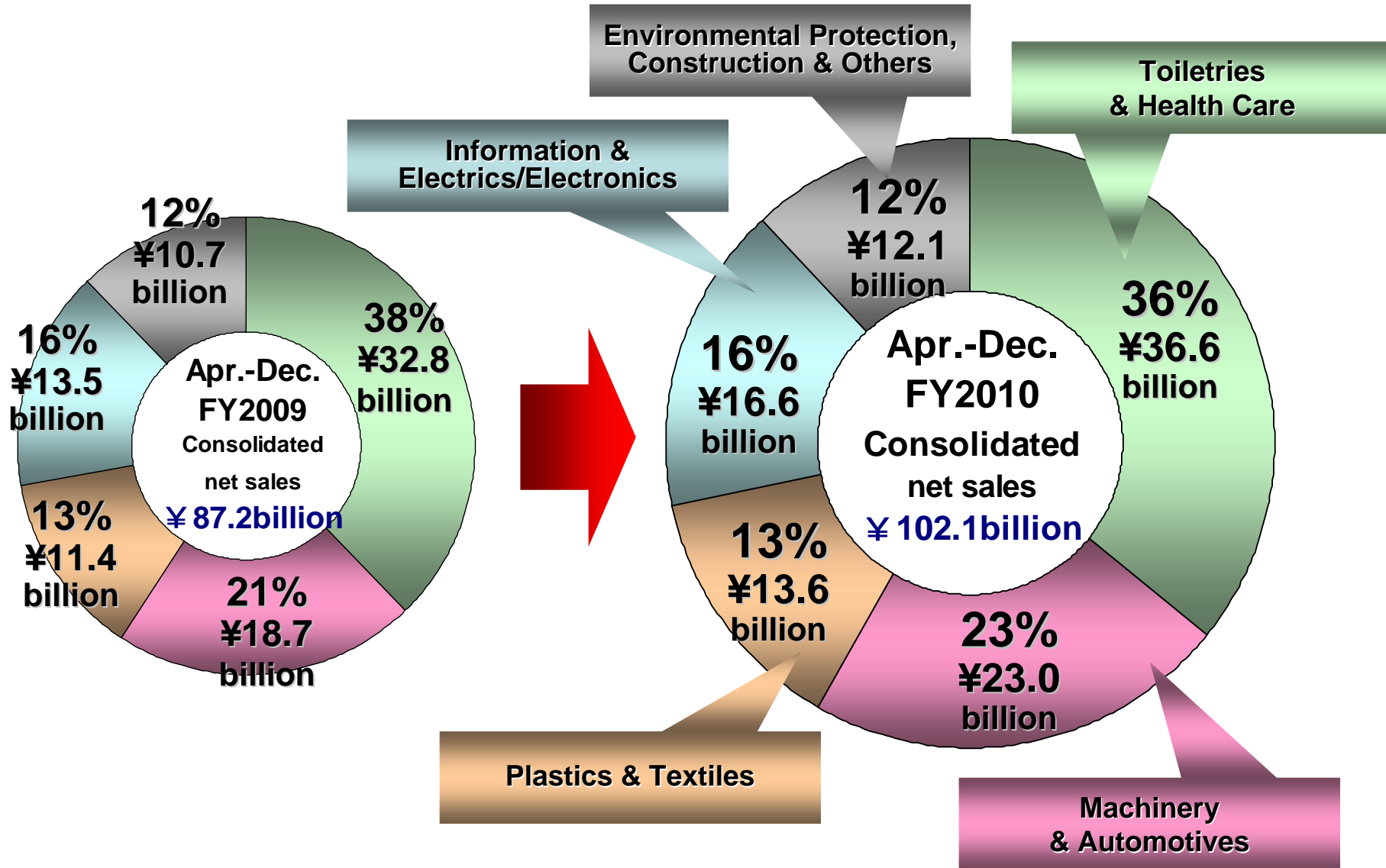
Line of Business:

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

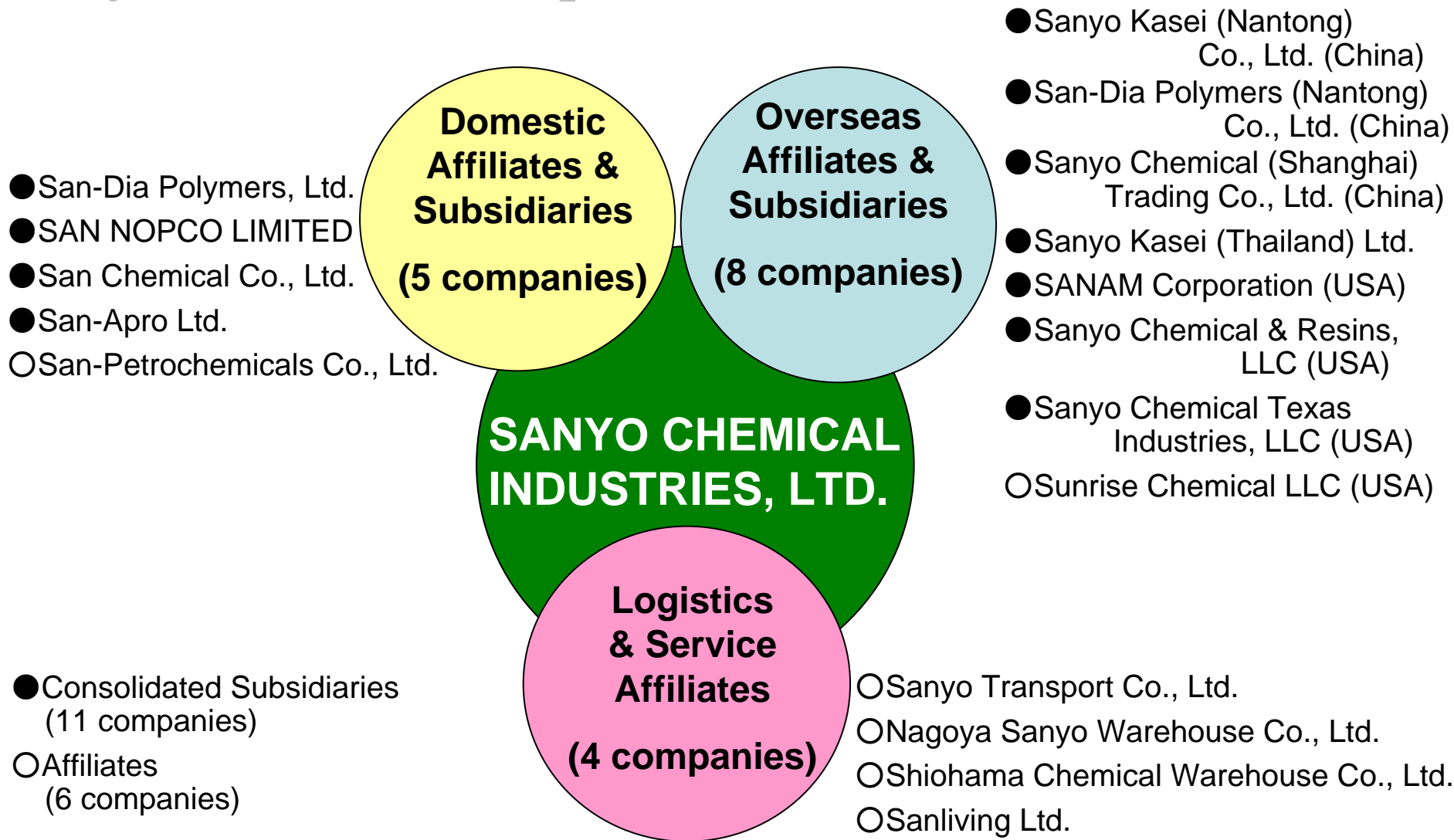
Principal Products by Product Group

Class.	Sub-category	Principal products
Toiletries & Health Care	Toiletries	Surfactants for Detergents, Surfactants for Hair Care Products,
	Health Care	Superabsorbent Polymers (SAP), Base Materials for Pharmaceuticals, EIA Diagnostic Reagents, Potting Resins for Artificial Kidneys
Machinery & Automotives		Polyurethane Beads for Interior Parts of Automobiles , Raw Materials for Polyurethane Foams (PPG), Lubricating Oil Additives, Additives for Fuel Oils, Water-Soluble Cutting Fluids, CFC-Free Cleaning Agents, Base Materials for Synthetic Lubricants, Paste resin for design model
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 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 (PPG), Water-Swellable Sealants, Slurry Agents, Reactive Hot-Melt Adhesives

Proportion of Net Sales by Product Group (1-3Q in FY2010)



Sanyo Chemical Group



Domestic Consolidated Subsidiaries (4 companies)

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

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 and polyurethane resins
San-Dia Polymers (Nantong) Co., Ltd. [China]	SDN	San-Dia Polymers	100%	Manufacture & 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 & others	89% 11%	Manufacture & sales of surfactants and polyurethane resins
SANAM Corporation [USA]	SANAM	Sanyo Chemical	100%	Supervising of subsidiaries and an affiliate in USA
Sanyo Chemical & Resins, LLC [USA]	SCR	SANAM	100%	Manufacture of toner resins
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 & sales of raw materials for synthetic rubbers
Sunrise Chemical LLC [USA]	SRC	SANAM 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 Chemicals 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 1-3Q in FY2010

Yen amounts are rounded down. Ratios are rounded off.

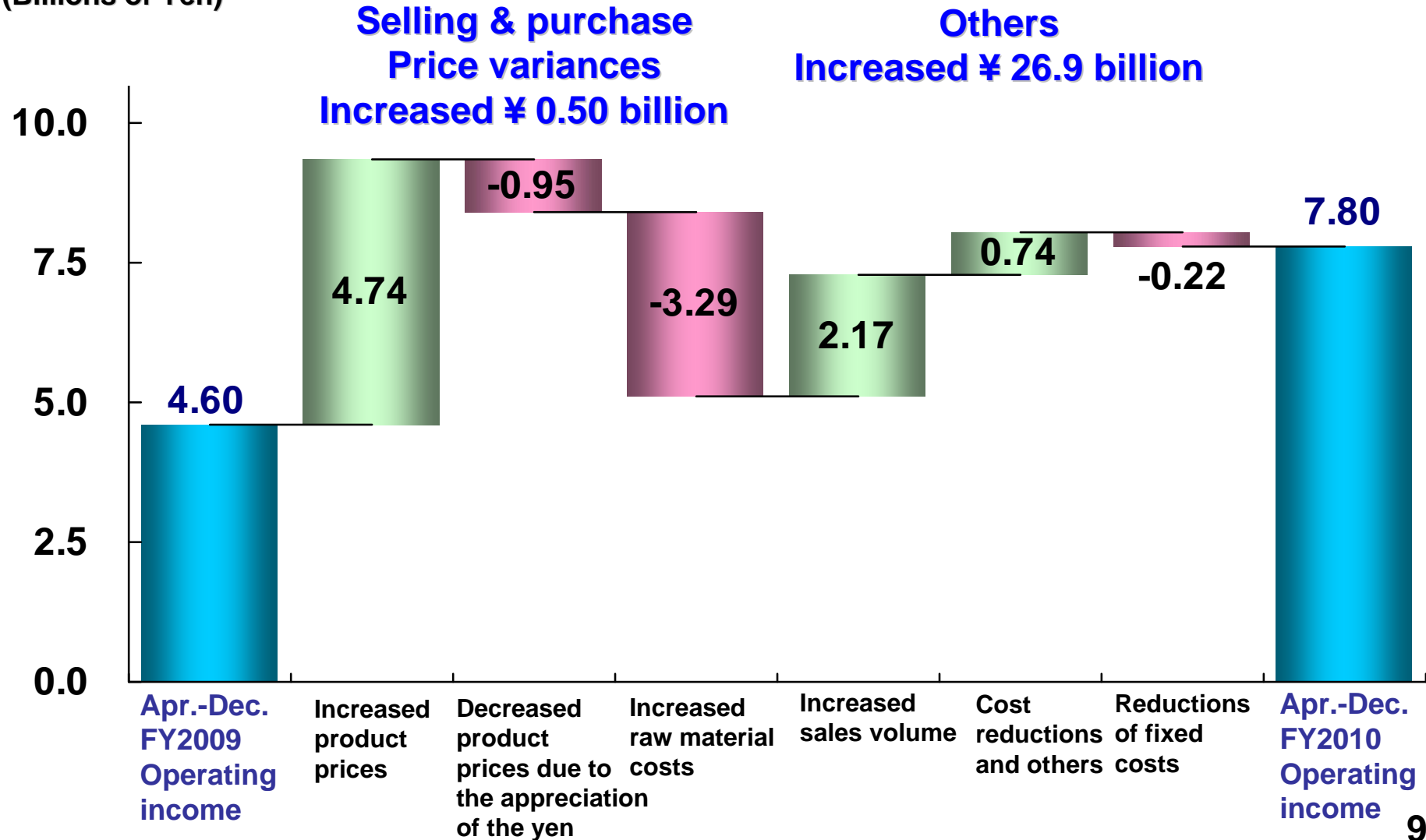
(Billions of Yen)

	April-December		Year on year change	
	FY2010	FY2009	Amount	Ratio (%)
Net sales	102.15	87.22	14.93	17
Operating income	7.80	4.60	3.19	69
Ordinary income	8.48	4.64	3.83	83
Net income	4.75	1.94	2.81	2.4 times

Analysis of Changed Consolidated Operating Income

¥ 3.19 billion increased from the previous year

(Billions of Yen)



Analysis of Changed Consolidated Net Income

(Billions of Yen)

	April-December		Year on year change
	FY2010	FY2009	
Operating income	7.80	4.60	3.19
Equity in earnings of unconsolidated affiliates	0.45	(0.16)	0.62
Exchange gain and loss	(0.28)	(0.09)	(0.18)
Other non-operating expenses	0.50	0.29	0.20
Ordinary income	8.48	4.64	3.83
Loss on disposal of property, plant and equipment	(0.20)	(0.15)	(0.05)
Gain (loss) on investment securities	0	(0.41)	0.41
Other extraordinary income (expenses)	0.18	(0.04)	0.23
Income before income taxes & minority interests	8.45	4.02	4.43
Income taxes, etc.	(2.87)	(1.51)	(1.35)
Minority interests	(0.82)	(0.55)	(0.26)
Net income	4.75	1.94	2.81

Non-Consolidated Results of Operations for 1-3Q in FY2010

Yen amounts are rounded down. Ratios are rounded off.

(Billions of Yen)

	April-December		Year on year change	
	FY2010	FY2009	Amount	Ratio (%)
Net sales	70.68	61.04	9.64	16
Operating income	3.80	2.27	1.52	67
Ordinary income	5.30	3.41	1.88	55
Net income	3.69	1.98	1.70	86

Analysis of Changed Non-Consolidated Operating Income

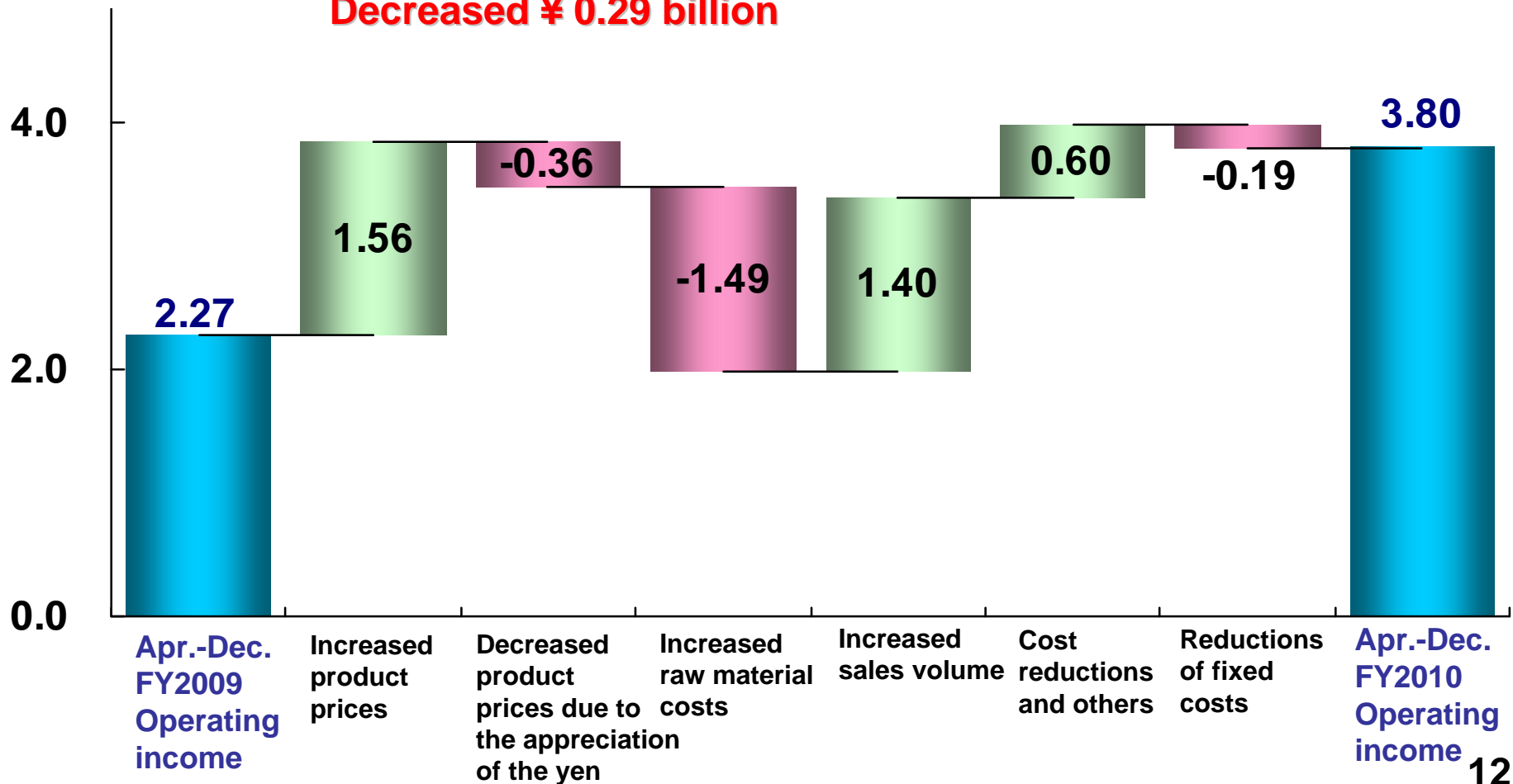
¥ 1.52 billion increased from the previous year



**Selling & purchase
Price variances
Decreased ¥ 0.29 billion**

**Others
Increased ¥ 1.81 billion**

(Billions of Yen)



Analysis of Changed Non-Consolidated Net Income

(Billions of Yen)

	April-December		Year on year change
	FY2010	FY2009	
Operating income	3.80	2.27	1.52
Dividends income	1.13	0.81	0.31
Exchange gain and loss	(0.14)	(0.11)	(0.02)
Other non-operating expenses	0.51	0.43	0.07
Ordinary income	5.30	3.41	1.88
Loss on disposal of property, plant and equipment	(0.17)	(0.12)	(0.05)
Gain (loss) on investment securities	0	(0.41)	0.41
Other extraordinary income (expenses)	0.12	(0.04)	0.17
Income before income taxes & minority interests	5.24	2.83	2.41
Income taxes, etc.	(1.55)	(0.84)	(0.70)
Net income	3.69	1.98	1.70

Consolidated Balance Sheet as of December 31, 2010

(Billions of Yen)

	Dec. 31 2010	Mar. 31 2010	Changed amount	Notes: Changed amount
Current assets	71.2	64.8	6.3	Increase of accounts receivable: 6.7, Increase of inventories: 0.9
Fixed assets	73.0	72.1	0.9	Investment in plant & equipment: 7.3, Depreciation: (5.6)
Assets	144.2	136.9	7.2	
Current liabilities	51.2	45.2	5.9	Increase of accounts payable: 4.8
Long-term liabilities	6.5	8.0	(1.5)	Long-term debt: (0.8), Provision for retirement benefits: (0.6)
Liabilities	57.7	53.2	4.4	Internal funds & borrowings will be assigned to redemption of ¥10 billion of convertible bonds at the end of March 2011.
Shareholder's equity	81.6	78.5	3.0	Net income: 4.7, Cash dividends paid: (0.16)
Valuation & translation adjustments	2.0	2.5	(0.5)	Foreign currency translation adjustment: (0.4)
Minority interests	2.8	2.5	0.2	
Net assets	86.5	83.7	2.8	
Liabilities & net assets	144.2	136.9	7.2	

Consolidated Cash Flows for 1-3Q in FY2010

(Billions of Yen)

	April-December		Changed amount	Notes: Changed amount
	FY2010	FY2009		
Operating activities	7.1	16.1	(9.0)	
Income before income taxes and minority interests	8.4	4.0	4.4	Improved profit
Depreciation and amortization	5.8	5.9	(0.1)	
(Increase) decrease in operating capital	(3.0)	4.8	(7.8)	Operating capital generated by a company growth
Income taxes paid	(2.9)	0.1	(3.0)	
Others	(1.2)	1.2	(2.5)	
Investing activities	(6.6)	(9.0)	2.4	Decrease of payments into time deposits of more than three months: 1.8, Decrease of purchases property, plant & equipment: 0.6
Free cash flows	0.4	7.1	(6.6)	
Financing activities	(2.1)	(2.4)	0.3	Increase of dividends: (0.4), Others: 0.7
Net increase in cash & cash equivalents	(1.9)	4.5	(6.4)	
Cash & cash equivalents at end of period	13.6	11.5	2.0	

Subsidiary Results of Operating for 1-3Q in FY2010

Internal sales among Sanyo Chemical Group are not eliminated.

11 Consolidated Subsidiaries

(Billions of Yen)

	April-December		Year on year change	
	FY2010	FY2009	Amount	Ratio (%)
Net sales	51.00	43.04	7.96	19
Operating income	3.80	2.13	1.67	78
Ordinary income	3.96	1.84	2.11	2.1 times

SDP Group (SDP & SDN)

(Billions of Yen)

	April-December		Year on year change	
	FY2010	FY2009	Amount	Ratio (%)
Net sales	24.15	20.91	3.23	15
Operating income	2.54	1.49	1.04	70
Ordinary income	2.44	1.42	1.01	71

Progress to Forecast of FY2010

(Billions of Yen)

Consolidated	FY2010 Annual		1-3Q FY2010		FY2009 Annual
	Forecast*	Year on year change (%)	Result	Progress to forecast (%)	Result
Net sales	135.00	13	102.15	76	119.19
Operating income	9.40	53	7.80	83	6.14
Ordinary income	10.00	66	8.48	85	6.01
Net income	5.70	2.2 times	4.75	83	2.54

Non-Consolidated	FY2010 Annual		1-3Q FY2010		FY2009 Annual
	Forecast*	Year on year change (%)	Result	Progress to forecast (%)	Result
Net sales	93.00	11	70.68	76	83.52
Operating income	4.70	50	3.80	81	3.13
Ordinary income	6.70	46	5.30	79	4.58
Net income	4.60	64	3.69	80	2.80

<Precondition for the forecast>

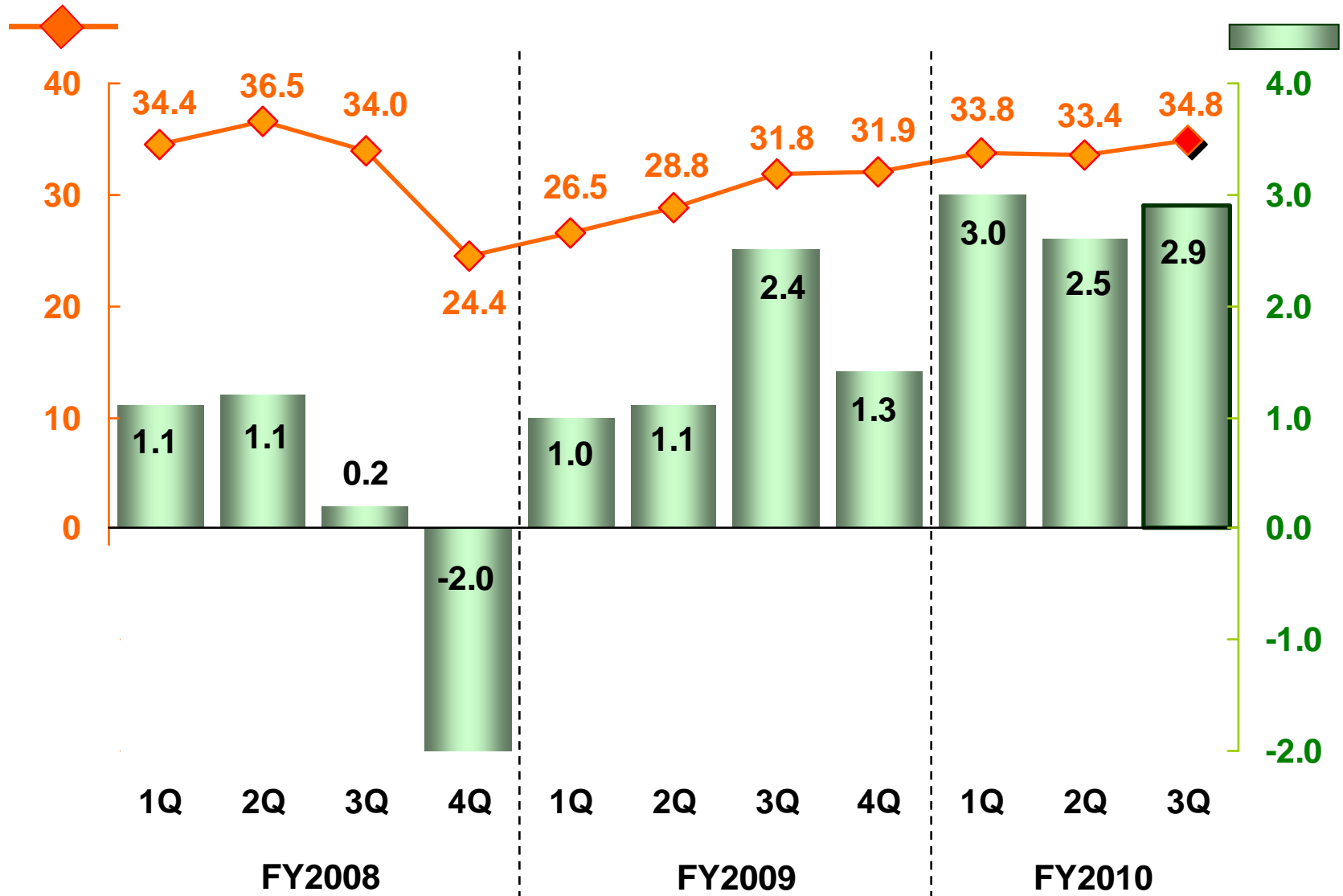
Domestic naphtha price: 45 thousand of Yen/kl, Exchange rate: 85 Yen/US\$

* We disclosed the amount on October 29, 2010.

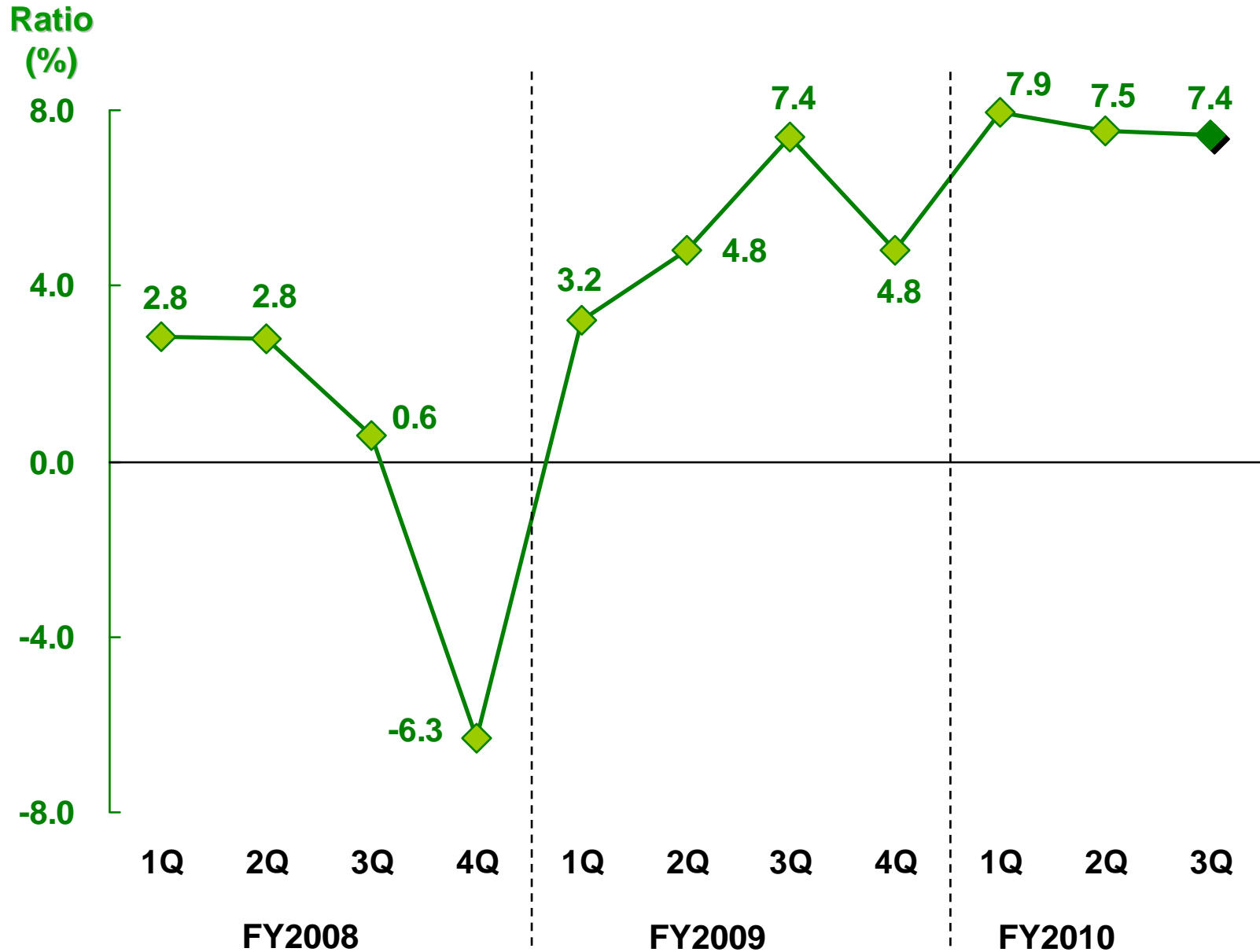
Consolidated Business Result Trend

Net sales
(Billions of Yen)

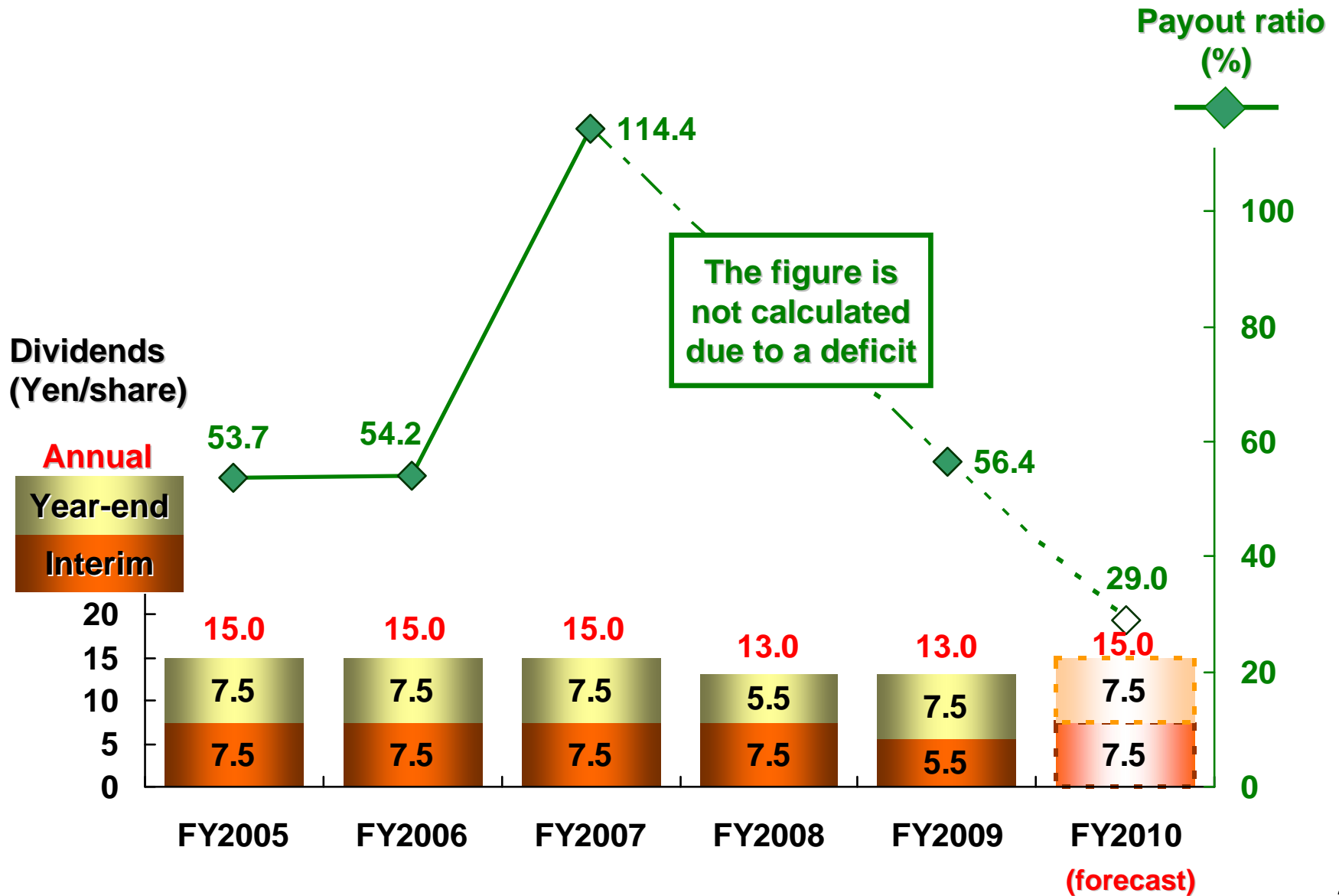
Ordinary income
(Billions of Yen)



Trend of Consolidated Operating Income Ratio



Trend of Dividends per Share & Payout Ratio (consolidated)



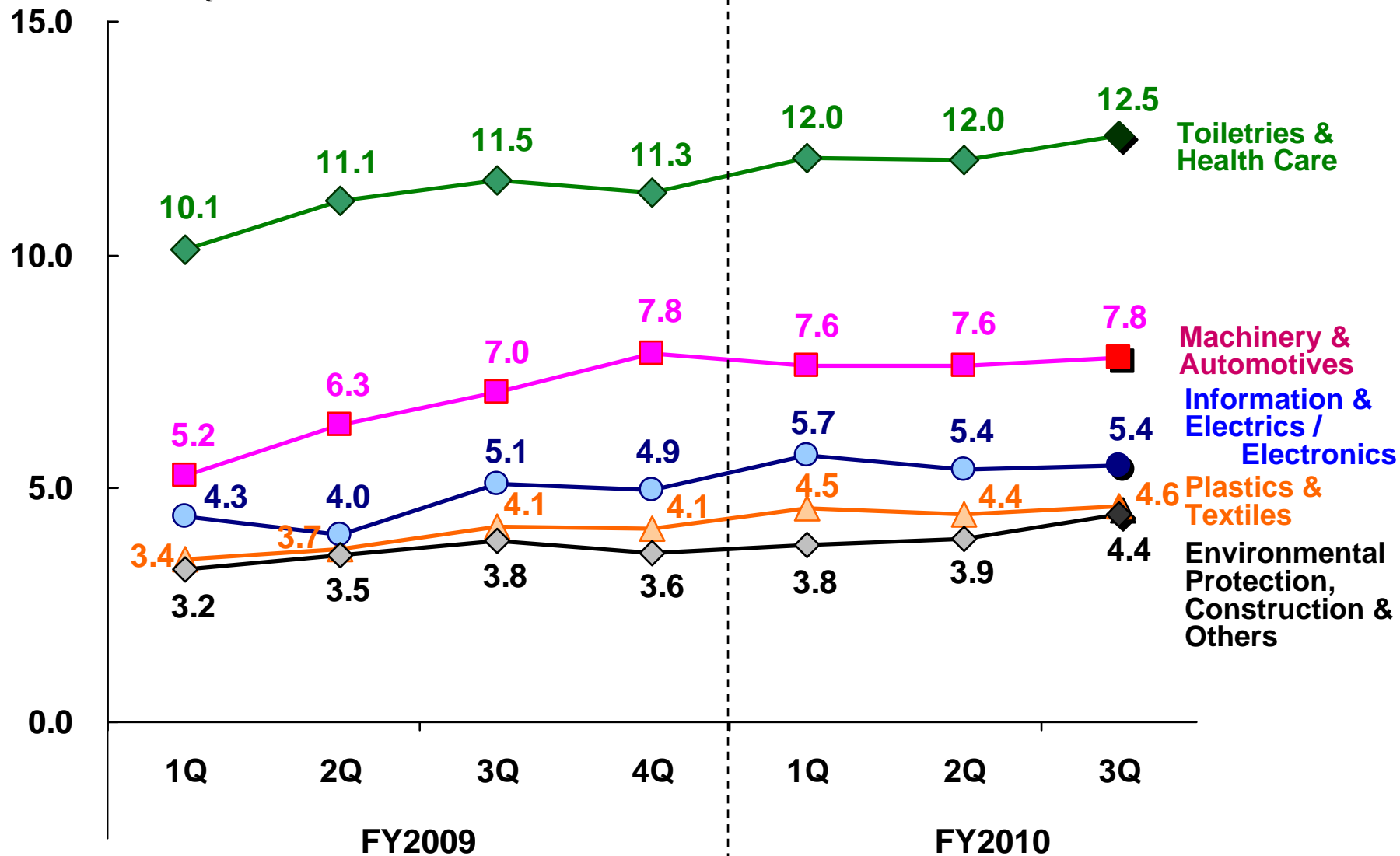
Consolidated Net Sales by Product Group

(Billions of Yen)

Product group	April-December		Year on year change	
	FY2010	FY2009	Amount	Ratio (%)
Toiletries & Health Care	36.67	32.86	3.81	12
Toiletries	10.15	9.80	0.34	4
Health Care	26.52	23.05	3.46	15
Machinery & Automotives	23.04	18.72	4.32	23
Plastics & Textiles	13.62	11.40	2.21	19
Plastics	8.08	6.99	1.08	16
Textiles	5.53	4.40	1.13	26
Information & Electrics / Electronics	16.64	13.51	3.12	23
Information	11.28	9.24	2.03	22
Electrics / Electronics	5.36	4.27	1.09	26
Environmental Protection, Construction & Others	12.16	10.71	1.44	13
Total	102.15	87.22	14.93	17

Consolidated Net Sales Trend by Product Group

Net sales
(Billions of Yen)



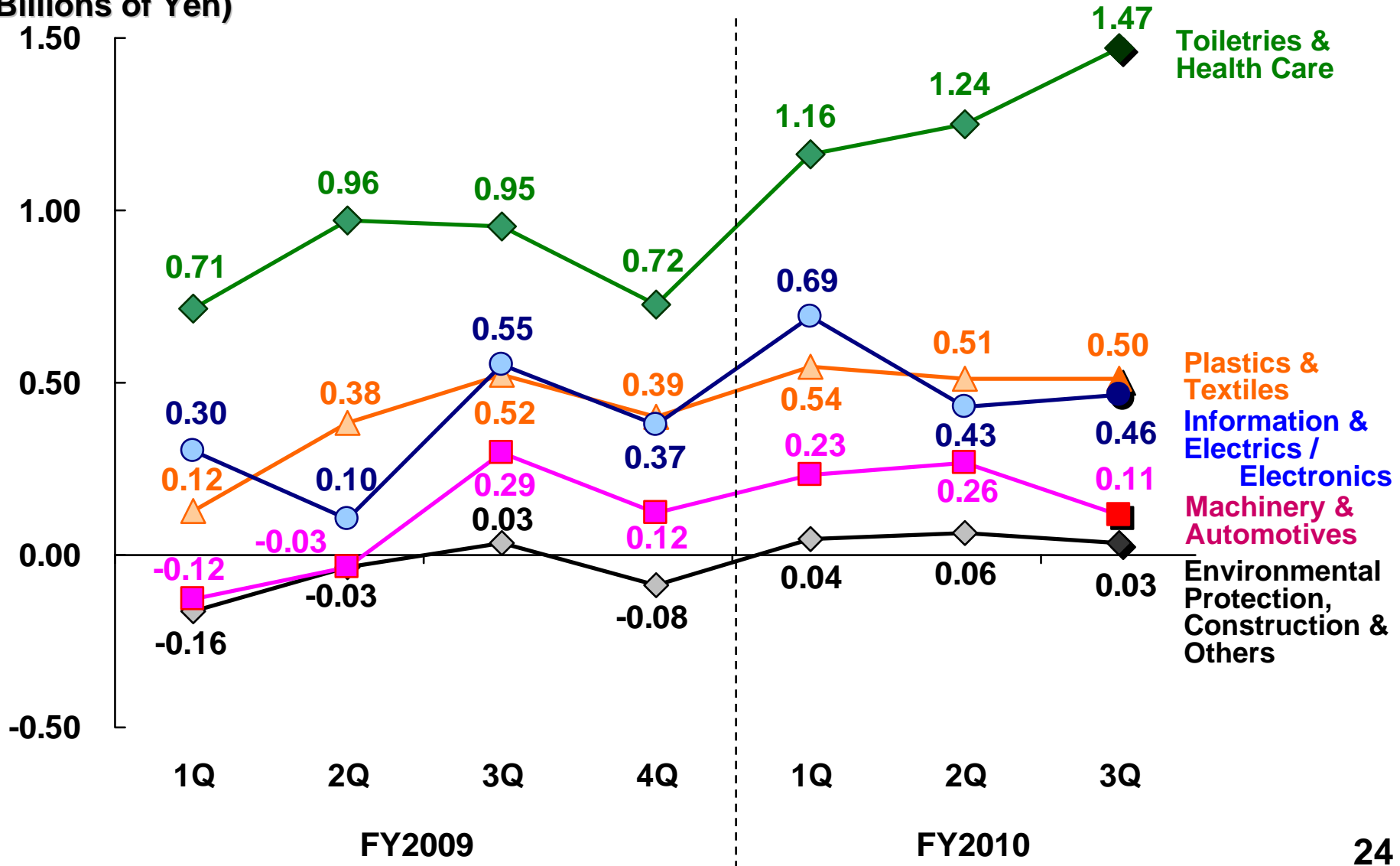
Consolidated Operating Income by Product Group

(Billions of Yen)

Product group	April-December		Year on year change	
	FY2010	FY2009	Amount	Ratio (%)
Toiletries & Health Care	3.88	2.63	1.24	47
Machinery & Automotives	0.61	0.13	0.48	4.6 times
Plastics & Textiles	1.56	1.03	0.53	51
Information & Electrics / Electronics	1.58	0.96	0.62	65
Environmental Protection, Construction & Others	0.14	(0.16)	0.31	Got into the black
Total	7.80	4.60	3.19	69

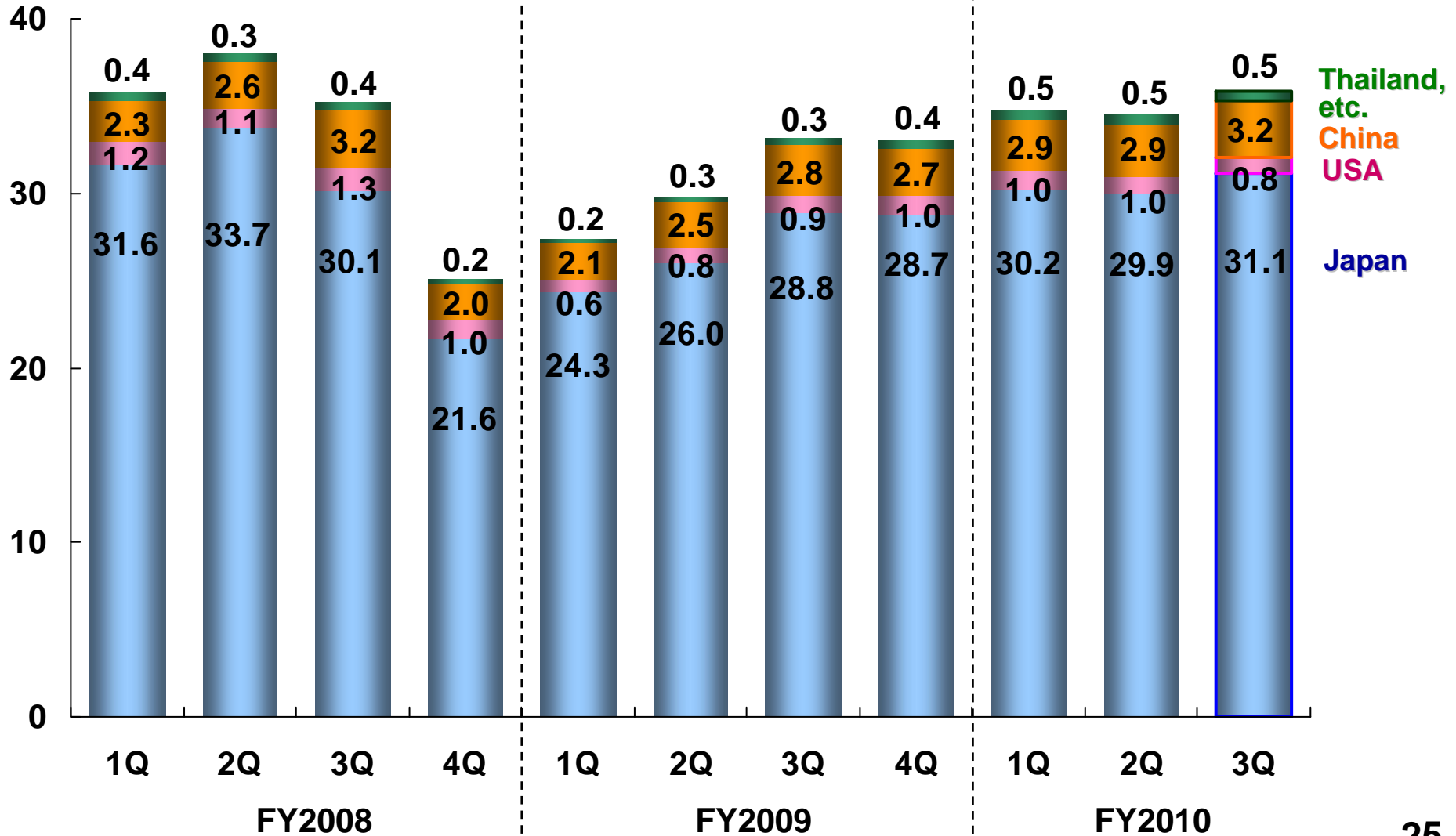
Consolidated Operating Income Trend by Product Group

Operating income
(Billions of Yen)



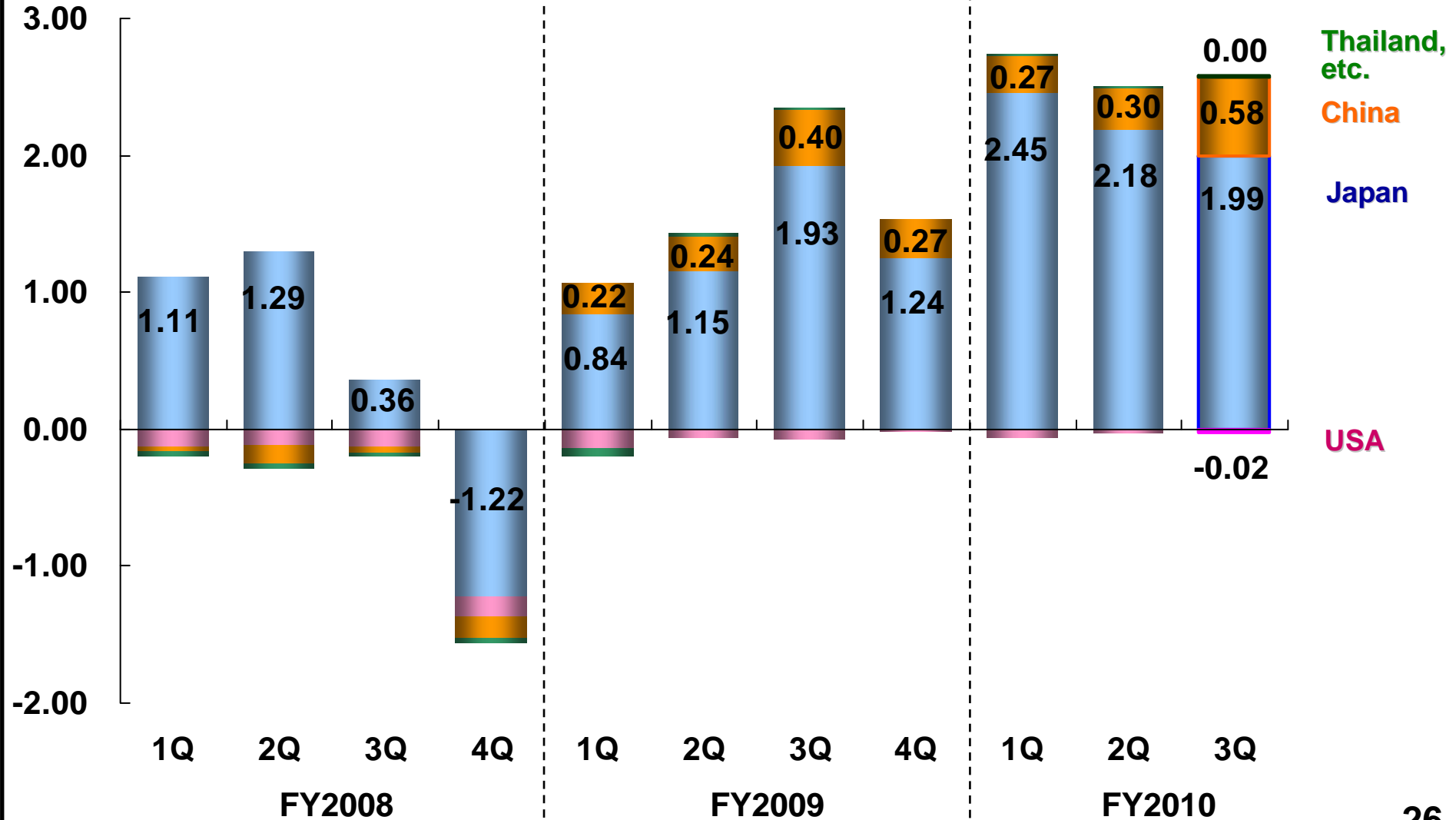
Geographic Segments (Net Sales)

Net sales
(Billions of Yen)



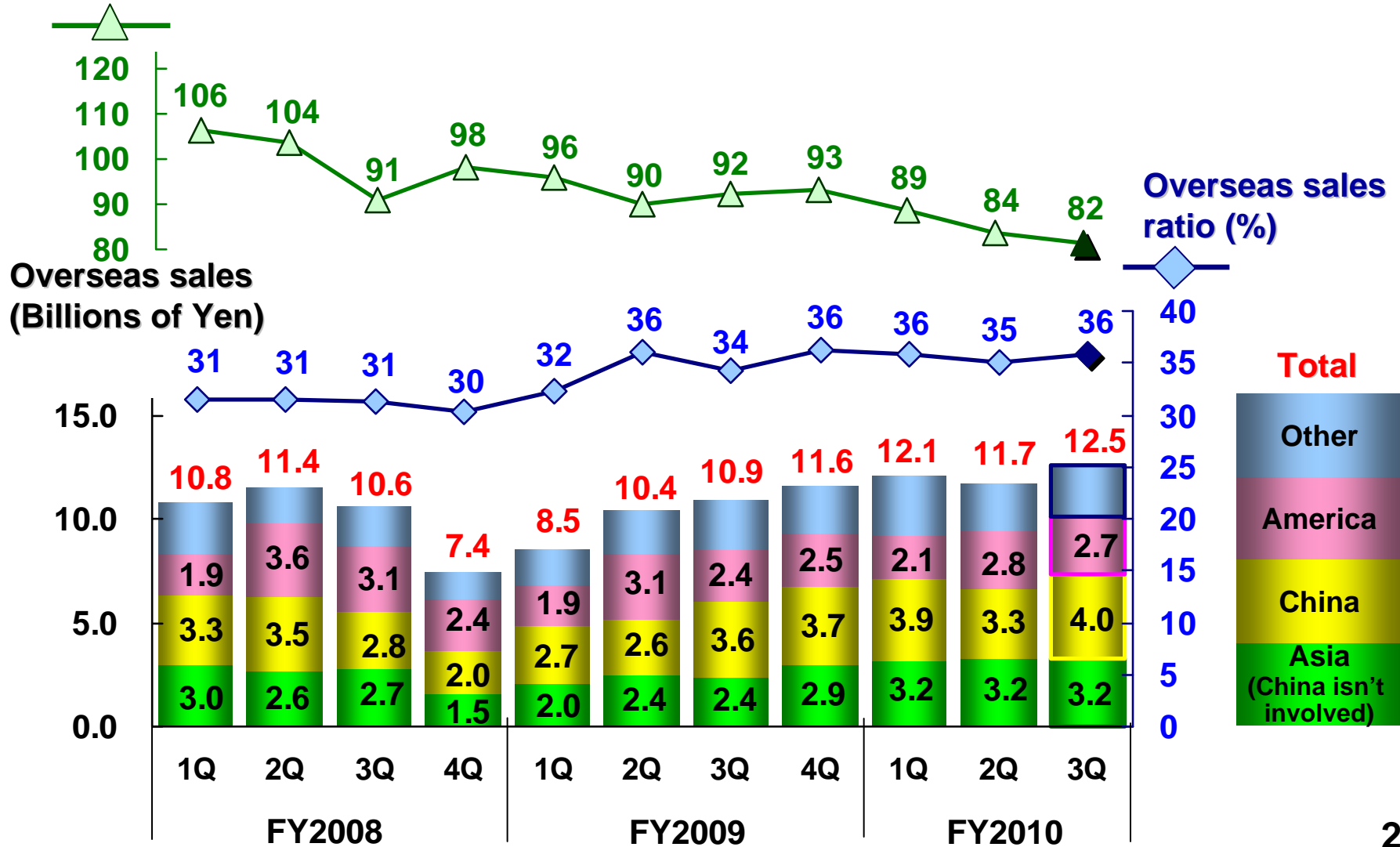
Geographic Segments (Operating Income)

Operating income
(Billions of Yen)



Consolidated Overseas Sales Trend

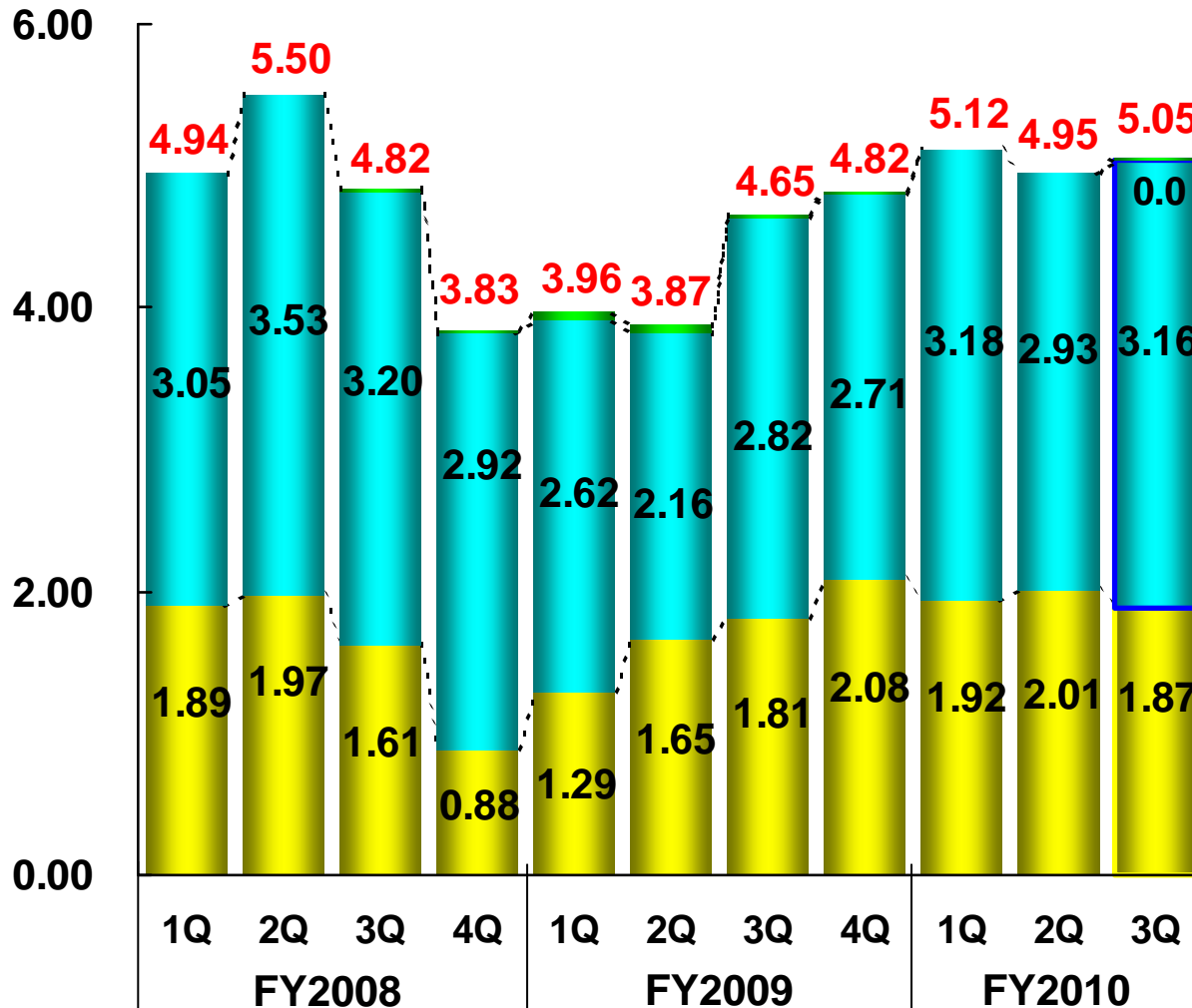
Exchange rate (¥ / US\$)
(At the end of each period)



Strategic Product 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)



- | Total | Main items |
|-------------------------------|---|
| Environmental & biotechnology | <ul style="list-style-type: none"> High performance polymer flocculants |
| Copiers & electronics | <ul style="list-style-type: none"> Polyester beads used as a core component of polymerization toners Permanent antistatic agents Cleaners for electronic materials |
| Automobiles | <ul style="list-style-type: none"> Thermoplastic polyurethane beads for the interior parts of automobiles |

Consolidated Investment in Plant & Equipment, and Depreciation & Amortization

