

A Statement of Accounts
For the Three Months Ended June 30, 2012
1st Quarter in Fiscal Year 2012
(1Q-FY2012)

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 July 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

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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)

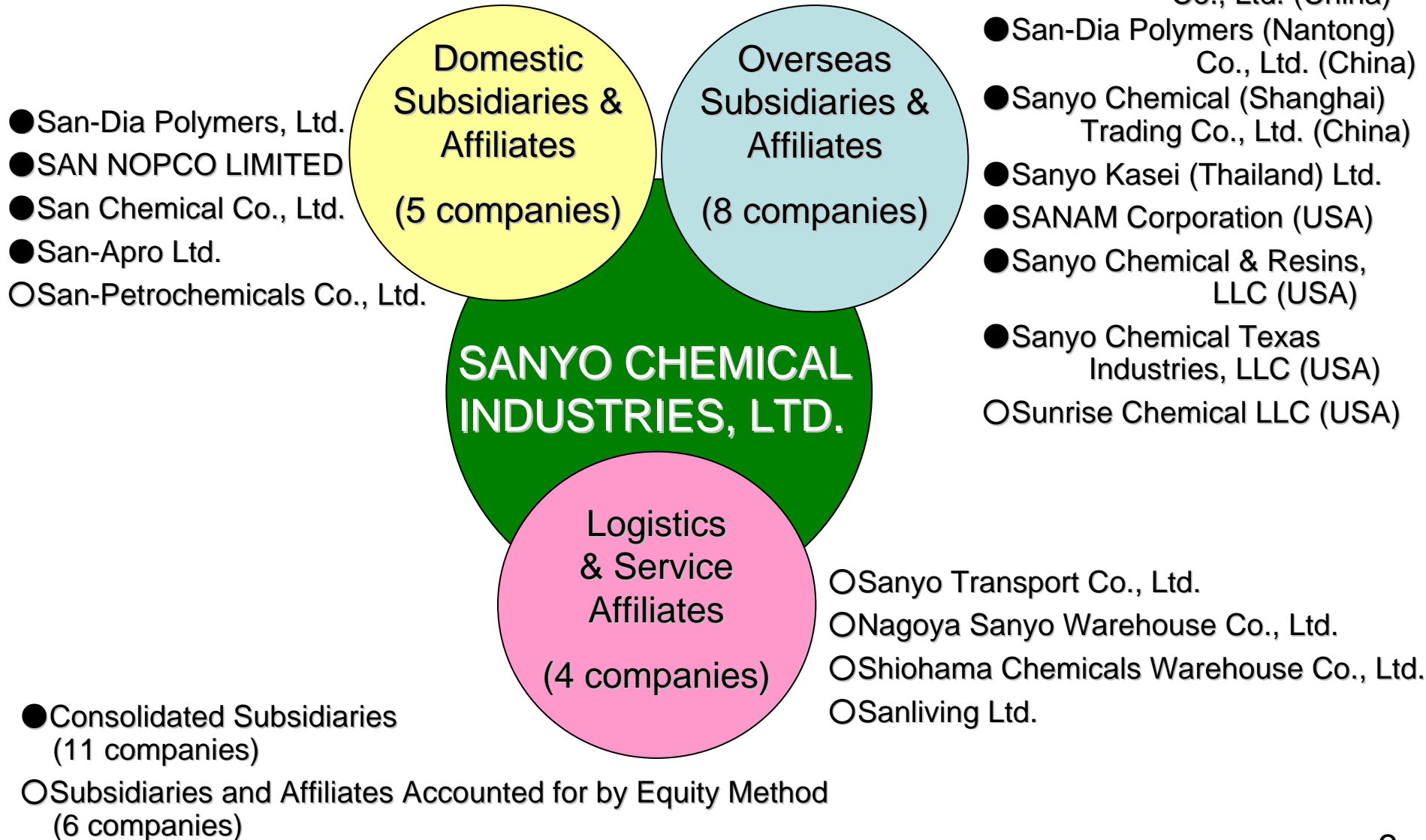
Consolidated Number of Employees:

1,843 (as of Jun 30, 2012)

Line of Business:

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

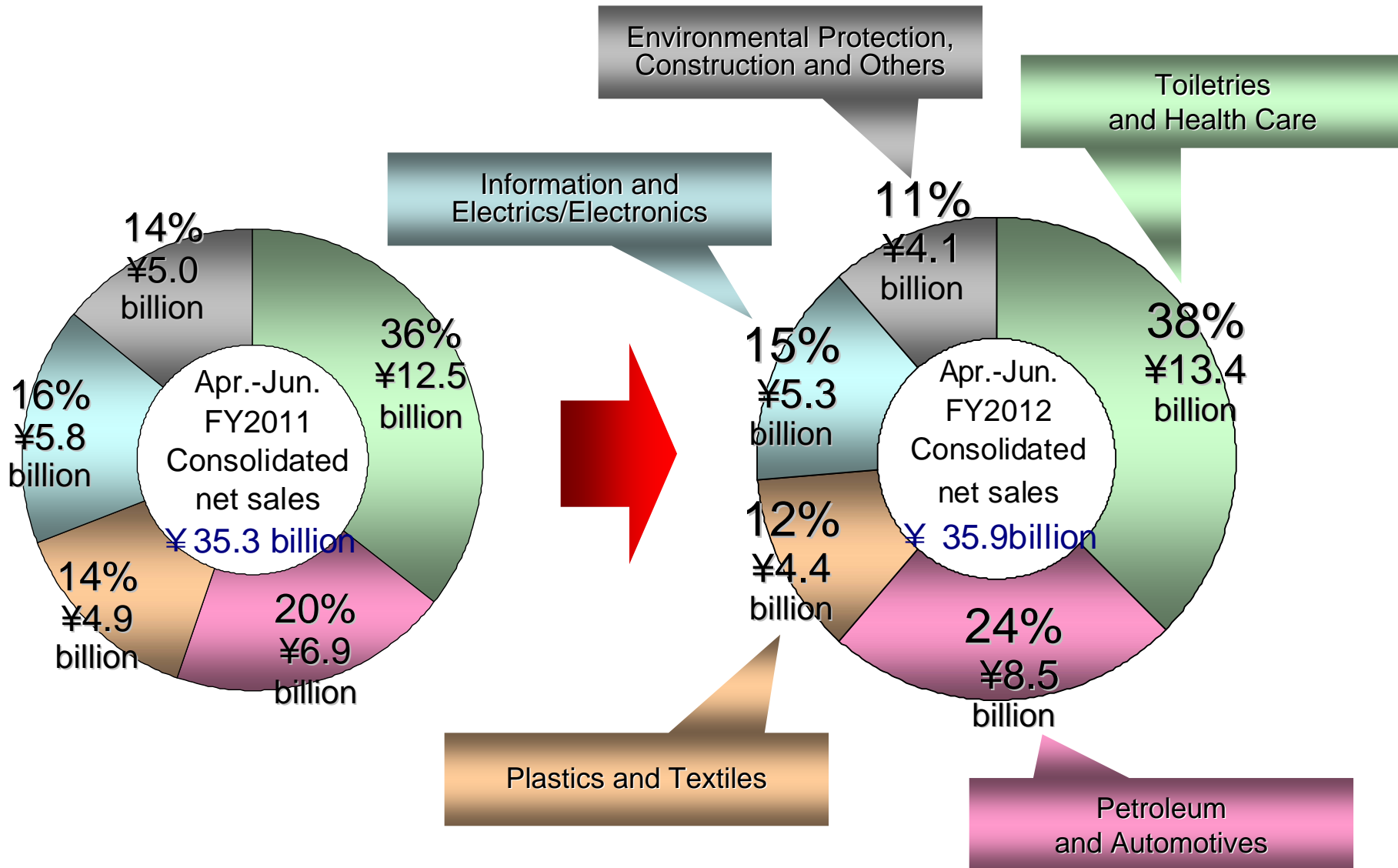
Sanyo Chemical Group



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, Surgical Hemostatic Sealants, 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



Results of Operations for 1Q in FY2012

(Billions of yen)

Consolidated	April-June		Year on Year Change	
	FY2012	FY2011	Amount	Ratio (%)
Net sales	35.92	35.37	0.54	2
Operating income	1.63	2.33	(0.69)	(30)
Ordinary income	2.24	2.89	(0.64)	(22)
Net income	1.17	1.50	(0.33)	(22)
Comprehensive income	0.94	1.84	(0.89)	(48)

(Billions of yen)

Unconsolidated	April-June		Year on Year Change	
	FY2012	FY2011	Amount	Ratio (%)
Net sales	24.35	24.81	(0.45)	(2)
Operating income	1.09	0.94	0.15	16
Ordinary income	1.87	1.65	0.22	14
Net income	1.14	1.03	0.10	11

Results of Operations for 1Q in FY2012

Internal sales among Sanyo Chemical Group are not eliminated.

Consolidated Subsidiaries (11 companies)

(Billions of yen)

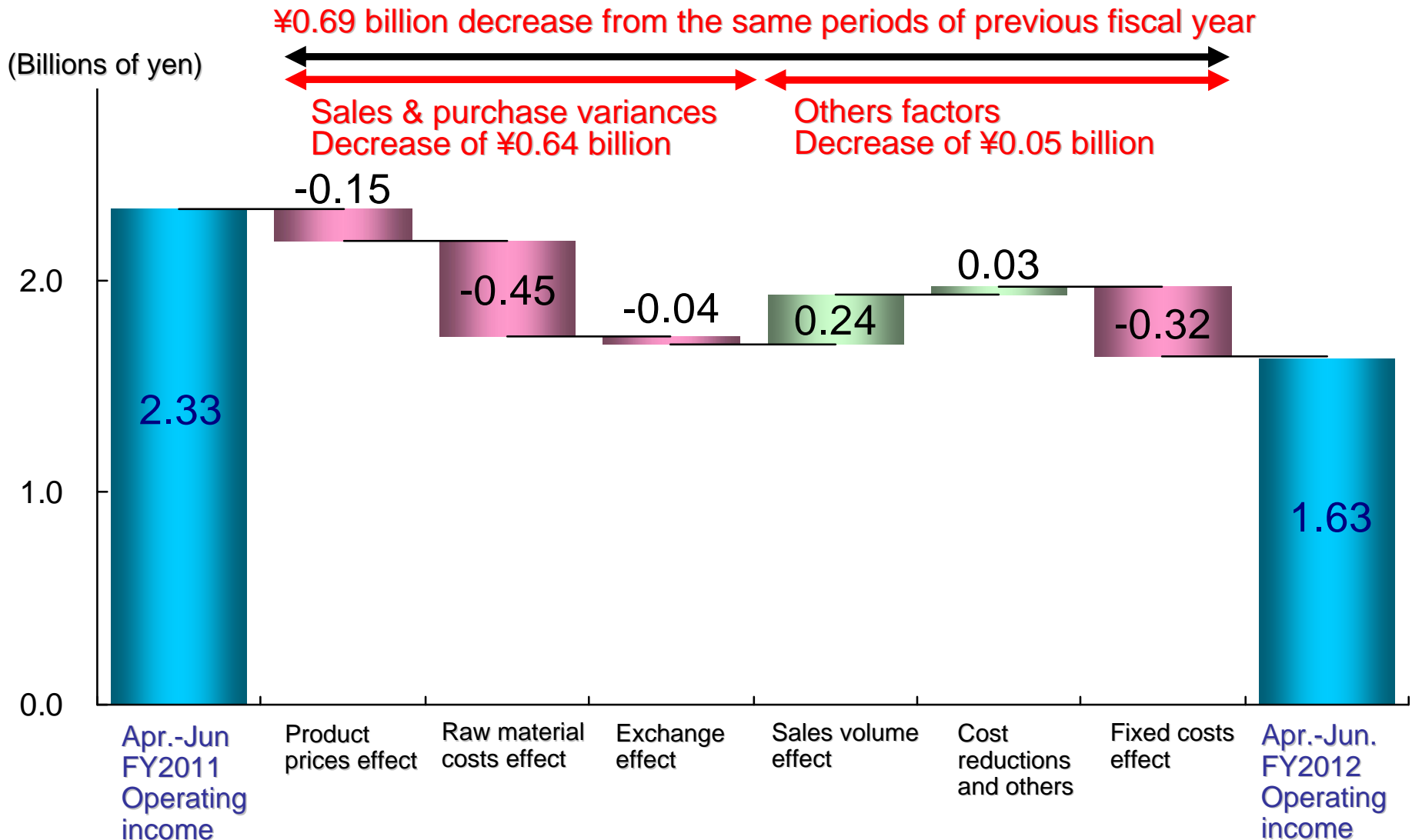
	April-June		Year on Year Change	
	FY2012	FY2011	Amount	Ratio (%)
Net sales	18.61	18.32	0.29	2
Operating income	0.43	1.28	(0.84)	(66)
Ordinary income	0.85	1.51	(0.65)	(44)

Of which, SDP Group (SDP and SDN)

(Billions of yen)

	April-June		Year on Year Change	
	FY2012	FY2011	Amount	Ratio (%)
Net sales	9.20	8.00	1.20	15
Operating income	0.04	0.76	(0.72)	(94)
Ordinary income	0.31	0.83	(0.51)	(62)

Change in Consolidated Operating Income



Change in Consolidated Net Income

(Billions of yen)

	April-June		Year on Year Change
	FY2012	FY2011	
Operating income	1.63	2.33	(0.69)
Equity in earnings of unconsolidated subsidiaries and affiliates	0.21	0.24	(0.03)
Gain or loss on foreign exchange	0.09	0.04	0.05
Other non-operating profit and loss	0.30	0.26	0.03
Ordinary income	2.24	2.89	(0.64)
Gain and Loss on disposal/sales of property, plant and equipment	(0.12)	(0.08)	(0.04)
Other extraordinary income or loss	0.01	0.02	(0.01)
Income before income taxes and minority interests	2.14	2.83	(0.69)
Income taxes paid, etc.	(0.90)	(1.02)	0.12
Minority interests	(0.06)	(0.30)	0.23
Net income	1.17	1.50	(0.33)

(Billions of yen)

Consolidated Balance Sheet

	Jun. 30 2012	Mar. 31 2012	Changed amount	Main Change Factor*
Current assets	75.1	70.8	4.2	Cash and deposits: 3.2, Notes and accounts receivable-trade: 0.4, Inventories: 0.4
Fixed assets	77.7	78.3	(0.5)	Property, plant & equipment: 0.4, Investment securities: (1.0)
Assets	152.9	149.1	3.7	
Current liabilities	49.6	46.8	2.7	Notes and accounts payable-trade: 1.4, Short-term loans: 1.0
Long-term liabilities	13.0	11.8	1.2	Long-term debt: 1.6
Liabilities	62.7	58.6	4.0	
Shareholder's equity	84.5	84.1	0.3	Net income: 1.1, Cash dividends paid: (0.8)
Other comprehensive income	2.6	3.1	(0.4)	Unrealized gains on other securities: (0.9), Foreign currency translation adjustment: 0.5
Minority interests	3.0	3.2	(0.1)	
Net assets	90.2	90.5	(0.2)	
Total Liabilities and net assets	152.9	149.1	3.7	

* Each figure indicates the changed amount.

Consolidated Cash Flows

(Billions of yen)

	April-June		Changed amount	Main Change Factor*
	FY2012	FY2011		
Operating activities	4.5	1.8	2.6	
Income before income taxes and minority interests	2.1	2.8	(0.6)	
Depreciation and amortization	2.1	2.0	0.0	
Equity in earning of unconsolidated subsidiaries and affiliates	(0.2)	(0.2)	0.0	
(Increase) decrease in operating capital	0.7	(0.6)	1.4	Notes and accounts receivable-trade: 1.0, Inventories: 2.4, Notes and accounts payable: (2.1)
Income taxes	(0.4)	(1.6)	1.2	
Others	0.1	(0.4)	0.6	
Investing activities	(2.6)	(2.3)	(0.3)	
Free cash flows	1.8	(0.5)	2.3	
Financing activities	1.3	(0.4)	1.7	(1Q in FY2012) Loans: 3.2, Repayment: (1.0), Cash dividends paid: (0.8)
Increase (decrease) in cash and cash equivalents	3.2	(0.9)	4.2	
Cash and cash equivalents at beginning of period	9.3	12.0	(2.6)	
Cash and cash equivalents at end of period	12.6	11.1	1.5	

* Each figure indicates the changed amount.

Forecast for FY2012

(Billions of Yen)

Consolidated	Apr.-Sep. FY2012	Apr.-Jun. FY2012	Progress to Forecast (%)*	FY2012 Annual	FY2011 Annual	Year on Year Change (%)
	Forecast	Result		Forecast	Result	
Net sales	73.00	35.92	49	153.00	141.04	8
Operating income	3.40	1.63	48	8.30	5.76	44
Ordinary income	3.80	2.24	59	9.00	6.95	29
Net income	2.10	1.17	56	5.30	3.70	43

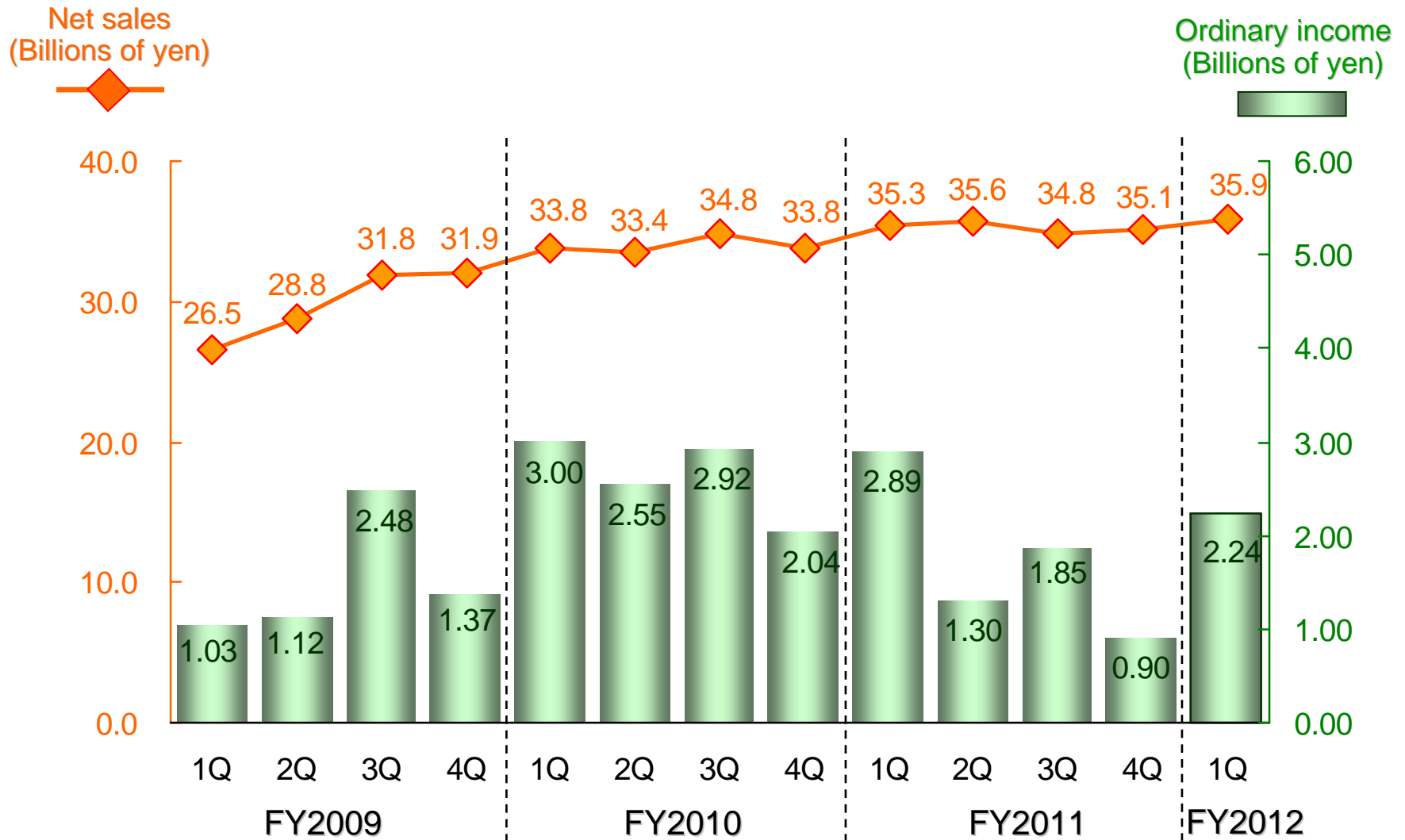
Un- consolidated	Apr.-Sep. FY2012	Apr.-Jun. FY2012	Progress to Forecast (%)*	FY2012 Annual	FY2011 Annual	Year on Year Change (%)
	Forecast	Result		Forecast	Result	
Net sales	50.00	24.35	49	103.00	98.05	5
Operating income	1.60	1.09	68	4.10	2.27	80
Ordinary income	3.00	1.87	63	6.50	5.17	26
Net income	2.20	1.14	52	4.70	3.53	33

<Precondition for the forecast>

Domestic naphtha price: 62 thousand of yen/kl, Foreign exchange rate: 80 yen/US\$

* Progress to forecast for the 1H-FY2012.

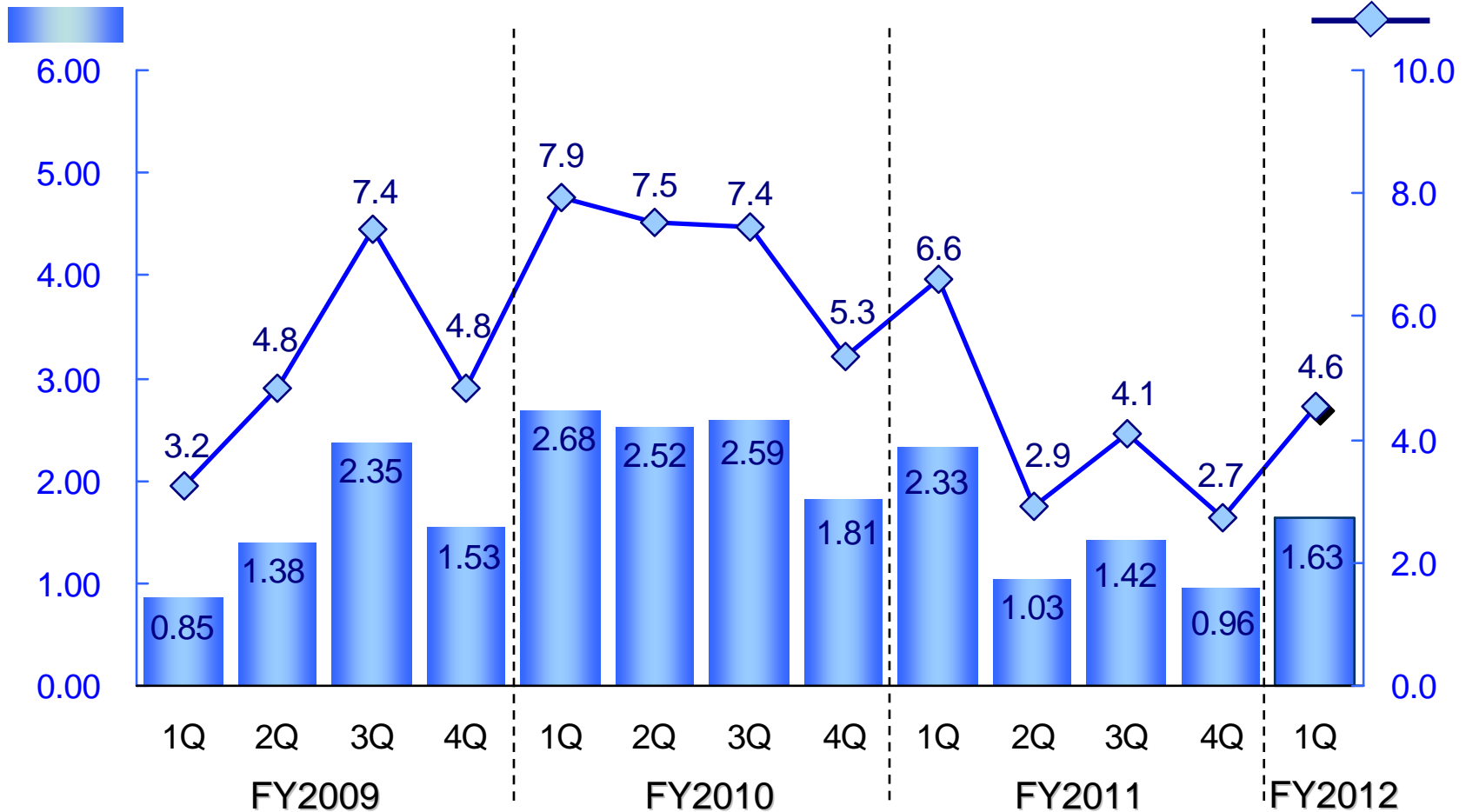
Consolidated Business Result Trend



Consolidated Operating Income Trend

Operating income
(Billions of yen)

Operating income
ratio (%)



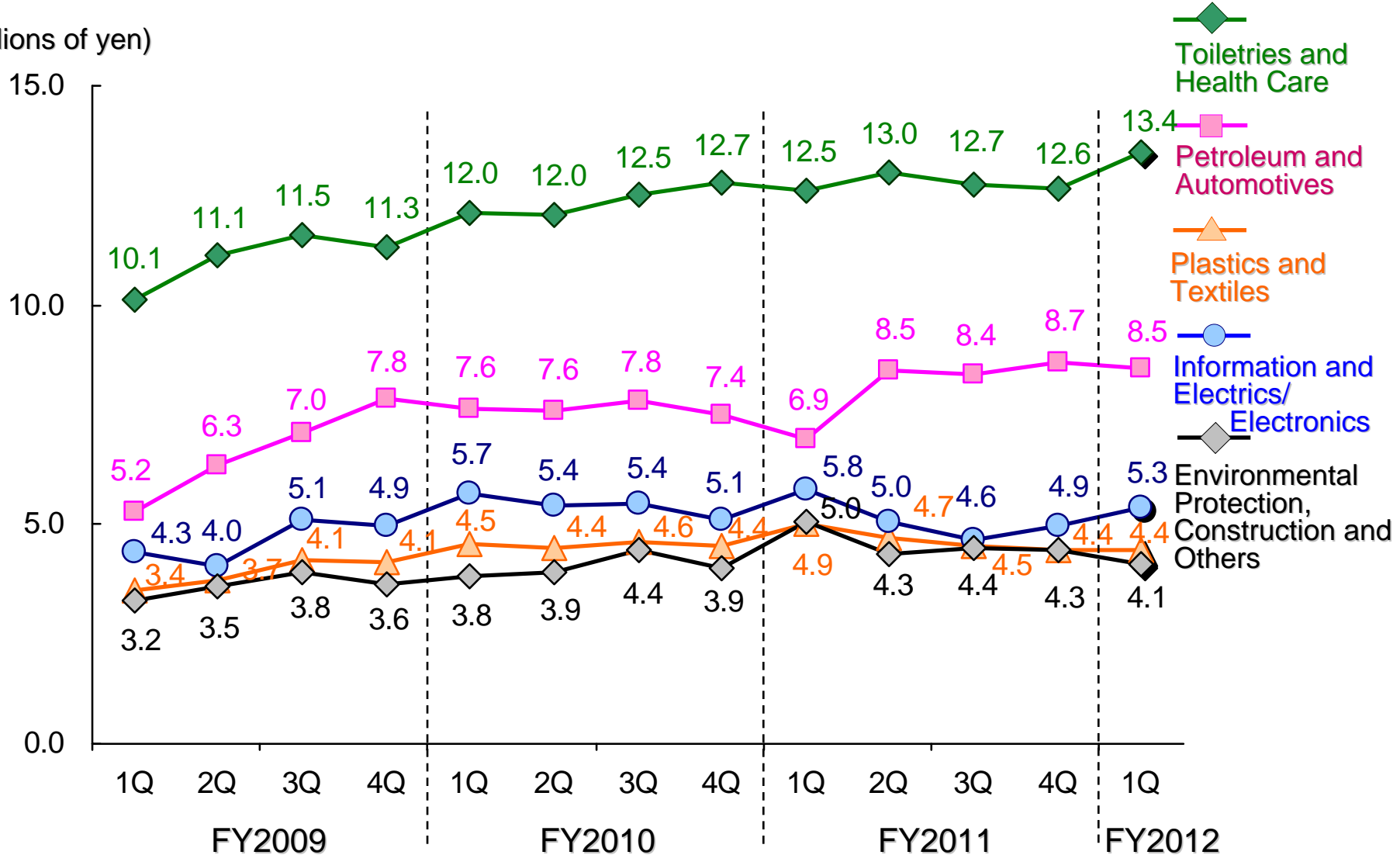
Consolidated Net Sales by Product Group

(Billions of yen)

Product Group	April-June		Year on Year Change	
	FY2012	FY2011	Amount	Ratio (%)
Toiletries and Health Care	13.47	12.58	0.88	7
Toiletries	3.48	3.83	(0.34)	(9)
Health Care	9.98	8.75	1.22	14
Petroleum and Automotives	8.56	6.92	1.64	24
Plastics and Textiles	4.41	4.99	(0.57)	(12)
Plastics	2.76	2.92	(0.16)	(6)
Textiles	1.65	2.06	(0.41)	(20)
Information and Electrics/Electronics	5.36	5.81	(0.44)	(8)
Information	4.17	3.80	0.36	10
Electrics/Electronics	1.19	2.00	(0.81)	(41)
Environmental Protection, Construction and Others	4.10	5.05	(0.95)	(19)
Total	35.92	35.37	0.54	2

Consolidated Net Sales Trend by Product Group

(Billions of yen)



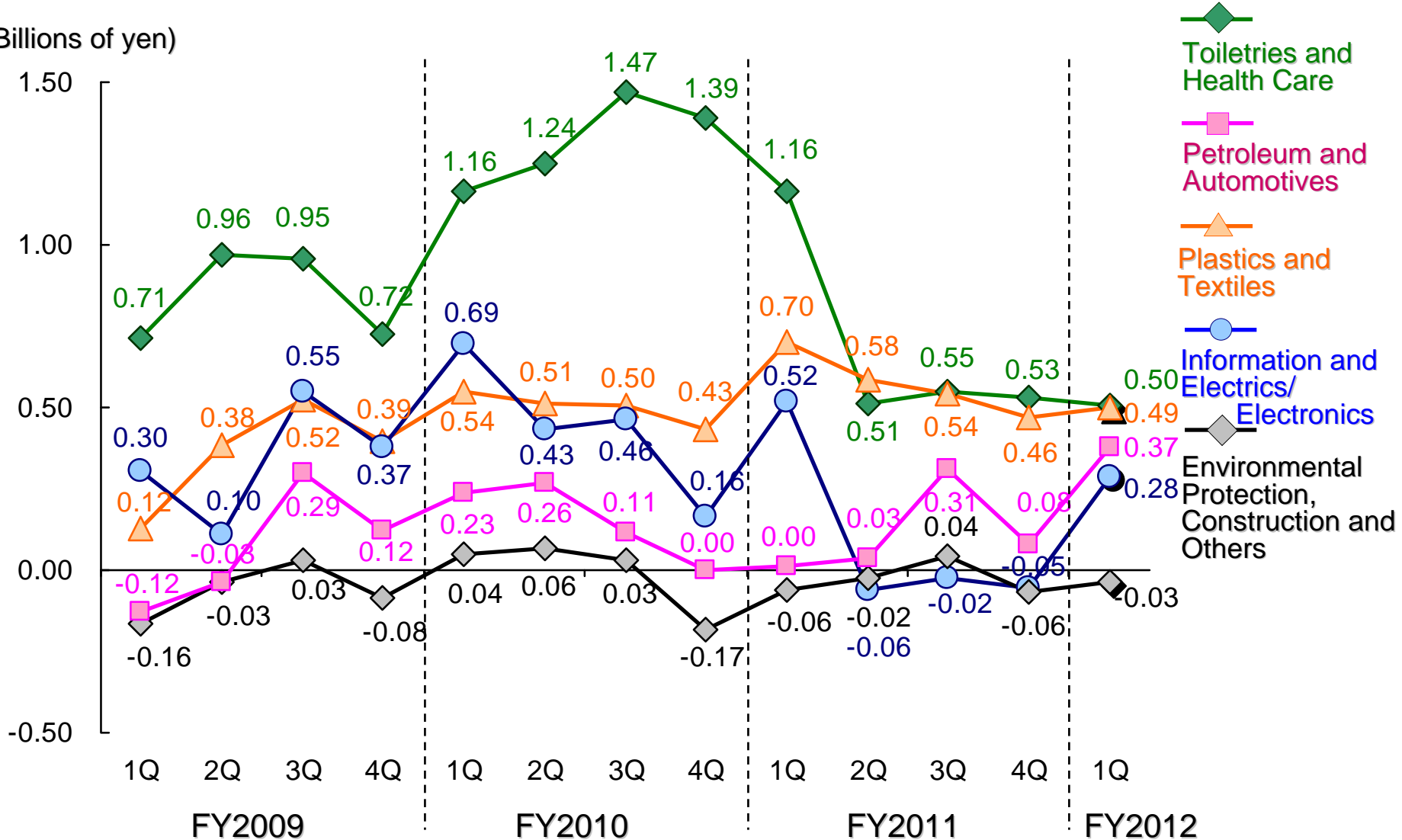
Consolidated Operating Income by Product Group

(Billions of yen)

Product Group	April-June		Year on Year Change	
	FY2012	FY2011	Amount	Ratio (%)
Toiletries and Health Care	0.50	1.16	(0.66)	(57)
Petroleum and Automotives	0.37	0.00	0.36	40.8 _{times}
Plastics and Textiles	0.49	0.70	(0.20)	(29)
Information and Electrics/Electronics	0.28	0.52	(0.23)	(44)
Environmental Protection, Construction and Others	(0.03)	(0.06)	0.02	—
Total	1.63	2.33	(0.69)	(30)

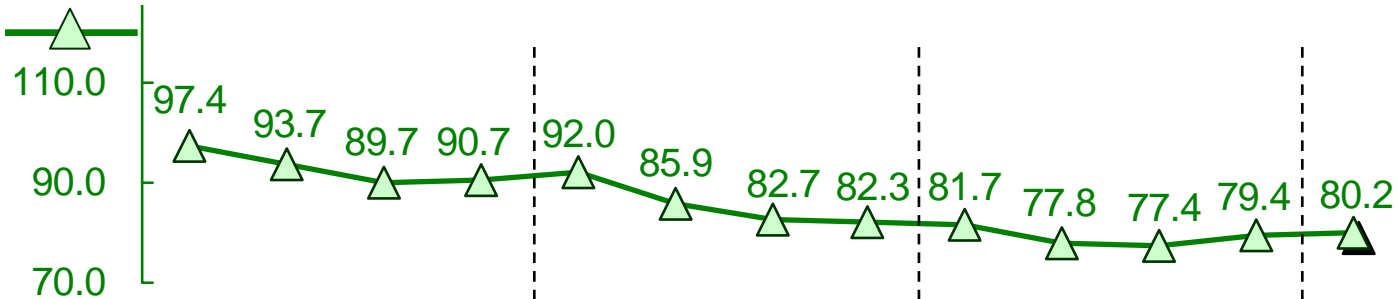
Consolidated Operating Income Trend by Product Group

(Billions of yen)

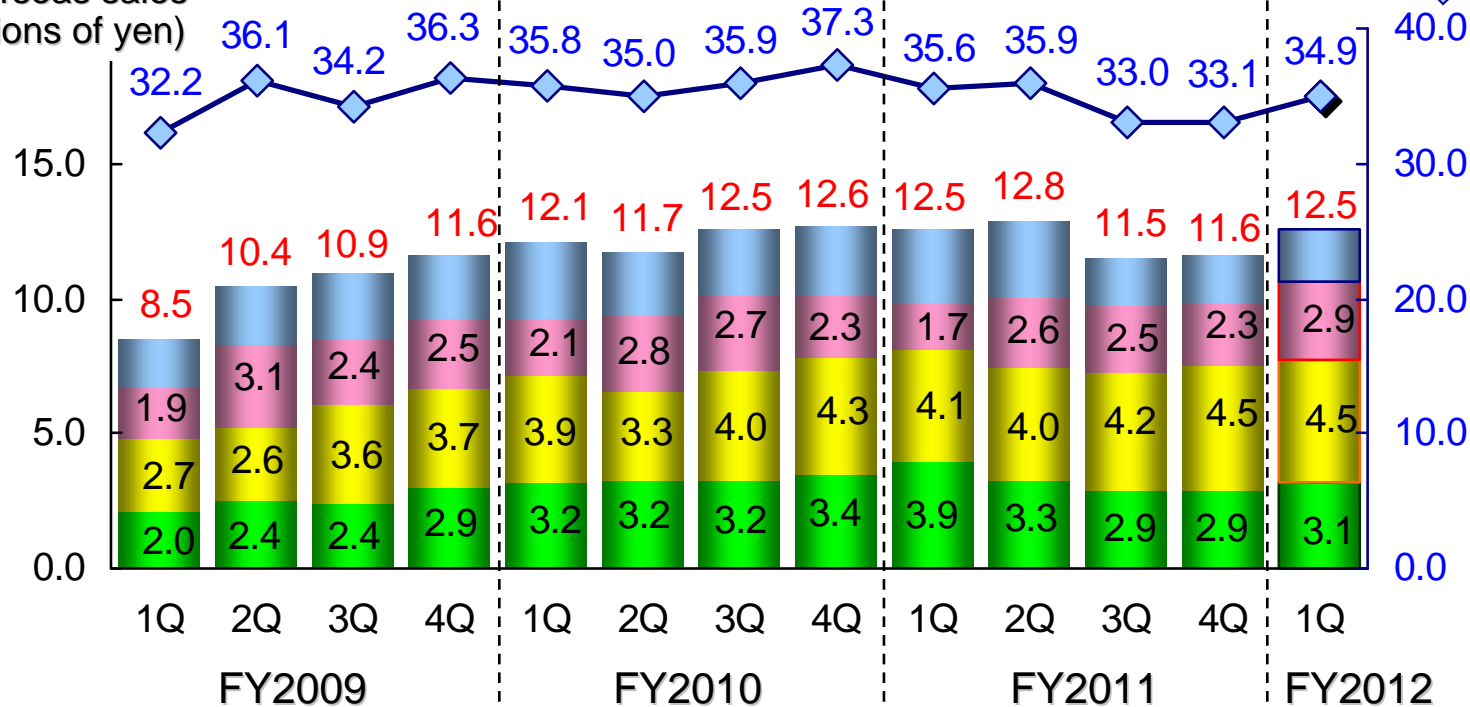


Consolidated Overseas Sales Trend

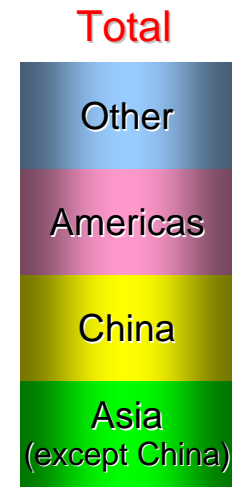
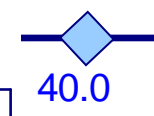
Average exchange rate
(Yen/US\$)



Overseas sales
(Billions of yen)



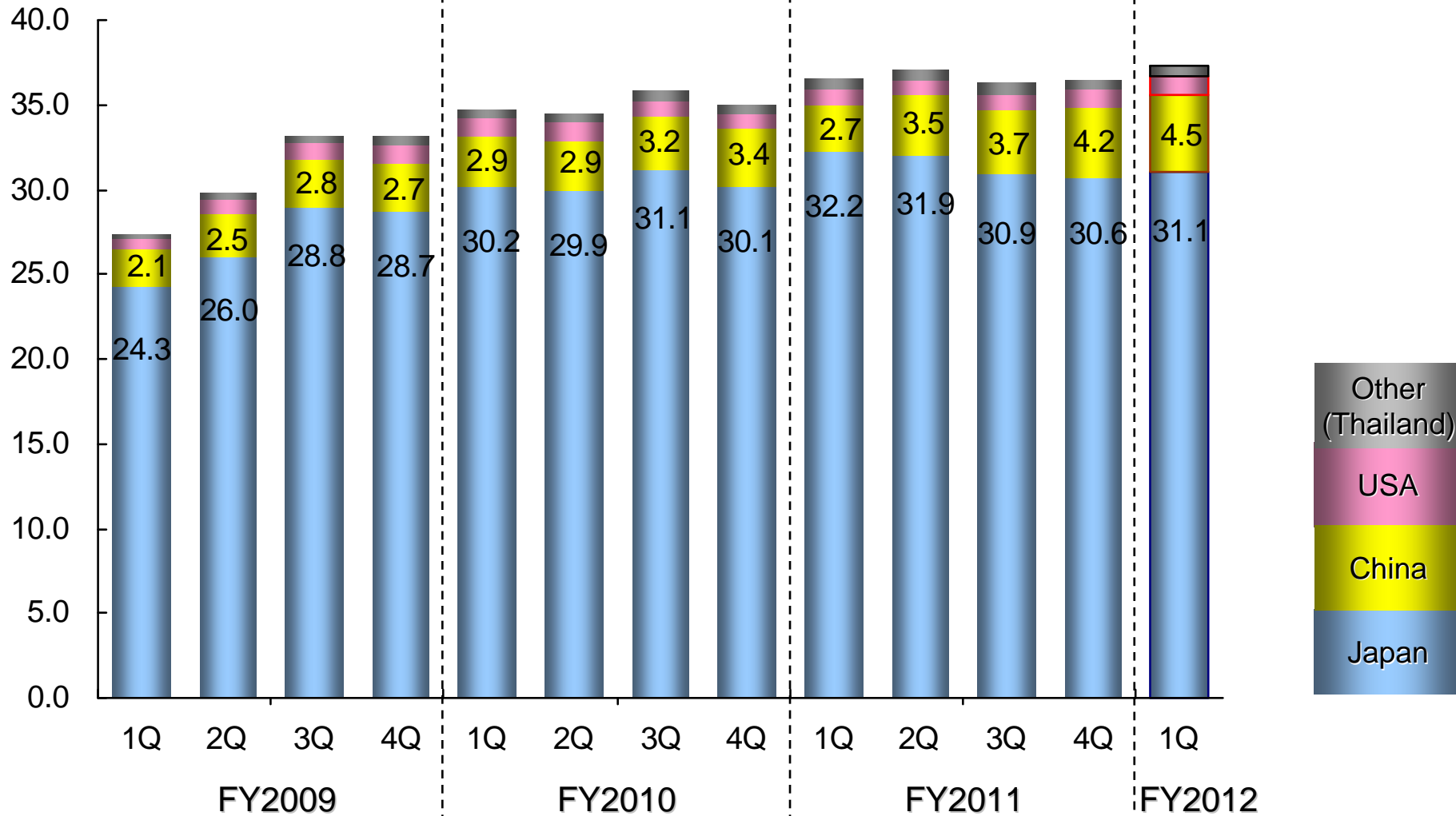
Overseas sales ratio
(%)



Consolidated Net Sales Trend by Geographic Segments

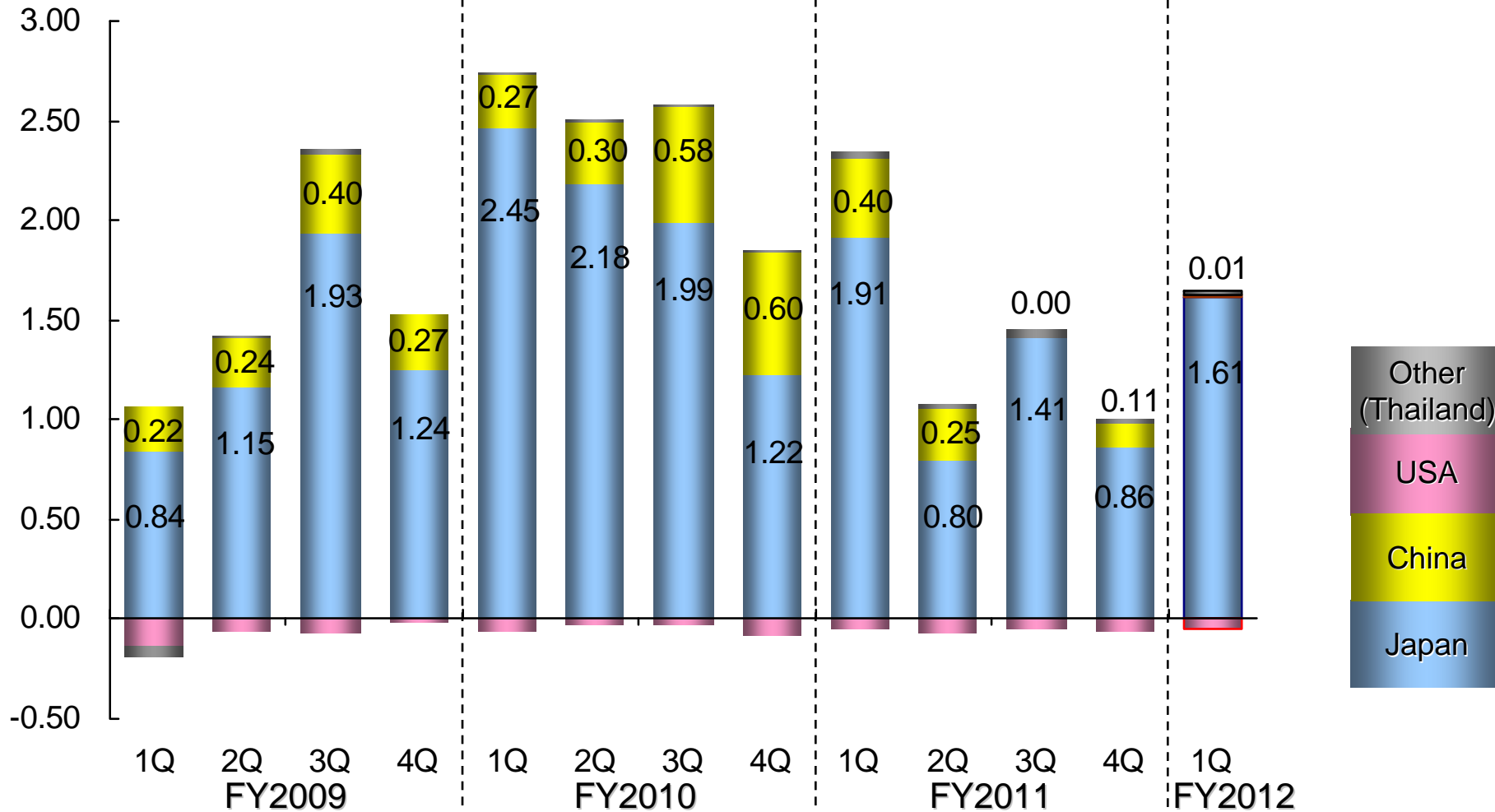
Internal sales among Sanyo Chemical Group are not eliminated.

(Billions of yen)

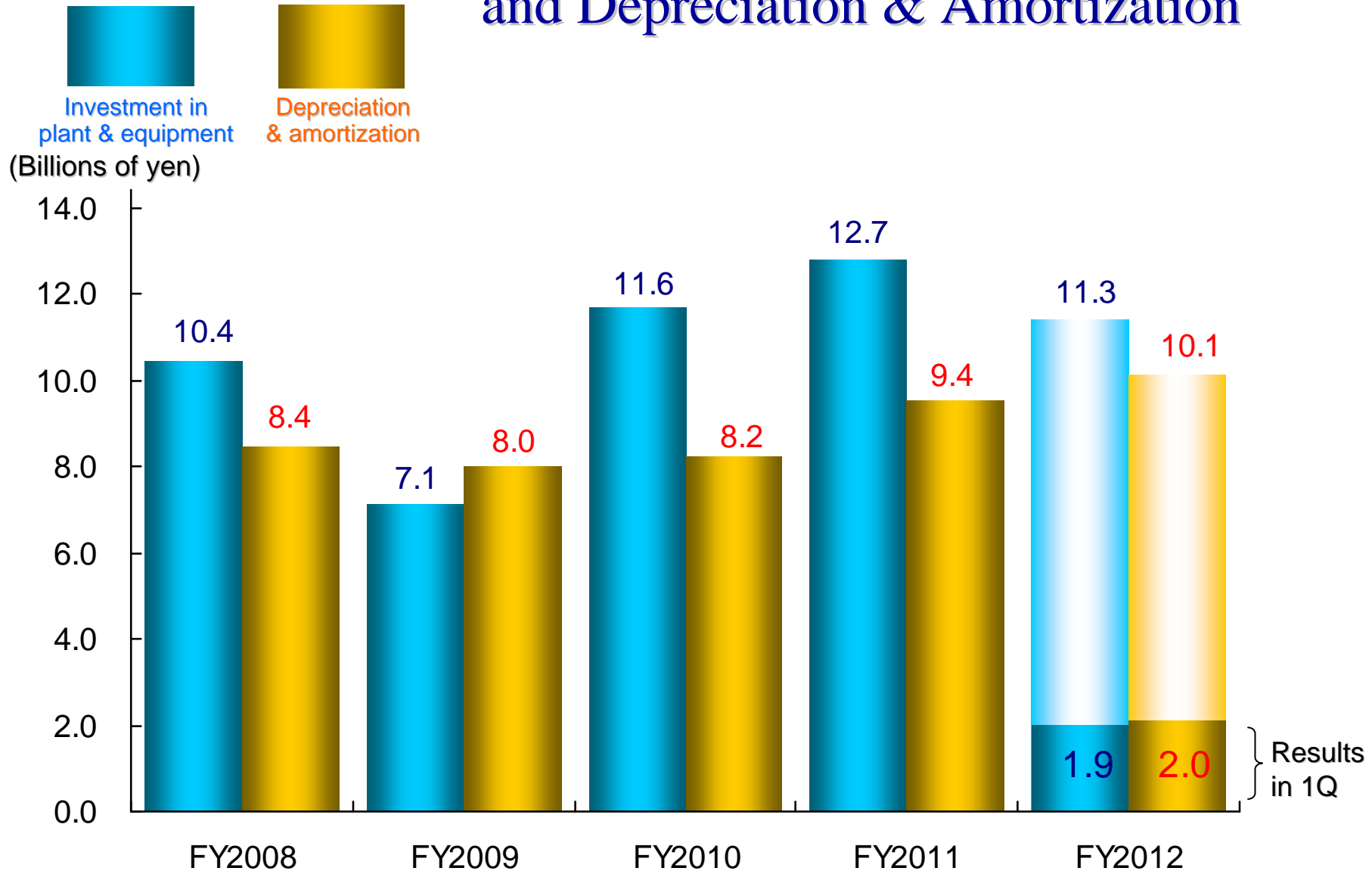


Consolidated Operating Income Trend by Geographic Segments

Internal sales among Sanyo Chemical Group are not eliminated.
(Billions of yen)



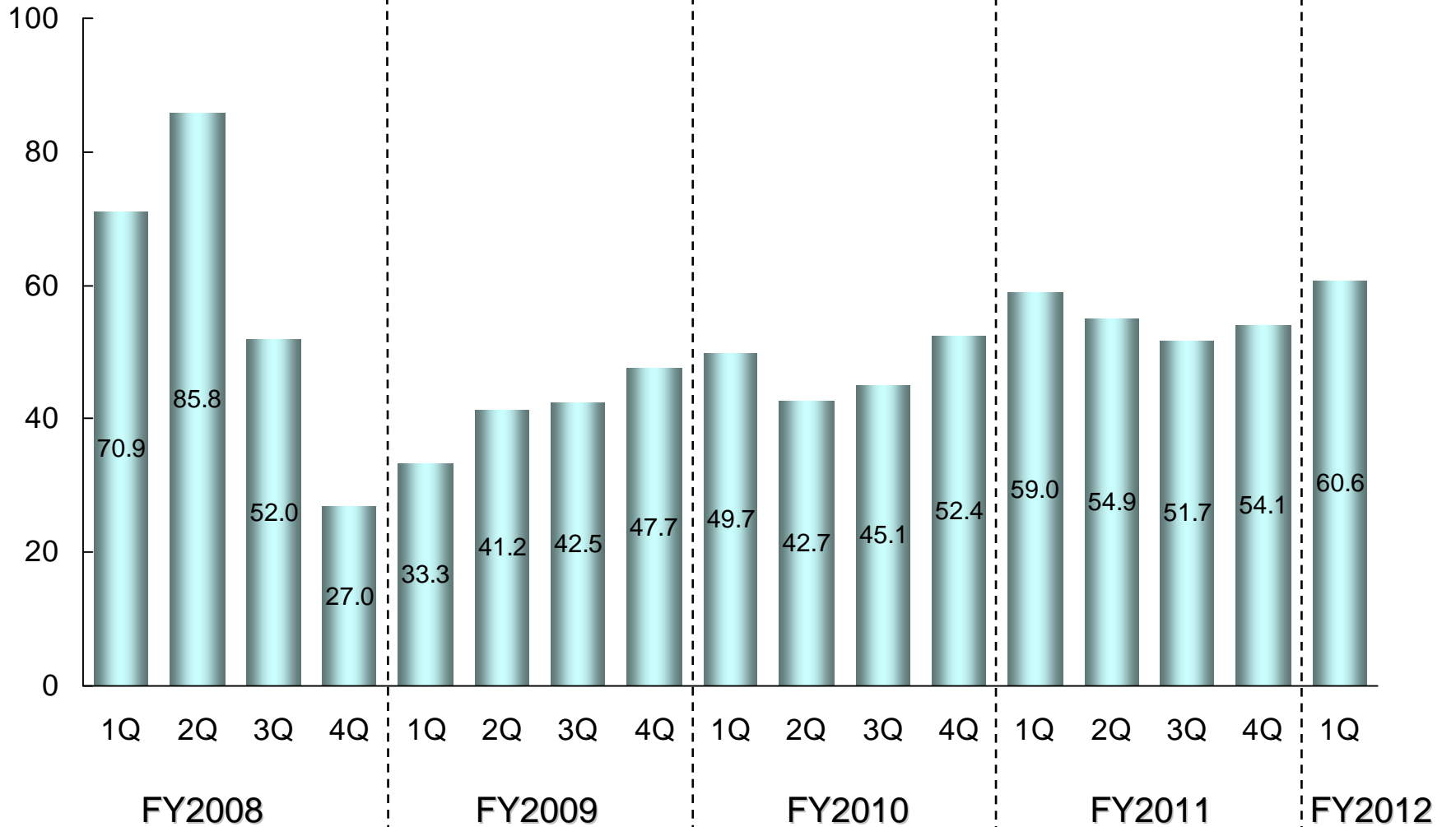
Consolidated Investment in Plant & Equipment, and Depreciation & Amortization



Reference

Transition of Price of Domestically Produced Naphtha

Domestic naphtha price
(Thousands of yen/kl)



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 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 Consolidated 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

Subsidiaries and Affiliates Accounted for by Equity Method (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.