

A Statement of Accounts
For the Nine Months Ended December 31, 2015
3rd Quarter in Fiscal Year 2015
(3Q-FY2015)

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 29, 2016. 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)

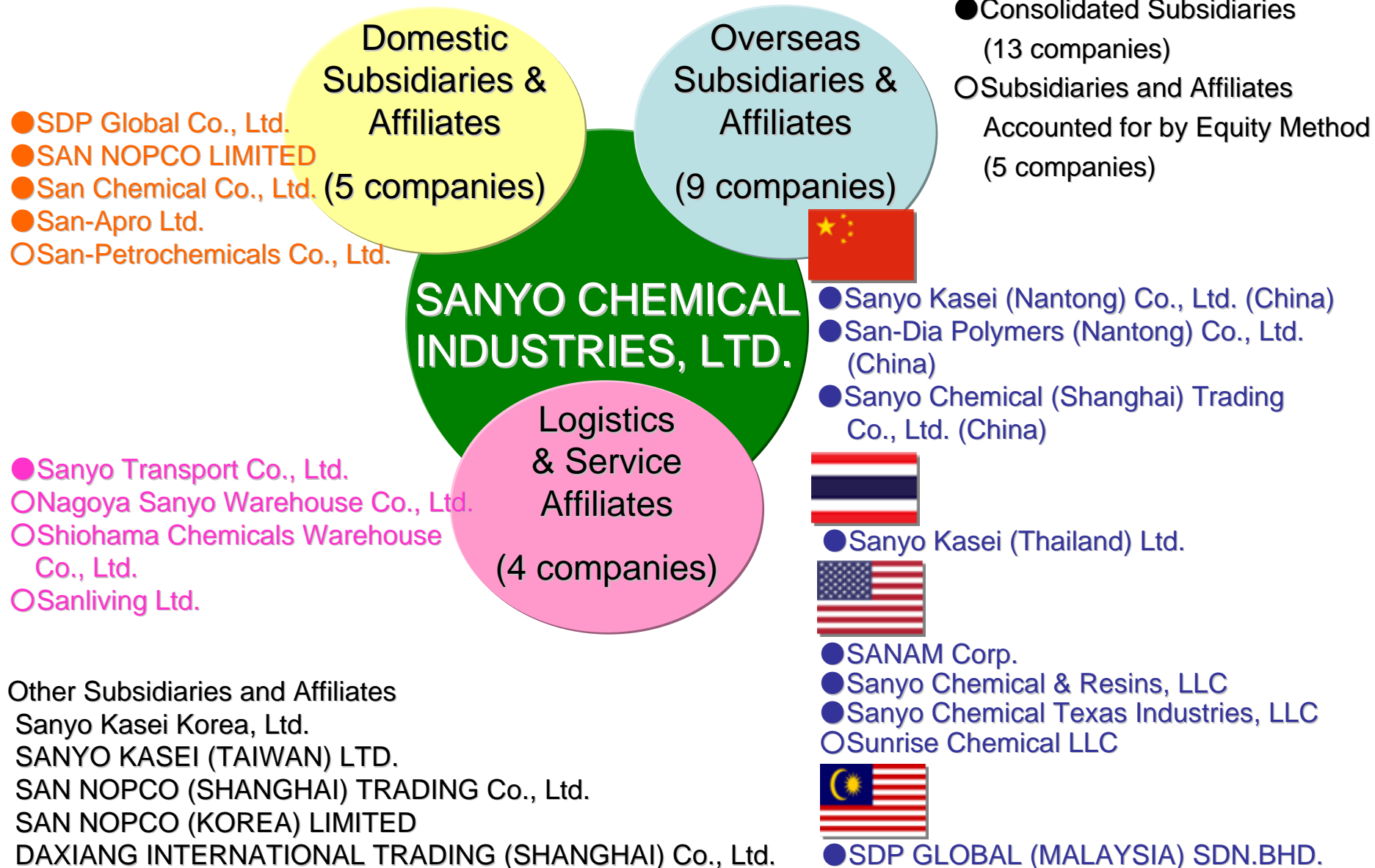
Consolidated Number of Employees:

1,954 (as of Dec. 31, 2015)

Line of Business:

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

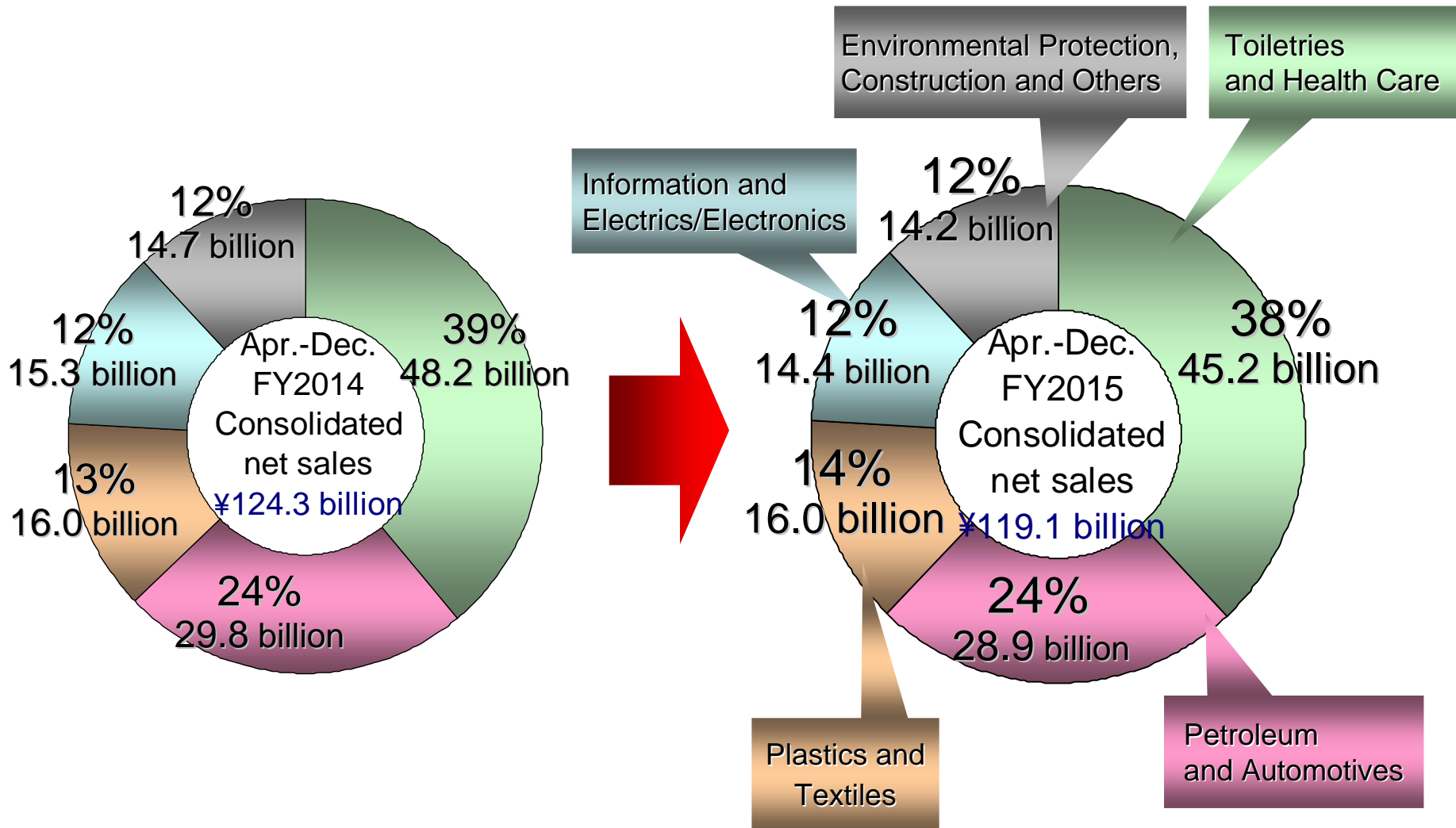
Sanyo Chemical Group



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 Agent, 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, Adhesive for Electronic Parts, Agents for Use in Electronic Parts Manufacturing, UV/EB Curing Resins
Environmental Protection, Construction and Others		Polymer Flocculants for Wastewater Treatment, Cationic Monomer PPG for Furniture and Heat Insulating Materials, Slurry Agents, Reactive Hot-Melt Adhesives, Raw materials for Building Sealants, Cement Agents

Net Sales by Product Group



Results of Operations for Cumulative 3Q in FY2015

(Billions of yen)

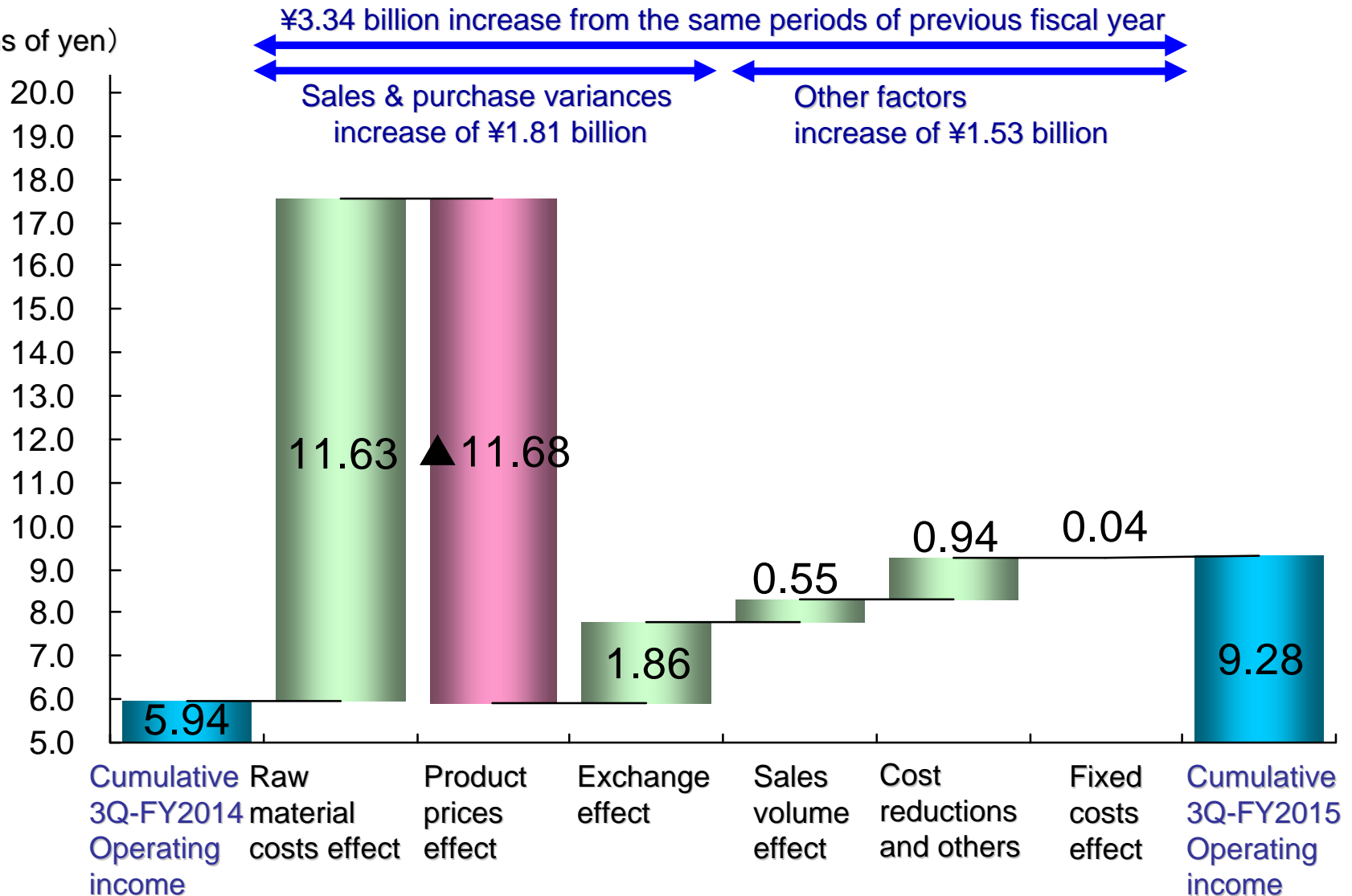
Consolidated	Apr.-Dec.		Year on Year Change	
	FY2014	FY2015	Amount	Ratio (%)
Net sales	124.31	119.13	(5.17)	(4)
Operating income	5.94	9.28	3.34	56
Ordinary income	7.13	10.24	3.11	44
Profit attributable to owners of parent	4.21	6.08	1.87	44
Comprehensive income	9.08	5.27	(3.81)	(42)

(Billions of yen)

Non-consolidated	Apr.-Dec.		Year on Year Change	
	FY2014	FY2015	Amount	Ratio (%)
Net sales	78.56	75.07	(3.48)	(4)
Operating income	2.41	4.33	1.91	79
Ordinary income	4.07	6.16	2.08	51
Net income	3.03	4.69	1.66	54

Change in Consolidated Operating Income

(Billions of yen)



Change in Consolidated Net Income

(Billions of yen)

	Apr.-Dec.		Year on Year Change
	FY2014	FY2015	
Operating income	5.94	9.28	3.34
Equity in losses or earnings of unconsolidated subsidiaries and affiliates	0.56	0.50	(0.06)
Gain or loss on foreign exchange	0.51	(0.00)	(0.51)
Other non-operating profit and loss	0.10	0.46	0.36
Ordinary income	7.13	10.24	3.11
Gain and Loss on disposal/sales of property, plant and equipment	(0.46)	(0.48)	(0.02)
Other extraordinary income or loss	(0.13)	0.12	0.25
Income before income taxes and minority interests	6.53	9.89	3.35
Income taxes, etc.	(1.74)	(3.22)	(1.47)
Profit attributable to non-controlling interests	(0.58)	(0.58)	0.00
Profit attributable to owners of parent	4.21	6.08	1.87

Consolidated Balance Sheet

(Billions of yen)

	Mar. 31 2015	Dec. 31 2015	Changed amount	Main Change Factor*
Current assets	84.5	87.5	3.0	Cash and deposits: 4.0, Notes and accounts receivable-trade: 1.5, Inventories: (2.6)
Fixed assets	96.5	98.7	2.2	Property, plant and equipment: 2.4 Investment securities: (1.0)
Assets	181.0	186.2	5.2	
Current liabilities	52.2	54.7	2.4	Notes and accounts payable-trade: 2.7, Short-term debt: (1.9), Provision for bonuses: (0.8), Notes payable-facilities: 1.0
Long-term liabilities	11.0	10.5	(0.4)	Long-term debt: (0.5), Deferred tax liabilities: 0.2
Liabilities	63.3	65.3	2.0	
Shareholder's equity	94.5	98.8	4.3	Profit (3Q): 6.0, Cash dividends paid: (1.7)
Other comprehensive income	17.3	16.0	(1.2)	Unrealized gains on other securities: (0.7)
Non-controlling interests	5.8	6.0	0.1	
Net assets	117.6	120.9	3.2	
Total Liabilities and net assets	181.0	186.2	5.2	

* Each figure indicates the changed amount.

Consolidated Cash Flows

(Billions of yen)

	Apr.-Dec.		Changed amount	Main Change Factor*
	FY2014	FY2015		
Operating activities	7.9	16.9	8.9	
Income before income taxes and minority interests	6.5	9.8	3.3	
Depreciation and amortization	7.0	6.7	(0.2)	
Equity in earning of unconsolidated subsidiaries and affiliates	(0.5)	(0.5)	0.0	
(Increase) decrease in operating capital	(2.0)	3.7	5.8	
Income taxes	(2.3)	(1.8)	0.4	
Others	(0.6)	(1.1)	(0.4)	
Investing activities	(6.0)	(8.2)	(2.2)	
Free cash flows	1.9	8.6	6.7	
Financing activities	(0.6)	(4.4)	(3.8)	(3Q in FY2015) Loans, Repayment: (2.4) (3Q in FY2014) Loans, Repayment: 1.2
Effect of exchange rate changes on cash and cash equivalents	0.1	(0.1)	(0.2)	
Increase (decrease) in cash and cash equivalents	1.3	4.0	2.6	
Cash and cash equivalents at beginning of period	15.4	16.0	0.5	
Cash and cash equivalents at end of period	16.8	20.0	3.1	

* Each figure indicates the changed amount.

Forecast for FY2015 and Progress in Cumulative 3Q to It

(Billions of yen)

Consolidated	FY2015 Annual	Apr. -Dec. FY2015		FY2014 Annual
	Forecast*	Result	Progress to Forecast (%)	Result
Net sales	158.00	119.13	75	167.04
Operating income	12.00	9.28	77	8.94
Ordinary income	13.00	10.24	79	10.27
Profit attributable to owners of parent	7.50	6.08	81	5.87

* Forecasts announced on Oct. 30, 2015

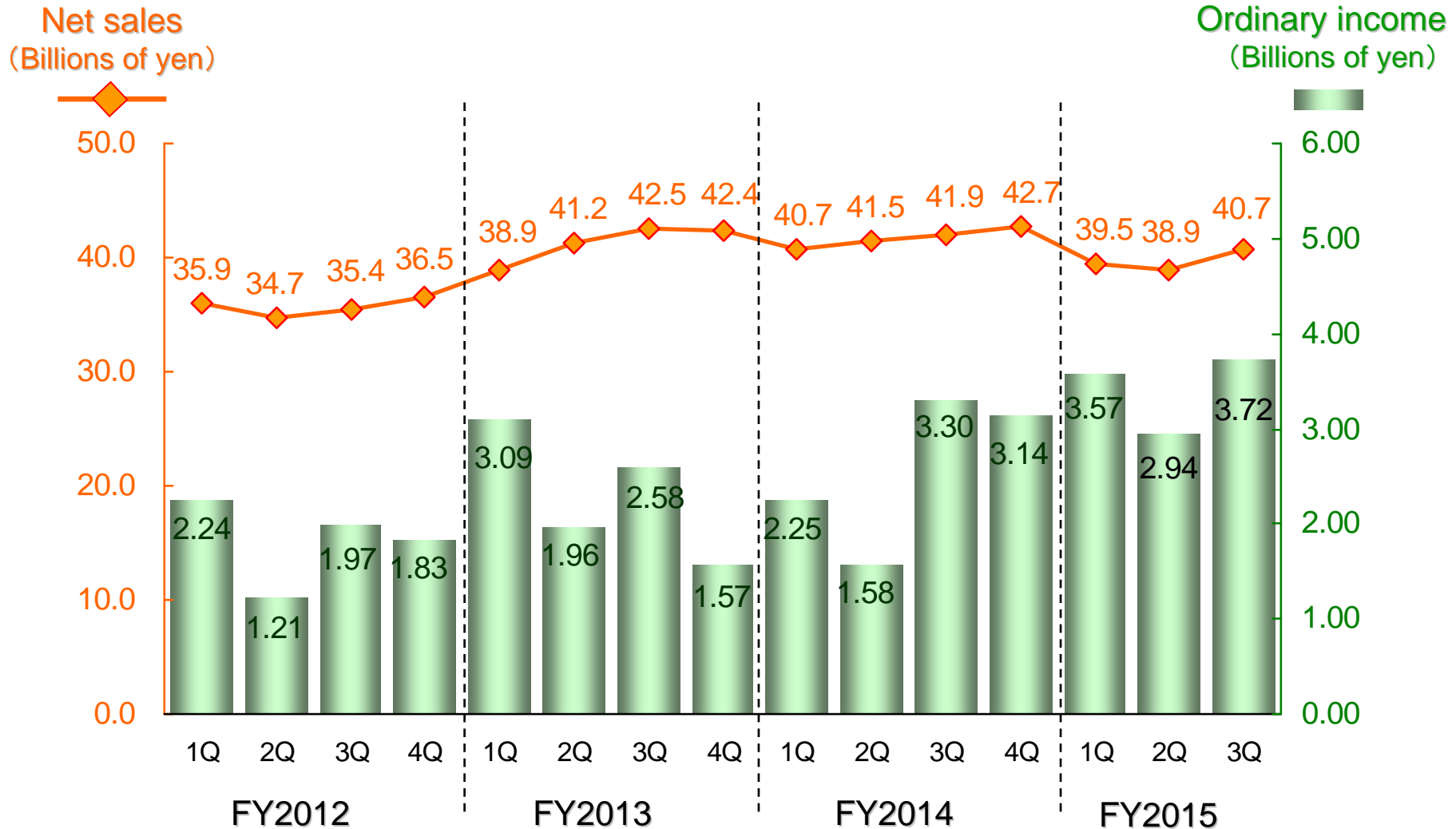
Non-consolidated	FY2015 Annual	Apr.-Dec. FY2015		FY2014 Annual
	Forecast*	Result	Progress to Forecast (%)	Result
Net sales	98.00	75.07	77	105.60
Operating income	5.50	4.33	79	3.82
Ordinary income	8.00	6.16	77	5.96
Net income	6.00	4.69	78	4.36

* Forecasts announced on Oct. 30, 2015

<Precondition for the forecast>

Domestic naphtha price: 40 thousand of Yen/kl, Exchange rate: 120 Yen/US\$

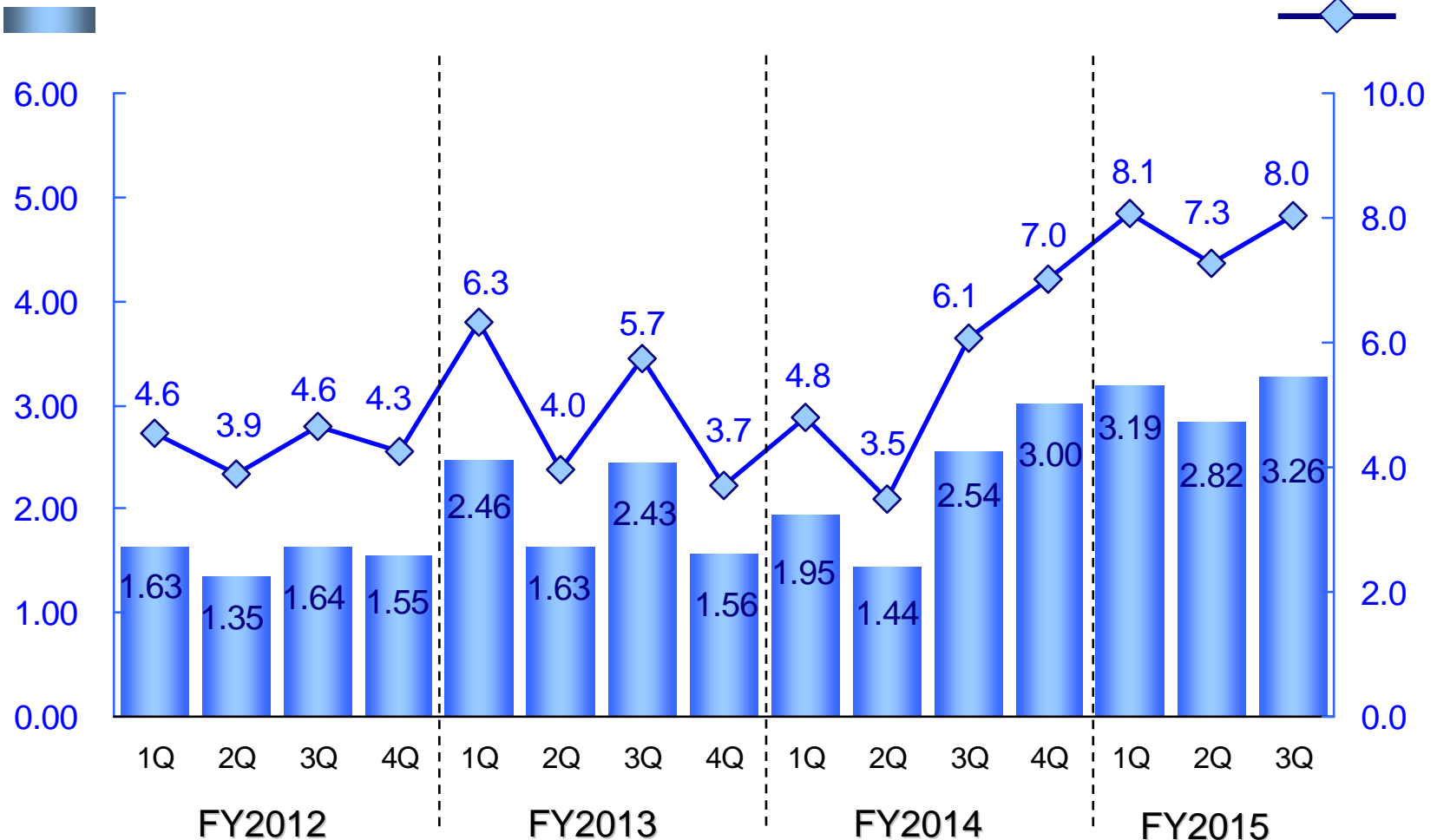
Consolidated Business Result Trend



Consolidated Operating Income Trend

Operating income
(Billions of yen)

Operating income ratio
(%)



Results of Operations by Product Group for Cumulative 3Q

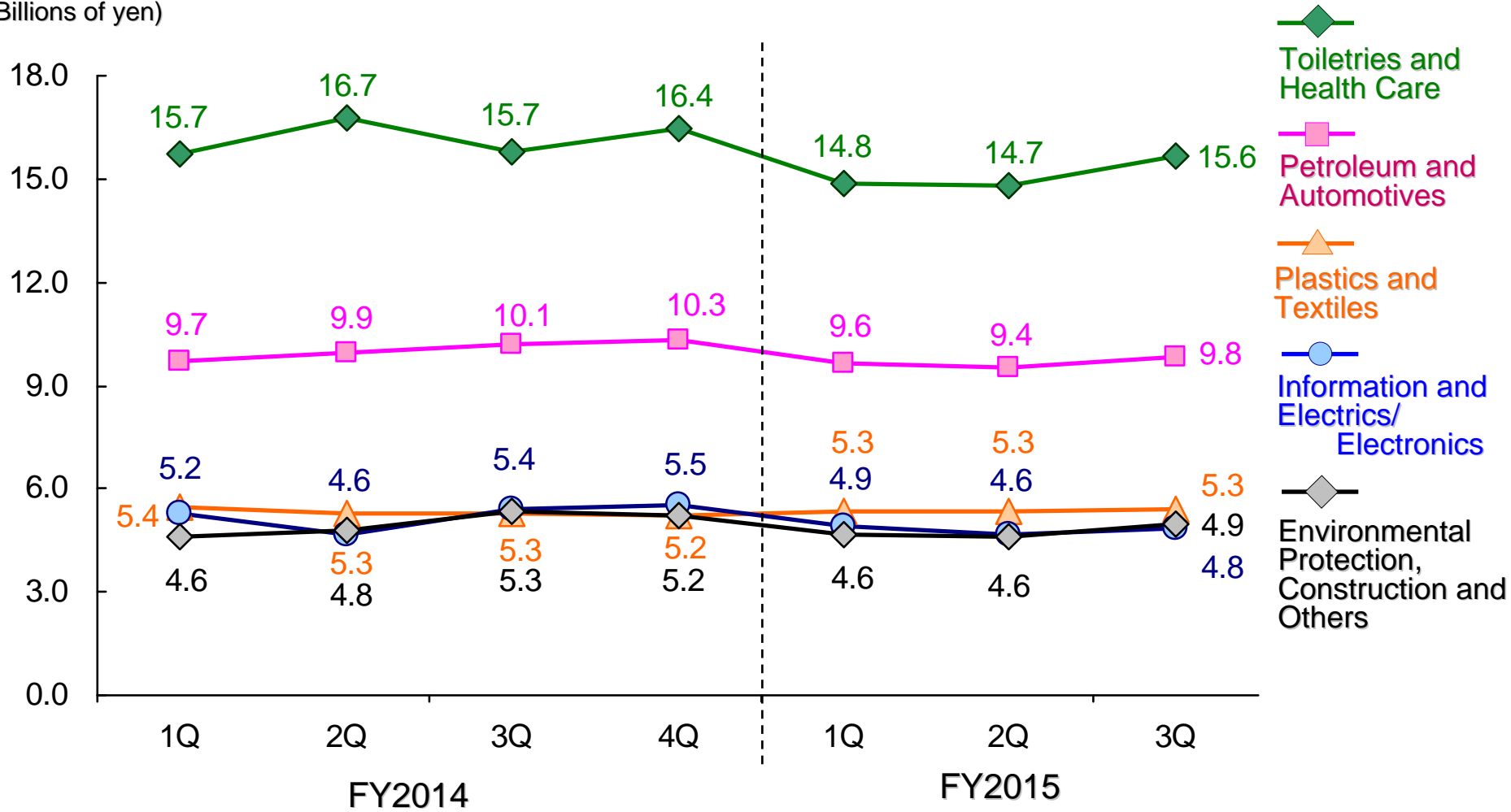
(Billions of yen)

Product Group	Net Sales			Operating Income		
	Apr.-Dec. FY2014	Apr.-Dec. FY2015	Changed Amount	Apr.-Dec. FY2014	Apr.-Dec. FY2015	Changed Amount
Toiletries and Health Care	48.27	45.27	(2.99)	2.62	3.66	1.03
Toiletries	9.64	9.69	0.05			
Health Care	38.62	35.58	(3.04)			
Petroleum and Automotives	29.86	28.98	(0.87)	0.72	1.40	0.67
Plastics and Textiles	16.05	16.09	0.04	1.81	2.39	0.57
Plastics	10.38	10.96	0.58			
Textiles	5.67	5.13	(0.54)			
Information and Electrics/Electronics	15.35	14.49	(0.86)	0.56	1.18	0.62
Information	10.45	9.99	(0.45)			
Electrics/Electronics	4.90	4.49	(0.40)			
Environmental Protection, Construction and Others	14.76	14.28	(0.48)	0.21	0.64	0.42
Total	124.31	119.13	(5.17)	5.94	9.28	3.34

Note: From the first three months of the current fiscal year, in order to evaluate segment performances more appropriately, cost allocation rules were changed. Operating income of each segment in the first nine months of previous fiscal year was reclassified based on the changed cost allocation rules, and compared with current one. 14

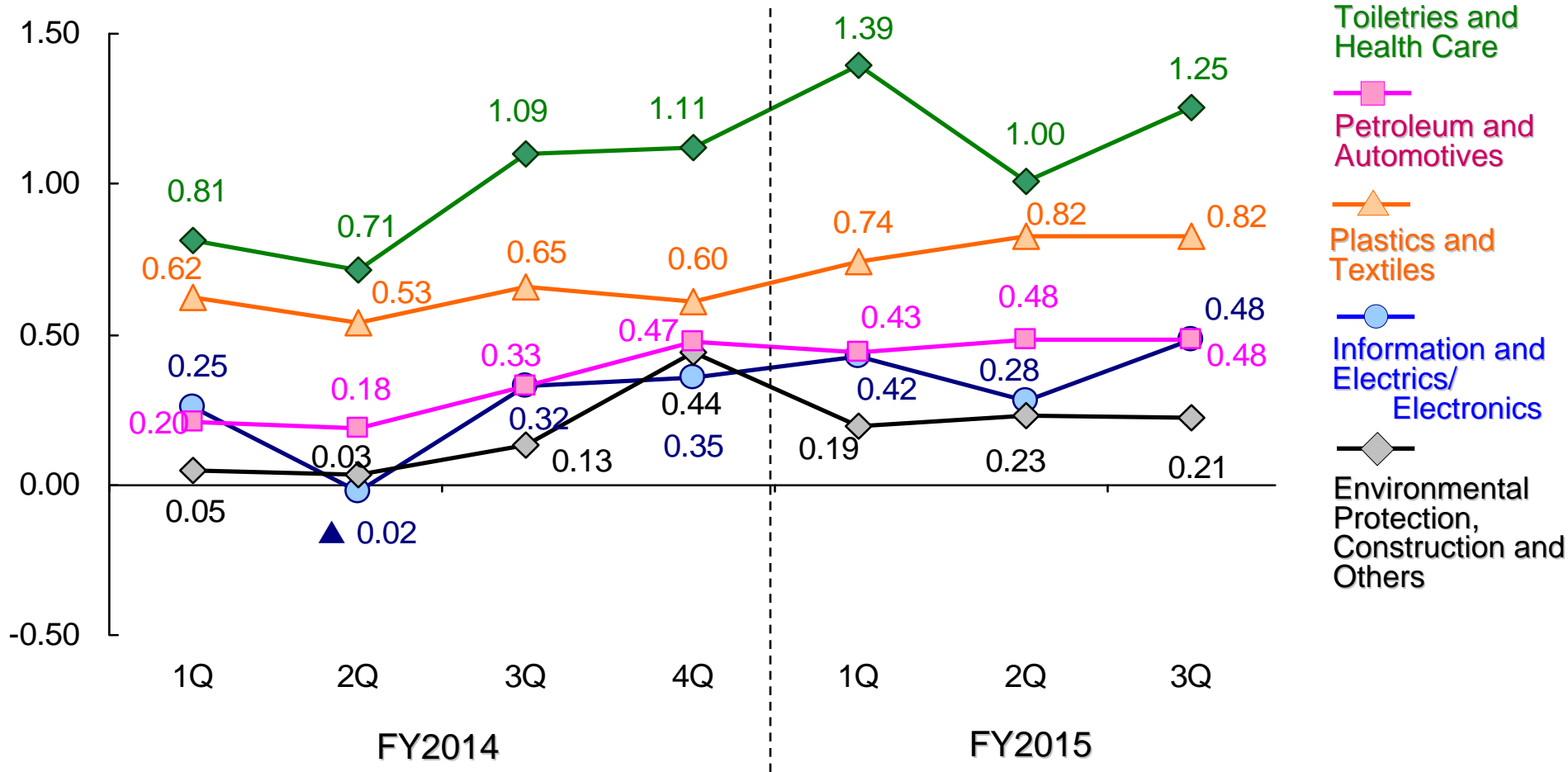
Consolidated Net Sales Trend by Product Group

(Billions of yen)



Consolidated Operating Income Trend by Product Group

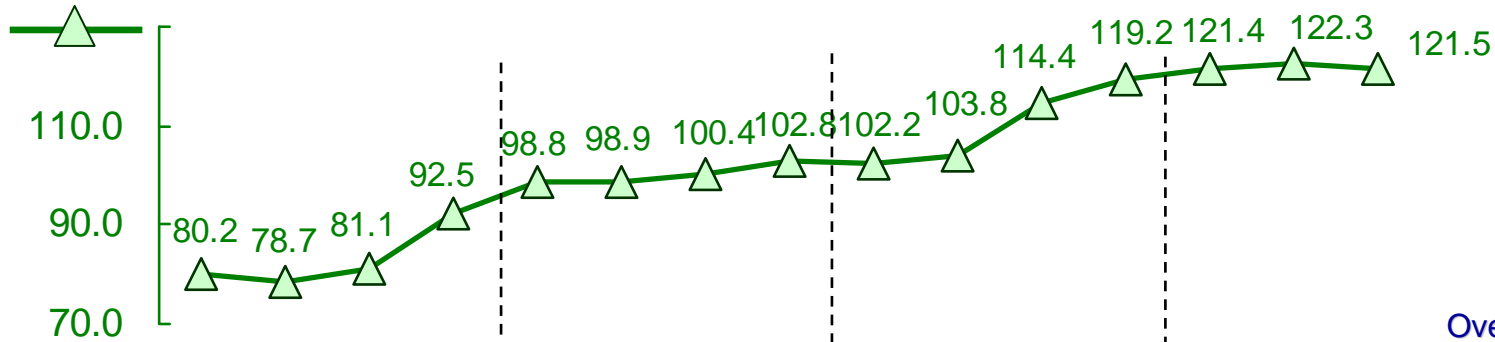
(Billions of yen)



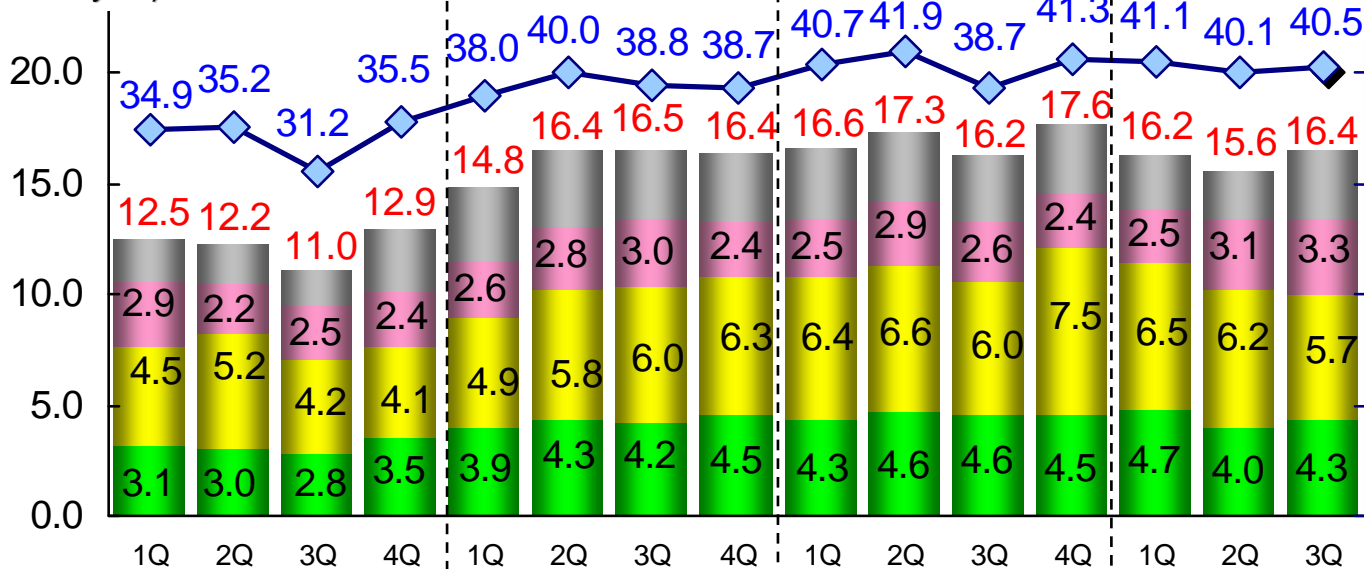
Note: From the first three months of the current fiscal year, in order to evaluate segment performances more appropriately, cost allocation rules were changed. Operating income of each segment in the each period of previous fiscal year was reclassified based on the changed cost allocation rules, and compared with current one.

Consolidated Overseas Sales Trend

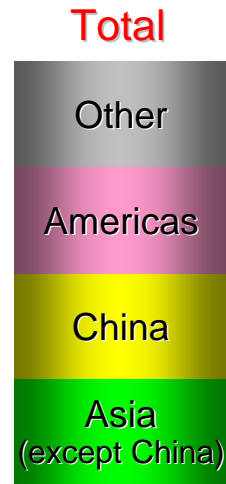
Average exchange rate
(Yen/US\$)



Overseas sales
(Billions of yen)



Overseas sales ratio(%)



FY2012

FY2013

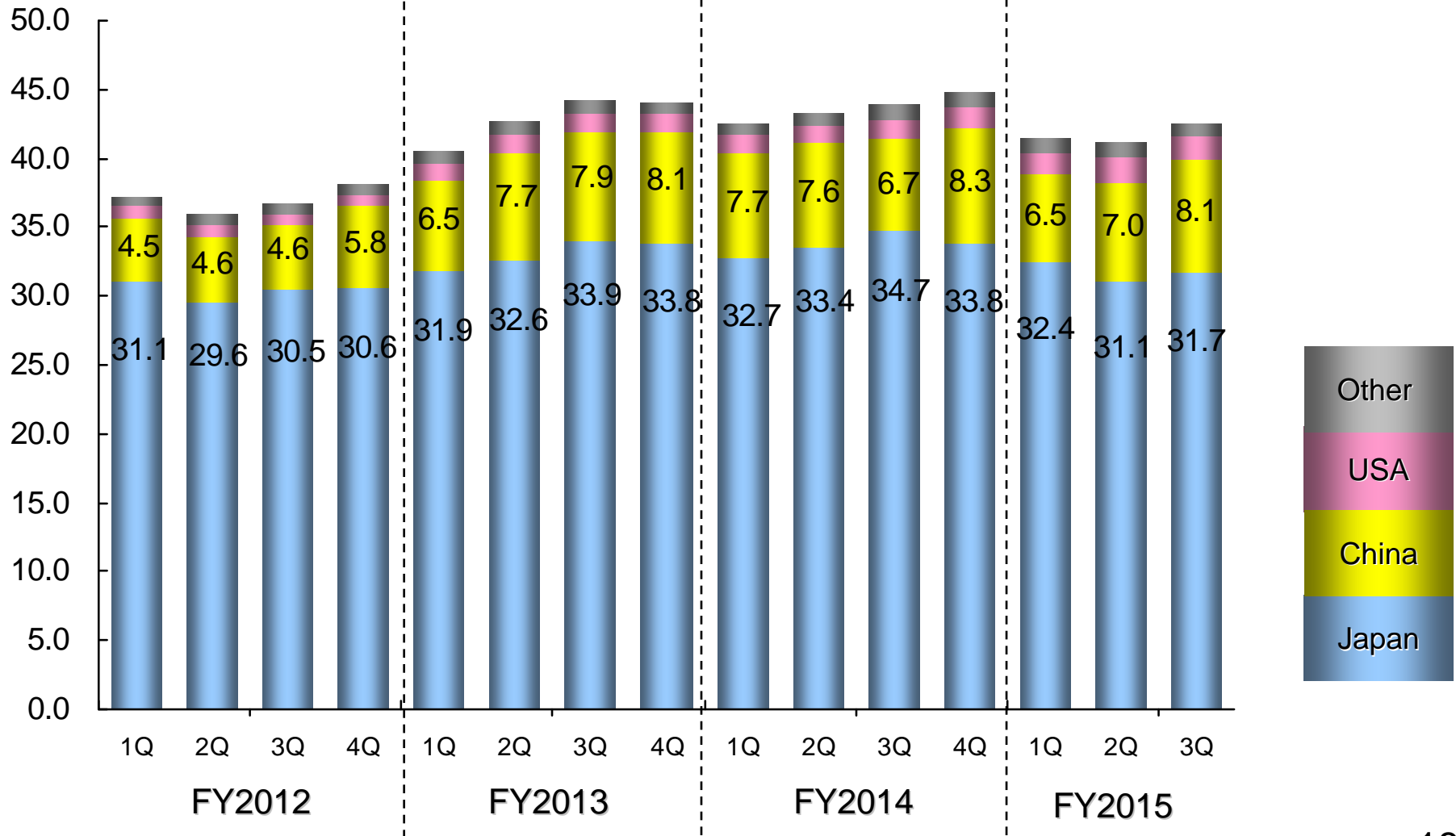
FY2014

FY2015

Consolidated Net Sales Trend by Geographic Segments

Internal sales among Sanyo Chemical Group are not eliminated.

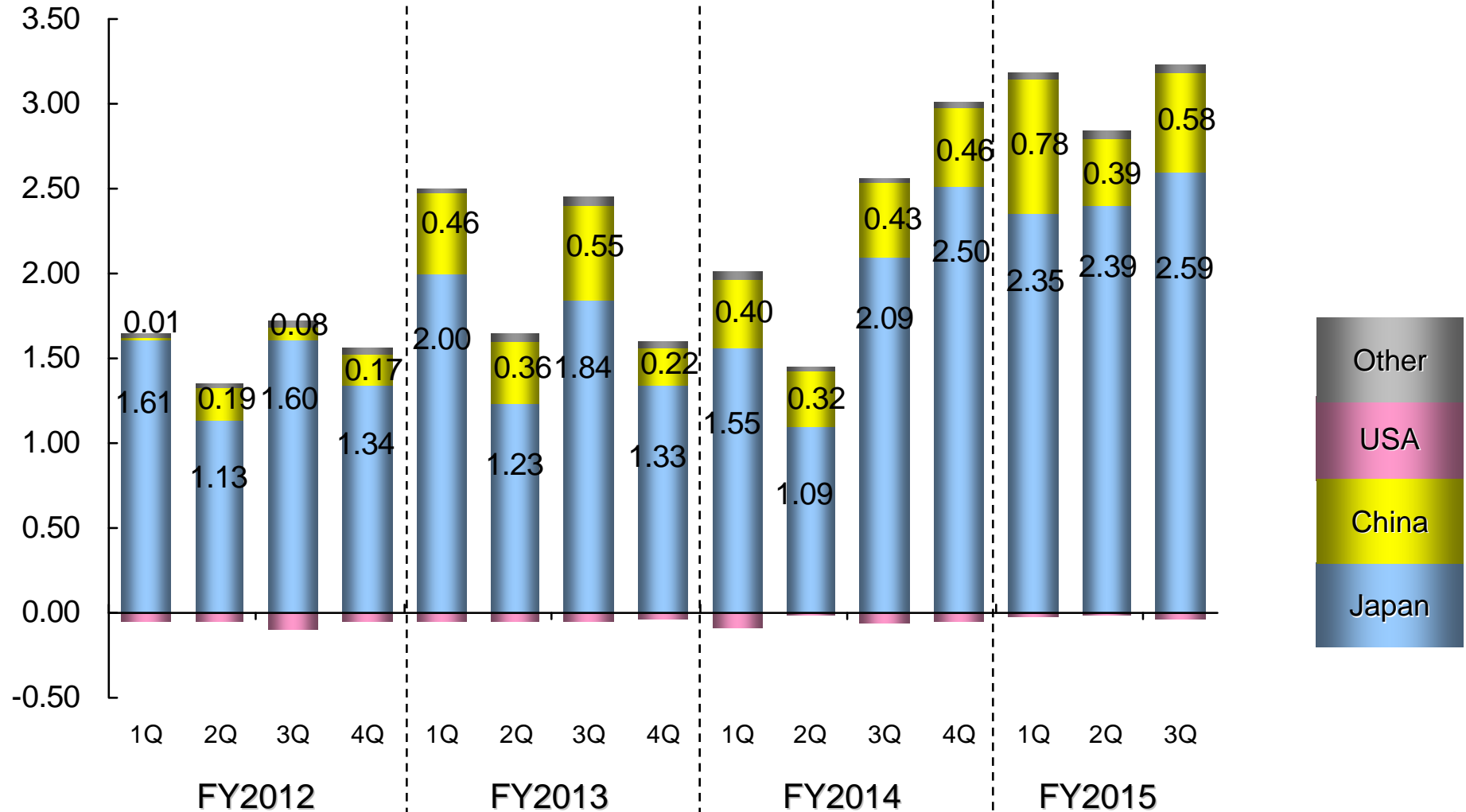
(Billions of yen)



Consolidated Operating Income Trend by Geographic Segments

Internal sales among Sanyo Chemical Group are not eliminated.

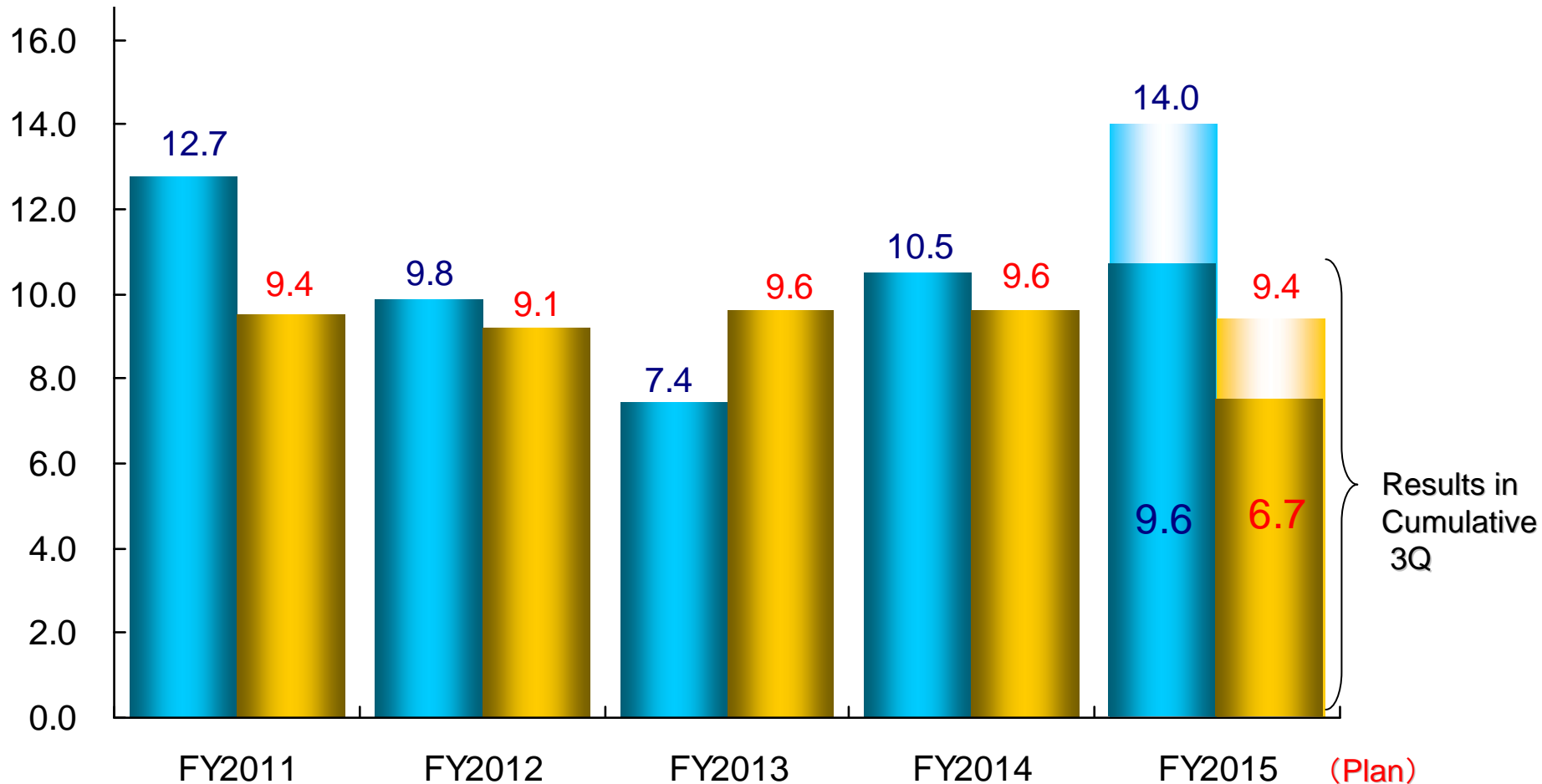
(Billions of yen)



Consolidated Investment in Plant & Equipment, and Depreciation & Amortization

 Investment in plant & equipment
 Depreciation & amortization

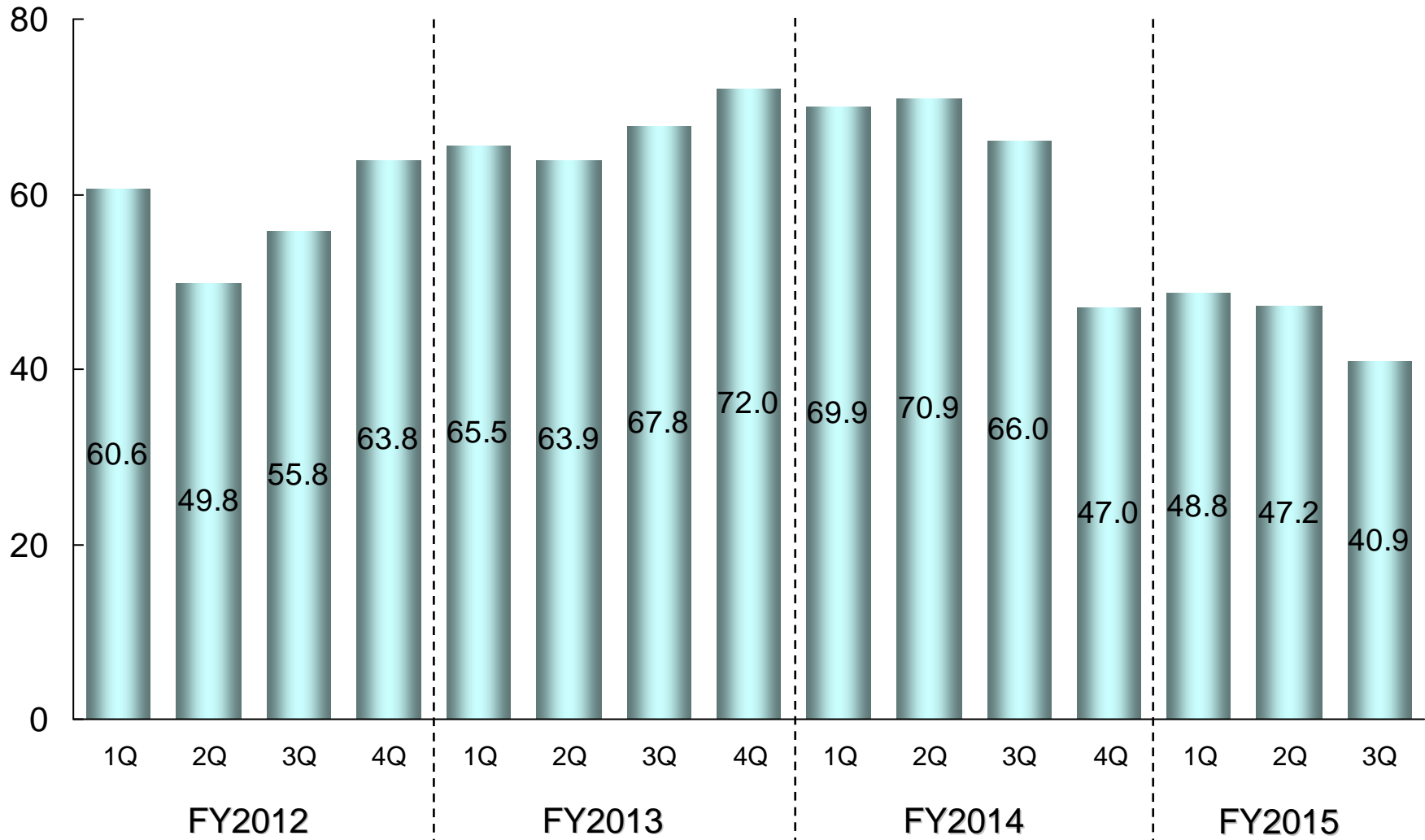
(Billions of yen)



Reference

Transition of Price of Domestically Produced Naphtha

Domestic naphtha price
(Thousands of yen/kl)



Domestic Consolidated Subsidiaries (5 companies)

Company Name	Abbr.	Equity Ownership		Line of Business
SDP Global Co., Ltd.	SDP	Sanyo Chemical Toyota Tsusho	70% 30%	Manufacture and sales of superabsorbent polymers
SAN NOPCO LIMITED	SNL	Sanyo Chemical	100%	Manufacture and sales of agents for pulp & paper, coating agents, a wide range of industrial agents, 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.
Sanyo Transport Co., Ltd.	—	Sanyo Chemical	100%	General trucking

Overseas Consolidated Subsidiaries (8 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	SDP Global	100%	Manufacture and sales of superabsorbent polymers
Sanyo Chemical (Shanghai) Trading Co., Ltd. [China]	SCST	Sanyo Chemical	100%	Sales of surfactants, polyurethane resins, etc.
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%	Holding company of U.S. consolidated subsidiaries. Sales of lubricating oil additives, toner resins, etc.
Sanyo Chemical & Resins, LLC [USA]	SCR	SANAM	100%	Manufacture of lubricating oil additives
Sanyo Chemical Texas Industries, LLC [USA]	SCTI	SANAM	100%	Manufacture of polyurethane beads
SDP GLOBAL (MALAYSIA) SDN.BHD. [Malaysia]	SDPM	SDP Global	100%	Manufacture and sales of superabsorbent polymers

Subsidiaries and Affiliates Accounted for by Equity Method (5 companies)

Company Name	Abbr.	Equity Ownership	Line of Business
San-Petrochemicals Co., Ltd.	SPCC	Sanyo Chemical 50% JX Nippon Oil & Energy 50%	Manufacture of raw materials for synthetic rubbers
Sunrise Chemical LLC [USA]	SRC	SANAM 50% JX Nippon Chemical Texas 50%	Manufacture of raw materials for synthetic rubbers
Nagoya Sanyo Warehouse Co., Ltd.	—	Sanyo Chemical 100%	Warehousing
Shiohama Chemicals Warehouse Co., Ltd.	—	Sanyo Chemical 50% JX Nippon Oil & Energy 50%	Warehousing
Sanliving Ltd.	SL	Sanyo Chemical 100%	Real estate, insurance and agency