

# Condensed Consolidated Financial Information

for the Nine Months  
Ended Dec. 31, 2010

(April 1, 2010 through Dec. 31, 2010)

**SANYO CHEMICAL INDUSTRIES, LTD.**

URL <http://www.sanyo-chemical.co.jp>

## **Cautionary Statement with Respect to Forward-Looking Statement**

This financial information contains forward-looking statements that are based on Sanyo Chemical Group's current plans, strategies and results. These forward-looking statements were formulated by managers based on currently-available information, however actual results may vary significantly depending on the economic environment where Sanyo Chemical Group conduct its business, competitive conditions, changes in the states of product development, relevant laws and regulations, and fluctuations in the currency exchange rate. Moreover, the factors that can affect these forward-looking statements are not limited to those listed here.

The following summary of the business results that Sanyo Chemical Group submitted Tokyo & Osaka Stock Exchange is unaudited and for reference only.

Ticker code: 4471

# Consolidated Financial Highlights (Japanese Standard)

## 1-1. Results of Operations

	Nine months ended December 31,			
	2010		2009	
	Millions of Yen	Change	Millions of Yen	Change
Net sales	102,158	17.1%	87,226	(17.0%)
Operating income	7,804	69.4%	4,606	110.5%
Ordinary income	8,482	82.7%	4,642	83.4%
Net income	4,758	144.5%	1,946	811.7%

  

	Nine months ended December 31,	
	2010	2009
	Yen	Yen
Net income per share	43.14	17.64
Net income per share, diluted	39.93	16.33

## 1-2. Financial Conditions

	As of December 31,	As of March 31,
	2010	2010
	Millions of Yen	Millions of Yen
Total assets	144,286	136,991
Net assets	86,570	83,743
Shareholders' equity ratio	58.0%	59.3%
Shareholders' equity	83,749	81,175

  

	As of December 31,	As of March 31,
	2010	2010
	Yen	Yen
Net assets per share	759.23	735.79

## 2. Cash Dividend

	Year ended March 31,	Year ended March 31,	Year ended March 31,
	2010	2011	2011 (Forecast)
	Yen	Yen	Yen
Cash dividend per share			
1Q (as of June 30)	—	—	
2Q (as of Sept. 30)	5.50	7.50	
3Q (as of Dec. 31)	—	—	
4Q (as of March 31)	7.50		7.50
Total	13.00		15.00

## 3. Earnings Forecasts

	Year ended March 31,	
	2011	
	Millions of Yen	Change
Net sales	135,000	13.3%
Operating income	9,400	52.9%
Ordinary income	10,000	66.2%
Net income	5,700	124.0%

  

	Year ended March 31,
	2011
	Yen
Net income per share	51.67

### Notes:

1. Amounts are rounded down to the nearest million.
2. The percentage change is year-on-year change compared with the same period of the previous fiscal year.
3. The computations of net income per share of common stock are based on the weighted average number of shares outstanding during each period.

**4. Other (see “Attachments” Page 8 “Other Information” for more information)**

**(1) Significant changes in subsidiaries during the period under review:** None.

\_\_\_ New companies (company name), \_\_\_ Companies removed (company name)

(Note) Any changes in specific subsidiaries causing a change in the scope of consolidation during the fiscal quarter under review.

**(2) Application of simplified or special accounting methods:** Yes

(Note) Application of any simplified accounting methods or special accounting methods for the preparation of consolidated quarterly financial statements.

**(3) Changes in accounting principles, procedures, or presentation methods**

- a. Changes associated with revised accounting standards, etc.: Yes  
b. Changes other than a. above: None

(Note) Any changes in accounting principles, procedures or presentation methods related to the preparation of quarterly consolidated financial statements noted in “Changes in material matters basic to the preparation of consolidated financial statements.”

**(4) Number of shares issued (common stock)**

- a. Number of shares issued at the end of the period (including treasury shares)  
End of nine months (Dec. 31, 2010): 117,673,760 shares  
End of previous period (March 31, 2010): 117,673,760 shares  
b. Treasury shares at the end of the period  
End of nine months (Dec. 31, 2010): 7,365,211 shares  
End of previous period (March 31, 2010): 7,349,080 shares  
c. Average number of shares (cumulative for the quarter)  
Reporting nine months (ended Dec. 31, 2010): 110,319,848 shares  
Previous nine months (ended Dec. 31, 2009): 110,333,180 shares

**\*Disclosure of Implementation Status of Quarterly Review Procedures**

Quarterly review procedures under the Financial Instruments and Exchange Law had not been completed as of the release of this financial report. (This quarterly financial report is not subject to quarterly review procedures under Japan’s Financial Instruments and Exchange Law.)

**\*Appropriate use of earnings forecasts and other matters**

The earnings forecasts and other forward-looking statement noted in this document are based on information available at the time and on assumptions deemed rational. Actual earnings may differ significantly due to various factors. See Quarterly Financial Report (attachments) Page 7 “Qualitative Information Concerning Consolidated Earnings Forecasts” for more information regarding the circumstances behind the assumptions used in earnings forecasts and matters to be noted when relying on earnings forecasts.

## Contents of Attachments

1. Qualitative Information Concerning Quarterly Consolidated Business Performance for the Nine Months Ended December 31, 2010.....	5
(1) Qualitative Information Concerning Consolidated Business Results .....	5
(2) Qualitative Information Concerning Consolidated Financial Position.....	7
(3) Qualitative Information Concerning Consolidated Earnings Forecasts .....	7
2. Other Information.....	8
(1) Overview of Changes in Significant Subsidiaries.....	8
(2) Overview of Simplified and/or Special Accounting Methods.....	8
(3) Overview of Changes in Accounting Principles, Procedures, or Presentation Methods.....	8
(4) Overview of Significant Matters Concerning the Going Concern Assumption .....	8
3. Quarterly Consolidated Financial Statements .....	9
(1) Consolidated Balance Sheets .....	9
(2) Consolidated Statements of Income .....	11
(3) Consolidated Statements of Cash Flows.....	12
(4) Notes to Going Concern Assumptions .....	14
(5) Segment Information.....	14
(6) Notes to Significant Changes in Shareholders' Equity.....	16
4. Supplementary Information .....	17
Trend of Each Quarter Results.....	17

# **1. Qualitative Information Concerning Quarterly Consolidated Business Performance for the Nine Months Ended December 31, 2010**

## **(1) Qualitative Information Concerning Consolidated Business Results**

During the first nine months of the current fiscal year (April 1, 2010 through December 31, 2010), the Japanese economy maintained moderate recovery momentum, supported by the effects of economic stimulus measures by governments around the world and also by growth in China and other emerging countries.

The chemical industry likewise enjoyed a recovery in demand. However, the appreciation of the yen, combined with raw material and fuel cost trends and deepening fears about the pace of global recovery, means that the business environment has become increasingly uncertain.

Against this backdrop, consolidated net sales of Sanyo Chemical Group for the nine months increased by 17.1% from the same period of the previous fiscal year, to ¥102,158 million on an increase in sales volumes due to recovery in demand.

While factors including depreciation expenses at the Kinuura Factory, which began commercial production from October, contributed to higher fixed costs, sales increased substantially in each segment, including sales of superabsorbent polymers, for which there is expanding global demand. As a result, operating income came to ¥7,804 million (1.7 times greater than the same period of the previous fiscal year), ordinary income amounted to ¥8,482 million (1.8 times greater than the same period of the previous fiscal year), and net income was ¥4,758 million (2.4 times greater than the same period of the previous fiscal year). This represents a dramatic increase in earnings for each reporting category.

Results by product group (note) were as follows.

Please note,

Beginning with the first three months of the current fiscal year, Sanyo Chemical Group started applying "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009). Year-on-year comparisons (growth rate or profit and loss) conform to this standard, and we have provided our calculations for reference.

### **Toiletries and Health Care**

In Toiletries, sales of surfactants for detergents increased briskly due to the growing popularity of liquid detergents. Sales of polyethylene glycol also increased substantially due to recovery in demand in Japan.

In Health Care, sales of superabsorbent polymers increased significantly due to globally higher demand for disposable diapers. Sales likewise increased briskly for adhesives for medical equipment, partly due to new product launches.

As a result, total net sales in this product group increased by 11.6% from the same period of the previous fiscal year, to ¥36,676 million. Operating income was ¥3,883 million (a 47.1% increase from the same period of the previous fiscal year).

### **Machinery and Automotives**

In Machinery and Automotives, sales of raw materials for new high-performance polyurethane foams used mainly in automobile seats increased due to the unique features of our raw materials. Sales of raw materials for general-purpose polyurethane foams and modifiers for automobile paints increased substantially due to recovery in production among automobile manufacturers. Sales of lubricating oil additives also increased significantly. This growth was the result of increased demand for lubricating oil used in Continuously Variable Transmissions (CVTs) and for engine oils designed for better fuel efficiency, due to the general shift among auto manufacturers toward greater fuel efficiency. Sales of thermoplastic polyurethane beads (TUB) for the interior parts of automobiles decreased due to decreased demand.

As a result, total net sales in this product group increased by 23.1% from the same period of the previous fiscal year, to ¥23,048 million. Operating income was ¥618 million (a 4.6 times increase from the same period of the previous fiscal year).

## **Plastics and Textiles**

In Plastics, sales of permanent antistatic agents, partially used in the production of packaging materials for electronic components increased substantially due to a recovery in demand and expanded sales overseas. Sales of resin modifiers also increased supported by a recovery in automotive production.

In Textiles, sales of agents used in textile manufacturing processes for industrial materials including airbag yarns, and sales of binders for fiberglass increased substantially due to recovery in production among auto manufacturers. Sales of agents for carbon fibers and polyurethane resins for synthetic leather also increased significantly.

As a result, total net sales in this product group increased by 19.4% from the same period of the previous fiscal year, to ¥13,622 million. Operating income was ¥1,568 million (a 51.5% increase from the same period of the previous fiscal year).

## **Information and Electrics/Electronics**

In Information, sales increased substantially for polyester beads (PEB) used as a core component of polymerization toners and for resins for pulverized toners, due to increased demand from copier manufacturers and other customers supported by the economic recovery.

In Electrics/electronics, sales of electrolytes for aluminum electrolytic capacitors increased significantly due to a recovery in demand from the automotive and the electronic appliance industries. Sales of silicon wafer processing agents increased significantly due to expansion of the market for photovoltaic cells. Sales of resins for flat panel displays (FPDs) also increased substantially while completing a marketing launch.

As a result, total net sales in this product group increased by 23.2% from the same period of the previous fiscal year, to ¥16,644 million. Operating income was ¥1,588 million (a 65.1% increase from the same period of the previous fiscal year).

## **Environmental Protection, Construction and Others**

In Environmental Protection, sales of cationic monomers as raw materials for flocculants increased steadily supported by expanded sales overseas, while sales of cationic polymer flocculants were weak due to increasingly intense competition and decreased demand in the Japan market.

In Construction, sales of raw materials for polyurethane foams used for furniture and heat insulating materials increased briskly on expanded marketing. Sales for raw materials for building sealants and cement dispersants increased substantially, despite delay in the recovery of the demand in the civil engineering and construction market in Japan.

As a result, total net sales in this product group increased by 13.5% from the same period of the previous fiscal year, to ¥12,166 million. Operating income was ¥145 million. (compared to an operating loss of ¥165 million for the same period of the previous fiscal year).

## (2) Qualitative Information Concerning Consolidated Financial Position

The Group's financial position at the end of the nine months was as follows:

Total assets at the end of the nine months increased by ¥7,295 million from the same period of the previous fiscal year, to ¥144,286 million thanks in part to an increase in notes and accounts receivable-trade due to higher sales and the effects of the period-end holiday.

Net assets increased by ¥2,827 million from the same period of the previous fiscal year, to ¥86,570 million. The increase in total assets exceeded the increase in shareholders' equity, and the shareholders' equity ratio declined by 1.3 percentage points from the previous fiscal year end, to 58.0%.

Cash and cash equivalents ("Cash") at the end of the nine months under review decreased by ¥1,951 million compared to the balance at the previous fiscal year end, bringing the balance at the end of the nine months to ¥13,613 million (excluding ¥200 million in time deposits with a deposit term of more than three months).

The cash flow movements during the period and the factors influencing them were as follows:

### Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥7,100 million, (compared to ¥16,176 million in net cash provided during the same period of the previous fiscal year). This result was mainly due to the increase in cash from income before income taxes and minority interests of ¥8,459 million combined with the increase in cash from depreciation and amortization expenses of ¥5,831 million and the increased in notes and accounts payable-trade of ¥5,107 which outweighed the outflow from an increase in notes and accounts receivable-trade of ¥6,980 million, the increase in inventories of ¥1,131 and income tax payments of ¥2,947 million.

### Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥6,639 million (compared to ¥9,042 million in net cash used during the same period of the previous fiscal year). This result was mainly due to cash outlays of ¥6,318 million for purchases of property, plant and equipment.

### Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥2,139 million, (compared to the outflow of ¥2,470 million during the same period of the previous fiscal year). This result was mainly due to cash outlays of ¥1,646 million in dividend payments.

## (3) Qualitative Information Concerning Consolidated Earnings Forecasts

Despite the appreciation of the yen as well as a strong sense of future uncertainty about raw material and fuel cost trends, fears of a global economic slowdown and other factors, in light of our performance during the nine months, our full-year forecast remains unchanged from our initial forecast announced on October 29, 2010.

Performance gains made over the nine months against our full-year forecast announced on October 29, 2010 are shown below.

(Full Year)	(Millions of Yen)				
	Net sales	Operating income	Ordinary income	Net income	Net income per share (Yen)
Consolidated forecast	135,000	9,400	10,000	5,700	51.67
Progress to forecast (%)	75.7%	83.0%	84.8%	83.5%	—
Previous term's figures	119,193	6,146	6,017	2,544	23.06

\* These earnings forecasts are based on information available at the time. Actual earnings may differ due to various factors occurring in the future.



## **2. Other Information**

### **(1) Overview of Changes in Significant Subsidiaries**

None

### **(2) Overview of Simplified and/or Special Accounting Methods**

(Simplified Accounting Methods)

#### **a. Estimate of uncollectible accounts**

The Group did not experience a default on any general receivables during the nine months of the current consolidated fiscal year. Accordingly, we have calculated an estimate of uncollectible receivables based on the loan loss ratio calculated at the end of the previous consolidated fiscal year.

#### **b. Income taxes, deferred tax assets, and deferred tax liabilities**

We have calculated income taxes using a rational estimate of annual effective tax rate. Deferred tax assets and deferred tax liabilities have been calculated using future earnings forecasts and tax planning figures in effect at the end of the previous consolidated fiscal year.

(Special Accounting Methods)

Tax expenses for the nine months of the current consolidated fiscal year have been calculated by multiplying income before income taxes on a consolidated basis by a reasonably estimated effective tax rate (after the application of tax-effect accounting). Income tax adjustments are included in the presentation of Income Taxes.

### **(3) Overview of Changes in Accounting Principles, Procedures, or Presentation Methods**

Effective the three months of the current consolidated fiscal year, the Group has applied “Accounting Standards for Asset Retirement Obligations” (ASBJ Statement No. 18; March 31, 2008) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21; March 31, 2008). Accordingly, operating income and ordinary income each decreased by ¥2 million yen, while income before income taxes and minority interests decreased by ¥13 million.

### **(4) Overview of Significant Matters Concerning the Going Concern Assumption**

None

### 3. Quarterly Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

##### (1)- (1) Assets

	Millions of Yen	
	As of Dec. 31, 2010	As of Mar. 31, 2010
<b>ASSETS</b>		
Current assets		
Cash and deposits	13,813	15,581
Notes and accounts receivable-trade	40,176	33,421
Merchandise and finished goods	8,216	7,495
Semi-finished goods	3,336	3,166
Work in process	170	389
Raw materials and supplies	3,436	3,111
Deferred tax assets	1,343	1,341
Other	778	385
Allowance for doubtful accounts	(33)	(29)
Total current assets	71,240	64,864
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	14,833	13,549
Machinery, equipment and vehicles, net	21,300	19,698
Land	8,538	8,548
Construction in progress	4,855	6,389
Other, net	1,278	1,426
Total property, plant and equipment	50,807	49,611
Intangible assets		
Software	508	494
Goodwill	42	171
Other	256	295
Total intangible assets	808	960
Investments and other assets		
Investment securities	19,790	19,949
Long-term loans receivable	4	4
Deferred tax assets	644	630
Other	1,032	1,030
Allowance for doubtful accounts	(42)	(59)
Total investments and other assets	21,430	21,554
Total fixed assets	73,046	72,127
Total assets	144,286	136,991

**(1)-(2) Liabilities and Net Assets**

	Millions of Yen	
	As of Dec. 31, 2010	As of Mar. 31, 2010
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable-trade	26,570	21,727
Short-term loans	3,680	3,089
Current portion of long-term debt	841	950
Current portion of bonds	10,000	10,000
Accrued expenses	2,707	2,530
Income taxes payable	1,666	1,770
Provision for bonuses	775	1,607
Provision for directors' and corporate auditors' bonuses	55	65
Notes payable-facilities	1,945	1,545
Other	2,964	1,946
Total current liabilities	51,207	45,232
Long-term liabilities		
Long-term debt	1,179	1,991
Provision for retirement benefits	3,686	4,299
Provision for directors' retirement benefits	722	928
Other	920	795
Total long term liabilities	6,508	8,015
Total liabilities	57,715	53,248
<b>NET ASSETS</b>		
Shareholders' equity		
Common stock	13,051	13,051
Capital surplus	12,194	12,194
Retained earnings	62,121	59,017
Treasury stock	(5,692)	(5,682)
Total shareholders' equity	81,674	78,580
Valuation and translation adjustments		
Unrealized gains on other securities	3,905	3,944
Foreign currency translation adjustment	(1,831)	(1,349)
Total valuation and translation adjustments	2,074	2,595
Minority interests	2,821	2,567
Total net assets	86,570	83,743
Total liabilities and net assets	144,286	136,991

## (2) Consolidated Statements of Income

	Millions of Yen	
	Nine months ended December 31,	
	2009	2010
Net sales	87,226	102,158
Cost of sales	69,486	80,649
Gross profit	17,739	21,508
Selling, general and administrative expenses	13,132	13,704
Operating income	4,606	7,804
Non-operating income		
Interest income	28	36
Dividends income	270	296
Equity in earnings of unconsolidated affiliates	—	457
Real estate rent	271	266
Other	96	194
Total non-operating income	667	1,251
Non-operating expenses		
Interest expenses	193	128
Equity in losses of unconsolidated affiliates	163	—
Rent cost of real estate	70	68
Loss on disposal of inventories	68	54
Foreign exchange losses	98	281
Other	38	40
Total non-operating expenses	631	572
Ordinary income	4,642	8,482
Extraordinary income		
Gain on sales of property, plant and equipment	—	178
Reversal of allowance for doubtful accounts	—	18
Gain on sales of investment securities	31	1
Total extraordinary income	31	197
Extraordinary loss		
Loss on disposal of property, plant and equipment	155	206
Loss on sales of property, plant and equipment	8	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	10
Loss on valuation of investment securities	445	2
Provision of allowance for doubtful accounts	2	0
Prior year adjustment of patent fee	38	—
Other	—	0
Total extraordinary losses	649	221
Income before income taxes and minority interests	4,024	8,459
Income taxes	1,518	2,873
Income before minority interests	—	5,585
Minority interests	559	826
Net income	1,946	4,758

### (3) Consolidated Statements of Cash Flows

	Millions of Yen	
	Nine months ended December 31,	
	2009	2010
Operating activities		
Income before income taxes and minority interests	4,024	8,459
Depreciation and amortization	5,945	5,831
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	10
Loss on disposal of property, plant and equipment	155	206
Amortization of goodwill	128	128
Increase (decrease) in allowance for doubtful accounts	5	(13)
Increase (decrease) in provision for bonuses	(325)	(830)
Increase (decrease) in provision for retirement benefits	(263)	(613)
(Decrease) increase in provision for directors' and corporate auditors' retirement benefits	21	(206)
(Decrease) increase in provision for directors' and corporate auditors' bonuses	(5)	(9)
Interest and dividends income	(299)	(332)
Interest expenses	193	128
Equity in (earnings) losses of unconsolidated affiliates	163	(457)
Loss (gain) on sales of property, plant and equipment	8	(178)
Loss (gain) on sales of investment securities	(31)	(1)
Loss (gain) on valuation of investment securities	445	2
Other non-operating expenses (income)	(122)	(69)
Decrease (increase) in notes and accounts receivable-trade	(5,903)	(6,980)
Decrease (increase) in inventories	126	(1,131)
Decrease (increase) in other assets	(22)	(354)
Increase (decrease) in notes and accounts payable-trade	10,580	5,107
Increase (decrease) in accrued consumption taxes	157	111
Increase (decrease) in other liabilities	785	553
Subtotal	15,766	9,359
Interest and dividends income received	350	598
Interest expenses paid	(203)	(129)
Other, net	144	218
Income taxes (paid) refund	119	(2,947)
Net cash provided by operating activities	16,176	7,100

Millions of Yen		
Nine months ended December 31,		
	2009	2010
Investing activities		
Payments into time deposits	(2,015)	(200)
Proceeds from withdrawal of time deposits	—	15
Purchase of property, plant and equipment	(7,011)	(6,318)
Proceeds from sale of property, plant and equipment	7	160
Purchase of investment securities	(35)	(8)
Proceeds from sales of investment securities	67	3
Payments of loans receivable	(1)	(2)
Collection of loans receivable	57	1
Other, net	(110)	(292)
Net cash used in investing activities	(9,042)	(6,639)
Financing activities		
Increase (decrease) in short-term loans payable	(106)	849
Repayment of long-term debt	(891)	(891)
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock	(5)	(10)
Cash dividends paid	(1,208)	(1,646)
Cash dividends paid to minority shareholders	(259)	(441)
Net cash used in financing activities	(2,470)	(2,139)
Effect of exchange rate changes on cash and cash equivalents	(139)	(273)
Net increase (decrease) in cash and cash equivalents	4,524	(1,951)
Cash and cash equivalents at beginning of period	7,031	15,565
Cash and cash equivalents at end of period	11,556	13,613

#### (4) Notes to Going Concern Assumptions

None

#### (5) Segment Information

[Cumulative Nine Months of the Current Consolidated Fiscal Year (April 1, 2010 through Dec. 31, 2010)]

Effective the three months of the current fiscal year, the Group started applying "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (ASBJ Guidance No.20, March 21, 2008).

##### 1. Overview of Reporting Segments

Separate financial information can be obtained for each of the Group's reporting segments, and such segments are linked to basic market domains in terms of Group R&D, strategic planning, etc.

The Group's reporting segments comprise product categories according to usage, and are classified into the following five reporting segments: Toiletries & Health Care, Machinery & Automotives, Plastics & Textiles, Information & Electrics/Electronics, and Environmental Protection, Construction & Others.

The Toiletries & Health Care segment is engaged in the manufacture and sales of surfactants for detergents/cleaning agents, surfactants for toiletries, pharmaceutical additives, superabsorbent polymers, etc. The Machinery & Automotives segment is engaged in the manufacture and sales of thermoplastic polyurethane beads (TUB) for the interior parts of automobiles, raw materials for polyurethane foams, The Plastics & Textiles segment is engaged in the manufacture and sales of permanent antistatic agents, carbon fiber/fiberglass agents, etc. The Information & Electrics/Electronics segment is engaged in the manufacture and sales of polymerization toners, toner binders, electrolytes for aluminum electrolytic capacitors, etc. The Environmental Protection, Construction & Others segment is engaged in the manufacture and sales of polymer flocculants for wastewater treatment, polyurethane insulation raw materials, etc.

##### 2. Net Sales and Profit by Reporting Segment

(Millions of Yen)

	Reporting Segment						Adjustment	Total
	Toiletries & Health Care	Machinery & Automotives	Plastics & Textiles	Information & Electrics/Electronics	Environmental Protection, Construction & Others	Subtotal		
Net Sales								
Sales to Third Parties	36,676	23,048	13,622	16,644	12,166	102,158	—	102,158
Inter-Segment Sales/Transfers	—	—	21	—	121	142	(142)	—
Subtotal	36,676	23,048	13,644	16,644	12,287	102,300	(142)	102,158
Segment Profits	3,883	618	1,568	1,588	145	7,804	—	7,804

##### [Information by Industry Segment]

[Cumulative Nine Months of the Previous Consolidated Fiscal Year (April 1, 2009 through Dec. 31, 2009)]

The Company and its consolidated subsidiaries are engaged in the manufacture and sales of chemical products. Most of these products are similar in type, nature, manufacturing method and markets. Accordingly, the Group has elected to omit information by industry segment.

## <Reference>

### [Information by Geographic Segment]

[Cumulative Nine Months of the Previous Consolidated Fiscal Year (April 1, 2009 through Dec. 31, 2009)]

(Millions of Yen)

	Japan	USA	China	Other	Total
Sales					
(1) Sales to third parties	76,538	2,525	7,216	947	87,226
(2) Sales from inter-segment transactions and transfers	2,739	0	388	—	3,128
Total	79,277	2,525	7,604	947	90,354
Operating income (loss)	3,933	(259)	873	(21)	4,526

	Adjustment	Consolidated Total
Sales		
(1) Sales to third parties	—	87,226
(2) Sales from inter-segment transactions and transfers	(3,128)	—
Total	(3,128)	87,226
Operating income (loss)	80	4,606

[Cumulative Nine Months of the Current Consolidated Fiscal Year (April 1, 2010 through Dec. 31, 2010)]

(Millions of Yen)

	Japan	USA	China	Other	Total
Sales					
(1) Sales to third parties	88,901	2,949	8,702	1,605	102,158
(2) Sales from inter-segment transactions and transfers	2,416	16	468	—	2,902
Total	91,318	2,966	9,171	1,605	105,060
Operating income (loss)	6,639	(113)	1,163	33	7,723

	Adjustment	Consolidated Total
Sales		
(1) Sales to third parties	—	102,158
(2) Sales from inter-segment transactions and transfers	(2,902)	—
Total	(2,902)	102,158
Operating income (loss)	80	7,804



**[Overseas Sales]**

[Cumulative Nine Months of the Previous Consolidated Fiscal Year (April 1, 2009 through Dec. 31, 2009)]  
(Millions of Yen)

	Asia	(of which, China)	America	Other	Total
I. Overseas sales	16,086	(9,083)	7,597	6,181	29,864
II. Consolidated sales	—	—	—	—	87,226
III. Percentage of overseas sales to consolidated sales (%)	18.4	(10.4)	8.7	7.1	34.2

[Cumulative Nine Months of the Current Consolidated Fiscal Year (April 1, 2010 through Dec. 31, 2010)]  
(Millions of Yen)

	Asia	(of which, China)	America	Other	Total
I. Overseas sales	21,053	(11,321)	7,717	7,575	36,346
II. Consolidated sales	—	—	—	—	102,158
III. Percentage of overseas sales to consolidated sales (%)	20.6	(11.1)	7.6	7.4	35.6

## Notes:

1. The term “overseas sales” refers to sales of the parent company and its consolidated subsidiaries registered in countries and regions outside Japan.
2. Areas included in each country or region are determined based on their degree of proximity.
3. Main countries or regions included in each geographic segment
  - (1) Asia: Korea, China, Indonesia, India, and Thailand
  - (2) America: USA, Mexico, and Brazil
  - (3) Other: Australia, Europe, Russia, and the Middle East

**(6) Notes to Significant Changes in Shareholders' Equity**

None

## 4. Supplementary Information

### Trend of Each Quarter Results

#### 1. Consolidated

Previous Fiscal Year

(Millions of Yen)

	FY 2009				
	1Q	2Q	3Q	4Q	Total
	April 2009 through June 2009	July 2009 through Sept. 2009	Oct. 2009 through Dec. 2009	Jan. 2010 through March 2010	April 2009 through March 2010
Net sales	26,542	28,829	31,854	31,966	119,193
Gross profit	5,084	5,812	6,842	6,110	23,850
Operating income	857	1,389	2,359	1,539	6,146
Ordinary income	1,037	1,123	2,480	1,375	6,017
Net income	393	477	1,075	598	2,544

Current Fiscal Year

(Millions of Yen)

	FY 2010			Change	
	1Q	2Q	3Q	same term of previous fiscal year	previous term
	April 2010 through June 2010	July 2010 through Sept. 2010	Oct. 2010 through Dec. 2010	Oct. 2009 through Dec. 2009	July 2010 through Sept. 2010
Net sales	33,817	33,464	34,875	9.5%	4.2%
Gross profit	7,242	7,117	7,149	4.5%	0.4%
Operating income	2,688	2,522	2,593	9.9%	2.8%
Ordinary income	3,004	2,553	2,924	17.9%	14.5%
Net income	1,759	1,450	1,549	44.1%	6.9%

#### 2. Non-Consolidated

Previous Fiscal Year

(Millions of Yen)

	FY 2009				
	1Q	2Q	3Q	4Q	Total
	April 2009 through June 2009	July 2009 through Sept. 2009	Oct. 2009 through Dec. 2009	Jan. 2010 through March 2010	April 2009 through March 2010
Net sales	18,813	19,717	22,509	22,484	83,525
Gross profit	3,492	3,929	4,695	4,314	16,431
Operating income	310	625	1,344	853	3,133
Ordinary income	732	927	1,757	1,167	4,585
Net income	509	686	792	812	2,801

Current Fiscal Year

(Millions of Yen)

	FY 2010			Change	
	1Q	2Q	3Q	same term of previous fiscal year	previous term
	April 2010 through June 2010	July 2010 through Sept. 2010	Oct. 2010 through Dec. 2010	Oct. 2009 through Dec. 2009	July 2010 through Sept. 2010
Net sales	23,338	23,200	24,146	7.3%	4.1%
Gross profit	4,961	4,639	4,479	(4.6%)	(3.5%)
Operating income	1,534	1,190	1,077	(19.9%)	(9.5%)
Ordinary income	2,063	1,682	1,558	(11.3%)	(7.4%)
Net income	1,417	1,279	1,000	26.2%	(21.8%)