

**A Statement of Accounts**  
**For the Nine Months Ended December 31, 2012**  
**3rd Quarter in Fiscal Year 2012**  
**(3Q-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 January 31, 2013. 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)

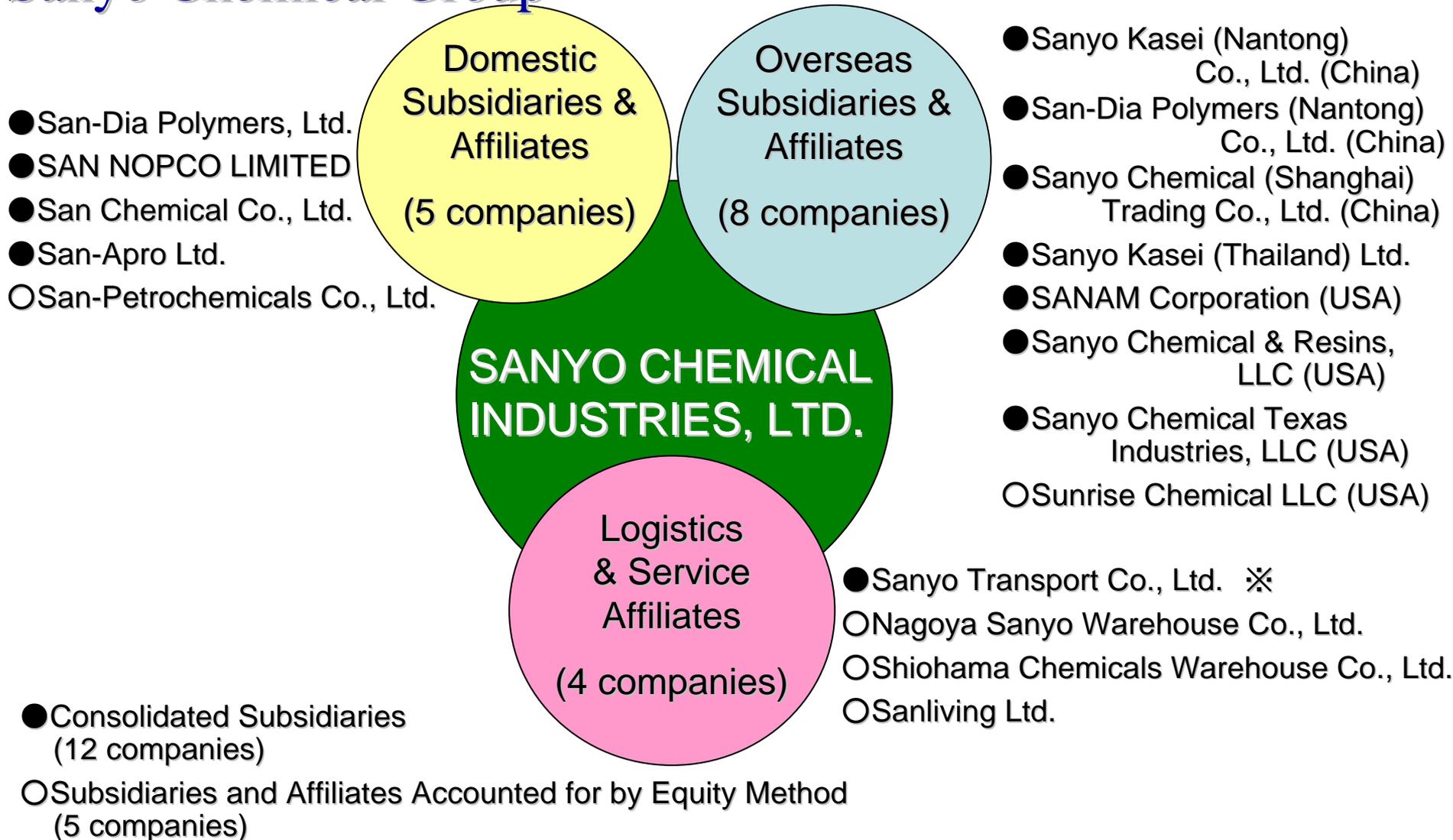
**Consolidated Number of Employees:**

1,890 (as of December 31, 2012)

**Line of Business:**

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

# Sanyo Chemical Group

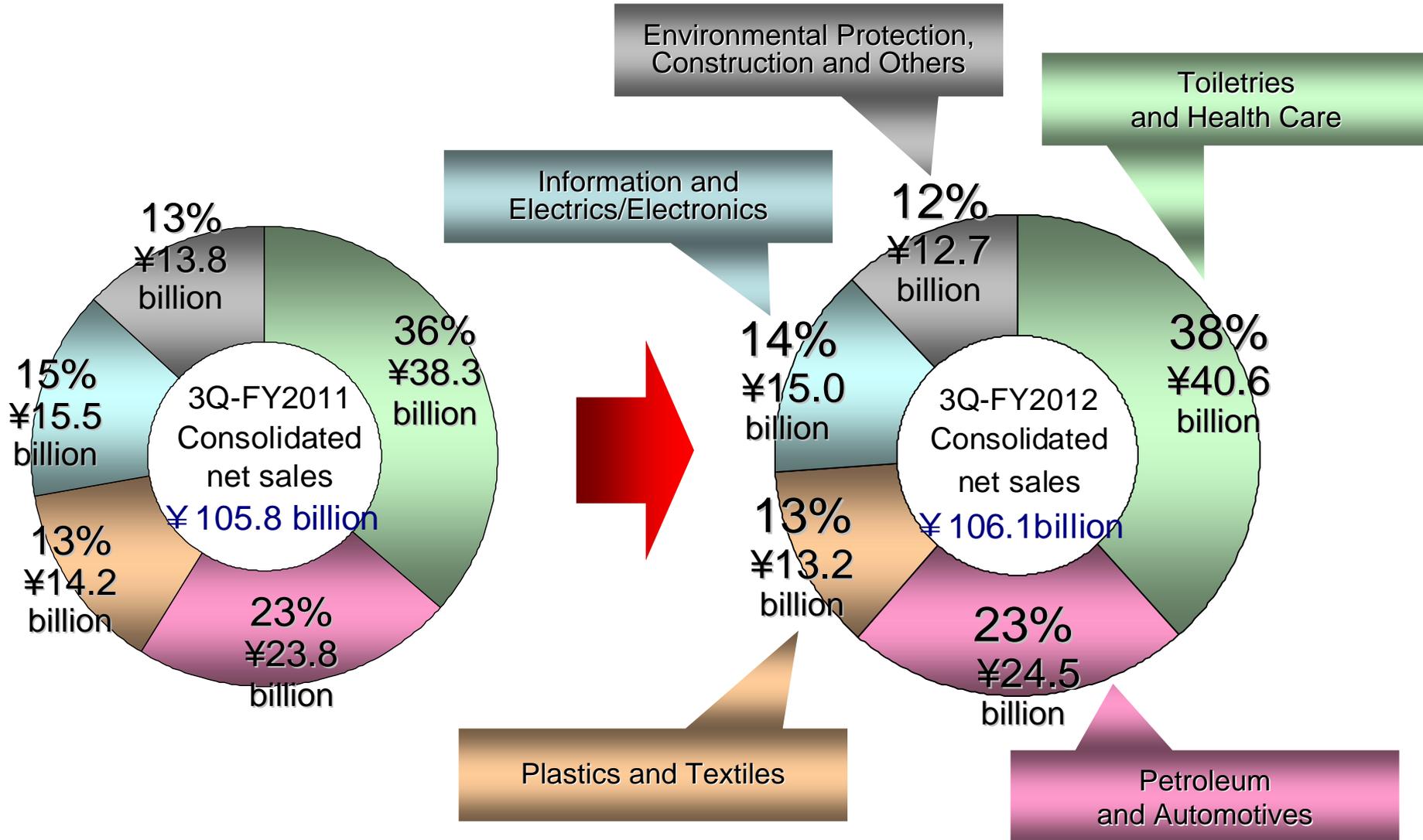


※Sanyo Transport Co., Ltd., which had applied the equity method, was included in the scope of consolidation due to its growing importance, and was made a consolidated subsidiary during the first nine months of FY2012.

# 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, 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, Agents for Use in Hard Disk Manufacturing, UV/EB Curing Resins, Silicon wafer processing agents  |
| 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 3Q in FY2012

(Billions of yen)

| Consolidated         | April-December |        | Year on Year Change |           |
|----------------------|----------------|--------|---------------------|-----------|
|                      | FY2012         | FY2011 | Amount              | Ratio (%) |
| Net sales            | 106.10         | 105.88 | 0.22                | 0         |
| Operating income     | 4.62           | 4.80   | (0.17)              | (4)       |
| Ordinary income      | 5.43           | 6.05   | (0.61)              | (10)      |
| Net income           | 3.27           | 3.52   | (0.24)              | (7)       |
| Comprehensive income | 2.91           | 2.37   | 0.54                | 23        |

(Billions of yen)

| Unconsolidated   | April-December |        | Year on Year Change |           |
|------------------|----------------|--------|---------------------|-----------|
|                  | FY2012         | FY2011 | Amount              | Ratio (%) |
| Net sales        | 70.82          | 73.71  | (2.88)              | (4)       |
| Operating income | 2.39           | 1.93   | 0.45                | 24        |
| Ordinary income  | 4.42           | 4.07   | 0.35                | 9         |
| Net income       | 3.37           | 2.73   | 0.64                | 23        |

# Results of Operations for 3Q in FY2012

Internal sales among Sanyo Chemical Group are not eliminated.

## Consolidated Subsidiaries (11 companies)

(Except for Sanyo Transport Co., Ltd. which was made a consolidated subsidiary at the end of the first nine months of FY2012.)  
(Billions of yen)

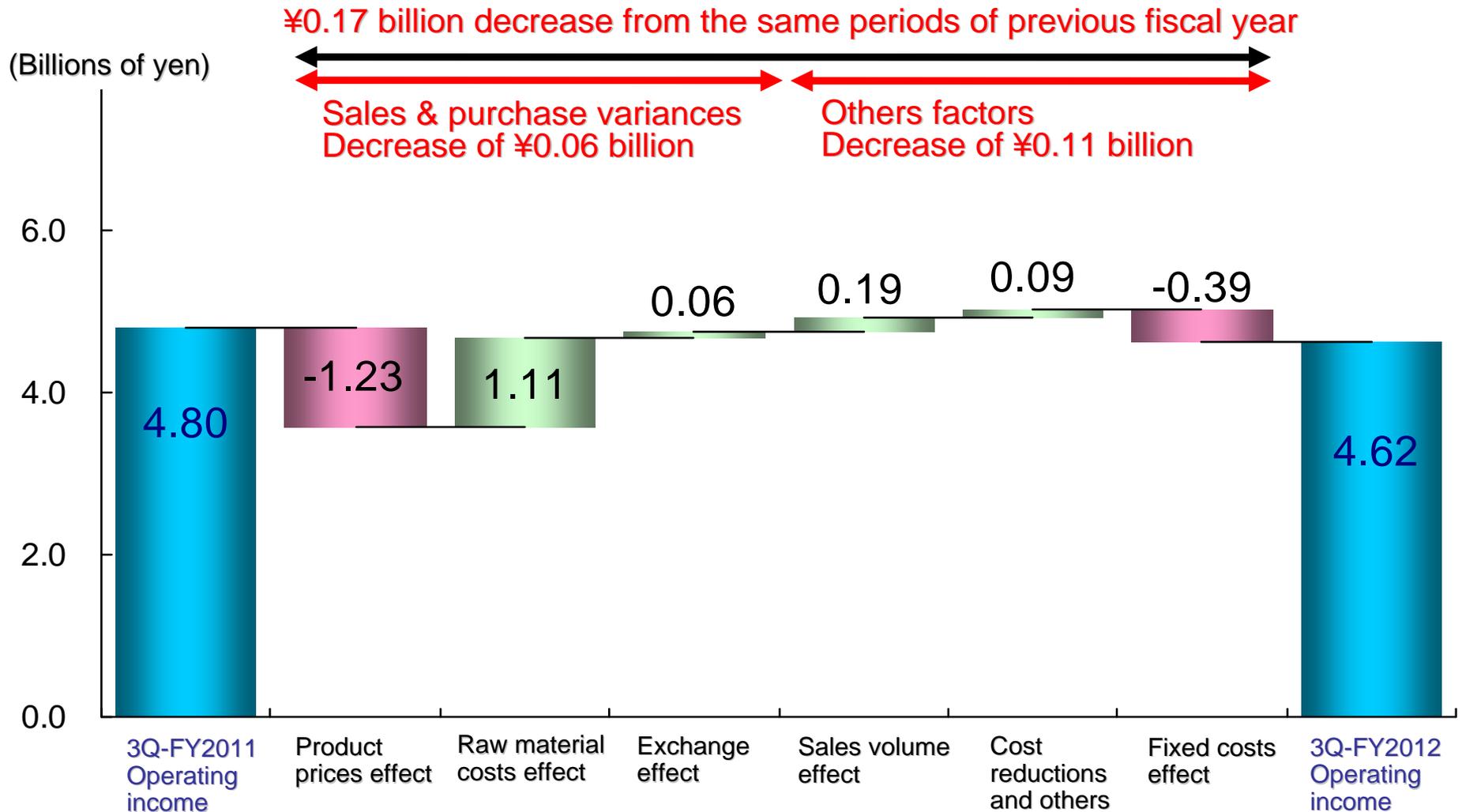
|                  | April-December |        | Year on Year Change |           |
|------------------|----------------|--------|---------------------|-----------|
|                  | FY2012         | FY2011 | Amount              | Ratio (%) |
| Net sales        | 55.01          | 53.74  | 1.27                | 2         |
| Operating income | 1.91           | 2.48   | (0.57)              | (23)      |
| Ordinary income  | 2.24           | 3.10   | (0.85)              | (28)      |

## Of which, SDP Group (SDP and SDN)

(Billions of yen)

|                  | April-December |        | Year on Year Change |           |
|------------------|----------------|--------|---------------------|-----------|
|                  | FY2012         | FY2011 | Amount              | Ratio (%) |
| Net sales        | 28.15          | 25.24  | 2.91                | 12        |
| Operating income | 0.79           | 1.15   | (0.35)              | (31)      |
| Ordinary income  | 0.92           | 1.09   | (0.17)              | (16)      |

# Change in Consolidated Operating Income by Factor



# Change in Consolidated Net Income

(Billions of yen)

|  | April-December |        | Year on Year Change |
|--|----------------|--------|---------------------|
|  | FY2012         | FY2011 |                     |
| Operating income   | 4.62           | 4.80   | (0.17)              |
| Equity in earnings of unconsolidated subsidiaries and affiliates | 0.39           | 0.95   | (0.55)              |
| Gain or loss on foreign exchange                                 | 0.04           | (0.16) | 0.21                |
| Other non-operating profit and loss                              | 0.35           | 0.46   | (0.10)              |
| Ordinary income  | 5.43           | 6.05   | (0.61)              |
| Gain and Loss on disposal/sales of property, plant and equipment | (0.45)         | (0.24) | (0.20)              |
| Other extraordinary income or loss                               | 0.08           | 0.20   | (0.12)              |
| Income before income taxes and minority interests                | 5.05           | 6.01   | (0.95)              |
| Income taxes paid, etc.  | (1.44)         | (1.89) | 0.44                |
| Minority interests   | (0.33)         | (0.59) | 0.25                |
| Net income   | 3.27           | 3.52   | (0.24)              |

# Consolidated Balance Sheet

(Billions of yen)

|   | Dec. 31<br>2012 | Mar. 31<br>2012 | Changed<br>amount | Main Change Factor*  |
|---|-----------------|-----------------|-------------------|--|
| Current assets                          | 71.2            | 70.8            | 0.3               | Cash and deposits: 0.3, Notes and accounts receivable-trade: (0.8), Inventories: 0.9 |
| Fixed assets                            | 77.2            | 78.3            | (1.0)             | Property, plant & equipment: 0.5, Investment securities: (1.7)                       |
| <b>Assets</b>                           | <b>148.4</b>    | <b>149.1</b>    | <b>(0.7)</b>      |  |
| Current liabilities                     | 45.8            | 46.8            | (1.0)             | Notes and accounts payable-trade: (0.5), Short-term loans: 1.8                       |
| Long-term liabilities                   | 11.4            | 11.8            | (0.3)             | Long-term debt: 0.2, Provision for retirement benefits: (0.4)                        |
| <b>Liabilities</b>                      | <b>57.2</b>     | <b>58.6</b>     | <b>(1.3)</b>      |  |
| Shareholder's equity                    | 85.7            | 84.1            | 1.6               | Net income: 3.2, Cash dividends paid: 1.6  |
| Other comprehensive income              | 2.4             | 3.1             | (0.6)             | Unrealized gains on other securities: (0.7)  |
| Minority interests                      | 2.9             | 3.2             | (0.2)             |  |
| <b>Net assets</b>                       | <b>91.1</b>     | <b>90.5</b>     | <b>0.6</b>        |  |
| <b>Total Liabilities and net assets</b> | <b>148.4</b>    | <b>149.1</b>    | <b>(0.7)</b>      |  |

\* Each figure indicates the changed amount.

(Billions of yen)

# Consolidated Cash Flows

|  | April-December |        | Changed amount | Main Change Factor*   |
|--|----------------|--------|----------------|---|
|  | FY2012         | FY2011 |                |   |
| Operating activities   | 9.5            | 4.7    | 4.8            |   |
| Income before income taxes and minority interests                        | 5.0            | 6.0    | (0.9)          |   |
| Depreciation and amortization  | 6.6            | 6.8    | (0.1)          |   |
| Equity in earning of unconsolidated subsidiaries and affiliates          | (0.3)          | (0.9)  | 0.5            |   |
| (Increase) decrease in operating capital                                 | (0.8)          | (3.4)  | 2.5            | Notes and accounts receivable-trade: 7.6, Inventories: 2.2, Notes and accounts payable: (7.3) |
| Income taxes   | (0.8)          | (3.1)  | 2.3            |   |
| Others   | (0.1)          | (0.6)  | 0.5            |   |
| Investing activities   | (9.0)          | (7.9)  | (1.0)          |   |
| Free cash flows  | 0.4            | (3.2)  | 3.7            |   |
| Financing activities   | (0.4)          | 0.1    | (0.6)          | (3Q in FY2012)<br>Loans: 6.0, Repayment: (4.2),<br>Cash dividends paid: (1.6)                 |
| Effect of exchange rate changes on cash and cash equivalents             | 0.0            | (0.2)  | 0.2            |   |
| Increase (decrease) in cash and cash equivalents                         | 0.0            | (3.2)  | 3.3            |   |
| Cash and cash equivalents at beginning of period                         | 9.3            | 12.0   | (2.6)          |   |
| Increase in cash and cash equivalents from newly consolidated subsidiary | 0.2            | —      | 0.2            | Sanyo Transport Co., Ltd.   |
| Cash and cash equivalents at end of period                               | 9.7            | 8.7    | 0.9            |   |

\* Each figure indicates the changed amount.

# Forecast for FY2012

(Billions of yen)

| Consolidated     | FY2012 Annual             |                          |              |                  | FY2011 Annual               |                  |
|------------------|---------------------------|--------------------------|--------------|------------------|-----------------------------|------------------|
|                  | Previous forecast (A)(※1) | Current forecast (B)(※2) | Amount (B-A) | Ratio(%) (B/A-1) | Previous term's figures (C) | Ratio(%) (B/A-1) |
| Net sales        | 153.0                     | 142.0                    | (11.0)       | (7)              | 141.0                       | 1                |
| Operating income | 8.3                       | 5.5                      | (2.8)        | (34)             | 5.7                         | (5)              |
| Ordinary income  | 9.0                       | 6.4                      | (2.6)        | (29)             | 6.9                         | (8)              |
| Net income       | 5.3                       | 3.6                      | (1.7)        | (32)             | 3.7                         | (3)              |

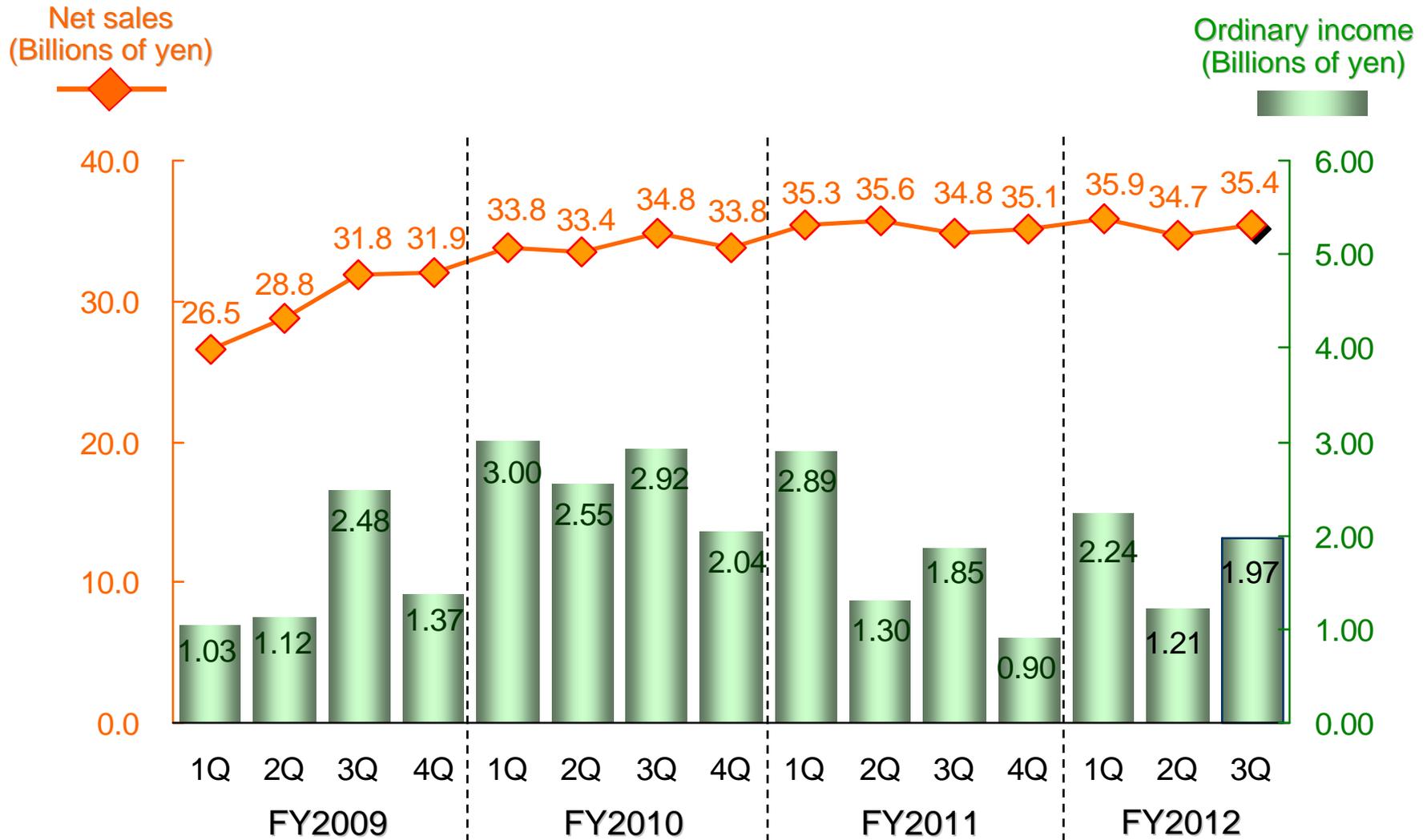
(Billions of yen)

| Unconsolidated   | FY2012 Annual             |                          |              |                  | FY2011 Annual               |                  |
|------------------|---------------------------|--------------------------|--------------|------------------|-----------------------------|------------------|
|                  | Previous forecast (A)(※1) | Current forecast (B)(※2) | Amount (B-A) | Ratio(%) (B/A-1) | Previous term's figures (C) | Ratio(%) (B/A-1) |
| Net sales        | 103.0                     | 94.0                     | (9.0)        | (9)              | 98.0                        | (4)              |
| Operating income | 4.1                       | 2.6                      | (1.5)        | (37)             | 2.2                         | 14               |
| Ordinary income  | 6.5                       | 5.1                      | (1.4)        | (22)             | 5.1                         | (1)              |
| Net income       | 4.7                       | 3.8                      | (0.9)        | (19)             | 3.5                         | 8                |

※1: Previous forecast: We disclosed the forecast on April 27, 2012

※2: Previous forecast: We disclosed the forecast on January 31, 2013

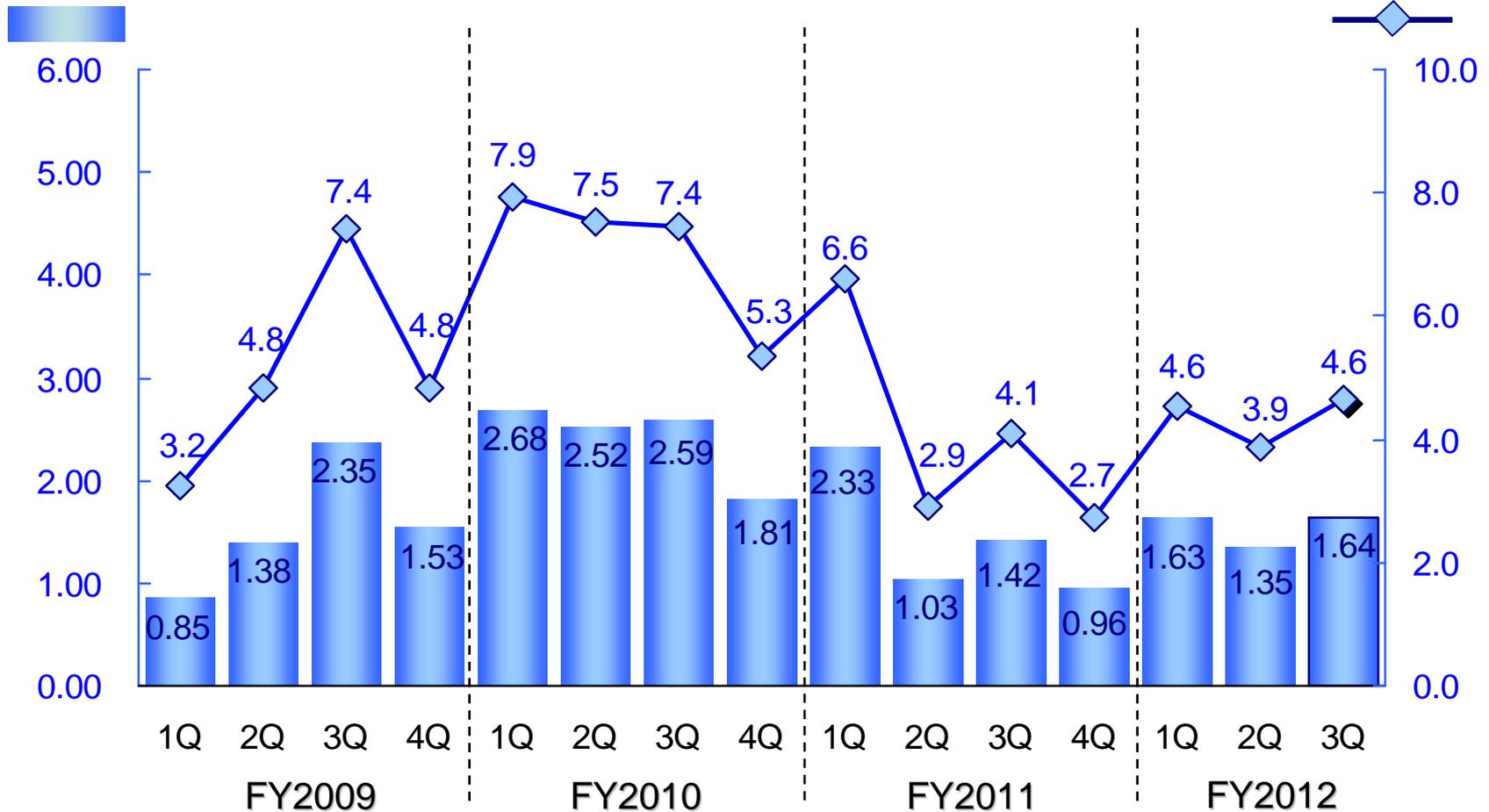
# Consolidated Business Result Trend



# Consolidated Operating Income Trend

Operating income  
(Billions of yen)

Operating income  
ratio (%)



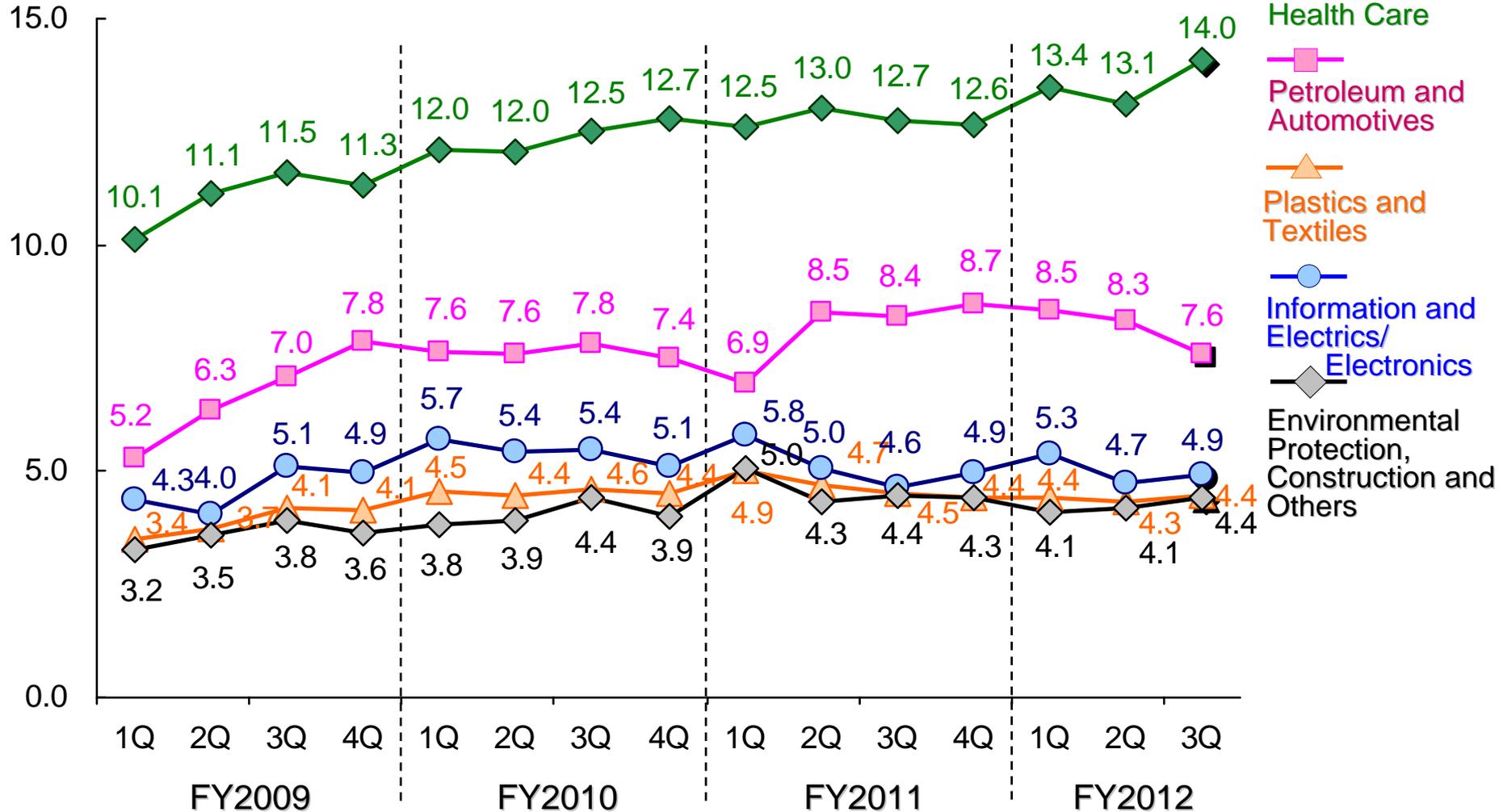
# Consolidated Net Sales by Product Group

(Billions of yen)

| Product Group  | April-December |               | Year on Year Change |            |
|--|----------------|---------------|---------------------|------------|
|  | FY2012         | FY2011        | Amount              | Ratio (%)  |
| <b>Toiletries and Health Care</b>                        | <b>40.66</b>   | <b>38.38</b>  | <b>2.28</b>         | <b>6</b>   |
| Toiletries   | 10.42          | 10.84         | (0.41)              | (4)        |
| Health Care  | 30.24          | 27.54         | 2.69                | 10         |
| <b>Petroleum and Automotives</b>                         | <b>24.51</b>   | <b>23.88</b>  | <b>0.62</b>         | <b>3</b>   |
| <b>Plastics and Textiles</b>                             | <b>13.20</b>   | <b>14.22</b>  | <b>(1.01)</b>       | <b>(7)</b> |
| Plastics   | 8.27           | 8.19          | 0.07                | 1          |
| Textiles   | 4.93           | 6.02          | (1.09)              | (18)       |
| <b>Information and Electrics/Electronics</b>             | <b>15.01</b>   | <b>15.51</b>  | <b>(0.50)</b>       | <b>(3)</b> |
| Information  | 11.28          | 10.76         | 0.52                | 5          |
| Electrics/Electronics                                    | 3.72           | 4.75          | (1.02)              | (22)       |
| <b>Environmental Protection, Construction and Others</b> | <b>12.70</b>   | <b>13.87</b>  | <b>(1.16)</b>       | <b>(8)</b> |
| <b>Total</b>   | <b>106.10</b>  | <b>105.88</b> | <b>0.22</b>         | <b>0</b>   |

# Consolidated Net Sales Trend by Product Group

(Billions of yen)



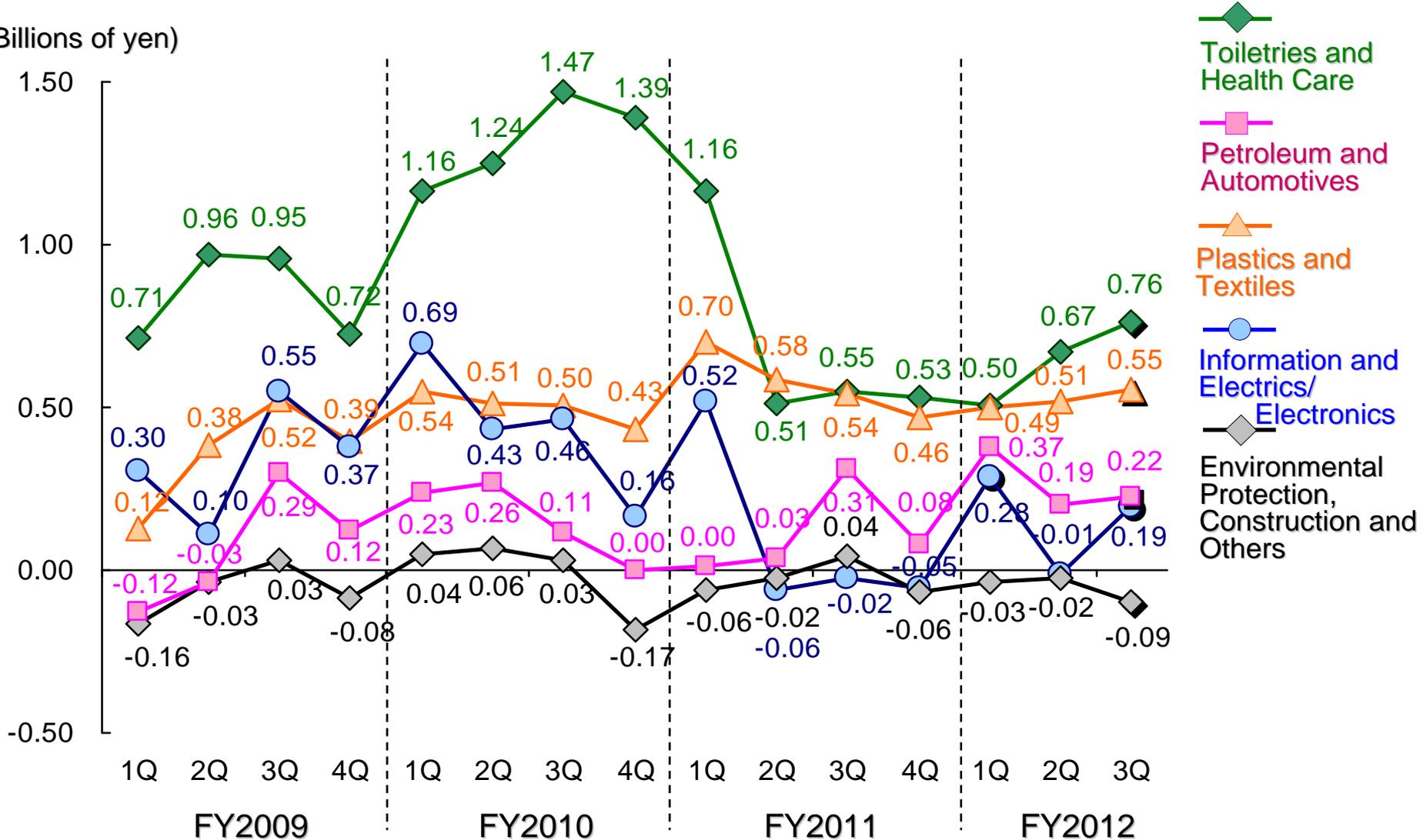
# Consolidated Operating Income by Product Group

(Billions of yen)

| Product Group                                     | April-December |        | Year on Year Change |                      |
|---|----------------|--------|---------------------|----------------------|
|   | FY2012         | FY2011 | Amount              | Ratio (%)            |
| Toiletries and Health Care                        | 1.93           | 2.22   | (0.29)              | (13)                 |
| Petroleum and Automotives                         | 0.80           | 0.35   | 0.44                | 2.3 <sub>times</sub> |
| Plastics and Textiles                             | 1.57           | 1.82   | (0.25)              | (14)                 |
| Information and Electrics/Electronics             | 0.47           | 0.43   | 0.04                | 9                    |
| Environmental Protection, Construction and Others | (0.15)         | (0.04) | (0.11)              | —                    |
| Total   | 4.62           | 4.80   | (0.17)              | (4)                  |

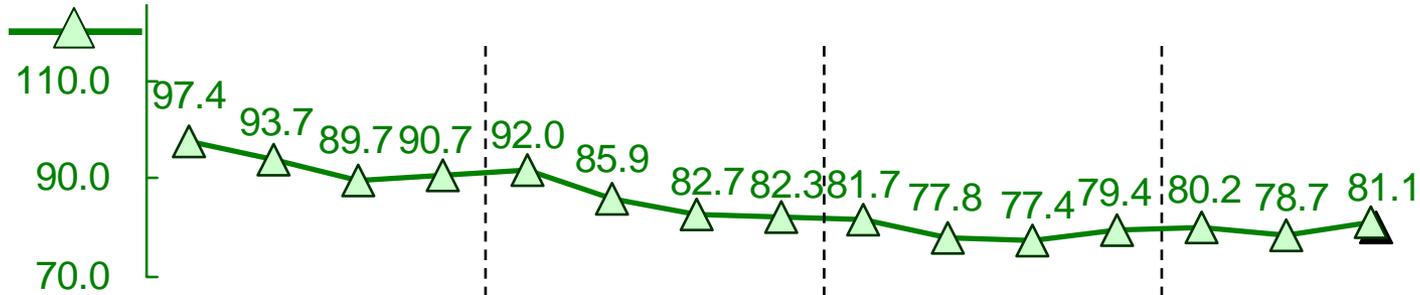
# Consolidated Operating Income Trend by Product Group

(Billions of yen)

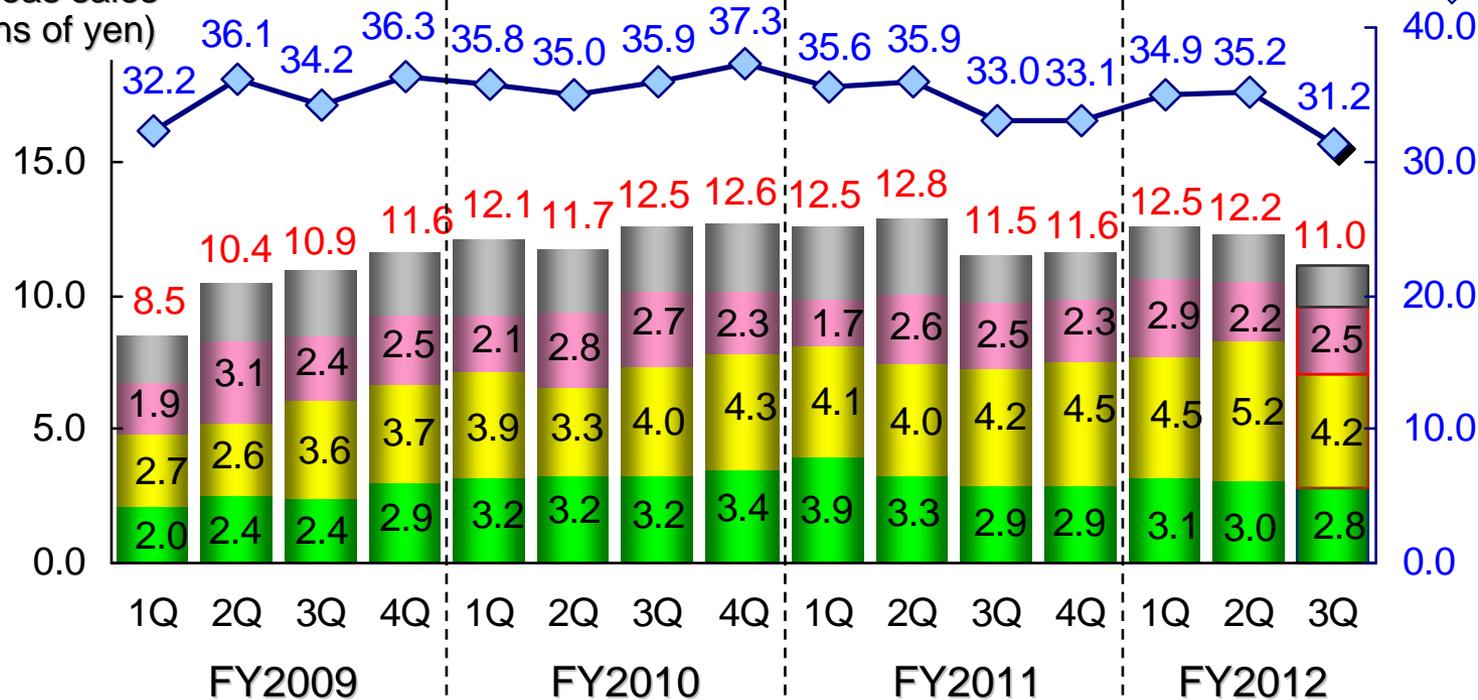


# Consolidated Overseas Sales Trend

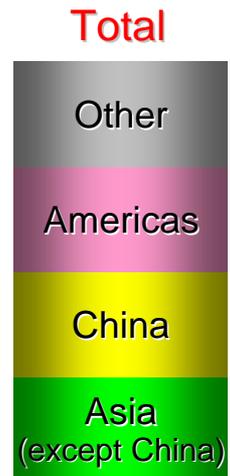
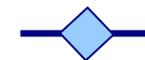
Average exchange rate  
(Yen/US\$)



Overseas sales  
(Billions of yen)



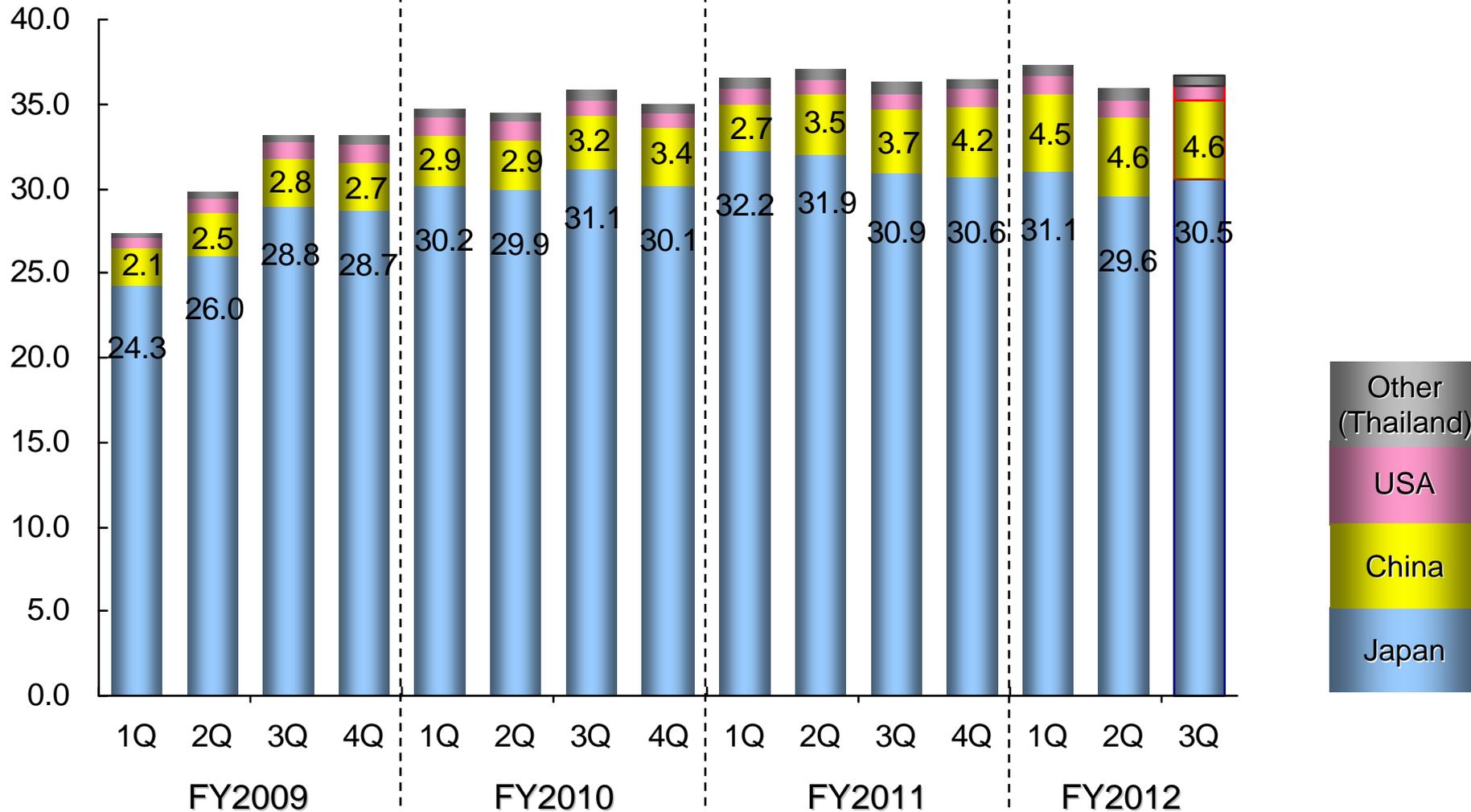
Overseas sales ratio  
(%)



# Consolidated Net Sales Trend by Geographic Segments

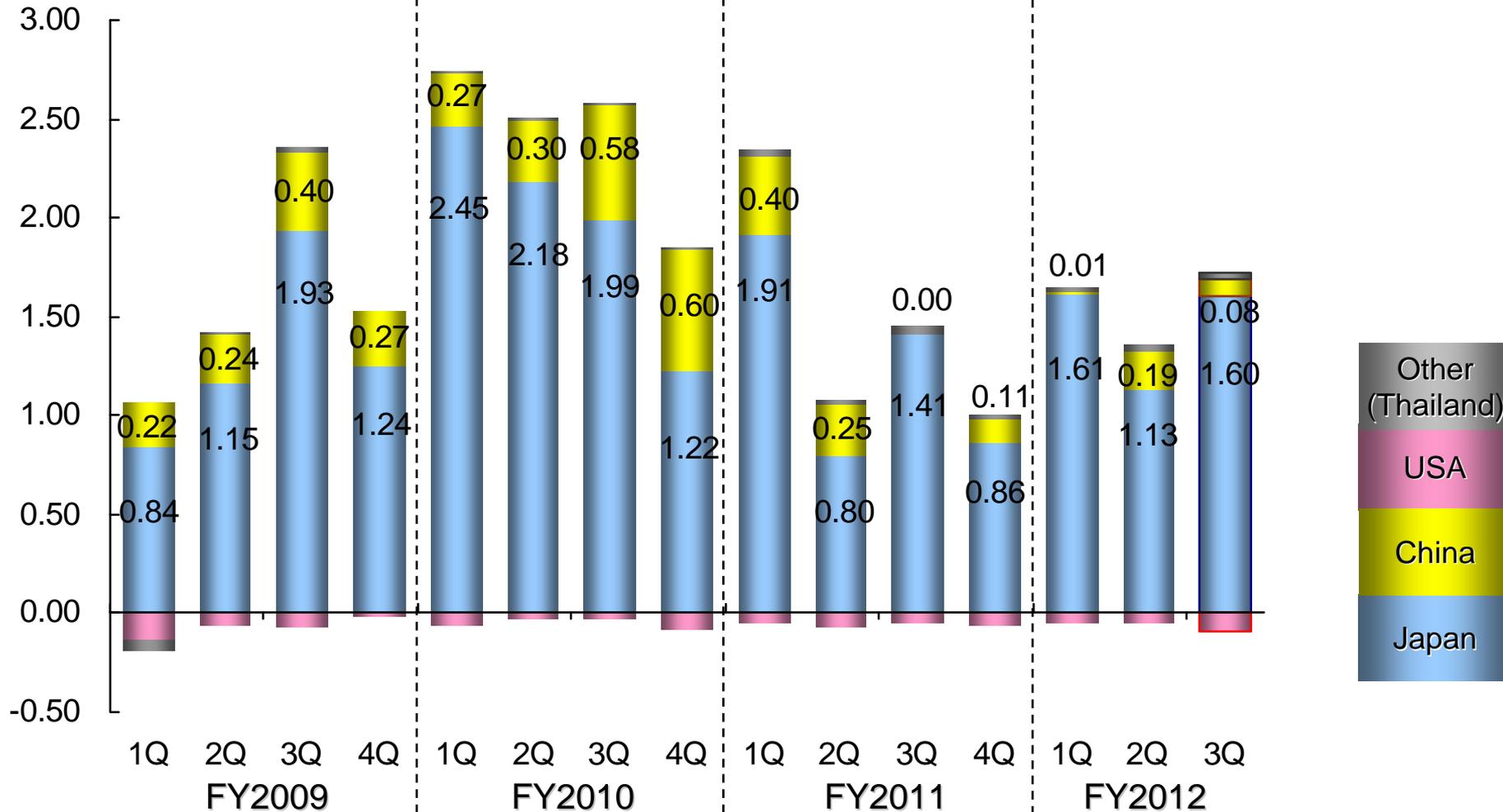
Internal sales among Sanyo Chemical Group are not eliminated.

(Billions of yen)



# Consolidated Operating Income Trend by Geographic Segments

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



# Strategic Products

## Strategic Products

*The driving force supporting higher profitability and business expansion*

Strategic Products newly set in the Eighth Medium-Term Management Plan (18 items)

New growth-driving products (8 items)

Products related to energy, Electronic parts, Biotechnology, etc.

Strategic Products carried forward under the Seventh Medium-Term Management Plan (11 items)

Basic products for expansion (10 items)

SAP, Toner Materials, Raw Materials for Polyurethane Foams, etc.

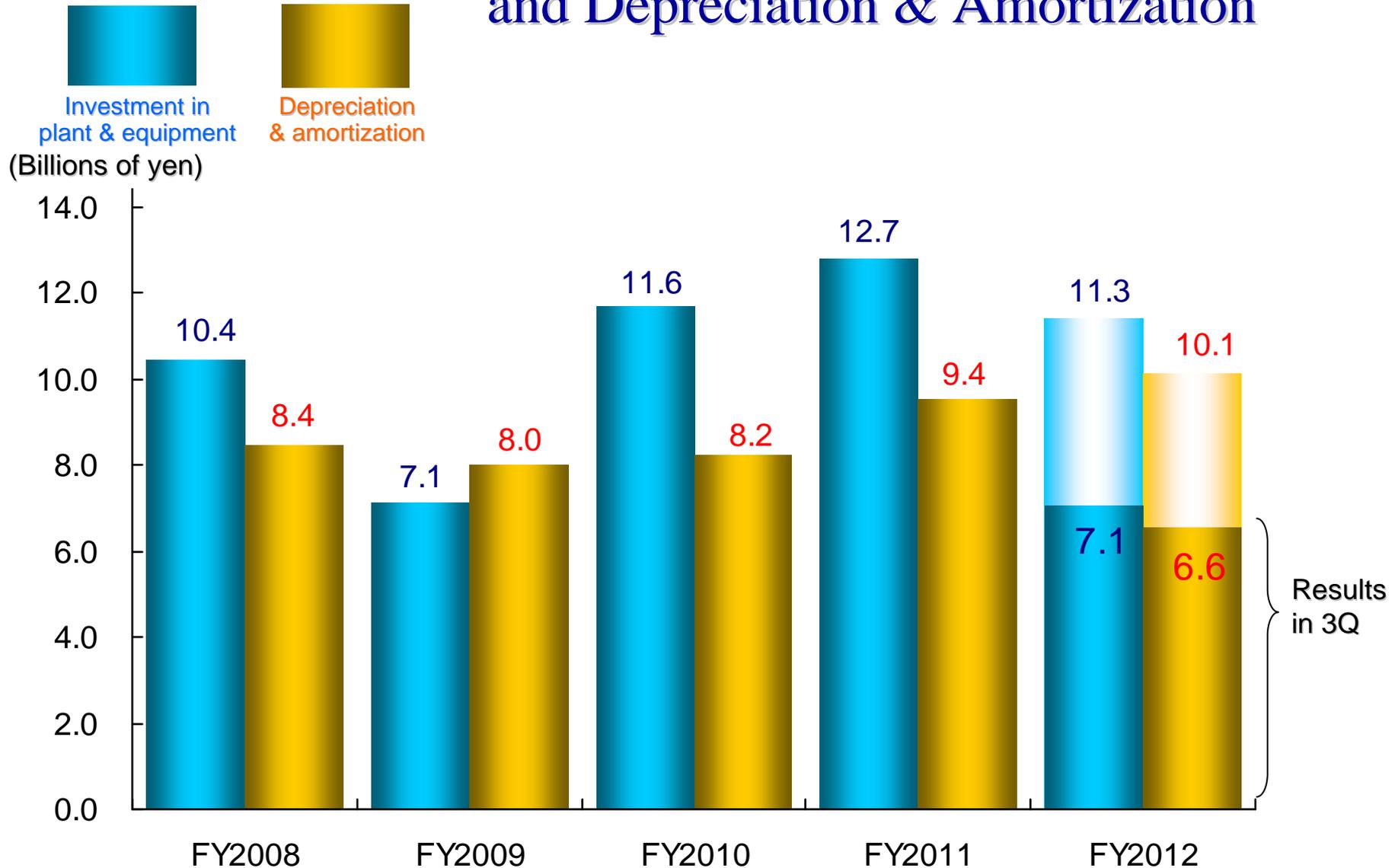
(Billions of yen)

|   | FY2010 Annual | April-December |               | FY2014 Annual |
|---|---------------|----------------|---------------|---------------|
|   | Result        | FY2011 Result  | FY2012 Result | Target        |
| Strategic Products newly set in the Eighth Medium-Term Management Plan        | 1.1           | 1.3            | 3.2           | 39.0          |
| New growth-driving products   | 0.9           | 0.6            | 0.5           | 9.0           |
| Basic products for expansion  | 0.1           | 0.7            | 2.7           | 30.0          |
| Strategic Products carried over under the Seventh Medium-Term Management Plan | 19.1          | 14.5           | 15.2          | 27.0          |
| Strategic products total  | 20.2          | 15.8           | 18.5          | 66.0          |

(Billions of yen)

|   | FY2010 Annual | April-December |               | FY2014 Annual |
|---|---------------|----------------|---------------|---------------|
|   | Result        | FY2011 Result  | FY2012 Result | Target        |
| Toiletries and Others                   | 0.1           | 0.7            | 2.6           | 14.0          |
| Automotives                             | 7.5           | 6.1            | 7.1           | 19.4          |
| Information and Electrics / Electronics | 12.5          | 8.9            | 8.7           | 32.4          |
| Strategic products total                | 20.2          | 15.8           | 18.5          | 66.0          |

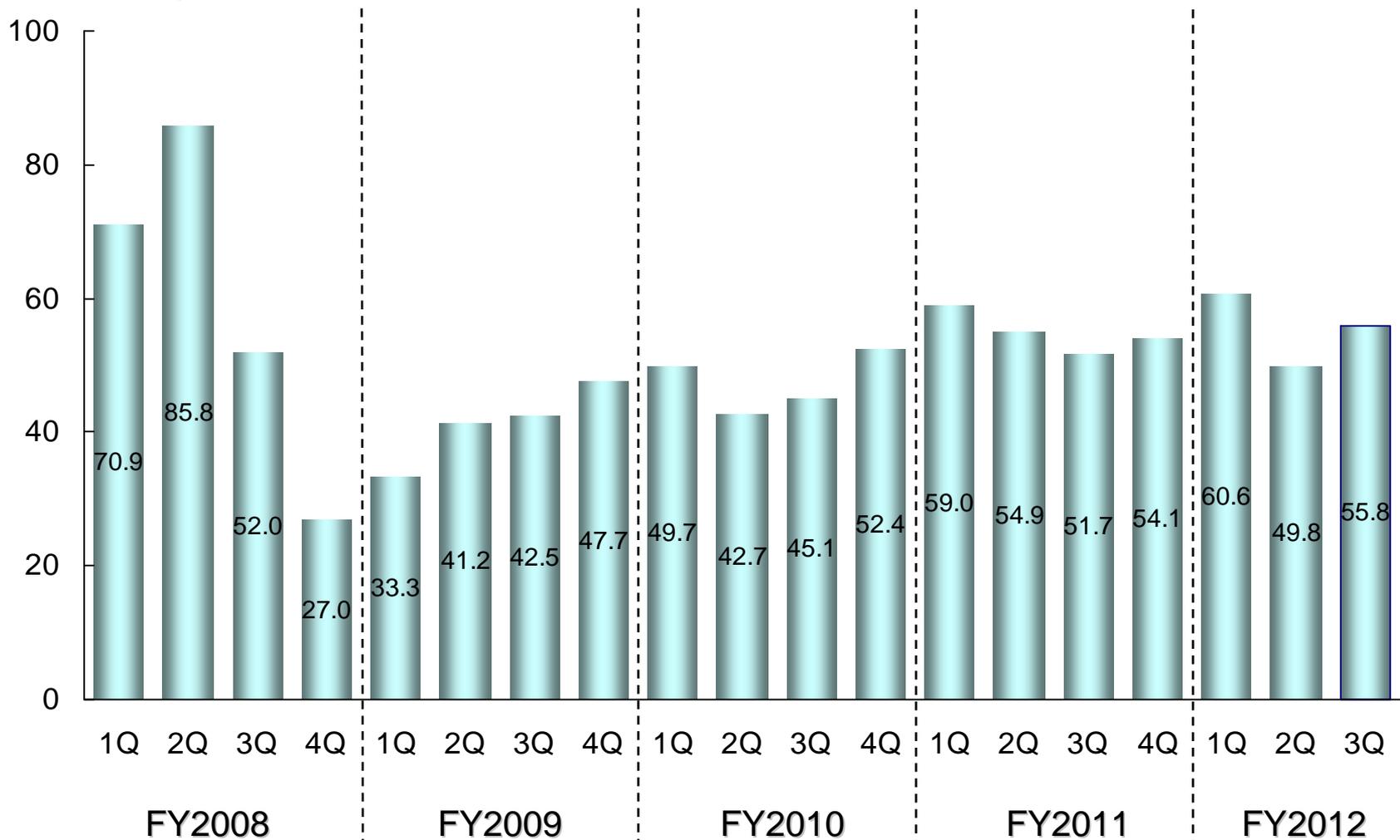
# Consolidated Investment in Plant & Equipment, and Depreciation & Amortization



# Reference

# Transition of Price of Domestically Produced Naphtha

Domestic naphtha price  
(Thousands of yen/kl)



## Domestic Consolidated Subsidiaries (5 companies)

| Company Name                | Abbr. | Equity Ownership                         | Line of Business |   |
|-----------------------------|-------|--|------------------|---|
| San-Dia Polymers, Ltd.      | SDP   | Sanyo Chemical<br>Mitsubishi Chemical    | 60%<br>40%       | Manufacture and sales of superabsorbent polymers  |
| SAN NOPCO LIMITED           | SNL   | Sanyo Chemical                           | 100%             | Manufacture and Sales of industrial agents for pulp & paper, coatings, etc.             |
| San Chemical Co., Ltd.      | SCC   | Sanyo Chemical<br>JX Nippon Oil & Energy | 50%<br>50%       | Manufacture of raw materials for polyurethane foams, etc.                               |
| San-Apro Ltd.               | SA    | Sanyo Chemical<br>Air-Products           | 50%<br>50%       | Manufacture and sales of curing accelerators for epoxy resins, urethane catalysts, etc. |
| Sanyo Transport Co., Ltd. ※ | —     | Sanyo Chemical                           | 100%             | General trucking  |

※Sanyo Transport Co., Ltd., which had applied the equity method, was included in the scope of consolidation due to its growing importance, and was made a consolidated subsidiary during the first nine months of FY2012.

## Overseas Consolidated Subsidiaries (7 companies)

| Company Name   | Abbr. | Equity Ownership                              |            | Line of Business  |
|--|-------|---|------------|---|
| Sanyo Kasei (Nantong) Co., Ltd.<br>[China]             | SKN   | Sanyo Chemical                                | 100%       | Manufacture and sales of surfactants, polyurethane resins, etc.                   |
| San-Dia Polymers (Nantong) Co., Ltd.<br>[China]        | SDN   | San-Dia Polymers                              | 100%       | Manufacture and sales of superabsorbent polymers                                  |
| Sanyo Chemical (Shanghai) Trading Co., Ltd.<br>[China] | SCST  | Sanyo Chemical                                | 100%       | Sales of surfactants, polyurethane resins, etc.                                   |
| Sanyo Kasei (Thailand) Ltd.<br>[Thailand]              | SKT   | Sanyo Chemical<br>Toyota Tsusho<br>and others | 89%<br>11% | Manufacture and sales of surfactants, polyurethane resins, etc.                   |
| SANAM Corporation<br>[USA]                             | SANAM | Sanyo Chemical                                | 100%       | Holding company of U.S. consolidated subsidiaries.<br>Sales of toner resins, etc. |
| Sanyo Chemical & Resins, LLC<br>[USA]                  | SCR   | SANAM   | 100%       | Manufacture of toner resins, etc.   |
| Sanyo Chemical Texas Industries, LLC<br>[USA]          | SCTI  | SANAM   | 100%       | Manufacture of polyurethane beads   |

## 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<br>JX Nippon Oil & Energy | 50%<br>50%       | Manufacture of raw materials for synthetic rubbers |
| Sunrise Chemical LLC [USA]             | SRC   | SANAM<br>JX Nippon Chemical<br>Texas     | 50%<br>50%       | Manufacture of raw materials for synthetic rubbers |
| Nagoya Sanyo Warehouse Co., Ltd.       | —     | Sanyo Chemical                           | 100%             | Warehousing  |
| Shiohama Chemicals Warehouse Co., Ltd. | —     | Sanyo Chemical<br>JX Nippon Oil & Energy | 50%<br>50%       | Warehousing  |
| Sanliving Ltd.                         | SL    | Sanyo Chemical                           | 100%             | Real estate, insurance and agency                  |