



"Performance" Through Chemistry

**Material for  
Financial Results Presentation  
For the Fiscal Year Ended  
March 31, 2023**

Akinori Higuchi, President & CEO  
Sanyo Chemical Industries, Ltd.

Securities code: 4471

**Sanyo  
Chemical**

<Notice>

Yen amounts described in this presentation material are rounded down to the nearest unit.  
Other figures such as ratios are rounded off.

<Disclaimer>

This presentation material contains forward-looking statements including projections based on the assumptions, forecasts and plans as of May 22, 2023. Actual results may differ significantly from such projections due to risks and uncertainties relating to changes in the global economy, state of competition, foreign currency exchange rates, trends in raw material costs and other factors.

<Inquiries about IR>

Public Relations Dept.  
Corporate Planning Division  
Sanyo Chemical Industries, Ltd.

E-mail: [pr-group@sanyo-chemical.group](mailto:pr-group@sanyo-chemical.group)

Date of Establishment: November 1, 1949

Head Office: Higashiyama-ku, Kyoto-shi

Share Capital: ¥13,051 million

Domestic Branches Offices and Sales & Marketing Offices:

Tokyo, Nagoya, Hiroshima, Fukuoka

Domestic Factories:

Nagoya, Kinuura, Kashima, Kyoto, Kawasaki (San Chemical)

Number of Employees (Consolidated Basis):

2,089 (as of March 31, 2023)

Line of Business:

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

**Sanyo Chemical** Sanyo Chemical Group

- Consolidated Subsidiaries
- Entities Accounted for Using the Equity Method

Domestic

- SDP Global Co., Ltd.
- SAN NOPCO LIMITED
- San-Apro Ltd.
- San Chemical Co., Ltd.
- San-Petrochemicals Co., Ltd.

Overseas



- Sanyo Kasei (Nantong) Co., Ltd.
- SANYO CHEMICAL (SHANGHAI) TRADING CO., LTD.
- San-Dia Polymers (Nantong) Co., Ltd.



- Sanyo Kasei Korea, Ltd.



- Sanyo Kasei (Thailand) Ltd.



- Sanyo Chemical America Incorporated
- Sanyo Chemical Texas Industries, LLC
- Sunrise Chemical LLC



- SDP GLOBAL (MALAYSIA) SDN. BHD.

Logistics and Service Subsidiaries

- Sanyo Chemical Logistics Co., Ltd.
- Shiohama Chemicals Warehouse Co., Ltd.

Other Subsidiaries and Affiliates:

SANYO KASEI (TAIWAN) LTD.      Sanyo Chemical Manufacturing Korea, Ltd.      San Nopco (Korea) Limited  
 San Nopco (Shanghai) Trading Co., Ltd.      DaXiang International Trading (Shanghai) Co., Ltd.

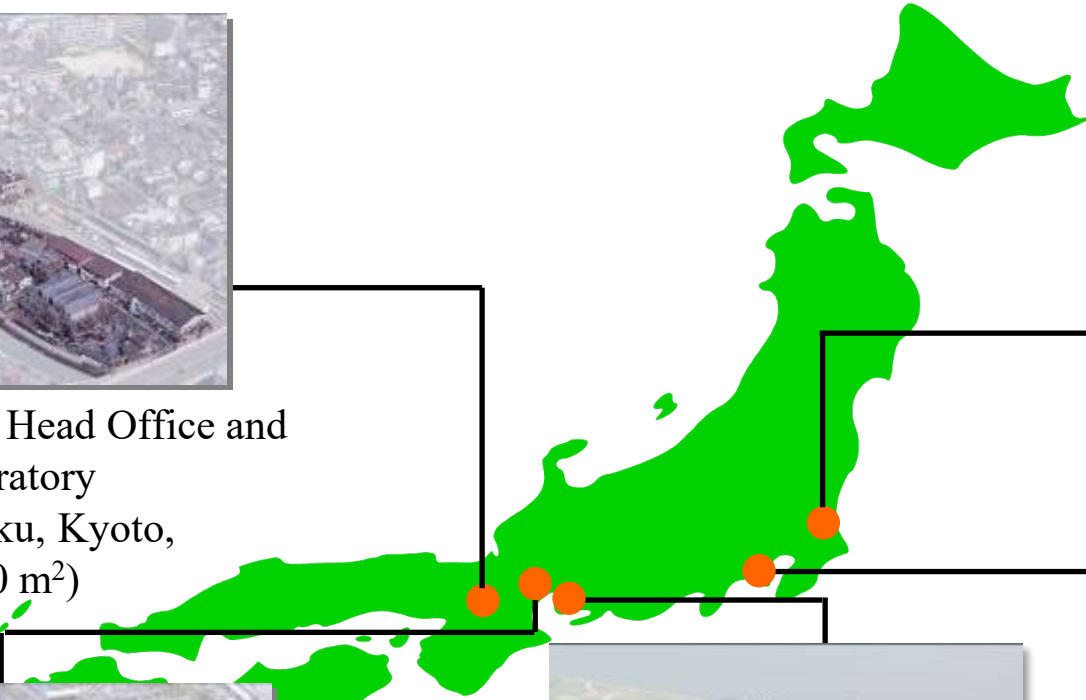
# Domestic Production Bases



Kyoto Factory, Head Office and Research Laboratory  
(Higashiyama-ku, Kyoto, Approx. 26,000 m<sup>2</sup>)



Kashima Factory  
(Kamisu-shi, Ibaraki, Approx. 130,000 m<sup>2</sup>)



Nagoya Factory  
(Tokai-shi, Aichi, Approx. 100,000 m<sup>2</sup>)




Kinuura Factory  
(Handa-shi, Aichi, Approx. 140,000 m<sup>2</sup>)



San Chemical Co., Ltd., Kawasaki Factory  
(Kawasaki-shi, Kanagawa, Approx. 11,000 m<sup>2</sup>)

# Overseas Production Bases

 Sanyo Kasei (Nantong) Co., Ltd.



 San-Dia Polymers (Nantong) Co., Ltd.



 Sanyo Chemical Manufacturing Korea, Ltd.



 SDP GLOBAL (MALAYSIA) SDN. BHD.




 Sanyo Kasei (Thailand) Ltd.



 Sanyo Chemical Texas Industries, LLC

# Overseas Sales Offices

 SANYO CHEMICAL (SHANGHAI) TRADING CO., LTD.  
San Nopco (Shanghai) Trading Co., Ltd.  
DaXiang International Trading (Shanghai) Co., Ltd.




 Sanyo Kasei Korea, Ltd.  
San Nopco (Korea) Limited

 Sanyo Chemical America Inc.



 SANYO KASEI (TAIWAN) LTD.

 Sanyo Kasei (Thailand) Ltd.

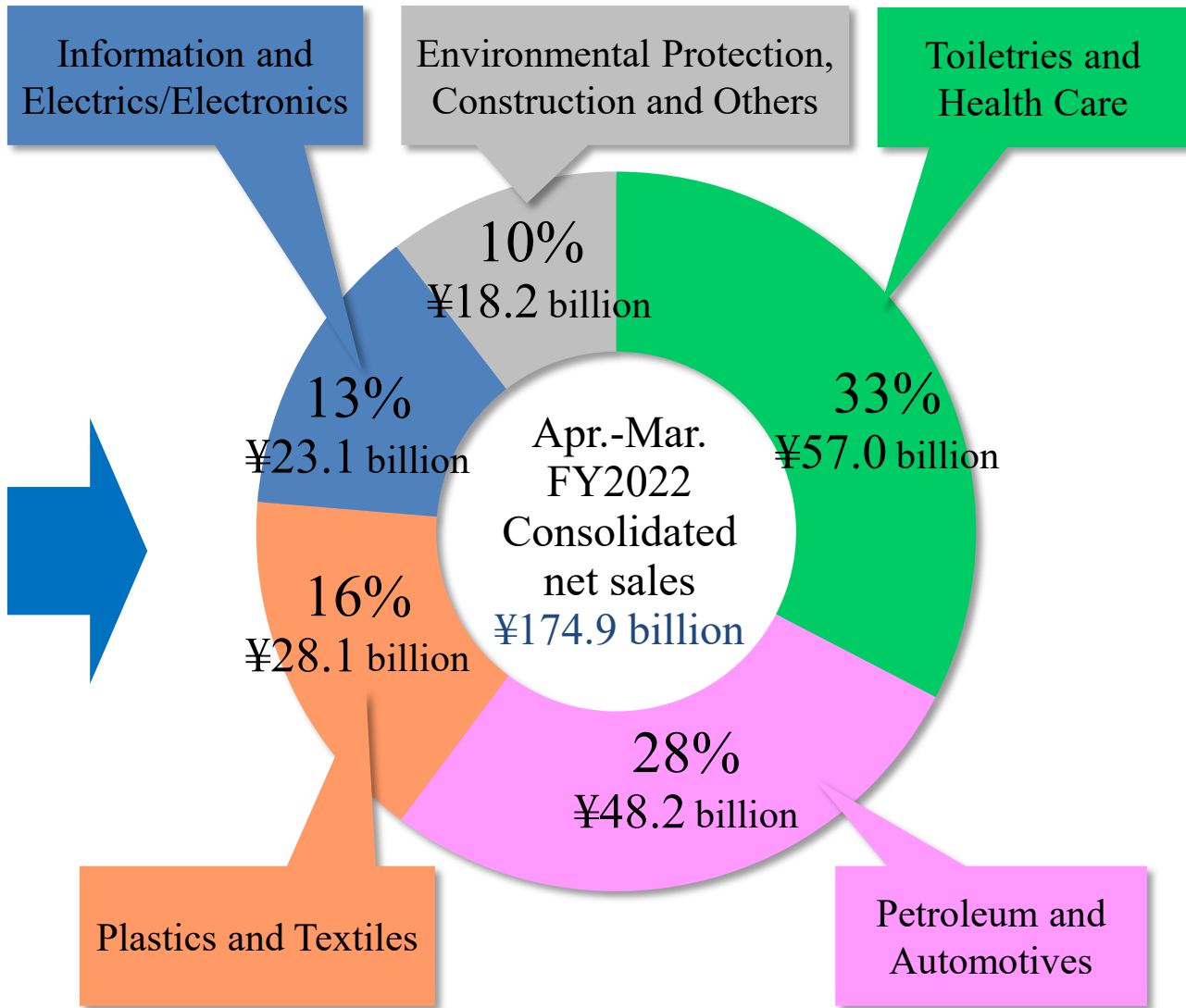
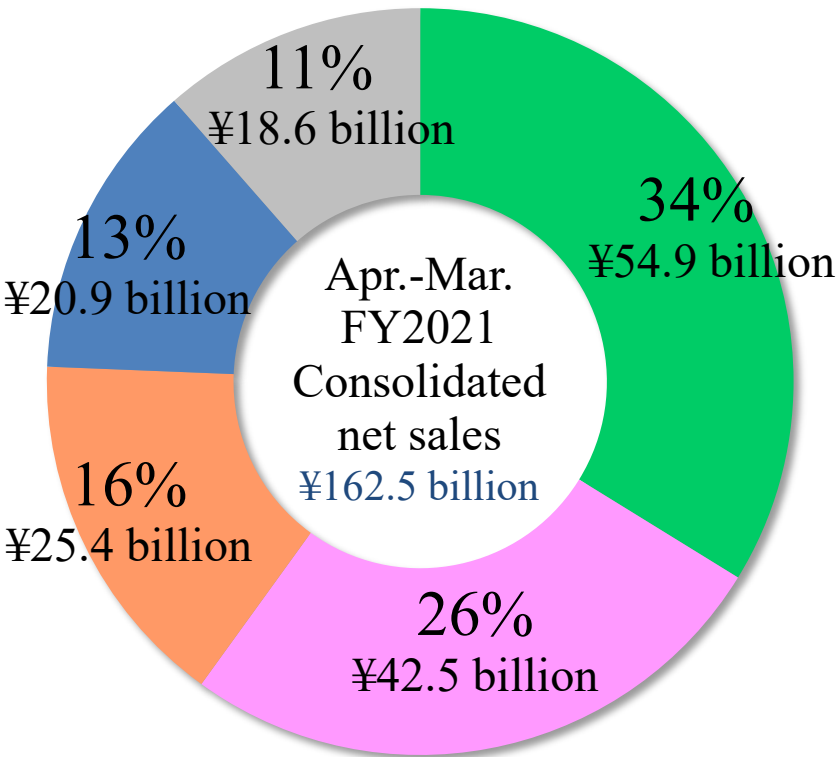


# Principal Products by Industrial Field (Segment)

Broad category	Middle category	Principal products
Toiletries and Health Care	Toiletries	Surfactants for Detergents, Surfactants for Hair Care Products, Agents for Paper-making
	Health Care	Superabsorbent Polymers (SAP), Raw Materials for Pharmaceuticals, Germicides/Disinfectants, Surgical Hemostatic Agent, Clinical Diagnostic Reagents for Enzyme Immunoassay (EIA), Potting Resins for Artificial Kidneys
Petroleum and Automotives		Thermoplastic Polyurethane Beads (TUB) for the Interior Parts of Automobiles, Raw Materials for Polyurethane Foams (PPG), Lubricant Additives, Additives for Fuel Oil, Water-Soluble Cutting Oil, 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, Paint Resins, Defoaming Agents, Raw Materials for Polyurethane Elastomers, Chemical Boards for Models
	Textiles	Chemicals for Textile Manufacturing, Chemicals for Carbon Fibers, Chemicals for Fiberglass, Polyurethane Resins for Artificial and Synthetic Leather
Information and Electrics/Electronics	Information	Polyester Beads (PEB) Used as a Core Component of Polymerization Toners, Toner Binder
	Electrics/Electronics	Electrolytes for Aluminum Electrolytic Capacitors, Adhesive for Electronic Parts, Chemicals 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 Chemicals, Reactive Hot-Melt Adhesives, Raw materials for Building Sealants, Cement Chemicals



# Consolidated Net Sales by Segment



# Earnings for FY2022

(Billions of yen)

Consolidated	FY2021	FY2022	Year-on-Year Change	
			Amount	Ratio (%)
Net sales	162.52	174.97	12.44	7.7
Operating profit	11.86	8.40	(3.46)	(29.2)
Ordinary profit	12.77	9.91	(2.85)	(22.3)
Profit attributable to owners of parent	6.69	5.68	(1.01)	(15.2)
Comprehensive income	8.08	5.72	(2.35)	(29.2)

# Year-on-Year Change in Consolidated Operating Profit by Factor

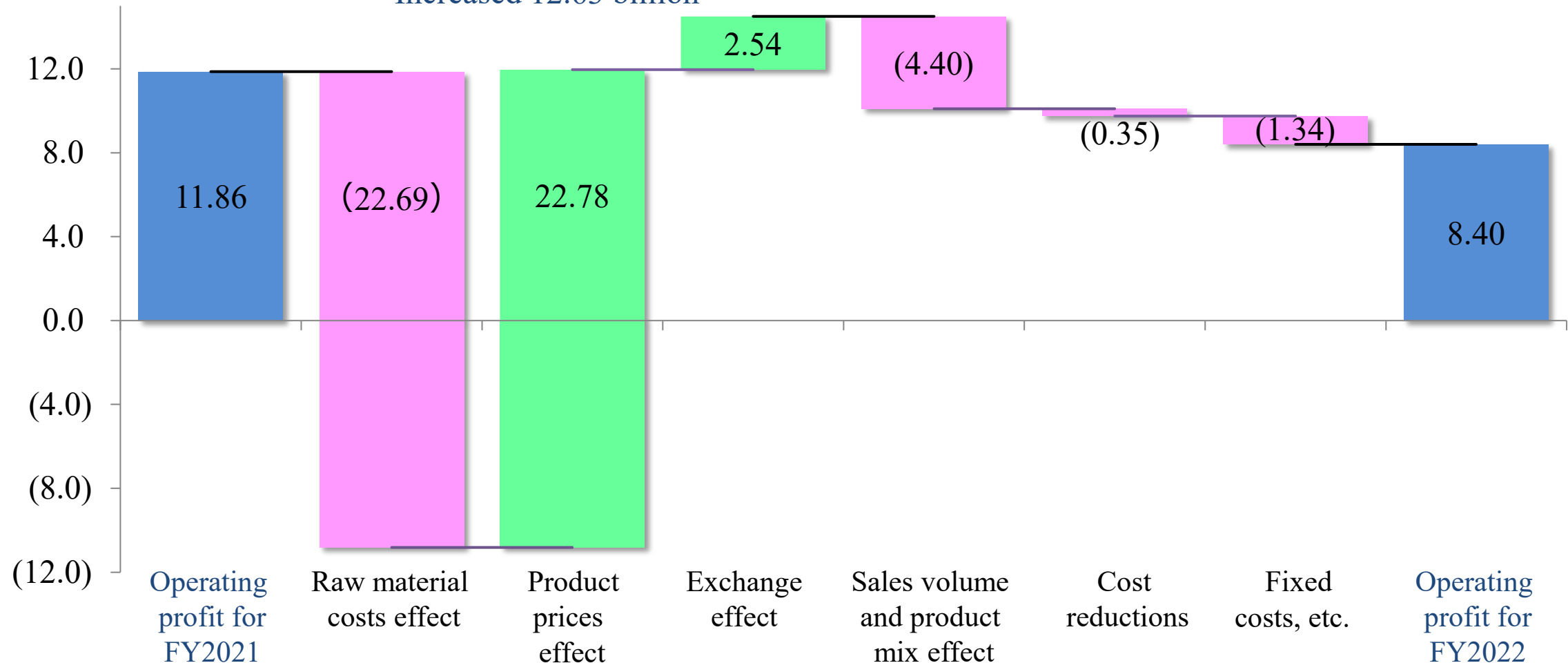
Decreased ¥3.46 billion from the previous fiscal year



Balance between sales & purchase  
of products and raw materials  
Increased ¥2.63 billion

Other factors  
Decreased ¥6.09 billion

(Billions of yen)



# Year-on-Year Change in Consolidated Profit by Factor

(Billions of yen)

	Apr.-Mar. FY2021	Apr.-Mar. FY2022	Change amount
Operating profit	11.86	8.40	(3.46)
Share of profit of entities accounted for using equity method	(1.10)	0.46	1.57
Foreign exchange gains (losses)	1.56	1.10	(0.45)
Other non-operating income (loss)	0.44	(0.06)	(0.50)
Ordinary profit	12.77	9.91	(2.85)
Loss on valuation of investment securities	(0.84)	2.61	3.45
Gain (loss) on sales of non-current assets, loss on retirement of non-current assets	(0.93)	(1.09)	(0.15)
Loss on valuation of investments in capital	—	(0.68)	(0.68)
Impairment losses	—	(1.32)	(1.32)
Other extraordinary income (loss)	(0.25)	(0.00)	0.25
Profit before income taxes	10.73	9.41	(1.31)
Income taxes	(3.57)	(3.18)	0.39
Profit attributable to non-controlling interests	(0.45)	(0.54)	(0.08)
Profit attributable to owners of parent	6.69	5.68	(1.01)

# Consolidated Balance Sheet

(Billions of yen)

	March 31, 2022	March 31, 2023	Change amount	Main factors for changes
Current assets	93.7	97.3	3.5	Cash and deposits: (1.0), Merchandise and finished goods: 3.5, Raw materials and supplies: 1.1
Non-current assets	106.4	104.8	(1.5)	
<b>Total assets</b>	<b>200.1</b>	<b>202.1</b>	<b>1.9</b>	
Current liabilities	47.9	46.9	(0.9)	Short-term borrowings: 0.9, Income taxes payable: (0.5)
Non-current liabilities	5.2	6.2	0.9	Long-term borrowings: 1.7
<b>Total liabilities</b>	<b>53.1</b>	<b>53.1</b>	<b>0.0</b>	
Shareholders' equity	130.2	132.3	2.1	Profit: 5.6, Cash dividends paid: (3.7)
Other comprehensive income	14.2	13.7	(0.5)	
Non-controlling interests	2.5	2.9	0.3	
<b>Total net assets</b>	<b>147.0</b>	<b>148.9</b>	<b>1.9</b>	
<b>Total liabilities and net assets</b>	<b>200.1</b>	<b>202.1</b>	<b>1.9</b>	

# Consolidated Statements of Cash Flows

(Billions of yen)

	Apr.-Mar. FY2021	Apr.-Mar. FY2022	Change Amount	Special notes
Cash flows from operating activities	11.32	10.85	(0.47)	
Profit before income taxes	10.73	9.41	(1.31)	
Depreciation	9.66	10.23	0.57	
Share of loss (profit) of entities accounted for using equity method	1.10	(0.46)	(1.57)	
Decrease (increase) in operating capital	(6.13)	(4.64)	1.48	
Income taxes	(2.98)	(3.83)	(0.85)	
Other, net	(1.05)	0.15	1.20	
Cash flows from investing activities	(11.70)	(10.17)	1.53	Purchase of non-current assets FY2021: (8.59), FY2022: (9.38)
Free cash flows	(0.37)	0.67	1.05	
Cash flows from financing activities	(5.97)	(2.33)	3.64	Loans and Repayment FY2021: (1.79), FY2022: 1.83
Effect of exchange rate change on cash and cash equivalents	0.87	0.19	(0.68)	
Net increase (decrease) in cash and cash equivalents	(5.47)	(1.46)	4.01	
Cash and cash equivalents at beginning of period	23.64	18.17	(5.47)	
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	0.33	0.33	
Cash and cash equivalents at end of period	18.17	17.04	(1.12)	

# Key Management Indicators

	Unit	FY2021	FY2022	Year-on-Year Change
Total assets	Billions of yen	200.1	202.1	1.9
Return on assets	%	6.5	4.9	(1.6)pt
Equity	Billions of yen	144.4	146.0	1.5
Equity ratio	%	72.2	72.2	+ 0.1pt
Return on equity	%	4.7	3.9	(0.8)pt
ROIC	%	5.5	3.4	(2.1)pt
Interest-bearing debt	Billions of yen	7.8	10.2	2.3
Debt/equity ratio	Times	0.05	0.06	0.01

# Earnings Forecast for FY2023

<Assumptions for below forecasts>

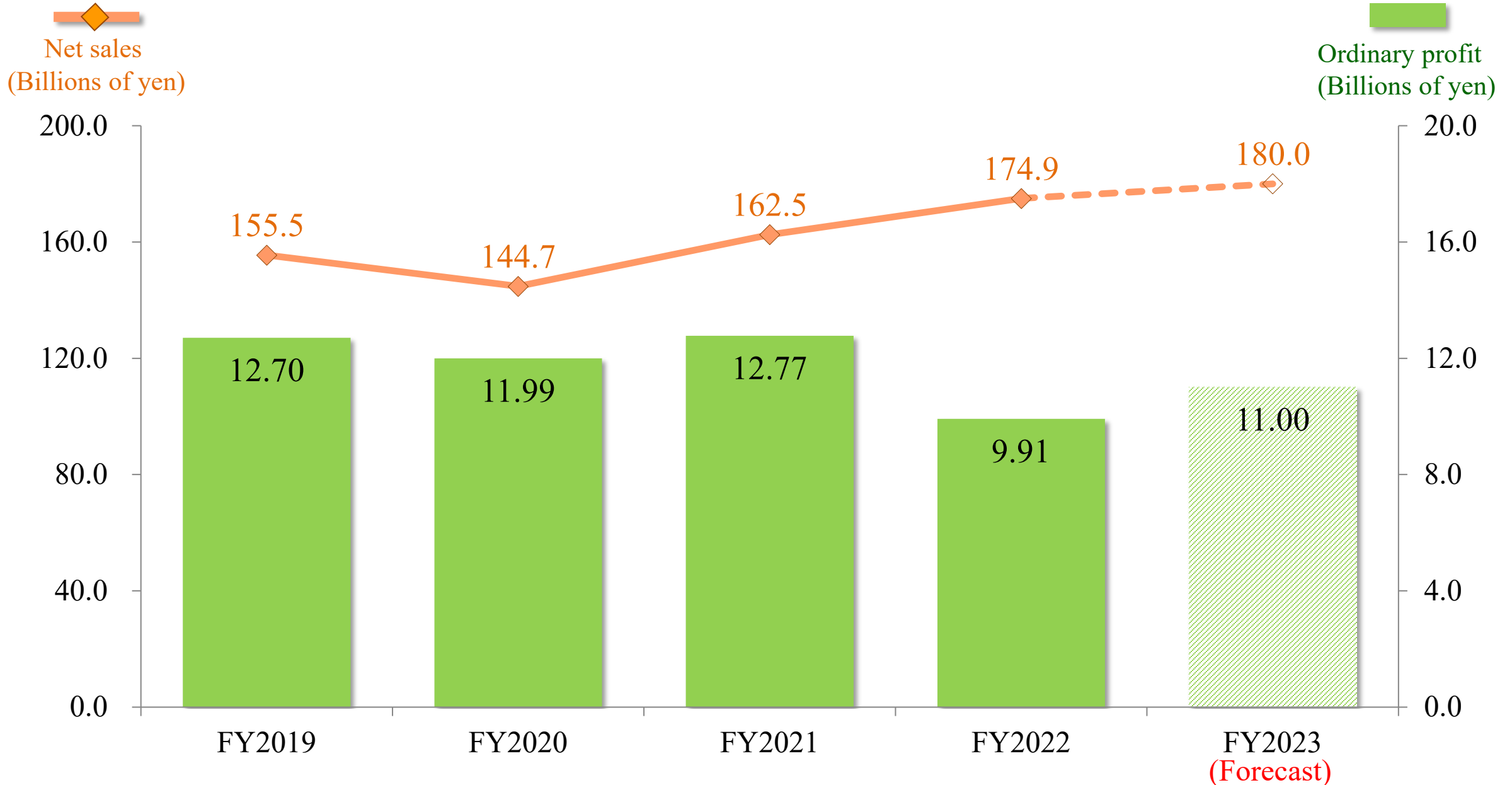
Price of naphtha produced in Japan: 65 thousand yen/kl, Exchange rate: 130 yen/U.S. dollar

(Billions of yen)

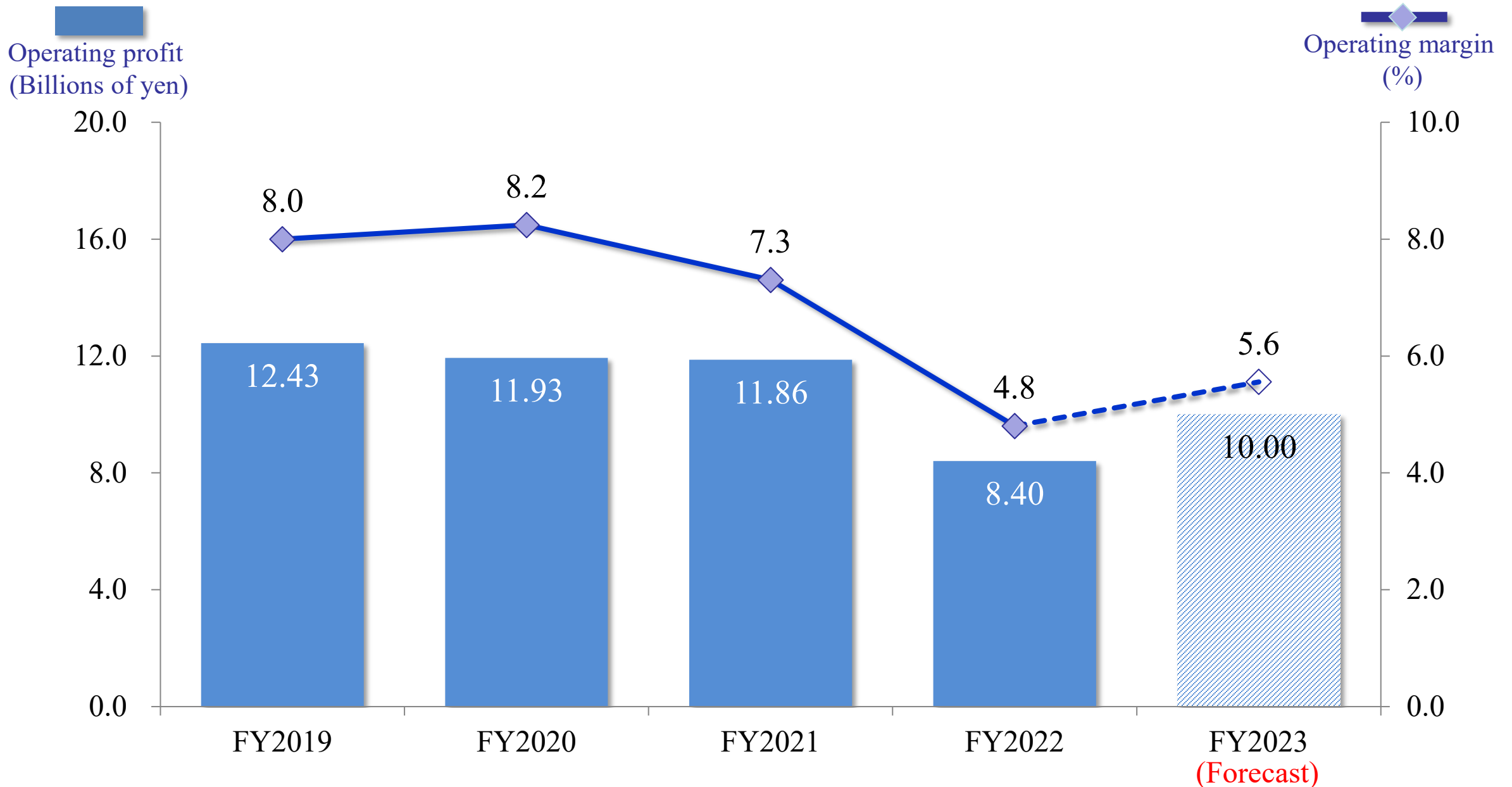
Consolidated	Full year			Second quarter (Apr.-Sep.)		
	FY2023 Forecast	FY2022 Result	Change Rate (%)	FY2023 Forecast	FY2022 Result	Change Rate (%)
Net sales	180.00	174.97	102.9	88.00	88.43	99.5
Operating profit	10.00	8.40	119.0	4.50	3.93	114.4
Ordinary profit	11.00	9.91	110.9	5.00	7.36	67.9
Profit attributable to owners of parent	6.50	5.68	114.4	3.00	4.71	63.6



# Trends in Consolidated Earnings



# Trends in Consolidated Operating Profit and Operating Margin **Sanyo Chemical**



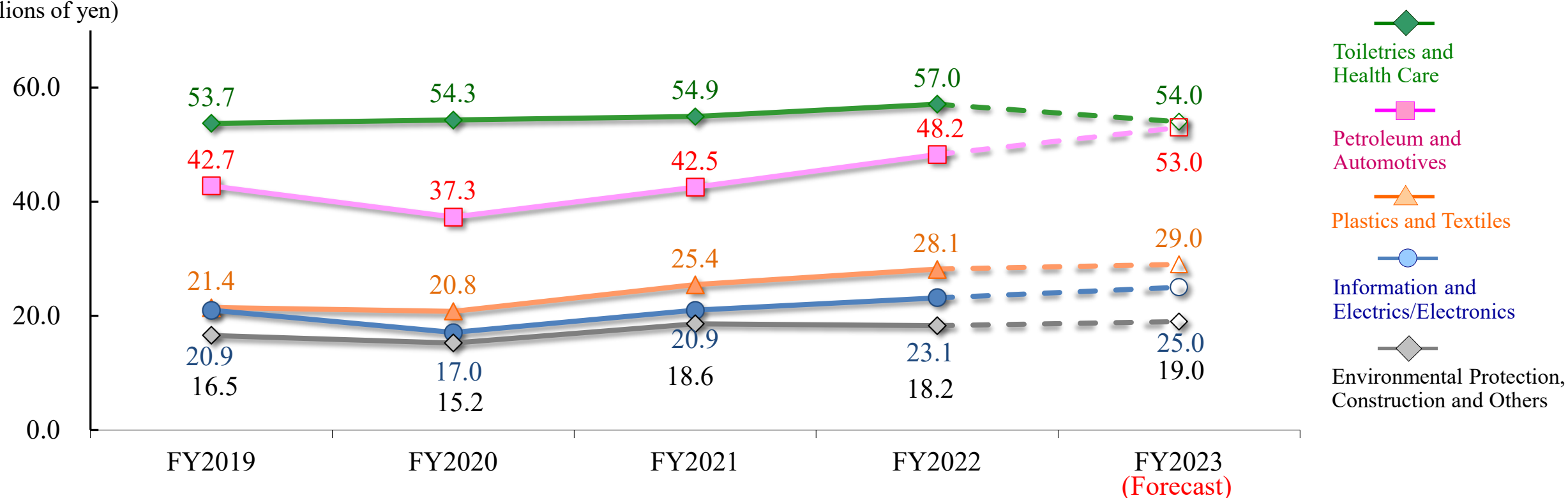
# Consolidated Earnings by Segment

(Billions of yen)

Segment	Net sales			Operating profit		
	Apr.-Mar. FY2021	Apr.-Mar. FY2022	Change amount	Apr.-Mar. FY2021	Apr.-Mar. FY2022	Change amount
Toiletries and Health Care	54.92	57.06	2.14	1.96	0.11	(1.85)
Toiletries	14.21	14.92	0.70			
Health Care	40.70	42.14	1.44			
Petroleum and Automotives	42.54	48.27	5.73	3.75	2.98	(0.77)
Plastics and Textiles	25.46	28.17	2.71	3.71	2.83	(0.87)
Plastics	18.53	19.96	1.42			
Textiles	6.93	8.21	1.28			
Information and Electrics/Electronics	20.98	23.16	2.17	2.51	2.55	0.40
Information	11.75	13.43	1.67			
Electrics/Electronics	9.22	9.73	0.50			
Environmental Protection, Construction and Others	18.60	18.28	(0.32)	1.58	1.40	(0.18)
Research and development expenses for new businesses				(1.67)	(1.50)	0.17
<b>Total</b>	<b>162.52</b>	<b>174.97</b>	<b>12.44</b>	<b>11.86</b>	<b>8.40</b>	<b>(3.46)</b>

# Trends in Consolidated Net Sales by Segment

(Billions of yen)

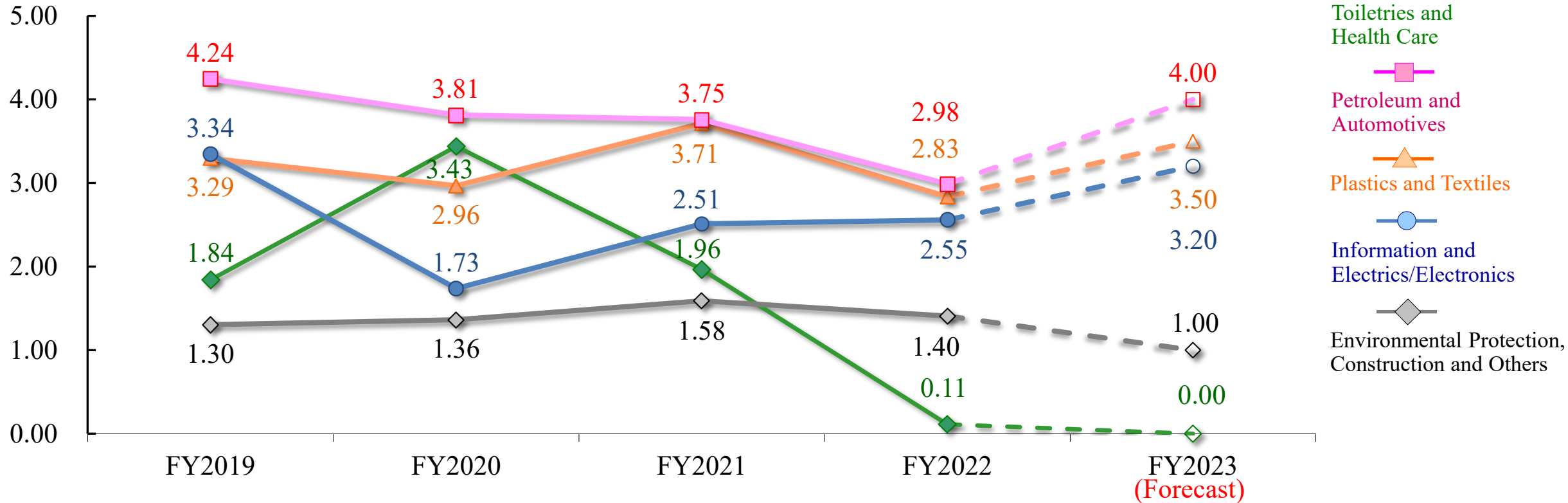


## Main factors for changes in FY2022 earnings (compared with the same period of the previous fiscal year)

- Toiletries and Health Care** : Demand for polyethyleneglycol(PEG) declined due to the lockdown in Shanghai, China. Sales of papermaking chemicals remained strong. Sales of superabsorbent polymers(SAP) decreased in volume at all locations.
- Petroleum and Automotives** : Demand for polyurethane foams(PPG), thermoplastic polyurethane beads(TUB), and lubricant additives decline due to automobile production adjustments.
- Plastics and Textiles** : Sales of permanent antistatic agents were weak. Sales of paint coating agents and additives increased overseas. Sales of chemicals for carbon fibers increased steadily and sales of polyurethane resins for synthetic leather and elastomer fiber were strong.
- Information and Electrics/Electronics** : Recovery of office printing demand, which had stagnated due to the COVID-19 pandemic, as well as strong sales of polyester beads(PEB) and toner binder. Demand for the raw materials used in general-purpose resists declined due to the slowdown in the semiconductor market. Sales of photosensitized materials used as raw materials in cutting-edge resists increased, and sales of electrolytes for aluminum electrolytic capacitors also increased.
- Environmental Protection, Construction and Others** : Demand for cationic monomers for polymer flocculants for overseas markets was sluggish. Sales of PPG were weak due to a lull in demand for stay-at-home.

# Trends in Consolidated Operating Profit by Segment

(Billions of yen)



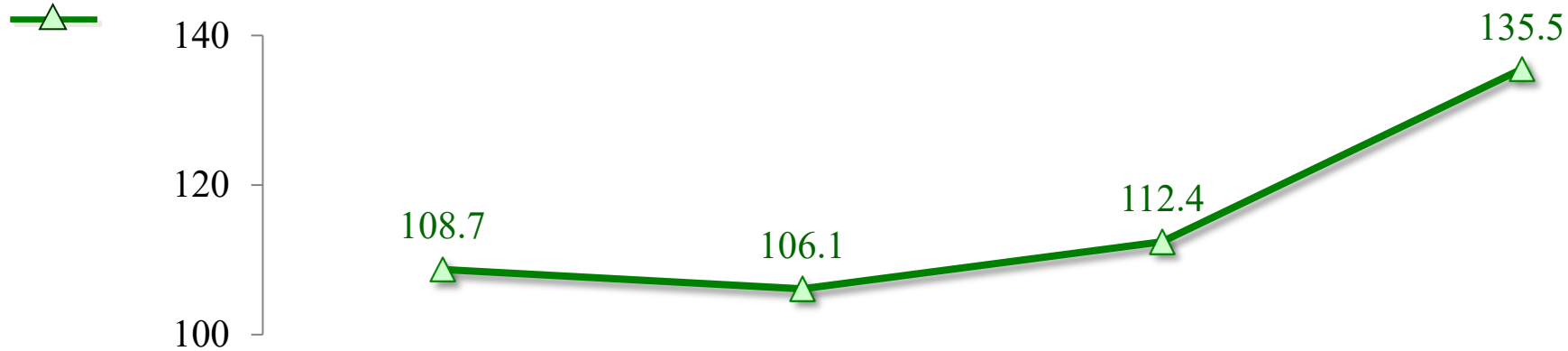
Research and development expenses for new businesses (Billions of yen)\*

FY2019	FY2020	FY2021	FY2022	FY2023 (Forecast)
(1.59)	(1.38)	(1.67)	(1.50)	(1.70)

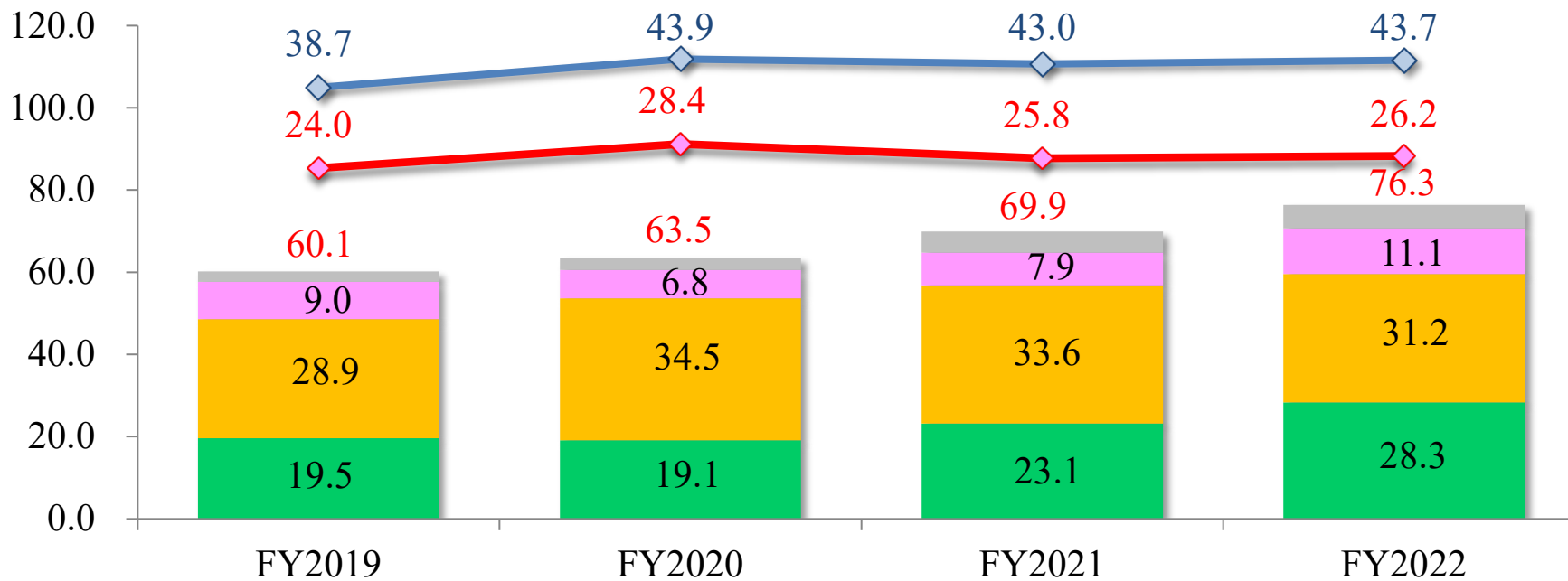
\* Research and development expenses for new businesses, which were allocated to each reportable segments so far, are recorded as corporate expenses in the margin.

# Trends in Overseas Net Sales

Exchange rate for each period (Yen/U.S. dollar)

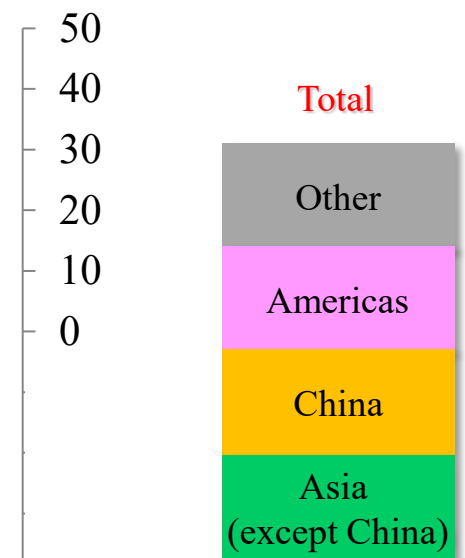


Net sales  
(Billions of yen)



Overseas net sales ratio (%)

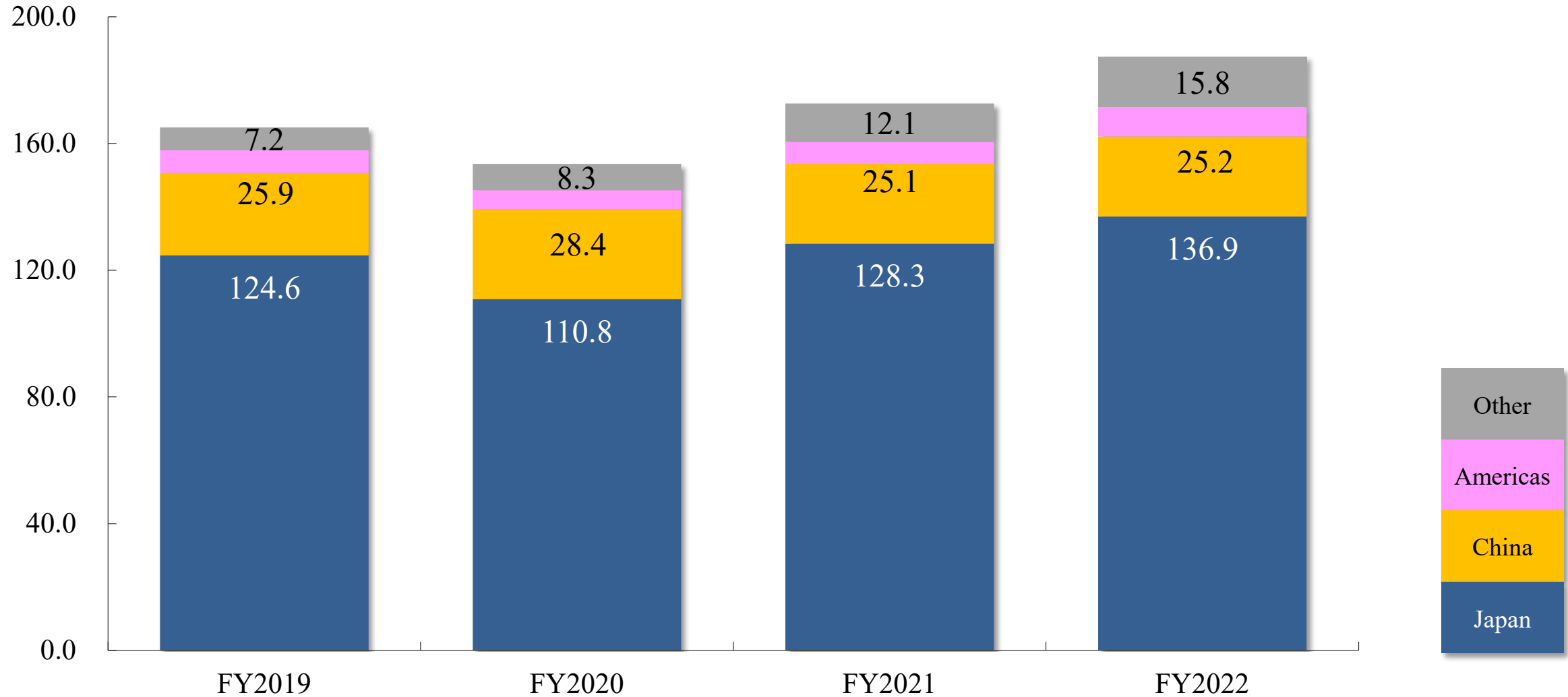
Overseas production  
volume ratio (%)



# Trends in Consolidated Net Sales by Geographic Segments

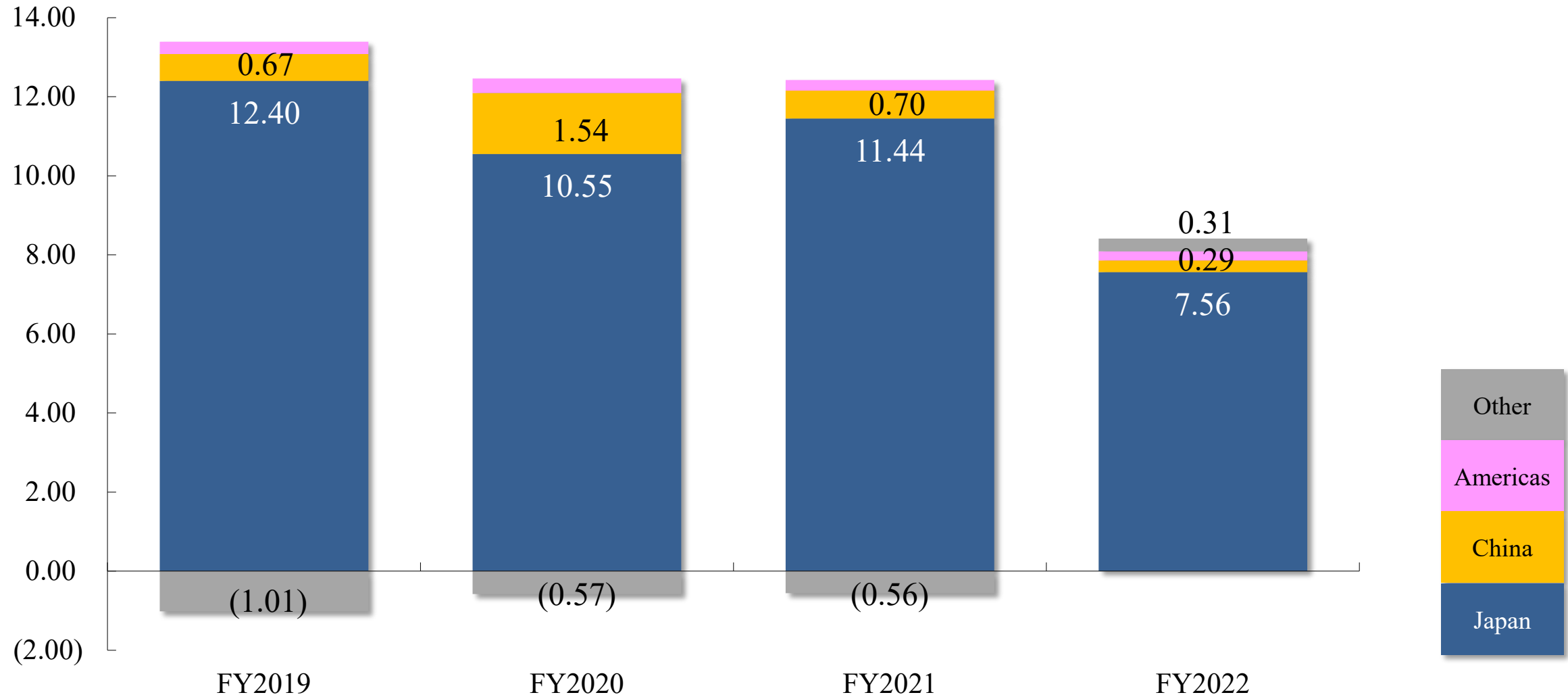
(Simple Addition)

(Billions of yen)



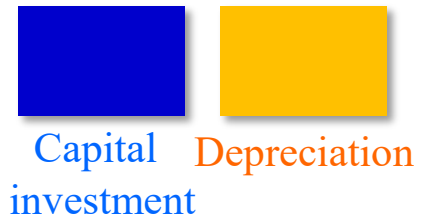
# Trends in Consolidated Operating Profit by Geographic Segment (Simple Addition)

(Billions of yen)

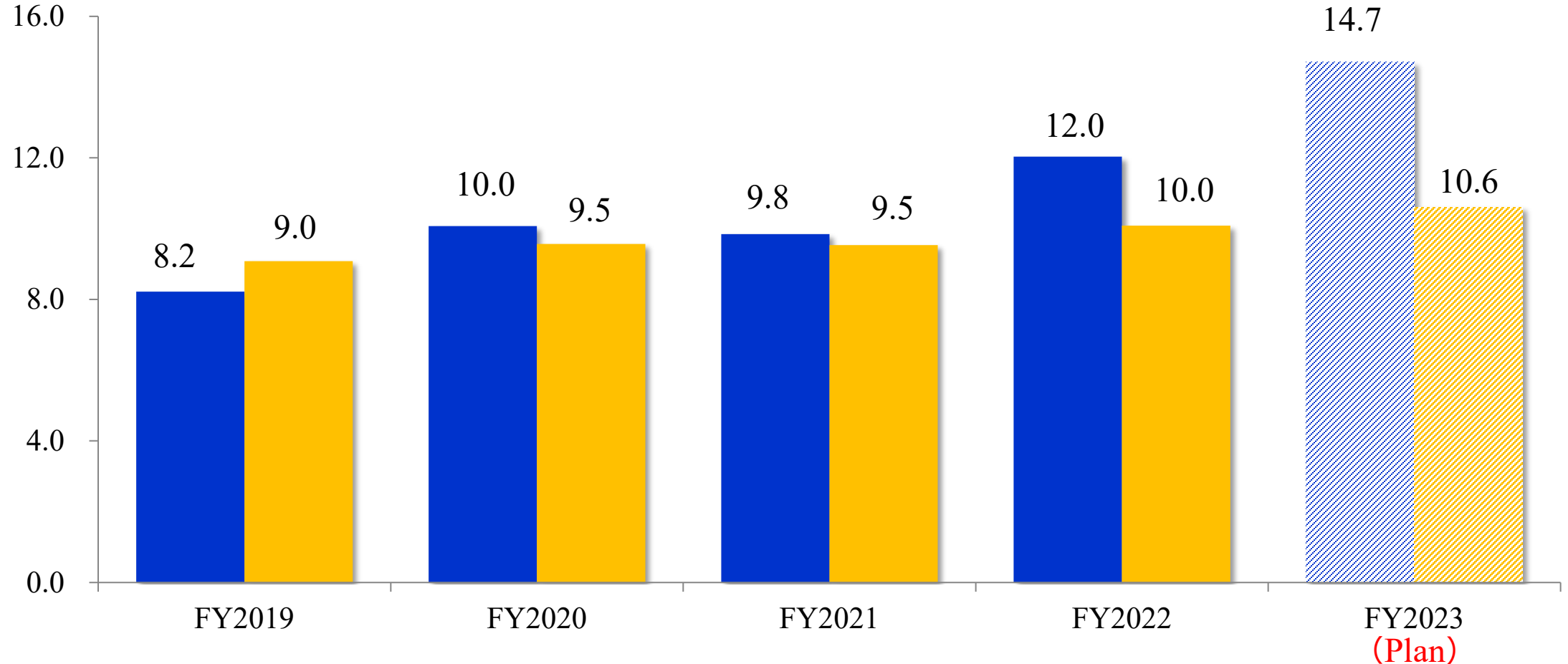




# Capital Investment and Depreciation (Consolidated)



(Billions of yen)



# Trends in Dividend per Share and Dividend Payout Ratio (Consolidated) **Sanyo Chemical**

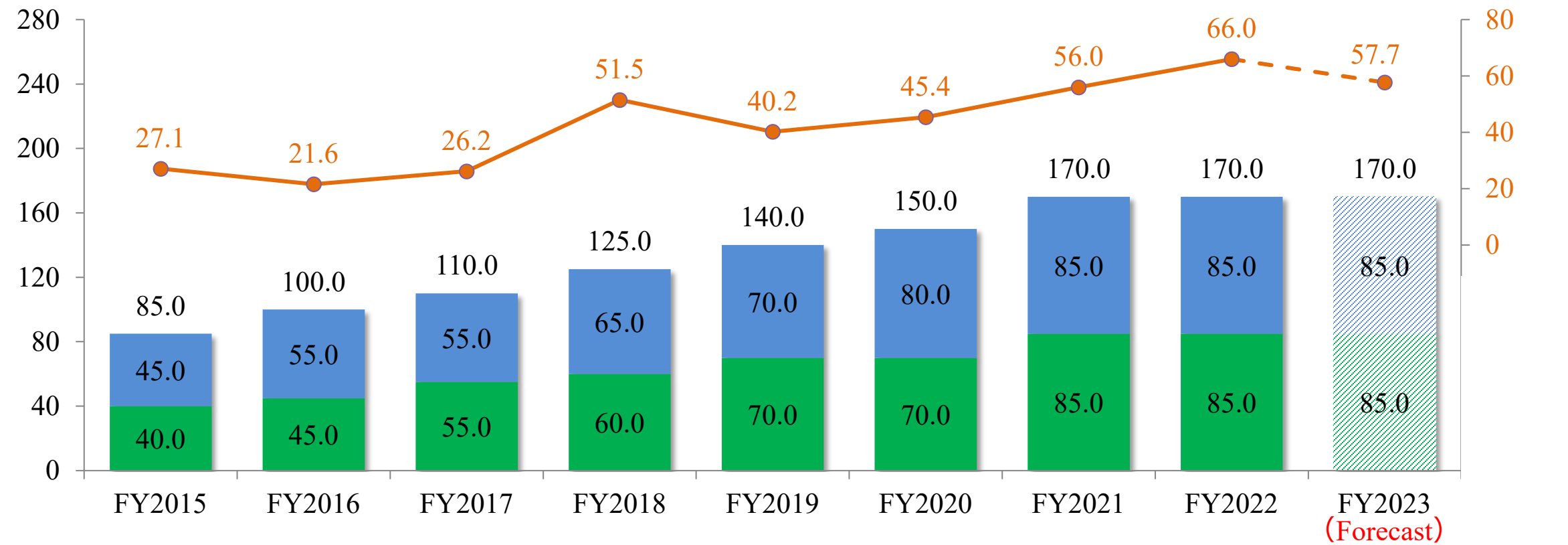
**Total**

■ Year-end  
■ Interim

**<Principles of dividend payment>**  
**We aim to improve our dividend payout in the medium- to long-term, targeting a consolidated payout ratio of 30% or higher**

Sanyo Chemical conducted a reverse stock split of common stock at a ratio of one share for every five shares on October 1, 2016. The figures below for dividends per share are converted after Sanyo Chemical conducted thereverse stock split.

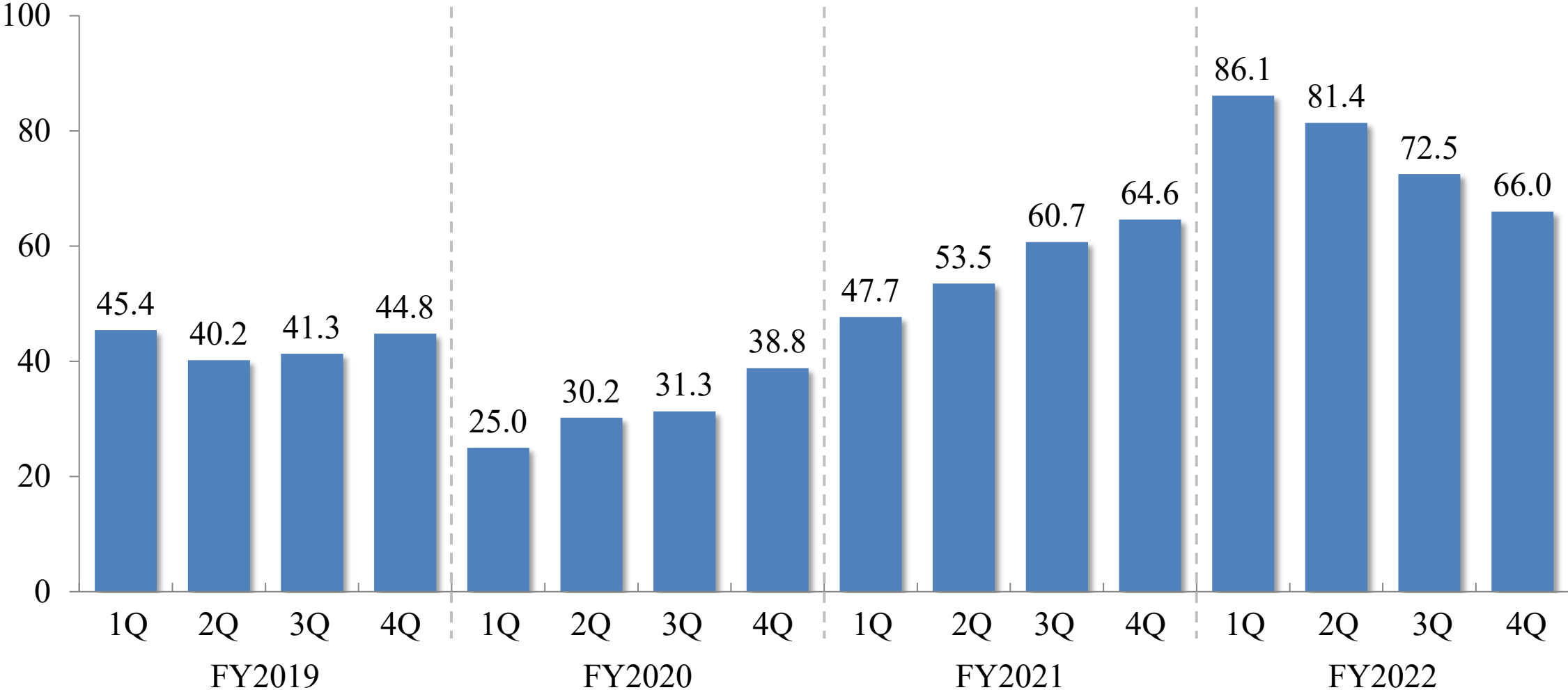
Dividend (Yen/Share)



# Reference

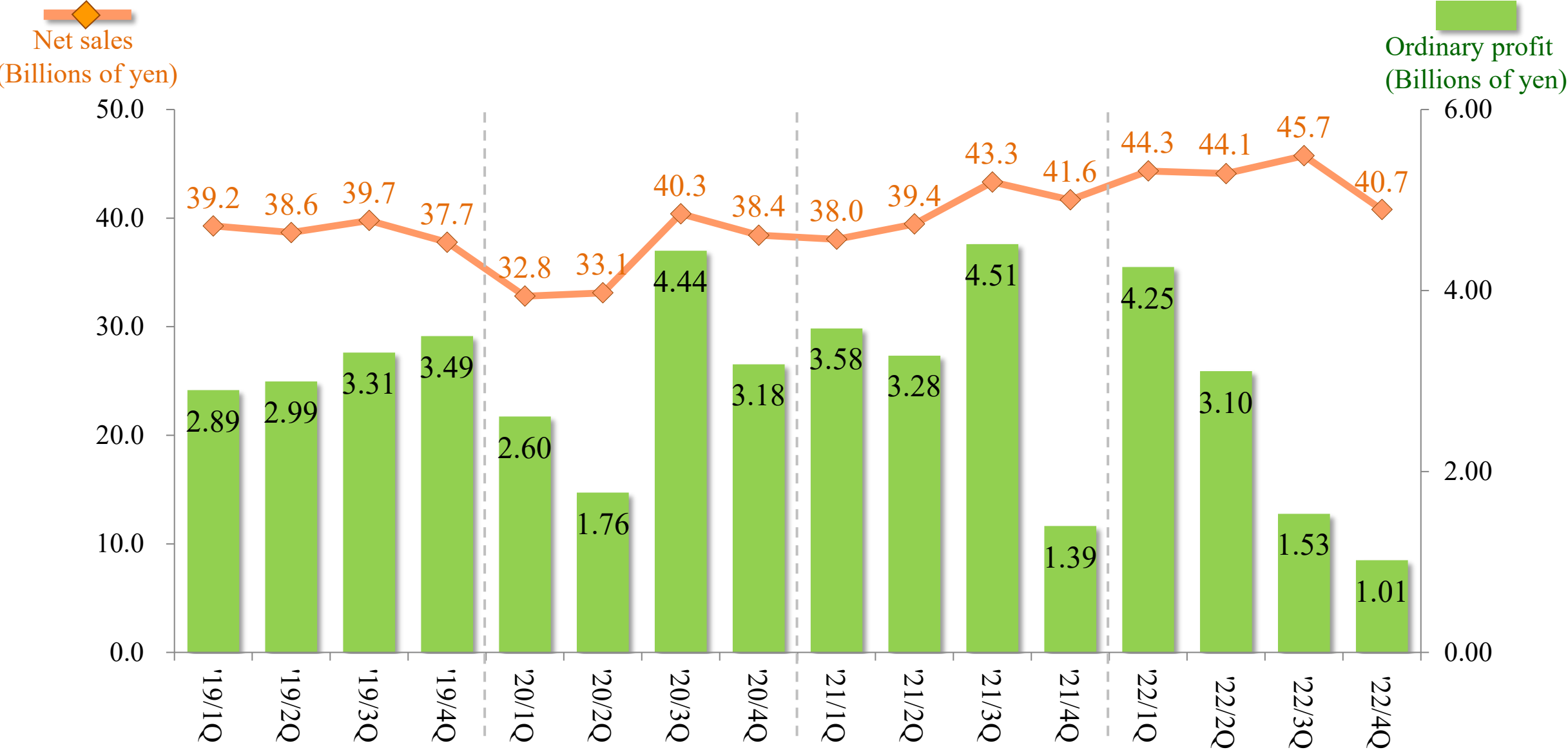
# Trends in Price of Naphtha Produced in Japan

Price of Naphtha  
(Thousands of yen/kl)

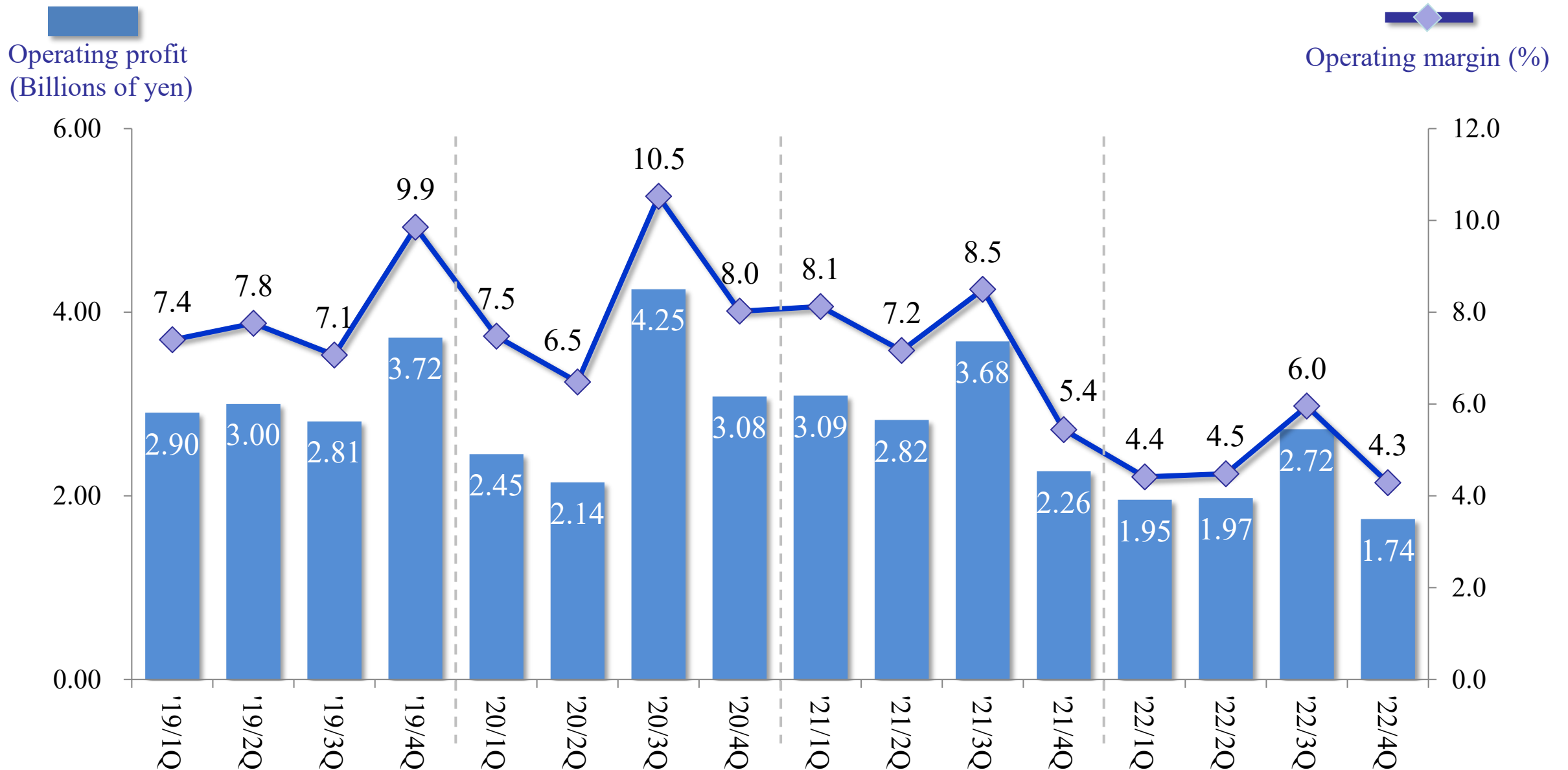


(Source: Trade Statistics of Japan)

# Trends in Consolidated Earnings (Quarter Period)

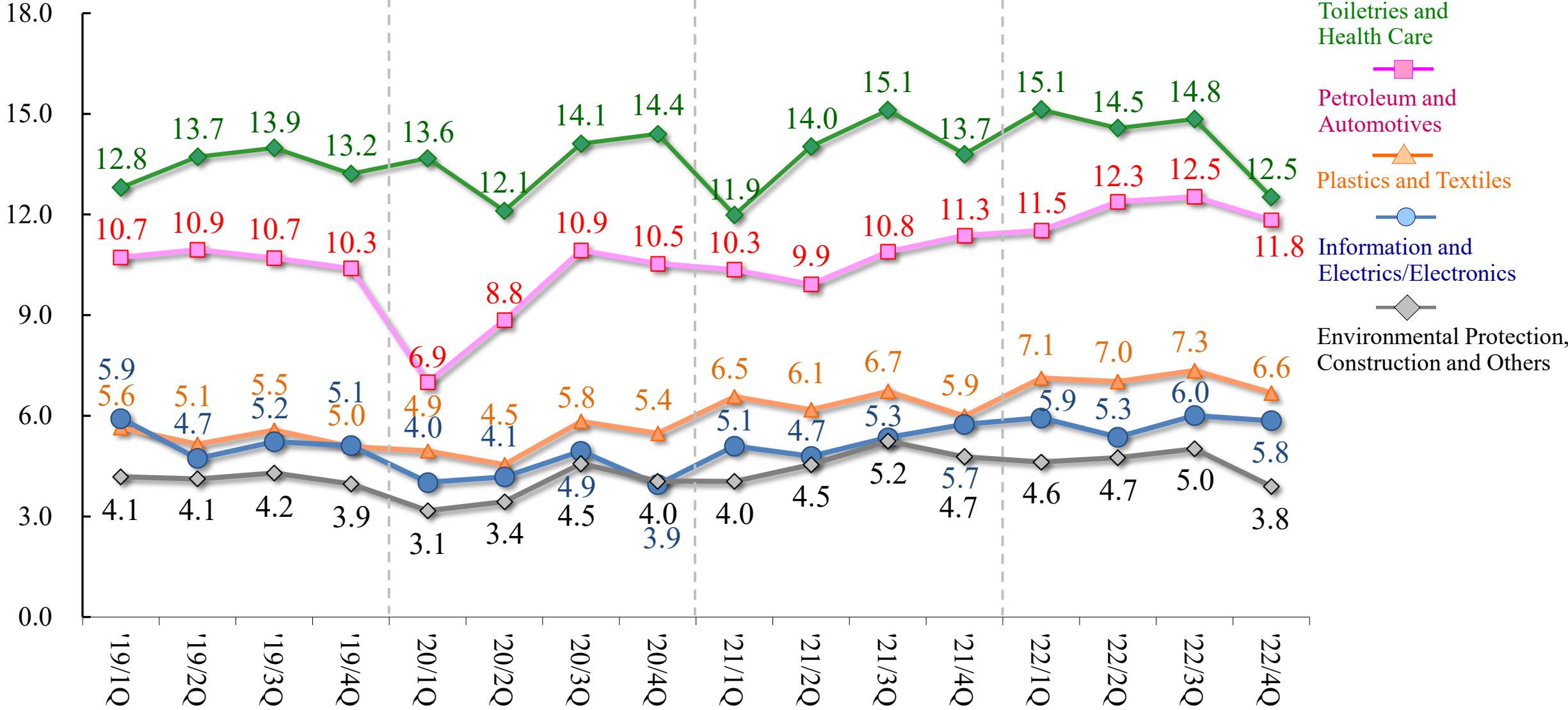


# Trends in Consolidated Operating Profit and Operating Margin (Quarter Period)



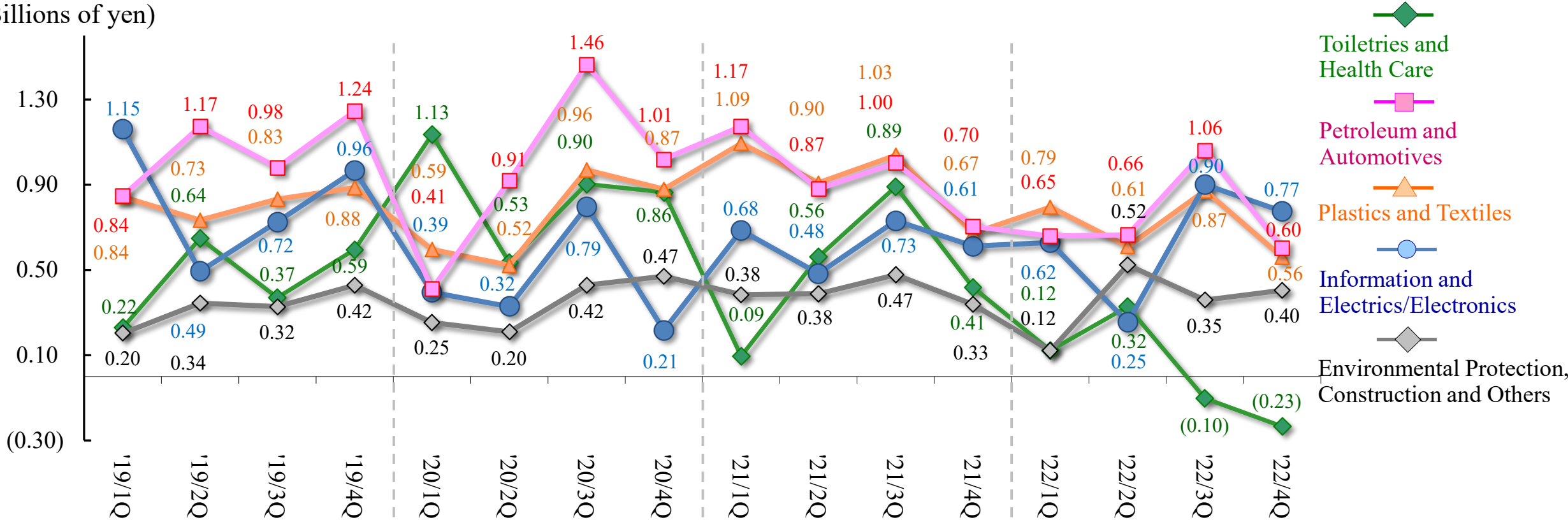
# Trends in Consolidated Net Sales by Segment (Quarter Period) **Sanyo Chemical**

(Billions of yen)



# Trends in Consolidated Operating Profit by Segment (Quarter Period)

(Billions of yen)



Research and development expenses for new businesses (Billions of yen)\*

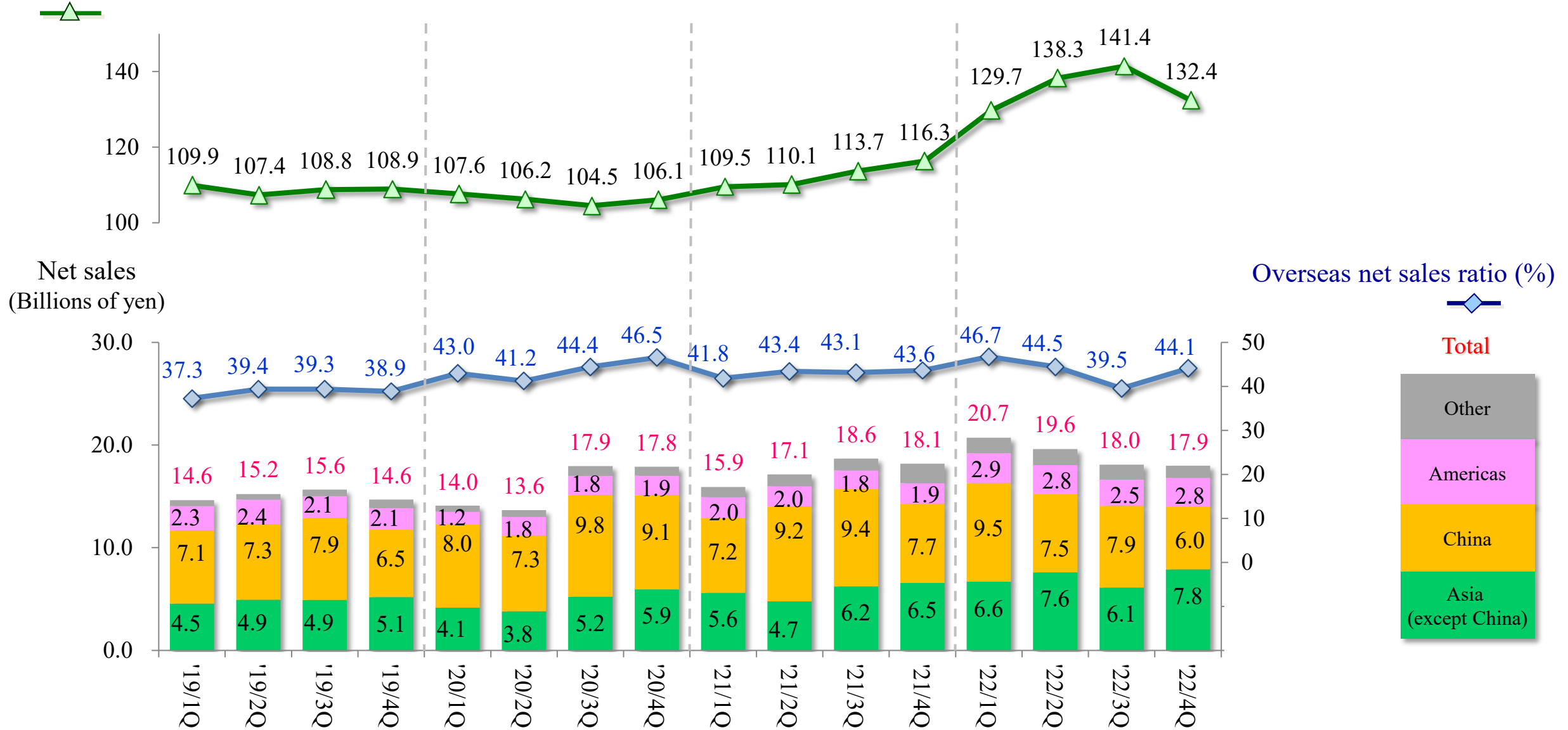
FY2019				FY2020				FY2021				FY2022			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
(0.37)	(0.39)	(0.42)	(0.39)	(0.33)	(0.36)	(0.31)	(0.36)	(0.34)	(0.39)	(0.45)	(0.48)	(0.37)	(0.40)	(0.36)	(0.35)

\* Research and development expenses for new businesses, which were allocated to each reportable segments so far, are recorded as corporate expenses in the margin.



# Trends in Overseas Net Sales(Quarter Period)

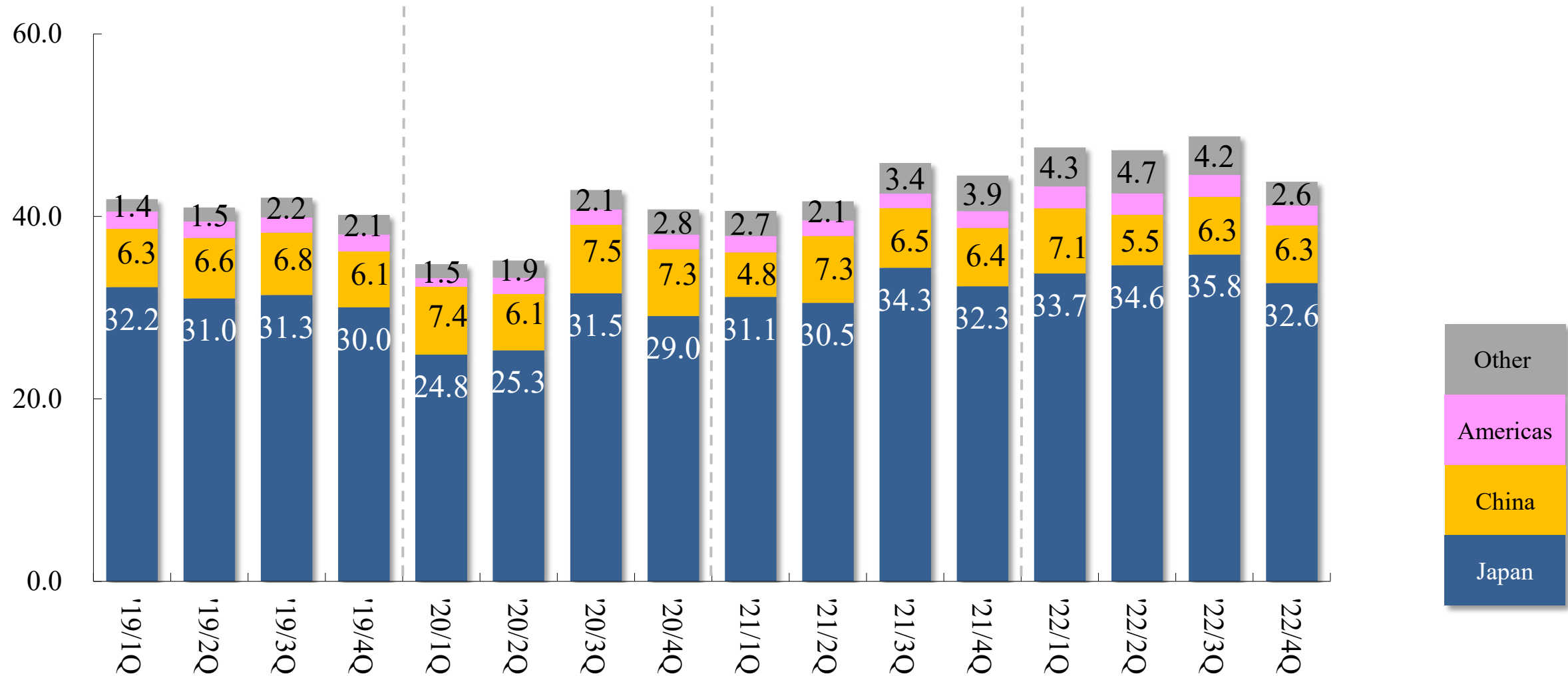
Exchange rate for each period (Yen/U.S. dollar)



# Trends in Consolidated Net Sales by Geographic Segments

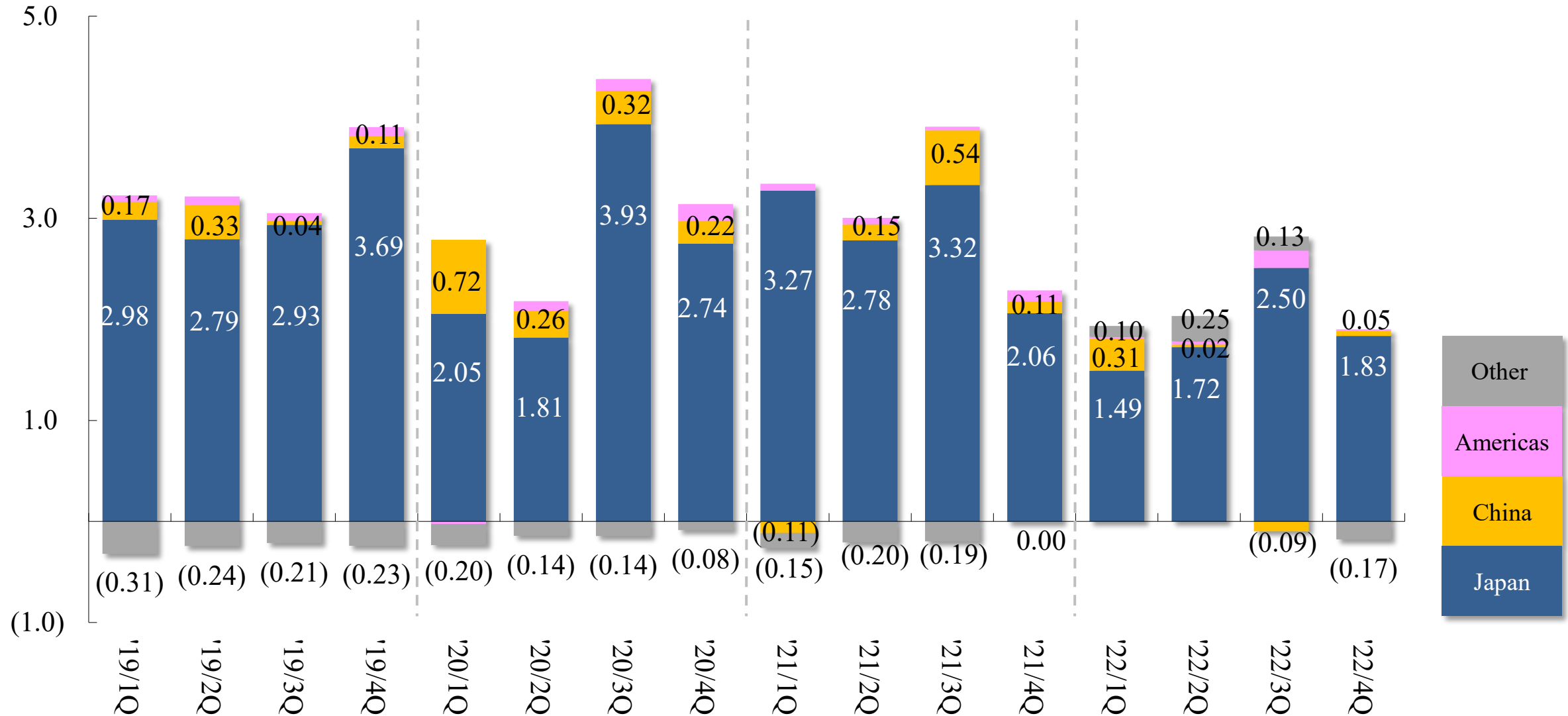
(Simple Addition)

(Billions of yen)



# Trends in Consolidated Operating Profit by Geographic Segment (Simple Addition)

(Billions of yen)



# Domestic Consolidated Subsidiaries

Company Name	Abbr.	Share of Voting Rights	Line of Business
SDP Global Co., Ltd.	SDP	Sanyo Chemical Industries, Ltd. 100%	Manufacture and sales of superabsorbent polymers
SAN NOPCO LIMITED	SNL	Sanyo Chemical Industries, Ltd. 100%	Manufacture and sales of chemicals for pulp & paper, coating chemicals, a wide range of industrial chemicals, etc.
San Chemical Co., Ltd.	SCC	Sanyo Chemical Industries, Ltd. 50% ENEOS Corporation 50%	Manufacture of raw materials for polyurethane foams, etc.
San-Apro Ltd.	SA	Sanyo Chemical Industries, Ltd. 50% Evonik International Holding B.V. 50%	Manufacture and sales of curing accelerators for epoxy resins, urethane catalysts, etc.
Sanyo Chemical Logistics Co., Ltd.	—	Sanyo Chemical Industries, Ltd. 100%	General trucking business Warehousing

# Overseas Consolidated Subsidiaries

Company Name	Country of incorporation	Abbr.	Share of Voting Rights	Line of Business
Sanyo Kasei (Nantong) Co., Ltd.	China	SKN	Sanyo Chemical Industries, Ltd. 100%	Manufacture of surfactants, polyurethane resins, etc.
San-Dia Polymers (Nantong) Co., Ltd.	China	SDN	SDP Global Co., Ltd. 100%	Manufacture and sales of superabsorbent polymers
SANYO CHEMICAL (SHANGHAI) TRADING CO., LTD.	China	SCST	Sanyo Chemical Industries, Ltd. 100%	Sales of surfactants, polyurethane resins, etc.
Sanyo Kasei (Thailand) Ltd.	Thailand	SKT	Sanyo Chemical Industries, Ltd. 79% VIV Interchem Co. Ltd., Toyota Tsusho Corporation, etc. 21%	Manufacture and sales of surfactants, polyurethane resins, etc.
Sanyo Chemical America Incorporated	USA	SCA	Sanyo Chemical Industries, Ltd. 100%	Holding company of U.S. consolidated subsidiaries Sales of lubricant additives, polyurethane beads, etc.
Sanyo Chemical Texas Industries, LLC	USA	SCTI	Sanyo Chemical America Incorporated 100%	Manufacture of polyurethane beads
SDP GLOBAL (MALAYSIA) SDN. BHD.	Malaysia	SDPM	SDP Global Co., Ltd. 100%	Manufacture and sales of superabsorbent polymers
Sanyo Kasei Korea, Ltd.	Korea	SKK	Sanyo Chemical Industries, Ltd. 100%	Sales of lubricant additives, surfactants, etc.

# Entities Accounted for Using the Equity Method

Company Name	Abbr.	Share of Voting Rights	Line of Business
San-Petrochemicals Co., Ltd.	SPCC	Sanyo Chemical Industries, Ltd. 50% ENEOS Corporation 50%	Manufacture of raw materials for synthetic rubbers
Sunrise Chemical LLC [USA]	SRC	Sanyo Chemical America Inc. 50% Nippon Chemical Texas Inc. 50%	Manufacture of raw materials for synthetic rubbers
Shiohama Chemicals Warehouse Co., Ltd.	—	Sanyo Chemical Industries, Ltd. 50% ENEOS Corporation 50%	Warehousing