



Sanyo Trading Co., Ltd.

(Securities Code: 3176)

Fiscal Year Ended September 30, 2019

Results Presentation

November 26, 2019

**Results in Fiscal Year Ended
September 30, 2019**

**Topics in Fiscal Year Ended
September 30, 2019**

VISION2023 and Outlook for Results

Key Points of Results

Results in Fiscal Year Ended
September 30, 2019

**Ordinary profit rose for the 10th consecutive year
and hit a record high.**

Made a good starting point for achieving VISION2023.

**Results related to automobiles in the Machinery &
Industrial Products segment remained favorable.
Large biomass facilities started to operate.**

The annual dividend is 74 yen, up 10 yen year on year.

Consolidated Results

Results in Fiscal Year Ended
September 30, 2019

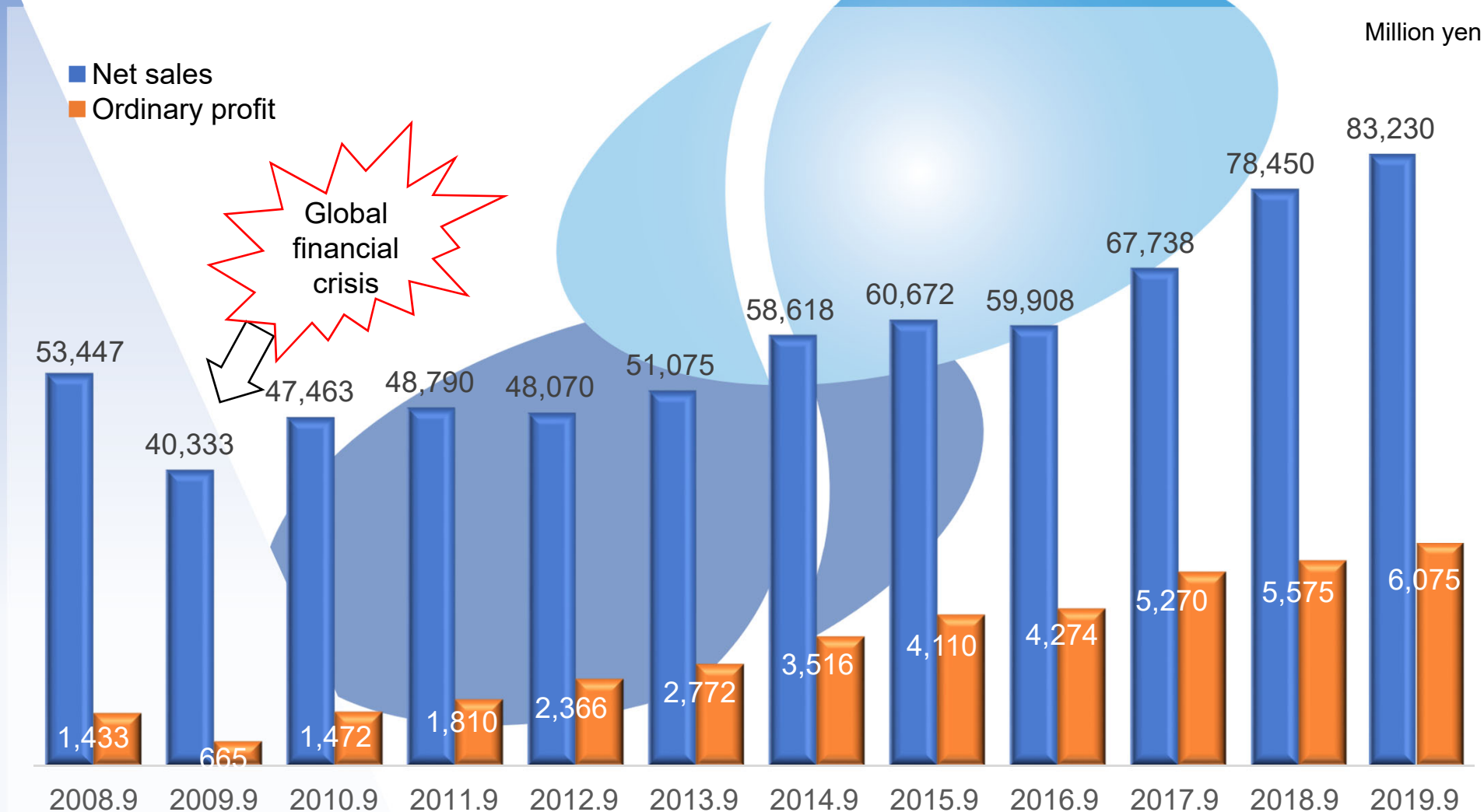
	Year ended Sep. 30, 2018	Year ended Sep. 30, 2019				
	Amount	Amount	Year on year	% of sales	Revised plan (Disclosed on May 13)	Vs. plan
Net sales	78,450	83,230	+6.1%	100.0%	86,000	-3.2%
Gross profit	13,410	14,883	+11.0%	17.9%	15,400	-3.4%
Gross profit margin	17.1%	17.9%	—	—	—	—
Selling, general and administrative expenses	8,147	9,011	+10.6%	10.8%	9,500	-5.1%
Operating profit	5,263	5,871	+11.6%	7.1%	5,900	-0.5%
Ordinary profit	5,575	6,075	+9.0%	7.3%	6,200	-2.0%
Ordinary profit margin	7.1%	7.3%	—	—	—	—
Profit attributable to owners of parent	3,635	4,018	+10.5%	4.8%	4,200	-4.3%
EPS (yen)	253.99	280.73	—	—	293.38	—
Dividend (yen)	64.0	74.0	—	—	74.0	—

Million yen

Long-Term Changes in Results

Results in Fiscal Year Ended
September 30, 2019

Ordinary profit rose for the 10th consecutive year from the fiscal year ended September 30, 2010. Net sales and ordinary profit increased 2.1-fold and 9.1-fold, respectively, from 10 years ago.



Net Sales and Operating Profit in Each Segment

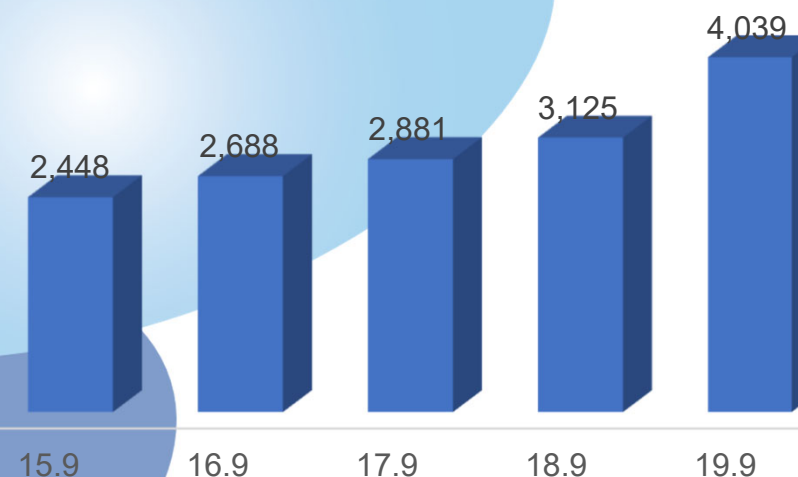
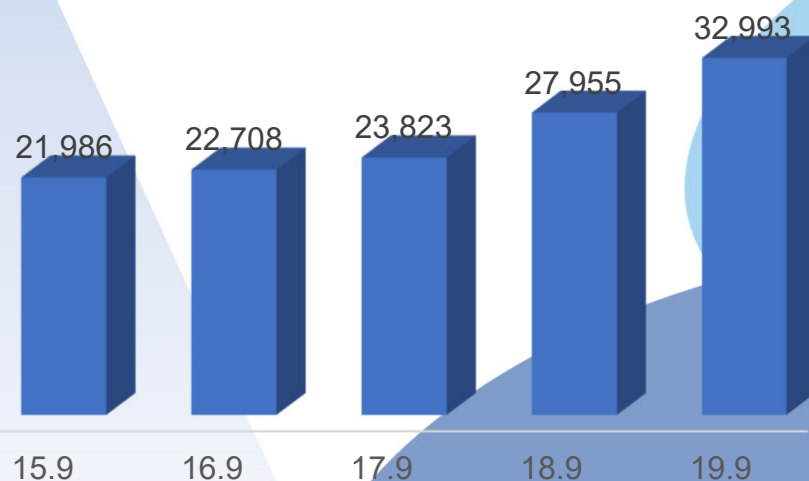
Results in Fiscal Year Ended
September 30, 2019

Machinery & Industrial Products

Million yen

Net sales

Operating profit



Amount

Year on year

Net sales

32,993

+18.0%

Operating profit

4,039

+29.2%

Results were driven by industrial products, particularly automotive interior parts.

Large biomass cogeneration facilities in Hokkaido began full-scale operation in May.

Net Sales and Operating Profit in Each Segment

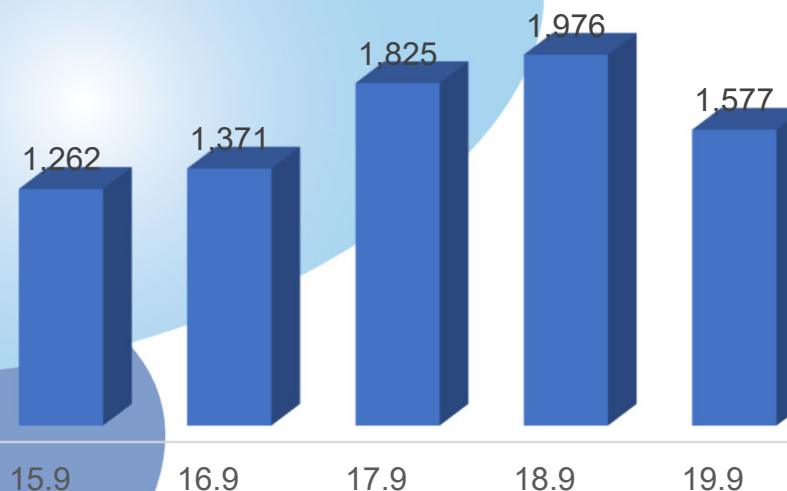
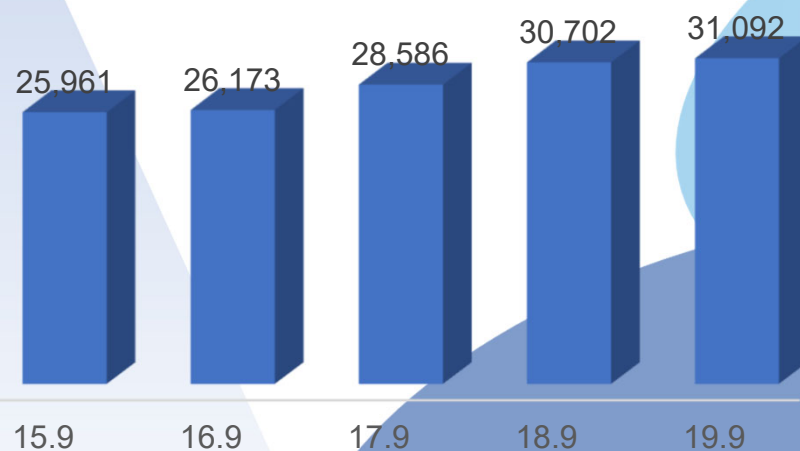
Results in Fiscal Year Ended
September 30, 2019

Chemicals

Million yen

Net sales

Operating profit



Amount

Year on year

Net sales

31,092

+1.3%

Operating profit

1,577

-20.2%

Results of rubber were adversely affected by increases in purchasing prices and the U.S.-China trade friction.

For chemicals, results of paint and high value-added products were weak due to environmental regulations in China.

Net Sales and Operating Profit in Each Segment

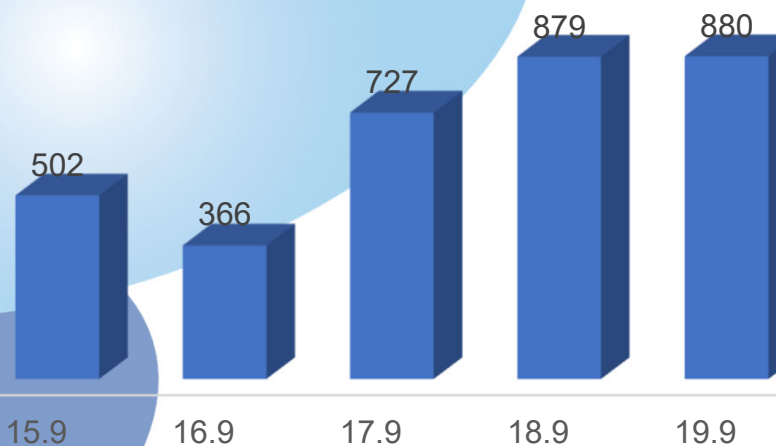
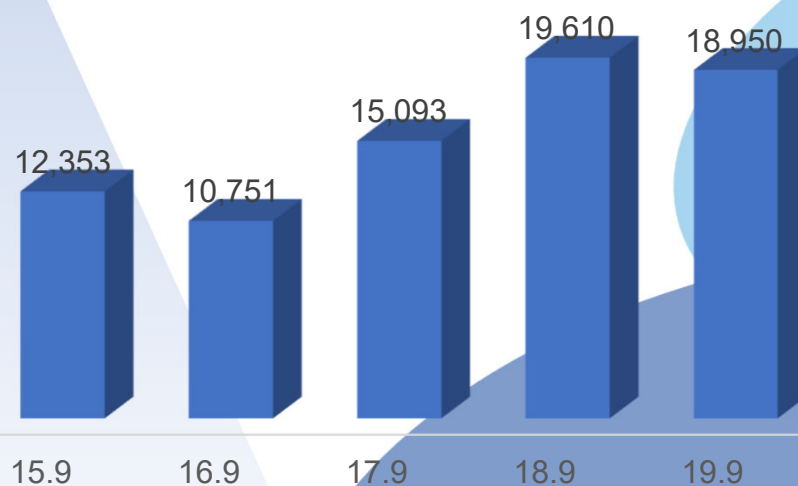
Results in Fiscal Year Ended
September 30, 2019

Overseas Subsidiaries

Million yen

Net sales

Operating profit



Amount

Year on year

Net sales

18,950

-3.4%

Operating profit

880

+0.1%

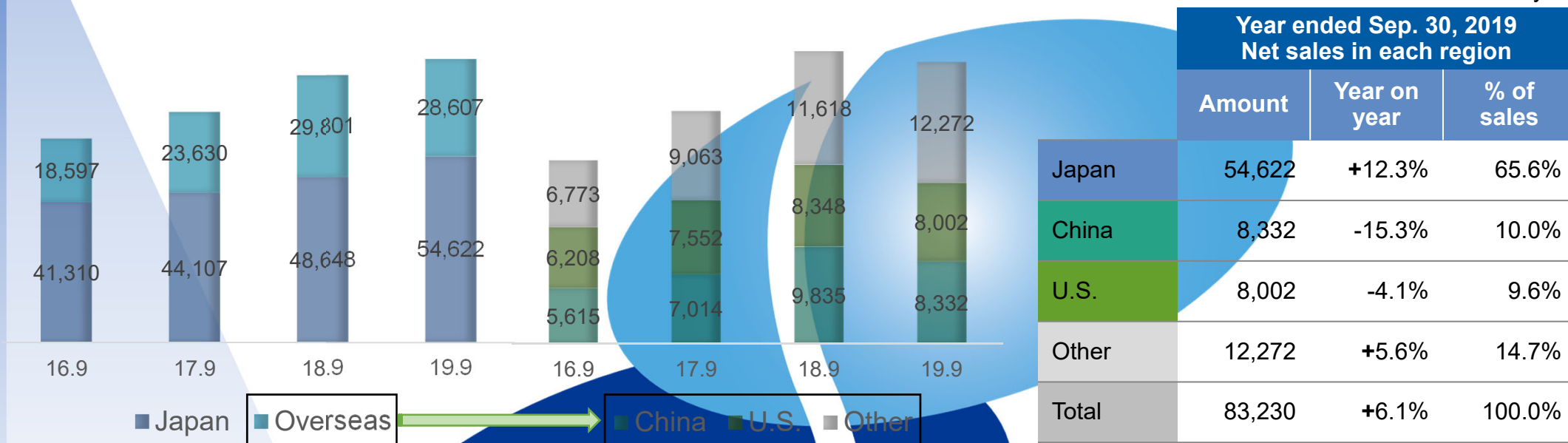
The performance of automotive interior parts was excellent in China and Southeast Asia.

The results of film-related products and rubber in the United States were adversely affected by the U.S.-China trade friction.

Breakdown of Sales by Region

Results in Fiscal Year Ended
September 30, 2019

Million yen



Factors for changes

Japan

- The auto-related business performed well. The drilling-related business also performed well.

China

- The results of automotive interior parts were firm, but sales fell as a reaction to recording of temporary sales.

U.S.

- Sales of film-related products and rubber decreased.

Other

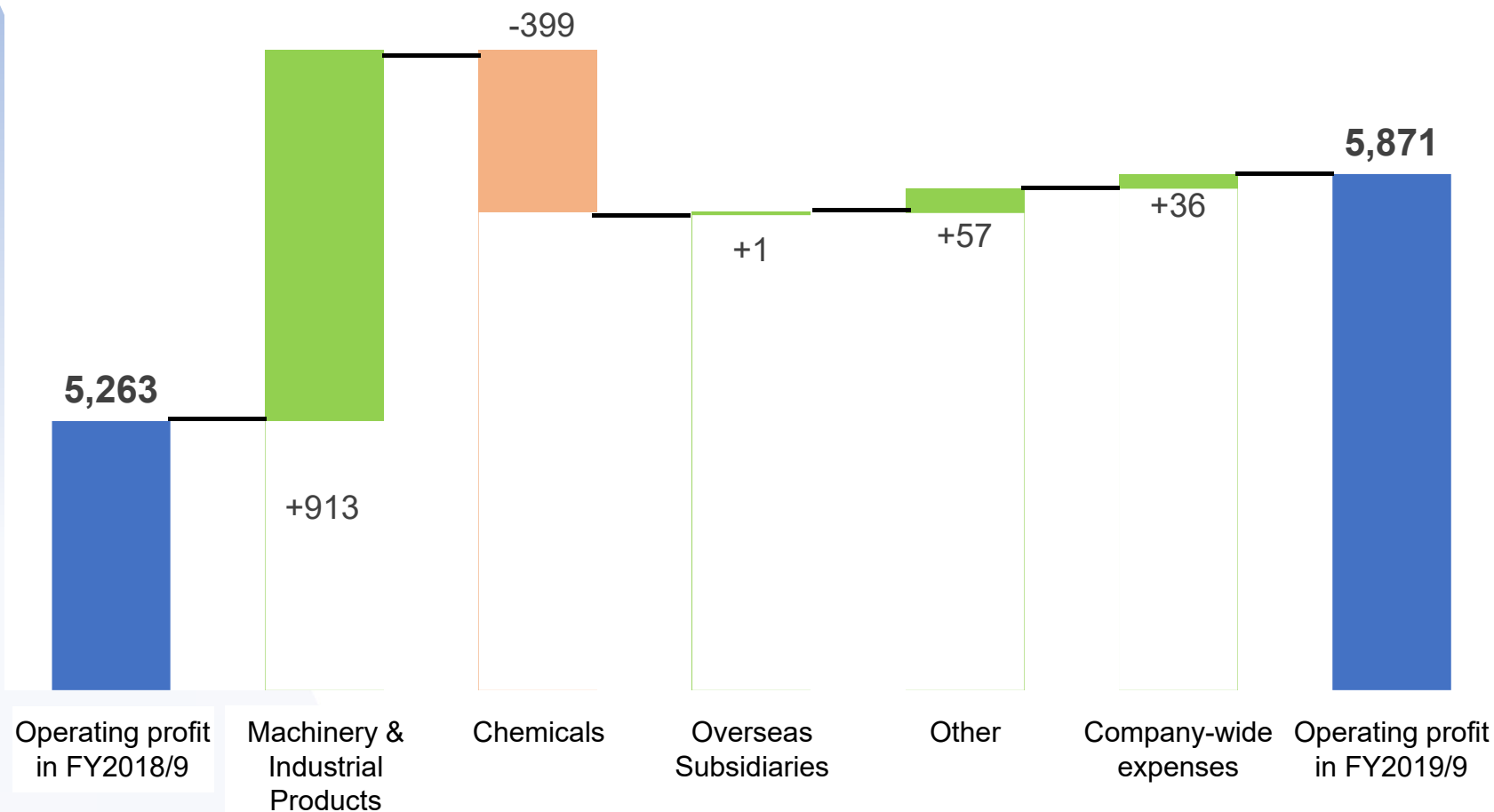
- Sales to the ASEAN region, particularly Thailand and Singapore, and Latin America (Mexico) were strong.

Analysis of Factors for Changes in Operating Profit

Results in Fiscal Year Ended September 30, 2019

Operating profit recorded a double-digit increase chiefly due to the strong performance of the machinery and industrial products.

Million yen



Targets of VISION2023

Item	Target	Result
Consolidated ordinary profit	7.5 billion yen	6.07 billion yen (Result in FY2019/9)
ROE	15%	14.5% (Result in FY2019/9)
Rate of growth at overseas offices (net sales)	10% per year	10.0% (Average in the past two years)

**Results in Fiscal Year Ended
September 30, 2019**

**Topics in Fiscal Year Ended
September 30, 2019**

VISION2023 and Outlook for Results

Reconsideration of Management Mission

Topics in Fiscal Year Ended
September 30, 2019

To remind employees of the corporate philosophy, the Company held workshops for all employees at domestic and overseas offices.

Purposes of the reconsideration
of the management mission

- Reconsidering the position of the management mission
- Starting point of a new long-term plan
- Company Prospective in 30 years (100th anniversary)

Slogan logo



- ◆ Showing an active and positive attitude to take on challenges and aspirations
- ◆ Expressing the future of taking on challenges under the slogan
- ◆ Harmony between the corporate colors and the Company's logo

Structure of corporate philosophy

Slogan

***Challenging ourselves
for the BEST solution***

~ Challenging ourselves for the BEST solution ~

**Management
Mission**

Solution

Credo

ESG Initiatives (1)

Topics in Fiscal Year Ended
September 30, 2019

A basic strategy in the long-term management plan, VISION2023, is investment in human resources. The Company started Kaeru College in the fiscal year ended September 30, 2019 and established a training system. It aims to cultivate human resources who will play an active role in the global arena through an overseas trainees system and a short-term overseas study system.

Kaeru College training courses

2019年9月期	10	11	12	1	2	3	4	5	6	7	8	9
必修科目	新入社員から、若手、管理職、取締役、シニア層まで全階層での研修を定期的実施											
臨時必修科目 経営理念浸透研修	国内及び海外拠点全従業員を対象とした企業理念研修会を複数回にわたって実施											
選択科目	73期よりスタート。任意参加セミナーをプロスポーツ監督経験者や社内のスペシャリストを講師として複数回実施											
グローバル	海外研修生											
2020年9月期	10	11	12	1	2	3	4	5	6	7	8	9
必修科目	全階層での研修を定期的実施、さらに海外現地社員の日本研修も推進											
選択科目	バイオマス発電会社社長や社内のスペシャリストを講師としたセミナーをすでに実施済み。今後も、NPO団体から講師を招聘し多様性に関するセミナー等を実施予定											
グローバル	海外研修生 NY短期留学 NY短期留学 NY短期留学 NY短期留学											

Purposes of Kaeru College

Cultivating the mind, skills and physique of employees
Developing the Company
Finding the concrete "BEST solution"



Investing in human resources and pursuing improvements in the working environment (S of ESG)

Sale of Low-Molecular-Weight PTFE Fine Powder Wax

Under the Stockholm Convention (POPs agreement), the import, manufacture and use of PFOA are restricted since April 2020.

The Company has started to sell the inventory of low-molecular-weight PTFE fine powder wax (Shamrock of the U.S.), which contains less PFOA. It will complete the switch from PFOA to PTFE, including inventory, next January.

* PFOA

Abbreviation for perfluorooctanoic acid. PFOA is an organofluorine compound. It features water repellency, oil repellency and is persistent. Because of its stability, it has been used for coating agents, surfactants, and finishing agents, among other products. However, due to its structural stability, its persistence in the environment and in vivo accumulation have become problematic. PFOA is subject to global regulations.



PTFE fine powder wax

Wood Biomass Power Generation

Features of the Company's business

(1) Procuring domestic thinned wood

Contributing to regional development through the revitalization of forestry in Japan and local production for local consumption

(2) Cogeneration equipment

The wood pellet gasification cogeneration equipment provided by the Company increases energy efficiency by using heat generated during power generation.

(3) Integrated system

We provide a system from the processing of raw wood to cogeneration and support after the cogeneration system begins to operate.



Hokkaido Shimokawa-cho Project

The Company will contribute to environmental maintenance (E of ESG) through its biomass power generation business and by dealing with products containing less PFOA.

New Business

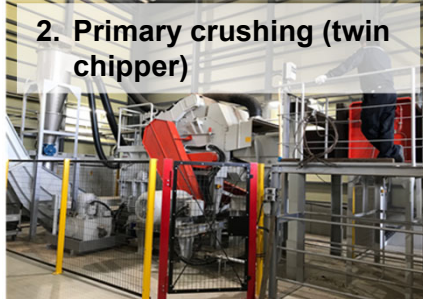
Topics in Fiscal Year Ended
September 30, 2019

In Shimokawa, we delivered a European-style system that automates the process of adding wood and thereafter.

1. Peeling bark (debarker)



2. Primary crushing (twin chipper)



3. Conveyance (walking floor)



4. Drying (belt dryer)



5. Secondary crushing (hammer mill)



6. Forming (pellet mill)



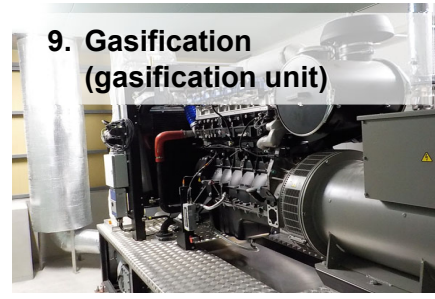
7. Cooling (cooler)



8. Thermalization (thermalization unit)



9. Gasification (gasification unit)



Company	Shin-Toyo Kikai Kogyo Co., Ltd.	STK	YPTECH Co., Ltd.	株式会社ワイピーテック
Date of transfer agreement	May 2019		September 2019 (Acquired in October 2019)	
Ratio of voting rights held	100.0%		100.0%	
Business	Manufacture, sale and maintenance of corrosion-resistant pumps		Import and sale of functional livestock feed materials and feed additives	
Synergy	<p>The micropump business of Sanyo Furue Science Co., Ltd., a subsidiary of the Company</p> <p>Global pump market (breakdown by use)</p> <p>6 trillion to 7 trillion yen market</p> <p>Sanyo Furue Science Shin-Toyo Kikai Kogyo</p>		<p>The powder business of the Company's Machinery & Environmental Business Unit and the livestock business of the Chemical Business Unit</p> <p>Synergy creation</p> <p>家畜別販売割合</p> <p>ワイピーテック 化学品 畜産チーム 機械環境 粉体G</p> <p>80% 牛ルートに強い 19% 豚 1% 鶏 60% 商材 30% 商材 10% 商材 30% 30% 40% 鶏ルートに強い</p> <p>■牛 ■豚 ■鶏</p>	

**Results in Fiscal Year Ended
September 30, 2019**

**Topics in Fiscal Year Ended
September 30, 2019**

VISION2023 and Outlook for Results

Structure of the Company's Plans

VISION2023 and Outlook for Results

The Company has formulated annual plans and two-year plans as milestones of VISION2023, the long-term management plan up to 2023.

	FY2019/9 performance	FY2020/9 plan	FY2021/9 plan	FY2022/9 plan	FY2023/9 plan
Annual plan	Annual plan	Annual plan	Annual plan	Annual plan	Annual plan
Medium-term management plan		Two-year plan		Two-year plan	
Long-term management plan	VISION2023				
Consolidated ordinary profit	6.07 billion yen	6.2 billion yen	6.7 billion yen	—	7.5 billion yen

Medium-term Management Plan

VISION2023 and Outlook for Results

Million yen

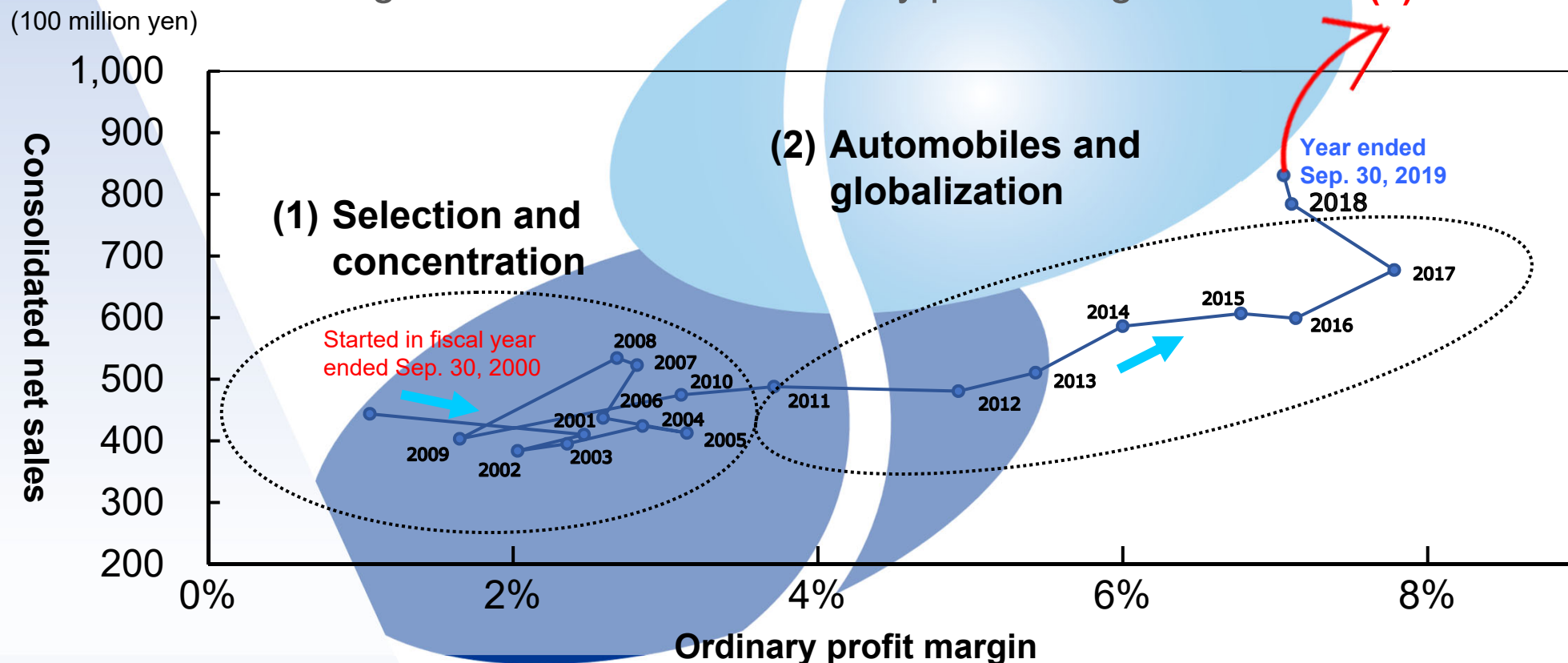
	Results in year ended Sep. 30, 2019			Forecast for year ending Sep. 30, 2020			Forecast for year ending Sep. 30, 2021		
	Amount	Year on year	% of sales	Amount	Year on year	% of sales	Amount	Year on year	% of sales
Net sales	83,230	6.1%	100.0%	94,500	13.5%	100.0%	102,000	7.9%	100.0%
Gross profit	14,883	11.0%	17.9%	16,000	7.5%	16.9%	17,500	9.4%	17.2%
Selling, general and administrative expenses	9,011	10.6%	10.8%	10,000	11.0%	10.6%	11,000	10.0%	10.8%
Operating profit	5,871	11.6%	7.1%	6,000	2.2%	6.3%	6,500	8.3%	6.4%
Ordinary profit	6,075	9.0%	7.3%	6,200	2.0%	6.6%	6,700	8.1%	6.6%
Profit attributable to owners of parent	4,018	10.5%	4.8%	4,200	4.5%	4.4%	4,500	7.1%	4.4%
EPS (yen)	280.73			293.39			314.34		

Progress of VISION2023

VISION2023 and Outlook for Results

Achieved the simultaneous improvement of profitability and expansion.
Will maintain profitability and aim to achieve growth.

Changes in net sales and ordinary profit margin (From FY2000) **(3) To VISION2023**



- (1) - Withdrew from the agriculture and fishery industries
- To high value-added industrial products

- (2) - The auto-related business achieved rapid growth.
- Built a network of overseas offices

- (3) - Developing new businesses
- Accelerating globalization
- Advancing new investment projects

The basic strategy is carrying through each part of VISION2023.

Basic Strategy of VISION2023

Basic policies	Strengthening the corporate structure	Strengthening the earnings base
Strategy	A. Challenging ourselves for the BEST solution	D. Enhancing business in certain fields
	B. Strengthening the Company's foundation	E. Developing new businesses
	C. Investing in human resources	F. Accelerating globalization
		G. Advancing new investment projects

Below is an outline of each strategy for "Strengthening the Earnings Base," which is part of the basic strategy of VISION2023.

Strategy D. Enhancing business in certain fields	<ul style="list-style-type: none">• Shifting from an area system to a market system (chemicals)• Strong relationships with Tier 1 auto manufacturers
Strategy E. Developing new businesses	<ul style="list-style-type: none">• New business projects are in the fourth year.• Forty-four projects are in progress (fiscal year ending September 30, 2020).
Strategy F. Accelerating globalization	<ul style="list-style-type: none">• Made the Mexico subsidiary a consolidated subsidiary (fiscal year ended September 30, 2019).• The cosmetics business (Thailand) and the auto parts business (India) are growing.

Strengthening the Earnings Base (2)

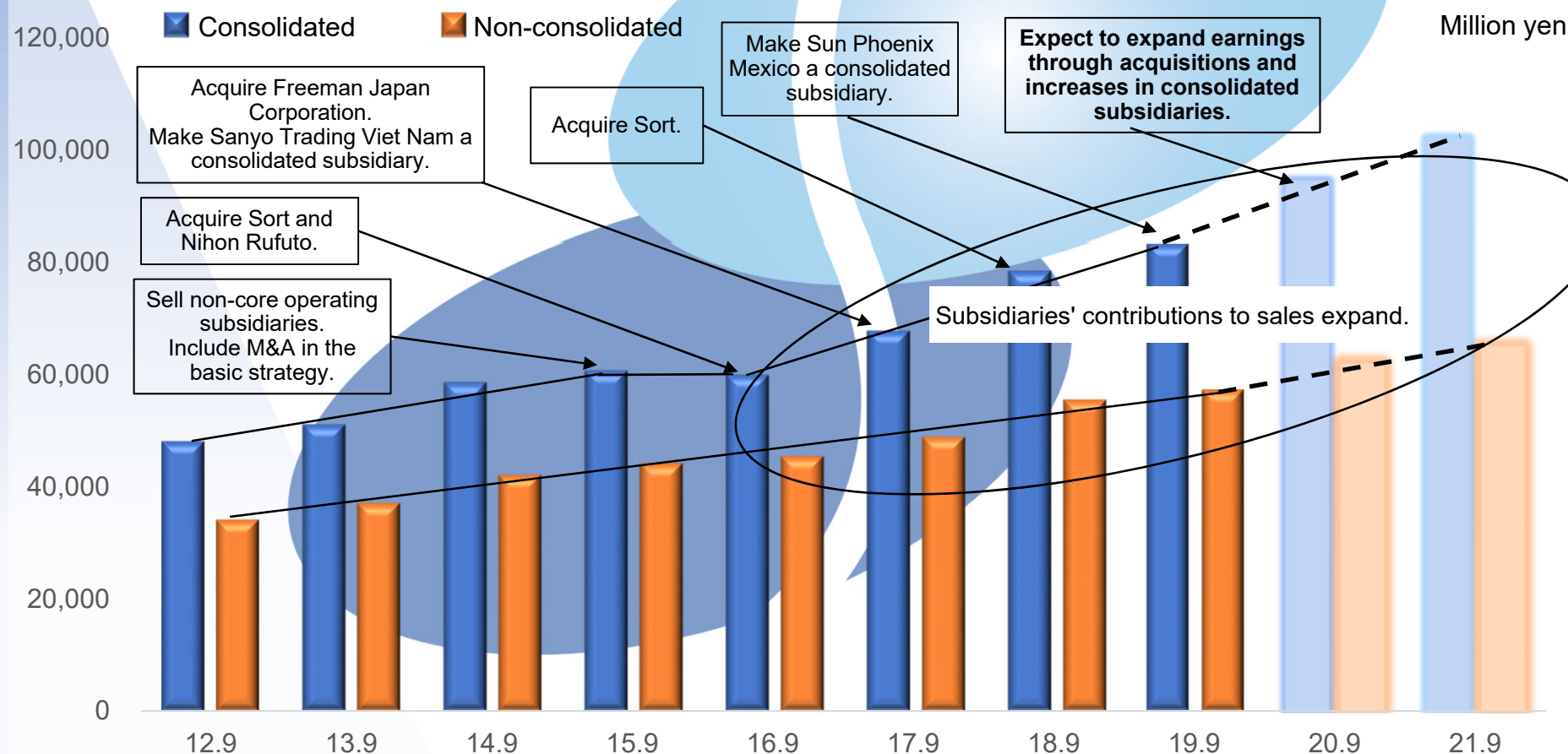
VISION2023 and Outlook for Results

Strategy G. Advancing New Investment Projects

M&A has been included in the basic strategy since FY2015, and investee companies have been contributing to earnings gradually.

Investments for synergy, globalization and growth will continue to expand earnings.

Changes in Consolidated and Non-Consolidated Net Sales

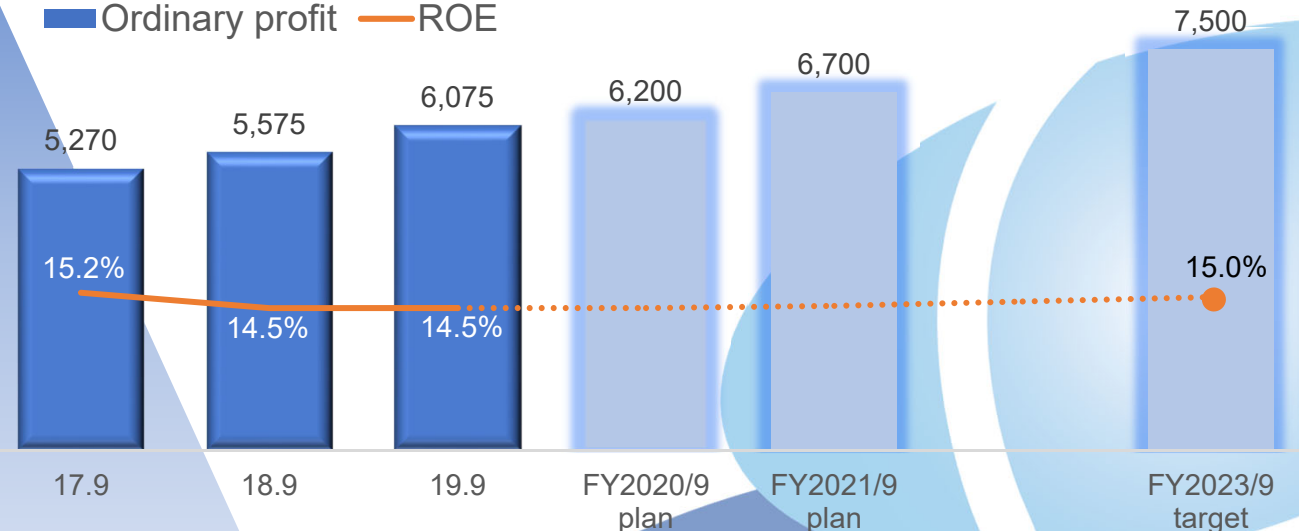


Progress of VISION2023

VISION2023 and Outlook for Results

Million yen

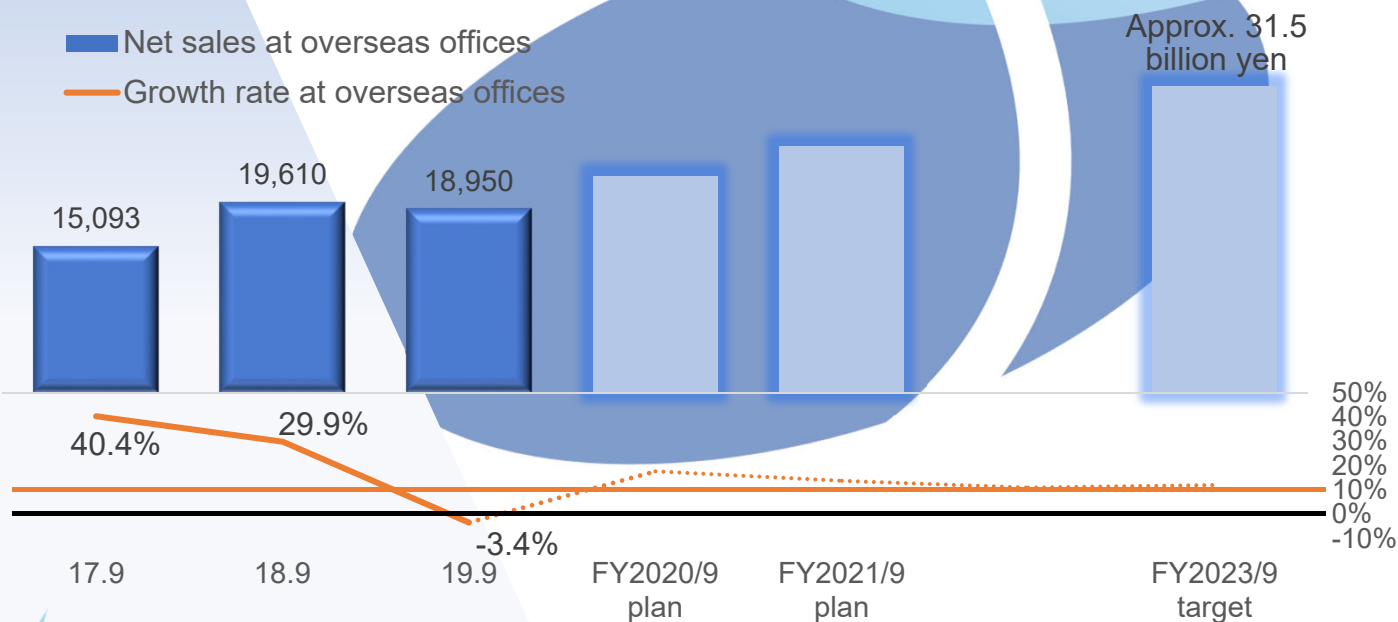
■ Ordinary profit — ROE



Ordinary profit has been increasing steadily and is on track to meet the target for FY2023.

ROE remains close to the target of 15%.

■ Net sales at overseas offices — Growth rate at overseas offices

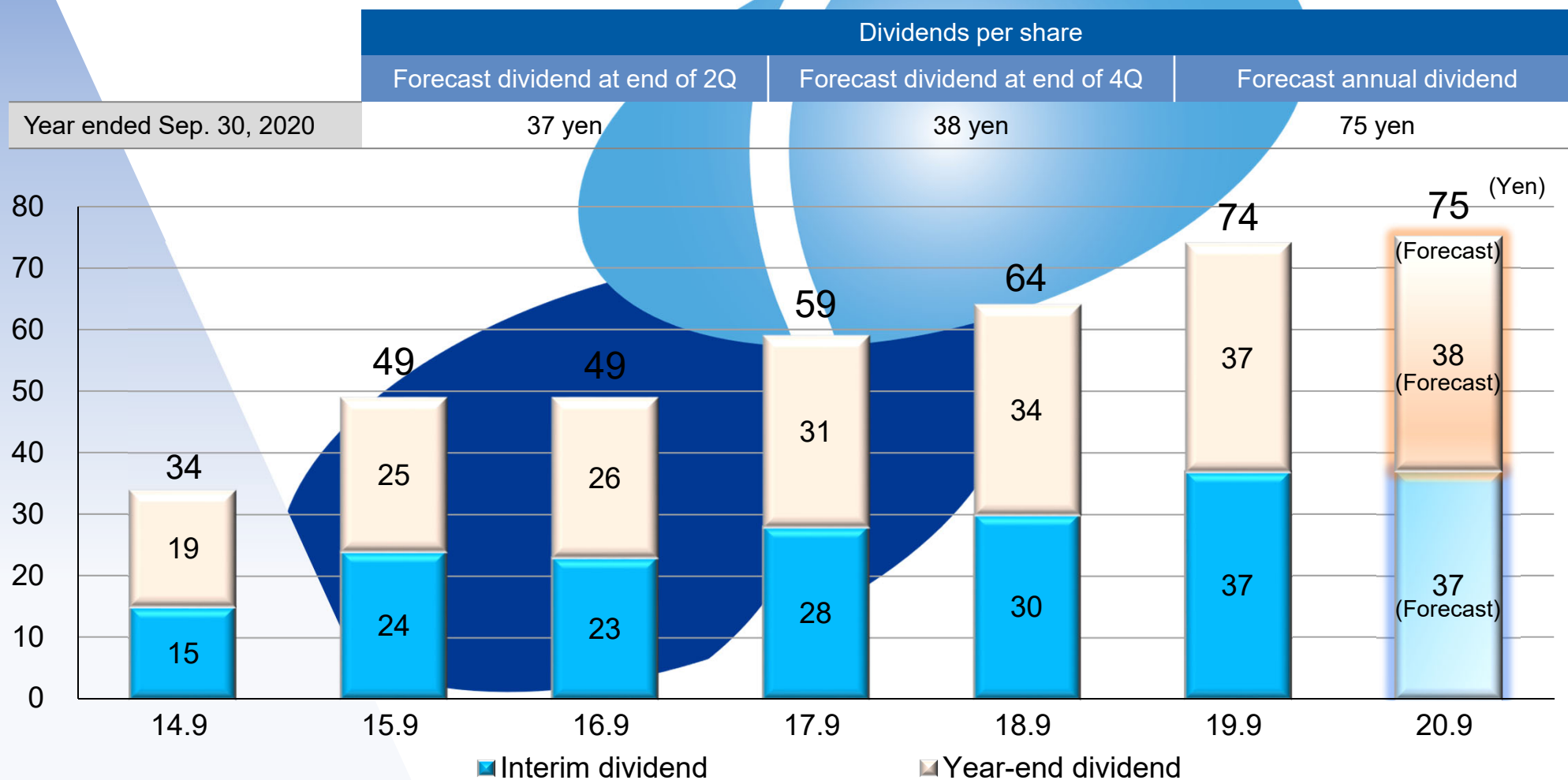


The rate of growth in net sales at overseas offices dropped in FY2019 due to the end of special demand in China. We aim to increase the growth rate again from FY2020 primarily in the United States and Southeast Asia.

Shareholder Returns

VISION2023 and Outlook for Results

- We will continue to focus on increasing dividends per share in the medium to long term and will deliver stable shareholder return in the long term.
- In the fiscal year ending September 30, 2020, dividends per share are forecast to rise 1 yen year on year.



Challenging ourselves for the BEST solution

Thank you for your attention.

Reference Material

Consolidated Balance Sheet

Reference Material

Million yen

	Sep. 30, 2016	Sep. 30, 2017	Sep. 30, 2018	Sep. 30, 2019
Cash and deposits	3,712	2,635	2,468	4,548
Notes and accounts receivable - trade	12,856	15,902	17,133	16,440
Merchandise and finished goods	7,745	10,456	11,637	12,807
Other current assets	1,975	2,406	2,673	2,579
Property, plant and equipment	1,984	2,006	2,143	2,195
Other non-current assets	4,180	5,580	5,550	5,159
Total assets	32,455	38,987	41,606	43,731
Notes and accounts payable - trade	7,006	8,175	8,357	8,348
Short-term borrowings	795	1,555	1,856	1,239
Other current liabilities	2,546	3,144	3,413	3,640
Long-term borrowings	50	100	50	70
Other non-current liabilities	1,101	1,412	1,172	1,089
Net assets	20,954	24,600	26,756	29,343
Total liabilities and net assets	32,455	38,987	41,606	43,731
Ratio of interest-bearing debt	2.6%	4.2%	4.6%	3.0%
Ratio of cash and deposits	11.4%	6.8%	5.9%	10.4%
Equity ratio	64.6%	63.1%	64.3%	67.1%

Overview of Balance Sheet

- Current assets rose chiefly due to increases in cash and deposits and merchandise and finished goods, despite a decrease in accounts receivable - trade.
- Non-current assets decreased, reflecting depreciation and amortization of goodwill.
- Current liabilities declined as a result of a decrease in borrowings from financial institutions.
- Net assets rose due to the profit posted.

Points

- Interest-bearing debt remained low.
- The ratio of cash and deposits increased but remained low if M&A in October is taken into consideration.
- The equity rate was high.

Cash Flows

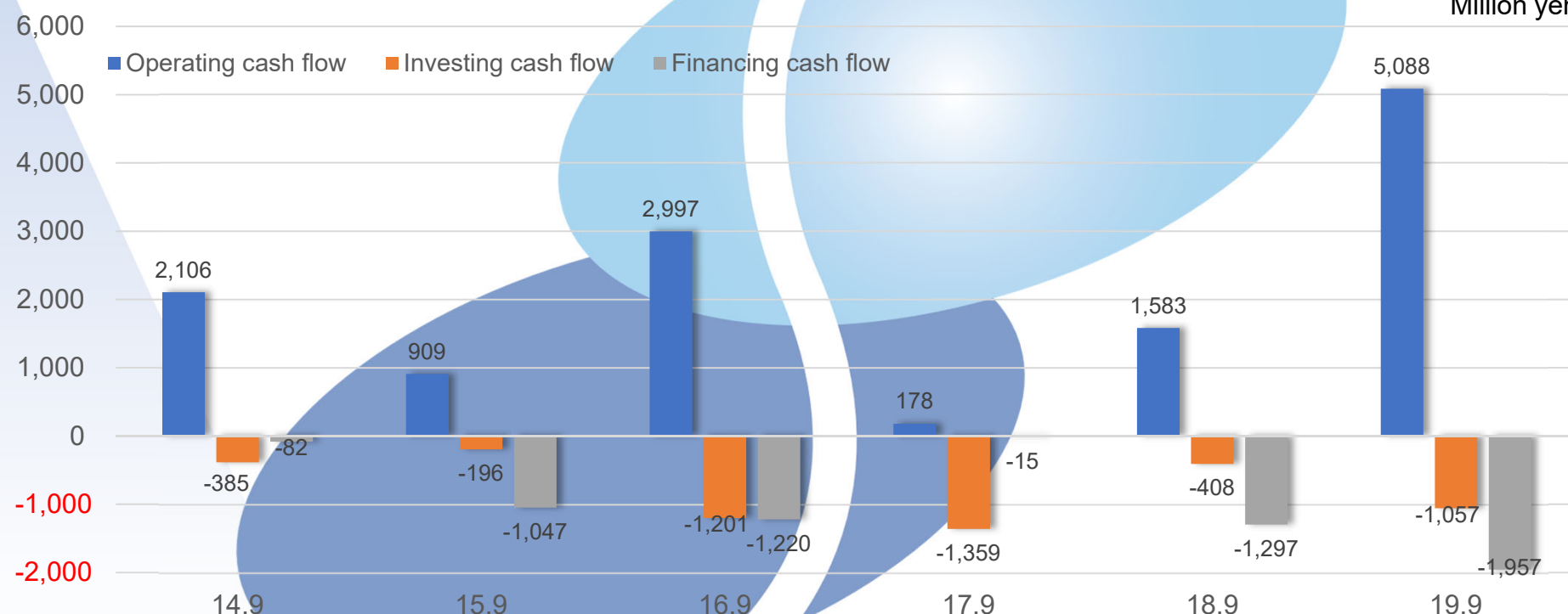
Reference Material

Operating cash flow: Rose from a year ago, reflecting decreases in trade receivables and advance payments - trade.

Investing cash flow: Fell due to purchase of shares of subsidiaries and associates and payments for subsidiaries and associates.

Financing cash flow: Fell due to a decrease in short-term borrowings and dividends paid.

Million yen



	14.9	15.9	16.9	17.9	18.9	19.9
Increase (decrease) in cash	1,675	-289	511	-1,147	-133	2,023
Cash at end of fiscal year	3,490	3,201	3,712	2,601	2,468	4,548

Company Profile

Reference Material

Company name	Sanyo Trading Co., Ltd.
Established	May 1947
President & CEO	Masanobu Shintani
Head office address	2-11 Kandanishikicho, Chiyoda-ku, Tokyo
Business	In Japan, the Company exports, imports and sells rubber, chemicals, machines and equipment, scientific instruments, auto parts, and other products. It deals in products for which demand is high. Its strengths include technical support.
Offices	Tokyo, Osaka, Nagoya, Hiroshima, New York, Detroit, Irapuato (Mexico), Shanghai, Guangzhou, Tianjin, Hong Kong, Bangkok, Hochiminh, Hanoi, Gurgaon (India), Jakarta, Singapore, Düsseldorf
Net sales	83,230 million yen (in fiscal year ended September 30, 2019; on a consolidated basis)
Ordinary profit	6,075 million yen (in fiscal year ended September 30, 2019; on a consolidated basis)
Profit attributable to owners of parent	4,018 million yen (in fiscal year ended September 30, 2019; on a consolidated basis)
Number of employees	368 (as of September 30, 2019; on a consolidated basis)

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History

Reference Material

1947 May	Founding of Sanyo Trading Co., Ltd. by members of the Kobe branch of the former Mitsui & Co., Ltd., following the zaibatsu dissolution, with the head office in Kobe and capital of 195,000 yen
1948 May	Establishment of a subsidiary in Tokyo
1952 Dec.	Establishment of a subsidiary in Osaka
1954 Jan.	Establishment of a representative office in New York (reorganized into Sanyo Corporation of America in February 1961)
1958 Aug.	Establishment of a subsidiary in Nagoya
1961 Nov.	Relocation of the head office from Kobe to Tokyo
1992 Oct.	Establishment of a representative office in Ho Chi Minh City (reorganized into Sanyo Trading (Viet Nam) Co., Ltd. in February 2010)
2002 Oct.	Acquisition of Newly Instruments Co., Ltd.
2003 Jun.	Transfer of the representative office in Bangkok to our affiliate San-Thap International Co., Ltd.
2004 Jan.	Cosmos Shoji Co., Ltd. becomes a subsidiary
Oct.	Sanyo-Touchi (Shanghai) Rubber Co., Ltd. founded through joint investment with Touchi Co., Ltd.
2006 Apr.	Establishment of Sanyo Technos Co., Ltd.
Oct.	Acquisition of a 68.52% stake (currently 76.85%) of Chem-Inter Corporation
2010 Oct.	Establishment of a representative office in New Delhi, India (Reorganized into Sanyo Trading India Private Ltd. in December 2011)
2012 Feb.	Establishment of Sanyo Trading International (Hong Kong) Co., Ltd.
Oct.	Listing on the Second Section of the Tokyo Stock Exchange

2013 Oct.	Establishment of Sun Phoenix Mexico S.A. de C.V. in Mexico
Oct.	Listing on the First Section of the Tokyo Stock Exchange
2014 Aug.	Establishment of PT. Sanyo Trading Indonesia in Indonesia
2015 Jun.	Bestrade Precision Singapore becomes a subsidiary Name changed to Singapore Sanyo Trading Pte. Ltd. in July
Sep.	Chem-Inter Corporation makes Comstar Japan Co., Ltd. its subsidiary
Oct.	Establishment of Sanyo Trading (Thailand) Co., Ltd. in Thailand
2016 Feb.	Sort Co., Ltd. becomes a subsidiary (acquired in April 2018)
Jul.	Nihon Rufuto Co., Ltd. becomes a subsidiary
2017 Feb.	Furue Science Co., Ltd. becomes a sub-subsubsidiary (merged with Sanyo Technos Co., Ltd. in September 2017, and business name changed to Sanyo Furue Science Co., Ltd.)
Mar.	Establishment of Sanyo Trading Co., Ltd. Dusseldorf Representative Office in Germany
Jun.	Freeman (Japan) Co., Ltd. becomes a subsidiary
Aug.	Establishment of a subsidiary in Hiroshima
Oct.	Azzurro Co., Ltd. becomes a subsidiary
2018 Feb.	San-Thap International Co., Ltd. becomes a wholly owned subsidiary (business name changed to Sanyo Trading Asia Co., Ltd. in June 2018)
2019 May	Shin-Toyo Kikai Kogyo Co., Ltd. becomes a subsidiary
Oct.	YPTECH Co., Ltd. becomes a subsidiary

Offices

Reference Material

Chemical Segment

Rubber Business Unit

Chemical Business Unit

Sanyo-Touchi (Shanghai) Rubber Co., Ltd.
Sanyo Trading International (Hong Kong) Co., Ltd.

YPTECH Co., Ltd.
Chem-Inter Corporation
Azzurro Co., Ltd.

Machinery & Industrial Products Segment

Machinery & Environmental
Business Unit

Industrial Products
Business Unit

Scientific Instruments
Business Unit

Sanyo Machinery Co., Ltd.
Cosmos Shoji Co., Ltd.

**Freeman (Japan)
Co., Ltd.**

Sanyo Furue Science Co., Ltd.
Shin-Toyo Kikai Kogyo Co., Ltd.
Nihon Rufuto Co., Ltd.

(Note) Companies in blue are consolidated companies.

Representative Office

Europe

Sanyo Trading Co., Ltd.
Dusseldorf Representative Office

Overseas Subsidiaries Segment

North America Latin America

Sanyo Corporation of America

Sun Phoenix Mexico

Asia ASEAN

Sanyo Trading (Shanghai) Co., Ltd.

Sanyo Trading India

Sanyo Trading International
(Hong Kong) Co., Ltd.

Sanyo Trading (Thailand)
Sanyo Trading Asia Co., Ltd.

Sanyo Trading (Viet Nam)

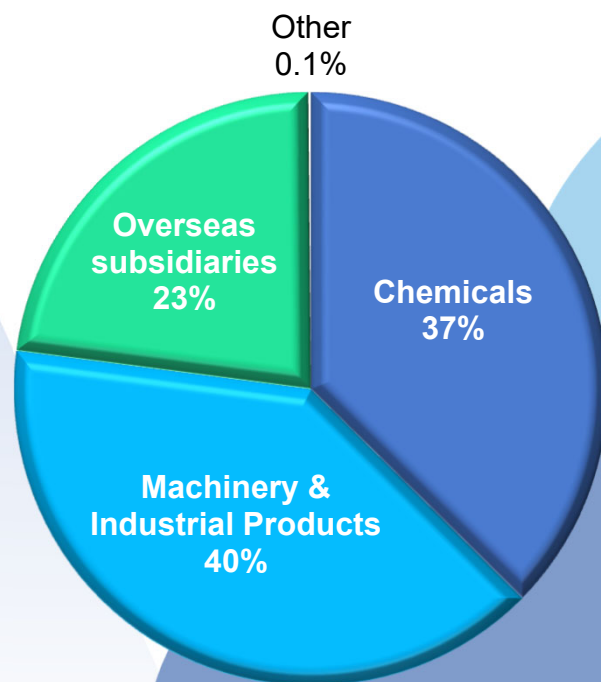
Singapore Sanyo Trading

PT. Sanyo Trading Indonesia

- Established in or before 2012
- Established in 2013
- Established in 2014
- Established in 2015
- Established in 2017

(Note) Companies in blue are consolidated companies.

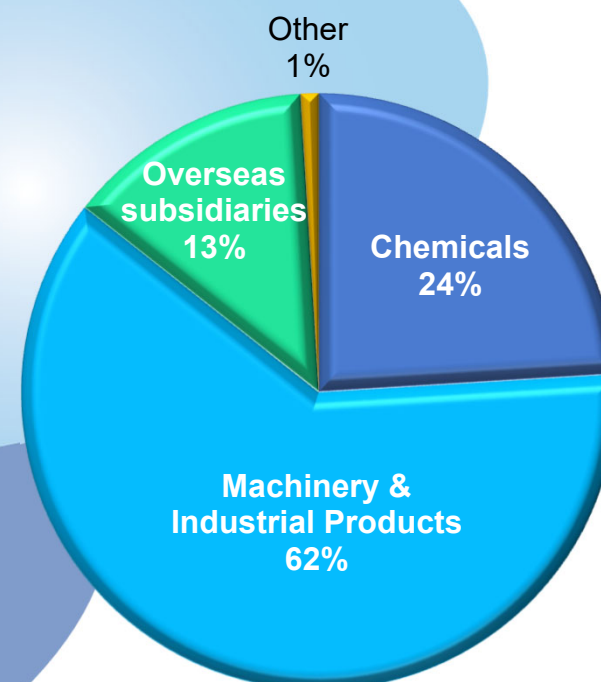
Net sales



Net sales in each segment			
Year ended Sep. 30, 2019 (Million yen)			
Chemicals	Machinery & Industrial Products	Overseas subsidiaries	Other
31,092	32,993	18,950	122

(Note) Before adjustment

Operating profit



Operating profit in each segment			
Year ended Sep. 30, 2019 (Million yen)			
Chemicals	Machinery & Industrial Products	Overseas subsidiaries	Other
1,577	4,039	880	65

(Note) Before adjustment

Segments

Reference Material

The Company operates many different businesses in Japan and overseas.
The businesses are classified into three segments as shown below.

(Note) Subsidiaries are consolidated subsidiaries.

Chemical Segment

Rubber Business Unit

Chemical Business Unit

Domestic subsidiaries

Chem-Inter, YPTECH, Azzurro

Machinery & Industrial Products Segment

Industrial Products Business Unit

Machinery & Environmental
Business Unit

Scientific Instruments Business Unit

Domestic subsidiaries

Freeman (Japan), Cosmos Shoji, Sanyo
Machinery, Nihon Rufuto

Overseas Subsidiaries Segment

USA, Mexico, China, Thailand, Vietnam

Strengths and Features of Each Business Unit

Reference Material

Rubber Business Unit

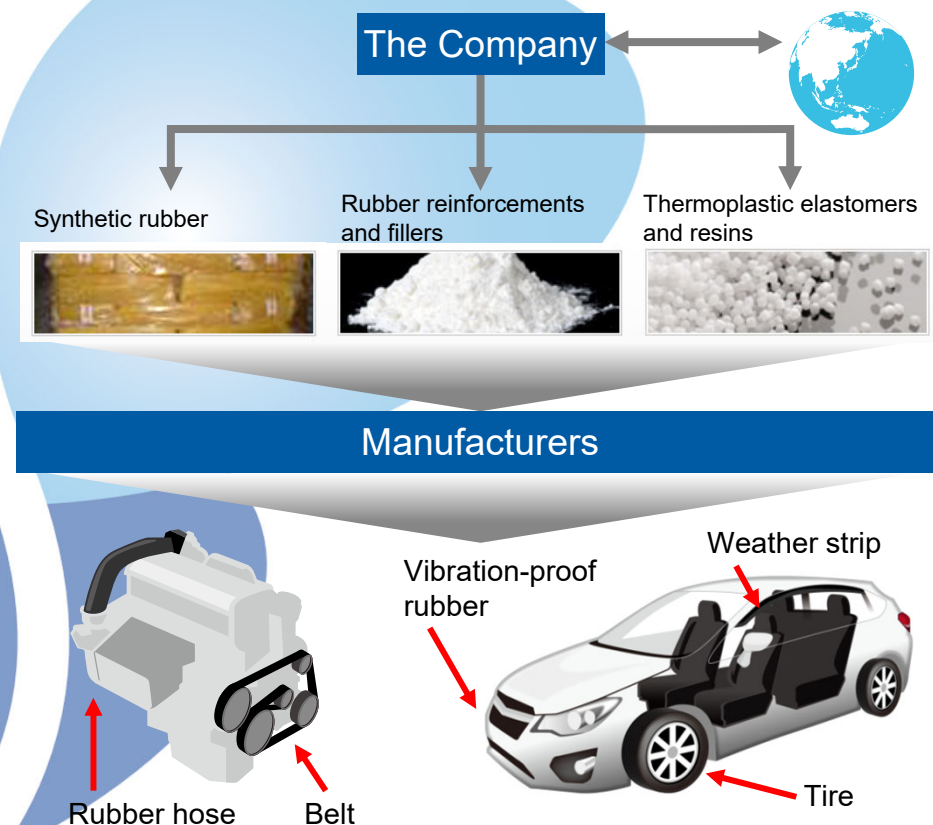
Major products sold	Synthetic rubber (butyl rubber, NBR, silicon rubber, etc.), rubber reinforcement and filler (special clay, flame retardants, etc.), plasticizer, thermal plastic elastomer and resin, etc.
Main purchasers (industries)	Automobile, information equipment, etc.
Principal uses	Tires, auto parts (interior and exterior parts, vibration-proof rubber, hoses, oil seal, etc.), OA equipment parts(rolls, etc.), medical products, etc.
Focus	Cooperation overseas

Features and strengths

- Became Japan's first importer of synthetic rubber in 1952. Deals in a range of products in the rubber industry.
- Sells products to almost all major domestic manufacturers of tires and industrial rubber products.
- Deals in general raw materials, such as synthetic rubber and fillers, and a range of other products, including specialized polymers and compounding agents.
- Technology sales staff can provide technical assistance to users and participate in joint development.
- Boasts a track record and experience in logistics for maintaining stable supply.
- Built a network to support customers' expansion into overseas markets.

Main purchaser	Main product	Feature
ARLANXEO/Lanxess	Different types of synthetic rubber, plasticizers	The world's largest comprehensive manufacturer of synthetic rubber products; stable supply of a range of products
KaMin	Special clays	Strategic products that improve the performance of tires and industrial rubber parts and reduce costs
Dow Toray	Silicon rubber	Features high heat resistance and is used for a range of products, including OA equipment rolls, auto parts and medical parts.

Examples of Products Sold and Final Products



Strengths and Features of Each Business Unit

Reference Material

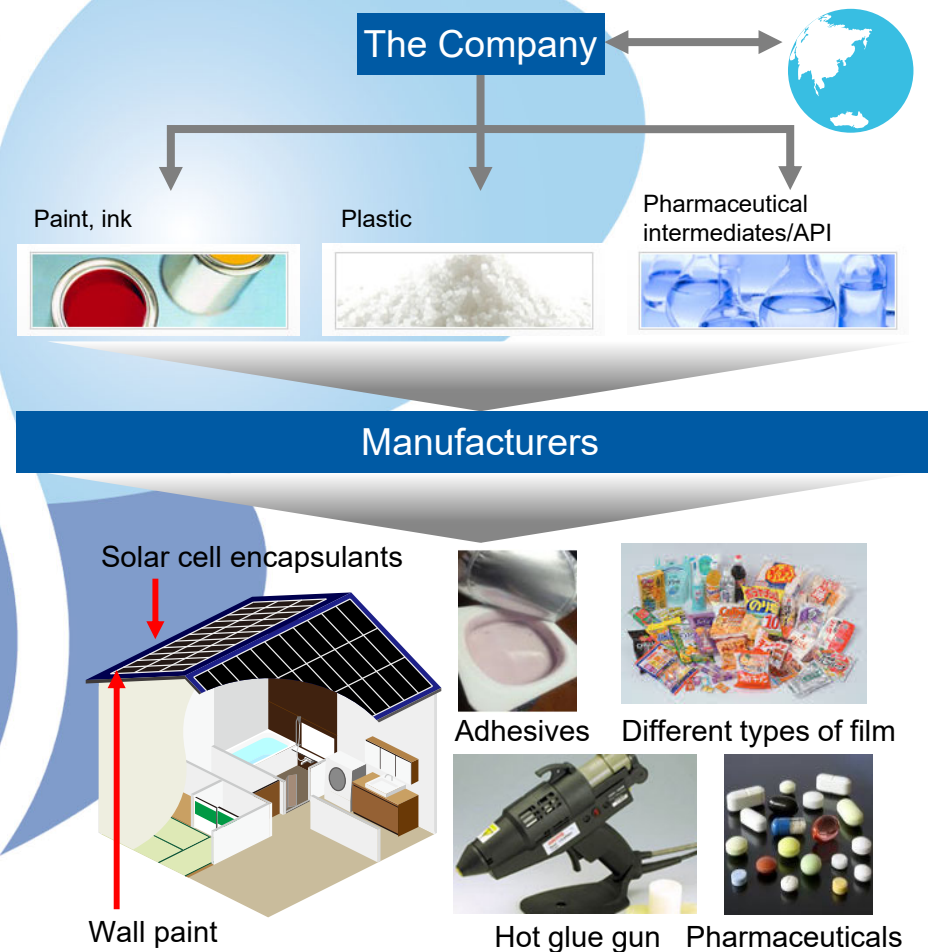
Chemical Business Unit

Major products sold	Additives for paint and ink, resins, highly functional film, pharmaceutical intermediates/API, electronic materials, gluing equipment, etc.
Main purchasers (industries)	Chemical, building materials, automobiles, electronic equipment, etc.
Principal uses	Paint, ink, plastic, film, pharmaceuticals, etc.
Focus	Pharmaceutical intermediates/API, highly functional film

Features and strengths

- Deals in high value-added fine chemicals.
- Deals in pharmaceutical intermediates/API, solar cell-related products, environmentally friendly products, life science products for pharmaceuticals, energy and the environment.
- Provides logistics service and inventory sales service using expertise in logistics as well as finely tuned technical service.
- Sales staff who have received training at suppliers overseas propose high value-added products, develop applications and offer technical support.

Examples of Products Sold and Final Products



Main purchaser	Main product	Feature
Shamrock	Waxes	Highly functional waxes for ink and paint
Toyobo	Different types of film	Nylon, PET and a wide range of other highly functional films

Strengths and Features of Each Business Unit

Reference Material

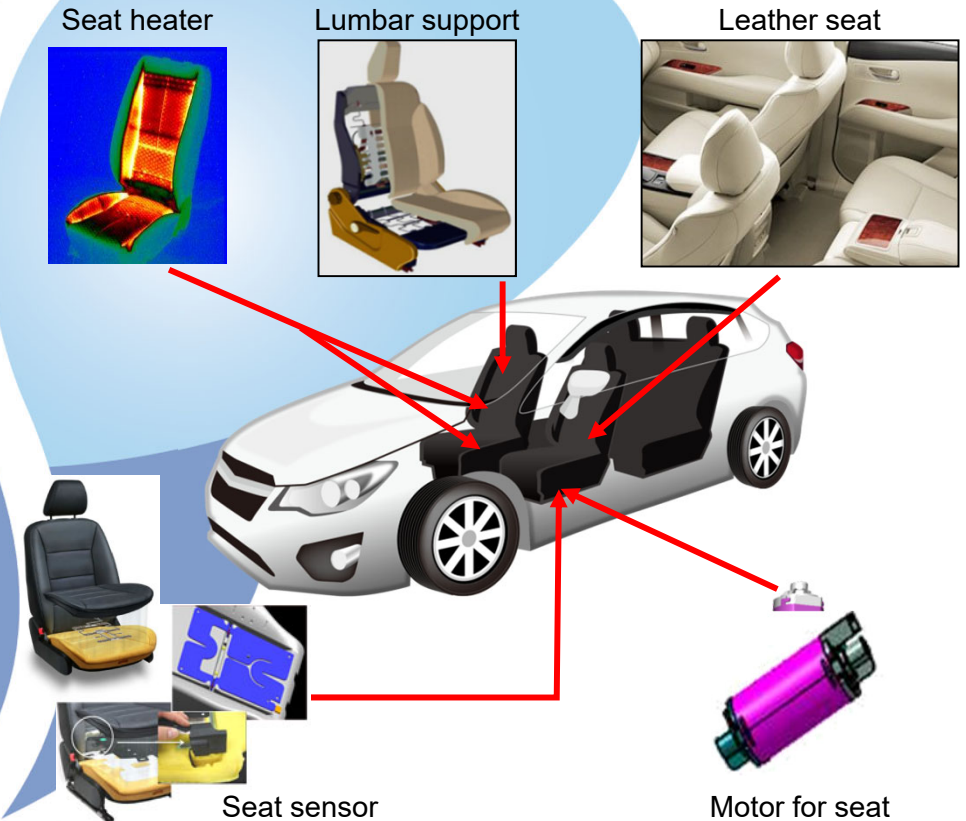
Industrial Products Business Unit

Major products sold	Genuine leather for automobile seat, seat heater, lumbar support, sensors, etc.
Main purchasers (industries)	Automobile-related
Principal uses	Automotive interior parts (primarily for luxury cars)
Focus	Sensing devices for airbags, ventilated seats (hot air, cold air)

Features and strengths

- Participates in the new car development stage, ranging from the proposal of a design to performance development and improvement.
- An integrated system that covers order, development, start-up, mass production management, and supplies for old models
- Establishment of close relationships with auto manufacturers and Tier 1 companies
- Meets strict leather seat delivery standards.
- If a contract is concluded, sales can be expected during the period of production.

Products sold



Main purchaser	Main product	Feature
GST/Seton Autoleather	Genuine leather for automobiles	Joint development with the auto manufacturer from the design stage
Gentherm	Seat heater	Dominating the market of carbon fiber products
L&P Group	Lumbar support	Having a large share in the global market, using advanced technical capabilities

Strengths and Features of Each Business Unit

Reference Material

Machinery & Environmental Business Unit

Major products sold	Pellet mill and related parts, woody biomass equipment
Main purchasers (industries)	<ul style="list-style-type: none"> • Pellet mill: feed, energy, recycling • Woody biomass equipment: local governments, etc.
Principal uses	<ul style="list-style-type: none"> • Pellet mill: feed production, solid fuel (pellet) production • Woody biomass equipment: electricity, heat supply
Focus	Wood pellet gasification cogeneration equipment

Features and strengths

Pellet mills of CPM

- Sole distributor in Japan for more than 60 years
- Market share of more than 80% in the market of pellet mills for feed
- Inspection and maintenance by the maintenance team
- Differentiation from products imported by competitors through the development of automatic control device software and customization

Wood Biomass Equipment

- Equipment made by Burkhardt of Germany Synergy effects with wood pellets are expected.
- Significance of policies of using renewable energy and regional development

Products sold



Pellet mill of CPM



Different types of pellets



Cogeneration unit of Burkhardt



Gasification unit of Burkhardt

Main purchaser	Main product	Feature
CPM	Pellet mill	<ul style="list-style-type: none"> • The solidification of feed enables automatic feeding. • Storage and transportation costs can be reduced.
Burkhardt	Wood pellet gasification cogeneration equipment	<ul style="list-style-type: none"> • Renewable energy can be used for cogeneration.

Strengths and Features of Each Business Unit

Reference Material

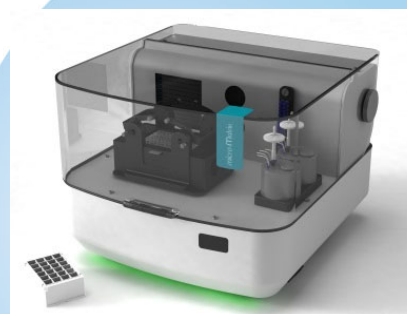
Scientific Instruments Business Unit

Major products sold	Test equipment (friction tester, metal analyzer, gas analyzer, weathering tester, biosensor, surface physical property tester, etc.), medical equipment
Main purchasers (industries)	National research institutes, the Ministry of Defense, universities, oil, chemicals, automotive, pharmaceuticals, etc.
Principal uses	Research and development, quality control, discrimination, risk management
Focus	Bioreactor, medical devices

Features and strengths

- Has customers, including public offices and private companies, in a wide range of business areas.
- Imports superior products of many overseas manufacturers with advanced technologies and sells them.
- Has a subsidiary specializing in maintenance.
- Has a competitive edge in developing private-brand products and customizing imported equipment.

Products sold



Bioreactor



Gas analyzer



Weather resistance tester



Wear debris analyzer

Main purchaser	Main product	Main purchaser	Main product
FALEX	Friction tester	Q-LAB	Weather resistance tester
SPECTRO INC.	Lubricant degradation diagnostic equipment	PICARRO	Greenhouse gases, isotope ratio analyzers
PRESENS	Non-destructive oxygen densitometer	ASI	Secondary ion mass spectrometer

Strengths and Features of Each Business Unit

Reference Material

Overseas subsidiaries



Sanyo Trading (Shanghai) Co., Ltd.

Mainstay products

- Automotive interior parts
- Chemicals

Focus

- Lithium battery materials
- Industrial adhesives



Sanyo-Trading Asia (Thailand)

Mainstay products

- Rubber materials for automobiles
- Automotive interior parts
- Chemicals

Focus

- Highly functional additives for electronic materials
- Cooperation with subsidiaries in Asia



Sanyo Corporation of America (USA)

Mainstay products

- Highly-functional film
- Water-absorbing polymer
- Automotive interior parts
- Indirect materials for rubber

Focus

- High value-added film
- Cooperation with the Mexico subsidiary



Four Strengths of the Company

Reference Material

Credibility and responsiveness in the industry

The Company's strengths include str
which it developed over 70 year
responsiveness based on its

Appealing products overseas

...y deals with many products of leading
ers overseas and boasts advanced
gies and high-quality service.

Well-developed international network

The Company has an edge because
of its information network, which uses 10 offices
overseas, and its expertise on global transactions.

Solid financial base

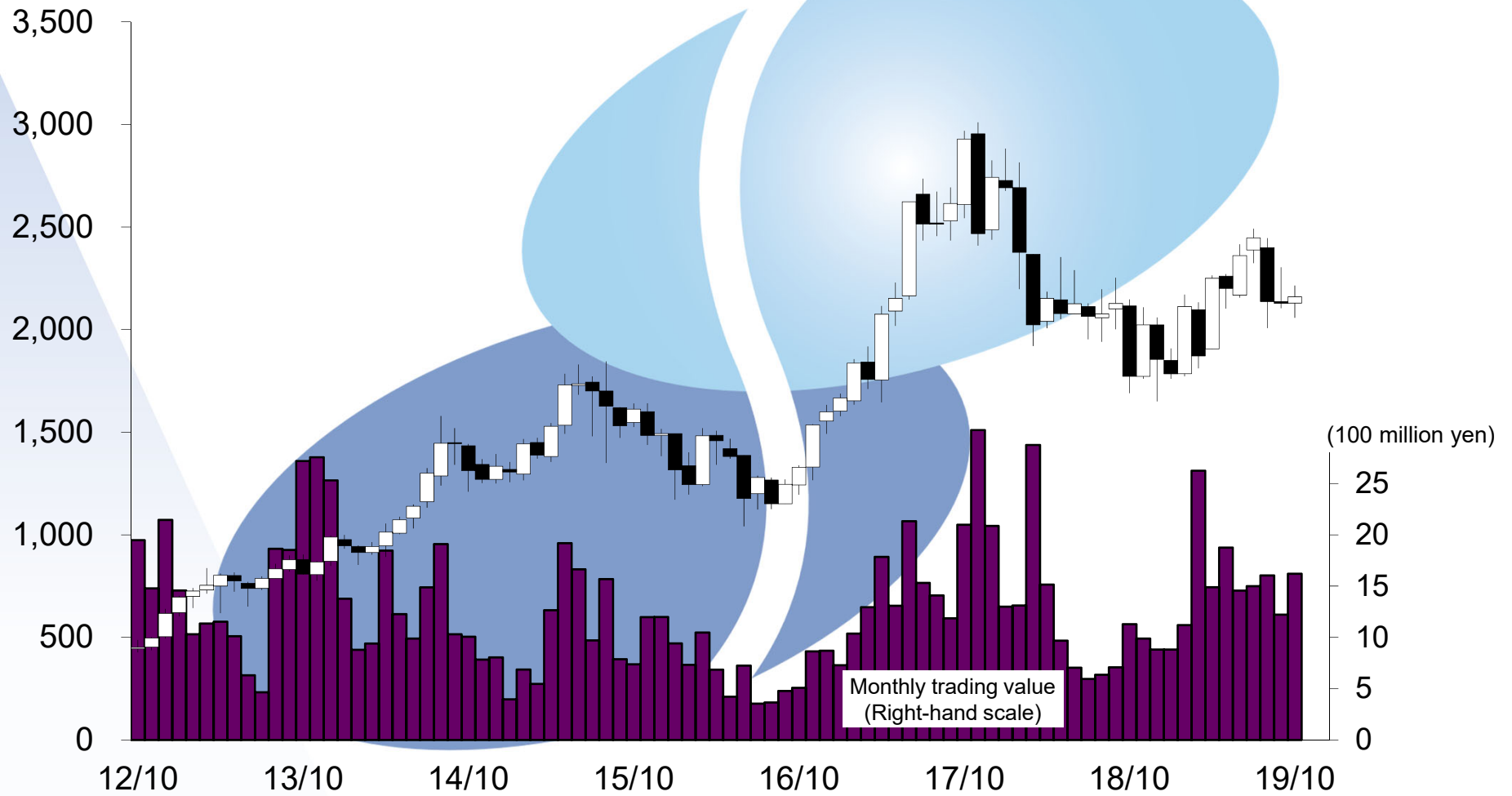
Effectively debt-free management
owing to steady management and growth

High
value-added,
niche



Changes in Stock Price Since Listing

Reference Material



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