



Sanyo Trading Co., Ltd.

(Securities Code: 3176)

**First Half of Fiscal Year
Ending September 30, 2020
Results Presentation**

May 26, 2020

Effect of Coronavirus and Countermeasures

Priorities

Safety of employees, cash flows and business continuity (BCP)

Changes in Working Arrangements

- On April 8, working arrangements changed to teleworking arrangements, in principle, at all offices in Japan.
- Computers are being lent to employees who do not have them at home.
- The number of employees working in the office has been reduced about 70%. In certain sections where working from work is difficult, employees work in the office in rotation.
- Overseas, in principle, employees work from home, but certain employees are allowed to work in the office.

Concerns

- Reductions of production at auto manufacturers (the rubber business and the industrial products business)

Business policy

- Changing the crisis into an opportunity
- Considering new products and investments
- Reducing long-term inventory and unfavorable inventory significantly



**Results in First Half of Fiscal Year
Ending September 30, 2020**

**Topics in Fiscal Year Ending
September 30, 2020**

VISION2023 and Outlook for Results

Key Points of Results

**Results in First Half of Fiscal Year
Ending September 30, 2020**

Profit fell in the first half for the first time since the listing.

**The fall reflects strong performance in the Machinery &
Industrial Products segment in the previous year.**

Consolidated Results

Results in First Half of Fiscal Year Ending September 30, 2020

(Million yen)

	Results in H1 of year ended Sep. 2019	Results in H1 of year ending Sep. 2020			Year ending Sep. 30, 2020	
	Amount	Result (A)	Year on year	% of sales	Initial plan (announced on Nov. 6, 2019)	Revised plan
Net sales	43,298	40,977	-5.4%	100.0%	94,500	75,500
Gross profit	7,826	7,757	-0.9%	18.9%		
(Gross profit ratio)	18.1%	18.9%	-	-		
Selling, general and administrative expenses	4,375	4,809	+9.9%	11.7%		
Operating profit	3,451	2,947	-14.6%	7.2%	6,000	4,700
Ordinary profit	3,628	3,184	-12.2%	7.8%	6,200	4,800
(Ordinary profit ratio)	8.4%	7.8%	-	-	6.6%	6.4%
Profit attributable to owners of parent	2,449	2,114	-13.7%	5.2%	4,200	3,300
EPS (yen)	85.56	73.87	-	-	146.70	115.24
Dividend (yen)	18.5	18.5	-	-	37.5	37.5

(Note) EPS and dividends for H1 of year ended Sep. 2019 are adjusted for ex-rights.

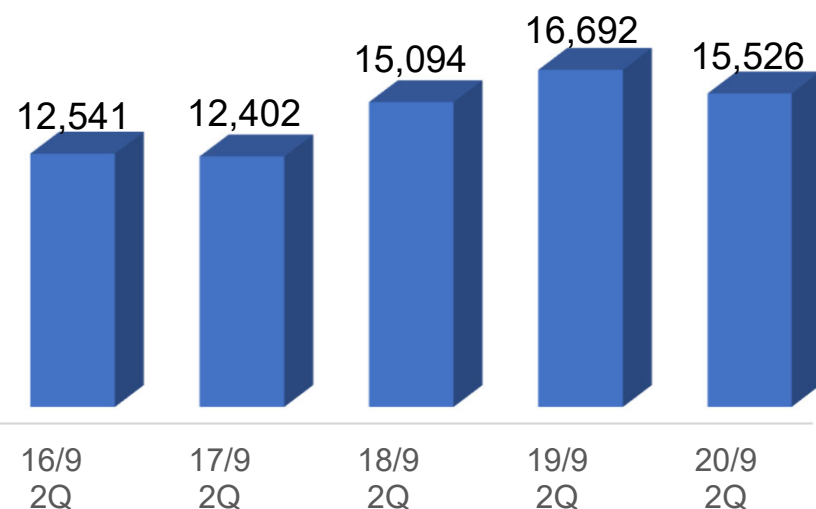
Net Sales and Operating Profit in Each Segment

Results in First Half of Fiscal Year
Ending September 30, 2020

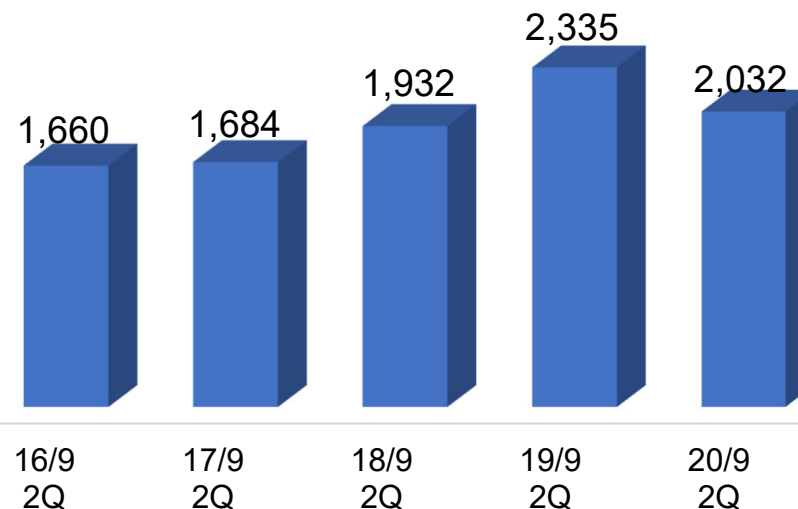
Machinery & Industrial Products

Million yen

Net sales



Operating profit



Amount

Year on year

Net sales

15,526

-7.0%

Operating profit

2,032

-12.6%

Results in the Industrial Products business, where automotive interior parts are mainstay products, fell from the previous fiscal year when results were extremely strong.

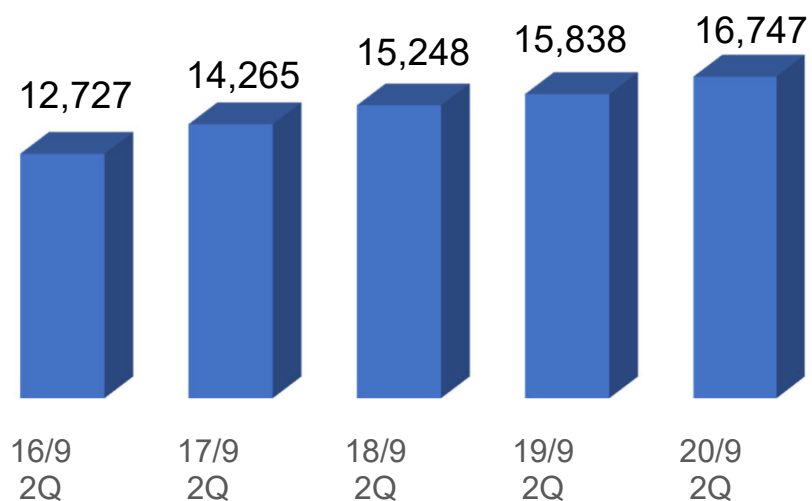
There were no large biomass projects in the fiscal year under review.

Net Sales and Operating Profit in Each Segment

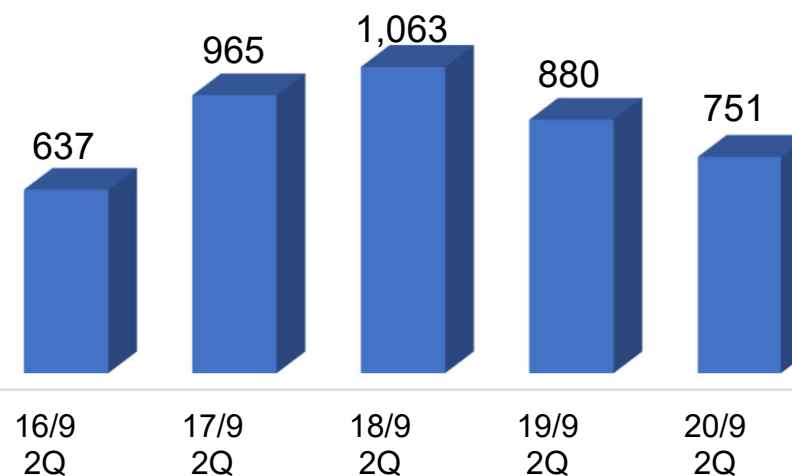
Results in First Half of Fiscal Year
Ending September 30, 2020

Chemicals

Net sales



Operating profit



Million yen

Amount

Year on year

Net sales

16,747

+5.7%

Operating profit

751

-14.6%

In the rubber business, the profitability of synthetic rubber for automobile and indirect materials was low. Exports decreased from the previous fiscal year, when exports were strong.

In the chemicals business, results of paint and ink were firm. The results were adversely affected by expenses related to the acquisition of YPTECH.

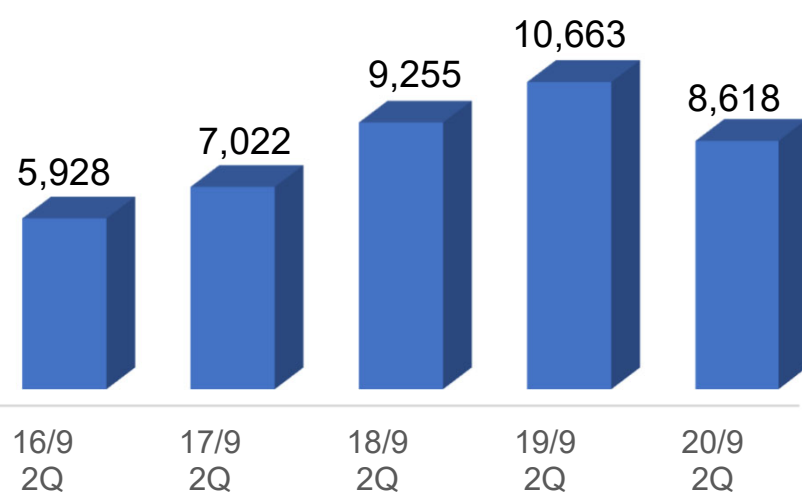
Net Sales and Operating Profit in Each Segment

Results in First Half of Fiscal Year
Ending September 30, 2020

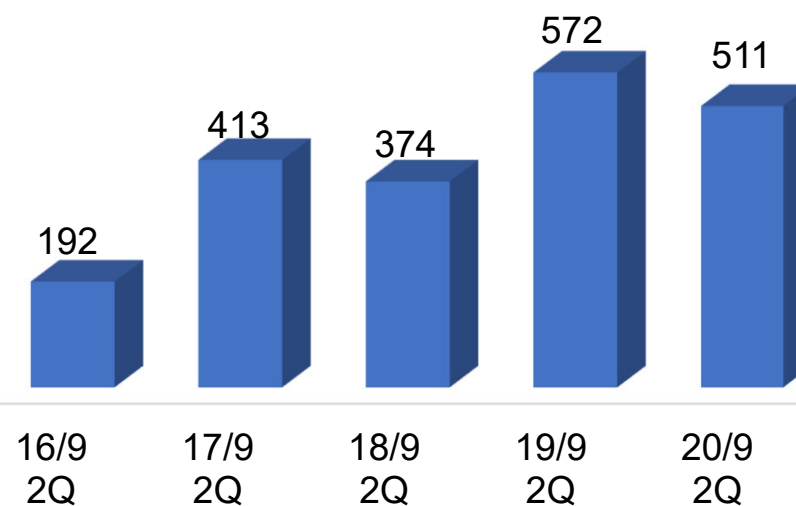
Overseas Subsidiaries

Million yen

Net sales



Operating profit



Amount

Year on year

Net sales

8,618

-19.2%

Operating profit

511

-10.6%

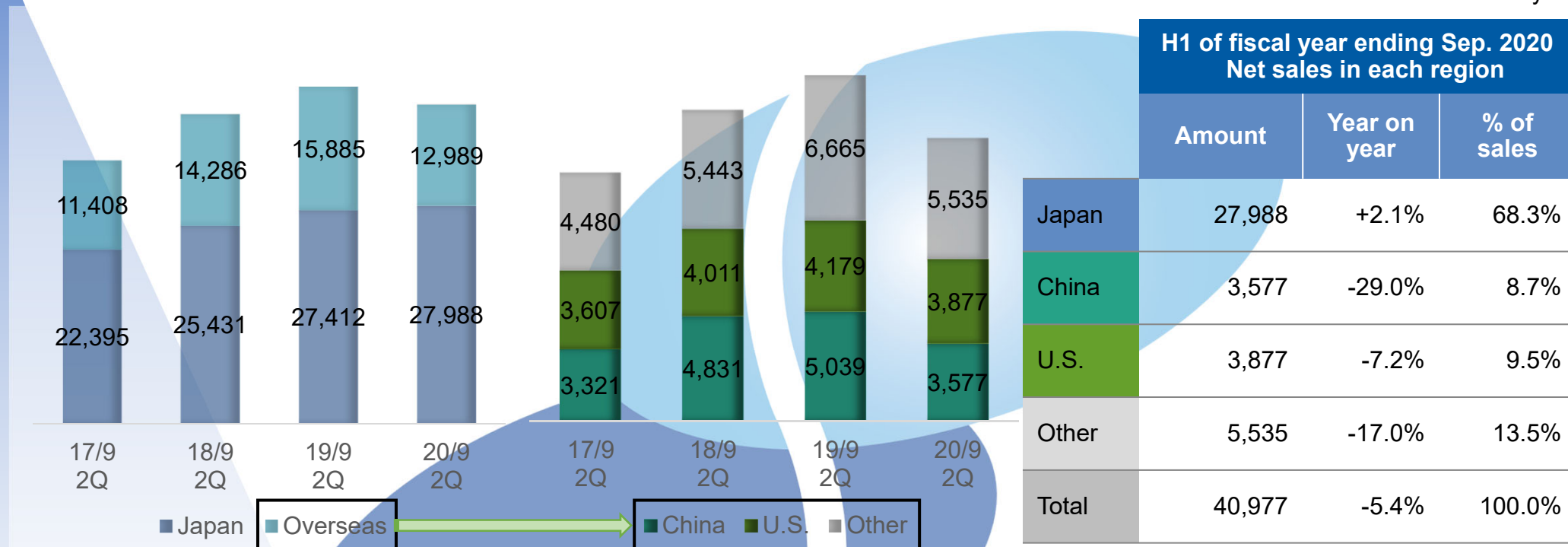
The performance of automotive interior parts declined in China and Southeast Asia.

The performance of films was firm in the United States.

Breakdown of Sales by Region

Results in First Half of Fiscal Year
Ending September 30, 2020

Million yen



Factors for changes

Japan

- The auto-related business and the biomass business declined after strong performance in the previous fiscal year. YPTECH, a new consolidated subsidiary, contributed to results.

China

- Operations at customers and logistics were affected by COVID-19.

U.S.

- The auto-related business was firm, but chemicals saw sluggish growth.

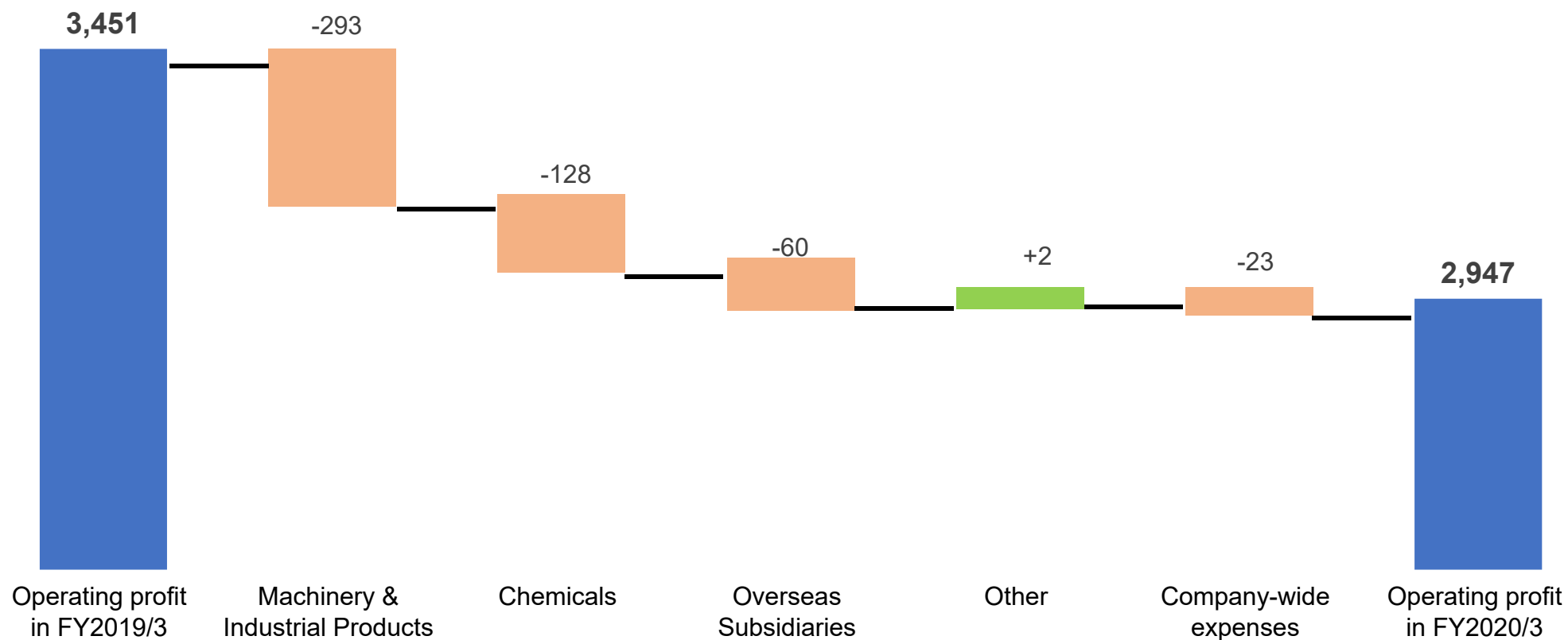
Other

- The auto-related business, among other businesses, slowed.

Analysis of Factors for Changes in Operating Profit

Results in Fiscal Year
Ending September 30, 2020

Profit in the Machinery & Industrial Products segment fell significantly.



Revision of the Forecast

Results in Fiscal Year
Ending September 30, 2020

	Year ending Sep. 30, 2020	
	Initial forecast (announced on Nov. 6, 2019)	Revised plan
Net sales	94,500	75,500
Gross profit		
(Gross profit ratio)		
Selling, general and administrative expenses		
Operating profit	6,000	4,700
Ordinary profit	6,200	4,800
(Ordinary profit ratio)	6.6%	6.4%
Profit attributable to owners of parent	4,200	3,300
EPS (yen)	146.70	115.24
Dividend (yen)	37.5	37.5

- The first downward revision since the listing.
- In the second quarter, demand fell, particularly in the auto-related business, and major customers overseas suspended operations due to the spread of COVID-19.
- Operating rates at auto manufacturers, among other manufacturers, are not expected to recover in and after the third quarter, which will affect all sectors. In this situation, we have revised the results forecast.

**Results in First Half of Fiscal Year
Ending September 30, 2020**

**Topics in Fiscal Year Ending
September 30, 2020**

VISION2023 and Outlook for Results

1. Large X-Ray CT Device

2. Initiatives of Subsidiary Cosmos Shoji

3. M&A

4. ESG Initiatives

1. Large X-Ray CT Device

Topics in First Half of Fiscal Year
Ending September 30, 2020

Caresoft®



- Caresoft: A U.S.-based engineering company founded in 2007
- The world's first technology to create a 3D model based on scanned data for an entire vehicle, using a large X-ray computed tomography device
- Providing 3D models (CAD, CAE) for individual vehicle types and system types, primarily for EVs of OEMs in Europe and the United States Gathering comprehensive benchmark data, including detailed information on disassembled data and materials

1. Comparative analysis of designs and structures and analysis of costs using CAD models of vehicles and power systems
2. Design analysis using CAE simulation of actual vehicles without using parts Reducing expenses for prototypes/labor
3. Information and knowledge on functions of vehicle control and electronics parts of different manufacturers' EVs obtained through analysis of vehicle circuit designs and CAN networks
4. Promotion of the understanding of electric vehicle designs and prompt sharing of information by members through the use of virtual reality

2. Cosmos Shoji (1)

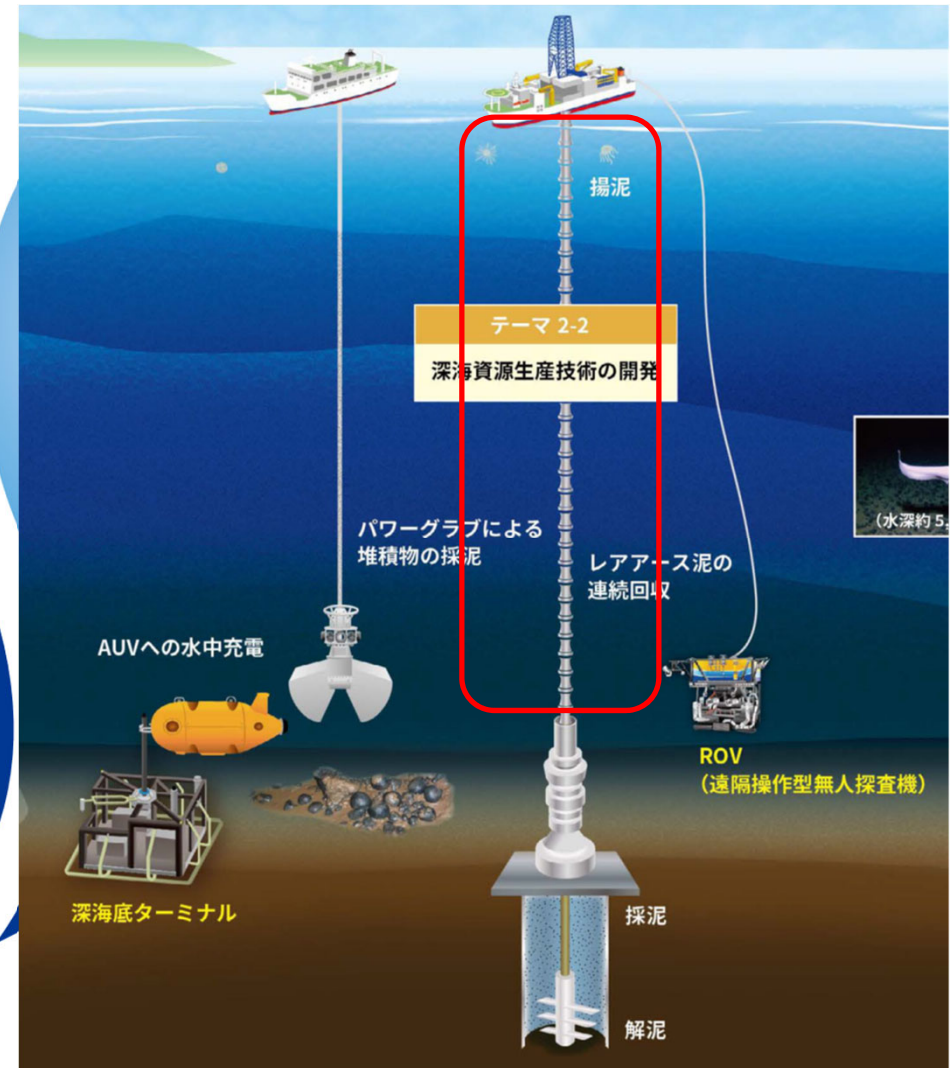
Topics in First Half of Fiscal Year
Ending September 30, 2020

Rare Earth Lifting and Collecting Project

A project theme for Stage 2 (2019-2023) of the Cabinet Office's Strategic Innovation Creation Program (SIP) is the development of innovative deep-sea resources research techniques.

It aims to conduct demonstration experiments on how to mine rare earth elements in waters 3,000 meters deep using the scientific deep-sea drilling vessel Chikyu for the purpose of establishing a technique to mine rare earth elements in promising sea areas 6,000 meters deep in the Minamitorishima exclusive economic zone.

Cosmos Shoji, a subsidiary of the Company, has delivered major drilling machinery for Chikyu. In the rare earth element mining project, Cosmos Shoji has received an order for 3,000 meter-long pipes for mining rare earth elements. Sales of 1 billion yen or more are expected to be posted in the next fiscal year.



Source: The Cabinet Office's Strategic Innovation Creation Program (SIP)

2. Cosmos Shoji (2)

Topics in First Half of Fiscal Year
Ending September 30, 2020

Underwater Drone

In addition to ocean development equipment, Cosmos Shoji deals in underwater observation equipment, including underwater cameras and underwater drones. It is expanding into the fields of marine ecosystem research, inspection of underwater structures and smart fisheries to conserve and sustainably make use of the oceans, seas and marine resources, which is a theme of the SDGs.

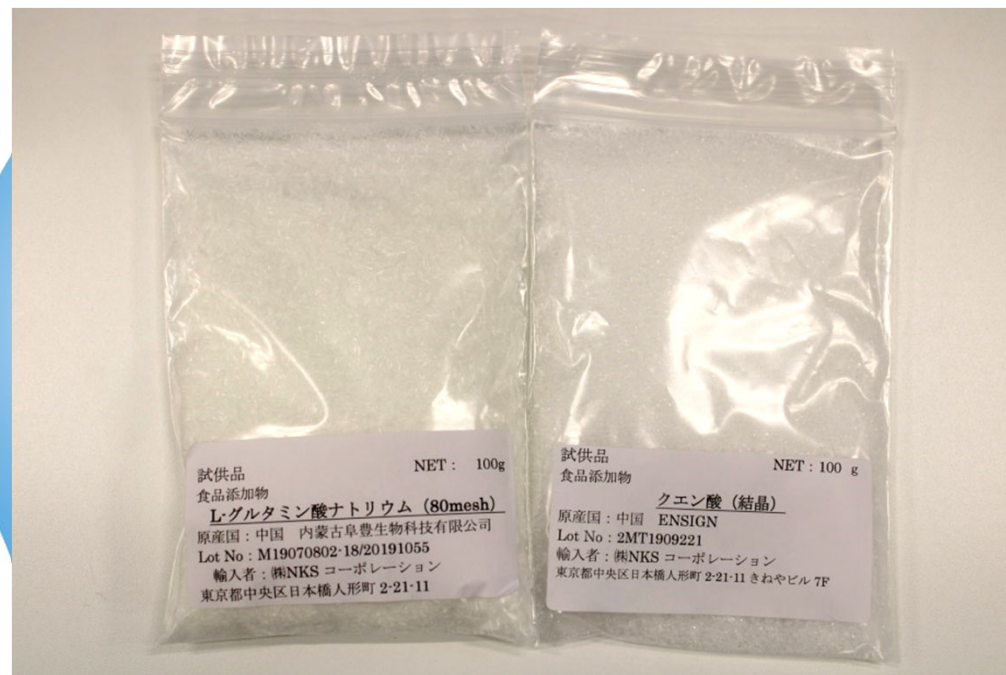
In a TV program, The Tetsuwan Dash, broadcast on March 29, an underwater drone made by Boxfish (New Zealand) appeared with Cosmos Shoji employees. Clear footage of the Tokyo submarine valley at a depth of 300 meters shot by the drone was well received.



3. M&A

Topics in First Half of Fiscal Year Ending September 30, 2020

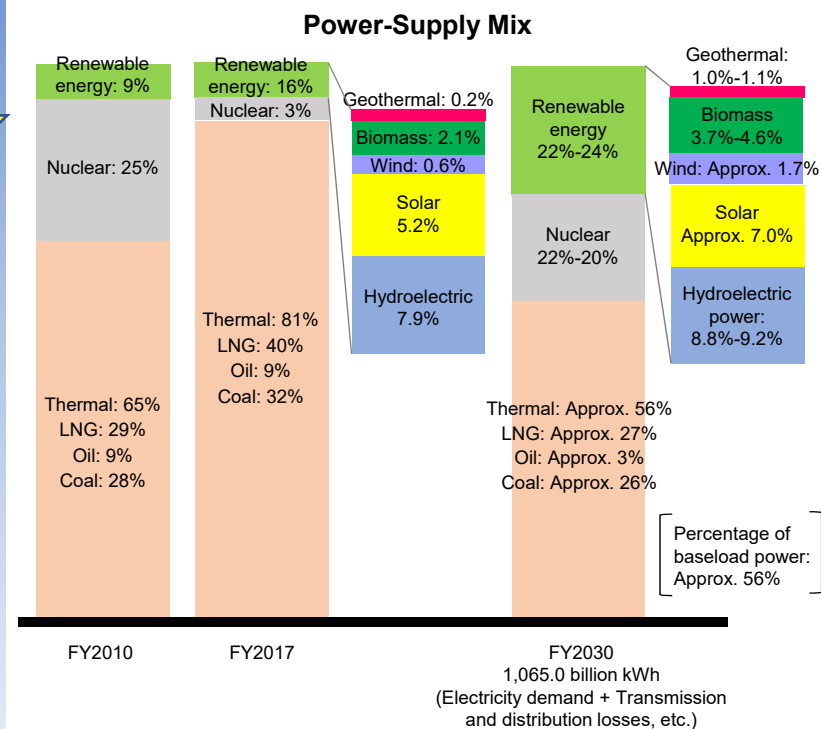
Company	NKS Corporation
Date of transfer agreement	March 2020
Ratio of voting rights held	100.0%
Business	Import and sale of chemicals, particularly food additives and industrial chemicals
Synergy	Expansion of the life science business



- NKS Corporation became a subsidiary in March.
- NKS Corporation deals in sodium gluconate and adipic acid used for food additives in a very small niche market with few competitors.
- The company has a variety of users, each of which consumes a small amount. Gaining customers takes considerable time and effort, and there are barriers to entry.
- Sales track record is a major factor for differentiation because products used for foods are sold, and the company holds the top position in this niche market.
- NKS Corporation contributes to the Group expanding and stabilizing earnings in the life science area.

4. ESG Initiatives (1)

Topics in First Half of Fiscal Year Ending September 30, 2020



Source: The Agency for Natural Resources and Energy (Current Situation of Renewable Energy in Japan and Overseas and a Draft Agenda at the Calculation Committee for Procurement Price, Etc. for This Year) z

- In the energy mix in FY2030, renewable energy is required to account for 22% to 24%. Of renewable energy, biomass power is required to expand from 2.1% at present to 3.7%-4.6%. There is sufficient growth potential.
- The features of biomass power generation include a stable supply, carbon neutrality and economic ripple effects on surrounding regions.

	Liquid fuel	General wood (10 MW or more)	General wood (Less than 10 MW)	Unused materials (2 MW or more)	Unused materials (Less than 2 MW)	Waste building materials	General waste	Methane fermentation biogas
FY2012	24 yen	24 yen	24 yen	32 yen	32 yen	13 yen	17 yen	39 yen
FY2013	24 yen	24 yen	24 yen	32 yen	32 yen	13 yen	17 yen	39 yen
FY2014	24 yen	24 yen	24 yen	32 yen	32 yen	13 yen	17 yen	39 yen
FY2015	24 yen	24 yen	24 yen	32 yen	40 yen	13 yen	17 yen	39 yen
FY2016	24 yen	24 yen	24 yen	32 yen	40 yen	13 yen	17 yen	39 yen
FY2017	24 yen	24 yen	24 yen	32 yen	40 yen	13 yen	17 yen	39 yen
FY2018	Bidding	Bidding	24 yen	32 yen	40 yen	13 yen	17 yen	39 yen
FY2019	Bidding	Bidding	24 yen	32 yen	40 yen	13 yen	17 yen	39 yen
FY2020	Bidding	Bidding	24 yen	32 yen	40 yen	13 yen	17 yen	39 yen
FY2021	To be determined	To be determined	To be determined	32 yen	40 yen	13 yen	17 yen	39 yen

- As the feed-in tariffs scheme has been reviewed, the price of biomass power of less than 2 MW with unused materials, in which the Company is involved, remains high.
- The Calculation Committee for Procurement Price, Etc. states that the existing framework for biomass power generated from unused materials used regionally will be maintained.



The Company sells electric power, but feed-in-tariff prices of biomass projects where the Company is involved are stable. For this reason, many local governments have participated in those projects.

4. ESG Initiatives (2)

Topics in First Half of Fiscal Year
Ending September 30, 2020

The Company delivered a European-style system that automates the process of adding wood.

The project in Shimokawa, Hokkaido has been operating steadily for a year since its completion. The Company has won a new project in Tobetsu. The project will be completed in the next fiscal year.



Sanyo Machinery, a subsidiary of the Company, will be responsible for maintenance. We have built an integrated business model that covers the sale of equipment and maintenance.

Sale of
equipment

Sanyo Trading
(The Company)



Maintenance
service

Sanyo Machinery
(Subsidiary)

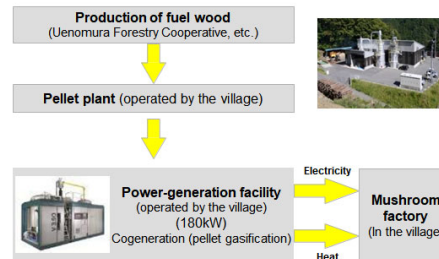
(For reference) Examples of use of biomass power

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- There are examples of regional use of biomass power where
 - **power is generated from wood produced regionally**, and
 - **the heat generated when power is generated is used effectively in the region (cogeneration).**
- In biomass power generation, energy-use efficiency is low if electricity alone is used. Cogeneration is **important for efficient use of energy.**

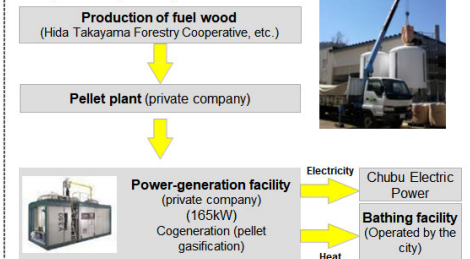
Example of cogeneration using regionally produced wood (1)

- ✓ In Uenomura, Gunma, a new pellet plant and a new power-generation facility have been built.
- ✓ The power-generation facility features a cogeneration system, and the generated electricity and heat are used at a facility for mushroom cultivation in the village.



Example of cogeneration using regionally produced wood (2)

- ✓ In Takayama, Gifu, a new pellet plant and a new power-generation facility have been built.
- ✓ The power-generation facility features a cogeneration system. The electricity generated is sold to Chubu Electric Power. Heat is used at a bathing facility, Shibukinoyu, operated by the city.



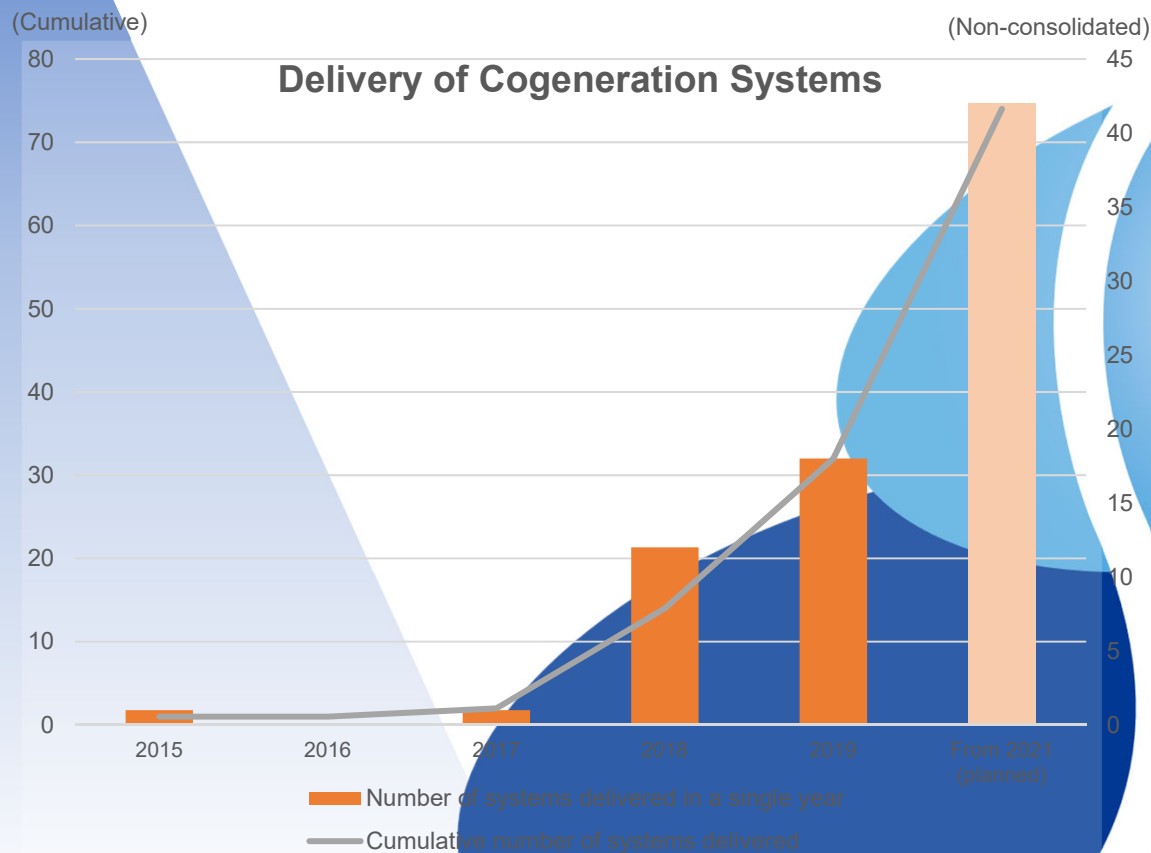
Source: The Agency for Natural Resources and Energy "Current Situation of Renewable Energy in Japan and Overseas and a Draft Agenda at the Calculation Committee for Procurement Price, Etc. for This Year"

High energy efficiency is achieved through cogeneration, or a supply of electricity and heat to a mushroom factory or a bathing facility.

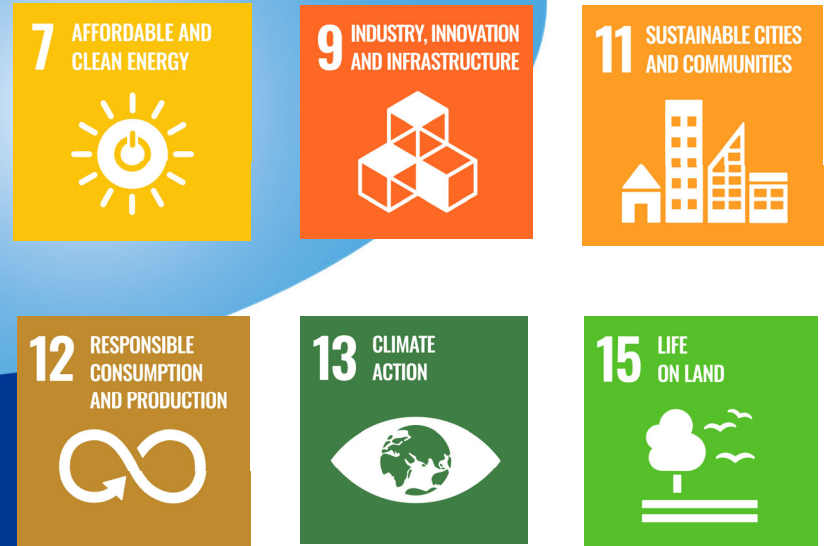
The Company's project is included as a case study in the Agency of Natural Resources and Energy's material about renewable energy.

4. ESG Initiatives (3)

Topics in First Half of Fiscal Year
Ending September 30, 2020



SUSTAINABLE DEVELOPMENT GOALS



The fiscal year under review is in-between period, but it is expected to enter an expansion phase again in the next fiscal year.

The business is expected to contribute to society and to earnings at the Company.

By expanding the biomass energy, the Company will contribute to achieving the SDGs, especially "Affordable and clean energy."

The Company will promote ESG management, contributing to achieving the SDGs in businesses other than the biomass business.

The Company established the Nomination and Compensation Committee on May 12, as an optional advisory body for the Board of Directors.

- Purpose

To strengthen corporate governance by increasing independence, objectivity and accountability of the Board of Directors in relation to the following:

Appointment and dismissal of Directors and nomination of Director candidates

Compensation for Directors (excluding members of the Audit and Supervisory Committee)

- Role

In response to requests from the Board of Directors, the committee discusses the appointment and compensation of Directors and makes recommendations to the Board of Directors.

- Members

The committee consists of three or more members who are selected by the Board of Directors. Currently, the committee comprises three members: the President & CEO and two Outside Directors. The Chairperson is selected by resolution of the committee.



**Results in First Half of Fiscal Year
Ending September 30, 2020**

**Topics in Fiscal Year Ending
September 30, 2020**

VISION2023 and Outlook for Results

Our Philosophy

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

Our Philosophy

VISION2023 and Outlook for Results



**Making employees aware
of the Management
Mission**

**Challenging ourselves for
the BEST solution**

**Forming a group that will
challenge itself to find the
best solution**

**Continuous earnings growth
Increasing profitability and profit rate**

TARGET
(Fiscal year ending
September 30, 2023)
Consolidated
ordinary profit
7.5 billion yen

PPTとエクセル
色と配置が
すが、PPTは
ました

Basic strategies	Strengthening the corporate structure	Strategy A: Challenging ourselves to find the best solution	Item	Target in 2023
		Strategy B: Strengthening the Company's foundation		
		Strategy C: Investing in human resources		
	Strengthening the earnings base	Strategy D: Enhancing business in certain fields	Consolidated ordinary profit	7.5 billion yen
		Strategy E: Developing new businesses	ROE	15%
		Strategy F: Accelerating globalization		
		Strategy G: Advancing new investment projects	Growth rate at overseas offices (net sales, annual rate)	10%

Below is an outline of the basic strategies in VISION2023.

Strategy A. Challenging ourselves to find the best solution	<ul style="list-style-type: none">• Setting up a VISION2023 promotion team
Strategy B. Strengthening the Company's foundation	<ul style="list-style-type: none">• Digitizing applications for final decisions, requests for approval and other documents• Making all arrangements for telework
Strategy C. Investing in human resources	<ul style="list-style-type: none">• Continuing with Kaeru College
Strategy D. Enhancing business in certain fields	<ul style="list-style-type: none">• Strengthening priority fields in the Chemical segment• Dealing in new products in the Machinery & Industrial Products segment
Strategy E. Developing new businesses	<ul style="list-style-type: none">• Forty-four new business projects are underway.
Strategy F. Accelerating globalization	<ul style="list-style-type: none">• Minimizing losses and seizing business opportunities which are not expected to be found at ordinary times.

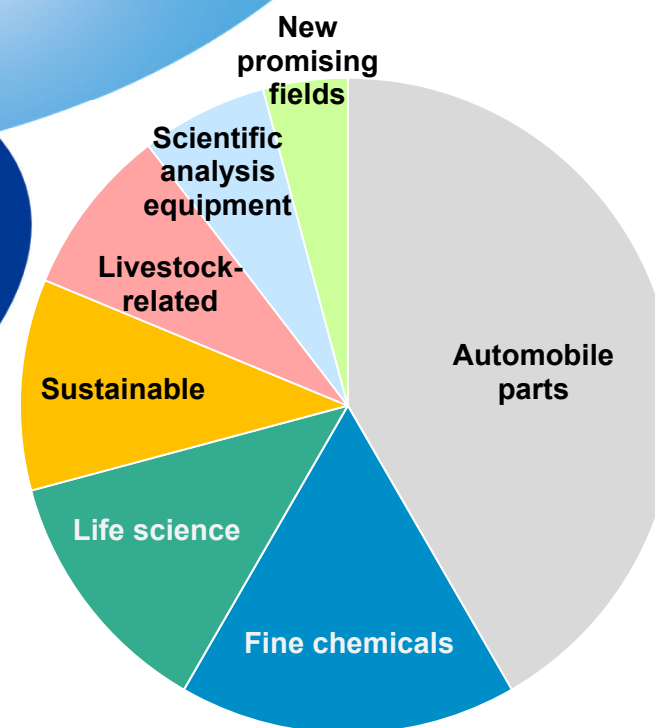
Strategy G: Advancing New Investment Projects

Expanding the business portfolio through M&A

Subsidiaries Acquired from 2015 and Their Business Fields

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
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-sub-subsidiary (merged with Sanyo Technos Co., Ltd. in September 2017)
Jun.	Freeman (Japan) Co., Ltd. becomes a subsidiary
Oct.	Azzurro Co., Ltd. becomes a subsidiary
2019 May	Shin-Toyo Kikai Kogyo Co., Ltd. becomes a subsidiary
Oct.	YPTECH Co., Ltd. becomes a subsidiary
2020 Mar.	NKS Corporation becomes a subsidiary.

Target Business Portfolio



Medium-term Management Plan

VISION2023 and Outlook for Results

Million yen

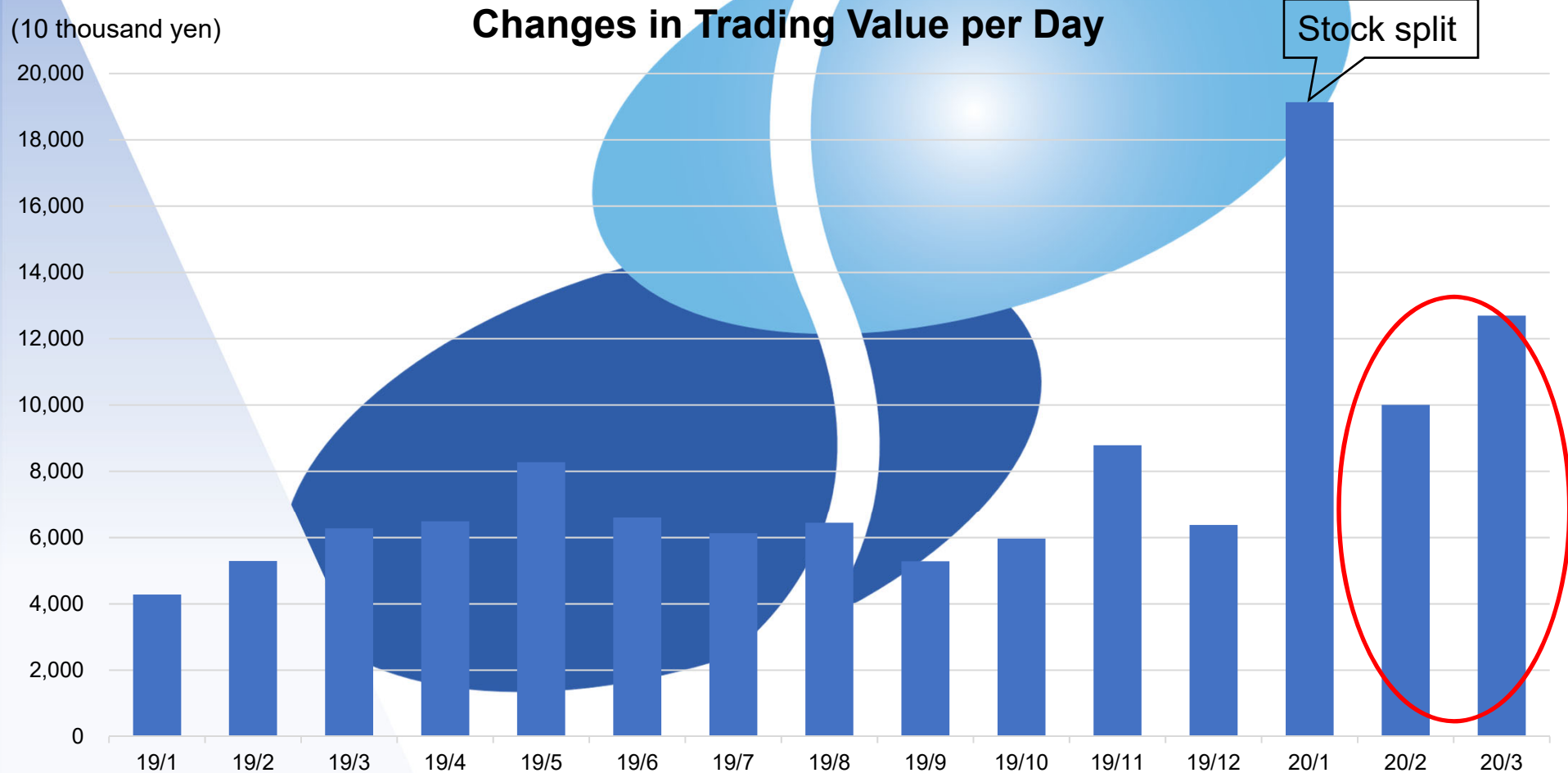
	Results in year ended Sep. 30, 2019			Forecast for year ending Sep. 30, 2020			Plan for year ending Sep. 30, 2021		
	Amount	Year on year	% of sales	Amount	Year on year	% of sales	Amount	Year on year	% of sales
Net sales	83,230	6.1%	100.0%	75,500	-9.3%	100.0%	102,000	35.1%	100.0%
Gross profit	14,883	11.0%	17.9%	13,300	-10.6%	17.6%	17,500	31.6%	17.2%
Selling, general and administrative expenses	9,011	10.6%	10.8%	8,600	-4.6%	11.4%	11,000	27.9%	10.8%
Operating profit	5,871	11.6%	7.1%	4,700	-19.9%	6.2%	6,500	38.3%	6.4%
Ordinary profit	6,075	9.0%	7.3%	4,800	-21.0%	6.4%	6,700	39.6%	6.6%
Profit attributable to owners of parent	4,018	10.5%	4.8%	3,300	-17.9%	4.4%	4,500	36.4%	4.4%
EPS (yen)	140.37			115.24			157.17		

(Note) EPS is adjusted for ex-rights.

Stock Split

VISION2023 and Outlook for Results

- The Company conducted a 2-for-1 stock split for shares held by shareholders on the record date of January 31, 2020.
- Trading value has been on an upward trend from February, which indicates that liquidity is improving.

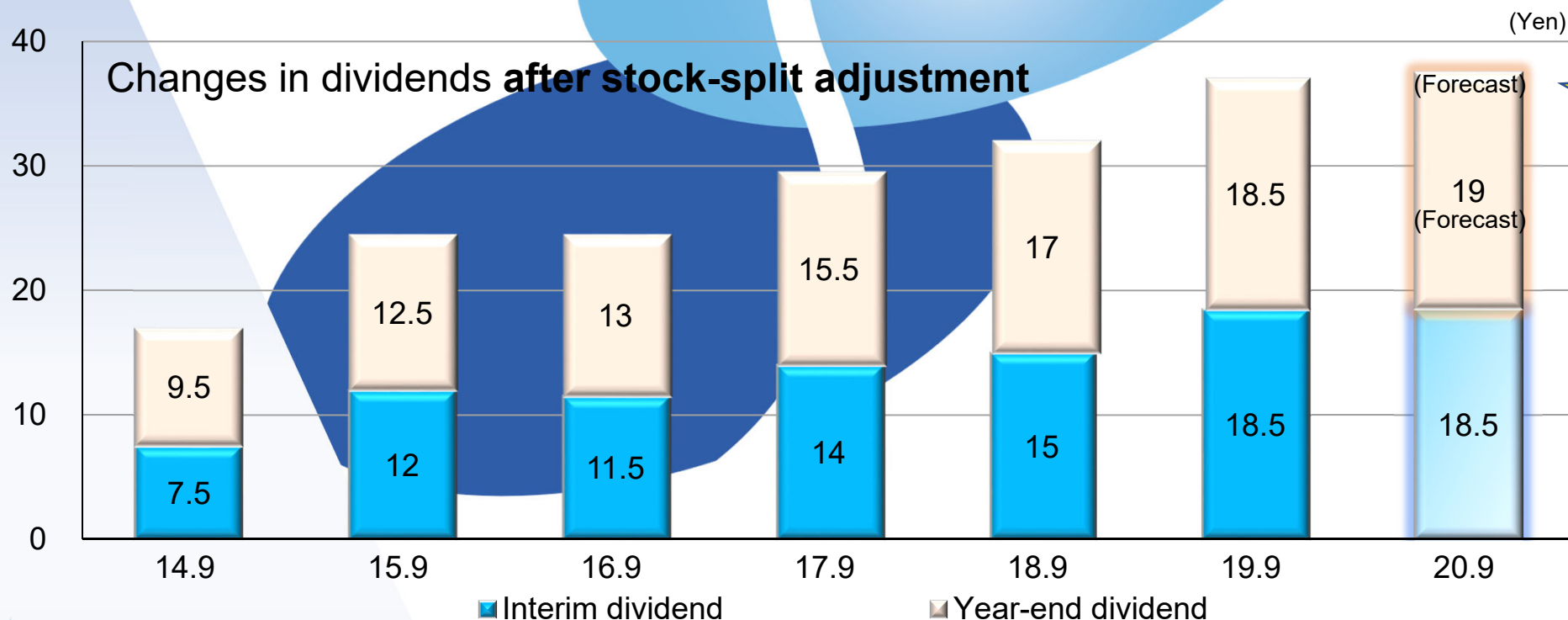


Shareholder Returns

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 0.5 yen year on year.

	Dividends per share		
	Forecast dividend at end of 2Q	Forecast dividend at end of 4Q	Forecast annual dividend
Year ending Sep. 30, 2020	18.5 yen	19 yen	37.5 yen



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Challenging ourselves for the BEST solution

Thank you for your attention.

Reference Material

Consolidated Balance Sheet

Reference Material

Million yen

	Mar. 31, 2019	Mar. 31, 2020
Cash and deposits	4,548	5,395
Notes and accounts receivable - trade, etc.	16,440	16,700
Merchandise and finished goods	12,807	11,715
Other current assets	2,579	2,736
Property, plant and equipment	2,195	2,536
Other non-current assets	5,159	5,368
Total assets	43,731	44,451
Notes and accounts payable - trade	8,348	8,217
Short-term borrowings	1,239	1,139
Other current liabilities	3,640	3,493
Long-term borrowings	70	70
Other non-current liabilities	1,089	1,007
Net assets	29,343	30,524
Total liabilities and net assets	43,731	44,451
Ratio of interest-bearing debt	3.0%	2.7%
Ratio of cash and deposits	10.4%	12.1%
Equity ratio	66.2%	67.8%

Overview of Balance Sheet

- Current assets rose slightly due to increases in cash and deposits and accounts receivable - trade, which offset a decrease in merchandise and finished goods.
- Non-current assets rose chiefly due to an increase in goodwill related to the acquisition of subsidiaries and land.
- 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.

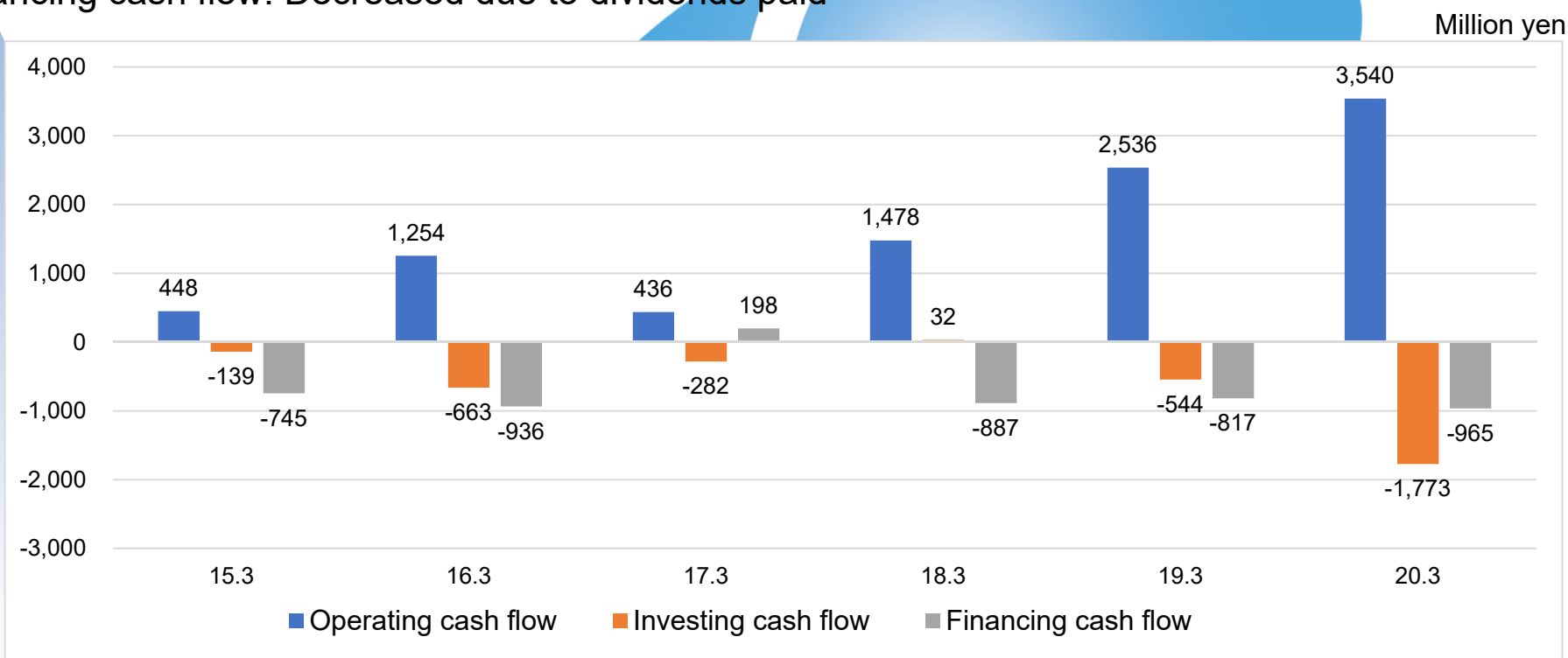
Cash Flows

Reference Material

Operating cash flow: Rose from a year ago, reflecting decreases in inventories and trade receivables

Investing cash flow: Decreased due to purchases of shares of subsidiaries and associates and non-current assets

Financing cash flow: Decreased due to dividends paid



	15.3	16.3	17.3	18.3	19.3	20.3
Increase (decrease) in cash	-369	-369	405	577	1,170	794
Cash at end of fiscal year	3,121	2,831	4,154	3,179	3,695	5,395

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	2013 Oct.	Establishment of Sun Phoenix Mexico S.A. de C.V. in Mexico
1948 May	Establishment of a subsidiary in Tokyo	Oct.	Listing on the First Section of the Tokyo Stock Exchange
1952 Dec.	Establishment of a subsidiary in Osaka	2014 Aug.	Establishment of PT. Sanyo Trading Indonesia in Indonesia
1954 Jan.	Establishment of a representative office in New York (reorganized into Sanyo Corporation of America in February 1961)	2015 Jun.	Bestrade Precision Singapore becomes a subsidiary Name changed to Singapore Sanyo Trading Pte. Ltd. in July
1958 Aug.	Establishment of a subsidiary in Nagoya	Sep.	Chem-Inter Corporation makes Comstar Japan Co., Ltd. its subsidiary
1961 Nov.	Relocation of the head office from Kobe to Tokyo	Oct.	Establishment of Sanyo Trading (Thailand) Co., Ltd. in Thailand
1992 Oct.	Establishment of a representative office in Ho Chi Minh City (reorganized into Sanyo Trading (Viet Nam) Co., Ltd. in February 2010)	2016 Feb.	Sort Co., Ltd. becomes a subsidiary (acquired in April 2018)
2002 Oct.	Acquisition of Newly Instruments Co., Ltd.	Jul.	Nihon Rufuto Co., Ltd. becomes a subsidiary
2003 Jun.	Transfer of the representative office in Bangkok to our affiliate San-Thap International Co., Ltd.	2017 Feb.	Furue Science Co., Ltd. becomes a sub-subsubsidiary (merged with Sanyo Technos Co., Ltd. in September 2017)
2004 Jan.	Cosmos Shoji Co., Ltd. becomes a subsidiary	Mar.	Establishment of Sanyo Trading Co., Ltd. Dusseldorf Representative Office in Germany
Oct.	Sanyo-Touchi (Shanghai) Rubber Co., Ltd. founded through joint investment with Touchi Co., Ltd.	Jun.	Freeman (Japan) Co., Ltd. becomes a subsidiary
2006 Apr.	Establishment of Sanyo Technos Co., Ltd.	Aug.	Establishment of a subsidiary in Hiroshima
Oct.	Acquisition of a 68.52% stake (currently 76.85%) of Chem-Inter Corporation	Oct.	Azzurro Co., Ltd. becomes a subsidiary
2010 Oct.	Establishment of a representative office in New Delhi, India (Reorganized into Sanyo Trading India Private Ltd. in December 2011)	2018 Feb.	San-Thap International Co., Ltd. becomes a wholly owned subsidiary (business name changed to Sanyo Trading Asia Co., Ltd. in June 2018)
2012 Feb.	Establishment of Sanyo Trading International (Hong Kong) Co., Ltd.	2019 May	Shin-Toyo Kikai Kogyo Co., Ltd. becomes a subsidiary
Oct.	Listing on the Second Section of the Tokyo Stock Exchange	Oct.	YPTECH Co., Ltd. becomes a subsidiary
		2020 Mar.	NKS Corporation 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. NKS Corporation

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 Technos 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 India

Sanyo Trading (Shanghai) Co., Ltd.

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

Sanyo Trading (Thailand)

Sanyo Trading Asia Co., Ltd.

Sanyo Trading (Viet Nam)

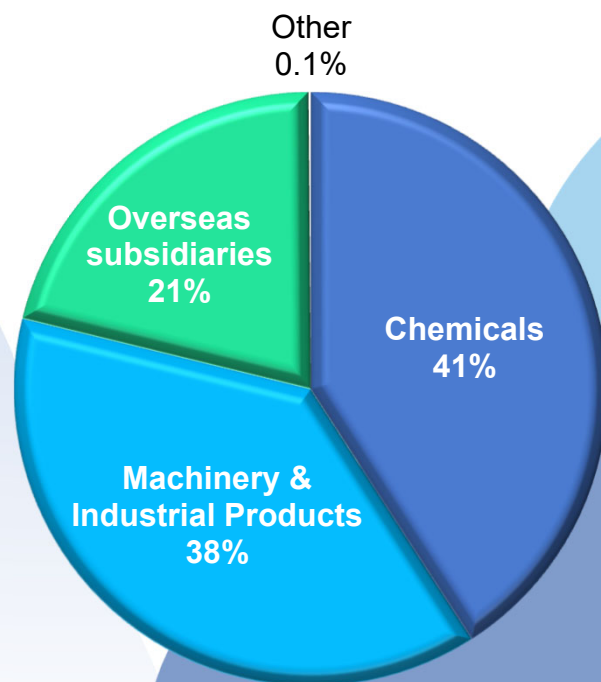
Singapore Sanyo Trading

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.

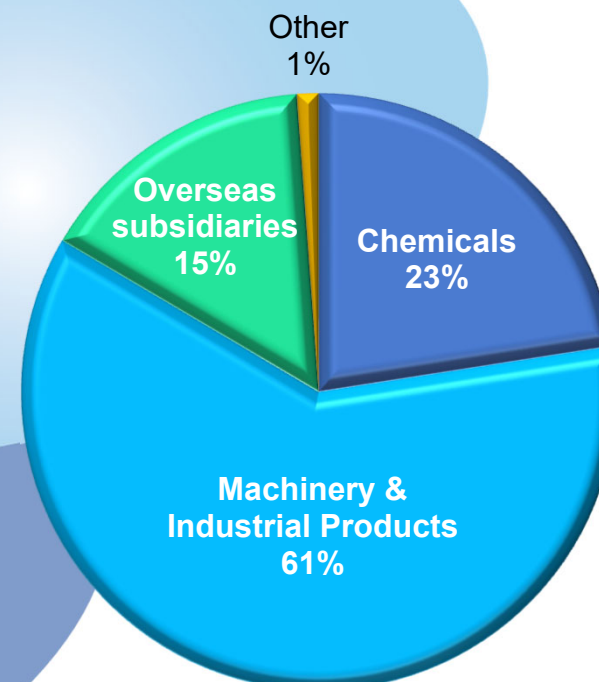
Net sales



Net sales in each segment			
First half ended Mar. 31, 2020 (Million yen)			
Chemicals	Machinery & Industrial Products	Overseas subsidiaries	Other
16,747	15,526	8,618	56

(Note) Before adjustment

Operating profit



Operating profit in each segment			
First half ended Mar. 31, 2020 (Million yen)			
Chemicals	Machinery & Industrial Products	Overseas subsidiaries	Other
751	2,032	511	39

(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

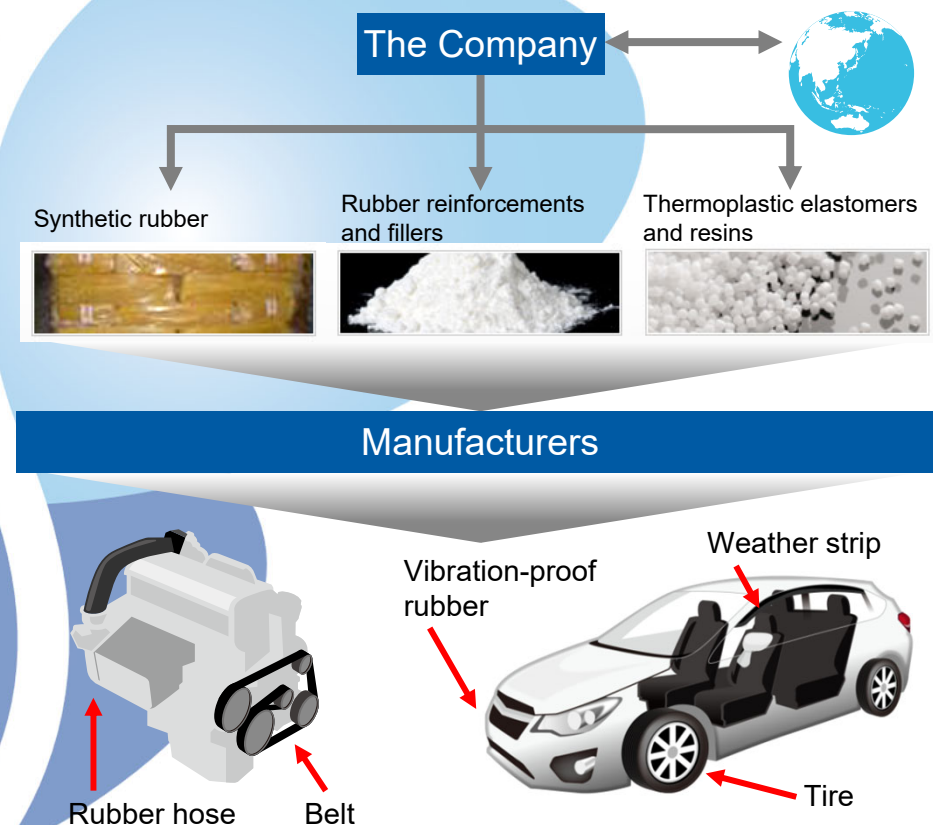
Major products sold	Synthetic rubber (butyl rubber, NBR, silicon rubber, etc.), rubber reinforcement and filler (special clay, flame retardants, etc.), plasticizer, thermal plastic elastomer and resin, etc.
Main purchasers (industries)	Automobile, information equipment, etc.
Principal uses	Tires, auto 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

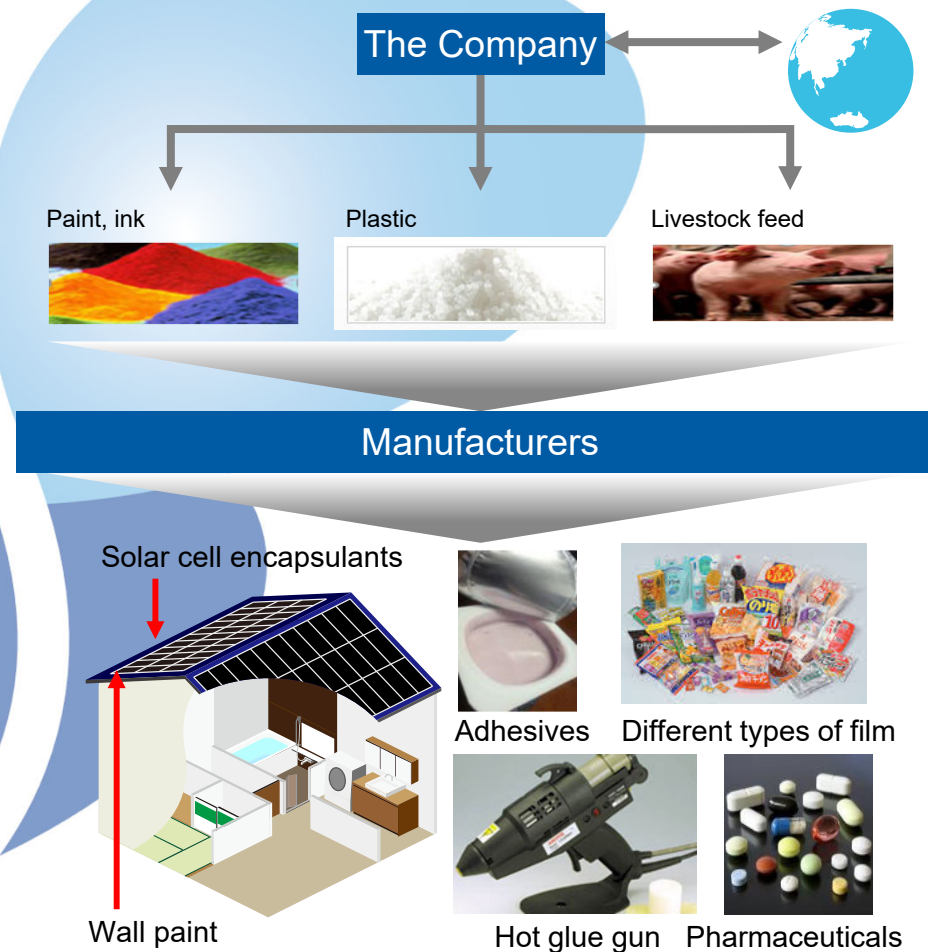
Chemical Business Unit

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

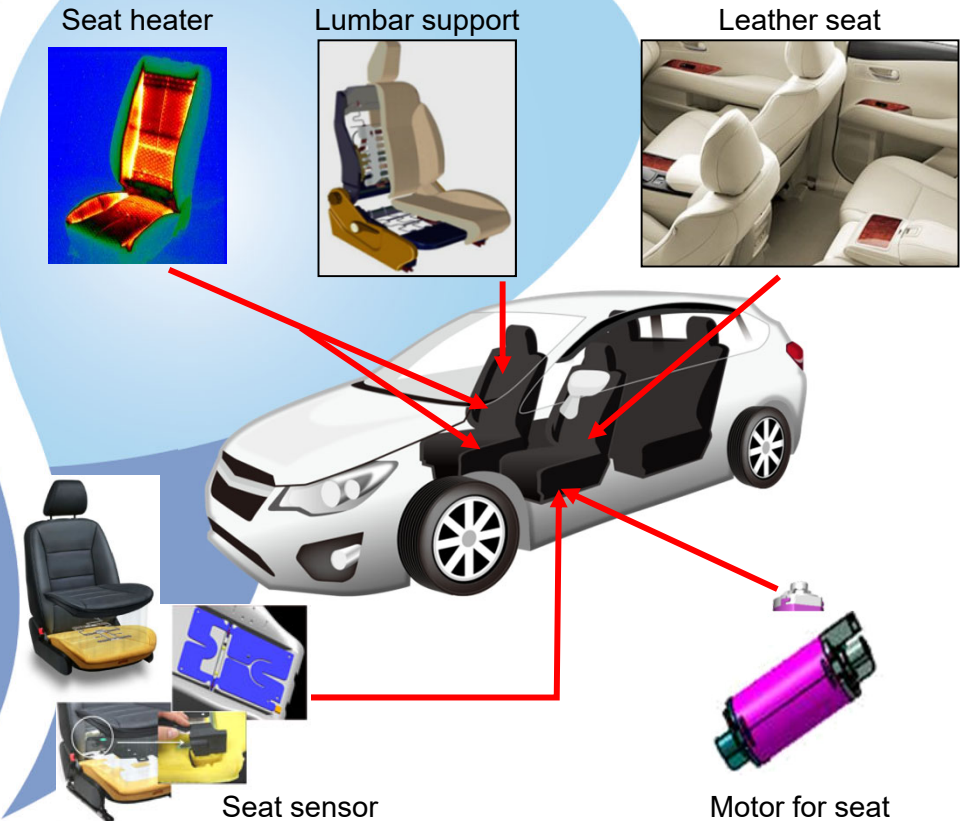
Industrial Products Business Unit

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

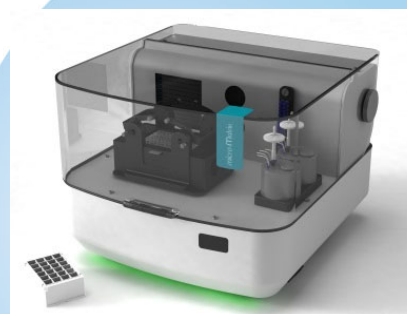
Scientific Instruments Business Unit

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

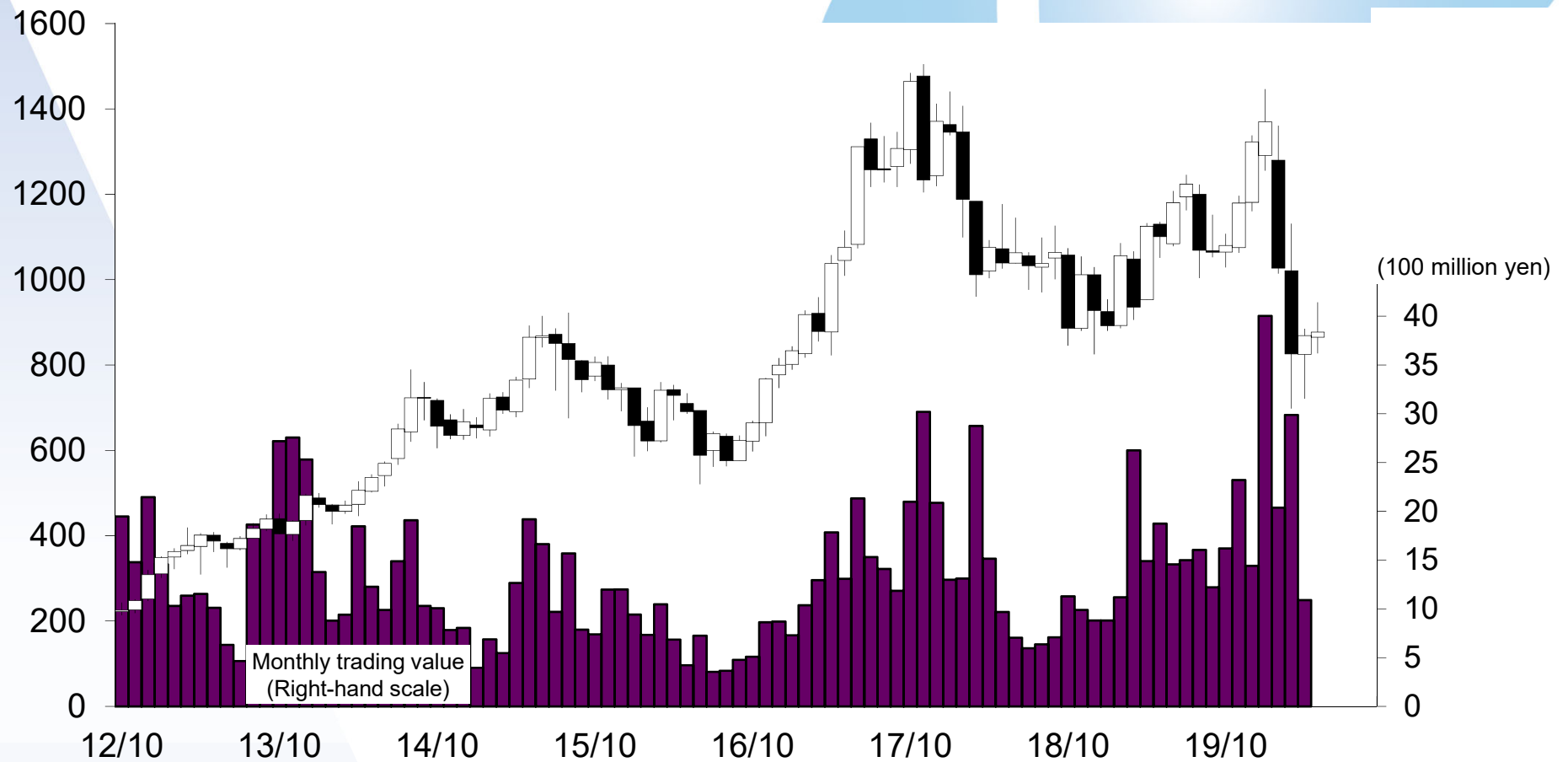
Focus

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



Changes in Stock Price Since Listing

Reference Material



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