Financial Results for 3Q FY2025

(April 1, 2024 – December 31, 2024)

TOSOH CORPORATION

February 6, 2025

«Note»

This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

The forward-looking statements, including financial results forecasts, contained in these materials are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and may be substantially different from the actual performance because of various factors that may arise from now on.

Tosoh Corporation’s 2025 fiscal year covers the period from April 1, 2024, to March 31, 2025.

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3Q FY2025 Financial Results

Financial Highlights

(Billion yen)

		FY2024 1Q-3Q	FY2025 1Q-3Q	Change
Net sales		747.9	**795.7**	47.8
Operating income		59.6	**74.6**	15.0
Ordinary income		68.7	**82.5**	13.9
Profit attributable to owners of parent		41.4	**48.5**	7.2
Exchange rate [Average TTM]	(¥/US$)	143.3	**152.6**	9.3
	(¥/EUR)	155.3	**164.9**	9.6
Domestic naphtha price	(¥/KL)	67,967	**76,333**	8,366
Benzene	(US$/ton)	886	**979**	93
ＰＶＣ	(US$/ton)	785	**759**	-26
ＶＣＭ	(US$/ton)	654	**618**	-36
Caustic soda	(US$/ton)	407	**470**	63
ＭＤＩ（Monomeric)	(US$/ton)	2,005	**1,938**	-67
ＭＤＩ（Polymeric)	(US$/ton)	1,666	**1,853**	187

Scope of Consolidation・Key Indicators

Scope of Consolidation

(Number of companies)

	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	
Consolidated subsidiaries	93	**92**	-1	＋：Tosoh Vietnam Polyurethane Co., Ltd（CA） －：Organo Echo Tech Corporation（ENG） Nihon Kaisui Chemical Co., Ltd.（OTH）
Equity-method affiliates	14	**14**	-	
Total	107	**106**	-1	

CA：Chlor-alkali Group　ENG：Engineering Group　OTH：Other Group

Key Indicators

(Billion yen)

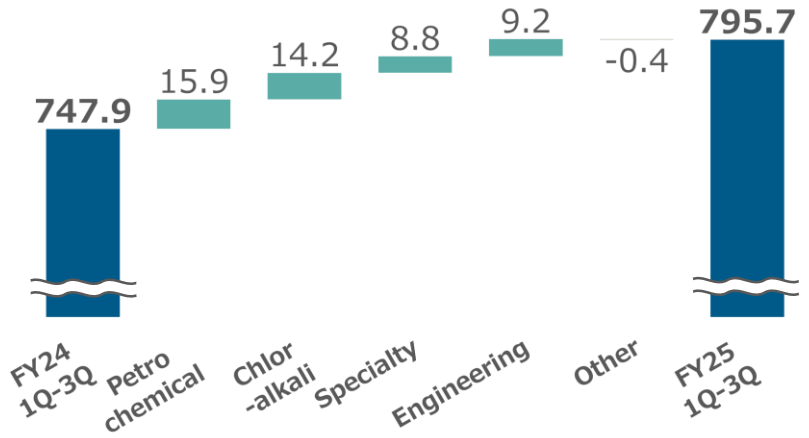
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change
Capital expenditures	44.3	**65.2**	20.9
Depreciation and amortization	31.4	**33.1**	1.7
R&D expenses	16.3	**16.0**	-0.3
Interest-bearing liabilities	194.3	**211.1**	16.8
Net Financial income/expenses	0.5	**0.1**	-0.4
Equity ratio（%）	60.8	**61.3**	0.5
Number of employees	14,457	**14,729**	272

(Note) Interest-bearing liabilities includes lease obligations

Net sales and Operating income by Business Segment

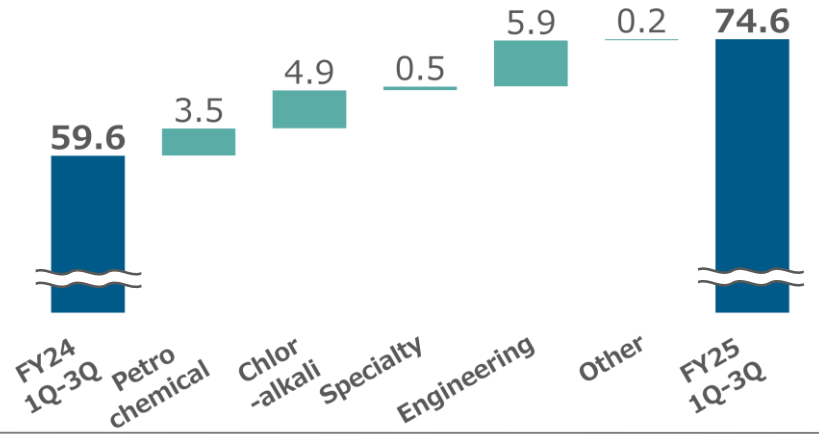
(Billion yen)

	Net sales			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Price	FOREX rate
Petrochemical	143.2	**159.1**	15.9	2.7	13.2	2.5
Chlor-alkali	264.6	**278.8**	14.2	6.8	7.3	10.4
Specialty	194.4	**203.2**	8.8	5.5	3.3	12.3
Engineering	110.7	**120.0**	9.2	6.7	2.6	2.6
Other	35.0	**34.6**	-0.4	-0.7	0.4	0.0
Total	747.9	**795.7**	47.8	21.0	26.8	27.9



(Billion yen)

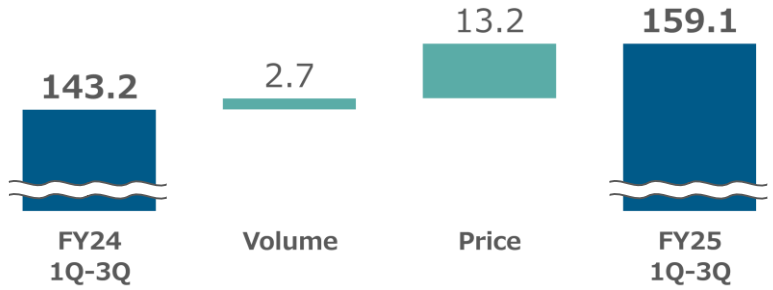
	Operating income			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Terms of trade	Fixed costs, etc.
Petrochemical	8.9	**12.4**	3.5	3.7	0.7	-0.9
Chlor-alkali	2.4	**7.3**	4.9	1.7	-0.1	3.3
Specialty	30.8	**31.3**	0.5	4.9	0.5	-4.9
Engineering	15.5	**21.4**	5.9	5.9	0.0	0.0
Other	2.0	**2.2**	0.2	0.2	0.0	0.0
Total	59.6	**74.6**	15.0	16.4	1.1	-2.5



Business Performance – Petrochemical

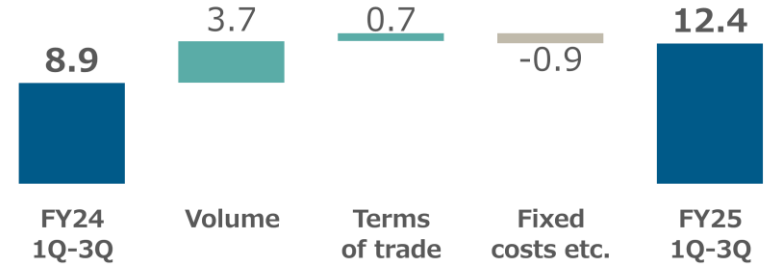
(Billion yen)

	Net sales			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Price	FOREX rate
Olefins	85.5	**99.7**	14.2	2.8	11.5	1.7
Polymers	57.7	**59.4**	1.7	0.0	1.7	0.9
Total	143.2	**159.1**	15.9	2.7	13.2	2.5



(Billion yen)

	Operating income			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Terms of trade	Fixed costs, etc.
Petrochemical	8.9	**12.4**	3.5	3.7	0.7	-0.9



<Olefins>
・Ethylene production and shipments increased because of the resolution of the previous year's plant troubles at the Yokkaichi Complex.
・Selling prices for ethylene and for propylene rose in line with higher naphtha prices.
・Lower demand drove down cumene shipments, but higher foreign exchange rates and overseas market prices contributed to an increase in cumene selling prices.
<Polymers>
・Domestic polyethylene resin demand remained essentially unchanged from the corresponding period of the previous year.
・Polyethylene resin selling prices rose because of rising naphtha feedstock prices.
・Export shipments fell amid deteriorating overseas market conditions, particularly for ethylene vinyl acetate (EVA) resin.
・Overall shipments of chloroprene rubber rose as demand recovered, although performance varied by region.
<Operating Income>
・Operating income increased because of increased chloroprene rubber sales volume and improved cumene terms of trade.

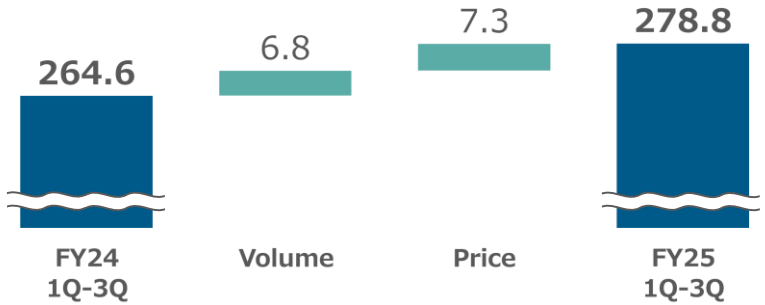
Business Performance – Chlor-alkali

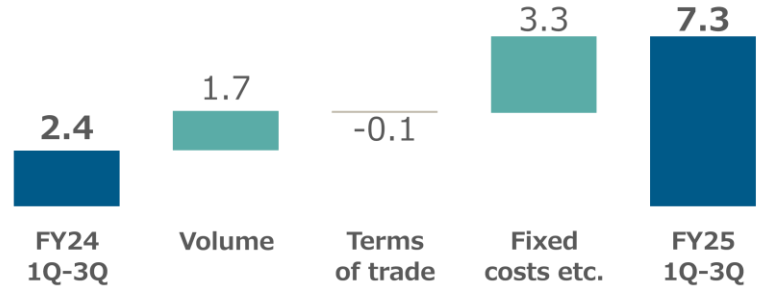
(Billion yen)

	Net sales			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Price	FOREX rate
Chlor-alkali	157.2	**163.4**	6.2	5.1	1.1	5.7
Urethane	99.0	**107.7**	8.7	2.4	6.3	4.7
Cement	8.4	**7.7**	-0.7	-0.6	-0.1	0.1
Total	264.6	**278.8**	14.2	6.8	7.3	10.4

(Billion yen)

	Operating income			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Terms of trade	Fixed costs, etc.
Chlor-alkali	2.4	**7.3**	4.9	1.7	-0.1	3.3



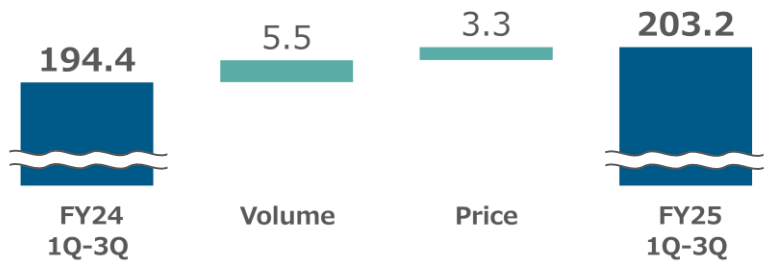


<Chlor-alkali>
・Protracted time spans between scheduled maintenance at the Nanyo Complex resulted in increased production volume for caustic soda, which in turn drove upward caustic soda shipments.
・Caustic soda export prices rose because of higher overseas market prices and a weakened yen.
・Shipments of vinyl chloride monomer (VCM) increased in line with a production volume increase occurred amid protracted time spans between scheduled maintenance at the Nanyo Complex.
・VCM selling prices decreased due to worsened conditions in overseas market.
・Domestic shipments of polyvinyl chloride (PVC) resin fell.
・Although worsened conditions in overseas market, PVC selling prices increased due to the weakened yen.
<Urethane>
・Methylene diphenyl diisocyanate (MDI) shipments rose, and selling prices rose owing to an improvement in overseas market conditions and to the weakened yen.
・Sales volumes and the prices of hexamethylene diisocyanate (HDI) hardeners declined as market conditions deteriorated amid sluggish global demand.
<Cement>
・Sluggish demand drove shipments of cement downward.
<Operating Income>
・Operating income increased on account of an improvement in the difference between inventory receipts and payments and increased methylene diphenyl diisocyanate (MDI) sales volume.

Business Performance – Specialty

(Billion yen)

	Net sales			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Price	FOREX rate
Organic Chemicals	54.4	**55.9**	1.5	4.5	-3.0	3.2
Bioscience	44.1	**51.3**	7.2	3.7	3.5	3.4
Advanced Materials	95.9	**96.0**	0.2	-2.7	2.9	5.8
Total	194.4	**203.2**	8.8	5.5	3.3	12.3



(Billion yen)

	Operating income			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Terms of trade	Fixed costs, etc.
Specialty	30.8	**31.3**	0.5	4.9	0.5	-4.9

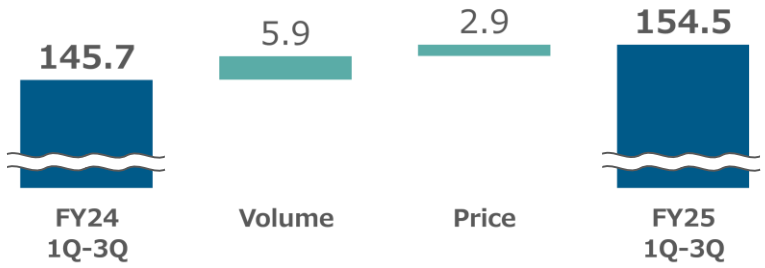


<Organic Chemicals>
・Demand for ethyleneamine—particularly in Asia—resulted in increased ethyleneamine shipments.
・Deteriorating market conditions overseas caused ethyleneamine selling prices to decline.
<Bioscience>
・In separation-related products, liquid chromatography packing media, particularly to the United States and to countries in Europe, increased.
・Among diagnostic-related products, shipments of automated hemoglobin analyzer reagents increased domestically and abroad.
<Advanced Materials>
・Shipments of high-silica zeolites (HSZ) decreased, primarily for automotive applications, and various factors, including changes in product composition, caused HSZ selling prices to decline.
・Shipments of zirconia for decorative and dental applications likewise decreased, but the depreciated yen pushed up zirconia selling prices.
・Silica glass shipments were down because of sluggish demand for semiconductors.
・The yen's depreciation and price adjustments buoyed silica glass selling prices.
・Shipments of electrolytic manganese dioxide (EMD) rose in Japan and elsewhere in Asia.
<Operating Income>
・Operating income increased resulting from higher sales volume for separation-related products and electrolytic manganese dioxide (EMD), in spite of an increase in fixed costs and a deterioration in the difference between inventory receipts and payments.

Business Performance – Engineering/Other

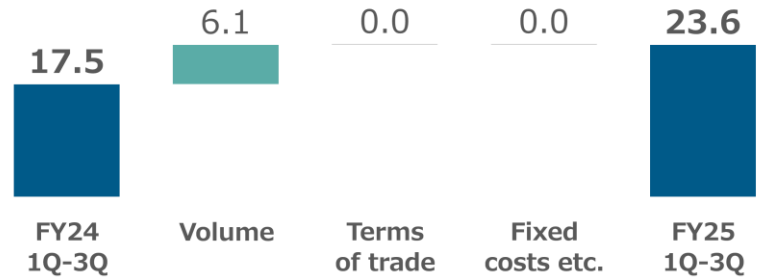
(Billion yen)

	Net sales			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Price	FOREX rate
Engineering	110.7	**120.0**	9.2	6.7	2.6	2.6
Other	35.0	**34.6**	-0.4	-0.7	0.4	0.0
Total	145.7	**154.5**	8.9	5.9	2.9	2.6



(Billion yen)

	Operating income			Breakdown of change		
	FY2024 1Q-3Q	FY2025 1Q-3Q	Change	Volume	Terms of trade	Fixed costs, etc.
Engineering	15.5	**21.4**	5.9	5.9	0.0	0.0
Other	2.0	**2.2**	0.2	0.2	0.0	0.0
Total	17.5	**23.6**	6.1	6.1	0.0	0.0



<Engineering>
・The Group's water treatment business increased its net sales as a result of steady progress in the construction of large-scale projects ordered in the previous year, mainly in the electronics industry.
・Favorable sales of service solutions, such as equipment ownership and maintenance services, likewise contributed to the Group's net sales.
・Net sales by the Engineering Group's construction subsidiaries decreased.
<Other>
・Other operating companies experienced a decrease in sales of ancillary services, including transportation and warehousing, inspection and analysis, and information processing.
<Operating Income>
・Operating income was up due to increased sales in the water treatment engineering business.

Non-operating income/expenses, Extraordinary income/losses

(Billion yen)

	FY2024 1Q-3Q	FY2025 1Q-3Q	Change
Operating income	59.6	**74.6**	15.0
Net Financial income/expenses	0.5	**0.1**	-0.4
Foreign exchange gains/losses	5.4	**3.7**	-1.8
Equity in earnings of affiliates	1.3	**2.4**	1.1
Other, net	1.8	**1.7**	-0.1
Non-operating income/expenses	9.1	**7.9**	-1.2
Ordinary income	68.7	**82.5**	13.9
Gain on sales of property, plant and equipment	0.1	**0.2**	0.2
Loss on sales of property, plant and equipment	-0.1	**-0.1**	0.0
Gain on sales of investment securities	0.2	**1.6**	1.4
Loss on disposal of property, plant and equipment	-1.3	**-1.5**	-0.2
Head office relocation expenses	-0.3	**-**	0.3
Other, net	0.0	**0.0**	0.0
Extraordinary income/losses	-1.4	**0.2**	1.6
Income taxes	-20.2	**-26.4**	-6.2
Profit attributable to non-controlling interests	-5.7	**-7.8**	-2.1
Profit attributable to owners of parent	41.4	**48.5**	7.2

Consolidated Balance Sheets

(Billion yen)

	Mar. 31, 2024	Dec. 31, 2024	Change
Assets	1,289.9	**1,325.4**	35.5
Cash and deposits	149.8	**133.9**	-15.9
Notes and accounts receivable, etc.	294.8	**315.9**	21.1
Inventories	255.3	**245.9**	-9.3
Other current assets	55.3	**63.3**	8.0
Tangible and intangible fixed assets	390.0	**422.9**	32.9
Investment securities	70.7	**70.0**	-0.8
Other non-current assets	74.0	**73.5**	-0.5
Total assets	1,289.9	**1,325.4**	35.5

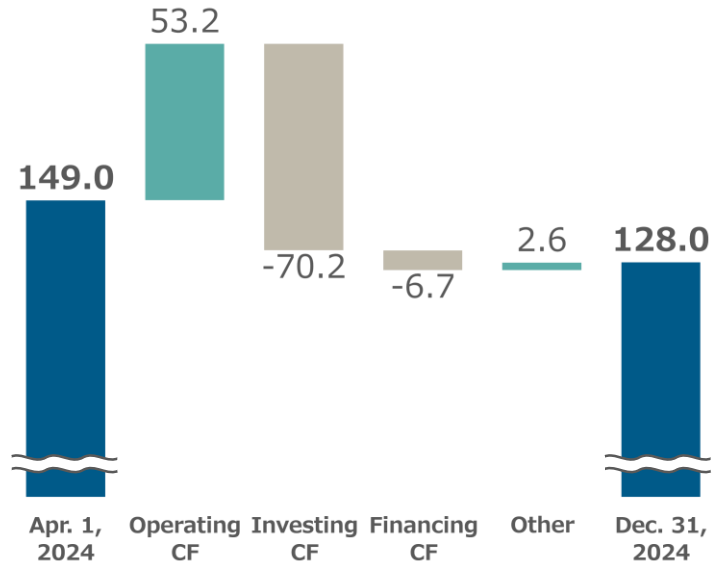
	Mar. 31, 2024	Dec. 31, 2024	Change
Liabilities	431.2	**444.8**	13.7
Notes and accounts payable, etc.	122.1	**119.5**	-2.7
Interest-bearing liabilities	183.1	**211.1**	28.0
Provisions, etc.	125.9	**114.2**	-11.7
Net assets	858.8	**880.6**	21.8
Common stock	55.2	**55.2**	–
Capital surplus	44.4	**44.3**	-0.1
Retained earnings, etc.	695.0	**712.7**	17.7
Non-controlling interests	64.2	**68.4**	4.2
Total liabilities and net assets	1,289.9	**1,325.4**	35.5

(Note) Interest-bearing liabilities includes lease obligations

Consolidated Statements of Cash Flows

(Billion yen)

		FY2024 1Q-3Q	FY2025 1Q-3Q	Change
Operating CF	Income before income taxes	67.3	**82.7**	15.4
	Depreciation and amortization	32.6	**34.4**	1.8
	Income taxes paid	-18.0	**-30.1**	-12.1
	Other, net	-2.3	**-33.8**	-31.5
	Total	79.6	**53.2**	-26.4
Investing CF		-44.6	**-70.2**	-25.5
Free cash flows		35.0	**-16.9**	-51.9
Financing CF	Borrowings	5.4	**27.8**	22.3
	Dividends paid	-25.5	**-30.2**	-4.8
	Other, net	-2.5	**-4.2**	-1.7
	Total	-22.5	**-6.7**	15.8
Effect of exchange rate change, etc.		3.3	**2.6**	-0.7
Net increase (decrease)		15.8	**-21.0**	-36.8
Cash and cash equivalents at beginning of period		119.4	**149.0**	29.5
Cash and cash equivalents at end of period		135.2	**128.0**	-7.2



FY2025 Forecasts

Financial Highlights

(Billion yen)

		FY2024	FY2025 (Forecast)	Change	FY2025 (Previous forecast※)
Net sales		1,005.6	**1,070.0**	64.4	1,090.0
Operating income		79.8	**98.0**	18.2	94.0
Ordinary income		95.9	**105.0**	9.1	94.0
Profit attributable to owners of parent		57.3	**61.0**	3.7	53.0
Exchange rate [Average TTM]	(¥/US$)	144.6	**153.0**	8.4	148.9
	(¥/EUR)	156.8	**163.7**	6.9	163.0
Domestic naphtha price	(¥/KL)	69,100	**75,500**	6,400	74,900
Benzene	(US$/ton)	914	**850～1,050**	-	850～1,050
ＰＶＣ	(US$/ton)	777	**650～850**	-	650～850
ＶＣＭ	(US$/ton)	643	**500～700**	-	500～700
Caustic soda	(US$/ton)	412	**350～550**	-	350～550
ＭＤＩ (Monomeric)	(US$/ton)	2,012	**1,800～2,000**	-	1,800～2,000
ＭＤＩ (Polymeric)	(US$/ton)	1,668	**1,800～2,000**	-	1,750～1,950

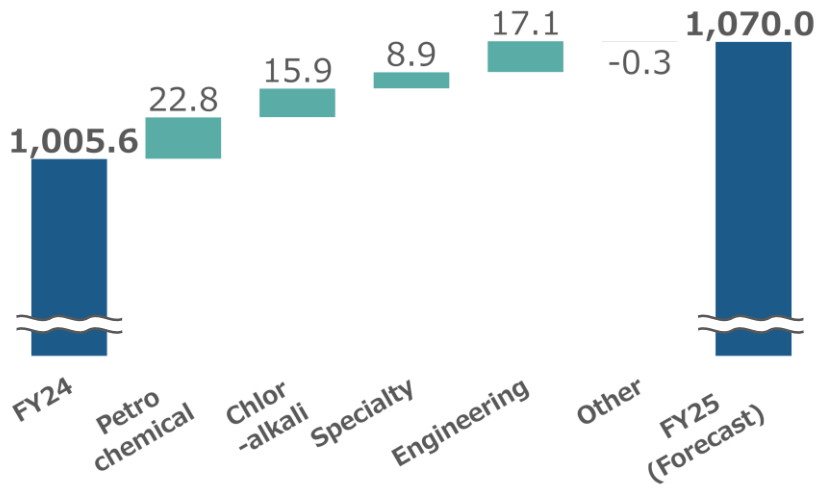
※Forecasts announced on November 5, 2024

・Sales volumes are expected to decline due to the stagnation of the Chinese economy and slower-than-anticipated recovery in semiconductor-related demand. As a result, net sales are projected to fall short of the previous forecast.
・Operating income is expected to exceed the previous forecast, as the strong performance of the water treatment business and improvements in the difference between inventory receipts and payments more than offset the impact of decreased sales.
・Non-operating income is anticipated to improve due to foreign exchange gains resulting from the weaker yen.
・Consequently, both ordinary income and profit attributable to owners of parent are expected to surpass the previously forecasted figures.

Net sales and Operating income by Business Segment

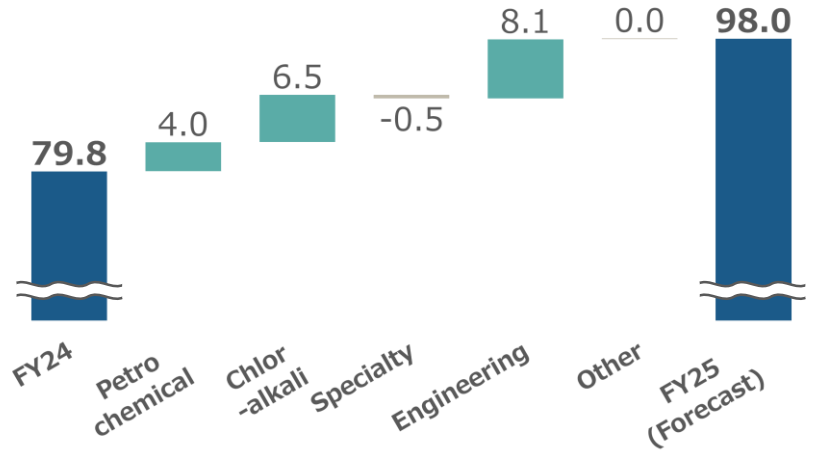
(Billion yen)

	Net sales		
	FY2024	FY2025 (Forecast)	Change
Petrochemical	183.6	**206.4**	22.8
Chlor-alkali	359.5	**375.4**	15.9
Specialty	259.6	**268.5**	8.9
Engineering	157.0	**174.1**	17.1
Other	45.9	**45.6**	-0.3
Total	1,005.6	**1,070.0**	64.4



(Billion yen)

	Operating income		
	FY2024	FY2025 (Forecast)	Change
Petrochemical	10.7	**14.7**	4.0
Chlor-alkali	3.6	**10.1**	6.5
Specialty	37.9	**37.4**	-0.5
Engineering	24.7	**32.8**	8.1
Other	2.9	**2.9**	0.0
Total	79.8	**98.0**	18.2



Financial Highlights (since FY2021)

(Billion yen)

		FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Net sales		732.9	918.6	1,064.4	1,005.6	**1,070.0**
Operating income		87.8	144.0	74.6	79.8	**98.0**
Ordinary income		95.1	160.5	90.0	95.9	**105.0**
Profit attributable to owners of parent		63.3	107.9	50.3	57.3	**61.0**
Exchange rate [Average TTM]	(¥/US$)	106.1	112.4	135.5	144.6	**153.0**
	(¥/EUR)	123.8	130.6	141.0	156.8	**163.7**
Domestic naphtha price	(¥/KL)	31,300	56,625	76,625	69,100	**75,500**
Benzene	(US$/ton)	520	994	994	914	**850～1,050**
ＰＶＣ	(US$/ton)	905	1,373	965	777	**650～850**
ＶＣＭ	(US$/ton)	768	1,208	835	643	**500～700**
Caustic soda	(US$/ton)	254	515	636	412	**350～550**
ＭＤＩ（Monomeric）	(US$/ton)	1,925	2,585	2,260	2,012	**1,800～2,000**
ＭＤＩ（Polymeric）	(US$/ton)	1,537	2,466	2,074	1,668	**1,800～2,000**

Dividends

※Forecasts announced on November 5, 2024 remains unchanged

		FY2023	FY2024	FY2025 (Forecast)
Dividends (Yen)	Interim	40.00	40.00	**50.00**
	Year-end	40.00	45.00	**50.00**
	Total Dividends	80.00	85.00	**100.00**
Basic earnings per share (Yen)		158.14	180.07	**191.55**
Payout ratio (%)		50.6	47.2	**52.2**