

**I. Consolidated Financial Results for Fiscal 2010 (April 1, 2009, to March 31, 2010)**
**1. Business Results**

(Millions of yen, unless otherwise indicated)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
FY2010	628,706 - 14.3 %	13,047 —	10,080 —	6,890 —
FY2009	733,505 - 11.3 %	- 20,314 —	- 21,091 —	- 25,262 —

	Undiluted Net Income (Loss) per Share (yen)	Diluted Net Income per Share (yen)	Net Return on Net Assets (percent)	Ordinary Return on Total Assets (percent)	Operating Income Margin (percent)
FY2010	11.51	11.50	4.3	1.3	2.1
FY2009	- 42.20	—	- 14.3	- 2.7	- 2.8

Note: Investment gain (loss) accounted for by the equity method totaled ¥1,264 million in fiscal 2010, and ¥ - 975 million in fiscal 2009.

**2. Financial Position**

(Millions of yen, unless otherwise indicated)

	Total Assets	Total Net Assets	Ratio of Shareholders' Equity to Total Assets (percent)	Net Assets per Share (yen)
FY2010	739,658	190,898	22.0	271.59
FY2009	762,796	185,880	20.3	258.98

Note: Ownership equity (net assets less stock - acquisition rights and minority interests) totaled ¥162,500 million at fiscal 2010 year-end and ¥155,012 million at fiscal 2009 year-end.

**3. Cash Flows**

(Millions of yen, unless otherwise indicated)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
FY2010	81,654	- 29,150	- 51,893	56,915
FY2009	27,055	- 64,858	67,634	55,912

## II. Dividends

	Dividends per Share (yen)					Total Dividend Payments	Dividend Payout Ratio (percent of net income)	Dividend Payments as a Percentage of Net Assets
	First Quarter	Interim	Third Quarter	Year-End	Full Year			
FY2009	—	4.00	—	2.00	6.00	3,596	—	2.0
FY2010	—	3.00	—	3.00	6.00	3,596	52.1	2.3
FY2011 (forecast)	—	3.00	—	3.00	6.00		32.6	

## III. Projected Operating Results for Fiscal 2011 (April 1, 2010, to March 31, 2011)

(Millions of yen, percent change)

	Net Sales		Operating Income		Ordinary Income		Net Income	
First Half	340,000	14.2	8,000	221.1	7,000	—	3,000	—
Full Year	720,000	14.5	29,000	122.3	26,000	157.9	11,000	59.6

## IV. Other

1. Material changes in scope of consolidation during the fiscal year: None

2. Number of shares outstanding (common stock):

Number of shares outstanding at end of year (including treasury stock):

FY2010	601,161,912 shares	FY2009	601,161,912 shares
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Number of shares of treasury stock at end of year:

FY2010	2,824,346 shares	FY2009	2,618,530 shares
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**Consolidated Income Statements**

Tosoh Corporation and Consolidated Subsidiaries

(Millions of yen)

	<b>FY2010</b> <b>(April 1, 2009, to</b> <b>March 31, 2010)</b>	<b>FY2009</b> <b>(April 1, 2008, to</b> <b>March 31, 2009)</b>
<b>Net Sales</b>	<b>628,706</b>	733,505
<b>Cost of Sales</b>	<b>517,754</b>	648,197
Gross Profit	<b>110,952</b>	85,308
<b>Selling, General and Administrative Expenses</b>	<b>97,904</b>	105,622
Operating Income (Loss)	<b>13,047</b>	(20,314)
<b>Non-operating Income</b>		
Interest	<b>220</b>	324
Dividends	<b>535</b>	1,062
Equity in Earnings of Affiliates	<b>1,264</b>	—
Rents	<b>596</b>	641
Licensing Fees	<b>234</b>	232
Insurance	—	4,604
Subsidies	<b>1,351</b>	1,484
Other	<b>1,964</b>	1,585
Total Non-operating Income	<b>6,167</b>	9,935
<b>Non-operating Expenses</b>		
Interest	<b>6,572</b>	6,825
Foreign Exchange Losses	<b>1,031</b>	1,702
Equity in the Losses of Affiliates	—	975
Other	<b>1,529</b>	1,209
Total Non-operating Expenses	<b>9,134</b>	10,712
Ordinary Income (Loss)	<b>10,080</b>	(21,091)
Extraordinary Income	<b>83</b>	1,108
Extraordinary Loss	<b>2,524</b>	4,854
<b>Income (Loss) before Income Taxes and Minority Interests</b>	<b>7,639</b>	(24,836)
<b>Income Taxes</b>		
Current	<b>3,786</b>	4,026
Previous Period	—	255
Deferred	<b>(2,515)</b>	(1,683)
Total Income Taxes	<b>1,271</b>	2,598
<b>Minority Interests</b>	<b>(521)</b>	(2,172)
<b>Net Income (Loss)</b>	<b>6,890</b>	(25,262)

**Consolidated Balance Sheets**

Tosoh Corporation and Consolidated Subsidiaries

(Millions of yen)

	<b>FY2010</b> (March 31, 2010)	<b>FY2009</b> (March 31, 2009)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Deposits	58,101	57,077
Trade Receivables	170,806	155,918
Finished Products	63,055	70,489
Work in Process	7,063	8,519
Raw Materials and Components	32,437	37,855
Deferred Tax Assets	10,952	10,285
Other Current Assets	12,951	17,674
Allowance for Doubtful Accounts	(648)	(602)
Total Current Assets	354,718	357,216
<b>Fixed Assets</b>		
<b>Tangible Fixed Assets</b>	<b>302,749</b>	<b>322,252</b>
<b>Intangible Fixed Assets</b>	<b>6,910</b>	<b>11,330</b>
<b>Investments and Other Assets</b>		
Investment Securities	40,375	36,404
Other Assets, Net	35,747	36,451
Allowance for Doubtful Accounts	(843)	(858)
Total Fixed Assets	384,939	405,580
Total Assets	739,658	762,796

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**Consolidated Balance Sheets**

Tosoh Corporation and Consolidated Subsidiaries

(Millions of yen)

	<b>FY2010</b> <b>(March 31, 2010)</b>	<b>FY2009</b> <b>(March 31, 2009)</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade Payables	<b>86,969</b>	71,751
Short-Term Borrowings	<b>209,433</b>	223,369
Current Portion of Bonds	<b>16</b>	—
Other Current Liabilities	<b>45,882</b>	39,367
Total Current Liabilities	<b>342,301</b>	334,488
<b>Long-Term Liabilities</b>		
Long-Term Borrowings	<b>178,022</b>	212,193
Other Long-Term Liabilities	<b>28,436</b>	30,233
Total Long-Term Liabilities	<b>206,458</b>	242,427
Total Liabilities	<b>548,760</b>	576,915
<b>Shareholders' Equity</b>		
Common Stock	<b>40,633</b>	40,633
Capital Surplus	<b>30,061</b>	30,061
Retained Earnings	<b>95,077</b>	91,204
Treasury Stock	<b>(1,030)</b>	(990)
Total Shareholders' Equity	<b>164,742</b>	160,909
<b>Valuation and Translation Adjustments</b>		
Net Unrealized Gains on Securities	<b>3,418</b>	283
Deferred Losses on Hedges	<b>(6)</b>	(13)
Land Revaluation Reserve	<b>815</b>	815
Foreign Currency Translation Adjustments	<b>(6,469)</b>	(6,984)
Total Valuation and Translation Adjustments	<b>(2,241)</b>	(5,897)
<b>Stock Acquisition Rights</b>	<b>278</b>	217
<b>Minority Interests</b>	<b>28,119</b>	30,651
Total Net Assets	<b>190,898</b>	185,880
Total Liabilities and Net Assets	<b>739,658</b>	762,796



# TOSOH CORPORATION

## Consolidated Statements of Cash Flows

Tosoh Corporation and Consolidated Subsidiaries

(Millions of yen)

	FY2010 (April 1, 2009, to March 31, 2010)	FY2009 (April 1, 2008, to March 31, 2009)
<b>Cash Flows from Operating Activities:</b>		
Income (Loss) before Income Taxes and Minority Interests	7,639	(24,836)
Adjustments to Reconcile Income before Income Taxes and Minority Interests to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	51,983	60,907
Impairment Loss on Fixed Assets	—	480
Decrease in Retirement and Severance Benefits	(1,637)	(3,080)
Interest and Dividend Income	(756)	(1,387)
Interest Expense	6,572	6,825
Foreign Exchange Gains, Net	(144)	(143)
Equity in (Gains) Losses of Affiliates	(1,264)	975
(Gain) Loss on Sales of Investment Securities	14	(483)
Loss on Valuation of Investment Securities	—	2,844
Loss (Gain) on Sale of Shares in Subsidiaries	—	(216)
Gain on Disposal of Sales of Fixed Assets	(43)	(400)
Loss on Disposal of Fixed Assets	825	1,231
(Increase) Decrease in Trade Receivables	(14,632)	37,941
(Increase) Decrease in Inventories	14,758	8,532
Increase (Decrease) in Trade Payables	15,890	(45,307)
Other, Net	8,820	1,722
Subtotal	88,026	45,606
Interest and Dividends Received	1,549	2,357
Interest Paid	(6,717)	(6,609)
Income Taxes Paid	(1,204)	(14,299)
Net Cash Provided by Operating Activities	81,654	27,055
<b>Cash Flows from Investing Activities:</b>		
Payments for Purchases of Fixed Assets	(29,092)	(56,089)
Proceeds from Sales of Fixed Assets	429	990
Payments for Purchases of Investment Securities	(194)	(3,829)
Proceeds from Sales or Redemption of Investment Securities	303	4,924
Payments for Purchases of Shares of Subsidiaries	—	(9,868)
Proceeds from Sales of Shares of Subsidiaries in Connection with Changes in Scope of Consolidation	—	501
Payments for Extension of Long-Term Loans	(2,327)	(4,277)
Proceeds from Collection of Long-Term Loans	2,997	3,477
Other, Net	(1,265)	(687)
Net Cash Used in Investing Activities	(29,150)	(64,858)
<b>Cash Flows from Financing Activities:</b>		
Net (Decrease) Increase in Short-Term Borrowings	(10,600)	35,139
Proceeds from Long-Term Borrowings	15,952	96,644
Repayments of Long-Term Borrowings	(53,782)	(38,480)
Proceeds from Issuance of Corporate Bonds	80	—
Payments for Redemption of Bonds	(8)	(20,000)
Cash Dividends Paid	(3,383)	(5,531)
Other, Net	(150)	(136)
Net Cash (Used in) Provided by Financing Activities	(51,893)	67,634
Effect of Exchange Rate Changes on Cash and Cash Equivalents	326	(1,206)
Net Increase in Cash and Cash Equivalents	936	28,625
Cash and Cash Equivalents at Beginning of Year	55,912	27,287
Increase in Cash and Cash Equivalents due to Mergers of Consolidated Subsidiaries	65	—
Cash and Cash Equivalents at End of Year	56,915	55,912