TOSOH CORPORATION

NEWS RELEASE

February 4, 2013

Tosoh Reports on Nine-Month Consolidated Results for Fiscal 2013 (the interim period from April 1, 2012, to December 31, 2012)

Tokyo, Japan—Tosoh Corporation is pleased to announce its consolidated results for the first nine months of its 2013 fiscal year. The company's consolidated net sales for the period ended December 31, 2012, amounted to ¥474.4 billion (US$5.9 billion), a decline of ¥50.7 billion, or 9.6%, from the same nine-month period a year earlier. Operating income was ¥11.8 billion (US$147 million), a decrease in operating income of ¥9.0 billion, or 43.5%, from the same period in fiscal 2012. Ordinary income, meanwhile, fell ¥3.2 billion, or 17.9%, to ¥14.5 billion (US$182 million). Net income for the first nine months of fiscal 2013 totaled ¥5.5 billion (US$69 million), a decline of ¥1.5 billion, or 21.8%, from the same period in fiscal 2012.

Tosoh continued to deal with harsh conditions during the first nine months of its 2013 fiscal year. The Japanese economy demonstrated signs of recession despite being buoyed by domestic demand from earthquake recovery projects. This was largely because of a drop in external demand related to stagnation in European economies and a slowdown in China's economy.

The company's consolidated sales during the nine months under review suffered from more than declining demand. Tosoh also faced a softening of overseas market prices and the ongoing fallout from the accident at its Nanyo Complex's No. 2 Vinyl Chloride Monomer Plant in November 2011. Declining unit sales and worsening trade conditions resulting from softening market prices for ethylene and other products in turn eroded operating income for the period under review. Only a reversal of the yen's prolonged appreciation in the latter half of the period mitigated the drop in ordinary income by improving foreign exchange translation adjustments.

Results by business segment

Petrochemical Group

Petrochemical Group net sales for the first nine months of fiscal 2013 contracted ¥14.8 billion, or 9.7%, compared with group net sales for the same period the year before, to ¥138.5 billion (US$1.7 billion). The group's operating income slid ¥3.1 billion, or 30.0%, to ¥7.2 billion (US$90 million).

Shipments of ethylene, propylene, and other olefins contracted because of lower production volume resulting from scheduled plant maintenance and other factors. Shipments of cumene also declined because of the impact of scheduled plant maintenance and as a result of a drop in demand for derivatives.

Polyethylene resin shipments were at low levels, particularly in the domestic market. Among other factors, the decline can be attributed to reduced shipments of ethylene vinyl acetate copolymer because of dropping demand for sealant film for solar cells and an increase in competitive imports. Shipments of chloroprene rubber decreased because of falling demand from Europe and Asia.

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Chlor-alkali Group
The Chlor-alkali Group's net sales for the first three quarters of fiscal 2013 decreased ¥25.4 million, or 13.2%, compared with net sales over the same period a year earlier, to ¥166.1 billion (US$2.1 billion). The group improved its operating income by ¥1.3 billion from the nine-month period a year before but still recorded an operating loss of ¥4.7 billion (US$59 million).

The group's domestic shipments of caustic soda decreased because of falling demand and other factors. But overall shipments were approximately the same as in the same period the previous fiscal year because of growth in exports. Sales were also about the same because the group increased its domestic caustic soda prices and because caustic soda prices rose in overseas markets.

Domestic and overseas shipments of vinyl chloride monomer (VCM) and polyvinyl chloride (PVC) resin fell because of the accident at the Nanyo Complex's No. 2 Vinyl Chloride Monomer Plant. In addition, VCM and PVC prices softened overseas.

The group's domestic shipments of cement increased, driven by robust public- and private-sector demand. Cement exports, however, declined. Overseas, prices for the group's urethane raw materials firmed.

Specialty Group
Net sales for the Specialty Group in fiscal 2013's first nine months amounted to ¥93.0 billion (US$1.2 billion), a decrease of ¥10.8 billion, or 10.4%, from the group's net sales for the same period in the preceding fiscal year. The group recorded a ¥6.6 billion, or 53.2%, drop in operating income, to ¥5.7 billion (US$72 million).

During the period under review, ethyleneamine prices softened globally. As well, the group's shipments of its bromine and bromine flame retardant products declined.

Among separation-related products, the group's shipments of liquid chromatography packing materials expanded. Diagnostic-related products saw shipments of automated immunoassay (AIA) systems increase.

Electrolytic manganese dioxide shipments declined during the period under review in line with inventory adjustments of dry cell batteries. Shipments increased, however, of high-silica zeolite for use in catalytic converters for automobiles. In addition, shipments of zirconia rose firmly. Quartz glass shipments decreased because of falling demand in the semiconductor and liquid crystal display markets.

Engineering Group
Net sales for the Engineering Group in the first three quarters were ¥47.5 billion (US$594 million), an increase of ¥1.1 billion, or 2.4%, over the group's net sales for the first nine months of fiscal 2012. The group's operating income decreased ¥0.3 billion, or 13.4%, from the same period in the previous year, to ¥2.0 billion (US$25 million).

The Engineering Group experienced declines in purchases of water treatment facilities, services, and related chemicals because of clients' postponement of capital investment, maintenance, renovation, and other business. Overall group sales, however, increased because of the completion of previous orders and because the group's construction-related companies posted sales growth.

Other
Other net sales for the first three quarters of fiscal 2013 declined ¥0.9 billion, or 2.9%, from net sales for the same period the year before, to ¥29.4 billion (US$368 million). Other operating income was ¥1.5 billion (US$19 million), a decrease of ¥0.4 million, or 22.1%.Sales by trading companies and logistics subsidiaries declined.

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Comparison of Fiscal Year 2013 and 2012 Results for the First Three Quarters

	Net Sales		Operating Income (Loss)		Ordinary Income (Loss)*	
	¥ millions	%†	¥ millions	%	¥ millions	%
FY 13 (04.01.12–12.31.12)	474,401	(9.6)	11,769	(43.5)	14,524	(17.9)
FY 12 (04.01.11–12.31.11)	525,066	5.9	20,816	(0.5)	17,698	3.8

*Based on standard accounting practices in Japan, ordinary income represents income before extraordinary items and taxes. Extraordinary items include, for example, gain (loss) on the sale of fixed assets and gain (loss) on the sale of stock.

† Net sales, operating income, ordinary income, and net income percentages indicate changes from the same period in the previous fiscal year.

	Net Income (Loss)		Net Income (Loss) per Share
	¥ millions	%	¥
FY 13 (04.01.12–12.31.12)	5,502	(21.8)	9.19
FY 12 (04.01.11–12.31.11)	7,037	5.6	11.76

Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio*
	¥ millions	¥ millions	%
FY 13 (04.01.12–12.31.12)	707,984	200,963	24.3
FY 12 (04.01.11–12.31.11)	708,720	200,197	24.1

*Net assets include stock acquisition rights and minority interests, which are not calculated in equity ratio.

Dividends

	1st Q	2nd Q	3rd Q	Year	Total
FY 12 (04.01.11–3.31.12)	¥ —	¥ 0.00	¥ —	¥ 6.00	¥ 6.00
FY 13 (04.01.12–3.31.13)	—	3.00	—		
FY 13 Forecast				3.00	6.00

Forecasts for Fiscal Year 2013 (April 1, 2012–March 31, 2013)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ millions	%*	¥ millions	%	¥ millions	%	¥ millions	%
Year-end	650,000	(5.4)	20,000	(15.7)	22,000	(11.2)	8,000	(14.7)

***** Indicates change compared to the previous fiscal period.

Forecast for Income per Share

	Net Income (Loss) per Share
	¥
Year-end	13.37

Note: For reference purposes only, US dollar amounts have been translated, unless otherwise indicated, from yen at the rate of ¥79.95= US$1, the exchange rate in effect on December 31, 2012. Assumptions for the fourth quarter include a domestic production price for naphtha of ¥55,150 per kiloliter and an exchange rate of ¥78.70 to the US dollar.

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WHO WE ARE

Tosoh Corporation is a Japanese chemical company established in 1935 and listed on the First Section of the Tokyo Stock Exchange. It is the parent of the Tosoh Group, which comprises 140 companies worldwide and a multiethnic workforce of over 11,000 people and generated net sales of ¥687.1 billion (US$8.4 billion at the year-end rate of ¥82.19 to the US dollar) in fiscal 2012, ended March 31, 2012.

WHAT WE DO

Tosoh is one of the largest chlor-alkali manufacturers in Asia. The Company supplies the plastic resins and an array of the basic chemicals that support modern life. Tosoh's petrochemical operations supply ethylene, polymers, and polyethylene, while its advanced materials business serves the global semiconductor, display, and solar industries. Tosoh has also pioneered sophisticated bioscience systems that are used for monitoring life-threatening diseases, such as diabetes and certain cancers, and to prevent epidemics by identifying pathogenic microbes. In addition, Tosoh develops products and provides services to purify water and to monitor the environment as part of a commitment to a sustainable future.

Stock Exchange Ticker Symbol: 4042

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