



NEWS RELEASE

FOR IMMEDIATE RELEASE

February 9, 2006

**Tosoh Announces 3Q Consolidated Results FY2005
(April 1, 2005 – December 31, 2005)**

Tokyo, Japan – Tosoh Corporation announced cumulative consolidated results for the third quarter of the fiscal year, ending March 31, 2006. Growing consumer demand and an improving domestic economy combined with increasing capital investment to support a recovery in corporate profits. Naphtha and related feedstock prices were driven higher, while polyvinyl chloride (PVC) resin markets softened due to a temporary decrease in orders from China. Specialty shipments however were brisk for markets across the board. Under these conditions, Tosoh strove to strengthen core vinyl isocyanate chain operations, expand specialties, maintain and adjust prices to reflect rising costs, and improve efficiency.

The Company reported net sales growth of 10.7% over the first three quarters of the previous fiscal year to JPY 470 billion (USD 4.0 billion^{*}). Operating Income decreased 12.2% to JPY 35.2 billion (USD 299 million), while Ordinary Income also decreased 2.6% to JPY 37.4 billion (USD 318 million). Net Income grew 0.1% to JPY 22.8 billion (USD 193 million). The outlook for the fiscal year ending March 31, 2006 projects net sales of JPY 635 billion (USD 5.4 billion), and Net Income at JPY 27 billion (USD 229 million).

In Petrochemicals, Tosoh is expanding its product portfolio while making better use of its resources. A temporary dip in demand for olefin derivatives was followed with a rebound in shipments. The drastic jump in naphtha and raw materials costs was reflected in domestic price increases for ethylene, propylene, and cumene. Although polyethylene shipments decreased on the domestic front, the high cost of naphtha enabled price adjustments. Chloroprene rubber market prices abroad increased, while PVC paste witnessed growth in shipments and price increases were implemented in Japan.

In Chlor-alkali, the Company continues to expand through significant investment to maintain market dominance in vinyl isocyanate chain related operations. Tosoh is presently building stronger infrastructure to support a chlor-alkali supply-chain for Asia. Most recent developments include a completed 400,000 MT capacity expansion for vinyl chloride monomer (VCM) and on-going construction of a 220,000 MT PVC resins plant in China. Supported by a capacity increase last year, caustic soda shipments rose with prices in Japan and abroad. Routine plant stoppages for VCM were completed in 2004, thus increasing available capacities in 2005. This combined with the new aniline plant coming online resulted in an increase in overall exports. VCM and PVC market prices softened in China while domestic increases were achieved. Cement export market volumes increased, while in Japan demand was boosted due to public disaster-recovery projects and growth in the private sector.

In Specialty operations, the Company was able to strengthen overall while following a strategy of select and focus. Ethylene amines moved into a commanding position in the Asian market with an expansion from 41,000 MT/y to 51,000 MT/y. For amines, price increases were implemented both in Japan and abroad, while shipments were brisk in Japan they declined elsewhere. Tosoh recorded growth in exports of packing materials for high-performance liquid chromatography columns. Among diagnostic systems, exports of diagnostic reagents increased, while immunoassay analyzers decreased. Shipments of grinding media zirconia products used for producing ultrafine materials for electronic components also expanded. Domestic

^{*} For reference purposes, U.S. dollar amounts are translated from yen at the rate of JPY 117.75 = US\$1, the exchange rate in effect on January 31, 2006.

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shipments of electrolytic manganese dioxide (EMD) were up, while exports to Asian and European markets were down. High-silica zeolite for the exhaust systems of automobiles and for other applications also increased.

Outside of Japan, reflecting conditions in such core markets of the IT industry as semiconductors and flat panel displays, shipments of sputtering targets and quartz glass increased. However a decline in shipments of quartz glass was reported for Japanese markets. Greater investment by industry in electronics production facilities boosted sales of water treatment plants and chemicals.

Through innovations in technology and business, the Tosoh Group continues to strengthen core operations to improve competitiveness and focus on developing product lines that are leaders in global markets.

For a **Summary of 3Q results and comparison with the previous fiscal year**, please see page 3 of this release, or visit Tosoh Corporation on the web at www.tosoh.com.

Tosoh Corporation

Headquartered in Tokyo, Japan, Tosoh Corporation is a diversified global chemical and specialty materials company. Founded in 1935, the Company has expanded its reach into high value-added businesses such as fine chemicals, scientific instrumentation, thin film materials, and quartzware. Tosoh is a multi-billion dollar corporation that employs more than 9,000 people worldwide and is listed on the Tokyo Stock Exchange.

Stock Exchange Ticker Symbol: 4042

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Disclaimer

This document contains forward-looking statements, including without limitation, statements concerning product development, objectives, goals, and commercial introduction, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the word "anticipates," and other words of similar meaning. Actual results may differ significantly from the expectations contained in the forward-looking statements.

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Summary of 3Q results and comparison with previous fiscal year

3Q Consolidated Results FY2004 (April 1, 2005 – December 31, 2005)

	Net Sales		Operating Income		Ordinary Income*	
	JPY millions	%**	JPY millions	%	JPY millions	%
FY05 - 04.01.05-12.31.05	470,055	10.7	35,153	(12.2)	37,424	(2.6)
FY04 - 04.01.04-12.31.04	424,765	24.3	40,039	167.2	38,439	284.8

* 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 increases over the previous fiscal year.

	Net Income		Net Income Per Share	
	JPY millions	%	JPY	
FY05 - 04.01.05-12.31.05	22,778	0.1	38.11	
FY04 - 04.01.04-12.31.04	22,764	223.3	38.07	

Consolidated Financial Position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity Per Share
	JPY millions	JPY millions	%	JPY
FY05 - 04.01.05-12.31.05	651,323	151,517	23.2	253.51
FY04 - 04.01.04-12.31.04	610,747	120,653	19.8	201.78

Consolidated Cash Flow

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash & Cash Equivalents at End of Period
	JPY millions	JPY millions	JPY millions	JPY millions
FY05 - 04.01.05-12.31.05	2,143	(23,763)	22,563	19,788
FY04 - 04.01.04-12.31.04	15,491	(25,497)	13,761	20,671

Forecast for Fiscal Year 2005 (April 1, 2005 - March 31, 2006)

	Net Sales	Operating Income	Ordinary Income	Net Income
	JPY millions	JPY millions	JPY millions	JPY millions
Year-end (03.31.06)	635,000	48,000	47,000	27,000

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