



Financial Results for FY2024

(April 1, 2023 – March 31, 2024)

TOSOH CORPORATION

May 13, 2024



«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 2024 fiscal year covers the period from April 1, 2023, to March 31, 2024.



Contents

■ <u>Topics</u>	4
■ <u>FY2024 Financial Results</u>	
Financial Highlights	6
Scope of Consolidation • Key Indicators	7
Net sales and Operating income by Business Segment	8
Business Performance	9
Non-operating income/expenses, Extraordinary income/losses ..	13
Consolidated Balance Sheets	14
Consolidated Statements of Cash Flows	15
■ <u>FY2025 Forecasts</u>	
Financial Highlights	17
Key Indicators	18
Net sales and Operating income by Business Segment	19
Non-operating income/expenses, Extraordinary income/losses ..	20
Dividends	21
■ <u>Appendix</u>	
Financial Highlights (since FY2021)	23
Scope of Consolidation • Key Indicators (since FY2021)	24
Net sales and Operating income by Business Segment	25



Topics

- Summer 2024(planned)

Production capacity increase for separation and purification media

- Autumn 2024 (planned)

Installation of CO2 recovery and feedstock conversion equipment

- Spring 2026 (planned)

Construction of a biomass-fired power plant

- Spring 2026 (planned)

Construction of a new crude MDI splitter in Vietnam

- Winter 2026 (planned)

Production capacity increase for sputtering targets

- Winter 2026 (planned)

Production capacity increase for separation and purification media



FY2024 Financial Results



Financial Highlights

(Billion yen)

		FY2023	FY2024	Change
Net sales		1,064.4	1,005.6	-58.7
Operating income		74.6	79.8	5.2
Ordinary income		90.0	95.9	5.9
Profit attributable to owners of parent		50.3	57.3	7.0
Exchange rate	(¥/US\$)	135.5	144.6	9.1
[Average TTM]	(¥/EUR)	141.0	156.8	15.8
Domestic naphtha price	(¥/KL)	76,625	69,100	-7,525
Benzene	(US\$/ton)	994	914	-80
P V C	(US\$/ton)	965	777	-188
V C M	(US\$/ton)	835	643	-192
Caustic soda	(US\$/ton)	636	412	-224
M D I (Monomeric)	(US\$/ton)	2,260	2,012	-248
M D I (Polymeric)	(US\$/ton)	2,074	1,668	-406



Scope of Consolidation · Key Indicators

Scope of Consolidation

(Number of companies)

	FY2023	FY2024	Change	
Consolidated subsidiaries	95	93	-2	- : Tosoh Bioscience Wisconsin, Inc. (SP) Taihei (Shanghai) Co., Ltd. (CA)
Equity-method affiliates	14	14	-	
Total	109	107	-2	

SP : Specialty Group CA : Chlor-alkali Group

Key Indicators

(Billion yen)

	FY2023	FY2024	Change
Capital expenditures	79.2	61.4	-17.8
Depreciation and amortization	40.6	42.7	2.1
R&D expenses	21.4	22.0	0.6
Interest-bearing liabilities	183.0	183.1	0.2
Net Financial income/expenses	1.2	0.5	-0.7
Equity ratio (%)	61.9	61.6	-0.3
Number of employees	14,266	14,394	128

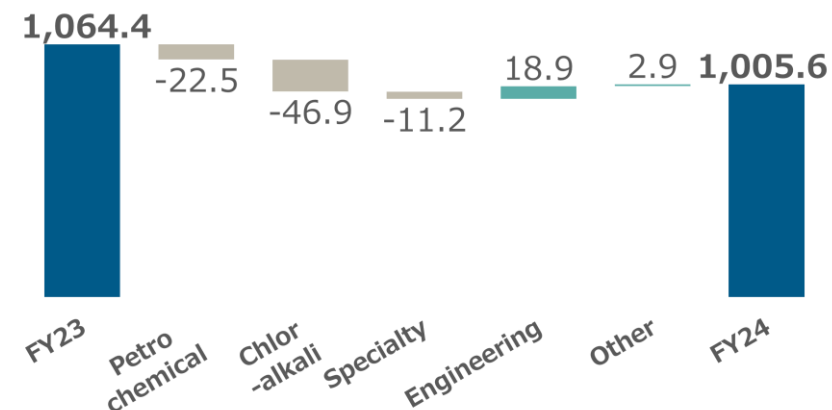
(Note) Interest-bearing liabilities includes lease obligations



Net sales and Operating income by Business Segment

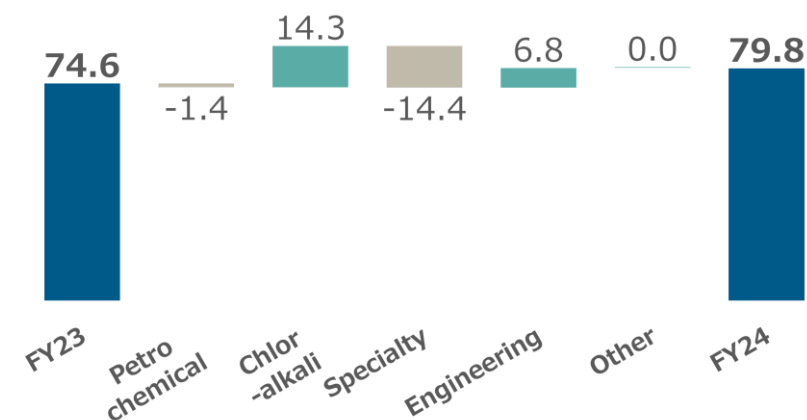
(Billion yen)

	Net sales			Breakdown of change		
	FY2023	FY2024	Change	Volume	Price	FOREX rate
Petrochemical	206.1	183.6	-22.5	-11.8	-10.7	3.6
Chlor-alkali	406.4	359.5	-46.9	-12.8	-34.1	10.2
Specialty	270.8	259.6	-11.2	-12.5	1.3	12.4
Engineering	138.1	157.0	18.9	17.6	1.3	1.3
Other	43.0	45.9	2.9	0.6	2.3	0.0
Total	1,064.4	1,005.6	-58.7	-18.9	-39.8	27.4



(Billion yen)

	Operating income			Breakdown of change		
	FY2023	FY2024	Change	Volume	Terms of trade	Fixed costs, etc.
Petrochemical	12.1	10.7	-1.4	-4.1	11.8	-9.0
Chlor-alkali	-10.7	3.6	14.3	-4.4	27.6	-9.0
Specialty	52.3	37.9	-14.4	-9.0	11.7	-17.1
Engineering	18.0	24.7	6.8	6.8	0.0	0.0
Other	2.9	2.9	0.0	0.0	0.0	0.0
Total	74.6	79.8	5.2	-10.8	51.1	-35.1

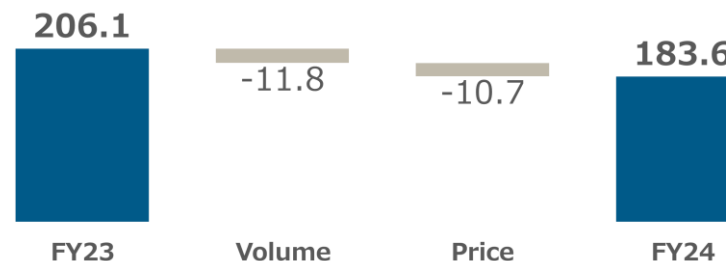




Business Performance - Petrochemical

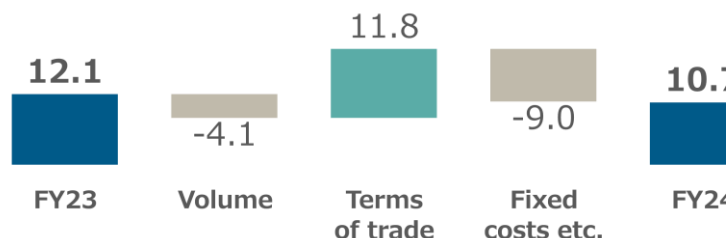
(Billion yen)

	Net sales			Breakdown of change		
	FY2023	FY2024	Change	Volume	Price	FOREX rate
Olefins	122.1	108.3	-13.7	-4.9	-8.8	2.3
Polymers	84.0	75.3	-8.8	-6.9	-1.9	1.3
Total	206.1	183.6	-22.5	-11.8	-10.7	3.6



(Billion yen)

	Operating income			Breakdown of change		
	FY2023	FY2024	Change	Volume	Terms of trade	Fixed costs, etc.
Petrochemical	12.1	10.7	-1.4	-4.1	11.8	-9.0



<Olefins>

- Shipments of ethylene and propylene decreased owing to lower production volumes caused by troubles at the Yokkaichi Complex plant.
- Shipments of cumene rose as demand recovered.
- Ethylene and propylene selling prices fell on a decline in naphtha prices.
- The decline in overseas market conditions lowered cumene selling prices.

<Polymers>

- Polyethylene resin demand was sluggish from various industries, causing its domestic and export shipments to decline.
- Export selling prices, particularly for ethylene vinyl acetate (EVA) resins, declined amid poor overseas market conditions.
- Shipments of chloroprene rubber dropped in line with stagnating demand, but factors, such as the progressively weaker yen, pushed up this product's export selling prices.

<Operating Income>

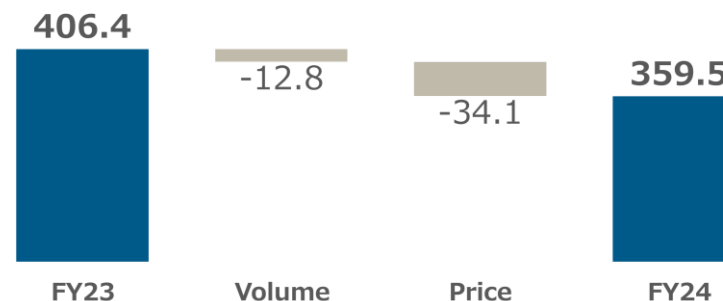
- Operating income decreased due to deterioration in the difference between inventory receipts and payments and falling sales volume. This was despite improved terms of trade resulting from lower prices in raw materials and fuels, such as naphtha and coal.



Business Performance – Chlor-alkali

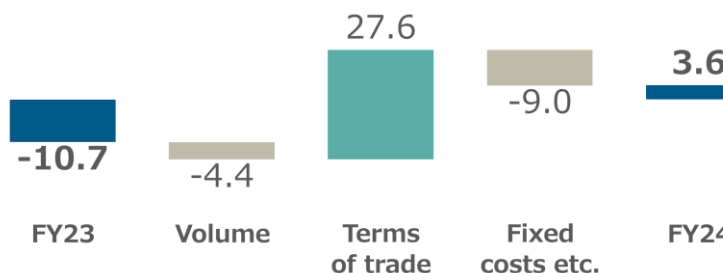
(Billion yen)

	Net sales			Breakdown of change		
	FY2023	FY2024	Change	Volume	Price	FOREX rate
Chlor-alkali	249.8	213.5	-36.4	-9.7	-26.7	6.4
Urethane	146.3	134.6	-11.7	-2.4	-9.3	3.6
Cement	10.3	11.4	1.2	-0.8	1.9	0.1
Total	406.4	359.5	-46.9	-12.8	-34.1	10.2



(Billion yen)

	Operating income (loss)			Breakdown of change		
	FY2023	FY2024	Change	Volume	Terms of trade	Fixed costs, etc.
Chlor-alkali	-10.7	3.6	14.3	-4.4	27.6	-9.0



<Chlor-alkali>

- Shipments of caustic soda decreased amid a decline in production volume caused by scheduled maintenance and other factors.
- Domestic selling prices of caustic soda increased owing to price corrections, whereas export selling prices decreased amid the decline in overseas market conditions.
- Shipments of vinyl chloride monomer (VCM) declined as production volume dipped owing to scheduled maintenance and other factors. Overseas shipments of polyvinyl chloride (PVC) resin rose. But overseas selling prices of VCM and PVC fell, reflecting the decline in overseas market conditions.

<Urethane>

- Shipments of methylene diphenyl diisocyanate (MDI) were on par with shipments in the previous fiscal year.
- MDI selling prices fell, however, as overseas market conditions failed to recover from the drop in demand for MDI occasioned by China's zero-COVID policy.
- Selling prices of hexamethylene diisocyanate (HDI) hardeners likewise fell amid deteriorating market conditions globally that manifested in sluggish demand for HDI, particularly for construction and civil engineering applications in China.

<Cement>

- Domestic and export shipments of cement were down on weak demand. But selling prices of cement were up domestically.

<Operating Income>

- Operating income rose. Improved terms of trade resulting from lower prices in raw materials and fuels, such as naphtha and coal, offset a deterioration in the difference between inventory receipts and payments and contributed to that rise.



Business Performance - Specialty

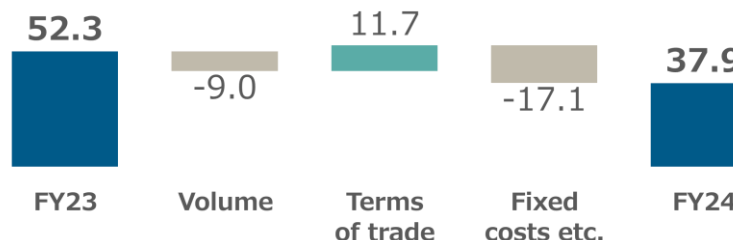
(Billion yen)

	Net sales			Breakdown of change		
	FY2023	FY2024	Change	Volume	Price	FOREX rate
Organic Chemicals	78.6	72.8	-5.8	0.8	-6.6	3.0
Bioscience	58.4	60.3	1.9	-0.8	2.7	3.0
Advanced Materials	133.7	126.5	-7.2	-12.5	5.3	6.3
Total	270.8	259.6	-11.2	-12.5	1.3	12.4



(Billion yen)

	Operating income			Breakdown of change		
	FY2023	FY2024	Change	Volume	Terms of trade	Fixed costs, etc.
Specialty	52.3	37.9	-14.4	-9.0	11.7	-17.1



<Organic Chemicals>

- Worsening global business confidence reduced demand for and shipments of ethyleneamines.
- Ethyleneamines selling prices declined as overseas market conditions declined.
- Shipments of bromine increased because of expanded sales, primarily overseas, to complement heightened production capacity.
- Bromine selling prices, too, declined as overseas market conditions declined.

<Bioscience>

- Among separation-related products, shipments of packing materials for liquid chromatography to the United States and China declined.
- Diagnostic-related products, conversely, saw domestic and overseas shipments of automated hemoglobin analyzers and related reagents rise.
- Domestic shipments of diagnostic-related genetic testing reagents, however, fell.

<Advanced Materials>

- High-silica zeolite (HSZ) shipments, mainly for automotive applications, increased as demand recovered, and HSZ selling prices rose as the yen got progressively weaker.
- Shipments of zirconia for decorative and dental applications fell, but zirconia selling prices rose because of price corrections and the progressively weaker yen.
- A slowdown in semiconductor demand contributed to a decline in silica glass shipments but selling prices for silica glass rose amid price corrections and the progressively weaker yen.
- Selling prices of electrolytic manganese dioxide also rose, on an increase of shipments in Europe and Asia, price corrections, and the progressively weaker yen.

<Operating Income>

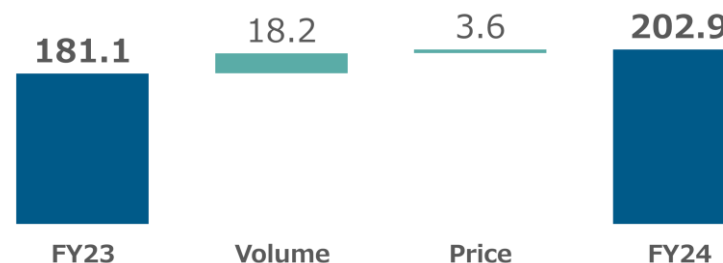
- Operating income decreased due to deterioration in the difference between inventory receipts and payments, higher fixed costs, and fewer shipments of silica glass and zirconia. It occurred, moreover, despite the contributions of foreign exchange effects and lower prices in raw materials and fuels, such as coal, to improved terms of trade.



Business Performance - Engineering/Other

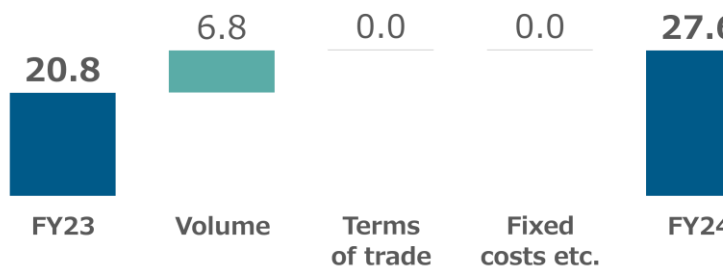
(Billion yen)

	Net sales			Breakdown of change		
	FY2023	FY2024	Change	Volume	Price	FOREX rate
Engineering	138.1	157.0	18.9	17.6	1.3	1.3
Other	43.0	45.9	2.9	0.6	2.3	0.0
Total	181.1	202.9	21.8	18.2	3.6	1.3



(Billion yen)

	Operating income			Breakdown of change		
	FY2023	FY2024	Change	Volume	Terms of trade	Fixed costs, etc.
Engineering	18.0	24.7	6.8	6.8	0.0	0.0
Other	2.9	2.9	0.0	0.0	0.0	0.0
Total	20.8	27.6	6.8	6.8	0.0	0.0



<Engineering>

- The Engineering Group's water treatment engineering business increased its sales amid generally steady progress in construction of large-scale electronic industry projects for which orders were received, including those related to semiconductors. It also had robust sales of service solutions, including expanded equipment-ownership services for domestic semiconductor plants and an increase in various maintenance services.
- Sales by the Engineering Group's construction subsidiaries likewise increased.

<Other>

- Sales increased at operating companies as diverse as transportation and warehousing, inspection and analysis, and information processing.

<Operating Income>

- Operating income increased due to increased sales in the water treatment engineering business, as well as robust solution service sales, including maintenance and equipment-ownership services.



Non-operating income/expenses, Extraordinary income/losses

(Billion yen)

	FY2023	FY2024	Change
Operating income	74.6	79.8	5.2
Net Financial income/expenses	1.2	0.5	-0.7
Foreign exchange gains/losses	7.0	11.2	4.2
Equity in earnings of affiliates	2.5	2.0	-0.5
Other, net	4.7	2.4	-2.4
Non-operating income/expenses	15.4	16.1	0.7
Ordinary income	90.0	95.9	5.9
Gain on sales of property, plant and equipment	1.0	0.3	-0.7
Loss on sales of property, plant and equipment	-0.3	-0.1	0.2
Loss on disposal of property, plant and equipment	-2.0	-1.7	0.3
Gain on sales of investment securities	1.3	0.4	-0.9
Impairment loss	-8.3	-0.1	8.2
Head office relocation expenses	-	-1.0	-1.0
Other, net	-0.1	0.0	0.1
Extraordinary income/losses	-8.4	-2.2	6.2
Income taxes	-25.3	-27.0	-1.7
Profit attributable to non-controlling interests	-6.0	-9.4	-3.4
Profit attributable to owners of parent	50.3	57.3	7.0



Consolidated Balance Sheets

(Billion yen)

	Mar. 31, 2023	Mar. 31, 2024	Change
Assets	1,194.3	1,289.9	95.7
Cash and deposits	120.2	149.8	29.7
Notes and accounts receivable, etc.	292.1	294.8	2.7
Inventories	257.1	255.3	-1.9
Other current assets	38.3	55.3	17.0
Tangible and intangible fixed assets	368.4	390.0	21.6
Investment securities	57.7	70.7	13.0
Other non-current assets	60.5	74.0	13.6
Total assets	1,194.3	1,289.9	95.7

	Mar. 31, 2023	Mar. 31, 2024	Change
Liabilities	400.1	431.2	31.1
Notes and accounts payable, etc.	122.9	122.1	-0.8
Interest-bearing liabilities	183.0	183.1	0.2
Provisions, etc.	94.2	125.9	31.7
Net assets	794.2	858.8	64.6
Common stock	55.2	55.2	–
Capital surplus	44.3	44.4	0.0
Retained earnings, etc.	639.4	695.0	55.7
Non-controlling interests	55.3	64.2	8.9
Total liabilities and net assets	1,194.3	1,289.9	95.7

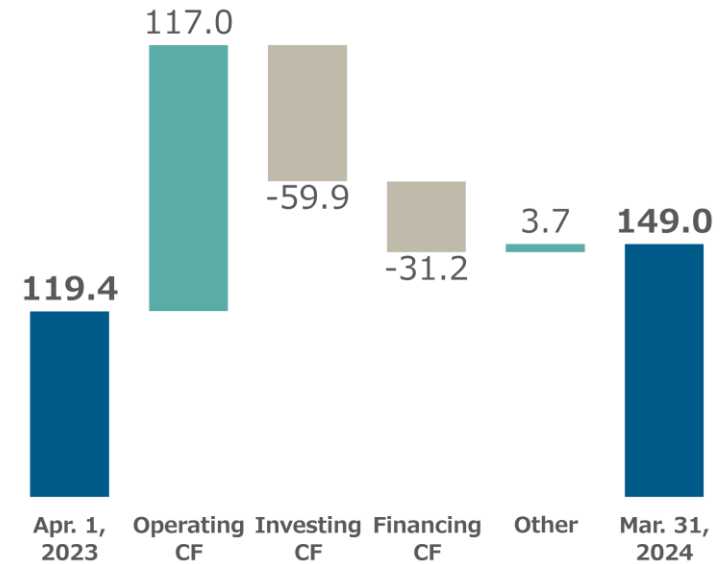
(Note) Interest-bearing liabilities includes lease obligations



Consolidated Statements of Cash Flows

(Billion yen)

		FY2023	FY2024	Change
Operating CF	Income before income taxes	81.6	93.7	12.1
	Depreciation and amortization	43.1	44.5	1.4
	Income taxes paid	-47.4	-19.2	28.3
	Other, net	-93.5	-2.1	91.4
	Total	-16.2	117.0	133.2
Investing CF		-78.7	-59.9	18.8
Free cash flows		-95.0	57.0	152.0
Financing CF	Borrowings	82.9	-3.1	-86.1
	Dividends paid	-28.6	-25.4	3.2
	Other, net	-4.2	-2.7	1.5
	Total	50.2	-31.2	-81.4
Effect of exchange rate change, etc.		3.4	3.7	0.3
Net increase (decrease)		-41.4	29.5	70.9
Cash and cash equivalents at beginning of year		160.8	119.4	-41.4
Cash and cash equivalents at end of year		119.4	149.0	29.5





FY2025 Forecasts



Financial Highlights

(Billion yen)

		FY2024	FY2025 (Forecast)	Change
Net sales		1,005.6	1,090.0	84.4
Operating income		79.8	100.0	20.2
Ordinary income		95.9	98.0	2.1
Profit attributable to owners of parent		57.3	59.0	1.7
Exchange rate	(¥/US\$)	144.6	145.0	0.4
[Average TTM]	(¥/EUR)	156.8	158.0	1.2
Domestic naphtha price	(¥/KL)	69,100	75,000	5,900
Benzene	(US\$/ton)	914	850~1,050	-
P V C	(US\$/ton)	777	700~900	-
V C M	(US\$/ton)	643	550~750	-
Caustic soda	(US\$/ton)	412	300~500	-
M D I (Monomeric)	(US\$/ton)	2,012	2,000~2,200	-
M D I (Polymeric)	(US\$/ton)	1,668	1,600~1,800	-



Key Indicators

(Billion yen)

	FY2024	FY2025 (Forecast)	Change
Capital expenditures	61.4	84.0	22.6
Depreciation and amortization	42.7	48.0	5.3
R&D expenses	22.0	24.0	2.0
Interest-bearing liabilities	183.1	223.0	39.9
Net Financial income/expenses	0.5	-1.0	-1.5
Equity ratio (%)	61.6	59.0	-2.6
Number of employees	14,394	14,900	506

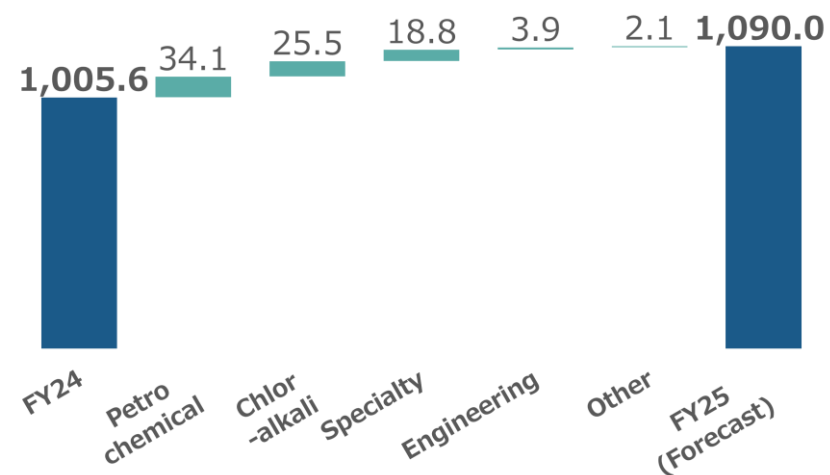
(Note) Interest-bearing liabilities includes lease obligations



Net sales and Operating income by Business Segment

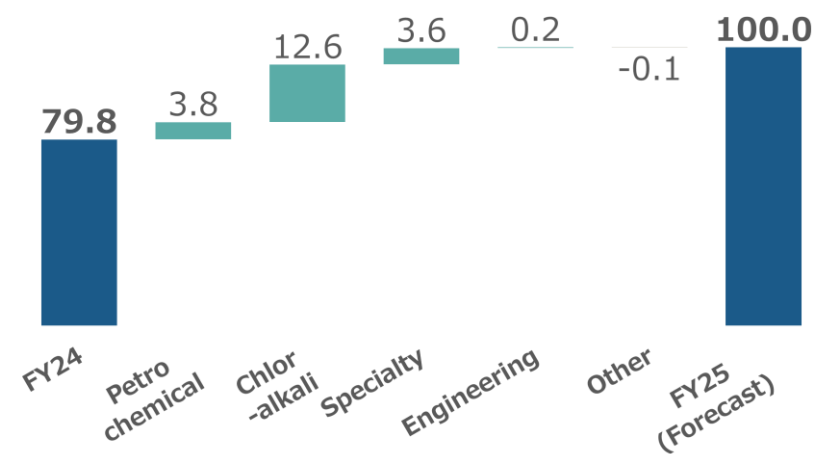
(Billion yen)

	Net sales		
	FY2024	FY2025 (Forecast)	Change
Petrochemical	183.6	217.7	34.1
Chlor-alkali	359.5	385.0	25.5
Specialty	259.6	278.4	18.8
Engineering	157.0	160.9	3.9
Other	45.9	48.0	2.1
Total	1,005.6	1,090.0	84.4



(Billion yen)

	Operating income		
	FY2024	FY2025 (Forecast)	Change
Petrochemical	10.7	14.6	3.8
Chlor-alkali	3.6	16.1	12.6
Specialty	37.9	41.5	3.6
Engineering	24.7	24.9	0.2
Other	2.9	2.8	-0.1
Total	79.8	100.0	20.2





Non-operating income/expenses, Extraordinary income/losses

(Billion yen)

	FY2024	FY2025 (Forecast)	Change
Operating income	79.8	100.0	20.2
Net Financial income/expenses	0.5	-1.0	-1.5
Foreign exchange gains / losses	11.2	-3.3	-14.5
Equity in earnings of affiliates	2.0	1.7	-0.3
Other, net	2.4	0.6	-1.8
Non-operating income/expenses	16.1	-2.0	-18.1
Ordinary income	95.9	98.0	2.1
Gain on sales of property, plant and equipment	0.3	0.3	0.0
Loss on sales of property, plant and equipment	-0.1	-	0.1
Loss on disposal of property, plant and equipment	-1.7	-2.2	-0.5
Gain on sales of investment securities	0.4	0.1	-0.3
Impairment loss	-0.1	-	0.1
Head office relocation expenses	-1.0	-	1.0
Other, net	0.0	-	0.0
Extraordinary income/losses	-2.2	-1.9	0.3
Income taxes	-27.0	-28.1	-1.1
Profit attributable to non-controlling interests	-9.4	-9.1	0.3
Profit attributable to owners of parent	57.3	59.0	1.7



Dividends

		FY2023	FY2024	FY2025 (Forecast)
Dividends (Yen)	Interim	40.00	40.00	42.50
	Year-end	40.00	45.00	42.50
	Total Dividends	80.00	85.00	85.00
Basic earnings per share (Yen)		158.14	180.07	185.29
Payout ratio (%)		50.6	47.2	45.9



Appendix



Financial Highlights (since FY2021)

(Billion yen)

		FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Net sales		732.9	918.6	1,064.4	1,005.6	1,090.0
Operating income		87.8	144.0	74.6	79.8	100.0
Ordinary income		95.1	160.5	90.0	95.9	98.0
Profit attributable to owners of parent		63.3	107.9	50.3	57.3	59.0
Exchange rate	(¥/US\$)	106.1	112.4	135.5	144.6	145.0
[Average TTM]	(¥/EUR)	123.8	130.6	141.0	156.8	158.0
Domestic naphtha price	(¥/KL)	31,300	56,625	76,625	69,100	75,000
Benzene	(US\$/ton)	520	994	994	914	850~1,050
P V C	(US\$/ton)	905	1,373	965	777	700~900
V C M	(US\$/ton)	768	1,208	835	643	550~750
Caustic soda	(US\$/ton)	254	515	636	412	300~500
M D I (Monomeric)	(US\$/ton)	1,925	2,585	2,260	2,012	2,000~2,200
M D I (Polymeric)	(US\$/ton)	1,537	2,466	2,074	1,668	1,600~1,800



Scope of Consolidation · Key Indicators (since FY2021)

Scope of Consolidation

(Number of companies)

	FY2021	FY2022	FY2023	FY2024
Consolidated subsidiaries	92	95	95	93
Equity-method affiliates	14	14	14	14
Total	106	109	109	107

Key Indicators

(Billion yen)

	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Capital expenditures	50.6	48.0	79.2	61.4	84.0
Depreciation and amortization	37.5	37.6	40.6	42.7	48.0
R&D expenses	19.5	19.9	21.4	22.0	24.0
Interest-bearing liabilities	128.6	95.9	183.0	183.1	223.0
Finance income/expenses	0.4	1.0	1.2	0.5	-1.0
Equity ratio (%)	62.6	65.2	61.9	61.6	59.0
Number of employees	13,631	13,858	14,266	14,394	14,900

(Note) Interest-bearing liabilities includes lease obligations



Net sales and Operating income by Business Segment

(Billion yen)

Net sales	FY2024				FY2025(Forecast)	
	1Q	2Q	3Q	4Q	1st half	2nd half
Petrochemical	49.7	42.6	50.8	40.5	104.1	113.6
Chlor-alkali	82.8	89.4	92.4	94.9	189.2	195.8
Specialty	66.0	63.8	64.5	65.2	131.6	146.8
Engineering	30.4	37.7	42.7	46.3	72.6	88.3
Other	11.8	11.5	11.7	10.9	22.5	25.5
Total	240.6	245.0	262.2	257.8	520.0	570.0

(Billion yen)

Operating income	FY2024				FY2025 (Forecast)	
	1Q	2Q	3Q	4Q	1st half	2nd half
Petrochemical	2.9	1.0	5.0	1.8	6.6	7.9
Chlor-alkali	-3.6	1.8	4.2	1.2	4.7	11.4
Specialty	10.5	9.6	10.7	7.1	18.9	22.7
Engineering	3.2	5.4	6.9	9.3	9.5	15.5
Other	0.6	0.7	0.7	0.9	1.3	1.5
Total	13.6	18.5	27.4	20.3	41.0	59.0