



Financial Results for FY2023

(April 1, 2022 – March 31, 2023)

TOSOH CORPORATION

May 12, 2023

«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 2023 fiscal year covers the period from April 1, 2022, to March 31, 2023.

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- December 2022

Production capacity increase for bromine

- Summer 2024 (planned)

Production capacity increase for separation and purification media

- Autumn 2024 (planned)

Installation of a CO₂ recovery and feedstock conversion equipment

- Summer 2025 (planned)

Production capacity increase for sputtering targets

- Autumn 2026 (planned)

Construction of a biomass-fired power plant

FY2023 Financial Results

Financial Highlights

(Billion yen)

		FY2022	FY2023	Change
Net sales		918.6	1,064.4	145.8
Operating income		144.0	74.6	△ 69.4
Ordinary income		160.5	90.0	△ 70.5
Profit attributable to owners of parent		107.9	50.3	△ 57.6
Exchange rate	(¥/US\$)	112.4	135.5	23.1
[Average TTM]	(¥/EUR)	130.6	141.0	10.4
Domestic naphtha price	(¥/KL)	56,625	76,600	19,975
Benzene	(US\$/ton)	994	994	0
P V C	(US\$/ton)	1,373	965	△ 408
V C M	(US\$/ton)	1,208	835	△ 373
Caustic soda	(US\$/ton)	515	636	121
M D I (Monomeric)	(US\$/ton)	2,585	2,260	△ 325
M D I (Polymeric)	(US\$/ton)	2,466	2,074	△ 392

Scope of Consolidation · Key Indicators

Scope of Consolidation

(Number of companies)

	FY2022	FY2023	Change	
Consolidated subsidiaries	95	95	0	+ : Kyoei Mercantile Co.,Ltd. (OTH) - : Tosoh Bioscience Latin America SpA (SP)
Equity-method affiliates	14	14	-	
Total	109	109	0	

OTH : Other Group SP : Specialty Group

Key Indicators

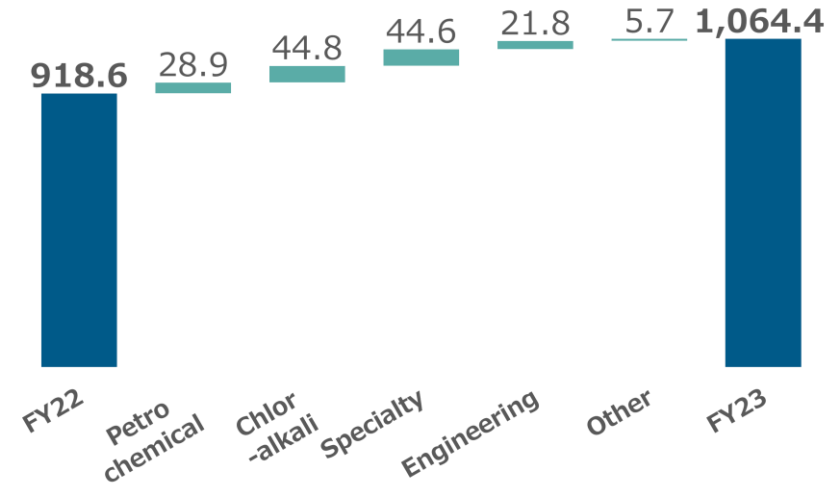
(Billion yen)

	FY2022	FY2023	Change
Capital expenditures	48.0	79.2	31.2
Depreciation and amortization	37.6	40.6	3.0
R&D expenses	19.9	21.4	1.5
Interest-bearing liabilities	91.9	176.7	84.8
Net Financial income/expenses	1.0	1.2	0.1
Equity ratio (%)	65.2	61.9	△ 3.3
Number of employees	13,858	14,266	408

Net sales and Operating income by Business Segment

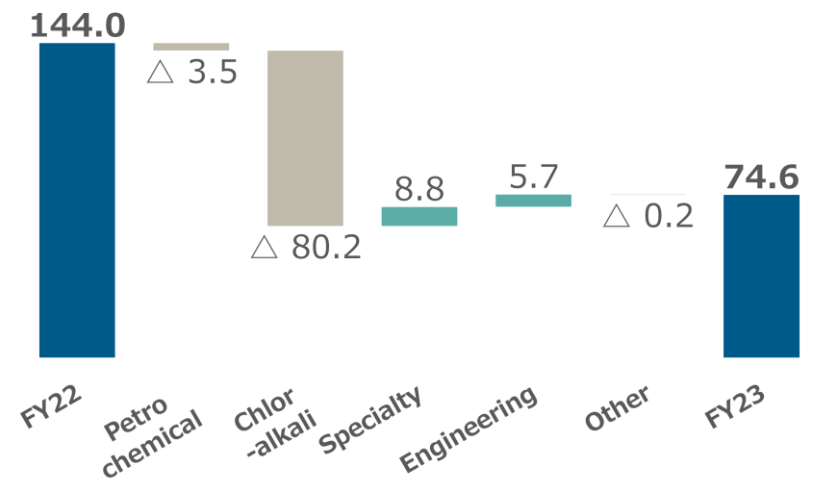
(Billion yen)

	Net sales			Breakdown of change		
	FY2022	FY2023	Change	Volume	Price	FOREX rate
Petrochemical	177.2	206.1	28.9	△ 15.7	44.6	9.0
Chlor-alkali	361.6	406.4	44.8	△ 8.8	53.6	33.9
Specialty	226.2	270.8	44.6	△ 4.8	49.4	23.5
Engineering	116.3	138.1	21.8	16.3	5.5	5.5
Other	37.3	43.0	5.7	0.4	5.4	0.0
Total	918.6	1,064.4	145.8	△ 11.1	156.9	72.0



(Billion yen)

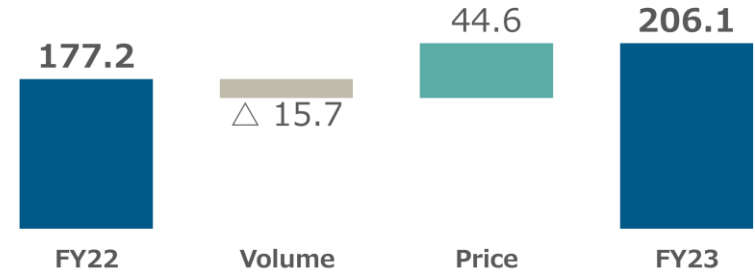
	Operating income			Breakdown of change		
	FY2022	FY2023	Change	Volume	Terms of trade	Fixed costs, etc.
Petrochemical	15.7	12.1	△ 3.5	△ 2.3	1.9	△ 3.1
Chlor-alkali	69.5	△ 10.7	△ 80.2	2.0	△ 67.9	△ 14.3
Specialty	43.5	52.3	8.8	2.6	9.1	△ 2.9
Engineering	12.3	18.0	5.7	5.7	0.0	0.0
Other	3.1	2.9	△ 0.2	△ 0.2	0.0	0.0
Total	144.0	74.6	△ 69.4	7.8	△ 57.0	△ 20.3



Business Performance - Petrochemical

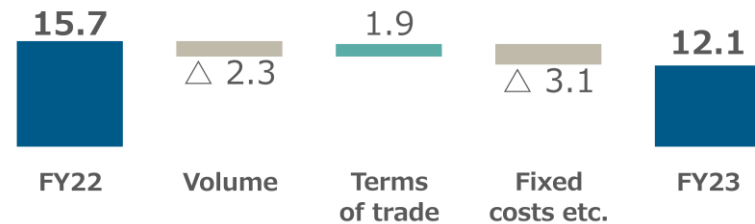
(Billion yen)

	Net sales			Breakdown of change		
	FY2022	FY2023	Change	Volume	Price	FOREX rate
Olefins	108.6	122.1	13.5	△ 11.6	25.1	5.6
Polymers	68.6	84.0	15.4	△ 4.1	19.5	3.4
Total	177.2	206.1	28.9	△ 15.7	44.6	9.0



(Billion yen)

	Operating income			Breakdown of change		
	FY2022	FY2023	Change	Volume	Terms of trade	Fixed costs, etc.
Petrochemical	15.7	12.1	△ 3.5	△ 2.3	1.9	△ 3.1



- <Olefins>
- Shipments of ethylene, propylene and cumene decreased owing to a decline in production volume.
 - Selling prices of ethylene and propylene rose due to higher naphtha prices.
 - Selling prices of cumene rose due to weaker yen.
- <Polymers>
- Shipments of polyethylene resin decreased, but selling prices rose, reflecting higher naphtha prices and overseas market conditions.
 - Shipments of chloroprene rubber decreased in both domestic and export markets, but selling prices rose owing to soaring raw materials prices.
- <Operating Income>
- Decreased shipments of ethylene, propylene, polyethylene resin and increased fixed costs contributed to the decline.

Business Performance – Chlor-alkali

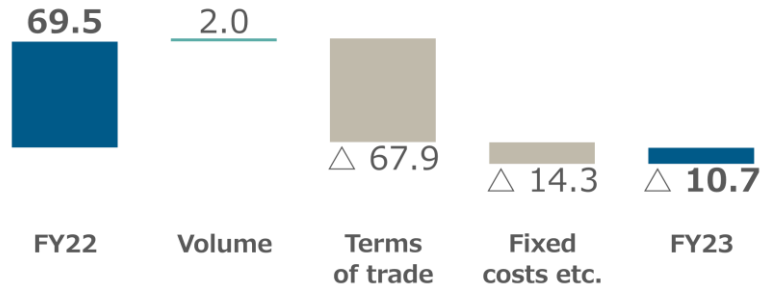
(Billion yen)

	Net sales			Breakdown of change		
	FY2022	FY2023	Change	Volume	Price	FOREX rate
Chlor-alkali	218.2	249.8	31.6	△ 5.6	37.2	19.6
Urethane	134.2	146.3	12.0	△ 2.3	14.3	14.0
Cement	9.2	10.3	1.1	△ 0.9	2.0	0.3
Total	361.6	406.4	44.8	△ 8.8	53.6	33.9



(Billion yen)

	Operating income (loss)			Breakdown of change		
	FY2022	FY2023	Change	Volume	Terms of trade	Fixed costs, etc.
Chlor-alkali	69.5	△ 10.7	△ 80.2	2.0	△ 67.9	△ 14.3



<Chlor-alkali>

- Shipments of caustic soda increased on higher production volume and the prices rose due to domestic price revisions and improved overseas market conditions.
- Shipments of vinyl chloride monomer (VCM) increased, but export prices declined due to worsening overseas market conditions.
- Shipments of polyvinyl chloride (PVC) resin decreased in both domestic and export markets. In spite of deterioration in overseas market conditions, selling prices rose due to domestic price revisions and weaker yen.

<Urethane>

- Shipments of methylene diphenyl diisocyanate (MDI) increased, owing to higher production volume. Although overseas market prices fell, selling prices increased because of the domestic price revisions and weaker yen.
- Shipments of hexamethylene diisocyanate (HDI) hardeners decreased, but selling prices rose due to higher overseas market prices and weaker yen.

<Cement>

- Domestic and export shipments of cement declined on weak demand, but selling prices rose both in domestic and export markets.

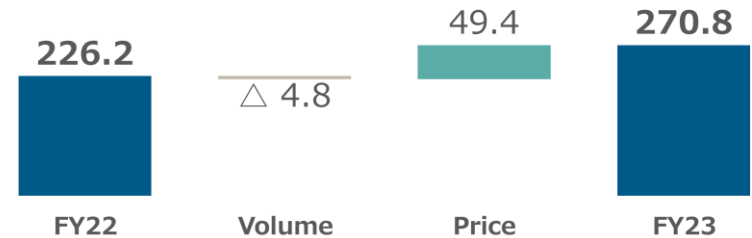
<Operating Income>

- Higher prices of raw materials and fuels such as naphtha and coal contributed to the decline.

Business Performance - Specialty

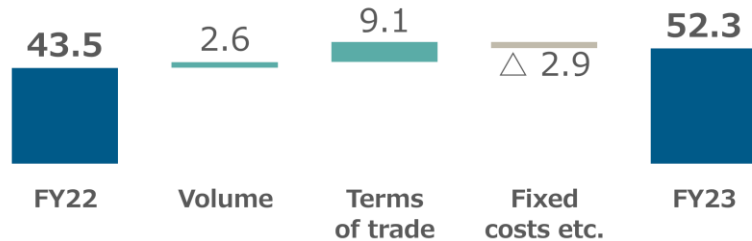
(Billion yen)

	Net sales			Breakdown of change		
	FY2022	FY2023	Change	Volume	Price	FOREX rate
Organic Chemicals	55.3	78.6	23.4	△ 2.2	25.6	7.7
Bioscience	53.5	58.4	4.9	△ 0.0	4.9	5.1
Advanced Materials	117.4	133.7	16.3	△ 2.6	18.9	10.8
Total	226.2	270.8	44.6	△ 4.8	49.4	23.5



(Billion yen)

	Operating income			Breakdown of change		
	FY2022	FY2023	Change	Volume	Terms of trade	Fixed costs, etc.
Specialty	43.5	52.3	8.8	2.6	9.1	△ 2.9



<Organic Chemicals>

- Shipments of ethyleneamine decreased due to lower demand, but selling prices increased on higher overseas market prices.

<Bioscience>

- In separation-related products, shipments of packing materials for liquid chromatography remained steady.
- In diagnostic-related products, shipments of in vitro diagnostic reagents to Europe, the United States and China decreased.

<Advanced Materials>

- Shipments of high-silica zeolite were on par with the preceding fiscal year, and the prices rose because of weaker yen.
- Shipments of zirconia were on par with the preceding fiscal year, and the prices rose because of weaker yen and price revisions.
- Shipments of silica glass were up, buoyed by demand for semiconductors and increased capacity utilization, and the prices rose because of weaker yen and price revisions.
- Shipments of electrolytic manganese dioxide decreased due to the supply and demand balance relaxed in the US, but the prices rose due to price revisions and weaker yen.

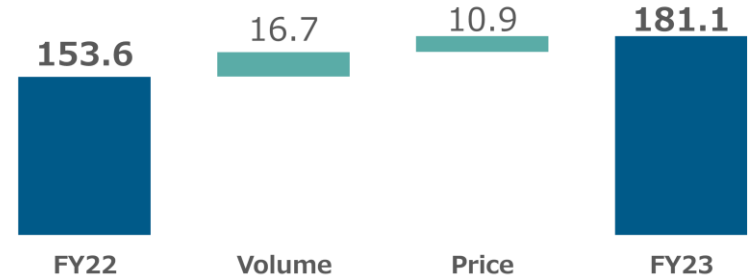
<Operating Income>

- Increased shipments of silica glass and improved trade conditions owing to foreign exchange contributed to the increase.

Business Performance - Engineering/Other

(Billion yen)

	Net sales			Breakdown of change		
	FY2022	FY2023	Change	Volume	Price	FOREX rate
Engineering	116.3	138.1	21.8	16.3	5.5	5.5
Other	37.3	43.0	5.7	0.4	5.4	0.0
Total	153.6	181.1	27.5	16.7	10.9	5.5



(Billion yen)

	Operating income			Breakdown of change		
	FY2022	FY2023	Change	Volume	Terms of trade	Fixed costs, etc.
Engineering	12.3	18.0	5.7	5.7	0.0	0.0
Other	3.1	2.9	△ 0.2	△ 0.2	0.0	0.0
Total	15.3	20.8	5.5	5.5	0.0	0.0



<Engineering>

- Sales in the water treatment business increased due to steady progress in project construction in the electronics industry and robust performance in maintenance and other service solutions.
- Sales by the construction subsidiaries decreased.

<Other>

- Sales increased at other operating companies including transportation and warehousing, inspection and analysis, and information processing.

<Operating Income>

- Increased sales of water treatment business contributed to the increase.

Non-operating income/expenses, Extraordinary income/losses

	FY2022	FY2023	Change	(Billion yen)
Operating income	144.0	74.6	△ 69.4	
Net Financial income/expenses	1.0	1.2	0.1	
Foreign exchange gains/losses	10.8	7.0	△ 3.9	
Equity in earnings of affiliates	2.3	2.5	1.0	
Other, net	2.2	4.7	2.5	
Non-operating income/expenses	16.4	15.4	△ 1.0	
Ordinary income	160.5	90.0	△ 70.5	
Gain on sales of investment securities	2.8	1.3	△ 1.5	
Gain on negative goodwill	-	0.1	0.1	
Gain on sales of property, plant and equipment	0.6	1.0	0.4	
Loss on sales of property, plant and equipment	△ 0.1	△ 0.3	△ 0.2	
Loss on disposal of property, plant and equipment	△ 1.9	△ 2.0	△ 0.1	
Impairment loss	△ 2.6	△ 8.3	△ 5.7	
Other, net	0.5	△ 0.1	△ 0.6	
Extraordinary income/losses	△ 0.8	△ 8.4	△ 7.6	
Income taxes	△ 46.3	△ 25.3	21.0	
Profit attributable to non-controlling interests	△ 5.4	△ 6.0	△ 0.6	
Profit attributable to owners of parent	107.9	50.3	△ 57.6	

Consolidated Balance Sheets

(Billion yen)

	Mar. 31, 2022	Mar. 31, 2023	Change
Assets	1,087.7	1,194.3	106.6
Cash and deposits	161.5	120.2	△ 41.4
Notes and accounts receivable, etc.	259.6	292.1	32.4
Inventories	191.7	257.1	65.5
Other current assets	29.5	38.3	8.8
Tangible and intangible fixed assets	333.7	368.4	34.8
Investment securities	59.3	57.7	△ 1.6
Other non-current assets	52.4	60.5	8.1
Total assets	1,087.7	1,194.3	106.6

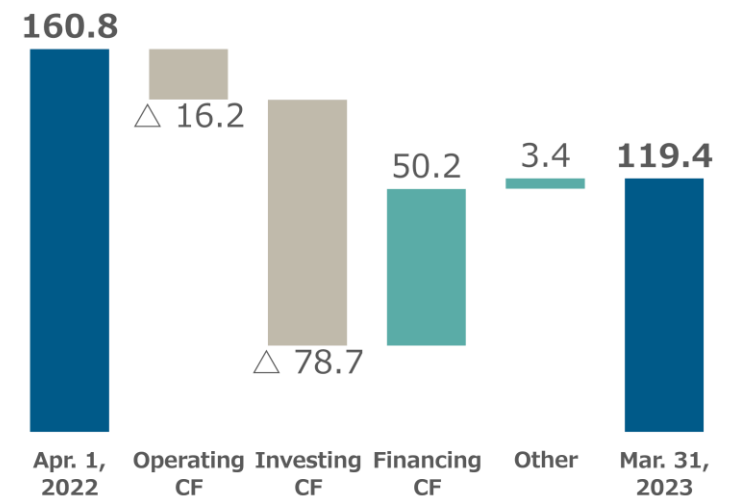
(Billion yen)

	Mar. 31, 2022	Mar. 31, 2023	Change
Liabilities	327.9	400.1	72.1
Notes and accounts payable, etc.	113.4	122.9	9.5
Interest-bearing liabilities	91.9	176.7	84.8
Provisions, etc.	122.6	100.4	△ 22.2
Net assets	759.7	794.2	34.5
Common stock	55.2	55.2	-
Capital surplus	45.3	44.3	△ 1.0
Retained earnings, etc.	608.6	639.4	30.8
Non-controlling interests	50.6	55.3	4.7
Total liabilities and net assets	1,087.7	1,194.3	106.6

Consolidated Statements of Cash Flows

(Billion yen)

		FY2022	FY2023	Change
Operating CF	Income before income taxes	159.7	81.6	△ 78.1
	Depreciation and amortization	40.7	43.1	2.4
	Income taxes paid	△ 36.8	△ 47.4	△ 10.7
	Other, net	△ 55.0	△ 93.5	△ 38.5
	Total	108.6	△ 16.2	△ 124.9
Investing CF		△ 43.5	△ 78.7	△ 35.2
Free cash flows		65.1	△ 95.0	△ 160.1
Financing CF	Interest-bearing liabilities	△ 36.0	82.9	119.0
	Dividends paid	△ 19.7	△ 28.6	△ 8.9
	Other, net	△ 2.1	△ 4.2	△ 2.0
	Total	△ 57.9	50.2	108.0
Effect of exchange rate change, etc.	4.9	3.4	△ 1.5	
Net increase (decrease)	12.1	△ 41.4	△ 53.5	
Cash and cash equivalents at beginning of year	148.4	160.8	12.4	
Increase in cash and cash equivalents from newly consolidated subsidiary	0.3	-	△ 0.3	
Cash and cash equivalents at end of year	160.8	119.4	△ 41.4	



FY2024 Forecasts

Financial Highlights

(Billion yen)

		FY2023	FY2024 (Forecast)	Change
Net sales		1,064.4	1,080.0	15.6
Operating income		74.6	95.0	20.2
Ordinary income		90.0	95.0	5.0
Profit attributable to owners of parent		50.3	60.0	9.7
Exchange rate	(¥/US\$)	135.5	130.0	△ 5.5
[Average TTM]	(¥/EUR)	141.0	141.0	0.0
Domestic naphtha price	(¥/KL)	76,600	67,000	△ 9,600
Benzene	(US\$/ton)	994	850~1,000	-
P V C	(US\$/ton)	965	750~900	-
V C M	(US\$/ton)	835	600~750	-
Caustic soda	(US\$/ton)	636	350~550	-
M D I (Monomeric)	(US\$/ton)	2,260	2,100~2,300	-
M D I (Polymeric)	(US\$/ton)	2,074	1,900~2,100	-

Key Indicators

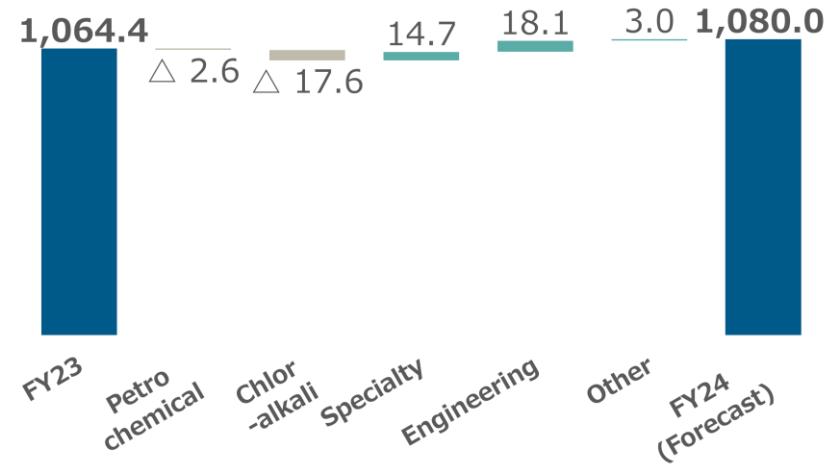
(Billion yen)

	FY2023	FY2024 (Forecast)	Change
Capital expenditures	79.2	73.0	△ 6.2
Depreciation and amortization	40.6	43.0	2.4
R&D expenses	21.4	23.0	1.6
Interest-bearing liabilities	176.7	161.0	△ 15.7
Net Financial income/expenses	1.2	0.9	△ 0.3
Equity ratio (%)	61.9	63.0	1.1
Number of employees	14,266	14,800	534

Net sales and Operating income by Business Segment

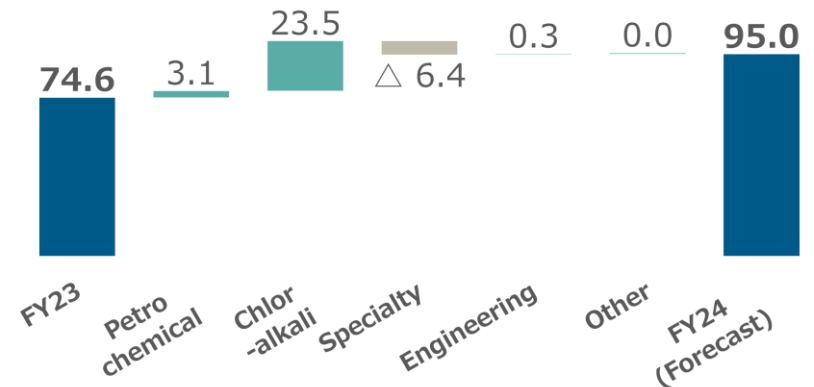
(Billion yen)

	Net sales		
	FY2023	FY2024 (Forecast)	Change
Petrochemical	206.1	203.5	△ 2.6
Chlor-alkali	406.4	388.7	△ 17.6
Specialty	270.8	285.5	14.7
Engineering	138.1	156.2	18.1
Other	43.0	46.0	3.0
Total	1,064.4	1,080.0	15.6



(Billion yen)

	Operating income		
	FY2023	FY2024 (Forecast)	Change
Petrochemical	12.1	15.2	3.1
Chlor-alkali	△ 10.7	12.8	23.5
Specialty	52.3	45.9	△ 6.4
Engineering	18.0	18.3	0.3
Other	2.9	2.9	0.0
Total	74.6	95.0	20.4



Non-operating income/expenses, Extraordinary income/losses

	FY2023	FY2024 (Forecast)	Change	(Billion yen)
Operating income	74.6	95.0	20.4	
Net Financial income/expenses	1.2	0.9	△ 0.3	
Foreign exchange gains / losses	7.0	△ 2.3	△ 9.3	
Equity in earnings of affiliates	2.5	1.4	△ 1.1	
Other, net	4.7	-	△ 4.7	
Non-operating income/expenses	15.4	0.0	△ 15.4	
Ordinary income	90.0	95.0	5.0	
Gain on sales of investment securities	1.3	0.1	△ 1.3	
Gain on negative goodwill	0.1	-	△ 0.1	
Gain on sales of property, plant and equipment	1.0	0.0	△ 1.0	
Loss on sales of property, plant and equipment	△ 0.3	0.0	3.0	
Loss on disposal of property, plant and equipment	△ 2.0	△ 2.0	△ 0.1	
Impairment loss	△ 8.3	-	8.3	
Other, net	△ 0.1	-	0.1	
Extraordinary income/losses	△ 8.4	△ 2.0	△ 6.4	
Income taxes	△ 25.3	△ 26.1	△ 0.8	
Profit attributable to non-controlling interests	△ 6.0	△ 6.9	△ 0.1	
Profit attributable to owners of parent	50.3	60.0	9.7	

Dividends

		FY2022	FY2023	FY2024 (Forecast)
Dividends (Yen)	1st half-end	30.00	40.00	40.00
	2nd half-end	50.00	40.00	40.00
	Total Dividends	80.00	80.00	80.00
Basic earnings per share (Yen)		339.23	158.14	188.51
Payout ratio (%)		23.6	50.6	42.4

Appendix

Financial Highlights (since FY2020)

(Billion yen)

		FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)
Net sales		786.1	732.9	918.6	1,064.4	1,080.0
Operating income		81.7	87.8	144.0	74.6	95.0
Ordinary income		86.0	95.1	160.5	90.0	95.0
Profit attributable to owners of parent		55.6	63.3	107.9	50.3	60.0
Exchange rate	(¥/US\$)	108.7	106.1	112.4	135.5	130.0
[Average TTM]	(¥/EUR)	120.8	123.8	130.6	141.0	141.0
Domestic naphtha price	(¥/KL)	42,925	31,200	56,625	76,600	67,000
Benzene	(US\$/ton)	649	520	994	994	850~1,000
P V C	(US\$/ton)	835	905	1,373	965	750~900
V C M	(US\$/ton)	715	768	1,208	835	600~750
Caustic soda	(US\$/ton)	325	254	515	636	350~550
M D I (Monomeric)	(US\$/ton)	1,891	1,925	2,585	2,260	2,100~2,300
M D I (Polymeric)	(US\$/ton)	1,355	1,537	2,466	2,074	1,900~2,100

Consolidated Companies·Key Indicators (since FY2020)

Scope of Consolidation

(Number of companies)

	FY2020	FY2021	FY2022	FY2023
Consolidated subsidiaries	93	92	95	95
Equity-method affiliates	14	14	14	14
Total	107	106	109	109

Key Indicators

(Billion yen)

	FY2020	FY2021	FY2022	FY2023	FY2024 (Forecast)
Capital expenditures	61.1	50.6	48.0	79.2	73.0
Depreciation and amortization	32.1	37.5	37.6	40.6	43.0
R&D expenses	18.2	19.5	19.9	21.4	23.0
Interest-bearing liabilities	95.9	126.5	91.9	176.7	161.0
Finance income/expenses	0.8	0.4	1.0	1.2	0.9
Equity ratio (%)	64.0	62.6	65.2	61.9	63.0
Number of employees	13,336	13,631	14,068	14,266	14,800

Net sales and Operating income by Business Segment

Net sales

(Billion yen)

	FY2023				FY2024 (Forecast)	
	1Q	2Q	3Q	4Q	1st half	2nd half
Petrochemical	48.7	57.5	53.8	46.1	103.9	99.6
Chlor-alkali	102.0	104.4	98.8	101.2	183.9	204.8
Specialty	62.7	68.2	69.9	70.0	137.5	148.0
Engineering	28.6	33.8	34.2	41.5	71.9	84.3
Other	10.3	10.4	11.3	10.9	22.7	23.3
Total	252.3	274.3	267.9	269.8	520.0	560.0

Operating income

(Billion yen)

	FY2023				FY2024 (Forecast)	
	1Q	2Q	3Q	4Q	1st half	2nd half
Petrochemical	2.7	3.7	4.2	1.6	5.9	9.3
Chlor-alkali	9.7	△ 9.5	△ 9.0	△ 1.8	△ 1.4	14.2
Specialty	14.1	15.2	14.2	8.7	19.8	26.1
Engineering	3.3	4.6	3.8	6.3	7.3	10.9
Other	0.5	0.8	0.6	0.9	1.4	1.5
Total	30.3	14.7	13.9	15.7	33.0	62.0