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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 13, 2024

Company name: TOSOH CORPORATION

Stock exchange listing: Tokyo

Code number: 4042

URL: <https://www.tosoh.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: June 21, 2024

Scheduled date of commencing dividend payments: May 31, 2024

Scheduled date of filing annual securities report: June 21, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	1,005,640	(5.5)	79,845	7.0	95,920	6.6	57,324	13.9
March 31, 2023	1,064,376	15.9	74,606	(48.2)	89,983	(43.9)	50,335	(53.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 91,714 million [38.2%]
Fiscal year ended March 31, 2023: ¥ 66,375 million [(44.5)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	180.07	180.04	7.5	7.7	7.9
March 31, 2023	158.14	158.09	7.0	7.9	7.0

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2024: ¥ 2,026 million
Fiscal year ended March 31, 2023: ¥ 2,479 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	1,289,949	858,766	61.6	2,495.23
March 31, 2023	1,194,251	794,198	61.9	2,321.17

(Reference) Equity: As of March 31, 2024: ¥ 794,516 million
As of March 31, 2023: ¥ 738,803 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	116,974	(59,943)	(31,221)	148,970
March 31, 2023	(16,239)	(78,729)	50,171	119,421

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	-	40.00	-	40.00	80.00	25,469	50.6	3.5
March 31, 2024	-	40.00	-	45.00	85.00	27,068	47.2	3.5
Fiscal year ending March 31, 2025 (Forecast)	-	42.50	-	42.50	85.00		45.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2024	520,000	7.1	41,000	27.7	39,000	(12.1)	23,000	(13.9)	72.23
Full year	1,090,000	8.4	100,000	25.2	98,000	2.2	59,000	2.9	185.29

*Notes:

(1) Changes in significant subsidiaries during the period under review

(changes in specified subsidiaries resulting in changes inscope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024: 325,080,956 shares

March 31, 2023: 325,080,956 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 6,667,250 shares

March 31, 2023: 6,791,155 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 318,346,971 shares

Fiscal Year ended March 31, 2023: 318,288,792 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	672,603	(9.8)	39,170	12.1	61,338	12.7	45,668	36.3
March 31, 2023	746,088	13.2	34,953	(68.8)	54,403	(58.4)	33,495	(64.8)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	143.42	143.40
March 31, 2023	105.22	105.19

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2024	794,946	591,241	74.4	1,856.50
March 31, 2023	769,757	563,054	73.1	1,768.29

(Reference) Equity: As of March 31, 2024: ¥ 591,199 million
As of March 31, 2023: ¥ 562,965 million

* Financial results reports are not subject to review by certified public accountants or an auditing firm.

* Explanations regarding appropriate use of financial results forecasts and other special notes

(Cautionary statement on forward-looking statements)

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. Please refer to page 4 of the attached document for further information on the above forecasts.

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1. Overview of Operating Results

(1) Overview of Operating Results

The Company's consolidated net sales decreased ¥58.7 billion (5.5%) year-on-year to ¥1,005.6 billion (US\$7.0 billion). The decrease resulted from lower selling prices caused by lower prices in raw materials and fuels, such as naphtha and the decline in overseas product market conditions, as well as a decrease in sales volume due to an economic slowdown that lowered demand and scheduled maintenance at the Nanyo Complex and plant troubles at the Yokkaichi Complex.

Operating income rose ¥5.2 billion (7.0%) year-on-year to ¥79.8 billion (US\$552.2 million). This increase was primarily attributable to improved terms of trade, which were buoyed by lower prices in raw materials and fuels, such as naphtha and coal, and occurred despite reduced sales volume and a significant deterioration in the difference between inventory receipts and payments.

Ordinary income increased ¥5.9 billion (6.6%) year-on-year to ¥95.9 billion (US\$663.4 million), owing to the company's recording of foreign exchange gains in non-operating income on the progressively weaker yen. Profit attributable to owners of the parent increased ¥7.0 billion (13.9%) year-on-year to ¥57.3 billion (US\$396.5 million).

During the fiscal year under review the global economy continued to slow, particularly in manufacturing. Inflation remained high and monetary tightening policies remained in place, mainly in advanced Western countries, such as the United States and those in Europe. Demand in China, meanwhile, did not recover as anticipated after that country lifted its zero-COVID policy. In addition, the global economy remains uncertain, as upward pressure on prices owing to rising raw materials, fuels, and labor costs and caution over geopolitical risks, including deteriorating US-China relations and combat in the Middle East and Ukraine.

Results by business segment are as follows.

Petrochemical

Petrochemical Group net sales decreased ¥22.5 billion (10.9%) year-on-year to ¥183.6 billion (US\$1.3 billion). Operating income fell ¥1.4 billion (11.4%) year-on-year to ¥10.7 billion (US\$74.2 million), because of a 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.

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. In addition, ethylene and propylene selling prices fell on a decline in naphtha prices. The decline in overseas market conditions lowered cumene selling prices.

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.

Chlor-alkali

The Chlor-alkali Group's net sales fell ¥46.9 billion (11.5%) year-on-year to ¥359.5 billion (US\$2.5 billion). But operating income rose ¥14.3 billion year-on-year to ¥3.6 billion (US\$24.8 million). 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.

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.

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

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.

Specialty

Specialty Group net sales decreased ¥11.2 billion (4.1%) year-on-year to ¥259.6 billion (US\$1.8 billion), and operating income fell ¥14.4 billion (27.5%) year-on-year to ¥37.9 billion (US\$262.2 million). The drop in operating income resulted from a 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.

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. But bromine selling prices, too, declined as overseas market conditions declined.

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.

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.

Engineering

Engineering Group net sales increased ¥18.9 billion (13.7%) year-on-year to ¥157.0 billion (US\$1.1 billion). Operating income rose ¥6.8 billion (37.6%) year-on-year to ¥24.7 billion (US\$171.0 million).

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

Other net sales rose ¥2.9 billion (6.8%) year-on-year to ¥45.9 billion (US\$317.5 million). Operating income likewise increased ¥0.0 billion (0.8%) year-on-year to ¥2.9 billion (US\$20.0 million).

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

(2) Overview of Financial Position

Total assets grew ¥95.7 billion from the end of the previous period to ¥1,289.9 billion (US\$8.9 billion). The increase stemmed mainly from increases in cash and deposits, property, plant and equipment, and assets for retirement benefit.

Liabilities increased ¥31.1 billion from the end of the previous period to ¥431.2 billion (US\$3.0 billion), primarily because of increases in income taxes payable and deferred tax liabilities and despite a drop in short-term borrowings.

Net assets rose ¥64.6 billion from the end of the previous period to ¥858.8 billion (US\$5.9 billion). This gain was owed chiefly to the recording of profit attributable to owners of the parent and to increases in net unrealized gains on securities.

(3) Overview of Cash Flows

Cash and cash equivalents were up ¥29.5 billion from the end of the previous period to ¥149.0 billion (US\$1.0 billion).

Net cash flow provided by operating activities amounted to an inflow of ¥117.0 billion (US\$809.0 million). Income before income taxes increased, and decreases in trade receivables, inventories, and income taxes paid resulted in an increase in income of ¥133.2 billion compared with the previous fiscal year.

Net cash flow used in investing activities saw an outflow of ¥59.9 billion (US\$414.6 million). Primarily because of a decline in capital investment, expenditures decreased by ¥18.8 billion from the previous fiscal year.

As a result, free cash flow increased ¥152.0 billion from the previous fiscal year to an inflow of ¥57.0 billion (US\$394.4 million).

Net cash flow used in financing activities resulted in an outflow of ¥31.2 billion (US\$215.9 million). That surge of ¥81.4 billion from the previous fiscal year was owed primarily to a decrease in short-term borrowings.

(4) Forecast for the Next Fiscal Year

The global economy is forecast to improve as price rises subside, as US and European central banks cut interest rates, as the semiconductor market recovers, and as the Chinese government's economic support measures continue, but there are downside risks for business remain, especially should the aforementioned not transpire and particularly should the conflicts in the Middle East and Ukraine go unabated and US-China tensions escalate.

Under these circumstances, the Group will remain closely attuned to fluctuating raw material and fuel prices, overseas product market conditions, exchange rates, and supply-demand balances, all of which are affected by multiple factors. It will strive to secure earnings by responding quickly and flexibly to events in its business environment.

For the fiscal year ending March 31, 2025, Tosoh Group's forecasts net sales of ¥1,090.0 billion, operating income of ¥100.0 billion, ordinary income of ¥98.0 billion, and profit attributable to owners of the parent of ¥59.0 billion. It predicates its forecasts on domestic naphtha prices of ¥75,000 a kiloliter and an exchange rate of ¥145 to the US dollar.

(5) Basic Policy on Profit Allocation and Dividends for the Current and the Next Fiscal Year

The Company recognizes that its most important management issue is to enhance its long-term enterprise value by improving profitability and continuation of its solid financial foundation. Based on this belief, we determine dividends by comprehensively taking into consideration factors such as future earnings trends, financial conditions, and the necessary funds for future business development.

Regarding dividends, we position the return of profits to shareholders as one of our important capital policies and make it a basic policy to pay continuous and stable dividends. With regard to retained earnings, we will strive to meet the expectations of our shareholders through helping to improve our long-term enterprise value by investing in specialty and CO2 reduction, and effectively utilizing it for research and development activities. We will acquire treasury shares flexibly, taking into consideration the level of free cash flow.

Based on this policy, we declared a year-end dividend of ¥45 per share for the current period, which, together with the interim dividend of ¥40 per share, makes a total annual dividend of ¥85 per share.

For the fiscal year ending March 31 2025, the Company plans to pay an annual dividends of ¥85 per share through interim and year-end dividends of ¥42.5 each, matching the annual dividend of the fiscal year ending March 31, 2024.

2. Basic Approach to Selection of Accounting Standards

For the time being, the Company will continue to adopt accounting principles generally accepted in Japan (Japanese GAAP). We are preparing and examining the future adoption of International Financial Reporting Standards (IFRS) as appropriate.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	120,153	149,812
Notes receivable - trade	16,378	19,680
Accounts receivable - trade	243,101	241,083
Contract assets	32,590	34,049
Lease investment assets	9,853	27,814
Merchandise and finished goods	154,143	160,562
Work in process	32,443	19,319
Raw materials and supplies	70,544	75,370
Other	29,114	28,275
Allowance for doubtful accounts	(698)	(813)
Total current assets	707,625	755,154
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	101,763	104,609
Machinery, equipment and vehicles, net	122,585	119,170
Land	68,234	68,173
Construction in progress	47,546	67,998
Other, net	17,813	19,549
Total property, plant and equipment	357,944	379,501
Intangible assets	10,461	10,527
Investments and other assets		
Investment securities	57,737	70,724
Long-term loans receivable	469	402
Long-term prepaid expenses	5,157	6,016
Deferred tax assets	7,623	7,735
Assets for retirement benefit	33,949	47,620
Other	13,761	12,754
Allowance for doubtful accounts	(478)	(489)
Total investments and other assets	118,220	144,765
Total non-current assets	486,625	534,795
Total assets	1,194,251	1,289,949

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	122,903	122,149
Short-term borrowings	149,340	145,265
Income taxes payable	8,442	18,169
Provision for bonuses	9,075	9,592
Other provisions	2,689	8,374
Other	43,860	55,211
Total current liabilities	336,312	358,763
Non-current liabilities		
Long-term borrowings	27,390	31,070
Deferred tax liabilities	4,944	11,326
Provision for retirement benefits for directors and corporate audit and supervisory board member	380	404
Provision for losses on dissolution of business	20	-
Other provisions	3,459	1,023
Liabilities for retirement benefit	20,411	19,758
Other	7,132	8,836
Total non-current liabilities	63,740	72,419
Total liabilities	400,052	431,182
Net assets		
Shareholders' equity		
Common stock	55,173	55,173
Capital surplus	44,347	44,358
Retained earnings	622,995	654,832
Treasury stock	(9,903)	(9,720)
Total shareholders' equity	712,612	744,643
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities	9,960	18,379
Deferred gains (losses) on hedges	3	-
Foreign currency translation adjustments	8,669	16,093
Accumulated adjustments for retirement benefit	7,558	15,399
Total accumulated other comprehensive income	26,191	49,872
Stock acquisition rights	89	42
Non-controlling interests	55,305	64,207
Total net assets	794,198	858,766
Total liabilities and net assets	1,194,251	1,289,949

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	1,064,376	1,005,640
Cost of sales	845,192	779,414
Gross profit	219,184	226,225
Selling, general and administrative expenses	144,577	146,379
Operating income	74,606	79,845
Non-operating income		
Interest income	693	978
Dividend income	1,908	1,723
Foreign exchange gains	6,995	11,232
Equity in earnings of affiliates	2,479	2,026
Rental income from property, plant and equipment	370	315
Other	5,357	2,667
Total non-operating income	17,805	18,943
Non-operating expenses		
Interest expense	1,428	2,246
Other	1,000	622
Total non-operating expenses	2,429	2,868
Ordinary income	89,983	95,920
Extraordinary income		
Gain on sales of property, plant and equipment	985	297
Gain on sales of investment securities	1,313	379
Gain on negative goodwill	74	-
Total extraordinary income	2,372	676
Extraordinary losses		
Loss on sales of property, plant and equipment	264	105
Loss on disposal of property, plant and equipment	2,015	1,685
Loss on sales of investment securities	8	-
Loss on valuation of investment securities	137	-
Impairment loss	8,312	121
Head office relocation expenses	-	963
Total extraordinary losses	10,739	2,876
Income before income taxes	81,615	93,721
Income taxes - current	22,140	27,861
Income taxes - deferred	3,150	(836)
Total income taxes	25,291	27,025
Net income	56,323	66,695
Profit attributable to non-controlling interests	5,988	9,370
Profit attributable to owners of parent	50,335	57,324

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net income	56,323	66,695
Other comprehensive income		
Net unrealized gains (losses) on securities	(497)	8,392
Deferred gains (losses) on hedges	35	(3)
Foreign currency translation adjustments	8,364	7,528
Adjustments for retirement benefit	1,750	8,278
Share of other comprehensive income of affiliates applied for equity method	397	822
Total other comprehensive income	10,051	25,019
Comprehensive income	66,375	91,714
Breakdown of comprehensive income		
Comprehensive income attributable to shareholders of parent	59,437	81,006
Comprehensive income attributable to non-controlling interests	6,938	10,708

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of March 31, 2022	55,173	45,327	601,344	(10,018)	691,826
Changes during period					
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(979)			(979)
Cash dividends			(28,646)		(28,646)
Profit attributable to owners of parent			50,335		50,335
Purchase of treasury stock				(6)	(6)
Increase (decrease) of treasury stock due to changes in shareholding ratio				0	0
Disposal of treasury stock			(37)	187	150
Increase of treasury shares by increasing of consolidated subsidiary				(66)	(66)
Net changes in items other than shareholders' equity					
Total changes during period	-	(979)	21,651	114	20,785
As of March 31, 2023	55,173	44,347	622,995	(9,903)	712,612

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefit	Total accumulated other comprehensive income			
As of March 31, 2022	10,479	(25)	759	5,876	17,089	178	50,629	759,724
Changes during period								
Change in treasury shares of parent arising from transactions with non-controlling shareholders								(979)
Cash dividends								(28,646)
Profit attributable to owners of parent								50,335
Purchase of treasury stock								(6)
Increase (decrease) of treasury stock due to changes in shareholding ratio								0
Disposal of treasury stock								150
Increase of treasury shares by increasing of consolidated subsidiary								(66)
Net changes in items other than shareholders' equity	(519)	29	7,909	1,682	9,101	(88)	4,675	13,688
Total changes during period	(519)	29	7,909	1,682	9,101	(88)	4,675	34,474
As of March 31, 2023	9,960	3	8,669	7,558	26,191	89	55,305	794,198

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of March 31, 2023	55,173	44,347	622,995	(9,903)	712,612
Changes during period					
Change in treasury shares of parent arising from transactions with non-controlling shareholders		10			10
Cash dividends			(25,472)		(25,472)
Profit attributable to owners of parent			57,324		57,324
Purchase of treasury stock				(13)	(13)
Increase (decrease) of treasury stock due to changes in shareholding ratio				0	0
Disposal of treasury stock			(15)	196	181
Net changes in items other than shareholders' equity					
Total changes during period	-	10	31,837	183	32,030
As of March 31, 2024	55,173	44,358	654,832	(9,720)	744,643

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains (losses) on securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefit	Total accumulated other comprehensive income			
As of March 31, 2023	9,960	3	8,669	7,558	26,191	89	55,305	794,198
Changes during period								
Change in treasury shares of parent arising from transactions with non-controlling shareholders								10
Cash dividends								(25,472)
Profit attributable to owners of parent								57,324
Purchase of treasury stock								(13)
Increase (decrease) of treasury stock due to changes in shareholding ratio								0
Disposal of treasury stock								181
Net changes in items other than shareholders' equity	8,419	(3)	7,424	7,841	23,681	(47)	8,902	32,537
Total changes during period	8,419	(3)	7,424	7,841	23,681	(47)	8,902	64,567
As of March 31, 2024	18,379	-	16,093	15,399	49,872	42	64,207	858,766

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Income before income taxes	81,615	93,721
Depreciation and amortization	43,062	44,511
Impairment loss	8,312	121
Change in assets and liabilities for retirement benefit	(1,663)	(2,460)
Interest and dividend income	(2,601)	(2,701)
Interest expense	1,428	2,246
Foreign exchange losses (gains)	(238)	(875)
Equity in earnings of affiliates	(2,479)	(2,026)
Loss (gain) on valuation of investment securities	137	-
Loss (gain) on sales of property, plant and equipment	(720)	(191)
Loss on disposal of property, plant and equipment	2,015	1,685
Head office relocation expenses	-	963
Gain on negative goodwill	(74)	-
Decrease (increase) in trade receivables and contract assets	(25,575)	2,161
Decrease (increase) in inventories	(61,622)	5,162
Increase (decrease) in trade payables	3,094	(4,949)
Other, net	(15,109)	(3,136)
Subtotal	29,581	134,233
Interest and dividends received	3,058	4,165
Interest paid	(1,438)	(2,238)
Income taxes paid	(47,440)	(19,185)
Net cash provided by operating activities	(16,239)	116,974
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(79,621)	(58,713)
Proceeds from sales of property, plant and equipment	1,706	456
Purchase of investment securities	(568)	(163)
Proceeds from sales and redemption of investment securities	3,220	493
Payments for advances of long-term loans receivable	(1,761)	(2,995)
Proceeds from collections of long-term loans receivable	2,094	3,021
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	150	-
Other, net	(3,950)	(2,042)
Net cash used in investing activities	(78,729)	(59,943)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	84,574	(9,902)
Proceeds from long-term borrowings	8,691	16,527
Repayments of long-term borrowings	(10,322)	(9,751)
Cash dividends paid	(28,595)	(25,431)
Dividends paid to non-controlling interests	(1,447)	(1,928)
Other, net	(2,728)	(735)
Net cash used in financing activities	50,171	(31,221)
Effect of exchange rate changes on cash and cash equivalents	3,407	3,739
Net increase (decrease) in cash and cash equivalents	(41,390)	29,548
Cash and cash equivalents at beginning of year	160,812	119,421
Cash and cash equivalents at end of year	119,421	148,970

(5) Notes to Consolidated Financial Statements

(Notes on Assumption of Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information)

[Segment Information]

1. Summary of Reported Segments

Our reported segments are defined as individual units, where separate financial information is available and which are subject to regular review by the Board of Directors to evaluate their results and the allocation of management resources.

The Company has business sectors based on products and services at our headquarters, and each business sector develops comprehensive domestic and overseas strategies for the products and services it handles and conducts business activities.

Accordingly, we consist of segments by product and service based on business sector, and have four reported segments, Petrochemical, Chlor-alkali, Specialty and Engineering.

Operations of the Petrochemical segment include the manufacture and sale of olefin products such as ethylene and propylene, low-density polyethylene, high-density polyethylene, resin processed products, and functional polymers. Operations of the Chlor-alkali segment include the manufacture and sale of caustic soda, vinyl chloride monomer, polyvinyl chloride resin, inorganic and organic chemicals, cement, and urethane raw materials. Operations of the Specialty segment include the manufacture and sale of inorganic and organic fine products, separation and diagnostic products, electronic materials (silica glass, sputtering targets), and functional materials. Operations of the Engineering segment include the manufacture and sale of water treatment systems and businesses of construction and repairs.

2. Calculation method of Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reported Segment

The accounting methods applied for the reported business segment are in accordance with the accounting policies adopted to prepare the consolidated financial statements.

The reported segment income is based on operating income. Inter-segment sales and transfers are mainly based on market prices and manufacturing costs.

3. Information on Net Sales, Income (Loss), Assets, Liabilities and Other Items

I For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Million yen)

	Petrochemical	Chlor-alkali	Specialty	Engineering	Other (1)	Total	Adjustments	Figures in consolidated statements (2)
Net sales								
External customers	206,101	406,388	270,795	138,113	42,977	1,064,376	—	1,064,376
Inter-segment	149,177	55,711	23,649	27,539	63,280	319,356	(319,356)	—
Total	355,278	462,100	294,444	165,652	106,257	1,383,733	(319,356)	1,064,376
Segment income (loss)	12,115	(10,661)	52,316	17,962	2,873	74,606	—	74,606
Segment assets	170,866	329,744	345,945	179,714	55,894	1,082,164	112,086	1,194,251
Depreciation and amortization	6,097	12,271	16,096	1,951	3,129	39,546	1,037	40,583
Amortization of goodwill	—	—	123	—	—	123	—	123
Investment for affiliates	1,075	11,089	7,859	2,807	1,733	24,565	—	24,565
Capital expenditures	6,334	24,160	41,973	1,547	3,749	77,765	1,474	79,239

Notes (1) "Other" is an additional category for service-related business, such as transportation and warehousing, inspection and analysis, and information processing.

(2) Segment income is equal to operating income of consolidated statements of income.

(3) Segment assets are equal to the total assets on the consolidated balance sheets.

(4) Adjustments amount of ¥112.086 billion for segment assets mainly consists of surplus operating funds (cash and deposits), long-term investment funds (investment securities) and assets, etc. related to the administrative divisions of the parent company.

II For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Million yen)

	Petrochemical	Chlor-alkali	Specialty	Engineering	Other (1)	Total	Adjustments	Figures in consolidated statements (2)
Net sales								
External customers	183,615	359,508	259,642	156,972	45,901	1,005,640	—	1,005,640
Inter-segment	132,215	46,002	21,508	15,748	64,760	280,236	(280,236)	—
Total	315,830	405,510	281,150	172,721	110,662	1,285,876	(280,236)	1,005,640
Segment income	10,730	3,591	37,904	24,722	2,896	79,845	—	79,845
Segment assets	169,893	340,022	376,160	198,768	60,972	1,145,817	144,131	1,289,949
Depreciation and amortization	6,080	11,263	18,503	2,119	3,330	41,297	1,429	42,726
Amortization of goodwill	—	—	132	—	—	132	—	132
Investment for affiliates	1,104	11,676	8,197	3,030	1,854	25,863	—	25,863
Capital expenditures	5,189	17,282	29,299	2,512	3,363	57,648	3,770	61,418

Notes (1) "Other" is an additional category for service-related business, such as transportation and warehousing, inspection and analysis, and information processing.

(2) Segment income is equal to operating income of consolidated statements of income.

(3) Segment assets are equal to the total assets on the consolidated balance sheets.

(4) Adjustments amount of ¥144.131 billion for segment assets mainly consists of surplus operating funds (cash and deposits), long-term investment funds (investment securities) and assets, etc. related to the administrative divisions of the parent company.

[Related Information]

For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

1. Information by Product and Service

This information is omitted because the same information is disclosed in Segment Information.

2. Information by Region

(1) Net sales

(Million yen)

Japan	China	Other Asian countries	Other	Total
521,260	160,555	226,927	155,632	1,064,376

(Note)Net sales are classified by countries or region based on locations of customers.

(2) Property, plant and equipment

(Million yen)

Japan	Other	Total
306,359	51,585	357,944

3. Information by Major Customer

This information is omitted because there are no external customers that account for 10% or more of net sales in the consolidated statements of income.

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

1. Information by Product and Service

This information is omitted because the same information is disclosed in Segment Information.

2. Information by Region

(1) Net sales

(Million yen)

Japan	China	Other Asian countries	Other	Total
503,604	155,631	202,816	143,588	1,005,640

(Note)Net sales are classified by countries or region based on locations of customers.

(2) Property, plant and equipment

(Million yen)

Japan	Other	Total
314,622	64,879	379,501

3. Information by Major Customer

This information is omitted because there are no external customers that account for 10% or more of net sales in the consolidated statements of income.

[Information about Impairment Loss of Fixed Assets by Reported Segments]

For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Million yen)

	Petrochemical	Chlor-alkali	Specialty	Engineering	Other	Total	Adjustments	Figures in consolidated statements
Impairment loss	35	8,038	378	—	—	8,453	(140)	8,312

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Million yen)

	Petrochemical	Chlor-alkali	Specialty	Engineering	Other	Total	Adjustments	Figures in consolidated statements
Impairment loss	0	120	1	—	—	121	—	121

[Information about Unamortized Balance of Goodwill by Reported Segments]

For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Million yen)

	Petrochemical	Chlor-alkali	Specialty	Engineering	Other	Total	Adjustments	Figures in consolidated statements
Unamortized balance of goodwill	—	—	1,089	—	—	1,089	—	1,089

(Note)The amortization of goodwill is omitted because the same information is disclosed in the segment information.

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Million yen)

	Petrochemical	Chlor-alkali	Specialty	Engineering	Other	Total	Adjustments	Figures in consolidated statements
Unamortized balance of goodwill	—	—	1,023	—	—	1,023	—	1,023

(Note)The amortization of goodwill is omitted because the same information is disclosed in the segment information.

[Information about Gain on Negative Goodwill by Reported Segments]

For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

Information is omitted due to immateriality.

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

Not applicable.

(Per Share Information)

Fiscal year ended March 31,2023 (From April 1, 2022 to March 31, 2023)		Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)	
Net assets per share (Yen)	2,321.17	Net assets per share (Yen)	2,495.23
Basic earnings per share (Yen)	158.14	Basic earnings per share (Yen)	180.07
Diluted earnings per share (Yen)	158.09	Diluted earnings per share (Yen)	180.04

(Note) Basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended March 31,2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	50,335	57,324
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of parent related to common stock (Million yen)	50,335	57,324
Average number of common shares outstanding during the period (Thousands of shares)	318,288	318,346
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Million yen)	—	—
Increase in the number of common shares (Thousands of shares)	107	47
(Stock acquisition rights (Thousands of shares))	(107)	(47)
Summary of potentially dilutive shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—	—

(Material Subsequent Events)

Not applicable.

4. Additional information

Summary of Consolidated Operating Results for the Fiscal Year ended March 31, 2024

May 13, 2024

TOSOH CORPORATION

(Note) Amounts less than 0.1 billion yen are rounded off

(1) Operating Results

(Billion yen)

	Fiscal year ended March 31, 2023 (4.1.22–3.31.23) (Actual)	Fiscal year ended March 31, 2024 (4.1.23–3.31.24) (Actual)	Change	Fiscal year ended March 31, 2025 (4.1.24–3.31.25) (Forecast)
Net sales	1,064.4	1,005.6	(58.7)	1,090.0
Operating income	74.6	79.8	5.2	100.0
Ordinary income	90.0	95.9	5.9	98.0
Profit attributable to owners of parent	50.3	57.3	7.0	59.0
Basic earnings per share (¥)	158.14	180.07	21.93	185.29

(2) Business and Financial Fundamentals

(Billion yen)

	Fiscal year ended March 31, 2023 (4.1.22–3.31.23) (Actual)	Fiscal year ended March 31, 2024 (4.1.23–3.31.24) (Actual)	Change	Fiscal year ended March 31, 2025 (4.1.24–3.31.25) (Forecast)
Exchange rate (¥/US\$) Average TTM	135.5	144.6	9.1	145.0
Exchange rate (¥/EUR) Average TTM	141.0	156.8	15.8	158.0
Domestic standard naphtha price (¥/kl)	76,625	69,100	(7,525)	75,000
Capital expenditures	79.2	61.4	(17.8)	84.0
Depreciation and amortization	40.6	42.7	2.1	48.0
R&D expenses	21.4	22.0	0.6	24.0
Interest-bearing liabilities	183.0	183.1	0.2	223.0
Net financial income/expenses	1.2	0.5	(0.7)	(1.0)
Equity ratio (%)	61.9	61.6	(0.3)	59.0
Number of employees	14,266	14,394	128	14,900

(Note) Interest-bearing liabilities includes lease obligations

(3) 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

(4) Net Sales and Operating Income (Loss) by Business Segment

(Billion yen)

		Fiscal year ended March 31, 2023 (4.1.22-3.31.23) (Actual)	Fiscal year ended March 31, 2024 (4.1.23-3.31.24) (Actual)	Change	Breakdown of change			
					Volume effect	Price effect	Terms of trade	Fixed costs,etc.
Petrochemical	Net sales	206.1	183.6	(22.5)	(11.8)	(10.7)	-	-
	Operating income	12.1	10.7	(1.4)	(4.1)	-	11.8	(9.0)
Chlor-alkali	Net sales	406.4	359.5	(46.9)	(12.8)	(34.1)	-	-
	Operating income(loss)	(10.7)	3.6	14.3	(4.4)	-	27.6	(9.0)
Specialty	Net sales	270.8	259.6	(11.2)	(12.5)	1.3	-	-
	Operating income	52.3	37.9	(14.4)	(9.0)	-	11.7	(17.1)
Engineering	Net sales	138.1	157.0	18.9	17.6	1.3	-	-
	Operating income	18.0	24.7	6.8	6.8	-	0.0	0.0
Other	Net sales	43.0	45.9	2.9	0.6	2.3	-	-
	Operating income	2.9	2.9	0.0	0.0	-	0.0	0.0
Total	Net sales	1,064.4	1,005.6	(58.7)	(18.9)	(39.8)	-	-
	Operating income	74.6	79.8	5.2	(10.8)	-	51.1	(35.1)

(Billion yen)

		Fiscal year ended March 31, 2024 (4.1.23-3.31.24) (Actual)	Fiscal year ended March 31, 2025 (4.1.24-3.31.25) (Forecast)	Change	Half-yearly	
					First half of fiscal year ended March 31, 2025	Second half of fiscal year ended March 31, 2025
Petrochemical	Net sales	183.6	217.7	34.1	104.1	113.6
	Operating income	10.7	14.6	3.8	6.6	7.9
Chlor-alkali	Net sales	359.5	385.0	25.5	189.2	195.8
	Operating income	3.6	16.1	12.6	4.7	11.4
Specialty	Net sales	259.6	278.4	18.8	131.6	146.8
	Operating income	37.9	41.5	3.6	18.9	22.7
Engineering	Net sales	157.0	160.9	3.9	72.6	88.3
	Operating income	24.7	24.9	0.2	9.5	15.5
Other	Net sales	45.9	48.0	2.1	22.5	25.5
	Operating income	2.9	2.8	(0.1)	1.3	1.5
Total	Net sales	1,005.6	1,090.0	84.4	520.0	570.0
	Operating income	79.8	100.0	20.2	41.0	59.0