



TOSOH

# Financial Results for 1Q FY2026

(April 1, 2025 – June 30, 2025)

TOSOH CORPORATION

August 5, 2025



TOSOH

## **<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 2026 fiscal year covers the period from April 1, 2025, to March 31, 2026.

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# 1Q FY2026 Financial Results



# Financial Highlights

(Billion yen)

	FY2025 1Q	FY2026 1Q	Change	
Net sales	252.9	<b>245.1</b>	-7.7	
Operating income	19.8	<b>16.1</b>	-3.7	
Ordinary income	27.4	<b>14.1</b>	-13.3	
Income attributable to owners of parent	16.2	<b>6.5</b>	-9.7	
Exchange rate [Average TTM]	(¥/US\$)	155.9	<b>144.6</b>	-11.3
	(¥/EUR)	167.9	<b>163.8</b>	-4.0
Domestic naphtha price	(¥/KL)	79,000	<b>65,300</b>	-13,700
Benzene	(US\$/ton)	1,050	<b>728</b>	-322
P V C	(US\$/ton)	773	<b>657</b>	-116
V C M	(US\$/ton)	624	<b>536</b>	-88
Caustic soda	(US\$/ton)	458	<b>455</b>	-3
M D I (Monomeric)	(US\$/ton)	2,008	<b>1,786</b>	-222
M D I (Polymeric)	(US\$/ton)	1,748	<b>1,847</b>	99

# Scope of Consolidation • Key Indicators

## Scope of Consolidation

(Number of companies)

	FY2025 1Q	FY2026 1Q	Change	
Consolidated subsidiaries	91	<b>90</b>	-1	- : Tosoh Vietnam Polyurethane Co., Ltd (CA) PT Lautan Organo Water (ENG) Kyoei Mercantile Co., Ltd (OTH)
Equity-method affiliates	14	<b>15</b>	1	+ : PT Lautan Organo Water (ENG)
Total	105	<b>105</b>	-	

CA : Chlor-alkali Group ENG : Engineering Group OTH : Other Group

## Key Indicators

(Billion yen)

	FY2025 1Q	FY2026 1Q	Change
Capital expenditures	23.0	<b>25.8</b>	2.8
Depreciation	10.7	<b>11.5</b>	0.8
R&D expenses	5.6	<b>6.0</b>	0.5
Interest-bearing liabilities	199.6	<b>197.3</b>	-2.3
Net Financial income/expenses	0.2	<b>0.4</b>	0.1
Equity ratio (%)	61.2	<b>62.0</b>	0.8
Number of employees	14,664	<b>14,877</b>	213

(Note) Interest-bearing liabilities includes lease obligations

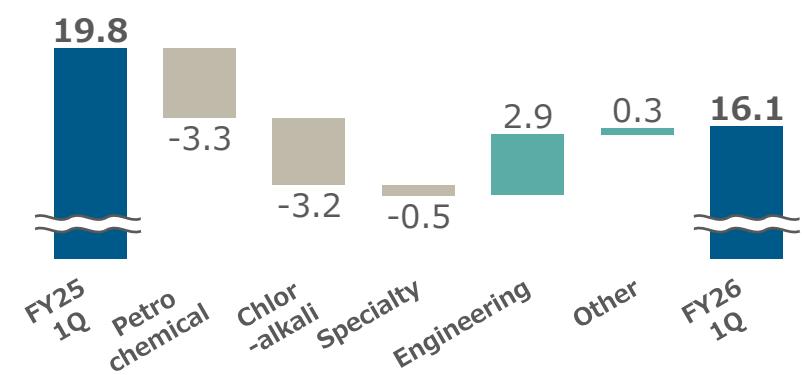
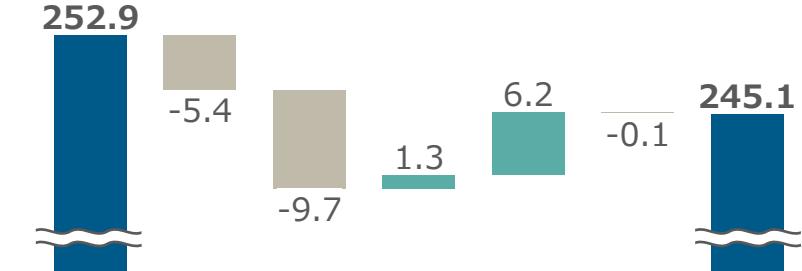
# Net sales and Operating income by Business Segment

(Billion yen)

	Net sales			Breakdown of change		
	FY2025 1Q	FY2026 1Q	Change	Volume	Price	FOREX rate
Petrochemical	50.5	<b>45.1</b>	-5.4	0.5	-5.9	-0.8
Chlor-alkali	91.7	<b>82.1</b>	-9.7	-8.6	-1.0	-0.8
Specialty	66.4	<b>67.7</b>	1.3	1.6	-0.3	0.2
Engineering	32.9	<b>39.1</b>	6.2	6.3	-0.1	-0.1
Other	11.3	<b>11.1</b>	-0.1	-0.2	0.1	0.0
<b>Total</b>	<b>252.9</b>	<b>245.1</b>	-7.7	-0.5	-7.3	-1.4

(Billion yen)

	Operating income(loss)			Breakdown of change		
	FY2025 1Q	FY2026 1Q	Change	Volume	Terms of trade	Fixed costs, etc.
Petrochemical	3.3	<b>0.0</b>	-3.3	-0.6	0.8	-3.5
Chlor-alkali	1.3	<b>-1.9</b>	-3.2	-2.7	3.4	-3.8
Specialty	10.0	<b>9.5</b>	-0.5	1.3	0.0	-1.8
Engineering	4.7	<b>7.6</b>	2.9	2.9	0.0	0.0
Other	0.6	<b>0.9</b>	0.3	0.3	0.0	0.0
<b>Total</b>	<b>19.8</b>	<b>16.1</b>	-3.7	1.2	4.2	-9.1

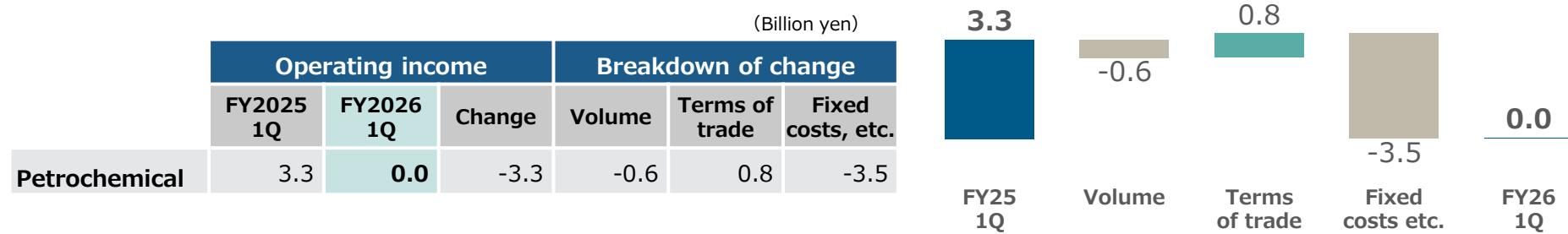
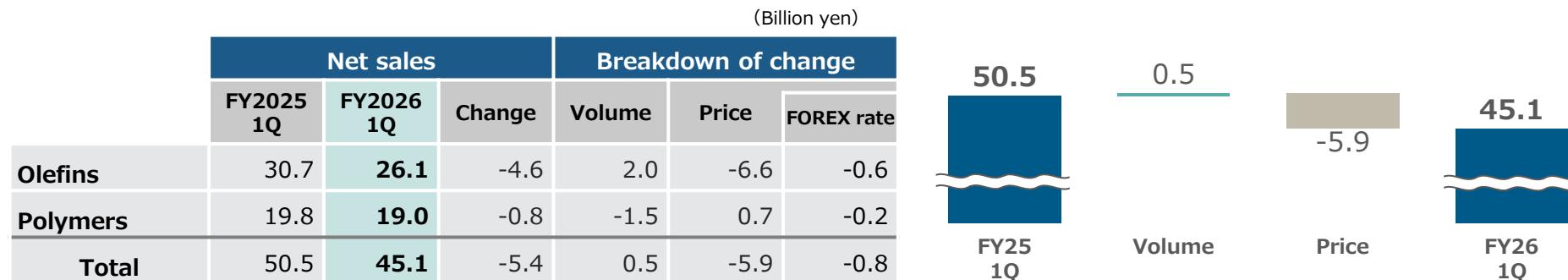


Operating income		
FY2025 1Q	FY2026 1Q	Change
Chemical Chain Business	7.1	<b>0.8</b>
Advanced Technologies Business(*)	11.5	<b>13.8</b>
Other	1.2	<b>1.5</b>
<b>Total</b>	<b>19.8</b>	<b>16.1</b>
		-3.7

\*Advanced Technologies Business = Bioscience + Advanced Materials + Water Treatment



# Business Performance – Petrochemical



## <Olefins>

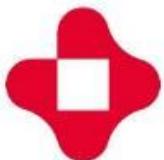
- Ethylene, propylene, and cumene production increased due to the Yokkaichi Complex not undergoing scheduled maintenance this year.
- Ethylene shipments decreased owing to lower demand within the complex.
- Cumene shipments decreased due to lower demand.
- Selling prices for ethylene and propylene declined due to lower naphtha prices.
- Selling prices for cumene also declined due to deteriorating market conditions overseas.

## <Polymers>

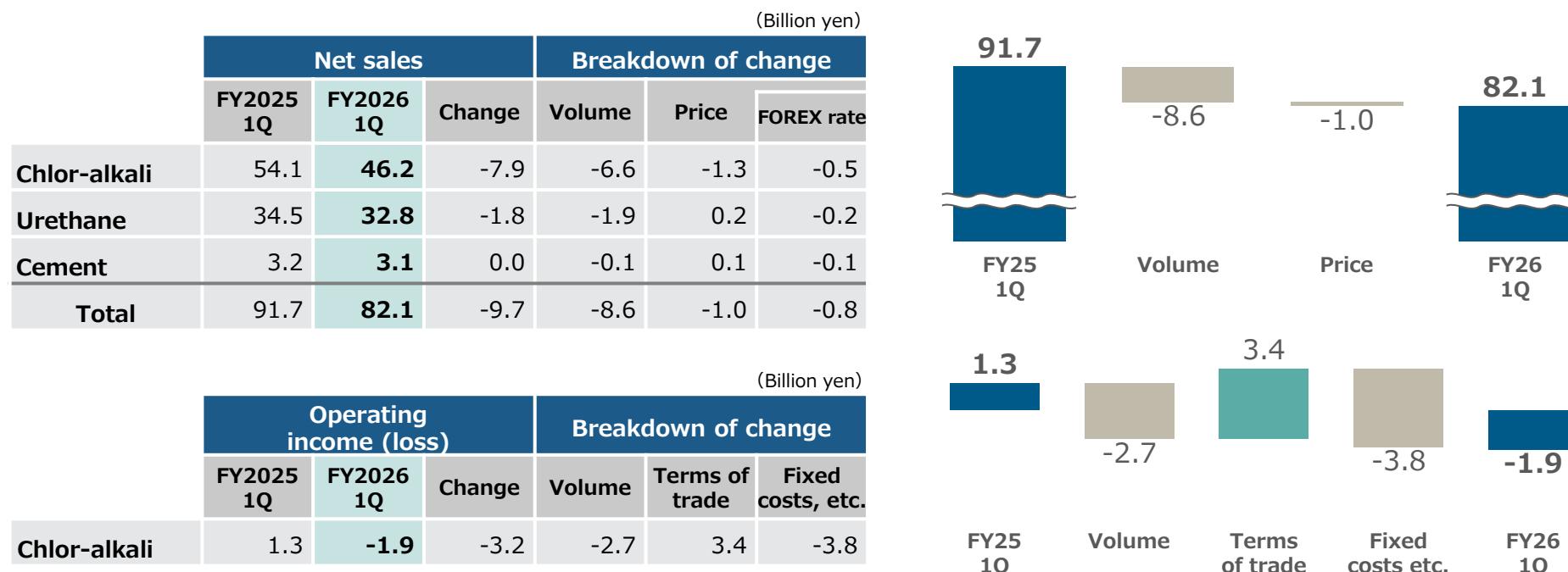
- Polyethylene resin shipments decreased due to slow recovery in domestic demand, but selling prices increased.
- Exports also decreased due to a downturn in overseas market conditions for EVA resin.
- Chloroprene rubber shipments decreased due to sluggish demand in some regions, but selling prices increased.

## <Operating Income>

- Operating income decreased due to unfavorable inventory fluctuations and the effect of the lower of cost or market method, despite improved terms of trade for polyethylene resin.



# Business Performance – Chlor-alkali



## <Chlor-alkali>

- Caustic soda shipments decreased due to lower production volume from scheduled maintenance at the Nanyo Complex, but export prices increased as overseas market conditions improved.
- Vinyl chloride monomer shipments also decreased due to lower production volume from scheduled maintenance at the Nanyo Complex.
- Polyvinyl chloride (PVC) resin shipments were unchanged year-on-year. Selling prices of PVC products for overseas markets declined due to weaker overseas market conditions.

## <Urethane>

- Methylene diphenyl diisocyanate (MDI) shipments decreased due to lower production volume during scheduled maintenance at the Nanyo Complex.
- Market conditions for hexamethylene diisocyanate (HDI) hardeners declined and shipments decreased, reflecting sluggish global demand.

## <Cement>

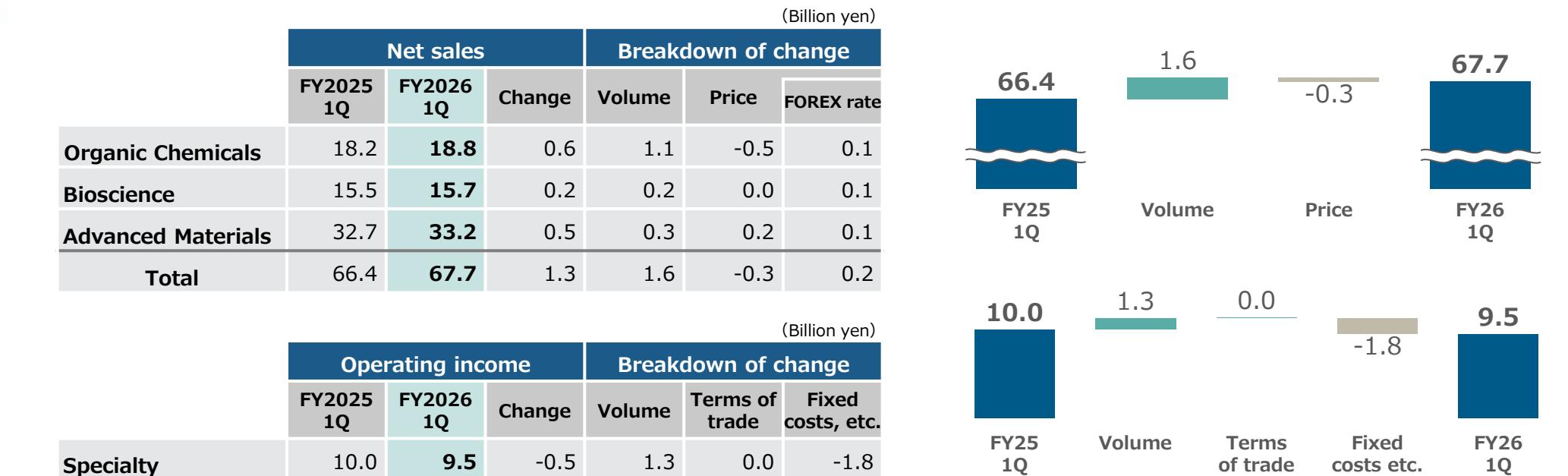
- Cement shipments decreased due to weak demand, despite an increase in domestic selling prices.

## <Operating Income>

- Operating income decreased due to unfavorable inventory fluctuations and a decrease in shipments, despite improved terms of trade for caustic soda and MDI backed by lower prices in raw materials and fuels.



# Business Performance – Specialty



<Organic Chemicals>

- Ethyleneamine shipments increased in Asia, but selling prices declined due to weaker overseas market conditions and the impact of exchange rates.

<Bioscience>

- Among separation-related products, shipments of liquid chromatography packing media for Europe decreased, while shipments for the United States and Asia increased.
- In diagnostic-related products, shipments of in vitro diagnostic pharmaceuticals decreased, mainly to China.

<Advanced Materials>

- High-silica zeolite (HSZ) shipments for automotive applications decreased in both the domestic and European markets.
- Shipments of zirconia decreased for dental applications in North America and decorative applications in Europe, but selling prices increased due to differences in the product mix.
- Silica glass shipments for LCD (liquid crystal display) applications increased as the reduction in production volume caused by an accident in the same period of the previous year was resolved. Shipments for semiconductor applications also increased for North America and Taiwan.
- Sputtering target shipments increased overseas, but selling prices declined because of such factors as changes in the product mix.
- Electrolytic manganese dioxide shipments increased in Europe but decreased in Asia, resulting in an overall decline in shipments.

<Operating Income>

- Operating income decreased due to unfavorable inventory fluctuations and increased fixed costs, despite increased shipments of ethyleneamine and other products.



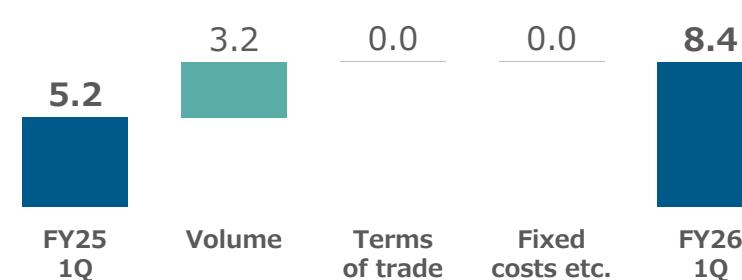
# Business Performance – Engineering/Other

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	(Billion yen)						
	Net sales			Breakdown of change			FOREX rate
	FY2025 1Q	FY2026 1Q	Change	Volume	Price		
<b>Engineering</b>	32.9	<b>39.1</b>	6.2	6.3	-0.1	-0.1	
<b>Other</b>	11.3	<b>11.1</b>	-0.1	-0.2	0.1	0.0	
<b>Total</b>	44.1	<b>50.2</b>	6.1	6.1	0.0	-0.1	



	(Billion yen)						
	Operating income			Breakdown of change			Fixed costs, etc.
	FY2025 1Q	FY2026 1Q	Change	Volume	Terms of trade		
<b>Engineering</b>	4.7	<b>7.6</b>	2.9	2.9	0.0	0.0	
<b>Other</b>	0.6	<b>0.9</b>	0.3	0.3	0.0	0.0	
<b>Total</b>	5.2	<b>8.4</b>	3.2	3.2	0.0	0.0	



## <Engineering>

- The Group's water treatment engineering business increased its net sales as a result of steady progress in the construction of semiconductor-related plant projects ordered in previous years in the electronics industry in Japan and Taiwan.
- Favorable sales of service solutions, such as equipment ownership and maintenance services, contributed to net sales.
- Sales at the Engineering Group's construction subsidiaries remained essentially unchanged from the previous year.

## <Other>

- Sales decreased at various operating companies, including transportation and warehousing, inspection and analysis, and information processing.

## <Operating Income>

- Operating income was up due to increased sales in the water treatment engineering business.

# Non-operating income/expenses, Extraordinary income/losses

(Billion yen)

	FY2025 1Q	FY2026 1Q	Change
<b>Operating income</b>	19.8	<b>16.1</b>	-3.7
Net Financial income/expenses	0.2	<b>0.4</b>	0.1
Foreign exchange gains/losses	6.3	<b>-3.2</b>	-9.4
Share of profit of entities accounted for using equity method	0.6	<b>0.6</b>	-0.1
Other, net	0.4	<b>0.3</b>	-0.2
<b>Non-operating income/expenses</b>	7.5	<b>-2.0</b>	-9.5
<b>Ordinary income</b>	27.4	<b>14.1</b>	-13.3
Loss on sales of non-current assets	-0.1	<b>0.0</b>	0.1
Loss on retirement of non-current assets	-0.7	<b>-0.5</b>	0.3
Gain on sale of investment securities	0.0	<b>1.6</b>	1.6
Other, net	0.0	<b>0.1</b>	0.1
<b>Extraordinary income/losses</b>	-0.7	<b>1.2</b>	2.0
Income taxes	-9.1	<b>-6.5</b>	2.6
Income attributable to non-controlling interests	-1.3	<b>-2.3</b>	-1.0
<b>Income attributable to owners of parent</b>	16.2	<b>6.5</b>	-9.7

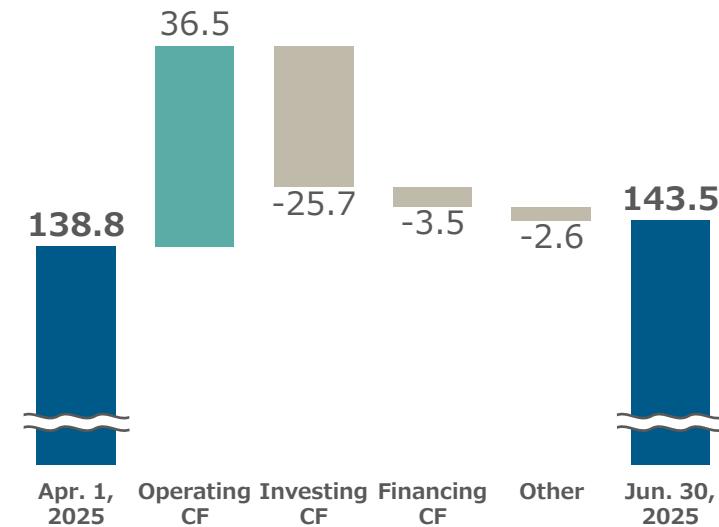
# Consolidated Balance Sheets

				(Billion yen)
	Mar. 31, 2025	Jun. 30, 2025	Change	
<b>Assets</b>	1,327.3	<b>1,309.8</b>	-17.5	
Cash and deposits	141.5	<b>146.2</b>	4.7	
Notes and accounts receivable, etc.	295.9	<b>277.4</b>	-18.5	
Inventories	247.8	<b>245.1</b>	-2.8	
Other current assets	69.1	<b>59.0</b>	-10.1	
Tangible and intangible fixed assets	431.7	<b>441.8</b>	10.0	
Investment securities	70.1	<b>69.2</b>	-1.0	
Other non-current assets	71.1	<b>71.2</b>	0.2	
<b>Total assets</b>	1,327.3	<b>1,309.8</b>	-17.5	
<b>Liabilities</b>				
Notes and accounts payable, etc.		117.5	<b>102.0</b>	-15.5
Interest-bearing liabilities		185.8	<b>197.3</b>	11.5
Provisions, etc.		121.6	<b>124.9</b>	3.3
<b>Net assets</b>		902.4	<b>885.6</b>	-16.8
Share capital		55.2	<b>55.2</b>	—
Capital surplus		44.3	<b>44.4</b>	0.0
Retained earnings, etc.		727.6	<b>712.1</b>	-15.5
Non-controlling interests		75.3	<b>74.0</b>	-1.4
<b>Total liabilities and net assets</b>		1,327.3	<b>1,309.8</b>	-17.5

(Note) Interest-bearing liabilities includes lease obligations

# Consolidated Statements of Cash Flows

		(Billion yen)		
		FY2025 1Q	FY2026 1Q	Change
Operating CF	Income before income taxes	26.6	<b>15.3</b>	-11.3
	Depreciation	11.2	<b>12.0</b>	0.8
	Income taxes paid	-16.1	<b>-8.2</b>	7.9
	Other, net	1.3	<b>17.3</b>	16.0
	Total	23.0	<b>36.5</b>	13.5
Investing CF		-25.9	<b>-25.7</b>	0.1
Free cash flows		-2.8	<b>10.8</b>	13.6
Financing CF	Borrowings	13.3	<b>15.0</b>	1.6
	Dividends paid	-14.3	<b>-15.9</b>	-1.6
	Other, net	-1.8	<b>-2.5</b>	-0.7
	Total	-2.8	<b>-3.5</b>	-0.7
Effect of exchange rate change, etc.		3.5	<b>-2.6</b>	-6.1
Net increase (decrease)		-2.2	<b>4.7</b>	6.9
Cash and cash equivalents at beginning of period		149.0	<b>138.8</b>	-10.1
Cash and cash equivalents at end of period		146.8	<b>143.5</b>	-3.3





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# FY2026 Forecasts

# Financial Highlights

※Forecasts announced on May 13, 2025 remains unchanged

		FY2025	FY2026 (Forecast)	Change	(Billion yen)	FY2026 1Q
Net sales		1,063.4	<b>1,050.0</b>	-13.4		245.1
Operating income		98.9	<b>108.0</b>	9.1		16.1
Ordinary income		103.0	<b>106.0</b>	3.0		14.1
Income attributable to owners of parent		58.0	<b>62.0</b>	4.0		6.5
Exchange rate [Average TTM]	(¥/US\$)	152.6	<b>140.0</b>	-12.6		144.6
	(¥/EUR)	163.9	<b>160.0</b>	-3.9		163.8
Domestic naphtha price	(¥/KL)	75,625	<b>61,000</b>	-14,625		65,300
Benzene	(US\$/ton)	953	<b>750~900</b>	-		728
PVC	(US\$/ton)	745	<b>600~750</b>	-		657
VCM	(US\$/ton)	595	<b>450~600</b>	-		536
Caustic soda	(US\$/ton)	479	<b>400~550</b>	-		455
MDI (Monomeric)	(US\$/ton)	1,930	<b>1,800~2,000</b>	-		1,786
MDI (Polymeric)	(US\$/ton)	1,893	<b>1,800~2,000</b>	-		1,847

# Financial Highlights (since FY2022)

		(Billion yen)				
		FY2022	FY2023	FY2024	FY2025	FY2026 (Forecast)
Net sales		918.6	1,064.4	1,005.6	1,063.4	<b>1,050.0</b>
Operating income		144.0	74.6	79.8	98.9	<b>108.0</b>
Ordinary income		160.5	90.0	95.9	103.0	<b>106.0</b>
Income attributable to owners of parent		107.9	50.3	57.3	58.0	<b>62.0</b>
Exchange rate [Average TTM]	(¥/US\$)	112.4	135.5	144.6	152.6	<b>140.0</b>
	(¥/EUR)	130.6	141.0	156.8	163.9	<b>160.0</b>
Domestic naphtha price	(¥/KL)	56,625	76,625	69,100	75,625	<b>61,000</b>
Benzene	(US\$/ton)	994	994	914	953	<b>750~900</b>
P V C	(US\$/ton)	1,373	965	777	745	<b>600~750</b>
V C M	(US\$/ton)	1,208	835	643	595	<b>450~600</b>
Caustic soda	(US\$/ton)	515	636	412	479	<b>400~550</b>
M D I (Monomeric)	(US\$/ton)	2,585	2,260	2,012	1,930	<b>1,800~2,000</b>
M D I (Polymeric)	(US\$/ton)	2,466	2,074	1,668	1,893	<b>1,800~2,000</b>



# Shareholder Returns

## Shareholder Return Policy: FY 2026–2028

- Annual dividend of 100 yen per share (minimum), and if the dividend payout ratio is less than 50%, the total return ratio will be increased to 50% through share buybacks
- 50 billion yen in share buybacks over three years as additional shareholder returns

		FY2024	FY2025	FY2026 (Forecast)
Dividends (Yen)	Interim	40.00	50.00	<b>50.00</b>
	Year-end	45.00	50.00	<b>50.00</b>
	<b>Total Dividends</b>	85.00	100.00	<b>100.00</b>
<b>Basic earnings per share (Yen)</b>		180.07	182.13	<b>194.66</b>
<b>Payout ratio (%)</b>		47.2	54.9	<b>51.4</b>

<FY 2026>

- Annual dividends (Forecast): 100 yen per share
- Acquisition of Own Shares: Up to 25.0 billion yen
- ※Forecasts announced on May 13, 2025 remains unchanged