



NEWS RELEASE

February 6, 2008

Tosoh Announces 3Q Consolidated Results FY2007 (April 1, 2007 – December 31, 2007)

Tokyo, Japan – Tosoh Corporation announced consolidated results for the third quarter of the fiscal year, ending March 31, 2008. The Company reported net sales growth of 6.4% over the first three quarters of the previous fiscal year to JPY 607.4 billion (US\$6,934 million)¹. Operating income increased 14.8% to JPY 45.7 billion (US\$521.6 million) and ordinary income also increased 7.8% to JPY 43.7 billion (US\$498.8 million). As a result of this growth, net income moved up 8.9% to JPY 22.9 billion (US\$261.4 million).

Corporate profits continue to be supported by an improving domestic economy combined with increasing capital investment and growing exports. Nevertheless, there is concern over the undetermined impact on the global economy from the rapid increase in the price of naphtha and the cost of raw materials. This situation combined with a significant slowing down of the U.S. economy and the growing number of foreclosures in the sub-prime mortgage markets is obscuring the future and creating apprehensiveness about economic conditions.

The chemical industry continues to be under pressure due to the impact of record high oils prices that are resulting in steep increases for feedstocks such as naphtha. Fortunately demand for petrochemical products remained strong and positive results were attributed to the growth in sales abroad for Tosoh core products such as, polyvinyl chloride resins and urethane materials, implementation of domestic price adjustments, and expansion of specialty material operations.

Business segment

Petrochemical Group

Net sales this period were up 13.6% (¥24.4 billion) from the previous year to ¥204.7 billion (US\$2,337 million), while operating income increased 26.7% (¥2.4 billion) from last year to ¥11.8 billion (US\$134.6 million).

Olefin products faced high prices across the board for raw materials, especially naphtha. Under these conditions, Tosoh pushed forward by implementing domestic price increases for ethylene, propylene, and aromatic compounds, while initiating cost cutting through the diversification of raw materials. Additionally markets abroad grew for cumene and styrene monomer.

In Japan polyethylene shipments increased and price adjustments were implemented to reflect the high cost of naphtha. Also domestically, price increases for polyvinyl chloride (PVC) paste were successful, while overseas markets for chloroprene rubber showed growth.

Basic Group

Basic Group sales were up 0.3% (¥0.49 billion) from the previous year to ¥145.9 billion (US\$1,665 million). As a result of the increase for feedstocks, operating income decreased 30.5% (¥1.07 billion) from last year to ¥2.4 billion (US\$27.3 million).

The impact on caustic soda from a power failure that occurred at the Tosoh main production hub, Nanyo

¹ For reference purposes, U.S. dollar amounts are translated from yen at the rate of ¥114.15 = US\$1, the exchange rate in effect on December 31, 2007.

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Complex was partially offset by a capacity expansion and an increase in shipment volumes for export. In response to rising costs for raw materials, price adjustments were implemented in Japan and overseas markets showed growth. Shipment volumes of vinyl chloride monomer (VCM) decreased as a result of the power failure, while markets abroad experienced growth. Shipments of PVC resins increased abroad, while a decrease in Japan was attributed to stagnant demand. The high cost of fuels resulted in price increases for PVC resins in Japan and abroad. Cement shipments decreased in Japan on account of a decline in public demand and implementation of the Revised Building Standard Law.

Specialty Group

Sales of the Specialty Group increased 4.7% (¥9.9 billion) to ¥220.6 billion (US\$2,518 million), while operating income advanced 15.8% (¥3.9 billion) to ¥29 billion (US\$331 million).

Overseas and domestic shipments were strong for bromines and bromine-based flame retardants. Price increases were successfully implemented for ethyleneamines, bromine, and heavy metal treatment agents in Japan and abroad.

In bioscience-related products, overseas and domestic shipments of liquid chromatography columns and packing materials grew. Among diagnostic products, shipments of automated immunoassay analyzers and in vitro diagnostic reagents increased both at home and abroad, while shipments of automated glycohemoglobin analyzers and reagents used in screening for and monitoring diabetes mellitus increased solidly.

Zirconia product shipments rose in Japan and abroad on account of growing demand. In battery material markets, excluding Europe, shipments of electrolytic manganese dioxide (EMD) increased.

Overseas shipments of fused silica glass decreased due to motivation decline of device makers to invest caused a sharp drop in DRAM prices. Sputtering targets for semiconductor applications remained robust, while a lackluster demand for LCD panels resulted in a decrease in shipments.

Sales of water treatment facilities and related chemicals to electronic and general industrial plants, as well as to pharmaceutical sector decreased.

Urethane raw material shipments increased as a result of successful price adjustments in Japan combined with rising prices in foreign markets.

Service Group

Sales of the Service Group increased 4.6% (¥1.6 billion) from the previous year to ¥36 billion (US\$410.9 million), while operating income also increased 27.5% (¥535 million), to ¥2.5 billion (US\$28.5 million). In sales, both trading and logistics companies posted gains, while construction related subsidiaries reported decreases.

Summary of 3Q results and comparison with previous fiscal year

3Q Consolidated Results FY2007 (April 1, 2007 – December 31, 2007)

	Net Sales		Operating Income		Ordinary Income*	
	JPY millions	%**	JPY millions	%	JPY millions	%
FY07 - 04.01.07-12.31.07	607,448	6.4	45,760	14.8	43,714	7.8
FY06 - 04.01.06-12.31.06	570,914	21.5	39,850	13.4	40,561	8.4

* Based on standard accounting practices in Japan, "Ordinary Income" represents income before extraordinary items and taxes. Extraordinary items include, for example, gain (loss) on the sale of fixed assets and gain (loss) on the sale of stock.

** Net Sales, Operating Income, Ordinary Income, and Net Income percentages indicate increases over the previous fiscal year.

	Net Income		Net Income Per Share
	JPY millions	%	JPY
FY07 - 04.01.07-12.31.07	22,977	8.9	38.37
FY06 - 04.01.06-12.31.06	21,102	(7.4)	35.26

Consolidated Financial Position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity Per Share
	JPY millions	JPY millions	%	JPY
FY07 - 04.01.07-12.31.07	834,263	241,284	23.8	331.04
FY06 - 04.01.06-12.31.06	783,087	216,627	22.4	292.88

Consolidated Cash Flow

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash & Cash Equivalents at End of Period
	JPY millions	JPY millions	JPY millions	JPY millions
FY07 - 04.01.07-12.31.07	40,059	(47,177)	13,342	33,207
FY06 - 04.01.06-12.31.06	17,192	(64,969)	61,102	31,963

Forecast for Fiscal Year 2007 (April 1, 2007 - March 31, 2008)

	Net Sales	Operating Income	Ordinary Income	Net Income
	JPY millions	JPY millions	JPY millions	JPY millions
Year-end (03.31.08)	840,000	63,000	59,000	29,000

Tosoh Corporation

WHO WE ARE

Tosoh Corporation is a Japanese Chemical Company established in 1935 and listed on the first section of the Tokyo Stock Exchange. It is the core of the Tosoh Group which now comprises 141 companies worldwide, employs a multi-ethnic workforce of over 10,000 people, and generates sales of ¥781 billion (US\$6.8 billion) annually.

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WHAT WE DO

Tosoh is one of the largest chlor-alkali manufacturers in Asia, supplying plastic resins and a wide variety of basic chemicals that support modern life. The Company's petrochemical operations supply ethylene, polymers, and polyethylene, while the electronic materials business serves the global semiconductor and flat-panel display industries. Tosoh has also pioneered sophisticated bioscience systems that are used to provide rapid diagnosis of life-threatening diseases such as diabetes, certain cancers and prevent epidemics by identifying pathogenic microbes. Tosoh creates products and provides services that are used to purify water and monitor the environment as part of a commitment to a sustainable future.

Stock Exchange Ticker Symbol: 4042

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Disclaimer

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

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