TOSOH CORPORATION

NEWS RELEASE

November 1, 2012

Tosoh Reports on First-Half Consolidated Results for Fiscal 2013 (the interim period from April 1, 2012, to September 30, 2012)

Tokyo, Japan—Tosoh Corporation is pleased to announce its consolidated results for the first half of its 2013 fiscal year. The company's consolidated net sales for the interim period ended September 30, 2012, amounted to ¥311.8 billion (US$3.9 billion), a decline of ¥55.9 billion, or 15.2%, from the first half of 2012. Operating income was ¥4.8 billion (US$61 million), a decrease of ¥16.8 billion, or 77.8%, from operating income recorded for the same period a year earlier, while ordinary income dropped ¥14.2 billion, or 76.1%, to ¥4.4 billion (US$56 million). Net income for the first half of fiscal 2013 totaled ¥310.0 million (US$3.9 million), a decline of ¥9.6 billion, or 96.9%, from the first half of fiscal 2012.

In the first and second quarters of fiscal 2013, the Japanese economy showed steady signs of recovery following the Great East Japan Earthquake. The economic rebound, however, tapered off in the second quarter because of falling external demand amid the slowdown in the global economy. Reflecting this difficult business environment, Tosoh's sales and profits deteriorated mainly because of the worsening trade conditions resulting from softening prices in overseas markets for such of its core products as ethyleneamines.

Results by business segment

Petrochemical Group

First-half net sales for the Petrochemical Group decreased ¥17.2 billion, or 16.1%, compared with group net sales for the same period the year before, to ¥89.6 billion (US$1,129 million). The group's operating income decreased ¥4.7 billion, or 58.7%, to ¥3.3 billion (US$41 million).

Shipments of olefins, such as ethylene and propylene, and of cumene fell because of lower production as a result of scheduled plant maintenance and other factors. A drop, moreover, in the cost of naphtha pushed down ethylene and propylene prices. Prices for cumene also declined in overseas markets.

Polyethylene resin shipments contracted, particularly in the domestic market. The decline in shipments can be attributed to falling demand for sealant film for solar cells caused by reduced shipments of ethylene vinyl acetate copolymer and an increase in competitive imports. Shipments of chloroprene rubber decreased because of lower demand from Europe and Asia.

Chlor-alkali Group

The Chlor-alkali Group's first-half net sales decreased ¥28.2 billion, or 20.8%, compared with net sales in the first half a year earlier, to ¥107.2 billion (US$1,350 million). The group's operating income slid ¥5.2 billion, for an operating loss of ¥5.1 billion (US$64 million).

Domestic and overseas shipments of caustic soda by the group dropped during the first half of fiscal 2013. Factors included the impact of limited caustic soda production by Tosoh's electrolysis operations because of the accident at the No. 2 Vinyl Chloride Monomer Plant at

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the Nanyo Complex and because of a decline in domestic demand. Fortunately, during the period under review caustic soda prices rose overseas and the company was able to increase caustic soda prices domestically. The accident at the Nanyo Complex also resulted in lower shipments of vinyl chloride monomer (VCM) and polyvinyl chloride (PVC), two other of the company's core products. Overseas prices for VCM and PVC decreased.

The group's domestic shipments of cement were robust. But exports declined.

Overseas, prices for the group's urethane raw materials softened.

Specialty Group
Net sales for the Specialty Group in the first half amounted to ¥63.5 billion (US$800 million), a decrease of ¥9.6 billion, or 13.1%, from the group's net sales for the same half in the preceding fiscal year. The group also recorded a ¥5.6 billion, or 55.7%, decline in operating income, to ¥4.5 billion (US$56 million).

During the interim period under review, the demand-supply balance for ethyleneamines worsened because of the fall off in demand from Asia. Under these conditions, ethyleneamine shipments to domestic and overseas markets decreased and prices declined. Shipments of bromine and bromine fire retardant products also contracted.

Among separation-related products, the group's shipments of liquid chromatography packing materials expanded. Diagnostic-related products saw shipments of automated immunoassay (AIA) systems increase.

Electrolytic manganese dioxide shipments declined during the period under review in line with inventory adjustments of dry cell batteries. Shipments increased, however, of high-silica zeolite for use in catalytic convertors for automobiles. In addition, shipments of zirconia for use as dental materials rose firmly. Quartz glass shipments decreased because of falling demand in the semiconductor and liquid crystal display markets.

Engineering Group
First-half net sales for the Engineering Group were ¥31.9 billion (US$401 million), a decrease of ¥0.5 billion, or 1.6%, from the group's first-half net sales in the previous fiscal year. The group's operating income slumped ¥0.9 billion, or 40.8%, from the same period of the previous year, to ¥1.3 billion (US$16 million).

The Engineering Group's sales of its water treatment facilities, services, and related chemicals declined because of clients' postponement of domestic and overseas capital investment, maintenance, renovations, and other business. Its construction-related companies, though, posted strong sales.

Other
Sales by trading companies and logistics subsidiaries decreased. Hence, other net sales for the first half of fiscal 2013 contracted ¥0.4 billion, or 1.9%, from net sales for the same period the year before, to ¥19.6 billion (US$246 million). Other operating income was ¥0.9 billion (US$11 million), a decrease of ¥516 million, or 37.1%.

Note: For reference purposes only, US dollar amounts have been translated, unless otherwise indicated, from yen at the rate of ¥79.41 = US$1, the exchange rate in effect on September 30, 2012.

Outlook for the fiscal year to March 31, 2013
Domestic demand in Japan is expected to remain firm, underpinned by post-disaster demand and other factors. The direction of Japan's economy nevertheless is unclear, with uncertainty about economic conditions in Europe and China building and amid concern over the risk that the global economy will once again take a turn for the worse.

Tosoh is therefore taking every measure to recover its earning power, including expanding sales unit volume, maintaining appropriate product pricing, and reducing costs. In light, however, of the recent drop in demand and other factors, the company has decided to revise the performance forecasts for fiscal 2013 that it announced on May 10, 2012.

The revised full-year forecasts shown in the table to follow are based on a domestic production price for naphtha of ¥55,000 per kiloliter and on an exchange rate of ¥78.00 to the US dollar.

Revised Forecast for Fiscal Year 2013 (April 1, 2012–March 31, 2013)

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS
Previous forecast (A)	¥720 billion	¥29 billion	¥31 billion	¥14 billion	¥23.40
Revised forecast (B)	¥650 billion	¥20 billion	¥22 billion	¥8 billion	¥13.37
Difference (B-A)	(¥70 billion)	(¥9 billion)	(¥9 billion)	(¥6 billion)	
% Difference	(9.7)	(31.0)	(29.0)	(42.9)	
Reference: FY 2012 performance	¥687.1 billion	¥23.7 billion	¥24.8 billion	¥9.4 billion	¥15.67

Note: For more detail, please refer to the press release Tosoh Announces Difference in Forecast and Performance for First Half and Revises Full-Year Consolidated Results Forecast, also issued on November 1, 2012.

Comparison of Fiscal Year 2013 and 2012 First-Half Results

	Net Sales		Operating Income		Ordinary Income (Loss)*	
	¥ millions	%†	¥ millions	%	¥ millions	%
FY13 (04.01.12–09.30.12)	311,794	(15.2)	4,819	(77.8)	4,446	(76.1)
FY12 (04.01.11–09.30.11)	367,740	14.2	21,663	115.4	18,632	161.7

*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 changes from the same period in the previous fiscal year.

	Net Income (Loss)		Net Income per Share
	¥ millions	%	¥
FY13 (04.01.12–09.30.12)	310	(96.9)	0.52
FY12 (04.01.11–09.30.11)	9,930	307.4	16.60

Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio*
	¥ millions	¥ millions	%
FY13 (04.01.12–09.30.12)	699,450	195,848	23.8
FY12 (04.01.11–09.30.11)	708,720	200,197	24.1

*Net assets include stock acquisition rights and minority interests, which are not calculated in equity ratio.

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 parent of the Tosoh Group, which comprises 140 companies worldwide and a multiethnic workforce of over 11,000 people and generated net sales of ¥687.1 billion (US$8.4 billion at the year-end rate of ¥82.19 to the US dollar) in fiscal 2012, ended March 31, 2012.

WHAT WE DO
Tosoh is one of the largest chlor-alkali manufacturers in Asia. The Company supplies the plastic resins and an array of the basic chemicals that support modern life. Tosoh's petrochemical operations supply ethylene, polymers, and polyethylene, while its advanced materials business serves the global semiconductor, display, and solar industries. Tosoh has also pioneered sophisticated bioscience systems that are used for the monitoring of life-threatening diseases, such as diabetes and certain cancers, and to prevent epidemics by identifying pathogenic microbes. In addition, Tosoh develops products and provides services to purify water and to monitor the environment as part of a commitment to a sustainable future.

Stock Exchange Ticker Symbol: 4042

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