



TOSOH

TOSOH REPORT 2023
KEY DATA & REFERENCES

TOSOH CORPORATION

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ENVIRONMENT & SOCIETY



ENVIRONMENT & SOCIETY

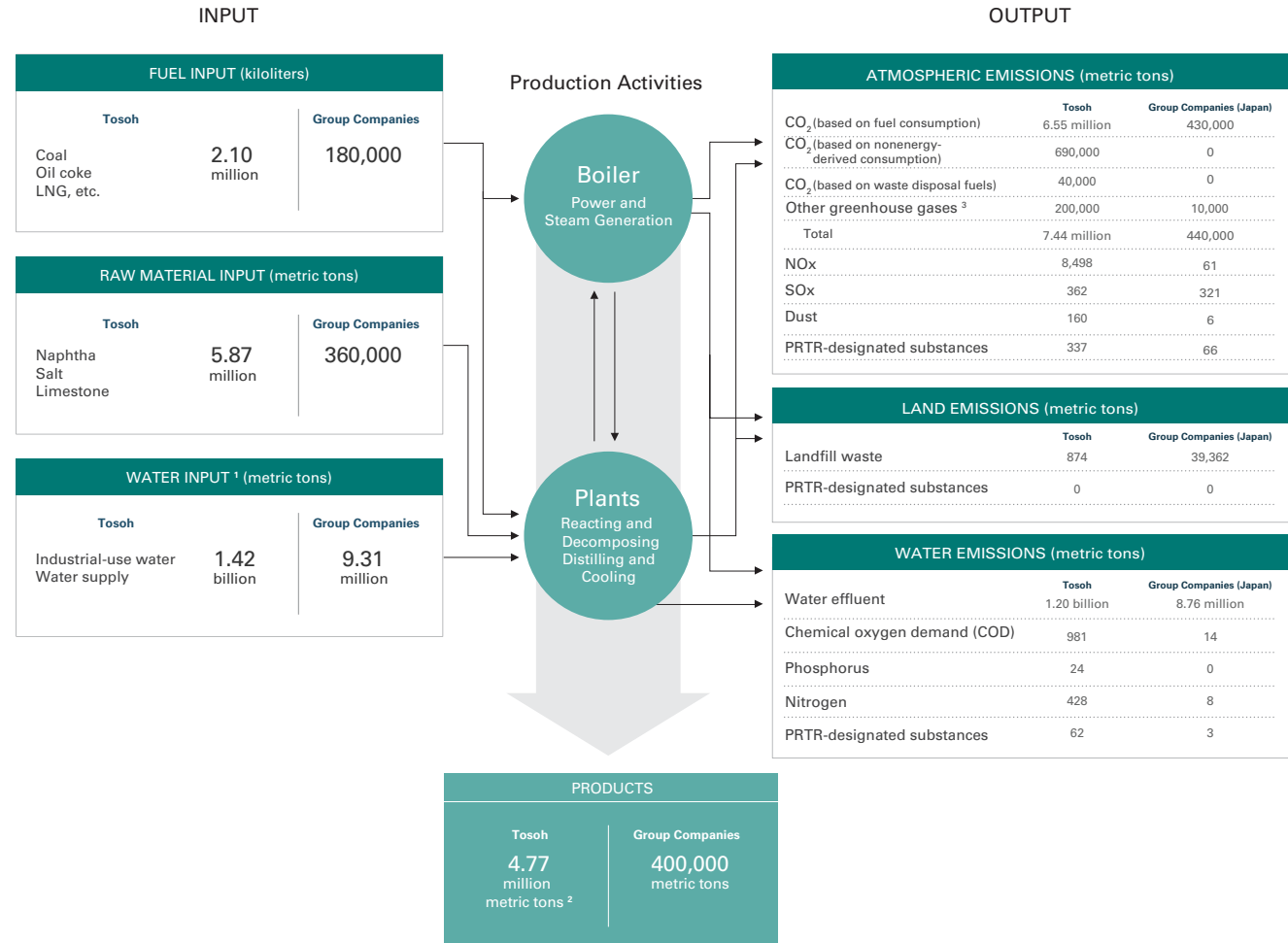
Input/Output Tosoh Group

The Tosoh Group reduces the environmental impact of its business activities throughout the lifecycle of its products. In addition, we make effective use of the input of limited resources—or “inputs” such as fuel, raw materials, and water resources—to obtain products, and strive to minimize waste “outputs” and the extent of the company’s environmental impact on the air and water.

Scope of calculation

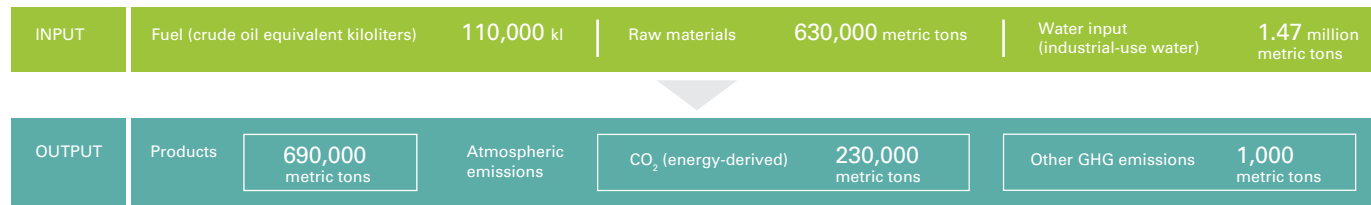
The complete list of companies and locations in scope is available at www.tosoh.com in the Environment section. The list link is located under the Input/Output graphic.

tosoh.com/investors/annual-reports/2023/csr23/environment



ENVIRONMENT & SOCIETY

Group Companies (overseas)



Scope of calculation

The complete list of companies and locations in scope is available at www.tosoh.com in the Environment section. The list link is located under the Input/Output graphic.

tosoh.com/investors/annual-reports/2023/csr23/environment

Industrial Waste Processing

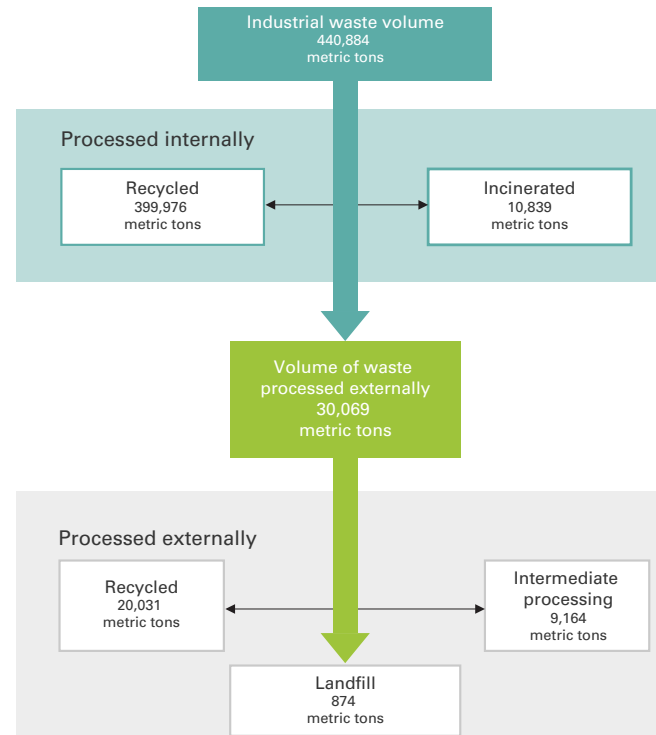
Tosoh and its group companies within Japan are actively promoting the 4Rs—Reduce, Reuse, Recycle, and Renew—in support of the transition to a circular economy. Tosoh has set an objective of reducing volume of final disposal by approximately 75% from the fiscal 2001 actual level, in line with the fifth target of Keidanren’s Voluntary Action Plan for Establishing a Sound Material-Cycle Society.

Final disposal volume in fiscal 2023 totaled 874 tons, achieving the above-mentioned target (1,000 metric tons or less). The bulk of the coal ash and other industrial waste generated at our business sites is recycled as raw materials for use at cement plants. We also promote “local production for local consumption” recycling of plastic waste collected from municipalities, and actively accept external plastic waste for effective use as raw fuel for cement. This contributes to reducing the burden on the surrounding community.

Tosoh Group companies, aware of their responsibilities as generators of waste, also conscientiously manage and dispose of waste prior to it being delivered to a disposal company.

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Industrial Waste Processing Flow
(excluding specially controlled-industrial waste)



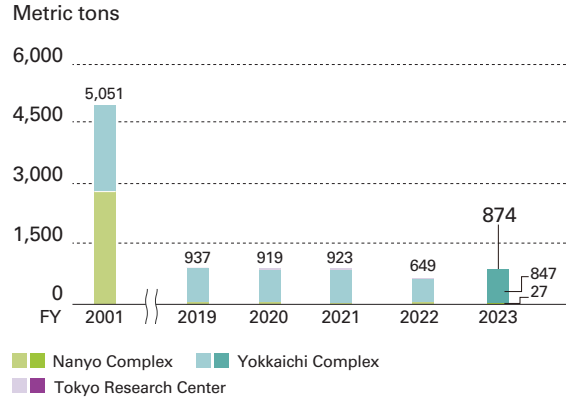
Data collection method: Aggregated from the amounts stated in manifest.

The generated industrial waste includes 97,301 tons of specially managed industrial waste (1,114 tons of specified hazardous industrial waste*, and 96,187 tons of others). The figures represent the total for Nanyo Complex, Yokkaichi Complex,

Tokyo Research Center, and Headquarters. The final disposal amount for fiscal year 2023 accounted for 0.2% of the industrial waste generation.

*Specific Hazardous Industrial Waste: Waste containing PCBs, waste mercury, waste asbestos, hazardous metals (cadmium, lead, chromium), arsenic, dioxins, and waste oil.

Final Landfill Disposal Volume

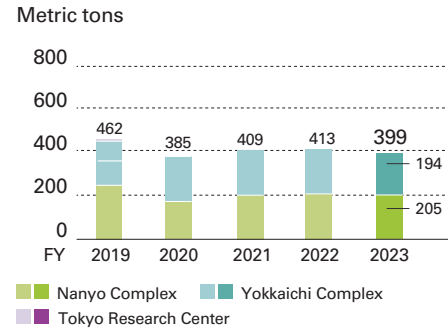


To improve accuracy, data is corrected retroactively.

Final disposal volume in FY2022 was 0.15% of total industrial waste generated. The ratio of the amount of landfill industrial waste to the amount of industrial waste generated for the last five years was less than 0.5%.

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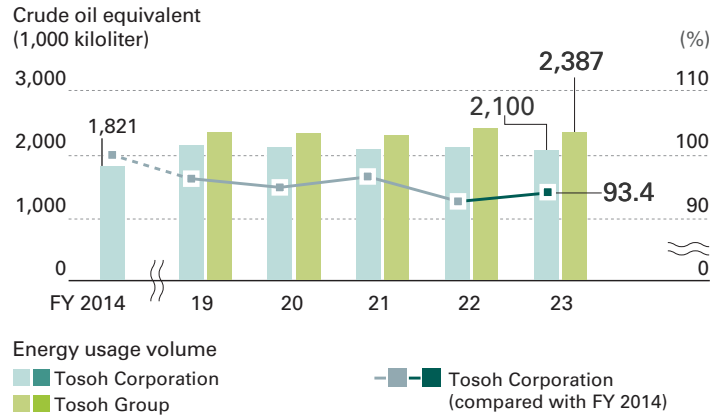
Total Emissions of PRTR-Applicable Substances



Calculation method: Based on the calculation method of the Law concerning Pollutant Release and Transfer Register for each target substance.

Tosoh and its domestic group companies have set voluntary emission reduction targets for substances subject to Japan's Pollutant Release and Transfer Register (PRTR) system based on the Act on Confirmation of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (Law concerning Pollutant Release and Transfer Register). Tosoh achieved its target (424 tons or less: a reduction of 30% or more from the fiscal 2016 level), with 399 metric tons of emissions in fiscal 2023. Meanwhile, emissions of domestic group companies totaled 69 metric tons, a decrease of 78 metric tons from fiscal 2022.

Energy Consumption Index of Energy Used

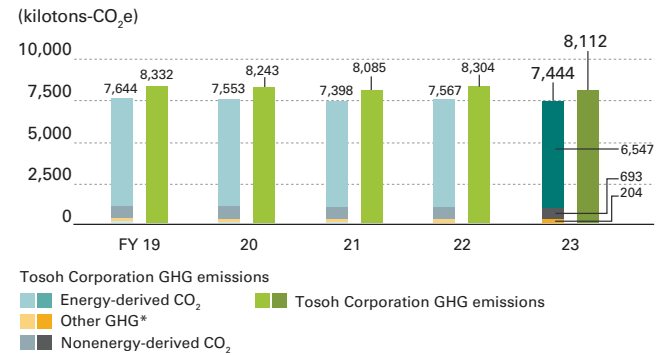


Tosoh's energy intensity index for fiscal 2023 was 93.4% compared with fiscal 2014. Energy efficiency fell by 0.8 percentage points compared with fiscal 2022, due to lower energy efficiency stemming from decreased production volume and other factors.

Energy consumption (crude oil equivalent of 1,000 kl) is calculated based on the Japan's Act on the Rational Use of Energy (Energy Conservation Act), and the energy consumption from biomass is also incorporated. The energy intensity index (compared to fiscal 2014) is calculated based on the Energy Conservation Act. When calculating energy consumption specifically for Tosoh Corporation, we deduct the energy sold to other firms.

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Greenhouse Gas Emissions



The Tosoh Group's GHG emissions (Scope 1+2) in fiscal 2023 totaled 8.112 million tons CO₂e, a decrease of 192,000 tons CO₂e from fiscal 2022.

Emissions levels rose in fiscal 2022, due to increased production amid the market's recovery from pandemic-related decline. In fiscal 2023, however, a decrease in this figure stemmed from the effects of reduction measures and the impact of market conditions. We are actively promoting capital investment for fuel and energy conservation in order to achieve our target of reducing energy-derived CO₂ emissions, which constitute the majority of our emissions.

All GHG emissions are calculated using our Calculation, Reporting, and Publication Systems for Greenhouse Gas Emissions.

We have expanded these calculations to include the manufacturing and logistics sites of 53 domestic and overseas group companies, using formulas for adjusted greenhouse gas emissions.

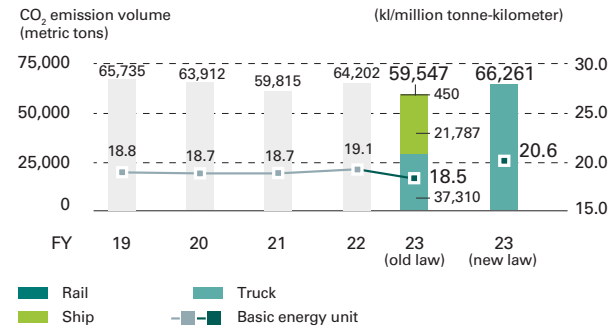
*Other GHG represents the total emissions for N₂O, CH₄, SF₆, and HFC.

Logistics-Related CO₂ Emissions and Basic Energy Unit

In fiscal 2023, Tosoh's logistics CO₂ emissions increased by 3.2% compared with fiscal 2022. The logistics energy intensity was 20.6, a 7.9% regression from fiscal 2022. Factors contributing to this regression include deteriorating truck energy consumption rates due to revised expected truckload rates with the improved ton-kilometer formula. Excluding the impact of the revision, the logistics energy intensity was 18.5, an improvement of 3.1% from fiscal 2022, due to improvements in energy consumption for vessels with high ton-kilometer ratios (e.g., improved transportation efficiency through the energy-saving operation of tankers and the use of alternative vessels offering superior fuel efficiency).

To reduce CO₂ emissions, we are continuously promoting energy efficiency through a modal shift in transport that sees us promoting marine and rail transport and improving transportation fuel efficiency. In March 2022, the caustic soda carrier *Toyo Maru* received the highest rating for domestic vessels under the Ministry of Land, Infrastructure, Transport and Tourism's energy conservation rating system.

tosoh.com/investors/annual-reports/2023/csr23/environment



Business and Other Risks

Tosoh Corporation identifies and analyzes risks that may have a significant impact on management and takes appropriate measures to minimize the impact of such risks when they become apparent, and implements initiatives to protect corporate value.

Management Structure

Under the supervision of the board of directors, Tosoh Corporation has established a system in which each department in charge analyzes risks that may have a significant impact on management and responds appropriately. Each department is responsible for implementing risk countermeasures in a systematic manner, as well as for prompt response to crises. In addition, the company identifies ESG-related risks as important CSR issues, sets targets, and undertakes activities to resolve the issues. The CSR Committee, chaired by the president, confirms the progress of activities and reports on them to the board of directors for deliberation.

Major Risk Items

The following is a list of major risks that we recognize as having the potential to significantly impact the Group's financial position, business performance, and cash flow. We have positioned them as important CSR issues and are actively addressing them. Forward-looking statements in the text are based on the judgment of Tosoh Corporation as of March 31, 2022.

For details, please refer to the annual Securities Report.

Climate Change

With the adoption of the Paris Accord, efforts are being made worldwide to reduce emissions of greenhouse gases, which are considered to be the major cause of climate change and global warming. If quantitative restrictions or taxes are introduced in the future in relation to CO₂ and other emissions or the use of fossil fuels, or if demand for oil-related products declines due to the emergence of nonfossil-

fuel alternatives, the Group's business performance and financial position may be affected. For this reason, Tosoh Corporation has established the CO₂ Reduction and Effective Use Promotion Committee to promote technological improvements for CO₂ reduction and effective use.

In addition, the occurrence of extreme weather conditions such as typhoons and floods caused by climate change that cause damage to production facilities and roads used for transportation could affect the Group's business performance and financial position.

Environmental and Other Legal Regulations

The Tosoh Group's business performance and financial position may be affected by restrictions on business activities, additional capital investment, or new expenses due to the strengthening of domestic and international legal regulations concerning the environment or other matters, or due to demands for social responsibility. For this reason, the Tosoh Group conducts its business activities with the recognition that environmental protection and health and safety and the like are management issues of the highest priority.

Technological Innovation

If we are unable to continuously develop and provide new products that meet customer needs, or if groundbreaking technological innovations are made by competitors, our business performance and financial position may be adversely affected. In the midst of rapid changes in the domestic industrial structure and international social issues, Tosoh Corporation is actively engaged in R&D to strengthen and expand its core businesses and create new products and opportunities for the sustainable growth of the company. Especially in the Specialty products business, the speed of technological innovation is remarkable. This is why we believe it is necessary to develop and provide new products in a timely manner.

Intellectual Property

In the course of developing a wide range of businesses, there is a possibility that the Group's intellectual property rights or those held by third parties may be infringed upon. In such a case, the Group's business performance and financial position may be affected. To this end, Tosoh Corporation recognizes the importance of intellectual property rights, and is working to acquire rights and prevent infringement of rights held by third parties, both in Japan and overseas.

Information Security

If a problem were to occur in the plant control systems or core systems at our manufacturing complexes, we would be forced to suspend important operations, which could have an impact on our business performance and financial position.

The Tosoh Group has taken various protective measures against cyberattacks. In the event that information is leaked to outside parties due to unforeseen circumstances, the Tosoh Group's public trust and competitiveness could be compromised. This could affect the Group's business performance and financial position.

Given this risk, the Group strives to appropriately manage confidential and personal information, and has taken appropriate measures that comply with the European Union General Data Protection Regulation.

ENVIRONMENT & SOCIETY

Quality Issues

Unexpected defects in our products could lead to a loss of public trust, discontinuation of product sales, or even legal action. This could affect the business performance and financial position of the Tosoh Group. Tosoh Corporation has, therefore, established a quality management system for its products and has product liability insurance in place.

Raw Material and Fuel Procurement

Some raw materials and fuels are dependent on specific regions or suppliers. The Group's business performance and financial position may be affected in the event of procurement disruptions due to disasters or accidents at those suppliers. To mitigate this risk, Tosoh Corporation procures raw materials and fuels necessary for production from both domestic and overseas sources. The company is working to ensure stable long-term procurement by diversifying raw material and fuel suppliers, concluding medium- to long-term contracts, and purchasing from the spot market.

Accidents, Disasters, and Infectious Diseases

The effects of natural disasters and unforeseen accidents cannot be completely prevented or sufficiently mitigated. In the unlikely event of an accident or disaster, the Group's business performance and financial position could be affected by losses resulting from the closure of manufacturing facilities, costs associated with compensation for damage to areas surrounding plants, and significant facility repair expenses. Furthermore, the outbreak or spread of infectious diseases such as COVID-19 or influenza in the countries or regions where the Group operates, which forces the suspension of production or sales activities, may affect the Group's business performance and financial position. To this end, Tosoh Corporation conducts routine and periodic facility inspections and maintenance, safety-related investments, and other measures to prevent the occurrence of facility accidents and other incidents.

Tosoh also recognizes the following other risks.

- Fluctuations in international market prices for products and fuels
- Issues with acquisitions, capital alliances, and business restructuring
- Fluctuations in interest rates
- Valuation of marketable securities
- Estimates based on construction progress standards
- Changes in inventory valuations
- Fluctuations in exchange rates
- Litigation
- Reversal of deferred tax assets
- Recognition of revenue for transactions in which revenue is recognized over a certain period of time for construction contracts
- Shifts in domestic and international economic conditions, supply and demand, and competition
- Fluctuations in interest rates
- Impairment in fixed assets
- Retirement benefits

G O V E R N A N C E



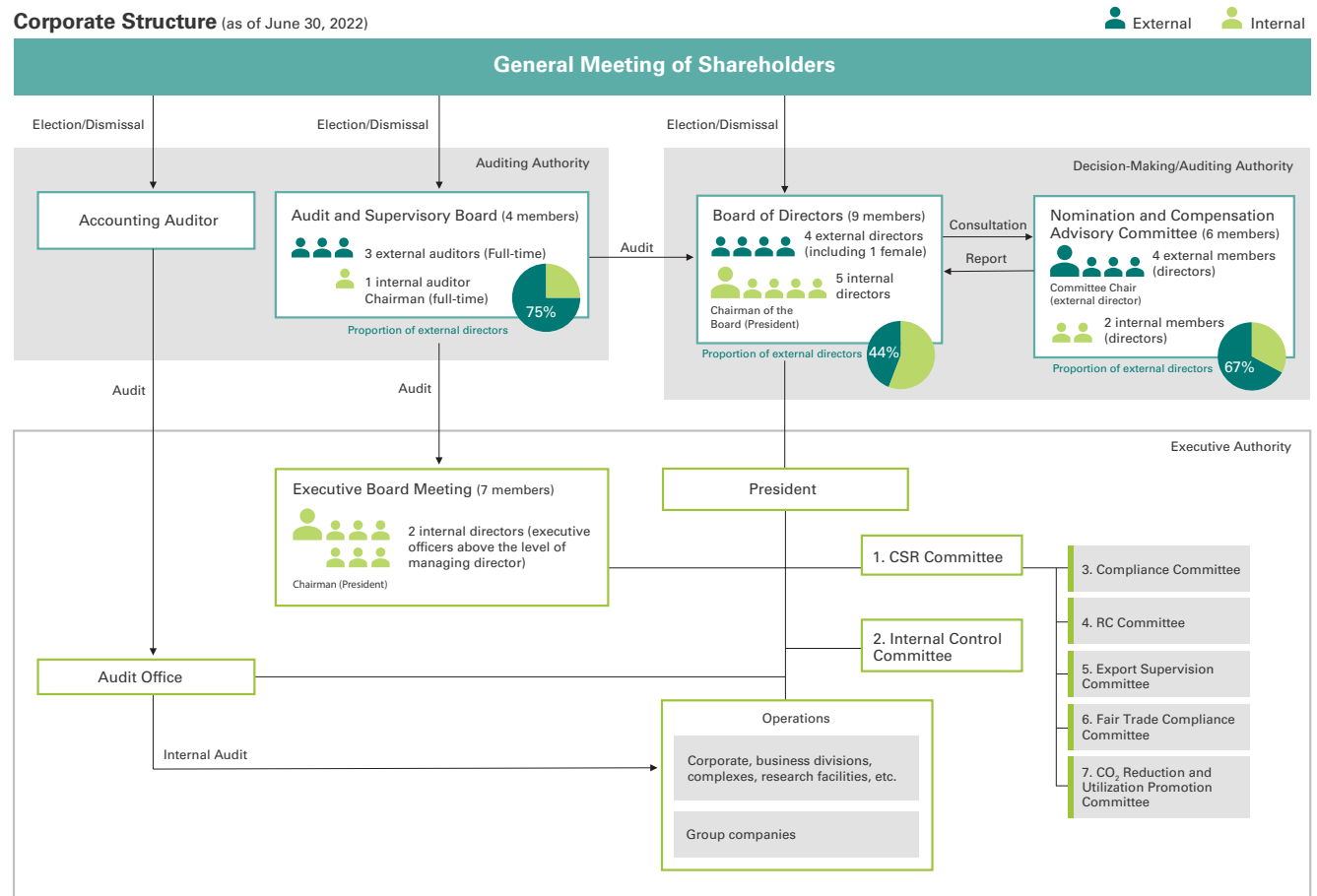
GOVERNANCE

Corporate Governance

In order to continuously enhance corporate value, Tosoh Corporation strives to build an efficient organizational structure that can respond quickly to changes in the business environment and to conduct sound corporate management that is fair and highly transparent. While respecting the purpose and spirit of the Corporate Governance Code, we continuously seek the optimal form of corporate governance for Tosoh.

tosoh.com/investors/annual-reports/2023/csr23/governance

Corporate Structure (as of June 30, 2022)



GOVERNANCE

Directors and Auditors



Mamoru Kuwada
Representative Director and President

Mamoru Kuwada is experienced in manufacturing, production engineering, construction projects, and business and facilities management. He served as senior general manager of the Yokkaichi Complex prior to his appointment as a director in June 2020. His extensive knowledge of the Tosoh Group's operations and management serve him well in adding to important corporate decisions and in supervising the Tosoh Group's activities toward maintaining sustainable growth and increasing corporate value.



Katsushi Tashiro
Representative Director and Senior Executive Vice President

Katsushi Tashiro worked in manufacturing, production engineering, and construction before becoming deputy general manager of the Yokkaichi Complex, among other posts. He was appointed a director in June 2013. He possesses a comprehensive understanding of the Tosoh Group's operations and management. As such, he contributes considerably to crucial decisions and the supervision of the Tosoh Group's operations toward sustainable growth and enhanced corporate value.



Toru Adachi
Director and Executive Vice President

Toru Adachi worked in accounting, finance, corporate planning, and business management. He was appointed to the Tosoh Group's board of directors in June 2020 following service as the general manager of Corporate Strategy. His wide-ranging knowledge of diverse aspects of Tosoh Group operations and insights into corporate management make his inclusion in vital decision-making as essential as his involvement in the supervision of Tosoh Group efforts toward achieving sustainable growth and increasing corporate value.



Satoru Yonezawa
Director and Executive Vice President

Since 1986, Satoru Yonezawa has worked in various positions at Tosoh. Notably, he played a pivotal role in restructuring the company, leading to its return to profitability in 1995. In 2011, he joined the Corporate Planning Division where he helped develop the company's long-term business strategy. With broad experience in Tosoh Group operations and corporate management insights, Yonezawa is a valuable asset to the company.



Toru Doi
Director and Senior Vice President

Toru Doi was involved in research before becoming the general manager of the Functional Polymers Research Laboratory and being named a director in June 2021. His wide-ranging experience in the area of research enables him to contribute significantly to the Tosoh Group's R&D efforts. He is therefore well equipped to contribute to important, executive-level decisions and the supervision of the Tosoh Group's activities toward achieving sustained growth and increased corporate value.

GOVERNANCE

Directors and Auditors



Tsutomu Abe
External Director

Tsutomu Abe was representative director and vice president of Mizuho Bank, Ltd., and president and CEO of IBJ Leasing Co., Ltd. (now Mizuho Leasing Co., Ltd.). He became a Tosoh Group external director in June 2015. Abe has a wealth of knowledge in finance, corporate management, and other fields which he brings to the table in helping to make decisions on matters of importance to the Tosoh Group. He also brings an objective perspective to his role as supervisor and adviser to management.



Keiichi Miura
External Director

Keiichi Miura was a director and senior executive officer of Taiheiyo Cement Corporation before becoming a Tosoh Group external director in June 2020. His knowledge of research and planning, corporate management, and other areas, along with his objective perspective, make him an ideal contributor to the Tosoh Group's decision-making and managerial oversight toward maintaining sustainable growth and increasing corporate value.



Yoshihiro Hombo
External Director

Yoshihiro Hombo's positions prior to being named a Tosoh Group external director in June 2020 included those of executive vice president and representative director of Mitsui & Co. Today, he is the president and chief operating officer of Valqua, Ltd. With his broad knowledge of sales, overseas operations, business management, corporate management, and other areas, he is well suited to advise and supervise Tosoh Group management from an objective perspective. As such, he greatly contributes to decisions toward sustaining growth and increasing corporate value.



Mariko Hidaka
External Director

Mariko Hidaka is a certified public accountant and former senior partner at EY Ernst & Young ShinNihon LLC. She became a Tosoh Group external director in June 2020. She is widely knowledgeable in matters of accounting, auditing, corporate management, and other fields. With her objective perspective, she is an asset in advising and supervising Tosoh Group management in a manner that contributes to sustainable growth and increased corporate value.

GOVERNANCE

Directors and Auditors



Kouji Kawamoto
Internal Auditor

Kouji Kawamoto possesses experience in finance, accounting, information systems, and purchasing and logistics. He sat on the board of directors and served as an executive vice president of the Tosoh Group before being appointed to the Audit & Supervisory Board in June 2019. He is fully versed in finance and accounting and corporate management and is thus a major asset in ensuring the smooth functioning of the Tosoh Group from an objective standpoint.



Makoto Okayama
Internal Auditor

Makoto Okayama served as deputy president and executive officer of Mizuho Trust & Banking Co., Ltd. and representative director of Japan Investor Solutions & Technologies Co., Ltd. prior to being named a Tosoh Group external auditor in June 2021. He brings with him an abundance of experience in various fields including finance and corporate management, which he puts to appropriate use in conducting neutral and fair audits of the execution of duties by directors.



Tetsuya Teramoto
External Auditor

Tetsuya Teramoto was a director and then president and chief executive officer and finally chairman of the board of Eiken Chemical Co., Ltd. He became a Tosoh Group corporate auditor in June 2014. His insightful knowledge of corporate management and other matters enables him to fully and objectively audit all aspects of the performance of duties by Tosoh Group directors.



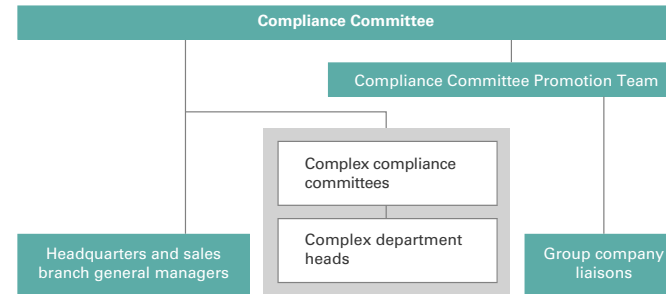
Tsuneyasu Ozaki
External Auditor

Tsuneyasu Ozaki served as a public prosecutor before joining the Special Investigations Department of the Tokyo District Public Prosecutors Office in 1996. He registered as an attorney in 2005 and today heads the Fukuoka branch of the law firm Nishimura & Asahi LPC. His appointment to the Tosoh Group's Audit & Supervisory Board was made in June 2014. His extensive legal background makes him an astute auditor of all aspects of Tosoh Group directors' execution of their duties.

Compliance Promotion System

Tosoh believes that practicing compliance, which means following the established rules, not only protects employees from accidents and other disasters, but also strengthens the management structure of the entire Tosoh Group. To this end, the company has established a promotion system to ensure that employees are aware of the importance of compliance and are able to practice it. The Compliance Committee reports the content of its deliberations to the board of directors.

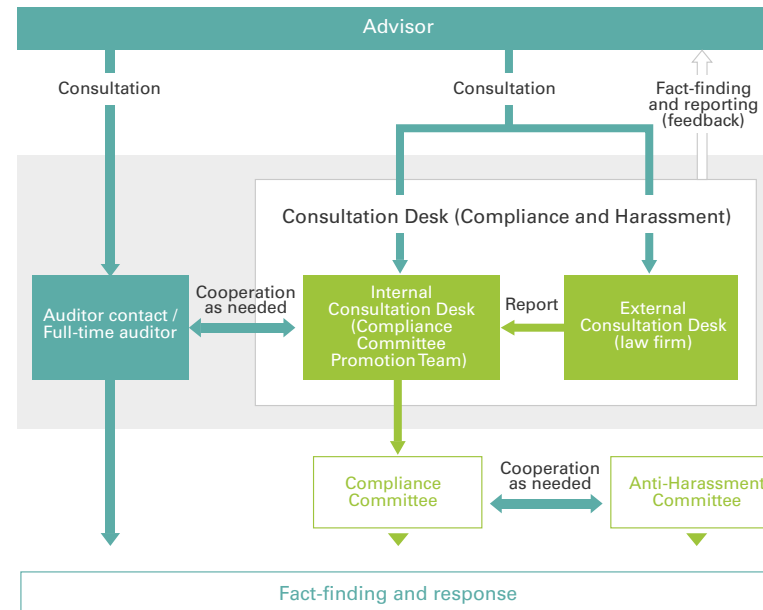
Promotion Structure



Compliance Consultation Desks

To prevent or quickly correct compliance violations, the company has established the Compliance and Harassment Consultation Desk for the purpose of swiftly recognizing and responding to actual or potential violations. Tosoh Corporation has established three consultation desks: internal, external, and an auditor’s desk. Directors and employees of Tosoh Corporation and its domestic and overseas group companies, temporary employees, and employees of partner companies may choose to submit reports or request consultations to any of these desks.

Compliance and Harassment Consultation Desk System Chart



Consultations are accepted regarding general corrupt practices such as violations of laws and regulations, harassment, human rights violations, and bribery. The company confirms the facts, investigates, and takes action, whether the consultation initiated under a real or an anonymous name. For guidance and supervision, the details of each consultation are reported to the auditor. Those eligible to use the consultation service are given a Consultation Desk Pocket Card to make it more convenient to avail themselves of the service at any time.

The company has established internal rules for the protection of the consultants in investigating and responding to consultation matters, and takes all necessary precautions. Moreover, it has set up a contact point on our website for inquiries that can be consulted from outside the company. Furthermore, consultation services have been established at group companies in Japan and abroad, creating a group-wide system that facilitates consultation.

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R E S P O N S I B L E C A R E



RC Promotional Structure

We are working on the following system to promote RC activities.

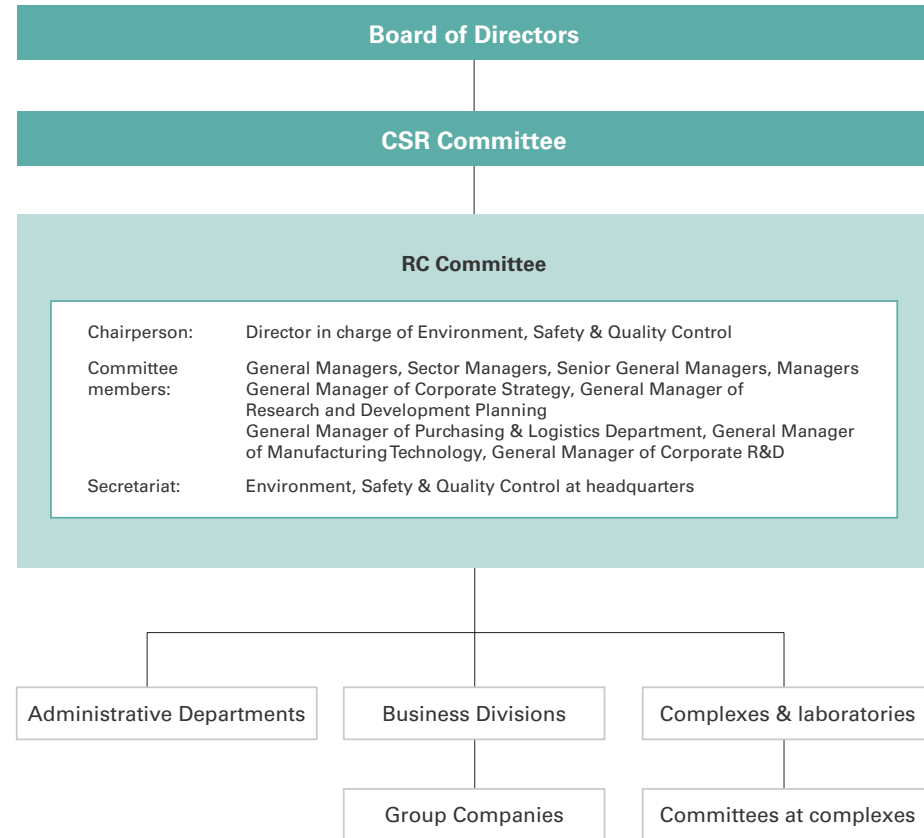
Nanyo and Yokkaichi Complexes, Tokyo Research Center

- (1) The Environment, Safety & Quality Control team at the head office, which is the secretariat of the RC Committee, disseminates to business sites company-wide policy decided by the RC Committee.
- (2) The complexes create policies based on company-wide information and disseminate them at committee meetings.
- (3) Activities of each department are audited internally at the complexes.
- (4) The RC Committee audits activities of the complexes and identifies issues.
- (5) The RC Committee deliberates and decides on policies and initiatives for the next year based on the issues identified.

Group Companies

- (1) Environment, Safety and Quality Control at the head office, which is the secretariat of the RC Committee, disseminates company-wide policy decided by the RC Committee to all group companies.
- (2) The RC Committee confirms the status of activities at each group company through safety and environmental inspections.
- (3) The RC Committee deliberates and decides on policies and initiatives for the next year based on issues identified through discussions during the inspections.

tosoh.com/investors/annual-reports/2023/csr23/responsible-care

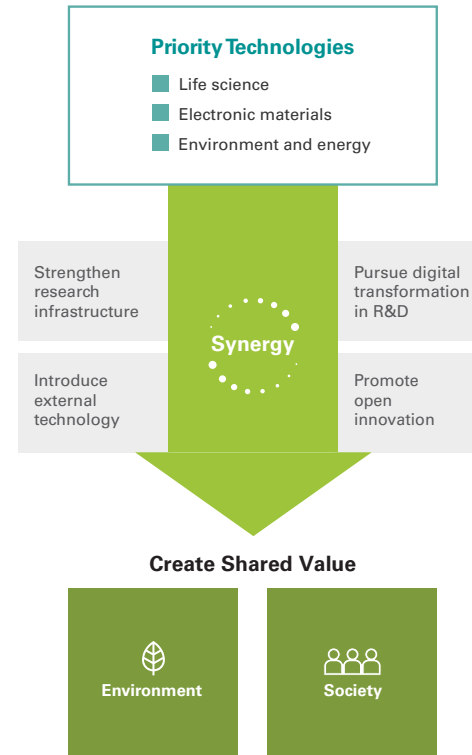


Value Creation

Through our business activities, we at Tosoh Corporation undertake to create unprecedented value that contributes to solving social issues and helps us grow sustainably as a company. We aim to further enhance our corporate value through this growth. Tosoh Corporation’s corporate philosophy combined with the greater Tosoh Group CSR Basic Policy sets the direction for our value creation which will not be hindered by various global social issues. Rather, Tosoh Corporation’s value creation will continue to strengthen in accordance with the five tenets of the Tosoh Spirit and of the Tosoh Group Code of Conduct, which are derived from our support for the environment, society, and corporate governance and from further strengthening trust and collaboration with our stakeholders. This will enhance our ability to achieve SDGs and resolve social issues, and to return to society the value we have created. Through its CSR activities, Tosoh Corporation hopes to fulfill its corporate social responsibility and contribute to the realization of a sustainable society.

tosoh.com/investors/annual-reports/2023/csr23/society

Create Shared Value with Synergy and Technological Innovation



RESPONSIBLE CARE

Relationships with Stakeholders

The Tosoh Group promotes environmental, social, and government (ESG) initiatives based on its corporate philosophy and Tosoh Group CSR Basic Policy, and provides value to its stakeholders through its products and services.

We understand the importance of constant communication with our stakeholders in earning and keeping the trust of society and ensuring corporate growth.

Dialogue with Stakeholders and Investors

To promote the understanding of the Tosoh Group on the part of shareholders and investors, the company is committed to proactive communication through appropriate information disclosure and increased opportunities for dialogue.

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Stakeholder	Tosoh's Role	Communication Tools	Communication Opportunities
Shareholders and investors	Disclosing business results, business policies, management strategy, and other information at the right time and as appropriate Building relationships of trust with shareholders and investors Ensuring appropriate return on investment	Financial results, financial presentations Securities reports Business reports Corporate governance reports Questionnaires from ESG evaluation agencies Questionnaires for individual shareholders Tosoh Integrated Report	General meeting of shareholders Financial results presentation Business briefings Teleconferences Small meetings Individual interviews Briefings for individual investors Plant tours
Customers	Providing safe, secure, consistent, and high-quality products and services Building relationships of trust with customers Improving customer satisfaction by linking customer feedback to product development	Product pamphlets Safety data sheets (SDS) Help desk	Sales activities Quality assurance support Exhibitions Audits Call centers
Local communities	Ensuring safe and secure operations Contributing to community development Building and maintaining relationships of trust with local communities	Pamphlets about the Nanyo and Yokkaichi Complexes and the laboratories	Plant tours Exchange through community events Community dialogues and opportunities to exchange ideas
Municipalities	Complying with laws Disclosing information appropriately and in a timely fashion		Filings Meetings
Suppliers	Ensuring fair trade	CSR procurement guidelines CSR self-assessment questionnaires (SAQ)	Purchasing activities
Employees	Providing a pleasant and meaningful place to work Improving systems and education to maximize the abilities of employees Ensuring stable lives for employees and their families	Internal newsletters Intranet Consultation and reporting hotlines	Labor-management council Safety and Health Committee Training Business reports (interviews with supervisors) Dialogues with management Workplace roundtable

CREATING SHARED VALUE



Tosoh Group CSR Basic Policy

We share and practice the following basic policies to realize our corporate philosophy.

(1) Contribute to the sustainable development of society through business activities

Through the deepening of our unique chemistry-based technologies and collaborative activities with our business partners around the world, we provide innovative and reliable products and services that help solve social issues and contribute to people's well-being.

(2) Ensure safe and stable operation

We recognize that ensuring the safety and well-being of people involved in our business activities and stable operations are the most important management issues, hence we work assiduously to foster a culture that strengthens and secures our safety infrastructure.

(3) Develop and promote a free and open corporate culture

By nurturing an open and people-friendly work environment that provides job satisfaction and respects human rights and diversity, we will realize a corporate culture that is full of vitality and in which employees and their families can take pride.

(4) Preserve the environment

In addition to thorough management of chemical substances, we make continuous efforts throughout the value chain to minimize the impact of our worldwide business operations on the environment.

(5) Pursue integrity in corporate activities

We work to maintain a global corporate group that is trusted by stakeholders through sincere and highly transparent corporate activities based on dialogue and collaboration.

Message from the head of CSR

Tosoh will ensure the management of progress as we work to resolve important CSR issues

The Tosoh Group values CSR activities at the core of its management thought process. It aims to realize its corporate philosophy by sharing and implementing the CSR Basic Policy throughout the Group.

FY2023 was the first year in which we worked toward resolving crucial CSR issues that we reviewed in FY2022. Moving forward, we believe that managing progress toward resolving each and every issue faced is of even greater importance.

GHG Emission Reduction

The Tosoh Group has set a GHG emission reduction target of thirty percent, compared with the fiscal 2019 level, for fiscal 2031. This is primary a management policy of its Medium-Term Business Plan for FY2023—2025.

The company acknowledges that contributing to reducing GHG emissions generated through our business activities is the most vital issue for the Tosoh Group's medium- to long-term growth. We will therefore steadily implement GHG emission reduction initiatives to address climate change issues, a vital point for Tosoh.

Products and Technologies that Solve Societal Issues

Creating products and technologies through our businesses that help solve societal issues enables us to provide them to society, and will lead to the Tosoh Group's sustainable development. As the director responsible for research and development, I am managing in a manner that enables the company to achieve the goals set out in the priority areas of creating and providing products and technologies that solve societal issues.

In FY2023, we established a proprietary certification system for products, technologies, and services contributing to the improvement of social issues. And I am happy to inform everyone that in March 2023, the CSR Committee successfully certified 14 products and technologies. The internally certified "Social Issues Solution" are also included in this report.

We plan to continue the certification of existing products and focus R&D resources on creating new products.

Respect for Human Rights

In FY2023, with the assistance of experts (Nishimura & Asahi), we formulated the "Tosoh Group Human Rights Policy," which serves as a guideline concerning respect for human rights in line with international standards. Moving forward, we believe it is essential for Tosoh to work hard to expand its influential human rights policy both inside and outside of the Group, including globally.

We will work hard to solve any major issues to contribute to the achievement of a sustainable society and also add to the Tosoh Group's sustainable growth.



Toru Doi
Representative Director, Executive Vice President

CREATING SHARED VALUE

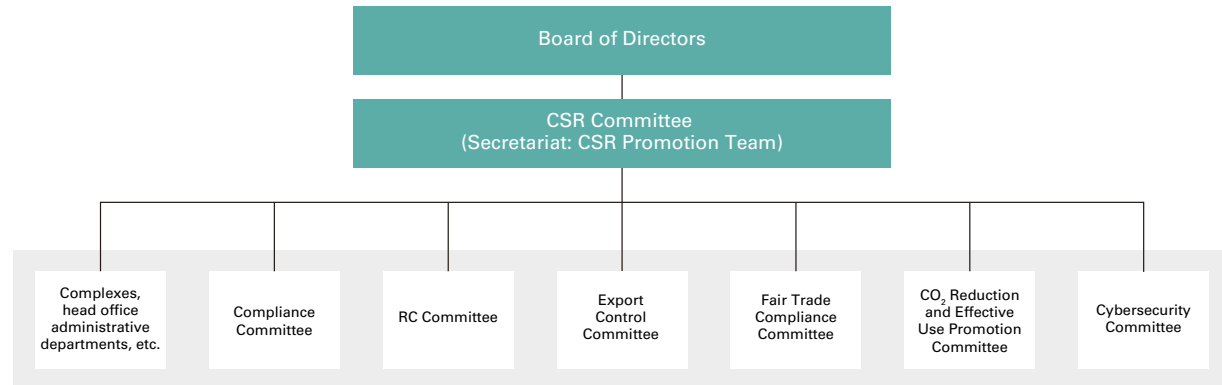
CSR Promotional Structure

Tosoh's CSR activities are spearheaded by the CSR Committee, which the president of Tosoh Corporation chairs. The CSR Committee, consisting of members of the executive board, heads of the administrative divisions at Tosoh's headquarters, and chairpersons of the company's other committees, formulates CSR policies, manages the progress of work toward the important CSR goals, and reports these findings to the Board of Directors. The CSR Promotion Liaison Meeting complements the CSR Committee, and the CSR Promotion team serves as the secretariat for the CSR Committee and the CSR Promotion Liaison Meeting.

In fiscal 2023, the CSR Committee met twice—in August, to discuss the certification system for products and technologies related to societal contribution, and in March, to deliberate the Tosoh Group Human Rights Policy and CSR Activity Policy for fiscal 2024. Currently, the Committee has successfully certified 14 products, several new technologies, and services that contribute to a variety of societal issues.

We also regularly distribute information both inside and outside of Tosoh. In FY2023, we interviewed some external parties to hear their views on the Tosoh Report. We will continue to consider suggestions from outside parties and work to make improvements where ever possible.

tosoh.com/investors/annual-reports/2023/csr23/csr-management



CREATING SHARED VALUE

CSR Materiality

The Tosoh Group has identified important CSR issues that it will proactively address based on evaluating the importance of these issues both inside and outside the Group. Based on the awareness that these business activities are oriented toward resolving these issues we believe will lead to society's sustainable development and Tosoh Group's sustainable growth. To achieve this, we have positioned CSR activities at the core of our management structure and are making a groupwide effort to resolve these issues.

Steps in Identifying Important CSR Issues and KPIs

Step 1: Selection of Key Issue Candidates

Considering international guidelines ISO 26000¹ and GRI Standards,² as well as the demands of society toward contributing to a sustainable society as well as the Tosoh Group's sustainable growth plan, we identified several candidates as important issues that could be considered both risks and opportunities.

1. ISO: International Organization for Standardization
2. Framework for sustainability reporting by the Global Reporting Initiative, an international nongovernmental organization

Step 2: Assessing the Importance of Key Issue Candidates

We conducted a quantitative materiality assessment of potential critical internal and external³ issues, while considering their impact on society's sustainable

development, as well as Tosoh Group's sustainable growth plan.

3. External evaluation: External directors, four investment institutions, CSR consultants, non-profit corporations, and others.

Step 3: Identification of Key Issues

In addition to the importance assessment, we have also identified nine important issues based on the ideas in 1 to 3 below in consideration of the results of CSR activities through FY2022 and society's expectations of the Tosoh Group.

- 1) Issues of high importance for both the impact on society's sustainable development and the Tosoh Group's sustainable growth plan
- 2) Issues of high importance in terms of impact on society's sustainable development
- 3) Issues in which the Tosoh Group has been actively involved

Important CSR Issues (FY2023–2025)

- Creation and offering of products and technologies that solve societal issues
- Addressing climate change issue
- Strengthening environmental preservation activities
- Achieving safe, stable operations

- Product safety and quality management
- Diversity and inclusion
- Reinforcing CSR supply chain management
- Strengthening compliance
- Respect for human rights

Step 4: Identifying KPIs

To resolve the nine issues identified, we have established 24 KPIs that will lead to earning and maintaining stakeholder trust and achieving the sustainable growth of the Tosoh Group.

Approval

Deliberation by the CSR Committee and Board of Directors

tosoh.com/investors/annual-reports/2023/csr23/csr-management

CREATING SHARED VALUE

Key CSR Issues and KPIs for FY2023-2025

Important CSR Issues	KPI	Results	Assessment
Create and provide products and technologies to resolve social issues	Create new products and technologies that contribute to the environment and quality of life: Complete at least 110% of the previous Medium-Term Business Plan by the end of fiscal 2025	<ul style="list-style-type: none"> Formulate a plan for commercialization, conduct periodic progress checks, and implement countermeasures 	Progressing
	Strengthen research and development capabilities: 30 or more submissions/year	<ul style="list-style-type: none"> Encourage proactive contribution to Tosoh's research and technical reports, as well as recommendations for external presentations 	69 Achieved
	Implement open innovation to resolve societal issues: Two or more news releases/year	<ul style="list-style-type: none"> Inoue Harushige Prize for the development of electron transport materials for organic light-emitting diodes (OLEDs) Participation in the NEDO Green Innovation Fund project regarding the development of products using microalgae-derived raw materials 	2 Achieved
	Technology assetization: Patent applications at 105% or more of the previous year's level	<ul style="list-style-type: none"> Increase applications for 7 strategic themes 	99% Not achieved
	Materials Informatics (MI): Utilization Level 3 or higher (5-point scale)	<ul style="list-style-type: none"> Deploy MI technology throughout the company Promote MI education 	Progressing
Climate change response	Tosoh Group 30% reduction in GHG emissions in fiscal 2031 compared with fiscal 2019	<ul style="list-style-type: none"> Make decisions regarding investments in major GHG emission reduction themes: Install new biomass power generation facilities, introduce biomass semi-carbonization equipment Install photovoltaic power generation equipment on the roof of the product shipping warehouse 	Progressing
Strengthening of environmental preservation activities	No major environmental accidents	<ul style="list-style-type: none"> Ensure compliance with voluntary control values Promote environmental education Cooperate with group companies 	0 Achieved

CREATING SHARED VALUE

Key CSR Issues and KPIs for FY2023-2025

Important CSR Issues	KPI	Results	Assessment	
Safe and stable operation	No major security accidents	<ul style="list-style-type: none"> • Improve risk assessment • Implement initiatives to prevent logistics accidents • Cooperate with group companies 	0	Achieved
	No major industrial accidents	<ul style="list-style-type: none"> • Comprehensively implement basic safety procedures • Eliminate recurrence of accidents and occupational injuries • Maintain and improve the construction system • Cooperate with group companies 	0	Achieved
Product safety and quality management	No major quality issues	<ul style="list-style-type: none"> • Cooperate in a cross-departmental manner to reduce product complaints • Strengthen supply chain management • Implement initiatives to mitigate the incidence of logistics-related complaints and problems 	1	Achieved
	No occurrence of serious nonconformities (chemicals)	<ul style="list-style-type: none"> • Ensure implementation of risk assessment related to chemical substances • Comply with revisions to Japan's Chemical Substances Control Law (SDS compliance) • Respond to newly added substances under Japan's Poisonous and Deleterious Substances Control Law 	0	Achieved
Diversity and inclusion	Proportion of male employees taking childcare leave: 50% or more	<ul style="list-style-type: none"> • Send letters of encouragement to eligible persons • Revise regulations and update childcare guidebook, disseminate internally 	85.50%	Achieved
	Proportion of all employees taking annual paid leave: 80% or more	<ul style="list-style-type: none"> • Promote based on feedback received, etc. 	85.50%	Achieved
	Proportion of women hired for career-track positions: 20% or more	<ul style="list-style-type: none"> • Participate in seminars oriented toward female job seekers to promote Tosoh • Increase the number of female recruiters 	29.9%	Achieved
	Proportion of women in executive positions: 2.6% or more in fiscal 2025	<ul style="list-style-type: none"> • Expand career-track job opportunities for female employees • Provide continuous support through a career counseling system 		Progressing

CREATING SHARED VALUE

Key CSR Issues and KPIs for FY2023-2025

Important CSR Issues	KPI	Results	Assessment	
Diversity and inclusion	Proportion of employees using career counseling: 70% or more in fiscal 2025	<ul style="list-style-type: none"> Provide counseling to participants in tier-based education 	Progressing	
Strengthening of CSR supply chain management	Follow up on 1 st self-assessment questionnaire (SAQ) results	<ul style="list-style-type: none"> Analyze the first SAQ survey to ascertain trends from responses 	Implemented	Achieved
	Review and implement the contents of 2 nd SAQ	(implemented from FY2024)		Progressing
	Conduct screening review of new suppliers	(implemented from FY2024)		Progressing
Strengthening of compliance	No occurrence of any significant violations of laws or regulations	<ul style="list-style-type: none"> Review comments from the consultation and reporting hotlines in accordance with the revision of the Whistleblower Protection Act, revise rules and regulations, prepare manuals, train response personnel, and disseminate information on changes to the consultation desk Provide education on compliance and harassment Cooperate with group companies 	0	Achieved
	Ensure compliance with laws and regulations and ensure that corporate ethics education activities are spread throughout the entire Group	<ul style="list-style-type: none"> Provide education for Tosoh and domestic group companies on export control Compliance with Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (survey of implementation status at group companies) 	Implemented	Achieved
Respect for human rights	Develop a human rights policy	<ul style="list-style-type: none"> Develop Tosoh Group human rights policy 	Formulated	Achieved
	Implement human rights education	<ul style="list-style-type: none"> Conduct expert-led seminars, provide training for each level of employees, and heighten awareness for domestic group companies 	Implemented	Achieved
	Prepare human rights due diligence response	(implemented from FY2024)		Progressing

QUALITY MANAGEMENT



Maintaining and Improving Quality Management

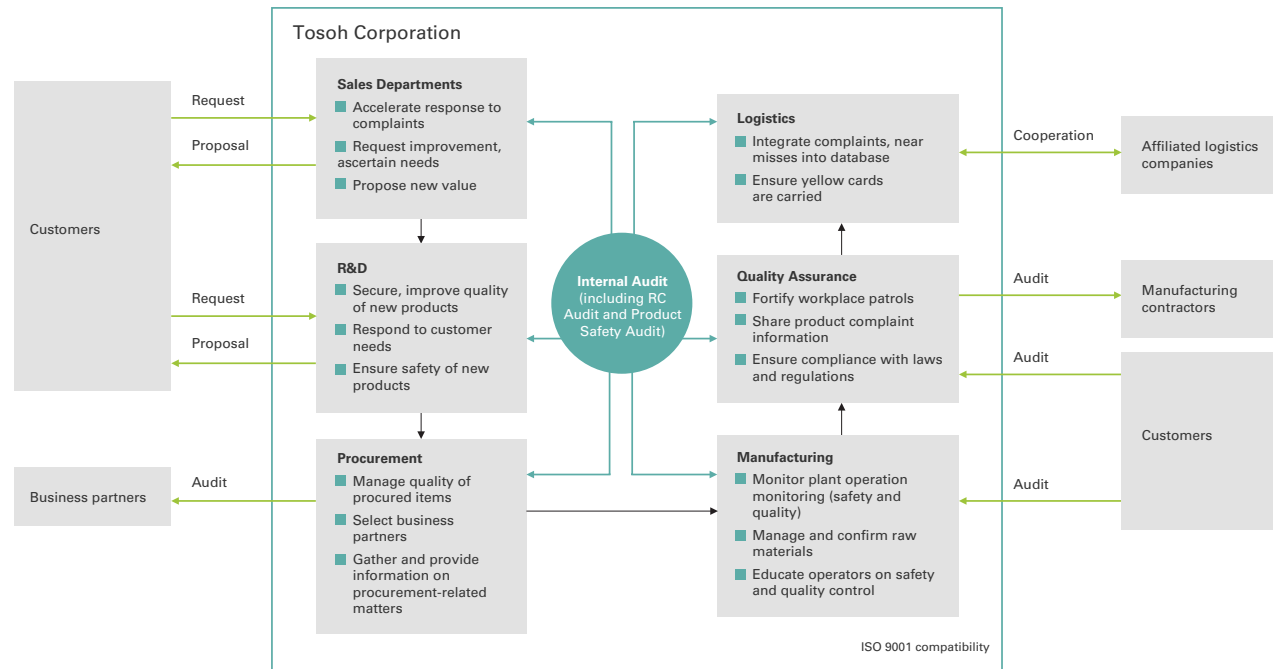
The Tosoh Group has established a quality management system (QMS) appropriate for its products and organizational structure, and has attained (ISO 9001 (quality management), ISO 13485 (international standard for quality management systems related to medical devices), and other certifications in the aim of raising product quality and customer satisfaction. To improve the QMS itself, certified complexes and group companies are subject to internal audits of their QMS-related activities, followed by external audits and management reviews conducted by senior general managers of complexes and plants.

Supply Chain Initiatives

The Tosoh Group also conducts audits of its key suppliers and manufacturing contractors to confirm the efficacy of their quality management systems, quality control status, status of response to prevent recurrence of complaints, maintenance, and management of measures to prevent recurrence of past nonconformance cases, and of quality compliance activities. In fiscal 2023, Tosoh conducted on-site, online, and paper document audits of a total of 83 suppliers and production contractors. We are currently working to address the issues and problems detected. Moreover, we have completed quality control checks for external tank bases, generally establishing a quality assurance system. We will continue to check the status of quality control maintenance through periodic audits.

tosoh.com/investors/annual-reports/2023/csr23/quality-management

Supply Chain Management Structure



QUALITY MANAGEMENT

Chemical Substance Management System

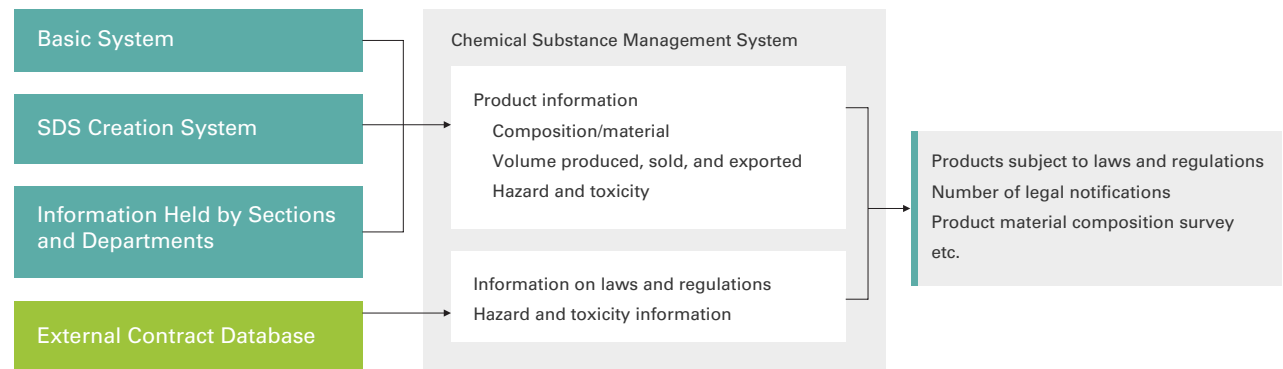
Tosoh introduced a chemical substance management system to centrally manage chemicals handled within the company, and ensure compliance with international laws and regulations. This system involves the building of a database of the chemical substances contained in each Tosoh product. This database enables us to search for laws and regulations applicable to both a given product, and the chemical substances it contains.

Additionally, to enable a rapid response to customers wishing to know the chemical content of a product, Tosoh has certificate-issuing authority for certain of its products. This enable us to issue response letters or certificates from the department in charge of the particular product. In fiscal 2023, we augmented the system with a function that enables the creation of data for notification of items such as production quantities under the Act Concerning the Evaluation of Chemical Substances and Regulation of Their Manufacture.

We will continue to improve this system while adding new features.

tosoh.com/investors/annual-reports/2023/csr23/quality-management

In-house System



External System

QUALITY MANAGEMENT

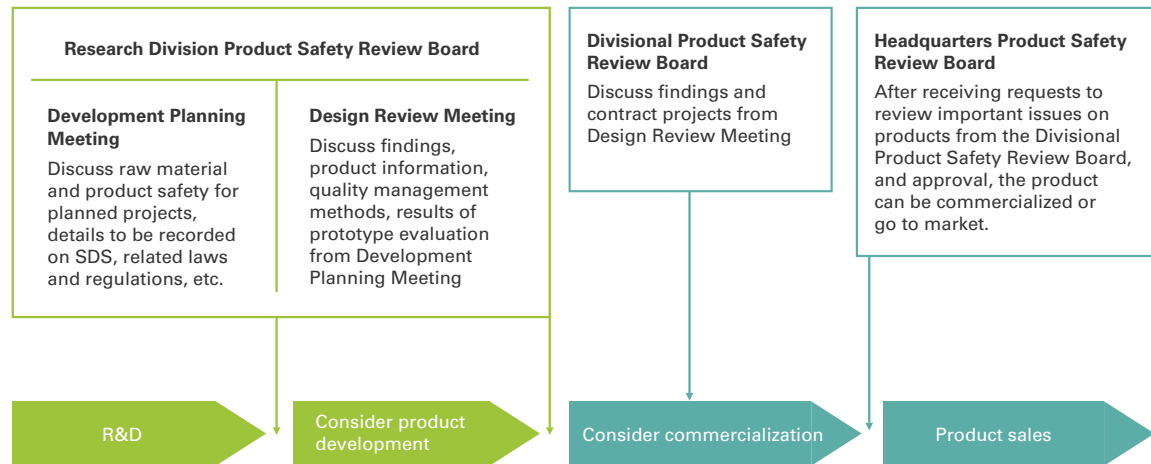
Product Safety Audits

In accordance with the intent of Japan's Product Liability Act, Tosoh Group employees in Japan work together to ensure product safety and provide appropriate product information.

Our Product Safety Review Committee verifies the safety of products and raw materials, and deliberates on laws and regulations at each stage from R&D to sales. In fiscal 2023, the committee met 85 times.

tosoh.com/investors/annual-reports/2023/csr23/quality-management

Product Safety Audit Flow



IN HARMONY WITH
OUR EMPLOYEES



IN HARMONY WITH OUR EMPLOYEES

Diversity

Tosoh Corporation believes that we must welcome and utilize a diversity of people and cultural values to continue to improve and generate corporate value. As such, the company is working to promote diversity. Its view is that increasing diversity internally will lead to improvement in our ability to respond flexibly and robustly to changes in the external environment, and to innovate.

Creating Comfortable Workplaces

Tosoh Corporation believes it is important to create an environment where a diverse workforce can continue to work for many years with peace of mind. To this end, we are 1) promoting work style reforms to streamline operations and achieve work-life balance, 2) enhancing systems for balancing work and family life in support of employees' diverse circumstances, even when individual circumstances differ, and 3) promoting health management to aid employees in their own health development.

tosoh.com/investors/annual-reports/2023/csr23/diversity-and-inclusion

Key performance indicators (KPIs)	FY23 Targets	FY23 Results	Appraisal
New female graduates hired for career-track positions	20% or more	29.9%	Achieved
Number of women in executive positions	18 or more	16*	Not achieved
Employment rate of persons with disabilities	2.3 or more	2.04%	Not achieved
Reemployment rate of mandatory retirees	80% or more	92.3%	Achieved

* includes employees seconded to group companies

IN HARMONY WITH OUR EMPLOYEES

Work Style Reform

We are promoting work style reforms with the aim of enhancing corporate competitiveness. Our efforts to curb long working hours and boost productivity have enhanced both employee job satisfaction and comfort while at the same time building a strong corporate culture.

Specifically, we are working on various measures to foster time awareness, enhance systems for creating a comfortable work environment, and promote operational efficiency throughout the company and in each workplace.

The Tosoh Group's goal is to establish a virtuous cycle which enhances the work environment and employee satisfaction and builds a strong corporate structure to underpin the sustainable growth of the Tosoh Group.

	FY21	FY22	FY23
Overtime hours/month	16.2	16.4	16.3
Total actual working hours/year	1,910	1,888	1869.9

* Data on supervisory and responsible positions

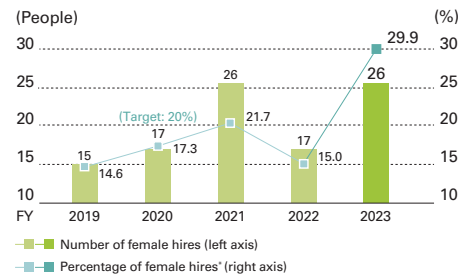
Promotion of Women in the Workplace

Tosoh is committed to recruiting female employees, while promoting their success and retention. The cultivation of medium- to long-term female candidates for executive positions is a challenge we must overcome in the advancement of women. To this end, the company is increasing its number of female employees, by first establishing a recruitment target based on Japan's Act on the Promotion of Women's Participation and Advancement in the Workplace.

It is expanding the scope of activities of hired female employees by assigning them to manufacturing and sales departments—where they have traditionally not been posted—while considering their aptitudes and desired job types. The company is also working to retain female employees by providing career education to assist them in reviewing their careers and developing a vision of the future. Also, it is developing a work-life balance support system to eliminate departures from the workforce due to life events and to support female employees in achieving a favorable work-life balance.

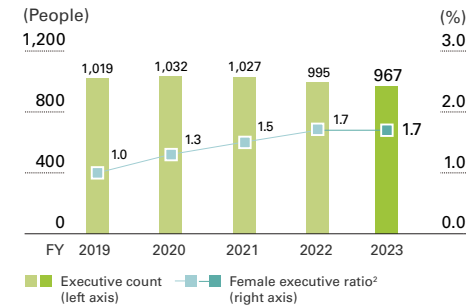
tosoh.com/investors/annual-reports/2023/csr23/diversity-and-inclusion

New Female Graduates Hired for Career-Track Positions (non-consolidated)



*Number of new female graduates hired for career-track positions / Number of new graduates hired for career-track positions

Executive Employees¹ (non-consolidated)



1. Full-time employees at manager level and above.
2. Number of female employees in management positions / (Number of male employees in management positions + Number of female employees in management positions) Calculated in accordance with the provisions of the Act Promoting Women's Active Engagement in Professional Life.

IN HARMONY WITH OUR EMPLOYEES

Work-Life Balance

The Tosoh Group believes that a company's greatest asset is its people, and that in order to sustainably create value, it is important to foster an open work environment that is rewarding to work in and recognizes and values human rights and diversity. Under the Tosoh Group CSR Basic Policy tenet, "Develop and promote a free and open corporate culture," we are actively promoting the realization of work-life balance by creating a workplace environment that allows diverse human resources to balance work and family life and to continue working in a rewarding manner. We aim to realize an environment in which employees can continue to work with peace of mind, by providing and encouraging the use of work styles and various systems that suit their individual lifestyles.

tosoh.com/investors/annual-reports/2023/csr23/diversity-and-inclusion

		FY 21	FY 22	FY 23
Childcare leave recipients	Male	63	72	141
	Female	18	13	19
	Total	81	85	160
Childcare leave acquisition rate ¹ (%)	Male	35.2	40.4	85.5
	Female	100	100	100
Return rate ² (%)	Male	100	100	100
	Female	88.2	100	93.3
Retention rate of returnees ³ (%)	Male	100	100	100
	Female	100	100	100
Male employees childcare/ paternity leave recipients		171	174	161
Male employees childcare/ paternity leave acquisition rate ⁴ (%)		95.5	97.8	97.6
Employees taking advantage of reduced working hours to facilitate child care ⁵	Male	0	1	3
	Female	38	49	39
	Total	38	50	42

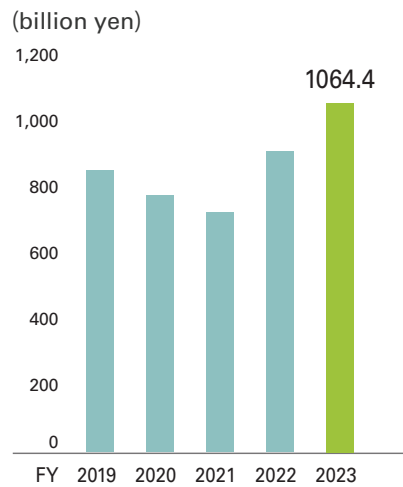
1. Number of employees who took childcare leave/number of employees who welcomed a new child.
2. Number of employees who returned to work/number of employees who were scheduled to return.
3. Retention rate of employees 12 months after returning to work/number of employees who returned to work in the previous fiscal year.
4. Number of paternity recipients/number of employees who welcomed a new child.
5. Includes employees who are seconded to Tosoh Group companies.

FINANCIAL HIGHLIGHTS

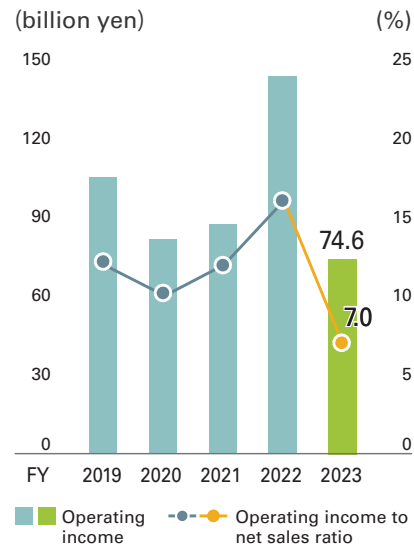


FINANCIAL HIGHLIGHTS

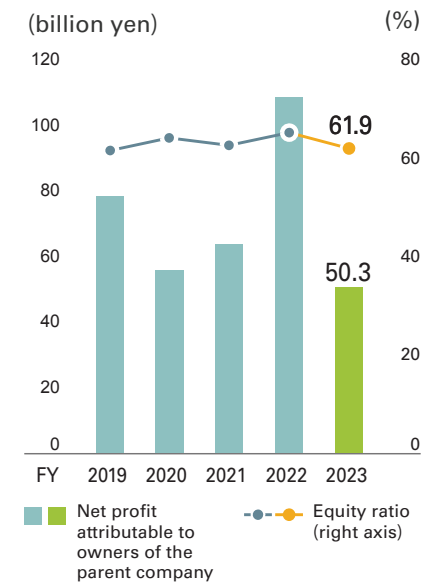
Net sales



Operating income Operating income to net sales ratio

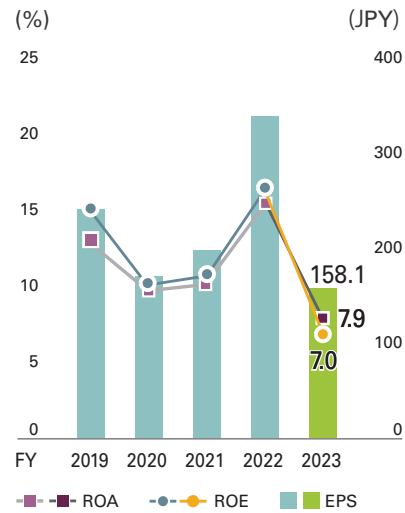


Net profit attributable to owners of the parent company Equity ratio

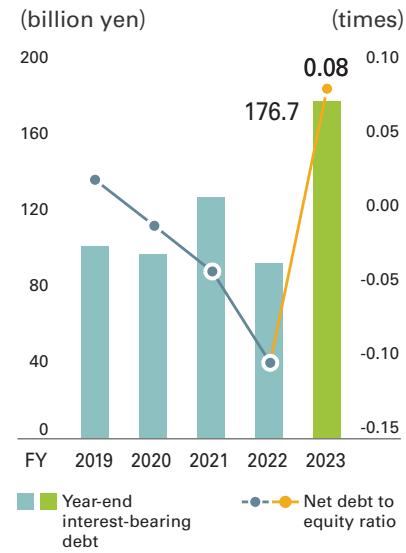


FINANCIAL HIGHLIGHTS

Return on assets (ROA)
Return on equity (ROE)
Earnings per share (EPS)

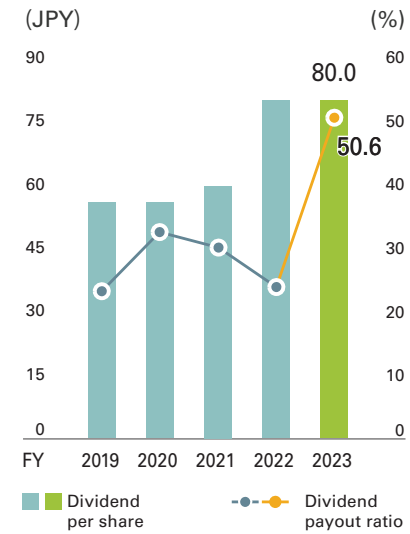


Year-end interest-bearing debt
Net debt to equity ratio*



* $(\text{Interest-bearing debt} - \text{cash and deposits}) \div \text{net assets}$

Dividend per share
Dividend payout ratio



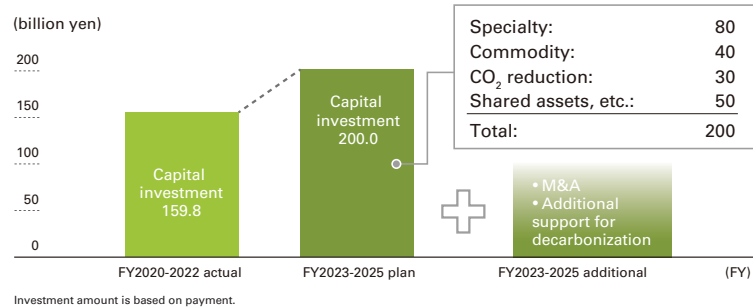
Capital Investment and M&A

The Medium-Term Business Plan, which began in FY2023, calls for cash flow to be created from operating activities of ¥260-320 billion over the plan's three-year period, capital investment of ¥200 billion, and shareholder returns through dividends of ¥77 billion. Any cash surpluses will be allocated to additional investment, M&A, or share buybacks.

Despite the sharp rise in prices of raw materials and fuel and the deterioration in market conditions in FY2023, resulting in a severe impact on earnings and negative free cash flow, we have neither changed our plans concerning capital investment in decarbonization and business growth during the current medium-term business plan period, nor held back with any shareholder returns through dividends.

tosoh.com/investors/annual-reports/2023/strategy

Investment and Lending Plan



- FY2023–2025 three-year cumulative investment = ¥200 billion in capital investment + M&A, additional support for decarbonization
- Invest aggressively with a focus on Specialty, including capital investment of ¥30 billion for CO₂ reduction.
- M&A exploration focused on biotechnology-related businesses

**Review of Operations:
Petrochemical Group**

Olefins Division

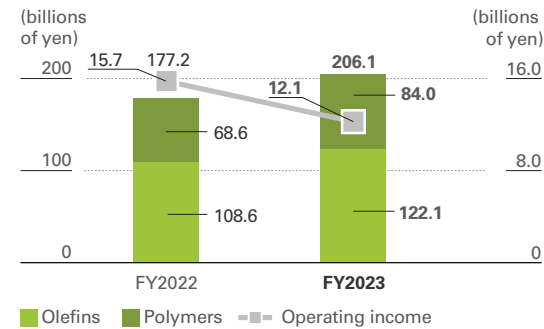
The olefins business is centered on the naphtha cracker located at the Yokkaichi Complex within the greater Kasumi Industrial Complex. Tosoh produces ethylene, propylene, and other basic petrochemical raw materials.

Polymers Division

Aiming to be unique and distinctive in this business, we provide products that meet a wide range of needs while integrating the fields of polyethylene and functional polymers.

<https://www.tosoh.com/investors/annual-reports/2023/review-of-operations-petrochemical>

Petrochemical Group



**Review of Operations:
Chlor-alkali Group**

Chlor-alkali Division

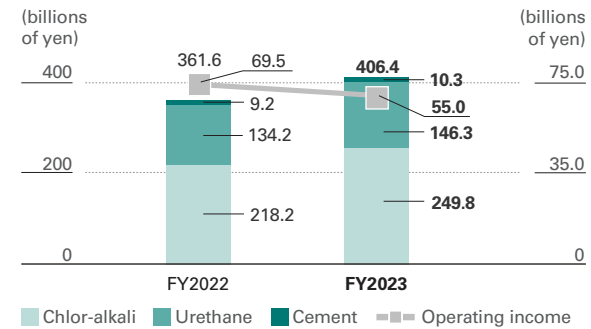
Tosoh produces caustic soda and chlorine at one of the largest electrolysis facilities in Asia. Caustic soda is used in paper, chemical fiber, and alumina production. Chlorine is utilized in a wide range of industries, including raw materials for PVC resin, sterilization, and bleaching.

Urethane Division

Polyurethane is used in a wide variety of applications, including automobiles, home appliances, housing, and industrial materials. It contributes to energy conservation and weight reduction which contributes to better performance of EVs.

<https://www.tosoh.com/investors/annual-reports/2023/review-of-operations-chlor-alkali>

Chlor-alkali Group



Review of Operations: Specialty Group

Organic Chemicals Division

The company's business is centered on ethyleneamines, environmental chemicals, bromine, and flame retardants. Our highly original products contribute to the reduction of environmental impact and support people's daily lives.

Bioscience Division

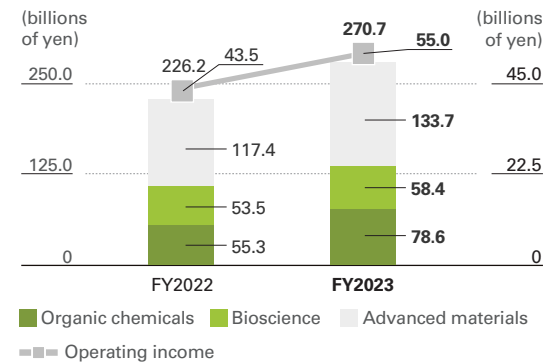
The company operates in the fields of separation and purification and diagnosis, providing services ranging from the development, manufacture, and sale of systems and reagents to maintenance and customer support.

Advanced Materials Division

With a wide array of products including synthetic zeolites, zirconia, thin film materials, and silica glass, we are expanding our business globally. Featuring unique capabilities, our products contribute to the enrichment of society and the reduction of environmental impact.

<https://www.tosoh.com/investors/annual-reports/2023/review-of-operations-specialty>

Specialty Group



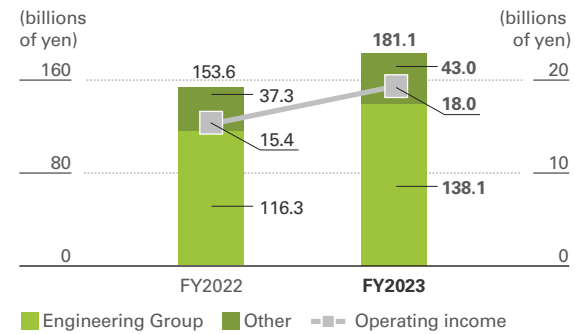
**Review of Operations:
Engineering Group**

The Engineering Group manufactures and sells water treatment systems and operates construction and repair businesses.

Ancillary

Tosoh's ancillary operations encompass a wide array of businesses, ranging from transportation and warehousing to inspection and analysis and information processing.

Engineering Group/Ancillary



10-YEAR FINANCIAL HIGHLIGHTS (CONSOLIDATED)

(millions of yen, unless otherwise indicated)

10-Year Financial Highlights (consolidated)										
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Business Results										
Net Sales	772,272	809,683	753,736	743,028	822,857	861,456	786,083	732,850	918,580	1,064,376
Petrochemical	223,458	223,746	175,436	161,747	174,768	183,926	159,140	131,386	177,185	206,101
Chlor-alkali	286,269	294,333	279,849	279,684	335,023	337,377	297,356	274,862	361,623	406,388
Specialty	153,425	174,855	174,531	175,880	187,116	197,422	185,042	180,593	226,219	270,795
Engineering	68,562	75,745	84,184	86,566	84,824	98,918	101,496	106,207	116,294	138,113
Ancillary	40,555	41,003	39,734	39,149	41,124	43,811	43,047	39,801	37,257	42,977
Operating Income	41,573	51,397	69,444	111,216	130,580	105,739	81,658	87,819	144,045	74,606
Petrochemical	14,789	6,920	11,608	20,072	22,521	13,392	10,299	7,703	15,655	12,115
Chlor-alkali	3,874	8,321	17,987	47,926	66,620	45,996	28,198	41,519	69,522	-10,661
Specialty	19,225	29,981	32,700	35,382	33,899	35,348	27,885	23,538	43,535	52,316
Engineering	1,258	3,330	4,576	5,145	4,868	8,303	12,740	11,988	12,280	17,962
Ancillary	2,425	2,843	2,570	2,689	2,671	2,698	2,534	3,069	3,051	2,873
Ordinary Income	49,508	60,197	65,814	113,094	132,256	113,027	85,963	95,138	160,467	89,983
Profit Attributable to Owners of Parent Company	29,564	62,297	39,675	75,664	88,795	78,133	55,550	63,276	107,938	50,335
Earnings Per Share	49.35	103.97	62.61	116.56	273.49	240.62	171.03	197.89	339.23	158.14
Financial Position										
Total Assets	721,748	764,205	734,770	782,623	852,803	878,194	886,591	982,776	1,087,667	1,194,251
Current Assets	401,966	430,275	415,682	448,014	500,620	500,759	482,079	552,517	642,278	707,625
Fixed Assets	319,781	333,930	319,087	334,608	352,182	377,434	404,512	430,258	445,389	486,625
Liabilities	471,951	443,421	361,045	334,287	324,736	298,692	276,931	321,096	327,943	400,052
Current Liabilities	340,636	318,170	259,850	247,886	254,552	242,253	220,223	263,620	269,878	336,312
Fixed Liabilities	131,314	125,250	101,195	86,400	70,184	56,439	56,708	57,476	58,064	63,740
Net Assets	249,797	320,783	373,724	448,335	528,066	579,501	609,660	661,679	759,724	794,198
(including equity capital)	219,195	288,959	340,157	413,210	490,824	540,836	567,546	615,570	708,916	738,803

10-YEAR FINANCIAL HIGHLIGHTS (CONSOLIDATED)

(millions of yen, unless otherwise indicated)

10-Year Financial Highlights (consolidated)										
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Cash Flow	67,238	54,106	99,884	115,715	115,429	77,511	99,923	95,106	108,616	-16,239
Cash Flow from Investment Activities	-26,065	-34,114	-27,916	-34,723	-43,129	-63,310	-70,335	-46,352	-43,525	-78,729
Cash Flow from Financing Activities	-45,533	-20,718	-50,826	-68,829	-51,744	-26,962	-23,964	1,585	-57,852	50,171
Free Cash Flow	41,172	19,991	71,967	80,992	72,300	14,200	29,588	48,753	65,089	-94,988
Key Indicators										
Equity Ratio (%)	30.4	37.8	46.3	52.8	57.6	61.6	64.0	62.6	65.2	61.9
Operating Income Ratio (%)	5.4	6.3	9.2	15.0	15.9	12.3	10.4	12	15.7	7.0
Return on Equity (%)	14.5	24.5	12.6	20.1	19.6	15.1	10.0	10.7	16.3	7.0
Return on Assets (%)	6.8	8.1	8.8	14.9	16.2	13.1	9.7	10.2	15.5	7.9
Net Debt-to-Equity Ratio (times)	1.1	0.7	0.4	0.1	0.0	0.0	-0.0	-0.0	-0.1	0.08
Capital Expenditures	23,701	27,923	27,923	37,755	39,494	64,829	61,134	50,627	48,034	79,239
Depreciation and Amortization	31,827	32,789	31,788	27,407	29,755	31,308	32,057	37,534	37,579	40,583
R&D Expenses	12,513	12,877	13,743	14,370	15,502	16,643	18,244	19,483	19,896	21,425
Interest-Bearing Debt	286,204	271,526	199,574	139,843	107,840	101,072	95,858	126,526	91,906	176,730
Number of Employees (consolidated)	11,421	11,594	12,037	12,292	12,595	12,955	13,336	13,631	13,858	14,266
Number of Consolidated Companies	112	106	107	107	106	105	107	106	109	109
Total Number of Shares Outstanding	601,161	601,161	650,161	650,161	325,080	325,080	325,080	325,080	325,080	325,080
Number of Shareholders	34,629	32,597	34,274	27,596	29,464	32,057	32,446	29,006	33,420	52,656
Dividend Per Share (yen)	6.00	10.00	14.00	24.00	56.00	56.00	56.00	60.00	80.00	80.00
Dividend Payout Ratio (%)	12.2	9.6	22.4	20.6	20.5	23.3	32.7	30.3	23.6	50.6
Foreign Stock Owners Ratio (%)	23.67	26.19	25.53	32.35	36.24	31.40	30.9	31.73	30.95	28.82
Price Earnings Ratio (times)	8.1	5.8	7.6	8.4	7.6	7.2	7.2	10.7	5.3	11.4

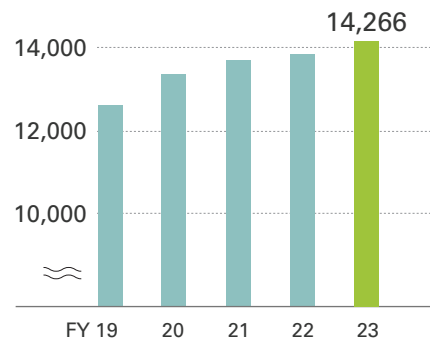
Note: For fiscal year 2018, figures account for the one-to-two reverse stock split of common shares executed on October 1, 2017.

NONFINANCIAL HIGHLIGHTS

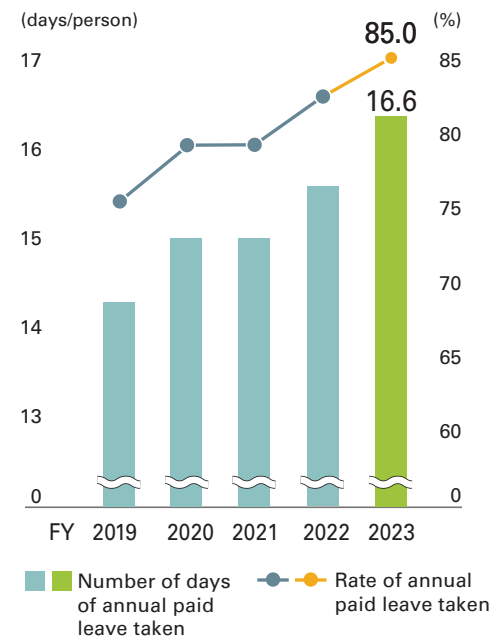


NONFINANCIAL HIGHLIGHTS

**Number of Employees
(as of March 31, 2023)**



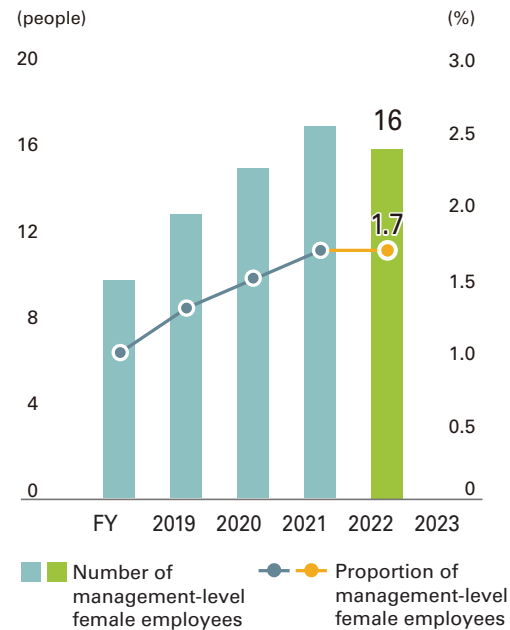
**Number of days of annual paid leave taken*
Rate of annual paid leave taken***



*Non-consolidated

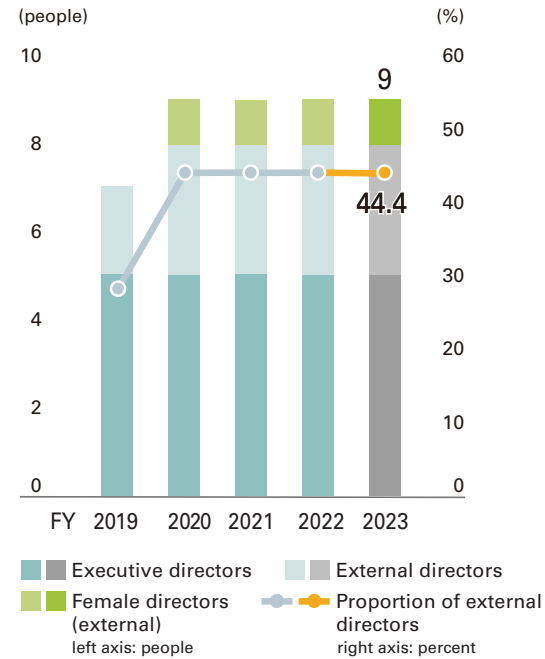
NONFINANCIAL HIGHLIGHTS

Number of management-level female employees* Proportion of management-level female employees*



*Tosoh Registry: Employees of Tosoh Corporation (including seconded employees, excluding received seconded employees)

Composition of board of directors* Proportion of external directors*



*Non-consolidated



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