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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 2, 2023

Company name: TOSOH CORPORATION

Stock exchange listing: Tokyo

Code number: 4042

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Scheduled date of filing quarterly securities report: November 13, 2023

Scheduled date of commencing dividend payments: December 1, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

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

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	485,679	(7.8)	32,104	(28.7)	44,389	(31.3)	26,716	(36.4)
September 30, 2022	526,649	22.9	45,026	(31.1)	64,654	(6.2)	42,040	(8.7)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 44,635 million [(21.5) %]

Six months ended September 30, 2022: ¥ 56,858 million [7.4 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	83.93	83.92
September 30, 2022	132.10	132.04

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2023	1,238,566	825,541	61.9
March 31, 2023	1,194,251	794,198	61.9

(Reference) Equity: As of September 30, 2023: ¥ 766,793 million

As of March 31, 2023: ¥ 738,803 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2024	-	40.00			
Fiscal year ending March 31, 2024 (Forecast)			-	40.00	80.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,040,000	(2.3)	86,000	15.3	98,000	8.9	59,000	17.2	185.35

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

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

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

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

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

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

September 30, 2023: 325,080,956 shares

March 31, 2023: 325,080,956 shares

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

September 30, 2023: 6,708,157 shares

March 31, 2023: 6,791,155 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 318,320,073 shares

Six months ended September 30, 2022: 318,256,899 shares

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

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

(Cautionary statement on forward-looking statements)

The forward-looking statements, including financial results forecasts, contained in these materials are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and may be substantially different from the actual performance because of various factors that may arise from now on. Please refer to page 4 of the attached document for further information on the above forecasts.

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1. Qualitative Information on Quarterly Consolidated Financial Results

(1) Explanation regarding Operating Results

The Company's consolidated net sales decreased ¥41.0 billion (7.8%) year-on-year to ¥485.7 billion (US\$3.4 billion) due to a reduced sales volume stemming from lower demand caused by the economic slowdown, scheduled maintenance at the Nanyo Complex, and plant troubles at the Yokkaichi Complex. Another factor was the decline in selling prices due to the decline in overseas markets and the costs of naphtha and other raw materials and fuels.

Operating income decreased ¥12.9 billion (28.7%) year-on-year to ¥32.1 billion (US\$227.6 million) due to significant deterioration in the difference between inventory receipts and payments and a declining sales volume, despite terms of trade improving backed by lower prices in raw materials and fuels, including naphtha and coal. Ordinary income decreased ¥20.3 billion (31.3%) year-on-year to ¥44.4 billion (US\$314.7 million) despite foreign exchange gains resulting from the progressively weaker yen. Quarterly net profit attributable to owners of the parent fell by ¥15.3 billion (36.4%) year-on-year to ¥26.7 billion (US\$189.4 million).

During the first half of the current fiscal year, the global economy continued to slow down for various reasons, especially in the manufacturing sector. On the one hand, high inflation and monetary tightening continue primarily in the West's developed nations, while on the other, demand in China has not recovered as expected after China rescinded the zero-COVID policy. Moreover, the economic outlook remains uncertain due to the growing upward pressure on prices as a result of rising raw material and fuel prices and labor costs, as well as the prolonged issue in Ukraine and tensions in the Middle East.

Results by business segment are as follows.

Petrochemical

Petrochemical Group net sales decreased ¥13.9 billion (13.1%) year-on-year to ¥92.3 billion (US\$654.4 million). Meanwhile, operating income fell ¥2.4 billion (38.4%) year-on-year to ¥3.9 billion (US\$27.8 million) due to deterioration in the difference between inventory receipts and payments and a decline in sales volume, despite terms of trade for polyethylene resin and other products improving due to lower prices in naphtha and other raw materials and fuels.

Ethylene shipments decreased due to lower industrial demand and reduced production volume caused by the Yokkaichi Complex plant troubles. These plant troubles also influenced propylene shipments, which increased as higher industrial demand outpaced the reduced production volume. Cumene shipments increased alongside increased production volume at the Yokkaichi Complex in a year without scheduled maintenance. Falling naphtha prices also led to reduced selling prices for ethylene and propylene. Cumene selling prices dipped due to the decline in overseas markets.

Polyethylene resin demand remains sluggish in various industries, most notably causing reduced domestic shipments. Export selling prices declined amid the decline in overseas markets, especially for EVA resins. Chloroprene rubber shipments declined due to sluggish demand in domestic and export markets, but selling prices rose in both markets due to the progressively weaker yen and soaring raw material prices.

Chlor-alkali

Chlor-alkali Group net sales decreased ¥34.2 billion (16.6%) year-on-year to ¥172.2 billion (US\$1.2 billion). Meanwhile, operating income decreased ¥1.9 billion year-on-year, leading to a ¥1.8 billion (US\$12.7 million) loss due to deterioration in the difference between inventory receipts and payments despite terms of trade improving due to lower prices in naphtha, coal, and other raw materials and fuels.

Caustic soda shipments declined, coinciding with a dip in production volume caused by scheduled maintenance and other factors. However, domestic prices increased due to price corrections, while export prices fell amid the decline in overseas markets. Vinyl chloride monomer shipments declined, coinciding with a dip in production volume caused by scheduled maintenance and other factors. Polyvinyl chloride (PVC) resin export shipments increased. PVC overseas selling prices also declined, reflecting the decline in overseas markets.

Domestic and export cement shipments decreased due to sluggish demand, but domestic selling prices increased.

Methane diphenyl diisocyanate (MDI) shipments remained level year-on-year, but selling prices fell due to the decline in overseas markets. Selling prices for hexamethylene diisocyanate (HDI) hardeners decreased amid worsening market conditions fueled by sluggish global demand, including for construction and civil engineering applications in China.

Specialty

Specialty Group net sales decreased ¥1.0 billion (0.8%) year-on-year to ¥129.9 billion (US\$920.6 million). Meanwhile, operating income decreased ¥9.3 billion (31.6%) year-on-year to ¥20.1 billion (US\$142.3 million) due to deterioration in the difference between inventory receipts and payments and reduced shipments of quartz glass and zirconia, despite terms of trade improving thanks to foreign exchange effects and lower prices in coal and other raw materials and fuels.

Ethyleneamine shipments decreased due to lower demand caused by worsening global business confidence, but selling prices increased due to price corrections in the previous year and the progressively weaker yen. Bromine shipments increased due to expanded sales in line with bolstered production capacity, but selling prices declined due to the decline in overseas markets.

In separation-related products, shipments of packing materials for liquid chromatography decreased to the West and China. Diagnostic products saw automated hemoglobin analyzers and related reagent shipments increase domestically and overseas, but shipments of genetic testing reagents to the domestic market decreased.

High-silica zeolite shipments increased, mainly for automotive applications, due to a recovery in demand, and selling prices increased with the progressively weaker yen. Shipments of zirconia for decorative and dental applications decreased, but selling prices rose due to the progressively weaker yen and price corrections. Quartz glass shipments declined due to a slowdown in semiconductor demand, but selling prices rose due to the progressively weaker yen and price corrections. Electrolytic manganese dioxide shipments increased in Europe and Asia, and selling prices rose due to the progressively weaker yen and price corrections.

Engineering

Engineering Group net sales increased ¥5.6 billion (9.0%) year-on-year to ¥68.0 billion (US\$482.2 million), and operating income increased ¥700 million (9.3%) year-on-year to ¥8.6 billion (US\$61.0 million).

In the water treatment engineering business, net sales increased due to steady progress in domestic and overseas large-scale construction projects for the electronics industry, as well as robust solution service sales, including maintenance and equipment-ownership services.

Net sales increased at the Group's construction subsidiaries.

Other

Other net sales increased ¥2.5 billion (12.1%) year-on-year to ¥23.3 billion (US\$165.0 million), and operating income decreased ¥0 billion (2.4%) year-on-year to ¥1.3 billion (US\$9.2 million). Net sales increased for other operating companies, including transportation/warehousing, testing/analysis, and information processing.

(2) Explanation Regarding Financial Position

Total assets increased ¥44.3 billion from the end of the previous period to ¥1,238.6 billion (US\$8.8 billion), primarily due to increases in cash and deposits, property, plant and equipment, and investment securities, despite decreases in notes and accounts receivable – trade, and contract assets.

Liabilities increased ¥13.0 billion from the end of the previous period to ¥413.0 billion (US\$2.9 billion), mainly due to an increase in income tax payable, long-term borrowings, despite a decrease in notes and accounts payable - trade.

Net assets were ¥825.5 billion (US\$5.9 billion), up ¥31.3 billion from the end of the previous period, predominantly due to posting profit attributable to owners of parent and increases from foreign currency translation adjustments.

(3) Explanation Regarding Consolidated Financial Results Forecast and Other Forward-Looking Statements

In light of recent business trends, the Company has made the below revisions to the forecast announced on May 12, 2023.

The assumptions for second half of fiscal year ended March 31, 2024 in our full-year forecasts are a domestic naphtha price of ¥74,500/kL and an exchange rate of ¥145/US\$.

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen 1,080,000	Million yen 95,000	Million yen 95,000	Million yen 60,000	Yen 188.51
Revised forecast (B)	1,040,000	86,000	98,000	59,000	185.35
Change (B-A)	(40,000)	(9,000)	3,000	(1,000)	
Rate of change (%)	(3.7)	(9.5)	3.2	(1.7)	
Reference: Results for the previous fiscal year (Year ended March 31, 2023)	1,064,376	74,606	89,983	50,335	158.14

For details, please refer to “Notice Regarding Differences between Consolidated Financial Results Forecast and Actual Results for the Six Months Ended September 30, 2023 and Revision to Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024” release on the same day as this release.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	120,153	134,296
Notes and accounts receivable - trade, and contract assets	292,069	285,547
Merchandise and finished goods	154,143	156,603
Work in process	32,443	18,627
Raw materials and supplies	70,544	69,760
Other	38,968	59,213
Allowance for doubtful accounts	(698)	(786)
Total current assets	707,625	723,263
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	122,585	125,934
Land	68,234	68,213
Other, net	167,123	180,117
Total property, plant and equipment	357,944	374,265
Intangible assets	10,461	10,481
Investments and other assets		
Investment securities	57,737	66,448
Assets for retirement benefit	33,949	34,287
Other	27,011	30,309
Allowance for doubtful accounts	(478)	(489)
Total investments and other assets	118,220	130,556
Total non-current assets	486,625	515,302
Total assets	1,194,251	1,238,566

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	122,903	115,275
Short-term borrowings	149,340	148,710
Income taxes payable	8,442	13,101
Provisions	11,764	15,250
Other	43,860	51,451
Total current liabilities	336,312	343,789
Non-current liabilities		
Long-term borrowings	27,390	31,558
Provisions	3,860	1,280
Liabilities for retirement benefit	20,411	20,105
Other	12,077	16,291
Total non-current liabilities	63,740	69,236
Total liabilities	400,052	413,025
Net assets		
Shareholders' equity		
Common stock	55,173	55,173
Capital surplus	44,347	44,343
Retained earnings	622,995	636,952
Treasury stock	(9,903)	(9,783)
Total shareholders' equity	712,612	726,685
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities	9,960	15,825
Deferred gains (losses) on hedges	3	4
Foreign currency translation adjustments	8,669	17,300
Accumulated adjustments for retirement benefit	7,558	6,977
Total accumulated other comprehensive income	26,191	40,108
Stock acquisition rights	89	42
Non-controlling interests	55,305	58,705
Total net assets	794,198	825,541
Total liabilities and net assets	1,194,251	1,238,566

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	526,649	485,679
Cost of sales	410,910	382,352
Gross profit	115,738	103,326
Selling, general and administrative expenses	70,712	71,222
Operating income	45,026	32,104
Non-operating income		
Interest income	264	455
Dividend income	1,312	939
Foreign exchange gains	14,744	9,679
Equity in earnings of affiliates	1,272	753
Other	3,102	1,663
Total non-operating income	20,696	13,491
Non-operating expenses		
Interest expense	613	954
Other	454	251
Total non-operating expenses	1,068	1,205
Ordinary income	64,654	44,389
Extraordinary income		
Gain on sales of property, plant and equipment	962	68
Gain on sales of investment securities	60	45
Total extraordinary income	1,022	114
Extraordinary losses		
Loss on sales of property, plant and equipment	16	76
Loss on disposal of property, plant and equipment	1,410	880
Impairment losses	3	-
Head office relocation expenses	-	217
Total extraordinary losses	1,430	1,174
Income before income taxes	64,247	43,329
Income taxes	19,719	13,571
Net income	44,527	29,758
Profit attributable to non-controlling interests	2,486	3,041
Profit attributable to owners of parent	42,040	26,716

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net income	44,527	29,758
Other comprehensive income		
Net unrealized gains (losses) on securities	(865)	5,891
Deferred gains (losses) on hedges	(3)	2
Foreign currency translation adjustments	13,191	8,795
Adjustments for retirement benefit	(404)	(591)
Share of other comprehensive income of affiliates applied for equity method	412	779
Total other comprehensive income	12,331	14,876
Comprehensive income	56,858	44,635
Breakdown of comprehensive income		
Comprehensive income attributable to shareholders of parent	52,956	40,633
Comprehensive income attributable to non-controlling interests	3,902	4,001

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Income before income taxes	64,247	43,329
Depreciation and amortization	20,904	21,345
Impairment loss	3	-
Change in assets and liabilities for retirement benefit	(722)	(1,532)
Interest and dividend income	(1,577)	(1,395)
Interest expense	613	954
Foreign exchange losses (gains)	(733)	(361)
Equity in earnings of affiliates	(1,272)	(753)
Loss (gain) on sales of property, plant and equipment	(945)	7
Loss on disposal of property, plant and equipment	1,410	880
Head office relocation expenses	-	217
Decrease (increase) in trade receivables and contract assets	(32,778)	11,991
Decrease (increase) in inventories	(49,152)	16,350
Increase (decrease) in trade payables	15,105	(11,924)
Other, net	(17,076)	(12,807)
Subtotal	(1,974)	66,301
Interest and dividends received	1,953	1,653
Interest paid	(601)	(951)
Income taxes paid	(34,308)	(8,872)
Net cash provided by operating activities	(34,930)	58,131
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(29,418)	(31,981)
Proceeds from sales of property, plant and equipment	1,656	377
Purchase of investment securities	(566)	(103)
Proceeds from sales and redemption of investment securities	89	55
Payments for advances of long-term loans receivable	(1,955)	(1,879)
Proceeds from collections of long-term loans receivable	1,914	1,759
Other, net	(1,499)	(1,313)
Net cash used in investing activities	(29,780)	(33,086)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	32,562	(5,093)
Proceeds from long-term borrowings	2,922	9,429
Repayments of long-term borrowings	(5,863)	(4,625)
Cash dividends paid	(15,880)	(12,710)
Dividends paid to non-controlling interests	(597)	(861)
Other, net	(127)	(422)
Net cash used in financing activities	13,017	(14,285)
Effect of exchange rate changes on cash and cash equivalents	6,021	3,292
Net increase (decrease) in cash and cash equivalents	(45,672)	14,053
Cash and cash equivalents at beginning of period	160,812	119,421
Cash and cash equivalents at end of period	115,140	133,475

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Assumption of Going Concern)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Accounting Policies Adopted Specially for the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after the application of tax effect accounting to income before income taxes for the fiscal year including the six months ended September 30, 2023, and multiplying income before income taxes by this estimated effective tax rate. However, for those companies that would be significantly irrational if tax expenses were calculated using the estimated effective tax rate, the results calculated using the statutory tax rate were recorded.

Income taxes-deferred are included in income taxes.

(Segment Information)

I For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

1. Net Sales and Income by Segment

(Million yen)

	Petrochemical	Chlor-alkali	Specialty	Engineering	Other (1)	Total	Adjustment	Figures in consolidated statements (2)
Net sales								
External customers	106,201	206,400	130,851	62,427	20,769	526,649	—	526,649
Inter-segment	79,788	28,218	12,431	16,820	31,672	168,931	(168,931)	—
Total	185,989	234,618	143,282	79,248	52,442	695,580	(168,931)	526,649
Segment income	6,353	138	29,335	7,868	1,330	45,026	—	45,026

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

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

2. Information on impairment loss on fixed assets and goodwill by segment

Not applicable.

II For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)

1. Net Sales and Income (loss) by Segment

(Million yen)

	Petrochemical	Chlor-alkali	Specialty	Engineering	Other (1)	Total	Adjustment	Figures in consolidated statements (2)
Net sales								
External customers	92,312	172,210	129,862	68,018	23,274	485,679	—	485,679
Inter-segment	56,766	23,082	10,426	7,213	32,029	129,518	(129,518)	—
Total	149,078	195,293	140,289	75,232	55,303	615,197	(129,518)	485,679
Segment income (loss)	3,916	(1,787)	20,075	8,601	1,298	32,104	—	32,104

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

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

2. Information on impairment loss on fixed assets and goodwill by segment

Not applicable.

3. Additional information

Summary of Consolidated Operating Results for the Six Months ended September 30, 2023

November 2, 2023
TOSOH CORPORATION

(1) Operating Results

(Billion yen)

	Six months ended September 30, 2022 (4.1.22-9.30.22) (Actual)	Six months ended September 30, 2023 (4.1.23-9.30.23) (Actual)	Change	Fiscal year ended March 31, 2023 (4.1.22-3.31.23) (Actual)	Fiscal year ended March 31, 2024 (4.1.23-3.31.24) (Forecast)
Net sales	526.6	485.7	(41.0)	1,064.4	1,040.0
Operating income	45.0	32.1	(12.9)	74.6	86.0
Ordinary income	64.7	44.4	(20.3)	90.0	98.0
Profit attributable to owners of parent	42.0	26.7	(15.3)	50.3	59.0
Basic earnings per share (¥)	132.10	83.93	(48.17)	158.14	185.35

(2) Business and Financial Fundamentals

(Billion yen)

	Six months ended September 30, 2023 (4.1.22-9.30.22) (Actual)	Six months ended September 30, 2023 (4.1.23-9.30.23) (Actual)	Change	Fiscal year ended March 31, 2023 (4.1.22-3.31.23) (Actual)	Fiscal year ended March 31, 2024 (4.1.23-3.31.24) (Forecast)
Exchange rate (¥/US\$) Average TTM	134.0	141.1	7.0	135.5	143.0
Exchange rate (¥/EUR) Average TTM	138.8	153.5	14.7	141.0	154.2
Domestic standard naphtha price (¥/kl)	83,750	65,650	(18,100)	76,625	70,075
Capital expenditures	30.7	32.2	1.5	79.2	72.0
Depreciation and amortization	19.4	20.6	1.2	40.6	43.0
R&D expenses	10.2	11.0	0.8	21.4	23.0
Interest-bearing liabilities	124.7	180.3	55.6	176.7	179.0
Net financial income/expenses	1.0	0.4	(0.6)	1.2	0.4
Equity ratio (%)	63.6	61.9	(1.7)	61.9	61.0
Number of employees	14,223	14,517	294	14,266	14,550

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

(3) Topics

- Summer 2024 (planned) Production capacity increase for separation and purification media
- Autumn 2024 (planned) Installation of a CO2 recovery and feedstock conversion equipment
- Spring 2026 (planned) Construction of a biomass-fired power plant
- Autumn 2026 (planned) Construction of a new crude MDI splitter in Vietnam
- Winter 2026 (planned) Production capacity increase for sputtering targets

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

(Billion yen)

		Six months ended September 30, 2022 (4.1.22-9.30.22) (Actual)	Six months ended September 30, 2023 (4.1.23-9.30.23) (Actual)	Change	Breakdown of change			
					Volume effect	Price effect	Terms of trade	Fixed costs, etc.
Petrochemical	Net sales	106.2	92.3	(13.9)	(2.4)	(11.5)	-	-
	Operating income	6.4	3.9	(2.4)	(1.7)	-	9.3	(10.0)
Chlor-alkali	Net sales	206.4	172.2	(34.2)	(12.6)	(21.6)	-	-
	Operating income(loss)	0.1	(1.8)	(1.9)	(0.9)	-	13.8	(14.9)
Specialty	Net sales	130.9	129.9	(1.0)	(9.0)	8.0	-	-
	Operating income	29.3	20.1	(9.3)	(5.4)	-	7.4	(11.3)
Engineering	Net sales	62.4	68.0	5.6	4.9	0.7	-	-
	Operating income	7.9	8.6	0.7	0.7	-	0.0	0.0
Other	Net sales	20.8	23.3	2.5	0.7	1.8	-	-
	Operating income	1.3	1.3	0.0	(0.1)	-	0.0	0.0
Total	Net sales	526.6	485.7	(41.0)	(18.4)	(22.6)	-	-
	Operating income	45.0	32.1	(12.9)	(7.3)	-	30.5	(36.2)

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

(5) Consolidated Financial Results Forecast

(Billion yen)

		Fiscal year ended March 31, 2023 (4.1.22-3.31.23) (Actual)	Fiscal year ended March 31, 2024 (4.1.23-3.31.24) (Forecast)	Change	Half-yearly	
					First half of fiscal year ended March 31, 2024	Second half of fiscal year ended March 31, 2024
Petrochemical	Net sales	206.1	192.7	(13.4)	92.3	100.4
	Operating income	12.1	13.6	1.4	3.9	9.6
Chlor-alkali	Net sales	406.4	372.0	(34.4)	172.2	199.8
	Operating income(loss)	(10.7)	9.6	20.3	(1.8)	11.4
Specialty	Net sales	270.8	270.7	(0.1)	129.9	140.8
	Operating income	52.3	38.6	(13.7)	20.1	18.5
Engineering	Net sales	138.1	156.2	18.1	68.0	88.2
	Operating income	18.0	21.8	3.8	8.6	13.2
Other	Net sales	43.0	48.4	5.4	23.3	25.1
	Operating income	2.9	2.5	(0.4)	1.3	1.2
Total	Net sales	1,064.4	1,040.0	(24.4)	485.7	554.3
	Operating income	74.6	86.0	11.4	32.1	53.9

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