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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 6, 2025

Company name: TOSOH CORPORATION

Stock exchange listing: Tokyo

Code number: 4042

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Scheduled date to commence dividend payments: -

Availability of Preparation of supplementary briefing material on quarterly financial results: Yes

Scheduled 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 Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(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	%
Nine months ended December 31, 2024	795,696	6.4	74,600	25.3	82,545	20.2	48,525	17.3
December 31, 2023	747,889	(5.9)	59,551	1.1	68,672	(5.0)	41,367	(10.7)

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥ 55,549 million [(10.7) %]
 Nine months ended December 31, 2023: ¥ 62,205 million [(1.6) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	152.37	152.36
December 31, 2023	129.95	129.93

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	1,325,427	880,581	61.3
March 31, 2024	1,289,949	858,766	61.6

(Reference) Equity: As of December 31, 2024: ¥ 812,147 million
 As of March 31, 2024: ¥ 794,516 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, 2024	-	40.00	-	45.00	85.00
Fiscal year ending March 31, 2025	-	50.00	-		
Fiscal year ending March 31, 2025 (Forecast)				50.00	100.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(% 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	1,070,000	6.4	98,000	22.7	105,000	9.5	61,000	6.4	191.55

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

* Notes:

(1) Significant changes in the scope of consolidation during this period: Yes

Newly included: 1 (Company name: Tosoh Vietnam Polyurethane Co., Ltd)

(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 revisions to 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):

December 31, 2024: 325,080,956 shares

March 31, 2024: 325,080,956 shares

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

December 31, 2024: 6,571,313 shares

March 31, 2024: 6,667,250 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 318,461,501 shares

Nine months ended December 31, 2023: 318,335,574 shares

* Review of the attached consolidated quarterly financial results by certified public accountants or an audit firm: No

* 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 5 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 net sales increased ¥47.8 billion (6.4%) year-on-year to ¥795.7 billion (US\$5.2 billion), over the first nine months of the Company's 2025 fiscal year which extends from April 1, 2024, to March 31, 2025. This increase was due to heightened sales volume because of high demand and improved production volume during protracted time spans between scheduled maintenance at the Nanyo Complex. Also contributing to the increase were the progressively weaker yen and a rise in naphtha prices which pushed up product selling prices. The company's consolidated operating income increased ¥15.0 billion (25.3%) year-on-year to ¥74.6 billion (US\$488.8 million). This growth was primarily driven by the increased sales volume and expansion of Engineering Group sales. Ordinary income increased ¥13.9 billion (20.2%) year-on-year to ¥82.5 billion (US\$540.8 million), owing to foreign exchange gains resulted from a depreciated yen, which were recorded as non-operating income. Net profit attributable to owners of parent, meanwhile, amounted to ¥48.5 billion (US\$317.9 million), up ¥7.2 billion (17.3%) from the corresponding nine-month period of the previous fiscal year.

During the first nine months of fiscal year, the global economy remained generally stable, although interest rate hikes in major countries did cause a measure of deceleration. The outlook for the remainder of the fiscal year and beyond remains uncertain owing to weak domestic demand in China and worries over the economic and foreign policies of the new administration in the United States.

Results by business segment are as follows:

Petrochemical

Petrochemical Group's net sales increased ¥15.9 billion (11.1%) year-on-year to ¥159.1 billion (US\$1.0 billion). Operating income increased ¥3.5 billion (39.7%) year-on-year to ¥12.4 billion (US\$81.4 million), because of increased chloroprene rubber sales volume and improved cumene terms of trade.

Ethylene production and shipments increased because of the resolution of the previous year's plant troubles at the Yokkaichi Complex. Selling prices for ethylene and for propylene rose in line with higher naphtha prices. Lower demand drove down cumene shipments, but higher foreign exchange rates and overseas market prices contributed to an increase in cumene selling prices.

Domestic polyethylene resin demand remained essentially unchanged from the corresponding period of the previous year. Polyethylene resin selling prices rose, however, because of rising naphtha feedstock prices. Export shipments fell amid deteriorating overseas market conditions, particularly for ethylene vinyl acetate (EVA) resin. Overall shipments of chloroprene rubber rose as demand recovered, although performance varied by region.

Chlor-alkali

Chlor-alkali Group net sales increased ¥14.2 billion (5.4%) year-on-year to ¥278.8 billion (US\$1.8 billion). Operating income increased ¥4.9 billion (204.3%) year-on-year to ¥7.3 billion (US\$48.0 million), on account of an improvement in the difference between inventory receipts and payments and increased methylene diphenyl diisocyanate (MDI) sales volume.

Protracted time spans between scheduled maintenance at the Nanyo Complex resulted in increased production volume for caustic soda, which in turn drove upward caustic soda shipments, and caustic soda export prices rose because of higher overseas market prices and a weakened yen. Although Shipments of vinyl chloride monomer (VCM) increased in line with a production volume increase occurred amid protracted time spans between scheduled maintenance at the Nanyo Complex, the selling prices decreased due to worsened conditions in overseas market. Domestic shipments of polyvinyl chloride (PVC) resin fell. Although worsened conditions in overseas market, PVC selling prices increased due to the weakened yen.

Sluggish demand drove shipments of cement downward.

Methylene diphenyl diisocyanate (MDI) shipments rose, and selling prices rose owing to an improvement in overseas market conditions and to the weakened yen. Sales volumes and the prices of hexamethylene diisocyanate (HDI) hardeners declined as market conditions deteriorated amid sluggish global demand.

Specialty

Specialty Group net sales increased ¥8.8 billion (4.5%) year-on-year to ¥203.2 billion (US\$1.3 billion). Operating income increased ¥0.5 billion (1.5%) year-on-year to ¥31.3 billion (US\$204.8 million), resulting from higher sales volume for separation-related products and electrolytic manganese dioxide (EMD), in spite of an increase in fixed costs and a deterioration in the difference between inventory receipts and payments.

Demand for ethyleneamine—particularly in Asia—resulted in increased ethyleneamine shipments. But deteriorating market conditions overseas caused ethyleneamine selling prices to decline.

In separation-related products, liquid chromatography packing media, particularly to the United States and to countries in Europe, increased. Among diagnostic-related products, shipments of automated hemoglobin analyzer reagents increased domestically and abroad.

Shipments of high-silica zeolites (HSZ) decreased, primarily for automotive applications, and various factors, including changes in product composition, caused HSZ selling prices to decline. Shipments of zirconia for decorative and dental applications likewise decreased, but the depreciated yen pushed up zirconia selling prices. Silica glass shipments were down because of sluggish demand for semiconductors. The yen's depreciation and price adjustments, however, buoyed silica glass selling prices. Shipments of electrolytic manganese dioxide (EMD) rose in Japan and elsewhere in Asia.

Engineering

Engineering Group net sales increased ¥9.2 billion (8.3%) year-on-year to ¥120.0 billion (US\$785.9 million). Operating income increased ¥5.9 billion (38.2%) year-on-year to ¥21.4 billion (US\$140.0 million).

The Group's water treatment business increased its net sales as a result of steady progress in the construction of large-scale projects ordered in the previous year, mainly in the electronics industry. Favorable sales of service solutions, such as equipment ownership and maintenance services, likewise contributed to the Group's net sales.

Net sales by the Engineering Group's construction subsidiaries decreased.

Other

Other net sales decreased ¥0.4 billion (1.1%) year-on-year to ¥34.6 billion (US\$226.7 million), whereas other operating income increased ¥0.2 billion (10.7%) year-on-year to ¥2.2 billion (US\$14.6 million).

Other operating companies experienced a decrease in sales of ancillary services, including transportation and warehousing, inspection and analysis, and information processing.

(2) Explanation regarding Financial Position

The Company's total assets increased ¥35.5 billion from the end of the previous period, to ¥1,325.4 billion (US\$8.7 billion). The increase was primarily due to increases in notes and accounts receivable—trade, and contract assets, property, plant and equipment, despite a decrease in cash and deposits.

Liabilities increased ¥13.7 billion from the end of the previous period to ¥444.8 billion (US\$2.9 billion). The increase mainly reflected increases in short-term and long-term borrowings payable, despite a decrease in provisions.

Net assets rose ¥21.8 billion from the end of the previous period to ¥880.6 billion (US\$5.8 billion). The increase reflected mainly the recording of profit attributable to owners of parent and foreign currency translation adjustments.

(3) Explanation regarding Cash Flows

Cash and cash equivalents fell ¥21.0 billion from the end of the previous period to ¥128.0 billion (US\$838.4 million).

Net cash flow provided by operating activities amounted to an inflow of ¥53.2 billion (US\$348.8 million). Despite income before income taxes increasing, rises in factors such as trade receivables and contract assets and income taxes paid resulted in a decrease of ¥26.4 billion in cash inflow compared with the same period of the previous year.

Net cash flow used in investing activities saw an outflow of ¥70.2 billion (US\$459.8 million). This figure expanded ¥25.5 billion compared with the same period of the previous year attributable primarily to an increase in capital investment.

As a result, free cash flow increased ¥51.9 billion to an outflow of ¥16.9 billion (US\$110.0 million).

Net cash used in financing activities resulted in an outflow of ¥6.7 billion (US\$43.9 million). Factors such as an increase in short-term borrowings resulted in a decrease of ¥15.8 billion in expenditure from financing activities, despite cash dividends paid increasing.

(4) Explanation regarding Research and Development Expenses

Total Research and Development (R&D) Expenses for the third quarter of the fiscal year came to approximately ¥16.0 billion (US\$105.1 million).

During the period under review, the Company reorganized its R&D structure with the objective of enabling the entire research arm to respond to social issues, initiatives in growth fields, and research digital transformation (DX), while strengthening cooperation across the breadth of the research organization.

The previous structure, consisting of seven research laboratories, has been reorganized by function into the framework outlined below:

- The Research Division, overseeing all research operations, was newly established under the direct control of the Company's President.
- Three new function-specific research centers—Advanced Integration Research Center, Petrochemical and Polymer Research Center, and Functional Material Research Center—were set up under the Research Division.
- The existing seven research institutes was reorganized into six (with next-generation materials research aggregated into the newly established Advanced Materials Research Laboratory), positioned under the three research centers.
- Research and Development Planning together with the MI (Material Informatics) Center were established under the Research Division.

Moreover, to foster an internal culture orientated toward advanced specialist positions and to promote the development of researchers with advanced expertise, a new Advanced Specialist System has been launched.

The Company will continue to bolster collaboration across its research organization. Furthermore, by continuing to create high value-added products, it aims to achieve sustainable corporate growth and heighten corporate value, thereby contributing to the realization of a sustainable and prosperous society.

(5)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 November 5, 2024.

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Million yen 1,090,000	Million yen 94,000	Million yen 94,000	Million yen 53,000	Yen 166.44
Revised forecast (B)	1,070,000	98,000	105,000	61,000	191.55
Change (B-A)	(20,000)	4,000	11,000	8,000	
Rate of change (%)	(1.8)	4.3	11.7	15.1	
Reference: Results for the previous fiscal year (Year ended March 31, 2024)	1,005,640	79,845	95,920	57,324	180.07

For details, please refer to “Notice of Revisions to Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025” release on the same day as this release.

2. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	149,812	133,896
Notes and accounts receivable - trade, and contract assets	294,812	315,910
Merchandise and finished goods	160,562	156,914
Work in process	19,319	17,455
Raw materials and supplies	75,370	71,557
Other	56,089	64,083
Allowance for doubtful accounts	(813)	(771)
Total current assets	755,154	759,048
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	119,170	124,866
Land	68,173	68,328
Other, net	192,158	216,413
Total property, plant and equipment	379,501	409,609
Intangible assets	10,527	13,276
Investments and other assets		
Investment securities	70,724	69,973
Assets for retirement benefit	47,620	48,147
Other	26,909	25,851
Allowance for doubtful accounts	(489)	(478)
Total investments and other assets	144,765	143,493
Total non-current assets	534,795	566,379
Total assets	1,289,949	1,325,427

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	122,149	119,491
Short-term borrowings	145,265	165,727
Income taxes payable	18,169	12,238
Provisions	17,966	8,029
Other	55,211	58,067
Total current liabilities	358,763	363,555
Non-current liabilities		
Long-term borrowings	31,070	38,885
Provisions	1,427	2,682
Liabilities for retirement benefit	19,758	20,193
Other	20,162	19,529
Total non-current liabilities	72,419	81,290
Total liabilities	431,182	444,846
Net assets		
Shareholders' equity		
Common stock	55,173	55,173
Capital surplus	44,358	44,289
Retained earnings	654,832	673,100
Treasury stock	(9,720)	(9,582)
Total shareholders' equity	744,643	762,980
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities	18,379	18,064
Foreign currency translation adjustments	16,093	17,138
Accumulated adjustments for retirement benefit	15,399	13,964
Total accumulated other comprehensive income	49,872	49,167
Stock acquisition rights	42	40
Non-controlling interests	64,207	68,393
Total net assets	858,766	880,581
Total liabilities and net assets	1,289,949	1,325,427

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	747,889	795,696
Cost of sales	580,640	602,891
Gross profit	167,249	192,804
Selling, general and administrative expenses	107,697	118,204
Operating income	59,551	74,600
Non-operating income		
Interest income	671	887
Dividend income	1,609	1,379
Foreign exchange gains	5,444	3,670
Equity in earnings of affiliates	1,330	2,434
Other	2,240	2,470
Total non-operating income	11,295	10,843
Non-operating expenses		
Interest expense	1,781	2,133
Other	393	764
Total non-operating expenses	2,174	2,898
Ordinary income	68,672	82,545
Extraordinary income		
Gain on sales of property, plant and equipment	80	245
Gain on sales of investment securities	211	1,576
Total extraordinary income	292	1,821
Extraordinary losses		
Loss on sales of property, plant and equipment	82	98
Loss on disposal of property, plant and equipment	1,286	1,521
Loss on valuation of investment securities	-	0
Impairment loss	-	9
Head office relocation expenses	306	-
Total extraordinary losses	1,675	1,630
Income before income taxes	67,289	82,737
Income taxes	20,211	26,420
Net income	47,077	56,317
Profit attributable to non-controlling interests	5,709	7,791
Profit attributable to owners of parent	41,367	48,525

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

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net income	47,077	56,317
Other comprehensive income		
Net unrealized gains (losses) on securities	4,735	(631)
Deferred gains (losses) on hedges	2	-
Foreign currency translation adjustments	10,515	1,226
Adjustments for retirement benefit	(926)	(1,479)
Share of other comprehensive income of affiliates applied for equity method	800	117
Total other comprehensive income	15,128	(767)
Comprehensive income	62,205	55,549
Breakdown of comprehensive income		
Comprehensive income attributable to shareholders of parent	55,402	47,819
Comprehensive income attributable to non-controlling interests	6,803	7,730

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Cash flows from operating activities		
Income before income taxes	67,289	82,737
Depreciation and amortization	32,634	34,435
Impairment loss	-	9
Changes in assets and liabilities for retirement benefit	(2,079)	(2,616)
Interest and dividend income	(2,280)	(2,266)
Interest expense	1,781	2,133
Foreign exchange losses (gains)	430	(1,172)
Equity in earnings of affiliates	(1,330)	(2,434)
Loss (gain) on valuation of investment securities	-	0
Loss (gain) on sales of property, plant and equipment	2	(146)
Net cash provided by operating activities	1,286	1,521
Loss (gain) on sale of investment securities	(211)	(1,576)
Head office relocation expenses	306	-
Decrease (increase) in trade receivables and contract assets	681	(20,497)
Decrease (increase) in inventories	6,333	9,816
Increase (decrease) in trade payables	8,056	(3,618)
Other, net	(17,327)	(14,973)
Subtotal	95,572	81,349
Interest and dividends received	3,755	4,085
Interest paid	(1,718)	(2,072)
Income taxes paid	(17,981)	(30,129)
Net cash provided by operating activities	79,628	53,233
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(43,414)	(65,291)
Proceeds from sales of property, plant and equipment	407	321
Purchase of investment securities	(122)	(370)
Proceeds from sales and redemption of investment securities	318	1,978
Payments for advances of long-term loans receivable	(2,769)	(2,366)
Proceeds from collections of long-term loans receivable	2,724	2,295
Other, net	(1,793)	(6,747)
Net cash used in investing activities	(44,648)	(70,180)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,100	23,005
Proceeds from long-term borrowings	9,706	15,282
Repayments of long-term borrowings	(7,363)	(10,510)
Cash dividends paid	(25,453)	(30,231)
Dividends paid to non-controlling interests	(1,925)	(3,403)
Other, net	(587)	(845)
Net cash used in financing activities	(22,523)	(6,703)
Effect of exchange rate changes on cash and cash equivalents	3,305	2,641
Net increase (decrease) in cash and cash equivalents	15,761	(21,009)
Cash and cash equivalents at beginning of period	119,421	148,970
Cash and cash equivalents at end of period	135,183	127,960

(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 nine months ended December 31, 2024, 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 nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

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	143,159	264,629	194,409	110,720	34,971	747,889	—	747,889
Inter-segment	94,492	35,196	16,400	10,579	48,426	205,095	(205,095)	—
Total	237,652	299,825	210,809	121,300	83,397	952,984	(205,095)	747,889
Segment income	8,888	2,409	30,782	15,458	2,013	59,551	—	59,551

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 nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

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	159,099	278,802	203,244	119,954	34,594	795,696	—	795,696
Inter-segment	111,802	36,631	17,975	13,469	49,844	229,723	(229,723)	—
Total	270,902	315,434	221,220	133,424	84,438	1,025,420	(229,723)	795,696
Segment income	12,420	7,331	31,259	21,361	2,227	74,600	—	74,600

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 Nine Months ended December 31, 2024

February 6, 2025
TOSOH CORPORATION

(1) Operating Results

	Nine months ended December 31, 2023 (4.1.23–12.31.23) (Actual)	Nine months ended December 31, 2024 (4.1.24–12.31.24) (Actual)	Change	Fiscal year ended March 31, 2024 (4.1.23–3.31.24) (Actual)	(Billion yen) Fiscal year ended March 31, 2025 (4.1.24–3.31.25) (Forecast)
Net sales	747.9	795.7	47.8	1,005.6	1,070.0
Operating income	59.6	74.6	15.0	79.8	98.0
Ordinary income	68.7	82.5	13.9	95.9	105.0
Profit attributable to owners of parent	41.4	48.5	7.2	57.3	61.0
Basic earnings per share (¥)	129.95	152.37	22.42	180.07	191.55

(2) Business and Financial Fundamentals

	Nine months ended December 31, 2023 (4.1.23–12.31.23) (Actual)	Nine months ended December 31, 2024 (4.1.24–12.31.24) (Actual)	Change	Fiscal year ended March 31, 2024 (4.1.23–3.31.24) (Actual)	Fiscal year ended March 31, 2025 (4.1.24–3.31.25) (Forecast)
Exchange rate (¥/US\$) Average TTM	143.3	152.6	9.3	144.6	153.0
Exchange rate (¥/EUR) Average TTM	155.3	164.9	9.6	156.8	163.7
Domestic standard naphtha price (¥/kl)	67,967	76,333	8,366	69,100	75,500

(3) Net Sales and Operating Income by Business Segment

		Nine months ended December 31, 2023 (4.1.23–12.31.23) (Actual)	Nine months ended December 31, 2024 (4.1.24–12.31.24) (Actual)	Change	(Billion yen) Breakdown of change			
					Volume effect	Price effect	Terms of trade	Fixed costs, etc.
Petrochemical	Net sales	143.2	159.1	15.9	2.7	13.2	-	-
	Operating income	8.9	12.4	3.5	3.7	-	0.7	(0.9)
Chlor-alkali	Net sales	264.6	278.8	14.2	6.8	7.3	-	-
	Operating income	2.4	7.3	4.9	1.7	-	(0.1)	3.3
Specialty	Net sales	194.4	203.2	8.8	5.5	3.3	-	-
	Operating income	30.8	31.3	0.5	4.9	-	0.5	(4.9)
Engineering	Net sales	110.7	120.0	9.2	6.7	2.6	-	-
	Operating income	15.5	21.4	5.9	5.9	-	0.0	0.0
Other	Net sales	35.0	34.6	(0.4)	(0.7)	0.4	-	-
	Operating income	2.0	2.2	0.2	0.2	-	0.0	0.0
Total	Net sales	747.9	795.7	47.8	21.0	26.8	-	-
	Operating income	59.6	74.6	15.0	16.4	-	1.1	(2.5)

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

(4) Consolidated Financial Results Forecast

(Billion yen)

		Fiscal year ended March 31, 2024 (4.1.23-3.31.24) (Actual)	Fiscal year ended March 31, 2025 (4.1.24-3.31.25) (Forecast)	Change	Half-yearly	
					First half of fiscal year ended March 31, 2025	Second half of fiscal year ended March 31, 2025
Petrochemical	Net sales	183.6	206.4	22.8	106.2	100.2
	Operating income	10.7	14.7	4.0	7.3	7.5
Chlor-alkali	Net sales	359.5	375.4	15.9	185.2	190.2
	Operating income	3.6	10.1	6.5	4.5	5.6
Specialty	Net sales	259.6	268.5	8.9	136.4	132.1
	Operating income	37.9	37.4	(0.5)	21.5	15.9
Engineering	Net sales	157.0	174.1	17.1	77.0	97.2
	Operating income	24.7	32.8	8.1	12.6	20.2
Other	Net sales	45.9	45.6	(0.3)	22.8	22.8
	Operating income	2.9	2.9	0.0	1.5	1.4
Total	Net sales	1,005.6	1,070.0	64.4	527.6	542.4
	Operating income	79.8	98.0	18.2	47.4	50.6

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