

Philosophy

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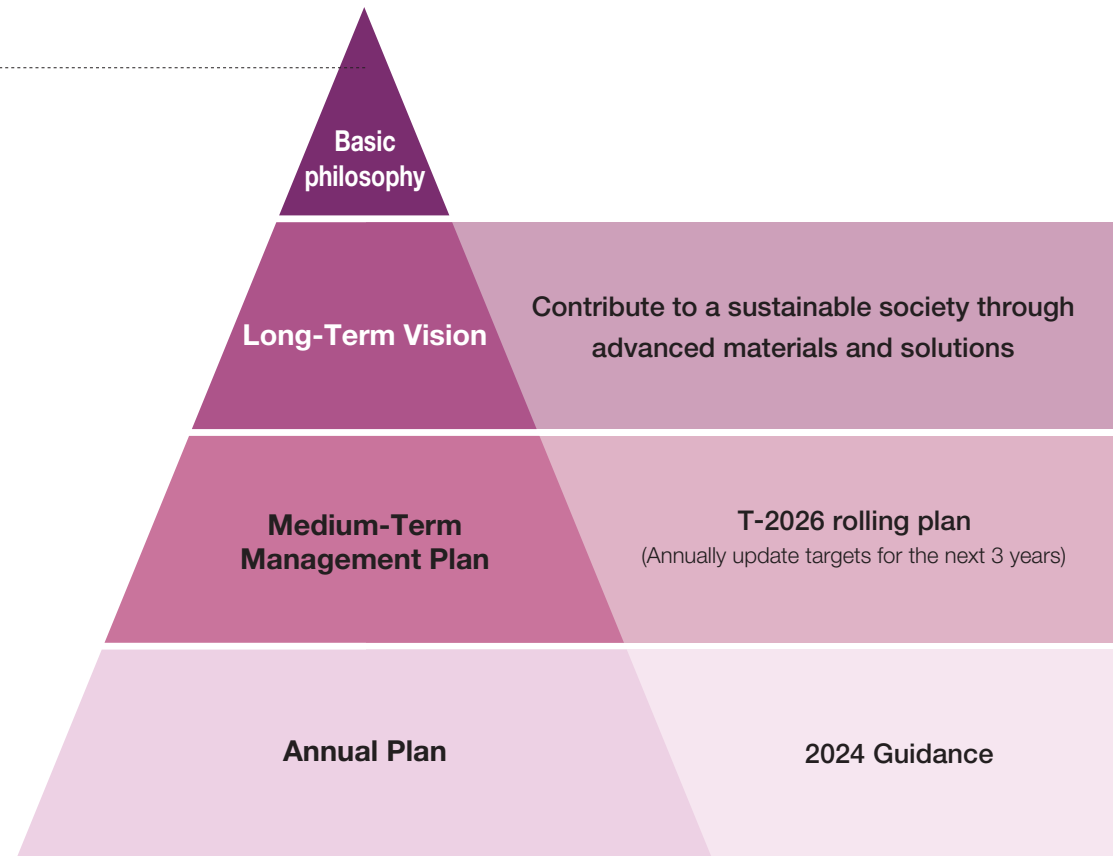
Corporate philosophy

Ties of Reliability

The Tokai Carbon Group has nurtured “Ties of Reliability” for over a century by continually heightening quality and providing the materials that are essential to steel, aluminum, semiconductors and other lifelines.

Our stakeholders, including customers, shareholders, business partners, employees, and society, are indispensable partners for the Company to contribute to the realization of a sustainable society through our corporate activities. Coexistence and co-prosperity with our stakeholders are the Company’s earnest wishes, and the key of “co-creation” that creates new value together with our stakeholders, are trusting relationships.

These relationships guide us in a variety of ways whether in direct aspects like our technologies and solutions, in the high-quality and stable supply unseen in the background, or friendly M&As and the subsequent integration. Our greatest bliss is knowing stakeholders feel “everything will go well if it’s Tokai Carbon.”



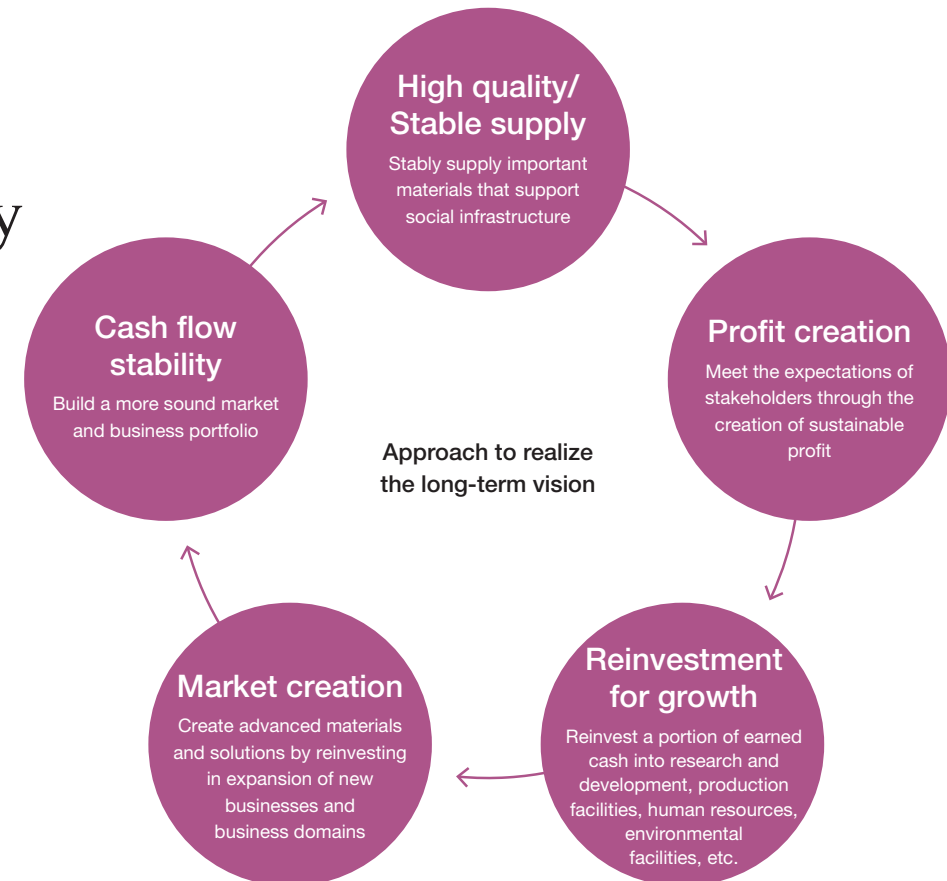
Long-Term Vision

Contribute to a Sustainable Society through Advanced Materials and Solutions

Contribute to a sustainable society through advanced materials and solutions

—This is our long-term vision toward 2030.

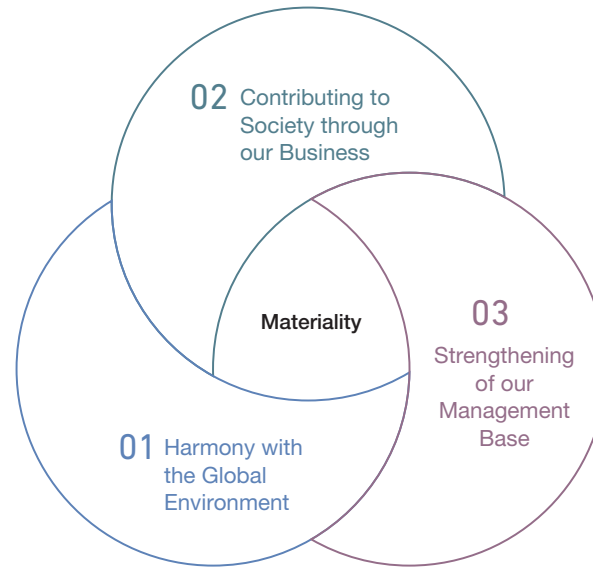
Amid the trend toward carbon neutrality,
this statement demonstrates our resolve to boldly take on the challenge of entering
new business areas and clarifies the reason for the existence of Tokai Carbon.



Materiality

Tokai Carbon's Materiality

Tokai Carbon has established a long-term vision in which the ideal form of the company “contributes to a sustainable society through advanced materials and solutions” through co-creation with its stakeholders. We have identified materiality (priority subjects) by prioritizing issues that pertain not only to the Company but also to society. We will sincerely face each materiality, contribute to the realization of a sustainable society, and appropriately disclose the status of its efforts.



Materiality identification process



01 ■ Reducing environmental impact ■ Realizing a recycling-oriented society

Impact on Tokai Carbon/Society

- Reduce climate change risks and contribute to a carbon-neutral society
- Reduce environmental impacts through research, development, and products
(Graphite Electrodes: Contribute to the reduction of CO₂ emissions during steel production)
- Prevent resource depletion
- Preserve the natural ecosystem
- Mitigate the impact of climate change risks on business
- Increase sales through the co-creation of new businesses
- Respond to stricter environmental regulations
- Reduce the risk of operational declines due to the depletion of raw materials and energy

02 ■ Technological innovation ■ Supplying safe and secure products ■ Supply chain management ■ Respect for human rights ■ Contribution to community

Impact on Tokai Carbon/Society

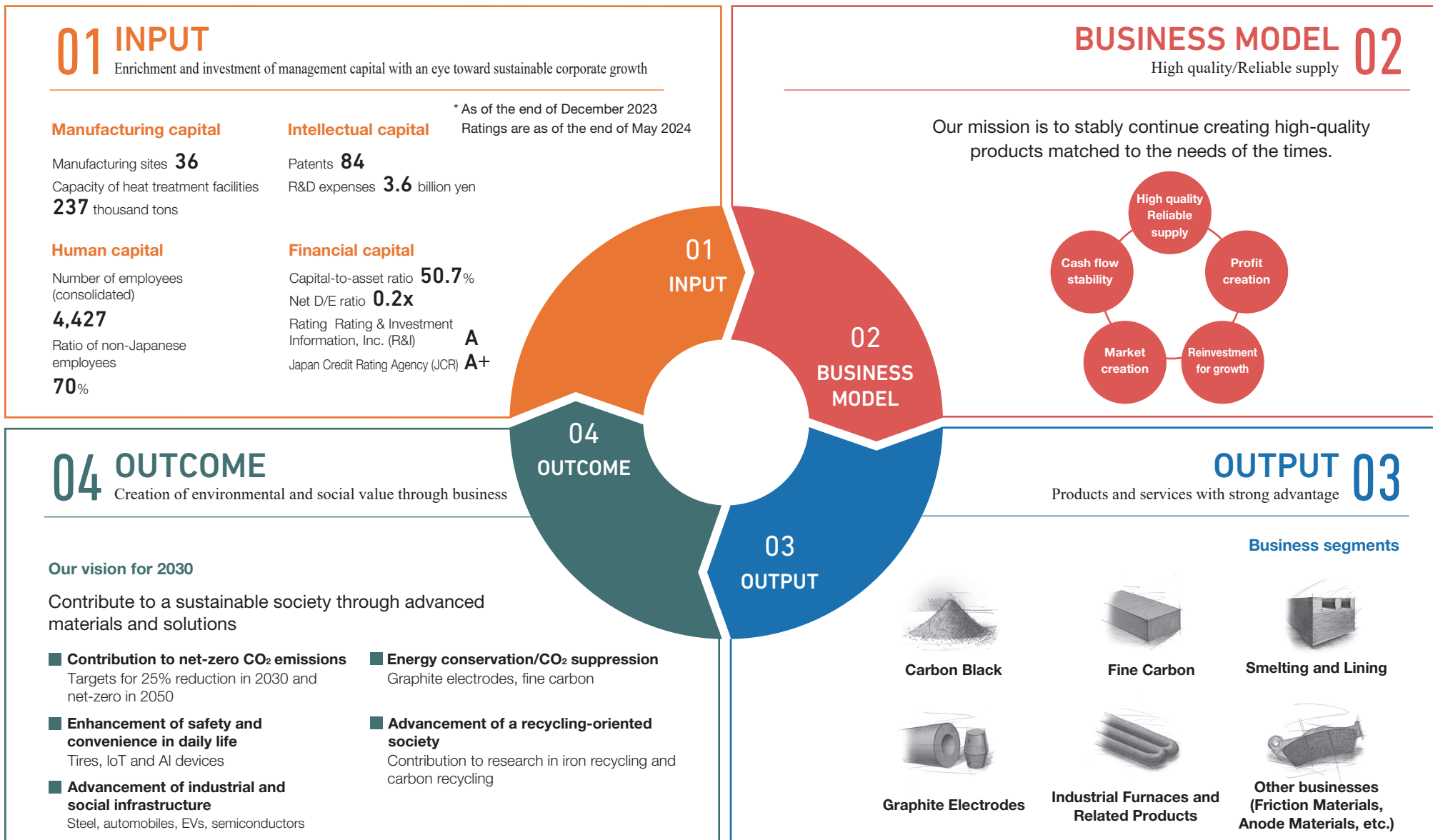
- Contribute to research and development as well as industry growth through products
(CB: Support automotive safety and performance; FC: Support the advancement of the semiconductor industry; S&L: Support the development of the aluminum industry)
- Realize a diverse society
- Create local employment
- Increase sales through innovative technologies and new products
- Prevent human rights violations and other scandals
- Build good relationships with suppliers

03 ■ Strengthening corporate governance ■ Ensuring compliance ■ Develop diverse human resources ■ Promoting occupational health and safety

Impact on Tokai Carbon/Society

- Nurture human resources who can contribute to a sustainable society
- Mitigate the risk of scandals
- Secure employee health and safety as well as a basic standard of living
- Improve employee engagement through a work-friendly and motivating workplace environment

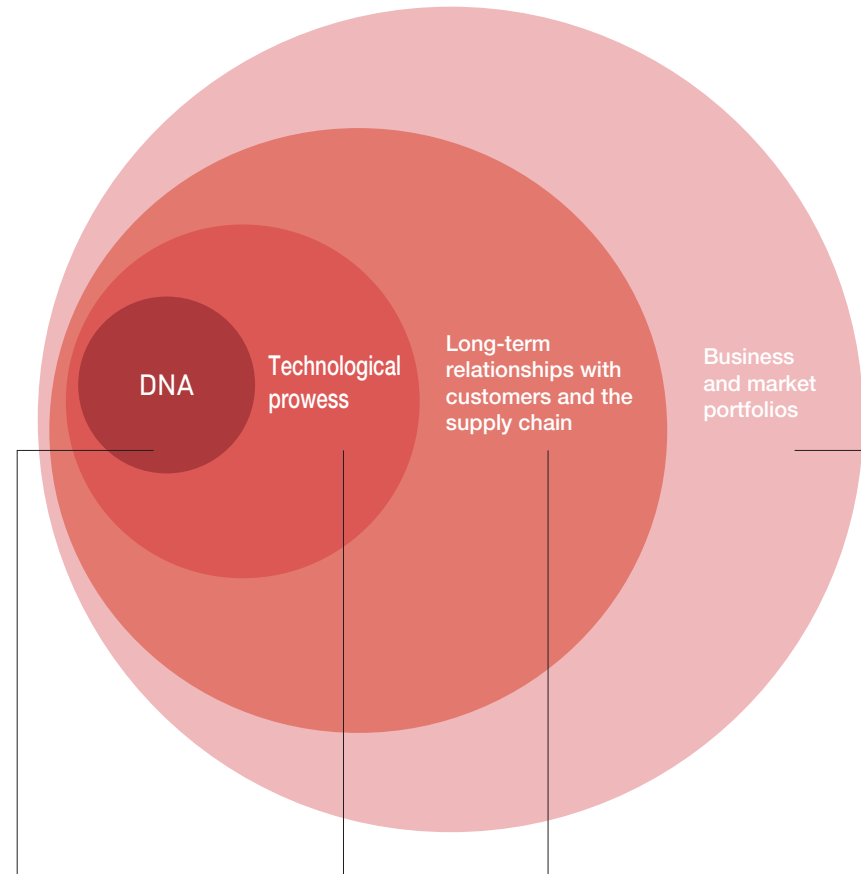
Value Creation Process



Multilayered Strength

Management Resources Amassed for More than a Century

Tokai Carbon has boldly taken on the challenge of social issues since its founding. It is part of our DNA dedicated to “Mono-zukuri” (as a manufacturer). We have been sincere with our customers and worked closely with raw material manufacturers throughout our history developing various businesses, whether the creation of the Graphite Electrodes business, the first industrialization of carbon black in Japan, or the subsequent launch of the Fine Carbon business. As we incorporate third-party technology through M&As and other various strategies, Tokai Carbon has refined and built trust for its core technologies. The aggregation of this technical knowledge has also become the driving force to bring about next-generation materials. Tokai Carbon manufacturing sites help not only satisfy local consumption and production needs but also share the regional risks by advancing manufacturing and development while building a broader global network. The expansion of the market strengthens each and every one of our businesses while providing an abundant amount of layered management resources.



Ties of Reliability

Our company began its history effectively using resources and contributing to each country and region.

Going beyond satisfying the needs

Co-creation to overcome the challenges faced by customers refines technologies and develops new materials and products.

Consistently providing high quality

The primary reasons our products have been widely used by our customers over the years is their trust in our stable supply of high-quality materials.

Diversifying and balancing risk

Our products support the foundation of all industries, which in turn greatly influences the trends of each industrial market. Diversification and rehabilitation of our business portfolio are essential themes to improve the resilience of the entire company.

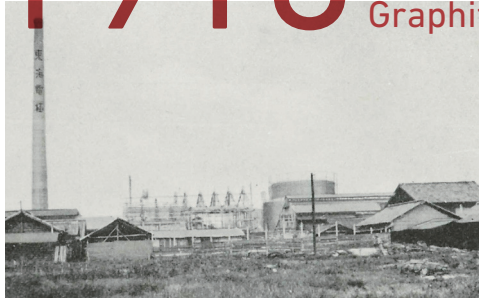
History of Value Creation

Carbon history in Japan
Began with Tokai Carbon

Origin

1918

Graphite Electrode

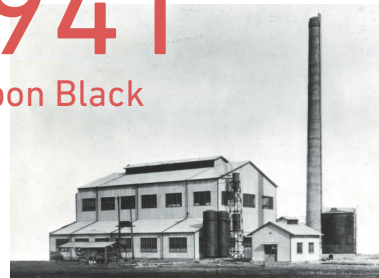


Founded with an conviction to solve the issue and cover the needs for that time and for the future

Japan considered steelmaking a national project. A projects expand and build new iron and steel plants with electric arc- furnaces (EAF) were underway, an issue the country faced then was how to obtain self-sufficiency in electrodes for steel making. Tsunesada Sangawa, our founder, believed that addressing the insufficient quality and unstable supply of graphite electrodes was vital to the advancement of the electric steelmaking business. At the same time, he foresaw the growth in sectors in need of carbon products, such as the EAF, electrochemical and electric machine industries. The establishment of Tokai Electrode Mfg. Co., Ltd., planned from a broad perspective that included solving the issue of consumption of excess electricity in the Chubu region, further attracted great attention, with the offer of shares quickly achieving its full amount.

1941

Carbon Black



Start of first manufacturing of carbon black in Japan

To make effective use of pitch oil, a by-product of the production of pitch coke as a raw material for graphite electrodes, we began manufacturing carbon black at the Kyushu-Wakamatsu Plant, a first in Japan.



1935-1989 Business foundation

1987

Establishment of local office in New York

To strengthen our overseas sales activities, we took early action among carbon manufacturers in addressing globalization. This triggered the creation of a joint venture with MWI in the Fine Carbon business, part of the foundation for the global expansion of Tokai Carbon today.

1951

Fine Carbon



Horizontal expansion of our graphite electrode manufacturing know-how

We applied our electrode manufacturing technology primarily in the semiconductor market to provide advanced ceramic product components. To cultivate this as a "third pillar" of business, the Tanoura Plant has produced only fine carbon since 1986.

Industrial furnaces and related products
Industrial Furnace



Applied development of high-temperature treatment technology

We deployed SiC heating elements (current EREMA heating elements) downstream and added industrial furnaces and resistors to our portfolio.

1990-2011 Globalization

2012- Structural reform and growth



1990-2000

Establishment of Thai Carbon Product (current Thai Tokai Carbon Product)

In response to the entry into Asia by Japanese tire manufacturers, we undertook capital participation in a Thailand-based carbon black manufacturing site. We acquired management rights in 2000 and made the company a wholly owned subsidiary in 2017. It developed into a plant with the Group's greatest single-plant production capacity.



2005

First overseas manufacturing site for graphite electrodes

We acquired our electrode business' first overseas manufacturing site through the purchase of ERFT CARBON (current Tokai ERFTCARBON), the market share leader in Germany. This enhanced our presence in Europe.

1996

Merger with South Korean site for fine carbon

Tokai Carbon Korea was established as a joint venture with KC Tech and other companies (with 50% ownership by the Company).

SiC coating capital investment in the United States

We expanded our SiC coating business into the United States (current Tokai Carbon USA), where semiconductor manufacturers are concentrated.



2019



Smelting & Lining

Tokai Cobex GmbH We acquired Tokai Cobex GmbH and added its smelting and lining business to our portfolio.

2023 Net sales reached 364 billion yen

2020

Expansion of the Smelting and Lining business through the acquisition of Tokai Carbon Savoie

2018

Tokai Carbon Korea in the Fine Carbon business was made a consolidated subsidiary. We acquired the U.S. site of the Carbon Black business.

2017

Acquisition of U.S. site for graphite electrodes

2016 Structural reform

