

# Data

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## Long-Term Earnings Summary

FY2013–FY2023 (consolidated)

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Statements of Income</b>												
Net sales	(million yen)	100,935	114,576	104,864	88,580	106,252	231,302	262,028	201,542	258,874	340,371	<b>363,946</b>
Gross profit	(million yen)	15,267	18,651	19,960	16,529	27,451	99,378	92,840	49,555	70,732	94,052	<b>98,727</b>
Selling, general and administrative expenses	(million yen)	13,611	14,947	15,871	15,398	16,358	26,312	38,495	41,696	46,085	53,463	<b>59,998</b>
Operating profit	(million yen)	1,655	3,703	4,088	1,131	11,093	73,065	54,344	7,858	24,647	40,588	<b>38,728</b>
Ordinary income	(million yen)	3,114	4,180	4,317	1,702	12,855	72,991	52,986	6,262	24,770	42,521	<b>41,607</b>
Net income before income taxes	(million yen)	2,926	4,345	6,726	(7,938)	15,533	95,811	51,226	6,116	23,354	42,111	<b>41,998</b>
Income taxes	(million yen)	1,802	1,749	4,345	(67)	2,740	21,543	17,175	2,283	3,248	14,782	<b>13,243</b>
Net income	(million yen)	1,213	2,562	2,484	(7,929)	12,603	74,268	34,050	3,833	20,106	27,329	<b>28,754</b>
EBITDA	(million yen)	12,470	13,845	14,581	10,616	17,740	85,374	77,053	35,262	54,518	75,572	<b>75,949</b>
<b>Sales ratio</b>												
Gross profit	(%)	15.1	16.3	19.0	18.7	25.8	43.0	35.4	24.6	27.3	27.6	<b>27.1</b>
Selling, general and administrative expenses	(%)	13.5	13.0	15.1	17.4	15.4	11.4	14.7	20.7	17.8	15.7	<b>16.5</b>
Operating income (ROS)	(%)	1.6	3.2	3.9	1.3	10.4	31.6	20.7	3.9	9.5	11.9	<b>10.6</b>
Ordinary income	(%)	3.1	3.6	4.1	1.9	12.1	31.6	20.2	3.1	9.6	12.5	<b>11.4</b>
Net income before income taxes	(%)	2.9	3.8	6.4	(9.0)	14.6	41.4	19.5	3.0	9.0	12.4	<b>11.5</b>
Net income	(%)	1.2	2.2	2.4	(9.0)	11.6	32.1	13.0	1.9	7.8	8.0	<b>7.9</b>
EBITDA	(%)	12.4	12.1	13.9	12.0	16.7	36.9	29.4	17.5	21.1	22.2	<b>20.9</b>
<b>Investment-related</b>												
Capital expenditure	(million yen)	9,007	6,830	5,301	6,013	4,282	11,794	24,341	28,873	30,347	48,150	<b>53,316</b>
Depreciation	(million yen)	8,656	8,629	9,242	8,124	6,647	10,390	18,503	20,890	22,900	27,460	<b>29,065</b>
R&D expenses	(million yen)	1,800	1,882	1,822	2,249	1,482	1,883	2,460	2,682	2,823	3,171	<b>3,605</b>
<b>Cash flow</b>												
Operating cash flows	(million yen)	11,606	11,983	20,613	17,505	10,543	44,109	41,664	55,022	38,072	41,205	<b>62,074</b>
Investment cash flows	(million yen)	(10,791)	(24,027)	3,189	(3,622)	(14,039)	(53,849)	(99,159)	(44,301)	(35,282)	(49,900)	<b>(47,632)</b>
Free cash flows	(million yen)	815	(12,043)	23,802	13,883	(3,496)	(9,740)	(57,495)	10,721	2,790	(8,695)	<b>14,442</b>
Financing cash flows	(million yen)	1,441	9,728	(14,926)	(7,613)	(4,534)	29,677	64,568	927	1,211	(10,629)	<b>(14,512)</b>
Increase (decrease) in cash and cash equivalents	(million yen)	4,155	(1,307)	8,180	5,602	(6,376)	18,979	5,318	11,284	6,707	(15,057)	<b>7,081</b>
Exchange rate*	(USD/JPY)	97.65	105.85	121.05	108.85	112.19	110.43	109.05	106.82	109.80	131.43	<b>140.56</b>

\*Corporate exchange rate

\*Figures have been revised retrospectively.

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Balance Sheet</b>												
<b>Total current assets</b>	(million yen)	90,984	94,685	87,968	77,645	85,444	164,220	196,446	177,678	215,149	246,691	262,890
On-hand liquidity	(million yen)	16,048	14,862	23,045	28,528	22,152	46,797	52,695	67,174	78,858	70,909	77,465
Accounts receivable	(million yen)	30,075	33,972	26,897	24,220	30,265	55,137	50,648	41,438	56,668	65,197	65,530
Inventory	(million yen)	41,507	41,299	34,253	20,734	27,564	58,789	86,380	63,797	72,479	101,330	109,332
Other current assets	(million yen)	3,352	4,551	3,771	4,162	5,463	3,945	6,722	5,266	7,143	9,254	10,563
<b>Total fixed assets</b>	(million yen)	92,443	115,753	96,106	81,178	99,286	165,648	266,425	282,031	297,353	329,773	377,114
Tangible fixed assets	(million yen)	61,985	67,581	56,629	43,122	51,405	80,312	101,343	125,007	144,165	181,948	223,804
Intangible fixed assets	(million yen)	464	14,103	11,324	10,534	16,343	61,805	141,966	133,349	123,349	118,839	117,051
Investment and other assets	(million yen)	29,994	34,069	28,153	27,521	31,537	23,529	23,115	23,674	29,838	28,986	36,258
<b>Total assets</b>	(million yen)	183,427	210,439	184,074	158,824	184,730	329,868	462,872	459,709	512,503	576,465	640,005
<b>Total current liabilities</b>	(million yen)	42,385	44,897	31,126	29,028	36,870	91,654	117,541	92,656	130,418	146,696	136,971
Short-term interest-bearing liabilities	(million yen)	20,718	21,576	9,537	12,910	14,074	41,709	68,363	51,879	74,710	80,745	70,218
Accounts payable	(million yen)	14,179	16,051	11,397	9,591	14,522	26,001	28,936	18,648	26,229	32,272	29,469
Other current liabilities	(million yen)	7,488	7,269	10,191	6,525	8,274	23,944	20,241	22,129	29,478	33,676	37,280
<b>Total long-term liabilities</b>	(million yen)	17,809	33,198	27,976	16,806	20,728	30,381	112,355	142,237	125,514	128,900	142,930
Long-term interest-bearing liabilities	(million yen)	5,044	16,713	14,398	4,137	2,068	8,000	79,666	106,764	93,539	90,706	96,424
Other long-term liabilities	(million yen)	12,765	16,484	13,577	12,669	18,660	22,381	32,689	35,473	31,974	38,190	46,504
<b>Total liabilities</b>	(million yen)	60,195	78,096	59,103	45,834	57,599	122,035	229,896	234,894	255,932	275,596	279,902
<b>Total net assets</b>	(million yen)	123,232	132,343	124,971	112,989	127,130	207,833	232,975	224,815	256,570	300,868	360,103
Shareholders' equity	(million yen)	106,807	108,006	108,910	99,693	110,089	179,500	203,819	196,543	206,269	218,761	237,220
<b>Total liabilities and net assets</b>	(million yen)	183,427	210,439	184,074	158,824	184,730	329,868	462,872	459,709	512,503	576,465	640,005
<b>Ratio analysis</b>												
ROA	(%)	1.8	2.1	2.2	1.0	7.5	30.0	13.4	1.4	5.1	7.8	6.8
ROE	(%)	1.0	2.0	2.0	(6.8)	10.4	46.8	16.0	0.5	7.5	9.0	8.6
Capital-to-asset ratio	(%)	66.0	61.8	66.8	69.9	68.4	56.7	45.8	43.8	44.7	46.6	50.7
<b>Indicator per share</b>												
EPS	(yen)	6	12	12	(37)	58	344	150	4.78	75.55	105.16	119.45
BPS	(yen)	567	610	577	521	593	878	994	944.16	1,075.19	1,260.95	1,521.89
Dividend	(yen)	6	6	6	6	12	24	48	30	30	30	36
Dividend payout ratio	(%)	106	50	52	—	21	7	32	627	40	29	30

## Performance by Business Segment

FY2020–FY2023 (consolidated)

		2020	2021	2022	2023
<b>Carbon Black</b>					
Net sales	(million yen)	70,754	99,491	138,484	<b>148,423</b>
Operating profit	(million yen)	3,192	8,783	12,282	<b>21,303</b>
Operating income to sales	(%)	4.5	8.8	8.9	<b>14.4</b>
EBITDA	(million yen)	10,171	14,868	20,491	<b>29,270</b>
EBITDA margin	(%)	14.4	14.9	14.8	<b>19.7</b>
<b>Fine Carbon</b>					
Net sales	(million yen)	31,775	39,125	49,393	<b>45,319</b>
Operating profit	(million yen)	6,647	9,611	14,825	<b>10,617</b>
Operating income to sales	(%)	20.9	24.6	30.0	<b>23.4</b>
EBITDA	(million yen)	11,802	15,199	21,270	<b>17,689</b>
EBITDA margin	(%)	37.1	38.8	43.1	<b>39.0</b>
<b>Smelting and Lining</b>					
Net sales	(million yen)	36,421	49,696	65,203	<b>82,820</b>
Operating profit	(million yen)	1,161	1,925	1,345	<b>2,305</b>
Operating income to sales	(%)	3.2	3.9	2.1	<b>2.8</b>
EBITDA	(million yen)	11,564	14,097	14,829	<b>17,446</b>
EBITDA margin	(%)	31.8	28.4	22.7	<b>21.1</b>

		2020	2021	2022	2023
<b>Graphite Electrodes</b>					
Net sales	(million yen)	37,879	40,619	59,630	<b>60,235</b>
Operating profit	(million yen)	(5,766)	(400)	8,032	<b>752</b>
Operating income to sales	(%)	(15.2)	(1.0)	13.5	<b>1.2</b>
EBITDA	(million yen)	(2,274)	4,162	13,549	<b>6,449</b>
EBITDA margin	(%)	(6.0)	10.2	22.7	<b>10.7</b>
<b>Industrial Furnaces and Related Products</b>					
Net sales	(million yen)	13,873	18,019	16,272	<b>15,614</b>
Operating profit	(million yen)	3,765	5,396	4,475	<b>3,860</b>
Operating income to sales	(%)	27.1	29.9	27.5	<b>24.7</b>
EBITDA	(million yen)	3,997	5,701	4,797	<b>4,211</b>
EBITDA margin	(%)	28.8	31.6	29.5	<b>27.0</b>
<b>Other</b>					
Net sales	(million yen)	10,837	11,922	11,387	<b>11,532</b>
Operating profit	(million yen)	298	754	1,108	<b>1,299</b>
Operating income to sales	(%)	2.8	6.3	9.7	<b>11.3</b>
EBITDA	(million yen)	832	1,313	1,589	<b>1,783</b>
EBITDA margin	(%)	7.7	11.0	14.0	<b>15.5</b>

## List of Sustainability Targets

Materiality		Goals	FY2023	
Themes	Elements		Specific numerical targets	Target sites*1
Harmony with the Global Environment	Reduction of environmental impact	Reduction of greenhouse gas emissions	Reduction of CO <sub>2</sub> emissions by 25% (compared to 2018) by 2030 and achievement of carbon neutrality in 2050	Consolidated
		Reduction of pollution	Reduction of volatile organic compounds (VOC) to 90% or less of the FY2015 level	Non-consolidated
			Zero environmental complaints against the Company (contamination of air, water, etc.)	Consolidated
			Change of 30% of product packaging for transport to environmentally friendly packaging by the end of 2024	TCX
	Reduction of water consumption	Reduction of water consumption (to 2021 level or lower)	Consolidated*2	
	Realization of a recycling-oriented society	Recycling of waste	Recycling of 80% or more of waste	Domestic group
			Final disposal rate 25% or lower	Domestic group
		Use of sustainable resources	Acquisition of ISCC PLUS certification at three CB plants in Japan by 2024	Chita Plant/Ishinomaki Plant/Kyushu-Wakamatsu Plant
Contributing to Society through Our Business	Technological innovation	Promotion of research and development	90% or more of development expenditures allocated to reduction of environmental impact	Domestic group
			70% or more of development expenditures allocated to reduction of environmental impact	Tokai Konetsu Kogyo Co., Ltd.
			90% or more of patent applications in areas related to reduction of environmental impact	Domestic group
			70% or more of patent applications in areas related to reduction of environmental impact	Tokai Konetsu Kogyo Co., Ltd.
	Supply of safe and secure products	Further elevation of quality/Improvement of product quality	Establishment of electrode consumption rate reduction technology (3% reduction from previous year in 2023)	Consolidated (Graphite Electrodes business)
	Supply Chain Management	Reduction of suppliers' CSR risks	CSR survey of key suppliers on a consolidated basis	Consolidated
	Respect for Human Rights	Raising employees' awareness of human rights	Rollout of anti-harassment manual to domestic subsidiaries	Domestic group
			Expansion of human rights due diligence to overseas subsidiaries	Consolidated
Contribution to community	Active engagement in community contribution activities	Enhancement of disclosure of community contribution activities	Consolidated	
Strengthening of our Management Base	Strengthening of corporate governance	Internal control	-	-
		Risk management	-	-
		Development of a consolidated governance structure	-	Consolidated
		Enforcement of compliance	Compliance with ethical standards, laws, and regulations	Zero regulatory violations with serious impacts
			Creation of a business base aimed at the construction of a global compliance structure	
	Development of human resources	Securing of diverse human resources	Doubling of the number of female employees in managerial positions (by the end of 2024)	Non-consolidated
			Percentage of new female graduates hired for career-track positions: 30% (non-consolidated)	Non-consolidated
			Increase in number of non-Japanese employees in managerial positions (by the end of 2024)	Non-consolidated
			Increase in the ratio of mid-career hires in managerial positions (by the end of 2024)	Non-consolidated
	Promotion of occupational health and safety	Implementation of effective training	Total training hours planned by head office (new-hire training/specialist training)	Domestic group
Reduction of occupational accidents		Reduction of frequency rate (1.20 or lower)	Consolidated	

\*1 Domestic group: Tokai Carbon Co., LTD. + major domestic subsidiaries (Tokai Konetsu Kogyo Co., Ltd., Tokai Fine Carbon Co., Ltd., Tokai Material Co., Ltd.)

\*2 Tokai Carbon Co., LTD. + 9 domestic and overseas companies (Tokai ErftCarbon GmbH, Tokai Carbon GE LLC, Tokai Carbon CB Ltd., Cancarb Limited, Thai Tokai Carbon Product Co., Ltd., Tokai Fine Carbon Co., Ltd., Tokai Carbon Korea Co., Ltd., Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS)

		FY2024	
Actual	Rating	Specific numerical targets	Targeted sites*1
Total CO <sub>2</sub> emissions for the Group in 2023: 2,219 thousand tCO <sub>2</sub> e (27% reduction from 2018). This was mainly due to switching to CO <sub>2</sub> -free electrical power, fuel switching, etc.	○	Reduction of CO <sub>2</sub> emissions by 25% (compared to 2018) by 2030 and achievement of carbon neutrality in 2050	Consolidated
VOC emissions for the fiscal year under review (April 2023 to March 2024) are expected to meet targets, based on the situation through December. (Compared to FY2015: on course to meeting target, at approx. 71%)	○	NOx emissions: 3,400 t/year or lower (base year: 2021); SOx emissions: 18,600 t/year or lower (base year: 2021); VOC: 280 t/year or lower	Consolidated*2
One environmental complaint occurred. In January 2024, we were subjected to an order to improve exhaust gases emitted from plants at our U.S. sites. We dealt and resolved the issue.	△	Zero environmental complaints against the Company (contamination of air, water, etc.)	Consolidated
We investigated environmental considerations of the packaging used in transport of products currently used in TCX. Of the total, 8% is certified as environmentally friendly; 29% is scheduled for improvements. We will perform switching gradually from the second half of 2024, following customer approval.	△	Change of 30% of product packaging for transport to environmentally friendly packaging by the end of 2025	TCX
Reduction by approx. 6.2% compared to 2021	○	Reduction of water usage (below 2021 level of 9 million m <sup>3</sup> /year)	Consolidated*3
Recycling rate 89%	○	Recycling rate of 50% or higher (base year: 2021)*5	Consolidated*4
Final disposal rate 11%	○		
Acquisition of ISCC PLUS certification at Chita Plant and Kyushu-Wakamatsu Plant. We completed examination at the Ishinomaki Plant in December 2023, and expect certification in February 2024.	○	Acquisition of ISCC PLUS certification at three CB plants in Japan by 2024	Chita Plant/Ishinomaki Plant/ Kyushu-Wakamatsu Plant
92% of development expenditures allocated to reduction of environmental impact	○	90% or more of development expenditures allocated to reduction of environmental impact	Domestic group
95% of development expenditures allocated to reduction of environmental impact	○	80% or more of development expenditures allocated to reduction of environmental impact	Tokai Konetsu Kogyo Co., Ltd.
100% or more of patent applications in areas related to reduction of environmental impact	○	90% or more of patent applications in areas related to reduction of environmental impact	Domestic group
83% or more of patent applications in areas related to reduction of environmental impact	○	70% or more of patent applications in areas related to reduction of environmental impact	Tokai Konetsu Kogyo Co., Ltd.
Of target users to whom improved-quality products were shipped, 75% achieved a reduction of 3% or higher compared with 2022.	○	Zero significant environmental complaints	Consolidated
Following analysis of our 2023 survey of five key suppliers to non-consolidated sites, we sent reports to all companies.	○	Review of survey form for CSR procurement survey, based on revisions to the Group Procurement Policy	Consolidated
We held a briefing session on our anti-harassment manual for members of the Human Rights Promotion Committees at domestic subsidiaries, and educated domestic subsidiaries' employees and managers about the manual through human rights training.	○	-	-
An ongoing issue for FY2024.	×	Implementation of human rights due diligence by overseas Group companies in accordance with their respective human rights policies	Consolidated
Total amount of donations and activity spending: approx. 53.0 million yen (donations to shrines and festivals, donations to support regional culture, sports, and education, etc.) Community contribution activities: Cleanups, food donations, etc.	○	Enhancement of disclosure of community contribution activities	Consolidated
-	-	Continuous improvement and strengthening of internal control	Consolidated
-	-	Examination of a Group-wide information sharing platform	
-	-	Examination of procurement of raw materials for stable supply of products (geopolitical risks)	
-	-	Development of an overseas crisis management structure (ongoing)	
We carried out internal control promotion, improvement of the North American operations holding company's functions, subsidiary management, and construction of an overseas hazard management structure in line with plans and targets.	○	-	-
Zero regulatory violations with serious impacts	○	Zero regulatory violations with serious impacts	Consolidated
We investigated the governance and compliance structure for subsidiaries in Japan and overseas. We built relationships with managers in charge of compliance at domestic and foreign subsidiaries.	○	Creation of a business base aimed at the construction of a global compliance structure	
We increased the number 1.33-fold since setting the target in 2021 (as of the end of December 2023)	○	Increase the ratio of female employees in managerial positions from 2.8% in 2021 to 5.6% or higher by 2024	Non-consolidated
Percentage of new female graduates hired (non-consolidated) who entered the company in April 2024: 33%	○	Percentage of new female graduates hired for career-track positions: 30% (non-consolidated)	Non-consolidated
We conducted hiring activities, including for management candidates, making progress in line with plans.	○	Increase in number of non-Japanese employees in managerial positions by the end of 2024 (compared with 2021)	Non-consolidated
8.1% increase since setting the target in 2021 (as of the end of December 2023)	○	Increase in the ratio of mid-career hires in managerial positions by the end of 2024 (compared with 2021)	Non-consolidated
Specialist training in 2023: 727 hours; New-hire training in 2023: 5,580 hours	○	Total training hours planned by head office (new-hire training/specialist training)	Domestic group
Frequency rate: 0.80	○	Reduction of frequency rate (1.20 or lower)	Consolidated

\*1 Domestic group: Tokai Carbon Co., LTD. + major domestic subsidiaries (Tokai Konetsu Kogyo Co., Ltd., Tokai Fine Carbon Co., Ltd., Tokai Material Co., Ltd.)

\*2 NOx: Tokai Carbon Co., LTD. + 7 overseas companies (Tokai ErftCarbon GmbH, Tokai Carbon GE LLC, Tokai Carbon CB Ltd., Cancarb Limited, Thai Tokai Carbon Product Co., Ltd., Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS);  
SOx: Tokai Carbon Co., LTD. + 6 overseas companies (Tokai ErftCarbon GmbH, Tokai Carbon GE LLC, Tokai Carbon CB Ltd., Thai Tokai Carbon Product Co., Ltd., Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS)

\*3 Tokai Carbon Co., LTD. + 9 domestic and overseas companies (Tokai ErftCarbon GmbH, Tokai Carbon GE LLC, Tokai Carbon CB Ltd., Cancarb Limited, Thai Tokai Carbon Product Co., Ltd., Tokai Fine Carbon Co., Ltd., Tokai Carbon Korea Co., Ltd., Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS)

\*4 Tokai Carbon Co., LTD. + 11 domestic and overseas companies (Tokai Konetsu Kogyo Co., Ltd., Tokai Fine Carbon Co., Ltd., Tokai Material Co., Ltd., Tokai ErftCarbon GmbH, Tokai Carbon GE LLC, Tokai Carbon CB Ltd., Cancarb Limited, Thai Tokai Carbon Product Co., Ltd., Tokai Carbon Korea Co., Ltd., Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS)

\*5 Recycling rate (%) = recycling weight (weight of recycled waste) ÷ weight of generated waste x 100

## Non-financial Indicators (Social)

	Boundary	Unit	2020	2021	2022	2023
Number of employees	Consolidated	persons	4,178	4,289	4,378	<b>4,427</b>
Number of employees	Non-consolidated	persons	778	760	763	<b>779</b>
Ratio of overseas employees	Consolidated	%	68.9	70.4	70.7	<b>70.2</b>
Ratio of female employees	Non-consolidated	%	8.5	8.3	9.6	<b>9.5</b>
Ratio of new female graduates hired for career-track positions	Non-consolidated	%	20.8	33.3	66.6	<b>40.0</b>
Ratio of women in managerial positions	Non-consolidated	%	-	2.8	3.0	<b>4.0</b>
Ratio of non-Japanese employees in managerial positions	Non-consolidated	%	-	-	1.5	<b>1.0</b>
Ratio of mid-career hires in managerial positions	Non-consolidated	%	-	-	10.0	<b>11.8</b>
Ratio of employment of the physically challenged	Non-consolidated	%	2.53	2.55	2.36	<b>1.94</b>
Percentage of employees returning from childcare leave	Non-consolidated	%	100	100	100	<b>100</b>
Usage rate of childcare leave by male workers	Non-consolidated	%	-	-	-	<b>90.4</b>
Average acquisition rate for annual paid holidays	Non-consolidated	%	62.9	69.3	77.7	<b>74.1</b>
Employees' monthly average overtime work hours	Non-consolidated	h	7.93	11.17	10.55	<b>*</b>
Occupational accident frequency rate	Consolidated	-	1.22	1.30	1.20	<b>0.80</b>

\* Performance data for 2023 is scheduled to be updated on our website around July 2024

## Non-financial Indicators (Environmental)

★ Data assured by a third party

		2018	2019	2020	2021	2022	2023
<b>GHG emissions (Scope 1 + Scope 2)</b>							
CO <sub>2</sub> emissions (thousand tCO <sub>2</sub> e)	Consolidated	3,056	2,687	2,232	2,409	2,408	<b>2,219 ★</b>
Scope 1 (thousand tCO <sub>2</sub> e)	Consolidated	2,430	2,164	1,825	2,070	2,018	<b>1,900 ★</b>
Scope 2 (thousand tCO <sub>2</sub> e)	Consolidated	626	523	406	339	391	<b>318 ★</b>
<b>CO<sub>2</sub> emissions</b>							
Scope 3 (thousand tCO <sub>2</sub> e)	Consolidated	7	3,322	1,619	1,599	1,680	*3
Category 1 Purchased goods and services	Consolidated	—	469	189	341	1343	<b>1,188 ★</b>
Category 2 Capital goods	Consolidated	—	20	23	22	51	<b>99 ★</b>
Category 3 Fuel- and energy-related activities (not included in scope 1 or scope 2)	Consolidated	—	N/A	N/A	N/A	82	<b>74 ★</b>
Category 4 Upstream transport and distribution	Non-consolidated	6	5	5	6	6	*3
Category 5 Waste from business operations	Non-consolidated	0.7	0.5	0.4	0.7	0.5	*3
Category 6 Business travel	Non-consolidated	—	N/A	N/A	N/A	0.4	*3
Category 7 Employee commuting	Non-consolidated	—	0.4	0.4	0.4	0.4	*3
Category 8 Leased assets (upstream)		—	N/A	N/A	N/A	N/A	<b>N/A</b>
Category 9 Transport and delivery (downstream)		—	N/A	N/A	N/A	N/A	<b>N/A</b>
Category 10 Processing of sold products		—	N/A	N/A	N/A	N/A	<b>N/A</b>
Category 11 Use of sold products	Consolidated	—	2,827	1,402	1,228	321	<b>288 ★</b>
Category 12 Disposal of sold products	Consolidated	—	—	—	—	-	-
Category 13 Leased assets (downstream)		—	N/A	N/A	N/A	N/A	<b>N/A</b>
Category 14 Franchises		—	N/A	N/A	N/A	N/A	<b>N/A</b>
Category 15 Investments		—	N/A	N/A	N/A	N/A	<b>N/A</b>
<b>Water</b>							
Water intake (thousand m <sup>3</sup> )	Consolidated *1		8,913	7,815	8,976	8,672	<b>8,402</b>
Water intake per unit of net sales	Consolidated		34.1	38.9	34.8	25.6	<b>23.2</b>
Effluent (thousand m <sup>3</sup> )	Non-consolidated	1,994	2,068	2,010	2,115	2,018	<b>2,029</b>
<b>Industrial waste</b>							
Amount generated (t)	Domestic Group *2	7,816	8,272	9,400	7,749	6,854	<b>5,849</b>
Recycling rate (%)	Domestic Group	66	84	89	85	87	<b>89</b>
Amount consigned for processing (t)	Domestic Group	3,781	3,543	5,052	3,742	3,250	<b>2,289</b>
Final disposal rate (%)	Domestic Group	45	23	17	19	18	<b>11</b>

\*1 Tokai Carbon Co., Ltd. + 9 major subsidiaries (Tokai ErftCarbon GmbH, Tokai Carbon GE LLC, Tokai Carbon CB Ltd., Cancarb Limited, Thai Tokai Carbon Product Co., Ltd., Tokai Fine Carbon Co., Ltd., Tokai Carbon Korea Co., Ltd., Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS)

\*2 Domestic Group: Tokai Carbon Co., Ltd. + major domestic subsidiaries (Tokai Konetsu Kogyo Co., Ltd., Tokai Fine Carbon Co., Ltd., Tokai Material Co., Ltd.)

\*3 Performance data for 2023 is scheduled to be updated around July



## Calculation of Scope 1 and Scope 2 GHG emissions

### Boundary

<b>CO<sub>2</sub></b>	All consolidated production sites, head offices, branches, and laboratories (Tokai Carbon (Dalian) Co., Ltd., Tokai Carbon (Suzhou) Co., Ltd., Shanghai Tokai Konetsu Co., Ltd., Tokai Konetsu (Suzhou) Co., Ltd., and Tokai Carbon Europe Ltd. Italia Branch were added to the scope of tabulation in 2022)
<b>CH<sub>4</sub>, N<sub>2</sub>O</b>	Starting in 2022, major production sites that account for approximately 98% of consolidated CO <sub>2</sub> emissions have been added to the scope of calculation

### Period of tabulation

		Japan	Overseas
<b>CO<sub>2</sub></b>	Energy sources	April–March of the following year through 2020 (January–December for Tokai Konetsu Kogyo Co., Ltd.) 2021 and after: January to December	January–December
	Non-energy sources	January–December	January–December
<b>CH<sub>4</sub>, N<sub>2</sub>O</b>	—	January–December * Calculated from 2022	

### Calculation method

CO<sub>2</sub> equivalent emissions are calculated using the global warming potentials for CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O gases. HFCs, PFCs, and SF<sub>6</sub> are excluded from calculations as only small amounts of these chemicals are emitted.

Scope 1: Direct GHG emissions from corporate activities, including energy-derived GHG emissions and non-energy-derived GHG emissions (emissions from industrial processes) are tabulated. In principle, GHG emissions from non-energy sources are calculated from the amount of raw and auxiliary materials used and the balance of products and waste.

Scope 2:

- Indirect CO<sub>2</sub> emissions associated with the use of energy in corporate activities.
- The market-based method in the GHG Protocol is used. For emissions in Japan, emission coefficients by electricity utility based on the Act on Promotion of Global Warming Countermeasures are used. For overseas emissions, emission coefficients published by electricity utilities are used, although the latest emission coefficients published by IEA or national and regional authorities are used for emissions from some plants.

### Scope 3 calculation method

#### Boundary

- The reporting boundary from 2019 to 2021 is Tokai Carbon Co., Ltd. That for Categories 1, 2, 3, 11 and 12 is Tokai Carbon Co., Ltd. and its consolidated subsidiaries.
- However, Categories 11 and 12 cover only some businesses and products.

#### Period of tabulation

Category 1–3, 5–15: January–December

Category 4: April–March of the following year

#### Calculation method

- References used in calculation of Scope 3 include “Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver 2.5” and “The Emissions Unit Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.3)” from the Ministry of the Environment and the Ministry of Economy, Trade and Industry; emission coefficients by electrical utility published by the Ministry of the Environment; and emissions factor specified in LCI Database IDEA v3.3.
- Category 1: Through 2021, calculated as total value of procurement of major raw materials multiplied by emission factor. From 2022, it is calculated for the top 80% or more of the value of purchased raw materials and auxiliary materials by multiplying the annual purchase for each target item by the emission factor.
- Category 2: Calculated by multiplying the purchase value of capital goods by emission factor.
- Category 3: Calculated by multiplying the amount of energy totaled in Scope 1 and 2 by emission factor.
- Category 4: Calculated by multiplying the fuel consumption and transport ton-kilometers by emission factor.
- Category 5: Calculated by multiplying type-specific amount of waste disposal and recycling by emission factor.
- Category 6: Calculated by means-of-transportation-specific value of transportation expenses by emission intensity, and adding the number of accommodation stays multiplied by the emission factor of the accommodation facilities.
- Category 7: Calculated by multiplying the number of employees by number of business days and by emission factor.
- Category 11: The scope of reporting through 2021 is the Graphite Electrode Division. Calculated by multiplying products’ energy consumption and sales volume by emission factor, and adding the CO<sub>2</sub> generated from the products themselves during use. The scope from 2022 is the Graphite Electrode Division and the S&L Division. CO<sub>2</sub> generated from the products themselves during use is calculated.
- Category 12: The scope of reporting is the Graphite Electrode Division.

## Company Overview As of April 1, 2024

### Company Overview

Trade Name	TOKAI CARBON CO., LTD.
Head Office	Aoyama Building, 1-2-3 Kita-Aoyama, Minato-ku, Tokyo 107-8636 Japan Tel: +81-3-3746-5100 (switchboard)
Established	1918
Representative	Hajime Nagasaka, President and CEO
Accounting period	January 1 to December 31
Fiscal year end	December
Share capital	20,436 million yen
Number of employees	779 (4,427 including group companies) (as of December 2023)

**Operations** Manufacture and sales in the following business segments: Graphite Electrodes, Carbon Black, Fine Carbon, Smelting and Lining, Friction Materials, Anode Materials, Industrial Furnaces and Related Products

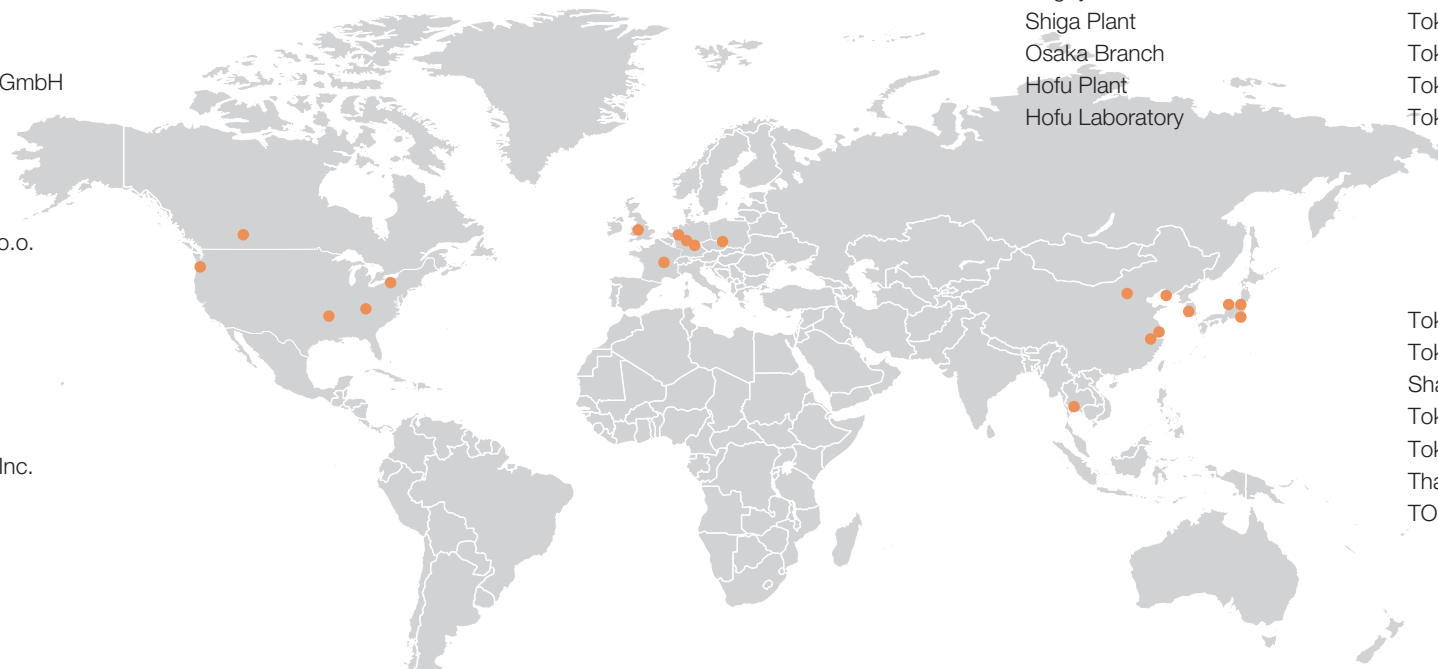
TOKAI CARBON Head Office  
Fuji Research Laboratory  
Shonan Plant  
Chigasaki Laboratory  
Ishinomaki Plant  
Chita Plant  
Chita Laboratory  
Nagoya Branch  
Shiga Plant  
Osaka Branch  
Hofu Plant  
Hofu Laboratory

Anode Material Production and Technology Center  
Kyushu-Wakamatsu Plant  
Tanoura Plant  
Tanoura Laboratory  
Oriental Sangyo Co., Ltd.  
Mitomo Brake Co., Ltd.  
Tokai Fine Carbon Co., Ltd.  
Tokai Konetsu Kogyo Co., Ltd.  
Tokai Material Co., Ltd.  
Tokai Noshiro Seiko Co., Ltd.  
Tokai Unyu Co., Ltd.

### Group Companies

Tokai Carbon Deutschland GmbH  
Tokai ErftCarbon GmbH  
Tokai Carbon Europe Ltd.  
Tokai COBEX GmbH  
Tokai COBEX Savoie SAS  
Tokai COBEX Polska sp. z o.o.

Tokai Carbon U.S.A., Inc.  
Cancarb Limited  
Tokai Carbon GE LLC  
Tokai Carbon CB Ltd.  
MWI, Inc.  
Tokai Carbon US Holdings Inc.



Tokai Konetsu (Suzhou) Co., Ltd.  
Tokai Carbon (Suzhou) Co., Ltd.  
Shanghai Tokai Konetsu Co., Ltd.  
Tokai Carbon (Dalian) Co., Ltd.  
Tokai COBEX (Beijing) Ltd.  
Thai Tokai Carbon Product Co., Ltd.  
TOKAI CARBON KOREA Co., Ltd.

## Stock Information (as of December 2023)

### Stock Summary

Stock exchange listing	Prime Market of Tokyo Stock Exchange, Inc.
Securities code	5301
General Meeting of Shareholders	March
Shareholder record date	General Meeting of Shareholders: December 31 Year-end dividend of surplus: December 31 Interim dividend: June 30 (when applicable)
Share unit	100 shares
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation
Method of public notice	Electronic notice (When unavoidable circumstances prevent notice from being given electronically, notice is posted in The Nikkei.)

### Stock Figures

Total number of shares issued by the company	598,764,000
Total number of outstanding shares (including treasury stock)	224,943,104
Total number of shareholders	109,024

### Shareholding ratio\*



Financial Institutions	41%
Individuals/Others	32%
Foreign Corporations, etc.	16%
Japanese Corporations	6%
Financial Instruments Business Operators	5%

Note: Shareholding ratios are calculated with treasury stock excluded.  
\* Ratio of the number of shares owned to the total number of issued shares (excluding treasury stock)

### Major shareholders

Name	Number of shares held (thousand shares)	Shareholding ratio (%)*
The Master Trust Bank of Japan, Ltd. (Trust Account)	43,444	20.38
Custody Bank of Japan, Ltd. (Trust Account)	18,005	8.44
MUFG Bank, Ltd.	5,827	2.73
Mitsubishi UFJ Trust and Banking Corporation	4,609	2.16
Mitsubishi UFJ Morgan Stanley Securities	2,744	1.29
SSBTC CLIENT OMNIBUS ACCOUNT	2,633	1.24
JP Morgan Securities Japan Co., Ltd.	2,566	1.2
STATE STREET BANK WEST CLIENT - TREATY 505234	2,529	1.19
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,426	1.14
Meiji Yasuda Life Insurance Company	2,032	0.95

Note 1: Tokai Carbon holds 11,747,000 shares of treasury stock but is not listed among the major shareholders above.

Note 2: The shareholding ratio was calculated with treasury stock excluded.

\* Ratio of the number of shares owned to the total number of issued shares (excluding treasury stock)

### Share Owner Information

Shareholder	Number of shares held (thousand shares)
Financial Institutions	87,132 (41%)
Individuals/Others	67,993 (32%)
Foreign Corporations, etc.	34,570 (16%)
Japanese Corporations	12,658 (6%)
Financial Instruments Business Operators	10,860 (5%)
Total	213,215 (100%)

## Investor Relations (IR) Activities

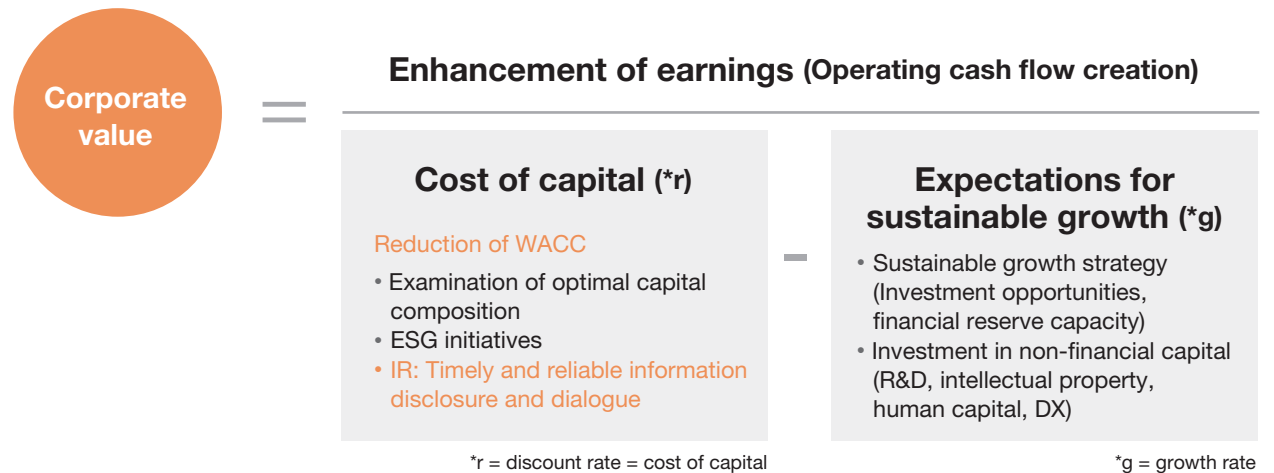
An increasingly important part of companies' public relations activities is disclosure that goes beyond a perfunctory disclosure of performance to honestly reveal management strategy that integrates the concepts of sustainability and ESG and to actively communicate with the market. We strive to communicate information on our Group and to enhance dialogue in varied media to broaden our communication with investors as well as with customers, business partners, employees, society, and other wide-ranging stakeholders.

We hope to communicate our goals, business environment, competitive situation, and individual businesses' strategies from a medium- to long-term perspective and in a way that is easily understood, thereby building understanding of the potential inherent in materials that typically go unseen by most people.

IR functions, along with sustainability, currently fall under the General Affairs Department. However, through precise communication with our management, finance, accounting, and business organizations, we promote (1) timely and appropriate information disclosure and (2) dialogue with shareholders and investors. We undertake IR activities day by day with the aim of minimizing information asymmetry and thereby reducing costs of capital.

### IR activities with awareness of costs of capital

In our rolling medium-term management plan, we comprehensively disclose our efforts on a yearly basis to achieve management that maintains an awareness of costs of capital and of our stock price to enhance our corporate value.



### FY2023 results

Event	Actual	Japan
<b>Financial results briefing for institutional investors and securities analysts</b>	4 times/year	The President and officers responsible for finance and accounting held briefing sessions on our financial results and outlook. Live sessions and recordings, including Q&A, were streamed. (Held every quarter)
<b>Small meetings hosted by securities analysts</b>	4 times	Attended by the President. Dialogues with institutional investors on management policy, business strategy, the business environment, etc.
<b>Individual dialogues with institutional investors and securities analysts</b>	193 dialogues	President: 21 dialogues (including overseas road shows and conference participation). Manager in charge of IR: 172 dialogues. (All IR interview records are shared with all members of management in a timely manner.)
<b>Briefing session held by the Company for securities analysts</b>	1 time/year	The President, officers responsible for finance and accounting, and the heads of six business divisions met to interact with multiple securities analysts.
<b>Small meeting hosted by the Company</b>	1 time	The President and heads of business divisions attended. In FY2023 we held a "Fine Carbon Small Meeting," with a video recording and materials released on the company website.
<b>Participation in the Individual Investor Fair</b>	1 time	We exhibited a booth at the Nikkei IR Individual Investor Fair. Participation centered on the General Affairs (IR/ESG) department.

## Independent Third-Party Assurance Report

### Independent Assurance Report

To the President and CEO of Tokai Carbon Co., Ltd.

We were engaged by Tokai Carbon Co., Ltd. (the “Company”) to undertake a limited assurance engagement of the environmental performance indicators marked with a star ★ (the “Indicators”) for the period from January 1, 2023 to December 31, 2023 included in its Integrated Report 2023 (the “Integrated Report”) for the fiscal year ended December 31, 2023.

#### The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Integrated Report.

#### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Integrated Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Integrated Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Company’s Tanoura Plant selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

#### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Integrated Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Integrated Report.

#### Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Kazuhiko Saito

Kazuhiko Saito, Partner, Representative Director  
KPMG AZSA Sustainability Co., Ltd.  
Tokyo, Japan  
July 12, 2024

Notes to the Reader of Independent Assurance Report:

This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

## Status of Inclusion in ESG Indexes



FTSE4Good



FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Tokai Carbon has been independently assessed according to the FTSE4Good and FTSE Blossom Japan Index criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index. Created by the global index provider FTSE Russell, the FTSE4Good Index Series and FTSE Blossom Japan Index are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices and FTSE Blossom Japan Index are used by a wide variety of market participants to create and assess responsible investment funds and other products.

### 2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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Date of issue	July 2024
Reporting boundary	Tokai Carbon Co., Ltd. and its affiliated companies. Where the reporting boundary is limited is indicated separately.
Reporting period	Excluding content with specific dates, this report reflects activities between January 1, 2023 and December 31, 2023.
	Our website presents up-to-date information and details on our businesses and on environmental and social matters. We invite you to visit the website to learn more about Tokai Carbon.
	<a href="https://www.tokaicarbon.co.jp/en/">https://www.tokaicarbon.co.jp/en/</a>