

Data

- 58 Long-Term Earnings Summary
- 60 Performance by Business Segment
- 61 List of Sustainability Targets
- 63 Non-financial Indicators (Social)
- 64 Non-financial Indicators (Environmental)
- 66 Company Overview
- 67 Stock Information
- 68 Investor Relations (IR) Activities
- 69 Independent Third-Party Assurance Report
- 70 Status of Inclusion in ESG Indexes

Long-Term Earnings Summary

FY2014–FY2024 (consolidated)

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statements of Income												
Net sales	(million JPY)	114,576	104,864	88,580	106,252	231,302	262,028	201,542	258,874	340,371	363,946	350,114
Gross profit	(million JPY)	18,651	19,960	16,529	27,451	99,378	92,840	49,555	70,732	94,052	98,727	80,635
Selling, general and administrative expenses	(million JPY)	14,947	15,871	15,398	16,358	26,312	38,495	41,696	46,085	53,463	59,998	61,248
Operating profit	(million JPY)	3,703	4,088	1,131	11,093	73,065	54,344	7,858	24,647	40,588	38,728	19,386
Ordinary income	(million JPY)	4,180	4,317	1,702	12,855	72,991	52,986	6,262	24,770	42,521	41,607	22,579
Net income before income taxes	(million JPY)	4,345	6,726	(7,938)	15,533	95,811	51,226	6,116	23,354	42,111	41,998	(47,645)
Income taxes	(million JPY)	1,749	4,345	(67)	2,740	21,543	17,175	2,283	3,248	14,782	13,243	5,304
Net income	(million JPY)	2,562	2,484	(7,929)	12,603	74,268	34,050	3,833	20,106	27,329	28,754	(52,949)
EBITDA	(million JPY)	13,845	14,581	10,616	17,740	85,374	77,053	35,262	54,518	75,572	75,949	61,120
Sales ratio												
Gross profit	(%)	16.3	19.0	18.7	25.8	43.0	35.4	24.6	27.3	27.6	27.1	23.0
Selling, general and administrative expenses	(%)	13.0	15.1	17.4	15.4	11.4	14.7	20.7	17.8	15.7	16.5	17.5
Operating income (ROS)	(%)	3.2	3.9	1.3	10.4	31.6	20.7	3.9	9.5	11.9	10.6	5.5
Ordinary income	(%)	3.6	4.1	1.9	12.1	31.6	20.2	3.1	9.6	12.5	11.4	6.4
Net income before income taxes	(%)	3.8	6.4	(9.0)	14.6	41.4	19.5	3.0	9.0	12.4	11.5	(13.6)
Net income	(%)	2.2	2.4	(9.0)	11.6	32.1	13.0	1.9	7.8	8.0	7.9	(15.1)
EBITDA	(%)	12.1	13.9	12.0	16.7	36.9	29.4	17.5	21.1	22.2	20.9	17.5
Investment-related												
Capital expenditure	(million JPY)	6,830	5,301	6,013	4,282	11,794	24,341	28,873	30,347	48,150	53,316	56,715
Depreciation	(million JPY)	8,629	9,242	8,124	6,647	10,390	18,503	20,890	22,900	27,460	29,065	33,028
R&D expenses	(million JPY)	1,882	1,822	2,249	1,482	1,883	2,460	2,682	2,823	3,171	3,605	4,334
Cash flow												
Operating cash flows	(million JPY)	11,983	20,613	17,505	10,543	44,109	41,664	55,022	38,072	41,205	62,074	64,471
Investment cash flows	(million JPY)	(24,027)	3,189	(3,622)	(14,039)	(53,849)	(99,159)	(44,301)	(35,282)	(49,900)	(47,632)	(70,777)
Free cash flows	(million JPY)	(12,043)	23,802	13,883	(3,496)	(9,740)	(57,495)	10,721	2,790	(8,695)	14,442	(6,306)
Financing cash flows	(million JPY)	9,728	(14,926)	(7,613)	(4,534)	29,677	64,568	927	1,211	(10,629)	(14,512)	9,410
Increase (decrease) in cash and cash equivalents	(million JPY)	(1,307)	8,180	5,602	(6,376)	18,979	5,318	11,284	6,707	(15,057)	7,081	8,676
Exchange rate*	(USD/JPY)	105.85	121.05	108.85	112.19	110.43	109.05	106.82	109.80	131.43	140.56	151.58

* Corporate exchange rate

* Figures have been revised retrospectively.

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Balance Sheet												
Total current assets	(million JPY)	94,685	87,968	77,645	85,444	164,220	196,446	177,678	215,149	246,691	262,890	270,363
On-hand liquidity	(million JPY)	14,862	23,045	28,528	22,152	46,797	52,695	67,174	78,858	70,909	77,465	92,207
Accounts receivable	(million JPY)	33,972	26,897	24,220	30,265	55,137	50,648	41,438	56,668	65,197	65,530	69,175
Inventory	(million JPY)	41,299	34,253	20,734	27,564	58,789	86,380	63,797	72,479	101,330	109,332	100,740
Other current assets	(million JPY)	4,551	3,771	4,162	5,463	3,945	6,722	5,266	7,143	9,254	10,563	8,241
Total fixed assets	(million JPY)	115,753	96,106	81,178	99,286	165,648	266,425	282,031	297,353	329,773	377,114	370,390
Tangible fixed assets	(million JPY)	67,581	56,629	43,122	51,405	80,312	101,343	125,007	144,165	181,948	223,804	264,582
Intangible fixed assets	(million JPY)	14,103	11,324	10,534	16,343	61,805	141,966	133,349	123,349	118,839	117,051	66,341
Investment and other assets	(million JPY)	34,069	28,153	27,521	31,537	23,529	23,115	23,674	29,838	28,986	36,258	39,466
Total assets	(million JPY)	210,439	184,074	158,824	184,730	329,868	462,872	459,709	512,503	576,465	640,005	640,753
Total current liabilities	(million JPY)	44,897	31,126	29,028	36,870	91,654	117,541	92,656	130,418	146,696	136,971	147,729
Short-term interest-bearing liabilities	(million JPY)	21,576	9,537	12,910	14,074	41,709	68,363	51,879	74,710	80,745	70,218	73,939
Accounts payable	(million JPY)	16,051	11,397	9,591	14,522	26,001	28,936	18,648	26,229	32,272	29,469	26,636
Other current liabilities	(million JPY)	7,269	10,191	6,525	8,274	23,944	20,241	22,129	29,478	33,676	37,280	47,152
Total long-term liabilities	(million JPY)	33,198	27,976	16,806	20,728	30,381	112,355	142,237	125,514	128,900	142,930	167,865
Long-term interest-bearing liabilities	(million JPY)	16,713	14,398	4,137	2,068	8,000	79,666	106,764	93,539	90,706	96,424	117,301
Other long-term liabilities	(million JPY)	16,484	13,577	12,669	18,660	22,381	32,689	35,473	31,974	38,190	46,504	50,561
Total liabilities	(million JPY)	78,096	59,103	45,834	57,599	122,035	229,896	234,894	255,932	275,596	279,902	315,595
Total net assets	(million JPY)	132,343	124,971	112,989	127,130	207,833	232,975	224,815	256,570	300,868	360,103	325,158
Shareholders' equity	(million JPY)	108,006	108,910	99,693	110,089	179,500	203,819	196,543	206,269	218,761	237,220	170,469
Total liabilities and net assets	(million JPY)	210,439	184,074	158,824	184,730	329,868	462,872	459,709	512,503	576,465	640,005	640,753
Ratio analysis												
ROA	(%)	2.1	2.2	1.0	7.5	30.0	13.4	1.4	5.1	4.7	4.5	(8.3)
ROE	(%)	2.0	2.0	(6.8)	10.4	46.8	16.0	0.5	7.5	9.0	8.6	(18.5)
Capital-to-asset ratio	(%)	61.8	66.8	69.9	68.4	56.7	45.8	43.8	44.7	46.6	50.7	45.2
Indicator per share												
EPS	(JPY)	12	12	(37)	58	344	150	4.78	75.55	105.16	119.45	(265.94)
BPS	(JPY)	610	577	521	593	878	994	944.16	1,075.19	1,260.95	1,521.89	1,356.42
Dividend	(JPY)	6	6	6	12	24	48	30	30	30	36	30
Dividend payout ratio	(%)	50	52	—	21	7	32	627	40	29	30	—

Performance by Business Segment FY2020–FY2024 (consolidated)

		2020	2021	2022	2023	2024
Carbon Black						
Net sales	(million JPY)	70,754	99,491	138,484	148,423	156,793
Operating profit	(million JPY)	3,192	8,783	12,282	21,303	21,706
Operating income to sales	(%)	4.5	8.8	8.9	14.4	13.8
EBITDA	(million JPY)	10,171	14,868	20,491	29,270	31,962
EBITDA margin	(%)	14.4	14.9	14.8	19.7	20.4
Fine Carbon						
Net sales	(million JPY)	31,775	39,125	49,393	45,319	53,890
Operating profit	(million JPY)	6,647	9,611	14,825	10,617	12,437
Operating income to sales	(%)	20.9	24.6	30.0	23.4	23.1
EBITDA	(million JPY)	11,802	15,199	21,270	17,689	20,253
EBITDA margin	(%)	37.1	38.8	43.1	39.0	37.6
Smelting and Lining						
Net sales	(million JPY)	36,421	49,696	65,203	82,820	64,512
Operating profit	(million JPY)	1,161	1,925	1,345	2,305	(13,701)
Operating income to sales	(%)	3.2	3.9	2.1	2.8	(21.2)
EBITDA	(million JPY)	11,564	14,097	14,829	17,446	2,449
EBITDA margin	(%)	31.8	28.4	22.7	21.1	3.8

		2020	2021	2022	2023	2024
Graphite Electrodes						
Net sales	(million JPY)	37,879	40,619	59,630	60,235	48,818
Operating profit	(million JPY)	(5,766)	(400)	8,032	752	(3,529)
Operating income to sales	(%)	(15.2)	(1.0)	13.5	1.2	(7.2)
EBITDA	(million JPY)	(2,274)	4,162	13,549	6,449	2,562
EBITDA margin	(%)	(6.0)	10.2	22.7	10.7	5.2
Industrial Furnaces and Related Products						
Net sales	(million JPY)	13,873	18,019	16,272	15,614	16,291
Operating profit	(million JPY)	3,765	5,396	4,475	3,860	3,304
Operating income to sales	(%)	27.1	29.9	27.5	24.7	20.3
EBITDA	(million JPY)	3,997	5,701	4,797	4,211	3,661
EBITDA margin	(%)	28.8	31.6	29.5	27.0	22.5
Others						
Net sales	(million JPY)	10,837	11,922	11,387	11,532	9,807
Operating profit	(million JPY)	298	754	1,108	1,299	403
Operating income to sales	(%)	2.8	6.3	9.7	11.3	4.1
EBITDA	(million JPY)	832	1,313	1,589	1,783	883
EBITDA margin	(%)	7.7	11.0	14.0	15.5	9.0

List of Sustainability Targets

Materiality		Goals	FY2024		
Themes	Elements		Specific numerical targets	Targeted sites ¹	
Harmony with the Global Environment	Reduction of environmental impact	Reduction of greenhouse gas emissions	Reduce total CO ₂ emissions by 25% (vs. 2018) by 2030 and achieve carbon neutrality by 2050	Consolidated	
		Reduction of pollution	NOx emissions: 3,400 t/year or lower (base year: 2021) SOx emissions: 18,600 t/year or lower (base year: 2021) VOC (Volatile Organic Compounds): 280 t/year or lower	Consolidated ²	
			Zero environmental complaints against the Company (contamination of air, water, etc.)	Consolidated	
			Change of 30% product packaging for transport to environmentally friendly packaging by the end of 2025	Tokai COBEX (TCX)	
		Reduction of water consumption	Reduction of water consumption (below 2021 level of 9 million m ³ /year)	Consolidated ³	
	Realization of a circular economy	Recycling of waste	Recycling rate of 50% or higher (base year: 2021) ⁵	Consolidated ⁴	
		Use of sustainable resources	Acquisition of ISCC PLUS certification at three Carbon Black plants in Japan by 2024	Chita Plant/Ishinomaki Plant/ Wakamatsu Plant	
Contributing to Society through Business	Technological innovation	Promotion of research and development	90% or more of development expenditures allocated to reduction of environmental impact	Domestic group	
			80% 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.	
	Providing safe and secure products	Improvement of product quality	Zero significant quality complaints	Consolidated	
	Supply chain management	Reduction of suppliers' CSR risks	Review the survey form for CSR procurement survey, based on revisions to the Group Procurement Policy	Consolidated	
Strengthening Management Foundation	Respect for human rights	Raising employees' awareness of human rights	Implementation of human rights due diligence by overseas Group companies in accordance with their respective human rights policies	Consolidated	
	Contributing to communities	Active engagement in community contribution activities	Enhancement of disclosure of community contribution activities	Consolidated	
	Strengthening corporate governance	Internal control	Continuous improvement and enhancement of internal control	Consolidated	
			Examination of a Group-wide information sharing platform		
		Risk management	Examination raw materials procurement for stable supply of products (geopolitical risks)	Consolidated	
			Development of overseas crisis management structure (ongoing)		
	Thorough enforcement of compliance	Compliance with ethical standards, laws, and regulations	Commit no serious regulatory violations	Consolidated	
			Creation of a business base aimed at the construction of a global compliance structure		
	Development of human resources	Securing diverse talent	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 for career-track positions: 30% (non-consolidated)	Non-consolidated	
			Increase the number of non-Japanese employees in managerial positions by the end of 2024 (compared with 2021)	Non-consolidated	
			Increase the ratio of mid-career hires in managerial positions by the end of 2024 (compared with 2021)	Non-consolidated	
	Promoting of occupational safety and health	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	

			FY2025	
	Actual	Rating	Specific numerical targets	Target sites ^{*1}
	Total CO ₂ emissions for the Group in 2024 (Scope1,2): 2,032 thousand tCO ₂ e (33% reduction from 2018). This was mainly due to switching to CO ₂ -free electrical power, fuel switching, etc.	○	Reduce total CO ₂ emissions by 25% (vs. 2018) by 2030 and achieve carbon neutrality by 2050	Consolidated
	NOx emissions: 2,843 t, SOx emissions: 11,132 t, VOC: 167 t	○	NOx emissions: 3,330 t/year or lower (2% reduction against 2021) SOx emissions: 17,670 t/year or lower (5% reduction against 2021) VOC (Volatile Organic Compounds): 265 t/year or lower (5% reduction against 2022)	Consolidated ^{*2}
	Zero environmental complaints against the Company	○	Zero environmental complaints against the Company (contamination of air, water, etc.)	Consolidated
	We achieved our target of 38% use of eco-friendly types of packaging used for the transport of all TCX products.	○	Change 40% of product packaging for transport to environmentally friendly packaging by the end of 2025	Tokai COBEX (TCX)
	Water consumption: 8.02 million m ³	○	Water consumption of 8.9 million m ³ /year or lower (1% reduction in consumption compared to 2021)	Consolidated ^{*3}
	Recycling rate: 58.5%	○	Recycling rate of 51% or higher (1% increase against 2021) ^{*5}	Consolidated ^{*4}
	Acquired ISCC PLUS certification at three Carbon Black plants in Japan	○	Ensure rCB ^{*6} secondary processing pilot plant is operational by the end of 2027	CB business
	93% of development expenditures allocated to reduction of environmental impact	○	90% or more of development expenditures allocated to reduction of environmental impact	Domestic group
	98% 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% 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
	100% 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.
	Zero significant quality complaints	○	Zero significant quality complaints	Consolidated
	Changed the CSR procurement survey and implementation for suppliers based on revisions to the Group Procurement Policy in 2024. These changes will apply from the 2025 survey	○	Implement CSR survey of key suppliers	Consolidated
	Implemented FY2024 human rights due diligence for Tokai Carbon and at Group companies in Japan and overseas	○	Implement human rights due diligence at Tokai Carbon and at Group companies in Japan and overseas	Consolidated
	Total amount of donations and activity spending: approx. 52 million JPY (donations to shrines and festivals, donations to support regional culture, sports, and education, etc.) Community contribution activities: Cleanups, food donations, inviting students for company visits, etc.	○	Enhance disclosure of community contribution activities	Consolidated
	Conducted assessment and reporting on the status of operation of the internal control system in line with plans	○	Continuous improvement and enhancement of internal control	Consolidated
	Opened Group Portal site	○	Examination of a Group-wide information sharing platform	
	Examined substitutes for raw material procurement sources for each business, and reported to the Risk Management & Compliance Committee	○	Examination of raw materials procurement for stable supply of products (geopolitical risks)	
	Conducted desktop exercises assuming overseas contingencies, and revised the overseas risk management manual based on the results	○	Development of overseas crisis management structure (ongoing)	Consolidated
	Zero regulatory violations with serious impacts	○	Commit no serious regulatory violations	
	Discussed compliance issues that occurred with compliance supervisors at subsidiaries and worked on strengthening communications	○	Strengthen communications and cooperation with managers in charge of compliance at subsidiaries based on the actual status of compliance structure at each subsidiary in Japan and overseas	
	Percentage of female employees in managerial positions: 3.8% (as of December 31, 2024)	△	Increase the ratio of female employees in managerial positions from 3.8% in 2024 to 5.6% or higher by 2027	Non-consolidated
	Percentage of new female graduates hired (non-consolidated) who entered the company in April 2025: 25%	△	Percentage of new female graduates hired for career-track positions: 30% (non-consolidated)	Non-consolidated
	The number of non-Japanese employees in managerial positions decreased compared with 2021	×	Establish a supportive working environment for employees raising children or providing nursing care for family members	Non-consolidated
	Ratio of mid-career hires in managerial positions as of December 31, 2024: 33% (2021: 8%)	○	Enhancement of engagement score (compared to the previous score)	Non-consolidated
	Specialist training: 1,942 hours; New-hire training: 5,162 hours	○	Total training hours planned by head office (New-hire training / specialist training)	Domestic group
	Frequency rate: 1.11	○	Reduction of frequency rate (1.10 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.) but excluding Tokai Konetsu Kogyo for No. 8 and 10.

*2 NOx: Tokai Carbon Co., Ltd. + 7 overseas companies (TOKAI ERFT CARBON 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 ERFT CARBON 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);

VOC: Tokai Carbon Co., Ltd. + 4 overseas companies (TOKAI CARBON GE LLC, Tokai Carbon CB Ltd., Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS)

*3 Tokai Carbon Co., Ltd. + 9 domestic and overseas companies (TOKAI ERFT CARBON 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 ERFT CARBON 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

*6 rCB (recovered Carbon Black): Recovered carbon black extracted from polymer products such as end-of-life tires containing rubber.

Non-financial Indicators (Social)

	Boundary	Unit	2020	2021	2022	2023	2024
Number of employees	Consolidated	persons	4,178	4,289	4,378	4,427	4,625
Number of employees	Non-consolidated	persons	778	760	763	779	782
Ratio of overseas employees	Consolidated	%	68.9	70.4	70.7	70.2	71.3
Ratio of female employees	Non-consolidated	%	8.5	8.3	9.6	9.5	9.5
Ratio of new female graduates hired for career-track positions	Non-consolidated	%	20.8	33.3	66.6	40.0	33.3
Ratio of women in managerial positions	Non-consolidated	%	-	2.8	3.0	4.0	3.8
Ratio of women in managerial positions	Overseas subsidiaries ^{*1}	%	-	-	-	-	22.0
Ratio of non-Japanese employees in managerial positions	Non-consolidated	%	-	-	1.5	1.0	0.0
Ratio of mid-career hires in managerial positions	Non-consolidated	%	-	-	10.0	11.8	34.6
Ratio of employment of individuals with disabilities	Non-consolidated	%	2.53	2.55	2.36	1.94	2.14
Number of new hires	Non-consolidated	persons	-	-	-	54	46
Number of employees resigning (mandatory retirees)	Non-consolidated	persons	17	31	37	36(15)	44(13)
Rate of employee turnover	Non-consolidated	%	2.19	4.08	4.85	4.62	5.63
Number of employees resigning for personal reasons	Non-consolidated	persons	12	20	25	21	30
Rate of employees resigning for personal reasons	Non-consolidated	%	1.15	2.63	3.28	2.7	3.84
Percentage of employees returning from childcare leave	Non-consolidated	%	100	100	100	100	100
Usage rate of childcare leave by male workers	Non-consolidated	%	-	-	-	90.4	103.5
Average acquisition rate for annual paid holidays	Non-consolidated	%	62.9	69.3	77.7	76.6	*2
Employees' monthly average overtime work hours	Non-consolidated	h	7.93	11.17	10.55	10.45	*2
Occupational accident frequency rate	Consolidated	-	1.22	1.30	1.20	0.80	1.11

*1 Applies to overseas subsidiaries with 250 or more employees

*2 Performance data for 2024 is scheduled to be updated on our website around July 2025

Non-financial Indicators (Environmental)

★ Data assured by a third party

		Unit	2018	2019	2020	2021	2022	2023	2024
GHG emissions*1									
CO ₂ emissions (Scope 1+2)	Consolidated	thousand tCO ₂ e	3,056	2,687	2,232	2,409	2,408	2,219	2,032 ★
Scope 1	Consolidated	thousand tCO ₂ e	2,430	2,164	1,825	2,070	2,018	1,900	1,745 ★
Scope 2	Consolidated	thousand tCO ₂ e	626	523	406	339	391	318	287 ★
Scope 3	Consolidated	thousand tCO ₂ e	-	N/A	N/A	N/A	1,805	1,596*6	*4
Category 1	Consolidated	thousand tCO ₂ e	-	N/A	N/A	N/A	1,343	1,125*6	967 ★
Category 2	Consolidated	thousand tCO ₂ e	-	N/A	N/A	N/A	51	99	145 ★
Category 3	Consolidated	thousand tCO ₂ e	-	N/A	N/A	N/A	82	74	66 ★
Category 4	Non-consolidated	thousand tCO ₂ e	6	5	5	6	6	7	
Category 5	Non-consolidated	thousand tCO ₂ e	0.7	0.5	0.4	0.7	0.5	0.6	*4
Category 6	Non-consolidated	thousand tCO ₂ e	-	N/A	N/A	N/A	0.4	0.5	*4
Category 7	Non-consolidated	thousand tCO ₂ e	-	0.4	0.4	0.4	0.4	0.4	*4
Category 8		thousand tCO ₂ e	-	N/A	N/A	N/A	N/A	N/A	N/A
Category 9		thousand tCO ₂ e	-	N/A	N/A	N/A	N/A	0.7	*4
Category 10		thousand tCO ₂ e	-	N/A	N/A	N/A	N/A	0.9	*4
Category 11	Consolidated	thousand tCO ₂ e	-	2,827	1,402	1,228	321	288	256 ★
Category 12	Consolidated	thousand tCO ₂ e	-	-	-	-	-	-	-
Category 13		thousand tCO ₂ e	-	N/A	N/A	N/A	N/A	N/A	N/A
Category 14		thousand tCO ₂ e	-	N/A	N/A	N/A	N/A	N/A	N/A
Category 15		thousand tCO ₂ e	-	N/A	N/A	N/A	N/A	N/A	N/A
Energy consumption*1									
Total energy consumption	Consolidated	GWh	2,097	2,002	1,983	2,047	2,383	2,391	2,039 ★
Non-renewable energy consumption	Consolidated	GWh	2,097	2,002	1,983	1,867	2,178	2,173*6	1,847 ★
Renewable energy consumption	Consolidated	GWh	0	0	0	180	204	218*6	192 ★
Water									
Amount of water intake	Consolidated*2	thousand m ³		8,937	7,836	9,006	8,726	8,452	8,019
Water intake per unit of sales	Consolidated			34.1	38.9	34.8	25.6	23.1	22.9
Effluent	Consolidated	thousand m ³	-	2,742	2,609	2,717	2,548	2,637	2,633
Industrial waste									
Amount generated (hazardous)	Consolidated*3	t	-	-	3,332	2,216	2,569	2,805	1,480
Amount generated (non-hazardous)	Consolidated	t	-	-	34,774	36,669	43,348	43,472	36,282
Recycled amount	Consolidated	t	-	-	21,608	19,406	20,516	24,886	22,080
Recycling rate	Consolidated	%	-	-	56.7	49.9	44.7	53.8	58.5
Final disposal amount (landfill amount)	Consolidated	t	-	-	12,939	15,160	16,337	14,859	7,703
Final disposal rate (landfill rate)	Consolidated	%	-	-	34.0	39.0	35.6	32.1	20.4

*1 The calculation methods for GHG emissions and energy consumption are outlined on the next page (P. 65)

*2 Tokai Carbon Co., Ltd. + 9 major subsidiaries (Tokai Fine Carbon Co., Ltd., TOKAI ERFT CARBON 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)

*3 Tokai Carbon Co., Ltd. + 11 major subsidiaries (Tokai Konetsu Kogyo Co., Ltd., Tokai Material Co., Ltd., TOKAI ERFT CARBON 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)

*4 Performance data for 2024 is scheduled to be updated around July

*5 Amended an error in 2023 values

*6 Amended a classification error in the amount of renewable energy used in 2023

GHG emissions (Scope 1, Scope 2, Scope 3) and energy consumption calculation method

Scope 1, Scope 2, energy consumption calculation method

Boundary

CO ₂ , Energy consumption	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 boundary in 2022. KBR, Inc. and MWI, Inc. that were consolidated in December 2024 are not included in the boundary of 2024.)
CH ₄ , N ₂ O	Starting in 2022, major production sites that account for approximately 98% of consolidated CO ₂ emissions have been added to the scope of calculation

Period of tabulation

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

Calculation method

- GHG emissions (Scope1, 2) are calculated as the CO₂ equivalent emissions using the global warming potentials for CO₂, CH₄, and N₂O gases. HFCs, PFCs, and SF₆ are excluded from calculations as only small amounts of these chemicals are emitted.
- GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

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 CO₂ 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.

Energy consumption:

- Fuel, electricity (including solar power generation) and steam used at each site are tabulated. However, by-product gases generated during the production processes are not included.
- In principle, the unit calorific value of fuel is calculated using the higher heating value of the Energy Conservation Act.

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 from 2022 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 2.7” and “The Emissions Unit Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.5)” 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 AIST-IDEA Ver.3.4.1.
- 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 factor, 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 9: The reporting boundary is the Fine Carbon Division. Calculated by multiplying the transport ton-kilometers by emission factor for the logistics of products sold by the Fine Carbon business through to the final consumers.
- Category 10: The reporting boundary is the Fine Carbon Division. Calculated by multiplying the sales volume of intermediate products in the Fine Carbon business by the emissions factor per processing volume.
- Category 11: The reporting boundary through 2021 is the Graphite Electrodes Division. Calculated by multiplying products’ energy consumption and sales volume by emission factor, and adding the CO₂ generated from the products themselves during use. The reporting boundary from 2022 is the Graphite Electrodes Division and the Smelting and Lining Division. CO₂ generated from the products themselves during use is calculated.
- Category 12: The reporting boundary is the Graphite Electrodes Division.
- GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Company Overview

As of May 1, 2025

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 JPY
Number of employees	782 (4,625 including group companies) (as of December 2024)
Operations	Manufacture and sales in the following business segments: Carbon Black, Fine Carbon, Smelting and Lining, Graphite Electrodes, Industrial Furnaces and Related Products, Friction Materials, Anode Materials

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

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.

KBR, Inc.

* Transfers already announced in May 2025.

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 2024)

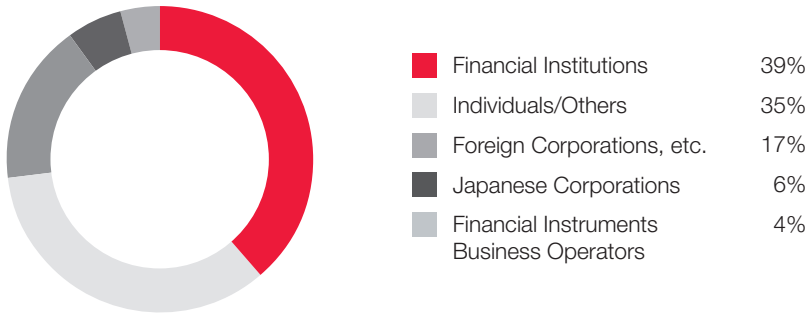
Stock Summary

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 shares
Total number of outstanding shares (including treasury stock)	224,943,104 shares
Total number of shareholders	130,148

Shareholding ratio*



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)	42,300	19.82
Custody Bank of Japan, Ltd. (Trust Account)	16,115	7.55
MUFG Bank, Ltd.	5,827	2.73
STATE STREET BANK AND TRUST COMPANY 505001	5,033	2.36
NORTHERN TRUST GLOBAL SERVICES SE,LUXEMBOURG RE LUDU RE:UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	4,732	2.22
Mitsubishi UFJ Trust and Banking Corporation	4,609	2.16
Mitsubishi UFJ Morgan Stanley Securities	2,790	1.31
STATE STREET BANK AND TRUST COMPANY 505223	2,537	1.19
STATE STREET BANK WEST CLIENT - TREATY 505234	2,502	1.17
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,426	1.14

Note 1: Tokai Carbon holds 11,470,000 shares of treasury stock but is not listed among the major shareholders above.
Note 2: The shareholding ratio was calculated with treasury stock excluded.

Share Owner Information

Shareholder	Number of shares held (thousand shares)
Financial Institutions	83,567 (39%)
Individuals/Others	73,767 (35%)
Foreign Corporations, etc.	36,418 (17%)
Japanese Corporations	12,012 (6%)
Financial Instruments Business Operators	7,707 (4%)
Total	213,472 (100%)

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

Investor Relations (IR) Activities

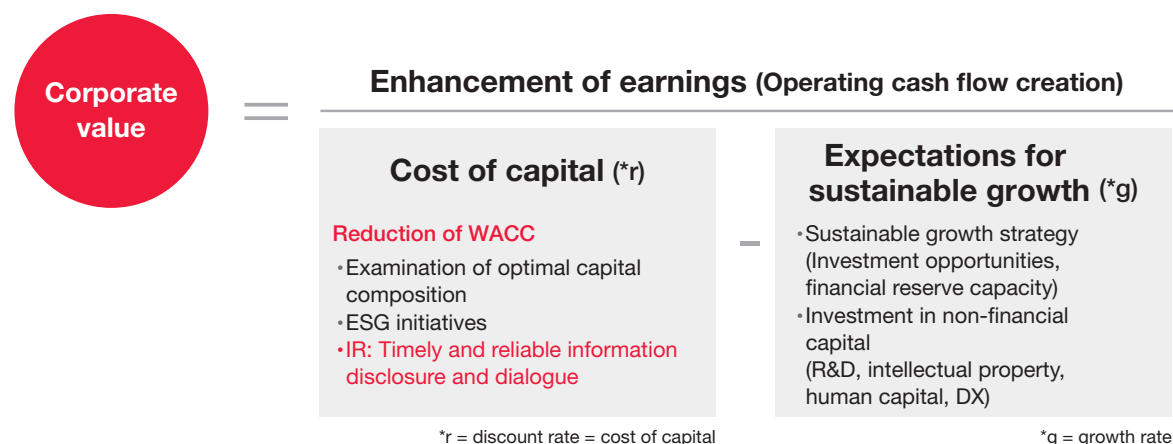
An increasingly important part of companies' public relations activities is disclosure that goes beyond a perfunctory disclosure of performance to transparently reveal management strategy that integrates the concepts of sustainability and ESG and to actively communicate with the market. We aim to broaden this communication to a wide range of stakeholders, including not only investors, but also customers, business partners, employees, and society at large. To this end, we are committed to enriching company information dissemination and dialogue across various media.

We hope to clearly communicate our goals, business environment, competitive landscape, and individual businesses' strategies from a medium- to long-term perspective, thereby helping to gain understanding of the potential inherent in materials that typically go unseen by most people.

IR functions currently fall under the Corporate Planning Department. However, through precise communication with the General Affairs Department in charge of sustainability as well as 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 focused on costs of capital

Each year, we provide a comprehensive disclosure of our efforts for enhancing our corporate value by adopting management practices that are mindful of capital costs and share prices.



FY2024 results

Event	Actual	Japan
Financial results briefing for institutional investors and securities analysts	4 times	Held briefings led by the President & CEO and the officer responsible for the accounting & finance department to explain financial results and future outlooks. These briefings followed by a Q&A session, were streamed live and recording posted (quarterly).
Small-group meetings hosted by securities analysts	3 times	Attended by the President & CEO. Dialogues with institutional investors on management policy, business strategy, the business environment, etc.
Individual dialogue with domestic and foreign institutional investors and securities analysts	204 dialogues	President & CEO: 14 dialogues (including attendance at conferences) Manager in charge of IR: 190 dialogues (All interview records are shared with all members of management in a timely manner.)
Briefing for securities analysts hosted by the Company	1 time	The President & CEO, officers responsible for finance and accounting, and the heads of six business divisions interacted with multiple securities analysts and press reporters. In fiscal year 2024, the Smelting and Lining business and Fine Carbon business were selected as the theme.
Participation in fairs for retails investors	1 time	Hosted a booth at the Nikkei IR Retail Investor Fair. Arranged mainly by the General Affairs (IR/ESG) department.

Independent Third-Party Assurance Report

Independent Practitioner's Limited Assurance Report

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

Conclusion

We have performed a limited assurance engagement on whether selected environmental performance indicators (the "subject matter information" or the "SMI") presented in Tokai Carbon Co., Ltd.'s (the "Company") Integrated Report 2025 (the "Report") for the year ended December 31, 2024 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Data section of the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "★".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI for the year ended December 31, 2024 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in the Data section of the Report, GHG emissions quantification is subject to uncertainty when

measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Company's management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing a site visit at one of the Company's sites in Japan which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Kazuhiko Saito

Kazuhiko Saito, Engagement Partner
KPMG AZSA Sustainability Co., Ltd.
Tokyo Office, Japan
July 18, 2025

Notes to the Reader of Assurance Report:

This is a copy of the 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.

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

<<Disclaimer>>

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Date of issue August 2025

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, 2024 and December 31, 2024.



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.

<https://www.tokaicarbon.co.jp/en/>