

FY2024 Materiality and Targets

Materiality Themes&Elements		No.	Targets		Scope*1
Harmony with the global environment	Reducing environmental impact	1	Reduce greenhouse gas emissions	Reduce CO2 emissions by 25% (VS 2018) before 2030 and achieve carbon-neutral by 2050	Consolidated
		2	Reduce pollution	NOx emissions: 3,400 t/y or less (base year: 2021) SOx emissions: 18,600 t/y or less (base year: 2021) VOC (Volatile Organic Compounds): 280 t/y or less	Consolidated*2
		3		Maintain zero environmental claims against the Company (contamination of air, water, etc.)	Consolidated
		4		Change 30% of product shipping packages to eco-friendly ones by end of 2025	Tokai COBEX (TCX)
		5	Reduce water consumption	Reduce water consumption (equal or less than amount used in 2021 (9 million m ³))	Consolidated*3
	Realizing a recycling-oriented society	6	Recycle waste	Recycle rate of 50% or higher (base year: 2021) *5	Consolidated*4
		7	Utilization of sustainable resources	Obtain ISCC PLUS authentication in three domestic CB plants by 2024.	Chita Plant, Ishinomaki Plant, Kyushu-Wakamatsu Plant
Contributing to society through our business	Technological Innovation	8	Emphasize research and development	Devote 90% or more of development expenditures to reducing environmental burden	Domestic group
		9		Devote 80% or more of development expenditures to reducing environmental burden	Tokai Konetsu Kogyo (TKK)
		10		Make 90% or more of patent applications in areas related to reducing environmental burden	Domestic group
		11		Make 70% or more of patent applications in areas related to reducing environmental burden	TKK
	Supplying safe and secured products	12	Improve product quality	Zero important quality claims	Consolidated
	Supply chain management	13	Reduce CSR risks at suppliers	Review survey questionnaire form for CSR Procurement Survey, based on revision of Group	Consolidated
	Respect for human rights	14	Raise employee awareness of human rights	Conduct human rights due diligence at each company in line with human rights policy of each overseas group company.	Consolidated
Contribution to community	15	Actively engage in community contribution activities	Enhance disclosure of community contribution activities	Consolidated	
Strengthening our management base	Strengthening Corporate Governance	16	Internal control	Continuous improvement and enhancement of internal control	Consolidated
		17		Study information-sharing infrastructure for the entire Company group	
		18	Risk management	Study raw material procurement for stable product supply (geopolitical risk)	
		19		Upgrade overseas risk management structure (ongoing)	
	Ensuring compliance	20	Maintain ethical standards, regulatory compliance	Commit no serious regulatory violations	Consolidated
		21		Upgrade infrastructure towards establishment of a global compliance structure	
	Human resource development	22	Secure diverse human resources	Increase percentage of female career-track employees from 2.8% in 2021 to 5.6% before 2024	TCJ
		23		Percentage of new female graduates hired for career-track positions: 30% on a non-consolidated basis	TCJ
		24		Increase number of foreign national career-track employees (against 2021)	TCJ
		25		Raise percentage of career-track mid-career recruitment before 2024 (against 2021)	TCJ
26		Effectively implement training		Total training hours planned by head office (New-hire training / specialist training)	Domestic group
Promoting Occupational Safety and Health	27	Reduce occupational accidents	Reduce frequency rate of occupational accidents (1.20 or lower)	Consolidated	

*1 Domestic group: TCJ + major domestic subsidiaries (Tokai Konetsu Kogyo, Tokai Fine Carbon, Tokai Material), but excluding Tokai Konetsu Kogyo for No. 9 and 11.

*2 NOx: TCJ + seven 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: TCJ + six 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),

VOC: TCJ + four overseas companies (Tokai Carbon GE LLC, Tokai Carbon CB Ltd., Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS)

*3 TCJ + 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, Tokai Carbon Korea, Tokai COBEX Polska sp. z o.o., Tokai COBEX Savoie SAS)

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

*5 Recycle rate (%) = Recycled weight (recycled weight of waste) / Weight of generated waste × 100