

FY2025 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: 3,330 t/y or less (2% reduction against 2021) SOx emissions: 17,670 t/y or less (5% reduction against 2021) VOC (Volatile Organic Compounds): 265 t/y or less (5% reduction against 2022)	Consolidated*2	
		3		Maintain zero environmental claims against the Company (contamination of air, water, etc.)	Consolidated	
		4		Change 40% of product shipping packages to eco-friendly ones by end of 2025	Tokai COBEX (TCX)	
	5	Reduce water consumption	Water consumption of 8.9 million m3/year or less (1% reduction against 2021)	Consolidated*3		
	Realizing a recycling-oriented society	6	Recycle waste	Recycling rate of 51% or higher (1% increase against 2021)*5	Consolidated*4	
		7	Utilization of sustainable resources	Ensure rCB*6 secondary treatment pilot plant is operational by the end of 2027	Carbon Black Division	
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	Conduct CSR survey of key suppliers	Consolidated	
	Respect for human rights	14	Raise employee awareness of human rights	Implement human rights due diligence at Tokai Carbon and at Group companies in Japan and overseas	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 and monitoring of 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		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		
	Human resource development		22	Secure diverse human resources	Increase percentage of female career-track employees from 3.8% in 2024 to 5.6% before 2027	TCJ
			23		Percentage of new female graduates hired for career-track positions: 30% on a non-consolidated basis	TCJ
			24		Establish a supportive working environment for employees who need to raise children or provide nursing care for family members	TCJ
			25		Raise percentage of career-track mid-career recruitment before 2024 (against 2021)	TCJ
26			Improve employee satisfaction		Increase engagement score (against previous score)	TCJ
	27	Effectively implement training	Total training hours planned by head office (New-hire training / specialist training)	Domestic group		
Promoting Occupational Safety and Health	28	Reduce occupational accidents	Reduce frequency rate of occupational accidents (1.10 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

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