

FY2026 Materiality and Targets

Materiality Themes&Elements		No.	Targets		Scope*1
Harmony with the global environment	Reduction of environmental impact	1	Reduction of greenhouse gas emissions	Reduce total CO2 emissions by 25% (vs.2018) by 2030 and achieve carbon neutrality by 2050	Consolidated
		2	Reduction of pollution	NOx emissions: 3,260 t/year or lower (4% reduction against 2021) SOx emissions: 16,740 t/year or lower (10% reduction against 2021) VOC (Volatile Organic Compounds): 250 t/year or lower (10% reduction against 2022)	Consolidated*2
		3		Zero environmental complaints against the Company (contamination of air, water, etc.)	Consolidated
		4	Reduction of water consumption	Water consumption of 8.8 million m3/year or lower (2% reduction in consumption compared to 2021)	Consolidated*3
	Realization of a circular economy	5	Recycling of waste	Recycling rate of 52% or higher (2% increase against 2021) *5	Consolidated*4
		6	Use of sustainable resources	Ensure rCB*6 secondary processing pilot plant is operational by the end of 2027	Carbon Black Division
Contributing to Society through Business	Technological Innovation	7	Promotion of research and development	90% or more of development expenditures allocated to reduction of environmental impact	Domestic group
		8		80% or more of development expenditures allocated to reduction of environmental impact	Tokai Konetsu Kogyo(TKK)
		9		90% or more of patent applications in areas related to reduction of environmental impact	Domestic group
		10		70% or more of patent applications in areas related to reduction of environmental impact	TKK
	Providing safe and secure products	11	Improvement of product quality	Zero significant quality complaints	Consolidated
	Supply chain management	12	Reduction of suppliers' CSR risks	Implement CSR survey of key suppliers	Consolidated
	Respect for human rights	13	Raising employees' awareness of human rights	Implement human rights due diligence at Tokai Carbon and at Group companies in Japan and overseas	Consolidated
	Contributing to communities	14	Active engagement in community contribution activities	Enhance disclosure of community contribution activities	Consolidated
Strengthening of Management foundation	Strengthening Corporate Governance	15	Internal control	Continuous improvement and enhancement of internal control	Consolidated
		16		Improving the usefulness of our group-wide information sharing platform	
		17	Risk management	Examination of raw materials procurement for stable supply of products (geopolitical risks)	
		18		Development of overseas crisis management structure (ongoing)	
	Thorough enforcement of compliance	19	Compliance with ethical standards, laws, and regulations	Commit no serious regulatory violations	Consolidated
		20		Awareness campaigns to promote the use of the internal whistleblowing system, and strengthening the dissemination of compliance information through the portal site	
	Development of human resources	21	Securing diverse talent	Increase the ratio of female employees in managerial positions to 7.0% or higher by th end of March 20230	TCJ
		22		Percentage of new female graduates hired for career-track positions: 30% (non-consolidated)	TCJ
		23		Establish a supportive working environment for employees raising children or providing nursing care for family members	TCJ
		24	Improve employee satisfaction	Enhancement of engagement score (compared to the previous score)	TCJ
25		Implementation of effective training	Supporting career development (learning): Implementing digital education for all levels	Domestic group	
Promoting of occupational Safety and Health	26	Reduction of occupational accidents	Reduction of frequency rate (0.80 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. 7 and 9.

*2 NOx: TCJ + six overseas companies(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 + five overseas companies(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 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 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.