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Company name : TOKAI CARBON CO., LTD.
 Representative : Hajime Nagasaka, President & CEO
 (Stock Code : 5301 TSE Prime Market)
 Contact : Akihiko Sato, Executive Officer
 Corporate Planning Department
 Telephone : +81-50-1702-4901

Announcement of “Vision 2030” and measures to achieve management that is conscious of the cost of capital and stock price

The Board of Directors of TOKAI CARBON has formulated “Vision 2030” which describes the ideal state of the TOKAI CARBON Group in 2030 and strategies to achieve it. Additionally, discussions by the Board of Directors were held regarding the realization of management conscious of the cost of capital and stock price. After evaluating and analyzing the current situation, initiatives for improvement were deliberated, and the results were incorporated into “Vision 2030”.

1. Background of “Vision 2030” disclosure

Since the mid-term management plan “T-2021” which was announced in February 2019, we have adopted the rolling method in which we revise our plans for the next three years on an annual basis and disclose them as a mid-term management plan. However, due to the volatile global environment and the potential impact of ongoing business restructuring, our business portfolio may change significantly in three years. To provide our stakeholders with more relevant information, we have decided to replace the mid-term management plan with “Vision 2030” which focuses on the ideal state in 2030 and initiatives to achieve it.

While we may be limited in the specific details we can disclose about ongoing business restructuring, we are unwavering in our commitment to enhancing dialogue with stakeholders by providing information in a timely manner with appropriate updates on our initiatives' progress and financial impact.

2. Long-term vision for 2030

	FY2030
Net Sales	¥500 billion
EBITDA ^{*1}	20%
ROIC ^{*2}	12%

^{*1} EBITDA : Earnings Before Interest, Taxes, Depreciation and Amortization

^{*2} ROIC: Return on Invested Capital

ROIC after adjustments taking into account goodwill and goodwill amortization is used

3. Three Initiatives toward “Vision 2030”

(1) Drastic structural reforms

- Restructuring of graphite electrode business

- Restructuring of smelting and lining business

(2) Commitment to growth markets

- Relocation of carbon black plant in Thailand and Investment in large-scale environmental facility in the United States
- Expanding the production capacity of the fine carbon business and industrial furnace business and exploring new business areas

(3) Sustainable value creation

- Providing solutions for realizing the sustainable society

4. Measures to achieve management that is conscious of the cost of capital and stock price

In “Vision 2030”, we will undertake initiatives to improve shareholder value through sustainable growth to improve our PBR (Price Book value Ratio). By delivering appropriate information disclosure and communication with investors, we will work to enhance our proactive dialogue further and gain sufficient evaluation from the market to achieve a PBR of over 1.0x quickly.

For details, please refer to “Measures to achieve management that is conscious of the cost of capital and stock price” in Vision 2030 material.

(End)