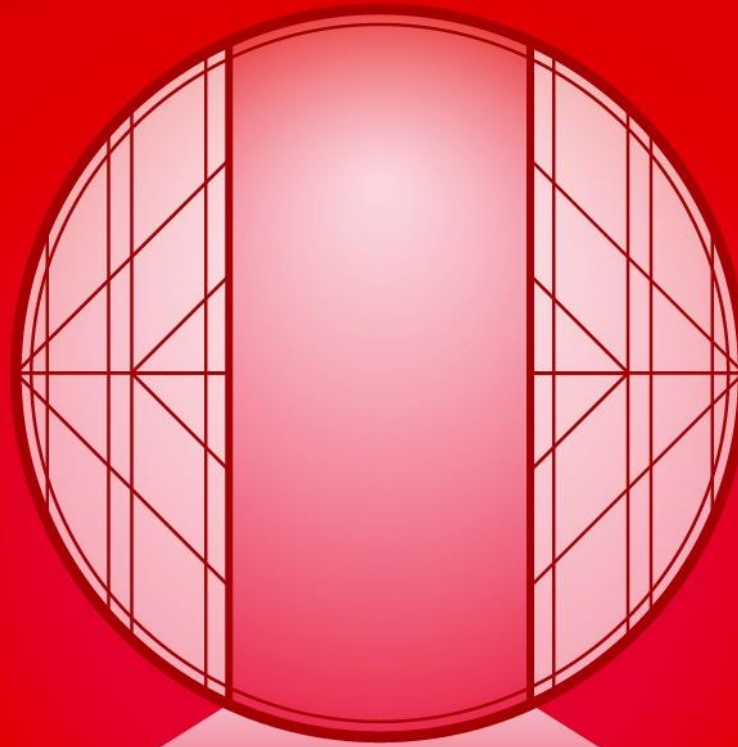


Vision 2030

Building a future
of technology
and trust



2025/02/13

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Introduction

Approach to disclosure of our management policy and strategy toward transformation

After announcement of T-2021 in February 2019, we have made efforts to enhance dialogue with stakeholders by reviewing the three-year Mid-Term Management Plan annually in a rolling format. The rolling format is advantageous as it can avoid the obsolescence of the Mid-Term Management Plan by making adjustments, responding to rapid changes in the macro economy and business environment surrounding our company. However, we have been consecutively unable to achieve the targets of operating income for the final year of the Mid-Term Management Plan, affected by a series of unforeseeable critical events such as the COVID-19 pandemic and the Ukraine war. Also, we are currently promoting drastic structural reforms of the Graphite Electrodes and the Smelting and Lining businesses, which may significantly change our business portfolio after three years, depending on the future progress of these efforts.

Under the awareness of these problems, we decided to announce “Vision 2030” centering on our long-term vision for 2030 and initiatives and measures to reach such vision, replacing the existing Mid-Term Management Plan, as a result of repeated internal discussions of a disclosure method to facilitate appropriate understanding by stakeholders

of the business details, management strategies, and numerical targets. In addition, we have set numerical targets for 2025 by focusing more on the probability of achievement than ever before.

With regard to details of ongoing structural reforms, information that we can disclose is currently limited. However, we will inform stakeholders of such information as well as the progress of various measures and financial impact in a timely and appropriate manner, when such disclosure is permitted, to enhance dialogue with stakeholders more than before.

This year, the business environment is likely to become more severe than last year, which was positioned as a “year of starting over.” Under this environment, I consider it important to carry out strategies and measures leading to the stronger competitive power of the Company from a more medium- to long-term view, instead of pursuing short-term results, including painful structural reforms. I hope that these materials will help facilitate your understanding of our management policy and strategy toward transformation of Tokai Carbon.

Hajime Nagasaka, President & CEO

01

View of Current Conditions

Review of measures of T-2026, the prior Mid-Term Management Plan

Based on the three Basic Policies, each measure progressed largely as planned.

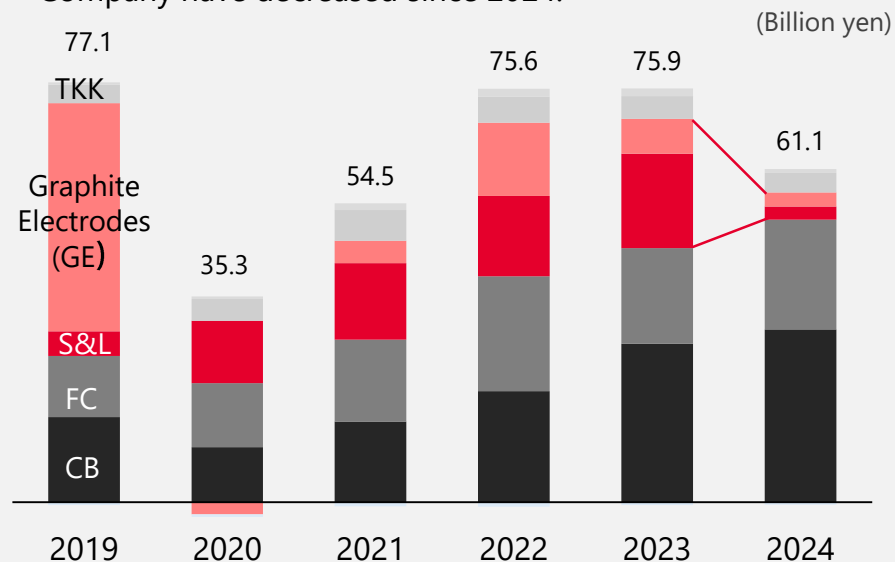
T-2026 Basic Policies	Progress and issues for fiscal year 2024
 Strengthening the earnings power of core businesses • Structural reform of the Graphite Electrodes business • Turning CB and FC into higher value-added business and expanding production capacity	• Graphite Electrodes: Commenced structural reform (integrating production into the Hofu Plant, scaling down the German plants) • CB: The new Thai plant has been progressing as planned toward the start of operations in mid-2025. • FC: Increased CIP materials production capacity (9,400→11,000 ton/year) • FC: Entered into a strategic partnership with Soitec for polycrystalline SiC (April 2024)
 Enhancing business portfolio management • “Selection” and “concentration” based on growth potential and return on capital	• Established a system to report on a quarterly basis business ROIC spreads for each division and economic profits to the Board of Directors, based on the capital allocation guidelines in T-2026 • After clarifying businesses requiring improvement and those aiming for further growth based on this information, implemented structural reforms for those requiring improvement and made investments prioritizing those aiming for growth (for example, made the U.S. machining shops in FC a 100% subsidiary)
 Pursuing sustainability management • Pursuing carbon neutral as the entire Group • Developing innovative technology that contributes to a recycling-oriented society • Strengthening the group governance structure • Improving employee engagement	• Disclosed Scope 3 GHG emission and obtained third party certification • CO₂ emissions for 2024 are estimated to have reduced by 32% compared to 2018, partly due to a decrease in production volume. • CB: Received a grant from GI Fund* with the development of the eCB technology • Continued to search “innovative technology development” from a long-term perspective • Conducted the second engagement survey and started improving the working environment for production sites.

EBITDA

Carbon Black and Fine Carbon grew remarkably; but earning power of Graphite Electrodes and S&L significantly dropped, resulting in a decrease in the earning capacity of the entire company.

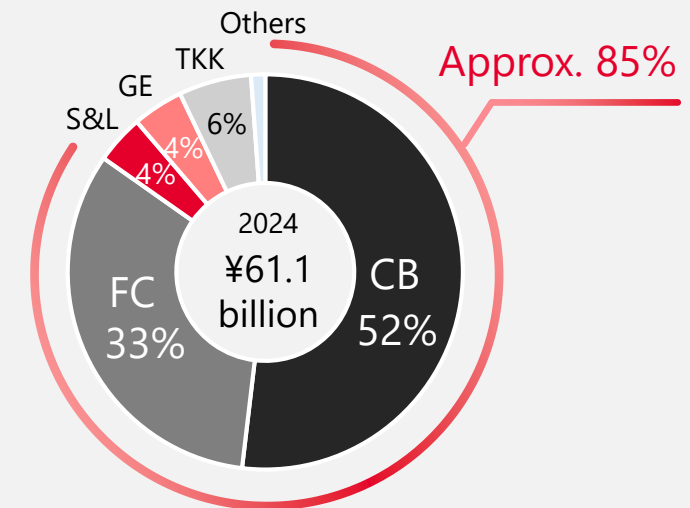
EBITDA transition

- EBITDA in Graphite Electrodes and S&L decreased more than the growth in CB and FC and as a result, EBITDA of the entire Company have decreased since 2024.



EBITDA composition ratio (fiscal year 2024)

- CB and FC account for over 80% of EBITDA, due to decreases in EBITDA in Graphite Electrodes and S&L.



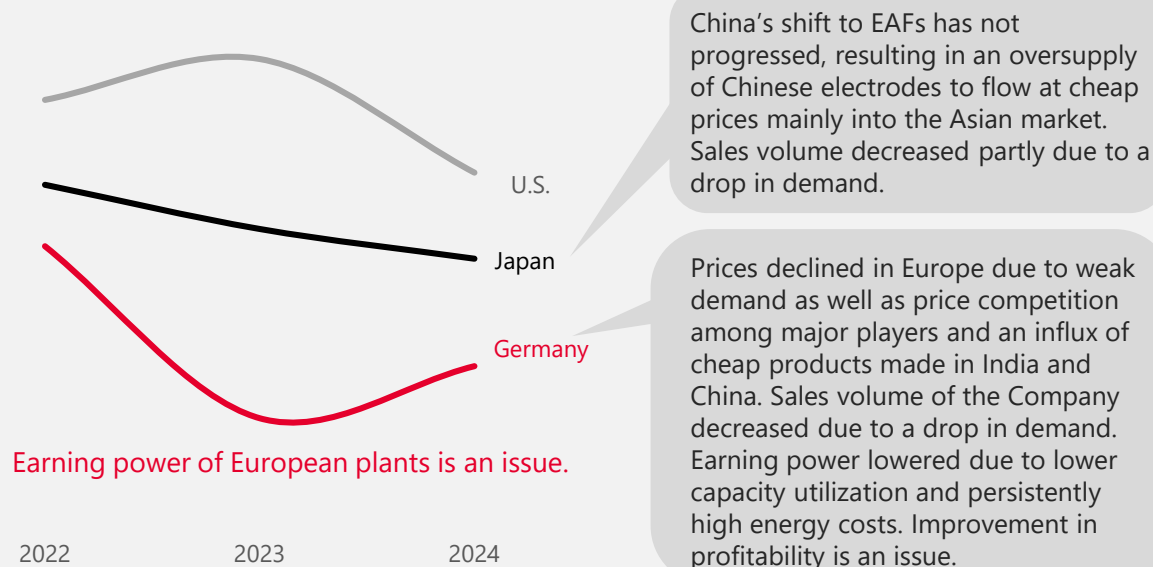
Issues in Graphite Electrodes business

The graphite electrodes market is in a slump mainly in Asia and Europe.

Furthermore, cost burden has increased in Europe due to persistently high energy costs and low capacity utilization.

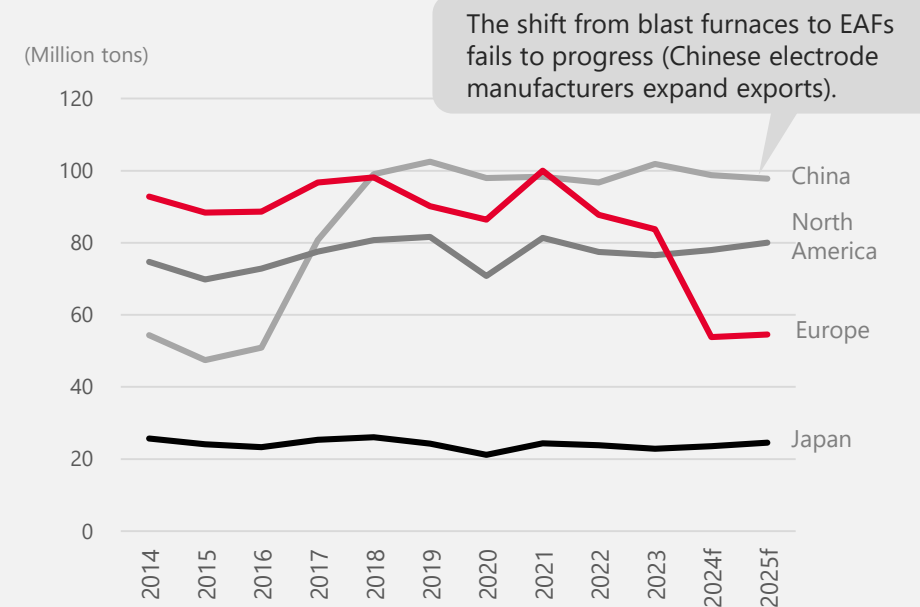
In Europe, the steel economy is in a slump, electrode price competition is intensifying, and energy costs remain persistently high.

EBITDA by the Company's manufacturing sites (illustrative)



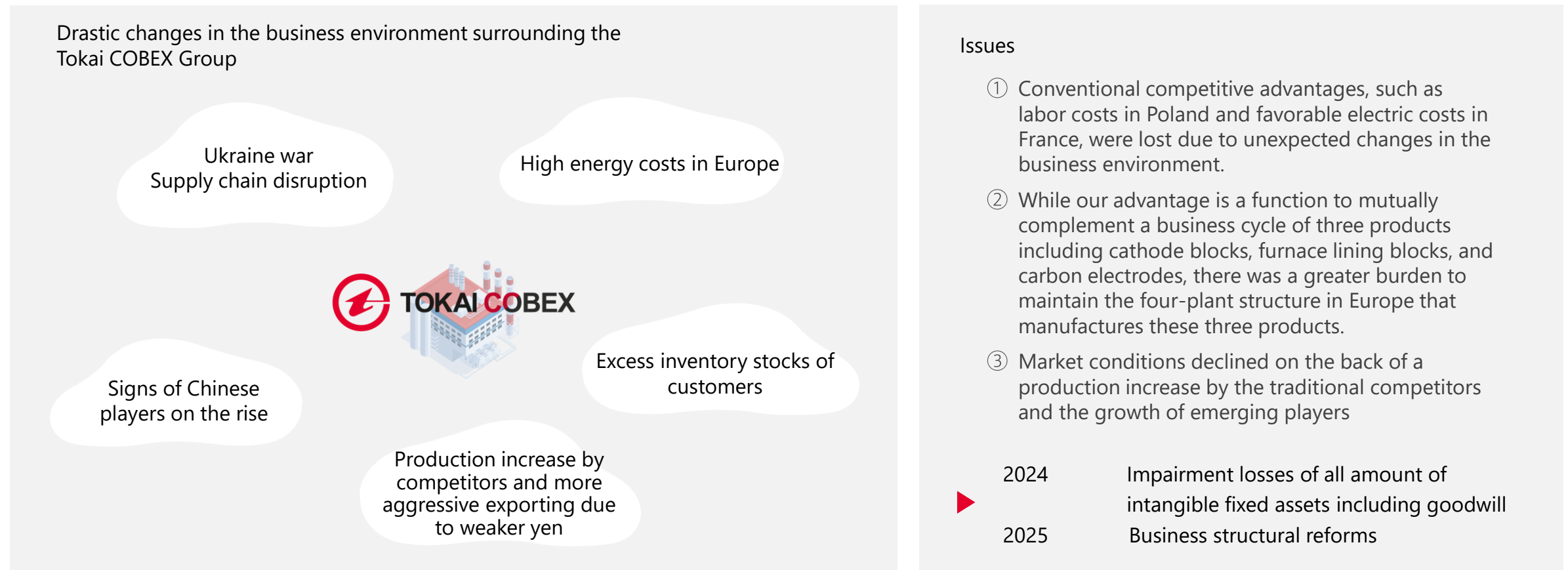
No sign of recovery of the European steel economy

EAF steel production in major markets



Issues in S&L business*

Cost advantages were lost due to unexpected changes in the environment stemming from the Ukraine war. Without structural reform, it is difficult to gain profits in a stable manner over the long term.



* S&L: Smelting & Lining, which is a business of Tokai COBEX Group that has manufacturing bases in Europe. Its core products include "cathode blocks" for aluminum smelting, "furnace lining blocks" that are lining materials of blast furnaces, and "carbon electrodes" used as electrical current conductors in submerged arc furnaces (melting furnaces) for production of silicon metals and ferroalloys.

Outlook for business environment by segment

Carbon Black			Fine Carbon			Smelting and Lining			Graphite Electrodes			Industrial Furnaces		
2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
														
Remain strong			Growth expected			Gradual recovery			Recovery to take time			Gradual recovery		
• Annual growth for tire production to continue at 3%. • The supply of both the petroleum- and coal-based raw material oil falls due to carbon neutral trends.			• Memory semiconductors will bottom out. The Si market is projected to grow at approx. 10% annually. • Due to a deceleration in EVs, demand will rapidly decrease in 2025 with a digestion of inventory of SiC semiconductor related materials; but the market itself is still growing and this growth will continue going forward.			• Replacement demand for cathodes for aluminum smelting is weak in 2025 due to the impact of inventory digestion by customers. • Purchases are projected to return to a level of actual demand from 2026. • Aluminum will continue to grow at 3% annually.			• Recovery will take time on the back of the worsening supply-demand balance and a rise of emerging players. • In the longer term, a rise in demand for electrodes is expected, driven by the shift from blast furnaces to EAF.			• Demand for MLCC is projected to recover from the second half of 2025, growing 5-10% annually. • Due to a deceleration in EVs, full-fledged capital investment for the LiB market is projected from 2026, growing 10% annually.		

The Company estimates the overall outlook as above, but there are differences by regions, markets, and customers. In the Fine Carbon business, there is a three- to six-month time lag between recovery of face-to-face industries and its contribution to the Company's sales.

02 Vision 2030

Disclosure of management plan for this fiscal year

We have commenced structural reforms of the business, which may significantly change our business portfolio after three years depending on the future progress of the reforms.

As the management environment is significantly changing, the situation may vary greatly after three years depending on the structural reforms.

External	① Ukraine war ② Higher geopolitical risks ③ Trump administration in the U.S. ④ Climate change (emissions trading, etc.)
Internal	① Relocation of the Thai plant in CB ② Structural reform of Graphite Electrodes ③ Structural reform of Smelting and Lining ④ Creation of new businesses, expansion of business areas

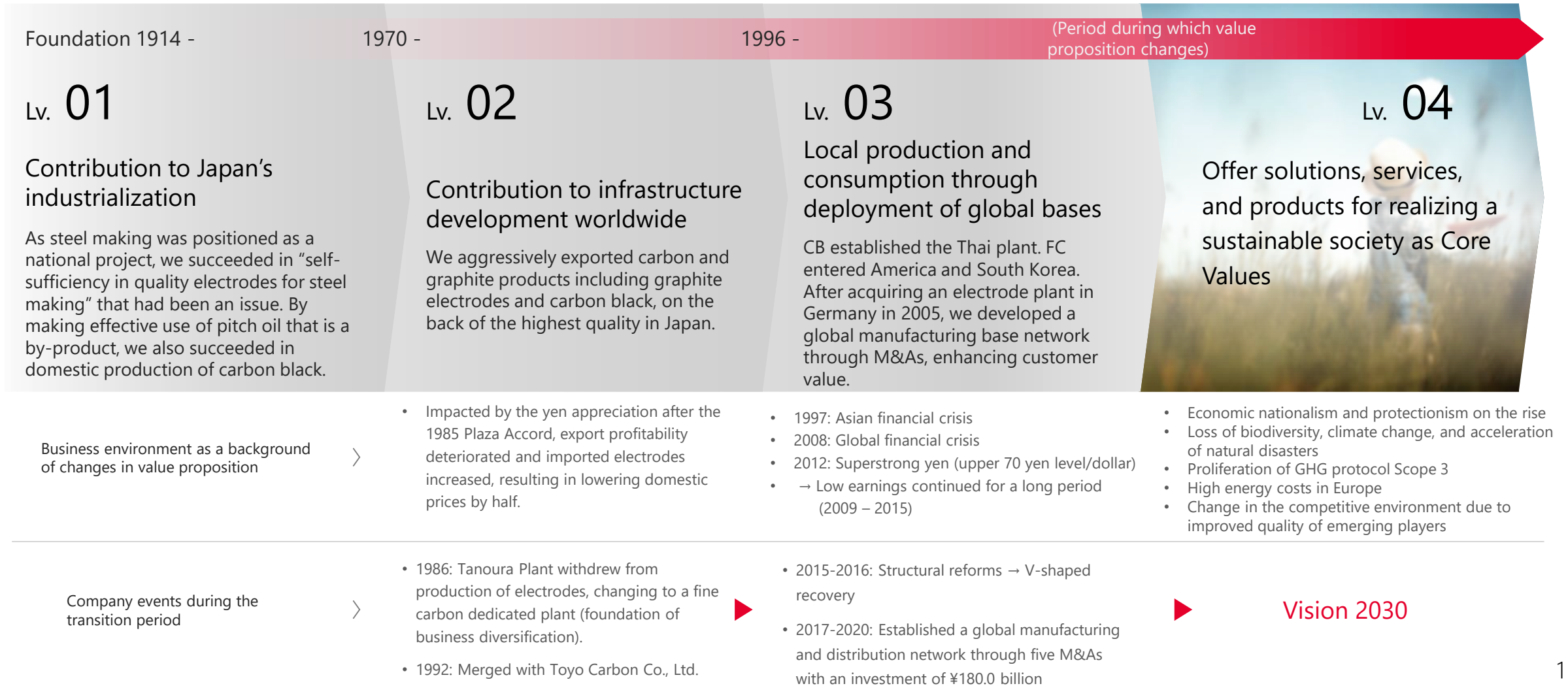
Change in the disclosure method of the management plan

Previous	Now
Build-up approach	Long-term vision
Numerical targets for the next three years	- Numerical targets for 2030 - Measures for achievement
Annual rolling (updating)	Highly accurate 2025 plan

Changes in value proposition that emerges with changing times

Offering solutions, services, and products for realizing a sustainable society as Core Values

TODAY



Vision 2030

“Contribute to a sustainable society through advanced materials and solutions”



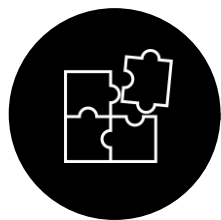
Long-term vision for 2030

Net sales	EBITDA	ROIC (adjusted)
¥500.0 billion	20%	12%
View of the company size View as a company that supports infrastructure worldwide over the long term and in a stable manner	Earning capacity Receive compensation for providing quality products and services that contribute to the public	Improving capital efficiency Business entity that may continue ROIC exceeding WACC over the long term

* ROIC uses adjusted ROIC that takes in account goodwill and goodwill amortization.

Three step by step measures toward long-term vision

Aiming for transformation of our business portfolio by promoting short-, medium-, and long-term measures respectively.



Drastic structural reforms

We will accomplish structural reforms mainly in the Graphite Electrodes and S&L businesses to improve earnings in a short-term and intensive manner. Additional measures will be considered for the Graphite Electrodes business.

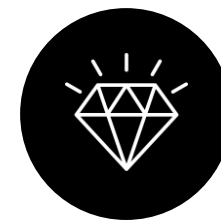
[Short-term measures]



Commitment to growth markets

We will relocate the Thai plant and make an investment in large-scale environmental facilities in the U.S. which bring long-term profits to the Carbon Black business. We will seize medium- to long-term growth opportunities in face-to-face industries in Fine Carbon and Industrial Furnaces, making efforts to increase production capacity and develop new markets.

[Medium-term measures]



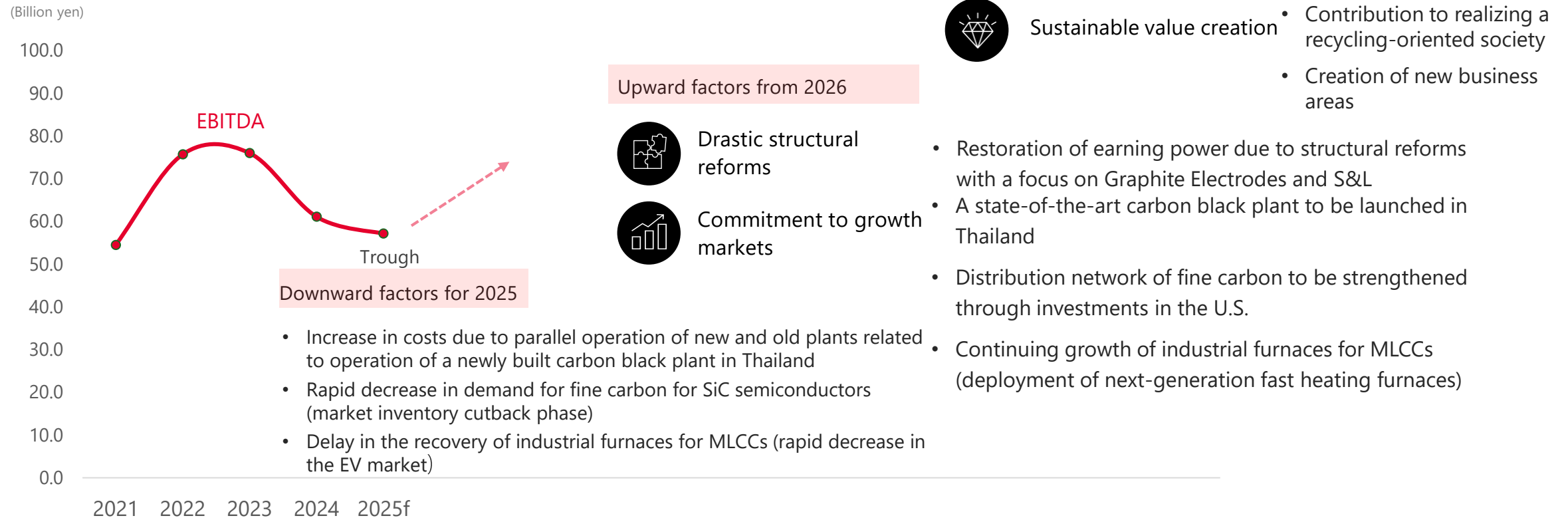
Sustainable value creation

We position solutions for a sustainable society as value proposition in our every business. We will create new markets by utilizing our existing technologies and pursuing innovative technologies, reviewing production of existing products from our entire supply chain.

[Long-term measures]

Outlook for 2025 and beyond

Our core Carbon Black and Fine Carbon will fall and reach a trough in 2025. From 2026, the effects of structural reforms will emerge in the Graphite Electrodes and S&L businesses and growing businesses are expected to recover.



Drivers to improve earnings

Accomplishment of structural reforms of both the Graphite Electrodes and S&L businesses and the effect of investments in carbon black and fine carbon will contribute to earnings in the medium term.

Business	Item	Drivers to improve earnings	Contribution to EBITDA*	Timing when effects on results emerge		
				2025	2026	2027
Graphite Electrodes	Manufacturing costs	 Structural reform	Approx. ¥2.0 billion/year			
	Business environment	Increase in production of EAF steel in the U.S.	Approx. ¥3.0 billion or more/year			
Smelting and Lining (S&L)	Manufacturing costs	 Structural reform	Under consideration			
	Sales strategy	Prioritizing pricing	(Not disclosed)			
Carbon Black	Manufacturing costs	 Completion of relocation of the Thai plant	Approx. ¥2.5 billion/year	Increase in costs due to parallel operation of Thai plants (until 26Q3)		
Fine Carbon	Business environment	 Recovery of the semiconductor market	Approx. ¥3.0 billion or more/year			
Industrial Furnaces	Business environment	 Recovery of the MLCC market	Approx. ¥2.5 billion or more/year			

* Contribution to EBITDA is not business results forecasts, but reference figures based on certain assumptions. The company is not obligated to update such information.



Drastic structural reforms

Measures for turning around two businesses in the red were quickly taken in 2024. Operating income will become positive in fiscal year 2025. A drastic reform will be commenced from 2025 in the Smelting and Lining business.

Business	Base	Extraordinary losses* Recorded for the fiscal year ended December 2024	2024		2025			
			Q3	Q4	Q1	Q2	Q3	Q4
Graphite Electrodes	Japan	¥6.7 billion	Announced rationalization measures	Integrate into one plant (reducing annual production capacity by 14 thousand tons)		Contribution to earnings (in stages)		
	Germany	¥8.2 billion		Reduce production capacity by 30% (reducing annual production capacity by 10 thousand tons)		Contribution to earnings (in stages)		
Smelting and Lining (S&L)	All	¥61.2 billion	Prepared (considered) the restructuring plan		Arrange the final restructuring plan → Move to the implementation phase			

Pursuing all measures to reduce costs

- Reducing labor costs by reducing workforce
- Reviewing excess production capacity
- Reducing capital investments, repair expenses, R&D, and other sundry expenses

Sales and quality measures

- Placing a priority on pricing for cathodes (Price > Volume)
- Providing accessory components of smelting furnaces and solutions with RuC

* The breakdown of ¥6.7 billion of extraordinary losses of "Japan" in Graphite Electrodes is approx. ¥2.7 billion (non-cash) due to factors such as impairment losses of fixed assets of the Shiga Plant and approx. ¥4.1 billion as business restructuring costs related to discontinuation of production (cash out).

* ¥8.2 billion of extraordinary losses of "Germany" in Graphite Electrodes is due to factors such as impairment losses of fixed assets and business restructuring costs etc. of Tokai Erftcarbon.

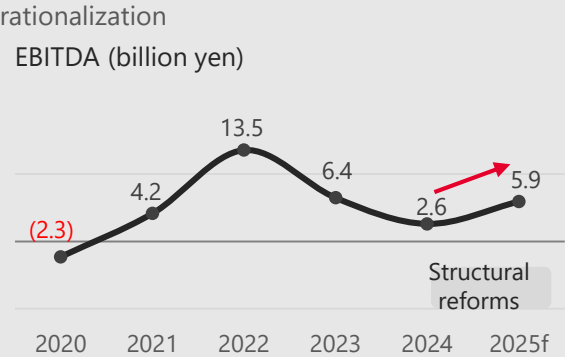
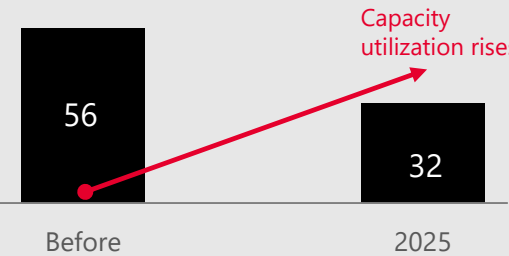
* ¥61.2 billion of extraordinary losses of Smelting and Lining is due to impairment losses of fixed assets recognized additionally when acquiring goodwill, etc. (non-cash).

Reference: Structural reform of the Graphite Electrodes business

Improve earnings through sales measures including a price rise and cost control including procurement of raw materials, in addition to improving cost competitiveness by reducing production capacity.

Reduction in production capacity and improvement in cost competitiveness at the Japan and German plants.

Production capacity (the Japan and German plants: thousand tons/year)



- Integrate domestic production of electrodes into the Hofu Plant (reducing domestic production capacity by 50%)
- Reduce annual production capacity by 30% at TEG in Germany
- Scheduled to terminate in the first half of 2025
- Cost reduction effects of the structural reforms are expected to fully emerge from 2026 (due to lead time and inventory digestion).
- EBITDA is expected to recover in 2025; but unprofitability will still continue in the Europe plants.

Effects of the reform on EBITDA recovery

① Reductions in fixed costs	¥1.5 billion
② Effects of other production integration	¥0.5 billion
Total	¥2.0 billion/year

Further strengthening the setup of the electrode business

- Carefully consider additional rationalization measures (European plants)
- Improve competitiveness (cost reductions and productivity increase)
- Improve quality (streamlining manufacturing plants, etc.)
- Develop CN-responded electrodes (larger diameter and high electrical current)

* CN-responded: responding to carbon neutral



Commitment to growth market

Capital investments toward long-term profit generation of the Carbon Black business

Growth investments of Fine Carbon and Industrial Furnaces that support semiconductor growth

Core business: Carbon Black



Tire production steadily growing at an annual rate of 3%.

- Supporting the growing tire production
- Increasing competitive advantage as a stable supplier amid the rapidly changing business environment

Facility update investment securing stable supply

- Operation of new plant in Thailand is expected from mid-2025. We seek to establish a sustainable supply system by reducing environmental impact and improving productivity and quality.
- The introduction of large-scale environmental facilities at our U.S. plants was completed



Environmental facilities were renewed in the U.S. plants. We will respond to healthy demand in the U.S. through stable production.

Growing business: Fine Carbon and Industrial Furnaces



Polycrystalline SiC wafers (FC business)

Growth investments toward expansion of the SiC semiconductor market

- Developing polycrystalline SiC materials that greatly contribute to improving performance of power semiconductors
- Strengthening a distribution network in the U.S. market by placing the U.S. processing company (MWI) under our umbrella

Growth investment with an eye to the future

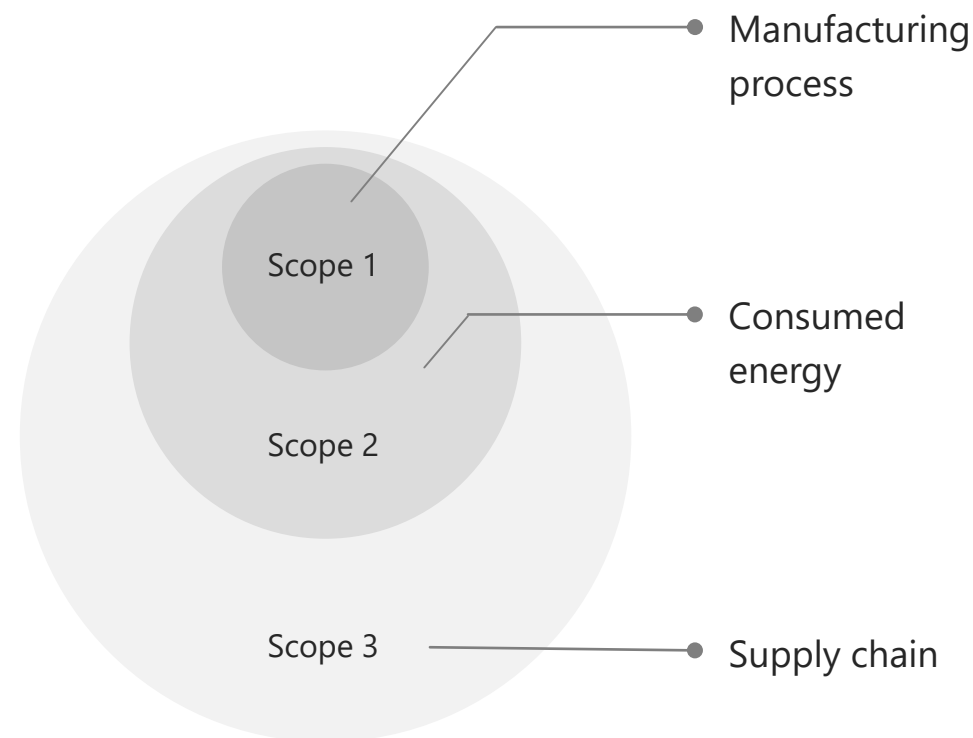
- Ramping up production capacity of EREMA heating elements in line with increasing demand for LiB in the Industrial Furnaces business (work to be completed in the first half of 2025)
- Developing "TK-SONiC," a fast heating furnace that responds to a larger capacity and smaller-size of MLCCs





Initiatives toward sustainable value creation

Creation of new value by contributing to realization of a sustainable society

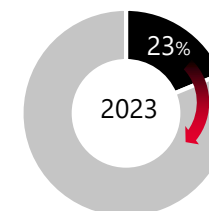


< Areas of solution provision >

- Review of raw materials used (no/less fossil fuel)
- Reduction in emissions in the manufacturing process
- Completion of installation of large-scale environmental facilities at all three plants in the U.S. TCCB (total amount of investment: approx. ¥30.0 billion)

- Conversion to fuel with less environmental burden
- Switching to renewable energy
- Plan to invest in self-sufficiency and sale of electricity with installation of solar panels in Canada (construction work in 2025)

Promotion of conversion to renewable energy



- eCB (regeneration of CB from used tires)
- Recycling of CO₂ as resources (collaboration with SEKISUI CHEMICAL)
- Recycling of SiC heating elements (EREMA)

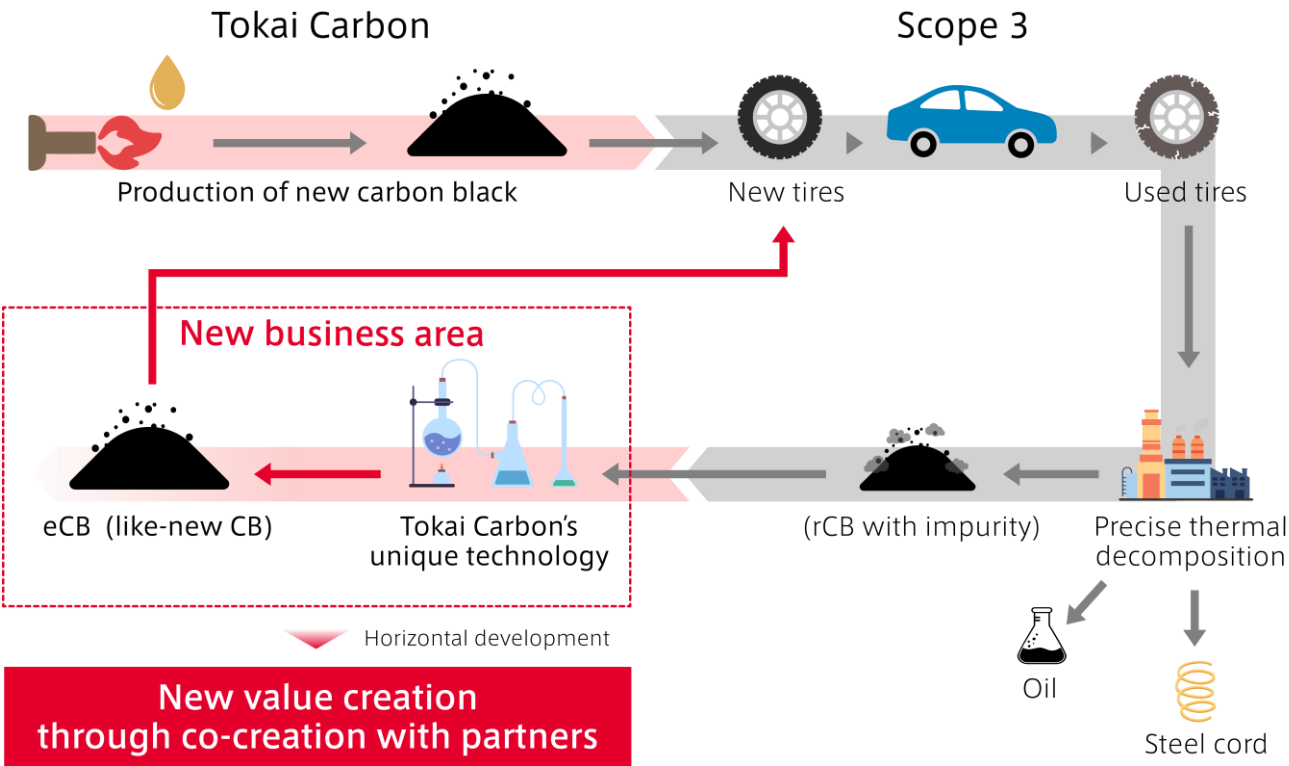
Creation of new value by contributing to realization of a recycling-oriented society

- CO₂ reduction by contributing to EAF with Large-diameter electrodes
- Reduction in consumed electricity with next-generation cathodes (RuC)
- Reduction in wastage rate of materials at customer facilities through versatile applications of solid SiC
- Reduced environmental burden by offering polycrystalline SiC wafers

Reference: Provision of solutions toward realizing a recycling-oriented society

Start of project to regenerate carbon black from used tires.

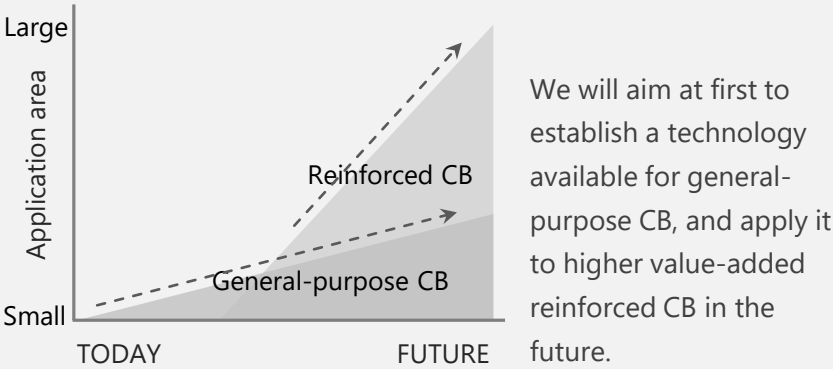
Reuse of carbon black

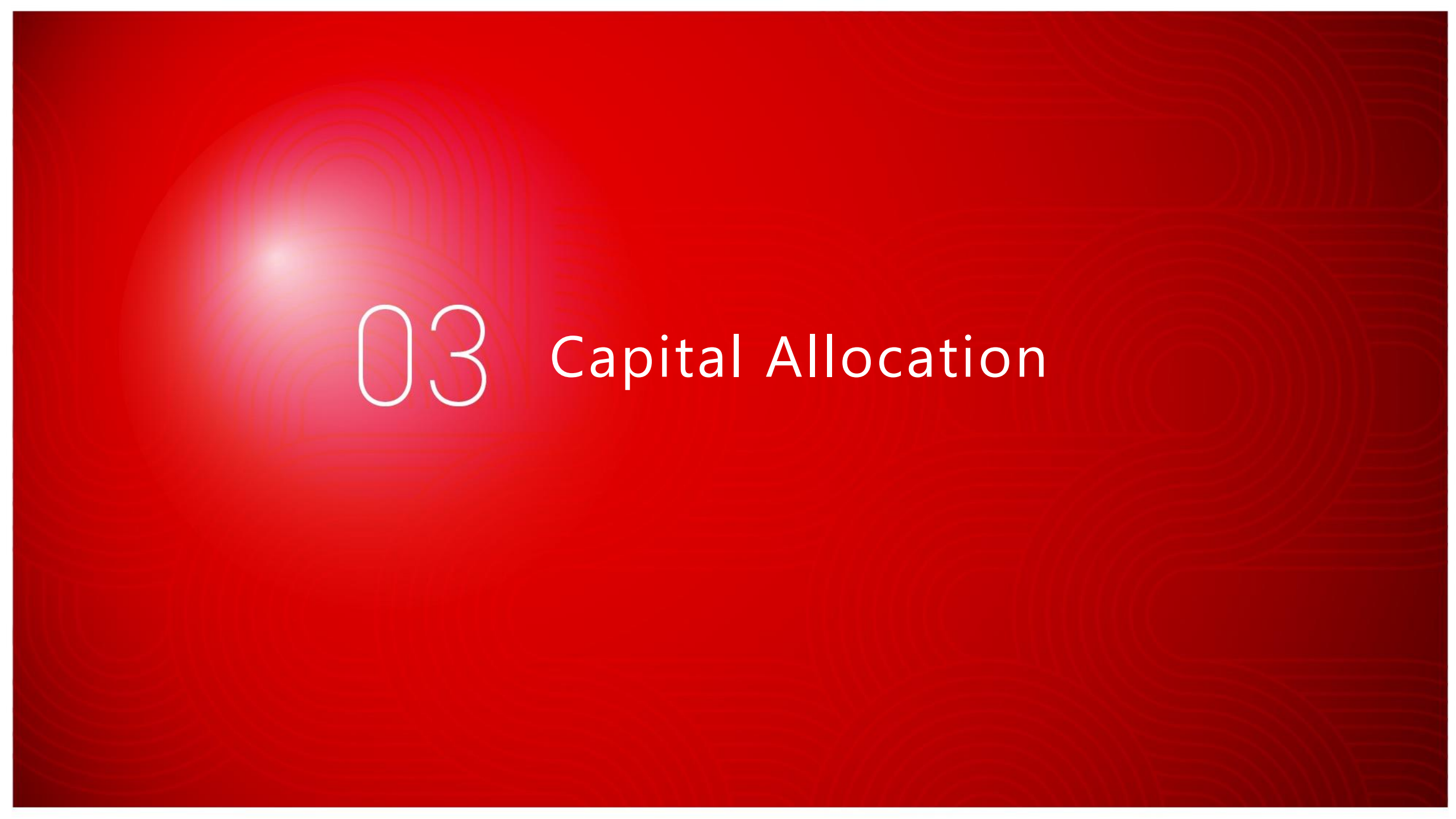


What is eCB™?

eCB: eco Carbon Black (currently applying for trademark registration)
Carbon black recovered from rubber products such as used tires (rCB, recovered Carbon Black) cannot be used as raw materials of tires as it is. Carbon black generated through a secondary process of rCB, which has reinforcement properties equivalent to that of new carbon black, is referred to as eCB.

Expansion of business areas of eCB™



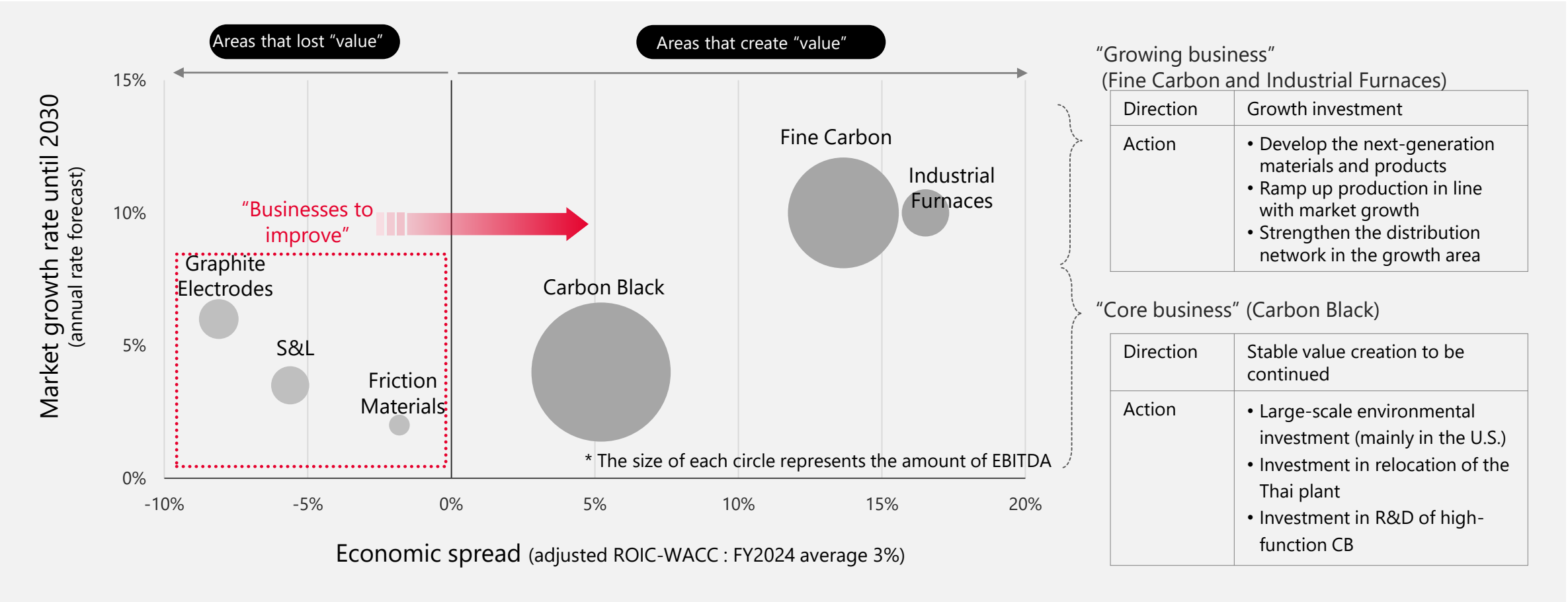


03

Capital Allocation

Business portfolio management

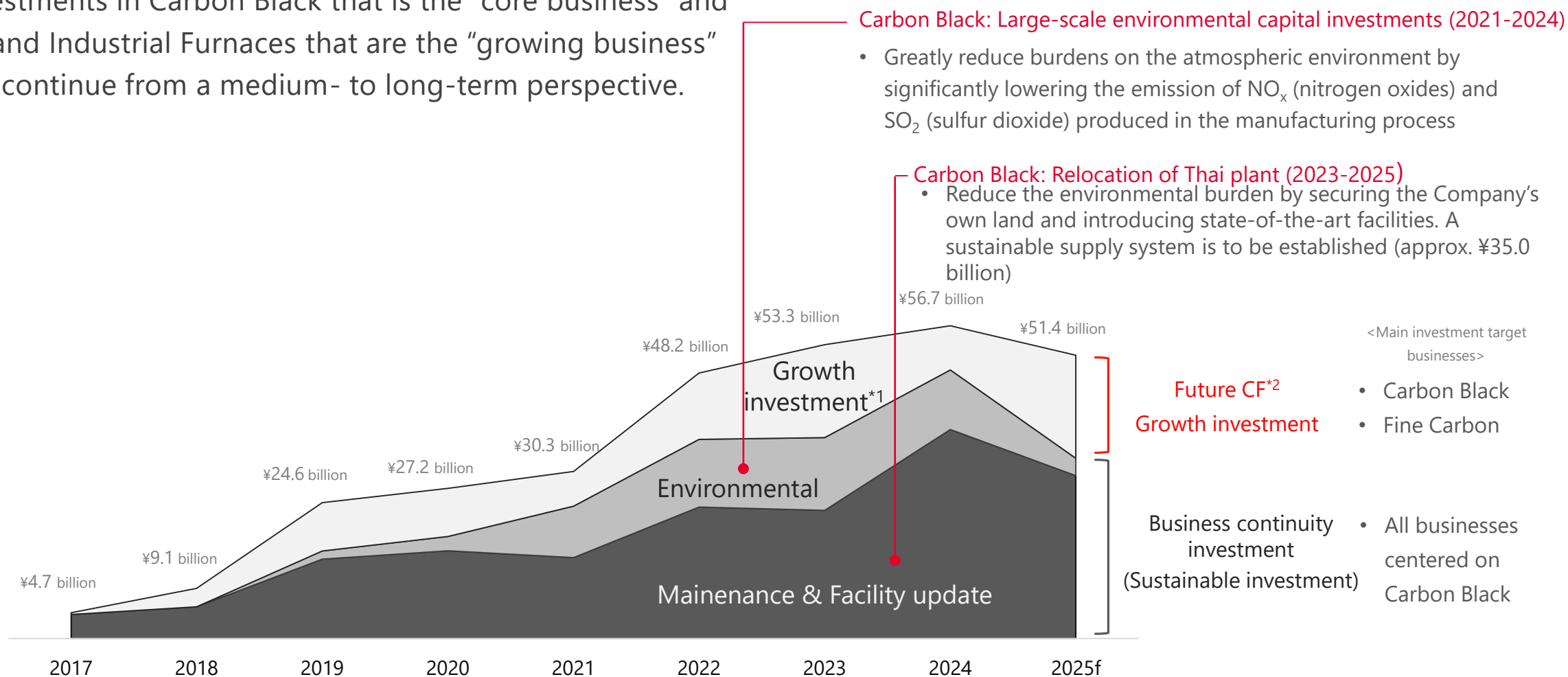
Aim to allocate management resources in a way that maximizes economic profit $[(ROIC - WACC) \times \text{invested capital}]$, targeting 7% or more economic spread at the entire Company toward enhancing corporate value.



* The market growth rate has been estimated by the Company.
* EBITDA, ROIC, and WACC are actual results for fiscal year 2024. WACC is managed by calculating risks for each business. ROIC uses adjusted ROIC that takes in account goodwill and goodwill amortization.

Capital expenditure

Investments in Carbon Black that is the “core business” and FC and Industrial Furnaces that are the “growing business” will continue from a medium- to long-term perspective.



*1 Growth investment is organic investment (excluding M&As).

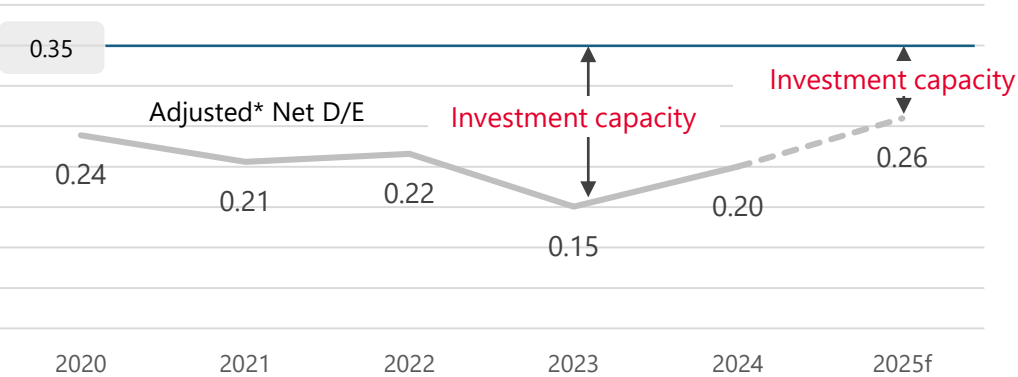
*2 Future CF: Future cash flow

Financial and capital policy (optimal capital structure)

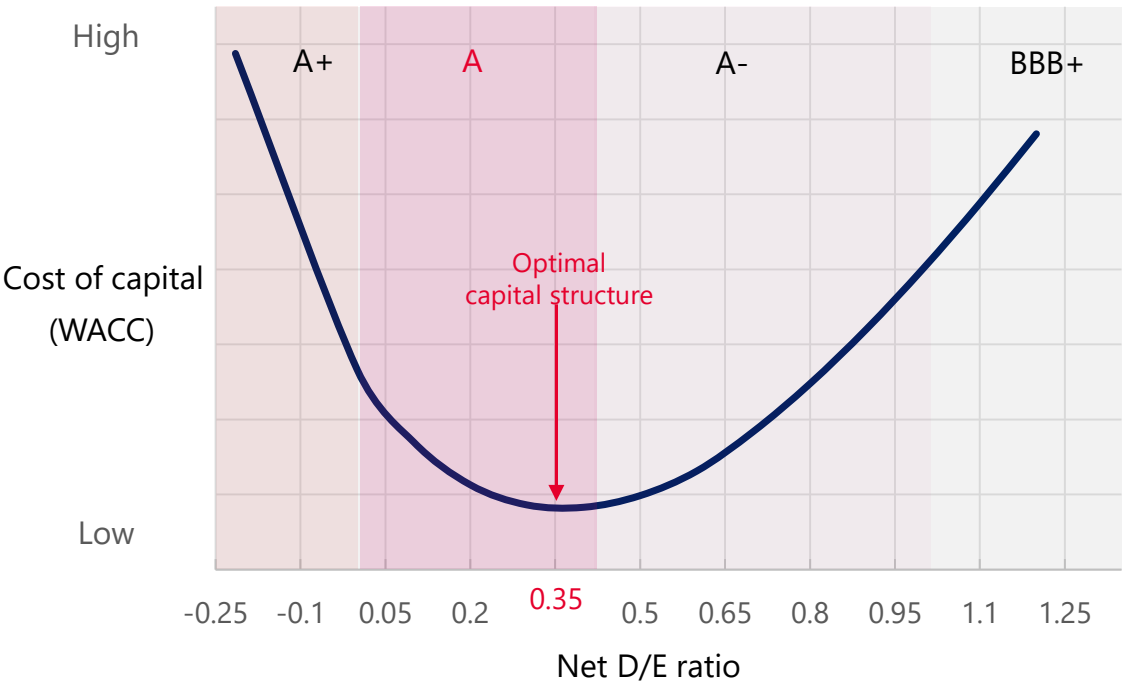
Net D/E ratio of around 0.35x is used as a target metric for the optimal capital structure ensuring a credit rating of A or above, which indicates sufficient financial soundness to support business growth.

Target metrics for financial soundness and capital efficiency

Net D/E ratio	Approx. 0.35x
Net interest bearing debt/EBITDA	1.0x level
WACC	Below 5%



Balancing financial soundness (A credit rating) with minimizing WACC

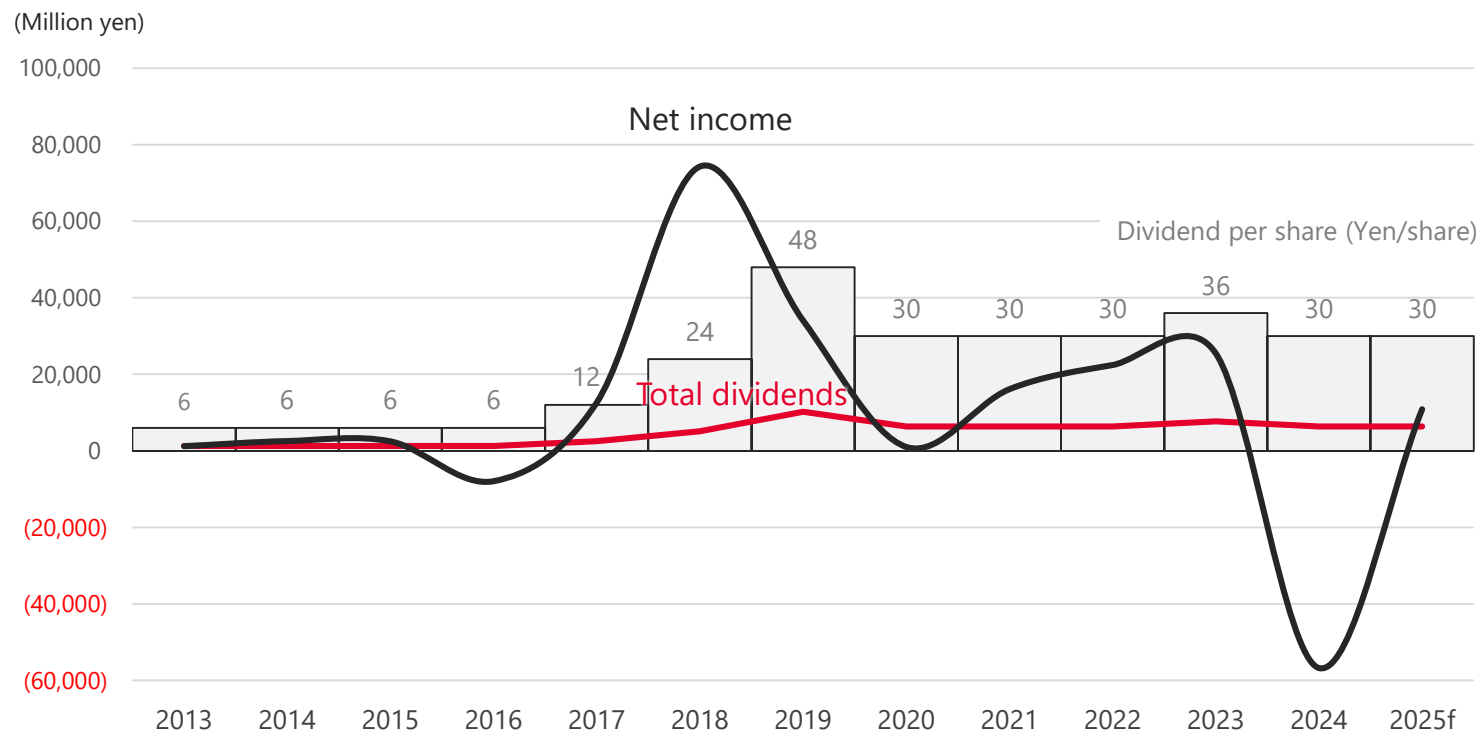


* Adjusted net debt/equity is the debt/equity ratio used by the rating agencies that rate hybrid financing to confirm capital.

Dividend policy

Aiming for stable and consistent dividends as net income varies, with a target dividend payout ratio of 30%

Net income and total dividends (Million yen)



* f=forecast

* Dividend payout ratio

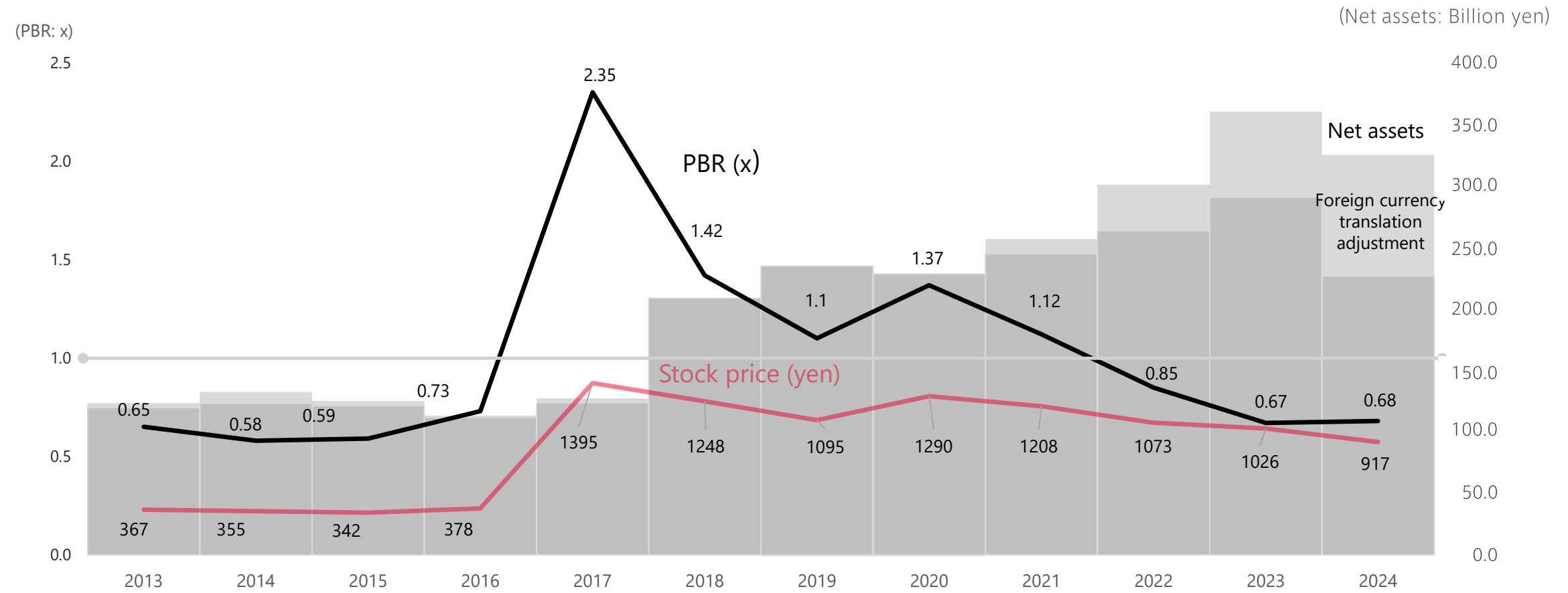
Fiscal year	Dividend payout ratio
2013	106%
2014	50%
2015	52%
2016	-
2017	21%
2018	7%
2019	32%
2020	627%
2021	40%
2022	28%
2023	30%
2024	-
2025 (forecast)	59%

04

Measures to Achieve Management
That is Conscious of the Cost of
Capital and Stock Price

PBR and stock price

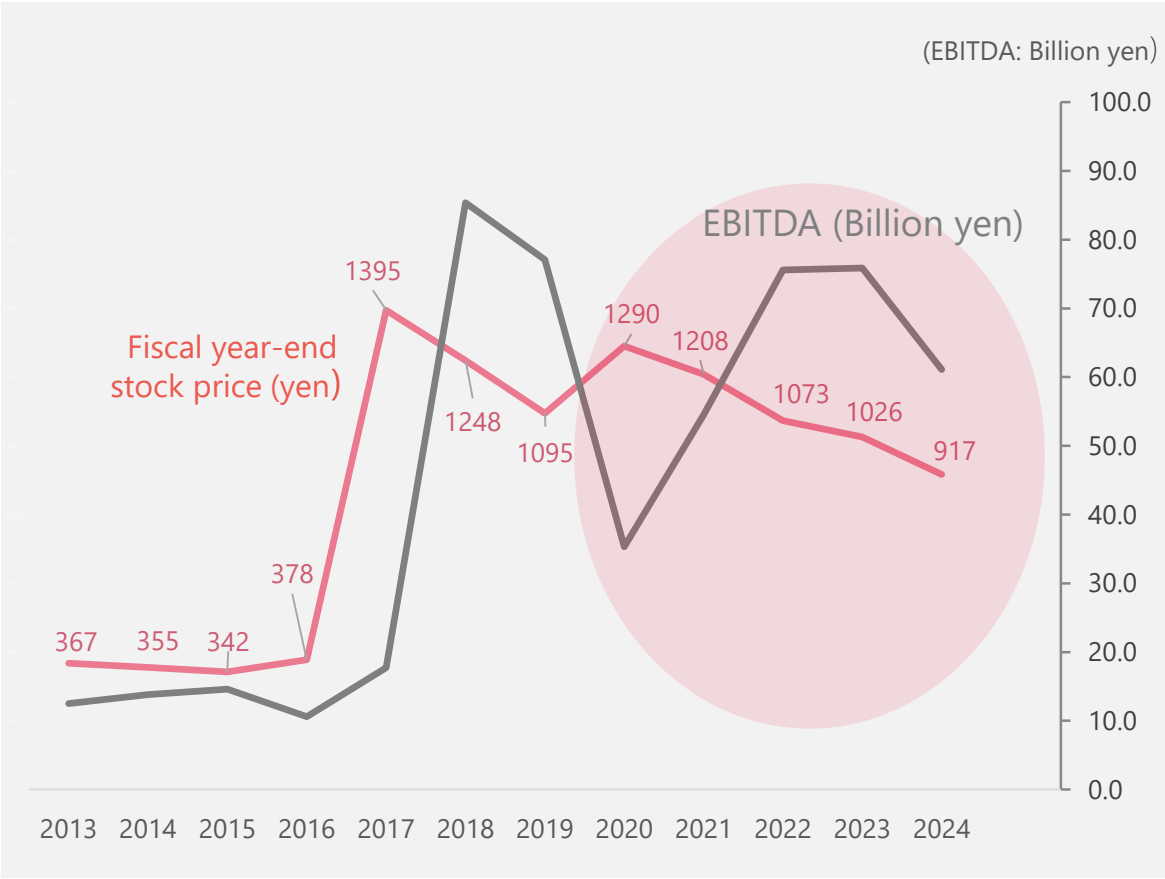
PBR has been below 1x since 2022. While stock price remains weak, PBR is in a declining trend, partly due to an increase in net assets in line with a weaker yen.



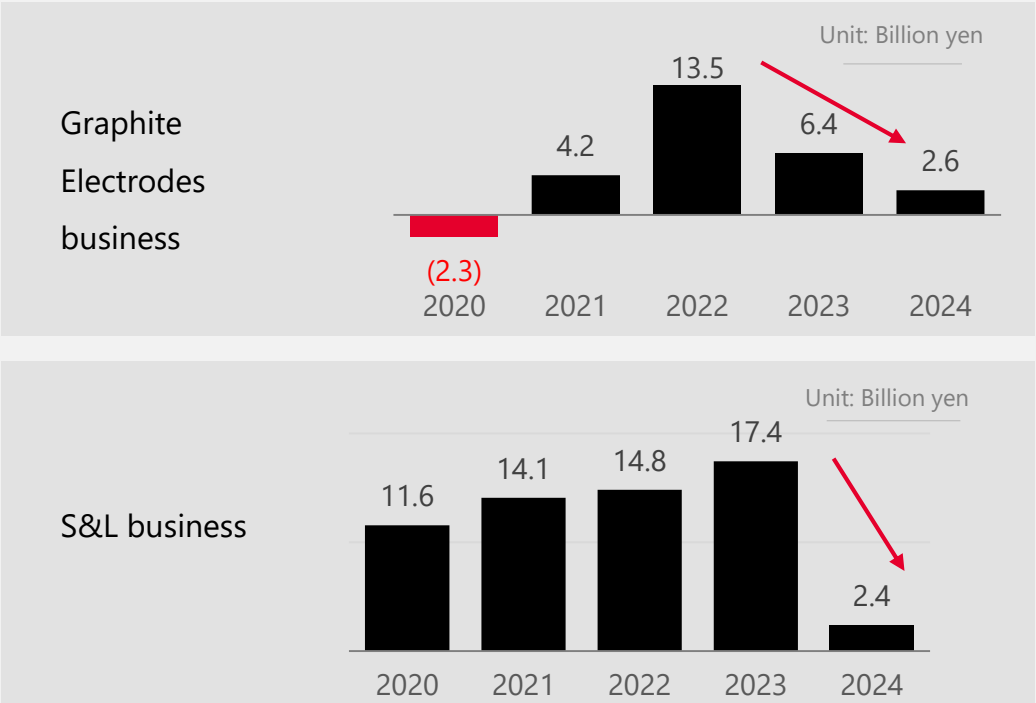
The worsened outlook of the Graphite Electrodes and S&L businesses affects stock price*

Stock price has been in a downward trend since 2022.
It fell below ¥1,000 from 2024.

Results rapidly decreased from 2023 in the Graphite Electrodes business and from 2024 in the S&L business (discounting value creation of CB and FC).



EBITDA



* The Company provides no guarantee regarding the accuracy, integrity, fitness, and reliability of descriptions in this document and its contained information.

Issues and direction of measures

In the short term, presenting and implementing measures for turnaround of the Graphite Electrodes business and S&L business
 In the medium to long term, presenting and implementing a path to growth of the Carbon Black business and Fine Carbon business

Issues

- **Turnaround** of the Graphite Electrodes and S&L
- **Enhancement of market valuation** of Carbon Black that is the core business and Fine Carbon and Industrial Furnaces that are growing businesses
- **Increase in expectation** for ROE

ROE and cost of equity

	2021	2022	2023	2024	2025f
ROE	7.5%	9.0%	8.6%	-18.5%	3.9%
Cost of equity	7.3%	6.5%	8.3%	7.3%	7.3%

Direction of measures

The essential measure is only a long-term increase in return (EBITDA); but three points below are the direction of measures.

[Short-term and intensive]



Drastic structural reforms

Structural reforms of the Graphite Electrodes and S&L businesses

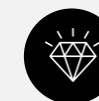
[Medium-term]



Commitment to growth market

Strengthening the core business and expanding the growing businesses

[Long-term]



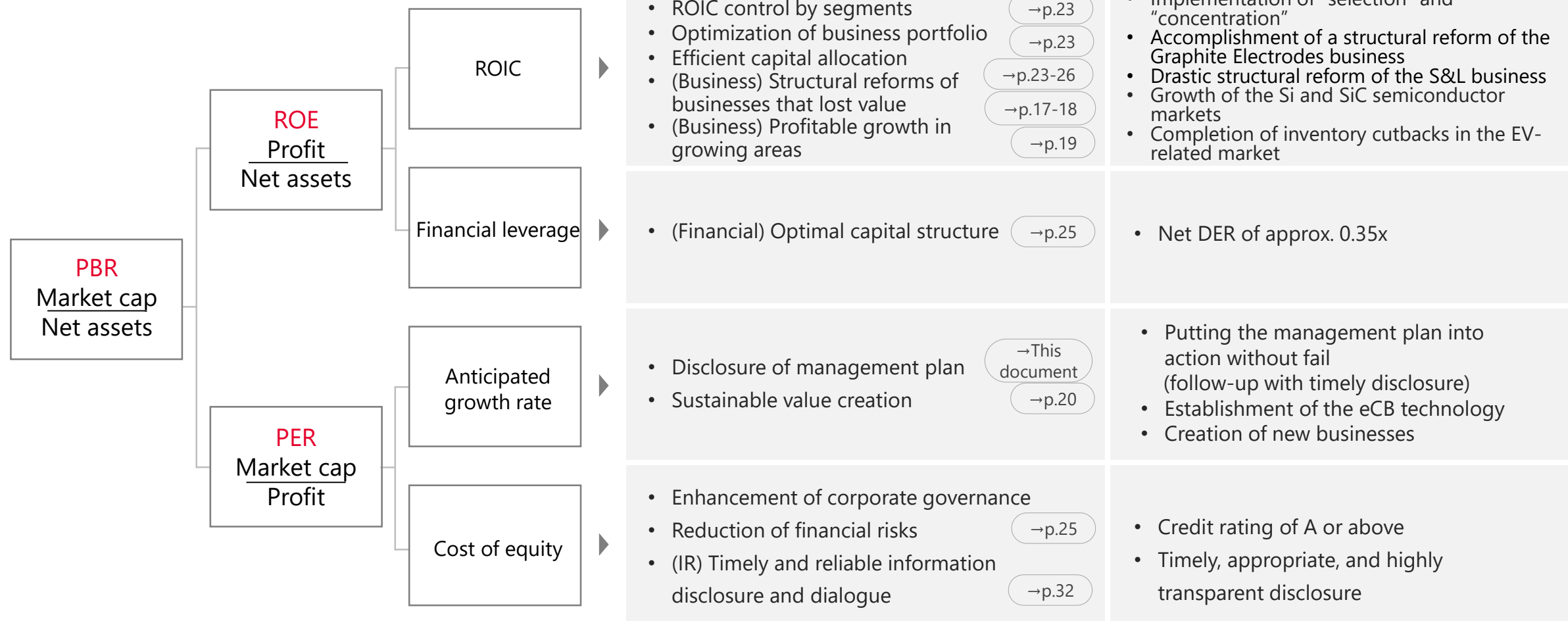
Sustainable value creation

Offering new value that transcends time

Enhance communication with the market by disclosing the progress of these measures in a timely and appropriate manner

Measures

Aim at recovering PBR by implementing the management plan toward the long-term vision



Reduce the cost of equity by enhancing dialogue with the stock market

- IR policy
 - 1) Reduce information asymmetry with timely and appropriate information disclosure in mind
 - 2) Facilitate dialogue with shareholders and investors and reflect their feedback in management

■ Achievements for fiscal year 2024

Event	Achievement	Description
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 . Had dialogue with institutional investors about our management policy, business strategy, business environment, etc.
Individual dialogue with domestic and foreign institutional investors and securities analysts	204 times	President & CEO: 14 times (including attendance at conferences) IR officer: 190 times (all meeting minutes were shared in a timely manner with all members of the management team)
Briefing for securities analysts hosted by the Company	1 time	The President & CEO, the officer responsible for the accounting & finance department, and general managers of all business divisions gathered together for an exchange meeting with several securities analysts. 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. Participated with general affairs divisions (IR/ESG) taking on a central role.

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Reference Material

Sales and Operating Income by segment

			2023 (Result)	2024 (Result)	2025 (Plan)
Net sales (Billion yen)	Carbon Black		148.4	156.8	167.0
	Fine Carbon		45.3	53.9	59.0
	Smelting and Lining		82.8	64.5	56.0
	Graphite Electrodes		60.2	48.8	38.0
	Industrial Furnaces		15.6	16.3	12.0
	Other Operations	Friction materials	9.0	8.0	8.0
		Anode materials and other	2.5	1.8	1.0
		(Total other)	11.5	9.8	9.0
Total		363.9	350.1	341.0	
Operating income (Billion yen)	Carbon Black		21.3	21.7	13.2
	Fine Carbon		10.6	12.4	8.2
	Smelting and Lining		2.3	(13.7)	-
	Graphite Electrodes		0.8	(3.5)	1.1
	Industrial Furnaces		3.9	3.3	2.6
	Other Operations		1.3	0.4	0.6
	Inter-segment eliminations		(1.4)	(1.2)	(2.4)
	Total		38.7	19.4	23.3

* Exchange rate assumptions for 2025: JPY148/USD, JPY162/EUR

EBITDA and EBITDA margin by segment

		2023 (Result)	2024 (Result)	2025 (Plan)
EBITDA (Billion yen)	Carbon Black	29.3	32.0	25.2
	Fine Carbon	17.7	20.3	19.2
	Smelting and Lining	17.4	2.4	4.3
	Graphite Electrodes	6.4	2.6	5.9
	Industrial Furnaces	4.2	3.7	3.2
	Other Operations	1.8	0.8	1.0
	Inter-segment eliminations	(0.9)	(0.6)	(1.7)
Total		75.9	61.1	57.1
EBITDA Margin	Carbon Black	20%	20%	15%
	Fine Carbon	39%	38%	32%
	Smelting and Lining	21%	4%	8%
	Graphite Electrodes	11%	5%	15%
	Industrial Furnaces	27%	23%	25%
	Other Operations	15%	8%	11%
	Inter-segment eliminations	-	-	-
Total		21%	18%	17%

* Exchange rate assumptions for 2025: JPY148/USD, JPY162/EUR

Key performance indicators

	2023 (Result)	2024 (Result)	2025 (Plan)
Net sales (Billion yen)	363.9	350.1	341.0
Operating income (Billion yen)	38.7	19.4	23.3
EBITDA (Billion yen)	75.9	61.1	57.1
ROS (Operating income)	11%	6%	7%
ROS (EBITDA)	21%	18%	17%
ROE ¹⁾	9%	(18%)	4%
ROIC (adjusted) ²⁾	12%	7%	5%
ROA ³⁾	4%	(9%)	2%
WACC ⁴⁾	5%	4%	4%
Net D/E ratio	0.27	0.34	0.42
Adjusted net D/E ratio ⁵⁾	0.15	0.20	0.26
Exchange rates	JPY141/USD JPY152/EUR	JPY152/USD JPY164/EUR	JPY148/USD JPY162/EUR

1) ROE: Return on Equity = Net income as a percentage of equity

2) ROIC: Return on Invested Capital = Operating income after taxes as a percentage of the sum of working capital and fixed assets

* ROIC (adjusted): ROIC after adjustments taking into account goodwill and goodwill amortization

3) ROA: Return on Asset = Net income as a percentage of total assets

4) WACC: Weighted Average Cost of Capital

5) Adjusted net D/E: Debt/equity ratio used by the rating agencies that rate hybrid financing to confirm capital

List of abbreviations

<Division name>

CB:	Carbon Black
FC:	Fine Carbon
S&L:	Smelting & Lining
GE:	Graphite Electrodes
TKK:	TOKAI KONETSU KOGYO CO., LTD.

<Overseas bases>

TCP:	THAI TOKAI CARBON PRODUCT COMPANY LIMITED
TCCB:	Tokai Carbon CB Ltd.
CCB:	Cancarb Limited
TCK:	TOKAI CARBON KOREA CO., LTD.
TCX:	Tokai COBEX GmbH
TCGE:	TOKAI CARBON GE LLC
TEG:	TOKAI ERFTCARBON GmbH

<Financial indicators>

ROS:	Return on Sales = Operating margin (operating income as a percentage of total net sales)
EBITDA:	Earnings Before Interest, Taxes, Depreciation and Amortization = Operating income before depreciation and amortization (operating income + depreciation and amortization)
ROE:	Return on Equity = Net income as a percentage of equity
ROA:	Return on Asset = Net income as a percentage of total assets
ROIC:	Return on Invested Capital = Operating income after taxes as a percentage of the sum of working capital and fixed assets
ROIC (adjusted):	ROIC after adjustments taking into account goodwill and goodwill amortization
WACC:	Weighted Average Cost of Capital
Adjusted Net D/E:	Debt/equity ratio used by the rating agencies that rate hybrid financing to confirm capital

Disclaimer regarding forward looking statements

- Forward-looking statements in this document are based on information obtainable at the time this document was published and assumptions as of the date of publication concerning elements of uncertainty that could affect future earnings.
- Actual results may differ substantially, depending on various future factors. Factors that affect business performance include, but are not limited to, economic conditions, trends in product demand and market prices, and fluctuation in exchange rates.
- The quantitative goals, reference values, investment amounts, and other numerical goals in this document only express the medium-term strategy and vision of the company; they are not performance forecasts. The company is not obligated to update such information.
- Please see the disclosures in the Consolidated Financial Results for the official earnings forecast, based on the rules of Tokyo Stock Exchange, Inc.

Vision 2030

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