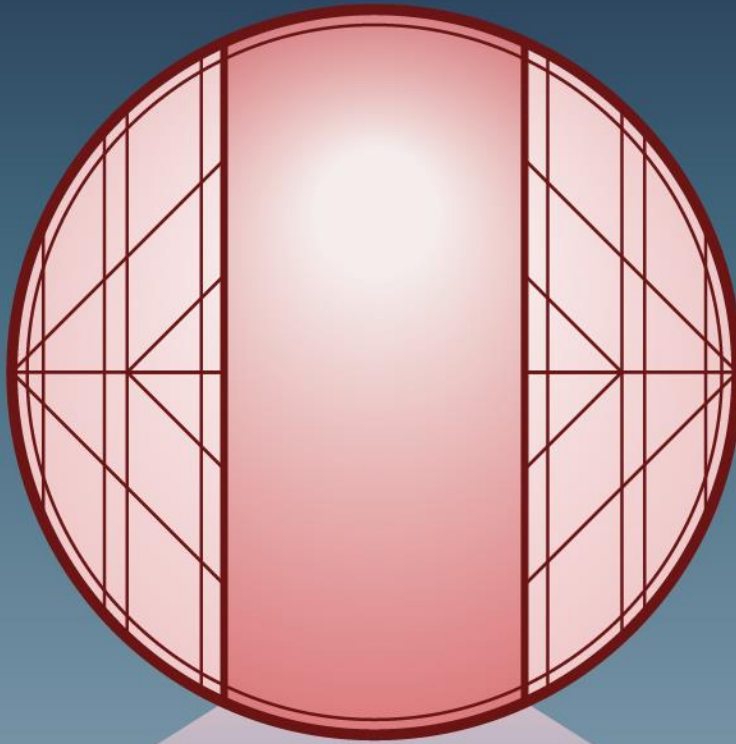


Vision 2030

Building a future
of technology
and trust

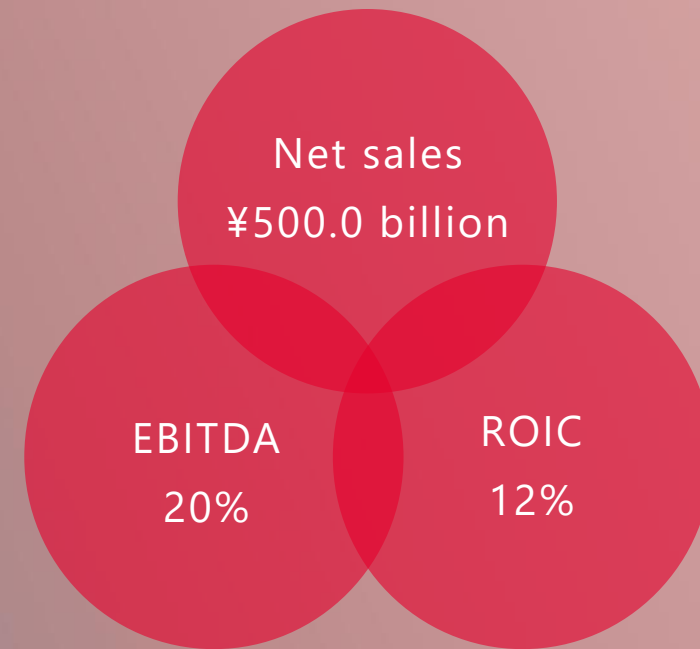
UPDATE



Long-term vision

Contributing to a sustainable
society through advanced materials
and solutions.

Target Indicators for 2030





01

Vision 2030

Update >>> February 13, 2026



Structural reforms in Graphite Electrodes and S&L taking effect from Q4 FY2025. The business environment for growing sectors, including Fine Carbon and Industrial Furnaces, is anticipated to improve from 2027.

Vision2030 indicators

	2024	2025	2026 Forecast	→	Vision 2030
Net sales	¥350.1 billion	¥323.0 billion	¥346.7 billion	X 1.4	¥500.0 billion
EBITDA	18 %	18 %	18 %	+ 2% point	20 %
ROIC (adjusted)	7 %	6 %	5 %	+ 7% point	12 %

<Current Progress>

Commitment to growth market

The impact of the deceleration of the EV market will persist through 2026; however, we are responding to demand expansion driven by AI growth.

For Industrial Furnaces, the demand for EREMA heating elements has returned to its growth trajectory.

Sustainable value creation

We are advancing sustainable value creation through the project to regenerate carbon black from used tires.

Drastic structural reforms

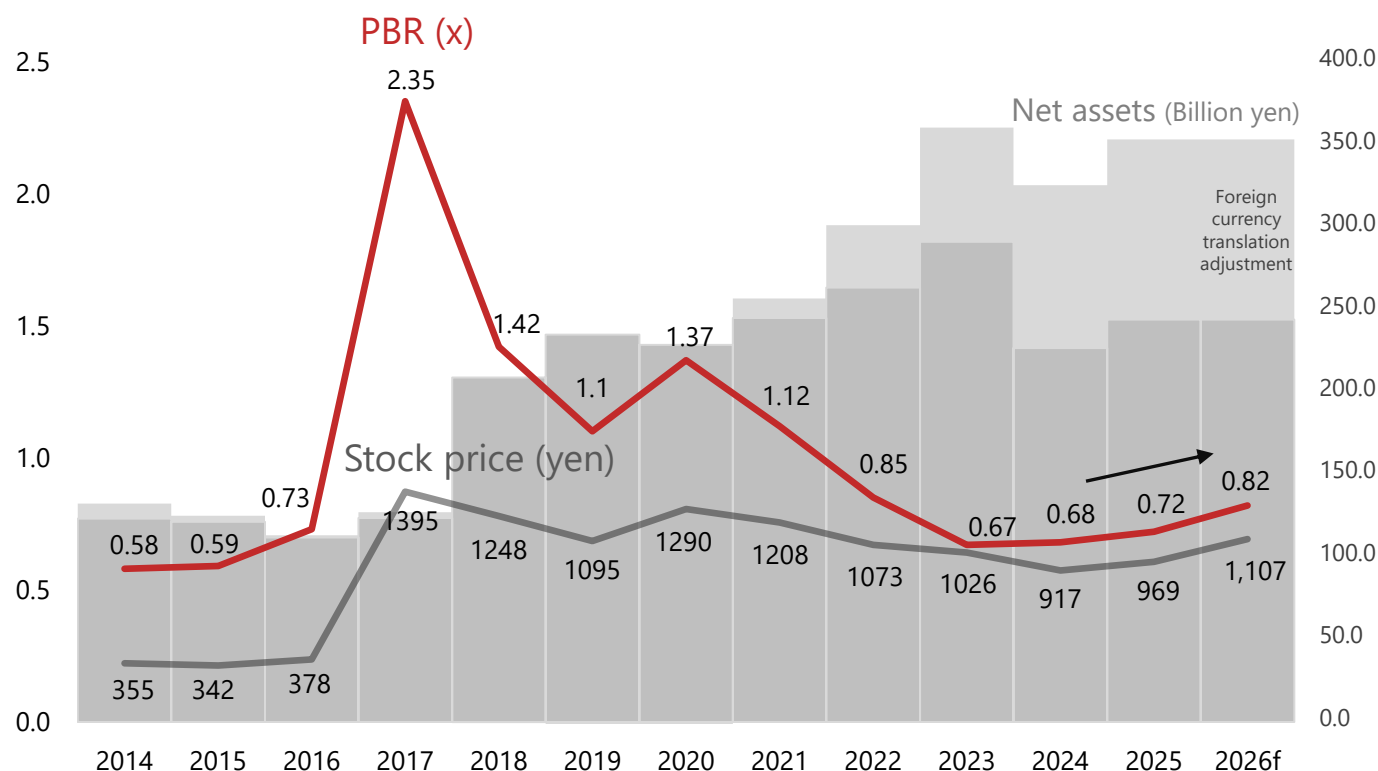
We are aiming to transform the Graphite Electrodes, and S&L businesses into value-creating businesses through structural reforms.

* S&L: Smelting & Lining



The recovery of PBR to 1.0x has not yet been fully realized, although there is a trend toward improvement.

PBR and Stock Price



<Recognized Challenges>

ROE improvement

To achieve Vision 2030, we aim to improve EPS (Earnings per Share). We are also aiming to achieve sustained ROE improvement through total asset turnover and financial leverage.

PER improvement

Our goal is to lower the cost of capital by minimizing financial risks and ensuring timely, accurate disclosures of our budgets and forecasts. Additionally, through our updates on the progress of Vision 2030, we are consistently establishing a reputation for commitment-driven communication, which connects our growth narrative to our market valuation.

* Net assets for 2026f are projected value; stock price for 2026f is as of February 9, 2026.

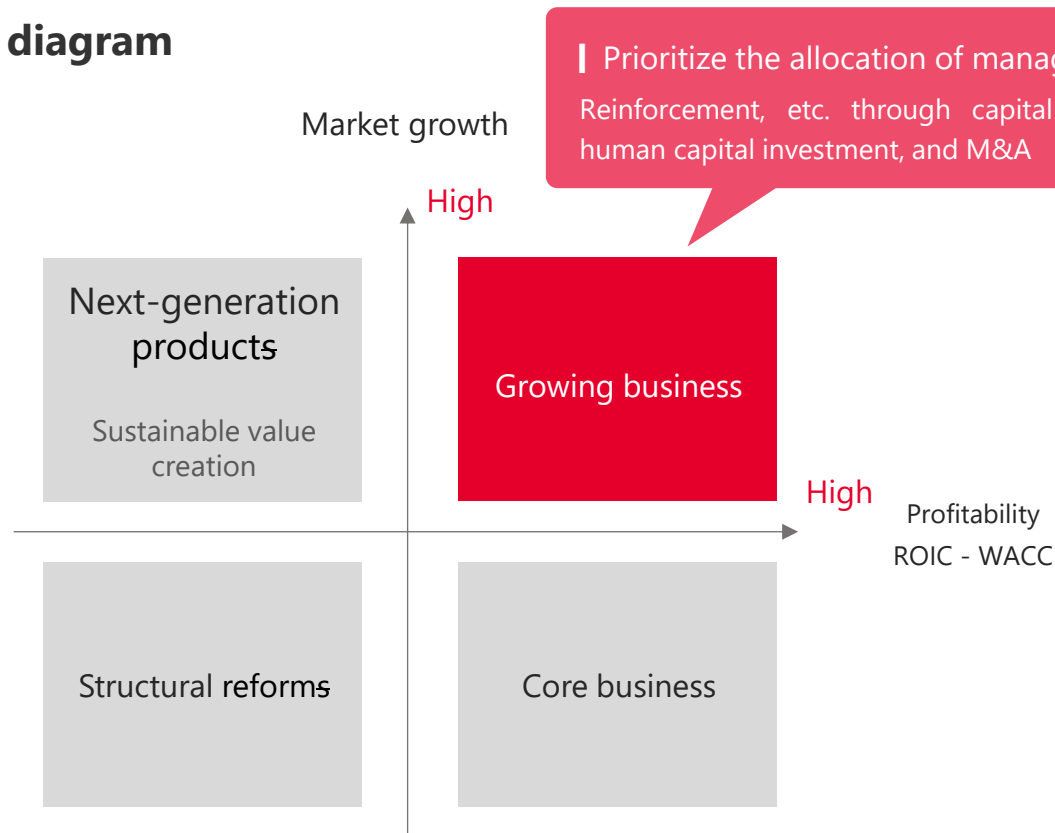
* See p.18 for "Measures to Achieve Management That is Conscious of the Cost of Capital and Stock Price"



Manage each business by ROIC (Return on Invested Capital) and evaluate the businesses from the perspective of both market growth and profitability.

Prioritize the allocation of management resources to the “growing business.”

Conceptual diagram



Business evaluation using adjusted ROIC-WACC

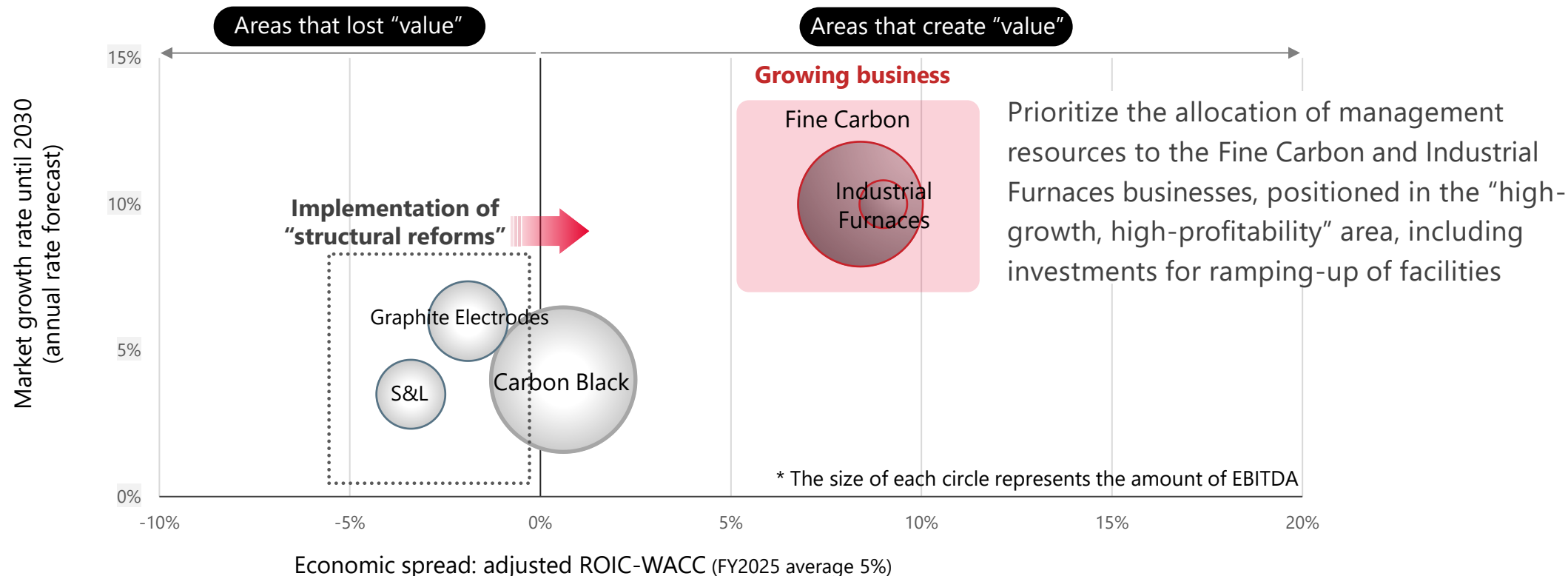
Focus on business returns exceeding the cost of capital. Utilize the business evaluation as a management metric for corporate strategy and discussions on “selection” and “concentration.”

* ROIC: Return on Invested Capital, WACC: Weighted Average Cost of Capital, Economic profit: (adjusted ROIC-WACC) x invested capital



Allocate management resources to maximize economic profit by targeting a 7% or greater economic spread at the entire company for Vision 2030, defined as (ROIC - WACC) multiplied by invested capital.

Economic spread by business (2025 results)

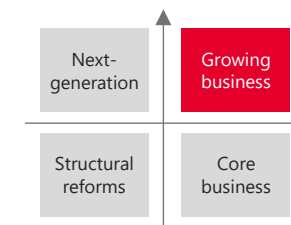


* The market growth rate has been estimated by the Company.

* EBITDA, ROIC, and WACC are actual results for fiscal year 2025. WACC is managed by calculating risks for each business. ROIC uses adjusted ROIC that takes in account goodwill and goodwill amortization.



Returns will begin to materialize after 2027, driven by the investment effects and integration benefits of the U.S. machining shops, even though ROIC is expected to decline in the short term due to growth investments.



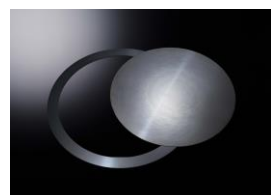
Ramp-up of production capacity

Production facilities of CIP materials (special graphite materials) (Tanoura Plant, Kumamoto)



Acquisition of two U.S. machining shops

Stronger sales capabilities through the acquisition of sales networks targeting the semiconductor and aerospace industries

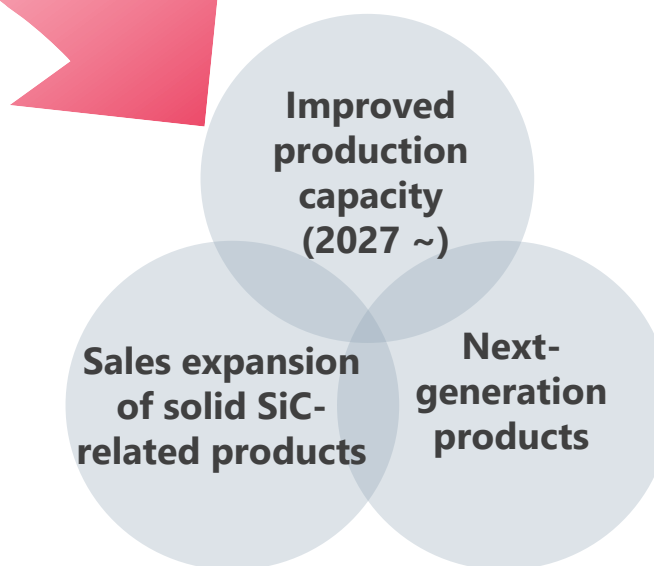


Capital investment in production facilities for TCK (Korea) focus rings to capture current rising memory demand and the next-generation memory demand

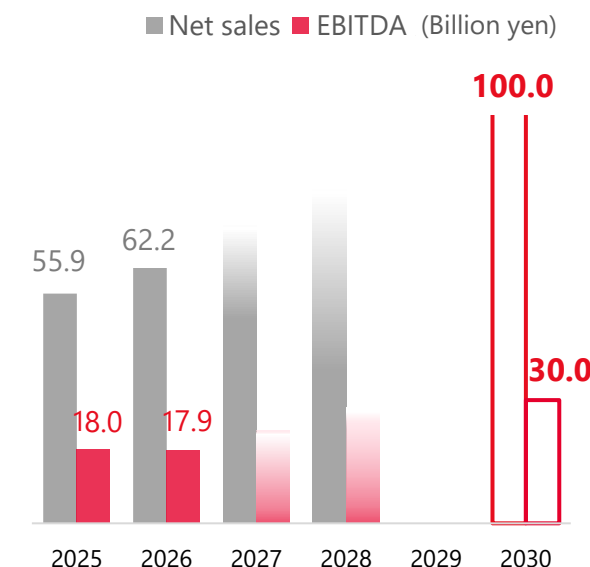


Responding to technological innovation with R&D products

Expansion of production facilities of polycrystalline SiC wafers (Chigasaki Plant, Kanagawa)



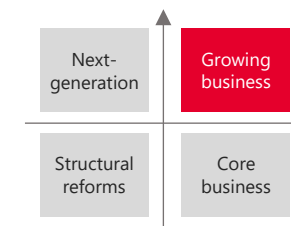
Underlying business environment outlook



Addressing the significant challenges of AI's remarkable evolution and the swift increase in data center power consumption has led to a growing demand for next-generation power semiconductors that offer high voltage resistance and heat resistance.



Pursue distinct technologies and products unavailable from competitors during a prolonged recovery of demand in customer industries.



Business environment

Industrial furnaces and ceramic heating elements

- The volume of inquiries has decreased as customers are postponing capital investments due to a slowdown in the electric vehicle (EV) market.
- Demand for MLCCs to grow (5-10% p.a.) driven by the expansion of 5G, EV, autonomous driving, robots, and AI data centers.

Increasing inquiries for disc resistors

- Demand for transformers and high-voltage equipment is surging, driven by renewal and digitalization investment in aging substations and the global expansion of AI data centers.

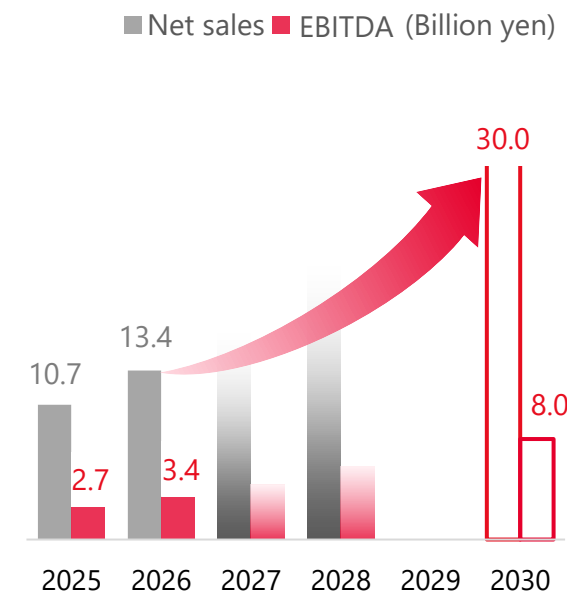
Measures toward Vision 2030

Forward-looking growth investments

- Ramp-up of production capacity of EREMA heating elements (40 ton/month capacity) in line with increasing demand for LiB in the Industrial Furnaces business.
- Development of "TK-SONiC," a fast heating furnace that responds to a larger capacity and smaller MLCCs
- Expanding sales of high-value EREMA products
- Establishment of a mass production system for disc resistors



TK-SONiC
that enables
fast heating



The integration of AI and IoT technologies for decarbonization and energy conservation will drive demand for high-performance heating materials.

* Disc resistors: products used for circuit breakers in substation equipment

Facing reality, delivering on commitment, and implementing seed-planting initiatives with a conscious focus on next-generation growth.

Three measures		2025	2026	~	2030
(i) Commitment to growth market	Growth of Fine Carbon and Industrial Furnaces businesses in the semiconductor-related area	 Watering	 Sprout	 Grow	 Grow
	Profitability improvement through the standalone operation of the new CB Thai plant. Production expansion of high-value-added products in the North American market.	 Watering	 Watering	 Sprout	 Grow
(ii) Sustainable value creation	- Creation of businesses that contribute to realizing a circular economy - Applying the development of existing technologies (CB regenerated from waste tires, etc.)	 Seeds	 Seeds	 Watering	 Sprout
(iii) Drastic structural reforms	Transformation of Graphite Electrodes and S&L businesses to value-creating businesses through structural reforms (ROIC > WACC)	 Restructure	 Restructure Watering	 Sprout	 Grow

* S&L: Smelting & Lining CB: Carbon Black

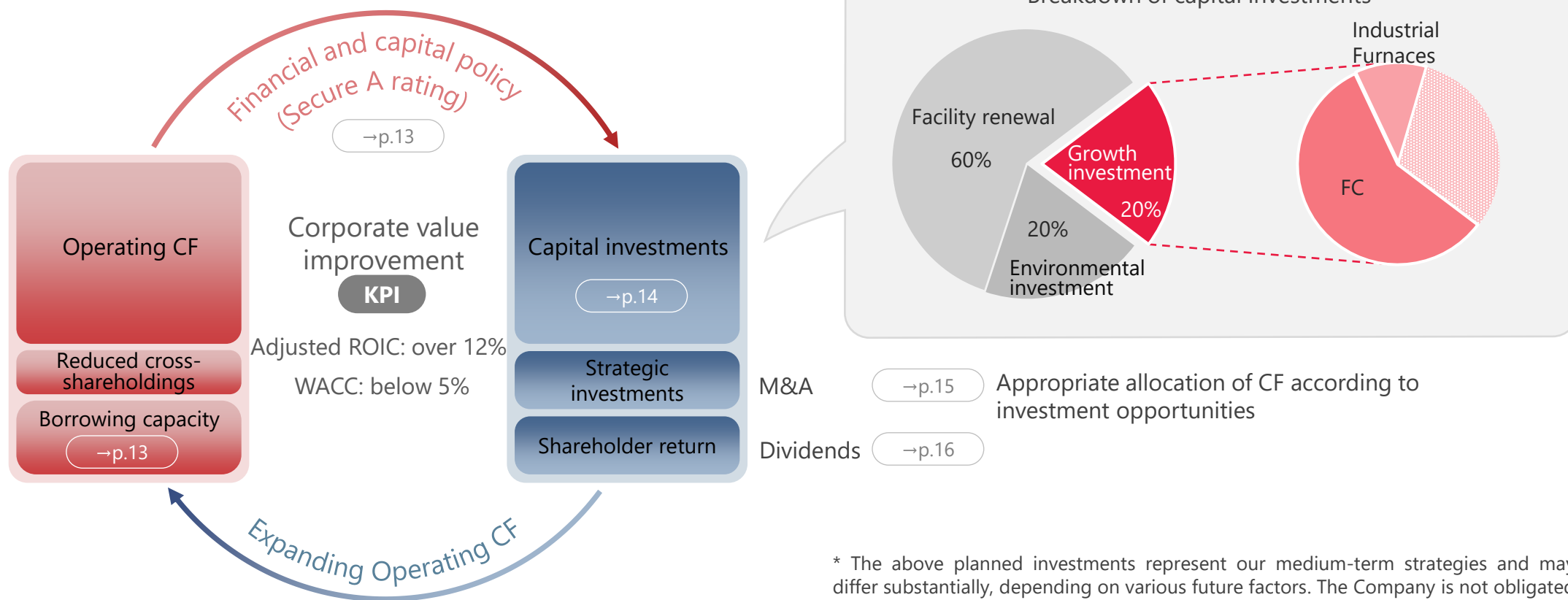
02 Capital Allocation

Update >>> February 13, 2026



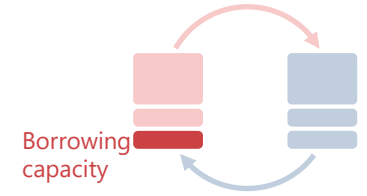
Allocate operating cash flow to proactive investments and shareholder returns while ensuring financial stability to enhance corporate value. Use debt strategically to fund investments that drive inorganic growth. An optimized business portfolio will lead to higher capital efficiency, which will support the stabilization and expansion of cash flow generation across our operations.

Medium-term allocation policy (2026 - 2028)



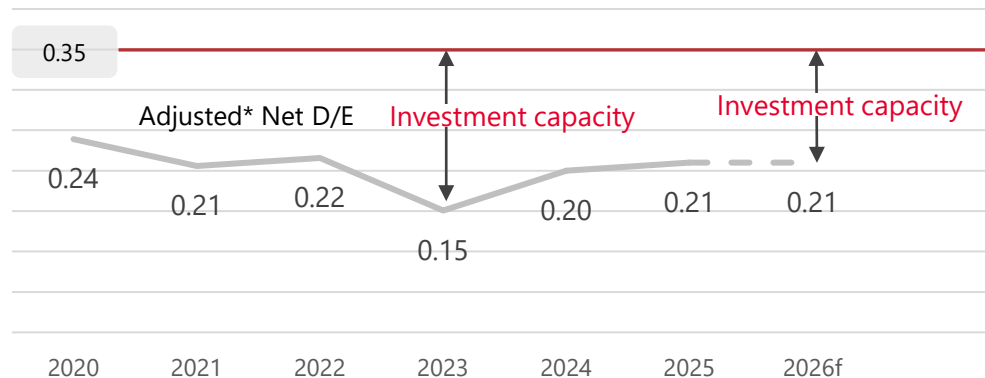


Adjusted Net D/E ratio of around 0.35x is used as a target metric for the optimal capital structure, ensuring a credit rating of A or above, which indicates sufficient financial soundness to support business growth.



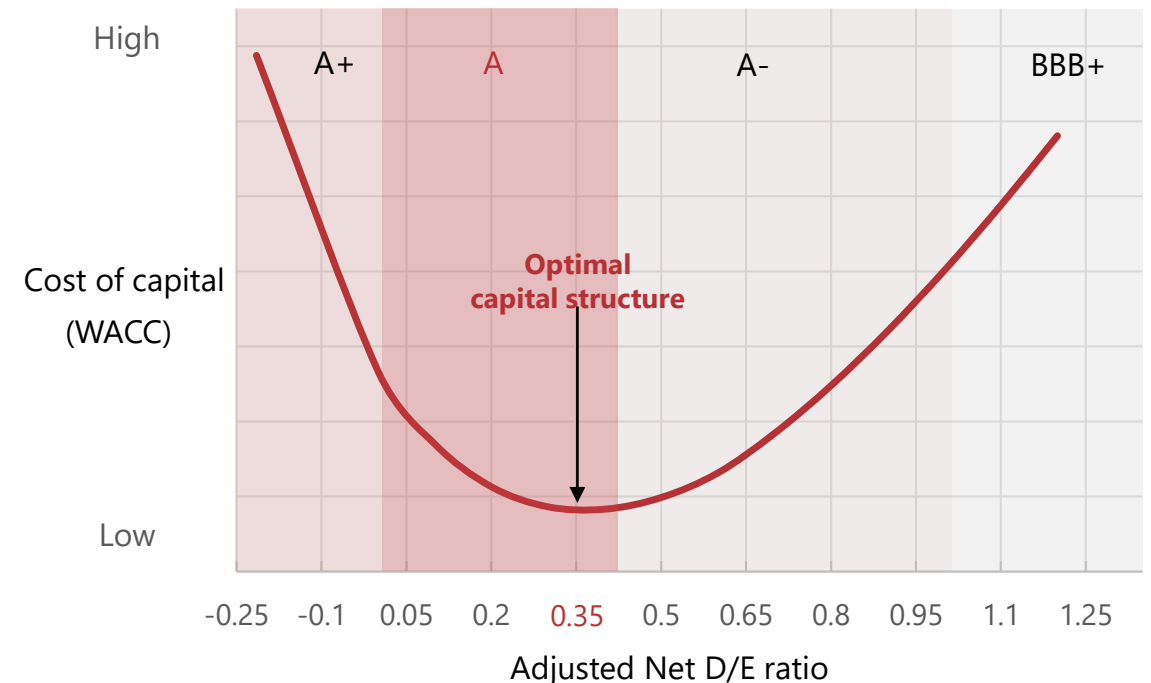
Target metrics for financial soundness and capital efficiency

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



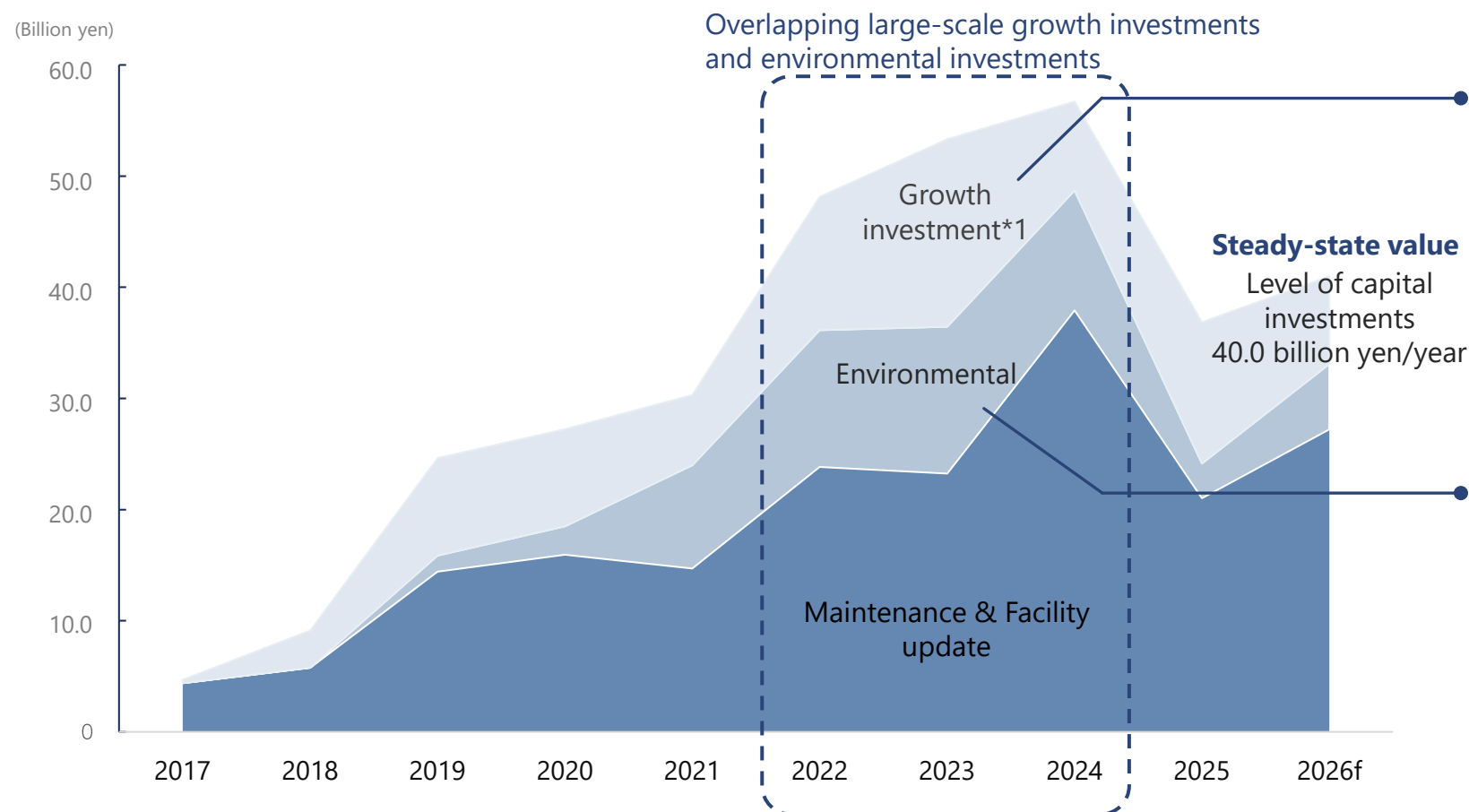
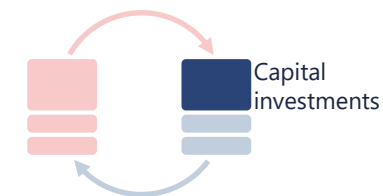
* Adjusted net debt/equity is the debt/equity ratio used by the rating agencies that rate hybrid financing to confirm capital.

Balancing financial soundness (A credit rating) with minimizing WACC





Capital investment, which expanded from 2022 to 2024, has peaked out.



[Growth] Capital investments in FC for the semiconductor market

The production capacity of special graphite materials, launching a new plant in China, enhancing SiC production equipment at TCK (Tokai Carbon Korea), upgrading SiC production equipment in Japan, and opening a production plant for polycrystalline SiC.

[Growth] Relocation of CB Thai plant

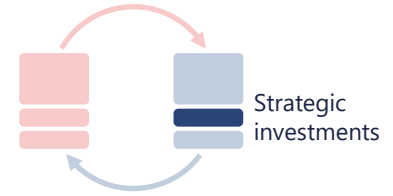
The environmental impact was reduced by securing the company's land and introducing advanced facilities. A sustainable supply system has been established. (2023 - 2025: approximately ¥50.0 billion)

[Environmental] Concentrated investments in CB U.S.-based sites

At the CB manufacturing facility acquired in North America, significant environmental investments were made over multiple years to promote coexistence with the global environment. These efforts focused on reducing emissions of exhaust gases, including sulfur dioxide (SO₂) and nitrogen oxides (NO_x), generated during the CB manufacturing process. (2021-2024 approximately ¥35.0 billion).

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

Select and implement strategic investments that deliver profitable growth to the Group toward the achievement of Vision 2030



December 2024

September 2025

Thailand | Carbon Black manufacturing site

Acquired BRIDGESTONE CARBON BLACK (THAILAND) CO., LTD., a specialty carbon black manufacturing and sales site of Bridgestone Corporation. Co-creating competitive advantages for both companies through strengthened global partnership with Bridgestone Corporation. Sales scale of approx. ¥10.0 billion (annual).



TCP-R



Thai Tokai Carbon Product Rojana Co., Ltd.
บริษัท ไทยโตไกคาร์บอนโปรดักทโรจนะ จำกัด

U.S. | Fine Carbon machining shops

MWI and KBR serve U.S. customers in the semiconductor, aerospace, and general heat-resistant application markets, contributing to total sales of around \$10.0 billion. Through these acquisitions, our group now offers customized customer services that range from materials supply to purification, silicon carbide (SiC) coating, and machining.

TCU
KBR

MWI



TOKAI CARBON GS

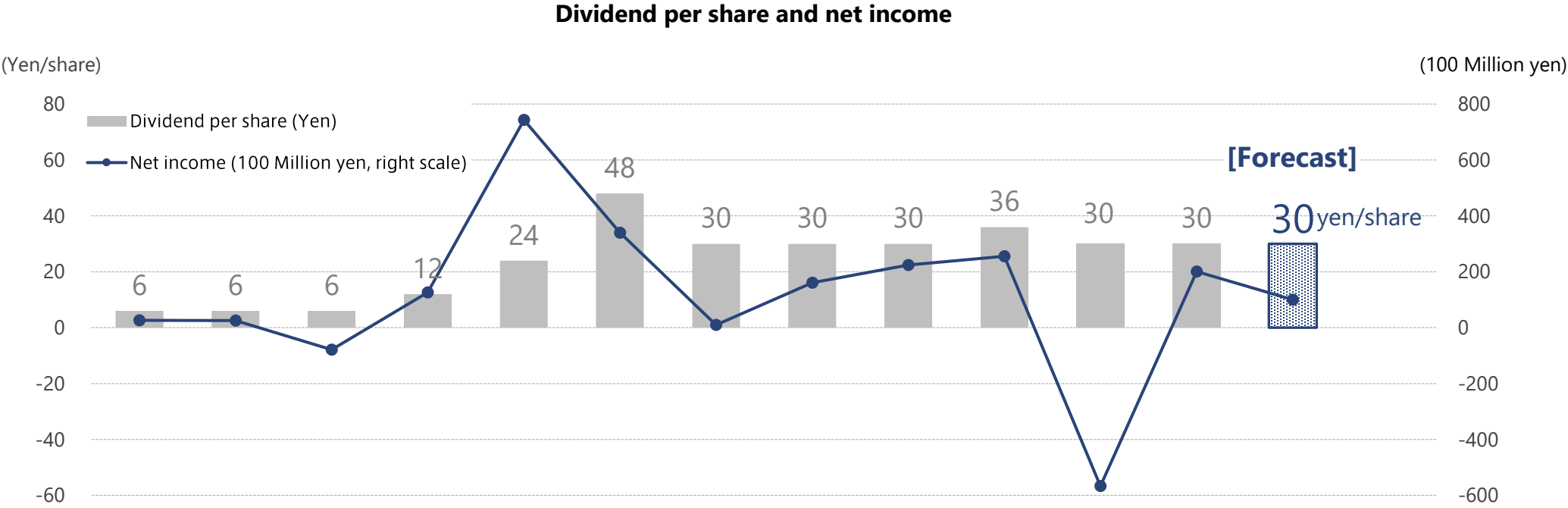
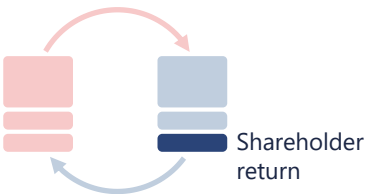
Carbon & Graphite Solutions



Merged three companies (MWI, KBR, and TCU) from January 2026 as TCGS (Tokai Carbon Graphite Solutions) with the headquarters in Rochester, NY.



Aiming for stable and consistent dividends with a target payout ratio of 30%, while enhancing shareholder value through business growth.



* f=forecast

03

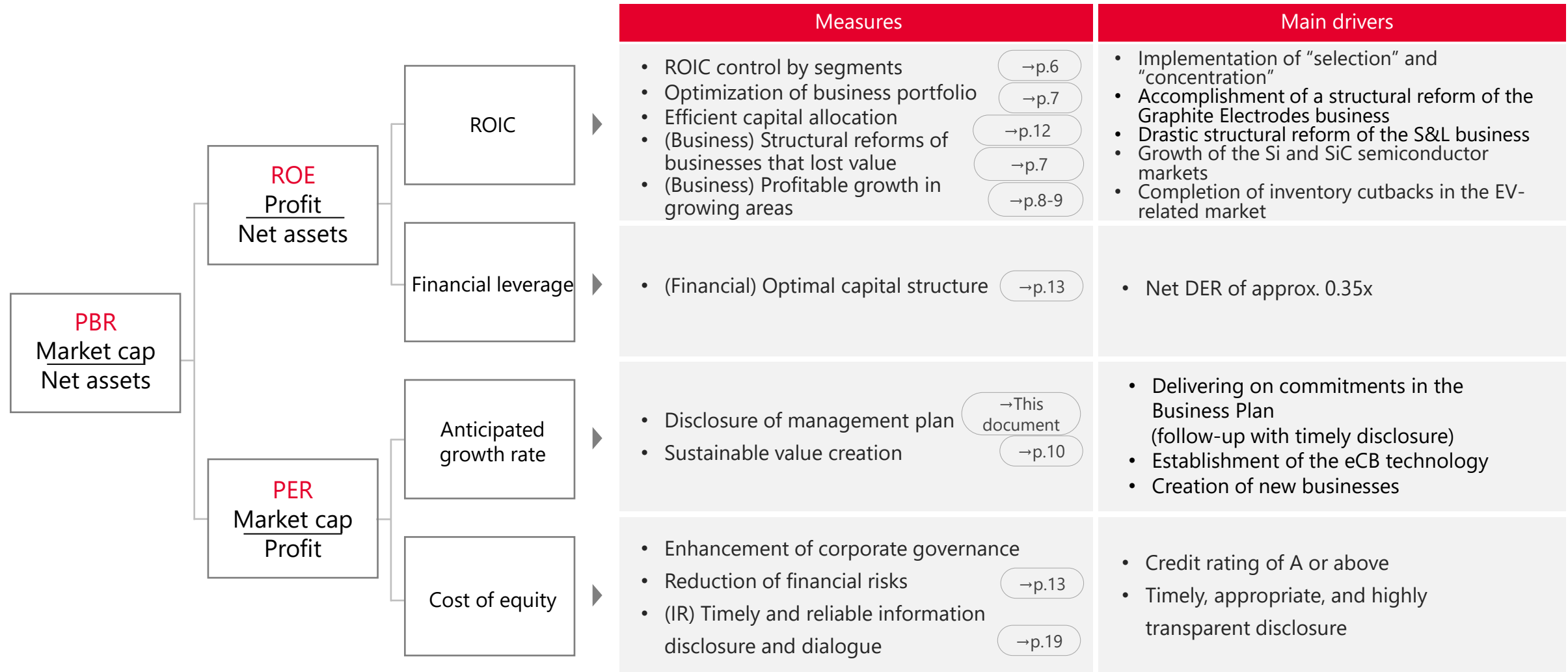
Measures to Achieve Management That is Conscious of the Cost of Capital and Stock Price

Update >>> February 13 2026



The Company's approach

- Accurately track the capital costs and profitability specific to each division based on the Capital Asset Pricing Model (CAPM) on a quarterly basis. Conduct analysis and evaluations during Board of Directors meetings.
- Discuss a growth strategy focused on achieving Vision 2030 and enhancing the stock price, using a breakdown of the current Price-to-Book Ratio (PBR) as a basis for the conversation during Board of Directors meetings.





- IR policy
 - Effectively communicate strategic investments and growth narratives
 - Broaden the range of disclosed information and encourage ongoing dialogue with shareholders and investors.

Achievements for fiscal year 2025

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	195 times	President & CEO: 12 times (including attendance at overseas road shows) IR officer: 183 times (all meeting minutes were shared in a timely manner with all members of the management team)
Briefing for securities analysts and media reporters hosted by the Company	1 time	The President & CEO, the officer responsible for the corporate planning department, 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 and media reporters. In fiscal year 2025, the Carbon Black business and Graphite Electrodes business were selected as the theme.
Participation in fairs for retails investors	1 time	Hosted a booth at the Nikkei-TSE IR Fair 2025. Participated with the corporate planning division (IR) taking on a central role.

Reference Material



			2024 (Result)	2025 (Result)	2026 (Plan)
Net sales (Billion yen)	Carbon Black		156.8	147.1	159.5
	Fine Carbon		53.9	56.0	62.2
	Smelting and Lining		64.5	61.8	66.2
	Graphite Electrodes		48.8	37.6	36.7
	Industrial Furnaces		16.3	10.7	13.5
	Other Operations	Friction Materials	8.0	8.0	8.4
		Anode materials and other	1.8	1.9	0.2
		(Total other)	9.8	9.8	8.6
Total		350.1	323.0	346.7	
Operating income (Billion yen)	Carbon Black		21.7	13.1	12.3
	Fine Carbon		12.4	7.7	7.3
	Smelting and Lining		(13.7)	1.5	2.9
	Graphite Electrodes		(3.5)	2.4	2.4
	Industrial Furnaces		3.3	2.3	2.8
	Other Operations		0.4	0.6	0.3
	Corporate & Other		(1.2)	(1.8)	(2.0)
	Total		19.4	25.9	26.0



		2024 (Result)	2025 (Result)	2026 (Plan)
EBITDA (Billion yen)	Carbon Black	32.0	24.6	27.0
	Fine Carbon	20.3	18.0	18.0
	Smelting and Lining	2.4	5.6	7.8
	Graphite Electrodes	2.6	7.4	7.6
	Industrial Furnaces	3.7	2.7	3.4
	Other Operations	0.8	1.0	0.6
	Corporate & Other	(0.6)	(0.9)	(0.7)
Total		61.1	58.4	63.7
EBITDA Margin	Carbon Black	20%	17%	17%
	Fine Carbon	38%	32%	29%
	Smelting and Lining	4%	9%	12%
	Graphite Electrodes	5%	20%	21%
	Industrial Furnaces	23%	25%	25%
	Other Operations	8%	11%	7%
	Corporate & Other	-	-	-
Total		18%	18%	18%

* Exchange rate assumptions for 2026: JPY153/USD, JPY181/EUR



	2024 (Result)	2025 (Result)	2026 (Plan)
Net sales (Billion yen)	350.1	323.0	346.7
Operating income (Billion yen)	19.4	25.9	26.0
EBITDA (Billion yen)	61.1	58.4	63.7
ROS (Operating income)	6%	8%	7%
ROS (EBITDA)	18%	18%	18%
ROE ¹⁾	(18%)	7%	3%
ROIC (adjusted) ²⁾	7%	6%	5%
ROA ³⁾	(9%)	3%	2%
WACC ⁴⁾	4%	5%	5%
Net D/E ratio	0.34	0.34	0.34
Adjusted net D/E ratio ⁵⁾	0.20	0.21	0.21
Exchange rates	JPY152/USD JPY164/EUR	JPY150/USD JPY169/EUR	JPY153/USD JPY181/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



<Division name>

CB:	Carbon Black
FC:	Fine Carbon
S&L:	Smelting & Lining
GE:	Graphite Electrodes
IF:	Industrial Furnace and related materials

<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

IR contact: Corporate Planning Department TC-IR.new@tokaicarbon.co.jp
