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News Release

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Announcement on the Rolling Format of the Mid-Term Management Plan

Tokai Carbon Group announced a three-year mid-term management plan “T-2023” for the period from 2021 to 2023 on May 11, 2021. In light of changes in the business environment and our business performance, we have formulated T-2024, the new mid-term management plan for the next three years from 2022 to 2024.

1. Background of the Rolling Format

Since the three-year mid-term management plan “T-2021” was disclosed in February 2019, we have adopted a rolling method in which we revise our plans for the next three years on an annual basis so that we can respond flexibly to changes in the management environment. While we delayed the announcement of T-2023, the previous plan, by three months to May 2021 to determine the impact of the spread of COVID-19 and other factors, we are announcing this T-2024 in February as we have done in the past.

Moreover, amid the rapid progress of global decarbonization efforts, we have set a new long-term vision for 2030, which represents how we envision our future and how we will capture growth opportunities, create customers, and make social contributions as we strive to create a sustainable society. To achieve this long-term vision, we will engage in our activities according to the following basic policies of T-2024.

2. 2030 Long-Term Vision

- Vision for 2030
Contribute to a sustainable society through advanced materials and solutions
- Initiatives to achieve the vision
 - i. Establishment of a Sustainability Committee
 - ii. Development of a structure for pursuing carbon neutrality
 - iii. Management of business portfolio
 - iv. Technological innovation
 - v. M&A

3. Mid-Term Management Plan T-2024 Basic Policies

- (1) Returning core businesses to a path of growth
 - i. Improving and stabilizing the profitability of graphite electrodes and carbon black
 - ii. Reflecting equipment investment costs in sales prices
- (2) Optimizing the business portfolio (selection and concentration)
 - i. Continually revising business composition and product composition
 - ii. Increasing production capacity for high value-added products
 - iii. Concentrating investment in promising businesses and product development
- (3) Strengthening the consolidated governance structure
 - i. Pursuing carbon neutral as the entire group
 - ii. Responding to globalization of the head office organization
 - iii. Strengthening the governance structure of subsidiaries in Japan and overseas

3. Quantitative Targets (Consolidated Basis)

	FY 2024 Targets	FY 2021 Results
Net sales	¥356 billion	¥258.8 billion
Operating income	¥57 billion	¥24.6 billion
ROS ^{*1}	16%	10%
EBITDA ^{*2}	¥91 billion	¥54.5 billion

^{*1} ROS: Return On Sales (Operating margin)

^{*2} EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization

(Note) The mid-term management plan is based on information available at the time of developing the plan and assumptions made on uncertain factors which may influence future performance of the company. Actual performance may vary significantly, depending on various future factors.