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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-2024” for the period from 2022 to 2024 on February 9, 2022. In light of changes in the business environment and our business performance, we have formulated T-2025, the new mid-term management plan for the next three years from 2023 to 2025.

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. We are implementing various measures under our long-term vision for 2030, “Contribute to a sustainable society through advanced materials and solutions,” and will continue to engage in our activities according to the following basic policies of T-2025 to achieve this vision.

2. Mid-Term Management Plan T-2025 Basic Policies (following the previous plan, T-2024)

- (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) Establishing a sustainable management base
 - i. Pursuing carbon neutral as the entire group
 - ii. Strengthening initiatives on environmental safety and human rights
 - iii. Improving employee engagement
 - iv. Strengthening the governance structure of subsidiaries in Japan and overseas

3. Quantitative Targets (Consolidated Basis)

	FY 2025 Targets	FY 2022 Results
Net sales	¥484 billion	¥340.4 billion
Operating income	¥69 billion	¥40.6 billion
ROS ^{*1}	14%	12%
EBITDA ^{*2}	¥113 billion	¥75.6 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.