TOYO TANSO
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Medium-Term Management Plan

2026–2030

February 24, 2026

Toyo Tanso Co., Ltd.

1. Medium-Term Management Plan

2026–2030

Targets for the Medium-Term Management Plan (2026–2030)

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	FY2025	FY2026 (forecast)	FY2030 (target)	(Reference) FY2030 (previous MTMP*1)
Net sales	46.1 billion yen	49.0 billion yen	74.0 billion yen	82.0 billion yen
Operating profit	6.7 billion yen	6.2 billion yen	18.0 billion yen	22.0 billion yen
Operating profit ratio	14.6%	12.7%	24%	27%
ROE	5.7%	5.1%	10%	12%

- **Although the recovery in FY2026 is expected to be limited due to the continuing correction in the SiC semiconductor market, sales from next-generation nuclear applications (high-temperature gas-cooled reactors) and expansion in growth markets/applications are expected to contribute to results, leading to a full recovery and return to a growth trajectory from FY2027 onward.**
- **EBITDA*2 of approx. 25.0 billion yen in FY2030 (EBITDA margin of approx. 30%)**

*1 Medium-term Management Plan (2025–2029) announced February 2025
*2 Operating profit ＋depreciation
*3 Exchange rate

FY2025 actual results:	¥149.7/US$	¥169.0/€	¥20.8/RMB
FY2026 forecast, FY2030 target	¥145/US$	¥176/€	¥20.0/ RMB
FY2029 target (previous MTMP)	¥145/US$	¥154/€	¥19.5/ RMB

Medium-Term Management Plan (2026–2030)
Changes from the previous MTMP*

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- Sales and profit forecasts are lower due to more cautious estimates of demand for SiC semiconductor applications and the restructuring of the small carbon brush business implemented in FY2025 to strengthen the business foundation. However, we are maintaining high growth potential by expanding into new growth applications/markets.

- For next-generation nuclear applications (high-temperature gas-cooled reactors), the new plan includes projects with a high probability of order intake.

- For semiconductor applications, we have lowered our outlook for sales of SiC semiconductor applications, but maintain a level of sales through the progressive expansion of Si semiconductor applications, such as single-crystal silicon manufacturing and Si-Epi, as well as device applications. The percentage of net sales from all semiconductor applications will be approximately 50%, on par with the previous MTMP*.

- Operating profit margin is 3 percentage points lower due to the forecast decrease in net sales and a decrease in high-value-added products (such as SiC-coated graphite products). We aim to strengthen our earnings structure by accelerating the shift to high-value-added products.

- We have raised the target dividend payout ratio to 40% to ensure stable and substantial shareholder returns, while also reviewing our capital allocation. This includes carefully selecting capital investments based on the latest market conditions and demand forecasts.

*Medium-term Management Plan (2025–2029) announced February 2025

Outlook for the Semiconductor Market

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Si semiconductor market

- The wafer market is undergoing a prolonged correction, overall, due to inventory adjustments and other factors, despite ongoing strong demand for cutting-edge products for generative AI applications. A gradual recovery is expected from the middle of FY2026.
- Stable growth is forecast in the medium to long term.
  - Special graphite products for electronics applications: Parts for Si wafer manufacturing
  - Compound materials SiC-coated graphite products: Parts for Si epitaxial growth equipment

SiC semiconductor market

- The correction phase in the wafer market is expected to continue through FY2026 due to the impact of factors such as a correction in the EV market and overproduction by Chinese manufacturers.
- Although the market is forecast to recover to some extent in FY2027, we have planned cautiously due to a range of uncertainties, including customer trends and supply chain conditions.
  - Special graphite products for electronics applications: Parts for SiC wafer manufacturing
  - Compound materials SiC-coated graphite products: Parts for SiC epitaxial growth equipment

Net Sales Targets by Product/Application

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- The growth potential of special graphite products is increasing, driven by Si semiconductor applications (single-crystal silicon production, devices, etc.) and next-generation nuclear applications (high-temperature gas-cooled reactors).

(Unit: Yen, billions)	FY2025	FY2026 (forecast)	FY2030 (target)	CAGR 2025→2030	FY2029 (previous MTMP*)	CAGR 2024→2029
Special graphite products	20.3	24.1	39.6	14.3%	40.7	11.2%
Carbon products for general industries (for mechanical applications)	4.2	4.0	4.9	3.3%	4.8	3.6%
Carbon products for general industries (for electrical applications)	4.3	4.4	4.3	–	6.1	4.2%
Compound materials and other products	15.3	15.0	23.2	8.7%	28.0	9.0%
Related goods	1.9	1.2	1.8	(1.7)%	2.2	4.3%
Total	46.1	49.0	74.0	9.9%	82.0	9.1%

*Medium-term Management Plan (2025–2029) announced February 2025

Business Portfolio Management

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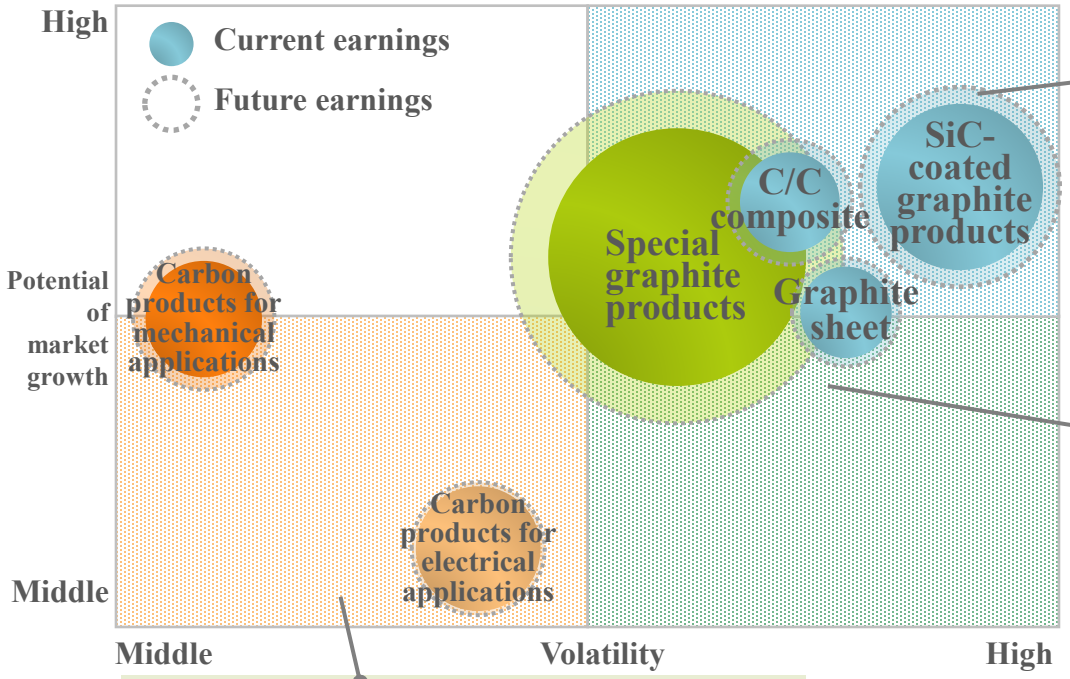
- We will pursue value-added initiatives in all directions and flexible balance control tailored to external conditions.



Growth business

High-growth businesses driving earnings

Differentiated business

Business development focusing on high-value-added domains

Strengthen the development of growth markets/applications

Stable business

Contribute to business stability, with little fluctuation in demand or profitability

Strengthen business stability

Enhance risk resilience to achieve steady growth

Business Portfolio Management: Strategies by Product/Application

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Special graphite products	・Enhance profitability by expanding into high-value-added applications where high quality is demanded (such as advanced semiconductors) ・Expand the development of high-growth applications with potential for new or increased sales (such as semiconductor devices) and next-generation nuclear applications (such as high-temperature gas-cooled reactors) to reduce the volatility of results
Carbon products for general industries (for mechanical applications)	・Aim for growth slightly above the market by strengthening our expansion into overseas markets and developing new growth applications
Compound materials and other products	■SiC-coated graphite products: Leverage our top-class capacity to strengthen order acquisition activities in growth markets. Establish a solid position in the markets for these "core value-added businesses" ■C/C composite products: Progressively expand sales of these high-value-added products for industrial furnace and semiconductor applications ■Graphite sheet products: Aim to enhance profitability by focusing on high-growth applications (such as semiconductors) and reviewing projects

▶▶Strengthen the development of growth markets/applications

We will accelerate our expansion into areas with potential for new or increased sales, such as electronics (semiconductor devices and electronic components), energy (next-generation nuclear, wind, and hydro), aerospace, and healthcare.

Carbon products for general industries (for electrical applications)	・Aim to stabilize the business and improve profitability through stronger expansion into the growing markets for industrial brushes and restructuring of the small brush business

▶▶Strengthen business stability

FY2025, we pushed ahead with downsizing and personnel restructuring in the small carbon brush business. Although the market is shrinking amid a progressive shift to brushless motors, we expect to secure a certain level of profitability and strengthen resource allocation to industrial brushes.

Strategies by Product/Application: Special graphite products

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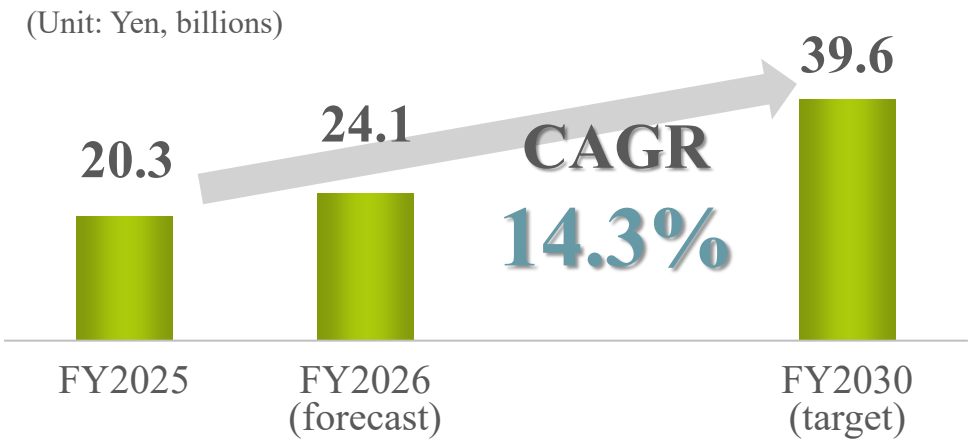

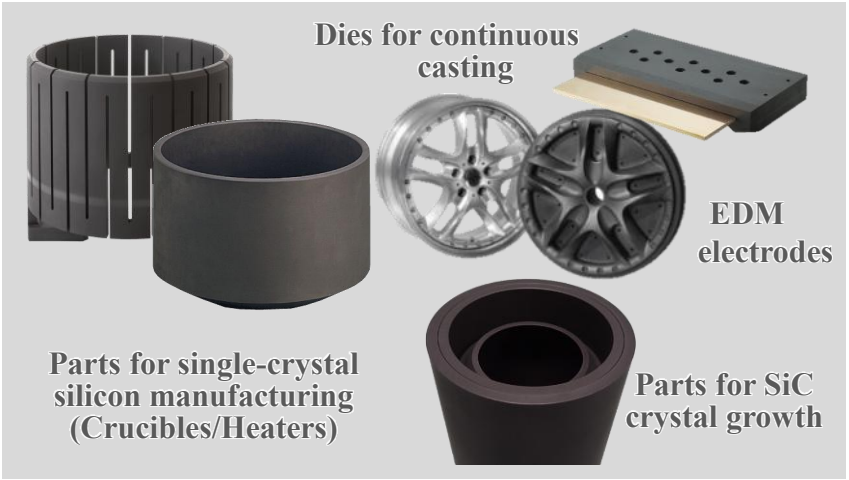

- **Enhance profitability by expanding into high-value-added applications where high quality is demanded (such as advanced semiconductors)**
- **Expand the development of high-growth applications with potential for new or increased sales (such as semiconductor devices) and next-generation nuclear applications (such as high-temperature gas-cooled reactors) to reduce the volatility of results**

Electronics applications

- For Si wafer applications (single-crystal silicon manufacturing applications), we will maintain and expand our market share to exceed market growth.
- For SiC wafers (for compound semiconductor manufacturing applications), we will promote development and sales expansion focused on high-value-added zones.

General industry applications

- Although growth potential is lower than for electronics applications, we will differentiate ourselves from competitors and increase profits through the sale of high-value-added products (material and processing).

Other

- We will increase the sales contribution from growth drivers such as semiconductor devices and next-generation nuclear applications (high-temperature gas-cooled reactors).

Strategies by Product/Application: Carbon Products for General Industries [Carbon Products for Mechanical Applications]

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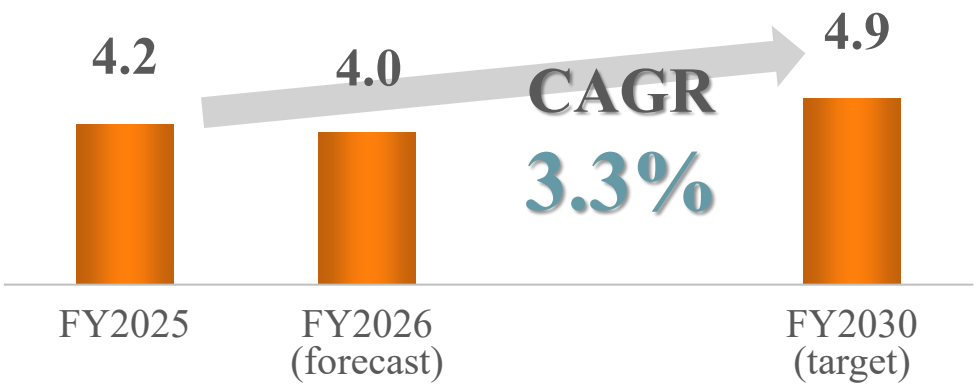
(Unit: Yen, billions)



■ **Aim for growth slightly above the market by strengthening our expansion into overseas markets and developing new growth applications**

- We will strengthen our expansion into the major markets of Europe, North America, and China, based on our area strategy, and aim to diversify our geographical spread.
- We will establish a position in new growth markets (electronics applications).
- We aim to enhance productivity, achieve cost reductions, and improve competitiveness and profitability.

Strategies by Product/Application: Carbon Products for General Industries [Carbon Products for Electrical Applications]

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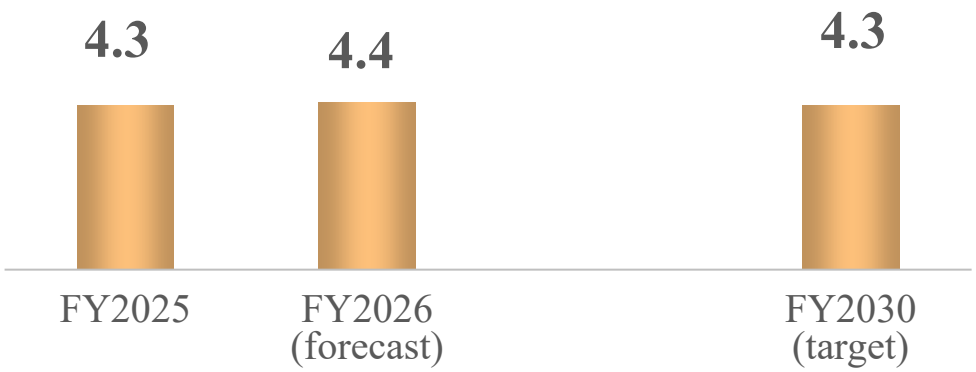
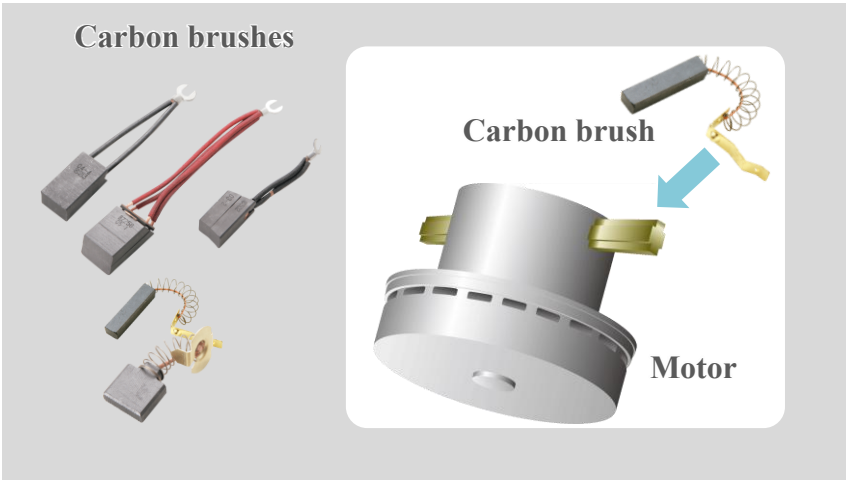
(Unit: Yen, billions)

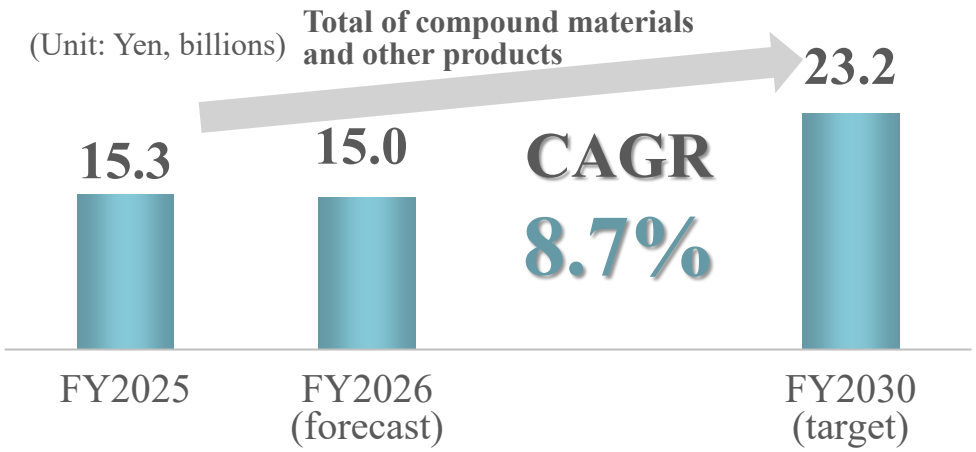


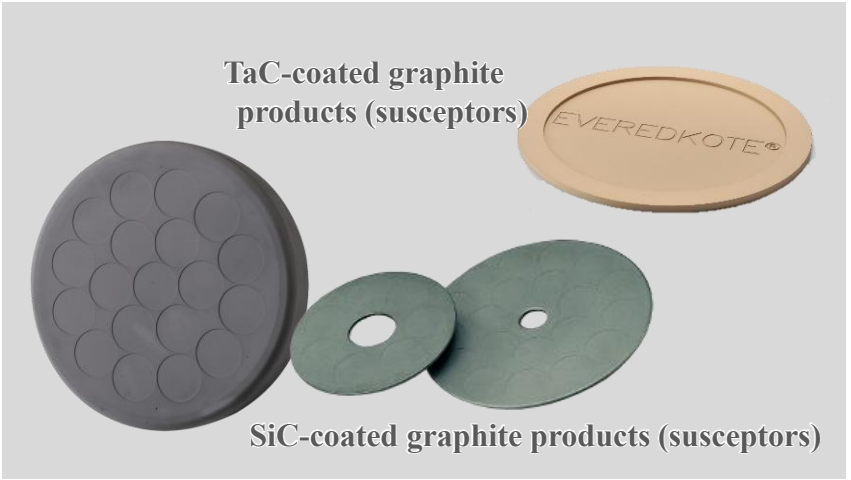


■ Aim to stabilize the business and improve profitability through stronger expansion into the growing markets for industrial brushes and restructuring of the small brush business

- We will shift from small brushes to industrial brushes to improve profitability.
- For high-value-added industrial brushes (for energy applications such as wind and hydro power, railway applications, etc.), we aim to expand sales by leveraging technology solutions to develop new markets.
- For small brushes (for home appliances and power tools), which face a shrinking market due to the accelerating shift to brushless motors, we aim to maintain sales volume while ensuring profitability through price pass-through and cost reductions.

Strategies by Product/Application: Compound Materials and Other Products (SiC-Coated Graphite Products)

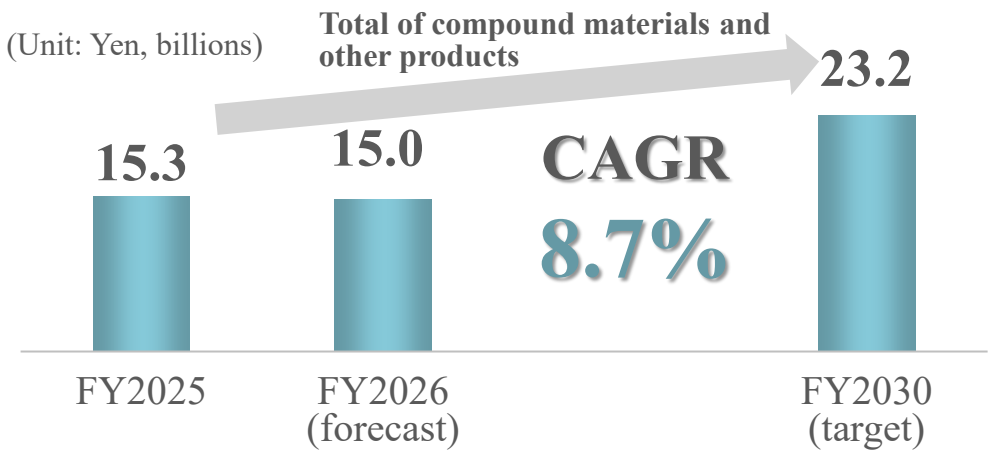


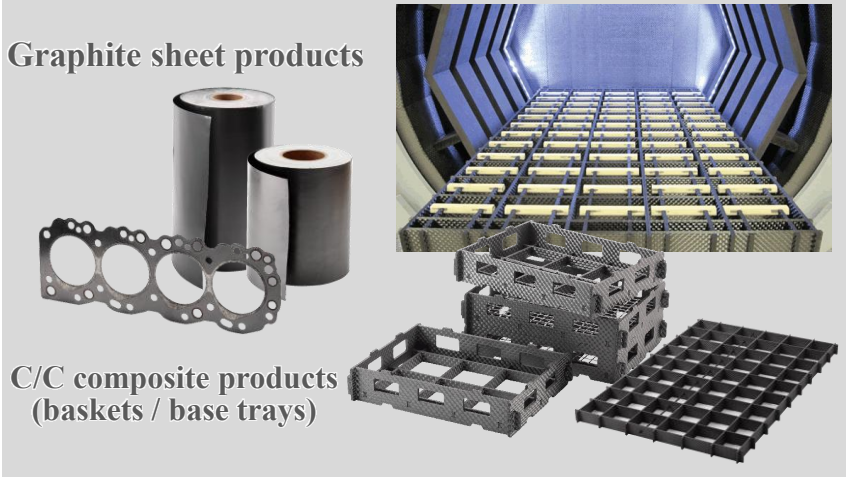


- **Leverage our top-class capacity to strengthen order acquisition activities in growth markets**
- **Establish a solid position in the markets for these "core value-added businesses"**

- Si semiconductor applications are expected to see high growth in susceptors and peripheral materials for epitaxial applications, supported by demand for AI.
- We have been cautious in setting targets for SiC semiconductor applications in light of current market trends, while making preparation for future growth acceleration.
- In addition to Si and SiC semiconductor applications, we are also progressively expanding sales for GaN semiconductor applications (GaN-Epi).

Strategies by Product/Application: Compound Materials and Other Products (C/C Composite Products, Graphite Sheet Products)





■ C/C composite products

■ Progressively expand sales of these high-value-added products for industrial furnace and semiconductor applications

- We expect steady growth for industrial furnace applications due to the trend toward energy-saving and automation in furnaces, while expansion overseas will likewise drive steady growth for semiconductor applications.
- Product development is progressing for new applications (aerospace).

■ Graphite sheet products

■ Aim to enhance profitability by focusing on high-growth applications (such as semiconductors) and reviewing projects

- We aim to improve profitability by expanding sales through value-added proposals combined with other products, such as those for semiconductor, metallurgy, and industrial furnace applications, while improving profitability by boosting low-margin projects.

Capital Investment

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■ **We will carefully select and execute capital investments and capacity expansions to reliably capture demand for focus applications at each stage, from isotropic graphite materials to processing to high-added-value products, as well as for the processing capabilities of our subsidiaries**

Strategic investment 2

Total capital investment
(FY2026–2030)
37.5 billion yen

Fixed investment 1

▶Increasing global production capacity in high-value-added businesses, including semiconductor and next-generation nuclear applications

Strengthen resource allocation to focus applications (semiconductor devices and high-temperature gas-cooled reactors)

▶Strengthening competitiveness in core businesses and differentiated business

Investments in higher purity capabilities have been largely completed in Kagawa, the US, and Europe
The completion of Iwaki in FY2027 will result in a 90% increase in total capacity

Our capital investments in SiC/TaC-coated graphite products will be completed as planned in FY2026

▶Implementing process centralization and automation for labor-saving, process innovation, and energy-saving investments

Promote the introduction of AI and DX

▶**We will separately pursue any M&A opportunities that align with our objectives and purpose**

Capital investment decision policy

- Set a tiered hurdle rate above the cost of capital based on the level of risk
- For projects that meet this standard, make the minimum effective investment, in principle, from the perspective of risk reduction

Policy on Shareholder Returns

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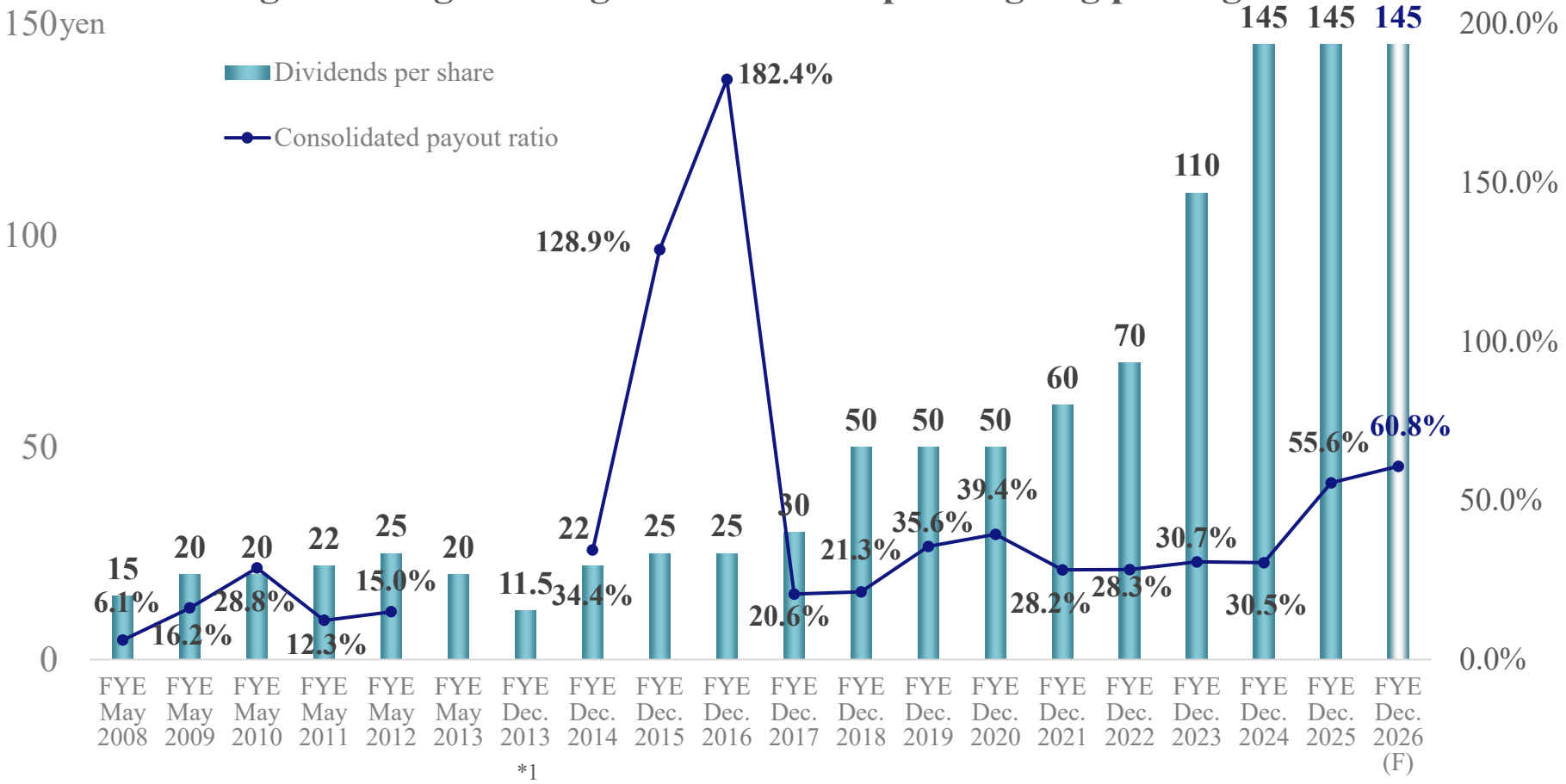
■ **We have raised the target dividend payout ratio to 40% to provide more substantial shareholder returns.**
We will return profits to shareholders in a stable fashion, balanced with capital investment geared to growth against a backdrop of ongoing profit gains.



*1 The final day of the fiscal period was changed from May 31 to December 31 as of the fiscal year ended December 31, 2013. For this reason, the fiscal year was an irregular seven-month fiscal period (nine months for some subsidiaries).
*2 Since profit was negative in the fiscal year ended May 31, 2013 and the fiscal year ended December 31, 2013, information on consolidated payout ratio is excluded here.

Cash Allocation

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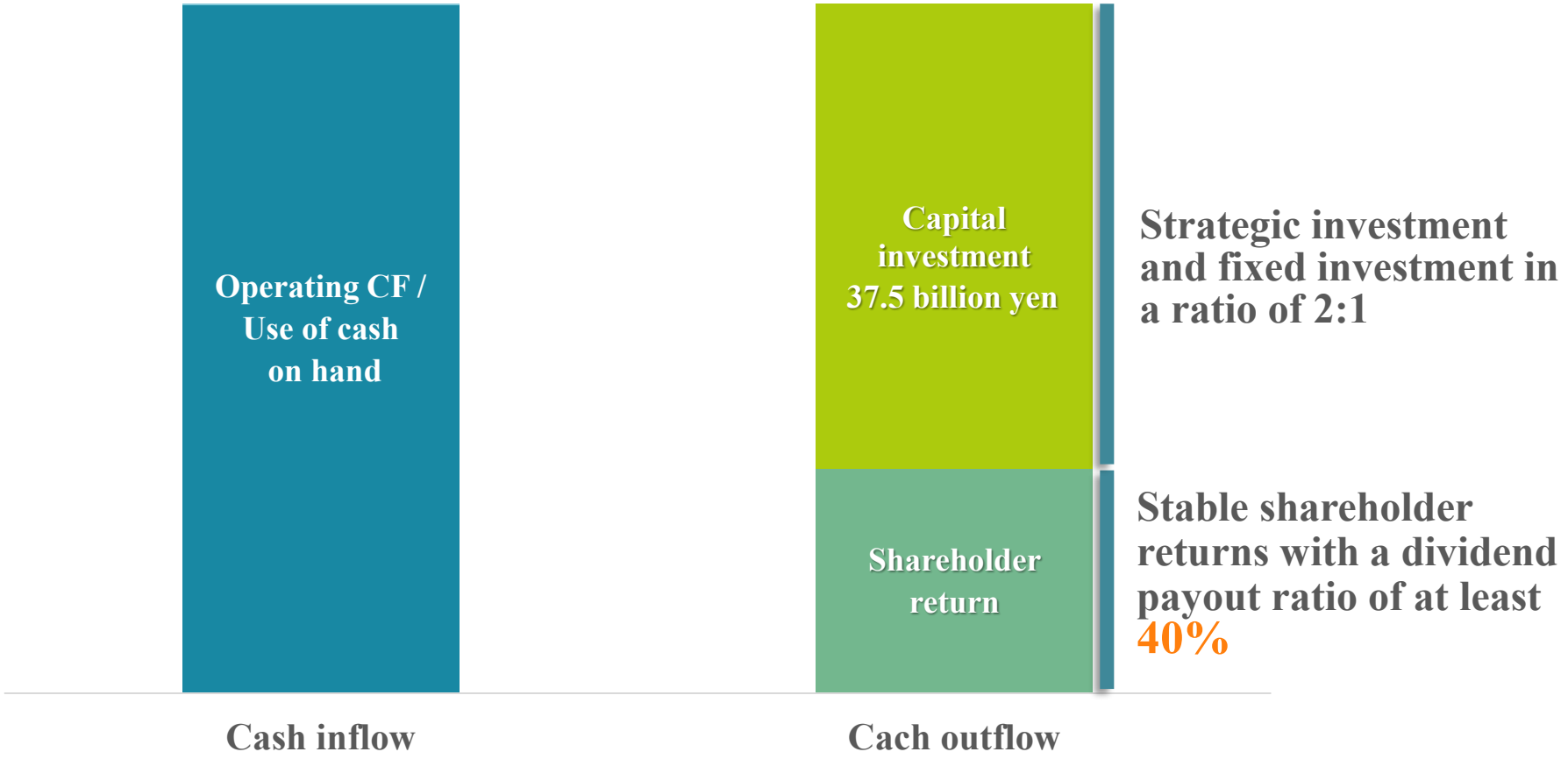
- We will use cash on hand and five years of operating cash flow to implement strategic investments aimed at achieving stable and substantial shareholder returns and business expansion.



- In addition to steady shareholder returns, we aim to use the funds generated from business activities for capital investments to achieve business expansion and profit growth, enhancing capital efficiency.

2. Sustainability

Reduce Greenhouse Gas Emissions, Including Through Energy Saving and Generation

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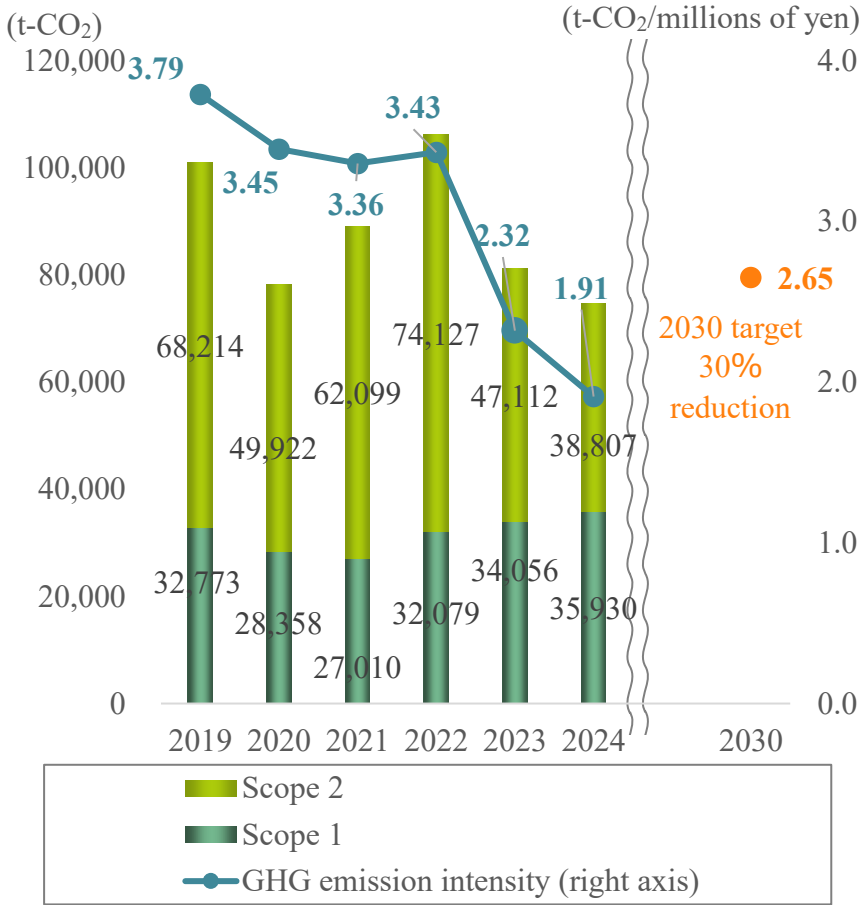
2030 reduction target for greenhouse gas (GHG) emission intensity (non-consolidated)

30%
(vs. 2019)

Trend in GHG emissions (non-consolidated)



Progress on our GHG emissions reduction roadmap

Large = 50% or more Medium = 30% to less than 50% Small = less than 30%
◎ = 100% or more ● = 90% or more ▲ = 80% to less than 90% ×= Less than 80%

Target Indicators	Load factor in 2030 emission reductions	FY2024 actual target achievement level	Examples of measures
(1) Introduction of energy-saving equipment	Small	◎	• Introduction of high-efficiency compressors • Installation of LED lighting
(2) Introduction of energy with low CO_2 emission coefficient	Large	◎	• Purchase and introduction of electricity from renewable energy sources (solar power generation, etc.) • Purchase of electricity from renewable energy sources (J-Credits, etc.)
(3) Switching to baking furnace with smaller energy units	Small	—*1	• Fuel conversion • Furnace renewal
(4) Optimization of furnace operation time	Small	◎	• Promotion of energy conservation • Improvement of existing facilities
(5) Optimization of furnace loading efficiency	Small	Trial operations and evaluations to be conducted in 2025*2	• Improvement of yield • Optimization of furnace loading with AI*2

*1. The "-" in the fiscal year target achievement levels will be implemented sequentially from FY2025 onwards.

Use of Renewable Energy-derived Electricity

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We have signed one of the largest*1 on-site PPAs (Power Purchase Agreements) for a factory in Japan*2
Renewable energy-derived electricity will power our Takuma Division site

Installation site	Land adjacent to Takuma Division site (Kagawa Prefecture)
System details	Solar power generation system for self-consumption (utilizing on-site PPA*3 model)
Annual output	Approx. 26.68 million kWh (power generation capacity: Approx. 20 MW)
Annual CO_2 emission reduction	Approx. 11,258 t-CO_2*4
Planned supply start	June 2027
Supply period	30 years

*1 Based on information regarding factory-oriented on-site solar power self-consumption as of May 26, 2025
*2 Agreement counterparty and PPA operator: TESS Engineering Co., Ltd.
*3 A contractual method in which a power generation operator owns and maintains solar power plants for self-consumption and supplies the electricity generated from those plants to Consumers
*4 Calculated using the alternative emission factor of 0.000422 t-CO_2/kWh for electric utilities

Contribution to Reducing Greenhouse Gas Emissions through Products

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2030 target for percentage of net sales from products that contribute to the environment (consolidated)	35% (FY2025 result: 19.6%)

Field	Related applications and products	Proportion (%) FY2025 result / (FY2024 result)
 Energy saving	・Products for power semiconductors (Si/SiC) ・Products for LEDs (parts for compound semiconductor manufacturing) ・Products for industrial furnaces (C/C composite products)	92 (94)
 Energy generation	・Products for wind power, hydroelectric, and geothermal power generation ・Products for solar power generation ・Products for next-generation nuclear reactors ・Products for nuclear fusion reactors	6 (5)
 Electrification	・Various pump parts for EVs ・Products for fuel cells (CNovel™ catalyst support)	2 (1)

* For some products and applications where the final markets are diversely spread, the proportion of sales attributable to each field of environmental contribution is calculated by multiplying net sales by a proportion of sales predetermined for each application, based on various statistical data.

Business Progress in the Energy Creation Sector: Product Orders for Next-generation Nuclear Applications

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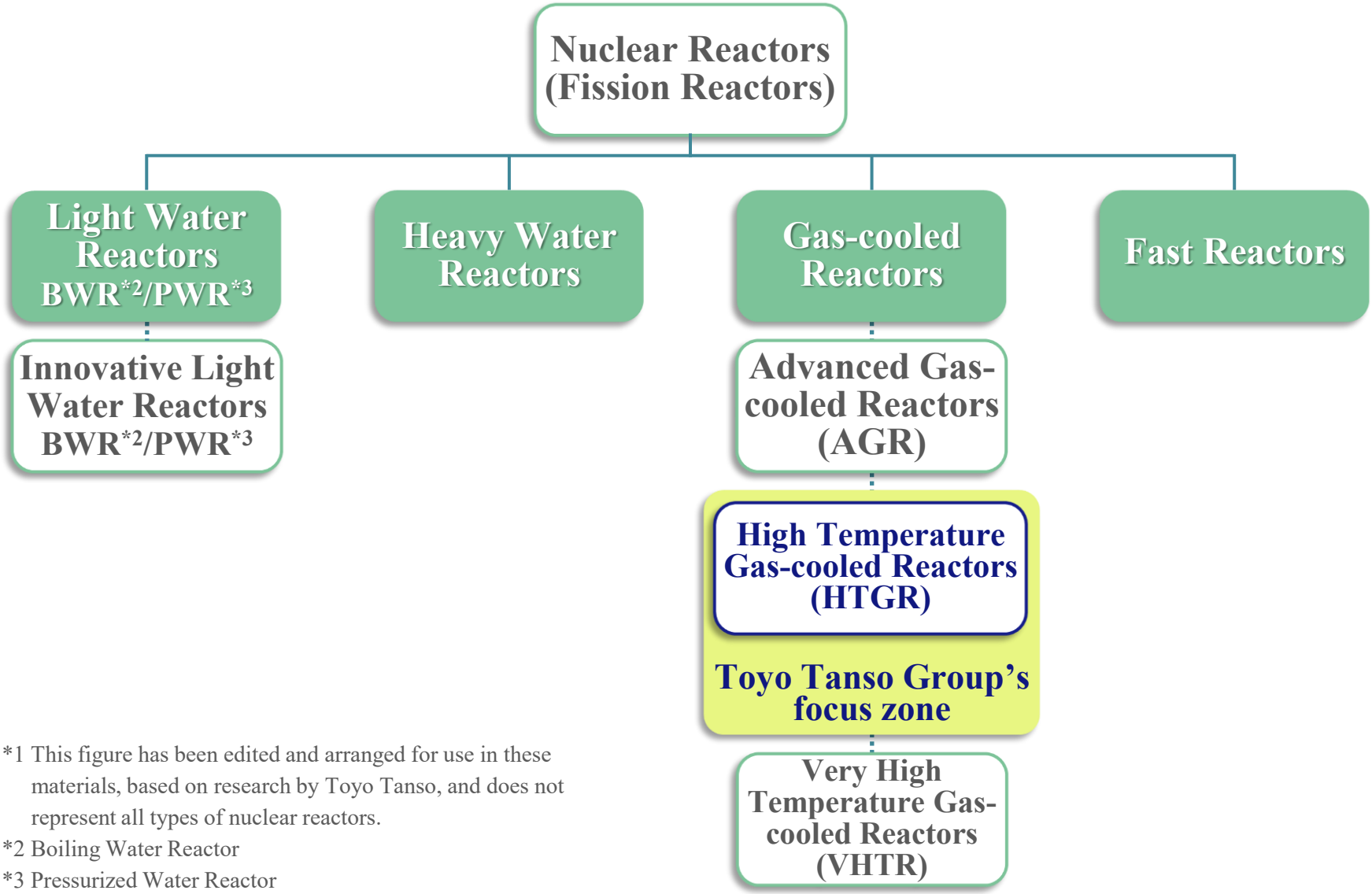
Boosting our contribution to the environment by expanding sales in the energy creation sector

Order Details	Graphite structural components for next-generation nuclear reactors (SMRs and MMRs: high-temperature gas-cooled reactors) (IG-110 isotropic graphite)
Client	**■ Jimmy Energy SAS (France) *1** ▶Planning the industrial deployment of heat-generation modules equipped with High-Temperature Gas-cooled Reactors (HTGRs) as an alternative heat source to gas burners. ▶The project is supported by the French government through government subsidy programs. **■ X Energy Reactor Company, LLC. (US) *2** ▶For Dow Inc.: four units As the first advanced nuclear reactor project for industrial facilities in North America, the project is supported by the U.S. Department of Energy's Advanced Reactor Demonstration Program (ARDP). ▶An advance payment agreement has been concluded toward securing follow-on orders (for Energy Northwest (public power utility in the U.S.): four units).

*1 Please refer "Notice Concerning the Order for Graphite Products for High-Temperature Micro-Nuclear Reactor" published on April 8, 2024.
*2 Please refer "Notice Concerning the Order Received for Graphite Products for High-Temperature Gas-Cooled Reactors by Consolidated Subsidiary" published on November 7, 2025.

Types of Nuclear Reactor



*1 This figure has been edited and arranged for use in these materials, based on research by Toyo Tanso, and does not represent all types of nuclear reactors.
*2 Boiling Water Reactor
*3 Pressurized Water Reactor

Toyo Tanso's Graphite Materials Used in High-Temperature Gas-cooled Reactors

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Features of high-temperature gas-cooled reactors

Several consideration and planning projects for the introduction of these next-generation multipurpose nuclear reactors are underway to meet increasing power demand.

- Using graphite as the moderator and helium gas as the coolant, these reactors feature excellent inherent safety.
- They generate high temperatures (up to 950°C).
- They can be classified into small modular reactors (SMR), micro modular reactors (MMR), etc., based on output.

➤**Applications:** Power generation, heat source for chemical plants and hydrogen production

Strengths of the Toyo Tanso Group

We are the only corporate group with a proven track record in this area, with an accumulation of know-how and irradiation data on graphite materials for high-temperature gas-cooled reactor applications.

- The high reliability of our graphite materials has been demonstrated in long-term joint research with public institutions.
- Our IG-110 isotropic graphite material has been adopted in several test reactors and demonstration reactors.

➤**Track record of adoption:**

Japan	Test reactor (HTTR)
China	Test reactor (HTR-10) , Demonstration reactor (HTR-PM)
France	Commercial reactor (HTR)
United States	Commercial reactor (HTGR)

➤**We have established a dedicated department and are currently responding to multiple inquiries.**

Unique and unparalleled graphite materials

Toyo Tanso's graphite materials feature excellent thermal and mechanical properties, as well as resistance to neutron radiation.

IG-110

- Excellent thermal shock resistance
- High purity
- Irradiation data already collected
- Maintain stable characteristics over long-term use
- Enable the manufacture of large materials
- Only graphite material with a proven track record in operating high-temperature gas-cooled reactors

IG-430

- Excellent thermal shock resistance
- High purity
- High strength
- Irradiation testing completed

Human Resource Management Aimed at Developing Management Talent

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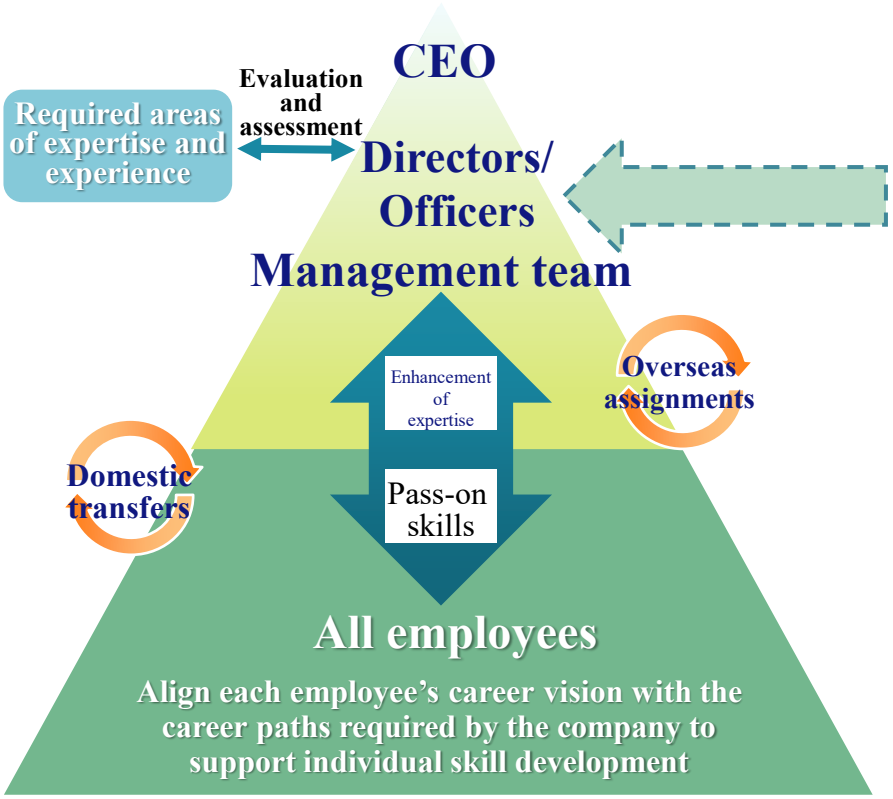
Pursuing a range of initiatives to develop the senior managers of the future



Develop human resources with leadership skills and rich experience and knowledge, regardless of age, gender, or nationality

Establish opportunities for the accumulation and acquisition of knowledge and experience, as well as the refinement of abilities

- Provide employees with opportunities to gain managerial experience at affiliated companies, cultivating the perspective, viewpoint, and mindset of a business leader
- Enable employees, including department manager-level employees, to accumulate diverse work experiences and knowledge through job rotation
- Develop global human resources through overseas assignments
- Develop skills by offering and facilitating level-based and selective training opportunities (next-generation leadership training, etc.)

Human resources development policy

To realize the 2030 Management Vision, we are dedicated to fostering human resources who resonate with our corporate philosophy and equip with strong language proficiency and a global perspective, as well as competencies in communication, leadership, problem-solving abilities, proactiveness, and initiative, in order to achieve our Company Policies of "Become a global company," "For the world, for society," and "Become a strong company."

3. Appendix

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Establishment of the 2030 Management Vision

The vision shows the future of the Toyo Tanso Group, the direction of challenges we will take, and the value we provide to society, to achieve further growth from the core of our founding DNA of “manufacturing completely unique products” and our pioneering spirit.

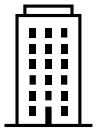
2030 Management Vision

“Creating products with unprecedented potential”
Becoming a leading company through Earth-friendly products and technologies

Company policies

Become a global company

For the world, for society



Become a strong company

Medium-term Management Plan

Trend in Net Sales and Operating Profit

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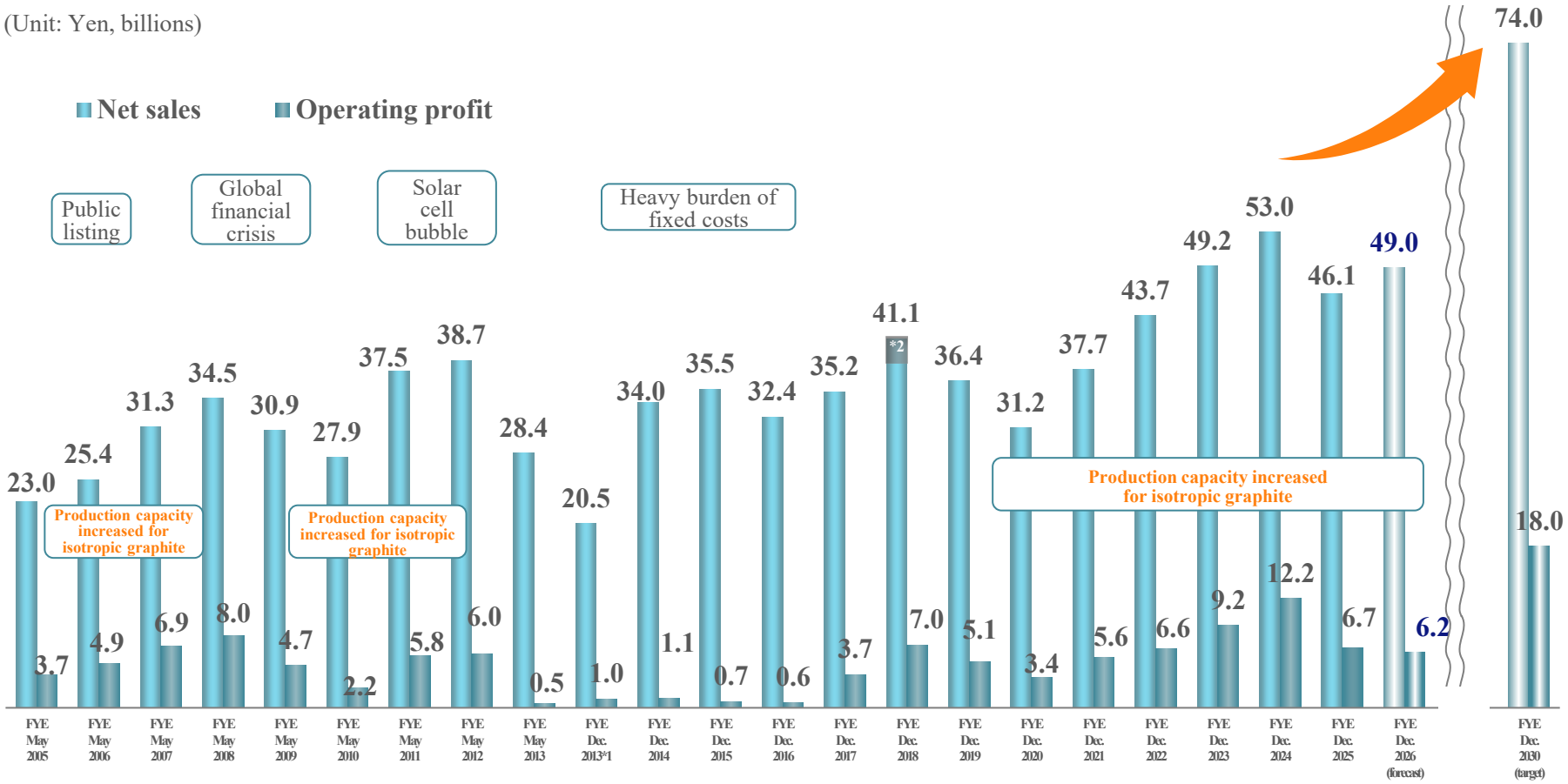
Market growth	Transition stage to maturity stage	Structural Reform	Medium-term Management Plan	Medium-term Management Plan 2026–2030
Progressive emergence of leading applications	Facilities expansion by companies and modulation of the supply–demand balance	Strengthened management	2018–	

(Unit: Yen, billions)



*1 The final day of the fiscal period was changed from May 31 to December 31 as of the fiscal year ended December 31, 2013. For this reason, the fiscal year ended December 31, 2013 was an irregular seven-month fiscal period.
*2 Net sales for FY2018 include 3.2 billion yen in net sales for China's high-temperature reactor-pebble-bed modules (HTR-PM).

Graphite Products Used in the Manufacturing Process of Semiconductor Wafers

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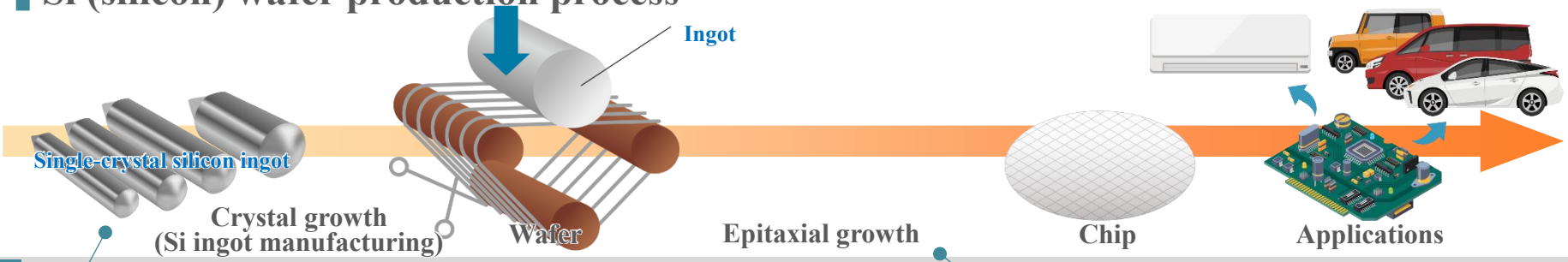
Inspiration for Innovation

Si (silicon) wafer production process



Graphite products used

Parts for single-crystal silicon manufacturing equipment

Special Graphite (Electronics) — Crucibles, heater, jigs

Compound (CC) — Crucibles

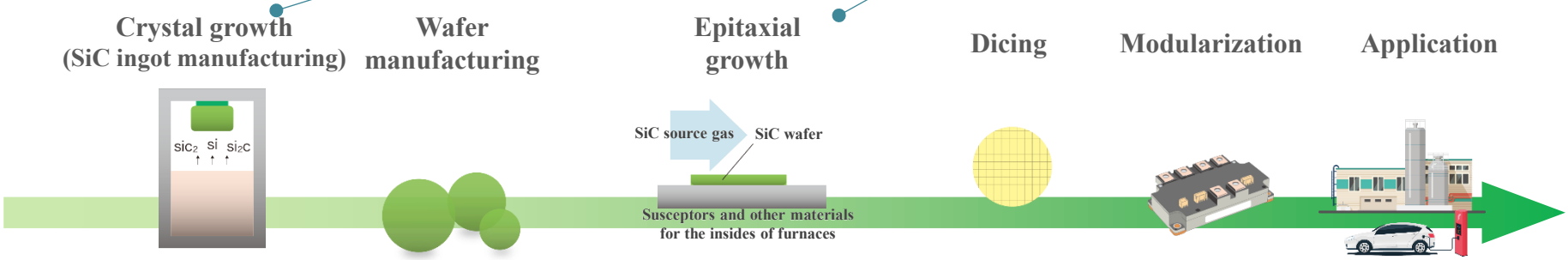
Compound (Sheet) — Protective materials

Parts for SiC crystal manufacturing equipment

Special Graphite (Electronics) — Materials for the insides of furnaces

Parts for epitaxial growth equipment

Compound (SiC-coated) — Susceptors



SiC wafer production process

Toyo Tanso will help seek solutions to social challenges by developing technologies that are closely aligned with its customers.

SUSTAINABLE DEVELOPMENT GOALS

Toyo Tanso aims to help bring about achievement of the Sustainable Development Goals (SDGs).

Electronics

[Semiconductor]
Parts for crystal growth
Parts for wafer processing
[Electronic component]
Jigs for electronic component manufacturing

Energy

[Power generation]
Grounding brushes for power generators
Parts for solar power generation device manufacturing
Core parts for next-generation atomic reactor
[Fuel cells]
Catalyst carriers

Mobility

[Trains]
Pantograph sliders
[Aircraft]
Engine parts manufacturing (electrodes for EDM, jigs for heat processing)
[Automotive]
Carbon brushes for fuel pumps
Gaskets

Social infrastructure

[Communications]
Parts for optical fiber manufacturing
Parts for cable manufacturing
[General industry]
Packing
Sealing ring bearings

Life science

[Medical care]
Target materials for CT devices
Analytical column filler
[Home appliances]
Parts for LED manufacturing
Carbon brushes for cleaners
Parts for compressors

TOYO TANSO

Inspiration for Innovation

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Business forecasts, plans, etc. contained herein are based on information and assumptions of economic conditions, etc. available at the time of writing. Actual business results may vary from forecasts, plans, etc. because of a wide range of factors going forward.

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