Integrated Report 2026

TOYO TANSO

Inspiration for Innovation



2030 Management Vision

“Creating products with unprecedented potential”

Becoming a leading company through Earth-friendly products and technologies



On the publication of the Integrated Report 2026

–Toward sustainable enhancement of corporate value in the medium to long term

We have published the Toyo Tanso Integrated Report 2026 with the aim of comprehensively communicating to all stakeholders the Toyo Tanso Group's contributions to addressing social issues and increasing its corporate value through its businesses.
Under the 2030 Management Vision, "Creating products with unprecedented potential-becoming a leading company through Earth-friendly products and technologies," the Group relentlessly pursues added value by honing its technical expertise and creating products that closely align with customer needs. In this report, in particular, we introduce the Group's initiatives to adapt flexibly to changing times through the unwavering spirit of challenge to "create products with unprecedented potential" and the technological prowess that have driven us since our founding. We hope that this report will help all stakeholders to gain a deeper understanding of the Group.

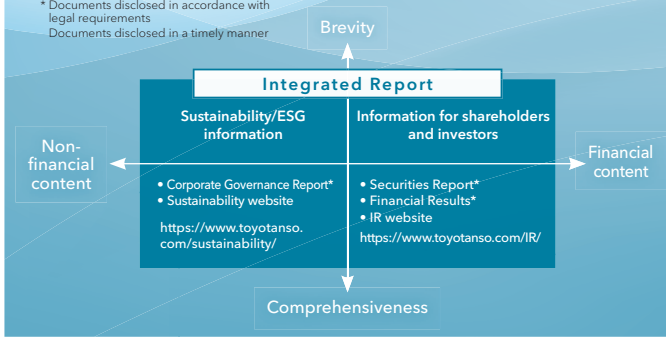
Editorial policy

The Integrated Report 2026 provides a concise summary of the most important aspects of the Group's value-creating operations. More detailed information can be found on Toyo Tanso's sustainability website and on its IR website. In compiling the report, we have drawn on the recommendations of the International Integrated Reporting Council's International Integrated Reporting Framework and on "Guidance for Collaborative Value Creation," a publication of the Ministry of Economy, Trade and Industry.

Environment Social Governance
Guidance for Collaborative Value Creation

Information disclosure structures

* Documents disclosed in accordance with legal requirements
Documents disclosed in a timely manner



Precautionary note concerning forward-looking statements

Forward-looking information contained in this report, for example forecasts of future performance, represent judgments made on the basis of information that was available at the time of their disclosure. Such information by its nature includes numerous sources of uncertainty, and actual performance may vary due to factors including changes in business conditions.

Scope of coverage

The report covers Toyo Tanso Co., Ltd. and its domestic and overseas consolidated subsidiaries.

* Some non-consolidated information pertaining to Toyo Tanso Co., Ltd. alone is provided in notes.

Dates of coverage

FY2025
(January 1, 2025 to December 31, 2025)

* The report also includes some information about activities undertaken during or after January 1, 2026.

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Message from the CEO

Leaping toward sustainable growth through flexible management and high-value-added manufacturing

Naotaka Kondo
Representative Director, Chairman & President, CEO

Management in an era of high uncertainty

Since the COVID-19 pandemic, geopolitical risks and political factors have heightened uncertainty in the business environment, making it exceedingly difficult to forecast market trends. At the same time, rapid technological innovation is spurring new technologies and driving profound shifts in industrial structures. For a company to achieve sustainable growth in such an era, it is essential to respond with agility to immediate changes while steadily laying the groundwork for future growth. By accurately grasping market shifts, advancing our transition toward high-value-added domains, and building a resilient business foundation, we aim to realize sustainable growth over the medium to long term.
To this end, we place the utmost importance on close, attentive communication with our customers and suppliers. In our frontline sales and technical teams, we thoroughly track evolving market conditions and customer needs through continuous daily dialogue. I personally engage with executive leadership at client companies to gain insight into their future outlooks and roadmaps, while communicating tangible progress from our new product development, technology development, and quality enhancements. I consider this two-way dialogue to be an indispensable foundation that not only creates fresh business opportunities but also empowers swift, sound management decisions.
Regarding the market environment surrounding Toyo Tanso, inventory adjustments in the silicon semiconductor market have finally run their course, and we anticipate robust demand expansion over the next several years driven primarily by AI applications. In the SiC semiconductor market, where adjustments currently persist, applications continue to diversify, and we project solid growth over the medium to long term. Furthermore, in next-generation nuclear applications, we are receiving numerous inquiries and actively moving forward with initiatives to secure contracts. While macroeconomic uncertainty persists, we will steadily execute immediate measures to achieve our performance targets for the current fiscal year. At the same time, to return to a firm growth trajectory from 2027 onward, we will reinforce our presence in growth markets and steadily advance initiatives targeted at future expansion.



Growth scenarios of the Medium-Term Management Plan and our target business structure ▶ P. 20

In our Medium-Term Management Plan (2026–2030), formulated on the basis of the latest demand forecasts, we have set management targets of net sales of 74.0 billion yen, operating profit of 18.0 billion yen, an operating margin of 24%, and ROE of 10%. The core of the plan lies in concentrating management resources on high-value-added domains within growth markets and applications that demand stringent quality standards and present formidable technical hurdles. By focusing on these very areas, Toyo Tanso has consistently established a highly differentiated competitive position. Moving forward, we will continue honing our technical capabilities and steadily shifting toward high-value-added sectors, thereby delivering profit growth that outpaces top-line revenue expansion and evolving into a business structure that combines profitability with stability.
The principal growth drivers in the plan are silicon semiconductor applications and



next-generation nuclear applications. Both are markets where we can fully leverage the technological prowess and proprietary know-how accumulated over decades, and we intend to expand our presence in domains where it is recognized that “only Toyo Tanso can deliver.” In next-generation nuclear applications in particular, we will leverage our strengths as a carbon manufacturer with a proven track record of supplying products to multiple projects in the industry and steadily advance commercialization efforts. In addition, we will capture demand across growth markets by expanding applications for EDM electrodes into sectors such as aerospace and LNG-fired and thermal power generation. On the development front, to accelerate our expansion into sectors such as semiconductors, energy, and aerospace, we will drive product development across isotropic graphite, SiC-coated graphite products, and C/C composite products. Regarding SiC semiconductor applications, while factoring in a moderate recovery based on current market conditions and customer trends, we maintain a prudent approach in our demand projections.
Alongside pursuing growth, enhancing business stability is equally vital. The goal of our business portfolio strategy is to build an earnings structure resilient to market volatility and to control the balance of our operations in response to external shifts. By segment, while positioning special graphite products and compound materials as our growth foundation, we will enhance stability within carbon products for general industries. In FY2025, we decisively carried out business restructuring for carbon brushes for small motor applications within carbon products for general industries. While the market for small motor carbon brushes continues to contract due to the accelerating transition to brushless motors, industrial brushes utilized in wind power, hydroelectric power, and railways continue to enjoy stable demand and comparatively favorable profitability. Although taking decisive action to shore up our founding business was a painful decision, shifting from small motor brushes to industrial brushes and redirecting management resources toward future growth domains was a necessary step to transition toward a stronger business foundation.
To execute these strategies, we have budgeted total capital investment of 37.5 billion yen over the plan period. This restrained level compared to the previous plan reflects the substantial progress already achieved in our major capital projects, as well as our rigorous screening of investment initiatives in accordance with updated demand forecasts. Our investment focus will center on capacity expansion and productivity enhancements in high-growth, high-value-added sectors such as semiconductors and next-generation nuclear applications. On the manufacturing floor, we are also advancing operational improvements leveraging automation and AI. For instance, introducing automation into labor-intensive quality inspection processes has curtailed waste and driven tangible gains in productivity. Translating these improvements into tangible results demands continuous thinking and persistent follow-through.

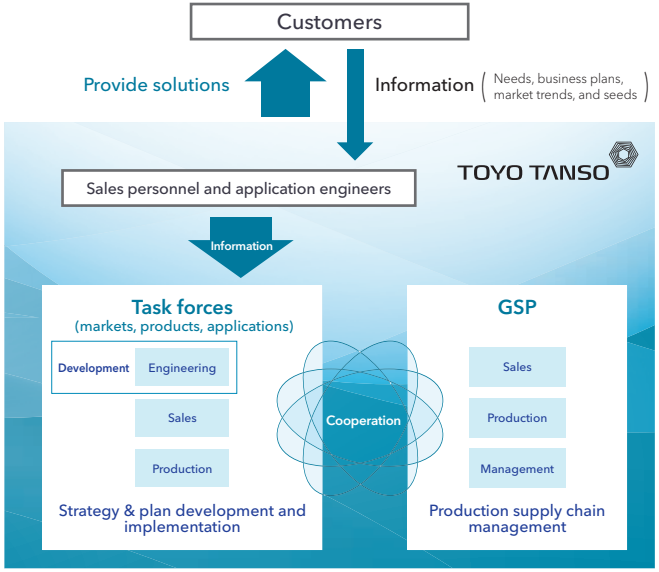
An execution framework for achieving growth

The Global Business Strategy Department plays a pivotal role in executing the growth strategies outlined in the Medium-Term Management Plan. The department organizes task forces dedicated to specific markets, products, and applications—comprising members from

engineering, sales, and production—which conduct research into supply chains, demand trends, and technological developments to drive everything from strategy formulation to planning and execution. The role of this organization is to capture market shifts directly from frontline perspectives and translate strategy into concrete action.

Furthermore, our affiliate companies serve as an indispensable foundation for executing our strategies. To ensure that each site steadily executes the actions determined by the task forces and elevates operational quality, we have appointed category leaders for each operational function. By providing cross-functional management and support across production, machining, quality assurance, development, sales, and procurement, as well as legal affairs, accounting, human resources, and IT, we are advancing management sophistication across all affiliates. These activities are overseen by the Global Business Promotion Department.

In addition, the Global Supply Chain Promotion Department (GSP) tracks production capacity at each site, underpinning the maintenance of stable operating rates and optimized production across the Group. Based on the sales and production plans in the Medium-Term Management Plan, the GSP also evaluates the necessity and appropriateness of major capital investment projects and formulates sound capital investment plans. By linking these functions in close coordination, we will steadily advance our growth strategies.



Technology development for future growth and basic research with a long-term perspective ▶ P. 15

In 2025, we established the Advanced Technology Division to strengthen our technology development framework. The aim is to consolidate engineers who were previously dispersed across production, processing, and development into a single organization, fostering organic collaboration. Furthermore, through flexible personnel rotations, we will increase opportunities for engineers to engage with unfamiliar products and technologies, stimulating the creation of new ideas.

Development themes within the Advanced Technology Division primarily center on materials, products, and manufacturing technologies. For example, we are working to shorten production processes to curtail energy costs, utilizing pilot plants to explore optimal manufacturing methods. I encourage our engineers by saying, “Even failures are valuable assets, so take on challenges without fear.” A company cannot survive by standing still. We take on new manufacturing challenges in parallel with our daily operations, and as those achievements gain market recognition, we set our sights even higher. I firmly believe that this mindset serves as the driving force that will generate our next phase of growth.

At our primary basic research facility, the Kondo Teruhisa Memorial Advanced Carbon Technology Center, we have deployed industry-leading measurement and analytical instrumentation, where researchers across diverse fields pursue a wide array of research themes. What we value most here is the creation of products and materials that have never existed before. In recent years, we have deepened collaboration with research institutes and universities, advancing joint research projects with academia. We have also conducted R&D on

material recycling that was selected as a research program by the New Energy and Industrial Technology Development Organization (NEDO). Furthermore, in 2026, Toyo Tanso will co-host the 26th International Nuclear Graphite Specialists Meeting (INGSM-26), an international conference on nuclear graphite, in partnership with the Japan Atomic Energy Agency (JAEA). Inaugurated in 2000 and held across major countries worldwide, this conference brings together leading experts, researchers, and industrial stakeholders from around the globe to present and debate research findings on nuclear graphite technologies. We will continue to proactively allocate resources toward such future-shaping themes.

Non-financial foundations supporting sustainable growth

▶ P. 33 ▶ P. 34 ▶ P. 38

In sustaining corporate growth, sustainability initiatives linked directly to business operations are indispensable. On the environmental front, we have established greenhouse gas (GHG) emission reduction targets for production activities, and as part of initiatives toward their achievement, we plan to implement an on-site power purchase agreement (PPA)*1 in 2027 that will cover a significant portion of power demand at the Takuma Division. We believe this will accelerate our efforts toward achieving our 2030 reduction targets. Moreover, carbon products are utilized as functional components and manufacturing materials in sectors that contribute to reducing GHG emissions, such as electric vehicles (EVs) and energy fields. While our current contribution is heavily concentrated in the “energy-saving” domain, centered on power semiconductors, going forward, we also intend to expand our contribution to “energy-creating” domains targeted in our Medium-Term Management Plan, such as wind power, hydroelectric power, and next-generation nuclear generation. As a manufacturing company, we will continue contributing to resolving environmental challenges through our production, sales, and development activities.

Furthermore, regarding our human resources and organization, which serve as vital foundations, we are dedicated to fostering talent capable of thriving globally, rooted in the conviction that corporate growth stems from employee growth. Through overseas assignments

Developing future executive leadership through diverse initiatives



and executive candidate development programs, we promote cross-cultural personnel exchange and language proficiency enhancement while encouraging employees to broaden their perspectives by taking on positions of responsibility abroad. To foster a corporate culture where employees work with a sense of purpose and pride, we place great value on carefully listening to frontline voices while actively communicating what the Company is seeking to achieve and where we are heading in the future. In our in-house newsletter, I publish a monthly CEO message covering management policies, market outlooks, and insights from client meetings, conveying the Company’s vision and strategic direction. Monitors installed at each plant also share daily progress updates on initiatives and communications from plant managers, and we are expanding these engagement practices to our overseas affiliates as well.

*1. A contract model under which a power generation operator owns and maintains an on-site, self-consumption solar power facility and supplies the electricity generated directly to the consumer.

Shareholder returns and enhancing corporate value ▶ P. 21

In 2026, to enhance shareholder returns, we raised our benchmark dividend payout ratio from more than 30% to more than 40%. Returning profits to our shareholders is a key management priority, and we will continue to implement stable shareholder returns. At the same time, we will allocate funds on hand and profits generated from business activities appropriately toward growth investments. Expanding our business and achieving profit growth by investing in high-value-added domains will, in turn, generate the resources needed to further enhance shareholder returns. We also aim to achieve our management target of 10% ROE through profit growth and enhanced capital efficiency.

In enhancing corporate value, it is essential that we clearly communicate to all stakeholders what the Toyo Tanso Group aims to achieve and how we will grow through our Medium-Term Management Plan. Toyo Tanso will enhance corporate value over the medium to long term through profit growth driven by our shift to high-value-added domains, the establishment of a resilient business foundation, and disciplined capital allocation that balances enhanced shareholder returns with strategic investments for growth. Our stock price also serves as an important metric reflecting the market's evaluation of our corporate value. To ensure our corporate value is fairly evaluated by the market, we will clearly and continuously communicate our growth story, capital policies, and forward-looking initiatives, thereby deepening constructive dialogue with investors.

In closing

Guided by our management vision, "Creating products with unprecedented potential—becoming a leading company through Earth-friendly products and technologies," we continue to manufacture carbon products that are indispensable to global industry. Even amid a rapidly shifting business environment, we will accurately gauge market dynamics and make steady strides toward growth through flexible management and high-value-added manufacturing. We will execute the initiatives outlined in our Medium-Term Management Plan step by step, driving sustainable growth and the enhancement of corporate value. We invite all stakeholders to look forward to the continued growth of the Toyo Tanso Group.



01

section

Toyo Tanso's value creation story



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Business domains

Since its founding, the Toyo Tanso Group has expanded its operations into a wide range of businesses, including electronics, energy, mobility, social infrastructure, and life sciences. As we have journeyed together with customers, our technologies have encountered numerous needs, giving rise to new products and expanding our reach across the world.
Having been created in this manner, our product portfolio is contributing to the resolution of social issues from a variety of perspectives, including saving energy, creating energy, and electrifying automobiles.
Going forward, the Toyo Tanso Group will continue to focus on creating products with unprecedented potential and embracing the challenges of new domains while valuing our partnerships with customers.



Electronics

Semiconductors	Components for crystal growth Components for wafer manufacturing
Electronic components	Jigs for electronic component manufacturing



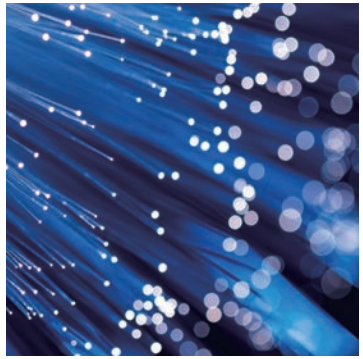
Energy

Power generation	Grounding carbon brushes for power generators Components for solar power generation device manufacturing Components for next-generation nuclear reactor structures
Fuel cells	Catalyst support



Mobility

Railway	Contact strips for pantograph Carbon brushes for railways
Aerospace	Engine parts manufacturing materials (Electrodes for EDM, jigs for heat treatment)
Automobiles and ships	Parts for various types of pumps Gaskets



Social infrastructure

Telecommunications	Components for manufacturing optical fiber Components for manufacturing cables
General industry	Packings Seal rings and bearings



Life science

Healthcare	CT machine target materials Analysis column fillers
Home appliances	Components for manufacturing LED Carbon brushes for small motor applications Components for compressors

At a glance

The foundation of the Toyo Tanso Group's "local production for local consumption" business model, aligned closely with customers, is our production and supply system. By consolidating carbon material manufacturing in domestic plants and conducting localized processing at respective domestic and overseas facilities, we enhance economies of scale and cost competitiveness, realize consistent quality, and accurately reflect customer needs in our products.

Customers

Approx. **3,700** companies

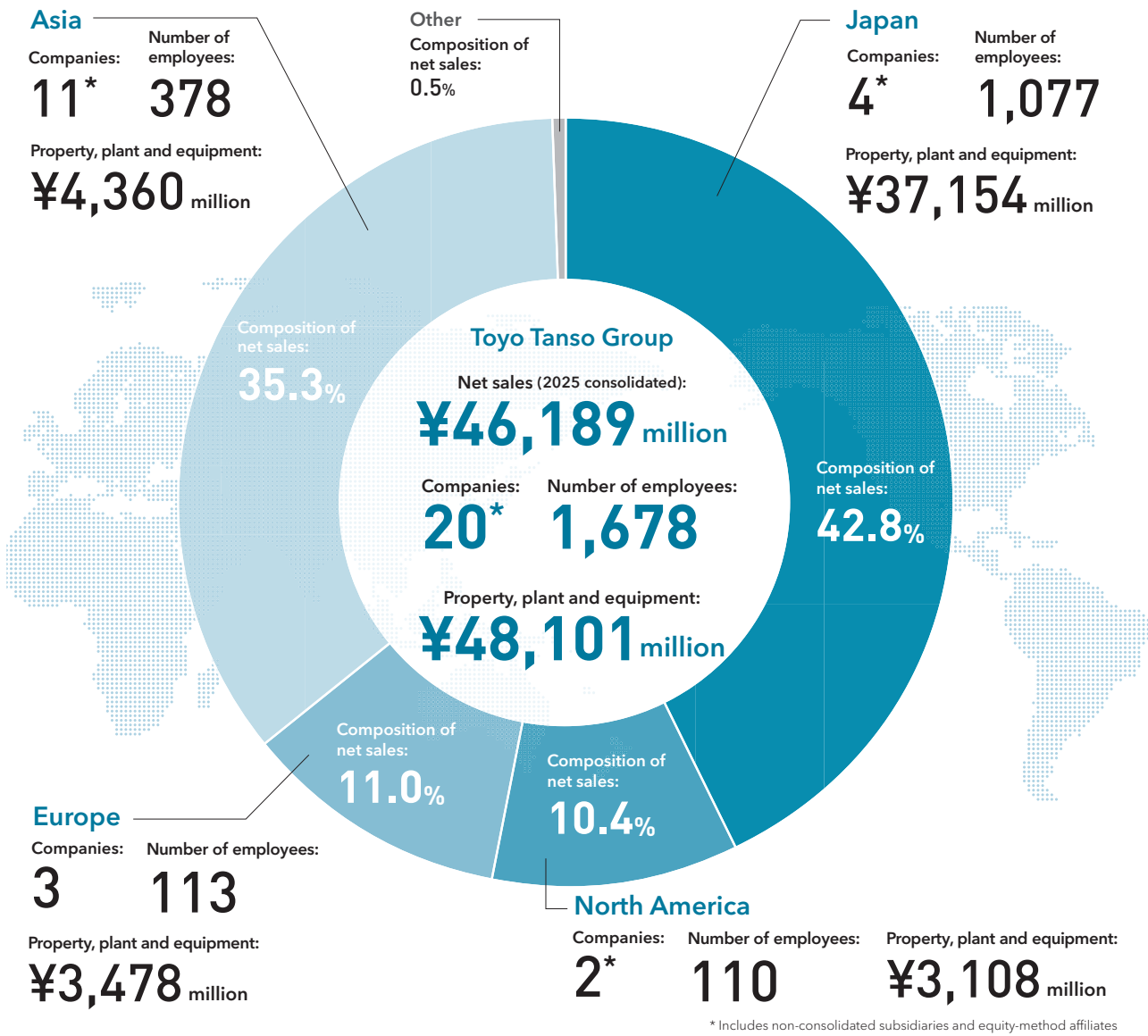
Share * Estimate by Toyo Tanso

Graphite materials for single-crystal silicon manufacturing applications

Global **No. 1**

Graphite materials for silicon/ SiC epitaxial growth equipment

Global **No. 1**



* Includes non-consolidated subsidiaries and equity-method affiliates

Value creation process

A variety of issues, including increasingly serious environmental issues and a shrinking, aging population, are giving rise to a transformation in society and industry. The shift to a circular economy and digitalization are examples of innovations inspired by these issues, indicating that we stand on the verge of an era of significant change. Seeing these changes in the external environment as an opportunity, the Toyo Tanso Group aims to further increase its corporate value by thoroughly pursuing added value using its abundant management resources and the unique strengths of the Group and contributing to solving social issues.

Toyo Tanso Group
2030
Management Vision

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

Extensive pursuit of added value

INPUT
(FY2025 results)

Financial capital
- Total assets: ¥117.9 billion
- Cash flows from operating activities: ¥6.0 billion

Manufacturing capital
- Production sites: 8 domestic plants / 13 overseas plants

Human capital
- Consolidated employees: 1,678
- Of which, sales persons: 181
- Of which, engineers*: ▶ P. 16 198

Intellectual capital
- R&D expenses: ¥1.2 billion

Social capital
- Customers: Approx. 3,700 companies
- Direct sales ratio: 90% or more



Governance ▶ P. 51

We promote comprehensive management and functional advancement through category leaders appointed for each operational function (processing technology, quality assurance, development, production, sales, procurement, legal affairs, accounting, human resources, information systems, etc.)

OUTPUT ▶ P. 20
(Medium-Term Management Plan targets for FY2030)

- Net sales: ¥74.0 billion
- Operating profit: ¥18.0 billion
- Operating profit margin: 24%
- ROE: 10%
- CAGR: 9.9%

OUTCOME

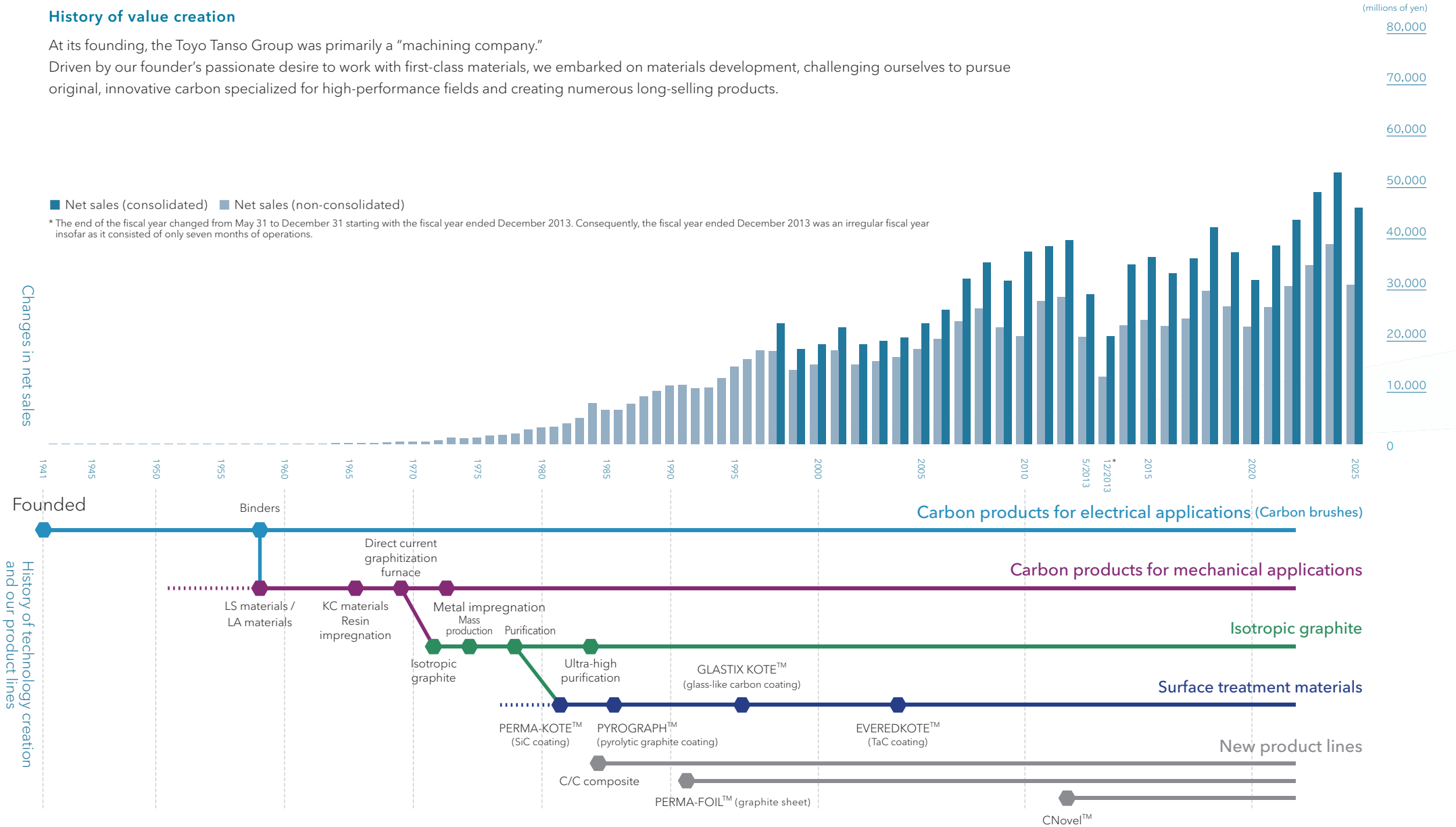
- Realizing industrial development and a rich, satisfying society
- Helping realize a recycling-based society ▶ P. 18
- Reducing greenhouse gas (GHG) emissions
  - 2030 GHG Emissions Intensity Target (compared to 2019) 30% reduction (non-consolidated) ▶ P. 32
- Realizing diversity & inclusion ▶ P. 39

* The number of employees engaged in work related to "engineering," including research and development personnel, production department engineers, and application engineers

Background of value creation

History of value creation

At its founding, the Toyo Tanso Group was primarily a "machining company."
Driven by our founder's passionate desire to work with first-class materials, we embarked on materials development, challenging ourselves to pursue original, innovative carbon specialized for high-performance fields and creating numerous long-selling products.



Vision for technology development leading into the future

For the Toyo Tanso Group, technology is an essential foundation for value creation, and our vision for technology development looks far beyond the timeframe of our Medium-Term Management Plan.
Accordingly, we are promoting technology development aligned with distinct time horizons, including product development that contributes to business in the near term, materials development expected to deliver medium- to long-term business contributions, and R&D that contributes to a sustainable society.
A pioneering spirit passed down since our founding and technological capabilities that have created a diverse lineup of products–
It is precisely because we possess these core strengths that we believe we can continue "creating products with unprecedented potential."

(millions of yen)
80,000
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0

2026

- **Net sales (consolidated):** ¥49.0 billion (forecast)
- **Operating profit (consolidated):** ¥6.2 billion (forecast)

Medium-Term Management Plan

Realizing customer needs and planting seeds for the future



- Quality improvement of core materials and products
- Strengthening cost competitiveness by improving productivity through process refinements
- Immediate responsiveness to market needs and wants

2030

- **Net sales (consolidated):** ¥74.0 billion (target)
- **Operating profit (consolidated):** ¥18.0 billion (target)

Long-term vision

Pioneering entry into new markets

Materials development and evaluation at the practical implementation level

Example: Lithium-air battery devices (Joint research with NIMS*1)

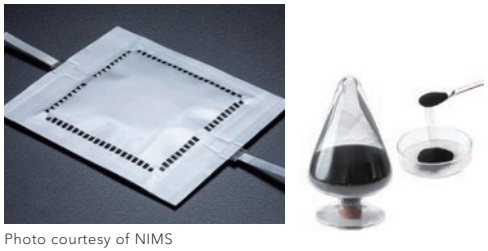


Photo courtesy of NIMS

- Development of carbon materials for new energy devices
- Contributing to market formation for new carbon-ceramic composite materials

*1. National Institute for Materials Science

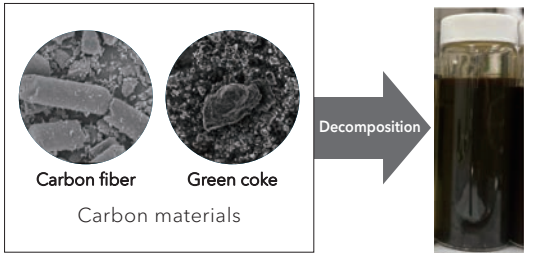
2040

Future concepts

Maturation and implementation of environmental technologies in a sustainable society

Raw material design research

Example: Research into the transition to non-fossil raw materials / external collaboration toward realizing a circular economy (joint research with Gifu University, Kyoto Institute of Technology, and Kyushu University, as well as NEDO*2 projects)



Recycled into carbon raw materials

- Designing new raw materials based on fundamental raw material research
- Establishing technologies for stable procurement that contribute to economic security
- Creating new carbon and expanding environmental technologies

*2. New Energy and Industrial Technology Development Organization

2050

Pursuing product development and manufacturing technologies to resolve social issues and customer needs

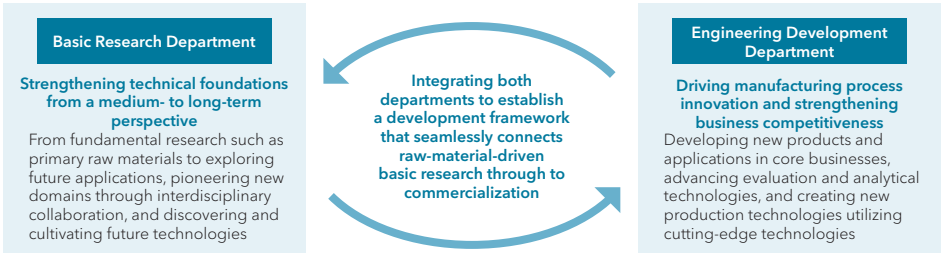
Under our long-term technology development vision, the Toyo Tanso Group systematically drives technology development based on strategy. These initiatives are deeply connected to our material issues: "developing new products and improving services in partnership with stakeholders" and "developing products and improving manufacturing processes to help realize a circular economy."

Basic policy on technological strategy

Centered on the intangible asset of carbon manufacturing know-how accumulated since our founding, the Toyo Tanso Group strives to maximize technological value within an ecosystem forged through strategic open innovation. This signifies a transition away from vertically integrated R&D, where everything is handled internally, to horizontal, networked R&D that collaborates with the optimal experts for each specific theme. In an unpredictable era, we believe it is vital to advance technological exploration and practical application at a pace unachievable in isolation while building a flexible and scalable R&D foundation that incorporates external expertise. Furthermore, our intellectual property strategy pursues "selection and concentration." By establishing an optimal balance between "domains to be protected by patents," narrowed down based on market potential and customer relationships, and manufacturing know-how accumulated on the frontline, we aim to streamline our patent portfolio while maximizing value per patent. Moreover, to keep pace with the increasingly sophisticated requirements of customers in cutting-edge applications, we will continuously reinforce our foundational and elemental technologies, expanding into new application domains for carbon materials. Many of these technologies consist of process parameters and design know-how that cannot be fully evaluated by patent counts alone; we position the manufacturing know-how systematically accumulated and shared across our organization as the crucial foundation underpinning the Toyo Tanso Group's competitive advantage and development speed.

R&D framework

In April 2025, we established the Advanced Technology Division. The aim is to integrate engineering-related departments that were previously dispersed by function, organically and seamlessly linking customer needs with materials development, product development, and production engineering. Furthermore, by establishing an R&D framework where the Advanced Technology Division and the Basic Research Department collaborate to promote research activities in an integrated framework, we will realize value creation through technological convergence and achieve dramatic acceleration in development speed.



Alongside the integration of technical departments, newly establishing an Application Engineering Department responsible for customer-centric technologies

By working in close proximity to customer facilities, our engineers swiftly identify their needs. By translating these insights into development themes and product specifications, we drive issue-oriented development. Our engineers deepen their understanding of customer manufacturing processes, equipment, and applicable standards and connect these insights with our proprietary material/process technologies to provide end-to-end technical support from initial customer proposals to mass production launch.

Human capital supporting technological strategy

The technological strategy of the Toyo Tanso Group is supported by the carbon technologies cultivated over many years and the engineers who drive them. We position personnel engaged in technology-related operations—including R&D researchers, production department engineers, and application engineers—as vital human capital.

Our engineers create new value and ensure the transfer and advancement of technical know-how, starting from customer and societal challenges. From developing materials, products, and manufacturing technologies to improving manufacturing operations and pioneering new markets, they play a central role in sustaining the Group's competitiveness.

Guided by the conviction that engineers' growth is the wellspring of sustainable competitiveness, we provide diverse experiences and learning opportunities to enhance technical capabilities and ability to create value. Going forward, through the growth and ambitious endeavors of each individual engineer, we will accelerate the distinctive value creation of the Toyo Tanso Group, resolving social issues and achieving sustained enhancement of corporate value.

Development management

To achieve both quality and efficiency in product and merchandise development, Toyo Tanso manages development using a stage-gate process. By dividing development into multiple stages and evaluating technical feasibility, commercial viability, and environmental impact from multifaceted angles at each gate, we optimize investments and mitigate risks. This visualizes development progress and enables rigorous assessment of high-uncertainty themes.
Recently, as a preliminary stage prior to review under this stage-gate process, we established a new mechanism to reliably translate customer needs into development themes. Needs and ideas gathered from the market and customers are centralized and shared among sales, engineering, and business strategy departments. These are screened based on initial criteria such as specifications, cost, timeline, and business scale to select development themes. This has unified theme selection criteria and prevented customer needs from being overlooked. Moreover, by selecting and creating themes in line with our business strategies and transitioning them to the stage-gate system, we reinforce development rooted in customer needs while combining speed with certainty, achieving development management fully aligned with our business strategies.

Promoting rapid and agile development

To accelerate development speed, we are advancing diverse initiatives under the slogan of "Speed and Challenge." Structurally, integrating our engineering departments has expedited decision-making, enabling us to shorten development lead times from theme selection through prototyping, evaluation, and mass-production feasibility studies.
Under this framework, in close coordination with sales and manufacturing departments, we promote an agile development cycle of "test fast, learn fast, improve fast" to respond swiftly to rapidly shifting markets. Agile development involves rapidly giving shape to customer needs by iterating small improvements based on continuous client feedback. Through continuous trial and error in co-creation with customers, we establish a rapid development cycle, further enhancing adaptability to market shifts and elevating our responsiveness to the level demanded by leaders in cutting-edge domains as our core technological capability.
This initiative links directly to our management strategy of reconciling customer needs fulfillment with future technology creation, as well as our priority materiality of "developing new products and improving services in partnership with stakeholders."

Initiatives to promote agile development

Conducting study sessions and joint evaluations with customers in cutting-edge fields (semiconductor equipment, etc.)

To accurately understand customer needs, we deepen our understanding of our customers' manufacturing processes.

Visiting domestic and overseas customers and participating in customer technical conferences

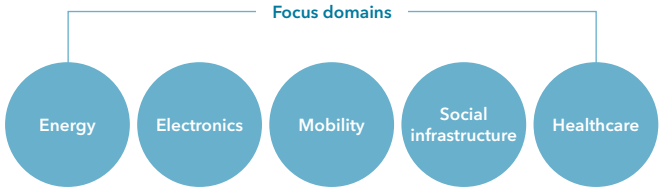
We increase opportunities for technical exchange to swiftly grasp global market trends.

Advancing R&D through the utilization of digital transformation (DX)

By incorporating digital technology into process engineering, we build a flexible development structure, enhance our technological capabilities, and accelerate innovations in manufacturing technologies capable of meeting diversifying customer needs. Furthermore, by leveraging DX to collect and structure data, transforming tacit know-how into explicit knowledge, we enhance development efficiency and achieve effective, efficient transfer of technical expertise and development of human resources.

Taking on challenges in leading-edge applications

In focus domains that offer high profitability and growth potential, we will accelerate new value propositions for carbon materials.



Examples of developed products

- New TaC-coated products for semiconductors
- Products for medical equipment
- New carbon materials for wind power generation, etc.

Furthermore, in nuclear applications, we are proactively adopting international safety standards for boilers, pressure vessels, and nuclear facilities established by the American Society of Mechanical Engineers (ASME), while upgrading our quality assurance system to ensure full compliance. Through this, we will establish a firm standing as a supplier meeting global safety standards for graphite structural materials for next-generation nuclear reactors (HTGRs), an area of core strength for Toyo Tanso.

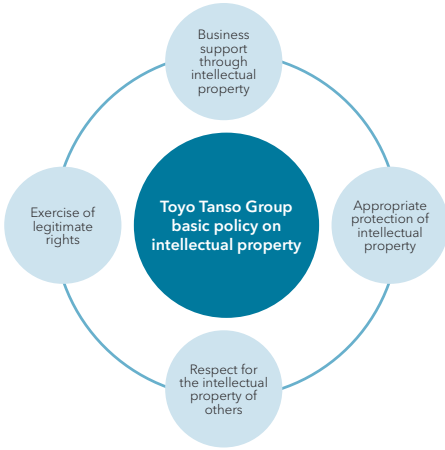
Promoting open innovation

Under our basic technological strategy policy of accelerating development speed and constructing a flexible, scalable R&D foundation, we are actively engaging in cross-industry collaborations. Here, we conduct R&D aimed at reinforcing core businesses, acquiring new technologies that go beyond extensions of existing products, and accumulating technical know-how to deploy technologies and products in markets that have yet to be established. We are also undertaking technology development centered on environmental themes to realize a sustainable society, including joint research selected under the "NEDO*1 Feasibility Study Program / Feasibility Study Program on New Technology." Such initiatives contribute to our materiality of "developing products and improving manufacturing processes to help realize a circular economy."
In 2026, we established a joint research laboratory at Gifu University to conduct basic research aimed at establishing resource recycling technologies. In addition, we are collaborating with universities and research institutes in Japan and abroad—such as developing industrial carbon brushes for next-generation energy applications with the Nippon Institute of Technology and researching next-generation battery materials with NIMS*2. These collaborations have produced results such as presentations of research findings at academic conferences and the creation of intellectual property. Beyond government and academia, we are also advancing cross-industry partnerships, joint development, and collaborative technical initiatives across industries and borders, such as establishing new supply chains for next-generation semiconductor products.
We leverage such collaborations not only for technological advancement but also as opportunities to foster specialized technical personnel and recruit outstanding engineering talent. Other initiatives to recruit and develop engineering talent capable of succeeding globally include hosting internships for engineers and supporting employees enrolling in doctoral programs for working professionals.

*1. New Energy and Industrial Technology Development Organization
*2. National Institute for Materials Science

Intellectual property strategy

The Intellectual Property Department of the Toyo Tanso Group is responsible for translating the fruits of networked R&D—premised on collaboration with external partners in the R&D division—and agile development that rapidly embodies customer needs into building and maintaining competitive advantage and enhancing business value. Our basic strategy is to strategically and effectively utilize intellectual capital—including human resources, know-how, and customer relationships as well as intellectual property rights such as patents—which serve as a source of competitive advantage, according to the distinct characteristics of each asset.



With respect to patents, through "selection and concentration" that rigorously screens applications based on marketability and technological maturity, we construct patent portfolios consisting of high-value individual patents. In particular, in growth domains such as SiC semiconductor applications, we strategically file patent applications with a view to securing future market opportunities.
On the other hand, we secure competitive advantage by keeping confidential as proprietary know-how the extensive technical knowledge accumulated at our manufacturing sites, including manufacturing processes and optimal operating conditions. Particularly in our core isotropic graphite business, we have achieved sustainable growth without excessive reliance on patents, building on this know-how and other forms of intellectual capital including relationships of trust with our customers.
Furthermore, by leveraging intellectual property landscape (IPL) analysis, we explore opportunities to develop existing technologies further, support the development of new products and applications based on analyses of technology trends and customer needs, and identify potential partners to support the implementation of open innovation.
By maximizing value of our overall IP portfolio, which combines patents, know-how, and customer relationships and other assets, Toyo Tanso practices IP management anchored in "business contribution" rather than "the number of patents held." Going forward, rather than limiting intellectual property activities to merely securing rights, we will treat it as a management foundation integrated with our R&D framework. Through the strategic utilization of intellectual capital, we will support the entire process from further accelerating development and securing competitive advantage to achieving sustainable business growth.

Complying with increasingly sophisticated quality requirements

FY2030 Target
Number of serious complaints:
0 (consolidated basis)

Basic principles concerning product quality

The Toyo Tanso Group has established a unified quality control system throughout the entire Group, based on international standards such as ISO 9001 (quality management systems). These mechanisms include quality policies and quality management systems. By raising employee awareness of quality through training, the Group aims to improve quality and enforce global quality standards throughout all processes, including design, production, sales, and service. This enables us to pursue customer satisfaction and trust, and "creating products with unprecedented potential."

To maintain and improve quality through environmental development and organizational capacity building

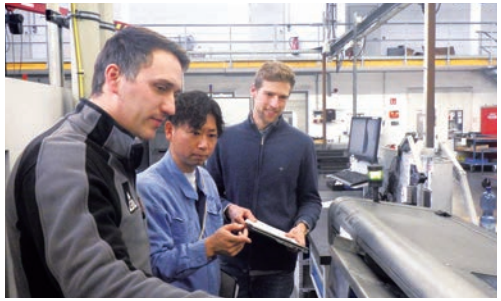
The Toyo Tanso Group actively enhances its operating environment, including upgrading equipment, not only to enhance operational efficiency but also to ensure consistent quality. For example, we introduced automated equipment designed in-house for measurement and inspection operations to achieve higher operational efficiency while maintaining quality. This contributes to consistent quality assurance.
Furthermore, to maintain high quality, we focus on transferring and accumulating knowledge, skills, and know-how. In addition to implementing a mentor program in which experienced employees support junior staff, we conduct regular education and training to keep pace with the latest technologies and industry trends, fostering specialized talent across the entire organization and strengthening organizational capabilities.





Ensuring global quality

The Toyo Tanso Group has unified its quality standards across all global sites to ensure consistent quality across all affiliates. Headquarters staff regularly conduct quality training sessions at each site. In 2025, the Group provided quality guidance to five overseas affiliates, verified compliance with quality standards, and promoted improvement initiatives as needed. Headquarters staff also verified inspection skills and conducted training for 29 local staff members across seven overseas sites. Through these initiatives, the Group strives to enhance knowledge and skills in quality management and help ensure quality throughout the Group.





Medium-Term Management Plan (2026–2030)

To respond accurately to rapidly shifting business environments, the Toyo Tanso Group conducts annual reviews of its business plans and adopts a rolling method in formulating its Medium-Term Management Plan.
The Medium-Term Management Plan announced in February 2026 is as follows.

Management targets

	2025	2026 (forecast)	2030 (target)
Net sales	¥46.1 billion	¥49.0 billion	¥74.0 billion
Operating profit	¥6.7 billion	¥6.2 billion	¥18.0 billion
Operating profit margin	14.6%	12.7%	24%
ROE	5.7%	5.1%	10%

▶ EBITDA (operating profit + depreciation) in FY2030 of approximately ¥25.0 bn (EBITDA margin of approximately 30%)

Key points

- Expanding into high-value-added growth applications and markets to achieve high growth and profitability
- Including into the plan high-probability contract opportunities for next-generation nuclear (HTGRs) applications
- Incorporating into the plan both a conservative estimate of demand for SiC semiconductor applications and the impact of restructuring of the small motor carbon brush business undertaken in 2025 to strengthen our business foundation
- Expanding sales in Si semiconductor applications, including semiconductor device manufacturing applications in addition to single-crystal silicon manufacturing and Si epitaxial growth, with sales from semiconductor applications expected to account for approximately 50% of total sales
- Revising capital allocation by raising our benchmark dividend payout ratio to 40% to execute stable and enhanced shareholder returns, while rigorously screening capital investments based on updated market conditions and demand forecasts

Semiconductor market outlook

Silicon semiconductor market

- Wafer market adjustments driven by inventory corrections are projected to run their course in the first half of 2026. Robust demand centered on AI is expected to continue over the medium to long term, driving stable growth.
  - Special graphite products and electronics applications: Components for Si wafer manufacturing
  - Compound materials and SiC-coated graphite products: Parts for Si epitaxial equipment

SiC semiconductor market

- Due to adjustments in the EV market and overproduction by Chinese manufacturers, the wafer market is expected to remain in an adjustment phase throughout 2026.
- While a moderate recovery is anticipated in 2027, numerous uncertainties remain regarding customer and supply chain trends, warranting a prudent stance in our plan.
  - Special graphite products and electronics applications: Components for SiC wafer manufacturing
  - Compound materials and SiC-coated graphite products: Parts for Si epitaxial equipment

Capital investment

Across isotropic graphite materials, processing, and high-value-added processes, as well as processing capacity at subsidiaries, we will rigorously select and execute capital investments and capacity expansions to reliably capture demand in focus applications.

Strategic investments 2

Total capital investment amount (2026–2030)

¥37.5 billion

Fixed investments 1

Increasing global production capacity in high-value-added domains such as semiconductor and next-generation nuclear applications	Reinforcing resource allocation to focus applications (semiconductor devices, HTGRs)
Strengthening the competitiveness of core and differentiated businesses	Purification capacity expansion investments in Kagawa, the U.S., and Europe are largely completed Completion of the Iwaki Plant in 2027 will increase capacity to 1.9x
	Capital investment for SiC/TaC-coated graphite products is scheduled for completion in 2026 as planned
Process consolidation and automation for labor savings, process innovation, energy-saving investments, etc.	Promoting AI and digital transformation (DX) implementation

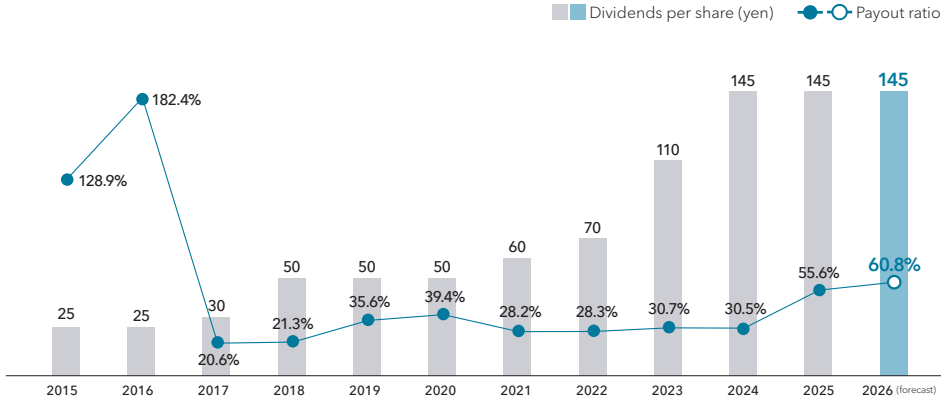
▶ M&A opportunities aligned with our purpose and strategic rationale will be executed outside this framework

Capital investment decision policy

- Setting tiered hurdle rates above the cost of capital corresponding to risk levels
- For projects that clear these hurdles, executing investments based on a minimum-line principle from a risk mitigation perspective

Policy on shareholder returns

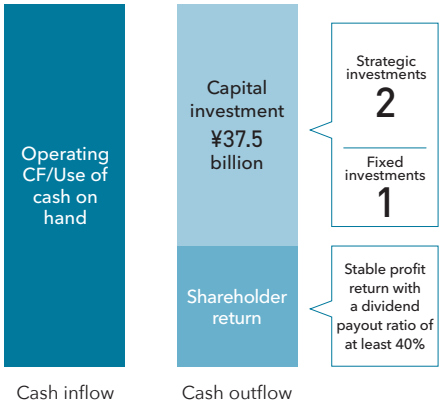
To deliver more substantial shareholder returns, we raised our benchmark dividend payout ratio to 40%. Backed by continuous profit growth, we will implement stable shareholder returns while maintaining balance with capital investments geared toward growth.



Cash allocation

Funded by cash on hand and five-year operating cash flows, we will implement stable and enhanced shareholder returns alongside strategic investments for business expansion.

▶ Stably returning funds generated from business activities to shareholders while allocating cash to capital investment to achieve business expansion and profit growth, thereby enhancing capital efficiency



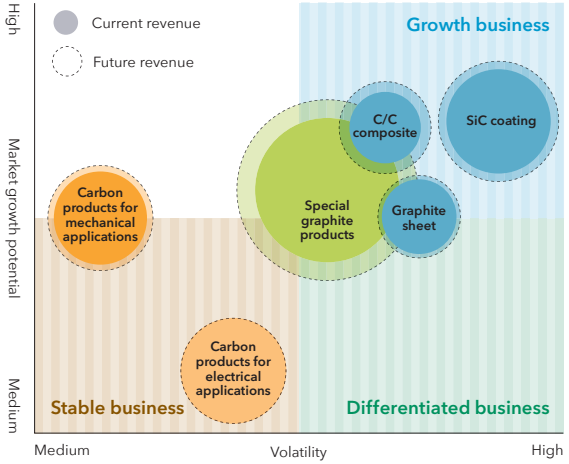
Business portfolio management

Direction of business portfolio strategy

The Toyo Tanso Group pursues added value across all dimensions to build a differentiated position by focusing on domains that demand stringent quality and present high technical hurdles. On this basis, the objective of our business portfolio strategy is to establish an earnings structure resilient to market volatility, pursuing growth while prioritizing business stability.

Under this philosophy, we manage the balance of our business portfolio in response to external shifts and take actions appropriate to each category of growth, differentiated, and stable businesses. In 2025, we implemented the downsizing and reduced the workforce of the small motor carbon brush business. While a difficult decision, it was a necessary step to realign our business structure amid ongoing market contraction. Furthermore, by reinforcing resource allocation to industrial carbon brushes and accelerating expansion into growth markets, we will improve profitability in carbon products for electrical applications and enhance the overall stability of our business portfolio.

Going forward, centered on growth and differentiated businesses, we will strengthen expansion into growth sectors such as electronics, energy, and aerospace, building a robust business structure unaffected by market swings.



Growth business

High-growth businesses driving earnings

Differentiated business

Business development focusing on high-value-added domains

Strengthening expansion into growth markets/applications

Accelerating expansion into growth domains with potential either for developing new applications or for increasing sales in existing applications, including electronics (semiconductor devices, electronic components), energy (next-generation nuclear, wind power, hydroelectric power), aerospace, and healthcare

Stable business

Low volatility in demand and profitability, contributing to overall business stability

Strengthening business stability

Downsized and reduced the workforce in the small motor carbon brush business in 2025; expecting to secure steady profitability despite market contraction driven by the shift to brushless motors. Reinforcing resource allocation to industrial carbon brushes.

Medium-Term Management Plan net sales targets by product and application

Through business development based on our business portfolio strategy, with Si semiconductor applications (single-crystal silicon manufacturing, devices, etc.) and next-generation nuclear (HTGRs) applications serving as growth drivers, special graphite products are projected to accelerate in growth.

Billions of yen	2025	2026 (forecast)	2030 (target)	CAGR (2025→2030)
Special graphite products	20.3	24.1	39.6	14.3%
Carbon products for general industries (mechanical applications)	4.2	4.0	4.9	3.3%
Carbon products for general industries (electrical applications)	4.3	4.4	4.3	—
Compound materials and other products	15.3	15.0	23.2	8.7%
Related goods	1.9	1.2	1.8	(1.7%)
Total	**46.1**	**49.0**	**74.0**	**9.9%**

Strategies by product and application

Business strategy for special graphite products

- Strengthen profitability by reinforcing expansion into high-value-added applications with demanding quality requirements (advanced semiconductors, etc.)
- Expand into high-growth applications with potential either for developing new applications or for increasing sales in existing applications, such as semiconductor devices, as well as next-generation nuclear (HTGRs) applications; reduce earnings volatility by expanding the range of applications served

Electronics applications	• In products for Si wafer manufacturing (single-crystal silicon manufacturing), maintain and expand our market share, achieving growth that outpaces the market • In products for SiC wafer manufacturing (compound semiconductor manufacturing), focus development and sales expansion on high-value-added zones
General industries applications	• Although growth is lower than in the electronics applications, pursue differentiation from competitors and profit expansion through sales of high-value-added products (materials and processing)
Others	• Increase revenue contributions from semiconductor device applications and next-generation nuclear (HTGRs) applications as growth drivers

Main products



For single-crystalline silicon manufacturing applications



Continuous casting dies

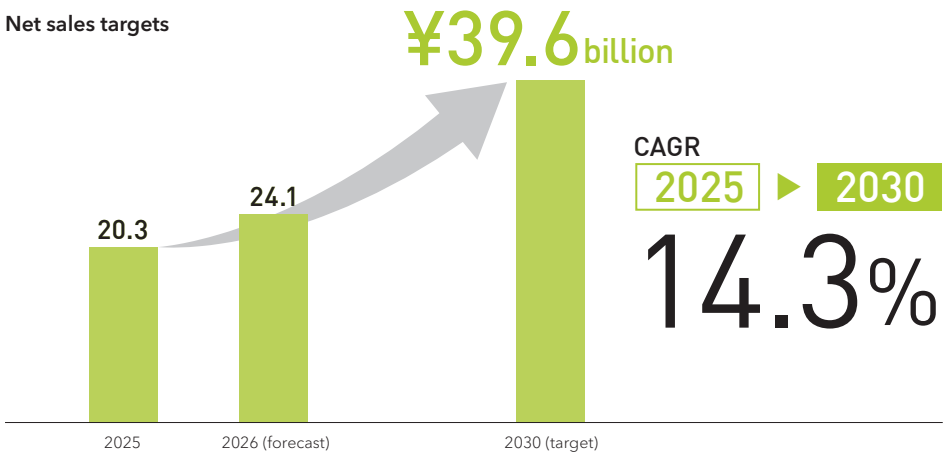


Internal materials for SiC crystal growth furnaces



EDM electrodes

Net sales targets



Main applications

Electronics applications	
For single-crystalline silicon manufacturing applications	Crucibles and heaters for single-crystalline silicon pulling furnaces
For compound semiconductors manufacturing applications	MOCVD system susceptors, LPE system boats, and internal materials for SiC crystal growth furnaces
For solar cell manufacturing applications	Crucibles for single-crystal and poly-crystal silicon manufacturing furnaces, as well as heaters and carriers for anti-reflective coating
General industries applications	
	Continuous casting dies, EDM electrodes, heaters and structural materials for various industrial furnaces
Others	
Manufacture of advanced processing equipment applications	Electrodes for ion implantation equipment, glass sealing jigs
Nuclear, aerospace, and medical applications	Core materials for high-temperature gas-cooled reactors, wall materials for nuclear fusion reactors, rocket parts, and CT scan parts

Business strategy for carbon products for general industries

Carbon products for mechanical applications	Aim for above-market growth by reinforcing expansion into overseas markets and developing new growth applications
Carbon products for electrical applications	Stabilize the business and improve profitability through reinforced expansion into growth markets for industrial carbon brushes and business restructuring in small motor carbon brushes

Carbon products for mechanical applications	• Strengthen expansion into large markets in the U.S., Europe, and China based on regional strategies to diversify geographic footprint • Establish a position in new growth markets (electronics field) • Enhance productivity and achieve cost reductions to strengthen competitiveness and profitability
Carbon products for electrical applications	• Improve profitability by shifting from small motor carbon brushes to industrial carbon brushes For high-value-added industrial carbon brushes (energy—wind power, hydroelectric power—railways, etc.), expand sales through market development leveraging technical solutions • For small motor carbon brushes (home appliances, power tools), where the market is contracting due to accelerating brushless adoption, maintain profitability through price pass-through and cost containment while sustaining volume

Main products

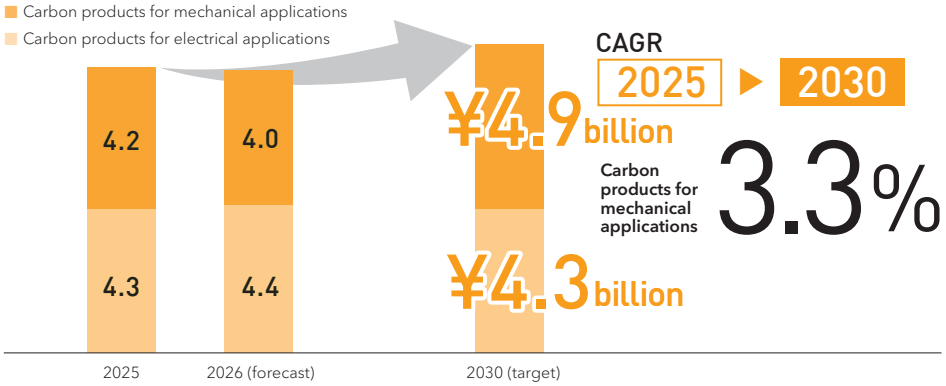

Sealing rings


Carbon brushes


Bearings


Contact strips for pantograph

Net sales targets



Main applications

Carbon products for mechanical applications	
General industrial machinery applications	Bearings and seal rings for pumps and compressors
Transportation equipment applications	Contact strips for pantograph, automotive parts

Carbon products for electrical applications	
Small motor applications	Carbon brushes for home appliances, carbon brushes for power tools
Large motor applications	Carbon brushes for railways, grounding carbon brushes for power generators

Business strategy for compound materials and other products

SiC-coated graphite products	Reinforce order intake activities in growth markets leveraging top-tier production capacity Establish a solid market position as a "core value-added business"
C/C composite products	Drive sales expansion in industrial furnace and semiconductor applications as high-value-added products
Graphite sheet products	Improve profitability by focusing on high-growth applications (semiconductors, etc.) and reviewing project portfolios

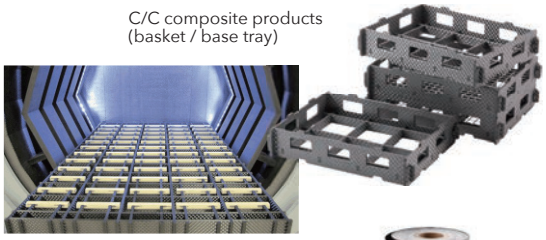
SiC-coated graphite products	• In Si semiconductor applications, expect strong growth in epitaxial susceptors and related components driven by demand for AI applications and other factors • While setting prudent targets for SiC semiconductor applications given current market conditions, advance preparations for future growth • In addition to Si and SiC semiconductor applications, drive sales expansion in GaN semiconductor applications (GaN-Epi)
C/C composite products	• Project steady growth in both industrial furnace and semiconductor applications, supported respectively by furnace energy efficiency and automation trends and by overseas sales expansion • Drive product development toward new application rollouts (aerospace)
Graphite sheet products	• Drive sales expansion through value analysis (VA) proposals that combine multiple products for semiconductor, metallurgy, and industrial furnaces applications, while improving profitability by taking corrective action on low-margin projects

Main products

SiC-coated graphite products (susceptors)



C/C composite products (basket / base tray)



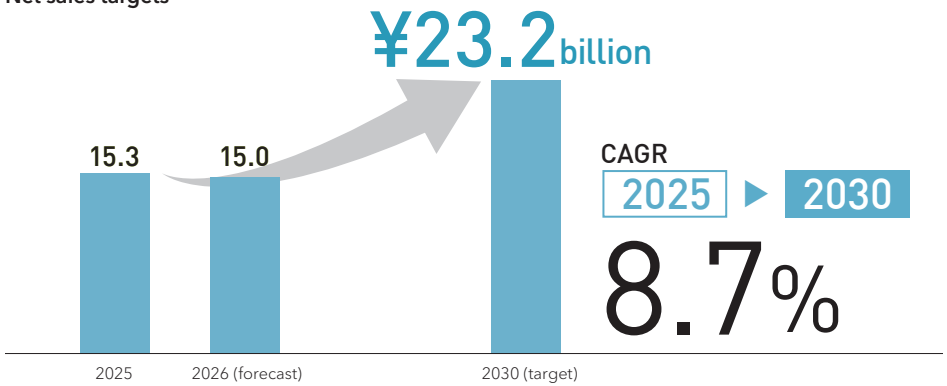


TaC-coated graphite products (susceptors)

Graphite sheet products



Net sales targets



Main applications

Three major products	
SiC-coated graphite products	Susceptors for Si-Epi growth equipment, susceptors for SiC-Epi growth equipment, and susceptors for MOCVD equipment
C/C composite products	Components for industrial furnaces, crucibles for single-crystalline silicon pulling furnaces, components for solar cell manufacturing, and reactor wall materials for nuclear fusion reactors
Graphite sheet products	Automotive gaskets, semiconductor sheets, industrial furnace sheets

02

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Sustainability promotion structures

Sustainability policy

At the Toyo Tanso Group, all employees shall carry out their duties with autonomy and a sense of responsibility based on the governance policy established by the Board of Directors. They shall strive to provide the value that is expected by all stakeholders (customers, suppliers, local communities, shareholders and investors, and employees). To remain a company that continually contributes to improving sustainability (sustainable societal growth and preservation of the global environment), our policy is to achieve continual advancements through our business activities while increasing the Group's capacity for sustainable growth.
Based on this policy, we will conduct all business activities throughout our value chain with a basic approach that is strongly focused on contributing to society while achieving continued growth. This includes technological innovations and creation of value for society and customers through our products, as well as consideration for the global environment, ensuring safety and health, compliance and risk management, fair business practices, respect for human rights and diversity, and harmony with society through social contribution activities.

Sustainability promotion structures and status of activities

Sustainability Committee

Mission

The committee deliberates on important issues related to sustainability and determines policies for the purpose of establishing the Group's sustainability promotion structures, maintaining the sustainable development of society and the global environment, and advancing the sustainable growth of the Group.

Activities in 2025 (Number of committee meetings held: 4)

- Discussion of KPIs and targets for materialities (key issues)
- Discussion of information disclosure on human rights due diligence (non-consolidated)
- Report on third-party verification of the GHG protocol
- Scoring report by ESG rating agency

ESG Value Creating and Promoting Group

Mission

- Promote the achievement of management targets and medium- to long-term value creation through the expansion and development of products and technologies that contribute to resolving environmental and social issues
- Contribute to realizing a sustainable society by accurately identifying customer needs and challenges and providing solutions through Toyo Tanso Group technologies and products

Activities in 2025

- Promoting research on circular materials in graphite materials ▶P. 18
- Promoting R&D of products and technologies through joint research with universities and research institutes, open innovation, etc. ▶P. 18
- Promoting initiatives to achieve the target ratio of environmentally friendly products to net sales ▶P. 34

Sustainable Consumption and Production Group

Mission

- Work to reduce environmental impacts by promoting energy-saving, energy-creating, and resource-saving activities to curb emissions of greenhouse gases (GHG) such as CO_2 associated with production activities
- Contribute to realizing a sustainable society by promoting initiatives to resolve issues and achieve targets for enhancing the sustainability of production activities

Activities in 2025

- Implementing energy savings and energy creation initiatives to reduce GHG emissions ▶P. 32
- Promoting the management of chemical substances in products regulated by environmental laws and regulations of each country ▶P. 35

People and Organizational Vitalization Group

Mission

- Promote the creation of workplace environments where each employee can experience personal growth through respect for human rights and diversity, fair evaluation, and remuneration policies that enhance job satisfaction, aiming to cultivate a corporate culture rich in trust and co-creation
- Build a corporate foundation trusted by society and contribute to realizing a sustainable society by strengthening corporate governance, global management governance, risk and compliance, BCP systems, and global quality assurance structures

Activities in 2025

- Implementing initiatives to prevent serious complaints ▶P. 19
- Conducting human rights due diligence for domestic affiliates and domestic suppliers ▶P. 37
- Establishing and operating human resource development frameworks ▶P. 38
- Creating an environment where diverse talent can flourish ▶P. 39
- Implementing initiatives to protect worker safety and health and realize safe, secure workplaces ▶P. 42
- Undertaking community service activities ▶P. 43
- Conducting compliance training ▶P. 44
- Strengthening risk response capabilities (reviewing structures, conducting assessments, developing BCPs for overseas sites) ▶P. 46
- Strengthening information security management structures and implementing countermeasures ▶P. 46

Materialities and contributions to the resolution of social issues

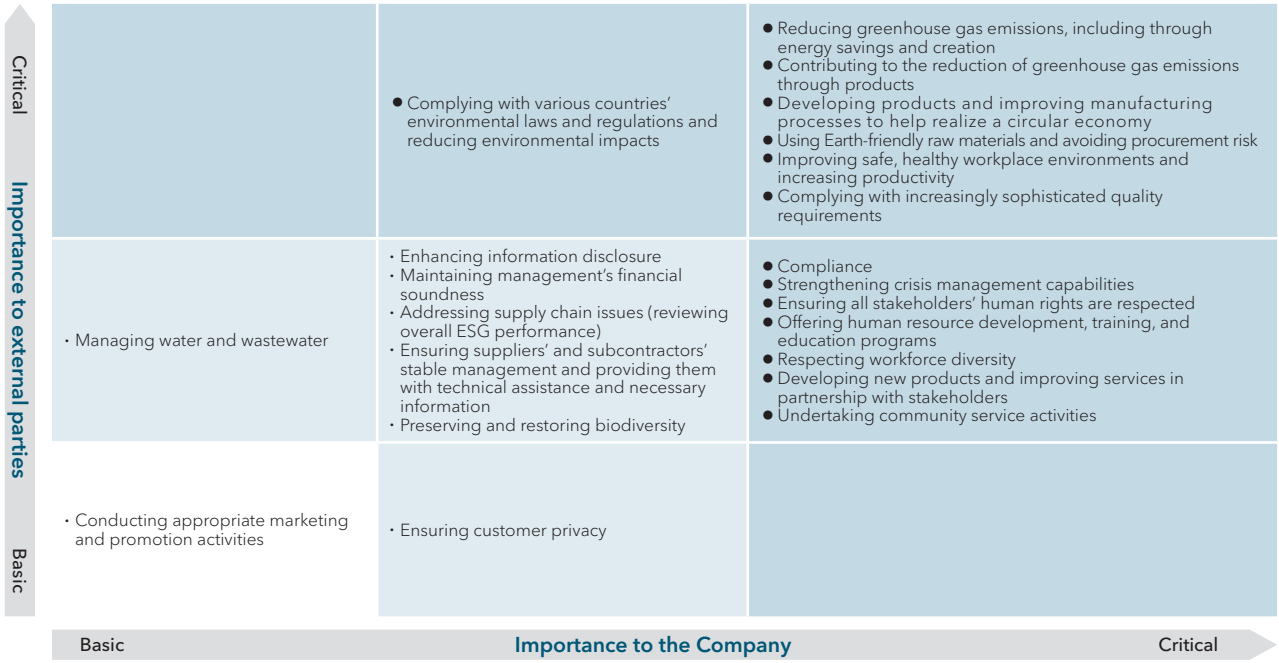
The Toyo Tanso Group has identified materialities (key issues) related to sustainability and classified them into four categories. By accelerating initiatives to address these materialities, we are seeking both to increase our own sustainability and to expand our contributions to society and the environment.

Materialities

The Toyo Tanso Group has identified 14 key issues that it should address as a material manufacturer operating globally and has classified them into four categories. In particular, products developed, manufactured, and sold in line with society's and customers' needs across diverse domains—including semiconductors and other electronics, energy, mobility, social infrastructure, and life sciences—have strong potential to contribute to the realization of a sustainable society.

We are currently setting targets for FY2030 for some of our materialities. Going forward, we plan to periodically review these materialities so that we can respond flexibly to changes in the business environment and society while studying key performance indicators (KPIs) and targets and continuing dialog with stakeholders.

Matrix analysis of material issues



Materiality identification process

STEP 1 Identification of issues

We identified our own sustainability issues along each value chain while making reference to international guidelines provided by programs and entities such as the GRI, SASB, and SDGs.

STEP 2 Evaluation of the importance of issues

We evaluated the importance of issues from external (impacts on society and the environment) and internal (impact of society and the environment on Toyo Tanso) perspectives.

STEP 3 Prioritizing issues

We prioritized issues based on our evaluation of their importance. We held exchanges of views with Outside Directors and Audit & Supervisory Board Members to ensure our decisions would incorporate outside opinions.

Identification of materialities

Following a study by the Sustainability Committee, the materialities were approved by the Board of Directors.

Category	Material issue	FY2030 Target	Related SDGs	E (Environment)	S (Social)	G (Governance)
Contribution to reducing climate change risk and environmental protection	Reducing greenhouse gas emissions, including through energy savings and creation ▶P. 32	GHG emissions per unit of net sales: 30% reduction (Scope 1 and Scope 2) (compared to FY2019, non-consolidated)	13	○		
	Contributing to the reduction of greenhouse gas emissions through products ▶P. 34	Ratio of environmentally friendly products to net sales: 35% (consolidated basis)	7	○		
	Using Earth-friendly raw materials and avoiding procurement risk ▶P. 35		9 12	○		
	Complying with various countries' environmental laws and regulations and reducing environmental impacts ▶P. 35	Number of violations of environmental laws and regulations: 0 (non-consolidated)	12	○		
Pursuing product development and manufacturing technologies to resolve social issues and customer needs	Developing products and improving manufacturing processes to help realize a circular economy ▶P. 18		9 12	○		
	Complying with increasingly sophisticated quality requirements ▶P. 19	Number of serious complaints: 0 (consolidated basis)	12		○	○
	Developing new products and improving services in partnership with stakeholders ▶P. 16		9 17	○	○	○
Creating safe, secure workplace environments where all employees can flourish	Improving safe, healthy workplace environments and increasing productivity ▶P. 42		3 8		○	
	Ensuring all stakeholders' human rights are respected ▶P. 36		4 5 8		○	○
	Offering human resource development, training, and education programs ▶P. 38		4		○	
	Respecting workforce diversity ▶P. 39		4 5 10		○	
Undertaking corporate activities that inspire trust	Compliance ▶P. 44		16		○	○
	Strengthening crisis management capabilities ▶P. 46		9		○	○
	Undertaking community service activities ▶P. 43		4 11 14 17		○	

Environmental Policy and management structure

Environmental Policy

The Toyo Tanso Group recognizes that a business operating as part of 21st century industry must take environmental considerations into account. Carbon (C) is the second-most common element on Earth after silicon (Si), but resources are finite, and we believe it is important to develop our businesses in line with a constant focus on reuse.
In manufacturing technologies as well as research and development, we focus on how waste products emitted by manufacturing processes can be eliminated or reduced.
The Group's environmental management departments monitor the volume of waste produced by other departments as well as the reduction measures they implement in an effort to protect the global environment. The Group is also working to address the issue of how graphite waste can be effectively used in its research and development programs while raising all employees' environmental awareness.
The Group sees its mission as pursuing environmental friendliness in its corporate activities day in and day out.

Toyo Tanso Group Environmental Policy

We shall aim to coexist in a state of harmony with people, carbon technologies, and the natural environment and engage in corporate activities that will contribute to the conservation of the global environment.

1. Protecting the global environment
We practice environmentally friendly manufacturing in order to safeguard the children of the future and our beautiful planet.

2. Reducing environmental impacts
We strive to design products with low environmental impacts and to save energy, reduce greenhouse gases, save resources, and reduce and reuse waste.

3. Complying with laws and regulations
We comply with applicable environmental laws, ordinances, and other requirements to which the Toyo Tanso Group has agreed.

4. Realizing continuous improvements
We precisely assess all environmental impacts of our business activities, and we continually strive to prevent and reduce them to the extent that is technologically and economically feasible.

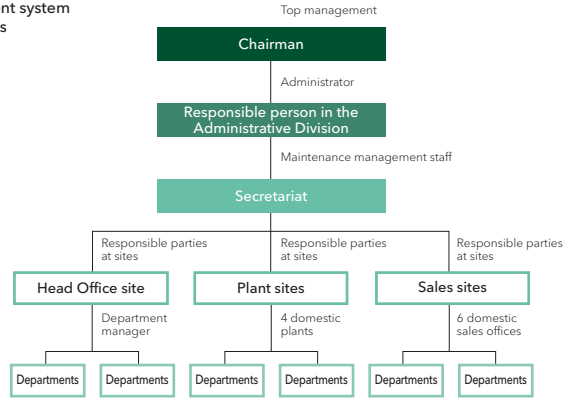
5. Raising environmental awareness
To implement this Environmental Policy smoothly and efficiently, we provide environmental education and awareness-raising activities for all employees.

6. Disclosing environmental information
We communicate information about this Environmental Policy and related initiatives to all employees and interested parties, including by disclosing them to the public.

Environmental management system

The Toyo Tanso Group has integrated the ISO 14001-certified environmental management system with other business processes as part of its business management system, as it seeks to help realize a sustainable society by working to reduce environmental impacts, for example by limiting energy consumption. As of 2025, seven sites, including domestic and overseas consolidated subsidiaries, have obtained environmental management system certification.

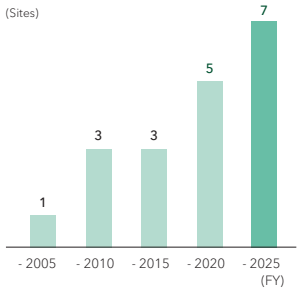
Environmental management system organization and structures



ISO 14001 initiatives



ISO 14001: Cumulative number of obtained certifications



Alignment with TCFD recommendations

In July 2021, the Toyo Tanso Group affirmed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are working to disclose information in line with the TCFD's disclosure framework, as well as identify the financial impacts of principal risks and opportunities related to the response to climate change. Going forward, we will continue to enhance our response to risks and opportunities.

1. Governance

The TCFD Compliance Project, which was established to support the Sustainability Committee, studies scenarios related to climate change action, analyzes risks and opportunities, and formulates measures in response while reporting on those activities to the Sustainability Committee. Discussions held by the Sustainability Committee are reported to the Board of Directors for approval and instruction. Sustainability-related resolutions that are reported to and approved by the Board of Directors are propagated to business departments and group companies via the Sustainability Committee and applied to their respective business plans and operational management. Cooperation may be sought from business partners depending on the nature of the resolutions.

2. Strategy

In keeping with guidance recommended by the TCFD, we use techniques for applying scenario analysis to the business environment through 2040 to analyze and evaluate the impacts of climate change on Toyo Tanso.

Overview of scenario analysis

Scope	Consolidated subsidiaries of the Group
Anticipated timeframe	Present to 2040 (for CO_2 reduction targets, 2050)
Scenario-building	**1. 1.5°C scenario** Scenario in which the average global temperature increase is kept within 1.5°C from levels prior to the Industrial Revolution Reference information From the IEA WEO2020 SDS Scenario, 1st Working Group Report of the IPCC 6th Assessment Report SSP1-1.9, 2.6; others **2. 4°C scenario** Scenario in which the average global temperature rises 4°C from levels prior to the Industrial Revolution Reference information IEA WEO2020 STEPS scenario; SSP2-4.5, SSP3-7.9, SSP5-8.5 from the 1st Working Group Report of the IPCC 6th Assessment Report; A-PLAT S8 climate RCP 8.5; others

WEO: IEA's World Energy Outlook 2020
IPCC: Intergovernmental Panel on Climate Change
A-PLAT: Climate Change Adaptation Information Platform

Principal risks		Emergence timeframe	Financial impacts
Policies and regulations	Strict greenhouse gas emission reduction standards will be put in place, necessitating investments and technological improvements in order to reduce emissions.	Short to long term	-*
Changes in markets/customers	Demand for engine-related products will shrink due to the electrification of automobiles.	Medium to long term	Small
	Widening adoption of next-generation solar panels will cause demand for products to shrink.	Long term	Small
Changes in the industry, for example in other companies in the same industry	Competition with industry peers will intensify due to a review of the production system in consideration of the changing environment of the industry.	Medium to long term	Medium
Procurement	Disruption in the balance between supply and demand for raw materials (coke and pitch) may cause prices to rise substantially.	Short to long term	Medium
	The prices of procured products that comply with the introduction of a carbon tax and other environmental requirements may rise substantially.	Short to long term	Small
Manufacturing	Costs may increase due to factors such as facility shutdowns caused by intensifying natural disasters.	Medium to long term	Small
	The cost of manufacturing process improvements required in order to comply with environmental requirements will rise.	Medium to long term	Medium

Principal opportunities		Emergence timeframe	Financial impacts
Policies and regulations	Demand for environment-related products such as renewable energy may rise.	Medium to long term	-*
Changes in markets/customers	Demand for graphite parts and materials, for example products related to power semiconductors, will rise as a result of the electrification of automobiles.	Medium to long term	Large
	Demand for brushes used in power supply and grounding equipment will rise due to growing demand for wind power.	Medium to long term	Small
	Demand for graphite for use in nuclear power applications may rise as CO_2 emissions are reduced.	Medium to long term	Small

Financial impacts (small: 0 to less than 1.0 billion yen; medium: 1.0 billion yen to less than 10.0 billion yen; large: 10.0 billion yen or more)
* As financial impacts are stated for specific items, the overall financial impact of policies and regulations is indicated as "-".

3. Risk management

In keeping with its Basic Rules on Risk and Compliance, the Toyo Tanso Group has established the Risk & Compliance Committee (RC Committee) and given it responsibility for ensuring compliance with laws, regulations, Toyo Tanso's Articles of Incorporation, and corporate ethical guidelines and establishing risk management structures. The committee discusses important issues and makes decisions about policies related to risk and compliance. Principal departments are responsible for managing and addressing individual risks, and the RC Committee oversees those efforts.
Climate-related risks are managed by the Sustainability Committee, while the results of assessments and studies by the RC Committee are reported to the Board of Directors as part of Toyo Tanso's Company-wide risk management efforts.

4. Metrics and targets

The indicators and targets needed to manage risks and business opportunities are determined after formulating measures to address each. Greenhouse gas emissions (Scopes 1 to 3, FY2025) have been verified by a third party.

GHG emissions for Toyo Tanso Co., Ltd. (January 1, 2025 to December 31, 2025)

[GHG emissions]
Scope 1 (consolidated): 30,403 t-CO_2e
Scope 2 (consolidated): Location-based: 71,515 t-CO_2e, market-based: 67,446 t-CO_2e
Scope 3 (domestic consolidated): 96,317 t-CO_2e

Breakdown (t-CO_2e)

Category 1: 48,940	Category 4: 3,483	Category 7: 516
Category 2: 27,604	Category 5: 395	Category 15: 114
Category 3: 15,091	Category 6: 174	

Third party verification report

Scope 1 and 2
https://www.toyotanso.com/sustainability/js/pdf/viewer/?file=independent_assurance_report_2026.pdf

Scope 3
https://www.toyotanso.com/sustainability/js/pdf/viewer/?file=independent_assurance_report_2026_scope3.pdf

Contribution to reducing climate change risk and environmental protection

Reducing greenhouse gas emissions, including through energy savings and creation

FY2030 GHG emissions intensity target (compared to FY2019)

30% reduction (non-consolidated)

Initiatives for sustainable production activities

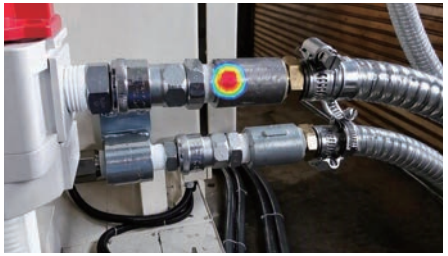
To realize sustainable production activities, Toyo Tanso has formulated a greenhouse gas (GHG) emissions reduction roadmap focused on reducing GHG emissions and establishing an environmentally conscious production system, and is promoting multifaceted measures such as energy conservation and expanding the use of renewable energy.

At the core of these initiatives are the CO_2 Reduction Activity Progress Report Meeting and the Energy Saving Committee, which share progress on initiatives at each business site, identify issues, and review and formulate improvement measures. These activities are important initiatives that ensure Company-wide environmental impact reduction efforts are effective and reliable, while also informing policy decisions made by the Sustainability Committee.

Under the auspices of the CO_2 Reduction Activity Progress Report Meeting and the Energy Saving Committee, we will continue to implement measures to reduce GHG emissions and lower environmental impacts, including improvement initiatives incorporating frontline feedback from production sites, AI-driven optimal production, and industrial waste reduction.



Switching factory lighting to LEDs



Visualizing air leaks

Reducing greenhouse gas emissions in production activities

In FY2025, total GHG emissions increased only slightly from the previous fiscal year. Although emissions intensity rose due to production volume fluctuations resulting from the slowdown in the semiconductor market, we were able to keep it within the annual target. We believe this was the result of steadily implementing a range of measures to curb electricity consumption and reduce CO_2 emissions, including improving facility efficiency through the introduction of high-efficiency compressors, installing energy-saving equipment such as LED lighting, and visualizing air leaks.*

* In factories, compressed air produced by compressors is used in various processes. Air leaks cause compressor operating rates to rise, resulting in increased power consumption.

Progress on the roadmap for reducing GHG emissions

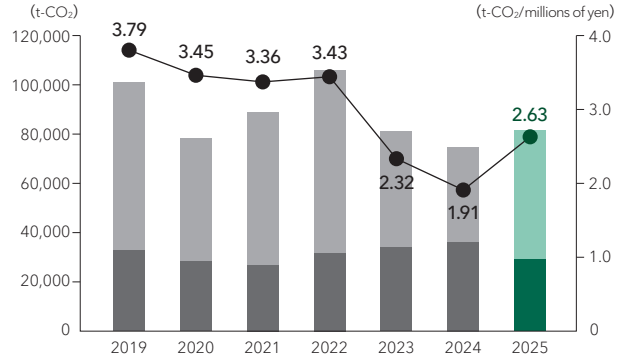
Large = 50% or more, Medium = 30% to less than 50%, Small = less than 30%
◎ = 100% or more, ● = 90% or more, ▲ = 80% to less than 90%, × = Less than 80%

Target indicators	Weight in 2030 emission reductions	Results in 2025 Fiscal year 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 furnaces with lower energy intensity	Small	—*	・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	●	・Improvement of yield ・Optimization of furnace loading with AI

* To be implemented sequentially depending on external infrastructure conditions

GHG emissions (non-consolidated)

■■Scope 1 ■■Scope 2
●●GHG emissions per unit of net sales:



Initiatives on the GHG emissions reduction roadmap

Energy savings Roadmap (1): Transitioning to high-efficiency equipment

Toyo Tanso is promoting higher efficiency across a variety of equipment and devices to improve energy efficiency in production activities and reduce environmental impacts.
For example, we leverage digital transformation (DX) to streamline production and enhance energy efficiency, such as by shortening manufacturing lead times with state-of-the-art processing equipment and minimizing lost time through the use of industrial and collaborative robots.
Furthermore, by collaborating with equipment manufacturers to incorporate our proprietary energy-saving ideas into new equipment, we have also reduced energy consumption during facility operations.
We are also currently upgrading control panel coolers in line with equipment lifecycles. Control panel coolers are cooling devices attached to machinery control panels, and while they are essential for the stable operation of manufacturing processes, their long operating hours and high power consumption make them an area where equipment upgrades can achieve effective energy savings. By upgrading to high-efficiency models, we can reduce power consumption and transition to non-fluorocarbon refrigerants, thereby helping curb both electricity-derived CO_2 emissions and refrigerant-derived GHG emission risks.
Going forward, we will continue systematic upgrades to energy-saving equipment and operational improvements, steadily advancing initiatives to reduce GHG emissions across all production activities.



State-of-the-art processing equipment



Control panel cooler
(concept image)

Energy creation Roadmap (2): Utilizing renewable energy

In June 2027, we will begin supplying power to the Takuma Division using a large-scale solar power generation system. Its generation capacity will be approximately 20 MW, and CO_2 emission reductions are projected to be 11,258 t-CO_2 per year. Furthermore, by combining our in-house energy creation with external procurement, such as incorporating renewable energy procured from external sources, we believe we can accelerate initiatives to reduce GHG emissions.



Solar power generation system under construction (top: Takuma Division)

Energy savings Roadmap (5): Optimizing production with AI

To advance production planning and improve energy efficiency, we are preparing for the full-scale launch of an AI-powered production planning system. By deploying AI, production plans that previously required substantial time can now be formulated in just a few hours, while reducing reliance on individual judgment stabilizes production and optimizes equipment utilization.
This also leads to reduced energy consumption and more efficient operations, contributing to reductions in GHG emissions.
In 2026, we are considering expanding the scope of AI utilization to balance process workloads and enable flexible production planning in response to changes in the external environment.



AI concept image

Contributing to the reduction of greenhouse gas emissions through products

FY2030 Target
Ratio of environmentally friendly products to net sales:

35% (consolidated)
(2025 result: 19.6%)

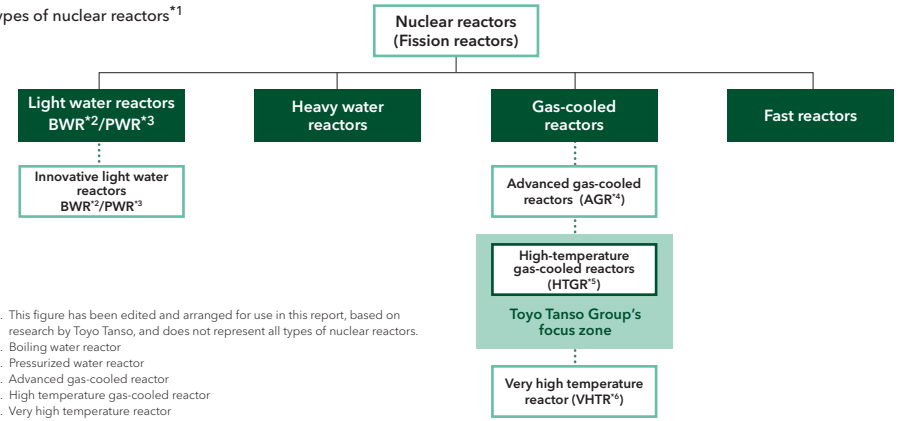
Small modular reactors (SMRs)—establishing a presence in the next-generation nuclear sector

The Toyo Tanso Group possesses distinctive strengths in graphite core structural materials, which are core components of high-temperature gas-cooled reactors (HTGRs), a type of next-generation nuclear reactor.
Next-generation nuclear energy plays an important role in realizing a carbon-neutral society, while also being viewed as a promising solution to rising electricity demand driven primarily by AI data centers, with R&D and deployment plans gaining momentum in various countries. This next-generation nuclear sector is a priority area for achieving both business growth and sustainability for Toyo Tanso. We have positioned it as a growth driver in our Medium-Term Management Plan and are focusing efforts on expanding the business.

What are high-temperature gas-cooled reactors?

High-temperature gas-cooled reactors (HTGRs) are next-generation nuclear reactors featuring inherent safety and can be deployed as small modular reactors (SMRs). Because they use helium gas as a coolant and can extract high-temperature thermal energy, their use is being explored for a wide range of applications beyond power generation, including hydrogen production and industrial process heat.

Types of nuclear reactors*1



*1. This figure has been edited and arranged for use in this report, based on research by Toyo Tanso, and does not represent all types of nuclear reactors.
*2. Boiling water reactor
*3. Pressurized water reactor
*4. Advanced gas-cooled reactor
*5. High temperature gas-cooled reactor
*6. Very high temperature reactor

Toyo Tanso's strengths and future outlook

Through many years of joint research with public institutions and other entities, the Group has honed its technological capabilities and accumulated extensive know-how and data regarding graphite materials for high-temperature gas-cooled reactor (HTGR) applications. In addition, regarding graphite core structural materials for HTGRs, our proven delivery track record across multiple projects—including test reactors in Japan and China, as well as the commercial demonstration reactor in Shandong Province, China, currently the only commercially operating HTGR in the world—contributes to the high reliability of our products. In recognition of these achievements, we secured consecutive orders from Jimmy Energy SAS of France in 2024 and X-Energy Reactor Company, LLC (X-energy) of the United States in 2025. We continue to receive multiple inquiries, including follow-up projects from X-energy, and we will push forward to secure orders and achieve the targets of our Medium-Term Management Plan while establishing a solid presence in this field.

Contributing to technological development

In October 2026, we co-hosted the 26th International Nuclear Graphite Specialists Meeting (INGSM-26), an international conference on graphite materials in the nuclear energy sector, together with the Japan Atomic Energy Agency (JAEA). This conference served as a forum to share research findings on the roles, latest technologies, and reliability of graphite materials in graphite-moderated nuclear reactors such as high-temperature gas-cooled reactors (HTGRs), bringing together researchers, engineers, and stakeholders from industry and related institutions around the world.
Through such initiatives, Toyo Tanso aims to contribute to the further advancement of technology in this field.

INGSM 2026
TOYOTANSO / JAEA

Definition of environmentally friendly products

The Toyo Tanso Group defines products related to energy savings, energy creation, and electrification as "environmentally friendly products," aiming to contribute to reducing greenhouse gas emissions.

Scope of each field

- Energy savings: Power semiconductors (parts for Si and SiC semiconductor manufacturing, etc.), LEDs (parts for compound semiconductor manufacturing), industrial furnaces (C/C composite products)
- Energy creation: Products for wind, hydro, and geothermal power generation, solar power generation, nuclear, and nuclear fusion power generation
- Electrification: Various pump parts for electric vehicles, products for fuel cells (CNovel™ (catalyst support))

Complying with various countries' environmental laws and regulations and reducing environmental impacts

FY2030 Target
Number of violations of environmental laws and regulations:
0 (non-consolidated)



Toyo Tanso put in place a series of management standards for chemical substances in products following an effort led by its department managing chemical substances in products to collect and organize the latest information about related laws and regulations, industry standards, and customer standards. In addition to applying those standards to our Green Procurement Guidelines, we are building product chemical management structures that are integrated into our quality management system, for example by collecting related information into a product chemical content management list.
In FY2025, there were no violations of environmental laws and regulations at Toyo Tanso.

Reducing environmental impacts

Toyo Tanso strives to design products with low environmental impacts and to save energy and resources while reducing and reusing waste. We are also working to monitor emissions of environmentally harmful substances from manufacturing processes in accordance with applicable environmental laws and regulations and to reduce environmental impacts. Furthermore, we hold quarterly Energy Saving Committee meetings to share the initiatives and achievements of energy savings activities in each manufacturing department. These meetings promote energy savings activities and strive to reduce greenhouse gas emissions.

Using Earth-friendly raw materials and avoiding procurement risk ▶ P. 18



In order to achieve a carbon-neutral society, we must consider the environmental impact of procuring and using raw materials. As carbon materials are made using raw materials derived from fossil resources such as petroleum and coal, the Toyo Tanso Group must address the important issue of developing raw materials that do not rely on fossil resources. We are advancing an initiative that focuses on used graphite.

Creating safe, secure workplace environments where all employees can flourish

Ensuring all stakeholders' human rights are respected



Human Rights Policy

The Toyo Tanso Group's fundamental philosophy of "Contribute to the world through the pursuit of the possibilities inherent in carbon (C)" is in itself a contribution to the advancement of a sustainable society. Under this philosophy, we carry out numerous initiatives, which include supporting the SDGs through our products and business activities, aimed at resolving social issues.
Our initiatives are aimed at realizing a society that provides a safe and enriching lifestyle to people around the world. Indispensable to these initiatives is a respect for human rights.
With a sincere understanding of the impacts that the Toyo Tanso Group's business activities have on human rights, we make it our social mission to deal appropriately with these impacts. The Toyo Tanso Group Human Rights Policy was thus enacted as the ultimate guideline towards fulfilling this mission.
Acting on this policy, we seek to work with our stakeholders to make society even more sustainable.

Toyo Tanso Group Human Rights Policy
https://www.toyotanso.com/sustainability/society/respect.html

Human rights due diligence

Toyo Tanso believes that respecting the human rights of all stakeholders involved in its corporate activities is integral to its development.
Based on this belief, we have been conducting human rights due diligence since 2024. This process investigates apparent and potential risks of human rights violations in our business activities and aims to prevent and rectify such violations. In 2025, we conducted surveys of domestic Group companies and major primary domestic suppliers and took actions such as prevention and remediation regarding the identified risks.

Implementation plan

	Non-consolidated	Within Group	Major primary suppliers
Domestic	2024	2025	2025
Overseas	–	2026-2027	2027

Promotion system

Under the supervision of the Board of Directors, human rights promotion officers appointed from each department drive human rights due diligence, led by the Human Rights Working Group established within the People and Organizational Vitalization Group under the Sustainability Committee. Critical human rights risks identified through human rights due diligence are also shared with the Risk & Compliance Committee and managed as Group-wide risks.

Reference standards for human rights risk surveys

United Nations Universal Declaration of Human Rights, International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, UN Guiding Principles on Business and Human Rights, "Areas of Human Rights to Be Respected by Companies" by the Human Rights Bureau of the Ministry of Justice, etc.

Implementation of human rights due diligence (2025)

Domestic Group companies

1. Target

Ohwada Carbon Industry Co., Ltd.; Totan Kako Co., Ltd.

2. Survey methods

(1) Questionnaire survey to determine system status

Conducted a survey of relevant departments of domestic Group companies to determine the need for improvement in human rights-related systems and the status of activities to prevent human rights violations.

(2) Questionnaire survey to understand employee conditions

Conducted an anonymous survey of all employees of domestic Group companies regarding the occurrence of human rights violations, workplace safety conditions, and other matters.

(3) Interview survey with employees

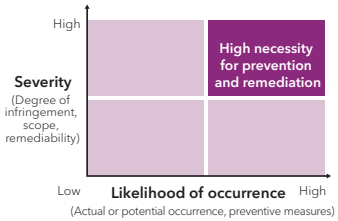
Sampled departments and employees and conducted interview surveys by external experts. Confirmed the validity of the questionnaire results in (2) and the possibility of human rights violations inferred from the results.

3. Human rights risk assessment and identification

Based on the survey findings, we conducted risk assessments and identification for each human rights risk area. To ensure objectivity, external experts were involved in this assessment process.

Identified human rights risks with a high necessity for prevention and remediation

- Understanding and dissemination of the Human Rights Policy
- Internal reporting system
- Treatment of non-regular employees
- Harassment
- Occupational health and safety
- Human rights in the context of climate change



4. Initiatives to prevent and eliminate human rights risks

For risks considered to have a particularly high necessity for prevention and remediation, we are advancing initiatives such as improving internal reporting systems and promoting understanding thereof, conducting harassment prevention education, reviewing safety assurance procedures, and improving workplace environments. Through regular monitoring, we verify the effectiveness of prevention and remediation while periodically identifying human rights risks, leading to continuous improvement. In addition, we continuously work on promoting understanding and dissemination of the Human Rights Policy, reviewing the treatment of non-regular employees, fostering internal awareness of climate change responses, and verifying human rights risks in the supply chain in accordance with Group-wide processes. We will progressively expand these initiatives across the Group, beginning with cases deemed scalable.

Domestic suppliers

1. Target

Major domestic suppliers

2. Survey methods

(1) Questionnaire survey with suppliers

Conducted a human rights questionnaire survey using the GCNJ (Global Compact Network Japan) survey form.

(2) Identification of suppliers with potential critical human rights risks

Suppliers that met either of the following criteria were identified as suppliers with potential human rights risks.

- Overall score of less than 80%
- Score of less than 60% on items concerning critical human rights issues

(3) Analysis of survey results and response

Analyzed risk trends across all surveyed suppliers based on survey results and identified priority issues. Held study sessions for suppliers on the importance of addressing sustainability issues and understanding the procurement guidelines, and requested that they take appropriate actions.

3. Initiatives to prevent and eliminate human rights risks

In response to identified human rights risks, we will implement phased measures according to the size and importance of suppliers.
For suppliers with an overall score of less than 80% or a score of less than 60% on critical items, we will request participation in study sessions hosted by Toyo Tanso to promote understanding of the importance of addressing sustainability issues and of our procurement guidelines.
While we do not require small businesses to establish formal systems, participation in study sessions is set as a minimum requirement. For high-priority suppliers, we will conduct audits as necessary to assess their human rights risk management practices.

Human resource strategies



Basic approach to human capital management

The operating environment for the Toyo Tanso Group is undergoing major changes, including the advancement of globalization; a shrinking workforce due to a declining birthrate and an aging population; rapid digital transformation (DX); and diversifying work styles, values, and business models. Under these circumstances, to fulfill our responsibility as a company that contributes to realizing a sustainable society, we regard human capital as one of our most important sources of value creation and promote human capital management aimed at maximizing its value.

Initiatives to maximize the value of human capital

Aiming to create an environment where each employee can realize their full potential and continue to grow and take on challenges, the Toyo Tanso Group is committed to promoting diversity that respects different backgrounds and values, health management supporting physical and mental well-being, the assignment of the right people to the right roles, and medium- to long-term human resource development.
Furthermore, we are focusing on strengthening DX literacy in light of advances in digital technology, as well as visualizing and strategically utilizing human capital through HR-data-driven talent portfolio management.

Fair evaluation and remuneration and enhanced engagement

We are establishing systems where employees' efforts to take on challenges and achievements are appropriately evaluated, while building a fair and equitable evaluation and remuneration system based on roles and contributions. Through these efforts, we aim to enhance employee engagement and build a relationship where both the organization and individuals can grow together with a shared sense of direction.
At the same time, through management development and organizational culture reform, we are fostering a corporate culture of autonomous learning and taking on challenges.

Toward realizing safety, security, and a society where no one is left behind

With the safety and security of all employees as our top priority, the Toyo Tanso Group strives to respect human rights and enhance employees' sense of fulfillment at work. By fostering an environment of mutual trust between individuals and the organization in which both can perform at their best, we realize sustainable growth for both people and the organization.
Through these initiatives, we will contribute to resolving social issues and continue advancing human capital management toward realizing a society where no one is left behind.

Initiatives in managing human capital

Human resource development and education	Introduction of employee skills development programs Execution of education and training Career development and securing promotion opportunities
Occupational environment and welfare benefits	Execution of improvement measures for occupational environment Execution of welfare benefit programs Promotion of work-life balance
Diversity & inclusion	Acceptance and promotion of diversity Increase in diversity index related to sex, age, ethnicity, and presence/absence of disability
Employee engagement	Execution of engagement surveys Promotion of concrete initiatives for enhancing engagement
Health and safety	Occupational health and safety management Execution of health maintenance/improvement programs Execution of mental health measures
Compensation and evaluation	Guaranteeing transparency in the compensation system Link between performance evaluation and compensation Introduction of an incentive system
Recruitment and retention	Recruitment strategies and performance management Onboarding and retention support for new hires Reduced turnover rate and countermeasures

Human resource development

The Toyo Tanso Group recognizes human resources as our most important asset and that human growth is the driving force behind the development of the Company. Based on the following human resource development policies, we provide various training programs. Furthermore, we support employees' self-development through subsidies for English conversation lessons and online courses.

Total number of participants in certifications, lectures, etc.: Goal of 500 or more (non-consolidated) (Results in 2025)

- Number of participants: 583/116.6% achievement
- Example of training programs conducted: Mid-level employee training (level-based training)
  A two-day training program was conducted for newly promoted employees to facilitate the acquisition and comprehension of leadership and followership competencies expected of mid-level employees.

Human resource development policy

To realize the 2030 Management Vision, we are dedicated to fostering human resources who resonate with our corporate philosophy and are equipped 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."

Educational system diagram
https://www.toyotanso.com/sustainability/society/management.html

Respecting workforce diversity

Diversity & inclusion

The pursuit of diversity and inclusion is a key priority. Diverse perspectives within our workforce are a source of sustainable growth for both the company and society.
The Toyo Tanso Group fundamentally prohibits discrimination on the basis of gender, nationality, religion, age, disability, or any other characteristic, and we are striving to cultivate an organizational culture rich in trust and creative collaboration so that employees with different values and ideas will respect one another and feel motivated by their jobs.
In addition, we recruit talent in accordance with a personnel plan linked to the business strategies of the Medium-Term Management Plan. Additionally, we ensure diversity in our workforce by recruiting talented individuals regardless of nationality, thereby building a foundation for our Company Policy of "Become a global company." Therefore, evaluation and promotion of employees are based on the same criteria regardless of nationality, or status as new graduate or mid-career hire. Accordingly, we do not set numerical targets for the appointment or promotion of foreign nationals or mid-career hires.

Promotion of work-life balance (WLB)

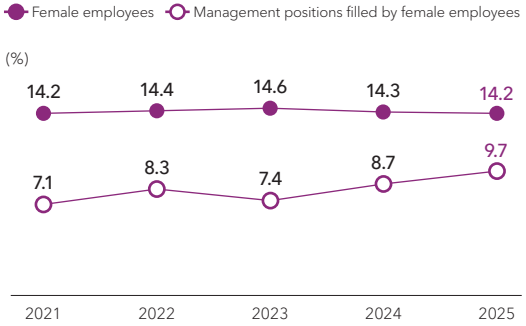
We aim to create workplace environments where men and women can continually work with a sense of purpose, and all employees can grow together with the Company. We have prepared a range of systems so that employees can work flexibly and efficiently, and balance work and lifestyle.

- Shortened full-time employee system
- Flex-time system
- Telework system
- Paid leave accumulation system
- Hourly annual paid leave utilization system

Female empowerment

Toyo Tanso is committed to establishing a work environment that enables employees to balance professional responsibilities with childcare, thereby fostering a workplace in which women can fully leverage their capabilities and thrive. As a result, the ratio of female managers has risen in recent years.
Additionally, we have formulated an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on the Promotion of Women's Active Engagement in Professional Life, and are moving forward with systematic initiatives.

Percentage of female employees and management positions filled by female employees (non-consolidated)



Action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on the Promotion of Women's Active Engagement in Professional Life

Goals	Initiatives (January 1 to December 31, 2025)	Achievements	2026 goals and action plans (plans)
Utilization rate of annual paid leave: 60% or more (Company-wide average)	・Continue monthly check on leave utilization rate ・Continue department-level initiatives ・Regularly visualize and communicate leave utilization conditions to eliminate an atmosphere that discourages taking leave	・Utilization rate of annual paid leave: 81.5%	Goal: Conduct harassment training at least once a year for all employees ▶ Build workplace environments where women can work comfortably (1) From January 2026: Formulate training programs and implement them systematically (2) From June 2026: Ensure thorough Company-wide awareness via internal bulletin boards, company newsletters, etc.
Creation of an environment where it is easy to utilize childcare-related leave	・Provide lump-sum childbirth benefit for employees on childcare leave ・Implement interviews using the "Parenting Enjoyment Handbook" ・Visualize Company-wide utilization rates and ensure thorough awareness of the system	Childcare leave utilization rate increased Company-wide childcare leave utilization rate: 75.8% (Up 15.8 percentage points from the previous year) (Men: 74.2% (up 14.2 percentage points from the previous year) Women: 100% (no eligible employees in the previous year))	Goal: Achieve an annual average childcare leave utilization rate of 50% or more for men and 75% or more for women ▶ Assess current leave and childbirth status and build workplace environments where taking leave is easy (1) From January 2026: Conduct childcare-related interviews with expectant parents, employees with newborn children, and their supervisors. (2) From July 2026: Regularly disclose childcare leave utilization status on internal bulletin boards to promote uptake
Support in forming and developing career visions following maternity and childcare responsibilities	・Establish, promote, and disseminate internal systems based on the Act on Advancement of Measures to Support Raising Next-Generation Children ・Execute various education and training programs ・Support the formation of networks by providing opportunities for women to interact based on job level	–	Goal: Keep monthly average overtime and holiday working hours within 15 hours for all employees ▶ Assess current overtime conditions and thoroughly communicate Company-wide toward reduction (1) From January 2026: Verify monthly data and notify departments and supervisors with high overtime and holiday working hours (2) From April 2026: Disseminate labor cost reduction information Company-wide via internal bulletin boards, etc.
Percentage of departments (across the Company) with female employees: 80% or more, resulting from recruitment and internal transfers	・Continue enhancing facilities for women ・Introduce training on workplace culture awareness (gender placement, development, evaluation, promotion, role division within the organization)	Percentage of departments with female employees: 75.7%	Goal: Provide young people with employment opportunities such as internships (including short-term work experience) ▶ Conduct internships and short-term work experiences several times a year primarily for high school and university students, expanding gateways to employment through practical work experience (1) From June 2026: Coordinate with relevant internal departments to enhance programs (2) From June 2026: Promote short-term work experience programs through visits to high schools, universities, etc.

Childcare support

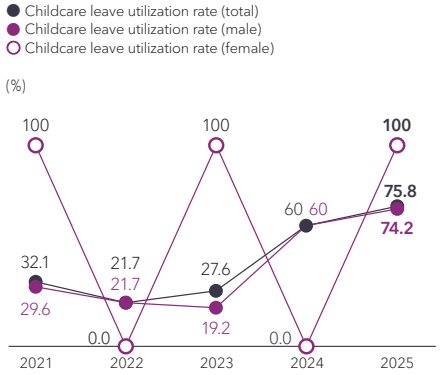
Toyo Tanso has consistently worked to help employees balance the demands of their jobs and families. We have formulated an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children, and we have acquired the Kurumin mark.
We distribute our original "Parenting Enjoyment Handbook" to employees expecting a child, conduct interviews including explanations of available systems, and encourage male participation in childcare, such as by enabling employees to take up to three days of leave after a spouse gives birth through the paid leave accumulation system. As shown in the chart below, the childcare leave utilization rate for female employees who gave birth has consistently achieved the target at 100%, and the utilization rate for male employees in FY2025 reached 74.2%, significantly exceeding the target of 30%.
Moreover, we are working to create an environment in which employees can continue to work with peace of mind, for example by hosting exchange meetings for employees who are using our parenting programs so that they can share parenting concerns and anxiety about how to balance work with family responsibilities while building supportive relationships with each other.

VOICE — Yuji Katai, Quality Assurance Dept., General Administration Division

In April 2025, our third child, a baby girl, was born. Seven years had passed since the birth of our second daughter, and with our new baby arriving just as our second daughter was starting elementary school, I decided to take childcare leave.
Shortly after our third daughter was born, she would constantly cry unless someone was holding her, day or night, so my wife and I worked together to take care of her each day. Looking back, even those sleep-deprived days are now a fond memory. I also actively took part in changing diapers, bathing her, and putting her to sleep, experiencing her day-to-day growth up close.
Now that a year has passed since she was born, I feel she is noticeably more attached to me than our older two children were, which I believe is largely because I was able to dedicate myself to childcare.
Walking the same school route I took as a child while accompanying my second daughter to and from school every single day without fail is another wonderful memory.
I was able to take childcare leave and focus on parenting thanks to the understanding and support of my supervisor and colleagues. I am truly grateful to them.
Going forward, I hope that workplace environments that enable men to participate even more actively in childcare will become widespread throughout the company.

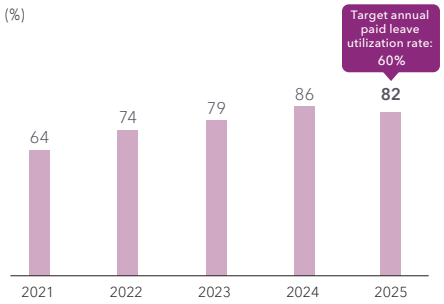


Childcare leave utilization rate



* In FY2022 and FY2024, the system did not apply to anyone, so the female childcare leave utilization rate was 0%.

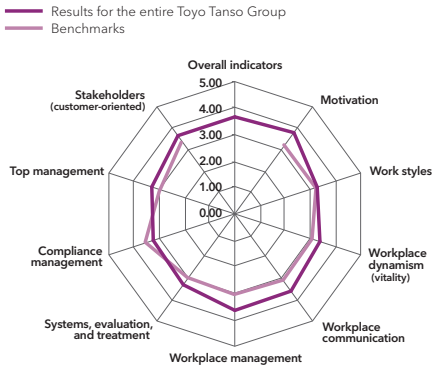
Average utilization rate of annual paid leave (non-consolidated)



Increasing employee engagement

Based on our belief that enhancing the engagement of each and every employee contributes to the growth of both employees and the Company, the Toyo Tanso Group positions job satisfaction as an important indicator of sustainable growth. We have been implementing the global engagement survey for all Toyo Tanso Group employees. Based on the results, we promote various initiatives to enhance engagement.
Starting in 2025, we have set engagement enhancement initiatives as a target within managers' MBO evaluations, establishing a mechanism to promote continual, Company-wide action.

Engagement survey
2025 cumulative results



Benchmark: Average score of listed companies in the manufacturing industry, derived from Nikkei Research's benchmark data

Improving safe, healthy workplace environments and increasing productivity

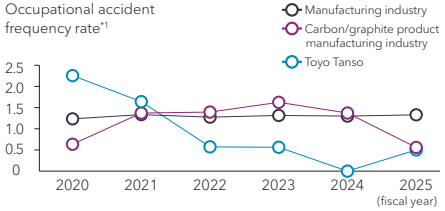
Promoting occupational health and safety

At Toyo Tanso, based on the fundamental belief that “safety takes precedence over all else,” we work to ensure workers’ safety and maintain their health, promoting the creation of comfortable workplace environments. As part of this, we hold Environmental, Health and Safety Committee meetings, conduct safety meetings in each workplace, and enhance safety education.
In addition, through various initiatives such as safety prayers offered at our on-site Inari shrine by Environmental, Health and Safety Committee members and managers, we work to raise the safety awareness of all employees.
Going forward, we will continue striving to further enhance occupational health and safety and build workplaces where employees can work with peace of mind.

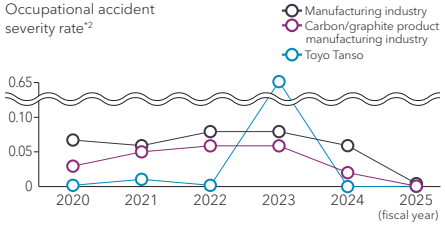
Eliminating occupational accidents

With the aim of eliminating occupational accidents in the workplace, we have set a target of zero occupational accidents as a key indicator.
When an occupational accident occurs, we share an initial accident report with relevant internal personnel within 24 hours and conduct an on-site inspection with all Environmental, Health and Safety Committee members. We then thoroughly investigate the causes and formulate and execute countermeasures. After these measures are put in place, we verify their effectiveness as part of our ongoing efforts to prevent recurrence.
Owing in part to the results of these initiatives, our lost-time injury frequency rate, which indicates how frequently occupational accidents occur, has maintained a favorable level compared with the domestic manufacturing industry overall.

Occupational accident frequency rate*1



Occupational accident severity rate*2



Number of occupational accidents

2020	2021	2022	2023	2024	2025
4	3	1	1	0	1

*1. Frequency rate: An index expressing the frequency of accidents in terms of the number of casualties due to occupational accidents per one million hours of actual labor. Frequency rate = number of casualties due to occupational accidents / hours of actual labor x 1,000,000
*2. Severity rate: An index expressing the severity of an accident in terms of the number of lost labor days per one thousand hours of actual labor. Severity rate = number of lost labor days / hours of actual labor x 1,000

Activities of the Environmental, Health and Safety Committee

At each site, the Environmental, Health and Safety Committee meets monthly to deliberate and establish safety education plans, analyze the causes of work-related accidents, and examine recurrence prevention measures and worker accident prevention measures. In addition, under the guidance of occupational physicians, we continuously consult on issues concerning workplace environment improvements and employee health.
Furthermore, to prevent occupational accidents and incidents at production sites, health supervisors and Environmental, Health and Safety Committee members conduct regular “safety patrols.” The patrols carry out inspections from multifaceted perspectives, including identifying hazardous areas, verifying compliance with safety rules and operating procedures, detecting hazardous conditions or unsafe acts, assessing equipment and machinery safety, as well as evaluating production area management based on the 3S principles (sort, set in order, and shine).

- Reporting safety results (occupational accidents, traffic accidents) and monthly activity plans/results
- Reporting safety patrol results by occupational physicians and Environmental, Health and Safety Committee members
- Presenting cases of near misses and risk assessments
- Reporting on safety activity topics

Safety management for partner companies

We also request that partner companies, including contractors, comply with the Safety and Health Standards established by Toyo Tanso, in addition to fulfilling their obligations stipulated in relevant laws and regulations such as the Labor Standards Act and the Industrial Safety and Health Act.
By sharing safety awareness with partner companies and working as one to promote occupational health and safety activities aimed at preventing accidents and disasters, we are committed to securing a safe and secure work environment.

Undertaking corporate activities that inspire trust

Undertaking community service activities

Community service policy

The Toyo Tanso Group hopes that by voluntarily engaging in community service as a member of the local community, each and every one of our employees will feel that they are contributing not only to the development of the local community but also that the awareness and sense of fulfillment they gain through facing social issues will lead to an increase in their own sense of purpose in life and work.

1. Through our business activities, we create a society in which the local community and the Company can coexist.
2. We work with the local community to promote ongoing activities based on an understanding of requests, expectations, and needs.
3. We raise a sense of volunteering among our employees and encourage and support their activities in the community.

Supporting efforts to address social welfare issues	● Food drive activity ● Participating in volunteer activities * The paid leave accumulation system (up to two days) can be used to participate in volunteer activities.
Contributing to the creation of a rich environment	● Clean-up (beautification) activities near business sites ● Clean-up activities at rivers and beaches
Natural disaster assistance in cooperation with local governments	● Providing space for storing supplies for use in the event of a natural disaster ● Providing shelter facilities and emergency supplies for use in the event of a natural disaster
Supporting the development of human resources and the growth of youth who will carry on the local society	● Developing the next generation of human resources through operational support for Kondo Zaidan Public Interest Foundation ● Hosting plant tours and job introduction classes for students and children
Contributing to safe, secure communities	● Encouraging employees to join local volunteer fire departments
Supporting initiatives for regional revitalization and resolution of regional issues	● Sponsoring community events and revitalization initiatives ● Donations through the corporate version of the hometown tax system (Iwaki City)

VOICE Parent-child hands-on event: experiencing isotropic graphite manufacturing

Yudai Watanabe, Human Resources Dept., General Administration Division

At our Takuma Division, we hosted a parent-child hands-on event for elementary school students. In this event, participants experienced the manufacturing process of isotropic graphite, Toyo Tanso's flagship product, through a hands-on activity modeled on "cookie baking."
The manufacturing processes of cookies and carbon materials share common steps: "mixing," "molding," and "baking." By drawing this connection, we believe participants were able to feel a sense of familiarity with specialized technologies they would not normally encounter, while enjoying learning about the manufacturing process of carbon.
Going forward, we will continue working to build a positive corporate image and further strengthen relationships of trust with local communities.





VOICE Marine debris cleanup activity

Chisato Ukegawa, General Affairs Dept., General Administration Division

We participated in a coastal cleanup organized by Kagawa Prefecture at Ariake Beach in Kannonji City, Kagawa Prefecture. Marking our sixth time participating, employees from various sites across Kagawa Prefecture took part in cleaning approximately 2 km of coastline.
Blessed with mild weather, participants worked quietly under clear blue skies, carefully picking up each small piece of litter scattered across the beach. The clean coastal landscape after the cleanup gave us a real sense that we had contributed to preserving the local environment.
Going forward, we will continue locally rooted environmental conservation activities and advance our efforts to help realize a sustainable society.



Undertaking corporate activities that inspire trust

Compliance

Basic approach to compliance

The Toyo Tanso Group considers compliance activities to consist not only of obeying the law but also accommodating requirements imposed by society, including in the form of social and ethical norms. Through its compliance activities, the Group encourages each employee to change their behavior and seeks to embed compliance awareness in its corporate culture.

Compliance structure

We conduct compliance activities under the oversight of the Risk & Compliance Committee, the Group's highest-level compliance body, whose members are appointed from among Directors and Officers. In addition to forming policies for and examining important issues in compliance, the Risk & Compliance Committee also assesses compliance violation risks at the Company and its affiliates on a quarterly basis as part of an ongoing monitoring program.

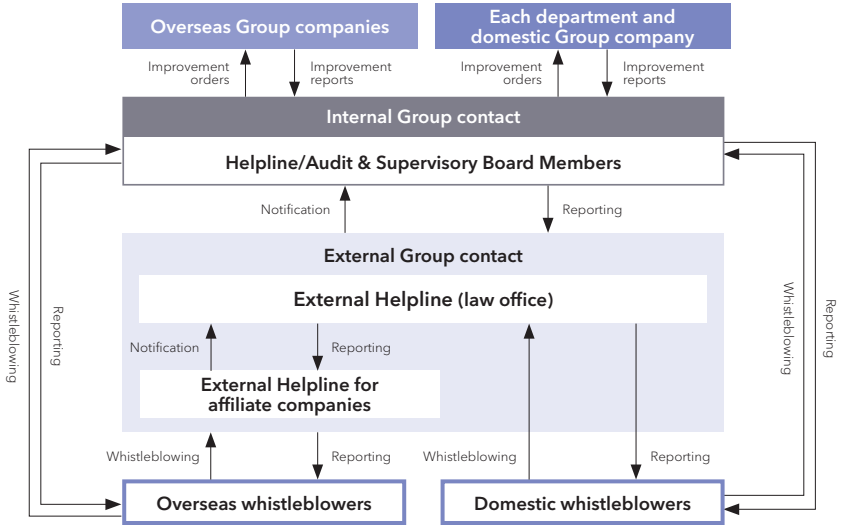
Education and awareness-raising activities

In addition to enacting a Compliance Guidebook to foster compliance awareness, the Toyo Tanso Group has established October as annual "Compliance Enhancement Month" and conducts education and awareness-raising activities for all employees so that the principles become second nature in their conduct.
Additionally, we also conduct the following education and awareness-raising activities by employee level and subject area.

Educational and awareness-raising activities (2025)	Participants	Number of trainees
New-hire training (April)	Newly hired graduates	30
Training for newly assigned managers (July)	New managers	9
Officer compliance training (July)	Directors, Audit & Supervisory Board Members, Executive Officers, etc.	18
Regular compliance training (August)	Employees who have been with the company for less than one year	84
Compliance Enhancement Month (October)	Company employees and domestic affiliates' employees	All employees
Training to prepare employees for overseas postings	Prospective employees to be posted overseas	2

Internal reporting system

The Toyo Tanso Group has established internal helplines to serve as points of contact for consultations and reports related to compliance violations and corporate ethics issues. To encourage broad utilization, multiple points of contact have been established in the form of internal and external helplines for the Group companies, and anonymous reporting is accepted. Information received via these helplines is kept confidential, and the results of any investigations are relayed to whistleblowers. It is prohibited to engage in conduct that would identify or scrutinize whistleblowers, who are protected against disciplinary action and other disadvantageous treatment as a result of their having contacted the helpline.



Security export control

Amid heightening geopolitical risks, we recognize that contributing to maintaining international peace and security is one of the essential responsibilities for the Toyo Tanso Group. To fulfill this responsibility, the Group has adopted a basic policy of preventing the unlawful export or provision of goods and technologies in accordance with export-related laws and regulations, including the Foreign Exchange and Foreign Trade Act, from the perspective of preventing the proliferation of weapons of mass destruction and the excessive accumulation of conventional weapons.
Under this basic policy, we have established Security Export Control Rules and strive to ensure thorough legal compliance through regular education and training for all employees. We also conduct audits of domestic and overseas Group companies to maintain appropriate, highly transparent transactions.
Furthermore, to ensure the smooth distribution of goods and information essential to our business activities, we continuously monitor export control regulations and policy trends in each country. Through these efforts, we have established a framework capable of responding swiftly and appropriately to changes in the international regulatory environment.

Preventing corruption (bribery)

Amid the global tightening of anti-corruption initiatives, the Toyo Tanso Group states as one article of its management policy that "based on compliance with laws and social norms, we shall observe public order as well as contribute to society through conscientious and fair corporate activities," and raises awareness regarding anti-corruption and the prevention of bribery in its related Standards of Conduct and Compliance Guidebook.

Compliance with competition laws

For the Toyo Tanso Group, which conducts business globally, competition law compliance is regarded as one of its critical initiatives. To strictly comply with competition-related laws and regulations, we operate a compliance program based on our Competition Law Compliance Rules. In addition, we work to raise awareness through the Compliance Guidebook and internal training, thoroughly enforcing compliance with competition laws in our business operations.

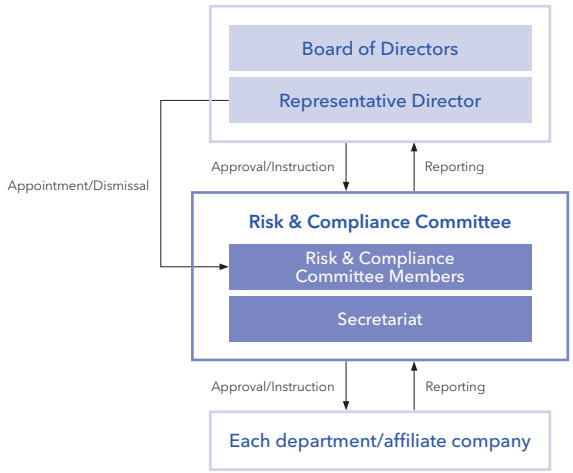
Strengthening crisis management capabilities

Basic policy on risk management

The Toyo Tanso Group enhances its management of risks associated with its business activities with the Risk & Compliance Committee taking the lead. This helps to minimize damage in the event of an emergency or disaster that may significantly affect the Group.

1. To ensure the Group's sustainable development, achieve management goals, and fulfill corporate social responsibilities, the Group establishes and operates a risk management structure. This structure comprehensively manages various risks related to business activities from a global perspective, thereby enhancing corporate value.
2. The structure collects risk information, analyzes risks, and takes measures to prevent risks from materializing and to avoid, reduce, and transfer losses.
3. If a risk materializes, the structure promptly activates a response system that prioritizes saving human life and minimizing damage. It also strives for early recovery, identifies the causes, and implements measures to prevent recurrence.
4. The Group enhances its risk resilience and strives to maintain the Group's social credibility by continually revising this policy and the risk management structure, as well as by implementing education and awareness-raising activities for all Directors, Officers and employees.

Risk and compliance management structure



Global business continuity plan (BCP)

The Toyo Tanso Group has established a common, all-hazard BCP approach against earthquakes, wind and floods, and infectious diseases, and has formulated a global BCP to prevent business interruptions that could significantly impact society.
Additionally, in the event of a large-scale disaster, we ensure regional safety and provide proactive assistance to local communities (saving lives, providing supplies, making facilities available, and offering other forms of support).

Information security initiatives

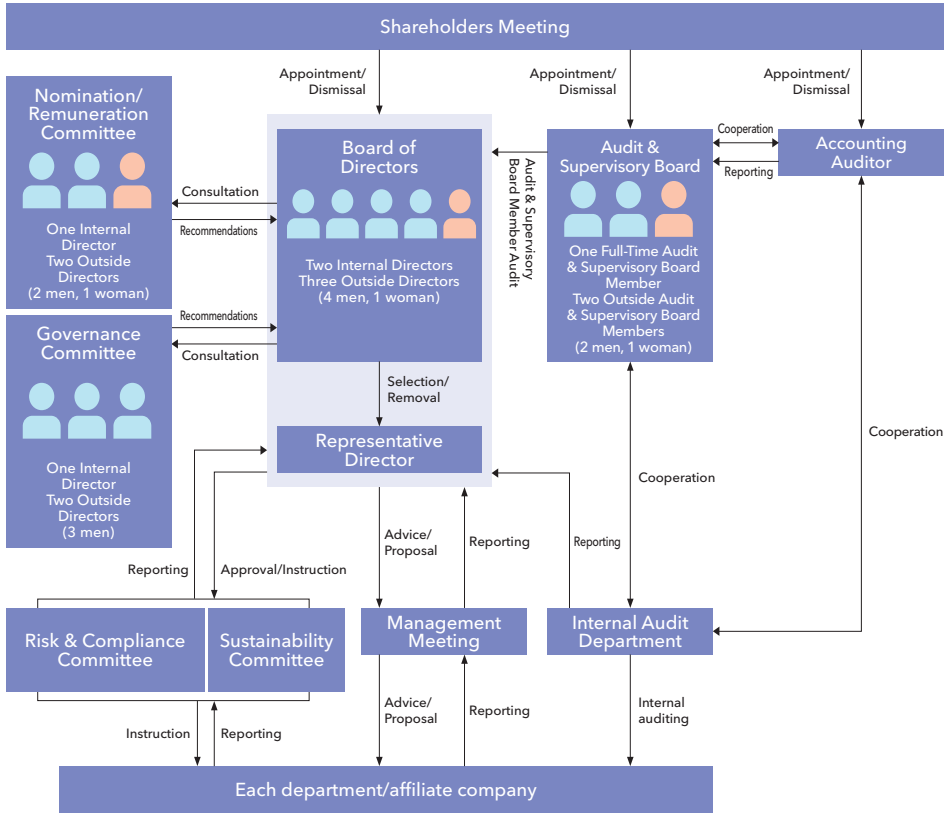
The Toyo Tanso Group positions information assets as one of its critical management assets and has constructed a cross-group information security management structure based on its Information Security Basic Policy. Under this framework, in addition to complying with relevant laws, regulations, and internal rules, we continuously review the structure and upgrade countermeasures in light of technological evolution and changes in the external environment. In recent years, as cyberattacks facing companies grow increasingly sophisticated and complex, we recognize addressing cyber risks that could impact business and management as an important management priority and are advancing preventive security measures centered on strengthening surveillance systems for information systems. Furthermore, to minimize damage and ensure prompt recovery in the unlikely event of an information security incident, we have established an internal Computer Security Incident Response Team (CSIRT) framework. We have also joined the Nippon CSIRT Association, continuously gathering and utilizing information on the latest threat trends and response measures obtained from external organizations. Combined with employee education and regular internal audits, we strive to ensure business continuity and maintain and enhance social trust through effective cybersecurity measures.

Corporate governance

Corporate governance structure

In order to respond to the trust placed in us by our stakeholders including shareholders, customers, employees and society, and to achieve sustainable growth and enhance corporate value over the medium- to long-term, while following the fundamental philosophy and management policies below as our basic principle, the Toyo Tanso Group has built a structure of corporate governance aiming to make transparent, fair, quick and decisive decisions while keeping a balance between management supervision and the execution of duties.

Overview of corporate governance



Principal governing bodies

Board of Directors	The Board meets once a month in regular session and in extraordinary sessions as necessary to make decisions concerning important matters such as our management policies. We have adopted an Executive Officer structure in which daily operational matters are entrusted to Executive Officers to speed decision-making and clarify responsibility. Executive Officers, who are appointed by the Board of Directors, carry out operations by directing the internal organization under their control and are responsible for ensuring that those operations are carried out in accordance with the company's management policies. In addition to overseeing Directors' execution of their responsibilities, the Board of Directors oversees Executive Officers' implementation of operations. Key agenda items for FY2025: Convening of the General Shareholders Meeting and matters to be resolved; matters concerning overall management, financial results, finances, and internal controls; matters concerning personnel and organizational structure, including Directors and management; matters concerning affiliate companies; matters concerning sustainability; etc.
Audit & Supervisory Board	The body, which meets in regular session once a month and in extraordinary session as necessary, receives reports on the status of Audit & Supervisory Board Members' execution of their responsibilities, shares information, and works to ensure the effectiveness of audits. Specific matters to be considered: Audit implementation policy for each fiscal year (basic audit policy, key audit focus areas, implementation plan); Evaluation of the accounting auditor, approval of reappointment and remuneration; Content of reports from the accounting auditor regarding audit plans and results; Verification of Directors' performance of duties; Verification of the establishment and operation of the internal control system, etc.
Management Meeting	The Management Meeting, which in principle meets once a month, works to accelerate decision-making and strengthen the company's operational functions by deliberating on important management matters and discussing matters that should be reported to the Board of Directors. It also ensures that decision-making on important matters is informed by good judgment.
Nomination/ Remuneration Committee	As a voluntary advisory body to the Board of Directors, the committee deliberates on matters concerning the appointment, dismissal, and remuneration of Directors and other Officers and submits recommendations to the Board of Directors in order to ensure the transparency of the discussion process related to human resources (appointments and dismissals) and remuneration for Directors, Audit & Supervisory Board Members, and Executive Officers, as well as to strengthen the company's corporate governance structure. In addition, the Nomination/Remuneration Committee deliberates and examines its policies and roles, as well as the criteria for the appointment and dismissal of Directors, as appropriate. Key agenda items for FY2025: Matters concerning Director candidates, matters concerning Director remuneration, etc.
Governance Committee	Aiming to enhance management transparency and fairness from the perspective of all stakeholders and to continuously enhance corporate governance across the Group, the committee deliberates on important matters concerning corporate governance and provides recommendations, advice, or reports to the Board of Directors. Key agenda items for FY2025: Matters concerning the effectiveness assessment of the Board of Directors, matters concerning the cost of capital, matters concerning the Corporate Governance Report, etc.

Officers

Directors



Representative Director, Chairman & President
Chief Executive Officer (CEO)
In charge of General Administration Division and Global Sales Division

Naotaka Kondo



Director
Director of Division, Corporate Planning Division
In charge of Advanced Technology Division and Production Division

Tatsuro Hamada



Director (Outside, Independent)

Makio Naito



Director (Outside, Independent)

Keiko Kosaka



Director (Outside, Independent)

Kazuhiro Imai

		Naotaka Kondo	Tatsuro Hamada	Makio Naito	Keiko Kosaka	Kazuhiro Imai
Number of shares held[*1]		1,220,376	3,200	100	900	0
Years in office		8 years	7 years	3 years	4 years	Newly appointed
Committee Membership and Attendance[*2]	Board of Directors	Attended all 17 meetings (chairperson)	Attended all 17 meetings	Attended all 17 meetings	Attended all 17 meetings	Attended all 17 meetings[*3]
	Audit & Supervisory Board	—	—	—	—	—
	Nomination/Remuneration Committee	Attended all 6 meetings	—	—[*4](Committee Chairman)	Attended all 6 meetings	—
	Governance Committee	Attended all 4 meetings (Committee Chairman)	—	Attended all 4 meetings	—	—[*4]
Skills Matrix[*6]	Overall management	◎	◎	○	○	○
	Key business/industry experience (Materials industry)	◎	○	◎		
	Global management	◎	◎	◎		
	Sales/marketing	◎	○			
	R&D/production technology	○	◎	◎		
	Quality control/procurement and logistics	○				
	Sustainability/ESG	○	◎	◎	◎	◎
	IT/AI/IoT/DX	○				◎
	Legal affairs/personnel/risk management, etc.	○			◎	◎
	Finance/institutional accounting/ management accounting/taxation	○				◎

*1 The number of shares of the Company held by each officer reflects the status as of December 31, 2025.
*2 Meeting attendance reflects actual results for FY2025.
*3 Since Director Kazuhiro Imai retired as Audit & Supervisory Board Member upon the conclusion of the Ordinary General Shareholders Meeting held on March 27, 2026, and was newly appointed as Director at that meeting, his attendance at Board of Directors meetings reflects his record as an Audit & Supervisory Board Member.
*4 Since Director Makio Naito was appointed to the Nomination/Remuneration Committee on January 20, 2026, and Director Kazuhiro Imai was appointed to the Governance Committee on March 27, 2026, their attendance during FY2025 is not listed.
*5 Since Audit & Supervisory Board Member Koji Funatomi was newly appointed at the Ordinary General Shareholders Meeting held on March 27, 2026, his attendance at Board of Directors and Audit & Supervisory Board meetings during FY2025 is not listed.
*6 Up to four areas of particularly high expertise and experience are indicated with a ◎ mark.

Audit & Supervisory Board Members



Audit & Supervisory Board Member (Full-Time)

Toshimi Boki



Audit & Supervisory Board Member (Outside, Independent)

Junko Uemura



Audit & Supervisory Board Member (Outside, Independent)

Koji Funatomi

2,200	0	0
4 years	4 years	Newly appointed
Attended all 17 meetings	Attended all 17 meetings	—[*5]
Attended all 13 meetings (chairperson)	Attended all 13 meetings	—[*5]
—	—	—
—	—	—
◎		
	○	
◎		
	◎	○
◎		◎

Executive Officers (as of August 1, 2026)

Position	Name	Area of responsibility
Chairman & President Executive Officer	Naotaka Kondo*	Chief Executive Officer (CEO) In charge of General Administration Division and Global Sales Division
Senior Managing Executive Officer	Tatsuro Hamada*	Director of Division, Corporate Planning Division In charge of Advanced Technology Division and Production Division
Managing Executive Officer	Akira Sasaki	Director of Division, Global Sales Division In charge of Sales Management Department
Senior Operating Officer	Tadashi Shimada	Director of Division, Advanced Technology Division In charge of Development Planning Department, Application Engineering Department, and Materials Development Department
Executive Officer	Kiyofumi Sone	Director of Division, Production Division In charge of Production Department and Production Coordination Department
Executive Officer	Hideki Kiku	Deputy Director General of Division, Global Sales Division In charge of Domestic Sales Department and International Sales Department
Executive Officer	Manabu Takata	Deputy Director General of Division, Corporate Planning Division and General Manager of Planning Department In charge of Global Supply Chain Promotion Department, Global Business Strategy Department, and Sustainability Promotion Department
Executive Officer	Hiroshi Machino	Deputy Director General of Division, Production Division In charge of Purification Department, Advanced Material Department, and PF Production Department
Executive Officer	Yusuke Murata	Deputy Director General of Division, Corporate Planning Division and General Manager of DX Promotion Department In charge of Group Companies Promotion Department and Global Business Promotion Department
Executive Officer	Akiyoshi Zushi	Deputy Director General of Division, Production Division In charge of Machining Department, CC Composite Production Department, and Advanced Energy Department

Executive Officers whose position is preceded by an asterisk also serve as Directors.

Officer training policy

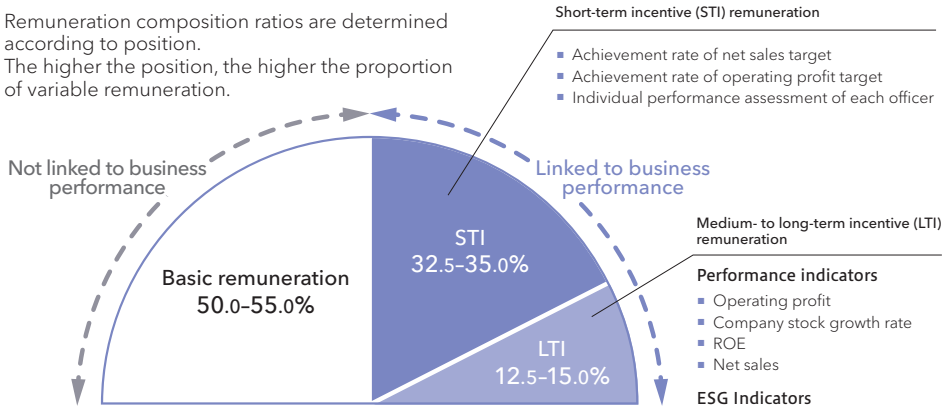
Toyo Tanso provides, facilitates, and funds training opportunities designed to allow Directors, Audit & Supervisory Board Members, and Executive Officers to acquire necessary knowledge concerning the Group's businesses, finances, organization, and other characteristics and to develop a sufficient understanding of the roles and responsibilities they are expected to fulfill at the time of their appointment and to update this knowledge on an ongoing basis while they serve in their positions.
As a specific initiative, we conducted training programs on compliance and other topics for Directors, Audit & Supervisory Board Members, and Executive Officers, as well as for executive candidates as necessary.

Officer remuneration

Our basic policy concerning the determination of officer remuneration is that such remuneration should comprise a system that functions adequately as a robust incentive to encourage sustained improvement of corporate value and contributions to the sustainable development of society, reflects shareholder profits, and aligns with the Medium-Term Management Plan. Remuneration for Executive Directors consists of a monthly salary as basic remuneration and short- and medium-/long-term incentive remuneration as a performance-based component. Performance indicators are selected to ensure alignment with the goal of ensuring that those components of officers' remuneration more closely track the company's performance during the business year in question as well as its medium- and long-term performance. Remuneration for Non-Executive Directors who perform oversight functions consists exclusively of a monthly salary as basic remuneration, determined on the basis of their job responsibilities. Remuneration for Audit & Supervisory Board Members consists exclusively of basic remuneration.

Remuneration composition ratio

Remuneration composition ratios are determined according to position.
The higher the position, the higher the proportion of variable remuneration.



The amount paid when performance targets are achieved is set at 100, and varies between approximately 0 and 150 depending on the degree of achievement.

Total remuneration by officer classification, total remuneration by type, and number of officers (FY2025)

Officer classification	Total remuneration (millions of yen)	Total remuneration by type (millions of yen)		Number of eligible officers
		Basic remuneration	Performance-linked remuneration	
Directors	126	101	25	5
Outside Directors	(25)	(25)	(–)	(3)
Audit & Supervisory Board Members	30	30	–	3
Outside Audit & Supervisory Board Members	(13)	(13)	(–)	(2)
Total	157	132	25	8
Outside officers	(38)	(38)	(–)	(5)

* The actual results for the performance evaluation indicators "Achievement rate of net sales target" and "Achievement rate of operating profit target" in FY2025 were 85.8% and 68.5%, respectively.
* Financial remuneration for Directors was capped at 540 million yen per year by the 77th General Shareholders Meeting held on March 28, 2019. As of the closing of that meeting, the Company had eight Directors (of whom three were Outside Directors).
* Financial remuneration for Audit & Supervisory Board Members was capped at 36 million yen per year by the 77th General Shareholders Meeting held on March 28, 2019. As of the closing of that meeting, the company had three Audit & Supervisory Board Members (of whom two were Outside Audit & Supervisory Board Members).

Guidelines for officer shareholding

To enhance motivation and morale toward the long-term increase of corporate value and align the interests of management with those of shareholders by sharing both the benefits of increases in the Company's share price and the risks of decreases in its share price, Toyo Tanso has established guidelines on share ownership by Directors, including target shareholding levels according to position. Based on these guidelines, Directors purchase a fixed amount of Company shares each month through the Officers' Shareholding Association and continuously hold the acquired shares throughout their term of office.

Evaluating the effectiveness of the Board of Directors

Toyo Tanso's Governance Committee plays the lead role in evaluating and analyzing the effectiveness of the Board of Directors as a whole and undertaking initiatives to address the issues identified as a result. An overview of the FY2025 evaluation follows.

Method	Questionnaire format	Participants	Directors and Audit & Supervisory Board Members
Contents	Survey forms including the following principal evaluation items were handed out: 1. Responsibilities and roles of the Board of Directors 2. Scale, composition, and structure of the Board of Directors 3. Operation of the Board of Directors 4. Relationships with stakeholders		
Results	The Board of Directors has been fulfilling its roles and responsibilities in accordance with the principles of the Corporate Governance Code, and its effectiveness has been generally ensured.		

Areas where we will work to make improvements based on an awareness of the need for enhancements and additional development	Areas to be targeted for initiatives from 2026 onwards
(1) Formulating successor plans	• Review and progress in successor plans
(2) Progress in addressing issues identified in evaluating the effectiveness of the Board of Directors last year, and improvements for those issues	• Progress and reassessment of the Medium-Term Management Plan • Progress in initiatives related to (1)

Efforts to strengthen governance

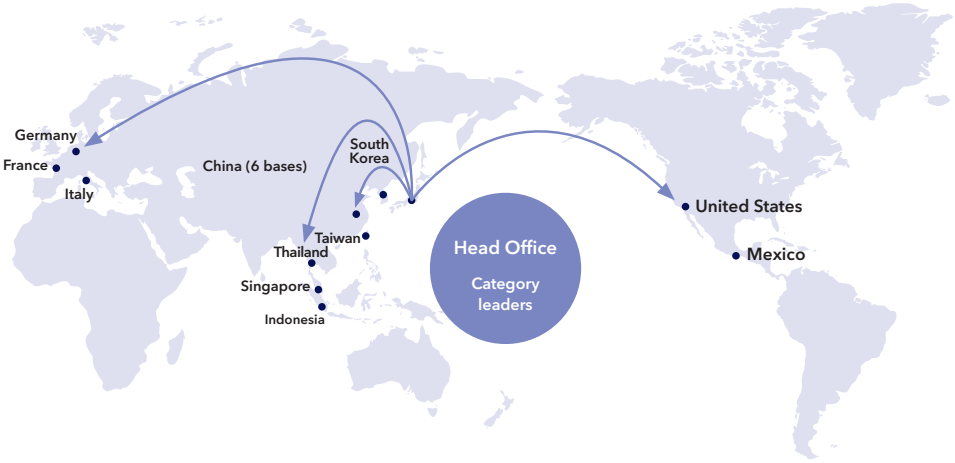


Change in the number of Directors	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-
Directors	8	7	7	8	8	7	6	6	5	5	5
Outside Directors	3	3	3	3	3	3	3	3	3	3	3
Female Directors	0	0	0	0	0	0	1	1	1	1	1
Audit & Supervisory Board Members	3	3	3	3	3	3	3	3	3	3	3
Outside Audit & Supervisory Board Members	2	2	2	2	2	2	2	2	2	2	2
Female Audit & Supervisory Board Members	0	0	1	1	1	1	1	1	1	1	1

* Number of officers as of the end of each fiscal year

Global management

With regard to governance of domestic and overseas affiliates, category leaders in the Global Business Promotion Department (experts in each functional department) are working to integrate processing technologies, quality assurance, and product development, while also centralizing management functions such as production, sales, procurement, legal affairs, accounting, human resources, and information systems.
In this way, we have built a management system for the entire Group and are making efforts to further enhance our management system. In accordance with the Management Book (Group Common Management Standards), the Group is working to standardize subsidiary management, ensure operational consistency, and conducting effectiveness checks and monitoring.



- Centralize processing technology, quality assurance, and development under the Head Office
- Centralize management of functions such as production, sales, procurement, legal affairs, accounting, human resources, and information systems

Roundtable discussion among Outside Directors

Outside Director
Makio Naito

Outside Director
Keiko Kosaka

Outside Director
Kazuhiro Imai



What is your impression of Toyo Tanso's Board of Directors?

Naito Having served as an Outside Director since 2023, I see these past three years as a period in which organizational reforms moved forward dynamically, laying the groundwork for our next stage of growth. In particular, by establishing a framework that seamlessly links basic research with product development and production engineering, I expect Toyo Tanso's technological capabilities—one of its core strengths—to be further enhanced. I also recognize that the Company has become capable of responding nimbly to shifts in the external environment, as seen in the proactive expansion of business in fields such as next-generation nuclear applications.

Kosaka I agree. While global conditions and market environments changed significantly, creating some challenging business conditions in FY2025, I believe the Company continued to steadily implement the initiatives needed to prepare for its next stage of growth, including organizational reforms and capital investment. I also find that the Board of Directors has a very open atmosphere in which members feel comfortable speaking up. For instance, if I believe that further explanation or discussion is needed before reaching a conclusion, I say so candidly. In such cases, the Board ensures that sufficient time is set aside to share information and thoroughly discuss the matter before adopting a resolution.

Imai I assumed the role of Outside Director this fiscal year. Having attended Board meetings as an Outside Audit & Supervisory Board Member, my impression is that the Board conducts truly substantive and effective discussions, with the Outside Directors speaking up actively from their wealth of experience and expertise and the presenters preparing meticulously for each agenda item.

What aspects are you focusing on regarding the Medium-Term Management Plan (2026–2030)?

Imai Since a medium-term management plan charts the course for management, it must clearly articulate its targets and direction. On the other hand, the operating environment today changes rapidly in short spans of time, which can at times make it difficult to improve business performance as planned. What is tested of executive leadership in such situations is decision-making during market downturns. I believe it is vital to take a disciplined, prioritized approach—scaling back or withdrawing from underperforming businesses while carefully assessing risk and return to allocate management resources to businesses with promising growth potential.



Naito As Mr. Imai noted, businesses inevitably experience ups and downs driven by market fluctuations and industrial trends. That is precisely why clear targets are so essential to ensure we do not lose sight of our medium- to long-term direction. Because Toyo Tanso formulates business plans from the bottom up, I expect executive management to steer the Company appropriately while anticipating market developments. With its technological foundation built over many years, I am confident that Toyo Tanso is fully capable of adapting to environmental shifts.

Kosaka Although the outlook remains uncertain regarding the timing of market recovery and global developments, I recognize that the Company is advancing its business through thorough information gathering and prudent deliberation. Given the vital importance of expanding our overseas market share going forward, I am paying particularly close attention to strengthening organizational structures at our overseas affiliates. While various initiatives have been implemented to reinforce affiliates' competitiveness—including technical support—I believe there is still more we can do, such as developing structures tailored to the distinct business environment of each affiliate.

Naito I also believe there is further room to strengthen our overseas affiliates. The crucial challenge lies in how we link our bases across Asia, Europe, and the Americas and drive their growth. This, I believe, is the key to unlocking the next leap forward for the entire Toyo Tanso Group.

How do you view Toyo Tanso's technological capabilities?

Imai Toyo Tanso was shaped by its isotropic graphite, which it was the first in the industry to mass-produce. After overcoming numerous failures to establish manufacturing technologies, the Company continued to hone its expertise by developing and commercializing various grades of isotropic graphite tailored to evolving market needs. I consider this to be the very starting point of the Company.

Naito Carbon materials involve a lengthy manufacturing process, with proprietary know-how required at every stage, making them exceptionally challenging materials to produce; however, Toyo Tanso possesses both time-tested know-how and advanced technical prowess to design materials tailored to customer needs. The process of "mixing, molding, and baking powders" used in manufacturing carbon materials serves as a foundational technology for material synthesis in general, meaning it can also be applied beyond carbon materials. In that sense, as a materials manufacturer with comprehensive technical capabilities, I believe there is potential to expand into domains beyond carbon, as well.

Kosaka We sometimes discuss materials and technologies at Board meetings, and having Mr. Naito—an expert in powder engineering—as an Outside Director deepens these discussions, which in itself represents another distinctive strength of Toyo Tanso. Chairman Kondo also possesses extensive technical knowledge, and I feel he is building an organization with a keen awareness of the importance of technology development.

What recommendations do you have for the executive team, such as areas where they should place greater focus?



Imai As we expand international business, international technical exchange will become increasingly active, so I hope the Company continues to nurture outstanding global talent. An organization is a collective of people; whether developing technology or expanding business, everything starts with human talent. Fostering talent will serve as the wellspring of our medium- to long-term competitiveness.

Kosaka That is certainly our shared understanding. With various initiatives underway to develop global talent—including transfers to overseas affiliates—I look forward to seeing an increasing number of employees gain a wide range of experience in the years ahead.

Naito Toyo Tanso has a warm culture and low turnover, but I believe it will become an even stronger company if it continues building an organization where each individual can fully demonstrate their capabilities and grow autonomously. For a company to thrive, in addition to defining what talent to nurture and how, providing proper incentives is equally crucial.

What are your thoughts on areas other than human resource development?

Imai I believe capital investment is also critical. Toyo Tanso is currently advancing investments with an eye toward future growth. Some of these projects involve substantial scale and capital, requiring several years to complete, during which market conditions will inevitably change. While I recognize that forecasting the future is difficult, executing investments demands sound analysis and prudent decision-making that take into account changing market conditions.

Naito Having solid production facilities is a key strength for a manufacturer, but as Mr. Imai noted, proper risk management is essential. From that standpoint, leveraging DX and AI to manufacture efficiently and maximize the utilization of existing equipment is an effective approach. Initiatives are currently underway to upgrade database management and deploy it across technology development and production sites, and I hope these efforts will help address various issues and lead to more advanced manufacturing.

Kosaka I also consider initiatives to further strengthen compliance to be vital. While operational procedures are being thoroughly codified into manuals both in Japan and overseas, we must remain mindful of whether they account for local business customs and cultural backgrounds, establishing a framework in which essential information is consolidated and values can be shared across the Group.



Imai Some may view governance and compliance as having reached a solid level of maturity, but it is essential to maintain the mindset that they require continuous evaluation. I intend to keep my focus firmly fixed on monitoring these areas.

What kind of discussions primarily take place in the Nomination/Remuneration Committee and the Governance Committee?

Kosaka In the Nomination/Remuneration Committee, we discuss whether the remuneration structure is rational and appropriately set to function as a sound incentive for management. We have established evaluation indicators related to financial performance and sustainability, and we have revised them over time, such as by adding indicators in light of management policies and targets. We also continuously review the allocation ratios among fixed remuneration and short- and medium- to long-term performance-linked remuneration, and we will continue examining and discussing this balance, referring to trends among listed companies.

Naito We are also discussing succession planning, broadening the scope of deliberation beyond the CEO to include executive management overall. As a member of the Governance Committee, I participate in discussions on themes relating to Board effectiveness and the cost of capital. For example, we discuss what constitutes appropriate cash allocation for Toyo Tanso to achieve growth and how to enhance capital efficiency, taking into account views presented by shareholders.

Please share your thoughts on future challenges and expectations for Toyo Tanso.

Kosaka Since Toyo Tanso's core strength lies in its technology, I recognize that determining how to advance technology development that leads to enhanced corporate value is paramount for further growth. Moreover, while various initiatives have been implemented to reinforce governance—such as formulating the corporate philosophy and internal rules—I believe we have entered a phase where deepening these practices is essential. Such grounded initiatives serve as the foundation for enhancing corporate value.

Naito Toyo Tanso's carbon materials serve as vital foundational materials for societal development, while its products and technologies benefit the world across diverse dimensions, including energy conservation and environmental protection. Promoting such highly distinctive technologies globally will, I believe, contribute to the advancement of Japanese industry as a whole. I hope the Company will collaborate even more closely with global partners to help build a sustainable, prosperous society.

Imai We have touched upon various themes—technology development, global expansion, growth investment, and talent cultivation—but at the root of all of them lies none other than our management vision, "Creating products with unprecedented potential." Realizing this vision is what will drive the further advancement of society. I will dedicate my utmost efforts as an Outside Director toward that end.

03

section

Data



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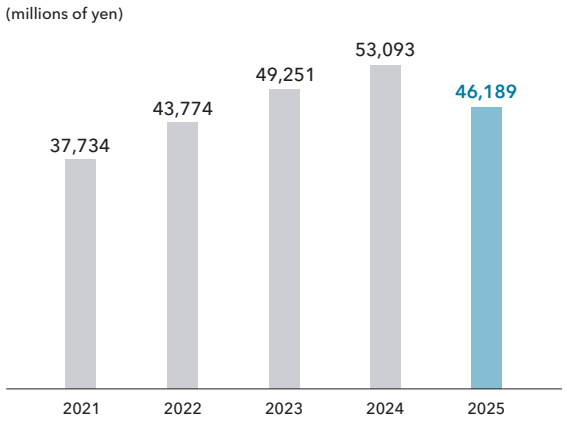
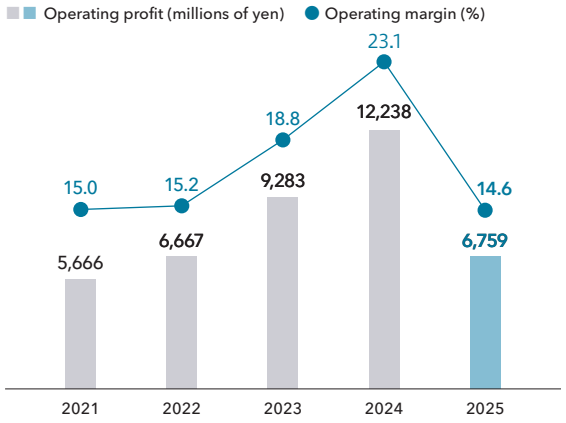
65 Company profile and stock information

Financial and non-financial highlights

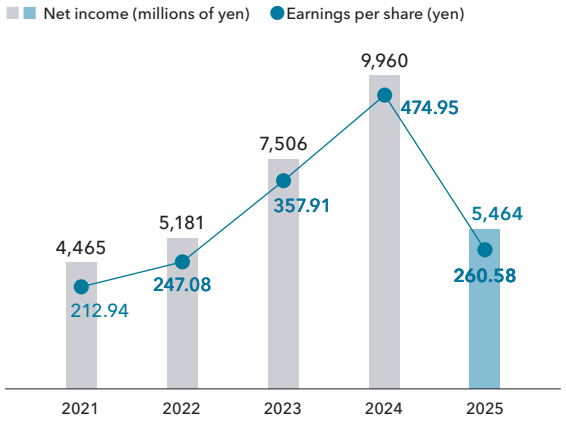
Net sales



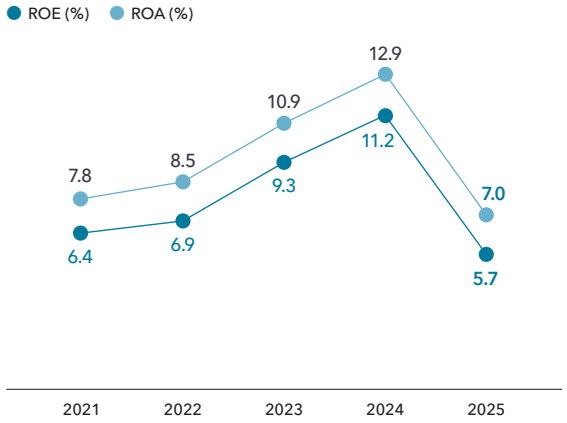
Operating profit/Operating margin



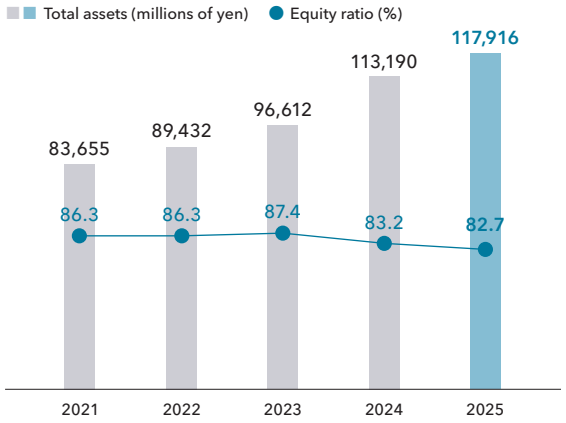
Net income/Earnings per share



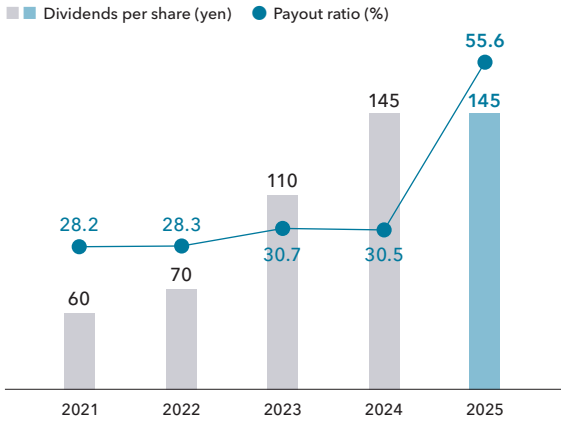
ROE/ROA



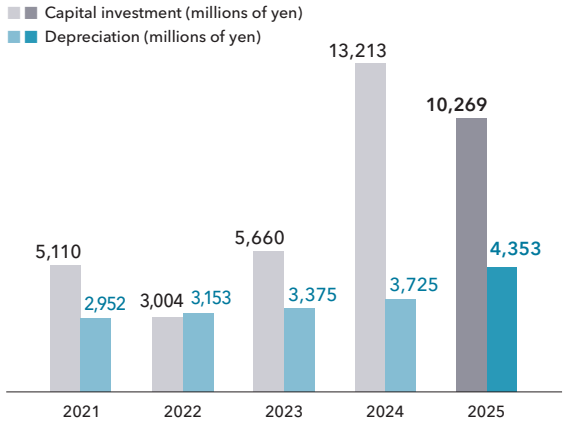
Total assets/Equity ratio



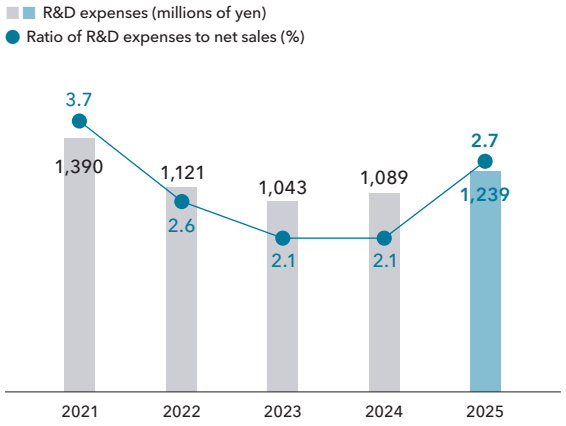
Dividends per share/Payout ratio



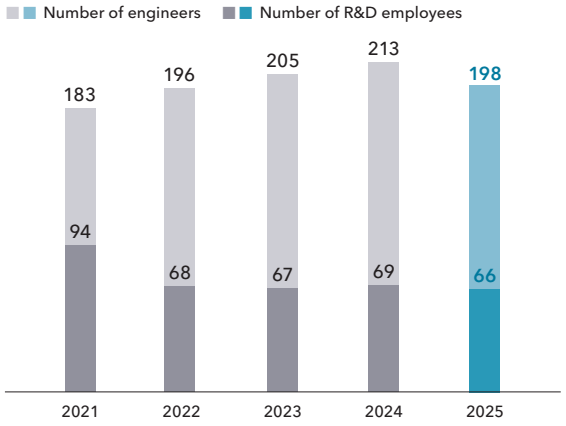
Capital investment/Depreciation



R&D expenses/Ratio of R&D expenses to net sales

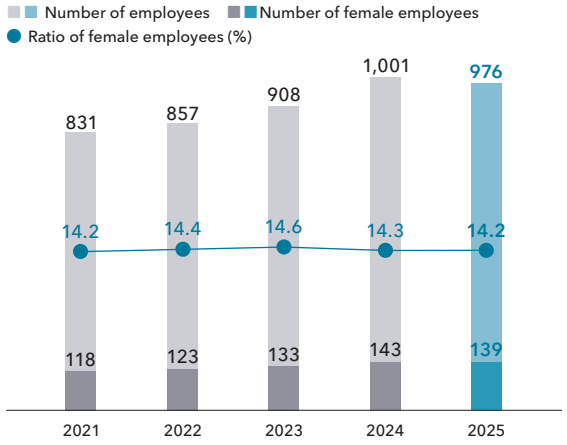


Number of engineers*/Number of R&D employees ▶P. 16



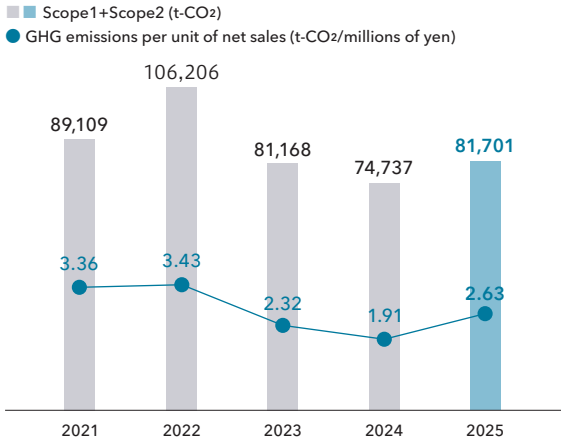
* The number of employees engaged in work related to "engineering," including research and development personnel, production department engineers, and application engineers

Number of employees/Number of female employees/ Ratio of female employees ▶P. 40



* Toyo Tanso Co., Ltd., non-consolidated basis

Greenhouse gas (GHG) emissions ▶P. 32



* Toyo Tanso Co., Ltd., non-consolidated basis

11-year financial and non-financial summary

Financial items

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 (forecast)
Performance (millions of yen)											
Net sales	32,464	35,240	41,132	36,402	31,226	37,734	43,774	49,251	53,093	46,189	49,000
Operating profit	652	3,708	7,009	5,175	3,422	5,666	6,667	9,283	12,238	6,759	6,200
Ordinary profit	759	3,719	7,057	5,207	3,877	6,264	7,369	10,182	13,480	8,091	6,000
Profit attributable to owners of parent	284	3,020	4,910	2,944	2,662	4,465	5,181	7,506	9,960	5,464	5,000
Financial position (millions of yen)											
Total assets	69,797	74,223	74,951	76,082	76,075	83,655	89,432	96,612	113,190	117,916	
Net assets	58,182	60,986	64,096	65,706	66,622	72,256	77,200	84,524	94,205	97,551	
Cash flows (millions of yen)											
Cash flows from operating activities	5,120	6,972	5,759	5,149	7,020	7,328	5,625	6,216	9,489	6,065	
Cash flows from investing activities	(4,127)	(5,951)	(4,318)	(4,017)	1,011	(6,252)	(5,253)	(2,693)	(6,312)	(11,314)	
Cash flows from financing activities	(1,270)	(1,216)	(1,169)	(1,372)	(2,099)	(1,261)	(1,388)	(1,970)	(2,563)	2,398	
Cash and cash equivalents at end of period	6,424	6,361	6,414	6,101	12,093	12,470	11,773	13,601	14,652	12,069	
Per-share data (yen)											
Net assets	2,741.06	2,884.66	3,019.47	3,097.00	3,174.52	3,442.80	3,678.50	4,027.70	4,489.13	4,648.59	
Earnings per share	13.71	145.52	234.52	140.40	126.95	212.94	247.08	357.91	474.95	260.58	238.41
Diluted earnings per share	–	145.25	–	–	–	–	–	–	–	–	
Dividend per share	25.00	30.00	50.00	50.00	50.00	60.00	70.00	110.00	145.00	145.00	145.00
Indicators (%)											
Equity ratio	81.4	81.0	84.5	85.4	87.5	86.3	86.3	87.4	83.2	82.7	
Return on equity (ROE)	0.5	5.2	8.0	4.6	4.0	6.4	6.9	9.3	11.2	5.7	5.1
Return on assets (ROA)	1.1	5.2	9.5	6.9	5.1	7.8	8.5	10.9	12.9	7.0	
Percentage of overseas sales	58.7	60.2	63.0	54.8	56.9	59.0	58.3	56.3	53.9	57.2	
Operating margin	2.0	10.5	17.0	14.2	11.0	15.0	15.2	18.8	23.1	14.6	12.7
D/E ratio	0.03	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.06	
Payout ratio	182.4	20.6	21.3	35.6	39.4	28.2	28.3	30.7	30.5	55.6	60.8

Financial items

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 (forecast)
Capital investment, depreciation, R&D expenses (millions of yen)											
Capital investment	2,662	2,221	2,653	5,082	6,312	5,110	3,004	5,660	13,213	10,269	8,300
Depreciation	3,414	3,223	2,959	2,831	2,784	2,952	3,153	3,375	3,725	4,353	5,011
R&D expenses	1,458	1,233	1,165	1,126	1,106	1,390	1,121	1,043	1,089	1,239	1,446
Ratio of R&D expenses to net sales (%)	4.5	3.5	2.8	3.1	3.5	3.7	2.6	2.1	2.1	2.7	3.0

Non-financial items

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 (forecast)
Non-financial information											
Number of employees	1,903	1,710	1,678	1,700	1,658	1,640	1,690	1,736	1,785	1,678	
(average number of temporary employees)	153	214	230	254	275	282	288	292	298	288	
Percentage of female employees[*1] (%)	9.8	10.3	10.8	12.5	13.0	14.2	14.4	14.6	14.3	14.2	
Average years of service[*1] (years)	15.4	17.0	17.7	17.1	17.9	18.1	18.0	17.6	16.2	15.2	
Percentage of Independent Outside Directors (%)	37.5	42.9	42.9	37.5	37.5	42.9	50.0	50.0	60.0	60.0	60.0
Percentage of female officers[*2] (%)	0.0	0.0	10.0	9.1	9.1	10.0	22.2	22.2	25.0	25.0	25.0
Number of engineers[*3]	205	186	184	196	176	183	196	205	213	198	
(Number of R&D employees)	128	106	102	93	106	94	68	67	69	66	
Technical value of patents[*4]	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.1	
Greenhouse gas emissions (Scope 1 + Scope 2)[*1] (t-CO_2)				100,987	78,280	89,109	106,206	81,168	74,737	81,701	
Greenhouse gas emissions per unit of net sales (Scope 1 + Scope 2)[*1] (t-CO_2 /millions of yen)				3.79	3.45	3.36	3.43	2.32	1.91	2.63	

*1. Non-consolidated basis *2. Directors and Audit & Supervisory Board Members *3. The number of employees engaged in work related to "engineering," including research and development personnel, production department engineers, and application engineers
*4. One of the patent asset indicators by PatentSight®. It is calculated based on the number of forward citations, taking into account the practices of patent offices and the age of the patent. The average value in the same technical field is set to 1.

Consolidated financial statements

Consolidated balance sheet

(millions of yen)

	Previous consolidated fiscal year (December 31, 2024)	Current consolidated fiscal year (December 31, 2025)
Assets		
Current assets		
Cash and deposits	16,000	15,263
Notes and accounts receivable - trade	17,609	15,945
Securities	2,499	–
Merchandise and finished goods	11,642	15,682
Work in process	9,597	10,346
Raw materials and supplies	5,577	4,165
Other	1,316	1,675
Allowance for doubtful accounts	(131)	(33)
Total current assets	64,112	63,045
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,904	27,935
Accumulated depreciation	(14,675)	(15,598)
Buildings and structures, net	11,229	12,336
Machinery, equipment and vehicles	63,822	70,940
Accumulated depreciation	(49,272)	(51,823)
Machinery, equipment and vehicles, net	14,550	19,116
Land	7,204	7,247
Leased assets	2,442	2,466
Accumulated depreciation	(663)	(838)
Leased assets, net	1,778	1,628
Construction in process	6,897	6,435
Other	6,125	6,586
Accumulated depreciation	(4,921)	(5,250)
Other, net	1,203	1,336
Total property, plant and equipment	42,863	48,101
Intangible assets	849	1,095
Investments and other assets		
Investment securities	533	795
Deferred tax assets	1,334	882
Retirement benefit asset	848	958
Other	2,840	3,228
Allowance for doubtful accounts	(191)	(189)
Total investments and other assets	5,365	5,674
Total non-current assets	49,078	54,871
Total assets	**113,190**	**117,916**

(millions of yen)

	Previous consolidated fiscal year (December 31, 2024)	Current consolidated fiscal year (December 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,202	1,573
Electronically recorded obligations - operating	1,024	814
Short-term borrowings	–	831
Current portion of long-term borrowings	–	1,080
Accounts payable - other	4,065	4,223
Income taxes payable	2,274	34
Provision for bonuses	1,028	764
Provision for bonuses for directors (and other officers)	24	25
Other	6,740	5,295
Total current liabilities	17,359	14,642
Non-current liabilities		
Long-term borrowings	–	3,764
Deferred tax liabilities	148	293
Retirement benefit liability	192	217
Asset retirement obligations	605	598
Other	679	849
Total non-current liabilities	1,625	5,723
Total liabilities	18,985	20,365

(millions of yen)

	Previous consolidated fiscal year (December 31, 2024)	Current consolidated fiscal year (December 31, 2025)
Net assets		
Shareholders' equity		
Share capital	7,947	7,947
Capital surplus	9,609	9,609
Retained earnings	69,364	71,787
Treasury shares	(61)	(62)
Total shareholders' equity	86,859	89,282
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	243	417
Foreign currency translation adjustment	7,012	7,793
Remeasurements of defined benefit plans	32	(3)
Total accumulated other comprehensive income	7,288	8,208
Non-controlling interests	57	60
Total net assets	94,205	97,551
Total liabilities and net assets	**113,190**	**117,916**

Consolidated statement of income

(millions of yen)

	Previous consolidated fiscal year (January 1, 2024 to December 31, 2024)	Current consolidated fiscal year (January 1, 2025 to December 31, 2025)
Net sales	53,093	46,189
Cost of sales	31,603	30,443
Gross profit	21,489	15,745
Selling, general and administrative expenses	9,251	8,986
Operating profit	12,238	6,759
Non-operating income		
Interest income	85	58
Dividend income	54	350
Foreign exchange gains	555	462
Share of profit of entities accounted for using equity method	440	416
Revenue from sales of electric power	38	36
Other	141	121
Total non-operating income	1,315	1,446
Non-operating expenses		
Interest expenses	35	65
Depreciation	15	15
Other	22	33
Total non-operating expenses	73	114
Ordinary profit	13,480	8,091
Extraordinary income		
Gain on sales of non-current assets	6	227
Subsidy income	442	37
Total extraordinary income	449	265
Extraordinary losses		
Loss on sales of non-current assets	0	2
Loss on retirement of non-current assets	193	104
Impairment loss	–	452
Extraordinary retirement pay	–	203
Total extraordinary losses	194	762

(millions of yen)

	Previous consolidated fiscal year (January 1, 2024 to December 31, 2024)	Current consolidated fiscal year (January 1, 2025 to December 31, 2025)
Profit before income taxes	13,734	7,594
Income taxes - current	3,546	1,585
Income taxes - deferred	224	540
Total income taxes	3,771	2,126
Profit	9,962	5,467
Profit attributable to non-controlling interests	2	2
Profit attributable to owners of parent	9,960	5,464

Consolidated statement of comprehensive income

(millions of yen)

	Previous consolidated fiscal year (January 1, 2024 to December 31, 2024)	Current consolidated fiscal year (January 1, 2025 to December 31, 2025)
Profit	9,962	5,467
Other comprehensive income		
Valuation difference on available-for-sale securities	21	173
Foreign currency translation adjustment	1,703	707
Remeasurements of defined benefit plans, net of tax	43	(35)
Share of other comprehensive income of entities accounted for using equity method	257	76
Total other comprehensive income	2,026	922
Comprehensive income	11,989	6,389
Comprehensive income attributable to		
Owners of parent	11,984	6,385
Non-controlling interests	4	4

Consolidated statement of changes in equity Previous consolidated fiscal year (From January 1, 2024 to December 31, 2024)

(millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,947	9,609	61,710	(61)	79,206
Changes of items during period					
Dividends of surplus			(2,306)		(2,306)
Profit attributable to owners of parent			9,960		9,960
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	7,653	(0)	7,652
Balance at end of period	7,947	9,609	69,364	(61)	86,859

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	222	5,053	(11)	5,264	53	84,524
Changes of items during period						
Dividends of surplus						(2,306)
Profit attributable to owners of parent						9,960
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	21	1,958	43	2,023	3	2,027
Total changes of items during period	21	1,958	43	2,023	3	9,680
Balance at end of period	243	7,012	32	7,288	57	94,205

Consolidated statement of changes in equity Current consolidated fiscal year (From January 1, 2025 to December 31, 2025)

(millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,947	9,609	69,364	(61)	86,859
Changes of items during period					
Dividends of surplus			(3,040)		(3,040)
Profit attributable to owners of parent			5,464		5,464
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	2,423	(0)	2,423
Balance at end of period	7,947	9,609	71,787	(62)	89,282

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	243	7,012	32	7,288	57	94,205
Changes of items during period						
Dividends of surplus						(3,040)
Profit attributable to owners of parent						5,464
Purchase of treasury shares						(0)
Net changes of items other than shareholders'equity	173	781	(35)	920	2	922
Total changes of items during period	173	781	(35)	920	2	3,346
Balance at end of period	417	7,793	(3)	8,208	60	97,551

Consolidated statement of cash flows

(millions of yen)

	Previous consolidated fiscal year (January 1, 2024 to December 31, 2024)	Current consolidated fiscal year (January 1, 2025 to December 31, 2025)
Cash flows from operating activities		
Profit before income taxes	13,734	7,594
Depreciation	3,725	4,353
Impairment loss	–	452
Share of loss (profit) of entities accounted for using equity method	(440)	(416)
Increase (decrease) in retirement benefit asset or liability	(93)	(159)
Increase (decrease) in provision for bonuses	227	(279)
Increase (decrease) in provision for bonuses for directors (and other officers)	(8)	0
Increase (decrease) in allowance for doubtful accounts	62	(94)
Interest and dividend income	(139)	(408)
Interest expenses	35	65
Foreign exchange losses (gains)	(635)	(418)
Loss (gain) on sale of non-current assets	(5)	(225)
Loss on retirement of non-current assets	193	104
Decrease (increase) in trade receivable	478	1,930
Decrease (increase) in inventories	(4,205)	(3,053)
Increase (decrease) in trade payable	(738)	(975)
Increase (decrease) in advances received	(9)	1,538
Other	72	(546)
Subtotal	12,254	9,461
Interest and dividends received	304	646
Interest paid	(43)	(77)
Income taxes refund (paid)	(3,025)	(3,964)
Cash flows from operating activities	9,489	6,065

(millions of yen)

	Previous consolidated fiscal year (January 1, 2024 to December 31, 2024)	Current consolidated fiscal year (January 1, 2025 to December 31, 2025)
Cash flows from investing activities		
Payments into time deposits	(5,910)	(3,446)
Proceeds from withdrawal of time deposits	6,827	4,141
Purchase of property, plant and equipment	(6,708)	(11,836)
Proceeds from sales of property, plant and equipment	15	244
Purchase of intangible assets	(449)	(332)
Other	(88)	(84)
Cash flows from investing activities	(6,312)	(11,314)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	831
Proceeds from long-term borrowings	–	5,400
Repayments of long-term borrowings	–	(555)
Repayments of finance lease liabilities	(256)	(238)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,305)	(3,037)
Dividends paid to non-controlling interests	(0)	(2)
Cash flows from financing activities	(2,563)	2,398
Effect of exchange rate change on cash and cash equivalents	437	267
Net increase (decrease) in cash and cash equivalents	1,051	(2,582)
Cash and cash equivalents at beginning of period	13,601	14,652
Cash and cash equivalents at end of period	14,652	12,069

Company profile

Name	Toyo Tanso Co., Ltd.
Founded	February 11, 1941
Incorporated	July 31, 1947
Share capital	7.9 billion yen
Representative	Representative Director, Chairman & President, CEO Naotaka Kondo
Website	https://www.toyotanso.com/
For inquiries	Investor Relations and Public Relations Group, Planning Department, Corporate Planning Division 16th Floor Osaka Umeda Twin Towers South, 1-13-1 Umeda, Kita-ku, Osaka-shi, Osaka https://www.toyotanso.com/Contact/

Stock information

Stock data

(As of June 30, 2026)

Number of shares outstanding	20,992,588
Share unit	100
Number of shareholders	10,174

Major shareholders

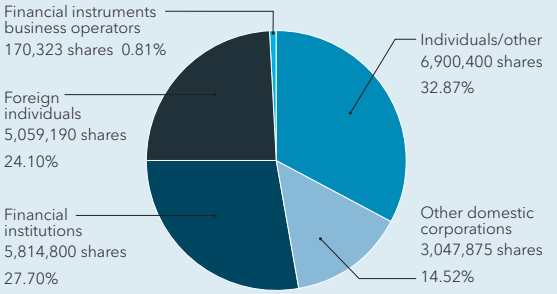
(As of June 30, 2026)

Shareholder name	Number of shares held (thousands of shares)	Percentage of total (%)
The Master Trust Bank of Japan, Ltd. (trust account)	2,083	9.94
Custody Bank of Japan, Ltd. (trust account)	1,790	8.54
Tomoko Kondo	1,560	7.44
Naotaka Kondo	1,220	5.82
Kondo Holdings Co., Ltd.	1,165	5.55
Public Interest Incorporated Foundation (PIIF) Kondo Memorial Foundation	834	3.98
NT Corporation, Ltd.	626	2.98
Takako Kondo	620	2.96
Junko Morita	600	2.86
The Nomura Trust and Banking Co., Ltd. (trust account)	471	2.25

* Treasury stock (20,443 shares) has been excluded in calculations of share ownership percentages.

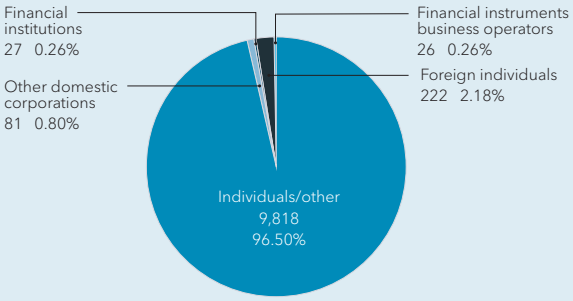
Distribution of shares by owner

(As of June 30, 2026)



Distribution of shareholders by owner

(As of June 30, 2026)



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