Q3 FY2026
Earnings Presentation

2026/11/6

TOKAI CARBON CO., LTD.

Table of Contents

Q3 FY2026 Financial Summary P 3-13

Reference material P 14-17

Q3 FY2026

Financial Summary

FY2026 Business Topics (January-September 2026)

Results / Financials / KPIs Billion JPY

Net Sales JPY 273.6 bn +15.3%

＋ Contribution of the consolidation of Bridgestone Corporation's CB subsidiary in Thailand, significant increase in sales volume of SiC products for memory semiconductors

－ Production adjustment of CB tire customers, divestment of the German Graphite Electrode subsidiary

Operating Profit JPY 27.5 bn +32.0%

＋ Recording of license revenue at S&L, increased revenue at IF, and positive impact of restructuring and the U.S. market turnaround at GE

－ Higher depreciation expenses following the launch of the new CB plant in Thailand

EBITDA

JPY 55.2 bn

+26.0%

EBITDA margin

20.2 %

+1.7pt

FCF

JPY15.5 bn

JPY +20.3 bn

Peak-out of Major CAPEX

Sale of cross-shareholdings

Adj. Net D/E Ratio

0.22x

Credit Ratings

JCR A+ (outlook stable)

R&I A (outlook stable)

Topics

Continued Strong Performance of Memory Semiconductor and MLCC Markets

- **Sales Volume Increase:** Sales volume of Solid SiC focus rings continued to grow, supported by firm demand in the memory semiconductor market. As NAND flash memory moves toward more than 300 layers and DRAM feature sizes shrink to the low-teens nanometer range, etching processes are becoming more difficult and longer. Accordingly, demand for longer-lasting focus rings, which are consumable components, is expected to increase further.
- **MLCC Capacity Investment:** In response to growing demand for AI semiconductors and digital transformation, investment in expanding production capacity for multi-layer ceramic capacitors (MLCC) has accelerated. Strong demand for MLCC continues to drive robust orders for industrial furnaces, along with strong demand for heating elements, which are key parts of furnaces.

Turnaround in the U.S. GE Market, Continued Recovery of S&L Performance

- **GE Turnaround:** U.S. graphite electrode prices reversed and began to rise in the third quarter, while demand remained firm. U.S. countervailing and anti-dumping duties on graphite electrodes imported from India are also serving as a deterrent to some extent.
- **Full Production:** To meet special demand from the Middle East, aluminum electrolytic cathodes are being produced and shipped at full capacity. In addition, the assembly of RuC® (Ready-to-Use Cathode) at smelters in China is progressing smoothly, and further earnings contributions are expected from license-related running royalties.

Stock Price Rise and Sustained PBR Above 1.0x

- **Stock Price Improvement:** As the Company gained recognition as a semiconductor-related stock (associated with semiconductor manufacturing equipment and materials), our stock price rose and briefly reached a new high since listing.
- **Demand-Driven Growth Potential:** The growth potential of the FC and IF businesses remains high due to strong actual demand for semiconductors and MLCC.

※ The figures for FY2025 have been retrospectively adjusted following the finalization of the provisional accounting for the business combinations with KBR, Inc. and MWI, Inc.

※ FCF: Free Cash Flow CB: Carbon Black FC: Fine Carbon S&L: Smelting and Lining GE: Graphite Electrode IF: Industrial Furnaces & Related Products

Summary of Consolidated Results

- Net Sales, Operating income, Ordinary income, and EBITDA: Substantial double-digit growth in both revenue and profit
- EBITDA: Maintained and achieved the Long-Term Vision target of a 20% EBITDA margin, driven by progress in earnings structure reforms

(Millions of yen)

	Jan-Sep 2025	Jan-Sep 2026	YoY Change	%Change
Net sales	237,336	273,674	+36,337	+15.3%
Operating income	20,832	27,507	+6,674	+32.0%
Ordinary income	20,592	26,148	+5,555	+27.0%
Net income attributable to owners of the parent company	16,129	16,259	+129	+0.8%
EBITDA	43,864	55,261	+11,397	+26.0%
EBITDA margin	18.5%	20.2%	+1.7pt	—

Jan. to Sep. Average exchange rates:

- 2025 USD1= JPY 148.23 EUR1= JPY 165.54
- 2026 USD1= JPY 158.54 EUR1= JPY 184.12

※ EBITDA = Operating income + Depreciation and Amortization including Goodwill

※ The figures for FY2025 have been retrospectively adjusted following the finalization of the provisional accounting for the business combinations with KBR, Inc. and MWI, Inc.

Net Sales, Operating Income and EBITDA by Segment

- Operating income increased YoY in the Smelting and Lining business due to license revenue and special demand in the Middle East, and in the Fine Carbon business due to strong demand for focus rings.
- Other major segments also recorded YoY increases in operating income, and consolidated operating income increased by 32% YoY.

(Millions of yen)

		Net sales			Operating income			EBITDA		
		Jan-Sep 2025	Jan-Sep 2026	YoY Change	Jan-Sep 2025	Jan-Sep 2026	YoY Change	Jan-Sep 2025	Jan-Sep 2026	YoY Change
Carbon Black		110,925	129,366	+18,440	11,678	12,430	+752	19,294	23,197	+3,903
Fine Carbon		42,076	52,391	+10,314	6,297	8,020	+1,722	13,801	15,950	+2,148
Smelting and Lining		41,596	50,588	+8,991	738	4,053	+3,315	3,704	7,520	+3,816
Graphite Electrodes		28,150	26,610	(1,540)	1,643	2,168	+524	5,362	6,122	+759
Industrial Furnaces and Related Products		7,145	8,285	+1,139	1,316	2,153	+836	1,623	2,613	+989
Others	Friction Materials	5,956	6,244	+288	—	—	—	—	—	—
	Anode Materials, etc.	1,485	187	(1,298)	—	—	—	—	—	—
	Total	7,442	6,432	(1,009)	444	24	(420)	796	540	(256)
Corporate & Other		—	—	—	(1,287)	(1,343)	(56)	(719)	(682)	+36
Total		237,336	273,674	+36,337	20,832	27,507	+6,674	43,864	55,261	+11,397
Return on sales		—	—	—	8.8%	10.1%	+1.3pt	18.5%	20.2%	+1.7pt

※ The figures for FY2025 have been retrospectively adjusted following the finalization of the provisional accounting for the business combinations with KBR, Inc. and MWI, Inc.

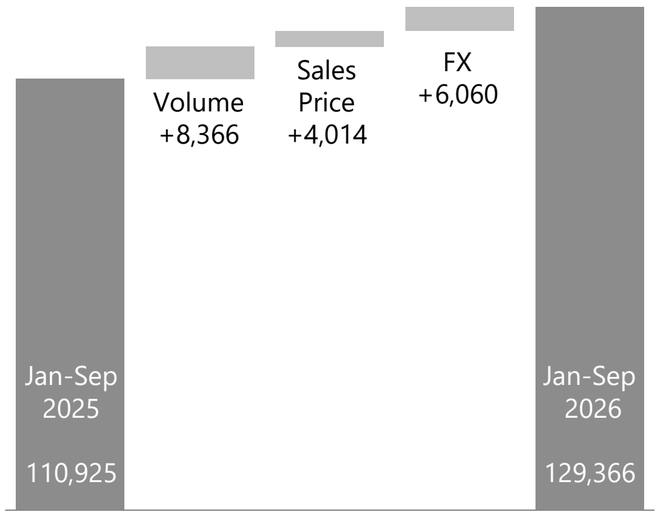
Carbon Black

- While sales volume decreased due to the production adjustment among tire manufacturers, net sales increased YoY as a result of the contribution of the new subsidiary in Thailand, which was consolidated in the fourth quarter of FY2025.
- In spite of the increased depreciation associated with the commencement of operations at the new plant in Thailand, operating income increased YoY as a result of the contribution of the new subsidiary in Thailand.

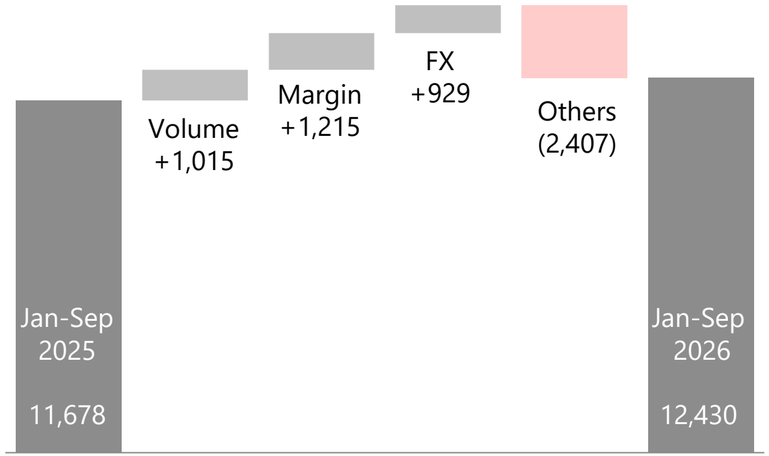
(Millions of yen)

	Jan-Sep 2025	Jan-Sep 2026	YoY Change	% Change
Net sales	110,925	129,366	+18,440	+16.6%
Operating income	11,678	12,430	+752	+6.4%
ROS	10.5%	9.6%		

Net Sales Difference



Operating Income Difference



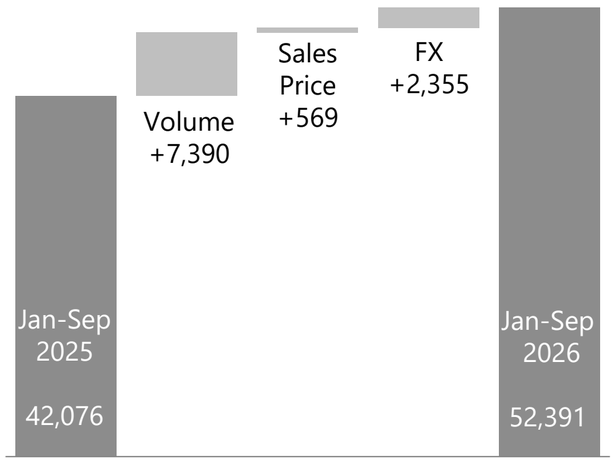
Fine Carbon

- Against the backdrop of buoyant conditions in the memory semiconductor market, sales volumes of Solid SiC focus rings, a core product line, continued to grow. Sales are on pace to surpass the previous record high, and the order backlog has also reached a record high.
- Both net sales and operating income increased YoY, driven by the contribution of Solid SiC focus rings and a recovering trend in the Chinese SiC power semiconductor business.

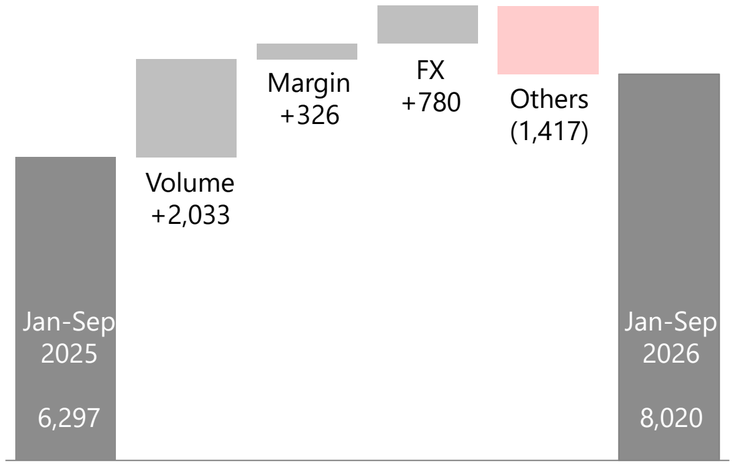
(Millions of yen)

	Jan-Sep 2025	Jan-Sep 2026	YoY Change	% Change
Net sales	42,076	52,391	+10,314	+24.5%
Operating income	6,297	8,020	+1,722	+27.4%
ROS	15.0%	15.3%		

Net Sales Difference



Operating Income Difference



※ The figures for FY2025 have been retrospectively adjusted following the finalization of the provisional accounting for the business combinations with KBR, Inc. and MWI, Inc.

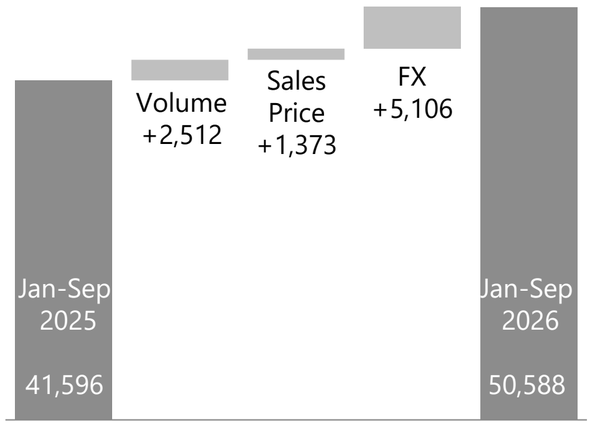
Smelting and Lining

- Full production and full shipment began in the third quarter to meet the surge in demand for cathodes stemming from heightened tensions in the Middle East. Higher sales volume increased net sales and higher capacity utilization reduced costs (cost-saving impact on fixed costs).
- Both net sales and operating income increased YoY, also supported by license revenue related to RuC® (Ready-to-Use Cathode), a next-generation environmentally friendly cathode.

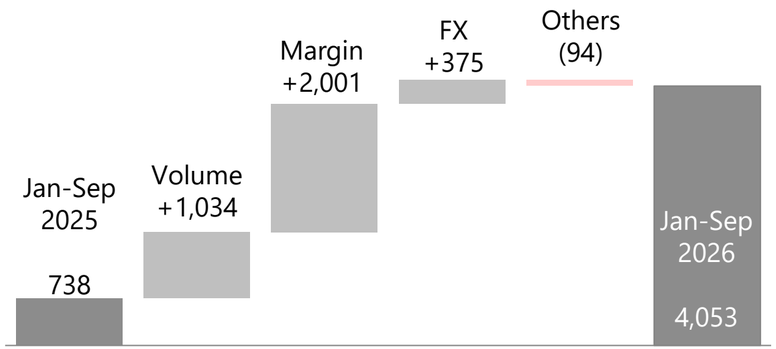
(Millions of yen)

	Jan-Sep 2025	Jan-Sep 2026	YoY Change	% Change
Net sales	41,596	50,588	+8,991	+21.6%
Operating income	738	4,053	+3,315	+448.9%
ROS	1.8%	8.0%		

Net Sales Difference



Operating Income Difference



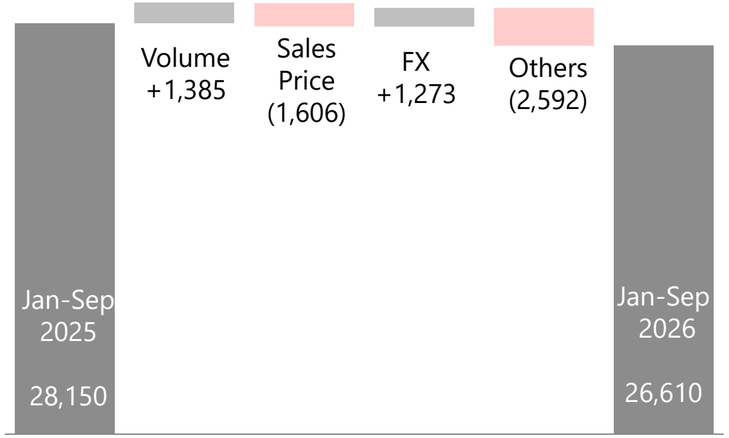
Graphite Electrodes

- Production of electric-arc furnace steel remained firm in the U.S. and decreased only slightly in Japan. However, net sales decreased YoY due to the impact of the divestment of the German subsidiary (excluded from the scope of consolidation from the second quarter of FY2025).
- Operating income increased YoY as a result of a turnaround in U.S. graphite electrode prices beginning in the third quarter and structural reforms including the divestment of the unprofitable German subsidiary.

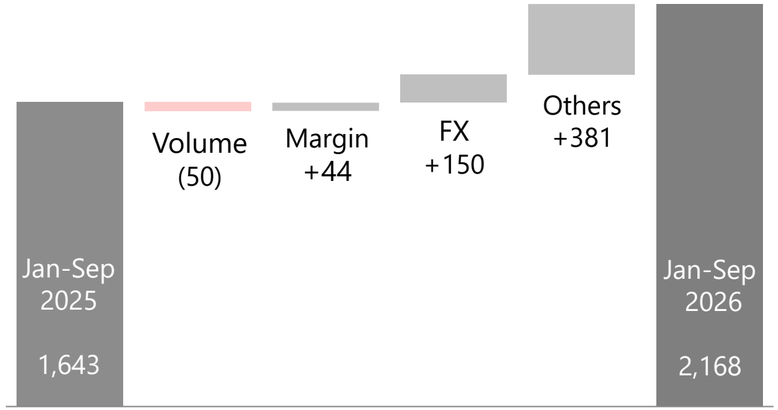
(Millions of yen)

	Jan-Sep 2025	Jan-Sep 2026	YoY Change	% Change
Net sales	28,150	26,610	(1,540)	(5.5)%
Operating income	1,643	2,168	+524	+31.9%
ROS	5.8%	8.1%		

Net Sales Difference



Operating Income Difference



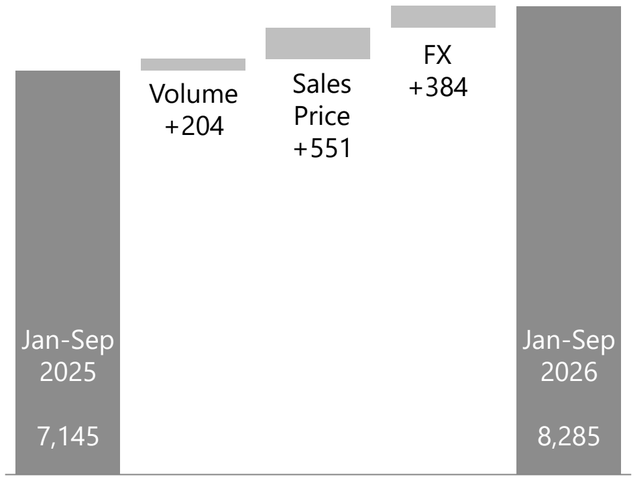
Industrial Furnaces and Related Products

- Orders for industrial furnaces continued to rise as MLCC production expanded, while demand for heating elements remained firm for new furnace installations and scheduled replacements. With a substantial order backlog already filling production slots into next year, the Company is currently focused on maintaining its supply capacity and rigorously managing delivery schedules.
- Sales of resistors for power infrastructure remained firm against the backdrop of the progress in the development of global power transmission and distribution networks, contributing to YoY increases in both net sales and operating income.

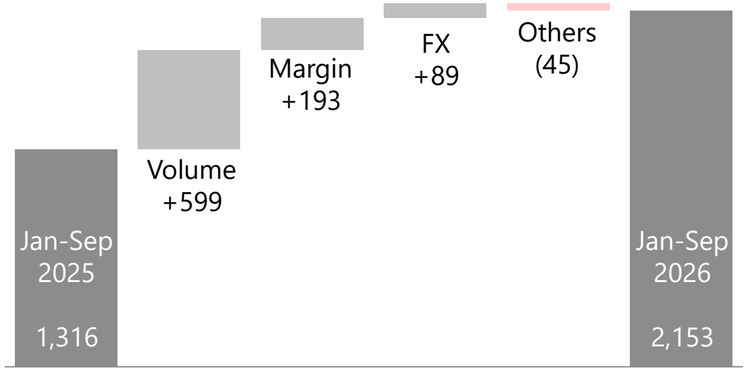
(Millions of yen)

	Jan-Sep 2025	Jan-Sep 2026	YoY Change	% Change
Net sales	7,145	8,285	+1,139	+16.0%
Operating income	1,316	2,153	+836	+63.6%
ROS	18.4%	26.0%		

Net Sales Difference



Operating Income Difference



Cash Flow

Major Cash Flow items

(Millions of yen)

	Jan-Sep 2025	Jan-Sep 2026	Summary
Cash flows from operating activities	34,247	35,818	
Net income (loss) before income taxes	25,639	28,323	
Depreciation and amortization	19,696	24,371	
Amortization on goodwill	3,334	3,382	
Decrease (increase) in trade receivables	1,232	(10,284)	Working capital: JPY(13.6) billion (Jan-Sep 2025 JPY-1.5 billion)
Decrease (increase) in inventories	(224)	(7,508)	
Increase (decrease) in trade payables	(2,570)	4,126	
Income tax paid	(12,860)	(6,592)	
Cash flows from investing activities	(39,048)	(20,286)	Free cash flow: JPY+15.5 billion (Jan-Sep 2025 JPY-4.8 billion) Including proceeds of JPY3.5 billion from the sale of cross-shareholdings
Purchase of fixed assets	(33,790)	(20,730)	
Cash flows from financing activities	(4,310)	(16,197)	
Net increase (decrease) in short-term Loans payable (including CP)	8,941	(6,239)	
Corporate bond issuance and redemption	—	14,787	
Payment of dividends	(6,404)	(7,249)	
Purchase of treasury shares	(0)	(15,003)	
Purchase of treasury shares of subsidiaries	(4,778)	—	Jan-Sep 2025: Acquisition of treasury shares by Tokai Carbon Korea (Ratio of voting rights held as of Sep 30, 2026: 52.6%)
Cash and cash equivalents at end of period	54,193	62,660	

※ Working capital = Trade receivables + Inventories – Trade payables
※ The figures for FY2025 have been retrospectively adjusted following the finalization of the provisional accounting for the business combinations with KBR, Inc. and MWI, Inc.

Balance Sheet

Major Balance Sheet Items

(Millions of yen)

	December 31, 2025	September 30, 2026	Summary
Total assets	664,033	683,561	・Cash/monthly sales: 3.1 times (End of FY2025: 3.3 times) ・Inventory: (JPY+6.8 billion from End of FY2025) ・Tangible fixed assets: (JPY-8.0 billion from End of FY2025) ・Intangible fixed assets: (JPY-5.8 billion from End of FY2025)
Current assets	258,828	277,776	
Cash and cash equivalents	90,156	93,470	
Notes and accounts receivable	66,781	76,846	
Inventory	93,297	100,130	
Fixed assets	405,204	405,784	
Tangible fixed assets	290,429	282,361	
Intangible fixed assets	61,520	55,639	
Investments and other assets	53,255	67,783	
Total liabilities	311,187	327,929	・Net interest-bearing debt: JPY113.2 billion (JPY+5.3 billion from End of FY2025) ・Interest-bearing debt: JPY206.7 billion (JPY+8.6 billion from End of FY2025) ・Direct funding ratio: 63.9% (End of FY2025: 61.6%), Long term debt ratio: 71.1% (End of FY2025: 65.6%) ・Short term credit line: 74.0 billion (JPY-10.0 billion from End of FY2025): JPY6.0 billion executed (JPY+0.0 billion from End of FY2025) ・CP issuance limit JPY60.0 billion (JPY+0.0 billion from End of FY2025): JPY42.0 billion executed (JPY-5.0 billion from End of FY2025)
Current liabilities	126,726	121,708	
Long term liabilities	184,460	206,221	
Total net assets	352,846	355,632	・Capital to asset ratio: 46.3% (End of FY2025: 47.9%) ・Adjusted Capital to asset ratio*: 51.4% (End of FY2025: 53.2%) ・Net D/E ratio: 0.36 times (End of FY2025: 0.34 times) ・Adjusted Net D/E ratio*:0.22 times (End of FY2025: 0.21 times)
Shareholders' equity	183,111	177,156	
Accumulated other Comprehensive income	135,246	139,415	
Non-controlling interests	34,488	39,060	
Total liabilities and net assets	664,033	683,561	

※The adjusted capital to asset ratio and adjusted net D/E ratio are the capital ratio and net D/E ratio that take into account the capital nature of hybrid finance recognized by rating agencies.

Reference Material

Key Indicators

(Millions of yen) f=forecast	2022	2023	2024	2025	2026f
Net sales	340,371	363,946	350,114	322,960	386,000
Operating income	40,588	38,728	19,386	25,850	35,000
ROS（%）	11.9%	10.6%	5.5%	8.0%	9.1%
EBITDA	75,572	75,949	61,120	58,443	72,400
EBITDA margin（%）	22.2%	20.9%	17.5%	18.1%	18.8%
Net income Attributable to Owners of the Parent Company	22,418	25,468	(56,485)	20,078	22,000
ROE（%）	9.0%	8.6%	—%	6.6%	6.8%
Adjusted ROIC（%）	14.3%	11.5%	6.8%	5.8%	5.4%
Capital Investment	48,150	53,316	56,715	36,854	43,100
Depreciation and Amortization	27,460	29,065	33,028	27,700	33,300
R&D Expenses	3,171	3,605	4,284	4,319	5,200
Interest-bearing liabilities	171,452	166,642	191,241	198,111	—
Net D/E ratio	0.37	0.27	0.34	0.34	0.33
Adjusted Net D/E ratio	0.22	0.15	0.20	0.21	0.20
Number of Employees	4,378	4,427	4,625	4,436	—
Exchange Rate (JPY/USD)	131.43	140.56	151.58	149.71	159.25

※ EBITDA = Operating income + Depreciation and Amortization including Goodwill

※ Adjusted ROIC = Operating Profit after Tax adjusted for Goodwill amortization ÷ Invested Capital (Working Capital + Fixed Assets adjusted for Goodwill)

Quarterly Results by Segment

(Millions of yen)

		2025					2026				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4f	Full Year
Net sales		80,346	77,730	79,260	85,623	322,960	81,720	92,007	99,945	112,325	386,000
Carbon Black		38,920	36,650	35,353	36,168	147,093	38,730	44,750	45,885	51,633	181,000
Fine Carbon		14,442	13,271	14,362	13,892	55,969	16,401	16,614	19,375	18,308	70,700
Smelting and Lining		12,932	14,222	14,440	20,154	61,751	14,166	16,482	19,938	24,411	75,000
Graphite Electrodes		9,383	9,068	9,699	9,422	37,573	7,845	9,033	9,731	9,389	36,000
Industrial Furnaces and Related Products		2,125	2,079	2,940	3,583	10,728	2,361	3,048	2,875	6,414	14,700
Others	Friction Materials	1,960	2,040	1,955	2,028	7,984	2,172	1,966	2,106	2,155	8,400
	Anode Materials, etc.	581	396	507	373	1,859	42	112	32	12	200
	Total	2,542	2,437	2,462	2,401	9,843	2,215	2,078	2,138	2,167	8,600
Operating income		6,967	6,702	7,162	5,017	25,850	6,345	8,756	12,405	7,492	35,000
Carbon Black		4,521	3,626	3,530	1,457	13,135	3,235	4,004	5,190	3,569	16,000
Fine Carbon		2,825	1,585	1,886	1,406	7,704	2,264	2,451	3,304	2,779	10,800
Smelting and Lining		160	144	434	764	1,503	658	1,362	2,032	546	4,600
Graphite Electrodes		(725)	1,219	1,149	745	2,389	251	540	1,376	731	2,900
Industrial Furnaces and Related Products		470	414	431	951	2,268	327	886	940	846	3,000
Other Operations		125	160	158	172	617	126	(62)	(39)	175	200
Corporate & Other		(409)	(449)	(428)	(481)	(1,769)	(518)	(426)	(399)	(1,156)	(2,500)

※ The figures for FY2025 have been retrospectively adjusted following the finalization of the provisional accounting for the business combinations with KBR, Inc. and MWI, Inc.

Disclaimer Regarding Forward-looking Statements

- Forward-looking statements in this document are based on information obtainable at the time this document was published and assumptions as of the date of publication concerning elements of uncertainty that could affect future earnings.
- Actual results may differ substantially, depending on various future factors. Factors that affect business performance include, but are not limited to, economic conditions, raw material prices, trends in product demand and market prices, and fluctuation in exchange rates.
- The quantitative goals, reference values, investment amounts, and other numerical goals in this document only express the medium-term strategy and vision of the company; they are not performance forecasts. The company is not obligated to update such information.
- Please see the disclosures in the Consolidated Financial Results for the official earnings forecast, based on the rules of Tokyo Stock Exchange, Inc.

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



Building a Future of Technology and Trust

TOKAI CARBON CO., LTD.