

Toyo Tanso Co., Ltd.

***Results for the First Half of the Fiscal Year  
Ending December 31, 2025***

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**August 21, 2025  
Toyo Tanso Co., Ltd.**

# **Summary of Results for the First Half of the Fiscal Year Ending December 31, 2025**

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# 1. Results for the First Half of the Fiscal Year Ending December 31, 2025

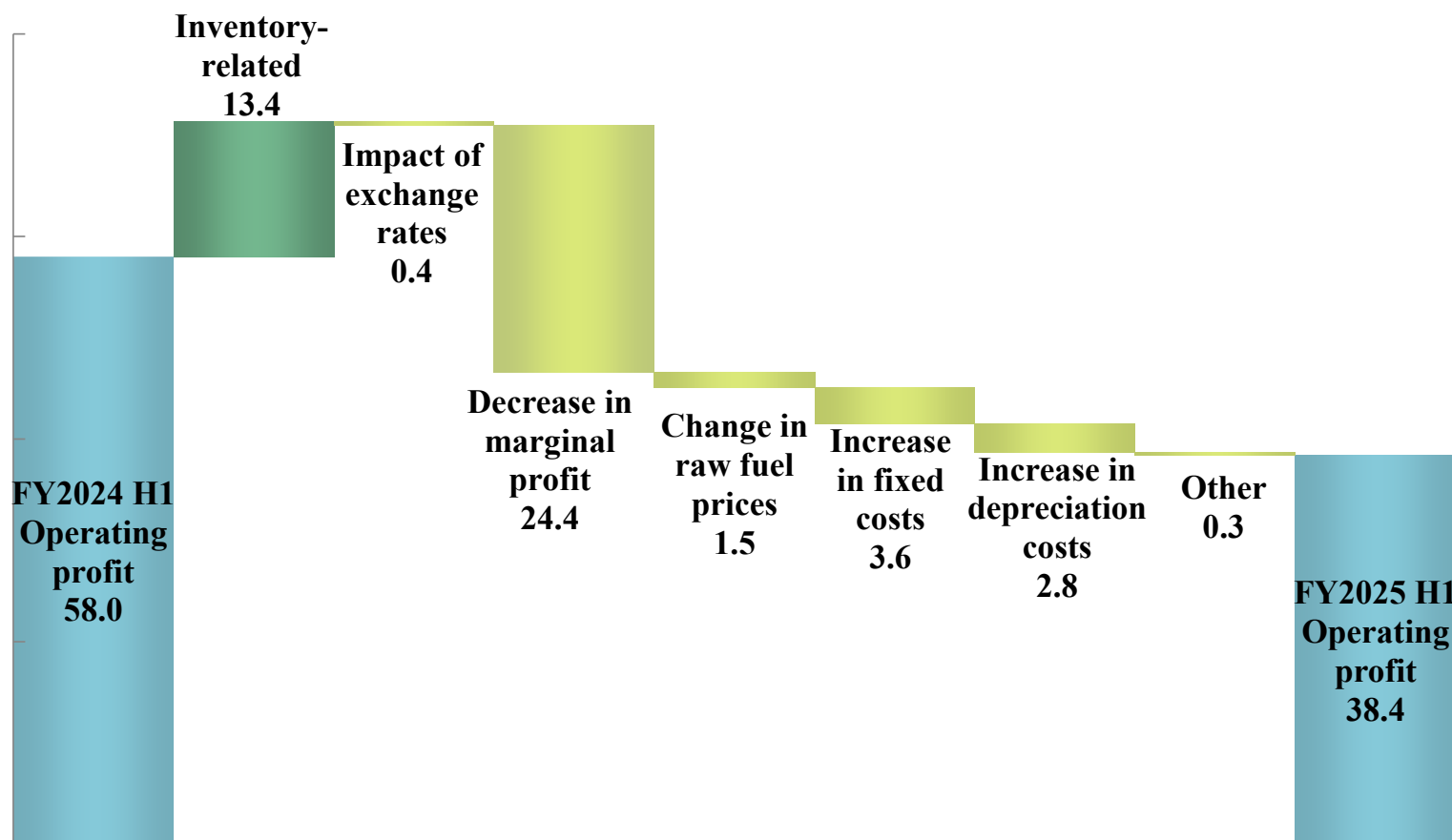
	FY2024 H1	FY2025 H1			
		(F)	(A)	Year-on-year change	Versus forecasts
(Unit: Yen, millions)					
<b>Net sales</b>	<b>26,284</b>	<b>24,000</b>	<b>22,980</b>	- 3,303 / - 12.6 %	- 1,019 / - 4.2 %
<b>Operating profit</b>	<b>5,808</b>	<b>4,000</b>	<b>3,840</b>	- 1,967 / - 33.9 %	- 159 / - 4.0 %
(Ratio of operating profit to net sales)	<b>22.1%</b>	<b>16.7%</b>	<b>16.7%</b>		
<b>Ordinary profit</b>	<b>6,994</b>	<b>3,900</b>	<b>3,789</b>	- 3,205 / - 45.8 %	- 110 / - 2.8 %
(Ratio of ordinary profit to net sales)	<b>26.6%</b>	<b>16.3%</b>	<b>16.5%</b>		
<b>Profit attributable to owners of parent</b>	<b>5,156</b>	<b>2,800</b>	<b>2,681</b>	- 2,475 / - 48.0 %	- 118 / - 4.2 %
<b>Basic earnings per share (yen)</b>	<b>245.89</b>	<b>133.51</b>	<b>127.85</b>		
<b>Exchange rate</b>	152.3 yen/\$ 164.6 yen/€ 21.1 yen/CNY	145 yen/\$ 154 yen/€ 19.5 yen/CNY	148.6 yen/\$ 162.2 yen/€ 20.5 yen/CNY		

## 2. Factors Affecting Changes in Operating Profit

(first half of fiscal year ended December 2024 vs. first half of fiscal year ending December 2025)

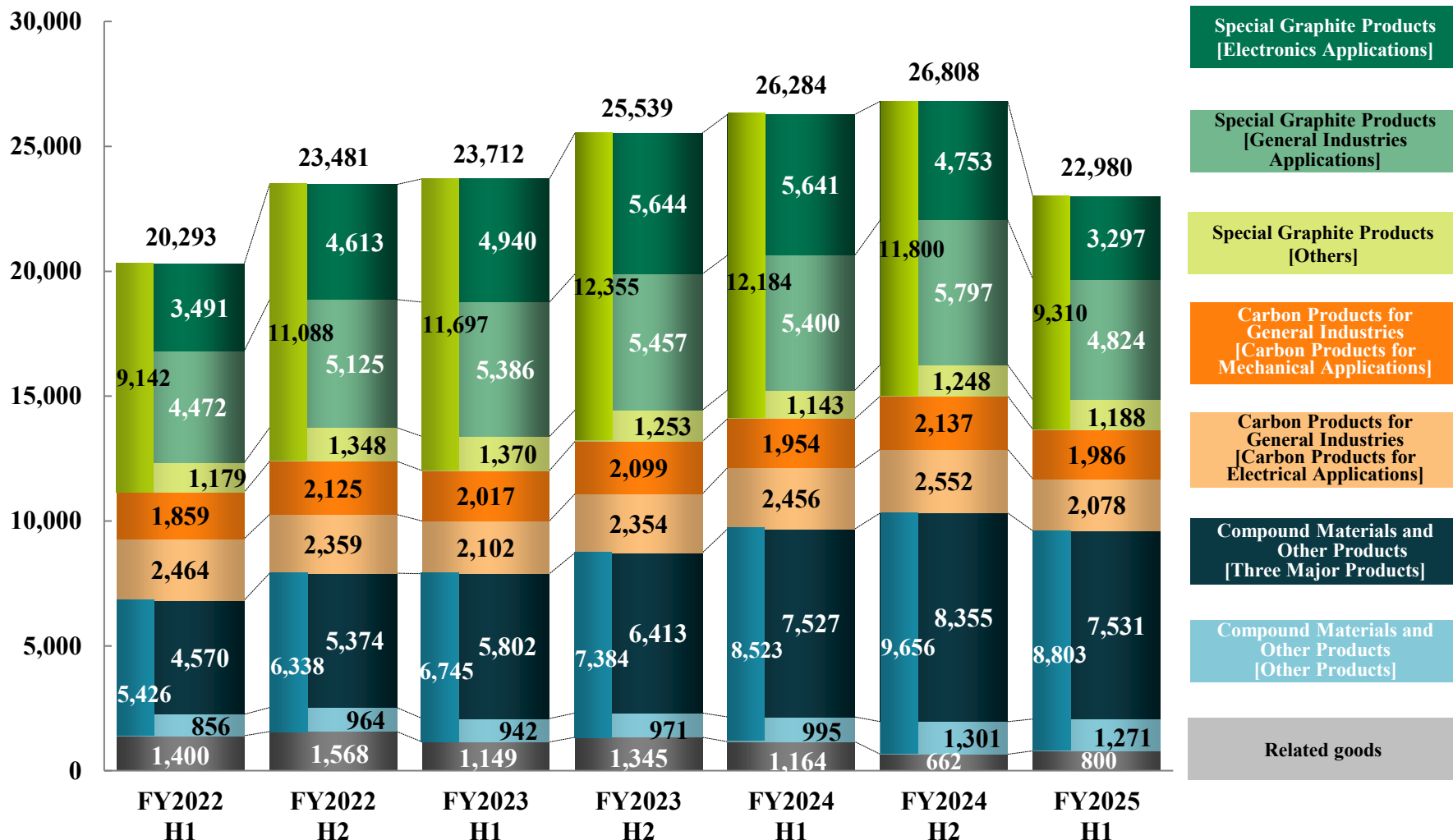
- ✓ Operating profit decreased by 33.9% year on year due to marginal profit (volumes, product mix) declined and increase in fixed costs and depreciation, despite positively affected by inventory-related factors due to planned production in preparation for stoppages for equipment renewal, as well as unrealized gain on inventories.

(Unit: Yen, 100 millions)

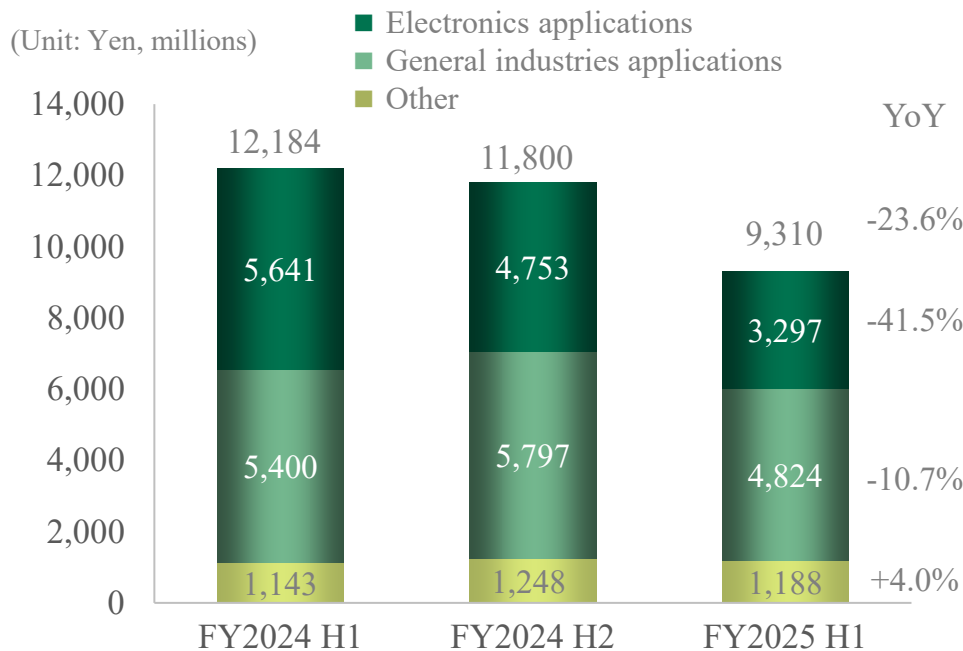


# 3. Net Sales by Product and Segment

(Unit: Yen, millions)



# 3. Net Sales by Product and Segment: Special Graphite Products



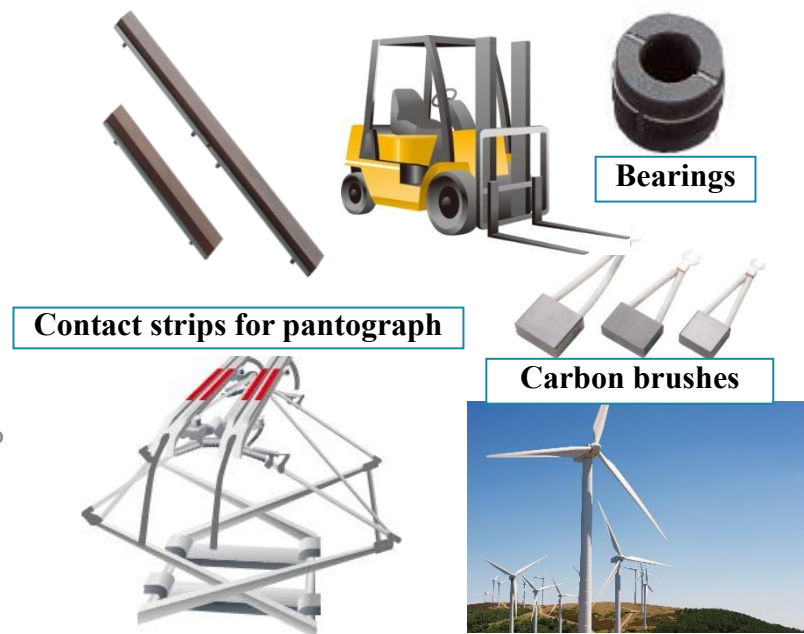
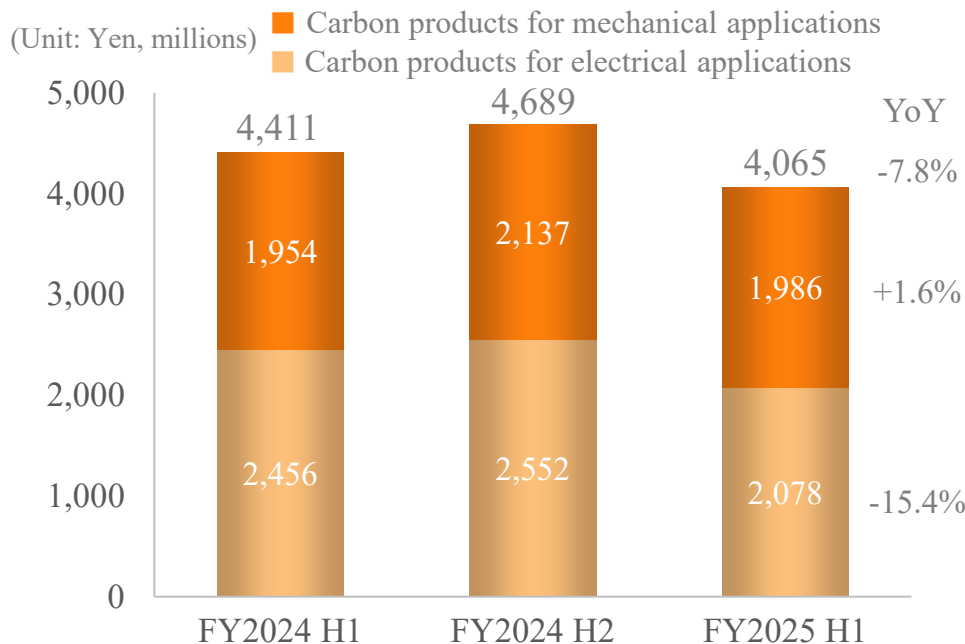
## [Electronics applications]

- Sales of products for single-crystal silicon manufacturing applications decreased substantially year on year amid continuing wafer inventory adjustments.
- Sales of products for compound semiconductor manufacturing applications decreased substantially year on year, with adjustments for SiC wafers continuing since the second half of the previous fiscal year due to the impact of a weaker EV market.
- Sales of products for solar cell manufacturing applications decreased substantially year on year, as the slowdown in the Chinese market grew more pronounced since the second half of the previous fiscal year.

## [General industries applications]

- Sales declined year on year, with weaker operations in automotive industries and corporate capital investment resulting in lower sales for EDM electrodes, as well as weak sales for metallurgical applications such as continuous casting applications and industrial furnace applications.

### 3. Net Sales by Product and Segment: Carbon Products for General Industries



#### [Carbon products for mechanical applications]

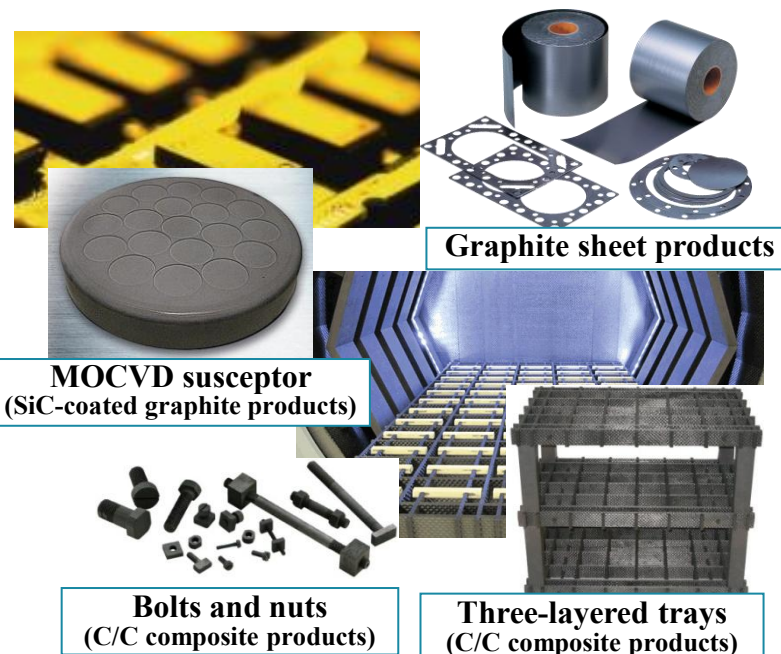
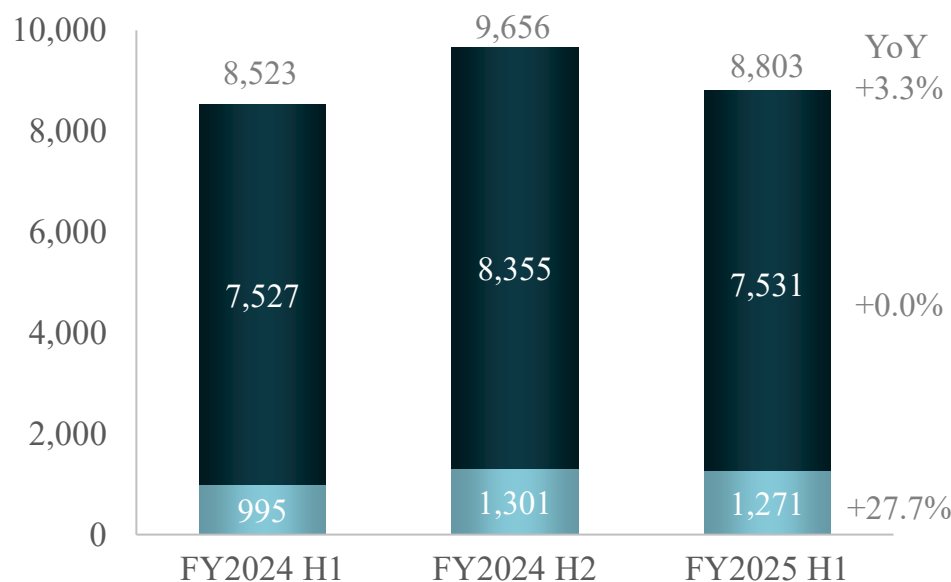
- Sales were at the same level as in the same period of the previous fiscal year, with firm demand for bearings and contact strips for pantograph.

#### [Carbon products for electrical applications]

- Sales of products for compact motors for home appliances and power tools decreased year on year after the previous rush in demand caused by tariffs.
- For large-motor applications, we focused on developing new applications for wind power generation and other industrial machinery.

### 3. Net Sales by Product and Segment: Compound Materials and Other Products

(Unit: Yen, millions) ■ Three major products ■ Other



#### [Three major products]

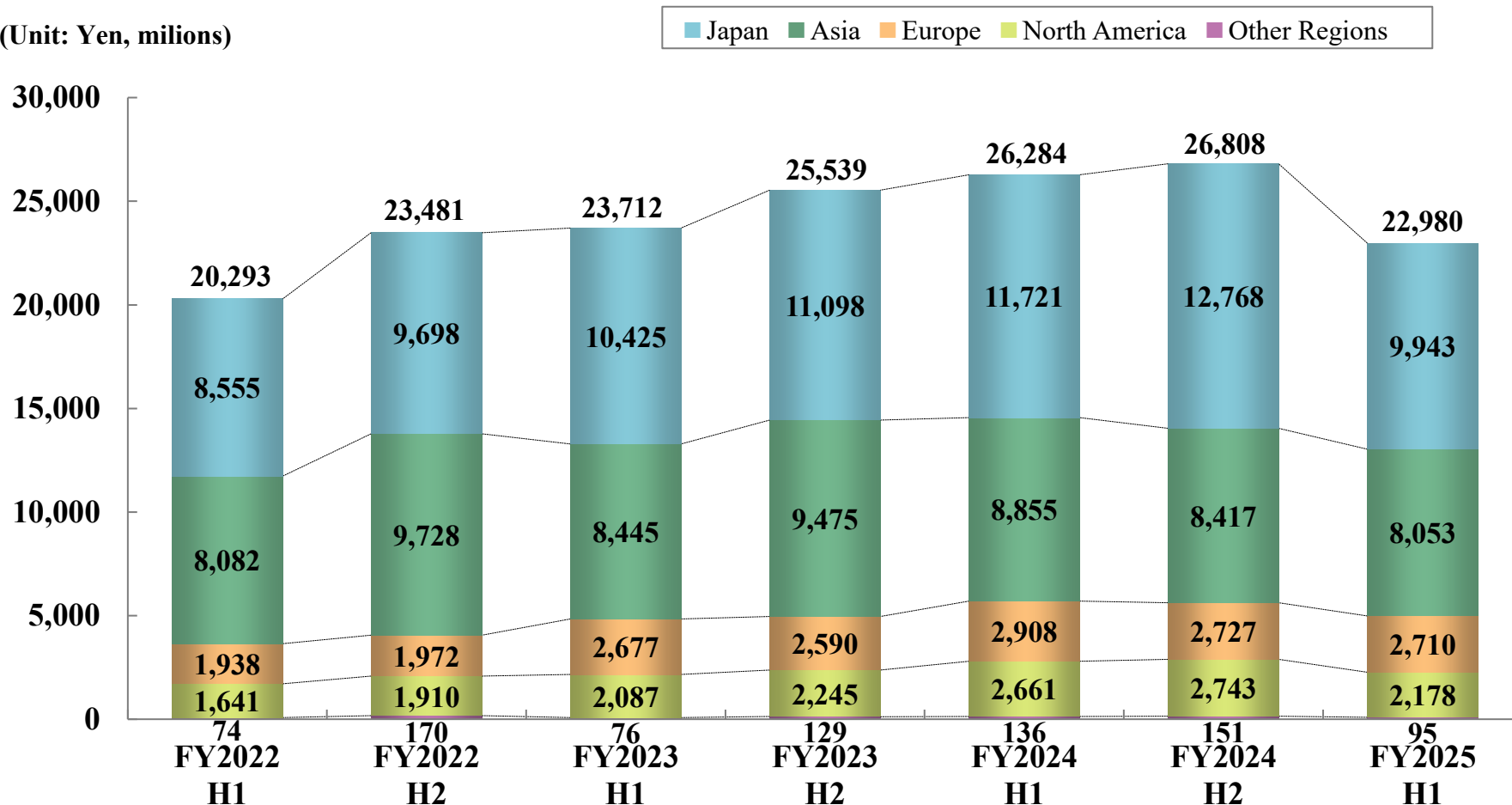
- Sales of SiC-coated graphite products increased year on year due to high demand, mainly for Si epitaxial applications, despite a substantial decline in sales for SiC epitaxial applications.
- Sales of C/C composite products decreased year on year due to a decrease in demand for industrial furnace applications.
- Sales of graphite sheet products decreased year on year due to a decrease in demand for special applications, despite firm demand across automobile, semiconductor, and metallurgical applications.



## 4. Sales by Region

✓ The impact of the decline in demand for semiconductor, metallurgical applications and carbon brush products, although differing by degree, has affected all regions.

(Unit: Yen, millions)



# 5. Consolidated Balance Sheet and Statement of Cash Flows for the First Half of the Fiscal Year Ending December 31, 2025

Consolidated Balance Sheet	(Unit: Yen, millions)			Consolidated Statement of Cash Flow	(Unit: Yen, millions)	
	Jun. 30, 2024	Dec. 31, 2024	Jun. 30, 2025		FY2024/H1	FY2025/H1
<b>Total assets</b>	<b>104,204</b>	<b>113,190</b>	<b>109,622</b>	Cash and cash equivalents at beginning of period	13,601	14,652
Notes and accounts receivable – trade	18,630	17,609	15,033	Net increase (decrease) in cash and cash equivalents	(758)	(4,699)
Inventories	24,448	26,817	28,847	Cash and cash equivalents at end of period	12,843	9,953
Property, plant and equipment	37,415	42,863	45,448	Net cash provided by operating activities	4,210	2,809
<b>Total liabilities and net assets</b>	<b>104,204</b>	<b>113,190</b>	<b>109,622</b>	Net cash provided by (used in) investing activities	(3,113)	(7,826)
Interest-bearing liabilities	-	-	3,612	Net cash provided by (used in) financing activities	(2,413)	456
Share capital	7,947	7,947	7,947			
Net assets	89,736	94,205	92,473			
<b>Equity ratio</b>	<b>86.1%</b>	<b>83.2%</b>	<b>84.3%</b>			

# **Forecasts for the Fiscal Year Ending December 31, 2025**

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# 1. Key Points of the Forecasts for the Fiscal Year Ending December 31, 2025

**We have revised the full-year forecast based on the following recognition of the market environment.**

**✓ Prolonged market correction for semiconductors**

**■ Si semiconductor applications**

- While there is some demand for cutting-edge products, the overall market is impacted by continuing wafer inventory adjustments, leading to lower demand than in the initial plan.
- Expectations for a market recovery, initially anticipated in the second half of FY2025, have been pushed back further.
- ☐ Special graphite products – electronics applications: components for Si wafer manufacturing
- ☐ Compound materials – SiC-coated graphite products: components for Si epitaxial equipments

**■ SiC semiconductor applications**

- Demand is lower than in the initial plan due to factors such as wafer inventory adjustments, in addition to the slowdown in the EV market.
- The timing of the market recovery, initially anticipated for the second half of FY2026, requires continued monitoring.
- Adoption is progressing, not only for BEVs but also xEVs, and there is no change in the outlook for medium- to long-term market growth, due to factors such as progressively more electronic components in automobiles and the expanding use of SiC semiconductors in energy equipment.
- ☐ Special graphite products – electronics applications: components for SiC wafer manufacturing
- ☐ Compound materials – SiC-coated graphite products: components for SiC epitaxial equipments

**We will focus on developing new applications and deepening existing applications, controlling the balance of the application mix while also curbing personnel expenses and other fixed costs to steadily adapt to changes in the market.**

## 2. Forecasts for the Fiscal Year Ending December 31, 2025

	FY2024			FY2025							
(Unit: Yen, millions)	Breakdown			Initial forecast*	Current forecast	Breakdown		YoY		Vs. initial forecast	
Net sales	53,093	H1	26,284	52,000	48,000	H1 (A)	22,980	- 5,093 / - 9.6 %		- 4,000 / - 7.7 %	
		H2	26,808			H2 (F)	25,019				
Operating profit	12,238	H1	5,808	10,000	7,500	H1 (A)	3,840	- 4,738 / - 38.7 %		- 2,500 / - 25.0 %	
		H2	6,429			H2 (F)	3,659				
(Ratio of operating profit to net sales)	23.1%			19.2%	15.6%						
Ordinary profit	13,480	H1	6,994	9,800	7,000	H1 (A)	3,789	- 6,480 / - 48.1 %		- 2,800 / - 28.6 %	
		H2	6,485			H2 (F)	3,210				
(Ratio of ordinary profit to net sales)	25.4%			18.8%	14.6%						
Profit attributable to owners of parent	9,960	H1	5,156	7,000	5,000	H1 (A)	2,681	- 4,960 / - 49.8 %		- 2,000 / - 28.6 %	
		H2	4,803			H2 (F)	2,318				
Basic earnings per share (yen)	474.95	H1	245.89	333.77	238.41	H1 (A)	127.85				
		H2	229.06			H2 (F)	110.56				
ROE	11.2%			7.3%	5.3%						
Exchange rate	151.6 yen/\$ 163.9 yen/€ 21.0 yen/CNY			145 yen/\$ 154 yen/€ 19.5 yen/CNY	(Assumptions for H2)  145 yen/\$ 154 yen/€ 19.5 yen/CNY						

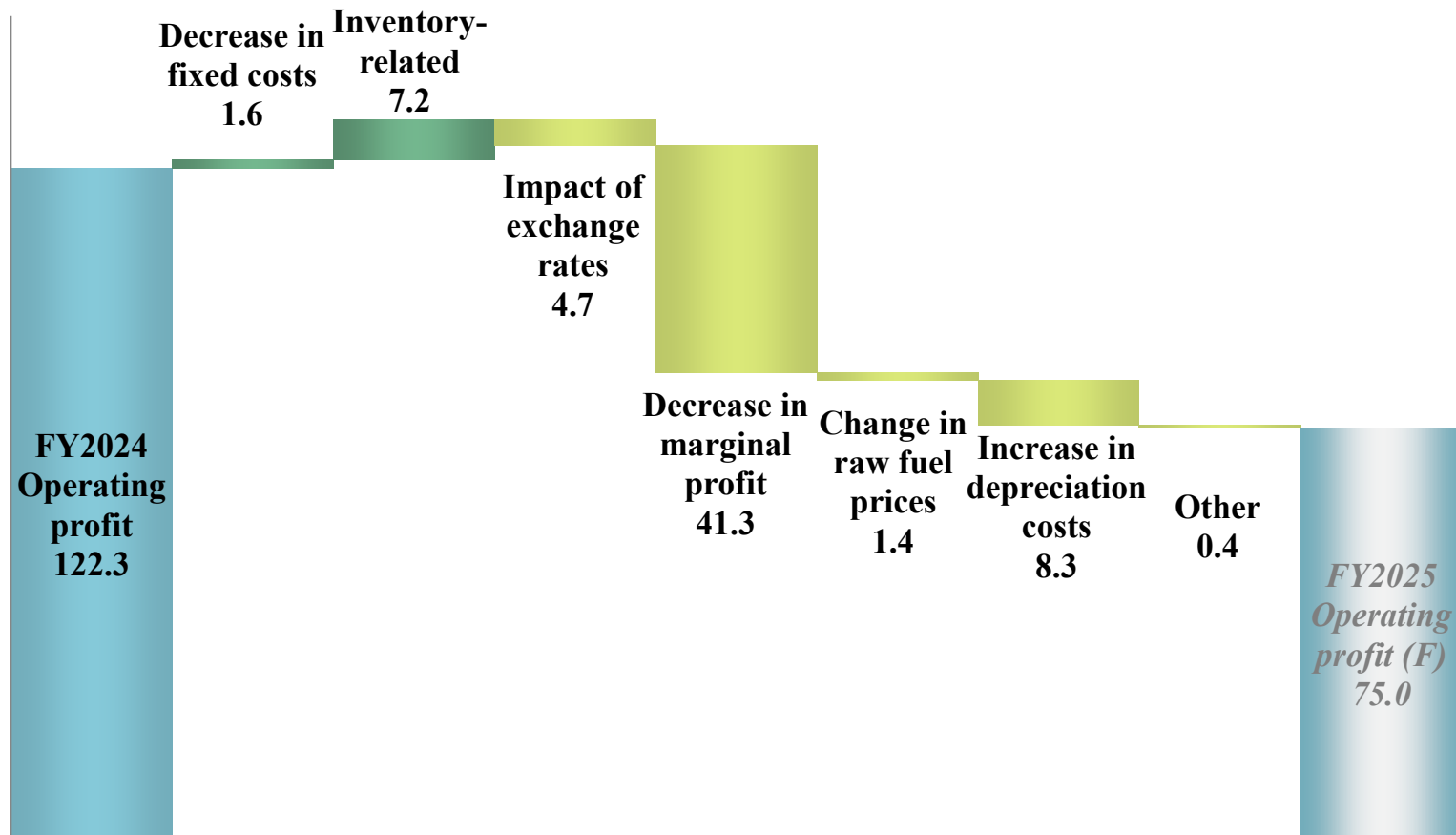
\*Announced on February 14, 2025

### 3. Factors Affecting Changes in Operating Profit

(fiscal year ended December 2024 vs. fiscal year ending December 2025)

- ✓ Operating profit to decrease by 38.7% due to a decrease in marginal profit (volumes, product mix) and an increase in depreciation costs.

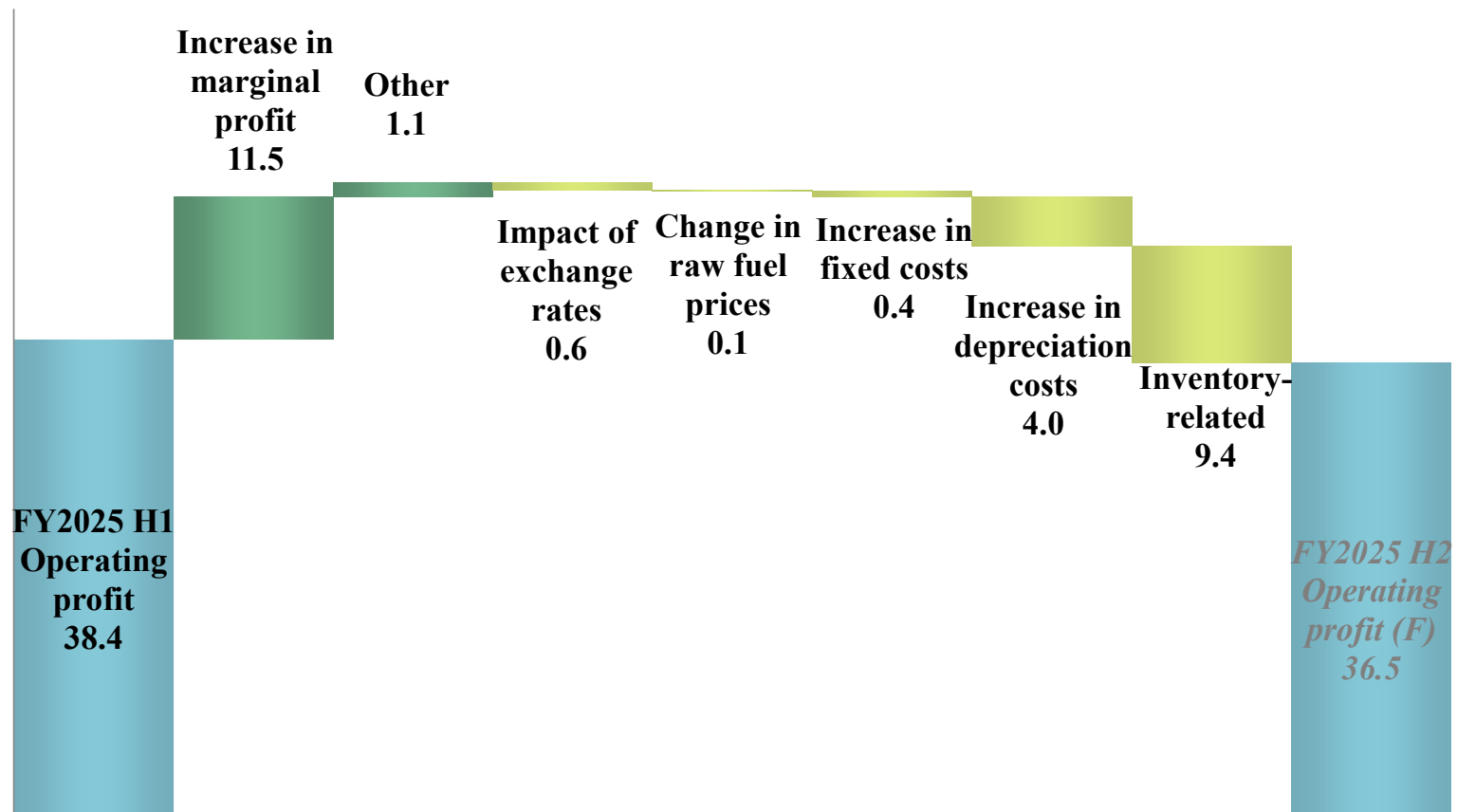
(Unit: Yen, 100 millions)



### 3. Factors Affecting Changes in Operating Profit (first half vs. second half of fiscal year ending December 2025)

- ✓ Operating profit to decrease by 4.7% due to an increase in depreciation costs and the impact of inventories, despite an increase in marginal profit.

(Unit: Yen, 100 millions)



# 4. Net Sales by Product and Segment

Product and Segment (Unit: Yen, millions)	FY2024			FY2025								
	H1	H2	Full year	H1	YoY	Vs. initial forecast	H2 (F)	YoY	Vs. initial forecast	Full year (F)	YoY	Vs. initial forecast
<b>Special Graphite Products</b>	12,184	11,800	<b>23,985</b>	9,310	-23.6%	-13.5%	12,560	+6.4%	-1.2%	<b>21,871</b>	-8.8%	-6.8%
<b>Electronics Applications</b>	5,641	4,753	<b>10,394</b>	3,297	-41.5%	-17.3%	5,196	+9.3%	-5.7%	<b>8,494</b>	-18.3%	-10.6%
<b>General Industries Applications</b>	5,400	5,797	<b>11,198</b>	4,824	-10.7%	-14.9%	6,247	+7.8%	+3.6%	<b>11,072</b>	-1.1%	-5.4%
<b>Others</b>	1,143	1,248	<b>2,391</b>	1,188	+4.0%	+7.6%	1,116	-10.6%	-4.5%	<b>2,304</b>	-3.6%	+1.4%
<b>Carbon products for General Industries [Carbon Products for Mechanical Applications]</b>	1,954	2,137	<b>4,092</b>	1,986	+1.6%	+9.7%	1,891	-11.5%	-6.0%	<b>3,878</b>	-5.2%	+1.4%
<b>Carbon Products for General Industries [Carbon Products for Electrical Applications]</b>	2,456	2,552	<b>5,008</b>	2,078	-15.4%	-11.2%	2,209	-13.4%	-15.2%	<b>4,288</b>	-14.4%	-13.3%
<b>Compound Materials and Other Products</b>	8,523	9,656	<b>18,179</b>	8,803	+3.3%	+10.9%	7,442	-22.9%	-23.1%	<b>16,245</b>	-10.6%	-7.8%
<b>Three Major Products</b>	7,527	8,355	<b>15,883</b>	7,531	+0.0%	+9.7%	6,178	-26.1%	-27.4%	<b>13,709</b>	-13.7%	-10.8%
<b>Other Products</b>	995	1,301	<b>2,296</b>	1,271	+27.7%	+18.3%	1,264	-2.8%	+8.5%	<b>2,535</b>	+10.4%	+13.2%
<b>Related goods</b>	1,164	662	<b>1,827</b>	800	-31.2%	-30.1%	915	+38.0%	-8.5%	<b>1,715</b>	-6.1%	-20.0%
<b>Total</b>	<b>26,284</b>	<b>26,808</b>	<b>53,093</b>	<b>22,980</b>	<b>-12.6%</b>	<b>-4.2%</b>	<b>25,019</b>	<b>-6.7%</b>	<b>-10.6%</b>	<b>48,000</b>	<b>-9.6%</b>	<b>-7.7%</b>

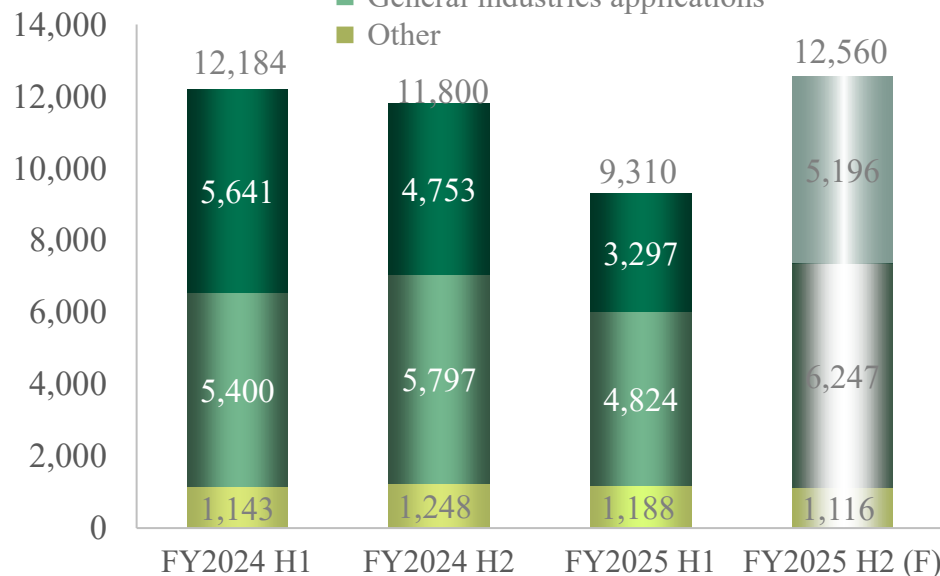


# 4. Net Sales by Product and Segment: Special Graphite Products

Product and Segment (Unit: Yen, millions)	FY2024			FY2025								
	H1	H2	Full year	H1	YoY	Vs. initial forecast	H2 (F)	YoY	Vs. initial forecast	Full year (F)	YoY	Vs. initial forecast
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(Unit: Yen, millions)

■ Electronics applications  
■ General industries applications  
■ Other



## [Electronics applications]

- Sales for single-crystal silicon manufacturing applications, which were initially forecast to recover in the second half of FY2025, are now expected to decline year on year, with the recovery hampered by continuing wafer inventory adjustments.
- Sales of products for compound semiconductor manufacturing applications are expected to decrease substantially year on year, with demand lower than initially forecast due to the slowdown in the EV market.
- The continuing market inventory adjustments are expected to have only a slight impact on the sales of products for solar cell manufacturing applications, due to the strategic implementation of selective order acceptance.

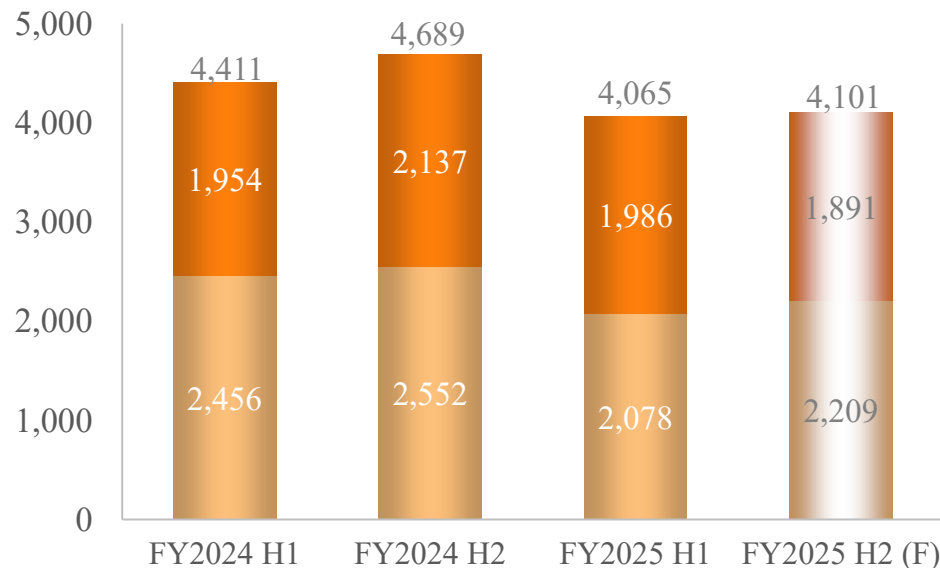
## [General industries applications]

- Despite an uncertain outlook, generally stable demand is forecast for industrial furnaces and other metallurgical applications, as well as demand for EDM electrodes.

# 4. Net Sales by Product and Segment: Carbon Products for General Industries

Product and Segment (Unit: Yen, millions)	FY2024			FY2025								
	H1	H2	Full year	H1	YoY	Vs. initial forecast	H2 (F)	YoY	Vs. initial forecast	Full year (F)	YoY	Vs. initial forecast
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(Unit: Yen, millions) ■ Carbon products for mechanical applications  
■ Carbon products for electrical applications



## [Carbon products for mechanical applications]

- Demand is firm for bearings, sealing rings, and contact strips for pantograph sliders, and a generally stable level of sales is forecast.

## [Carbon products for electrical applications]

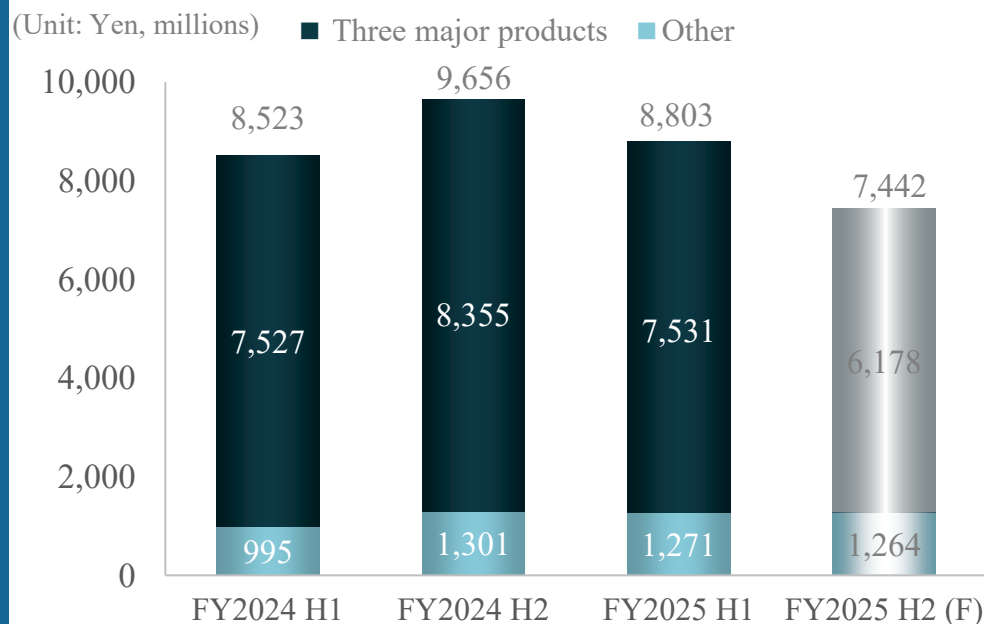
- Demand for compact motors for home appliances and power tools is expected to remain stagnant in the second half, resulting in a year-on-year decrease in sales.

# 4. Net Sales by Product and Segment: Compound Materials and Other Products

Product and Segment (Unit: Yen, millions)	FY2024			FY2025								
	H1	H2	Full year	H1	YoY	Vs. initial forecast	H2 (F)	YoY	Vs. initial forecast	Full year (F)	YoY	Vs. initial forecast
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## [Three major products]

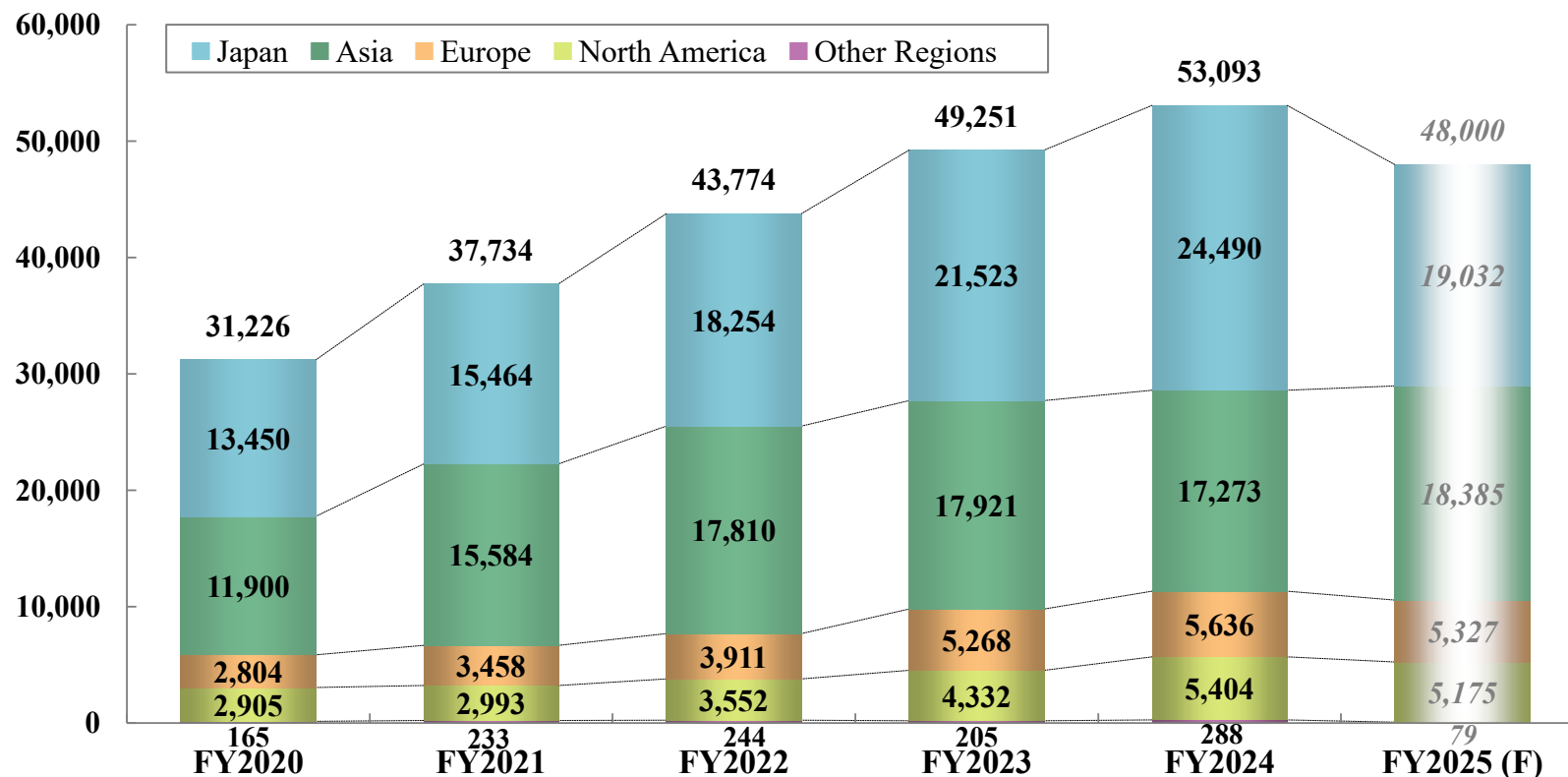
- Sales of SiC-coated graphite products are expected to decrease year on year. Second-half demand for SiC epitaxial applications is expected to fall far short of the initial plan due to the impact of a market correction. Sales of Si epitaxial applications are expected to increase year on year with firm sales in the first half, despite lower second-half demand than initially planned, mainly due to the impact of inventory adjustments.
- Sales of C/C composite products are expected to decrease year on year, with a decline in industrial furnace applications.
- Sales of graphite sheet products are expected to decline year on year with the disappearance in sales in some applications, despite firm demand across automobile, semiconductor, and metallurgical applications.



## 5. Sales by Region

✓ Sales will increase slightly in Asia but decrease in Japan, North America, and Europe.

(Unit: Yen, millions)

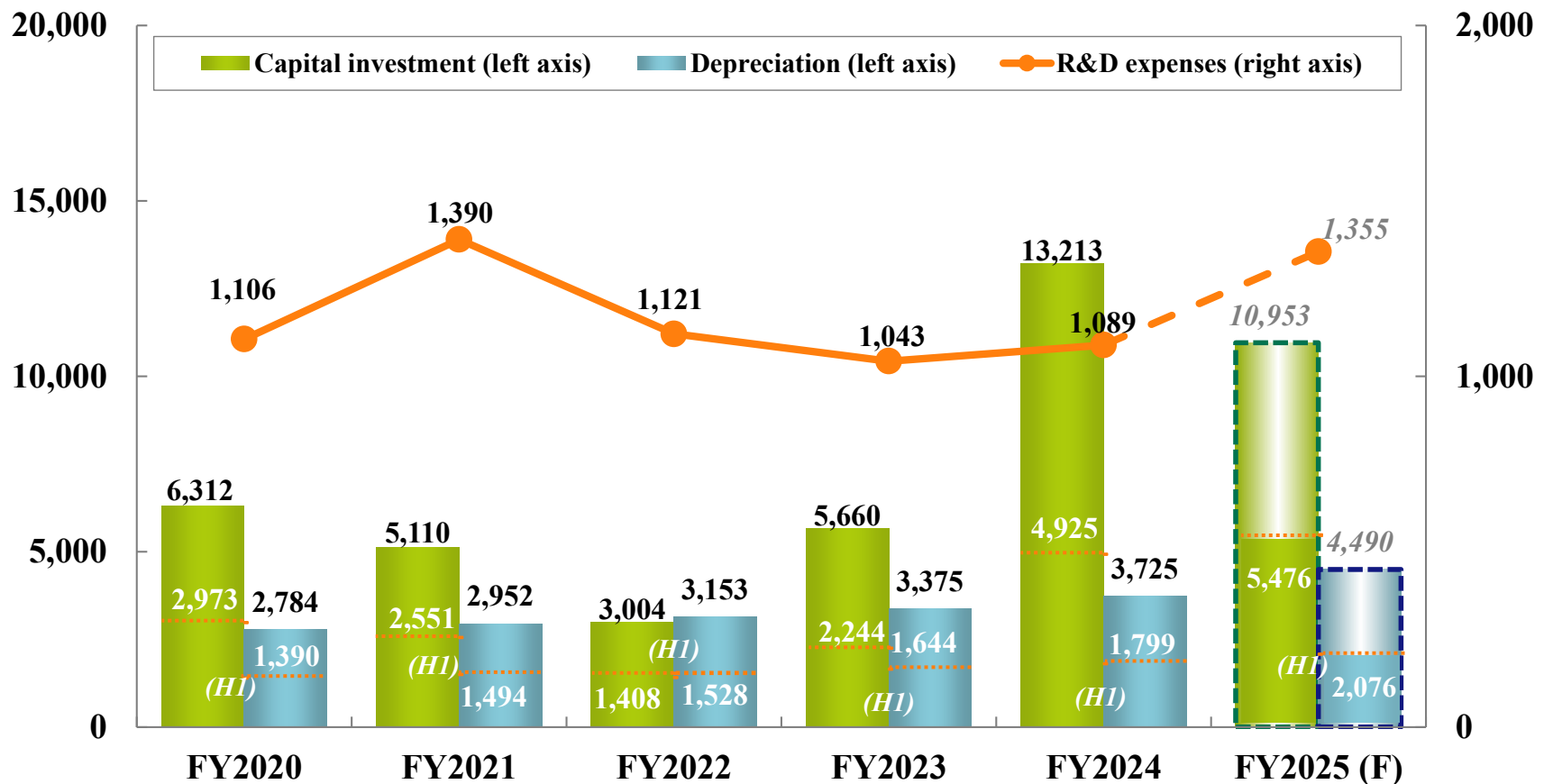


## 6. Capital Investment, Depreciation, and R&D Expenses

✓ Capital investments in enhancing purity, coatings (SiC, TaC), etc., are generally progressing as planned.

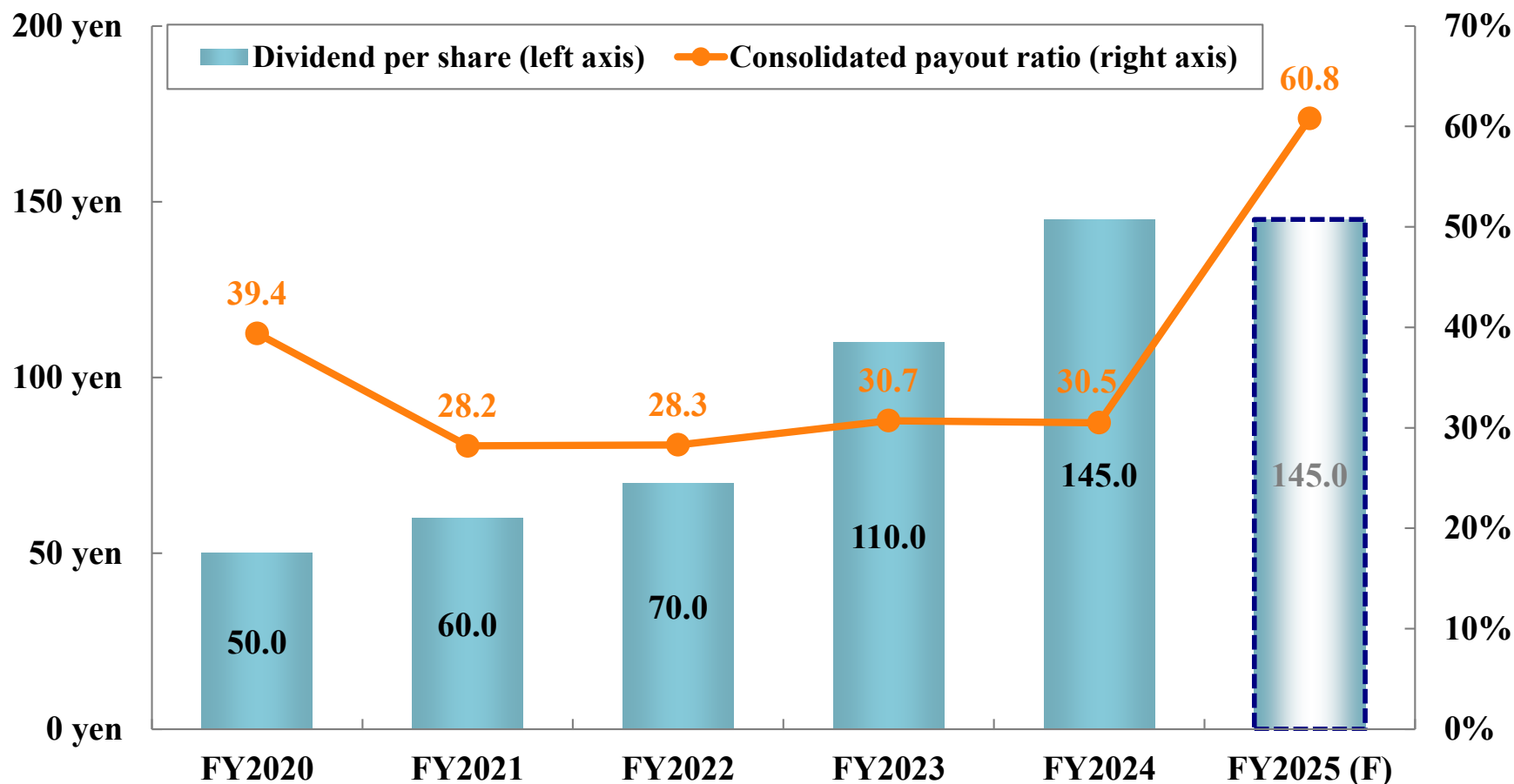
(Unit: Yen, millions)

(Unit: Yen, millions)

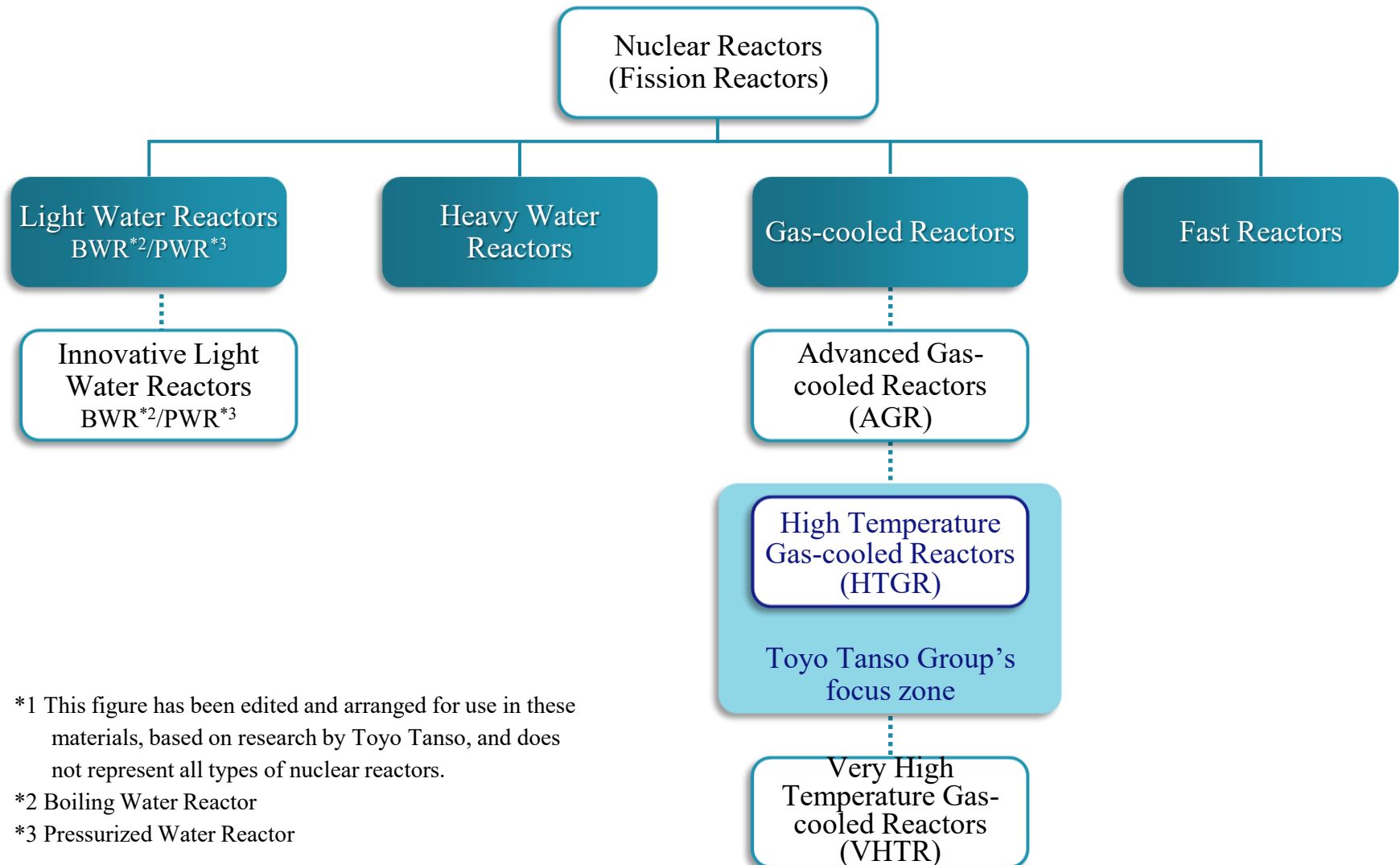


# 7. Dividend

✓ We will maintain the same level of shareholder returns as in FY2024, despite a forecast decrease in sales and profit.



# 8. Topics (1) Types of Nuclear Reactor



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

\*2 Boiling Water Reactor

\*3 Pressurized Water Reactor

# 8. Topics (1) Toyo Tanso's Graphite Materials Used in High-Temperature Gas-cooled Reactors

## Features of high-temperature gas-cooled reactors

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

- Using graphite as the moderator and helium gas as the coolant, these reactors feature excellent inherent safety.
- They generate high temperatures (up to 950°C).
- Cooling water is not needed, enabling installation in inland areas.
- They can be classified into small modular reactors (SMR), micro modular reactors (MMR), etc., based on output.

► **Applications:** Heat source for power generation, chemical plants, etc.; hydrogen production

## Strengths of the Toyo Tanso Group

**We are the only corporate group with a proven track record in this area, with an accumulation of know-how and irradiation data on graphite materials for nuclear power applications.**

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

► **Track record of adoption:**

Japan Test reactor (HTTR)  
China Test reactor (HTR-10)  
China Demonstration reactor (HTR-PM)  
France Commercial reactor (HTR)

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

## Unique and unparalleled graphite materials

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

### IG-110

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

### IG-430

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



## 8. Topics (2) Human Resource Development Initiatives

- ✓ We are promoting a range of initiatives linked to developing the management team of the future, based on our human resource development policy.

### Human resource development policy

To realize the 2030 Management Vision, we will foster human resources who resonate with our management philosophy and possess rich language skills and a global perspective, as well as communication skills, leadership, problem-solving abilities, proactivity, and initiative, in order to achieve our policies:

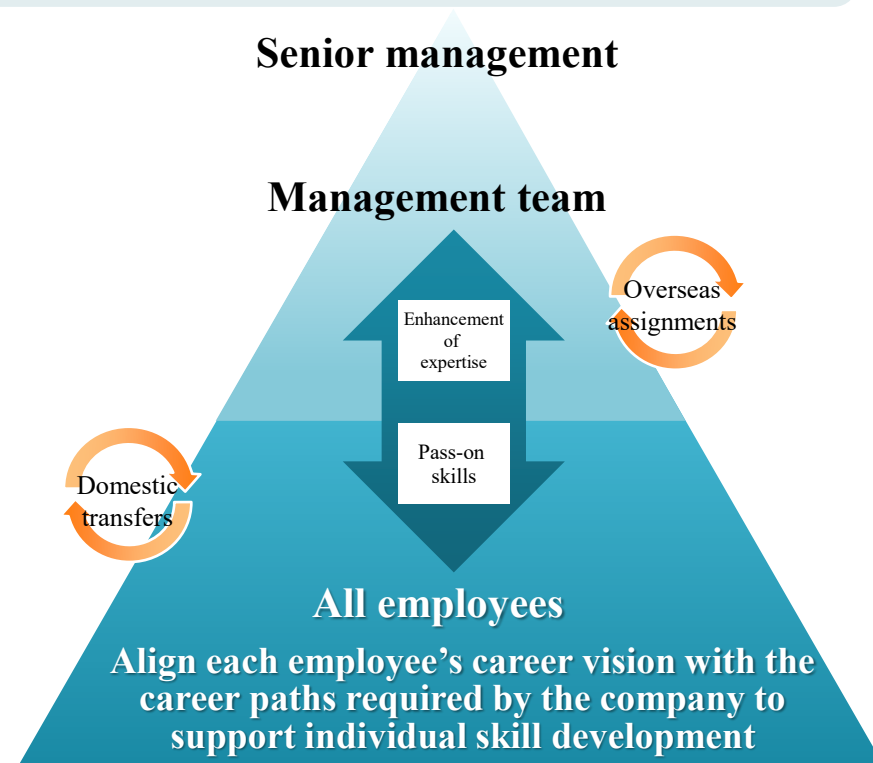
“Become a global company,” “For the world, for society,” and “Become a strong company.”

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



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

- Provide employees with opportunities to gain managerial experience at affiliated companies, cultivating the perspective, viewpoint, and mindset of a business leader
- Provide and mediate development opportunities through tiered and selective training (including next-generation leadership training)
- Enable employees to accumulate diverse work experiences and knowledge through job rotation
- Develop global human resources through overseas assignments





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

**This document contains “forward-looking statements” and forecasts of business results. These statements are not historical facts but instead represent the Company’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond the Company’s control. It is possible that the Company’s actual results may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements.**

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