



May 19, 2025

Company Name: Tokai Carbon Co., Ltd.
 Representative : Hajime Nagasaka, President and CEO
 (Stock Code: 5301 Prime Market, Tokyo Stock Exchange)
 Contact information: Tsunayuki Sato, Executive Officer,
 Corporate Planning Department
 Telephone: +81-50-1702-4901

Notice of Change of Consolidated Subsidiary

Tokai Carbon Co., Ltd. (hereinafter "Tokai Carbon" or "we") announces that, based on the resolution of the Board of Directors on May 14, 2025, the Representative Director has resolved to transfer all shares of TOKAI ERFTCARBON GmbH ("TEG"), which is in charge of the graphite electrode business, to Lenbach Equity Opportunities III. GmbH & Co. KG ("LEO III. Fund"), which is exclusively advised by DUBAG Investment Advisory GmbH ("DUBAG"), an investment company headquartered in Munich, Germany, and executed a share transfer agreement with the LEO III. Fund.

1. Reason for Stock Transfer

In February of this year, we formulated "Vision 2030," which describes the ideal state of the Tokai Carbon Group in 2030 and strategies to achieve it. In Vision 2030, we aim to transform our business portfolio by promoting three initiatives toward our long-term vision: "Drastic Structural Reforms," "Commitment to Growth Markets," and "Sustainable Value Creation".

TEG joined our group in 2005 and has been a part of the tri-polar structure of our electrode business in Japan, the United States, and Europe. However, in the European market, demand has been sluggish, and due to deteriorating market conditions caused by price competition among major players and the influx of inexpensive products, TEG is facing challenges such as increased costs from low capacity utilization. Although there are expectations for market conditions to improve heading towards carbon neutrality, the recovery of demand in the European market is expected to take some time.

Given these circumstances, and based on Vision 2030, we examined the allocation of our management resources from various perspectives. As a result, we determined that joining DUBAG group, which has strengths in investing in carved-out companies and companies requiring business improvement, would be optimal for TEG's sustainable development and further growth, and the decision was made to transfer all shares of TEG to the LEO III. Fund.

2. Outline of the subsidiary to be transferred (as of May 16, 2025)

(1) Name	TOKAI ERFTCARBON GmbH
(2) Location	Aluminiumstrasse 4, 41515 Grevenbroich, Germany
(3) Representative	Dirk Schneider
(4) Business	Manufacture and sale of graphite electrodes
(5) Capital	0.8 million euro
(6) Date of establishment	1917
(7) Major shareholders and shareholding ratios	100% subsidiary of Tokai Carbon

(8)TheRelationship between the Company and the said company	Capital Ties	100% invested by the Company.	
	Personal Relations	No employees are seconded from the Company.	
	Business Relations	There are product sales transactions between group companies of the Company and the said company.	
(9) Operating results and financial position for the last three years (in millions of EUR)*			
Accounting period	For the Fiscal Year ending December 2022	For the Fiscal Year ending December 2023	For the Fiscal Year ending December 2024
Net assets	121.3 (19.7 billion yen)	85.8 (14 billion yen)	39.7 (6.5 billion yen)
Total assets	159.7 (26 billion yen)	123.6 (20.1 billion yen)	81.5 (13.3 billion yen)
Net sales	118.1 (19.2 billion yen)	104.1 (16.9 billion yen)	72.6 (11.8 billion yen)
EBIT	1.0 (16.3 billion yen)	△34.6 (△5.6 billion yen)	△45.6 (△7.4 billion yen)
Net income	0.3 (4.9 billion yen)	△35.4 (5.8 billion yen)	△46.1 (7.5 billion yen)

*The conversion rate is 1 EUR = 162.58 yen (calculated as the closing telegraphic transfer rate to the customer as of May 16, 2025 as published by MUFG Bank, Ltd.)

3. Outline of the counterparty to the share transfer (as of May 16, 2025)

(1) Name	LEO III.-VV18 GmbH	
(2) Location	Munich, Germany	
(3) Representative	Florian Hitzer	
(4) Business	Holding Company	
(5) Capital	25,000 euro	
(6) Major shareholders and shareholding ratios	100% subsidiary of Lenbach Equity Opportunities III. GmbH & Co. KG (an investment fund exclusively managed by DUBAG Investment Advisory GmbH)	
(70) Relationship between the Company and the said company	Capital ties	N/A
	Personal relations	N/A
	Business relations	N/A
	Application to Related Party	N/A

4. Number of shares transferred, status of shares held before and after transfer, and transfer price

(1) Number of shares held by the Company before the change	100.0%
(2) Number of shares transferred	100.0%
(3) Number of shares held by the Company after the change	0.0%

(4) Transfer price	Not disclosed due to confidentiality obligation.
--------------------	--

5. Schedule

(1) Date of decision by the Representative Director	May 16, 2025
(2) Date of execution of share transfer agreement	May 16, 2025 (German time)
(3) Completion date of share transfer	June 2025 (tentative)

6. Impact on business performance due to this matter

The impact of this matter on our business performance is currently under examination and will be announced as soon as it is determined.

End of file