



June 5, 2020

Notice on public offering of hybrid bonds (subordinated bonds)

Tokai Carbon Co., Ltd. ("Tokai Carbon") hereby announces that we filed a revised shelf registration concerning the public offering of hybrid bonds (subordinated bonds) (the "Bonds") with the head of the Kanto Local Finance Bureau on May 29, 2020. The details are as follows.

1. Purpose and background of the bond offering

As described in our announcement on April 10, 2020 entitled "Tokai Carbon and Tokai COBEX to acquire Carbone Savoie International SAS, a Carbon and Graphite Manufacturer", Tokai Carbon signed the Put Option Agreement relating to a Securities Purchase Agreement regarding Tokai Carbon and Tokai COBEX GmbH, our subsidiary company, jointly acquiring 100% shares in Carbone Savoie International SAS to make it our consolidated subsidiary.

As described in the announcement mentioned above, we have considered financial arrangements including hybrid finance methods in order to secure adequate liquidity and maintain our financial health. As a result of the consideration, we have decided to issue the Bonds.

2. Bond characteristics

The Bonds have interim feature of both capitals and liabilities, with their liability aspects ensuring that stock dilution does not occur. On the other hand, they also have attributes and features resembling capitals such as voluntary deferral of interest, extremely long-term redemption periods and subordination during liquidation or bankruptcy procedures. As a result, we expect to receive recognition from Rating and Investment Information, Inc. for 50% of the capital procurement amount.

For an overview of the Bonds, please refer to the revised shelf registration submitted to the head of the Kanto Local Finance Bureau.

3. Schedule

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. has been appointed as a lead manager for the issuance of the Bonds, with SMBC Nikko Securities Inc., Nomura Securities Co., Ltd. and Mizuho Securities Co., Ltd. serving as co-lead managing underwriters. The conditions including issue amount of the Bonds will be determined, after comprehensively taking into account market demand, interest-rate movement and other conditions, and we will announce these as soon as the determination has been made.

At this time Tokai Carbon is aiming to procure 20 billion yen through the financing. However, the funding amount will be determined after comprehensively taking into account market demand, interest-rate movement and other conditions.

End of Notice

Company Name: Tokai Carbon Co., Ltd.
Representative: Hajime Nagasaka, President & Chief Executive Officer
Stock Code: 5301 [Tokyo Stock Exchange]
Contact: Akihiko Satoh, General Manager, Accounting & Finance Department,
Tel.+81-3-3746-5155

This press release relates to offerings of Japanese Yen-denominated Bonds ("the Bonds") that are intended to be directed into Japan and its residents thereof in accordance with the law, customary practices and documentation in Japan. This press release does not constitute an offer of any securities for sale in the United States. The Bonds have not been registered under the United States Securities Act of 1933, as amended (the "Act"), and may not be offered or sold in the United States absent registration or an application exemption from the registration requirements under the Act