

August 7, 2018

Notice Concerning Borrowing of Funds

Tokai Carbon announces that its Board of Directors, at a meeting held on August 7, 2018, decided to borrow funds as follows.

1. Reason for the Borrowing

The Company will use the funds to acquire all stock in Sid Richardson Carbon, Ltd., a U.S. carbon black manufacturer, and SRCG, Ltd. and New SRCG Genpar, LLC, its Group companies, as announced on June 26, 2018.

2. Overview of the Borrowing

(1) Lender	MUFG Bank, Ltd.
(2) Expected amount of borrowing	Total amount to borrow: 37.7 billion yen (Of this, the amount of U.S. dollar-denominated borrowing will be 160,500,000 dollars* and the amount of yen-denominated borrowing will be 20,075 million yen)
(3) Interest rate	Base rate + spread
(4) Borrowing execution date	Late August 2018 (scheduled)
(5) Borrowing period	1 year
(6) Borrowing method	Term loan
(7) Repayment method	Lump-sum repayment on repayment date (early repayment is allowed)

* US dollar is calculated at the rate of 110 yen to the dollar.

3. Outlook for the Future

The borrowing will not affect operating results.

End of notice

Company Name: Tokai Carbon Co., Ltd.

Representative: Hajime Nagasaka, President & Chief Executive Officer

Stock Code: 5301 [Tokyo Stock Exchange]

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