



November 15, 2021

Company Name: Tokai Carbon Co., Ltd.  
 Representative: Hajime Nagasaka, President & CEO  
 (Stock Code: 5301 Section I, Tokyo Stock Exchange)  
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### Notice of Change in Specified Subsidiary

Tokai Carbon Co., Ltd. (hereinafter "Tokai Carbon" or "we") announces that an extraordinary board meeting was held today and has approved Equity Transfer Agreement to transfer 100% of Tokai Carbon (Tianjin) Co., Ltd. ("Tokai Carbon (Tianjin)") shares to Cabot (China) Limited, a subsidiary of Cabot Corporation ("Cabot").

#### 1. Reasons for transfer of shares

Tokai Carbon (Tianjin) was established as a joint venture in Tianjin Economic-Technological Development Area in 2004 responding to the growing demand of carbon black in China. In 2013, Tokai Carbon acquired all of the shares owned by the joint venture partner making Tokai Carbon (Tianjin) a wholly owned subsidiary. Tokai Carbon (Tianjin) has been satisfying the demands of tire and industrial rubber parts manufacturers by providing high-end carbon black, however the business environment surrounding Tokai Carbon (Tianjin) is becoming increasingly severe year by year such as the intensifying market competition and strict environmental regulations governing the operations. In light of these circumstances, we have decided to sell the business of Tokai Carbon (Tianjin), after considering the redistribution of our resources from various perspectives in line with our basic policy of optimizing our business portfolio in our medium-term management plan T-2023.

#### 2. Outline of subsidiary (as of November 15, 2021)

(1) Name of company	Tokai Carbon (Tianjin) Co., Ltd.	
(2) Location	No.45 Xixia Road, TEDA Hangu Modern Industry Park, Tianjin 300480, P.R. China	
(3) Representatives	Midori Hajikano, Chief of Director	
(4) Business description	Production and sales of carbon black	
(5) Capital	USD 167.0 million	
(6) Date of establishment	April 1, 2004	
(7) Major shareholder and ownership ratio	Tokai Carbon (100%)	
(8) Relationship between listed company and subsidiary	Capital relationship	Tokai Carbon owns 100% of Tokai Carbon (Tianjin).
	Personnel relationship	1 President and 1 manager responsible for finance and accounting have been seconded from Tokai Carbon.
	Business relationship	Tokai Carbon (Tianjin) sells products to one of Tokai Carbon's subsidiaries.
(9) Consolidated business results and financial position for the past three years (RMB million)※ <sup>1</sup>		

Accounting period	FY2018	FY2019	FY2020
Net assets	142.9(JPY2.27 billion)	139.8(JPY2.22 billion)	146.9(JPY2.33 billion)
Total assets	354.0(JPY5.62 billion)	339.4(JPY5.39 billion)	314.9(JPY5.00 billion)
Net sales	334.9(JPY5.32 billion)	305.6(JPY4.85 billion)	241(JPY3.83 billion)
Operating income	25.6(JPY0.41 billion)	2.7(JPY0.04 billion)	241.4(JPY0.14 billion)
Net Income attributable to owners of the parent company	21.5(JPY0.34 billion)	△3.1(JPY△0.05 billion)	7.1(JPY0.11 billion)

※<sup>1</sup> Applied exchange rate is JPY15.88 to the RMB in accordance with final official TTM quotation by MUFG Bank, Ltd. on December 30, 2020.

### 3. Outline of buyer (as of November 15, 2021)

(1) Name of company	Cabot (China) Limited	
(2) Location	558 Shuangbai Road Minhang District Shanghai 201108 China	
(3) Representatives	Chairman and Director of the Board of Directors HOBART CHARLES KALKSTEIN	
(4) Business description	Provision of sales and shared service support to its subsidiaries and affiliates in China for the production and sale of carbon black, specialty carbons, fumed silica, elastomer composites, battery materials, inkjet colorants, masterbatches and conductive compounds, and aerogel	
(5) Capital	USD 134.1 million	
(6) Date of establishment	December 3, 2003	
(7) Net assets	RMB 3,453.4 million	
(8) Total assets	RMB 5,884.9 million	
(9) Major shareholder and ownership ratio	CMHC, INC. 100% (wholly owned by Cabot)	
(10) Relationship between listed company and buyer	Capital Relationship	None
	Personnel Relationship	None
	Business Relationship	None
	Related party status	None

### 4. Equity to be transferred and transfer price

(1) Equity held prior to transfer	100.0%
(2) Transferred equity	100.0%
(3) Equity held after transfer	0%
(4) Transfer price※ <sup>2</sup>	USD 9.0 million

※<sup>2</sup> The transfer price is subject to customary closing adjustments.

### 5. Contemplated schedule of the transaction

(1) Date of board of directors resolution	November 15, 2021
(2) Contract date	November 15, 2021
(3) Completion of the share transfer	By the middle of February , 2022 (scheduled)

### 6. Impact of this transaction on our business performance

For the impact of this transaction on our business performance, please refer to the "Notice on Recording of

Extraordinary Loss and Revision of Earnings Forecast" disclosed today.

End of Notice