March 31, 2026

To whom it may concern

Company name: Nippon Carbon Co., Ltd.
Representative: Takafumi Miyashita,
Representative Director, CEO
(Stock code: 5302; Prime Market of the Tokyo Stock Exchange)

Notice Concerning the Fire Incident at the Toyama Plant (Final Report)

Nippon Carbon Co., Ltd. hereby announces that the on-site investigation and analysis by the fire authorities regarding the fire that occurred at our Toyama Plant (Toyama City, Toyama Prefecture) on Friday, August 29, 2025, have been completed, and that we have compiled the cause of the incident and the measures to prevent recurrence as follows.

We once again extend our deepest apologies to local residents, business partners, shareholders and investors, related organizations, and all other stakeholders for the significant concern and inconvenience this incident has caused.

1. Overview of the Toyama Plant

The overview of the Toyama Plant is as follows.

(1) Location: 27 Takauchi, Toyama City, Toyama Prefecture
(2) Total site area: 233,121 m²
(3) Products manufactured: Artificial graphite electrodes, lithium-ion battery anode materials, among other products

2. Overview of the Fire

At 7:16 a.m. on Friday, August 29, 2025, coke (carbon particles less than 1 cm in size produced by heat-treating coal), a heat-generating medium heated to approximately 3,000°C, was ejected from the graphitization furnace facilities used in the production process of artificial graphite electrodes, accompanied by an explosive sound, and the fire occurred.
Following firefighting efforts by the fire department, the fire was declared extinguished at 4:00 p.m. on Sunday, August 31.

3. Damage Status

There were no human casualties among local residents or our employees, and no spread of fire to nearby houses or other structures.
The total floor area of the building where the fire occurred was 10,907.45 m², and the fire-damaged floor area was 4,440.32 m² (classified as partial burn).

4. Cause of the Incident

Based on investigations into the conditions inside the furnace, the damage to the building and equipment, and analyses of the chemical composition of substances remaining inside the furnace, we believe that the following sequence of events occurred, ultimately leading to a large-scale ejection of coke.
In addition, no abnormalities or evidence of human error were identified in investigations into equipment inspection records, work instructions, work records, and inspection records of materials used.

(1) Volatile components were generated from products undergoing heat treatment in the graphitization furnace.
(2) The accumulated volatile components caused a rapid increase in internal pressure, resulting in a relatively small initial explosion.
(3) The initial explosion caused high-temperature coke to be ejected from the furnace.
(4) The high-temperature coke came into contact with a water pipe used for cooling electrical components near the furnace.
(5) The pipe melted due to the high temperature, allowing water to flow into the furnace.
(6) The water instantly vaporized and expanded inside the furnace, resulting in a large-scale ejection of coke.

5. Measures to Prevent Recurrence

In preparation for the resumption of operations, we will implement the following measures to prevent recurrence and will strive to ensure safe operations.

(1) Change in furnace loading method
We will modify the loading method to prevent the accumulation of volatile components inside the furnace, thereby preventing explosions.

(2) Installation of a cover to prevent coke ejection
In this incident, the scale of the damage expanded as high-temperature coke ejected and scattered, coming into contact with water pipes. To minimize the scale of damage even in the event of coke ejection, we will install a protective cover above the furnace to prevent scattering.

(3) Modification of water pipe specifications and layout
We will protect water pipes with refractory insulation materials to prevent melting even if they come into contact with high-temperature coke. In addition, we will change the layout of the pipes to prevent water from entering the furnace even in the event of leakage.

6. Impact on Business Performance

In the consolidated financial results for the fiscal year ended December 31, 2025, we recorded fire-related losses, including restoration costs, amounting to ¥803 million as extraordinary losses. In addition, the impact on the artificial graphite electrode supply chain has been extremely limited due to the utilization of other production facilities and related measures.

For inquiries regarding this matter
Nippon Carbon Co., Ltd.
Corporate Affairs Division, Corporate Planning Department.
nc_bm@carbon.co.jp