

November 2, 2016

Notice on revising the Earnings Forecast

Based on our recent business performance trends, we have revised our forecast of *the* consolidated earnings, which was announced on July 25, 2016, for the fiscal year ending December 31, 2016 (from January 1 to December 31, 2016) as in below.

1. Revision of the Earnings Forecast (Consolidated basis, Full year 2016)

	Net sales	Operating income	Ordinary income	Net income/(loss) attributable to the owners of the parent company	Net income per share (EPS)
	JPY in Millions	JPY in Millions	JPY in Millions	JPY in Millions	JPY
Previous forecast (A)	87,000	200	200	(5,700)	(26.74)
Revised forecast (B)	87,000	700	1,000	(5,100)	(23.92)
Difference (B-A)	0	500	800	600	—
Differed rate (%)	0.0	250.0	400.0	—	—
(Reference)					
Results from previous fiscal year, ending December 31, 2015	104,864	4,088	4,317	2,484	11.65

2. Reason for revisions

The performance of the foreign subsidiaries in Carbon Black division and Graphite electrode division have improved and the loss from inventory revaluation has been returned, which ended up to higher year to date results compare to the previous full year forecast announced on July 25. Considering the above, we have revised the previous forecast of the operating income, the ordinary income, and the Net income/ (loss) attributable to the owners of the parent company. In addition, an increased return on investment through the equity method and the loss due to the disposal of the golf practice range in Aichi prefecture reflected in the revisions of the ordinary income and the Net income/(loss) attributable to the owners of the parent company.

Please note that because of the impact on solicitation of voluntary retirement notified in the “Structural reform of the Fine Carbon Segment and Introduction of the Early Retirement Program” has not been confirmed, it has not been incorporated in the full-year earnings forecast.

* The above-mentioned earnings forecasts are based on the information currently available to the Company and certain assumptions judged to be reasonable. Note that actual performance may significantly differ due to a variety of factors.

End of notice

Date of release: November 2, 2016
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