

November 2, 2017

Notice on Revision of Earnings Forecast

Tokai Carbon has revised its consolidated earnings forecast for fiscal year ended December 31, 2017 (January 1 to December 31, 2017) that was announced on July 31, 2017, based on the trend in earnings to date. This is a notice on that revision, which is detailed below.

Details

1. Revision of the consolidated earnings forecast for the full year ended December 31, 2017 (from January 1 to December 31, 2017)

	Net sales	Operating income	Ordinary income	Net income/(loss) attributable to owners of the parent company	Net income per share (EPS)
	JPY in millions	JPY in millions	JPY in millions	JPY in millions	Yen
Previous forecast (A)	98,000	8,500	9,700	9,100	42.69
Revised forecast (B)	100,000	10,500	12,000	10,800	50.67
Difference (B - A)	2,000	2,000	2,300	1,700	—
Difference rate (%)	2.0	23.5	23.7	18.7	—
(Reference) Results from previous fiscal year, ended December 31, 2016	88,580	1,131	1,702	(7,929)	(37.20)

(1) Reasons for Revision

Tokai Carbon expects net sales to exceed the previous forecast owing to growth in graphite electrode sales volume, an increase in the sales price of carbon black, and greater than anticipated depreciation of the yen than previously forecast. Operating income is expected to exceed the previous forecast owing to improved profitability of carbon black and graphite electrodes, and to the positive effect of yen depreciation, among other factors. Ordinary income and net income attributable to owners of the parent company are also expected to exceed the previous forecast for the same reasons as operating income.

Tokai Carbon is carefully examining the impact of the acquisition described in Acquisition of Shares in U.S. Subsidiary of SGL GE, a Graphite Electrode Manufacturer, which was announced on September 28, 2017. The impact of this on consolidated earnings for fiscal year ending December 2017 has not been incorporated into this Notice on Revision of Earnings Forecast. If the need to revise the earnings forecast and any events that should be disclosed arise in the future, the company will disclose these promptly.

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

End of notice

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