

May 8, 2018

Notice on Revision of Earnings Forecast

Tokai Carbon has revised its consolidated earnings forecast for fiscal year ended December 31, 2018 (January 1 to December 31, 2018) that was announced on February 13, 2018, based on the trend in earnings to date. This is a notice on that revision, which is detailed below.

Details

1. Reason for Share Acquisition

(1) Revision of the consolidated earnings forecast for the second quarter ended December 31, 2018 (from January 1 to June 30, 2018)

	Net Sales	Operating income	Ordinary income	Quarterly 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)	79,200	16,700	17,000	12,000	56.30
New revised forecast (B)	88,000	27,700	28,000	20,200	94.77
Difference (B - A)	8,800	11,000	11,000	8,200	—
Difference rate (%)	11.1	65.9	64.7	68.3	—
(Reference) Previous second quarter results (Second quarter ended December 31, 2017)	49,184	4,228	4,924	5,854	27.47

(2) Revision of the consolidated earnings forecast for the full year ended December 31, 2018 (from January 1 to December 31, 2018)

	Net Sales	Operating income	Ordinary income	Quarterly 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)	174,000	43,000	44,000	30,000	140.74
New revised forecast (B)	194,000	63,700	64,800	46,800	219.56
Difference (B - A)	20,000	20,700	20,800	16,800	—
Difference rate (%)	11.5	48.1	47.3	56.0	—
(Reference) Results from previous fiscal year, ended December 31, 2017	106,252	11,486	13,249	11,816	55.43

Reasons for Revision

(1) Total Consolidated Results for the Year to Date in the Second Quarter

Tokai Carbon expects net sales to exceed the previous forecast owing to factors such as a higher graphite electrode sales price, growing carbon black sales volume, and price revisions accompanying higher crude oil prices. Operating income is expected to exceed the previous forecast owing to factors such as improved profitability from graphite electrodes and carbon black. Ordinary income and quarterly net income attributable to owners of the parent company are also expected to exceed the previous forecast for the same reasons as operating income.

(2) Full-Year

Due to the revised earnings forecast for the year to date in the second quarter, we revised the previous forecast to adjust net sales, operating income, ordinary income and net income/(loss) attributable to owners of the parent company.

* 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

Company Name: Tokai Carbon Co., Ltd.

Representative: Hajime Nagasaka, President & Chief Executive Officer

Stock Code: 5301 [Tokyo Stock Exchange]

Contact: Kazuhiko Matsubara, Executive Officer and General Manager,
Accounting & Finance Department, Tel.+81-3-3746-5100