



November 4, 2020

For immediate release

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## Notice on Recording of Extraordinary Loss and Revision of Earnings Forecast

Tokai Carbon has recorded a disaster loss as an extraordinary loss in the third quarter of the fiscal year ending December 31, 2020 and revised the earnings forecast that was announced on August 4, 2020, as follows.

### 1. Recording of Extraordinary Loss

Due to the disaster caused by the torrential rain in July 2020, Tokai Carbon's Tanoura Plant (Ashikita-machi, Ashikita-gun, Kumamoto) incurred damage to its fixed assets, such as buildings and facilities, as well as some inventories and had to temporarily suspend operation. Consequently, as the amount of loss that can be rationally estimated at this time, the Company posted an extraordinary loss of 446 million yen.

The Company also estimated that on a full-year basis, a loss of 1.5 billion yen, including restoration costs for damaged assets, would be incurred. On the other hand, most of the damaged assets were insured, and we expect to receive 1.0 billion yen in non-life insurance proceeds. The aforementioned loss from the disaster and insurance income will be recorded as extraordinary loss/income in the fourth quarter.

### 2. Revision of the Earnings Forecast

Revision of consolidated earnings forecast for the fiscal year ending December 31, 2020 (January 1, 2020 - December 31, 2020)

	Net sales	Operating income	Ordinary income	Net income 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)	190,000	6,100	5,000	1,000	4.69
Revised forecast (B)	190,000	6,100	5,000	500	2.35
Difference (B-A)	—	—	—	(500)	—
Rate of change (%)	—	—	—	(50.0)	—
(Reference) FY2019 results	262,028	54,344	52,986	31,994	150.10

### 3. Reasons for the revision

Tokai Carbon expects consolidated net sales, operating income, and ordinary income for the year ending December 31, 2020 to generally maintain the levels of the previously announced full-year consolidated earnings forecast. However, as indicated above, net income attributable to owners of the parent company is expected to be less than the previous forecast as a result of incorporating the disaster loss and insurance income as extraordinary loss/income.

\* 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