

November 6, 2019

## Notice on Revision of Earnings Forecast

Tokai Carbon has revised its consolidated earnings forecast for fiscal year ended December 31, 2019 (from January 1, 2019 to December 31, 2019) that was announced on August 6, 2019, based on earnings trends to date.

### 1. Revision of the Earnings Forecast

Revision of the consolidated earnings forecast for FY2019

	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)	304,400	76,900	76,900	49,300	231.29
Revised forecast (B)	262,600	58,000	57,300	36,100	169.36
Difference (B-A)	(41,800)	(18,900)	(19,600)	(13,200)	—
Rate of change (%)	(13.7)	(24.6)	(25.5)	(26.8)	—
(Reference) FY2018 result	231,302	73,065	72,991	73,393	344.32

### 2. Reasons for the revision

The U.S. China trade friction is beginning to affect the global economy. The slowdown in the global economy and conditional change of the market is bringing a longer time for customers to clear out their inventory which finally effects to our booking situation. We reviewed our earnings forecast based on this new condition that will lower our graphite electrode sales volume.

As a result, net sales, operating income, ordinary income and net income attributable to owners of the parent company are expected to fall below the previous forecast.

\* 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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