

Production Capacity Increase for Isotropic Graphite

Tokai Carbon Co., Ltd. hereby announces that the Company has decided to increase its production capacity of isotropic graphite, which is one of the main materials in fine carbon (specialty graphite) products.

1. Reason of production capacity increase

With a rebound in demand in the fast-growing solar cell industry, coupled with demand in the semiconductor industry picking up over the last few years, demand for isotropic graphite has continued to expand. Although the Company has already boosted production capacity from 9,000 tons a year to 10,000 tons a year to meet increasing demand in the photovoltaic industry, which is expected to continue growing in the medium- and long-terms, it has decided to increase production capacity even further, to 1.5 times the current level by the fourth quarter of fiscal 2012. Depending on the future trend in demand, the Company will also consider additional production increases as it aims to secure one of the world's largest production capacities and the top market share as a fine carbon manufacturer.

2. Outline of capital investment

- (1) Purpose of investment: Increase production capacity of isotropic graphite
- (2) Increased capacity: 15,000 tons/year (from current 10,000 tons/year)
- (3) Location: Tanoura Plant (Kumamoto Prefecture) and Hōfu Plant (Yamaguchi Prefecture), Japan
- (4) Completion: Fourth quarter of fiscal 2012
- (5) Investment amount: Approx. 5 billion yen