



July 30, 2008

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Tokai Carbon Revises its Interim and Full-Year Earnings Forecasts for the Fiscal Year Ending December 31, 2008

Tokai Carbon Co., Ltd., announces that, given recent trends in business performance and other factors, it has revised the interim (January 1 – June 30, 2008) and full-year (January 1 – December 31, 2008) earnings forecasts it released along with its financial statements on May 9, 2008. The details of this revision appear below.

1. Revised Forecast of Consolidated Earnings for the Fiscal Year ending December 31, 2008

1) Interim forecast (January 1 – June 30, 2008) (in million yen)

| | Net sales | Operating income | Ordinary income | Interim net income | Interim net income per share |
|---|-----------|------------------|-----------------|--------------------|------------------------------|
| Previous forecast (A) | 65,000 | 11,000 | 10,500 | 6,000 | 27.36 |
| Revised forecast (B) | 66,000 | 11,900 | 11,700 | 6,700 | 30.50 |
| Difference (B-A) | 1,000 | 900 | 1,200 | 700 | |
| Percentage change | 1.5 | 8.2 | 11.4 | 11.7 | |
| Note: Previous year's results (Interim results for FY ended December 31, 2007) | 57,226 | 10,013 | 10,541 | 5,979 | 28.56 |

2) Full-year forecast (January 1 – December 31, 2008) (in million yen)

| | Net sales | Operating income | Ordinary income | Interim net income | Interim net income per share |
|---|-----------|------------------|-----------------|--------------------|------------------------------|
| Previous forecast (A) | 130,000 | 20,500 | 20,000 | 11,700 | 53.34 |
| Revised forecast (B) | 134,000 | 22,000 | 21,200 | 12,700 | 57.44 |
| Difference (B-A) | 4,000 | 1,500 | 1,200 | 1,000 | |
| Percentage change | 3.1 | 7.3 | 6.0 | 8.5 | |
| Note: Previous year's results (FY ended December 31, 2007) | 117,432 | 20,745 | 20,908 | 11,403 | 53.42 |

2. Revised Forecast of Non-consolidated Earnings for the Fiscal Year ending December 31, 2008

1) Interim forecast (January 1 – June 30, 2008) (in million yen)

| | Net sales | Operating income | Ordinary income | Interim net income | Interim net income per share |
|---|-----------|------------------|-----------------|--------------------|------------------------------|
| Previous forecast (A) | 39,000 | 6,500 | 6,800 | 4,000 | 18.24 |
| Revised forecast (B) | 39,000 | 6,700 | 7,800 | 5,200 | 23.67 |
| Difference (B-A) | - | 200 | 1,000 | 1,200 | |
| Percentage change | - | 3.1 | 14.7 | 30.0 | |
| Note: Previous year's results (Interim results for FY ended December 31, 2007) | 33,758 | 6,164 | 7,032 | 4,955 | 23.67 |

2) Full-year forecast (January 1–December 31, 2008) (in million yen)

| | Net sales | Operating income | Ordinary income | Interim net income | Interim net income per share |
|---|-----------|------------------|-----------------|--------------------|------------------------------|
| Previous forecast (A) | 78,000 | 11,500 | 12,000 | 7,000 | 31.91 |
| Revised forecast (B) | 80,000 | 11,600 | 12,600 | 8,200 | 37.09 |
| Difference (B-A) | 2,000 | 100 | 600 | 1,200 | |
| Percentage change | 2.6 | 0.9 | 5.0 | 17.1 | |
| Note: Previous year's results (FY ended December 31, 2007) | 69,925 | 12,396 | 13,263 | 8,773 | 41.10 |

3. Reason for Revision

1) Consolidated

With regard to interim performance, in addition to the reasons for the revision to non-consolidated performance given below, favorable performance in terms of sales volume for graphite electrodes and carbon black at overseas subsidiaries also contributed to the upward revision of forecast figures for net sales, operating income, ordinary income, and interim net income. The full-year earnings forecast reflects the revised interim forecast.

2) Non-consolidated

With regard to interim performance, a weaker-than-expected yen against the U.S. dollar and the euro resulted in upwardly revised figures for operating income and ordinary income. The figures for interim net income are up partly due to higher extraordinary income resulting from a gain of ¥509 million on the reversal of the allowance recorded in the previous year for equity-method investment losses. The full-year earnings forecast reflects the revised interim forecast.

The gain on the reversal of the allowance for investment losses was only recorded in non-consolidated financial results and does not affect consolidated financial results.

* Earnings forecasts given in the document are based on information available at the time of the release of this report, and actual results may differ materially from those expressed or implied by such forecasts due to a variety of factors.