

August 6, 2009

Company name: Tokai Carbon Co., Ltd.

Representative: Yoshinari Kudo, President and CEO

(Stock code: 5301 Section 1 Tokyo SE)

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### Notice on Differences between Projections of Operating Results and Settlement Figures for Six Months Ended June 30, 2009 and Revision to Projections of Operating Results for the Full Fiscal Year

Tokai Carbon Co., Ltd. hereby announces that the following differences occurred between the projections of consolidated operating results for the first half of the fiscal year ending December 2009 (January 1, 2009 to December 31, 2009), released on May 8, 2009, and the actual results for the first half of the fiscal year ending December 2009, released today. The Company also announces that it has revised its projections of operating results for the full fiscal year in consideration of recent trends in performance.

1. Differences between projections of operating results and actual results for the first half of the fiscal year ending December 2009

(1) Consolidated financial results

	Net sales	Operating income	Ordinary income	Net income (loss)	Net income (loss) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous projections (A)	33,000	800	900	900	4.13
Results (B)	37,135	820	1,188	(101)	(0.46)
Increase (decrease) (B - A)	4,135	20	288	(1,001)	—
Rate of change (%)	12.5	2.6	32.1	—	—
(Reference) Results of previous interim period	66,105	11,925	11,715	6,746	30.72

(2) Non-consolidated financial results

	Net sales	Operating income	Ordinary income	Net income (loss)	Net income (loss) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous projections (A)	22,000	500	1,000	300	1.38
Results (B)	23,201	271	1,222	(1,156)	(5.31)
Increase (decrease) (B - A)	1,201	(229)	222	(1,456)	—
Rate of change (%)	5.5	(45.8)	22.3	—	—
(Reference) Results of previous interim period	39,419	6,798	7,855	5,298	24.12

2. Reason for Differences

Consolidated net sales surpassed our forecast mainly because the yen remained weaker than expected. Ordinary income was also higher than forecast primarily due to the weaker-than-expected yen. Net income was below our projection, as we posted a loss on valuation of investments in capital of subsidiaries and affiliates in the non-consolidated financial statements and posted an impairment loss of ¥880 million as extraordinary loss in the consolidated financial statements as a result of impairment of goodwill concerning the said subsidiary.

Non-consolidated operating income was below the forecast, as there was a loss on valuation of inventories mainly due to a rise in the ratio of fixed expenses following a decline in the capacity utilization rate. Net income was lower than the projection, as we posted a loss on valuation of investments in capital of subsidiaries and affiliates of ¥1,448 million as extraordinary loss after carefully studying the recoverability of investments in the capital of the subsidiaries and affiliates, whose actual value had declined significantly.

3. Revision to Projections of Operating Results for the Fiscal Year Ending December 2009

(1) Consolidated financial results

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous projections (A)	81,000	3,500	3,900	2,600	11.94
Revised forecast (B)	78,000	3,200	3,300	1,200	5.51
Increase (decrease) (B - A)	(3,000)	(300)	(600)	(1,400)	—
Rate of change (%)	(3.7)	(8.6)	(15.4)	(53.8)	—
(Reference) Results of previous year	128,485	21,618	18,770	11,084	50.43

(2) Non-consolidated financial results

	Net sales	Operating income	Ordinary income	Net income (loss)	Net income (loss) per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous projections (A)	54,000	1,500	2,200	900	4.13
Revised forecast (B)	50,000	1,500	2,000	(900)	(4.13)
Increase (decrease) (B - A)	(4,000)	—	(200)	(1,800)	—
Rate of change (%)	(7.4)	—	(9.1)	—	—
(Reference) Results of previous year	79,954	11,891	11,494	5,521	25.12

4. Reason for Revision to Projections of Operating Results

With uncertainty over the future of the Japanese economy, we expect the economic situation in Japan to remain harsh, although inventory adjustments are advancing and there are moves of production recovery in some industries, including the automobile industry. We expect our projections of operating results for the full fiscal year to be below the previous projections, since we posted an extraordinary loss in the second quarter. Against this backdrop, we will revise our projections of operating results. We assume that the exchange rate in and after the third quarter will be 90 yen to the dollar.

Note: The above projections of operating results have been prepared based on information available to the Company as of the date this material was released. There is a possibility that the Company's actual operating results will differ from the projected amounts as a result of various future factors.