

Financial Results
for the Nine Months of the Year Ending December 31, 2011—Consolidated
[Japan GAAP]

November 7, 2011

Company name: **Tokai Carbon Co., Ltd.**
Listings: Tokyo Stock Exchange, first section
Security code: 5301
URL: <http://www.tokaicarbon.co.jp/>
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Scheduled dates
Scheduled date for submission of quarterly report: November 10, 2011
Commencement of dividend payments: —
Supplementary referenced documents to support the quarterly financial statements: Yes
Explanatory meeting to discuss the quarterly financial statements will be held: Yes (for institutional investors and analysts only)

1. Consolidated Financial Results for the End of the Nine Months of the Year Ending December 31, 2011 (January 1 to September 30, 2011)

(Amounts rounded down to the nearest million of yen)

(1) Operating Results (Cumulative)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million of yen	%	million of yen	%	million of yen	%	million of yen	%
Nine months ended September 30, 2011	80,071	(0.7)	8,527	2.5	8,012	4.6	4,547	3.9
Nine months ended September 30, 2010	80,598	37.4	8,316	222.6	7,661	196.2	4,376	459.5

	Net income per share	Net income per share—fully diluted
	yen	yen
Nine months ended September 30, 2011	21.29	—
Nine months ended September 30, 2010	20.17	—

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million of yen	million of yen	%	yen
As of September 30, 2011	157,060	105,844	65.6	482.23
As of December 31, 2010	155,304	105,605	66.6	484.53

Note: Shareholders' equity:
As of September 30, 2011: ¥102,987 million
As of December 31, 2010: ¥103,482 million

2. Dividends

Record date	Annual dividend				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Full-year
Yearended December31, 2010	yen —	yen 4.00	yen —	yen 4.00	yen 8.00
Yearending December31,2011	—	4.00	—		
Yearending December31,2011 (forecast)				4.00	8.00

Note: No revision of dividend forecast in the quarter under review

3. Forecast of Consolidated Earnings for the Year Ending December 31, 2011 (January 1 to December 31, 2011)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million of yen	%	million of yen	%	million of yen	%	million of yen	%	yen
Full year	109,500	1.7	10,200	(3.5)	10,200	3.5	5,500	(2.3)	25.75

Note: No revision of forecast of earnings in the quarter under review

4. Other Information (For more information, please refer to "2. Miscellaneous" on page 3 in the "Attachments" section)

(1) Changes Affecting the Status of Significant Subsidiaries: None

Newly consolidated: ___ company (companies) (name of company)

Excluded from consolidation: ___ company (companies) (name of company)

Note: changes in specified subsidiaries that involved changes in the scope of consolidation.

(2) Application of Simplified Accounting Practices and Specific Accounting Methods: Yes

Note: The "Yes/No" item indicates whether or not the item has applied the simplified accounting practices and accounting methods specific to the preparation of quarterly financial statements.

(3) Changes in Accounting Principles, Procedures, and Method of Disclosure

1) Changes in accordance with amendments to accounting standards: Yes

2) Changes other than the above: None

Note: The "Yes/No" item indicates whether or not the principles, procedures and methods of disclosure for quarterly consolidated financial statements incorporated in the "significant changes in methods of disclosure used to prepare quarterly consolidated financial statements" were changed.

(4) Number of Shares Issued (Common Stock)

1) Number of shares issued at end of the period (including treasury stock):

As of September 30, 2011:	224,943,104 shares
As of December 31, 2010:	224,943,104 shares

2) Number of shares held in treasury at end of the period:

As of September 30, 2011:	11,379,999 shares
As of December 31, 2010:	11,368,713 shares

3) Average number of shares during the period (quarterly cumulative period):

Nine months ended September 30, 2011:	213,568,141 shares
Nine months ended September 30, 2010:	216,938,728 shares

***Status of conducting the "Quarterly Review"**

At the time that these quarterly financial results were released, the review process for disclosing quarterly consolidated financial statements under the Financial Instruments and Exchange Act had been completed.

***Appropriate use of earnings forecasts and other important information**

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of preparation as well as certain reasonable assumptions. Actual results may differ materially from those expressed or implied by forward-looking statements due to a range of factors. For the assumptions underlying the earnings forecasts presented and other information regarding the use of such forecasts, please refer to "1. (3) Qualitative Information Related to Forecasts of Consolidated Results" on page 3 in the "Attachments" section.

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*The company intends to conduct an explanatory meeting for investors on the date indicated below. The documents distributed during that explanatory meeting will be posted on the company website at the earliest possible opportunity.

-Explanatory meeting for analysts: November 11, 2011 (Friday)

1. Qualitative Information Related to Consolidated Quarterly Earnings Results

(1) Qualitative Information Related to Consolidated Operating Results

In the first nine months of fiscal 2011 (the period from January 1 to September 30, 2011), amid a recovery driven by emerging countries, the Japanese economy saw production activities fall sharply on equipment damage and supply chain disruptions that were due to the Great East Japan Earthquake, and exports and private-sector demand declined. After that, as supply constraints disappeared quickly on restoration of facilities and greater use of alternative procurement, both production and exports returned to pre-earthquake levels, and capital investment and consumer spending have been recovering. Nevertheless, due to the slowdowns in the economies of the U.S. and Europe and to the appreciation in the yen, the pace of near-term improvement in the Japanese economy has lost some of the momentum that existed until the summer.

Amid these circumstances, the industries in which the Tokai Carbon Group's customers operate (e.g., rubber products, steel, IT hardware, and industrial machinery) suffered a decrease in demand due to the earthquake. However, with the recovery of their production activities, demand is also headed for recovery.

As for the Group, operations were suspended at some facilities such as Tokai Carbon Ishinomaki Plant (Ishinomaki City, Miyagi Prefecture) and the Sendai Plant of Tokai Konetsu Kogyo Co., Ltd., a consolidated subsidiary (Shibata-cho, Miyagi Prefecture) due to damage by the earthquake. The Sendai Plant of Tokai Konetsu Kogyo Co., Ltd., only suffered minor damage on buildings and equipment, and it resumed normal operations at the end of March. However, Tokai Carbon Ishinomaki Plant suffered heavy damage by the tsunami, and it is in the process of restoration to resume operations by December 2011.

As a result, consolidated net sales in the nine months under review decreased by 0.7% year-on-year to ¥80,071 million. Operating income increased by 2.5% year-on-year to ¥8,527 million, and ordinary income rose 4.6% year-on-year to ¥8,012 million. Furthermore, although the Group booked a loss on disaster of ¥2,446 million due to the Great East Japan Earthquake as extraordinary losses, partly because of its booking a ¥1,852 million gain on sales of investment securities as extraordinary income, net income increased by 3.9% year-on-year to ¥4,547 million.

The performance of four principal business segments is as follows:

Please note that the Group has changed its segmentations since the first quarter of the period under review. For the matters related to business segment review, please refer to 3. Quarterly Consolidated Financial Statements (5) Segment Information. Because of the change, the year-on-year comparison is not available and thus not provided.

Carbon Black

There has been a recovery from the earthquake-induced production cutback in the automotive industry, and demand has been favorable due to steady production in the tire industry both within and outside of Japan. However, because of the prolonged operations suspensions at Tokai Carbon Ishinomaki Plant due to the earthquake, sales volume inevitably decreased after March. Furthermore, the Group revised its sales prices in response to the rise in raw oil prices. As a result, net sales in the carbon black segment were ¥30,478 million, and operating income was ¥4,492 million.

Carbon and Ceramics

Graphite Electrodes

With the world crude steel production remaining above 100 million tons per month and with electrode demand recovering, shipments to domestic customers remained firm especially for special steel. However, sales volume decreased because of the declined shipment to Asian countries. In addition, sales prices for both domestic and overseas customers remained low partly due to the appreciation of the yen. As a result, net sales of graphite electrodes were ¥23,723 million.

Fine Carbon

After shipments to domestic customers slumped temporarily due to the impact of the earthquake, demand recovered rapidly and has remained firm on factors including the production restoration among customers.

Overseas demand has also been favorable based on the strong demand in industries including

solar cells and semiconductors, centering on China, Korea and other Asian countries. As a result, net sales of fine carbon products were ¥14,529 million.

Consequently, net sales in the carbon and ceramics segment were ¥38,253 million, and operating income was ¥3,802 million.

Other Operations

Friction Materials

Sales for construction machinery markets, our main client segment, have remained steady on continued strong demand from emerging countries for infrastructure construction machinery and mining equipment. The negative impact on the demand by the earthquake was negligible. As a result, net sales of friction materials were ¥6,413 million.

Industrial Furnaces and Related Products

Our major clients in IT-related industries saw a brief recovery with improved operating ratios at their production facilities. This led to the sales increase of our heating elements and related products. Sales of industrial furnaces also increased with increases in maintenance construction and the like, though capital investment was cautiously considered. As a result, net sales of industrial furnaces and related products were ¥4,266 million.

Others

Net sales from property leasing and other businesses were ¥659 million. As a result, net sales in the other operations segment were ¥11,339 million, with operating income of ¥1,450 million.

(2) Qualitative Information Related to Changes in Consolidated Financial Position

As of September 30, 2011, total assets totaled ¥157,060 million, a ¥1,756 million increase from the previous fiscal year-end. Current assets totaled ¥86,508 million, a ¥4,823 million increase from the 2010 fiscal year-end, reflecting an increase in cash and cash equivalents and inventories, despite a decrease in notes and accounts receivable. Fixed assets totaled ¥70,552 million, a decrease of ¥3,067 million from the 2010 fiscal year-end, due to a decrease mainly in investment securities, despite an increase of tangible fixed assets.

Total liabilities totaled ¥51,216 million at September 30, 2011, an increase of ¥1,518 million from the 2010 fiscal year-end. Of this total, current liabilities accounted for ¥41,655 million, up ¥13,030 million from the 2010 fiscal year-end, mainly as a result of an increase in the current portion of long-term debt. Fixed liabilities totaled ¥9,560 million, a decrease of ¥11,511 million from the 2010 fiscal year-end, which was mainly due to a decrease in long-term debt. Total net assets totaled ¥105,844 million at September 30, 2011, an increase of ¥238 million from the 2010 fiscal year-end. This was primarily attributable to increased retained earnings, despite decreases mainly in net unrealized gains/losses on other securities and foreign currency translation adjustments.

Consequently, the shareholders' equity ratio decreased 1.0 percentage points from the end of December 2010 to 65.6%.

(3) Qualitative Information Related to Forecasts of Consolidated Results

There has been no change to the earnings forecasts announced with the release of the Financial Results for the First Half of the Year Ending December 31, 2011 (on August 5, 2011).

2. Miscellaneous

(1) Changes in Significant Subsidiaries

Not applicable

(2) Application of Simplified Accounting Practices and Specific Accounting Methods

Simplified accounting practices

Method of calculating income taxes and deferred tax assets and liabilities
The calculation of the amount of income taxes paid is based on a method to limit material terms added/subtracted items and tax deduction items.
The determination of the recoverability of deferred tax assets is based on the future earnings forecast that was used in the previous consolidated fiscal year's account settlement and tax planning, assuming there are no significant changes in the business environment and in occurrence of temporary differences after the fiscal 2010 year-end.

(3) Changes in Accounting Principles, Procedures and Method of Disclosure

Changes in accounting policy

Application of Accounting Standard for Asset Retirement Obligations
Beginning in the first quarter under review, the Company has applied the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).
The effect of this adoption on operating income and ordinary income for the consolidated nine months under review was not material, but the relevant amount, ¥55 million in total, was posted as extraordinary losses.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(millionsofyen)

	AsoftheEndoftheThird QuarterunderReview (September30,2011)	Summarized ConsolidatedBalance SheetasoftheEndof thePreviousFiscalYear (December31,2010)
	Amount	Amount
Assets		
Currentassets		
Cashandcashequivalents	14,717	12,076
Notesandaccountsreceivable	28,139	31,494
Short-terminvestmentsecurities	2,000	—
Merchandiseandfinishedgoods	9,728	9,171
Workinprocess	15,825	15,413
Rawmaterialsandsupplies	10,777	9,282
Deferredtaxassets	935	688
Other	4,435	3,622
Allowancefordoubtfulaccounts	(51)	(65)
Totalcurrentassets	86,508	81,684
Fixedassets		
Tangiblefixedassets		
Buildingsandstructures,net	15,119	15,155
Machinery,equipmentandvehicles,net	17,513	20,189
Furnaces,net	2,272	2,542
Land	7,060	7,087
Constructioninprogress	9,133	5,053
Other,net	827	886
Totaltangiblefixedassets	51,928	50,916
Intangiblefixedassets		
Software	365	465
Other	23	24
Totalintangiblefixedassets	389	490
Investmentsandotherassets		
Investmentsecurities	16,290	20,451
Deferredtaxassets	315	244
Other	1,684	1,570
Allowancefordoubtfulaccounts	(56)	(54)
Totalinvestmentandotherassets	18,234	22,212
Totalfixedassets	70,552	73,619
Totalassets	157,060	155,304

(millionsofyen)

	AsoftheEndoftheThird QuarterunderReview (September30,2011)	Summarized ConsolidatedBalance SheetasoftheEndof thePreviousFiscalYear (December31,2010)
	Amount	Amount
Liabilities		
Currentliabilities		
Notesandaccountspayable	14,347	15,051
Short-termborrowings	8,551	5,992
Currentportionoflong-termdebt	10,259	280
Incometaxespayable	1,124	1,350
Accruedexpenses	2,249	1,222
Reserveforbonuses	750	175
Deferredtaxliabilities	0	—
Other	4,373	4,553
Totalcurrentliabilities	41,655	28,625
Fixedliabilities		
Long-termdebt	1,786	12,162
Deferredtaxliabilities	3,068	4,209
Provisionforretirementbenefits	2,417	2,411
Reservefordirectors'retirementbenefits	136	226
Reserveforexecutiveofficers'retirement benefits	45	58
Provisionforenvironmentandsafety measures	913	924
Other	1,192	1,080
Totalfixedliabilities	9,560	21,072
Totalliabilities	51,216	49,698
Netassets		
Shareholders'capital		
Commonstock	20,436	20,436
Additionalpaid-incapital	17,502	17,502
Retainedearnings	74,226	71,387
Treasurystock	(7,130)	(7,126)
Totalshareholders'capital	105,034	102,200
Valuationandtranslationadjustments		
Netunrealizedgains/lossesonothersecurities	3,799	5,823
Deferredhedgегain/loss	(0)	0
Foreigncurrencytranslationadjustments	(5,847)	(4,541)
Totalvaluationandtranslationadjustments	(2,047)	1,282
Minorityinterests	2,857	2,123
Totalnetassets	105,844	105,605
Totalliabilitiesandnetassets	157,060	155,304

(2) Quarterly Consolidated Statements of Operations
(Consolidated nine months of the year)

(millions of yen)

	Previous Consolidated Nine Months (From January 1 to September 30, 2010)	Consolidated Nine Months under Review (From January 1 to September 30, 2011)
	Amount	Amount
Netsales	80,598	80,071
Cost of sales	61,904	61,464
Gross profit	18,694	18,607
Selling, general and administrative expenses	10,377	10,079
Operating income	8,316	8,527
Non-operating income		
Interest income	21	68
Dividend income	209	239
Rental income	220	209
Equity in income of non-consolidated subsidiaries and affiliates	233	195
Other non-operating income	305	331
Total non-operating income	990	1,044
Non-operating expense		
Interest expense	446	443
Foreign exchange loss	674	635
Other non-operating expense	524	480
Total non-operating expense	1,645	1,559
Ordinary income	7,661	8,012
Extraordinary income		
Gain on sales of investment securities	—	1,852
Compensation for transfer	—	92
Reversal of allowance for doubtful accounts	—	2
Gain on sales of fixed assets	37	—
Total extraordinary income	37	1,946
Extraordinary losses		
Loss on disaster	—	2,446
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	55
Impairment loss	15	25
Loss on valuation of investment securities	130	6
Loss on valuation of membership	—	5
Provision for environment and safety measures	292	—
Total extraordinary losses	437	2,538
Income before income taxes	7,261	7,420
Income taxes, inhabitant tax, and enterprise taxes	2,671	2,765
Income taxes adjustments	(38)	(115)
Total income taxes	2,632	2,649
Income before minority interests	—	4,771
Minority interests in income (loss) of consolidated subsidiaries	251	223
Net income	4,376	4,547

(3) Quarterly Consolidated Statements of Cash Flows

(millionsof yen)

	Previous Consolidated Nine Months (From January 1 to September 30, 2010)	Consolidated Nine Months under Review (From January 1 to September 30, 2011)
	Amount	Amount
Cash flows from operating activities:		
Income before income taxes	7,261	7,420
Depreciation and amortization	6,487	6,072
Impairment loss	15	25
Increase (decrease) in allowance for doubtful accounts	(50)	(11)
Increase (decrease) in reserve for bonuses	523	57
Increase (decrease) in provision for retirement benefits	76	67
(Increase) decrease in prepaid pension cost	(169)	(175)
Increase (decrease) in reserve for directors' retirement benefits	(37)	(90)
Increase (decrease) in reserve for executive officers' retirement benefits	(17)	(12)
Increase (decrease) in provision for environment and safety measures	252	(10)
Interest and dividends income	(231)	(307)
Interest paid	446	443
Foreign exchange (gain) loss	139	52
Equity in (income) loss of non-consolidated subsidiaries and affiliates	(233)	(195)
(Gain) loss on sales of investment securities	—	(1,852)
(Gain) loss on valuation of investment securities	130	—
(Gain) loss on sales of fixed assets	(37)	—
Compensation for transfer	—	(92)
Loss on disaster	—	2,446
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	55
(Increase) decrease in trade receivables	(1,863)	2,867
(Increase) decrease in inventories	2,116	(3,318)
Increase (decrease) in trade payables	1,391	(397)
(Increase) decrease in advance payment	(155)	(346)
Other	216	(818)
Subtotal	16,262	12,396
Interest and dividends received	280	347
Interest paid	(491)	(491)
Proceeds from compensation for transfer	—	92
Payments for loss on disaster	—	(338)
Income taxes paid	(2,904)	(2,954)
Net cash provided by (used in) operating activities	13,146	9,051
Cash flows from investing activities:		
Proceeds from withdrawal of time deposits	249	67
Purchase of tangible fixed assets	(4,973)	(8,285)
Sales of tangible fixed assets	159	—
Purchase of intangible fixed assets	(49)	(107)
Purchase of investment securities	—	(111)
Proceeds from sales of investment securities	—	2,939
Purchase of stock of subsidiaries and affiliates	—	(505)
Other	(9)	(0)
Net cash provided by (used in) investing activities	(4,623)	(6,003)

(millionsof yen)

	PreviousConsolidated NineMonths (FromJanuary1 toSeptember30,2010)	ConsolidatedNineMo nths underReview (FromJanuary1 toSeptember30,2011)
	Amount	Amount
Cashflowsfromfinancingactivities:		
Netincrease(decrease)inshort-termborrowings	(2,790)	3,007
Proceedsfromlong-termdebt	1,385	—
Repaymentoflong-termdebt	(7)	(273)
Purchasesoftreasurystock	(2,010)	—
Dividendspaid	(1,742)	(1,708)
Proceedsfromminorityshareholders	—	1,023
Cashdividendspaidtominorityshareholders	—	(52)
Other	(25)	10
Netcashprovidedby(usedin)financingactivities	(5,190)	2,007
Effectofexchangeratechangesoncashandcash equivalents	(461)	(346)
Increase(decrease)incashandcashequivalents	2, 872	4,708
Cashandcashequivalentsatbeginningofthe period	8,977	14,005
Cashandcashequivalentsatendoftheperiod	11,8 49	18,714

(4) Notes on the Going-concern Assumption

Not applicable

(5) Segment Information

Business segment information

Previous consolidated nine months (from January 1 to September 30, 2010)

(million of yen)

	Carbon and Graphite Products	Industrial Furnaces and Related Products	Other	Total	Elimination or corporate	Consolidated
Netsales						
(1) External sales	76,209	4,072	316	80,598	—	80,598
(2) Inter-segment sales	240	73	431	745	(745)	—
Total	76,450	4,146	748	81,344	(745)	80,598
Operating income	7,474	670	211	8,356	(39)	8,316

Notes:

1. Method of segmentation

Business segmentation is primarily based on such factors as nature of product, method of production and use of the product concerned.

2. Major products by business segment

Business segments	Major products
Carbon and Graphite Products	Carbon black for rubber products, artificial graphite electrodes for electric arc furnaces, fine-carbon products (specialty graphite products), friction materials, carbon brush, impervious graphite, pencil lead-core
Industrial Furnaces and Related Products	Industrial electric furnaces, gas furnaces, silicon carbide heating element/alumina refractory, heat-insulating refractory, silicon carbide heating elements, ceramic resistors
Other	Cargo transportation, property leasing

Geographic segment information

Previous consolidated nine months (from January 1 to September 30, 2010)

(million of yen)

	Japan	Europe	Asia	Other	Total	Elimination or corporate	Consolidated
Netsales							
(1) External sales	51,844	11,129	12,993	4,631	80,598	—	80,598
(2) Inter-segment sales	6,113	447	1,193	65	7,819	(7,819)	—
Total	57,957	11,576	14,186	4,697	88,418	(7,819)	80,598
Operating income	4,930	1,307	1,774	263	8,276	39	8,316

Notes:

1. Classification method of geographic segment: by geographic proximity
2. Major countries or regions in each segment other than Japan:
 - (1) Europe: Germany, United Kingdom, Italy and Sweden
 - (2) Asia: Thailand and China
 - (3) Other: North America

Overseas netsales

Previous consolidated nine months (from January 1 to September 30, 2010)

(million of yen)

	Asia	Europe	Other areas	Total
I. Overseas netsales	23,071	10,555	7,257	40,883
II. Consolidated netsales				80,598
III. Ratio of overseas netsales to consolidated netsales	28.6%	13.1%	9.0%	50.7%

Notes:

1. Classification method of geographic segment: by geographic proximity
2. Major countries or regions in each segment other than Japan:
 - (1) Asia: South Korea, China, Taiwan, Thailand and Indonesia
 - (2) Europe: Germany, United Kingdom, Italy and Sweden
 - (3) Other areas: North America, Middle East, Africa, South America and Oceania
3. "Overseas netsales" includes sales by the Company and its consolidated subsidiaries to the countries and regions other than Japan.

Segment information

1. Overview of reporting segments

The Company's reporting segments are regularly reviewed by the Board of Directors, using the segregated financial information available within each segment of the Company to determine the allocation of management resources and evaluate business results. The Company organizes divisions classified by products at the head office and each division has been engaged in its business activities by comprehensively developing domestic and overseas strategies for products.

Therefore, the Company is composed of segments classified by products based on divisions. The "carbon black business" and "carbon and ceramic businesses" constitute the Company's reporting segments.

The main products of each reporting segment are as follows:

Reporting segment	Major products
Carbon Black	Carbon black (for rubber products, black pigments and conductive materials)
Carbon and Ceramics	Artificial graphite electrodes for electric arc furnaces, fine-carbon products (specialty graphite products), carbon brush, impervious graphite, pencil lead-cores

2. Information concerning net sales and income or loss by reporting segment

Consolidated nine months under review (from January 1 to September 30, 2011)

(million of yen)

	Reporting Segment			Other operations (Note1)	Total	Adjustments (Note2)	Amounts on statements of operations (Note3)
	Carbon Black	Carbon and Ceramics	Total				
Netsales:							
Externalsales	30,478	38,253	68,731	11,339	80,071	—	80,071
Inter-segment sales	50	166	216	310	526	(526)	—
Total	30,528	38,419	68,948	11,650	80,598	(526)	80,071
Segment income	4,492	3,802	8,295	1,450	9,746	(1,218)	8,527

Notes:

1. "Other operations" is a business segment not included in the reporting segments. It includes businesses involving friction materials business, industrial furnaces and the related products business and property leasing, etc.
2. The amount of adjustment of segment income is ¥(1,218) million, including ¥(1,184) million of the corporate expenses unallotted to each reporting segment. The corporate expenses consist of research and development expenses which are not attributed to other reporting segment.
3. Segment income corresponds to operating income in the quarterly consolidated statements of operations.

(Additional Information)

Beginning in the first quarter under review, the Company has applied "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 21, 2008).

(6) Notes When the Amount of Shareholders' Equity has Changed Significantly

Not applicable