

August 9, 2016

Attention: All concerned parties

Toyo Tanso Co., Ltd.

5-7-12 Takeshima, Nishiyodogawa-ku, Osaka 555-0011, Japan
(Stock Exchange Code: 5310, 1st Section, Tokyo Stock Exchange)

Notification of Differences between Consolidated Earnings Forecasts for First Half of Fiscal Year and Actual Results, and Revisions to Consolidated Earnings Forecasts for Fiscal Year

The consolidated earnings forecasts announced on February 12, 2016 for the first half of the fiscal year ending December 31, 2016 (January 1, 2016 – June 30, 2016) differ from the actual results announced today, as noted below.

Also, in light of the results of the first half of the consolidated fiscal year, we have revised the earnings forecast for the consolidated fiscal year (January 1, 2016 – December 31, 2016) as follows.

Particulars

1. Differences between consolidated earnings forecasts and actual results for the first half of the fiscal year ending December 31, 2016 (January 1, 2016 – June 30, 2016)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	17,000	300	300	(150)	(7.23)
Actual results (B)	16,941	513	257	241	11.65
Amount of increase/decrease (B-A)	(58)	213	(42)	391	—
Percentage of increase/decrease (%)	(0.3)	71.1	(14.1)	—	—
(Ref.) Results for the first half of the previous fiscal year (first half of the fiscal year ended December 31, 2015)	17,673	353	499	387	18.70

2. Revision of figures in consolidated earnings forecast for the year ending December 31, 2016
(January 1, 2016 – December 31, 2016)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Previous forecast (A)	35,000	700	700	350	16.88
Revised forecast (B)	32,500	700	500	350	16.88
Amount of increase/decrease (B-A)	(2,500)	—	(200)	—	—
Percentage of increase/decrease (%)	(7.1)	—	(28.6)	—	—
(Ref.) Previous fiscal year results (Year ended December 31, 2015)	35,558	790	917	402	19.40

3. Reasons for differences and revision

In the first half of this fiscal year, net sales generally trended in line with forecasts, despite the impact of the strong yen. In spite of reductions attributable to the strong yen and the posting of an allowance for doubtful accounts, operating income surpassed forecasts due to improvements in marginal profit and retrenchments on fixed costs. However, ordinary income undercut forecasts as a result of foreign exchange losses. Moreover, profit attributable to owners of parent totaled ¥241 million, well above the forecast of a ¥150 million loss. This can be attributed to the posting of subsidy income at the Takuma Division and a Chinese subsidiary, offsetting the reversal of deferred tax assets and the impairment loss posted for some manufacturing facilities related to the porous carbon business.

In light of results for the first half of the fiscal year, foreign exchange rates and market trends, as well as reforms to business structures, including the consolidation and closure of domestic sales offices, we have revised sales and profit forecasts. Accordingly, we have revised the consolidated earnings forecasts for the full year released on February 12, 2016.

(Assumed exchange rates for the second half: 100 yen/US\$, 115 yen/EUR and 15 yen/CNY)

Note: The above forecasts are based on the information available when these materials were released, and actual results may differ from these forecasts due to various factors.

Please direct inquiries regarding the current situation to:

<p>Toyo Tanso Co., Ltd. Publicity & Investor Relations E-mail: info@toyotanso.co.jp</p>
