



November 11, 2016

Consolidated Financial Results for the Nine Months Ended September 30, 2016 [Japanese GAAP]

Listed company name:	Toyo Tanso Co., Ltd.
Stock exchange listing:	Tokyo Stock Exchange, 1st Section
Stock code:	5310
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Scheduled date for submission of quarterly report:	November 14, 2016
Scheduled date for dividend payment:	-
Supplementary materials for quarterly financial summaries:	No
Quarterly financial results briefing:	No

1. Consolidated financial results for the nine months ended September 30, 2016

(From January 1, 2016 to September 30, 2016)

(1) Operating results (cumulative total)

(Millions of yen, rounded down)

(Percentages indicate changes from the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
		%		%		%		%
Nine months ended September 30, 2016	24,555	(6.8)	721	10.6	463	(39.9)	207	(62.9)
Nine months ended September 30, 2015	26,347	4.2	652	(33.1)	771	(31.8)	560	(57.9)

Note:

Comprehensive income:

Nine months ended September 30, 2016	(2,556) million yen; -%
Nine months ended September 30, 2015	55 million yen (96.3)%

	Profit attributable to owners of parent per share (basic)	Profit attributable to owners of parent per share (diluted)
	yen	yen
Nine months ended September 30, 2016	10.02	-
Nine months ended September 30, 2015	27.01	26.97

(2) Financial position

(Millions of yen, rounded down)

	Total assets	Net assets	Equity ratio
			%
As of September 30, 2016	68,063	56,681	81.5
As of December 31, 2015	72,990	59,487	79.6

Reference: Shareholders' equity

September 30, 2016	55,438 million yen
December 31, 2015	58,130 million yen

2. Dividends

	Dividends per share (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total (Full year)
Year ended December 31, 2015	-	0.00	-	25.00	25.00
Year ending December 31, 2016 (Actual)	-	0.00	-		
Year ending December 31, 2016 (Forecast)				25.00	25.00

(Note) Revisions of projected dividends most recently announced: None

3. Consolidated results forecast for the fiscal year ending December 31, 2016

(From January 1, 2016 to December 31, 2016)

(Millions of yen, rounded down)
(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
		%		%		%		%	yen
Fiscal year ending December 31, 2016	32,500	(8.6)	700	(11.4)	500	(45.5)	350	(13.0)	16.88

(Note) Revisions of consolidated forecasts most recently announced: None

*** Others**

(1) Changes in significant subsidiaries during the period under review:

(Changes in specified subsidiaries accompanying changes in scope of consolidation): None

New subsidiaries: ___ (name of company(ies))

Excluded subsidiaries: ___ (name of company(ies))

(2) Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to “Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements” on page 3 of the Attached Documents.

(3) Changes in accounting policies and accounting estimates and restatements

1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1): Yes

3) Changes in accounting estimates: None

4) Restatements: None

(Note) For details, please refer to “Changes in accounting policies and accounting estimates and restatements” on page 3 of the Attached Documents.

(4) Number of shares outstanding (common stock)

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

As of September 30, 2016 20,750,688 shares

As of December 31, 2015 20,750,688 shares

2) Number of treasury stock at the end of period

As of September 30, 2016 17,169 shares

As of December 31, 2015 17,169 shares

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

Nine months ended September 30, 2016 20,733,519 shares

Nine months ended September 30, 2015 20,733,597 shares

*** Implementation status of quarterly review procedures**

This quarterly financial results report is not subject to the quarterly review procedures stipulated by the Financial Instruments and Exchange Act. The review of quarterly consolidated financial statements has been completed at the time of release of this report.

*** Disclaimer regarding appropriate use of forecasts and related points of note**

(We urge you to be cautious in relying on forward-looking statements.)

Forward-looking statements such as the earnings forecasts in this material are based on currently available information and certain assumptions deemed rational, and are not intended as a guarantee that these forecasts will be achieved. Accordingly, actual results may differ significantly from these forecasts due to various factors. For more information on the preconditions of the forecasts and on precautionary notes concerning the usage of these forecasts, please refer to “Explanation of Information Regarding Consolidated Earnings Forecasts and Other Projections” on page 3 of the Attached Documents.

*** Change in unit of presentation**

Previously, figures in the Company’s quarterly consolidated financial statements and other items were listed in thousand-yen units. However, beginning in the first quarter and the cumulative first quarter of the fiscal year under review, figures will be shown in million-yen units. For purposes of comparison, figures for the previous consolidated fiscal year and the first three quarters in the previous fiscal year will be shown in million-yen units.

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1. Qualitative Information Regarding Consolidated Results for the Nine Months under Review

(1) Explanation Regarding Business Results

During the first three quarters of the consolidated fiscal year under review, although the US economy continued to expand gradually, Europe faced an uncertain outlook and economic growth in emerging markets such as China continued to slow. The outlook for the Japanese economy remained uncertain due to a halt to improvements in corporate revenue and capital spending, in addition to the ongoing strength of the yen.

The business environment for the Group continues to be harsh as a result of heightened competition with other companies. In this environment, demand in the solar cell market grew, particularly in the first half, while the semiconductor market and general industries market were solid. However, demand in the LED market and carbon brush market was somewhat lackluster.

The Group attempted to counter this increasingly harsh competitive environment by carrying out measures to reform the business structure with the aim of shifting to a business structure that can ensure steady profits and building a foundation for future growth and expansion.

As a result, in the nine months under review, net sales fell 6.8% year on year to 24,555 million yen due to the strong yen. On the income side, despite decreases attributable to the strong yen and the posting of a provision of allowance for doubtful accounts, operating income rose 10.6% to 721 million yen due to improvements in marginal profit and reductions in fixed costs. However, ordinary income fell 39.9% to 463 million yen due to foreign exchange losses. Moreover, profit attributable to owners of parent fell 62.9% to 207 million yen because, although subsidy income for the Takuma Division and a subsidiary in China was posted, the Company reversed deferred tax assets and posted impairment losses on some manufacturing facilities related to the porous carbon business and sales offices that are due to close.

The overall performance of each business segment was as follows.

Japan

Although sales for metallurgical and semiconductor applications were solid, products for LED applications were weak, and sales of carbon products for mechanical applications were also poor. As a result, net sales fell 6.5% year on year to 12,786 million yen and operating income decreased 72.4% to 240 million yen.

United States

Sales of metallurgical and electronics-related products were disappointing. As a result, net sales fell 24.3% to 1,908 million yen. On the income side, we posted an operating loss of 318 million yen (compared to a 303 million yen operating loss in the same period of the previous fiscal year) due to the posting of 132 million yen of provision of allowance for doubtful accounts and other factors.

Europe

Although electronics-related products for solar cell applications were firm, sales for metallurgical applications and of small carbon brushes were weak. As a result, net sales fell 10.1% year on year to 2,220 million yen and operating income decreased 29.6% to 40 million yen.

Asia

Carbon products for electrical applications and metallurgical applications were weak, but demand increased for solar cell applications, spurred by facility upgrades in the first half. As a result, net sales fell 0.5% year on year to 7,639 million yen and operating income increased 153.6% to 470 million yen.

(2) Explanation Regarding Financial Position

Total assets as of September 30, 2016 decreased by 4,927 million yen from the end of the previous consolidated fiscal year. This was primarily because, although the increase in equity-method affiliates led to a 476 million yen increase in investments and other assets, cash and deposits decreased by 541 million yen due to capital spending, notes and accounts receivable–trade fell by 1,483 million yen, inventories decreased by 1,339 million and property, plant and equipment fell by 1,814 million yen due to the posting of depreciation expenses.

Total liabilities decreased by 2,121 million yen from the end of the previous consolidated fiscal year. This was primarily because notes and accounts payable–trade decreased by 632 million yen, interest-bearing liabilities fell by 623 million yen and income taxes payable declined by 342 million yen.

Total net assets decreased by 2,806 million yen from the end of the previous consolidated fiscal year. This was primarily due to a 2,650 million yen fall in the foreign currency translation adjustment.

(3) Explanation of Information Regarding Consolidated Earnings Forecasts and Other Projections

There is no change to the forecasts for consolidated earnings in the fiscal year ending on December 31, 2016, announced on August 9, 2016.

2. Items Regarding Summary Information (Others)

(1) Changes in significant subsidiaries during the nine months under review

None

(2) Adoption of specific accounting methods for the preparation of quarterly consolidated financial statements

Tax expense calculation

Tax expenses are calculated by multiplying profit before income taxes by an effective tax rate, which is reasonably estimated by applying tax effect accounting to estimated profit before income taxes for the fiscal year including the nine months under review.

(3) Changes in accounting policies and accounting estimates and restatements

Application of accounting methods for business combinations

Toyo Tanso adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21 issued on September 13, 2013; hereinafter, “Business Combinations Accounting Standard”), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 issued on September 13, 2013; hereinafter, “Consolidation Accounting Standard”), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 issued on September 13, 2013; hereinafter, “Business Divestitures Accounting Standard”) and other standards from the first quarter of this consolidated fiscal year. Accordingly, the accounting method was changed to record the difference arising from changes in equity in subsidiaries that Toyo Tanso continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which they occurred. In addition, regarding business combinations that became or will become effective from the start of the first quarter of this consolidated fiscal year, the accounting method was changed to retroactively reflect adjustments to the amount allocated to acquisition cost under provisional accounting treatment on the consolidated financial statements of the quarter in which the relevant business combinations became or will become effective. In addition, presentation of net income and others has been changed and “minority interests” has been changed to “non-controlling interests.” Consolidated financial statements for the first three quarters of the previous fiscal year and the previous fiscal year have been restated to reflect these changes in presentation.

The Business Combinations Accounting Standard and other standards were applied from the beginning of the first quarter in accordance with the transitional treatments stated in Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard and Article 57-4 (4) of the Business Divestitures Accounting Standard.

These changes have no impact on profit/loss.

Changes in valuation standards and valuation methods for inventories

The Group had primarily stated inventories (semi-finished goods, work in process [materials]) at costs determined by the moving-average method (the amount posted on the balance sheet is calculated by writing down the book value of assets that decreased in profitability), but beginning in the first quarter of the fiscal year under review, inventories will be stated at cost using the specific cost method (the amount posted on the balance sheet is calculated by writing down the book value of assets that decreased in profitability).

This change is intended to ensure that the costs of inventories are managed exhaustively and in a timely manner, that inventories are valued more appropriately, and that inventories are reported in period profits/losses. The utilization of a newly introduced cost of sales accounting system is a good opportunity for this change.

The necessary records for receipt and payment of inventories for the specific cost method were not preserved in past consolidated fiscal years. Accordingly, it is not practically possible to calculate the cumulative effect when adopting this accounting method retroactively. Accordingly, the book value of inventories at the end of the previous fiscal year is used as the balance at the start of the first quarter of this

fiscal year, and the specific cost method is used from the start of the fiscal year.
This change has a minimal impact.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen, rounded down)

	As of December 31, 2015	As of September 30, 2016
	Amount	Amount
Assets		
Current assets		
Cash and deposits	11,627	11,085
Notes and accounts receivable–trade	13,047	11,564
Merchandise and finished goods	7,061	6,489
Work in process	7,778	7,201
Raw materials and supplies	2,168	1,976
Other	1,556	1,410
Allowance for doubtful accounts	(428)	(308)
Total current assets	42,810	39,419
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,680	8,766
Machinery, equipment and vehicles, net	10,774	9,479
Land	5,869	5,709
Construction in progress	1,076	527
Other, net	615	719
Total property, plant and equipment	27,016	25,202
Intangible assets	1,174	975
Investments and other assets	1,989	2,465
Total non-current assets	30,180	28,644
Total assets	72,990	68,063

(Millions of yen, rounded down)

	As of December 31, 2015	As of September 30, 2016
	Amount	Amount
Liabilities		
Current liabilities		
Notes and accounts payable–trade	2,408	1,776
Electronically recorded obligations–operating	1,083	1,033
Short-term loans payable	1,453	1,396
Accounts payable–other	1,775	1,217
Income taxes payable	403	60
Provision for bonuses	384	608
Other	3,829	3,758
Total current liabilities	11,338	9,851
Non-current liabilities		
Long-term loans payable	1,215	648
Net defined benefit liability	140	138
Asset retirement obligations	261	263
Other	547	479
Total non-current liabilities	2,164	1,530
Total liabilities	13,503	11,382
Net assets		
Shareholders' equity		
Capital stock	7,692	7,692
Capital surplus	9,534	9,534
Retained earnings	37,932	37,957
Treasury shares	(59)	(59)
Total shareholders' equity	55,100	55,125
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	111	71
Foreign currency translation adjustment	2,893	242
Remeasurements of defined benefit plans	25	(0)
Total accumulated other comprehensive income	3,030	312
Subscription rights to shares	102	100
Non-controlling interests	1,254	1,142
Total net assets	59,487	56,681
Total liabilities and net assets	72,990	68,063

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statements of income)

Nine months ended September 30, 2015 and 2016

	(Millions of yen, rounded down)	
	Nine months ended September 30, 2015 Amount	Nine months ended September 30, 2016 Amount
Net sales	26,347	24,555
Cost of sales	20,030	18,489
Gross profit	6,317	6,065
Selling, general and administrative expenses	5,664	5,343
Operating income	652	721
Non-operating income		
Interest income	73	48
Dividend income	22	25
Gain on currency options	42	133
Share of profit of entities accounted for using equity method	—	84
Other	123	131
Total non-operating income	262	424
Non-operating expenses		
Interest expenses	34	18
Foreign exchange losses	77	619
Other	30	44
Total non-operating expenses	142	682
Ordinary income	771	463
Extraordinary income		
Gain on sales of non-current assets	5	48
Gain on sales of investment securities	1	—
Subsidy income	41	739
Insurance income	80	12
Gain on reversal of subscription rights to shares	—	1
Total extraordinary income	128	801
Extraordinary losses		
Loss on sales of non-current assets	0	1
Loss on retirement of non-current assets	31	26
Impairment loss	—	375
Total extraordinary losses	31	404
Profit before income taxes	869	861
Income taxes	324	508
Profit	544	352
Profit (loss) attributable to non-controlling interests	(15)	145
Profit attributable to owners of parent	560	207

(Quarterly consolidated statement of comprehensive income)

Nine months ended September 30, 2015 and 2016

(Millions of yen, rounded down)

	Nine months ended September 30, 2015 Amount	Nine months ended September 30, 2016 Amount
Profit	544	352
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(39)
Foreign currency translation adjustment	(529)	(2,859)
Remeasurements of defined benefit plans, net of tax	37	(26)
Share of other comprehensive income of entities accounted for using equity method	—	17
Total other comprehensive income	(488)	(2,909)
Comprehensive income	55	(2,556)
Comprehensive income attributable to:		
Owners of parent	111	(2,509)
Non-controlling interests	(55)	(47)

(3) Notes on quarterly consolidated financial statements

(Notes regarding the premise of a going concern)

Not applicable.

(Notes if the amount of shareholders' equity has changed significantly)

Not applicable.

(Segment information)

[Segment information]

I. Nine months ended September 30, 2015 (From January 1, 2015 to September 30, 2015)

1. Information on net sales and the amount of profits (losses) by reportable segment

(Millions of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated quarterly income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Net sales							
(1) Sales to unaffiliated customers	13,678	2,522	2,468	7,678	26,347	—	26,347
(2) Intersegment sales or transfers	4,233	73	17	126	4,450	(4,450)	—
Total	17,911	2,595	2,485	7,804	30,798	(4,450)	26,347
Segment profit (loss)	872	(303)	57	185	812	(160)	652

(Notes) 1. Adjusted segment profit (loss) mainly takes into account the elimination of intersegment transactions and unrealized income.

2. Segment profit (loss) has been adjusted to reflect the operating income recorded in the consolidated quarterly statement of income.

2. Regional information

(Millions of yen, rounded down)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Net sales	10,215	2,453	2,732	10,808	6,608	138	26,347
Composition (%)	38.8	9.3	10.4	41.0	25.1	0.5	100.0

(Notes) 1. Sales are based on the locations of our customers, and are categorized into the relevant country or region segment according to geographical proximity.

2. The major countries or regions included in each geographic segment (except Japan) are listed below.

(1) North America: United States

(2) Europe: France, Germany, Italy

(3) Asia: China, Taiwan, South Korea

3. Information related to impairment losses on non-current assets, goodwill, and other for each reportable segment

(Important impairment losses related to non-current assets)

Not applicable.

II. Nine months ended September 30, 2016 (From January 1, 2016 to September 30, 2016)

1. Information on net sales and the amount of profits (losses) by reportable segment

(Millions of yen, rounded down)

	Reportable segments					Adjusted amount (Note) 1	Amount recorded in the consolidated quarterly income statement (Note) 2
	Japan	United States	Europe	Asia	Total		
Net sales							
(1) Sales to unaffiliated customers	12,786	1,908	2,220	7,639	24,555	—	24,555
(2) Intersegment sales or transfers	4,438	88	15	91	4,633	(4,633)	—
Total	17,225	1,997	2,235	7,730	29,189	(4,633)	24,555
Segment profit (loss)	240	(318)	40	470	433	288	721

(Notes) 1. Adjusted segment profit (loss) mainly takes into account the elimination of intersegment transactions and unrealized income.

2. Segment profit (loss) has been adjusted to reflect the operating income recorded in the consolidated quarterly statement of income.

2. Regional information

(Millions of yen, rounded down)

	Japan	North America	Europe	Asia		Rest of world	Total
				Asia (including China)	China only		
Net sales	10,003	1,911	2,511	10,006	6,985	121	24,555
Composition (%)	40.7	7.8	10.2	40.8	28.4	0.5	100.0

(Notes) 1. Sales are based on the locations of our customers, and are categorized into the relevant country or region segment according to geographical proximity.

2. The major countries or regions included in each geographic segment (except Japan) are listed below.

(1) North America: United States

(2) Europe: France, Germany, Italy

(3) Asia: China, Taiwan, South Korea

3. Information related to impairment losses on non-current assets, goodwill, and other for each reportable segment

(Important impairment losses related to non-current assets)

(Millions of yen, rounded down)

	Japan	United States	Europe	Asia	Total
Impairment loss	375	—	—	—	375

In the Japan segment, sales plans for some manufacturing facilities related to the porous carbon business were expected to undercut initial forecasts, the utilization rate fell sharply due to the drop in production volumes, and the recoverable amount undercut the book value. As a result, the Company recognized an impairment loss. The Company also recognized an impairment loss incurred due to the decision to consolidate the Company's sales offices to raise efficiency and streamline operations.

(Additional information)

(Effects of Changes in Corporate Tax Rates)

The “Law for Partial Revision of Income Tax Law” (Article 15, 2016) and the “Law for Partial Revision of Local Tax Law, etc.” (Article 13, 2016) went into effect on March 31, 2016, resulting in a reduction in corporate tax rates from fiscal years beginning on or after April 1, 2016.

This change has a minimal impact.

4. Supplementary Information

(1) Orders and sales by product category

i. Orders

(Millions of yen, rounded down)

Products	Year ended December 31, 2015						Year ending December 31, 2016			
	1Q	2Q	3Q	1Q-3Q	4Q	Fiscal year total	1Q	2Q	3Q	1Q-3Q
Special graphite products	3,942	3,757	3,466	11,166	3,498	14,664	3,710	3,035	2,646	9,392
Carbon products for general industries (for mechanical applications)	815	841	636	2,293	660	2,953	806	756	905	2,468
Carbon products for general industries (for electrical applications)	1,427	1,430	1,326	4,184	1,344	5,528	1,223	1,064	1,397	3,685
Compound materials and other products	2,645	3,019	2,201	7,866	2,735	10,602	2,106	2,236	2,172	6,514
Total	8,831	9,048	7,630	25,510	8,238	33,748	7,846	7,092	7,121	22,061

(Notes) These orders were denominated in foreign currency prior to the previous quarter; discrepancies resulting from fluctuations in foreign exchange rates during the quarter under review are included in the figure for orders placed in this quarter.

ii. Outstanding orders

(Millions of yen, rounded down)

Products	Year ended December 31, 2015				Year ending December 31, 2016		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Special graphite products* ²	5,628	5,575	5,607	5,727	5,567	5,231	4,755
Carbon products for general industries (for mechanical applications)	422	437	382	424	441	459	684
Carbon products for general industries (for electrical applications)	1,133	1,177	1,130	1,237	1,067	886	965
Compound materials and other products	2,043	2,692	2,315	2,240	1,950	1,917	1,983
Total	9,228	9,882	9,436	9,629	9,026	8,495	8,388

(Notes) 1 These orders were denominated in foreign currency prior to the previous quarter; discrepancies resulting from fluctuations in foreign exchange rates during the quarter under review are included in the figure for outstanding orders placed in this quarter.

2 Outstanding orders for special graphite products include orders for the Chinese high-temperature reactor-pebble-bed modules (HTR-PM). Outstanding orders in the quarter under review include 3,187 million yen attributable to such orders.

iii. Sales performance by product category

(Millions of yen, rounded down)

Products	Year ended December 31, 2015						Year ending December 31, 2016			
	1Q	2Q	3Q	1Q-3Q	4Q	Fiscal year total	1Q	2Q	3Q	1Q-3Q
Special graphite products	3,699	4,413	3,679	11,791	3,759	15,551	3,996	3,631	3,361	10,988
[Electronics applications]	1,241	1,514	1,066	3,822	1,216	5,038	1,574	1,291	1,094	3,960
[General industries applications]	2,021	2,439	2,167	6,628	2,136	8,765	1,981	1,955	1,888	5,825
[Others]	436	459	444	1,341	406	1,747	440	383	378	1,202
Carbon products for general industries (for mechanical applications)	818	813	699	2,330	702	3,033	791	766	694	2,251
Carbon products for general industries (for electrical applications)	1,283	1,404	1,374	4,062	1,317	5,380	1,291	1,219	1,284	3,795
Compound materials and other products	2,295	2,436	2,609	7,341	2,844	10,186	2,458	2,261	2,091	6,811
[3 major products]	1,992	2,128	2,285	6,406	2,468	8,874	2,162	1,960	1,843	5,966
[Other products]	302	308	324	935	376	1,312	295	300	248	844
Related goods	350	159	311	821	586	1,407	247	278	181	707
Total	8,446	9,227	8,674	26,347	9,210	35,558	8,785	8,156	7,613	24,555

(2) Overview

Special graphite products

In electronics applications, performance exceeded that in the same period of the previous fiscal year, mainly due to an increase in demand for solar cell applications resulting from facility upgrades in the first half.

In general industries applications, demand for products for continuous casting was poor, and that for products for EDM electrodes was weak. As a result, performance undercut that in the same period of the previous fiscal year.

Therefore, special graphite products overall performed worse than in the same period of the previous fiscal year.

Carbon products for general industries

Despite solid sales of seal materials and pantograph sliders, sales of carbon products for mechanical applications fell slightly year on year mainly due to low demand for bearings.

Sales of carbon products for electrical applications undercut those in the same period of the previous fiscal year, mainly due to the weak performance of electrical power tool applications and washing machine applications, offsetting flat demand for cleaner applications.

Compound materials and other products

Sales of SiC (silicon carbide)-coated graphite products fell short of levels in the same period of the previous fiscal year due to the poor performance of some semiconductor applications and sluggish demand for LED applications. The performance of C/C composite products was in line with the same period of the previous fiscal year as sales promotion activities for industrial furnace applications progressed in Japan and overseas and semiconductor applications were robust, canceling out weak demand for solar cell applications in the third quarter. Sales of graphite sheet products were up over the same period of the previous fiscal year due to solid demand for electronics-related and metallurgical applications and a solid performance from automotive applications.