

(Securities Code: 5301)

March 6, 2024

(Start date of electronic provision: March 1, 2024)

To Our Shareholders:

2-3, Kita-Aoyama 1-Chome, Minato-ku, Tokyo

TOKAI CARBON CO., LTD.

Hajime Nagasaka, President and CEO

Notice of FY2023 Annual Meeting of Shareholders

We would like to express our gratitude for your continued support.

The Company would hereby like to inform shareholders that the FY2023 Annual Meeting of Shareholders of the Company will be held as described below.

Under the Electronic Provision Measures for the convocation of this Annual Meeting of Shareholders, the Company has posted Electronic Provision Measure Matters on the following website on the Internet.

The Company's website
(<https://www.tokaicarbon.co.jp/en/>)



Please access them on the website above by selecting "IR" and then "Shareholders meeting."
In addition to the above, they are also available on the following website on the Internet.

Tokyo Stock Exchange website
(<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>)



Please access them on the website above by entering and searching the Company's name or securities code (5301), and selecting "Basic information" and then "Documents for public inspection/PR information."

If you are unable to attend the Annual Meeting in person, we would request you to read the reference materials of the meeting included in the Electronic Provision Measure Matters and exercise your voting rights by using the Internet or in writing no later than 5:35 p.m. on Wednesday, March 27, 2024.

Sincerely yours,

- 1. Date and time:** 10 a.m. on Thursday, March 28, 2024
- 2. Venue:** 2-3, Kita-Aoyama 1-Chome, Minato-ku, Tokyo
Headquarters Office (10th floor of Aoyama Building)
(Please refer to the access map for the venue of the Annual Meeting of Shareholders attached at the end of this notice.)

3. Purposes:

- Items to be reported:**
1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Auditors for the fiscal year 2023 business period (January 1, 2023, to December 31, 2023)
 2. The non-consolidated financial statements for the fiscal year 2023 business period (January 1, 2023, to December 31, 2023)

Items to be resolved:

- Agenda No. 1:** Appropriation of Retained Earnings
- Agenda No. 2:** Partial Amendment to Articles of Incorporation
- Agenda No. 3:** Partial Amendment to Articles of Incorporation with Respect to Issuance of Bond-Type Class Shares
- Agenda No. 4:** Election of Nine (9) Directors
- Agenda No. 5:** Election of One (1) Auditor
- Agenda No. 6:** Election of One (1) Substitute Auditor

-
1. When you attend the meeting, we kindly request that you submit the voting form to the receptionist at the venue.
 2. In accordance with laws and regulations and Article 17, Paragraph 2 of the Articles of Incorporation of the Company, the documents sent to shareholders who have requested the delivery of materials in paper-based format do not state the following matters. Therefore, those documents are part of the documents audited by the Auditor & Supervisory Board Members of the Company and the Accounting Auditor in preparing the auditors' report.
 - The consolidated statements of changes in net assets and the notes to consolidated financial statements forming parts of the consolidated financial statements
 - The statements of changes in net assets and the notes to financial statements forming parts of the financial statements
 3. If any modifications are made to the Electronic Provision Measure Matters, the modifications will be posted on the respective websites.

Agenda No. 1: Appropriation of Retained Earnings

The Company would like to appropriate retained earnings as follows.

The Company regards returning profits to shareholders to be one of its important management priorities in its efforts to increase corporate value over the medium and long term. Accordingly, the Company maintains its basic policy to pay dividends stably and continuously with a consolidated payout ratio of 30% as a target, while giving consideration to its operating results and forecasts, investment plans, and status of cash flows, etc. in each period.

The Company plans to pay a year-end dividend of ¥18 per share for the current period, which is the same as the interim dividend. The year-end dividend will bring the total 2023 dividend, including the interim dividend, to ¥36 per share.

1. Form of dividend
Cash payment
2. Allocation of dividends and total amount of dividends
¥18 per common share of the Company
Total 3,837,878,316 yen
3. Effective date on which dividends will be disbursed from retained earnings
March 29, 2024

Agenda No. 2 Partial Amendment to Articles of Incorporation

(1) Reason for the proposal

In order to bring the content of Article 23 (Board of Directors) of the current Articles of Incorporation into line with the actual situation, some words and phrases shall be changed.

(2) Content of Amendment

The content of the amendments is as follows.

These amendments to the Articles of Incorporation shall become effective at the conclusion of this Annual Meeting of Shareholders.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendment
Chapter 4. Members of the Board and Board of Directors	Chapter 4. Members of the Board and Board of Directors
Article 19 though Article 22(Omitted)	Article 19 though Article 22(No change)
(BOARD OF DIRECTORS)	(BOARD OF DIRECTORS)
Article 23 The Board of Directors shall decide important matters concerning the execution of business and affairs in addition to the matters provided for in laws and regulations or these Articles of Incorporation.	Article 23 The Board of Directors shall decide important matters concerning the execution of business and affairs in addition to the matters provided for in laws and regulations or these Articles of Incorporation.
2. One (1) Chairman of the Board, one (1) Vice Chairman & Member of the Board, one (1) President & Member of the Board and one (1) or more Vice Presidents & Members of the Board, <u>Senior Managing Directors</u> and <u>Managing Directors</u> may be appointed by a resolution of the Board of Directors.	2. One (1) Chairman of the Board, one (1) Vice Chairman & Member of the Board, one (1) President & Member of the Board and one (1) or more Vice Presidents, Members of the Board & <u>Executive Officers, Directors & Senior Managing Executive Officers</u> and <u>Directors & Managing Executive Officers</u> may be appointed by a resolution of the Board of Directors.
3. The Vice President & Member of the Board, <u>Senior Managing Director</u> and <u>Managing Director</u> shall support the Representative of the Board and execute business.	3. The Vice President, Member of the Board & <u>Executive Officer, Director & Senior Managing Executive Officer</u> and <u>Director & Managing Executive Officer</u> shall support the Representative of the Board and execute business.
Article 24 though Article 28(Omitted)	Article 24 though Article 28(No change)

Agenda No. 3: Partial Amendment to Articles of Incorporation with Respect to Issuance of Bond-Type Class Shares

(1) Reason for the proposal

On February 13, 2024, the Company announced its Rolling Mid-Term Management Plan T-2026 (the “Mid-Term Management Plan”), which sets forth three basic policies: “Strengthening the earnings power of core businesses,” “Enhancing business portfolio management,” and “Pursuing sustainability management” under its long-term vision of “Contribute to a sustainable society through advanced materials and solutions.”

In accordance with the basic policies of the Mid-Term Management Plan, the Company aims to achieve sustainable growth and increase shareholder value through structural reforms in the graphite electrode business, as well as by adding higher value and expanding production capacity in the carbon black business and the fine carbon business. In order to secure a wide range of financing options for the Company to maintain its financial soundness and liquidity while carrying out optimal and flexible financial strategies and capital policies for the implementation of investments and various measures to support business growth, the Board of Directors proposes to amend the Articles of Incorporation to add the provision for the Bond-Type Class Shares with the following features:

- Holders of the Bond-Type Class Shares may not exercise their voting rights at the General Meetings of Shareholders. They also do not have the right to convert the Bond-Type Class Shares into shares of common stock of the Company (the “Common Shares”). Therefore, no dilution of the voting rights of holders of the Common Shares (the “Common Shareholders”) occurs. (Because of their features including the lack of the voting rights and the right to conversion, the Bond-Type Class Shares are not suitable for takeover protection measures and are not expected to be used in that manner.)
- As the Bond-Type Class Shares are “non-participating” class shares, no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance. Only Common Shareholders have the right to participate in dividends other than the preferred dividend.
- The Bond-Type Class Shares are non-participating class shares and their cost of capital is equivalent to the annual dividend rate of their preferred dividend to be determined at the time of issuance. Therefore, the Company may raise funds with a lower cost of capital by issuing the Bond-Type Class Shares than by issuing Common Shares.*
- The impact on the calculation of key financial indicators such as ROE for Common Shares is limited, despite the increase in equity capital when the Bond-Type Class Shares are issued.
- The existing total number of authorized shares (the total number of shares of Common Shares and Bond-Type Class Shares authorized to be issued by the Company) will not change because of this.

* Assuming that the Bond-Type Class Shares are issued with the annual dividend rate that is within the range of 2-4% as stated in the shelf registration statement with respect to the Series 1 Bond-Type Class Shares filed on February 13, 2024.

Any future issuance of Bond-Type Class Shares is anticipated to be through a public offering rather than a shareholder allotment (including gratis allotment) or third-party allotment, and a listing application in respect of such shares for the Prime Market of Tokyo Stock Exchange, Inc. (the “TSE”) is planned to be made.

This agenda item requests your approval to amend the Articles of Incorporation to create new provisions for such shares and to make necessary adjustments accordingly in order to enable the issuance of such bond-type class shares. The purpose of this Amendment to Articles of Incorporation is to ensure an option for flexible financing and strengthening the financial base, and at this time, the specific timing of the issuance, issuance conditions and total issuance amount

of the Series 1 Bond-Type Class Shares have not yet been determined, except as disclosed in the following “(Reference)” and “Summary (Content of the Series 1 Bond-Type Class Shares).”

In addition, in order to respond flexibly to the gradual demand for funds in the future, we request your approval to amend the Articles of Incorporation to enable the issuance up to the Series 5 Bond-Type Class Shares in due course. The timing of issuance and conditions of the Series 2 Bond-Type Class Shares and any subsequent series will be determined based on comprehensive consideration of future capital needs and market trends, but at this time, the product nature and offering size of the subsequent series are anticipated to be substantially the same as those of the Series 1 Bond-Type Class Shares.

(2) Content of Amendment

The content of the amendments is as follows.

These amendments to the Articles of Incorporation shall become effective at the conclusion of this Annual Meeting of Shareholders.

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendment
(PURPOSE)	(PURPOSE)
Article 1 through Article 5 (Omitted)	Article 1 through Article 5 (No change)
(TOTAL NUMBER OF SHARES AUTHORIZED TO BE ISSUED)	(TOTAL NUMBER OF SHARES AUTHORIZED TO BE ISSUED)
Article 6 The total number of shares authorized to be issued by the Company shall be five hundred ninety-eight million seven hundred sixty-four thousand (598,764,000) shares.	Article 6 The total number of shares authorized to be issued by the Company shall be five hundred ninety-eight million seven hundred sixty-four thousand (598,764,000) shares, <u>and the total number of shares in each class authorized to be issued shall be as follows:</u> <u>Common Shares: five hundred ninety-eight million seven hundred sixty-four thousand (598,764,000) shares</u> <u>Series 1 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 2 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 3 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 4 Bond-Type Class Shares: ten million (10,000,000) shares</u> <u>Series 5 Bond-Type Class Shares: ten million (10,000,000) shares</u>
Article 7 (Omitted)	Article 7 (No change)
(NUMBER OF SHARES CONSTITUTING ONE UNIT)	(NUMBER OF SHARES CONSTITUTING ONE UNIT)
Article 8 One hundred (100) shares of the Company shall constitute one (1) unit.	Article 8 One hundred (100) shares of the Company shall constitute one (1) unit <u>for each of the Common Shares and the Series 1 Bond-Type Class Shares through Series 5 Bond-Type Class Shares (collectively, the “Bond-Type Class Shares”;</u> <u>shares of any one class of the Series 1 Bond-Type Class Shares through Series 5 Bond-Type Class Shares, the “Shares of Each Series of Bond-Type Class”).</u>
Article 9. and Article 10. (Omitted)	Article 9. and Article 10. (No change)

Current Articles of Incorporation	Proposed Amendment
<Newly established>	<p><u>(ABSENCE OF SELLER PUT OPTIONS WHEN THE COMPANY ACQUIRES THE BOND-TYPE CLASS SHARES)</u></p> <p><u>Article 11</u> If the Company decides to acquire all or part of the Bond-Type Class Shares held by a specific holder of the Bond-Type Class Shares (a holder of the Bond-Type Class Shares shall be a “Bond-Type Class Shareholder” hereinafter) under an agreement with such Bond-Type Class Shareholder pursuant to a resolution of the General Meeting of Shareholders, and further decides to notify such Bond-Type Class Shareholder of matters prescribed in any item of Article 157, Paragraph 1 of the Companies Act, the provisions of Article 160, Paragraphs 2 and 3 of the Companies Act shall not apply.</p>
Article 11. and Article 12. (Omitted)	Article 12. and Article 13. (No change)
<Newly established>	<p><u>CHAPTER 3: BOND-TYPE CLASS SHARES</u></p> <p><u>(PREFERRED DIVIDEND TO BOND-TYPE CLASS SHARES)</u></p> <p><u>Article 14</u> When the Company makes a dividend of surplus with December 31 as the record date pursuant to Article 46, the Company shall pay a dividend in cash in the following amount per share of each series of Bond-Type Class (the “Preferred Dividend to Bond-Type Class Shares”) to the Bond-Type Class Shareholders or registered pledgees of Bond-Type Class Shares (collectively with Bond-Type Class Shareholders, the “Bond-Type Class Shareholders, Etc.”) entered or registered in the last register of shareholders as of the record date of that dividend, in preference to the holders of Common Shares (the “Common Shareholders”) and registered pledgees of Common Shares (collectively with Common Shareholders, the “Common Shareholders, Etc.”); provided, however, that if Interim Preferred Dividends to Bond-Type Class Shares provided for in the following Article have been paid during the fiscal year in which the record date of that dividend falls, the amount of those Interim Preferred Dividends to Bond-Type Class Shares shall be deducted from the Preferred Dividend to Bond-Type Class Shares: The product of the equivalent of the Issue Price (defined below) per Bond-Type Class Share multiplied by the annual dividend rate determined by a resolution of the Board of Directors before the issuance of those Bond-Type Class Shares (not exceeding ten (10) percent; the “Annual Dividend Rate”) (if any fractional remainder arises, the fractional remainder shall be as determined by resolution of the Board of Directors before the issuance of those Bond-Type Class Shares)</p>

“Issue Price” means the amount per share to be paid to the Company in connection with the offering of those Bond-Type Class Shares (or, if the Bond-Type Class Shares are offered through purchase and sale by underwriters, the amount per share to be paid by the investors as consideration for the Bond-Type Class Shares), as determined prior to the issuance of those Bond-Type Class Shares.

2. If the amount of dividends of surplus paid in cash to each Bond-Type Class Shareholder, Etc. per Share of Each Series of Bond-Type Class in a given fiscal year in which the record date falls is less than the amount of the Preferred Dividend to Bond-Type Class Shares payable to those Bond-Type Class Shares for that fiscal year (that fiscal year, the “Shortfall Year”), that shortfall amount shall be accumulated in subsequent fiscal years by a simple interest calculation calculated by the method determined by a resolution of the Board of Directors based on the Annual Dividend Rate before the issuance of those Bond-Type Class Shares (such accumulated shortfall shall be hereinafter defined as the “Accumulated Dividends Payable to Bond-Type Class Shares”). The Company shall pay dividends of surplus in cash to the Bond-Type Class Shareholders, Etc. until such payment reaches the amount of Accumulated Dividends Payable to Bond-Type Class Shares per Bond-Type Class Share, in preference to any dividends of surplus provided for in the preceding paragraph or the following Article.
3. No dividends of surplus shall be paid to Bond-Type Class Shareholders, Etc. in excess of the total of the Preferred Dividend to Bond-Type Class Shares and the Accumulated Dividends Payable to Bond-Type Class Shares.

(INTERIM PREFERRED DIVIDEND TO BOND-TYPE CLASS SHARES)

Article 15 When the Company makes a dividend of surplus with June 30 as the record date (the “Interim Dividend Record Date”) pursuant to Article 47, the Company shall pay a dividend in cash in the amount per Share of Each Series of Bond-Type Class determined by the calculation method determined by a resolution of the Board of Directors before the issuance of those Bond-Type Class Shares (the “Interim Preferred Dividend to Bond-Type Class Shares”) to the Bond-Type Class Shareholders, Etc. entered or registered in the last register of shareholders as of the Interim Dividend Record Date of that dividend, in preference to the Common Shareholders, Etc.; provided, however, that the amount of Interim Preferred Dividends to Bond-Type Class Shares for which the Interim Dividend Record Date falls in a given fiscal year shall not exceed the amount of the Preferred Dividend to Bond-Type Class Shares for which the record date falls in the same fiscal year.

(DISTRIBUTION OF RESIDUAL ASSETS)

Article 16 When the Company makes a distribution of residual assets, the Company shall pay cash in the following amount per Share of Each Series of Bond-Type Class to the Bond-Type Class Shareholders, Etc., in preference to the Common Shareholders, Etc.:

The amount calculated by the method determined by a resolution of the Board of Directors before the issuance of those Bond-Type Class Shares as the sum of the equivalent of the Issue Price per Bond-Type Class Share plus the amount of the Accumulated Dividends Payable to Bond-Type Class Shares pertaining to those Bond-Type Class Shares and the equivalent of the Preferred Dividend to Bond-Type Class Shares pertaining to the period from the first day of the fiscal year in which the date of the distribution of residual assets falls to the date of the distribution of residual assets

2. No distribution of residual assets shall be made to Bond-Type Class Shareholders, Etc. other than the distribution provided for in the preceding paragraph.

(VOTING RIGHTS)

Article 17 The Bond-Type Class Shareholders shall not be entitled to exercise voting rights at the General Meeting of Shareholders with respect to any matter.

(ACQUISITION BY THE COMPANY IN EXCHANGE FOR CASH)

Article 18 If an event provided for by a resolution of the Board of Directors before the issuance of Shares of Each Series of Bond-Type Class arises with respect to the Bond-Type Class Shares, the Company may acquire all or part of those Bond-Type Class Shares upon the arrival of a date separately determined by a resolution of the Board of Directors. In such case, the Company shall deliver to the Bond-Type Class Shareholders cash in the amount per Bond-Type Class Share calculated by the method determined by a resolution of the Board of Directors before the issuance of the Shares of Each Series of Bond-Type Class as the sum of the equivalent of the Issue Price per Bond-Type Class Share plus the amount of the Accumulated Dividends Payable to Bond-Type Class Shares pertaining to those Bond-Type Class Shares and the equivalent of the Preferred Dividend to Bond-Type Class Shares pertaining to the period from the first day of the fiscal year in which the date of the acquisition falls to the date of the acquisition, in exchange for the acquisition of those Bond-Type Class Shares. If the Company acquires part of the Bond-Type Class Shares, the Company shall determine the scope of Bond-Type Class Shares to be acquired from Bond-Type Class Shareholders by a reasonable method determined by the Board of Directors.

(SHARE CONSOLIDATION OR SHARE SPLIT, ETC.)

Article 19 The Company shall not conduct any share consolidation or share split with respect to the Bond-Type Class Shares, unless otherwise provided for in laws and regulations.

2. The Company shall not make any gratis allotment of shares or stock acquisition rights to the Bond-Type Class Shareholders.
3. The Company shall not grant to Bond-Type Class Shareholders any right to receive allotment of shares offered for subscription or stock acquisition rights offered for subscription.
4. If the Company conducts a share transfer (limited to a sole-share transfer conducted by the Company), the Company shall deliver to Common Shareholders, Etc. shares issued by the wholly owning parent company incorporated in the share transfer that are of the same class as the Common Shares of the Company in exchange for the Common Shares, and deliver to Bond-Type Class Shareholders, Etc. shares issued by the wholly owning parent company incorporated in the share transfer that are of the same class as the Bond-Type Class Shares in exchange for the Bond-Type Class Shares, in the same ownership ratio respectively.

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">CHAPTER 3: GENERAL MEETINGS OF SHAREHOLDERS</p> <p>Article <u>13</u> though Article <u>18</u>(Omitted)</p> <p><Newly established></p>	<p>5. <u>The adjustment of the Preferred Dividend to Bond-Type Class Shares and Accumulated Dividends Payable to Bond-Type Class Shares in the case provided for in the preceding paragraph shall be conducted by the method determined by a resolution of the Board of Directors before the issuance of the Shares of Each Series of Bond-Type Class.</u></p> <p><u>(ORDER OF PRIORITY)</u></p> <p><u>Article 20 Payments of Preferred Dividends to Bond-Type Class Shares and Interim Preferred Dividends to Bond-Type Class Shares, and distribution of residual assets to Shares of Each Series of Bond-Type Class are ranked pari passu.</u></p> <p style="text-align: center;">CHAPTER 4: GENERAL MEETINGS OF SHAREHOLDERS</p> <p>Article <u>21</u> though Article <u>26</u>(No change)</p> <p><u>(GENERAL MEETINGS OF CLASS SHAREHOLDERS)</u></p> <p><u>Article 27 Unless otherwise provided for in laws and regulations or these Articles of Incorporation, the resolutions of a General Meeting of Class Shareholders shall be adopted by a majority of the voting rights represented by the shareholders present who are entitled to exercise voting rights.</u></p> <p>2. <u>The resolutions provided for in Article 324, Paragraph 2 of the Companies Act shall be adopted by the voting rights of shareholders constituting not less than two-thirds (2/3) of the shareholders present at the meeting whereby one-third (1/3) of the voting rights of the shareholders who are entitled to vote shall constitute a quorum.</u></p> <p>3. <u>The provisions of Article 23, Article 24 and Article 25 apply mutatis mutandis to General Meetings of Class Shareholders.</u></p> <p>4. <u>The provisions of Article 22 apply mutatis mutandis with respect to any General Meeting of Class Shareholders held within three months after December 31 of each year.</u></p> <p>5. <u>No resolution of a General Meeting of Class Shareholders composed of Bond-Type Class Shareholders of each series is required for the Company to conduct any of the acts provided for in the items of Article 322, Paragraph 1 of the Companies Act, unless otherwise provided for in laws and regulations.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">CHAPTER 4: MEMBERS OF THE BOARD AND BOARD OF DIRECTORS</p> <p>Article <u>19</u> though Article <u>28</u>(Omitted)</p> <p style="text-align: center;">CHAPTER 5: AUDIT & SUPERVISORY BOARD MEMBERS AND BOARD OF AUDIT & SUPERVISORY BOARD MEMBERS</p> <p>Article <u>29</u> though Article <u>34</u>(Omitted)</p>	<p>6. <u>If the Company performs any of the following acts and it is likely to cause detriment to the Bond-Type Class Shareholders, that act shall not take effect without a resolution of the General Meeting of Class Shareholders composed of Bond-Type Class Shareholders, in addition to a resolution of the General Meeting of Shareholders or the Board of Directors, unless there are no Bond-Type Class Shareholders who are entitled to vote at that General Meeting of Class Shareholders:</u></p> <p>(1) <u>a merger in which the Company will be the absorbed company or a share exchange or share transfer in which the Company will be the wholly owned subsidiary company (except for a sole-share transfer conducted by the Company); or</u></p> <p>(2) <u>an approval by the Board of Directors of a demand for a cash-out by a Special Controlling Shareholder against the other shareholders of the Company.</u></p> <p style="text-align: center;">CHAPTER 5: MEMBERS OF THE BOARD AND BOARD OF DIRECTORS</p> <p>Article <u>28</u> though Article <u>37</u>(No change)</p> <p style="text-align: center;">CHAPTER 6: AUDIT & SUPERVISORY BOARD MEMBERS AND BOARD OF AUDIT & SUPERVISORY BOARD MEMBERS</p> <p>Article <u>38</u> though Article <u>43</u>(No change)</p>

Current Articles of Incorporation	Proposed Amendment
CHAPTER <u>6</u> : ACCOUNTING AUDITORS	CHAPTER <u>7</u> : ACCOUNTING AUDITORS
Article <u>35</u> (Omitted)	Article <u>44</u> (No change)
CHAPTER 7: ACCOUNTING	CHAPTER 8: ACCOUNTING
Article <u>36</u> though Article <u>38</u> (Omitted)	Article <u>45</u> though Article <u>47</u> (No change)
(LIMITATION PERIOD FOR DIVIDENDS)	(LIMITATION PERIOD FOR DIVIDENDS)
Article <u>39</u> If the property available for dividends is in cash and remains unreceived after the lapse of three (3) full years from the date on which it became due and payable, the Company shall be relieved of the obligation to pay the same.	Article <u>48</u> If the property available for dividends is in cash and remains unreceived after the lapse of three (3) full years from the date on which it became due and payable, the Company shall be relieved of the obligation to pay the same.
2. Unpaid term-end dividends or interim dividends shall bear no interest.	2. <u>Except otherwise provided for in the articles of incorporation</u> , unpaid term-end dividends or interim dividends shall bear no interest.

(Reference)

If this agenda item is approved at this Annual Meeting of Shareholders, the Company's Articles of Incorporation will include new provisions on the Bond-Type Class Shares at the conclusion of this Annual Meeting of Shareholders. At this time, the specific timing of the issuance, issuance conditions and total issuance amount of the Series 1 Bond-Type Class Shares have not yet been determined, except as disclosed in the following "(Reference)" and "Summary (Content of the Series 1 Bond-Type Class Shares)." However, the Company submitted a shelf registration statement for the Series 1 Bond-Type Shares (maximum amount to be issued: 50 billion yen) on February 13, 2024, with the main purpose of improving the understanding of the product nature of the Bond-Type Shares. The detailed issuance conditions, etc. for the Series 1 Bond-Type Shares are assumed to be determined by resolution of the Company's Board of Directors (the "Issuance Resolution") upon the issuance of the Bond-Type Class Shares.

Summary (Content of the Series 1 Bond-Type Class Shares)

The content of the Series 1 Bond-Type Class Shares is as follows.

A Preferred dividend

- (1) When the Company makes a dividend of surplus with December 31 as the record date, the Company shall pay a dividend in cash in the following amount described below (the "Preferred Dividend to the Series 1 Bond-Type Class Shares") to the holders of the Series 1 Bond-Type Class Shares (the "Series 1 Bond-Type Class Shareholders") or registered pledgees of the Series 1 Bond-Type Class Shares (collectively with the Series 1 Bond-Type Class Shareholders, the "Series 1 Bond-Type Class Shareholders, Etc.") entered or registered in the last register of shareholders as of the record date of that dividend, in preference to the holders (the "Common Shareholders") of the Company's Common Shares (the "Common Shares") and registered pledgees of Common Shares (collectively with Common Shareholders, the "Common Shareholders, Etc."); provided, however, that if Interim Preferred Dividends to the Series 1 Bond-Type Class Shares (to be defined B below) have been paid during the fiscal year in which the record date of that dividend falls, the amount of those Interim Preferred Dividends to Bond-Type Class Shares shall be deducted from the Preferred Dividend to Bond-Type Class Shares.

The amount per share calculated by multiplying the amount equivalent to the amount specified as the issue price per share (the "Issue Price") by the annual dividend rate determined after the Issuance Resolution by a method similar to the book-building method prescribed in Article 25 of the RULES CONCERNING UNDERWRITING, ETC. OF SECURITIES established by the Japan Securities Dealers Association.

For the first five years from the issuance of the Series 1 Bond-Type Class Shares, the annual dividend rate shall be the fixed base rate determined by the Issuance Resolution plus the initial spread (the "Initial Spread") determined by a method similar to the above book-building method*, and the subsequent annual dividend rate shall be the variable base rate determined by the Issuance Resolution plus the Initial Spread and 1%; provided, however, that in accordance with the provisions of the Articles of Incorporation, both annual dividend rates shall be 10% at the maximum.

* Under the market conditions as of February 13, 2024, the annual dividend rate will be from 2% to

4% for the first five years from the issuance of the Series 1 Bond-Type Class Shares.

- (2) If the amount of dividends of surplus paid in cash to Series 1 Bond-Type Class Shareholders, Etc. per Series 1 Bond-Type Class Share in a given fiscal year in which the record date falls is less than the amount of the Preferred Dividend to the Series 1 Bond-Type Class Shares for that fiscal year, that shortfall amount shall be accumulated in subsequent fiscal years by a simple interest calculation calculated by the method specified by the Issuance Resolution based on the annual dividend rate determined by a method similar to the above book-building method (such accumulated shortfall shall be hereinafter defined as the “Accumulated Dividends Payable to the Series 1 Bond-Type Class Shares”). For the Accumulated Dividends Payable to the Series 1 Bond-Type Class Shares, the Company shall pay dividends of surplus in cash to the Series 1 Bond-Type Class Shareholders, Etc. until such payment reaches the amount of Accumulated Dividends Payable to Series 1 Bond-Type Class Shares per Series 1 Bond-Type Class Share, in preference to any payment of the Preferred Dividend to the Series 1 Bond-Type Class Shares and Interim Preferred Dividends to Series 1 Bond-Type Class Shares.
- (3) No dividends of surplus shall be paid to Series 1 Bond-Type Class Shareholders, Etc. in excess of the total of the Preferred Dividend to Series 1 Bond-Type Class Shares and the Accumulated Dividends Payable to Series 1 Bond-Type Class Shares.

B Interim Preferred Dividends to Bond-Type Class Shares

When the Company makes a dividend of surplus with June 30 as the record date (the “Interim Dividend Record Date”), the Company shall pay a dividend in cash in the amount of half of the Preferred Dividend to the Series 1 Bond-Type Class Shares per Series 1 Bond-Type Class Share (provided, however, that when dividends of surplus are paid using the Interim Dividend Record Date during the fiscal year in which the issuance date of Series 1 Bond-Type Class Shares falls, the amount of money which is reasonably adjusted according to the number of days from the payment date (including the date) to the Interim Dividend Record Date (including the date)) (the “Interim Preferred Dividend to Series 1 Bond-Type Class Shares”) to the Series 1 Bond-Type Class Shareholders, Etc. entered or registered in the last register of shareholders as of the Interim Dividend Record Date of that dividend, in preference to the Common Shareholders, Etc.; provided, however, that the amount of Interim Preferred Dividends to Series 1 Bond-Type Class Shares for which the Interim Dividend Record Date falls in a given fiscal year shall not exceed the amount of the Preferred Dividend to Series 1 Bond-Type Class Shares for which the record date falls in the same fiscal year.

C Distribution of Residual Assets

- (1) When the Company makes a distribution of residual assets, the Company shall pay cash in the following amount to the Series 1 Bond-Type Class Shareholders, Etc., in preference to the Common Shareholders, Etc.
The amount calculated by the method determined by the Issuance Resolution as the sum of the equivalent of the Issue Price per share plus the amount of the Accumulated Dividends Payable to Series 1 Bond-Type Class Shares and the equivalent of the Preferred Dividend to Series 1 Bond-Type Class Shares pertaining to the period from the first day of the fiscal year in which the date of the distribution of residual assets falls to the date of the distribution of residual assets
- (2) No distribution of residual assets shall be made to the Series 1 Bond-Type Class Shareholders, Etc. other than the distribution provided for in the above (1).

D Order of Priority

Payments of Preferred Dividends to Bond-Type Class Shares and Interim Preferred Dividends to Bond-Type Class Shares, and distribution of residual assets to Shares of Series 1 to 5 Bond-Type Class Shares are ranked *pari passu*.

E Voting Rights

The Series 1 Bond-Type Class Shareholders shall not be entitled to exercise voting rights at the General Meeting of Shareholders with respect to any matter.

F General Meetings of Class Shareholders

- (1) Unless otherwise provided for in laws and regulations or these Articles of Incorporation, the resolutions of a General Meeting of Class Shareholders shall be adopted by a majority of the voting rights represented by the shareholders present who are entitled to exercise voting rights.
- (2) The resolutions provided for in Article 324, Paragraph 2 of the Companies Act shall be adopted by the voting rights of shareholders constituting not less than two-thirds (2/3) of the shareholders present at the meeting whereby one-third (1/3) of the voting rights of the shareholders who are entitled to vote shall constitute a quorum.
- (3) No resolution of a General Meeting of Class Shareholders composed of the Series 1 Bond-Type Class Shareholders is required for the Company to conduct any of the acts provided for in the items of Article

322, Paragraph 1 of the Companies Act, unless otherwise provided for in laws and regulations.

- (4) If the Company performs any of the following acts and it is likely to cause detriment to the Series 1 Bond-Type Class Shareholders, that act shall not take effect without a resolution of the General Meeting of Class Shareholders composed of the Series 1 Bond-Type Class Shareholders, in addition to a resolution of the General Meeting of Shareholders or the Board of Directors, unless there are no Series 1 Bond-Type Class Shareholders who are entitled to vote at that General Meeting of Class Shareholders:
- a. a merger in which the Company will be the absorbed company or a share exchange or share transfer in which the Company will be the wholly owned subsidiary company (except for a sole-share transfer conducted by the Company); or
 - b. an approval by the Board of Directors of a demand for a cash-out by a Special Controlling Shareholder against the other shareholders of the Company.

G Acquisition by the Company in Exchange for Cash

- (1) For the Series 1 Bond-Type Class Shares, if there is an event provided for by the Issuance Resolution, including the elapse of five years from the Payment Date (Issuance Date) (including the date) and an arrival of the acquisition date separately determined by resolution of the Board of Directors, the Company may acquire all or part of the Series 1 Bond-Type Class Shares. In such case, the Company shall deliver to the Series 1 Bond-Type Class Shareholders cash in the amount per Series 1 Bond-Type Class Share specified by the Issuance Resolution based on the Issue Price; provided, however, that the Company may not make an acquisition where either the acquisition date or the book-entry transfer acquisition date pertaining to the acquisition (to be defined below) falls on any day from January 1 to March 31.

The term “book-entry transfer acquisition date” means the date on which an entry or record showing an increase in the number of the Series 1 Bond-Type Class Shares pertaining to the acquisition is made in the holdings column of the transferee account in the Company upon an application for book-entry transfer based on the acquisition of monetary consideration described in this sub-item G or the date on which the entry or record showing the Series 1 Bond-Type Class Shares is deleted upon a notice of deletion in its entirety based on the acquisition.

- (2) In the case where the Company acquires the monetary consideration described in this sub-item G, or acquires the Series 1 Bond-Type Shares through a specific agreement with the Series 1 Bond-Type Shareholders or through a market transaction, etc. prescribed in Article 165, Paragraph 1 of the Companies Act (together with the acquisition of monetary consideration, the “Monetary Consideration Acquisition”), the Company shall not conduct the Monetary Consideration Acquisition unless it has procured funds by issuing or disposing of replacement securities (to be defined below) or borrowing (the “Issuance, Etc.”) for the required amount of replacement (to be defined below) during the twelve months prior to the date of the Monetary Consideration Acquisition; provided, however, that this shall not include cases specified by the Issuance Resolution.

The “required amount of replacement” shall mean the amount equivalent to the valuation on the equity credit of the Series 1 Bond-Type Shares to be acquired for monetary consideration (to be defined below) if the replacement securities are common shares, and shall mean the amount calculated by dividing the amount equivalent to the valuation on the equity credit of the Series 1 Bond-Type Shares to be acquired for monetary consideration by the equity credit of the replacement securities approved by the credit rating agency (to be shown as a percentage) if the replacement securities are other than common shares, and the respective formulas shall apply mutatis mutandis to the issuance, etc. of replacement securities combining common shares and those other than common shares.

The “amount equivalent to the valuation on the equity credit” means the amount equivalent to the total issue price of the Series 1 Bond-Type Class Shares multiplied by the equity credit of the Series 1 Bond-Type Class Shares on the payment date approved by the credit rating agency (to be shown as a percentage).

The “replacement securities” means the securities or obligations in a. through c. below; provided, however, that (i) in any of a. through c. below, only in cases where the Company has disclosed that they are replacement securities, (ii) in the case of a. or b. below, only in cases where it is issued, etc. to a person other than a subsidiary company specified in Article 2, Item (iii) of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements of the Company and an affiliate specified in Item (vii) of the same Article, and (iii) in the case of b. or c. below, only in cases where it has been approved by a credit rating agency as having the capital credit of the Company equal to or greater than that of the Series 1 Bond-Type Class Shares on the payment date of the Series 1 Bond-Type Class Shares.

- a. Common Shares
- b. Classes of shares other than a.
- c. All other securities and obligations of the Company other than a. or b. above

- (3) If the Company acquires part of the Series 1 Bond-Type Class Shares based on (1) above, the Company shall determine the scope of Series 1 Bond-Type Class Shares to be acquired from Series 1 Bond-Type Class Shareholders by a reasonable method determined by the Board of Directors.
- H Share Consolidation or Share Split, etc.
- (1) The Company shall not conduct any share consolidation or share split with respect to the Series 1 Bond-Type Class Shares, unless otherwise provided for in laws and regulations.
 - (2) The Company shall not make any gratis allotment of shares or stock acquisition rights to the Series 1 Bond-Type Class Shareholders.
 - (3) The Company shall not grant to Series 1 Bond-Type Class Shareholders any right to receive allotment of shares offered for subscription or stock acquisition rights offered for subscription.
 - (4) If the Company conducts a share transfer (limited to a sole-share transfer conducted by the Company), the Company shall deliver to Series 1 Bond-Type Class Shareholders, Etc. shares issued by the wholly owning parent company incorporated in the share transfer that are of the same class as the Series 1 Bond-Type Class Shares in exchange for the Series 1 Bond-Type Class Shares, in the same ownership ratio respectively. The adjustment of the Preferred Dividend to Series 1 Bond-Type Class Shares and Accumulated Dividends Payable to Series 1 Bond-Type Class Shares in this case shall be conducted by the method determined by the Issuance Resolution.
- I Absence of Seller Put Options When the Company Acquires the Series 1 Bond-Type Class Shares
- If the Company decides to acquire all or part of the Series 1 Bond-Type Class Shares held by the specific holder of the Series 1 Bond-Type Class Shareholder under an agreement with such Series 1 Bond-Type Class Shareholder pursuant to a resolution of the General Meeting of Shareholders, and further decides to notify such Series 1 Bond-Type Class Shareholder of matters prescribed in any item of Article 157, Paragraph 1 of the Companies Act, the provisions of Article 160, Paragraphs 2 and 3 of the Companies Act shall not apply.
- J Listing
- A listing application in respect of the Series 1 Bond-Type Class Shares for the Prime Market of Tokyo Stock Exchange, Inc. (the “TSE”) is planned to be made.

Q&A regarding Bond-Type Class Shares

Please refer to this Q&A prepared as a reference material for Bond-Type Class Shares.

Question	Answer
1. What is the purpose of Amendment to the Articles of Incorporation?	<ul style="list-style-type: none"> ■ In accordance with the basic policies of the Rolling Mid-Term Management Plan T-2026 announced on February 13, 2024, in order to secure a wide range of financing options for the Company to maintain its financial soundness and liquidity while carrying out optimal and flexible financial strategies and capital policies for the implementation of investments and various measures to support business growth, the Board of Directors proposes to amend the Articles of Incorporation to add the provision for the Bond-Type Class Shares.
2. What is the expected role of Hybrid Financing in the financial strategy and its position in the capital structure?	<ul style="list-style-type: none"> ■ Hybrid Financing is considered to be an option that contributes to securing an appropriate capital and debt structure that balances capital efficiency and financial soundness at a valid cost, by limiting the dilution of voting rights and the impact on ROE and EPS caused by the issue of common shares of the Company (the “Common Shares”)*, while at the same time obtaining equity credit for rating purposes. ■ As the cost of capital for Bond-Type Class Shares is limited to amounts corresponding to the annual dividend rate to be determined at the time of issuance, and the cost of capital for the Bond-Type Class Shares is lower than that for Common Shares. Therefore, the Company believes that the issuance of the Bond-Type Class Shares is a funding and capital raising method that takes into account the interests of the Company’s existing shareholders.
3. What are the characteristics of Bond-Type Class Shares?	<ul style="list-style-type: none"> ■ Bond-Type Class Shares are treated as shares under the Companies Act, but the issuance thereof is a hybrid financing method with an intermediate characteristic between shares and bonds. ■ Bond-Type Class Shares do not have voting rights and are not convertible into Common Shares, and a fixed preferred dividend is paid for a fixed period of time. In addition, Bond-Type Class Shares have priority over Common Shares in terms of the order of distribution of dividends and residual assets, and are non-participating, meaning that no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance. ■ The Company plans to apply for listing of Bond-Type Class Shares (in addition to Common Shares) on the Prime Market of the Tokyo Stock Exchange, with the intention of providing investment opportunities to a wide range of investors.
4. What is a product nature similar to that of hybrid bonds?	<ul style="list-style-type: none"> ■ As with hybrid bonds, the Company expects that the Bond-Type Class Shares will obtain equity credit from a rating agency (R&I) for 50% of the amount raised. ■ Dividends are fixed for approximately five years from the issuance, and in principle, the Company may acquire the Bond-Type Class Shares in exchange for cash, which is equivalent to the Issue Price plus accrued dividends and other adjustments, starting from five years after the issuance.
5. What is the difference between the Bond-Type Class Shares and hybrid bonds?	<ul style="list-style-type: none"> ■ The Bond-Type Class Shares differ from hybrid bonds in that they can increase equity capital for accounting purposes. ■ In addition, the Bond-Type Class Shares can be considered for investment by a wide range of investors through their listing on the Tokyo Stock Exchange (eligible for NISA).

Question	Answer
6. Will there be any disadvantages to common shareholders?	<ul style="list-style-type: none"> ■ The Bond-Type Class Shares have no voting rights and are not convertible into Common Shares, so there will be no dilution of voting rights. ■ The Bond-Type Class Shares are “non-participating,” meaning that no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance, and only common shareholders have the right to participate in dividends other than the preferred dividend. ■ The impact of the issuance of the Bond-Type Class Shares on ROE, EPS, etc. for Common Shares may be limited as compared to a capital increase through the issuance of Common Shares.*
7. Is there any possibility that the Bond-Type Class Shares could be used as a takeover protection measure?	<ul style="list-style-type: none"> ■ The Bond-Type Class Shares are class shares that do not have voting rights and are not convertible into Common Shares. Accordingly, they are not suitable for takeover protection measures and the Company does not expect to use them as such. ■ The Company does not expect to allot the Bond-Type Class Shares to common shareholders by gratis allotment or otherwise.
8. What form of issuance is envisaged?	<ul style="list-style-type: none"> ■ The specific timing of the issuance has not yet been determined at this time, but it is envisaged that, if issued, the shares will be offered to a wide range of investors, including retail investors, through a public offering in Japan.
9. What is the planned timing and amount of Series 1 Bond-Type Class Shares?	<ul style="list-style-type: none"> ■ The specific timing of the issuance has not yet been determined at this time. ■ The Company will consider the optimal timing and amount of the issuance with the aim of raising funds in a flexible manner, taking into consideration the Company’s basic financial strategy of maintaining a sound financial base. ■ In the shelf registration with respect to the Series 1 Bond-Type Class Shares submitted on February 13, 2024, the issue amount is set at a maximum of 50 billion yen.
10. The Company has set up multiple series, but how exactly does the Company plan to issue the Bond-Type Class Shares?	<ul style="list-style-type: none"> ■ Although the specific timing of the issuance has not been determined at this time, the setup of multiple series is intended to secure a wide range of future issues. ■ When issuing, the Company plans to target a wide range of investors for each series and set appropriate issuance and conditions based on a method similar to the book-building method.
11. Why is the range of annual dividend rate set at 2% to 4%?	<ul style="list-style-type: none"> ■ The range of annual dividend rate is provided as a reference for common shareholders in deciding whether to approve or disapprove the proposed amendment to the Articles of Incorporation based on the current market environment and other factors, and has been set after comprehensively considering the market price of similar hybrid bonds and other factors.
12. Why would the Company consider listing on the Tokyo Stock Exchange?	<ul style="list-style-type: none"> ■ The Company believes that listing on the Tokyo Stock Exchange is an important way to raise awareness and provide trading opportunities for a wide range of investors.

Question	Answer
13. Does the issuance of the Series 1 Bond-Type Class Shares affect the dividend policy for Common Shares?	<ul style="list-style-type: none"> ■ The Company regards returning profits to shareholders to be one of its important management priorities in its efforts to increase corporate value over the medium and long term. Accordingly, the Company maintains its basic policy to pay dividends stably and continuously with a consolidated payout ratio of 30% as a target, while giving consideration to its operating results and forecasts, investment plans, and status of cash flows, etc. in each period. Therefore, the Company does not expect its dividend policy for Common Shares to be affected by the Series 1 Bond-Type Class Shares if and when issued.
14. How does the Company consider the features and issuance of the second and subsequent series?	<ul style="list-style-type: none"> ■ The second and subsequent series are expected to have the same features as the Series 1 Bond-Type Class Shares, meaning that they will have no voting rights and not be convertible into Common Shares, and therefore they will cause no dilution of voting rights. ■ As with the Series 1 Bond-Type Class Shares, the Company expects that the second and subsequent series would be considered to be issued within the range of up to 10 million shares, based on its funding needs and other factors.
15. Does the Company plan to acquire (call) the Bond-Type Class Shares for cash in five years?	<ul style="list-style-type: none"> ■ The Company will determine whether to acquire (call) the Bond-Type Class Shares (if and when issued) for cash five years after the date of issuance or later, taking into consideration the business and financial conditions and market environment and other factors at that time. ■ The Company is well aware that market practice in Hybrid Financing is that many investors expect calls to be made from five years after the date of issuance by the timing of the dividend step-up.

* Assuming that the relevant amounts of the Bond-Type Class Shares (i.e., the paid-in amount and preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for Common Shares.

Disclaimer

This document is a reference material for the public disclosure of the Company's Bond-Type Class Shares and is not prepared for the purpose of any investment solicitation or similar action, whether in Japan or abroad. If the Company issues Bond-Type Class Shares in the future, investors are requested to make their own decisions after viewing the shelf registration prospectus and shelf registration supplement prospectus prepared by the Company and any amendments thereto (if any).

This document does not constitute an offering of securities in the United States. Securities may not be offered or sold in the United States unless the securities are registered or exempt from registration under the U.S. Securities Act of 1933. When securities are publicly offered in the United States, a prospectus in English prepared under the U.S. Securities Act of 1933 will be used. The prospectus may be obtained from the issuing company or the seller of the securities. It contains detailed information about the issuing company and its management and its financial statements. The securities will not be publicly offered in the United States.

Agenda No. 4: Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company proposes to elect nine (9) Directors in order to further enhance the corporate value and strengthen the management structure.

The candidates for Directors are as follows.

[Reference] List of candidates

External Candidates for External Directors Independent Independent Directors registered with the Tokyo Stock Exchange

Candidate No.	Name	Gender	Current position	Attendance at Board of Directors Meetings
1	Hajime Nagasaka	Male	President and CEO	21 of 21
2	Masafumi Tsuji	Male	Director	21 of 21
3	Katsuyuki Yamaguchi	Male	Director	21 of 21
4	Shunji Yamamoto	Male	Director	21 of 21
5	Tatsuhiko Yamazaki	Male	Director	16 of 16
6	Takashi Masaki	Male	Executive Officer	—
7	Nobumitsu Kambayashi	Male	Director	21 of 21
8	Mayumi Asada	Female	Director	21 of 21
9	Toshiro Miyazaki	Male	Director	21 of 21

(Note) The attendance at the Board of Directors Meeting for Mr. Tatsuhiko Yamazaki represents his attendance since March 2023 when he assumed the position of Director.

Candidate No.	1
Name	Hajime Nagasaka (re-election)
Date of Birth	January 9, 1950 (74)
Term of Office as Director	18 years
Attendance at Board of Directors Meetings	100% (21 of 21)
Number of the Company's shares owned	169,338

Brief profile, position and responsibility	
April 1972	Joined Tokai Electrode Mfg. Co., Ltd. (currently the Company)
March 2006	Director Executive Officer Deputy General Manager, Carbon Black Division
March 2008	Director Managing Executive Officer Deputy General Manager, Carbon Black Division
March 2011	Director Senior Managing Executive Officer General Manager, Carbon Black Division
March 2013	Representative Director Senior Managing Executive Officer in charge of Carbon Black Division and Graphite Electrode Division
March 2014	Representative Director Executive Vice President in charge of Carbon Black Division, Graphite Electrode Division and Raw Material Procurement Department
February 2015	President and CEO (incumbent)
Reason for nomination as a candidate for Director	
Mr. Hajime Nagasaka has been involved in the management of the Company and its group companies over many years, serving as President and CEO since February 2015. The Company selected him again as a candidate for Director because Mr. Nagasaka has extensive experience and broad knowledge mainly of its mainstay carbon black business and the graphite electrode business.	

Candidate No.	2
Name	Masafumi Tsuji (re-election)
Date of Birth	January 10, 1963 (61)
Term of Office as Director	7 years
Attendance at Board of Directors Meetings	100% (21 of 21)
Number of the Company's shares owned	64,312

Brief profile, position and responsibility	
April 1986	Joined the Company
March 2015	Executive Officer General Manager, Carbon Black Division
January 2016	Executive Officer General Manager, Graphite Electrode Division
March 2017	Director Executive Officer General Manager, Fine Carbon Division
January 2020	Director Executive Officer Deputy Chairman, Corporate Planning Department, Strategic Investment Department, and Sales Research & Planning Department General Manager, Corporate Planning Department
September 2022	Director Executive Officer responsible for Corporate Planning Department, General Administration for Group Companies, Strategic Investment Department, Sales Research & Planning Department and Business Incubation Department General Manager, Corporate Planning Department
March 2023	Director Executive Officer responsible for Human Resources Department, General Affairs Department, and Legal Affairs Department
September 2023	Director Managing Executive Officer responsible for Human Resources Department General Manager, Graphite Electrode Division (incumbent)
(Notable Concurrent Positions) Chairman of the Board of TOKAI ERFTCARBON GmbH, Chairman of the Board of Tokai Carbon GE LLC	
Reason for nomination as a candidate for Director Mr. Masafumi Tsuji has held positions, such as General Manager at the Human Resources Department, General Manager at the Management Planning Office, General Manager at the Carbon Black Division, General Manager at the Graphite Electrode Division, and General Manager at the Fine Carbon Division, and he has been serving as Director, Managing Executive Officer since September 2023. The Company selected Mr. Tsuji again as a candidate for Director because he has extensive experience and knowledge of the Company's businesses ranging from planning and administration to sales.	

Candidate No.	3
Name	Katsuyuki Yamaguchi (re-election)
Date of Birth	March 29, 1964 (59)
Term of Office as Director	5 years
Attendance at Board of Directors Meetings	100% (21 of 21)
Number of the Company's shares owned	36,892

Brief profile, position and responsibility	
April 1988	Joined the Company
March 2018	Executive Officer General Manager, Technology & Engineering Division
March 2019	Director Executive Officer General Manager, Technology & Engineering Division
March 2021	Director Executive Officer General Manager, R&D Strategy Division General Manager, Intellectual Property Department (incumbent)
<p>Reason for nomination as a candidate for Director</p> <p>Mr. Katsuyuki Yamaguchi has been engaged mainly in the R&D field since he joined the Company, and has held positions including General Manager at the Engineering Department, General Manager at the Technology & Engineering Division and General Manager, R&D Strategy Division, and he has been serving as Director, Executive Officer since March 2019. The Company selected Mr. Yamaguchi again as a candidate for Director because he has extensive business experience in the Company and knowledge of the Company's businesses ranging from R&D to manufacturing and engineering.</p>	

Candidate No.	4
Name	Shunji Yamamoto (re-election)
Date of Birth	March 8, 1962 (62)
Term of Office as Director	5 years
Attendance at Board of Directors Meetings	100% (21 of 21)
Number of the Company's shares owned	30,083

Brief profile, position and responsibility	
April 1985	Joined the Company
June 2015	General Manager, Production & Technology Department, Carbon Black Division
March 2016	Director, Managing Director, Thai Tokai Carbon Product Company Limited
March 2018	Executive Officer, the Company Director, Managing Director, Thai Tokai Carbon Product Co., Ltd.
March 2019	Director Executive Officer Director, Tokai Carbon CB Genpar LLC
March 2023	Director Executive Officer General Manager, Technology & Engineering Division (incumbent)
<p>Reason for nomination as a candidate for Director</p> <p>Mr. Shunji Yamamoto has been engaged mainly in the Manufacturing Division since he joined the Company, and has held positions, such as General Manager at the Kyushu-Wakamatsu Plant, General Manager at the Production & Technology Department, Carbon Black Division, General Manager, Technology & Engineering Division and he has been serving as Director, Executive Officer since March 2019. In addition, he has displayed his ability as top management of Thai Tokai Carbon Product Company Limited, an affiliate of the Company, since he assumed the position in March 2016. The Company selected Mr. Yamamoto again as a candidate for Director because he has extensive business experience in the Company and knowledge of the Company's businesses of manufacturing, and engineering.</p>	

Candidate No.	5
Name	Tatsuhiko Yamazaki (re-election)
Date of Birth	November 22, 1964 (59)
Term of Office as Director	1 year
Attendance at Board of Directors Meetings	100% (16 of 16)
Number of the Company's shares owned	22,338

Brief profile, position and responsibility	
April 1985	Joined the Company
March 2016	General Manager, Production & Technology Department, Carbon Black Division
March 2017	General Manager, Marketing & Sales Department, Carbon Black Division
January 2020	Director, Managing Director, Thai Tokai Carbon Product Company Limited
March 2023	Director, Executive Officer, the Company Director, Managing Director, Thai Tokai Carbon Product Company Limited (incumbent)
(Notable Concurrent Positions)	
Director, Managing Director, Thai Tokai Carbon Product Company Limited	
Reason for nomination as a candidate for Director	
<p>Mr. Tatsuhiko Yamazaki has been engaged mainly in the Manufacturing Division of the Company since he joined the Company, and has held positions, such as General Manager at the Chita Plant, General Manager at the Production & Technology Department, Carbon Black Division, and General Manager at the Marketing & Sales Department, Carbon Black Division, and he has been serving as Director and Executive Officer since March 2023. In addition, he has displayed his ability as top management of Thai Tokai Carbon Product Company Limited, an affiliate of the Company, since he assumed the position in January 2020. The Company selected Mr. Yamazaki again as a candidate for Director because he has extensive business experience in the Company and knowledge of the Company's businesses of manufacturing, engineering and marketing & sales.</p>	

Candidate No.	6
Name	Takashi Masaki (new)
Date of Birth	April 6, 1961 (62)
Number of the Company's shares owned	37,100

Brief profile, position and responsibility	
April 1985	Joined the Company
March 2014	General Manager, Nagoya Branch
March 2016	General Manager, Raw Material Procurement Department
March 2017	General Manager, Carbon Black Division
March 2018	Executive Officer General Manager, Carbon Black Division
January 2020	Executive Officer Deputy Chairman, Human Resources Department, General Affairs Department, and Legal Affairs Department General Manager, Human Resources Department
July 2020	Executive Officer General Manager, Refining & Lining Division (currently General Manager, Smelting & Lining Division (incumbent))
(Notable Concurrent Positions) Chairman of the Board, Tokai COBEX HoldCo GmbH and Chairman of the Board, Tokai COBEX Savoie SAS	
<p>Reason for nomination as a candidate for Director</p> <p>Mr. Takashi Masaki has been engaged mainly in our marketing & sales field since he joined the Company, and has held positions including General Manager at the Nagoya Branch, General Manager at the Raw Material Procurement Department, and General Manager at the Human Resources Department, and has been serving as Executive Officer since March 2018. As the General Manager of Carbon Black Division and the General Manager of Smelting & Lining Division, he has demonstrated his global management skills. The Company selected Mr. Masaki as a candidate for Director because he has extensive business experience in the Company and knowledge of the Company's businesses of marketing & sales and administrative operations.</p>	

Candidate No.	7
Name	Nobumitsu Kambayashi (re-election) (external) (independent)
Date of Birth	May 28, 1948 (75)
Term of Office as External Director	8 years
Attendance at Board of Directors Meetings	100% (21 of 21)
Number of the Company's shares owned	26,200

Brief profile, position and responsibility	
April 1971	Joined Kawasaki Heavy Industries, Ltd.
October 2002	Director, Kawasaki Shipbuilding Corporation
April 2008	Managing Executive Officer, Kawasaki Heavy Industries, Ltd. Director/Senior Vice President, Kawasaki Shipbuilding Corporation
April 2010	Senior Vice President (part-time), Kawasaki Heavy Industries, Ltd., President & Representative Director, Kawasaki Shipbuilding Corporation
October 2010	Senior Vice President (Representative Director), Kawasaki Heavy Industries, Ltd. President, Ship & Offshore Structure Company
June 2013	Senior Advisor, Kawasaki Heavy Industries, Ltd.
March 2016	External Director, the Company (incumbent)
June 2017	Outside Director, Inui Global Logistics Co., Ltd. (incumbent)
June 2023	Senior Advisor, Japan Ship Technology Research Association (incumbent)
(Notable Concurrent Positions)	
Outside Director, Inui Global Logistics Co., Ltd., Senior Advisor, Japan Ship Technology Research Association	
Reason for nomination as a candidate for External Director and expected roles	
Mr. Nobumitsu Kambayashi has held various positions, such as President and Representative Director of Kawasaki Shipbuilding Corporation and President of Ship & Offshore Structure Company of Kawasaki Heavy Industries, Ltd., and he has been serving as External Director of the Company since March 2016. The Company selected Mr. Kambayashi again as a candidate for Director because he has provided appropriate advice on the management and business execution of the Company from an objective and professional viewpoint based on his extensive experience and insights gained as a manager of globally operating manufacturing companies and is expected to contribute to effectively strengthening the decision-making function and oversight function of the Company's Board of Directors.	

Candidate No.	8
Name	Mayumi Asada (re-election) (external) (independent)
Date of Birth	February 5, 1968 (56)
Term of Office as External Director	3 years
Attendance at Board of Directors Meetings	100% (21 of 21)
Number of the Company's shares owned	10,200

Brief profile, position and responsibility	
October 2002	Registered as an attorney-at-law and joined Hiranuma Takaaki Law Office
January 2014	Representative, Marunouchi Building Aoi Law Office (incumbent)
March 2014	Acquired Doctor's degree in Medicine at the Juntendo University Graduate School of Medicine
April 2020	Business Director, Incorporated Educational Institution Nikaido Gakuen (incumbent)
March 2021	External Director, the Company (incumbent)
(Notable Concurrent Positions) Representative, Marunouchi Building Aoi Law Office, Business Director, Incorporated Educational Institution Nikaido Gakuen	
Reason for nomination as a candidate for External Director and expected roles The Company selected Ms. Mayumi Asada again as a candidate for Director because she has had a long career as a lawyer and has medical knowledge as a Doctor of Medicine, and is expected to provide appropriate advice on the management and business execution of the Company from an objective and professional viewpoint based on her extensive experience and insights gained as a lawyer and Doctor of Medicine. Accordingly, Ms. Asada is expected to appropriately perform duties as External Director, though she has never been involved in corporate management by other means than serving as External Director or External Auditor.	

Candidate No.	9
Name	Toshiro Miyazaki (re-election) (external) (independent)
Date of Birth	August 21, 1949 (74)
Term of Office as External Director	2 years
Attendance at Board of Directors Meetings	100% (21 of 21)
Number of the Company's shares owned	4,000

Brief profile, position and responsibility	
April 1972	Joined Mitsui Shipbuilding & Engineering Co., Ltd. (currently Mitsui E&S Holdings Co., Ltd.)
June 2007	Director, Finance, Accounting, and Investor Relations and Communications, Mitsui Shipbuilding & Engineering Co., Ltd.
March 2008	Director, MODEC, Inc.
March 2011	Representative Director, President, MODEC, Inc.
March 2019	Director, Chairman of the Board, MODEC, Inc.
March 2020	Senior Advisor, MODEC, Inc.
March 2022	External Director, the Company (incumbent)
Reason for nomination as a candidate for External Director and expected roles	
Mr. Toshiro Miyazaki held various positions, such as Representative Director and President of MODEC, Inc. and Director of Mitsui Shipbuilding & Engineering Co., Ltd. The Company selected Mr. Miyazaki again as a candidate for Director because he has extensive experience and insights as a top executive of globally operating manufacturing companies and is expected to provide advice on the management of the Company and perform the management oversight function from a position independent of the Company's management engaged in the execution of the Company's operations.	

Notes:

1. There are no special conflicts of interest between each candidate for Director and the Company.
2. Mr. Nobumitsu Kambayashi, Ms. Mayumi Asada and Mr. Toshiro Miyazaki are candidates for External Director.
3. Mr. Nobumitsu Kambayashi, Ms. Mayumi Asada and Mr. Toshiro Miyazaki meet the Independence Standards for External Officers set by the Company. If this agenda is approved as proposed, the Company will designate them as independent officers provided for in the provisions of the Tokyo Stock Exchange and register them accordingly with the said exchange.
4. Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Nobumitsu Kambayashi, Ms. Mayumi Asada and Mr. Toshiro Miyazaki assume the position of External Director, the Company will continue an agreement with them to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the said Act. The amount of liability for damages under this agreement shall be the minimum limited liability stipulated in laws and regulations.
5. Outline of Directors and Officers Liability Insurance
The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Hajime Nagasaka, Mr. Masafumi Tsuji, Mr. Katsuyuki Yamaguchi, Mr. Shunji Yamamoto, Mr. Tatsuhiko Yamazaki, Mr. Nobumitsu Kambayashi, Ms. Mayumi Asada and Mr. Toshiro Miyazaki, in addition to Mr. Takashi Masaki if he is appointed as a Director, as insured parties under the D&O insurance policy during the term of this Agreement. The policy covers losses arising from claims made against them as a result of the execution of duties up to the specified limit amount of insurance payment for the term of insurance. If the candidates for Director assume the position of Director, the insurance agreement will be renewed during the term of office.

Agenda No. 5 Election of One (1) Auditor

The term of office of Mr. Kazuyuki Kakehashi as Auditor will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company wishes to elect one (1) Auditor.

The Board of Auditors has already given its consent to this issue.

The candidate for Auditor is as follows.

Name	Kanji Sugihara (new)
Date of Birth	November 23, 1958 (65)
Number of the Company's shares owned	37,100

Brief profile and position	
April 1984	Joined the Company
March 2013	Executive Officer in charge of Fine Carbon Division, General Manager, Fine Carbon Division
March 2014	Director Executive Officer General Manager, Fine Carbon Division
March 2015	Director Managing Executive Officer General Manager, Fine Carbon Division
January 2016	Director, the Company, Director, Executive Vice President, Tokai Konetsu Kogyo Co., Ltd.
March 2018	Director, Executive Vice President, Tokai Konetsu Kogyo Co., Ltd. (incumbent)
Reason for nomination as a candidate for Auditor	
Mr. Kanji Sugihara has been engaged mainly in the manufacturing, technology and R&D fields at the Company and our group companies for many years. He has served as Director since March 2014 and as Executive Vice President of Tokai Konetsu Kogyo Co., Ltd., our group company, since January 2016. With extensive experience and knowledge related to manufacturing, technology and R&D mainly in the fine carbon business and industrial furnace business, he is expected to provide appropriate advice on the management of the Company as an Auditor.	

Notes:

1. There are no special conflicts of interest between Mr. Kanji Sugihara and the Company.
2. Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Kanji Sugihara assumes the position of an Auditor, the Company will enter into an agreement with Mr. Sugihara to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the said Act. The amount of liability for damages under this agreement shall be the minimum limited liability stipulated in laws and regulations.
3. Outline of Directors and Officers Liability Insurance
The Company maintains an insurance policy for Audit & Supervisory Board Members ("D&O insurance policy"). If Mr. Kanji Sugihara assumes the position of Auditor, the Company shall include him as an insured party under the D&O insurance policy during the term of this Agreement. The policy covers losses arising from claims made against him as a result of the execution of duties up to the specified limit amount of the insurance payment for the term of insurance. If he assumes the position of Auditor, the insurance agreement will be renewed during the term of office.

Agenda No. 6 Election of One (1) Substitute Auditor

The Company wishes to elect one (1) Substitute Auditor to prepare for a situation in which there is a shortfall in the number of auditors required by laws and regulations. The Board of Auditors has already given its consent to this issue.

The candidate for Substitute Auditor is as follows.

Name	Toshiya Onuma (external) (independent)
Date of Birth	January 23, 1971 (53)
Number of the Company's shares owned	0

Brief profile and position	
October 1997	Joined Chuo Audit Office
April 2003	Registered as a Certified Public Accountant
June 2004	Representative, Onuma Certified Public Accountant Office (incumbent)
November 2010	Registered as Certified Tax Accountant
Reason for nomination as a candidate for Substitute External Auditor	
Mr. Toshiya Onuma has professional taxation knowledge and experience as a certified tax accountant in addition to financial and accounting knowledge and experience in statutory auditing gained through his duties as a certified public accountant. Though Mr. Onuma has never been involved in corporate management, with the insights based on his above-mentioned experience, he is expected to provide appropriate advice on the management of the Company as an External Auditor.	

Notes:

1. There are no special conflicts of interest between Mr. Toshiya Onuma and the Company.
2. Mr. Toshiya Onuma is a candidate for Substitute External Auditor.
3. Mr. Toshiya Onuma meets the Independence Standards for External Officers set by the Company. If Mr. Toshiya Onuma assumes the position of External Auditor, the Company will designate him as an independent officer provided for in the provisions of the Tokyo Stock Exchange and register him accordingly with the said exchange.
4. Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Toshiya Onuma assumes the position of an External Auditor, the Company will enter into an agreement with Mr. Onuma to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the said Act. The amount of liability for damages under this agreement shall be the minimum limited liability stipulated in laws and regulations.
5. Outline of Directors and Officers Liability Insurance
The Company maintains an insurance policy for Audit & Supervisory Board Members ("D&O insurance policy"). If Mr. Toshiya Onuma assumes the position of External Auditor, the Company shall include Mr. Onuma as an insured party under the D&O insurance policy during the term of this Agreement. The policy covers losses arising from claims made against him as a result of the execution of duties up to the specified limit amount of the insurance payment for the term of insurance. If Mr. Onuma assumes the position of External Auditor, the insurance agreement will be renewed during the term of office.

[Reference] Skill matrix of officers after the shareholders meeting

		Expertise and experience expected of Directors and Auditors									
Name		Gender	Term of office (years)	Corporate management	Finance and accounting	Legal and risk management	Global	Manufacturing, Technology and ICT	Sales and marketing	Personnel and human resource development	ESG and sustainability
Director	Hajime Nagasaka	Male	18	●			●		●	●	●
	Masafumi Tsuji	Male	7	●		●	●			●	●
	Katsuyuki Yamaguchi	Male	5					●	●		●
	Shunji Yamamoto	Male	5	●			●	●			
	Tatsuhiko Yamazaki	Male	1	●			●	●	●		
	Takashi Masaki	Male	-	●			●		●		
	Nobumitsu Kambayashi	Male	8	●		●	●		●	●	
	Mayumi Asada	Female	3			●				●	●
	Toshiro Miyazaki	Male	2	●	●	●				●	●
Auditor	Yuji Serizawa	Male	1			●	●				
	Kanji Sugihara	Male	-			●		●			
	Kaoru Ogashiwa	Male	4		●	●					
	Yoshinori Matsushima	Male	1		●	●					

(Reference)

In addition to the independence standards set by the Tokyo Stock Exchange, the Company has established its own standards for the independence of external officers as follows, and the Company makes a judgment after confirming that they fall under neither of the standards.

[Independence Standards for External Officers]

- 1 Business executors (Executive Directors, Executives, Executive Officers, Managers, and other employees) (including a person who was previously a business executor in the Group) of the Group (the Company and its consolidated subsidiaries)
- 2 Current major shareholders of the Company (shareholders with at least 10% of the total voting rights) or their business executors
- 3 (1) Major business partners of the Group (those whose transactions with the Company in the most recent fiscal year exceeded 2% of the Company's annual consolidated net sales) or their business executors
(2) Business partners of the Group (those whose transactions with the Company in the most recent fiscal year exceeded 2% of their annual consolidated net sales) or their business executors
- 4 Major lenders to the Group (whose outstanding borrowings at the end of the most recent fiscal year exceeded 2% of the Company's consolidated total assets) or their business executors
- 5 In the case of consultants, lawyers, certified public accountants, and other professional service providers, persons who have received, in addition to executive compensation, monetary and other property benefits exceeding 10 million yen per year on average over the past three years from the Company, and whose accounting or law firm or other organization they belong to has the Group as its principal business partner (based on 2% or more of the organization's annual sales)
- 6 Representative partners or partners of the accounting auditor of the Company
- 7 Business executors of a corporation in which the Group holds 10% or more of the total voting rights
- 8 Persons who receive a large amount of donations or subsidies (an annual donation of 10 million yen or more as criteria) from the Group or their business executors
- 9 Business executors of a corporation that has appointed Officers, etc. (Directors, Accounting Advisors, Auditors, Executives or Accounting Auditors) or employees of the Group as officers, etc.;
- 10 Close relatives (spouses or relatives within the second degree of kinship) of persons listed in 1.-9.
- 11 Persons who have fallen under 2.-9 in the past three years or their close relatives

Even in cases falling under any of the above, if the person is deemed to have substantial independence, the reasons shall be explained and disclosed at the time of the election as an external officer.