

# Articles of Incorporation of TOKAI CARBON CO., LTD.

Established on April 8, 1918

(Revised 54 times prior to March 28, 2024)

Revised on March 28, 2024

## Chapter 1 General Provisions

### Article 1 (Trade Name)

The name of the Company is Tokai Carbon Kabushiki Kaisha and is expressed in English as TOKAI CARBON CO., LTD.

### Article 2 (Purpose)

The purpose of the Company shall be to engage in the following business activities:

1. Production and sale of electrodes and other carbon products;
2. Production and sale of carbon black;
3. Production and sale of ceramic products;
4. Production and sale of friction materials;
5. Production and sale of industrial chemical products;
6. Production and sale of industrial furnaces and accessories thereto;

7. Production and sale of energy including electricity and steam-powered energy;
8. Sale, purchase, exchange, and leasing of real estate, as well as administration and operation thereof;
9. Design, execution and contracting of construction work related to any of the items above;
10. Sale of technology and know-how in connection with the items above;
11. Any and all business activities incidental or related to the foregoing items.

#### Article 3 (Location of Head Office)

The head office of the Company is located in Minato Ward, Tokyo.

#### Article 4 (Bodies)

The Company shall establish the following bodies in addition to the General Meeting of Shareholders and the Members of the Board.

1. Board of Directors
2. Audit & Supervisory Board Member
3. Board of Audit & Supervisory Board Members
4. Accounting Auditors

#### Article 5 (Method of Public Notice)

Public notices of the Company shall be provided electronically, provided, however, that if public notice cannot be provided electronically due to the occurrence of an accident or

other unavoidable circumstances, public notice shall be published in the Nihon Keizai Shimbun.

## Chapter 2 Shares

### Article 6 (Total Number of Shares Authorized to be Issued)

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, and the total number of shares in each class authorized to be issued shall be as follows:

Common Shares: five hundred ninety-eight million seven hundred sixty-four thousand (598,764,000) shares

Series 1 Bond-Type Class Shares: ten million (10,000,000) shares

Series 2 Bond-Type Class Shares: ten million (10,000,000) shares

Series 3 Bond-Type Class Shares: ten million (10,000,000) shares

Series 4 Bond-Type Class Shares: ten million (10,000,000) shares

Series 5 Bond-Type Class Shares: ten million (10,000,000) shares

### Article 7 (Acquisition of Company's Own Shares)

The Company may, by resolution of the Board of Directors, acquire its own shares pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act.

#### Article 8 (Number of Shares Constituting One Unit)

One hundred (100) shares of the Company shall constitute one (1) unit 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"; shares of any one class of the Series I Bond-Type Class Shares through Series 5 Bond-Type Class Shares, the "Shares of Each Series of Bond-Type Class").

#### Article 9 (Rights concerning Shares Constituting Less than One Unit)

The shareholders of the Company (including the beneficial shareholders; hereinafter the same) shall not exercise rights other than the following with respect to their shares constituting less than one

(1) unit.

1. Right to make a claim under the provisions of Article 166, Paragraph 1 of the Companies Act;
2. Rights specified in each Item of Article 189, Paragraph 2 of the Companies Act;
3. Right to receive allotment of shares offered or allotment of stock acquisition rights offered; and
4. Right to make the request provided for in the following Article.

#### Article 10 (Request for Sale of Shares Constituting Less Than One Unit to Form One Unit)

In accordance with the Share Handling Regulations, a shareholder of the Company may request that the Company sell to the shareholder such number of shares as may, when

combined with such number of shares constituting less than one (1) unit that are held by the shareholder, constitute one (1) unit of shares.

#### Article 11 (Absence of Seller Put Options When The Company Acquires The Bond-Type Class Shares)

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.

#### Article 12 (Manager of Shareholder Register)

- 1) The Company shall have a manager for its shareholder register.
- 2) The manager of the shareholder register and his or her business office shall be determined by a resolution of the Board of Directors and public notice shall be given thereof.

#### Article 13 (Share Handling Regulations)

The handling of shares of the Company and the fees therefor, procedures taken when exercising shareholder's rights and similar matters shall be subject to the Share

Handling Regulations established by the Board of Directors as well as laws and regulations, and these Articles of Incorporation.

### Chapter 3 Bond-Type Class Shares

#### Article 14 (Preferred Dividend to Bond-Type Class Shares)

1) 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)

"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 aid 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 aid 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.

#### Article 15 (Interim Preferred Dividend 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") 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.

#### Article 16 (Distribution of Residual Assets)

1) 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.

#### Article 17 (Voting Rights)

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

#### Article 18 (Acquisition by The Company in Exchange for Cash)

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.

#### Article 19 (Share Consolidation or Share Split, Etc.)

1) The Company shall not conduct an 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.

5) 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.

#### Article 20 (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 Each Series of Bond-Type Class are ranked pari passu.

### Chapter 4 General Meetings of Shareholders

#### Article 21 (Convocation)

The Ordinary General Meeting of Shareholders shall be convened in March of each year and an Extraordinary General Meeting of Shareholders may be convened from time to time as necessary.

#### Article 22 (Record Date for Ordinary General Meeting of Shareholders)

The record date for voting rights at the Ordinary General Meeting of Shareholders of the Company shall be December 31 of each year.

#### Article 23 (Person to Convene Meetings and Chairperson)

1) Unless otherwise provided in laws and regulations, the President & Member of the Board shall convene and preside over the General Meeting of Shareholders.

2) If the President & Member of the Board is unable to act, another Member of the Board shall convene the General Meeting of Shareholders in the order predetermined by the Board of Directors.

#### Article 24 (Voting by Proxy)

- 1) A shareholder or the legal representative thereof may exercise its voting rights via a proxy who is another shareholder of the Company entitled to vote.
- 2) In the event of the preceding Paragraph, the shareholder or the proxy shall submit a document certifying the authority of such proxy at each General Meeting of Shareholders.

#### Article 25 (Electronic Provision Measures)

- 1) In convening the General Meeting of Shareholders, the Company may provide information regarding the contents of reference materials for the General Meeting of Shareholders, etc., in electronic form.
- 2) Of the items to be provided electronically as stipulated in the Ministry of Justice Ordinance, the Company may determine not to list all or part of the items to a shareholder who has requested the information to be provided in paper form before the reference date of the right to vote.

#### Article 26 (Method of Resolution)

- 1) Unless otherwise provided for in laws and regulations or these Articles of Incorporation, the resolutions of the General Meeting of Shareholders shall be adopted

by a majority of the voting rights represented by the shareholders present who are entitled to vote.

2) Unless otherwise provided for in laws and regulations, the special resolutions subject to Article 309, Paragraph 2 of the Companies Act shall be adopted by the voting rights of shareholders constituting not less than two-thirds ( $\frac{2}{3}$ ) of the shareholders present at the meeting whereby one-third ( $\frac{1}{3}$ ) of the voting rights of the shareholders who are entitled to vote shall constitute a quorum.

#### Article 27 (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 ( $\frac{2}{3}$ ) of the shareholders present at the meeting whereby one-third ( $\frac{1}{3}$ ) of the voting rights of the shareholders who are entitled to vote shall constitute a quorum.

3) The provisions of Article 23, Article 24 and Article 25 apply mutatis mutandis to General Meetings of Class Shareholders.

4) 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.

5) 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.

6) 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:

(1) 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

(2) 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.

## Chapter 5 Members of the Board and Board of Directors

### Article 28 (Fixed Number of Members)

The Company shall have no more than thirteen (13) Members of the Board.

### Article 29 (Election)

1) The Members of the Board shall be elected at the General Meeting of Shareholders.

2) The resolution for the election of Members of the Board described in the preceding Paragraph shall be adopted by a majority of the voting rights represented by the shareholders present whereby one-third (1/3) of the voting rights of the shareholders who are entitled to vote shall constitute a quorum.

3) Cumulative voting shall not be used for the purpose of electing Members of the Board.

#### Article 30 (Term of Office)

The term of office of a Member of the Board shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year ending within one (1) year after his or her election.

#### Article 31 (Representative of Board)

1) The Representative of the Board shall be elected by resolution of the Board of Directors.

2) The Representative of the Board shall represent the Company and execute the business of the Company.

#### Article 32 (Board of Directors)

1) 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 & Executive Officers, Directors & Senior Managing Executive Officers and Directors & Managing Executive Officers may be appointed by a resolution of the Board of Directors.

3) The Vice President, Member of the Board & Executive Officer, Director & Senior Managing Executive Officer and Director & Managing Executive Officer shall support the Representative of the Board and execute business.

#### Article 33 (Notice of Convocation of Board of Directors Meeting)

1) Notice of the convocation of a meeting of the Board of Directors shall be dispatched to each Member of the Board and each Audit & Supervisory Board Member at least three (3) days prior to the date of such meeting, provided, however, that the period of notice for particular meetings may be shortened in case of emergency.

2) A meeting of the Board of Directors may be held without taking the convocation procedures with the consent of all Members of the Board and Audit & Supervisory Board Members.

#### Article 34 (Omission of Resolution of Board of Directors)

If the requirements set forth in Article 370 of the Companies Act have been satisfied, the Company shall deem that the resolution of the Board of Directors has been adopted.

#### Article 35 (Limitation of Liability of Members of the Board)



1) Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, limit the liability of a Member of the Board (including a former Member of the Board) to compensate for damages described in Article 423, Paragraph 1 of the Companies Act within the extent permitted by laws and regulations.

2) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with a Member of the Board (other than a person who is an executive director) to limit his or her liability to compensate for damages due to the act described in Article 423, Paragraph 1 of the Companies Act, provided, however, that the limit of liability under such agreement shall be up to the amount prescribed by laws and regulations.

#### Article 36 (Regulations of Board of Directors)

Other matters concerning the Board of Directors shall be subject to the Regulations of the Board of Directors separately established by the Board of Directors.

#### Article 37 (Senior Corporate Advisors and Advisors)

The Company may have one (1) or more Senior Corporate Advisors and Advisors by resolution of the Board of Directors.

### Chapter 6 Audit & Supervisory Board Members and Board of Audit & Supervisory Board Members

#### Article 38 (Fixed Number of Members)

The Company shall have no more than four (4) Audit & Supervisory Board Members.

#### Article 39 (Election)

1) The Audit & Supervisory Board Members shall be elected at the General Meeting of Shareholders.

2) The resolution for the election of Audit & Supervisory Board Members described in the preceding Paragraph shall be adopted by a majority of the voting rights represented by the shareholders present whereby one-third (1/3) of the voting rights of the shareholders who are entitled to vote shall constitute a quorum.

#### Article 40 (Term of Office)

1) The term of office of an Audit & Supervisory Board Member shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year ending within four (4) years after his or her election.

2) The term of office of an Audit & Supervisory Board Member elected to fill a vacancy shall be coextensive with the remainder of the term of the Audit & Supervisory Board Member who retired prior to the expiration of his or her term of office.

#### Article 41 (Board of Audit & Supervisory Board Members)

1) The Board of Audit & Supervisory Board Members shall decide matters concerning the performance of duties of the Audit & Supervisory Board Members in addition to the

matters provided for in laws and regulations or these Articles of Incorporation, provided, however, that the Board of Audit & Supervisory Board Members may not prevent an Audit & Supervisory Board Member from exercising his or her authority.

2) Notice of the convocation of a meeting of the Board of Audit & Supervisory Board Members shall be dispatched to each Audit & Supervisory Board Member at least three

(3) days prior to the date of such meeting, provided, however, that the period of notice for particular meetings may be shortened in case of emergency.

3) A meeting of the Board of Audit & Supervisory Board Members may be held without taking the convocation procedures with the consent of all Audit & Supervisory Board Members.

#### Article 42 (Limitation of Liability of Audit & Supervisory Board Members)

1) Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, limit the liability of an Audit & Supervisory Board Member (including a former Audit & Supervisory Board Member) to compensate for damages described in Article 423, Paragraph 1 of the Companies Act within the extent permitted by laws and regulations.

2) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an Audit & Supervisory Board Member to limit his or her liability to compensate for damages due to the act described in Article 423, Paragraph 1 of the Companies Act, provided, however, that the limit of liability under such agreement shall be up to the amount prescribed by laws and regulations.

#### Article 43 (Regulations of Board of Audit & Supervisory Board Members)

Other matters concerning the Board of Audit & Supervisory Board Members shall be subject to the Regulations of the Board of Audit & Supervisory Board Members separately established by the Board of Audit & Supervisory Board Members.

## Chapter 7 Accounting Auditors

### Article 44 (Accounting Auditors)

- 1) The Accounting Auditors shall be elected at the General Meeting of Shareholders.
- 2) The resolution for the election of Members of the Board described in the preceding Paragraph shall be adopted by a majority of the voting rights represented by the shareholders present whereby one-third ( $1/3$ ) of the voting rights of the shareholders who are entitled to vote shall constitute a quorum.
- 3) The term of office of an Accounting Auditor shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year ending within one (1) year after his or her election.
- 4) Unless otherwise resolved at the Ordinary General Meeting of Shareholders described in the preceding Paragraph, the Accounting Auditors shall be deemed to have been reelected at such Ordinary General Meeting of Shareholders.

## Chapter 8 Accounting

#### Article 45 (Business Year)

The business year of the Company shall be a one (1) year term commencing on January 1 and ending on December 31 of each year.

#### Article 46 (Record Date for Term-end Dividends)

The record date for the term-end dividends of the Company shall be December 31 of each year.

#### Article 47 (Interim Dividends)

The Company may, by resolution of the Board of Directors, pay interim dividends by deeming June 30 of each year as the record date.

#### Article 48 (Limitation Period for Dividends)

- 1) 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) Except otherwise provided for in the articles of incorporation, unpaid term-end dividends or interim dividends shall bear no interest.