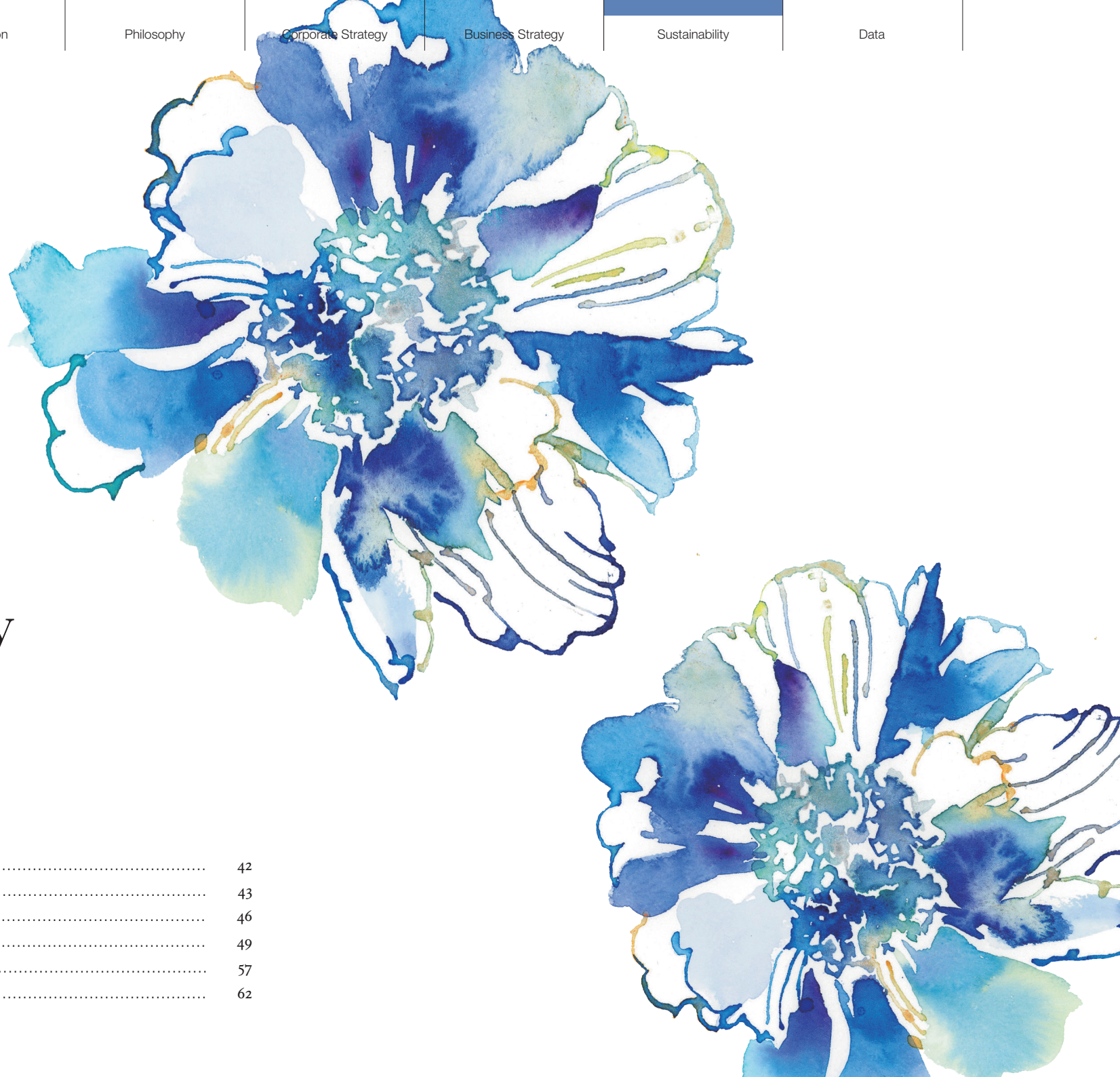


Sustainability

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Basic Policy and Structure

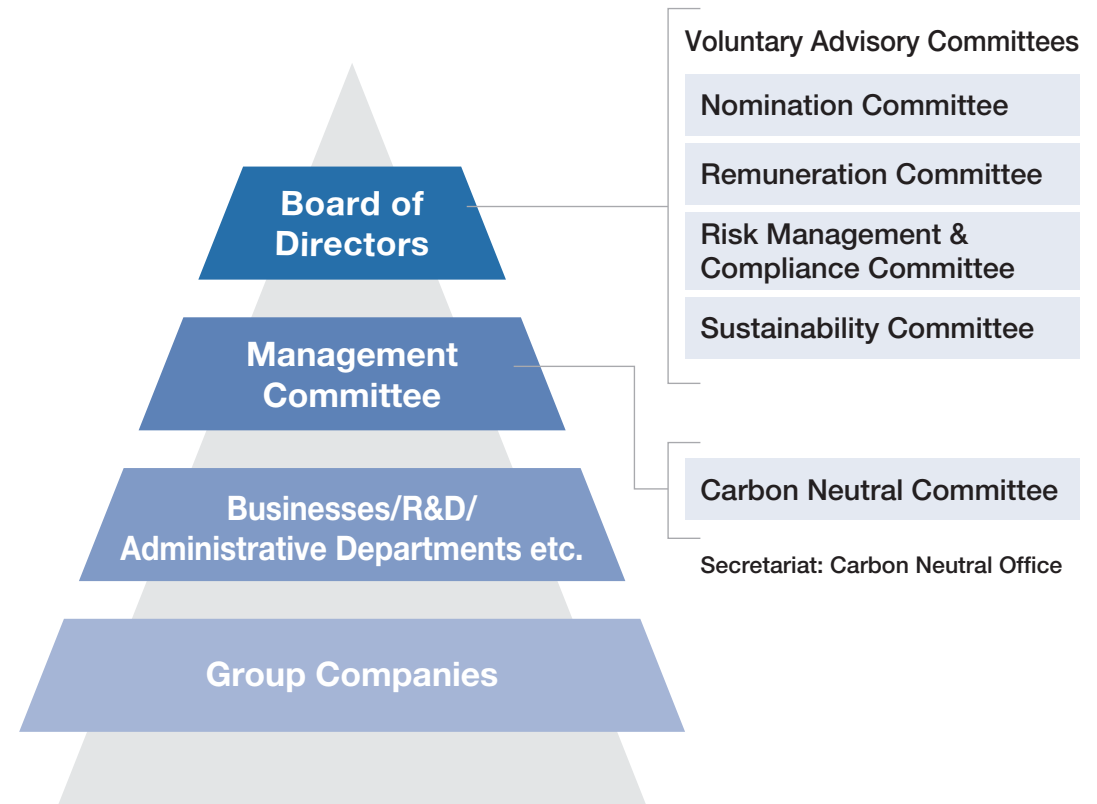
Sustainability policy

Tokai Carbon Group engages in corporate activities under a basic philosophy of “Ties of Reliability” with our stakeholders. Our management strategies are grounded in a full consideration of ESG (Environmental, Social and Governance) aspects to solidly meet the trust of our stakeholders. We work to solve societal issues through our business to contribute to the realization of a sustainable society and the enhancement of our corporate value.

Sustainability management structure

In January 2022, we established the Sustainability Committee as a voluntary advisory body to the Board of Directors. Chaired by the President and CEO, the Committee consists of the officer responsible for the General Affairs and Legal Affairs Department, the officer responsible for the Corporate Planning Department, the officer responsible for the Human Resources Department, the General Manager of the R&D Strategy Division, the General Manager of the Technology & Engineering Division, and General Managers of four principal divisions. It generally meets on a quarterly basis to discuss important matters related to sustainability, refer matters to the Board of Directors, submit reports to the Board of Directors, and supervise the disclosure of information on sustainability, including the creation of integrated reports.

In the area of climate change, we turned the Carbon Neutral Project launched in May 2021 into the Carbon Neutral Committee, chaired by the President, in January 2022 to strengthen our structure. Acting as a command post for our carbon neutrality actions, the Committee drafts company-wide plans and policies related to carbon neutrality, monitors the status of initiatives involving co-creation with external third parties through industry-government-academia collaboration, and issues reports and refers matters to the Board of Directors.



01 Harmony with the Global Environment

Climate Change Action

■ Disclosure of information in line with TCFD Recommendations

Recognizing that taking action to address climate change is an important management issue, in November 2021, through our Board of Directors the Group expressed its endorsement of the Task Force on Climate-related Financial Disclosure (TCFD). To better assess the risks and opportunities that climate change poses to our Group, in December 2020 we calculated business impacts through scenario analyses as required by the TCFD Recommendations and revised the analyses in May 2023. We identified the impacts of climate change on our business and are now enacting countermeasures.

Target businesses: Four main businesses that account for about 90% of our sales as of 2022 (Carbon Black, Fine Carbon, Smelting and Lining, and Graphite Electrodes)
Time horizon: 2030 and 2050 (2040 is used when reference data for 2050 is not available)

Scenario*	Business	Risk/Opportunity factors	Risks/ Opportunities	Main initiatives
4°C	All four businesses	Suspension of production activities and interruption of supply chains due to increased typhoons, flooding, and torrential rains	Physical risks	Regular surveys of water risks at our production sites ▶ Water Resources page (p. 45)
1.5°C	All four businesses	Increased burden due to expanded introduction of carbon pricing	Transition risks	Initiatives to achieve carbon neutrality targets (conversion to low-environmental-impact fuels, utilization of renewable energy, expansion of recycled products, reuse of used tires, etc.) ▶ Carbon Neutrality page (p. 44)
1.5°C	All four businesses	Mandated use of renewable energy (use is unavoidable)	Transition risks	Efficient procurement of renewable energy ▶ Carbon Neutrality page (p. 44)
1.5°C	All four businesses	<ul style="list-style-type: none"> • Proliferation of technologies that do not use fossil fuel-derived raw materials • Increased demand for low-carbon products; change in consumer mindset regarding fossil fuel-derived raw materials 	Transition risks	<ul style="list-style-type: none"> • Development of advanced technologies for utilization of non-fossil-fuel-derived raw materials, reuse of used tires, etc. in the CB business, and start of investigation for introducing CCS (CO₂ capture and storage) technology • Enhancement of added value in products by reducing CO₂ emissions during manufacturing ▶ Carbon Neutrality page (p. 44) ▶ Business Strategy page (p. 30-40)
1.5°C	Graphite Electrodes	Increasing superiority of electric furnaces	Opportunity	<ul style="list-style-type: none"> • Pursuit of higher-quality graphite electrode manufacturing • Stable supply that captures increasing demand ▶ Business Strategy page (p. 30-40)

* 1.5°C scenario: Scenario in which necessary measures are enacted to constrain temperature rise to 1.5°C or less from the temperature prior to the industrial revolution (NZE, SDS, etc.)

4°C scenario: Scenario in which the average temperature rises by 4°C from the temperature prior to the Industrial Revolution. An outcome scenario for the case in which economic measures and additional measures are not taken to address climate change (SPS, etc.)

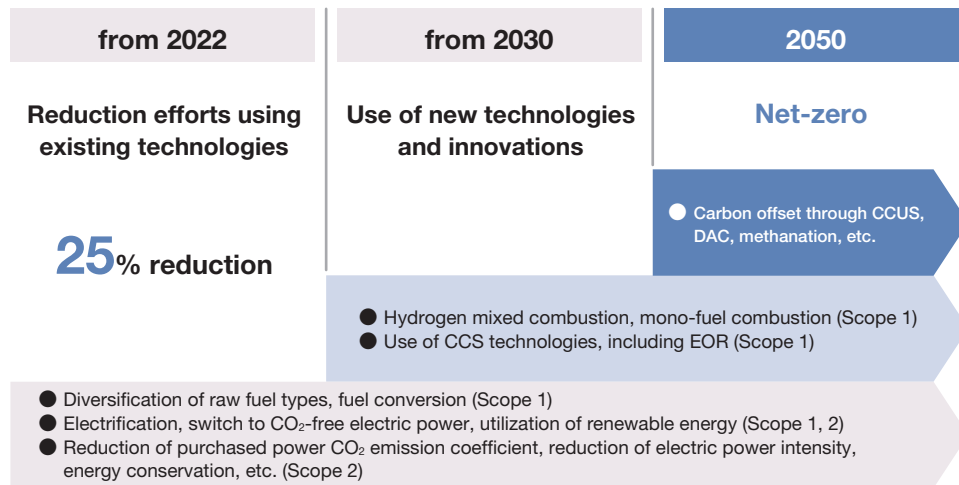
Carbon-Neutral

The Tokai Carbon Group's CO₂ emissions reduction targets

Our Group aims to reduce CO₂ emissions by 25% (compared to 2018) by 2030 in order to realize carbon neutrality in 2050.

Roadmap to carbon neutral

Based on the existing technologies, we aim to reduce 25% of CO₂ emissions by 2030. For example, using plant-derived materials and other renewable resources for raw material. As for manufacturing process, we will promote fuel conversion and diversification, including a shift from fossil fuels to electric energy and utilizing renewable energy, while also investing in energy-saving facilities. Furthermore, we aim to achieve net zero emissions by 2050 based on the new technologies and innovations. As the development of innovative technologies to reduce CO₂ emissions progresses around the world, we will proactively introduce technologies that are expected to be put into practical use.



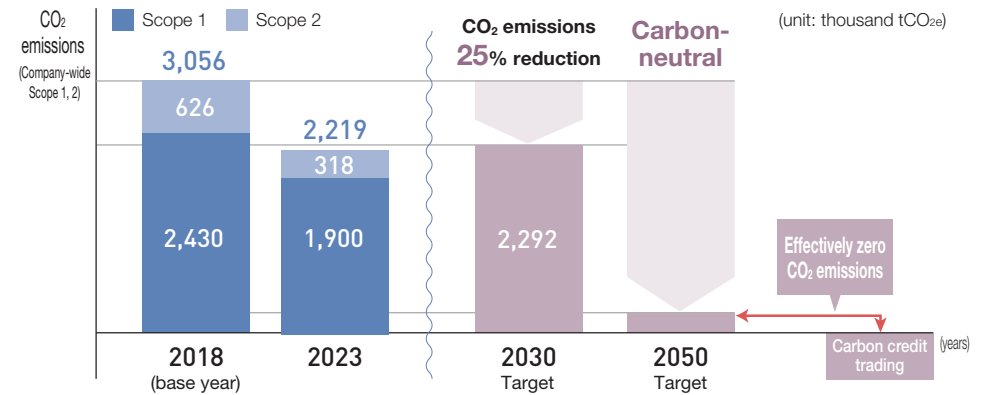
*CCS: Carbon dioxide Capture and Storage (Capturing and storing CO₂)

*EOR: Enhanced oil recovery

*CCUS: Carbon dioxide Capture, Utilization and Storage (Technology to utilize CO₂ that has been isolated and stored)

*DAC: Direct Air Capture (Technology for directly capturing and using CO₂ in the air)

GHG emissions (Scope 1 and Scope 2) (consolidated)



*Entire Group, Scope 1 and Scope 2

Tokai Carbon Group's GHG emissions in 2023 were reduced by approximately 27% from 2018 levels by switching to CO₂-free electricity used, utilizing renewable energy, and switching to fuels with lower environmental impact.

We will work to achieve this goal by further accelerating our ongoing research into product recycling, development and introduction of innovative technologies, and collaboration with customers, suppliers, and industry associations.

	2018	2022	2023
GHG emissions (Scope 1 and 2) (thousand tCO ₂ e)	3,056	2,408	2,219
Scope 1 (thousand tCO ₂ e)	2,430	2,018	1,900
Scope 2 (thousand tCO ₂ e)	626	391	318
Compared to base year	-	21% reduction	27% reduction

* Scope 1: Direct emissions of GHGs from business operators

Scope 2: Indirect emissions of GHGs associated with the use of electricity, heat, and steam supplied by other companies

Water Resources

We recognize that water is indispensable for Tokai Carbon's business activities, as well as a vital resource in the local communities where our company's plants and other operations are located. Accordingly, we are promoting the efficient use of water across the Group through water recycling and manufacturing process improvements.

Targets and performance

We are working to reduce water consumption by clearly identifying the amount of water required for production and reducing the use of excess water.

	KPI	Actual	Boundary
2023	Water usage at or lower than the level of 2021 (9 million m ³ /year)	8.4 million m ³	Consolidated (Non-consolidated and principal Group companies in Japan and overseas)
2024	Water usage at or lower than the level of 2021 (9 million m ³ /year)	-	

Reduction initiatives at sites

Business	Sites	Measures
Graphite Electrodes	Production sites in Japan	Adjustment of industrial water intake
	Production sites overseas	Circulation and reuse of cooling water in the graphitization process
Carbon Black	Production sites overseas	Capital expenditures for water leak countermeasures

Water risk and assessment

We use WRI Aqueduct to identify water-stressed regions. In 2024, the Tokai Carbon Group conducted a survey of 35 production sites⁽¹⁾ in Japan and overseas, of which 4 sites were determined to have high water stress⁽²⁾, and conducted a detailed survey of past floods and droughts and water consumption to confirm that they are low risk.

*1 As of March 2024

*2 Sites that fall under "High" or "Extremely High" water risk for the chemical industry in WRI Aqueduct

Realization of a Recycling-oriented Society

To make effective use of limited resources, we are working to reduce and recycle industrial wastes and to reduce our final disposal tonnage. We will also contribute to realizing a recycling-oriented society through the use of sustainable raw materials and product recycling.

Reduction of industrial wastes

We are making efforts toward further reduction of our volume of wastes consigned for processing and final disposal tonnage through reduction and avoidance of industrial waste generation, and through thorough separation and recycling of wastes.

	KPI	Actual	Boundary
2023	Recycling rate 80% or higher Final disposal rate 25% or lower	Recycling rate 89% Final disposal rate 11%	Non-consolidated and principal Group companies in Japan
2024	Recycling rate 50% or higher*	-	Consolidated (Non-consolidated and principal Group companies in Japan and overseas)

* Recycling rate (%) = recycling weight (weight of recycled waste) ÷ weight of generated waste x 100

Acquisition of ISCC PLUS certification

Our group's carbon black manufacturing sites (Ishinomaki Plant, Chita Plant, Kyushu-Wakamatsu Plant, and North American sites) have acquired ISCC PLUS* international certification for sustainable products. By providing products covered by this certification, we will continue to contribute to the achievement of a sustainable society.

We promise and declare that we will comply with the requirements of ISCC PLUS, conforming to the latest provisions set by ISCC.

* What is ISCC PLUS?

International Sustainability and Carbon Certification (ISCC) is an international certification scheme involving sustainability and carbon. It addresses the management and securing of biomass and renewably-derived or other sustainable, globally produced and sold raw materials in the supply chain.

Promoting the development of technologies for a recycling-oriented society

We are developing advanced technologies that contribute to carbon neutrality and to reducing environmental impact. Specifically, we will develop materials to extend the life of tires and other rubber products, utilize raw materials other than those derived from fossil fuels, recycle used tires, and recover and reuse energy. We will achieve these goals through co-creation with customers, business partners, and universities and other research institutions.



02 Contribution to Society through Our Business

Supply of Safe and Secure Products

■ Characteristics of our business and customers, and our basic approach

As a Business-to-Business (B-to-B) materials manufacturer with companies as its customers, our Group provides raw materials, components, and finished goods used in manufacturing processes for a wide variety of products essential to industry and lifestyles.

Our products are used in a wide range of fields, including automotive, steel, electronic components, agricultural machinery, and lithium-ion batteries. In addition, our group is expanding its business not only in Japan but also in Asia, North America, and Europe, with overseas sales accounting for approximately 80% of our total sales.

■ Plant decentralization and local production to meet demand

The Group, which had been based on domestic production in Japan, expanded its manufacturing bases outside of Japan in the 1990s, opening a carbon black plant in China in 2004, acquiring German graphite electrode manufacturer TOKAI ERFTCARBON GmbH in 2005, and acquiring Canadian carbon black manufacturer Cancarb Limited in 2014.

In 2017 and 2018, we acquired manufacturing sites in the United States, one of the world's leading markets for our Graphite Electrodes and Carbon Black businesses. Through this, we shored up our presence as a global player and built a structure for stably supplying high-quality products.

■ Procurement of raw materials

Since there are only a limited number of suppliers who can supply high-quality raw materials for both carbon black and electrodes, we need to build close relationships with key suppliers to ensure a stable raw material procurement system.

Supplies of carbon black feedstock oil and needle coke which is main raw material for graphite electrodes are tight. Supplies of both carbon black raw oil and needle coke, the primary raw material for electrodes, are presently tight. For carbon black feedstock oil, we select suppliers based on a balance of required volume, price, and variety.

For needle coke, our production sites in Japan, the United States, and Europe currently conduct procurement locally. To ensure stable procurement, we will construct an optimal purchasing structure spanning the Group, with integrated purchasing by the three sites as an aim.

Many of our products are indispensable components of our customers' everyday production activities and command a high market share, including carbon black and graphite electrodes. Accordingly, we recognize that continuing the stable supply of high-quality products is one of our most basic responsibilities. As a company connected to our customers' supply chains, we will continuously strive to comply with laws, regulations, and social norms, and to reduce the environmental impacts of our manufacturing processes.

■ Quality control

To provide products that satisfy our customers, our Group strives for thorough quality control from the design stage onward, through the processes of raw materials procurement, manufacturing, logistics, and sales. We conduct inspections under strict standards for manufacturing processes and shipment, beginning from the acceptance of raw materials and auxiliary materials. We aim to strengthen our "Ties of Reliability" with customers by always providing safe and reliable products. All of our manufacturing sites in Japan have obtained certification for the ISO 9001 international quality standard as a foundation for quality control. Our divisions and workplaces have all established quality management systems conforming to ISO 9001 and engage in activities to continuously improve customer satisfaction. Under these activities and through the everyday application of the PDCA (Plan-Do-Check-Action) cycle to all processes, we will continue to create products that earn customers' satisfaction. Our divisions and workplaces cooperate as one to address quality control, by means including regular evaluations and discussions concerning the effectiveness of our quality management systems.

■ The pursuit of customer satisfaction

Even as we tackle technological development around the clock to improve our products' functions and environmental footprint, our customers' product-related demands become increasingly sophisticated and diverse by the year. To accommodate individual needs not readily met through existing products and technologies, we will undertake joint research and development together with customers.

By deeply understanding customers' products and businesses and by always pursuing the potential for materials capable of innovating the industry, we aim to meet customers' expectations and further earn their satisfaction.

Supply Chain Management

■ Basic approach to CSR procurement

Our Group adheres to a basic philosophy of fostering “Ties of Reliability” with shareholders, customers, business partners, local communities, employees, and other stakeholders through our corporate activities. To engage in sustainable corporate activities while meeting these stakeholders’ trust, however, we must tackle global-scale environmental and societal issues as a business operator.

Such initiatives cannot be brought to completion through the efforts of our Group alone. Recognizing the critical importance of the understanding and cooperation of our suppliers, including those upstream in the supply chain, we formulated the Tokai Carbon Group Procurement Policy. To make this policy known to all of our suppliers, we post it online as noted below. Through this procurement policy, our Group and our suppliers will together contribute to the realization of a sustainable society.



Tokai Carbon Group Procurement Policy

https://www.tokaicarbon.co.jp/en/sustainability/pdf/pdf_procurement.pdf?20240105

■ Implementation of CSR procurement surveys toward our business partners

Our basic philosophy of “Ties of Reliability” refers to the building of relationships of trust between our company and our business partners and other stakeholders. Our Group has sites worldwide and procures raw materials from suppliers around the globe. Accordingly, we believe that working to solve societal issues throughout the supply chain is vital in building relationships of trust with stakeholders.

We ask new and key business partners for their agreement with our Group procurement policy, request their response to our CSR procurement questionnaire, and check on their compliance status. The main survey items of our CSR procurement questionnaire are set to align with our procurement policy. With regard to fair execution of business, we comprehensively target anti-corruption issues, including bribery.



Tokai Carbon Group Implementation of CSR procurement survey for our business partners

<https://www.tokaicarbon.co.jp/en/sustainability/procurement.html>

The Tokai Carbon Group Basic Policy on Procurement

- 1 Partnership
- 2 QCD and fair, impartial evaluation and selection
- 3 Compliance
- 4 Respect for human rights
- 5 Coexistence with the global environment, the international community, and local communities

Guidelines That We Ask Our Suppliers to Share

- 1 Honest and fair business activities
- 2 Respect for human rights; safe working environments
- 3 Initiatives for global environmental conservation; coexistence with local communities
- 4 Appropriate disclosure of corporate information
- 5 Protection of the Company’s assets and information

Respect for Human Rights

■ Our basic approach to human rights

At Tokai Carbon, we believe that consideration for human rights is vital to realizing our basic philosophy of “Ties of Reliability”.

We endorse the Universal Declaration of Human Rights, which declares the “common standards that all peoples and all countries must achieve” in order to respect and ensure human rights and freedoms.

■ Global policy on human rights

To fulfill our corporate responsibilities regarding respect for human rights, we will engage in business activities under high ethical standards, based on the United Nations Guiding Principles on Business and Human Rights. Drawing on such international human rights treaties, in July 2020 we established the Tokai Carbon Group Global Policy on Human Rights. Under this global policy, the Group will act as one to further advance our efforts aimed at respect for human rights. As our structure for doing so, the Tokai Carbon Group Human Rights Promotion Committee plays a central role in promoting this global policy and our approach to respect for human rights.

In the belief that children’s particular vulnerability to human rights violations demands special consideration, we support the Children’s Rights and Business Principles. We also engage in social contribution activities aimed at achieving rights for children and preventing violations of those rights.

Items in the Tokai Carbon Group Global Policy on Human Rights

- 1 Compliance with laws and regulations
- 2 Prohibition of discrimination
- 3 Prevention of child labor and slave labor
- 4 Support for basic labor rights
- 5 Reduction of excessive working hours and assurance of wage-related rights
- 6 Health and safety standards
- 7 Prohibition of harassment
- 8 Respect for privacy
- 9 Prevention and mitigation of negative impacts on human rights
- 10 Response to human rights violations



Tokai Carbon Group Global Policy on Human Rights

https://www.tokaicarbon.co.jp/en/sustainability/pdf/human_rights.pdf?20240105

■ Human rights due diligence

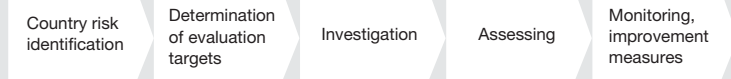
Our Group conducts human rights due diligence to ensure respect for human rights in our business activities. We identify and evaluate potential human rights risks throughout the value chain and human rights issues peculiar to our business, and work toward the prevention and correction of such risks and issues. We will continue to identify these issues on the basis of engagement with our employees, suppliers, business partners, and other stakeholders.

■ Our human rights due diligence process

Key items in our human rights risk survey include prohibition of discrimination, prohibition of forced labor and child labor, freedom of association and respect for the right to collective bargaining, appropriate working hours and wages, and occupational health and safety.

In FY2020, we investigated country risks at the business sites of non-consolidated and Group companies to identify human rights issues to be addressed at each site. Since FY2020, we have also conducted human rights impact surveys on the sites of non-consolidated and principal Group companies in Japan. At each site, we conduct verifications of management systems concerning human rights and labor and the presence of internal reporting systems, violations of laws and regulations, and so on. We confirm the details of any matters requiring additional investigations. For the three years from 2020 to 2022, we confirmed the absence of any serious incidents corresponding to human rights violations at the target sites.

Our human rights due diligence process



03 Strengthening of Our Management Base

Development of Human Resources

In achieving our vision for our Group in 2030, we believe in the importance of securing and nurturing diverse human resources and creating an environment in which employees can grow through friendly competition with each other.

As a first step toward human capital management, in 2023 the Tokai Carbon Group formulated policies on human resources development policy and on improvement of our internal environment.

■ Human resources development policy

Our Group has adopted “Ties of Reliability” as our basic philosophy and “Integrity,” “Innovation,” “Challenge,” “Co-creation,” and “Agility” as our Action Guidelines. Our Group will recruit human resources with whom our basic philosophy and Action Guidelines resonate, and will nurture human resources who, in an age of accelerating change, are able to contribute to the realization of a sustainable society by actively collaborating with colleagues holding diverse values and backgrounds and by boldly challenging innovation with agility.

■ Internal environment improvement policy

Our Group will foster a broad-minded, open organization and culture in which employees holding diverse values and backgrounds work hard in friendly competition and grow toward our long-term vision of “Contribute to a sustainable society through advanced materials and solutions.”

While advancing work style reform and achieving a suitable personnel system and competitive employee treatment that attracts diverse human resources, to support employees’ growth we have also readied varied training programs matched to employees’ career stages, characteristics, and wishes. We treat the human rights of employees with utmost respect and do not tolerate harassment. Based on our Tokai Carbon Health and Productivity Management Declaration, we strive for management that places importance on the health of employees and their families, and support asset formation by employees through our pension plan and employee stock sharing plan.

■ Work-life balance

Tokai Carbon allows employees to take childcare leave for up to two years following the birth of a child, and nursing care leave for a total of 93 days per family. Employees may also work shortened hours up to the time their children complete the third grade of elementary school. These benefits exceed statutory standards and give employees a relatively high level of flexibility in meeting family needs.

With regard to annual paid holidays, we offer planned acquisition of 5 or more days along with a half-day holiday system and an expired holiday reserve system to enhance the degree of freedom.

In 2021, we received certification from the Minister of Health, Labor and Welfare as a company that supports child-rearing, under the Ministry’s Kurumin recognition program.

■ Enhancement of employee engagement

To achieve our Group’s long-term vision of contributing to the realization of a sustainable society, it is important that we enhance our corporate value. Toward that end, we believe that enhancement of employee engagement is necessary. In 2023, we conducted our first engagement survey of employees working at Tokai Carbon. Results revealed strengths in the items “company foundation” and “support behavior,” along with weaknesses in “facility environment” and “employee programs and treatment.” As a future initiative, following the setting of short-, medium-, and long-term goals, we will draft and execute Group-wide improvement measures, formulate action plans at the level of each organization, and work toward improvement.

■ Education and training

Our varied education and training include specialization-oriented training for employees selected from departments and sections, and level-specific training that includes new employee training. To support individuals’ self-study, we have also set up programs offering correspondence education and offering incentives for obtaining public qualifications.

Specialization-oriented training

Example: Next-generation leader training
Purpose: Mastery of logical thinking, marketing, finance, and leadership
Targets: Young and mid-level employees selected from departments and sections
Period: Approx. 9 months

Level-specific training

Example: Career design training
Purpose: Personal reflection and setting of future career vision
Target: Employees in 3rd or 4th year since joining the Company
Period: 1 day (group training)

Diversity

Continued employment of seniors

We have established a program for re-employment as non-regular employees, allowing motivated and capable senior human resources to continue working after retirement. In 2023, 13 applicants continued employment under this program. We also made decisions to revise our personnel treatment system, to raise the annual income of re-employed non-regular employees, and to perform personnel evaluations applicable to the current working generation. We will continue examining measures that will lead to stably securing our workforce and to further energizing our programs.

Promoting active participation by women

In the general employer action plan that we formulated in 2022 under the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we set targets for the three-year period beginning April 2022. These include increasing the proportion of women among female new graduates hired for career-track positions to at least 30%, increasing the percentage of women in managerial positions to 5.6% by the end of 2024, and attaining a 70% or higher acquisition rate for annual paid holidays.

KPI	Performance in 2023	Boundary
Ratio of female employees in managerial positions: 2.8% in 2021 (raise to at least 5.6% by 2024)	4.0%	Non-consolidated
Percentage of new female graduates hired for career-track positions: 30% (non-consolidated)	40%	Non-consolidated

Promoting employment of the physically challenged

Since January 2021, we have used our TOKAI Farm, rented under a program for corporations, to provide persons facing physical challenges with employment opportunities raising vegetables. TOKAI Farm is a hydroponics facility inside an indoor farm. Vegetables, primarily leafy greens such as komatsuna and mizuna, are harvested about a month after sowing, and are then distributed to employees.

We will continue working to create comfortable working environments and actively promote recruitment.

*Non-financial data (Society) is posted in the Data section (p. 71).

Occupational Safety and Health

Policy and promotion structure

As a global safety policy, our Group has adopted “Safety is a critical core value shared by the entire Tokai Carbon Group. We aim to provide a safe working environment for all people working in our plants by eliminating hazards and reducing risks.”

KPI		Performance in 2023	Boundary
2023	Frequency rate 1.20 or lower	0.80	Consolidated
2024	Frequency rate 1.20 or lower	-	

Risk assessment

To eliminate hazards and reduce risks, our Group carries out risk assessments and addresses risks. In risk assessment, we assess risks that could lead to injury or to impacts on health, clarify priorities regarding identified risks, and make improvements to work environments.

When installing new production equipment or repairing existing equipment, we conduct risk assessments that begin from the design stage of the equipment, and work to reduce risk where it is too high. To combat injuries from work-related accidents, poor physical condition, and serious incidents, we first assess situations through on-site verification, thoroughly investigate root causes through analysis of “the five whys,” formulate measures to prevent recurrence, and check the measures’ effectiveness. To prevent similar incidents from occurring, we share information on incidents and countermeasures with all workplaces.

Training

We conduct safety education to raise awareness of safety. We conduct outside training to enhance sensitivity toward hazards, VR-based hazard experience training, and safety training aimed at enforcing safety rules in the workplace and measures to prevent the recurrence of past occupational accidents.



▲ Hazard experience training using VR

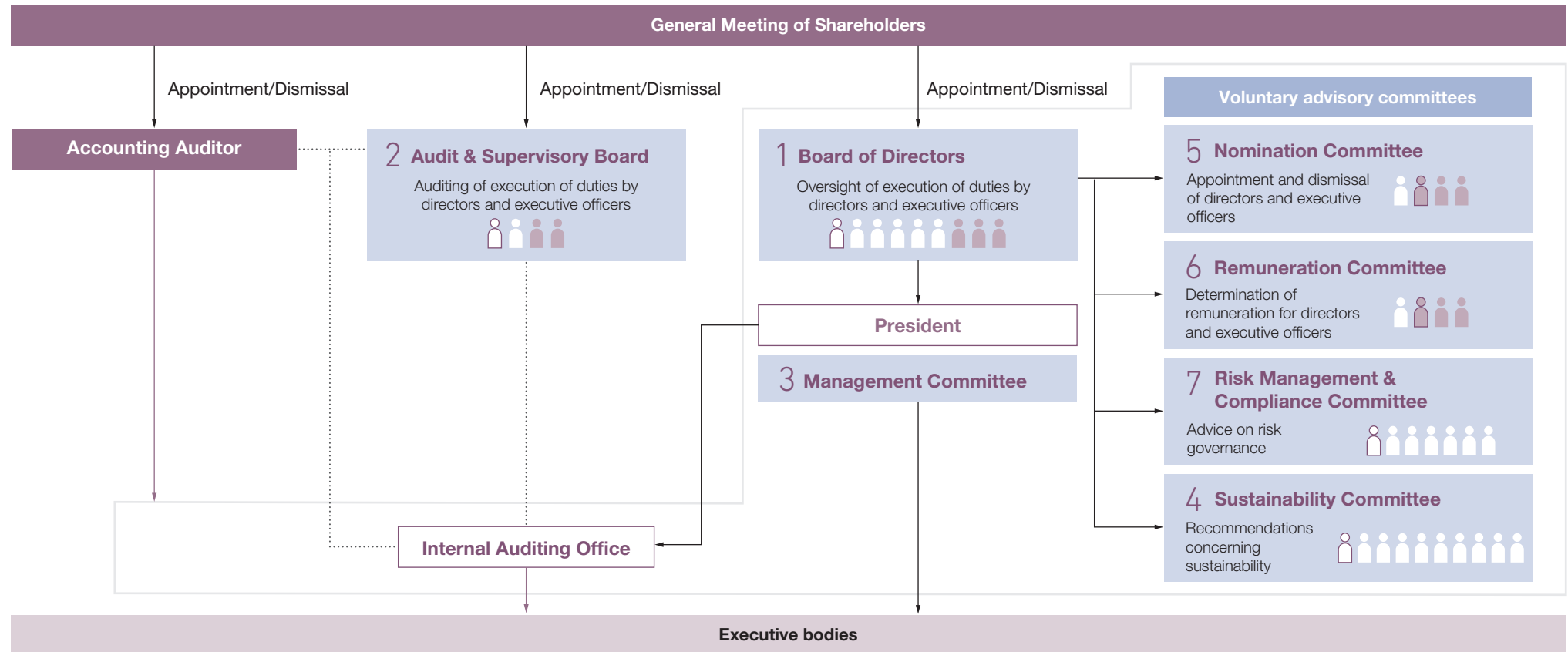
Corporate Governance

Tokai Carbon recognizes the enhancement of medium- to long-term corporate value as our most important management objective. To achieve this, it is vital that we meet the expectations of customers, shareholders, and other stakeholders and build good relationships with these. Under that belief, we embrace the basic philosophy “Ties of Reliability.” Based on the concepts of our Action Guidelines and our Global Code of Conduct, we are working to build an effective corporate governance structure.

Chairman (Board of Directors) • Chairperson (of committees)	
Internal	
External/Independent	
Auditing	
Cooperation	

Corporate governance structure (as of April 1, 2024)

* Including Audit & Supervisory Board members



1 Board of Directors

The Board of Directors is responsible for making decisions on important management matters and overseeing business execution. It generally meets once a month. As of March 28, 2024, there are nine directors, including three external directors. The Nomination Committee and Remuneration Committee, each of which has external directors as a majority of its members, were established as voluntary advisory bodies for the Board of Directors. The Risk Management & Compliance Committee and Sustainability Committee, also voluntary advisory bodies, were established immediately under the Board of Directors.

2 Audit & Supervisory Board members and the Audit & Supervisory Board

As a general rule, the Audit & Supervisory Board of the Company meets once a month. As of March 28, 2024, there are four Audit & Supervisory Board members, including two External Audit & Supervisory Board members. Audit & Supervisory Board members perform audits based on the auditing policies and audit plan adopted by the Audit & Supervisory Board. Audit & Supervisory Board members attend Board of Directors meetings and other important meetings and investigate the status of business operations and assets to confirm the status of the execution of duties by directors.

3 Management Committee

We have established a Management Committee, chaired by the President, to discuss and make decisions on key management-related matters based on basic policy decided by the Board of Directors. The Management Committee generally meets once a week, with participation by parties including executive directors, executive officers, and Audit & Supervisory Board members.

4 Sustainability Committee

Chaired by the President, this committee holds deliberations on important matters related to sustainability and, based on outcomes, advises relevant departments and sections and issues reports and recommendations to the Board of Directors.

5 Nomination Committee

It deliberates on the following matters and consults with the Board of Directors.

- Content of proposals on the selection of candidates for directors and on the dismissal of directors, for submission to shareholder meetings
- Selection and dismissal of representative directors and the President
- Selection and dismissal of executive officers
- Selection and dismissal of position-holding executive officers
- Other matters deemed necessary for personnel affairs concerning directors and executive officers

6 Remuneration Committee

It deliberates on the following matters and consults with the Board of Directors.

- Establishment, amendment, or abolition of basic policies, rules, systems, etc. regarding the remuneration of directors and executive officers
- Details of the proposal regarding the maximum amount of compensation for directors to be submitted to the general meeting of shareholders
- Other matters deemed necessary regarding the remuneration, etc. for directors and executive officers
- Deliberating and deciding on the individual evaluations of directors and executive officers and the amount of their remuneration, etc., as delegated by the Board of Directors

7 Risk Management & Compliance Committee

The Committee discusses important issues related to risk and compliance and, based on the results of that discussion, provides advice to relevant departments and sections, as well as reports and proposals to the Board of Directors.

Matters discussed by the Board of Directors in FY2023

Subject category	Topic
Governance, risk management, management of subsidiaries	Analysis and evaluation of the effectiveness of the Board of Directors
	Reports on financing, investments, and market risk management
	Internal control system basic policy, status of initiatives, internal audit planning and reporting
	Risk Management & Compliance Committee reports
	Major investments in subsidiaries, PMI progress status reports
42.9%	
Human resources and organization	Personnel matters of directors and officers
	Reorganization, regulatory revisions
23.3%	
Accounting and finance	Monthly financial results, earnings bulletins
	Securities reports
18.8%	
Management strategy, sustainability	Medium-term management plan formulation, progress status reports
	Sustainability Committee, Carbon Neutral Committee reports
12.0%	

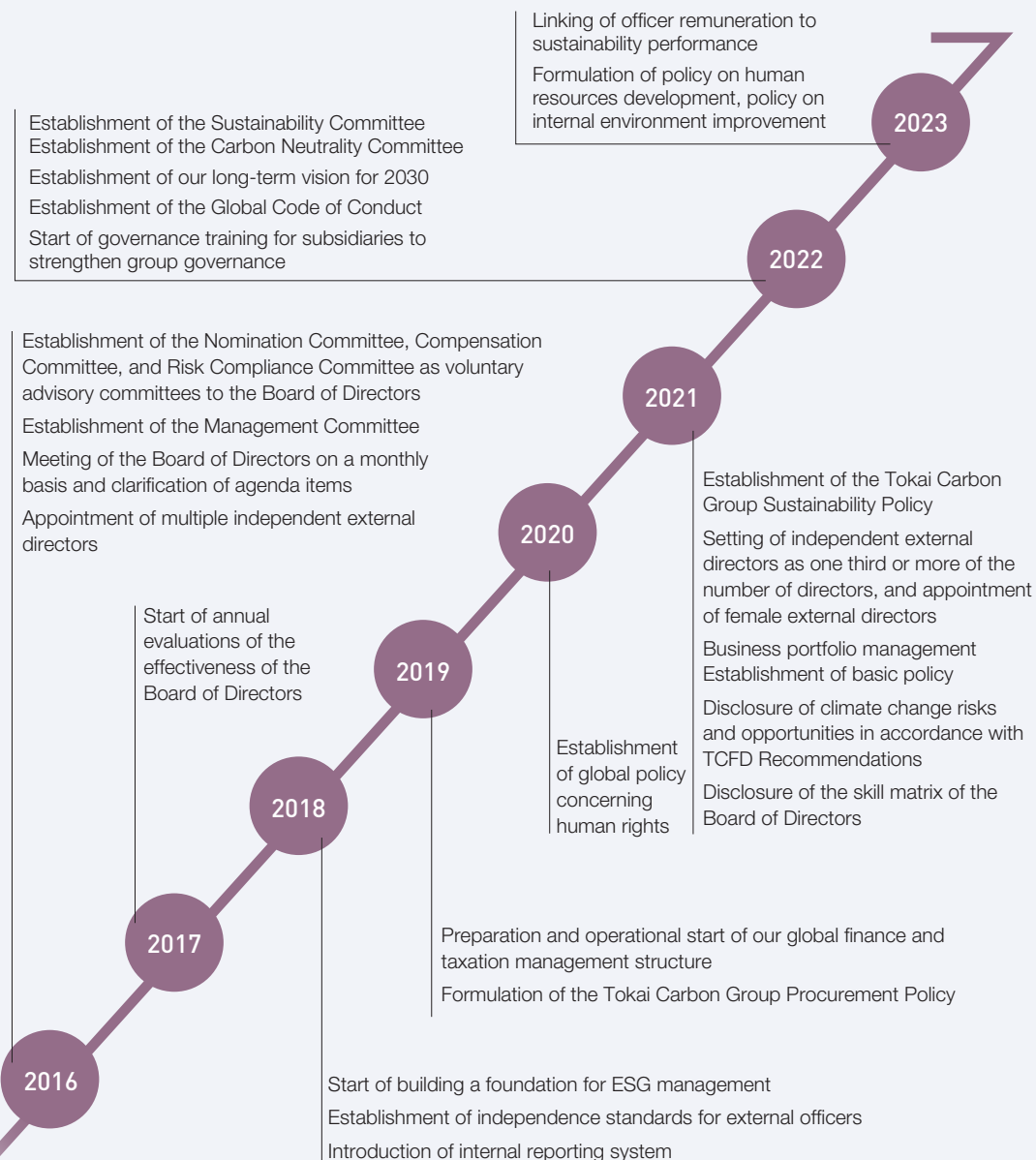
Strengthening of the effectiveness of the Board of Directors

In 2016, Tokai Carbon established the Nomination Committee, Remuneration Committee, Management Committee, and Risk Management & Compliance Committee to fundamentally strengthen our governance structure under the leadership of the Board of Directors. This has resulted in remarkable improvements in many aspects, a finding confirmed through annual evaluations of the effectiveness of the Board of Directors.

A feature of our structure is that all external directors actively attend important meetings other than meetings of the Board of Directors in order to deepen their understanding of significant subjects. Effectiveness evaluations have reported that external directors' impartial and objective comments contribute significantly to enhancing our functions for monitoring the Board of Directors.

Our current governance structure is now largely established. We are properly maintaining our structure's initial achievements while also working to continually strengthen it, through means including the establishment of the Sustainability Committee in 2022. In 2023, we assessed that a degree of progress has been made in linking sustainability and management, as seen in the linkage of sustainability performance to officer remuneration.

Steps in Strengthening Governance



Executive Remuneration

■ Overview of our executive remuneration programs

Tokai Carbon's executive remuneration consists of basic remuneration, which is a fixed amount, and performance-linked remuneration and stock-based remuneration, which vary with degree of achievement of performance targets.

For the directors and executive officers responsible for the execution of business, higher-level positions are associated with a higher ratio of performance-linked remuneration to basic remuneration, taking into account the magnitude of officers' responsibilities and their impact on the Company's performance.

Determination of details of individual remuneration, etc. are delegated by the Board of Directors to the Remuneration Committee, a majority of the members of which are external directors, to ensure the independence of decision-making.

In determining remuneration, etc., the Remuneration Committee conducts multifaceted review, including reviews of consistency with decided policy. The Board of Directors judges whether the content of these reviews has been properly determined. Remuneration for Audit & Supervisory Board members is determined through deliberations by said members, within the remuneration limit approved at shareholder meetings.

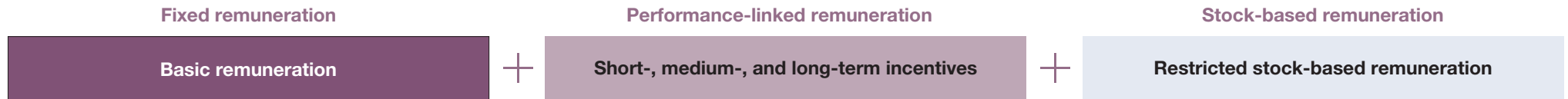
■ Basic policy

<p>Directors and executive Officers (excluding external directors)</p>	<p>Policy for the determination of remuneration for directors and executive officers is a matter for resolution by the Board of Directors. Amounts are set in line with the Company's performance and with individual performance and achievements, within the remuneration limit approved at shareholder meetings. The goal is to ensure that the officers responsible for the execution of business have a strong commitment to the achievement of high management targets and the maximization of medium- to long-term corporate value, while ensuring a standard that meets the following requirements.</p> <ul style="list-style-type: none"> • Remuneration to encourage officers' commitment to short-, medium-, and long-term management targets • Remuneration that serves to motivate current and future officer candidates and that does not fall below the level of competitors • Remuneration with the guarantee of transparency and rationality to ensure accountability toward officers, shareholders, and investors
<p>External directors, Audit & Supervisory Board members</p>	<p>Basic remuneration only</p>

■ Overview of remuneration elements

Type of remuneration		Overview
<p>Fixed remuneration (Basic remuneration)</p>		<p>Amount is determined from the base amount according to position, with assessment reflected</p>
<p>Performance-linked remuneration</p>	<p>Short-term incentive</p>	<p>The base amount is set according to position, and the amount of remuneration provided is determined within the range of 10% to 200% of the base amount according to financial target indicators and degree of achievement of individual targets (including sustainability targets)</p>
	<p>Medium- to long-term incentive</p>	<p>The base amount is set according to position, and the amount of remuneration provided is determined within the range of 10% to 200% of the base amount according to financial target indicators, degree of improvement in scores/ratings by ESG rating agencies, and degree of achievement of individual targets</p>
<p>Stock-based remuneration (Restricted stock-based remuneration)</p>		<p>Up to 100 million yen per year in remuneration for the granting of restricted stock is paid as monetary claims, to provide incentive for the continuous enhancement of the Company's corporate value and to encourage the sharing of value with shareholders</p>

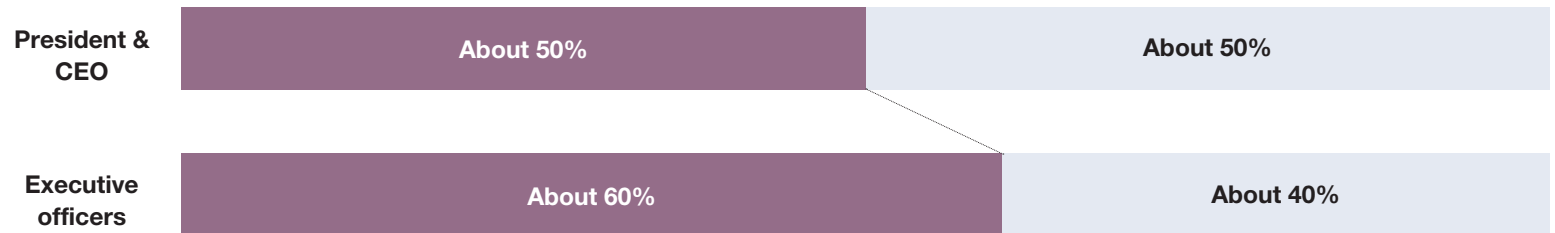
Remuneration structure



	Evaluation items		Evaluation ratio
Short-term incentive	Degree of achievement of financial targets (single fiscal year)	Net sales, ROS, ROIC, free cash flows	80%
	Degree of achievement of individual targets	Includes degree of achievement of climate change action and other sustainability targets	20%
Medium- to long-term incentive	Degree of achievement of financial targets (3-year)	Net sales, ROS, ROIC, free cash flows	80%
	Degree of improvement in scores/ ratings by ESG rating agencies	ESG rating agencies: FTSE, MSCI, CDP	
	Degree of achievement of individual targets		20%

Remuneration composition ratio

In position-specific remuneration composition ratio, the performance, etc.-linked compensation ratio (here meaning the ratio of performance-linked remuneration + stock-based remuneration) of the president is set to the highest level, at about 50%. That of executive officers, about 40%, declines in line with position.



Fixed remuneration (basic remuneration)

Performance, etc.-linked remuneration (performance-linked remuneration + stock remuneration)

Compliance

We have established basic policies including our basic philosophy, Action Guidelines, and Global Code of Conduct. In accordance with the principles set forth in these, we strive to comply with laws, regulations, and rules, and to engage in corporate activities with a high standard of ethics.

■ Management structure

The Risk Management and Compliance Committee, an advisory body to the Board of Directors, discusses important matters concerning risk and compliance, such as Group-wide risk countermeasures. It also provides counsel to relevant departments and sections based on the outcomes of discussions, and provides the Board of Directors with reports on progress and suggestions for countermeasures and other matters.

We have also established a Global Code of Conduct that serves as a standard for the actions and decisions of all executives and employees in the execution of everyday work.

■ Internal reporting system

We have introduced an internal reporting system for receiving reports from employees who have learned of signs or acts of legal violations or fraud, including any linked to bribery or other corruption by executive officers or employees. We have established in-house contact points (Legal Affairs Department, Audit & Supervisory Board members) and external contact points (legal advisors) to receive reports or requests for advice by phone, fax, email, letter, or other means. Reports can be made anonymously. We have also readied a structure allowing us to act on reports from third parties, reports received in foreign languages, and reports received through channels other than the prescribed points of contact.

The Company's Guidelines on Handling Internal Reports clearly state that, apart from cases in which the system is deliberately misused, informants will not be dismissed or subjected to unfair treatment under this system, thereby ensuring the appropriate implementation of the system. The Legal Affairs Department Manager is responsible for conducting investigations into facts reported by informants, while strictly maintaining the confidentiality of informants. When investigation reveals legal violations, etc., we enact measures for correction and for the prevention of occurrence, and impose disciplinary measures in accordance with employment regulations. We have also prepared mechanisms by which all employees and stakeholders can make reports with confidence through external points of contact. We are working to increase awareness of this system through information in our Compliance Manual and internal rules and through means including in-house seminars, message boards, and newsletters.

■ Prevention of corruption

Prevention of bribery and other corrupt behavior

Our Global Code of Conduct states that we will comply with relevant laws and regulations at home and abroad, and will engage in corporate activities aligned with social ethics and sound judgment. The code also clearly expresses that we will comply with international norms and relevant national laws and regulations concerning the prevention of corruption, and that we will engage in no corrupt acts involving the civil servants, government officials, or other parties of any country. Accordingly, we prohibit and strive to prevent acts of bribery, including the offering or provision of gain as consideration for favors, the requesting or acceptance of gain in the form of cash, excessive entertainment, services, etc., or other acts that could be viewed as bribery. We further prohibit employees from engaging in corrupt acts such as the embezzlement of company funds or complicity in money laundering.

In 2023, our Company was involved in no exposure of corrupt acts and paid no fines or monetary penalties. There were no incidents of disciplinary action taken against employees due to corrupt acts. We further provided no political donations.

Supervision of the Board of Directors with respect to corrupt acts

The Board of Directors oversees initiatives concerning compliance, including the prevention of bribery and other corrupt acts, and receives reports from the Risk Management & Compliance Committee.

■ Education and training

We conduct ongoing compliance training to raise compliance awareness among all employees.

In FY2023, we conducted e-learning-based training for all Tokai Carbon executives and employees, covering topics including business fraud and violations of subcontracting-related laws. The attendance rate was 89%. Our level-specific training includes compliance training by in-house and external instructors for new employees and managers.

We also distribute compliance message videos internally and publish related articles in our in-house newsletter to raise compliance awareness among officers and employees.

Discussion

Evolving toward governance befitting a global company

Our three external directors discussed how the management and governance Tokai Carbon Group should evolve in this time of drastic change.



Toshiro Miyazaki

External Director

Toshiro Miyazaki was appointed External Director of the Company in March 2022. Holding key positions, including president and chairman, at a major manufacturing company for many years, he has extensive experience and wide-ranging insights as a manager engaged in global business.

Mayumi Asada

External Director

Mayumi Asada was appointed External Director of the Company in March 2021. She has worked as an attorney for many years and has a doctorate in medicine. As an attorney and medical doctor, she has wide-ranging knowledge and extensive experience involving legal affairs, risk management, ESG, and sustainability.

Nobumitsu Kambayashi

External Director

Nobumitsu Kambayashi was appointed External Director of the Company in March 2016. Holding key positions at a major global heavy industry manufacturer for many years, he has wide-ranging knowledge and extensive experience in corporate management, legal affairs, sales and marketing, and human resource development.

“The next move” to win against the competition

Adapting to Changes in the Business Environment

Kambayashi The business environment is growing harsher. The conflict between Ukraine and Russia has become prolonged, and the situation in the Middle East remains unpredictable. As I believe President Nagasaka has noted, where our Group is concerned, the downturn in the graphite electrode business is becoming increasingly severe. Slowdown in steel business conditions worldwide and intensifying price competition caused by decline in the utilization rates of electric furnaces have become apparent. With oversupply progressing in China, graphite electrodes from China and India are flowing into the Asian market in high volume, rapidly eating into our Group's Graphite Electrode business market share. In terms of product quality, our Group's graphite electrode products are clearly superior to those from China, but we can see before our eyes that many users are attracted to low price rather than to high quality, and so are beginning to choose those products. The Smelting and Lining business, too, is under pressure from the momentum of Chinese competitors and is facing tough business conditions. At the same time, the Carbon Black business and Fine Carbon business continue to operate at an advantage. The time may be coming to deepen discussions that include a restructuring of our future business portfolio.

Asada Some of our businesses are definitely in tough situations, as Mr. Kambayashi described. There may be areas that are difficult to address through our efforts

alone, such as adapting to exchange rate fluctuations and other aspects of the external environment. On the other hand, there should also be a lot of areas in which we can continue winning trust through our efforts, such as our unceasing pursuit of quality and our considerations for enhancing safety. Given such conditions, I think it's important that we work toward proper disclosure of information toward shareholders, investors, and other stakeholders while also striving for sincere communication. I always advocate for sincere communication that includes carefully explaining areas calling for improvement and, when time is needed to consider future actions, persuading stakeholders in good faith and asking them to wait when required, during which time we attentively report on progress. I try to always consciously look at whether information is being communicated in a way that the listener can easily understand.

Miyazaki The Graphite Electrode business and the Smelting and Lining business are certainly in a difficult situation, as Mr. Kambayashi said. It was often said that 30 years is the lifespan of a company. A single business cannot go on forever. To maintain its existence, a company has to undergo repeated trial and error while constantly reviewing its vision for its business. In the six businesses that the Group is currently engaged in, too, there are business fields that can look forward to growth as well as others that will struggle somewhat. This is natural for a company existing at a time of rapid change. In the Graphite Electrode business, considering the major shift toward a carbon-neutral society, it's said

that steelmaking methods will shift from blast furnaces to electric arc furnaces. Within this movement, I think it's important that we tackle fields as only our Group can, such as by specializing in products for large electric arc furnaces.

There also seem to be movements within the company to explore and invest in new business areas. This, too, is important. Regarding the respective businesses, we should create conditions by which these are headed toward growth from a long-term point of view, even if things are uneven in the short term. The Management Committee, too, is seriously discussing how the Tokai Carbon Group can become a winner and how it can enhance its competitiveness in every business. I have a strong sense of this as an external director. With such discussions unfolding, I feel less worry.



Developing human resources for research and development

Future Growth Strategy

Miyazaki I would like to share my personal views on the aforementioned efforts in new business areas. Making investments with a new market in mind takes courage. It's easy to secure a budget when adding or replacing equipment in an existing business, but that's not so easy when trying to create a new business. Even if a new business' leader presents a concrete budget framework, most people will be unable to fully understand it and render a judgment. That's because they're unable to make the judgment on the basis of past experience. However, if a company doesn't make investments on a certain scale, it'll be incapable of business development with speed and will lose out to the competition. The sources of power for business development are the bold investment of human resources and funds and the introduction of new tools. No matter what the type of business development, it's important that a company set out a budget framework for business development and then move forward with boldness and speed. Naturally, once the company starts running, it is important to set milestones and manage them with care.

Asada When new business development investments or new capital investments are made, I visualize and analyze how the originally envisioned issues were solved through the investment and how the cycle of problem-solving operates and moves on to new issues, such as what new problems are now faced. Through analysis like this, I see that the issues that divisions have faced

and solved get shared with other divisions through the Management Committee and other means. This gets accumulated as experience points, which get put to use when making new investments, often leading to solutions to problems. This can be seen as the fruit of efforts made by people in departments. In that sense, I don't have great worries over future new business development.

I agree with Mr. Miyazaki that opening up new areas of business naturally presents a lot of difficulties. Regarding human resources for research and development, it's vital that we continue investing funds in that area as we're in competition for those people with other companies. At the same time, though, we need to showcase how our Group is engaged in compelling businesses and how our we've prepared an appealing development environment. Fortunately, I've heard the welcome news that a lot of researchers understand the appeal of our Group and come knocking on our door.

Kabayashi Our Group has announced its medium-term management plan as a "rolling plan." Naturally, single-year management plans are considered necessary for investors, but the work of updating the medium-term management plan in response to changes in the business environment is also beneficial. The Medium-term Management Plan "T-2026" that makes FY2024 its first year was worked out through repeated discussions by the Board of Directors as a plan that depicts a vision for the Group three years from now. I naturally have expectations for its results, but at the same time, as Mr. Miyazaki noted at the outset, unexpected circumstances have arisen in the Graphite Electrodes business and the



Smelting and Lining business, meaning that we need to carefully confirm our progress under the plan. We have to apply careful assessment, discernment, and handling to the situations of overseas subsidiaries that have conducted M&A. Among major manufacturers operating globally are those that dispatch large numbers of management staff to companies acquired through global M&A, to make these capable of handling things themselves. Our Group often takes a stance of leaving acquired overseas subsidiaries to the local managers. I have some worries over whether our PMI* is sufficient in these cases. Our Group might be better off displaying a greater appetite for the creation of synergies between the two sides, such as by integrating overseas subsidiaries or adopting the human resources system or other positive points of overseas subsidiaries at the parent company.

*PMI: Post Merger Integration, the integration process that follows the enactment of M&A

The Board of Directors and Governance

Asada For quite some time, the Company's external directors have been required to attend Management Committee meetings. Experiencing "live discussions" before heading to the Board of Directors leads to deeper discussions at the board meeting level, so this is of course a good thing. Because the discussions are frank, when a proposal is half-baked, it gets sent back to be discussed again. When the go-ahead is given, the same explanation that was given in the Management Committee meeting may be made again at the Board of Directors meeting. Some Management Committee agenda items are not taken up by the Board of Directors. Knowing about these often has a positive effect on discussions by the board. Of course, there are issues that should be discussed repeatedly over time, but we may have some room for considering time management.

Miyazaki I agree. A bit more improvement may be possible there. With regard to governance, an area where I sense issues is in the governance of the organization, not only the Board of Directors. About 80% of the Group's net sales are overseas, as are over 70% of its employees. The Group's subsidiaries in the United States, Europe, and Asia have different histories and corporate cultures. Governing these diverse overseas subsidiaries calls for an appropriate framework. There are different ways of approaching this, but I think it's best that the parent company in Japan set out core guidelines and enforce them among overseas

subsidiaries. Whatever mechanism is adopted, our Group appears to have weaknesses in the governance of such organizations. Regarding "safety" standards, our Group has established a common philosophy and is trying to spread it throughout the Group, which is commendable, but we need to work on this with a little more speed.

It is also somewhat unclear how communication with overseas subsidiaries is being conducted. At Board of Directors meetings, the heads of divisions report on the status of overseas subsidiaries, but I'm unable to see as far as what sort of dialogues these division heads have with overseas subsidiary executives. How to conduct organizational dialogues with overseas subsidiaries is a challenge for the future.

Kambayashi Following up on what Ms. Asada noted, I'd like to see more active discussions in the Management Committee. I feel there's still some sort of reluctance among divisions to stick their necks into the discussions of business units outside their own jurisdiction. This kind of deference still seems to be prevalent. President Nagasaka puts forth candid opinions on the spot, but I can't help but notice a certain quietness among others. In situations where detailed discussions are needed for the company overall, I'd like people to speak without reserve.

Making the Management Committee a venue for active discussion



Sustainability

Kambayashi I can sense the Group's level of seriousness toward sustainability efforts. In fiscal 2023, the Group introduced a framework for linking sustainability and performance to officers' remuneration. I have great expectations for a growing awareness of sustainability. As for a succession plan aimed at the next generation of management, there are still a lot of unclear aspects. This remains a challenge to be tackled. The Group needs to advance "visualization" by making good use of external directors.

Asada If we view the company's organization to the trunk of a tree, human resources are like the individual leaves. Leaves grow and eventually fall off, but new leaves then grow. This cycle will be repeated as long as a healthy trunk lasts. The more diverse the human resources, the more that options increase, and the greater the potential for the prosperity of the company. Our Group is global. I believe that deepening interactions among the Group's human resources will lead to sustainable growth for the organization. As Mr. Kambayashi said, deepening these interactions will build a more open company where diverse human resources can assert their opinions without hesitation.

Miyazaki To sustain its management in this age of drastic change, the Company has to possess the ability to change itself. What will enable that is people. The Group needs to actively invest in human resources,



bring in talent from outside, and advance its business with a sense of urgency. Only by achieving that will it be able to achieve sustainable corporate management. Regarding the succession plan that Mr. Kambayashi mentioned, the Group should always have two or

three potential candidates identified, with reasons for their selection recorded. It's vital that the Group make diligent preparations to preserve the sustainability of management.

Management

As of April 1, 2024

Hajime Nagasaka

President & Chief Executive Officer



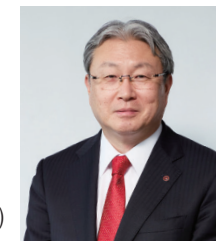
Number of the Company's shares held:
169,338
Board of Directors meeting attendance:
100% (21/21)

Career summary

- 1972 Joined Tokai Electrode Mfg. Co., Ltd. (currently the Company)
- 2006 Member of the Board/Executive Officer
- 2008 Member of the Board/Managing Executive Officer
- 2011 Member of the Board/Senior Managing Executive Officer
General Manager, Carbon Black Division
- 2013 Representative Member of the Board/Senior Managing Executive
Officer in charge of the Carbon Black Division and Graphite Electrode
Division
- 2014 Representative Member of the Board/Executive Vice President in
charge of the Carbon Black Division, Graphite Electrode Division,
and Raw Material Procurement Department
- 2015 Representative Member of the Board/President & Chief Executive
Officer (incumbent)

Masafumi Tsuji

Member of the Board
Managing Executive Officer



Number of the Company's shares held: 64,312
Board of Directors meeting attendance: 100% (21/21)

Career summary

- 1986 Joined the Company
- 2015 Executive Officer, General Manager, Carbon Black Division
- 2016 Executive Officer, General Manager, Graphite Electrode Division
- 2017 Member of the Board/Executive Officer, General Manager, Fine Carbon Division
- 2020 Member of the Board/Executive Officer with deputy responsibility for the Corporate Planning
Department, Strategic Investment Department, and Sales Research & Planning Department,
General Manager, Corporate Planning Department
- 2022 Member of the Board/Executive Officer responsible for the Corporate Planning Department,
Affiliated Company Business Management Department, Strategic Investment Department, Sales
Research & Planning Department, and New Business Promotion Department, General Manager,
Corporate Planning Department
- 2023 Member of the Board/Executive Officer responsible for the Human Resources
Department, General Affairs Department, and Legal Affairs Department
- 2023 Member of the Board/Managing Executive Officer responsible for the Human Resources
Department, General Manager, Graphite Electrode Division
- 2024 Member of the Board/Executive Officer, General Manager, Graphite Electrode Division (incumbent)

Katsuyuki Yamaguchi

Member of the Board
Executive Officer



Number of the Company's shares held:
36,892
Board of Directors meeting attendance:
100% (21/21)

Career summary

- 1988 Joined the Company
- 2018 Executive Officer, General Manager, Technology & Engineering Division
- 2019 Member of the Board/Executive Officer, General Manager,
Technology & Engineering Division
- 2021 Member of the Board/Executive Officer
General Manager, R&D Strategy Division, General Manager,
Intellectual Property Department
- 2024 Member of the Board/Executive Officer
General Manager, R&D Strategy Division (incumbent)

Shunji Yamamoto

Member of the Board
Executive Officer



Number of the Company's shares held:
30,083
Board of Directors meeting attendance:
100% (21/21)

Career summary

- 1985 Joined the Company
- 2015 General Manager, Production & Technology Department,
Carbon Black Division
- 2016 THAI TOKAI CARBON
PRODUCT CO., LTD., Director, Managing Director
- 2018 Executive Officer, THAI TOKAI CARBON
PRODUCT CO., LTD., Director, Managing Director
- 2019 Member of the Board/Executive Officer, Director, Tokai Carbon CB
Genpar LLC
- 2023 Member of the Board/Executive Officer, General Manager,
Technology & Engineering Division (incumbent)

Tatsuhiko Yamazaki

Member of the Board
Executive Officer



Number of the Company's shares held:
22,338
Board of Directors meeting attendance:
100% (16/16)

Career summary

- 1985 Joined the Company
- 2016 General Manager, Production & Technology Department,
Carbon Black Division
- 2017 Business Director, General Manager, Sales Department, Carbon Black
Division
- 2020 Business Director, THAI TOKAI CARBON
PRODUCT CO., LTD. Director, Managing Director
- 2023 Member of the Board/Executive Officer, THAI TOKAI CARBON
PRODUCT CO., LTD. Director, Managing Director (incumbent)

Takashi Masaki

Member of the Board
Executive Officer



Number of the Company's shares held:
37,100
Board of Directors meeting attendance:
- (newly appointed)

Career summary

1985 Joined the Company
2014 Manager, Nagoya Branch
2016 General Manager, Raw Materials Procurement Division
2017 General Manager, Carbon Black Division
2018 Executive Officer, General Manager, Carbon Black Division
2020 Executive Officer with deputy responsibility for the Human Resources Department, General Affairs Department, and Legal Affairs Department, General Manager, Human Resources Department
2020 Executive Officer, General Manager, Refining and Lining Division (current General Manager, Smelting and Lining Division)
2024 Member of the Board/Executive Officer
General Manager, Smelting and Lining Division (incumbent)

Nobumitsu Kambayashi

External Director
(independent officer)



Number of the Company's shares held:
26,200
Board of Directors meeting attendance:
100% (21/21)

Career summary

1971 Joined Kawasaki Heavy Industries, Ltd.
2002 Director, Kawasaki Shipbuilding Corporation
2008 Managing Executive Officer, Kawasaki Heavy Industries, Ltd.
Director/Senior Vice President, Kawasaki Shipbuilding Corporation
2010 President & Representative Director, Kawasaki Shipbuilding Corporation
Senior Vice President (part-time), Kawasaki Heavy Industries, Ltd.
2010 Senior Vice President (Representative Director), Kawasaki Heavy Industries, Ltd.
President, Ship & Offshore Structure Company
2013 Senior Advisor, Kawasaki Heavy Industries, Ltd.
2016 External Director, the Company (incumbent)
2017 Outside Director, Inui Global Logistics Co., Ltd. (incumbent)
2023 Executive Advisor, Japan Ship Technology Research Association (incumbent)

Mayumi Asada

External Director
(independent officer)



Number of the Company's shares held:
10,200
Board of Directors meeting attendance:
100% (21/21)

Career summary

2002 Registered as an attorney at law and joined Blakemore Law Office
2014 Representative, Marunouchi Building Aoi Law Office (incumbent)
2014 Acquired Doctor's degree in Medicine at the Juntendo University Graduate School of Medicine
2020 Business Director, Incorporated Educational Institution Nikaido Gakuen (incumbent)
2021 External Director, the Company (incumbent)

Toshiro Miyazaki

External Director
(independent officer)



Number of the Company's shares held:
4,000
Board of Directors meeting attendance:
100% (21/21)

Career summary

1972 Joined Mitsui Shipbuilding & Engineering Co., Ltd.
(currently Mitsui E&S Holdings Co., Ltd.)
2007 Director, Finance, Accounting, and Investor Relations and Communications, Mitsui Shipbuilding & Engineering Co., Ltd.
2008 Director, MODEC, Inc.
2011 Representative Director, President, MODEC, Inc.
2019 Director, Chairman of the Board, MODEC, Inc.
2020 Executive Advisor, MODEC, Inc. (incumbent)
2022 External Director, the Company (incumbent)

Yuji Serizawa

Audit & Supervisory Board member



Number of the Company's shares held:
66,562
Board of Directors meeting attendance:
100% (16/16)

Career summary

1984 Joined the Company
2012 Member of the Board/Executive Officer, General Manager, Fine Carbon Division
2014 Executive Officer, General Manager, Graphite Electrode Division
2015 Member of the Board/Executive Officer, General Manager, Graphite Electrode Division
2016 Member of the Board/Executive Officer, General Manager, Corporate Planning Division
2017 Member of the Board/Executive Officer responsible for the Human Resources Department, General Affairs Department, and Legal Affairs Department
2023 Audit & Supervisory Board member (full-time) (incumbent)

Kanji Sugihara

Audit & Supervisory Board member



Number of the Company's shares held:
37,100
Board of Directors meeting attendance:
- (newly appointed)

Career summary

1984 Joined the Company
2013 Executive Officer, Assistant in charge of the Fine Carbon Division, General Manager, Fine Carbon Division
2014 Member of the Board/Executive Officer, General Manager, Fine Carbon Division
2015 Member of the Board/Executive Officer, General Manager, Fine Carbon Division
2016 Director, the Company, Director/Vice President, Tokai Konetsu Kogyo Co., Ltd.
2018 Director/Vice President, Tokai Konetsu Kogyo Co., Ltd.
2024 Audit & Supervisory Board member, the Company (full-time) (incumbent)

Kaoru Ogashiwa

External Audit & Supervisory
Board member
(independent officer)



Number of the Company's shares held:
700

Board of Directors meeting attendance:
100% (21/21)

Career summary

- 1990 Joined Research Center Management Consulting Institute, New Japan Securities Co., Ltd. (currently Japan Investor Relations and Investor Support, Inc.)
- 1992 Registered as a Certified Tax Accountant, Representative, Ogashiwa Kaoru Certified Tax Accountant Office (incumbent)
- 2005 Corporate Auditor, Senkon Logistics Co., Ltd.
- 2017 External Director and Audit and Supervisory Committee member, Senkon Logistics Co., Ltd. (incumbent)
- 2019 External Audit & Supervisory Board member, the Company (incumbent)

Yoshinori Matsushima

External Audit & Supervisory
Board member
(independent officer)



Number of the Company's shares held:
100

Board of Directors meeting attendance:
100% (16/16)

Career summary

- 1997 Joined Deloitte Touche Tohmatsu
- 2001 Registered as Certified Public Accountant, Representative, Matsushima Certified Public Accountant Office (incumbent)
- 2006 Registered as a Certified Tax Accountant
- 2023 External Audit & Supervisory Board member, the Company (incumbent)

Officers' Skills Matrix As of March 28, 2024

		Knowledge and experience expected of Directors and Audit & Supervisory Board members									
		Gender	Term of office (years)	Corporate management	Finance and accounting	Legal affairs and risk management	Global business	Manufacturing, technology, and ICT	Sales and marketing	Personnel and HR development	ESG and sustainability
Directors	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	●	●	●				●	●
	Audit & Supervisory Board members	Yuji Serizawa	Male	1			●	●			
Kanji Sugihara		Male	—			●		●			
Kaoru Ogashiwa		Male	4		●	●					
Yoshinori Matsushima		Male	1		●	●					