

[Notice Concerning Measures to Prevent the Spread of COVID-19]

The Company would hereby like to inform shareholders about the measures to prevent the spread of COVID-19 to be taken at the FY2020 Annual Meeting of Shareholders venue as follows. Your understanding and cooperation would be appreciated.

1. Requests to shareholders

- (1) If you are going to attend the meeting, you are kindly requested to check the development of COVID-19 and your health condition on the day of the meeting, and carefully decide whether or not to attend.
- (2) Those who do not wear masks may not be allowed to enter the venue. Please also wash your hands using disinfectant.
- (3) Attendees' body temperature will be checked at the entrance of the venue. Those with a temperature of 37.5 Celsius or higher or who appear to be in a poor health condition may not be allowed to enter the venue.
- (4) The meeting will be held in a simpler manner than usual, for example, by omitting an in-depth statement on the business results for time-saving purposes. Attendees are kindly requested to read the convocation notice before the meeting.

2. Our preventive measures at the venue

- (1) For shareholders' safety, the number of available seats at the venue of the Annual Meeting of Shareholders will be substantially reduced to 50. Visitors exceeding the limitation may not be allowed to enter the venue.
- (2) Executives and meeting staff who have been health checked in advance will handle the meeting with masks on.

3. Notice regarding prior acceptance of shareholders' questions and delivery of our video messages online

- (1) Regarding the Items to be reported and the Items to be resolved at the FY2020 Annual Meeting of Shareholders, shareholders are allowed to submit questions in advance via our corporate website until March 22. Most asked questions will be answered on our corporate website on around March 26. Those not selected will be reviewed for our future improvement.
- (2) The meeting will be recorded for on-demand distribution and posted on our corporate website at a later date.

URL of the question submission form:

<https://www.pi-pe.co.jp/area/p/lmj9lbmimj9mfqcli8/B2vFFB/login.html>

* The URL will be available for use from March 1.

Any operational change in the meeting depending on the future condition shall be publicized on our corporate website (<https://www.tokaicarbon.co.jp/>).

March 9, 2021

To Our Shareholders:

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

Tokai Carbon Co., Ltd.

Hajime Nagasaka, President and CEO

Notice of FY2020 Annual Meeting of Shareholders

The Company would hereby like to inform shareholders that the FY2020 Annual Meeting of Shareholders of the Company will be held as described below.

To prevent the spread of COVID-19, we kindly request you to refrain from visiting the venue of the Annual Meeting of Shareholders as much as possible, and read the reference materials of the meeting described below and exercise your voting rights in writing (by submitting a voting statement) or using an electromagnetic means (via the Internet, etc.) no later than 5:35 p.m. on Monday, March 29, 2021.

Sincerely yours,

- 1. Date:** 10:00 a.m. Tuesday, March 30, 2021
- 2. Venue:** 2-3, Kita-Aoyama 1-Chome, Minato-ku, Tokyo
Headquarters Office (10th floor of Aoyama Building)
(Please note that the venue is different from last year's venue.
Please refer to the access map for the venue of the Annual Meeting of Shareholders attached at the end of this notice.)
- 3. Purposes:**
Items to be reported:
 1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Auditors for the fiscal year 2020 business period (January 1, 2020 to December 31, 2020)
 2. The non-consolidated financial statements for the fiscal year 2020 business period (January 1, 2020 to December 31, 2020)

Items to be resolved:

Agenda No. 1: Appropriation of Retained Earnings

Agenda No. 2: Partial Amendment to the Articles of Incorporation of the Company

Agenda No. 3: Election of Nine (9) Directors

Agenda No. 4: Election of One (1) Substitute Auditor

Agenda No. 5: Election of Accounting Auditor

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1. If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, the business report, the consolidated financial statements and the non-consolidated financial statements, such revisions will be posted on the Company's website. (URL: <https://www.tokaicarbon.co.jp/>)
 2. The following documents are posted on the Company's website (URL: <https://www.tokaicarbon.co.jp/>) in accordance with applicable laws and regulations and the provisions of Article 17 of the Articles of Incorporation of the Company. They are therefore not included in this notice of the annual meeting of shareholders.
 - (1) The consolidated statements of changes in net assets and the notes to consolidated financial statements forming parts of the consolidated financial statements
 - (2) The statements of changes in net assets and the notes to financial statements forming parts of the financial statements

This document includes parts of financial statements and consolidated financial statements audited by the Audit & Supervisory Board Members of the Company to prepare the auditors' report, and by the Accounting Auditor to prepare the Accounting Auditor's report.
 3. When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue.

Reference Document for the Annual Meeting of Shareholders

Agenda No. 1: Appropriation of Retained Earnings

The Company would like to appropriate retained earnings as follows.

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

Since the Company posted a substantial revenue loss from the previous fiscal year due to a dramatic change in the external environment including the COVID-19 pandemic, the Company plans to pay a year-end dividend of ¥15 per share for the current period, which is the same as the interim dividend. Unfortunately, the year-end dividend will bring the total 2020 dividend, including the interim dividend, to ¥30 per share, a decrease of ¥18 per share year on year.

1. Type in which dividends are paid
Cash payment
2. Allocation of dividends and total amount of dividends
¥15 per common share of the Company
Total ¥3,197,577,720
3. Effective date on which dividends are disbursed from retained earnings
March 31, 2021

Agenda No. 2: Partial Amendment to the Articles of Incorporation of the Company

(1) Reason for the proposal

This is to amend the purpose of business provided in the current Article 2 (Purpose) to adapt to the Company's current business status and future business developments.

(2) Details of the proposed amendment

The details of the proposed amendment are as follows:

(Amended parts are underlined)

Existing Articles of Incorporation	Proposed amendment
<p>(Purpose)</p> <p>Article 2 The purpose of the Company shall be to engage in the following business activities:</p> <ol style="list-style-type: none"> 1. Production, <u>processing</u> and sale of electrodes, <u>carbon brushes</u> and other carbon products; 2. Production and sale of carbon black; 3. Production, <u>processing</u> and sale of <u>silicon carbide whiskers as well as other ceramic materials and complex products of metals, plastics and ceramics that use the same as a reinforcement</u>; 4. Production and sale of <u>various</u> friction materials; 5. <u>Cleaning of equipment for production of electronic components and related components</u>; 6. Production and sale of <u>synthetic chemical products and other industrial chemical products</u>; 7. <u>Production and sale of ferroalloys, casings and other metallic industrial products</u>; 8. <u>Production and sale of drugs, compressed gas and liquefied gas</u>; 9. Production and sale of industrial kilns, <u>electric furnaces, measurement machinery and appliances as well as other components related thereto</u>; 10. <u>Management, administration and leasing of sports facilities and parking lots</u>; 11. Sale, purchase, exchange, and leasing of real estate, <u>as well as brokerage</u>, administration and operation thereof; 12. Design, execution and contracting of construction work related to any of the items above; 13. Sale of technology and know-how in connection with the items above; 14. <u>Comprehensive leasing; and</u> 15. Any and all business activities incidental or related to the foregoing items. <p><u>However, the Company may make an investment in or finance other businesses subsidized by the Company as necessary.</u></p>	<p>(Purpose)</p> <p>Article 2 The purpose of the Company shall be to engage in the following business activities:</p> <ol style="list-style-type: none"> 1. Production and sale of electrode and other carbon products; 2. Production and sale of carbon black; 3. Production and sale of ceramics products; 4. Production and sale of friction materials; 5. Production and sale of industrial chemical products; 6. Production and sale of industrial <u>furnaces and accessories thereto</u>; 7. <u>Production and sale of energy including electricity and steam-powered energy</u>; 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.

Agenda No. 3: Election of Nine (9) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company proposes to elect nine (9) Directors including an addition of one (1) External Director to increase management transparency and enhance corporate governance.

The candidates for Directors are as follows.

Candidate No.	1
Name	Hajime Nagasaka (Reappoint)
Date of Birth	January 9, 1950 (71)
Term of Office as Director	15 years
Attendance at Board of Directors Meeting	100% (19 of 19)
Number of the Company's shares owned	129,398 shares

Brief profile, position and responsibility	
April 1972	Joined Tokai Electrode Mfg. Co., Ltd. (currently the Company)
March 2006	Director Executive Officer Deputy General Manager, Carbon Black Division
March 2008	Director Managing Executive Officer Deputy General Manager, Carbon Black Division
March 2010	Director Managing Executive Officer General Manager, Carbon Black Division
March 2011	Director Senior Managing Executive Officer General Manager, Carbon Black Division
March 2012	Director Senior Managing Executive Officer in charge of Carbon Black Division and Graphite Electrode Division
March 2013	Representative Director Senior Managing Executive Officer in charge of Carbon Black Division and Graphite Electrode Division
March 2014	Representative Director Executive Vice President in charge of Carbon Black Division, Graphite Electrode Division and Raw Material Procurement Department
February 2015	President and CEO (incumbent)
Reason for nomination as a candidate for Director	
Mr. Hajime Nagasaka has been involved in the management of the Company and its group companies over many years, serving as President and CEO since February 2015. The Company reappointed him as a candidate for Director because Mr. Nagasaka has extensive experience and broad knowledge mainly of its mainstay carbon black business and the graphite electrode business.	

Notes:

1. There are no special conflicts of interest between Mr. Hajime Nagasaka and the Company.
2. Outline of Directors and Officers Liability Insurance

The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Hajime Nagasaka as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Nagasaka assumes the position of Director, the insurance agreement will be renewed during the term of office.

Candidate No.	2
Name	Yuji Serizawa (Reappoint)
Date of Birth	December 27, 1959 (61)
Term of Office as Director	8 years
Attendance at Board of Directors Meeting	100% (19 of 19)
Number of the Company's shares owned	56,537 shares

Brief profile, position and responsibility	
April 1984	Joined the Company
March 2006	Executive Officer Deputy General Manager, Fine Carbon Division
March 2009	Executive Officer General Manager, Fine Carbon Division
March 2012	Director Executive Officer in charge of Fine Carbon Division General Manager, Fine Carbon Division
March 2013	Director Executive Officer General Manager, Tanoura Laboratory General Manager, Tanoura Plant
March 2014	Executive Officer General Manager, Graphite Electrode Division
March 2015	Director Executive Officer General Manager, Graphite Electrode Division
January 2016	Director Executive Officer General Manager, Corporate Planning Division
March 2017	Director Executive Officer responsible for Human Resources Department, General Affairs Department, and Legal Affairs Department (incumbent)
<p>Reason for nomination as a candidate for Director</p> <p>Mr. Yuji Serizawa has been engaged in the management of the Company and its group company over many years, serving as Director, Executive Officer of the Company since March 2015. The Company reappointed Mr. Serizawa as a candidate for Director because he has extensive experience and knowledge mainly in the fine carbon business, graphite electrode business, and administrative operations.</p>	

Notes:

1. There are no special conflicts of interest between Mr. Yuji Serizawa and the Company.
2. Outline of Directors and Officers Liability Insurance

The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Yuji Serizawa as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Serizawa assumes the position of Director, the insurance agreement will be renewed during the term of office.

Candidate No.	3
Name	Masafumi Tsuji (Reappoint)
Date of Birth	January 10, 1963 (58)
Term of Office as Director	4 years
Attendance at Board of Directors Meeting	100% (19 of 19)
Number of the Company's shares owned	51,337 shares

Brief profile, position and responsibility	
April 1986	Joined the Company
March 2014	Business Director General Manager, Carbon Black Division
March 2015	Executive Officer General Manager, Carbon Black Division
January 2016	Executive Officer General Manager, Graphite Electrode Division
January 2017	Executive Officer General Manager, Fine Carbon Division
March 2017	Director Executive Officer General Manager, Fine Carbon Division
January 2020	Director Executive Officer Deputy Chairman, Corporate Planning Department, Strategic Investment Department, and Sales Research & Planning Department General Manager, Corporate Planning Department
February 2020	Director Executive Officer Deputy Chairman, Corporate Planning Department, Strategic Investment Department, and Sales Research & Planning Department General Manager, Corporate Planning Department and Sales Research & Planning Department
April 2020	Director Executive Officer responsible for Corporate Planning Department, Strategic Investment Department, and Sales Research & Planning Department General Manager, Corporate Planning Department (incumbent)
Notable Concurrent Positions Chairman of the Board, Tokai Carbon Korea Co., Ltd. Director and President of Tokai Carbon U.S. Holdings, Inc. Chairman of the Supervisory Board, Tokai COBEX Polska sp. z o.o.	
Reason for nomination as a candidate for Director Mr. Masafumi Tsuji has held positions, such as General Manager, Human Resources Department, General Manager, Management Planning Office, General Manager, Carbon Black Division, General Manager, Graphite Electrode Division, and General Manager, Fine Carbon Division, and he has been serving as Director, Executive Officer since March 2017. The Company reappointed Mr. Tsuji as a candidate for Director because he has extensive experience and knowledge of the Company's businesses ranging from planning and administration to sales.	

Notes:

1. There are no special conflicts of interest between Mr. Masafumi Tsuji and the Company.
2. Outline of Directors and Officers Liability Insurance
The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Masafumi Tsuji as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Tsuji assumes the position of Director, the insurance agreement will be renewed during the term of office.

Candidate No.	4
Name	Katsuyuki Yamaguchi (Reappoint)
Date of Birth	March 29, 1964 (57)
Term of Office as Director	2 years
Attendance at Board of Directors Meeting	100% (19 of 19)
Number of the Company's shares owned	21,780 shares

Brief profile, position and responsibility	
April 1988	Joined the Company
September 2015	General Manager, Engineering Department, Technology & Engineering Division
December 2016	Business Director General Manager, Technology & Engineering Division
March 2018	Executive Officer General Manager, Technology & Engineering Division
March 2019	Director Executive Officer General Manager, Technology & Engineering Division
June 2019	Director Executive Officer General Manager, Technology & Engineering Division General Manager, Environment & Safety Department
March 2020	Director Executive Officer General Manager, Technology & Engineering Division (incumbent)
Reason for nomination as a candidate for Director	
Mr. Katsuyuki Yamaguchi has been engaged mainly in the R&D field since he joined the Company, and has held positions including General Manager, Engineering Department, and General Manager, Technology & Engineering Division, and he has been serving as Director, Executive Officer since March 2019. The Company reappointed Mr. Yamaguchi as a candidate for Director because he has extensive business experience in the Company and knowledge of the Company's businesses ranging from R&D, manufacturing, and engineering.	

Notes:

1. There are no special conflicts of interest between Mr. Katsuyuki Yamaguchi and the Company.
2. Outline of Directors and Officers Liability Insurance

The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Katsuyuki Yamaguchi as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Yamaguchi assumes the position of Director, the insurance agreement will be renewed during the term of office.

Candidate No.	5
Name	Shunji Yamamoto (Reappoint)
Date of Birth	March 8, 1962 (59)
Term of Office as Director	2 years
Attendance at Board of Directors Meeting	100% (19 of 19)
Number of the Company's shares owned	9,500 shares

Brief profile, position and responsibility	
April 1985	Joined the Company
March 2013	General Manager, Kyushu-Wakamatsu Plant
June 2015	General Manager, Production & Technology Department, Carbon Black Division
March 2016	Director, Managing Director, Thai Tokai Carbon Product Co., Ltd.
March 2018	Executive Officer, the Company Director, Managing Director, Thai Tokai Carbon Product Co., Ltd.
March 2019	Director Executive Officer Director, Tokai Carbon CB Genpar LLC (incumbent)
Notable Concurrent Positions Director, Tokai Carbon CB Genpar LLC	
Reason for nomination as a candidate for Director Mr. Shunji Yamamoto has been engaged mainly in the manufacturing division since he joined the Company, and has held positions, such as General Manager, Kyushu-Wakamatsu Plant, General Manager, Production & Technology Department, Carbon Black Division, and he has been serving as Director, Executive Officer since March 2019. In addition, he has displayed his ability as top management of Thai Tokai Carbon Product Co., Ltd., an affiliate of the Company, since he assumed the position in March 2016. The Company reappointed Mr. Yamamoto as a candidate for Director because he has extensive business experience in the Company and knowledge of the Company's businesses of manufacturing and engineering.	

Notes:

1. There are no special conflicts of interest between Mr. Shunji Yamamoto and the Company.
2. Outline of Directors and Officers Liability Insurance

The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Shunji Yamamoto as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Yamamoto assumes the position of Director, the insurance agreement will be renewed during the term of office.

Candidate No.	6
Name	Hirofumi Masuda (Reappoint)
Date of Birth	November 3, 1961 (59)
Term of Office as Director	1 year
Attendance at Board of Directors Meeting	100% (14 of 14)
Number of the Company's shares owned	32,980 shares

Brief profile, position and responsibility	
April 1985	Joined the Company
August 2012	General Manager, Sales Department, Graphite Electrode Division
March 2015	General Manager, Osaka Branch General Manager, Nagoya Branch
March 2016	General Manager, Marketing & Sales Department, Carbon Black Division
March 2017	Director and Deputy Managing Director, Thai Tokai Carbon Product Co., Ltd.
March 2019	Executive Officer, the Company Director and Deputy Managing Director, Thai Tokai Carbon Product Co., Ltd.
January 2020	Executive Officer General Manager, Carbon Black Division
March 2020	Director Executive Officer General Manager, Carbon Black Division (incumbent)
Notable Concurrent Positions Chairman of the Board, Tokai Carbon (Tianjin) Co., Ltd. Director and Chairman, Cancarb Limited Director and Chairman, TOKAI CARBON CB Genpar LLC	
Reason for nomination as a candidate for Director Mr. Hirofumi Masuda has been engaged in the sales division since he joined the Company, and has held positions, such as General Manager, Sales Department, Graphite Electrode Division, General Manager, Marketing & Sales Department, Carbon Black Division, and he has been serving as Director and Executive Officer since March 2020. In addition, he has displayed his ability as top management of Thai Tokai Carbon Product Co., Ltd., an affiliate of the Company, since he assumed the position in March 2017. The Company reappointed Mr. Masuda as a candidate for Director because he has extensive business experience in the Company and knowledge of the Company's businesses of sales.	

Notes:

1. There are no special conflicts of interest between Mr. Hirofumi Masuda and the Company.
2. **Outline of Directors and Officers Liability Insurance**
 The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Hirofumi Masuda as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Masuda assumes the position of Director, the insurance agreement will be renewed during the term of office.

Candidate No.	7
Name	Nobumitsu Kambayashi (Reappoint) (Outside) (Independent)
Date of Birth	May 28, 1948 (72)
Term of Office as External Director	5 years
Attendance at Board of Directors Meeting	100% (19 of 19)
Number of the Company's shares owned	13,900 shares

Brief profile, position and responsibility	
April 1971	Joined Kawasaki Heavy Industries, Ltd.
October 2002	Director, Kawasaki Shipbuilding Corporation
June 2005	Managing Director, Kawasaki Shipbuilding Corporation
April 2008	Managing Executive Officer, Kawasaki Heavy Industries, Ltd. Director/Senior Vice President, Kawasaki Shipbuilding Corporation
June 2009	Senior Vice President, Kawasaki Heavy Industries, Ltd.
April 2010	President & Representative Director, Kawasaki Shipbuilding Corporation Senior Vice President (part-time), Kawasaki Heavy Industries, Ltd.
October 2010	Senior Vice President (Representative Director), Kawasaki Heavy Industries, Ltd. President, Ship & Offshore Structure Company
April 2013	Director, Kawasaki Heavy Industries, Ltd.
June 2013	Adviser, Kawasaki Heavy Industries, Ltd.
June 2015	Chairman, Japan Ship Technology Research Association (incumbent)
March 2016	External Director, the Company (incumbent)
June 2017	Outside Director, Inui Global Logistics Co., Ltd. (incumbent)
Notable Concurrent Positions	
Chairman, Japan Ship Technology Research Association	
Outside Director, Inui Global Logistics Co., Ltd.	
Reason for nomination as a candidate for External Director	
Mr. Nobumitsu Kambayashi has held various positions, such as President and Representative Director of Kawasaki Shipbuilding Corporation and President of Ship & Offshore Structure Company of Kawasaki Heavy Industries, Ltd., and he has been serving as External Director of the Company since March 2016. The Company reappointed Mr. Kambayashi as a candidate for Director because he has provided appropriate advice on the management and business execution of the Company from an objective and professional viewpoint based on his extensive experience and insights gained as a manager of globally operating manufacturing companies.	

Notes:

- There are no special conflict of interests between Mr. Nobumitsu Kambayashi and the Company.
- Mr. Nobumitsu Kambayashi is a candidate for External Director.
- Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Nobumitsu Kambayashi assumes the position of External Director, the Company will enter into an agreement with Mr. Kambayashi to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the said Act. The amount of liability for damages under this agreement shall be the minimum limited liability stipulated in laws and regulations.
- Outline of Directors and Officers Liability Insurance
The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Nobumitsu Kambayashi as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Kambayashi assumes the position of External Director, the insurance agreement will be renewed during the term of office.
- Mr. Nobumitsu Kambayashi meets the Independence Standards for External Officers set by the Company. If this agenda is approved as proposed, the Company will designate Mr. Nobumitsu Kambayashi as an independent officer provided for in the provisions of the Tokyo Stock Exchange and register him accordingly with the said exchange.

Candidate No.	8
Name	Junichi Tanahashi (Reappoint) (Outside) (Independent)
Date of Birth	May 7, 1948 (72)
Term of Office as External Director	1 year
Attendance at Board of Directors Meeting	92% (13 of 14)
Number of the Company's shares owned	0 shares

Brief profile, position and responsibility	
April 1981	Joined Nippon Chemical Industrial Co., Ltd.
July 1984	Director, Nippon Chemical Industrial Co., Ltd.
July 1986	Managing Director, Nippon Chemical Industrial Co., Ltd.
June 1989	President, Nippon Chemical Industrial Co., Ltd.
April 2005	Chairman, Nippon Chemical Industrial Co., Ltd.
May 2005	Advisor, Japan Inorganic Chemical Industry Association (incumbent)
December 2009	Outside Director, Fuji Chemical Co., Ltd. (incumbent)
June 2015	Chairman, Nippon Chemical Industrial Co., Ltd. (incumbent)
March 2020	External Director, the Company (incumbent)
May 2020	Inspector, The Association of Powder Process Industry and Engineering, JAPAN (incumbent)
Notable Concurrent Positions Advisor, Japan Inorganic Chemical Industry Association Outside Director, Fuji Chemical Co., Ltd. Chairman, Nippon Chemical Industrial Co., Ltd. Inspector, The Association of Powder Process Industry and Engineering, JAPAN	
Reason for nomination as a candidate for External Director Mr. Junichi Tanahashi has extensive experience and knowledge gained as a manager of a globally operating material manufacturing company and has served as External Director of the Company since March 2020. The Company reappointed Mr. Tanahashi as a candidate for Director because he is deemed able to provide management with appropriate advice and perform the management oversight function from a standpoint independent from the management team of the Company, which is charged with the execution of business operations.	

Notes:

- There are no special conflict of interests between Mr. Junichi Tanahashi and the Company.
- Mr. Junichi Tanahashi is a candidate for External Director.
- Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Junichi Tanahashi assumes the position of External Director, the Company will enter into an agreement with Mr. Tanahashi to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the said Act. The amount of liability for damages under this agreement shall be the minimum limited liability stipulated in laws and regulations.
- Outline of Directors and Officers Liability Insurance
The Company maintains an insurance policy for officers and directors ("D&O insurance policy"), and the Company shall include Mr. Junichi Tanahashi as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Tanahashi assumes the position of External Director, the insurance agreement will be renewed during the term of office.
- Mr. Junichi Tanahashi meets the Independence Standards for External Officers set by the Company. If this agenda is approved as proposed, the Company will designate Mr. Junichi Tanahashi as an independent officer provided for in the provisions of the Tokyo Stock Exchange and register him accordingly with the said exchange.

Candidate No.	9
Name	Mayumi Asada (New) (Outside) (Independent)
Date of Birth	February 5, 1968 (53)
Number of the Company's shares owned	0 shares

Brief profile, position and responsibility	
October 2002	Registered as an attorney-at-law and joined Hiranuma Takaaki Law Office
July 2013	Member of the committee for medical dispute settlement, the Tokyo Metropolitan Medical Association (incumbent)
January 2014	Representative, Marunouchi Building Aoi Law Office (incumbent)
March 2014	Acquired Doctor's degree in Medicine at the Juntendo University Graduate School of Medicine
April 2015	Member of the council for disclosure and personal information protection, Meguro-ku (incumbent)
June 2017	Member of the external audit committee for medical safety at Juntendo University Hospital (incumbent)
April 2018	Reconciliation officer at Tokyo Family Court (incumbent)
April 2020	Business Director, Incorporated Educational Institution Nikaido Gakuen (incumbent)
Notable Concurrent Positions Member of the committee for medical dispute settlement, the Tokyo Metropolitan Medical Association Representative, Marunouchi Building Aoi Law Office Member of the council for disclosure and personal information protection, Meguro-ku Member of the external audit committee for medical safety of Juntendo University Hospital Reconciliation officer at Tokyo Family Court Business Director, Incorporated Educational Institution Nikaido Gakuen	
Reason for nomination as a candidate for External Director The Company appointed Ms. Mayumi Asada as a candidate for Director because she has had a long career as a lawyer and medical knowledge as a Doctor of Medicine, and is expected to provide appropriate advice on the management and business execution of the Company from an objective and professional viewpoint based on her extensive experience and insights gained as a lawyer and Doctor of Medicine.	

Notes:

- There are no special conflicts of interest between Ms. Mayumi Asada and the Company.
- Ms. Mayumi Asada is a candidate for External Director.
- Outline of limited liability agreement
If this agenda item is approved as proposed and Ms. Mayumi Asada assumes the position of External Director, the Company will enter into an agreement with Ms. Asada to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the said Act. The amount of liability for damages under this agreement shall be the minimum limited liability stipulated in laws and regulations.
- Outline of Directors and Officers Liability Insurance
The Company maintains an insurance policy for officers and directors ("D&O insurance policy"). If Ms. Mayumi Asada assumes the position of External Director, the Company shall include Ms. Asada as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against her as a result of the execution of duties. If Ms. Asada assumes the position of External Director, the insurance agreement will be renewed during the term of office.
- Ms. Mayumi Asada meets the Independence Standards for External Officers set by the Company. If this agenda is approved as proposed, the Company will designate Ms. Mayumi Asada as an independent officer provided for in the provisions of the Tokyo Stock Exchange and register her accordingly with the said exchange.

Agenda No. 4: Election of One (1) Substitute Auditor

Upon the death of Mr. Kenichi Kubota, an Audit & Supervisory Board Member, Mr. Motokazu Hiura, who was elected as a Substitute Auditor at the Annual Meeting of Shareholders held on March 27, 2020, assumed the position of Audit & Supervisory Board Member as of April 14, 2020, making his position vacant. The Company wishes to elect one (1) Substitute Auditor to prepare for a situation in which there is a shortfall in the number of auditors required by laws and regulations.

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

The candidate for Substitute Auditor is as follows.

Name	Yoshinori Matsushima (Outside) (Independent)
Date of Birth	February 7, 1968 (53)
Number of the Company's shares owned	0 shares

Brief profile and position	
November 1997	Joined Deloitte Touche Tohmatsu LLC
May 2001	Registered as a Certified Public Accountant, and established Matsushima Certified Public Accountant Office (incumbent)
May 2006	Registered as Certified Tax Accountant
Reason for nomination as a candidate for Substitute External Auditor	
Mr. Yoshinori Matsushima has professional taxation knowledge and experience as a Certified Tax Accountant in addition to financial and accounting knowledge gained through his duties as a Certified Public Accountant. Though Mr. Matsushima has never been involved in corporate management, with the insights based on his above-mentioned experience, he is expected to provide appropriate advice on the management of the Company as an External Auditor.	

Notes:

1. There are no special conflicts of interest between Mr. Yoshinori Matsushima and the Company.
2. Mr. Yoshinori Matsushima is a candidate for Substitute External Auditor.
3. Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Yoshinori Matsushima assumes the position of an External Auditor, the Company will enter into an agreement with Mr. Matsushima to limit the liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act pursuant to Article 427, Paragraph 1 of the said Act. The amount of liability for damages under this agreement shall be the minimum limited liability stipulated in laws and regulations.
4. Outline of Directors and Officers Liability Insurance
The Company maintains an insurance policy for Audit & Supervisory Board Members ("D&O insurance policy"). If Mr. Yoshinori Matsushima assumes the position of External Auditor, the Company shall include Mr. Matsushima as an insured party under the D&O insurance policy during the term of this Agreement, with coverage up to ¥1,000,000,000 for losses arising from claims made against him as a result of the execution of duties. If Mr. Matsushima assumes the position of External Auditor, the insurance agreement will be renewed during the term of office.
5. Mr. Yoshinori Matsushima meets the Independence Standards for External Officers set by the Company. If Mr. Yoshinori Matsushima assumes the position of External Auditor, the Company will designate him as an independent officer provided for in the provisions of the Tokyo Stock Exchange and register him accordingly with the said exchange.

Agenda No. 5: Election of Accounting Auditor

Since Deloitte Touche Tohmatsu LLC is retiring from the post of Accounting Auditor due to the expiration of the term of office at the conclusion of the Annual Meeting of Shareholders, the Company wishes to elect an Accounting Auditor pursuant to the decision at the Board of Auditors. The Board of Auditors appointed KPMG AZSA LLC as an Accounting Auditor because, in addition to the possibility of implementing an audit in a new way, the firm is considered to have a system in place to ensure the implementation of financial audits. This has been decided while taking into consideration various factors including its size, expertise, independence, quality control system, and global audit system.

The candidate for Accounting Auditor is as follows.

Name	KPMG AZSA LLC		
Office	Main office 1-2 Tsukudo-cho, Shinjuku-ku, Tokyo		
Background and history	July 1, 1969	Established Asahi & Co.	
	July 1, 1985	Established Asahi Shinwa & Co.	
	October 1, 1993	Merged with Inoue Saito Eiwa Audit Corporation (established on April 5, 1978) and renamed Asahi Audit Corporation.	
	January 1, 2004	Merged with AZSA Audit Corporation (established on February 26, 2003) and renamed KPMG AZSA & Co.	
	July 1, 2010	Restructured as a Limited Liability Auditing Corporation and renamed KPMG AZSA LLC.	
Profile	Capital stock		3,000 million yen
	Composition of members	Certified Public Accountants	3,159
		Members who passed the Certified Public Accountants Examination, etc.	1,011
		Assistant audit staff	1,094
		Other staff	754
		Total	6,018
	Audit and attestation service		3,669 firms

(as of December 31, 2020)

(Reference)

[Independence Standards for External Officers]

The Company designates all personnel who fulfil the qualifications of independent officers.

The Company has established its own criteria for independence of external officers as follows:

- 1 An executive (executive director, executive officer, corporate officer, manager, or other employee) of the Group (the Company and its consolidated subsidiaries) (including a person who has been an executive of the Group)
- 2 A principal shareholder of the Group (shareholder holding 10% or more of the total voting rights of the Company) or an executive of the Group
- 3 (1) A principal business partner of the Group (whose transaction amount with the Company accounts for more than 2% of the Company's consolidated annual sales for the last fiscal year) or an executive of such principal business partner
(2) A business partner of the Company whose transaction amount with the Company accounts for more than 2% of the business partner's consolidated annual sales for the last fiscal year, or an executive of such counterparty
- 4 A principal creditor of the Group (whose debt balance as of the end of the last fiscal year accounts for more than 2% of the Company's consolidated total assets) or an executive of such principal creditor
- 5 A professional service provider including a consultant, lawyer, or certified public accountant who has received money or other assets from the Company that is more than 10 million yen on average over the past three years other than the officer's remuneration. In addition, the Group is a principal business partner of the accounting firm, legal firm, or other organization to which the professional service provider belongs (whose transaction amount exceeds 2% of their annual revenue)
- 6 A representative or employee of the accounting auditor of the Company
- 7 An executive of a corporation of which the Company holds 10% or more of the voting rights
- 8 A person or organization who receives a large amount in donations or subsidies from the Group or an executive of the Group (the annual amount of donation exceeds 10 million yen)
- 9 An executive of a corporation which appoints an officer (director, accounting advisor, auditor, executive officer, or accounting auditor) or employee of the Group as its corporate officer
- 10 A close relative of a person who is one of 1-9 above
- 11 A person who has been one of 2-9 above, or whose close relative has been one of 2-9 above, during the past three years

Even if a person falls under one of the above qualifications, if the Company judges that the person is in practice independent, the Company will disclose and explain the reason when appointing the person as an external officer.