

March 5, 2018

To Our Shareholders:

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

Tokai Carbon Co., Ltd.

Hajime Nagasaka, President and CEO

Notice of FY2018 Annual Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's FY2018 Annual Meeting of Shareholders as described below.

If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing or via the Internet, etc. We kindly request you to read the following "Reference Document for the Annual Meeting of Shareholders" and exercise your voting rights no later than 5:40 p.m., March 27, 2019 (Wednesday).

Sincerely yours,

1. **Date:** 10:00 a.m., March 28 (Thursday), 2019
2. **Venue:** 10F, Aoyama Bldg.
Tokai Carbon Head Office
2-3, Kita-Aoyama 1-Chome, Minato-ku, Tokyo
(Please refer to the details on the last page.)
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 2018 business period (January 1, 2018 to December 31, 2018)
 2. The non-consolidated financial statements for the fiscal year 2018 business period (January 1, 2018 to December 31, 2018)**Items to be resolved:**
 - Agenda No. 1:** Appropriation of Retained Earnings
 - Agenda No. 2:** Election of Eight (8) Directors
 - Agenda No. 3:** Election of Two (2) Auditors
 - Agenda No. 4:** Election of One (1) Substitute Auditor

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1. When you attend the meeting, we kindly request that you submit the enclosed voting form to the receptionist at the venue.
 2. 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: <http://www.tokaicarbon.co.jp/>)
 3. The following documents are posted on the Company's website (URL: <http://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 Auditors of the Company to prepare the auditors' report, and by the independent auditor of the Company to prepare the independent auditors' report.

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 aims to pay dividends stably and continuously with a consolidated payout ratio of 30% as a target, while giving consideration to its business results and forecasts, investment plans, and status of cash flows, etc. in each period.

Along with changes in retained earnings, the Company will comprehensively consider matters including its management environment, financial condition, growth investment, and stock price, and flexibly repurchase shares of its own stock to facilitate shareholder returns.

The Company plans to pay a year-end dividend of ¥12 per share for the current period, which is the same as the interim dividend. The year-end dividend will bring the total 2017 dividend, including the interim dividend, to ¥24 per share.

1. Type in which dividends are paid
Cash payment
2. Allocation of dividends and total amount of dividends
¥12 per common share of the Company Total ¥2,557,843,656
3. Effective date on which dividends are disbursed from retained earnings
March 29, 2019

Agenda No. 2: Election of Eight (8) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this Annual Meeting of Shareholders.

Accordingly, the Company proposes to elect eight (8) Directors by increasing the number of Directors by one in order to reinforce the management setup.

The candidates for Directors are as follows.

Candidate No.	1
Name	Hajime Nagasaka (Reappoint)
Date of Birth	January 9, 1950 (69)
Term of Office as Director	13 years
Attendance at Board Meeting	100% (15 of 15)
Number of the Company's shares owned	115,800 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.	

Candidate No.	2
Name	Nobuyuki Murofushi (Reappoint)
Date of Birth	January 5, 1955 (64)
Term of Office as Director	16 years
Attendance at Board Meeting	86% (13 of 15)
Number of the Company's shares owned	94,053 shares

Brief profile, position and responsibility	
April 1978	Joined the Company
March 2003	Director Deputy General Manager, Graphite Electrode Division
March 2005	Director Executive Officer Deputy General Manager, Graphite Electrode Division
March 2006	Director Managing Executive Officer General Manager, Graphite Electrode Division
March 2009	Director Senior Managing Executive Officer in charge of Fine Carbon Division General Manager, Graphite Electrode Division
March 2012	Director Senior Managing Executive Officer in charge of Corporate Planning Division General Manager, Corporate Planning Division
March 2015	Director Senior Managing Executive Officer General Manager, Corporate Planning Division
January 2016	Director Senior Managing Executive Officer General Manager, Carbon Black Division
March 2017	Director Senior Managing Executive Officer responsible for Corporate Planning Department (incumbent)
Notable Concurrent Position	
Director and President, Tokai Carbon US Holdings Inc.	
Reason for nomination as a candidate for Director Mr. Nobuyuki Murofushi has been involved in the management of the Company and its group companies over many years, serving as Director, Senior Managing Executive Officer since March 2009. The Company reappointed Mr. Murofushi as a candidate for Director because he has extensive experience and knowledge mainly of its mainstay graphite electrode business and overseas business.	

Candidate No.	3
Name	Yuji Serizawa (Reappoint)
Date of Birth	December 27, 1959 (59)
Term of Office as Director	6 years
Attendance at Board Meeting	100% (15 of 15)
Number of the Company's shares owned	51,800 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)
Reason for nomination as a candidate for Director 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.	

Candidate No.	4
Name	Masafumi Tsuji (Reappoint)
Date of Birth	January 10, 1963 (56)
Term of Office as Director	2 years
Attendance at Board Meeting	100% (15 of 15)
Number of the Company's shares owned	47,000 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 (incumbent)
Notable Concurrent Positions Chairman of the Board, Tokai Carbon U.S.A., Inc. Chairman of the Board, Tokai Carbon Korea Co., Ltd. Chairman of the Shareholders Committee, Tokai Carbon Europe GmbH Chairman of the Shareholders Committee, Tokai Carbon Deutschland GmbH Chairman of the Board, Tokai Carbon (Dalian) Co., Ltd.	
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.	

Candidate No.	5
Name	Katsuyuki Yamaguchi (New)
Date of Birth	March 29, 1964 (54)
Number of the Company's shares owned	17,300 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 (incumbent)
<p>Reason for nomination as a candidate for Director</p> <p>Mr. Katsuyuki Yamaguchi has been engaged in the R&D field since he joined the Company, and has held positions, such as General Manager, Engineering Department, General Manager, Technology & Engineering Division, and he has been serving as Executive Officer since March 2018. The Company appointed 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.</p>	

Candidate No.	6
Name	Shunji Yamamoto (New)
Date of Birth	March 8, 1962 (57)
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, Director, Managing Director, Thai Tokai Carbon Product Co., Ltd.
<p>Reason for nomination as a candidate for Director</p> <p>Mr. Shunji Yamamoto has been engaged 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 Executive Officer since March 2018. 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 appointed 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.</p>	

Candidate No.	7
Name	Yoshio Kumakura (Reappoint) (External) (Independent)
Date of Birth	January 19, 1940 (79)
Term of Office as External Director	9 years
Attendance at Board Meeting	100% (15 of 15)
Number of the Company's shares owned	31,000 shares

Brief profile, position and responsibility	
April 1969	Registered as an attorney-at-law
April 1969	Joined Nakamatsu Patent & Law Firm (currently Nakamura & Partners)
January 1980	Partner, Nakamura & Partners (incumbent)
June 2004	Auditor, Nippon Flour Mills Co., Ltd.
March 2007	External Director, the Company (retired in March 2013)
June 2014	Outside Director, Nippon Flour Mills Co., Ltd. (incumbent)
March 2016	External Director, the Company (incumbent)
Notable Concurrent Positions Partner, Nakamura & Partners Outside Director, Nippon Flour Mills Co., Ltd.	
Reason for nomination as a candidate for External Director Mr. Yoshio Kumakura has been a partner at Nakamura & Partners for many years and has served as External Director of the Company since March 2007, with the exception of three years when he left the position. Although Mr. Kumakura has not been involved in managing a company by a method other than serving as an external director or an external audit & supervisory board member, he has provided appropriate advice on the Company's management and execution of business from an objective and professional viewpoint based on his extensive experience and knowledge mainly in intellectual property law, antimonopoly law, and international trade law gained as a lawyer and patent attorney. Accordingly, the Company reappointed him as a candidate for Director.	

Notes:

1. There are no special conflict of interests between Mr. Yoshio Kumakura and the Company.
2. Mr. Yoshio Kumakura is a candidate for External Director.
3. Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Yoshio Kumakura assumes the position of External Director, the Company will enter into an agreement with Mr. Kumakura 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. Mr. Yoshio Kumakura meets the Independence Standards for External Officers set by the Company. If this agenda is approved as proposed, the Company will designate Mr. Yoshio Kumakura 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	Nobumitsu Kambayashi (Reappoint) (Outside) (Independent)
Date of Birth	May 28, 1948 (70)
Tenure of Office as External Director	3 years
Attendance at Board Meeting	100% (15 of 15)
Number of the Company's shares owned	11,000 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:

1. There are no special conflict of interests between Mr. Nobumitsu Kambayashi and the Company.
2. Mr. Nobumitsu Kambayashi is a candidate for External Director.
3. 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.

4. 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.

Agenda No. 3: Election of Two (2) Auditors

Mr. Tsunehisa Samukawa and Mr. Yukihiisa Asakawa, Auditors, will resign at the conclusion of this Annual Meeting of Shareholders. Therefore, the Company would like to elect two (2) Auditors.

As these candidates are not elected as substitute auditors to fill vacancies left by resigning Auditors, the term of office of Auditors shall expire at the conclusion of the Annual Meeting of Shareholders relating to the last fiscal year ending within four (4) years of their election.

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

The candidates for Auditors are as follows.

Candidate No.	1
Name	Masanao Hosoya (New)
Date of Birth	August 27, 1955 (63)
Number of the Company's shares owned	35,700 shares

Brief profile, position and responsibility	
April 1979	Joined the Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)
January 2008	Advisor, the Company
March 2008	Executive Officer
March 2009	Executive Officer General Manager, Corporate Administration Division
March 2010	Director Executive Officer in charge of Corporate Administration Division General Manager, Corporate Administration Division
March 2015	Director Managing Executive Officer General Manager, Corporate Administration Division
March 2017	Director Managing Executive Officer responsible for Accounting & Finance Department and Information System Department
January 2019	Director Managing Executive Officer responsible for Accounting & Finance Department and Information System Department (incumbent)
Reason for nomination as a candidate for Auditor	
Mr. Masanao Hosoya engaged in management at the MUFG Bank, Ltd. over many years, and assumed the position of Director, Managing Executive Officer of the Company in March 2015. Accordingly, he is deemed able to provide management with appropriate advice as an Auditor based on his extensive experience and knowledge mainly in financing and finance, as well as his career as the Company's management.	

Notes: Outline of limited liability agreement

If this agenda item is approved as proposed and Mr. Masanao Hosoya assumes the position of Auditor, the Company will enter into an agreement with Mr. Hosoya 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.

Candidate No.	2
Name	Kenichi Kubota (New) (External) (Independent)
Date of Birth	May 20, 1949 (69)
Number of the Company's shares owned	3,000 shares

Brief profile, position and responsibility	
December 1973	Joined Yasumori Audit Corporation
September 1978	Registered as a certified public accountant and established Kubota CPA Office (incumbent)
July 1987	Assumed the position of Representative Partner at Yasumori Audit Corporation (resigned from the office in July 2009)
<p>Reason for nomination as a candidate for External Auditor</p> <p>Mr. Kenichi Kubota has specialized knowledge of finance and accounting gained through his work as a certified public accountant, as well as having an experience serving as Representative Partner at an audit firm for many years.</p> <p>Although Mr. Kubota has never been involved in corporate management, he has insight based on his experience as described above. Accordingly, he is deemed able to provide management with appropriate advice as External Auditor from the perspective of financial soundness and accuracy.</p>	

Notes:

1. There are no special conflict of interests between Mr. Kenichi Kubota and the Company.
2. Mr. Kenichi Kubota is a candidate for External Auditor.
3. Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Kenichi Kubota assumes the position of External Auditor, the Company will enter into an agreement with Mr. Kubota 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. Mr. Kenichi Kubota meets the Independence Standards for External Officers set by the Company. If this agenda is approved as proposed, the Company will designate Mr. Kenichi Kubota as an independent officer provided for in the provisions of the Tokyo Stock Exchange and register him accordingly with the said exchange.

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

The effective tenure of Mr. Kenichi Kubota, who was elected as a Substitute Auditor at the FY2017 Annual Meeting of Shareholders held on March 29, 2018, expires at the beginning of this Annual Meeting of Shareholders. Accordingly, 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 agenda item.

The candidate for Substitute Auditor is as follows.

Name	Kaoru Ogashiwa (Outside) (Independent)
Date of Birth	January 7, 1967 (52)
Number of the Company's shares owned	0 shares

Brief profile, position and responsibility	
October 1990	Joined Shin Nihon Shoken Chosa Center Keiei Kenkyusho (currently, Japan Investor Relations and Investor Support, Inc.)
December 1992	Registered as a certified tax accountant
June 2005	Auditor, Senkon Logistics Co., Ltd.
June 2017	Outside Director and Auditor (incumbent)
Reason for nomination as a candidate for Substitute External Auditor Mr. Kaoru Ogashiwa has tax expertise which he cultivated through his career as a tax accountant as well as abundant experience as auditor, outside director, and outside auditor in the distribution industry. Although he has never been involved in corporate management, the Company concluded that he will be able to give appropriate advice to the Company's management as an external auditor since he has insights cultivated thorough his past experience as described above.	

Notes:

1. There are no special conflict of interests between Mr. Kaoru Ogashiwa and the Company.
2. Mr. Kaoru Ogashiwa is a candidate for Substitute External Auditor.
3. Outline of limited liability agreement
If this agenda item is approved as proposed and Mr. Kenichi Kubota assumes the position of External Auditor, the Company will enter into an agreement with Mr. Kubota 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. Mr. Kaoru Ogashiwa meets the Independence Standards for External Officers set by the Company. If this agenda is approved as proposed and Mr. Kaoru Ogashiwa assumes the position of External Auditor, the Company will designate Mr. Kaoru Ogashiwa as an independent officer provided for in the provisions of the Tokyo Stock Exchange and register him accordingly with the said exchange.

(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 not 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 not 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 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.