

Human Resources Management

Based on the thinking that the success or failure of a company is decided by its people, and employees shape its destiny, Toray positions human resources as its most important management resource. At the same time making the securing and development of human resources its most important management issue, the Company is promoting human resource strategies in an integrated manner with its management strategies.

On the path from the development to the commercialization of advanced materials, the involvement over the medium- to long-term of human resources who possess a range of abilities remains essential. The Company is leveraging the advantages of Japan's membership-type employment system, where the company protects jobs, employees can work with peace of mind, and teamwork is valued. At the same time, we aim to create organizations and workplaces that incorporate flexible employment structures, where each and every employee can feel fulfilled with their own abilities and develop their own careers, and where they can work as teams to achieve major goals.

1 Strengthening of Human Resources Development

Development of Next-generation Management Leaders

Toray is systematically training successor candidates who can take charge of the next generation of management. Toray Management School, which opened in 1991, selects 20 section managers every year. In addition to helping the candidates acquire the knowledge and skills essential for corporate management, the School also improves their problem-setting and problem-solving abilities through joint research in which themes are selected by groups. 600 graduates including 35 women have gained practical management experience at Japanese and overseas group companies, and 179 have gone on to take up management positions at Toray and its Japanese and overseas group companies. Current President Mitsuo Ohya is also one of the School's graduates. In 2006, we also launched the Toray Group Management School for division and department managers of Japanese group companies and candidates for management succession at the Toray Synthetic Textile Cluster. In 2021, we launched Management Training for General Managers, geared toward those who are about to be promoted to the senior management level of Toray Group.

Expanding and Raising Level of Core Human Resources Charged with Front-line Workplace Competency

Having systemized OJT, OFF-JT, self-development, and personnel systems and measures, Toray is developing its human resources by linking each of these systems. We have prepared training programs for employees at all levels in all fields with the aim of improving and strengthening specialized capabilities, such as in management, sales, accounting, technology development and production management as well as in global capabilities. At the same time, we are making it

possible for key human resources candidates, who will be responsible for front-line workplace competency, to attend training sessions and other activities in a planned manner. In particular, we are focusing on the development of professionals with advanced expertise, technical skills and originality in problem solving, of leaders who act with foresight, leadership and a sense of balance, and of human resources who can play an active role in global business.

Career Path Worksheets that Support Self-Reliant Career Development

Toray introduced the career path worksheet as a tool to support the growth of each and every employee. Employees draw up their own career plans and, through interviews with their superiors, verify their past work experience and their current level of achievement in relation to the required skills as well as discuss their career prospects. Based on that content, superiors also formulate training plans for their subordinates, thereby creating a system to support subordinates in their work execution and career development. Furthermore, we have adopted a self-declaration system as part of our job rotation system, allowing employees to apply for a transfer every year to advance their careers. In this way, we are incorporating human resources development measures that support the self-reliant career development of our employees and promoting the creation of a highly motivated, highly productive organization.

Fostering Mindset to Face Challenges through In-house Recruitment System

In addition to supporting self-reliant career development, Toray is also conducting internal recruitment with the aim of fostering the mindset to face challenges. Job openings are posted on the Company's intranet, and employees who have been employed in their current position for three years or more are free to apply. Every year, many employees are taking advantage of this open recruitment system to achieve transfers across fields and types of occupation.

Company-wide Training Course Enrollment in FY 2022

Training category	Persons enrolled			Time dedicated to training per employee (hour)
	Men	Women	Total	
Management	699	59	758	44.8
Sales, marketing, and administration	262	74	336	20.2
Technical	620	84	704	29.0
Global	74	12	86	50.2
Total	1,655	229	1,884	34.7
Out of the Total, Digital Training	238	24	262	27.0

2 Securing and Promoting Diverse Human Resources

Active Promotion of Locally Hired Staff

We are also raising awareness among locally hired staff working at group companies around the world that they are Toray group employees. Developing human resources into executives who understand and can put Toray's management philosophy and policies into practice, we are actively promoting people to management positions, including executive positions at Toray's headquarters. We are also conducting human resources development overseas through both OJT and OFF-JT. In addition to training sessions at each company, by means of OFF-JT we are regularly holding group training sessions by region and rank as well as holding training sessions in Japan for directors and executives. Furthermore, we are also providing career development through international personnel rotations. At the present time, two local staff members have been appointed as Toray executive officers, and five have followed the executive officers as directors. At group companies around the world, local staff account for 60% of executive positions, including departmental managers, factory managers and above, in Europe and the United States, and 45% in Asia.

Accelerating Promotion of Women's Empowerment in the Workforce

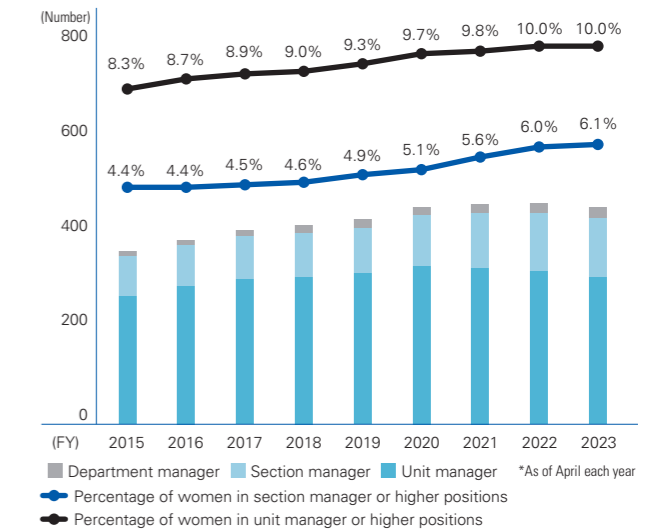
By utilizing the career path worksheets to support individual skill development and planning for realizable careers, we are working to improve the retention rate of female employees and the ratio of female employees in managerial positions. We have also designed systems to minimize the difficulties and challenges that female employees may face, especially the impact of life events on their career development. The number of women working at Toray Group companies outside Japan is also increasing, and in FY 2022, 14 female employees were dispatched in countries and regions such as China, Southeast Asia, Europe, and the United States, in positions such as sales, legal affairs, accounting, and technologies, etc.

Toray Group's female manager training program, which was launched in 2014, was independently planned by female general managers and to date has been held eight times. Female managers who had participated commented that it was a good opportunity to learn from a variety of role models who have the experience of responding to a variety of situations, as well as to strengthen their awareness of their own career development. In addition, male managers also participated in the most recent training session, and together they discussed career development for female employees.

Targets for Promoting Women's Empowerment in the Workforce (April 2021 to March 2026)

- To increase the ratio of women in management positions year by year. The immediate specific target is to increase the ratio of women in management positions from 5.1% in FY 2020 to 6.5%.
- The ratio of the continued employment rate of female employees to the continued employment rate of male employees is set at 1.0 for each employment management category, for employees who have been with the Company up to 10 years.

Number of Women in Management Positions and Women as a Percentage of Total Management (Toray Industries, Inc.)



3 Promoting Job Satisfaction and Supportive Workplaces

Job satisfaction for each and every individual is connected to the source of vitality that creates new value. Through the introduction of the career path worksheet, Toray aims to become a company that supports "finding a place for self-realization within Toray Group."

Under AP-G 2022, we extended the Toray Philosophy (TP) Project to share and disseminate our philosophy so that each and every employee could gain the sense that they were contributing to society through their work. Under AP-G 2025, we are holding live "REAL TALK—Everyone's Voice" events between management and employees, including the president, and launching initiatives to respect feedback from workplaces and lead to the fostering an open organizational culture.

To create supportive workplaces, we are also working to enhance and upgrade support for balancing work and life. These efforts includes setting up a section to showcase a variety of support system available on the WELBOX, our online employee welfare service site, so that employees, irrespective of their gender, can choose from a variety of lifestyles. In particular, systems relating to childcare, nursing care, and maternity protection have been well-developed exceeding legal requirements and easy to use.

Use of Childcare Leave (Toray Industries, Inc.)

FY		2017	2018	2019	2020	2021	2022
Number of employees taking childcare leave	Women	68	58	60	66	56	46
	Men	3	4	10	22	40	82