

Members of the Board and Corporate Auditors

(As of June 27, 2023)

Members of the Board



**Chairman and Representative Member of the Board
Akihiro Nikkaku**

1973 Joined the Company
2001 General Manager, Engineering Division; General Manager, Second Engineering Dept.
2002 Vice President (Member of the Board)
2004 Senior Vice President (Member of the Board)
2006 Senior Vice President (Member of the Board & Member of the Executive Committee)
2007 Executive Vice President and Representative Member of the Board
2010 President and Representative Member of the Board
2020 President and Representative Member of the Board, Chief Executive Officer, Chief Operating Officer
2023 Chairman and Representative Member of the Board (incumbent)



**President and Representative Member of the Board
Mitsuo Ohya**

1980 Joined the Company
2009 General Manager, Industrial & Textile Fibers Division
2012 Vice President (Member of the Board)
2014 Retired from Vice President (Member of the Board)
President and Representative Member of the Board, Toray International, Inc.
2016 Senior Vice President (Member of the Board & Member of the Executive Committee)
2020 Executive Vice President (Representative Member of the Board)
2023 President and Representative Member of the Board (incumbent)



**Representative Member of the Board
Satoru Hagiwara**

1981 Joined the Company
2012 General Manager, Industrial Films Division;
Chairman, Toray Films Europe S.A.S.;
Chairman, Toray Plastics Europe S.A.
Vice President (Member of the Board)
2014 Senior Vice President (Member of the Board)
2017 President and Representative Member of the Board, Toray Advanced Film Co., Ltd.
2020 Senior Vice President (Member of the Board)
2022 Executive Vice President (Representative Member of the Board) (incumbent)



**Member of the Board (Outside)
Ryoji Noyori**

1997 Dean, Graduate School of Science and School of Science, Nagoya University
2001 Director, TAKASAGO INTERNATIONAL CORPORATION (incumbent)
2003 President, RIKEN
2004 Special Professor, Nagoya University (incumbent)
2015 Director-General, Center for Research and Development Strategy, Japan Science and Technology Agency (incumbent)
Vice President (Member of the Board) of the Company
Member of the Board of the Company (incumbent)



**Member of the Board (Outside)
Susumu Kaminaga**

1969 Joined Sumitomo Precision Products CO., LTD.
1995 Representative Director, Surface Technology Systems Ltd.
2000 Director, Sumitomo Precision Products CO., LTD.
2002 Managing Director, Sumitomo Precision Products CO., LTD.
2004 President, Sumitomo Precision Products CO., LTD.
2012 Senior Advisor, Sumitomo Precision Products CO., LTD.;
Representative Director, SK Global Advisers Co., Ltd. (incumbent)
Director, DEFTA Capital (incumbent)
2016 Outside Director, Olympus Corporation
2020 Member of the Board of the Company (incumbent)



**Member of the Board (Outside)
Kazuo Futagawa**

1980 Joined the Ministry of Health and Welfare
2012 Director-General of Minister's Secretariat, the Ministry of Health, Labour and Welfare
2014 Director-General, Health Policy Bureau, the Ministry of Health, Labour and Welfare
2015 Vice-Minister of Health, Labour and Welfare
2017 Retired from Vice-Minister of Health, Labour and Welfare
2018 Special Advisor on Policy, Social Security Reform Office, Cabinet Secretariat
2020 Member of the Board of the Company (incumbent)
Member of the Board, Kanamic Network Co., LTD. (incumbent)



**Member of the Board
Kazuyuki Adachi**

1980 Joined the Company
2017 Director, Toray Industries (Thailand) Co., Ltd.;
President, Luckytex (Thailand) Public Company Limited;
Chairman, Thai Toray Textile Mills Public Company Limited
2018 Senior Vice President (Member of the Board)
2020 Senior Vice President (Member of the Board)
2023 Executive Vice President (Member of the Board) (incumbent)



**Member of the Board
Kazuhiko Shuto**

1980 Joined the Company
1998 Vice President (Member of the Board), Penfabric Sdn. Berhad
2009 Chairman, Toray Jifa (Qingdao) Textile Co., Ltd.
2010 General Manager, Textiles Division
2014 Vice President (Member of the Board)
2016 Senior Vice President (Member of the Board)
2018 Retired from Senior Vice President (Member of the Board)
Chief Representative for China; Chairman & President, Toray Industries (China) Co., Ltd.; Chairman, Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd.
2020 Senior Vice President
2022 Senior Vice President (Member of the Board)
2023 Executive Vice President (Member of the Board) (incumbent)



**Member of the Board
Tetsuya Tsunekawa**

1984 Joined the Company
2004 General Manager, Films & Film Products Research Laboratories
2009 General Manager, Advanced Film Technical Dept., Films & Film Products Research Laboratories
2012 General Manager, Tsuchiura Plant
2014 Vice President (Member of the Board)
2016 Senior Vice President (Member of the Board)
2020 Retired from Senior Vice President (Member of the Board)
Senior Vice President
2022 Senior Vice President
2023 Senior Vice President (Member of the Board) (incumbent)



**Member of the Board (Outside)
Yuko Harayama**

1998 Assistant Professor, Faculty of Economics, University of Geneva
2002 Professor, Graduate School of Engineering, Tohoku University
2007 Outside Director, Compagnie de Saint Gobain SA
2010 Deputy Director, Directorate for Science, Technology and Industry, Organization for Economic Cooperation and Development
2013 Executive Member, Council for Science, Technology and Innovation, Cabinet Office
2020 Executive Director, RIKEN
2022 Co-Representative Director, Japanese Association for the Advancement of Science (incumbent)
2023 Member of the Board of the Company (incumbent)



**Corporate Auditor
Hideki Hirabayashi**

1981 Joined the Company
2003 Director, Penfibre Sdn. Berhad
2005 Executive Vice President, Toray Plastics (America), Inc.
2007 General Manager, Industrial Films 1st Dept., the Company
2010 In charge of Europe Region; Chief Representative for Europe; General Manager, Europe Office
2016 General Manager, General Administration & Legal Division; General Manager, General Administration Dept.
2017 Vice President (Member of the Board)
2020 Retired from Vice President (Member of the Board)
Corporate Vice President
2021 Senior Vice President
2023 Corporate Auditor (incumbent)



**Corporate Auditor
Yoshiyuki Tanaka**

1984 Joined the Company
2006 Executive Vice President, Toray Fluorofibers (America), Inc.
2014 General Manager, Okazaki Plant
2015 Vice President (Member of the Board)
2018 General Manager, Manufacturing Division (Fibers & Textiles Technology and Manufacturing)
2020 President and Representative Member of the Board, Toray Opelontex Co., Ltd.
2021 Corporate Auditor (incumbent)



**Member of the Board
Masahiko Okamoto**

1986 Joined the Company
2009 Vice President (Member of the Board), Toray Industries (Malaysia) Sdn. Berhad; Vice President (Member of the Board), Penfabric Sdn. Berhad; General Manager on Special Assignment, Finance & Controller's Division (Finance & Controller's Chief for Malaysia)
2011 General Manager on Special Assignment, International Division
2013 General Manager, Finance Dept.
2017 General Manager, Controller's Dept.
2020 Corporate Vice President (Member of the Board)
2023 Senior Vice President (Member of the Board) (incumbent)



**Member of the Board
Takashi Yoshiyama**

1984 Joined the Company
2009 General Manager, Advanced Composites Technical Dept.
2010 General Manager, Second Advanced Composites Technical Dept.
2014 General Manager, Composites Production Dept., Shiga Plant
2016 General Manager, Manufacturing Division (Advanced Composites Manufacturing)
2017 General Manager, Manufacturing Division (Advanced Composites Technology and Manufacturing)
President, Euro Advanced Carbon Fiber Composites
2023 Corporate Vice President (Member of the Board) (incumbent)



**Member of the Board (Outside)
Kunio Ito**

2002 Dean, Graduate School of Commerce and Management and Faculty of Commerce and Management, Hitotsubashi University
2004 Executive Vice President and Board Member, Hitotsubashi University
2013 Director, Kobayashi Pharmaceutical Co., Ltd. (incumbent)
2014 Director, Seven & i Holdings Co., Ltd.
Member of the Board of the Company (incumbent)
2015 Director, Hitotsubashi CFO Education and Research Center (Incumbent)
2018 Research Professor, Department of Business Administration, Hitotsubashi University Business School



**Outside Corporate Auditor
Hiroyuki Kumasaka**

1973 Joined FUSO Audit Corporation (later MISUZU Audit Corporation)
2007 Chairs of the Board of Council; Head, Tokyo Office, the Audit Corporation
Representative Liquidator, the Audit Corporation
2008 Outside Corporate Auditor, MATSUDA SANGYO CO., LTD.
2011 External Corporate Auditor of the Board, Japan Airlines Co., Ltd.
2015 Outside Audit and Supervisory Committee Member, MATSUDA SANGYO CO., LTD.
2019 Outside Corporate Auditor of the Company (incumbent)



**Outside Corporate Auditor
Makiko Takabe**

1981 Appointed as an Assistant Judge
2014 Chief Judge, Fukui District Court and Family Court
2015 Presiding Judge, Intellectual Property High Court
2018 Chief Judge, Intellectual Property High Court
2020 President, Takamatsu High Court
2021 Registered as a lawyer (Dai-ichi Tokyo Bar Association)
Of Counsel, Nishimura & Asahi (incumbent)
2023 Outside Corporate Auditor of the Company (incumbent)



**Outside Corporate Auditor
Kozo Ogino**

1981 Joined The Mitsui Bank, Ltd.
2010 Executive Officer, Sumitomo Mitsui Banking Corporation
2011 Managing Executive Officer, Sumitomo Mitsui Banking Corporation
2013 Director, Sumitomo Mitsui Financial Group, Inc.
2014 Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation
2017 Director and Deputy President, Sumitomo Mitsui Banking Corporation
Director, Deputy President, Executive Officer, Group CRO, Sumitomo Mitsui Financial Group, Inc.
2019 Senior Advisor, Sumitomo Mitsui Financial Group, Inc.
President & CEO (Representative Director), SMBC Trust Bank Ltd.
2022 Chairperson, SMBC Trust Bank Ltd. (incumbent)
2023 Outside Corporate Auditor of the Company (incumbent)

Management Team

(As of June 27, 2023)

President
Mitsuo Ohya

Executive Vice President
Satoru Hagiwara

Executive Vice President,
Legal & Compliance Division (Security Trade
Administration Dept.),
Quality Assurance Division, and Intellectual
Property Division;
Technology Center

Executive Vice President
Kazuyuki Adachi

Executive Vice President,
Manufacturing Division

Corporate Vice President
Kazuhisa Itsuji

Corporate Vice President,
Films Division;
Chairman, Toray Films Europe S.A.S.

Corporate Vice President
Satoshi Shimoyama

Corporate Vice President,
Water Treatment & Environment Division;
Water Treatment Division;
Chairman, Toray Asia Pte. Ltd.;
Chairman, Toray Membrane (Foshan) Co., Ltd.

Corporate Vice President
Kei Shimaji

Corporate Vice President,
Electronic & Information Materials Division

Executive Vice President
Kazuhiko Shuto

Executive Vice President,
Marketing & Sales;
Corporate Marketing Planning Division;
Affiliated Companies Division
Resins & Chemicals Division

Senior Vice President
Hirofumi Kobayashi

Senior Vice President,
Pharmaceuticals & Medical Products
Division;
Pharmaceuticals & Medical Products Division
(Technology & Manufacturing)

Senior Vice President
Tetsuya Tsunekawa

Senior Vice President,
Corporate Strategic Planning Division;
HS Division

Corporate Vice President
Osamu Tsuneki

Corporate Vice President,
Purchasing & Logistics Division

Corporate Vice President
Takashi Yoshiyama

Corporate Vice President,
Torayca & Advanced Composites Division;
Chairman, Toray Carbon Fibers Europe S.A.

Corporate Vice President
Katsuyuki Yanai

Corporate Vice President,
Human Resources Division;
Toray Human Resources Development
Center

Senior Vice President
Shigeki Taniguchi

Senior Vice President,
CSR & Investor Relations;
General Administration & Communications
Division;
Tokyo Head Office

Senior Vice President
Kenichiro Miki

Senior Vice President,
Fibers & Textiles Division;
Osaka Head Office

Senior Vice President
Satoru Nishino

Senior Vice President,
Chief Representative for Americas;
President, Toray Industries (America), Inc.;
Chairman, Toray Plastics (America), Inc.

Corporate Vice President
Shinichiro Hata

Corporate Vice President,
Quality Assurance Division

Vice President
Young Kwan Lee

Vice President,
Chief Representative for the Republic of
Korea;
President, Toray Industries Korea Inc.;
Chairman, Toray Advanced Materials Korea
Inc.

Vice President
Teh Hock Soon

Vice President,
Chief Representative for Malaysia;
President, Toray Industries (Malaysia) Sdn.
Berhad;
Chairman, Penfabric Sdn. Berhad;
Chairman, Toray Malaysia Systems Solution
Sdn. Bhd.;
Chairman, P.T. Century Textile Industry Tbk

Senior Vice President
Hiroshi Enomoto

Senior Vice President,
Chief Representative for Europe;
President, Toray Industries Europe GmbH

Senior Vice President
Hajime Ishii

Senior Vice President,
Fibers & Textiles Division;
Global SCM Division

Senior Vice President
Hiroyuki Matsuda

Senior Vice President,
Information Systems Division;
Engineering Division

Vice President
Kazuyuki Yakushiji

Vice President,
Manufacturing Division (ACM Technology &
Production)

Vice President
Masahide Matsumura

Vice President,
Chief Representative for Thailand;
President, Toray Industries (Thailand) Co., Ltd.

Vice President
Toru Kutsuzawa

Vice President,
Chief Representative for China;
Chairman and President, Toray Industries
(China) Co., Ltd.;
Chairman, Toray Sakai Weaving & Dyeing
(Nantong) Co., Ltd.;
Chairman, Toray International (China) Co., Ltd.

Senior Vice President
Masahiko Okamoto

Senior Vice President,
Finance & Controller's Division

Corporate Vice President
Yuichiro Iguchi

Corporate Vice President,
Research & Development Division;
Basic Research Center

Corporate Vice President
Yoshio Yamamoto

Corporate Vice President,
Legal & Compliance Division;

Vice President
Hiroshi Tsuzuki

Vice President,
Corporate Strategic Planning Division;
Corporate Marketing Planning Division

Executive Fellow

Executive Fellow
Akihiko Kitano

Executive Fellow,
Advanced Materials & Application Center;
ACM Technology Division

Corporate Governance

Basic Policy

From the outset, one of Toray Group's managerial principles has been that the purpose of a company is to contribute to society. The Group has developed the Toray Philosophy that incorporates this principle. The Group systematizes the Toray Philosophy as a Corporate Philosophy, Corporate Missions, Corporate Guiding Principles, etc. The Corporate Missions clearly enunciate that the Group will practice "sincere and

trustworthy management." The Corporate Guiding Principles stipulate the Group's commitment to "acting with fairness, high ethical standards and a strong sense of responsibility while complying with laws, regulations and social norms to earn trust and meet social expectations." When establishing the corporate governance structure, the Group seeks to realize these philosophies as its basic policy.

Outline of Governance System and Reasons for Adopting the System

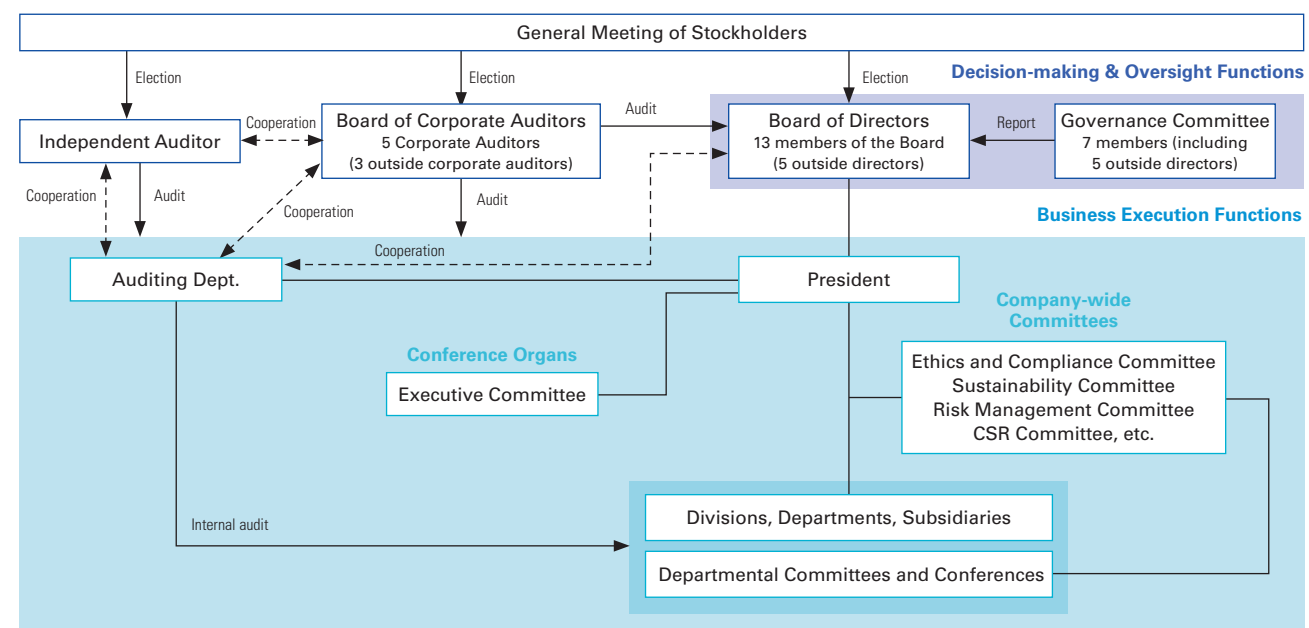
Toray operates as a company with a Board of Corporate Auditors and Board of Directors. The Board of Directors, which includes outside directors, decides on the business execution and supervises the execution of duties by the members of the Board. The Board of Corporate Auditors includes outside corporate auditors and independently audits the execution of duties by the members of the Board, separately from the Board of Directors and the executing organization. This framework is designed to secure the transparency and fairness of decision made by the Board of Directors. In addition, there is a Governance Committee, which serves as a voluntary advisory body to the Board of Directors. The Governance Committee deliberates on all matters relating to corporate governance, enhancing the effectiveness of governance by the Board of Directors.

Toray Group operates in a broad spectrum of business fields at a global level. Business management and

decision-making, as well as oversight, require assessment of a wide variety of risks from multiple perspectives based on expertise related to the day-to-day operations of the Group's worksites. To that end, the structure of the Board of Directors is designed to ensure that members bring a diverse range of perspectives to management oversight and decision-making. Meanwhile, outside directors are elected to the Board to enhance transparency and fairness, to ensure management oversight from an even broader perspective, and to obtain appropriate managerial advice from a medium- to long-term perspective.

The Board of Corporate Auditors is entirely independent of the Board of Directors. Based on professional expertise in finance, accounting, and law, as well as an understanding of the Group's businesses, the Board of Corporate Auditors oversee directors' execution of their duties.

Corporate Governance Structures



Strengthening the Governance Framework

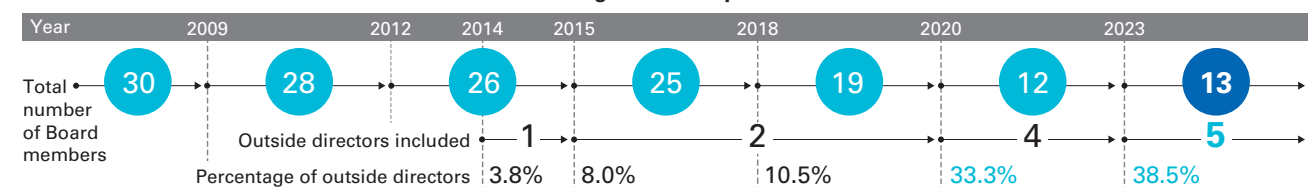
Toray introduced an operating officer system in June 2020 to enable execution based on swift decision making that accurately responds to the business environment and its

changes. Additionally, we took this opportunity to reduce the number of directors, and as of June 27, 2023, had appointed eight internal members of the Board and five

outside directors, for a total of 13 directors. The Board of Directors determines the scope of business execution to be delegated to vice presidents and supervises the execution of those duties. There are seven directors who also serve as vice presidents. The Chairman convenes and

chairs the Board of Directors' meetings. The Governance Committee consists of two inside and five outside directors, and it is chaired by an outside director to ensure a multifaceted perspective.

Reduction in number of Members of the Board and change in its composition



Policy on the Composition of the Board of Directors, Policy and Procedures for Selecting Members of the Board

The Board of Directors has to evaluate a wide variety of risks multilaterally to fulfill its roles of oversight and decision-making. To that end, the Board of Directors strives for appropriate balance in the number of members and structure, with members who widely cover the fields of the corporate activities of the

Group in terms of knowledge, experience and ability, and appropriately ensures diversity as a whole with the announcement of the skill matrix of members of the Board. As to the structure of the Board of Directors, the Governance Committee continuously reviews it.

Skill Matrix

Name	Business operations				Corporate		Strategic
	Management experience	Global business experience	Technology/ Manufacturing/ R&D	Sales & Marketing	Legal/Intellectual property/Risk management	Accounting/ Finance	
Akihiro Nikkaku	●	●					
Mitsuo Ohya	●			●			
Satoru Hagiwara	●		●				
Kazuyuki Adachi		●	●				
Kazuhiko Shuto		●		●			
Tetsuya Tsunekawa			●				● (DX)
Masahiko Okamoto		●				●	
Takashi Yoshiyama		●	●				
Kunio Ito						●	● (ESG)
Ryoji Noyori			●				● (Science and technology)
Susumu Kaminaga	●						● (Business strategies)
Kazuo Futagawa					●		● (Policy science)
Yuko Harayama							● (Innovation)
Hideki Hirabayashi		●			●		
Yoshiyuki Tanaka		●	●				
Hiroyuki Kumasaka						●	
Makiko Takabe					●		
Kozo Ogino						●	

*The skill matrix above is not an exhaustive list of all the knowledge and experience held by the individuals, but presents up to two major skills among those that the Company expects of them to promote management strategies.

Status of Outside Directors/Corporate Auditors Elections

Toray ensures objectivity and transparency of corporate governance by establishing and disclosing standards for independence of outside directors and outside corporate auditors. Based on these standards, the Company elects

five outside directors and three outside corporate auditors and submits notification regarding their status as independent officers to the Tokyo Stock Exchange.

Remuneration for Members of the Board

Given their roles, remuneration for internal members of the Board consists of basic remuneration which is a fixed amount as well as a performance-based remuneration, including a bonus which takes into account the consolidated business results for each fiscal year and other factors, and stock acquisition rights as stock options, which are linked to medium- to long-term business results. In the light of their roles, remuneration for outside directors consists of basic remuneration only.

Remuneration is set at a level that enables the Company to secure superior human resources and further motivate them to improve performance, referring mainly to the results of a survey of other companies' remuneration by an external third-party organization. The Company undertakes reviews of the payment ratios of performance-based remuneration and remuneration other than performance-based remuneration as appropriate, based on the results of a survey of other companies' remuneration and deliberations at the Governance Committee.

With respect to basic remuneration, the maximum limit of total remuneration is determined at general meetings of stockholders. Particulars of the agenda at the general meeting of stockholders are determined by the Board of Directors following a report from the Governance Committee. Bonuses are determined by the Board of Directors following a report from the Governance Committee, with consideration given mainly to the consolidated core operating income for each fiscal year that best represents the results of the Company's global business

operations, plus the historical record.

The maximum limit of total number of Stock Acquisition Rights as well as the limit of remuneration relating to the granting of the Stock Acquisition Rights as stock options to members of the Board is resolved at the general meetings of stockholders. Within that limit, the total number of Stock Acquisition Rights to be allocated to each internal member of the Board is determined at the Board of Directors meeting based on the standards determined by the Board of Directors after the Governance Committee makes a report to the Board of Directors. The issue price of the 12th series of stock acquisition rights allocated during the fiscal year under review (allocated on August 20, 2022) was ¥685,000 per stock acquisition right (¥685 per share).

Given their roles, remuneration for corporate auditors consists of basic remuneration only. With respect to basic remuneration, the maximum limit of total remuneration is determined at general meetings of stockholders. Within the scope of the maximum limit, basic remuneration to each corporate auditor is determined through consultation by corporate auditors based on the Company's internal regulations.

Regarding details of remuneration to individual members of the Board, the remuneration system is continuously reviewed by the Governance Committee. Based on the results, the Governance Committee makes a report to the Board of Directors, which makes a resolution. Accordingly, the Board of Directors believes that the said details are in line with the Decision-making policy.

Overview of the Results of the Analysis and Evaluation

Toray's Board of Directors implemented "Questionnaire Survey to Evaluate the Effectiveness of the Board of Directors in the fiscal year ended March 31, 2023" of all the 17 Board members and corporate auditors. In addition, the Company had individual interviews with seven outside directors and outside corporate auditors to hear opinions in relation to the responses to the questionnaire. The collection and summary of the questionnaire and interviews were outsourced to a third-party organization to ensure transparency and objectivity. The survey results were analyzed and evaluated at the Governance Committee held on June 9, 2023, and the results of the analysis and evaluation were deliberated at the Board of Directors' meeting held on June 14, 2023. The overview of the analysis and evaluation results shown below describes the contents resolved at the Board of Directors meeting.

- (1) In FY 2022, the Board of Directors performed oversight and decision-making based on a deep understanding and sympathy with the Management Philosophy and Corporate Missions. As a result, we believe that the Board of Directors generally fulfilled its roles and responsibilities in indicating the direction of corporate strategies and other major courses of action in an appropriate manner.
- (2) In FY 2022, the Board of Directors held 15 meetings in total to perform oversight and decision-making in a timely and appropriate manner. We believe that the Board of Directors generally fulfilled its roles and responsibilities in establishing an environment conducive to appropriate risk-taking by maintaining dialogue between outside directors and vice presidents and undertaking other initiatives in the operation of the Board of Directors.
- (3) With respect to the 15 Board of Directors meetings held in FY 2022, the attendance rate of the members of the Board was 100%. Outside directors made remarks mainly from

their respective professional viewpoints. Their opinions at the Board of Directors' meetings, including the abovementioned remarks, were appropriately reflected in measures taken by the management. The Board of Directors confirmed that progress has been made in determining the root cause and implementing recurrence prevention measures in relation to the inappropriate actions involving UL LLC certification in the Company's resins business. With respect to transactions causing possible conflicts of interest, internal procedures to handle them were appropriately carried out. For all of the reasons above, we believe that the Board of Directors generally fulfilled its roles and responsibilities in carrying out the effective oversight of members of the Board and the management from an independent and objective standpoint in an appropriate manner.

- (4) In light of foregoing, we believe that the Board of Directors generally fulfilled its roles and responsibilities in an effective manner in FY 2022. Regarding "diversity at the Board of Directors meetings," however, we will continue discussions, on the premise of ensuring quality, on the recruitment of human resources that can contribute to realizing the Toray Philosophy. With regard to "further activating discussions at the Board of Directors meetings," continuing from the fiscal year ended March 31, 2023, specific measures for improvement must be taken in the fiscal year ending March 31, 2024 and thereafter so as to further improve the effectiveness of the Board of Directors.
- (5) With respect to the opinions received from the members of the Board and corporate auditors while evaluating the effectiveness of the Board of Directors, the Governance Committee shall deepen discussions based on those opinions with a view to further improving the effectiveness of the Board of Directors, as necessary.

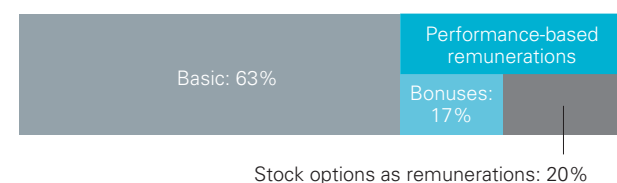
Details of Remuneration (April 2022- March 2023)

Position	Total remuneration (millions of yen)	Total remuneration by type (millions of yen)			Recipients
		Basic	Bonuses	Non-monetary remunerations Stock options as remunerations	
Members of the Board (excluding outside directors)	566	380	79	107	9
Corporate auditors (excluding outside corporate auditors)	79	79	—	—	2
Outside directors	56	56	—	—	4
Outside corporate auditors	36	36	—	—	3

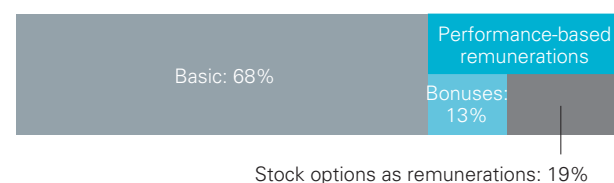
Notes: 1. Recipients included one member of the Board (excluding outside directors) who retired during FY 2022.
2. Total amounts of remuneration do not include the ¥17 million paid in salaries to one employee-director.

Composition of Remuneration (April 2022- March 2023)

President and Representative Member of the Board



Internal Member of the Board



Measures to ensure the effectiveness of the governance framework for listed subsidiaries

Chori Co., Ltd

- On March 25, 2020, Chori Co., Ltd. established the Governance Committee, which is a voluntary committee, to strengthen the independence, objectivity, and accountability of the functions performed by its Board of Directors regarding the nomination and remuneration of members of the Board. The subsidiary's Governance Committee also deliberates on matters that become necessary to be addressed from the perspective of protecting the interests of its general shareholders. No former employees, directors, officers, or other personnel of the Company serve as members of the Governance Committee, which is composed mainly of independent outside directors, hence the independence of the subsidiary in exercising authority over the election and dismissal of its directors is guaranteed.
- When exercising authority over the election and dismissal of the subsidiary's independent outside directors, the Company seeks to make an appropriate decision for each agenda item, while serving the interests of the subsidiary's shareholders in general. That decision depends on whether the candidate can oversee management from a broader perspective to further improve the transparency and fairness of management and can provide appropriate management advice from a medium- to long-term perspective, based on his/her sympathy to the management philosophies of Toray and the subsidiary, in addition to understanding of the businesses.
- The transactions between the Company and the subsidiary are concluded based on the negotiations with reference to several factors such as the market price.

Suido Kiko Kaisha, Ltd.

- On December 20, 2021, Suido Kiko Kaisha, Ltd. established the Governance Committee, which is a voluntary committee. Its purpose is to appropriately manage the election and dismissal of members of the senior management (full-time executive directors), nomination of director candidates, remuneration of members of the senior management and directors, and conflicts of interest with the controlling shareholder, while strengthening the independence, objectivity and accountability of the functions of the Board of Directors regarding decisions and other matters on important transactions and actions with the controlling shareholder for the purpose of protecting the interests of minority shareholders. By requiring a majority of the committee members to be independent outside directors, the independence of the subsidiary in exercising authority over the election and dismissal of its directors is guaranteed.
- When exercising authority over the election and dismissal of the subsidiary's out-side and independent directors, the Company seeks to make an appropriate decision for each agenda item, while serving the interests of the subsidiary's shareholders in general. That decision depends on whether the candidate can oversee management from a broader perspective to further improve the transparency and fairness of management and can provide appropriate management advice from a medium- to long-term perspective, based on his/her sympathy to the management philosophies of Toray and the subsidiary in addition to understanding of the businesses.
- The transactions between the Company and the subsidiary are concluded based on the negotiations with reference to several factors such as the market price.

Comments from an Outside Director



Kunio Ito
Outside Director

Q The new leadership team kicked off in June. Please let us know your thoughts regarding the inquiry process up to finalizing the new team and your assessment of that process.

A As Toray engages in such a broad range of main businesses, managing them and exercising leadership is no easy task. Led by the Governance Committee, we have long discussed and sought a person with a new management style and outstanding leadership who can realize the “New Toray,” while carrying over the extensive experience built up over the years under President Akihiro Nikkaku. As the new president appointed through this process, I expect to see Mr. Mitsuo Ohya fuse Toray’s technological capabilities with his own expertise in marketing, thereby realizing creativity and innovation amid the discontinuous changes in the business environment and driving growth in corporate value.

Q The Tokyo Stock Exchange requires improvements from any company that falls below a PBR of 1x. The Medium-Term Management Program, Project AP-G 2025 (AP-G 2025), includes “improving profitability” and “improving asset efficiency” as challenges, as well as “ultimate value creation” as one of its basic strategies. Please provide some comments and recommendations for Toray on AP-G 2025.

A As an outside director, I feel disappointed that Toray’s PBR has fallen below 1x. In addition to releasing the names of companies that have dropped below this benchmark, the Tokyo Stock Exchange also announced the “JPX Prime 150,” made up of those companies that have created significant corporate value. Based on my analysis, the average PBR of the 150 selected companies is 3.6x. These companies clearly have earnings capability, in other words, excellent net profit-to-sales ratios. And their ROE greatly exceeds their cost of capital. In this respect, I believe both “improving profitability” and “improving asset efficiency” are appropriate program challenges under AP-G 2025. All that is left to do now is take action.

Q Another basic strategy under AP-G 2025 is “enhancement of people-centric management.” Please provide us with a few comments if you have any thoughts on the strengths and weaknesses of Toray regarding human resources.

A I feel that historically, Toray has highly valued its people, and that it has been committed to training. Nearly 30 years ago, well ahead of the rest of the industry, Toray opened the Toray Management School as a selective manager training program. Today, the number of companies that have introduced selective personnel training programs has drastically increased, and Toray was truly a pioneer in this respect. One aspect that symbolizes the Company’s stance, though, is that despite struggling with its performance at times, Toray has continued to administer this program without ever suspending it or cutting its budget. So, I feel that it makes sense to include “enhancement of people-centric management” within AP-G 2025. As society has come to recognize the importance of human capital management, however, I feel it is important for Toray to create an environment and corporate culture that enable people to grow rather than one that nurtures them, and to enhance the autonomy and independence of individuals.

Q Please tell us about your impression after having participated in the Institutional Investors Collective Engagement Forum (IICEF)’s Collective Engagement Program.

A The Collective Engagement Program was a valuable opportunity in that I was able to engage in sincere dialogue with the investors that attended. And I feel I truthfully answered their various questions to the best of my ability. I myself have engaged with many investors over the years, and feel that I understand where their interests lie. Yet I am convinced that directly conversing with investors regarding individual companies and touching upon their specific areas of interest was beneficial for strengthening the governance of Toray in the future. The participants of the program fully conveyed the message that investors are most strongly interested in the governance of the companies in which they invest, and that they wish to ascertain whether they should continue to trust and invest in these companies. I therefore intend to strive together as part of the Board of Directors in order to meet the investors’ expectations.

IICEF Collective Engagement Program

Date: February 20, 2023
 Attendance: Kunio Ito, Member of the Board; Susumu Kaminaga, Member of the Board; Kazuo Futagawa, Member of the Board; and Kazuya Jono, Corporate Auditor
 Participating Investors: 7 companies (organized by the Institutional Investors Collective Engagement Forum)

• Dai-ichi Life Insurance Co., Ltd.	• Meiji Yasuda Asset Management Co., Ltd.
• Mitsubishi UFJ Trust and Banking Corporation	• Pension Fund Association
• Resona Asset Management Co., Ltd.	• Sumitomo Mitsui DS Asset Management Co., Ltd.
• Sumitomo Mitsui Trust Asset Management Co., Ltd.	

We held a collective engagement with the seven companies listed above regarding the inappropriate actions relating to UL certification by Toray’s resins business. The collective engagement provided Toray an opportunity to explain the awareness held by the outside directors and outside corporate auditors, together with the Company’s initiatives, regarding corporate culture and governance. At the same time, the collective engagement served as a valuable opportunity to deepen the understanding between Toray and the investors on these issues. Toray will continue to ensure accountability going forward.

Compliance

Basic Approach

In order to contribute to society by leveraging innovative technologies and advanced materials in line with its corporate philosophy, as well as by working to resolve major global issues, Toray Group must build and maintain relationships of trust with our various stakeholders. And in order to gain this trust, it is essential to comply with the laws

and regulations related to our business activities in each country in which we operate and maintain the highest level of integrity in all our actions. Therefore, top management focuses on a leadership role in placing the highest priority on compliance, while both the Group and its suppliers are required to promote ethics and compliance.

Ethics and Compliance Structure

Toray has established an Ethics and Compliance Committee chaired by the President and consisting of the vice presidents. At this committee, management and workers come together to consider and discuss policies related to ethics and compliance. Moreover, this Committee reports on the operational status of the whistle-blowing system established by Toray Group, including the number of reports (consultations) and other details, to members of the Board.

workplace, instead of top-down initiatives led by each divisional/departmental general manager, we promote such activities by shifting to middle-up-down approach. As a starting point, the middle management at each workplace themselves considered and implemented the activities required in each workplace, then conveys the opinions obtained through the activities to the top management.

During FY 2022, this Committee met twice to deliberate and discuss Toray Group’s ethics and compliance activity results for FY 2021 and the activity plans and progress updates for FY 2022. We also discussed individual measures, such as the implementation of Compliance Month and collaboration on plans with safety activities. In each

In initiatives for group companies around the world, Toray Group has established the Affiliate Companies’ Compliance Meeting and the Overseas Affiliate Companies’ Compliance Meetings under the Ethics and Compliance Committee. Through these committees, Toray Group is examining and promoting compliance activities in each company, country and region.

Ethics & Compliance Code of Conduct

Toray Group has established the Ethics & Compliance Code of Conduct (revised in June 2023), which outlines the code of conduct as important rules to be followed by executives and employees of Toray Group, as well as the compliance helpline, and the promotion framework for ethics and compliance. The contents of the code are regularly reviewed

by the Ethics and Compliance Committee, chaired by the President and consisting of the vice presidents. Also, reports are made and submitted to the Board of Directors by this committee. The code of conduct is thoroughly communicated to all Toray group executives and employees including contracted, part-time, and temporary workers.

Corporate Ethics and Legal Compliance Education

Toray posts information on CSR and legal compliance on its corporate intranet. Toray Group circulates important information about legal and compliance matters that are highly relevant to its business in Japan and overseas. Besides, for the entire group companies, we promote active discussions in workplaces through workshops to examine these matters and study cases of corporate misconduct.

Compliance Code of Conduct and Toray Group’s whistle-blowing system, and 96.4% of the targeted participants took the course. In a survey of participants, 60.8% answered that they had “understood” the content of the Code of Conduct, and 38.9% that they had “understood the Code of Conduct to some extent,” and we are continuing to disseminate information and promote education to further instill its content. We are also using similar teaching materials to conduct training sessions at our group companies in Japan. Following the case of misconduct in UL certification registration, in FY 2022 we also conducted thorough compliance training throughout the Company, covering topics such as an introduction to the incident, an analysis of its causes, and countermeasures.

Since FY 2012, Toray has provided e-learning courses on corporate ethics and legal compliance for all executives and employees, including contracted, part-time, and temporary workers. Themes in the training courses set for each fiscal year included explanations to instill Toray’s code of conduct and whistle-blowing system, as well as case studies on anti-bribery, human rights and harassment.

In FY 2022, the courses focused on the Ethics &

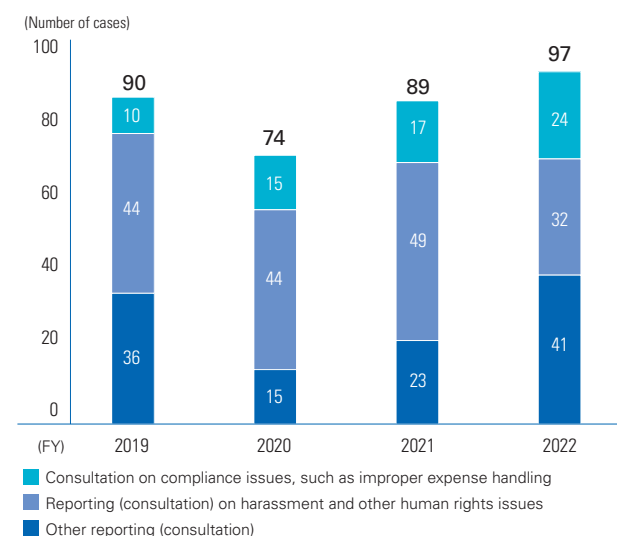
Expanding the Whistle-Blowing System

Toray established the Corporate Ethics and Legal Compliance Helpline as a whistle-blowing system in FY 2003 and expanded the system to include all group companies in Japan in FY 2010. In FY 2022, Toray and its group companies received a total of 97 whistle-blowing (consultation) cases, of which seven resulted in disciplinary action. The facts were investigated with utmost care to protect against any risk of negative impact on the individual reporting to or consulting with the hotline. If a problem was identified, efforts were made to solve the problem and measures were taken in accordance with the internal rules of each company, such as company regulations. The operational status of the whistle-blowing system is reported to the Board of Directors and the Board of Corporate Auditors by the Ethics and Compliance Committee.

In 2022, we developed internal regulations based on the Whistleblower Protection Act, which had been revised and enforced in June of the same year, and added executives, employees who have retired within one year, and business partners to the users of the whistle-blowing system. We also made our own revisions, such as adding

rules regarding the designation of personnel who handle whistleblower-related tasks.

Content and Number of Whistle-Blowing (Consultation) for Toray Group



Reinforcing Compliance in Product Quality Assurance

Toray Group is pursuing five major issues to reinforce product quality assurance compliance throughout the Group.

1. Reinforcement of structures related to quality assurance systems of the entire Toray Group

The Group provides guidance to Toray Industries and its group companies globally regarding the development of quality assurance system, and audits the effectiveness of these systems and operations. Based on the formulated product quality assurance vision, the organizations design initiatives to close the gap between the vision and actual performance.

2. Development of human resources and creation of workplace culture not allowing any misconduct

Toray has designated November as Quality Month. Coinciding with this initiative, the Company has conducted quality assurance compliance education since FY 2020. By providing educational materials to Toray Industries as well as its group companies in and outside Japan, each department and company is taking the initiative in promoting training. (Number of training participants in FY 2022: 23,918)

3. Understanding of actual state of agreements with customers and establishment of guidelines related to product quality (assurance)

Based on the guidelines for product quality assurance agreements, we continue to assess agreements and review their provisions as necessary.

4. Appropriate maintenance or control and modernization or fulfillment of measuring equipment

The Group has risk assessment tables for judging the necessity of upgrading or conducting maintenance on measuring equipment, and use them to identify devices in need of an upgrade.

5. Improvement of quality data management system to not allow any misconduct

The Group is developing data management systems that minimize human involvement, such as by automating measurement and transfer of measurement data, and issuance of inspection reports.

Competition Law Compliance, Anti-Corruption, and Anti-Bribery

1. Competition Law Compliance

The Ethics & Compliance Code of Conduct defines the code of conduct related to competition laws that must be observed by all Toray group executives and employees. Educational materials related to competition laws have been prepared in Japanese and English for all Toray

group employees. Within Japan, the Group prepares and utilizes compliance training materials and gathers examples of compliance violations related to competition laws. In FY 2022, no legal action was taken against Toray Group on the grounds of anti-competitive behavior, antitrust or monopoly practices.

2. Anti-Corruption and Anti-Bribery

In January 2020, Toray Group formulated the Anti-Bribery Regulations that explicitly prohibit offering and accepting bribes to or from public officials and business partners, and established the rules for approval and reporting when offering or receiving money or other benefits to or from public officials and business partners. Similar rules have also been introduced at both domestic and overseas group companies.

The Ethics & Compliance Code of Conduct defines the code of conduct related to anti-corruption and anti-bribery measures that must be observed by all Toray group executives and employees. Accompanying guidelines and educational materials covering to the anti-corruption and anti-bribery measures have been prepared in Japanese and English for all Toray group employees and they are shared on a group-wide basis. No legal action was taken against Toray Group on anti-corruption or anti-bribery grounds in FY 2022.

Protection of Personal Information

In order to comply with Japan's Act on the Protection of Personal Information, Toray has established Regulations for the Management of Personal Information, together with a management framework and practices to ensure each department manages personal information appropriately. Audits are regularly conducted into the management conditions in each department.

In FY 2022, the Company received no complaints concerning personal information and there were no data breaches. Major Toray group companies in and outside Japan appropriately conduct management in accordance with the management systems and methods specified by the internal rules of each company.

Promotion of Mission B.E.A.R. Activities

In FY 2018, Toray Group launched a new initiative with the slogan "Have the integrity to do the right thing in the right way." The initiative includes the following four principles for taking more effective action to ensure compliance.



Compliance Action Principles

- B: Be fair, be honest and have integrity**
- E: Encourage respect and communication**
- A: Adopt a *Genba* (workplace) approach—Look to the facts!**
- R: Responsibility as a member of our excellent company**

Under the name "Mission B.E.A.R.," an acronym of the first word of each principle, Toray group companies formulate declarations and action plans related to compliance, and implement initiatives that correspond to their individual

situations. Toray Group implements periodic follow-ups for the initiatives of each company, shares the effective initiatives of each company within the Group, and encourages each company to take the initiative in evolving their compliance activities.

In FY 2022, Toray continued to assist each company's compliance promotion activities. Including the Compliance Promotion Month, steps were actively taken to share compliance-related initiatives, utilize the results of compliance awareness questionnaires, and carry out collaborative projects with safety activities at plants. Through these activities every effort is being made to strengthen risk response that emphasizes factors unique to each region and type of business while reinforcing Toray Group's integrity-driven corporate culture.

Implementing Internal Legal Audits

In FY 2022, Toray implemented internal legal compliance audits relating to high-priority items including the Antimonopoly Act, bribery regulations, insider trading regulations, and concluding agreements, for designated departments of Toray and its group companies in Japan. Nothing

inappropriate was found in any of the items covered, but we will continue to raise awareness of legal compliance by sharing information through educational activities and in-house magazines.

Improving Security Trade Controls

Concerns about the spread of conventional mass weapons of destruction and changes in the international security balance necessitate risk management addressing security trade controls. Toray convenes a Security Trade Administration Committee comprising officers of divisions that are involved in exports and technology transfer. In FY 2022, the committee decided on measures to implement

for the fiscal year after considering pressing risks based on recent international circumstances and regulatory trends. The committee members also convene a Divisional Security Trade Administration Committee that communicates corporate measures and implements supplementary programs, such as precautions to be taken by departments and group companies under its supervision.

Risk Management

Risk Management Structure

In order to respond to risks that rapidly emerge due to changes in the surrounding environment and to respond immediately in the event of a crisis, Toray Group has the Risk Management Committee, chaired by the General Manager of Toray Industries, Inc.'s Corporate Strategic Planning Division. It also facilitates close communication between the Board of Directors and top management as it pursues risk management as an integral part of management strategy. In addition, as subordinate organizations of the Risk Management Committee, the Overseas Crisis Management Committee and Local Crisis Management Committee have been established to manage employees' overseas travel under normal conditions and compile information on overseas risks.

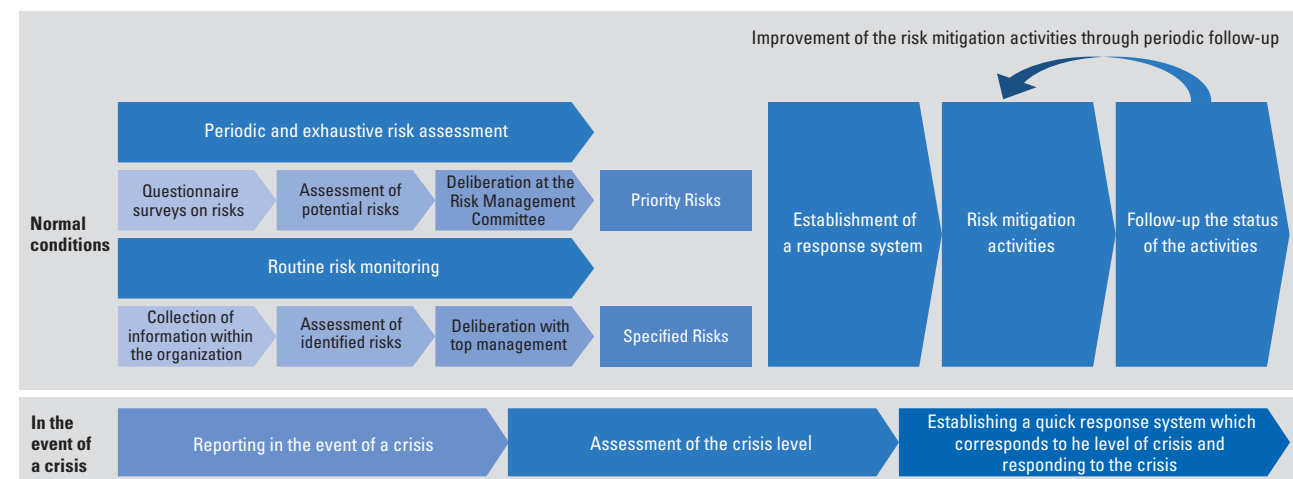
Risk Management Committee System



Risk Management Activities

For risk management in normal times, the Group implements a PDCA cycle to manage Toray Group Priority Risks (hereinafter referred to as Priority Risks) and Specified Risks. In principle, the Company conducts an exhaustive identification of Priority Risks once every three years. Priority Risks are set based on those with a high degree of potential risk (probability of occurrence × degree of impact), and the division or department responsible for mitigating each risk focuses on risk mitigation. Specified risks

include risks arising in a short period of time, and have a complementary relationship with priority risks. Specified Risks are determined by a dedicated department in the Corporate Strategic Planning Division that routinely monitors domestic and overseas trends, based on consultation with top management. In the event of a crisis, a quick response system is established according to the level of the crisis, in accordance with internal regulations.



Business Risks

Major risks that Toray Group has evaluated to have significant impact on business, etc. are listed below. For details on each risk, please refer to "Business and Other Risks" in the Annual Securities Report (142nd Period).

- Crisis response risks based on the possibility of war [*Priority Risks]
- Product supply disruption risk [*Priority Risks]
- Risks related to product demand, market trends, and business plans
- Risks related to global business development

- Risks related to foreign currency, interest rate and securities market fluctuations
- Risks related to environmental issues such as climate change, water shortages, and resource depletion
- Risks related to natural disasters and accidents
- Risks related to human resource strategies
- Risk related to compliance
- Risks related to information security and cyber threats

*"Crisis response risks based on the possibility of war" and "Product supply disruption risk" were set as Priority Risks for the sixth three-year period (FY 2023 to 2025) through identifying and evaluating risks, which is described on the following page.

Major initiatives in FY 2022

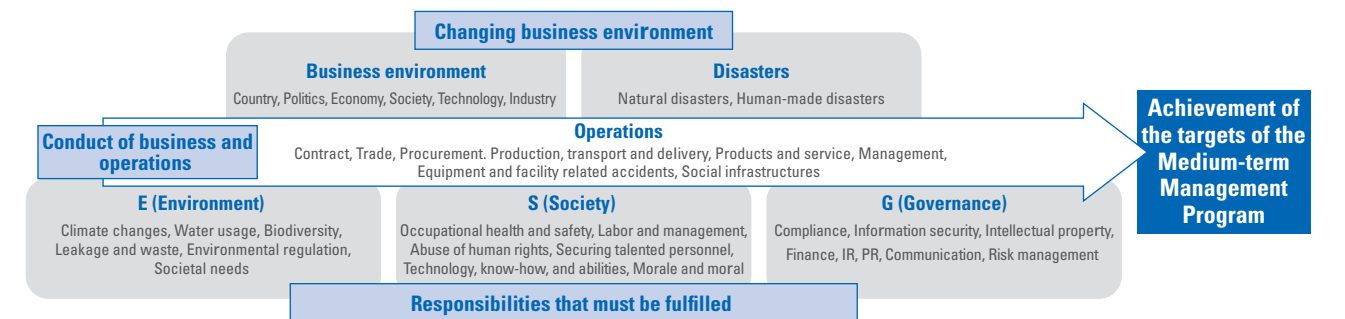
1. Identifying and evaluating risks

In 2022, we conducted the following process to identify and evaluate risks for the entire Group that could hinder the achievement of the targets of the Medium-Term Management Program from FY 2023 to 2025.

- (1) A survey was conducted to identify the imminence of risks as well as specific concerns in Toray Group's functional departments and domestic and overseas affiliates, targeting 118 risks (see chart below) comprehensively organized in the categories of "business environment," "disasters," "operations," "E (environment)," "S

- (2) After aggregating and analyzing information obtained from the survey, discussions on risk awareness, issues, and countermeasures were held with risk-related departments and top management.
- (3) Summarizing the analysis of the questionnaire survey and information obtained from the discussions, draft of Priority Risk is deliberated and decided by the Risk Management Committee. Each division also sets its own risks to be addressed.

Identifying Risks for Achievement of the Targets of the Medium-Term Management Programs



2. Priority risk mitigation activities

(1) Addressing Information Security Risks

Information security has been included as one risk area in the fifth three-year set of Priority Risks for Toray Group, and more comprehensive initiatives have been taken group-wide. In FY 2022, the Group established the Toray Group Information Security Steering Committee, which is chaired by the head of Toray Industries' General Administration & Communications Division, and changed the system from individual optimization of each company to the entire Group. Under the supervision and management of the committee, Toray Group as a whole maintains and improves information security by formulating group-wide security management standards, following up on the implementation status, and conducting periodic security assessment and monitoring. In the event of incidents such as information leaks or suspension of information system use due to cyber-attacks, we ensure that such incidents are reported to the head of the General Administration & Communications Division within 24 hours. Then, depending on the damage or the possibility of damage, a system and response procedures are in place and operated to contact relevant parties inside and outside the Company and to prevent the spread of damage.

(2) Addressing Global CSR procurement risks

Toray Group has designated "Global CSR procurement risks" as one type of risk under the fifth set of Priority Risks, and has considered the adoption of a process that involves identifying important CSR procurement risk types corresponding to specific countries, regions, and industries, and then picking out suppliers that require risk investigation, auditing, and/or mitigation measure implementation. In FY

2022, we carried out testing in cooperation with Japanese and overseas Group companies to verify whether the survey sheets and audit procedures for suppliers, which were created with the three priority issues of human rights and labor, safety and health, and environmental preservation as survey targets, are actually operational. We have also established a process to narrow down the list of suppliers to be surveyed based on supplier information collected from each of our domestic and overseas Group companies. In the future, we will strive to reduce CSR procurement risks for the entire Group by establishing processes for risk identification and investigation, conducting risk investigations of identified suppliers to be surveyed, and conducting audits and follow-ups when risks are identified.

3. Business Continuity Plan Initiatives

In FY 2018, Toray Industries, Inc. created and began administering BCPs for key products selected from each business in accordance with the Procedures for Developing BCPs for Designated Key Products in the event of an earthquake. Group companies in and outside Japan began this initiative in FY 2019. In addition, since FY 2012, Toray Group has continued to conduct company-wide drills on setting up an emergency response headquarters. In FY 2022, as in FY 2021, in light of Toray's enhanced network environment and the improved reliability of public network infrastructure, the Company conducted initial response drills online, on the assumption that a large number of employees could be working from home due to the suspension of transportation services and the outbreak of COVID-19. Toray Group will continue to strengthen its capability to respond to earthquakes with training and other measures.