

(TRANSLATION)

ARTICLES OF INCORPORATION

TORAY INDUSTRIES, INC.

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(TRANSLATION)

**ARTICLES OF INCORPORATION
OF
TORAY INDUSTRIES, INC.
(Toray Kabushiki Kaisha)**

**CHAPTER I
GENERAL PROVISIONS**

Article 1. (Trade Name)

The Company shall be called “Toray Kabushiki Kaisha” and expressed as “Toray Industries, Inc.” in English.

Article 2. (Objects)

The objects of the Company shall be to conduct the following business activities:

- (1) The manufacture and marketing of the following products:
 - a. Synthetic fibers and other fibers and their raw materials.
 - b. Plastics and other high polymer chemical products and their raw materials.
 - c. Carbon fibers and other inorganic chemical products.
 - d. Medicines, quasi-medicines, cosmetics, farm chemicals, chemical fertilizers and other chemical industrial products.
 - e. Foods, food additives and feed additives.
 - f. Printing materials and materials for electronic equipment.
 - g. Water treatment membranes and their products and facilities.
 - h. Textile machinery, chemical machinery and other machinery, equipment and apparatus.
 - i. Materials for civil engineering and construction.
 - j. Medical equipments and medical supplies.
- (2) Business relating to processing and distribution of products as mentioned in the foregoing items.
- (3) Sale, purchase and lease of real properties and contracting for construction work.
- (4) Acceptance of commissions to conduct investigation, research and analysis and evaluation, in respect of science and technology.

- (5) Business of producing and selling software for equipment relating to information processing and information communications and rendering information processing services.
- (6) Operation of facilities relating to sports and accommodations, travel business and tree and flowering plant cultivating and other tree planting business.
- (7) Trucking business, freight forwarding business and warehousing business.
- (8) General leasing business, nonlife insurance agency business, activities relating to life insurance solicitation and business of providing workers.
- (9) Sale and purchase of information relating to any of the foregoing items and management consulting business.
- (10) Investment in business of various kinds.
- (11) Business incidental or relating to any of the foregoing items.

Article 3. (Location of Head Office)

The Company shall have its head office in Chuo-ku, Tokyo.

Article 4. (Governing Bodies)

The Company shall have the following governing bodies in addition to Shareholders Meeting and Directors:

- (1) Board of Directors;
- (2) Corporate Auditors;
- (3) Board of Corporate Auditors; and
- (4) Accounting Auditors.

Article 5. (Method of Giving Public Notice)

Public notices of the Company shall be given by electronic public notices; provided, however, that if the Company is unable to give an electronic public notice due to an accident or any other unavoidable circumstance, public notices of the Company shall be given in the Nihon Keizai Shinbun.

**CHAPTER II
SHARES**

Article 6. (Total Number of Shares Authorized to be Issued)

The total number of shares authorized to be issued by the Company shall be four

billion (4,000,000,000).

Article 7. (Acquisition of Own Shares)

Pursuant to Paragraph 2 of Article 165 of the Companies Act, the Company may acquire the Company's own shares by the resolution of the Board of Directors.

Article 8. (Share Unit and Shareholdings Less than One Unit)

1. The number of shares to constitute One Unit shall be one hundred (100) shares.
2. The shareholders of the Company may request the Company to sell the number of shares which constitute One Unit when combined with the original shares constituting less than One Unit held by them in accordance with the Share Handling Regulations.

Article 9. (Rights with Respect to Shares Constituting Less than One Unit)

The shareholders may not exercise rights with respect to shares constituting less than One Unit other than those specified in the following sections:

- (1) Right specified in each item of Paragraph 2 of Article 189 of the Companies Act;
- (2) Right to make requests to the Company provided for in Paragraph 1 of Article 166 of the Companies Act;
- (3) Right to receive allotment of share subscription or to receive allotment of share options for subscription in accordance with the number of shares held by the shareholder; and
- (4) Right to make a request to the Company provided for in Paragraph 2 of Article 8 of the Articles of Incorporation.

Article 10. (Record Date)

1. The Company shall regard the shareholders appearing or recorded electrically as shareholders with voting rights on the final Shareholder Registry as of March 31 of each year as the shareholders entitled to exercise the rights of shareholders at the Annual Shareholders Meeting relating to such business year.
2. If necessary, in addition to the preceding paragraph, the Company may, upon giving prior public notice in accordance with a resolution of the Board of Directors, regard the shareholders or registered pledges of shares appearing or recorded electrically on the final Register of Shareholders as of certain date as the shareholders or registered pledges of shares entitled to exercise their rights.

Article 11. (Administrator of Shareholder Registry)

1. The Company shall appoint an Administrator of Shareholder Registry.
2. The Administrator of Shareholder Registry and its business office shall be designated by resolution of the Board of Directors of the Company and public notice thereof shall be issued by the Company.
3. The Company's Shareholder Registry and Share Option Registry shall be kept at the Administrator of Shareholder Registry's place of business and registration of transfers of shares and subscription rights, and other matters relating to shares and Share Options shall be handled by the Administrator of Shareholder Registry.

Article 12. (Share Handling Regulations)

Registration of transfers of shares and Share Options of the Company, and other matters related to shares and Share Options shall be governed by the Share Handling Regulations adopted by the Board of Directors.

**CHAPTER III
SHAREHOLDERS MEETINGS**

Article 13. (Convocation)

1. The Annual Shareholders Meeting of the Company shall be convened in June in each year.
2. In addition to the foregoing, an extraordinary Shareholders Meeting shall be convened whenever necessary.

Article 14. (Convener and Chairperson)

1. Unless otherwise provided by law, the President shall convene a Shareholders Meeting by resolution of the Board of Directors and act as chairperson thereof.
2. If the President is prevented from acting as such chairperson, one of the other Directors shall act in his/her place as previously determined by the Board of Directors.

Article 15. (Measures for Electronic Provision of Information, etc.)

1. Upon convening a Shareholders Meeting, the Company shall provide information contained in the voting information, etc. electronically.
2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ministry of Justice Ordinance in the paper copy to be sent to shareholders who have requested it by the record date for vesting voting rights.

Article 16. (Method of Adopting Resolutions)

1. Unless otherwise provided by law or the Articles of Incorporation, resolutions of a Shareholders Meeting shall be adopted by a majority votes of the shareholders with voting rights present at the meeting.
2. Special resolution in accordance with Paragraph 2 of Article 309 of the Companies Act shall be adopted by two-thirds (2/3) or more of the votes of the shareholders present at the meeting who shall constitute one-third (1/3) or more of the total number of voting rights of shareholders entitled to exercise voting rights.

Article 17. (Exercise of Voting Rights by Proxy)

1. A shareholder may exercise his/her voting rights by giving proxy to one (1) other shareholder of the Company who is entitled to vote.
2. A shareholder or his/her proxy shall submit to the Company a document evidencing the proxy's power for each Shareholders Meeting.

**CHAPTER IV
DIRECTORS AND THE BOARD OF DIRECTORS**

Article 18. (Number)

The number of Directors of the Company shall not exceed thirty (30).

Article 19. (Election)

1. The Directors shall be elected by resolution of a Shareholders Meeting.
2. Resolutions for the election of Directors shall be adopted by a majority vote of the shareholders present at the meeting who shall constitute one-third (1/3) or more of the total number of voting rights of shareholders entitled to exercise

- voting rights.
3. No cumulative voting shall be adopted for the election of Directors.

Article 20. (Term of Office)

1. The term of office of Directors shall expire upon conclusion of the Annual Shareholders Meeting relating to the last business year to occur within one (1) year after their election to office.
2. The term of office of a Director elected to fill a vacancy or elected in increase of their number shall expire at such time as the term of office of the other Directors presently in office would expire.

Article 21. (Directors with Specific Titles and Representative Directors)

1. By resolution of the Board of Directors, a Chairperson of the Board, a President, and other Directors with specific titles may be elected.
2. By resolution of the Board of Directors one or more Representative Directors shall be elected.

Article 22. (Remuneration etc.)

The remuneration, bonuses and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duty (hereinafter called "Remuneration etc.") shall be decided by resolution of a Shareholders Meeting.

Article 23. (Notice of Meeting of the Board of Directors)

Notice for calling a meeting of the Board of Directors shall be dispatched to each Director and Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that in the event of urgency, such period may be shortened.

Article 24. (Method of Adopting Resolutions of the Board of Directors)

1. Resolutions of the Board of Directors of the Company shall be adopted by a majority of votes of the Directors present who constitute a majority of the total number of Directors.
2. When requirements provided for in Article 370 of the Companies Act are satisfied, resolutions of the Board of Directors of the Company shall be deemed to have been adopted.

Article 25. (Regulations of the Board of Directors)

Except as provided by laws, ordinances or the Articles of Incorporation, the matters pertaining to the Board of Directors shall be governed by the Regulations of the Board of Directors adopted by the Board of Directors.

Article 26. (Exemption of Liability for Directors)

1. Pursuant to Paragraph 1 of Article 426 of the Companies Act, liability of Directors (including former Directors) resulting from their negligence in the performance of their duties may be exempted by the Company within the limit set forth under law by resolution of the Board of Directors.
2. Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with each of the Directors (excluding Executive Directors, etc.) to the effect that any liability for damages of such Directors resulting from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be the amount prescribed by laws.

CHAPTER V

**CORPORATE AUDITORS, THE BOARD OF CORPORATE AUDITORS
AND ACCOUNTING AUDITORS**

Article 27. (Number)

The number of Corporate Auditors shall not exceed five (5).

Article 28. (Election)

1. The Corporate Auditors shall be elected by resolution of a Shareholders Meeting.
2. Resolutions for the election of Corporate Auditors shall be adopted by a majority vote of the shareholders present at the meeting who shall constitute one-third (1/3) or more of the total number of voting rights of shareholders entitled to exercise voting rights.

Article 29. (Term of Office)

1. The term of office of Corporate Auditors shall expire upon conclusion of the

Annual Shareholders Meeting relating to the last business year to occur within four (4) years after their elections.

2. The term of office of a Corporate Auditor elected to fill a vacancy of a Corporate Auditor retired before the expiry of his/her term of office shall expire at such time as the term of office of the retired Corporate Auditor would expire.

Article 30. (Remuneration etc.)

The Remuneration etc. of Corporate Auditors shall be decided by resolution of a Shareholders Meeting.

Article 31. (Notice of Meeting of the Board of Corporate Auditors)

Notice for calling a meeting of the Board of Corporate Auditors shall be dispatched to each Corporate Auditor at least three (3) days prior to the date of the meeting; provided, however, that in the event of urgency, such period may be shortened.

Article 32. (Regulations of the Board of Corporate Auditors)

Except as provided by laws, ordinances or the Articles of Incorporation, the matters pertaining to the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors adopted by the Board of Corporate Auditors.

Article 33. (Exemption of Liability for Corporate Auditors)

1. Pursuant to Paragraph 1 of Article 426 of the Companies Act, liability of Corporate Auditors (including former Corporate Auditors) resulting from their negligence in the performance of their duties may be exempted by the Company within the limit set forth under law by resolution of the Board of Directors.
2. Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with each of the Company Auditors to the effect that any liability for damages of such Company Auditors resulting from negligence in the performance of his/he duties shall be limited; provided, however, that the limit of the liability shall be the amount prescribed by laws.

Article 34. (Accounting Auditors)

The Accounting Auditors shall be elected by resolution of a Shareholders Meeting.

CHAPTER VI ACCOUNTS

Article 35. (Business Year)

The business year of the Company shall commence on April 1 of each year and shall end on March 31 of the following year.

Article 36. (Distribution of Surplus)

Distribution of surplus of the Company shall be paid to the shareholders or registered pledgees of shares appearing or recorded electrically on the final Shareholder Registry as of March 31 of each year.

Article 37. (Interim Dividend)

The Company may, by resolution of the Board of Directors, make distribution of surplus under Paragraph 5 of Article 454 of the Companies Act (hereinafter called "Interim Dividend") to the shareholders or registered pledgees of shares appearing or recorded electrically on the final Shareholder Registry as of September 30 of each year.

Article 38. (Limitation Period)

If distribution of surplus (including Interim Dividend) are left unreceived after expiration of three (3) full years from the date such distribution became due and payable, the Company shall be relieved of the obligation to make such payment.