Members of the Board and Corporate Auditors

(As of June 22, 2022)

Members of the Board

**Akihiro Nikkaku**
- President and
  Representative Member of the Board
- 1973: Joined the Company
- 2001: Senior Vice President (Member of the Board)
- 2005: Senior Vice President (Member of the Board & Member of the Executive Committee)
- 2009: 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 (incumbent)

**Kazuyuki Adachi**
- Member of the Board
- 1980: Joined the Company
- 2009: Senior Vice President (Member of the Board)
- 2019: Senior Vice President (Member of the Board) (incumbent)

**Minoru Yoshinaga**
- Member of the Board
- 1979: Joined the Company
- 2008: Senior Vice President (Member of the Board)
- 2016: Senior Vice President (Member of the Board) (incumbent)

**Masahiko Okamoto**
- Member of the Board
- 1986: Joined the Company
- 2000: Senior Vice President (Member of the Board)
- 2010: Senior Vice President (Member of the Board) (incumbent)

**Satoru Hagiwara**
- Member of the Board
- 1981: Joined the Company
- 2012: Senior Vice President (Member of the Board)
- 2016: Senior Vice President (Member of the Board) (incumbent)

**Kuni Ito**
- Member of the Board (Outside)
- 2002: Joined the Company
- 2004: Executive Vice President and Board Member, Hitotsubashi University
- 2013: Director, Kiyosaki Pharmaceutical Co., Ltd. (incumbent)
- 2014: Director, Seven & I Holdings Co., Ltd. (incumbent)
- 2018: Research Professor, Department of Business Administration, Hitotsubashi University Business School (incumbent)

**Yasuo Suga**
- Member of the Board
- 1980: Joined the Company
- 2013: Chairman and Representative Director, Toray Carbon Magic Co., Ltd
- 2016: Senior Vice President (Member of the Board)
- 2019: Senior Vice President (Member of the Board) (incumbent)

Representative Member of the Board

**Mitsuo Ohya**
- 1980: Joined the Company
- 2011: Vice President (Member of the Board)
- 2015: Senior Vice President (Member of the Board & Member of the Executive Committee)
- 2020: Executive Vice President (Representative Member of the Board) (incumbent)

**Satoru Hagiwara**
- 1981: Joined the Company
- 2001: General Manager, Industrial & Textile Fibers Division
- 2012: Vice President (Member of the Board)
- 2014: Senior Vice President (Member of the Board & Member of the Executive Committee)
- 2016: Senior Vice President (Member of the Board & Member of the Executive Committee)
- 2020: Senior Vice President (Member of the Board) (incumbent)

**Kazuhiko Shuto**
- 1980: Joined the Company
- 1998: General Manager, Textile Division
- 2014: Senior Vice President (Member of the Board)
- 2016: Senior Vice President (Member of the Board)
- 2018: Corporate Vice President (Member of the Board) (incumbent)

**Member of the Board (Outside)**

**Kuni Ito**
- 2002: Joined the Company
- 2004: Executive Vice President and Board Member, Hitotsubashi University
- 2013: Director, Kiyosaki Pharmaceutical Co., Ltd. (incumbent)
- 2014: Director, Seven & I Holdings Co., Ltd. (incumbent)
- 2018: Research Professor, Department of Business Administration, Hitotsubashi University Business School (incumbent)
- 2020: Member of the Board of the Company (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, RKEN
2004 Special Professor, Nagoya University (incumbent)
2015 Director General, Center for Research and Development Strategy, Japan Science and Technology Agency (incumbent)
2020 Vice President (Member of the Board of the Company)
2020 Member of the Board of the Company (incumbent)

Member of the Board (Outside)
Susumu Kaminaga
1969 Joined Sumitomo Precision Products Co., LTD.
1999 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)
2012 Director, SEFFA Capital (incumbent)
2016 Outside Director, Olympus Corporation (incumbent)
2020 Member of the Board of the Company (incumbent)

Member of the Board (Outside)
Kazuo Futagawa
1980 Joined the Ministry of Health and Welfare
1982 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)

Corporate Auditors

Toru Fukasawa
Corporate Auditor
1978 Joined the Company
2003 Executive Officer, Chori Co., Ltd.
2005 General Manager on Special Assignment, Corporate Strategic Planning Division; General Manager on Special Assignment, Investor Relations Dept.
2006 General Manager, Controller’s Dept.
2010 Chief Executive Representative for America; Chief Representative for America; Chairman, Toray Holding (U.S.A.) Inc.; President, Toray Industries (America), Inc.
2012 Vice President (Member of the Board)
2015 Senior Vice President (Member of the Board)
2018 Senior Vice President (Member of the Board and Member of the Executive Committee)
2020 Corporate Auditor (incumbent)

Yoshiyuki Tanaka
Corporate Auditor
1984 Joined the Company
2006 Executive Vice President, Toray Fluorofibers (America), Inc.
2014 General Manager, Otsaki Plant
2015 Vice President (Member of the Board)
2016 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)

Kazuo Jono
Outside Corporate Auditor
1977 Joined Mitsui Bank, Limited
1995 Executive Officer, Sumitomo Mitsui Banking Corporation
2007 Managing Executive Officer, Sumitomo Mitsui Banking Corporation
2010 Senior Managing Director, Sumitomo Mitsui Banking Corporation
2012 Retired
2014 Registered as a lawyer (The Dai-ichi Tokyo Bar Association)
2015 Mandatorily retired
2015 Outside Corporate Auditor of the Company (incumbent)
2016 Outside Corporate Auditor, SUMITOMO CORPORATION (incumbent)

Hiroyuki Kumasaka
Outside Corporate Auditor
1973 Joined FUSO Audit Corporation (later MISUZU Audit Corporation)
2007 Chair 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 President, Osaka High Court
2012 Outside Corporate Auditor of the Company (incumbent)
2015 Outside Corporate Auditor of the Company (incumbent)
2019 Outside Corporate Auditor of the Company (incumbent)

Toshio Nagai
Outside Corporate Auditor
2008 Chief Research Officer, Supreme Court
2012 President, Hiroshima High Court
2014 Retired
2015 Outside Corporate Auditor of the Company (incumbent)
2016 Outside Corporate Auditor, SUMITOMO CORPORATION (incumbent)
## Management Team

(As of June 22, 2022)

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Role/Department</th>
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<tbody>
<tr>
<td>President</td>
<td>Akihiro Nikkaku</td>
<td>President, Chief Executive Officer, Chief Operating Officer</td>
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<tr>
<td>Executive Vice President</td>
<td>Koichi Abe</td>
<td>Technology Center; Chairman, Toray Research Center Inc.</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>Mitsuo Ohya</td>
<td>Marketing &amp; Sales; Legal &amp; Compliance Division (Security Trade Administration Dept.); Corporate Marketing Planning Division; Affiliated Companies Division</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>Satoru Hagiwara</td>
<td>Intellectual Property Division, Global Environment Business Strategic Planning Dept.; and Life Innovation Business Strategic Planning Dept.; Technology Center</td>
</tr>
<tr>
<td>Senior Vice President</td>
<td>Kazuyuki Adachi</td>
<td>Purchasing &amp; Logistics Division; Manufacturing Division</td>
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<tr>
<td>Senior Vice President</td>
<td>Minoru Yoshinaga</td>
<td>Torayca &amp; Advanced Composites Division; Chairman, Toray Carbon Fibers Europe S.A.</td>
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<tr>
<td>Senior Vice President</td>
<td>Yasuo Suga</td>
<td>Corporate Strategic Planning Division; Quality Assurance Division; HS Division</td>
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<tr>
<td>Senior Vice President</td>
<td>Kazuhiko Shuto</td>
<td>Resins &amp; Chemicals Division</td>
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<tr>
<td>Senior Vice President</td>
<td>Hirofumi Kobayashi</td>
<td>Pharmaceuticals &amp; Medical Products Division; Pharmaceuticals &amp; Medical Products Division (Technology &amp; Manufacturing)</td>
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<tr>
<td>Senior Vice President</td>
<td>Tetsuya Tsunekawa</td>
<td>Chief Representative for Europe; President, Toray Industries Europe GmbH</td>
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<tr>
<td>Senior Vice President</td>
<td>Shigeki Taniguchi</td>
<td>Human Resources Division; Toray Human Resources Development Center</td>
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<td>Senior Vice President</td>
<td>Kenichiro Miki</td>
<td>Fibers &amp; Textiles Division; Osaka Head Office</td>
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<td>Senior Vice President</td>
<td>Satoru Nishino</td>
<td>Films Technology &amp; Manufacturing Division</td>
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<td>Senior Vice President</td>
<td>Hideki Hirabayashi</td>
<td>CSR &amp; Investor Relations; General Administration &amp; Communications Division; Tokyo Head Office</td>
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<td>Senior Vice President</td>
<td>Hiroshi Enomoto</td>
<td>Electronic &amp; Information Materials Division; Display &amp; Graphic Materials Division</td>
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In your capacity as chair of the Governance Committee, what contributions are you particularly aware of? To the extent possible, please tell us about the content of your committee’s discussions in fiscal 2021 and what you are keeping in mind in preparation for fiscal 2022.

In carrying out my duties as chair of the committee, I pay attention to transparency and fairness so that I can fulfill my accountability to shareholders. I also strive to elicit active opinions from committee members, especially the outside directors. The Governance Committee discusses the nomination and remuneration for members of the Board as well as matters concerning governance in general. In fiscal 2021, we held in-depth discussions on topics that included the management team succession plan, a review of the remuneration system for members of the Board and corporate auditors, a review of the internal culture with regard to the Underwriters Laboratories (now UL Solutions) certification issue, and where the responsibilities of members of the Board lie. In fiscal 2022, we will be focusing on further increasing the frequency of Governance Committee meetings, the further reform of the corporate culture, deepening discussions on Board member succession plans, and on fundamentally reviewing the remuneration system for members of the Board and corporate auditors.

Do you have any recommendations for environmental initiatives?

Toray has been proactively addressing environmental issues in its R&D and product development. Going forward, I want to have great expectations for the role that Toray will play in promoting Green Transformation (GX). I would also like the Company to actively promote the disclosure of information on climate change, including the TCFD. In particular, I would like to see Toray actively working to measure and disclose Scope 3 GHG emissions, which Japanese companies have yet to adequately address, thereby leading Japan as a whole.

Do you have any recommendations for human resources initiatives?

I would like the Company to promote human capital management in line with the ITO Report for Human Capital Management (published in September 2020) and the ITO Report 2.0 for Human Capital Management (published in May 2022). In particular, I want the Company to proceed with the following recommendations: the further linking of management strategy and human resources strategy; the development of company-wide dialogue to foster a corporate culture that encourages behavioral changes in organizations and individuals; the provision of wide-ranging reskilling opportunities for employees outside their positions; the dynamic placement of the right person in the right job that capitalizes not only on that person’s attributes but also on their knowledge and experience.
Q Based on what is expected of you personally as an outside director, what holds particular interest for you in fiscal 2022?

A As the saying goes, “It is not the strongest that survives. Only those that are able to adjust and adapt to their environment will survive.” In recent years, however, the natural and social environments have changed too drastically and rapidly. If a company responds to individual changes on an ad-hoc basis, the essence that should be maintained is lost, and sustainability as a company does not apply. The future is full of uncertainties, and what will happen in fiscal 2022? Those responsible for management are on occasion required to make decisions rather than reactive judgments. Outside directors help this process from an objective and impartial perspective. I would like to express my opinions toward the realization of the Toray Philosophy with a medium- to long-term, forward-looking attitude and without being constrained by history and what has been customary.

Q Do you have any recommendations for human resources initiatives?

A In highly ethnically homogenous Japan, there is a marked lack of recognition of the differences between groups and teams. A group is a spontaneous group of homogenous people, like a wild herd. Even if ecologically beneficial to its survival, a group lacks competitiveness. Teams, on the other hand, have a clear purpose and are intentionally created social organizations consisting of people with heterogenous specialties. For Toray to fulfill its social mission on the basis of its unique corporate philosophy, it will be essential to bring together a diverse range of talented human resources. The in-house vocational training of human resources who are excellent but standardized through uniform education will not be able to adapt to these changing times. I get the feeling that it will be necessary for such people to reacquire skills through external training in Japan and overseas.

Q Do you have any recommendations for promoting DX?

A Advanced technological capabilities represent Toray’s lifeline, and the Company is maintaining sufficient uniqueness and global excellence. How can the Company maximize this enormous intellectual property value? Measures that bet on the Company’s fortunes are required. It is the inventor himself who knows any individual scientific and technological significance, but it is often outside insight that finds and maximizes the possible social value. To create innovation, it is essential to strategically disclose rather than strongly guard intellectual property, and to draw out opportunities for co-creation with a wide range of other fields. In this age of information revolution, big data, digitalization, and artificial intelligence, the source of creativity that changes the world by materials capabilities is the accumulation of diverse intelligence.
Q Based on what is expected of you personally as an outside director, what holds particular interest for you in fiscal 2022?

A In fiscal 2022, we will have moved out of the several years in which the Company had no choice but to focus on defense due to the spread of COVID-19 infections and will have started to assuredly build a solid foundation for demonstrating its comprehensive strengths for the future. It will be essential that investments in equipment, R&D, and human resources development are appropriately and promptly executed from a medium- to long-term perspective. In the current fiscal year, the Company is required to tackle the COVID-19 pandemic and climate change, and to react keenly to geopolitical risks, transforming supply chains, and diversifying market trends. Thus, this is an important fiscal year as the Company will want to be starting its next medium-term management program from fiscal 2023 without having fallen behind the needs of the times. I want to contribute to management through the giving of advice based on my many years of corporate management experience.

Q Do you have any recommendations with regard to governance, compliance, and risk management?

A Governance, compliance, and risk management are all fundamental to management, and systems and action plans have been put in place to share the importance of each. Under such circumstances, it is essential to instill company-wide efforts based on a common understanding that the inappropriate handling of UL certification, which has had a major negative impact, will not reoccur as a natural behavior in daily tasks. On the other hand, the effective functioning of governance, compliance and risk management is not enough. It is important to keep this in mind as a basis and push ahead toward the original purpose of Toray’s business, which is the use of new materials to create innovation.

Q Do you have any recommendations for human resources initiatives?

A In management that values people as assets (human resources), research, technology and production as well as sales and marketing functions are organized organically, and the Company creates products based on new materials under a well-organized system and thereby contributes to society. In aiming for further evolution to lead the industry and change the world, the required human resources will hone their own specialties and remain sensitive to rapidly changing market trends. They are people who create innovation with an entrepreneurial spirit that transcends boundaries, and effective for their development will be the putting in place of situations in which action is required from a broad perspective and with an awareness of a time axis. Such situations include collaborative work beyond divisions and types of occupation and cooperation with customers and partner companies.
Based on what is expected of you as an outside director, what holds particular interest for you in fiscal 2022? Also, do you have any proposals regarding management strategy policies or suggestions regarding human resources initiatives?

Toray adopted “Contributing to society through the creation of new value with innovative ideas, technologies and products” as part of its corporate philosophy and even used “Materials change our lives” as the catchphrase in its TV commercials. It is quite a well-known fact that the fuselages and wings of some aircrafts are made of Toray’s carbon fiber, and that many of UNIQLO’s clothing items are made of Toray’s high-performance fibers. However, there are many Toray products that are not known. Toray has eight major divisions that cover, for example, fibers and textiles, films, resins, carbon fibers, and water treatment membranes, and its annual revenue for fiscal 2021 was more than ¥2 trillion, and there are many products each with revenues of several billion yen. Even if the revenue is small, the Company supplies products that are essential for industry and society, which I refer to as “Toray’s multipolar structure.”

For the development of the company, what I consider it important to address more than anything else is that all employees in every location, be it R&D, production or sales and marketing, take a self-confident pride in knowing that they are supplying products that are essential for society.

In the first half of this year, the Toray product quality certification scandal came to light. Companies positioned at the pinnacle of their industry have to engrave onto the minds of their employees that the impact of even the slightest wrongdoing or mistake on society can be immeasurable.

As an outside director entrusted by shareholders, I believe that it is my role to encourage all employees to work in a strong-willed manner without overlooking even the slightest wrongdoing or mistake, and to encourage Toray to continue to be a company that creates beneficial value.

For this reason, as the basis of human resources development I am working on raising the abilities and motivation of individuals to the maximum extent in a variety of situations, such as in-house meetings, workshops, and research briefings.
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.

Strengthening the Governance Framework

In fiscal 2020, Toray Group decreased members of the Board of Directors to 12 and increased outside directors to four in order to improve the effectiveness of the Board of Directors and to strengthen the business execution framework. The Group also introduced an executive officer system for the purpose of flexibly implementing management execution based on quick decision-making that accurately reflects the business environment and...
changes therein. The Board of Directors both establishes the scope of business execution entrusted to the vice presidents and supervises the execution of their duties. Moreover, the Governance Committee, which consists of three internal members of the Board and four outside directors, is also chaired by an outside director. These measures help ensure a multifaceted perspective.

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

<table>
<thead>
<tr>
<th></th>
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</tr>
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<tbody>
<tr>
<td>Total number of Board members</td>
<td>30</td>
<td>28</td>
<td>26</td>
<td>25</td>
<td>19</td>
<td>12</td>
</tr>
<tr>
<td>Outside directors included</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Percentage of outside directors</td>
<td>3.8%</td>
<td>8.0%</td>
<td>10.5%</td>
<td>33.3%</td>
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</tbody>
</table>

### 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

<table>
<thead>
<tr>
<th>Name</th>
<th>Management experience</th>
<th>Global business experience</th>
<th>Technology/Manufacturing/R&amp;D</th>
<th>Sales &amp; Marketing</th>
<th>Legal/Intellectual property/Risk management</th>
<th>Accounting/Finance</th>
<th>Strategic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akihiro Nikku</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>(DX0)</td>
</tr>
<tr>
<td>Mitsuo Ohya</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>(ESG)</td>
</tr>
<tr>
<td>Satoru Hagiwara</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>(Science and technology)</td>
</tr>
<tr>
<td>Kazuyuki Adachi</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td></td>
<td></td>
<td>(Policy science)</td>
</tr>
<tr>
<td>Minoru Yoshinaga</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Yasuo Suga</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Kazuhiro Shuto</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<tr>
<td>Masahiko Okamoto</td>
<td>●</td>
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<tr>
<td>Kunio Ito</td>
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<tr>
<td>Ryogi Noyori</td>
<td>●</td>
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<tr>
<td>Susumu Kaminaga</td>
<td>●</td>
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<tr>
<td>Kazuo Futagawa</td>
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<tr>
<td>Toru Fukasawa</td>
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<tr>
<td>Yoshiyuki Tanaka</td>
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<tr>
<td>Toshio Nagai</td>
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<tr>
<td>Kazuya Jono</td>
<td>●</td>
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<td></td>
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<tr>
<td>Hiroyuki Kumasaka</td>
<td>●</td>
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</table>

*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 four 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 11th series of stock acquisition rights allocated during the fiscal year under review (allocated on August 14, 2021) was ¥686,000 per stock acquisition right (¥686 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.

Details of Remuneration (April 2021 - March 2022)

<table>
<thead>
<tr>
<th>Position</th>
<th>Total remuneration (millions of yen)</th>
<th>Total remuneration by type (millions of yen)</th>
<th>Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Basic</td>
<td>Performance-based remunerations</td>
</tr>
<tr>
<td>Members of the Board (excluding outside directors)</td>
<td>631</td>
<td>431</td>
<td>97</td>
</tr>
<tr>
<td>Corporate auditors (excluding outside corporate auditors)</td>
<td>79</td>
<td>79</td>
<td>—</td>
</tr>
<tr>
<td>Outside directors</td>
<td>48</td>
<td>48</td>
<td>—</td>
</tr>
<tr>
<td>Outside corporate auditors</td>
<td>36</td>
<td>36</td>
<td>—</td>
</tr>
</tbody>
</table>

Notes: 1. Recipients included one member of the Board (excluding outside directors) and one corporate auditor (excluding outside auditors) who retired during fiscal 2021.
2. Total amounts of remuneration do not include the ¥17 million paid in salaries to one employee-director.

Composition of Remuneration (April 2021 - March 2022)

President and Representative Member of the Board

Internal Member of the Board

Stock options as remunerations: 16%
Stock options as remunerations: 17%
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, 2022” 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 2, 2022, and the results of the analysis and evaluation were deliberated at the Board of Directors’ meeting held on June 15, 2022. The overview of the analysis and evaluation results shown below describes the contents resolved at the Board of Directors meeting.

1. In fiscal 2021, 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 exercising authority over corporate strategies and other major courses of action in an appropriate manner.

2. In fiscal 2021, the Board of Directors held 14 meetings in total to perform oversight and decision-making in a timely and appropriate manner. Furthermore, it promoted reviews on the scope of delegating decision-making authority. Through these initiatives, we believe that the Board of Directors generally fulfilled its roles and responsibilities in establishing an environment conducive to appropriate risk-taking by the senior management in an appropriate manner.

3. With respect to the 14 Board of Directors meetings held in fiscal 2021, 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. 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 the foregoing, we believe that the Board of Directors generally fulfilled its roles and responsibilities in an effective manner in fiscal 2021. 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, 2022, specific measures for improvement must be taken in the fiscal year ending March 31, 2023 and thereafter 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.

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.

- With respect to the nomination and appointment 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.

- The Company’s involvement in the appointment of director candidates in Suido Kiko Kaisha, Ltd. is limited to a reasonable extent in the interest of maintaining parent-subsidiary cooperation, to leverage the Company’s knowledge and network so that the most suitable candidates can be elected for the enhancement of the subsidiary’s corporate value. In addition, the subsidiary shall reserve the power of appointment to ensure the independence of its management.

- When exercising authority over the election and dismissal of the subsidiary’s outside 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.
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.

During fiscal 2021, this Committee met twice to deliberate and discuss Toray Group’s ethics and compliance activity results for fiscal 2020 and the activity plans and progress updates for fiscal 2021. We also discussed individual measures, such as the implementation of Compliance Month and collaboration on plans with safety activities. In each 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.

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 2022), 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.

Since fiscal 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 fiscal 2021, the Company covered the Whistleblower Protection Act, which had been revised and enforced in June 2022, in the themes. Going forward, Toray will continuously provide information and education for further penetration. In addition, group companies in Japan are also using these materials to implement their own training.
Expanding the Whistle-Blowing System

Toray established the Corporate Ethics and Legal Compliance Helpline as a whistle-blowing system in fiscal 2003 and expanded the system to include all group companies in Japan in fiscal 2010. In fiscal 2021, Toray and its group companies in Japan received a total of 89 whistle-blowing reports and consultations. 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.

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 fiscal 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 fiscal 2021: 20,395)

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.
Concerning Inappropriate Actions Relating to UL certification in Resins Business

Certain resin products were improperly identified by Toray as receiving certification from Underwriters Laboratories LLC (UL), a global third-party safety science organization headquartered in the United States. Regarding UL94 that indicates the flame retardancy performance of resins, we learned the case that certain types of samples submitted to UL for testing were different from the resins certified by UL. We also found the case that some types of resins, which had different compositions from what was certified by UL, were manufactured and sold to customers. This fact was announced on January 31, 2022, and on the same day the Company formed an expert committee to conduct a thorough investigation and investigate the root cause. On April 8, the Company received the report that sets out the findings of the investigation along with recommended measures to prevent recurrence. Pointing out the fact that inappropriate actions had continued for many years, with analysis of the causes and recommends measures for prevention of recurrence, the report recommended six recurrence prevention measures.

Taking this fact gravely, the Company established a policy on recurrence prevention measures and began specific measures, the details and the state of progress of which are posted on the Company’s website. The senior management team will take responsibility for ensuring that all executives and employees work together to thoroughly prevent any recurrence. The Company is determined to restore complete confidence in its integrity and to once again demonstrate what Toray can achieve.

Recommendations and Toray’s response (recurrence prevention measures)

(1) Enhancing compliance awareness
1. Improving compliance education
Promote thorough training group-wide concerning private-sector certification and standards based on the recommendations.

2. Incorporating quality assurance contribution into performance reviews
Update the human resource evaluation system with more emphasis on compliance contribution, including quality assurance efforts.

3. Sharing recurrence prevention activities
Publicize the progress made with recurrence prevention measures on Toray’s corporate website.

4. Heightened and continued serious commitment by the senior management team
Ensure senior managers continually communicate to employees the importance of compliance while declaring their own personal compliance responsibility and mission.

(2) Establishing work procedures and an education system for UL-related operations
Document the proper operation procedures and the responsibilities and roles of the relevant personnel.

Promote training on UL rules, and obtain third-party audits and verification of Toray’s certification management system.

(3) Transferring personnel between business divisions and other interaction
Implement personnel changes of quality assurance department managers across business divisions, and personnel changes across business divisions at the management level.

Conduct training sessions using this case as a teaching tool, attended by employees and executives from different business divisions.

(4) Establishing a system to confirm UL compliance by the internal quality assurance organizations and/or external organizations
Document the specific role of the Quality Assurance Division for UL and other certification work, and obtain audits and verification that roles are being properly performed from a third-party.

(5) Strengthening the organizational structure of quality assurance organizations (Monitoring and supervision of quality assurance sections activities by Quality Assurance Division and other internal and/or external organizations)
Create mechanisms for the Quality Assurance Division to audit each of its departments, and receive operational audits of the entire Quality Assurance Division from an external organization.

(6) Establishing a system to ensure any misconducts are reported to Toray administrative organizations and other parties
1. Clarifying roles for cases in which employees become aware of misconduct or suspected misconduct
Clarify the obligation to report misconduct in the quality assurance and product safety management regulations.

2. Establishing a system to encourage use of whistle-blowing hotline
Improve the guide on how to use the whistle-blowing hotline, including by providing specific examples of reporting.

3. Improved and continued internal surveys (Toray group-wide surveys) by quality assurance organizations
Ensure that all employee responses, including comment box details, be sent directly to the Quality Assurance Division. In group-wide surveys, clearly state that violations of private-sector certification rules fall within the scope of the survey.

In response to the recommendations of the expert committee, we post the latest information on our website regarding the progress of our measures to prevent recurrence.
**Competition Law Compliance, Anti-Corruption, and Anti-Bribery**

1. **Competition Law Compliance**
   The Ethics & Compliance Code of Conduct, revised in June 2022, 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 fiscal 2021, 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 fiscal 2021.

**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 fiscal 2021, 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 fiscal 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 fiscal 2021, 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 fiscal 2021, 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

1. Watching the Latest Trends and Management Strategies for 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 fiscal 2021, 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.

2. Practically Addressing Risks

Toray Group performs risk management of security trade controls with regard to the export of all products, devices, materials, and samples, as well as the transfer of technologies outside Japan. Particularly strict management is necessary for TORAYCA™ carbon fiber and its composite materials, semiconductor coating agents, and water treatment membranes, which are listed as restricted items requiring export permission from the Japanese Minister of Economy, Trade and Industry.

The following measures to enhance risk management associated with security trade controls have been implemented based on conditions in and outside of Japan.

(1) Enhanced employees’ capacity for accurate judgment within Toray’s divisions and group companies

In order to avoid the risk of COVID-19 infection, existing training systems have been reorganized: highly specialized on-the-job trainings have been switched to web conferences, and basic-level specialized trainings have been conducted through e-learning courses. Toray conducted trainings to provide the necessary practical knowledge to the mid-level employees that play a central role in implementing security trade controls, as well as training to newly appointed managers to encourage appropriate on-site management. A total of 1,544 employees participated in 13 courses and 3,130 employees participated in e-learning courses.

The Company also conducted a series of advanced courses for employees with specialized expertise to practice classifications. A total of 634 employees participated in three courses via web conference.

In addition, the Company systematically encourages employees to take the various qualification exams authorized by the Center for Information on Security Trade Controls in Japan. A total of 177 Toray group employees passed in fiscal 2021, bringing the cumulative number of qualified examinees in the Group to 4,334.
(2) Conduct regular audits
Toray carried out paper audits and onsite audits of group companies, and provided individualized guidance based on the results to help group companies make improvements.

(3) Enhanced information sharing and reporting
Toray integrated and centralized information on concerns such as suspicious trade inquiries, reported or consulted with the appropriate authorities as required and took the appropriate measures. The Company also shared suspicious trade information at various company meetings and took steps to enhance its risk management.

(4) Improved inspection systems
Toray has fully linked its security trade control system with its backbone sales system in order to prevent erroneous shipments due to human error. In order to improve management efficiency through use of the linked system, support was given to outstanding initiatives and the successful cases were shared with other departments.

Business Continuity Plan Initiatives

Ensuring Preparedness for Major Earthquakes
In fiscal 2018, Toray 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 started this measure in fiscal 2019. In addition, since fiscal 2012, Toray Group has continued to conduct company-wide drills on setting up an emergency response headquarters. In fiscal 2021, in similar fashion to fiscal 2020, 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, in light of Toray’s enhanced network environment and the improved reliability of public network infrastructure. Toray Group will continue to strengthen its capacity to respond to earthquakes with training and other measures.

Handling Water Hazard Risks (Floods, Storm Surges, Etc.)
In recent years, storm and flood disaster such as a typhoon and heavy rain has been in an increasing trend, causing devastating damage, especially in Japan. In light of this, the Risk Management Committee decided to include business continuity risks from water hazard risks as part of the fifth three-year set of priority risks (fiscal 2021–2023). Specifically, in fiscal 2020, Toray developed its own Wind and Flood Damage Control Checklist based on the Wind and Flood Damage Control Guidelines for Hazardous Materials Facilities published by the Fire and Disaster Management Agency at the Ministry of Internal Affairs and Communications, and started reinspecting wind and flood damage control measures at manufacturing sites at Toray and its group companies in Japan. Subsequently in fiscal 2021, Toray conducted a survey on the risk of water-related disasters at each of its manufacturing bases overseas. The survey of Toray and group companies’ manufacturing sites (89 companies, 146 plants), including those located overseas, consequently identified 40 plants operated by 19 companies which are located in potential flood zones.

In response to the identified risks, we have been systematically implementing the countermeasures as our plans formulated in fiscal 2021 for ensuring the safety of human life and preventing secondary damage at operational bases in potential flood zones. In addition, for key products selected based on the assumption of a large-scale earthquake, for each product the BCP promotion department investigated water damage risks for the entire manufacturing site and supply chain from the perspective of supply continuity. Based on the results, the existing key product (earthquake) BCP was revised and a key product (earthquake/water damage) BCP was formulated to reflect responses to water damage risks. As a result of these activities, we decided to complete activities that prioritize business continuity risk due to water-related disasters in 2021.

Addressing Information Security Risk

Toray Group has established the position of Corporate Information Security Officer as the officer responsible for the entire security risk of the Group, based on regulations as its Confidential Information Management Regulations and Regulations for the Management of Personal Information. Under the supervision of the Corporate Information Security Officer, the role and responsibilities of each division and department are clearly defined. At the same time, every effort is being made to strengthen information security by implementing specific measures put forward by the Information Security Committee established in each department.

In April 2022, Toray Group established the Toray Group Basic Policy on Information Security in order to strengthen governance with the aim of reducing information security risks, such as information leaks, by appropriately managing confidential information throughout the Toray Group. Each group company in and outside Japan formulates basic rules in accordance with the regulations and standards of Toray Industries, and promotes measures related to information security. Moreover, information security has been included in the fifth three-year set of priority risks for Toray Group (fiscal 2021–2023), and more comprehensive initiatives will be taken group-wide. The plan and progress regarding priority risks are reported to the Board of Directors on a regular basis.