Long-term Corporate Vision
“TORAY VISION 2030”

Medium-term Management Program
“Project AP-G 2022”

May 13, 2020
Toray Industries, Inc.
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I. Long-term Corporate Vision
“TORAY VISION 2030”
- Achieving Sound, Sustainable Growth and Creating Social Value
Toray Philosophy

Corporate Philosophy

Contributing to society through the creation of new value with innovative ideas, technologies, and products

Corporate Missions

For our customers
To provide new value to our customers through high-quality products and superior services

For our employees
To provide meaningful work and fair opportunities

For our shareholders
To practice sincere and trustworthy management

For society
To establish ties and develop mutual trust as a responsible corporate citizen

Vision

Toray Group Sustainability Vision
Toray’s Core Value and its Value Creation Process

Based on the values which we cherish as the Group’s management core value, Toray Group has established the TORAY VISION 2030 with the aim of providing new value to society by focusing on the four perspectives of the world envisioned under the Sustainability Vision.
### Toray Group Sustainability Vision

#### The World as Envisioned in 2050 and Toray Group Initiatives

<table>
<thead>
<tr>
<th>Toray Group Initiatives</th>
<th>Four Perspectives of the World as Envisioned in 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>① accelerating measures to counter climate change</td>
<td>A net zero emissions world, where greenhouse gas emissions are completely offset by absorption</td>
</tr>
<tr>
<td>② realizing sustainable, recycling-based use of resources and production</td>
<td>A world where resources are sustainably managed</td>
</tr>
<tr>
<td>③ providing clean water and air</td>
<td>A world with a restored natural environment, with clean water and air for everyone</td>
</tr>
<tr>
<td>④ contributing to better medical care and hygiene for people worldwide</td>
<td>A world where everyone enjoys food health and hygiene</td>
</tr>
</tbody>
</table>

Two Businesses that Contribute to Solving Social Issues

Toray Group will contribute to solving social issues utilizing its advanced materials and core technologies

**Green Innovation (GR) Business**

- Contribute to solving global environmental, resource, and energy issues

  - Carbon fiber for aircrafts
  - Carbon fiber for compressed vessels
  - Carbon fiber for wind turbine blades
  - Carbon fiber for automobiles
  - Resins for automobiles
  - Air filter
  - Water treatment membranes
  - Battery separator film for lithium-ion batteries
  - Toray Waterless Plate®

**Life Innovation (LI) Business**

- Contribute to better medical care and longevity, foster public health, and support personal safety

  - Pharmaceuticals
  - Extracorporeal circulation therapeutic columns
  - Contact lenses
  - Protein detection system
  - Catheter
  - Functional materials for vital signs monitoring
  - PP spunbond for hygiene products
  - Protective Clothing
  - X-ray CT cradle, Cartridge
  - Airbag fabric
Drive business expansion with GR and LI businesses which we expect to contribute to “the global environment and people’s health and safety”

Accelerate the development and the construction of business models of large-scale themes for the next growth stage as a Group-wide project, Future TORAY-2020s Project (FT Project), for new business creation.
Long-term Corporate Vision “TORAY VISION 2030”

Assumed business environment changes in 2030

1. Global expansion in growth business fields
   Green Innovation (GR) Business Expansion, Life Innovation (LI) Business Expansion

2. Strengthening competitiveness
   Sophistication of the business, value-added products, total cost reduction

3. Strengthening the management foundation
   Strengthening the financial structure, structural reforms

Aim for sound and sustainable growth
### “TORAY VISION 2030” Quantitative Targets for FY 2030

<table>
<thead>
<tr>
<th></th>
<th>FY 2013 Actual (baseline year) (J-GAAP)</th>
<th>FY 2030 Targets (compared to FY 2013) (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GR Net sales</td>
<td>463.1 billion yen</td>
<td>4 fold</td>
</tr>
<tr>
<td>LI Net sales</td>
<td>119.6 billion yen</td>
<td>6 fold</td>
</tr>
<tr>
<td>Avoided CO(^2) emissions</td>
<td>38.4 million tons</td>
<td>8 fold</td>
</tr>
<tr>
<td>Contributed annual water filtration throughput</td>
<td>27.23 million tons/day</td>
<td>3 fold</td>
</tr>
<tr>
<td>Greenhouse gas emissions per unit of sales in production activities</td>
<td>3.37 thousand tons /billion yen</td>
<td>30% reduction</td>
</tr>
<tr>
<td>Water consumption per unit of sales in production activities</td>
<td>152 thousand tons /billion yen</td>
<td>30% reduction</td>
</tr>
</tbody>
</table>

Set quantitative targets to be achieved in FY 2030 as interim milestones for the year 2050
II. Review of the Medium-term Management Program
“Project AP-G 2019”
Basic Strategies of “Project AP-G 2019”

- Business expansion in growth business fields
  - GR Project
  - LI Project

- Expansion and advancement of global business
  - AE Project

- Strengthening competitiveness
  - TC Project

Strengthen initiatives designed to generate new earnings sources that would help Toray Group to attain sustainable growth and deliver corporate value from 2020 onwards.
Green Innovation Business Expansion (GR) Project

Topics

**Reduction of GHG Emissions**
- Decided to increase large tow carbon fiber production capacity at Zoltek Companies, Inc. (Apr. 2018)
- Completed the acquisition of TenCate Advanced Composites Holding B.V. (Jul. 2018)
- Decided to establish a new facility in Hungary for the production of battery separator films. (Jul. 2019)

**Low Environmental Impact**
- Developed world’s first waterless offset printing press for the use in printing on flexible packaging materials. (Mar. 2019)

**Biomass-derived Products**
- Started sales of “Ultrasuede® BX,” a non-woven material created using ultra-fine fibers that realizes the highest proportion of plant-based raw materials in the world. (Nov. 2018)

**Water Treatment**
- Received an order to supply UF membrane for the largest drinking water production facility in the US west coast. (Mar. 2018)
- Established Toray Membrane (Foshan) Co., Ltd. (TMFC), a new company in Foshan, China, for the production and sales of water treatment membrane products. (Apr. 2019)

**Net Sales of Green Innovation Businesses**

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019 Forecast</th>
<th>FY 2019 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billion yen</td>
<td>628.2</td>
<td>712.3</td>
<td>786.9</td>
<td>830.0</td>
<td>900.0</td>
</tr>
</tbody>
</table>

Net sales expanded in areas contributing to new energy
Life Innovation Business Expansion (LI) Project

Advanced materials such as non-woven fabrics for hygiene products contributed to sales expansion

**Topics**

**Advanced Materials in LI Business**
- Decided to set up a new facility in South China for the production of PP spunbond. (Nov. 2017)
- Commercialized “hitoe® wearable electrocardiogram monitoring system” for long-term monitoring. (Sep. 2018)
- Acquired EU Type Examination Certificate (CE marking) for the chemical protective clothing LIVMOA® 3000 series. (Jan. 2019)

**Pharmaceuticals and Medical Devices**
- Decided to start sales of OD tablet version of pruritus treatment REMITCH®, and received approval of new indications in Japan. (May, Sept. 2017)
- Commercialized “INOUE BALLOON for aortic valve,” a new type of valvuloplasty catheter. (Sep. 2018)
- Signed a license agreement on antipruritic drug “TRK-820” in Thailand and Indonesia. (Jan. 2019)

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*REMITCH® is a registered trademark of Torii Pharmaceutical Co., Ltd.*
AE (Asia, Americas, Europe, and Emerging Regions) Project

Pursued growth investments, established new operational bases, and acquired profit opportunities

**Topics**

- Invested in Pacific Textiles Holdings Ltd., a leading textiles manufacturer in Hong Kong. (Jul. 2017)

- Established a new PPS resin compound production facility at the Zoltek Hungarian plant. (Mar. 2018)

- Opened the Toray Automotive Center Europe (AMCEU) in Germany. (Aug. 2018)

- Decided to increase production capacity of ABS resin TOYOLAC® at a Malaysian subsidiary, Toray Plastics (Malaysia) Sdn. Berhad. (Dec. 2018)

- Decided to increase production capacity of polypropylene film TORAYFAN® at Toray Plastics (America), Inc. (Feb. 2019)

- Completed the acquisition of Alva Sweden AB, a manufacturer of cushions for automotive airbag systems in Sweden, and its two subsidiaries, Alva Confecções S.A. and AlvaTunisia SA. (Jan. 2020)

**Net Sales of Expansion and Advancement of Global Businesses**

<Combined sales of overseas consolidated subsidiaries>

*based on an exchange rate of 100 yen / US$ for the past FYs also

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Sales (Billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016</td>
<td>1,042.1</td>
</tr>
<tr>
<td>FY 2017</td>
<td>1,150.8</td>
</tr>
<tr>
<td>FY 2018</td>
<td>1,271.3</td>
</tr>
<tr>
<td>FY 2019 Forecast</td>
<td>1,210.0</td>
</tr>
<tr>
<td>FY 2019 Target</td>
<td>1,500.0</td>
</tr>
</tbody>
</table>

*Topics*

- Pursued growth investments, established new operational bases, and acquired profit opportunities
# Total Cost Reduction (TC) Project

## Reduced 220 billion yen in 3 years from FY 2017

### Total Cost Reduction

<table>
<thead>
<tr>
<th>Target</th>
<th>Forecast (total of 3 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Activities of variable cost reduction (annual target at over 3.6%, over 11% in 3 years)</td>
<td>• Variable costs: reduce 90.2 billion yen (reduction rate: 9.7% in 3 years)</td>
</tr>
<tr>
<td>• Control fixed costs through P-ratio accounting method (P-ratio * = under 0.96 each fiscal year)</td>
<td>• Fixed costs: reduce 77.5 billion yen (P-ratio for each year=0.98, 1.04, 1.01)</td>
</tr>
<tr>
<td>• Innovation of production process (achieve reduction effects by more than 50 billion yen in 3 years)</td>
<td>• Innovation of production process: reduce 52.4 billion yen</td>
</tr>
</tbody>
</table>

*P(Performance)-ratio = fixed cost growth rate/ marginal profit growth rate. Target: less than 1.0 or monitored by division under budget.

Target for total of 3 years : 220 billion yen

Total of 3 years : 220 billion yen

### Strengthening Corporate Structure

**Topics**

- Fibers & Textiles: Conducted share and management transfer of a Chinese subsidiary which manufactures polyester/cotton blended textiles.
- Films: Decided to start production of PET films for MLCC release films after modification of an existing facility at Toray Gifu plant.

### Strengthening Sales and Marketing

**Topics**

- Entered into an agreement with Idemitsu Kosan Co., Ltd. for technical cooperation relating to OLED materials.
- Accelerated global communications by introducing digital tools.
## “AP-G 2019” Target and FY 2019 Forecast

<table>
<thead>
<tr>
<th></th>
<th>FY 2016 Actual</th>
<th>FY 2019 Forecast*</th>
<th>“AP-G 2019” Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>2,026.5</td>
<td>2,250.0</td>
<td>2,700.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>146.9</td>
<td>130.0</td>
<td>250.0</td>
</tr>
<tr>
<td>Operating Income to Net Sales Ratio</td>
<td>7.2%</td>
<td>5.8%</td>
<td>9%</td>
</tr>
<tr>
<td>ROA</td>
<td>6.3%</td>
<td>around 5%</td>
<td>around 9%</td>
</tr>
<tr>
<td>ROE</td>
<td>10.1%</td>
<td>around 7%</td>
<td>around 12%</td>
</tr>
<tr>
<td>D/E Ratio</td>
<td>0.70</td>
<td>around 0.8</td>
<td>below 1 (guideline)</td>
</tr>
</tbody>
</table>

Exchange rate for “AP-G 2019” target : 100 yen / US$

ROA = Operating Income / Total Assets
ROE = Net Income Attributable to Owners of Parent / Owners’ Equity

* Forecast announced on February 10, 2020
Difference between FY 2019 Forecast* and “AP-G 2019” Target

### Net Sales

<table>
<thead>
<tr>
<th>Change</th>
<th>Difference</th>
<th>Difference</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>in quantity</td>
<td>raw materials and fuel prices</td>
<td>selling prices</td>
<td>foreign currency translation</td>
</tr>
<tr>
<td>2,700.0</td>
<td>-500.0</td>
<td>+25.0</td>
<td>+25.0</td>
</tr>
<tr>
<td>2,250.0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Operating Income

<table>
<thead>
<tr>
<th>Change</th>
<th>Difference</th>
<th>Difference</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>in quantity</td>
<td>raw materials and fuel prices</td>
<td>selling prices</td>
<td>foreign currency translation</td>
</tr>
<tr>
<td>250.0</td>
<td>-135.0</td>
<td>-35.0</td>
<td>+28.0</td>
</tr>
<tr>
<td>130.0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* Forecast announced on February 10, 2020
## Difference between FY 2019 Forecast and “AP-G 2019” Target (by Segment)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fibers &amp; Textiles</td>
<td>1,120.0</td>
<td>895.0</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>950.0</td>
<td>780.0</td>
</tr>
<tr>
<td>Carbon Fiber Composite Materials</td>
<td>260.0</td>
<td>240.0</td>
</tr>
<tr>
<td>Environment &amp; Engineering</td>
<td>270.0</td>
<td>260.0</td>
</tr>
<tr>
<td>Life Science</td>
<td>80.0</td>
<td>55.0</td>
</tr>
<tr>
<td>Others</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Adjustments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,700.0</td>
<td>22,500</td>
</tr>
</tbody>
</table>

* Forecast announced on February 10, 2020

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**Billion yen**
Trends in Free Cash Flows during “AP-G 2019”

<table>
<thead>
<tr>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>-57.5</strong></td>
<td><strong>-84.0</strong></td>
<td>Expect a positive free cash flow</td>
</tr>
</tbody>
</table>

- **Investment in PTHL** *1 58.6 billion yen
- **Acquisition of TCAC** *2 118.3 billion yen

*1 Pacific Textile Holdings Ltd.  
*2 TenCate Advanced Composites Holding B.V

**Trends in Free Cash Flows during “AP-G 2019”**

<table>
<thead>
<tr>
<th>“AP-G 2019” 3-year Forecast</th>
<th>“AP-G 2019” Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>around 490.0 Billion yen</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>around 200.0 Billion yen</td>
</tr>
</tbody>
</table>

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III. Medium-term Management Program

“Project AP-G 2022”
(FY 2020 – FY 2022)

“Resilience and Proactive Management”
- Sustainable Growth and New Development
## Basic Strategies of “Project AP-G 2022”

<table>
<thead>
<tr>
<th>“AP-G 2019”</th>
<th>“AP-G 2022”</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Basic Strategies</td>
<td>3 Basic Strategies</td>
</tr>
<tr>
<td><strong>2. Expansion and advancement of global business</strong></td>
<td><strong>2. Strengthening competitiveness</strong></td>
</tr>
<tr>
<td><strong>3. Strengthening competitiveness</strong></td>
<td><strong>3. Strengthening the management foundation</strong></td>
</tr>
</tbody>
</table>

### Specific Measures

#### 1. GR Project
- Green Innovation business expansion

#### 2. LI Project
- Life Innovation business expansion

#### 3. NTC Project
- Total cost reductions
- Business advancement/high added value creation
- Enhancing workplace competency in sales & marketing and production

#### 4. Other
- Strengthening financial structure by improving cash efficiency
- Business structure reform of low-growth and low-profitability businesses
Global Expansion in Growth Business Fields

Green Innovation (GR) Businesses

Revenue Target in FY 2022: 1 trillion yen

Green Innovation Businesses
Net Sales forecast in FY 2019: 830 billion yen

- Recycling
  - Fiber recycling
  - Film recycling
- Water Treatment
  - RO・MBR・MF/UF membranes
- Low Environmental Impact
  - Non-fluorine water-repellent material
  - Toray Waterless Plate®
- Reduction of GHG Emissions
  - Resins for automobiles
  - Battery separator film for lithium-ion batteries
  - Carbon fiber for aircrafts, automobiles, wind-turbine blades, pressure vessels, etc.

Air Purification
- Dust collecting filter/Air filter

Net Sales / Revenue of Green Innovation Business Expansion (GR) Project

<table>
<thead>
<tr>
<th>FY 2019 Forecast (J-GAAP)</th>
<th>FY 2022 Target (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>830.0</td>
<td>1,000.0</td>
</tr>
</tbody>
</table>

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Growth Business Fields in Green Innovation Businesses (1)

Battery Separator Films

- Pursue cost reduction and expand production capacity of battery separator base films and coating facilities for automotive applications where high growth is expected particularly in the European market. By manufacturing in optimal locations and developing product quality and product types that matches customers’ production process, Toray Group will offer proposals for the benefit of customers, from a total cost perspective.
- Accelerate the development speed of consumer applications, with the demand increase from the new IoT devices in view.

### Demand for Battery separator films

- **Automotive applications**
- **Consumer applications**

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand (billion m²/yr)</th>
<th>Annual growth rate about 22%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>7.0</td>
<td></td>
</tr>
</tbody>
</table>

### Toray Group production capacity of Battery separator films

- **End of 2018**: 650 million m²/yr
- **End of 2019**: Increase about 30%
- **End of 2022**: Increase about 20%

### Toray Group Battery Separator Films Production Bases

- **Republic of Korea**
  - TBSK capacity increase: Started operations in 2019
  - TBCK capacity increase: Started operations in 2019

- **Japan (Toray)**
  - THU newly established
    - Plan to start operations in 2021

- **Hungary**
  - THU newly established
    - Plan to start operations in 2021
In addition to the increase in the number of wind power generation systems, expect increase in size of blades and the proportion of carbon fibers used, given the fact that installation locations are shifting to offshore and low-wind areas due to site restrictions.

In order to capture the market growth, invest continuously to large-tow carbon fibers for wind turbine blade applications at Zoltek’s Hungary and Mexico bases, and aim for business expansion.

**Increasing size of blades**
Accelerating shift to carbon fibers due to increasing demand for light-weight and high-modulus properties associated with increasing blade size.

**Demand for wind turbine blades applications**
- Annual growth rate: about 13%

**Production capacity of Zoltek**
- Increase in production capacity 5,000 tons in FY 2020
Establish a global system for production to respond to demand increase in the RO membrane business where demand is expanding, particularly in the Middle East and China. Aim for world’s No. 1 market share through the development of new high-performance products while pursuing cost reduction.

**Market size of RO membranes for industrial applications**

*Toray estimation*

- Annual growth rate: about 7%
- Toray estimation
- 2019:
  - Market size: 200,000 units/yr
- 2022:
  - Market size: 250,000 units/yr

**Toray Group Water Treatment related operational bases**

*Plan to increase Toray Group’s production capacity by 1.6-fold against 2019 in 2022*

- Major sales base
- Production site
- R&D base

**Republic of Korea**
- TAK

**China**
- TBMC, TMBJ, TMFC (plan to start operations within FY 2021)

**Japan**
- Toray

**USA**
- TMUS

**Singapore**
- TAS
- TSWRC

**Saudi Arabia**
- TMME

**Spain**
- TMSP

**Switzerland**
- TMEu
In addition to the conventional concepts of contributing to health maintenance and longevity and improving the quality of medical care, will broaden the definition to include products for “personal safety” to respond to threats on society such as recently increasing natural disasters and extreme weather.

**Target of LI Business**

<table>
<thead>
<tr>
<th>Healthy people</th>
<th>Elderly people, Home-care recipients</th>
<th>Patients, Doctors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supporting health maintenance and longevity</strong></td>
<td><strong>Supporting personal safety</strong></td>
<td><strong>Basic Strategy 1</strong></td>
</tr>
<tr>
<td>- Wellness</td>
<td>- Protect against disasters, extreme weather (intense heat, etc.), and accidents</td>
<td></td>
</tr>
<tr>
<td>- Continuation of a healthy and self-reliant condition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Improve ADL*</td>
<td>- Better medical examination, medical treatment, and prognosis</td>
<td></td>
</tr>
<tr>
<td>- Ease burden in places where care is provided</td>
<td>- Ease burden on medical professionals and patients’ families</td>
<td></td>
</tr>
</tbody>
</table>

*ADL*: Activity of Daily Living (eating, dressing, toileting, bathing, grooming)
Global Expansion in Growth Business Fields

Life Innovation (LI) Businesses

Revenue Target in FY 2022: 300 billion yen

Support health and longevity
- Non-woven fabric for hygiene products
- Materials for facilitating access
- Sportswear fabrics
- Home water purifiers

Improve quality of medical care, Ease burdens on medical professionals
- Dialyzers
- Catheter
- Medical-use hitoe®
- Pharmaceuticals

Support personal safety
- Heat-shielding/light shielding/UV protective SUMMER SHIELD®
- Non-woven fabric with flame-shielding property, GULFENG®
- Protective clothing LIVMOA®

Net Sales / Revenue of Life Innovation Business Expansion (LI) Project

- FY 2019 Forecast (J-GAAP): 220 billion yen
- FY 2022 Target (IFRS): 300 billion yen

- Support personal safety (new)
- Support health and longevity
- Improve quality of medical care, Ease burdens on medical professionals
Business Environment

- With the progress of aging society, the number of patients with atrial fibrillation (a type of cardiac arrhythmia) are increasing.
- Definitive care for atrial fibrillation is needed, as it might prevent other illness such as cerebral infarction, heart failure, and dementia.

**SATAKE•HotBalloon®**: Ablation Catheter for Atrial Fibrillation

- The world’s first heat conductive balloon ablation system (launched in Japan in 2016)
- The HotBalloon will shorten the procedure time and will have lower recurrence rate as it ablates Pulmonary Veins seamlessly.

Development Status and Future Plans

- The 2020 model, which pursues further safety, effectiveness, and handling, is being developed (plan to launch in summer/autumn of 2020 in Japan).

Expand overseas operations (obtaining CE-marking, preparing for the clinical trial in the US)
Business Environment

- Infectious disease risk is increasing with the impact of climate change and globalization of people and products
- Increased demand for Personal Protective Equipment to protect medical professionals while easing their work in severe environments
- Increasing occurrence of public health emergencies of international concern (PHEIC*)

*Public Health Emergency of International Concern  The term is defined by WHO as the following:
1. Constitutes a public health risk to other States through the international spread of disease; and 2. potentially requires a coordinated international response

LIVMOA™ 5000 Infection Prevention Suit

- Balances a high level of safety with durability, and comfort.

Relationship between Barrier Properties and Moisture Permeability

<table>
<thead>
<tr>
<th>Property</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrier to virus</td>
<td>6</td>
</tr>
<tr>
<td>Barrier to synthetic blood</td>
<td>6</td>
</tr>
<tr>
<td>Moisture Permeability (g/m²/hr)</td>
<td>330</td>
</tr>
</tbody>
</table>

1) EN14216 standard class 6 is the highest
2) Toray calculation

Successfully balances the contradictory properties of permeability while acting as a barrier to viruses and blood born pathogens. Through the technological integration of microporous film and non-woven fabric, an infection prevention suit with high workability and comfort was created.
Initiatives for Supporting Future Growth (1)

Capital Investment, M&A , Business Alliances

**Capital Investment**

Proactively pursue growth investments in growth business domains

- Invest around 50% of total capital expenditures for the purpose of business growth and expansion
- Implement capital investments efficiently
- Aim to minimize potential risks by carefully selecting the investment plans
- Make efficient use of existing facilities

**M&A, Business Alliances**

Carry out M&A and alliance activities to pursue the growth of existing businesses where Toray Group can expect synergies that leverage its strengths in advanced materials, core technologies, and global business platforms, and accelerate the launch of new businesses

- Conduct strategic investments separately from capital investments
Initiatives for Supporting Future Growth (2)

New Business Creation

Invest resources selectively to large scale themes for the next growth stage, and accelerate product development and the establishment of business models, with the aim to achieve total sales of around 1 trillion yen in the 2020s.

Examples of themes in “AP-G 2022”

Hydrogen-fuel cell related materials

Biomass-utilization products and processing technologies

Environmentally-friendly printing solutions

Hygiene, Health-care products

Sensing devices related materials
R&D, Intellectual Property

**R&D**

Invest resources to future large scale themes, contribute to the realization of the Sustainability Vision, and further leverage comprehensive capabilities by integrating fundamental technologies with original technologies

- Invest resources to future large scale themes and highly-profitable themes
- Upgrade and optimize R&D and production with digital utilization
- Promote themes including innovative separation materials, innovative medical materials/regenerative medicines, IoT, sensing devices, and computer sciences, at the R&D Innovation Center for the Future

**Intellectual Property**

Raise barriers for market entry through strategic patent applications and know-how protection, enhance global intellectual property capabilities

---

Breakdown of R&D Expenses

- Green Innovation (GR) business
- Life Innovation (LI) business

Total in 3 years: 220 billion yen
R&D ① Initiatives for the Realization of “Hydrogen Society”

Promote R&D of various products for the realization of a low-carbon circular economy

Production
- Electricity from Wind Power, Solar Power, etc. (renewable)
- Natural Gas
- Reforming
- Electrolyzer
- Hydrogen Purifier
- Hydrogen Gas

Transportation, Storage
- Hydrogen Compressor
- Hydrogen Gas Station
- Hydrogen Gas Tank
- Hydrogen Gas

Use
- Fuel Cell Vehicles (including Range Extender (REX) type)
- Household, Stationary Fuel Cell

Application Example of Toray’s Advanced Materials Polymer Electrolyte Fuel Cell
- CCM (Catalyst Coated Membrane)
- MEA (Membrane Electrodes Assembly)
- Carbon Paper (CP), GDL
- Polymer Electrolyte Membrane
- CCM, MEA

Fuel Cell Structure
- Anode Catalyst
- Cathode Catalyst
- Polymer Electrolyte Membrane
- CCM
- MEA
- Bipolar plate
- GDL
- Air

Carbon Paper (CP) Gas Diffusion Layer (GDL)
- Start full operation at Ehime Plant (FY 2020)

Hydrocarbon Type Polymer Electrolyte Membrane
- Start production (FY 2019)
MicroRNA controls the protein inside the cell. Since it is released into the blood from cancer cells, it has the potential to be a cancer diagnosis marker. However, the amount is so miniscule that a highly sensitive detection method is required for its detection.

**DNA chip “3D-Gene”**

- Enabled the detection of microRNA in blood by achieving 100 times more sensitivity than conventional products
- Identified blood microRNA markers for 13 kinds of human cancers and dementia

- DNA chip test kits for the detection of pancreatic cancer and biliary tract malignancy was designated as one of objects in “SAKIGAKE Designation System” by the Ministry of Health, Labour, and Welfare Aiming for application within fiscal 2020
- By prioritizing the Diseases to be diagnosed, sequentially aim to apply for approval of In Vitro Diagnostics.
Anti-cancer Drug TRK-950 (antibody drug)

About TRK-950
- An antibody against novel target which is expressed at high levels on various human cancer cells
- Aim for market approval as first-in-class (innovative) anti-cancer drug in the 2020s

Existing antibody

<table>
<thead>
<tr>
<th>Positive effects</th>
<th>No effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marker is found</td>
<td>Marker is not found</td>
</tr>
<tr>
<td>Antibody against Target A</td>
<td>Target A (marker)</td>
</tr>
<tr>
<td>Cancer cell A</td>
<td>Cancer cell B</td>
</tr>
</tbody>
</table>

Possibility of both positive and negative expression of target A in the same type of cancer

TRK-950

Effects are expected

<table>
<thead>
<tr>
<th>Marker is found</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antibody against Target C</td>
</tr>
<tr>
<td>Target C (marker)</td>
</tr>
<tr>
<td>Cancer cell A</td>
</tr>
</tbody>
</table>

Detected an target C expressing in many types of tumors

Clinical trials
- Started Phase I clinical trials in the US (2 sites) and France (1 site) from March 2017
- Expanded research in the US (5 sites) and France (1 site) and additionally started confirmation of safety and effectiveness for treating colon cancer, cholangiocarcinoma, bladder cancer, ovarian cancer, gastric cancer, kidney cancer and malignant melanoma etc.
## Strengthening Competitiveness

Strengthen competitiveness through maximization of cost reduction and added value

### 1. Total Cost Reduction

**Total Cost Reduction Project (NTC Project)**
*Target to reduce 150 billion yen in 3 years*

- **Variable Cost Reduction**
  *Target to reduce 100 billion yen in variable costs*  
  *(annual target: over 3.7% YoY)*

- **Fixed Cost Reduction**
  *Target to reduce 35 billion yen in production fixed costs*

- **Innovation of Production Process**
  - Refine themes that directly link to substantial cost reduction
  - Aim for reduction effects at 15 billion yen in 3 years

### 2. Business Advancement / High Added-value Creation

- Achieve advancement in products
- Add high-value by integrating and combining products and services
- Create new value in collaboration with external partners
- Pursue innovation in the value chain using Information and Communication Technology (ICT)

### 3. Enhancing Workplace Competency in Sales & Marketing and Production

- Lead the maximization of value-adding by strengthening the ability of the sales force to gather information, provide supply chain insight, the ability to make comprehensive sales proposals, and the ability to resolve issues
- Continually improve labor productivity by strengthening the ability to maintain equipment, resolve onsite problems, and the ability to resolve issues in order to meet customer requirements
Strengthening the Management Foundation  

Expand cash flows and enhance asset efficiency

1. Strengthening financial structure by improving cash efficiency

- Improve the certainty of return on investment
- Introduce management-based free cash flows internally
- Reduce working capitals
- D/E ratio around 0.8
- Set goals for dividend payout ratio (about 30%)

Total of FY 2020 - FY 2022

<table>
<thead>
<tr>
<th></th>
<th>Cash flows from operating activities</th>
<th>620 billion yen or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH-IN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH-OUT</td>
<td>Cash flows from investment activities</td>
<td>500 billion yen ※</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Free Cash Flows</td>
<td>120 billion yen or more</td>
</tr>
</tbody>
</table>

※exclude M&A
2. Business structure reform of low-growth and low-profitability businesses

- Conduct business structure and organizational structure reforms of low-growth and low-profitability businesses
- Will consider options including reducing or withdrawal from businesses with low market growth potential or where it would be difficult to make the most of Toray Group’s strengths in the future

Determine once a year of target businesses and companies that fall below boundary value for “sales growth” and “profitability”, and conduct business structure and organizational structure reforms.
Key Initiatives (1) Initiatives for a Circular Economy

Contribute to initiatives including biomass plastics, recycling, promoting of renewable energy and the use of hydrogen, and water reuse.
**Initiatives for a Circular Economy  Example 1**

**Utilization of Biomass**

**Membrane-integrated saccharification process**
A processing technology that realizes cost reduction through energy-saving and recycling by applying water treatment membranes for the biomass saccharification process.

Installed demonstration plant for cellulosic sugar production in Thailand, started prototype evaluation by customers

**Partial Bio-PET fiber**
- Completed prototype production at the demonstration plant
- Positioning it as a top-level environmentally-friendly material, started prototype evaluation mainly for sportswear and automotive interior applications
- Aim for mass production in the 2020s

“Ultrasuede® BX,” a non-woven material created using ultra-fine fibers made with plant-based raw materials
The reuse of production process wastes and used plastic bottles as raw materials is expected to reduce the use of fossil resources and reduce wastes.

### Regeneration-type recycling

- **Plastic bottle recycling**
- Recycle of production process waste

- Film ends: pelletization, compounding
- Fiber waste: produce fiber

**Example of plastic recycling**

- Commercial brand “& +”
  - Utilization of used plastic bottles
  - Diverse product types, exceptional whiteness
  - Ensure high reliability with the incorporation of traceability technology

### Collection and circulation type recycling

#### Example of fiber & textile recycling

- Collected, sorted, milled
- Melt/pelletization
- ‘TORAY’

**Products and collection system originally designed for collection and recycling after use**

#### Example of plastic recycling

- Air conditioner parts are collected, sorted, shredded and pelletized, and remade into recycled products (closed-loop recycling)
- Cross-flow fans: removal of foreign substances / reformulation design / pelletization
- ‘TORAY’

**‘CYCLEAD’**

- ‘‘TORAY’’
- ‘‘TORAY’’
- ‘‘TORAY’’

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Prepare and implement concrete action plans to achieve the FY 2030 targets to reduce both greenhouse gas emissions and water usage per unit of revenue by 30% compared to FY 2013.

**Challenge 30 Project**

- Implement regular energy-saving activities with stronger cooperation between sites in and outside Japan, and adopt successful case studies across the Group.
- Shift to purchasing electricity instead of generating with coal-fired boilers, and increase the usage of biomass fuels.
- Promote wastewater recycling, etc. with Toray Group’s water treatment technologies.

**Key Initiatives (2)**

**Reduction of Greenhouse Gas Emissions in the Production Stage**

**Reduction of GHG emissions**

- Expand use of biomass fuels

**Reduction of water usage**

- Wastewater recycling in plants

**Conventional**

- In-house boiler

**Expand use of biomass fuels**

- In-house boiler

**Wastewater recycling in plants**

- Wastewater treatment plant (external facility)
- Sludge/Brine water

**Toray’s technology**
Key Initiatives (3)

Advanced Business Management by Utilizing Digital Technologies

Promote advancements in management through digital transformation (DX)

Toray Digital Transformation Project

- Drive advancement and streamlining by leveraging digital technology in research and technological development (R&D), and production
  Main themes: material and bio design (R&D), quality and productivity improvement (production)
- Visualize global management information in sales & marketing, finance & accounting, and purchasing & logistics, and advance business management

R&D
Research of advanced materials through Digital Monozukuri (manufacturing)

Production
Improve labor productivity by application of an automatic monitoring system utilizing AI technology

Accelerate research and development through simulation and informatics

- Simulation
- Informatics
- In-house data base
- optimum design
- data collection
- defect detection
- camera
- AI
- VR
- 3D printer
- Setting goals
- fundamental technology trial
- in-house customer mass evaluation evaluation production
- Share the image of products and development with customers

Substantially improve the detection of defects with AI technology

- Image data
- Defect detection camera
- AI
- Labor productivity improvement with an automation system
- pass
- shipment
- failure
- scrap

Setting goals
- Market launch
- In-house data base
- simulation
- informatics
- optimum design
- data collection
- defect detection
- camera
- AI
- VR
- 3D printer
Key Initiatives (4) Securing and Developing Human Resources

Toray will secure, develop, and promote future management candidates and professional human resources with strong capabilities to lead on the frontlines by realizing a “People-centric Management”

Secure, develop, and promote core staff

- From a company-wide perspective, strategically provide core staff with the opportunity to develop their career, and promote the acquisition of expert knowledge, capabilities, and experience necessary for formulating management through initiatives to address important management issues
- Develop human resources from a medium to long-term perspective including young candidates
- Strategically secure, develop, and promote core staff outside Japan

Secure and develop professional human resources

- Promote the development of professional human resources by clarifying expert knowledge and capabilities necessary for each job class, in order to strategically develop each individual’s career
Changes in Performance Measures after IFRS Adoption

Ordinary business revenue and profit will be disclosed as "core operating income" as a measure of management performance.

**Profit and Loss Statement under Japanese standards**

- Net sales
  - Cost of sales
- Gross profit
  - Selling, general, admin. expenses
- Operating income
  - Finance income
  - Equity in earnings of affiliates
  - Non-operating income and expenses
- Ordinary income
  - Special credits and charges
- Income before income taxes
  - Income tax
- Net income
  - Net income attributable to owners of parent
    - Net income attributable to non-controlling interests

**Profit and Loss Statement after IFRS adoption**

- Revenue
  - Cost of sales
- Gross profit
  - Selling, general, admin. expenses
  - Other income / expenses
- Core operating income
  - Special credits and charges (extraordinary items)
- Operating income
  - Finance income/costs
  - Equity in earnings of affiliates
- Income before income taxes
  - Income tax expenses
- Profit
  - Profit attributable to owners of parent
    - Profit attributable to non-controlling interests

*Items influenced by the change in accounting standards*
- Goodwill not amortized
- Retirement benefit costs (unrecognized actuarial gain/loss is not included in the Profit and Loss etc.)
- Gain/loss from sales of shares (not included in the Profit and Loss)
# Financial Targets in FY 2022

## Forecast FY 2019 | FY 2022 Target

<table>
<thead>
<tr>
<th></th>
<th>(J-GAAP*)</th>
<th>(IFRS estimation)</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales / Revenue</td>
<td>2,250.0</td>
<td>2,130.0</td>
<td>2,600.0</td>
</tr>
<tr>
<td>Operating Income / Core Operating Income</td>
<td>130.0</td>
<td>125.0</td>
<td>180.0</td>
</tr>
<tr>
<td>Operating Income to Net Sales / Core Operating Income to Revenue</td>
<td>5.8%</td>
<td>5.9%</td>
<td>7%</td>
</tr>
<tr>
<td>ROA</td>
<td>about 5%</td>
<td>about 5%</td>
<td>about 7%</td>
</tr>
<tr>
<td>ROE</td>
<td>about 7%</td>
<td>about 7%</td>
<td>about 9%</td>
</tr>
<tr>
<td>Free Cash Flows</td>
<td>-</td>
<td>-</td>
<td>120 billion yen or more (in 3 years)</td>
</tr>
<tr>
<td>D/E ratio</td>
<td>around 0.8</td>
<td>around 0.9</td>
<td>around 0.8 (guideline)</td>
</tr>
<tr>
<td>Dividend Payout Ratio</td>
<td>-</td>
<td>-</td>
<td>about 30%</td>
</tr>
</tbody>
</table>

* Forecast announced on February 10, 2020

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Exchange rate for “AP-G 2022” target : 105 yen / US$

ROA = Operating Income, Core Operating Income / Total Assets

ROE = Net Income Attributable to Owners of Parent, Profit Attributable to Owners of Parent / Owners’ Equity

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## Sustainability Targets in FY 2022

<table>
<thead>
<tr>
<th></th>
<th>FY 2013 Actual (baseline year) (J-GAAP)</th>
<th>FY 2019 Forecast (compared with FY 2013) (J-GAAP)</th>
<th>FY 2022 Target (compared with FY 2013) (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GR Net sales / Revenue</strong></td>
<td>463.1 billion yen</td>
<td>830.0 billion yen</td>
<td>1,000.0 billion yen</td>
</tr>
<tr>
<td><strong>LI Net sales / Revenue</strong></td>
<td>119.6 billion yen</td>
<td>220.0 billion yen</td>
<td>300.0 billion yen</td>
</tr>
<tr>
<td><strong>Avoided CO² emissions</strong></td>
<td>38.4 million tons</td>
<td>5.1 fold</td>
<td>5.3 fold</td>
</tr>
<tr>
<td><strong>Contributed Annual water filtration throughput</strong></td>
<td>27.23 million tons/day</td>
<td>1.9 fold</td>
<td>2.4 fold</td>
</tr>
<tr>
<td><strong>Greenhouse gas emissions per unit of sales in production activities</strong></td>
<td>3.37 thousand tons /billion yen</td>
<td>13% reduction</td>
<td>20% reduction</td>
</tr>
<tr>
<td><strong>Water consumption per unit of sales in production activities</strong></td>
<td>152 thousand tons /billion yen</td>
<td>24% reduction</td>
<td>25% reduction</td>
</tr>
</tbody>
</table>
IV. Strengthening Corporate Governance
Initiatives for Strengthening Corporate Governance

Enhance the effectiveness of the Board of Directors and strengthen the business execution system

① Reduction in number of Members of the Board and change in its composition

- Deepen the discussions concerning the Group management policies and mid-term management programs from a wider perspective, and aim to further enhance the effectiveness of the management that contribute to increased corporate value in the medium to long term

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<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>2</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>4</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>
<td></td>
<td></td>
</tr>
</tbody>
</table>

② Strengthening the Governance Committee

- Increase the members to 4 outside directors and 3 internal members of the Board (chaired by an outside director)
- General matters related to governance shall be discussed and reported from a variety of perspectives

③ Introduction of an executive officer system

- Aim for a flexible and efficient management execution, based on quick decision-making, by responding accurately to the changes in the business environment, in order to accelerate the business expansion globally
Initiatives for Strengthening Corporate Governance

Corporate Governance Structures

General Meeting of Stockholders

- Board of Directors
  - 12 members of the Board
  - 4 outside directors

Oversight, Decision-making functions

- Governance Committee
  - 7 members including 4 outside directors

Election

- Audit

- Oversight, Decision-making functions

Business execution functions

- President
- Group-wide Committees
  - Ethics and Compliance Committee
  - Risk Management Committee
  - CSR Committee, etc.

- Audit

- Internal audit

Conference organs

- Executive Committee

Election

- Oversight, Decision-making functions

Departmental committees and meetings

- Divisions, Offices and Plants, Subsidiaries

Election

- Oversight, Decision-making functions

Cooperation

Accounting Auditor

- Audit

- Oversight, Decision-making functions

Auditing Dept.
Medium-term Strategies by Segment
Net Sales / Revenue, Operating Income / Core Operating Income Targets by Segment

**Billion yen**

### Net Sales / Revenue

- **FY 2018**
  - J-GAAP: 974.3
  - IFRS: 868.8

- **FY 2019 Forecast**
  - J-GAAP: 2,388.8
  - IFRS: 2,250.0

- **FY 2019 Forecast (estimation)**
  - J-GAAP: 2,130.0
  - IFRS: 2,130.0

- **FY 2022 Target**
  - J-GAAP: 2,600.0
  - IFRS: 2,600.0

### Operating Income / Core Operating Income

- **FY 2018**
  - J-GAAP: 141.5
  - IFRS: 141.5

- **FY 2019 Forecast**
  - J-GAAP: 130.0
  - IFRS: 130.0

- **FY 2019 Forecast (estimation)**
  - J-GAAP: 125.0
  - IFRS: 125.0

- **FY 2022 Target**
  - J-GAAP: 180.0
  - IFRS: 180.0

* Forecast announced on February 10, 2020

Legend:
- Blue: Fibers & Textiles
- Orange: Performance Chemicals
- Green: Carbon Fiber Composite Materials
- Purple: Life Science
- Light Gray: Others
- Dark Gray: Adjustments

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Capital Investment by Segment

Total in “AP-G 2019”
(FY 2017 - FY 2018 actual, FY 2019 forecast)

- Fibers & Textiles: 29%
- Performance Chemicals: 5%
- Carbon Fiber Composite Materials: 3%
- Environment & Engineering: 2%
- Life Science: 5%
- Others: 21%

Total: 490.0 billion yen

Total in “AP-G 2022”

- Fibers & Textiles: 20%
- Performance Chemicals: 40%
- Carbon Fiber Composite Materials: 10%
- Environment & Engineering: 5%
- Life Science: 10%
- Others: 20%

Total: 500.0 billion yen
Basic Policies

Continuously strengthen business structure and expand in growth regions and growth business fields

Enhance profitability by promoting a differentiation strategy and addressing sustainability

Global business expansion (expand in growth regions and growth business fields and promote advancement in business models)

- Expand profitability driven by five businesses of textiles, non-woven fabrics, airbags, non-woven material created using ultra-fine fibers in an “islands in the sea” configuration, and integrated business from fiber to textiles and further to garments

Business expansion by addressing sustainability

- Expand materials that address global environmental issues
- Expand materials and products used for medical and healthcare applications

Promotion of global brand strategies

Strengthening business competitiveness, promotion of structural reform and business advancement

- Promote global re-engineering
- Expand value-added products and enhance the supply chains
Basic Policies

Expand sales of high value-added products in growth business fields, boost profitability by creating new products, and address sustainability

Resins & Chemicals Business
- Expand high value-added businesses in growth areas such as next generation mobility and 5G, etc., and in growth regions including India
- Strengthen upfront development capabilities, and total solution proposal capabilities

Films Business
- Expand sales of high value-added products in growth business fields including battery separator films, PET films for MLCC release films, and nano-layered films
- Create and expand new products and applications that meet the market changes

Electronic & Information Materials Business
- Create high value-added electronics materials designed to match 5G and IoT by combining core technologies with the latest information in a prompt and timely manner
- Realize continuous business expansion by providing our customers with solutions through advanced materials
### Performance Chemicals

#### Revenue Targets by Sub-segment

<table>
<thead>
<tr>
<th>Sub-segment</th>
<th>FY 2019 Forecast (IFRS•estimation)</th>
<th>FY 2022 Target (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resins, Chemicals</td>
<td>320.0</td>
<td>410.0</td>
</tr>
<tr>
<td>Films</td>
<td>320.0</td>
<td>380.0</td>
</tr>
<tr>
<td>Electronic &amp; Information Materials</td>
<td>70.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Trading</td>
<td>420.0</td>
<td>560.0</td>
</tr>
<tr>
<td>Adjustments</td>
<td>▲360.0</td>
<td>▲460.0</td>
</tr>
<tr>
<td>Total</td>
<td>770.0</td>
<td>990.0</td>
</tr>
</tbody>
</table>
**Basic Policies**

Maintain the position as world’s number one by pursuing high-performance and quality reliability of the products

Improve capital efficiency and return on investment by capturing market growth

Thorough recovery of prior investments for growth

Capture growth in new applications in the mobility fields such as UAM (Urban Air Mobility)

Continue investment to capture growth in the expanding energy related fields such as wind turbine blades and fuel cell vehicles (tanks, electrode substrates) applications

Strengthen solution proposal capabilities aimed to become a “best-in-class solution provider”, and implement appropriate price policies

<table>
<thead>
<tr>
<th>FY 2019 Forecast (IFRS estimation)</th>
<th>FY 2022 Target (IFRS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (left axis)</td>
<td>Core Operating Income (right axis)</td>
</tr>
<tr>
<td>240.0</td>
<td>275.0</td>
</tr>
<tr>
<td>22.0</td>
<td>24.0</td>
</tr>
</tbody>
</table>

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Basic Policies

Expand business in the growth business fields centering on water treatment membranes and engineering

Water Treatment Business
• Enhance global production and sales system in response to markets that are expanding over the medium and long term
• Accelerate new product development and expand sales of products that meet the needs of each region and customers
• Thoroughly strengthen business structure

Engineering Business
• Expand plant construction business and electronics-related machineries (in the fields of life science and semiconductors)
• Enhance technical capabilities and cost competitiveness by strengthening the Group’s unified operations
Basic Policies
Reinforce the business foundation and structure through overseas business development, expansion of indications and introduction of improved products of existing product lineup, in addition to cost reduction

Pharmaceutical Business
Maintain the business and profit foundation through overseas business development of oral drug REMITCH®* as pruritus improver

Medical Devices Business
• Expand sales by continuously developing and introducing to market improved products of the existing product lineup such as SATAKE HotBalloon™ for ablation treatment
• Expand global sales of highly value-added dialyzers, and launch and promote newly renovated dialysis machines in Japan

New Business
Establish and launch the business of the test kit to detect protein markers of pancreatic cancer

*REMITCH® is a registered trademark of Torii Pharmaceutical Co., Ltd.
Descriptions of predicted business results, projections and business plans contained in this material are based on assumptions and forecasts regarding the future business environment, made at the present time.
The material in this presentation is not a guarantee of the Company’s future business performance.
'TORAY'
Innovation by Chemistry