TORAY IR Day
Medium-term Management Program
Project AP-G 2025

Fibers & Textiles Business

June 9, 2023

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Senior Vice President, General Manager, Fibers & Textiles Division
Toray Industries, Inc.
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II. Reviewing the Medium-Term Management Program, Project AP-G 2022
III. Business Environment and Trends in Demand
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Outline of Toray Group Fibers & Textiles Business and its Strength
Position within the Fibers & Textiles Segment

Revenue in FY 2022

- Businesses for all the three major synthetic fibers (nylon, polyester, and acrylic). Supply chain integrated businesses from fibers, textiles to garments
- Industrial applications including textile for airbags and nonwoven fabrics
- Global operation including China and Southeast Asia

Trend in Revenue

- Nylon fibers
- Polyester fibers
- Acrylic fibers
- Textiles
- Nonwoven fabrics for hygiene products
- Fibers and textiles for airbags
- Garments
- Protective clothing
- Artificial leathers

Revenue in FY 2022: 999.2 billion yen (40% of the total)
Provide solutions to customers with freely combining our strengths in three axis

1. Technological Development & Variety of Products

2. Vertical Integration in Supply Chain

3. Global Business Network

* Nonwoven material created using ultra-fine fibers in an "Islands in the Sea" configuration
Three Dimensional Business Model (1): Technological Development & Variety of Products

- High-functional Fibers
  - PTFE (Flurofiber)
  - Aramid Fibers
  - PPS

- Microfibers
  - Artificial leathers
  - PLA Fibers
  - PTT (3GT) Fibers

- Nanofibers
  - Plant-based Fibers
  - Microfibers

- Acrylic
  - Recycled Fibers
  - Recycled PET Fibers
  - Recycled Nylon Fibers

- Polyester Fibers
  - N66 Fibers
  - Partially plant-based PET
  - 100% plant-based PET

- Plant-based Fibers
  - PLA Fibers
  - PTT (3GT) Fibers

- Nonwovens
  - Plant-based Fibers
  - Microfibers

1950  60  70  80  90  2000  2010  2020

N6 Fibers

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Three Dimensional Business Model (2): Vertical Integration in Supply Chain
- From Raw Materials to Garments -

- Filament and Staple fibers
- Spinning and Finished yarn
- Weaving and knitting
- Dyeing and Processing
- Sewing

Producing three major synthetic fibers (polyester, nylon, acrylic)
Producing variety of fibers widely applicable to apparel and industrial applications

Variety of production technologies, development, and production capacities to weave and knit textiles
Variety of technological development in dyeing and after dying processing

Worldwide garment production bases
Accumulated know-how for sewing
Three Dimensional Business Model (3): Global Business Network

Toray Group’s global production bases for Fibers & Textiles Business
(17 countries, 28 bases)

As of March 2023

Europe and Africa

UK
TTEL (Weaving, Dyeing)

Czech Republic
TTCE (Weaving, Dyeing)

Italy
Alcantara (Ultra-microfiber non-woven fabric with suede texture)

Sweden
Alva (Head Office)

Portugal/Tunisia
Alva (Airbag cushions)

Asia

Vietnam
VTF (Twisted Yarn)
THKVN (Sewing)

Thailand
TTS (N-FY,P-FY)
TTT (P/C&P/R Spinning, Weaving, Knitting, Dyeing)

Indonesia
ITS (N-FY,P-FY,P-SF)
ISTEM (P/R Spinning, Weaving, Dyeing)

ACTEM (A spinning)
ETX (P/C Spinning, Weaving)
CTX (P/C Spinning, Weaving, Dyeing)

TPJ (Nonwoven)

India
TID (Nonwoven)
TKAT (Weaving)

Japan
Toray N-FY·SF,P-FY·SF,A-SF, Nonwoven, Ultra-microfiber non-woven fabric with suede texture, Flurofiber

China
TFNL (N-FY,P-FY)
TSD (Weaving, Knitting, Dyeing)
TPN (Nonwoven)
TPF (Nonwoven)

South Korea
TAK (P-FY,P-SF, Weaving, Dyeing, Nonwoven)

Hong Kong
THK (Sewing HQ)

Malaysia
PFR (P-SF)
PAB (P/C Weaving)

America

USA
TFA (Flurofiber)

Mexico
TAMX (N-FY, Weaving)

N = Nylon
P = Polyester
A = Acrylic
C = Cotton
R = Rayon
FY = Filament Yarn
SF = Staple Fiber

Fiber, Textile, Artificial leather, Sewing
Reviewing the Medium-Term Management Program, Project AP-G 2022
After reaching the bottom in FY 2020, revenue and core operating income has steadily improved, increasing y-o-y in both FY 2021 and FY 2022.
Reviewing the Medium-Term Management Program, Project AP-G 2022

<Summary>
Due mainly to the stagnation of economic business activities stemming from the expansion of COVID-19 infection and difference in quantity caused by changes in market structures, core operating income in FY 2022 was lower than the target of AP-G 2022. Steady progress was made in addressing the issues within each basic strategy.

### Main Factors

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<thead>
<tr>
<th>Difference in quantity</th>
<th>Demand decrease in fiber business</th>
</tr>
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<tbody>
<tr>
<td>Demand decrease in automobile applications, harsh competition in nonwoven fabrics for hygiene products</td>
<td></td>
</tr>
<tr>
<td>Decrease in demand due to market changes in ASEAN countries</td>
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<table>
<thead>
<tr>
<th>Net change in price</th>
<th>Surge in raw materials and fuel prices as well as transportation costs, etc.</th>
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<table>
<thead>
<tr>
<th>Fixed cost</th>
<th>Controlling fixed cost for decrease in quantities</th>
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### Difference

<table>
<thead>
<tr>
<th>FY 2022 Target</th>
<th>FY 2022 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (left axis)</td>
<td>1,030</td>
</tr>
<tr>
<td>Core operating income (right axis)</td>
<td>999.2</td>
</tr>
<tr>
<td>Difference</td>
<td>51.2</td>
</tr>
<tr>
<td>▲24.8</td>
<td></td>
</tr>
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### Fixed cost

- Controlling fixed cost for decrease in quantities
<table>
<thead>
<tr>
<th>Basic Strategies</th>
<th>Achievements</th>
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</table>
| Global expansion in growth business fields   | • Ultrasuede® and Alcantara®: Automobile interior applications expanded in Japan and Italy  
                                                                                        • Airbag: Business field was expanded by sewing business growth  
                                                                                        • Nonwoven fabric business: Expanded PET spunbond production capacity in Japan and South Korea |
| Business growth through sustainability measures | • Expanded green Innovation and Life Innovation businesses  
                                                                                        • Started full-fledged expansion of PET bottle recycling “&+” |
| Advancement of business models               | • Extended and improved the integrated supply chain in Vietnam  
                                                                                        • Enhanced global textile brands |
| Expansion of value-added products            | • Advancement of textile products utilizing NANODESIGN™ |
| Strengthening the corporate structure        | • Promoted structure reform of low-growth and low-profitability businesses |
Business Environment and Trends in Demand
Business Environment Surrounding the Fibers & Textile business

Change in demand structure by the pandemic
- Demand decrease in formal clothing (e.g. dress shirts), pantyhose, and linings for garments
- Demand increase in sports/outdoor and interior related products, expansion of e-commerce

Increase in awareness of environmental and social issues
- Accelerating practical measures for transition to circular economy by countries and companies
- Attitude for the human rights issues became stricter in the international society

Environmental changes in the backdrop of geopolitical risks
- Surging raw material and energy prices due to the conflict between Russia and Ukraine and global inflation
- Disperse procurement to avoid disorder of supply chains and logistics amidst the pandemic, accelerating local production for local consumption
Medium-term Management Program,
Project AP-G 2025
- Long term vision of Fibers & Textiles -
Through Toray group’s fibers & textiles products, provide new value and enrich the lives of people around the world

- AP-G 2025 Basic policy of Fibers & Textiles Business -
Aim for sustainable growth with high profitability through realization of foundation enhancement and advancement of products, for promoting measures for a sustainable world, and through global business expansion in growth business fields

- Business Strategies -

1. Improving profitability by ultimate value creation
2. Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials
3. Product and operational excellence
Project AP-G 2025: Growth Strategies of Fibers & Textiles Business

1. Improving profitability by ultimate value creation

2. Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

3. Product and operational excellence
Growth strategies: (1) Improving Profitability by Ultimate Value Creation
Global Expansion of Business for Ultrasuede® and Alcantara®

With two brand strategies, Ultrasuede® and Alcantara®, at its core, continuously promoting brand value enhancement, and expanding the business globally mainly in fashion and automobile interiors.

**Ultrasuede®**

<Toray Industries Ultrasuede Dept. (Japan)>

Advanced material brand from Japan made by Toray’s leading-edge technology

Beautiful Possibilities
Expand customers’ potential and providing value beyond expectation

Under the Ultrasuede vision of “To enrich society through empowered creativity and materials evolution,” we will work with customers to increase the brand value each other.

**ALCANTARA®**

<Alcantara S.p.A, (Italy)>

“Made in Italy” by original creativity and craftsmanship
Luxury brand focusing on sustainability

Extraordinary Every Day
Sublime technologies and commitment to sustainability

Through constant dialogue with people active in the world of creation, ALCANTARA® continues to evolve with trust from global companies around the world.
Differentiation from competitors by maintaining and strengthening the two-brand strategy Ultrasuede® and Alcantara®, including environmentally friendly materials.

Ultrasuede® and Alcantara® always developing high-added-value materials with “Tailor Made Production” such as lamination with other materials to satisfy customers’ demand.

Production expansion for Ultrasuede®. Expect to start operations at the end of 2024.

Demand for artificial leather is on an upward trend as it is replacing natural leather.

Automotive production in global is expected to grow at an annual rate of 3% per year while EV production is forecasted to grow rapidly, at an annual rate of 37%, 500% increase by 2028, compared to 2022.

Wide range of product variations in fiber fineness and thickness enable multi-purpose use, including automobile interior, fashion, upholstery, accessory, and consumer electronics.

Providing options to customers by increasing the variety of environmentally friendly products certified as carbon neutral or made from recycled PET/partially bio-based PET.

Business Environment

Sales Target
(Unit: 1,000 m²/month)

FY 2022: 1,096
FY 2025: 1,614

Growth strategies: (1) Improving Profitability by Ultimate Value Creation
Global Expansion of Business for Ultrasuede® and Alcantara®

Toray’s Strengths

Business Strategies

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Growth strategies: (1) Improving Profitability by Ultimate Value Creation

Airbag Business: Enhancing the Global Supply Chain

Linking regions, organizations, product bases to make use of technical resource, connections and know-how

- TTS (Thailand) 2002 ~
- TTT (Thailand) 2002 ~
- TTCE (Czech Republic) 2006 ~
- TSD (China) 2013 ~
- TKAT (India) 2014 ~
- TAMX (Mexico) 2015 ~
- ALVA (Europe/Africa) 2020 ~

Production and sales of yarn: 3 sites
Production and sales of textiles: 6 sites
Sewing of cushions: 2 sites
R&D center: 2 sites*
Marketing: 8 sites

*R&D center: 2 sites in Japan.
Growth strategies: (1) Improving Profitability by Ultimate Value Creation

Airbag Business: Advancement of Global Supply Chain

- **~1990s**: Started airbag fibers and fabrics business in Japan

- **2000s**: Production of airbag fabrics started in ASEAN countries, China and Europe

- **2010s**: Started airbag fabrics business in India and Americas

- **2020s**: Acquired a company producing cushions for automotive airbag systems

- Shift from sales of fibers to fabrics for airbag applications

- Established global supply chain that covers major production areas for automobiles and can provide the same high-quality airbag fabrics worldwide

- Constructed an integrated supply chain including cutting and sewing

- Established R&D system

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**Fibers**
- Japan
- Thailand
- Mexico
  - Czech Republic

**Fabrics**
- Japan
- Thailand
- China
- India
- Mexico
- Portugal
- Tunisia

**Cut & Sew**
- Cushion manufacturers (ASEAN countries, China, India, Americas)
- Production same high-quality products worldwide

**Components**
- Component manufacturers (Japan, South Korea, ASEAN countries)

**Automobile**
- Automobile manufacturers (Japan, South Korea, ASEAN countries)
Growth strategies: (1) Improving Profitability by Ultimate Value Creation

Expansion Strategies of Airbag Business

Business environment

- Demand expanded due to recovery of automobile production, increase of airbag installment rate in emerging countries
  - Automobile production: 82 million units per year in 2022 → 90 million units per year in 2025
  - Airbag installment rate: Expanded mainly in emerging countries (e.g.: in India, installing 6 airbags in a car has become mandatory).

- Market needs
  - Global supply chain
  - Ensuring stable supply for growing demand
  - Responsiveness in development targeted at autonomous driving and sustainability

Business strategies

- Improving and/or increasing capacity of production facilities to meet increasing demand in India, China, ASEAN countries and Americas
- Business advancement by expanding cutting & sewing business
- Strengthening next-generation development focused on autonomous driving

Aiming to expand business beyond the demand growth of airbag fabrics, leveraging our strengths, global supply chain, and business model integrating fibers, fabrics, and cutting & sewing
Growth strategies: (1) Improving Profitability by Ultimate Value Creation

Adding Higher Value Utilizing Toray’s Unique Technologies: NANODESIGN™

Cross-sectional shape of the fiber to be designed on a nano-order basis

<Comparing to the conventional technology (concept)>

Utilizing Toray’s unique technologies that enable to control precisely various “fineness” and “shapes” provides higher added-value to bio-based and recycled fibers
### Major Products (already in the market)

<table>
<thead>
<tr>
<th>Product</th>
<th>Features</th>
<th>Image</th>
</tr>
</thead>
</table>
| **uts-fit™** | • Smooth and sleek texture  
• Bulkiness, retention of shape  
• Rich in stretchability | ![Bimetal islands in the sea](image1.jpg) |
| **Kinari™**  | • Luster that surpasses silk  
• Noble glaze, rustling sound of silk  
• Easy to process and sewing, looking beautiful when tailored | ![Cross-sectional imitation of silk](image2.jpg) |
| **Qticle™**  | • Natural and deep color  
• Elastic and stretchable | ![Ultra-thin coated bimetal](image3.jpg) |
| **Camifu™**  | • Warm texture  
• Lightness, elasticity  
• Functional additives retainability | ![Post elution flat C cross-sectional shaped asymmetric bimetal](image4.jpg) |

**Awards:** Technology Award of The Society of Fiber Science and Technology; Grand Prix of Senken Gosen Award Material Division; Chemical Society of Japan’s Award for Technical Development, etc.

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**Continuously creates advanced materials by NANODESIGN™**
Project AP-G 2025: Growth Strategies of Fibers & Textiles Business

1. Improving profitability by ultimate value creation

2. Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

3. Product and operational excellence
Business Strategies: (2) Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

Toray’s Initiatives for Realization of a Circular Economy

- Across the Group, accelerating initiatives including the following: bio-based materials and pellets; material and chemical recycling; CO$_2$ recycling
- In the fibers and textiles business, development and sales expansion are currently progressing for bio-based and recycled materials, which have evolved utilizing Toray’s unique technologies

Raw materials

<table>
<thead>
<tr>
<th>Fossil resources</th>
<th>Biomass</th>
<th>Air/Emission gas (CO$_2$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membrane-integrated biotechnology</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Use of plant-based raw materials (Bio-based PET, nylon raw materials, etc.)

Raw Materials

Production, use

- Toray materials (fibers and textiles, resins, films)
- Used plastics (including those generated outside the Toray Group)
- PET (fibers and textiles, films), ABS resins

Waste (minimize)

- Chemical Recycling
- Material recycling
- CO$_2$ recycling

Toray’s Technology and Products

- Electric power from renewable energy
- Green Hydrogen
- Water Treatment
- Toray’s technologies related to energy and water that support a circular economy

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Business Strategies: (2) Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

Strategies for Biomass-Based and Recycling Brands

**Biomass-based (Ecodear™)**

- Plant-based carbon contained in the plant-based synthetic fibers is atmospheric CO₂ absorbed by plants during photosynthesis.
- Even if this plant-based materials are incinerated, the plant-based carbon contained in the products will be returned to the atmosphere and will not affect the atmospheric CO₂ concentration.

**Recycling (<&+™)**

- Raw materials are wastes such as collected PET bottles and fishing nets, which are made mainly from post-consumer materials.
- The Company recycles waste generated outside the Toray Group to reduce consumption of limited and precious fossil resources and also contributes to waste reduction.

Brand focused on recycled fibers & textile products containing post-consumer materials as raw materials.
Business Strategies (2): Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

Development and Expanding of Plant-based Polyester Ecodear™ PET

**Conventional product**

<table>
<thead>
<tr>
<th>Ethylene glycol (EG)</th>
<th>Terephthalic acid (TPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Polymerization</strong></td>
<td><strong>Fiber spinning</strong></td>
</tr>
<tr>
<td><strong>Polyester (PET)</strong></td>
<td><strong>Fiber</strong></td>
</tr>
</tbody>
</table>

**Mass production**

- **Partially plant-based polyester**
  
<table>
<thead>
<tr>
<th>Plant-based EG</th>
<th>Terephthalic acid (TPA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Polymerization</strong></td>
<td><strong>Fiber spinning</strong></td>
</tr>
<tr>
<td>Partially plant-based polyester</td>
<td></td>
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- **Developed product**
  
<table>
<thead>
<tr>
<th>100% Plant-based polyester</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Polymerization</strong></td>
</tr>
<tr>
<td><strong>Fiber spinning</strong></td>
</tr>
<tr>
<td>100% plant-based polyester</td>
</tr>
</tbody>
</table>

Conversion to non-fossil fuel-based materials
Contributing to CO₂ emission reduction of products through value chains
Ecodear™ N510 is 100% plant-based*1 nylon fiber which is made by polymerizing sebacic acid (from castor-oil plants) and pentamethylenediamine (from corn) and spinning.

(*1: ISO16620-1 3.1.5 biobased synthetic polymer content (percentage of plant-based material) is 100%)
Business Strategies (2): Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials
Example of Development and Expansion of 100% Plant-based Fibers

Pre-marketing example of 100%
Plant-based Polyester

Patagonia’s Sugar Down

Ultrasuede™ nu:
Head rest covers for ANA’s “Future Promise” project, a specially painted aircraft

RESONANT SUIT PB:
shown at ISSEY MIYAKE’s Spring-Summer Collection 2023

100% Plant-based Nylon
Ecodear™ N510
(from news release on January 14, 2022)

Sports, outdoor, leg, inner applications

Ecodear™ N510 is 100% plant-based1 nylon fiber which is made by polymerizing sebacic acid (from castor-oil plants) and pentamethylenediamine (from corn) and spinning.

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Business Strategies: (2) Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

Strategies for Biomass-Based/Recycling Brands

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**Recycling (&+™)**

- Raw materials are wastes such as collected PET bottles and fishing nets, which are made mainly from post-consumer materials.
- The Company recycles waste generated outside the Toray Group to reduce consumption of limited and precious fossil resources and also contributes to waste reduction.

Brand focused on recycled fibers & textile products containing post-consumer materials as raw materials.
• Recycling Fibers & Textiles brand characterized by “high-added-value” and “traceability”

• Post-consumer materials are mainly used as raw materials. In addition to polyester made from collected PET bottles as a raw material, nylon made from a portion of collected fishing nets has been newly commercialized.

• Projects and activities that “consumers and various organizations participate in and share the brand story”, which is a distinctive feature of the brand, are expanding

*”&+” made from collected garments has not been commercialized yet, but will be developed in the future.

**Thoughts behind the naming and logo**

Recycling business is made possible by involving the people around us. When everyone's thoughts and actions for the future are connected with "&," value of “+ (plus) ” is created.
Business Strategies: (2) Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

Examples of initiative on &+™ in Japan

**Tokyo Marathon**

Activities to produce &+™ yarn from PET bottles collected at the venue and recycle it into volunteer wear for the next year onwards

**Collecting PET bottles at Toray’s plants and offices in Japan**

Activities to produce &+™ yarn from PET bottles collected from vending machines installed in the Company

Strengthening brand power by communicating the appeal of &+™, which contributes to the environment through resource circulation
Business Strategies: (2) Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

Examples of Initiative on “&+” Outside Japan

Starting initiatives for promoting recycled polyester fibers with the Penang state government at Toray Malaysia, Penang.

Demonstration of PET bottle recycling by the Penang state government and Toray Malaysia

Collecting PET bottles at Toray Malaysia

Donating shirts for school uniforms to local elementary schools. They were produced as uniforms using fabric made from yarns from PET bottles collected at a Toray Malaysia facility.
Business Strategies: (2) Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

Nylon Recycling: Examples of raw materials derived from fishing nets

Chemical recycling & +™ *

Establishing collecting and recycling system in Japan

Lactam → Repolymerization → Yarn-Making → Depolymerization → Preprocessing → Making fishing net → Sorting → Recovering → Fishing nets → Using → Disposed fishing nets → Scrap

Industry’s first “Fishing net to fishing net recycling”

Material recycling

Repelletize → Preprocessing → Sorting

*Currently preparing to acquire international certifications, GRS and RCS

Initiatives to realize a sustainable circular economy
1. Improving profitability by ultimate value creation

2. Business expansion in growth fields based on high-performance, highly textured products that make use of environmentally responsible materials

3. Product and operational excellence
Business Strategies: (3) Product and operational excellence
Enhancing Global Megabrand Expansion

Advanced nylon and polyester fabric made of Toray's unique thin yarns, light and compact, with soft textures.

Advanced fabric with flexible and stretching texture. Has durability, lightness, comfortability, fast-drying properties, applicable to various purposes.

Functional fabric offering a high level of water resistance, breathability and resistance to condensation, as well as excellent elasticity.
Business Strategies: (3) Product and operational excellence
Strengthening Global Supply Chains of Apparel Applications

- Responding flexibly to customer needs with integrated business from raw yarn and cotton, textiles to sewing
- Proceeding with establishing supply chain for Indian market.
Aiming to improve profit foundation, steadily implement business structure reform plans for low-growth and low-profitability businesses developed in the AP-G 2022.

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Business structure reform</th>
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</table>
| Polyester / cotton fabric business | ● Reviewing production capacity of spinning, weaving, dyeing in 4 production bases in ASEAN countries and enhancing group operation.  
                                       ● Conversion of applications: expansion of the uniform and casual wear applications. |
| Nylon fiber business            | ● Optimizing global production capacity of 2 plants in Japan and 3 production sites outside Japan  
                                       ● Enhancing expansion of environmentally responsible materials including recycled/bio-based materials.  
                                       ● Increasing sales of textiles by specially made products and higher-level processing. |
| Affiliates of fiber in Japan     | ● Stop or suspend of the low-profitability businesses, given the analysis of business structures for each company, in addition to the business portfolio to shift to the high-profit businesses. |
Target for FY2025
Target for FY 2025: Aiming Sustainable Growth with Profitability

Target of core operating income for FY 2025 is 64.0 billion yen, up 12.8 billion yen compared to FY 2022, from expansion of growth business fields we have been working on since AP-G 2022, promoting high-added-value creation, improving profitability by implementing structure reform for low-growth and low-profitability business, and expansion of environmentally responsible materials.

### Variance

#### Main Factors

| Difference in quantity | Expansion of business growth fields such as airbag and artificial leathers
|                        | Capturing recovering demand for integrated apparel business
|                        | Sales expansion of textile with advanced functions and high-added-value
| Net change in price    | Expansion of high-added-value such as NANODESIGN™ products
|                        | Proceeding with passing on the rise in raw material and fuel prices to the sales price
|                        | Business structure reform for low-growth and low profitability
| Difference in fixed cost | Expansion of new production lines for products including airbag and artificial leathers
|                        | Increase of expenses and labor cost due to expansion of sales activities

### Diagram Details

- **FY 2022 Actual**
  - Revenue: 999.2 billion yen
  - Core operating income: 51.2 billion yen
  - ROIC: 6%

- **FY 2025 Target**
  - Revenue: 1,030.0 billion yen
  - Core operating income: 64.0 billion yen
  - ROIC: 7%

- **Difference in Quantity** = Expansion of business growth fields such as airbag and artificial leathers, Capturing recovering demand for integrated apparel business, Sales expansion of textile with advanced functions and high-added-value

- **Net Change in Price** = Expansion of high-added-value such as NANODESIGN™ products, Proceeding with passing on the rise in raw material and fuel prices to the sales price, Business structure reform for low-growth and low profitability

- **Difference in Fixed Cost** = Expansion of new production lines for products including airbag and artificial leathers, Increase of expenses and labor cost due to expansion of sales activities

- **Difference in Currency Translation, etc.**
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 time of publication.

Information provided in this material does not constitute any guarantee concerning the Toray Group’s future performance.