

**'TORAY'**

**Notice of the  
142nd Ordinary  
General Meeting  
of Stockholders**

For the Fiscal Year Ended March 31, 2023



**2023**

**Toray Industries, Inc.**

1-1, Nihonbashi-Muromachi 2-chome,  
Chuo-ku, Tokyo 103-8666, Japan

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## To Our Stockholders

Dear Stockholder:

Please take notice that the 142nd Ordinary General Meeting of Stockholders of the Company will be held as set forth to the right.

In convening this general meeting of shareholders, the Company has taken measures for electronic provision on matters subject to measures for electronic provision. The Company posted these matters on the Company's website as follows. Please access the Company's website to check these matters.

The Company's website:

[https://www.toray.com/global/ir/stocks/sto\\_008.html](https://www.toray.com/global/ir/stocks/sto_008.html)

In addition to the above website, the matters subject to measures for electronic provision are posted on the Tokyo Stock Exchange's website. Tokyo Stock Exchange's website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Please, access the above address, enter the Issue name (company name) or securities code, and perform a search, and select "Basic information" and "Documents for public inspection/PR information" to read the matters)

If you do not attend the meeting in person, you can exercise your voting rights via the Internet or in writing. Please review the accompanying information and exercise your voting rights by 5:30 p.m., Monday, June 26, 2023 (Japan standard time).

Voting via the Internet:

Please review the "Exercise of Voting Rights via the Internet, etc." on page 4 and enter your vote for or against each proposition by the time described above.

Voting via Postal Mail:

Please indicate your vote for or against each proposition on the enclosed voting form and return the form to us by the time described above.

(Securities code: 3402)

June 7, 2023

(Start date of measures for electronic provision: May 24, 2023)

Akihiro Nikkaku  
President, Chief Executive Officer and Chief Operating Officer

Toray Industries, Inc.  
1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku,  
Tokyo 103-8666, Japan

1. Date and time of meeting:  
Tuesday, June 27, 2023, 10:00 a.m.
2. Place:  
Tokyo International Forum  
(Hall C),  
5-1, Marunouchi 3-chome,  
Chiyoda-ku, Tokyo, Japan
3. Matters to be discussed and to be reported:
  1. The Business Report and Consolidated Financial Statements for the 142nd business year (from April 1, 2022 to March 31, 2023), and Reports of Independent Auditors and the Board of Corporate Auditors on the relevant Consolidated Financial Statements conducted respectively
  2. Report on the Non-consolidated Financial Statements for the 142nd business year (from April 1, 2022 to March 31, 2023)

Matters to be acted upon:

Proposition No. 1:

Appropriation of Surplus

Proposition No. 2:

Election of Thirteen Members of the Board

Proposition No. 3:

Election of Five Corporate Auditors

Proposition No. 4:

Payment of Bonuses to Members of the Board

4. Matters to be decided upon convocation:

- (1) In accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation, among the matters to be included in a paper copy to be sent to shareholders who have requested it, the following matters are posted on the Company's website ([https://www.toray.com/global/ir/stocks/sto\\_008.html](https://www.toray.com/global/ir/stocks/sto_008.html)) and the Tokyo Stock Exchange's website (<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>). Therefore, the Company has not included these matters in the paper copy to be sent to the shareholders who have requested it.

1) Consolidated Statement of Changes in Equity, and Notes to Consolidated Financial Statements in Consolidated Financial Statements

2) Non-consolidated Statement of Changes in Equity, and Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements

Therefore, the content of the paper copy to be sent to shareholders who have requested it forms part of the materials audited by corporate auditors and independent auditors in preparing their respective audit reports.

- (2) If a stockholder exercises his/her vote in duplicate, both online (including votes through smartphones) and via the enclosed voting form, only the online vote shall be effective. Furthermore, if a stockholder exercises online votes more than once, the last vote shall be effective.
- (3) If the voting form you return does not indicate your vote for or against each proposition, this shall be treated as an indication of approval.

If you attend the meeting in person on the day of meeting, please submit the enclosed voting form at the reception desk.

If there are any revisions to the matters subject to measures for electronic provision, the Company will make an announcement to that effect and the matters before and after corrections on the Company's website and the Tokyo Stock Exchange's website.

If you exercise your voting right by proxy on the day of the meeting, one (1) other stockholder with voting rights may attend the meeting as proxy in accordance with the provisions of the Articles of Incorporation of the Company. Provided, however, that the proxy shall submit a document evidencing his/her power of representation, such as a power of attorney.

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**A Guide for the Exercise of Voting Rights**

Please review the accompanying information from page 6 and exercise your voting rights by any of the following methods.

<b>If you exercise your voting rights in advance</b>
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**Exercise of Voting Rights via the Internet, etc.**

(For details, please see the next page.)

Voting through smartphones, etc.

Please scan the General Meeting of Shareholders Portal Login QR code at the bottom right of the enclosed voting form with your smartphone etc. to log into the website and tap the “Exercise of Voting Rights” button. Then, please exercise on the “Smart Exercise” screen.

\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Deadline for voting: Your votes must be exercised by 5:30 p.m., Monday, June 26, 2023.

Voting via PCs, etc.

General Meeting of Shareholders Portal

<https://www.soukai-portal.net>

Voting Rights Exercise Website

<https://www.web54.net>

Please access the above websites by entering a login ID and password indicated on the enclosed voting form. After login, follow the instructions on the screen and register your vote for or against each proposition.

Deadline for voting: Your votes must be exercised by 5:30 p.m., Monday, June 26, 2023.

**Voting via Postal Mail**

Please indicate your vote for or against each proposition on the enclosed voting form and return the form to the Company’s Transfer Agent by the deadline.

If you do not indicate your vote for or against each proposition, this shall be treated as an indication of approval.

Deadline for voting: The voting form must be received by 5:30 p.m., Monday, June 26, 2023.

<b>If you are able to attend the meeting</b>
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Please bring the enclosed voting form with you and present it to the receptionist.

Date and time of meeting: Tuesday, June 27, 2023, 10:00 a.m.

[The receptionist is scheduled to be ready at 9:00 a.m.]

Requests for the shareholders who are able to attend the meeting

- (1) Please carefully decide your attendance, considering the spread of infectious diseases and your health conditions.
- (2) Any major changes in the operation or venue of the General Meeting of Stockholders due to further spread of infections and other factors will be posted on the Company’s website (<https://www.toray.com/global/ir/>). Please check the latest information.

Matters to note concerning the duplicated exercise of voting rights

- (1) If two or more online votes (including votes through smartphones) are exercised, only the latest vote will count.
- (2) If a vote is exercised in duplicate using the voting form and via online (including votes through smartphones), only the online vote (including votes through smartphones) will count.

If you have any questions about the exercise of your voting rights, please call one of the following numbers.

Transfer Agent: Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited

For the exercise of voting rights  
0120-652-031 (toll-free within Japan only)  
(9:00 to 21:00)

For other inquiries  
0120-782-031 (toll-free within Japan only)  
(9:00 to 17:00 on weekdays)

## Exercise of Voting Rights via the Internet, etc.

Voting through smartphones, etc.

- 1) Please scan the QR code shown on the voting form.  
\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.
- 2) Tap the “Exercise of Voting Rights” button on the top page of the General Meeting of Shareholders Portal.
- 3) The top page of “Smart Exercise” is displayed. Then, follow the instructions on the screen and register your vote for or against each proposition.

If you intend to change any of your votes after you have exercised your voting rights, you will be required to enter the log-in ID and password indicated on the enclosed voting form.

Voting via PCs, etc.

- 1) Please access by entering the login ID and password indicated on the enclosed voting form from the following URL.  
General Meeting of Shareholders Portal  
<https://www.soukai-portal.net>  
Login ID and password for “General Meeting of Shareholders Portal”
- 2) After login, click the “Exercise of Voting Rights” button on the top page of the General Meeting of Shareholders Portal.
- 3) Please follow the instructions on the screen and register your vote for or against each proposition.

You may continue to use the “Voting Rights Exercise Website.”

<https://www.web54.net>

- \* Connection fees payable to Internet service providers and communication expenses payable to telecommunication carriers, etc. when using the Internet will be borne by stockholders.
- \* In certain Internet user environments, subscribing to certain services, or when using certain devices, you may be unable to use the above websites.

For Institutional Investors

In addition to voting via the Internet as mentioned above, institutional investors have the option of voting via the Electronic Proxy Voting Platform operated by ICJ Inc. Please note, however, that this voting platform is available only to those who subscribe in advance.

## Guidance on the Live Stream via the Internet

The Company will provide a live streaming service via the Internet as follows to ensure that stockholders who do not visit the meeting venue on the date of the meeting will have the opportunity to view the meeting in progress.

Please note that you will be unable to exercise your voting rights, ask questions, or propose motions when viewing the live stream of the meeting.

We would appreciate exercising your voting rights in advance via the Internet or postal mail.

Date and time of the live stream

Tuesday, June 27, 2023, from 10:00 a.m. to the closing of the meeting

The streaming page is scheduled to be available from around 30 minutes before the opening of the meeting (9:30 a.m.).

Method for viewing

Please visit the website below, enter your ID (stockholder number) and password (postal code), and click the log-in button.

Streaming URL: <https://3402.ksoukai.jp>

Stockholders can view the meeting on their smartphones, as well.

ID and password:

ID: the stockholder number (nine digits) indicated in the voting form.

Password: the postal code (seven digits, with no hyphen) indicated in the voting form.

\* Please be sure to write down your ID and password before posting the voting form.

<Points of Attention>

- \* Due to conditions of your personal computers or other devices, Internet connection environment or network traffic conditions, you may be unable to view the live stream.
- \* Communication charges, etc. when viewing the live stream will be borne by stockholders.
- \* We may be forced to suspend or cancel the live stream because of problems in the Internet environment, problems with equipment or materials, or other conditions.
- \* Please refrain from recording, photographing, or storing the live stream, or from sharing the URL or your ID or password with any other persons.
- \* To protect the privacy of stockholders in attendance, the video recording of the meeting venue will be limited to the immediate vicinity of the seats of the chairman and executives. Please be aware in advance that stockholders present may appear in the live stream for unavoidable reasons.

Contacts for assistance with the live stream

If you have any questions, please contact the following numbers.

For your ID (stockholder number) and password (postal code): Sumitomo Mitsui Trust Bank, Limited Dedicated line for virtual stockholder meeting support 0120-782-041 Reception time: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and public holidays)	For viewing the live stream: V-cube, Inc. 03-6833-6217 Reception date and time: Tuesday, June 27, 2023, 9:00 a.m. to the close of the meeting
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## Voting Information

Propositions and Related Information:

**Proposition No. 1:**  
*Appropriation of Surplus*

With regard to the year-end dividend for the fiscal year, management intends to pay ¥9 per share in light of Toray's business performance, financial strength and other factors. As a result, the annual dividend, consisting of an interim dividend of ¥9 and a year-end dividend of ¥9, will be ¥18 per share, an increase of ¥2 per share compared to the previous fiscal year.

Year-end dividend

(1) Type of dividend assets: Money

(2) Allotment of dividend assets to stockholders and the total amount

Allotment of dividend assets to stockholders: ¥9 per share of common stock

Total amount: ¥14,416,605,981

(3) Effective date of distribution of surplus

June 28, 2023

[Reference] Financial Highlights

Years ended March 31,	Billions of yen, except per share data			
	2020	2021	2022	2023
Revenue	¥2,091.2	¥1,883.6	¥2,228.5	¥2,489.3
Core operating income	125.5	90.3	132.1	96.0
Operating income	114.7	55.9	100.6	109.0
Profit attributable to owners of parent	84.2	45.8	84.2	72.8
Basic earnings per share (yen)	52.65	28.61	52.63	45.49
Equity attributable to owners of parent	1,116.1	1,237.9	1,405.6	1,535.0
Total assets	2,733.5	2,848.8	3,043.9	3,194.0

Note 1: Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income.

Note 2: Effective from the fiscal year ended March 31, 2021, the Group has adopted the International Financial Reporting Standards ("IFRS"). For the fiscal year ended March 31, 2020, figures restated under IFRS are also presented.

Note 3: Figures shown are rounded to the nearest ¥0.1 billion.

## **Proposition No. 2:**

### *Election of Thirteen Members of the Board*

The term of office of all the twelve members of the Board will expire at the close of this general meeting. Accordingly, the stockholders are requested to elect thirteen members of the Board with the addition of one Outside Member of the Board. Required Information on the thirteen Candidates for Members of the Board is as follows.

#### [List of Candidates for Directors]

Candidate No.	Name	Current positions, responsibilities and significant concurrent positions at the Group	Attendance at the meetings of the Board of Directors
1	Akihiro Nikkaku [Reappointed]	President and Representative Member of the Board (Chief Executive Officer and Chief Operating Officer)	100% (15 out of 15)
2	Mitsuo Ohya [Reappointed]	Executive Vice President and Representative Member of the Board (Marketing and Sales; Legal & Compliance Division (Security Trade Administration Dept.), Corporate Marketing Planning Division; Affiliated Companies Division; Director, Chori Co., Ltd.)	100% (15 out of 15)
3	Satoru Hagiwara [Reappointed]	Executive Vice President and Representative Member of the Board (Intellectual Property Division, Global Environment Business Strategic Planning Dept., and Life Innovation Business Strategic Planning Dept., Technology Center)	100% (15 out of 15)
4	Kazuyuki Adachi [Reappointed]	Senior Vice President and Member of the Board (Purchasing & Logistics Division; Manufacturing Division)	100% (15 out of 15)
5	Kazuhiko Shuto [Reappointed]	Senior Vice President and Member of the Board (Resins & Chemicals Division)	100% (10 out of 10)
6	Tetsuya Tsunekawa [Newly appointed]	Senior Vice President (Chief Representative for Europe; President, Toray Industries Europe GmbH)	—
7	Masahiko Okamoto [Reappointed]	Corporate Vice President and Member of the Board (Finance & Controller's Division)	100% (15 out of 15)



Candidate No.	Name	Current positions, responsibilities and significant concurrent positions at the Group	Attendance at the meetings of the Board of Directors
8	Takashi Yoshiyama [Newly appointed]	(President, Euro Advanced Carbon Fiber Composites)	—
9	Kunio Ito [Reappointed] [Outside] [Independent]	Outside Director	100% (15 out of 15)
10	Ryoji Noyori [Reappointed] [Outside] [Independent]	Outside Director	100% (15 out of 15)
11	Susumu Kaminaga [Reappointed] [Outside] [Independent]	Outside Director	100% (15 out of 15)
12	Kazuo Futagawa [Reappointed] [Outside] [Independent]	Outside Director	100% (15 out of 15)
13	Yuko Harayama [Newly appointed] [Outside] [Independent]	—	—

[Reappointed] Candidate to be reappointed as a Member of the Board

[Newly appointed] Candidate to be newly appointed as a Member of the Board

[Outside] Outside Director

[Independent] Independent director registered at the Exchange

No.1

**Akihiro Nikkaku**

(Reappointed)

***Date of Birth:***

January 6, 1949

***Shares Owned:***

189,600

***Personal History:***

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

(Reason for recommending him as candidate for member of the Board position)  
Akihiro Nikkaku has gained rich experience and deep expertise in technology, production, engineering, sales, and corporate strategic planning as a whole. He has also led the promotion of the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as President in June 2010. We believe that he has contributed to the Company's sustainable development by leading the Group's management and has supervised the management of the overall Group from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.2

**Mitsuo Ohya**

(Reappointed)

***Date of Birth:***

*June 11, 1956*

***Shares Owned:***

*69,458*

***Personal History:***

April 1980	Joined the Company
June 2009	General Manager, Industrial & Textile Fibers Division
June 2012	Vice President (Member of the Board)
June 2014	Retired from Vice President (Member of the Board) President and Representative Member of the Board, Toray International, Inc.
June 2016	Senior Vice President (Member of the Board & Member of the Executive Committee)
June 2020	Executive Vice President and Representative Member of the Board (incumbent) Director, Chori Co., Ltd. (incumbent) (Presently in charge of Marketing and Sales, Legal & Compliance Division (Security Trade Administration Dept.), Corporate Marketing Planning Division; General Manager, Affiliated Companies Division) (Concurrently Director, Chori Co., Ltd.)

(Reason for recommending him as candidate for member of the Board position)  
Mitsuo Ohya has gained rich experience and deep expertise in sales mainly related to the fibers and textiles business. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2016. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.3

**Satoru Hagiwara**

(Reappointed)

***Date of Birth:***

*October 22, 1956*

***Shares Owned:***

*90,098*

***Personal History:***

April 1981	Joined the Company
April 2011	General Manager, Industrial Films Division
June 2012	Vice President (Member of the Board)
June 2014	Senior Vice President (Member of the Board)
June 2017	Retired from Senior Vice President (Member of the Board) President and Representative Member of the Board, Toray Advanced Film Co., Ltd.
June 2020	Senior Vice President and Member of the Board
June 2022	Executive Vice President and Representative Member of the Board (incumbent) (Presently in charge of Intellectual Property Division, Global Environment Business Strategic Planning Dept. and Life Innovation Business Strategic Planning Dept.: General Manager, Technology Center)

(Reason for recommending him as candidate for member of the Board position)  
Satoru Hagiwara has gained rich experience and deep expertise mainly in sales, technology and manufacturing related to the film business. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2020. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.4

**Kazuyuki Adachi**

(Reappointed)

***Date of Birth:***

*March 14, 1957*

***Shares Owned:***

*39,100*

***Personal History:***

April 1980

Joined the Company

October 2017

Director, Toray Industries (Thailand) Co., Ltd.; President, Luckytex (Thailand) Public Company Limited; Chairman, Thai Toray Textile Mills Public Company Limited

June 2018

Senior Vice President (Member of the Board)

June 2020

Senior Vice President and Member of the Board (incumbent)  
(Presently General Manager, Purchasing & Logistics Division;  
General Manager, Manufacturing Division)

(Reason for recommending him as candidate for member of the Board position)

Kazuyuki Adachi has gained rich experience and deep expertise mainly in technology and production related to the fibers and textiles business. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2018. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.5

**Kazuhiko Shuto**

(Reappointed)

***Date of Birth:***

*December 31, 1957*

***Shares Owned:***

46,400

*Personal History:*

April 1980	Joined the Company
May 2014	General Manager, Textiles Division
June 2014	Vice President (Member of the Board)
June 2016	Senior Vice President (Member of the Board)
June 2018	Retired from Senior Vice President (Member of the Board) Chief Representative for China; Chairman & President, Toray Industries (China) Co., Ltd.; Chairman, Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd.
June 2020	Senior Vice President
June 2021	Senior Vice President (incumbent)
June 2022	Member of the Board (incumbent) (Presently General Manager, Resins & Chemicals Division)

(Reason for recommending him as candidate for member of the Board position)  
Kazuhiko Shuto has gained rich experience and deep expertise mainly in sales related to the Fibers & Textiles business. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2022. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.

No.6

**Tetsuya Tsunekawa**

(Newly appointed)

***Date of Birth:***

March 28, 1960

***Shares Owned:***

38,600

***Personal History:***

April 1984	Joined the Company
January 2004	General Manager, Films & Film Products Research Laboratories
November 2009	General Manager, Advanced Film Technical Dept., Films & Film Products Research Laboratories
June 2012	General Manager, Tsuchiura Plant
June 2014	Vice President (Member of the Board)
June 2016	Senior Vice President (Member of the Board)
June 2020	Retired from Senior Vice President (Member of the Board)
	Senior Vice President
June 2022	Senior Vice President (incumbent) (Presently Chief Representative for Europe; President, Toray Industries Europe GmbH)

(Reason for recommending him as candidate for member of the Board position)  
Tetsuya Tsunekawa has gained rich experience, knowledge, and deep expertise and is well versed in worksites over his many years of engagement mainly in research, technology, and manufacturing related to the films business at the Company. He has also acquired sufficient knowledge in management through performing his duties in key positions in the relevant business field and as an overseas representative as well as an officer of the Company. We believe that he will be able to execute his duties by making appropriate management judgments and decisions based on his knowledge and ability, and will supervise management from an objective viewpoint. We therefore request his election as a new member of the Board.

No.7

**Masahiko Okamoto**

(Reappointed)

***Date of Birth:***

January 12, 1963

***Shares Owned:***

24,000

***Personal History:***

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

(Reason for recommending him as candidate for member of the Board position)  
Masahiko Okamoto has gained rich experience and deep expertise mainly in accounting, administration and strategic planning. He has steadily promoted the growth strategy based on a long-term corporate vision and the medium-term management program since assuming office as a member of the Board in June 2020. We believe that he has appropriately executed his duties in the business fields under his charge and has supervised management from an objective viewpoint. We therefore continue to recommend his election as a member of the Board.



No.8

**Takashi Yoshiyama**

(Newly appointed)

***Date of Birth:***

*September 16, 1961*

***Shares Owned:***

0

***Personal History:***

April 1984	Joined the Company
April 2009	General Manager, Advanced Composites Technical Dept.
October 2010	General Manager, Second Advanced Composites Technical Dept.
March 2014	General Manager, Composites Production Dept., Shiga Plant
May 2016	General Manager, Manufacturing Division (Advanced Composites Manufacturing)
April 2017	General Manager, Manufacturing Division (Advanced Composites Technology and Manufacturing)
November 2017	President, Euro Advanced Carbon Fiber Composites (incumbent)

(Reason for recommending him as candidate for member of the Board position)  
Takashi Yoshiyama has gained rich experience, knowledge, and deep expertise and is well versed in worksites over his many years of engagement mainly in technical and manufacturing operations in the carbon fiber composite material business in the Company. He has also acquired sufficient knowledge in management through performing his duties in key positions in the relevant business field and as the president of an overseas subsidiary. We believe that he will be able to execute his duties by making appropriate management judgments and decisions based on his knowledge and ability, and will supervise management from an objective viewpoint. We therefore request his election as a new member of the Board.

## No.9

### Kunio Ito

(Reappointed) (Candidate for an outside and independent director position)

<i><b>Date of Birth:</b></i>	<i><b>Personal History:</b></i>
<i>December 13, 1951</i>	April 1980 Lecturer, Faculty of Commerce and Management, Hitotsubashi University
<i><b>Shares Owned:</b></i>	June 1984 Assistant Professor, Faculty of Commerce and Management, Hitotsubashi University
<i>50,700</i>	April 1992 Professor, Faculty of Commerce and Management, Hitotsubashi University
	August 2002 Dean, Graduate School of Commerce and Management and Faculty of Commerce and Management, Hitotsubashi University
	December 2004 Executive Vice President and Board Member, Hitotsubashi University
	June 2005 Outside Member of the Board, Akebono Brake Industry Co., Ltd.
	December 2006 Professor, Graduate School of Commerce and Management, Hitotsubashi University
	June 2007 Outside Member of the Board, Mitsubishi Corporation
	June 2009 Outside Director, Sharp Corporation
	June 2009 Outside Director, Tokio Marine Holdings, Inc.
	June 2012 Outside Director, Sumitomo Chemical Company, Limited
	June 2013 Outside Director, Kobayashi Pharmaceutical Co., Ltd. (incumbent)
	May 2014 Outside Director, Seven & i Holdings Co., Ltd.
	June 2014 Outside Director, the Company (incumbent)
	January 2015 Director, Hitotsubashi CFO Education and Research Center (incumbent)
	April 2015 Research Professor, Graduate School of Commerce and Management, Hitotsubashi University
	April 2015 Specially Appointed Professor, Chuo Graduate School of Strategic Management
	April 2018 Research Professor, Department of Business Administration, Hitotsubashi University Business School

(Reason for recommending him as candidate for outside director position and summary of expected roles)

Kunio Ito has rich experience and advanced expertise as a university professor (accounting and management). He also has experience as an outside director of corporations and is known for his good personality and deep insight. We are sure he will objectively supervise management and participate in important decision-making. The Company thus recommends his reelection to the Board of Directors as an outside director. His term of office as outside director will reach 9 years at the close of this general meeting.

(Matters regarding independency)

Kunio Ito satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company, and we believe that his independency is secured.

No.10

**Ryoji Noyori**

(Reappointed) (Candidate for an outside and independent director position)

**Date of Birth:** **Personal History:**

September 3, 1938

February 1968

Assistant Professor, School of Science, Nagoya University

**Shares Owned:**

August 1972

Professor, School of Science, Nagoya University

21,500

January 1997

Dean, Graduate School of Science and School of Science, Nagoya University

June 2001

Outside Director, TAKASAGO INTERNATIONAL CORPORATION (incumbent)

October 2003

Designated Professor, Nagoya University

October 2003

President, RIKEN

October 2003

Chief Fellow, Center for Research and Development Strategy, Japan Science and Technology Agency

October 2004

Special Professor, Nagoya University (incumbent)

June 2015

Director-General, Center for Research and Development Strategy, Japan Science and Technology Agency (incumbent)

June 2015

Outside Director, the Company (incumbent)

(Reason for recommending him as candidate for outside director position and summary of expected roles)

Ryoji Noyori has rich experience as a university professor, and advanced expertise in synthetic organic chemistry, one of core technologies of the Company. He also has experience as an outside director of corporations and is known for his good personality and deep insight. We are sure he will supervise management from an objective position and participate in important decision-making based on his academic and technical viewpoints. The Company thus recommends his reelection to the Board of Directors as an outside director. His term of office as outside director will reach 8 years at the close of this general meeting.

(Matters regarding independency)

Ryoji Noyori satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company, and we believe that his independency is secured.

**No.11**

**Susumu Kaminaga**

(Reappointed) (Candidate for an outside and independent director position)

<b><i>Date of Birth:</i></b>	<b><i>Personal History:</i></b>
<i>December 3, 1946</i>	May 1969      Joined Sumitomo Precision Products CO., LTD.
<b><i>Shares Owned:</i></b>	March 1995    Representative Director, Surface Technology Systems Ltd.
<i>4,500</i>	June 2000      Director, Sumitomo Precision Products CO., LTD.
	June 2002      Managing Director, Sumitomo Precision Products CO., LTD.
	June 2004      President, Sumitomo Precision Products CO., LTD.
	June 2012      Senior Advisor, Sumitomo Precision Products CO., LTD.
	October 2012   Representative Director, SK Global Advisers Co., Ltd. (incumbent)
	December 2012   Outside Director, DEFTA Capital (incumbent)
	June 2016      Outside Director, Olympus Corporation
	June 2020      Outside Director, the Company (incumbent)

(Reason for recommending him as candidate for outside director position and summary of expected roles)

Susumu Kaminaga has rich experience as a member of top management in several companies, as well as international perspective and experience as an outside director of a company. He is known for his good personality and deep insight. We are sure he will objectively supervise management and participate in important decision-making primarily from a viewpoint of corporate management. The Company thus recommends his reelection to the Board of Directors as an outside director. His term of office as outside director will reach 3 years at the close of this general meeting.

(Matters regarding independency)

Susumu Kaminaga satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company, and we believe that his independency is secured.

No.12

**Kazuo Futagawa**

(Reappointed) (Candidate for an outside and independent director position)

**Date of Birth:** **Personal History:**

*December 2, 1956*

April 1980

Joined the Ministry of Health and Welfare

**Shares Owned:**

September 2012

Director-General of Minister's Secretariat, the Ministry of Health, Labour and Welfare

*5,200*

July 2014

Director-General, Health Policy Bureau, the Ministry of Health, Labour and Welfare

October 2015

Vice-Minister of Health, Labour and Welfare

July 2017

Retired from Vice-Minister of Health, Labour and Welfare

August 2018

Special Advisor on Policy, Social Security Reform Office, Cabinet Secretariat

June 2020

Outside Director, the Company (incumbent)

December 2020

Outside Director, Kanamic Network Co., LTD (incumbent)

(Reason for recommending him as candidate for outside director position and summary of expected roles)

Kazuo Futagawa has rich experience and advanced expertise as an administrative officer and is known for his good personality and deep insight. We are sure he will supervise management from an objective position and participate in important decision-making primarily from a viewpoint of business strategy and business development. The Company thus recommends his reelection to the Board of Directors as an outside director. His term of office as outside director will reach 3 years at the close of this general meeting.

(Matters regarding independency)

Kazuo Futagawa satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company. The Company has entered into a consultant agreement with him on the business development of advanced materials of the Company. The amount of remuneration paid to him by the Company during the fiscal year ended March 31, 2023 was lower than the amount set forth by the Company in the Standards for Judging the Independence of Outside Directors/Corporate Auditors. For the reasons stated above, we believe that his independency is secured.

## No.13

### Yuko Harayama

(Newly appointed)

(Candidate for an outside and independent director position)

**Date of Birth:**

April 16, 1951

**Personal History:**

January 1998

Assistant Professor, Faculty of Economics, University of Geneva

**Shares Owned:**

0

April 2002

Professor, Graduate School of Engineering, Tohoku University

June 2007

Outside Director, Compagnie de Saint Gobain SA

September 2010

Deputy Director, Directorate for Science, Technology and Industry, Organization for Economic Cooperation and Development

March 2013

Executive Member, Council for Science, Technology and Innovation, Cabinet Office

April 2020

Executive Director, RIKEN

July 2022

Co-Representative Director, Japanese Association for the Advancement of Science (incumbent)

(Reason for recommending her as candidate for outside director position and summary of expected roles)

Yuko Harayama has rich experience as a university professor and advanced expertise. She also has knowledge gained by engaging in science, technology, and innovation policies, and is known for her good personality and deep insight. We are sure she will supervise management from an objective position and participate in important decision-making based on her academic and technical viewpoints. The Company thus recommends her new election to the Board of Directors as an outside director.

In addition, she has never been involved in corporate management other than serving as an outside officer. However, for the above reasons, we determine she will perform duties properly as an outside director.

(Matters regarding independency)

Yuko Harayama satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company, and we believe that her independency is secured.

[Reappointed] Candidate to be reappointed as a Member of the Board

[Newly appointed] Candidate to be newly appointed as a Member of the Board

[Outside] Outside Director

[Independent] Independent director registered at the Exchange

Note 1: There are no special interests between each of the candidates for member of the Board position and the Company.

Note 2: The Tokyo Stock Exchange has been notified that Kunio Ito, Ryoji Noyori, Susumu Kaminaga, Kazuo Futagawa, and Yuko Harayama are independent directors/auditors under the regulations of the Exchange.

Note 3: If the election of Kunio Ito, Ryoji Noyori, Susumu Kaminaga, Kazuo Futagawa, and Yuko Harayama is approved by this proposition, in accordance with the Articles of Incorporation the Company plans to continue or enter into

agreements with them to limit their liability for damages arising from negligence in the performance of the duties of outside directors, at the time of assumption of office. Under these agreements, their liability for damages shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if they have performed their duties in good faith and without gross negligence.

Note 4: The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers legal damages and litigation expenses incurred by the insured in the event that a claim for damages is made against the insured due to any act (including inaction) committed by the insured in his/her capacity as a director, officer or corporate auditor of the Company. The Company bears all insurance premiums for the insured. Each candidate is to be included as the insured under the insurance policy.

**Proposition No. 3:**

**Election of Five Corporate Auditors**

The terms of office of all five corporate auditors will expire at the close of this general meeting. Accordingly, the stockholders are requested to elect five corporate auditors. The Company has obtained the Board of Corporate Auditors' prior consent to the submission of this proposition. Required Information on the five candidates for corporate auditors is as follows.

[List of Candidates for Corporate Auditors]

Candidate No.	Name	Current positions at the Group and significant concurrent positions	Attendance at the meetings of the Board of Directors	Attendance at the meetings of the Board of Corporate Auditors
1	Hideki Hirabayashi [Newly appointed]	Senior Vice President	—	—
2	Yoshiyuki Tanaka [Reappointed]	Corporate Auditor	100% (15/15)	100% (11/11)
3	Hiroyuki Kumasaka [Reappointed] [Outside] [Independent]	Outside Corporate Auditor	100% (15/15)	100% (11/11)
4	Makiko Takabe [Newly appointed] [Outside] [Independent]	—	—	—
5	Kozo Ogino [Newly appointed] [Outside] [Independent]	—	—	—

[Reappointed] Candidate to be reappointed as a Corporate Auditor

[Newly appointed] Candidate to be newly appointed as a Corporate Auditor

[Outside] Outside Corporate Auditor

[Independent] Independent corporate auditor registered at the Exchange



No.1

**Hideki Hirabayashi**

(Newly appointed)

***Date of Birth:***

*October 18, 1957*

***Shares Owned:***

*29,800*

***Personal History:***

April 1981	Joined the Company
February 2002	Deputy General Manager, Films Trading Dept.
February 2003	Director, Penfibre Sdn. Berhad
July 2005	Executive Vice President, Toray Plastics (America), Inc.
April 2007	General Manager, Industrial Films 1st Dept., the Company
October 2010	In charge of Europe Region; Chief Representative for Europe; General Manager, Europe Office
April 2014	General Manager on Special Assignment, Corporate Strategic Planning Division
June 2016	General Manager, General Administration & Legal Division; General Manager, General Administration Dept.
June 2017	Vice President (Member of the Board)
June 2020	Retired from Vice President (Member of the Board) Corporate Vice President
June 2021	Senior Vice President (incumbent) (Presently, In charge of CSR & Investor Relations; General Manager, General Administration & Communications Division; General Manager, Tokyo Head Office)

(Reason for recommending him as a candidate for corporate auditor position)

Hideki Hirabayashi has broad knowledge on the overall management of the Company based on his experience of holding key management positions of the Company for a long period of time, and we believe that he will be able to conduct appropriate audits from an objective viewpoint. The Company thus recommends his election as a new corporate auditor.

No.2

**Yoshiyuki Tanaka**

(Reappointed)

<b><i>Date of Birth:</i></b> <i>July 7, 1959</i>	<b><i>Personal History:</i></b> April 1984	Joined the Company
<b><i>Shares Owned:</i></b> <i>52,600</i>	May 2015	General Manager, Manufacturing Division (Fibers & Textiles); General Manager, First Production Technical Dept.; General Manager on Special Assignment, Technology Center Planning Dept.
	June 2015	Vice President (Member of the Board)
	June 2018	Retired from Vice President (Member of the Board) General Manager, Manufacturing Division (Fibers & Textiles Technology and Manufacturing)
	June 2020	President and Representative Member of the Board, Toray Opelontex Co., Ltd.
	June 2021	Corporate Auditor, the Company (incumbent)

(Reason for recommending him as a candidate for corporate auditor position)  
Yoshiyuki Tanaka has broad knowledge on the overall management of the Company based on his experience of holding key managerial office positions of the Company for a long period of time, and we believe that he will be able to conduct appropriate audits from an objective viewpoint. The Company thus recommends his reelection as a corporate auditor.

## No.3

### Hiroyuki Kumasaka

(Reappointed)

(Candidate for an outside and independent auditor position)

**Date of Birth:**

June 30, 1948

**Personal History:**

April 1973

Joined FUSO Audit Corporation (later MISUZU Audit Corporation)

**Shares Owned:**

6,400

January 1983

Partner, the Audit Corporation

February 1989

Representative Partner, the Audit Corporation

May 2006

Councilor, the Audit Corporation

January 2007

Chairs of the Board of Council; Head, Tokyo Office, the Audit Corporation

August 2007

Representative Liquidator, the Audit Corporation

June 2008

Outside Corporate Auditor, MATSUDA SANGYO CO., LTD.

March 2011

External Corporate Auditor of the Board, Japan Airlines Co., Ltd.

June 2015

Outside Audit and Supervisory Committee Member, MATSUDA SANGYO CO., LTD.

June 2019

Outside Corporate Auditor, the Company (incumbent)

(Reason for recommending him as a candidate for outside corporate auditor position)

Hiroyuki Kumasaka has rich experience and achievements as a certified public accountant. He also has an advanced knowledge of accounting and is known for his good personality and deep insight. We are sure he will be able to conduct appropriate audits from an objective viewpoint. The Company thus recommends his reelection as a corporate auditor.

In addition, he has never been involved in corporate management. However, for the above reasons, we determine he will perform duties properly as an outside corporate auditor.

And furthermore, his term of office as outside corporate auditor will reach 4 years at the close of this general meeting.

(Matters regarding independency)

Hiroyuki Kumasaka satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company.

In addition, he was an independent auditor for the Company as a designated and managing member of an audit corporation he worked at from FY 1992 to FY2005. However, it has been 10 years or more since he retired from his position in charge of accounting audit of the Company.

No.4

**Makiko Takabe**

(Newly appointed)

(Candidate for an outside and independent auditor position)

***Date of Birth:***

*September 2, 1956*

***Personal History:***

April 1981	Appointed as an Assistant Judge
April 1991	Judge, Takamatsu District Court and Family Court
April 1994	Judge, Tokyo District Court
April 1998	Judicial Research Official, Supreme Court
April 2003	Presiding Judge, Tokyo District Court
April 2009	Judge, Intellectual Property High Court
April 2013	Chief Judge, Kawasaki Branch of Yokohama District Court and Family Court
May 2014	Chief Judge, Fukui District Court and Family Court
June 2015	Presiding Judge, Intellectual Property High Court
May 2018	Chief Judge, Intellectual Property High Court
October 2020	President, Takamatsu High Court
October 2021	Registered as a lawyer (Dai-ichi Tokyo Bar Association) Of Counsel, Nishimura & Asahi (incumbent)

***Shares Owned:***

0

(Reason for recommending her as a candidate for outside corporate auditor position)

Makiko Takabe has an excellent achievements by holding important positions in legal circles. She is known for her good personality and deep insight. We are sure she will be able to conduct appropriate audits from an objective viewpoint. The Company thus recommends her election as a new corporate auditor.

In addition, she has never been involved in corporate management. However, for the above reasons, we determine she will perform duties properly as an outside corporate auditor.

(Matters regarding independency)

Makiko Takabe satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company.

In addition, the Company has no advisory contract or transactions with Nishimura & Asahi she is affiliated with.

No.5

**Kozo Ogino**

(Newly appointed)

(Candidate for an outside and independent auditor position)

***Date of Birth:***

*May 9, 1958*

***Personal History:***

April 1981

Joined The Mitsui Bank, Ltd.

***Shares Owned:***

0

April 2010

Executive Officer, Sumitomo Mitsui Banking Corporation

April 2011

Managing Executive Officer, Sumitomo Mitsui Banking Corporation

April 2013

Managing Executive Officer, Sumitomo Mitsui Banking Corporation

Managing Executive Officer, Sumitomo Mitsui Financial Group, Inc.

June 2013

Managing Executive Officer, Sumitomo Mitsui Banking Corporation

Director, Sumitomo Mitsui Financial Group, Inc.

April 2014

Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation

Director, Sumitomo Mitsui Financial Group, Inc.

April 2017

Director and Deputy President, Sumitomo Mitsui Banking Corporation

Director, Deputy President, Executive Officer, Group CRO, Sumitomo Mitsui Financial Group, Inc.

April 2019

Senior Advisor, Sumitomo Mitsui Banking Corporation

Senior Advisor, Sumitomo Mitsui Financial Group, Inc.

July 2019

Retired

August 2019

Director, SMBC Trust Bank Ltd.

September 2019

President & CEO (Representative Director), SMBC Trust Bank Ltd.

June 2022

Chairperson, SMBC Trust Bank Ltd. (incumbent)

(Reason for recommending him as a candidate for outside corporate auditor position)

Kozo Ogino has held important positions in financial circles. He is known for his good personality and deep insight. We are sure he will be able to conduct appropriate audits from an objective viewpoint. The Company thus recommends his election as a new corporate auditor.

(Matters regarding independency)

Kozo Ogino satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange and the standards for judging the independence stipulated by the Company.

In addition, he is from Sumitomo Mitsui Banking Corporation and the Company has ordinary banking transactions with the bank. However, as of March 31, 2023, the loan balance from Sumitomo Mitsui Banking Corporation including the amount of syndicated loan accounts for 0.7% of our total assets. Compared to other banks, it is not a conspicuous amount.

[Reappointed] Candidate to be reappointed as a Corporate Auditor

[Newly appointed] Candidate to be newly appointed as a Corporate Auditor

[Outside] Outside Corporate Auditor

[Independent] Independent corporate auditor registered at the Exchange

Note 1: There are no special interests between each of the candidates for corporate auditor position and the Company.

Note 2: The Tokyo Stock Exchange has been notified that Hiroyuki Kumasaka, Makiko Takabe, and Kozo Ogino are independent directors/auditors under the regulations of the Exchange.

Note 3: If the election of Hiroyuki Kumasaka, Makiko Takabe, and Kozo Ogino is approved by this proposition, in accordance with the Articles of Incorporation the Company plans to continue or enter into agreements with them to limit their liability for damages arising from negligence in the performance of the duties of outside corporate auditors, at the time of assumption of office. Under these agreements, their liability for damages shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if they have performed their duties in good faith and without gross negligence.

Note 4: The Company has entered into a directors and officers (D&O) liability insurance policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers legal damages and litigation expenses incurred by the insured in the event that a claim for damages is made against the insured due to any act (including inaction) committed by the insured in his/her capacity as a director, officer or corporate auditor of the Company. The Company bears all insurance premiums for the insured. Each candidate is to be included as the insured under the insurance policy.

## [Reference] Skill Matrix of Members of the Board and Corporate Auditors

If Propositions No. 2 and 3 are approved as originally proposed, the composition of the Company's members of the Board and Corporate Auditors and their expertise and experience will be as follows.

Name	Business operations				Corporate		Strategic
	Management experience	Global business experience	Technology/ manufacturing /R&D	Sales/ marketing	Legal/ intellectual property/ risk management	Accounting/ finance	
Member of the Board	Akihiro Nikkaku	○	○				
	Mitsuo Ohya	○			○		
	Satoru Hagiwara	○		○			
	Kazuyuki Adachi		○	○			
	Kazuhiko Shuto		○		○		
	Tetsuya Tsunekawa			○			○ (DX)
	Masahiko Okamoto		○			○	
	Takashi Yoshiyama		○	○			
	Kunio Ito					○	○ (ESG)
	Ryoji Noyori			○			○ (Science and technology)
	Susumu Kaminaga	○					○ (Business strategies)
	Kazuo Futagawa					○	○ (Policy science)
Yuko Harayama						○ (Innovation)	
Corporate Auditor	Hideki Hirabayashi		○		○		
	Yoshiyuki Tanaka		○	○			
	Hiroyuki Kumasaka					○	
	Makiko Takabe				○		
	Kozo Ogino					○	

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

[Reference] Standards for Judging the Independence of Outside Directors/Corporate Auditors

Toray Industries, Inc. (the “Company”) established the following standards for the independence of outside directors and outside corporate auditors (collectively, “Outside Director/Corporate Auditor”) to ensure the objectivity and transparency of governance.

If an Outside Director/Corporate Auditor or a candidate for Outside Director/Corporate Auditor is found not to fall under any of the following items as a result of an investigation of the candidate performed by the Company to a reasonably practicable extent, the Company shall judge that he/she possesses independence.

1. An executive (Note 1) of the Company, its subsidiaries, or affiliated companies (collectively, the “Group”) or a person who has been an executive of the Group in the past 10 years.
2. A current major shareholder of the Company (Note 2) or an executive thereof.
3. A party of which the Group directly or indirectly holds 10% or more voting rights out of the total number of voting rights, or an executive thereof.
4. A major client or supplier (Note 3) of the Group or an executive thereof.
5. A person who belongs to an audit company acting as the independent auditor of the Company or Group companies.
6. A person rendering professional services, such as a consultant, attorney-at-law, or certified public accountant, who receives a large amount of monetary consideration or other property (Note 4) from the Group besides remuneration as a member of the Board or corporate auditor (if the person receiving such property is a body such as a legal person and partnership, including a consulting firm, legal firm, or accounting firm, a person who belongs to such body).
7. A person who receives a large donation (Note 5) from the Group (if the person receiving such large donation is a body such as a legal person and partnership, an executive thereof).
8. An executive of a company in which an executive of the Group is elected as a member of the Board or corporate auditor.
9. A person who has fallen under any of items 2 through 8 above in the past three years.
10. If a person who falls under any of items 1 through 8 above is an important person (Note 6), a spouse or relative within the second degree of kinship thereof.
11. Any other person who is likely to have conflicts of interest with general shareholders and is subject to circumstances reasonably deemed unable to fulfill his/her duties as an independent Outside Director/Corporate Auditor.



## Notes

1. An “executive” means an executive director, executive officer, operating officer of a legal person or other body, or other person or employee similar thereto. When judging the independence of an outside corporate auditor, a non-executive director is included.
2. A “major shareholder” means a shareholder who holds shares with 10% or more of voting rights in his/her own name or another person’s name at the end of the most recent fiscal year of the Company.
3. A “major client or supplier” means a person who comes under any of the following.
  - (1) A business partner that has been provided with products, etc. by the Group and has made payments to the Company in an aggregate amount of not less than the higher of 2% of the annual consolidated net sales of the Company or one hundred million yen (¥100,000,000) in the most recent fiscal year.
  - (2) A business partner that has provided the Group with products, etc. and has received payments from the Company in an aggregate amount of not less than the higher of 2% of the annual consolidated net sales of the business partner or one hundred million yen (¥100,000,000) in the most recent fiscal year.
  - (3) A financial institution that has extended a loan to the Group, whereby the outstanding balance of the loan is more than 2% of the consolidated total assets of the Company at the end of the fiscal year of the Company.
4. A “large amount of monetary consideration or other property” means either of the following cases:
  - (1) In the case where the person who provides professional services is an individual, the amount refers to the total amount of the relevant property received from the Group excluding remuneration as a director/corporate auditor, exceeding ten million yen (¥10,000,000) in the most recent fiscal year; and
  - (2) In the case where the person who provides professional services is an entity such as a corporation or partnership, the amount refers to the total amount of the relevant property received from the Company, exceeding the higher of 2% of the consolidated net sales or total annual revenue of the relevant entity, or ten million yen (¥10,000,000) in the most recent fiscal year.
5. A “large donation” means a donation from the Group to a recipient of more than ten million yen (¥10,000,000) annually in the most recent fiscal year.
6. An “important person” means an executive director, executive officer, operating officer, or an employee who executes important operations, such as a person in charge of a division.

***Proposition No. 4:******Payment of Bonuses to Members of the Board***

In light of business results during the period under review, the Company proposes to pay the following bonuses to the eight members of the Board (excluding outside directors) who are in office as of the end of the fiscal year: ¥78,700,000.

The Board of Directors determines the total amount of bonuses to members of the Board after receiving a report from the Governance Committee, in consideration of consolidated core operating income, etc., the metric that best represents the result of the Company' global business operation, plus the previous results and other factors.