

‘TORAY’

**Notice of the
144th Ordinary
General Meeting
of Stockholders**

For the Fiscal Year Ended March 31, 2025



2025

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.

Dear stockholders

I would like to express my sincere gratitude to our stockholders for their continued support. I am pleased to invite you to participate in our 144th Ordinary General Meeting of Stockholders to be held on June 26.

We will celebrate our 100th anniversary in 2026.

Looking ahead to the next century, we will continue to devote ourselves tirelessly to transforming the latent potential of materials into both economic and social value, thereby ensuring a sustainable future for both Toray Group and society at large.

We kindly ask our stockholders for their continued understanding.



Mitsuo Ohya
President
Toray Industries, Inc.

To Our Stockholders

Dear Stockholder:

Please take notice that the 144th Ordinary General Meeting of Stockholders of the Company will be held as set forth to the right. In convening this general meeting of stockholders, the Company has taken measures for the electronic provision of information contained in the voting information, etc. (matters subject to measures for electronic provision). The Company posted these matters on the Company's website (Investor Relations) 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

In addition to the above website, the matters subject to measures for electronic provision are posted on the websites below.

Website and URL:
Tokyo Stock Exchange's website (Listed Company Search):
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>
Access method:
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."

Website and URL:
The Portal of Shareholders' Meeting (Sumitomo Mitsui Trust Bank):
<https://www.soukai-portal.net>
Access method:
Please either scan the QR code shown on the enclosed voting form or enter the login ID and password on the above website (for details, please see "Exercise of Voting Rights via the Internet" on page 5).
* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

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., Wednesday, June 25, 2025 (Japan Standard Time).

Voting via the Internet:
Please review the "Exercise of Voting Rights via the Internet" on page 5 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 6, 2025
(Start date of measures for electronic provision: May 23, 2025)

Mitsuo Ohya
President and Representative Member of the Board

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

1. Date and time of meeting:
Thursday, June 26, 2025, 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 144th business year (from April 1, 2024 to March 31, 2025), and Reports of the Independent Auditor and the Board of

Corporate Auditors on the relevant Consolidated Financial Statements conducted respectively

2. Report on the Non-consolidated Financial Statements for the 144th business year (from April 1, 2024 to March 31, 2025)

Matters to be acted upon:

Proposition No. 1:

Appropriation of Surplus

Proposition No. 2:

Election of Ten Members of the Board

Proposition No. 3:

Election of Two Corporate Auditors

Proposition No. 4:

Payment of Bonuses to Members of the Board

Proposition No. 5:

Revision of the Amount of Remuneration for Members of the Board and Corporate Auditors

Proposition No. 6:

Determination of Remuneration for the Granting of Restricted Stock to Members of the Board (Excluding Outside Directors)

4. Matters to be decided upon convocation:

- (1) In accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, among the matters subject to measures for electronic provision, the following matters are not included in the matters to be included in a paper copy to be sent to shareholders who have requested it. Corporate auditors and the independent auditor have audited materials subject to audit including the following matters.
 - 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

- (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 the 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 websites listed on page 2.

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.

Any major changes in the operation or venue of the General Meeting of Stockholders due to future circumstances will be posted on the Company's website (<https://www.toray.com/global/ir/>). Please check the latest information.

A Guide for the Exercise of Voting Rights

Please review the accompanying information from page 7 and exercise your voting rights by any of the following methods.

If you exercise your voting rights in advance**Exercise of Voting Rights via the Internet**

(For details, please see the next page.)

Voting through smartphones, etc.

Please scan the Portal of Shareholders' Meeting 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., Wednesday, June 25, 2025.

Voting via PCs, etc.

The Portal of Shareholders' Meeting

<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., Wednesday, June 25, 2025.

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., Wednesday, June 25, 2025.

If you are able to attend the meeting

Please bring the enclosed voting form with you and present it to the receptionist.

Date and time of meeting: Thursday, June 26, 2025, 10:00 a.m.

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

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 via online (including votes through smartphones) and using the voting form, only the online vote 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

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 Portal of Shareholders’ Meeting.
- 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 login 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.
The Portal of Shareholders’ Meeting
<https://www.soukai-portal.net>
Login ID and password for the “Portal of Shareholders’ Meeting”
- 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>

- | |
|--|
| <p>* If you download the “Stockholder Passport” app (provided by Sumitomo Mitsui Trust Bank), complete the member registration, and register the Company as a stock you own, you can access the “Portal of Shareholders’ Meeting” and exercise your voting rights without scanning the “Portal of Shareholders’ Meeting” Login QR code printed on the voting form.
<Guidance Site URL> https://www.smtb.jp/personal/procedure/agency/kabunushi-passport</p> <p>* Connection fees payable to Internet service providers and communication expenses payable to telecommunication carriers, etc. when using the Internet will be borne by stockholders.</p> <p>* In certain Internet user environments, subscribing to certain services, or when using certain devices, you may be unable to use the above websites.</p> |
|--|

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.

Date and time of the live stream

Thursday, June 26, 2025, from 10:00 a.m. to the closing of the meeting

The streaming page is scheduled to be available from around one hour before the opening of the meeting (9:00 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>

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>

- * During the live stream, subtitles will be displayed via voice recognition. Because these subtitles are entered in real time, they may be displayed later than the audio, and may not display accurately.
- * 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.

<p>For your ID (stockholder number) and password (postal code):</p> <p>Sumitomo Mitsui Trust Bank, Limited</p> <p>Dedicated line for virtual stockholder meeting support</p> <p>0120-782-041</p> <p>Reception time: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and public holidays)</p>	<p>For viewing the live stream:</p> <p>V-cube, Inc.</p> <p>03-6833-6258</p> <p>Reception date and time: Thursday, June 26, 2025, 9:00 a.m. to the close of the meeting</p>
--	--

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.

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: ¥14,080,807,836

(3) Effective date of distribution of surplus

June 27, 2025

[Reference] Financial Highlights

	Billions of yen, except per share data			
Years ended March 31,	2022	2023	2024	2025
Revenue	¥2,228.5	¥2,489.3	¥2,464.6	¥2,563.3
Core operating income	132.1	96.0	102.6	142.8
Operating income	100.6	109.0	57.7	127.5
Profit attributable to owners of parent	84.2	72.8	21.9	77.9
Basic earnings per share (yen)	52.63	45.49	13.67	48.93
Equity attributable to owners of parent	1,405.6	1,535.0	1,736.0	1,709.0
Total assets	3,043.9	3,194.0	3,466.5	3,292.6

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

Note 2: Figures shown are rounded to the nearest ¥0.1 billion.

Proposition No. 2:

Election of Ten 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 ten members of the Board with the decrease of one internal Member of the Board and one external Member of the Board. Required Information on the ten Candidates for Members of the Board is as follows.

<Reference>

If this proposition is approved as originally proposed, the ratio of female Members of the Board of the Company will be 20.0% (2 out of 10).

[List of Candidates for Directors]

Candidate No.	Name	Current positions, responsibilities and significant concurrent positions at the Group
1	Akihiro Nikkaku [Reappointed]	Chairman and Representative Member of the Board
2	Mitsuo Ohya [Reappointed]	President and Representative Member of the Board
3	Kazuhiko Shuto [Reappointed]	Executive Vice President and Representative Member of the Board (Marketing and Sales; General Administration, Legal & Risk Management Division (Security Trade Administration Dept.); Corporate Marketing Planning Dept.; Branches; HS Division)
4	Tetsuya Tsunekawa [Reappointed]	Executive Vice President and Member of the Board (Intellectual Property Division; Technology Center)
5	Shigeki Terada [Newly appointed]	Corporate Vice President (Corporate Strategic Planning Division)
6	Yuichiro Kato [Newly appointed]	Corporate Vice President (Finance & Controller's Division)
7	Kunio Ito [Reappointed] [Outside] [Independent]	Outside Director
8	Susumu Kaminaga [Reappointed] [Outside] [Independent]	Outside Director
9	Yuko Harayama [Reappointed] [Outside] [Independent]	Outside Director
10	Akiko Innes-Taylor [Newly appointed] [Outside] [Independent]	—

[Outside] Outside Director

[Independent] Independent director registered at the Exchange

No.1

Akihiro Nikkaku

(Reappointed)



Date of Birth:

January 6, 1949

Shares Owned:

192,900

Attendance at the Meetings of the Board of Directors:

100% (14 out of 14)

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
June 2023	Chairman and Representative Member of the Board (incumbent)

(Reason for recommending him as candidate for member of the Board position)
Akihiro Nikkaku has gained rich experience and high level of expertise in technology, production, engineering, sales, and corporate strategic planning as a whole. He has also led the promotion of the growth strategy as Chairman and President of the Company 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 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:

95,758

Attendance at the Meetings of the Board of Directors:

100% (14 out of 14)

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
June 2023	President and Representative Member of the Board (incumbent)

(Reason for recommending him as candidate for member of the Board position)
Mitsuo Ohya has gained rich experience and a high level of expertise in sales mainly related to the fibers & textiles business. He has 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 2023. 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.3

Kazuhiko Shuto

(Reappointed)



Personal History:

April 1980	Joined the Company
April 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
June 2022	Senior Vice President and Member of the Board
June 2023	Executive Vice President and Member of the Board
April 2025	Executive Vice President and Representative Member of the Board (incumbent) (Presently in charge of Marketing and Sales; General Administration, Legal & Risk Management Division (Security Trade Administration Dept.); Corporate Marketing Planning Dept.; Branches; HS Division)

Date of Birth:

December 31, 1957

Shares Owned:

62,800

Attendance at the Meetings of the Board of Directors:

100% (14 out of 14)

(Reason for recommending him as candidate for member of the Board position)
Kazuhiko Shuto has gained rich experience and a high level of 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.4

Tetsuya Tsunekawa

(Reappointed)



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
June 2023	Senior Vice President and Member of the Board
April 2025	Executive Vice President and Member of the Board (incumbent)
	(Presently in charge of Intellectual Property Division; General Manager, Technology Center)

Date of Birth:

March 28, 1960

Shares Owned:

72,600

Attendance at the Meetings of the Board of Directors:

100% (14 out of 14)

(Reason for recommending him as candidate for member of the Board position)
Tetsuya Tsunekawa has gained rich experience, knowledge, and a high level of expertise and is well versed in worksites as he has been engaged mainly in research, technology, and manufacturing related to the films 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 2023. 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

Shigeki Terada

(Newly appointed)



Personal History:

April 1986	Joined the Company
October 2009	Executive Officer, CFO, Toray Films Europe S.A.S.
April 2011	General Manager, Films Business Planning & Administration Dept.; General Manager, Resins & Chemicals Business Planning & Administration Dept., the Company
April 2013	General Manager, Films Business Planning & Administration Dept.
June 2017	Vice President (Member of the Board), Toray Advanced Film Co., Ltd.
June 2019	Senior Vice President (Member of the Board), Toray Advanced Film Co., Ltd.
July 2020	General Manager on Special Assignment, Torayca & Advanced Composites Division; General Manager, Torayca & Advanced Composites Business Planning & Administration Dept., the Company
June 2023	Senior Director, Corporate Strategic Planning Division
April 2025	Corporate Vice President (incumbent) (Presently General Manager, Corporate Strategic Planning Division)

Date of Birth:

May 26, 1962

Shares Owned:

14,500

Attendance at the Meetings of the Board of Directors:

—

(Reason for recommending him as candidate for member of the Board position)
Shigeki Terada has gained rich experience, knowledge, and a high level of expertise and is well versed in worksites as he has been engaged mainly in administration and strategic planning related to the performance chemicals business and carbon fiber composite materials business for a long period of time at the Company. He has also acquired sufficient knowledge in management through performing his duties in key positions in the relevant business fields and as an officer at a domestic 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.6

Yuichiro Kato

(Newly appointed)



Personal History:

April 1986	Joined the Company
June 2010	General Manager, Controllers' Dept.
May 2014	General Manager on Special Assignment, External Relations Planning Dept.
June 2018	General Manager, Management Division, Toray International, Inc.
June 2020	General Manager on Special Assignment, Affiliated Companies Division; General Manager, Group Business Planning Dept., the Company
June 2023	Deputy General Manager, Affiliated Companies Division; General Manager, Group Business Planning Dept.
April 2025	Corporate Vice President (incumbent) (Presently General Manager, Finance & Controller's Division)

Date of Birth:

October 24, 1962

Shares Owned:

4,200

Attendance at the Meetings of the Board of Directors:

—

(Reason for recommending him as candidate for member of the Board position)
Yuichiro Kato has gained rich experience, knowledge, and a high level of expertise and is well versed in worksites as he has been engaged mainly in accounting, administration, and strategic planning for a long period of time at the Company. He has also acquired sufficient knowledge in management through management and supervision of operations at domestic and overseas subsidiaries. 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

Kunio Ito

(Reappointed)

(Candidate for an outside and independent director position)



Personal History:

April 1980	Lecturer, Faculty of Commerce and Management, Hitotsubashi University
June 1984	Assistant Professor, Faculty of Commerce and Management, Hitotsubashi University
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.
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

Date of Birth:

December 13, 1951

Shares Owned:

72,300

Attendance at the Meetings of the Board of Directors:

100% (14 out of 14)

(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 11 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.8

Susumu Kaminaga

(Reappointed)

(Candidate for an outside and independent director position)



Personal History:

May 1969	Joined Sumitomo Precision Products CO., LTD.
March 1995	Representative Director, Surface Technology Systems Ltd.
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)

Date of Birth:

December 3, 1946

Shares Owned:

7,500

Attendance at the Meetings of the Board of Directors:

100% (14 out of 14)

(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 5 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.9

Yuko Harayama

(Reappointed)

(Candidate for an outside and independent director position)



Personal History:

January 1998	Assistant Professor, Faculty of Economics, University of Geneva
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
June 2023	Outside Director, the Company (incumbent)
April 2024	Trustee, Yamaguchi University (incumbent)
July 2024	Secretary General, GPAI Tokyo Expert Support Center, National Institute of Information and Communications Technology (incumbent)

Date of Birth:

April 16, 1951

Shares Owned:

700

Attendance at the Meetings of the Board of Directors:

86% (12 out of 14)

(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 reelection to the Board of Directors as an outside director. Her term of office as outside director will reach 2 years at the close of this general meeting.

(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.

No.10

Akiko Innes-Taylor

(Newly appointed)

(Candidate for an outside and independent director position)



Personal History:

April 1986	Joined Otsuka Pharmaceutical Co., Ltd.
June 2005	Representative Director, Sisley Paris Japan Corporation
January 2009	Senior Vice President & Operating Officer, Otsuka Pharmaceutical Co., Ltd.
May 2015	Senior Vice President and Operating Officer, Otsuka Holdings Co., Ltd.
April 2017	Board Member, Kitakamakura Girls' Junior High School & Senior High School (incumbent)
March 2025	Advisor, Otsuka Holdings Co., Ltd. (incumbent)
April 2025	Professor, Waseda Business School (Graduate School of Business and Finance)

Date of Birth:

July 7, 1963

Shares Owned:

0

Attendance at the Meetings of the Board of Directors:

—

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

Akiko Innes-Taylor has rich experience mainly in marketing, public relations, and human resource planning as a member of corporate management. She also has rich experience and advanced expertise gained by her roles in both corporate and academic institutions in the development of managerial talent 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 corporate management and human resource development viewpoints. We therefore request her election as a new member of the Board.

(Matters regarding independency)

Akiko Innes-Taylor 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.

- 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, Susumu Kaminaga, Yuko Harayama, and Akiko Innes-Taylor are independent directors/auditors under the regulations of the Exchange.
- Note 3: Kunio Ito served as an Outside Director of Kobayashi Pharmaceutical Co., Ltd. until March 2025. The company announced on March 22, 2024, that it would voluntarily recall certain red yeast rice products due to the possibility that some of the red yeast rice raw materials used in the products contained substances not anticipated by the company. Subsequently, on March 27, 2024, the Osaka City Public Health Center issued an administrative order for a mandatory recall of the products, citing a violation of the Food Sanitation Act. Kunio Ito was not aware of the matter until the company shared the information with the Outside Directors. However, once he became aware of the issue, he fulfilled his responsibilities as an Outside Director by conducting interviews with three internal Directors and Executive Officers, engaging in discussions with employees and external experts, and providing recommendations, including: (1) raising awareness and strengthening the system for quality and safety, and (2) implementing fundamental reforms of corporate governance, thereby offering advice to help prevent recurrence.
- Note 4: If the election of Kunio Ito, Susumu Kaminaga, Yuko Harayama, and Akiko Innes-Taylor is approved by this proposition, in accordance with the Articles of Incorporation the Company plans to continue, or conclude at the time of assumption of office as Director, agreements with them to limit their liability for damages arising from negligence in the performance of the duties of outside directors. 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 5: 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 the loss legally obligated to pay as damage and the defense cost 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 Two Corporate Auditors

Yoshiyuki Tanaka and Hiroyuki Kumasaka will retire as Corporate Auditors at the close of this general meeting. Accordingly, the stockholders are requested to elect two Corporate Auditors to fill the vacancies. The Company has obtained the Board of Corporate Auditors' prior consent to the submission of this proposition. Required Information on the two Candidates for Corporate Auditors is as follows.

<Reference>

If this proposition is approved as originally proposed, the ratio of female Corporate Auditors of the Company will be 20.0% (1 out of 5).

[List of Candidates for Corporate Auditors]

Candidate No.	Name	Current positions and significant concurrent positions at the Group
1	Mitsuharu Mano [Newly appointed]	General Manager on Special Assignment, Auditing Dept.
2	Masahiko Inoue [Newly appointed] [Outside] [Independent]	—

[Outside] Outside Corporate Auditor

[Independent] Independent corporate auditor registered at the Exchange

<Reference>

If this proposition is approved as originally proposed, the composition of the Board of Corporate Auditors will be as follows.

Name	Positions and significant concurrent positions at the Group (planned)
Hideki Hirabayashi	Corporate Auditor
Mitsuharu Mano [Newly appointed]	Corporate Auditor
Makiko Takabe [Outside] [Independent]	Outside Corporate Auditor
Kozo Ogino [Outside] [Independent]	Outside Corporate Auditor
Masahiko Inoue [Newly appointed] [Outside] [Independent]	Outside Corporate Auditor

No.1

Mitsuharu Mano

(Newly appointed)



Date of Birth:

January 26, 1963

Shares Owned:

0

Personal History:

April 1985	Joined the Company
June 2006	CFO, Toray Plastics (America), Inc.
June 2009	General Manager, Finance Dept., the Company
June 2013	General Manager, Affiliated Companies Administration Dept.
June 2016	General Manager, Auditing Dept.
November 2020	Senior Vice President, Toray Composite Materials America, Inc.
June 2023	General Manager, Auditing Dept., the Company
April 2025	General Manager on Special Assignment, Auditing Dept. (incumbent)

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

Mitsuharu Mano has considerable knowledge on finance, accounting, and internal audit operations based on his experience of finance, accounting, and internal auditing at the Company and overseas Group companies for a long period of time, and we believe that he will be able to conduct appropriate audits from an objective viewpoint. We therefore request his election as a new corporate auditor.

No.2

Masahiko Inoue

(Newly appointed)



Date of Birth:

February 17, 1962

Shares Owned:

0

Personal History:

April 1986	Joined the Dai-ichi Mutual Life Insurance Company (currently The Dai-ichi Life Insurance Company, Limited)
August 1988	Joined Chuo Shinko Audit Corporation (later Chuo Aoyama Audit Corporation)
October 1999	Partner, Chuo Aoyama Audit Corporation (later Misuzu Audit Corporation)
December 2004	Representative employee, Chuo Aoyama Audit Corporation
August 2007	Partner, Tohmatsu LLC (currently Deloitte Touche Tohmatsu LLC)
June 2018	Executive Officer, Deloitte Touche Tohmatsu LLC
June 2019	Executive Officer (Senior), Deloitte Touche Tohmatsu LLC
June 2022	Resigned from the Executive Officer position Head, Non-Financial Sustainability Assurance Promotion Office, Deloitte Touche Tohmatsu LLC
September 2024	Retired from Deloitte Touche Tohmatsu LLC
October 2024	Representative, Masahiko Inoue Certified Public Accountant Office (incumbent)
October 2024	Senior Fellow, Japan Foundation for Accounting Education and Learning. (incumbent)

(Reason for recommending him as candidate for outside corporate auditor position)
Masahiko Inoue has rich experience and achievements as a certified public accountant. He also has advanced knowledge in 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. We therefore request his election as a new corporate auditor.

(Matters regarding independency)

Masahiko Inoue 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.

- 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 Masahiko Inoue is an independent director/auditor under the regulations of the Exchange.
- Note 3: If the election of Masahiko Inoue is approved by this proposition, in accordance with the Articles of Incorporation the Company plans to continue agreements with him to limit his liability for damages arising from negligence in the performance of the duties of outside corporate auditors, at the time of assumption of office as Corporate Auditor. Under these agreements, his liability for damages shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if he has performed his 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 the loss legally obligated to pay as damage and the defense cost 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] Skills Matrix of Members of the Board and Corporate Auditors

If Propositions No. 2 and No. 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	Human resource management/diversity	
Member of the Board	Akihiro Nikkaku	○	○	○				
	Mitsuo Ohya	○			○		○	
	Kazuhiko Shuto	○	○		○			
	Tetsuya Tsunekawa	○		○				○ (DX)
	Shigeki Terada		○					○ (Business strategies)
	Yuichiro Kato				○	○		
	Kunio Ito					○	○	○ (ESG)
	Susumu Kaminaga	○	○	○				
	Yuko Harayama						○	○ (Innovation)
	Akiko Innes-Taylor	○			○		○	
Corporate Auditor	Hideki Hirabayashi	○	○		○			
	Mitsuharu Mano		○		○	○		
	Makiko Takabe				○		○	
	Kozo Ogino	○				○		
	Masahiko Inoue				○	○		

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

The reasoning behind the selection of each skills matrix item is as follows.

Item		Reason for selection (for items under business operations, examples of criteria to judge whether they are applicable are shown in square brackets)
Business operations	Management experience	Amid drastic changes in the business environment, abundant experience and accomplishments in corporate management are required of top management in order to assess opportunities and risks in the Company's business, formulate sustainable growth strategies, and lead the creation of new value. [Whether or not they have experience serving as president inside/outside the Toray Group, etc.]
	Global business experience	Abundant practical experience and advanced knowledge and skills in global business are needed amid the globalization of our business areas. [Whether or not they have business experience at an overseas operating company, etc.]
	Technology/manufacturing/R&D	Abundant experience and advanced knowledge and skills in the fields of technology, manufacturing, R&D, sales, and marketing are needed in order to help us provide essential solutions to global issues through the provision of innovative technologies and advanced materials, which are our strengths, as a manufacturer [Whether or not they have experience serving as General Manager in the Company's business divisions, or Technology Center, or Manufacturing Division, or Engineering Division, or Research & Development Division, or officers with responsibility for technology and manufacturing, etc.]
	Sales/marketing	
Corporate	Legal/intellectual property/ risk management	Abundant experience and advanced knowledge in the fields of legal, intellectual property, risk management, etc. is required in order to ensure compliance with domestic and overseas laws and regulations regarding the management and business operations of the Company, and to implement appropriate risk management.
	Accounting/finance	Abundant experience and advanced knowledge in finance, accounting, tax, etc. is required in order to help the Company achieve the financial and efficiency indicators and global business management targets set forth in the Company's long-term corporate vision and medium-term management program.
	Human resource management/ diversity	Abundant experience, knowledge, and skills in human resource management and diversity are needed in order to help the Company achieve the sound, sustainable growth we are aiming for, and deepen our people-oriented management, maximize corporate value, and ensure the happiness of our employees.
Strategic		This refers to the important skill items, areas of expertise, and specialist knowledge other than those above expected of Directors in order to promote the Company's 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 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).
6. 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).
7. An executive of a company in which an executive of the Group is elected as a member of the Board or corporate auditor.
8. A person who has fallen under any of items 2 through 7 above in the past three years.
9. If a person who falls under any of items 1 through 7 above is an important person (Note 6), a spouse or relative within the second degree of kinship thereof.
10. 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 seven members of the Board (excluding outside directors) who are in office as of the end of the fiscal year: ¥143,000,000.

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's global business operation, plus the previous results and other factors.

Proposition No. 5:

Revision of the Amount of Remuneration for Members of the Board and Corporate Auditors

The amount of remuneration for the Company's members of the Board was approved to be within ¥50 million per month (including within ¥7 million for outside directors) at the 141st Ordinary General Meeting of Stockholders held on June 23, 2022. These amounts remain effective to the present. In addition, the total amount of bonuses to be paid to members of the Board, excluding outside directors, has been approved at the Ordinary General Meeting of Stockholders every year.

At this time, the Company plans to revise its remuneration system for members of the Board and Corporate Auditors to further enhance medium- to long-term corporate value and promote sustainable growth for the Toray Group.

The Company requests to revise the amount of remuneration for members of the Board to an appropriate level in light of changes in the economic situation and business environment and to increase the proportion of the performance-linked bonuses in total remuneration so that such bonuses will act as a greater incentive for the improvement of performance. It will also seek approval to change the provisions for remuneration from a monthly amount to an annual amount and to revise the amount of remuneration for members of the Board, including bonuses, to within ¥900 million per year (including within ¥108 million for outside directors).

Remuneration is set at a level that enables the Company to secure superior human resources and further motivate them to improve performance, referring to the results of a survey of other companies' remuneration by an external third-party organization, based on roles of each member of the Board (including outside directors).

If Proposition No. 2 is approved as originally proposed, the number of members of the Board will be ten (including four outside directors), effective from the close of the general meeting.

The amount of remuneration for members of the Board will not include the portion of employees' salary of the employee director, as in the previous case.

The amount of remuneration for Corporate Auditors was approved to be within ¥11 million per month at the 138th Ordinary General Meeting of Stockholders held on June 25, 2019. These amounts remain effective to the present.

In light of changes in the economic situation and business environment and based on the aforementioned revision of the amount of remuneration for members of the Board, the Company requests to change the provisions for the amount of remuneration for Corporate Auditors from a monthly amount to an annual amount and to revise the amount of remuneration to within ¥170 million per year.

If Proposition No. 3 is approved as originally proposed, the number of Corporate Auditors will be five, effective from the close of the general meeting.

The proposed amounts of remuneration for members of the Board and Corporate Auditors are considered reasonable, based on the objectives stated above, the Company's business performance, and the Company's decision-making policy for determining the details of individual remuneration to members of the Board, and other circumstances. (If this Proposition and Proposition No. 6 are approved as originally proposed, the Company plans to revise the policy in line with the approved content, as described in the [Reference] section below.)

Proposition No. 6:

Determination of Remuneration for the Granting of Restricted Stock to Members of the Board (Excluding Outside Directors)

The amount of remuneration for the Company's members of the Board was approved to be within ¥50 million per month (including within ¥7 million for outside directors; this amount does not include the portion of employee's salary of employee-directors) at the 141st Ordinary General Meeting of Stockholders held on June 23, 2022. In addition, the total amount of bonuses to be paid to members of the Board, excluding outside directors, has been approved at the Ordinary General Meeting of Stockholders every year. If Proposition No. 5 is approved as originally proposed, the amount of remuneration for the Company's members of the Board will be revised to within ¥900 million per year (including within ¥108 million for outside directors; this amount does not include the portion of employee's salary of employee-directors), as the total of basic remuneration and bonuses. Separately, at the 130th Ordinary General Meeting of Stockholders held on June 24, 2011, the Company received approval to set the limit of the remuneration relating to the granting of stock acquisition rights as stock compensation-type stock options to members of the Board, apart from the above remuneration, at within ¥300 million per year.

As part of the revision of the remuneration system for members of the Board and Corporate Auditors, the Company now seeks approval for the introduction of a new restricted stock remuneration plan in place of the current system of stock acquisition rights as stock options, in order to provide members of the Board (excluding outside directors; hereinafter, "Eligible Members of the Board") with an incentive to strive for the sustainable improvement in the Company's corporate value and to promote further value sharing with stockholders.

If this Proposition is approved, the aforementioned system of stock acquisition rights as stock options will be abolished, with the exception of those already provided, and the Company will no longer issue any new stock acquisition rights as stock compensation-type stock options to Eligible Members of the Board.

Under this Proposition, the remuneration to be provided to Eligible Members of the Board will be either (i) shares of the Company's common stock or (ii) monetary claims as assets subscribed in kind for the acquisition of shares of the Company's common stock, and the Eligible Members of the Board will receive the issuance or disposal of the shares of the Company's common stock, in accordance with a resolution of the Company's Board of Directors

The total value of shares or monetary claims to be granted under this Proposition will be within ¥300 million per year.

If, as remuneration under this Proposition, the Company provides shares of the Company's common stock to Eligible Members of the Board without providing monetary claims, such shares shall be issued or disposed of as remuneration for Eligible Members of the Board, and there will be no need for the paying-in of monetary claims as assets subscribed in kind in exchange for the shares. The value per share of the Company's common stock to be provided to the Eligible Members of the Board will be calculated as the value per share of the Company's common stock to be issued or disposed of based on the closing price of the Company's common stock at the Tokyo Stock Exchange on its business day preceding the day when the resolution on the issuance or disposal of the Company's common stock is made by the Company's Board of Directors (or, if there is no closing of trading of the stock on that day, the closing price on the day when such trading is closed immediately before).

On the other hand, if, as remuneration under this Proposition, the Company provides monetary claims as assets subscribed in kind for the acquisition of shares the Company's common stock, the Eligible Members of the Board shall tender all monetary claims provided under the Plan as assets subscribed in kind based on a

resolution of the Company's Board of Directors, and receive the issuance or disposal of the shares of the Company's common stock. In such cases, the amount to be paid in per share will be determined by the Board of Directors within a range that is not particularly advantageous to the Eligible Members of the Board who will receive such shares of common stock, based on the closing price of the Company's common stock at the Tokyo Stock Exchange on its business day preceding the day when the resolution on the issuance or disposal of the Company's common stock is made by the Company's Board of Directors (or, if there is no closing of trading of the stock on that day, the closing price on the day when such trading is closed immediately before).

The total number of shares of the Company's common stock to be issued or disposed of to Eligible Members of the Board will be within 1,200,000 shares per year (provided, however, that in the event of a stock split (including gratis allotment of shares of the Company's common stock) or stock consolidation or in other cases where it becomes necessary to adjust the total number of shares of the Company's common stock to be issued or disposed of as restricted stock after the approval of this Proposition, necessary adjustments shall be made within a reasonable range).

Further, the specific timing of such provisions and the allocations to Eligible Members of the Board will be determined by the Board of Directors after receipt of a report from the Governance Committee.

If Proposition No. 2 is approved as originally proposed, the number of Eligible Members of the Board will be six, effective from the close of the general meeting

The maximum amount of remuneration and total number of shares to be issued or disposed of under this Proposition or other conditions of granting restricted stock to Eligible Members of the Board under this Proposition are considered reasonable, based on the objectives stated above, the Company's business performance, and the Company's decision-making policy for determining the details of individual remuneration to members of the Board, and other circumstances. (If this Proposition and Proposition No. 5 are approved as originally proposed, the Company plans to revise the policy in line with the approved content, as described in the [Reference] section below.)

If this Proposition is approved as originally proposed, the Company also plans to introduce a similar restricted stock remuneration plan for vice presidents who do not concurrently serve as members of the Board, fellows, and directors.

The issuance or disposal of shares and the granting of monetary claims under this Proposition will be subject to the conclusion of a restricted stock allotment agreement (the "Allotment Agreement") between the Company and the Eligible Members of the Board, which will include the following conditions.

[Overview of the Restricted Stock Allotment Agreement]

(1) Transfer Restriction Period

For a period determined in advance by the Board of Directors, ranging from 3 to 30 years starting from the allotment date ("Transfer Restriction Period"), the shares allotted ("Allotted Shares") may not be transferred, pledged, or otherwise disposed of by the Eligible Members of the Board ("Transfer Restriction").

(2) Treatment upon Resignation or Retirement

If an Eligible Member of the Board resigns or retires from a position of an officer or an employee of the Company or its subsidiary specified by the Board of Directors before the expiration of the Transfer Restriction Period, the Company shall acquire the Allotted Shares without compensation, except in the case of expiration of term, death, or other just cause.

(3) Lifting of Transfer Restrictions

Notwithstanding item (1) above, the Company will lift the Transfer Restriction on all Allotted Shares upon expiration of the Transfer Restriction Period, provided the Eligible Member of the Board has continuously held the position of an officer or an employee of the Company or its subsidiary specified by the Board of Directors during that period. In the event of resignation or retirement from positions set forth in (2) above due to expiration of term, death, or other just cause set forth in (2) above before the end of the Transfer Restriction Period, the number of shares and timing of lifting the restriction shall be reasonably adjusted. Any Allotted Shares not subject to lifted restrictions shall be acquired without compensation.

(4) Treatment in the Event of Organizational Restructuring

Notwithstanding item (1) above, if, during the Transfer Restriction Period, matters related to mergers (where the Company becomes the absorbed entity), share exchanges or transfers (where the Company becomes a wholly owned subsidiary), or other reorganization are approved at the general meeting of stockholders (or the Board of Directors if stockholder approval is not required), the Company may, by resolution of the Board of Directors, lift the Transfer Restriction on a reasonable portion of Allotted Shares prior to the effective date of the reorganization, based on the elapsed period. Any remaining restricted shares shall be acquired without compensation.

(5) Other Matters

Other matters concerning the Allotment Agreement shall be determined by the Board of Directors.

[Reference] Policy for Determining the Details of Individual Remuneration to Members of the Board

If Propositions No. 5 and No. 6 are approved as originally proposed, the Company plans to revise its policy for determining the details of individual remuneration to members of the Board as follows:

(i) Basic policy

To lead to improvements in the Toray Group's mid- to long-term corporate value and sustainable growth, Toray has established a remuneration system for members of the Board. With respect to the policy for the remuneration system for members of the Board, in addition to matters stipulated by laws and regulations, the decision-making rights on important matters are reserved by the Board of Directors based on the Authority of Top Management. Particulars of the agenda regarding remuneration for members of the Board at the general meeting of stockholders, and the formulation and revision of important internal regulations, as well as individual remuneration to members of the Board, are determined by resolution of the Board of Directors. The remuneration system for members of the Board is continually reviewed by the Governance Committee.

(ii) Composition and level of remuneration

Given their roles, remuneration for internal members of the Board consists of basic remuneration which is a fixed amount, as well as a performance-based remuneration, including bonus which takes into account the consolidated business results for each fiscal year, etc., and restricted stock remuneration, which are linked to medium- to long-term business results. Given their roles, remuneration for outside directors consists of basic remuneration only. The Company will aim to set remuneration at a level that enables it to secure outstanding talent and enhance motivation for improved performance, referring to the results of a survey of other companies' remuneration for members of the Board by an external third-party organization. The ratio between performance-linked and non-performance-linked remuneration

will be adjusted, referencing the same third-party surveys and reviews by the Governance Committee, to enhance incentive effects. Through these efforts, the Company will aim to establish a well-balanced remuneration structure, comprising basic remuneration, bonuses, and restricted stock remuneration that supports management from a medium- to long-term perspective.

(iii) Basic remuneration

With respect to basic remuneration, the maximum limit of total remuneration is determined at general meetings of stockholders as a total amount of basic remuneration and bonuses. Particulars of the agenda at the general meeting of stockholders are determined by the Board of Directors following a report from the Governance Committee. Within the scope of the maximum limit, basic remuneration to each member of the Board is determined by the Board of Directors after the Governance Committee makes a report to the Board of Directors. Basic remuneration consists of monthly remuneration of a fixed amount.

(iv) Bonuses

Bonuses will be paid to internal members of the Board based on the Company's performance for each fiscal year. The maximum total amount for basic remuneration and bonuses will be determined by resolution at the general meeting of stockholders. The Proposition to be submitted to the general meeting will be determined by resolution of the Board of Directors, based on a report from the Governance Committee. Whether to pay bonuses and the total amount thereof for each fiscal year will be determined by resolution of the Board of Directors, based on a report from the Governance Committee, considering of consolidated core operating income, which best reflects the results of the Company's global operations, and with a view to strengthening performance incentives by increasing the proportion of bonuses within the total remuneration. Bonuses for individual internal members of the Board will be evaluated based on indicators such as consolidated core operating income, budget achievement of their responsible divisions, progress on medium-term management issues, and engagement with individual challenges, and will be determined by resolution of the Board of Directors, based on a report from the Governance Committee. Bonuses are to be paid at a certain time every year.

(v) Restricted stock remuneration

To incentivize internal members of the Board to strive for sustainable enhancement of corporate value and to promote further value sharing with stockholders, the Company will grant restricted stock remuneration to internal members of the Board. The maximum total amount of remuneration and the maximum number of restricted shares to be allocated to internal members of the Board will be determined by resolution at the general meeting of stockholders. Particulars of the agenda at the general meeting of stockholders are determined by the Board of Directors following a report from the Governance Committee. Within that limit, the total number of restricted shares to be allocated to each internal member of the Board shall be determined at the Board of Directors meeting based on the standards determined by the Board of Directors after the Governance Committee makes a report to the Board of Directors. A base amount of remuneration for each internal member of the Board that is used for calculation shall be determined at the Board of Directors meeting after the Governance Committee makes a report to the Board of Directors. Restricted stock remuneration is granted at a certain time every year.

(vi) Others

At the 130th Ordinary General Meeting of Stockholders, the payment of retirement allowances to members of the Board for termination resulting from the abolition of the retirement allowance program for members of the Board was resolved. It was also resolved that retirement allowances were to be paid to internal members of the Board in office at the close of the said general meeting for the services they rendered up to the close of the said general meeting. The retirement allowance to be paid to each internal member of the Board is determined based on a resolution at a Board of Directors meeting after the 130th Ordinary General Meeting of Stockholders. The retirement allowance is paid at the time of retirement of each internal member of the Board.

Business Report (from April 1, 2024 to March 31, 2025)

1. Review of Operations of Toray Group

(1) Operations and Results for the Period

The Business Environment and Trends in Revenue and Profitability

	FY 2024	Year-on-year changes
Revenue	2,563.3 billion yen	4.0%
Core operating income	142.8 billion yen	39.1%
Operating income	127.5 billion yen	121.1%
Profit attributable to owners of parent	77.9 billion yen	255.8%

During the period under review, the global economy continued to recover, despite stagnation in some parts of Europe, on the back of strong U.S. economy. The recovery in the Chinese economy remained at a standstill, though the effects of economic stimulus measures were also visible. The Japanese economy continued to recover gradually.

Under such circumstances, Toray Group starting from fiscal 2023 has been promoting its Medium-Term Management Program “Project AP-G 2025,” aiming to achieve sound, sustainable growth through the implementation of five basic strategies of “Sustainable Growth,” “Ultimate Value Creation,” “Product and Operational Excellence,” “Enhancement of People-Centric Management,” and “Risk Management and Governance.”

As a result, consolidated revenue for the fiscal year ended March 31, 2025, compared with the previous fiscal year, increased 4.0% to ¥2,563.3 billion, and core operating income (Note) rose 39.1% to ¥142.8 billion. Operating income increased 121.1% to ¥127.5 billion and profit attributable to owners of parent rose 255.8% to ¥77.9 billion.



Fibers & Textiles (Manufacture, processing, and sale of yarns, staple fibers, spun yarns, and woven and knitted fabrics made from nylon, polyester, acrylic, and other materials; nonwoven fabrics; artificial leather; and apparel products)

	FY 2024	Year-on-year changes
Revenue	1,011.1 billion yen	3.7%
Core operating income	64.2 billion yen	17.3%

The apparel applications were strong overall, despite the stagnation in the European market, and the continued impact of the intensified competition with overseas products.

The industrial applications fell short of a full recovery especially in the automobile applications, due to the impact of the safety test scandals of Japanese automobile manufacturers and the stagnant European market. The applications were also affected by the intensified competition in the Chinese EV market.

As a result, revenue of the overall Fibers & Textiles segment, compared with the previous fiscal year, increased 3.7% to ¥1,011.1 billion, and core operating income rose 17.3% to ¥64.2 billion.





Performance Chemicals (Manufacture, processing, and sale of resins such as nylon, ABS, PBT, and PPS, and resin-molded products; polyolefin foams; films and processed film products made from polyester, polyethylene, polypropylene, and other materials; raw materials for synthetic fibers and plastics; fine chemicals; electronic and information materials; and imaging materials.)

	FY 2024	Year-on-year changes
Revenue	944.9 billion yen	6.6%
Core operating income	60.0 billion yen	63.6%

In the resins and chemicals businesses, while the resins business was affected by the production decline in the Japanese automobile industry, demand recovered in the non-automobile applications for China and ASEAN.

The films business saw increase in electronic parts-related demand due to rebound from inventory adjustment in the supply chain.

In the electronic & information materials business, there was recovery in demand for OLED-related materials and circuit materials.

As a result, revenue of the overall Performance Chemicals segment, compared with the previous fiscal year, increased 6.6% to ¥944.9 billion, and core operating income rose 63.6% to ¥60.0 billion.



Carbon Fiber Composite Materials (Manufacture, processing, and sale of carbon fibers, carbon fiber composite materials, and molded products)

	FY 2024	Year-on-year changes
Revenue	300.0 billion yen	3.3%
Core operating income	22.5 billion yen	70.7%

The aerospace applications recovered steadily. Among the industrial applications, while wind turbine blade applications continued to recover gradually, other applications entered an adjustment phase.

As a result, revenue of the overall Carbon Fiber Composite Materials segment, compared with the previous fiscal year, increased 3.3% to ¥300.0 billion, and core operating income rose 70.7% to ¥22.5 billion.



Environment & Engineering (Manufacture, processing, and sale of functional membranes for water treatment and related equipment; integrated engineering services; condominiums; industrial machinery; and housing, construction, and civil engineering materials)

	FY 2024	Year-on-year changes
Revenue	236.5 billion yen	(3.1)%
Core operating income	25.9 billion yen	11.6%

The water treatment business posted an increase in both revenue and core operating income, on the back of strong demand, as well as shipments for a large-scale project in the Middle East, despite the impact of the stagnant market condition in China. The engineering business remained steady overall, though revenue of a Japanese engineering subsidiary decreased due to shift in project timing.

As a result, revenue of the overall Environment & Engineering segment, compared with the previous fiscal year, decreased 3.1% to ¥236.5 billion, while core operating income rose 11.6% to ¥25.9 billion.





Life Science (Manufacture, processing, and sale of pharmaceuticals, medical devices, and related products)

	FY 2024	Year-on-year changes
Revenue	53.2 billion yen	1.8%
Core operating income	(0.8) billion yen	—

The pharmaceutical business was affected by the impact of the penetration of the generic versions, the NHI drug price revision, and the stagnant overseas sales volume.

In the medical devices business, shipment of dialyzers for hemodiafiltration was steady in Japan and overseas, but the business was affected by the soaring prices of raw materials.

As a result, revenue of the overall Life Science segment, compared with the previous fiscal year, increased 1.8% to ¥53.2 billion, while core operating loss narrowed by ¥0.6 billion to ¥0.8 billion.



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

[Capital Expenditures]

We invest in growth with the aim of achieving “sound, sustainable growth.” The following are major investments in production facilities that have been implemented during the business year.

- 1) Major production facilities completed during the year:

Fibers & Textiles:

Expansion of production facilities for Alcantara® (Phase 2) (at Alcantara S.p.A.)

Carbon Fiber Composite Materials:

Expansion of production facilities for carbon fiber (at Zoltek de Mexico, S.A. de C.V.)

- 2) Expansion of major production facilities under construction during the year:

Performance Chemicals:

Expansion of production facilities for polypropylene film (at Nasu Plant)

Carbon Fiber Composite Materials:

Expansion of production facilities for carbon fiber (at Toray Composite Materials America, Inc.)

Carbon Fiber Composite Materials:

Expansion of production facilities for carbon fiber (at Toray Advanced Materials Korea Inc.)

Carbon Fiber Composite Materials:

Expansion of production facilities for carbon fiber (at Toray Carbon Fibers Europe S.A.)

[Financing Activities]

Toray Group raised funds mainly in the form of bank loans during the business year.

[Results and progress with R&D aimed at solving issues]

Toray Group invests continuously in research and technological development and works to create innovation for sustainable growth in the future under its corporate philosophy of “Contributing to society through the creation of new value with innovative ideas, technologies and products.”

<Fibers & Textiles>

Recipient of the Ichimura Prize in Industry for Outstanding Achievement for “Ultraprecise Composite Spinning Technology for High-Performance, Comfortable Fiber Materials”

The ultraprecise composite spinning technology developed by the Company for high-performance, comfortable fiber materials has received the highest honor, the Ichimura Prize in Industry for Outstanding Achievement, in the 57th (FY2024) Ichimura Prize in Industry, presented by the Ichimura Foundation for New Technology.



The award recognizes the Company’s development of its proprietary composite spinning technology, NANODESIGN®, and the successful industrialization of new high-performance fibers utilizing this technology. The technology enables the composite spinning of raw materials that were previously difficult to combine, including the use of multiple types of raw materials, and achieves high-performance new materials through the synergy of precisely controlled fiber cross-sections and material properties. This technology is being applied not only in apparel, but also in a wide range of fields from industrial materials to life sciences.

<Field of resins in Performance Chemicals> Toray Group developed spherical polyamide 4 microparticles with marine biodegradability

The Group has newly developed spherical polyamide 4 microparticles with marine

biodegradability (Note). Microplastic beads used in cosmetics and facial cleansers can pass through wastewater treatment and filtration systems and end up in the ocean, posing significant environmental challenges in terms of biodiversity and marine pollution. Regulatory measures are already being introduced around the world. By leveraging our proprietary polyamide microparticle technology developed through years of research and technical innovation, we have succeeded in miniaturizing and shaping biodegradable polyamide 4 into spherical particles. Working in collaboration with cosmetics manufacturers, we have begun evaluating small-lot prototype samples. Moving forward, we will continue improving quality and establishing a mass production system based on customer feedback. We are also pursuing the development of biodegradable polymer microparticles made from biomass-derived raw materials, aiming to commercialize them in the future through ongoing research and technical development.

Note: Marine biodegradability: Confirmed over 90% marine biodegradation in 120 days under ASTM D6691 testing.

<Field of films in Performance Chemicals> Toray Group developed a high-voltage capacitor film with 150°C heat resistance that contributes to the downsizing and weight reduction of inverters

Using proprietary polymer design technology and biaxial stretching techniques, the Group has developed a high-voltage capacitor film with heat resistance up to 150°C. Film capacitors, which play a key



role in stabilizing the operation of motor drive systems (inverters) used in applications such as fuel cell vehicles, benefit significantly from this innovation. By utilizing 150°C heat-resistant film capacitors made with this new film, it becomes possible to reduce the size and weight of inverters equipped with silicon carbide (SiC) power semiconductors. This

contributes to improving energy efficiency in electric mobility applications—including EVs, ships, and UAM (Urban Air Mobility)—as well as industrial machinery, thereby helping to address social challenges such as achieving a decarbonized society and improving logistics efficiency. This development is being advanced toward practical application with support from NEDO (New Energy and Industrial Technology Development Organization).

<Field of electronic & information materials in Performance Chemicals>

Toray Group developed high-speed optical semiconductor packaging technology that contributes to the expansion of silicon photonics

With the advancement of AI, efforts are underway to reduce the increasing power load of data centers by applying optical communication, characterized by lower energy loss compared to electrical communication, within data center infrastructure. To support this shift, we have developed materials and technology for mounting optical semiconductors, such as indium phosphide (InP), onto silicon substrates for use in optical communication technologies like silicon photonics.

<Carbon Fiber Composite Materials>

Toray Group developed a track bike aimed at achieving the world's fastest speed

Toray Carbon Magic Co., Ltd., a subsidiary of the Company, has applied its advanced mobility development technologies, cultivated through the design of high-performance vehicles such as racing cars, to develop an innovative track bike that pursues the highest levels of performance in both aerodynamics and structural integrity. The bike features a composite structure that efficiently incorporates high-strength, high-modulus carbon fibers (T1100G, M40X, M46X). This cutting-edge design delivers unmatched athletic performance and handling, contributing to top finishes by Japanese national team athletes at international track cycling

competitions held in Paris, as well as a gold medal victory at the World Championships.

<Environment & Engineering>

Toray Group developed a high-efficiency ultrafiltration membrane capable of reducing CO₂ emissions by over 30%

The Group has developed a new ultrafiltration (UF) membrane that achieves both high removal performance and permeability in wastewater reuse processes, enabling the long-term, stable production of high-quality water. As global water demand continues to rise, efforts are underway around the world to use reclaimed water as a source for drinking water and ultrapure water essential for semiconductor manufacturing. By quantitatively analyzing the nanopore formation process, we were able to precisely examine the membrane structure. Through precise control of polymer materials and the manufacturing process, we achieved both finer pore size and increased pore density, resulting in a new UF membrane with exceptional removal performance. This innovation is expected not only to reduce water production costs, but also to cut CO₂ emissions by over 30% by reducing the need to replace and dispose of RO membranes. We are currently preparing for mass production, aiming to launch the product in North America by the end of FY 2025, with plans to expand to other regions thereafter.

<Life Science>

Toray Group developed a high-efficiency separation membrane for use in pharmaceutical manufacturing processes

The Group has developed a high-efficiency separation membrane module for use in biopharmaceutical manufacturing processes. By reducing membrane clogging during production, the new module more than doubles filtration performance compared to conventional products. This advancement is expected to significantly improve both the yield and purity of

biopharmaceuticals. We are currently working to establish a mass production system, with the goal of launching the product within FY 2025.

<Toward the realization of carbon neutrality>

To realize efficient CO₂ separation and recovery required in natural gas field development, we are advancing the development of an all-carbon CO₂ separation membrane. By enhancing Toray's proprietary hollow fiber spinning technology and thin-layer



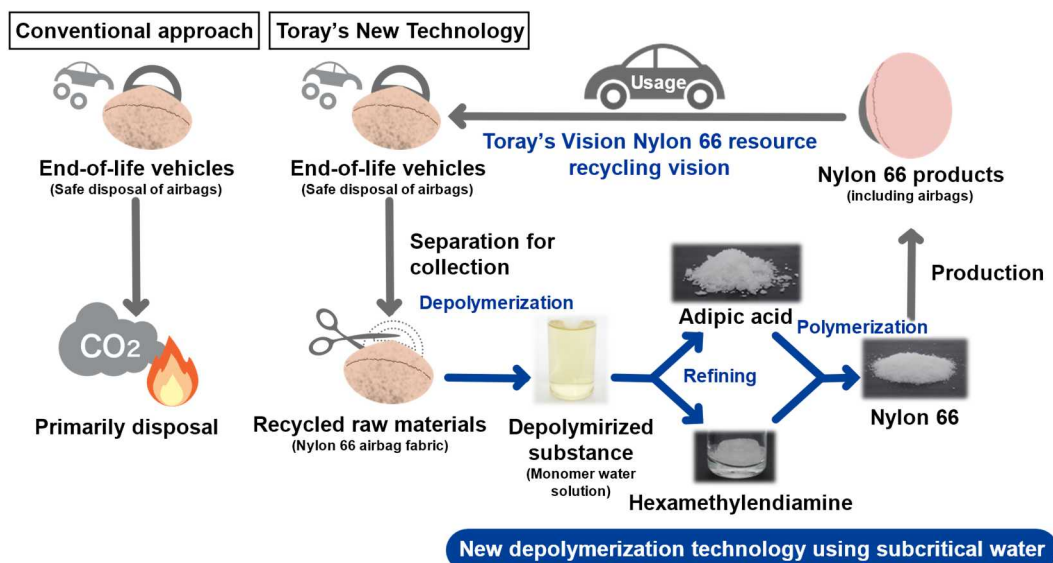
coating techniques, we have established a continuous and stable membrane fabrication process and made progress in developing the core technology for producing membrane elements, which are bundles of CO₂ separation membranes.

Going forward, we will utilize newly introduced pilot facilities to establish mass production technologies, while also accelerating efforts toward practical application through broad collaboration with partner companies, including biogas and natural gas developers, by conducting scale-up trials and demonstration testing.

<Efforts to realize a recycling-oriented society>

The Group has developed a new chemical recycling technology for nylon 66. Commonly used in automotive materials such as airbags and resin-molded components, nylon 66 has long been considered difficult to chemically recycle. However, through the application of our proprietary depolymerization technology using subcritical water (see note), we have discovered a method to recover nylon 66 as monomer feedstock. Initially targeting automotive materials, we are working to establish technologies for separating mixed materials in used resources, depolymerizing nylon 66, and isolating and purifying the recovered monomers. Our goal is to have a sample work system in place by 2025 for quality verification and customer evaluation. Looking ahead to the potential regulatory enforcement of plastic recycling around 2030, we are preparing for full-scale mass production.

(Note): Subcritical water refers to high-temperature, high-pressure water just below its critical point (374°C, 22 MPa). In this state, water exhibits unique properties, such as the ability to dissolve and hydrolyze organic compounds, that differ from those of water at room temperature and atmospheric pressure.



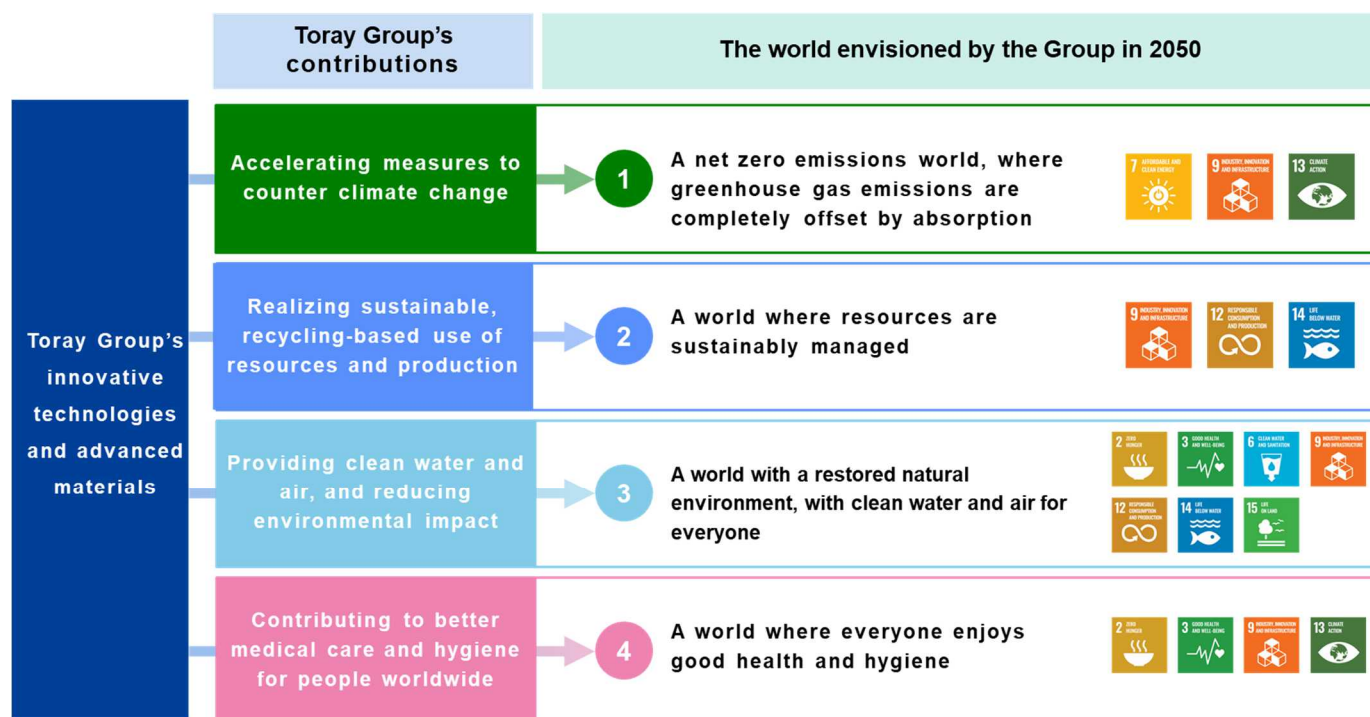
<The field of exploration>

In the field of exploration, we have established the Toray Taiwan Technical Center (TTTC) in Taiwan to strengthen our research, development, and technical service capabilities for advanced semiconductor-related technologies and materials—an area of growing importance within the global semiconductor supply chain. We have already begun collaborations with leading local companies in Taiwan. Our development initiatives include film materials such as release films for next-generation semiconductor packaging molds, multicore optical fibers for optoelectronic integration technologies, and high-urea-removal RO membranes designed to meet local needs for wastewater reuse in infrastructure applications. With the establishment of TTTC, we aim to reinforce partnerships with research institutions and universities, while also working closely with other Toray Group companies in Taiwan to accelerate the development of cutting-edge semiconductor-related technologies and materials. At the same time, we will offer timely technical proposals and services tailored to the specific needs of local customers.

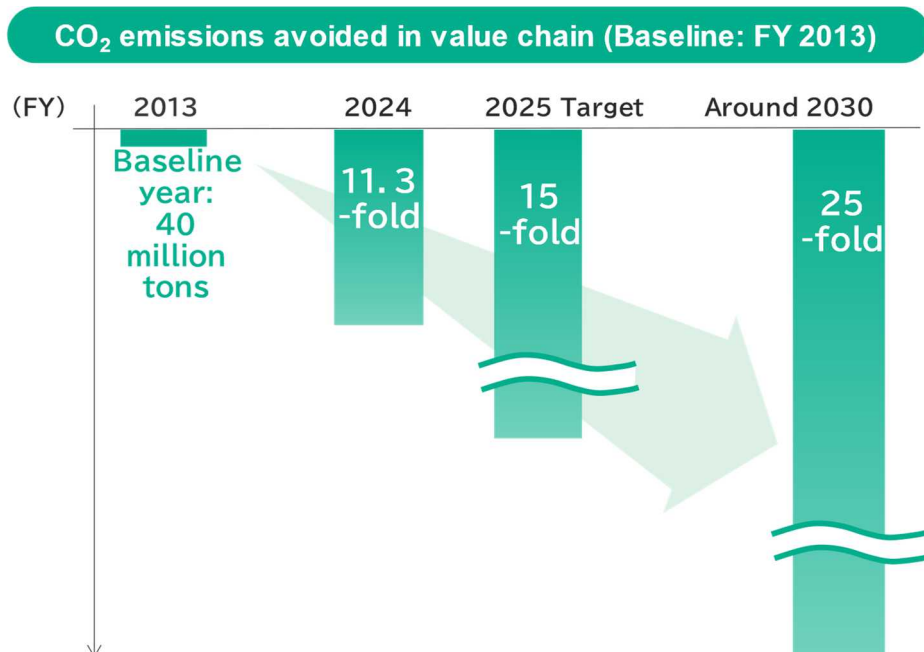
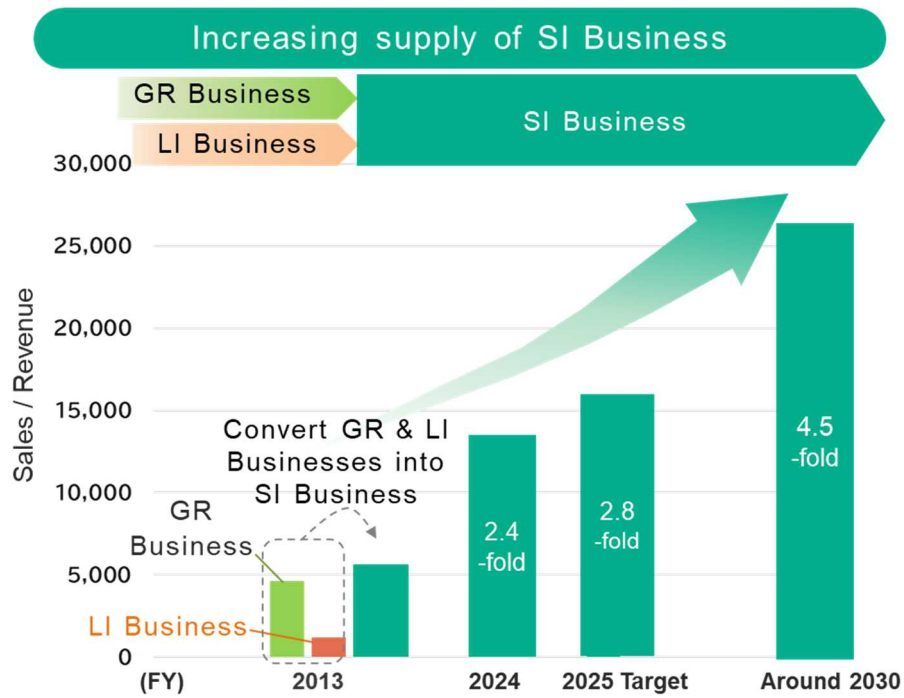
(2) Issues to be Addressed

Toray Group Sustainability Vision

Toray Group makes it its own mission to deliver innovative technologies and advanced materials that provide real solutions to the challenges the world faces with balancing development and sustainability, such as global population growth, aging demographics, climate change, water scarcity, and resource depletion. In order to address these issues, the Group established Toray Group Sustainability Vision which defines the world envisioned by the Group in 2050, Toray Group's contributions to realize the world, and quantitative targets for FY 2030 (KPI).



Quantitative targets for FY 2030 and progress thereof



Medium-Term Management Program, Project AP-G 2025

While the business environment has been rapidly changing, requiring multifaceted risk management, increasing need for sustainability measures and advancement of digital technology represent an increased profit opportunity for Toray Group that provides innovative technologies and advanced materials to help address global issues.

For challenges such as “expanding business and improving profitability” and “improving asset efficiency,” the Medium-Term Management Program, Project AP-G 2025 aims to achieve sound and sustainable growth by promoting five basic strategies, centering on Sustainability Innovation (SI) Business (Note), and Digital Innovation (DI) Business, which sees the advancement of digital technology as a profit opportunity. In addition, the Group will continue to maintain and enhance financial soundness.

Note: Sustainability Innovation (SI) Business: Group of businesses or products that can help realize the Toray Group Sustainability Vision

Five Basic Strategies of Project AP-G 2025

Seizing Profit Opportunities

Strategy 1. Sustainable growth

Focusing management resources on Sustainability Innovation Business and Digital Innovation Business

Strategy 2. Ultimate value creation

Maximizing profitability by making the most of tangible and intangible assets, and by collaborating with external partners

Strategy 3. Product and operational excellence

Promoting cross-organizational cost reduction activities leveraging enhancement of quality strength and organizational strength, which are the sources of competitiveness

Strengthening the Management Foundation

Strategy 4. Enhancement of people-centric management

Preserving and further building upon the legacy of our corporate culture, which prioritizes developing people, while promoting individual career development, and improving job satisfaction

Strategy 5. Risk management and governance

Ensuring sound organizational management by enhancing internal controls and improving management capabilities

(Status of progress towards achieving financial and non-financial targets under Project AP-G 2025)

	FY 2023 Actual	FY 2024 Actual	AP-G 2025 FY 2025 Target
Revenue	2,464.6 billion yen	2,563.3 billion yen	2,800.0 billion yen
Core Operating Income	102.6 billion yen	142.8 billion yen	180.0 billion yen
Core Operating Margin	4.2%	5.6%	6%
ROIC (after Tax) *1	2.8%	4.4%	About 5%
ROE	1.3%	4.5%	About 8%
Free Cash Flow	64.7 billion yen	191.8 billion yen	Positive (3-year total)
D/E Ratio	0.55	0.49	0.7 or lower (guideline)

Assumed exchange rate in AP-G 2025: ¥125 / US\$

*1: Core Operating Income after Tax / Average Invested Capital

	FY 2013 Actual (Baseline) (JGAAP)	FY 2024 Actual (Baseline: FY 2013) (IFRS)	FY 2025 Target (Baseline: FY 2013) (IFRS)
Revenues from Sustainability Innovation Business*1	562.4 billion yen	1,368.9 billion yen (2.4-fold)	1,600.0 billion yen (2.8-fold)
CO₂ emissions avoided in value chain*2	40 million tons	11.3-fold	15.0-fold
Water filtration throughput contribution by Toray's water treatment Membranes*3	27.23 million tons /day	2.9-fold	2.9-fold
Greenhouse gas emissions per unit of revenue in production activities*4*6*7	356 tons /100 million yen	43% reduction	40% reduction
Greenhouse gas emissions of Toray Group in Japan*5*6*7	2.45 million tons	28% reduction	20% reduction
Water usage per unit of revenue in production activities*7	14,693 tons /100 million yen	38% reduction	40% reduction

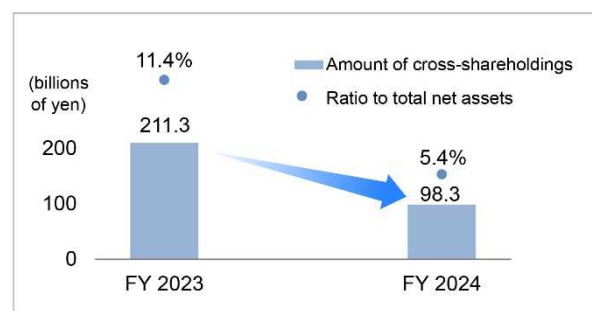
Notes:

- (1) Products that accelerate measures to counter climate change; (2) products that facilitate sustainable, recycling-based use of resources and production; (3) products that help provide clean water and air and reduce environmental impact; and (4) products that help deliver better medical care and hygiene for people worldwide.
- Toray calculates the CO₂ emissions reduced throughout the value chain of products in accordance with the chemical sector guidelines of the Japan Chemical Industry Association, the International Council of Chemical Associations (ICCA), and the World Business Council for Sustainable Development (WBCSD).
- Water treated annually with Toray water treatment membranes. It is calculated by multiplying the amount of freshwater that the Toray membranes can produce per day, including reverse osmosis (RO), ultrafiltration (UF) and membrane separation bioreactors (MBR), by the number of membrane elements sold.
- With the use of renewable energies and other zero emission power sources rising worldwide, the Toray Group aims to employ zero-emission power sources at a rate equivalent to or better than the targets in each country by FY 2030.
- In Japan, Toray works to surpass the reduction target set for the industrial sector by the Japanese government (absolute emissions reduced by 38% by FY 2030) in its comprehensive plan (Cabinet decision on October 22, 2021) based on Japan's Act on Promotion of Global Warming Countermeasures.
- In accordance with the GHG Protocol, the international calculation standard, we calculate the emissions by multiplying the degree of financial control Toray Industries has over subsidiaries.
- The calculation includes data for companies that joined the Toray Group in FY 2014 or later.

Reducing cross-shareholdings

In order to accelerate capital efficiency improvements, on May 13, 2024, the Company announced its policy to reduce cross-shareholdings by 50%, or approximately ¥100 billion, over the three-year period from FY 2024 to FY 2026, and to allocate all proceeds from these sales to share buybacks.

As of March 31, 2025, the total amount of cross-shareholding on the balance sheet was ¥98.3 billion and ratio to the total net assets (consolidated) was 5.4% (¥152.5 billion or 8.4% if deemed shareholdings are included).



Future outlook for the Fiscal Year Ending March 31, 2026

The global economy, which was in a gradual recovery phase, is facing a growing risk of entering a downturn phase triggered by the imposition of reciprocal tariffs by the U.S. under the Trump administration. There are also concerns of an economic slowdown in the Japanese economy, caused by a decline in exports and intensifying competition with China. Furthermore, instabilities in the stock and foreign exchange markets triggered by the imposition of the tariffs also pose concerns.

The industry trends surrounding Toray Group are in the midst of major changes, including the increasing need for sustainability measures, technological innovation through AI and other digital technologies and digitalization, and impact on supply chain of the U.S. trade policies. In addition, geopolitical risks are continuously increasing, such as the promotion of national economic security and fragmentation of the global economy. It is important to steadily and swiftly seize opportunities to create new value through business activities while performing multifaceted risk management preparing for uncertainties. The Group is committed to contributing to the solution of global social issues by making the most of its strengths such as its innovative technologies, advanced materials, and global business foundation, and achieving sustainable growth by implementing capital investments, research and technology development, and human resource development from a medium- to long-term perspective, while realizing our corporate philosophy “contributing to society through the creation of new value with innovative ideas, technologies and products.”

We hope all stockholders will grant continued understanding and support in the future.

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

