

Messages from Outside Directors



Kunio Ito
Outside Director

Q1 As chair of the Governance Committee, what contributions are you particularly focusing on?

I strive to ensure that the Committee engages in exhaustive discussions on all aspects of governance without being limited to nomination and remuneration matters, and I encourage its members to adopt such a no-holds-barred approach. As a result of these efforts, I am confident that discussions at the meetings of the Governance Committee have become more effective and influential.

Q2 What are your impressions of the progress made in the final year of the Medium-Term Management Program, Project AP-G 2025? What are your expectations for Toray in the next Medium-Term Management Program?

Including structural reforms for specific businesses and companies (Darwin Project), the Company has taken a hard line on evaluating low profitability businesses, and focuses on thoroughly restoring profitability. In addition, it is committed to winding up operations if necessary. In the next Medium-Term

Management Program, I expect management to enhance capital efficiency by leveraging such tense business assessments and support, while also diving deeper into the existing businesses and creating value in the growth businesses.

Q3 The capital markets are beginning to appreciate the changes in Toray's management. How do you feel about the changes in management and the nature of discussions at the Board meetings? What do you think is needed to further accelerate the pace of transformation?

I have asked the Board to receive unserved reports on the valuations of the capital markets and welcome the opinions received during IR meetings and SR meetings with an open mind, accepting what should be accepted. As senior management is also actively engaging in dialogue with the capital markets, I appreciate the Company is moving in the right direction. I want to see a greater focus on engagement with investors going forward. To accelerate the pace of transformation, in addition to faster decision-making and decisive execution within each business division, I

believe that senior management needs to demonstrate leadership. If it is determined that a level of capital efficiency that outweighs capital costs cannot be achieved in the medium-term, management should be prepared to replace department heads or discontinue businesses. The Board also wants to support this approach.



Susumu Kaminaga
Outside Director

Q1 The capital markets are beginning to appreciate the changes in Toray's management. In light of this, what have you recommended and contributed to the Board of Directors and the Governance Committee?

I have recognized the fact that Toray's business involves promoting research and development of new materials, product commercialization, and further business development, thereby contributing to the creation of new industries. Since it takes time to produce superior materials, the Company needs to approach all of this from a medium- to long-term perspective. It is critical that this point is clearly explained to external stakeholders and from time to time we make the announcements of milestone achievements throughout the process to gain

their understanding and support. From this perspective, I have pointed out the importance of external communication at Board and Governance Committee meetings. I believe that the proactive efforts made by the executive team to communicate information through IR events and the like since last year have been evaluated in a positive light. At the same time, I have pointed out that to consolidate the evaluation, improving business performance—specifically, boosting revenue and the core operating income margin—is fundamental for the improvement of various management indicators. I have also pointed out that it is crucial to promptly commercialize R&D outcomes and translate them into profit, while maintaining a steadfast focus on medium- to long-term initiatives. I believe such opinions contribute to the Company's management as a recommendation based on

the insights and experience I have gained from years of serving as a top executive and outside director at other companies.

Q2 What are your impressions of the progress made in the final year of AP-G 2025? What are your expectations for Toray in the next Medium-Term Management Program?

As Toray enters the final year of AP-G 2025 amid a rapidly changing business environment, I have realized that responding to external changes while achieving the targets of the AP-G 2025 is testament to the strength of a corporation and the very purpose of management. From that perspective, I understand that a Company-wide effort is being made, but it seems there is still room to apply our wisdom in formulating

the ultimate action plan to achieve the targets. Also, in the next Medium-Term Management Program, I expect to see significant advancements based on the assets accumulated through past capital investments and R&D investments. To this end, numerical targets based on ambitiously accumulated numbers are certainly important, but it is even more crucial to incorporate a kind of roadmap, which outlines how Toray intends to contribute to society through new products and new businesses utilizing the assets the Company has built. I think a Medium-Term Management Program that reflects this would be more effective.

Q3 What kind of advice do you provide at Board meetings to enhance Toray's corporate value?

I repeatedly point out that building

collective strength by connecting across different business divisions under the strategy of providing various materials to meet broad-ranging demand is crucial to further enhancing corporate value. Specifically, even during discussions regarding individual business-specific matters, I provide advice on how management should consider the connections and synergies with other businesses, how to evaluate them from a Company-wide perspective, and whether there is an intention to merge the strengths of each business division to develop new applications and offer them to customers. I believe that this approach directly leads to not only higher revenue and core operating income but also creation of new business models that contribute to society, thereby generating new corporate value for Toray.



Yuko Harayama
Outside Director

Q1 The Company is promoting "strategic pricing" and "creation of innovation" across the organization. What do you think is needed to further accelerate the creation of innovation?

Toray takes pride in outstanding capabilities in R&D, sales & marketing, and production engineering, as well as an innovation capability to provide groundbreaking new materials to society through the combination of these strengths. The principle of "combining these strengths" is not obvious; it begins with discovering a new

version of yourself by not clinging to past successes, stepping out of your comfort zone, and gaining the trust of others. As a foundation for creating innovation, I recommend starting with this kind of daily training.

Q2 What are your impressions of the progress made in the final year of AP-G 2025? What are your expectations for Toray in the next Next Medium-Term Management Program?

The Action Program for Growth (AP-G)

serves as a driving force for the organization to come together and ensure that results are achieved. On the other hand, as geopolitical risks and uncertainty increase and the pace of environmental changes accelerates, the conventional growth strategies and planning methods based on the steady-state assumption will be limited in their effectiveness. More than ever before, resilience against unforeseen circumstances, the ability to respond swiftly, and flexibility will be put to the test. Under these conditions, the key is to strengthen one's judgment and ability to take action, and enhance

human agency. Investment in people is the foundation of this, and I hope that the next Medium-Term Management Program will look to strengthen this area.

Q3 Considering the expectations placed on you as an outside director, what kind of advice do you provide at Board meetings?

The role of an outside director is to observe the inner workings of an organization from an external point of view. As the flow of information intensifies daily and we are influenced by the waves of

various information, there is a growing tendency to rely on external agents even for decision-making due to the spread of AI. This represents a door that opens up new possibilities for humanity, as well as the first step toward a world without precedence. What we envision beyond this point is entrusted to our judgment as members of society today. I intend to contribute to this discussion from the perspective of future society and how Toray, as a social organization, should chart a course going forward.